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PROCEEDINGS AND DEBATES OF THE 93^{d} CONGRESS, SECOND SESSION

SENATE—*Thursday, April 4, 1974*

The Senate met at 10:30 a.m. and was called to order by Hon. SAM NUNN, a Senator from the State of Georgia.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Eternal Father, we open our hearts to Thee and lift up our eyes to the everlasting hills, remembering that our help comes from the Lord who made heaven and earth. May the music of the wind and singing streams minister to our taut nerves, our tension-torn minds and our dutybound spirits. Deliver us from bondage to desk pads and appointment calendars lest we miss the glory of springtime and the renewal of life. Help us to do our work well and to do it to Thy glory.

O Lord, keep our hearts in warm fellowship with our colleagues. Keep our ears open to the voice of the people. Preserve our souls as the dwelling place of Thy spirit. Amid all that is finite and temporal keep us in tune with the infinite and the eternal.

We pray in Jesus' name. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., April 4, 1974.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. SAM NUNN, a Senator from the State of Georgia, to perform the duties of the Chair during my absence.

JAMES O. EASTLAND,
President pro tempore.

Mr. NUNN thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Wednesday, April 3, 1974, be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

DOCUMENTATION OF VESSEL "MISS KEKU" AS A VESSEL OF THE UNITED STATES

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate turn to the consideration of Calendar No. 740, H.R. 12627.

The ACTING PRESIDENT pro tempore. The clerk will state the bill by title.

The assistant legislative clerk read the bill (H.R. 12627) by title, as follows: An act to authorize and direct the Secretary of the department under which the U.S. Coast Guard is operating to cause the vessel *Miss Keku,* owned by Clarence Jackson of Juneau, Alaska, to be documented as a vessel of the United States so as to be entitled to engage in the American fisheries.

The ACTING PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that Calendar No. 739, S. 3038, be indefinitely postponed.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider nominations on the Executive Calendar.

There being no objection, the Senate proceeded to consider executive business.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

The ACTING PRESIDENT pro tempore. The clerk will state the first nomination.

The second assistant legislative clerk read the nomination of James L. Mitchell, of Illinois, to be Under Secretary of Housing and Urban Development.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

NATIONAL CREDIT UNION BOARD

The second assistant legislative clerk read the nomination of James W. Jamieson, of California, to be a member of the National Credit Union Board.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

FARM CREDIT ADMINISTRATION

The second assistant legislative clerk proceeded to read nominations in the Farm Credit Administration.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that those nominations be considered en bloc.

The ACTING PRESIDENT pro tempore. Without objection, the nominations are considered and confirmed en bloc.

LEGISLATIVE SESSION

By unanimous consent the Senate resumed the consideration of legislative business.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. The Senator from Pennsylvania.

Mr. HUGH SCOTT. Mr. President, I yield back my time.

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Minnesota (Mr. MONDALE) is recognized for not to exceed 15 minutes.

NATO ANNIVERSARY

Mr. MONDALE. Mr. President, in this city 25 years ago, the North Atlantic Treaty was signed. Today marks a quarter century of the great Atlantic Alliance which the Secretary of State recently called the "cornerstone of American foreign policy."

Yet what a sad birthday it is. The President's trip to Europe has been canceled. The "Year of Europe" has turned into a bad joke. The President lashes out at the Allies in a way he has been careful never to do with our adversaries. The disillusion and disarray in the alliance has never been more profound; and the prospects of real European unity perhaps never more remote.

The concept of a partnership across the Atlantic between the United States and a strong and united Europe is a fading dream. The reality is that our relations have deteriorated to the point where our economic well-being and economic security may be jeopardized.

We do not have the necessary cooperation of our allies to solve pressing international economic problems, nor do we have their full support in dealing with the Soviets. At the same time, our relationship with the Soviets is not about to replace our allies—not for solving our economic problems—not for insuring our security—and certainly not for cultivating a political environment that encourages democracy and human rights.

The sudden quiet that has descended in Europe after the recent outbursts by the administration should not mislead us. The concilatory posture of some allies can be chalked up not to contrition but to mystification over what the President was shouting about in the first place.

Nor should we take much satisfaction in having helped provoke further divisions within Europe. The dispute over consultation has not improved the trans-Atlantic dialog. The offer to consult with with us at nearly every step as the Europeans make up their mind was very generous. But it was bound to run into difficulty and certainly runs against the grain of unity. It is a little like trying to encourage a young couple to fall in love by never leaving them out of your sight.

We also should not expect that the passing of President Pompidou will fundamentally alter the current United States-European relationship. The present crisis cannot be blamed on France alone, however much we may differ with French policy.

President Pompidou moved France into closer cooperation with the Alliance and with its European partners, reversing the trend of General De Gaulle. We should pay tribute to President Pompidou for this statemanship. We should hope his successor will continue in this direction. But I fear that the policies and rhetoric of this administration will make reconciliation and cooperation even more difficult for the next generation of French leaders.

We need this cooperation because there are serious problems to be faced together with the Allies—more equitable trade, a stable monetary system, a sustainable defense posture and a constructive relationship with the less developed world and with Communist countries.

These challenges are recognized on both sides of the Atlantic. I believe the Europeans must assume a substantial part of the responsibility for dealing with us on these problems. We cannot solve them alone. But I also believe it is our responsibility to look at our own role in the current crisis.

If we do, two things stand out:

We paid far too little attention to the Atlantic Alliance during a decade of war in Asia.

We placed higher priority on negotiations with old adversaries than on refurbishing the allied relationships that were in a state of disrepair.

Is there any wonder then that the sudden rush of the "Year of Europe" was greeted with suspicion and even disbelief?

The real problems of the Alliance cannot be solved by rhetorical declarations or rewriting the NATO treaty for its 25th birthday. A start has to be made by answering first for ourselves, and then with our allies, some basic questions about our policy toward Europe.

Do we fear European unity or view it as a threat?

Do we see the détente with the Soviet Union as so strong that we now regard our troops in Europe primarily as bargaining chips in trade negotiations?

If we take the Soviet threat so lightly can we expect our allies to do more in their own defense let alone pay a significant economic or political price for our military resources?

I obviously cannot answer those questions for the administration.

But forthright answers would be the best gift to alleviate the moribund quality of this anniversary celebration. Otherwise I am afraid some profoundly dangerous conclusions may be reached.

That the administration prefers disorder among the Europeans to unity.

That we prefer to take care of our security interests in Europe through negotiations with the Soviets rather than compromise with our allies.

That our troops in Europe are in effect mercenaries, not to be counted upon for security and stability, but to be regarded as a source of political and economic pressure.

If these are the conclusions that are drawn on both sides of the Atlantic, I do not see how this cornerstone of American foreign policy can long survive. And I see nothing to take its place.

So it is a sober birthday. And I therefore call upon the administration to use this anniversary occasion to withdraw the gauntlet it has thrown down against our oldest allies, to clarify its policies, and to earnestly pursue the regeneration of the relationships with Europe on which both our economic welfare and fundamental security interests are founded.

Mr. President, along this line, I ask unanimous consent that an article appearing in yesterday's New York Times by James Reston appear at this point in the Record, followed by an editorial appearing this morning in the New York Times on the same subject.

There being no objection, the article and editorial were ordered to be printed in the Record, as follows:

Pompidou and the Old Alliance

(By James Reston)

Washington, April 2.—Men pass but nations and the problems of nations go on. Twenty-five years ago this week, the North Atlantic Treaty was signed in this capital, and since all the governments concerned seem to be fussing with each other these days, maybe somebody should celebrate the original idea.

The Atlantic idea was very simple. It was an apology for the spectacular tragedies of the past, and a recognition of human frailty. And it was an admission by the Old World and the New World that they shared a common civilization and could preserve it only by common policies.

Also, despite all the friction, the Atlantic partnership and its companion, the European Community, have not been failures but considering the long history of Western disunity and stupidity, comparatively successful.

After all, the two World Wars were really one long civil war between the few remaining nations, including Germany, that believe in personal liberty and political democracy and they maintained the peace for only twenty years, between 1919 and 1939. Compared to that, the Atlantic Alliance has kept the peace for over 27 years—halfway between the end of the last World War and the end of the century, and while we are now living with death, impeachment and a lot of weak and staggering governments, maybe we should be celebrating the 25th birthday of the shaky Western Alliance instead of opening its wounds.

Europe and America are not talking today about the ideals of human dignity, or the majesty of their inheritance, or even of their common interests in controlling inflation, population, military arms, pollution and the poverty and hunger of half the human race.

They are talking now about personal and political things—about the death of Pompidou and who comes after him; about the arguments between Henry Kissinger and Michael Jobert; the political weakness of Richard Nixon; the aging leaders of China; the price of oil and other raw materials; whether Harold Wilson can make it in the House of Commons; what kind of man is Jerry Ford anyway, and isn't it wonderful that Henry is married?

After a quarter century, in the Atlantic, of the most successful alliance in history and, in Europe, of the most imaginative experiment in political federalism since the formation of the American Republic, his is a poor and narrow show. Both the Atlantic Alliance and the European Community are more enduring than men or regimes but they are now loitering into weakness, and allowing their short-run national interests to threaten their common security.

On the 25th anniversary of the NATO alliance, and at a critical point in the development of the European Community, America is puzzled about what France has been saying to us on this side of the Atlantic during Pompidou's last days. Was French Foreign Minister Jobert saying there is a fundamental conflict between the interests of a unified Europe and an Atlantic partnership with the United States and Canada?

Was he saying that De Tocqueville and Monnet were wrong, that Valery's concept of our common civilization was false? Was he asking the United States merely to stop dominating Europe, or was he asking us to defend Europe, to protect France, to maintain peace in the Middle East, while refusing to cooperate with NATO in the defense of Europe, or with America in the oil crisis? Now that President Georges Pompidou is gone, it would be helpful if, after the personal tragedy, somebody would speak clearly for France.

The Nixon Administration obviously has its own internal problems: inflation, unemployment and even the possible impeachment of President Nixon. It is aware of its own fragility, as in Paris, but it has not forgotten the mistakes of American isolation, or the tragedies of the two World Wars, or its hopes for the reconstruction and unity of Europe, or its dreams of an Atlantic community that would defend the common civilization of the West. Mr. Nixon has stuck to his foreign policy initiatives despite his troubles at home.

The opening to China and the efforts at accommodation with the Soviet Union were never regarded in Washington as a new alliance against the old alliance with Europe. Even when the European Community, like Japan, emerged as a competitor to the United States for the trade of the world, the Nixon Administration, and even the Congress, defended the principles of collective security and free trade.

Accordingly, on this anniversary of the Atlantic Alliance and at this critical point of transition in Paris and of controversy within the European Economc Community, Washington, with all its troubles, is sticking to the hope of Atlantic partnership and European unity, which has guided its policy since the last war.

The death of President Pompidou merely dramatizes the point. Churchill, Eisenhower, de Gaulle, Adenauer, Kennedy, Truman and Johnson have all disappeared since the inception of the Atlantic partnership and the European Community, but despite all the divisions of national politics, the ideal of Atlantic partnership and European unity go on.

NATO AT 25 . . .

In the present miasma of dissension among the member governments it is all too easy to forget what a success the Atlantic Alliance has been. On the twenty-fifth anniversary of the signing of the North Atlantic Treaty in Washington it may be in order to recall some of the bench marks of that success in addition to assessing the future prospects of the Alliance.

NATO has managed to maintain peace in the European-Atlantic area for a quarter-century. That is a fundamental accomplishment; but to let it go at that would be to overlook many positive by-products of the cooperation engendered under the Treaty. It can be argued that the very success of NATO and of enterprises owing something to NATO created some of the problems that beset the Alliance at 25.

The confidence generated by NATO, backed by the unprecedented commitment of the United States to the defense of Western Europe, was a necessary ingredient for the spectacular economic recovery achieved under the Marshall Plan. Cooperation for mutual security in NATO helped spark cooperation in other areas—in the Organization for European Economic Cooperation, the European Payments Union, even Benelux, the Coal and Steel Community and eventually the Common Market.

NATO and the Western European Union organization provided the machinery for bringing West Germany into alliance with Germany's historic enemies, thus buttressing Bonn's already substantial commitment to the West in other areas and helping insure against any future revival of the "civil" wars that had devastated Europe so often in the past.

It has become fashionable in some quarters to scoff at the notion that a Soviet military venture into Western Europe was ever a possibility. But European countries, prostrated by war and occupation, facing strong challenges at home from Communist parties then solidly linked to Moscow, and frightened by such Kremlin misadventures as the Berlin blockade of 1948-49, would have been criminally negligent to have ignored the threat.

Even in today's more relaxed climate, not one Alliance member is ready to take its chances alone with a Soviet Union that is still expanding its military power in every category. Perhaps the most striking fact about the Atlantic Alliance is that not one member government—not even France, although it withdrew its forces from integrated NATO commands seven years ago—has pulled out of the treaty as all have had the right to do at any time since 1969 under Article 13.

On this side of the Atlantic, not even those American officials from the President on down who are most vexed by the independent behavior of the Common Market allies, nor those Senators and Congressmen most eager to bring American forces home from Europe, even has advocated withdrawing from the Alliance.

Perhaps it is because, underneath all the dissension, everyone concerned—European and North American alike—is convinced that West German Chancellor Willy Brandt spoke the truth when he recently said of this relationship:

"No European unity can dispense with Atlantic security; and a viable Atlantic Alliance cannot dispense with European unity." Words to ponder on the Alliance's 25th birthday.

Mr. MONDALE. Mr. President, I yield the floor.

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Florida (Mr. CHILES) is recognized for not to exceed 10 minutes.

Mr. GRIFFIN. Mr. President, I suggest the absence of a quorum, the time of the quorum call not to be charged to the Senator from Florida.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, how much time was left under the order of the Senator from Minnesota?

The ACTING PRESIDENT pro tempore. Six minutes were left under the order.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum. I ask unanimous consent that the time for the quorum call be charged to the remaining time of the Senator from Minnesota.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, on Mr. MONDALE's time, I ask unanimous consent that upon the disposition of the vote on the motion to concur in the amendment of the House to S. 1866, the Senator from Tennessee (Mr. BAKER) be recognized to call up amendment No. 1134 to the public financing bill, and that there be a limitation thereon of 1 hour, to be divided in accordance with the usual form; that upon the disposition of amendment No. 1134, Mr. BAKER be recognized to call up amendment No. 1135, on which there be a limitation of 30 minutes, to be divided in accordance with the usual form.

Mr. GRIFFIN. Mr. President, reserving the right to object—and I shall not object, because I am aware of the fact that the proposal has been cleared all around—I think, in view of the problem that developed yesterday, we are in this particular agreement setting a time limit. It does not require, however, that the vote shall occur on the amendment today at a particular time, and is in the form which was stated. I do not expect or anticipate that any motion to table will be made, but a motion to table would be in order under the form of the unanimous-consent agreement. Is that correct?

There was a time limitation on the amendment, and after it was disposed of we would go on to something else.

Mr. ROBERT C. BYRD. That is correct.

Mr. GRIFFIN. A motion to table would be in order. I think that is a very important point. It depends on how the unanimous-consent request was made or phrased.

Mr. ROBERT C. BYRD. The Senator is correct. I thank him for his observation.

NEED TO HAVE STANDBY AUTHORITY ON WAGE AND PRICE CONTROLS IN CRUCIAL AREAS OF THE ECONOMY

Mr. CHILES. Mr. President, I join all those in the country who feel that the time has come when the broad sweep of economic controls should be done away with. Wage and price controls have been on long enough to have created shortages and distortions in many areas of our economy that have hurt many people.

I personally feel that wage and price controls, if they are to have any real effect, should be used for a short period of time in an attempt to shock the economy, and they would have to go completely across the board, which was never done. There should have been controls on wages and prices, perhaps not complete controls, but for a period of 90 or 120 days, long enough to shock the economy and cause some trend to develop. But across the broad range, the controls we now have, for the most part, should be withdrawn as planned by the end of April.

But, Mr. President, we cannot let the matter rest there. We cannot just say that because controls have outlived their usefulness in most areas that controls have outlived their usefulness in all areas.

Because we have grown weary of controls does not mean that the problem that price controls were meant to address is somehow solved.

It is just the other way around. We are talking about abandoning price controls while inflationary pressures in the economy are still building. Inflation and energy are the two issues on the top of people's minds today. There is no way that I can see that we can responsibly take a totally hands off position now with inflation continuing to be the kind of problem it is for this country.

Mr. President, I would recommend that we be more selective. I think that we need to recognize that as controls are taken off on April 30 that pent up price pressures in certain crucial areas of the economy will probably explode into substantial price rises.

This will undermine the whole effort to get away from price controls altogether and could well bring us back to a situation where full controls have to be restored in the future. This would be a disaster. If we want to assure that price controls can be fully suspended in the long run, I think we should provide some stand-by authority in the short run to keep watch on prices and pressure on producers.

Let me point out, Mr. President, that I fully realize the difficulties certain industries are experiencing. I believe it is grossly unfair to any industry if we regulate them out of business. And in some areas this is what is happening.

Certain businesses, for example, hospitals, in many instances are unable to pass on costs and yet all the services and materials and goods they buy are increased.

In this instance only one thing can happen—and that is bankruptcy, I do not care what business it is. If we keep open the option of whether or not price controls will actually be used in the areas of food, fuel, construction and health services, for example, there will be some continuing downward pressure on prices to offset the pent up pressure on these prices to "pop up" when the price control lid is removed on April 30.

I think this is absolutely vital to the efforts to restore price stability to the American economy. These are the areas of the economy where this round of inflation got started in the first place. My fear is that if we do not keep the vigil on these prices, they will start us off again on a second round that may be even harder to stop.

This is especially true of fuel prices. It is widely reported that consideration is being given to removing controls completely from fuel prices. This makes no sense to me when fuel prices feed into the costs of so much else in the economy.

We are also dealing with a situation in oil where large companies control the process from well head to the gas tank.

If there is no public power to balance this private control of an entire industry, we will have willfully abandoned the public interest in dampening fuel costs which we have already seen have such a broad impact on inflation in our economy. So it is vital that some public price policy be maintained on oil for the immediate future.

Secondly, I would recommend that the Congress authorize some strong "jaw boning" authority to keep big business and big labor working toward settlements on wages and prices which restrain rather than reenforce inflationary pressures. I have the feeling that one of the ways this inflationary spurt got going was by that wages and profits got out of line in certain target industries like steel, automobiles, construction, and the like.

What has appeared to some to be labor getting a good wage break was in fact accompanied by a good healthy increase in profits in some of these industries which then washed through the rest of the economy. Wages and profits went up together in these target areas, fanning the flames of inflation. This could happen again if we take a "hands off" attitude.

What I propose is that "jaw boning" authority be given to the Government to keep labor and management in key sectors aware of the stake we all have in wage and profit restraint in these areas. By "jaw boning" I am not asking for compulsory bargaining where the Government forces a particular solution, but where the Government keeps labor and management talking to each other when vital interests of the whole economy are involved.

I believe there has got to be some balance between prices and wages and it is, again, grossly unfair for a wage earner's salary to be limited and at the same time the prices that he is forced to pay for the basic necessities of life run unchecked.

At the same time the purchasing power of the American consumer must be protected from a second spurt of inflation stimulated by wage and profit decisions in which the consumers' interest are again not represented.

Let us not allow history to repeat itself when some relatively simple legislation could make the difference. I am not suggesting that we simply pass the buck downtown to the executive branch on these things. I think the Congress can shoulder the responsibility for watchdogging wages and prices.

Perhaps, one way to do this would be to set up indexes on crucial prices and wages and have the Congress set some ceiling on these which if broken would then authorize the Congress to roll back prices to below the ceiling. Something like this could be used so that the Congress has a responsibility on a continuing basis to keep the lid on inflation.

Finally, I would be supportive of legislative language which would give the Cost of Living Council the authority to enforce commitments on future price levels obtained from producers as price controls are lifted. I think the Cost of Living Council needs to have the explicit mandate to make producers live up to their pledges on prices as controls are taken off.

This is just another fairly simple way to keep some downward pressure on key prices as the lid is taken off.

Mr. President, I believe that the Congress needs to legislate standby price-control authority, "jawboning" capacity, and the power to enforce commitments made by producers as price controls are lifted as a means of achieving what we all want: A permanent end to price controls and a reigning-in of inflationary pressures bringing to wage earners and consumers stronger purchasing power for their money.

These measures are urgently required to achieve these goals. We are deluding ourselves to think that hands off now will bring price stability a year from now. Those who argue for a "clean break" with this period of price controls are, I am afraid, increasing the likelihood that price controls will have to be restored further down the road.

A more selective and more gradual approach will cost us little now and bring us closer to what we want in the future.

Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. On whose time?

Mr. ROBERT C. BYRD. Mr. President, will the Senator withhold his suggestion?

Mr. CHILES. I withdraw it.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Berry, one of its reading clerks, announced that the House had passed a bill (H.R. 13163) to establish a Consumer Protection Agency in order to secure within the Federal Government effective protection and representation of the interests of consumers, and for other purposes, in which it requested the concurrence of the Senate.

HOUSE BILL REFERRED

The bill (H.R. 13163) to establish a Consumer Protection Agency in order to secure within the Federal Government effective protection and representation of the interests of consumers, and for other purposes, was read twice by its title and referred to the Committees on Government Operations and Commerce, by unanimous consent.

TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business, with statements therein limited to 3 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I now suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER TO HOLD BILLS AT DESK

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that messages from the House on H.R. 8101, relating to Bureau of Sport Fisheries and Wildlife, and H.R. 13542, to abolish the position of Commissioner of Fish and Wildlife, be held temporarily at the desk.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The ACTING PRESIDENT pro tempore (Mr. Nunn) laid before the Senate the following letters, which were referred as indicated:

Resignation of Senator Stennis as Chairman of Select Committee on Standards and Conduct

A letter from Mr. Stennis, reporting, pursuant to Senate Resolution 338 of the 88th Congress, that he had resigned as chairman of the Select Committee on Standards and Conduct, on March 21, 1974, and that the committee had selected Mr. Cannon as chairman. Ordered to be printed, and to lie on the table.

Report of Securities and Exchange Commission

A letter from the Commissioner, Securities and Exchange Commission, transmitting, pursuant to law, a report of that Commission, for the fiscal year ended June 30, 1973 (with an accompanying report). Referred to the Committee on Banking, Housing and Urban Affairs.

Airport and Airway Costs

A letter from the Secretary of Transportation, informing the Senate of the intention of that Department to transmit shortly to the Congress legislation to permit the civil costs of operating the Federal airway system to be financed from the airport and airway trust fund. Referred to the Committee on Commerce.

Reports of Comptroller General

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Department of Defense Stock Funds—Accomplishments, Problems, and Ways to Improve," dated April 2, 1974 (with an accompanying report). Referred to the Committee on Government Operations.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Restructured Neighborhood Youth Corps Out-of-School Program in Urban Areas," Department of Labor, dated April 2, 1974 (with an accompanying report). Referred to the Committee on Government Operations.

Report of Bonneville Power Administration

A letter from the Acting Secretary of the Interior, transmitting, pursuant to law, a report of the Bonneville Power Administration, for the year 1973 (with an accompanying report). Referred to the Committee on Interior and Insular Affairs.

Proposed Legislation From Department of the Interior

A letter from the Secretary of the Interior, transmitting a draft of proposed legislation to enable the Secretary of the Interior to provide for the operation, maintenance and continued construction of the Federal transmission system in the Pacific Northwest by use of the revenues of the Federal Columbia River Power System and the proceeds of revenue bonds, and for other purposes (with accompaning papers). Referred to the Committee on Interior and Insular Affairs.

Proposed Legislation From the Attorney General

A letter from the Attorney General, transmitting a draft of proposed legislation to amend the Comprehensive Drug Abuse Prevention and Control Act of 1970 to provide appropriations to the Drug Enforcement Administration on a continuing basis (with an accompanying paper). Referred to the Committee on the Judiciary.

Suspension of Deportation of Certain Aliens

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders suspending deportation of certain aliens (with accompanying papers). Referred to the Committee on the Judiciary.

Third Preference and Sixth Preference Classification for Certain Aliens

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, reports concerning third preference and sixth preference classification for certain aliens (with accompaning papers). Referred to the Committee on the Judiciary.

Report of Boy Scouts of America

A letter from the Chief Scout Executive, Boy Scouts of America, transmitting, pursuant to law, a report of that organization, for the year 1973 (with an accompanying report). Referred to the Committee on Labor and Public Welfare.

PETITIONS

Petitions were laid before the Senate and referred as indicated:

By the ACTING PRESIDENT pro tempore (Mr. Nunn):

A letter, in the nature of a petition, from the Chairman, Region VIII Citizens Participation Council, Kansas City, Mo., relating to the Housing and Community Development Act of 1974. Ordered to lie on the table.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. MAGNUSON, from the Committee on Commerce, with amendments:

H.R. 9293. An act to amend certain laws affecting the Coast Guard (Rept. No. 93-770).

EXECUTIVE REPORTS OF COMMITTEES

As in executive session, the following favorable reports of nominations were submitted:

By Mr. TALMADGE, from the Committee on Agriculture and Forestry:

Richard L. Feltner, of Illinois, to be an Assistant Secretary of Agriculture.

(The above nomination was reported with the recommendation that the nomination be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. GOLDWATER, from the Committee on Armed Services:

Brig. Gen. Warner E. Newby, Regular Air Force, and sundry other officers, for temporary appointment in the U.S. Air Force; and

Maj. Gen. Robert N. Ginsburch (brigadier general, Regular Air Force), U.S. Air Force, and sundry other officers, for appointment in the Regular Air Force.

Mr. STENNIS. Mr. President, from the Committee on Armed Services, I report favorably the nominations of 25 for permanent promotion in the Army to the grade of major general and 2 in the Army National Guard to the grade of major general in the Reserve and 1 to brigadier general; in the Marine Corps and Marine Corps Reserves, 21 for permanent appointment in the grades of major general and brigadier general; and, in the Air Force, 5 for permanent promotion to major general and 13 for promotion to brigadier general and in the Reserve of the Air Force (Air National Guard) 2 to the grade of major general and 11 to the grade of brigadier general. I ask that these names be placed on the Executive Calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STENNIS. In addition, there are 1,732 in the Army in the grade of colonel and below, in the Navy and Naval Reserve 7,799 in the grade of captain and below, in the Marine Corps 1 for permanent promotion to the grade of colonel and in the Air Force 1,467 in the grade of colonel and below. Since these names have already appeared in the Congressional Record and to save the expense of printing on the Executive Calendar, I ask that these names be placed on the Secretary's desk for the information of any Senator.

The PRESIDING OFFICER. Without objection, it is so ordered.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. MATHIAS (for himself and Mr. Beall):

S. 3302. A bill to repeal certain provisions of the Act entitled "An Act to provide for the establishment of the Assateague Island National Seashore in the States of Maryland and Virginia, and for other purposes," approved September 21, 1965, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

By Mr. STEVENSON:

S. 3303. A bill for the relief of Romeo Gumila and Mr. Policronio Gumila. Referred to the Committee on the Judiciary.

By Mr. MANSFIELD (for himself and Mr. Hugh Scott):

S. 3304. A bill to authorize the Secretary of State or such officer as he may designate to conclude an agreement with the People's Republic of China for indemnification for any loss or damage to objects in the "Exhibition of the Archeological Finds of the People's Republic of China" while in the possession of the Government of the United States. Referred to the Committee on Foreign Relations.

By Mr. CLARK (for himself and Mr. Bayh):

S. 3305. A bill to amend the Public Health Service Act to provide assistance for programs for the diagnosis, prevention, and treatment of, and research in, Huntington's disease. Referred to the Committee on Labor and Public Welfare.

By MR. CURTIS:

S. 3306. A bill for the relief of Ada Troncoso Boudon. Referred to the Committee on the Judiciary.

By Mr. MAGNUSON (for himself and Mr. Cotton) (by request):

S. 3307. A bill to authorize appropriations for the Coast Guard for the procurement of vessels and aircraft and construction of shore and offshore establishments, to authorize appropriations for bridge alterations, to authorize for the Coast Guard an end-year strength for active duty personnel, to authorize for the Coast Guard average military student loans, and for other purposes. Referred to the Committee on Commerce.

By Mr. MAGNUSON (for himself and Mr. Cotton) (by request):

S. 3308. A bill to amend section 2 of title 14, United States Code, to authorize icebreaking operations in foreign waters pursuant to international agreements, and for other purposes. Referred to the Committee on Commerce.

By Mr. MAGNUSON (by request):

S. 3309. A bill to amend the Merchant Marine Act of 1936, as amended, to provide for welfare of merchant seamen, essential to the foreign commerce of the United States. Referred to the Committee on Commerce.

By Mr. McCLURE:

S. 3310. A bill to amend the Par Value Modification Act. Referred to the Committee on Banking, Housing and Urban Affairs.

By Mr. CHILES (for himself, Mr. Roth, Mr. Nunn, Mr. Huddleston, and Mr. Brock):

S. 3311. A bill to provide for the use of simplified procedures in the procurement of property and services by the Government where the amount involved does not exceed $10,000. Referred to the Committee on Government Operations.

By Mr. DOMINICK (for himself, Mr. Bentsen, Mr. Bayh, Mr. Buckley, Mr. Dole, Mr. Stennis, Mr. Taft, Mr. Tower, and Mr. Tunney):

S. 3312. A bill to amend the Internal Revenue Code of 1954 with respect to certain charitable contributions. Referred to the Committee on Finance.

By Mr. BELLMON:

S. 3313. A bill to authorize the Administrator of the Environmental Protection Agency to carry out an emergency assistance program to assist States in relieving severe drought conditions that threaten to destroy livestock or crops. Referred to the Committee on Agriculture and Forestry.

S. 3314. A bill to provide for a study of the need for regulation of weather modification activities, the status of current technologies, the extent of coordination and the appropriate responsibility for operations in the field of weather modification, and for other purposes by the Environmental Protection Agency. Referred to the Committee on Commerce.

S. 3315. A bill to provide for a national policy on weather modification activities. Referred to the Committee on Commerce.

By Mr. ROTH (for himself, Mr. Abourezk, Mr. Allen, Mr. Baker, Mr. Bartlett, Mr. Bayh, Mr. Beall, Mr. Bennett, Mr. Bentsen, Mr. Bible, Mr. Biden, Mr. Brock, Mr. Burdick, Mr. Clark, Mr. Cotton, Mr. Cranston, Mr. Dole, Mr. Dominick, Mr. Eagleton, Mr. Ervin, Mr. Fannin, Mr. Fong, Mr. Goldwater, Mr. Gurney, Mr. Hansen, Mr. Hart, Mr. Hartke, Mr. Hollings, Mr. Hughes, Mr. Humphrey, Mr. Jackson, Mr. Javits, Mr. Magnuson, Mr. Mansfield, Mr. Mathias, Mr. McClure, Mr. McGee, Mr. McGovern, Mr. McIntyre, Mr. Pell, Mr. Percy, Mr. Ribicoff, Mr. Schweiker, Mr. Hugh Scott, Mr. Stafford, Mr. Stevenson, Mr. Taft, Mr. Thurmond, Mr. Tower, Mr. Williams, and Mr. Young).

S.J. Res. 203. A joint resolution entitled "National Arthritis Month." Referred to the Committee on the Judiciary.

STATEMENT ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. MATHIAS (for himself and Mr. Beall):

S. 3302. A bill to repeal certain provisions of the act entitled "An act to provide for the establishment of the Assateague Island National Seashore in the States of Maryland and Virginia, and for other purposes," approved September 21, 1965, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

AMENDMENT OF ASSATEAGUE ISLAND NATIONAL SEASHORE ACT

Mr. MATHIAS. Mr. President, on behalf of Senator Beall, I introduce a bill to protect the Assateague Island National Seashore from development and to compensate Worcester County, Md., for the loss of tax revenues, which this development might have provided. Assateague is a barrier island of breathtaking beauty, great expanses of beach, dunes, and sheltered marshes. It dominates the Maryland Atlantic shoreline and provides needed sanctuary for many species of wildlife. The barrier island shelters Chincoteague and Sinepuxent Bays, which together support an irreplaceable, seafood resource. Assateague is vital to migratory waterfowl, marsh birds, and shorebirds which depend on east coast wetlands for food, rest, and protection during their period away from normal breeding grounds.

The national seashore was created by the Congress in 1965. That was a far sighted act on the part of the Congress, for Assateague is a fragile resource, which must be protected from development. But all legislation should be periodically reviewed to determine whether its purposes have been accomplished. Sometimes in hindsight, certain provisions may seem impractical or unwise. This is true of Public Law 89–195, which created the Assateague Island National Seashore. Section 7 of that act provides as follows:

> Sec. 7. (a) In order that suitable overnight and other public accommodations on Assateague Island will be provided for visitors to the seashore, the Secretary shall select and set aside one or more parcels of land in Maryland having a suitable elevation in the area south of the island terminus of the Sandy Point-Assateague Island Bridge, the total of which shall not exceed six hundred acres, and the public use area on the Chincoteague National Wildlife Refuge now operated by the Chincoteague-Assateague Bridge and Beach Authority of the Commonwealth of Virginia, and shall provide or allow the provision of such land fill within the area selected as he deems necessary to permit and protect permanent construction work thereon: Provided, That the United States shall not be liable for any damage that may be incurred by persons interested therein by reason of the inadequacy of the fill for the structures erected thereon.
>
> (b) Within the areas designated under subsection (a) of this section the Secretary shall permit the construction by private persons of suitable overnight and other public accommodations for visitors to the seashore under such terms and conditions as he deems necessary in the public interest and in accordance with the laws relating to concessions within the national park system.
>
> (c) The site of any facility constructed under authority of this section shall remain the property of the United States. Each privately constructed concession facility, whether within or outside an area designated under subsection (a) of this section, shall be mortgageable, taxable, and subject to foreclosure proceedings, all in accordance with the laws of the State in which it is located and the political subdivisions thereof.
>
> (d) The Secretary shall make such rules and regulations as may be necessary to carry out this section.
>
> (e) Nothing in this section shall be deemed to restrict or limit any other authority of the Secretary relating to the administration of the seashore.

The Congress was correct in providing that Worcester County could tax the accommodations to be located on Federal land. Reference to section 7 indicates how this was to be accomplished. A number of events and changing attitudes toward the propriety of developing Assateague have combined to make this approach now seem misguided.

In March of 1972 the Joint Executive-Legislative Committee on Assateague Island reported to the Governor of Maryland. Their recommendation was that section 7, providing for overnight and other public accommodations, be deleted from the act. They stated in connection with this recommendation that compensation should be provided. Senator Beall and I support those recommendations. I have also been informed by Maryland officials that Worcester County might be unable to realize tax revenues from development on Assateague Island, because of existing provisions in the State law. While it was clearly the intent of the Federal legislation that these improvements be taxable as if they were on private land, the Maryland law casts considerable doubt on whether the State of Maryland or any of its counties has the power to exact such a tax.

The combination of these two factors create a totally unsatisfactory condition. If indeed the Assateague Island National Seashore Act and Maryland law work at cross purposes, we will have created a tax-free haven for environmentally destructive development. This was not the purpose of the Congress.

The bill which Senator Beall and I propose will eliminate section 7 and provide for an orderly and expeditious procedure for determining what compensation should be paid to the county.

Section 9 of the enabling Act provides as follows:

> Sec. 9 (a) The Secretary of the Interior is authorized and directed to construct and maintain a road from the Chincoteague-Assateague Island Bridge to the area in the wildlife refuge that he deems appropriate for recreation purposes.
>
> (b) The Secretary of the Interior is authorized and directed to construct a road, and to acquire the necessary land and rights-of-way therefor, from the Chincoteague-Assateague Island Bridge to the Sandy Point-Assateague Bridge in such manner and in such location as he may select, giving proper consideration to the purpose for which the wildlife refuge was established and the other purposes intended to be accomplished by this Act.

Most people have come to realize in the years since 1965 that construction of a major roadway on such a fragile, shifting island would be an environmental disaster. Under these circumstances, it is entirely appropriate that section 9 be stricken from the act. Since the road was never proposed as compensation to Worcester County, its deletion does not in any way effect the compensation procedures provided in our bill.

Maryland is a coastal State. We have a great and bounteous estuary, but we have little land abutting the Atlantic. Ocean City has grown rapidly to become a major resort community. With only 32 miles of Atlantic shoreline, we must be very careful to create a proper mix of recreational and commercial activity. Such a mix must include significant, unspoiled areas. Assateague is such an area and it deserves our constant care and protection. We must preserve the island for future generations. I have heard it said that to some "Assateague Island is a barren place swept by wind and sun, its solitude broken only by the shrill cry of wheeling gulls and the metronome boom of the surf." To others, who take the time to look, listen, and understand, the island pulses with a rhythm of life and change at a place where the demanding ocean meets a determined strip of sand.

Senator BEALL and I today introduce a bill which has broad public support in the State of Maryland. It has been recommended by a committee composed of distinguished Maryland public officials in both the executive and legislative branches of Government. Under these circumstances, we are hopeful that our proposal will receive speedy and favorable consideration. I ask unanimous consent that the text of the bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 3302

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That sections 7 and 9 of the Act entitled "An Act to provide for the establishment of the Assateague Island National Seashore in the States of Maryland and Virginia, and for other purposes", approved September 21, 1965, are hereby repealed.

SEC. 2. (a) The Secretary of the Interior is authorized to receive, consider, hold public hearings, and act upon any claim filed by the County of Worcester, Maryland, within the twelve-month period following the date of the enactment of this Act for compensation for damages or other losses incurred by such County arising out of or in connection with the repeal of section 7 of the Act of September 21, 1965, relating to the authority to establish suitable overnight and other public accomodations within the Assateague Island National Seashore.

(b) The Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, such sum as may be certified to him by the Secretary of Interior on the basis of any claim filed pursuant to subsection (a).

By Mr. CLARK (for himself and Mr. BAYH):

S. 3305. A bill to amend the Public Health Service Act to provide assistance for programs for the diagnosis, prevention, and treatment of, and research in, Huntington's disease. Referred to the Committee on Labor and Public Welfare.

HUNTINGTON'S DISEASE

Mr. CLARK. Mr. President, I am introducing legislation on behalf of the Senator from Indiana (Mr. BAYH) and myself to amend the Public Health Services Act to establish a special comprehensive program to combat Huntington's disease. The bill provides Federal assistance for diagnois, prevention, treatment, and research with this most serious illness which affects thousands of families throughout the Nation.

One of this country's most precious assets is the health and well-being of its people. Good health and good health care ought to be a right for every individual—a right as basic and inalienable as the right to freedom of speech and freedom of religion. Good health and good health care ought not to be considered luxuries or frills, because nobody can do without them.

But right now, good health care is not a right in this country. And sometimes, this is the result of a lack of initiative on the part of Government, the public, and private industry. Huntington's chorea is a case in point. There has been a painful lack of research into this disease, and yet there is every reason to believe that a relatively small amount of money and a devoted, unified effort could overcome the tragic consequences of Huntington's disease.

Huntington's chorea is a chronic, degenerative disorder of the nervous system. The disease is genetically inherited, and the children of an affected parent have a 50-percent chance of developing the disease.

The clinical symptoms or manifestations of Huntington's chorea usually do not appear before the age of 30 or 40, and because of this, many people who develop the disease have become parents subjecting their children to the possibility of Huntington's disease as well. If an effective means could be developed to detect the disease earlier, it would then be possible to offer genetic counseling to those people about the risks of Huntington's chorea. More importantly, through an ambitious research effort the victims of this disease could be treated and, hopefully, cured.

Presently, the National Institute of Neurological Diseases and Stroke and the Division of Research Resources of the National Institute of Health, the National Institute of Mental Health, the National Institute of Arthritis, Metabolism, and Digestive Diseases, and the National Institute of Child Health and Human Development each have some type of program to study Huntington's chorea. However, there is no overall, unified plan to combat this disease.

The legislation which Senator BAYH and I am introducing—and which has been introduced in the House by Congressman ROE—will establish a comprehensive program to combat Huntington's disease. It would make a Federal commitment to attacking this disease—which affects over 100,000 people in the United States.

The initiative which we are taking is due in large part to the efforts of the National Committee to Combat Huntington's Disease, as well as our State associations.

I wish to urge my colleagues to join us in this long overdue effort to combat Huntington's disease, and I hope that the Senate will take up this measure at the earliest possible time.

Mr. President, I ask unanimous consent that an article from the November 1971 Today's Health concerning Huntington's disease be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MUST THEY SACRIFICE TODAY BECAUSE OF THREATENED TOMORROWS?

(By Aljean Harmetz)

Marjorie Guthrie, folk singer Arlo Guthrie's mother, is a cheerful woman whose energy defeats tragedy the way the sun burns through fog. Arlo's father was Woody Guthrie, the noted folk composer and singer of the Depression years who died in 1967, at the age of 56. He died of a disease called Huntington's chorea; before his death, he was bedridden and able to communicate only by opening and closing his eyes.

His death led Marjorie Guthrie to mount a nationwide campaign to help other victims of Huntington's chorea, one of the most fearsome of all genetic diseases. To help victims cut through the shame and secrecy in which many of them suffered, she created the Committee to Combat Huntington's Disease. The committee became Woody Guthrie's memorial: because of it, research into the causes of the disease has accelerated, and there is more hope that a cure may eventually be found.

Huntington's chorea is a fatal degenerative nerve disease that does not usually manifest itself until its victims are 30 or 40 years old and have already implanted the seeds in their own children. Its symptoms are terrifying. Muscle by muscle, the victim loses control of his body as the disease spreads in his brain from the caudate nucleus (a small part of the brain's gray matter affecting voluntary muscle movement). His body lurches awkwardly, giving the impression of a strange pagan dance. His face contorts, his speech slurs, his tongue refuses to obey the simple rules of swallowing learned in infancy. Brain cells die; mental agility and sharpness disappear. In some—but not all—cases, the victim loses all control of his mind. Some previously stable men and women become alcoholic, sexually promiscuous, insane. Many commit suicide. If they don't, death comes inexorably, five to fifteen years after the first symptoms.

"I happen to be a believer in life," Marjorie Guthrie says after a week's swing through the Midwest and South to open new chapters of CCHD in Oklahoma City, Houston, New Orleans and Cincinnati. "When I was pregnant with Arlo, our four-year-old daughter died in a fire. I asked Woody then, 'If someone had said you can only have this beautiful child for four years, would you have taken her' And Woody said 'yes,' and I said 'yes.' "

She calls the death of her daughter "my rehearsal for everything that came afterwards," but sadness is too tangential to her personality for her to allow it to be visible for long.

She badgers each congressional committee that allots money for medical research. She brings a card table to every neurological convention and sits at the entrance, handing out copies of Dr. George Huntington's 1872 paper on the disease which bears his name, and trying to interest the doctors who pass in doing research into the disease. (Some physicians currently studying the disease—and the National Institutes of Health—urge that it be called Huntington's disease, instead of Huntington's chorea, a name that emphasizes the spasmodic, involuntary muscle movements that usually result from the disease; the Greek word *choreia* refers to a kind of dance. The newer, more general name is being used today because the muscular spasms are not always prominent.)

Mrs. Guthrie comforts the victims who come to see her. "It's a little like Alcoholics Anonymous," she says. She tells them, "It is the quality of life, not the quantity, that is important," and assures them that they need not go insane, that Woody was sane until the *day he died*, and that there are even worse things than Huntington's disease. She hoards the dollars and dimes that are sent to her in the mail. Paying all her own expenses, she uses the money to set up workshops for doctors and researchers, to finance a bibliography of all papers written on the disease.

She keeps each heartbroken letter that comes into CCHD's tiny New York headquarters: "'We were informed only two weeks ago that our son, Billy, has Huntington's chorea." "Today my sister was admitted to a hospital for treatment of Huntington's disease. Now I am the sole one of four children who has escaped." "Do you know a nursing home that will take someone with this rotten disease?" "HD is in my husband's family. I am just heartsick. I have three children, ages seven, nine and ten. If I had known this, I would not have brought my children into the world."

Fingering the stacks of letters, Marjorie Guthrie says, "Only if I can prove that the disease is more prevalent than anyone thought can we get large grants of money to fight it." Because of the victims she has brought out of hiding and the better diagnosis CCHD's publicity has facilitated, the estimate of HD victims in the United States has risen from 6,000 to 25,000. She expects that the final count will be closer to 100,000.

Three of those 100,000 victims may be Marjorie Guthrie's own children. Each child of an HD victim has a 50–50 chance of inheriting the defective gene and getting the disease. Of the hereditary nature of the disease, 22-year-old Dr. Huntington wrote in his original papers almost one hundred years ago:

"When either or both the parents have shown manifestations of the disease . . . one or more of the offspring almost invariably suffer from the disease if they live to adult age. But if by any chance these chidlren go through life *without* it, the thread is broken and the grandchildren and great-grandchildren of the original shakers may rest assure that they are free from the disease. This you will perceive differs from the general law of so-called hereditary diseases . . . when *one* generation may enjoy immunity from their dread ravages and in another you find them cropping out in all their hideousness. Unstable and whimsical as the disease may be in *other* respects, in *this* it is firm: It never skips a generation to again manifest itself in another. Once having yielded its claims, it never regains them."

Although approximately 2 percent of HD victims get the disease in childhood and 5 percent get it after the age of 60, the onset is usually when the victim is between 30 and 45 years of age. Folk singer Arlo ("Alice's Restaurant") Guthrie is 24. His younger brother, Joady, is 22, his sister, Nora Lee, 21. Maddeningly capricious, the disease may affect all of them or none of them. Even if they do carry the gene, their children may all escape—or all die.

The most important decision to be made by a potential HD victim is whether or not to have children. Arlo Guthrie is married and has one child. "But I'm in the clear," he says, smiling distantly. "I'm not going to get HD, and if I don't, my kids can't." He is deeply involved in spiritualism and has been assured by a medium that he will not get HD. "Besides," Arlo adds, "I have the capacity to walk into a room and make doors where they don't exist." If his spiritualism is a defense, his mother says: "I am not the one to take that defense away from him." Sometimes, for a moment, he drops the defense himself. Should worse come to worst, he says, "then I'll live like my father."

Across the country, in a small apartment in East Los Angeles, Tony Navarro also wants to raise children, although the Navarros have no children yet. "Tony always wanted children," his quiet blonde wife, Evon, whispers. "I didn't. But then I thought that 36 or 40 years is a long way off. They'll have a cure by then." She hesitates, searching for the right words as Tony watches. "It was . . . it was just the possibility of raising my children without a father," she says.

Tony Navarro is a 33-year-old schoolteacher, the youngest of eight children. He does not yet have Huntington's disease, but two of his five brothers and one of his two sisters do. Tony first learned that Huntington's disease existed in his family four years ago when a Veteran's Hospital in Southern California diagnosed it in his brother Eddie. Since that day, life for the Navarros has had the quality of a nightmare.

Of the three Navarros already affected by Huntington's disease, two are in its last stages. Eddie, 46, has been in a nursing home for the last three years. He cannot walk, talk or feed himself. He is strapped in bed so his wild involuntary movements don't cause him to fall, and he must wear diapers because he has lost control of his bowels. Eva, 42, has had the symptoms of Huntington's disease for nearly 10 years, but she has not been hospitalized. She lives with her husband, a sergeant in the Air Force, and with the youngest of her three daughters. Her speech is so slurred that her sister cannot understand her, but her attempts to speak still communicate to her daughters. She can feed herself only if her food is cut into small pieces so that she will not choke. Although she can no longer walk, she can stand and can be half-driven, half-dragged to the bathroom.

The third victim of Huntington's disease in the Navarro family is Rudy, the most intellectual member of the family. Rudy is 38 years old. He lives in the house he bought for his mother; now, he shares it with her. His brothers and sisters have suspected for over three years that he had Huntington's disease, but it was not officially diagnosed until last year. He still tries hard not to believe it.

Sprawled on the living room sofa, his blue-and-purple shirt stained by a breakfast eaten with shaking hands, Rudy flushes with embarrassment when he cannot make himself understood. He helplessly repeats the word "Coke" which his visitor has not been able to understand. He should be handsome, but his left eye squints and his face twists just a bit at the corners. The disease is present in little things rather than big ones—in the slowness with which he moves, in the lack of grace as he throws himself down on the couch, in the detached aimlessness of his eyes.

Rudy's apathy is the first faint sign of mental deterioration, of the disease spreading to the cerebral cortex. In Huntington's disease, as in the normal process of aging, brain cells are lost, but they are lost at a frighteningly rapid rate. Once an avid reader, Rudy is no longer interested in books. Formerly an enthusiastic talker, he now has little to say.

Most of the time Rudy watches television or visits his best friend, Mark. Sometimes he thinks about tutoring children at his house, but he doesn't act on the thought. A few months ago he went to Mexico with Mark for two weeks and for those few weeks he was almost free of the depression that clouds his waking hours.

"I'm still active," he announces. "I still drive." Most HD patients continue to drive as long as their licenses are valid. It is their way of retaining their independence and control, but Rudy has been picked up twice and charged with drunken driving. The first time he spent several hours in jail. Now he wears a Medic-Alert medallion and carries a letter from his doctor describing his disease.

The letter in his pocket forces him to face what he wants to escape. "I didn't want to believe it. I noticed the symptoms over a year ago, but I tried to cover them up." Until last December, Rudy was an elementary school teacher. He recalls, "When I was in the classroom, I kept dropping pencils, falling over the children. Because I was confined to a small space, I found I couldn't teach."

Rudy can still do everything for himself except button his shirt, but he is fully aware of the hopelessness of his future. Although he is, as his sister Bertha says, "the most Catholic of all of us," he now talks of suicide.

The guilt, the shame and the helplessness in the Navarro family have grown with Rudy's illness. "I look at Rudy and I wonder if there's really a God, and yet I still go to church every Sunday," says Bertha. A small, energetic, basically optimistic woman, Bertha tells her mother that "the law of averages says there should be four and so far there's only three of us with the sickness. That's something to be grateful for."

Mrs. Navarro does not listen. She lost her husband, sister-in-law and mother-in-law to Huntington's disease without knowing their sickness by that name. (Until the founding of Marjorie Guthrie's Committee to Combat Huntington's Disease, many doctors were unfamiliar with HD.) Mrs. Navarro remembers the doctor in the mining town of Bisbee, Arizona, who told her husband, "You have multiple sclerosis. It's not hereditary." "But, doctor," she had said hesitantly, "My mother-in-law and sister-in-law, they had the same sickness." "Don't worry, Mrs. Navarro," the doctor had said again. "Your children can't catch it." Now she knows the proper name for the sickness, but the proper name doesn't help. "It doesn't make any consolation to know what the sickness is," she says. "Until there's a cure, there's no consolation."

"Mom managed to accept Eddie and Eva, but when the sickness hit Rudy it was too much," says Tony. When Tony and his wife beg her to go to San Diego with them, she refuses, preferring to stay with Rudy. Her solicitude angers Rudy, and he lashes out at her. A moment later he stands in front of her and holds out his sleeves to be buttoned.

Still, the Navarros have found ways to survive. At a family picnic, Eva is fed champagne, Rudy is enticed into the games. Eddie is lost to the family now, strapped into his hospital bed, turning blank eyes on the mother who comes to sit with him every afternoon. But the family is fighting "to keep Eva and Rudy as active as possible as long as possible."

The Navarros who as yet show no symptoms of HD live from day to day, most of them rushing to live a lifetime in what may be only a few years. "I guess I'm just going to live every day as it comes and do my thing," says Tony. Says his 44-year-old sister, Bertha, "My husband and I have talked about it. I know that if I get the sickness, he'll take care of me. He says he'll keep me at home and take care of me and we'll face it together."

Psychologist Milton Wexler, president of the California chapter of CCHD, points out that "the response of people to HD is at least partially dictated by their characters. Passive people become more infantile, irritable people become more irritable. I've seen people who go downhill quickly, almost from the initial diagnosis, and yet there are a number of people in CCHD who are very harmed physically but who are still psychologically intact."

Ray Miller is one of the latter. In 1966, when he was 57 years old, he was diagnosed as having Huntington's disease. He had known of the possibility for over ten years—since the disease was diagnosed in his mother. But until 1966, yearly neurological examinations had proved negative. He had been sure he was safe, since very few people get HD when they are over 55.

Ray Miller can still talk for himself, but he prefers not to. He is too proud to slur his words, and the effort to speak a few sentences clearly would leave him exhausted for the rest of the day. A few years ago he was an administrator for the Youth Opportunities Board in Los Angeles. Now it takes tremendous effort for him to get his meat on his fork. "He's using his spoon much more," say his wife, Kay, "and he spills and drips. It bothers him because he's so meticulous."

But Miller has not lost his dignity because he has lost control of his muscles, and there is no note of self-pity in the way he deals with his disease. When he was no longer able to hold down his high-pressure job, he looked around for a job he *could* handle—and found one as secretary to the bookkeeper of a workshop that retrains the handicapped. He makes the morning coffee for his wife, does the breakfast dishes, and he still can waste some of his precious energy in a strained attempt to make a joke.

"I used to say, 'I swing and sway with Sammy Kaye.' Now I say, 'I rock and roll with Nat King Cole.' "

Until the 1960s, Huntington's disease was usually misdiagnosed as alcoholism, nervousness, psychosis or any one of a dozen neurological disorders. Like most victims, Ray Miller was unaware that the disease was in his family until after his son was born. It is the game of Russian roulette that they have unwittingly forced their son to play that most torments Ray and Kay Miller. "The worst thing," says Kay Miller, enunciating each word precisely so that she will not cry, "was having to say to our one and only child, 'Look, this is what I have bequeathed you.' "

When the disease was diagnosed in Ray Miller, his son Michael, 23, was a helicopter pilot in the Marine Corps. Michael's wife was pregnant with their first child. "We couldn't tell Mike then," Kay Miller says. "Not then." Nor could they tell him a year later when he was on his way to Vietnam. "Not then." By the time they did tell him, a month after his return from Vietnam, Michael's wife was once again pregnant. "I've been living with a 99 percent chance of death for 13 months," Mike Miller told his parents, "so a 50-50 chance sometime in the future looks pretty good to me."

Part of Ray Miller's psychological survival lies in having volunteered himself as a guinea pig to Dr. John Menkes of UCLA. Dr. Menkes is experimenting with skin and blood tests, hoping to find a way to identify the disease in unborn children. "Ray has been accustomed all his life to contributing," says his wife. "He's always cared about people. I know he feels he can't do anything for himself, but if he can contribute to the little knowledge doctors have, then life is still worth living."

Help for Ray Miller's son and Rudy Navarro's brothers, sister, nieces and nephews may be imminent. One by one, diseases like HD are yielding to chemical treatment. Ten years ago Parkinson's disease was hopeless. Today it is controllable by a powerful synthetic chemical called L-Dopa. Tay-Sachs disease, which causes mental retardation, progressive loss of vision and death in young children, is not yet curable, but there is now a test to determine whether a fetus carries the defective gene that causes the disease. And the discovery that Wilson's disease—an affliction of the brain and liver which causes trembling and difficulty in speaking and walking—is caused by a hereditary defect in the body's metabolism of copper has at last made it remediable.

"We hope and expect to have a control drug for Huntington's disease," says Marjorie Guthrie firmly. "That's not wishful thinking. Today, when I speak of hope, I can give the examples of Tay-Sachs and Wilson's disease." She has joined Dr. Joshua Lederberg and others who are seeking a grant of $20 million from the federal government to support a genetic task force which will attack the more than 2,000 known genetic diseases. "I want to support all genetic research. Why should it only be my disease that is helped?" She is sure that her disease *can* be helped. When she speaks in public about that sureness, there is always a neurologist at her side. "I don't want people to think I'm just a kooky, optimistic lady. When I'm through, I challenge the doctor to disagree if anything I've said is wrong."

Researchers tend to agree with Marjorie Guthrie's optimism. "Anything is soluble but I think Huntington's disease can be solved in the near future," says UCLA's Dr. Menkes. "There are just too many clues around." Canadian neurologist Andre Barbeau has said publicly that he expects a control drug for Huntington's disease within seven or eight years. Dr. Louis Rosner, a Beverly Hills neurologist, adds, "The first clue to Parkinson's disease was the accidental discovery that reserpine caused the disease in some people. So researchers asked what reserpine did chemically. The answer was that it depleted the brain of dopa-mine. Right now there are several drugs, including L-Dopa (the drug that controls Parkinsonism, which is the mirror image of HD), that can product chorea (the characteristic jerky movements of most forms of HD). So perhaps we can figure out an antidote for Huntington's disease too."

Until that antidote is found, HD families must survive as best they can. "Wouldn't it be terrible," Nora Lee Guthrie once said, "if you lived to be 40 or 60 waiting for Huntington's disease to strike—and it never came, and because you had been waiting you never lived?"

Mr. BAYH. Mr. President, I am privileged to join with Senator Clark today in sponsoring the National Huntington's Disease Control Act.

Huntington's disease, often called Huntington's chorea, is one of the most dreadful diseases facing mankind. Inherited from a parent, it strikes members of both sexes as they reach age 30 or 40. It is a progressive disease, leading over a 15-year period, to degeneration of the nervous system and eventual death. Because its symptoms first appear when victims are past childbearing age, those suffering from Huntington's disease must bear the added agony of knowing that they may have passed the debilitating gene on to their children.

I have met on a number of occasions with members of the National Committee to Combat Huntington's Disease and members of its local chapters, to discuss possible means to combat this dreaded affliction. I am happy today to respond to their requests and join in this legislation. We must harness our great scientific and technological skills and attack this most serious problem. This bill would establish a comprehensive program to combat Huntington's. It would provide Federal assistance for programs for diagnosis, prevention, and treatment. Equally as important, it would provide funds for research in this illness. I ask my colleagues to consider this legislation, and I hope that they will join us in striking a blow against Huntington's disease and aiding the thousands who are its victims.

By Mr. MAGNUSON (for himself and Mr. Cotton) (by request):

S. 3307. A bill to authorize appropriations for the Coast Guard for the procurement of vessels and aircraft and construction of shore and offshore establishments, to authorize appropriations for bridge alterations, to authorize for the Coast Guard an end-year strength for active duty personnel, to authorize for the Coast Guard average military student loads, and for other purposes. Referred to the Committee on Commerce.

Mr. MAGNUSON. Mr. President, I introduce, by request, for appropriate reference a bill to authorize appropriations for the Coast Guard for the procurement of vessels and aircraft and construction of shore and offshore establishments, to authorize for the Coast Guard an end-year strength for active duty personnel, to authorize for the Coast Guard average military student loads, and for other purposes and ask that the letter of transmittal and bill be printed in the Record.

There being no objection, the bill and letter were ordered to be printed in the Record, as follows:

S. 3307

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That funds are hereby authorized to be appropriated for fiscal year 1975 for the use of the Coast Guard as follows:

VESSELS

For procurement, renovation, and increasing the capability of vessels, $22,676,000.

A. Procurement:

(1) One 160 foot inland construction tender;

(2) small boat replacement program; and

(3) design of vessels.

B. Renovation and increasing capability:

(1) renovate and improve buoy tenders;

(2) re-engine and renovate coastal buoy tenders;

(3) modernize and improve cutter, buoy tender, and icebreaker communication equipment;

(4) abate pollution by oily waste from Coast Guard vessels; and

(5) abate pollution by non-oily waste from Coast Guard vessels.

AIRCRAFT

For procurement of eight replacement fixed wing medium range search aircraft, $17,793,000.

CONSTRUCTION

For the establishment or development of installations and facilities by acquisition, construction, conversion, extension, or installation of permanent or temporary public works, including the preparation of sites and furnishing of appurtenances, utilities, and equipment for the following, $73,631,000.

(1) St. Petersburg, Florida: Establish a new consolidated aviation facility.

(2) Arcata, California: Construct air station, Phase II.

(3) Sitka, Alaska: Construct new air station.

(4) Woods Hole, Massachusetts: Construct small boat maintenance facility at Coast Guard Base.

(5) New London, Connecticut: Renovate and expand Cadet galley and dining facilities at Coast Guard Academy.

(6) Curtis Bay, Maryland: Renew steam system at Coast Guard Yard, Phase II.

(7) Yorktown, Virginia: Construct classroom building at Reserve Training Center.

(8) Portsmouth, Virginia: Construct new Coast Guard Base, Phase III.

(9) Virginia Beach, Virginia: Replace Little Creek Station waterfront facilities.

(10) Rodanthe, North Carolina: Improve Oregon *Inlet* Station.

(11) Port Canaveral, Florida: Replace Port Canaveral Station (leased property).

(12) Miami, Florida: Renovate Miami Air Station.

(13) Port Aransas, Texas: Rebuild Port Aransas Station.

(14) Traverse City, Michigan: Rebuild air station.

(15) Keokuk, Iowa: Construct depot building.

(16) Seattle, Washington: Relocate Coast Guard units to piers 36/37, Phase I (leased property).

(17) Alaska, various locations: Establish VHF-FM distress communications system.

(18) Kodiak, Alaska: Renovate and consolidate Coast Guard Base, Phase II.

(19) Valdez, Alaska: Establish vessel traffic system and Port Safety Station.

(20) Various locations: Improve radio navigation system of Pacific coastal region.

(21) Various locations: Waterways aids to navigation projects.

(22) Various locations: Lighthouse Automation and Modernization Program (LAMP).

(23) Various locations: Mediterranean Loran C equipment replacement.

(24) Various locations: Public family quarters.

(25) Various locations: Advance planning, survey, design, and architectural services; project administration costs; acquire sites in connection with projects not otherwise authorized by law.

Sec. 2. For fiscal year 1975, the Coast Guard is authorized an end strength for active duty personnel of 37,748; except that the ceiling shall not include members of the Ready Reserve called to active duty under the provisions of Public Law 92–479.

Sec. 3. For fiscal year 1975, military training student loads for the Coast Guard are authorized as follows:

(1) recruit and special training, 4,080 man-years;

(2) flight training, 85 man-years;

(3) professional training in military and civilian institutions, 375 man-years; and

(4) officer acquisition training, 1,160 man-years.

Sec. 4. For use of the Coast Guard for payment to bridge owners for the cost of alterations of railroad bridges and public highway bridges to permit free navigation of navigable waters of the United States, $6,800,000 is hereby authorized.

The Secretary of Transportation,
Washington, D.C., March 5, 1974.
Hon. Gerald R. Ford,
President of the Senate,
Washington, D.C.

Dear Mr. President: There is transmitted herewith a draft of a bill, "To authorize appropriations for the Coast Guard for the procurement of vessels and aircraft and construction of shore and offshore establishments, to authorize appropriations for bridge alterations, to authorize for the Coast Guard an end-year strength for active duty personnel, to authorize for the Coast Guard average military student loads, and for other purposes."

This proposal is submitted under the requirements of Public Law 88–45 which provides that no funds can be appropriated to or for the use of the Coast Guard for the procurement of vessels or aircraft or the construction of shore or offshore establishments unless the appropriation of such funds is authorized by legislation. Section 2 of the proposed bill responds to section 302 of Public Law 92–436 which directs that Congress shall authorize for each fiscal year the end strength as of the end of the fiscal year for active duty personnel for each component of the Armed Forces. Section 3 responds to section 604 of the same Public Law which provides that Congress shall authorize for each component of the Armed Forces the average military training student loads for each fiscal year. Section 4 authorizes funds for the use of the Coast Guard for payments to bridge owners for the cost of alteration of railroad and public highway bridges to permit free navigation of the navigable waters of the United States under the Act of June 21, 1940 (54 Stat. 497, 33 U.S.C. 511 et seq.), as amended.

The proposal includes, as it has previously, all items of acquisition, construction, and improvement programs for the Coast Guard to be undertaken in fiscal year 1975 even though the provisions of Public Law 88–45 appear to require authorization only for major facilities and construction. Inclusion of all items avoids the necessity for arbitrary separation of these programs into two parts with only one portion requiring authorization.

The attention of the Congress is specifically drawn to the establishment of a search and rescue station at Port Canaveral, Florida, and to the relocation of Coast Guard units to Piers 36/37, Seattle, Washington (project numbers 11 and 16 under the heading "CONSTRUCTION" in section 1 of the bill). As indicated, both of these projects are planned at non-federally owned locations currently leased by the Coast Guard. The Coast Guard has commenced purchase negotiations for both of these locations.

Not all items, particularly those involving construction, are itemized. For example, those involving navigational aids, light station automation, public family quarters, and advanced planning projects contain many different particulars the inclusion of which would have unduly lengthened the bill.

In further support of the legislation, the cognizant legislative committees will be furnished detailed information with respect to each program for which fund authorization is being requested in a form identical to that which will be submitted in explanation and justification of the budget request. Additionally, the Department will be prepared to submit any other data that the committees or their staffs may require.

It would be appreciated if you would lay this proposal before the Senate. A similar proposal has been submitted to the Speaker of the House of Representatives.

The Office of Management and Budget has advised that enactment of this proposed legislation is in accord with the President's program.

Sincerely,

Claude S. Brinegar.

By Mr. MAGNUSON (for himself and Mr. Cotton) (by request):

S. 3308. A bill to amend section 2 of title 14, United States Code, to authorize icebreaking operations in foreign waters pursuant to international agreements, and for other purposes. Referred to the Committee on Commerce.

Mr. MAGNUSON. Mr. President, I introduce, by request, for appropriate reference, a bill to amend section 2 of title 14, United States Code, to authorize icebreaking operations in foreign waters, pursuant to international agreements, and for other purposes, and ask unanimous consent that the letter of transmittal and changes in existing law be printed in the Record with the text of the bill.

There being no objection, the bill and material were ordered to be printed in the Record, as follows:

S. 3308

Be it enacted in the Senate and House of Representatives of the United States of America in Congress assembled, That section 2 of title 14, United States Code, is hereby amended by inserting the words "shall, pursuant to international agreements, develop, establish, maintain, and operate icebreaking facilities on, under, and over waters other than the high seas and waters subject to the jurisdiction of the United States;" immediately before the words "shall engage in oceanographic research".

The Secretary of Transportation,
Washington, D.C., March 5, 1974.
Hon. Gerald R. Ford,
President of the Senate,
Washington, D.C.

Dear Mr. President: There is transmitted herewith a draft of a proposed bill "To amend section 2 of title 14, United States Code, to authorize icebreaking operations in foreign waters pursuant to international agreements, and for other purposes."

The proposed bill would amend section 2 of title 14, United States Code, to provide authority for the Coast Guard to conduct icebreaking operations in waters other than the high seas or waters of the United States, pursuant to international agreements. The proposed bill would not be self-executing. Icebreaking in other than the high seas or waters of the United States could not be carried out without specific international agreement.

One purpose of the proposal is to provide a basis to improve the efficiency of United States and Canadian icebreaking in the Great Lakes-St. Lawrence Seaway navigational system. The likelihood of coordinating United States-Canadian icebreaking operations in the Great Lakes-St. Lawrence area has been suggested by a study now underway on the feasibility of extending the system's navigational season. The study was authorized by the Rivers and Harbors and Flood Control Act of 1970 (P.L. 91–611). That authority expires on July 30, 1974.

The cost of the proposal would depend upon the degree of implementation. The budget for the Coast Guard demonstration project in fiscal year 1973 was just over $80,000, with approximately $80,000 also being requested for ship repair and damage.

It would be appreciated if you would lay the proposed bill before the Senate. A similar bill has been transmitted to the Speaker of the House of Representatives.

The Office of Management and Budget has advised that there is no objection from the standpoint of the Administration's program to the submission of this proposed legislation to the Congress.

Sincerely,

Claude S. Brinegar.

COMPARATIVE TYPE SHOWING CHANGES IN EXISTING LAW MADE BY THE PROPOSED BILL

(Matter proposed to be added is in italics)

TITLE 14

§ 2. Primary duties.

The Coast Guard shall enforce or assist in the enforcement of all applicable Federal laws on and under the high seas and waters subject to the jurisdiction of the United States;

shall administer laws and promulgate and enforce regulations for the promotion of safety of life and property on and under the high seas and waters subject to the jurisdiction of the United States covering all matters not specifically delegated by law to some other executive department; shall develop, establish, maintain, and operate with due regard to the requirements of national defense, aids to maritime navigation, icebreaking facilities, and rescue facilities for the promotion of safety on, under, and over the high seas and waters subject to the jurisdiction of the United States; *shall, pursuant to international agreements, develop, establish maintain, and operate icebreaking facilities on, under, and over waters other than the high seas and waters subject to the jurisdiction of the United States;* shall engage in oceanographic research on the high seas and in waters subject to the jurisdiction of the United States; and shall maintain a state of readiness to function as a specialized service in the Navy in time of war.

PUBLIC LAW 92-583, 92D CONGRESS, S. 3507, OCTOBER 27, 1972

An act to establish a national policy and develop a national program for the management, beneficial use, protection, and development of the land and water resources of the Nation's coastal zones, and for other purposes.

Be it enacted by the Senate and House of Representatives of United States of America in Congress assembled, That the Act entitled "An Act to provide for a comprehensive, long-range, and coordinated national program in marine science, to establish a National Council on Marine Resources and Engineering Development, and a Commission on Marine Science, Engineering and Resources, and for other purposes", approved June 17, 1966 (80 Stat. 203), as amended (33 U.S.C. 1101-1124), is further amended by adding at the end thereof the following new title:

TITLE III—MANAGEMENT OF THE COASTAL ZONE

SHORT TITLE

SEC. 301. This title may be cited as the "Coastal Zone Management Act of 1972".

CONGRESSIONAL FINDINGS

SEC. 302. The Congress finds that—

(a) There is a national interest in the effective management, beneficial use, protection, and development of the coastal zone;

(b) The coastal zone is rich in a variety of natural, commercial, recreational, industrial, and esthetic resources of immediate and potential value to the present and future well-being of the Nation;

(c) The increasing and competing demands upon the lands and waters of our coastal zone occasioned by population growth and economic development, including requirements for industry, commerce, residential development, recreation, extraction of mineral resources and fossil fuels, transportation and navigation, waste disposal, and harvesting of fish, shellfish, and other living marine resources, have resulted in the loss of living marine resources, wildlife, nutrient-rich areas, permanent and adverse changes to ecological systems, decreasing open space for public use, and shoreline erosion;

(d) The coastal zone, and the fish, shellfish, other living marine resources, and wildlife therein, are ecologically fragile and consequently extremely vulnerable to destruction by man's alterations;

(e) Important ecological, cultural, historic, and esthetic values in the coastal zone which are essential to the well-being of all citizens are being irretrievably damaged or lost;

(f) Special natural and scenic characteristics are being damaged by ill-planned development that threatens these values;

(g) In light of competing demands and the urgent need to protect and to give high priority to natural systems in the coastal zone, present State and local institutional arrangements for planning and regulating land and water uses in such areas are inadequate; and

(h) The key to more effective protection and use of the land and water resources of the coastal zone is to encourage the States to exercise their full authority over the lands and waters in the coastal zone by assisting the States, in cooperation with Federal and local governments and other vitally affected interests, in developing land and water use programs for the coastal zone, including unified policies, criteria, standards, methods, and processes for dealing with land and water use decisions of more than local significance.

DECLARATION OF POLICY

SEC. 303. The Congress finds and declares that it is the national policy (a) to preserve, protect, develop, and where possible, to restore or enhance, the resources of the Nation's coastal zone for this and succeeding generations, (b) to encourage and assist the States to exercise effectively their responsibilities in the coastal zone through the development and implementation of management programs to achieve wise use of the land and water resources of the coastal zone giving full consideration to ecological, cultural, historic, and esthetic values as well as to needs for economic development, (c) for all Federal agencies engaged in programs affecting the coastal zone to cooperate and participate with State and local governments and regional agencies in effectuating the purposes of this title, and (d) to encourage the participation of the public, of Federal, State, and local governments and of regional agencies in the development of coastal zone management programs. With respect to implementation of such management programs, it is the national policy to encourage cooperation among the various State and regional agencies including establishment of interstate and regional agreements, cooperative procedures, and joint action particularly regarding environmental problems.

DEFINITIONS

SEC. 305. For the purposes of this title—

(a) "Coastal zone" means the coastal waters (including the lands therein and thereunder) and the adjacent shorelands (including the waters therein and thereunder), strongly influenced by each other and in proximity to the shorelines of the several coastal states, and includes transitional and intertidal areas, salt marshes, wetlands, and beaches. The zone extends, in Great Lakes waters, to the international boundary between the United States and Canada and, in other areas, seaward to the outer limit of the United States territorial sea. The zone extends inland from the shorelines only to the extent necessary to control shorelands, the uses of which have a direct and significant impact on the coastal waters. Excluded from the coastal zone are lands the use of which is by law subject solely to the discretion of or which is held in trust by the Federal Government, its officers or agents.

(b) "Coastal waters" means (1) in the Great Lakes area, the waters within the territorial jurisdiction of the United States consisting of the Great Lakes, their connecting waters, harbors, roadsteads, and estuary-type areas such as bays, shallows, and marshes and (2) in other areas, those waters, adjacent to the shorelines, which contain a measurable quantity or percentage of sea water, including, but not limited to, sounds, bays, lagoons, bayous, ponds, and estuaries.

(c) "Coastal state" means a state of the United States in, or bordering on, the Atlantic, Pacific, or Arctic Ocean, the Gulf of Mexico, Long Island Sound, or one or more of the Great Lakes. For the purposes of this title, the term also includes Puerto Rico, the Virgin Islands, Guam, and American Samoa.

(d) "Estuary" means that part of a river or stream or other body of water having unimpaired connection with the open sea, where the sea water is measurably diluted with fresh water derived from land drainage. The term includes estuary-type areas of the Great Lakes.

(e) "Estuarine sanctuary" means a research area which may include any part or all of an estuary, adjoining transitional areas, and adjacent uplands, constituting to the extent feasible a natural unit, set aside to provide scientists and students the opportunity to examine over a period of time the ecological relationships within the area.

(f) "Secretary" means the Secretary of Commerce.

(g) "Management program" includes, but is not limited to a comprehensive statement in words, maps, illustrations, or other media of communication, prepared and adopted by the state in accordance with the provisions of this title, setting forth objectives, policies, and standards to guide public and private uses of lands and waters in the coastal zone.

(h) "Water use" means activities which are conducted in or on the water; but does not mean or include the establishment of any water quality standard or criteria or the regulation of the discharge or runoff of water pollutants except the standards, criteria, or regulations which are incorporated in any program as required by the provisions of section 307(f).

(i) "Land use" means activities which are conducted in or on the shorelands within the coastal zone, subject to the requirements outlined in section 307(g).

MANAGEMENT PROGRAM DEVELOPMENT GRANTS

SEC. 305. (a) The Secretary is authorized to make annual grants to any coastal state for the purpose of assisting in the development of a management program for the land and water resources of its coastal zone.

(b) Such management program shall include:

(1) an identification of the boundaries of the coastal zone subject to the management program;

(2) a definition of what shall constitute permissible land and water uses within the coastal zone which have a direct and significant impact on the coastal waters;

(3) an inventory and designation of areas of particular concern within the coastal zone;

(4) an identification of the means by which the State proposes to exert control over the land and water uses referred to in paragraph (2) of this subsection, including a listing of relevant constitutional provisions, legislative enactments, regulations, and judicial decisions;

(5) broad guidelines on priority of uses in particular areas, including specifically those uses of lowest priority;

(6) a description of the organizational structure proposed to implement the management program, including the responsibilities and interrelationships of local, areawide, State, regional, and interstate agencies in the management process.

(c) The grants shall not exceed $66\frac{2}{3}$ per centum of the costs of the program in any one year and no state shall be eligible to receive more than three annual grants pursuant to this section. Federal funds received from other sources shall not be used to match such grants. In order to qualify for grants under this section, the state must reasonably demonstrate to the satisfaction of the Secretary that such grants will be used to develop a management program consistent with the requirements set forth in section 306 of this title. After making the initial grant to a coastal State no subsequent grant shall be made under this section unless the Secretary finds that the State is satisfactorily developing such management program.

(d) Upon completion of the development of the State's management program, the State shall submit such program to the Secretary for review and approval pursuant to the provisions of section 306 of this title, or such other action as he deems necessary. On final approval of such program by the Secretary, the State's eligibility for further grants under this section shall terminate, and the State shall be eligible for grants under section 306 of this title.

(e) Grants under this section shall be allocated to the State based on rules and regulations promulgated by the Secretary: *Provided, however,* That no management program development grant under this section shall be made in excess of 10 per centum nor less than 1 per centum of the total amount appropriated to carry out the purposes of this section.

(f) Grants or portions thereof not obligated by the State, or during the fiscal year which they were first authorized to be obligated by a State during the fiscal year or immediately following, shall revert to the Secretary, and shall be added by him to the funds available for grants under this section.

(g) With the approval of the Secretary, the State may allocate to a local government, to an areawide agency designated under section 204 of the Demonstration Cities and Metropolitan Development Act of 1966, to a regional agency, or to an interstate agency, a portion of the grant under this section, for the purpose of carrying out the provisions of this section.

(h) The authority to make grants under this section shall expire on June 30, 1977.

ADMINISTRATIVE GRANTS

SEC. 306. (a) The Secretary is authorized to make annual grants to any coastal State for not more than 66⅔ per centum of the costs of administering the State's management program, if he approves such program in accordance with subsection (c) hereof. Federal funds received from other sources shall not be used to pay the State's share of costs.

(b) Such grants shall be allocated to the States with approved programs based on rules and regulations promulgated by the Secretary which shall take into account the extent and nature of the shoreline and area covered by the plan, population of the area, and other relevant factors: *Provided, however,* That no annual administrative grant under this section shall be made in excess of 10 per centum nor less than 1 per centum of the total amount appropriated to carry out the purposes of this section.

(c) Prior to granting approval of a management program submitted by a coastal State, the Secretary shall find that:

(1) The State has developed and adopted a management program for its coastal zone in accordance with rules and regulations promulgated by the Secretary, after notice, and with the opportunity of full participation by relevant Federal agencies, State agencies, local governments, regional organizations, port authorities, and other interested parties, public and private, which is adequate to carry out the purposes of this title and is consistent with the policy declared in section 303 of this title.

(2) The State has—

(A) coordinated its program with local areawide, and interstate plans applicable to areas within the coastal zone existing on January 1 of the year in which the State's management program is submitted to the Secretary, which plans have been developed by a local government, an areawide agency designated pursuant to regulations established under section 204 of the Demonstration Cities and Metropolitan Development Act of 1966, a regional agency, or an interstate agency; and

(B) established an effective mechanism for continuing consultation and coordination between the management agency designated pursuant to paragraph (5) of this subsection and with local governments, interstate agencies, regional agencies, and areawide agencies within the coastal zone to assure the full participation of such local governments and agencies in carrying out the purposes of this title.

(3) The state has held public hearings in the development of the management program.

(4) The management program and any changes thereto have been reviewed and approved by the Governor.

(5) The Governor of the state has designated a single agency to receive and administer the grants for implementing the management program required under paragraph (1) of this subsection.

(6) The state is organized to implement the management program required under paragraph (1) of this subsection.

(7) The state has the authorities necessary to implement the program, including the authority required under subsection (d) of this section.

(8) The management program provides for adequate consideration of the national interest involved in the siting of facilities necessary to meet requirements which are other than local in nature.

(9) The management program makes provision for procedures whereby specific areas may be designated for the purpose of preserving or restoring them for their conservation, recreational, ecological, or esthetic values.

(d) Prior to granting approval of the management program, the Secretary shall find that the state, acting through its chosen agency or agencies, including local governments, areawide agencies designated under section 204 of the Demonstration Cities and Metropolitan Development Act of 1966, regional agencies, or interstate agencies, has authority for the management of the coastal zone in accordance with the management program. Such authority shall include power—

(1) to administer land and water use regulations, control development in order to ensure compliance with the management program, and to resolve conflicts among competing uses; and

(2) to acquire fee simple and less than fee simple interests in lands, waters, and other property through condemnation or other means when necessary to achieve conformance with the management program.

(e) Prior to granting approval, the Secretary shall also find that the program provides:

(1) for any one or a combination of the following general techniques for control of land and water uses within the coastal zone;

(A) State establishment of criteria and standards for local implementation, subject to administrative review and enforcement of compliance;

(B) Direct state land and water use planning and regulation; or

(C) State administrative review for consistency with the management program of all development plans, projects, or land and water use regulations, including exceptions and variances thereto, proposed by any state or local authority or private developer, with powers to approve or disapprove after public notice and an opportunity for hearings.

(2) for a method of assuring that local land and water use regulations within the coastal zone do not unreasonably restrict or exclude land and water uses of regional benefit.

(f) With the approval of the Secretary, a State may allocate to a local government, an areawide agency designated under section 204 of the Demonstration Cities and Metropolitan Development Act of 1966, a regional agency, or an interstate agency, a portion of the grant under this section for the purpose of carrying out the provisions of this section: *Provided,* That such allocation shall not relieve the State of the responsibility for ensuring that any funds so allocated are applied in furtherance of such State's approved management program.

(g) The State shall be authorized to amend the management program. The modification shall be in accordance with the procedures required under subsection (c) of this section. Any amendment or modification of the program must be approved by the Secretary before additional administrative grants are made to the State under the program as amended.

(h) At the discretion of the State and with the approval of the Secretary, a management program may be developed and adopted in segments so that immediate attention may be devoted to those areas within the coastal zone which most urgently need management programs: *Provided,* That the State adequately provides for the ultimate coordination of the various segments of the management program into a single unified program and that the unified program will be completed as soon as is reasonably practicable.

INTERAGENCY COORDINATION AND COOPERATION

SEC. 307. (a) In carrying out his functions and responsibilities under this title, the Secretary shall consult with, cooperate with, and, to the maximum extent practicable, coordinate his activities with other interested Federal agencies.

(b) The Secretary shall not approve the management program submitted by a State pursuant to section 306 unless the views of Federal agencies principally affected by such program have been adequately considered. In case of serious disagreement between any Federal agency and the State in the development of the program the Secretary, in cooperation with the Executive Office of the President, shall seek to mediate the differences.

(c)(1) Each Federal agency conducting or supporting activities directly affecting the coastal zone shall conduct or support those activities in a manner which is, to the maximum extent practicable, consistent with approved state management programs.

(2) Any Federal agency which shall undertake any development project in the coastal zone of a state shall insure that the project is, to the maximum extent practicable, consistent with approved state management programs.

(3) After final approval by the Secretary of a state's management program, any applicant for a required Federal license or permit to conduct an activity affecting land or water uses in the coastal zone of that state shall provide in the application to the licensing or permitting agency a certification that the proposed activity complies with the state's approved program and that such activity will be conducted in a manner consistent with the program. At the same time, applicant shall furnish to the state or its designated agency a copy of the certification, with all necessary information and data. Each coastal state shall establish procedures for public notice in the case of all such certifications and, to the extent it deems appropriate, procedures for public hearings in connection therewith. At the earliest practicable time, the state or its designated agency shall notify the Federal agency concerned that the state concurs with or objects to the applicant's certification. If the state or its designated agency fails to furnish the required notification within six months after receipt of its copy of the applicant's certification, the state's concurrence with the certification shall be conclusively presumed. No license or permit shall be granted by the Federal agency until the state or its designated agency has concurred with the applicant's certification or

until, by the state's failure to act, the concurrence is conclusively presumed, unless the Secretary, on his own initiative or upon appeal by the applicant, finds, after providing a reasonable opportunity for detailed comments from the Federal agency involved and from the state, that the activity is consistent with the objectives of this title or is otherwise necessary in the interest of national security.

(d) State and local governments submitting applications for Federal assistance under other Federal programs affecting the coastal zone shall indicate the views of the appropriate state or local agency as to the relationship of such activities to the approved management program for the coastal zone. Such applications shall be submitted and coordinated in accordance with the provisions of title IV of the Intergovernmental Coordination Act of 1968 (82 Stat. 1098). Federal agencies shall not approve proposed projects that are inconsistent with a coastal state's management program, except upon a finding by the Secretary that such project is consistent with the purposes of this title or necessary in the interest of national security.

(e) Nothing in this title shall be construed—

(1) to diminish either Federal or state jurisdiction, responsibility, or rights in the field of planning, development, or control of water resources, submreged lands, or navigable waters; nor to displace, supersede, limit, or modify any interstate compact or the jurisdiction or responsibility of any legally established joint or common agency of two or more states or of two or more states and the Federal Government; nor to limit the authority of Congress to authorize and fund projects;

(2) as superseding, modifying, or repealing existing laws applicable to the various Federal agencies; nor to affect the jurisdiction, powers, or prerogatives of the International Joint Commission, United States and Canada, the Permanent Engineering Board, and the United States operating entity or entities established pursuant to the Columbia River Basin Treaty, signed at Washington, January 17, 1961, or the International Boundary and Water Commission, United States and Mexico.

(f) Notwithstanding any other provision of this title, nothing in this title shall in any way affect any requirement (1) established by the Federal Water Pollution Control Act, as amended, or the Clean Air Act, as amended, or (2) established by the Federal Government or by any state or local government pursuant to such Acts. Such requirements shall be incorporated in any program developed pursuant to this title and shall be the water pollution control and air pollution control requirements applicable to such program.

(g) When any state's coastal zone management program, submitted for approval or proposed for modification pursuant to section 306 of this title, includes requirements as to shorelands which also would be subject to any Federally supported national land use program which may be hereafter enacted, the Secretary, prior to approving such program, shall obtain the concurrence of the Secretary of the Interior, or such other Federal official as may be designated to administer the national land use program, with respect to that portion of the coastal zone management program affecting such inland areas.

PUBLIC HEARINGS

SEC. 308. All public hearings required under this title must be announced at least thirty days prior to the hearing date. At the time of the announcement, all agency materials pertinent to the hearings, including documents, studies, and other data, must be made available to the public for review and study. As similar materials are subsequently developed, they shall be made available to the public as they become available to the agency.

REVIEW OF PERFORMANCE

SEC. 309. (a) The Secretary shall conduct a continuing review of the management programs of the coastal States and of the performance of each State.

(b) The Secretary shall have the authority to terminate any financial assistance extended under section 306 and to withdraw any unexpended portion of such assistance if (1) he determines that the State is failing to adhere to and is not justified in deviating from the program approved by the Secretary; and (2) the State has been given notice of the proposed termination and withdrawal and given an opportunity to present evidence of adherence or justification for altering its program.

RECORDS

SEC. 310. (a) Each recipient of a grant under this title shall keep such records as the Secretary shall prescribe, including records which fully disclose the amount and disposition of the funds received under the grant, the total cost of the project or undertaking supplied by other sources, and such other records as will facilitate an effective audit.

(b) The Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access for the purpose of audit and examination to any books, documents, papers, and records of the recipient of the grant that are pertinent to the determination that funds granted are used in accordance with this title.

ADVISORY COMMITTEE

SEC. 311. (a) The Secretary is authorized and directed to establish a Coastal Zone Management Advisory Committee to advise, consult with, and make recommendations to the Secretary on matters of policy concerning the coastal zone. Such committee shall be composed of not more than fifteen persons designated by the Secretary and shall perform such functions and operate in such a manner as the Secretary may direct. The Secretary shall insure that the committee membership as a group possesses a broad range of experience and knowledge relating to problems involving management, use, conservation, protection, and development of coastal zone resources.

(b) Members of the committee who are not regular full-time employees of the United States, while serving on the business of the committee, including traveltime, may receive compensation at rates not exceeding $100 per diem; and while so serving away from their homes or regular places of business may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for individuals in the Government service employed intermittently.

ESTUARINE SANCTUARIES

SEC. 312. The Secretary, in accordance with rules and regulations promulgated by him, is authorized to make available to a coastal state grants of up to 50 per centum of the costs of acquisition, development, and operation of estuarine sanctuaries for the purpose of creating natural field laboratories to gather data and make studies of the natural and human processes occurring within the estuaries of the coastal zone. The Federal share of the cost for each such sanctuary shall not exceed $2,000,000. No Federal funds received pursuant to section 305 or section 306 shall be used for the purpose of this section.

ANNUAL REPORT

SEC. 313. (a) The Secretary shall prepare and submit to the President for transmittal to the Congress not later than November 1 of each year a report on the administration of this title for the preceding fiscal year. The report shall include but not be restricted to (1) an identification of the state programs approved pursuant to this title during the preceding Federal fiscal year and a description of those programs; (2) a listing of the states participating in the provisions of this title and a description of the status of each state's programs and its accomplishments during the preceding Federal fiscal year; (3) an itemization of the allocation of funds to the various coastal states and a breakdown of the major projects and areas on which these funds were expended; (4) an identification of any state programs which have been reviewed and disapproved or with respect to which grants have been terminated under this title, and a statement of the reasons for such action; (5) a listing of all activities and projects which, pursuant to the provisions of subsection (c) or subsection (d) of section 307, are not consistent with an applicable approved state management program; (6) a summary of the regulations issued by the Secretary or in effect during the preceding Federal fiscal year; (7) a summary of a coordinated national strategy and program for the Nation's coastal zone including identification and discussion of Federal, regional, state, and local responsibilities and functions therein; (8) a summary of outstanding problems arising in the administration of this title in order of priority; and (9) such other information as may be appropriate.

(b) The report required by subsection (a) shall contain such recommendations for additional legislation as the Secretary deems necessary to achieve the objectives of this title and enhance its effective operation.

RULES AND REGULATIONS

SEC. 314. The Secretary shall develop and promulgate, pursuant to section 553 of title 5, United States Code, after notice and opportunity for full participation by relevant Federal agencies, state agencies, local governments, regional organizations, port authorities, and other interested parties, both public and private, such rules and regulations as may be necessary to carry out the provisions of this title.

AUTHORIZATION OF APPROPRIATIONS

SEC. 315. (a) There are authorized to be appropriated—

(1) the sum of $9,000,000 for the fiscal year ending June 30, 1973, and for each of the fiscal years 1974 through 1977 for grants under section 305, to remain available until expended;

(2) such sums, not to exceed $30,000,000, for the fiscal year ending June 30, 1974, and for each of the fiscal years 1975 through 1977, as may be necessary, for grants under section 306 to remain available until expended; and

(3) such sums, not to exceed $6,000,000 for the fiscal year ending June 30, 1974, as may be necessary, for grants under section 312, to remain available until expended.

(b) There are also authorized to be appropriated such sums, not to exceed $3,000,000, for fiscal year 1973 and for each of the four succeeding fiscal years, as may be necessary for administrative expenses incident to the administration of this title.

Approved October 27, 1972.

LEGISLATIVE HISTORY

House reports: No. 92-1049 accompanying H.R. 14146 (Comm. on Merchant Marine and Fisheries) and No. 92-1544 (Comm. of Conference).

Senate report: No. 92-753 (Comm. on Commerce).

Congressional Record, Vol. 118 (1972): Apr. 25, considered and passed Senate. Aug. 2, considered and passed House, amended, in lieu of H.R. 14146. Oct. 12, House and Senate agreed to conference report.

Weekly compilation of Presidential Docu-

ments, Vol. 8, No. 44: Oct. 28, Presidential statement.

By Mr. MAGNUSON (by request):

S. 3309. A bill to amend the Merchant Marine Act of 1936, as amended, to provide for welfare of merchant seamen, essential to the foreign commerce of the United States. Referred to the Committee on Commerce.

Mr. MAGNUSON. Mr. President, by request, I introduce for appropriate reference, a bill to amend the Merchant Marine Act of 1936, as amended, to add a new section to title III, to be designated as section 303. This bill will expand the provisions of law to assist the United Seamen's Service in its mission of providing a number of services and facilities to American seamen in foreign ports around the world.

By Mr. McCLURE:

S. 3310. A bill to amend the Par Value Modification Act. Referred to the Committee on Banking, Housing and Urban Affairs.

Mr. McCLURE. Mr. President, on April 4, 1973, exactly 1 year ago, the Senate adopted my amendment to the Par Value Modification Act which stipulated that U.S. citizens could no longer be prevented from purchasing, selling, or owning gold. This amendment passed by a vote of 68 to 23. The same gold ownership provision was amended in the House by the Banking and Currency Committee. That committee struck the Senate specified enacting date of December 31, 1973 and substituted language which left it up to the President as to when gold ownership could go into effect. An amendment to this gold ownership provision was offered on the floor of the House to restore the Senate language with a definite effective date. That move failed on a tie vote. Conferees from both the House and the Senate in consideration of the two bills "compromised" by accepting the House language. The President subsequently signed the measure into law—thus restoring the right to own gold but not allowing its actual enactment.

Shortly after this, the Senate again showed its desire to allow citizens to own and hold gold. Senator DOMINICK offered an amendment to S. 1141, the bicentennial coinage bill. This amendment again called for a specific date as to when gold ownership would be allowed. With my strong support the Senate passed this amendment. Unfortunately, when the House and the Senate met in conference on the coinage bill to iron out the differences, the gold provision enactment date was once again stricken. Thus, on two separate actions the Senate has voiced its overwhelming support of private gold ownership.

On this day a year ago that battle was won for all American citizens. I find it appropriate to introduce legislation today that will amend the amended Par Value Act and allow citizens to own and hold gold immediately upon this bill's passage.

In the meantime the various hopes and fears build and fall about what the U.S. Government means to do about the gold problem which it fails to admit exists. Pessimists think that gold ownership rights will be returned to the people, and after a sufficient time to allow for purchase and collection, the FDR perfidy will be reenacted and the Treasury will collect once more at the citizen's expense. Optimists—so to speak—are guessing that gold ownership will be allowed when gold goes over two hundred dollars an ounce or such price as the Treasury considers too steep except for the very few.

There is a practical reason for not worrying about an immediate flight of dollars if gold ownership is permitted. Currency experts have long been telling us that large amounts of gold are illegally owned by Americans and stored abroad. In addition there is a legal method of gold ownership for the big American investor. He can incorporate in Europe and buy gold in his corporation's name. It would be safe to assume that those interested in and able to afford large amounts of gold have already obtained it, legally or illegally. The amount of money spent on gold by the average family does not look like something that would overturn any monetary system. The average family is just about the only entity not permitted in law and in fact to own gold. U.S. businessmen and artists own gold. Even foreign governments actually own the earmarked gold which they store in Federal Reserve banks. Any civil libertarian should be outraged at the thought.

No case has been adjudicated by the Supreme Court which bears on the very marginal legal foundation upon which citizens who buy gold become felons. The three ruling decisions differ. The U.S. District Court for the Southern District of New York, in Campbell against the Chase National Bank, decided that Congress had the constitutional power to control gold itself and subsequently to delegate this control to the executive branch in the persons of the President and the Secretary of the Treasury. The Court stipulated only that the Secretary and not the President do the requisitioning. In another case—Pike et al. against the United States, 1962—the appellate court in California's ninth circuit upheld indictments against gold owners on the theory that the specific emergency powers cited by Roosevelt in 1934 provided the basis for any President to proclaim any emergency and thereafter to restrict the purchase or sale of gold.

The Southern District of California Court came out strongly to the contrary in United States against Bride et al., dismissing indictments against bullion owners. The Government's defense gave the court a multiple choice—a sort of pick-your-favorite-emergency approach. The court was actually told that President Roosevelt's 1933 banking crisis was sufficient grounds, but if the court did not buy that, it could opt for Truman's Korean war emergency, Kennedy's Communist imperialism, or a balance-of-payments emergency. Judge Mathes gave a resounding response:

> To hold that the existence of Communist imperialism authorizes the criminal provisions here in issue would be to condone the methods of the enemy. For if the President of the United States be permitted to create crimes by fiat and ukase without Constitutional authority or Congressional mandate, there is little to choose between their system and ours.
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> The years since the 1933 enactment of 12 U.S.C. 95 A have seen wholesale abdication of power by the Congress to the President. It is not the function of the Judicial Department to sit in Judgment upon the wisdom of that trend, but it is both the function and duty of the courts to hold the exercise of delegated Congressional powers strictly within the confines prescribed by the Congress.

One Government official was recently quoted as saying at an international meeting that "the price of gold is less interesting than the price of hamburger." Allowing for the fact that it might have been lunchtime, the question is to whom? There is a basic distinction between a credit vehicle like poker chips or monopoly money which are only good as long as the game players continue to participate, and currency which has an intrinsic value. It is basic to human nature to want currency which not only serves as an exchange rate, but which also provides a convenient manner in which to accumulate wealth. It is for this reason that I strongly oppose opening of the gold window. On the national level we have already seen $20 million in Treasury gold pass into the hands of other nations at $35 an ounce. The effect was to soften our currency while turning over a handsome profit to other nations, at the expense of the United States. Now the United States is nothing more than the sum of its people and those people are deprived of gold ownership because they do not believe in the unimportance of gold. This is the Treasury's real, if unstated, position.

But in this matter as in others, it is time for the legislative branch of the Government to take responsibility into its own hands. The executive has been holding the reins, but the horses are running away. As I recall, the Treasury spokesman were among those who predicted that demonetizing gold would force the price of gold downward—not a very clever prediction. It would be fair to say, in retrospect, that virtually every official step taken with regard to gold in the past decade has been wrong. Is there any need to continue this devastating pattern? Now is the time to redirect this country's domestic and foreign monetary policies. And it seems to me that a logical and fair first step would be to rescind prohibition against ownership of gold.

By Mr. CHILES (for himself, Mr. ROTH, Mr. NUNN, Mr. HUDDLESTON, and Mr. BROCK):

S. 3311. A bill to provide for the use of simplified procedures in the procurement of property and services by the Government where the amount involved does not exceed $10,000. Referred to the Committee on Government Operations.

Mr. CHILES. Mr. President, I am introducing on behalf of myself and other members of the Ad Hoc Subcommittee on Federal Procurement—Senator ROTH, Senator NUNN, Senator BROCK, and Senator HUDDLESTON—a bill to provide for the use of simplified procedures in the procurement of property and services by the Government where the amount involved does not exceed $10,000.

This legislation will amend the Federal Property and Administrative Services Act of 1949, Armed Services Act of 1947, the Legislative Branch Appropriations Act of 1966, and the Tennessee Authority Act of 1933.

This legislation, Mr. President, represents continuing effort by the Subcommittee on Federal Procurement to modernize the complex procurement system and to update relevant statutes. We are in the process of developing more comprehensive legislation to provide a new statutory framework for procurement, of which small purchase procedures will be a part. But in advance of and in addition to this effort, it is only proper that we be able to have the option of capitalizing on the more straight forward reforms that can net significant savings.

The limit of $2,500 was placed on simplified small purchases procedures in 1958. In 1958, that may have been a reasonable limit perhaps but in 1974 it is totally unrealistic. Data for fiscal year 1972 indicates that the Department of Defense—DOD—alone issued nearly 800,000 formally advertised contracts under $10,000. This was only about 10 percent of all DOD military procurement in terms of dollar amount yet more than 98 percent of the transactions.

The General Accounting Office—GAO—has estimated that up to $100 million in administration costs can be saved annually by DOD procurement centers if contracts under $10,000 could be awarded under simplified, small purchase procedures.

This mandatory limit on small purchases not only takes up unnecessary paperwork and time but actually discourages many companies from competing for Government business.

All too often small businessmen give up trying to cope with all the procedure associated with formally bidding on small dollar amount procurement. Some try it once, do not like it, and simply throw up their hands in frustration.

The Commission on Government Procurement found the $2,500 limitation on small purchases to be a liability to everyone concerned with procurement—the businessman, the Government agency, and ultimately, the taxpayer.

LAST CHANGE IN 1958

An increase to $10,000 in the statutory ceiling on procurement for which simplified procedures are authorized is needed for the same reasons the limit was changed from $1,000 to $2,500 in August 1958. The Senate report gave this explanation for the change to $2,500:

> Negotiated procurement contemplates suitable competition. In some instances greater competition may be engendered than by formal advertising, as where paperwork costs or lack of understanding of formal bid procedures may deter prospective contractors, particularly small business concerns, from submitting bids on small dollar amount procurements. Increased competition and lower prices would flow from the simplification, speed, and similarity to commercial practice * * *. Administrative savings to the Government also would result from the lesser cost in such cases of negotiated procurements as compared with formally advertised procurements.

There is today, as there was in 1958, a need to establish a limit that reflects current economic conditions. Since 1958 there have been significant changes in the purchasing power of the dollar and sizable increases in the wages of Government purchasing personnel. Expressed as an increase in the Consumer Price Index, the $2,500 ceiling in 1958 was equivalent to $3,842 in 1973; in terms of the Federal deflator for Federal spending for goods and services the increase was to $4,662 in 1973.

REPORT OF THE COMMISSION ON GOVERNMENT PROCUREMENT

During its extensive review of the Federal procurement process, the Procurement Commission found that the $2,500 statutory ceiling on the use of small purchase procedures is regarded as unrealistic by virtually every agency and procurement activity. The Commission also found that procurement agencies and field activities believe that large administrative savings would be achieved if the ceiling were raised to $10,000. The concensus among knowledgeable procurement people is that changing the ceiling to some figure less than $10,000 would reduce the potential savings, not take adequate account of inflation, or not be as compatible with existing reporting and other practices as the $10,000 figure.

PROCUREMENTS UNDER $10,000

The value of Government purchases ranges from a few cents to several million dollars but almost all of them are for small amounts. For example, in fiscal year 1972, the Department of Defense issued 795,917 formally advertised contracts under $10,000. This represented only seven-tenths of 1 percent of the total dollar value of all reported DOD military procurements. Another way of stating the small size of most purchases is that more than 98 percent of the procurement actions in fiscal year 1972—both negotiated and formally advertised—were for less than $10,000; these actions rperesented slightly more than 10 percent of DOD procurement monies. Data for purchases under $10,000 in the civilian agencies are probably comparable but this could not be verified.

POTENTIAL SAVINGS

The General Accounting Office—GAO—advised the Commission on Government Procurement that the savings might be as much as $100 million annually. In a later report, the GAO estimated that in fiscal year 1971, Department of Defense—DOD—procurement centers alone could have processed 176,000 additional procurements using simplified procedures if the ceiling had been $10,000. This could have saved about $30 million. This did not take into account the 1 million purchases of DOD posts, camps, and stations, many of which were in the $2,500–$10,000 range.

Potential savings are best illustrated by the following actual results from the same GAO report:

> Under authority of the Armed Services Procurement Act (10 U.S.C. 2304(a)(2)), the Army Materiel Command, during the Vietnam crisis, used simplified procurement techniques for procurements up to $10,000 for high-priority items. These techniques included oral solicitations and one-page purchase orders, which are less expensive and quicker than formal advertising or more formal competitive negotiations.
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> At the Army Materiel Command's request, centers evaluated the increased use of simplified techniques. As a result, the centers recommended extending simplified techniques to other procurements up to $10,000 and gave some convincing statistics. For example:
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> Administrative leadtime was reduced by as much as 48 days;
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> Procurement backlogs were reduced by as much as 45 percent;
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> Average man-hours required to process these buys were reduced by as much as 75 percent; and
>
> Paperwork was greatly reduced. For example, one installation generated a stack of paper 22 feet high. Had that installation used normal methods, the stack would have been 581 feet high—26 feet higher than the Washington Monument.

The Commission study disclosed that the mandatory procedures for small purchases in excess of $2,500 require a great deal of extra paperwork, time, and frustration and discourage many companies from competing for Government business. In addition to the administrative savings, it is contemplated that competition will be increased, particularly from small businesses, by simplified solicitation documents. Savings will also be achieved because the increased use of simplified procurement techniques would reduce procurement leadtimes which, in turn, would permit smaller inventories.

I do not need to tell this body that the business of the Government is big business, $60 billion worth of purchases a year. It is, I believe, incumbent upon Congress to insure that every expense is wisely considered and that taxpayers not have their dollars eaten up by excessive administrative cost, redtape, and bureaucratic procedures.

We need action of this type, Mr. President.

Action which will institute procurement reform and aid public confidence in the ability of Congress to go beyond yesterday's headlines into the nitty-gritty, everyday operations which have to be accomplished if we are to be effective.

As we move forward on meaningful reforms in procurement, I am hopeful that the Congress will continue to be responsive to those measures designed to upgrade an antiqued, fragmented system that has not kept pace with the times.

By Mr. DOMINICK (for himself, Mr. BENTSEN, Mr. BAYH, Mr. BUCKLEY, Mr. DOLE, Mr. STENNIS, Mr. TAFT, Mr. TOWER, and Mr. TUNNEY):

S. 3312. A bill to amend the Internal Revenue Code of 1954 with respect to certain charitable contributions. Referred to the Committee on Finance.

Mr. DOMINICK. Mr. President, I am today introducing a bill which would grant certain homes for the aged now classified as private foundations the same privileged tax status extended to hospitals.

When the Congress enacted the Tax Reform Act of 1969, it was perhaps inevitable that such wide ranging legislation would inadvertently contain a provision or two which later would be found to cause certain inequities. For example, section 4940, requiring a 4 percent excise tax on investment income, and section 4942, mandating that 4 percent of their assets be disbursed each year by private foundations were enacted in an effort to correct certain abuses occurring in connection with such foundations.

While these provisions appear to be reasonable, they are in fact leading to the eventual depletion of some of our country's older charitable organizations, which have had the misfortune to be included under the definition of "private foundation."

Homes for the aging located in Massachusetts, Pennsylvania, Nebraska, Kentucky, Missouri, Delaware, New York, Ohio, California, Colorado and, I suspect many other States, have their very existence threatened by these tax provisions.

These organizations have been in existence for many years, and are able to offer long-term care at a reduced cost because of the existence of an endowment. The homes use the income from these invested endowments to meet their operating costs. Most of these homes have exercised a conservative investment philosophy, choosing to accept a lower interest or dividend yield in order to maximize growth potential as a hedge against inflation.

The Tax Reform Act of 1969 is siphoning off the top 4 percent of this investment income, and this, along with the requirement that 4 percent of their assets be disbursed each year, is forcing the homes to dip into their capital in order to avoid the penalties contained in the Internal Revenue Code.

Mr. President, it is ironic that if these nonsectarian homes were church affiliated and performing the same function, they would not be classified as private foundations and would not be subject to these harmful tax provisions. Why should we make this distinction when both types of organizations care for the aging? I urge my colleagues on the Finance Committee to give prompt consideration to this bill so that we may relieve these homes of the unintended burden we have imposed upon them by passage of the 1969 Tax Reform Act.

By Mr. BELLMON:

S. 3313. A bill to authorize the Administrator of the Environmental Protection Agency to carry out an emergency assistance program to assist States in relieving severe drought conditions that threaten to destroy livestock or crops. Referred to the Committee on Agriculture and Forestry.

Mr. BELLMON. Mr. President, this bill would authorize the Secretary of Agriculture to carry out an emergency assistance program to assist in relieving severe drought conditions that threaten to destroy livestock, crops, or water supplies. The bill will provide for short-term funding and coordination for drought prevention. If enacted, it would authorize a program to provide the benefits of wheather modification and drought prevention at an early date before long-range policy objectives and programs can be ended. This bill is designed to specifically assist communities and farmers and stockmen which would face economic disaster in the event of drought. Again, it is clear that the need for this type of legislation is well documented.

Mr. President, in the 1930's, the southwest part of the United States suffered one of the greatest natural disasters witnessed by mankind. During the Dust Bowl the land was literally unable to sustain its population because of severe drought. Such conditions have been the prime cause of human misery since the beginning of recorded history.

Regardless of where drought occurs, the results are always the same: loss of food supply and financial ruin, with mass outmigration of people. Problems of production may be further compounded by the severe erosion of the land due to a lack of vegetative cover. Accordingly, the ability of the soil to produce food after a drought is substantially and often permanently diminished. Such conditions weaken our Nation and are contrary to the public interest, especially in periods when world food supplies are low.

From 1952 to 1957, this country witnessed yet another drought. In 1955, more than 1,000 counties were designated for disaster relief because of drought.

In 10 Great Plains States, 3 million acres of land were damaged by wind and erosion, and 29 million acres suffered from insufficient cover, causing soil to be blown away. Much of this loss could possibly have been avoided by weather modification.

During 1969–1971, the horror created by drought manifested itself once again. During this period, there were 357 counties in 19 States declared disaster areas. Oklahoma experienced the driest winter in its history, destroying a good wheat crop and forcing cattlemen to sell beef cattle breeding herds. While Oklahoma's average yearly wheat production was 100 million bushels, in 1971, due to drought, we produced only 70 million bushels. In 1970, sorghums, cotton, and alfalfa were 10 percent of the average yield, and most were a total loss. During this period of time, political offices were literally swamped with phone calls and letters from farmers telling of burned crops and hungry cattle, and other hardships. Banks were forced to repossess mortgaged property, and many businesses were pushed into financial ruin. The USDA officials estimated that crops worth as much as $4 billion may have been lost. Costs and losses to the Federal Government are impossible to estimate, but they were immense. A modest investment in weather modification could have averted this tragedy.

Mr. President, records of precipitation of the past century show seven periods of drought, totaling 54 years in the southern Great Plains States—1865–1875, 1890–1895, 1901–1904, 1910–1914, 1920–1925, 1933–1940, 1952–1956). It is unfortunate that this natural disaster will probably continue to occur regularly in future years unless effective action is taken by the Government soon. In fact, Prof. John R. Borchert, in an article entitled "The Dustbowl in 1970's," in the Annals of the Association of American Geographers, volume 6, No. 1, March 1971, unequivocally states that based on certain indicators a drought will occur once again in the mid-1970's, with the most severe impact coming in the late 1970's. It is further interesting to note that the water under the vast Ogallala underground acquifer, extending from Lubbock, Tex., through the Oklahoma Panhandle, will be exhausted at the present rate of pumping in the year 2000. Studies indicate that the number of acres in 1971 irrigated from each well dwindled to 84, compared with 102 acres in 1960. The farmers very economic well-being and his ability to produce food for this Nation are dependent upon water. If the farmer's ability to irrigate his land due to decreasing water supplies is diminished, and periods of drought recur, the present-day energy crisis will stand in the shadow of a crisis in agriculture. An effective weather modification program can reduce demands for irrigation water and reduce the need for a massive water transfer construction program.

Mr. President, historically, and for good and well accepted reasons, our Government has come to the assistance of the communities and citizens caught in situations beyond their control. However, it is tragic that our present laws are woefully inadequate to provide the means for coping with drought disasters. Under present law, there are ways to get assistance in times of drought, but they are always too little and too late. The Secretary of Agriculture, on recommendation of the State Disaster Committee, may authorize livestock and feed programs, grazing and haying of land retired under USDA programs, and certain cost-sharing measures designed to control soil erosion and restore damaged grass. Further, the Secretary may authorize emergency loans through the FHA. Secondly, under Public Law 91–606, the President has the authority to declare any area hit by drought a major disaster area. Thereby, disaster unemployment assistance, food stamp programs, and surplus commodity distribution and low-rate SBA loan programs can be administered.

Mr. President, in my opinion, the best way to describe the existing programs is, as I said earlier, "too little, too late." After the farmers' crops are burning up and his livestock is starving, it is too late to avoid loss with Government handouts. It is not enough to let farmers graze their set-aside acres where nothing is growing. It is not enough to offer farmers limited credit if they can prove their eligibility. These programs are helpful, but a far wiser course of action is for the Government to help avoid the basic problem. We have the technology to avoid or ameliorate drought.

Mr. President, the bill I introduce today is intended to prevent the economic devastation that inevitably results from drought before it occurs. My proposal allows a State or political subdivision thereof, an approved organization, to act "before the fact," rather than after, therefore heading off a catastrophe before it occurs. Under my proposal, a State or political subdivision thereof, or an approved organization, may act immediately in securing through the Administrator of the Environmental Protection Agency a matching fund grant for the purpose of assisting and initiating weather modification procedures designed to provide immediate relief from drought conditions. Further, the Administrator is authorized to enter into contracts with States, institutions, firms, or individuals for research necessary for the refinement of weather modification techniques for the prevention of disaster. Data accumulated therefrom can accordingly be used to enrich our knowledge and expertise of the use of weather modification as a means to control a natural disaster.

Mr. President, the advantages of the Emergency Drought Act of 1974 are threefold.

First, it creates a mechanism by which citizens can effectively deal with drought before property is destroyed. Therefore, citizens are in a position to prevent their own financial ruin, and they will no longer need to sit by helplessly in a time of natural disaster.

In addition, every time drought occurs, the Federal Government pumps huge sums of money into the drought region after the damage is done. Mr. President, the bill I introduce today would therefore potentially save the U.S. Government millions of dollars in aid and subsidies now used to help affected areas recover from the after-effects of drought.

Finally, this measure is intended to prevent an exodus of population from the farms and rural communities, and their subsequent migration to large metropolitan areas.

Mr. President, this legislation is desperately needed to preserve our food-producing capabilities and protect the social and economic stability of the vast areas of this Nation which are subject to periodic drought. Its greater impact may be upon the urban citizen, whose livelihood depends upon an adequate supply of food, which drought destroys.

Mr. President, I ask unanimous consent that this bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 3313

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Administrator of the Environmental Protection Agency is authorized to formulate and carry out an emergency drought assistance and prevention program in any State in which livestock or crops are threatened because of drought conditions.

SEC. 2. Assistance under this Act shall be made available in the form of financial grants to States or political subdivisions thereof, or organizations approved by the Administrator for the purpose of assisting and initiating weather modfication measures designed to provide immediate relief from drought conditions. The Administrator shall not make any funds available to any State or political subdivision thereof, or organization under this section unless (1) a detailed outline of the proposed action intended to be taken with funds made available under this section is presented and (2) agreement is made to utilize for such proposed action an amount of non-Federal funds equal to not less than the amount to be made available by the Administrator under this section.

SEC. 3. Nothing herein shall prohibit any State, or political subdivision thereof, or organization from undertaking weather modification efforts independent of the provisions of this Act.

SEC. 4. The Environmental Protection Agency is authorized to coordinate with the Department of Commerce and the National Oceanic and Atmospheric Administration when mutually desirable to monitor and report the results of any assistance granted under any of the provisions of this Act.

SEC. 5. The Administrator is authorized to enter into contracts with Federal, State, or political subdivisions thereof, private firms institutions, and indvduals for the conduct of research or surveys, and the preparaton of reports and other activities necessary to carry out and monitor weather modification programs.

SEC. 6. The Administrator shall define by regulations the conditions under which grants shall be made available under this section.

SEC. 7. There are authorized to be appropriated from time to time such amounts as may be necessary to carry out the provisions of this section.

By Mr. BELLMON:

S. 3314. A bill to provide for a study of the need for regulation of weather modification activities, the status of current technologies, the extent of coordination and the appropriate responsibility for operations in the field of weather modification, and for other purposes by the Environmental Protection Agency. Referred to the Committee on Commerce.

Mr. BELLMON. Mr. President, today I am introducing three bills which are intended to coordinate, consolidate, and expand the current state of weather modification activities in the United States. Currently the authority and responsibility for weather modification programs are splintered throughout the Federal Government.

Since the time when the first pioneers settled in the Great Plains and the Southwestern United States, drought has been a periodic and serious enemy of mankind. Records of the National Weather Service for the State of Oklahoma, for example, show that a critical dry period has recurred about each 20 years since 1870. The most disastrous of these dry periods came during the mid-1930's, producing the devastation we know today as the Dust Bowl. During this period more than a quarter of a million persons gave up their homes and migrated out of Oklahoma, Texas, Kansas, and New Mexico. The drought of the 1930's lasted for more than 8 years—100 consecutive months during which time precipitation averaged only 65 percent of normal. According to the best available rainfall records, Drought Index, the long-range predictions of the National Weather Service, severe drought may soon again spread across the southern Great Plains—perhaps even worse than in the 1930's.

Since late in 1970, precipitation throughout large areas of the Great Plains has averaged less than 60 percent of normal. Some relief was experienced in the last quarter of 1970, but the areas of critical drought have grown rapidly since.

As of April 1, 1972, the National Oceanic and Atmospheric Administration published information showing drought conditions ranging from moderate to extreme in Oklahoma, Texas, Kansas, Nebraska, Wyoming, Colorado, New Mexico, Arizona, Utah, Nevada, California, and other isolated areas to the Great Plains. Many of these same areas experienced severe drought in the summer of 1971, with the resulting losses of crops and critical shortages of municipal and industrial water.

Mr. President, the result of drought, if not relieved, is human suffering and great economic losses to the areas involved and ultimately to the country and to the millions of people in other countries of the world who depend upon American produced food.

Today, because of increased sophistication and technology in meteorology, we do not have to sit idly by while the natural forces of drought wreak havoc on mankind. Rather, through the work of scientists and technicians, we are blessed with at least a basic understanding of the forces which create rain and transform atmospheric moisture into water which will benefit mankind on Earth.

It was the great humorist Will Rogers who once said:

> Everybody talks about the weather, but no one does anything about it.

That need no longer be true. We now have the capability and the knowledge to modify the weather and manage precipitation to a significant degree. If we use this ability and knowledge properly, we can relieve great anxiety, reduce human suffering, prevent economic hardship, significantly reduce the damage from hail, tornadoes, and other severe weather, and greatly increase the productivity of our farms and ranches.

The first bill provides for a study of the need for regulation of weather modification activities, the status of current technologies, the extent of coordination and the appropriate responsibility for operations in the field of weather modification. The purpose of this bill is to provide a commission to provide for a study of the need for regulation of weather modification, to delve into the status of technologies which today exist and are available to State and private interests, the manner and extent of coordination between the various inputs in the field, and to study the appropriate responsibilities which should exist in a meaningful weather modification program. This commission will be composed of nine members appointed by the President.

It has the duty to undertake a comprehensive investigation and study of those questions and issues delineated in the bill as well as others which may be necessary to provide an adequate and comprehensive study of the problem as it exists today. Examples of some of the areas which will be studied by the commission will include a review of the present projected needs for control of natural resources; a review of existing surveys and research programs; a review of the legal problems arising out of the management and use of weather modification, international cooperation, and development of an organization plan for a federally sponsored permanent weather modification office.

The need for such legislation is clear: at present there are few attempts to coordinate weather modification activities on the National, State, and local levels. Initial Federal efforts were concentrated in the Advisory Committee for Weather Control and subsequently in the National Science Foundation. These activities were largely monitoring in nature. Currently, there is no monitoring or coordinating function on the Federal level other than a voluntary program by the National Science Foundation. Yet $25 million per year is spent on weather modification in the United States by the Federal Government.

Mr. President, weather modification has been a reality for 25 years. The great benefits to be derived from weather modification have not occurred. Why not? Most of the answer lies in the manner in which the Federal Government, which has financed most of the work, has failed to organize itself to give these resources maximum impact. The funds have been disbursed in at least seven separate agencies, none of which has had enough funds or manpower to fully investigate the problems it was attacking. Additionally, funding emphasis has shifted from agency to agency. The old agency has to phase out its old operations, and the new agency has to build up a completely new staff organization to carry out the function. The consequence of this has been to make it appear almost as if there were a deliberate attempt by the Government to assure that we will make as slow a progress as possible in developing the true potential of weather modification.

Additionally, the number of people who are experts in the physics of cloud and weather modification is very small in the world and particularly small in the United States. Due to the lack of a strong Federal position with regard to weather modification, and due to the lack of any real guidance for those engaged in experimentation of weather modification, some groups have had to curtail or even discontinue work in atmospheric water control because of local apprehension about its impact. Also, local and State conflicts between interest groups who differ jeopardize meaningful progress. Another reason for the slowness with which weather modification has developed and the lack of agreement still found among reasonable people as to the outcome of many cloud-seeding operations is the extreme variability of natural precipitation. The understanding of internal physics and dynamics of the clouds is not at all clear at this stage.

For these and many other reasons, it becomes clear that the United States needs a group of concerned and educated people to study all the ramifications and policy implications of weather modification activities and to develop long-range recommendations to get our house in order. The time has come for this Nation to be about the business of assessing the potential benefits to be derived from weather modification and establish a body of law and procedures through which the maximum benefits from this technology can be secured.

I ask unanimous consent that the text of my bill be printed in full in the Record at the conclusion of my remarks.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 3314

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

DECLARATION OF PURPOSE

Sec. (a) It is the policy of the United States (1) to develop, encourage, and implement, through local, State, Federal, and private efforts, a coordinated, comprehensive, and long-range national program of weather modification for the benefit of mankind through precipitation augmentation, protection from severe storms, dispersion of fog, suppression of lightning, and similar weather modification activities for the management of atmospheric conditions, (2) to regulate as necessary, weather modification activities in the United States to protect, maintain, and improve the environment of the United States in order to safeguard the lives, property, and economic pursuits of American citizens and persons living in other countries, and (3) to encourage the use of techniques which have proven beneficial, particularly in certain States and regions of the United States and to encourage continued experimentation to achieve orderly and beneficial uses of weather modification and to encourage the safeguarding and enhancing of agriculture, water supply, energy sources, and the atmospheric environment.

ESTABLISHMENT OF COMMISSION

Sec. 2. There is hereby established under the Environmental Protection Agency a National Weather Modification Commission (hereinafter referred to as the "Commission").

MEMBERSHIP

Sec. 3. (a) The Commission shall be composed of 9 members to be appointed by the President, not more than two of whom are representatives of each of the following categories: Federal Government, the States, Colleges and Universities, and Private Industry and who by virtue of their experience and education, are knowledgeable in the field of weather modification. The chairman shall be the Administrator of the Environmental Protection Agency and the Assistant Administrator of the Office of National Weather Modification Policy. One of the members shall be a person who is recognized for his experience in the legal phases of weather modification. In making such appointments, the President shall appoint individuals who are representative of major areas of the United States where the several types of weather modification cited in Section 2(a) have been practiced. Not more than five members of the Weather Modification Commission shall be members of the same party and not more than four members shall be from State or Federal Government.

(b) Any vacancy in the Commission shall not affect its powers and five members of the Commission shall constitute a quorum.

DUTIES OF THE COMMISSION

Sec. 4. (a) The Commission shall undertake a comprehensive investigation and study of the need for a national policy on weather modification activities, the need for regulation of weather modification activities, the adequacy of coordination in the field of weather modification among Federal agencies, between the Federal Government and the States, between public and private agencies and organizations, and the areas of responsibility for appropriate agencies of the Federal Government and/or States in the field of weather modification. Such study shall include, without being limited to—

(1) a review of present and projected needs for and control of natural resources from the atmospheric environment to maintain the economy of the United States;

(2) a review of existing surveys, which will lead to research programs and engineering programs in the field of weather modification, particularly such programs as will build a strong physical basis for various weather modification experiments and operations required to obtain the needed resources from the atmospheric environment;

(3) a review of the legal problems arising out of the management, use, development, and control of weather modification programs and activities;

(4) a review of the status and required improvements of current regulation of weather modification activities at all levels of government;

(5) the development of an organization plan for a federally sponsored permanent commission or office designed to carry out a regulatory program consistent with the purposes of this Act; and

(6) the development of a program for international cooperation and necessary international regulation of weather modification activities.

(b) The Commission shall hold hearings throughout all regions of the United States in which there has been significant research and/or practice in weather modification where determined to be necessary.

(c) The Commission shall transmit to the President and to the Congress not later than two years after the first meeting of the Commission a final report containing a detailed statement of the findings and the conclusions of the Commission, together with such legislative and other recommendations as it deems appropriate.

POWERS OF THE COMMISSION

Sec. 5(a) The Commission or, on the authorization of the Commission, any subcommittee or members thereof, may, for the purpose of carrying out the provisions of this Act, hold such hearings, take such testimony, and sit and act at such times and places as the Commission deems advisable. Any member authorized by the Commission may administer oaths or affirmations to witnesses appearing before the Commission or any subcommittee or members thereof.

(b) Each department, agency, and instrumentality of the executive branch of the Government, including independent agencies, is authorized and directed to furnish to the Commission, upon request made by the Chairman, such information as the Commission deems necessary to carry out its functions under this Act.

(c) Subject to such rules and regulations as may be adopted by the Commission, the Chairman shall have the power to—

(1) appoint and fix the compensation of an executive director, and such additional staff personnel as he deems necessary, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to the provisions of chapter 51 and sub-chapter III of chapter 53 of such title relating to classification and General Schedule pay rates, but at rates not in excess of the maximum rate for GS-18 of the General Schedule under section 5332 of such title, and

(2) procure temporary and intermittent

services to the same extent as is authorized by section 3109 of title 5, United States Code, but at rates not to exceed $100 a day for individuals.

(d) The Commission is authorized to enter into contracts with Federal or State agencies, private firms, institutions, and individuals for the conduct of research or surveys, the preparation of reports, and other activities necessary to the discharge of its duties.

(e) The General Services Administration shall provide administrative services for the Commission on a reimbursable basis.

COMPENSATION OF MEMBERS

SEC. 6. Members of the Commission, other than members who are officers or employees of the Federal Government, shall receive compensation at the rate of $100 per day for each day they are engaged in the performance of their duties as members of the Commission. All members shall be entitled to reimbursement for travel, subsistence, and other necessary expenses incurred by them in the performance of their duties as members of the Commission.

DEFINITIONS

SEC. 7. For the purpose of this Act—

(1) the term "weather modification" means any artificially produced changes in the composition, behavior, or dynamics of the atmosphere;

(2) the term "atmospheric environment" includes that portion of air and airbrone particles surrounding the earth and bound to the earth more or less permanently by virtue of gravitational attraction, and includes any resources contained therein;

(3) the term "weather modification activity" means the use of any weather modification apparatus or weather modification agent to attempt to expect any weather modification.

APPROPRIATIONS AUTHORIZED

SEC. 8. There are hereby authorized to be appropriated such sums as may be necessary, not to exceed a total of $400,000 to carry out the provisions of this Act.

TERMINATION

SEC. 9. On the ninetieth day after the date of submission of its final report to the President, the Commission shall cease to exist.

By Mr. BELLMON:

S. 3315. A bill to provide for a national policy on weather modification activities. Referred to the Committee on Commerce.

Mr. BELLMON. Mr. President, the third and final bill on weather modification activities and policy which I am introducing today is to provide for a national policy on weather modification activities and to establish an Office of National Weather Modification Policy within the Environmental Protection Agency. The purpose of this bill is to establish on a longrun basis an Office of National Weather Modification Policy to centralize weather modification and atmospheric resource management decisionmaking and policy formulation in the Federal Government. As previously discussed, it is clear that the time has come for the Federal Government to organize and coordinate its efforts. Also, hopefully, closer working relationships can be developed with State and local governments in utilizing weather modification technologies.

Many favorable results from weather modification have been produced. These include hurricane modification, hail and lightening suppression, rain and snow enhancement, and fog modification. Successful efforts have been carried out by many Federal agencies—Defense, Agriculture, the National Science Foundation, NASA, Commerce, and Interior. A number of States and counties, particularly in the West, have developed weather modification programs of their own. Universities have developed excellent cloud physics research programs, new research tools, mathematical cloud models to stimulate modification experiments and are developing the badly needed technical manpower for the field. But at this date, and this is one of the most fundamental problems we approach in this area, we have no central office in the Federal Government which has final decisionmaking power and responsibility to effectively carry out a program of weather modification and to establish and implement a national weather modification policy.

With increased world population and increasing pressure on the ability of the arable land to produce adequate food supplies, it seems that, if the potential exists for modifying weather to the benefit of the world population, we would be foolhardy, indeed, to fail to attempt to explore the technological feasibility, to arrive at a policy for implementing technological ability and to develop a centralized organization in the Federal Government to assist efforts to carry out that policy.

This bill would set up, within the Environmental Protection Agency, an office to carry out the functions described above. The Assistant Administrator would develop and promulgate national policy for all such activities by departments and agencies of the Federal Government. In addition, he would have the responsibility and the authority to monitor activities. The Assistant Administrator would also make appropriate recommendations for carrying out national weather modification policy and to inform appropriate State and local government agencies of such national policy. Of great importance, the Assistant Administrator would make recommendations to the President and the Congress as he determines necessary to implement the policy which is established.

Mr. President, in discussing potential weather modification, we must ask ourselves, can any society in a world of competing ideologies and increased demand on diminishing resources refuse to take the lead in developing the technology and the procedures for atmospheric recovery? And, can that society be the last to establish a policy and implement that policy for directing the technology which has the potential to eliminate one of mankind's most troublesome concerns—bad weather.

I ask unanimous consent that the text of my bill be printed in full in the RECORD at the conclusion of my remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 3315

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "National Weather Modification Policy Act of 1974".

ESTABLISHMENT OF OFFICE OF NATIONAL WEATHER MODIFICATION POLICY

SEC. 2. (a) There is established within the Environmental Protection Agency an office to be known as the Office of National Weather Modification Policy (Hereinafter referred to as the "Office").

(b) The Office shall be headed by an assistant administrator (hereinafter referred to as the "Assistant Administrator"), who shall be responsible to the Administrator for the exercise of all the functions of the Office, and shall have authority and control over all activities and personnel of the Office. There shall be in the Office a Deputy Assistant Administrator who shall be appointed by the Assistant Administrator. The Deputy Assistant Administrator shall perform such functions as the Assistant Administrator prescribe and shall act as Assistant Administrator during the absence or disability of the Assistant Administrator, or in the event of a vacancy in that office.

(c) Section 5314 of title 5, United States Code, is amended by adding at the end thereof the following:

"(60) Assistant Administrator, Office of National Weather Modification Policy."

(b) Section 5315 of such title is amended by adding at the end thereof the following:

"(98) Deputy Assistant Administrator, Office of National Weather Modification Policy."

FUNCTIONS

SEC. 3. The Assistant Administrator shall—

(1) in conformance with Federal laws relating to weather modification activities, develop and promulgate a national policy for all such activities by departments and agencies of the Federal Government;

(2) observe, and require appropriate reports with respect to such activities by such departments and agencies, and make appropriate recommendations for carrying out such policy;

(3) inform appropriate State and local government agencies of such national policy and make appropriate recommendations to such agencies in order to promote such national policy; and

(4) make such recommendations to the President and the Congress as he determines necessary to further implement such national policy.

ADMINISTRATIVE PROVISIONS

SEC. 4. (a) The Assistant Administrator is authorized—

(1) to appoint and fix the compensation of personnel of the Office;

(2) to employ experts and consultants in accordance with the provisions of section 3109 of title 5, United States Code;

(3) to appoint one or more advisory committees composed of such private citizens and officials of Federal, State, and local governments as he deems desirable to advise him with respect to his functions under this Act;

(4) to promulgate such rules, regulations, and procedures as may be necessary to carry out the functions of the Office, and delegate authority for the performance of any function to any officer or employee of the Office under his direction and supervision; and

(5) to utilize, with their consent, the services, equipment, personnel, information, and facilities of other Federal agencies and of State, local and private agencies and instrumentalities, with or without reimbursement therefor.

(b) Each member of a committee appointed pursuant to subsection (a)(3) who is not otherwise employed by the Federal Government shall receive $125 a day, including travel time, for each day he is engaged in the actual performance of his duties as a member of that committee. Each such member shall also be reimbursed for travel, subsistence, and other necessary expenses incurred in the performance of his duties. Each member of any such committee who is otherwise employed by the Federal Government shall be reimbursed for travel, subsistence, and other necessary expenses incurred in the performance of his duties as a member of that committee.

AUTHORIZATION

SEC. 5. There are authorized to be appropriated such amounts as are necessary for the purposes of this Act.

By Mr. ROTH (for himself and Mr. Abourezk, Mr. Allen, Mr. Baker, Mr. Bartlett, Mr. Bayh, Mr. Beall, Mr. Bennett, Mr. Bentsen, Mr. Bible, Mr. Biden, Mr. Brock, Mr. Burdick, Mr. Clark, Mr. Cotton, Mr. Cranston, Mr. Dole, Mr. Dominick, Mr. Eagleton, Mr. Ervin, Mr. Fannin, Mr. Fong, Mr. Goldwater, Mr. Gurney, Mr. Hansen, Mr. Hart, Mr. Hartke, Mr. Hollings, Mr. Hughes, Mr. Humphrey, Mr. Jackson, Mr. Javits, Mr. Magnuson, Mr. Mansfield, Mr. Mathias, Mr. McClure, Mr. McGee, Mr. McGovern, Mr. McIntyre, Mr. Pell, Mr. Percy, Mr. Ribicoff, Mr. Schweiker, Mr. Hugh Scott, Mr. Stafford, Mr. Stevenson, Mr. Taft, Mr. Thurmond, Mr. Tower, Mr. Williams, and Mr. Young):

S.J. Res. 203. A joint resolution entitled "National Arthritis Month." Referred to the Committee on the Judiciary.

Mr. ROTH. Mr. President, I am pleased to introduce for the third consecutive year, a joint resolution that the month of May 1974 be proclaimed by the President as "National Arthritis Month." Similar resolutions were passed by the Congress and signed by the President in 1972 and 1973.

I would like to urge my colleagues to join me today in support of my Senate Joint Resolution 203, which is similar to House Joint Resolution 938 by Representative Howard of New Jersey.

Mr. President, despite all the biomedical research efforts in the public and private sectors and even though some breakthroughs have been made in screening and detection, this dreadful disease continues to be a major threat to human well being. Arthritis is the most prevalent of the crippling ailments, taking an annual toll of almost half a million people. Arthritis and rheumatism are degenerative diseases that will continue to afflict almost all of us as we get older. Unfortunately, those who will be most acutely affected are those who have passed their prime of life and who are subsisting on greatly reduced incomes. These are generally the folks that will soon be, or already are, on medicare and medicaid. Estimates show that among senior citizens—poor and rich, women and men, and regardless of race or geographic setting—about 97 percent have traces of arthritis in one form or another. Yet, arthritis is not common to the aged alone. It also is a major crippler of young adults in their early twenties. About 2½ million persons in this age bracket are incapacitated by this disease.

The incidence of arthritis in America is such that Government effort alone will not suffice. This disease cripples people not only physically but also financially, bringing them untold pain and anguish, compounded by the incapacity to work, thus precipitating loss of income. The individual and societal burden of arthritis stands at an annual estimated cost to the Nation of $9.2 billion.

In the private sector, the Arthritis Foundation is the primary nonprofit organization serving as a source of research and training funds for combating arthritis. Over the years, it has made great strides in organizing community based chapters throughout the country. In 1974, the foundation has a well-thought-out campaign, during the month of May—National Arthritis Month—to educate and inform our citizenry about the morbidity of arthritis, benefits and feasibility of early screening, detection, and treatment; breakthroughs in recent research; and to heighten public awareness on a national scale as to the support needs of the Arthritis Foundation and its local chapters.

Mr. President, Senate Joint Resolution 203, that I am proposing, enjoys the support of 50 of my colleagues. I ask unanimous consent that the list of these distinguished cosponsors be printed in the Record at this point:

There being no objection, the list was ordered to be printed in the Record, as follows:

Cosponsors of Senate Joint Resolution 203

Mr. Abourezk, Mr. Allen, Mr. Baker, Mr. Bartlett, Mr. Bayh, Mr. Beall, Mr. Bennett, Mr. Bentsen, Mr. Bible, Mr. Biden, Mr. Brock, Mr. Burdick, Mr. Clark, Mr. Cotton, Mr. Cranston, Mr. Dole, Mr. Dominick.

Mr. Eagleton, Mr. Ervin, Mr. Fannin, Mr. Fong, Mr. Goldwater, Mr. Gurney, Mr. Hansen, Mr. Hart, Mr. Hartke, Mr. Hollings, Mr. Hughes, Mr. Humphrey, Mr. Jackson, Mr. Javits, Mr. Magnuson, Mr. Mansfield, Mr. Mathias, Mr. McClure.

Mr. McGee, Mr. McGovern, Mr. McIntyre, Mr. Pell, Mr. Percy, Mr. Ribicoff, Mr. Schweiker, Mr. Hugh Scott, Mr. Stafford, Mr. Stevenson, Mr. Taft, Mr. Thurmond, Mr. Tower, Mr. Williams, Mr. Young.

ADDITIONAL COSPONSORS OF BILLS

S. 1566

At the request of Mr. Inouye, the Senator from North Carolina (Mr. Helms) was added as a cosponsor of S. 1566, the U.S. Pacific Island Surface Commerce Act of 1973.

S. 1844

At the request of Mr. Abourezk, the Senator from North Carolina (Mr. Helms) was added as a cosponsor of S. 1844, to provide for the establishment of an American Folklife Center in the Library of Congress, and for other purposes.

S. 2801

At the request of Mr. Proxmire, the Senator from Nevada (Mr. Bible) was added as a cosponsor of S. 2801, to amend the Food, Drug, and Cosmetic Act concerning safe vitamins and minerals, and for other purposes.

S. 2809

At the request of Mr. Mondale, the Senator from Pennsylvania (Mr. Schweiker) was added as a cosponsor of S. 2809, the National Employment Priorities Act.

S. 2854

At the request of Mr. Cranston, the Senator from Iowa (Mr. Clark), the Senator from South Carolina (Mr. Hollings), the Senator from Hawaii (Mr. Inouye), the Senator from Washington (Mr. Jackson), and the Senator from Connecticut (Mr. Weicker) were added as cosponsors of S. 2854, a bill to amend the Public Health Service Act to expand the authority of the National Institute of Arthritis, Metabolic, and Digestive Diseases in order to advance a national attack on arthritis.

S. 3068

At the request of Mr. Curtis, the Senator from Nebraska (Mr. Hruska) was added as a cosponsor of S. 3068, to amend section 103 of the Internal Revenue Code of 1954.

S. 3140

At the request of Mr. McClure, the Senator from Nebraska (Mr. Curtis) was added as a cosponsor of S. 3140, to prohibit increases in rates of pay to Members of Congress until fiscal balance is achieved.

S. 3147

At the request of Mr. Clark, the Senator from South Dakota (Mr. Abourezk) was added as a cosponsor of S. 3147, to amend the Occupational Safety and Health Act of 1970 to provide additional assistance to small employers.

S. 3182

At the request of Mr. McClure, the Senator from Connecticut (Mr. Weicker) was added as a cosponsor of S. 3182, to prohibit the banning of lead shot for hunting.

S. 3207

At the request of Mr. Kennedy, the Senator from South Dakota (Mr. McGovern) and the Senator from Minnesota (Mr. Humphrey) were added as cosponsors of S. 3207, to amend the Sugar Act of 1948 to terminate the quota for South Africa.

S. 3259

At the request of Mr. Taft, the Senator from Montana (Mr. Metcalf) was added as a cosponsor of S. 3259, to amend the Rail Passenger Service Act of 1970 in order to authorize certain use of rail passenger equipment by the National Railroad Passenger Corporation.

S. 3274

At the request of Mr. Gurney, the Senator from Hawaii (Mr. Fong) was added as a cosponsor of S. 3274, to establish a Tourist Advisory Board within the Federal Energy Office.

S. 3280

At the request of Mr. Kennedy, the Senator from Minnesota (Mr. Mondale) was added as a cosponsor of S. 3280, the Health Services bill.

ORDER FOR STAR PRINT OF S. 3261

Mr. TOWER. Mr. President, inadvertently, a subsection of S. 3261, the Federal Campaign Reform Act, was not included in the bill as originally introduced on March 28. Therefore, I ask unanimous consent that the following language be inserted in the bill as section 14(k) and that a new printing of the bill be made to reflect the inclusion of this language.

Sec. 14(k) No political committee, national committee, or political action group shall receive a contribution from an alien whose domicile is not within the United States.

The PRESIDING OFFICER (Mr. Stevens). Without objection, it is so ordered.

ADDITIONAL COSPONSOR OF CONCURRENT RESOLUTION

SENATE CONCURRENT RESOLUTION 79

At the request of Mr. Stafford, his name was added as a cosponsor of Senate Concurrent Resolution 79, expressing the sense of the Congress with respect to the celebration of the 100th anniversary of the birth of Herbert Hoover.

ADDITIONAL COSPONSORS OF RESOLUTIONS

SENATE RESOLUTION 67

At the request of Mr. Kennedy, the Senator from Wyoming (Mr. McGee), and the Senator from Kansas (Mr. Dole) were added as cosponsors of Senate Resolution 67, calling on the President to promote negotiations for a comprehensive test ban treaty.

SENATE RESOLUTION 281

At the request of Mr. Mansfield, the Senator from Arkansas (Mr. Fulbright) was added as a cosponsor of Senate Resolution 281, to express the sense of the Senate with respect to the allocation of necessary energy sources to the tourism industry.

FEDERAL ELECTION CAMPAIGN ACT AMENDMENTS OF 1974—AMENDMENTS

AMENDMENT NO. 1147

(Ordered to be printed and to lie on the table.)

Mr. TALMADGE submitted an amendment intended to be proposed by him to the bill (S. 3044) to amend the Federal Election Campaign Act of 1971 to provide for public financing of primary and general election campaigns for Federal elective office, and to amend certain other provisions of law relating to the financing and conduct of such campaigns.

AMENDMENT NO. 1148

(Ordered to be printed and to lie on the table.)

Mr. TAFT. Mr. President, I am pleased to join the Senator from Illinois (Mr. Stevenson) and the Senator from New Mexico (Mr. Domenici) to introduce amendments to the pending campaign reform bill which we hope can serve as a basis for compromise on public financing and thus move the debate forward considerably.

At present the bill, without our proposed amendments, provides Federal matching payments for all contributions of $100 or less for primary election congressional candidates—$250 or less in the case of Presidential candidates—who collect certain minimum amounts of private funding on their own, and 100-percent public financing for the general election campaigns of major party candidates, up to overall spending limits. Limitations on private contributions would be $3,000 for individuals and $6,000 for any organization such as COPE or BIPAC.

By contrast our amendments would eliminate all public financing for congressional primary elections. For general elections, major party candidates could receive 25 percent of the campaign spending limit in Federal funds upon their nomination with no matching required, and $1 of additional funding for each dollar collected in private contributions of $100 or less for congressional races—$250 or less for Presidential races. As under the present bill, minor party candidates would operate under the same system but be eligible for proportionately less Federal funding in general elections, based upon their performance. No general election candidate could receive more than 50 percent of the overall campaign spending limit in public funds. Limitations on general election contributions for both individuals and organizations would be reduced to $1,000.

I believe that basic reforms in campaign financing are essential so that our citizens will be certain that their Government is not being operated to satisfy the interests of the few large contributors, rather than the Nation as a whole. The most important step we can take in this direction is to place strict limitations on the amounts which any single individual or organization can contribute to a candidate. The bill before the Senate attempts to do this, but has been loopholed with an amendment allowing contributions of up to $6,000 from organizations. The bill before us also provides public financing in the recognition that these limits in themselves will exacerbate the tasks of raising enough campaign funds for both incumbent and challenger to make their views known to the public. However, I am concerned that the bill will allow private contributions too high to eliminate the abuses it seeks to correct; unwisely provide public funding for congressional primary elections; allow more public financing than necessary for general elections; foster a mushrooming of wasteful campaign expenditures at taxpayers' expense; and unnecessarily eliminate a meaningful role for small private contributions.

The system we are proposing would clamp down on the size of private contributions for general election campaigns; provide full public financing for the crucial initial portion of campaign expenses but force heavy reliance upon small private contributions for remaining expenses; continue and increase the importance of the role of grassroots activities, and the small contributors involved, in campaign finance; and reduce Federal costs over the present bill by thousands of dollars for each campaign.

All public financing for congressional primaries would be eliminated in recognition that variations in their structure, conduct an operation and the participation and situation of candidates cast serious doubts upon the wisdom of public funding for primaries, particularly congressional primaries, at this point.

I am hopeful that the merits of this partial public financing approach will appeal to both supporters and opponents of full public financing.

AMENDMENT NO. 1149

(Ordered to be printed, and to lie on the table.)

Mr. STEVENSON (for himself and Mr. Taft) submitted an amendment, intended to be proposed by them, jointly, to Senate bill 3044, supra.

AMENDMENT NO. 1150

(Ordered to be printed, and to lie on the table.)

Mr. STEVENSON (for himself, Mr. Taft, and Mr. Domenici) submitted amendments, intended to be proposed by them, jointly, to Senate bill 3044, supra.

AMENDMENT NO. 1151

(Ordered to be printed, and to lie on the table.)

Mr. TAFT submitted an amendment, intended to be proposed by him, to Senate bill 3044, supra.

AMENDMENT NO. 1152

(Ordered to be printed, and to lie on the table.)

Mr. CLARK submitted an amendment, intended to be proposed by him, to Senate bill 3044, supra.

AMENDMENT NO. 1153

(Ordered to be printed, and to lie on the table).

Mr. TOWER submitted an amendment, intended to be proposed by him, to Senate bill 3044, supra.

AMENDMENT NO. 1154

(Ordered to be printed.)

Mr. TALMADGE proposed an amendment to Senate bill 3044, supra.

NOTICE OF HEARINGS ON INDIAN HOUSING

Mr. ABOUREZK. Mr. President, with apologies for the late notice, I announce that the Subcommittee on Indian Affairs of the Senate Interior Committee plans to hold 1 day of hearings Thursday, April 11, on the subject of Indian housing.

We learned the other day that representatives of Indian tribes and Indian housing authorities are planning to convene in Washington next week to discuss common problems.

For some time, the subcommittee has intended to look into this special question of housing on Indian reservations and in Indian communities. Earlier hearings had to be postponed.

Next week's meeting offered a unique opportunity to hear a cross section of experience and ideas concerning Indian housing from around the Nation.

The hearings will be open to the public, and will be held in room 3110 of the Dirksen Senate Office Building, beginning at 11 a.m.

ADDITIONAL STATEMENTS

NOTICE OF REQUIREMENT TO FILE PERSONAL FINANCIAL DISCLOSURE

Mr. CANNON. Mr. President, as we come close to the filing deadline for our Federal income tax returns, most of us probably are also thinking about preparing our personal financial disclosures as required by Senate Rule 44. As it has become customary for the chairman of the Select Committee on Standards and Conduct to provide a reminder about this time each year, I wish to take a moment to draw attention to these requirements.

Each Senator and each employee generally who was paid by the Senate at a rate of more than $15,000 a year during 1973 must file two disclosure statements.

The first of these, the Statement of Contributions and Honorariums, should *be filed with* the Secretary of the Senate before May 15. This statement is available for inspection by the public and should list honorariums that were received of $300 or more as well as contributions accepted by the Senator.

The second statement, Confidential Statement of Financial Interests, must also be filed before May 15, but with the Comptroller General. The Confidential Statement should contain various items of financial information to supplement the Federal income tax return which is filed with this statement.

The third report required by the Senate Rules of Conduct, is the statement of personal service activity or employment which must be made in compliance with rule 41. This report should be made to his supervisory Senator or officer by each officer and employee of the Senate who performs outside personal service for compensation. The statement of personal service activity is made on May 15 itself and at any other date that outside employment starts or substantially changes.

Very early in this session, the Committee on Standards and Conduct sent a set of instructions and sample forms for these reports to each Senator and officer of the Senate. The chairman of the committee stated at that time that the committee was prepared to help all Senators and employees to prepare and file reports. I wish to reiterate that the staff continues to be available for this service. The committee office is in room 1417 of the Dirksen Building and can be reached on telephone extension 2981. Those persons who desire to use the suggested reporting forms and have not yet obtained copies may do so by telephoning the committee.

ADM. JOEL THOMPSON BOONE

Mr. HUGH SCOTT. Mr. President, we were saddened by the death on Tuesday of Adm. Joel Thompson Boone, a native Pennsylvanian whose illustrious career in the Navy Medical Corps exemplified the finest tradition of military service.

Throughout his 28 years with the Navy, Admiral Boone represented the epitome of the complete naval officer. Among the many honors he received were the Congressional Medal of Honor and the Distinguished Service Cross. More importantly, he exhibited a keen concern and understanding for those around him.

All those who knew Admiral Boone admired and respected him as an officer and as a man. He will be missed.

PAUL L. BOLDEN, WORLD WAR II MEDAL OF HONOR WINNER

Mr. ALLEN. Mr. President, in Huntsville, Ala., lives a man who is possibly the highest decorated World War II soldier living in the United States since the death of Audie Murphy. He is Paul L. Bolden, a native Alabamian who fought in World War II.

Mr. Bolden is one of 12 living Medal of Honor winners in the State, including those who fought in Korea and Vietnam. His quick action as a rifleman in an infantry unit in Belgium won him this honor. Other courageous acts during that war brought him further awards, including the Silver Star and four Bronze Star medals, and a host of other medals and awards.

An article written by Mr. Barry Casebolt and published in the Huntsville, Ala., Times tells of Mr. Bolden's heroic deeds and lists the names of the other Alabamians who have received the Medal of Honor. I asked unanimous consent that this article be printed in the RECORD that others might take note of the heroism and bravery of these fine Alabamians and fine Americans.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MEDAL OF HONOR WINNER LOOKS BACK ON WAR YEARS

(By Barry J. Casebolt)

When the putrid smoke had cleared out of the basement of a house in Petit-Coo, Belgium, on Dec. 23, 1944, a small, wounded, Madison County farmer stumbled outside in the cold air with an empty Thompson submachine gun.

Inside the death house were the limp bodies of 35 German SS troopers.

Sgt. Paul L. Bolden, a 21-year-old rifleman in an infantry unit who knew how to plow red Alabama soil with mules, had singlehandedly killed 35 of the enemy in less than five minutes.

Why did squad leader Bolden take it upon himself to quell 35 guns in a dark, Belgian basement during the Battle of the Bulge?

In an interview Wednesday, Bolden explained that it was simply a job that needed to be done.

"I wouldn't ask my men to do anything I wouldn't do," he said. 'We just had to get 'em out of there."

For that deed, Bolden was awarded the Medal of Honor by President Harry S. Truman. Bolden recalls Truman saying at the White House awards ceremony: "I'd rather have the Medal of Honor than be President of the United States."

For other courageous acts from June through Dec. 23, 1944, Bolden won the Silver Star, four Bronze Star Medals, the Belgian Croix de Guerre with palm, two Purple Hearts, the Combat Infantryman's Badge, European Campaign Medal with three battle stars, two Good Conduct Medals, and the World War II Victory Medal.

Today, he is the highest decorated living soldier in Alabama who fought in World War II.

He may be the highest decorated World War II soldier living in the United States since Audie Murphy has died.

Bolden is one of 12 living Medal of Honor winners in the state, including those who fought in Korea and Vietnam. The others are:

Col. Charles Davis, Gordo; Sgt. Henry Erwin, Bessemer; Col. William Lawley, Leeds; Sgt. Jake Lindsey, McIntosh; Capt. David McCampbell, Bessemer; Col. Jack Treadwell, Ashland; and Pvt. Wilson Watson, Tuscumbia—all from World War II.

Capt. Alford McLaughlin, Leeds; Maj. Ola Mize, Albertville and Warrant Officer Harold Wilson, Birmingham—Korea.

Capt. James Sprayberry, Sylacauga—Vietnam.

Bolden, the father of seven children, lives near the Tennessee line on a 40-acre farm.

He is employed by the Army Missile Command as a reproduction equipment operator in the Directorate for Management Information Systems.

Bolden, a quiet man, has a 40 per cent medical disability for combat wounds incurred "fighting just about every day" during the six-month period.

He landed at Normandy and fought in three major battles from St. Lo, France, through Germany and Belgium with Company E of the 120th Infantry Regiment.

Bolden was also part of the "lost battalion" cut off by a German panzer spearhead as Gen. George Patton rambled across Europe with his Army.

At about 3 p.m. on Dec. 23, 1944, Bolden and his company found themselves pinned down by heavy German machine guns and firepower from the house in Petit-Coo.

On his own initiative, and using a private named Snow from Massachusetts to provide covering fire, Bolden ran and crawled about 200 yards of open ground to the house crossing a bridge as he went.

"Sometimes I ran, and sometimes I had to crawl" to get to the house, said Bolden, who is 51 years old and greying at the temples.

At one point, a German machine gunner in the basement "ran a clip of bullets up my pants leg," he recalls. "That's how close it was."

When he got to the house and perched under a window, Bolden heaved two grenades inside. After the explosion—by this time, Pvt. Snow had been killed in the action—he went in a door and opened fire on the SS troopers.

He had killed 20 before being shot in the chest and stomach. The bullet lodged in his hip.

Bolden got back out of the basement and waited for the remaining troopers to come out and surrender.

The citation signed by Truman concludes:

"When none appeared in the doorway, he summoned his ebbing strength, overcame the extreme pain he suffered and boldly walked back into the house, firing as he went.

"He had killed the remaining 15 enemy soldiers when his ammunition ran out.

"Sgt. Bolden's heroic advance against great odds, his fearless assault and his magnificent display of courage in re-entering the building where he had been severely wounded, cleared the path for his company and insured the success of its mission."

A subdued man, Bolden exhibited a sense of humor during the interview when he said he knew it was his turn to rotate back to the U.S. in one week.

"I wanted to get home," he said, "and they (the SS troopers) done made me mad. It was just a week before rotation. . .

"Once I got in the house, it only took four or five minutes . . . There was a whole slew of them in there. It was kinda dark. . ."

He said he wouldn't kid anybody about being afraid, though.

"I was afraid the first day in combat and I was afraid up to the last minute of the last day," he said.

After it was all over for Bolden at Petit-Coo, he was taken to a field hospital, and then hospitals in France and in the U.S. It took months for him to get well enough to be released.

But it wasn't until he had been discharged from the Army that he received a letter from Washington, telling him he had been awarded the Medal of Honor.

For several years after the war ended, Bolden worked around the area, but a new war had broken out in Korea and he re-enlisted.

"There was a war," he said, and re-enlisted. The Army made him a master sergeant, but would not send him up to the front in Korea, although Bolden asked to be sent there. He wound up in Europe.

The only reason he joined the Army in the first place was to serve, he said.

"I could have gotten out of the draft because I was a farmer," said the Micom employe, "but what would I think if the others came back.

"I would have felt pretty cheap if I didn't go."

After Korea, he tried for several months to get a job with the Army at Redstone Arsenal but was repeatedly turned down, he said.

Finally, Bolden wrote letters to the Medal of Honor Society in Washington, who he gives most of the credit for getting him the job he has now.

THE ENVIRONMENT AT VALLEY FORGE

Mr. NELSON. Mr. President, recently a distinguished colleague, Congressman MORRIS K. UDALL, was honored by the National Wildlife Federation as the "Legislator of the Year." He has been a Member of the House since 1961, and is chairman of the Environmental Subcommittee of the Committee on Interior and Insular Affairs.

Few men on the Hill or in the country, for that matter, are as knowledgeable about the real implications of environmental degradation or resource depletion as "Mo" UDALL. And few men are as vigorous in the cause of "Mother Earth."

Once again Representative UDALL has demonstrated keen insight into the cause of the environment in a thoughtful speech he delivered accepting the award.

I ask unanimous consent that Mr. UDALL's speech be printed in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

THE ENVIRONMENT AT VALLEY FORGE

(Address by Representative MORRIS K. UDALL)

John Gardner once noted that the trouble with America was its uncritical lovers and unloving critics. What we needed were more critical lovers.

I come before you tonight both as a lover and a critic of the conservation movement, as one who is at once proud of our past accomplishments and disappointed by them, troubled about the future of the movement and hopeful for it. I stand here to receive this award with great pride, and yet my pride is tempered by my concern for the future of this fine movement. I catch myself wondering if future historians will say that our time was the beginning or the beginning of the end of the environmental cause.

And where could it be more appropriate to consider this question than in the great cathedral of nature known as Colorado? For this is a cathedral under siege. Before the 1930's there was another Colorado known as Appalachia with wooded mountaintops, wildlife, clean and plentiful streams—the kind of outdoor paradise that this Federation fights for. In Appalachia today there are muted mountains, gutted valleys, and nearly 10,000 miles of fishing streams deadened by industrial poison. Once a natural playground, it is now a natural graveyard. And there are people in industry today who would take Colorado down this same miserable road.

And so tonight in this period of transition, in this magnificent state, and in this gathering of conservation leaders, I will not mince words. I want to talk frankly about the problems of the conservation movement, for they are substantial. I want to be critical, for I believe a dose of loving criticism and analysis is badly needed.

As we meet here to celebrate the environmental achievements of the year, we find if we are truthful that the pickings were pretty slim. 1974 has not been a good year for the environment; nor was 1973. Yes, we can take solace in the addition of a few thousand more acres of wilderness, parks and refuges, in a few court decisions that went in our favor, in the election of a new crop of city councilmen and mayors across the country who believe in the conservation ethic and who are trying to implement the ethic on a local basis.

But on the big national issues that will decide the shape of life in the decades ahead, we are not making headway—on energy, clean air and water, land planning. Four years ago in the Congress when the word "environment" was attached to legislation it virtually assured passage; four weeks ago I went before the Rules Committee with my land planning bill and found that the same word stirred resentment and contributed to defeat. Three years ago Congress would have voted 2 to 1 to resist any attempt to override the basic provisions of the National Environmental Policy Act; when the vote came last year on the Alaska Pipeline, a majority stampeded not merely to override NEPA but to gut it. And apparently the judges are reading election returns and thermostats, and are waiting in lines at gas stations. Gone are the heady days when environmental lawyers could storm the courts with NEPA lawsuits in the knowledge they had a fighting chance to change major national policies. If you haven't noticed, the batting average for environmental lawsuits is slumping with judicial tolerance for NEPA injunctions having apparently worn thin. Worse, all of this is a reflection of waning public interest in the environmental movement; not by any means the public abandonment of the issue, but a general feeling that the movement must take a back seat to pressing natural resource shortages.

And this environmental slippage comes at a bad time. The nation faces now as never before an agenda of environmental decisions whose historic importance will rank with the American Revolution itself. I suppose you could say we are hunkering down at the environmental Valley Forge.

What do I mean?

Call it the energy crisis, or Mr. Nixon's politically comfortable term, the energy problem, it is the first in a series of stark realizations that will shock this country in the months and years immediately ahead. And life will never be the same. For despite the administration's false optimism, America is running out of oil and a whole list of other crucial non-renewable natural resources as well. Historians of the future will, I suspect, write that the last thirty years were the golden age of American growth and luxury, but increasingly they will write about it as a time when Americans of one generation unwittingly skimmed the cream of this country's most precious resources. For the age of abundant natural resources is over, I assert. And in the years ahead we will have to dramatically restructure our economy and resource policies. It does not mean the end to prosperity or happiness, but it will necessarily require fundamental changes in what many of our countrymen now view as "the good life."

Historian C. V. Wedgewood wrote: "History is lived forwards but it is written in retrospect. We know the end before we consider the beginning and we can never wholly recapture what it was to know the beginning only." I want to suggest that fate has cast us as witnesses and participants in one of history's briefest, most traumatic transitions—from the last whimpers of an age of abundance to the first painful groans of a new age of scarcity. But, as Wedgewood suggests, the perspective is distorted by our habitual allegiance to the policies of the past.

Faced with the scarity crises of 1973 and 1974, the country is not moving steadily toward enlightened new policies, but rather to a re-assertion—a disastrous one—of the old, discredited natural resource policies of a different age based on a different set of imperatives and a different list of assumptions. And if those policies are not turned around—and turned around during the next 36 months—it may be too late.

And so we're at the moment of decision—decisions whose consequences will pervade life for the last third of this century and beyond—and we find the environmental movement with less clout in national policy councils than it's had in a decade.

I want to suggest three reasons why this is the case, leaving aside for a moment the current concern over energy supplies.

1. The first reason is that the environmental issue has on the vital questions been substantially abandoned by the White House. And in our presidential system, that is to say it has been altogether abandoned by government. Congress and the courts can obstruct, they can delay, they can snipe and fight and sometimes have an impact, but the fact is if the weight of the presidency is thrown against you foursquare, you lose in this democracy.

I don't want to add to the travail of a wounded President, but someone ought to say that Richard Nixon is doing this nation a disservice by caving in on environmental issues for the sake of his impeachment politics. Someone ought to call him on his backtracking and, yes, double-crossing on basic policies such as land use reform. There is simply no decent rationale for such behavior, and we ought to let him know it.

There are good and noble men in this administration—men like Rogers Morton, Russell Train and Russell Peterson—but these men are finding when the crunch comes, they are left frequently, to borrow a notorious phrase, "twisting slowly, slowly in the wind." Those who have watched Richard Nixon turn his back on the conservation ethic ought to take this as a lesson. The President abandoned the conservationists because he never counted on them in the first place.

Your movement is essentially non-partisan, non-political, and there is much to be said for this approach. But in this system, policies are not pursued unless there is political pressure behind them. The conservation community really played no substantial role in the 1972 presidential campaign on either side. Crucial natural resource issues were never discussed. Never again should that be allowed to happen. As we go down the road to 1976, conservationists of all political stripes should be united in their insistence that candidates address these issues, and that the next American to occupy the White House—whether Republican or Democrat—be a responsible conservationist.

2. A second crucial weakness of the environmental movement is that it hasn't yet made the transition from a negative effort to a positive one. This is because, during the great membership growth period of the Sixties, the effort took form basically as an

insurgency. It was geared to "halt outrages"—and there were many—and "to defeat anti-environmentalists." This is a logical way to begin any effort; it provokes needed publicity and stirs the adrenalin of an outraged public. But the problem is that once the monsters were slain—and mostly they were—we did not know quite what to do with ourselves. You can defeat a hostile politician, impose an environmental review process on the agencies of government, even stop the SST, but if that is all you have achieved, it is far from enough.

After the insurgency succeeds you must govern. You must have positive, compelling *programs*, and we have offered far too few of them. There are still millions of Americans who view the conservation movement as a group of anti-everything fanatics who care more about bird life than human life. And to borrow a phrase from John Ehrlichman, that won't sell in Peoria, or for that matter in Brooklyn, Pittsburgh or Seattle either.

A measure of this criticism is unfair. Enlightened conservation leaders have for the last few years fought for good, positive programs like land planning, but the hard fact is that the engine for such an effort is still lacking. And part of the solution lies in my third reason for the weakness of the movement.

3. That reason is that the movement is still infected with a subtle form of elitism. The conservation effort is not perceived, as it must be, as a humanitarian effort keyed to sound stewardship of the long term future. The truth is it is the most basic of humanitarian causes: the cause of physical and spiritual health, decent communities, clean air and water, sufficient food and natural resources. And with the shortages crisis upon us, the environmental cause is inexorably tied to economic stability, jobs, housing—the gut issue of American life. This critical relationship—the direct tie between the three "E's"—energy, environment and economy—must be spelled out to the policymakers and the public with a massive new re-education effort which advances abroad and humanitarian themes.

The elitism to which I refer is a subtle and not at all the vicious kind. It was born of a time when environmentalists found it both possible and comfortable to avoid delving into the gut, controversial issues—racial harmony, jobs, etc. I say that day is gone. For if this society fails to face up to the problems of the cities, then it cannot begin to solve the energy problem. And if urban sprawl is to continue, no economic group, no section of the country will escape the consequences. An equally frightful price will be paid on the beaches of the Atlantic and Pacific coasts and on this great western plateau that houses the coal and shale oil of the future.

I remember one of those old patriotic movies when Bing Crosby defends the American flag against a cynic by asking others "to say what Old Glory stands for." A Southerner talks of red clay and pine trees. A Westerner describes sunset in the Rocky Mountains. But it's an old Brooklynite who gets the biggest cheer when he says: "Hey, Mac, ever seen steam comin' out a sewer in Flatbush?"

My point is, where is that environmental constituency in Flatbush? Can we long exist without it? The fact is most Americans will never see a wilderness area, park or wildlife refuge, and unless they are brought into the fold when the crunch comes they can be expected to opt for power, light and heat at any cost—even if the price be wall-to-wall power plants and refineries in Montana, Colorado, New Mexico and Arizona.

Emerson said that "the only way to have a friend is to be one." Part of the reason the environmental movement finds itself in trouble today is that we failed during the heady years of the Sixties to make friends and forge alliances with groups that might be largely with us now: blue collar America, enlightened industry, the minorities who inhabit our rundown cities. But in those days, environmentalists were not in a mood to compromise or to play a role in "their" issues, and we predictably find few friends around to sustain us during the dark days of the energy crisis.

And so we have labor joining the oil industry to cut the throat of NEPA during the Alaska Pipeline debate, and they should not.

We have civil rights groups in Jacksonville, Florida, joining with development-oriented industries in a coalition against wildlife groups who didn't want important spawning waters destroyed by a facility producing "floating nuclear power plants"—a concept not even approved by the AEC. And the blacks shouldn't have been there, siding against NEPA.

So my criticisms are that we have been too negative, too elitist, too self-centered. Well, what's my prescription? It comes in about three doses.

The first has to do with common sense, that elusive concept called reasonableness, and facing, as Casey Stengel said, "the conditions what prevail." The principal condition that prevails is an energy shortage that can cause high unemployment in blue collar America and in the neighborhoods of the poor. Our most immediate task as a nation will be to keep these millions of families on their feet through the worst moments of the economic downturn. The first line of attack will be on the energy supply front (energy conservation is meaningless to people without money or jobs) and here are some facts you and I will soon be facing.

The nation is going to insist on substantially increased coal production. While I and others wish it were not so, I believe we had better accept this fact and help the nation make the right decisions. I believe we can have an expanded coal program and one that is not destructive to the environment, but we'd better get cracking. The support of the National Wildlife Federation has been the key to our efforts in the Congress to get a balanced coal program underway this year with a responsible strip mining bill.

The American public is going to insist on drilling off the Atlantic coast and stepped up efforts elsewhere. I believe we should say we are not opposed to a careful program which is well conceived and is not a crash effort to ransack what's left of our oil reserves. Instead, we should insist that drilling procedures, environmental impact statements, and government oversight give every protection to the environment.

A MacKenzie Valley gas line, in addition to the Alaska oil line, is going to be built. The MacKenzie route might house that oil line as well if we had gotten behind the idea earlier, and fought *for* it instead of *against* the Alaska line. We ought now to say we will support a second line, but we will insist on the best environmental route and every practicable safeguard.

And then there is the matter of shale oil. Should we put our foot down on early efforts to explore the development of this new resource? The temptation will be there, but I say we can't. But we must insist that these initial efforts are truly prototype programs, not camouflaged commercial developments; that the environmental costs be carefully weighed and that the water supply, which is life and death to the West, be protected and fairly apportioned among competing users.

While I'm suggesting hardheaded compromise, I am also recommending that where basic values involving irreparable damage are involved, we will not yield. And let me give some examples:

Increased coal production does not mean stripping every last acre of the West. The new emphasis has to be on deep mining, because while cheap extraction is on the top, the massive reserves the country needs and can have with the least environmental damage are underground.

The mysteries of nuclear power may yet be solved to the benefit of this nation and the world, and we will not inhibit responsible development. But we ought to draw the line on this liquid metal fast breeder reactor program until its many designs and safety problems have been brought into the open, discussed and solved. We must insist further that there be a much more satisfactory solution to the problem of radioactive waste disposal before any reactor construction program is speeded up.

Recognizing the controversies brewing over the technology of auto emission controls, we will nevertheless keep the heat on Detroit to build the smaller cars and better engines which are the real solution to the auto exhaust problem, and part of the answer to the gasoline shortage. The Wyman amendment and other attempts to simply relieve the auto industry of this responsibility will be fought.

We will bow our backs if this or any administration attempts, as the Nixon administration is hinting, to turn over to its energy office the duties and responsibilities of the Environmental Protection Agency. We will not allow the political panic of this administration to bring on the dismantling of the nation's fledgling environmental program.

George Bernanos said, "The worst, the most corrupting lies are problems poorly stated." It is a misstatement of the problem and a misunderstanding of its causes to hold that the energy crisis the direct offspring of the environmental revolution of the Sixties. And yet, to an incredible extent, that is the belief in the White House and in the boardrooms of some of the country's largest corporations. It is indeed a corrupting lie, for on the issue of natural resources the conservationists have been largely right and their message of husbanding resources has been timely. But the lie is in circulation, and it must be fought by the conservation community with a reasoned, enlightened, cooperative approach in the months and years ahead.

The second big dose of medicine I recommend for the conservation movement is in the organizational area. Conservationists are notorious individualists who get their intellectual heritage from great iconoclasts like Muir, Twain and Thoreau. Will Rogers said, "I belong to no organized political party. I'm a Democrat." Many in this room could say, "We belong to no organized social movement. We are conservationists." But there is one compelling fact that the conservation movement had better come to terms with: in this democracy the key to political success is organization.

Common Cause does it. So do the doctors, organized labor, the homebuilders, the women's movement, and every political party. What do they do? They meet; they have annual conventions; they elect officers; and for five or six days fight each other for the centerpiece of a platform which their entire movement will support. "In politics," John Kennedy counseled, "there are no friends, only allies." People walk away from these annual internecine wars knowing that if they haven't won any friends, they have at least trapped reluctant allies into a common effort.

This is the uncomfortable part of democracy, but it is the most important part. And in the conservation field it is desperately lacking. Conservationists have no central policy institutions, no annual convention where they are packed into a room and forced to work out their differences, no place where they produce unified policy and emerge knowing they share priority goals in the year ahead. In my opinion, this the conservation movement must do or perish as an effective agent of political change in this country. For the truth is the conservation groups are right now involved in self-destructive competition for headlines and a limited pool of members and dollars.

The price of membership expansion for many groups during the Sixties was chaos. Larger membership gave them the budget for expanded Washington staffs, to put out beautiful magazines, and so on—each of these developments wholesome—but too often they felt the price of membership drives was to adopt every policy and fight every fight dictated from the armies in the field. For a while it worked but, as I say, we are now at Valley Forge.

Conservationists have to get organized, limit their legislative targets, and consolidate their limited resources of money and manpower. And all of this has to do with the final dose of medicine I am suggesting.

It has to do with getting back to the basics. In a real sense the conservationist has been the fireman of this cruise ship we call earth, but as the lessons of the energy crisis begin to come home it looks like we have been putting out fires on a sinking ship. For the questions are really much larger than those with which we have traditionally dealt. The issue is not merely whether we will have human life. It is not whether we will pass on to our descendants isolated plots of wilderness or parks or a few clean fishing streams, but whether they will inherit anything like what we knew as civilization.

Some years ago my brother was thought radical when he wrote the following lines: ". . . at this moment in history we need to realize that: bigger is not better; slower may be faster; less may well mean more." Those lines look pretty good today. And it seems to me that this is the central message of the environmental movement—that there are indeed limits to growth, to speed, to luxury.

But those limits are not an indictment against all growth, against all science; it is not a call for a return to the rigid and uninteresting lifestyle of the Spartans or to the negative historicism of Malthus.

It is a balanced approach.

And it is a call—a national appeal—for a more sensible lifestyle, one free as much as possible of waste and despoilment, so that our children and their children can live to experience the magnificence of life. For the conservationist believes above all else that life is worth living, and the possibilities of man living in harmony with nature are endless.

Conservaton is not a piece of wilderness here, a wildlife refuge there. It is a celebration of life in its totality. It can be found at Yellowstone and in Jacksonville, at the Grand Canyon and in Brooklyn. It is, as Russell Train recently said, the kind of diversity where people are given choices. The more we exploit nature, the more those options are reduced until we have only one, like the conservation groups at this Valley Forge, to fight for survival.

And so I've engaged tonight in some loving criticism. Lest there are those who would twist my words or misread my intention, let me reconfirm my belief that this conservation movement, of which the Federation is an important part, is itself a symbol of national health and hope. I treasure the award I have received tonight as I treasure few honors I have received in public life.

And I believe that the conservation community will rise to the challenges I have outlined. I believe that like the wise sea captain the conservation movement can use this new current known as the energy crisis to refill its sails and to redirect the course of this society. For the end to cheap energy may bring on hardship, but it will also end abuses like this wild explosion of rural land development and put the speculators out of business. It may cause us temporary economic pain, but it will force an end to urban sprawl and maybe give the races more incentive to learn to live together. It may force us to redefine leisure and luxury, but it will teach us to better conserve the riches of the earth and thus to enjoy life more. And so we have a mission, you and I and the entire conservation community, to carry on and to work harder for the things in which we believe. In the words of Robert Frost:

"The woods are lovely dark and deep,
But I have promises to keep,
And miles to go before I sleep,
And miles to go before I sleep."

COVERAGE OF NONPROFIT HOSPITALS UNDER NATIONAL LABOR RELATIONS ACT

Mr. TAFT. Mr. President, I have recently received from the Secretary of Labor a letter relating to S. 3088 pertaining to nonprofit hospitals becoming covered by the National Labor Relations Act. I ask that it be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. DEPARTMENT OF LABOR,
OFFICE OF THE SECRETARY,
Washington, D.C., March 29, 1974.

Hon. HARRISON A. WILLIAMS, Jr.,
U.S. Senate,
Washington, D.C.
Hon. JACOB K. JAVITS,
U.S. Senate,
Washington, D.C.
Hon. ROBERT TAFT, Jr.,
U.S. Senate,
Washington, D.C.

DEAR SENATORS: We would like to take this opportunity to express our support for the concepts embodied in S. 3088, a bill introduced by Senator Taft "To amend the National Labor Relations Act to extend its coverage and protection to employees of nonprofit hospitals, and for other purposes."

As you know, we have been working closely with Senator Taft and his staff since Under Secretary Schubert's August 2, 1973, testimony on this matter before the Labor Subcommittee. Our objective has been to achieve an equitable balance among the legitimate interests of all of the parties in order to protect the important public interests involved. We believe that the clean bill which is being drafted based on S. 3088 accomplishes this objective. We further understand that this compromise legislation provides a satisfactory resolution to those issues which have been of concern to each of you, and that the new bill has your full support.

The Office of Management and Budget advises that there is no objection to the submission of this report from the standpoint of the Administration's program.

Sincerely,

PETER J. BRENNAN,
Secretary of Labor.

THE PATROL FRIGATE PROGRAM

Mr. PROXMIRE. Mr. President, one of the major weapons systems initiated in the past few years is the Navy's patrol frigate PF program.

Congress should turn down the Pentagon's request for additional Patrol Frigate funds and reevaluate the program next year.

COST INCREASE AND WEIGHT INCREASE

In the 3 months from September 30, 1973, through December 31, 1973, costs for the PF increased by $238 million, according to figures supplied to me by the General Accounting Office. The total program cost went up from $3.24 billion to $3.48 billion.

A new weight increase is as disturbing as the cost increase. The weight of the PF rose by 30 tons in the same 90-day period and by 130 tons since October 1972.

Originally Congress was told 50 patrol frigates would cost $45 million each. They were described as austere ships, smaller than destroyers, and were to weigh 3,400 tons each.

Not a single ship has been built and the costs are already up to $69.6 million each and the weight has increased to 3,530 tons.

The ship is also growing longer. It was supposed to be 440 feet long. It is now 445 feet.

A contract for the lead ship was awarded to Bath Iron Works in October 1973. Construction of the lead ship is supposed to begin in October 1974.

DECISION NOT DUE UNTIL MARCH 1975

The decision to go ahead with the other 49 PF's is not due to be made by the Navy until March 1975. This decision was originally planned for February 1975 but had to be delayed because of the 4-month delay in the award of the lead ship contract.

I am not attributing any fault to the contractor. The cost and weight increases appear to be primarily the result of decisions and foulups by the Navy.

The Navy has also had problems with the Dutch fire control system and the Italian gun which are to be installed on the PF's. The same two foreign items are being used on another Navy ship, the patrol hydrofoil missile ship.

The Pentagon is asking Congress for $436.5 million for new PF's this year. Congress has appropriated more than $200 million for the program so far.

THE NAVY DOES NOT NEED ADDITIONAL FUNDS THIS YEAR

The Navy does not need the additional money now and Congress should not appropriate it this year.

The Navy's earlier decision to rush ahead with the PF has already contributed to its present problems.

This is the same program which Gordon Rule, one of the Navy's top procurement experts, recently described as the worst example of concurrency he has witnessed in his many years in the Navy.

Large cost overruns and weight increases are warning signals that a weapon program is in trouble.

The decision to build additional PF's cannot be made until March 1975 at the earliest, so what is the big hurry?

CONGRESS NEEDS TO REEVALUATE PROGRAM

Congress should not commit large amounts of money to a new weapon program so many months before the Pentagon has decided to go ahead with it.

The PF was advertised as one of the first to be built according to the Pentagon's design-to-cost philosophy. The Navy told Congress it wanted to buy these ships because it could not afford the number of regular-sized destroyers it needed to have.

If the present trend continues, the

little patrol frigates could cost every bit as much as the big destroyers. We could end up with half the ship for the same price.

Congress should use the rest of the year to make a thorough study of the PF, identify the problems, and if the Navy cannot show how they are being fixed, scrap it.

HOUSING ALLOWANCE REEVALUATED

Mr. HUMPHREY. Mr. President, Herbert J. Gans has written an excellent article which appeared in the New York Times magazine of March 31, 1974. In his article, entitled "A Poor Man's Home Is His Poorhouse," Dr. Gans provided a pragmatic critique of the housing allowance concept of the Nixon administration's new housing policy.

The professor of sociology at Columbia University contends that the bias of Federal housing policy in favor of the middle class and the affluent will continue. The administration's allowance plan will aid those poor already located in standard housing and will serve to clear out some substandard areas, but it will not improve these areas by abandoning them in their dilapidated condition. Dr. Gans suggests that this situation be remedied by an extensive program of building and rehabilitation.

The article outlines a provocative plan under which near-poor and barely moderate-income people would also receive an allowance. The theoretical result of this program would be the availability of standard housing to all groups. Dr. Gans also discusses the feasibility of a universal housing allowance program tied to the application of a Federal tax against incomes above the median level.

Dr. Gans rightly asserts that a housing allowance program must go hand-in-hand with an effective program of construction and rehabilitation of low- and moderate-income housing, as well as a rigorous urban renewal program. He rejects the apparent intention of the administration to use housing allowances as a means of abandoning federally subsidized housing programs.

The housing allowance as proposed in this article will not actually relieve poverty in America. The real eradication of poverty requires a job-oriented program. But Dr. Gans correctly views an effective housing allowance plan as enabling the poor to participate in the private housing market for the first time.

Mr. President, I ask unanimous consent that this provocative analysis of Federal housing policy be printed in the Record.

There being no objection, the analysis was ordered to be printed in the Record, as follows:

Even a Housing Allowance Is No Answer to Poverty—A Poor Man's Home Is His Poorhouse

(By Herbert J. Gans)

In America, as elsewhere, the welfare state is actually two: one for the affluent and one for the poor. Nowhere has this duality been more clearly expressed than in Federal housing policy. Ever since World War II, the Government has subsidized the affluent so that they could buy homes in the "private" housing market, but has placed the poor in specially designated projects, notably public housing. Last fall, however, the Nixon Administration proposed a new housing policy—the housing allowance—which would subsidize them so that they could also choose their homes in the private market. The housing allowance is intended for the 34 per cent of the poor who still live in deteriorating or dilapidated units, and would pay them the difference between the cost of private housing and a percentage of their income, probably 25, if they move into standard nonslum apartments. Actually, the White House is for only paying the allowance to an experimental 20,000 families in 12 metropolitan areas, and it has not yet explained what kind of legislation it has in mind, except to indicate that the undertaking would cost less than existing programs for the poor.

In the last 25 years Federal housing policy has not only meted out dual treatment of different income groups but it has also been biased in favor of the affluent. Various subsidies have helped the middle-class and rich home buyer: F.H.A. mortgage insurance, Federal highway construction that enabled affluent people to commute to work from the outer city and the suburbs without personally paying anywhere near the total cost of using their automobiles, and, above all, the deduction from Federal income taxes of mortgage interest, local property taxes and depreciation. Conversely, the public housing program was never very large; since 1937, when it began, only about one million units have been built. The vast majority of poor people did not (and do not now) receive housing aid, other than through welfare, which once led the late Charles Abrams to describe national housing policy as socialism for the rich and private enterprise for the poor.

Public housing had never been very popular with the taxpayers and politicians. And its popularity declined further when and where its population became poorer and predominantly black. Partly as a result, the Johnson Administration began to augment the public housing program in 1965 with subsidies for the poor, although these subsidies were quite different from the ones for the affluent. These helped only a small percentage of the poor; they were given to the suppliers of housing rather than to the occupants; and since the poor could only move into specially designed units, the subsidies did not provide the freedom of choice that people in the subsidized suburbs take for granted.

The first supplier-subsidy program provided rent supplements; it was followed by the so-called 235 and 236 programs, which aided in the construction of new or the rehabilitation of old dwelling units to be sold or rented to the poor. The 235 home ownership program was especially popular in Congress, the feeling being that if the poor could become homeowners, they would keep up their houses and thus prevent the growth of slums, and behave like middle-class people in other ways. Until all Federal housing programs were halted by the Nixon Administration in January, 1973, 235 and 236 were on the way to providing almost half as many dwelling units in four years as public housing had provided in 35 years, although most of them went to families well above the poverty line; the median income of their occupants was about $5,500.

The two programs were expensive for the Federal Government, because more than a quarter of every subsidy dollar went to the financiers and builders, but perhaps their main drawback was an astounding amount of corruption, especially in 235. Realtors and mortgage bankers often bought up houses in racially changing neighborhoods en masse at bargain prices from their frightened white owners, made cosmetic improvements to demonstrate that they had been rehabilitated, and then sold them at exorbitant prices to the near-poor, black and white, after obtaining excessive F.H.A. mortgages, sometimes by outright bribes to F.H.A. officials. In many cases, poor homeowners could not keep up their high monthly payments or walked away from collapsing houses, leaving the Federal Government with a large supply of nearly worthless units. The wholesale thievery in 235 and 236, some involving America's most prestigious financial institutions, helped to justify Mr. Nixon's housing moratorium.

The housing allowance, or, rather, the plan to experiment with it, was announced in September, 1973, as demands for an end to the moratorium grew insistent. As currently envisaged, the Nixon Administration policy calls for the permanent cancellation of all building programs and supplier-subsidies for the poor, and complete reliance on the housing allowance instead. This is egalitarian in theory, for the allowance would put money directly into the hands of the poor, to enable them to choose freely from the same private-but-subsidized housing market as the non-poor. As a result, they would not, again in theory, have to live with the rules and the stigma of housing publicly designated as being for the poor, and more important, they would be able to move out of the slums and raise their children in urban—and even suburban—neighborhoods with less crime and other pathology.

This optimistic assessment of the housing allowance is supported, at least in preliminary fashion, by a recent study, carried out by Arthur Solomon and Chester Fenton on the Harvard-M.I.T. Joint Center for Urban Studies, of an early housing alliance experiment conducted in Kansas City. Aided by a generous allowance averaging $104 per household, all but very large families moved to considerably better housing, in less crowded neighborhoods, and almost 90 per cent of the families interviewed three months after the move reported their new neighborhood to be better than their old one. Although the participants in the experiment were free to move anywhere in the metropolitan area, most went to "older residential areas on the periphery of the central city," not far from the slums they had occupied previously; whites moved to white ethnic areas, blacks into neighborhoods that had begun to undergo racial change.

As the authors point out, the experiment was conducted in an unusually favorable location, for Kansas City has a vacancy rate of 11 per cent for low and moderately priced housing, considerably higher than in most other cities. Also the experimental population consisted of only 225 families who, therefore, had an abnormally high degree of choice and could find the best of the vacant housing without reducing the supply of empty units to the point where landlords would begin raising rents.

Unfortunately, even the positive results of the Kansas City experiment are not likely to be duplicated if and when the housing allowance becomes Federal housing policy. The first and most serious drawback is that it would work, according to theory, only in cities with an adequate supply of inexpensive vacant housing. In cities where the vacancy rate is below 5 per cent, insufficient units would be available to enable slum dwellers to take advantage of the allowance. Worse still, those who could move would be competing for a limited supply of housing with extra money in hand, thus inducing landlords to raise the rents, and only a handful of American cities have rent control.

Some housing experts, particularly those allied with the real-estate industry, argue that the allowance would actually increase the supply of standard housing, because landlords would be encouraged to improve substandard units to make them eligible for the allowance. But this argument, while in line with conventional economic theory, does not hold for the poor. Experience with many schemes to assist them in the private housing market, including the 235 program and the *de facto* rent allowance paid to New York City welfare recipients, indicates that many landlords would simply slap a new coat of cheap paint on their slum units and rent them to the poor at a higher price. The poor have always been exploited in the private housing market, and the housing allowance per se will not end that. Poor people lack the political influence needed for effective monitoring of governmental programs intended to help them in the private market, whereas builders and landlords have the political and legal power—not to mention the money for bribes—to take advantage of and extra profit from such programs.

The second shortcoming of the allowance program has to do with the amount of money appropriated for it and the number of poor people it can help. If it is going to be the money saver the Nixon Administration wants, it will be small, and the traditional bias of Federal housing policy in favor of the affluent will continue, for only a few slum dwellers could take advantage of the allowance. If the allowance program is generously funded to help large numbers to leave the slums, however, it might set off a process of urban neighborhood change that could anger and hurt city dwellers of just barely moderate incomes, and eventually force them to head for the suburbs. Most likely, the departing slum dwellers would move into working-class areas just beyond the slums. Since working-class people would undoubtedly consider their new neighbors as contributing to the social and economic decline of their neighborhoods, those who want to stay there or could not afford to move would protest and even fight against the influx of poor people.

Even so, past experience suggests that such protest will be short-lived, and in the long run, people who feel that they cannot live next door to poorer newcomers will move out voluntarily, or will be scared into moving by block-busting realtors who will then profit from the allowance as they did from the 235 program. While departing working-class residents will make yet more vacant units available to additional allowance recipients, they will have to buy or rent more expensive housing, and would thus in effect be subsidizing the poor (and the realtors) by surrendering their often still inexpensive housing; in addition, they would incur higher housing costs after moving without being eligible for the housing allowance themselves.

This method of redistributing resources to the poor by taking them away from the next lowest income group is not only grossly unfair, but is likely to turn Middle Americans even further against a Federal Government that does not exact similar sacrifices from the affluent.

A third problem with the allowance stems from the fact that it embraces two goals: an income-subsidy goal, providing extra rent money to poor people; and a housing improvement goal, requiring them to vacate the slums to obtain the allowance. Neither goal, however, is best achieved through such a program. The allowance would not help the poor who already live in standard housing, and, though it would empty some slum buildings, they might simply be abandoned—but not improved. Also, a new bureaucracy would have to be set up to determine whether the units into which allowance recipients move are standard, and to declare substandard units ineligible until they are rehabilitated, but since it is much cheaper to bribe an inspector than renovate a building, the allowance program could give rise to the same corruption that dogged the 235 program.

The success of the allowance program may also be impaired—and the freedom of choice of recipients restricted—if conventional definitions of standard housing are built into the legislation. At present, standardness is often defined (1) by the absence of clearly harmful slum conditions such as inoperative plumbing, rat infestation and leaking roofs; (2) in terms of other conditions which have not been proven harmful by housing research, but constitute sources of discomfort which poor people must accept in exchange for low rent, such as small rooms, or an inadequate number of windows; and (3) by esthetic criteria which designate buildings as slums simply because they are old and unattractive.

In the past, when such standards have been built into code-enforcement and rehabilitation schemes, they have forced poor people out of inexpensive but not harmful housing and have resulted in rehabilitation projects so expensive as to price them out of the reach of poor tenants. If the conventional definition of standardness is used in the allowance program, some old but harmless housing will not be available to potential allowance recipients, so that they will have to remain in harmful units. Equally important, too much concern with the physical standardness of eligible units will reduce the freedom of choice of poor people who would prefer a not-so-standard dwelling in a safe neighborhood to a standard unit in an unsafe area.

Since the Nixon Administration has not yet indicated exactly what kind of a housing allowance it favors, and since about two years remain to evaluate the current allowance experiments before legislation is actually prepared, many of the problems of the allowance I have described, and some I have not, can be studied in the experiments, and then dealt with when legislation is drafted. Even now, however, several recommendations can be made.

First, a decision will have to be made about the comparative importance of the income-subsidy and housing-improvement goals, that is, whether moving slum dwellers into standard housing is as important as supplementing their income. Obviously, no one should be permitted to occupy harmful housing, but it makes little sense to move people out of inexpensive but harmless units as long as inexpensive housing is scarce. Besides, giving poor people more money is of greater importance to them than moving them out of all but clearly harmful slums. Consequently, the allowance should be paid to *all* poor people, without requiring them to move, so that their own share of the rent is no more than 25 per cent of their income (or better still, the 20 per cent most nonpoor Americans pay); and the allowance legislation should include a Federal rent-control provision to prevent landlords from taking the allowance away from their recipients by raising rents. To accommodate the housing-improvement goal, a dual allowance scheme could be developed to pay the rent above 20 per cent of income to those choosing to move into standard housing, but less—only the rent above 25 per cent of income—to those remaining in substandard units, although this would be unfair to slum dwellers in cities where the supply of standard housing is limited.

Second, the housing allowance should not be limited to the poor and near-poor, but should also go to barely moderate-income people, say with earnings of less than $8,000 for the prototypical family of four, partly to help them make ends meet, partly to aid them if they want to vacate their present units to people leaving the slums. Perhaps the Federal Government should even consider giving every household a housing allowance regardless of income, which would, however, be liable to taxation so that affluent people would have to return it with their income tax payments. At the same time, the Government should eliminate present tax deductions for mortgage interest and local property taxes, thus doing away with the currently inequitable treatment of renters, who cannot deduct these housing costs from their taxes.

Paying a housing allowance to all poor people would, of course, be more expensive than what the Nixon Administration spent for housing for the poor before the moratorium, and what it seems to have in mind for the future. Although housing expenditures going to the poor are difficult to separate from those going to the nonpoor, the Federal Government probably spent under $3-billion for them in each of the last couple of years before the moratorium, much of it in rent allowances built into welfare benefits. An annual housing allowance of $1,200 each for the 5 million families and $400 each for the 5 million individual households now below the poverty line would cost $6-billion and $2-billion respectively, or $8-billion altogether, not counting administrative expenses. Extending a similar allowance to the approximately 12 million families earning between $4,000 and $8,000 (but excluding individuals) would add another $14.4-billion: extending it further to families earning between $8,000 and $10,000 would require a further $8.5-billion. Finally, if all American households (both families and individuals) were paid that allowance, but if it were taxed away from all households earning above the median income (currently about $11,000), the total Federal bill would come to about $34-billion a year, excluding administrative expenses. These figures could be reduced by paying a lower allowance to households above the poverty line, and at least $6-billion a year could be saved by eliminating the current tax deduction for interest and property tax payments and depreciation.

Third and most important, any allowance scheme which requires that recipients move into standard housing must be accompanied by a building and rehabilitation program to increase the supply of standard housing except in cities with abundant vacancies. This requirement may destroy the Nixon Administration's dream of getting the Government out of the housing business, but this dream is illusory anyway, and the White House must continue to grapple with the complicated question of what kinds of housing the Government should build or subsidize, at what locations and with what kinds of subsidies.

My own answer emphasizes pragmatism; to choose those strategies which will add effectively and quickly to the supply of housing, in a program that combines aid to the poor and the nonpoor, for otherwise the latter will not give it their political support. In fact, since the Government has never been able to build or subsidize much housing for the poor, the politically most effective strategy is to concentrate on building for the nonpoor, and to use the housing allowance and other policies to enable the poor to move into the housing they vacate.

To begin with, the Government should encourage the development of existing vacant or sparsely used land in the cities, especially in the outer parts of the city. In addition, it should provide decent housing for poor people who prefer or need to remain in central city areas, by reviving public housing, revamping the 235 and 236 programs, and aiding the efforts of slum dwellers to take over and rehabilitate their own buildings and transform them into cooperatives.

Nevertheless, the main thrust of the building program should be the construction of middle-income housing in the suburbs, using F.H.A. mortgage insurance and whatever other financial incentives are necessary to repeat the highly successful building boom which took place there after World War II, although this time with adequate restrictions against undue profiteering.

A suburban building program is necessary for several reasons. First, it would fit in with the current housing preferences of the majority of Americans. Second, it would help house the young families of the post-World War II baby boom, many of whom have never lived anywhere except the suburbs, and the urbanites who still want to leave the city. Third, it will provide housing for those urban residents who will want to move when poor housing-allowance recipients come into their neighborhoods.

Encouraging further suburbanization at a time when the energy crisis has led some experts to call for a massive return to the city may appear illogical, but while that crisis may lead some present urbanites to think twice about moving beyond the city limits, America is now a suburban society, and it is inconceivable that any significant fraction of it could be moved back to the city. With a majority of metropolitan area residents now living in the suburbs, there is not even enough room in the cities to rehouse more than a few of them. Nor is there any indication that the suburbanites—and their number is increasing all the time—could be persuaded to give up their single-family houses, or merchants their shopping centers, or industries their modern low-slung factories and offices to live and work in higher-rise buildings in the city. Nevertheless, future suburban development can be planned, at least to some extent, around mass transit, with new housing built at higher density and shopping centers, industrial parks and office developments centralized so as to reduce automobile use.

Another wave of suburbanization would, however, further hurt the city, for it would also continue the present exodus of the nonpoor from the city, and could result in the departure of additional stores, factories and offices—and the jobs they provide—to the suburbs as well. This would produce another decline in the city's economic activity, its tax revenues and its ability to provide public services, which could then set off a new flight of the nonpoor in a never-ending vicious spiral. Although the poor would have additional vacant housing from which to choose as a result, they would suffer most from this spiral. Their own economic condition would deteriorate further if there were fewer jobs (and lower tax receipts to fund local welfare and service programs) and they would soon be unable to keep up and even pay for their new homes.

It could be argued that, if another wave of suburbanization accelerated the economic deterioration of the cities, the Federal Government would have to step in to aid them, but it is also possible that the Government might then do even less for the cities than now, for at this point, the poor would form a plurality in many cities, and policies which help mainly the poor have never been very popular with the White House or the Congress. Many planners have, therefore, argued that the middle class must be encouraged to return to the city, so that its presence—and its income—could revitalize the urban economy. Starting with urban renewal, numerous attempts have been made to lure the middle class back, but they have attracted only a handful of returnees, and I cannot imagine a new attempt being much more successful. Besides, the cost of a Federal program that would bring back suburban residents, shops and work places would bankrupt the treasury.

The other alternative would also be expensive, but at least it is rational. Instead of an illusory pursuit of the departed middle class, the more sensible policy is a massive economic development program to enable as many of the poor as possible to become middle class. Federal efforts to create secure and well-paying jobs in private industry, to create community development corporations and municipal agencies for the now unemployed, underemployed and underpaid would spur the urban economy, replenish local tax coffers and improve public services, even while poverty—and the crime and pathology it breeds—are vastly reduced.

Although a housing allowance can be a subsidiary part of such a policy, its effectiveness is clearly limited. Where it can enable poor people to move into better housing, it will make their homelife more comfortable, but it cannot relieve their poverty. Ultimately, a house is only a physical shell for people's lives; it cannot affect the deprivation forced by unemployment or underemployment; or lessen the anxiety of an unstable or underpaid job; or reduce the stigma and dependency of being on welfare; or keep out pathology. A housing policy is not and cannot be an antipoverty policy.

The White House is evidently well aware of the limits of the housing allowance, for it conceives the allowance as a supplement to a new guaranteed income and welfare-reform program which the President hinted at in his State of the Union address. Unless the new program is more generous, however, than its predecessor, the Family Assistance Plan, it will be far from sufficient to make inroads on poverty, even with the addition of a housing allowance. F.A.P. called for a minimal-income grant of $2,400 for a family of four and a declining grant for the working poor up to a total family income of $3,940, but even that figure is still well below the $4,200 poverty line. The eradication of poverty requires a job-centered development program as well as an income grant at least at poverty-line levels for those who cannot work or find work. Such a program would not only bring the now poor into the economic mainstream of American life, but it is also the sole way of enabling them to participate freely and equaly in the private housing market and thus of achieving the prime aim of the housing allowance. Without an effective attack on poverty, the allowance cannot possibly achieve that aim; with it, the allowance would actually be superfluous.

INFLATION WILL NOT GO AWAY

Mr. ROTH. Mr. President, I urge each of my distinguished colleagues to read an article by Cost of Living Council Director John T. Dunlop that appeared in last Sunday's New York Times. Specifically, I point out one paragraph which could come back to haunt Members of Congress if we give up the fight against inflation:

> Inflation will not simply go away. The market alone will not automatically produce price and wage increases within socially and politically tolerable limits. Politics cannot ignore the problem or easily stay away from programs that deal directly with inflation or its symptoms. The Government needs a continuing center of action, short of mandatory controls, to increase supply and capacity and to moderate wage and price increases.

Earlier this week, I introduced a joint resolution to establish a National Commission on Inflation. The commission would not have the authority to impose mandatory economic controls, but it would be a "watchdog" that would provide some degree of vigilance over abuses of economic power. If the Congress is not willing to extend the Economic Stabilization Act, the very least we should do is to provide the Government with a "continuing center of action." Senate Joint Resolution 201, to establish a National Commission on Inflation, would provide such a center of action for the fight against inflation.

Mr. President, I ask unanimous consent that the article to which I have referred be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Inflation, a Foe

(By John T. Dunlop)

I have heard a great many comments on my recent statement that our experience with inflation suggests no one truly knows how to control inflation—at least the type of inflation we have had in the last year.

Certainly we do not know how to constrain inflation by adapting our political institutions' taxing and spending, our private and public decision-making on wages and prices or our relations with the rest of the world. These are serious long-term problems that cannot be resolved by comprehensive mandatory controls or by returning to the so-called free market of pre-August, 1971.

The unique inflation of 1973–74 was largely unforeseen by all analysts, regardless of economic or political persuasion. As Walter E. Heller has said, "This was a year of infamy in inflation forecasting."

Today's inflation has been highly concentrated in primary products—feed grains, fibers, metals and petroleum. Two-thirds of the increase in wholesale prices has been in food and energy, and the inflation has been worldwide. The Economist's index of world commodity prices (in dollars) rose 54.4 per cent in the year ended Feb. 20, 1974, with the increase accentuated by the devaluation.

Nevertheless, on a relatively brighter note, consumer prices have increased in the United States at a lower rate than in many industrial countries. The nonfood and nonfuel items in the consumer price index increased 4.5 per cent in the year from January, 1973, to January, 1974.

The economic climate of 1973–74 has been markedly different from Phase I and most of Phase 2 (Aug. 15, 1971 to Jan. 11, 1973). Economic growth was extremely rapid in the first half of 1973 as the primary manufacturing industries pushed capacity levels in such sectors as steel, aluminum, fertilizer, cement, oil refining and paper.

That rapid growth put strong pressures on prices, as did cost pressures derived from worldwide raw-materials prices. The failure to apply tighter controls or to use a "stick in the closet" had little, if anything, to do with the rate of inflation we have experienced, despite much of the rhetoric of the spring of 1973.

In the current economic environment, stabilization authorities have had a very narrow course to navigate.

On the one hand, too stringent controls would reduce current output, destroy incentives to expand capacity and lead to abnormally large exports if not a system of extensive export controls. But too loose controls would result in larger present and future price increases, place even greater pressures on the wage structure and more certainly lead to industrial strife.

Therefore, the two beacons of more supply and price and wage moderation have dominated all Cost of Living Council activities during the last year.

This country is close to the limits of what wage and price controls can do in the present economic environment in all but a few cases. While prices received by farmers have increased 36 per cent over a year ago, controls can only hold down price increases by food manufacturers and limit retailers' profit margins. Yet, tighter control measures on farm products have been shown to restrict agricultural output and excite the powerful agricultural interests in Congress.

The answer lies in increasing agricultural production, imports and productivity. And those steps take some time.

When production is pushing capacity in many primary industries, the urgent need is for prices that encourage expansion and permit imports. When living costs have increased so much, and profits have increased within control standards, wages should be allowed to adjust more flexibly to the economic and industrial relations realities of each situation to avoid disrupting this era of constructive labor peace.

Under present circumstances, the necessary labor-management participation cannot be achieved for the continuation of a general controls program as George Meany of the A.F.L.–C.I.O. made abundantly clear on March 6. Accordingly, the policy of deliberate and orderly decontrol, save for a few sectors, should be completed by April 30.

But inflation is a continuing and long-run problem in all Western societies. All governments regardless of economic or political complexion are likely to be engaged with these issues for a long time.

Fiscal and monetary policy, including exchange-rate adjustments, will not be seen by public opinion to be enough. Neither the expenditure nor tax side of fiscal policy is susceptible to rapid or reliable adjustments, and Congress is not well organized to coherent expenditure and tax decisions. Monetary policy suffers from the trauma of being held responsible for turning a boom into a recession.

And the society is unwilling to pay very much in terms of unemployment, economic growth, labor-management peace and freedom from regulation to achieve price stability. When citizens come down to realistic choices among these hard options, a degree of inflation is often perceived to be the lesser of other evils, despite the noise over inflation.

Wage and price controls, even in a different type of inflation climate than experienced in 1973–74, are a limited and special purpose tool. They tend to wear out. They have a relatively limited life wherever they have been used in Western countries.

While we recommend phase-out of comprehensive mandatory controls now, we need to avoid the twin fallacies that they are a powerful constraint to inflation or that they are the cause of most present shortages and are an unmitigated disaster.

Rather, the truth is that direct wage and price controls can make an incremental contribution to economic stability in some circumstances and in some sectors for a limited period, such as the health area (in the last two and a half years).

The Administration has urged that Congress approve the continuation of the Cost of Living Council as a Cabinet-level agency to work directly on the complex problems of inflation, without mandatory controls, except in a few sectors.

The program should have two main centers of action:

To increase supply, particularly in areas where governmental policies have a significant impact, as in agriculture, transportation and construction.

To work with the private sector to increase capacity and productivity and to improve the structure and performance of collective bargaining without mandatory controls.

Imaginative and pragmatic cooperation in these areas should help in the longer run to develop an economy less prone to inflation. Our present knowledge and capacity to develop effective programs of inflation restraint require humility and modesty.

Inflation will not simply go away. The market alone will not automatically produce price and wage increases within socially and politically tolerable limits. Politics cannot ignore the problem or easily stay away from programs that deal directly with inflation and its symptoms. The Government needs a continuing center of action, short of mandatory controls, to increase supply and capacity and to moderate wage and price increases.

These problems are not solely economic; they involve complex issues of economics and politics. They will be of central concern to all citizens and to all major countries for a long time. It is imperative that everyone—consumers, labor, business and government—reflect and grapple with these issues.

As it has been said, "When one lacks the will to see things as they really are, there is nothing so mystifying as the obvious."

OUR DEFENSE BUDGET

Mr. HART. Mr. President, as the Pentagon budget grows each year, more Americans conclude we must reevaluate our priorities as a nation to channel our energies to human and natural resources programs. I ask unanimous consent to have printed in the RECORD a letter from a citizen of Michigan. While Mr. Warner's figures may be inaccurate, I find it hard to argue with the conclusion that we need only destroy an enemy once, and that we should put health, education, and energy at the top of the priority list.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

MR. HART: Since Mr. Nixon has sent a record budget to Congress this, I decided to write to you to express my views on one very large part of that budget, namely the defense budget.

In his State of the Union address, Mr. Nixon said that defense spending has gone down during the last four years. This is true *only* in terms of its portion of the overall budget for each year. In reality, defense spending has increased each year by about $2 billion (my memory might be off on the figure, but not on the increase). But that is only half the story. When Mr. Nixon took office we were spending (wasting!) $30 billion per year on Vietnam, so spending in other areas of defense was something like $45 billion. Now, with Vietnam spending very low (though not zero) he is asking for $87 billion, which is a 95% increase. This is outrageous.

Also, Mr. Nixon said we must remain strong, we must not become the second strongest country in the world. Regarding strength, we now have the capability to inflict unacceptable losses on any other country, even if they should attack first, wiping out all our land-based missiles and bombers and carriers. And even then, it would only take a few of our virtually invulnerable submarines to launch their MIRVS and wipe out anyone we chose. With such massive retaliatory capability (overkill of about 20), what is the need or sense in building more weapons? If we even chose to *stop* all development, the Russians couldn't match our capabilities for 5 years. (Even if they could, we can only destroy each other once—not twenty times).

Also, with SALT II coming up, we should not be rushing ahead with more weapons when we are trying to negotiate to limit them. There is no credibility in this policy. We should instead declare a temporary moratorium on weapons development as a sign of good faith. I feel negotiations would proceed better with this approach.

And finally, why must we be so concerned about being No. 1 in the world in military might? We proved ever so forcefully in Vietnam that might does *not* make right. Why not instead spend the taxpayer's hard earned dollars on medical research and alternative energy sources and education—things that will directly benefit *all* the people, rather than wasting billions so some generals and the JCS can play with their new toys of destruction. I would rather be able to tell foreigners that my country was No. 1 in taking care of its citizens, rather than being No. 1 in being able to kill.

Whatever you and your fellow congressmen finally decide to do about the new budget, please at least take the time to hold serious hearings on the Pentagon's request. Please do *not* just pass this extravagant budget just for the sake of expediency. The whole world can still remember the price we paid for expediency in 1964 and the Tonkin Resolution.

Sincerely, and Peace,

BILL WARNER.

THE COPING CATALOG

Mr. MONDALE. Mr. President, I wish to call my colleagues' attention to a small, but remarkable, local voluntary health agency, the Washington Area Council on Alcoholism and Drug Abuse, Inc. WACADA was organized to educate, inform, serve as a referral source, and act as a watchdog in the public interest in the areas of addiction and abuse of alcohol and other drugs.

One of WACADA's many activities last year was to publish, for the first time in this metropolitan area, an 87-page addiction resource guide "The Coping Catalog," written and edited by Eleanor Edelstein. Mary Kidd, WACADA's executive director, describes the catalog as follows:

As the only independent metropolitan agency offering information and referral on all addiction problems, WACADA is uniquely qualified to publish The Coping Catalog. It offers not only a comprehensive listing of treatment resources in the metropolitan Washington area, but a number of informative "coping" articles designed to aid parents, employers, attorneys, friends and other family members, as well as the addicted person himself.

I ask unanimous consent to have printed in the RECORD a review of the catalog from the Washington Post of Thursday, February 14, 1974, entitled "The Coping Catalog." WACADA will update the catalog annually.

There being no objection, the review was ordered to be printed in the RECORD, as follows:

THE COPING CATALOG

(By Mario B. Schowers)

If you can't cope with the unpleasant reality of addiction—drinking, smoking, gambling or drugs—perhaps the Coping Catalog can help.

The Coping Catalog is the only guide of its kind in the metropolitan area. It lists resources available to persons afflicted primarily with alcoholism and drug addiction.

It was compiled by the Washington Area Council on Alcoholism and Drug Abuse, Inc., (WACADA). With the exception of police departments, "people have nowhere to turn," said Eleanor Edelstein, research assistant for WACADA and editor of the catalogue. "This guide tells a number of things they can do."

The catalogue contains a Niagara of information on problems that affect millions of people. It also, in the words of the editor, "pushes the idea that something can be done" to help combat the problems. "The idea of the hopeless alcoholic is changing," said Mary Spencer, WACADA's alcoholism program director. "People know that recovery is possible and are looking for places of help."

Both officials point out that they are recovered alcoholics.

Alcoholism, an enduring concern of monumental proportions in the U.S., affects an estimated 9.6 million Americans and drains the economy of more than $15 billion annually, according to a special report to Congress by the Department of Health, Education and Welfare.

In the District alone, alcoholism afflicts 129,000 persons. Miss Edelstein feels the problem has gotten out of hand because alcohol is not legally a dangerous drug and most people think "There's nothing wrong with Mom and Dad having some cocktails."

The staff members at WACADA said that society's attitude toward the drug alcohol must change. They pointed out that until people begin to realize that alcohol can be as addictive as heroin, and even more physically debilitating, alcohol will remain a problem; and with it ancillary traumas: homicides, drownings, suicides, auto fatalities and a host of other tragedies.

The catalogue presents a variety of agencies created to help eliminate addictions. Alcoholics Anonymous initiates a frontal attack on the problem. It is a fellowship of alcoholics and ex-alcoholics who help each other achieve and maintain sobriety. The only prerequisite for joining the organization is a desire to stop drinking. There are locations throughout the metropolitan area.

Alateen is a self-help group designed for young people with either alcoholic parents or simply an interest in the problems of alcoholism. For further information, write: P.O. Box 6283, Northwest Station, D.C. 20015.

The guide emphasizes alcoholism because, WACADA says, the abuse of alcohol by far exceeds the misuse of other drugs such as hallucinogens, narcotics and stimulants.

But the catalogue "covers all addictions." For example, Gambler's Anonymous is another self-help group patterned closely after Alcoholics Anonymous. It seeks through discussion to understand the reasons for compulsive gambling.

Narcotics Anonymous, which mirrors AA, views drug dependence as a disease that can be arrested but incapable of cure. Recovered drug abusers hold weekly meetings.

The publication also addresses itself to the smoking problem, which imperils the health of an estimated 52 million persons. Although the per capita use of cigarettes is down, the annual total of cigarettes smoked in the United States has gone up from 523.9 billion to 583 billion last year, according to the National Clearinghouse for Smoking and Health.

The American Cancer Society offers to individuals or groups one-hour no-smoking programs designed to educate them on the consequences of smoking. The program includes film showings, a question and answer period in which a medical person responds to questions from the audience, suggestions on how to quite smoking and the distribution of literature.

Says Thomas Medford, a D.C. program assistant for public education at ACS: "We confine ourselves to education. Our biggest job is to get the facts to the public, to alert the public to the dangers of habituation of smoking."

Medford feels that providing facts on its hazards helps people stop smoking. "We never stop trying," he said.

The Institute of Applied Natural Science, which claims a quit-smoking success rate of 60 percent, offers free sessions in hypnosis. "Basic principles of self-hypnosis and its application toward smoking withdrawal are taught," said Thomas Mirabile, executive secretary of the institute. Because of classroom space shortage, advance reservations must be made for the two-hour course.

The first half of class "helps the individual master specific techniques in actual hypnosis," he said. In the second half, "A technique called 'hypnotic induction or progressive relaxation induction' places the individual in a tranquil, relaxed state." In that mood, the idea of smoking withdrawal is inculcated into the student by the institute's director, Dr. W. Michaluk.

Robert Kaufman, who prefers a name in Sanskrit. Srutadeva Das, and who represents the Hare Krishna Temple's approach to the smoking problem, offers another means to end smoking.

"People try to gratify themselves through so many different ways. Habits are hurting rather than helping them." He believes "most people are trying to enjoy life on the bodily level; some are trying on the mental level; but the 'highest' enjoyment of life comes from the spiritual platform."

Mary Kidd, executive director of WACADA, said "the Coping Catalog is intended to assist anyone who has occasion to make referrals for people with addiction problems."

She feels particular notice of the guide should be taken by physicians, employers, counselors and social workers. The cost of the catalogue is $3. However, for indigent cases, the guide is available at no cost.

For information about the guide contact WACADA, 1330 New Hampshire Ave. NW., Washington. Telephone 202—466-2323.

Mr. MONDALE. I am familiar with the work of this dynamic and active organization and strongly believe that WACADA's efforts toward the prevention of alcohol and other drug abuse are important and worthy of support. I have in fact been provided with a most pleasurable opportunity to actively support the work of this fine agency.

On Sunday, April 21, 1974, at historic Ford's Theater, WACADA will present the first preopening, benefit performance of the award-winning musical "Don't Bother Me, I Can't Cope!" This outstanding musical revue, written by the talented actress/lyricist Micki Grant, debuted at a small loft theater off-Broadway where it provoked instant excitement. It came to Ford's Theater for a limited 4-week run in September of 1971. Once again, unanimously hailed by all the local critics as a smash hit, it left Ford's to tour the country. Its success became legendary in the performing arts. It was brought triumphantly back to New York, where it has been playing to sold-out audiences on Broadway for the last 2 years.

Upon hearing of "Cope's" return to Washington, several organizations have decided to sponsor benefit performances. On April 21, WACADA will launch the first of a series of benefit performances. I have joined, with many other volunteers, a special benefit committee to support this worthy effort under the able leadership of Mrs. Caspar W. Weinberger. Benefit tickets are $25 per person and may be purchased by phone or at the WACADA headquarters.

WACADA's choice of this play for their benefit was inspired by their own publication of "The Coping Catalog." Learning to cope is a people's problem and the play's title serves as a reminder of WACADA's very serious task of reaching the many who suffer from the illness of addiction. I urge my colleagues to become familiar with the work of WACADA, to support its programs, and to attend the benefit performance on April 21 at Ford's Theater.

THE HIGH COST OF BREAD

Mr. BELLMON. Mr. President, it is high time for the bakers of the country to reduce the price of bread to consumers.

A month ago the American Bakers Association was in the midst of a nationwide campaign to frighten the American public. The association went before television cameras in staged press conferences to say that we were going to run out of wheat before the new crop comes on in May and June. They said that wheat prices would skyrocket this spring. They drew word pictures of empty bread shelves, long lines at the bakery counter, and $1-a-loaf bread.

The thrust of their argument was that when the price of wheat went up, flour prices went up, and that an increase in raw material flour prices multiplied the costs proportionately all down the processing, shipping, and retailing chain.

They demanded that we cut off wheat exports immediately to stop this frightening thing.

At the time, the U.S. Department of Agriculture was assuring us that we were not going to run out of wheat, that there would be plenty of flour. At that time, there was only about 8 cents worth of wheat in a 40-cent loaf of bread—which represented only 20 percent of the cost of the loaf. The USDA properly claimed that wheat should not be blamed for the increase in the other 80 percent of the cost in a loaf of bread.

Mr. President, look at what has happened since the American Bakers Association cried "wolf" in press conferences all across the country: In the month's time, it has become increasingly clear—as the USDA has said—that there will be plenty of wheat.

At my local elevator in Billings, Okla., wheat prices have dropped from $5.76 a bushel to $3.77—a plunge of $1.99 per bushel, or 35 percent. The bakers, who were paying $16.15 per hundredweight for flour a month ago can now buy their flour for $12.00 per hundredweight, 4 cents a pound less.

Now, since there is about 1 pound of flour in a 1½-pound loaf of bread, the cost to the bakers of the flour to bake a family loaf of bread has dropped 4 cents. Using the bakers' own argument that an increase of 1 cent per pound sends other costs up proportionately, then a drop in the price of the flour must reduce the costs all down the line proportionately.

The very least that bread prices should drop is 4 cents per pound—equal to the drop in the cost of flour. And, using the bakers' own argument, bread prices should drop much more!

Mr. President, I call on the bakers to drop the price of bread to consumers. To refuse to do so would be an unconscionable breach of faith with the public and their customers.

If they do not cut bread prices in response to the drop in their flour prices, then they should publicly confess that their aim was to mislead the American public. And they owe an abject apology to the American wheat grower.

COSTLIER ENERGY EFFECTS

Mr. HUMPHREY. Mr. President an informative article, "Costlier Energy's Effects," by Matthew Kerbec, appeared in the March 10 issue of the Washington Post.

The article points out that in 1973 farm gasoline and fuel oil costs increased by $650 million, and fertilizer prices increased by 37 percent in the 3 months after those prices were decontrolled last October 25.

We all are aware that the costs of fertilizer have gone up even more in recent months, and in many cases are now double that of a year ago.

An important conclusion of the author is that the effects of the energy price hikes will not be a one-shot affair but the first step in a chain reaction.

We can see what effect this will have on our entire economy. The author feels that the basis is being laid for economic disruptions as soaring prices and fixed incomes collide.

Mr. President, I commend the article to the attention of this body. I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

COSTLIER ENERGY'S EFFECTS

(By Matthew Kerbec)

Only when you try to think of any raw material or product that does not contain a percentage of cost due to energy does the enormity of the consequences of sudden massive energy price hikes hit home. In January 1974, the wholesale price index for farm products and processed foods and feeds went up 8.2 per cent.

It is pertinent to see what part the price of energy has to play in raising farm prices. A basis for predicting how prices would increase in 1974 was provided by William E. Simon, head of the Federal Energy Office, when he appeared before the Senate Permanent Subcommittee on Investigations on Jan. 15.

He testified that on the average, the price of each gallon of refined petroleum products would increase by 10 or 11 cents a gallon in 1974 to offset the increased costs for a barrel of crude oil (42 gallons per barrel) due to pricing actions taken by the Cost of Living Council and the oil-exporting countries. What this will mean to the economy is a vital concern for all consumers.

According to a Department of Agriculture report, farms used 6.5 billion gallons of gasoline and fuel oil in 1973. With an increase of 10 cents per gallon, this means farm costs will go up a whopping $650 million. Even more important is the price of fertilizer which was decontrolled by the Cost of Living Council last Oct. 25 and went up by 37 per cent in three months.

A 1972 Census of Manufactures report shows that 43 per cent of the material cost of producing fertilizer is due to petroleum-based chemicals and natural gas. Essentially, this means that any large increase in energy costs will have a corresponding effect on fertilizer prices.

The total cost of fertilizer used on all farms in 1972 amounted to $2.51 billion while the cost of seed was only $1.071 billion. A 37 per cent increase in fertilizer will add an additional $928 million to farm costs. More than 29 million tons of fertilizer was shipped to farms; while data on gallonages and ton miles are not a available, there is no doubt they are significant.

The largest single farm cost is in corn and soybean livestock feeds which amounted to more than $8 billion in 1972. It takes about 18 months from seed planting to marketable livestock at the wholesale level which means the massive energy hikes already set in motion will not be felt until sometime in 1975. But the farm cost and price story has only begun. Grain for human consumption also must go through a complex marketing process.

Contrary to the opinion of some government economists, the effects of these energy price hikes will not be a one-shot affair. They are only the first step in a chain reaction that will be multiplied throughout the economic system. Four major cumulative inflationary effects of sudden massive energy price hikes are:

Agriculture and industry are responding to equivalent price hikes, which makes price controls meaningless. Energy-intensive industries such as growing and marketing food, steel, transportation, petrochemicals and generating power have to charge higher prices if they are to pay higher costs and survive. Actually, there is a cost for energy in every raw material and product, which makes energy problems different from any other commodity.

Higher prices have led to an 8.8 per cent inflation rate in the last year which will force the unions to ask for compensation packages in the 12 per cent range, driving prices still higher when firms again crank up prices to pay for wage increases. Once triggered, inflationary wage increases will create massive ripple effects of their own that will continue even if energy prices are cut back.

Reduced buying power caused by massive inflation will lead to inventory buildups and layoffs. Greater percentages of income will be spent for necessities and distort spending patterns. In 1972, there were more than 10 million families with average relatively fixed incomes of less than $3,500 per year. Families in this income level are hit hardest by the pressure of steadily mounted prices.

Demand for luxury products and non-essential items will decrease, leading to more layoffs that will affect the salaries and security of executives and workers at all income levels.

It should be clearly apparent to all elected and appointed government officials that the foundation is being laid now for disruptions to our economic system, for management-labor confrontations and possibly, anti-social acts by those relentlessly squeezed between soaring prices and fixed incomes. The largest contribution to inflation has been the energy pricing actions and policies implemented in the last six months, and the responsibility rests directly with the officials who fashioned and promulgated these prices and policies.

YESTERDAY'S DISASTER IN THE SOUTH AND MIDWEST

Mr. ABOUREZK. Mr. President, I was deeply saddened to learn of yesterday's disaster in the South and Midwest.

I have acquired experience on disaster the hard way. My own hometown of Rapid City, S. Dak., was devastated by a flood in June of 1972.

More than a thousand families were left homeless. Hundreds died. It was a severe blow to the area's economy.

The Members of the Senate and House responded with extreme generosity to appeals for help made by myself and Senator MCGOVERN.

Our gratitude continues.

I would offer, in whatever humble way possible, to assist any Member whose State or district has been stricken by this latest disaster. The experiences we had in Rapid City may well serve as a beneficial lesson to those Members who will be involved in recovery efforts, and I am willing to share all that I know with you.

For starters, we should move quickly on Senator BURDICK's new disaster relief bill.

In many important respects, that bill incorporates solutions to problems we had to overcome in Rapid City.

Chief among those solutions is a well-written plan for long-range reconstruction. Under present law, such programs are too often left to a catch-as-catch-can basis.

Another feature worthy of immediate consideration is the provisions of legal services to disaster areas. Many victims are low-income, elderly, disadvantaged or simply unfamiliar with the immense redtape, financial complexities, and bureaucratic onslaught which they will face starting today.

We found a competent legal services program to be absolutely indispensable.

Another feature provides for a sensible program to rehabilitate partially-damaged homes.

There is one respect in which the bill needs improvement, in my opinion at least.

You will recall that following the Rapid City and Hurricane Agnes disaster, Congress expanded the major disaster relief program of SBA and Farmers Home Administration loans to include a $5,000 forgiveness feature, the balance of the loan to be repaid at one percent interest.

We found this single provision to be the most important in terms of relieving financial hardship and uncertainty in the wake of disaster. It was generous and compassionate. That single provision, more than anything else, is what put the economy of Rapid City on the road to recovery.

Last year Congress repealed that provision and inserted a plan offering disaster victims one of two options: $2,500 forgiveness on the loan with the balance financed at 3 percent—or, a 1 percent loan.

My suggestion is that perhaps we ought to reconsider that action and adopt something more generous.

This afternoon I am sending a brief memo to every Member of Congress whose State was affected by yesterday's tragedy.

I apologize if it will seem presumptuous. All it intends to do is tender my offer of whatever assistance I can give, and to outline a few suggestions which grew out of my experience after the Rapid City flood, in hopes that you may find them useful.

Mr. President, the tragic outbreak of tornadoes which hit the Midwest yesterday underscores the need for strong, permanent disaster relief laws.

To my mind, to help in the face of disaster is a fundamental duty of any government. It is one of the primary reasons that people band together to form a common society. Our record in meeting this fundamental governmental obligation has been spotty at best.

We need consistent, permanent laws that tell people exactly what they are entitled to in the way of disaster relief and provide that relief promptly and fairly.

CANADA-UNITED STATES GOODWILL WEEK

Mr. YOUNG. Mr. President, perhaps the best example of peaceful relations between two neighboring countries is the one that has always existed between the Dominion of Canada and the United States. My State of North Dakota is one which borders Canada and so I have more than a casual interest in relations between Canadians and Americans.

Typical of our relationship with Canada is the International Peace Garden, which is located north of Dunseith, N. Dak., and extends into Manitoba. One of the most impressive sights at the Peace Garden is a rock cairn, flanked by the flags of our two countries. The inscription on the plaque placed on this cairn reads:

> To God In His Glory. We Two Nations Dedicate This Garden and Pledge Ourselves That as Long as Men Shall Live, We Will Not Take Up Arms Against One Another.

Kiwanis International, a service organization of which I am proud to be a member, for the past 53 years has sponsored during the month of April Canada-United States Goodwill Week. This observance by Kiwanians is the most widely acclaimed of all its fine activities.

For this year's celebration of Canada-United States Goodwill Week, officers of Kiwanis International asked the noted Canadian author and broadcaster, Mr. Gordon Sinclair, to write a special message to coincide with this special week. Mr. Sinclair is the author of the broadcast essay, "The Americans," which was first heard over radio station CFBR in Toronto and which won widespread and instant acclaim. I am advised the recording of his broadcast has now sold more than 3 million copies.

The April issue of the Kiwanis magazine contained Mr. Sinclair's special message, which is in keeping with the thoughts and tone of his recording. I want to commend the leadership of Kiwanis International for their outstanding work in helping maintain our excellent relationship with our neighbors in Canada. I hope nothing will ever occur that would detract in any way from this warm friendship.

Mr. President, I ask unanimous consent that Mr. Sinclair's essay for Canada-United States Goodwill Week be printed in the RECORD.

There being no objection, the essay was ordered to be printed in the RECORD, as follows:

A SPECIAL CANADA-UNITED STATES GOODWILL WEEK MESSAGE

(By Gordon Sinclair)

Some Americans, in the opinion of this border-watching Canadian, are suffering a national nervous breakdown. It is not severe and they are already getting over it. But they have been abused, insulted, swindled, ridiculed, and kicked around so hard, so often, and so mercilessly in the past eighteen months that they are punchy—and no wonder. In reacting to ingratitude and slanderous reproach they have begun to forget or shove into the back of their minds some of the greatest achievements in man's history.

Let's take a short look at Pearl Harbor as a sample. On a quiet Sunday morning the Japanese swung a massive sneak punch that left American armed forces in the Hawaiian Islands blooded and all but helpless. Not demoralized, not crying but almost helpless. They picked themselves up, dusted themselves off, buried the dead, cared for the wounded, and set forth on the long costly road towards vengeance and total victory. The Americans built new ships and planes, raised and staffed armies, found the genius of such men as Nimitz and Halsey, and fanned out across the greatest of all great oceans to find the enemy who had hurt them and to defeat that enemy.

Having done all this—by offence not defence—they picked up the fallen enemy, restored his faith in the one thing that he could still cling to—the Royal Family of Nippon—and helped repair his country to the point where it became one of the greatest industrial nations on earth, actively competing with its benefactor. Seems to me that's typical of the way Americans do things. They knock them down as enemies then pick them up again.

Remember the Berlin Airlift? Berlin—there was a broken and divided city. On one side the West or non-communist forces—life was beginning to stir, rebuilding to move toward high gear, lights to shine. So the disapproving Russians decided to block off the one road serving West Berlin and starve the city. With the help of the Royal Air Force the Americans said "Oh no you don't" and they mounted the greatest airlift in world history. They flew everything from food to fuel into the beleaguered city, the very capital they had earlier set out to destroy—two cargo planes every minute except on those few occasions when weather made flying impossible.

But why, I wonder, is all that put in the back of the mind to be forgotten, a magnificent humanitarian achievement that is seldom mentioned.

In my own country we are beginning to dust off and reexamine some of our own great days, the building of the Canadian Pacific Railway as a sample. Through forest and rockland, across the great plains and the Rocky Mountains when there were no power shovels, air hammers, or diesel diggers it was surveyed on foot, built by men using horses with scoop shovels, timber cutters to make the ties as they went along, and their own strength. Not only did they bridge the rivers with timber trestles cut from the nearby forest but they finished that railway on time. The master builder was William Cornelius Van Horne . . . American born.

There are hundreds of cases where the people of this continent have fought nature, man, and evil forces. When they win they appear anxious to forget and go on to other things. In the 70's we have seemed to dwell on the negative in people and achievement. But, like I say, there are signs now that we in Canada and you in the United States are getting over it. And there is renewed recognition of the old slogan "He can who thinks he can."

STARVATION AHEAD

Mr. HUMPHREY. Mr. President, in its April 1 issue, Newsweek begins the article, "Running Out of Food," by pointing out C. P. Snow's warning of some years ago that we could in the not so distant future be watching people die of starvation on our television screens.

The theme of the article is that, in spite of our own feeling of security, the threat of starvation is a very real one, and probably much closer than C. P. Snow anticipated.

Various experts offer approaches to increase food production, ranging from expanding the acreage under cultivation, to using more fertilizer, and concentrating more effort on the developing countries.

In addition, changing weather patterns are cited as another factor leading to further instability in agriculture production trends.

This brief article summarizes a great deal of useful information on the problem of future food availabilities and the cavalier fashion in which we as a nation have refused to face up to it.

Mr. President, I ask unanimous consent that the article be included in the RECORD.

There being no objection, the article as ordered to be printed in the RECORD, as follows:

RUNNING OUT OF FOOD?

(Perhaps in ten years, millions of people in the poor countries are going to starve to death before our very eyes . . . We shall see them doing so upon our television sets. How soon? How many deaths? Can they be prevented? Can they be minimized? Those are the most important questions in our world today.)

When that apocalyptic warning was sounded by British author C. P. Snow five years ago, it was dismissed by many food experts as unduly alarmist. At that time, miracle seeds and fertilizers were creating a global "green revolution," and there was even talk that such chronically hungry nations as India would soon become self-sufficient in food. But today that sort of optimism is no longer fashionable. World stores of grain are at their lowest level in years—only enough to last for 27 days—and there are grim signs that the current shortage is not just a temporary phenomenon but is likely to get worse.

In the coming decades, some scholars believe, food scarcity will be the normal condition of life on earth—and not only in the poor countries but in the richer ones as well. Unless present trends are somehow reversed, says biologist J. George Harrar, "millions of people in the poor areas will die of starvation. But the affluent societies [including the United States] will experience dramatically reduced standards of living at home." Even Agriculture Secretary Earl Butz, a notorious optimist on the subject of food, concedes that Americans may have to substitute vegetable for animal protein. "We have the technology," Butz told Newsweek's Tom Joyce reasurringly, "to make better hamburgers out of soy beans than out of cows."

Even now, food shortages affect the entire world. In the last two years, famine has threatened India and visited widespread misery upon the sub-Sahara nations of Africa where an estimated quarter million people have died. Scarcely less shocking, half of the world's 3.7 billion people live in perpetual hunger. The industrial nations are swiftly buying up the dwindling supplies of food and driving up food prices so high that poorer countries cannot afford to pay them.

Prospects for the future are clouded by the old Malthusian specter of population growth. A year from now there will be 4 billion human beings on earth, and by the end of the century that figure is expected nearly to double to 7.2 billion. Food production is simply not growing fast enough to feed that many mouths, and it is unlikely to do so in the decades ahead. A complicating factor in the race between food and people is the burgeoning affluence in such parts of the world as Western Europe, Japan and the Soviet Union. Rising expectations in these areas have bred strong new demands on the world's food supplies. More and more people want their protein in the form of meat rather than vegetables, and this in turn has driven up the need for feed grains for the growing herds of livestock. "Affluence," argues economist Lester Brown, "is emerging as a major new claimant on world food resources."

To meet this proliferating demand for food, insists John Knowles, president of the Rockefeller Foundation, "the world's basic food crops must double in the next eighteen years." The more positive thinkers among the food experts are convinced that this can be done—basically by expanding the area of land under production and by raising the output of crops on the cultivated areas. The world has the means to do the job, they argue—*if* the underproductive countries would order their societies a little better, *if* the richer conutries would pump larger amounts of capital and know-how into the less fortunate nations for the development of agriculture, *if* more irrigation and fertilizer were brought into play, *if* mankind would use its common sense.

Many students of the food crisis are far less optimistic. "We have just about run out of good land, and there are tremendous limitations on what we can do in the way of irrigation," contends Prof. Georg Borgstrom of Michigan State University. Economist Brown supports this view. "The people who talk about adding more land are not considering the price," he says. "If you are willing to pay the price, you can farm Mount Everest. But the price would be enormous."

Moreover, Brown and other experts do not expect the sea to solve the world's food problems. Huge fishing fleets have depleted many traditional fishing grounds, and the overall catch is declining. Anchovies, one of the major ingredients in animal feed, recently disappeared from the waters off Peru for two years—largely a result of over-fishing. Water pollution, too, is taking a heavy toll of fish life along the world's continental shelves. And much of the fish that is caught each year is being squandered. "Every year, Americans use tons of tuna fish in pet foods," one food expert points out. "But how much longer will we be able to afford the luxury of feeding our cats and dogs on food people could consume?"

Fertilizer, an essential element, is also becoming prohibitively expensive. Petroleum is a major source of fertilizer, and the towering price of oil thus has a direct effect on agriculture. Dr. Norman Borlaug, sometimes called the "father of the green revolution," has complained bitterly that Arab oil politics, aimed at the industrial countries, will eventually strike most heavily at the developing nations. "India," remarks Brown, "is really up the creek. As a result of the fertilizer shortage, grain production is likely to be off 6 to 9 million metric tons."

On top of all these problems, the world's farmers have been beset by weather conditions that threaten to dislocate food patterns around the world. According to some meteorologists, these changes in climate will probably be a long-range factor. For a variety of reasons, they point out, the earth seems to be cooling off, and this cooling process is causing a southward migration of the monsoon rains. This in turn is producing a dry-weather pattern stretching from the sub-Sahara drought belt through the Middle East to India, South Asia and North China. Even the U.S. could soon be at the mercy of the weather. Some meteorologists, are predicting a cyclical return to drought in the Great Plains States—possibly even dust-bowl conditions. "Even a mild drought in this tight supply situation," said one Agriculture Department official, "could be a disaster."

Over the years, the U.S. supplied a staggering $20 billion worth of food to needy countries under Public Law 480, the so-called Food for Peace program. But in recent years, the program has been allowed to wither, and with food demand rising around the world, American farmers—encouraged by the Administration—have flung themselves into the business of exporting food on a strictly cash-and-carry basis. In the fiscal year ending in June 1972, the U.S. exported $8 billion worth of farm products; last year the figure reached $12.9 billion; and when this fiscal year ends in June it is estimated that it will have zoomed to $20 billion. The U.S. now views agricultural products not as a giveaway item but as a way of earning the foreign exchange needed to pay for imports, including high-priced crude oil. "Food for crude" is the shorthand for the current policy at the Department of Agriculture.

With virtually all U.S. food surpluses committed to trade, not aid, it is difficult to see how the U.S. can continue to play its old role as provider of food to the world's hungry masses. And there are many people in Washington who do not see this as such a bad thing. "The worst thing we can do for a country," says a State Department official, "is to put it on the permanent dole. That would be an excuse not to solve its own problems, especially population. Now, our thinking is that feeding the world is an international problem, maybe one for the United Nations." That view was underlined last September when Henry Kissinger asked the United Nations to call a world conference on the problems of feeding the world. "No one country can cope with this problem," said the Secretary of State.

In response, the U.N. plans to hold a World Food Conference in Rome this November. Among the major proposals certain to be made are that the less developed nations discourage population growth and that the industrial nations work together to help feed the world's poor. Indeed, Dr. A. H. Boerma, the Dutchman who heads the U.N. Food and Agriculture Organization, has proposed a "world food reserve"—roughly like that of the Biblical Joseph, who advised the Pharoahs to store up grain in good years against future famines. But so far, the suggestion has been greeted with a total lack of enthusiasm in the U.S., Canada and Australia, the only countries in the world with significant food surpluses.

Resistance to an internationally controlled food reserve is easy enough to understand. Farmers fear that such vast stores of controlled food might, at some point, be unloaded on the world market, sending prices down in a dizzying spiral. And governments do not want to give up a formidable political weapon. In the politics of international food, agricultural may very well turn out to be the United States' ace in the hole. "We are not," declares one high-level Washington official, "going to throw that away too easily."

And so, to the very large extent, the U.S., as the greatest food producer in the world, will still be in a position to determine who gets food in the decades ahead; it will almost certainly be American food and American policy that answer the questions posed by C. P. Snow. "We are going to have some big moral decisions to make," says Sen. Hubert Humphrey. "We will be faced with famine situations in Africa, Asia and other parts of the world where there are victims of rising population and bad weather. But the question, I believe, is going to come down to whether Americans will be willing to cut down on their own consumption to help those poor people."

PROPOSED AMENDMENTS TO INDIAN HEALTH BILL

Mr. KENNEDY. Mr. President, earlier this year the Senator from Washington (Mr. Jackson) introduced the Indian Health Care Improvement Act, S. 2938. This bill constitutes the first major piece of Indian health legislation since the Indian Health Service was transferred from the Department of the Interior to the Department of Health, Education, and Welfare in the mid-1950's, and it is accurately trained on the important health needs of the Indian people, which have heretofore been unmet. I commend the bill's sponsors for this valuable legislative effort.

Over the past few years, I have received a number of letters and calls on Indian health problems from various segments of the Indian community. Clearly S. 2938 responds to the wishes of those who see from day to day the problems encountered in Indian health programs—the gaps in Federal support, the manpower deficiencies, and ultimately the debilitating impact of inadequate health care on native Americans. These communications, along with my exposures firsthand to Indian community health and education and manpower training problems from Alaska to Arizona, has made me acutely aware of the serious unsatisfied needs of American Indians. The comprehensive approach reflected in the proposed bill is most welcome and necessary.

There are a few areas to which I would like to commend the attention of the Interior Committee, presently holding hearings on S. 2938, where additions to the bill might prove fruitful. I am not formally introducing my suggestions as amendments at this time, but I am proposing specific language so that the committee might consider these areas during its deliberations on the bill.

MENTAL HEALTH

There is a chronic lack of adequate mental health care programs on Indian reservations across the country. Too often Indians have left the reservation only to return in despair, after having encountered insurmountable problems in an alien atmosphere. And the struggle to maintain a meaningful and dignified existence is constant for those continuing to live under the grievously substandard conditions prevailing on some reservations. The overwhelming nature of mental health problems may be so great as to constitute a real threat to any attempt to significantly improve physical health care on reservations. One of the most expressive letters I have received on this subject was from a frustrated medical officer stationed at an isolated post on the Navaho Reservation. He wrote:

> Social, cultural and environmental obstacles would make good health care difficult no matter how many physicians or modern facilities were available.

The mental health amendments I propose would increase the authorization for title II from $123,500,000 to $148,700,000 and create 370 new positions over a 4-year period. These additional expenditures would provide assistance for the most obvious of the unmet Indian mental health care needs in five major problem areas.

The first area of concern, alcoholism, is probably the worst problem facing Indians. There is a demand for projects designed to provide residential care, individual counseling, job placement, referral services, group therapy and Indian AA groups. The objectives of these programs are to increase public understanding and awareness of the problem, to change community attitudes, to support rehabilitation sources, to develop preventive programs for Indian youth, and to design education and training programs in the field of Indian alcoholism.

A second need is for the establishment of four inpatient mental health service facilities. Projects of this type would provide an Indian-oriented service for treatment of acute and long-term mental illness at lower costs.

The miserable conditions existing in many Indian boarding schools have been documented by many studies and reports, including the report of the Indian Education Subcommittee, and most recently by the National Advisory Council's first annual report to Congress. Therefore, it is clear that a third portion of the mental health fund should go toward the development of model dormitories. Each dormitory would be operated by a local Indian board and would be adequately staffed by Indian people encouraged to behave as parents, thus creating a credible substitute for family life. These dormitories would follow the pattern set by an earlier pilot project, which demonstrated that increasing the size of the staff and providing training and direction to ordinary Indian people can result in improvements in physical, emotional, and intellectual growth of the Indian children.

The fourth problem area also relates to boarding school conditions. Many of the children residing in these schools are delinquent, disturbed, or both. Because the boarding school atmosphere can only result in the deterioration of the condition of disturbed children, there is a critical need for a therapeutic residential treatment center for Indian children, and sufficient funds should be authorized for this objective.

The fifth and final category on the list of major unmet needs is the shortage of practitioners of traditional Indian medicine. Traditional training in mental health careers, now provided to a limited number of students at the Rough Rock School on the Navajo Reservation, is considered extremely valuable by Indian Health Service medical personnel and by the Indian community. The Northern Cheyenne in Montana and the Seminole in Florida have requested programs of this type; I understand the Navajo are even willing to put up $50,000 in tribal funds toward the establishment of an additional center providing training in traditional Indian medicine. Evidence of the positive results of this program warrants adequate funding by Congress.

URBAN HEALTH

Next, I want to refer briefly to title V of S. 2938, Access to Health Services for Urban Indians. There are several facts which should be considered by Congress in its determination of funding for the health care needs of urban Indians. For many years, the Federal Government has encouraged the relocation of Indians to urban areas for the purpose of obtaining training and employment. In fact, a report by the National Council on Indian Opportunity following a survey in 1968 and 1969 revealed that one-half of the Indian population in the United States is located in urban areas. The same report found Federal programs for urban Indians "seriously deficient in funds and in professional direction for economic, social, and psychological adjustment to an environment that is almost totally strange, impersonal, and alien." Specifically, many relocated Indian families have encountered health problems only to find that the resources of the urban centers are frequently inaccessible to them for various reasons. In light of these facts, I am proposing to amend the present language of the bill to remove the prohibition against the use of grant funds for primary services for urban Indians. Because of the relatively low funding authorization for and the time limit placed on programs authorized under this title, I believe urban Indians should be allowed free use of their ingenuity, subject to the terms of their contracts, to expand the scope of available health care to include programs similar to those serving reservation Indians. At the very least, Congress should allow urban Indian organizations to use grants as a catalyst for generating funds for direct services.

DIRECT CONTRACTS, RECRUITMENT, COORDINATION

Another proposal in these amendments would include in parts A and B of title I language allowing the Secretary to contract directly with Indian tribes and organizations in order to minimize bureaucratic participation and administrative expense and to maximize Indian participation in and control of the programs funded under these parts. This language is similar to that incorporated in the Indian Self-Determination Act.

In recognition of the increasing shortage of Indian Health Service medical personnel and the critical need for other Indian health care professionals, I propose to amend part A of title I to provide for recruitment efforts to be carried out by qualified Indian personnel.

I feel amendments requiring coordination between the Indian Health Service and the Bureau of Indian Affairs particularly in the area of mental health, are necessary to avoid the traditional tendency of federally funded programs, administered by different agencies and authorized by different legislation, to overlap, duplicate, or even conflict with one another. For example the kind of coordination proposed would be particularly desirable where IHS personnel function in a BIA-owned health care facility.

MISCELLANEOUS

I am also offering an amendment which would permit use of Indian hospitals to non-Indians in remote areas on a fee-for-service basis, after Indian needs are met, and only with tribal consent. This arrangement was proposed by Senators Bible and Cannon in S. 1800, relating to the Duck Valley Reservation. It would allow health care to be provided to people in remote areas who might not otherwise have access to adequate medical care, and it would generate additional revenue to supplement the inevitably inadequate budget of the Indian health care facility.

On page 6, line 1 of the bill I propose additional language that would allow the Secretary to certify schools that he is satisfied meet criteria for adequate training in the allied health professions. The intent of this amendment is to grant eligibility under part A of title I to students receiving health care training in an Indian-run or Indian-controlled institution not licensed by a State.

Another proposal would authorize the Secretary to lease Indian-owned facilities directly. At present, if the Public Health Service wishes to lease Indian property or facilities for more than 1 year, the lease extension must be granted under the authority of the General Services Administration. That agency hesitates to grant lengthy extensions, as its policy is to encourage competitive bidding, a process which usually works against Indians. My proposal would remedy this situation and would increase stability of tribal revenue.

I am also suggesting a technical change in the language authorizing the preparatory scholarship program funded under part B of title I for the purpose of conforming that part to the language of the health professions scholarships program funded under part A of the same title.

Finally, I propose that the need for facilities for caring for the elderly be included in the "Findings" section of the bill as an unmet need. It is my hope that specific approaches to providing additional emphasis on this problem area will be considered in the hearings on this legislation.

Mr. President, I ask unanimous consent that these proposals be printed in the Record.

There being no objection, the proposed amendments were ordered to be printed in the Record, as follows:

On page 11, line 10, strike out "$123,500,000" and insert "$148,700,000".

On page 12, between lines 17 and 18, insert the following:

"(3) Mental health: for fiscal year 1975, $9,125,000 and eighty positions; for fiscal year 1976, $7,925,000 and one hundred thirty positions; for fiscal year 1977, $7,125,000 and eighty positions; and for fiscal year 1978, $1,025,000 and eighty positions;".

On page 12, line 18, strike out "(3)" and insert "(4)".

On page 10, line 4, beginning with "premedical", strike out all through the period on line 5 and insert the following: "preprofessional course of study in any one of the fields listed in section 102(a)(1) of this Act.".

On page 6, line 1, immediately after "State", insert "or certified by the Secretary".

On page 9, between lines 10 and 11, insert the following:

"Sec. 104. The Secretary is authorized to enter into contracts with Indian tribes or organizations for recruitment of Indian professionals to participate under this part. Such recruitment program shall be administered by qualified Indian personnel."

On page 9, line 11, strike out "104" and insert "105".

On page 9, line 22, strike out "105" and insert "106".

On page 10, line 17, strike out "106" and insert "107".

On page 23, after line 25, add the following:

"SEC. 602. Subject to the consent of the affected Indian tribe, the Secretary is authorized and directed to take such action as may be necessary in order to make available the facilities of United States Public Health Service Indian hospitals for the purpose of providing nonemergency medical care on a fee-for-service basis to non-Indians living within an approximately fifty-mile radius of any such hospital.

"SEC 603. Notwithstanding any other provision of law, the Secretary is authorized, in carrying out the purposes of this Act, to enter into leases with Indian tribes for periods not in excess of twenty years.".

On page 24, line 1, strike out "SEC. 602." and insert "SEC. 604.".

On page 24, line 6, strike out "SEC. 603." and insert "SEC. 605.".

On page 9, between lines 19 and 20, insert the following:

"SEC. 104A. Notwithstanding any other provision of this part, the Secretary may enter into a contract with any Indian tribal government or tribal organization recognized by the tribal governing body to carry out any or all of his administrative functions, authorities, and responsibilities under this part.".

On page 10, between line 15 and 16, insert the following:

"SEC. 105A. Notwithstanding any other provision of this part, the Secretary may enter into a contract with any Indian tribal government or tribal organization recognized by the tribal governing body to carry out any or all of his administrative functions, authorities, and responsibilities under this part.".

On page 17, line 9, delete "outreach".

On page 18, line 13, delete "outreach".

On page 18, line 16, strike out "the means of" and insert "assist urban Indians in".

On page 18, line 20, delete "not to provide" and insert "to provide advisory and consultative".

On page 18, line 20, beginning with "but", strike out all through "Indians" on line 21.

On page 18, line 22, immediately after "of", insert "gaining".

On page 2, line 5, immediately after "services", insert "and care for the elderly".

On page 23, line 15, immediately after "Secretary", insert a comma and the following: "in coordination with the Secretary of the Interior,".

On page 23, line 18, immediately after "Secretary", insert a comma and the following: "in coordination with the Secretary of the Interior,".

On page 24, line 5, immediately after the period, add the following: "The Secretary, in carrying out the purposes of this Act, shall coordinate his efforts with the Secretary of the Interior.".

On page 24, after line 7, add the following new section:

"SEC. 606. (a) There is hereby established within the Department of Health, Education, and Welfare the Indian Mental Health Review Board (hereinafter referred to in this section as the 'Board'). The Board shall be composed of eleven members who shall be appointed by the Secretary. Not less than six members of the Board shall be Indians. The Board shall select a chairman from among the members thereof.

"(b) Members of the Board shall receive $125 per diem when engaged in the actual performance of duties vested in the Board, plus reimbursement for travel, subsistence, and other necessary expenses incurred in the performance of such duties.

"(c) The Board shall consider the mental health problems and needs of all Indians, and the mental health implications with respect to all Indian programs, and shall, in cooperation with the Secretary of the Interior, carry out a comprehensive review of all mental health problems and needs in connection with Federal Indian schools. On or before the expiration of the twelve month period following the date of the enactment of this Act, the Board shall report its findings, together with its recommendations, to the Congress.

"(d) There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this section.".

THE VOCATIONAL EDUCATION INDUSTRY

Mr. BROOKE. Mr. President, yesterday morning an extraordinary series of articles on the current status and practices of the private profitmaking vocational education industry was concluded in the Boston Globe. I found the series not only illuminating but distressing in the extreme. Many young people, and particularly Vietnam veterans, are not receiving the education and educational benefits they are promised by these schools, and millions of dollars of the taxpayers' money, through the various programs of the Veterans' Administration and the Office of Education are being wasted. These revelations, Mr. President, demand of us a response equal to their importance. At this point, I ask unanimous consent for the printing of the entire series in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Boston Evening Globe, Mar. 25, 1974]

MANY CAREER SCHOOLS TURN EDUCATION INTO A FAST-BUCK INDUSTRY

Vocational education has evolved into a $2.5 billion annual business in the United States largely through the use of high-pressure salesmen, questionable advertising and the failure of government regulation at all levels, a four-month investigation by the Globe Spotlight Team has found.

And the principal victims appear to be young veterans—up in the air about their future but with lots of GI benefit money to spend—and underprivileged youths, frequently from minority neighborhoods in big cities.

Private vocational schools are an important part of this country's post-secondary education needs. And many have excellent programs, sucessfully mixing profit and education without cutting corners to stay out of the red.

However, the career-training field has been cornered by a profitmaking school industry which is dominated by a fast-buck mentality that sees students as dollar signs.

This highly profitable, publicly subsidized market has exploded in the past five years; spawning a plethora of unscrupulous correspondence and resident "career" schools that take the money and ignore the student.

While stacks of studies cite the urgent need for training highly skilled young workers for the nation's technical industries, many private vocational schools are simply bilking students instead of preparing them for such jobs.

And although the Federal government spends billions to underwrite short, career-oriented courses for youths not going to college, it has been a demonstrable failure in regulating the quality of the education being offered.

The Globe investigation has found the industry to be marked by overzealous management which pushes commissioned salesmen to enroll generally unqualified students in courses of dubious value. Many students do not finish and many others wind up in debt with no marketable skill.

Some schools concentrate sales drives in poor inner-city sections where success is peddled on an instalment plan.

Members of the Spotlight Team posing as prospective students and interviewing hundreds of students, salesmen and executives, found the private correspondence and resident trade schools surveyed to be selling expensive, virtually worthless courses.

These schools purport to teach everything from computer programming to upholstery, from truck driving to law, from home building to jet-engine repair. They cost anywhere from a few hundred to several thousand dollars.

One expert, a fiscal consultant to several proprietary schools, estimates that more than half the 10,000 profit-making schools in the country are "predatory," and a high Federal official concedes there is unchecked "widespread victimization" of students.

The need for technical training is attracting many large corporations who are selling education like toothpaste through slick advertising campaigns.

Commissioned salesmen, competing for prizes and cash bonuses, are frequently using Federal funding programs, designed to aid veterans and the needy, as selling tools to sign up anyone willing to pay for schools with phony placement service and astronomical dropout rates.

In Massachusetts, one private vocational institute uses a standard sales slogan that refers to the students as "asses in the classes," and other proprietary schools in the state use phrases like "hit the dummy market."

Today's instalment in the Globe Spotlight Team's series on private vocational education deals with ITT Tech, the largest technical training school in Massachusetts, which is owned by the International Telephone and Telegraph Corp.

[From the Boston Evening Globe, Mar. 25, 1974]

ITT TECH WATCHES PROFIT, PUTS QUALITY TRAINING IN BACK ROW

A Boston institute, owned by the giant International Telephone and Telegraph Corp. (ITT), has become the largest private trade school in Massachusetts while using misleading advertising and a highly deceptive sales force and flouting state education and consumer laws.

Although it heralds its courses as the doorway to financial success, the school, ITT Technical Instiute, has a demonstrably dismal record of training students for careers in their field of study.

Located on Commonwealth avenue, Brighton, ITT Tech has been offering about a dozen technical, automotive and health assistant courses for six years to the growing number of young people seeking a career alternative to four years in college.

The acid test of such vocational training is how many students finish the school's courses and how many are placed in related jobs.

However, statistics provided The Globe and the state Education Department show that about seven out of ten students who enroll at the school drop out and only half of those who graduate are placed in jobs. By contrast, comparable public nonprofit institutions show a 90–95 percent success rate in graduation and job placement.

ITT Tech, like the multibillion dollar corporation behind it, is understandably in business to make money. However, it appears its pursuit of profits is often to the detriment of quality education.

The high $2000 cost for the one-year courses has translated educational services into a $15 million enterprise for the company.

But there is little semblance of academe at ITT Tech. Few of its 30 teachers hold bachelor degrees, its library is meager, classrooms dirty and in some cases ill equipped. Moreover, the highest paid employees at the school are not the instructors who teach the 1000 students, but the salesmen who convince them to enroll.

With the school's operation geared to making a profit, quality instruction has been consigned to the back row. With an accountant's cold, clinical eye, courses pay off or are cut loose.

The head of the company's education division is in fact an accountant and not an educator. Richard A. McClintock recently described his past corporate duties succinctly: "I count beans." Now he counts students—and ITT Tech is out to enroll as many as possible.

"As far as I can see, they'll sign up anyone," one instructor told The Globe. "As long as you have the deposit, they'll take you no matter what your qualifications or capacities are."

Persons interested in an ITT Tech course are referred to as "sales leads" until they sign up.

Faculty resentment over the signing of unqualified students at the school reached a peak last year when one instructor threatened to quit unless he was allowed to interview every prospective student signed for his class before the semester began.

Student resentment is also evident. A list of grievances was presented by some students to administrators last summer complaining of dirty halls and classrooms, broken equipment in labs, filth in the cafeteria, and defective air conditioning and ventilation at the school, which promotes itself as a million-dollar facility with modern equipment and conveniences.

No action was taken on the grievances, according to the students, and the school official they presented them to, Dr. Julius Batalis, now principal of Athol High School, refused to talk to The Globe.

Students said they had not demonstrated publicly against the physical and educational conditions at the school because the ITT Corporation could retaliate by revoking the low-interest federally-insured loans it obtains for the students to pay tuitions. School officials say such fears are groundless.

A four-month investigation by the Globe Spotlight Team into the quality of education offered by the 100 licensed profit-making training schools in Massachusetts, included research into the operation of ITT Tech. It found:

ITT Tech has one of the highest student default rates for federally-insured loans of any school in Massachusetts.

ITT Tech conducted a concerted drive to enroll students from numerous ghetto neighborhoods in Boston last November using phony telegrams that the Better Business Bureau had previously warned the school were "unfair," "deceptive" and against state and Federal laws.

The school's massive promotional campaign includes television and newspaper ads which have been used before being submitted as required by law to the state Education Department. When some of the ITT ads were brought to the state's attention by The Globe, they were found to be questionable.

Many of ITT's instructors have taught at the school for months without having their qualifications checked, as required by law, by the Education Department. This delay stemmed from laxness by the state and stalling by ITT Tech's director.

ITT salesmen, in standardized presentations to prospective students, routinely and improperly misrepresented vital features of the school's courses and completion and job-placement success.

Unlicensed by the state due to a loophole in the law, the salesmen are paid entirely by commission. For every student they enroll, the salesmen receive a $100 commission which is paid for by the student who is told the money is instead a "registration fee" like those paid at colleges.

School officials say that deception by ITT salesmen is "not a problem." However, the files of the state attorney general, the Education Department and the Better Business Bureau all contain complaints about deceptions by various ITT salesmen.

Three members of the Spotlight Team posed as prospective students and found that misrepresentation by ITT salesmen was the rule rather than the exception. Here are some examples:

Salesman Dexter Bishop told one caller seeking information about the mechanical drafting course that 80 percent of the course's graduates are placed in related jobs and that "just about everyone who starts the course finishes it."

In fact, only about three out of ten who enroll in the course have graduated, and only seven out of its 27 recent graduates, or 27 percent, have found jobs.

Salesman George Zack promoted an electronic engineering class as having a dropout rate of between five to ten percent. In fact, the only figures the school has on the course indicate a dropout rate of more than 80 percent.

Salesman Edward Calamese started his pitch on the medical assistant course by stating that "all of the graduates" are placed in jobs. School figures provided The Globe indicate that only 50 percent of the course's graduates find jobs in the field.

Salesman Robert Sousa assuaged the prospective student's fears of dropping out of a dental assistant class by saying that "only one or two girls a class leave." In fact, 85 girls have dropped out of the school's five dental classes in the last two years, an average of 17 girls per class.

False statements by school salesmen are considered a serious enough problem for the state's Consumer Protection Act to prohibit specifically the misrepresentation of a course "in any . . . material respect," including the course's influence in obtaining employment for its students. Neither ITT nor any of its salesmen have ever been prosecuted under the law.

False statements are also considered serious by the ITT Tech official who oversees the Boston salesmen. The official, Francis C. Curran, told a prospective student he is constantly on guard for misrepresentation by his salesmen.

"If any of our men did not represent a course precisely, he wouldn't be with ITT," he said. In his next breath, Curran exaggerated the school's success in placing automotive graduates by almost 30 percent.

A fast-talking former salesman, Curran is now second in command at the school, holding the curiously interchangeable titles of director of marketing and director of admissions. He even narrates some of its television ads.

Curran admits to spurring on his sales force to recruit more students with such phrases as "Get the asses in the classes."

GLOBE. What does that mean?

CURRAN. It means "students in the classes." . . . Our philosophy here is to get students into the classes.

But there are never enough students for ITT Tech. They recently advertised for three new salesmen. A Spotlight Team reporter answered the ad and in an interview for the job by ITT sales supervisor Donald MacCalmon was given a rare view of what is expected of their salesmen. MacCalmon contradicted official statements later made by the school that salesmen are constantly briefed and provided the latest information on ITT courses.

"You don't need to know much about the course—just how much it costs and when classes begin," MacCalmon said. "You have a canned speech you use with every lead; it's orderly, it's consistent and what's best, it works."

In an interview with The Globe, school director Charles Feistkorn, who resigned shortly before publication, defended his operation of the six-year-old school: "We have a good school here and good courses. When you have an excellent product like this you don't need to misrepresent." And he boasted of an overall completion rate of 52 percent.

However, of the 3500 total students enrolled during the last three years at ITT, figures show that only about one out of three have completed the course.

Its overall completion rate would be even lower were it not for its 50 percent success in training automotive repairmen at its garage in Chelsea.

Most startling is the fact that fewer than 15 percent of the 1400 students who have enrolled in its eight technical courses since 1970 have graduated, according to data in the school's latest report to the Education Department. The remainder either dropped out or failed to attend class.

Feistkorn also has defended the school's placement procedure. In 1971, he told the state that "each student" is interviewed by the school's Office of Student Affairs and its director, David Brockmeyer, on job opportunities.

This was false, many ITT graduates told The Globe. They had never been interviewed for job placement and said that Brockmeyer, a former semiprofessional football player, spent most of his time coaching the school's sports teams. The school says it has no record of placement statistics for much of Brockmeyer's tenure.

The present placement director, Victor Kissal, also has a background in sports. Before coming to ITT last March he was publicist for the Eastern Massachusetts Small Colleges Assn. At ITT, he is also responsible for sports, but he claims he has had time during the last year to place about 65 percent of its graduates.

His claim was deflated by a present ITT instructor who told The Globe: "I don't know what type of jobs these kids are being placed in. This school has no rapport with industry. The jobs certainly are not the 'high-paying' ones as advertised."

Far greater success in the training of students and placing of graduates has been experienced by the several public vocational institutes run by local communities or regions. At two of the schools, Quincy Vocational Technical School and the Blue Hills Technical Institute, courses similar in content but lower in cost than ITT's have completion and placement rates of up to 95 percent.

Some contrasts:

An architectural engineering course at Blue Hills Institute last year had 16 students start. Thirteen students, or 82 percent, graduated from the course. ITT's latest architectural engineering class had 77 students enrolled. Only seven graduated, or about 9 percent.

At Quincy Vocational Technical School, the latest electronics technology course had a 90 percent completion rate. The rate for the latest ITT course was 36 percent. Dental assistant courses at the Quincy school in the last three years have had a 92 percent completion rate, while the course at ITT has graduated less than half that percentage.

There are 28 such public schools in the state. All are nonprofit and maintain a limited enrollment. High school graduates seeking admission must show some capacity toward the field of study before acceptance. Such screening of prospective students is lacking at ITT Tech, several former and present instructors said.

"The school looked at the prospective student not to see if he had the capacity to learn anything, but did he have the capacity to pay his tuition or his loan," one former instructor said. "The school's philosophy was 'Sign the kid up. Tell him anything but get him signed up.' "

School Director Feistkorn said that each student is now given a qualification examination before being enrolled. But only a fraction are rejected, since the student must exhibit only an 80 IQ to pass.

Further, Feistkorn said, the decision to admit a student to the school was "not made by the salesman and it shouldn't be." However, he was unable to explain why the school's sales director, Frank Curran, is also its director of admissions.

More than half the communities in the state have no vocational institute for their high school students, and ITT Tech is trying to contract with them to provide the training. "We're out to get the public sector," Neil R. Cronin, recently retired president of ITT's Educational Services division told The Globe.

The recruitment drive, in the guise of public service, would bring hundreds of students into ITT. The school joined an association last year that hired a lobbyist and filed legislation which would have had the state pay for the high school students' tuition at ITT. The bill was killed, but could be revived in the future.

However, the public did pay ITT Tech $62,353 last year to train 76 students sent to the school by the Massachusetts Rehabilitation Commission (MRC). Comr. Russell E. O'Connell of the MRC said his agency makes no official check of the quality of the schools before recommending them to students.

Prospective students are enticed to enroll at ITT by having their tuition paid by a federally-insured loan.

ITT salesmen were found to use the loan forms like personal calling cards. When a Globe reporter sought a loan, an ITT salesman improperly filled out the program's Federal forms.

The reporter gave a family income that made his eligibility for the entire program questionable, but salesman Alan Brown told him, "That's all right," and put down a lower income figure on the official form.

With the loans insured by the U.S. government, ITT enjoys a no-risk proposition. If a student defaults on his loan—that is, refuses to pay it back—the school simply waits 90 days and informs the Federal government. The government then reimburses the school the entire amount of the default. Five percent of all defaults in Massachusetts come from ITT students although more than 200 schools in the state participate in the program.

But cracks have begun to show in the program. The high amount of defaults coming from students from proprietary schools such as ITT has caused Federal education officials to reconsider the program.

The officials said there was a direct correlation between the quality of education provided by particular schools and the number of students who default. "As the education standard decreases, you'll find an increase in defaults," David Bayer, acting director of the program, said.

However, ITT corporate executives disagree. Neil Cronin, in an interview before quitting the firm, blamed ITT's high default rate on the high number of minority students who attend the schools. "And you know, the low groups, the low socio-economic kids come in and they're not inclined to pay. They are used to seeing the generations before them go on welfare."

It is not an accident that a high number of persons from lower economic classes attend ITT.

Last November the school made a blatant effort to recruit students from neighborhoods in Roxbury and the South End.

About 17,000 persons were informed they had been "selected" to take a test at ITT for "our special scholarship program." The entire campaign appears, however, to have been fraught with deception, as the "telegrams" were in fact plain letters sent through the mail.

The recipients of the phony telegrams had not been "selected" by any personal achievement but rather by their zip codes. The "special scholarship program" consisted of but four scholarships to the school. Only one has since been awarded.

Weeks before, in late September, ITT began a similar recruiting drive by sending out phony telegrams with only the words "Call me," the phone number of the school, and a salesman's name on it.

The Better Business Bureau learned of the telegram, investigated and found its use was unfair, deceptive and against the state and Federal Consumer Protection laws. The BBB attorney expressed this opinion in a letter to ITT's lawyer.

Two weeks later the school sent out its second onslaught of phony telegrams exclaiming its "special scholarship program."

By law all such advertising and recruitment brochures must be submitted before being used to the state Education Department. But they were not—and Joseph DeRosa, the state official responsible for supervision of the trade school law, says he was therefore unable to check them for possible deception and misrepresentation.

DeRosa has not seen or approved many of the ads that ITT is supposed to file with him by law before using daily in newspapers like The Globe and nightly on television stations such as Channel 56.

Most of the ads tell of high-paying jobs waiting for graduates of ITT courses. "The jobs are waiting, the salary is good," states one ad for the heating and air-conditioning course. "One of these (173,000) new jobs can be yours if you start training now at ITT," states another for automotive mechanics. "If you'd like to become a dental assistant, ITT can make it happen," exclaims a third.

Incredibly, DeRosa says the "onus" is on ITT to submit its ads for clearance and he "hasn't got time" to monitor television and newspapers to see which ads the schools are running. There is a maximum fine of $500 for running ads before filing them, but ITT has never been questioned on the issue.

Nor was the school questioned by DeRosa last year when it failed to file its financial profit and loss statement as required by law. Feistkorn, the school's director, wrote that the statement was "very bulky" and could not be sent to DeRosa with ITT's license renewal application.

The "very bulky" statement—filed after The Globe threatened the Education Department with suit to obtain it—turned out to be one-page long.

But its contents showed that in 1972, ITT Tech had spent more than a quarter of a million dollars on advertising, promoting and selling its courses, almost $200 for every student it enrolled that year.

The school was also remiss in filing the names and qualifications of its teachers, as also required by law. The Globe found a pattern of ITT instructors teaching at the school for months at a time without their qualifications being first submitted to the state. ITT Director Feistkorn blamed the failure on the school's former education director, who he said "was not good on detail."

However, last Sept. 4, Feistkorn himself wrote DeRosa that "pending your approval" the school was considering hiring a new instructor for its heating and air-conditioning class. In fact, the instructor had been teaching at the school for nearly a year, having been hired in November 1972.

The school's failure to file the teacher qualifications on time was upsetting to state Trade School Supervisor DeRosa.

"I admit it's a real bitch," he told The Globe. "They've really been dragging their feet on this one."

ITT HEALTH-ASSISTANT COURSES PROVE COSTLY, BITTER LESSONS

In single-file the young women walked quickly up to the stage to accept their diplomas. Dressed in crisp, white uniforms, each girl cradled in her arm a red rose, a fragile symbol of her graduation from ITT Tech.

The young women should have been about to enter the health professions because they had successfully completed their one-year course in medical or dental assistance. But for many the only thing the future would bring was a $2000 bill from the school.

The expert instructors, the modern equipment, the training programs, the countless well-paying jobs they had been promised by the school and its salesmen had wilted and disappeared as the roses would after that August graduation night.

One graduate recalls: "When I went up on the stage to receive my cap and diploma, I knew I was never going to wear it. When I got back to my seat, I took off my cap and I haven't worn it since. They didn't teach me anything, so how could I get a job?"

The medical and dental assistant courses attract 200 women a year to ITT Tech on Commonwealth avenue, Brighton.

No Federal or state agency approves any health assistant course, and ITT's courses have also not been accredited by professional societies evaluating the two fields. Yet, courses are a mainstay in ITT's big business of selling vocational education.

From interviews and personal experiences, the Globe Spotlight Team learned that misrepresentation by the school and its salesmen is a frequent occurrence in enrolling women in the courses.

An advertisement the school has been running on Boston television several times a week promotes its medical assistant course as including training at "one of the world's most respected private hospitals located right here in the Boston area." ITT salesmen identify the hospital as the Peter Bent Brigham in Roxbury.

However, the school has no training program with the Peter Bent Brigham Hospital at the present time. For less than eight weeks last summer, several students were "volunteers" at the hospital, but the program was canceled by the hospital after reported unresponsiveness by the school and the students.

"It was one of the worst experiences of my life," Mrs. Jacquelynn Hunt, director of volunteers at the Brigham Hospital said of the program. "The ITT girls all thought they would be doing nurse's duties and when I told them it would be routine work, they lost all interest. The school led those girls astray."

Months after the program had been discontinued by the hospital, the school was still running the ad on television and ITT salesman Edward Calamese was trumpeting it in this fashion: "You'll be working on the wards of the Peter Bent Brigham. You'll be giving shots, doing everything a nurse does."

The short-lived program has been used by the school for more than soliciting unwary young women. School Director Charles Feistkorn listed the working agreement with the hospital as a major reason to state officials to have the course approved for the subsidized training of veterans.

Approval from the Veterans Administration (VA) for the course had been denied last July after a review of the curriculum and facilities by a team of medical and dental experts. Feistkorn was upset by the rejection and appealed the decision.

At the August appeal hearing before VA Approval Agent James E. Burke and state Vice-Chancellor of the Board of Higher Education Graham R. Taylor, Feistkorn cited the hospital program and also claimed the school had a "registered nurse and a doctor on its staff." He is also quoted as saying he had been a superintendent of a public school system in Ohio before coming to ITT in Boston.

In fact, two of the impressive claims were inaccurate and a third was misleading. Feistkorn has never been a public school superintendent. There is no registered nurse on their staff, although Mrs. Elizabeth Murphy, chief medical instructor, is listed as one in the school's catalogue. She is only a licensed practical nurse which requires much less skill and training.

And the doctor Feistkorn boasted about is a graduate of a medical school in the Philippines who is not a registered physician in Massachusetts and cannot practice medicine here.

But the state officials checked none of the claims Feistkorn made at that August meeting, and two months later, on October 10, 1973, Burke told the school its medical assistant course was approved for veteran training.

In September, about a month before it received its veteran approval, the school was informed by Peter Bent Brigham that its training program was being discontinued.

Although he had used the hospital program as a major selling point at the meeting with state officials, Feistkorn did not inform them when the crucial program was disbanded in September. VA agent Burke did not learn of the action until told by The Globe.

Asked about Feistkorn's activities, Burke said, "I guess I shouldn't have taken him at his word. I took him at face value . . . I guess I was naive." (Feikstkorn resigned as school director shortly before publication.)

Neither ITT course in medical or dental assistance is accredited by the professional associations in the two fields.

"The accreditors would have laughed in our face," a former dental assistant instructor said, "When I first came to the school, the girls were being taught without a formal curriculum. They were being instructed on whatever came into the teacher's head."

With its dental assistant course unaccredited by the American Dental Assn., ITT graduates cannot take the exam to become certified professionals, it is a crippling disadvantage when the graduates go looking for jobs.

Of the 236 students who have enrolled in the courses in the last two years, only 52, or 22 percent, have found jobs. In stark contrast, Northeastern University's dental assistant course, which is accredited, has placed 85 percent of the 334 students it enrolled during the same period.

Moreover, like all of the 13 schools which offer accredited dental assistant courses in Massachusetts, Northeastern's program costs much less than ITT's course.

The contrasting statistics take on a tragic tone when interviewing the numerous ITT graduates who have been unable to find the jobs the school had promised on graduation.

"Everywhere I went looking for a job it was the same question, 'Are you certified?' What could I say?" one graduate said, "I guess I was fooled by their being part of a big corporation. Well, the course was expensive, but I got nothing out of it but a big bill which I couldn't pay off because I could not find a job."

One girl found her ITT training so unsatisfactory that after graduating she enrolled in Northeastern's course so she could find a job. She says she recently called her high school counselor and advised her not to recommend ITT Tech's dental assistant course to any students.

The word appears to be getting around. An official of the state Board of Dental Examiners told a prospective student recently to "stay away from unaccredited courses like ITT's."

What the course lacks in substance, the school and its salesmen try to make up for in their promotion.

"Calling All Girls," one ITT health assistance ad appearing in The Globe begins. "Why settle for a humdrum office and secretary's salary—when exciting openings in industry and the professions are waiting to offer you more money to start, faster advancement, more interesting and challenging work."

ITT salesmen pick up where the ad leaves off. "We have the equipment here to teach you everything you need to be valuable to a dentist," salesman Robert Sousa told a prospective student recently as he showed off the school's new $20,000 laboratory. "You'll be able to clean teeth, take mouth impressions, take X-rays and all that once you finish our course."

The duties Sousa outlined are all beyond the scope of a dental assistant, and doing the work he described would put the dental assistant in violation of state law.

The prospective student—a Spotlight Team member—was then given a qualifying examination which she was told would determine if she could take the course.

A former dental instructor had previously told The Globe that the school "loved to sign up the unqualified girl. They were easy marks for the salesmen who were just interested in getting their commissions."

Purposefully, the reporter answered more than half the questions wrong, giving her a mark well below the national average. But it was still good enough to be accepted by ITT. "You're pretty smart," Sousa told the reporter. "You're going to make a lot of money from this course."

The money, however, is made by Sousa. Although he falsely told the reporter that he was a salaried employee of the school, Sousa is paid strictly on commission, $100 for every student he enrolls.

(The Globe found that ITT Tech goes to great lengths to satisfy its salesmen, even at times at the risk of violating two state laws—one giving students three days to cancel home enrollments and the other calling for refunding within 10 days all deposits to a student who has properly canceled.

(Although its practices have been the subject of complaints to the Better Business Bureau and the attorney general's office, the school has never been challenged for its actions which have kept substantial amounts in commissions in its salesmen's pockets.)

Once the $100 commission is secure, students say they are forgotten by the salesmen. Also forgotten for the most part are the exaggerated promises of expert training and high-paying jobs on graduation.

"I have an ITT diploma, but it is worthless," a medical assistance graduate says as she dusts off the display case of the watch repair shop where she now works as a clerk. "The only job I could get was here."

A customer enters the store and the medical assistance graduate walks over to wait on him. She is still wearing the white nurse's shoes she had purchased for the career ITT training was to provide her.

Students Suffer By Inaction of Regulators

The failure of the Massachusetts Education Department and the attorney general to crack down on questionable schools can affect the financial and even the physical well-being of students.

The Spotlight Team found one Boston school that has served food and housed students for four years without either the requisite health or lodging-house permits. Nor did the school have the required state license to operate.

Two other schools folded up in January—in the midst of the Spotlight Team's investigation of them—and locked their 45 students out, owing them at least $15,400.

To determine the consequences of the state's lackadaisical regulatory efforts, The Globe investigated five schools that have either failed to obtain the required state licenses or have been the subject of complaints to consumer agencies.

Operating an unlicensed school may be punished by six months in jail, a $1000 fine or both.

FUTURE CAREERS INC.

Nineteen-year-old Susan DiNicola wanted to mail the deposit for her $500 medical secretary course, but the official at Pittsfield Medical Annex said she had to pay immediately if she wanted to enroll.

"I ran down to the bank and took out all my savings and paid him," she said.

Six days later, as an elevator carried her to what she hoped was her first class, the operator turned to Miss DiNicola and remarked. "Say goodbye to your money." It was sound advice.

When she reached the classroom, workmen were removing desks, chairs and other furniture. The school had closed without opening. Twelve students had lost $3400.

The would-be Pittsfield school was owned by Future Careers Inc., which also had schools in Boston and Worchester that closed about the same time. At the Worcester school 30 students who had paid some $12,000 were left stranded in mid course.

The Boston school reportedly closed at the end of its courses.

The attorney general's office has filed suit against Future Careers to recover the students' money and to prevent the company from engaging in further alleged "deceptive and unfair acts and practices."

But Future Careers, which offered courses in paramedical training at costs between $300 and $500, was well known to both the attorney general and the Education Department before any of its schools went out of business.

The Boston school had been involved in so many dubious dealings with students that Atty. Gen. Robert Quinn and the school entered into a formal agreement recorded publicly a year ago—the only one ever to involve a school—in which the company promised to cease certain allegedly deceptive practices.

The sudden closings of the Worcester and Pittsfield schools were precisely the events that a state law, passed in 1971, sought to avoid. To protect students, it requires certain schools to post a $25,000 bond before being licensed to sell courses in Massachusetts.

Yet Future Careers was able to escape the law and avoid licensing when a ruling by the Education Department allowed the company to change the name—but not the advertised content—of its courses.

FASHION SIGNATURES

"Want to model? Fashion Signatures needs girls. If not (a) professional, short training may qualify you."

This advertisement by Fashion Signatures Modeling Agency appeared recently in the "help wanted" section of newspapers. It was used to enroll students in a 48-class-hour, $345 modeling course at a school of the same name.

Under the state Consumer Protection Act, use of "help wanted" columns to solicit students by making them think a job is being offered is "an unfair and deceptive trade practice." In addition, the state rules governing private business schools prohibit them from advertising in employment sections.

(Until The Globe stopped accepting all such ads, McCall's Modeling Agency also placed ads for an associated school in the employment columns. John Porcello, director of the school, admitted recently he had only two modeling jobs to offer.)

All four Fashion Signatures schools are unlicensed—and consequently have not posted the required bond—because the state auditor has not certified their financial stability.

In the Spotlight Team's investigation, a reporter enrolled with Fashion Signatures school and mailed in a $50 deposit. Although the reporter canceled the following day, the school has refused to return the money.

The school's refusal contrasts with a statement its president, Harry W. Guida, made on Feb. 16, 1973, on a school license application he signed "under penalties of perjury." Guida said deposits were "not refundable unless notified within 48 hours."

JULIET GIBSON SCHOOL

"'Integrity' is a beautiful word!" says the sign taped to a door at Juliet Gibson Professional School for Women.

But judged by its professed standard, the Boston school is far from exemplary.

Juliet Gibson, which offers a $1,900 fashion course, recently lacked not only the required state license, but also a city lodging house permit and a state health permit.

In addition, Linda Ross, the school's youthful director, admitted she had used her position as membership chairman of the Massachusetts Personnel and Guidance Assn. to enroll students. All 10 of her current students, she said, were signed up after visits to high schools across Massachusetts.

Although the school has operated without a license for 1½ years, Quinn's office filed suit against Juliet Gibson only after the Spotlight Team inquired at his office about the school.

The suit seeks to enjoin the school from enrolling students until it is licensed.

Quinn has been acquainted with the school for two years. In December 1971 Miss Ross and "the Gibson girls" proclaimed "Bob Quinn Candy Day" to honor "the quality of character and sincerity of heart" of the donor of a box of candy—Quinn.

How did "Bob Quinn Candy Day" come about? As Miss Ross explains it, "There had been a complaint registered against the school in the attorney general's office, and, in order to investigate, he met the Gibson girls at a wedding reception that they sang at."

Later, Quinn brought a box of candy to the school and stayed for 10–15 minutes, Miss Ross said, but his acquaintance with the school apparently had one benefit to Juliet Gibson: Miss Ross heard nothing further about the complaint.

FRAMINGHAM CIVIL SERVICE SCHOOL

Salesman Alex Cataldo of Framingham Civil Service School was indignant at a caller's question about whether any complaints about the school had been filed with the state attorney general.

"Nope. Never," he declared. "The attorney general is a classmate of mine, so there better not be any complaints."

Actually, Atty. Gen. Robert Quinn's office has on file at least five complaints about deceptive selling by salesmen from the correspondence school—two about Cataldo himself.

Yet no action has been taken against the school, and its salesmen continue making false statements like the one by Bert Meltzer, who told a reporter posing as an applicant that no one could pass the state Motor Vehicle Registry Examiner's test without taking Framingham's $400 course.

In fact, the Framingham course is not even necessary to study for the test. A Boston bookstore offers a study guide for the test costing $4.

NEW ENGLAND SCHOOL OF INVESTIGATION

New England School of Investigation is one of the few state correspondence schools ever threatened with formal sanction by the Education Department, but the department's ire centered on a minor change in the school's contract.

The school is owned by Allied Adjustment Service, Inc., an insurance claims company that appears to use the course as a profitable in-house employment agency, hiring a large portion of the few students New England graduates.

However, the Allied corporation was dissolved in 1970, according to state records..

Walter J. Gillespie, vice president of Allied and an advisory faculty member of the school, refused to explain in a telephone interview why the company was operating under the name of a dissolved corporation, but he said Allied "might be incorporated under another name."

New England, which offers $600 courses in insurance adjusting and private investigation, is administered by Thomas Fortier, a boyish-looking salesman who has sold courses for at least three correspondence schools, including LaSalle Extension University.

Fortier claims to have done four years of college work at LaSalle, but the school says he actually finished one correspondence course in business administration. Fortier made his assertion on a license application he signed under "penalties of perjury."

Sign Now, Said Salesman; $1,850 and a Year Later . . .

The ITT salesman jumped up from the living room couch and shouted at the youth; "If you don't sign up now, you won't get into the course. Those seats are selling like hotcakes. In fact, I'd better make sure you can get in."

The salesman, Donald Barbaro, reportedly rushed to a telephone in the next room and called. He returned breathlessly: "There's still a few seats, thank God, but you've got to sign now."

Hesitant up to that point, 17-year-old Robert Marquis made a decision that he has regretted ever since. He signed his name to an ITT contract to take its $1850 course in heating, air-conditioning and refrigeration.

There was no real urgency for Marquis to sign. The class did not begin for another nine months and there were seats available to the end. He was rushed into enrolling because salesman Barbaro wanted his $100 commission.

Within a year's time, all Marquis's reservations about the school and the instruction turned into reality. The course proved to be ill conceived, poorly taught and badly equipped.

When Marquis and his classmates complained to the attorney general, the state Education Department and to school officials, their pleas for the most part fell on deaf ears.

Marquis's year at ITT ended last August with graduation ceremonies at which 235 students and their families were given a stirring speech about the school's excellence by a Federal education official who now admits his praise was based on his friendship with the school's director.

In his address, Dr. Albert Riendeau of the US Office of Education said: "You made a wise choice when you enrolled here . . . I have discovered you have an outstanding program at all levels at ITT Tech . . . You have been taught by a thoroughly dedicated staff that has the interests of the students at heart."

He ended by extolling the school's "outstanding placement program."

Listening to Dr. Riendeau, the youthful Marquis, recalls thinking: "That guy just doesn't know what he's talking about." Dr. Riendeau now admits as much.

He recently told a Globe reporter that his acclaim of the school was "probably questionable" since he had never been inside ITT Tech before the afternoon of the graduation and he had based this speech on a tour and a short talk he had with his "personal friend," school director Charles Feistkorn.

Following the graduation speech, the ITT students field past Dr. Reindeau to receive their diplomas. One student recalls thinking, "It may not be much, but at least it shows I graduated." He was wrong. When he opened up his envelope, instead of the diploma, he found a notice from the school informing him that he still owed them money.

"My mother was sitting there with my grandmother and my sister and her husband. The all wanted to see my diploma. What do you say to them when all you've got to show for your year is a stinking bill," the student said.

Although Marquis received his diploma, he is just as bitter about his year at ITT. He says he was attracted to the course by salesman Barbaro's claim that it would include instruction in both auto and truck air conditioning. But in fact, the course did not cover these two areas.

Marquis also says the salesman told him the school maintained a free student parking lot. This also was false, as there is a $12.50 monthly parking fee.

Salesman Barbaro says his recollection of the interview is "fuzzy," but he does not remember making the claims were still available. Marquis's parents were present and they substantiate their son's version.

Also, a second student signed up for the course by Barbaro told the Globe he was rushed into signing "because the salesman told me I couldn't get a seat if I waited."

When Marquis signed his contract in February 1972, the course had no official status. It was not until Aug. 2, 1972, a full six months later, that the state Education Department licensed it. Joseph DeRosa, state trade school supervisor, told the Globe that state law prohibits a school such as ITT from soliciting students into a course until it is fully approved by the state.

In approving the course DeRosa notified Feistkorn that state regulation sets the maximum number of students who can be taught by one instructor in a laboratory at 15. A month later, when the course began, Marquis says he was crowded into his laboratory with 26 other students, a dozen above the state-allowed limit. The size of his lab stayed above the legal limit for more than half the year, he said.

From the beginning, the heating, air-conditioning and refrigeration students encountered trouble. Their instructor continually skipped classes and finally quit in November. The new teacher disliked his predecessor's methods and started all over at the beginning—meaning a month's instruction had to be made up.

The episode, like his year at ITT, still rankles Marquis. "I was one of the top students in my class, but I'll be frank; I hardly learned a damned thing. I had to drive 80 miles a day to go there but I wouldn't go back if it was next door."

[From the Boston Evening Globe, Mar. 27, 1974]

Home-Study Schools: Con Game or Wave of the Future?

Correspondence education has been hailed by one congressman as the "wave of the future" and condemned by another as "the last legalized con game in America."

Its proponents present home study as the last hope for those who cannot afford college in an education-conscious society. It's said to be the only place in America where opportunity knocks twice.

Opponents castigate the industry as a predatory, insatiable monster that feeds off people's dreams and gobbles up millions of tax dollars through systematic exploitation of government education programs.

A four-month Globe Spotlight Team investigation, based on extensive interviews with students, salesmen, school executives and government regulators and a survey of Federal research, found overwhelming evidence indicating the burgeoning industry is failing students in droves, with few finishing high-priced courses of negligible value.

Saturation advertising is the cornerstone of an industry that sells education like any other marketable commodity. And its surging growth is taking place in a comfortable void, virtually unchecked by consumer and education agencies across the country.

It's now big business and the trade is beginning to be dominated by huge corporations like ITT, Bell & Howell, McGraw-Hill, MacMillan Co. and Montgomery Ward.

What reliable data is available concerning a tenaciously insular industry shows correspondence education dramatically fails the acid test—do students finish their studies and get jobs in the field?

The answer, based on research by the General Accounting Office and the Veterans' Administration, is a resounding no.

Both found that about three out of four students using GI education benefits never finish the course and many wind up with only bills to show for it all. The GAO revealed that only six percent of sampled veterans achieved the critical objective of employment in the field of training.

Four well-known correspondence schools are examined in today's installment.

Want a Scenic Job Raking Rocks?

Against the panoramic backdrop of a pristine forest, a solitary ranger rides slowly toward sundown. The narrator beckons man back to nature: ". . . Live and work by a peaceful lake, a sparkling river, in the mountains or by the seashore. . . . As a conservation officer, wild-life manager or forestry aide, you work outdoors, preserving our natural environment and protecting it against the dangers of violators. Call for this free career kit . . ."—television ad for the North American School of Conservation, Channel 56.

For $595, North American School of Conservation offers you a solid career away from smog, city crime, sirens at night, hurried people, snarled traffic. But the raw truth is it really can't deliver.

Government officials who hire in the conservation field have a decidedly negative view of the course as a job credential.

A Globe survey of state and Federal agencies found a firm consensus that the school's instruction is of negligible value in getting even a bottom-level forestry position—such as groundskeeper—and then only if all other things are equal.

The course is virtually worthless for obtaining a "professional" level job in the US Forest and Park Service Departments, where the starting pay ranges from $8,000 to $10,000 and requires a college degree.

The only job available for a North American graduate who had no other credentials would be at "the $100-a-week level raking rocks," according to one official. In most instances, the job would have been available without taking the course in the first place.

Orlo M. Jackson, director of management of personnel for the Federal Forest Service, criticized the school for using "misleading advertising" and said he had complained several times about it to the school without much success.

Jackson gave this characterization of North American's ads: "The stuff is right out of the 1920s—the rugged frontiersman who lives off the land and the romanticized stuff about nature and fishing and hunting. Today you need a specialized technical education to do this kind of work.

"Besides, there are not that many jobs available, period. Even on the professional level there's 300 applicants for every position."

North American doesn't see it that way.

In chatty, "howdy" letters from a man pictured in a cowboy hat, prospective students are told North American offers "the special training and skills you need . . . and the proof is in our graduates." The letters carry the picture and signature of a man who died several months ago.

Ironically, the school refuses to discuss its graduates and students, except to guess that about half finish the course and most get jobs.

However, a 1971 stock prospectus obtained by The Globe shows a stark dropout figure of 74 percent for all North American courses, which include other types of instruction.

North American's disregard for a student's job potential is illustrated by the fact it seeks employment and education information from students who sign up by mail only after they're enrolled and indebted to the school.

A Globe reporter who enrolled indicated he was an unemployed 31-year-old high school dropout who was color blind and partially paralyzed and wanted to be a forest ranger. A Federal expert said the description made "any outdoor job impossible." The school simply took the student's money and welcomed him aboard.

Despite any early contract cancellation, the reporter got nothing but increasingly hostile letters for more money—even though the school at one point was sending him the wrong person's bill and was informed about it.

In sharp contrast with the folksy letters from the dead conservationist, the school's executive vice president is the embodiment of corporate slickness. He refused to answer any questions about North American's faculty, course completion, job placement and financial structure. Most questions were in line with Federal Trade Commission (FTC) recommendations to students who want to "get the facts."

Advance Schools—Self-Proclaimed Industry Savior

Advance Schools, Inc., of Chicago is the self-proclaimed savior of the home-study industry, sitting at the right hand of the Federal Trade Commission (FTC), high above the charlatans wallowing below.

"You won't find our ads in girlie magazines and matchbooks," one sales executive said. "We're in Time and US News."

Yet Advance appears to be the Elmer Gantry of the trade, using some of the dubious sales techniques and misleading claims it condemns. All of this is done under the appropriated seal of approval of the FTC.

Even as the FTC was investigating the school for possibly unscrupulous practices, one of Advance's sales managers, to the FTC's consternation, was claiming the school works "hand-in-hand" with the regulatory agency in cleaning up the industry.

In an interview with a Globe reporter posing as a would-be student, William A. Thurston, who managed a hamburger stand before joining Advance, was in high gear: "We're the so-called guys in the white hat. We're the shining example for other schools to follow. . . .

"We're working with the FTC. They've got a big push on now to clean up the home study industry . . . They're using us as an example to follow because of the type of contract we have, the quality of our programs and our high graduate rate . . . The FTC and the VA and anyone else concerned with education is very much pro Advance Schools."

Herbert Ressing, director of the FTC's consumer education division, was stunned by Thurston's assertion: "What can I say? That's outrageous." He said a current FTC educational campaign was directed against "just this type of misleading claim" and he had seen "no evidence" of Advance's ballyhooed cooperation.

The school's president and founder, Sherman T. Christensen, is a man who likes to appear above the venality of politics, but, in fact, he has his own lobbyist in Washington and other powerful friends there. He is also a dominant figure in the industry's fraternal accrediting body, based in the capital.

Christensen is a friend of former US Rep. Roman Pucinski of Illinois, who ran unsuccessfully for the Senate in 1972 against Charles Percy. Christensen denied doing any more for the Pucinski campaign than buying two tickets to a dinner for "20 bucks," but Illinois records show he donated $1000 to Pucinski.

(Christensen also denied making any political contributions other than at a local level, disdaining the process because of "what Watergate has shown us." But, again, records show he gave the Committee to Reelect President Nixon $1000).

Pucinski, now an alderman in Chicago, has long been an ebullient advocate of home study, calling it the "wave of the future." He has described himself as a consultant to the industry, but rejects the term "lobbyist."

In a public relations coup, Christensen was recently featured in Fortune magazine as the lone ranger of correspondence education.

"Christensen began cleaning up his own company's practices in 1967," the article states. "When he switched his salesmen (who had 'learned every trick in the book') from commission to salaries, 61 of 62 quit."

What Christensen did not say is that the reform is a matter of semantics. He initially claimed that his salesmen receive salary only but, under questioning, admitted they also receive substantial bonuses per sale and expense money.

Christensen, 64, started the family business in 1937 and now runs a nationwide corporation that expects to take in about $40 million in sales from 21 separate courses in 1974.

He told Fortune magazine last October he was "so pleased" with an FTC pamphlet warning prospective students about unscrupulous practices the he ordered 50,000 copies for distribution to his salesmen.

Or did he?

FTC education director Ressing said: "This has not occurred yet. In fact, I just sent Christensen a little note asking why this has not occurred."

Advance, like other large-scale correspondence schools, is highly dependent on government subsidies for its students and appears to be one of the foremost users of GI benefits.

VA records show that as of last October about one out of every seven veterans using benefits for home study across the country were students at Advance. It appears that the VA underwrites at least half of Advance's tuitions.

It is not surprising, then, that Advance was in the vanguard of an industry move to stop a reduction in GI benefits for vocational education, which dropped tuition coverage from 100 percent to 90 percent.

Advance even flew in some well-rehearsed students in 1972 to ask Congress not to make the cut, which Advance claimed would be ruinous to the industry and unfair to veterans.

One of them had his prepared statement taken away from him abruptly by an attorney for Advance, who told him to give an impromptu account. His written statement contained an admission that he had also attended a resident state-run trade school while taking Advance's $900 course in air conditioning and refrigeration.

"There's something I should tell you," the student from Fern Creek, Ky. sheepishly told the Globe. "I went to a trade school at the same time. It cost me $22.50 and had all the equipment and top teachers.

"Even though Advance Schools gives you (equipment) kits, it doesn't give you everything you have to have, so I went to this other school . . . That's how I got my real knowledge."

Here's what he told Congress: "I could have gone to a trade school and paid the minimum charge and made money (off the VA), but under the circumstances it was impossible for me to go to another school . . . I got all the help I could possibly need from (Advance) and I guess that's all I have to say."

LAFAYETTE—70 PERCENT DO NOT FINISH

A well-traveled salesman from Lafayette Academy of Rhode Island shifted uncomfortably in his chair, looked pale and coughed. He had been confronted with his erroneous claims and what the facts actually were and he was struggling to remain composed.

After assuring a prospective student that the material for a travel-agent course was prepared exclusively by the school's "experienced staff," he was shown a section of the school's textbook that matched up exactly with a section of a standard tour handbook used widely by travel agents.

Here's the by-play:

Q. The course material is prepared and packaged by the school itself. Correct?

A. Yes, that's correct.

Q. Is the so-called travel agent's handbook used as part of the course?

A. No. Your lessons won't come from that.

Q. Are you sure of that?

A. Yes.

Q. May I show you something? (School text and handbook material are the same.) You said no lessons would come from the handbook and here they match up perfectly. What's the difference between the $8.50 handbook and the $740 course material?

A. No difference. It's the same thing.

Murray Geberer went on to say there were many other things to learn from the course—"a little history of the business, a little geography"—but ultimately conceded the handbook material, which deals with the nuts and bolts problems of booking passengers, is a "significant portion" of the course.

Lafayette Academy was formed in 1969 by some young Turks from LaSalle Extension University, with headquarters in Providence and heavy selling concentration in New York City. It now has branch offices across the country.

Stuart Bandman, the operation's prime mover, is a 37-year-old former salesman who jumped from LaSalle and is now chairman of the board of a rival school that offers the usual wide array of instruction.

The move has paid off handsomely. He is paid a maximum of $75,000 in salary, has lucrative stock options, and lives in the posh bedroom community of Stamford, Conn. When the company offered its stock to the public, Bandman appears to have reaped about $300,000.

The firm's 1972 stock prospectus, under the heading of risk factors, revealed that seven out of 10 students do not finish the course. This starkly contrasts with Geberer's claim that 80–90 percent complete the courses.

Bandman, who cut short an interview when questions began to cut close to the bone of his operation, claimed 40 percent of the students graduated and 40 percent of those got jobs in the field. This means only four out of 25 who enroll get a job, according to the head man himself.

Informed that his answers were at sharp variance with claims made by one of his salesmen, Bandman ended the interview. "Let me tell you this. We are an accredited school. I refer you to the National Home Study Council. We're getting into an area where it's best that they handle these questions."

In January, the FTC cited the school in a proposed complaint containing a litany of deceptive sales and advertising practices. An FTC official said negotiations with the company could take years.

Meanwhile, it's business as usual.

LASALLE—THE NATION'S LARGEST

Just about dusk on a cold, gray Saturday, Samuel Ellison knocked on a suburban door and asked the little woman if the man of the house was interested in bettering himself at LaSalle's Extension University.

Ellison arrived—without any advance notice—because a reporter mailed in a request for information on a correspondence course. Instead, he got an unlicensed salesman at his door.

Contacted later by telephone, Ellison reeled off a long list of "careers" available through LaSalle Extension University, a subsidiary of MacMillan Publishing Co. The courses, ranging from bookkeeping to diesel mechanics, take in an estimated $70–$80 million a year, making LaSalle the biggest volume home-study operation in the country.

The school retains its leading position despite the fact it nearly had its accreditation withdrawn in 1969 by the usually docile industry-sponsored National Home Study Council. (The council, which backed off when threatened with a suit by MacMillan Co., refuses to give the reasons for the censuring action.)

Ellison in an interview, made several serious misrepresentations and managed to make two false statements in answering one question.

Asked if he had a license to sell correspondence courses as required by state law, he said: "Yes, I do. All LaSalle representatives have to be licensed by the state. Even though we are salesmen, the state positions us as guidance counselors."

At the time of the statement, Ellison was unlicensed and months later, still does not hold a license, according to records of the state Department of Education. Moreover, the state does not transform salesmen into counselors, and appropriating the title runs counter to the Federal Trade Commission Act and Massachusetts consumer laws.

Pressed for an explanation of why the state had no record of his license, Ellison referred the matter to regional manager James Davies of Dedham.

The telephone interview with Davies took a bizarre twist when Ellison called him on another line and held a conversation with Davies overheard by The Globe. It went like this:

DAVIES. Mr. Ellison is in the process of being licensed.

GLOBE. There's no application on file.

DAVIES. Did he come to your house? (Other telephone rings). Excuse me.

Hi, Sam. I know. He's on the other phone now. This is hairy. The only thing we can do is, I don't know, man. See, he already checked and found you weren't licensed. . . .

Davies went on to falsely state that Ellison only "checks out" a prospective student's "qualifications" and then turns over the student to a licensed LaSalle representative for enrollment.

Ellison, like all LaSalle salesmen, is trained in the "art" of negative selling, where students have to convince the salesmen they're good enough to give them their money.

An instructional booklet, given to salesmen and obtained by The Globe, outlines a five-step sales pitch "to take you right from the prospect's door . . . to an enrollment. It answers most of the prospect's questions before they are raised."

Success, according to company guidelines, means the applicant "has been trying to persuade you that he is qualified."

The booklet starts the salesman at the door: "Mr. ———, last year the university enrolled only 15 percent of over 500,000 interested people. Wouldn't you be interested to see if you qualify?"

Moving into the living room, the key, according to the booklet, is to extract—by repeated questioning—a confession of dissatisfaction with the prospect's current job and standard of living. "Are you happy? . . . Is this the job you want for the rest of your life? . . ."

The climax of the negative sell is sheer gall—given the specious nature of the school's "selectivity." It's called the summary question. "Now, Mr. ———, can you give me one final reason why your application should be accepted?" The booklet advises the salesman to wait a minute or two for an answer if necessary.

Ellison, in the best tradition of tenacious home-study salesmen, was undeterred by the dispute over his unlicensed status, which could bring a fine of up to $1,000. Contacted the very next day by a second Globe reporter, he snapped at the chance for a sale. "You called the right person. Now what's your address?"

He did not even blink when the prospect capriciously changed his mind at the outset and decided that he'd rather be a lawyer than an accountant. It only disturbed him when he was later questioned about his license.

In a classic oration, Ellison made multiple misrepresentations about LaSalle's four-year law course. They all paled before one overshadowing fact: the course, according to company policy, cannot be offered in Massachusetts or any other state except California, which allows some correspondence students studying law to take its bar exam.

To do otherwise is viewed as misrepresentation by LaSalle itself, according to its corporate general counsel.

Ellison, after enrolling the second reporter, was again questioned about his license. He went on the offensive this time, questioning the student's "whimsical lifestyle." He ultimately informed the school the prospect had decided not to take the course.

GLOBE. Now that I've signed a contract and asked about your license, you don't think I have the right motivation?

ELLISON. My not being licensed doesn't have anything to do with that. I'm simply asking you—do you really know what you want to be in life?

(Ellison later was fired for "breaking company regulations" that his superior, regional manager Davies, apparently knew about all along. Davies falsely told one applicant that Ellison was licensed.)

One former LaSalle salesman told The Globe he quit the firm largely because he didn't like what he was becoming. Even his friends said his personality was changing.

Lawrence Kiggins of Newburyport said: "My job was just a big con game." He was broken in by a salesman who told him to use whatever works. So, Kiggins began introducing himself as "Prof. Kiggins of LaSalle University."

"Actually," he said, "I was taught to be nasty. By being so aggressive you'd overpower some people. You'd force your way into their home, and I was doing things I didn't think I was capable of . . .

"I was degrading people. I was told by my friends that I was changing. By being so overbearing and gruff, it changed me as a person.

A McMillan Co. spokesman refused to

allow the Globe to interview the head of the Chicago-based LaSalle on the telephone "because nobody likes that."

In a written response, Warren B. Smith, president of LaSalle, ignored or only partially answered most of 18 questions. He also failed to substantiate several advertising claims and made at least three apparent misrepresentations of fact, concerning sales quotas for representatives, the total number of LaSalle salesmen and the use of salary figures in advertisements.

[From the Boston Evening Globe, Mar. 28, 1974]

Career Schools Bully Students To Enroll

NOTE.—This is the fourth installment in a series by the Globe Spotlight Team on the profit-making vocational education industry. Today's article examines three resident training schools in Massachusetts.)

Brushing up on his lines like an actor before his entrance, business school salesman Charles Ahern mumbled to himself in preparation for the interview.

Suddenly Ahern stared sternly at the uncomfortable applicant seated across the kitchen table from him. "Why doesn't she care about you?" he demanded scornfully.

"Why doesn't who care?"

"Your wife. Where is your wife? If she doesn't care about your future, why should I?"

The question, which the prospective student thought both presumptuous and irrelevant, had its purpose. It was part of a potent sales technique known as "the negative sell." Employed by high-pressure salesmen, it puts the applicant on the defensive, debases him and evokes a groundless fear of rejection by the school.

Yet the Spotlight Team found the negative sell to be but one of many practices that lead past and present students, teachers, and school officials to speak of the profit-making, or proprietary trade school industry with bitterness describing it as an unregulated shell game in which the only loser is the student.

An estimated 150 proprietary schools operate in Massachusetts—and some 10,000 nationwide—selling courses that purport to teach everything from tractor-trailer driving to fashion merchandising, repairing televisions to assisting physicians. They cost from $500 to $4000 and last anywhere from four weeks to two years.

During The Globe's investigation of these schools in Massachusetts, Spotlight Team reporters posing as prospective students observed flagrant and repeated flouting of the law, both by salesmen and by school administrators.

The most frequently violated law was the Consumer Protection Act, which prohibits unfair or deceptive practices. Among salesmen of profitmaking vocational schools in Massachusetts, such techniques appear rampant.

Sampled schools were also found in apparent violation of state laws and rules regulating advertising, refunds to students, the licensing of salesmen and state approval of teachers. The laws carry criminal penalties.

In addition, several schools were found to have misrepresented the training they offered, which had little practical value, high dropout rates and dismal placement records.

Many schools exist, The Globe found, by virtue of expensive, high-powered marketing campaigns and systematic exploitation of Federal grant and loan programs created to help veterans and underprivileged youth.

Some schools concentrate their sales drives almost exclusively in poor neighborhoods, where they foster hopes that success can be purchased on the installment plan.

Others seek the teenage high school dropout, who is no match for the salesman's polished pitch.

"I would try to get him to believe the reason he has been such a failure lies within himself," one former salesman said in explaining his approach. "You try to degrade the kid in his own eyes. Once you've done that, you try to make him see that the school you are selling can offer him the gateway to a profitable future. He'll buy it every time."

Commissioned salesmen at some schools who are skilled in the negative sell are rewarded for lucrative enrollments with large cash bonuses or gifts such as stereos and leather chairs.

Predictably, the stock in trade of such salesmen is deception—practiced all the more effectively and forcefully in the intimacy of a prospective student's home. In such a setting, the Spotlight Team found, anything goes.

Dead-End Trip on Rattletrap Trucks

On a windswept abandoned air strip in Quincy, dozens of young men sit in their cars for hours each day awaiting their turns to drive run-down tractor trailers.

They are there largely because a salesman from New England Tractor-Trailer School promised modern training equipment and individualized instruction. Instead, they sit and smoke and talk bitterly about the school.

For most, the "road to prosperity" depicted in school literature will be a dead end.

Those who eventually receive their truck drivers' licenses—and former students estimate that about half the graduates pass the license test—will likely face years of toil as delivery truck drivers or dock workers.

Only a few will become well-paid long-distance drivers.

Moreover, graduates who find jobs likely to get them on their own, for the school's "placement service" consists of distributing names of local trucking companies to the students.

And when they enroll in the $800 four-week course, prospective students do not expect to wait up to six hours they spend behind the wheel of a decrepit, sometimes unsafe truck.

Nor do they expect to be told by their classroom teacher, Fritz Heller, that "trucking is the lyingest, cheatingest business you could ever get into, and if you're not ready to lie and cheat then don't get into it."

But these and other experiences have been described by former students of New England who are bitter and angry about the school. "They don't really give a damn about anything except the money they're pulling in," said one graduate.

About a third of the students are veterans. At least one veteran, a former student is disenchanted with the Veterans Administration for allowing GI Bill benefits to be used at the school. "I thought to myself, being VA approved it must be a better school," he said. "That couldn't have been less true."

Former students also complained about the equipment and instruction at New England. While the school used some good trucks, the students said in interviews, they had driven trucks without brakes or clutches, with faulty steering, bald or flat tires, fuel leaks, broken transmissions, windows and heaters.

One graduate said the brakes on a truck he had driven were so bad that one of the school's mechanics rammed it into a wall trying to drive it into a garage. "The equipment is extremely ratty," he said. "I know you can't have beautiful equipment for guys who are just learning to drive, but this equipment is terrible."

Arlan Greenberg, the school's president, conceded his school was "not perfect," but he argued that he had "no incentive" to correct its problems. "If we're going to do it, let everybody do it," he declared. "We don't mind. If we have to follow them, we'll change our ways."

Salesmen for New England, which calls itself the largest such school in the region, do not include such sobering assertions in their spiels to prospective students.

In addition, the Spotlight Team has found that the school apparently has violated state laws in Massachusetts and New Hampshire, and Greenberg appears to have lied to the Registry of Motor Vehicles, which licenses New England.

In his tape-recorded interview with The Globe, Greenberg also made a number of demonstrably false statements and misrepresentations about the school.

Three years ago Registry inspectors examined the school and found defective trucks and filthy conditions. They described the equipment as being "in very poor condition" and "in rough shape."

It still is. A list of school trucks filed last March with the Registry showed the average age of the tractors to have been 10 years, while the average of the trailers was 17 years.

During its 1970 visit, the Registry made another discovery. When inspectors asked a school teacher to produce his instructor's certificate, which is required by law, he said he had left it at home. That was false; he did not have one.

Last August the Registry conducted a second inspection of the school. This time two more men were found teaching without required certificates. "This has been a common practice," a Registry examiner concluded.

The Registry held a hearing on the teachers, and Greenberg and school manager Richard Grassette admitted having violated the law. They were given a warning, although the infraction could have cost the school its license.

In an interview with The Globe, Greenberg maintained that no uncertified instructor had ever taught at New England.

Greenberg intimates his school is highly profitable. One reason for its success—and one way in which it appears to violate the laws of at least two states—is its practice of collecting a $200 "nonrefundable" deposit from applicants.

Under the laws of Massachusetts and New Hampshire, school contracts must contain a specific cancellation clause permitting full refunds in certain cases where students have enrolled in their homes. Greenberg contends New England's contracts contain both the cancellation and "nonrefundable" provisions. He refused to show a copy of the contract to a Globe reporter.

In fact, it appears his salesmen have not always used such a contract. The Globe has in its files copies of contracts signed recently in the homes of students from both states, and none contains the refund-cancellation provision.

In Massachusetts the penalty for violating the cancellation law is imprisonment for up to six months, a fine of up to $500 or both. In New Hampshire, violations can bring a $1000 fine, one year in jail or both.

The Registry supervisor responsible for licensing tractor-trailer schools, William Mitchell, said he had been assured by Greenberg that New England's contract had been "cleared" with the attorney general's office. Greenberg repeated the claim in his interview with The Globe.

An official in the attorney general's office denied the assertion and said contracts are not cleared by the office.

Dubious claims were made by other school officials, Richard Grassette, New England's manager, in trying to enroll a Globe reporter posing as an applicant, made a number of contentions that former students strenuously disputed.

The former students were especially incensed at his claim that the institution gives each student 10–20 hours of open-road driving practice and sends information on each student to potential employers. Grassette also claimed falsely that no student who wants a license leaves the school without getting it.

A major student complaint is overcrowded conditions at New England. One former student calculated he had not received eight hours of actual instruction in more than 100 hours spent at the school.

(Such practices are not confined to New England. Vito Augusta, a salesman who worked briefly for Andover Tractor-Trailer School, assured a Globe reporter acting as an applicant that despite the "one or two Registry examiners who are really strict," 99 percent of Andover graduates pass their licensing tests.

("There are certain days we go when you get the . . . (examiners) who bend a little," Augusta said. We know what towns they go to, what days, so you'll get the good guys. You won't have any problems.")

In a sworn statement, he said instructor Fritz Heller had told his class how to "get around" U.S. Department of Transportation (DOT) safety rules and also had "related personal experiences regarding such evasions."

The graduate recalled Heller telling the class not to become truck drivers unless they were ready to lie and cheat. Heller later provided him and other students with the answers to the DOT safety test while they were taking it, he said.

The former student's observations were corroborated by three other former students. Heller refused to be interviewed by The Globe about his teaching.

Greenberg was critical of state efforts to regulate truck driving schools, but he was openly disdainful of the license under which he operates New England.

As he put it, "I don't think the license means anything . . . It's like a fish peddler's license. If you want to sell fish on the street you've got to have a health department license . . . It's the same thing."

Ability To Pay Is Only Aptitude Needed for Costly Computer Course

Salesman John Everson was nonchalant about the prospective student's near-failing performance on the "qualification" test given by Electronic Computer Programming Institute (ECPI).

"Although your test doesn't show it," he calmly assured the applicant, "I'm sure you can do the work here. You've got to stop guessing."

When the applicant—actually a Globe reporter—denied he had guessed, Everson became annoyed. "Don't worry. Just listen to what I say. You can do the work."

At the Boston branch of ECPI, located above a bar in Kenmore square, aptitude tests apparently are used not to weed out untalented prospects but to enroll them. Everson's applicant, deliberately giving wrong answers, scored 54 percent on the test.

ECPI, part of a nationwide chain, offers courses in computer programming and security services costing $1850. Until two years ago it was owned by a steak house operator and his headwaiter.

To evaluate ECPI, The Globe hired Alan Taylor, a consultant with years of experience in the data-processing field. Taylor found serious deficiencies in the school, including its use of the test as "a selling tool," a practice he sharply criticized.

Taylor concluded that the school appeared to be providing a course substantially different in content than the one it advertised, and he found ECPI to be distorting the purpose of its course.

While the student is led to believe the school will train him for a career in computer programming, he noted, ECPI actually regards lower-paying computer operator jobs as successful job placement.

During a tour of the school, Taylor found serious weaknesses in its methods of instruction. He observed that the computer used by ECPI had extremely limited capability for teaching students the fundamentals of computer programming.

Two ECPI officials refused to be interviewed about the school. Sidney Neely, director of the Boston school, refused even to state his own professional qualifications, while William Kalaboke, vice president of the company that owns the school, requested that questions be submitted in writing and then would not answer them.

Their reticence is understandable. Aside from its questionable educational value, the school gives its salesmen free rein in their sales techniques, which were frequently deceptive, The Globe found. Two ECPI salesmen made a series of false claims to a Globe reporter acting as a would-be student.

Everson maintained the school had placed 80 to 90 percent of its graduates in programming jobs, a claim that one knowledgeable former employee said was preposterous. The former employee estimated that no more than 10 percent of ECPI graduates get "decent jobs" in the computer field and said the school lost at least 50 percent of its students before graduation.

(By contrast, Blue Hills Regional Technical Institute, a Boston-area public school, reported that 82 percent of the 135 students who started its data processing programs over the past three years completed them, and 95 percent of the graduates were placed in jobs.)

Salesman John Stolos falsely said ECPI had "several" computers and confided, "Listen, if you can type on a Royal typewriter you can type on anything. Don't worry about the machines." In fact, ECPI has only one outmoded computer.

The competitive urge at ECPI apparently leads to excesses that surpass the fanciful claims of its salesmen. Perhaps the most serious was committed by director Neely himself.

On Oct. 9, 1973, director Neely wrote to an official in the state Education Department stating that "effective immediately" his school would not be "interviewing or enrolling students in their homes," according to a copy of the letter, which is in the Spotlight Team's files.

Because of Neely's assurances, ECPI salesmen were exempted from the state licensing requirement.

Just one week after Neely's letter, a Globe reporter was enrolled in his home by Everson. The next day, Oct. 17, the newly enlisted student visited ECPI and spoke to Neely, who was told several times that the contract had been signed in the home.

The penalty for violating the licensing law is up to six months in jail, a $1000 fine or both.

One former salesman said he and his colleagues knew of the licensing law but just did not bother to obey it. At ECPI, he said, student enrollments came first and successful selling was rewarded with expensive bonuses selected from a Gold Star Coupon book. He received a stereo set, a leather chair and a movie camera for high production, he said.

The school's primary market was high school dropouts and underprivileged youths, the ex-salesman explained, and television advertising was found to be "the perfect way of getting leads."

Salesmen used the negative sell to "break down" the prospect psychologically until he believed "the only friend in the world he had was the school salesman," he said. Applicants who asked tough, probing questions about the school were hastily abandoned.

Schools like ECPI have recently focused attention on the questions of professionalism and ethics in the computer training field. "This is a major problem for our profession, and it is degrading to us," said Homer Cates, president of the Boston chapter of the Society of Certified Data Processors.

Cates was especially critical of ECPI's claims about what it can teach its students.

"It is virtually impossible for the best of MIT's students to learn this amount of instruction in a year, studying eight hours a day with use of all their machines," he asserted. "To think that an ECPI student can do it in 4½ months with the use of a single Univac machine for four hours a day is simply ludicrous."

"It would be hilarious except that they are getting away with misrepresenting the course this way, and students are being misled."

Massachusetts Radio—Falsehoods Help Sell Electronics Course

A drawing of a rat running on a treadmill flashed on the television screen, followed by an unbeat voice: "Getting no place fast? Contact Mass. Radio and Electronics School. Join the change-of-pace people . . ."

A call to the school brought a quick response from one of the "change-of-pace people." His name was Maurice Sadur, and in a home interview with a reporter posing as an applicant he combined a tone of relaxed candor with a sale spiel filled with exaggeration and falsehood as he tried to sell a $1014 electronic technician course.

"We classify ourselves as a little MIT," he declared. Here are three of his more egregious assertions:

"We place you with a major company" (The state trade school rules prohibit such guarantees.)

"All my students pick up $50 to $100 a week doing part-time work" (This claim is contradicted by the school director).

The school is "endorsed by the state Education Department." (This false claim is an apparent violation of the state trade school rules.)

Sadur, a Dorchester High School graduate, is the school's "top salesman," according to Russell Heiserman, its director, who estimates Sadur enrolled about 200 of the school's 380 new students last year. There are two other salesmen.

Public funds are a major source of Mass. Radio's income. About 35 percent of its students are veterans, whose tuition is 90 percent paid by the Veterans Administration. Moveover, the state Rehabilitation Commission sent 41 students to the school last year at a cost $29,500.

When Sadur's applicant visited the Boston school at its second-floor 271 Huntington ave. location, the commissioned salesman warned, "You can't approach this like a college campus." It was sound advice. The front windows were filthy and several were broken. The halls and classrooms were dirty as well.

Less criticism of Mass. Radio was voiced by its graduates than by graduates of other schools about their own education. However, the school is not the "model institution" its parent cmpany depicted in its annual report.

"I like it OK because I was older and applied myself," said Edward DeCosta of Rolindale, "but for half the kids it was a case of the school taking their money and running." DeCosta said he would have to take a cut in his current salary to get a job using what he learned at Mass. Radio.

Other students were critical of the school for accepting applicants they regarded as unqualified or unmotivated.

Apart from such criticism, Heiserman concedes he has had problems.

In an interview, he admitted two apparent violations of the state trade school law. Two instructors taught for months before their qualifications were submitted to the Education Department as required, and Heiserman "forgot" to submit his television ads, he said.

Heiserman also took six weeks to refund a deposit paid by a Globe reporter acting as a would-be student. He confessed he was unaware of the state law that requires such refunds within 10 days and carries a possible penalty of six months in jail, a $500 fine or both.

Mass. Radio's most serious problem appears to be its dropout rate of nearly two-thirds. Heiserman downplayed its importance, insisting the figure was inflated by an estimated 20 percent of enrollees who failed to appear for even the first class—one likely consequence of a high-pressure sales campaign.

Insider Says Bell & Howell Uses Its Name To "Hunt" Students

A rare inside view of one of the largest big-name correspondence schools in the country reveals it to be a fast-buck operation with little regard for its students.

A former regional manager of the nation's second largest seller of home-study education—Bell & Howell—claims the school bullies its sales force and gives its students short shrift, with the "annual revenue figure the only thing that counts."

For several months in 1973, Wallace C. Ralston was responsible for overseeing a network of 15 salesmen in New York and New Jersey and was intimately familiar with the New England district, which brings in "a minimum of $4.3 million a year"—making it one of the top sales areas in the firm.

Ralston rose to the managerial level with Bell & Howell despite a tainted background that the company apparently knew about when it put him at the helm of one of its sales regions.

About three years before he was hired, Ralston was arrested in Saigon carrying the seafaring papers of a dead man. Federal agents were waiting in San Francisco to interrogate him about a stolen stock scheme that involved some underworld figures.

Once a well-to-do insurance executive, Ralston returned home a penniless soldier of fortune.

Ralston eventually turned state's evidence and received suspended sentences for charges of receiving stolen goods. He had been "duped" by the pros, according to himself and the prosecution.

He tried to get back into the job market in 1971. It was not easy. "I tried everything to get work. The only industry open was home study. I hated selling, but I had no choice."

He started as a salesman for the Famous Artist Schools, but within two years held executive positions with the International Correspondence Schools and Bell & Howell.

Hard-Nosed Salesmen Flout State Laws, Deceive Applicants at Career Academy

"Train for a rewarding career!" urged the quarter-page advertisement in the 1973 Boston Yellow Pages. "Exciting courses prepare you for one of the many good-income jobs available."

This appeal and others like it by Career Academy have lured hundreds of young people to the school near Kenmore square.

Only after enrolling, however, did they learn that Career—with a haphazard "placement service" and deficient curriculum and facilities—cannot deliver what it promises.

Located above a lounge and bowling alley, Career appears to have waived its student's welfare and given the run of the school to what one knowledgeable source termed "head-hunting" salesmen.

Its salesmen are masters of "the negative sell," a technique of breaking down applicants psychologically by creating anxiety and insecurity about whether the school will accept them. Among these salesmen, the Spotlight Team found, deception is canon and the negative sell veritable scripture.

Under Douglas Springmann, until recently the school's director, a hard-nosed sales force armed with Federal loans and grants was unleashed on a market of high school dropouts and underprivileged youths to compete for commissions as high as $275 per student.

Moreover, Springmann hired as his "admissions director" Judith Saperia, a former Playboy Bunny with no recorded previous experience in the education field.

About 50 new students are enrolled at Career each month, Springmann estimated, and about a third of them are members of minority groups.

The school offers resident courses in broadcasting and medical and dental assistance that cost $1700, as well as a $2300 drafting course and a $1270 correspondence course in hotel-motel management. Career's faculty, like that of many private vocational schools, has a high turnover and is paid about half what the school's salesmen earn.

In its zeal for more students, the school has flouted at least two state licensing laws designed to protect the public from unscrupulous sales practices: at one point, three unlicensed Career home salesmen were enrolling students.

Although Springmann claimed no salesmen had been guilty of "dishonest misrepresentation," Globe reporters posing as would-be students were told innumerable falsehoods by all of the Career sales representatives.

In the midst of the Spotlight Team's investigation, the hierarchy of the school resigned.

Joseph Maher, president of the Milwaukee-based chain, admitted the Boston school had "problems" and said he was pondering whether to comply with a request by The Globe for placement and dropout statistics. He provided no information.

His reluctance was understandable, for Career has a dismal record in the one facet of vocational education that matters most—job placement.

A former instructor in Career's broadcasting course in Boston said that of the 300 to 400 students he has taught, he could think of only four graduates who held jobs with a future.

Another knowledgeable former employee told The Globe that a recent survey by Career had disclosed that about 70 percent of graduates of the school's medical and dental assistant courses and about 95 percent of broadcasting graduates had not found employment.

Somber facts like these are seldom divulged in a Career salesman's spiel. On the contrary, favorable statistics are often invented.

Salesman Agammenon Topoulos told one applicant Career had a 15 percent dropout rate and found jobs for 85 percent of its broadcasting students and 100 percent of its medical and dental students.

Salesman Charles Ahern claimed all but one of the last broadcasting graduating class had gotten jobs, and "we could have gotten the last fellow a job, but he wanted to work in just one city."

(Ahern, who was unlicensed, later enrolled a Globe reporter in the broadcasting course in apparent violation of a law carrying a penalty of up to six months in jail, a $1000 fine or both. He subsequently resigned.)

Such assertions might be dismissed as predictably hyperbolic salesmanship were it not for their effectiveness in enrolling young men and women—especially the deprived—with little chance to succeed in the fields they study.

"They were really poor souls who had been taken advantage of," said G. Michael McKay, one of Career's few successful broadcasting students.

"They fooled around with the equipment, listened to tapes and records and took pictures of each other on the tape machine, but you knew they weren't going anywhere," McKay said. "They would never find a job. I don't know why the school ever accepted them. But I guess there's no law against trading on people's dreams."

Abuses in selling the broadcast course have been manifold. A former instructor said he had a student with a harelip and a lisp whose voice never fell below a high, squeaky pitch. One salesman even enrolled a woman student who could neither read nor write, and she was taken out of the class only because the teacher threatened to quit, the former instructor said.

This "turn no one down" policy was followed with a Globe reporter who applied at Career. The reporter, however, brought to his "audition" a professional broadcaster whom he introduced as his friend.

After reading three short paragraphs into a microphone, the reporter received a nod from Robert Patterson, a broadcasting teacher later elevated to acting administrator of the school.

"I could tell you knew how to speak from looking at you," Patterson remarked, "but I had no idea you were going to be that good." The reporter's "friend" was less enthusiastic. "You were terrible," he said, adding that even with training the reporter had little future in broadcasting.

The school's medical and dental assistant courses have little more to commend them than the broadcasting course.

The dental course is not accredited by the American Dental Assn.—a significant liability for graduates—and Springmann admitted he did not know whether accreditation was important.

Besides being unaccredited, the courses are extremely expensive, costing $1693. By contrast, regional public schools offer the same courses free to area residents and at nominal cost to outside students. Even local private nonprofit schools are considerably cheaper.

While Career refused to provide placement and completion statistics, nearby Quincy Vocational-Technical School gladly disclosed its record. Of 55 students who began the dental assistant course in the past three years, 51 finished and 50 were placed in jobs, the school reported.

One former Career teacher attributed his school's dismal record to three factors: Springmann's insistence on admitting anyone from whom a salesman could extract a check, a badly organized curriculum and infrequent placement service.

Mary Staton of Dorchester, a medical graduate, is angry about her experience at the school. Before enrolling, she said, a salesman extolled Career's "placement" service.

"They told me there was no sense spending all those years studying to be a nurse when I could get a good paying job as a medical assistant, and they would find me a job," she said. "What lies. I spent $1200 of my hard-earned money on that course and got nothing out of it." She is still looking for a job as a medical assistant.

Even some salesmen are disgusted by what they do for a living. A former salesman for Career and other schools told The Globe: "To be a salesman at these schools you need a rugged conscience. You've got to dangle that dream in front of those kids, knowing full well that it's a hopeless dream, and seldom have a second thought about what you are doing."

Salesman Agammenon Topoulos, one of Career's top sellers, personifies this philosophy.

In a home interview with a Globe reporter posing as an applicant for a drafting course, Topoulos made these false assertions: Career sends each graduate on four or five job interviews; Topoulos himself was a salaried "associate manager" of Career; and the school's "enrollment application" was not a contract.

In reality, the school did not routinely arrange one—let alone four—job interviews; Topoulos is a commissioned salesman; and the "application" can legally bind the student.

Topoulos falsely claimed to be licensed.

Admissions Director William Taylor, asked whether Topoulos was licensed, took the offensive: "I don't think it's really important as far as your career is concerned, is it?" (Taylor later resigned.)

Besides working for Career itself, salesmen also sign up students in mail-order courses offered by a subsidiary. Robert Burns, a portly, middle-aged salesman who improperly identified himself as an "educational counselor," enrolled in a correspondence course a Globe reporter acting as a would-be student.

Burns, also unlicensed at the time in apparent violation of state law, engaged in the traditional Career charade outlined in a "confidential qualification form" that comprises the heart of the school's negative sell. The Spotlight Team has obtained a copy of the form, which includes the following questions and parenthetical notations to salesmen:

"Were you using the crutch of procrastination and future plans as an excuse for doing nothing until now? . . . Also a lack of self-confidence? (If yes, self-confidence must be given at this point to prospect) . . . Do you want to remain a dreamer or do you want to become a doer? . . ."

Salesmen were not the only Career personnel found to have committed apparent violations of law. In a tape-recorded interview, Springmann admitted he had violated the legal requirement that the school's advertising be approved before it was used.

"I confess I have not done that," he told The Globe. "I know it's a violation."

The school itself consists of one upstairs floor at 70 Brookline av., Boston, paneled almost entirely in imitation wood wallboard and decorated with in-house "awards" to previous classes.

Plaques on the office wall recently identified the school as a member of the Better Business Bureau (BBB) and the Greater Boston Chamber of Commerce. In reality, Career belonged to neither organization. Its membership in the BBB expired in 1969, and its Chamber membership ended in 1971.

In this setting, a Globe reporter who had enrolled earlier was escorted by Ahearn on a grand tour of Career.

Putting a final deceptive touch on the transaction, Ahearn stopped at a drawing of a building that hung in the corridor. Informing the student that the sketch depicted Career's planned new school in Boston, Ahearn pointed proudly to a window at the top of the building. "That's where my office will be," he explained.

Springmann said later that the sketch was merely a drawing by a Career drafting student. Apprised of what his salesman had said, he just shook his head and murmured, "Oh no. Please, no."

[From the Boston Globe, Mar. 31, 1974]

A Stamp and Some Money Get Anyone Into Dreamers' Schools

The advertisements are found in girlie magazines, comic books, matchbooks, veterans' periodicals and "take one" displays at gasoline stations and liquor stores.

A postage stamp, a few lessons and you're out of your drab dead-end job. You're writing situation comedy scripts at $5000 each; an author of children's literature; building your own house; repairing jet engines; and assembling everything from a color television to an ottoman.

Everyone qualifies. All you have to do is "stop dreaming, become a doer, and send in your money.

Later, much later, it comes down to hard work and talent.

Then you are alone again, on your own again, probably in debt and still looking for the "well-paying" job.

If you fail—and most do because the vast majority never finish correspondence courses—the school writes you off as a slacker, a person who obviously didn't want to "better yourself" enough.

How many finish and get jobs? Salesmen guess that it's "just about everybody who wants one," and school officials tell you it's none of your business.

Are the schools selective? As one Massachusetts investigator put it: "If you're warm, they'll take you."

Here's what Globe reporters encountered as students in some of the more-off-beat courses:

HOLLYWOOD SCHOOL OF COMEDY WRITING, CALIFORNIA

School director Ray Worsley had a solution for a Globe reporter posing as a student who was having trouble with his lessons on how to be funny.

". . . OK, I can send you the next lesson if you just send $10 . . . Send the 10 bucks, OK? Swell."

Previously, Worsley had reprimanded the student for not being "more serious about the study of comedy."

Reached at the Hollywood School of Comedy Writing, located at his home in Sepulveda, Calif., Worsley elaborated. "Comedy is a serious thing, even though the idea is to make jokes . . . You seemed to be poking fun."

Q. There was a section on satire and I picked the field of correspondence education. Where's your sense of humor?

A. It's funny . . . But why don't you resubmit the jokes in a more serious vein . . .

The story of Worsley's school should be a chapter in one of its textbooks, which constitute the bulk of the course and sell for a "tuition" of $390.

The real-life script of the school's history goes like this:

The founder, a former stand-up night club comic, borrowed money in 1964 from the owner of a clothing store to help start up the school.

When he didn't pay off the loan after five years, he gave the school to the clothing store owner to cancel the debt.

The founder's ex-wife then became the school's registrar and the clothing store proprietor became the assistant director and owner.

The founder kept the title of director but has nothing to do with the school anymore.

He does, however, remain the star of the school's promotional and enrollment package along with some of his celebrity friends in show business.

The new owner's only comedy-writing experience is composing "funny little ads" for his clothing store.

Unlike other school operators, Worsley made no pretense about being highly selective. "We admit you if you can fill out the application right," he told the reporter.

After setting the course completion rate at 20 percent, he referred questions about job success to Ronald Carver, the founder and author of the textbooks.

Carver, who describes himself as "consultant director," would have none of it. He named three graduates now in show business—the same names that appear in the school's brochure—but refused to discuss it further "because I think this thing is going to be one of those exposes."

Asked for a completion rate, he said, "That's a percentage that's really our business . . . You're asking for something that is really part of whether we can continue in business . . . It's like going to General Motors and asking them about defects or something. I mean, come on."

Carver, who writes television comedy and teaches a course at UCLA, describes his function at Worsley's school as "answering questions about the course . . . After 10 years, it runs pretty much by itself. All the questions have been answered."

PEACE OFFICER TRAINING SERVICE, CALIFORNIA

The application tells the story.

The Peace Officer Training Service of Oakland promptly accepted as a student a Globe reporter whose physical self-portrait cast him as a virtually blind, dwarfish diabetic, shaped like a bowling ball.

The reporter, double checking to make sure there was no mistake, was told there were no problems.

The only section of the application left blank concerned a question on whether the student had ever been convicted of a crime.

Although all police agencies have rigid physical requirements for acceptance, the reporter was quickly informed of the good news—he had been approved for the $835.77 course geared to appeal to recently discharged servicemen.

"Congratulations," the school wrote, "our qualification department has processed your application and are (sic) forwarding your first set of lessons."

Shortly thereafter, a school official, who assumed the title of "VA liaison" specialist, called about the unanswered question on the application.

Q. There's something on your enrollment card that was not answered. Were you ever convicted of a felony?

A. I didn't answer it because I thought it might disqualify me. I've been convicted of failing to obey a police officer.

The response: "No, that wouldn't matter. Mild resistance is what it sounds like. It looks like you are qualified. Let's see, you've had diabetes since you were young, are you on insulin? . . ."

The first lesson arrived with a "certification of understanding"—a veiled disclaimer that, in effect, meant the school promised nothing and accepted no responsibility for job placement.

What the "VA liaison" had termed the "largest police officer school in the world" came as news to its chairman of the board, Joseph Lindsay, who did not even know how many students were enrolled.

"I couldn't really tell you off hand," Lindsay said. "Maybe you're not talking to the right person. I have three people that run that school. I don't have a hell of a lot of knowledge about specific problems."

CHILDREN'S LITERATURE INSTITUTE, CONNECTICUT

The ad for the Children's Literature Institute of Redding Ridge, Conn., could not have been clearer: its aptitude test is "carefully designed to uncover . . . natural writing ability . . . If we feel you do not have writing talent, we'll tell you so—right on the line."

The Globe's entry was written to test "the test" and included this answer on how to cook an egg; "Grab the egg with both hands. Put it in a pot of boiling water. Pull it out when it's done. If it's not done put in the oven. Baste occasional if it needs it."

The reporter's test answers, replete with egregious errors of grammar, spelling and common sense, were accepted with high praise by the school's "dean of admissions."

The test required a writing sample and The Globe submitted a nonsensical 210-word essay that had an error in nearly every sentence. The school titled it "Walk in the Woods," and the dean said he was "especially impressed" by the essay.

"In short," the dean wrote, "you are the kind of student we are looking for. You should be proud of your test result. Our standards are high."

The school later admitted the accolades are sent out in a standard form letter, with only five percent being rejected—also by form letter.

The test answers were a deliberate, top-to-bottom mess. They listed Hemingway as the applicant's favorite juvenile author and "Moby Dick" as the favorite adult author.

One entire section of the five-part exam was left blank. Another depicted a "typical four-year-old who enjoyed reading French; a sadistic 14-year-old girl who liked watching people "scratch and hop around" from flea bites and a seven-year-old boy with the vocabulary of a college student.

In a fill-in-the-blank section, the reporter had "Johnny gazing across the (dusty) waters of the lake . . ." while in the background "he could hear his mother (barking) in the kitchen of the (gingerbread) house."

The $300 course promised that after scrupulous screening the student who completes his lessons "will have a finished manuscript ready to send to a publisher."

Dean Robert Schneider was asked to personally review the test for a student surprised that he showed such promise. Schneider hedged a little, terming the ludicrous essay "a bit naive," but remained unshakable in his assessment that the prospect had talent and could "absolutely" become a published author.

Nearly everything the dean said was contradicted by the school's president, Douglas Chouteau, a former publishing house sales manager who has never written a child's book, or any other. "I'm rather illiterate when it comes to writing," he told The Globe.

He admitted using deceptive advertising; was unaware the school violates regulations of an accrediting body it belongs to; and conceded the aptitude test is virtually worthless, even though it is the chief screening device for measuring student potential.

While the dean found the essay "naive," the teacher tentatively assigned to the Globe student, Mrs. Elizabeth Lansing, was horrified that it was approved: "I thank God I never saw that before. Jesus . . . I would have thought it was written by a child of ten."

Despite the school's hyped-up ads about turning out "qualified writers with a future," Mrs. Lansing, a teacher there since 1972, has found the course fulfills a psychological need of its students rather than a practical purpose.

"Most of it releases creative energy," she said. "Quite often they have a message they're trying to get out, and it does satisfy something within them."

Q. The school's biographical sketch of you says you work there because "the course is outstanding." Is that true?

A. Sure. It's outstanding because I guess it's the only one. So there you are. Can't catch me on that one.

COMMERCIAL TRADES INSTITUTE, CHICAGO

Bold black letters in the brochure tell you that you can do it yourself; You Can Build Your Own House.

The course conjures up a picture of mailmen across the country staggering along city blocks and pastoral lanes, buckling under a load of bricks and two-by-fours.

Well, not quite. But let Bruce Troob, a salesman for Commercial Trades Institute (CTI) explain how it works. "The course enables you to become a contractual estimator." In short, you receive a batch of blueprints and the course tells what kind of subcontractors you need to do the work.

Although the construction industry is in a sharp decline, Bruce is very high on the $495 course—even plans to take it himself. "I want to build a house—that's the reason I'm getting the course. I'll have my choice of house, colonial or cape or whatever. . . . The course will save me $3000, $4000, $5000, just because I'll be hiring guys to build various parts of my house."

Ironically, the head of CTI, Kenneth Lotsoff, has his doubts about being able to handle construction of his own house, even though the school's brochure says knowledge of simple arithmetic is enough and many graduates "have only elementary-level education."

Q. Do you really think someone who was not in the industry could learn from a mail-order course how to build his own house?

A. Gee, I'm really not equipped to answer that question . . . I myself can't turn the key in an ignition. I really would not know what I was doing when it comes to something like that.

(Lotsoff is president of CTI, a subsidiary of Montgomery Ward, which offers several types of correspondence courses.)

Like his counterparts in the industry, salesman Troob refused to say precisely how many finish the course and get a job, retreating to the safety of a nebulous never-never land of obfuscation.

As usual, a dropout has only himself to blame. "If one of our guys enrolls a guy that takes six lessons and quits, then I'll find out why. Maybe the guys enrolled are not really interested in bettering themselves."

Pressed on the school's claim that "you can build your own house," Troob said: "Yeah, you're building it. It's not going to make you an electrician or a plumber. It's like a doctor doesn't make his equipment, but he knows how to use it. You'll take bids on each part of your house and you'll know exactly what kinds of questions to ask . . . There's nowhere else you can go for that kind of knowledge. The courses just aren't around."

BUREAU OF CARTOONING, COLORADO

The stick characters blurting banalities drawn in minutes by a Globe reporter, were christened Hippie the Hippo and Berty the Bird for no particular reason and shipped off to the Bureau of Cartooning school in Colorado for appraisal.

Only the reporter was confident he would be "accepted" by the school, even though he knew left-handed scrawling by Globe cartoonist Paul Szep had already been discarded as "too good." His colleagues did not share his optimism.

But the reporter was positively cocky, coyly implying he knew something no one else did. He even began to muse about national syndication.

Finally he revealed that along with his test, he had also enclosed a down-payment check.

After his acceptance into the $400 course (a more expensive one is available to veterans with GI benefits), he reluctantly gave up the school's overpriced 13-by-19-inch drawing board, T-square and two triangles and interviewed the head of the school, E. R. Powell.

The director was told that the best a full-time cartoonist for a local daily would say of the work was that it was "putrid."

Undeterred, Powell laughed it off and said, "I'd tell you not to listen to him so much because he doesn't sound like a friend to me . . . Stop straddling the fence and get to work on those cartoons right away."

Powell rated Hippie the Hippo's quality "right in the middle" of the school's current class caliber and reaffirmed that the student was on his way to a career as a professional.

"I think you can do it," he said. "Otherwise, we would not have accepted you. We have graduates making $15,000 to $25,000 a year who were showing less talent than you have shown me when they started."

Earlier, Powell had stressed the opportunities in newspaper cartooning work—probably the tightest job market in the country, with only a handful of persons making a good living at it.

"When you finish," he said, "you can walk into any newspaper in the Boston area and fill out an application form to get the job."

P. Couldn't I do that now without spending all the money on this course?

A. That's right, but wouldn't you like to have the calling card of the Bureau of Cartooning? That's going to open up a few doors.

Right, E. R. All exits.

FAMOUS WRITERS SCHOOL, CONNECTICUT

In 1970, a free-lance writer named Jessica Mitford was received warmly by the late Bennett Cerf in his "wonderfully posh office" at Random House's headquarters in New York City.

Cerf talked about his role as one of the more prominent literary members of the "guiding faculty" for the Famous Writers School.

By the end of the interview, he had just about put the school out of business single-handedly.

Ms. Mitford did some famous writing for The Atlantic Monthly magazine in which Cerf confided to the self-described "governessy" journalist that he knew "nothing about the business and selling end and I care less. I've nothing to do with how the school is run."

But the Connecticut-based school used his name and others to sell its courses.

Asked how many books of Famous Writers' students Random House had published, Cerf said in the 1970 interview, "Oh, come on, you must be pulling my leg—no person of any sophistication, whose book we'd publish, would have to take a mail-order course to learn how to write."

Ms. Mitford charged the school had a "staggering dropout rate" due to "rapacious salesmen who sign up semi-illiterates and other incompetents."

The article had a devastating effect on the operation, which ultimately went into bankruptcy.

But Famous Writers School is back, and sales manager Bruce Toy was in Massachusetts recently recruiting commissioned salesmen ($125 maximum, monthly quota of at least 10 sales).

Since Massachusetts law does not provide for regulation of out-of-state correspondence schools, the revived operation is free to sell here as soon as its salesmen receive perfunctory licensing by the state Education Department.

In fact, some apparently don't even bother to do that. One salesman, who identified himself as Roger Daunais, 29, of Connecticut, arrived uninvited and unlicensed at a Globe reporter's home in February. He left shaking after being informed he may have broken a criminal law.

So, the same school is back using the same courses with the same "guiding faculty"—even though two of them—Bennett Cerf and John D. Ratcliff—are deceased.

Another Globe reporter discussed a job opening with Toy in late November after Toy had just signed up an Attleboro man. The sales manager explained the firm had a new president with a "financial background" and had formed a new board of directors.

Q. I was a little put off on the company after the Atlantic article.

A. Don't worry. That only had a small circulation. The public didn't know much about that.

UNIVERSAL TRAINING SERVICES, FLORIDA

A special paper ribbon is placed across the toilet seat for the purpose of:

(A) advertising; (B) giving the maid her instructions; (C) assuring the guest of cleanliness; (D) holding the seat up while cleaning.—from lesson nine, Universal Motel Schools of Florida.

The $795 course in motel training, one of six offered nationwide by Universal, also includes some resident instruction, but you have to pay your own way and then $14 a day to work free in a motel in Florida or Las Vegas. Food is also extra.

Charles Calareso, a Universal salesman with an expired license, sold a Globe reporter the course. It took two letters and six telephone calls to get a refund after canceling a contract that appears to violate Massachusetts law.

Calareso has a motto he carries on a card. He read it to the reporter: "I fully realize you believe you understand what you think I said, but I am not sure you realize what you heard is not what I meant."

United States Gives Millions, Requires Little of Career Schools

(Note.—This is the seventh in a series by the Globe Spotlight Team on the profit-making vocational education industry. Today's article examines the performance of the Federal regulators of the industry.)

The private vocational school business has mushroomed into a multibillion dollar industry, thanks largely to the government's massive financing on one hand and its lack of regulation on the other.

While taxpayers' money flows smoothly into many dubious profitmaking schools, Federal and Massachusetts regulatory agencies have proven to be chaotic failures in protecting frequently abused students.

The system is geared to the flawless dispersal to the schools of millions of dollars and nothing more. A four-month Globe Spotlight Team investigation has found that state and Federal governments are headless monsters that simply have no idea of what the public has been getting for its money and lack even a method of finding out.

Government officials responsible for policing the schools wait passively in remote, private offices for consumer inquiries that rarely reach them. They have a standard line: "Except for a few bad apples, everything is fine."

This was pointedly contradicted by one of the handful of experts on the subject of private vocational schools. "The officials just don't want to know what's going on in the industry, because if they did, they'd have to go on such a head-hunting expedition to clean it out that few of the schools and fewer of the officials would be left standing," a financial consultant to a national network of the schools told The Globe.

An in-depth investigation by The Globe has found that a shocking number of vocational schools are operated primarily to make money, with the student's welfare a fleeting afterthought at best.

Poor performance by the official agencies responsible for protecting the public has allowed the situation to continue. The Globe investigation found:

The Veterans Administration and the US Office of Education, two agencies which have pumped more than a billion dollars into the schools in less than ten years, admit they have no control over what the student receive for the money.

The two steps—licensing and accreditation—that a school must take to open its doors for the glut of Federal programs are vastly overrated and provide virtually no protection for the public or the student.

In Massachusetts two harried officials rubber stamp licenses to operate with few of the intended safeguards fulfilled.

Nationally, accreditation of a school to qualify for the flood of Federal dollars is determined by industry-dominated associations that even their supporters admit are little more than self-serving, fraternal organizations.

Recent efforts to make the hulking bureaucracy more responsive to the student and public have been effectively opposed by the industry's two Washington lobbyists. Where congressional contacts failed, sheer official incompetence has nearly always stepped in to benefit the industry at the public's expense.

The agencies researched in The Globe Spotlight Team investigation were:

VETERANS' ADMINISTRATION

The title of the Federal report was to the point: "Most Veterans Not Completing Correspondence Courses: More Guidance Needed from the VA."

The little-noticed findings of the General Accounting Office (GAO) report were explosive: three out of four veterans whose Federal benefits were paying for their correspondence course were dropping out of the course before completion; a staggering 94 percent of the veterans had not reached their objective of gaining employment from the course; and most astonishingly, a vast majority said that if the VA had provided them with counseling, they would have never taken the course.

The Spotlight Team's findings paralleled the GAO report. The VA, the third biggest spender in the United States government, is unable to determine how much money has gone to each individual correspondence or resident training school, and it has no central office to handle the growing number of complaints regarding the schools.

Inquiries into the VA by a Globe reporter were invariably met with either stony silence or a bureaucratic shuffle. Officials evaded pointed questions by either handing out a VA pamphlet or referring the reporter to another bureaucrat down the hall. A Boston VA official protested being interviewed by saying, "How did you find me? Who said you could call me?" '

The implications of the GAO report were clear: veterans and servicemen have not been getting the education and training promised by the correspondence school industry. The $390 million the VA has given to the correspondence schools in veterans' benefits since 1967 has been virtually wasted.

The VA's first response was to check out the validity of the GAO's indicting report. A six-month study of the 1.3 million veterans and servicemen who had taken correspondence courses came to the same sad conclusion. However, the VA's findings were couched in neutral terms and never summarized for ready reference, The Globe found.

Despite the reports, the problem is growing. Last year alone, the VA spent $119.7 million on correspondence courses, almost twice as much as in 1971.

However, the VA's Washington headquarters, stunned by the critical findings on the correspondence school industry, followed two recommendations in the GAO report. It advised that the veteran be counseled personally on what he would be getting out of the mail course and also be told what were the course's graduation and job-placement rates—figures the schools had been unwilling to give out on their own—so that he knows his chances of success.

The stark figures, which had to be ferreted out of the VA by The Globe, have had no impact on the money spent for the demonstrably inferior product. The information has never filtered down to the veteran who needs it most.

Last May, the two recommendations were included on the back of the new veteran's-benefit applications sent to the VA's regional offices throughout the country with the VA's watered-down bulletin on the perils of correspondence education.

As far as the Boston VA office was concerned, the recommendations could have been written in Sanskrit.

William F. Connors, Boston regional director, was unaware on first being contacted, of either the bulletin or the new recommendations. "I'm the director of all trades and the master of none," he said.

On locating the bulletin showing high course dropout rates a week later, Connors said he was wary about disclosing the figures to either veterans or The Globe: "We're cautioned by Washington about giving out the dropout information. Those figures could be misleading." Connors recommended contacting his head counselor to find out how Boston-area veterans seeking advice on correspondence education are "handled." It didn't take long.

"Correspondent students do not need personal counseling," Walter Dray, head counselor, said. "They just sign up and send in the forms. They request the benefits and they get it." Asked if he had seen the VA bulletin recommending veterans seek counseling before signing for such courses, Dray said, "What bulletin? We get an awful lot of bulletins around here."

The VA has paid more than a billion dollars in the last seven years to the resident career schools for educating nearly a million veterans so they could find jobs. But there were indications, as in the correspondence field, that the money was being squandered.

In a bulletin to all its state agents in charge of approving the schools to train veterans, the VA directed the institutions show "substantial placement" of its graduates in jobs before being cleared.

In Massachusetts, VA Approval Agent, James E. Burke said he "just never received the bulletin" and approved 130 schools without checking for substantial placement.

Veterans' complaints persisted and in May 1971, the VA sent state agents a second bulletin, again requiring information from the schools about jobs obtained. Burke got this bulletin and "immediately implemented it by requiring 50 percent placement."

Burke's records show, however, that he misrepresented the VA directive, completely nullifying its effect. Instead of requiring a school to show that half of its entire graduating class were placed in related jobs, Burke only asked the school to submit the names of half the graduates who had found jobs. This sometimes meant that the names of three placed graduates won approval for a school and, even then, the school's word was taken on faith.

U.S. OFFICE OF EDUCATION

The under-paid clerks in this Federal office were the first to notice the multimillion dollar problem. Most of the defaults on federally underwritten loans made to students to pay tuition were coming from the minority of students attending profit-making vocational schools.

But the problem, which has cost the Federal government more than $50 million in seven years, is baffling the upper-echelon executives in the Office of Education.

Like the VA, no one has an overview, and there is no handle on the big picture. The department does not even know which correspondence and resident vocational schools are responsible for the high rate of student loan defaults and they have no constructive program to deal with it.

"Right now we have a massive computer problem trying to sort out which defaults are coming from which schools," said David C. Bayer, until recently acting director of the Federal-Insured Student Loan Program (FISL). "That's our first order of business. After that I don't know where we'll go."

The FISL program, which has insured more than $6 billion in loans to help six million students attend public and private post-secondary schools, is imperiled by the defaults.

Although officials claim the default rate for the student loans is 5.7 percent, a Bank of America vice president told The Globe that judging from his bank's experience the figure is closer to 20 percent.

One thing is certain: 75 percent of the defaults in the Federal program are coming from the 30 percent of the students taking out the federally-insured loans to attend proprietary correspondence or vocational schools.

Globe reporters posing as prospective students found several correspondence and resident vocational schools using the insured loan program as a selling tool to solicit students.

All too often, the only recourse a student has, once he finds his training to be deficient and his promised job nonexistent, is to default on his loan. But the school is safe. It already has its money, and the defaulted loan is paid off by the Federal government.

The government then begins its chase of the delinquent student—another area where The Globe found taxpayers are taking a beating. During 1973, a year when the Federal government paid off more than $52 million in defaulted loans, the education regional offices throughout the country recovered less than $2.8 million.

Although officials see a distinct correlation between a school's high default rate and the inferior quality of its program, they are presently unwilling to cut funding to these types of schools.

The New York Higher Education Assistance Corp., a state agency that banned two profit-making schools from the insured-loan program several years ago because of a high number of defaults, was sued and had to reinstate the schools. The situation still rankles the agency's officials.

Also nettled by the default problem is the Massachusetts agency which operates the program. Helge Holst, president of the Massachusetts Higher Education Assistance Corp. (MHEAC), said: "The less said about defaults the better. The more publicity we get the more defaults we get."

A novel but effective approach to the default problem has been used by the privately-sponsored United Student Aid Fund in New York. Alarmed by the high number of defaults being logged by profit-making schools, the Student Aid Fund last April decided to make these schools financially responsible for their defaults. Any profit-making school with a default rate above five percent was asked to sign a contract making the school itself and not the fund liable for the defaults.

"This way we make the proprietary school responsible for his students," Robert C. Sinnaeve, vice president of the Fund said. "If the school is just giving out the loans to get bodies in their classes, then it'll show in their defaults."

The steps have worked, but curiously, the Office of Education is quick to debunk the approach for the Federal program. "Congress would never accept our cutting the program," acting director Bayer said. He may be wrong.

Congress has become increasingly alarmed over the rising number of defaults.

"We want to know what schools are responsible for these defaults and what the Office of Education plans to do about it," said Harley Dirks, staff director of the Senate Education Appropriation Committee. "We're not playing games down here; we mean business."

The Federal education officer in charge of accrediting agencies, initially told The Globe the government cannot remove a school from participation in the insured-loan program. John R. Proffitt said current law was too vague to give the US education commissioner this power.

However, Atty. Harold Jenkins of the office of general counsel of the US Department of Health, Education and Welfare told The Globe that according to a law passed two years ago, the education commissioner has the power "to remove a school from the approved list."

Proffitt subsequently agreed: "I guess no one has really been ready to bite the bullet against these schools. Maybe now we are."

ACCREDITING ASSOCIATIONS

The three associations that dominate the proprietary school industry are well represented in Washington. Their two spokesmen, Bernard J. Ehrlich for the trade and correspondence schools and Richard Fulton for the business schools, have friends in the right places in both Congress and the executive departments, and their activities have kept their associations in power despite growing complaints.

Ehrlich, a strong voice for the profit-making schools for more than 20 years, calls President Nixon his friend and every year like clockwork a presidential message is read at the correspondence schools' conference.

Although Fulton is newer to the business, having been hired as executive director for the business schools after Ehrlich resigned the position, he is also well connected in Washington.

A former aide to the late Louisiana Sen. Allen J. Ellender, Fulton used his connections to have removed from a 1972 Federal bill a provision which would have stripped from the three associations the sole power to accredit proprietary schools and allow states to share the responsibility.

Fulton agrees he had a hand in having the proposal changed, but said his role was limited to responding to a request for his opinion from the US Office of Education's accreditation division.

The head of that division, John R. Proffitt, however, disagrees with Fulton: "It was obviously a self-serving thing for him (Fulton) to do . . . That change was made without consulting us," Proffitt said.

In an interview, Proffitt called both Ehrlich and Fulton "effective lobbyists. They lobby Congress by the usual means, cultivating key people, watching over legislation that concerns them."

However, neither Ehrlich or Fulton are registered with either branch of Congress as lobbyists. Both men hedged when asked if their Washington activities for the association included lobbying. "I've done some; well, I don't know how you would define a lobbyist," Ehrlich said. Fulton meanwhile said, "All I can say is when I'm invited to give an opinion or testify, I will respond and I have done so in the past. There's a great difference between that and aggressively going forward."

The associations which the two men represent have an iron-grip on the proprietary school industry. Accreditation is the lifeline of a profitmaking school. If the school is not accredited by one of the three associations, it cannot participate in the wealth of Federal programs which have reaped profits in the past for the schools.

The performance of the associations was found by The Globe to be deficient in their two major functions: the investigation of a school seeking accreditation and the subsequent policing of schools which have received accreditation.

The linchpin of the original investigation is an evaluation of the school filled out and submitted by the school owner himself. A check on the evaluation report is made by an accrediting team whose members are cleared by the school itself before they enter its doors.

The Spotlight Team found numerous accredited correspondence and trade schools apparently violating the associations' standards regarding truthful and fair advertising, selection of salesmen with ultmost care, adequate testing and counseling of students, fair and equitable refund policies and acceptance of only properly qualified students.

Proffitt, who decided for the Federal government which association is recognized to accredit the schools in its field, is taking a hard look at the performance of the three associations. "They're the best we got, because they're all we got," he said. At the least, he said, the associations should be stripped of one of their two major functions, the policing of their member schools, a job which even Atty. Ehrlich says is not being done.

Proffitt also says the associations should require all schools to make public their drop-out and job placement rates and asked both NATTS and National Home Study Council to provide The Globe the rates "in the public interest." The industry vehemently clashed with him on this consumer-oriented issue and put off Proffitt's request. William A. Goddard, executive director of NATTS says the figures should not be released because "truth can be misleading."

FEDERAL TRADE COMMISSION

The only national effort to protect and inform the public about unscrupulous practices by private vocational schools is being made by the Federal Trade Commission (FTC). The $80,000 FTC program which also includes detailed investigation of the operations of 400 of the 10,000 profit-making schools in the nation, was found by The Globe to be an over-promoted sham.

This is not the first time the FTC has launched a clean-up effort against vocational schools. In 1972, it said it intended to sue three major computer schools under the Federal Trade Commission Act for deceptive and unfair advertising and sales practices. The news gained national attention, but now, almost two years later, the cases are still being "negotiated," no suits have been filed and at least one of the schools, Electronic Computer Programming Institute, is still engaged in the allegedly deceptive acts.

But the FTC claims this is an all-out effort. As one spokesman told The Globe: "We feel only a small number of the schools actually have successful graduates."

The FTC began its program last summer with a debilitating compromise. A public brochure severely critical of the industry and its accrediting associations was replaced with a watered-down version after concerted industry opposition.

The brochure—93,000 copies of which had to be scrapped at the taxpayers' expense—warned prospective students of schools that promote their memberships in associations such as "NATTS, ACOS, NHSC, CAC, TOPPS." This struck a raw nerve and industry pressure caused the caveat to be dropped from the second brochure.

The brochure ended with a recommendation to the public to contact the FTC in Washington or its regional offices if it wanted further information. The Spotlight Team took them up on this and asked to see complaints concerning various vocational schools.

Martin Dolan, assistant director of the FTC Boston office said The Globe could not see complaints nor would he divulge if a school was under investigation. A lawyer for The Globe formally petitioned the FTC board in Washington in December for the complaints.

Without making a formal determination on The Globe's original request for records it had on 14 schools, the agency, after months of delay, finally provided some documents from a 20-year-old case against one school. A lawyer for the FTC said it would go to court to keep industry-supplied data out of the public's hands.

The FTC in the meantime has made another public pronouncement. Printed in newspapers throughout the country, the FTC statement last month promised the public greater access to its proceedings and the "wealth of information" it collects on advertising, business practices and frauds.

SCHOOL ABUSES UNCHECKED BY BAY STATE REGULATORS

The profit-making vocational school industry has gone virtually unregulated and the public left unprotected in Massachusetts because of the desultory performance of two state Education Department officials.

Schools are operating without required state licenses; salesmen are roaming house to house without proper credentials; advertisements are being shown on television and in newspapers without being cleared for deception and teachers are instructing without being registered with the state.

These apparent violations of state laws were uncovered by the Globe Spotlight Team in its investigation of proprietary (or profit-making) schools, which included evaluating the roles of state Education Department supervisors Joseph J. DeRosa and Donald A. Carbone.

These two men are responsible for the licensing of Massachusetts' 86 private trade and business schools and 13 correspondence schools and supervising the school's salesmen.

Overwhelmed by paper work, the two officials have been forced to be content with issuing the licenses without ensuring the quality of the schools' education and the honesty of their salesmen.

The interests of the students have been placed, as Carbone candidly admits, "on the low ebb . . . Our public is the school owner."

But Massachusetts is not the only state with poor licensing of the schools. John Proffitt, head of the Federal Accreditation Division in the U.S. Office of Education, said that three out of every four states have either no or inadequate licensing procedures. "This is a major reason for the low quality of schools in operation today," Proffitt said.

SCHOOL ABUSES UNCHECKED BY BAY STATE REGULATORS

Massachusetts, Proffitt estimated, should have between 12 and 20 persons responsible for the licensing of the private vocational schools in the state. Carbone agrees. He says proper implementation of the 1972 Massachusetts law requiring annual licensing of business schools would require as many as 12 more inspectors.

The 1972 Massachusetts law also required the licensing of all salesmen who sell business school courses in the homes of prospective students. A check in December showed that only four salesmen from one school in New Bedford had been approved in the law's 18-month existence.

Although they had been in the homes of Spotlight Team members solicitng for business courses, salesmen for the Boston schools of Career Academy and the Electronic Computer Programming Institute had not been licensed.

While misrepresentation by business and correspondence school salesmen was found to be a systemic problem, no proprietary school salesman has ever had his license revoked in Massachusetts, according to DeRosa and Carbone.

Nor have the two state regulators ever revoked the license of a school, and they are unable to say on what grounds they could take such action.

"We're here to work with the schools, not zap them," Carbone said.

In contrast, the state of Ohio enacted a proprietary-school licensing law in 1972 which has resulted in 96 schools being closed down and about 25 salesmen losing their licenses for lying to students.

Frank N. Alvanese, the Ohio state official responsible for implementing the law, is a tough regulator who says: "The student's welfare is our primary concern. We insist these schools be both legal and ethical. If they're dragging their feet, we put them out of business," Alvanese said.

Months ago, Carbone recommended to his Education Department superiors that two Boston Schools—Fashion Signatures and Juliet Gibson—be denied licenses to operate. However, his recommendation was caught in bureaucratic red tape and the schools' doors remained open even though they were unlicensed.

"I've got to go through channels on these matters," Carbone said when asked why the schools had been allowed to remain open. "I can't step out of line or you know what'll happen." He proceeded to draw his finger in razor-like style across his throat.

Carbone was not always a passive state regulator. He says that on being hired in the spring of 1972, "I was out to get these schools in line or else. If they dragged their feet, I was ready to zing them."

His hard-nosed approach to the schools was changed by a committee of business school owners that was created to advise the Education Department on the 1972 licensing law. "They cooled me down," Carbone said. "They gave me professional charisma. I thought I had more power than I did, and they showed me my job was to deal with the problems of the schools."

The regulation in Massachusetts of the two other types of profit-making schools—correspondence and resident trade institutes—has been equally lax.

Joe DeRosa, the Education Department official responsible for these schools, said a lack of manpower has forced him to "take the school owner at his word."

DeRosa said he does not have time to monitor television and newspaper trade school ads to determine if they have been submitted to him before being used, as required by law. DeRosa said he was therefore not able to check the ads for possible deception. The Globe found many dubious ads have been run by the schools and not submitted to DeRosa.

DeRosa cites his "good working relationship" with ITT Tech of Boston, the state's largest private trade school. Yet, The Globe discovered that ITT conducted two highly questionable promotional campaigns last fall with phony telegrams that had not been submitted to DeRosa. When shown the telegrams by The Globe, DeRosa became visibly upset and called them "a cheap way to get students."

Although he says he receives hundreds of calls a week, many of them complaining about practices by the schools and salesmen he supervises, DeRosa requires all complaints to be sent to him in writing before he responds.

A group of ITT students who complained last year about being lied to by a school salesman and about inferior instruction at the institute were summarily dealt with by DeRosa. He never called an official investigation into their complaint; never questioned the salesman named; took as gospel the explanation of the ITT administrators and never even bothered to inform the students of his decision in favor of the school.

In his three years as state Trade School Supervisor, DeRosa has been content to operate in a vacuum. He has never referred a single complaint he has received for possible prosecution to the state attorney general or the Federal Trade Commission.

Moreover, he has never informed a complaining student that the first section of the state's trade school law allows a person who has been subjected to misrepresentation by a school or its salesmen to recover in court three times the amount of money he lost.

But bureaucratic bungling in the state Department of Education is not limited to DeRosa or Carbone. Much to the disadvantage of the public, it was found to go higher.

In October 1972, Anthony V. Cipriano, assistant director of the state Division of Occupational Education, asked the Education Department's Legal Office if the attorney general should be asked to rule on whether the new business school law would require the licensing of numerous dental and medical assistance schools in Massachusetts.

Several months later, in March 1973, Cipriano was informed that head counsel Joseph Robinson had determined the attorney general should not be asked to rule on the question. Cipriano took this to mean that the health assistance schools were not covered by the law, and to this day they operate without regulation in Massachusetts.

Atty. Robinson, however, now says he meant no such thing. "All I meant was that we were asking the attorney general too many damned things and I didn't want to bother him with another question. Cipriano should have come back and asked me personally if the new law covered the schools. Since he didn't, I never brought it up again," Atty. Robinson said.

While the health assistant schools remain unlicensed, the attorney general's proprietary school investigator Arnold Epstein, firmly feels the courses are covered by the licensing law.

Q. Why don't you tell the Education Department of your opinion?

EPSTEIN. Hey, that's not my job.

Mr. BROOKE. Mr. President, although the series concentrates on the Boston area, the described abuses exist in all parts of the country. We are not dealing simply with "fly-by-night" or marginal schools, but schools run by large and nationally well-known firms. There are pressing questions. I am, today, addressing these questions in letters to Donald Johnson, Administrator of the Veterans' Administration, and to John R. Ottina, Commissioner of the Office of Education.

I am also bringing the entire series of articles to the particular attention of our colleagues, Senator CLAIBORNE PELL and Senator PETER DOMINICK, the chairman and ranking minority member of the Education Subcommittee of the Labor and Public Welfare Committee, and to Senator VANCE HARTKE and Senator ROBERT STAFFORD, the chairman and ranking minority member of the Readjustment, Education, and Employment Subcommittee of the Committee on Veterans' Affairs.

Mr. President, I do not propose to let this matter drop here. The Boston Globe has done its duty by turning the spotlight of publicity in the finest traditions of journalism, on federally subsidized education programs of questionable usefulness and repute. Government must accept the challenge by providing remedies and redress. When proposals for action are received from the Veterans' Administration and the Office of Education, I will have additional comments on the future of these vocational education enterprises.

TRIBUTE TO LAURENCE N. WOODWORTH, CAPITOL HILL TAX EXPERT

Mr. TALMADGE. Mr. President, in the more than 17 years that I have served in the U.S. Senate, I have known and worked with many hard-working and dedicated congressional staff people. Laurence N. Woodworth, chief of staff of the Joint Committee on Internal Revenue Taxation and adviser to all the members of the Senate Finance Committee, and the House Ways and Means Committee, is the most able and the most dedicated I have ever known.

There appeared in the March 30 issue of Business Week magazine an article entitled "Capitol Hill's Resident Tax Expert." It is a splendid tribute to the professional excellence of Dr. Woodworth.

Also, this morning's Washington Post carried an article on Larry Woodworth and the joint tax committee staff, which I also bring to the attention of the Senate.

I salute Larry Woodworth for his dedicated public service, and ask unanimous consent that these articles be printed in the CONGRESSIONAL RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

Capitol Hill's Resident Tax Expert

When President Nixon surrendered his tax returns to Congress for an audit last Dec. 12, a veteran Capitol Hill staffer, Laurence N. Woodworth, suddenly found himself with one of the touchiest assignments in Washington. Since then, Woodworth, who is chief of staff of the Joint Committee on Internal Revenue Taxation, has devoted "at least a little time each day" to the President's returns. And although he has 10 assistants on the project, many a night he trudges home with some of the accumulated documents now filling six file drawers.

The President's taxes are only a part of his preoccupation, however. He is also enmeshed in the pension reform bill and the oil profits package the House is about to vote on. Although every Congressional tax bill passes through Woodworth's hands, he operates mainly behind the scenes and receives little public attention. In fact, he has tried hard to keep it that way, preferring to play the role of a faceless, no-opinion technician doing what his 41 "bosses" on the House Ways & Means and Senate Finance committees tell him. The Joint Committee staff serves as liaison and provides technical help to both House and Senate tax committees. The opening of Ways & Means bill-drafting sessions to the public this year, however, has blown his cover.

CENTER STAGE

Observers have had no trouble seeing how heavily the legislators depend on Woodworth in shaping tax bills. Seated at the center of a horseshoe arrangement of desks, ringed by some of the most influential members of Congress, Woodworth is peppered with questions about how various tax tactics would work, how much revenue they would raise, who would be hit.

Members' suggestions may rise or fall on his instant assessment. One, for instance, wanted to know recently if it would "be possible" to tap oil companies' income from shipping that is now sheltered by oil tax credits. "Yes," said Woodworth, "but I'm not sure they'd be American companies very long. They'd move to the Bahamas." End of suggestion.

Woodworth himself insists he is "just the sieve" through which members' ideas filter, and he goes to great pains to stay neutral. In the oil tax markup, one member asked if another's suggestion for a plowback formula would not "gut the bill." Woodworth, who has been around too long to get trapped in that one, just smiled and replied: "I'd rather not characterize it. I'll just give you the statistics."

In a town where knowledge is power, Woodworth is one of the power kings. Often the "consensus" of what the committee wants the staff to do is very muddy, so the staffer who drafts the actual proposal has a lot of leeway to make policy. When the committee was stymied on a way to phase out the oil and gas depletion allowance without hurting the independent oil companies unduly, Woodworth came up with a proposal for leaving at least 15% depletion on the first 3,000 bbl. a day until the phase-out is completed. The committee accepted it.

But while his ideas may bend the committee one direction or another, he can influence the outcome only at the parameters of policy. His formula for giving oil companies just a partial tax credit for the windfall profits they plow back into investment was rejected; the committee voted a 100% plowback.

But the committee's phenomenal reliance on Woodworth was shown when Ways & Means Chairman Wilbur Mills called for a vote last week on an amendment after members had been loosely discussing a half dozen different proposals. Members protested that they did not know what it was they were voting on. Neither, apparently, did Mills. "O.K." he said, "tell us where we are, Larry." Woodworth straightened them out.

THIRTY YEARS OF SAVVY

Such expertise is surprising for a man who is neither a tax lawyer nor an economist. He is backed up by a staff of some 20 professionals, but his own savvy comes simply from 30 years on the committee staff and 10 years as its chief. Woodworth has a B.A. from Ohio Northern University; his Master's from the University of Denver and PhD from New York University are in Public Administration.

As one of the two highest paid staff men on Capitol Hill ($40,000), the 56-year-old Woodworth could take early retirement next July on a comfortable pension. But he shows no interest in doing so. He thrives on a six-day week and pursues few outside interests these days, now that three of his four children are grown and gone. Once he served as the nonpartisan mayor of suburban Cheverly, Md., and he keeps an interest in Ohio Northern as a member of the board of trustees.

But he has little time for the traveling and camping he likes. In the pressure-cooker atmosphere he operates in, some irascibility would be easily forgiven, but he remains as patient, unassuming, and good-humored as a country parson. That could come from his upbringing as a Baptist preacher's son in various Northeastern Ohio towns.

What he would like to do with the nation's tax system himself, if given a free hand, he is reluctant to discuss. But he acknowledges that "all professional tax people get upset at things that create discrimination between taxpayers. I would work in the direction of eliminating shelters, simplifying the system, and broadening the base—as long as you don't upset basic elements of the economy."

Some tax reformers think Woodworth is too close to the Establishment. One member of the committee feels he "is too dependent on Treasury sources; his assumptions are too often Administration assumptions." But James S. Byrne, editor of a newsletter for Tax Analysts & Advocates, a public interest law firm, says Woodworth would lose all influence if he tried to be anything of a crusader. "He could be more aggressive on positions," he says, "but not much more,".

THE OPEN DOOR

Woodworth makes a great effort to keep in touch with outside sources. He likes to operate "with an open door," seeing one or two people each day. His visitors include academics of all points of views, Ralph Nader's tax crusaders, and nearly anyone with a big problem with the tax code. "A tax lawyer in town who doesn't try to get to Woodworth isn't doing his job," says the Treasury's Assistant Secretary for Tax Policy, Frederic W. Hickman. If a lobbyist wants something included in a tax bill, he will have to get a committee member to push it, but if he can sound out Woodworth's opinion first, he's ahead of the game.

While criticism of Woodworth is hard to find from members, one theme does recur. "He says he's for simplification," says former top Republican John W. Byrnes of Wisconsin, now in private law practice, "but he can come up with some pretty complicated ways of doing things." Representative James C. Corman (D-Calif.) jests: "Ask him what time it is and he builds you a watch." The complexities grow out of Woodworth's need to accomplish goals the members want without hurting economic interests by too simple an approach. The depletion phase-out Woodworth cooked up, for instance, achieves an end to depletion by 1981 but with some complicated steps to ease the jolt.

The next big test will come when the committee tackles another tax reform package, which Mills says it will do this year after finishing with the Senate-House conference on the pension bill. Woodworth is as inscrutable as Mills as to what he thinks the bill will look like, but he can point out what he thinks the committee wants as a "main thrust." Simplification will be one goal, perhaps getting more people on the standard deduction. A minimum tax is on nearly everyone's priority list. Capital gains will be dealt with, not to cut "true" gains but to get at shelters and perhaps introduce a sliding scale. He is not sure there will be time to do much about estates and gifts.

Taxes is one of the few areas where Congress still dominates the Executive branch, and Woodworth sits in the middle. Says Treasury's Hickman: "I don't know what kind of a mess we'd have if we didn't have someone that able in the job." Being in the middle also on the report on the President's taxes—which will be made public imminently—is an unaccustomed hot spot. Chairman Mills has said the report will be a "shocker," but Woodworth has maintained his traditional silence.

Joint Tax Staff Regarded as Best on Hill

(By Spencer Rich)

When members of Congress get legislative advice from Larry Woodworth, the 56-year-old soft-spoken son of an Ohio Baptist preacher, they listen with special care and respect.

For Woodworth—who heads the staff of the Joint Committee on Internal Revenue Taxation which has just issued a devastating report on President Nixon's taxes—has a universal reputation as one of the best, perhaps the very best, staff man on Capitol Hill.

And the 40-member staff over which Woodworth has ridden herd for the past 10 years is known as the ablest, most discreet, most savvy and most professional group of committee aides in Congress.

Few people on Capitol Hill and virtually no one off the hill—except the Treasury Department and the private tax lawyers and lobbyists—know much about the joint committee. Yet it is one of the most powerful in Congress, with tremendous influence over legislation affecting the lives of millions.

The joint committee, created under the Revenue Act of 1926, consists of members of the tax-writing committees—House Ways and Means and Senate Finance. The chairmanship alternates and the chairman this year is Sen. Russell B. Long (D-La.), with Rep. Wilbur Mills (D-Ark.) as vice chairman. For years the Senate chairman was Harry Flood Byrd Sr. (D-Va.), an arch-conservative in fiscal matters.

The joint committee provides the major staff for both chambers of Congress on tax matters, and right now—in addition to Woodworth, who holds a doctorate in public administration and isn't an economist or a tax lawyer—it has 25 professional staff members.

Including secretarial and clerical positions, the total staff is about 40. The professional staff members include two legislative counsels, six legislative attorneys, six economists and a number of economic and tax-statistic analysts. Several of the members have accounting training as well. The staff has been built up as a civil service-type staff—nonpolitical and nonpartisan.

When a tax bill is before either Ways and

Means or Finance or on the floor of either chamber, it is the business of the joint committee staff to draft the legislation, to write the reports and to be at the side of committee members to advise and assist. Four or five staffers are almost always seen on the House and Senate floors whenever a tax bill is being considered.

Woodworth gets $40,000 a year, the highest possible staff salary in Congress. With the committee since 1944, he is a master at trying to tailor and stitch the proposals of members into a coherent whole. He is the model civil servant—able, discreet, honest and hardworking, according to members and associates. He could probably triple his salary in private industry but he won't jump.

Second in command on the committee staff is Lincoln Arnold, 64, a one-time municipal judge in Thief River Falls, Minn., who was an Internal Revenue Service attorney, senior legislative counsel for the House, and worked in private practice for 15 years with Alvord and Alvord.

Another staff aide with a major role on the Nixon tax report is Bernard (Bobby) Shapiro, a soft-spoken lawyer in his early 30s with a trace of a drawl (he's from Richmond) and training in accountancy as well as law. Shapiro sometimes serves as a surrogate on the floor when Woodworth can't be there.

Assistant staff chief Herbert L. Chabot, 42, who comes from New York and got his law degree from Columbia, provided staff work on pension reform bills when they were considered by the Finance and Ways and Means committees.

From the start, a staff team worked extensively and virtually full time on the president's tax matters. It consisted of Woodworth, Arnold, Shapiro, attorney Mark McConaghy, attorney Paul Oosterhuis, accountant Allan Rosenbaum and economist James Wetzler. From time to time, other staffers pitched in, and at the end most of the staff was working to get the final report in shape.

PIPELINES KEY TO COMPETITIVE OIL MARKETS

Mr. HUMPHREY. Mr. President, last week I read a very insightful article in the Washington Post regarding the impact of control of oil pipelines by the major oil companies on prices and competition. The article, "Pipelines Key to Oil Markets," by Pete Bowles and Frances Cerra, provides evidence to support my contention for many months that "through joint ownership of pipelines, the major oil companies have managed to control the flow of oil and its products from the oilfield to the marketplace."

According to these journalists, these consortia possess two major advantages by building their own pipelines. First, major oil companies can recoup some of their shipping costs by paying themselves dividends as stockholders of their pipelines. Second, and most important, the major oil companies have constructed their lines close to their own refineries and away from competing independents who do not own an interest in the pipelines.

The article also points out that joint owners of pipelines have withheld fuel oil from certain market areas that needed it, in order to keep fuel oil from reaching independent distributors, currently underpricing the major oil companies. For instance, two detailed studies have reportedly found circumstantial evidence that Colonial Pipeline Co., owned by 10 major oil companies, prompted shortages in the upper Plains States last winter and in the late sixties. In addition, last winter's home heating oil shortage in the Midwest coincided with an enormous unexplained increase in fuel shipments to the east coast, where the winter was quite mild.

The Independent Fuel Terminal Operators Association notes that its members are in a very vulnerable position. According to Arthur Soule, president of the association, when the foreign market finally became available to his organization's members, Arab oil prices made it impossible to purchase and remain competitive.

Mr. President, it is certainly up to the Congress to further investigate all questions concerning recent shortages, price hikes, and most importantly, the oil companies' formation of consortia to control the oil business at every level.

Mr. President, I ask unanimous consent that this most informative article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

PIPELINES KEY TO OIL MARKETS

(By Pete Bowles and Frances Cerra)

Through the joint ownership of pipelines, the major oil companies have managed to control the flow of oil and its products from the oil field to the market place.

A Newsday study of oil pipelines has found that a few major oil companies, by banding together to build their own highways of distribution, have gained domination of the marketing areas their pipelines serve.

Congressional investigators charge that the major firms have gradually squeezed out smaller, independent oil suppliers and distributors who don't own pipelines. The result has been scattered shortages and higher prices.

Like an invisible railroad network, more than 220 pipelines crisscross the country, silently pumping crude oil to refineries and refined products to terminal facilities in most major cities. The pipelines are underground, out of public view, yet they represent a significant key to the huge profits enjoyed by an industry that has been forced into the public spotlight because of the energy crisis.

Most of the pipelines built since World War II, about 40 in all, have been constructed by consortiums formed by actual and potential competitors.

There are certain advantages for the consortiums to build the pipelines. The oil company owners tend to construct their lines close to their own refineries and marketing terminals and away from those of competitors who don't own an interest in the pipeline. They also recoup some of their shipping costs—charges they assess themselves—by paying themselves dividends as stockholders of their pipelines.

Although they are classified as common carriers, and are supposed to be equally accessible to all shippers, pipelines enjoy certain benefits legally denied to other common carriers. Railroads, for example, are barred under the Hepburn Act of 1906 from shipping products which they "may own in whole or part." Efforts in Congress to apply the act to pipelines have failed.

Under the Elkins Act of 1903, which helped break up the Standard Oil Co. monopoly, all common carriers are prohibited from granting rebates to their shippers. However, the dividends paid to the pipeline shipper-owners have never been declared illegal rebates.

Congressional investigators, working for several committees now studying the oil industry, have uncovered evidence which, they report, proves that joint owners of pipelines have withheld fuel oil from certain market areas that needed it, diverting it instead to warmer sections of the country. The purpose, the investigators claim, was to keep fuel oil out of the hands of independent fuel oil distributors who had been underpricing the major oil companies.

In condemning the control of the country's oil products by the major oil companies which own pipelines, Sen. Frank E. Moss (D-Utah) recently told a Senate committee: "In effect, we have permitted a 'private government' to control our oil economy for its own advantage, regardless of the public good."

In two detailed studies, both involving Colonial Pipe Line Co., which operates the world's largest pipeline, investigators found circumstantial evidence that implicated Colonial and its owner-shippers in shortages of home heating fuel in the Upper Plains States last winter and in the New York and New England area during three winters in the late 1960s.

Colonial, a Delaware corporation with offices in Atlanta, has been "under study" by the Justice Department almost since the day it began its operations in 1963. However, the Department has taken no action against Colonial, or other major oil pipeline companies, apparently because of political interference at high levels of the department and timidity in the face of the industry's political clout.

Although some members of Congress feel that the petroleum industry should be made more competitive, they do not agree on how to do it.

Colonial pumps petroleum products through a large-diameter line stretching from Houston to New York. It is owned by 10 major oil companies which have refineries on the Gulf Coast: Texaco, Cities Service, Gulf, Standard Oil of Indiana (Amoco), Mobil, BP, Continental, Phillips, Union and Arco.

Last winter's home heating oil shortage in the Midwest coincided with an unexplained increase in shipments of fuel oil through the Colonial pipeline to the East Coast, where the winter was mild.

At the same time, shipments of fuel from the Gulf Coast through another jointly owned pipeline that serves the Midwest—where the winter was severe—were at least 20 per cent less than the pipeline had forecast.

At the time, the midwestern states could find no explanation for the shortages. "Demand was higher (because of the weather), but none of the oil companies said that less supply was coming in than in the past," said Dr. Samuel Tuthill, Iowa's energy adviser and chairman of the Midwest Governors' Task Force on Energy.

The oil companies, when asked for increased deliveries to meet the emergency, said only that "supplies were not available," according to Tuthill. He said the shortages forced independent jobbers—who sell on both the wholesale and retail levels—to increase prices, effectively eliminating them as competitive forces.

A Washington energy consultant who investigated the Midwest shortages said a number of small fuel oil dealers, mostly one-truck operators, were "wiped out" by the shortages. The independent jobbers managed to survive, he said, because of the efforts of several states such as Iowa. "At least three states bought fuel oil from other sources and sold it at cost to the jobbers on their certification that it would be used for emergency purposes," said the consultant, who asked for anonymity.

The pipeline that carries fuel from the Gulf Coast to the Midwest is Explorer Pipeline, a corporation which is owned by eight major oil companies—Texaco, Cities Service, Gulf, Continental, Phillips, Shell, Sun and Arco. Five of them also are joint owners of Colonial. The Explorer line, which runs to Chicago, connects at Tulsa to the independently owned Williams Brothers Pipe Line Co., which moves products to the Upper Plains States.

A spokesman for Explorer conceded in an interview that its fuel oil shipments last winter were about 20 per cent below "original projections" but denied that this caused the Midwest shortages. "I don't have the basis to make the type of judgment (Sen.) Moss did," said Explorer's administrative vice president, Glenn Welsh, referring to Moss' accusations that Colonial's owners were responsible for the shortages.

Moss, in testimony Nov. 28 before the Senate special subcommittee on integrated oil operations, said he could not prove that the owner-shippers of the Colonial and Explorer lines devised a plan to create the Midwest shortages. But in a statement based on evidence gathered by his staff, he said: "One is unfortunately led toward that conclusion. There must have been, at the very least, a mutual, tacit understanding in which the Upper Plains States were shorted in winter of the fuel they desperately needed."

Shipments of fuel oil through Colonial to the East Coast increased last winter by almost 13.5 million barrels compared to increases in previous winters of about 4 million.

Moss reported that about 2 million barrels of fuel oil which entered the Colonial system last winter had not been delivered by last April 30. He said he suspected that the increased shipments ended up in storage tanks along the line and were withheld from the marketplace. Fuel oil storage tanks of Colonial and its owners have a capacity of 39 million barrels—which is half the fuel oil storage capacity on the East Coast.

Colonial has denied that it withheld any heating oil. A company spokesman told Newsday that it was possible that fuel oil had been stored by some of the line's 26 shippers, but that Colonial had no control over those storage facilities. Company officials charged that Moss had misinterpreted the mass of data supplied his staff and said that Colonial's increased * * *.

Shipments were due to expansions of the pipeline system, whose main line is more than 1,900 miles long, and whose branch lines total 1,600 miles.

The shortages of home heating oil in the Northeast began occurring in the winter of 1966–1967, a year after the Colonial line became fully operational to New York Harbor. During three winters of tight fuel oil supplies, several independent terminal operators in the area sold their facilities to major oil companies, and fuel oil prices climbed to new highs. The shortages ended in 1970 when the federal government allowed the independents to buy imported oil.

Until 1966, most independent terminal operators on the East Coast had purchased fuel oil by two means—mostly in "spot" or "distress" market sales in which major oil companies sold off their excess fuel, and to a lesser degree by contract with the Gulf Coast refiners. (Terminal operators, in most cases, are wholesalers with storage tanks who sell fuel oil to distributors. Some also sell on the retail level to homeowners and industries.) Up to then, most of the fuel oil they purchased had been carried to New York Harbor by tankers. With the arrival of the Colonial pipeline, the spot market began to dry up.

Although shipments of fuel oil increased on the Colonial line during the three years, less fuel oil was available for independents. An article in Platt's Oilgram Price Service, a trade journal, reported at the time that the "supply situation in New York Harbor is so critical" that the major oil companies had warned their suppliers that anyone caught reselling fuel oil to independent competitors "likely will be penalized by the same amount in his new contract." Staff members of the House special small business subcommittee, which studied the effect of Colonial on the Northeast fuel oil situation, reported that the "voluntary restrictions of supply of home heating oil by the large refiners" forced a rise in prices.

"We started fighting to get permission to buy foreign fuel oil because the integrated companies got less interested in selling to the independents," Arthur Soule, president of the 17-member Independent Fuel Terminal Operators Association, told Newsday. (An integrated company is one that owns drilling, refining, pipeline and marketing facilities.) "The foreign market was cheaper in those days, but it was not available to us," Soule said. "Finally, we got it (foreign fuel oil) and now we can't afford to buy it" because of the higher price of imported fuel resulting from the Arab embargo.

After the emergence of Colonial in 1963, the number of independent fuel oil terminal operators on the East Coast was cut virtually in half, to the 17 now belonging to Soule's association, the small business subcommittee reported. Soule named four independents in the Northeast who sold their terminal facilities to major oil companies during the three-year period of shortages.

Not all the independent operators agree with the contention advanced by Soule and the subcommittee that the independents were squeezed out of business by the emergence of Colonial. "People sold out at various times, but it was not related to Colonial, but to economic opportunity," said Howard Ross of Howard Fuel Corp., secretary of the terminal operators association. "We may have done a little crying, but those who sold did so because they got the price. I would sell now if the price was right."

Calling the allegation that Colonial had caused the shortages "another myth," Colonial's president, Fred F. Steingraber, testified before the small business subcommittee: "The shortages would have been even greater than they were if Colonial had not been in existence."

By the winter of 1966–1967, Colonial was supplying 50 per cent of all the heating oil that was delivered to the East Coast, up from 38 per cent the year before. The 12 per cent difference, the small business subcommittee reported, was equivalent to almost all the excess oil that previously had been available to independents on the spot market.

Committee investigators suspect that the increased supplies were kept away from the independents in two ways—by being stored along the Colonial system and by being exchanged among the owners of Colonial.

One reason for the shortages, small business subcommittee investigators said, was an exchange agreement reached in the fall of 1966 between Colonial and a competing line, Plantation Pipeline, which parallels Colonial as far as Washington.

(Plantation is owned by Exxon, Shell and Chevron.)

The agreement allowed the two companies to ship on each other's pipelines at certain points in order to supply products to cities their individual lines did not reach. "The owners of the two lines found strong motivation to combine, expressly to keep No. 2 (fuel oil) out of the hands of the independent terminal operators, namely the motivation of forcing out low prices and aggressive competition," the subcommittee charged.

The combination gave the two lines, whose owners have 82 per cent of the refining capacity on the Gulf Coast, control over most of the fuel oil that goes to the East Coast. Spokesmen for the two companies denied any wrong-doing behind their exchange agreement.

While the spot market was drying up, something also was happening to the contract market, according to the subcommittee. Independent terminal operators found that Shell and Amoco were making less fuel oil available for contract sales in 1966 than they had the year before. The two companies were joined by Texaco the next winter and, the subcommittee reported, "All three formerly major suppliers became negligible sources of supply." Asked by Newsday about the report, the three companies could offer no explanations.

The subcommittee concluded: "Somehow, those who produced most of the No. 2 were, for the first time, controlling its release to the spot and contract markets. In brief, they were holding the supply back; and this restraint accounted for the shortages and for the eccentricities in the price structure."

THE PRESIDENT'S TAXES

Mr. HANSEN. Mr. President, the media apparently plans to give the findings of the Internal Revenue Service and the staff of the Joint Committee on Internal Revenue Taxation rather extensive coverage as it relates to the President's tax returns.

Before it is lost forever in the rush of headlines, let me make a few brief observations:

First. The President has kept his word. He indicated that he would pay the additional tax if the committee found that it was indicated he do so and that is exactly what he plans to do.

Second. The joint committee's report is just that—a staff report— but the President has voluntarily agreed to abide by its recommendations.

Third. There is a significant amount of money, representing the 1969 tax year, that has run the statute of limitations but it is my understanding that the President will also voluntarily pay that closed year amount.

Mr. President, what I am suggesting is that the President has agreed to pay back taxes and interest even though his lawyers think they could make a very strong case against the staff report and IRS findings. I think it is a good gesture and I commend him for it.

DEATH AND DESTRUCTION IN INDIANA

Mr. BAYH. Mr. President, last night tornadoes ripped through a number of the Midwestern States and caused extensive damage. The State of Indiana was hard hit by this natural disaster.

It is my understanding that the Department of Housing and Urban Development's field staff, as well as the field staff of the Federal Disaster Assistance Administration, is already in the process of investigation and assessing the extent of the damage. But there is no doubt at this time that many thousands of families will become or have become homeless; and news reports indicate that hundreds have been found dead as a result of this disaster.

I have urged the Governor of Indiana to request disaster relief from the Federal Government and I assume that the President will respond in a positive manner. I have also checked with the Department of Housing and Urban Development to get an assessment of how much of the

1974 appropriation of $400 million for disaster is still available to meet this most recent disaster. I am informed that all but $63 million of these funds are already committed and that there is some question about the availability of that $63 million. I am also aware that the President's fiscal year 1975 budget includes a request of $100 million for disaster relief.

In order to assure that the necessary funds to meet the needs of the people in Indiana and the other States are available in a timely manner, I have today recommended that the Subcommittee on HUD, Space, Science, Veterans, Appropriations include an amount of $100 million in the second fiscal year 1974 supplemental appropriation bill for disaster relief. These funds will provide State and local governments, as well as individual victims, assistance in the form of temporary housing, free food coupons, unemployment compensation, and restoration of streets, roads, bridges, building and utility systems. If these funds are included in the supplemental appropriations the victims can be assured that the Federal Government will be able to respond quickly and effectively. The committee could then take another look at the fiscal year 1975 request at a later date with a view toward augmenting the supplemental request with whatever funds are needed.

I would also like to point out that the $100 million add-on over the supplemental budget request will be more than offset by my recommendation for a $1 billion reduction in welfare costs in the Labor-HEW chapter of the second fiscal year 1974 supplemental bill.

In summary, it will be possible to provide the $100 million for disaster relief without exceeding the overall President's budget request for the fiscal year 1974 second supplemental.

TRUTH IN SAVINGS

Mr. HARTKE. Mr. President, for the past 3 years, I have urged my colleagues to become aware of the need for greater consumer awareness in the field of banking. The practices of savings institutions are confusing to most depositors. Material which I have placed in the RECORD from time to time has made it clear that it is difficult for potential depositors to know just what an institution's earnings practices are, and for existing depositors to check an institution's earnings calculations for accuracy.

It was these difficulties which gave rise to my Consumer Savings Disclosure Act, S. 1052. During the 3 years which this bill and its predecessor in the 92d Congress have been before the Senate, I have been gratified that there is a growing realization of the need for fuller disclosure of essential banking information to consumers.

Mr. President, recently, an article by Paul Dickson on the subject of banking practices appeared in the Washington Monthly. I ask unanimous consent that the text of this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE SCREWING OF THE AVERAGE MAN: HOW YOUR BANKER DOES IT

(By Paul Dickson)

From Watergate and Equity Funding to the "Dare to be Great" program of Glenn Turner, the 1970s promise to be an era of bigger and better scandals. As a result of the publicity which these shenanigans have received there probably has never been a time in which the average man was more apt to look with skepticism on the fast-talking sharpy who offers him a "rock-bottom" price on the Brooklyn Bridge.

But let's face it, unless you happen to be George McGovern, the holder of paper which was once Equity Funding stock, or one who dared to be great, these scandals probably have affected your faith in America far more than your pocketbook. This is not to say that we should be unconcerned with multi-million dollar heists, but we must not be so hypnotized by the super-capers that we fail to notice the hundreds of mundane, little traps in our daily lives.

No area more clearly illustrates the pervasiveness of these two-bit gyps than our dealings with financial institutions—from opening checking accounts to taking out first mortgages. The average man, mystified by the overall system of gold crises, dollar devaluations, and floating prime rates, readily admits he is baffled by these monetary dramas, but he doesn't seem to know, or care, that he is equally in the dark on the level of his personal financial transactions. The bank down the street or around the corner from where we work is a place we patronize not because it offers the best deal, but because it is the most convenient or has the shortest lines on payday. We tend to regard bank advertising with the same skepticism we bring to airline commercials—since we know all banks are alike, what do their sales claims matter?

Consequently, many otherwise intelligent and well-informed people would be astonished to discover that banks are at least as diverse as restaurants or colleges. For example, some savings and loan associations in Massachusetts and New Hampshire will pay what is, in effect, interest on checking accounts. And, there are more than 50 different ways to compute interest—with the variations meaning a considerable difference in our earnings or the amount we pay for a loan. It is remarkable how little most of us who are pawns in the money game comprehend its rules and rituals. Even more remarkable in this age of consumer consciousness is how rarely these questions are even raised.

For starters, there is the basic question of what rate of interest we get for our savings and how often that interest is compounded. At the consumer level, bank profits stem from the difference between the interest rate granted savings depositors and the interest rate collected on loans. As fundamental as this is, the small consumer seldom shops this spread with, say, the care that is almost automatic in comparing the price of used-car dealers or supermarkets. For example, some savers can take money out of their accounts when they want without losing interest (because it is compounded daily), while others lose interest if they make their withdrawal at any time other than the first day of each quarter. There are, of course, limits imposed on the range of bargains. The federal government sets the maximum interest rates that banks can pay on savings. On the other hand, there are no explicit federal limits on the interest rates the bank can charge when you take out a loan.

The American Bankers Association—not known for self-flagellation—admits there are 54 widely used methods of computing interest; the total might be more like 100 if you count some of the rarer variations. The differences between the methods can produce dramatic results. There are those banks which pay interest only on the smallest balance held in the account during the entire quarter. Others pay interest on the entire account, but only if there is a minimum balance of $50 or $100. Jackie M. Pinson, a graduate student at Kansas State University, demonstrated that two accounts paying exactly the same rate of interest can differ as much as 171 per cent in earnings over a six-month period. (For the practical lessons of the Pinson study, see the box on "Comparison Shopping.")

Some banks provide customers with detailed information on their interest policies, while others are entirely mum. The Pinson study, *Truth in Savings,* has helped spark a movement; already bills have been introduced in both Houses of Congress to require that banks use standardized phraseology and provide certain standard information to their customers. The legislation would mandate the disclosure of such essential pieces of information as the time unit for compounding interest, the actual annual percentage rate of interest, and the actual annual percentage yield. In the absence of such laws, the jumble of bank practices leads the average man in confusing, often costly, directions.

But even if the average man prudently requests his friendly banker to explain the provisions of his new account, he may remain unenlightened, according to *Citibank,* an exhaustive examination of New York's First National City Bank (Citibank) recently completed by Ralph Nader's Center for the Study of Responsive Law. The study revealed that Citibank's platform employees—those who sit at desks rather than stand at windows—are not nearly as omniscient as they seem. The Nader organization somehow was able to jar loose a series of studies, conducted for the bank by an independent management consultant, which showed that only 40 per cent of the platform employees could explain the costs of different types of checking accounts, and only 35 per cent could unravel the requirements for the bank's highly touted "Ready Credit" form of instant loan. The Pinson study of savings account interest rates had a similar conclusion—most banks sampled had an extremely difficult time explaining how their account procedures work.

Apparently the inability to explain the many services offered does not deter the selling of them. *Citibank* reports that First National City has a volume-oriented incentive program to get its branch office personnel to "cross-sell" as many services as possible to each customer. Depending on the periodic needs dictated by the bank's overall cost flow, salesmen earn different commissions for selling certain services at different times of the year. For example, there are periods when it is worth more to a bank employee to get you to borrow than to save.

ROOKED AND CHECKMATED

One way the average man often suffers for his ignorance is through an immediate loss in his checking account. Since savings banks and savings and loan associations are forbidden by law to offer checking accounts, commercial banks have a virtual monopoly in this area. Across the country, commercial banks hold $200 billion in checking-account funds; this represents some 40 per cent of the bank's collective assets and amounts to a vast interest-free supply of capital. Yet despite this enormous booty, most banks still charge for each check you write and often for each deposit. Some banks do provide free checking, but only if you maintain a sizable minimum balance. Recently, though, some banks in Pennsylvania, Virginia and New York began to offer free checking accounts with no minimum balance. But in an industry as conservative as banking, such aggressively competitive practices border on heresy.

In any event, free checking is as far as even the most consumer-oriented commercial bank can go since federal law states that no interest can be paid on checking accounts. Of course, the law does not require the banks to loan this money interest free.

FAIR WEATHER FRIENDS

The loan department is probably the one part of the bank most of us enter with an active sense of anxiety, the niggardliness of banks in this respect is enshrined in aphorisms like, "A banker is someone who lends you an umbrella when the weather is fair and wants it back as soon as it begins to rain." The same banks which had few qualms, until recently, about lending millions to corporations like Penn Central are often reluctant to make consumer loans. Take this letter sent out to all customers of a Washington, D.C. bank in 1971:

"Recent developments have made it necessary that we revise our policies for consumer lending. As a result, we normally require that new loans be made only to depositors with our bank, and we have also placed a usual minimum of $1,000 on all loans."

For a person who needs only $300, the only answer is a finance company—which often obtains *its* capital through bank loans—where interest rates sometimes run as high as 36 per cent a year.

Yet the average man's problems with his local bank only begin once they deem him worthy of borrowing. Take the 360-day year custom—interest is charged for each day of the real world's 365-day calendar, while the customer only gets the use of the money for 360 days. In a non-leap year, a 12-month loan comes due in 360 days, while the interest payments are calculated for the whole year. The sum lost by an individual borrower on a six-year loan comes out to be one month's interest—small potatoes, perhaps, except that in the aggregate the arrangement yields a healthy bonus for the banks. One estimate is that this calendar magic costs the consumer about $150 million a year. According to a 1971 Federal Reserve survey, 82 per cent of the banks contacted used some form of the short year in calculating interest on loans.

Whereas rent strikes are occasionally an effective weapon against recalcitrant landlords, *defaulting on* a bank loan to protest financial practices like the 360-day year is not advisable. *Citibank* researchers reported excessively harsh collection policies for overdue loans at First National City—abusive calls to the debtor and his family, complaints to the debtor's employer, wage garnishment, and the use of what has been termed "sewer service." (For those lucky enough not to be *au courant* with the vocabulary of collection agencies, "sewer service" is the practice whereby a process server purposely neglects to deliver the summons, preventing the debtor from appearing in court and resulting in a default judgment against him.)

Mortgages provide another maze of pitfalls for the borrower. One widespread practice which deserves closer scrutiny—and is beginning to get it—is the requirement that homeowners put money in escrow for payment on the property taxes and insurance on their homes. In effect, this means that the homeowner must pay his taxes to the bank a year in advance, giving the financial institution interest-free use of the money until the taxes are actually due. One study estimates that banks earn about $100 million a year from use of this money.

There is some good news here—this is one abuse that may soon be corrected. Last year there was an abortive effort in Congress to outlaw escrow accounts, and attempts are continuing on the state level. The practice is also being challenged in several law suits. At least one bank, Dade Federal Savings and Loan Association in Florida, has adopted a policy of paying three percent interest on money held in escrow. But most bankers still defend the practice by pointing out that the annual interest earned on escrow accounts would be small—a homeowner with a $400 tax bill would get only $5.92 a year if he were paid five per cent, compounded quarterly. The banks might put it another way: What does $5.92 mean to you against the millions it means to us?

OAKS FROM ACORNS DEPARTMENT

Lingering memories of the Depression have caused bankers, customers, and even lawmakers to defend policies which favor the banks at the expense of individual customers. When the average man thinks about the financial soundness of his bank, images of "panics," "runs," and "failures" may come to mind, despite the fact that the Federal Deposit Insurance Corporation (FDIC) now insures most personal deposits for up to $20,000. These memories of another era's fiscal catastrophes thus tend to blind us to the modern abuses we are far more likely to experience at our local bank. The average man may not endure a major loss each time he goes to the teller's window, but a number of little tricks his bank has devised may nickel-and-dime him to death.

Many of these Depression era fears are now almost comically outdated. During the Depression, banks were forced to foreclose when homeowners couldn't meet mortgage payments. Many banks ended up with a lot of houses they couldn't sell and a resulting cash shortage which caused them to fail. Today bankers will resort to almost any settlement rather than foreclose on a mortgage. But most people outside the banking world still haven't noticed.

The worst hangover from the Depression days may be the laws regulating banks. The 1933 law forbidding interest on checking accounts was clearly devised to help failing banks cut costs; escrow accounts for mortgages date from the era when houses were auctioned off to pay overdue property taxes. Forty years later, banks are no longer failing en masse, but they continue to cash in on the regulators' fears. Admittedly, the money any one of us loses yearly because our checking account doesn't pay interest might not fill our freezer with porterhouse steaks, but from the banks' point of view it adds up to a hefty amount when multiplied by the number of depositors.

Similarly, the memories of bank runs persist in the minds of government regulators. Today, the tight-lipped FDIC is reluctant to disclose to anyone that a bank is having difficulty. Releasing such information, the agency argues, might precipitate a run and thereby scuttle a bank which otherwise could have been saved. While there is merit to this reasoning, it raises difficult questions of whether the depositors or the banks deserve greater consideration when a bank starts having trouble.

A BANK BAEDEKER

The Depression mystique isn't the only obstacle to effective banking regulation and consumer awareness. The sheer variety in the *kinds* of banks existing today is also an impediment. First, there are the commercial banks, the savings and loan associations, and the mutual savings banks. Then there are all the other institutions which perform bank-life functions even though they aren't banks: credit unions, insurance companies, and for that matter, pawn shops. Each of these institutions operates under separate laws and customs. No wonder five financial institutions on the same block in the same community can have five different mortgage policies, five different formulas for computing interest, and one common claim—that each offers the best deal in town.

Sitting atop this entire structure is a series of federal regulatory agencies which creates complications unique even for the federal government. Regulatory responsibility is shared by the Comptroller of the Currency, the Federal Reserve Board, the Federal Deposit Insurance Company, and the Justice Department. This whole superstructure is shrouded in secrecy: even the General Accounting Office cannot audit the Federal Reserve, and their ability to oversee the Comptroller of the Currency and the FDIC is limited. State banking laws also vary widely—what is the standard interest rate in one state may be usury in another.

Since the government is mute, the average man is left to rely on the banks themselves for information. But false or misleading claims in bank advertising are exempt from the scrutiny given advertisements by the Federal Trade Commission. What regulation does exist comes from federal and state banking agencies. Federal truth-in-lending legislation affords some protection to the prospective borrower, but there are few protections regarding other banking services.

With restrictions like these, bank advertising can easily veer toward the far limits of plausibility. One New York savings and loan association advertised the highest rate of interest in America when, in reality, for most of its depositors it didn't even pay the highest rates in town. Commercial banks regularly promise "the highest rate of interest permitted under law," even though the law generally allows savings banks and savings and loan associations to offer somewhat higher rates.

HUNTING FOR MORE COMPETITION

Nonetheless, the future at the teller's window of your local bank is not entirely bleak. In late 1971 a presidential commission on "Financial Structure and Regulation," chaired by retired businessman Reed O. Hunt, came up with some 90 major recommendations for re-shaping the American financial world. The effect of these suggestions would be to foster greater competition between commercial banks and their rivals—the savings and loan associations, savings banks, and credit unions. One recommendation called for permitting savings and loan associations to offer checking accounts—a move that could hasten the spread of the free checking account. The report also urged that the federal government gradually lift the ceilings on the interest rates which can be paid to depositors. Unlike most commission reports, which are promptly filed under "Forget," this one has attracted serious attention, and many of its conclusions are being transformed into legislative proposals.

And even now, the banking world is bracing for a new specter which might best be called "Beyond Free Checking." A number of state-regulated mutual savings banks in Massachusetts and New Hampshire are trying to break the commercial banks' monopoly on checking accounts by offering a kind of savings account which for all intents and purposes functions as a checking account. Called NOW accounts—for Negotiable Order of Withdrawal—they allow you to pay the plumber or the phone company by writing a withdrawal order on your savings account in lieu of a check. This way you are able to use a savings account like a free checking account while still getting *some* interest, though rates tend to be lower than those on regular savings accounts. The NOW accounts are one of the most controversial banking developments in recent years—already one effort to ban them outright has been turned back in the House of Representatives—and are likely to provoke continued legislative battles.

Another encouraging sign is that bank customers are beginning to ask questions. It was basically consumer pressure, for example, that turned such sacred cows as no-interest Christmas Clubs into plans which yield capital *and* interest at Yuletide. And, although there is still rampant inertia in the banking community, free checking is becoming more common, as people ask, "If the Mellon Bank lets its customers check for free, why doesn't my bank?"

But it's a long way from free checks to a square deal at the bank. The average man must learn to ask a lot more questions of the kindly institutions which safeguard his money. Those friendly folks at the local bank may need to hear from Marley's ghost before they start asking the questions of themselves.

OIL MONEY AND STARVATION

Mr. DOMENICI. Mr. President, the international monetary shifts which are occurring due to the rise in Middle Eastern crude oil prices will have many worldwide effects. As a developed country, we have been concerned primarily with our balance of payments, domestic implications of more expensive petroleum products, and initiating efforts to become self-sufficient in supplying our petroleum needs.

The world's underdeveloped countries are feeling these effects in other more drastic ways. Chester L. Cooper describes these effects in a New York Times article on April 4 entitled "Oil Billions for the Few—Sand for the Starving." That article is deserving of our attention and I ask unanimous consent that it be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Oil Billions for the Few—Sand for the Starving

(By Chester L. Cooper)

Washington.—By the grace of Allah, a few Middle Eastern nations have become rich beyond even the wildest dreams of the fabled potentates of ancient Araby. Through little effort of their own, 55 million people—or, more accurately, their leaders—of Saudi Arabia, Kuwait, Iran, Iraq, Abu Dhabi, Qatar and Libya "earned" $16 billion in 1973 and are expected to "earn" almost $65 billion this year. The spice trade was but salt and pepper compared with commerce in black gold.

The roll of the dice and the leaders' greed have combined to raise havoc with the energy-intensive, interdependent economies of Western Europe, Japan and the United States and to jeopardize the development prospects of scores of countries in Africa, Latin America and Asia. Because of quantum jumps in oil prices, worldwide inflation is sharply accelerating. International monetary arrangements, chronically fragile in the most stable of times, are under severe stress. The specter of a worldwide depression is becoming all too real.

Meanwhile, life goes on, at least for some—the lucky ones whose only urgent need is oil. But millions of Africans are facing another, more terrifying crisis. They are dying of thirst and hunger. Unknown thousands have perished over the last year and scores of thousands have fled from baked fields and destroyed herds to rot slowly away in unfamiliar, frightening cities.

On his return recently from the sub-Sahara region of Africa, Secretary-General Waldheim of the United Nations was aghast at what he had witnessed. "Peoples and countries could disappear from the face of the map," he said. "This region has not seen such a disaster in two centuries."

The international community, or rather a part of it, has not remained unconcerned. Approximately $350-million in aid—food, money and services (not including airlifts)—have been contributed to the stricken countries of Senegal, Mali, Mauritania, Chad, Niger and Upper Volta. Of this, the United States, despite domestic problems, has contributed more than a third. The European Economic Community, racked by balance-of-payment problems and inflation, has contributed slightly less than a third.

The United Nations and its subsidiaries, not includng the Food and Agriculture Organization, has given approximately 7 per cent. The F.A.O. has provided separate assistance, largely from American and European contributions. France, West Germany, Canada, China, Nigeria and the Soviet Union have made up the remainder.

On rereading the roster of contributors, one has the feeling that it must be incomplete. Are there not some countries missing? Some of the very rich, perhaps? Some Moslem countries, since most of the stricken people south of the Sahara are also Moslems? Some fellow African countries, possibly? We had better review the official data.

Strictly speaking, three countries were overlooked: Libya contributed $760,000—from the $2.2 billion it collected in oil revenues last year. Kuwait contributed $300,000—from the $2.130 billion of its oil earnings in 1973. But what of Saudi Arabia, which earned twice as much as Libya? Not a dollar in 1973, and only $2 million so far this year.

And Iraq, which earned as much as Kuwait? Not a penny. Abu Dhabi, which earned over $7 billion, or about $23,000 for every one of its inhabitants? Nothing. And Qatar, which earned almost $400 millon, or about $2,600 per capita? Zero. Bahrain? Zero. Algeria? Another zero. And what of Iran, with almost $4 billion in oil revenues in 1973 and $15 billion projected for this year? A further zero.

Altogether, then, the Middle Eastern oil-exporting nations have contributed less than 1 per cent of the total aid to the starving people south of the Sahara.

This is not to say that they remained entirely aloof. Not at all. They raised the price of oil, not only for the rich industrial countries but for the desperately poor ones as well. As a consequence, virtually all of the American financial assistance to the stricken countries of sub-Sahara Africa will be absorbed by the increased cost of their oil imports—a "contribution" by the oil exporters to the needy that should not go unnoticed.

To be sure, the Arab League, with all deliberate speed, has been discussing easing the borrowing terms and doubling, to about $400 million, the capital of the Arab Bank for Economic Development in Africa. And there has been talk of preferential oil prices for some of the developing countries and some desultory discussion of eventually doing something about the famine. But, meanwhile, by the grace of Allah, the oil flows out and the billions flow in. And life goes on, for some.

PRESIDENTIAL ACCOUNTABILITY

Mr. MONDALE. Mr. President, a recent column by Austin Wehrwein, in the Minneapolis Star, thoughtfully discusses a question on which I have spoken repeatedly and which I believe to be central to the present dilemma in which we find ourselves—the problem of Presidential accountability.

I commend this article, which discusses both the difficulty and the necessity of restoring the office of the Presidency to a position of real accountability to the American people, to each of my colleagues.

Mr. President, I ask unanimous consent that this article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Presidential Reform: Peeking Ahead to '77

(By Austin C. Wehrwein)

New York.—Let us suppose that it is 1977.

Richard M. Nixon by then, by one means or another, is out of the White House. No longer can he kick the Constitution around.

Let us suppose that, by then, there is a mood of reform: a real sense that we can't slip back to "normalcy" but must, regardless of who is then president, make changes in "the presidency" that will prevent its being manipulated the way Nixon did.

What changes could we expect in the "post-Watergate" presidency?

A symposium at Columbia University Law School on that subject last weekend reached a consensus which is reassuring or disappointing, depending upon your viewpoint. It was that in basic, institutional terms, there isn't much that could or should be done.

Among those on the lecture platform were Prof. Louis Henkin, author of "Foreign Affairs and the Presidency," Prof. Arthur Schlesinger Jr., Sen. Clifford P. Case, R-N.Y. and William T. Gossett, former American Bar Association president.

In truncated, indeed perhaps simplistic, form, the discussion can be summarized along these lines:

We are dealing not only with the post-Watergate but the post-Vietnam War presidency. In retrospect, was the problem usurpation or was it simply that the Constitution didn't work very well?

In the area of foreign affairs the Constitution says very little about presidential powers. The specific references are to the president's power to "make treaties" with the advice and consent of two-thirds of the senators voting . . . and to "appoint ambassadors (and other public ministers) and consuls."

That's all.

The controversy, you see, is about what's missing.

The ability to run the foreign affairs of this country with a free hand is the result of the inevitable day-to-day monopoly a president has, whether he wants it or not. That began, not with Nixon, not with the Roosevelts. It began with George Washington.

Through the ambassador (actually, now the State Department) power, a president gets a monopoly on communication. Too, of course, only the president "speaks for the United States" in the world community. And unlike Congress, the presidency is always in session.

Delegation of any of this power serves to increase rather than diminish this presidential role.

Moreover, it is unrealistic to contend there is a clean line between foreign policy (to be made by Congress) and foreign affairs (to be conducted by the president). Simply by conducting those affairs a president makes policy. A dramatic example: Nixon's embrace of a newly compliant China.

Nevertheless, if Congress has the guts it can curb the president. It could have ended the Vietnam War, for example.

The Supreme Court refused to let Truman seize the steel mills under "war powers."

While it is often impossible to disentangle the parts of the presidency, it is absolutely and perfectly clear that not all foreign affairs involve "national security." Congress must force that issue.

Separation of powers does not of itself enlarge presidential powers, as Nixon contends.

The question, finally, is: Would major structural changes in the presidency be either possible or wise? Do we really want to "break up the presidency"?

Will a fervent desire to cut down Nixon in 1974 necessarily become in 1977 an equally ardent will to cut down the scope of the presidency?

Those who most ardently nurture the 1974 passion are usually those who in the past most admired strong presidents and their good works.

Where do would-be reformers go in 1977?

Well, far short of catastrophic confrontation, Congress could review and limit the massive body of legislation that has enhanced presidential discretion. Congress also has the ever-ready power of the purse to force the executive to come across with information. Congress must be a place where people can call the president to account. But any notion that a parliamentary system holds a clue is absurd, because that system unites executive power.

If the central problem stems from one man's control of day-to-day foreign relations, then it follows that the people, through and with Congress, must have more access to the presidency, day by day.

Congress might, for example, set up consultative joint committees with the whole house. Instead of calling the executive to Capitol Hill, Congress would go into the executive valley. To an extent, secrets would have to be shared far more than today.

Congress has already taken some steps toward collaboration. It did, after all, pass the War Powers Act, albeit after Vietnam involvement was ebbing.

In the pre-World War II era, Congress passed a Neutrality Act of 1935. That, however, was buffeted by the great debate between the isolationists and internationalists, so that the 1937 War Policy Act gave FDR the first of his wide "emergency" powers. The flood that began then surrounds the presidency like a Sargasso Sea, much to Nixon's glee.

But long before Nixon, it is obvious on reflection, Congress and the people lacked the will and-or the confidence to check presidential exercise of foreign affairs policies, and that spills over to domestic affairs. This is not, however, "inherent" or a form of divine right.

The solution is more a matter of increasing accountability than of reducing power, the Columbia Law School panel tended to agree.

In the words of Teddy Roosevelt, a president should be "sharply watched."

Rather than "getting off his back," the nation should be forever on it.

The oversight prescriptions do not so far sound remarkable. Or radical.

Still, their implementation would require tremendous skill, attention and energy on the part of both those on Capitol Hill and we, the people, who sent them there. Is there, however, no more concrete proposal to offer in 1977?

One object surely should be to avoid another White House staff like that under and over Nixon. It was an independent operating bureaucracy with absolute and, by axiom, corrupting power.

Appropriation authority can curb this sort of aggrandizement; such purse-power can in turn be combined with the requirement that all key aides be subject to confirmation plus constant inquisition on Capitol Hill.

Kissinger's former role as a de facto secretary of state should never be repeated.

What is often overlooked is that the Nixon system also is to "extrapolate" the staff, not only by adding (as others have done) droves of bureaucrats on White House detached service, but by putting its zealots into the bureaucratic structure, rather like implanting political commissars.

Be that as it may, the major points (slogans, if you will) at Columbia were that we should be able to punish the offender without punishing the office.

The goal is to restore the presidency, not to emasculate it.

THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, it has been 25 years since the first nation signed the Genocide Convention. At that time the United States was in the forefront of those who sought to make genocide an international crime. In the intervening years over 75 nations have ratified this treaty, but this body has yet to give its consent. It is as vital that we do so today as it was 25 years ago.

Throughout history, the United States has been known for its leadership in the field of human rights. Our concern with preserving the right of religious, racial, and ethnic groups to coexist dictates that we sign the Convention. The fact that we have not yet signed the treaty puzzles our allies and delights our enemies. In fact, former U.S. Ambassador Charles Yost testified that our refusal to ratify the treaty was one of the most difficult and embarrassing things he has ever had to explain.

The psychological impact of our ratification of this Convention should not be underestimated. International law grows extremely slowly. It requires the unanimous support of the world community to become established. Thus it is hard to see how any international understanding can become binding without the concurrence of the United States.

Also, if the United States now adds its signature to the treaty, it could well prompt new nations to join in support of the convention. It is imperative that we here in the Senate give our consent to this treaty.

DÉTENTE: SOME QUALMS AND HARD QUESTIONS

Mr. DOMENICI. Mr. President, in today's New York Times an article by Gen. Matthew B. Ridgway voices some of the questions regarding détente that have been of some concern to me.

I ask unanimous consent that this article entitled "Détente: Some Qualms and Hard Questions" be printed in the RECORD.

There being no objection, the article was ordered to be printed in the Record, as follows:

DÉTENTE: SOME QUALMS AND HARD QUESTIONS

(By Matthew B. Ridgway)

PITTSBURGH.—"Détente," I believe, poses the potentially gravest danger to our nation of all the problems we face. Whether it is to prove a siren's call to lure us to our destruction, or the first long step toward defusing the terrible threat of nuclear warfare and worldwide holocaust, no man can today predict with any assurance.

But what any reasoning person can clearly perceive is the distinct possibility that treaties can be abrogated or ignored, that solemn undertakings by the Soviet leadership can be deliberately flouted or repudiated and that an overnight reversion to the hard-line policies of a former Soviet Government can take place.

Against these possibilities this country must have ample safeguards, for we are dealing not with the fate of our own nation, though that may well be what we are doing, but with the fate of a civilization, the fate of the fundamentals on which our nation and the free world have built that civilization through two millennia.

What must be done is to critically and coldly examine and analyze every facet of this problem through the widest practicable public debate and then to make basic decisions and formulate policy guidelines.

Fortunately, it appears that an assessment of where we may be going, for what reasons, and for what guarantees of national benefits, is being made, constructively, by highly qualified individuals, in and out of Government, whose intellectual honesty, integrity, competence and devotion to our country command respect.

There can be no real lessening of tensions, except in an atmosphere of mutual trust. Such trust does not exist. Positive action, not mere words, by the Soviet Government will be required over an extended period to create such trust. For America's part, I fail to see how it can exist in view of the unrelieved evidence of the actions taken and the courses pursued by the Soviet Government over the last fifty years, the frequently expressed fundamental objective of spreading its form and concept of government throughout the world—in short, of its aim of world domination.

Would it be in our national interest to extend long-term credits to the Soviet Union for the development and marketing of Siberian oil and gas reserves in exchange for Soviet promises to let us share them at fair prices years hence; to furnish technology that we have developed and that the Russians lack and eagerly seek; to continue to pare our military strength while the Soviet Union continues to augment its own in the nuclear and conventional fields, as it has been doing for the last five years; to consent to the present disparity in nuclear capabilities brought about by our 1972 agreement on limiting strategic weapons; to agree to a common percentage in the reduction of armed forces in Europe, leaving the Soviet Union in its present position of greater strength—another Soviet proposal?

These are hard questions of immense significance to us and to the free world. They demand hard thinking.

Under the vision of those who established our form of government, mankind's fires of imagination were kindled. They burned with an intense flame and spread over much of the world. They have yet to be extinguished. But now in the continuing erosion of morals and ethics, and in the apathy and muddled thinking of many of our own people today, they have been allowed to burn dangerously low.

We now have before us in our greatest hour for two centuries, an opportunity to show the world whether we are determined to keep those fires burning; whether we shall be found too lacking in integrity, too weak in moral courage, too timid in planning, too irresolute in execution to set before Almighty God and mankind an example of those principles, faithfully adhered to, on which our Founding Fathers staked "their lives, their fortunes, and their sacred honor"—whether we will show the world an example of what in our hearts we know is eternally right.

In this Bicentennial era, the choice is ours to make.

ENERGY SHOCK AND THE DEVELOPMENT PROSPECT

Mr. HUMPHREY. Mr. President, one of the people calling for immediate attention to the impact of the energy crisis on the developing world has been James Grant, president of the Overseas Development Council.

In a council report, entitled "Energy Shock and the Development Prospect," he discusses in detail what the impact of the energy crisis will be on different groups of countries. He states that while the development prospects for most developing countries were fairly promising a year ago, they are now absolutely dismal for 40 of the poorest countries.

The article then sketches out certain elements of what could be looked at as a global strategy or game plan to deal with this problem.

Mr. President, whether or not we in the United States want to cope with this problem, we can only avoid it at our peril.

I commend this article to the attention of my colleagues, and I ask unanimous consent that it be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

ENERGY SHOCK AND THE DEVELOPMENT PROSPECT

(By James P. Grant)

Early in 1973, the growth prospects of most developing countries for the decade ahead appeared reasonably good. Twelve months later, these prospects are in grave jeopardy for some 40 countries with approximately 1 billion people because of the jolt of sudden massive price increases of their essential imports—primarily oil, food, and fertilizers. Many also will be hurt by the deepening of the global economic slowdown already in prospect for 1974 even before the announcement of the Arab oil embargo and the OPEC price increase for oil. The result of these massive changes is that some developing countries will suffer severe, but manageable, shocks; others now face catastrophe and their development prospects are endangered for the rest of the decade. Still other developing countries, notably the oil exporters, are, however, major beneficiaries of recent price changes.

The "energy shock" which many developing countries are experiencing comes from two different factors: (1) the increase in oil prices, and (2) higher prices for essential food and fertilizer from developed countries. If prices remain at current levels (which are four times those of 1972) the non-oil exporting developing countries will have to pay $10 billion more for necessary oil imports in 1974 than in 1973. Moreover, it is likely that most of this money will be "recycled"—in the form of oil-country purchases and investments *not* into these economies but into those of the developed countries. And the increased cost of food and fertilizer imports from the developed countries will exceed $5 billion. With wheat and nitrogenous fertilizer prices more than three times those of 1972, their increased import bill for these two commodities alone (primarily from the United States) will be over $3.5 billion.

As a consequence of these rises, *the developing countries will need to pay some $15 billion more for essential imports in 1974.* The massive impact of these price increases is indicated by the fact that they are equivalent to nearly five times the total of net U.S. development assistance in 1972, and almost double the $8 billion of all development assistance that the developing countries received from the industrial countries in the same year.

Equally important, many developing countries will be further damaged if the present worldwide economic slowdown drifts into a major global recession. Their export earnings would be reduced, and those countries depending heavily on workers' remittances and on revenues from tourism would suffer additional harm. Whether a global depression can be avoided depends on how the developed countries (and notably the U.S.) react to the new situation.

For many developing countries, however, a major offsetting factor is the higher prices they now receive for their commodity exports. Thus, Brazil's increased oil bill for 1974 of more than $1 billion is largely offset by the much higher prices for its commodity exports as compared to two years ago.

THE EFFECTS WILL VARY

The developing countries as a whole can be divided into four separate categories on the basis of how they will be affected by these new scarcities.

1. *The oil exporters*. These countries, with a combined population of more than a quarter of a billion (greater than North America, the European community, or Latin America) and whose governmental oil revenues will increase from $14.5 billion in 1972 to an expected $85 billion in 1974, obviously will be in a greatly improved position. Countries such as Nigeria and Indonesia, which have large impoverished populations, will now have sufficient resources to support and expand existing developing programs.

2. *A group which either will not suffer significant injury or who appear to be net beneficiaries of recent price increases*. Some are virtually self-sufficient in energy (e.g., Colombia, Mexico) or even small exporters (e.g., Bolivia, China); others, such as Malaysia, Morocco, Zambia, Zaire, are benefiting from the greatly increased prices for their raw material exports.

3. *A group of countries which will suffer disproportionately from serious slowdowns in the developed countries because major sectors of their economics (tourism, worker migration, fruits and vegetables) are closely linked by proximity with the developed countries (e.g. Turkey and Tunisia) or who are closely integrated into the world economy through the processing of goods (e.g. South Korea, Taiwan, Singapore)*. The inherent economic strength of these countries and their access to the world financial markets will help them overcome the short-term difficulties.

4. *Some 40 seriously injured countries which together contain some one billion people and which have very dismal prospects for the future*. These countries, mostly the very poorest and already slowest growing countries, and without major increases in the prices of their exports (e.g., India, Bangladesh, Philippines, Sahelian Africa), urgently need aid in meeting an increased import bill of some $3 billion in 1974 for essentials ($2 billion for oil and $1 billion plus for food and fertilizers). They also will need additional capital of $1–2 billion annually for the next several years to increase domestic food and energy production so as not to be permanently disadvantaged by the higher prices.

THE ROLE OF THE UNITED STATES

Paradoxically to most Americans, the United States may be the only major industrialized country currently able to take a lead in a cooperative global effort to counteract the effect of these recent price changes. The United States is least dependent upon oil imports and is benefiting by about $6 billion in FY 1974 from higher prices for its food exports. Its balance of payments in 1974 and 1975 should be strongly favorable despite a possible trade deficit, reflecting the fact that the United States will provide the most attractive investment opportunity for the oil exporting countries with their potential $50 billion to $66 billion annual capital surplus. However, the moral and logical position of the United States in urging essential OPEC action to ease the world crisis would be greatly strengthened by an initiative to use our dominance (together with that of Canada and Australia) of the world food supply to work together with the OPEC countries who dominate the world's energy.

ELEMENTS OF A SOLUTION FOR THE DEVELOPING COUNTRIES

Possibly most important is the need to avoid a serious global recession. This requires that (a) the United States, with the potentially strongest economy, return to a healthy economy in 1974 and that (b) means be found for recycling funds from the foreign exchange surplus nations (OPEC, United States, and Canada) to the most seriously injured industrial and developing countries. Most developing countries will require special help:

1. *The International Monetary Fund*. Only the IMF is in the position to help the developing countries absorb the short-run impact of the price increases. However, its short-term, relatively high interest facilities are far better suited to helping the relatively advanced developing countries (e.g., Korea, Turkey) than those facing major problems with already limited repayment capacity (e.g., India, Sri Lanka).

2. *The OPEC Countries*. The oil exporters must play an important role through a combination of: (a) concessional sales of oil, (b) bilateral aid, (c) massive new support for international financial institutions, and (d) investment in fertilizer production and raw material development for the developing countries.

3. *The Developed Countries*. They need to provide additional help to the poorest countries through such means as (a) arranging a debt moratorium for the most acutely hurt developing countries, (b) redirecting major capital aid from the more advantaged developing countries (e.g. Nigeria, Indonesia) to those most hurt, (c) making available an additional two to three billion dollars annually to finance needed imports of food and manufactured goods by those countries, with one possible means being a new international food program to finance the needed food and fertilizer imports of these countries.

4. *The International Financial Institutions*. The World Bank, the Asian Development Bank, and the Inter-American Development Bank all play major roles both in transferring more resources and in providing leadership and coordination for a global effort to assist the hard-hit developing countries meet their needs for greatly increased production of food and energy. They can assist the IMF in meeting the short-term requirements by increased use of sector and program loans, and they can play a major role in an expanded development assistance effort which should include major contributions from the OPEC countries as well as an enlarged IDA "soft loan" program.

The world faces a crisis comparable in some ways to those of the 1930s and the late 1940s and one which requires a major response if disaster is to be avoided. In the next several months, the nations of the world will be participating in a number of international negotiations that provide a series of forums for the crafting of a new global effort that must include substantial new help—in several forms—to those poor countries which are most grievously injured. The energy conferences provide the first opportunity for exploring such broad approaches. In addition, the World Food Conference set for November could provide an opportunity to create a global program going far beyond food to encompass problems arising out of the energy crisis as well.

THE IMPACT OF ENERGY SHORTAGES ON ENVIRONMENTAL STANDARDS

Mr. HATHAWAY. Mr. President, the current energy situation poses a particular challenge to individuals concerned both about protecting the environment and producing adequate supplies of energy. We have to learn more about the areas where environmental and energy goals appear to be in conflict, if the wisest resolutions are to be reached.

At the request of my colleague from New England, Congressman MICHAEL J. HARRINGTON of Massachusetts, the Congressional Reference Service has conducted a study of the tensions which exist between environmental and energy objectives, with the goal of evolving policies faithful to both sets of values.

The research staff of CRS's Environmental Policy Division used the "team approach" to survey the effect of the energy shortage on air quality goals, nuclear power problems, powerplant siting, Outer Continental Shelf Development, and surface mining of coal and oil shale in the Western United States. The team's findings represent an invaluable contribution to the literature in this area, and I ask unanimous consent to have the report printed in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

THE IMPACT OF ENERGY SHORTAGES ON ENVIRONMENTAL STANDARDS

[Figures referred to not printed in RECORD.]

INTRODUCTION

The recent energy shortages which have beset the United States have created numerous problems. Not the least of these are the environmental issues that have resulted from the imbalance between energy supply and energy demand. These environmental effects can be categorized as problems of extraction, combustion, or siting. All of these have generated considerable controversy in recent years and remain important issues. The seriousness of the present situation has led many to question the desirability of environmental controls regarding the production of fuels and their use. These issues and the energy supply and demand for fuels involved are discussed in the following brief overview. All of these issues could be examined in great detail. The purpose of this report, however, is to put these problems in perspective and to consider the possible impact of the energy crisis on regulations designed to protect the environment.

AN ENERGY OVERVIEW

Energy consumption in the United States has grown rapidly and exponentially. The United States is presently using twice as much energy as it did twenty years ago, and fifteen years from now the increase may be almost double the current usage. This growth rate will continue as individuals improve their standards of living by consuming more energy. The population surge referred to as the "baby boom" in the late forties and early fifties has produced a group of family-forming adults, placing additional demands on our energy resources. Efforts to improve the physical environment of the Nation will also require additional amounts of energy, compounding demand even more. A report of The National Petroleum Council (NPC),[1] for example, projects that environmental pollution control could account for up to 9 percent of total U.S. demand by 1985.

High output of goods and services requires high per-capita energy consumption. Nations with high energy consumption rates invariably have high standards of living. Figure 1 illustrates the relationship between Gross National Product and total energy use. All of the developed nations, including the U.S., in the upper part of the curve are major consumers of energy. The U.S., with about 6 percent of the world's population, presently consumes almost one-third of the world's energy resource output.

Recent data and information indicates that the rate of increase of energy consumption from 1971 to 1972 (4.9%) was more than double the increase from 1970 to 1971 (2.4%). The increase from 1972 to 1973 will very likely be even higher.

The United States obtains its energy from a variety of sources. Most important are the fossil fuels which require combustion to release their energy. Together, these fuels constitute 96 percent of our total energy consumption. Individually, oil is the most important with 43 percent of the energy market, natural gas follows with about 32% of the market, and coal trails with 20%, having lost part of its market to the other two fossil fuels. Hydropower, the generation of electricity by falling water, is diminishing in importance because of the lack of sites that are suitable for development. It currently provides only 4 percent of our total energy production. Nuclear power produces only 1 percent of the Nation's energy at present, but that figure will increase dramatically as new reactors are built and become operational. Figure 2 shows the U.S. current and projected consumption by source.

Petroleum

Petroleum is by far the most important energy source in the United States, supplying 43 percent of the Nation's energy needs. Of that total, gasoline is the largest component, followed by fuel oil and other products (Figure 3). The demand for fuel oil is still minor compared to that for gasoline, although it has risen sharply in recent years. Environmental restrictions on coal (primarily air pollution control requirements related to sulfur) and diminishing supplies of natural gas have forced many industries and utilities to switch to oil. It is conceivable, therefore, that fuel oil demand could grow at a rate of 4.5 percent or more per year. Emission controls and increased automobile weight have temporarily increased the demand for gasoline, although devices to be installed in the future may actually increase gasoline mileage.

Even though demand has risen sharply, supply has not. Domestic production since 1967 has fallen further behind each year. This may partially be due to the fact that oil is found in connection with natural gas, the price of which has made the exploration for new oil and gas fields uneconomical. Between 1955 and 1970, the oil industry spent $68 billion for exploration and drilled 653,000 wells which produced 50 billion barrels of oil. The Chase Manhattan Bank (CMB) estimated that to have met the demand completely, the industry would have had to increase its drilling efforts by 75 percent and spent an additional $50 billion. As the situation now stands, the U.S. demands an average 17.5 million barrels per day but can supply from domestic production only 11 million barrels.

To compensate for this shortage, the U.S. has been forced to turn increasingly to imports. From 1959 through 1973, the Mandatory Oil Import Program strictly controlled the access of foreign oil to the U.S. market. In the past the national policy was to limit foreign oil to about 12 percent of our total oil needs, and most of that oil came from Canada and Venezuela because they were considered to be secure sources of supply.

As demand increased in the United States, however, only the producers in the Middle East had reserves large enough to meet the gap between supply and demand, which had widened to 36% in 1973. By October 1973, close to half of our oil imports were directly from Arab states or refined in Europe or the Carribbean from Arab crude oil. The Arab oil embargo that began that month demonstrated quite clearly the increased vulnerability of the United States in terms of energy resources. Efforts to increase domestic production while promoting energy conservation were successful enough to keep the shortfall manageable. Many of these actions, however, created new pressures on the environment.

Prior to the embargo, the Department of the Interior estimated that the United States would be importing over 50% of its oil by 1980. To prevent that occurrence, the President established a national goal of energy self-sufficiency by 1980. The ambitious goals of "Project Independence" include increased domestic production of crude oil. Recovery of oil from abandoned reservoirs will be one method of increasing supplies but new oil will also have to be found. The most promising sources of new oil include the Alaskan North Slope, the Outer Continental Shelf, oil shale, and coal liquefaction. Development of all these new sources will create substantial environmental problems.

Natural gas

The demand for natural gas has risen at a spectacular rate for the past twenty years. Although the price of gas has risen 200% since FPC regulation began in 1954, compared to crude oil increases of about 50%, gas is still a relative bargain at about 23 cents per million Btus to 90 cents for oil and 30 cents for coal. The convenience of gas also added to its attractiveness as a fuel. A factor of increasing importance is the difficulty that industries and utilities have had in obtaining fuels that meet air quality standards. Because of the clean-burning characteristics of gas, many large users have switched to it from fuels that are more pollution-prone.

The production of natural gas, which was once far in excess of demand and flared just to get rid of it, is now insufficient to meet national needs. In 1970, estimated demand amounted to 59.5 billion cubic feet (bcf) per day, while supply was only 56.5 bcf per day, a daily deficit of 3 bcf. Even with total regulation of gas prices and a greatly expanded exploration effort, it is doubtful that enough additional gas could be found to offset the mounting gap between supply and demand. By 1985, according to the CMB study, there will be a deficit of 47 bcf per day if the study's demand projections are realistic. The self-sufficiency of the U.S. in gas production would then be little more than 50%, even with the addition of gas from the Alaskan North Slope. U.S. gas reserves are sufficient for less than twelve years at current rates of consumption. New additions to the reserves do not match the reserves that are being consumed, and curtailments of service have already been ordered in many parts of the country.

Alternate sources of supply plus synthetic gas made from other fuels offer one major hope of reversing the trend not dependent on successful new exploration. The U.S. presently imports about 4% of its gas from Canada and it is unlikely that a greater percentage will be imported. The amount of incoming Canadian gas will probably triple in the next 15 years, but the increased demand will likely offset that gain and keep the percentage of the total essentially the same. However, addition of a major gas pipeline from the Canadian Arctic could add enough gas supply to increase the percentage of demand met from Canadian sources, as well as make Alaska gas available from the Prudhoe Bay field.

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[1] *U.S. Energy Outlook: A Summary Report of The National Petroleum Council,* December 1972, Washington, D.C.

Imports of gas may become a significant factor in the gas supply. Consideration is being given to the importation of liquified natural gas (LNG) from Algeria, the U.S.S.R., and other countries that have a marketable surplus of natural gas. The costs involved are much higher than for domestic gas but are still presumably within practical limits. By 1985, LNG imports could add as much as 6.5 bcf per day to the supply.

Coal gasification may be a partial solution to the problem. Conversion of coal, our most abundant fossil fuel, to gas can be accomplished in several different ways. Pilot plants are currently testing the different processes to determine the most practical method. Whichever process is eventually selected, it will be more expensive than natural gas and perhaps comparable in price to LNG. Gasification would have a negative environmental effect in that it would require extensive mining of coal, most of which is now presumed to be strip mining. Even with these supplements, about a quarter of the market will not be satisfied, as indicated in Figures 4 and 5 from the CMB study. Other materials besides coal, such as animal wastes, garbage, and some petroleum liquids such as methanol and naptha can be converted into gas substitutes. Already plants producing gas from naphtha are in use and under construction.

The stimulation of flow of natural gas from tight formations in Colorado by nuclear explosives has been under R & D by AEC. A potential of some 300 trillion cubic feet (TCF) is said to be available from such stimulation but environmental intervention and other public concerns have to be resolved.

The AEC and the Department of Interior recently announced plans to proceed with further development tests (Rio Blanco test) in Colorado.

Despite these potential alternate sources of gas supply, the chief hope for eventually balancing the supply with domestic demand lies in new exploration. The Potential Gas Committee estimates that more than four times the presently proven reserves remain to be discovered in economically workable deposits. The Geological Survey estimates are higher yet. Much of this gas is offshore and in very deep formations onshore. The capital and equipment necessary to find and extract this gas will be very expensive. Thus producers want an end to the FPC regulation which has held prices to lower levels than the true market clearing price, so that domestic gas exploration will be encouraged.

COAL

Coal is by far the most abundant fuel in the United States, accounting for about three-quarters of our domestic energy fuel resources. The potential resource base is on the order of 800 billion tons, an amount sufficient to last 1,500 years at the current rate of use. Not all of that coal will be accessible, but even with existing technology about one-fourth could be extracted, enough to last well over three hundreds years.

Even though coal is the one fossil fuel the U.S. has in great abundance, the demand for coal has not kept pace with the demand for energy in general. Most of the traditional markets for coal disappeared when the railroads switched to diesels, industry to residual fuel oil and natural gas, and residences to distillate fuel oil and natural gas. Coal was unable to compete in price or convenience and lost most of its markets. Electric utilities still use large amounts of coal and are the primary users of coal, but they have also turned increasingly to oil, gas, and nuclear energy more recently in order to comply with air pollution regulations.

The President, in his recent energy messages, encouraged industry and utilities to convert back to coal wherever possible. Many of these companies would readily turn to coal in the face of shortages in other fuels if it were not for three factors: cost, air pollution controls, and availability.

Coal has not been able to compete in price with gas, and will be at an even greater price disadvantage with new mine safety laws and strip mining regulations. Utilities have come under considerable pressure in urban areas to limit their emission of air pollutants including sulphur dioxide, which is a product of coal combustion. If coal can be economically desulphurized so that it can be used in areas of high population density, it should experience considerable growth in that market, especially if shortages of other fuels persist. The major restraint is the limited capacity of the industry to produce the additional quantities of coal needed to permit a shift in use away from oil and gas. The decline in coal demand over the past several decades, the higher costs resulting from occupational health and safety laws and reclamation, and the shortage of freight cars have seriously reduced the productive capacity of the coal industry.

To ease the environmental problems associated with the use of fossil fuels, major research efforts are being conducted to determine practical methods of converting coal, which is relatively abundant, to gas, which is not. Several pilot plants are currently in operation. If successful, coal gasification would ease considerably the shortage of convenient, clean-burning natural gas and at the same time would permit utilization of a domestic resource rather than resorting to expensive and risky import plans. Coal gasification, if economically feasible, will greatly increase the demand for coal.

To meet the expected demand will require a doubling of capacity on the part of the coal industry. Environmental restrictions on sulphur content and on strip mining will add considerably to the cost, as will transportation from western coal fields to markets in the East. Even though these costs may be high, expansion of the Nation's coal production is deemed to be an important practical means of assuring adequate power for the rest of the century.

Nuclear energy

Nuclear energy offers considerable hope for a nation seeking more energy. Nuclear power cannot be substituted for all fuels, however, and is essentially limited to the generation of electricity. Development of this power source will relieve considerable pressure on fossil fuels for use as boiler fuel in power plants. That fuel would then be freed to accomplish tasks that cannot be done with electricity. The NPC has predicted that consumption of nuclear energy could rise from about 5 percent of the total electricity in 1972, to as much as 40 percent by 1985. Initially, most of that generating capacity will be from conventional reactors. The Atomic Energy Commission has estimated that proven reserves of uranium at reasonable costs will be available through 1985. Beyond that period more extensive exploration and development would be necessary to provide adequate supplies of uranium for the rapidly growing number of reactors.

Because of the relatively limited resource base of fissionable materials, the U.S. is actively pursuing, as a major national priority, the development of breeder reactors, specifically the Liquid Metal Fast Breeder Reactor (LMFBR). Besides producing thermoelecric power, the breeder makes more fuel than it uses. Since economy of operation of such plants is essentially independent of fuel costs, more expensive ore would be usable. It is unlikely that the first demonstration plant will be in operation before 1980, because of the need to test all systems for efficiency and safety. Another ten years will probably be required for construction of additional breeders before a significant impact is made on the demand for electricity. Conventional reactors will already be relatively numerous by that time.

The major objections to nuclear power have been based on possible environmental damage and radiation hazards. As a result, the nuclear power program has been considerably delayed in many cases. Siting of the reactors has been a major issue as has the discharge of thermal pollution into adjacent water bodies. Concern has been expressed over the possible hazard of radiation leakage and long-term management of radioactive wastes. It is recognized, however, that nuclear power does avoid many of the environmental problems created by conventional power plants. The use of cooling towers, careful site selection, and additional development of safe radioactive waste disposal will add greatly to the attractiveness of nuclear energy as a power source.

Other Energy Sources

Hydroelectric power was once a major source of electricity. Its importance has declined, however, as suitable sites were developed and as other types of generation entered the market. Only 16 percent of the electricity in the U.S. in 1971 was produced by water power, and most of that was concentrated in the western United States where it constitutes 60 percent of the total electric generating capacity. In addition, there are often objections to the siting of dams which would flood recreational areas. Because few sites remain, little growth in hydropower is expected. The NPC estimates average annual growth at only 1.6 percent. By 1985 hydroelectric power will probably provide less than 8 percent of the Nation's electricity.

Geothermal energy is becoming a significant source in areas where the geologic conditions are favorable, particularly in the West. There is currently an operational geothermal plant near San Francisco that produces nearly one-third of that city's electricity. If geothermal energy can be economically used in connection with water desalinization as well as power generation, additional sites will be developed. Under such favorable circumstances, geothermal energy could by 1985 produce 2 percent of the electricity needed by the United States.

Oil from oil shale (primarily the Green River Shale) found in Colorado, Utah and Wyoming represents a tremendous potential energy resource of some 1.8 trillion barrels. The organic matter contained in the shale can yield up to 30–40 gallons of crude oil per ton of shale. The technology of producing oil from shale is fairly well developed, and is economically feasible at current oil prices.

A major environmental problem concerning the disposal of spent shale (of much greater bulk volume than that originally in place) remains to be resolved, however.

Other forms of energy have considerable potential for the future but are not likely to be significant sources of energy before the end of the century. Fusion power is believed to be theoretically possible and has been demonstrated in the laboratory, but many technological problems remain to be solved before it could be developed commercially. Solar energy also has been considered a power source of the future, but existing devices for transforming solar energy to usable forms are too inefficient to be practical. Both these types of energy will be attractive when available because of their potential law cost and negligible environmental impact.

Tidal energy, fuel cells, thermionic devices, and magnetohydrodynamics may become important in the future but are not expected to affect the energy supply/demand balance for several decades, even if they are successfully developed.

ENERGY VARIANCES AND NEPA

In recent years Congress has shown a restrained willingness to waive or defer the operation of the National Environmental

Policy Act (P.L. 91-190, 42 U.S.C. 4321-47) for extraordinary reasons. NEPA applies to virtually every "significant" Federal action which would affect the human environment. For such actions, the agencies are required to develop an environmental impact statement which anticipates the effects of implementing the proposed programs. Compliance with NEPA is enforceable through the Federal courts by citizens with sufficient standing to challenge the action. The courts have interpreted NEPA to apply broadly to Federally-funded projects, even though Federal participation extends only to funding, licensing or permit approval. Over 350 cases have been filed in Federal courts challenging agency compliance with the statute. While few projects have been permanently terminated as a result of NEPA, litigation has, in some instances, caused delay in public works and other projects considered vital to meet the current energy shortfall.

In an action exemplary of the accomodations being made between the demand for energy and protection of the environment, the 92d Congress enacted an amendment to the Atomic Energy Act of 1954 (P.L. 92-307) which provided temporary operating licenses for nuclear power reactors.

AEC licensing procedures are subject to the NEPA impact statement process, and have been prosecuted vigorously by opponents of wholesale conversion to nuclear power. Prior to enactment of the interim licensing measure, several nuclear power stations had been enjoined from operating on line pending full compliance with NEPA. With the energy shortage predicted, Congress adopted the interim licensing legislation to permit reduced power operations at these plants during the licensing year, should extraordinary or emergency conditions develop.

The 93d Congress has also demonstrated a willingness to forego NEPA on specific energy-related projects. The Trans-Alaskan pipeline had been delayed by litigation of issues involving technicalities under the Mineral Leasing Act of 1920 and non-compliance with the National Environmental Policy Act. The Department of Interior was enjoined from issuing a right-of-way requested by the pipeline company on the basis that the Secretary did not have the authority to grant a right-of-way the width requested. As to the NEPA issues which alleged non-compliance, the court refused to decide on the adequacy of the impact statement until Congress amended the Mineral Leasing Act to permit the Secretary to grant the wider right-of-way. In the meantime, a nine-volume impact statement had been prepared by the Department of Interior. Congress adopted a provision in the pipeline Act (P.L. 93-153) which precludes judicial review of the impact statement. Plaintiffs recently announced that they will not litigate the constitutional question of separation of powers which surrounds the provision prohibiting judicial review.

Also, in the Northeastern Railroad Corporation Act (P.L. 93-146), the requirement for NEPA impact statements has been delayed during the preliminary organization stages or revitalizing railway services as a means of shifting transportation modes to meet the oil shortage.

It is reasonable to assume that case-by-case exceptions to NEPA will be granted by Congress on the basis of energy needs. It is apparent that partisans of environmental quality who have in the past been highly protective of the National Environmental Policy Act are willing to accommodate expansion of energy production to meet the immediate emergency. However, environmental consciousness remains high among the constituents, and it is doubtful that there will be a wholesale abandonment of NEPA based on the exigencies of the moment.

EFFECT OF THE ENERGY SHORTAGE ON AIR QUALITY GOALS

Among the most intensely debated issues in the 1st session of the 93d Congress were automobile emission controls and power plant pollution abatement under the Clean Air Act Amendments of 1970. Ever since, the cleanup required of cars and power plants has symbolized anti-pollution efforts to the environmental movement and expensive overkill to the industries affected.

In response to the 1970 amendments, the auto industry has been reducing emissions stepwise by a series of engine design changes and recalibration of operating conditions. These changes have extracted a fuel penalty variously estimated at 5-15% for 1974 model cars compared to 1970 models in exchange for an average emission reduction of about 60% from 1970 levels.

The power industry has claimed all along that there is no way that it can reduce sulfur oxide and particulate emissions to the extent and on schedule required by the Act other than by switching fuels. This the power industry has been doing. In the past four years, power plants burning an aggregate of 19 million tons of coal per year have switched to oil. This has increased oil demand by 208,000 barrels per day.

When the energy issue came to a boil late in 1973, it became clear that at least a portion of the predicted shortfall in petroleum stemmed from the increased demand for gasoline and middle distillate created by the new car emission controls and the power industry switch from coal to oil. When emergency energy legislation hit the floor or both Houses, much of the debate centered on how much of the shortage could be ascribed to these causes, how much fuel could be conserved by softening the Clean Air Act, and how much softening could be absorbed without sacrificing clean air objectives in the short term and the long term.

The emergency energy legislation has not made it all the way through the congressional process. Subject to the possibility of further change as Congress continues debate, the Clean Air Act has not been softened in ultimate objective. The changes to be made in it are in the timetable. And many other elements of emergency energy legislation appear to be proposing steps analogous to those required to reduce air pollution (Table 1).

TABLE 1.—*Some energy conservation proposals with clean air benefits*[a]

Automobile fuel economy standards.

Automobile excise taxes based on fuel economy.

Federal R&D support for fuel-efficient, low-polluting auto engines.

Study feasibility of alternative fuels (hydrogen, methane).

Gasoline rationing.

Promotion of commuter carpools.

Public Transportation experiments (low fare, bus lanes, etc.)

Federal purchasing on total lifetime cost basis.

"Truth in energy" labeling of appliances.

Ban on nonreturnable containers.

Removal of discrimination in freight rates for recyclables.

Personal income tax deduction for home insulation installation costs.

Auto emissions

The Clean Air Act Amendments of 1970 mandated that 1975 model year cars reduce their emissions by 90% compared to 1970 model year levels for hydrocarbons and carbon monoxide. When the 93d Congress began, both the deadline and the percent reduction were coming under heavy fire. In April 1973, EPA Administrator Ruckelshaus granted a one-year extension of the deadline and set a two-tier interim standard for 1975. The auto industry said that meeting these interim standards would require catalytic converters on all cars sold in California and on a significant number of cars sold elsewhere.

At that time, debate centered on how much the devices would add to sticker prices, how reliable they would be, and whether the catalytic converter would in the long run be better than an alternate engine design. Little attention was paid to fuel economy, although data on it were presented in both the EPA hearings on the extension and in Senate Public Works hearings on the EPA decision.

In July, EPA Acting Administrator Fri granted a one-year extension to the auto industry on nitrogen oxide emissions (required by the Act for 1976 model year cars to be reduced by 90% from 1971 model year levels). The energy issue was beginning to heat up about then, and testimony to both the EPA and Congress made very clear that reducing NOx emissions reduces fuel economy—and the more stringent the NOx reduction, the greater the fuel penalty.

When General Motors began to document with ever-increasing impact their claim that the catalytic converter would lead to improved fuel economy while meeting the 1975 standards, the issue was decided. In September, GM projected an 18% increase in fuel economy compared to 1974 models. By November, this projection had dropped to 13%, in January to 10%, because the energy shortage had already caused new car sales to shift toward more smaller cars.

When S. 2589, the Energy Emergency Act, came out of Senate-House conference the week before Christmas, it left the 1975 interim standards in place for 1975 and 1976, relaxed the NOx standards for 1977 to 2.0 grams per mile, and delayed the statutory 90% NOx reduction until the 1978 model year. It also provided authority to EPA to extend the 1975 interim standards into 1977, should going to the more-stringent mandated levels reduce fuel economy (as will probably occur unless new technology comes along).

During floor debate on the Energy Emergency Act, amendments designed to waive emission control requirements on all new cars and disconnect the controls on existing cars during the energy emergency, to waive emission control requirements in "rural" areas, and to soften the statutory objectives of 90% ultimate reduction in emissions were all defeated.

Power Plants

The Clean Air Act requires that new power plants, along with all other new industrial sources of pollutants, be designed to live up to a "standard of performance" in terms of emissions of air pollutants "which reflects the degree of emission limitation achievable through the application of the best system of emission reduction which (taking into account the cost of achieving such reduction) . . . has been adequately demonstrated." The major pollutants involved are sulfur oxide and particulates.

The Act also requires that power plants, again as well as all other pollutant sources, be subject to emission limitations (pollution abatement) when they are located in an air quality control region where the national ambient air quality standards are violated. In these cases, the plants negotiate with the State air pollution control agency (or the EPA in States whose implementation plans have not been approved) to reach agreement on both the extent of abatement to be required and the timetable on which the abatement is to be achieved.

Some States have developed laws or regulations specifying that the abatement is to be achieved by limiting the sulfur content of the fuels burned. Others have left the choice of fuel to the power company, but their requirements have been tough enough to demand either a fuel switch or stack gas scrubbers, or sometimes a combination.

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[a] Introduced in 93d Congress, 1st Session, either in bills or in amendments to bills during floor debate.

EPA's regulations specifying what "the best system . . . adequately demonstrated" can do have met with major resistance from the power companies. This argument is alleged to have been a significant factor in delay of some new power plants and in selection of oil or gas as fuel in others.

Thus, when the petroleum shortage hit in 1973, the need for power and the legal requirements associated with clean air came into direct conflict. Even the winter before, this conflict had developed, but at that time, the petroleum problem was one of refinery capacity, whereas this time it is crude oil supply as well. So this time the Congress faced the question of how to foster a return to coal for power generation and how to handle the violations of the Clean Air Act that would inevitably occur.

The compromise eventually hammered out provides for short term suspension of fuel requirements or emission limitations where plants cannot get the fuels they need to comply. Power plants switching to coal either on their own volition or by order of Federal energy authorities are free from any limitations in the short term but must develop a program to come into compliance by 1979 (five years), by switching back to oil, contracting for low-sulfur coal, or installing abatement equipment.

Plants certified to be phased out by 1980 are exempted from any emission limitations unless they are shown to be creating an imminent health hazard.

This compromise will undoubtedly mean that air quality in major metropolitan areas will decline (or at best get no better) for the next several years. Most of the air quality improvements cited in the last couple annual reports of the Council on Environmental Quality have been in sulfur oxides and particulates and have been the results of switches from coal to oil. In this sense, the compromise is a setback for the environment.

On the other hand, the power industry wasn't abating sulfur oxides and particulates anyway; it was switching fuels instead. But with the probability that low sulfur coal and oil will both be very expensive in 1979, the power industry now has only expensive choices remaining—and taking the sulfur out of coal or installing stack gas scrubbers may end up being cheaper than buying clean fuels. Further, the compromise provides a five-year breather in which the power industry, the coal industry, and the EPA can work out a program. One major thread of industry criticism of the Clean Air Act has been the "crash" time frame in which actions were required.

Summary

The power industry did not win its major points, even though it is off the air pollution abatement hook for the short term. The utilities have been pressing for removal of the requirement that all new power plants have the equivalent of best available abatement technology wherever located, have been pressing for utilization of tall stacks and intermittent controls (venting the gases upward and timing their release to protect the ground below), and pressing for enforcement on the basis of ground level air quality rather than stack-top pollutant concentrations and total outflow. None of these principles were put into the Act.

Similarly, the auto industry did not win everything it wanted. It had been pressing for a three-year hiatus at either the 1974 or 1975 interim levels (it got two years at the 1975 levels and authority for a one-year extension), pressing for permanent relaxation of the NOx standard (it got a one-year relaxation), and pressing for a softening of certification procedures from maxima to averages (it got nothing).

So the great goals of the Clean Air Act remain in place. The all-out attack on them made in the name of energy conservation and continuity of electrical service led only to temporary adjustments and a growing recognition that, more than had been realized before, the cause of clean air and the cause of energy supply flow more closely together than in conflict.

NUCLEAR POWER

It is generally assumed in forecasting future energy supplies that nuclear power will increase rapidly. The forecast by Dupree and West of the Department of the Interior,[3] for example, shows nuclear power supplying 0.6 percent of the total U.S. consumption in 1971 and increasing to 25.7 percent by the year 2000, which would be equivalent to more than half of the total electrical energy generated in that year. During this thirty-year period the total U.S. energy consumption is expected to increase almost threefold, from 69 quadrillion Btu in 1971 to about 192 quadrillion in 2000.[4]

The President's proposals for energy policy emphasize nuclear power. In particular, his message to Congress of April 18, 1973, included the following on nuclear power:

"At present, development of the liquid metal fast breeder reactor is our highest priority target for nuclear research and development.

"Nuclear power generation has an extraordinary safety record. There has never been a nuclear-related fatality in our civilian atomic energy program. We intend to maintain that record by increasing research and development in reactor safety. . . .

"Every effort must be made by the Government and industry to protect public health and safety and to provide satisfactory answers to those with honest concerns about this source of power.

"At the same time, we must seek to avoid unreasonable delays in developing nuclear power . . . This situation must not continue."

Concerning the future of enriched uranium for nuclear power, the President said:

"The Government now looks to private industry to provide the additional capacity that will be needed."

Concerning licensing of nuclear power, he said:

"The increasing occurrence of unnecessary delays in the development of energy facilities must be ended if we are to meet our energy needs. To be sure, reasonable safeguards must be vigorously maintained for protection of the public and our environment. Full public participation and questioning must also be allowed as we decide where new energy facilities are to be built. We need to streamline our governmental procedures for licensing and inspections, reduce overlapping jurisdictions and eliminate confusion generated by Government."

Environmental trade-offs

The overall trade-off for nuclear power is the addition of a substantial new energy resource to the Nation's energy reserves versus the inevitable environmental effects of building and operating large nuclear power plants and the environmental effects of some of the supporting mining, milling, and industrial and waste disposal activities of the nuclear industry. The principal environmental effects include the following:

(1) *Thermal pollution.* Water-cooled nuclear power plants of the kind now commercially available are not as efficient as the best modern conventional steam-electric powerplants. Consequently, they give off more waste heat to the environment per kilowatt hour of electricity sent out. Most of this waste heat is discharged into a nearby body of water where it is ultimately dissipated to the air by evaporation and conduction. Depending upon the amount of waste heat, the rate of its discharge, and the size and circulation of the receiving waters, the temperature of the receiving waters may be raised. Aggravating this situation is the characteristic of nuclear plants that all of their waste heat is carried away by the cooling water whereas in a conventional power plant some of the heat leaves via the smoke stack.

As a result, a water-cooled nuclear power plant discharges about 50 percent more waste heat to the waters than would a modern, conventional counterpart of the same generating capacity. The effects of waste heat from nuclear plants, and conventional plants also, is a matter of controversy. Certainly, heating the temperatures of receiving waters can and does change the nature of marine life present, both plant and animal. Some species disappear and others multiply. The effects may be objectionable to fishermen, both sport and commercial, who may find fewer fish of the kind they wish because of the direct and indirect effects of the waste heat. On the other hand, some species of fish react favorably, such as catfish.

A major commitment to water-cooled nuclear power plants means a potential tradeoff of water quality for electricity, if corrective measures are not taken, or a trade-off of higher capital costs, reduced thermal efficiency, increased use of fuel, and higher rates to the user against better water quality.

(2) *Air pollution.* Emphasis upon nuclear power implies a favorable trade-off between its advantages on one hand and air quality on the other. A nuclear power plant discharges no combustion products. It emits no oxides of sulfur or nitrogen nor does it emit fly ash, cinders or grit. Nuclear power plants may routinely emit small quantities of radioactive materials (see below).

(3) *Water pollution.* Emphasis upon nuclear power implies a favorable trade-off between its advantages and improved water quality (aside from waste heat effects). A nuclear power plant has no coal stockpiles which may be a source of polluting runoff into the local waters nor does it involve the possibilities of fuel oil spills into waterways.

(4) *Radioactive wastes from routine operations.* Emphasis on nuclear power implies a trade-off between its advantages and possible increase of radioactivity in the environment. Nuclear powerplants are designed to emit only very small amounts of radioactive gases and solids into the air and water. AEC regulations and the AEC's regulatory programs are aimed at keeping normal operating emissions well below the maximum levels specified in part 20 of title 10 of the Code of Federal Regulations. Proponents of nuclear power hold that the amounts so released are so small that they would not noticeably increase the radioactive materials already present in nature or increase the exposure to background radiation from those materials, and so would not adversely affect the environment. Critics of nuclear power assert that routine emissions of radioactive materials from nuclear power plants may measurably increase the incidence of cancer in the population. One critic links such release to infant mortality. Other critics express concern about the genetic effect of exposing people in the childbearing age to any additional amount of radiation because of the general assumption that no exposure threshold exists below which radiation will not produce genetic effects. The ability of

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[3] Walter G. Dupree, Jr., and James A. West. United States energy through the year 2000. Washington, D.C.: U.S. Department of the Interior, 1972, 53 pp.

[4] As a basis for comparison, a modern large steam electric power plant with a generating capacity of 1,000 megawatts—whether fired by coal, oil or gas, or using nuclear fission—would be expected to supply about 7.8 billion kilowatt hours, assuming full output for 90 percent of the time.

some marine plants and animals to concentrate selectively certain radioactive wastes in their tissues is also seen as leading to undesirable concentrations of radioactive wastes in the environment.

In November 1972, the Advisory Committee on the Biological Effects of Ionizing Radiations reported to the National Academy of Sciences upon the effects on populations of exposure to low levels of ionizing radiation. In its report, the Committee restated general principles for control of radiation exposure, principles that bear upon the trade-offs for a policy of emphasizing nuclear energy. The Committee advised:

(1) No exposure to ionizing radiation should be permitted without the expectation of a commensurate benefit.

(2) The public must be protected from radiation but not to the extent that the degree of protection provided results in the substitution of a worse hazard for the radiation avoided. Additionally there should not be attempted the reduction of small risks even further at the cost of large sums of money that, spent otherwise, would clearly produce greater benefit.

(3) There should be an upper limit of man-made non-medical exposure for individuals in the general population such that the risk of serious injury from somatic effects . . . is very small relative to risks that are normally accepted.

(4) There should be an upper limit of man-made non-medical exposure for the general population . . .

(5) Guidance for the nuclear power industry should be established on the basis of cost-benefit analysis, particularly taking into account the total biological and environmental risks of the various options available and the cost-effectiveness of reducing these risks.

(5) *Accidental releases of radioactive materials.* Another trade-off is between the advantages of nuclear power and the possibility that large amounts of radioactive materials might accidently be released from a nuclear power plant, or one of the industrial plants in the nuclear fuel cycle, or in a transportation accident. The effects of such releases could range from the inconvenience and expense of clean-up and decontamination but no personal injury, to virtually permanent contamination of land and hundreds or more injuries and deaths. Nuclear powerplants present a very small but still real risk of a catastrophic release of radioactive materials. At issue, then, is the trade-off between risks to the public that may be vanishingly small but still real against the benefits to the public of nuclear power.

A related trade-off is that between the advantages of nuclear power and the possibility that dangerous amounts of plutonium, a nuclear fuel, might be released to the environment either accidentally or as a result of terrorist or other dissident action. Plutonium is intensely toxic and if widely dispersed in a populated place could be expected to cause many deaths.

Quantitative environmental costs

Emphasis on nuclear power coupled with a forecast demand for electricity that continues past exponential growth rates would require the siting and construction of many large nuclear power plants by the end of the century. For example, Dupree and West indicate an increase in installed nuclear generating capacity from 8,687 megawatts in 1971 to a forecast of 960,000 Mwe by the year 2000, an increase of 951,000 Mwe. Assuming most future nuclear power reactors will be 1,000 Mwe in size, and two reactors per site, some 470 new sites would be needed, an average of between nine and ten per State for each of the 50 States.

Taking 470 sites at 2,000 Mwe each for nuclear power, each site represents a land use commitment of 30 to 40 years, depending upon time for construction and the subsequent operating life of the power plants. Each site would require perhaps 500 to 600 acres, for a total of 235,000 to 282,000 acres of land withdrawn from other uses, plus land required for transmission lines to the nearest electrical grid. Of this land, perhaps 20 percent would be occupied by buildings and structures, with the rest not used. Each site would require perhaps 6,500 cubic feet per second of water for cooling, or about 540 acre feet per hour or 4.7 million acre feet per year, assuming no cooling towers. Some of these plants would use cooling towers which are large and ugly structures. Some would use cooling ponds with a size of one acre of water surface per megawatt of generating capacity.

Validity of arguments

The principal arguments for nuclear energy are that uranium and thorium constitute a substantial additional national energy resource and that development and commercialization of the breeder reactor will multiply the energy recoverable from that uranium 30-fold or more. As noted earlier, Dupree and West forecast major increase in use of nuclear power. The National Petroleum Council's Nuclear Task Group estimated last year that, assuming continuation of present Government policies and economic climate, installed nuclear power generating capacity would reach levels of 150,000 megawatts in 1980 and 300,000 in 1985. Note, however, this assumes the development of ". . . an effective Government siting and licensing procedure that minimizes administrative processing and eliminates unwarranted delays in nuclear plant construction and operation."

The forecast that nuclear power will account for half of the electricity generated and a quarter of the total national energy supply in the year 2000 assumes a continued growth of supply and demand for electricity along historical lines. It assumes also a potential supply of uranium ores low enough in price to keep the cost of nuclear power competitive with that from fossil fuels (at 1971 prices). The rapidly rising prices for imported oil and a probable rising price trend for domestic coal ultimately will cause an increase in the price of electricity and so provide an easier target for nuclear power and permit use of less rich, more expensive ores. Also, some critics of the breeder believe that much uranium ore remains to be discoverd, so much so that expedited development and demonstration of the breeder is not necessary and could proceed at a slower pace. Furthermore, it is technically possible to recover uranium from sea water. The breeder concept is being emphasized in the nuclear power programs of Britain, France, West Germany and the Soviet Union, which could provide this country with an impetus for quickening the pace of nuclear power development.

If, for economic or other reasons, the demand for electricity does not increase as forecast, then the need for nuclear power would correspondingly decrease.

Environmental costs involved

The prospective major growth in nuclear power involves some genuine short-term and long-term effects upon the environment.

Nuclear power plants will inevitably dissipate waste heat to the environment which will produce immediate effects that will continue so long as the plants operate. Present nuclear plants discharge that heat into nearby bodies of water, as discussed above. Some present steam electric plants, whether nuclear or conventional, dissipate their waste heat through cooling towers which evaporate water into the air. Fog and ice from these towers under some weather conditions represent an environmental cost. Some future nuclear plants may discharge waste heat directly to the air, which would avoid thermal pollution of water, but could cause undesirable effects upon weather near the plants.

The radioactive wastes from nuclear power plants and the nuclear industry, if released in execessive amounts, could contaminate the local environment, which could cause clean-up problems or deny public access to the contaminated area for many years. The virtually perpetual storage of the intensely radioactive wastes recovered from used nuclear fuels could impose long term environmental effects if methods now being developed for safe storage of these wastes turn out to be defective. In that case, some of the wastes might escape into the ground waters and undesirably increase their radioactive content.

The mining and milling operations associated with uranium supply can be the sources of long term environmental effects. Much uranium is strip mined, or taken from open pit mines. Both mining techniques have pronounced environmental effects if left uncorrected. The waste materials or tailings from the mills that process mine outputs are themselves radioactive from the radium which occurs in uranium ores. Unless these tailings are properly controlled, they can spread radioactive materials into the environment, or if used in construction, can cause undesirable local concentrations of radium and accumulations of the radioactive gas radon.

POWER PLANT SITING

The following discussion is excerpted from two larger works, *Background Report on Powerplant Siting,* prepared for the Senate Committee on Commerce, July 1972, and *National Environmental Policy Act of 1969,* prepared for the Senate Committee on Interior and Insular Affairs, June 1973:

"The conflict over power plant siting developed quite recently. It involves a combination of several interrelated events which have taken place within the electric power industry over the past six to seven years.

"As noted previously, the Northeast Blackout of 1965 drew national attention to the growing problems of electric power reliability. Immediately following the blackout numerous legislative proposals were introduced in the Congress calling for the improvement of reliability to insure that power demands would be met nationwide. During the ensuing period of Congressional debate nationwide interest was also developing in the improvement of environmental quality.

"The power industry was affected by this development in two ways: First, strong interest was shown by citizen groups in the decisionmaking process of utilities resulting in increased demand for 'public input'. Secondly, citizen concern brought about new legislative and administrative action by governmental bodies at all levels to control the environmental impact of electric power generation.

Federal and State legislation enacted during the late 1960's placed increased environmental responsibilities on industry and government regulators. For utilities, the major responsibility took the form of larger investments in pollution abatement and control facilities which, in turn, required added lead time for plants to become operational. Also required is a reappraisal of existing planning processes to take into account such environmental factors as aesthetics and land use controls.

"The action of groups intervening to oppose the siting, construction and operation of many new electric power facilities brings new responsibilities to government regulators. These interveners have expressed the view that the existing siting process does not give adequate consideration to environmental factors and fails to address adequately the need for additional power.

"While environmental interveners have

been successful in some cases before the regulatory agencies, there are other important causes of delays which have been experienced by utilities in the last few years. In this connection, the Chairman of the Federal Power Commission noted at the House hearings on power plant siting, the contributing causes for delays associated with 114 steam-electric generating units of 300 MWe and larger between 1966 and 1970 were as follows: 52 percent involved labor problems; equipment failure, faulty installation of equipment and start-up problems accounted for 23 percent; late delivery of equipment was responsible in 14 percent; and various delays in the regulatory clearance process, including environmental factors, were the cause in six percent of the cases. Nevertheless, according to the testimony of the Office of Science and Technology, the FPC is projecting that the figure for environmental delays may rise to 50% for plants scheduled to begin operation in the 1973–1977 period.

"The existing systems for site approval (which has been changing rapidly in response to new environmental laws) have also contributed to delays in adding new generating capacity. Normally, the siting of a new power plant requires continued liaison between the utility and governmental agencies at all levels. The separate and sometimes conflicting review required by Federal, State and local agencies can mean that a utility would have to be in contact with as many as 70 different governmental bodies for approval of one site. An uncoordinated site application approval system can lead to excessive duplication and expense.

"Where Federal licensing is required for power plants, NEPA section 102 environmental impact statements must be filed. But in the case of all fossil fueled generating stations not requiring Federal action (all but the few built by Federal agencies), NEPA requirements do not apply. Some States have enacted comprehensive power plant siting legislation and unified regulatory authority in a single agency. A majority of the States continue to handle energy siting on an ad hoc 'public convenience and necessity' basis, in the absence of long-range planning and with little public participation in the process. This fragmented planning and approval process has resulted in delays in the siting and construction of needed energy production facilities, poor siting decisions with little regard for concomitant effects on land use and community structure, and failure to consider regional factors such as need and demand balanced against environmental damage. Failure to include the public in the decisional process has resulted in frequent litigation and untimely delays and expenditures by the utilities industry."

The major environmental influences associated with power plant siting revolve around air pollution, land use, water pollution and radioactivity from nuclear power. These last two are discussed in the section on nuclear power. Sulfur dioxide is the most significant form of air pollution produced by fossil-fueled electric power plants. Power plants now account for nearly 80 percent of all man-made sulfur dioxide emissions in the country.

Reduction in the adverse effects of air pollution emissions from power plants can be achieved by: (1) changing the fuel used, (2) improving plant design and operation, (3) invoking site selection factors, and (4) adding new abatement equipment.

The production of electricity is the major consumer of coal in this country. Most of this consumption takes place in the East where a majority of coal-fired plants are located. However, less than one-third of national coal reserves of all classes are located east of the Mississippi River, and nearly ninety percent of the low sulfur reserves (less than 1 percent sulfur) are found in the West. Of the low sulfur reserves that are available in the East, much is generally channeled to the steel industry. Since most thermal power facilities are located in the East, meeting future air pollution standards with low sulfur coal reserves may not be possible without considerable added transportation costs to consumers.

The general influence of power plants on landscape values can be divided into two forms: (1) physical modifications of the site; and (2) aesthetic impacts.

The land required for electric power generating facilities depends upon several factors including the type of facility, generating capacity, location considerations (rural, urban), needs for fuel storage and handling, methods for disposing of waste products, and exclusion areas for nuclear plants. Hydroelectric facilities require the largest amount of land.

The Office of Science and Technology estimated the land requirements for a fossil fuel and nuclear 3,000 MW station built in a rural or less populated area would be as follows:

Plant Fuel, land required (acres), and remarks

Coal, 900–1200 acres, assumes outside coal storage and ash disposal.

Nuclear, 200–400 acres.

Gas, 100–200 acres, assumes pipeline delivery and outside storage tanks.

Oil, 150–350 acres, assumes on-site fuel storage.

In addition to the land physically occupied by generating stations and transmission lines, there are numerous secondary environmental effects which result from air and water pollution, thermal effects on the atmosphere and aquatic environments, solid waste disposal, radiation effects and noise pollution. The projected demands for electric energy indicate that approximately 500 such new plants and their associated transmission lines must be sited over the next 20 years. Placement of these plants is particularly crucial in light of the pressure of land use and the sensitivity of ecosystems adjacent to generating facilities. Additional energy production may also act as a catalyst for stimulating industrial growth within a region, and may therefore create secondary effects which place additional burdens on regional infrastructure and land resources.

OUTER CONTINENTAL SHELF DEVELOPMENT

Outer Continental Shelf (OCS) oil and gas exploration and development have progressed slowly in the past because of the greater costs involved for extraction and the potentially disastrous environmental consequences. Inadequate preventive measures on the part of the oil companies and the often-ineffective regulatory activities of the Federal Government have aroused public consciousness and concern over further development in the wake of a major oil blowout at Santa Barbara in 1969 and numerous incidents in the Gulf of Mexico.

Since the Arab oil embargo began in the fall of 1973, spurring the President's avowal to become self-sufficient in energy resources by 1980, intense pressure has arisen to step up oil and gas exploration and extraction on the U.S. Outer Continental Shelf. In 1973 the Department of Interior leased about one million acres of Federal offshore land for development. This figure is expected to jump to five million acres in 1975 and ten million acres soon after.

Along the East Coast, from Maine to Florida, especially around Long Island, extensive oil reserves are believed to exist. Offshore drilling is meeting active resistance here because of the recreational value of the area and the fear of disastrous consequences. On the other side, many people in the Gulf region are beginning to resent bearing the risk and sending their oil products to the East Coast. What is arising is a many-sided controversy hotly debated by the industry, Federal and State governments, environmentalists and local jurisdictions.

The potential energy reserves of the Outer Continental Shelf, the areas surrounding the contiguous 48 States plus Alaska, have been estimated by the U.S. Geological Survey to be 368 billion barrels of petroleum and 1,598 trillion cubic feet of natural gas. This does not include State offshore[5] which represents less than 10 percent of the potential continental shelf. The potential onshore production is about two to three times the amount already extracted, with most of the significant oil and gas fields already discovered. The opposite appears true for the major fields offshore.

The two principle pieces of legislation that endeavor to control the environmental impacts of OCS development are the National Environmental Policy Act and the Federal Water Pollution Control Act Amendments. Several problems have been encountered in implementing the requirements of NEPA to offshore energy production. Most of these are characteristic of the problems all Federal actions have met in determining the specific content requirements of the environmental impact statement process in Section 102(c) of the Act. To some extent this confusion has delayed ICS development. What appears to be the major difficulty is the tendency to substitute Section 102 for energy and land use policies. The need for analyzing alternatives, deciding agency jurisdiction, and resolving land use conflicts cannot be thoroughly met through NEPA.

The Federal Water Pollution Control Act of 1972 attempts to control any pollution from OCS development through several of its sections. Section 402 establishes a permit system for discharges into the navigable waters of the U.S., including the territorial sea. Section 403, Ocean Discharge Criteria, extends this permit to the contiguous zone and the oceans.

Section 311 provides for liability for the removal of any hazardous material discharged into these waters, with a 12-mile maximum set for the contiguous zone. Two deficiencies for control of pollution exist in the Act, however. The first defines "offshore facility" to be within the navigable waters of the U.S., thus limiting the control of discharges to operations within the three-mile limit. Second, Section 311 does not cover the discharge of oil in cases where it is not dispelled in harmful quantities and is not in violation of the permit issued under section 402.

Although the National Oil and Hazardous Substances Pollution Contingency Plan, incorporated into FWPCA, and various private corporation plans provide for strike forces for expedient containment and clean-up of oil spills, they are faced with some major obstacles. One of these is the lack of adequate specialized equipment for dealing with a serious oil spill. Present plans appear to be successful only in the near-perfect conditions of a calm day, three feet or less wave height, and the close proximity of a clean-up response operation. In addition, jurisdictional authority for response is fragmented on the Federal level among four departments and agencies and five advisory groups which very conceivably could result in problems of coordination and cooperation.

The strain on public confidence in offshore oil and gas drilling is attributable to the very visible nature of blowouts and the potentially serious impacts of major spills. Gas blowouts, with complicating secondary factors, are diluted by the atmosphere without serious side effects. On the other hand, oil blowouts release oil in the form of a slick on the water's surface. This can often result in deleterious damage, especially if the slick reaches land. Both oil and gas blowouts on multi-well platforms are particularly hazardous, since they may damage other wellheads or, through fire, can have a multiplier effect. Data on the number of near accidents or those brought under quick control is not available.

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[5] State jurisdiction usually extends out 3 miles. Texas and Florida have claims to 9 miles.

Industry has identified the major problems contributing to blowouts to be human ones of inexperienced or ill-trained personnel, or inadequate procedures, rather than the lack of adequate technology. Although many companies have strengthened their procedures and initiated special training programs, none of these has been assessed sufficiently to determine its effectiveness.

The U.S. Geological Survey has the authority to require whatever it considers necessary to insure drilling safety. The Survey cites, however, the lack of manpower and resources to make consistent and detailed inspections of each drilling operation. The agency also collects reports on drilling accidents, yet little incentive exists for companies to report any loss of control cases, since poor performance records, restriction of operations, or increased Federal surveillance are likely to be the only rewards.

The percentage of major drilling accidents does not appear to be declining. If it can be assumed that future accidents will occur at a rate similar to the 1964–1971 period, then for every 10,000 new wells begun, 19 gas well blowouts and three oil and gas blowouts can be expected. The five-year schedule drawn for the Gulf of Mexico included 4,500 new holes, and appears to support the accident rate prediction. Out of 4,500 wells planned, nine gas blowouts and one oil and gas blowout can be predicted. Since this schedule was implemented in 1971, one gas well on the OCS and two in Louisiana State waters have experienced blowouts.

The Subcommittee on Immigration, Citizenship and International Law, of the House Committee on the Judiciary, began a series of hearings on acceleration of oil and gas leasing on the OCS January 24, 30, and 31, 1974. Representatives of Government, the oil industry, and consumer and environmentalist groups testified.

Summary of the environmental and economic impacts of OCS development

(1) *Oil and gas blowouts.* Despite a low accident rate and continuing development of technology, the expansion of OCS development will likely result in more accidents. This is especially true in areas where hazardous physical environments may exist, such as the faulted Santa Barbara Channel.

(2) *Damage to marine life.* Certain species of marine life will be adversely affected by oil discharges, although crude oil from drilling is less damaging than the refined oil in some tankers. The effects of crude oil on land biota, however, are fairly disastrous and clean-up nearly impossible without destroying plant life.

(3) *Sensitive areas.* Certain habitats and biological eco-systems will be more seriously impacted by pollution than other areas, among these are shallow water, arctic and tropical regions.

(4) *Chronic pollution.* Pollution in the immediate vicinity of oil facilities does not result in a decline of certain species of marine life. The long term effects are not known.

(5) *Marine traffic.* The increasing numbers of structures in certain areas may interfere with both pleasure and commercial traffic.

(6) *Sport fishing.* Although the structures of offshore oil facilities can provide breeding grounds or a sanctuary for certain fish, the actual benefit to sport fishing has not been thoroughly documented.

(7) *Commercial fishing.* Commercial fishing is unlikely to be affected except in cases where major oil spills prevent boats from going out and clogs fishing gear or where marine traffic is hampered such as in regions of the Gulf.

(8) *Recreation.* Certain areas, depending on the occurrence of major accidents or the degree of chronic pollution, may be adversely affected for recreational or tourist activities. Santa Barbara is a prime example of such a short term consequence.

(9) *Land use.* Any OCS development will necessitate the construction of onshore facilities for processing. Conflicts in both long and short term land use planning may arise if such problems are not properly anticipated.

(10) *Regional development.* The economic impact on particular regions is dependent on various factors. The effects on employment are dependent upon the level of regional unemployment, manpower needs, and the availability of trained personnel. In areas such as the East Coast, it has been estimated that only incremental benefits will result, due to the already existing and substantial industrial base.

SURFACE MINING OF COAL AND OIL SHALE IN THE WEST

The recovery of these fossil fuels is in two different modes; the surface mining of coal having been under way since the mid-1960's, while the use of this method for oil shale is just beginning. In both cases, the Federal role is paramount. The growth of the coal surface mining industry in the West is linked to the establishment of thermal electric generating plants in the Southwest under Federal auspices. This problem was explored in considerable detail by the Senate in 1971 hearings which were a part of the energy study authorized by S. Res. 45 of the 92d Congress.

Development of oil shale as an energy resource has been confined to the research stage until this time. Now that leasing of several large tracts of Federal oil shale land has been completed, that development will be accelerated. One of the 5,100 acre leased tracts in Colorado is to be operated as a surface mining facility in order to determine the feasibility of this means of recovery.

A more expensive survey of the environmental and economic considerations associated with the use of surface mining techniques in western coal and shale deposits is presented below.

Surface mining of coal in Western States

There are two centers of surface coal mining activity in the West which have undergone extensive economic/environmental analysis. The first is in the Southwest in the so-called Four Corners area where Utah, Arizona, Colorado and New Mexico meet. The second is further north in Wyoming, Montana and the Dakotas, and has only recently become quite active in coal stripping.

The Senate Interior Committee report on the Four Corners investigation of 1971 summarized the economic benefits of development of an areawide power generating complex with this excerpt from an Interior Department study:

"Construction of 30,352 megawatts and associated mine and transmission facilities would require a capital investment of $11,810 million. About $5,000 million of this would be spent for equipment and supplies manufactured outside the area of production. Approximately 365,000 man-years would be required for construction. Annual employment during operation would total about 17,600 jobs, including the employment of about 1,600 Indians. Payrolls would aggregate $4,765 million during construction and upon completion of Phase IV would total about $195 million annually during operation."

The economic returns from one of the huge surface operations, the Navajo mine, were described by a company representative, who said:

"In terms of local benefits, this year our mining operation alone is providing 300 jobs in the Navajo Reservation with a total payroll of $2,800,000. Sixty percent, or about 180, of our employees are Navajo Indians. Navajos occupy responsible positions at all levels of our mine operation. Navajos drive the big and costly haul units; they operate mining shovels and auxiliary equipment; our biggest draglines, four and a half million pound rigs valued at up to four million dollars apiece, are operated by Navajos and their performance is outstanding; and Navajos occupy key positions on our administrative staff. We have great pride in the competence and industry of our Navajo employees and I think they would tell you that Utah is a good employer.

"This year the Navajo mine will pay more than a million dollars in royalties to the Navajo Tribe, and $600,000 in taxes to the state of New Mexico. Our purchases in New Mexico during 1971 are estimated at more than $1,250,000.

"Also this year we will spend approximately $800,000 for purchases in Arizona, Colorado and Utah. By the "ripple effect" of these expenditures and payments, aggregating about $3,650,000, their benefits are multiplied throughout the economy of the four-state area. In addition we make purchases for the mine operation from as many as 15 or more other states annually, and this number is increased further when equipment purchases are included. As important as any other benefit is the fact that the mine operation has brought regular, long-term employment to the Navajo people on their reservation."

The dollar returns from surface mining to the Indians of the Southwest are of great importance because of the lack of other sources of income. Other witnesses, however, took the position that the tourist industry now provided a significant flow of money into the area, if not to the Reservations and the Indians. These witnesses suggested that tourism should be expanded and more opportunities made available for the Indians to benefit from this trade. One Indian, Robert Salabye, questioned the relatively short term nature of the mining jobs, 20–30 years, saying:

"Industries, such as Peabody Coal Co., moving into our land is not a true economic development for the Navajo people. Peabody Coal Co. will receive $750 million for the coal it mines on Navajo lands while the Navajo people will receive only a little over $1 million per year. In the process we will lose over a billion gallons of pure water. True economic development would be the Navajo Tribe developing its own resources, not giving them away. The jobs created by the mine will be over in 20 to 30 years and we will be like the people in the Appalachians where coal mines have destroyed the health of the people who worked in them, left the land scarred, and the people without hope.

"There are many advantages to locating large companies on Indian reservations yet few of these advantages help the Indian people. This appears to us as economic exploitation of our Navajo land. Our labor, our money, our resources, our personnel, everything necessary to create a viable Navajo Nation, is being taken. We get pollution, token jobs, and Indian friends."

The air pollution resulting from burning the coal at the power plants, and the scars left by surface mining were cited by other witnesses as factors which would reduce the economic benefits to be derived from a now healthy tourist industry.

The adverse environmental effects of surface mining in the mountainous East are well known. In the West, the problems are different, but of no smaller magnitude.

The Senate report offered these findings:

1. Two coal strip mines—Navajo and Black Mesa—are currently operating as parts of the thermal power generating complex in

the Southwest. The size of these operations is expected to increase greatly in the near future and these mines may become prototypes for similar operations elsewhere in the West.

Insufficient effort is being made at these sites to obtain environmental information and experience related to strip mining, and to demonstrate the success of available technology.

At the Navajo mine, 1400 acres have been mined since 1963, but only 100 acres have been reclaimed. A portion of the mined area is to be used as a disposal site for ash from the Four Corners powerplant, however, making liberal allowances for this purpose, more reclamation work should have been accomplished.

It is essential that full advantage be taken of these opportunities to obtain information and experience in minimizing the environmental impact of surface mining, and in reclaiming the land after mining.

2. The attempts at revegetation at the Navajo mine have not been successful. There has been insufficient effort to improve upon this record and to provide a convincing demonstration that effective reseeding is possible.

3. There is a lack of data and there has been practically no research on the actual and potential effects of wind or water dispersal of various trace elements from open pits, spoil areas, fly ash disposal areas, or coal processing facilities.

4. The role of the Interior Department as trustee for the Indian tribes demands that, notwithstanding the role of any other agency or party to the contracts, it is the responsibility of the Department of the Interior to inspect these mines and insure compliance with all provisions contained in leases, contracts, and mining plans.

Navajo Peter Zah expressed another concern of his people:

We are extremely concerned about the effect of the Black Mesa mine on the domestic water supply of the Navajos in the large area from which the five deep wells on the Mesa will draw water. The figures from Peabody Coal Co. are that they will draw over 1 billion gallons of water for the slurry lime each year, or a projected annual total of 3,200 acre-feet. An unavoidable effect of these deep wells will be to lower the water table by over 100 feet in the Navajo sandstone aquifer which might dry up many, if not all, of the wells surrounding Black Mesa. As for the surface wells on Black Mesa itself, Peabody Coal Co. proclaims that they will not be affected by the deep wells. However, in fact, the direct result of the strip mining operation will be to destroy natural springs, washes, and other places where the people of the Mesa water their livestock. Therefore, the Navajos in the Black Mesa area are facing the possibility of a critical water shortage, and a destruction of their way of life."

The particular set of environmental and economic factors changes in the northern Great Plains, but a problem of great proportion remains.

The economic use now being made of the land surface is greater than that in the Southwest. In the north, a more abundant (but scant by Eastern standards) rainfall allows farming and grazing of livestock as a financially rewarding venture. Thus, to destroy the agricultural capacity of this land is to destroy a more valuable (at least in dollar terms) resource than in the Southwest.

That same more abundant rainfall greatly enhances the chances for successful rehabilitation and revegetation of the Great Plains landscape upon completion of the mineral recovery phase of the mining operation.

If, however, power plants are to be built in the Fort Union coal formation underlying portions of the four States, the availability of enough water to supply existing requirements, plus the generating plants, is uncertain.

Surface mining of oil shale in Western States

Unlike the booming coal stripping operations in the West, the oil shale industry is still nascent. And while the economic benefits and environment costs are increasingly evident, these parameters for oil shale remain nebulous and speculative.

Economic considerations in the past have kept oil shale on the list of possible future sources of energy because the cost of extracting oil from the shale was higher than the cost of available domestic and imported crude oil. The gradual increases in crude prices over the years, and now topped with the astronomical leaps in price of Mideast crude since the latest Arab-Israeli war, have made the recovery of shale oil much more attractive. Cost of recovery is estimated at $6–8/bbl. as compared with a hoped-for stabilized price of $10–11/bbl. for foreign crude.

A clear measure of this increased attractiveness is found in the comparison of oil industry bids for the leasing of oil shale tracts on Federal lands.

An attempt at leasing was made late in 1968, with the bids reaching only $500,000. No bids were accepted by the Interior Department. Recently, however, another lease sale was held in which one tract of slightly more than 5,000 acres received a bid of $210,305,600—which was accepted by the Interior Department.

Audubon magazine recently summarized the impact of strip mining one of the leased tracts, as anticipated by the Interior Department's environmental impact statement, as follows:

"Of the six proposed sites, only the one designated as Colorado C-a is expected to extract the shale through surface mining involving the destruction of 1,800 acres of vegetation and the "disturbance" of 1,200 acres of topsoil. Over 7 billion tons of overburden, or non-oilbearing rock, would have to be removed to get at the oil shale beds that lie between 100 and 850 feet beneath the surface. The eventual depth of the mine pit is expected to be about 1,400 feet, and spent shale would not begin to be returned to the mined void until the sixteenth year of operation. In the interim the dry, pulverized shale would be stored aboveground in gullies and canyons."

There would be other adverse effects resulting from processing shale and refining the oil—air pollution, disposal of liquid wastes, for example—but these would follow from the other recovery and processing methods as well as from surface mining.

As in the case of coal surface mining operations and power generation, available water supply is expected to be a problem in the processing of oil shale.

A January 4, 1974, Wall Street Journal article noted environmental opposition to development of the oil shale because of the relatively small economic benefits to be derived from the current experimental program:

"Jim Moorman, executive director of the Sierra Club's legal defense fund, says, 'We think the oil-shale program is far more dangerous than any offshore drilling program, and all for maybe 500,000 barrels of oil a day 10 years from now. It just doesn't make sense.' "

In a comprehensive review of the Interior Department's environmental impact statement on the oil shale leasing program, an interdisciplinary group of scholars working on a project of The Institute of Ecology (TIE) offered these findings:

A. The EIS for the proposed oil shale leasing program is deficient in significant respects, including the accuracy of the data, the extent of the analysis and the manner in which the material is presented.

B. The EIS fails to give thorough consideration to alternatives and their environmental impacts: available program alternatives are dismissed, despite environmental impacts that may be less severe than those of the proposed program; energy alternatives are neglected on the basis of incomplete information and unsubstantiated assumptions.

C. Data on environmental impacts of the events to be caused by oil shale development are not presented or analyzed systematically. Critical cause-effect relationships, such as the ecological changes which might result from anticipated reductions of wildlife, or the environmental impact of offsite power generation, water supply and transportation, were misunderstood and/or neglected by the authors of the EIS.

D. The EIS evidenced a recurring tendency to over-estimate the importance of the proposed program to beneficial ends (energy supply, economic gain) and to under-estimate its importance with respect to adverse impacts (environmental damage of many types). Conversely, alternatives are characterized with the reverse emphasis.

E. Although large quantities of data are presented in the EIS, it lacks a balancing procedure by which decision-makers and the general public can weigh competing factors. Cost-benefit analysis, which can be a useful aid to such balancing, was not employed in the EIS.

F. The EIS neglects analysis of the environment effects of potential conflicts posed by the proposed program with existing Federal and State air and water pollution laws and suggests no measures to mitigate the many adverse impacts that can result from contradictions and legal loopholes in the program's lease form.

G. The EIS made no attempt to analyse the severe environmental changes likely from development of a mature oil shale industry despite implications that steps will be taken under the proposed shale program which may be practically and politically irreversible.

H. Despite its deficiencies, the EIS outlines clearly the immense magnitude of potential adverse environmental impacts of the proposed oil shale program. In this light alternative program design could be reconsidered and the lease redesignated as a mitigating factor.

ANNIVERSARY OF THE INDEPENDENCE OF SENEGAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the Record a statement by the distinguished Senator from Indiana (Mr. Hartke).

The PRESIDING OFFICER. Without objection, it is so ordered.

STATEMENT BY SENATOR HARTKE

ANNIVERSARY OF THE INDEPENDENCE OF SENEGAL

Mr. President, today marks the celebration of the 14th anniversary of the independence of Senegal, with whom the United States has close and friendly ties. I am thus delighted to extend to President Leopold Sedar Senghor, Prime Minister Abdou Diouf, and the people of Senegal best wishes and congratulations.

Senegal is the African country physically closest to the Western Hemisphere, serving as an air and sea crossroads for West Africa, the Americas and Europe. Most Americans who visit Africa are likely to stop first at

Senegal's modern capital, Dakar. Culturally, Senegal also enjoys growing links with our own country despite barriers of language. American tourism is growing steadily as Senegal expands its facilities to accommodate the tourists seeking famous local art, crafts, dances, gracious beaches, exciting deep sea fishing, and even a budding movie industry.

Symbolic of these widening cultural ties was Senegal's decision to host the Pan African-United States Track and Field Meeting last August. The glowing success of this event was shared by spectators and participants alike, and moved President Senghor to write President Nixon that he hoped these competitions could be regularly scheduled on a biannual basis. President Senghor's own gifts as a world-reknown poet were given particular recognition in this country when the American Academy of Arts and Letters voted him honorary membership in May, 1973.

Under President Senghor's leadership, Senegal has benefitted since independence from political stability and steady social progress. President Senghor was re-elected to a third term of office in 1973 by an overwhelming popular vote. President Senghor is a champion of a national economic development through regional cooperation, and Senegal is taking a leading role in the formation of the West African Economic Community. Inspired in part by the success of our own Tennessee Valley Authority, Senegal joined with neighboring Mauritania and Mali to form the Senegal River Valley Development (OMVS) to help provide a viable economic future for the drought-affected northern parts of Senegal. President Seneghor is also the current president of the African, Malagasy and Mauritanian Common Organization (OCAM), which embraces a majority of French-speaking African nations.

This year, Senegal, like many of her neighbors, is working hard to overcome the serious effects of two years of drought, the worst Africa has known this century. During the last harvest year, the United States contributed to Senegal 45,000 tons of emergency food grains and this harvest year gave another 10,000 tons of additional food grains. The United States also contributed $1.14 million in various forms of non-food emergency assistance, and recently signed a special agreement with Senegal to provide funds for special drought recovery and rehabilitation projects. Already drought recovery projects totalling $1.4 million have been agreed upon, and more are being rapidly indentified. Our country clearly intends to continue to extend a helping hand to Africa's drought victims, including those in Senegal, and has confidence in the ability of the Senegalese people to meet the challenge facing them.

To help provide a better future and spur diversified economic growth, Senegal has adopted a highly favorable Investment Code backed by a record of respecting contractual agreements second to none. Senegal hopes many American businessmen will participate in Dakar's first International Trade Fair, which will run from November 28 to December 15, 1974. The Senegalese Government puts out the welcome mat for American investors, whose imagination and know-how Senegalese leaders believe will accelerate Senegal's economic progress. The Country's main export is peanuts, followed by increasingly valuable phosphate sales. Iron ore and other minerals await development as rising world prices encourage investors to seek new sources of raw materials. Senegal is already expanding its tourist, winter vegetable, fishing, and manufacturing industries, all sectors to which American managerial and technical skills can contribute. In business, as well as in cultural and social fields, ties between Senegal and the United States appear destined to multiply for the mutual benefit of the Senegalese and American people.

PRESENT FEDERAL DISASTER RELIEF BENEFITS TOTALLY INADEQUATE

Mr. TAFT. Mr. President, in addition to the tragic loss of lives the tornadoes have caused in the Midwest, they have leveled large parts of Ohio's communities and left many of our constituents penniless and homeless. These events remind us once more that the 5-percent loans, the only monetary relief now provided by the Government to disaster victims, are a shamefully inadequate response to the needs of families with modest means whose homes and businesses have been destroyed. The provision of this meager level of asistance to our citizens in their time of greatest need is all the more incredible when one considers that less than 10 days after the bill which abolished disaster grants then in effect was passed, the President asked for as much money as necessary to help victims of the Nicaraguan earthquake.

If the tornadoes had struck at the time of Hurricane Agnes, victims would have been able to receive $5,000 grants and 1-percent loans for repair and replacement of property, but a victim now can receive only a 5-percent loan. This is unjust and it underlines the need for fast legislative action.

The Emergency Disaster Recovery Act, which is supported by the American National Red Cross but has not been acted upon by Congress, would allow the Federal Disaster Assistance Administration in the Department of Housing and Urban Development to make grants to cover essential disaster relief expenses relating to the repair or replacement of housing and other personal noncommercial property. Grant amounts would be limited to expenses which could not be covered through other means, including the Federal 5-percent disaster relief loans, without causing the family affected by the disaster to incur financial hardship. These amounts would be determined on a case-by-case basis, but the total appropriation for grants per disaster could not exceed $2,500 multiplied by HUD's estimate of the number of families in need of grant assistance. Thus, if the bill were now in effect, disaster victims would be eligible for needed grant assistance in addition to the 5-percent loan.

The casework involved would be done by the American National Red Cross or other public or private nonprofit agencies or organizations with whom HUD contracts, or by HUD in areas without suitable agencies or organizations. The suggested amount per family would be certified by such groups to any "local citizens' review board," recognized by either the State or the local government as HUD deems appropriate, which could alter the amount certified. HUD could supply a grant amount to an affected family which differs from the amount certified, as altered by any local citizens' review board, only if the reasons for so doing were stated in writing. In addition, HUD's determination of the aggregate appropriation for grants would take into account evidence submitted by the certifying groups.

It is especially unfortunate that we are again faced with acting retroactively, because we have not been diligent in facing this problem. I warned specifically on December 18, 1973, that this would turn out to be the case.

THE VIETNAM POLICY QUESTION

Mr. KENNEDY. Mr. President, as Congress prepares to review and evaluate future American policy and assistance toward the countries of Indochina, the views of such seasoned diplomats as our former Ambassador to the United Nations, Mr. Charles Yost, should hold a high place in our consideration.

Recently, in a column published in the Baltimore Sun, Ambassador Yost discusses how the United States hand still tips the balance in Vietnam, and our need to further disengage. He asks the fundamental question that has plagued our policy toward Vietnam for over two decades: what is our national interest in Vietnam and the other Indochina countries?

Unless we ask, and answer, this question, we will be destined, as Ambassador Yost phrases it, "to pass Vietnam on to the next generation like some hereditary disease."

Mr. President, I would like to share Ambassador Yost's important essay with my colleagues in the Senate, and I ask unanimous consent that the full text, as well as a related editorial from the New York Post, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Baltimore Sun, Apr. 1, 1974]

U.S. HAND STILL TIPS VIETNAM BALANCE

(By Charles W. Yost)

It seems as though it was impossible for the United States to unburden itself of Vietnam, as though we were fated to pass it on to the next generation like some hereditary disease.

The administration has recently asked Congress for authority to increase military aid to South Vietnam during the current fiscal year from $1,126 billion to $1.6 billion, that is, for authority to spend an additional $474 million for this purpose during the next three months. The New York *Times* points out that during the first year after "peace with honor" was concluded in Paris, U.S. expenditures for weapons and ammunition in Vietnam were only 25 per cent less than those of the war year 1972.

The fact is that the elaborate charade conducted at Paris was designed to bring about, not peace in Vietnam, but disengagement of U.S. forces and return of our POW's. Neither Vietnamese party was then prepared or seems now prepared for any political settlement which would not lead to the total elimination of the other from the South. The war, therefore, continues and will continue as long as both have the capability to pursue this unlimited objective.

There are still in Vietnam about 4,000 American civilians in military-related jobs in support of the Saigon government. We continue to supply that government with large quantities of arms, ammunition and highly sophisticated military aircraft. This may not be a formal violation of the Paris accord, but it is certainly a violation of its spirit.

It is argued that the North Vietnamese

and their allies also are violating the accord, which they no doubt are, and that we are therefore justified in doing so. This was the argument used in the 1950's, and early 1960's to justify our increasing intervention. We know where that argument led us then.

The fundamental question is of course the old one—what is our national interest in Vietnam and the other Indochina states?

In the mid-1960's the administration decided our interest was so great as to justify sending there 500,000 American troops and, before it was over, sacrificing 50,000 American lives. In the early 1970's we decided that was unnecessary and intolerable. Whatever happened to Vietnam was not worth such sacrifice.

But we have still not made up our mind what is the extent of our residual national interest. What are we still prepared to expend and to risk to maintain that status quo in Vietnam and Cambodia?

The administration obviously still has a profound emotional commitment, and a publicly stated military commitment, to both.

This formulation has been at the root of our difficulties in Indochina for many years. We would have been and would still be more likely to keep the peace if we reversed it, if we said "we will not tolerate violations" by our friends, and we expect the other side to observe the agreement to the same extent our friends do. Such a formula would be both more principled and, one would have thought, easier to enforce.

That, however, is not the policy of the administration. In a news conference last August, James R. Schlesinger, the Secretary of Defense, said we would support South Vietnamese forces from the air "in the event of overt North Vietnamese aggression." It is primarily for that purpose that we maintain large air forces (nearly 40,000 men) at bases in Thailand.

Since Mr. Schlesinger spoke, the Congress has adopted a joint resolution on war powers which provides, inter alia, that the President "shall consult with Congress before introducing U.S. armed forces into hostilities." One wonders whether the administration would undertake such consultation before commencing aerial bombing "in the event of overt North Vietnamese aggression."

The present ambiguous situation in Indochina, in which the U.S. is three-quarters out and one-quarter in, has two grave disadvantages. First, it risks leaving to Hanoi the decision whether, by escalating the fighting, to drag the U.S. back into combat, and incidentally by so doing gravely to damage our détente with China. Second, even if hostilities are not escalated beyond the present level, our involvement relieves President Nuguyen van Thieu of South Vietnam and President Lon Nol of Cambodia from the need to seek political settlements and further prolongs the endless agony of Vietnam and Cambodia.

It would seem that the clear implication of our decisions to withdraw our forces from Vietnam and to stop bombing in Cambodia is that maintenance of the status quo is not vital to the national interest of the United States. If the status quo is not vital to us, it is high time we removed our thumb from the balance and let it assume whatever its natural equilibrium may prove to be.

The latest Viet Cong proposal for a political settlement may or may not be serious, but the only way to find out is to negotiate. Any further U.S. aid to President Thieu, other than purely economic, should be withheld until he negotiates seriously, honestly and to some conclusive end.

[From the New York Post, Apr. 2, 1974]

Unwritten Treaty?

While there is actually no "bilateral written commitment" requiring the U.S. to continue furnishing aid to the Thieu government in South Vietnam, official Washington is strongly bound by a much more solemn obligation—known as the Substantial Commitment. At least that is what Secretary of State Kissinger maintains in a message to Sen. Kennedy (D-Mass.), who asked for an explanation of the Nixon Administration's views about the Paris "peace" agreements. In Kennedy's opinion, the White House is "perpetuating old relationships and continuing old policies, as if nothing had changed."

According to Kissinger, however, the Paris accords and "our long and deep involvement in Vietnam" are both indications that "We have . . . committed ourselves very substantially, both politically and morally" to Saigon's survival and must continue to do so in the name of "self-determination" for the South Vietnamese—a statement inconsistent with Thieu's denial of basic freedoms to his people.

Now Thieu's information minister is calling upon Washington to deliver more economic aid, possibly up to $3 billion by 1980.

Since he took a principal role in the negotiations, it is Kissinger's privilege to expound the meaning of the Paris agreement as he understands it. But no irrefutable logic protects his argument that our prolonged involvement in Vietnam somehow obliges the U.S. to remain "committed" there indefinitely. Last fall, the Secretary of State informed the United Nations that "the Vietnam war has ended." Daily war news refutes that boast. He conceded that there was an "uncertain peace." It grows more uncertain and unstable each time that he or the President, or other Administration spokesmen reaffirm support of a government in Saigon "substantially committed" to unending war.

THE NATIONAL SMALL BUSINESS ASSOCIATION

Mr. BIBLE. Mr. President, certainly, no other single problem is causing millions of American small businessmen more anguish these days than the tax laws they believe discriminate against them in favor of their big business competitors. Additionally, the complexities of those laws and regulations increasingly seem to provide a maze of almost inextricable perplexity. Today, some 97½ percent of all American manufacturers, merchants, and construction companies are small businessmen who make up this key sector of our economic life. And let me suggest that the protests from this segment of our business community are getting louder and coming oftener as the small businessman's tax and paperwork woes increase.

An influential member of the prestigious tax-writing House Ways and Means Committee, the Honorable Richard H. Fulton of the Fifth Congressional District of Tennessee, pinpointed some of these issues in an excellent, thought-provoking address on March 27 before the Board of Trustees of the National Small Business Association here in Washington, D.C.

His remarks centered on the comprehensive small business tax and simplification and reform bill, that it was my honor to first introduce back on June 30, 1970, as an effort to provide a meaningful rallying point for small business tax advocates.

Now nearly 4 years later, this Bible-Evins tax bill is before the House Ways and Means Committee for consideration. We believe this progress has been made because of the determination and understanding among others of two distinguished Representatives in Congress, the Honorable Joe L. Evins of the Fourth Congressional District of Tennessee, and Representative Fulton. Representative Evins, as chairman of the House Select Committee on Small Business, is the chief proponent of this bill in his body and, as the dean of the Tennessee congressional delegation, has committed himself to seeking its enactment.

In advocating this long overdue relief measure for the 12 million smaller businessmen of the country, who furnish about half the Nation's jobs and nearly 40 percent of its gross national product, they both have high marks in trying to assist the small merchant in this vital area.

It is a matter of history that the only previous small business tax originated as a Senate amendment rather than developing through the usual Ways and Means Committee channel. Now, because of the efforts of these two Tennesseans, our comprehensive small business tax bill (S. 1098, H.R. 5222, H.R. 8705) is at the threshold of consideration in the fouthcoming executive sessions on tax reform of the Ways and Means Committee.

Accordingly, the small business community and the country owe to Tennessee and particularly to Representatives Evins and Fulton a debt of gratitude for their advocacy of this excellent proposal and their effectiveness in bringing it to this point in the legislative process.

Because of the wide interest in the tax reform and relief goal in this bill, I ask unanimous consent that Representative Fulton's remarks be printed in the Record.

There being no objection, the speech was ordered to be printed in the Record, as follows:

Remarks for the National Small Business Association, March 27, 1974

(By the Honorable Richard H. Fulton)

Since being elected to Congress in 1962 I've learned a lot about this great country of ours. A major part of my education has been an insight into the gigantic sector of our economy known as the Small Business Community.

Before being elected to Congress, I was a small businessman, and still like to think of myself that way. During the past twelve years I've learned how Small Business works in Washington, and want to say at the onset this evening that I've never seen a better group in operation than the National Small Business Association.

I have been fortunate to get an advanced look at the presentation you will be making to the House of Representatives tomorrow morning. I have never seen the case for small business presented in a better or more forthright manner. I'll certainly be in there working for this program.

It concerns me when I consider the totality of small business in America—10 or 11 million of them throughout the country. That's really the problem—no one ever considers the totality of small business! When we come upon hard times as we have seen lately, and General Motors is forced to close down a plant, and lay off 30,000 or 40,000 employees, it comes as a great shock! But if these hard times continue, and if each small businessman is forced to let go just two employees each, that would mean an additional 20 million unemployed across the country! That would add up to economic disaster.

As a member of the House Committee on Ways and Means, I have a proprietary interest in taxes and the Internal Revenue Code. Some time back, National Small Business approached me and asked if I would like to serve as a small business spokesman within the Ways and Means Committee. I happily agreed.

Serving on this committee puts a person in touch with fundamentals. The Constitution considered it fundamental that all tax measures originate in the House of Representatives, which is closest to the people. This committee is the practical instrument of this mandate.

Ways and Means membership is a constant reminder of our common enterprise of taxation to sustain the country. It is also a reminder that the incidence of those taxes depends upon the effectiveness of representation and thus reflects the common enterprise of our democratic government. But today, as always there is a tie between economic democracy and political democracy.

Theorists long ago pointed out that people who are financially independent are more likely to make up their own minds and act on their own opinions. The word "alienation" is a fancy 20th Century term for a man who feels he has no stake in the system. It is the same thing Thomas Jefferson was getting at when he held up as a model that each man should be the owner of his own farm—since farm land was the prime source of wealth in the thirteen colonies. If Jefferson were alive today his model would no longer be a farm; it would be a small business.

It is not well enough known in this country that small business forms not only the foundation of the economy, but much of its framing, roofing and other key parts.

We have learned in recent years that small business provides more than 50 percent of the jobs in the economy. It produces about 37 percent of our entire gross national product. Whether it is the 50,000 construction companies that build our homes and account for the highest dollar volume industry or the independent truckers and service station operators who keep America moving, small businessmen perform the vital functions of the economy and hold the vital position of community leadership of towns and cities across the nation. But small business provides even more. Small business is a tremendous engine of progress for individuals, for families and for their communities. In this it is also the surest safeguard we have of our political democracy.

And yet there is glaring discrimination against small business in our Federal tax system. For viable economic roots to grow into hardy plants, they need to be nourished. Our tax system over the past couple of decades has done the opposite. It has made it increasingly difficult for small firms to be born and to grow. We are indebted to the National Small Business Association and the National Committee for Small Business Tax Reform for pointing out, as Senator Bible, Rep. Evins and Rep. Vanik have also pointed out, that the actual operation of the corporate tax system is steeply regressive.

Frankly, it is surprising to me to hear the testimony last April for our committee that manufacturing corporations with less than $50 million in assets pay more than 50 percent of their income in Federal taxes, while the largest 100 corporations, as a class, pay an effective rate of less than 25 percent.

This is the surest guarantee that available investment capital will flow to the giant firms where it will be more profitable, thus directing a disproportionate share of market growth in proportion to size.

Senator Bible told our committee that this is economically unsound. It is also unfair on the basis of ability to pay the principal, which some of us like to think has some place in the field of taxation. However, today I believe there is opportunity for relief.

As Chairman Mills has pointed out, the three major tax reform movements since World War II originated with the Congress. Mr. Mills' own hearings on tax reform of 1958 and 1959 laid the foundation for the revenue reduction, depreciation, investment credit and excise tax measures passed between 1962 and 1965. The tax reform hearings launched and conducted by Chairman Mills in 1969 and 1973 have given us another golden opportunity in 1974.

The labor of many organizations and many people has brought a technically sound small business tax bill before the Ways and Means Committee as a subject for possible action during the executive sessions on tax reform. The National Small Business Association must be given credit for its sustained, imaginative and determined efforts of the last four years in advancing the legislation to this point. They have been responsible for aligning more than 30 national and regional organizations in support of this bill. I was impressed to learn of the many sections of the bill which the American Bar Association and the American Institute of Certified Public Accountants are directly supporting. I am impressed by the letter which your organization has obtained from Chairman Russell Long of the Senate Finance Committee that our bill will be the principal focus for consideration of small business tax needs when this matter reaches the Senate.

Because of all this hard work, and the testimony rendered in public session by Congressional witnesses and three private business organizations before our committee last spring, the Small Business Tax Simplification and Reform Bill has passed most of its procedural tests and is now eligible for consideration by Ways and Means in executive session.

There are additional technical requirements which the committee imposes before a bill can be deliberated among its members. We must have reports from the executive branch of the government from the agency or agencies concerned. I understand that such reports have long existed within the Small Business Administration and in the Treasury Department, but they have not been transmitted formally to Capitol Hill. I am in the position to request that such action be taken and I have done so.

For the information of the committee members who bear the fiscal responsibilities of the government, we must have estimates of the revenue gains or losses that would result from any tax bill. Our bill has been designed since its first introduction to raise a surplus of revenue for the Treasury. This is an anti-inflationary factor and is particularly appropriate to emphasize at this time. The present bill would bring in a surplus of about $300 million.

The Small Business Committee Chairmen have in the past I understand suggested that there be a detailed section-by-section estimate of the revenue consequences of our proposal. As a member of Ways and Means, I am in a position to obtain such an analysis and I have requested that it be done.

The third and perhaps most obvious requirement is that someone be willing to call up a bill for consideration. Because our committee is one of the hardest working Congressional committees it meets almost daily in public or executive session, and because of the tremendous pressures of events and time on our deliberations, this will not be an easy task. However, because of my belief in the free enterprise system and the meaning of small business to this country, I give you my commitment that I will raise this matter in the executive sessions on tax reform.

If we can succeed in placing small business tax reform on our agenda, it will be an historic step forward.

As most of you know, the 1958 small business tax bill was never approved by the committee as such. It was added in the Senate to a Technical Amendments Act and then came back to the House of Representatives to be approved in the conference report.

In my judgment, committee action on our bill in 1974 will signal that the branch of government closest to the people has declared its intention to be responsive to the needs of a greater number of our citizens for basic tax equity.

The practical significance of such Ways and Means action, in terms of the respect for which its opinions are held in the House of Representatives and elsewhere is well recognized.

The sum of what I have covered might sound to you like a major endeavor to make the American tax structure more equitable and to bring a fairer relationship between labor and reward. I think that is the cause in which we are engaged and, not only as a Member of Congress, but as a taxpayer and former small businessman I am proud to be associated with the National Small Business Association and the 12 million small businesses of the country in this worthy and honorable effort.

WILLIAM BUCKLEY SPEAKS OUT FOR A YOUTH-ELDERLY ALLIANCE

Mr. PERCY. Mr. President, William F. Buckley, Jr., has recently written two columns on the problems of caring for our elderly citizens. He has done an excellent job of diagnosing the reasons so many of our senior citizens wind up in institutions for the aged and for pointing out the tremendous financial cost of providing nursing home care.

For a long time now I have been extremely concerned with the adequacy of care for the elderly provided by our nursing homes. Although high quality care is available, it is, as Mr. Buckley points out, available to only a very few. And where high quality care is not available, the lack of money and manpower are much more to blame for substandard conditions than is a lack of human concern.

Mr. Buckley suggests as a possible solution to the evergrowing problem of adequate care for the elderly a partnership between the old, whose needs are often insufficiently met, and the young, whose energy and enthusiasm can be so beneficially utilized in caring for the old.

In Illinois, I have actively urged the implementation of just such a partnership between youth and the elderly. With my encouragement, large numbers of Illinois students volunteered to spend time in nursing homes assisting in the care of the residents. I wrote to high schools, colleges and nursing homes. The response from both groups was overwhelming: the young people were delighted at finding ways in which they could truly be useful and appreciated and at gaining firsthand an understanding of a different generation; the elderly residents enjoyed tremendously not only the services performed, but the warmth of personal contact with young and vibrant individuals. I have reported to the Senate Committee on the Aging, on which I serve, the outstanding results achieved.

The concept of a partnership between youth and the elderly for their mutual benefit, is one which I therefore enthusiastically endorse now, after considerable experience.

There is reason for the fact that drug abuse is greatest among two groups—youth and the elderly. Both share in common a feeling of being out of the mainstream, American life—both on occasion feel unneeded and sometimes unwanted. Contributing to each others welfare in a meaningful way, can many times provide a focus and purpose to life that would not be there otherwise.

I hope that groups and individuals across the Nation will seek ways to encourage this potentially valuable alliance. I commend Mr. Buckley for his insight into the problems of the elderly and for his recognition of the very beneficial results of a youth-elderly affiliation. I ask that Mr. Buckley's two articles be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Washington Star, Mar. 21, 1974]

A UNION OF THE YOUNG AND THE OLD

(By William F. Buckley, Jr.)

I spoke the other day of the excruciating problem of the aged, and how it grows worse.

Simultaneous with the increase in the aged is the increase in the college population. That population in 1930 was 1.1 million. In 1970, 8.4 million.

It is my proposal that the burden of the nonprofessional work done in behalf of the aged should be done by young men and women graduated from high school, during one year before matriculating at college. The idea of public service of some kind or another by the citizenry has frequently been proposed. There has been an instinctive coolness towards the idea primarily because of the conscriptive feel of it: The suggestion that government require anyone to do anything of a philanthropic character tends to put one off, and for reasons not by any means all bad. The opportunity is great for initiative from the private sector.

I envision a statement by the trustees of the 10 top-rated private colleges and universities in the United States in which it is given as common policy that beginning in the fall semester of 1976 (to pick a year far enough away to permit planning, soon enough to generate excitement), no one accepted into the freshman class will be matriculated until after he has passed one year in public service. I say public service because if the plan were very widely adopted, there would be more young help available than could be absorbed in the nursing homes alone. There are many other ways in which the young could be used. As guards in the grade schools, just to give a single example (there are 1,700 auxiliaries in the New York schools alone), but for convenience I dwell on the care of the aged.

As regards the financing, it would be required only that the government exclude this category of volunteers from the provisions of the minimum wage. Otherwise the economic advantage would substantially dissipate. The nursing homes would of course provide board and pocket money (mostly, the volunteers could continue to live at home). In the unusual case where the 18-year-old is helping to support his own family, the college could either suspend the requirement or concert with foundations to find ways to permit the young volunteers to eke out the year.

The colleges would take the position that they desire, in matriculating freshmen, an earnest of public concern, and extra-academic experience of a useful kind. The intervention of hundreds of thousands of 18-year-olds into the lives of the aged would serve more than merely the obvious purposes of cleaning the rooms and pushing the wheelchairs and washing the dishes. It would mean, for the aged, continuing contact with young spirited people in their most effusive years.

For the young it would mean several things. It would postpone by a year their matriculation at college. College administrators are all but unanimous in their conviction that an older student, one year, rather than freshly graduated, from high school gets more out of college. The experience would, moreover, interrupt the inertial commitment to more-and-more education, and some of the less strongly motivated, the rhythm having been broken, would probably elect not to go on to college.

The experience—particularly because of the voluntary aspect of it—would remind young people at an impressionable age of the nature of genuine, humanitarian service, which is the disinterested personal act of kindness, administered by one individual directly to another individual. And the experience would touch the young, temperamentally impatient with any thought of the other end of the life cycle, with the reality of old age; with the human side of the detritus whose ecological counterparts have almost exclusively occupied fashionable attention in recent years. Their capacity to give pleasure to others, without the stimulant of sex, or the pressure of the peer group, or the sense of family obligation, or the lure of economic reward, could not help but reinforce the best instincts of American youth, and these instincts are unstimulated at our peril.

What it might provide for society as a whole, this union of young and old, is, just possibly, the reestablishment of a lost circuit: of spirit, and affection, and understanding.

THE PROBLEM OF CARING FOR THE AGED

(By William F. Buckley, Jr.)

I have made a proposal, outside this column, which is beginning to gather attention; and so I launch it here, believing, as I do profoundly, that it would go far in meeting a particular need, and in transforming the relationship, in America, between young and old.

James Michener says, bluntly, that in his opinion the problem of caring for the aged looms as the principal social problem of the balance of this century: greater than ecological asphyxiation, greater than the energy crisis. The figure is, I suppose, scientific impressionism, but it has been said that one-half of those who are now 65 years or older would be dead if medical science had been arrested even a generation ago. It is absolutely predictable that medical progress will continue, and with it the successes of gerontology.

Already it is a subject one shrinks from dwelling upon—the years and years between the time when men and women are, if the word can be used in this context, ripe to die, and the day that increasing millions will die. Euthanasia, pending word to the contrary from the Supreme Court, is unthinkable.

The cost of caring for the aged, most of whom need supervisory medical attention on a continuing basis, is suggested by this recent datum, namely, that the daily cost of a semiprivate hospital room in New York City is now over $100. Good private homes for the aged are beyond the reach of any except the very, very few. There are charitable and religious homes that will take in elderly people in return for their Social Security checks. But these—I think, for example, of the Mary Manning Walsh Home in New York City—are necessarily exclusive, with facilities cruelly unequal to the task at hand.

The physical facilities and professional services needed for the aged are extremely expensive, and there is no way to avoid the capital cost of them. Certainly there is no reason to discourage the private sector from addressing itself as vigorously as possible to the building of suitable homes. Professional medical aid will have to be furnished by doctors and highly trained nurses, the cost of whose services is high and will probably get higher.

The only variable is in the cost of unskilled labor. And the only human leaven is youth, whose functional companionship could greatly affect the quality of the last years.

The Mary Manning Walsh Home in New York employs full-time 40 doctors and 43 registered nurses. The cadre of its professional staff is 50. It employs, as cooks, waiters, janitors, nurses' assistants, elevator operators, laboratory workers, a total of 311. There are 347 beds in the home, so that the ratio of unskilled employes per patient is very nearly one for one. Or, taking the figures for the nation, in 1969 there were 850,000 Americans in nursing homes that employed 444,000 people, or one employee for 1.9 patients. (In 1963, there were 491,000 resident patients of nursing homes, so that in six years the figures almost doubled.)

The republic faces a crisis of a very particular and very poignant kind. We are aware of the reasons why less and less the aged die at home. The principal reason is the lengthening life span. Another is the need for certain kinds of care that cannot readily be provided at home. Another is the diminishing domestic utility of the great-grandmother or great-grandfather. Still another is the very high cost of urban living quarters where 73 percent of the American people live. All of these combine to create the institution of the nursing home.

COMMUNITY ACTION OF GREATER WILMINGTON

Mr. BIDEN. Mr. President, for the past 8 years Community Action of Greater Wilmington has been a leader in the fight against poverty in New Castle County, Del. CAGW has been responsible for the coordination of OEO programs in the county, and has helped meet the needs of 15,000 indigent Delawareans.

The President, in his budget for fiscal 1975, has proposed that the continuation of community action programs be a State and local option. However, it is not difficult to realize that State and local units of government lack the necessary revenues to adequately fund community action programs, and should the responsibility for their continuance be relegated to these State and local units, we would soon see the demise of community action programs.

The achievements of Community Action of Greater Wilmington have been recognized in a resolution passed by the Wilmington city council, which calls for the continued funding of the community action programs in Delaware and throughout the Nation.

Mr. President, I too commend Community Action of Greater Wilmington for its achievements, and I ask unanimous consent that the resolution of the

Wilmington city council be printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

RESOLUTION

Whereas, Community Action of Greater Wilmington, Inc., has for the last eight years served as the official vehicle for a mobilization against poverty in New Castle County; and

Whereas, the Federal Government has, under the Economic Opportunity Act of 1964, provided CAGW, Inc. with the funds to plan, coordinate and carry out programs such as credit unions, neighborhood service centers and Head Start, which annually meet the needs of approximately 15,000 low-income and no-income residents of New Castle County; and

Whereas, the Administration has not requested funds in its fiscal 1975 budget for Community Action Programs, and instead places the responsibility for the continuation of Community Action on State and local governments; and

Whereas, these units of government do not possess the revenue to assume the Federal responsibility for advocacy on behalf of the poor.

Now, therefore, be it resolved by the Council of the City of Wilmington That we, the Members of City Council, call on the President and Congress to support National legislation that embodies the spirit and intent of EOA 1964, continues the funding of Community Action Programs, and insures the participation of the poor in a decision-making capacity.

Passed by City Council, Mar. 28, 1974.

THE 25TH YEAR OF THE NORTH ATLANTIC TREATY ORGANIZATION

Mr. HUMPHREY. Mr. President, 25 years ago, on April 4, 1949, the North Atlantic Treaty was signed in Washington by the Foreign Ministers of Belgium, Canada, Denmark, France, Iceland, Italy, Luxembourg, the Netherlands, Norway, Portugal, the United Kingdom and the United States. We all know that in October 1951, the Governments of Greece and Turkey also subscribed to the treaty, and that West Germany became a member of the alliance after the signing of the so-called Paris Agreements in 1954.

I believe that the NATO Alliance remains the cornerstone of national security for this Nation and its Allies. For a quarter of a century the alliance has provided protection and the means of cooperation which were envisaged by its architects.

I came to the Senate when the NATO Alliance was consummated. I voted for its adoption. And I have supported it throughout my years of public service.

Looking back at some of the circumstances which prevailed at the creation of the Western Alliance enables us to see how the alliance has changed and matured.

It is impossible to forget the great many ominous developments taking place in 1947 and 1948 at the time we were embarking on the Marshall plan. At the beginning of 1947, Poland came under direct Soviet control. By the autumn of that year, the Cominform was established to promote the ideological unity of the countries under Soviet hegemony. In February of 1948, the Communist Party gained control of Czechoslovakia through force and not through any expression of the will of the people. In June of that year the Soviet Union began the Berlin blockade.

We must not forget that it was in this context and atmosphere that the North Atlantic Treaty was drafted, beginning in December 1948, and then signed some 4 months later on the day we are now commemorating.

An alliance, like life itself, changes, and matures. NATO has as its sole original purpose the containment of the massive military power of the Soviet Union. In other words, the establishment of this alliance was viewed strictly in the context of military defense.

To be sure, that posture continues, but new dimensions have been added. Over the years, the NATO Alliance has provided the institutional foundation on which European economic and political unity was being constructed. In other words, we have witnessed economic and political cooperation being fostered by a mutual defense pact. This important phenomenon has been the source of NATO's great strength. It is also the source of many of its difficulties today.

If greater European economic and political cooperation has had an immeasurable effect on NATO, the changes in the Alliance's relations with the Soviet Union is the other critical factor in examining a changed NATO at its 25th year.

From the strictly defensive posture of the cold war days, we were able to work together within the North Atlantic Council to foster the twin themes of defense and détente. Let me stress here that our old ally France had much to do with this process and deserves considerable praise for cooperating in the Council in order to promote this shift of attitude and policies.

The much heralded advance toward détente with the Soviet Union has brought in its train problems of a complexity and sophistication unknown to the Alliance since its formation. Perhaps the advance has been a bit too rapid. Perhaps it has been to one-sided. Perhaps some members have feared that the United States was moving so rapidly it would leave its oldest friends behind in a race for seeming economic and commercial advantages. And today, some see a slowing down of détente and an increase of suspicions between East and West.

I do not believe we can pretend that these problems do not exist within the Alliance or that they are not serious. They go to the very heart of the Alliance and to its central purpose as a defensive mechanism ready to defend Europe against Soviet aggression.

Defining the areas in which the Alliance should operate is perhaps one way we can begin to resolve some of the problems and misunderstandings which beset NATO today.

NATO's military function is still preeminent. Western Europe is our first line of defense. In this capacity, I believe it is important to point out that the United States is not defending Europe—it is participating in the defense of Europe. Although we now have approximately 300,000 troops in Europe, our allies now provide about 90 percent of NATO's manpower, 80 percent of its ships and 75 percent of the aircraft in Europe. Our NATO allies have increased their defense expenditures between 1970 and 1973 by 30 percent. Total allied defense expenditures as a percent of GNP have held steady at 4.2 percent since 1970 following a general decline in previous years.

I was pleased to note that in the area of cost burden sharing, Secretary Shultz and Finance Minister Schmidt of West Germany have just concluded an agreement which would fulfill the provisions of the Jackson-Nunn amendment to the Military Procurement Authorization Act of last year. This agreement should go a long way to proving the sincerity of the Europeans that they are willing to share the great financial burden of maintaining a credible military alliance. This does not mean that more cannot be done or that we should not continue to encourage our European friends to increase their commitments. But recent progress made in burden sharing demonstrates the strongly felt need to maintain a strong alliance.

I consider the American commitment of troops to the NATO Alliance to be one of the cornerstones of our participation in the defense of a continent to which we are inextricably linked. I strongly believe that a unilateral withdrawal of these forces or a considerable unilateral reduction would be a weakening of the physical and psychological fabric of the alliance. It would strike a serious blow to the prospects for peace, future chances of international cooperation and the security of the United States. Such a reduction now would be viewed as a serious weakening of our commitment to the defense of Europe.

Despite the great progress in easing the tensions between the United States and the Soviet Union, it is clear that the military situation in Europe has not been greatly altered.

The forces deployed by the Soviet Union and its allies remain undiminished and have been continuously strengthened. Hopefully, NATO possesses a marginal capability to successfully conduct a conventional defense against Warsaw Pact forces. But American forces are needed on the ground in Europe to maintain the balance we have with the Warsaw Pact in light of general nuclear parity between ourselves and the Russians.

I do not believe it is in the interests of the United States to unilaterally reduce its troop strength in Europe in the face of Soviet military power. Those who advocate such a move must ask whether our basic security interests would be served by a unilateral troop reduction. They must also consider the political implications of such a precipitous move on the domestic political process within Western Europe.

A brief examination of the political scene in Europe will reveal that a majority of governments within the alliance are experiencing serious political difficulties. The newly elected Labor Government in Britain holds a majority of unprecedented small proportions. Chancellor Brandt is said to be facing serious political difficulty within his own party which places added pressure on his coalition government. The Italians are continuing to have many of the same problems they have been experiencing over the years and, with the death of Georges Pompidou, there is new political uncertainty in France as the election process begins.

The clear lack of political stability in Europe, combined with the uncertain economic climate on both sides of the Atlantic, makes the coming months a particularly inauspicious time to embark on unilateral troop reductions. Some European experts of the political process see the very likely possibility that an American unilateral troop reduction would greatly "radicalize" European politics. Whether this is the case, it is clear that the political implications of an abrupt American move would add new and troubling uncertainties to the European political scene at a time of existing economic and political difficulties.

If a unilateral American troop withdrawal would cause increased political uncertainty, it would surely heighten nationalistic sentiment in Western Europe. I have little doubt that greater European nationalism could, in turn, trigger an increase in economic protectionism in the United States. Ultimately, the alliance would suffer from such a deterioration of economic and political relations. It is important to realize that security is not to be found in military power alone. It is also to be found in economic and political cooperation in a context of greater consultation.

Almost every member of our alliance at one time or another has complained because its allies were not giving it material or moral support in some area outside of the geographical limitations described as the treaty area. This is another fundamental issue which must be faced and discussed openly.

The Dutch had their complaints about the U.S. attitude toward the former East Indies. The Belgians have often believed that the United States somehow promoted the loss of the Congo. Above all, the French have complained bitterly about inadequate U.S. support in Southeast Asia and virtually nonexistent support with respect to North Africa. The United States for its part turned right around and complained about the lack of enthusiasm of its alliance partners for the struggle in Southeast Asia when we took it over from the French. There is a certain irony and a certain justice involved in that proposition.

Most recently and most importantly, the United States and its Western European Allies have had a very real difference of opinion over developments in the Middle East. This is a matter of profound regret to me personally because of my deep interest in a Middle East settlement. I have been disappointed that the weight of the Atlantic Alliance has not been placed in the scales alongside us in helping to bring about such a settlement.

At the same time, I can intellectually, if not emotionally, appreciate a number of the arguments made by our European friends about their desire for noninvolvement. Considering the more fortunate position of the United States with respect to energy, and the dominant role played by American companies in the oil business, I can even understand why Western Europeans should have parted company with us to some degree in their rather frantic efforts to deal with the energy crisis. The fact is they had some reason to feel frantic because of their higher collective rate of inflation, their far greater exposure to Arab blackmailing efforts, and their already enormously high cost for energy. I can only hope and express the belief that we have been making substantial progress in remedying the breach caused within the alliance by these very important disagreements. I am not just being an instinctive optimist in expressing the view that we will overcome any such problems; as we have overcome others in the past.

But I must state that on almost every occasion one NATO member or another has been disappointed by the behavior of other allies when efforts are made to transfer the moral and political authority of the alliance outside of the European context. Despite these understandable differences, the NATO alliance remains strong and durable.

During the past few weeks both Americans and Europeans have spoken more bluntly and frankly about European-American relations both within and outside of the NATO alliance than at any other time in the postwar period. I have expressed my dissatisfaction with the remarks made by President Nixon and others which seemed to threaten our allies and demand certain behavior from them in order to insure our participation in their defense.

I want to restate my strong belief that these tactics do not strengthen a military alliance and surely do little to encourage greater economic and political cooperation across the Atlantic. If the American presence in Europe is indeed a key element in our national security, then using this fact as a bargaining chip in economic and political negotiations among allies does little to convince Europeans of our desire to see the defense of Europe and the United States as one and the same. It is an unfortunate way of behaving when time and time again we have heard that our commitment to Europe is nonnegotiable.

It is clear that we must search for a way to increase the consultation procedures both in and outside of the alliance. Both the United States and its NATO allies have been guilty of failing to consult one another. Without the development of formalized consultation procedures, I fear that we will be continually faced with recurring crises as a result of precipitous action taken without consultation. The tendency for action without consultation to occur in the economic and political context is much greater than in the military context. But it is impossible to contain the resulting ill feelings and hostility among allies solely in the original area in which the crisis occurred. There is, of course, spillover which damages the entire range of European-American relations.

These are only some of the complicated areas we must deal with on a daily basis in order to maintain and improve our alliance relationships.

In conclusion, Mr. President, I believe we must continue to deal with the Soviet Union and the countries of Eastern Europe in ways approaching normal relationships as closely as possible, while simultaneously remembering that we cannot help but express and act in consonance with our opposition of the totalitarian rule of societies to the East. We are going to have to deal more vigorously with the question of creating a more coherent policy governing the use of nuclear weapons, in all their varieties and in all their menace. The critically important SALT talks must be fostered and assisted to the best of our abilities, as well as the current MBFR negotiations.

These are all great and challenging tasks. And the road ahead assuredly cannot be regarded as a smooth one. On both sides of the Atlantic we face serious economic and political dislocations which only serve to exacerbate tensions within a military alliance. But I am confident that both Europeans and Americans will be able to work together to assure their mutual security as they have done over the last quarter of a century. NATO continues to be the shield of our defense, and a vital force for peace and cooperation.

THE PRESIDENT'S TAXES

Mr. LONG. Mr. President, the Joint Committee on Internal Revenue Taxation has reviewed its staff report on the President's taxes for the years 1969 through 1972. While we have not completely analyzed all of the technical aspects of the report, the members agree with the substance of most of the recommendations made by the staff. Because of the President's decision to pay the deficiencies and interest for 1969 through 1972, as asserted by the Internal Revenue Service, whose determinations closely approximate the recommendations of the committee's staff, the Joint Committee on Internal Revenue Taxation has decided to conclude its examination of the President's returns. The committee commends the President for his prompt decision to make these tax payments.

The above statement was agreed to by all of the members of the joint committee present except the Senator from Nebraska (Mr. CURTIS).

Senator CURTIS expressed the view that he concurred in the motion to conclude the examination but dissented from the concurrence with the staff report.

FEDERAL ELECTION CAMPAIGN ACT AMENDMENTS OF 1974

The ACTING PRESIDENT pro tempore. Under the previous order, the hour of 11 a.m. having arrived, the Senate will now resume the consideration of the unfinished business, S. 3044, which the clerk will state.

The legislative clerk read as follows:

S. 3044. To amend the Federal Election Campaign Act of 1971 to provide for public financing of primary and general election campaigns for Federal elective office, and to amend certain other provisions of law relating to the financing and conduct of such campaigns.

The Senate resumed the consideration of the bill.

The ACTING PRESIDENT pro tempore. Time for debate between 11 a.m. and 12 o'clock noon will be equally divided and controlled by the distinguished Senator from Nevada (Mr. CANNON) and the distinguished Senator from Alabama (Mr. ALLEN).

Who yields time?

Mr. ALLEN. Mr. President, I yield myself 5 minutes.

The ACTING PRESIDENT pro tempore. The Senator from Alabama is recognized for 5 minutes.

Mr. ALLEN. Mr. President, the question now before the Senate is whether debate on this great and fundamental issue shall be brought to a close and the bill in its present shape, with little likelihood of amendments, will be rammed through the Senate. A vote in the negative—a vote against cloture—would allow the bill to remain before the Senate in order that amendments not now at the desk may be presented and considered by the Senate and acted on. Hopefully, one such amendment would be to remove the public financing feature from the bill and retain the other features, the features providing for limiting contributions to $3,000. That is too high. Hopefully, that will be reduced.

On yesterday, the Senator from Alabama sought to get that reduced to $250 in Presidential races and $100 in congressional races. But that amendment was voted down.

Mr. President, the pending bill in its public financing aspects is not campaign reform.

What atrocities have been committed in the name of liberty. What atrocities have been committed in the name of campaign reform. Turning a bill for political campaigns over to the taxpayer is not reform.

That is what this bill provides, for greatly accelerating the costs of many races, and providing subsidies for candidates for the nomination for the Presidency up to $7.5 million for each of the multitude of candidates.

You can rest assured, Mr. President, that there will be a multitude running, with the Government paying up to $7.5 million per candidate.

With the Government paying the bill, it will draw our Government farther away from the people. The Government is already too far away from the people. But, as the taxpayers are required to pay the costs of Federal elections, there will be less consideration on the part of the incumbents in Federal offices for the people they represent. They will be less in touch with them. They will be farther removed from them. They will be less responsive to the wishes of the people.

If the public treasury is financing their campaign, there will not be the voluntary participation on the part of the electorate, on the part of individual citizens, because they are coerced into contributing, by the provisions of this bill, requiring the Treasury to pick up the tab. That will create apathy and less interest in political campaigns. Also, Mr. President, with the Treasury paying the bill and the taxpayers—that is a synonym for the Treasury—with the taxpayers paying the bill, this of necessity would require the taxpayer as part of the Treasury, whose funds go to make up the Treasury, to support candidates with whose views and philosophy he disagrees.

Now, what reform is there in that? What reform is it to pay, for example, in the State of California, over $2 million to each of the senatorial candidates in the general elections to enable them to carry on their campaigns, after having contributed up to $700,000 for each candidate in the primary?

A U.S. Senator from the State of California—and I notice both the California Senators are supporting this, and I use California obviously because it is a State with the largest population—but under this bill, if we do not have an opportunity to amend it, and I do have amendments that would cut these amounts down, but as the bill now stands, the public treasury would turn over to each of the candidates for the office of a U.S. Senator in California, each of the candidates of the two major parties, at the start of their campaigns, a check for $2,121,000.

When I talk about the evils of big contributions—and the Senator from Alabama has been trying to get them reduced, but the advocates of public financing do not want them reduced, they want it to be $3,000—I call that a big contribution myself—I would like to see it reduced to $250—what reform is there in financing half of the campaign of all the candidates in California, or any other State in the Union, and then paying a subsidy running up to over $2 million in the State of California for the senatorial campaign?

As I pointed out here on the floor, a U.S. Senator's compensation over a 6-year period would run about $250,000—about a quarter of a million dollars in 6 years; yet the Government, to enable the senatorial candidate under this bill—and I have tried to knock out House and Senate coverage in the bill, but Members of the Senate apparently want their campaigns financed by the taxpayers—and that is what this bill says—it provides that Senators and House Members will have their campaign in the general election financed 100 percent by the taxpayers.

Is that reform, Mr. President?

Reform comes from cutting down the overall amount of expenditures and contributions, with full disclosure of all the contributions and expenditures, and then cutting down on the amount of the individual contributors.

Now, Mr. President, on July 30 of last year the Senate passed a good reform measure, S. 372, and sent it over to the House. It did not have any public financing whatsoever in the bill. As a matter of fact, an amendment to put public financing in was rejected by the Senate by a substantial vote. We have not even waited on the House to act on that bill before changing the entire theory of our legislation.

I believe we are acting too hurriedly in this matter, Mr. President. I believe we need to consider this further, rather than to adopt a gag rule that will prevent the submission of any other amendments not now at the desk. There is no amendment at the desk that would try again to knock the public financing feature out of this bill; and if cloture is adopted, no such amendment can be offered.

I am hopeful that the Senate will not cut off debate and go ahead and ram this bill through, because the solution of the problems arising from political campaigns and the financing of political campaigns lies in true reform, not merely in public subsidy.

The issue presented here, as the Senator from Alabama sees it, is whether by extending the debate we might end up with a true reform measure, or whether we are going to settle for a solution of handing the bill to the taxpayer. Handing the bill to the taxpayer would require an "aye" vote on the cloture motion. Holding out for further consideration and possible true reform would call for a "no" vote on cloture. That is the issue here, as the Senator from Alabama sees it.

The issue is whether we are going to pass a measure, a so-called reform, which in actuality is for a Federal subsidy. We already have Federal subsidy to a great extent—Federal subsidy in every field one can think of, for that matter—and we are now getting around to subsidizing the politicians directly. There has been a great deal of talk about subsidizing them indirectly. This would subsidize them directly.

Mr. President, earlier this year, the Senate rejected an effort to increase the compensation of the Members of the House and the Senate by $2,500. The Senator from Alabama voted against that effort. How can we consistently say that we are not going to pay the House and the Senate Members $2,500 more in salary, but that we are going to make it possible for them to reach into the Federal till and pull out up to $2.1 million in the State of California, on the part of Senators, and lesser amounts on down? I am not saying it is that amount in all States. It is going to enable the candidates for the Presidency—and there are approximately 10 of them in the Senate—to reach into the public till and pull out up to $7.5 million each. Is that reform? I submit that it is not.

If the public is unwilling to compensate the Members of the House and the Senate by an additional $2,500, once the media is willing to make this issue known, do you think they are going to look kindly on a bill that provides up to the neighborhood of a half billion dollars every 4 years for the politicians of this country, those who are in the House and the Senate, or want to be in the House and the Senate, and those who want the Presidency? I do not believe that the people of this Nation will do so, if this issue is properly presented, not presented as a reform measure. It is reform, all right, in the sense that it reforms. It reforms the law; it reshapes the law; but it is not reform. Yes, it changes the law by taking it out of the private sector and reforming the law to make the Public Treasury pay for it.

If the public ever finds out the true

issues involved here, they are not going to look kindly on this effort to saddle the taxpayers of this land with the campaign expenses of all the politicians in the country who aspire to serve in the House and the Senate or in the Presidency.

Mr. President, I reserve the remainder of my time, and I yield 5 minutes to the distinguished Senator from Michigan (Mr. GRIFFIN).

Mr. GRIFFIN. Mr. President, I shall cast my vote today against the cloture motion, although I realize full well that my position may be misunderstood. It is likely, I fear, that the public will be misled into the belief that campaign reform is being filibustered to death in the U.S. Senate.

Tragically, in my view, the American people will find it difficult to get the facts. Three of the four titles left in this bill can be described as genuine campaign finance reform. But unfortunately, title I, which would establish public financing of campaigns—financing directly out of the Public Treasury—does not contribute reform at all. It represents, instead, a raid on the Treasury and a huge escalation of the levels of campaign spending.

However, aside from the merits of public financing—there is also an important procedural question: whether it is appropriate at this point to cut off debate, particularly in light of the fact that there are some 86 proposed amendments pending at the desk which have not yet been considered.

Needless to say, this subject is not only controversial, but it is very complex. It is not surprising that many Senators have many ideas concerning amendments that should be adopted.

Now that the Senate has turned its attention to the subject of campaign reform, it seems to me that we should take the time necessary to fully and adequately consider all the proposals and options. If cloture were invoked, there would be no way that the Senate could give that kind of consideration to the 86 amendments still pending.

Aside from the merits, then, it seems to me that even those who may favor public financing should vote against cloture today. That would be a vote for orderly and careful deliberation of a most important and complex subject.

Returning to the merits of title I, taxpayer financing, I find it interesting—although I have not read this in the news report—that five out of the seven Senators who serve on Watergate Investigating Committee have registered opposition to public financing. The members of that committee have uncovered and exposed the abuses we are supposed to be seeking to correct. The Watergate Committee has been charged with the responsibility, not only of investigating but also of recommending needed reforms to correct the abuses.

Senate attention should be taken, by the Senate as well as the press, of that fact that a substantial majority of the committee best qualified to pass judgment does not view public financing as reform.

I wonder how many people know that. The Senator from Tennessee (Mr. BAKER), for example, has an amendment which will be considered later. It is my understanding that his amendment which would strike from the bill the title I public financing provisions and insert in lieu thereof a more liberal income tax allowance for individual contributions.

The ACTING PRESIDENT pro tempore. The Senator's 5 minutes have expired.

Mr. ALLEN. Mr. President, I yield the Senator an additional 2 minutes.

The ACTING PRESIDENT pro tempore. The Senator from Michigan may proceed.

Mr. GRIFFIN. Mr. President, the amendment to be proposed by the Senator from Tennessee (Mr. BAKER), is a very meritorious and important amendment, in my opinion. It can be said that to give tax recognition to an individual contribution is a form of public financing—and that is so. To that extent, the Government is being denied an amount of tax that otherwise would be paid into the Treasury. But there is a very important difference between this approach and the approach of title I in the bill.

The ACTING PRESIDENT pro tempore. The Senator's 2 minutes have expired.

Mr. ALLEN. Mr. President, I yield the Senator 2 additional minutes.

Mr. GRIFFIN. Under the Baker amendment, the individual citizen retains the important right of contributing to and supporting the candidates of his choice.

As I have pointed out before, one of the most serious defects in title I, as it appears in the bill, is that, instead of holding campaign spending in check or reducing the level of campaign spending, it would greatly escalate the levels of campaign spending. And, of course, the additional dollars to be spent would come out of the Treasury—which means that they would be taken involuntarily out of the pockets of the taxpayers.

As I have said before, looking at races for the House of Representatives alone, if title I should become law, the level of campaign spending for House races would increase from $39 million—which was the total for 1972 according to records on file with the clerk of the House—to a total of over $100 million, according to an official estimate by the General Accounting Office.

If the taxpayers of America ever become fully informed taxpayers on this point, and if they regard that as campaign reform, I will be a "monkey's uncle." I urge the Senate to vote today against the cloture motion.

Mr. CANNON. Mr. President, I yield myself 5 minutes.

The ACTING PRESIDENT pro tempore. The Senator from Nevada is recognized.

Mr. CANNON. Mr. President, I was delighted to hear the distinguished Senator from Michigan say that he supported the other provisions of the bill except for title I, and thought that was, indeed, campaign reform. That is exactly what we were attempting to achieve in the Committee on Rules and Administration. I may say, to respond to his statement concerning title I on public financing, that the Committee on Rules and Administration was charged with that responsibility by the Senate last fall, wherein we were to attempt to report to the Senate a bill on public financing within 30 days after the new session commenced.

This bill is the result of that charge which the Senate gave to us by a vote of Senators. The Senator has spoken at some length against title I, and said that he is opposed to the concept of public financing. The Senate already has voted on this issue and said, in effect, they want some form of public financing.

I do not know whether this is the correct formula for public financing, but it is quite clear that the majority of the Senate wants some form of public financing, not as a raid on the Treasury of the United States, but in an attempt to cure a greater evil, that of tremendously large contributions from private sources to individual campaigns, and to eliminate so far as possible the danger of undue influence as a result of those large contributions to particular candidates, or to particular committees for the candidates.

Now, we could argue a lot about the formula. The distinguished Senator from Michigan said the amount for Members of the House is too big. It may well be that it is too big. There is no magic in the figure of $90,000 maximum. We arrived at that because it was a figure we had used in S. 372 last year. But basically, I, for one, felt, and I think the remainder of the committee members felt, this is a matter that the House should determine. So let the bill go over to the House, and whatever figure they decide is reasonable for Members of the House we can go along with, but we did try to arrive at a formula that would determine the races for President and Vice President and would determine senatorial races.

I am not wedded to the figures there. When we use the figure 10 cents per voting age population in the primary, that may not be the correct figure. Perhaps 8 cents is more correct, with a maximum and a minimum floor to cover small States and small districts. I do not know whether 15 cents per voting age population is the correct formula or not on the general election. But I say the way to decide that is not to try to kill the bill. The way to decide that is to try to offer amendments to this particular bill to change the formula if one does not like that particular formula.

Last year the Senate voted 58 to 34 for some form of public financing of presidential primaries and general elections and congressional general elections only. In this bill we went further than that. We made one-half matching in the primary election if the person reached the threshold amount, so we would attempt to discourage persons who were not really serious candidates and who had no widespread appeal. We did include the primary elections based on that matching amount in this bill.

So, Mr. President, I find myself in a rather unusual position this morning. I am a person who has traditionally opposed cloture in the Congress, because

I felt these matters should be debated at length. On the other hand, as floor manager of the bill here, I would like to get at the issue. I have not voted for cloture many times in the period I have been in the Congress. While I did not join in signing the cloture motion, I do intend to vote for cloture in this instance, in the hope that we can go through the other amendments, that we can adopt amendments that may vary the formula we have adopted, may change some particulars of the bill itself, but mainly so that we can carry out what has now been determined on at least two occasions by the Senate—that we do want some form of public financing bill, and that we can get it to the House so they can work their will on it.

Mr. President, I suggest the absence of a quorum.

Mr. ALLEN. Mr. President, on whose time?

Mr. CANNON. On my time.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CANNON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. CANNON. Mr. President, I yield 4 minutes to the Senator from California (Mr. CRANSTON).

Mr. CRANSTON. Mr. President, I thank the Senator from Nevada very much for yielding, and I also thank him for the very effective work he has been doing in handling this measure on the floor.

I want to say to the Senator from Alabama that I am delighted he is on the floor, because I wanted to cover one point while he was present, since he has been mentioning one aspect of the bill as it relates to the State of California from time to time.

As I listened to his remarks a couple of days ago, I found myself in some agreement with him in his references to the amount of funding which would be available to a candidate from California under this bill.

This aspect of public financing of election campaigns has given me real concern. I am troubled by the amount of Federal funding which would be available to me personally as a candidate for the U.S. Senate in the Nation's most populous State, although, obviously, there is almost no chance that a public financing proposal might be enacted in time to affect this year's election.

So, as far as I am concerned, if I am reelected, we are looking ahead to the 1980 election.

Mr. CANNON. Mr. President, will the Senator yield on that precise point?

Mr. CRANSTON. I yield.

Mr. CANNON. One of the amendments we have already adopted now is to completely eliminate the 1974 election, so if the bill is passed with that amendment in it, it would preclude the Senator himself from being involved in it in any way.

Mr. CRANSTON. I thank the Senator very much. So, whether or not I will ever be affected by it depends on what will happen in this year's election.

My first reaction—and this was when I developed a similar bill affecting California campaigns as well as the rest of the Nation—was that I should propose a ceiling lower than 15 cents per eligible voter in Senate and Presidential races in such large States as California and New York—so that my proposal would not appear to be self-serving, monetarily, and also to reduce the total cost of public financing.

My second reaction was that such a ceiling in itself could be self-serving, since it might deny a potential opponent adequate funds to overcome whatever built-in advantage I have as an incumbent.

On Monday, I had the opportunity to vote with the distinguished Senator from New York (Mr. BUCKLEY) on his amendment to reduce by 30 percent the amount of money available to an incumbent. I supported that amendment, because I believe that incumbents do have a substantial advantage in their efforts for reelection.

A number of Senators in the course of this debate have commented on the inconsistency between recent polls showing that though Congress is held in extremely low esteem, a number of individual incumbents are running stronger in polls taken on their own races, and the majority of incumbents are expected to win reelection.

Possibly fewer incumbents will be reelected this year, but a majority will be reelected—that is normal insofar as incumbents seeking reelection is concerned.

This inconsistency, it seems to me, illustrates the enormous advantage to holding public office, which enables an incumbent to overcome this public doubt about the legislative body in which he serves. Clearly, it is reasonable to allow nonincumbents more campaign funds in order to try to equalize the imbalance in the present system.

Even though that amendment was defeated, the bill before us, which provides equal funding for incumbents and nonincumbents, will be of greater advantage to the challenger than the present system. The reason for this is fairly obvious: an incumbent usually finds it easier to raise campaign funds than does a nonincumbent. When I support public financing, I do so knowing full well that almost surely public financing will help my opponents more than it will help me.

The $2.1 million which a senatorial candidate in California would receive under the present bill is a lot of money. I, for one, indicated yesterday my willingness to reduce that $2.1 million by better than $600,000 for an incumbent.

But for a nonincumbent—a challenger who has not campaigned to the enormous constituency of a State of 21 million people—$2.1 million is in line with the amounts normally spent in major statewide elections under the present system of private financing.

The ACTING PRESIDENT pro tempore. The Senator's time has expired.

Mr. CRANSTON. Mr. President, may I have 3 or 4 additional minutes?

Mr. CANNON. Mr. President, I yield 4 additional minutes to the Senator from California.

Mr. CRANSTON. Mr. President, I believe a challenger must reasonably, under normal conditions and under present law, face the task of raising such sums to finance a successful campaign against an incumbent. And let us remember that California's $2.1 million is still based upon only 15 cents per voting age person—the same amount which would be available for a candidate in Alabama or any other State.

I do not know how much or how little my opponent this November will be able to raise for his campaign against me. But I do know that if this bill had been enacted, my November opponent would have $2.1 million to spend against mine.

Nevertheless, I support the principle of public financing and I support this bill—not because it is to my own political advantage, for it clearly is not.

I support the bill because it will end the corrosion big money brings to our system of representative democracy.

Mr. CANNON. Mr. President, is it not also very true that if a person does not want to go the public financing route, he has the option of remaining with private financing, if that is something that he prefers to do? It seems to me that public financing would help the challenger more than it would help the incumbent, which is quite contrary to the objection of the distinguished Senator from Alabama.

Mr. CRANSTON. Yes, I believe that to be the case.

Mr. CANNON. Mr. President, I yield 5 minutes to the Senator from Massachusetts.

Mr. KENNEDY. Mr. President, the central issue in the struggle for cloture on the election reform bill now before the Senate is who owns Congress? Put another way, the question is whether we in Congress are going to put our own house in order by adopting public financing for our own elections.

We already have public financing for Presidential elections. In fact, we enacted it into law 7 months before the Watergate break-in. Yet, today, nearly 2 years after that break-in, Congress is still trying to decide whether public financing is right for its own elections.

If any set of facts can tip the balance in favor of public financing for Senate and House elections, it ought to be the news of the unconscionable war chests that special interest groups have already put together for the 1974 congressional elections. By the end of February, as reported recently by Common Cause, registered political committees affiliated with special interest groups had already amassed the enormous sum of $11.6 million, or more than the entire amount spent by such committees in all of 1972.

The message from that list is unmistakable. The lobbyists and special interest groups are alive and well in Washington. They haven't missed a stride over Watergate. Their pockets are already bulging with contributions to be made. They are on the prowl today in the halls of Congress, assessing Senators and Representatives for possible investment in the fall elections. Take but two examples:

One might have thought that after Watergate and the furor over the milk deal, the Associated Milk Producers, Inc., would have been gun-shy about campaign contributions. Hardly. Not when vast benefits worth hundreds or thousands or even millions of dollars are to be gained for the bargain price of a well-placed campaign contribution. And so, AMPI's political action arm, TAPE, leads the list of all special interest groups in the size of the warchest for 1974—$1.4 million by the end of February and still counting. The price of a quart of milk is already higher than Skylab. Who knows how much more the forgotten American consumer will be paying, once AMPI's 1974 war chest works its way into the mainstream of Federal legislation.

Or take the American Medical Association. The AMA has a war chest of $889,000. Is there any doubt that this AMA money will be used in the fall elections to subvert national health insurance and to support candidates who oppose health reform?

Undoubtedly, anyone in Congress who goes down the list of special interest committees and their war chests knows what each group wants from Congress.

The issue is an ancient one. No man can serve two masters. No Senator or Congressman can serve both the people of America and his big campaign contributors. So long as we in the Congress continue the practice of financing our campaigns with the dollars of a wealthy few who have a stake in the laws we pass, corruption will keep increasing and democracy will keep decaying.

The names of future scandals will be different, but the problem will be the same, because the laws we pass will always bear the brand of the special interest groups.

We can end this shameful spectacle by which Congress puts itself up for auction every second year. We can wash away the growing stain on America's democracy. But we can do so only by making a clean break with our corrupt and discredited system of private financing of elections.

It is time for Congress to change its spots. It is time we held up the mirror of Watergate to ourselves—if we take an honest look, we will recognize ourselves. And when we do, we will realize that we owe our constituents a better deal. Then, cloture will be invoked, and the Nation will begin a new era of clean and honest elections to Federal office.

Mr. President, the Senate itself first voted for public financing for presidential elections in 1966. Now, almost a decade later, we are trying to decide whether to have public financing for our own elections. I don't think we need more debate. This issue has been extensively debated. It was debated in 1966, in 1967, and in 1971, when the dollar checkoff was enacted into law. It was debated last year, as a major amendment to the debt ceiling bill. That is when the filibusters first began. We heard at that particular time that the reason why we needed extended debate was that we had not had hearings; that Congress must have a chance to consider public financing more fully, and must give people of differing views a chance to speak out.

Now, under the distinguished leadership of the Senator from Nevada (Mr. CANNON), we have had extensive committee hearings. Different groups put forward their ideas and suggestions. The committee has acted. We are ready to vote.

The **PRESIDING OFFICER**. The time of the Senator from Massachusetts has expired.

Mr. **KENNEDY**. I ask for 3 more minutes.

Mr. **CANNON**. I yield the Senator 3 additional minutes.

Mr. **KENNEDY**. Nonetheless, after we have come through this extensive and exhaustive procedure in the Senate, we find ourselves embroiled again in a full and extended debate that cannot go by any other name than filibuster. The overwhelming majority of Members of this body, want to face up to this issue. The overwhelming majority of the American people want Congress to face up to the issue. Still, we are being frustrated in facing up to it by a filibuster.

Many Members of this body recognize extended debate as the means of protecting a minority who feel strongly about an issue. Traditionally, a minority of one-third of the Members of this body is able to prevent the majority from acting. And so, the vote today presents a difficult decision and a difficult moral judgment because all of us in the majority want to respect the strong views of the minority among us, but all of us also want the Congress to get back on the path of truly representing all the people. It is not just today's vote we look at, but the road ahead for Congress in the Nation's future.

Few issues have been debated and discussed as extensively as this one has. There is a very clear mandate for this proposal from the American people. That mandate has been expressed here by past votes and during the course of this debate by the Members of this body. What we are asking is an opportunity to face up to the issue, and not to be prohibited from doing so by those who are unalterably opposed to this reform. I am hopeful that we will invoke cloture on this issue.

The **ACTING PRESIDENT** pro tempore. Who yields time?

Mr. **ALLEN**. Mr. President, how much time remains to the Senator from Alabama?

The **ACTING PRESIDENT** pro tempore. The Senator has 3 minutes.

Mr. **ALLEN**. I yield myself 2 minutes.

Mr. President, the distinguished Senator from Massachusetts has said that the issue is who owns Congress, indicating, I assume, that some Members of Congress are subservient to special interests. He did not bother to name any, and I wonder who those Senators are.

The Senator from Alabama is not one of them. I daresay that the Senator from Alabama, in the upcoming race in his home State this fall, will not spend one-twentieth of the amount of money that would be available to him under this public financing, so it would be interesting to know who some of these Senators are who are subservient to special interests.

Also, Mr. President, there is the non-sequitur that the distinguished Senator from Nevada has used and the distinguished Senator from Massachusetts is using that the way to remove the influence of the special interests is to provide for public financing, and hand the bill to the taxpayers.

That is not necessary at all. All that is necessary is to cut down on the amount of permissible contributions. That is what the Senator from Alabama has been trying to do. But I notice that the Senator from Massachusetts and the Senator from Nevada voted against my amendment to cut permissible contributions to $250 in Presidential races and $100 in House and Senate races. That is the way to remove any sinister influence, if there be any sinister influence.

Also, the Senator from Nevada said:

> Well, we ought to improve the bill by offering amendments.

The Senator knows that if cloture is invoked in a few minutes, there will be no way to offer any other amendments; so the way to get perfecting amendments offered and considered would be to vote down cloture, Mr. President, so that other amendments can be presented.

The issue here is whether we will continue to have the process of voluntary participation by the American people in elections, or whether we are going to turn the bill over to the taxpayers, and let the taxpayers pay the bill.

I was somewhat amused by the doubts of the distinguished Senator from California, who said he was disturbed about this $2.1 million that would be handed to a candidate for the Senate out there. He was troubled about it, but he has resolved his doubts and is willing to see a candidate for the Senate receive $2,121,000 to make his general election campaign.

Mr. President, I reserve the remainder of my time.

The **ACTING PRESIDENT** pro tempore. Who yields time?

Mr. **CANNON**. What is the time situation, Mr. President?

The **ACTING PRESIDENT** pro tempore. The Senator from Nevada has 3 minutes remaining. The Senator from Alabama has 1 remaining minute.

Mr. **CANNON**. At 12 o'clock, does a quorum call ensue?

The **ACTING PRESIDENT** pro tempore. A quorum call is automatic under the rules.

Mr. **CANNON**. To be immediately followed by the cloture vote?

The **ACTING PRESIDENT** pro tempore. When there is a quorum, that is correct.

Mr. **CANNON**. Mr. President, I do not know that there is much I can add to what has already been said on this matter. The issue is simply whether we do or do not want campaign reform, and with that reform, whether we have it include the public financing of campaigns on a matching basis in the primaries and on a complete basis in the general elections.

As I said before, the Senate has already spoken on that particular issue. A majority of the Senators have voted at least twice that that is what the Senate desires. So this is an opportunity, now, to make a determination of whether the percentage is high enough that cloture can be invoked, in order that this bill can come to a vote of the Senate and the Senate can invoke its will.

Mr. KENNEDY. Mr. President, will the Senator yield for a question?

Mr. CANNON. I yield.

Mr. KENNEDY. Do I correctly understand that if cloture is invoked today, various amendments—of which I understand there are about 80 at the desk, dealing with a range of public and private financing issues—will be considered by the Senate, and that the Senate will have an opportunity to debate these amendments and vote on every one of them, and get an expression by Members of the Senate on each amendment? Is that correct?

Mr. CANNON. The Senator is correct. It is my understanding that there are about 86 amendments at the desk, each of which would be available to be called up and for a vote to be had on them in the process after the conclusion of the cloture vote, so that those particular issues certainly could be considered over and above the issues that have already been considered in the bill.

I do not know just how many amendments we have adopted so far, but I know we have had a considerable number of votes on the bill thus far.

Mr. KENNEDY. Would the Senator not agree with me that it would be surprising if any new issues are introduced, since this matter has been thoroughly discussed over the last 2 weeks?

Mr. CANNON. This issue has been before us for a long time, and it would seem to me that Senators who have issues about which they feel strongly would have them at the desk by now. I cannot conceive of many new issues that would come up by this late date.

The ACTING PRESIDENT pro tempore. All time of the Senator from Nevada has expired. The Senator from Alabama has 1 minute remaining.

Mr. ALLEN. I yield my 1 minute to the Senator from Michigan (Mr. GRIFFIN).

Mr. GRIFFIN. Mr. President, if this bill passes in its present form, the public may be fooled by the reports into thinking that the abuses of Watergate have been corrected—that Congress has voted for reform.

It is important, I believe, to state again that five out of the seven members of the Senate's Watergate Investigating Committee have positioned themselves against public financing. They do not regard public financing as the reform needed to take care of Watergate.

Furthermore, while the bill dips deep into the Treasury, it does not eliminate special interest contributions and influence. Indeed, the other day, an amendment which I opposed, was adopted to increase the ceiling on a contribution from a special interest group to a candidate from $3,000 to $6,000. So, we have been going in the wrong direction.

Mr. WILLIAMS. Mr. President, the campaign reform bill pending before the Senate today may well be more important than any other legislation to come before this Congress, in terms of its long-range ramifications for our country. In my judgment, it is essential that we overcome the delaying tactics being employed by opponents of this bill; I for one certainly will vote to limit debate so that we may take a final vote on this bill, and I urge my colleagues to do the same.

Every responsible American citizen has recoiled in revulsion at the disclosure of the abuses of our political system committed during the 1972 Presidential election campaign. These acts, lumped together generically as "The Watergate Scandal," represent an alien and diabolic perversion of our political system. Nevertheless they did occur, they occurred within the very highest levels of our governmental and political structures, and they occurred despite laws which prohibit such behavior.

The aftermath of Watergate has been a national trauma that continues to this day, and is likely to become even more serious before it is ended. It is a tribute to the American people that they have insisted on a full airing of this dismal business, despite the pain involved. It is a testament to our system of justice that those guilty of crimes are being called swiftly to account. And it is confirmation of the strength of our political and governmental systems that they will survive Watergate, perhaps stronger than before.

The Watergate scandal is the disgrace and tragedy of a handful of cynical men. But, it would be a national disgrace, and perhaps a national tragedy, if we as a people failed to learn from this experience and act to prevent it from happening again.

The mail I get from constituents, personal contacts, and the public opinion surveys, all tell the same story; Americans are disillusioned with elected officials, and are demanding steps be taken to guard against future Watergates. The bill before us today, S. 3044, is the single most important step we can take to both restore confidence, and prevent future political scandals.

As a member of the Committee on Rules and Administration, where this bill was developed, I can say it was carefully drafted with both the lessons of Watergate, and the guiding principles of our democracy, firmly in mind. It is certainly not a panacea, but no legislation is. However, I think nearly all Senators would agree that most provisions of this bill are necessary reforms that would be effective in insuring high standards of political conduct.

The provision that some Senators strongly disagree with is public financing of election campaigns. It is appropriate that this be the greatest point of controversy, since it is assuredly the most important reform contained in this bill.

I am not sure whether I would agree that "money is the root of all evil." But, it was unquestionably the root of much of the evil associated with Watergate, and much of the evil exposed in many other areas of political activity. Furthermore, we have seen that no number of laws to regulate the matter of political contributions can be effective in eliminating all abuses in this area. The only way we will ever effectively eliminate the abuse of political contributions as a deterrent to good politics and good government, is to finance campaigns for public office, from the public treasury.

This bill establishes the principle of public financing in both primary and general elections for Federal office. At the same time, it allows for gradual transition by offering candidates for Congress and for President the option of relying entirely on public financing, or on private contributions, or on a mix of both. Furthermore, it is carefully designed to preserve the two-party system, while allowing for challenges from serious third-party, or independent candidates. And, it contains safeguards against the public financing of frivolous candidates.

Mr. President, the provisions of this legislation, the reasons why it is needed, and the arguments for and against it, are well known to Members of the Senate. If we are to behave responsibly and respond to the demands by our constituents for reform, we must turn away from further debate and get quickly to a vote on the merits of this legislation.

CLOTURE MOTION

The ACTING PRESIDENT pro tempore (Mr. NUNN). The hour of 12 o'clock noon having arrived, under the unanimous-consent agreement, pursuant to rule XXII, the Chair lays before the Senate the pending cloture motion, which the clerk will read.

The assistant legislative clerk read as follows:

Cloture Motion

We, the undersigned Senators, in accordance with the provisions of Rule XXII of the Standing Rules of the Senate, hereby move to bring to a close the debate upon the pending bill S. 3044, a bill to amend the Federal Election Campaign Act of 1971 to provide for public financing of primary and general election campaigns for Federal elective office, and to amend certain other provisions of law relating to the financing and conduct of such campaigns.

Mike Mansfield, Warren G. Magnuson, James B. Pearson, Robert Dole, Hugh Scott, Claiborne Pell, Frank Church,
Quentin N. Burdick, Marlow W. Cook, William Proxmire, Clifford P. Case, Henry M. Jackson, Daniel K. Inouye, Hubert H. Humphrey, Joseph R. Biden, Jr.,
Ted Stevens, Stuart Symington, Floyd K. Haskell, Birch Bayh, William D. Hathaway, Edmund S. Muskie, Jennings Randolph, Dick Clark, Jacob K. Javits.

CALL OF THE ROLL

The ACTING PRESIDENT pro tempore. Under rule XXII, the Chair directs the clerk to call the roll to ascertain the presence of a quorum.

The second assistant legislative clerk called the roll, and the following Senators answered to their names:

[No. 114 Leg.]

Abourezk
Aiken
Allen
Baker
Bartlett
Bayh
Beall
Bellmon
Bennett
Bentsen
Bible
Biden
Brock
Brooke
Buckley
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cook
Cotton
Cranston
Curtis
Dole
Domenici

Dominick
Eagleton
Eastland
Ervin
Fannin
Fong
Goldwater
Gravel
Griffin
Gurney
Hansen
Hart
Hartke
Haskell
Hatfield
Hathaway
Helms
Hollings
Hruska
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Long
Magnuson
Mansfield
Mathias
McClellan
McClure
McGee
McGovern
McIntyre
Metcalf
Metzenbaum
Mondale
Montoya
Moss
Muskie
Nelson
Nunn
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Sparkman
Stafford
Stennis
Stevens
Stevenson
Symington
Taft
Talmadge
Thurmond
Tower
Tunney
Weicker
Williams
Young

Mr. ROBERT C. BYRD. I announce that the Senator from Iowa (Mr. HUGHES), and the Senator from Arkansas (Mr. FULBRIGHT) are necessarily absent.

I further announce that the Senator from Kentucky (Mr. HUDDLESTON), is absent on official business.

Mr. GRIFFIN. I announce that the Senator from Virginia (Mr. WILLIAM L. SCOTT) is absent on official business.

The PRESIDING OFFICER (Mr. HATHAWAY). A quorum is present.

The question before the Senate is, Is it the sense of the Senate that debate on S. 3044, a bill to amend the Federal Election Campaign Act of 1971 to provide for public financing of primary and general election campaigns for Federal elective office, and to amend certain other provisions of law relating to the financing and conduct of such campaigns, shall be brought to a close?

The yeas and nays are mandatory under the rule, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Arkansas (Mr. FULBRIGHT) and the Senator from Iowa (Mr. HUGHES) are necessarily absent.

I further announce that the Senator from Kentucky (Mr. HUDDLESTON) is absent on official business.

Mr. GRIFFIN. I announce that the Senator from Virginia (Mr. WILLIAM L. SCOTT) is absent on official business.

The yeas and nays resulted—yeas 60, nays 36, as follows:

[No. 115 Leg.]

YEAS—60

Abourezk
Bayh
Beall
Bentsen
Biden
Brooke
Burdick
Byrd, Robert C.
Cannon
Case
Church
Clark
Cook
Cranston
Dole
Domenici
Eagleton
Gravel
Hart
Hartke
Haskell
Hatfield
Hathaway
Humphrey
Inouye
Jackson
Javits
Kennedy
Long
Magnuson
Mansfield
Mathias
McGee
McGovern
McIntyre
Metcalf
Metzenbaum
Mondale
Montoya
Moss
Muskie
Nelson
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Schweiker
Scott, Hugh
Stafford
Stevens
Stevenson
Symington
Tunney
Weicker
Williams
Young

NAYS—36

Aiken
Allen
Baker
Bartlett
Bellmon
Bennett
Bible
Brock
Buckley
Byrd, Harry F., Jr.
Chiles
Cotton
Curtis
Dominick
Eastland
Ervin
Fannin
Fong
Goldwater
Griffin
Gurney
Hansen
Helms
Hollings
Hruska
Johnston
McClellan
McClure
Nunn
Roth
Sparkman
Stennis
Taft
Talmadge
Thurmond
Tower

NOT VOTING—4

Fulbright
Huddleston
Hughes
Scott, William L.

The PRESIDING OFFICER. On this vote the yeas are 60 and the nays are 36. Fewer than two-thirds of the Senators present and voting having voted in the affirmative, the motion is rejected.

The pending question is on the amendment by the Senator from Tennessee (Mr. BAKER), No. 1075, on which there is a 1-hour limitation.

Who yields time?

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum, and ask unanimous consent that the time not be charged against either side.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, would the Chair state the pending question?

The PRESIDING OFFICER. The clerk will state the amendment.

The assistant legislative clerk proceeded to read amendment No. 1075.

Mr. BAKER. Mr. President, I ask unanimous consent that further reading of the amendments be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Amendments No. 1075 are as follows:

On page 35, line 14, strike out "tenth" and insert in lieu thereof "fifth".

On page 36, line 9, after "other than", insert the following: "the fifth day preceding an election and".

On page 36, line 15, after "filed on" insert the following: "the fifth day preceding an election or".

On page 63, beginning with line 11, strike out through line 5 on page 64.

On page 64, line 7, strike out "318." and insert in lieu thereof "317.".

On page 64, line 14, strike out "319." and insert in lieu thereof "318.".

On page 75, line 19, strike out "(a)" and insert in lieu thereof "(a) (1)".

On page 75, between lines 23 and 24, insert the following:

"(2) No person may make a contribution to, or for the benefit of, a candidate for that candidate's campaign for nomination for election, or election, during the period which begins on the tenth day preceding day of that election and which ends on the day of that election.".

On page 76, between lines 2 and 3, insert the following:

"(2) No candidate may knowingly accept a contribution for his campaign for nomination for election, or election, during the period which begins on the tenth day preceding the day of that election and which ends on the day of that election.".

On page 76, line 3, strike out "(2)" and insert in lieu thereof "(3)".

On page 76, line 6, strike out "paragraph (1)." and insert in lieu thereof "paragraph (1) or (2).".

On page 77, between lines 5 and 6, insert the following:

"(e) No candidate, or person who accepts contributions for the benefit or use of that candidate, may accept a contribution which, when added to all other contributions accepted by that candidate or person, is in excess of the amount which is reasonably necessary to defray the ependitures of that candidate.".

On page 77, line 6, strike out "(e)" and insert in lieu thereof "(f)".

Mr. BAKER. Mr. President, I yield myself such time as I may utilize.

I ask for the yeas and nays on the amendment.

The yeas and nays were ordered.

Mr. BAKER. Mr. President, the purpose of this amendment is to purify the process of public disclosure of campaign contributions by requiring the completion of that process before rather than after the election has taken place. In other words, my amendment would require political candidates to disclose the size and source of all contributions a time certain before each election. In this way the public is afforded their full and legitimate right to examine the sources of a particular candidate's financial support, and then draw their own conclusion prior to voting.

The mechanics of my amendment are quite simple. A deadline is established 10 days before each election. No contributions can be received by candidates after that deadline, from any source. This means that unless a contribution was either personally delivered or postmarked prior to the deadline, it would have to be returned to the contributor by the candidate.

Five days after the deadline, and 5 days before the election, each candidate is required to file a final report of all campaign contributions, including, of course, the sources and amounts. This better enables the public to review relevant disclosure data, so as to base their ultimate judgments on the complete record. That is the point of public disclosure, and we mislead ourselves and the American people if we give the impression that all the financial cards are on the table before the election. The fact of the matter is that they are not under the present system and will not be under the reforms embodied in S. 3044. That is why I have offered this amendment.

As of now, any candidate can postpone disclosure of potentially damaging information on political contributions until after the election and after it is too late to make a difference. My amendment would not permit this. The only circumstances under which contributions could be received after the 10-day period leading up to and including the election would be to defray debts incurred during the campaign.

I am aware that the establishment of a deadline 10 days before an election with the final report due 5 days preceding the election will require a massive amount of accounting at a very critical time in most campaigns. However, I believe, as I am sure most of my colleagues do, that public disclosure is essential to the success of any system of private financing of political campaigns, regardless of how limited the role of the individual contributor might be. This was evidenced by the unprecedented public disclosure requirements enacted in the Federal Election Campaign Act of 1971. Moreover, it now appears obvious that we might have avoided a great deal of the campaign finance abuses associated with the 1972 campaign for President, and other races, had these provisions been in effect long before the spring of that year. For that reason, I have proposed an amendment which would not only seek to avoid the abuses of earlier campaigns, but also enhance the public's right to know.

That right is significant as it relates to the matter of public disclosure, because normally, a great deal can be learned from examining the sources of individual contributions. The names and occupations of the individual contributors tells the public where a particular candidate's strongest support lies; and it can often imply how that candidate would vote on a particular issue without knowing the candidate's personal view.

For example, if it were disclosed that a candidate had received contributions, regardless of the amount, from a dozen or two dozen individuals who all happened to work for various veterans organizations, then it might be assumed that those individuals considered that candidate generally sympathetic to veterans' concerns; and the same example could be applied to countless other occupations. The point is that public disclosure plays a very important role in assisting the voters to make up their minds, whether it is for a primary or general election.

And yet, that role is substantially hindered by the present reporting procedures. The question is not so much whether those procedures are used to purposefully deceive the public, but rather whether they actually retard the public's ability to base their judgment on all the facts. I believe clearly the present procedures and the reforms proposed in S. 3044 do retard that ability and that they are not consistent with the true intent of public disclosure. Thus, I urge that we amend that procedure by prohibiting the receipt of additional contributions after 10 days preceding the election, and require a full and final reporting of those contributions 5 days before the election takes place. It is the only way I know of to guarantee the public's right to know, and it is for this reason that I urge the support of my colleagues.

I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. CANNON. Mr. President, I am opposed to this amendment. In the first place, with respect to the contributions, it is completely unrealistic, because the rough part of the campaign, insofar as the need to have funds available is concerned, occurs in about the last 10 to 15 days. The prohibition in the amendment would make it so that no contribution could be made within 10 days of an election, and the candidate could not accept a contribution within that period of time. So really, if we are going to do this, we may just as well move the election up 10 days. That, for all practical purposes, is what it means.

With respect to the reporting provisions, we have checked carefully with the peope who have had some experience in the field of reporting and making the information available on some useful basis, and they advise us that this type of reporting is not long enough for a report to be mailed in and for them to put out that information and make the information public as it should be made.

Therefore, I am opposed to the amendment. I think that page 3, subsection 6, is completely redundant. It provides that a person cannot accept a contribution in an amount in excess of the amount reasonably necessary to defray the expenditure. We will never know what the expenditures are until they have been incurred. Sometimes the expenditures occur late, at the last minute. Sometimes bills come in even after the campaign is over. We have in the bill a provision for payment to the Treasury over the excess amount that may have been collected. That provision is in the bill. I think it is adequate.

This amendment is vague and uncertain and would impose an undue burden on a candidate and those working in his behalf to determine what is reasonably necessary to defray the expenditures of the candidate, so that he will not have excess money and be in violation of that particular provision.

Mr. BAKER. Mr. President, I am virtually prepared to yield back the remainder of my time and proceed to a vote. I have one brief remark in response to the observations of the distinguished chairman, the manager of the bill.

Briefly stated, the rationale of the amendment is that if there is to be public disclosure, it has to be an integral part of the system if it is to attract importance in the eyes of the public, and if it is to have something to do with whether one votes for or against a candidate. It seems essential to make that final report before the election, because between the time 10 days before the election and January 31, a candidate could collect a million dollars, and the public would never know it. The sole purpose of the amendment is that if we are going to have full disclosure, let us make it before the election, not after the election.

Mr. President, I yield back the remainder of my time.

Mr. CANNON. I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment of the Senator from Tennessee. The yeas and nays have been ordered, and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Arkansas (Mr. FULBRIGHT), the Senator from Iowa (Mr. HUGHES), the Senator from Louisiana (Mr. LONG), and the Senator from Wyoming (Mr. McGEE) are necessarily absent.

I further announce that the Senator from Kentucky (Mr. HUDDLESTON) is absent on official business.

Mr. GRIFFIN. I announce that the Senator from Kentucky (Mr. COOK), the Senator from Arizona (Mr. GOLDWATER), the Senator from North Carolina (Mr. HELMS), and the Senator from Ohio (Mr. TAFT) are necessarily absent.

I also announce that the Senator from Virginia (Mr. WILLIAM L. SCOTT) is absent on official business.

I further announce that, if present and voting, the Senator from North Carolina (Mr. HELMS) would vote "yea."

The result was announced—yeas 33, nays 57, as follows:

[No. 116 Leg.]

YEAS—33

Aiken
Allen
Baker
Bartlett
Bellmon
Bennett
Biden
Brock
Byrd, Harry F., Jr.
Cotton
Curtis
Dole
Domenici
Dominick
Ervin
Fong
Griffin
Gurney
Hollings
Hruska
Mansfield
McClure
McGovern
Metzenbaum
Nelson
Packwood
Proxmire
Ribicoff
Roth
Schweiker
Stevens
Thurmond
Weicker

NAYS—57

Abourezk
Bayh
Beall
Bentsen
Bible
Brooke
Buckley
Burdick
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cranston
Eagleton
Eastland
Fannin
Gravel
Hansen
Hart
Hartke
Haskell
Hatfield
Hathaway
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Magnuson
Mathias
McClellan
McIntyre
Metcalf
Mondale
Montoya
Moss
Muskie
Nunn
Pastore
Pearson
Pell
Percy
Randolph
Scott, Hugh
Sparkman
Stafford
Stennis
Stevenson
Symington
Talmadge
Tower
Tunney
Williams
Young

NOT VOTING—10

Cook
Fulbright
Goldwater
Helms
Huddleston
Hughes
Long
McGee
Scott, William L.
Taft

So Mr. BAKER's amendment (No. 1075) was rejected.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. CLARK). The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ALLEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Marks, one of his secretaries.

REPORTS OF SIX RIVER BASIN COMMISSIONS—MESSAGE FROM THE PRESIDENT

The PRESIDING OFFICER (Mr. HATHAWAY) laid before the Senate a message from the president of the United States, which, with the accompanying reports, was referred to the Committee on Interior and Insular Affairs. The message is as follows:

To the Congress of the United States:

I am happy to transmit herewith the annual reports of the six river basin commissions, as required under section 204

(2) of the Water Resources Planning Act of 1965.

The act states that commissions may be established, comprised of State and Federal members, at the request of the Governors of the States within the proposed commission area. Each commission is responsible for planning the best use of water and related land resources in its area and for recommending priorities for implementation of such planning. The commissions, through efforts to increase public participation in the decisionmaking process, can and do provide a forum for all the people within the commission area to voice their ideas, concerns, and suggestions.

The commissions submitting reports are New England, Great Lakes, Pacific Northwest, Ohio River, Missouri River, and the Upper Mississippi. The territory these six commissions cover includes all or part of 32 States.

The enclosed annual reports indicate the activities and accomplishments of the commissions during fiscal year 1973. A brief description of current and potential problems, studies, and approaches to solutions are included in the reports.

RICHARD NIXON.

THE WHITE HOUSE, *April 4, 1974.*

EXECUTIVE MESSAGES REFERRED

As in executive session,

The PRESIDING OFFICER (Mr. HATHAWAY) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received today are printed at the end of Senate proceedings.)

FEDERAL ELECTION CAMPAIGN ACT AMENDMENTS OF 1974

The Senate continued with the consideration of the bill (S. 3044) to amend the Federal Election Campaign Act of 1971 to provide for public financing of primary and general election campaigns for Federal elective office, and to amend certain other provisions of law relating to the financing and conduct of such campaigns.

Mr. ALLEN. Mr. President, I call up an amendment at the desk and ask that the clerk please state the amendment.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

On page 75, line 23, strike out "exceeds $3,000." and insert in lieu thereof "exceeds—".

On page 75, between lines 23 and 24, insert the following:

"(1) in the case of a candidate for the office of President or Vice President, $2,000.; and

"(2) in the case of any other candidate, $1,000.".

On page 76, line 2, strike out "exceeds $3,000." and insert in lieu thereof "exceeds—".

On page 76, between lines 2 and 3, insert the following:

"(A) in the case of a candidate for the office of President or Vice President, $2000; and

"(B) in the case of any other candidate, $1000.".

Mr. ROBERT C. BYRD. Mr. President, will the Senator from Alabama yield for a unanimous-consent request?

Mr. ALLEN. I yield.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that time on the pending amendment be limited to 35 minutes, to be controlled and divided as follows: 25 minutes under the control of the distinguished author of the amendment (Mr. ALLEN), and 10 minutes under the control of the distinguished manager of the bill (Mr. CANNON).

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ALLEN. Mr. President, I thank the distinguished majority whip.

Mr. ROBERT C. BYRD. I thank the Senator from Alabama.

Mr. ALLEN. Mr. President, the argument has been made time and again here on the floor that in order to remove the influence in Government of large contributors to Federal election campaigns, it is necessary to resort to public financing. It occurs to the junior Senator from Alabama that this is certainly a non sequitur, that it is not necessary to resort to public financing in order to remove the influence of large contributors or to prevent the making of large contributions. All that is necessary is to reduce the amount of the contribution.

The bill provides the limit that is a step in the right direction, because under the present law there is no effective limitation on a contribution. There is a limit as to how much can be contributed to one committee. I believe that is $5,000. There is a limit to how much can be contributed without incurring the gift tax liability. I believe that is $3,000. But we have seen that many candidates set up multiple committees—in some cases, a hundred or two hundred. The Senator from Alabama does not have but one committee during a campaign. Some candidates apparently find it necessary to have 100 or 200 or 300 committees so that these massive contributions can be split up among all those committees. So there is no effective limitation. But the $3,000 permitted by the bill and the $6,000 for a man and his wife are tremendous contributions, in the view of the Senator from Alabama, and should be cut drastically.

Earlier this week, the Senator from Alabama offered an amendment to cut the maximum permissible amount of a contribution in Presidential campaigns to $250—that is, both the nomination race and the general election—and $200 for House and Senate races. How did we arrive at those figures? Very simply, Mr. President, because the bill before the Senate, S. 3044, provides that in primaries, contributions to Presidential races up to $2,500 shall be matched out of the Public Treasury and contributions up to $100 in House and Senate races shall be matched out of the Public Treasury by subsidizing, out of the pockets of the American taxpayers, the campaigns of politicians running for various Federal offices.

Apparently, the theory of the bill is that there must be something evil, something sinister about contributions in the area between $250 in the one case and $100 in the other case, and the $3,000 permissible contribution, because they do not match those amounts.

Where does that leave a challenger and an incumbent? Mr. President, it leaves the incumbent at a decided advantage—and I suppose this certainly could be called an incumbent's bill—because it provides matching funds for incumbents as well as challengers who run for the constituencies that they have or that they might hope to have. So only these amounts are matched. It gives the incumbent the decided advantage that since the amounts in the area from $100 to $250 up to $3,000 are not matched, the incumbent, on account of being better known and having accommodated, during the term of his office, many of his constituents, is in better position to get contributions in that area—from $250 up to $3,000—leaving the challenger at a decided disadvantage. Even as to the matching amounts, it is stacked in favor of the incumbent, because—I have used this example before—in the State of California, theoretically, they match up to $700,000 of contributions, of up to $100 in House and Senate races.

Let us assume that the challenger in a State, because of being less well known, is able to raise $100,000—or $125,000, since that is the threshold amount, but let us say $100,000 because it makes the arithmetic a little easier—and the incumbent raises $700,000. So there is a $600,000 spread.

Then public financing comes into the picture and matches the incumbent's $700,000 and then matches the challenger's $100,000. This is in the primary. The incumbent then would have $1.4 million, and the challenger would have only $200,000, which would give the incumbent a $1.2 million advantage over the challenger.

The Senate, in its wisdom, saw fit to strike down the amendment offered by the Senator from Alabama to cut the contribution down, to leave it in the private sector; but the amendment, of course, would not have accomplished that, and still kept the public financing. But it would have reduced the amount of permissible contribution. The Senate voted down the $250 and the $100 limits.

The pending amendment would raise the permissible contribution from those figures to $2,000 in Presidential races and $1,000 in House-Senate races, which would be a reduction from the flat $3,000 provided by the bill. That still would leave the right to make massive contributions, in the view of the Senator from Alabama—a $2,000 limit in a Presidential race and a $1,000 limit in the House and Senate races.

It is said that we should get rid of the big contributors. I submit that this amendment would do that to a greater extent than would the pending bill, which allows contributions of up to $3,000 a person or $6,000 for a couple. The figures in this amendment still would be capable of being doubled by a man and his wife. So, effectively, it would be $2,000, but it could be doubled by a man and his wife. Therefore, $4,000 really could be contributed in a Presidential race.

Then, doubling the $1,000 permitted by the bill in House and Senate races would increase to $2,000 the amount that a couple could contribute. So these amounts are large enough if we want to get rid of the influence of so-called large contributors. I am not familiar with large contributors myself. I have not had the benefit—or detriment—of that situation. I would feel that these limits are ample. I might say that this bill does not cut down on campaign expenses. It greatly escalates the cost. It gives each candidate for the Presidential nomination of the two parties up to $7.5 million. They talk about that being campaign reform.

Mr. President, how much time does the Senator from Alabama have remaining?

The PRESIDING OFFICER. The Senator has 13 minutes remaining.

Mr. ALLEN. I thank the Chair.

Mr. President, these contributions offered by the amendment would still be ample. If we are going to try to clean up the political campaign, the way to do it is not to just hand a great big pile of money to these various candidates to office but to restrict the amount that individual contributors contribute.

A little later on I have an amendment I wish to bring up that would reduce by one-third the permissible overall expenditures.

For instance, in the State of California they would give a candidate for the Senate in a general election, a candidate from a major party, a check for—I guess he could ask for cash, I do not know, but he could get the check cashed if he were given a check—he is handed $2.1 million. I have another amendment that I shall call up later to cut that down to $1.4 million. That would seem quite adequate to the Senator from Alabama to present to the various candidates; $1.4 million in California, and lesser amounts on down as the population of States would decrease from that level.

So, Mr. President, the answer is not just giving tremendous sums to candidates out of the Public Treasury. The answer is limiting the overall amount that can be spent by a candidate and then reducing *drastically* the amount of individual contributions.

The amendment that we have before us now approaches one of those aspects, that is, reducing the amount of permissible contributions.

If Senators want reform, this is reform. I get a little displeased and frustrated sometimes when I read in newspapers that an effort is being made here to kill a campaign reform bill. Well, if this bill providing for paying for political campaigns out of the Public Treasury is reform, a different idea of what reform is must prevail from the idea that I have about reform.

This bill reforms the law, changes the law, changes it over from a voluntary participation by all the people to recommended payment out of the Public Treasury. So this is no reform bill we have before us. It is another Federal subsidy bill. It is a bill that would remove Government and candidates away from the people they represent. How do we figure that? Well, if they give a candidate up to $2 million to run a general election campaign, do Senators think he is going to bother to ask for modest amounts of support from his constituents, or would his campaign committee bother to try to get voluntary participation from his constituents? Why, no.

The Senator from California earlier today was stating that he was a little bit worried about this $2.1 million. He thought maybe that was too much, but then he got to worrying about the challenger out there and thought he should be well funded and, therefore, he was not going to raise any point about the $2.1 million a senatorial candidate might receive.

I might say with respect to the Senator from California (Mr. CRANSTON), who was making the remarks, that the subsidy would not apply to his upcoming race, because it would go into effect January 1, 1976. But it would apply to all these candidates in Congress who are running for the Presidency.

As I read the various Gallup polls and Harris polls, there are about 10 candidates for the presidency here in the Halls of Congress, candidates eligible for up to $7.5 million in Federal subsidies. Is that campaign reform? That is a campaign handout, in the view of the Senator from Alabama.

Now, Mr. President, earlier today we had a vote in the Senate on the matter of whether the debate on this issue should be brought to a close. I believe that by a vote of 60 to 36, a two-thirds vote being required and that not being a two-thirds vote, the Senate refused to stop the debate. That is fine. The Senator from Alabama is glad to see that. But he recognizes and realizes from the analysis of that vote that this bill, this pernicious bill has not been defeated because there will be subsequent votes on the clotures issue. I understand another vote is coming, possibly next Tuesday, and the battle is far from being won. The task will be to encourage the 36 Senators who voted against stopping debate on this bill so it could be rammed through the Senate, to continue being against the bill, and pretty soon it is going to get down to the point where, if one is against public financing, he will vote against the invoking of cloture. If he is for public financing, he will vote for it. There is not going to be any middle position on it. Either one is for it or against it.

So the lengthy discussion and the lengthy amendment process that the bill is being subjected to might possibly result in agreeing on a true campaign reform bill, a bill leaving out the Federal subsidy provisions, provisions requiring that the taxpayers pay for the campaign of the politicians throughout the country, when the people realize that this is not a reform bill, but is a scheme whereby a large number of Members of Congress, a minimum of 10, would obtain massive financing for a race for the Presidential nomination. Knock that out of the bill and we would see the wind go out of the sails of this bill. That is the important feature of the bill, followed by the provisions giving Members of the Senate and Members of the House up to a 50-percent subsidy in primary campaigns and a 100-percent subsidy in general elections.

Mr. President, I do not see that. I do not see that it is in the public interest. I will have to oppose that, but I do feel that this amendment would be in the public interest, because it reduces to $2,000 the amount of permissible contributions for President and to $1,000 the amount of permissible contributions for House and Senate primary and general elections. It would not knock out the matching feature. Senators and Representatives would still be able to participate, to put the hand in the Federal till. They would still have that right. Members of Congress who want to run for President still have the right to get up to $7.5 million, but their ability to get matching funds would be reduced if we cut down the amount of permissible contributions.

I hope the amendment will be agreed to. It would improve the bill. It would not improve it to the point where the Senator from Alabama would go for it, but it would make it a better bill, and he is hopeful it will be agreed to by the Senate.

Mr. President, how much time does the Senator from Alabama have?

The PRESIDING OFFICER. Less than 1 minute.

Mr. ALLEN. Mr. President, I yield back my time.

Mr. CANNON. Mr. President, I find the Senator from Alabama's argument somewhat amusing in some particulars, in that he suggests we ought not to have public financing and then at the same time says that we ought to reduce the amount of financing from private sources. If we are not to have public financing, when there has to be some form of raising money to carry out a campaign. The committee considered that, and this is one of the reasons why we put in the alternative provision so a person could elect to go to public financing, if he could meet the matching money requirement in the primary and desired to do so, but, on the other hand, candidates were not forced to go to public financing if they did not desire to do so.

The Senator's amendment, if it were adopted, would force practically everyone to go to public financing, which is the very thing he opposes. The very thing he is speaking against is public financing. If his amendment were adopted, and if his amendment of the other day, which was more restrictive, had been adopted, there would have been no alternative, because it would have been impossible to raise funds for campaigns for these types of election and raise enough money to carry on a campaign.

He also indicated that the amendment was not really going to reduce the expenses of campaigns. I have made just a quick review of some of the States involved in the last campaign to see if it would, and I will read some of them. Here are 12 States, and I may say, they were States which had the most expensive campaigns last year: Texas, Michigan, Illinois, Alabama, Kentucky, Oklahoma, North Carolina, Tennessee, Louisiana, Georgia, Idaho, and South Dakota. Those States would not be able to spend as much under the limits of this bill as was spent in the last campaign, and some of those States actually had no primary. There are others besides the ones I read; these just happen to be some on which I had statistics readily available, partly because the chart indicates that some of those States did not have primaries and partly because the chart indicates they were some of the most expensive States when it came to spending in the last general election.

I may say that in some of those very States, the reduction would be quite substantial in the amount that could be spent for a particular race.

The Senator has indicated that he is going to move later on to reduce the formula that we set as the limiting factor. I have already stated I find no particular magic in the formula. It was the best we could devise in committee. We tried to do it, based on some experience we had on what the previous races had cost, recognizing the fact that some of them had cost too much and there ought to be some limit imposed. The Senator has indicated he is going to make a move later to reduce authorized spending to 5 cents per voting-age population, and to 10 cents per voting-age population in the general election. Frankly, I think that is too low. I think it would overly restrict a campaign and would really make it an incumbent's bill if we cut it down to the area where a nonincumbent, a challenger, would not have an opportunity to go out and make himself known to the proposed constituency in order to compete against the incumbent.

If the Senator from Alabama were to increase that figure somewhat, I would be inclined to support it. If he were inclined to reduce the primary figure perhaps from 10 to 8 cents and the general figure from 15 to 12 cents, I myself would find no difficulty in going along with some sort of reduction along that line. I think that the people who really should be heard in that instance are those who come from some of the larger States that have problems peculiar to their own States and may feel that that limit may be too small.

So I think that issue should be thoroughly debated before the vote comes up and should be debated by those who have more of a personal interest in it than I have. As I said, we decided on this particular figure based on an overview of what campaigns had been costing and recognizing that the 10 States whose names I read a moment ago had campaigns that were entirely too costly, and that some of the States had no primaries but still had campaigns that were too costly. That was the basic information we considered in deriving the formula of 10 cents per voting age for the primary election and 15 cents per voting age for the general election.

I see my good friend from Texas (Mr. BENTSEN) in the Chamber. I read the definitions a few minutes ago under the formula. In the general election campaign in the State of Texas, the formula, at 15 cents per voting age population, would permit an expenditure of $1,167,750. According to our table, the expenditures in the general election in Texas, in the last election for the winning party, amounted to $2,301,870.

Mr. BENTSEN. Mr. President, will the chairman yield?

Mr. CANNON. I yield.

Mr. BENTSEN. Will the chairman also say that was not for this particular Senator? [Laughter.]

Mr. CANNON. Yes. I merely wanted to point out that the expenditure was considerably above the amount of the limit that would be imposed under this formula.

Mr. BENTSEN. Let me also say, so far as the limits are concerned, that I think that the committee has done a good job. I wanted to be sure that we did not have an incumbent's bill.

I know that when I was considering running for the Senate, running against an incumbent, we took a public opinion poll to see what my name identification was. It was a little under 1 percent. I was practically unknown. Most people confused me with Ezra Taft Benson, who was an unpopular Secretary of Agriculture. So, in effect, I had a negative recognition. I stayed well within the amount of money that is indicated by the committee. I ran against an incumbent; and to win in the general election means that one has to have enough money to spend. But this has not become an incumbent's bill. I commend the Senator from Nevada.

Mr. CANNON. I pointed out to the Senator from Alabama that that was the effect of an amendment he had offered, to reduce the amount to 5 cents in the general election. If the amount were to be reduced in that magnitude, it would really become an incumbent's bill. I said I would support something identical.

Mr. BENTSEN. I stayed within those limitations; but if they were dropped back to the limits here proposed, I think it would be very difficult to secure recognition by the public and interest them in what the issues are.

Mr. CANNON. We have gotten somewhat off the track of the amendment; but the Senator from Alabama had discussed these very issues. If his amendment were to be adopted, it would drive people away from the opportunity to use private financing, if they did not want to go the public financing route.

That is the reason we arrived at a somewhat arbitrary figure and used $3,000 in the bill. It is true that a husband and wife could give $6,000—$3,000 for each of them.

Mr. ALLEN. I appreciate the Senator's saying that he would personally favor a reduction in the figures; and possibly the Senator from Alabama will modify his amendment to conform to that.

The PRESIDING OFFICER. All time on the amendment has expired.

Mr. ALLEN. Mr. President, I thought we had until 12:45.

The PRESIDING OFFICER. Until 12:44. Debate started at 12:14.

Mr. ALLEN. Mr. President, I ask for the yeas and nays.

The yeas and nays were not ordered.

Mr. CANNON. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CANNON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CANNON. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Alabama (Mr. ALLEN). The yeas and nays have been ordered, and the clerk will call the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Arkansas (Mr. FULBRIGHT), the Senator from Iowa (Mr. HUGHES), the Senator from Louisiana (Mr. LONG), and the Senator from Wyoming (Mr. MCGEE) are necessarily absent.

I further announce that the Senator from Kentucky (Mr. HUDDLESTON) is absent on official business.

Mr. GRIFFIN. I announce that the Senator from Kentucky (Mr. COOK), the Senator from Arizona (Mr. GOLDWATER), and the Senator from Ohio (Mr. TAFT) are necessarily absent.

I also announce that the Senator from Virginia (Mr. WILLIAM L. SCOTT) is absent on official business.

The result was announced—yeas 38, nays 53, as follows:

[No. 117 Leg.]

YEAS—38

Abourezk
Aiken
Allen
Baker
Bartlett
Beall
Biden
Burdick
Byrd
  Harry F., Jr.
Byrd, Robert C.
Chiles
Clark
Cotton
Dole
Domenici
Eagleton
Ervin
Griffin
Gurney
Hart
Helms
Hollings
McClellan
McGovern
Metzenbaum
Nunn
Packwood
Pearson
Pell
Proxmire
Randolph
Roth
Stafford
Stennis
Stevenson
Symington
Thurmond
Weicker

NAYS—53

Bayh
Bellmon
Bennett
Bentsen
Bible
Brock
Brooke
Buckley
Cannon
Case
Church
Cranston
Curtis
Dominick
Eastland
Fannin
Fong
Gravel
Hansen
Hartke
Haskell
Hatfield
Hathaway
Hruska
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Magnuson
Mansfield
Mathias
McClure
McIntyre
Metcalf
Mondale
Montoya
Moss
Muskie
Nelson
Pastore
Percy
Ribicoff
Schweiker
Scott, Hugh
Sparkman
Stevens
Talmadge
Tower
Tunney
Williams
Young

NOT VOTING—9

Cook
Fulbright
Goldwater
Huddleston
Hughes
Long
McGee
Scott,
  William L.
Taft

So Mr. ALLEN'S amendment was rejected.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Hackney, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the amendments of the Senate to the bill (H.R. 12253) to amend the General Education Provisions Act to provide that funds appropriated for applicable programs for fiscal year 1974 shall remain available during the succeeding fiscal year and that such funds for fiscal year 1973 shall remain available during fiscal years 1974 and 1975.

ENROLLED BILL SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled bill (H.R. 6186) to amend the District of Columbia Revenue Act of 1947 regarding taxability of dividends received by a corporation from insurance companies, banks, and other savings institutions.

INCREASES IN CERTAIN ANNUITIES

The PRESIDING OFFICER (Mr. STEVENS). Under the previous order, the hour of 2 p.m. having arrived, the Chair lays before the Senate the amendment of the House of Representatives to the bill (S. 1866) to provide increases in certain annuities payable under chapter 83 of title 5, United States Code, and for other purposes which was to strike out all after the enacting clause, and insert:

That section 8345 of title 5, United States Code, is amended by adding at the end thereof the following new subsection:

"(f) (1) Notwithstanding any other provision of this subchapter, other than this subsection, the monthly rate of annuity payable under subsection (a) of this section shall not be less than the smallest primary insurance amount, including any cost-of-living increase added to that amount, authorized to be paid from time to time under title II of the Social Security Act.

"(2) Notwithstanding any other provision of this subchapter, other than this subsection, the monthly rate of annuity payable under subsection (a) of this section to a surviving child shall not be less than the smallest primary insurance amount, including any cost-of-living increase added to that amount, authorized to be paid from time to time under title II of the Social Security Act, or three times such primary insurance amount divided by the number of surviving childern entitled to an annuity, whichever is the lesser.

"(3) The provisions of this subsection shall not apply to an annuitant or to a survivor who is or becomes entitled to receive from the United States an annuity or retired pay under any other civilian or military retirement system, benefits under title II of the Social Security Act, a pension, veterans' compensation, or any other periodic payment of a similar nature, when the monthly rate thereof, is equal to or greater than the smallest primary insurance amount, including any cost-of-living increase added to that amount, authorized to be paid from time to time under title II of the Social Security Act".

"SEC. 2. (a) An annuity payable from the Civil Service Retirement and Disability Fund to a former employee or Member, which is based on a separation occurring prior to October 20, 1969, is increased by $240.

(b) In lieu of any increase based on an increase under subsection (a) of this section, an annuity payable from the Civil Service Retirement and Disability Fund to the surviving spouse of an employee, Member, or annuitant, which is based on a separation occurring prior to October 20, 1969, shall be increased by $132.

(c) The monthly rate of an annuity resulting from an increase under this section shall be considered as the monthly rate of annuity payable under section 8345(a) of title 5, United States Code, for purposes of computing the minimum annuity under section 8345(f) of title 5, as added by the first section of this Act.

SEC. 3. This Act shall become effective on the date of enactment. Annuity increases under this Act shall apply to annuities which commence before, on, or after the date of enactment of this Act, but no increase in annuity shall be paid for any period prior to the first day of the first month which begins on or after the ninetieth day after the date of enactment of this Act, or the date on which the annuity commences, whichever is later.

The Chair will state that one-half hour of debate is allowed. The Senator from North Dakota (Mr. BURDICK) is recognized.

Mr. BURDICK. Mr. President, it is my strong hope that the Senate will agree to S. 1866 as amended by the House. The House amendments are minimal, so that the measure before us is very similar to the bill to which the Senate has already agreed.

There are three main purposes of the bill. The first of these would establish a minimum civil service retirement annuity equal to the minimum social security benefit. Under present law, this is $84.50 per month, with increases provided for under the provisions of Public Law 93-182.

Second, the bill would increase the annuities of those who retired prior to October 20, 1969, by $240 annually—$20 per month—for a retiree and by $132 annually—$11 per month—for a retiree's surviving spouse. Members will recall that October 20, 1969, was the date on which the law liberalized the retirement-computation formula. Prior to that date, an annuity was computed upon the basis of the high-five highest salary; after that date, annuities were computed on the high-three average salary. With higher salary averages used as a computation base, retirees since October 20, 1969, enjoy substantially improved annuities. The thrust of this provision is to take a step toward redressing this unequal computation method.

Third, the bill provides that the surviving child of a deceased annuitant would receive a monthly minimum annuity of $84.50—the social security minimum—and provides that no more than three times $84.50 would be payable to the surviving children of any annuitant.

When I introduced S. 1866, it contained the $20 per month across-the-board benefit which I have described. In committee, the bill was amended to remove that provision because of its cost. In floor action, however, Senator GURNEY's amendment restored it by a vote of 70 to 20. This vote represents strong Senate approval; we know the provision was approved in the other body; and I am satisfied that it should remain, as being in accord with a substantial congressional consensus.

Mr. President, the merits of this measure speak for themselves— to help those Federal annuitants and their families who need help most, those struggling to subsist on small annuities based on the lower salaries of past decades and computed under a less liberal average-salary formula. Approximately 15 percent of current civil service annuity beneficiaries are receiving less than the present minimum social security benefit of $84.50. Included among these 145,000 people are 65,000 retirees, 75,000 surviving spouses, and 5,000 children. Many of these people live on the ragged line of poverty; they need and deserve congressional help.

Now, as to cost. Members are aware that, under law, increases in the unfunded liability of the civil service retirement and disability fund are amortized by payment of 30 equal annual installments. The annual cost of this bill over 30 years would amount to $119 million.

I mentioned earlier that the House amendments were minimal in their scope. Under the Senate bill, the $84.50 minimum would not apply to a retiree receiving social security benefits; the House version broadens this exclusion to a retiree receiving any other pension, including social security.

The effective date of the measure as amended by the House is upon enactment. In the Senate version, the effective date was 90 days after enactment.

For the surviving child, the House measure allows $84.50 per month, but limits the total amount payable to the children of a deceased retiree to $243.50 per month. The Senate bill allowed three-quarters of $84.50 or approximately $65 for the first child and $84.50 a month each for additional children.

Mr. President, the Senate has already enacted virtually the same measure. I move that the Senate concur in the amendment of the House.

Mr. FONG. Mr. President, in rising to oppose passage of S. 1866 as amended, I would like to cite the following reasons for my opposition:

First. This bill was originally unanimously reported from the Post Office and Civil Service Committee and I concurred in approving it. It came from the committee for one purpose, and one purpose only; namely to help about 70,000 Federal retirees and their survivors who are in dire financial need by raising the annuity of each retiree or survivor to the minimum amount payable to beneficiaries under social security.

It was felt that if a Federal retiree or his survivor was not receiving any social security benefits, his Federal annuity should at least match the minimum payment under social security, which is now $84.50 per month.

Second. The bill now before us, however, is greatly expanded, by amendment in the Senate and in the House of Representatives, so as to give a $20 monthly increase to pre-October 1969 retirees, even those receiving more than the social security minimum benefit. It would also give an $11 a month increase to their surviving spouses.

These additional retirees and their surviving spouses—numbering more than 500,000—have not been neglected by the Congress. They have been given automatic cost-of-living increases on their annuities. Since 1969, their annuities have increased by 35.4 percent. They will continue to receive cost-of-living increases according to law, all without contributions from them.

Third. Retirees benefiting from this

amendment have not contributed 1 cent to the retirement system for this particular increase. Annuities under the Federal Employees Retirement System are based on service, salary, and contributions. Contributions by the employees are matched by the Federal Government. Contributions and annuities are based on actuarial tables. This amendment destroys the principle of service, salary, and contribution and puts the retirement system out of kilter. Actually, as amended, S. 1866 is an attack on the financial integrity of the retirement system.

Fourth. The cost of the amendments to the committee bill total the enormous sum of $1.5 billion. This increases the cost of the committee bill from its original $433 million to $1.9 billion.

Fifth. Payment of the $1.9 billion is to be spread out over 30 years with interest added. This would balloon the $1.9 billion cost to $3.5 billion. This is the type of uncontrolled spending which the Senate and the House voted to control in passing the budget reform measure just a few days ago.

Sixth. As neither the retirees who will receive the increase under S. 1866 nor the present Federal employees will contribute to the retirement fund to pay the cost of this bill, the cost must be paid out of general revenues of the U.S. Treasury. In other words, the $3.5 billion cost of this bill is imposed entirely on the American taxpayers.

Seventh. Passage of this bill would increase the present $68.7 billion insolvency of the Federal Retirement Fund by $3.5 billion, to $72.2 billion in deficit. There is no question that the retirement fund already is in grave jeopardy. Many retirees and employees are very worried—rightly so—and I am also very worried about whether the money will be in their retirement fund to pay their annuities in the future. We certainly owe a primary obligation to those Federal employees who have paid their way with the expectation that they will receive their full annuity when they retire.

Eighth. Congress, only a few weeks ago, denied comparable pay to top-level employees and officials in the executive, legislative, and judicial branches of our Government. These employees have given and are giving valued service in positions of very high responsibility. Yet, we deny those currently on the job their just pay and even denied them a cost-of-living increase. S. 1866 as amended would grant annuity increases where the case for equity is far, far weaker.

Ninth. S. 1866 as amended would cost 3,300 percent—or 33 times—more than the bill the Senate recently rejected to give the top-level executive branch personnel, Federal judges, and Members of Congress a long-overdue 7.5-percent increase per year for 3 years as recommended by the President. That proposal would have cost $56 million. S. 1866 as it stands would cost $1.9 billion fully funded. This is the sum which should be paid to the retirement fund immediately upon enactment to cover the cost of the benefits in this bill. If not funded immediately but over a period of 30 years as intended, the cost will be $3.5 billion.

Tenth. Enactment of this bill will set a very bad precedent. Every time in the future that Congress liberalizes Federal salaries, overtime pay, years of service, credit for annual leave, retirement annuities, retirement age, and other fringe benefits, Congress will be under intense pressure to provide for those already retired additional increases in their annuities over and above the automatic cost-of-living increases they already receive by law.

For these reasons, Mr. President, I strongly oppose enactment of this bill and ask that my colleagues vote against it.

The PRESIDING OFFICER. Who yields time?

Mr. McGEE. Mr. President, will the Senator from North Dakota yield me 2 minutes?

Mr. BURDICK. I yield.

Mr. McGEE. Mr. President, with all due respect to my colleague, the ranking minority member on the committee, we do not have an opportunity here today to vote on this bill. The bill has been voted on and passed by the Senate and passed by the House by overwhelming majorities.

The only question here is whether this body, this afternoon, accedes to the House amendments or whether we reject those amendments and go to conference with the original bill that came out of the Senate. That is the only issue.

The House amendments cut the bill by $900,000 annually; $14 million in a little more than 30 years. That is the only difference in the House amendments.

The question is, Do we accede to the House amendments or do we hold the Senate bill, with all these horrible things in it that my colleague has just alluded to, and go to conference with the House on the difference of $900,000 a year? That is why the vote here ought to be resolved with dispatch. There is no other question.

The substance of the bill has been acted upon. This is not a motion to reconsider. It is out of order. This is not a motion to do it all over again. This is simply a motion to decide whether the $900,000 cheaper House measure, as amended, ought to be accepted, to avoid going to conference, or whether we ought to reject the House proposal and take the measure to conference. The issue in conference will be that $900,000.

Mr. President, the matter before the Senate with respect to S. 1866 is primarily procedural rather than substantive. The Senate debated this measure, amended it, and passed it on September 11, 1973. The House, too has debated the bill, amended it, and passed it, with its final action coming on March 5, 1974.

S. 1866 as it is before us, as amended by the House, is a somewhat less expensive bill than the Senate approved last year. The question before the Senate is whether to accept the House version.

With respect to the cost of the legislation, however, the differences are relatively small, though the eventual cost is not. The cost of the bill before us is $1.9 billion, which would be increased by interest charges over the 30-year amortization period provided for by law, making the long-term cost $3.5 billion. That is the cost cited here by the ranking minority member of the Committee on Post Office and Civil Service, based on computation by the Civil Service Commission, and I accept it.

The one difficulty I have with this $3.5 billion cost is that it includes the cost of a 30-year mortgage in the advertised price of the house, to use an analogy which I think most people will understand. It is true that a home buyer pays out $80,000 or more, over the life of his mortgage, when he buys a $40,000 house these days. He still gets a $40,000 house, however. Just so, the beneficiaries of this bill would get $1.9 billion, not $3.5 billion.

By contrast, the bill which the committee reported to the Senate on July 27, 1973 would have increased the unfunded liability of the civil service retirement fund by $233.4 million, to be amortized by 30 annual installments of $14.5 million, for a total cost of about $435 million. That version was significantly amended on the floor to restore the provision, struck by the committee, which would give those annuitants who retired prior to October 20, 1969, an across-the-board increase of $20 per month. The vote on that amendment, offered by the Senator from Florida (Mr. GURNEY) was 70 to 20. Passage of the bill followed on a record vote of 71 to 19.

While there are differences between S. 1866 as it passed the Senate and the version of the bill which comes to us from the House, both include the $20 monthly increase for annuitants who retired under the old formula of computing pensions on the basis of their high 5-year-average salaries instead of the present-day formula based on the high 3-year-average salaries. In the case of a surviving spouse, the monthly increase would be $11.

As it was reported from the Committee on Post Office and Civil Service, the purpose of the bill was to place a floor under civil service annuities so as to provide that the minimum annuity for those not receiving social security benefits already would be equal to the minimum social security benefits. That amount is presently $84.50 per month.

That provision remains in this version, slightly changed. S. 1866 as it is before us today would not guarantee the minimum annuity to anyone receiving other civilian or military pension benefits. In addition, whereas the original Senate version of S. 1866 was more liberal for the families of survivors with more than one eligible child, permitting the $84.50 per month payment for each, the version now before us establishes a maximum of three times the minimum of $84.50 for families with more than one child. For one surviving child, the Senate's original version permitted a payment of three-fourths of the $84.50 minimum, while the House version before us permits the full $84.50 for a single surviving child.

Finally, while our original bill would have been effective days after enactment, the version now before us would be effective upon enactment.

It is not my belief that the relatively minor differences I have just detailed are the occasion for this debate today. Certainly, the other provision of S. 1866 as we passed it last year, the amendment relating to social security which was offered by the Senator from Minnesota (Mr. Humphrey), and which has been removed by the House as the result of passage of Public Law 93-182, which resolved the social security cost-of-living issue, is not at stake.

So, Mr. President, we come back to this procedural question: Shall the Senate concur in the amendment of the House?

The Senate, I believe, is quite ready to vote on that question, having thoroughly considered the substantive provisions of the legislation and recorded its decision on those previously.

Mr. COTTON. Mr. President, will the Senator yield me 5 minutes?

Mr. FONG. I yield 5 minutes.

Mr. COTTON. Mr. President, I suppose that the Senator from New Hampshire must assume the blame that this matter is being taken up at this time today. Last night, after it had been announced that there would be no more rollcall votes, it was taken up by the leadership, and quite properly so. But only seven Senators were on the floor.

The Senator from New Hampshire felt that when we are dealing with $3.5 billion over the next 30 years, with this greatly expanded bill, with people sitting in the newspaper galleries and the commentators watching us, with the situation we face today and the distrust that the public has for public officials and for men in public life, politicians, I did not want to hear over television when I went home that a $3.5 billion bill was finally approved after everybody had gone home, with only seven Senators on the floor.

Now, Mr. President, I do not for one single moment question the logic and the truth of everything the distinguished Senator from Wyoming (Mr. McGee) has just said. It is true that the question before us today is simply accepting the amendment of the House. But, Mr. President, if my recollection is adequate, 19 Senators, and I believe I was one, voted against this bill when it was passed by the Senate in its expanded form. I did so with a great deal of reluctance and a good deal of soul searching because in all my years here I think it can be said to be the first time I have ever voted against any measure that had in it a provision for increasing the social security and aid to the aged. But it has so many other things in it.

Of course, this conference report is going to be accepted. Of course, the Senator from Wyoming is correct that the question at issue here does not in any way undo the expenditures, the vast expenditures in this bill.

There is some significance, however, in permitting Members of the Senate to once more register such doubt as they have about this measure, even though it is indirect.

The part of this measure that is absolutely necessary, for instance, the $400 million in social security, could easily be taken care of without any delay from the committee by another bill. I cannot believe that this bill will be signed by the President. I think we will sooner or later have to vote on a veto. That is my own opinion; I have no information from the White House.

The PRESIDING OFFICER. The Senator's 5 minutes have expired.

Mr. COTTON. Mr. President, I ask that the Senator yield to me for 2 additional minutes.

Mr. FONG. I yield to the Senator from New Hampshire.

The PRESIDING OFFICER. The Senator has only 1 minute remaining.

Mr. COTTON. Very well. I shall finish within that time.

Mr. President, the fact remains that we are today paying over $29 billion a year and soon it will be $30 billion a year in interest on our debt, and that even under the unified budget for the coming fiscal year we are going into the hole $9 million more. This is too expensive a bill, in the opinion of this Senator, to let it go through without protesting on the part of those who feel they must protest at every stage in the proceeding.

Therefore, with no reservation about the outcome, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. GURNEY. Mr. President, today we are again voting on S. 1866, legislation to improve benefits for civil service retirees.

S. 1866 has two provisions: First, a section increasing the minimum benefit payable to civil service retirees to correspond to the minimum for social security retirees. To those few Federal annuitants who receive no social security and who will benefit by this section, an increase in benefits will be helpful. Second, S. 1866 has a provision of great importance to all pre-October 1969, retirees, whether they receive social security or not. These older retirees will receive a $20 per month increase if S. 1866 passes. This provision of the bill, which was formerly my amendment No. 448, will help stem the tide of inflation many Federal retirees are facing.

With the rise in the cost of living in these past years, pre-1969 retirees have felt a terrible financial pinch. The cost-of-living increases available under current law have been too little and too late, and while social security annuitants will receive 11 percent higher benefits by July, civil service annuitants will only receive about half that.

We passed S. 1866 here in the Senate last September. Today we vote on whether to accept a House amendment which deletes a now-outdated social security section.

Federal retirees were relieved 6 months ago to think a benefit increase was at last in sight. We cannot disappoint them now. I urge my colleagues to give their full and unqualified support to this legislation. Our Nation's civil service retirees have waited long enough.

The PRESIDING OFFICER. The time of the Senator has expired. The Senator from North Dakota has 7 minutes remaining.

Mr. BURDICK. I yield back my time.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the motion of the Senator from North Dakota (Mr. Burdick). The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Arkansas (Mr. Fulbright), the Senator from Iowa (Mr. Hughes), and the Senator from Louisiana (Mr. Long), are necessarily absent.

I further announce that the Senator from Kentucky (Mr. Huddleston) is absent on official business.

Mr. GRIFFIN. I announce that the Senator from Utah (Mr. Bennett) and the Senator from Arizona (Mr. Goldwater) are necessarily absent.

I also announce that the Senator from Virginia (Mr. William L. Scott) is absent on official business.

The result was announced—yeas 77, nays 16, as follows:

[No. 118 Leg.]

YEAS—77

Abourezk
Aiken
Allen
Baker
Bayh
Beall
Bellmon
Bentsen
Bible
Biden
Brooke
Buckley
Burdick
Byrd,
Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cook
Cranston
Dole
Domenici
Eagleton
Eastland
Ervin
Gravel
Gurney
Hart
Hartke
Haskell
Hatfield
Hathaway
Hollings
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Magnuson
Mansfield
Mathias
McClellan
McGee
McGovern
McIntyre
Metcalf
Metzenbaum
Mondale
Montoya
Moss
Muskie
Nelson
Nunn
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Schweiker
Scott, Hugh
Sparkman
Stafford
Stennis
Stevens
Stevenson
Symington
Talmadge
Tunney
Weicker
Williams
Young

NAYS—16

Bartlett
Brock
Cotton
Curtis
Dominick
Fannin
Fong
Griffin
Hansen
Helms
Hruska
McClure
Roth
Taft
Thurmond
Tower

NOT VOTING—7

Bennett
Fulbright
Goldwater
Huddleston
Hughes
Long
Scott,
William L.

So the motion to concur in the House amendment was agreed to.

AMENDMENT OF CHAPTER 5, TITLE 37, UNITED STATES CODE

Mr. STENNIS. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on S. 2771.

The PRESIDING OFFICER (Mr. Stevens) laid before the Senate the amendments of the House of Representatives to the bill (S. 2771) to amend chapter 5 of title 37, United States Code, to revise and special pay bonus structure relating to members of the armed forces, and for other purposes, which were on page 2, line 16, strike out "$12,000," and insert "$15,000,".

On page 2, line 18, after "computation.", insert "Bonus authority provided under this section shall be administered in such a manner that no member reenlisting for two or more reenlistments may receive a total bonus amount that is larger than the amount to which he would have been entitled had his initial reenlistment or active duty extension been for a total period of additional obligated service equal to the two or more reenlistments."

On page 3, line 14, strike out "Navy.". and insert "Navy."

On page 3, after line 14, insert:

"(f) No bonus shall be paid under this section with respect to any reenlistment, or voluntary extension of an active-duty enlistment, in the armed forces entered into after June 30, 1977.".

On page 5, line 14, strike out "January 1, 1974." and insert "the first day of the month following the date of enactment."

On page 5, strike out all after line 14 over to and including line 4 on page 6.

Mr. STENNIS. Mr. President, I move that the Senate disagree to the amendments of the House and request a conference with the House of Representatives thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. Stennis, Mr. Symington, Mr. Jackson, Mr. Thurmond, and Mr. Tower conferees on the part of the Senate.

AMENDMENT OF CHAPTER 5, TITLE 37, UNITED STATES CODE

Mr. STENNIS. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on S. 2770.

The PRESIDING OFFICER (Mr. Stevens) laid before the Senate the amendments of the House of Representatives to the bill (S. 2770) to amend chapter 5 of title 37, United States Code, to revise the special pay structure relating to medical officers of the uniformed services, which were to strike out all after the enacting clause, and insert:

That chapter 5 of title 37, United States Code, is amended as follows:

(1) Section 302 is amended to read as follows and the item in the chapter analysis is amended to correspond with the revised catchline:

"§ 302. Special pay: physicians, dentists, veterinarians or optometrists

"An officer of the Army or Navy in the Medical or Dental Corps or in the Medical Service Corps if he is designated as an optometry officer, an officer of the Army in the Veterinary Corps, an officer of the Air Force who is designated as a medical, dental, veterinary, or optometry officer, or a medical, dental, veterinary, or optometry officer of the Public Health Service, who is on active duty for a period of at least one year is entitled, in addition to any other pay or allowances to which he is entitled, to special pay at the following rates—

"(1) $100 a month for each month of active duty if he has not completed two years of active duty in a category named in this section; or

"(2) $350 a month for each month of active duty if he has completed at least two years of active duty in a category named in this section.

The amounts set forth in this section may not be included in computing the amount of an increase in pay authorized by any other provision of this title or in computing retired pay or severance pay."

(2) That portion of the first sentence of section 311(a) preceding clause (1) is amended to read as follows:

"(a) Under regulations to be prescribed by the Secretary of Defense or by the Secretary of Health, Education, and Welfare, as appropriate, an officer of the Army or Navy in the Medical or Dental Corps above the pay grade of O–6, an officer of the Air Force who is designated as a medical or dental officer and is above the pay grade of O–6, or a medical or dental officer of the Public Health Service above the pay grade of O–6 who—".

(3) By adding the following new section after section 312a and by inserting a corresponding item in the chapter analysis:

"§ 313. Special pay: medical, dental, veterinary or optometry officers who execute active duty agreements

"(a) Under regulations prescribed by the Secretary of Defense or by the Secretary of Health, Education, and Welfare, as appropriate, an officer of the Army or Navy in the Medical or Dental Corps or in the Medical Service Corps if he is designated as an optometry officer, an officer of the Army in the Veterinary Corps, an officer of the Air Force who is designated as a medical, dental, veterinary or optometry officer, or a medical, dental, veterinary or optometry officer of the Public Health Service, who—

"(1) is below the pay grade of O–7;

"(2) is designated as being qualified in a critical specialty by the Secretary concerned;

"(3) is determined by a board composed of officers in the medical, dental, veterinary or optometry profession under criteria prescribed by the Secretary concerned to be qualified to enter into an active duty agreement for a specified number of years;

"(4) is not serving an initial active duty obligation;

"(5) is not undergoing intern or residency training; and

"(6) executes a written active duty agreement under which he will receive incentive pay for completing a specified number of years of continuous active duty subsequent to executing such an agreement;

may, upon acceptance of the written agreement by the Secretary concerned, or his designee, and in addition to any other pay or allowances to which he is entitled, be paid an amount not to exceed $15,000 for each year of the active duty agreement. Upon acceptance of the agreement by the Secretary concerned, or his designee, and subject to subsections (b) and (c) of this section, the total amount payable becomes fixed and may be paid in annual, semiannual, or monthly installments, or in a lump sum after completion of the period of active duty specified in the agreement, as prescribed by the Secretary concerned.

"(b) Under regulations prescribed by the Secretary of Defense or by the Secretary of Health, Education, and Welfare, as appropriate, the Secretary concerned, or his designee, may terminate, at any time, an officer's entitlement to the special pay authorized by this section. In that event, the officer is entitled to be paid only for the fractional part of the period of active duty that he served, and he may be required to refund any amount he received in excess of that entitlement.

"(c) Under regulations prescribed by the Secretary of Defense or by the Secretary of Health, Education, and Welfare, as appropriate, an officer who has received payment under this section and who voluntarily, or because of his misconduct, fails to complete the total number of years of active duty specified in the written agreement shall be required to refund the amount received that exceeds his entitlement under those regulations. If an officer has received less incentive pay than he is entitled to under those regulations at the time of his separation from active duty, he shall be entitled to receive the additional amount due him.

"(d) This section does not alter or modify any other service obligation of an officer. Completion of the agreed period of active duty, or other termination of an agreement, under this section does not entitle an officer to be separated from the service, if he has any other service obligation.

"(e) The Secretary of Defense and the Secretary of Health, Education, and Welfare shall each submit a written report each year to the Committees on Armed Services of the Senate and House of Representatives regarding the operation of the special pay program authorized by this section. The report shall be on a fiscal year basis and shall contain—

"(1) a review of the program for the fiscal year in which the report is submitted; and

"(2) the plan for the program for the succeeding fiscal year.

This report shall be submitted not later than April 30 of each year, beginning in 1975.".

(4) By repealing sections 302a and 303 and the corresponding items in the chapter analysis.

Sec. 2. The amendments made by this Act become effective on April 1, 1974. Except for the provisions of section 313 of title 37, United States Code, as added by section 1(3) of this Act, which will expire on June 30, 1976, the authority for the special pay provided by this Act shall, unless otherwise extended by Congress, expire on June 30, 1977.

And amend the title so as to read: "An Act to amend chapter 5 of title 37, United States Code, to revise the special pay structure relating to medical officers and other health professionals of the uniformed services."

Mr. STENNIS. Mr. President, I move that the Senate disagree to the amendments of the House and request a conference with the House of Representatives thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. Stennis, Mr. Symington, Mr. Jackson, Mr. Thurmond, and Mr. Tower conferees on the part of the Senate.

Mr. STENNIS. I thank the Senator from Nevada for his courtesy in yielding.

FEDERAL ELECTION CAMPAIGN ACT AMENDMENTS OF 1974

The PRESIDING OFFICER (Mr. Stevens). The matter before the Senate is the unfinished business, which will be stated.

The assistant legislative clerk read as follows:

A bill (S. 3044) to amend the Federal Election Campaign Act of 1971 to provide for public financing of primary and general election campaigns for Federal elective office, and to amend certain other provisions of law relating to the financing and conduct of such campaigns.

The PRESIDING OFFICER. Pursuant to the previous order, the Senator from Tennessee (Mr. BAKER) is to be recognized to call up an amendment.

Mr. GRIFFIN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I call up my amendment No. 1134 and ask that it be read.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. BAKER. Mr. President, I ask unanimous consent that the further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment ordered to be printed in the RECORD is as follows:

On page 3, beginning with line 1, strike out through line 4 on page 25 and insert in lieu thereof the following:

"TITLE I—INCREASE IN POLITICAL CONTRIBUTIONS CREDIT AND REPEAL OF PRESIDENTIAL ELECTION FINANCING

"TAX CREDIT

"SEC. 101. (a) Section 41 of the Internal Revenue Code of 1954 (relating to contributions to candidates for public office) is amended by—

"(1) striking out 'one-half of' in subsection (a) and inserting in lieu thereof 'the sum of'.

"(2) amending section 41(b)(1) of such Code (relating to maximum credit for contributions to candidates for public office) to read as *follows:*

"'(1) MAXIMUM CREDIT.—The credit allowed by subsection (a) for a taxable year shall not exceed $50 ($100 in the case of a joint return under section 6013).'.

"(b) The amendments made by this section apply with respect to any political contribution the payment of which is made after December 31, 1973.

"PRESIDENTIAL ELECTION FINANCING

"SEC. 102. (a) Subtitle H of the Internal Revenue Code of 1954 (relating to financing of Presidential election campaigns) is repealed.

"(b) Part VIII of subchapter A of chapter 61 of such Code (relating to designation of income tax payments to Presidential election campaign fund) is repealed.

"(c) The amendments made by this section apply to taxable years beginning after December 31, 1973.".

On page 26, lines 2 and 3, strike out "under section 504 of the Federal Election Campaign Act of 1971, or".

On page 54, lines 3, 4, and 5, strike out "A candidate shall deposit any payment received by him under section 506 of this Act in the account maintained by his central campaign committee.".

On page 63, lines 14 and 15, strike out "(after the application of section 507(b)(1) of this Act)".

On page 64, line 9, strike out ", title V,".

On page 71, beginning with line 20 strike out through line 2 on page 73 and insert in lieu thereof the following:

"(a)(1) Except to the extent that such amounts are changed under subsection (f)(2), no candidate (other than a candidate for nomination for election to the office of President) may make expenditures in connection with his primary election campaign in excess of the greater of—

"(A) 10 cents multiplied by the voting age population (as certified under subsection (g)) of the geographical area in which the election for such nomination is held, or

"(B)(i) $125,000, if the Federal office sought is that of Senator, or Representative from a State which is entitled to only one Representative, or

"(ii) $90,000, if the Federal office sought is that of Representative from a State which is entitled to more than one Representative.

"(2)(A) No candidate for nomination for election to the office of President may make expenditures in any State in which he is a candidate in a primary election in excess of two times the amount which a candidate for nomination for election to the office of Senator from that State (or for nomination for election to the office of Delegate in the case of the District of Columbia, the Virgin Islands, or Guam, or to the office of Resident Commissioner in the case of Puerto Rico) may expend in that State in connection with his primary election campaign.

"(B) Notwithstanding the provisions of subparagraph (A), no such candidate may make expenditures throughout the United States in connection with his campaign for that nomination in excess of an amount equal to 10 cents multiplied by the voting age population of the United States. For purposes of this subparagraph, the term 'United States' means the several States of the United States, the District of Columbia, and the Commonwealth of Puerto Rico, Guam, and the Virgin Islands and any area from which a delegate to the national nominating convention of a political party is selected.

"(b) Except to the extent that such amounts are changed under subsection (f)(2), no candidate may make expenditures in connection with his general election campaign in excess of the greater of—

"(1) 15 cents multiplied by the voting age population (as certified under subsection (g)) of the geographical area in which the election is held, or

"(2)(A) $175,000, if the Federal office sought is that of Senator, or Representative from a State which is entitled to only one Representative, or

"(B) $90,000, if the Federal office sought is that of Representative from a State which is entitled to more than one Representative.

"(c) No candidate who is unopposed in a primary or general election may make expenditures in connection with his primary or general election campaign in excess of 10 per centum of the limitation in subsection (a) or (b).

"(d) The Federal Election Commission shall prescribe regulations under which any expenditure by a candidate for nomination for election to the office of President for use in two or more States shall be attributed to such candidate's expenditure limitation in each such State, based on the voting age population in such State which can reasonably be expected to be influenced by such expenditure.

"(e)(1) Expenditures made on behalf of any candidate are, for the purposes of this section, considered to be made by such candidate.

"(2) Expenditures made by or on behalf of any candidate for the office of Vice President of the United States are, for the purposes of this section, considered to be made by the candidate for the office of President of the United States with whom he is running.

"(3) For purposes of this subsection, an expenditure is made on behalf of a candidate, including a Vice-Presidential candidate, if it is made by—

"(A) an authorized committee or any other agent of the candidate for the purposes of making any expenditure, or

"(B) any person authorized or requested by the candidate, an authorized committee of the candidate, or an agent of the candidate to make the expenditure.

"(4) For purposes of this section an expenditure made by the national committee of a political party, or by the State committee of a political party, in connection with the general election campaign of a candidate affiliated with that party which is not in excess of the limitations contained in subsection (i), is not considered to be an expenditure made on behalf of that candidate.

"(f)(1) For purposes of paragraph (2)—

"(A) 'price index' means the average over a calendar year of the Consumer Price Index (all items—United States city average) published monthly by the Bureau of Labor Statistics, and

"(B) 'base period' means the calendar year 1973.

"(2) At the beginning of each calendar year (commencing in 1975), as necessary data become available from the Bureau of Labor Statistics of the Department of Labor, the Secretary of Labor shall certify to the Federal Election Commission and publish in the Federal Register the percentage difference between the price index for the twelve months preceding the beginning of such calendar year and the price index for the base period. Each amount determined under subsections (a) and (b) shall be changed by such percentage difference. Each amount so changed shall be the amount in effect for such calendar year.

"(g) During the first week of January 1975 and every subsequent year, the Secretary of Commerce shall certify to the Federal Election Commission and publish in the Federal Register an estimate of the voting age population of the United States, of each State, and of each congressional district as of the first day of July next preceding the date of certification. The term 'voting age population' means resident population, eighteen years of age or older.

"(h) Upon receiving the certification of the Secretary of Commerce and of the Secretary of Labor, the Federal Election Commission shall publish in the Federal Register the applicable expenditure limitations in effect for the calendar year for the United States, and for each State and congressional district under this section."

On page 73, line 3, strike out "(b)" and insert in lieu thereof "(i)".

On page 73, line 24, strike out "section 504" and insert in lieu thereof "subsection (g); and".

On page 74, strike out lines 1 and 2.

On page 74, line 6, strike out "that Act" and insert in lieu thereof "the Federal Election Campaign Act of 1971".

On page 74, line 8, strike out "(c)" and insert in lieu thereof "(j)".

On page 74, line 10, strike out "(a) (4)" and insert in lieu thereof "(e) (3)".

On page 75, line 6, strike out "(a) (5)" and insert in lieu thereof "(d)".

On page 75, line 11, strike out "(a) (4)" and insert in lieu thereof "(e) (3)".

The PRESIDING OFFICER. There is a 1-hour limitation on this amendment. Who yields time?

Mr. BAKER. Mr. President, I yield myself such time as I may require. I would advise the Chair, before I begin to discuss the merits of the amendment, that I wish to yield briefly to the distinguished senior Senator from West Virginia, chairman of the Committee on Public Works, so that we may have a brief colloquy on another matter, the time for the colloquy to be charged to my time. But first, I ask unanimous consent that the Senator from Kansas (Mr. DOLE) be added as a cosponsor of my amendment No. 1134.

The PRESIDING OFFICER. Without objection, it is so ordered.

DISASTER RELIEF

The PRESIDING OFFICER. The Senator from West Virginia is recognized.

Mr. RANDOLPH. Mr. President, a large section of the United States was struck yesterday by tornadoes which whipped through the countryside.

Mr. BAKER. Mr. President, will the Senator yield at this point, so that we may ask for the yeas and nays on my amendment before we lose that capability?

The PRESIDING OFFICER. Is there a sufficient second?

The yeas and nays were ordered.

Mr. RANDOLPH. Mr. President, the exact number of persons reported as having been killed by this disaster runs well over 300, the exact number not being known yet. But destruction and hardships follow in the wake of such a disaster.

The able Senator from Tennessee, who is the ranking minority member of the Committee on Public Works, will speak in a colloquy, as he has indicated.

I have just been given the latest figures. As of 2:30 p.m. the number of dead is 338.

Agencies of the Federal Government have responded, and they are providing relief services. Our Committee on Public Works has jurisdiction over disaster relief legislation. Since early morning, we have been contacting several Senators from States ravaged by the tornadoes of yesterday. Members of our subcommittee, and other members of the full committee, will visit disaster sites in four States tomorrow and Saturday.

They will examine the extent of the damage and evaluate the implementation of disaster assistance measures by the Federal Government. It will be a first-hand inspection, and it will take place under the leadership of the Senator from North Dakota (Mr. BURDICK), who is the chairman of our Subcommittee on Disaster Relief.

There are damaged areas in Tennessee, in Indiana, in Ohio, and in Kentucky, and in response to requests of Senators BAKER and BROCK, BAYH and HARTKE, METZENBAUM and TAFT, COOK and HUDDLESTON we shall go into those States. The Senator from New Mexico (Mr. DOMENICI), the ranking Republican member of our subcommittee, will, of course, participate.

I think that the tour is necessary. The information that can be obtained by an on-the-ground check into the matter will provide important guidance, not only for this committee and subcommittee, but for the Senate as well.

The subcommittee is at the present time considering major revisions of the Disaster Relief Act of 1970. Many Members of the Senate will remember the devastation wrought in several States during the period when that act was being developed. Alabama, I will say to Senator ALLEN, was one of the States struck at that time.

We have tried to set in motion a response mechanism to disasters at the Federal level that will assure us the quickest possible relief to the victims of these disasters—tornadoes, hurricanes, floods, or whatever, because they strike suddenly, without warning.

The Federal role must also include an effective recovery effort, so that the communities can be rebuilt as quickly as possible and the persons who live there can go back to their occupations and their normal lives. I think we all agree that while there is no way that we can prevent natural disasters from occurring, we can provide the relief and rebuilding programs which are necessary.

So, Mr. President, I think it is the duty of the Senate to see that any suffering and any disruption that result from such tornadoes as struck yesterday be minimized, and that the problems that ensue be kept to an absolute minimum.

Mr. BAKER. Mr. President, I thank the Senator from West Virginia, the distinguished chairman of the Committee on Public Works. I might add to his remarks by pointing out that according to the Weather Bureau this is the worst tornado disaster in 49 years; that in Kentucky there are 98 known dead, in Tennessee 58, in Ohio 40, and in Indiana 43 known dead; and that 91 tornadoes were reported sighted by the U.S. Weather Bureau in just the eastern part of Tennessee last night.

It is hard to imagine the destruction that accompanied these untimely and unfortunate deaths, and I commend the chairman for authorizing this first-hand field examination into the disaster by a subcommittee chaired by the Senator from North Dakota (Mr. BURDICK), the ranking Republican Member of which is the Senator from New Mexico (Mr. DOMENICI), to begin in the morning and to cover the affected States.

Mr. ALLEN. Mr. President, will the Senator yield? And I ask unanimous consent that if the Senator does yield the time not be charged against his amendment. Will the Senator from Tennessee yield in order that I might question the chairman of the Committee on Public Works a moment?

Mr. BAKER. I am happy to yield. Mr. President, I ask unanimous consent that the time not be charged against my amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ALLEN. Mr. President, we all recognize the vast compassion that the distinguished Senator from West Virginia always manifests when the American people are in distress and when they sustain tragedies such as have befallen many of our people in the last 36 to 48 hours.

The Senator mentioned the damage to Alabama back in 1970. I call to his attention that Alabama this time also was one of the hardest hit States, and that already there are 70 known dead in Alabama, with the likelihood, inasmuch as some of the buildings have been destroyed to such an extent that they have not been able to ascertain what bodies are still in the buildings, that many more dead are anticipated, a larger number injured, and tens of millions of dollars in property damage sustained.

I appreciate the interest that the Senator from West Virginia and the Senator from Tennessee (Mr. BAKER) are manifesting in this tragedy, and I am hopeful that the subcommittee will be able to get into Alabama, in the northern tier of counties there, and see our ravaged areas firsthand, also.

I do feel that we should have some permanent legislation that will do the necessary job and will provide the mechanics for doing the necessary job to alleviate the suffering that our people have sustained. We feel that the present legislation is inadequate, and I am pleased that the President has declared Alabama and the other States mentioned by the distinguished chairman as disaster areas. which will allow public facilities, public utilities, and public improvements to be restored and will make available loans for assistance. I am pleased with the reaction that we understand has taken place among the Federal agencies in rushing to aid our people. We hope that that is taking place throughout the damaged area.

I commend the distinguished Senator from West Virginia, the Senator from Tennessee (Mr. BAKER), his full committee, and particularly his subcommittee which is going to travel over large portions of the country examining the extent of the damage.

I wonder if the members of the committee might have Alabama on their itinerary.

Mr. RANDOLPH. Mr. President, I appreciate the concern that the Senator from Alabama has expressed for the people of all the affected areas. He correctly calls attention to the very heavy damage in his own State of Alabama, and to the very high death toll there.

We are not certain of just how our trip can move, but I have a feeling that we will want to inspect other disaster areas.

Mr. ALLEN. Yes.

Mr. RANDOLPH. While it might not be possible this week, it would be our intention to inspect, insofar as we can, the area the Senator has spoken of in Alabama.

I know that Senator DOMENICI and, of course, Senator BURDICK identify with these matters in subcommittee leadership. As I have indicated earlier, they are working with the staff very carefully, and we want to do a thorough job.

Mr. ALLEN. Yes, I know.

Mr. RANDOLPH. Hopefully we will not miss those areas that need to be covered.

I want to indicate this before I finish: I have noted that the Senator spoke about the inadequacy of the present law.

Mr. ALLEN. Yes.

Mr. RANDOLPH. There was a time not so many years ago when, frankly, all we did, when disaster came by way of tornado, flood, hurricane, on earthquake, was to come into the Senate Chamber and appropriate money to be spent on relief and on rebuilding. But we did, back in 1970, set in motion a good——

Mr. ALLEN. I agree.

Mr. RANDOLPH [continuing]. Program, by which we have been able to give relief and to rebuild in a very realistic and helpful manner. Thus, I respond again to the Senator from Alabama, that I am sure we will give attention to the areas which have been devastated. I appreciate his understanding of our problem and the words that he has spoken.

Mr. ALLEN. Mr. President, I should like to say, on behalf of my senior colleague (Mr. SPARKMAN), that he shares the concern that I feel for the plight of our people and also on behalf of our distinguished Governor, George C. Wallace; so that if the subcommittee will come to Alabama and it can project its plans in such a way as to provide for a visit by the subcommittee or the full committee to our State, such transportation by State trooper car, or by State airplane will be made available to the committee, and all the necessary lodging requirements of the committee will be arranged for. We would certainly welcome the committee with open arms.

Mr. RANDOLPH. That offer of cooperation at the local level is very valuable and necessary oft times. We will keep that in mind. I thank the distinguished Senator from Alabama.

Mr. DOMENICI. Mr. President, I should like to comment on the dialog which has proceeded between the Senator from West Virginia and the Senator from Alabama. I am the ranking Republican member of the subcommittee, and I should like to tell the Senator from Alabama that our schedule is still indefinite. Our chairman is not here to explain it. But to the best of my knowledge, we will start out early tomorrow morning and for at least 2 days we will plan our itinerary. Whether we will continue to travel on Sunday and Monday is still indefinite, but I personally will confer with Senator BURDICK, and will ask about plants for next week, about going into other States if we cannot complete it this week. The subcommittee, as the Senator knows, has had numerous hearings around the country. By coincidence, we are scheduled to mark up the bill on April 9. There are two parts of the bill that are major improvements and we must do something about them quickly. Certainly we will be able to act, immediately after the trip, to carry out what everyone thinks is the implementation of two shortcomings. One, I might say, is what do we do to take the place of the $5,000 forgiveness loan area. We have under serious consideration a $2,500 grant program to be administered by the State with Federal money to the people who have become needy; that is, needy not by definition of economic circumstances but by definition of what the emergency has caused that makes them needy. We have about agreed on it. I do think it will take more than 4 or 5 days to come up with it. The history of the Senate, I am sure, is such that the bill will be acted on immediately and given every consideration. The long-term aspect must be adequate. We will arrive at a better long-range implementation for improvements to group communities, or a community, in addition to the publice facilities which have always been covered. I think we have several improvements to that which can be done rather quickly. I assure the Senator and others interested that we are on the verge of producing a bill and this will expedite it.

We will be able to give due consideration to the new kinds of facts that we find here because we find them in every kind of disaster. We will do this at the earliest possible time.

Mr. ALLEN. I want to state to the distinguished Senator that I hope he will use his good offices to see that the committee or the subcommittee does come to Alabama. This Senator hopes that the Senator, the ranking minority member, or the chairman, will notify the junior Senator from Alabama and my distinguished senior colleague (Mr. SPARKMAN) if a plan can be arranged to include Alabama so that one or both of us can be on hand to greet you and accompany you throughout the State.

The PRESIDING OFFICER (Mr. STEVENS). If the Senator from Alabama will yield to the Chair to intervene at this point, the Chair would state that the unanimous consent agreement was that the Senator from Tennessee yielded to the Senator from Alabama for the purpose of engaging in colloquy with the Senator from West Virginia. It is not to be charged to the Senator from Tennessee. The Chair is constrained to note that this colloquy has extended beyond the unanimous consent agreement.

Mr. BAKER. Mr. President, to make sure that this worthwhile colloquy does not gobble up all of my time on my amendment, I ask unanimous consent that this and any further colloquy regarding tornadoes, and so forth, not be charged against my time.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ALLEN. Mr. President, I yield to the Senator from West Virginia.

Mr. RANDOLPH. Mr. President, so far, the documenation given by the able Senator from New Mexico is very helpful. I had said at the hearing today, as we began this discussion, that the work of the subcommittee in strengthening the present legislation has been in process, and we will, of course—the leadership, Senators BURDICK, DOMENICI, and with the cooperation of all the other members of the subcommittee and the committee—give attention to these matters.

I want to tell you, Mr. President, that when we had the trouble with the earthquake in California, there was literally documentation of hundreds of people who took advantage of that situation. So that we have to be very careful when we set a sum of money, that is, money like that. That is a side issue, of course.

I yield now to my colleague from Illinois.

Mr. STEVENSON. Mr. President, I want to commend also the distinguished Senator from West Virginia for his vigilance and the way in which his committee instantaneously responded to the plight of the people whose homes have been damaged by recent tornadoes. Many of those people reside in Illinois. Illinois was not so severely damaged as other States, such as Ohio, Indiana, Kentucky, but there are people in the State of Illinois who are suffering some damaged property. There has also been some loss of life.

So, in addition to commending the distinguished Senator from West Virginia, I simply want to express the hope that in the deliberations of the committee, it might try to find some time to visit the districts damaged in Illinois. It would be helpful to the committee's understanding of the suffering caused in Illinois, as to the division of relief and also, perhaps, in the preparation of legislation for a longer term.

I am sure our Governor and all of our local officials would be more than grateful and delighted to provide every accommodation possible for the convenience of the committee, if it were possible to include a visit to the State of Illinois in forthcoming trips by the subcommittee.

Mr. RANDOLPH. I thank the able Senator from Illinois. We do know that the President is now declaring certain States as disaster States or areas within those States. As the Senator indicated, the death toll in his State is no so large as that compared with other States but the impact in many ways is felt in West Virginia. There was the death of one small child in West Verginia, which of course saddens us all very much, especially the little community of Meadow Creek, which I know very well and have visited there dozens of times. The damage was quite severe in the community. But we have the responsibility, certainly as a Congress, the committee, and especially the subcommittee, in moving quickly and earnestly to discharge our duties as responsible legislators.

Mr. BAKER. Mr. President, I thank my chairman for his remarks about this important matter and the opportunity to listen to the colloquy by so many other Senators, including the distinguished occupant of the Chair, Mr. DOMENICI, who is the ranking minority member on the subcommittee. This is an important matter, one to which the committee, Congress, and the Senate have responded very quickly.

FEDERAL ELECTION CAMPAIGN ACT AMENDMENTS OF 1974

The Senate continued with the consideration of the bill (S. 3044) to amend the Federal Election Campaign Act of 1971 to provide for public financing of primary and general election campaigns for Federal elective office, and to amend certain other provisions of law relating to the financing and conduct of such campaigns.

Mr. BAKER. Mr. President, turning my attention now to amendment No. 1134, I yield myself such time as I may use.

Mr. President, this amendment would strike all of title I of the bill regarding public financing of campaigns for Federal office. In its place, I would substitute a refined form of private financing designed to broaden the base of participation and prevent the abuse of earlier campaigns.

Specifically, I would propose a 100-percent tax credit on all political contributions made in a calendar year up to $50 for an individual return and $100 for a joint return. As it is now, an individual can claim a tax credit of 50 percent of all contributions made in a calendar year up to $12.50. On a joint return, the credit is up to $25. In S. 3044, the tax credit is still 50 percent; but the amount is increased to $25 on an individual return and $50 on a joint return. Once again, my amendment would allow a 100-percent tax credit on all contributions made in a calendar year up to $50 on an individual return and $100 on a joint return. In this way, the small contributor is offered a clear and realistic incentive to contribute between $50 and $100 to the candidate of his or her choice.

Moreover, we can avoid most of what I consider to be the intrinsic liabilities of partial or full public financing of campaigns for Federal office. What are those liabilities, in my view? I shall attempt to list them.

The question of public participation in our political process is one which concerns me greatly, as I am sure it does most of my colleagues. In the past few years, that participation has declined steadily, as has public trust and confidence in our major governmental institutions. In the wake of Watergate and related events, it becomes increasingly incumbent upon us to ascertain the key to increasing public participation and promoting public trust in elected officials.

Those who advocate public financing argue that the only way to prevent further erosion of public confidence is to remove the opportunity for financing that process from the hands of the special interests, and to entrust a substantial portion of that responsibility in the Federal Government. I do not quarrel with the need to eliminate the inordinate influence of special interests. In fact, I believe that only individuals should be allowed to contribute to political campaigns; and even then, not in excess of the limits prescribed in S. 3044. But, I strongly disagree with the presumption that eliminating the financial influence of special interests necessitates granting that influence of responsibility to the U.S. Treasury. It seems to me the American people should be given the option of assuming that prerogative rather than the Federal Government. It is not just a question of whether we need the power of the Government to enforce the relevant statutes, nor whether we need an effective means of prosecuting those who violate those statutes; for clearly, the Government must play a major role in this regard. But, the question is really how necessary is it that the Government directly involve itself in financing political campaigns. If it were the only viable means of funding a clean and competitive two-party system, then I might support public financing. But it is not, in my judgment, for the following reason.

To the present day, the Congress has never successfully sought to effectively limit the amount of money an individual or group could contribute to a political campaign. In fact, I believe S. 372 was the first time that either House had passed legislation which actually sought to bring this about. Thus, rather than political candidates being compelled to raise 50 contributions of $100 each, they have always opted in favor of the single $5,000 contribution when they could find it.

It is only natural; and as a politician, I can certainly understand why candidates find it easier to raise a specific amount of money in large contributions rather than small ones. But we should also realize what influence this has had on our respective fundraising techniques. For reasons of expedience, we have traditionally geared our fundraising efforts to the so-called fat cats and sought small contributions when the big money was not available. Thus, we are comparatively inexperienced when it comes to undertaking a broad, low-level solicitation effort.

Under the expenditure limitations of S. 3044, a Presidential candidate can spend up to 15 cents times the voting age population of the country in the general election campaign. If my calculations are accurate, that comes out to about $24 million. Pursuing this arithmetic argument a little further, that translates into 8,000 contributions of $3,000 each. I realize that we are talking about only one Presidential candidate during the general election campaign, but this can be extrapolated into other races for Federal office; and I submit that a thorough examination of the actual number of contributions required to adequately fund campaigns for Federal office would shock a great many people. In fact, that number is infinitesimal in light of a voting-age population of over 140 million people. Nevertheless, a great many of my colleagues in the Congress are convinced that we cannot raise sufficient funds so long as we limit the size of individual contributions. It is proposed, therefore, that we enlist the aid of the Federal Government through a system of partial, but substantial public financing.

But I cannot accept that alternative. I cannot accept it because there seems to me something politically incestuous about the Government financing, and I believe inevitably then, regulating the day-to-day procedures by which the Government is selected. It is extraordinarily important, in my judgment, that the Government not control the machinery by which the public expresses the range of its desires, demands, and dissent. And yet, that, in a sense, is what we are debating here. I do not question the motives of those who drafted this legislation, but rather the possible consequences of its enactment.

Indeed, I can even visualize a scenario in which bureaucrats, empowered to write checks on the Public Treasury—checks essential to the success of various political campaigns—can abuse, manipulate, or otherwise influence the outcome of those elections by generating the kind of bureaucratic red tape which is characteristic of our burgeoning Federal Government.

For these reasons, I would urge that we avoid delegating significant funding authority to the Government until it is absolutely necessary. The American people should retain exclusive responsibility for funding political campaigns, and they should be encouraged to do so on a much broader scale.

The amendment which I have offered proposes to vastly expand the base of public participation and increase, by literally millions, the number of people who have a personal stake in political campaigns. This would be done by offering the kind of clear tax incentive required to prompt small contributions from concerned Americans. Moreover, it would entitle those Americans to choose the individual to whom they wish to contribute. Under the present dollar checkoff, as well as the provisions of S. 3044, the individual taxpayer is unable to determine who receives his or her tax dollars. However, under my approach, the taxpayer is not only able to designate the particular recipient, but also the amount involved, thereby leaving complete discretion to the individual contributor. This brings me to my final argument in opposition to public financing.

Although S. 3044 does not specifically prohibit private contributions during any phase of a political campaign, it certainly discourages them, particularly between the primary and general elections. It is during that time that private contributions are subtracted from the Government subsidy available for major party candidates who have reached the required threshold. The thrust of the bill is that once the threshold has been reached, private contributions are no longer sought nor needed; and this would seem to clearly infringe upon the individual's first amendment right of freedom of political expression.

Not only does that right include the option of contributing to a political campaign at the appropriate time, but it also includes the option not to participate at all if the individual so chooses. And yet, under S. 3044, $2 on an individual return and $4 on a joint return is automatically paid into the Federal election campaign fund unless the taxpayer indicates to the contrary. In other words, the only option available to the individual is a negative one; and this, in my judgment, is wrong. Morover, if insufficient funds are raised by the proposed $2 or $4 checkoff system, the Congress is required to appropriate the necessary difference, thereby negating the decision of taxpayers not to have their tax dollars used for political campaigns. This, too, is wrong, in my opinion, and abridges still further the individual's first amendment right of freedom of political expression.

However, this amendment would avoid all of these constitutional questions by protecting the freedom of political expression and by encouraging that expression through a realistic tax credit system.

At a time when public confidence in our Government is at an all-time low, it is difficult to resist the temptation to throw the baby out with the bath water. And it is equally difficult to enact constructive and meaningful reform. But, going from one extreme, that is, essentially unrestricted private financing, to another, that is, public financing of all campaigns for Federal office, is not the answer. Rather, we should consider a refined form of private financing in which the size of individual contributions is strictly limited, and in which there is full public disclosure and an effective enforcement mechanism. That would seem to be the most logical next step, and that is what I am proposing with a majority of my colleagues on the Senate Watergate Committee as well as a number of other Senators.

Mr. President, in a word, I am not prepared to say we have reached the place where we can no longer discuss the political process. We can and we should refine, refurbish, and redesign our political system so that it is fully supported by voluntary contributions of individuals. We should eliminate contributions of special interest groups and restrict contributions to those made by qualified voters only. We should have timely disclosure of all contributions, and by "timely" I mean to have the final report on contributions before the election and not after.

Mr. President, S. 3044 provides for the final report to be filed on January 31 in the year following an election, when it is of precious little importance to the average voter.

We should limit the amount of contribution that an individual can make. We should limit the dollar amount that can be expended.

There is a range of other options which will bring more representative government to the people and together they form a package infinitely more attractive to this Senator than the present system.

Mr. President, I reserve the remainder of my time.

Mr. CANNON. Mr. President, I yield myself 5 minutes.

The PRESIDING OFFICER. The Senator from Nevada is recognized.

Mr. CANNON. Mr. President, I find myself in agreement with the distinguished Senator from Tennessee on a good many points he made. However, there are a number of points I cannot support in this amendment for reasons I shall enumerate.

First, the most recent point he made, that he thought a final report should be filed prior to election so voters could know about it. This is a practical impossibility, because the final report is intended to finalize everything that was transacted from a reporting standpoint, in the campaign. Obviously, one cannot file any report that would take care of those details in the 2 or 3 days of the campaign. It would be a physical impossibility. A written report has to be prepared, it has to be filed with a receiving officer, and it has to be made available and publicized. One cannot even get something in the newspapers unless it involves something of a headline nature these days. So the practicality of that suggestion is out of the question.

Now, we have required a number of reports in the reporting process. The latest one would be a complete report of everything that happened up to 10 days before election day. We felt that was as close to election day as we could go and still make information available to the public so that they could be informed and make an informal judgment with respect to the voting process.

The distinguished Senator made some reference to the checkoff provision in title V. I would point out that title V has been eliminated from this bill and is no longer a part of the bill. Therefore, we should not discuss the matter in the context of title V, except as he proposes to put it back in in his amendment and have it called title I.

I agree with the Senator on the provision as it was originally in title V on the checkoff. I think a person should take affirmative action if he desires his money to be contributed to the political process rather than to have it go to this purpose unless it were checked off otherwise.

When that proposal comes up in the proper form from the Committee on Finance on the finance bill I would expect to vote with the Senator from Tennessee and others on that point.

I would hope that the Senator would not press for proposals here today related to the tax credit, tax deduction, and checkoff. I say that, because there is a serious constitutional question involved as to the propriety of that issue on this bill.

We have discussed this on the floor on numerous occasions before. There is no question that it would be subject to a point of order in the House. We have had that ruling from the Parliamentarian on three occasions, and on this occasion we have had the motion of the distinguished Senator from Louisiana that title V be referred to the Committee on Finance with the assurance from him that they would attach that to an appropriate revenue bill from the House and report it to the floor of the Senate so that we would have an opportunity to vote thereon.

With respect to the compensation, I completely agree with the distinguished Senator from Tennessee on the compensation, doubling, or increasing the amount. I am in favor of increasing the tax credit; I am in favor of increasing the deductions; and I am in favor of the checkoff position. But I am very fearful that if we leave it on this bill we are going to run into some serious difficulties. We have voted already on the floor of the Senate on one occasion to strike that from this bill and refer it to the Committee on Finance. So I would be quite hopeful that the Senator from Tennessee would at least modify his amendment to take out that particular portion. If that is done, then we have remaining only the bill S. 372, which we passed last year without public financing added.

So we get back to the issue we voted on earlier with the Senator from Alabama. If one is for public financing, he should vote against the amendment; if one is against public financing, he should vote for the amendment.

The Senate already has expressed its judgment overwhelmingly on S. 372, which is a good bill, and the House acted on it. Had the House acted on it last year, I do not think we should be here going through this exercise at this time, because the pressure would have been relieved somewhat. It was a good bill although it did not have the feature of public financing and other features in this bill.

So, Mr. President, I again say to my colleague that I would be very hopeful he would not press his amendment with respect to the financing items. The issue already has been determined once. It is not properly on the bill and will create more difficulties for us. If that is the Senator's objective, we might have a vote on it. I would vote for the tax credit, the tax deduction, and the checkoff, but I cannot vote for them in his amendment which would delete public financing.

Mr. BAKER. Mr. President, before I yield to my distinguished colleague from North Carolina, I would like to make a brief remark. If I were to withdraw the amendment, if I were to fail to insist on this alternative, it seems to me it would deprive the Senate of an effective reform measure as an alternative to public financing.

All the Senate could vote for would be for public financing or nothing. Therefore, I feel a strong obligation to insist on this amendment. I might point out that there is no tax deduction included in this amendment.

I yield now to the Senator from North Carolina (Mr. ERVIN).

Mr. ERVIN. Mr. President, in furtherance of the remarks of the Senator from Tennessee, if the Watergate affair indicates anything, it indicates that we need some reform in raising of campaign funds for Federal officers.

Despite my great respect for my good friend from Nevada, I cannot agree that there is any constitutional question involved here. The constitutional provision which is germane to a claim of that nature is in section 7 of article I, which says:

> All bills for raising revenue shall originate in the House of Representatives. . .

There is not a syllable in the amendment offered by the distinguished Senator from Tennessee, of which I am a cosponsor, that undertakes to raise a single penny of revenue. It does not undertake to raise revenue. It does not impose any taxes. But it not only does provide a method whereby we can reform the financing of Federal elections in such a way as to leave the power to make voluntary contributions to the taxpayers of this country, but is also calculated to stimulate the political parties and candidates for political office to insist on further involvement by the people of the United States in the election processes—and that is the crying need, along with the need for reform.

We have gotten into an unfortunate state in this country—when anything goes wrong, we say, "Go down to the bottom of that empty hole we call the Treasury of the United States and get some money out of that empty hole to cure the problem." In my judgment, it would multiply the problems, because here is an indirect encouragement to anybody who wants to have a lot of money at his disposal to have a good time traveling through this country by becoming a candidate for the Presidency of the United States. This bill is going to be a stimulation to get more money out of the Treasury of the United States so people can indulge their political fantasies, and I do not think that is something to be encouraged.

I think the Senator from Tennessee should insist on having a vote in the Senate on this amendment, since this is not an amendment which would raise a single penny of revenue, but, on the contrary, would form a method by which the taxpayers could voluntarily make a contribution to the candidates of their choice and to the parties of their choice. I think it is a highly desirable amendment, and I sincerely hope the Senate will adopt it.

Mr. BAKER. I thank my colleague from North Carolina, who not only is a great constitutional authority in the country and the Senate, but I point out, has a greater familiarity with the very abuses we are trying to prevent in this country than anybody in this Chamber.

The point he makes with respect to the constitutionality of this legislative situation is entirely correct. The point he makes with respect to the awesome authority of the anonymous bureaucracy being brought to bear against the political system, the most delicate of all its governmental devices, is one that must commend itself to this body for consideration. I thank the Senator from North Carolina for his support.

Mr. ROTH. Mr. President, will the Senator yield?

Mr. BAKER. I am happy to yield to my colleague from Delaware.

Mr. ROTH. I would like to compliment the Senator from Tennessee for offering his amendment. I think it is a highly desirable alternative to the public financing approach.

I would just like to emphasize a point he made a few minutes ago. Those of us who support the "tax credit" approach to campaign reform, as opposed to public financing of elections, are placed in a very difficult position. We are told that this option of a tax credit is parliamentary not feasible. I was happy to hear the arguments made by the Senator from North Carolina, but there are editorials, for example, including in my own paper, which say those of us who support the other options should nevertheless vote for cloture, so there is an up-and-down vote on "public financing."

What this means, in effect, if it is ruled that the "tax credit" amendment is out of order, is that we really have no opportunity to debate an alternate approach to "public financing."

I would just say that one of my great concerns with public financing is that we are emphasizing money, rather than deemphasizing it. It seems to me that if we are really going to restore public confidence and get greater citizen participation in campaigns, we have to use another approach than just to vote into law big spending.

I do not intend at this stage to debate either the merits or demerits, but I want to point out that the parliamentary situation, if this amendment is not proper, puts those of us who support an alternate way in the position of having to vote up and down on public financing without a full opportunity to debate another way, which comes closer to correcting the problems of campaign spending.

Mr. BAKER. Mr. President, I am grateful for the remarks of the Senator from Delaware.

I am prepared at this time to yield back the remainder of my time.

Mr. CANNON. Mr. President, I yield myself 2 minutes for an observation.

There has been considerable discussion about the constitutional question here. I correctly stated the proposition that this matter had been raised, I believe in 1961, and it was on a campaign reform bill, an amendment of which I was a sponsor and which was before the Senate at that time. The then distinguished Senator from Virginia, Harry Byrd, who is no longer with us, made the point that the amendment would be subject to a point of order, and it was for a tax credit similar to the tax credit in this particular amendment, and the Senate was advised at that time that the House would not even consider a bill with this type of provision in it for that reason.

So my statement with respect to the point of order has been borne out historically here by what happened on the floor of the Senate, and I was the author of the particular amendment that was offered.

As I said earlier, I support that provision of the distinguished Senator's amendment, and when I have the opportunity, in the proper forum, I expect to vote for it.

Mr. BAKER. I thank the Senator.

Mr. ERVIN. Mr. President, will the Senator yield me 3 or 4 minutes?

Mr. BAKER. I yield.

The PRESIDING OFFICER. The Senator has 1 minute remaining.

Mr. BAKER. I yield that 1 minute to the Senator from North Carolina.

Mr. ERVIN. Mr. President, I have already read to the Senate the provision in the Constitution which states:

> All bills for raising revenue shall originate in the House of Representatives . . .

This amendment does not propose to raise a single penny of revenue. The House has some rules over there, but I think the Senate ought to assert its right to legislate under the Constitution, irrespective of House rules, and I am not willing, as far as I am concerned, to let the Senate take a subordinate position as a legislative body. There is nothing in the Constitution that would prevent the Senate from adopting this amendment, and I think the Senate ought to insist that it is at least an equal body with the House of Representatives in every respect that the Constitution does not deprive it of the privilege of so doing, and this amendment has no constitutional implications whatsoever.

Mr. CANNON. Mr. President, I yield back the remainder of my time.

Mr. BAKER. Mr. President, my time has expired.

The PRESIDING OFFICER. All time on the amendment having expired or been yielded back, and the yeas and nays having been ordered, the question is on agreeing to the amendment of the Senator from Tennessee. The clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Arkansas (Mr. FULBRIGHT), the Senator from Iowa (Mr. HUGHES), the Senator from Louisiana (Mr. LONG), the Senator from Texas (Mr. BENTSEN), and the Senator from Indiana (Mr. HARTKE) are necessarily absent.

I further announce that the Senator from Kentucky (Mr. HUDDLESTON) is absent on official business.

Mr. GRIFFIN. I announce that the Senator from Utah (Mr. BENNETT) is necessarily absent.

I also announce that the Senator from Virginia (Mr. WILLIAM L. SCOTT) is absent on official business.

The result was announced—yeas 34, nays 58, as follows:

[No. 119 Leg.]

YEAS—34

Aiken
Allen
Baker
Bartlett
Beall
Bellmon
Brock
Buckley
Byrd,
  Harry F., Jr.
Cotton
Curtis
Dole
Dominick
Eastland
Ervin
Fannin
Fong
Goldwater
Griffin
Gurney
Hansen
Hatfield
Helms
Hollings
Hruska
McClellan
McClure
Nunn
Roth
Sparkman
Stennis
Talmadge
Thurmond
Tower

NAYS—58

Abourezk
Bayh
Bible
Biden
Brooke
Burdick
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cook
Cranston
Domenici
Eagleton
Gravel
Hart
Haskell
Hathaway
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Magnuson
Mansfield
Mathias
McGee
McGovern
McIntyre
Metcalf
Metzenbaum
Mondale
Montoya
Moss
Muskie
Nelson
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Schweiker
Scott, Hugh
Stafford
Stevens
Stevenson
Symington
Taft
Tunney
Weicker
Williams
Young

NOT VOTING—8

Bennett
Bentsen
Fulbright
Hartke
Huddleston
Hughes
Long
Scott,
  William L.

So Mr. BAKER's amendment (No. 1134) was rejected.

Mr. CANNON. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. MANSFIELD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ORDER FOR ADJOURNMENT UNTIL 10 A.M. TOMORROW

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until the hour of 10 o'clock tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE PROGRAM

Mr. MANSFIELD. Mr. President, a number of States, including Indiana, Iowa, Tennessee, Alabama, Kentucky, and two or three others—especially Kentucky—have been hit rather hard by tornadoes, windstorms, and the like within the past 24 to 36 hours.

It is imperative, in my judgment, that Senators from those States return to their States to assess the damage, to see what can be done to alleviate the situation, and in that manner to carry out their responsibilities.

Therefore, after discussing the matter

with the distinguished Republican leader, the joint leadership has decided that while we will be on the pending business tomorrow, there will be no votes tomorrow, and that any votes which may arise will be carried over until Monday.

Mr. HUGH SCOTT. Mr. President, if the distinguished majority leader will yield, I think it is essential that Senators from the affected States have the opportunity to return home for the reasons cited, and for the further reason that they can best estimate the role of the Federal Government in applying such legislation as we have already enacted, whether we need additional legislation, or what Congress may do to assist in the relief of those people who have suffered from the effects of the tornado damage; and if legislation is needed, they can best advise it.

Moreover, they can advise the Executive, as we did in the case of Hurricane Agnes, where the Federal Government moved both on the legislative and executive sides very promptly indeed. For example, mobile trailers and other equipment may be very promptly needed, and Senators, as representatives of their people back home, are needed there.

Mr. MANSFIELD. I would agree with what the distinguished Republican leader has just said. To reiterate, there will be no votes tomorrow. If there are any votes, they will be carried over until Monday, and no votes will occur before the hour of 3:30 p.m. on Monday, which should give the affected Members a reasonable opportunity to assess the damage and to come to their own conclusions as to what should or could be done.

It is the intention of the leadership to lay down a cloture motion tomorrow. It is the hope of the leadership that the Senate will agree that a vote will occur on the cloture motion, which will be laid down tomorrow at 4 o'clock, on Tuesday afternoon next.

That is about it, I think.

Mr. MAGNUSON. Mr. President, will the Senator yield for just a moment?

Mr. MANSFIELD. Yes.

Mr. MAGNUSON. This has been, apparently, a more serious thing that we estimated. I do not think legislation might be necessary. I will say to the Senator from Pennsylvania. But it gets down to the question of appropriations and money. I see the distinguished chairman of the committee here and I would think that we might suggest to our colleagues that we would be available for maybe some special meeting on Monday to discuss the matter of what appropriations may be made.

Mr. MANSFIELD. That is a good idea and include it in the supplemental now before us.

Mr. MAGNUSON. In the supplemental now before us, yes. But I do not think that legislation is necessary.

Mr. McCLELLAN. Mr. President, of course, any appropriation will have to originate in the House of Representatives. I think we would want to wait until Senators return from their respective States and bring us some concrete information as to probable need. If that is done, why the subcommittee under the Senator from New Mexico can hold immediate hearings or if he requests it, we will hold full committee hearings. In other words, the Appropriations Committee is ready to act. All we are awaiting is adequate and necessary information to inform us, so that we can act intelligently and effectively.

Mr. HUGH SCOTT. Mr. President, I am informed that the Subcommittee of the Senate Public Works Committee is considering comprehensive disaster relief legislation much of which involves the consolidation—I know we have other information on that—of existing disaster relief legislation. The subcommittee, as I understand it from the distinguished Senator from West Virginia (Mr. RANDOLPH), consists of Senator BURDICK and ranking Republican Member, Senator DOMENICI. Senator BAKER also has been active in this regard, I am informed.

Mr. MANSFIELD. I might say that they will look at the distressed areas on Friday, Saturday, and Sunday if need be, and part of Monday.

Mr. ALLEN. Mr. President, reserving the right to object—and I shall not object—I wish to express my sincere and deep thanks to the distinguished majority leader and the distinguished minority leader for working out this plan that will enable Senators to return to their home States and be with their people—the people they represent here in this body—during their time of tragedy and travail.

Certainly, I could do nothing less than to agree with the distinguished majority leader's request that the cloture vote be set, I believe the majority leader said, for 4:30?—for 4 o'clock?

Mr. MANSFIELD. Four o'clock.

Mr. ALLEN. Four o'clock. Certainly I would not object, but I wish to commend the distinguished majority leader and the distinguished minority leader for working out this plan that will accommodate Senators. It is very kind of them.

Mr. MANSFIELD. I thank the Senator from Alabama very much.

ORDER FOR ADJOURNMENT FROM TOMORROW TO MONDAY NEXT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that, when the Senate completes its business tomorrow, it stand in adjournment until the hour of 12 o'clock noon on Monday next.

The PRESIDING OFFICER (Mr. McCLURE). Without objection, it is so ordered.

ORDER FOR ADJOURNMENT FROM MONDAY NEXT, APRIL 8, 1974, TO TUESDAY, APRIL 9

Mr. MANSFIELD. Mr. President, I ask unanimous consent that, when the Senate completes its business on Monday next, it stand in adjournment until 12 o'clock noon on Tuesday, April 9, 1974.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I also ask unanimous consent that the time for the 1-hour debate on the cloture motion begin at 3 p.m., on Tuesday next.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I thank the Senator from Tennessee (Mr. BAKER) for yielding us this time.

Mr. BAKER. I thank the distinguished majority and minority leaders for working out this schedule so that those of us who are affected will be able to make the trip.

SOLAR ENERGY

Mr. MANSFIELD. Mr. President, I ask unanimous consent that there be an extension of 30 days from April 12, 1974, to file the report on H.R. 11864, to permit the committees having jurisdiction to complete their work on the bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

FEDERAL ELECTION CAMPAIGN ACT AMENDMENTS OF 1974

The Senate continued with the consideration of the bill (S. 3044) to amend the Federal Election Campaign Act of 1971 to provide for public financing of primary and general election campaigns for Federal elective office, and to amend certain other provisions of law relating to the financing and conduct of such campaigns.

Mr. ERVIN. Mr. President, I ask unanimous consent that the distinguished Senator from Tennessee (Mr. BAKER) may yield to me so that I may proceed for 5 minutes, with the understanding that by so doing the Senator from Tennessee will not lose his right to the floor.

Mr. BAKER. Mr. President, I will be glad to do that but may I ask my distinguished colleague from North Carolina to permit me to lay down my amendment and ask for the yeas and nays while there are still a sufficient number of Senators in the Chamber?

Mr. ERVIN. Of course.

AMENDMENT NO. 1135

Mr. BAKER. Mr. President, I call up my amendment No. 1135 and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

S. 3044

On page 3, line 6, strike out "FEDERAL" and insert in lieu thereof "PRESIDENTIAL".

On page 4, line 6, strike out the comma and insert in lieu thereof a semicolon.

On page 4, beginning with line 7, strike out through line 12.

On page 4, line 13, strike out "(5)" and insert in lieu thereof "(4)".

On page 4, line 17, strike out "(6)" and insert in lieu thereof "(5)".

On page 5, line 6, strike out "any".

On page 5, line 21, immediately before "Federal", strike out "a".

On page 7, line 3, strike out "(1)".

On page 7, beginning with "that—" on line 5, strike out through line 7 on page 8 and insert in lieu thereof "that he is seeking nomination for election to the office of President and he and his authorized committees have received contributions for his campaign throughout the United States in a total amount in excess of $250,000.".

On page 9, line 6, after the semicolon, insert "and".

On page 9, strike out lines 7 and 8 and insert in lieu thereof the following: "(2) no contribution from".

On page 9, beginning with "and" on line 13, strike out through line 19.

On page 10, beginning with "(1)—" on line 3, strike out through line 16 and insert in lieu thereof the following: "(1), no contribution from any person shall be taken into account to the extent that it exceeds $250 when added to the amount of all other contributions made by that person to or for the benefit of that candidate for his primary election.".

On page 13, beginning with line 16, strike out through line 18 on page 14 and insert in lieu thereof the following:

"SEC. 504. (a) (1) Except to the extent that such amounts are changed under subsection (f) (2), no candidate may make expenditures in any State in which he is a candidate in a primary election in excess of the greater of—

"(A) 20 cents multiplied by the voting age population (as certified under subsection (g)) of the State in which such election is held, or

"(B) $250,000.".

On page 14, line 19, strike out "(B)" and insert in lieu thereof "(2)" and strike out "subparagraph" and insert in lieu thereof "paragraph".

On page 14, line 20, strike out "(A)" and insert in lieu thereof "(1)".

On page 15, line 8, beginning with "the greater of—", strike out through line 17 and insert in lieu thereof "15 cents multiplied by the voting age population (as certified under subsection (g)) of the United States.".

On page 18, beginning with line 10, strike out through line 20.

On page 19, line 11, strike out "Federal" and insert in lieu thereof "Presidential."

On page 25, between lines 4 and 5, insert the following:

"INCREASE IN TAX CREDIT

"SEC. 102. (a) Section 41 of the Internal Revenue Code of 1954 (relating to contributions to candidates for public office) is amended by—

"(1) striking out 'one-half of' in subsection (a) and inserting in lieu thereof 'the sum of'.

"(2) amending section 41(b)(1) of such Code (relating to maximum credit for contributions to candidates for public office) to read as follows:

"'(1) MAXIMUM CREDIT.—The credit allowed by subsection (a) for a taxable year shall not exceed $50 ($100 in the case of a joint return under section 6013).'

"(b) The amendments made by this section apply with respect to any political contribution the payment of which is made after December 31, 1973.

"REPEAL OF PRESENT PRESIDENTIAL ELECTION FINANCING LAW

"SEC. 103. (a) Subtitle H of the Internal Revenue Code of 1954 (relating to financing of Presidential election campaigns) is repealed.

"(b) The amendment made by this section applies to taxable years beginning after December 31, 1973."

On page 26, lines 2 and 3, strike out "under section 504 of the Federal Election Campaign Act of 1971, or".

On page 71, beginning with line 20, strike out through line 2 on page 73 and insert in lieu thereof the following:

"(a)(1) Except to the extent that such amounts are changed under subsection (f) (2), no candidate (other than a candidate for nomination for election to the office of President) may make expenditures in connection with his primary election campaign in excess of the greater of—

"(A) 10 cents multiplied by the voting age population (as certified under subsection (g)) of the geographical area in which the election for such nomination is held, or

"(B)(i) $125,000, if the Federal office sought is that of Senator, or Representative from a State which is entitled to only one Representative, or

"(ii) $90,000, if the Federal office sought is that of Representative from a State which is entitled to more than one Representative.

"(2)(A) No candidate for nomination for election to the office of President may make expenditures in any State in which he is a candidate in a primary election in excess of two times the mount which a candidate for nomination for election to the office of Senator from that State (or for nomination for election to the office of Delegate in the case of the District of Columbia, the Virgin Islands, or Guam, or to the office of Resident Commissioner in the case of Puerto Rico) may expend in that State in connection with his primary election campaign.

"(B) Notwithstanding the provisions of subparagraph (A), no such candidate may make expenditures throughout the United States in connection with his campaign for that nomination in excess of an amount equal to 10 cents multiplied by the voting age population of the United States. For purposes of this subparagraph, the term 'United States' means the several States of the United States, the District of Columbia, and the Commonwealth of Puerto Rico, Guam, and the Virgin Islands and any area from which a delegate to the national nominating convention of a political party is selected.

"(b) Except to the extent that such amounts are changed under subsection (f) (2), no candidate may make expenditures in connection with his general election campaign in excess of the greater of—

"(1) 15 cents multiplied by the voting age population (as certified under subsection (g)) of the geographical area in which the election is held, or

"(2)(A) $175,000, if the Federal office is that of Senator, or Representative from a State which is entitled to only one Representative, or

"(B) $90,000, if the Federal office sought is that of Representative from a State which is entitled to more than one Representative.

"(c) No candidate who is unopposed in a primary or general election campaign in excess of 10 percent of the limitation in subsection (a) or (b).

"(d) The Federal Election Commission shall prescribe regulations under which any expenditure by a candidate for nomination for election to the office of President for use in two or more States shall be attributed to such candidate's expenditure limitation in each such State, based on the voting age population in such State which can reasonably be expected to be influenced by such expenditure.

"(e)(1) Expenditures made on behalf of any candidate are, for the purposes of this section, considered to be made by such candidate.

"(2) Expenditures made by or on behalf of any candidate for the office of Vice President of the United States are, for the purposes of this section, considered to be made by the candidate for the office of President of the United States with whom he is running.

"(3) For purposes of this subsection, an expenditure is made on behalf of a candidate, including a Vice-Presidential candidate, if it is made by—

"(A) an authorized committee or any other agent of the candidate for the purposes of making any expenditure, or

"(B) any person authorized or requested by the candidate, an authorized committee of the candidate, or an agent of the candidate to make the expenditure.

"(4) For purposes of this section an expenditure made by the national committee of a political party, or by the State committee of a political party, in connection with the general election campaign of a candidate affiliated with that party which is not in excess of the limitations contained in subsection (i), is not considered to be an expenditure made on behalf of that candidate.

"(f)(1) For purposes of paragraph (2)—

"(A) 'price index' means the average over a calendar year of the Consumer Price Index (all items—United States city average) published monthly by the Bureau of Labor Statistics, and

"(B) 'base period' means the calendar year 1973.

"(2) At the beginning of each calendar year (commencing in 1975), as necessary data become available from the Bureau of Labor Statistics of the Department of Labor, the Secretary of Labor shall certify to the Federal Election Commission and publish in the Federal Register the percentage difference between the price index for the twelve months preceding the beginning of such calendar year and the price index for the base period. Each amount determined under subsections (a) and (b) shall be changed by such percentage difference. Each amount so changed shall be the amount in effect for such calendar year.

"(g) During the first week of January 1975, and every subsequent year, the Secretary of Commerce shall certify to the Federal Election Commission and publish in the Federal Register an estimate of the voting age population of the United States, of each State, and of each congressional district as of the first day of July next preceding the date of certification. The term 'voting age population' means resident population, eighteen years of age or older.

"(h) Upon receiving the certification of the Secretary of Commerce and of the Secretary of Labor, the Federal Election Commission shall publish in the Federal Register the applicable expenditure limitations in effect for the calendar year for the United States, and for each State and congressional district under this section."

On page 73, line 3, strike out "(b)" and insert in lieu thereof "(i)".

On page 73, line 24, strike out "section 504" and insert in lieu thereof "subsection (g); and".

On page 74, strike out lines 1 and 2.

On page 74, line 6, strike out "that Act" and insert in lieu thereof "the Federal Election Campaign Act of 1971".

On page 74, line 8, strike out "(c)" and insert in lieu thereof "(j)".

On page 74, line 10, strike out "(a)(4)" and insert in lieu thereof "(e)(3)".

On page 75, line 6, strike out "(a)(5)" and insert in lieu thereof "(d)".

On page 75, line 11, strike out "(a)(4)" and insert in lieu thereof "(e)(3)".

Mr. BAKER. Mr. President, I ask for the yeas and nays on my amendment.

The yeas and nays were ordered.

Mr. BAKER. Mr. President, I am happy to yield 5 minutes to the Senator from North Carolina (Mr. ERVIN).

AMENDMENT NO. 1068

Mr. ERVIN. Mr. President, I ask unanimous consent that I may call up my amendment No. 1068, which can be disposed of in less than 5 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ERVIN. Mr. President, I call up my amendment No. 1068 and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. ERVIN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without

objection, it is so ordered; and, without objection, the amendment will be printed in the Record.

The text of the amendment (No. 1068) is as follows:

S. 3044

On page 3, beginning with line 1, strike out through line 4 on page 25.

On page 26, lines 2 and 3, strike out "under section 504 of the Federal Election Campaign Act of 1971, or".

On page 54, lines 3, 4, and 5, strike out "A candidate shall deposit any payment received by him under section 506 of this Act in the account maintained by his central campaign committee.".

On page 63, lines 14 and 15, strike out "(after the application of section 507(b) (1) of this Act)".

On page 64, line 9, strike out ", title V,".

On page 71, beginning with line 20, strike out through line 2 on page 73 and insert in lieu thereof the following:

"(a) (1) Except to the extent that such amounts are changed under subsection (f) (2), no candidate (other than a candidate for nomination for election to the office of President) may make expenditures in connection with his primary election campaign in excess of the greater of—

"(A) 10 cents multiplied by the voting age population (as certified under subsection (g)) of the geographical area in which the election for such nomination is held, or

"(B) (i) $125,000, if the Federal office sought is that of Senator, or Representative from a State which is entitled to only one Representative, or

"(ii) $90,000, if the Federal office sought is that of Representative from a State which is entitled to more than one Representative.

"(2) (A) No candidate for nomination for election to the office of President may make expenditures in any State in which he is a candidate in a primary election in excess of two times the amount which a candidate for nomination for election to the office of Senator from the State (or for nomination for election to the office of Delegate in the case of the District of Columbia, the Virgin Islands, or Guam, or to the office of Resident Commissioner in the case of Puerto Rico) may expand in that State in connection with his primary election campaign.

"(B) Notwithstanding the provisions of subparagraph (A), no such candidate may make expenditures throughout the United States in connection with his campaign for that nomination in excess of an amount equal to 10 cents multiplied by the voting age population of the United States. For purposes of this subparagraph, the term 'United States' means the several States of the United States, the District of Columbia, and the Commonwealth of Puerto Rico, Guam, and the Virgin Islands and any area from which a delegate to the national nominating convention of a political party is selected.

"(b) Except to the extent that such amounts are charged under subsection (f) (2), no candidate may make expenditures in connection with his general election campaign in excess of the greater of—

"(1) 15 cents multiplied by the voting age population (as certified under subsection (g)) of the geographical area in which the election is held, or

"(2) (A) $175,000, if the Federal office sought is that of Senator, or Representative from a State which is entitled to only one Representative, or

"(B) $90,000, if the Federal office sought is that of a Representative from a State which is entitled to more than one Representative.

"(c) No candidate who is unopposed in a primary or general election may make expenditures in connection with his primary or general election campaign in excess of 10 percent of the limitation in subsection (a) or (b).

"(d) The Federal Election Commission shall prescribe regulations under which any expenditure by a candidate for nomination for election to the office of President for use in two or more States shall be attributed to such candidate's expenditure limitation in each such State, based on the voting age population in such State which can reasonably be expected to be influenced by such expenditure.

"(e) (1) Expenditures made on behalf of any candidate are, for the purposes of this section, considered to be made by such candidate.

"(2) Expenditures made by or on behalf of any candidate for the office of Vice President of the United States are, for the purposes of this section, considered to be made by the candidate for the office of President of the United States with whom he is running.

"(3) For purposes of this subsection, an expenditure is made on behalf of a candidate, including a Vice Presidential candidate, if it is made by—

"(A) an authorized committee or any other agent of the candidate for the purpose of making any expenditure, or

"(B) any person authorized or requested by the candidate, an authorized committee of the candidate or an agent of the candidate to make the expenditure.

"(4) For purposes of this section an expenditure made by the national committee of a political party, or by the State committee of a political party, in connection with the general election campaign of a candidate affiliated with that party which is not in excess of the limitations contained in subsection (i), is not considered to be an expenditure made on behalf of that candidate.

"(f) (1) For purposes of paragraph (2)—

"(A) 'price index' means the average over a calendar year of the Consumer Price Index (all items—United States city average) published monthly by the Bureau of Labor Statistics, and

"(B) 'base period' means the calendar year 1973.

"(2) At the beginning of each calendar year (commencing in 1975), as necessary data become available from the Bureau of Labor Statistics of the Department of Labor, the Secretary of Labor shall certify to the Federal Election Commission and publish in the Federal Register the percentage difference between the price index for the twelve months preceding the beginning of such calendar year and the price index for the base period. Each amount determined under subsections (a) and (b) shall be changed by such percentage difference. Each amount so changed shall be the amount in effect for such calendar year.

"(g) During the first week of January 1975, and every subsequent year, the Secretary of Commerce shall certify to the Federal Election Commission and publish in the Federal Register an estimate of the voting age population of the United States, of each State, and of each congressional district as of the 1st day of July next preceding the date of certification. The term 'voting age population' means resident population, eighteen years of age or older.

"(h) Upon receiving the certification of the Secretary of Commerce and of the Secretary of Labor, the Federal Election Commission shall publish in the Federal Register the applicable expenditure limitations in effect for the calendar year for the United States, and for each State and congressional district under this section.".

On page 73, line 3, strike out "(b)" and insert in lieu thereof "(i)".

On page 73, line 24, strike out "section 504" and insert in lieu thereof "subsection (g); and".

On page 74, strike out lines 1 and 2.

On page 74, line 6, strike out "that Act" and insert in lieu thereof "the Federal Election Campaign Act of 1971".

On page 74, line 8, strike out "(c)" and insert in lieu thereof "(j)".

On page 74, line 10, strike out "(a) (4)" and insert in lieu thereof "(e) (3)".

On page 75, line 6, strike out "(a) (5)" and insert in lieu thereof "(d)".

On page 75, line 11, strike out "(a) (4)" and insert in lieu thereof "(e) (3)".

On page 84, between lines 9 and 10, insert the following:

"Sec. 501. (a) Section 41(a) of the Internal Revenue Code of 1954 (relating to contributions to candidates for public office) is amended by striking out 'an amount equal to one-half of all political contributions', and inserting in lieu thereof 'an amount equal to the sum of all political contributions'.".

On page 84, line 10, strike out "Sec. 501. (a)" and insert in lieu thereof "(b)".

On page 84, line 15, strike out "$25" and insert in lieu thereof "$125".

On page 84, line 16, strike out "$50" and insert in lieu thereof "$250".

On page 84, line 17, strike out "(b)" the first time it appears, and insert in lieu thereof "(c)".

On page 84, line 21, strike out "$100" and insert in lieu thereof "$250".

On page 84, line 21, strike out "$200" and insert in lieu thereof "$500".

On page 84, between lines 22 and 23, insert the following: "(d) (1) Section 41(c) (1) (C), (D), and (E) of such Code (relating to definition of political contribution) are each amended by striking out 'national political party' and inserting in lieu thereof 'political party'.".

"(2) Section 41(c) (3) of such Code (relating to definition of political party) is amended by—

"(A) striking out 'National political party.—' and inserting in lieu thereof 'Political party.—';

"(B) striking out 'national'; and

"(C) striking out 'ten or more States' in subparagraph (A) and inserting in lieu thereof 'at least one State'.".

On page 84, line 23, strike out "(c)." and insert in lieu thereof "(e)".

On page 85, beginning with line 1, strike out through line 17 on page 86.

Mr. ERVIN. Mr. President, this is an amendment which I drafted to eliminate from the pending bill, S. 3044, the Federal financing provisions to provide for financing of Federal elections through the voluntary contributions of taxpayers who would receive substantially increased rights to a deduction from their income tax and a substantial increase in their tax credit.

The vote on the amendment just offered by Mr. Baker, with my cosponsorship, and that of other Senators, that is, amendment No. 1134, convinces me by the overwhelming nature of the vote that the Senate would not be exercising good judgment by adopting my amendment.

For that reason, I withdraw the amendment and thank my distinguished friend from Tennessee for yielding me this time.

The PRESIDING OFFICER. The amendment is withdrawn.

Mr. BAKER. Mr. President, I will not take very long with this amendment. It would simply eliminate public financing for Members of Congress and substitute an increased tax credit.

That is the sole purpose of the amendment. It leaves the bill intact otherwise.

I am prepared to yield back the remainder of my time.

Mr. CANNON. Mr. President, do I correctly understand that this amendment is the same as the prior amendment, except that it would eliminate public financing in congressional campaigns only?

Mr. BAKER. That is correct.

Mr. CANNON. The tax credit would remain at $50 or $100 on a joint return, but there would be no tax checkoff provision and no tax deduction; is that not correct?

Mr. BAKER. There would be as to a Presidential race but not a congressional race.

Mr. CANNON. In the Senator's previous amendment he struck out the tax checkoff provision. He also struck out the tax deduction. Is that out of this amendment as well?

Mr. BAKER. No; those provisions as the relate to Presidenial races would remain intact, but as they might relate to congressional relations, they would be deleted.

This amendment simply takes leave of the Presidential situation as the Senator has stated in S. 3044 but eliminates the congressional races from the coverage and puts a tax credit in its place.

Mr. CANNON. I thank the Senator from Tennessee.

Mr. President, I yield back the remainder of my time.

Mr. BAKER. I yield back the remainder of my time.

The PRESIDING OFFICER. All time on this amendment has now been yielded back.

The question is on agreeing to the amendment of the Senator from Tennessee (Mr. BAKER) No. 1135.

On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Texas (Mr. BENTSEN), the Senator from Arkansas (Mr. FULBRIGHT), the Senator from Indiana (Mr. HARTKE), the Senator from Iowa (Mr. HUGHES), and the Senator from Louisiana (Mr. LONG) are necessarily absent.

I further announce that the Senator from Kentucky (Mr. HUDDLESTON) is absent on official business.

Mr. GRIFFIN. I announce that the Senator from Utah (Mr. BENNETT) and the Senator from New Jersey (Mr. CASE) are necessarily absent.

I also announce that the Senator from Virginia (Mr. WILLIAM L. SCOTT) is absent on official business.

I further announce that, if present and voting, the Senator from New Jersey (Mr. CASE) would vote "nay."

The result was announced—yeas 37, nays 54, as follows:

[No. 120 Leg.]

YEAS—37

Aiken
Allen
Baker
Bartlett
Bayh
Beall
Bellmon
Brock
Buckley
Byrd,
Harry F., Jr.
Byrd, Robert C.
Cotton
Curtis
Dole
Dominick
Eastland
Ervin
Fannin
Fong
Goldwater
Griffin
Gurney
Hansen
Hatfield
Helms
Hollings
Hruska
Johnston
McClellan
McClure
Nunn
Packwood
Roth
Stennis
Talmadge
Thurmond
Tower

NAYS—54

Abourezk
Bible
Biden
Brooke
Burdick
Cannon
Chiles
Church
Clark
Cook
Cranston
Domenici
Eagleton
Gravel
Hart
Haskell
Hathaway
Humphrey
Inouye
Jackson
Javits
Kennedy
Magnuson
Mansfield
Mathias
McGee
McGovern
McIntyre
Metcalf
Metzenbaum
Mondale
Montoya
Moss
Muskie
Nelson
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Schweiker
Scott, Hugh
Sparkman
Stafford
Stevens
Stevenson
Symington
Taft
Tunney
Weicker
Williams
Young

NOT VOTING—9

Bennett
Bentsen
Case
Fulbright
Hartke
Huddleston
Hughes
Long
Scott,
William L.

So Mr. BAKER's amendment (No. 1135) was rejected.

Mr. STEVENSON. Mr. President, I have joined today in submitting three amendments to S. 3044 with Senators TAFT and DOMENICI which would authorize partial, but substantial, public financing of Federal general elections and eliminate from the bill public financing of congressional primaries.

The first amendment is directed at Federal general elections. In place of the 100-percent public financing provided for major party candidates, our amendment provides for not less than 25 percent nor more than 50 percent public financing for such candidates. Major party candidates would become eligible for a 25-percent formula grant upon nomination. They could also qualify for up to an additional 25 percent in Federal matching payments against small contributions, but no candidate could receive Federal payments totaling more than 50 percent of the applicable campaign expenditure limit. It is probable that all major party general election candidates for Federal office could qualify for 50-percent public financing. It is also probable that the amounts "checked off" by taxpayers would more than equal the cost to the Treasury over the 4-year election cycle of 50-percent public financing for the Federal general election campaigns.

The small contributions eligible for matching are the same as those which the committee bill applies to primary elections, that is, $250 in Presidential campaigns and $100 in congressional campaigns. The relative size of the maximum subsidy available to minor party candidates in general elections is the same as in the committee bill.

This amendment also lowers the contribution limit for congressional general elections, now at $3,000 for individuals and $6,000 for political committees ,to $1,000 for all donors. The contribution limits for primaries and Presidential general elections are not changed.

This amendment endeavors to strike a fair and sensible balance between a host of competing considerations, including the need to replace big money with unquestionably clean money, the need to encourage citizens to make—and candidates to seek—small contributions, the need to assure the less well known candidate enough startup funds to mount an effective campaign, and the need to minimize the cost to the Treasury.

The second amendment combines all of the features of the first amendment with a provision that would eliminate public financing of congressional primaries. While I believe that a good case can be made for the principle that public funds should be made available to encourage greater and more equitable competition at the prenomination stage, particularly in connection with Presidential elections, I am convinced that the risks are so great in regard to congressional primaries and experience so slight that there exists a substantial possibility that the extension of public financing to congressional primaries at this time would do more harm than good. I prefer not to run what I regard as a serious risk of weakening the political system in the name of reform.

Among the problems I see in public financing of congressional primaries are the following: First, it is not at all clear that a candidate's ability to raise the threshold amount is a good measure of his popularity or legitimacy. It may merely measure the sophistication of his fund-raising operation, or it may be a reflection of the amounts of big money he or she was able to raise early.

Second, the matching system magnifies the amounts by which one primary candidate is able to outspend another. Assume, for example, that in a senatorial primary in a State where the total contribution limit is $1.5 million there are two candidates, one who has raised $400,000 and one who has raised $700,000. Without matching the second candidate can outspend the first by $300,000. If all the funds raised by both candidates are eligible for matching, the first candidate will have a total of $800,000; the second, $1.4 million. The result is that the first candidate is outspent by $600,000 instead of $300,000. It is not at all clear that such a system promotes more equitable competition between primary contenders; it may well have the opposite effect.

Third, matching may encourage a proliferation of primary candidacies, some insincere, all of which will be more heavily funded. The cumulative effect could well be heightened public confusion and irritation, lower turnouts, less well informed decisions in the voting booth, and the nomination of candidates unrepresentative of the party as a whole. The result could be a weakening of the two-party system.

By no means does this exhaust the doubts about public financing of primaries on a matching basis. I do not contend that the prenomination stage of the electoral process is perfect, or that it is impossible to design a system of public financing which will improve that stage. I do maintain that the criticisms of public financing of congressional primaries are serious enough—and the risks of irreversible damage great enough—that the issue is best left for another day, a day when, through the experience with public financing in general elections, we will be in a better position to act constructively.

We have also joined in introducing a third amendment which does not contain the partial public financing scheme and would simply eliminate public financing of congressional primaries.

I believe that these amendments could substantially improve S. 3044. They would eliminate the corruptive influence of large contributions, but not the healthy influence of small contributions by citizens seeking a voice in their Government. Indeed, to go that far, as does S. 3044, raises doubts about its constitutionality.

Mr. CLARK. Mr. President, I ask unanimous consent that it be in order tc order the yeas and nays on my amendment No. 1152 at any time, which vote will not occur until Monday.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CLARK. Mr. President, I ask for the yeas and nays on my amendment No. 1152.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second. The yeas and nays are ordered.

Mr. BAKER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BAKER. Do I understand the order included an order for the vote to occur on Monday?

The PRESIDING OFFICER. No, it did not.

Mr. ROBERT C. BYRD. He just stated that the vote would occur on Monday.

Mr. BAKER. I thank the Chair and the Senator from West Virginia.

AMENDMENT OF GENERAL EDUCATION PROVISIONS ACT—CONFERENCE REPORT

Mr. PELL. Mr. President, I submit a report of the committee of conference on H.R. 12253, and ask for its immediate consideration.

The PRESIDING OFFICER. The report will be stated by title.

The assistant legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the amendment of the Senate to the bill (H.R. 12253) to amend the General Education Provisions Act to provide that funds appropriated for applicable programs for fiscal year 1974 shall remain available during the succeeding fiscal year and that such funds for fiscal year 1973 shall remain available during fiscal years 1974 and 1975, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

The PRESIDING OFFICER. Is there objection to the consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

(The conference report is printed in the House proceedings of the CONGRESSIONAL RECORD of April 2, 1974, at pages 9333–34.)

Mr. PELL. Mr. President, I am pleased to report to the Senate that the conference was amiable, and the theory of the Senate amendments to the House-passed bill was accepted. The filed report goes through the exact recessions and amendments point by point.

Suffice it to say that the portion which has aroused the most interest, the clarification for subsidized loans under the guaranteed student loan program, has been adopted in the following manner. Youngsters from families with an adjusted gross income of less than $15,000 will be eligible for a subsidized loan of $2,000 without a needs analysis. The yearly loan limitation will remain at the $2,500 level, and those same youngsters could get an additional $500 subsidized loan if they show a need; that need can only pertain to the $500 in excess of the $2,000. Students from a family with an adjusted gross income of $15,000 and above will still be eligible for a subsidized loan of up to $2,500 but must show need.

To my mind, what the conference has done is to make clear what we in the Senate thought we had adopted in the 1972 Education Amendments. It was then, and still is, our contention that under the language there was no authority for the Department of Health, Education, and Welfare to require a needs test from students from families with an adjusted gross income of less than $15,000. However, the intransigence of the agency made necessary legislation of an emergency type.

Mr. JAVITS. Mr. President, the conference report has been signed by all conferees on both sides. Is that correct?

Mr. PELL. That is correct.

Mr. JAVITS. Mr. President, the minority, therefore, commends it to the Senate, as does the majority.

Mr. PELL. Mr. President, I move the adoption of the conference report.

The motion was agreed to.

Mr. JAVITS. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. PELL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

HENRY AARON HITS HOMERUN NO. 714—TIES RECORD OF BABE RUTH

Mr. TALMADGE. Mr. President, I am very proud to notify the Senate that in today's 1974 baseball season's opening game between the Atlanta Braves and Cincinnati Reds, Henry "Hank" Aaron hit his 714th home run—tying the record of Babe Ruth.

This is indeed a momentous day in baseball history, and I extend my personal congratulations to Hank Aaron and the Atlanta Braves. It is my understanding that Aaron may be benched for the other two games in Cincinnati, and I hope that this is true. As a Georgian, I would like to see "Hank" hit the big one—the one to break Babe Ruth's record—in Atlanta Stadium Monday night in the Braves' game against Los Angeles.

FEDERAL ELECTION CAMPAIGN ACT AMENDMENTS OF 1974

The Senate continued with the consideration of the bill (S. 3044) to amend the Federal Election Campaign Act of 1971 to provide for public financing of primary and general election campaigns for Federal elective office, and to amend certain other provisions of law relating to the financing and conduct of such campaigns.

Mr. TALMADGE. Mr. President, I send to the desk an amendment and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. TALMADGE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered; and, without objection, the amendment will be printed in the RECORD.

The amendment ordered to be printed in the RECORD is as follows:

AMENDMENT NO. 1154

On page 71, between lines 12 and 13, insert the following:

DEFAMATORY STATEMENTS ABOUT CANDIDATES FOR FEDERAL OFFICE

SEC. 304. Section 612 of title 18, United States Code, is amended—

(a) by adding at the end of the section caption a semicolon and "defamatory statements about candidates for Federal office";

(b) by designating the first paragraph thereof as subsection (a); and

(c) by adding at the end thereof the following new subsection:

"(b) No person shall cause to be published a false and defamatory statement about the character or professional ability of a candidate for Federal office with respect to the qualifications of that candidate for that office if such person knows that such statement is false. Violation of the provisions of this subsection is a misdemeanor punishable by a fine not to exceed $1,000, imprisonment not to exceed six months, or both."

On page 71, line 16, strike out "304." and insert in lieu thereof "305.".

Mr. TALMADGE. Mr. President, this amendment is designed to correct the situation that we observed during the Watergate hearings, where people go around the country issuing defaming documents that are knowingly false and willfully sending them throughout the country. We have seen several instances of that.

A man named Segretti was hired to perform dirty tricks and dirty tricks alone. Two of our colleagues in the Senate were victimized by that practice.

The cutting edge of this amendment states:

> (b) No person shall cause to be published a false and defamatory statement about the character or professional ability of a candidate for Federal office with respect to the qualifications of that candidate for that office if such person knows that such statement is false. Violation of the provisions of this subsection is a misdemeanor punishable by a fine not to exceed $1,000, imprisonment not to exceed six months, or both.

I have discussed this amendment with the manager of the bill (Mr. CANNON) and the assistant majority leader, and I understand they are prepared to accept the amendment.

Mr. JAVITS. Mr. President, will the Senator answer a question on the amendment?

In every case of this character, it would always be a question of first amendment rights and constitutionality.

Mr. TALMADGE. Yes.

Mr. JAVITS. I think it would be extremely useful. It sounds intelligible and sounds right and does not sound contrary to the Constitution.

Mr. TALMADGE. I may say I checked out the very question the Senator raises with the legislative counsel, and was informed that the first amendment did not protect a person knowingly publishing false and defamatory statements. The amendment is drawn so it must be willfully and knowingly done.

Mr. JAVITS. As I say, it sounded right to me, but I think it would be useful to us if we could get the legislative drafting services to get a legislative memorandum which the Senator could put into the RECORD.

Mr. TALMADGE. I think I have one in my office. I did not anticipate offering the amendment at this time.

At this time I would like to make the following statement as a part of my remarks.

Mr. President, during the so-called Watergate Committee's investigation into the 1972 Presidential campaign, what has since come to be known as the "dirty tricks" escapades came to light. An extreme case involved the actions of one witness who deliberately put together a false and malicious letter accusing two prominent candidates of deviancy. Other campaign workers prepared and circulated brochures and letters grossly misrepresenting prior remarks of opposition candidates. Major candidates became the targets of calculated half-truths and complete falsehoods.

American politics has always been rough and tumble. Campaigns are often highly partisan and, in many ways, this is a healthy sign of a free society. Certainly, none of us advocates a one-party system, or even a system where the major parties closely resemble one another. Most people want and all of us are entitled to hear both sides of the issues. But I do not think that people ought to be misled by fraud and deception.

Tricks and pranks in political life have been with us since the early days of our Republic. Americans enjoy humor, and humor has a legitimate place in the give-and-take of political campaigns. So does criticism. If a candidate or party has a weak point, I agree that other candidates should be able to lampoon or criticize it. Democrats have done it to Republicans, and Republicans have done it to Democrats. Anyone who stands for election realizes that you have to take the heat, or else you should get out of the kitchen.

Mr. President, the right to vote is sacred. I do not ever want to see the election process in our country subverted. There is no need and there is no place for outright lying in campaigns, especially when such lies carry strong and sensational charges. The law should be strengthened to deter and, if necessary, to punish those who would use the calculated falsehood to take unjust advantage of the voting public.

For this purpose, I am proposing an amendment which makes it a Federal crime to prepare or otherwise participate in unscrupulous "dirty tricks" aimed at destroying the character of political candidates on untrue grounds. We should take sensible steps to stop such grossly unethical practices.

In so doing, we must be ever mindful of the first amendment, which protects free speech. The Constitution says that you have a right to speak your piece. It protects those who, in good faith, verbally blast or put on satires or criticisms of political candidates. It protects those who, in good faith, attack the views of candidates. I know of no other country on Earth whose citizens enjoy such broad freedom.

Still, in my view, there is a point at which speech becomes unprotected conduct. Political speech is usually protected, but calculated lies are not. The Supreme Court has recognized this in a wide variety of cases.

My amendment attempts to clarify just where that point is in Federal political campaigns. It makes it unlawful to knowingly and willfully prepare or send out clearly false and defamatory information about recognized candidates for elected Federal office. For example, my amendment makes it unlawful to write a letter to a newspaper falsely stating that a candidate has been in a mental institution when the letter writer knows this assertion is not true.

On the other hand, this statute does not extend to the good faith preparation or distribution of material reflecting the author's views, no matter how controversial they might be. If a man honestly disagrees with a candidate or that candidate's positions, he can write what he will, so long as he does not send out what he either knows is or has deliberately and maliciously arranged so as to be defamatory and untrue. If Congressional Candidate X constantly socializes with corporate executives, a critic could print an advertisement with a picture of X shaking hands with these corporate officials and caption it "Do You Want Fat Cats Running the Country?" But it would be unlawful for that advertisement to say "X Accepts Big Contribution from Fat Cats" if that was known by the author to be untrue.

Mr. President, actual knowledge and deliberate lying are the keys to this crime. It does not extend to reckless or negligent conduct, which is already adequately covered by the libel and slander laws. It does not extend to the press innocently printing a spurious or false letter to the editor. It does not make it unlawful for the media to transmit a candidate's speech, even though that speech might misrepresent the facts or be laden with inaccuracies. It is a carefully drafted proposal which permits the free flow of ideas in the political marketplace. It forbids outright lying and intentional misrepresentations.

In Garrison versus Louisiana, the Supreme Court stated that:

> The use of calculated falsehood, however, would put a different cast on the constitutional question. Although honest utterance, even if inaccurate, may further the fruitful exercise of the right of free speech, it does not follow that the lie, knowingly and deliberately published about a public official, should enjoy a like immunity. At the time the First Amendment was adopted, as today, there were those unscrupulous enough and skillful enough to use the deliberate . . . falsehood as an effective political tool to unseat the public servant or even topple an administration. That speech is used as a tool for political ends does not automatically bring it under the protective mantle of the Constitution. For the use of the known lie as a tool is at once at odds with the premises of democratic government and with the orderly manner in which economic, social, or political change is to be effected. Calculated falsehood falls into that class of utterances which "are no essential part of any exposition of ideas, and are of such slight social value as a step to truth that any benefit that may be derived from them is clearly outweighed by the social interest in order and morality. . . ." Hence the knowingly false statement do[es] not enjoy constitutional protection.

This amendment is not a cure-all for "dirty tricks." I recognize the right to dissent and to speak out. I have no quarrel with those who "shoot from the hip" when they speak. But, there is no right to prepare calculated falsehoods. My amendment shuts the door on a tiny minority of people who would sit down and deliberately write a defamatory lie concerning a candidate for elected Federal office. I hope it will be adopted.

Mr. GRIFFIN. Mr. President, will the Senator yield?

Mr. TALMADGE. I yield.

Mr. GRIFFIN. I support the amendment offered, and I think it is a valuable contribution. It goes without saying—and I want to establish this—that the amendment would apply to a newspaper reporter, a newspaper publisher, just as much as it would apply to someone else who caused to be published matters that were knowingly false. Is that not true?

Mr. TALMADGE. I think it perhaps would. However, it is aimed at mails shipped in interstate commerce, and I think it would.

Mr. GRIFFIN. It says, "No person shall cause to be published a false and defamatory statement about the character or professional ability of a candidate."

Mr. TALMADGE. That is right.

Mr. GRIFFIN. "No person" is an all-inclusive category, and I would assume that if there were a newspaper reporter or a newspaper publisher who caused to be published a false and defamatory statement about a candidate, knowing it to be false, this amendment would apply to them. I want to be sure that is a proper understanding.

Mr. TALMADGE. I think that is right.

Mr. GRIFFIN. I thank the Senator.

Mr. TALMADGE. I thank my distinguished colleague.

Mr. PELL. Mr. President, there is a question I would like to raise here, and that is, would this amendment apply to books as well as articles or campaign literature?

Mr. TALMADGE. The amendment reads:

> No person shall cause to be published a false and defamatory statement about the character or professional ability of a candidate for Federal office with respect to the qualifications of that candidate for that office if such person knows that such statement is false.

I think it would. However, it is not a common practice to publish books in political campaigns. What this amendment is aimed at is some fellow circulating around the country, creating an instance like we had in New Hampshire, where they said Senator MUSKIE has said something derogatory about some particular ethnic group in the State of Maine.

Also, the distinguished Senator from Minnesota was victimized in the State of Florida by the same group. Also, the distinguished Senator from Washington was victimized.

This amendment is intended to provide a prohibition against that kind of action. I think it would be applicable to anyone who published it, but he must publish it knowing it to be false at the time.

Mr. PELL. It is my understanding that, under Sullivan against New York Times, if one is a public figure—and that includes any candidate for public office—there is virtually no law of libel that is applicable.

Mr. TALMADGE. They reduced severely, as I understand the Sullivan case, the ability to recover in a libel suit by anyone in public office. I believe it must be proved that it was malicious and false and done with a malicious motive.

Mr. PELL. To prove a motive—the Senator from Georgia as a lawyer is much more familiar with this than I am—is a very difficult thing.

Mr. TALMADGE. This does not relate to motive.

Mr. PELL. That is correct.

Mr. TALMADGE. It relates to whether or not the man who makes the publication knew it to be false at the time.

Mr. PELL. I completely support the objective of the Senator from Georgia. I am wondering if this amendment would run counter to the Supreme Court ruling in Sullivan versus New York Times.

Mr. TALMADGE. Of course, that was a suit in libel. This does not deal with libel cases at all.

Mr. PELL. So there would be no conflict with constitutionality?

Mr. TALMADGE. There would be no conflict with respect to libel at all under this amendment as it is written. This creates a new penalty, a misdemeanor, for someone who publishes a false and defamatory statement about the character or professional ability of a candidate and introduces it into a campaign, if he knew the publication to be false at the time he made it.

Mr. PELL. I think it is an excellent idea, and, at the moment, I look forward to recommending to my colleagues that it be approved.

Mr. GRIFFIN. Mr. President, will the Senator yield?

Mr. TALMADGE. I yield.

Mr. GRIFFIN. Is it the intention of the Senator from Georgia to have this amendment adopted without a rollcall vote? I think it is unfortunate——

Mr. TALMADGE. I understood, after conference with the floor manager (Mr. CANNON) at the time, and also his Republican counterpart, that they were prepared to accept the amendment.

Mr. GRIFFIN. I have no doubt about that.

Mr. TALMADGE. I never ask for a rollcall when I can get a default judgment.

Mr. GRIFFIN. I do not doubt that. I think it is unfortunate that we do not have a rollcall vote so the Senate could express itself overwhelmingly in favor of this amendment; and I am thinking that it might possibly have some side effect on the Supreme Court when they have another case coming up and they are considering the constitutionality of it, but maybe not.

Mr. TALMADGE. I have no objection to a rollcall vote.

I understood one Senator to tell other Senators a few minutes ago that there would be no more rollcall votes tonight. It could go over until Monday. I would have no objection to that. If the distinguished acting majority leader would set a time certain for a vote, I would have no objection.

Mr. ROBERT C. BYRD. Mr. President, may I ask the distinguished Senator, along with the assistant minority leader and the acting manager of the bill, how much time they think they would want to debate this amendment?

Mr. TALMADGE. Thirty minutes, 15 minutes to a side.

UNANIMOUS-CONSENT AGREEMENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Monday, after conclusion of the routine morning business, the Senate resume consideration of the unfinished business, S. 3044, and that at that time the amendment of the distinguished Senator from Georgia (Mr. TALMADGE) be made the pending question.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. And I ask unanimous consent that there be a time limitation on the amendment by the distinguished Senator from Georgia (Mr. TALMADGE) of 30 minutes, to be equally divided between Mr. TALMADGE and the manager of the bill, or if the manager of the bill supports the amendment, then the time in opposition thereto be under the control of the distinguished minority leader or his designee, and that the time be equally divided.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. I yield to the distinguished Senator from Minnesota.

HANK AARON TIES HOME RUN RECORD

Mr. HUMPHREY. Mr. President, we listened with great interest—and I did with excitement—to the announcement made by our distinguished colleague from Georgia (Mr. TALMADGE) about the spectacular feat of Henry "Hank" Aaron, of the Atlanta Braves, tying the home run record of the great George Herman "Babe" Ruth on this day of April 4.

I have consulted with my good friend from Georgia, who is always a charitable and considerate gentleman, and he knows I am a real baseball enthusiast and cheer even when my Minnesota Twins lose, and refuse to admit that they lose. On this occasion he has permitted me to initiate, on his behalf and on behalf of his colleague Senator NUNN, and the distinguished acting minority leader (Mr. GRIFFIN), and the distinguished majority whip (Mr. ROBERT C. BYRD), to submit a resolution, for which I shall ask immediate consideration. The resolution reads as follows:

S. RES. 303

Whereas, baseball is a great American sport;

Whereas Hank Aaron of the Atlanta Braves has brought great honor to his team, his race, and himself;

Whereas Hank Aaron on the date of April 4, 1974, has tied the home run record of George Herman (Babe) Ruth;

Be it hereby Resolved, That the United States Senate expresses its congratulations to Hank Aaron on hitting home run number 714 on the date of April 4, 1974, in the game between Atlanta Braves and the Cincinnati Reds, at Cincinnati, Ohio.

Mr. TALMADGE. Mr. President, will the distinguished Senator from Minnesota yield?

Mr. HUMPHREY. I am happy to yield.

Mr. TALMADGE. I congratulate the Senator on his leadership in submitting the resolution, and I am happy to be a consponsor thereof.

A few moments ago we heard remarks on the Senate floor congratulating Hank Aaron. I urge the Senate to approve overwhelmingly the resolution that has been submitted by the distinguished Senator from Minnesota (Mr. HUMPHREY), of which I am proud to be a cosponsor.

Mr. HUMPHREY. Mr. President, as in many other instances in my life, I have received inspiration and guidance from the distinguished Senator from Georgia. In this instance, I did so again. The Senator from Minnesota, who loves baseball night or day, win or lose, has had wholehearted cooperation from these remarkable men of the Senate, who are baseball fans—our two friends from Georgia (Mr. TALMADGE and Mr. NUNN), the distinguished Senator from Michigan (Mr. GRIFFIN), and the distinguished Senator from West Virginia (Mr. ROBERT C. BYRD).

Mr. President, I ask unanimous consent that we proceed to the consideration of the resolution and that it be approved.

The PRESIDING OFFICER (Mr. MCCLURE). Is there objection to the present consideration of the resolution?

There being no objection, the resolution (S. Res. 303) was considered and agreed to.

Mr. GRIFFIN. It was agreed to unanimously.

The PRESIDING OFFICER. The record will so reflect.

REFERRAL OF H.R. 13613

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the message from the House of Representatives on H.R. 13613 be jointly referred to the Committee on Commerce and the Committee on Government Operations. A companion bill, S. 707, was jointly referred to those two committees.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR BEALL TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the distinguished Senator from Wisconsin (Mr. PROXMIRE) completes his remarks tomorrow, under the order previously entered, the distinguished junior Senator from Maryland (Mr. BEALL) be recognized for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER TO TRANSACT ROUTINE MORNING BUSINESS TOMORROW; AND RESUMPTION OF CONSIDERATION OF S. 3044

Mr. ROBERT C. BYRD. Mr. President, following the completion of the remarks of the Senator from Wisconsin and the Senator from Maryland tomorrow, I ask unanimous consent that there be a period for the transaction of routine business of not to exceed 15 minutes, with statements herein limited to 5 minutes each; and that following the conclusion of morning business, the Senate resume the consideration of S. 3044.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

NO YEA-AND-NAY VOTES TOMORROW, OR ON MONDAY BEFORE 3:30 P.M.

Mr. ROBERT C. BYRD. Mr. President, the distinguished majority leader earlier today indicated that there would be no yea-and-nay votes tomorrow and that any votes that may be ordered on amendments tomorrow or on Monday will not occur earlier than the hour of 3:30 p.m. on Monday.

I ask unanimous consent that any vote which may be ordered on amendments or motions, or otherwise, tomorrow, and that any votes that may be ordered up until the hour of 3:30 p.m. on Monday, not occur before the hour of 3:30 on Monday.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Senators will thereby be informed that there will definitely be no rollcall votes tomorrow, and no rollcall votes on Monday until the hour of 3:30 p.m.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will convene tomorrow at the hour of 10 o'clock a.m.

After the two leaders or their designees have been recognized under the standing order, the Senator from Wisconsin (Mr. PROXMIRE) will be recognized for not to exceed 15 minutes. He will be followed by the Senator from Maryland (Mr. BEALL) for not to exceed 15 minutes.

There will then ensue a period for transaction of routine morning business of not to exceed 15 minutes, with statements therein limited to 5 minutes each.

At the conclusion of the period for routine morning business, the Senate will resume the consideration of the unfinished business, S. 3044.

There will be no yea-and-nay votes tomorrow. Action may be taken on that bill if it is by voice votes; but if any rollcall votes are ordered, they will be put over until Monday and will occur beginning at 3:30 p.m.

ADJOURNMENT

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until the hour of 10 o'clock tomorrow morning.

The motion was agreed to; and at 4:46 p.m. the Senate adjourned until tomorrow, Friday, April 5, 1974, at 10 o'clock a.m.

NOMINATIONS

Executive nominations received by the Senate April 4, 1974:

OVERSEAS PRIVATE INVESTMENT CORPORATION

The following-named persons to be members of the Board of Directors of the Overseas Private Investment Corporation for terms expiring December 17, 1976:

Gustave M. Hauser, of New York. (Reappointment)

James A. Suffridge, of Florida. (Reappointment)

CONFIRMATIONS

Executive nominations confirmed by the Senate April 4, 1974:

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

James L. Mitchell, of Illinois, to be Under Secretary of the Department of Housing and Urban Development.

NATIONAL CREDIT UNION BOARD

James W. Jamieson, of California, to be a member of the National Credit Union Board for a term expiring December 31, 1979.

FARM CREDIT ADMINISTRATION

The following-named persons to be members of the Federal Farm Credit Board, Farm Credit Administration, for terms expiring March 31, 1980:

Galen B. Brubaker, of Virginia.

Dennis S. Lundsgaard, of Iowa.

(The above nominations were approved subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

HOUSE OF REPRESENTATIVES—*Thursday, April 4, 1974*

The House met at 12 o'clock noon.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

Let us come boldly to the throne of grace, that we may obtain mercy and find grace to help in time of need.—Hebrews 4: 16.

O Lord, our God, in the beauty and glory of a new day, we lift our hearts unto Thee ere we set our faces toward the tasks that confront us. We would quiet our souls in Thy presence and rest in the promise of Thy sustaining strength and Thy steadying power.

Amid all the voices that clamor for our attention may we listen to Thy still, small voice which alone can help us to be true to our faith, to keep up our courage and to let love live in our lives.

By Thy grace may we not add to the dissension of our day by any ill will on our part, but may we widen the areas of good will by the influence of our own good will, knowing that only with Thee can we face the present and the future unafraid.

We pray for France in the loss of her President. May the comfort of Thy spirit abide in the hearts of her countrymen. Together make us strong in Thee and in the spirit of Christ our Lord. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Marks, one of his secretaries.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H.R. 12678. An act to amend the Emergency Petroleum Allocation Act of 1973, to establish the Federal Energy Emergency Administration, to require the President to roll back prices for crude oil and petroleum products, and for other purposes.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 6186) entitled "An act to amend the District of Columbia Revenue Act of 1947 regarding taxability of dividends received by a corporation from insurance companies, banks, and other savings institutions."

INQUIRY INTO THE MILITARY ALERT INVOKED ON OCTOBER 24, 1973

Mr. MORGAN, from the Committee on Foreign Affairs, reported the following privileged resolution (H. Res. 1002, Rept. No. 93–970) which was referred to the House Calendar and ordered to be printed:

H. RES. 1002

Resolved, That the Secretary of State is directed to submit to the House of Representatives within ten days after the adoption of this resolution the following information:

(a) The text of all diplomatic messages in the possession of the Secretary of State or the Department of State received from Leonid Brezhnev, General Secretary of the Presidium of the C.P.S.U. Central Committee of the Union of Soviet Socialist Republics, or from any other official of the Union of Soviet Socialist Republics, to the President of the United States, which were delivered on October 24 or 25, 1973.

(b) The text of diplomatic messages sent by the President of the United States, and in the possession of the Secretary of State or the Department of State, as replies to any of the diplomatic messages referred to in paragraph (a).

(c) A list of actions, communications, and certain readiness measures taken by the Soviet Union which were referred to in the following statement made by the Secretary of State on October 25, 1974: "And it is the ambiguity of some of the actions and communications and certain readiness measures that were observed that caused the President at a special meeting of the National Security Council last night, at 3 o'clock antemeridian, to order certain precautionary measures to be taken by the United States".

(d) A list of the precautionary measures taken by the United States, including the initiation of a defense condition status numbered 3, which were taken by the United States and referred to by the Secretary of State in the statement of October 25, 1973, referred to in paragraph (c).

(e) A list of all meetings attended by the Secretary of State on October 24 and 25, 1973, at which the conflict in the Middle East, and the actions of the Soviet Union referred to in paragraph (c) were discussed, and the times of all such meetings, the names and positions of all other individuals attending each of such meetings, and the decisions arrived at in the course of each of such meetings.

(f) The date and time of the decision, made in October 1973, to order a defense condition status numbered 3, and the name of the person or persons making that decision.

DISCLOSURE OF INCOME AND TAXES

(Mr. BROWN of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BROWN of California. Mr. Speaker, today, when our attention is focused on the tax problems of the President, it would seem to be an appropriate time for me to disclose my annual income, taxes paid, and net worth, as I have each year that I have been in Congress.

My income consists of my congressional salary of $38,722.08—eleven-twelfths of $42,500, because I was not in office during 1972—plus $915 in honorariums and $5 in stock dividends. In addition, I have reported as income the amounts received from various sources for the operation of my congressional office, and for official travel. This amounts to $8,465 and was more than offset by the costs of travel and office operations. After deducting adjustments to income, my adjusted gross income—form 1040, line 15—was $49,906. After deducting exemptions and itemized deductions, my taxable income—form 1040, line 48—was $27,856, on which I paid a Federal income tax of $7,048, and California State income tax of $1,370.

Copies of both my Federal and State income tax returns are available for public inspection in my office during office hours.

My net worth is approximately $30,000, and consists largely of an equity in my home, furniture, automobile, and several unimproved lots in my former congressional district in California. I also own one share of General Motors stock, which has declined substantially in value during the past year. In addition, I have a vested interest in the California State legislators retirement system and in the congressional retirement system.

While I am embarrassed to admit it, my net worth has declined each year since I was elected to Congress in 1962, when it was approximately $100,000.

DENOUNCING THE ANTI-SEMITIC REMARKS OF ATTORNEY GENERAL WILLIAM B. SAXBE

(Mr. DRINAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DRINAN. Mr. Speaker, I was shocked and saddened to read in the New York Times this morning a statement by Attorney General William B. Saxbe which must be deemed to be anti-Semitic. In discussing the long defunct Attorney General's list of subversive organizations Mr. Saxbe stated that subversive organizations now are of a different nature than they were in the McCarthy era. One of the reasons for this change, Mr. Saxbe stated, is "because of the Jewish intellectual, who was in those days very enamored of the Communist Party."

Mr. Speaker, I spoke at length earlier today with the two top aides to Attorney General Saxbe. I was told that the words about the alleged closeness a generation ago of Jewish intellectuals to the Communist Party must be understood in the context in which Mr. Saxbe spoke. I was also told that Mr. Saxbe did not mean to say what he said. It was alleged by one spokesman for the Attorney General that the Times' account was "garbled." But no offer of a retraction or even a clarification was forthcoming. I made it clear to the spokesman for the Attorney General that, in the absence of a repudiation of the statement in question, I could not in conscience be silent about the incredible utterance of Mr. Saxbe.

Mr. Saxbe's statement is objectionable because he erroneously implies that many if not most Jewish intellectuals in the first 10 years after World War II were "very enamored of the Communist party." Mr. Saxbe compounded his error by stating that "some of these" were American and some foreign. Consciously or otherwise the Attorney General left the impression that Jewish intellectuals were disproportionately present in the International Communist Party during the McCarthy era.

An allegation of this nature against Unitarians or Hungarians or any other religious or ethnic group would be as outrageous as Mr. Saxbe's accusation of Jewish intellectuals. The Attorney General does not perpetrate a stereotype; he seeks to create one. He worsens that stereotype by stating that at the present time "worldwide trends are more toward terrorism" and that as a result "We're dealing with a different type of person." By this comparison Mr. Saxbe, advertently or inadvertently, implies that the terrorists of today are ideologically similar to those Jewish intellectuals who, 20 years ago, were allegedly "very enamored of the Communist Party."

The SPEAKER. The time of the gentleman from Massachusetts (Mr. DRINAN) has expired.

DENOUNCING THE ANTI-SEMITIC REMARKS OF THE ATTORNEY GENERAL, WILLIAM B. SAXBE

(Mr. RONCALIO of Wyoming asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RONCALIO of Wyoming. Mr. Speaker, I yield to the distinguished gentleman from Massachusetts.

Mr. DRINAN. I thank the gentleman from Wyoming for yielding to me.

Mr. Speaker, I want to say simply in conclusion that I refrain from elaborating on the insidiousness of the observations of the Attorney General. I had hoped that prior to my speaking here today he would have repudiated his statements.

I seriously looked for that objective but nothing less than a complete repudiation by the Attorney General of his statements will suffice.

THE JUDICIARY COMMITTEE SHOULD COMPLETE IMPEACHMENT DELIBERATIONS

(Mr. VIGORITO asked and was given permission to address the House for 1 minute to revise and extend his remarks and include extraneous matter.)

Mr. VIGORITO. Mr. Speaker, most Americans, whether they be in sympathy with President Nixon or not, are asking why the House Judiciary Committee is taking so long in completing its inquiry on possible impeachment of President Nixon. They want the committee to finish its work without delay and make a report to the House of Representatives, recommending either a vote for or against impeachment.

In my opinion, these feelings by Americans are justified. The Judiciary Committee is currently in its fifth month of deliberation on the several impeachment resolutions offered in the House in 1973. The long process has been due in part to delays caused by the administration in refusing to hand over documents needed by the committee to complete its work.

On the other hand, I would hope that the committee staff, made up of more than 100 competent individuals, is working as quickly and effectively as possible to get the job done.

Because of the administration's delays and the moderate to slow pace in which the committee is conducting the impeachment inquiry, the target date to report an impeachment resolution to the House floor on April 30 will not be met. In fact, the end of the inquiry is still not in sight.

While I am asking the committee to complete its work quickly, I am not doing so because I feel that impeachment is not justified. I have not determined whether the President should or should not be impeached. Since I will serve as a grand juror when the committee's recommendation and report comes before the House, I have tried to keep an open, fair, and objective mind on the impeachment question.

I would like to urge the Judiciary Committee to compete its task with haste. The past 5 months have been long and difficult for this country. The House must resolve the impeachment question quickly so it can turn its full attention to a good and sound legislative program for the remainder of 1974.

TORNADOES IN THE UNITED STATES

(Mr. WINN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WINN. Mr. Speaker, I have in my hand, as many people are aware, and as are many Members of the House, information dealing with the results of the recent tornadoes. Over 100 tornadoes have hit this country in the last 24 hours. At the last count at 10 o'clock this morning over 320 people were killed as a result.

Last year I introduced H.R. 9811 and circularized that bill for support from my colleagues. Of the 30 members of the Committee on Science and Astronautics 27 cosponsored that bill. Of the entire House 55 Members have also cosponsored that bill.

I would like to inform my colleagues that as of this afternoon I will again send a "Dear Colleague" letter on H.R. 9811 and urge their support in asking for $10 million to study "short-term" weather phenomona. Day before yesterday the Committee on Science and Astronautics voted $2 million for an investigation to see if we could do something about the problems of short-term weather phenomena in this country. I am asking this body to adopt this resolution which calls for an expenditure of $10 million.

I hope that NASA and NOAA will put aside their petty grievances so as to get along with the business of solving some of the problems—problems that killed over 320 people in the last 24 hours.

Mr. PERKINS. Mr. Speaker, will the distinguished gentleman yield?

Mr. WINN. I will be glad to yield to the gentleman from Kentucky.

Mr. PERKINS. Mr. Speaker, I concur wholeheartedly with the remarks just made by the distinguished gentleman from Kansas, Mr. Winn. The bill proposed by the gentleman is an important one—and if there ever was a timely moment, this is it.

The tornadoes which struck in my home State of Kentucky yesterlay and in a dozen other areas of the country have caused unreckoned damage, and the loss of life has been extremely heavy. In my State, we do not yet know the death toll, and hospitals in many areas are hard pressed to care for the casualties.

A definitive, reliable study of short-term weather phenomena is long overdue, and the $10 million price tag on H.R. 9811 is modest indeed, compared to the enormous cost of yesterday's storms. The House ought to act promptly to approve this legislation. The country will reap the benefits of the "windfall."

Mr. WINN. Mr. Speaker, I thank the gentleman from Kentucky for his support.

ANNUAL REPORTS OF THE SIX RIVER BASIN COMMISSIONS—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 93-281)

The SPEAKER laid before the House the following message from the President of the United States, which was read and, together with the accompanying papers, referred to the Committee on Interior and Insular Affairs and ordered to be printed with illustrations:

To the Congress of the United States:

I am happy to transmit herewith the annual reports of the six river basin commissions, as required under section 204(2) of the Water Resources Planning Act of 1965.

The act states that commissions may be established, comprised of State and Federal members, at the request of the Governors of the States within the proposed commission area. Each commission is responsible for planning the best use of water and related land resources in its area and for recommending priorities for implementation of such planning. The commissions, through efforts to increase public participation in the decisionmaking process, can and do provide a forum for all the people within the commission area to voice their ideas, concerns, and suggestions.

The commissions submitting reports are New England, Great Lakes, Pacific Northwest, Ohio River, Missouri River, and the Upper Mississippi. The territory these six commissions cover includes all or part of 32 States.

The enclosed annual reports indicate the activities and accomplishments of the commissions during fiscal year 1973. A brief description of current and potential problems, studies, and approaches to solutions are included in the reports.

Richard Nixon.

The White House, *April 4, 1974.*

CALL OF THE HOUSE

Mr. WYDLER. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. O'NEILL. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 142]

Ashbrook
Badillo
Bevill
Blackburn
Blatnik
Brown, Ohio
Carey, N.Y.
Carter
Chamberlain
Chisholm
Clancy
Clark
Conlan
Conyers
Crane
Davis, Wis.
Dennis
Devine
Diggs
Dingell
Dorn
Ford
Fraser
Frenzel
Gettys
Gray
Gude
Hamilton
Heckler, Mass.
Hillis
Hogan
Holifield
Huber
Jones, Ala.
Jones, Tenn.
Kazen
Kluczynski
Lehman
Lujan
Luken
Maraziti
Martin, N.C.
Mazzoli
Michel
Mizell
Mollohan
Peyser
Pickle
Poage
Rees
Reid
Rodino
Rooney, N.Y.
Rose
Runnels
Ruth
Sandman
Shriver
Sisk
Snyder
Stark
Stephens
Stokes
Stubblefield
Stuckey
Teague
Udall
Waldie
Wiggins
Williams
Wilson, Charles H., Calif.
Wilson, Charles, Tex.

The SPEAKER pro tempore (Mr. Mills). On this rollcall 360 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

PERSONAL EXPLANATION

Mr. DULSKI. Mr. Speaker, I missed two rollcall votes on Monday, April 1, 1974. Had I been present, I would have voted "yea" on rollcall No. 124, and "nay" on rollcall No. 125.

PERMISSION FOR COMMITTEE ON APPROPRIATIONS TO HAVE UNTIL MIDNIGHT TO FILE A PRIVILEGED REPORT ON LEGISLATIVE BRANCH APPROPRIATION BILL

Mr. CASEY of Texas. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight tonight to file a privileged report on the legislative branch appropriation bill for fiscal year 1975.

Mr. WYMAN reserved all points of order on the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

CONFERENCE REPORT ON H.R. 12253, EDUCATIONAL FUNDING AND GUARANTEE LOANS

Mr. PERKINS. Mr. Speaker, pursuant to the unanimous consent previously obtained, I call up the conference report on the bill—H.R. 12253—to make certain appropriations available for obligation and expenditure until June 30, 1975, and for other purposes and ask unanimous consent that the statement of the managers be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of April 2, 1974.)

Mr. PERKINS (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the statement of the managers be dispensed with.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The SPEAKER pro tempore. The gentleman from Kentucky (Mr. PERKINS) is recognized for 30 minutes. The gentleman from Oregon (Mr. DELLENBACK) is recognized for 30 minutes.

The Chair recognizes the gentleman from Kentucky.

Mr. PERKINS. Mr. Speaker, the conference report before us is supported by all members of the conference committee both in the House and in the Senate.

The report deals with two matters of greatest urgency. The first relates to those provisions of the report which will allow local school districts to carry over into the next school year unused funds appropriated for this school year.

Ordinarily school districts could do this under provisions in the General Education Provisions Act. However, that section has expired and thus this legislation is necessary to allow a carryover of funds.

The conference report, as was the case in the original House bill, will also allow school districts to carry over into the next school year education funds which had been impounded by the administration from the fiscal year 1973 appropriation. These funds were not released until earlier this year and school districts do not conceivably have the time to make the wisest expenditure of them during the remainder of the school year.

Therefore it is necessary to allow these funds to carry over also.

The House originally passed the substance of these provisions on January 28 by unanimous consent. The provisions in the conference report do not differ in any significant way from the bill then approved.

It was my hope that we would have been able to enact this carryover authority—which the administration supports—some time ago. It is imperative that we act favorably today in order to give school districts adequate notice of the funding situation.

The second aspect of the conference report makes a major improvement in the guaranteed student loan program. Under our agreement, insured loans with interest subsidy benefits will be far more accessible to students from families with adjusted incomes of less than $15,000.

Under our agreement students from this income category are automatically eligible for interest subsidy payments on insured loans of up to $2,000 a year. The existing requirement for needs tests which are paper-consuming and time-consuming and which have frequently been unrealistic in their outcome, has been eliminated.

Thousands of students who presently find immense difficulties in securing an insured loan will now find the program much more accessible. The cutoff point is an adjusted family income of less than $15,000. A gross income of $20,000 for a family of four translates into an adjusted family income of $15,000.

Let me cite an example. A family of four—a mother, father, and two children—with a gross income of $19,000 will qualify as under an adjusted family income of $15,000. This is as follows. A reduction of $3,000 is allowed for personal exemptions, that is the number of members in the family times $750. An additional reduction of $1,900 is allowed in terms of the standard 10-percent personal deduction allowance. This means a total of $4,900 is subtracted from the gross figure of $19,000 with the result that there is an adjusted family income of $14,100. Students in such a family will automatically qualify for interest subsidy without regard to any needs test.

In our work on this legislation, the chairman of our Higher Education Subcommittee, our colleague from Michigan (Mr. O'HARA), has labored tirelessly and demonstrated great leadership. I should like to compliment the gentleman. I should also like to compliment at this point our colleague from Indiana, JOHN BRADEMAS, and the ranking minority member of the committee, Mr. QUIE, and the ranking minority member of the subcommittee, Mr. DELLENBACK, for their efforts and work on this bill. The working out of this agreement has not been easy, and all of these gentlemen are to be complimented for their hard work and cooperative attitude.

Mr. DELLENBACK. Mr. Speaker, I will be glad to yield to my colleague, the chairman of the subcommittee, the gentleman from Michigan (Mr. O'HARA) if he would care to speak first on the matter.

Mr. Speaker, I am pleased to join my colleagues in supporting this conference report and recommending its approval by the House.

We have been monitoring the guaranteed student loan program for several months and feel that the changes recommended in the conference report will be of significant benefit to students of moderate- and middle-income families in financing their postsecondary education this coming year.

The problems that beset the guaranteed loan programs are many. Generally, this conference report addresses only one—the requirement for a needs test. The subcommittee chaired by the hardworking gentleman from Michigan (Mr. O'HARA) will soon launch a series of hearings to investigate these problems in a more comprehensive manner.

But we should make it clear that the changes described in the statement of conference managers concerning the needs test will take effect 45 days after enactment. And although our committee will soon be discussing many possible options for revising this program, the amendments in this conference report will be the law at least until June 30, 1975.

Mr. Speaker, anyone who studies these amendments will discover that they are, indeed, quite complicated. I believe the conference report clarifies some of the confusing language of the past. But it may be helpful to explain just how the amendments would affect the administration of the program.

Right now all students applying for interest subsidies, regardless of family income, are subjected to some form of needs analysis. Most schools use the professional services of the College Scholarship Service or the American College Testing program to perform this analysis. This procedure often takes several weeks and therefore, delays the processing of a loan application.

Another consequence of the required formal needs analysis has been a drop in loan volume for the total program. We have received many suggestions as to why the volume has dropped in many areas of the country although it has actually risen in some. The current economic situation is partly to blame. Some lenders have simply reached what they feel is the ceiling on the amount of total loans outstanding they can carry. Many schools and lenders have been unwilling to adjust the results of the formal needs assessment along lines that are clearly spelled out in the program instruction. And there are other reasons.

But we have received enough testimony to convince us that dropping the needs test requirement for at least a good share of today's college students would be a good thing. Under these amendments, any student whose adjusted family income is less than $15,000—which amounts to $20,000 gross for a family of four—and who requests and obtains a loan of $2,000 or less will be automatically eligible for in-school interest benefits on the loan. No needs test is required.

If the same student requests a loan of more than $2,000—the maximum potentially covered by interest subsidy is $2,500 in any one year—the educational institution would be required to complete an analysis of the student's ability to contribute toward his own education. For dependent students, this would include an analysis of the parents' income and assets as well as their own. If the result of such a needs analysis showed that a student needed more than $2,000, the institution would add to the student's application form the information relating to that determination of need and a recommendation to the lender of whatever amount was needed, which amount would not exceed $500.

When a student asks for more than $2,000 in a subsidized loan, but the formal-needs analysis does not result in a need beyond $2,000, then the student's application would be treated as if he had asked only for $2,000. That is necessary in order not to penalize the student who does ask for more than $2,000. The amendments would protect, in effect, his right to a $2,000 loan without the influence of a needs analysis.

Mr. Speaker, although the provisions in the law would be reworded to conform with the amendments proposed in the conference report, the way in which applications would be processed for subsidized loans for students with adjusted family incomes of $15,000 or more would not be changed. For all of these students, a formal-needs analysis is required which could result in a determination of need by the institution and a recommendation for a subsidized loan of a specific amount but not exceeding $2500.

I would like to remind by colleagues that these amendments in no way affect the ability of lenders to make guaranteed student loans that do not receive Federal interest subsidies while students are in school. We hope that lenders will continue to make the so-called nonsubsidized 7-percent loans to students of any income level.

Finally, I would like to say how happy I am that the extension of the Tydings amendment seems finally near enactment. I would personally have preferred treating the guaranteed student loan amendments in separate legislation, but the other body chose to delay the enactment of the noncontroversial Tydings amendment by tacking on to the House bill the more controversial student loan amendments. I only hope that this delay has not adversely affected the decisions of schools in spending Federal education moneys this year or in their plans for next year.

Mr. Speaker, I urge the adoption of the conference report.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. DELLENBACK. I will be glad to yield to my colleague from Iowa.

Mr. GROSS. How much does this liberalize spending and in what amount?

Mr. DELLENBACK. The basic question will still be what the banks will actually do. What this does is not increase the amount of spending per se because the banks are perfectly free to make all the loans under the present procedure that they could make under this amendment. It makes it considerably easier and cuts down on the time of processing and, therefore, it gets us into a situation where we think there will be additional loans. However, this does not make possible additional loans which would not already be possible. It deals with the procedure that will aid the lenders in determining whether or not they will make the loans.

Mr. GROSS. Does this not raise the upper limit of family income? Does it not raise the upper limit of income for the purpose of obtaining a loan?

Mr. DELLENBACK. No, it does not. It merely deals with the question as to whether or not the needs test will be automatic and required for every loan, or whether the needs test will not apply to students whose adjusted family income is less than $15,000. We actually find after going through 6 weeks of processing that in almost all such instances these families come out with a determination of need. This merely says that because of the fact that requiring the needs test under these cricumstances is taking a great deal of time, and it is slowing up the process for the institution, the student, and the lender, that we are moving into a situation where we will assume the need in that instance where the income is no more than $15,000.

If the family income is more than $15,000, before any subsidy is provided there must be a needs test. So it does not change the upper limit at which one will qualify, it merely details the mechanism and presumes the need in a situation where, after weeks of work, they are finding, in almost every instance, there is a need.

Mr. GROSS. Mr. Speaker, if the gentleman will yield still further, in view of the terrible record that is now being compiled of defaults on student loans, I would hope that the Committee on Education and Labor would proceed most cautiously with any liberalization of this program.

Mr. DELLENBACK. Mr. Speaker, I would say to the gentleman from Iowa (Mr. GROSS) that the question of the growing rate of defaults is one which has sorely troubled the subcommittee. It is one of the things we have to expressly discuss, in terms of looking at it very cautiously as we move forward in the weeks ahead in looking at the whole question of student assistance.

Mr. GROSS. I thank the gentleman for yielding.

Mr. DELLENBACK. Mr. Speaker, I thank my colleague, the gentleman from Iowa, for his comments.

Mr. Speaker, I now yield to my colleague, the gentleman from California (Mr. BELL) such time as the gentleman may consume.

Mr. BELL. Mr. Speaker, I rise in support of the conference report on H.R. 12253, a bill to extend the availability of Federal education funds at the local level and to expand the interest subsidy provisions of the guaranteed student loan program for students with family incomes of under $15,000. Although this later provision is important and will make college attendance easier for hundreds of thousands of young men and women and their families, I believe that the first part of the bill is the most critical.

Since 1970 local school districts have had the option of carrying Federal funds over from 1 fiscal year to the next in order to facilitate the best use of the Federal dollars. I know from my own school people in Los Angeles and from the State education department in Sacramento that this has been one of the best provisions ever written into Federal law since it stops the senseless obligation of funds at the close of a fiscal year. This has been particularly important in recent years since HEW appropriations bills have been signed into law rather late.

This year this measure is particularly important since the so-called Tydings amendment expires on June 30. Although it is extended in H.R. 69, which passed the House last week, it now seems clear that that bill will not be signed into law until middle or late June thereby not giving schools enough leadtime to know that they will be able to carry funds over until fiscal 1975. Enactment of the measure now assures good planning and should prevent hasty financial decisions.

In addition we are, of course, faced with the fact that in December the President released some $500 million in 1973 impounded education funds. This measure also assures that schools will have until June 30, 1975, to spend those dollars.

In summary, Mr. Speaker, I feel that this is a good bill; and I urge its support.

Mr. O'HARA. Mr. Speaker, will the gentleman yield?

Mr. DELLENBACK. Mr. Speaker, I will be happy to yield to the gentleman from Michigan.

Mr. O'HARA. Mr. Speaker, I thank the distinguished gentleman from Oregon for yielding, and I join in his very helpful comments on the legislation before us. His very kind words reflect the remarkable way in which we have been able to carry out the work of this subcommittee with a total absence of unnecessary partisanship—even in areas, where there are greater policy gaps than here between the administration and most of the members of the subcommittee.

Since March of 1973, when the Education Amendments of 1972 went into full effect, there has been a substantial decline in the number of guaranteed, interest-subsidized, student loans being made. There are a number of reasons for this decline, and this legislation makes no claim to coping with all of them. But one problem stands out with particular prominence.

Because of the requirement, in the 1972 amendments, that any applicant for a guaranteed, subsidized loan must demonstrate his "need," and because of the very steep system of needs analysis used by most institutions of postsecondary education, young people whose families have taxable incomes in excess of $10,000 are very likely to find themselves ruled ineligible for interest benefits on such loans on the grounds that they cannot show "need."

While this technically does not rule them out of consideration for unsubsidized guaranteed loans, it is a fact, which remains unchanged by the 1972 amendments, that banks are simply not interested in making unsubsidized guaranteed student loans, and eligibility for such loans is largely an unfulfilled promise.

The proposal before the two Houses to cope with this problem took the same form, differing in detail. In both Houses, unanimous agreement was secured to a proposal removing the needs analysis requirement for students from families with adjusted family incomes below $15,000. For a family with two kids, this means a taxable income of $20,000. In the Senate version, any prospective borrower in this income bracket could obtain a subsidized loan without needs analysis, up to the existing statutory loan limit of $2,500, while in the House version, only those borrowing $1,500 or less could qualify. The conference did what a causal observer might have predicted, and split the difference, permitting students from families with adjusted incomes below $15,000 to borrow up to $2,000 without needs analysis.

The conferees also agreed without hesitation to a provision of the House bill which extended for 1 more year the authority of the Secretary of HEW to set a special allowance—up to 3 percent—payable to lenders above and beyond the 7-percent interest rate on such loans.

The conferees agreed to make the new legislation effective 45 days after its enactment into law with respect to loan guarantees made on or after that date. Assuming that this legislation can secure speedy approval in the Senate and is signed quickly by the President, it should mean that middle-income students will be able to qualify for guaranteed, interest-subsidized loans as early as the summer session of this year.

There are a few points about the intent of the conferees which I believe should be mentioned at this point in order to clarify for the administrative agencies, the purpose of H.R. 12253.

One of the knottiest problems has been what to do about the student who asks to borrow above $2,000, and who comes within the below $15,000 adjusted family income category. The conferees intend that such a student undergo needs analysis, but that the results of such analysis shall only be taken into account with respect to a loan which is over $2,000. The first $2,000 would not be affected by the results of needs analysis, the remainder is. The Office of Education, the guarantors, the student aid community, the bankers, are earnestly asked to take careful note of this statement of the legislative history, because in a time of escalating costs, more and more students are finding themselves in this very situation.

Another point which I believe to be significant is the intention of the conferees to enable the Office of Education, the guarantors and other persons involved in this program to carry out this new provision of law with a minimum of new regulations and new forms. To the extent existing forms can be used, with modified instructions, they should be used. To the extent existing regulations are not contrary to the letter and spirit of H.R. 12253, they should not be changed. H.R. 12253 was enacted to reduce the barriers—paper and procedural—between students and the money they need to go to school. If the administrating agencies should needlessly use the enactment of the new law to provide new procedures and complex new forms in excess of those absolutely necessary, it would be greeted with disapproval by the conferees and the members of the two committees.

Mr. Speaker, on several occasions in the consideration of this legislation, and in a number of public appearances when I have been talking about student assistance, I have pledged that as chairman of the Special Subcommittee on Education, I will do whatever is in my power to complete legislative action, this year, on a wholly new title IV of the Higher Education Act. During the course of this conference, I had occasion once again to reiterate that pledge, and to make it more specific. As I said at the beginning of these remarks, H.R. 12253 does not cure all the ills of the guaranteed loan program. There are pending before the committee other proposals, other problems with GSLP, and other questions, about the shape of student assistance in the immediate future. In recognition of the deep interest of all the members of the subcommittee, on both sides of the aisle, in solving these problems, and in response to their generous cooperation in making possible the enactment of this one approach to this one question, I have assured my colleagues, and I assure the House today, Mr. Speaker, that the guaranteed loan program will be at the top of the agenda this spring in the subcommittee's hearings, and in our development of new legislation.

Central to that review of the entire student assistance program, and particularly to the new look we will be taking at the loan program is the fact so eloquently set forth by the Detroit News in a recent editorial, where that newspaper pointed out that—

> . . . through tinkering that has often been unfair, the scholarship and loan systems have been denied to hundreds of students who would have qualified for such aid a decade or more ago. Here in Michigan, for example, a fully-employed auto worker makes too much money—according to the bureaucrats—to qualify his son for a student aid loan. And that is patently ridiculous.

Ridiculous it is, and I hope that the legislation we are enacting today will be only the first step away from some of the outrageous examples we have seen in the immediate past of the results of misapplied and overstringent needs analysis techniques being utilized to withhold student assistance and hold back student aid funding, rather than to see that those who in fact need it, get it.

We have the ability, Mr. Speaker to develop a student assistance system that can, again quoting from the Detroit News, help, "bright young people who ask us for the opportunty to develop their minds and skills without impoverishing their parents in the process." We can see that those who need help can get it without restorting to systems that seem to be categorized by the desire to make the receipt of assistance a kind of confession of failure. We can, so to speak, devise a student aid program that will not require its beneficiaries to smear ashes on their forehead or wear yellow armbands. And we can do so within budgetary limits that reasonable men will accept.

While our distinguished colleagues in the other body were understanding unable to commit themselves to action on student assistance in this session, they do share our hope that a new title IV may be developed, and may be ready to put in place before the present law expires, and we are exploring parliamentary techniques which will encourage expeditious action by the Senate on whatever new legislation we can develop as soon as such action can prudently be taken.

I ask unanimous consent that the entire text of the Detroit News editorial appear at the end of these remarks.

Mr. Speaker, to take account of all those whose cooperation and hard work has made this conference report possible would take a good deal of time and space in the RECORD. But I do want to call to the attention of the House that we have worked on this proposal from the beginning in a spirit of nonpartisanship and cooperation. The gentleman from Minnesota (Mr. QUIE), the gentleman from Oregon (Mr. DELLENBACK), the gentleman from Indiana (Mr. BRADEMAS), and, of course, my distinguished chairman, the gentleman from Kentucky (Mr. PERKINS), all worked hard and constructively to enable us to present this unanimous report to the House. If, and they, deserve your support.

[From the Detroit News, Mar. 26, 1974]

MIDDLE INCOME FAMILIES HIT: COLLEGE COSTS ZOOM

The cost of a college education will take another leap upward this fall—rising on a national average of 9.4 percent. With the increase, the cost of keeping a student on campus will have gone up 34.8 percent in four years.

Something tragic is happening. Quite rapidly, higher education is becoming one of our most serious national calamities. At the center of the problem is the use of the nation's human resources. The country seems to be failing young people.

The College Entrance Examination Board surveyed 2,200 educational institutions and plotted the rate of increase in costs for this fall. It found the price for one academic year for a student living on campus in a four-year private college will average $4,039 next fall, up $346 from this year.

More alarming still is the statement of the board that next fall the cost of maintaining the commuting student living at home will be almost as great as for the student who goes away from home to live on campus. This development strikes hard at families of moderate income trying to put a student through on their resources.

At the same time, through tinkering that has often been unfair, the scholarship and student loan systems have been denied to hundreds of students who would have qualified for such aid a decade ago. Here in Michigan, for example, a fully employed auto worker makes too much money—according to the bureaucrats—to qualify his son for a student aid loan. And that is patently ridiculous.

It is becoming clear that something must be done to help middle income families get their children through college, when those children merit higher education on the basis of their scholastic standing.

Student aid loan systems must be overhauled. We cannot permit inflation to run up costs to the student and, in the same breath, leave income ceilings where they were years ago if those ceilings are to be used to deny a loan.

We must explore innovative ways to get around the family's education bill. Antioch College in Yellow Springs, Ohio, has developed one alternative, the cooperative program. Arrangements are made with industry and students alternate between academic and work experience terms. During work semesters, they earn while they get worthwhile practical experience in their field of study.

Berea College, in Berea, Ky., requires that its student work in college-owned craft shops and a hotel for a specified number of hours per week. They earn and learn and their products are sold to pay some of the bills. Far from being a sweatshop, Berea has inspired an enthusiasm in its students not often seen today.

Antioch and Berea tell us that there are alternatives waiting to be developed by people who really want to attack the cost of education. We can no longer afford to pass them by.

Neither can America, as a nation, afford to ignore the plight of bright young people who ask us for the oportunity to develop their minds and skills without impoverishing their parents in the process.

Mr. DELLENBACK. Mr. Speaker, I appreciate the remarks of my colleague, the gentleman from Michigan (Mr. O'HARA).

Mr. Speaker, I cannot allow this moment to pass without commending the chairman of the subcommittee, Mr. O'HARA, for his truly strong leadership on an urgent problem. We have other urgent problems still ahead, and we are looking forward to continuing that same type of strong leadership, and the same type of cooperation that the gentleman from Michigan (Mr. O'HARA) has shown so very well in these recent months.

Mr. Speaker, at this time I yield such time as he may consume to the gentleman from Minnesota (Mr. QUIE) the ranking member on the full committee.

Mr. QUIE. Mr. Speaker, I, too, want to join my colleagues on the conference committee in support of this conference report, which I think is a good agreement. It guarantees the continuation of the student loan program, and makes some needed changes to make certain that students can have money available for this coming school year. The guaranteed loan amendment will be for at least 1 year. The subcommittee, under the chairmanship of the gentleman from Michigan (Mr. O'HARA) and the ranking minority member, the gentleman from Oregon (Mr. DELLENBACK) worked out this compromise on the guaranteed student loan program so that we can have time to work out a final determination on how this program can work best in the future.

Mr. Speaker, perhaps of utmost importance is the first section of the bill, and I urge my colleagues to look at that section in particular.

It could be more important to a school administration than anything we do besides H.R. 69. It is important not because it authorizes or appropriates vast new sums or because it creates new and additional categorical programs. Its importance rests on the fact that this legislation will guarantee that local districts will have adequate time to plan how to use Federal funds and then will have adequate time to obligate those funds without the pressures of getting every penny spent by June 30 or face the loss of the money.

Although this principle is always important—being able to carry Federal funds over from 1 year to the next—this measure is particularly important this year since in December the administration released over $500 million in education funds which had been impounded in fiscal year 1973. Since those funds were released in December and in some cases have not yet reached the program recipients, it is clear that local school districts would be hard pressed to make wise expenditures of these funds, in addition to the regular 1974 appropriation, if they were forced to do so by June 30, 1974. Therefore, the first portion of the bill which is now before us as a report of the conference managers makes those released 1973 funds available for obligation by recipients until June 30, 1975, and, in addition, makes fiscal 1974 funds available until that same date. This latter practice, written into law in 1970 and known informally as Tydings amendment, is a well established practice and, in my view, has contributed greatly to the wise and thoughtful expenditure of funds at the local level.

I urge support of the conference report.

Mr. DELLENBACK. Mr. Speaker, I yield such time as he may consume to the gentleman from Nevada (Mr. TOWELL).

Mr. TOWELL of Nevada. Mr. Speaker, I, too, would like to associate myself with the remarks made by the gentleman from Oregon (Mr. DELLENBACK) and with the remarks of my other colleagues serving on the conference committee on this important piece of legislation.

This bill originally was worked on by my fellow colleagues on the Education and Labor Committee, and we now have arrived at a piece of legislation which will go a long way toward alleviating undue delays, paperwork, and, therefore, hardship for tens of thousands of young men and women enrolled in our universities throughout the country. In recent years it became apparent that with the rapidly increasing cost of a university education and general inflation even those families with moderate incomes could no longer wholly finance the higher education of their sons and daughters. Therefore, we have, in this legislation, eliminated the needs test for those families with a taxable income of $15,000 or less.

While additional study and legislation is needed to correct our national student loan program, this one step was certainly long overdue; and I wholeheartedly support the conference report and urge its adoption.

Mr. DELLENBACK. Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. DON H. CLAUSEN).

Mr. DON H. CLAUSEN. Mr. Speaker, I rise in support of this conference report and associate myself with the remarks of the gentleman from Oregon (Mr. DELLENBACK) and the gentleman from Michigan (Mr. O'HARA).

The interim modification of the guaranteed student loan program, as stated by the previous speakers, will be of substantial help to the middle-income families in financing education for their youngsters desirous of acquiring a college education.

It has been often stated, "If you're poor assistance is available, if you're rich you can adequately take care of yourself and your own but if you're in the middle-income group nothing is available." Middle America represents the backbone of our Nation and it is high time that consideration be given to their concerns and the economic crunch they find themselves in.

In changing the circumstances under which a needs analysis is required it will help the institution to determine what amount, if any, in excess of $2,000 for an academic year the student would be eligible for.

As the committee continues to monitor the student loan program the updating revisions can be anticipated.

However, time is of the essence if we are to be helpful to the aforementioned students from middle-income families. The lending institutions and those involved in the processing of the loans need the flexibility and lead time prior to the pending enrollment period of the fall semester.

I commend the committee for its timely responsiveness and their continued interest in and surveillance of the student loan programs that are so essential to our overall postsecondary education program. On behalf of Mr. and Mrs. Middle America we thank you.

I urge adoption of this conference report.

Mr. KEMP. Mr. Speaker, I rise in support of the conference report on H.R. 12253.

The bill contains two very important provisions. First, it allows school districts to carry over Federal funds from fiscal year 1974 to fiscal year 1975. In addition, the bill allows released fiscal year 1973 impounded education funds to also be obligated by school districts through fiscal year 1975.

The important feature of this section is that it will permit school districts to plan for the better and more efficient expenditure of Federal dollars. It is a good provision and one that is very widely supported by the education community.

The second major portion of the conference report will be of great assistance to middle-income students in financing their postsecondary education.

This amendment would drop the requirement of a formal needs test for any student whose adjusted family income is less than $15,000. For a family of four, this amounts to a gross income of $20,000. A student who wanted to borrow more than $2,000 in 1 academic year would be required to submit information about his financial circumstances, as would a student whose adjusted family income exceeded $15,000.

Mr. Speaker, I am confident these amendments are fair and necessary. Under the current procedures, many students were not able to secure any loan because of the formal needs test. Because loans are normally repaid by the student—not his parents—access to a student loan should not be conditioned on parental income. This amendment moves us away from the situation where a parent's income denies a student getting a loan. Therefore, I support wholeheartedly this conference report.

Mr. BRADEMAS. Mr. Speaker, I am pleased to join the distinguished chairman of the Committee on Education and Labor, Mr. PERKINS, and the distinguished ranking minority member of the committee, Mr. QUIE, in strongly recommending that the House approve the conference report on H.R. 12253.

Before speaking about the substance of the measure, I want also to commend the chairman of the Special Subcommittee on Education, Mr. O'HARA, and the ranking minority member of the subcommittee, Mr. DELLENBACK, for their diligence and industry in developing a bill that could, despite the inherent difficulty of the subject matter involved, win broad bipartisan support.

I do not, of course, refer to that part of the bill which extends the so-called Tydings amendment, enabling local education agencies to carry over fiscal year 1974 funds, and fiscal year 1973 funds that had been illegally impounded and only lately, under court order, released by the President.

There was little disagreement in either the House or Senate on this matter, and I am happy that other parts of the bill on which the two Houses disagreed could be resolved promptly in order that local school systems could receive this much needed authority to expend tax dollars wisely and without undue haste.

The principal issues in disagreement concerned the operation of the federally guaranteed student loan program, and more specifically, its subsidized loan component.

Mr. Speaker, since 1965 the federally guaranteed student loan program has been the principal focus of Federal efforts to help middle-income families meet the ever increasing costs of postsecondary education.

An important part of this program has been the availability of an interest subsidy for families who, while usually unable to qualify for grant assistance, would have difficulty meeting interest payments on an education loan while their son or daughter was still in school.

Until 1972 Federal interest subsidy benefits on loans up to $1,500 annually were automatically made available to students whose families had an adjusted gross income under $15,000 per year. Students who met this family income standard, and who borrowed money from participating private lenders, such as banks and credit unions, could qualify for the interest subsidy simply by requesting it when they applied for the loan.

The program worked well for 7 years. But by 1972 it became apparent that neither a loan of $1,500 nor an adjusted family income of $15,000 were what they had been at the time of the inception of the program in 1965. During the interim, both the cost of college and the cost of living had skyrocketed, and many students from middle-income families were having an increasingly difficult time meeting the costs of an education at the college or university of their choice, even with a federally subsidized loan.

In the Education Amendments of 1972, therefore, Congress liberalized the loan program in two respects: First, we raised the annual loan ceiling to $2,500, more accurately to reflect the tuition and other charges in effect at both public and private institutions of postsecondary education; and second, we made it possible for families with adjusted incomes over $15,000 to participate in the interest subsidy program provided that need for a loan in the amount applied for could be demonstrated.

Certain other changes were made in the 1972 law. The principal one was the addition of a new "needs analysis" requirement with respect to all students applying for interest subsidy benefits.

But this new requirement was not intended to apply to students with adjusted family incomes less than $15,000 under the same conditions as it applied to students with adjusted family incomes over $15,000.

Two distinctions were made: First, students with adjusted family incomes under $15,000 were presumed to have need—the function of the needs analysis was only to facilitate some informed communication between the institution and the lender before the loan was made. Second, the recommendation of the educational institution to the lender was not intended to be binding. Lenders, after inspecting the recommendation of the institution, were free to increase or decrease the amount of the loan actually made as seemed appropriate to the individual circumstances of the student and his family.

The situation of the student from a family with an adjusted income over $15,000, however, was to be markedly different. If the institution determined that the student did not need a loan, the lender was foreclosed from superseding that judgment.

Mr. Speaker, the Statement of Managers which accompanied the conference report on the Education Amendments of 1972 is helpful on this point:

> The conference substitute contains features drawn from both the Senate and House amendments. Under it a student would be eligible for an interest subsidy if his adjusted family income is less than $15,000. . . . In the case of students whose adjusted family income is over $15,000, the school may determine that he in (sic) in need of a loan to attend the institution. If it so determines, it shall provide the lender with a statement evidencing the school's determination of the amount of his need and a recommendation as to the amount of the subsidized loan.

Mr. Speaker, those of us who served on that committee of conference believe that our intention was quite clear, especially since we took the trouble to write two separate subparagraphs into the law to define eligibility for the interest subsidy with respect to students whose adjusted family incomes were above, and below, $15,000 per year, respectively.

Unfortunately, however, the Office of Education treated the new statute as an invitation to impose a strict needs test on all students applying for the interest subsidy, without regard to family income.

On July 18, 1972, 25 days after the Education Amendments of 1972 went into effect, the Office of Education published in the Federal Register proposed regulations which treated all students essentially alike, and without regard to the "above $15,000, below $15,000" distinction we had so laboriously written into the law and the statement of managers.

Members of both the House and Senate were outraged by the Office of Education's cavalier disregard for the intent of Congress, and on July 28, 1972, I along with four other members of the committee of conference, sent the following letter to the Commissioner of Education:

HOUSE OF REPRESENTATIVES,
Washington, D.C., July 28, 1972.

Hon. SIDNEY P. MARLAND, Jr.,
Commissioner of Education,
Washington, D.C.

DEAR COMMISSIONER MARLAND: We are writing to you with respect to an interim regulation affecting the interest subsidy provisions of the Guaranteed Student Loan Program, which was filed last week and published in the Federal Register of July 18, 1972.

Having compared the regulation to the relevant provisions of the statute, we must tell you that in our view the regulation seriously misconstrues the law, and, if left unchanged, will effect a substantial change in Federal student aid policy that we as Members of the Committee of Conference on the Education Amendments of 1972 did not intend.

The regulation in question purports to give effect to Section 132C(a) of the recently approved Education Amendments of 1972, and states in part:

"(b) In connection with a loan issued after June 30, 1972, in order for a student to be eligible for payment on his behalf by the Commissioner of a portion of the interest on such loan . . . the eligible institution at which the student has been accepted for enrollment or which he is attending . . . must, prior to the making of such loan, (1) determine, pursuant to paragraph (c) of this section, the loan amount needed by the student, if any, and (2) recommend that the lender make a loan in the amount so determined."

In our view this regulation would not be objectionable if it governed only the eligibility to receive interest benefits of students whose adjusted family incomes exceed $15,000, since in essence it merely restates the three elements of subparagraph II of Section 428(a)(1)(C) of the statute, as amended. These elements are: (1) that the institution has determined the student is in need of a loan; (2) that the institution has determined the amount of the loan of which the student is in need; and (3) that the institution has recommended to the lender that it make a loan in the amount of such need.

The comparable statutory provision running to students whose adjusted family income does not exceed $15,000, however, contains only two of these three elements, omitting the requirement that the institution has determined the student is in need of a loan.

This omission was intended by the Conferees to have meaning. Our intent was to create a presumption of need in favor of students whose adjusted family income does not exceed $15,000, and not to change existing law in this respect.

The statement of the managers that accompanied the legislative provisions of the Conference Report supports this conclusion:

"The conference substitute contains features drawn from both the Senate and House amendments. Under it a student would be eligible for an interest subsidy if his adjusted family income is less than $15,000. The student's school will furnish the lender with a statement concerning its determination of the amount of the student's need for the loan and a recommendation as to amount of the subsidized loan. In the case of students whose adjusted family income is over $15,000, the school may determine that he is in need of a loan to attend the institution. If it so determines, it shall provide the lender with a statement evidencing the school's determination of the amount of his need and a recommendation as to the amount of the subsidized loan."

You will note that the statement of managers describes in absolute terms the eligibility to receive interest benefits of students with adjusted family incomes of less than $15,000. Further, the statement of managers clearly indicates that the only issue to be addressed by the educational institution under such circumstances is the amount of the student's need, and the amount of the loan it will recommend.

Thus, on the strength of the language of the statute, as well as the statement of managers that accompanied it, we feel that the only reasonable construction of the recently enacted amendments is one which recognizes a clear distinction between the eligibility requirements applicable to a student with an adjusted family income of less than $15,000, and those applicable to a student with an adjusted family income in excess of $15,000. Indeed, unless Section 132C when read in its entirety is construed as having this meaning, our action in writing two separate eligibility provisions could at best be regarded as a frivolous exercise. It was not.

You will appreciate that the above analysis has more than academic interest, since it bears directly on a question to be addressed in subsequent regulations, i.e., the basis on which the payment of interest benefits may be made on loans in excess of the recommendation of the educational institution.

The regulation here addressed implies—and the form (OE 1260) intended to implement it flatly states—that "if the educational institution makes no recommendation for a loan . . . , the loan is not eligible for the Federal interest benefits."

Again, in our view such a result would not be objectionable if it applied only to the eligibility to receive interest benefits of students whose adjusted family income exceeds $15,000, for there an institutional determination of need is a prerequisite to any further consideration of a student's application.

When applied to students whose adjusted family income is less than $15,000, however, such a rule would have the effect of allowing the educational institution to overcome the statutory presumption of need on the part of such students, thus exercising a power Congress did not grant, and working a substantial change in previously existing law.

This result was not our intent. We intended to leave existing law substantially unchanged with respect to students with adjusted family incomes of less than $15,000, adding only the requirement that the educational institution have some input into the judgment reached by the lender before the loan is made. This input was not intended to be conclusive, and students with adjusted family incomes of above and below $15,000, respectively, were not intended to have to proceed on the same footing.

It follows from this conclusion that if the Office of Education is to administer the loan subsidy program in the manner intended by Congress, substantial changes must be made in the regulation promulgated last week. Such changes should reflect the intent of Congress that students with adjusted family incomes of less than $15,000, and students with adjusted family incomes in excess of $15,000, not be treated the same, and that the former be accorded a presumption of need, as was the case under previous law.

It is our understanding that, pursuant to Section 139 of the recently enacted Education Amendments, the Office of Education will submit proposed permanent regulations, guidelines, and application forms issued in connection with the subsidized loan program, to the Committee on Labor and Public Welfare of the Senate, and to the Committee on Education and Labor of the House of Representatives, at least thirty days prior to such regulations, guidelines, and application forms taking effect. We trust that copies of the relevant documents will be transmitted as soon as possible since the immediate plans of millions of college students, and thousands of colleges, universities and lending institutions, are dependent upon the matter being resolved without delay.

In the meantime we hope the information contained in this letter will be useful to you in revising the regulation issued last week. We appreciate that the Office of Education has had to move with considerable speed in implementing the changes made by Congress in the subsidized loan program, but know you will agree that this and all programs created by statute must be administered in accordance with the intent of Congress, without exception.

Best wishes.

Sincerely,
Carl D. Perkins,
Chairman, House Committee on Education and Labor.
Claiborne Pell,
Chairman, Senate Subcommittee on Education.
John Brademas,
Member, House Committee on Education and Labor.
Jennings Randolph,
Ranking Majority Member, Senate Committee on Labor and Public Welfare.
Harrison A. Williams, Jr.,
Chairman, Senate Committee on Labor and Public Welfare.

The Commissioner was apparently taken aback by this strong expression of congressional displeasure, for it was subsequently agreed that the proposed regulations would be withdrawn, and new ones drafted more accurately to reflect the will of Congress.

But in the meantime the clock was running and the entire guaranteed student loan program had been turned into a shambles. Loan volume dropped off sharply as lenders waited to see what the new rules would be, and Members of Congress were deluged with complaints from angry parents who were unable to secure loans for their children's educational expenses.

The result was that just before the August 1972 recess, Congress suspended operation of the new amendments to the guaranteed student loan program until March 1, 1973.

The old program, it was felt, was better than no program at all, and especially since the Office of Education showed few signs of coming up with regulations that at the same time both satisfied its own policy goals and managed to comply with the law.

This remedy was, of course, a short-term one. And its weakness was amply demonstrated when the following winter the Office of Education came up with new regulations that, while marginally in compliance with the new law, were so complicated that many lenders simply withdrew from participation in the program or limited their student loan activities to regular customers.

The chairman of our subcommittee, the gentleman from Michigan (Mr. O'Hara) has eloquently summarized our experience with the program since March 1, 1974, and I shall not take the time to repeat what he has said.

But let us be clear on what is being done here today in the conference report on which we are about to vote.

We have restored students whose adjusted family income is less than $15,000 to the same situation which existed prior to enactment of the Education Amendments of 1972, except that:

First. The educational institution will be required to submit to the lender a statement of the student's estimated costs and other financial aid; and

Second. The ceiling on loans for which the student is automatically entitled to an interest subsidy is set at $2,000 in any 1 year.

The first change merely enacts what was the administrative practice prior to 1972, and the second is intended to make adjustment for inflation which has occurred since 1965.

Students whose families have adjusted incomes over $15,000 will remain in the same situation as presently exists.

With respect to both classes of students, the maximum amount of loans which may qualify for an interest subsidy in any one year, or for that matter for a Federal guarantee, remains at $2,500.

Mr. Speaker, I would point out that with this new revision of the law, we have sought to set out in fine detail precisely how Congress intends this program to be administered. Indeed—and I say this for the benefit of the Commissioner of Education and his staff—we have included in the Statement of Managers of the bill language which is intended to guide the Office of Education in the actual construction of the forms it utilizes to carry out the program.

The language to which I refer follows:

> If a student with an adjusted family income of less than $15,000 applies for a loan which would cause the total amount of subsidized loans to exceed $2,000 for an academic year, a needs analysis is required. Conferees which to stress that the needs analysis is to help the institution determine what amount, if any, to recommend in excess of $2,000. For the purpose of such recommendation, the $2,000 loan for which the student is eligible for a subsidy shall be treated as a contribution from the student's resources. The results of a needs analysis are in no way intended to affect the student's automatic eligibility for a subsidized loan of up to $2,000 for the appropriate academic period. In fact, when such a needs analysis shows no need for an amount in excess of $2,000, the information relating to the needs analysis should not be made a part of the student's application and that application would be treated as if the requested loan was for $2,000.

This language means that in the event a student whose adjusted family income is less than $15,000 applies for a loan of more than $2,000, the education institution is to perform a needs analysis, the end product of which is to address only the amount of the loan requested which exceeds $2,000.

I am well aware that there is concern that "you cannot apply a needs analysis only for the excess," but frankly I am not persuaded that this difficulty is insurmountable.

For if it is impossible to perform a needs analysis the end result of which concerns only the excess over $2,000, I suggest that this lack of capacity is largely attributable to the forms currently used for this program, and not, as Justice Holmes liked to say, to some immutable "brooding omnipresence in the sky."

Needs analysis is merely a technique, intended to fulfill a service function, and its end product should be capable of modification as demanded by changes in public policy. I hope I never see the day when Congress is prevented from working its will because our doing so "will cause trouble with forms for the Office of Education."

Before closing, Mr. Speaker, I would

like to make one further point. There have been suggestions during the last 2 weeks that a 30-day effective date, as suggested in the Senate bill, or even a 60-day effective date, as suggested in the House bill, provides insufficient time for the Office of Education to implement the changes made in the statute.

The committee of conference, however, compromised on 45 days, and in my judgment that is sufficient time. For we must recall that in 1972, when the Office of Education saw some changes in the law it believed it could put to good use in furthering the administration's program, only 25 days were required to issue new regulations.

Mr. Speaker, if the Office of Education responds to this change in the law with the alacrity it demonstrated at the time of the adoption of the Education Amendments of 1972, we should be well on the road toward implementation of the new law a full 20 days prior to the effective date of the act.

Hopefully, by that time, this program can again begin to operate on a stable basis, and perform the function Congress intended to fulfill—the provision of loans to students who need them to go to college.

Mr. DELLENBACK. Mr. Speaker, we have no further requests for time.

Mr. PERKINS. Mr. Speaker, we have no further requests for time.

GENERAL LEAVE

Mr. PERKINS. Mr. Speaker, I ask unanimous consent that all Members may have 5 *legislative* days in which to revise and extend their remarks and include extraneous matter on the subject of this conference report.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. PERKINS. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the conference report.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. DELLENBACK. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device; and there were—yeas 376, nays 1, not voting 55, as follows:

[Roll No. 143]

YEAS—376

Abdnor
Abzug
Adams
Addabbo
Alexander
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Arends
Armstrong
Ashley
Aspin
Badillo
Bafalis
Baker
Barrett
Bauman
Beard
Bell
Bennett
Bergland
Biaggi
Biester
Bingham
Blatnik
Boggs
Boland
Bolling
Bowen
Brademas
Brasco
Bray
Breaux
Breckinridge
Brinkley
Brooks
Broomfield
Brotzman
Brown, Calif.
Brown, Mich.
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton
Butler
Byron
Camp
Carney, Ohio
Casey, Tex.
Chappell
Chisholm
Clark
Clausen, Don H.
Clawson, Del
Clay
Cleveland
Cochran
Cohen
Collier
Collins, Ill.
Collins, Tex.
Conable
Conte
Corman
Cotter
Coughlin
Cronin
Culver
Daniel, Dan
Daniel, Robert W., Jr.
Daniels, Dominick V.
Danielson
Davis, Ga.
Davis, S.C.
de la Garza
Delaney
Dellenback
Dellums
Denholm
Derwinski
Dickinson
Diggs
Donohue
Downing
Drinan
Dulski
Duncan
du Pont
Eckhardt
Edwards, Ala.
Edwards, Calif.
Eilberg
Erlenborn
Esch
Eshleman
Evans, Colo.
Evins, Tenn.
Fascell
Findley
Fish
Fisher
Flood
Flowers
Flynt
Foley
Ford
Forsythe
Fountain
Fraser
Frelinghuysen
Frey
Froehlich
Fulton
Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Gonzalez
Goodling
Grasso
Green, Oreg.
Green, Pa.
Griffiths
Gross
Grover
Gubser
Gunter
Guyer
Haley
Hammerschmidt
Hanley
Hanna
Hanrahan
Hansen, Idaho
Harrington
Harsha
Hastings
Hawkins
Hays
Hébert
Hechler, W. Va.
Heinz
Helstoski
Henderson
Hicks
Hinshaw
Hogan
Holifield
Holt
Holtzman
Horton
Hosmer
Howard
Hudnut
Hungate
Hunt
Hutchinson
Ichord
Jarman
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, N.C.
Jones, Okla.
Jordan
Karth
Kastenmeier
Kemp
Ketchum
King
Koch
Kuykendall
Kyros
Lagomarsino
Landrum
Latta
Leggett
Lent
Litton
Long, La.
Long, Md.
Lott
McClory
McCloskey
McCollister
McCormack
McDade
McEwen
McFall
McKay
McKinney
McSpadden
Macdonald
Madden
Madigan
Mahon
Mallary
Mann
Maraziti
Martin, Nebr.
Martin, N.C.
Mathias, Calif.
Mathis, Ga.
Matsunaga
Mayne
Meeds
Melcher
Metcalfe
Mezvinsky
Milford
Miller
Mills
Minish
Mink
Minshall, Ohio
Mitchell, Md.
Mitchell, N.Y.
Mizell
Moakley
Mollohan
Montgomery
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mosher
Moss
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers
Natcher
Nedzi
Nelsen
Nichols
Nix
Obey
O'Brien
O'Hara
O'Neill
Owens
Parris
Passman
Patman
Patten
Pepper
Perkins
Pettis
Peyser
Pike
Podell
Powell, Ohio
Preyer
Price, Ill.
Price, Tex.
Quie
Quillen
Railsback
Randall
Rangel
Rarick
Regula
Reuss
Rhodes
Riegle
Rinaldo
Roberts
Robinson, Va.
Robison, N.Y.
Rodino
Roe
Rogers
Roncalio, Wyo.
Roncallo, N.Y.
Rooney, Pa.
Rose
Rosenthal
Rostenkowski
Roush
Rousselot
Roy
Roybal
Ruppe
Ruth
Ryan
St Germain
Sandman
Sarasin
Sarbanes
Satterfield
Scherle
Schneebeli
Schroeder
Sebelius
Seiberling
Shipley
Shoup
Shuster
Sikes
Skubitz
Slack
Smith, Iowa
Smith, N.Y.
Spence
Staggers
Stanton, J. William
Stanton, James V.
Steed
Steele
Steelman
Steiger, Ariz.
Steiger, Wis.
Stratton
Studds
Sullivan
Symington
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Thompson, N.J.
Thomson, Wis.
Thone
Thornton
Tiernan
Towell, Nev.
Treen
Udall
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Veysey
Vigorito
Waggonner
Walsh
Wampler
Ware
Whalen
White
Whitehurst
Whitten
Widnall
Wiggins
Wilson, Bob
Wilson, Charles, Tex.
Winn
Wolff
Wright
Wyatt
Wydler
Wylie
Wyman
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Ga.
Young, Ill.
Young, S.C.
Young, Tex.
Zablocki
Zion
Zwach

NAYS—1

Landgrebe

NOT VOTING—55

Ashbrook
Bevill
Blackburn
Brown, Ohio
Carey, N.Y.
Carter
Cederberg
Chamberlain
Clancy
Conlan
Conyers
Crane
Davis, Wis.
Dennis
Dent
Devine
Dingell
Dorn
Frenzel
Gettys
Gray
Gude
Hamilton
Hansen, Wash.
Heckler, Mass.
Hillis
Huber
Jones, Ala.
Jones, Tenn.
Kazen
Kluczynski
Lehman
Lujan
Luken
Mazzoli
Michel
Pickle
Poage
Pritchard
Rees
Reid
Rooney, N.Y.
Runnels
Shriver
Sisk
Snyder
Stark
Stephens
Stokes
Stubblefield
Stuckey
Teague
Waldie
Williams
Wilson, Charles H., Calif.

So the conference report was agreed to.

The Clerk announced the following pairs:

Mr. Rooney of New York with Mr. Ashbrook.
Mr. Kluczynski with Mr. Chamberlain.
Mr. Teague with Mr. Conlan.
Mr. Stark with Mr. Brown of Ohio.
Mr. Carey of New York with Mr. Frenzel.
Mr. Mazzoli with Mr. Cederberg.
Mr. Pickle with Mr. Davis of Wisconsin.
Mr. Conyers with Mr. Gray.
Mr. Dent with Mr. Blackburn.
Mr. Dingell with Mr. Clancy.
Mr. Rees with Mr. Dennis.
Mr. Reid with Mr. Crane.
Mr. Stokes with Mr. Sisk.
Mr. Stubblefield with Mr. Devine.
Mr. Jones of Tennessee with Mr. Carter.
Mr. Bevill with Mrs. Heckler of Massachusetts.
Mr. Dorn with Mr. Gude.
Mr. Charles H. Wilson of California with Mr. Hillis.
Mr. Waldie with Mr. Michel.
Mr. Stuckey with Mr. Shriver.
Mr. Hamilton with Mr. Huber.
Mrs. Hansen of Washington with Mr. Pritchard.
Mr. Jones of Alabama with Mr. Lujan.
Mr. Luken with Mr. Snyder.
Mr. Gettys with Mr. Williams.
Mr. Kazen with Mr. Runnels.
Mr. Lehman with Mr. Stephens.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PROVIDING FOR CONSIDERATION OF H.R. 12565, DEPARTMENT OF DEFENSE SUPPLEMENTAL AUTHORIZATION FOR APPROPRIATIONS FOR FISCAL YEAR 1974

Mr. McSPADDEN. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 1026 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 1026

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 12565) to authorize appropriations during the fiscal year 1974 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, and other weapons and research, development, test and evaluation for the Armed Forces, and to authorize construction at certain installations, and for other purposes, and all points of order against section 401 of said bill for failure to comply with the provisions of clause 4, rule XXI are hereby waived. After general debate, which shall be confined to the bill and shall continue not to exceed two hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Armed Services, the bill shall be read for amendment under the five-minute rule by titles instead of by sections. It shall be in order to consider the amendment recommended by the Committee on Armed Services now printed on page 4, lines 12 through 17 of the bill notwithstanding the provision of clause 4, rule XXI. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER pro tempore (Mr. MILLS). The gentleman from Oklahoma is recognized for 1 hour.

Mr. McSPADDEN. Mr. Speaker, I yield 30 minutes to the distinguished gentleman from Ohio (Mr. LATTA) pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 1026 provides for an open rule with 2 hours of general debate on H.R. 12565, a Department of Defense supplemental authorization for appropriation bill for fiscal year 1974.

House Resolution 1026 provides that all points of order against section 401 of the bill for failure to comply with the provisions of clause 4, rule XXI of the Rules of the House of Representatives—prohibiting appropriations in a legislative bill—are waived.

House Resolution 1026 also provides that it shall be in order to consider the amendment recommended by the Committee on Armed Services now printed on page 4, lines 12 through 17 of the bill notwithstanding the provisions of clause 4, rule XXI of the Rules of the House of Representatives.

H.R. 12565 authorizes appropriations during the fiscal year 1974 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, and other weapons and research, development, test and evaluation programs for the Armed Forces, and for construction at certain military installations. The new authorization proposed in the bill is $1,142,049,000.

Title IV of the bill provides for an increase in the military assistance service funded program for Laos and South Vietnam for the fiscal year 1974 from $1,126,000,000 to $1,600,000,000—an increase of $474,000,000. Title IV also provides for a waiver of the provisions of section 718 of Public Law 93-238, which prohibits enlistment of new personnel during the fiscal year 1974 when the enlistment will cause the percentage of non-high school graduate enlistments of the service concerned to exceed 45 percent of the total new enlistments for the entire fiscal year.

Mr. Speaker, I urge the adoption of House Resolution 126 in order that we may discuss and debate H.R. 12565.

Mr. LATTA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I agree with the statements which were just made by the gentleman from Oklahoma (Mr. McSPADDEN). I hasten to point out there was some dispute in the Committee on Rules as to whether this rule should be reported as requested, and by a vote of 8 to 5 the rule was reported.

There seems to be a little dispute between the Committee on Appropriations and the Committee on Armed Services. I might say at this point that I voted to support the rule, and I urge its adoption by the House so that the House can proceed with consideration of the bill and the amendments that were put into the bill.

Mr. Speaker, if we do not have a waiver as provided for by the Committee on Rules, one Member of the House can strike out on a point of order two very important amendments put into this bill by the Committee on Armed Services.

I know that the committees of this Congress are very jealous of their jurisdictions, and having served on the Committee on Rules for several years, I know that the Committee on Appropriations quite frequently comes before the Committee on Rules for waivers of points of order when it is authorized in an appropriation bill. We usually grant those waivers as requested in order to expedite the business of the House.

So it is here, Mr. Speaker, only in reverse. The shoe is on the other foot. We have an authorization committee appropriating.

There does not seem to be too much controversy as to the need for the funds or the amount of the funds involved. It is just a question of procedure and jurisdiction.

Now, we can vote down this previous question and permit a rule to be adopted which will strike out points of order to these provisions. Should we do this, we are going to have to travel the same ground again very soon. It seems to me that the House has enough work to do without going over the same ground twice. I think this legislation can be thoroughly and completely debated under the rule provided and the House can work its will.

Certainly the rule that we have provided will prevent amendment to the amendments inserted by the Armed Services Committee. If we vote down the previous question, the House will not be able to amend those amendments as they will be stricken.

Mr. Speaker, I hope that the House will sustain the Committee on Rules and support this rule.

Mr. GROSS. Mr. Speaker, will the gentleman yield for a question?

Mr. LATTA I will be happy to yield to the gentleman from Iowa.

Mr. GROSS. Mr. Speaker, I thank my friend for yielding. This is the old story all over again, as I understand the gentleman, of the pot calling the kettle black.

Mr. LATTA. I would say that is a good way to express it.

Mr. GROSS. I am glad we agree. I thank the gentleman for his agreement.

Mr. LATTA. We are usually in agreement.

Mr. GROSS. I am sorry, Mr. Speaker. I did not hear the gentleman's reply.

Mr. LATTA. The gentleman from Iowa and the gentleman from Ohio are usually in agreement.

Mr. GROSS. That is right. Mr. Speaker, this rule points up the procedure that we will probably go through again this year, as we have increasingly in recent years, of waiving points of order because legislation has not been authorized.

I am just as much opposed to waiving points of order on this bill as I will be later on in this session to waiving points of order on appropriations because no authorization bills have been passed.

Mr. Speaker, let us have evenhanded treatment and let it begin here now. I cannot think of a better day than this to begin by voting down this rule and stopping the business of waiving points of order.

Mr. Speaker, I thank the gentleman.

Mr. LATTA. Mr. Speaker, perhaps I should correct my previous statement relative to our agreeing with one another.

Mr. Speaker, I yield 5 minutes to the gentleman from Illinois (Mr. ANDERSON).

Mr. ANDERSON of Illinois. Mr. Speaker, due to a family commitment, I was not able to participate yesterday in the Rules Committee consideration of this rule; so perhaps I am least justified in now complaining about the rule. Nevertheless, as a member of the Rules Committee and as one who has, on several previous occasions, staunchly defended the rules of this body, I feel I have a special obligation to offer some observations on this rule.

Mr. Speaker, the rule before us protects sections 401 and 402 against the point of order that they are in violation of clause 4 of rule XXI. That rule states quite simply that, and I quote:

> No bill or joint resolution carrying appropriations shall be reported by any committee not having jurisdiction to report appropriations.

And so on.

The chairman of the Appropriations Committee (Mr. MAHON), in a letter to the chairman of the Rules Committee, dated March 29, 1974, makes the point that these two provisions relating to limitations on aid to Vietnam and recruitment of non-high school graduates, clearly constitute violations of clause 4 of rule XXI because they would supersede legitimate limitations adopted on the fiscal 1974 defense appropriations bill passed by this body last November 30.

The chairman of the Armed Services Committee, on the other hand, feels this special rule is justified because of the urgency of the aid request and the recruitment situation. He further points out that no new money is involved in raising the ceiling on the Vietnam aid limitation since the Pentagon has informed him that sufficient funds are available from previous actions taken by the Congress.

Mr. Speaker, I wish to join in the efforts of the gentleman from Texas (Mr. MAHON) to defeat the previous question so that he may offer an amended rule which would delete these special waivers. That does not necessarily mean that I am opposed to any alteration in the limitations now in effect. But there is a right way and a wrong way to go about this and the right way, it seems to me, is to allow the Appropriations Committee to consider these questions in conjunction with a supplemental appropriations bill. And, I might add, the chairman of the Appropriations Committee has assured me that all due consideration will be given to the request of the Defense Department, and that is the plan to bring such a bill to the floor next Wednesday.

Mr. Speaker, it seems to me that this is a reasonable and responsible alternative, one which protects the legitimate interests of the Appropriations Committee and the orderly processes of this body, while at the same time making provision for the expeditious consideration of the Defense Department request.

In conclusion, I would like to point out to my colleagues that the rule now before us sets a most unusual precedent and one which clearly contravenes the spirit of the congressional budget reform bill which recently passed this body and the other body. In that bill, we clearly recognized that one of our biggest problems is not necessarily irresponsible spending actions taken with respect to appropriations bills—the Appropriations Committee actually has a rather responsible fiscal track record—but rather our tendency to run-up a huge tab via the backdoor. Consequently, we provided in the budget reform bill for the eventual return of control over backdoor spending to the Appropriations Committee.

While I recognize that the claim is made here that no new appropriation or new money is being obligated in section 401—that sufficient funds are already available due to previous actions taken—the fact remains that the precedent being set here today represents another foot in the backdoor, one which other committees will be tempted to use in circumventing the clear position of the Congress as reflected in previously adopted appropriations ceilings. In my opinion, setting such a precedent here today would signal the first retreat from our overwhelming vote for fiscal responsibility in the budget reform bill.

I therefore urge my colleagues to vote down the previous question and vote for a new rule to revere this dangerous precedent, and to reaffirm the orderly procedures of this body and our commitment to fiscal responsibility.

Mr. STEIGER of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. ANDERSON of Illinois. I yield to the gentleman from Wisconsin.

Mr. STEIGER of Wisconsin. Mr. Speaker, I appreciate the gentleman yielding.

Mr. Speaker, I find myself on the horns of a dilemma. I have listened with care to the argument the gentleman from Illinois has made. If the rule is adopted as is, as presented to the House by the Committee on Rules, it is fair, is it not, to assume that an amendment could be offered by the Committee on Appropriations to modify the two particular portions in question?

Mr. ANDERSON of Illinois. The gentleman from Wisconsin is correct, it could be done under that procedure.

Mr. STEIGER of Wisconsin. Mr. Speaker, if the gentleman will yield further, I happen to believe that the Committee on Armed Services was correct in its decision on section 402 to take action to repeal the decision of the Committee on Appropriations on a limitation, thus I must say to my colleague, the gentleman from Illinois, that while I do not like to find myself in the position of supporting a waiver of the rules, in my judgment the House can take action on these two issues during consideration of the bill, so I believe it would be better, therefore, to adopt the rule as is.

The SPEAKER pro tempore. The time of the gentleman has again expired.

Mr. LATTA. I yield 2 additional minutes to the gentleman from Illinois.

Mr. ANDERSON of Illinois. Mr. Speaker, I thank the gentleman for yielding me this additional time.

Mr. ARENDS. Mr. Speaker, will the gentleman yield?

Mr. ANDERSON of Illincis. I yield to gentleman from Illinois.

Mr. ARENDS. Mr. Speaker, I agree with what the gentleman from Wisconsin (Mr. STEIGER) has said, that such an amendment will be offered at the appropriate time to strike out that part of the bill is correct.

Mr. ANDERSON of Illinois. I think the gentleman is correct. I would simply conclude by saying, however, that unless I am incorrect I think the same opportunity would be available on Wednesday next, when we will consider a supplemental request for funds, and at that time it would be possible, I believe, for the gentleman from Wisconsin (Mr. STEIGER) to address himself to the problem, and I know of the gentleman's concern for an all-volunteer army, and about not doing anything to interfere with the recruitment rates, and all the rest. But I would really insist that the rules of this House, if they are to have any merit at all, ought to be observed.

Mr. LATTA. Mr. Speaker, if the gentleman will yield, is the gentleman inferring that the Committee on Rules has gone outside its authority and outside of the rules of the House in granting this waiver?

Mr. ANDERSON of Illinois. No, not at all; that is not my statement, I will say to the gentleman from Ohio (Mr. LATTA).

Mr. LATTA. I stand here as a member of the Committee on Rules to say there is a right way and a wrong way to do things, but the gentleman does not really mean a right way or a wrong way; the gentleman means it is his way or their way.

Mr. ANDERSON of Illinois. No. I still insist in my original language. I think there is a right way, and that is to consider this matter in the defense supplemental appropriation bill next Tuesday, not under a waiver to waive the normal procedure on clause 4, rule XXI, at this time.

Mr. LATTA. But that is the gentleman's opinion.

Mr. ANDERSON of Illinois. That is my opinion, and I think that is the right way, in my opinion. The gentleman from Ohio, of course, is entitled to think otherwise.

Mr. LATTA. I thought we ought to have that on the record because, as far as the rules of the House are concerned, we are proceeding under the rules.

Mr. ANDERSON of Illinois. I agree, it is obviously up to all Members of this body to pass judgment on the rules that the House Committee on Rules has written, and decide, on a vote on the previous question, whether or not they want to amend the rule.

Mr. LATTA. Since we have gotten that point cleared up, I would like to raise one other point. The gentleman from Illinois said that this would set a precedent. As a matter of fact we waive points of order quite frequently.

Mr. ANDERSON of Illinois. It would set a precedent, I think, in another regard on this question of backdoor spending. In effect I think this is an example of the tendency of the Congress to engage in backdoor spending.

Mr. McSPADDEN. Mr. Speaker, I yield 5 minutes to the gentleman from Missouri (Mr. BOLLING).

Mr. BOLLING. Mr. Speaker, I made the first motion in the Committee on Rules yesterday after we had heard the distinguished gentleman from Louisiana (Mr. HÉBERT) describe the reasons why he had asked for the particular rule that is now before the House. The motion that I made was in effect the motion that would be in effect if the previous question is voted down and if Mr. MAHON's amendment to the rule is adopted. I did this in conjunction with a letter that Mr. MAHON had sent to the Committee on Rules members.

Mr. MAHON made the same case in that letter that I assume he will make when he speaks later in connection with the amendment that he would like to offer. Frankly, I was rather surprised when there was serious controversy over my motion and a substitute was offered, because, while it is perfectly true that the House is operating within its rules, and the Committee on Rules did nothing really unusual, it is more unusual to authorize a waiver of points of order for appropriations on a legislative bill than it is if the contrary or the reverse were the situation. Quite often we will waive points of order against authorizations. Quite often we will waive points of order against matters that are not germane so that the House will have an opportunity to deal with a situation that it would not otherwise be able to deal with.

But fairly clearly in the sequence of events which is taking place here now, the House could in an orderly fashion deal with these problems at another time more appropriately. There was a time when there was not a Committee on Appropriations and we dealt with everything all at one time. The authorizing committee authorized and appropriated, and that was the end of that.

But as has been said, that led to a situation that resulted in a new act, the Budget Accounting Act, and its inability to work perfectly led us last year to propose and to pass by an enormous majority a budget reform bill not unlike the one that relatively recently passed the Senate.

On next Tuesday we will go to conference with the Senate on that budget reform bill. I do not know exactly how I would explain to anybody, if the House began to do this really quite unusual thing, of deciding that we were going to let the authorizing committee come in under a rule provided by the Committee on Rules and start appropriating.

The real point here is not who is right and who is wrong; it is whether we are going to deal with these matters in such a way that the Members have a reasonable opportunity to know what is happening. It is terribly important, it seems to me, for us to maximize the opportunity for the Members of the House to deal with matters in a customary, orderly, normal procedure.

I do not believe that any of the steps that we have been trying to take with regard to impoundment, with regard to budget reform, with regard to a variety of other things, are assisted by this kind of rule. Frankly, I was amazed when I realized that a majority of the Committee on Rules, for their own good reasons—and I do not criticize the majority at all—decided that they wanted to take this really quite unusual approach.

I intend to support the effort of the gentleman from Texas (Mr. MAHON) to vote down the previous question, and I intend to support his amendment to the rule, and I am not at all sure of what I am going to do about the substantive matters that will be involved when the bill comes up, but I think in the interest of orderly procedure and consistency we should vote down the previous question and we should amend the rule.

Mr. LATTA. Mr. Speaker, I reserve the balance of my time.

Mr. McSPADDEN. Mr. Speaker, I yield 5 minutes to the gentleman from Texas (Mr. MAHON).

Mr. MAHON. Mr. Speaker, I hope I may have the close attention of the Members.

This problem is not as complex perhaps as it might appear. It is true that the Appropriations Committee requests rules on many occasions not for the purpose of invading the authority or jurisdiction of other committees but for the purpose of expediting the work of the House. For example, on the supplementary appropriation bill, since this authorization will not have passed the Senate and been signed by the President, we will have to ask next week for a rule waiving points of order, so we can bring the bill to the floor. Those are the kinds of waivers that we request from time to time. They are in the interest of the House.

Now, if we should invade the jurisdiction of other committees, the Rules Committee is invited to strike us down at any time. But that is not the problem here.

Very simply, here in my hand is the appropriation law under which we operate this year, and this appropriation law says that $1.126 billion shall be available for obligation for support of South Vietnam to keep their forces up, and that is $1.1 billion-plus which is involved in this bill.

On page 4 of the Armed Services Committee bill it is proposed that we raise the authorization for South Vietnam from $1.1 to $1.6 billion. I have no fault to find with raising the authorization. That is certainly within the purview of the Armed Services committee.

But then, beginning on line 9, the bill which the Members are asked to consider repeals the existing law with respect to appropriations and provides $474 million that cannot be spent for Vietnam under existing law. If we pass this bill today, which is an authorization bill and an appropriation bill, we will then provide $474 million additional dollars for obligation.

It is in effect a simple appropriation on an authorization bill. I do not know that this has ever happened before. I have never before written a letter to the Rules Committee on a matter of this kind. I was surprised that the rule was adopted.

So I hope each of the Members will understand that we are not opposing the Armed Services Committee authorization bill that is up for House consideration and decision today. We are just opposing the appropriation within the authorization bill of $474 million.

How can we defend that? Why should the Committe on Armed Services move to repeal the law which was enacted by the Congress in the appropriation bill?

There is also a feature with respect to recruits which I will not take the time to discuss at the moment.

I hope we may proceed in an orderly way.

The orderly way is when the vote comes on the previous question, we should vote in the orderly way to vote down the previous question and then in the orderly way I will be on my feet and simply propose that we knock out the part of the rule as follows, "* * * and all points of order against section 401"—that is the section I have been referring to—"of said bill for failure to comply with the provisions of clause 4, XXI" I will propose to knock that out of the rule.

That is the only change we would make with respect to page 4, section 401. So it seems to me all Members, regardless of how they feel about Vietnam, whether or not they want to go along with the Armed Services Committee and provide $474 million additional for Vietnam, will agree that it is all right for the authorization but let us not appropriate the funds today but let us debate the appropriation bill Wednesday of next week. I tell the Members frankly that we propose to decrease that amount somewhat.

Yes, we propose to decrease that amount somewhat, but it is perfectly in line for the House to authorize it; but let us not appropriate and authorize in the same bill.

Mr. HÉBERT. Mr. Speaker, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Louisiana.

Mr. HÉBERT. As I understand the gentleman to say that the only motion he will make will relate to section 401 and that is the appropriation?

Mr. MAHON. It is section 401 and 402, to which I mean to refer.

Mr. HÉBERT. I did not want that suspended, because the gentleman will recall that I agreed to do exactly what the gentleman was saying, if he lets the other section alone. I thought the gentleman had changed his mind.

Mr. MAHON. No, no. We have an All-Volunteer Army. It is costing us plenty. We are entitled to first-class people who can do a good job in the service because they are paid reasonably well.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. McSPADDEN. Mr. Speaker, I yield the gentleman 2 additional minutes.

Mr. MAHON. Mr. Speaker, we said in the appropriation bill last year that no money could be expended to recruit people in excess of 45 percent who are non-high school graduates. The Marines have a goal of 65 percent high school graduates, but we permit them to go down to 55 percent.

All women who are recruited have to be high school graduates.

In the Air Force, 95 percent of the recruits are high school graduates.

So for our money, we are trying to get the best trained and the most trainable men we can. We do not want to repeal that proviso which helps make sure that men in the service can have pride in their service. We do not want to put people in the service who are not qualified to do their jobs.

Mr. LATTA. Mr. Speaker, will the gentleman yield?

Mr. MAHON. I really do not have the time.

Mr. LATTA. I will yield the gentleman 1 minute, if he will answer a question.

Mr. MAHON. I will be glad to yield.

Mr. LATTA. In regard to the statement the gentleman just made about the recruits, I think it is important to point out that the Marine Corps and the Army are finding it difficult to fulfill their requirements on enlistees under this present limitation that the committee placed on the legislation last year; so if we want to give them the enlistments, and I think we do want to do that, we have to do exactly the opposite of what the gentleman is saying we should do.

Mr. MAHON. This applies only up to

June 30. High schools will be closing out about May. Recruiters will have a good opportunity to get additional recruits in late May and the month of June.

The people—by and large—that are giving us trouble in the services are the people who are the nonhigh school graduates. The Navy has released 5,000 men in the last year in order to help improve the situation. We ought to be able to get 55 percent of the recruits who are high school graduates.

Mr. ADDABBO. Mr. Speaker, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from New York.

Mr. ADDABBO. I want to compliment the gentleman in the well for putting aside his personal feelings. I know the gentleman's personal feelings as far as additional aid is concerned and he is putting ahead of that the appropriations principle involved in this matter.

It is the intention of the gentleman to ask that the previous question be voted down, and if the previous question is voted down, then the gentleman will offer an amendment to the rule which will strike out that portion permitting the waiver of points of order.

Mr. MAHON. Therefore, points of order would not be waived and a point of order would be made; but a point of order would not lie against raising the authorization for Vietnam.

Mr. LATTA. Mr. Speaker, I yield 2 minutes to the gentleman from New York (Mr. STRATTON).

Mr. STRATTON. Mr. Speaker, I trust that I can also get the other two or three minutes which the gentleman from Oklahoma was going to yield to me. I take this time, Mr. Speaker, because I think it is important, before we vote, that we have a little understanding of the substantive issues involved in this controversy. We are confronted here with a monumental jurisdictional problem between two of the great giants of this House. As Members can appreciate, this is a painful matter, but I think we ought to realize, apart from the jurisdictional problem—and I do not want to get involved in that—and apart from all the procedural problems, basically we are dealing here with a couple of very important substantive matters relating to the armed services and to the future security of the Nation.

Before we undertake to strike down the rule which has been offered by the Rules Committee, we should recognize the difficulty that it is going to get us into. I think the gentleman from Ohio (Mr. LATTA) put it very clearly when he said that in spite of some of the deficiencies jurisdictionally which may have cropped into the legislation for which this rule is being offered, the sensible procedure for us is to work out these difficulties under this present rule so that we can get this legislation out today, rather than rejecting the rule and then having to go through a lot of other procedures that will take more time.

After all, the legislative procedures of this House involves not just appropriations, as the gentleman from Illinois (Mr. ANDERSON) has suggested, but also involve authorizations. It does not do us any good to have the appropriation bill come up next Tuesday if we do not have a proper authorization on the books in advance of that time.

This is an urgent matter, this supplemental defense authorization bill, for one reason: Because of the events of the Middle East war last October. I had the honor to lead a subcommittee of 21 members to Israel and Egypt last November, while that war was in progress, and we came back deeply impressed with the lessons that have to be learned by our own Armed Forces.

The **SPEAKER** pro tempore. The time of the gentleman from New York has expired.

Mr. McSPADDEN. Mr. Speaker, I yield 2 additional minutes to the gentleman from New York.

Mr. STRATTON. Mr. Speaker, we came back deeply impressed with the fact that there are important lessons that need to be learned by our Armed Forces to protect ourselves. That is basically what is in this authorization bill, money for more tanks and more ammunition, for example because of what we saw on the plains of the Sinai Desert; money for fuel facilities to provide a little oil for any U.S. naval carrier operating in the Indian Ocean, where the Soviets already have too many anchorages, port facilities, and everything else.

So let us not reject making that kind of decision simply because of the jurisdictional questions that have arisen. There are two basic substantive issues involved here. One of them is the fact, as the gentleman from Ohio (Mr. LATTA) said a moment ago, that the Marine Corps and the Army simply cannot get enough enlistees today to meet their quotas. One of the reasons they cannot is that under the present law, 55 percent of enlistees have to be high school graduates.

Admittedly, if you get non-high school graduates who happen to fall into category 4, the real low ones, that is, they do create problems admittedly. But there is no proof that simply having a high school diploma in one's hand automatically guarantees that a man is going to be able to qualify for Admiral Rickover's nuclear program. It may well be that there are a lot of youngsters who have not actually graduated from high school, who can still pass the military IQ test high enough so that they can make a positive contribution to the armed services. All our committee wants to do is remove the present limitation so that the Army and the Marine Corps can get those enlistees now. If we have to wait until the 1975 defense appropriation bill goes through, then we will be waiting until September or October. We simply cannot afford to let our Army and Marine Corps sink to such level, since in that case they could not provide the security which we need for our safety and for deterring aggression.

Mr. FISHER. Mr. Speaker, will the gentleman yield?

Mr. STRATTON. Mr. Speaker, I yield to the gentleman from Texas.

Mr. FISHER. Mr. Speaker, the gentleman is aware of the fact that under the constraint imposed by the amendment put in the appropriations bill, this 55-percent provision, that the Marine Corps is facing a 6,000-man shortfall in its recruiting due directly to that?

And there will be more than that in the next fiscal year. Damage to the Marine Corps is extremely serious.

Mr. Speaker, is the gentleman also aware of the fact that the Secretary of the Army stated that four out of every five of the non-high-school graduates make good soldiers? And that misfits are screened out during the training cycle?

Mr. STRATTON. Mr. Speaker, I certainly thank the gentleman for that contribution. He is absolutely correct.

The **SPEAKER** pro tempore. The time of the gentleman from New York (Mr. STRATTON) has expired.

Mr. LATTA. Mr. Speaker, I yield 2 additional minutes to the gentleman from New York (Mr. STRATTON).

Mr. STRATTON. Mr. Speaker, it ought to be emphasized again that, if we do not do anything now to correct that situation with this bill, we will not be able to get around to it, as I understand it, until next September or October.

Now, the other problem involved here is equally simple and equally important, regardless of how one may feel about Vietnam.

The North Vietnamese—and this is an open secret—have been violating the peace agreement out there at a tremendous rate. They have even constructed a virtual interstate highway from Hanoi to Saigon down inside South Vietnam itself, and they have gotten all kinds of supplies down that highway to renew their military attacks. If we are going to prevent the renewal of actual fighting out there, then we must get some weapons over to the South Vietnamese to help them deter that renewed aggression from the north.

But to do this requires an increase in the Vietnam ceiling. One ceiling is an authorization ceiling, and the other ceiling is an appropriation ceiling.

Our committee raised the authorization ceiling. Perhaps we went too far, because we recognized that if this repeal is going to become effective, the appropriation ceiling would have to be raised as well, and so we included that action in our bill. The chairman of our committee, however, has already offered to remove that section from the bill.

I understand that if the previous question is not voted down, there will be an amendment offered to do just that.

Mr. Speaker, let us not get confused. If we want to prevent armed aggression from being renewed in South Vietnam—and that is the kind of thing that could draw us back in there again—we need to give the South Vietnamese the weapons and armaments they need to deter that serious threat from the north which, with Russian help, the North Vietnamese can inflict on South Vietnam. It is just that simple.

So let us not lose sight of the forest for the trees. Let us address ourselves to these substantive questions. Let us consider the bill under this rule and get the job done today.

Mr. McSPADDEN. Mr. Speaker, I yield

5 minutes to the distinguished majority leader, the gentleman from Massachusetts (Mr. O'NEILL).

Mr. O'NEILL. Mr. Speaker, I am strongly opposed to House Resolution 1026 as reported by the Rules Committee and wholeheartedly support the efforts of the gentleman from Texas (Mr. MAHON) to vote down the previous question and amend the rule. Mr. Speaker, on December 5, 1973, this House, by the overwhelming vote of 386 to 23, passed H.R. 7130, the Budget and Impoundment Control Act of 1973. It is utterly beyond my comprehension how any Member who supported that milestone legislation can today vote "yes" on the previous question. The passage of H.R. 7130, endorsed as it was by an overwhelming bipartisan majority, was the product of over a year of hard work and effort on the part of some of the most able and committed Members of this body. Senior members of the Appropriations and Ways and Means Committees, despite the burdens of their regular duties, for weeks and months labored long and late to produce H.R. 7130. This measure was further perfected by the House Rules Committee, which gave its unanimous approval. The action of the Rules Committee yesterday, therefore, in reporting House Resolution 1026, which in effect permits the Committee on Armed Services, in violation of clause 4, rule XXI, to bring an appropriation bill to the floor of the House, is nothing short of mystifying.

Mr. Speaker, was the action of the House in passing H.R. 7130 a mere charade? The purpose of the budget reform legislation, as I understand it at least, was to enable the Congress to effectively manage this Nation's fiscal affairs. Its primary purpose was to equip the Congress with at least some management tools, which are mandatory if the legislative branch of this Government is to function effectively as a coequal branch of the Government with the executive. I was happy to note that a couple of weeks ago the other body saw fit to follow the House's lead in passing H.R. 7130 by the unanimous and, if I may say so, astounding vote of 80 to 0.

Mr. Speaker, there are those who have stated that, if we pass House Resolution 1026, we will be reneging on what we promised the American people but last December. Mr. Speaker, as serious as that is, what this resolution proposes today goes far beyond that in retrogression. We would be doing nothing short of liquidating the Budget and Accounting Act of 1921 and the congressional reorganization which accompanied that legislation. Let me tell you what the situation was before 1921. We had an Appropriations Committee, but its authority was crippled. The Military Affairs Committee, the Naval Affairs Committee, the Agriculture Committee, the Rivers and Harbors Committee—all of them had the right to report their own appropriations. Congressional chaos and complete domination of the budgetary process by the executive was the result. It was worse than chaos. The Appropriations Committee and the subject matter legislative committee, for all practical purposes, had dual jurisdiction over the appropriations. Sam Rayburn, who served in the House at that time, once told me that it was the regular practice in the case of those departments having large appropriations, for example, the Army or the Navy, to deliberately split their appropriations so they would not look so large. The regular appropriation for the Navy would be handled by the Naval Affairs Committee, while supplemental or deficiency bills for the Navy would be handled by the regular Appropriations Committee. There was no coordination between the two committees, and the executive departments would play one committee off against the other and write their own tickets exactly the way they wanted.

No, Mr. Speaker, what the Armed Forces Committee proposes to do here today, is not "business as usual," prebudget reform bill style. What it is advocating is a return to the anarchy and chaos of our pre-1921 budget setup. A return—not to yesterday—but rather a retrogression to the fiscal dark ages. I urge a "no" vote on the previous question.

Mr. LATTA. Mr. Speaker, I yield myself 2 minutes.

Mr. Speaker, I listened very attentively to the remarks just made by the majority leader. It leads me to the conclusion that he has been away from the Committee on Rules too long. We miss him and his words of wisdom. Let me say with regard to the statement made by the gentleman from New York (Mr. STRATTON) if this rule is agreed to and the previous question is not voted down, the distinguished chairman of the Committee on Armed Services will propose an amendment to strike out the appropriating section 401. All that will remain in dispute is the question of section 402 dealing with whether or not we will have full strength in the Army and the Marine Corps. That is what is involved here. There is nothing in this bill about the impoundment of funds as suggested by the distinguished majority leader. I do not know how that subject crept into the discussion.

Mr. O'NEILL. Mr. Speaker, will the gentleman yield to me?

Mr. LATTA. I will be happy to yield to the gentleman.

Mr. O'NEILL. That was the title of the act that we passed last December in the House.

Mr. LATTA. What does that have to do with this bill?

Mr. O'NEILL. If we have a need for more marines, let the committee bring the legislation in. The duty of this committee is to authorize, and not to appropriate. Let them bring in an authorization and then get a supplemental as quickly as we can if there is an emergency on this matter.

Mr. LATTA. Mr. Speaker, I thought I had yielded to the gentleman for the purpose of explaining the relevance of the impoundment of funds question but he did not choose to do that. Let me say, Mr. Speaker, to reemphasize the fact that if this rule is adopted as presented by the Committee on Rules there will be but one question to be resolved; that is, whether or not we have full strength in the Marine Corps and the Army. The Vietnam money question will be mute and there is no question about the impoundment of funds.

So if Members are for the full strength of the Marine Corps and the Army, then they will vote to support the previous question. It is as simple as that.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. McSPADDEN. Mr. Speaker, I would ask the gentleman from Ohio if the gentleman has any further requests for time?

Mr. LATTA. I have one other speaker.

Mr. McSPADDEN. Mr. Speaker, I would say to the gentleman from Ohio that we have only one other speaker, and I would like to yield the balance of my time to the chairman of the full Committee on Armed Services, the gentleman from Louisiana (Mr. HÉBERT), but before I do, would the gentleman from Ohio like to proceed first?

Mr. LATTA. Mr. Speaker, let me say that I would be happy to yield extra time to the distinguished chairman of the Committee on Armed Services if the gentleman should need it.

Is the gentleman from Oklahoma inferring that the gentleman from Louisiana (Mr. HÉBERT) may need additional time?

Mr. McSPADDEN. No; I do not believe so. I merely said that the distinguished chairman of the Committee on Armed Services, the gentleman from Louisiana (Mr. HÉBERT) is our last speaker, and that we are going to yield the balance of our time to that gentleman.

I am asking does the gentleman from Ohio have another speaker whom he would like to proceed with?

Mr. LATTA. Yes.

Mr. Speaker, I yield 3 minutes to the gentleman from Wisconsin (Mr. STEIGER).

Mr. STEIGER of Wisconsin. Mr. Speaker, methinks the Committee on Appropriations protesteth too much. How often has it been that the Members of this House have seen the Committee on Appropriations come to the Committee on Rules and ask a waiver of points of order?

What does section 718 of the defense appropriation bill for fiscal year 1974 do except to legislate on an appropriation bill? That is what it is: to interfere with the Committee on Armed Services' legitimate interests in the field of whether or not there ought to be some kind of a limit placed on non-high-school graduates.

I must say in all honesty to the House and to the Members of this House that I do have a dilemma. I do not like to waive points of order, yet I think it is clear that what has happened is that the armed services in this case, in this instance, is exercising a legitimate function to come in and request that the House work its will on the question of whether or not there ought to be a debate on the issues contained in sections 401 and 402 of this bill.

If the previous question is voted down, the substance of the debate is removed, because then a point of order is simply made, and the House never has a chance to debate whether or not the Committee on Armed Services is correct or incorrect in its decisions.

Well, I support the Committee on Armed Services. I think the rule presented by the Committee on Rules is absolutely correct. I think it does give the House a chance to do what it ought to do, which is to legitimately consider whether or not the Committee on Appropriations was correct in putting a limitation on the number of non-high-school graduates. I do not believe they were. I believe that was inappropriate. I believe it was unwise. It hurts the Army and the Marine Corps most especially. Four out of five non-high-school graduates are proving themselves in the military.

So I urge, Mr. Speaker, for the sake of our attempt to make sure that the volunteer military concept works well, that we go along with the Committee on Armed Services; that we do not vote down the previous question, but sustain the Committee on Rules.

Mr. **ANDERSON** of Illinois. Mr. Speaker, will the gentleman yield?

Mr. **STEIGER** of Wisconsin. I yield to the gentleman from Illinois.

Mr. **ANDERSON** of Illinois. Mr. Speaker, the section to which the gentleman in the well has addressed himself is section 718 of Public Law 93-238, which was a valid limit on an appropriation bill. It came to this floor, and the Committee on Appropriations did not seek a waiver of points of order.

Mr. **STEIGER** of Wisconsin. On that one it did not. Of course, the gentleman is technically correct, but I think substantively is wrong. That section was drafted artfully to meet that objection regarding an authorization in an appropriation bill. As a fact, section 718 clearly infringes on the authorizing function of the Armed Services Committee.

Mr. **McSPADDEN**. Mr. Speaker, I yield the balance of my time to the distinguished gentleman from Louisiana, the chairman of the full Committee on Armed Services (Mr. HÉBERT).

The **SPEAKER** pro tempore. The gentleman from Louisiana will be recognized for 9 minutes.

Does the gentleman from Ohio wish to yield additional time to the gentleman from Louisiana?

Mr. **LATTA**. Mr. Speaker, I would be happy to. I yield an additional 5 minutes to the gentleman from Louisiana.

Mr. **HÉBERT**. Mr. Speaker, I probably will not need all the time.

The **SPEAKER** pro tempore. The gentleman from Louisiana is recognized for 14 minutes.

Mr. **HÉBERT**. Mr. Speaker, I really am quite amused at the debate going on here today, as I have been some times in the past. Let us get the record clear, and understand exactly what we are talking about.

I asked for the waiver of points of order before the Committee on Rules yesterday purely in the routine fashion that any chairman would ask, acting on instructions to get a bill to the floor of the House.

I was very gratified and appreciated very much the fact that the Committee on Rules did send the bill here waiving these two particular points of order. It amuses me a great deal to hear the protestations made, particularly by the Committee on Appropriations, which maybe should be named the ex-Committee on Appropriations, in the manner in which it takes over so many committees of the House in putting legislation on appropriations.

Of course, I have talked to my distinguished friend, the gentleman from Texas (Mr. MAHON), whom I am devoted to and for whom I have a great deal of affection. I offered him the proposition to forget this part or take it out concerning the alleged revenue or contributory appropriation, if he would just leave the legislation, which was a bold, daring, barefaced invasion of the Committee on Armed Services, as relating to the personnel of the Marines and the Army. There is no doubt about that being an invasion of our prerogatives and our rights. He refused to do so. So, having refused to do so, I have no alternative but to seek to protect my committee in my own way, which I did.

I am very frank to say that I am going to keep the Committee on Appropriations honest from now on, as long as I am in this House. I will assign a staff member from my committee to read every appropriation bill that comes out, and if it infringes upon the Committee on Armed Services, I am going to write the same type of letter that the gentleman from Texas wrote, using his exact words in objecting to its being considered as an invasion, and asking that the waiver not be granted. So we will not have any problems with the Committee on Appropriations any more.

As to the situation in which we find ourselves here now, the gentleman from Texas (Mr. MAHON), has indicated that we are appropriating money. We are not appropriating one red cent of money. We are not appropriating any money. We are merely setting a new ceiling, and in all deference to my beloved friend, the gentleman from Boston—who has such a command of beautiful words and stirring phrases—we are not violating any law; we are merely changing a law. I am sure he would not contend when we amend a law, that is violating a law. We merely bring the law into being as necessary. I can understand his great talent and his rhetoric, but do not be misled by that. We are not doing one bit of appropriating, and we are not violating the law.

Let us now come down to what the situation is. Parenthetically, let me say this: That all of this discussion that we are talking about here now could have been done under the rule. Under the rule, which is an open rule, any Member of the body would have had an opportunity to offer the language that would be offered in striking down a point of order. He could have offered it anytime he wanted to when it came up. He would have an opportunity to decide whether we are going to have a strong Marine Corps and Army or we are not going to have them. Everybody in this House knows how I feel about the Volunteer Army, but I have never been accused of taking anything away from them to make the Volunteer Army work.

The Marines have come to me, and the Army has come to me, and said: We need this language; we need this change if we are going to accomplish our position in defending this country. We cannot wait for 2 more months or 3 more months. We want it now.

I will believe the Marines anytime. They do our fighting, and if they say that they need them, in my book they need them, and it is going to be up to this body to vote the previous question so that this cannot be amended and start over.

However, in preparation, and if the previous question is sustained, I intend to offer this motion. I will read it to the Members to show that everything is removed except the question of the personnel. The amendment I will offer will be this. It will reduce the ceiling of $1,600,000,000 recommended by the Committee on Armed Services to the new figure of $1,400,000,000. I intend to reduce that figure by $200 million.

The second point will delete entirely the language of section 401(b) which is the controversial language involving the ceiling in the appropriations of Public Law 93-238.

Can I be fairer? Can I offer more? Can I be more cooperative? I do not think I can. I am giving everything in an effort to have harmony here but, also, I must protect my own committee and protect the interest of this country by giving to the Marines and to the Army the funds they must have to defend this country, this Nation.

Mr. **LATTA**. What the gentleman is telling the House is exactly what I said previously, that we have only one matter of dissension between the Committee on Appropriations and the Committee on Armed Services, and that is something which lies strictly within the jurisdiction of the Armed Services Committee, and that is whether we maintain the strength of the Marine Corps and the Army and have the means to defend the country.

Mr. **HÉBERT**. That is exactly correct. This a gray area, but in order to compromise I am perfectly willing to admit this in the interest of the gentleman from Texas, but we do have to maintain the strength of the military, and the gentleman from Texas refused my offer.

Mr. **MAHON**. Mr. Speaker, will the gentleman yield?

Mr. **HÉBERT**. I yield to the gentleman from Texas.

Mr. **MAHON**. Mr. Speaker, the able chairman and my devoted friend, the gentleman from Louisiana, says this bill does not provide for an appropriation. I believe we would agree that under the bill as it is written and now before us, it raises the amount of money available for commitment and ultimate expenditure in Vietnam from $1.1 billion to $1.6 billion and therefore it enables the Defense Department to obligate $474 million in support of Vietnam that it could not obligate otherwise, so this is, as I interpret it, freeing up money for expenditure, and it is in a real sense an appropriation for Vietnam.

The funds are already available to the Defense Department, but they are not available for obligation to Vietnam. But this bill would make them available for Vietnam when, as a matter of fact, the money is not provided otherwise.

We would expect the provision on the high school graduates which we put in the appropriation bill last year to be debated in the consideration of the appropriation bill next week. The House will be able to modify or repeal the provision if it so desires.

Mr. HÉBERT. I will say to my friend, the gentleman from Texas, he certainly has succeeded in building up the Army and the Marines, and he has done such a great job that they are coming back to us and screaming that they cannot do it under the provisions that were put in the appropriation bill. So that is a complete success? It is a complete failure. If we accept that as success, fine.

But the money for Vietnam is available now. We are not appropriating any new money. All it does is open the door where the money can go through in the Vietnam situation. So we are not appropriating any money, we are not doing anything to take away from the Appropriations Committee its rights.

I am going to offer the amendment after the previous question is ordered striking out section 401(B), and all I am asking the gentleman on the Appropriations Committee to do is to allow the Armed Services Committee to deduct the figures for the armed services by whatever trick—maybe "trick" is a hard word and perhaps "whatever adroit maneuver" would be a softer term—so as to control the personnel, which is strictly within the realm of the Armed Services Committee. We are trying to do away with that and meet the issue right head on.

I think that the issue is well known. I hope that the previous question will be sustained and we can get along with the business of the day and get on with the consideration of the bill.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. HÉBERT. I yield to the gentleman from Iowa.

Mr. GROSS. In the impending battle between these two old and dear friends, the gentleman from Texas and the gentleman from Louisiana, the gentleman from Iowa in closing out his time in the House would like to volunteer as a referee.

Mr. HÉBERT. The gentleman from Louisiana would accept the offer to referee, but the gentleman from Iowa has already stated a position.

Mr. McSPADDEN. Mr. Speaker, I move the previous question on the resolution.

The SPEAKER. The question is on the ordering the previous question.

Mr. MAHON. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 113, nays 268, not voting 51, as follows:

[Roll No. 144]

YEAS—113

Arends
Armstrong
Baker
Beard
Bennett
Biaggi
Boggs
Bray
Brinkley
Broyhill, Va.
Burgener
Burke, Fla.
Butler
Byron
Chamberlain
Clawson, Del
Collins, Tex.
Conable
Daniel, Dan
Daniel, Robert W., Jr.
Davis, S.C.
Delaney
Derwinski
Dickinson
Downing
Duncan
Erlenborn
Findley
Fish
Fisher
Flowers
Frelinghuysen
Froehlich
Gilman
Ginn
Goldwater
Grover
Gubser
Hansen, Idaho
Hébert
Hicks
Hinshaw
Hogan
Holt
Horton
Hosmer
Hudnut
Hunt
Hutchinson
Ichord
Jones, N.C.
Jones, Okla.
Kemp
Ketchum
King
Kuykendall
Lagomarsino
Landgrebe
Latta
Long, La.
Lott
McClory
McSpadden
Madigan
Mallary
Mann
Martin, N.C.
Mathis, Ga.
Mayne
Mitchell, N.Y.
Mollohan
Montgomery
Murphy, N.Y.
Murtha
Nichols
O'Brien
Parris
Pepper
Pettis
Peyser
Pike
Powell, Ohio
Price, Ill.
Price, Tex.
Quillen
Randall
Sandman
Satterfield
Sebelius
Spence
Staggers
Steiger, Ariz.
Steiger, Wis.
Stratton
Symms
Taylor, Mo.
Teague
Thomson, Wis.
Treen
Waggonner
Walsh
Wampler
White
Whitehurst
Wilson, Bob
Winn
Wright
Wydler
Young, Alaska
Young, Ill.
Young, S.C.
Young, Tex.
Zion

NAYS—268

Abdnor
Abzug
Adams
Addabbo
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Ashley
Aspin
Badillo
Bafalis
Barrett
Bauman
Bell
Bergland
Biester
Bingham
Blatnik
Boland
Bolling
Bowen
Brademas
Brasco
Breaux
Breckinridge
Brooks
Broomfield
Brotzman
Brown, Calif.
Brown, Mich.
Broyhill, N.C.
Buchanan
Burke, Calif.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton
Camp
Carney, Ohio
Casey, Tex.
Chappell
Chisholm
Clark
Clausen, Don H.
Clay
Cleveland
Cochran
Cohen
Collier
Collins, Ill.
Conte
Corman
Cotter
Coughlin
Cronin
Culver
Daniels, Dominick V.
Danielson
Davis, Ga.
de la Garza
Dellenback
Dellums
Denholm
Dent
Diggs
Donohue
Drinan
Dulski
du Pont
Eckhardt
Edwards, Ala.
Edwards, Calif.
Eilberg
Esch
Eshleman
Evans, Colo.
Evins, Tenn.
Fascell
Flood
Flynt
Foley
Ford
Forsythe
Fountain
Fraser
Frey
Fulton
Fuqua
Gaydos
Giaimo
Gibbons
Gonzalez
Goodling
Grasso
Green, Oreg.
Green, Pa.
Griffiths
Gross
Gude
Gunter
Guyer
Haley
Hammerschmidt
Hanley
Hanna
Hanrahan
Hansen, Wash.
Harrington
Harsha
Hastings
Hawkins
Hays
Hechler, W. Va.
Heinz
Helstoski
Henderson
Holifield
Holtzman
Howard
Hungate
Jarman
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jordan
Karth
Kastenmeier
Koch
Kyros
Landrum
Leggett
Lent
Litton
Long, Md.
McCloskey
McCollister
McCormack
McDade
McEwen
McFall
McKay
McKinney
Macdonald
Madden
Mahon
Maraziti
Mathias, Calif.
Matsunaga
Meeds
Melcher
Metcalfe
Mezvinsky
Michel
Milford
Miller
Mills
Minish
Mink
Minshall, Ohio
Mitchell, Md.
Mizell
Moakley
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mosher
Moss
Murphy, Ill.
Myers
Natcher
Nedzi
Nelsen
Nix
Obey
O'Hara
O'Neill
Owens
Passman
Patman
Patten
Perkins
Podell
Preyer
Pritchard
Quie
Railsback
Rangel
Rarick
Regula
Reuss
Rhodes
Riegle
Rinaldo
Roberts
Robinson, Va.
Robison, N.Y.
Rodino
Roe
Rogers
Roncalio, Wyo.
Roncallo, N.Y.
Rooney, Pa.
Rose
Rosenthal
Rostenkowski
Roush
Rousselot
Roy
Roybal
Ruppe
Ruth
Ryan
St Germain
Sarasin
Sarbanes
Scherle
Schneebeli
Schroeder
Seiberling
Shipley
Shoup
Shuster
Sikes
Skubitz
Slack
Smith, Iowa
Smith, N.Y.
Stanton, J. William
Stanton, James V.
Steed
Steele
Steelman
Studds
Sullivan
Symington
Talcott
Taylor, N.C.
Thone
Thornton
Tiernan
Towell, Nev.
Udall
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Veysey
Vigorito
Ware
Whalen
Whitten
Widnall
Wiggins
Wilson, Charles, Tex.
Wolff
Wyatt
Wylie
Wyman
Yates
Yatron
Young, Fla.
Young, Ga.
Zablocki
Zwach

NOT VOTING—51

Alexander
Ashbrook
Bevill
Blackburn
Brown, Ohio
Carey, N.Y.
Carter
Cederberg
Clancy
Conlan
Conyers
Crane
Davis, Wis.
Dennis
Devine
Dingell
Dorn
Frenzel
Gettys
Gray
Hamilton
Heckler, Mass.
Hillis
Huber
Jones, Ala.
Jones, Tenn.
Kazen
Kluczynski
Lehman
Lujan
Luken
Martin, Nebr.
Mazzoli
Pickle
Poage
Rees
Reid
Rooney, N.Y.
Runnels
Shriver
Sisk
Snyder
Stark
Stephens
Stokes
Stubblefield
Stuckey
Thompson, N.J.
Waldie
Williams
Wilson, Charles H., Calif.

So the previous question was not ordered.

The Clerk announced the following pairs.

On this vote:

Mr. Reid for, with Mr. Stark against.

Until further notice:

Mr. Thompson of New Jersey with Mr. Ashbrook.
Mr. Rooney of New York with Mr. Dennis.
Mr. Alexander with Mr. Cederberg.
Mr. Bevill with Mr. Conlan.
Mr. Carey of New York with Mr. Devine.
Mr. Stubblefield with Mr. Blackburn.
Mr. Kluczynski with Mr. Carter.
Mr. Hamilton with Mr. Davis of Wisconsin.
Mr. Conyers with Mr. Gray.
Mr. Jones of Tennessee with Mr. Crane.
Mr. Stokes with Mr. Dingell.
Mr. Mazzoli with Mr. Frenzel.
Mr. Charles H. Wilson of California with Mr. Brown of Ohio.
Mr. Jones of Alabama with Mrs. Heckler of Massachusetts.
Mr. Sisk with Mr. Clancy.
Mr. Stephens with Mr. Hillis.
Mr. Gettys with Mr. Lehman.
Mr. Stuckey with Mr. Lujan.
Mr. Pickle with Mr. Luken.
Mr. Dorn with Mr. Huber.
Mr. Rees with Mr. Kazen.
Mr. Waldie with Mr. Martin of Nebraska.
Mr. Shriver with Mr. Snyder.
Mr. Williams with Mr. Runnels.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. MAHON

Mr. MAHON. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MAHON: On page 1, beginning in line 9, after the word "purposes", insert a period and strike out "and all points of order against section 401 of said bill for failure to comply with the provisions of clause 4, rule XXI and are hereby waived."; and

On page 2, beginning in line 5, after the period, strike out the sentence beginning on line 5 and ending on line 9.

The SPEAKER. The gentleman from Texas is recognized for 1 hour on his amendment.

Mr. MAHON. Mr. Speaker, it should not require a great deal of time to dispose of the amendment which I have offered. The authorization bill which provides needed funds for defense is not heavily involved in the amendment which has been sent to the Clerk's desk. All of the funds remain in the bill which have been recommended by the Committee on Armed Services, for the Army, the Navy, and the Air Force, except that in the general provisions of the bill we do not waive points of order to sections 401 and 402, that is the import of the amendment I have offered. Therefore, when this bill is read for amendment, I expect to make a point of order against all or parts of sections 401 and 402.

The general provisions are subject to a point of order without the rule. The action by the Committee on Armed Services in raising the amount of money available to be obligated in South Vietnam from $1.26 billion to $1.6 billion is subject to a point of order. It is up to the House to work its will with respect to the amount of additional money to be authorized for South Vietnam. I am not complaining about the authorization, I object to providing additional obligational authority in an authorization bill.

The appropriation bill for the Defense Department and other agencies is scheduled for House consideration next Wednesday. At that time the House can work its will with respect to appropriations or obligational authority for South Vietnam. Also the House can take whatever action it wishes to take with respect to the language involving the educational requirements for new recruits.

In other words, this whole matter will be before the House next Wednesday, according to the schedule, and at that time we will decide how much money will be available in an appropriation bill, and that is where the issue ought to be decided. The authorization ought to be in the current bill. We do not propose to knock out the authorization provisions.

There has been some talk about our insistance that there be at least 55 percent of the new recruits in the services who are high school graduates. Well, in the bill coming up on next Wednesday this provision, which is in the armed services bill today, this provision, identically, will be in that bill. It will be subject to amendment. If anyone wishes to change the percentage of high school graduates or knock out the provision altogether, there will be an opportunity to do so. It is just a matter of the House working its will on the appropriation bill next week.

With respect to qualifications of military personnel we are just trying to have a highly efficient armed force. Quality is what we want, not just warm bodies.

So I think I am making my point here. We have no desire to disturb the regular authorization bill, and next week when we have up the appropriation bill we can do what we like with respect to additional obligational authority for Vietnam.

I see my distinguished friend, the gentleman from Louisiana (Mr. HÉBERT) is on his feet. I yield to the gentleman from Lousiana.

Mr. HÉBERT. Mr. Speaker, I would ask the gentleman from Texas to yield for an amendment.

Mr. MAHON. I yield for a question.

Mr. HÉBERT. The gentleman does not yield for an amendment?

Mr. MAHON. No, I do not yield for an amendment.

Mr. HÉBERT. I just wanted to ask the gentleman. I told the gentleman I was going to keep him honest.

Mr. MAHON. No problem. Mr. Speaker, if there is any uncertainty about my amendment that I could help clear up, I would be delighted to do so. Otherwise I am inclined to move the previous question.

(Mr. MAHON asked and was given permission to revise and extend his remarks and include extraneous material.)

Mr. MAHON. Mr. Speaker, I move the previous question on my amendment and on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the amendment offered by the gentleman from Texas (Mr. MAHON).

The amendment was agreed to.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PERMISSION FOR COMMITTEE ON APPROPRIATIONS TO HAVE UNTIL MIDNIGHT FRIDAY, APRIL 5, 1974, TO FILE A REPORT ON THE SECOND SUPPLEMENTAL APPROPRIATION BILL, 1974

Mr. MAHON. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight, Friday, April 5, 1974, to file a report on a bill making further supplemental appropriations for the fiscal year ending June 30, 1974, and for other purposes.

Mr. MINSHALL of Ohio reserved all points of order.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

DEPARTMENT OF DEFENSE SUPPLEMENTAL AUTHORIZATION FOR APPROPRIATIONS FOR FISCAL YEAR 1974

Mr. HÉBERT. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 12565) to authorize appropriations during the fiscal year 1974 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, and other weapons and research, development, test, and evaluation for the Armed Forces, and to authorize construction at certain installations, and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from Louisiana.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 12565, with Mr. ROSTENKOWSKI in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Louisiana (Mr. HÉBERT) will be recognized for 1 hour, and the gentleman from Indiana (Mr. BRAY) will be recognized for 1 hour.

The Chair recognizes the gentleman from Louisiana.

Mr. HÉBERT. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the bill before the committee today is one recommended and supported by the Department of Defense.

It will provide a supplemental authorization for Department of Defense appropriations for fiscal year 1974.

The new authorization proposed in this bill is $1,142,049,000. The amount requested by the Department of Defense was $1,257,455,000. The amount approved by the committee and recommended for enactment therefore represents a reduction from the amount requested by the Department of Defense in the amount of $115,406,000.

The new authorization proposed in this bill is $1,142,049,000, distributed as follows:

Title I (procurement)	$999,300,000
Title II (R.D.T. & E.)	109,883,000
Title III (construction)	32,866,000

In the interest of providing a better understanding of the departmental request, here is a brief summary of title I (procurement), broken down into various categories:

Title I—Procurement

	Millions
Middle East payback	140.3
Augmented force readiness	327.2
Increased airlift capability	167.4
Accelerated modernization	339.6
Strategic program changes	24.8
Total	999.3

A detailed breakdown of these various categories appears on page 7 of the committee report. However, for purposes of placing this into proper perspective, I will briefly review each of these categories and the authorization provided therein.

MIDDLE EAST PAY BACK, $140.3 MILLION

The category "Middle East pay back" funds the incremental costs of replacement of equipment provided to Israel. The sale of equipment under the military assistance program (MAP) did not generate sufficient dollars to replace this equipment in U.S. inventories at today's higher prices.

AUGMENTED FORCE READINESS, $327.2 MILLION

This category "Augmented force readiness" involves items to improve force readiness worldwide that are not necessarily related to the Middle East war. Major programs include: Additional spares and repair parts, new simulators, electronic countermeasure (ECM) equipment, additional missiles, aircraft modifications, and tactical drones.

INCREASED AIRLIFT CAPABILITY, $167.4 MILLION

This category is comprised of three programs:

First. C–5 and C–141 spares, $108.9 million. The program will provide additional spares to permit a substantial increase in the utilization rate of these aircraft during an emergency.

Second. Engineering and drawings for stretched C–141, $40 million. This program will lengthen the body of the C–141 aircraft to provide increased cargo stowage area.

Third. Design of modification and tooling for wide-body cargo convertible aircraft (CRAF), $18.5 million.

ACCELERATED MODERNIZATION, $339.6 MILLION

This category generally includes increases to ongoing programs. The intent is to increase the inventory of these items at a faster rate than was originally planned. The request includes increased procurement of: P–3 and KC–130 aircraft, the TOW missile, Army tracked combat vehicles, and aircraft modifications.

STRATEGIC PROGRAM CHANGES, $24.8 MILLION

This category requests procurement of long leadtime material in support of construction of the second and third Trident submarines. The Navy has stated that failure to provide the $24.8 million as a supplemental request will jeopardize current delivery schedules for the third Trident submarine.

In summary, the committee recommended approval of a total of $999,300,000 in authorization for title I of the bill for the procurement of hardware and weapon systems.

TITLE II—R.D.T. & E.

Title II of the bill is concerned with research, development, test, and evaluation. The amount requested by the departments and defense agencies amounted to $217,489,000. The committee was of the view that time did not permit a detailed review of each of the hundreds of projects involved in this title of the bill and, therefore, deferred without prejudice any action on the requests of the departments except for the authorization required to meet classified civilian employee pay raises and wage board increases not previously provided in the fiscal year 1974 budget in the amount of $108,908,000; and one classified project in the amount of $975,000, for a total authorization for this title of $109,883,000.

TITLE III—CONSTRUCTION

Title III of the bill is concerned with military construction. The departmental request of $32,866,000 was approved in its entirety by the committee.

The request consists of two items: first, the expansion of base facilities on the island of Diego Garcia in the Indian Ocean in the amount of $29 million, and second, an authorization in the amount of $3,866,000 in support of military family housing. This latter item also essentially represents wage increases not previously budgeted by the Department in fiscal year 1974.

I am acutely aware that some Members of the Congress are not persuaded of the necessity of expanding our facilities on Diego Garcia. However, I feel these Members are either uninformed or have not correctly analyzed the circumstances which indicate the critical need for this action. Therefore, let me suggest that those who question the need for this action read that portion of the committee report dealing with Diego Garcia which begins on page 12 and extends through page 16.

Very briefly, unless we are willing to forfeit to Soviet influence and domination the entire Indian Ocean area and all the nations which border on that great ocean, we must in our national interest provide a modest naval support facility on Diego Garcia. It is a prudent, precautionary move to insure that we will have the capability in the future to operate our forces in an area of increasing strategic importance to the United States and its allies.

TITLE IV—GENERAL PROVISIONS

Title IV contains two sections, both controversial. The first would increase the ceiling on the amount of funds that can be obligated in support of our military assistance service funded program for Laos and South Vietnam in fiscal year 1974 from the $1,126,000,000 now established in law to $1,600,000,000.

The department in making this request pointed out that the reduction made by the Congress in the proposed fiscal year 1974 program seriously crippled its ability to continue to provide the South Vietnamese with the war materials which are essential to the maintenance of that country's independence.

Deputy Secretary of Defense Clements, in his appearance before the committee, pointed out that the department's request does not involve any additional funds; what is requested is the authorization to spend up to the requested level of $1.6 billion.

Secretary Clements stated that the present ceiling is insufficient to permit the department to provide the South Vietnamese with the ammunition, petroleum products, and other war materials that are necessary to enable them to resist continued North Vietnamese military pressure and violations of the cease-fire agreement.

It is for these military reasons as well as recognition of our long tradition of assisting our friends and allies to defend themselves from oppression that we have approved the departmental request.

I, personally, find it inconceivable that anyone would deny this essential assistance to the South Vietnamese who have over the past year, without American troops, demonstrated to the world their great determination to remain a free and independent sovereign nation. I am happy that the vast majority of the members of the Committee on Armed Services concur in this view. I trust that the overwhelming majority of the Members of the House will join the Armed Services Committee in expressing and demonstrating our firm and continued support for this noble people.

The second item in this title is concerned with an amendment proposed by the committee which, if enacted into law, will nullify a legislative provision in last years' fiscal year 1974 appropriation law which prohibits the use of funds for the enlistment of non-prior-service personnel when such elistments will cause the percentage of non-high school graduates enlisting in the services to exceed 45 percent.

It is neither sound nor fair to deny enlistments to potentially successful non-high school graduates when recruiting shortfalls are occurring.

The Congress has opposed the continuation of the induction authority and insisted on establishing an all-volunteer force environment. Yet, notwithstanding this policy determination by the Congress, we have in an appropriation bill imposed a severe restriction on recruitment.

I am aware of the rationale that contends that this provision is designed to improve the quality of our volunteers. The fact of the matter is that the military services select the best qualified among the available non-high school graduates. Over 85 percent of non-high school graduates enlisted this fiscal year had qualifying test scores which rank them in mental groups I to III, which is average, or above average.

I am advised by the Secretary of Navy and by the Commandant of the Marine Corps that failure to waive this provision in the appropriations bill will result in a recruiting shortfall for the Marine Corps of approximately 12,000. The Army will also suffer a recruiting shortfall as a consequence of this provision of somewhere between 10,000 and 20,000 recruits.

It is for this reason that the committee elected to exercise its legislative jurisdiction and recommend elimination of this unfortunate action of the Congress.

CONCLUSION

The communication sent to the Congress requesting this legislation advised that its submission was made necessary as a result of a number of serious unforeseen problems which had come to light as a result of the Middle East conflict. These problems involved military readiness.

Stated another way, departmental witnesses have emphasized that this additional authorization for appropriations is necessary to provide the military with the increased readiness to respond to war crises situations.

The crisis in the Middle East has demonstrated to the department that our reaction capability is considerably less than the optimum. None of us knows what tomorrow may bring in the way of a new crisis and, therefore, prudence requires us to support efforts to overcome any inadequacies which may now exist in our military capability.

I solicit your support of this legislation which, in the last analysis, is designed to overcome, in the shortest possible time, readiness deficiencies in our Defense Establishment.

Mr. LEGGETT. Mr. Chairman, will the chairman yield for a question?

Mr. HÉBERT. I yield to the gentleman from California.

Mr. LEGGETT. Mr. Chairman, the gentleman indicated that he intends, if I recall his statement, to ask for a reduction amendment to the committee bill from $1.6 billion to $1.4 billion at the appropriate time; is that correct?

Mr. HÉBERT. That is correct; yes, sir.

Mr. LEGGETT. Will that leave them an additional amount to be spent during the current fiscal year, which is $274 million more than we talked about in the committee?

Mr. HÉBERT. This amount is the amount of money on hand and after discussing it in the full committee, it is the amount that is available and can be spent. We reduced it to $1.4 billion to coincide with the amount that is available.

Mr. LEGGETT. Is it not a fact that if we do reduce the amount to $1.4 billion, it also allows the flexibility which Senators talked about on their side that, in fact, rather than reduce the amount by some $200 million we would be increasing the item, so there would be available expenditures of $640 million for the defense of Vietnam.

Mr. HÉBERT. I cannot answer a question anticipating what the Senate may or may not do.

Mr. LEGGETT. The Senate subcommittee has already done it.

Mr. HÉBERT. I do not care whether it has done it. It has not come to us.

Mr. LEGGETT. I was asking the gentleman for a professional analysis of what would happen if his reduction took place and the modification took place that the Senators are talking about.

Mr. HÉBERT. The gentleman is asking me to reply to a question which is not a fact. The subcommittee has done such and such, the full committee might do something else and the Senate itself might do something else; so unless we have the facts before us, I cannot answer such a question.

Mr. LEGGETT. Let me ask, considering that we are concerned with facts and the Department of Defense made a very strong plea to justify the $1.6 billion that is in the bill as a firm commitment that they made to avoid a bubble in the pipeline, why is the gentleman now suggesting that we modify this amount by $200 million?

Mr. HÉBERT. I am not suggesting we modify it. Because of further investigation and discussion with the Department of Defense, we learned that they can live with this figure. As the gentleman will recall, he was present at the time of the hearings in the committee, this was a flexible figure of $1.6 billion, in order to give flexibility to the Department of Defense in case an unexpected emergency arises.

It was sort of an open area. We are now tightening that area.

Mr. LEGGETT. Is it the intent now to take away the flexibility?

Mr. HÉBERT. We have taken away that flexibility in spending that which we have on hand at the moment.

Mr. LEGGETT. Is the Department of Defense sending letters to the committee supporting the reduction from $1.6 billion, to $1.4 billion?

Mr. HÉBERT. I do not know that the Department of Defense is sending letters to the committee.

Mr. LEGGETT. I thank the chairman.

Mr. BRAY. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, traditionally supplemental requests have been presented to the Congress when an event, unforeseen or incalculable by the administration, creates a problem of such magnitude that the administration could not accommodate its consequences within the authority and capability ascribed to it by the Congress.

I think we will all agree that the Middle East war was just such an unforeseen event. True, we in the Congress appropriated $2.2 billion to pay for the material required but this supplemental addresses not just the payback of costs associated with material provided to Israel but a whole gamut of items which are needed to overcome deficiencies uncovered or whose presence was reiterated as a result of the action in the Middle East. Many administration spokesmen have emphasized that although we had been working in many of the deficiency areas in order to overcome them, the war highlighted anew that we needed more emphasis on several points such as:

Advanced warning and its assessment, and the ready forces available to take advantage of it;

Larger inventories to offset the heavy attrition of equipment and supplies that can result from modern, intense conventional conflict;

Balanced, mutually supporting forces, that is, not just tanks and aircraft, but infantry, antitank weapons, artillery and ground air defenses as well;

Defense suppression weapons, equipment and tactics; and

A warm production base with sufficient reserve stocks in hand.

To address these problems we are considering this supplemental request. Many have said, "Why can it not wait until fiscal year 1975." I think that the answer to that is twofold. Primarily, the items covered by the supplemental are additional increments of weaponry that we approved in the fiscal year 1974 budget or fixes to those items. If we approve these supplemental requests at this time, procurement lot quantities can be increased to take advantage of large lot buying and to enable contractors to set up the most efficient production capacity and economic rate. Additionally, fixes can be incorporated into contracts at a point in the production cycle that will create a minimum of disruption. Secondarily, the track record of the Congress in completing its action on the Defense Department requests in a timely manner has not been overwhelming in the recent past. True some of the delay can be attributed to actions or inactions on the part of the administration, however our own culpubility cannot be mitigated. The two factors then lead one to the inescapable conclusion that allowing this request to lie fallow until action on the fiscal year 1975 budget request is a sure-fire approach to insuring delay and disruption in the production lines of needed material and a certain diminution of our forces capacity to react to crisis.

Mr. HÉBERT. Mr. Chairman, I yield 5 minutes to the gentleman from Maryland (Mr. MITCHELL).

Mr. MITCHELL of Maryland. Mr. Chairman, I thank the distinguished committee chairman for giving me this time.

We the Members of this distinguished body pass legislation daily. Often because of the crush of legislation we do not have the time to examine the climate in which the legislation is raised and regrettably we cannot often make a prognosis concerning the long-term impact of the legislation. On this bill, on this monstrous defense supplemental authorization, it is crucial that we look at the climate in which this legislation is spawned and also that we critically examine the long-range implications of the legislation.

Despite all of the press agentry concerning the Chief Executive's peace initiatives, in reality we in America are witnessing the resurgence of an arms-race mentality and a cold-war philosophy rationale in this country. Détente with the Union of Soviet Socialist Republics is being matched with cries for more money for the military. We now have the largest Department of Defense budget ever known in America's history.

Rapprochement with the People's Republic of China is matched with an outburst of cries for more money, more money for the Army, the Navy, the Marines, and the Air Force. The old ugly specter of a cold war once again is with us, and once again are asking another generation of Americans to live under the psychic trauma of a cold-war national policy. Once again we are beginning to create a climate in which every night Americans will go to bed asking themselves the same question: "Will the bomb be dropped tonight?" "Will the button be pushed by mistake?" "Will the world destroy itself tomorrow?"

A whole generation of Americans lived through that kind of torture, and now we are setting the stage for the resumption of that torture but this time on a new generation of Americans.

We must consider the long-range aspects of this legislation. The Korean war ended on July 27, 1953. Now 21 years later, Americans are still paying taxes for our "military presence" in Korea. Our "delicate secret commitments" which brought the Korean war to a theoretical end, prevented American citizens from knowing about a seemingly unending political/military commitment to South Korea. Shall we still be paying in 1984, in 1994?

Our Secretary of State, Mr. Kissinger who "excels" at the art of secret, personal diplomatic negotiations did not tell us that the price for "ending the war in Vietnam" was an unending commitment of money, material, and perhaps manpower to South Vietnam. Will American citizens be paying for this fancy dan diplomacy in the year 2020, in the year 2040? I do not care how we attempt to evade it or rationalize it, this bill, H.R. 12565, becomes a part of that never-ending commitment of money, material, and perhaps manpower to the Government of South Vietnam.

Mr. Chairman, I entreat you to weigh soberly the words I have said. I entreat you not to take action to revive the cold-war-arms-race philosophy and posture. I entreat you not to saddle generations yet to be born with a tax burden made totally burdensome because of an open end, unending commitment to the Government of South Vietnam.

Mr. Chairman, I implore you to defeat this monstrous bill, H.R. 12565.

Mr. BRAY. Mr. Chairman, I have no further requests for time.

Mr. HÉBERT. Mr. Chairman, I yield 5 minutes to the gentleman from New York (Mr. PIKE).

Mr. PIKE. Mr. Chairman, I think it is already obvious that some progress has, indeed, been made. We are going to have, during the reading of the bill, a point of order which strikes out the $1.6 billion in the appropriation bill and then we are going to have an amendment offered by the distinguished chairman of the Committee on Armed Services which reduces the sum of $1.6 billion in aid to Vietnam in the authorized amount to $1.4 billion. I am delighted at this progress which has been made, and I am delighted that the chairman of the Committee on Armed Services is going to offer that amendment.

However, I submit to you the reason why this progress has been made and the reason why these things are going to happen is not so much that we have suddenly found within the week since this bill was reported out that we do not need this money, but, rather, that we have suddenly found the American people do not want to pay this money. The American people are not in the mood to abandon South Vietnam, but they are in the mood to question how much money they should pay for the support of the war effort in South Vietnam. Under the parliamentary situation as it now exists and as it is expected to exist after the chairman of the Committee on Armed Services has offered his amendment to reduce the increase from $474 million authorized to a $274 million increase, I am going to offer an amendment to strike out that section thereby removing any increase whatsoever.

I do not honestly think that the American people at this particular point in time want to send an additional $274 million, in this fiscal year which has about 3 months to go, in South Vietnam for military assistance. I do not know what the answer to this question is, but I represent a relatively conservative district, and I have not had any great outcry from people saying, "Mail more money to South Vietnam."

I think the American people are just delighted that the war there is over, but I think they would be intrigued if they knew the facts about what South Vietnam is spending in its own defense and what America is spending in defense of South Vietnam. The facts are very hard to come by. You may have seen the story in the paper 2 days ago when the Senator from Massachusetts (Mr. KENNEDY) tried to get some information out of the State Department, and the State Department checked with the Ambassador to South Vietnam, and the American Ambassador to South Vietnam replied to the State Department to this effect: "I think it would be the height of folly to permit KENNEDY the tactical advantage of an honest and detailed answer to the questions of substance raised in his letter." He did not say that the questions were frivolous, and he did not say that they were not important, but he said that we should not give him an honest answer. Well, we have some of this information in our hearings on page 39. In 1971 South Vietnam spent over $1,315,000,000 in its own defense.

Mr. Chairman, that figure of $1,315 billion that they spent in 1971 went down to $579 million in 1972; $599 million in 1973; and is budgeted at only $474 million total for the year in 1974. That, oddly enough, happens to be exactly the amount of money that they wanted in the supplemental for us to add to our expenditure this year. While their defense expenditures are going rapidly down, why should our expenditures for South Vietnam be going rapidly up?

I do hope that when we vote on the up-or-down issue, and we are going to have an opportunity to vote on it, for more aid to South Vietnam in this fiscal year, that the additional item is not agreed to.

Mr. HÉBERT. Mr. Chairman, I yield 3 minutes to the gentleman from Missouri (Mr. ICHORD).

Mr. ICHORD. Mr. Chairman and Members of the Committee, I take this time to advise the House that I will be offering an amendment when the bill is read under the 5-minute rule. I support the bill in its entirety, with one exception, and that is in regard to the payback provisions in replacing weapons that we have taken out of our own inventory and given to Israel under the $2.2 billion emergency bill.

The House will recall that at the end of last year we appropriated $2.2 billion worth of emergency aid to the Nation of Israel. In this bill there is an item of $140.3 million which involves the increased replacement costs. We have sent only $1 billion worth of goods to Israel, but what the Defense Department is trying to do in this bill is to obtain another $140.3 million, which represents the increased cost of replacement for those goods sent to Israel out of our inventory.

To me this is unconscionable. We have sent them only $1 billion. We have $1.2 billion more to send. There is a possibility, but I would say not much likelihood, of the war in the Middle East coming to an end, and we would never have to send the additional $1.2 billion. For that reason I think that the Department of Defense is very premature in trying to get $140.3 million at this time.

So, Mr. Chairman, under the parliamentary situation, I will be offering an amendment to the first committee amendment eliminating $19.2 million of the incremental cost and then I will later offer an amendment to the bill taking out the remainder of the $140.3 million.

Mr. LEGGETT. Mr. Chairman, will the gentleman yield?

Mr. ICHORD. I yield to the gentleman from California.

Mr. LEGGETT. Mr. Chairman, I want to commend the gentleman from Missouri on his proposed amendment.

We have, by a very strong vote in this House, appropriated $2.2 billion for the Middle East. Fortunately, that effort was ended after we had spent only about $1 billion. There is, as I understand—and I may not be correct, because I do not have the exact figures—but there is about $1.2 billion left. Therefore I am wondering if the gentleman's amendment would include a broad statement that would provide that in addition to the funds authorized to be appropriated under section 101 of this act, there are authorized to be made available by transfer during fiscal year 1974 to the Department of Defense, out of any unexpended funds appropriated under the heading "Emergency Security Assistance for Israel" in title IV of the Foreign Assistance and Related Programs Appropriations Act, 1974, the following amounts—and then we would refer to $63 million for the Army, Navy, and Marine Corps and $33.9 million for the Air Force, and a similar amount for the other services that we can take out by your amendment?

Mr. HÉBERT. Mr. Chairman, I yield 3 minutes to the gentleman from California.

Mr. LEGGETT. I thank the gentleman for yielding.

I realize that the gentleman has not seen this language, but is that generally what he had in mind?

Mr. ICHORD. I have not had the opportunity to look at that language of the gentleman from California. I should like to have the opportunity to discuss it with him. I do not know exactly what he is aiming at at this time.

Mr. LEGGETT. Very good. I hope the gentleman can explain that on his amendment.

Mr. Chairman, I am not going to take a long time to debate the total merits of this bill at this time. I voted against the supplemental bill in committee and failed to write dissenting or separate minority views. I think this is the first time in the history of the committee that I voted against the bill, and I think almost the first time that I failed to note separate and concurring or minority views.

One of the important things that I think this House has to relate to is the matter that the gentleman from New York discussed a moment ago. That is the question of spending $29 million for Diego Garcia. The facetious answer to that is, "Let us give him a visa and let him come into the country." As a practical matter, Diego Garcia is not in the mainstream of anything that we have sacred in the Indian Ocean. It is a right that we have got in the British-held Chagos Islands, which are about 1,200 miles from the nearest other land. If we draw a 1,200-mile radius circle, we do include part of Ceylon, which is against our program to improve this base; and we include part of the tip of India, and they are against our improving this base.

Considering the fact that the Soviets have land facilities, noted in the committee report, as practically on top of the Arabian Gulf and all over this area, I think we really mislead ourselves talking about the Soviets' naval capability in the Indian Ocean. They have a fierce land capability there, and we might well talk the same way about protecting American interests around Vladivostok. It just so happens that the Soviets have got a base at Vladivostok and we do not, because that is where their land territory takes them.

I am going to present, I hope, some interesting arguments on why we should go slowly on the $29 million. The committee report takes 3 or 4 or 5 pages to explain why we are expanding our base in Diego Garcia. I think that that is the best explanation that I have seen so far of committee action, but I think we need to take further and more aggressive action than holding hearings on this matter. I will offer an amendment at the appropriate time.

Mr. Chairman, I yield back the remainder of my time.

Mr. BRAY. Mr. Chairman, I yield 2 minutes to the gentleman from Maryland (Mr. BAUMAN).

Mr. BAUMAN. Mr. Chairman, I rise at this point to address a question to the chairman of the Committee on Armed Services. I should like to ask the distinguished chairman of the committee whether or not this authorization bill contains any funding provisions that might finance rumored plans of the U.S. Army for transferring the U.S. Army Ordnance School away from Aberdeen Proving Ground, in Harford County, Md.

Mr. HÉBERT. No, absolutely not.

Mr. BAUMAN. I thank the chairman. I have discussed this previously with the chairman and I am pleased to have his assurances that there is no funding contained in this legislation for any transfer of the Army Ordnance School away from Aberdeen Proving Ground which is located in my congressional district in Harford County, Md.

On December 15, 1973, the Secretary of the Army submitted to the Secretary of Defense a number of alternate proposals, one of which suggested the consolidation of Army ordnance training at Huntsville, Ala., and Fort Eustis, Va. To date, in spite of numerous requests by the entire Maryland congressional delegation in both bodies, the Army and the Defense Department have failed to provide full information on this proposal.

A general hearing was held before the Military Construction Subcommittee of the House Committee on Appropriations on March 8, 1974. Although that hearing was to have produced some definitive answers to the many questions the Army's recommendations have raised, no such answers were provided.

The ordnance school has been located at Aberdeen since 1917 and employs nearly 5,000 civilians and military personnel. It would seem only logical to me that if the Army is to propose consolidation of its ordnance training facilities, this should be done at the historic home of Army Ordnance, Aberdeen Proving Ground.

I again state my appreciation for the statement by the gentleman from Louisiana and therefore will support the final passage of this legislation.

Mr. HÉBERT. Mr. Chairman, I yield to the gentleman from Georgia such time as he may consume in order to make an extremely important announcement from Georgia, although it happened in Ohio.

(By unanimous consent, Mr. FLYNT was allowed to proceed out of order.)

HENRY AARON TIES BABE RUTH'S HOME RUN RECORD

Mr. FLYNT. Mr. Chairman, I thank the gentleman from Louisiana for yielding to me in order that I might announce to the House that this afternoon in the National League opening game in Cincinnati in the first inning Henry Aaron tied the world's home run record formerly held by Babe Ruth by hitting his 714th major league home run.

Atlanta Braves outfielder, Hank Aaron, today earned a very special place among baseball's immortals when he smashed a home run which cleared the left field fence in the opening game between the Atlanta Braves and the Cincinnati Reds.

Mr. Chairman, I congratulate Henry Aaron on tying Babe Ruth's home run record.

Mrs. SCHROEDER. Mr. Chairman, I rise in support of the amendment to hold the ceiling on MASF funding at the $1.126 billion ceiling that was set by Congress last year.

As you know, the MASF program was begun in 1966. It was designed to provide DOD with the greatest flexibility in supplying military aid to South Vietnam; accordingly, little congressional oversight was provided for in this program.

We are asked today to continue a policy that was begun 8 years ago, a policy of blindly accepting DOD's requests for money without substantial justification or explanation as to how this money is used.

I had asked the House Armed Services Committee to make an aggressive attempt to assess the military aid situation in South Vietnam since the signing of the cease-fire agreement. The reason for this request was an alarming General Accounting Office report to me on the MASF program. The GAO stated that the Pentagon's quarterly reports to Congress on the MASF program did not reflect the full value of Defense contracts in South Vietnam and that further investigations in Vietnam and Hawaii were needed before a complete analysis could be made. The GAO went on to say that in 1971 the Pentagon reported that $1.5 billion had been provided in military assistance to Vietnam, but GAO estimated that the Pentagon had provided about $1.9 billion in military assistance—a $400 million difference.

In an attempt to get an accurate picture of present spending in South Vietnam, I submitted a list of 38 specific inquiries on the MASF program to DOD witnesses on the first day of hearings on H.R. 12565, the supplemental bill we are considering today. On the second day of hearings, the bill was marked up. That was over 2 weeks ago. This morning, the Pentagon finally provided the committee with answers to all my inquiries. Obviously, no Member of this House has had time to assimilate this information.

Mr. Chairman, I doubt if anyone in Congress has an accurate picture of actual spending in Vietnam. We cannot continue this reckless course. We must hold DOD accountable.

As a first step, we can hold the Pentagon to the ceiling approved by Congress last year. We must not let them come in through the back door by way of this supplemental. I urge my colleagues to support this amendment.

Ms. ABZUG. Mr. Chairman, I oppose this supplemental request. It is wrong as a whole and in each of its parts. It is an insulting rejection of the will of Congress and a cynical manipulation of the public.

After a study of the defense budgets for fiscal years 1974 and 1975, the staff report of the Joint Economic Committee of Congress pointed out that—

> . . . manipulations create the illusion that this year's defense budget is the same size as last year's and that baseline defense costs are going down. The reality is that the 1975 defense budget is substantially higher than the 1974 defense budget and baseline costs are going up. . . . To make a supplemental request for new weapons when there is no emergency, as was done this year, is abnormal and creates a misleading impression about the relative size of the 1974 and 1975 defense budgets.

Further, the supplemental request corresponds to the amount cut by Congress from the 1974 budget. By this sleight-of-hand the Pentagon expects to gain covert congressional approval of its original request. There are sufficient unobligated funds to cover any supplemental emergency needs including any incremental costs of replacing equipment provided to Israel. Granted that Congress has exerted little control over the military in the last few decades, that time is gone. Once more Congress is demanding civilian control over proliferating military spending and adventurism. Defeating this supplemental request would be one way of showing that we are no longer mere puppets of the Pentagon.

We must ask the Defense Department, what is the hurry? Where is the crisis that justifies another $2.8 billion—"to achieve the desired readiness level." Ready for what? Supposedly we are not at war and are headed for negotiations toward a peaceful world.

We are not being threatened in any part of the world except by our own shortsighted policies. We should be reducing our expenditures for arms, not increasing them.

What possible conclusion can other nations draw if we approve additional millions for "force readiness"? What conclusions would we draw if the Soviets or the Chinese expanded their offensive programs? Every indication is that defensive and not offensive weapons are being produced by our potential foes. Why must we give them new reason to fear us?

These ever-growing requests for weapons are coupled with ominous new approaches that could be considered aggressive by other nations: in Indochina, in the Indian Ocean, and in our nuclear strategy.

We are spending three times as much for military aid to South Vietnam and Cambodia as for economic aid—violating both the letter and spirit of the Paris Peace Agreement. The money we give the Thieu regime is increasing, not decreasing, after the pullout of our troops. The American Embassy in Saigon is the largest we maintain anywhere in the world—142 employees at a cost of $7 million a year, from State Department funds, not counting the marine guards paid by Defense.

Ammunition and aircraft are the major components of the MASF program. During the first quarter of fiscal 1974, we spent almost $300 million on RNV forces. Much of it is used for "H and I fire"—for harassment and interdiction. An area suspected of sheltering Vietcong is shelled indiscriminately—to the dismay of the inhabitants of peaceful villages. The anger of the South Vietnamese turns on President Thieu—and the United States. Such random harassment and shelling of civilian areas was reported in February by James Markham in the New York Times, and last week in the Washington Post. Government forces are said by officials to be "outshooting the enemy 20 to 1"—with a fantastic waste of ammunition.

Aircraft left in Vietnam would be useless without the maintenance work conducted by Americans under DOD contracts. Incidentally, they receive up to $1,000 a week—while Vietnamese in comparable jobs get $10 to $35 a month. Obviously this does not make friends for the United States.

The computer system which encompasses 10 million Vietnamese is also run by U.S. civilians, according to the conservative report of the American Security Council. Police officers continue to meet regulaarly with CIA officials and speak of American political advisers.

This was not the role that the Congress and the American people contemplated when we thought we were ending the war in Indochina. Yet title IV, section 401 of this bill simply restores to President Thieu the funds that Congress cut last year. To delete these funds would indicate once again that we are not prepared to subsidize an endless war. It is high time that we insist that Thieu observe the cease-fire agreement, free his political opponents, and conduct real elections with free choice. It is a safe bet that his dictatorial regime would fall—but if the Vietnamese themselves do not want it, why should we? The only benefit accrues to those generals who are lining their pockets—while the people sustain 120,000 casualties since the so-called cease-fire.

Senator McGOVERN has said it is time that we stop being Thieu's puppet. I heartily concur.

This bill also contains funds for expanding our activities in the Indian Ocean—a highly dangerous and provocative step. We have maintained a small communications base on the island of Diego Garcia for some years. Now we are being asked to allow that island to become a full-fledged military base. This can only alarm the Soviets and cause India to reconsider Soviet requests for comparable bases in the area.

This is one region in which we have been successful in avoiding confrontation. Soviet and American ships alike have respected each other's rights. Now the excuse given for the buildup is that the Soviets might try to cut off our supply of oil there. This is highly improbable, when it would be so much easier and less costly to cut it off at the source if that were their intent. According to Retired Rear Adm. Gene LaRocque and other informed witnesses, there is no sign that the Soviets are expanding their operations in the Indian Ocean.

Before we give DOD another $2.8 billion dollars, we should be told more specifically what kinds of new weapons are being bought, researched and developed, and what kinds of "classified" military installations and facilities considered. We should examine them in the light of our overall foreign policy, particularly our changing nuclear strategy.

Heretofore we have had a grizzly policy of "mutual assured destruction" which meant that each side could wipe out the others' major cities in a nuclear strike. Thus each was hostage to the other and neither side was apt to strike first.

Now we are about to retarget our missiles to hit military objectives in the Soviet Union. That at first appears to be more humane, more within the rules of warfare, than the killing of civilian populations. Actually, it is a disguise for the ability to strike first. Soviet hawks can be expected to interpret it as an intention to strike first. They will then urge that Russia protect itself by also developing a first-strike capacity. Soothing diplomatic words and clicking glasses will not gloss over the reality of expanded bases, retooled armies and retargeted missiles.

For these reasons, I urge that we deny the present supplemental request and begin a thorough congressional examination of our worldwide military stance.

Mr. VANIK. Mr. Chairman, I am opposed to the legislation before the House today. This is not the way in which we should be considering major increases in the military procurement budget. By permitting the Department of Defense to continually seek supplementals—and most supplementals do involve Department—we encourage the Services to treat their budget requests lightly. An attitude is developed in the Department of Defense that if they do not get the funding they want or the programs they desire, they can come back to the Congress in a couple of months for a supplemental. In addition to encouraging an attitude of budget laxity, the continual budget requests lead to a numbers game, in which it is almost impossible to determine what the true level of military spending is from one year to another.

My most serious objection to this legislation, however, is the provision of $29 million for the "upgrading" of the naval base on Diego Garcia in the middle of the Indian Ocean. This seems like a small action and a relatively small appropriation. Yet it is a move fraught with far-reaching and momentous consequences. The development of a naval base in this area of the world is a major foreign policy and military strategy decision which should be debated at length and with the utmost care. It cannot and should not be considered as one part of a larger bill in a single day's debate. It is a bold entrance into what could become a massive commitment.

The development, maintenance, and protection of a major military base halfway around the world will commit the American taxpayer to hundreds of millions—and eventually billions—of dollars in additional defense expenditures. New fleet tankers and supply ships will be required to maintain the base. The Navy will probably use the establishment of the base as justification for creating a new nuclear carrier task force designed to operate in the far reaches of the Indian Ocean.

What is this money being spent for? I believe that we are taking over this base—one of the last remnants of the old British imperialism—to protect American oil company investments in the oil sheikdoms of Arabia. Once again the American taxpayer is being asked to support the cost of gunboat diplomacy to protect the interests of certain corporations—corporations which pay little or nothing in Federal taxes—corporations which were actually used by the Arab States last fall to enforce the oil embargo against the 6th Fleet.

The Pentagon does not say so, but the fact is that the need for this base results from the proposed deepening of the Suez Canal to a depth of 63 feet. It may seem ironic, but the day following Secretary of State Kissinger's first visit to Egypt following the October War, the Interior Minister of Egypt announced the plans for a deepened canal and tunnels beneath it to connect the Sinai to Egypt. I fear that a massive commitment was made by the American Government to spend hundreds of millions of taxpayer dollars to dredge the canal and remove the wrecked shipping.

The Soviet Union becomes the principal beneficiary of these expenditures. Its fleets can move from the Mediterranean to the Indian Ocean and Asia. It is because we deepen the canal with American dollars—it is because our Navy even now is removing mines from the canal—that we must defend its eastern approaches with a naval base at Diego Garcia. It is also obvious that the base is important to protect the American investments in the Persian Gulf, which produce oil at costs which peril the economies of those nations who must buy it. I am uncertain whether it is so important to protect a resource priced out of our reach.

Mr. Chairman, in addition to the questionable motives for the establishment of the base in the middle of this distant ocean, the move is of very questionable military wisdom. It is argued that the base is needed to "show the flag" and "match the Russian presence." Yet the "flag" can be shown—as it is now—by periodic port visits by a relatively small nuclear frigate task force. In fact, the presence of a major military force in the Indian Ocean might have an adverse counterimpact, reminding many of the nations of the region of the former British, French, and Dutch colonial activities. In addition, in the advent of a major conflict, a military base perched on a small island is a sitting duck to hostile missile and aircraft attack. In fact, the Navy's entire drive for carriers has been based on the argument that stationary bases are too vulnerable.

The commitment in this proposal may not seem large—but at this moment we are uncertain whether we are planting a good seed or a cancer. We should in any event defer action until we more plainly see.

Mr. HARRINGTON. Mr. Chairman, I rise in opposition to H.R. 12565, the $1.14 billion defense supplemental authorization bill. This bill, the first supplemental authorization for the Department of Defense since 1967, is in my view a monumental collection of errors that should be defeated.

While there are many objectionable features to this bill, which I believe the Pentagon is using as a tactic to obscure the real magnitude of their funding jump this year, two parts of the bill stand out as being particularly worthy of defeat—the $29 million proposed for expansion of the base at Diego Garcia and the $474 million in additional appropriation authority proposed for the Thieu regime in South Vietnam.

I am hopeful that the House will defeat the previous question on the rule providing for the consideration of this bill, so as to allow for the raising of points of order against the provisions in title IV raising the ceiling on aid to South Vietnam from $1.12 billion to $1.6 billion. Apart from my view that any military assistance to the South Vietnamese Government is a great error, this particular provision is objectionable as it applies to an appropriations bill even though it is in an authorization bill. It should be struck from the bill.

Mr. Chairman, Congress should take the opportunity presented today to stop the efforts of this administration to have the American people foot the bill for the continued fighting in Vietnam. Unless we draw the line now, we will be committing our Nation to a never-ending exercise of support for a corrupt and dictatorial regime that has made a mockery of the Paris Peace Accords—agreements made at the pain of thousands upon thousands of American dead and billions upon billions of U.S. dollars spent. We should be ending our support for the Thieu regime, not deepening it, as we will be doing if we pass this bill with another $474 million in it for Saigon.

Earlier this fiscal year the Congress was asked to approve $1,126,000 for military aid to Indochina—most of which has apparently gone to South Vietnam. Now, even before the fiscal year is over the Pentagon has come back to Capitol Hill asking for more money—$474 million—for what we would be led to believe are our "gallant allies in South Vietnam." Pentagon claims to the contrary, $474 million is a huge increase in our aid. It is just under half again as much as DOD's request in the last session. Apart from the fact that passage of this additional spending authority will enable DOD to reprogram funds for the current fiscal year, we will be virtually commiting ourselves to appropriations of the full $1.6 billion in the coming—1975—fiscal year, if not more. In a time of high inflation, how can we ask the taxpayers to sink more money down this tired rathole?

Unless we want to go on record as supporting the Thieu regime for many years to come, we should stop this folly right now. It should be clear that our military assistance programs have contributed to the perpetuation of hostilities in South Vietnam. Sure of our help, President Thieu has not been given any "incentive" to reach an accord with the Communists. Counting on the military might might to forestall any political settlement—confidence he could not maintain without U.S. support—Thieu has gone so far to take offensive actions, with aircraft and artillery, into territory held by the NLF. Such attacks are open and blatant violations of the cease-fire and peace agreements.

General Thieu also refuses to hold general elections, as required by the agreements. He refuses to give his opponents access to the press, or opposition parties permission to run candidates, or hold meetings without interference from the police.

Rejection of the supplemental "Military Assistance Service Funded" authority from this bill would, I believe, enhance the chances for genuine peace in Vietnam. It would be a signal to Thieu that the United States will not support him indefinitely and unquestioningly. It will force the South Vietnamese military to cut down its senseless offensive activities, now being paid for by the U.S. taxpayer.

While no one can entirely absolve the North Vietnamese or the Vietcong for at least a share of the blame for the failures of the peace accords, we should not overlook documented violations by our South Vietnamese ally. For example, last month the Washington Post reported that, contrary to the cease-fire agreement, South Vietnamese troops had attacked Communist positions across the Cambodian border. And, contrary to chapter 7 of the agreement, large numbers of American personnel still serve as "advisers" to the South Vietnamese forces. The GAO has shown that $40.4 million in tax dollars is being used for salaries of American military personnel—a situation I believe to be a clear violation of the agreement.

Unfortunately, there is more. By the terms of its agreement, replacement of military equipment is to be done on a 1-for-1 basis, using comparable equipment. However, recently the Pentagon announced its replacement of Saigon's F-5A fighters with new F-5E's. The F-5E is a far more sophisticated aircraft, which is more than 140 knots faster than an F-5A, carries more advanced avionics, and has a much greater tactical ordnance capability than the obsolescent F-5A version. To further suggest U.S. complicity in the calculated violation of the peace agreement, aircraft reconnaissance missions over Vietnam, flown in American aircraft by American pilots, are violations of articles 2, 4, and 20 of the agreement.

Approval of this request for another $474 million will only make matters worse, and continue U.S. support for the disintegration of a peace already invisibly thin.

We should consider another aspect of our debate today. Do we want to give President Nixon a signal that we would support American military intervention in South Vietnam if the situation there became really grave—as is occasionally hinted at by the Defense Department. I would hope, after all the lives lost, that we would have learned the lesson that there is no such thing, in Indochina, as limited military involvement. Even the suggestion of renewed U.S. bombing is totally unacceptable, and we should send a message to the President, through our defeat of this legislation, that we will not tolerate any violation of either the intent or the letter of the War Powers Act, that we will not budge from the enacted prohibitions against further U.S. involvement, and that we will not be led down the garden path to tragedy again. We should reject this $474 million, and we should end military assistance to South Vietnam.

Mr. Chairman, I should also wish to comment on the proposal to spend $29 million to upgrade our communications facilities at Diego Garcia into a major naval base.

I have severe reservations to this proposal. The Congress has been told that this project is relatively minor and that it is intended to improve services for occasional activities by the 7th Fleet in the Indian Ocean. This account is at some variance with a realistic account of the import of the Diego Garcia base. In fact, such a base may well provoke a naval arms race in an area heretofore largely nonmilitarized. It may introduce superpower rivalry in a region where the local governments had carefully sought neutrality.

There are many reasons suggested for increasing our presence in the Indian Ocean. We are told of the need to improve our ability to protect shipping from our Persian Gulf ally, Iran, We are told we need to match claimed Soviet naval buildups in the Indian Ocean. We are told of a need to enhance the influence of the United States in the region. Upon close examination, I do not believe these arguments hold water.

Apart from the fact that Iran, which is expanding its military at a prodigious rate with the latest and most exotic hardware—much of which is made in America—is more than able to take care of itself, it is very difficult to determine just where the threat lies to shipping in the Indian Ocean. Further, what threat exists currently will certainly be exacerbated if, by setting up a major base, we raise the stakes of cold-warriorship in the region.

We should not be misled by the Navy's claim that the improvements to be made at Diego Garcia are minor. In fact, it appears that what has been proposed would convert the base from an acceptable servicing installation for most types of ships in the 7th Fleet to a major base capable of supporting even B-52 strategic bombers and carrier attack forces. Before we make this kind of commitment—which involves an entirely new policy toward a critical area of the world—we need a great deal more congressional scrutiny than will ever be forthcoming from the committee responsible for this legislation.

A major base at Diego Garcia would do more than worsen tensions with the Soviet Union. Our allies are not enthusiastic about the proposal at all. Both New Zealand and Australia have indicated serious reservations. And, of course, the states in the region are almost uniformly displeased. The Prime Minister of India, Indira Ghandi, termed the proposal "a nuclear base with no ostensible objective," and the Indian Foreign Minister described the position of the Indian Government as "total disapproval."

Further the Diego Garcia plan represents a serious incongruency with the whole thrust of our recent movements in foreign policy. It seems contrary to the so-called Nixon doctrine. It seems hardly consistent with the policy of détente with the Soviet Union.

Most important, the expansion of the Diego Garcia base is a major foreign policy initiative that should not be taken without the most careful review in the Congress. We should delete the $29 million in this bill for this naval base.

Mrs. HOLT. Mr. Chairman, the defense supplemental authorization bill which is before us today is a vital piece of legislation if we are to maintain the readiness and modernization of our Armed Forces.

We are aware of deficiencies in our military force readiness as a result of last October's Midwest war. The passage of this supplemental authorization will enable us to correct these deficiencies in a timely manner.

While I am in general support of the provisions of H.R. 12565, I am greatly concerned about section 301 which authorizes an appropriation of $29 million to expand naval facilities on the island of Diego Garcia. Currently, the United States operates a communications facility on this British-owned Indian Ocean island. The adoption of section 301 of the supplemental authorization will authorize funds for the transformation of this communications facility to a support facility and entail an extension of the airstrip and a deepening of the channel.

This proposed action represents an important change in U.S. strategy in the Indian Ocean area. I do not intend to deliberate the merits of the expansion of Diego Garcia, but rather to address myself to the desirability of including this proposal in a supplemental authorization request. It is my contention that the ramifications of this action are of sufficient magnitude to require far more study, and I feel that it should properly be included in the regular DOD fiscal year 1975 budget request. It is only through this means that we will be able to give this proposal the scrutiny it deserves.

In addition, it must be remembered that we do not have a firm commitment from the British Government to proceed with this project and there is considerable opposition from many of the neighboring countries to this proposal.

Mr. Chairman, I urge that consideration of an authorization for the expansion of Diego Garcia be deferred until we take up the fiscal year 1975 DOD budget request. This will afford us the opportunity to carefully investigate the policy implications, and better assess international reaction to this project.

Mr. ROYBAL. Mr. Chairman, I rise in opposition to H.R. 12565 which authorizes supplemental funding for the Department of Defense. This bill contains two provisions whose effect will be on the one hand to prolong U.S. involvement in a war that the majority of our people have long since repudiated and on the other expand U.S. influence in a manner which invites an involvement similar to Vietnam.

Title IV of the bill would raise the ceiling on military spending for South Vietnam under the military assistance service funded program from $1.126 to $1.6 billion. The $474 million increase sought by DOD is the exact amount that Congress cut from the program during the last session. There have been no significant changes in the endless war in Vietnam to justify this increase.

The Pentagon seems to be taking a cavalier attitude toward Congress. It agrees to cut a particular program only with the intention of seeking the same amount in the form of a supplemental a few months later. If we allow this ploy to be perpetrated, we will be encouraging other agencies to take the same tact. This can only undermine the budgetary reforms that the Congress is attempting to institute.

Second, the GAO has indicated that there have been discrepancies in the reports DOD has filed concerning the MASF program. This program was established 8 years ago to give DOD flexibility in supplying the needs of the Vietnam war The program was established with little congressional oversight. A GAO audit indicated that in 1971 the Pentagon spent $1.9 million in MASF even though its report to Congress stated its expenditures as $1.5 million. Similar discrepancies in later reports are currently being investigated. The requested increase cannot stand a tough scrutiny on its own merits. However, it is even more deeply disturbing that these funds should be for a program that has been the subject of official abuse.

Lastly, the weapons that this bill authorizes will be used to prolong the life of a regime that has denied the basic civil liberties to its people. The Thieu regime refuses to permit free elections, censors the news, and violates various sections of the Paris peace agreement. I do not believe that we should be continually pouring the treasure of this country into a regime that uses our money to repress the basic civil liberties that we revere.

H.R. 12565 also contains a $29 million authorization to turn Diego Garcia into a full-fledged naval base. At present, this small atoll in the Indian Ocean is a communications base. The DOD would have us believe the authorization will be used only for minor improvements. But the truth is that the island will be turned into a base capable of handling our largest ships.

This authorization represents a major change in our foreign policy in the Indian Ocean. The DOD is attempting to downgrade the significance of this authorization. Thus, they have refused to give any concrete explanation for the need to expand this base. I do not believe that we should be making major foreign policy decisions through subterfuge or sleight-of-hand maneuvers.

The import of the base at Diego Garcia should be fully investigated before we commit ourselves to a military presence in the now quiet Indian Ocean.

It has been vaguely hinted that the improvements of this facility are necessary to expand U.S. influence in that area. There seems to be an unspoken fear that the Soviets are about to try to exert influence in the Indian Ocean. But our own friends in Australia and New Zealand are against our proposed expansion.

There has also been speculation that the action is being taken to protect the oil companies' investments in the Middle East. Although these reports are unconfirmed, I do not think that the American people would want our foreign policy dictated by what is felt to be good for the oil companies. The events of the past few months have clearly indicated that these companies are supernationals who do not have allegiance to any particular country.

Finally, there has been some mention that this country has to protect the country of Iran. However, that country has been purchasing vast amounts of war materiel from the United States and seems quite capable of managing its own affairs.

These disparate reasons and speculations attempting to explain the need for the expansion of Diego Garcia confirm my feeling that this expenditure has not been thought out, or that the Congress is not privy to the entire rationale. There is little doubt that the Soviets will view this as a major foreign policy change, and we may expect a predictable reaction. This can only lead to an arms race in an area that will cost the American taxpayers billions in additional weaponry. It appears as though this is yet a further step in the decline of détente that looked so promising just a year ago.

Mr. HÉBERT. Mr. Chairman, I have no further request for time.

The CHAIRMAN. Pursuant to the rule the Clerk will now read the bill by title.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—PROCUREMENT

Sec. 101. In addition to the funds authorized to be appropriated under Public Law 93–155 there is hereby——

Mr. GIAIMO. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present.

The call will be taken by electronic device.

The call was taken by electronic device and the following Members failed to respond:

[Roll No. 145]

Adams
Ashbrook
Bevill
Blackburn
Blatnik
Boland
Brown, Ohio
Carey, N.Y.
Carney, Ohio
Carter
Chisholm
Clancy
Clark
Collins, Ill.
Conlan
Conyers
Crane
Davis, Ga.
Davis, Wis.
Dellums
Dennis
Derwinski
Diggs
Dingell
Dorn
Drinan
Edwards, Calif.
Evins, Tenn.
Flowers
Ford
Fraser
Frelinghuysen
Frenzel
Fulton
Gettys
Gray
Griffiths
Gubser
Hamilton
Hanna
Hansen, Wash.
Hawkins
Heckler, Mass.
Hillis
Huber
Jones, Ala.
Jones, Tenn.
Kazen
Kluczynski
Landrum
Lehman
Lujan
Luken
McEwen
McFall
McSpadden
Macdonald
Madigan
Martin, Nebr.
Mazzoli
Melcher
Minshall, Ohio
Mollohan
Murphy, N.Y.
Nelsen
Parris
Pepper
Pickle
Poage
Quie
Quillen
Railsback
Rees
Reid
Roberts
Rooney, N.Y.
Runnels
Shriver
Shuster
Sisk
Snyder
Staggers
Stark
Steed
Steele
Steiger, Wis.
Stephens
Stokes
Stubblefield
Stuckey
Teague
Ullman
Waldie
Williams
Wilson, Charles H., Calif.
Wyman

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. Rostenkowski, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H.R. 12565, and finding itself without a quorum, he had directed the Members to record their presence by electronic device, when 336 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

authorized to be appropriated during fiscal year 1974 for the use of the Armed Forces of the United States for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, and other weapons authorized by law, in amounts as follows:

Aircraft

For aircraft: for the Army, $22,000,000; for the Navy, $219,200,000; for the Air Force, $445,000,000.

Missiles

For missiles: for the Army, $84,400,000; for the Navy $28,600,000; for the Marine Corps, $22,300,000; for the Air Force, $39,000,000.

Naval Vessels

For naval vessels: for the Navy, $24,800,000.

Tracked Combat Vehicles

For tracked combat vehicles: For the Army, $113,600,000.

Other Weapons

For other weapons: For the Army, $8,200,000.

Mr. HÉBERT (during the reading). Mr. Chairman, I ask unanimous consent that title I of the bill be considered as read, printed in the Record, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. HAYS. Mr. Chairman, I move to strike the requisite number of words.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio (Mr. Hays) for 5 minutes.

(By unanimous consent, Mr. Hays was allowed to speak out of order.)

AN INTERESTING ENCOUNTER AT THE CONGRESSIONAL HOTEL

Mr. HAYS. Mr. Chairman, I will not take 5 minutes to explain this.

I had hoped to be able to speak to the gentleman from New Jersey (Mr. Rodino) but he came in and apparently left before I could get hold of him. What I am about to tell the Members about I do not blame him for in any way, but it does concern him.

About 10 or 15 minutes ago I had occasion to go over to the Congressional Hotel on an errand. I was going up to the Computer Section, which is under my committee, and I pushed a button for the elevator. The elevator came down from the fourth or fifth floor, and two young men were on it drinking pop. I stepped back for them to get off. They had some papers under their arms.

Well, they did not get off the elevator, so I got on, and pushed my button for the floor, and I said, "Where are you gentlemen going?"

They said, "What's it to you?"

I said, "What are you doing, just riding up and down on the elevator?"

One of them said, "That's right, buddy, just riding up and down on the elevator."

I said, "Who do you work for?"

And one of them said, "We work for the Judiciary Committee on the impeachment investigation."

I said, "Well, that is interesting, because I understand you are coming before my committee next week asking for another million dollars."

He said, "Who are you?" I told him, and he said, "Why, I'm sorry; I did not know who you were."

And I said, "That's pretty obvious. I am just another taxpayer, and one of the reasons why we have to pay so much taxes is because we have so many arrogant little jerks" only I used a more emphatic word—"like you around here drawing big salaries." And I want to tell you, ladies and gentlemen, if you ever run into anybody—and we have got so many employees on my committee that I cannot be supervising them all the time—and if you run into any of them like that let me know and they will not be here very long.

I just want to say to you I think that is one of the troubles around here and some of these people had better shape up.

I got off at the second floor then to tell Mr. Doar about it, and the policeman there told me I could not see Mr. Doar unless I had an appointment. Well, do you want to bet whether I saw him or not? And I told him about it and he said he was sorry.

I said "Mr. Doar, according to the newspapers you have 42 lawyers working over here and 30-some on the committee, and I would suggest that with 70-some lawyers on this we will never get to a resolution in that case; why the hell do you not put one of them to supervising your staff." I think it is about time that some of the surplus people around here are either put to work or put out to pasture without pay.

The CHAIRMAN. The Clerk will report the first committee amendment.

COMMITTEE AMENDMENT

The Clerk read as follows:

Committee amendment: 1. On page 2, line 10, delete "$84,400,000", and substitute in lieu thereof "$76,600,000".

AMENDMENT OFFERED BY MR. ICHORD

Mr. ICHORD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Ichord: In lieu of the figures inserted by the committee amendment insert "$57,400,000."

Mr. ICHORD. Mr. Chairman and members of the Committee, I am compelled to offer my amendment in two parts because of the parliamentary situation: this amendment which will strike $19.2 million from Army missiles representing a difference between the cost and the replacement cost of spare parts and spare missiles sent to Israel out of the Army inventory. At a later point I will offer an amendment taking out the balance of the $140.3 million which is in this bill that I consider absolutely reprehensible for the Department of Defense to ask for at this time.

I offer this amendment, Mr. Chairman, as one who takes a back seat to no one in this chamber for supporting a strong national defense. I recognize that article I, section 8, of the Constitution specifically provides that the Congress shall have the power to raise and support armies and to provide and maintain a navy. I submit to the Members of the House it is the primary responsibility, of this House to maintain a strong national defense; but that does not mean we have to rubber-stamp everything that comes over from the Department of Defense.

Here is what has happened: We appropriated $2.2 billion in aid for Israel. That appropriation passed this body overwhelmingly, but to this date we have only supplied $1 billion worth of aid to Israel.

Much of that was taken out of existing inventory. But what is the Department of Defense doing here? We have $1.2 billion left to send. We have not spent the $1.2 billion. Yet they are here trying to get an extra $140.3 million, representing the difference in costs of those items taken out of inventory and the replacement cost.

At least we should wait until the entire $2.2 billion is sent over to Israel. We have only roughly sent—and we have not gotten an accounting of how much they have sent as yet—one of the generals appearing before the committee said that they had spent roughly $1 billion—so I think it is absolutely reprehensible for the Department of Defense to try to load down this bill at this point with another $140.3 million when we do not even know if we are going to send the other $1.2 billion to Israel. So the least we can do, in order to be responsible with the taxpayers' money is to delete this $140.3 million at this time, and then appropriate it if we actually need that to replace those items in the inventory of the Army, the Navy and the Air Force.

Mr. LEGGETT. Mr. Chairman, will the gentleman yield?

Mr. ICHORD. I yield to the gentleman from California.

Mr. LEGGETT. Mr. Chairman, I am a little confused as to some of the gentleman's amendment. I have not seen it but, as I understand it, this amendment would take out of title I $140 million at this time?

Mr. ICHORD. Both amendments together; this particular one which is offered as an amendment to the committee amendment, will take out only $19.2 million, representing the difference in the cost and the replacement cost of spare missiles and spare missile parts taken out of the Army inventory. I will then offer an amendment later which will take the remaining balance of the $140 million out.

Mr. LEGGETT. Mr. Chairman, I would ask unanimous consent that both of the gentleman's amendments be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

AMENDMENTS OFFERED BY MR. ICHORD

The CHAIRMAN. The Clerk will report the other amendments.

The Clerk read as follows:

Amendments offered by Mr. ICHORD: Page 2, line 8, by striking out the figures $219,200,000 and inserting in lieu thereof the figures $155,600,000; striking out the figures $445,000,000 and inserting in lieu thereof the figures $411,100,000.

On page 2, line 16 and 17, strike out the figures $113,600,000 and inserting in lieu thereof the figures $90,200,000.

On page 2, line 19, strike out the figures $8,200,000 and insert in lieu thereof the figures $8,000,000.

The CHAIRMAN. The time of the gentleman has expired.

(On request of Mr. LEGGETT, and by unanimous consent, Mr. ICHORD was allowed to proceed for 5 additional minutes.)

Mr. ICHORD. Mr. Chairman, I thank the gentleman from California for facilitating the offering of this additional amendment at this time.

I would direct the attention of the Members to page 7 of the report, and the Members can easily ascertain what both of these amendments, considered en bloc, will do.

On page 7 of the report we show included in this bill for the Navy $53.3 million for A-4M Skyhawk aircraft, and $10.3 million for F-5E aircraft. For the Air Force, $30 million for C-130H aircraft, and $3.3 million for spares and repair parts, plus $600,000 for common ground equipment, and on down, a total of $140.3 million, representing the difference in the cost and the alleged replacement cost of goods sent to Israel out of existing inventory.

This amendment will reduce the amount of the appropriations to the Army, the Navy, and the Air Force by $140.3 million.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. ICHORD. I yield to the gentleman from Iowa.

Mr. GROSS. I thank the gentleman for yielding.

My understanding is the Senate subcommittee has already adopted an amendment to accomplish the purpose of your proposal.

Mr. ICHORD. The gentleman is correct. The Senate has already taken this $140.3 million out of the bill.

Mr. GROSS. I wish to commend the gentleman for this proposed saving. I can see a bill coming before the Congress in the near future to provide for a large amount of disaster relief as a result of the cyclones and tornadoes yesterday that resulted in the deaths of some 300 persons. I cannot think of a better way to save, at least on paper at this time, $140,300,000.

I suggest to the gentleman from Missouri, in view of his excellent amendments, that he invite the distinguished chairman of the House Committee on Armed Services and the ranking minority member of the committee to accept his amendment.

Mr. ICHORD. I hope that the distinguished chairman of the committee will at least see fit not to fight the amendment too hard.

I yield to the gentleman from California.

Mr. LEGGETT. I thank the gentleman for yielding.

To be more particular, is it not a fact that all of these items have been delivered to Israel under appropriate authorization already, so that Israel is not in any way deprived of emergency capability in any way, shape, or form? Are we not talking about bookkeeping in the defense and military accounts?

Mr. ICHORD. Right, but if we do not delete this matter, the Army and the Navy and the Air Force are going to have another $140.3 million to throw around some place—I do not really know where. It is not going to injure Israel at all.

Mr. LEGGETT. As a practical matter, if we authorize this amount, and then some years later, should we try to find out how much we spent for the Middle East war, someone might look at the $2.2 million to try to find out whether we spent it, figuring that the amount that had been spent was our total obligation, when it fact there is $140 million here that we are sneaking in the back door. The fact is that all of this ought to be in one account, readily exposed to the American public for the Israeli nation so that we know where we are and where we have been.

Mr. ICHORD. It is just an accounting entry, but it does involve money. The Army, the Navy, and the Air Force could have transferred these at replacement cost rather than at cost, but they transferred it at cost, and now they want to come back and get another extra $140.3 million. That is very smooth, if they are permitted to do it.

Mr. LEGGETT. As I understand, the reason that the Department of Defense did not ask to reprogram this is because they have some hangups about reprograming this kind of money. But considering the fact that the administration is composed of the Department of State and the Department of Defense, has the gentleman anticipated that there would be any real problem for transferring these funds for accounting purposes from one Department to another?

Mr. ICHORD. It is the intention of the gentleman from Missouri that they be able to do that, because we have $1.2 billion worth of armaments that we appropriated for that have not yet been sent to Israel, so there is no difficulty at all.

Mr. STRATTON. Mr. Chairman, I rise in opposition to the amendment.

(By unanimous consent Mr. STRATTON was allowed to proceed for 3 additional minutes.)

Mr. STRATTON. Mr. Chairman, this might be referred to as the anti-Israel amendment. I am strongly opposed to it.

I want to point out, first of all, exactly what is involved here. The items that were made available to the State of Israel during the October war came in some cases from the inventory of the U.S. Armed Forces. The U.S. Armed Forces in this bill are scheduled to receive funds to replace those items.

The items that were supplied to Israel in October might be referred to as 1970 model "clunkers."

They were older planes and older tanks that had some mileage on their speedometers. To replace them today the Army is getting the new, up-to-date, modern, streamlined 1974 models, probably with all the emission equipment added. And the difference between the cost of the old items that were made available, the book value of the items made available to Israel in October, and the new items we have to buy to replace them, represent the dollar amounts involved in this bill, a total of $140 million.

The amendment offered by the gentleman from Missouri would do two things. First of all, as offered, this amendment simply cuts out the money that is earmarked the U.S. Armed Forces to replace these items. Under the Ichord amendment our forces will not be able to get this money and, therefore, they are going to suffer the loss of all of the items that were made available to Israel last October.

If this kind of amendment prevails, the Army might be a little bit reluctant in any future emergency to make items available out of its inventories to Israel.

The gentleman from Missouri has said it is his intention that this money should be turned over to the Army from the $2.2 billion of military assistance funds that we authorized last December for assistance to Israel. But there is no authority in his amendment for that transfer. He has not included such authority in this amendment. I think there is grave doubt that there would be any legal authority for the State Department to turn this money over to the Defense Department in any bookkeeping transaction in the amount of $140.3 million.

Second, Mr. Chairman, the gentleman from Missouri is, I think, not quite current with the situation as it exists with regard to the State of Israel. When our subcommittee visited Israel and Egypt last November, and the gentleman from Missouri was a member, the situation was that we had made at that time about a billion dollars available to Israel in weapons. However, just the other day the press reported, in connection with negotiations that were going on between Dr. Kissinger and Israeli Defense Minister Moshe Dayan, that as of the present time we have now made about $1.4 billion of this $2.2 billion available to Israel and it was contemplated according to these press accounts—and this money after all is handled by the foreign aid program, so it does not come to our committee—that another $700 million will now be made available to the State of Israel, presumably in connection with the negotiations that Mr. Dayan was conducting.

So what we are doing, if we suggest that there is a lot of money for Israel lying around that is not going to be used for such assistance, and we arbitrarily undertake to take out $140 million because it will not be needed, is that we are jeopardizing our negotiations with Israel and jeopardizing possibly the very delicate disengagement negotiations presently under way between Israel and Syria. And if Members are not concerned about Israel and the Middle East, let us not forget that the lifting of the Arab oil embargo depends on progress that is made between Israel and Syria over disengagement on the Golan Heights. And I think it would be the height of irresponsibility for us to interfere with this money now in any way.

I do not know what negotiations are going on, but it may well be that any additional sums in the $2.2 billion aid bill may be going to be used in connection with these overall negotiations, too; so I think we are playing Russian roulette with our own safety and with the safety of the State of Israel if we try to interfere further with these assistance funds.

Second, and most importantly, what the gentleman from Missouri is doing is denying to the Armed Forces the needed replacements for the material they gave to Israel last fall, and is offering no legislation to get it from any other source.

Mr. ICHORD. Is the gentleman seriously contending that the Army does not have authority to use the remaining $1.2 billion to absorb the increased replacement cost?

Mr. STRATTON. That is my understanding, that is what I have been advised, that without the appropriate authorization in legislation, this transfer could not be made.

Mr. ICHORD. Let me state to the gentleman, this is purely a bookkeeping entry as far as keeping track of it. They could have transferred it out of inventory and replaced it, as well as the loss.

Mr. STRATTON. What authority is the gentleman referring to? The money we gave last December was provided for assistance to Israel, not for assistance to the Army or the Navy?

Mr. ICHORD. We gave $2.2 billion to Israel. Now the gentleman from New York has given a different figure than we were given in the committee. In the committee I asked General Kjellstrom how much had been supplied and he said roughly $1 billion; that would leave $1.2 billion.

Mr. STRATTON. That was last November. The gentleman knows from our trip that the Israelis were not satisfied with what they received up to that time. We had not then even replaced what they lost in the war; and General Zur was over here in January trying to get more help; so the figure has apparently gone up now to $1.4 billion.

Mr. ICHORD. That is the point I am making. We have never been furnished an accounting of what has been given.

Mr. STRATTON. That is because it is outside the authority of our committee. It is within the authority of the Committee on Foreign Affairs and the Committee on Appropriations.

Mr. ICHORD. Assuming we have transferred $1.4 billion to Israel. How much more is the gentleman going to come back and ask for?

Mr. STRATTON. All I know is that the press accounts indicated, as a result of negotiations with Moshe Dayan, that it was planned there would be an additional $700 million made available from that fund. That brings the total up to $2.1 billion and so there is only $100 million left to play with.

Mr. Chairman, I oppose the amendment.

Mr. LEGGETT. Mr. Chairman, I rise in support of the amendment.

To classify the Ichord amendment as anti-Israel is to oppose this amendment without thinking very much about it.

Now, I supported all of the Israel bills and amendments. I have contributed, I think, my share from my personal funds. I do not think I am anti-Israel in any way, shape or form; but to say that we have to tremble in our boots or jeopardize the negotiations because the Israeli cushion of the amounts we have authorized and appropriated is down to some $800 million or $1 billion, is not logical. The last information our committee got is that of the $2.2 billion, about $1 billion or half a billion dollars had been committed. Now, to this date, since this is our military equipment, but handled through other accounts, our committee has not had an accounting for this money.

To say what we are asking for here is just some incremental amounts of money that were not otherwise available is not really a fair statement, because we are asking for $53 million for 24 A–4's; as I recall A–4's are selling for about $2.5 million apiece.

We are asking $10.3 million for five F–5E's and $2 million is the going price for those; six C–130H's at $30 million, that is, $5 million apiece.

These are in part incremental costs, but in large part this is the replacement difference between the items transferred out of the military by the military services to Israel.

Now, the Department of Defense, rather than seeking a proper bookeeping entry and getting the money out of the $2.2 billion that we have appropriated and authorized to do this job, they are doing it in this rather sloppy fashion. I asked this specific question in the committee and got back a rather sloppy response that we could read into the record, but it would not be particularly helpful.

Now, the Senate has also rejected this matter. They have developed an amendment over there on their subcommittee which would not be germane to our bill, since this is not a MASF bill for anything other than Vietnam.

They have got a section 102, which I hope will be passed by the full Senate committee and will be passed on the Senate floor, and I would hope that we would agree to the Ichord amendment and then agree to the Senate amendment after it goes to conference.

This section is very simple. Section 102, authorization to transfer funds.

In addition to the funds authorized to be appropriated under section 101 of this act, there are authorized to be made available by transfer during the fiscal year 1974 to the Department of Defense out of any unexpended funds appropriated under the head, "Emergency Security Assistance for Israel in Title IV of the Foreign Assistance and Related Programs Appropriations Act of 1974," the following amounts: Aircraft; aircraft for Navy and Marine Corps, $63.6 million. For the Air Force, $33.9 million. For missiles for the Army, $19.2 million. Tracked combat vehicles; for tracked combat vehicles for the Army, $23.4 million. Other weapons for the Army, $200,000.

Now, this is the proper way to handle the Middle East effort, not fragmentize it and not in bits and pieces. Let us have it all in one bill. It is not going to jeopardize negotiations between Mr. Kissinger and the people we support, or the Soviets and the people that they support. We have got plenty of cushion here. We have got plenty of time to resolve things. The war over there is not hot, so let us support Mr. ICHORD's amendment, scale down this bill by about $140 million and move on to other things.

Mr. LONG of Maryland. Mr. Chairman, I move to strike the last word. I rise in opposition to the amendment.

Mr. Chairman, would the gentleman from California tell me why, if this amendment were passed and so many difficulties were going to be laid in the path of the Army being reimbursed, why should the Army in a future emergency, when it is asked to come to the aid of Israel or some other country, why should it be willing to do it and travel this thorny path in getting reimbursed?

Mr. LEGGETT. Mr. Chairman, if the gentleman will yield for an answer to that, there is no thorny path at all. The gentleman will recall who the commander in chief of the Army is. That is General Abrams. The gentleman will recall who General Abrams' Commander in Chief is. That is the President of the United States. So, they will do exactly as they are told. There is no problem here.

The thing is, if the President wanted this or if we had full integration of our resource management, the recommendations would have been to adopt the Senate procedure here, and then we know exactly what is left in the Vietnam account and we have got a proper accounting. The way things are now, we are asked to go ahead and reimburse the Army and we do not even know where we have been and where we are going.

Mr. Chairman, we have plenty of cushion. The Army can go ahead and ask for this reprograming; there is no problem with it at all. I am sure they are going to get full authority; the Senate defense subcommittee has already approved the reprograming.

Mr. LONG of Maryland. Mr. Chairman, I would like to proceed with another question. I have read the amendment, and it certainly is unenlightening. I was wondering why we could not have an amendment which simply says that the Army should explain what it did with the funds it has already transferred? This amendment strikes me as being punitive, and I think the Israelis will regard this as a punitive amendment.

Mr. LEGGETT. Mr. Chairman, it is not punitive at all. The Israelis have already got the equipment. How we handle this on our side is our problem.

Mr. LONG of Maryland. For the simple reason that they are looking down the road and realize that there are going to be other events like this, and they will have to be helped in a hurry and they are going to be wondering how they are going to get it.

Mr. LEGGETT. Mr. Chairman, I do not think that follows at all.

Mr. LONG of Maryland. Mr. Chairman, I have talked to these people and the general feeling is that these problems are very important psychologically.

They are important psychologically to the people of Israel, who are having a very hard time. They are operating in a very austere situation, and they do need some encouragement.

It is also important psychologically to the Syrians and the Arabs, who will regard this as something of a rebuff to Israel.

Can the gentleman assure us that this is not true?

Mr. LEGGETT. Mr. Chairman, let me explain this to the gentleman now.

The Senate committee did yesterday exactly what the gentleman from Missouri (Mr. ICHORD) is trying to do today. It was reported in the newspaper this morning.

Now, can the gentleman assure us that there was no psychological setback because of the reporting of that accounting procedure?

Mr. LONG of Maryland. Mr. Chairman, we do not get these psychological setbacks quite that fast. After all, they do not travel at the speed of light.

Mr. STRATTON. Mr. Chairman, will the gentleman yield?

Mr. LONG of Maryland. I yield to the gentleman from New York.

Mr. STRATTON. Mr. Chairman, does the gentleman not agree, since the Israelis did not get the advantage of the new 1974 models and since they only got 1970 "clunkers," that it is a little unfair to ask them now to pay 1974 prices for 1970 "clunkers" of their own limited aid funds.

Mr. LONG of Maryland. Mr. Chairman, I agree with the gentleman entirely on that point, but I do not understand the relationship of the point to the gentleman's amendment.

Mr. STRATTON. That is basically what the Ichord amendment would do. It would require the Israelis to pay new model prices for the old models they got last October.

Mr. LONG of Maryland. I understand the gentleman's point. Is he not asserting that this is an anti-Israeli amendment?

Mr. STRATTON. Mr. Chairman, this amendment is designed to hurt Israel, as the gentleman pointed out earlier.

Mr. LEGGETT. Mr. Chairman, will the gentleman yield?

Mr. LONG of Maryland. I yield further to the gentleman from California.

Mr. LEGGETT. Mr. Chairman, I would like to ask a question of the gentleman from New York, who has been answering so many questions.

The gentleman said we gave them six C–130's. What did we charge them for the six C–130's?

Mr. STRATTON. We charged them the book value.

Mr. LEGGETT. Which is what amount?

Mr. STRATTON. Mr. Chairman, if the gentleman from Maryland will yield further, that is the original purchase price less depreciation. We gave them F–4's, for example, some were earlier model C's and B's, and now we have to set replacements in E's and F's, and the increase represents several million dollars per copy. I do not have the actual figure at my fingertips.

Mr. GROSS. Mr. Chairman, I move to strike the necessary number of words.

Mr. Chairman, I would like to have the attention of the gentleman from New York (Mr. STRATTON). Is it not the fact that we gave Israel F–4's, the latest model F–4's?

Mr. STRATTON. Mr. Chairman, if the gentleman will yield, we did give them some of the new ones, that is true. But some of them were also taken out of our inventory.

Mr. GROSS. Were they "clunkers"?

Mr. STRATTON. Not the new ones; they were not "clunkers." However, I am talking primarily about the tanks, for example, and the missiles. The tanks we gave them were certainly not new.

Mr. GROSS. Mr. Chairman, we gave them F–4's with such sophisticated equipment that not even our own Air Force pilots have been checked out completely on those planes. Is that not correct?

Mr. STRATTON. Actually there are no F–4's in this bill, Mr. Chairman, I will say in reply to the gentleman from Iowa. I am simply trying to point up the kind of situation we are dealing with.

The tanks we gave them were not new ones, and tanks are covered in this bill. If we are going to have enough tanks for our own forces in Europe and enough to supply the Israelis with what they want, then we are going to have to get our tank production lines going faster. We gave the Israelis tanks which were built 3, 4, and 5 years ago. Now we must go back to Chrysler and tell them to get that line going and get new models produced

Mr. GROSS. Mr. Chairman, I understand what this bill is all about, but there is some $1,200,000,000 unexpended of the $2.2 billion that Congress made available for arms to Israel.

Mr. STRATTON. The gentleman is not correct.

Mr. GROSS. Just a minute.

The gentleman said hearings were held before this subcommittee last November. There were hearings before the Committee on Foreign Affairs this spring, and we were told that approximately $1 billion of the $2.2 billion had been committed to the resupplying of Israel which would leave some $1,200,000,000 which has not been expended.

Mr. STRATTON. Well, the latest figure is somewhat different.

Mr. GROSS. This is not going to do any damage, and the gentleman knows it. The gentleman deals in fiction, not fact, when he says this is an anti-Israeli amendment.

Mr. STRATTON. Mr. Chairman, if the gentleman will yield and let me reply, I will attempt to answer his question.

Mr. GROSS. Mr. Chairman, I yield to the gentleman.

Mr. STRATTON. Mr. Chairman, as the gentleman well knows, as a member of the distinguished committee on which he serves, the $2.2 billion was to provide for additional asistance to Israel, not just what we gave at the time of the October war. They wanted more materiel to replace their losses, and what we supplied them as of November had not been enough to replace their losses and to makeup for what the Russians had given to Egypt. And so we are probably going to have to adjust the figure for that.

Mr GROSS. Just a minute now before you take all my time. Just a minute. I doubt that either side you want to take in the Middle East would ever be satisfied with the amount of arms we give them We were peddling arms to both sides before the war last October and the gentleman knows it and he knows that today the United States is the biggest arms peddler in the Middle East to both Israel and the Arab countries.

Mr STRATTON. I hope we will give them enough to deter any additional aggression in that area.

Mr ICHORD. Will the gentleman yield to me?

Mr GROSS. I yield to the gentleman.

Mr. ICHORD. The gentleman was

talking about being supplied in an amount of $1 billion. That figure was furnished in our own hearings from the general who testified on this matter.

Mr. GROSS. And I expect it was the same general who appeared before the Committee on Foreign Affairs and gave the committee about the same figure.

Mr. ICHORD. In March of 1974 and he said it was roughtly $1 billion.

Mr. GROSS. I believe that is correct.

Mr. PODELL. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I was wondering if the gentleman from Missouri (Mr. ICHORD) would respond to a question. Certainly I cannot believe that the gentleman from Missouri would offer an amendment that seems to have been depicted as an anti-Israel amendment.

Mr. ICHORD. That is quite true. I would not offer such an amendment. I think we could better characterize this amendment as the anticlunker amendment rather than an anti-Israel amendment as characterized by the gentleman from New York.

Mr. PODELL. As the gentleman from Missouri well knows, of the $2.2 billion that was authorized to be appropriated by this Congress, except for the equipment that had been turned over to Israel during the October war, not one penny of that $2.2 billion has been spent or turned over to Israel as yet. They have received no funds at all. Why these funds have not been turned over and what is holding them up I do not know the answer to but the fact of the matter is they have not been turned over. Is the gentleman aware of that?

Mr. ICHORD. If the gentleman will yield further, what was turned over as I understand it was armaments—planes, tanks, and missiles out of existing inventory.

Mr. PODELL. This was during the time of the conflict that the Government sent over equipment out of its own stockpile.

Mr. ICHORD. I think there has been a considerable amount of material sent over after the conflict out of the pipeline.

Mr. PODELL. That is not correct. There is no equipment that has been taken out of the current appropriation that we have authorized in the House last year of $2.2 billion that has been sent to Israel.

Mr. ICHORD. I will answer the gentleman if he will yield further that we authorized $2.2 billion; $1 billion to date is all that has been sent. The $2.2 bilion covered the previous transfers also, if that is the point.

Mr. PODELL. Only so much of that as they received in the October conflict. It would appear to me, and we are talking about bookkeeping measures here, that if we cut the military budget here, as the gentleman from Missouri indicates, under the guise of purely cutting certain fat in the budget, eventually our friends such as Israel would suffer.

Mr. ICHORD. We are not cutting the $2.2 billion for Israel.

Mr. PODELL. No; I know that but out of this budget that is before us today, if we cut $146 million, this $146 million is arrived at as a result of the disparity in price today as against last year. Is that not correct?

Mr. ICHORD. The military, the Department of Defense, says that it is the difference between the cost of the items sent to Israel and the replacement cost which is higher today. We have no real breakdown on those figures.

Mr. PODELL. It would strike me that where the pot is 100 percent and you subtract any piece of it, along the line somebody has to suffer and somehow while it is not the intention of the gentleman from Missouri, eventually Israel will suffer because of the disparity in price.

Mr. PRICE of Illinois. Mr. Chairman, will the gentleman yield to me?

Mr. PODELL. I yield to the gentleman.

Mr. PRICE of Illinois. There is certainly a lot of confusion on the floor right now. Proponents of this amendment are talking as though we have given all of this equipment to the Israelis. Actually we have not given them any equipment.

The funds we are talking about in this bill are for the replacement in our own inventory of equipment that we transferred to the Israelis, for which they are indebted to us, and will pay for. We are not talking about giving anything to the Israelis.

The $2.2 billion that is being talked about is grant-in-aid, or loans.

There is much confusion here so much that I suggest that the amendment offered by the gentleman from Missouri (Mr. ICHORD) should be voted down.

Mr. ICHORD. Mr. Chairman, will the gentleman yield for a further explanation?

Mr. PODELL. I yield to the gentleman from Missouri.

Mr. ICHORD. Mr. Chairman, I thank the gentleman from New York for yielding to me.

If the gentleman from Illinois will check the committee report of the bill appropriating $2.2 billions the expressed intention was to forgive the cost of those materials already sent. Is that not correct? It is true the additional $1.2 billion can either be loans or grants.

Mr. PODELL. I agree with the gentleman from Missouri that the additional moneys are to be loans, and grants, but none of the additional moneys have been turned over.

The CHAIRMAN. The time of the gentleman has expired.

The CHAIRMAN. The question is on the amendments offered by the gentleman from Missouri (Mr. ICHORD).

The question was taken; and on a division (demanded by Mr. ICHORD) there were—ayes 19, noes 48.

Mr. LEGGETT. Mr. Chairman, I demand a recorded vote.

A recorded vote was refused.

So the amendments were rejected.

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

The CHAIRMAN. Are there further amendments to title I?

AMENDMENT OFFERED BY MRS. SCHROEDER

Mrs. SCHROEDER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mrs. SCHROEDER: Page 1, strike line 3 and all that follows thereafter down through line 19 on page 2, and insert the following:

TITLE I—PROCUREMENT

SEC. 101. In addition to the funds authorized to be appropriated under Public Law 93-155 there is hereby authorized to be appropriated during fiscal year 1974 for the use of the Armed Forces of the United States for procurement of aircraft, missiles, tracked combat vehicles, and other weapons authorized by law, in amounts as follows:

Aircraft

For aircraft: for the Navy, $63,600,000; for the Air Force, $33,900,000.

Missiles

For missiles: For the Army, $19,200,000.

Tracked Combat Vehicles

For tracked combat vehicles: For the Army, $23,400,000.

Other Weapons

For other weapons: For the Army, $200,000.

Mrs. SCHROEDER. Mr. Chairman, from time to time certain requests by the executive branch fly in the face of express congressional direction. Others perpetrate a hoax upon the Members of Congress and the American people. Still others represent fiscal and procedural irresponsibility.

Rarely does a single proposal do all three. But that is the case with the defense supplemental authorization for fiscal year 1974 pressed upon us by the Pentagon. My amendment to H.R. 12565 simply deletes $859 million which has absolutely no place in a supplemental of this nature. The funds would be deleted without prejudice. Worthwhile projects could be considered as part of our fiscal year 1975 authorization process—precisely where they belong. That way a measure of integrity will be restored to the Pentagon's requests, and, far more important, to our own processes.

Let me begin by dispelling one myth that seems to permeate our consideration of this bill—that the authorizations contained in H.R. 12565 are somehow made necessary by last October's war in the Middle East. That war was a tragedy for those who fought it and very nearly a tragedy for the whole of mankind. But the Pentagon seems to have viewed the October war as a private rainbow and this bill as its pot of gold.

We need not participate in this deception. We need not ratify this illusion. Of the $1.14 billion in H.R. 12565, only $140.3 million, a mere 12 percent, relates to that war in any way. Another $113 million or so is needed to bring certain civilian R. & D. workers at DOD into parity with their peers. Beyond that, every dime in this authorization ought to have been part of DOD requests for fiscal year 1975. The presence of this money in a fiscal year 1974 supplemental distorts the true increases in obligational authority sought by the Pentagon and short-circuits those processes by which requests are considered at the committee and subcommittee level.

Ironically, H.R. 12565 comes to the floor at a time when we in Congress have addressed ourselves to the need to reestablish control over budgetary matters. Both this House and the Senate have approved the creation of a Congressional Office of the Budget. The time is not very distant when we will be establishing our own expenditure guidelines and making certain that individual appropriations conform to these guidelines.

Laudable as this effort is it will amount to little if we lack the self-discipline to make our decisions stick, if we adopt the deceptions of the executive branch and make them our own, if we go to the American people and tell them that tomorrow's expenditures were really spent yesterday.

There is no other way to view the $859 million my amendment would delete from this bill. Not a dollar of this sum would today be before the Members of this House had last October's war not been fought and not a dollar of this sum relates in any way to that war. There could be no plainer example of a military shell-game.

The $24.8 million requested by the Pentagon for accelerated funding of the Trident program is one relatively small but interesting example. In trimming $240 million from the Pentagon's request for Trident last year we specifically placed the Navy on a 1,1,1 deployment schedule for the 3 initial years of the program. Now DOD tells us a 1,2,2 schedule is preferable. We have in effect been overruled by executive fiat and are now asked to acquiesce through the fictitious device of a fiscal year 1974 supplemental authorization allegedly made necessary by the October war in the Middle East. I challenge any Member of this House to explain what that war had to do with the Trident program.

The remaining items covered by my amendment include augmented force readiness at $327.2 million; increased airlift capability at $167.4 million; and accelerated modernization at $339.6 million. We are told that the need for certain of the items in each category was made manifest during the October war. That may well be the case. Military planners frequently perceive new needs. Who is to say what particular event or events stimulated their perception.

The point, though, is that there is a very reliable process by which these perceived needs are translated into authorizations and appropriations. That process involves the submission of budgetary requests to the Congress and hearings on these requests by subcommittees with developed expertness in particular areas. And since we have already held extensive hearings on Pentagon requests for fiscal year 1975 and expect to report a bill to the floor in approximately 6 weeks, there is certainly no emergency that justifies the truncated route adopted here.

Finally, Mr. Chairman, it is particularly noteworthy that some $108.6 million in parallel research and development funding on weapons systems was deleted by the full committee at the request of the gentleman from Illinois who chairs the R. & D. Subcommittee. I commend the gentleman from Illinois for his insistence on procedural regularity and lament only the fact that others on the committee did not guard their prerogatives with similar tenacity. The full House now has a chance to assert its own sense of responsibility. I urge you not to let it slip by.

Mr. HÉBERT. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I truly must confess that I am totally confused. The gentlewoman from Colorado just voted to strike out $140 million in the amendment offered by the gentleman from Missouri. Now she wants to vote for it and take out the money to buy the other weapons. It is a rather confusing situation that I do not understand.

Here is another thing I cannot understand about the arguments she made about the committee "not going into detail." The gentlewoman should know that every item we considered was considered by the committee, the full committee acting as a subcommittee. Every item was justified line-by-line, item-by-item, piece-by-piece. Everybody had an opportunity to ask every question they wanted to in connection with this matter.

It is rather startling and shocking and confusing—and I do not know what other adjectives to use—to find such a difference of opinion from one breath to the next. This would merely cut the entire bill and take out everything. We would have no bill; $800 million.

Mrs. SCHROEDER. Mr. Chairman, will the gentleman yield?

Mr. HÉBERT. I yield to the gentlewoman from Colorado.

Mrs. SCHROEDER. I thank the gentleman for yielding.

I would like to explain why I did not take out the Middle East payback in my amendment. The reason was I felt Middle East payback would be proper in last year's, fiscal year 1974's, budget. My amendment asks the question whether or not some of these items should properly be in fiscal year 1975's budget instead of as a supplemental to fiscal year 1974's authorization. We are in the middle of the fiscal year 1975 markup. We stopped everything for 2 days and marked up this billion dollar bill. I really feel the committee should look at this billion dollar supplemental, using the subcommittee expertise.

Mr. HÉBERT. Will the gentlewoman explain why she voted to take it out just a few minutes ago?

Mrs. SCHROEDER. When we look at fiscal year 1974, I voted to take it out as a supplemental, but I think it is justified as a fiscal year 1974 supplemental and the items in my amendment are not clearly justified in a supplemental so I moved to strike them without prejudice.

Mr. HÉBERT. Within a few minutes you changed your mind.

Mrs. SCHROEDER. No, no. My amendment is basically a procedural one. What I am questioning is whether some of these items addressed by my amendment do not belong in fiscal year 1975. I think a supplemental should be justified by an emergency, some strong reason should be given as to why we have to change the present fiscal year authorization. As I said, the last supplemental authorization that we had in front of the committee, was in 1967 during the Vietnam war when there was an emergency because the war expanded so much more rapidly than anyone anticipated. I do not feel such an emergency is present now. The Middle East war was in October and it took the Pentagon until March to get these "emergency" items over here. Less than 12 percent of these items relate directly to the Middle East war.

The reason that I did not include the Middle East payback in my amendment is because I think it is justified as a supplemental for the war. The war was an unforeseeable event that occurred in fiscal year 1974.

Mr. HÉBERT. In other words the gentlewoman is against the supplemental bill.

Mrs. SCHROEDER. I am against the new weapons procurement portion of the supplemental until we have hearings to find out whether they belong in the supplemental or the 1975 budget.

Mr. HÉBERT. We had hearings.

Mrs. SCHROEDER. We had full committee hearings but I think we ought to have subcommittee hearings where a great deal of committee expertise lies.

Mr. HÉBERT. The chairman of the committee always tries to please the gentlewoman from Colorado. I realize it is a difficult task but I will continue to try to please her.

Mr. Chairman, I oppose the amendment.

Mr. BENNETT. Mr. Chairman, I move to strike the last word.

Mr. Chairman, the gentlewoman has presented an amendment which I think does not really look at the facts that have transpired with regard to the naval portion of this. The naval portion is $28 million. I rise in opposition to her motion to strike this $24.8 million and therefore against her amendment as it now stands.

Last year the subcommittee approved and the House concurred in the construction of three Trident submarines per year. The Appropriations Committee removed $240 million from the shipbuilding and conversion Navy program, thus setting a building rate of only one Trident submarine per year. However, in so doing the Appropriations Committee said:

> In approaching this reduction the committee in no way desired to detract from those long leadtime items whose procurement is necessary for the timely production of submarines 2 to 11. The committee therefore directs that the Department of Defense review the rate of production that would result from reduction of $240 million and ask additional funds in a supplemental request if necessary.

In accordance with that direction and

invitation the Department of Defense has reviewed the production rate of Trident and asked for these additional funds this year. Accordingly it now asks an additional $24.8 million in these long leadtime items. We had hearings this year as in years gone by. We have held extensive hearings on the submarines and shipbuilding in general and on this item in particular.

The one main reason for the increasing shipbuilding costs is the continual shift in shipbuilding programs. Here we have a prize example of it where we go from one a year to two a year and three a year.

I can say that the Trident program has been the subject of considerable study. I would like to introduce into the RECORD at this point a letter from Admiral Rickover on this matter. The letter reads as follows:

NAVAL SHIP SYSTEMS COMMAND,
Washington, D.C., March 18, 1974.

Mr. FRANK SLATINSHEK,
Chief Counsel,
House Armed Services Committee.

DEAR MR. SLATINSHEK: In our telephone conversation this morning you asked that I furnish you an explanation of the need for the $24.8 million TRIDENT funding in the FY 1974 supplemental budget.

The $24.8 million is necesary to procure long leadtime items such as turbines, turbine generator sets, other engine room components, and hull steel for the second and third TRIDENT submarines. Funds to procure these items were included in the FY 1974 Department of Defense Authorization Act, but not appropriated.

A total of $281 million was authorized in FY 1974 for advance procurement of TRIDENT long leadtime items ($83 million for the second, third, and fourth submarines, and $198 million for the fifth, sixth, and seventh submarines). However, action by the Appropriations Committees reduced the advance procurement funding to $41 million for the second, third, and fourth submarines.

In their report the Senate Appropriations Committee stated:

"In approving this reduction, the Committee in no way desires to detract from those long leadtime items whose procurement is necessary for the timely production of submarines 2 through 4. The Committee therefore directs that the Department of Defense review the rate of production that would result from the reduction of $240 million and seek additional funds in a supplemental request if necessary."

The TRIDENT FY 1974 supplemental request is consistent with the direction from the Senate Appropriations Committee. Procurement in FY 1974 of all the items to be funded by the TRIDENT supplemental request will reduce the delivery schedule risk for the second and third submarines. These items will be procured through either exercise of existing options, re-negotiation of expired options, or new procurement. FY 1974 procurement will result in lower cost to the Navy.

Sincerely,

H. G. RICKOVER.

Mr. Chairman, I would conclude by saying if the gentlewoman does not believe the committee has had hearings on this matter, I suggest she check her calendar and she will see the subcommittee gave notice of hearings, and she was given notice of the hearings which we did hold, and we had Admiral Rickover over before us. We had hearings on two separate occasions, on the 13th and 19th of March, I believe. Hearings have been held. Full hearings were held.

Mrs. SCHROEDER. Mr. Chairman, if the gentleman will yield, I think he misconstrued my concern expressed in the amendment. I am very proud of the Seapower Subcommittee I serve on. You, Mr. Chairman, do a good job.

Mr. BENNETT. We do a good job I believe; and you do, too.

Mrs. SCHROEDER. Also in this supplemental is a request to speed up and accelerate our program of modernizing ships. I think our committee should look at the Seapower requests and deal with them, as we are now on every Seapower item that is coming up in fiscal year 1975. I realize we did that in 1974; we looked at Trident ship modernization and other programs, but we are dealing with the 1975 budget now and I think we should also have the supplemental request in front of our subcommittee to consider as a final piece of the puzzle. In other words, we need all Seapower authorizations in front of our subcommittee to have the full picture. We had no subcommittee hearings on this supplemental.

Mr. BENNETT. There is not a puzzle here because we have had full hearings on this looking forward to this particular bill. Whatever may be said about the rest of the lady's amendment, the part dealing with the Trident is improper. We have had the hearings.

Mr. SIKES. Mr. Chairman, will the gentleman yield?

Mr. BENNETT. I yield to the gentleman from Florida.

Mr. SIKES. I feel very strongly the amendment should be defeated. We are confronted with an emergency situation. That is why the request is before us. We do have an emergency situation. We learned some important lessons from the war in October. We learned that a frightening number of weapons; airplanes and tanks, munitions and supplies are used up at a very fast rate in modern combat. We found that the weapons which we were making available to Israel left us very short for our own stocks in many areas.

Now, this authorization helps to replace weapons in our own inventory and it helps to recoup supplies to Israel stocks in some areas where we have found our war reserves are much too low. This is an emergency matter and, of course, the amendment should be defeated.

Mr. BENNETT. I appreciate the contribution of the gentleman from Florida.

Mr. LEGGETT. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise merely to commend the gentlewoman from Colorado for her courage in offering the amendment she has. It is a little broad-gaged and I am personally unable to support it. I think the gentlewoman's amendment is not totally without merit, inasmuch as about a dozen Members of our counterpart body over on the other side in the subcommittee have struck out of this item some $550 million, not quite as much as the gentlewoman's amendment addresses itself to; but at least some very bright Members in the other body who are very much concerned with emergency procurement do not think this is really so much of an emergency.

We have a number of things to which we are addressing ourselves in this bill. Unfortunately, we do not really have the temper or the patience to review each and every item; but I have a question about the Trident acceleration. There is only $25 million in this and we are talking about a $13.5 billion program that has escalated over the past year.

I am not going to argue about taking $25 million out of the supplemental bill. The other body was concerned that we were starting some new programs in this bill that we really have not heard much about today.

The item we have on page 18 where we say $66.3 million to include the design, prototype, and test of a modification to lengthen the C–141—sure, it is $66 million; but has anybody said how much this program is going to cost? I think it is somewhere between $500 million and $1 billion; so that is what the $66 million is buying us into.

The aircraft program is also included in that, the reserve air fleet, the study updating that and reorganizing that program. How much for that program? They tell me from $800 million to $900 million. That is what this $66 million is buying us into on an emergency basis.

We got the hearing report this morning on the supplemental and while it is 272 pages, if we take out the charts and graphs and inserts and supplementals and things like that, we really do not have the kind of hard-gut testimony in these items that I would like to see our committee have.

I think the Department of Defense has seized on the Middle East confrontation to try to ram through $200 million of R. & D. items and we wisely cut those out in the committee because we thought we were accelerating that too much and we gave them an opportunity to go before the subcommittee and prove that in the regular way.

I think that on all these items, particularly totally reorganizing the C–141 fleet, giving $6 million to every major air carrier in the United States for each of their 747 aircraft to put a nose-loading capability on it and a new tank platform, taking out all the civilian seats and things like that, that is kind of a radical program. I know the other body is concerned about it and I know our committee is going to be very much concerned about this item. I may be for it, but I have real hesitance in this kind of a program.

Mr. PRICE of Illinois. Mr. Chairman, will the gentleman yield?

Mr. LEGGETT. I yield to the gentleman from Illinois.

Mr. PRICE of Illinois. The gentleman knows there is hardly anything new about the program in the supplemental bill.

Even the newer Members have at least a year and a half to become acquainted with all these programs. There is nothing new about any program here.

Mr. LEGGETT. Mr. Chairman, I would like to commend the gentleman because he is the one who felt the Department of Defense overstepped itself in asking for R. & D. assistance with very little backup. The gentleman said, "Let us chop this out," and the committee unanimously rose up and joined him. I want to commend him for that effort.

Mr. PRICE of Illinois. Mr. Chairman, those are all new projects that had not been before the committee, but the gentleman will notice that I did request that the funds they requested, because of the increased costs of salary, wages, and so forth, that they be included in full in the R. & D. section.

Mr. LEGGETT. That is in the next title.

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from Colorado (Mrs. SCHROEDER).

The amendment was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

TITLE II—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

SEC. 201. In addition to the funds authorized to be appropriated under Public Law 93–155, there is hereby authorized to be appropriated during the fiscal year 1974, for the use of the Armed Forces of the United States for research, development, test, and evaluation, as authorized by law, in amounts as follows:

For the Army $55,043,000;

For the Navy (including the Marine Corps), $67,828,000,

For the Air Force, $83,766,000, and

For the Defense agencies, $10,852,000.

COMMITTEE AMENDMENTS

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 3, line 3, delete "$55,043,000" and substitute in lieu thereof "$35,898,000".

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 3, line 5, delete "$67,828,000" and substitute in lieu thereof "$38,538,000".

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 3, line 6, delete "$83,766,000" and substitute in lieu thereof "$29,466,000".

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 3, line 7, delete "$10,852,000" and substitute in lieu thereof "$5,991,000".

The CHAIRMAN. The question is on the next committee amendment.

The committee amendment was agreed to.

The CHAIRMAN. Are there further amendments to title II? If not, the Clerk will read.

The Clerk read as follows:

TITLE III—MILITARY CONSTRUCTION

SEC. 301. (a) The Secretary of the Navy may establish or develop classified military installations and facilities by acquiring, constructing, converting, rehabilitating, or installing permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment in the total amount of $29,000,000.

(b) There are authorized to be appropriated for the purpose of this section not to exceed $29,000,000.

SEC. 302. In addition to the funds authorized to be appropriated under Public Law 93–166, there is hereby authorized to be appropriated during the fiscal year 1974, for use by the Secretary of Defense, or his designee, for military family housing, for operating expenses and maintenance of real property in support of military family housing, an amount not to exceed $3,866,000.

SEC. 303. Authorizations contained in this title shall be subject to the authorizations and limitations of the Military Construction Authorization Act, 1974 (Public Law 93–166), in the same manner as in such authorizations as if they had been included in that Act.

Mr. HÉBERT (during the reading). Mr. Chairman, I ask unanimous consent that section 301 be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

AMENDMENT OFFERED BY MR. LEGGETT

Mr. LEGGETT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LEGGETT: Page 3, lines 9 through 16, strike out "section 301" and renumber the following sections.

Mr. LEGGETT. Mr. Chairman, my amendment would delete funds for construction of naval support facilities on the British-owned Indian Ocean island of Diego Garcia. This seemingly modest request would in reality vitally and irreversibly affect future U.S. policy, commitments, and relationships in the Indian Ocean. I do not believe that the abbreviated review procedure for this supplemental request has provided the information or comment on which I or any of my colleagues can base a reasoned and objective decision.

If the Congress is serious in its resolve to exercise a responsible and independent voice in the making of foreign policy, we cannot acquiesce in the pro forma processing of such important policy questions. No reason has been cited requiring urgent action. I, therefore, urge that we delete this request and require that it be subjected to the orderly and comprehensive review of the regular authorization/appropriation process which can form the basis for a proper exercise of congressional responsibility.

At first glance the Diego Garcia expansion proposal may seem restrained and moderate. All that is asked is $29 million in fiscal year 1974 to be followed by $3.3 million in fiscal year 1975 to expand the present "austere communications facility" on the island into a "modest support facility." This is said to be needed to provide more economical logistic support for an expanded level of U.S. naval activity in the Indian Ocean. A larger and more active U.S. presence is said to be called for, first, to protect vital oil shipments from the Persian Gulf; second, to assure access to international sea lanes; third, to balance the growing Soviet naval presence in the area; and fourth, to illustrate and underpin our influence in the region.

Perhaps it was because the request seems inconsequential that the Armed Services Committee of which I am a member gave it only cursory review before reporting out this bill. Or perhaps it was because the amounts involved seem relatively so small in the megaworld of defense expenditure. Whatever the reason, the issue has not been given the scrutiny required. I believe that a brief review of the situation and its implications will make clear that momentous policy consequences are involved in this decision and that serious questions concerning its wisdom and impact must be answered before a proper decision can be reached.

It is important to realize that the "modest facility" we are asked to authorize will include more than 600 full-time personnel; anchorage and bunkering facilities for full carrier task groups; and a lengthened 12,000-foot runway with support and staging capabilities for our most advanced military aircraft. Whatever we call it, the Diego Garcia expansion will create a major U.S. naval base and for the first time place an important permanent U.S. military presence in the heart of the Indian Ocean.

Plans for a new base on Diego Garcia are nothing new. Navy activists bent on establishing U.S. naval dominance in all the oceans of the world have been promoting such a posture since the early 1960's. Just such a proposal as this was turned down in the Congress when it was included in the fiscal year 1970 DOD request. In the intervening years the Congress has been assured time and again by administration spokesmen that with the lesson of Vietnam firmly in mind we do not intend to become directly involved again in maintaining peace around the globe, but will rely henceforth primarily on regional states to insure regional security.

Now, with not even a nod to the past, we are presented with an apparent reversal of these policies. We have been presented with incomplete and untested argumentation which begs the overarching policy considerations and which we are asked to accept without question.

We are told, for example, that the facility is to support an expanded U.S.

naval presence in the Indian Ocean. But I, for one, have not been told what that level of activity is expected to be. Since last October we apparently have had a carrier task group regularly in the area as well as the flagship and two destroyers of the Middle East force stationed at Bahrain in the Persian Gulf. If this is to be the level of our ordinary presence there, the effects will reverberate outside as well as within the area. What will the impact be on our readiness elsewhere? What requests will we be receiving to fill the gaps in other areas left by the new expansion? These are questions we must ask and have answered before we commit ourselves to the move, not after.

We are told that the expanded presence is necessary to protect passage of vital oil supplies from the Persian Gulf. But we are not told where the threats to these shipments are expected to come from nor how the proposed move will deter or be used to meet them. Isn't our naval presence currently based in the Persian Gulf protection enough? Again we need answers.

We are told that our access to international sea lanes needs this greater protection. But we are not told what threats to our free passage we have experienced or foresee? Is a permanent regional base and regular presence needed, or would not the periodic visits of the past still do the job? Again we need the facts to decide.

We are also told that we need new military muscle in the Indian Ocean to support our regional influence. If this is true, why is it that the great majority of the littoral states including close allies like Australia have roundly condemned the plans for a new base, while not one regional country has come out publicly in favor of it? Surely a close look at the impact of the move is required before we move ahead blandly and blindly in the face of this opposition. With the new British Government now reviewing the Diego Garcia arrangements, ordinary prudence dictates delay.

Finally we are told most emphatically that we must move to balance a rapidly growing Soviet presence which far exceeds our own in naval vessels and shore facilities and which we can expect to grow even more once a shorter lifeline for the Soviets through the Suez Canal is restored. But the evidence presented by the administration is unavoidably one-sided and incomplete, and we have not had the opportunity to develop an objective appraisal of the situation.

Without belaboring the camparisons offered on ship-days and shore access let me cite just a few troubling uncertainties. With a carrier task group in the Indian Ocean the United States far outweighs and outguns present Soviet capabilities there. With a support base on Diego Garcia we would have a logistic capability which seems to offer far more solid support than the politically insecure and inherently uncertain collection of bits and pieces of anchorage and access which we largely suppose the Soviets now have.

Will our expanded presence serve to balance big power presence in the Indian Ocean or will it be the next step in an accelerated area arms race? And would the Uniited States move serve as a handy excuse to justify an even greater Soviet presence and as a lever for the Soviets to pry increased shore rights out of reluctant riparians? Must the reopening of the Suez Canal presage an expanded Soviet presence, or might it not relieve pressures within the U.S.S.R. for a larger residual presence and extensive shore support by offering more ready and rapid access for Soviet vessels?

These are but some of the questions we must explore if we are to weigh our options in advance. Even more fundamental is the question of a negotiated arms limitation agreement covering the area. What are the prospects for such an arrangement with the Soviet Union? What have we done to pursue this goal and what could we do? Unless we have a clear view of the arms limitations picture it would be folly to act. One thing about the Diego Garcia expansion is certain—if the expansion precedes negotiations, the minimum base toward which we might hope to reduce a mutual presence will be that much higher, and the prospects for success that much farther away.

Mr. Chairman, we have heard a good deal about legislative oversight in the recent proposals for congressional reform. But there are two kinds of oversight, and I am afraid the Congress has become known more for what it overlooks than for what it has looked over.

It would be an oversight of the worst kind for this House to concur in the establishment of this major new naval base without demanding that the questions surrounding an important extension of U.S. power be fully aired and answered. Worse, it would be an abdication of responsibility and a sad retreat from the new and independent role in foreign policy that the 93d Congress proudly staked out for itself over a Presidential veto in the War Powers Act.

It was little less than contemptuous for this administration to present the Congress with a major policy initiative in the guise of a modest facility expansion and, with no hint of emergency, to expect that we would hand carry the request through in a supplemental authorization virtually unexamined. I urge my colleagues to demonstrate that we meant what we said in passing the War Powers Act in voting for this amendment.

The CHAIRMAN. The time of the gentleman from California (Mr. LEGGETT) has expired.

Mr. LEGGETT. Mr. Chairman, I ask unanimous consent that I may be allowed to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

Mr. HUNT. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. STRATTON. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this bill, as I have already indicated, is very largely the result of lessons that the U.S. military and our Armed Services Committee learned from the Middle East war, and, believe it or not, one of those lessons concerns the island of Diego Garcia.

I recognize that perhaps many people, including the gentleman from California (Mr. LEGGETT) even though he is a member of our committee, might not have heard before of Diego Garcia. Therefore, I have had this chart prepared so that the members of the committee can understand exactly what the situation is.

Incidentally, this is not a new commitment we are asking for in Diego Garcia, in spite of what you may have read in some of the "Dear Colleague" letters that have been going around. Congress appropriated money for an American base at Diego Garcia, right down here in the center of the Indian Ocean, as long ago as December 1970, and it expanded that appropriation in 1971 and again in 1972. Nor does the proposal for $29 million for Diego Garcia represent any great "escalation of the war" in the Indian Ocean, as some have charged. What is involved here is simply a desire for putting a little "gas station," if you will, down here in the center of the ocean so that any American ships operating in this very large and strategic ocean might be able to get some fuel once in a while. The fact of the matter, Mr. Chairman, is that this is a very important area of the world. We all recognize that fact, particularly following the Middle East war, because here are located the oilfields of the Persian Gulf, and the Soviet Union is very much interested in this entire area. The Soviet navy has in fact been very active since 1968 in the Indian Ocean, and at the present time the major Soviet naval presences in the Indian Ocean are represented by these hammer and sickle seals. For example, the Soviets have a base up here in Iraq at Umm Qasr, and another base down here at the facilities of the old British naval base in Aden, in South Yemen; they have a base in Somalia, and another at Socotra, and they are constructing a major airfield at Mogadiscio, in Somalia. In addition they have two major anchorages, one in the Seychelles and one at Mauritius, and they are also in the process of helping the Bangladesh establish a harbor in Chittagong.

We do not know now just what that harbor will include, but if it is being built by the Soviets you can be sure their ships will be able to use it anytime they want to.

When the Middle Eastern war broke out we recognized, in addition to the substantial increase in Soviet ships that developed in the Mediterranean, that there was also a substantial increase in Soviet ships operating in the Indian Ocean. Therefore we sent a U.S. carrier task force, that is, one carrier with its accompanying escort ships, into the Indian Ocean to check on the Soviets, and to deter any hostile moves they might make. Unfortunately, our small task force operating in this vast area had no shore fueling facilities available to it. There was no "gas station" for them to pull into to refuel, in other words. Our ships had tankers, but those tankers would have to travel all the way from the western part of the ocean, if we were operating there, and go all the way back at least to Bangkok, and perhaps to Subic Bay in the Philippines in order to replenish. So all we are asking for here is to give us enough storage facilities at Diego Garcia so that any American carrier or destroyers operating in the Indian Ocean can stop there to refuel. What is so bad about that when the Soviets have all of these other places for their use? Is it not right and is it not justifiable that we should be able at least to get a little fuel in this one little spot in this strategic area in the world?

Now as a further result of the Israeli war we know the Suez Canal will soon be opened. President Sadat told us in November he could get it cleared in 4 months.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. STRATTON was allowed to proceed for 3 additional minutes.)

Mr. STRATTON. I think that is probably an exaggeration; it might be 6 months, but as soon as the canal is clear you are going to have the Soviet fleet coming down into the Indian Ocean, and if you think you have a lot of Soviet ships in here now you will see two or three times the number of Soviet ships and submarines operating here after that event.

Now the other thing we want to do in Diego Garcia under this bill is to extend the runway enough so that our land based antisubmarine warfare reconnaissance planes can fly around the ocean a bit and keep track of the Soviet submarines in the area.

That is all that is being asked. That is all that this proposal involves.

There is one other thing, however, that might also be helpful, as another lesson from the Middle Eastern war of last October. Members are well aware of the fact that if it had not been for Portugal and the Azores, we never would have been able to carry out that fantastic October airlift to Israel. It is quite possible that in the future, with the difficulties presently going on in Portugal, the Azores base might be denied to us. So, how do we then provide an airlift to the Middle East if any new emergency should occur? Well, we can go through the back door from Bangkok to Diego Garcia provided the airstrip there is long enough to permit the C-5A's to land, and then they can fly from there up to Tel Aviv, or wherever else we may want to go.

So there are the things that this bill would provide, and what is the reason we want them so urgently in the supplemental? Because we need them now. We do not know when there might be another emergency airlift required to the Middle East. We do not know when next we might be confronted with an enormous increase in Soviet ships in the Indian Ocean area. If we put this in the supplemental we can get it settled now and get construction underway. If we deny this we delay construction by 6 or 7 months until the appropriation bill comes out in September, or October, or November. If we do that we might as well cede the Indian Ocean to the Soviet Union by default.

I think this makes good, sound sense. I think it is a wise provision for the future. I can well remember, although most of the Members here are too young to do so, but I can remember the days when this Congress voted against fortifying Guam. They said then we did not need any fortifications out there so far from Tokyo. So we were told we did not need any fortifications in Guam. And a lot of the Members here, including the gentleman from Florida, know how America was caught when the avalanche came because we had not fortified Guam.

So let us put this little fueling station down there, let us make space available for our antisubmarine planes, and let us try at least to maintain a balance of forces in the Indian Ocean.

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield?

Mr. STRATTON. I yield to the gentleman from Ohio.

Mr. SEIBERLING. Mr. Chairman, I would like to ask the gentleman from New York how it is expected that the planes are going to get from Diego Garcia to Israel when they have to cross Arab territory, no matter which way they go?

Mr. STRATTON. They can fly over the water spaces, over the Red Sea.

Mr. SIKES. Mr. Chairman, if the gentleman would yield, Israel is not on the Indian Ocean; that is a different story. Our aircraft reach Israel through other, nearer bases.

The CHAIRMAN. The time of the gentleman has expired.

(On request of Mr. SEIBERLING, and by unanimous consent, Mr. STRATTON was allowed to proceed for 3 additional minutes.)

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield further?

Mr. STRATTON. I yield to the gentleman from Ohio.

Mr. SEIBERLING. Mr. Chairman, I would like to ask the gentleman a further question.

The implications of expanding this base at Diego Garcia could be rather serious in terms of producing a counter-escalation. Is is not possible that this kind of a move may produce a similar move on the part of the other party?

Mr. STRATTON. Absolutely not, because we know that this is just an attemp to try to match the Soviets in a small way, because we cannot match ship by ship what the Soviets are doing in the area.

Make no mistake about it, the Indian Ocean is an important and strategic area.

Mr. PRICE of Illinois. Mr. Chairman, will the gentleman yield?

Mr. STRATTON. I yield to the gentleman from Illinois.

Mr. PRICE of Illinois. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I think that the gentleman from Ohio misunderstood the gentleman when the gentleman mentioned the fact that there would be antisubmarine type aircraft located there. It is not planned to have any strategic aircraft there; it was the necessity of having to go as far as Israel.

Mr. STRATTON. No, only the airlift planes would in an emergency be able to fly from Diego Garcia to Israel.

Mr. BROOMFIELD. Mr. Chairman, will the gentleman yield?

Mr. STRATTON. I yield to the gentleman from Michigan.

Mr. BROOMFIELD. Mr. Chairman, I wish to rise and congratulate the gentleman from New York (Mr. STRATTON) on his excellent statement. I feel that this is an extremely important facility, and that this is a very modest request. I wish to join with the gentleman in this important statement.

Mr. Chairman, for over a generation, the United States has maintained a minimal permanent presence in the Indian Ocean. However, since the Middle East war, the United States has found it advisable to maintain a more frequent and regular presence in that area than in the past. This is due to the Soviet Union's significantly increased ability to introduce additional forces quickly into the Indian Ocean, while our own ability to project our presence into that area has significant limitations.

There can be no doubt that Soviet military and political activity in the Indian Ocean area reflect Moscow's continuing efforts to increase its influence and power. Countries in which the Soviets are particularly active include Tanzania, Somalia, South Yemen, Iraq, Afghanistan, and India. In addition to increasing its influence in the Indian littoral, Moscow's apparent objectives include a reduction of Western influence, prevention of the expansion of Chinese influence, and the encouraged development of "progressive" governments. Two of these goals—to reduce Western presence and to encourage "progressive" governments—have been a part of Soviet policy since the mid-1950's.

Recent events in the Middle East have demonstrated that what happens in the Indian Ocean area is closely related to the well-being of the rest of the world. Events there are especially important to our interest in Europe, in Asia, and more basically, in maintaining a worldwide balance conducive to peace and stability. If we are adequately to protect our worldwide interest and commitments, we must have the capability of deploying our military power in the Indian Ocean area. To that end, the proposed support facilities at Diego Garcia are essential.

Effective deployment of a U.S. naval presence in the Indian Ocean presently taxes our logistics support capabilities to the limit. It requires us to reduce our ability to support our forces in other important areas such as the Western Pacific. It involves serious uncertainties as to the security of supply lines and bunkering facilities. If we are to insure that growing Soviet power in the Indian Ocean area is properly balanced by our own, we must have a basic logistics support facility in that region.

Let us not dismiss as insignificant the increase in Soviet capabilities in the Indian Ocean. Since 1968, the U.S.S.R. has steadily built up both its presence and its support capability in this area. They now have a support system there that is substantially greater than our own. Let me mention some examples:

The Soviets have established fleet anchorages in several places near Socotra, where there is an airfield to provide them with a potential base for reconnaissance and other operational aircraft.

They have established anchorages in the Chagos Archipelago including the installation of permanent mooring buoys.

They have built a communications station near the Somali port of Berbera to provide support for their fleet. Simultaneously, they have expanded facilities at Berbera, which currently include a restricted area under Soviet control, as well as a combined barracks and repair ship and housing for Soviet military dependents.

They are building a new military airfield near Mogadiscio, which could be used for several types of missions.

Soviet naval combatants and support ships have been given access to the expanded Iraqi naval port of Umm Qasr, where facilities are being built with the help of Soviet technicians. These facilities appear to be a good deal larger than any that the Iraqis would need for their own forces.

At the former British base at Aden, the Soviets have been granted the use of port facilities. They have the use of air facilities at the former Royal Air Force field nearby. They maintain personnel ashore in both places. They also use the port of Aden for refueling, replenishment, and minor repairs.

Since 1971, Soviet naval units have been working at harbor clearance operations at Chittagong in Bangladesh.

I submit that this represents a concerted and formidable effort to entrench Soviet influence in an area that is vital to U.S. interests. There can be no doubt that when we talk in terms of showing the flag and gunboat diplomacy, as far as the Indian Ocean is concerned, the power vacuum has been filled by Soviet ships, not those of the U.S. Navy.

Viewed in this context, the proposed expansion of our facilities at Diego Garcia appears to me as wise and proper.

There has been a good deal of exaggeration of the extent of this proposed expansion. I would like to emphasize here the rather austere nature of the program we have suggested. The expansion would make Diego Garcia into a useful and flexible support facility for U.S. forces operating in the Indian Ocean area. The facility would be capable of providing support for maintenance, bunkering, aircraft staging, and enhanced communications activities. Fuel storage capacity would be increased, the lagoon would be deepened to provide an anchorage, the existing 8,000-foot runway would be lengthened, the airfield parking area would be expanded, and improvements would be made to accommodate a total of 609 people—hardly an overwhelming number.

Such a program will significantly enhance our capability to operate naval forces in the Indian Ocean far more efficiently than our present situation permits. I believe we need this capability to further our national goals of world peace and stability. I hope the Members will recognize this need and approve the necessary appropriation.

A very compelling statement concerning our Indian Ocean policy was recently made by Adm. Elmo R. Zumwalt before the Foreign Affairs Subcommittee on the Near East and South Asia. I have asked permission to insert it at this point in the Record:

STATEMENT OF ADM. ELMO R. ZUMWALT, JR.

Previous witnesses from the Departments of State and Defense have described in some detail the range and history of U.S. interests in the Indian Ocean and the general strategic rationale for our military presence there.

Those interests relate mainly to the area's key resources, and to the transportation routes which carry them to the United States, its friends, and its allies.

While I do not want to be unduly repetitive, I would like to stress the growing importance of this area to the United States. Recent events such as the Arab-Israeli war, the oil embargo, and the worldwide economic dislocations which flowed from that embargo and ensuing price rises, have served to focus attention on the Indian Ocean area. The impacts of these events have brought home clearly the interrelationship between what goes on in the Indian Ocean area and the well-being of the rest of the world.

I think it is evident, as a result of that experience, that our interests in the Indian Ocean are directly linked with our interests in Europe and Asia; and, more broadly, with our fundamental interest in maintaining a stable worldwide balance of power. In this interdependent world, events in the Indian Ocean cannot be viewed in isolation, but must be assessed in terms of their impact in other areas of key importance to the United States.

In the judgment of many observers, the Indian Ocean has become the area with the potential to produce major shifts in the global power balance over the next decade. It follows that we must have the ability to influence events in that area; and the capability to deploy our military power in the region is an essential element of such influence. That, in my judgment, is the crux of the rationale for what we are planning to do at Diego Garcia.

The second main point I think we should keep in mind is that the Diego Garcia facilities are intended to support naval forces. This is understandable, given the geographic realities of the situation.

We have no land bridge to the critical Indian Ocean littoral areas, as do the other great powers of the Eurasian landmass. We cannot fly to these countries except over the territory of others or along lengthy air routes over water. The most efficient way we have of reaching them directly is by sea. When other great powers look on the Indian Ocean area, they find ways of projecting their influence by their geographical proximity, over relatively short air and ground routes. The United States, by contrast, must rely almost exclusively on the sea.

The Navy has been in the Indian Ocean area for many years, as you are aware. Since the late '40s we have maintained a small naval presence based in the Persian Gulf, called the Mideast Force. This force consists of a flagship stationed in Bahrain and two destroyers or destroyer escorts are on rotational assignments from other units. It is too small to give us any significant military capability, but it has served an important diplomatic purpose by providing a tangible symbol of U.S. interest in the area. We periodically sail additional ships into the area for training and port visits. The frequency of these visits was reduced during the Vietnam War. As you know, the Secretary of Defense recently indicated that we intend to reestablish the pattern of regular visits to this area.

In addition to these visits, the United States on two occasions in the past three years has operated carrier task forces for extended periods in the Indian Ocean. In neither of these cases were our deployments occasioned by, or directed against other naval forces in the area. On both occasions their presence supported U.S. foreign policy, evidenced our deep interest in events in the region, and lent weight to our diplomatic initiatives.

I would hasten to point out that on both occasions these deployments also taxed our logistics support capabilities to the absolute limit, requiring a significant reduction in our ability to support our forces in other key areas, such as the Western Pacific. And this was in an environment when the pace of operations was relatively slow, and the logistics support requirements correspondingly low. It was also in a situation where our extended and highly vulnerable supply lines were not subjected to any hostile threat. In short, it was an artificial situation, far more advantageous than that which we could expect in a combatant environment; yet our ability to operate a modest force even under these favorable circumstances was marginal.

The lesson of these two experiences is clear. If we are to have any reasonable contingency capability for the deployment of naval forces in the Indian Ocean area, we must have the rudiments of a logistics support facility in the area.

As you know, we currently maintain a communications facility on Diego Garcia, which is located in the center of the Indian Ocean. This facility was not designed to provide a capability for sustained logistics support of U.S. forces operating in the region. What we propose to do now is to take advantage of its central location, and its political accessibility under our existing agreement with the British Government, to provide the essential elements of a naval support facility in the Indian Ocean.

This facility will be capable of providing support for a flexible range of activities including ship and aircraft maintenance, bunkering, aircraft staging, and improved communications. It will also provide for the operation of ASW aircraft in support of naval forces. The current supplemental military appropriation recently presented to Congress contains a request for $29 million to improve the facilities on Diego Garcia. Specific projects include increased fuel storage capacity, deepening of the lagoon to provide an anchorage which will accommodate an aircraft carrier and its escorts, lengthening the existing 8000-ft. runway and expanding the airfield parking area, in addition to certain improvements to our existing communications facility and the construction of additional personnel quarters, to accommodate a total of 609 people. We believe that if we are to have an assured capability to deploy and support U.S. forces into the Indian Ocean area, the facilities we now propose at Diego Garcia are essential.

As mentioned by previous witnesses, the upgrading of Diego Garcia does not in itself postulate any given deployment of forces, but will significantly enhance our capability to operate naval forces in the Indian Ocean, to the extent such deployments are required by national policy.

The Soviets recognized the growing importance of the Indian Ocean area some time ago. Indeed, I would say their perceptions of this antedated our own. Since 1968 we have seen a pattern of steady buildup both in the Soviet naval presence, and in Soviet capabilities for the support of military operations in the Indian Ocean.

We must presume that the Soviets' plans for the expansion of these capabilities are based on perceptions of their own interests and objectives in the region, and are not driven predominantly by U.S. activity in the area. This is borne out by the fact that the rate of Soviet buildup has increased steadily throughout the period, while our own activity has remained at a relatively low level.

As a result of this Soviet buildup, the Soviets possess a support system in the area that is substantially more extensive than that of the U.S. Let me provide some examples.

The Soviets have established fleet anchorages in several locations near the island of Socotra, where an airfield provides a potential Soviet base for reconnaissance or other aircraft. In addition, they have established anchorages in the Chagos archipelago, including the installation of permanent mooring buoys. (They have done this in other areas around the Indian Ocean littoral as well.)

They have built a communications station near the Somali port of Berbera to provide support for their fleet. At the same time they have increased their use of, and are expanding naval facilities at Berbera, which currently include a restricted area under Soviet control, a combined barracks and repair ship and housing for Soviet military dependents. In addition, they engaged in building a new military airfield near Mogadiscio, which could be used for variety of missions.

Soviet naval combatants and support ships have had access to the expanded Iraqi naval port of Umm Qasr, where facilities are being built with the assistance of Soviet technicians. In my personal opinion, those facilities are considerably more extensive than any which would be required for Iraqi needs alone.

The Soviets have been extended the use of port facilities at the former British base at Aden, and air facilities at the former Royal Air Force field nearby. They maintain personnel ashore in both locations. In addition, they use the port of Aden for refueling, replenishment and minor repairs.

Since 1971 Soviet naval units have been engaged in harbor clearance operations at Chittagong, Bangladesh.

In addition to their regional support facilities in the Indian Ocean, the Soviets are embarked on a worldwide program to expand bunkering and visit rights for their naval, merchant and fishing fleets. Since Soviet merchant vessels are frequently employed for logistics support of Soviet naval forces, the establishment of merchant bunkering facilities expands the Soviet Navy's logistics infrastructure. The Soviets have recently secured bunkering rights in Mauritius and Singapore and have made approaches to other Western and non-aligned countries.

In summary, Soviet support initiatives and the tempo of their naval activity in the Indian Ocean since 1968 have expanded at a deliberate pace which cannot be related, either in time or in scope, to any comparable expansion of U.S. activity. The Soviets' logistics arrangements are designed to support their own strategic objectives in the area. In my judgment those objectives relate primarily to the expansion of Soviet influence with the countries of the region; the enhancement of the Soviet image as a great power; and the neutralization of the PRC's political influence and military power through the expansion of Soviet power on China's southern flank.

Underlying all of this is Soviet recognition of the critical importance to most of the world's economies of the sea lanes which pass through the area. As a result of that importance, the Soviets recognize that any nation which has the capability to project substantial naval power into the Indian Ocean automatically acquires significant influence not only with the littoral countries, but with those countries outside the area which are dependent on the free use of its sea lanes as well.

The Soviets' logistics infrastructure is already sufficient to support a much greater Soviet presence than the one which now exists in the Indian Ocean. I expect the Soviet presence in the Indian Ocean to continue to grow, irrespective of anything we do at Diego Garcia. With Suez reopened, the Soviets will have a capability for rapid deployment of naval forces into the area. With the facilities they could draw on in a crisis, coupled with their rapidly growing capabilities for mobile logistics support, I do not think they would have great difficulty supporting an extensive force in the Indian Ocean.

In a similar fashion, our plans for the area are a product of our own interests and our perception of the growing strategic significance of the Indian Ocean area. This, coupled with the importance of our interests in the area, has led us to the conclusion that we must have at least the rudiments of a capability to support U.S. military forces in that part of the world. I would add that the development of such capability provides tangible evidence of our concern for the security and stability of the region.

In summary, gentlemen, what we are proposing for Diego Garcia is primarily a capability for logistics support of forces that may be sent into the Indian Ocean in contingencies, or for periodic deployments. In this sense, it is a prudent precautionary move to ensure that we have the capability to operate our forces in an area of increasing strategic importance to the U.S. and its allies.

Second, as I pointed out earlier, while Soviet activity adds to the rationale for Diego Garcia, that rationale would exist independently of anything the Soviets are doing. We have very important interests in the area. It has become a focal point of our foreign and economic policies and has a growing impact on our security. Prudence would suggest that we provide support for our foreign policy by having a credible capability to deploy military power into the area. Such capability should contribute to the stability of the region over the long-run.

Finally, the geopolitical asymmetries between the U.S. and the Soviet Union must be kept in mind in assessing the relative importance to the two countries of the capability to operate naval forces in the region. The Soviet Union dominates the Eurasian landmass. It has borders with some key Middle Eastern and South Asian countries. Its land-based forces can already be brought to bear in the region. The U.S., on the other hand, can project its military power into the area only by sea and air, and over great distances. The Soviet Union, in sum, has the geographical proximity necessary to influence events in the Indian Ocean littoral, without the employment of naval forces if necessary. We do not. Limiting our capabilities to operate naval forces effectively in the region would not be in U.S. interest; and would clearly put us at a disadvantage in the region.

Mr. LEGGETT. Mr. Chairman, will the gentleman yield for a question?

Mr. STRATTON. Yes, I yield to the gentleman from California for a question.

Mr. LEGGETT. Mr. Chairman, I notice that the map the gentleman has presented to us has great, big, hammer-and-sickle stickers every place it is alleged that there is a Soviet naval base, but where the United States is involved there are small orange markings. Is there any implication meant by that? Is there any implication to that?

Mr. STRATTON. I think the point is that all of our facilities are small by comparison. For example, Bahrain is where we now have had an old seaplane tender from World War II stationed there as a Middle Eastern force, and we have already been kicked out of Bahrain. We have to get out of there in 1 year. Bandar Abbas has been given to us by Iran as a possible base, but it has not even been constructed as yet. Diego Garcia does not even have enough fuel down there to take care of one destroyer.

Mr. LEGGETT. How much have we spent down in Sattahip? It is on the gentleman's map there. We have spent 10 times the amount the Soviets have spent in the Indian Ocean if we consider the amounts the United States has already spent in Diego Garcia and Thailand for the Navy.

Mr. STRATTON. I do not know offhand what the figure is. That is certainly an important base.

Mr. HOWARD. Mr. Chairman, I move to strike the last word.

I yield to the gentleman from California (Mr. Leggett).

Mr. LEGGETT. I thank the gentleman for yielding.

I wish the gentleman from New York would leave his maps there. I think it is interesting to note on that map that Diego Garcia is down there about 1,000 miles from the tip of India. As I indicated in my previous statement, one could draw a 1,200-mile circle, and the only real land that one is going to come into contact with is India. Ceylon is a little island south of India. Both of those countries have indicated they are against our presence in what we call littoral or riparian areas in the Indian Ocean that are on this map. They have indicated they are either opposed to our introduction of new forces in this area, or they have said nothing.

The Australians, who have the best strategic routes to Diego Garcia, have indicated they are opposed to our escalating in this fashion. The British, who own the island, under the former Conservative government have indicated that they supported what we were doing, but the new Government just elected in Britain has indicated they have some reservations, and they want to further take a look at this. So that is our general situation.

We have got these big seals on here. The only evidence I know of about the identity of those seals is the things that Admiral Zumwalt has said. Mr. Stratton, in the letter he sent around, said the Soviets have developed five major naval bases in the area, among which he cites Um Qasr in Iraq and the island of Socotra. In both, as well as the other ports cited, the Soviets have very limited and uncertain rights as far as we know.

We have had no evidence at all from the gentleman in the well as to how much the Soviets have spent on any of these bases or what their capabilities are.

Admiral Zumwalt has said Soviet naval vessels have had access, for example, made port calls, and that in his personal opinion the port now being built with Soviet technical assistance was considerably more extensive than the Iraqis needed. This uncertain and potential use is hardly a major naval base. At Socotra, likewise, all Admiral Zumwalt could say was that the Soviets have anchorages near the island, ocean anchorages that anyone could set up, where an airfield provides a potential base for reconnaissance or other aircraft.

Is this a naval base? This one area I am talking about is just a dirt field. In all of these areas where we have these seals there has been no indication whatsoever of what the Soviets have in these areas. The Soviets have gotten complete and general dominance of the area because of their massive land encroachment that is just off of this map to the north here.

Of course, the gentleman who very

ably run our ASW Committee when the gentleman had the time to do it, knows very well that P-3's operating out of Diego Garcia covering several million square miles of ocean would have to have about a billion sonar buoys to do any kind of reconnaissance job in looking at the Soviet submarine. We cannot keep track of the Soviet submarines today in the Mediterranean. How could we possibly do it down in the Indian Ocean?

Mr. STRATTON. Will the gentleman yield to me so I can answer the gentleman from California?

Mr. HOWARD. I yield to the gentleman from New York.

Mr. STRATTON. Here is what the Soviets have actually developed in the various bases I have pointed to on our chart. In Iraq, in Umm Quasr, the Russians had 16 ship visits during 1973; approximately 500 Soviet military technicians are there; they are limited shore facilities available to the Soviet Navy; the Russians have fuel facilities at Al Faw at the mouth of Shatt-al-Arab; and the Soviets helped to build a canal between Basra and Umm Quasr; and there are 10 military airfields in Iraq built with Soviet assistance which could be used by Soviet naval reconnaissance aircraft.

In South Yemen and Socotra the Soviets have extensive ex-British facilities at the Port of Aden available to the Soviet Navy; unlimited POL storage; drydocks; covered storage; and 17 Soviet Navy ship visits were made in 1973; and upward of 200 Soviet military and technical advisers are located there.

In Somalia the Soviets had 97 ship visits during 1973; they have barracks and repair ships located in Berbera, 4 or 5 Soviet Navy ships are usually in the Port of Berbera at any time; also the Soviets have 51,000 barrels of POL storage available in Berbera; and there are Soviet Navy communications facilities ashore. In addition, some 2,600 Soviet personnel are located ashore in this Somalia Republic base. In Mogadiscio the airfield, I have already mentioned as being under construction there, will be completed by this summer.

Mr. LEGGETT. Mr. Chairman, will the gentleman yield?

Mr. HOWARD. I yield to the gentleman from California (Mr. LEGGETT).

Mr. LEGGETT. Mr. Chairman, we do not show our base in Ethiopia with a big seal like the Soviets.

Mr. STRATTON. If the gentleman will yield further, we do not have any U.S. facilities in Ethiopia whatsoever. The only time we can go in there would be as a result of an emergency at sea.

Mr. LEGGETT. We have a base there. I have seen the flags, as has the gentleman.

Mr. STRATTON. There is no naval base there, I will say to my good friend.

Mr. DERWINSKI. Mr. Chairman, I move to strike the necessary number of words.

Mr. Chairman, I am going to use this microphone. I have noticed in recent months that those Members who speak at this microphone generally prevail more often than the Members who use the other microphone.

I would encourage the Members on both sides of the aisle to listen very carefully.

I would like to sum up the point so well made by the gentleman from New York (Mr. STRATTON). First I would like to underline the point that the United States is not escalating the arms race in the Indian Ocean. The Soviet Union is. They are the Johnny-come-lately militarywise in the Indian Ocean. We have been there far longer as a military power. It ill behooves us to step back from any practical program to protect our sealanes.

I would suggest the Members look at this map in addition to the map covering the smaller geographic area and keep in mind, as I think we all understand the facts of life, that this issue is basically an American political debate. It is not commentary by a group of military experts.

American political thinking requires that we do not use and we will not use the bases available in Mozambique or in South Africa.

But if the Members will look beyond this area, political conditions find the Soviets using every base that is open. On the west coast of Africa we have no bases. They have major entry into bases in Guinea, a state they support and which they have base rights.

Comment was made about the new Governments in Britain and Australia and their supposed unhappiness about our supposed development of the Diego Garcia base. I ask the Members to look at the problem in terms of understandable politics. They have Labor governments which cater to left-of-center constituents. It is far better for them to take a polite posture against the United States hoping, however, and keeping their fingers crossed, that our Congress in its wisdom will support our investment in Diego Garcia. Officially they are saying, "We have some doubts," but unofficially they are saying, "Please move in there because we cannot."

The letters from the distinguished gentleman from New York (Mr. PIKE) and the gentleman from Indiana (Mr. HAMILTON) implied that the Governments of Australia and Great Britain oppose the U.S. funds for Diego Garcia.

Out of curiosity, I called the Australian Embassy. I was told that although it was official policy of the new Government to state their reluctance and unhappiness with the U.S. investments in Diego Garcia, that it is not their policy to oppose any U.S. entree; that what they are opposed to is superpower escalation. They are not opposed to U.S. investment per se.

I ask the Members of the House as individuals who are politically elected to please look at the political facts of life. We have governments in Australia and other allies that in their own domestic considerations cannot say exactly what they want to say. Certainly at a time when the détente is to be questioned, certainly when many in this Chamber go out of our way to point out the possible pitfalls of Kissinger diplomacy and the possible false security in the euphoria of détente, that the United States can be outmaneuvered in military matters, I cannot believe the House would not support funds for this project.

Mr. FRELINGHUYSEN. Mr. Chairman, will the gentleman yield?

Mr. DERWINSKI. I yield to the gentleman from New Jersey.

Mr. FRELINGHUYSEN. I want to congratulate the gentleman and say I agree with his statements. I would suppose the vast majority of this House recognizes that this proposal to make a modest investment in Diego Garcia makes sense.

The gentleman refers to the political problems in this area. I went to India in February and I got that same kind of flack. There were those who were saying we do not want problems over Diego Garcia, and do not want to see an escalation.

I asked my Indian friends if this was not really primarily political talk, as their Prime Minister was engaged in a campaign at the time. There was obviously no escalation on the part of the United States in seeking to develop a facility a thousand miles from the Indian shores.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent Mr. DERWINSKI was allowed to proceed for an additional minute.)

Mr. DERWINSKI. Mr. Chairman, I thank the gentleman from New Jersey and I hope the gentleman from Iowa (Mr. GROSS) recognizes the wisdom of foreign travel.

Mr. KETCHUM. Mr. Chairman, will the gentleman yield?

Mr. DERWINSKI. I yield to the gentleman from California.

Mr. KETCHUM. I think a very proper parallel can be drawn in this case. Those that were here prior to World War II should remember what we did in Guam, 1,500 miles from the Japanese mainland, with the type of equipment we had to use in those days. There were a group of us in this House that had to go back and take the Marianas and shortly after that the bombers based in the Marianas brought this war to a conclusion.

I agree that we should not have used this map, but that one over there.

Mr. GROSS. Mr. Chairman, could I ask the gentleman a question from this side of the aisle?

Mr. DERWINSKI. I yield to the gentleman from Iowa.

Mr. GROSS. Is the position the gentleman is taking represent the position of the United Nations?

Mr. DERWINSKI. No. The United Nations does not support the naval base; but I suggest the gentleman should support it.

Mr. PIKE. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I submit that the argument which we are having is, indeed, a political argument and I think it is a very profitable one. I think it is proper that we should address ourselves to the question of whether we want to try to have a three-ocean Navy at a time when we are having difficulty maintaining a two-ocean Navy.

I think it is proper to consider at great lengths the question of whether or not this is going to take us down some unknown strategic path and what support we are going to put into the Indian Ocean and what kind of forces we want to have in the Indian Ocean.

But I would suggest that in this political debate we might well address ourselves right now to the question of the presence of this issue in a supplemental authorization bill.

What is the bloody rush on this thing? Do the Members think we have not tried to go into the Indian Ocean before? In 1966 they wanted to establish an Air Force base at an island called Aldbar, and why did they stop it? They stopped it because it was the last nesting place of the Yellow-Footed Boobie. For Heaven's sake, can we not consider a little more seriously where we are going on an issue of that kind?

We did not do it for fear of interrupting the nesting place of the Yellow-Footed Boobie, but here we are going down this route on a supplemental appropriation. I think what we ought to be addressing ourselves to is this: Let us assume we build this base. Will we ever be allowed to use it? We have bases all over Europe; and when we wanted to use our bases, what was our ability to use these bases?

In the hearings on this supplemental appropriation I said, "Can you produce the agreement"—this is not our country; this is not our land; it is not like Guam—"Can you produce the agreement we have with Great Britain for the use of this base?"

"Well, no, we are still working on that agreement, and we don't quite know what the agreement is going to be."

So does it not really make sense that before we embark on this huge course of action—and the Members are only seeing the tiniest piece of the tip of the iceberg here—that we know where the heck we are going, that we know what the agreement is going to be with Great Britain for the use of this base, that we know we can use it when we want to use it instead of building more bases overseas, spreading our power in other bases all over the globe?

Then when we really want to use the base in a crunch, they say, "Well, we are sorry. We don't quite agree with you on this particular issue that you are embarked on, and therefore, no, you cannot use our bases. You cannot stage out of our property for this purpose."

Mr. Chairman, I have not judged as to whether or not we ought to go into Diego Garcia, but I say it is an absolutely huge issue to be discussing and to be considered. We should not be trying to ram it though on a supplemental authorization bill.

Mr. LONG of Maryland. Mr. Chairman, I rise to oppose the amendment.

Mr. Chairman, as a member of the Appropriations Subcommittee on Military Construction, I have had considerable interest in Diego Garcia. I might point out that for quite some time I was opposed to its acquisition. I have put some study into it and tried to look at it as objectively as I could.

Mr. Chairman, let me say that I think the strength of the Russian presence, the accessibility of their bases in the Indian Ocean has been exaggerated. I do not see this as a national threat, and I think when the Suez Canal is opened up, it is not going to be of enormous value to the Russians, because it can be closed up in a few minutes if a real war broke out.

So that we have this question: What is the value of the Diego Garcia base to us? First, it does have some psychological advantages in peacetime in a very important part of the world where a real power vacuum exists now such as has never been before. The British are gone; the Persian Gulf is found to have trillions of dollars' worth of oil. We are building up the Shah of Iran, which I think may be something of a mistake because we never know who might take over from him.

At any rate, all the other countries in that area have practically no military power and are ripe for taking over. It does seem to me that there has to be some kind of policeman, even of a modest variety, in that area.

I would rather have it be us than somebody else.

Now, a real argument, so far as I am concerned here, is economics. Diego Garcia is a real bargain, assuming that one believes in bases, assuming one believes in naval power at all. Of course, if one thinks we ought to get out of everywhere, that we should not keep a presence there, and that we ought not be a naval power, Diego Garcia does not matter.

The cost of this base, $29 million, is probably substantially less than the cost of a destroyer, so we are not getting in very deep economically if we take this base over.

What we do later on with all kinds of aircraft carriers is something we can deal with in the future. We do not put ourselves very deeply into the Indian Ocean or open up a whole new strategic situation by voting for this base now.

Mr. Chairman, to me, it is an additional base, it provides a fueling station at a relatively cheap price, and I think it has some strategic value.

There are those who are very worried about whether acquiring Diego Garcia will upset our program of détente and lead to some kind of escalation.

I have thought about this point, and I am one of those who have long believed that we and the Russians have been working ourselves into a needless frenzy and ought to try to calm things down.

However, I do not believe that we put détente in peril by this acquisition of Diego Garcia. The Russians have made no concessions to us as part of détente. We have gotten nothing from détente. The Russians are moving to become a world naval power, to invade our historical prerogative. They are a land power, as they are entitled to be, and now they want to be one of the great naval powers. They are going to continue to challenge us on the seas, regardless of what we do in the Indian Ocean.

Mr. Chairman, the acquisition of Diego Garcia is a very modest counterforce on our part. I do not believe it will lead to great escalation or great reaction, because I think the Russians are going to do whatever they want to do in any case.

I have some reservations as to whether this is the time or the legislation in which to take this matter up; on that point I have some agreement with the gentleman from New York (Mr. PIKE).

But on the matter of Diego Garcia I think it is a worthwhile addition to our American naval power. American naval power has declined, relatively speaking, as compared to the Russians, and I would like to see our naval power given this bolstering. So far as the particular investment is concerned, we are making a relatively modest step in that direction.

Mr. SIKES. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I have asked that a map of the Diego Garcia Archipelago be placed here for the benefit of the membership. This is the iceberg, the tip of which we have heard discussed. You will note we are dealing with the iceberg—not just the tip.

Now, if the Members will take a careful look, we have here a rather rough V-shaped atoll which is some 200 or 300 yards wide, with a lagoon in the center, a channel entrance at the top, and the whole atoll is, I would say, 4 or 5 miles long. So the small size of the atoll precludes major additional construction. There is not room enough to do very much more than what is programed here.

As a matter of fact, the only plan for additional construction beyond the $29 million is for about $8 million in the next 2 years to complete and refine what is being proposed here now.

So, Mr. Chairman, I oppose the amendment. I think it has been very well discussed on both sides. The gentleman from New York (Mr. STRATTON) gave a splendid description of the proposal. Diego Garcia will have to be counted as a bargain by all comparisons.

This applies to cost, it applies to the posture of American security, and, perhaps most important of all, by contributing to our ability to show the flag wherever we need to show the flag.

This is a very limited expansion of the present station at Diego Garcia. We just have a communication station there. It was originally planned as a filling station also. That part had to be dropped. Now it has become necessary to return to the plan to include supply facilities so that our ships may have limited resupply there at some strategic point in the Indian Ocean.

Mr. Chairman, there were questions raised about the attitude of the British under the Labor government. I happen to have some authoritative information on that. As recently as March 19, 1974, the Labor government labeled as an untruth the press reports that the Government had reversed the position of the Conservative Party regarding Diego Garcia. All they are doing is reviewing all treaties, but they have given no indication to our Government, regardless of any press reports that may have been quoted here, that they have any reservations about base rights for the Americans. This is one of the few places in the world where we have fully satisfactory base rights. That is very important in today's world.

During the recent war in the Middle East we sent a carrier task force into the Indian Ocean. We thought we had to do that because of Russian threats to intervene near the end of the war. That force had to rely on ship supply efforts and primarily on supplies 4,000 miles away at Subic Bay in the Philippines.

That is what we had to do in order to show the flag in the Indian Ocean. Since then the situation has worsened. The very small force which we maintained at Bahrain has been told to leave. Our dependence now on Arab or African ports for supplies is very uncertain. Our ships never know from one day to the next what the whim of the local government will be when our ships need fuel.

Mr. Chairman, the claim has been made, and this is done frequently, that providing these minimum facilities will somehow escalate the armaments race with the Russians in the Indian Ocean. Well, the Russians have already escalated the arms race there in order to gain influence over nations bordering the Indian Ocean and in order to obtain naval bases and airfields in these areas. They have done very well for themselves while we were doing nothing except getting our forces out. Now the Russians soon will have the Suez Canal available, partly with the compliments of the United States, which is helping with mine sweeping and clearance. The opening of the Suez will benefit the Russian naval power, more than that of any other country in the world. The Suez and the airfields and naval bases around the littoral of the Indian Ocean all give the Russians a big advantage there. They are far ahead of us and they know it.

There is now a virtual power vacuum in the Indian Ocean except for the Russian presence. The British are out and our presence is minimal. To abandon this base or to fail to expand it in order to make it more useful is to surrender the right to an assured American presence in the Indian Ocean. There are important American interests all around the Indian Ocean littoral. They need the flag too. It has been said we should try to work out a treaty of nonescalation before we proceed with construction at Diego Garcia. When and how do you get a treaty with the Russians? Only when it is to their advantage. They do not need a treaty in the Indian Ocean. They are already there in force but we are not. A treaty would only lock in existing disparities. Do not forget SALT I and the wheat deal. The United States does not cover itself with glory when we negotiate with the Communists. It is time to protect our own interests, at least here and now in this very modest way.

Mr. HUNT. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, much has been said about this tiny atoll in the Indian Ocean, but I noticed when the discussion was going on between the gentleman from California (Mr. LEGGETT) and my colleague, the gentleman from New York (Mr. STRATTON) that some questions were raised as to why he had larger buttons placed on the map, marked with a hammer and sickle, than he did on a U.S. base. I was most pleased to find that my colleague, the gentleman from New York, who is most knowledgeable in this matter, has pointed out that the reasons for the large buttons was the tremendous concentration of Russian manpower and equipment that is now existent there as compared with this little, tiny atoll, Diego Garcia, in the Indian Ocean.

It is strange, but I heard no retort, I heard no retort at all insofar as why not.

Mr. LEGGETT. Mr. Chairman, will the gentleman yield for a question at that point?

Mr. HUNT. No.

Mr. LEGGETT. The answer is "No"—right?

Mr. HUNT. No. The answer should have been given then, as to what was the reason why the gentleman from California (Mr. LEGGETT) questioned the number of people in there, and the size of it, because I think the gentleman from New York (Mr. STRATTON) most succinctly pointed out the reasons why we want this. The atoll at the present time, that is under discussion, has about 300 U.S. personnel there now, and some oil storage tanks.

But if the Members will look at the map the gentleman from New York has presented, they will note that this atoll is very strategically placed.

We also know that the Russians are not lagging behind in military strength. It is a well-known fact that they are building two large aircraft carriers. It is a well-known fact that they want to go into the Indian Ocean, they want to dominate it. It is also a well-known fact that certain discoveries of mineral rights have been found, not only in Kenya, but in Botswana.

Three weeks ago I had the pleasure to meet with the Ambassador of Botswana, and I was amazed to find the large number of commercial forces now operating there for control of this area. It is going to be extremely important to us to have a runway at this little atoll for any of our men who are flying in planes that might need to land on that atoll if they are ever crippled. And to deny those men the right to have this safety protection or to deny the American Navy the right to a place in the Indian Ocean, or our right to be there, is criminal, to say the least.

Twenty-nine million dollars is a pittance of money after the amounts of money I have heard requested on this floor day after day, like funds for cultural centers, and to dig holes in the ground and other giveaway projects. Any way to throw money away is all right, but when it comes to the needs of our Nation, where all we are asking for is $29 million, good Lord, the wrath of the doves is aroused.

I say to you now that this amendment should be defeated. We should move ahead with the needed improvements on Diego Garcia.

We should listen to what the gentleman from New York (Mr. STRATTON) has to say, because that gentleman is a most knowledgeable man on this subject, and we should pay attention to what that gentleman says. Make no mistake about it, and it is the plain and unadulterated truth—we need a base in the Indian Ocean, with oil supply facilities and a service runway.

Mr. BINGHAM. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I realize that the Members are impatient, and that they would like to get to a vote.

The chairman of the subcommittee from the Committee on Foreign Affairs, that has the responsibility for this area, the gentleman from Indiana (Mr. HAMILTON) would be speaking to the Members at this point if the gentleman had not been called back to Indiana because of the damage from the recent tornadoes.

The gentleman from Indiana has conducted a series of hearings on this problem.

The question before us is an intensely complicated and immensely difficult political question affecting the foreign policies of the United States, and what directions they go in.

Are we going to start to develop a commitment to a whole new area? Is this going to end up in some kind of a new Vietnam? These are questions involving the basic foreign policy of the United States. They should not be settled on a question of $29 million in a supplemental authorization bill.

I hold in my hand a very scholarly and careful statement by the gentleman from Indiana (Mr. HAMILTON) which at the proper time I will ask to have introduced into the RECORD. He is asking this House to defer action on this matter until the foreign policy implications of this immensely important question can be considered.

Let me just give the Members one example of the kind of political question—political, not military—that arises. On Mr. STRATTON's map, the Members will notice that there are no bases marked in India. Do not think the Russians have not tried to get base rights in India. They have tried very hard. They put billions of dollars of arms into India. They are trying to control India, but up to now the Indian Government has not given them any base rights in India, and Mr. STRATTON's map clearly shows that. The Indian Government is very upset about the idea that we should put a base on Diego Garcia; there is no question about their attitude.

The political question: What would be the effect of the United States going ahead to put in a base at Diego Garcia on the Indian resistance to the Soviet demand for base rights in India? I do not know the answer to that question, and I do not think the gentleman from New York (Mr. STRATTON) does, or the distinguished chairman of this committee. I do not think anyone in this Chamber can tell us what the answer to that question is. This is just a sample of basic political questions of immense importance to the foreign policy of the United States, arising from a new move into a large area of the world. Are we going to allow these questions to be settled on the basis of a supplemental authorization, for a figure of $29 million?

Yes, it is a relatively small figure on a matter of this importance without having the foreign policy thoroughly reviewed by the Committee on Foreign Affairs. The subcommitee, headed by Mr. HAMILTON, has not had a chance to complete those hearings. It has not submitted a report. I ask the Members to defer action on this, as the gentleman from New York (Mr. PIKE) has so ably stated.

Mr. Chairman, I yield back the remainder of my time.

Mr. PODELL. Mr. Chairman, will the gentleman yield?

Mr. BINGHAM. I yield to the gentleman from New York (Mr. PODELL).

Mr. PODELL. Mr. Chairman, I rise to lend my support to the provision in the legislation now before us, which would provide $29 million for the development of port facilities on Diego Garcia.

I usually would not support such a proposal, for I believe that the Defense Department budget is far too high, at the expense of much-needed social and educational programs. However, in this case, I think that the outlay of money is clearly justified by a number of world political considerations.

The primary argument against Diego Garcia seems to be that it would resurrect cold war tensions and arms races, and defeat the growing détente between the United States and the Soviet Union. However, Mr. Chairman, that détente has already been all but destroyed by the Soviet Union herself.

While the United States maintains only 8 ships in the Indian Ocean, including 1 carrier, the Soviet Union has maintained a fleet there numbering about 30 ships, all during the time when arms limitation talks and détente conferences were taking place.

When the Suez Canal is reopened, as a result of heroic diplomatic initiatives by the U.S. Government, the Soviets will be able to steam right through and take full advantage of a peaceful situation in the Middle East that was brought about by the United States in spite of everything that the Soviet Government could do to prevent it.

The October war pointed up the need for an American presence in the Indian Ocean. It gives us an opportunity to play a vital intermediary role in policing the fledgling peace in the Middle East if we have a naval presence in both the Mediterranean Sea and the Indian Ocean. Only the quick moves by the U.S. Government during the callup last October prevented the Soviet Union from taking unilateral military action in the Middle East, with who knows what disastrous results for Israel and the world?

We should not take a posture in the Indian Ocean that would allow the Soviet Union to regain its diminishing control over the Arab States. Our presence on Diego Garcia would be extremely beneficial for us, in striking a balance of power with the Soviets, and for Israel, by creating a situation in which the United States will be able to insure freedom of access to both ends of the Suez Canal.

The Soviet Union has spent the last 5 years building up its naval force in the Indian Ocean. The Soviet Union has behaved in an obstructionist and belligerent manner as regards the Middle East, and has been decidely uncooperative with American efforts to end the fighting between Israel and the Arabs. Now that the United States wishes to place herself in a position of relative parity with the Soviet Union in the Indian Ocean, an action which would have the beneficial side effect of bolstering Israel's security, the Soviet Government shows a great concern over the threat to plans for détente.

I am amused, to say the least, that no such threat was perceived when it was the Soviet Union doing the buildup. I do not think we should be confused for a moment. This is not a question of jeopardizing détente or resurrecting the cold war. It is a question of what is in the best interests of the United States and world peace.

The answer to that question lies in the construction of the requested facilities on Diego Garcia.

Ms. ABZUG. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I should like to associate myself with the remarks made by the gentleman from New York (Mr. BINGHAM). I find great difficulty in understanding the alacrity with which we are preparing to get into this new kind of race. We are just beginning to try to analyze why we are still not fully at peace. One of the things that we should be thinking about is, Is there another way to deal with this question? Do the Members not think it is time at this moment in history, Mr. Chairman, that we begin to think about ways in which we can come to agreements with nations in an area that may be fraught with differences and difficulties? Is this not the moment where we should have a discussion, as the gentleman from New York (Mr. BINGHAM) indicated the Committee on Foreign Affairs is trying to have? Must we perpetuate the greedy demands of this Pentagon ad infinitum to $90 billion?

Are the Members not hearing complaints from their constituents that there is not enough money to give them even their daily needs? Must we constantly be dealing with the same problem of adding a third fleet, another base, which may create further involvement in a race—this time a naval race?

It seems to me that this request is premature, to say the least. I would oppose it in any case. We ought also to beware of the fact that we may be talking about something in a vacuum. I think the other body has already refused this authorization, and there is certainly no reason to take this up in the supplemental. Much more careful consideration is needed.

I should like to know a lot more facts about the situation in the Indian Ocean. I am not on the Committee on Armed Services, and I am not on the Committee on Foreign Affairs, but I feel very responsible to my constituents about whether or not I am going to participate in authorizing something which is liable to cause additional conflagration at this time.

I think we should pause, Mr. Chairman. It is time that we recognize that we cannot constantly use the military against people in other nations. Why risk a confrontation when it is possible to work out an agreement? We should try to find a way in which we can deal with our own Nation and seek agreements with other nations in a peaceful way, not constantly a military way.

Mr. LEGGETT. Mr. Chairman, will the gentlewoman yield?

Ms. ABZUG. I yield to the gentleman from California.

Mr. LEGGETT. I thank the gentlewoman for yielding.

There has been some comment made, Mr. Chairman, that this is not the tip of the iceberg. If it is, I think this: If we are going to make any kind of a presence at all in the Indian Ocean, it is going to require that we expand our Trident submarine force perhaps by 10. So we are making a decision here today to perhaps spend another $10 billion for a program like that to cover this area with submarine capability.

We are making the decision here today to deploy a Simon Lake or Holland or a submarine refueling capability like we have up at Holy Loch, or down in Rota, Spain in this area. We may need to build two or three more carriers to have a military presence out there. However, after we finish this I am sure someone is going to discover that the Soviets are making inroads into the Antarctic and then they will say we cannot let the Antarctic escalate away from us.

I do not know how the gentleman from New Jersey can be so right on optometry and so wrong on the Indian Ocean. I wish I could yield to him but I do not have the time.

I think our committee has not held hearings on this matter that it should hold. I do not think we have gone into this matter 20 percent of the time that the gentleman from Indiana (Mr. LEE HAMILTON) indicated that the Foreign Affairs Committee has reviewed the matter.

As the gentleman from New York said, if we affront India and Ceylon, what is going to be their response? Zap. Maybe they make a pact with the Russians so that the Russians can spend $49 million in India, which is the amount we are going to spend on this island by the time this appropriation is done.

We have some blue stars on the map and we have the hammer and sickle. We do not know how much the Soviets have spent in any of those areas.

The question I asked of the gentleman from New York remains unanswered. We have a big hammer and sickle at Bangladesh. They are clearing a harbor. That is not a base.

Mr. PRICE of Illinois. Mr. Chairman, I move to strike the requisite number of words.

I yield to the gentleman from Ohio (Mr. HAYS).

Mr. HAYS. Mr. Chairman, I heard the gentleman from New York (Mr. BINGHAM) talking about the Foreign Affairs Committee not having made up its mind. I am a member of the Foreign Affairs Committee. I gathered two things. I got in late for this debate. I gather from the gentleman from New York (Mr. BINGHAM) that our presence in the Indian Ocean is going to upset Mrs. Ghandi, and I gathered from her speech that it upsets the gentlewoman from New York, and I cannot think of two better reasons to be for it, so I am going to support the commitment.

Mr. SEIBERLING. Mr. Chairman, I move to strike the last word.

I will not take the 5 minutes. It has been less than a year since we ended our involvement in another military adventure which was taken under all kinds of demands and pressures to act hastily without having all the facts—in fact, as it turned out, we did not have even any facts.

I am not saying we do not have some facts here, but it does seem to me it is rather a backhanded way to decide what could be a very crucial political decision, with tremendous ramifications in the years to come, by taking action on a supplemental authorization bill. Such action should only be taken after complete hearings by the Foreign Affairs Committee, and having testimony by diplomats as well as military men.

It seems to me we have a very basic question here to decide at this time. Is the Pentagon going to make foreign policy for us? Is the Pentagon, in cooperation perhaps with members of the Armed Services Committee, going to make this decision, or are we going to do this in a way that will assure that all the factors are considered, that civilians will run the foreign policy of this country and not the military?

This is not just a military decision. It is a foreign policy decision and let us face up to that fact. Maybe we will come out at the same place. Maybe I will even support it at that point, but I do not see how I can support it on this foundation.

Mr. DERWINSKI. Mr. Chairman, will the gentleman yield?

Mr. SEIBERLING. I yield to the gentleman from Illinois (Mr. Derwinski).

Mr. DERWINSKI. Mr. Chairman, I think the gentleman is completely right; there should be civilian input, and there was. An official of the Arms Control and Disarmament Agency testified before the subcommittee of the Foreign Affairs Committee and stated that in their judgment this does not constitute escalation of the arms race. Remember, they are civilian disarmament experts.

Mr. SEIBERLING. I am rather astounded because I happen to have had lunch with Mr. Ikle, Director of the Arms Control and Disarmament Agency, and we discussed the legislation on the floor, and he said not one word to me about it.

Mr. DERWINSKI. Perhaps the gentleman did not ask his friend the proper question. We have the evidence which the gentleman can check in the committee's records.

The record shows that not just the military, but the diplomats recognize one fact of life, that the way to achieve peace is to have the logistical ability to negotiate from a practical position. If we place ourselves in what we used to call Fortress America, we do not have a card left to negotiate with.

Mr. SEIBERLING. Let me ask the gentleman a further question. Does he have a statement from the Secretary of State that says bases in the Indian Ocean are actually needed?

Mr. DERWINSKI. I was about to ask the Secretary when he was distracted by a honeymoon.

Mr. SEIBERLING. I suggest we wait until the Secretary gets back.

Mr. GIAIMO. Mr. Chairman, I move to strike the last word.

I rise in support of the amendment of the gentleman from California.

We have those Members who will jump whenever the Pentagon cracks its whip. If they want a base in Diego Garcia, they should get it.

The gentleman from California, as I understand, said and I feel the same way, that he is open-minded about Diego Garcia. He is not certain whether we should have a naval presence there. Neither am I, because the question is not this "piddling" amount of $29 million that we hear mentioned. The question is whether we build additional naval forces and add naval forces in the Indian Ocean. That, I submit, is a very serious consideration for the United States to determine calmly and deliberately and not in any sense through a supplemental appropriations bill which requires it or is supposed to require it because of some immediate need.

Immediate need, they say? We are worried about all these hammer and sickle marks on this Pentagon-type propaganda map that the gentleman from New York puts up. We are worried about increased naval forces of the Soviet Union in the Indian Ocean today at the very time that this Nation of ours is going to open up the Suez Canal for the U.S.S.R. to get its forces there quicker, at the very same time that we are having discussions in Moscow as to whether or not we should seek to obtain mutual force reductions.

Here we are coming forth today saying there is an immediate urgency that we immediately develop the U.S. naval forces in the Indian Ocean. Perhaps we will. Perhaps we must; but for God's sake, let us not go down the same road we went 10 years ago in Southeast Asia and $180 billion later and thousands and thousands of deaths later we find out now what a terrible deadly mistake it was for the United States to have undergone that involvement.

The Indian Ocean is a vacuum today. It may well remain a vacuum. These overstated claims of Russian naval forces in the Indian Ocean are exaggerated, to say the least. They do have some small forces there.

I submit that the United States has undersea forces there directly aimed at the heartland of Russia. Do you blame them for being concerned? Of course not.

The issue here today is not $29 million, nor is it some little atoll which the Secretary of Defense and the Defense Department admits would be destroyed and useless in a war. The issue here today is do we develop an Indian Ocean navy? That means naval task forces, aircraft carriers, perhaps three or four. We are talking about an involvement which will get the United States into the Indian Ocean at a cost that will escalate to $8 billion, $10 billion, or $12 billion.

I do not know. Maybe we should; maybe we must, but for Heaven's sake, let us do it deliberately. Let us be careful, before we take this very major step into an area of the world which to date has been neutralized ever since the British left it some years ago. There is no need for this rush today, especially when we ourselves, as I said, are opening up the Suez Canal to hasten this entry of the Russians into this ocean.

There is no need. In the other body, as I understand, in its wisdom, the subcommittee has already deleted this money from its bill. Why are we rushing forward? There should be, as was said, political discussion about this. This is a political issue. Claims have been made about what has been said in the Foreign Affairs Committee to date. There should be much more said, because I submit to the Members that what we are undertaking here is a multimillion-dollar enterprise in an ocean where we have not heretofore had a presence.

Mr. FRELINGHUYSEN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, we have had a number of farfetched attempts to show that we should be hesitant about developing a facility in Diego Garcia. There is no justification for saying that this is going to lead us into a multibillion-dollar commitment or of a second Vietnam or anything of that sort.

The fact is, we have a responsibility as a world power to maintain our naval presence in areas as important as the Indian Ocean. We are doing that now. What this will do is, this will make that job easier. This does not involve any kind of escalation, nor I might say—and I speak as a member of the Foreign Affairs Committee—should we worry about adverse political repercussions.

Mr. Chairman, I mentioned that I was in India 6 weeks ago. I did not have an opportunity to meet with the Prime Minister, who was too busy campaigning. She was talking about the ultramodern weapons in Pakistan and aggressive intentions of the United States, so as a result there was some interest in developing the facility at Diego Garcia. I found no indication of concern from the foreign minister; I found no indication from the Speaker of the Lok Sabha, the lower house, of any serious concern. I think even a neophyte in foreign affairs would recognize that, if there is sensitivity with respect to a developing military presence in the Indian Ocean, that the Indians would be even less receptive to having the Soviets on their soil. There is no reason to anticipate, because we move on to a small atoll a thousand miles away from India, that we can anticipate that suddenly the Soviets are going to get a green light and be able to establish bases on Indian soil.

Mr. Chairman, it does seem to me commonsense on the part of the rank-and-file Members of Congress that they should see that this is not some kind of Pentagon plot, but a reasonable, justifiable, modest proposal. It will make it easier for us to exercise a constructive influence in this area.

Mr. DERWINSKI. Mr. Chairman, will the gentleman yield?

Mr. FRELINGHUYSEN. Mr. Chairman, I yield to the gentleman from Illinois.

Mr. DERWINSKI. Mr. Chairman, I hope the gentleman from New Jersey will agree with me that our colleague from New York, Mr. Bingham, is one of the most energetic members of our committee. He did allude to the political implications in India.

At the risk of sounding naive, may I point out that we have just written off to the Government of India approximately two and a quarter billion dollars in Indian rupees. I would think this gives us a little political advantage in India.

Mr. FRELINGHUYSEN. Mr. Chairman, I thank the gentleman for his comment. Needless to say, I share his high respect for the gentleman from New York (Mr. BINGHAM). I also have high respect for the gentlewoman from New York (Ms. ABZUG). However, she says, "Why do we not get busy and do something about making up with our potential adversaries?"

Mr. Chairman, I am sure she is quite well aware that such an attempt is going on. We are trying to seek mutual balanced force reduction. We are trying to seek a SALT agreement. None of this means that we should let down our guard, or should not bother about an appropriate role for our military in a troubled world.

Mr. GROSS. Mr. Chairman, I move to strike the necessary number of words.

Mr. Chairman, I want to pose one question: Since when did a refueling station in the Indian Ocean become a necessity?

I can remember about 3 years ago when our warships, returning from Vietnam across the Indian Ocean, down around the Cape of Good Hope, were prohibited by officials of the U.S. Government from refueling at South African ports. They were serviced by the most expensive oiling procedure—and that is at sea—because our Government said they could not in refuel in South Africa, neither could our warships disembark their crews for shore liberty in that friendly country.

Mr. Chairman, since when did an oil refueling station for the Navy in the middle of the Indian Ocean become a necessity, when land refueling was deliberately prohibited without substantial reason?

The CHAIRMAN pro tempore (Mr. O'HARA). The question is on the amendment offered by the gentleman from California (Mr. LEGGETT).

RECORDED VOTE

Mr. LEGGETT. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 94, noes 255, not voting 83, as follows:

[Roll No. 146]

AYES—94

Abzug
Adams
Addabbo
Aspin
Badillo
Bergland
Bingham
Boland
Brademas
Brown, Calif.
Burlison, Mo.
Burton
Carney, Ohio
Chisholm
Conte
Corman
Cotter
Culver
Danielson
Dellenback
Dellums
Denholm
Drinan
Eckhardt
Edwards, Calif.
Eilberg
Evans, Colo.
Fascell
Flynt
Forsythe
Fraser
Gaydos
Giaimo
Ginn
Grasso
Green, Pa.
Griffiths
Gross
Hanna
Harrington
Hawkins
Hechler, W. Va.
Helstoski
Hicks
Holt
Holtzman
Howard
Hungate
Kastenmeier
Koch
Kyros
Leggett
Litton
McCloskey
McCormack
Matsunaga
Meeds
Melcher
Mezvinsky
Mink
Mitchell, Md.
Moakley
Mosher
Moss
Nedzi
Obey
O'Hara
Owens
Pike
Pritchard
Rangel
Reuss
Riegle
Rodino
Rosenthal
Rostenkowski
Roush
Roy
Roybal
Ruppe
Ryan
Sarbanes
Schroeder
Seiberling
Studds
Symington
Thompson, N.J.
Van Deerlin
Vander Veen
Vanik
Whalen
Wolff
Yates
Young, Ga.

NOES—255

Alexander
Anderson, Ill.
Andrews, N.C.
Annunzio
Archer
Arends
Armstrong
Ashley
Bafalis
Baker
Barrett
Bauman
Beard
Bell
Bennett
Biaggi
Biester
Blatnik
Boggs
Bolling
Bowen
Brasco
Bray
Breaux
Breckinridge
Brinkley
Brooks
Broomfield
Brotzman
Brown, Mich.
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burgener
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Butler
Byron
Camp
Casey, Tex.
Cederberg
Chamberlain
Chappell
Clawson, Del
Cleveland
Cochran
Cohen
Collier
Collins, Tex.
Conable
Coughlin
Cronin
Daniel, Dan
Daniel, Robert W., Jr.
Daniels, Dominick V.
Davis, S.C.
Davis, Wis.
de la Garza
Delaney
Derwinski
Devine
Dickinson
Diggs
Dingell
Donohue
Downing
Duncan
du Pont
Erlenborn
Esch
Eshleman
Evins, Tenn.
Findley
Fish
Fisher
Flood
Foley
Fountain
Frelinghuysen
Frey
Froehlich
Fulton
Gibbons
Gilman
Gonzalez
Goodling
Gray
Green, Oreg.
Grover
Gubser
Gude
Gunter
Guyer
Haley
Hanley
Hanrahan
Hansen, Idaho
Hansen, Wash.
Harsha
Hastings
Hays
Hébert
Heinz
Henderson
Hinshaw
Hogan
Horton
Hosmer
Hudnut
Hunt
Hutchinson
Ichord
Jarman
Johnson, Pa.
Jones, N.C.
Jones, Okla.
Jordan
Karth
Kemp
Ketchum
King
Kuykendall
Lagomarsino
Landgrebe
Landrum
Latta
Lent
Long, La.
Long, Md.
Lott
McClory
McCollister
McDade
McEwen
McFall
McKinney
Macdonald
Madden
Madigan
Mahon
Mallary
Mann
Maraziti
Martin, N.C.
Mathias, Calif.
Mathis, Ga.
Mayne
Michel
Milford
Miller
Mills
Minish
Mitchell, N.Y.
Mizell
Mollohan
Montgomery
Moorhead, Pa.
Morgan
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers
Natcher
Nelsen
Nichols
Nix
O'Brien
O'Neill
Parris
Passman
Patman
Patten
Pepper
Perkins
Pettis
Peyser
Podell
Powell, Ohio
Preyer
Price, Ill.
Price, Tex.
Quie
Randall
Rarick
Regula
Rinaldo
Robinson, Va.
Robison, N.Y.
Rogers
Roncallo, N.Y.
Rooney, Pa.
Rose
Rousselot
Ruth
St Germain
Sandman
Sarasin
Satterfield
Scherle
Schneebeli
Sebelius
Shipley
Shoup
Shuster
Sikes
Skubitz
Slack
Smith, Iowa
Smith, N.Y.
Spence
Staggers
Stanton, J. William
Steed
Steele
Steelman
Steiger, Ariz.
Steiger, Wis.
Stratton
Sullivan
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thomson, Wis.
Thone
Thornton
Tiernan
Towell, Nev.
Treen
Ullman
Vander Jagt
Veysey
Vigorito
Waggonner
Walsh
Wampler
Ware
White
Whitehurst
Whitten
Widnall
Wilson, Bob
Wilson, Charles, Tex.
Winn
Wyatt
Wydler
Yatron
Young, Alaska
Young, Fla.
Young, Ill.
Young, Tex.
Zablocki
Zion
Zwach

NOT VOTING—83

Abdnor
Anderson, Calif.
Andrews, N. Dak.
Ashbrook
Bevill
Blackburn
Brown, Ohio
Burke, Calif.
Carey, N.Y.
Carter
Clancy
Clark
Clausen, Don H.
Clay
Collins, Ill.
Conlan
Conyers
Crane
Davis, Ga.
Dennis
Dent
Dorn
Dulski
Edwards, Ala.
Flowers
Ford
Frenzel
Fuqua
Gettys
Goldwater
Hamilton
Hammerschmidt
Heckler, Mass.
Hillis
Holifield
Huber
Johnson, Calif.
Johnson, Colo.
Jones, Ala.
Jones, Tenn.
Kazen
Kluczynski
Lehman
Lujan
Luken
McKay
McSpadden
Martin, Nebr.
Mazzoli
Metcalfe
Minshall, Ohio
Moorhead, Calif.
Pickle
Poage
Quillen
Railsback
Rees
Reid
Rhodes
Roberts
Roe
Roncalio, Wyo.
Rooney, N.Y.
Runnels
Shriver
Sisk
Snyder
Stanton, James V.
Stark
Stephens
Stokes
Stubblefield
Stuckey
Symms
Udall
Waldie
Wiggins
Williams
Wilson, Charles H., Calif.
Wright
Wylie
Wyman
Young, S.C.

So the amendment was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. Are there any further amendments to title III? If not, the Clerk will read.

The Clerk read as follows:

TITLE IV—GENERAL PROVISIONS

SEC. 401. Subsection (a)(1) of section 401 of Public Law 89-367, approved March 15, 1966 (80 Stat. 37), as amended, is hereby amended by deleting "$1,126,000,000" and inserting "$1,600,000,000" in lieu thereof, and (b) section 737(a) of Public Law 93-238 (87 Stat. 1044), is amended by deleting "1,126,000,000" and inserting "$1,600,000,000" in lieu thereof.

POINT OF ORDER

Mr. MAHON. Mr. Chairman, I rise to make a point of order against section 401. I make a point of order against subsection (b) of section 401 beginning on line 8 and continuing through line 11. Subsection (b) constitutes an appropriation in a legislative bill and as such is in violation of clause 4, rule XXI of the House of Representatives.

Mr. Chairman, the language to which I refer would delete the limitation of $1,126,000,000 placed in the Defense Department Appropriation Act for 1974, Public Law 93-238, and insert in lieu thereof a limitation of $1,600,000,000.

This act would make an additional $475 million available for obligation on military assistance in South Vietnam. This would make additional appropriations available for a specific function for which they would not otherwise be available and would constitute a violation of clause 4, rule XXI, which prohibits appropriation of funds in a bill other than an appropriation bill.

Mr. GIAIMO. Mr. Chairman, I make a further point of order against the whole section.

The CHAIRMAN pro tempore. The gentleman from Connecticut makes a point of order against the entire section. Does the gentleman from Connecticut wish to be heard on his point of order?

Mr. GIAIMO. Yes, I do.

The distinguished gentleman from Texas makes a point of order against a portion of section 401, claiming that it constitutes an appropriation on a legislative bill and, as such, is in violation of clause 4, rule XXI, of the House of Representatives. I agree with that and hope the Chair will sustain the gentleman's point of order.

Further, however, a point of order may be made to a whole or to a part of a paragraph. The fact that a point of order has been made against a portion of the paragraph does not prevent a point of order being made against the entire paragraph—

Points of order against unauthorized appropriations or legislation on general appropriation bills may be made as to the whole or a portion only of a paragraph, and the fact that a point is made against a portion of a paragraph does not prevent another point against the whole paragraph.

If a part of a paragraph or an amendment to a paragraph is out of order a point of order may be raised against the part out of order or against the entire paragraph.

I accordingly submit that if part of the section is out of order the entire section should be out of order and, I submit that, because of the part being so, the entire section is so.

The CHAIRMAN pro tempore. Does the gentleman from Louisiana desire to be heard on the point of order?

Mr. HÉBERT. I desire to be heard on the point of order made by the gentleman from Connecticut. I do not argue the point of order made by the gentleman from Texas.

The CHAIRMAN. The Chair recognizes the gentleman from Louisiana to speak to the point of order made by the gentleman from Connecticut.

Mr. HÉBERT. Mr. Chairman, the gentleman from Connecticut seeks to strike out section 401, which reads as follows:

> Subsection (a) (1) of section 401 of Public Law 89-367, approved March 15, 1966 (80 Stat. 37), as amended, is hereby amended by deleting "$1,126,000,000" and inserting "$1,600,000,000" in lieu thereof—

That is a separate paragraph entirely, or separate section.

The gentleman from Texas raises a point of order after the word "and" which reads as follows:

> And (b) section 737(a) of Public Law 93-238 (87 Stat. 1044), is amended by deleting "$1,126,000,000" and inserting "$1,600,000,000" in lieu thereof.

Mr. Chairman, I do not challenge that point of order. As I announced earlier in the day, this I concede. It was a gray area but I conceded that point of order to the gentleman from Texas.

However, as to the other point of order made by the gentleman from Connecticut, that is in the law as written originally and is not subject to a point of order. It is our own language.

The CHAIRMAN pro tempore. The Chair is prepared to rule. The gentleman from Louisiana has conceded the point of order made by the gentleman from Texas. Of course, the point of order made by the gentleman from Connecticut is made on the same ground as that of the gentleman from Texas. The question is whether or not the point of order of the gentleman from Connecticut ought to be sustained or whether the point of order of the gentleman from Texas ought to be sustained.

The Chair finds that the language objected to by both the gentleman from Texas and the gentleman from Connecticut would constitute an appropriation and, therefore, it is out of order and the question, therefore, becomes one of whether or not the provision in question makes the entire section subject to a point of order, as the gentleman from Connecticut contends.

The Chair has researched the precedents. The Chair would point to the precedents of the House of Representatives, volume 7, section 2143, which makes it clear that if a point of order is directed to the item of appropriation in a legislative bill, that item only is eliminated; but if made against the paragraph or section containing the item, the entire paragraph or section goes out.

The Chair, therefore, sustains the point of order made by the gentleman from Connecticut.

PARLIAMENTARY INQUIRY

Mr. HÉBERT. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN pro tempore. The gentleman will state his parliamentary inquiry.

Mr. HÉBERT. In other words, the ruling of the Chair is that the entire section has been ruled out of order?

The CHAIRMAN pro tempore. That is correct.

Mr. HÉBERT. The entire section?

The CHAIRMAN pro tempore. The entire section.

Mr. HÉBERT. That is the entire section 401?

The CHAIRMAN pro tempore. That is from line 5 to line 11 on page 4.

Mr. HÉBERT. Mr. Chairman, a further parliamentary inquiry.

The CHAIRMAN pro tempore. The gentleman will state his further parliamentary inquiry.

Mr. HÉBERT. Under regular procedure I am allowed to offer an amendment to title IV?

The CHAIRMAN pro tempore. That is correct.

Mr. HÉBERT. Therefore, I send an amendment to the desk.

The CHAIRMAN pro tempore. The Chair, however, believes that the better procedure would be if we would first dispose of the committee amendment carried in the bill under title IV, which begins on line 12 and continues through line 17.

Mr. HÉBERT. I would prefer that, too. I was merely trying to protect myself at all times.

The CHAIRMAN pro tempore. If after the committee amendment is disposed of the gentleman from Louisiana wishes to offer further amendments to title IV, he would not be too late.

PARLIAMENTARY INQUIRY

Mr. PIKE. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN pro tempore. The gentleman will state his parliamentary inquiry.

Mr. PIKE. If the gentleman from Louisiana offers an amendment to section 401 and that amendment does what the gentleman from Louisiana indicated earlier that he will do in reducing the amount involved, would an amendment by myself or someone else to strike out section 401, as amended, then be in order?

The CHAIRMAN pro tempore. No; it would not be in order to strike out an amendment after it has been adopted. If the gentleman from New York wished to defeat the amendment of the gentleman from Louisiana, he would have to draw the issue on the vote on that amendment.

Mr. PIKE. Mr. Chairman, a further parliamentary inquiry.

The CHAIRMAN pro tempore. The gentleman will state his further parliamentary inquiry.

Mr. PIKE. So the only way this issue can be brought to the floor and resolved is on the debate of the amendment of the gentleman from Louisiana; is that correct?

The CHAIRMAN pro tempore. Well, the Chair is reluctant to answer that question without seeing the amendment the gentleman from Louisiana wishes to offer; but the Chair would advise the gentleman that if the gentleman from Louisiana offers an amendment, the committee has it in its power to agree to the amendment or reject the amendment. If it were agreed to, it would not be then in order to move to strike it out.

Mr. PIKE. Mr. Chairman, a further parliamentary inquiry.

The CHAIRMAN pro tempore. The gentleman will state his further parliamentary inquiry.

Mr. PIKE. Would it be in order to further amend it?

The CHAIRMAN pro tempore. Not once it is agreed to; but if the gentleman from New York desired to offer an amendment to the amendment while it was pending, he would be recognized for that purpose.

The Clerk will report the committee amendment.

The Clerk read as follows:

> On page 4, after line 12 and before line 13, insert the following new section:
>
> SEC. 402. Notwithstanding any other provision of law, that portion of section 718 of Public Law 93-238, which during fiscal year 1974 prohibits the use of funds for the enlistment of non-prior service personnel when it will cause the percentage of non-high school graduate enlistments of the Service concerned to exceed 15 percent, is hereby waived.

POINT OF ORDER

Mr. MAHON. Mr. Chairman, I have a point of order.

The CHAIRMAN pro tempore. The gentleman will state his point of order.

Mr. MAHON. I make a point of order against the committee amendment.

I make a point of order against section 402 of the committee amendment on page 4 of the bill, lines 12 to 17. Section 402 constitutes an appropriation in a legislative bill and as such is in violation of clause 4 of rule XXI of the House of Representatives.

Section 402 would waive a limitation carried in the Department of Defense appropriation section for fiscal year 1974, Public Law 93-238. The limitation in the appropriation act provides that no funds shall be available for enlistment into the military services of in excess of 45 percent nonhigh school graduates during fiscal year 1975.

The waiving of the elimination would make additional moneys available for a specific function for which those funds would not otherwise be available, and constitutes an appropriation in a nonappropriation bill, a violation of clause 4 rule XXI, of the House of Representatives.

Mr. Chairman, that is my point of order against section 402.

The CHAIRMAN pro tempore. Does the gentleman from Louisiana wish to be heard on the point of order?

Mr. HÉBERT. Mr. Chairman, I wish to be heard on the point of order merely as a matter of formality, because I expressed myself today during debate. I believe it was an infraction of the rules by the Appropriations Committee authorizing legislation of an appropriation bill. However, I understand the procedure which was taken was within the guidelines of parliamentary procedure and activity, so I recognize that fact. However, I do rise against the point of order in support of my own position.

The CHAIRMAN pro tempore. The Chair is prepared to rule.

The gentleman from Texas makes a point of order against the amendment offered by direction of the Committee on Armed Services now printed on page 4, lines 12 through 17, of the bill, on the ground that it constitutes an appropriation on a legislative bill in violation of clause 4, rule 21.

The amendment would remove the limitation on the use of funds contained in section 17 of the Defense Appropriation Act of 1974. That provision prohibits the use of funds appropriated in that act for the enlistment of nonprior service personnel when it will cause the percentage of nonhigh school graduate enlistments in the services concerned to exceed 15 percent. The effect of the waiver of that limitation on the availability of appropriated funds recommended by the Committee on Armed Services in the amendment is to make available for a new purpose funds which have already been appropriated.

In the opinion of the Chair, the amendment constitutes an appropriation on a legislative bill, and the Chair therefore sustains the point of order against the amendment.

AMENDMENT OFFERED BY MR. HÉBERT

Mr. HÉBERT. Mr. Chairman, in conformity with the previous discussion held between the Chair and the gentleman from Louisiana, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. HÉBERT: On page 4, beginning at line 5, insert new material to read as follows:
>
> SEC. 401. Subsection (a)(1) of section 401 of Public Law 89-367, approved March 15, 1966 (80 Stat. 37), as amended, is hereby amended by deleting "$1,126,000,000" and inserting "$1,400,000,000" in lieu thereof.
>
> SEC. 402. No volunteer for enlistment into the Armed Forces shall be denied enlistment solely because of his not having a high school diploma.

PARLIAMENTARY INQUIRY

Mr. MAHON. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN pro tempore. The gentleman will state it.

Mr. MAHON. Mr. Chairman, when would it be appropriate for me to make a point of order against the amendment to section 402? At this point?

The CHAIRMAN pro tempore. This would be an appropriate time, or the gentleman from Texas could reserve a point of order.

POINT OF ORDER

Mr. MAHON. Mr. Chairman, I would like to make a point of order, not against the substitute for section 401, but against the substitute for section 402, because this amendment would permit the expenditure of funds which otherwise could not be expended under the existing law, because it is almost a repeat of section 402 as originally offered.

In other words, Mr. Chairman, the limitation in the appropriation bill provides that no funds shall be available for the enlistment in the military services, that there is no limit, and they cannot be prevented from enlisting because of their educational qualifications. The waiving of this would make additional moneys available for a specific function for which those funds would not otherwise be available, and it constitutes an appropriation in a nonappropriation bill and, I believe, therefore, violates clause 4 of rule XXI of the House of Representatives.

POINT OF ORDER

Mr. GIAIMO. Mr. Chairman, I rise to make a point of order against the entire section, based on the same arguments and reasons that I gave before.

Now, admittedly, I have not seen a copy of this amendment, and I would like to direct a parliamentary inquiry to the Chair.

The CHAIRMAN pro tempore. The gentleman will state his parliamentary inquiry.

PARLIAMENTARY INQUIRY

Mr. GIAIMO. Mr. Chairman, is there one or are there two separate additions to this section, or are they being handled separately by this amendment?

The CHAIRMAN pro tempore. The Chair will state that there are two sections involved under a single amendment, and the gentleman would be within his right to make his point of order.

Mr. GIAIMO. Then, Mr. Chairman, I insist upon my point of order against both sections which are represented by one amendment.

The CHAIRMAN pro tempore. Does the gentleman from Louisiana (Mr. HÉBERT) wish to be heard on the points of order?

Mr. HÉBERT. Yes, Mr. Chairman, I desire to be heard on both points of order.

The CHAIRMAN pro tempore. The Chair will hear the gentleman.

Mr. HÉBERT. First of all, Mr. Chairman, on section 402, in answer to the gentleman from Connecticut, this is not subject to a point or order. It is in the bill, it has been in the bill, and it is the language of the House and also of this committee. It is not in violation of any rule of the House, nor is it in any manner, by any stretch of the imagination, an attempt to do anything to the appropriation bill.

This is our language from last year's law. It is repeated from the language of last year's law, and it is a representation of what was repeated and it is consistent with what the gentleman from Texas has argued, and what he has said concerning section 401.

Now, Mr. Chairman, moving down to the second point of order which the gentleman from Texas offered to section 402, the amendment states that "no volunteer for enlistment into the Armed Forces shall be denied enlistment solely because of his not having a high school diploma."

Mr. Chairman, this is basic law. This has absolutely nothing to do with appropriation, it presents no instructions to appropriate, it has no guidance, it has no direction or anything that one can imagine relative to a basic law which is vested in the Committee on Armed Services.

All the Committee on Armed Services says in this matter, which is germane, is that no man, no volunteer, shall be denied entrance into the uniform of his country just because he does not have a high school certificate.

The CHAIRMAN pro tempore. Does the gentleman from Connecticut desire to be heard further on his point of order?

Mr. GIAIMO. Yes, Mr. Chairman. Rule XXI, section 835, of the Rules of the House of Representatives states as follows:

> "* * * if a portion of a proposed amendment"—and this is one amendment—"be out of order, it is sufficient for the rejection of the whole amendment; and where a point is made against the whole of a paragraph, the whole must go out, but it is otherwise when the point is made only against a portion."

Here, Mr. Chairman, we are making a point of order against the entire amendment, because part of it is defective.

Mr. MAHON. Mr. Chairman, may I be heard further in connection with my point of order?

The CHAIRMAN pro tempore. The Chair will hear the gentleman.

Mr. MAHON. Mr. Chairman, it is clearly my view with respect to the amendment offered to section 401 that a point of order would not lie, but the point of order, in my opinion, would lie to section 402, because in modifying existing appropriation law, which is the law today, the amendment permits funds available which would not otherwise be available for expenditure.

Authorization could be provided in this measure, but the making of funds available which cannot be made available under the present appropriation law for the first fiscal year would, in my judgment, be in violation of clause 4 of rule XXI.

Mr. GUBSER. Mr. Chairman, I think we should reread the amendment. It says that no volunteer for enlistment into the Armed Forces shall be denied enlistment solely because of his not having a high school diploma. That is legislation purely and simply. It is within the jurisdiction of the Committee on Armed Services and it is germane to this bill and it does not concern appropriations. I cannot agree with the gentleman from Texas (Mr. MAHON) when he says that this will indirectly affect the appropriations process.

I may point out that when we pass a pay raise bill, which no one has argued is without the jurisdiction of the Armed Services Committee, we indirectly affect the appropriations process. So I think that the gentleman's argument is totally incorrect. It is purely and simply legislation. It is proper for it to be in this bill and I respectfully urge the Chair to deny the point of order.

Mr. STRATTON. Mr. Chairman, I desire to be heard on the point of order as well. Mr. Chairman, I would like to agree of course with the point made by the gentleman from California (Mr. GUBSER). If the point of order of the gentleman from Texas (Mr. MAHON) and the position of that gentleman was sustained, the Committee on Armed Services of the House would be completely prevented from passing any legislation dealing with the Armed Forces whatsoever. The Committee on Appropriations would be in charge of everything. Our responsibility deals directly with the enlistment of personnel in the Armed Forces. This amendment deals only with conditions under which those enlistments shall take place. It is totally within the authority of the Armed Services Committee and in fact to rule such an amendment out of order would be in effect to undermine the authority of the entire committee.

The CHAIRMAN (Mr. O'HARA). The Chair is prepared to rule. The gentleman from Texas (Mr. MAHON) and the gentleman from Connecticut (Mr. GIAIMO) make a point of order that section 402 in the amendment offered by the gentleman from Louisiana (Mr. HÉBERT) constitutes an appropriation in an authorization bill and therefore is subject to a point of order. The Chair has examined the language of the proposed section 402 and finds no reference whatsoever to an appropriation of funds or to a limitation upon the use of appropriated funds.

Therefore the Chair finds that the amendment as offered by the gentleman from Louisiana does not on the face of it directly affect any appropriation action and the Chair therefore overrules the point of order of the gentleman from Texas and the point of order of the gentleman from Connecticut.

The gentleman from Louisiana (Mr. HÉBERT) is recognized for 5 minutes in support of his amendment.

Mr. HÉBERT. Mr. Chairman, what this amendment does is to reduce the ceiling from $1,600,000,000 down to $1,400,000,000. The entire subject matter of this amendment was discussed before the House and we understand exactly what it is. There is nothing I can add to it. In other words, we are just reducing the amount by $200,000,000. That is all I can say on this matter.

Mr. BOB WILSON. Mr. Chairman, I rise to support the second part of this amendment that deals with the necessity for having a high school diploma in order to be recruited into the armed services. The volunteer Army is on trial and we are trying to see whether we cannot do without a draft in order to maintain an adequate armed services. The Secretaries of the various services have taken steps to see that we get the proper categories of intelligence in the various groups into our services. We have different categories of intelligence. We have category 1, category 2, category 3, and category 4. Mr. Chairman, I was an enlisted man in World War II and would not like to look up my own record and see what my own category was, but the main point is not whether a man has a high school diploma but whether he has the trainability to become a good serviceman.

I am told by the Secretaries of the services and others who are in the training procedure that there are many trainable young men and women who are available who do not have high school degrees, and who would make good soldiers, sailors, or marines.

At the Marine recruiting depot in my district, as a matter of fact, we have a training program for recruits with high intelligence categories, but very little formal education, and who are turning out to be excellent marines.

Mr. Chairman, I fully support this concept. I think the mistake that was made in the first place, and that has caused the problem within the services, was the fact that the Committee on Appropriations was legislating on an appropriation bill when they put that limitation on in the first place.

So, I am glad to support the amendment as to section 402.

Mr. DICKINSON. Mr. Chairman, will the gentleman yield?

Mr. BOB WILSON. I yield to the gentleman from Alabama.

Mr. DICKINSON. Mr. Chairman, I thank the gentleman for yielding to me, and I would say that I too support this amendment.

I might add that recently there was one instance that came to my attention, having to do with a young man who tried to get into the Army, and tried to get into OCS. He was just a few points short of making the necessary score so as to get into OCS, but he had no high school degree, the only way to get into the military service and go through that route to OCS. And even though he scored very highly in his academic reviews and subject, he just slightly failed to get the score necessary to go into OCS, and because of the arbitrary quota, just because this man did not have a piece of paper saying that he was a high school graduate he could not even get into the Army. Thereby the Army was denied a man who would have proved to be an intelligent and excellent professional soldier, and who was desirous of being in the Army.

I think these arbitrary quotas are bad, and that they work against the best interests of the services. Our services themselves are very concerned about getting the highest candidates that they can.

So, Mr. Chairman, I support this amendment, and ask that I may associate myself with the remarks of the gentleman from California.

Mr. BOB WILSON. Mr. Chairman, I think it has been clearly demonstrated that a high school degree is not necessarily important. President Lincoln became a great President of the United States without a high school degree. Andrew Johnson became President, and he was not even impeached for not having a high school degree. So I think, Mr. Chairman, that we have every reason to support this amendment.

Mr. PIKE. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, every effort is being made to structure a debate here in which we are going to have to talk about high school education, and every effort is being made to avoid the question of how much money we ought to be sending to Vietnam in additional military aid.

The distinguished chairman of the Committee on Armed Services presented his amendment, and said it is a cut. It is no such thing. As the bill stands right now, the limit on military aid to South Vietnam is $1,126,000,000. What the gentleman's amendment does is increase that aid to $1.4 billion, an increase of $274 million.

Frankly, I am going to let other people argue about this high school education business, because I do not believe, really, that this is the kind of debate in which we should suddenly say that the services cannot require a high school education. But I would like to address myself to the question about adding $274 million in military assistance to South Vietnam.

Eighteen months ago we declared peace with honor, and there is obviously no peace. I submit to the Members that whether or not there is honor is not going depend on how much additional military assistance we send to South Vietnam, but on how we treat our own people here in this country.

There is all kinds of money being squirreled away in the Department of Defense. We are not abandoning the South Vietnamese. There is $1,126,000,000 for them this year. What have they been doing with their defense budget? That is the real question.

In 1971 the Vietnamese defense budget was $1,315,000,000. Our aid to Vietnam then was $1,526,000,000, almost exactly the total of their defense budget. In this year they have reduced their defense budget from $1.3 billion to $474 million, but we are being asked to increase our military assistance to South Vietnam. We are being asked to go by this amendment from $1,126,000,000 to $1,400,000,000, an increase of $274 million, at the same time that the Vietnamese are decreasing their defense expenditure.

The President of the United States the other day said he was going to appoint a high-class committee to study the needs of the Vietnam veterans. I would suggest to the Members, let us send a high-class committee to Vietnam, but let us spend the money on our own Vietnam veterans. Why on earth should we be increasing our military assistance to South Vietnam when the South Vietnamese are cutting their military budget by two-thirds? It is one-third of what it was 3 years ago. This is a mischievous combination of separate articles in one amendment seeking to distract the Members' attention from the fact that everything really sought in this amendment is to send more military assistance to South Vietnam. Do not let anybody kid himself that this amendment reduces the amount in this bill. This amendment increases by $274 million the amount that is left in this bill after the point of order of the gentleman from Connecticut (Mr. GIAIMO) struck out section 401.

We should leave section 401 stricken out. We should not increase our military assistance to South Vietnam. What they are asking for is more money to spend in the remainder of this fiscal year. The South Vietnamese are spending less. We are asked to spend more.

Mr. CONTE. Mr. Chairman, I ask that the vote on 401 and 402 be divided.

The CHAIRMAN (Mr. O'HARA). Under the provisions of rule XVI, paragraph 6:

> On the demand of any Member, before the question is put, a question shall be divided if it include propositions so distinct in substance that one being taken away a substantive proposition shall remain:

The question shall be divided when those circumstances exist.

Clearly, this amendment presents such circumstances, and the question will be divided before it is put.

Mr. CONTE. I thank the Chairman.

Mr. LEGGETT. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I will speak on both amendments at the same time. I do not know an awful lot about the second part of the amendment on high school education, but it seems to me a little bit inane that if 10 men are standing in a line, and five of them have graduated from high school and five have not, and if the service wants the five high school graduates and they cannot select the last five who are in line who may have graduated from high school, under the amendment as offered by the gentleman from Louisiana, the services would be totally deprived of that kind of discretion. That is not really why I am here.

I am here to oppose the provisions on Vietnam.

We have made our peace out in Southeast Asia, but how about the Vietnamese? Unfortunately they are still out there scrapping like cats and dogs and scrapping at a level of about 55,000 dead Vietnamese last year. They have executed an agreement and we have executed an agreement. We are trying to live up to our part, but there is no coercion or no effort whatsoever to force these folks into some kind of compromise settlement. As long as we continue to pay $1.4 billion for military assistance and $700 million for economic assistance, there is going to be no effort on the part of the Saigon Government to effect any compromise whatsoever with the people against whom they are fighting.

We have seen the Army study last summer. We know the South Vietnamese, even though they are allegedly restrained and even though I personally support the Saigon Government but not at crazy levels of economic assistance. We know we cannot continue to plunk out $2 billion and $2.5 billion indefinitely and we have got to set some kind of restraint on what we are doing.

We wisely joined with the Appropriation Committees last year and said we would spend $1.1 billion for Vietnam. What did the military do? They spent in the first quarter $613 million at a rate of about $2.4 billion level of assistance. They did not expect that kind of assistance or funding in their wildest imagination. It was the military which came back to our committee and asked that the $2.1 billion level of spending be reduced by $500 million, and that is why we did it. We later accepted an amendment offered by the gentleman from Missouri (Mr. RANDALL) and further reduced the item to $1.3 billion and later in conference reduced it to this item of $1.126 million.

But what did the military do? In the second quarter they spent $277 million. So they used about $850 million and started the year and had several hundred million left over and they continued to spend like drunken sailors.

I just think that we have to put the muzzle on them just a little bit. We have set a limitation last year. The items that we had agreed to send them in the last half of last year and the first quarter of this year they have not received yet. We have still a full supply line. There may be a little bit of a bubble if we do not pass this amendment later on in the year, but nothing more.

But I think we have to exercise some restraint and motivate the South Vietnamese to accept some kind of compromise government in that area. Currently they are expending ammunition rounds at a fierce rate. We say we have to pass this amendment because 12,000 South Vietnamese have been killed over the past year. If we believe all the figures that have been presented to our committee, over 40,000 North Vietnamese have met their maker over the past year. That does not show, in those figures, that we have exercised very much restraint.

I asked the generals who supported this bill how many battalion incidents did the South Vietnamese initiate? How many total incidents occurred that were initiated by either side? What were the company-sized incidents?

As the Members will recall, we had all those figures at the tips of our tongues in past year. Now in a very confused situation we have no information at all.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. LEGGETT. Mr. Chairman, I ask unanimous consent that I may proceed for an additional 3 minutes.

Mr. ARENDS. Mr. Chairman, reserving the right to object, I wonder if the gentleman will confine his request to 1 minute.

Mr. LEGGETT. Mr. Chairman, I would be pleased to have 1 minute and I so confine my request.

The CHAIRMAN. Is there objection to the request of the gentleman for 1 additional minute?

There was no objection.

Mr. ESCH. Mr. Chairman, will the gentleman yield?

Mr. LEGGETT. I yield to the gentleman from Michigan.

Mr. ESCH. Mr. Chairman, I rise in opposition to section 401 and in support of section 402.

Mr. Chairman, I rise today in support of Mr. PIKE's position to delete the $474 million for military aid to South Vietnam from H.R. 12565.

This request by the Defense Department presents us with three very perplexing dilemmas—dilemmas that differ in nature yet dilemmas that must be dealt with by this body today.

As you will all remember last year this Congress set a ceiling on military aid to South Vietnam of $1.1 billion, some $474 million less that the administration's request. In that same year the House wrestled with the question of impoundment and control of the Federal budget. We accepted the administration's criticism that there was no congressional control exercised over expenditures, and subsequently adopted a budget ceiling within which we would allocate moneys. The first dilemma then, is a fiscal one. We are asked to disregard the concept of fiscal responsibility, to vote a supplemental authorization to an agency which has failed to live within the limits set by this Congress. I think Senator PEARSON's testimony last week on this subject bears repeating:

> When the Congress establishes a spending level for an agency, including the Department of Defense, we expect that agency to stay within its budget. We do not expect the agency to spend at levels which leave it without funds before the fiscal year ends and then to come to Congress for supplemental funds to stave off disaster. That is precisely what the Department of Defense has done with the MASF program in FY 74.

The second dilemma we face deals with the nature of our relationship to Indochina. This administration has proclaimed a policy of peace in Vietnam. Its efforts in this regard have been substantial, culminating in the ceasefire and the Paris agreement. These achievements provide us with the long hoped for opportunity to change the nature of our involvement in this part of the world, to build, in cooperation with the international community and the governments of Indochina, a secure and lasting peace. Will shipping yet more arms to South Vietnam help strengthen the ceasefire agreement? Will an increase in the weapons of war help build the peace? This vote today then, presents us with a second dilemma, pursuing the peace with a policy of increased military commitment.

Our third dilemma, Mr. Chairman, involves this country's role in the international community. There are many in the Congress who believe America has an obligation to the hundreds of thousands who have suffered as a result of war. Last year I traveled with a group of Congressmen to Vietnam to study the problem of children left as orphans because of the fighting in that country. We found the need for relief and rehabilitation among these children to be overwhelming. The gentleman from New York (Mr. ROBISON) and the gentleman from Wisconsin (Mr. STEIGER) among others have worked very hard to secure some American dollars for these orphans. It is a pressing need in a country such as South Vietnam where only one-half of 1 percent of the total budget finds its way into human welfare programs. So, Mr. Chairman, we are finally faced with the third dilemma of trying to heal the wounds of war while at the same time funding the arms of war.

I ask my colleagues then to consider this vote today in the context of these three dilemmas. Will we allow the Department of Defense to nullify congressional intent to reduce the level of American military support to South Vietnam? Will we work to build the peace while at the same time increasing the capability for war? Will we pursue a program of rehabilitation while providing the necessities for destruction? Considered in this context, I believe this body's only answer can be support of this position.

I support the concept of section 402, allowing for more flexibility in recruiting practices.

Mr. LEGGETT. We ask, why are we passing this amendment? To this point in the debate there has not been one word expressed in the debate as to why we should expend the extra $274 million to support the South Vietnamese Government. What that money is for is to pay for 100,000 batterys for communication facilities, to buy some POL from Indonesia and it is to give the South Vietnamese what we call a 90-day supply of ammunition, maybe near the end of the year when the deliveries would take place.

I do not think this is the kind of thing that demands our action in the supplemental bill. I will be looking very carefully to hear further rational in support of this amendment. It has not been provided from the committee to this point.

Gentlemen, there is an old saying that if you are fooled once it may be because the other guy is smart, but if you are fooled twice in the same way by the same tactics it must be because you are a damned fool. When we carefully considered the fiscal year 1974 defense budget, after much thought and debate we settled on a ceiling of $1.126 billion. But the Executive decided it did not have to pay attention to the instructions of Congress. Those fellows had these unobligated funds, and as we all know, if you do not spend every cent of the taxpayers' money you can get your hands on, why, you are exposing the national security to the gravest danger imaginable. These unobligated funds were just burning holes in the pockets of the Pentagon. So they spent at more than double the ceiling rate during the first quarter of fiscal year 1974, and now they tell us to fall in line and ratify their overspending.

Henry Kissinger, for whom I otherwise have great admiration now tells us we have a commitment to provide financial support as long as it is needed. He tells us this commitment is based on the Paris Peace Agreement. Mind you, it is not part of any written agreement. It is not part of the protocols to the agreement. It is not part of any understanding announced at the time of the agreement. But somehow it is supposed to be implied by the agreement. If we allow this to get by, no doubt we can expect additional alleged commitments to be discovered as the occasions arise.

But let us not quibble about what is or is not included in the agreement. The fact is the Constitution specifies that treaties can only be made with the concurrence of two-thirds of the Senate. This is the only way the Congress and the Nation can be committed. Executive agreements such as the Paris agreement are useful and convenient, but it is absolutely unconstitutional to construe them as national commitments.

So if we are to give Vietnam this money, let us not claim the excuse that we are living up to commitments. The only reason for voting to take this half billion dollars out of the pockets of the American people is a belief that it should be done.

The Pentagon tells us they need this higher level of spending because the next 18 to 24 months will be the critical period for the survival of the Saigon government. If you believe this, then listen to a bit of history.

In 1950, Vietnamese Premier Nguyen Phan Long told the press he could win in 6 months if he got U.S. military and economic aid.

In 1953, French Gen. Raoul Salan predicted victory by 1955.

On January 1, 1954, French Gen. Henri Navarre was even more optimistic, saying "I fully expect victory . . . after 6 more months of hard fighting."

In April, 1954, John Foster Dulles predicted the end of organized opposition by the end of 1955.

Also in April, 1954, Vice President Nixon predicted the French would win, and thought we should jump in and help them.

Moving up to 1963, we find our commander, Gen. Paul Harkins, saying "the end of the war is in sight."

In 1965, Premier Ky said it would be done in 3 or 4 years. But Richard Nixon said it would take only 2 years. They were both wrong.

Now it's 9 years later and we are being fed the same line.

South Vietnam is not starving; without this supplemental we will still be giving a total of $2 billion this year, which is several times the size of the Saigon government's budget. Our economic aid alone will be $710 million—more than in any year except 1966.

The war is not over in South Vietnam; there have been more than 50,000 killed since our peace with honor. The Vietnamese are proceeding to settle their problems just as if we had never been there, except now both sides are better armed and better able to kill one another.

Last summer, a U.S. Army study showed the Saigon army fired about 20 times as much ammunition as the other side, regardless of how much we gave them. If we gave Saigon less ammo, they fired less and so did the other side. If we gave them more, both sides fired more.

Nothing we can do there is going to affect the final outcome; we can only delay it, and break our own bank in the process. If we help them do it, they can keep this war going for 100 years, by which time we'll be ready to be on the receiving end of somebody's foreign aid program.

I personally support the Saigon government. I hope it wins. But we are not doing it any favors by trying to float it on a sea of money. Our only course must be to set a firm schedule for phasing our assistance down and out over a period of a very few years. We had the brains to do this when we passed the fiscal year 1974 authorization. Now let us have the guts to stick by it.

Mr. BRAY. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, there have been statements in the hearings that we must force South Vietnam to make some compromise with North Vietnam. That was done in Paris in January 1973. We only want North Vietnam to live up to that deal. Let us go back and review some history. A long time ago we became involved in a war in Vietnam. I, for one, opposed sending combat troops there, but apparently mine was a voice in the wilderness.

During that time we lost 56,000 American dead, 360,000 wounded and $120 billion spent. A couple years ago there was almost 600,000 Americans in Vietnam fighting and dying. The casualties were coming in at a tremendous rate.

There was a peace made. It was not the type of peace we would like to have had. Wars are not usually finished the way we would want it finished. Russia had been sending supplies to North Vietnam and we have been sending supplies to South Vietnam, but not one American combat troop is there. There is not one American being killed there. We have made enormous progress.

They say, "When is it all going to be over?" I do not know. It may be soon. It may be several years from now.

I, for one, feel very deeply that what we have already paid in sacrifices—remember this, 56,000 American dead, 360,000 wounded, $120 billion. Are we going to say that all those Americans have died in vain, all those wounded have suffered in vain, or that all that money we have spent was in vain?

No. I would not want to have such a sellout on my mind. I wish we had never become involved in the war; but as long as the South Vietnamese are willing to fight for their freedom and all we are furnishing is the material to match what Russia is furnishing something can be worked out.

I could not sleep if I thought I was taking action that was making all the American sacrifices in vain. Let us continue to give South Vietnam at least a fighting chance.

Mr. SIKES. Mr. Chairman, I rise to strike the requisite number of words.

Mr. Chairman, I would like to call to the attention of the House the fact that the question before us has been divided. We now are going to vote on the question of funds for South Vietnam. If this authorization is not approved, the Committee on Appropriations cannot provide funds for Vietnam to continue to fight to stay alive.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. SIKES. I yield to the gentleman from Texas.

Mr. MAHON. The gentleman makes a point that the amendment has been divided and that we will vote on an additional authorization of aid for Vietnam, not $1.6 billion, but $1.4 billion. We do need some leeway here, and while there are differences of opinion among the members of the Committee on Armed Services and different opinions among the members of the Committee on Appropriations, I strongly support the first part of the amendment, the amendment to section 401 of the chairman of the Committee on Armed Services. He is not providing additional funds. He is giving an additional authorization so Congress can work its will next week in regard to this matter. If we vote down this amendment, we will have no flexibility with respect to additional funds if the House desires to provide the additional funds.

I myself think some additional funds are absolutely required.

I rise in support of the amendment to section 401.

Mr. SIKES. Mr. Chairman, I support this amendment, as does the distinguished chairman of the Committee on Appropriations. Now, we have been told that we should tell the South Vietnamese, "It is time to compromise."

We told them to compromise in order to reach a peace agreement—but peace never came. If they compromise any more, the next step can be capitulation. The North Vietnamese will be in control.

They have stayed alive as a nation despite the fact that the North Vietnamese did not respect the peace agreement, while the South Vietnamese tried to live up to it. South Vietnam has survived without the participation of U.S. military personnel. They survived despite very severe economic strains caused by the departure of the Americans from South Vietnam. Yet, somehow, their morale has stayed high. They are holding their own reasonably well against Communist pressure.

Do the Members of the House know that? The North Vietnamese have sent into South Vietnam 130,000 troops, 600 tanks, long range artillery, and antiaircraft batteries; they have built 12 airfields inside South Vietnam, an oil pipeline, a road system. This is a major invasion. It cost much more than the amount that we are being asked to make available to help South Vietnam to stay alive. The North Vietnamese are not playing games. They mean to conquer all of Indochina.

Mr. Chairman, it is because of this continued pressure by North Vietnam that additional funds are required. It is just as simple as that. The funds that were available had to be expended faster than was anticipated. The South Vietnamese are running out of supplies. They have inflation problems, too; things cost more. Congress requires that they buy their fuel elsewhere and pay more for it, rather than buying it from us. The sharp increase in equipment prices in the United States has reduced the amount of equipment available to them.

Mr. Chairman, these are the reasons that more funds are needed. But this is not a request for funds; it is a request for an increase in the ceiling on using funds already appropriated.

Ladies and gentlemen, let us not forget that we have a commitment to help the South Vietnamese—not ditch them—help them. I trust Congress does not easily and conveniently forget America's commitments. We have a reputation to uphold, a reputation for standing by our friends and keeping our word to them. That is why we must adopt the amendment of the distinguished gentleman from Louisiana.

Mr. GIAIMO. Mr. Chairman, will the gentleman yield?

Mr. SIKES. Mr. Chairman, I yield to the gentleman from Connecticut.

Mr. GIAIMO. Mr. Chairman, the gentleman said earlier that if we do not have this amendment, there will be no funds in the budget for massive aid to Vietnam. Now, the basic law, as the gentleman well knows, gave them last year $1.126 million. That is in the law and stays in the law, irrespective of what we do in this amendment.

Mr. SIKES. Mr. Chairman, that has been used up. What is requested now is not a massive appropriation. It is a comparatively small amount.

Mr. ADDABBO. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, Members of the Committee, last year on the regular appropriation bill I had moved to strike over $3 billion because I said the Defense Department had funds on hand that they would be able to use, reobligate funds to use in a general way, whichever way they want to in many instances. That was lost because the Middle East flag was waved as the need for more money.

Now, my colleague, as the gentleman from New York (Mr. Pike) has said here again they try to smudge over the issue of this additional money for Vietnam by throwing in other questions. The money for Southeast Asia will not end. We are not being asked to appropriate money, because the Defense Department, as I said last year, has on hand sufficient money to play around with, and they want to obligate that money in whichever way they wish.

They had a bonus of over $400 million. Rather than give it back to the American people, rather than put it into our own defense, the Defense Department wants to pour it down into the hole of Southeast Asia.

Now, the chairman of the committee would have us believe that he is reducing the request from $1.6 billion to $1.4 billion, but what the gentleman fails to tell us is that through an accounting change, the Defense Secretary has admitted and has written to the chairman of the committee that they have an extra $266 million available, which means that if we give them this $1.4 billion plus, and with this accounting change making $266 million available, they are bound to have over $1.6 billion right now to give to Southeast Asia.

Now, Mr. Chairman, what do they need money for? The members received a letter from the committee. What are they going to use the money for?

They are going to use it because the cost of fuel in Southeast Asia has gone up. They are going to use it to replace inflation in Southeast Asia. Who is going to pay the extra cost of fuel for our constituents? Who is going to pay the extra costs which will accrue to our constituents because of this extra spending by the Pentagon in Southeast Asia?

Mr. Chairman, there is no need for these funds.

They have sufficient funds on hand to continue our obligations, with the original $1,126,000,000.

They are asking us today to give up and to let the Pentagon, as they have stated in their letter to the committee, have these funds to provide flexibility. This is stated in a letter from Secretary of Defense Schlesinger to the chairman of this committee. It states that it is to provide flexibility for reprograming of up to $205 million, as might be required, without being earmarked or anything else, as the Pentagon would require, these funds to be used as they see fit in Southeast Asia, not as we see fit.

Mr. Chairman, as we heard earlier in general debate from the gentleman from New York (Mr. Pike) Ambassador Martin in Southeast Asia has said:

> Do not give the Congress the information, the direct information they want.

So again they can fudge this over in the Defense Department, and the Defense Department can do as they wish with this money, money which should be used for our own defenses and for our own priorities.

Mr. WOLFF. Mr. Chairman, will the gentleman yield?

Mr. ADDABBO. I yield to the gentleman from New York.

Mr. WOLFF. Mr. Chairman, I thank the gentleman for yielding.

I do not know whether or not the gentleman in the well is aware of the fact that in the Education Subcommittee on Veterans' Affairs we had the Veterans' Administration come before us, and they opposed the addition of tuition payments for South Vietnam veterans, because there was an expenditure required of some $250 million.

In other words, if this body were to vote for the added $200 million to Vietnam it would be saying that we should send the money to the Vietnamese and not to the American veterans of Vietnam.

Mr. Chairman, I thank the gentleman.

Mr. LONG of Maryland. Mr. Chairman, will the gentleman yield?

Mr. ADDABBO. I yield to the gentleman from Maryland.

Mr. LONG of Maryland. Mr. Chairman, it is my understanding that with the money that would be in the reduced amount, they could continue normal operations between now and the end of the year. However, I think the real worry is if there should be a flare-up in the fighting.

What is the gentleman's feeling about the sum of money they would need if there should be a sudden attack and they would have to provide for a much higher level of operations?

Mr. ADDABBO. Mr. Chairman, they would simply have to come back to this Congress and ask for additional funds.

Mr. FRELINGHUYSEN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, a few minutes ago, I mentioned that I had been in India about 6 weeks ago. From India I went to Saigon, and I feel very strongly we must supply sufficient military and economic assistance to that country. It has been suggested we should not play around with our dollars or pour them into a hole. That is not what is concerned here. I want to emphasize that this is a manageable situation; it is one that requires substantial assistance from this country. It is not a question of whether we have made our peace or not, as the gentleman from California indicated. We have reduced and in fact have eliminated our direct military involvement, but our relationship with Saigon remains.

We hear from the gentleman from

California that he supports Saigon, but not at crazy levels. Well, nobody is suggesting that we support Saigon at crazy levels. What we have there is a serious situation. Through no fault of Saigon's, they are anxious to have a cease fire, that was theoretically agreed to in Paris 14 months ago, take effect. They would like to end the hostilities which still continue, and I am glad the gentleman from California recognizes it, at a high level, but the pressure comes from the other side, and the pressure requires a military response. We could not blink at the fact that we have an obligation and at this stage walk away and say the normal level of jurisdiction will permit them to operate with the assistance we provide them. There is a crisis which is faced in part because of an inflation which reached the rate of 68 percent last year and an oil crisis which was not of the Vietnamese's doing. So I would hope that we will not be beguiled by what we may feel about the way we got into Vietnam and the difficulty of getting out.

We are faced with a practical problem. It is one that I hope we face squarely, and I hope we face it tonight.

Mr. GUBSER. Will the gentleman yield?

Mr. FRELINGHUYSEN. I yield to the gentleman from California.

Mr. GUBSER. Is it not true that a part of the Vietnamization program which we hope would allow the military disengagement of U.S. forces from Southeast Asia included a promise and a commitment by the United States of America that we would replace military material on a one-for-one basis?

Mr. FRELINGHUYSEN. That is perfectly true.

Mr. GUBSER. And is it not also true the $1,126,000,000 figure mentioned at the time it was put into the law was based on a one-for-one replacement?

Mr. FRELINGHUYSEN. That is the truth.

Mr. GUBSER. And is it not further true the extent of hostilities and the aggression by the North Vietnamese, and the presence of a 65-percent inflation in Vietnam and the high escalating costs of fuel have made that $1,126,000,000 figure unrealistic in the fulfillment of our one-for-one commitment?

Mr. FRELINGHUYSEN. The gentleman is correct.

Mr. GUBSER. So is it not correct when I say that if we revise that $1,126,000,000 ceiling to $1,400,000,000, we will be doing nothing more than making good on the solemn commitment that this country made to the South Vietnamese?

Mr. FRELINGHUYSEN. I may say to the gentleman I think he is correct. My only feeling is we may not be providing enough. I disagree wholeheartedly with the gentleman from California in suggesting this is the only way in which we can force Saigon into a settlement. All this would be doing if we turned our backs on Saigon now is to force her into a needless and unnecessary capitulation. This would haunt us as a Nation for generations to come. It seems to me that we put a lot of investment into that country and with a modest further investment which may run on beyond the next few months we can retrieve the situation and bring about a settlement such as was envisaged at Paris in January of 1973.

Mr. KEMP. Mr. Chairman, will the gentleman yield?

Mr. FRELINGHUYSEN. I yield to the gentleman from New York.

Mr. KEMP. Mr. Chairman, I thank the gentleman from New Jersey for yielding to me.

Mr. Chairman, I gathered from the argument that was made by the gentleman from California (Mr. Leggett) that perhaps by withholding this money we can force some kind of a compromise. However, I believe the compromise the gentleman is talking about is some form of a coalition government.

Does not the gentleman from New Jersey agree that this is what the whole war has been about for the past 14 or 15 years—the forcing of a coalition government with the Communists?

Mr. FRELINGHUYSEN. I do not know that I fear that, but I believe it might force an actual capitulation by Saigon without any necessity for it at all except for our lack of will in this situation.

Mr. HÉBERT. Mr. Chairman, I wonder if we can ascertain how many other Members wish to speak on this amendment?

Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 15 minutes.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Louisiana?

Mr. SEIBERLING. Mr. Chairman, I object.

The CHAIRMAN pro tempore. Objection is heard.

Mr. HÉBERT. Mr. Chairman, I move that all debate on this amendment and all amendments thereto close in 15 minutes.

The motion was agreed to.

The CHAIRMAN pro tempore. Each Member who was standing at the time the motion to limit debate was agreed to will be recognized for 45 seconds.

The Chair recognizes the gentleman from Ohio (Mr. Seiberling).

Mr. SEIBERLING. Mr. Chairman, as did many of the other Members of the House, I was lobbied yesterday by an Assistant Secretary of Defense who asked me if I would support the position of the administration on this bill.

I said to the gentleman:

> You know, the Congress set a ceiling, and if we now turn around and, in this supplemental authorization bill, give the administration what it asked for originally, then we might as well go out of business, give a few blank checks to the President and go on home.

He said:

> Well, if we do not vote this increase, then in the end the South Vietnamese Government will collapse, North Vietnam will take over and there will be a terrible massacre.

I said:

> What do you think has been happening in Vietnam for the last year and a quarter? Almost 60,000 people have been killed. If that is not a massacre, then I do not know what is.

And it is going to go right on until we some day pull the plug on the ability of the South Vietnamese regime to carry on this kind of bloody farce.

The CHAIRMAN pro tempore. The Chair recognizes the gentleman from Wisconsin (Mr. Steiger).

(By unanimous consent, Mr. Steiger of Wisconsin yielded his time to Mr. Gubser).

(By unanimous consent, Messrs. Rousselot and Waggonner yielded their time to Mr. Gubser).

The CHAIRMAN pro tempore. The Chair recognizes the gentleman from California (Mr. Gubser).

Mr. GUBSER. I thank the gentlemen for yielding time to me. I probably shall not consume all of the time that has been yielded to me.

I take this time for the purpose of reiterating what has already been said in the colloquy between the gentleman from New Jersey and myself.

This is a commitment that has been made by the U.S. Government and was one of the things which made it possible for us to withdraw our manpower and to disengage from the conflict in Southeast Asia. It was a commitment to replace military materiel on a one-for-one basis. Anyone who is arguing for the $1,126,000,000 figure instead of the $1,400,000,000 figure, is arguing for it because they are honoring that commitment to replace war material on a one-for-one basis.

The problem is that we are honoring it with figures which are now a year out of date.

We have talked about inflation in this country. South Vietnam has an inflation rate of 65 percent. We know what has happened to fuel prices here; it has happened there. So if we are going to replace on a one-for-one basis, it is totally impossible and totally unrealistic to do it with a figure which we used a year ago.

I summarize by asking this Nation to honor a commitment and to bring the figure which we thought was enough last year up to a realistic level which takes into account the change in economic conditions of the past year.

Let us honor our commitment to a nation which is trying to be free, a nation which was told by President Eisenhower, President Kennedy, President Johnson, and President Nixon, that we would give them the right to defend themselves against a political system being imposed upon them from without by military aggression. I think it is only a matter of honor that this country honor its commitments.

The CHAIRMAN. The Chair recognizes the gentlewoman from New York (Ms. Abzug).

(By unanimous consent, Mr. Dellums yielded his time to Ms. Abzug.)

Ms. ABZUG. I thank the gentleman for yielding.

Mr. Chairman, the war is over. The words spoken here today are words which started that war in Vietnam and created the involvement of this House in it. We are talking about commitments which do not exist. We are talking about our continuing to fight on. We are talking about preventing the Vietnamese from having self-determination. The fact is there is a peace agreement. The fact is that it has been violated. It has been violated by Mr. Thieu who keeps all of the political opposition that he has, democratic opposition, in prison; who prevented an election from taking place under that peace agreement; who is using the money for himself and his generals against the interest of the South Vietnamese people. We are not doing anything for the South Vietnamese people by continuing to allow them, with our funds, to be deprived of rights, to be deprived of a decent living, while the generals are spending all of our money.

I think it is outrageous at this moment in history that we do not recognize what our commitment is. Our commitment is not to reintroduce billions of dollars so that we can create another war in Vietnam. Before we know it, the veiled words of Dr. Kissinger and the Department of State will be interpreting the War Powers Act, to say that we may have to bomb in Vietnam.

I beg all of my colleagues, let us not give one additional cent of money that is here being requested. In the last 12 months we have spent $2 billion in Vietnam. This is the kind of money we spent during the war. This is peacetime. Let us create the peace.

The CHAIRMAN pro tempore. The Chair recognizes the gentleman from Missouri (Mr. Randall).

Mr. RANDALL. Mr. Chairman, it is difficult to follow the gentlewoman from New York. She made a very emotional appeal. I am not certain of the validity of her logic but her voice was not low key. In my few moments I hope to put this issue on section 401 of title IV in perspective. The gentleman from Massachusetts (Mr. Conte) has demanded to divide the question and that request has been granted. We may now consider assistance to South Vietnam, section 401—separate from the enlistments of nonhigh school graduates, in section 401.

Section 401 really authorizes an increase in assistance to South Vietnam from $1.26 billion to $1.6 billion. That is the issue.

As the gentleman from California (Mr. Leggett) stated it was my amendment in the House Armed Services Committee last year that reduced funding for both Cambodia and Laos. Remember, too, it was the Congress that on August 15, 1973, stopped the bombing in Cambodia, without engaging in any effort to be persuasive—if we authorize the larger figure today for South Vietnam that does not mean any who support the larger figure will be precluded or stopped from a new and perhaps modified attitude toward the exact amount of the increase when we consider the supplemental appropriation scheduled for Tuesday next.

The CHAIRMAN pro tempore. The Chair recognizes the gentleman from California (Mr. Leggett).

Mr. LEGGETT. Mr. Chairman, it is a very interesting thing the way we are pulling the plug on our alleged commitment to the South Vietnamese. There has been $476 million this year for operation and maintenance of arms and procurement of military personnel, and $525 million for the Air Force, and $19 million for the Navy, a total of $1.120 billion. If we stay with what we have done so far and add to that the economic assistance at $190 million under the commodity import program, and $309 million for title I assistance, and they can use the money for all of that combined military equipment, that is $1.8 billion, but I do not think we have violated our commitment at all.

The CHAIRMAN pro tempore. The Chair recognizes the gentleman from Texas (Mr. Fisher).

(By unanimous consent, Mr. Fisher yielded his time to Mr. Hébert.)

The CHAIRMAN. The Chair recognizes the gentleman from Georgia (Mr. Flynt).

(By unanimous consent, Mr. Pike and Mr. Mahon yielded their time to Mr. Flynt).

Mr. FLYNT. Mr. Chairman, I want to express myself briefly in the time allowed against both sections of this amendment.

First I want to oppose the increase from $1.126 billion to $1.4 billion, and I do so because we have marched up this hill and may march back down again, as we have over the last 5 or 6 months.

The original request for this purpose was $1.6 billion. The Committee on Appropriations and the House, I think, in the wisdom of both rejected the request of $1.6 billion and reduced it to the more reasonable figure of $1.26 billion.

The Department of Defense was put on notice that was the amount they were going to have for fiscal year 1974, and what did they do? They completely ignored it. They have spent without regard to the ceiling placed on this expenditure by the Congress, and now they come back and they think that just because it is part of a Supplemental Defense Authorization Act all they have to do is crack the whip and the House will respond like a bunch of sheep.

Mr. Chairman, I hope that that will not be the case today. My colleague, the gentleman from New York (Mr. Abbaddo) spoke awhile ago that due to a change in accounting—in internal accounting methods, I might add—within the Department of Defense, that they discovered another $266 million that they did not think they had.

Well, it is the same old story that figures do not lie, but liars sometimes figure. So what we are voting here on this so-called $1.4 billion ceiling——

The CHAIRMAN pro tempore. The time of the gentleman has expired.

PREFERENTIAL MOTION OFFERED BY MR. FLYNT

Mr. FLYNT. Mr. Chairman, I offer a preferential motion.

The clerk read as follows:

> Mr. Flynt moves that the Committee now rise and report the bill back to the House with a recommendation that the enacting clause be stricken.

The CHAIRMAN pro tempore. The gentleman is recognized for 5 minutes.

Mr. FLYNT. Mr. Chairman, make no mistake about it, this so-called $1.4 billion ceiling is in reality——

POINT OF ORDER

Mr. WAGGONNER. Mr. Chairman, a point of order.

The CHAIRMAN pro tempore. The gentleman will state it.

Mr. WAGGONNER. I make a point of order that the gentleman is not speaking to the preferential motion.

The CHAIRMAN pro tempore. Under the rule governing preferential motions, the gentleman from Georgia is privileged to speak to any part of the bill, but he must confine his remarks to the bill.

Mr. FLYNT. I thank the chairman.

Mr. Chairman, what we are voting here is $66 million more than was in the original authorization which went out in the point of order made jointly by the gentleman from Texas and the gentleman from Connecticut; so Mr. Chairman, I ask that the House reject this amendment, insofar as it applies to the increase from $1.26 billion.

So I hope for these reasons that those who have spoken in opposition to the amendment before me, as well as those that will follow, will oppose this amendment.

Now, I want to speak to the second section of this amendment. Let me say that we went into this when we had this before our committee and before the House last year, that we considered very carefully the fact that 80 percent of the short-term discharges for reasons of court martials, civil convictions, drug abuse and general unfitness for military service were attributable to the nonhigh school graduates.

I recognize the fact that many nonhigh school graduates who enlist in the Army make good soldiers and make good records; but Mr. Chairman, when we have an all-volunteer force that is already requiring about 63 percent of the entire military budget for military and civilian pay and allowances, do not deny further the right to buy hardware and continue research and development and carry on the legitimate purposes of operations and maintenance by taking into military service a high ratio of nonhigh school graduates who have four times the failure record of high school graduates.

These figures and these facts are on record, furnished to us by the Army and the Marine Corps themselves. The Air Force does not have this problem, Mr. Chairman, and why? Among the reasons they do not have it is that 95 percent of the people that the Air Force enlists are high school graduates.

I do not say that a certificate of graduation from a high school will automatically make a recruit a good soldier; but I do say that experience has shown that non-high-school graduates hav a 4-to-1 higher failure record in service than their fellow servicemen who are high school graduates. With the costs we are paying for this all-volunteer force, we cannot afford to continue to enlist an alarmingly high number of dropouts.

Mr. Chairman, as we know, the all-volunteer force concept is not new. In fact, we started talking about it as early as 1967. In having an all-volunteer force, we need more than numbers of warm bodies alone. We need young men and young women, too, who will be able by reason of mental and physical ability and adaptability to become active good soldiers, sailors, airmen, and marines.

Mr. Chairman, this amendment will open up enlistments in all services to non-high-school graduates and lower standards in the Women's Army Corps and the Air Force.

Let me say the Secretary of the Army did not oppose section 718 in our appropriation bill last year. He says he can live with it. We ask, Mr. Chairman and Members of this Committee, that the Committee go along with us who have worked and labored in the vineyards long on that section, to sustain us in our efforts to try to make the all-volunteer-force concept work and succeed by bringing into the service young men and young women who will have the stability to stay in the Armed Forces and carry out their functions as good soldiers, sailors, airmen, and marines.

Mr. Chairman, I respectfully ask the Chairman of this Committee to sustain the position which this House has taken once before, and to defeat both sections of the amendment offered by the gentleman from Louisiana.

Mr. HUNT. Mr. Chairman, I rise in opposition to the preferential motion.

Mr. Chairman, I am sorry that I could not get the attention of my colleague from Georgia (Mr. FLYNT) when he spoke about the ratio of those who did not have high school diplomas not making good soldiers. Quite recently, the Armed Services Committee had testimony from the Secretary of the Army, Mr. Callaway, and this very question came up.

Mr. Callaway produced figures for us in there indicating that 4 out of 5 of the enlistees who did not have high school diplomas made good soldiers. In other words, what he said was that only 20 percent of those coming in without high school diplomas did not make good soldiers.

Mr. Chairman, I have a little experience in the service, and I have no recollection in my entire career, when they drafted men into service, that they had to have a high school diploma. Many of the men who gave their lives and many of the men who are maimed today never finished high school.

We have men in this very body who did not finish high school until they came out of the service, obtained an equivalency in high school, and became good lawyers, chemists, analysts, good professional men, and became Members of this body.

So, to downgrade someone who does not have a high school diploma, and depriving that young man or young lady of going into the armed services, and in my estimation it is wrong. I respect my good friend from Georgia on this one particular point, but I do say to him that he did not read this, otherwise he would have been fair, but someone gave the gentleman from Georgia this information.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield,

Mr. HUNT. Mr. Chairman, I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, I thank the gentleman for yielding to me. I wish to make one point. I think the gentleman from New York brought up the point and complained about the fact that the military felt that the reason for the additional cost being requested to $1,400,000 was because of the cost of fuel.

It was this very Congress, was it not, which voted some $2 billion to send to Israel to support that war. Many of the people who are here today speaking against now trying to adjust this slightly upward are the very people who created and helped support that war in the Middle East, that caused the increase in fuel we are now speaking of in South Vietnam. Is that not true,

Mr. HUNT. That is true. Let me pursue that point further. This is the official record as to what the Department of Defense believes:

"The Department of Defense believes that the restrictions in section 718 of the Appropriations Act, which limit non-high-school graduates to 45 percent of total accessions, should be removed. The limitation is likely to result in strength shortfalls. When the number of high school graduates should be recruited. Many of them score in the upper mental groups."

PARLIAMENTARY INQUIRY

Mr. PRICE of Texas. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN pro tempore. The gentleman will state it.

Mr. PRICE of Texas. Mr. Chairman, do I have the right to ask for the opportunity to speak for 5 minutes in opposition to the preferential motion?

The CHAIRMAN pro tempore. No, under the rules only one speaker is permitted in opposition to the preferential motion.

The gentleman from Texas (Mr. PRICE) is on the list, and will be recognized if the preferential motion is not agreed to.

The question is on the preferential motion offered by the gentleman from Georgia (Mr. FLYNT).

The preferential motion was rejected.

The CHAIRMAN pro tempore. The Chair recognizes the gentleman from Texas (Mr. PRICE).

(By unanimous consent, Mr. PRICE of Texas yielded his time to Mr. HÉBERT.)

The CHAIRMAN pro tempore. The Chair recognizes the gentleman from Connecticut (Mr. GIAIMO).

Mr. CONTE. Mr. Chairman, will the gentleman yield?

Mr. GIAIMO. I yield briefly to the gentleman from Massachusetts.

Mr. CONTE. Mr. Chairman, I wish to state that I am opposed to the amendment as it relates to both section 401 and section 402.

Mr. GIAIMO. Very briefly, Mr. Chairman, I wish to state that we are not breaking our commitment to South Vietnam on aid. I support the defeat of this amendment. This will not terminate aid; it will limit the aid to $1,126,000,000. Let none of the Members make any mistake about that.

This does not knock out military aid to South Vietnam. It merely says that they must continue to spend it at the rate which Congress mandated last year, and that amount is $1,126,000,000.

Mr. Chairman, they have been spending the money at a higher rate. They ignored Congress. They spent it at the rate of about $2 billion a year during the first quarter of this year, and now they suddenly find themselves short and they are making an end run and coming up to Congress and asking for more money. Let them live within the mandate of the congressional order.

The CHAIRMAN pro tempore. The Chair recognizes the gentleman from Louisiana (Mr. HÉBERT) to close debate.

Mr. HÉBERT. Mr. Chairman, I wish to express my thanks and I thank the gentleman from Massachusetts for yielding his time to me. I will not violate the motion which I made to close the debate in 15 minutes.

I think all the Members know the situation, and I will close by asking only that we consider that we are voting on two sections by this amendment.

The first section, of course, is section 401, which is a repeat of the law as it is, as I have stated before, and which has been urged upon us by the gentleman from Florida (Mr. SIKES) and also urged upon us by the gentleman from Texas (Mr. MAHON) the chairman of the committee, who has told us that he needs this money.

I am cooperating with the gentleman in making this language available. I am further keeping a promise which I made this morning to reduce the amount from $1,600,000,000 to $1,400,000,000. If my arithmetic is correct, 4 from 6 leaves 2.

Now, the second point is a very, very important one, concerning the second vote to come, and that is whether or not we will accede to the request of our Marine Corps and our Army. Regardless of what is said, regardless of what is decried and what is presented here, the fact remains that the Marine Corps has asked me personally and by letter to be sure to do everything in my own personal power to allow them to get as many youngsters as they can without that high school certificate.

Now, we have adhered to the rules of the House. We have presented the amendment and the arguments to the Members.

The Members should simply ask themselves if they are in favor of furthering the needs of the Army or not.

It is very simple.

Therefore, Mr. Chairman, I suggest an "aye" vote on both counts.

PARLIAMENTARY INQUIRY

Mr. CONTE. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN pro tempore. The gentleman will state his parliamentary inquiry.

Mr. CONTE. Mr. Chairman, as I understand it, the Chair has protected my motion, and the vote will be divided between section 401 and section 402? There will be a division on these two votes on these sections?

The CHAIRMAN pro tempore. The Chair will state that the gentleman is correct.

Mr. CONTE. I thank the Chair.

The CHAIRMAN pro tempore. The Chair will state that the question will be divided, and without objection, the Clerk will re-report section 401 of the Hébert amendment on which the question will be put first.

The Clerk rereported the first portion of the amendment offered by the gentleman from Louisiana (Mr. HÉBERT) as follows:

Amendment offered by Mr. HÉBERT:

On page 4, beginning at line 5, insert new material to read as follows:

SEC. 401. Subsection (a) (1) of section 401 of Public Law 89-367, approved March 15, 1966 (80 Stat. 37), as amended, is hereby amended by deleting "$1,126,000,000" and inserting "$1,400,000,000" in lieu thereof.

The CHAIRMAN. The question is on section 401 of the amendment offered by the gentleman from Louisiana (Mr. HÉBERT).

RECORDED VOTE

Mr. PIKE. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 154, noes 177, not voting 101, as follows:

[Roll No. 147]

AYES—154

Anderson, Ill.
Archer
Arends
Armstrong
Baker
Barrett
Bauman
Bennett
Bevill
Biaggi
Boggs
Bolling
Bowen
Bray
Breaux
Breckinridge
Brinkley
Brown, Ohio
Buchanan
Burgener
Burleson, Tex.
Butler
Camp
Casey, Tex.
Cederberg
Chamberlain
Chappell
Clawson, Del
Cleveland
Cochran
Collier
Collins, Tex.
Conable
Daniel, Dan
Daniel, Robert W., Jr.
Davis, S.C.
Davis, Wis.
de la Garza
Derwinski
Devine
Dickinson
Duncan
Erlenborn
Findley
Fish
Fisher
Flood
Frelinghuysen
Froehlich
Gilman
Gonzalez
Goodling
Gubser
Hanrahan
Hansen, Idaho
Harsha
Hays
Hébert
Henderson
Hinshaw
Hogan
Holt
Hosmer
Hudnut
Hunt
Ichord
Jarman
Johnson, Pa.
Jones, Okla.
Kemp
Ketchum
King
Kuykendall
Lagomarsino
Landgrebe
Lott
McClory
McCollister
McDade
McEwen
McFall
Madigan
Mahon
Mallary
Mann
Maraziti
Martin, N.C.
Mathias, Calif.
Mathis, Ga.
Mills
Mizell
Mollohan
Montgomery
Murphy, N.Y.
Murtha
Myers
Nelsen
Nichols
Nix
O'Brien
Passman
Patman
Powell, Ohio
Price, Ill.
Price, Tex.
Rarick
Rhodes
Robinson, Va.
Rooney, Pa.
Rousselot
Ruth
Sandman
Satterfield
Scherle
Sebelius
Shriver
Sikes
Skubitz
Slack
Smith, Iowa
Smith, N.Y.
Spence
Staggers
Stanton, J. William
Steed
Steelman
Steiger, Ariz.
Steiger, Wis.
Stratton
Talcott
Teague
Thomson, Wis.
Thornton
Treen
Vander Jagt
Veysey
Waggonner
Walsh
Wampler
Ware
White
Whitehurst
Williams
Wilson, Bob
Winn
Wyatt
Wydler
Yatron
Young, Alaska
Young, Fla.
Young, Ill.
Young, Tex.
Zablocki
Zion

NOES—177

Abzug
Adams
Addabbo
Andrews, N.C.
Annunzio
Aspin
Badillo
Bell
Bergland
Biester
Bingham
Blatnik
Boland
Brademas
Brasco
Brooks
Broomfield
Brotzman
Brown, Calif.
Brown, Mich.
Broyhill, N.C.
Burke, Fla.
Burke, Mass.
Burlison, Mo.
Burton
Byron
Carney, Ohio
Chisholm
Cohen
Conte
Corman
Cronin
Daniels, Dominick V.
Danielson
Delaney
Dellenback
Dellums
Denholm
Diggs
Dingell
Donohue
Downing
Drinan
du Pont
Eckhardt
Edwards, Calif.
Eilberg
Esch
Eshleman
Evans, Colo.
Evins, Tenn.
Fascell
Flynt
Foley
Forsythe
Fountain
Fraser
Frenzel
Fulton
Gaydos
Giaimo
Gibbons
Ginn
Grasso
Gray
Green, Oreg.
Green, Pa.
Gross
Grover
Gude
Guyer
Haley
Hanley
Hanna
Harrington
Hastings
Hawkins
Hechler, W. Va.
Heinz
Helstoski
Hicks
Holtzman
Horton
Hungate
Hutchinson
Jordan
Karth
Kastenmeier
Kyros
Landrum
Latta
Leggett
Lent
Litton
Long, Md.
McCloskey
McCormack
McKinney
Macdonald
Madden
Matsunaga
Mayne
Meeds
Melcher
Mezvinsky
Miller
Minish
Mink
Mitchell, Md.
Moakley
Moorhead, Pa.
Mosher
Moss
Murphy, Ill.
Natcher
Nedzi
Obey
O'Hara
O'Neill
Patten
Pepper
Perkins
Pettis
Peyser
Pike
Podell
Preyer
Pritchard
Quie
Randall
Rangel
Regula
Reuss
Riegle
Rinaldo
Robison, N.Y.
Rodino
Rogers
Roncallo, N.Y.
Rose
Rosenthal
Roush
Roy
Roybal
Ruppe
Ryan
St Germain
Sarasin
Sarbanes
Schneebeli
Schroeder
Seiberling
Shipley
Shoup
Shuster
Steele
Studds
Sullivan
Symington
Taylor, N.C.
Thompson, N.J.
Thone
Tiernan
Towell, Nev.
Ullman
Van Deerlin
Vander Veen
Vanik
Vigorito
Whalen
Whitten
Widnall
Wilson, Charles, Tex.
Wolff
Yates
Young, Ga.
Zwach

NOT VOTING—101

Abdnor
Alexander
Anderson, Calif.
Andrews, N. Dak.
Ashbrook
Ashley
Bafalis
Beard
Blackburn
Broyhill, Va.
Burke, Calif.
Carey, N.Y.
Carter
Clancy
Clark
Clausen, Don H.
Clay
Collins, Ill.
Conlan
Conyers
Cotter
Coughlin
Crane
Culver
Davis, Ga.
Dennis
Dent
Dorn
Dulski
Edwards, Ala.
Flowers
Ford
Frey
Fuqua
Gettys
Goldwater
Griffiths
Gunter
Hamilton
Hammerschmidt
Hansen, Wash.
Heckler, Mass.
Hillis
Holifield
Howard
Huber
Johnson, Calif.
Johnson, Colo.
Jones, Ala.
Jones, N.C.
Jones, Tenn.
Kazen
Kluczynski
Koch
Lehman
Long, La.
Lujan
Luken
McKay
McSpadden
Martin, Nebr.
Mazzoli
Metcalfe
Michel
Milford
Minshall, Ohio
Mitchell, N.Y.
Moorhead, Calif.
Morgan
Owens
Parris
Pickle
Poage
Quillen
Railsback
Rees
Reid
Roberts
Roe
Roncalio, Wyo.
Rooney, N.Y.
Rostenkowski
Runnels
Sisk
Snyder
Stanton, James V.
Stark
Stephens
Stokes
Stubblefield
Stuckey
Symms
Taylor, Mo.
Udall
Waldie
Wiggins
Wilson, Charles H., Calif.
Wright
Wylie
Wyman
Young, S.C.

So section 401 of the Hébert amendment was rejected.

The vote was announced as above recorded.

The CHAIRMAN pro tempore. Without objection, the Clerk will rereport the second part of the amendment offered by the gentleman from Louisiana (Mr. HÉBERT).

There was no objection.

The Clerk read as follows:

Amendment offered by Mr. HÉBERT:

SEC. 402. No volunteer for enlistment into the Armed Forces shall be denied enlistment solely because of his not having a high school diploma.

The CHAIRMAN pro tempore. The question is on section 402 of the amendment offered by the gentleman from Louisiana (Mr. HÉBERT).

The question was taken; and the Chairman announced that the ayes appeared to have it.

Mr. BOB WILSON. Mr. Chairman, I demand a recorded vote.

A recorded vote was refused.

So the section 402 of the Hébert amendment was agreed to.

The CHAIRMAN pro tempore. Are there further amendments to title IV?

There being no further amendments, the Clerk will read.

The Clerk concluded the reading of the bill as follows:

This Act may be cited as the "Department of Defense Supplemental Appropriation Authorization Act, 1974".

The CHAIRMAN pro tempore. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. O'HARA, Chairman pro tempore of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H.R. 12565) to authorize appropriations during the fiscal year 1974 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, and other weapons and research, development, test and evaluation for the Armed Forces, and to authorize construction at certain installations, and for other purposes, pursuant to House Resolution 1026, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gross.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. HÉBERT. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous matter on the bill (H.R. 12565) just passed.

The SPEAKER pro tempore (Mr. McFALL). Is there objection to the request of the gentleman from Louisiana?

There was no objection.

LEGISLATIVE PROGRAM

(Mr. ARENDS asked and was given permission to address the House for 1 minute.)

Mr. ARENDS. Mr. Speaker, I have asked for this time for the purpose of asking the distinguished majority leader, the gentleman from Massachusetts (Mr. O'NEILL), if he will give us the program for the rest of the week, if any, and the schedule for next week.

Mr. O'NEILL. Mr. Speaker, will the distinguished minority leader yield?

Mr. ARENDS. I yield to the distinguished majority leader, the gentleman from Massachusetts.

Mr. O'NEILL. Mr. Speaker, the program for the House of Representatives for the week of April 8, 1974, is as follows:

Monday, we will consider three bills reported unanimously from the Committee on Ways and Means:

H.R. 421, duty-free treatment of upholstery regulators, upholsterers' regulating needles, and upholsterers' pins;

H.R. 11830, temporary suspension of duty on synthetic rutile; and

H.R. 13631, temporary suspension of duty on certain horses.

Also, Monday is District day and there is scheduled one bill, H.R. 12473, Eisenhower Memorial Bicentennial Civic Center Sinking and Support Fund.

Tuesday we will consider the following bills:

House Resolution 1002, resolution of inquiry on 1973 military alert; we will also take up the Legislative Appropriations Act for the fiscal year, 1975 for which no number has been assigned as yet; and House Resolution 998, changes in certain House procedures, with a modified closed rule, and 2 hours of debate.

On Wednesday and the balance of the week we will consider the following bills:

Supplemental appropriations for the fiscal year 1974, subject to a rule being granted; again no number has as yet been assigned to this bill; and

H.R. 13113, Commodity Futures Trading Commission, subject to a rule being granted.

Conference reports may be brought up at any time and any further program will be announced later.

The House will adjourn for Easter recess from the close of business Thursday, April 11, until noon Monday, April 22.

ADJOURNMENT TO MONDAY, APRIL 8, 1974

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule may be dispensed with on Wednesday next.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

AUTHORIZING CLERK TO CORRECT SECTION NUMBERS IN ENGROSSMENT OF H.R. 12565

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent that the Clerk be authorized to correct section numbers in the engrossment of H.R. 12565.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

GENERAL LEAVE

Mr. RANGEL. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of my special order.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

(Mr. RANGEL asked and was given permission to revise and extend his remarks.)

MEMORIAL FOR DR. MARTIN LUTHER KING, JR.

(Mr. BINGHAM asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BINGHAM. Mr. Speaker, I am introducing today with more than 140 cosponsors from both parties and all sections of the country a resolution which would authorize the commissioning of a statue or bust of Dr. Martin Luther King, Jr. to be placed in an appropriate place in the United States Capitol.

Today is the sixth anniversary of Dr. King's tragic death. This legislation would be an appropriate tribute to this distinguished black American, whose courage and leadership had a lasting impact on this Capital and the Nation, resulting in the historic enactment of the Voting Rights Act of 1965 and the Civil Rights Acts of 1964 and 1968.

Dr. King's picture today hangs in millions of homes but no such portrayal memorializes him in the U.S. Capitol. In fact, although many black Americans have made important contributions to America, not a single black American has been honored by having a portrait or statue placed in the U.S. Capitol.

The cosponsors of this resolution are as follows:

SPONSORS OF MARTIN LUTHER KING, JR. STATUE BILL, APRIL 4, 1974

1. Abzug, Bella S. (D–NY).
2. Adams, Brock (D–Wash).
3. Addabbo, Joseph P. (D–NY).
4. Anderson, John B. (R–Ill)
5. Annunzio, Frank (D-Ill).
6. Ashley, Thomas L. (D-Ohio).
7. Aspin, Les (D-Wis).
8. Badillo, Herman (D-NY).
9. Barrett, William A. (D-PA).
10. Bell, Alphonzo (R-CA).
11. Bergland, Bob (D-Minn).
12. Biaggi, Mario (D-NY).
13. Biester, Edward G., Jr. (R-PA).
14. Boggs, Lindy (D-LA).
15. Boland, Edward P. (D-Mass).
16. Brademas, John (D-Ind).
17. Bolling, Richard (D-MO).
18. Brasco, Frank J. (D-NY).
19. Brown, Clarence J. (R-Ohio).
20. Brown, Garry (R-Mich).
21. Brown, George E., Jr. (D-CA).
22. Buchanan, John (R-Ala).
23. Burke, James A. (D-Mass).
24. Burke, Yvonne Brathwaite (D-CA).
25. Burton, Phillip (D-CA).
26. Carey, Hugh L. (D-NY).
27. Chisholm, Shirley (D-NY).
28. Clay, William (D-MO).
29. Collins, Cardiss (D-Ill).
30. Conte, Silvio O. (R-Mass).
31. Conyers, John, Jr. (D-Mich).
32. Corman, James C. (D-CA).
33. Cotter, William R. (D-Conn).
34. Culver, John C. (D-Iowa).
35. Daniels, Dominick V. (D-NJ).
36. Danielson, George E. (D-CA).
37. Dellenback, John (R-Oreg).
38. Dellums, Ronald V. (D-CA).
39. de Lugo, Ron (VI).
40. Dent, John H. (D-PA).
41. Diggs, Charles C., Jr. (D-Mich).
42. Dorn, Wm. Jennings Bryan (D-SC).
43. Drinan, Robert F. (D-Mass).
44. Dulski, Thaddeus J. (D-NY).
45. Eckhardt, Bob (D-Tex).
46. Edwards, Don (D-CA).
47. Eilberg, Joshua (D-PA).
48. Evans, Frank E. (D-Colo).
49. Fascell, Dante B. (D-Fla).
50. Fauntroy, Walter E. (DC).
51. Findley, Paul (R-Ill).
52. Fish, Hamilton, Jr. (R-NY).
53. Foley, Thomas S. (D-Wash).
54. Fraser, Donald M. (D-Minn).
55. Giaimo, Robert N. (D-Conn).
56. Gibbons, Sam (D-Fla).
57. Grasso, Ella T. (D-Conn).
58. Green, William J. (D-PA).
59. Hansen, Julia Butler (D-Wash).
60. Harrington, Michael (D-Mass).
61. Hawkins, Augustus F. (D-CA).
62. Hechler, Ken (D-WVa).
63. Helstoksi, Henry (D-NJ).
64. Hicks, Floyd V. (D-Wash).
65. Holtzman, Elizabeth (D-NY).
66. Horton, Frank (R-NY).
67. Hosmer, Craig (R-CA).
68. Howard, James J. (D-NJ).
69. Hudnut, William H., III (R-Ind).
70. Hungate, William L. (D-MO).
71. Johnson, James P. (R-Colo).
72. Jordan, Barbara (D-Tex).
73. Karth, Joseph E. (D-Minn).
74. Kastenmeier, Robert W. (D-Wis).
75. Koch, Edward I. (D-NY).
76. Kyros, Peter N. (D-Maine)
77. Leggett, Robert L. (D-CA).
78. Litton, Jerry (D-MO).
79. Long, Gillis W. (D-LA).
80. McCloskey, Paul N., Jr. (R-CA).
81. McKinney, Stewart B. (R-Conn).
82. Madden, Ray J. (D-Ind).
83. Matsunaga, Spark M. (D-Hawaii).
84. Mazzoli, Romano L. (D-KY).
85. Meeds, Lloyd (D-Wash).
86. Metcalfe, Ralph H. (D-Ill).
87. Mezvinsky, Edward (D-Iowa).
88. Mink, Patsy T. (D-Hawaii)
89. Mitchell, Parren J. (D-MD).
90. Moakley, Joe (D-Mass).
91. Moorhead, William S. (D-PA).
92. Mosher, Charles A. (R-Ohio).
93. Moss, John E. (D-CA).
94. Murphy, John M. (D-NY).
95. Murphy, Morgan F. (D-Ill).
96. Nix, Robert N. C. (D-PA).
97. Obey. David R. (D-Wis).
98. O'Brien, George M. (R-Ill).
99. O'Neill, Thomas P., Jr. (D-Mass).
100. Owens, Wayne (D-Utah).
101. Patten, Edward J. (D-NJ).
102. Pepper, Claude (D-Fla).
103. Podell, Bertram L. (D-NY).
104. Price, Melvin (D-Ill).
105. Rangel, Charles B. (D-NY).
106. Rees, Thomas M. (D-CA).
107. Reid, Ogden R. (D-NY).
108. Reuss, Henry S. (D-Wis).
109. Riegel, Donald W., Jr. (D-Mich).
110. Rodino, Peter W., Jr. (D-NJ).
111. Roe, Robert A. (D-NJ).
112. Rosenthal, Benjamin S. (D-NY).
113. Roush, J. Edward (D-Ind).
114. Roy, William R. (D-KA).
115. Roybal, Edward R. (D-CA).
116. Ryan, Leo J. (D-CA).
117. Sarbanes, Paul S. (D-Md).
118. Schroeder, Patricia (D-Colo).
119. Seiberling, John F. (D-Ohio).

120. Smith, Henry P., III (R-NY).
121. Stark, Fortney H. (D-CA).
122. Steelman, Alan (R-Tex).
123. Stokes, Louis (D-Ohio).
124. Stratton, Samuel S. (D-NY).
125. Symington, James W. (D-MO).
126. Thompson, Frank, Jr. (D-NJ).
127. Tiernan, Robert O. (D-RI).
128. Udall, Morris K. (D-Ariz).
129. Van Deerlin, Lionel (D-CA).
130. Vander Veen, Richard (D-Mich).
131. Vanik, Charles A. (D-Ohio).
132. Vigorito, Joseph P. (D-PA).
133. Waldie, Jerome R. (D-CA).
134. Ware, John (R-PA).
135. Whalen, Charles W., Jr. (R-Ohio).
136. Wilson, Charles (D-Tex).
137. Wolff, Lester L. (D-NY).
138. Wydler, John W. (R-NY).
139. Yates, Sidney R. (D-Ill).
140. Young, Andrew (D-GA).
141. Young, Samuel H. (R-Ill).
142. Long, Clarence D. (D-Md).

KING AND POWELL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. RANGEL) is recognized for 60 minutes.

Mr. RANGEL. Mr. Speaker, today marks the anniversary of the death of two of black America's greatest leaders. Not only did these two men lead black America but they were spokesmen for millions of poor and disadvantaged citizens of all colors. I refer, of course, to Martin Luther King, Jr., and Adam Clayton Powell, Jr.

The accomplishments of these two individuals are too numerous to mention in detail. Indeed, the effects of their deeds are still being felt throughout the Nation. Both men were ministers, both were uncompromising in their efforts to improve the quality of life for the poor and disadvantaged, and both influenced the shape of things yet to come.

Martin Luther King, Jr. was a man of the South. Born in Atlanta, Ga. on January 15, 1929, he was a man of the people. After completing an outstanding academic career in Atlanta's Morehouse College and in universities in Pennsylvania and Massachusetts, he returned to the South to pastor the Dexter Avenue Baptist Church in Montgomery, Ala. It was in the South that Dr. King achieved his first and most notable successes. His mobilization of the Montgomery bus boycott, the formation of the Southern Christian Leadership Conference, the march on Birmingham, keynoting the march on Washington, leading the protesters in Selma—these are events that shook the Nation and the world.

For his efforts King received dozens of honorary degrees, Time magazine's Man-of-the-Year Award, and the Nobel Peace Prize. Not satisfied with awards alone, King pressed on. He moved nonviolent direct action north. In Chicago he was stoned. King spoke out against the war in Vietnam. He was criticized by almost every leader in the civil rights movement for involving civil rights with Vietnam. Yet King continued to move on beyond civil rights, and beyond Vietnam to become the prime warrior in the war on poverty. King was planning to bring the war on poverty right here to the Halls of Congress for all of us to see when he was called on to support a strike by sanitation workers in Memphis. It was a call from which he never returned.

Just as controversial as King's career, was that of Adam Clayton Powell, Jr. Born in 1908 in New York City, Powell was as much a man of the North as King was of the South. The young Powell launched his career as a crusader for reform during the depth of the Depression. He forced several large corporations to drop their unofficial bans on employing Negroes, while at the same time directing a kitchen and relief operation which fed, clothed, and provided fuel for thousands of Harlem's needy and destitute. During the 1930's and early 1940's Powell combined his civil rights activity with the pastorship of the world's largest congregation at Harlem's Abyssinian Baptist Church.

Recognizing the nature of both discrimination and power in the North, Powell looked toward politics. In 1941 he won a seat on the New York City Council. Four years later he became Congressman from New York's 18th District.

Due to his past activity he was almost immediately given the title "Mr. Civil Rights." Despite his position and title, Powell found out that he could not rent a room in downtown Washington, nor could he attend a movie in which his famed wife, Hazel Scott, had been starred. Within Congress itself, he was not authorized to use such communal facilities as dining rooms, steam baths, showers, and barbershops. Powell met these rebuffs head on by making use of all such facilities, and by insisting that his entire staff follow his lead.

Adam Powell met many other challenges head on. In 1960, he survived a proposal to split the Education and Labor Committee and became its chairman. In this position he was able to formulate the policy for the poor and disadvantaged that Martin Luther King, Jr., had aroused public support for. He had a hand in the development and passage of such significant legislation as the minimum wage bill in 1961, the Manpower Development and Training Act, the antipoverty bill, the Juvenile Delinquency Act, the Vocational Educational Act, and the National Defense Education Act.

Mr. Speaker, these two men, one from the North and the other from the South, have had an incalculable effect on this Congress and this Nation. Both were controversial and both were men of the people. They worked toward the common goals of aiding those most in need of assistance. One was perhaps the most influential black ever to serve in Congress. The other was the most charismatic leader of his people in this country.

The members of the Congressional Black Caucus not only remember these two men but we continue to draw inspiration and leadership from their work. In some small way we hope to continue that work. Surely this country is in great need of moral and inspirational leadership. We ask that our colleagues join us in commemorating these great men.

Mr. FAUNTROY. Mr. Speaker, Martin Luther King, Jr., was a dreamer of what many call an impossible dream. Hear him as he intoned those now immortal words before the likeness of Lincoln at the historic march on Washington: "I have a dream," said he, "that one day this Nation will rise up and live out the true meaning of its creed, 'we hold these truths to be self-evident that all men are created equal.' " That, say most of us, is an impossible dream.

"I have a dream," said he, "that one day on the red hills of Georgia, the sons of former slaves and the sons of former slave owners will be able to sit down together at the table of brotherhood." That, say most of us, is an impossible dream.

"I have a dream," said he, "that one day the State of Mississippi, a desert State sweltering with the heat of injustice and oppression, will be transformed into an oasis of freedom and justice." That, too, say we, is an impossible dream.

But Martin Luther King, Jr., was not content just to dream impossible dreams; he shall go down in history as the preeminent prophet of our age because he had a way of translating his impossible dreams into living realities. He came to Montgomery, Ala. in 1955 and began dreaming of a day when, after pushing pots and pans in white folks' kitchens all the week, black folks would not have to move to the back of the bus or get up to give a white man a seat if none was available. Impossible dream, said many. You cannot change the heart of Dixie. But Rosa Parks and 50,000 other black folks in Montgomery believed the dream, and they marched for 343 days, feet tired but souls resting, until one day, November 13, 1956, one tired soul could shout "Almighty God done spoke for Washington" saying the man's dream shall be a reality.

Martin Luther King, Jr. was a man who translated impossible dreams into living realities.

He dreamed an impossible dream in Birmingham. He dreamed of a day when black folks would no longer have to pack greasy bag lunches to travel across the South because free access to public accommodations was denied them. An impossible dream said most; you cannot change Bull Connor or Birmingham, Ala. Impossible. But look at the believers in the dream as they leave the 16th Street Baptist Church saying to Bull Connor like David told Goliath—"You come to me with a sword and shield but I have come in the name of God. In the name of God, we shall be free. Beat us with your billy clubs, but we will keep on marching. Knock us down with your fire hoses but we will keep on marching, bite us with your dogs or bomb our innocent children studying Jesus in church on Sunday but be it known, Bull Connor, we shall overcome."

And you know the story how they marched about the segregated city of Birmingham until the patter of their feet became the thunder of the marching men of Joshua and the world rocked beneath their tread. Rocked. Until this Congress of the United States had to stand up and declare to the world that the man's dream shall be a reality.

Martin Luther King, Jr., translated impossible dreams into living realities. In this day of radical rhetoric and shuckers and jivers.

Martin Luther King did not just talk that talk; he walked the walk.

At the time of his death, Martin Luther King was working on yet another impossible dream. He dreamed of a day when this Nation would do for its black and its poor what it has always been willing to do for its rich and its white—that is—make a public investment in them.

You know us in this country have a way of fostering socialism for the rich and capitalism for the poor. We say of the rich, they need help; we must subsidize them. But let's have laissez faire and capitalism for the poor. Leave them alone, let them make it the best way they can. That is right. When we make public investment in the poor we call it public welfare. But when we make public investment of your tax money in the rich and the white we call it something else.

When we gave land away a hundred years ago to disadvantaged white peasants from Europe, we did not call it public welfare, we called it a Homestead Act. When we give billions of dollars each year to oil-rich millionaires we do not call it public welfare, we call it oil depletion allowances.

When we give guaranteed minimum to farmers who receive Federal subsidy of $131,000 a year or more, we do not call it public welfare, we call it a land-bank program.

When we subsidize hundreds of thousands of homes for middle-class whites in the suburbs, we do not call it public housing, we call it FHA financed housing.

Martin Luther King understood this and began organizing all of the poor—the black, the white, the Mexican American, the Puerto Rican, the Indian—into a 20th century populist movement; a poor people's campaign.

This fact disturbed defenders of the status quo as never before. For by now they knew this man, Martin Luther King, Jr., to be no ordinary dreamer. He had a way of translating his dreams into living realities. And so like Joseph's brothers in the book of Genesis, they said:

> Behold here cometh the dreamer, let us slay him. And, let us say that some wild beast hath destroyed him. And then, let us see what shall become of his dream.

After the radical rhetoricians have rapped a little, and after the shuckers and jivers have burned and looted a little—let us see what shall become of his dream.

That is the question that awaits an answer from those who revive the memory of Martin Luther King, Jr. today. Not "what would have happened had he lived?" For this is beyond our grasp. Not who shall be his successor; great men have no successors, only disciples. Not who was it that conspired to slay him; for there is no investigation that can bring him back to life. No, the only question on the agenda of black and white America today is "what shall become of his dream?"

That dream has undergone serious assault in recent years. The preoccupation of our leaders with a senseless and unjust war in Southeast Asia, our stubborn refusal to deal with the problems of the blacks and the poor of our Nation have fostered a dangerous polarization in this country. A polarization between black and whites, between the young and the old, between the affluent and the poor, between the city and the suburb. That polarization has robbed the once powerful forces of good will that Martin Luther King convened in the decade of the sixties. Divided, we have been conquered by the forces of reaction, racism, and war; conquered at the ballot box; conquered on the war on poverty, conquered in our efforts to reorder the disordered priorities of our Nation.

But I believe that we can overcome the polarization. I believe that we can make the man's dream a living reality. I believe we can if we sound again the call in his memory: Black and white together, we shall overcome. I believe we can if today we have the courage to sound in his memory the call to nation time; saying to blacks across this Nation that now is not the time for us simply to murdermouth white people or put down so-called Negroes; now is not a time for pompous declarations of "I am blacker than thou" or for rhapsodies on the beauty of blackness. It is not a time for fantasizing instant revolution or for seeking our manhood through the barrel of a gun. But now is the time for us to master the arithmetic of power politics. Now is the time for us to marshal the vote power marching masses of militant and moderate blacks in the nearly 150 congressional districts where our votes can determine who wins an election. Now is the time for the forces of black respect to join hands with the white peace movement, women and the young, at the ballot box, that, together, we might seize the command posts of power and drive there from the forces of reaction, the perpetrators of war and destruction, the enemies of peace and progress.

That dream, the dream of Martin Luther King, Jr., can be made a living reality if dedicated men, brave men will make it so. I believe that we shall overcome, black and white together. Armed with that faith, Dr. King's faith, I believe that we can out-vote the forces of reaction at the ballot box. I believe that we can overcome in our efforts to reorder the disordered priorities in our Nation. I believe that together we shall overcome the perpetrators of racism and war.

Now I know there are those who are saying it cannot be done: that blacks are too bitter and white youth too turned off ever to get it together again. But so in fact did they tell us that we could not win in Montgomery, Birmingham, Selma or Memphis. But we did. And I say we shall overcome. If we do not overcome then God is not God, truth is a lie. If we do not overcome then right is wrong, and justice is injustice and good is evil. But we shall overcome. We shall overcome because truth is truth. We shall overcome because justice is justice. We shall overcome because God is God and right is right and right.

With that faith I go on now to work on the man's dream. I am going to work until our Nation's hungry are fed. I am going to work until its naked are clothed. I am going to work until its homeless are housed, until its jobless are employed and until its helpless are helped. I am going to work until this Nation beats its swords into plowshares and its spears into pruning hooks and studies war no more.

Inspired by the memory of Dr. Martin Luther King, Jr., I go on to "Dream the Impossible Dream."

Mr. **BADILLO**. Mr. Speaker, it is most appropriate that we take this time to pay tribute to the memory of two outstanding men who, in their own unique and individual styles, dedicated their lives to correcting gross racial, social and economic inequities. Both Adam Clayton Powell and Martin Luther King were courageous and effective spokesmen not only for the black community but also for other Americans who are disadvantaged, underprivileged and cruelly relegated to second-class status by the established majority of this country.

As chairman of the House Education and Labor Committee Adam Powell for 7 years bore much of the responsibility for effectively steering most of the great society legislation through the perilous channels of the Congress and in aiding the enactment of measures which provided some hope of equal economic opportunities for all citizens. Throughout his public career Adam Powell was an activist in the finest sense of that word and fought to correct inequities in housing, education, welfare, economic exploitation and various forms of discrimination.

With courage, dignity, a single-mindedness of purpose and deep faith, Martin Luther King struggled for almost his entire adult life to achieve equality and justice for all Americans—whether blacks in the South, Puerto Ricans in New York, poor whites in Appalachia or Chicanos in the West. Ignoring his own safety and well-being, Martin Luther King devoted himself to removing all vestiges of racism, discrimination and inequality wherever they might exist and, by enlisting all elements of American society, he sought to reorder and redirect this Nation's priorities to achieve that wonderful dream of which he so eloquently spoke.

Through broad legislative actions and a great moral crusade, Adam Powell and Martin Luther King were able to spark movements which led to significant progress for oppressed people throughout this country. A great deal more needs to be done, however, and we should rededicate ourselves to those principles which these two great American espoused and undertake further initiatives to resolve those problems and conflicts to which they addressed themselves. The important contributions to American society by those two men complemented each other and led to an increasing awareness of the basic ills which beset our land and mobilized forces to effectively grapple with them. We must not allow their efforts to have been made in vain and we must carry forward the important work they began.

Mr. **METCALFE**. Mr. Speaker, today marks the anniversary of the deaths of two of the most influential black Americans of this century—Dr. Martin Luther King, Jr. and Representative Adam Clayton Powell, Jr.

They were very different men yet, in their individual ways, both provided leadership and hope to black Americans throughout the civil rights movement of the 1950's and 1960's.

It has been 6 years now since Dr. Martin Luther King, Jr., was assassinated in Memphis.

After these years, a fitting remembrance should not be a eulogy recounting his deeds but a look at the legacy which he left us all.

More than these individual deeds, it is important to look at the sum of what Dr. King did. He left us with a direction, he articulated our goals, and, perhaps most important of all, he crystallized in a movement the ideas of millions of individual Americans.

Dr. King showed America the ugliness and the divisiveness of her racism but he also reminded her of the beauty of a society where people of all races and creeds could live together. He showed America her faults, but he also provided the poor and oppressed people of America with the hope and moral courage to rid America of racism and hate.

He showed black America that, as a united people, they could overcome. He showed white America that the struggle for freedom and equality was here to stay, that black men and women would not rest until they were treated with the dignity that all Americans deserved.

Dr. King was vilified, he was beaten, he spent countless days in Southern jails and, in the end, he was murdered. But until the hour of his death, he waged his nonviolent struggle against the forces of oppression in this country.

With his abiding faith in peace and brotherhood, with his great courage, and with his belief in America, Dr. King showed us the way to freedom.

Dr. Martin Luther King, Jr. gave oppressed people in America the will to struggle for equality; and he gave all Amercia his dream of peace and brotherhood, a dream which is the foundation for my own efforts to right the wrongs of our society and a dream which should still be a guide by which all of us can live.

Adam Clayton Powell was a man of the urban North. He was a product of the streets of New York and never forgot his origins, even after he rose to great power in this House. Representative Powell said what he felt—always. He never hedged, he never equivocated, he never compromised on an issue which he felt was important. His outspokenness, his frankness, and his flamboyance made him many enemies but it also earned him the gratitude of millions of black Americans who for many years had virtually no other spokesman.

He was only the fourth black man to serve in the Congress since Reconstruction and when he was elected to the chairmanship of the Education and Labor Committee in 1961, he became the first black to achieve that honor. Along with the man I had the privilege of succeeding, the late William Dawson, Adam Clayton Powell for many years faced the awesome task of being one of only two black men in the Congress to represent his people's needs.

Representative Powell was, of course, responsible for much legislation during his 25 years as a Member of this House. The list of legislation which he guided through Congress is incredible: increasing the minimum wage, equal rights in employment for women, vocational training, The Economic Opportunities Act, establishing the Administration of the Aging. But Adam Clayton Powell will not only be remembered for this legislation, or for what he said in his more flamboyant moments; he will be remembered for what he was.

Adam Clayton Powell was proud. He was proud of being outspoken when the safe thing to do was to "go along to get along." He was proud of his ability to communicate with his constituents in Harlem. Most of all he was proud of being black, at a time when Congress was a very lonely place for black people. It was for his pride, and his strength, that he became a hero to black people all over America who were just beginning to feel their own collective pride.

It is for this that we should remember Adam Clayton Powell, Jr.

Mr. MITCHELL of Maryland. Mr. Speaker, I appreciate the actions of my fellow Congressional Black Caucus Member CHARLES RANGEL in obtaining this special order today so that we may commemorate the contributions of two great Americans, Martin Luther King, Jr. and Adam Clayton Powell, Jr. Beginning in the late fifties these two men brought together the creed of nonviolence and the cause of social justice to effect an outstanding turning point in the history of a people and a country. In moving social forces and human beings, Martin King and Adam Powell put before the world the cause and struggle of Black Americans for full equality in American society.

Dr. King has been gone now for 6 years, and Congressman Powell for 2. It has been 8 years since Selma and the voting rights struggle, and 14 years since Adam Powell took over the chairmanship of the House Education and Labor Committee. Their many accomplishments as our "inside" and "outside" men are well documented. Dr. King's use of civil disobedience and nonviolence from Montgomery to Memphis brought social justice and civil rights before the American legislative branch. Congressman Powell's mastery of the legislative process translated Dr. King's actions into 48 pieces of major legislation that committed a total outlay of more than $14 billion by the Federal Government to provide equality of economic opportunity for all Americans.

But politicians across the country know that their work has meant much more. Since 1965, we have seen the number of black elected officials rise from less than a hundred in the South to more than 1,444. The voter education project reports that the net gain of 271 in 1972 was the largest in any year since Reconstruction. What this means is that power has begun to change hands in the South. Blacks who now control the county commission and board of education in Greene County, Ala., decide on the distribution of $40 to $50 million a year for health, education and other services—and that is power.

In Atlanta, where voters have just elected a black mayor, black voters made it possible to pass a multibillion dollar mass transit system—but not until the black community won guarantees of decisionmaking powers over contracts, subcontractors, jobs, and routing, and negotiated a reduction of the fare from 40 to 15 cents. In Dayton, Ohio, the black community organized their community and political strength to obtain control of a cable communications franchise. As a result of the energies of Congressman Powell and Dr. King, black mayors and other locally elected officials, while by no means the rule, are most definitely no longer the exception.

I think that these examples which are repeated more than a hundredfold every day in Amercia would have made Martin King and Adam Powell proud. They would have been proud because they worked so long for the emergence of black political power as an effective instrument of nonviolent social change.

The genuine impact of these two great Americans was to insure that in this day and time, America is to be forever conscious of utilizing all of its human resources whether that resource is red, brown, black, yellow, white or otherwise. In these trying days of international realignment and tension, that can only be good for America.

I know that most of my black colleagues in the House and Senate attribute a great deal of their political success to the work done by Martin Luther King and Adam Clayton Powell. Because of these fine men the American Government is much more responsive to all of its citizens.

It is because of my deep and lasting appreciation for the work of these great men that I join in this special order today, fully recognizing that it only in a small way honors two men whose lives to millions of Americans has meant an awareness of their rights, and a true belief in their citizenship.

Mr. DENT. Mr. Speaker, I join my colleagues on this, the anniversary of the deaths of the Honorable and Rev. Martin Luther King, Jr. and our former colleague, Adam Clayton Powell, Jr.

I deem it a distinct personal privilege to be permitted to express my regard and admiration for the life and times of that great spiritual, political and humane leader of a great endeavor for human dignity, the Reverend Dr. Martin Luther King, Jr. His achievements and sacrifices will long be remembered in the hearts and songs of our people. All of us are better off for having lived in his time, as he passed through on his way to greater glory. I leave to the orators and historians the cataloging of his achievements and aspirations.

I express my own personal gratitude for the leadership that Adam Clayton Powell, Jr. gave to all people. We served together on the Education and Labor Committee, which he chaired. Whatever else may be said, too little has been said about his accomplishments in social and economic fields.

As chairman of the Education and Labor Committee, in the span of 7 years he placed on the statutes such landmark legislation as meaningful aid to education, making a reality out of a promise long held for Americans—an opportunity for every mother's child to attain that level of education he hoped for.

It was a personal privilege for me to work with Chairman Powell and Jimmy Roosevelt on the first major breakthrough on minimum wage legislation in

1961. I remember well when we three made a decision to block the passage of an inequitable and fraudulent conference proposal on the Fair Labor Standards Act.

We took a calculated legislative and political risk, gambling that a Democratic President would be elected who would put his support behind a meaningful new bill that would cover millions of Americans with the umbrella of the minimum wage, maximum hour law. Adam was like that. I remember when we sat in the office and realized that if we accepted the inadequate provisions of the conference proposal, it would be years before we could bring another bill to the floor to undo the damage contained in that proposal.

Adam said, and I report it from memory:

> It has taken so long to bring some measure of economic justice to those who are the lowest paid workers in our society, we can afford to wait another year or so, if in so doing we can make a meaningful contribution to these unorganized, unrepresented, voiceless multitudes of workers, who have only the Congress of the United States to look to for relief in their struggle for a decent wage and a decent way of life.

How prophetic his words proved to be. A year later, with the inauguration of President John F. Kennedy, a Democratic Congress and Senate passed the first real minimum wage law that covered millions of workers, extending the protective arm of the Fair Labor Standards Act to millions of poverty-level workers. I am sure that Adam would have applauded the recent action of this House in continuing the ongoing fight to improve the Fair Labor Standards Act.

I could continue with the Juvenile Delinquency Act, the Vocational Education Act, the Economic Opportunities Act, all of which filled a need when action was imperative. History alone can record the legislative accomplishments of the Committee on Education and Labor under his leadership.

Mr. CLAY. Mr. Speaker, as we look back in retrospect on the life and death of Dr. Martin Luther King, I am sure even his most bitter enemies will readily admit the impact his activities had on the course of American history. For good or bad, depending on one's point of view, that impact was more profound than any other during the turbulent years of the fifties and sixties.

Dr. King, the little giant, in his travels from Montgomery to Memphis carved out a chapter in history that rivals those of other freedom fighters such as Thomas Jefferson and Thomas Payne. His accomplishments were of revolutionary dimension embodying all the frontier fervor in his lust for freedom.

The man who lived his life, and gave his life, to unify mankind in the brotherhood of love can be aptly described in contradictory terms. The man of unity can be praised for his great ability to divide men on the question of morality. Dr. King did what few before him or few since have been able to do. He divided America into two groups—those who loved and those who hated. He sought out, encouraged, and organized those who loved freedom, justice, and their country. And, he identified, challenged, and confronted those who hated equality of the races and justice for all.

Martin's great crusade, launched in Montgomery and terminated in Memphis, was to cleanse the soul of a nation. The modern day "Prince of Peace" sacrificed his life so that his fellow man might live in a country void of hatred and prejudice. Until Martin Luther King arrived on the scene, there was little hope that blacks and other minorities would achieve racial equality or that poor whites would enjoy economic and political justice.

Dr. King made white Americans feel a sense of guilt for the racial atrocities and injustices heaped upon 20 million citizens. Until Dr. King's campaign for justice, whites generally refused to become personally involved or personally responsible for the murderous, inhumane acts of their fellow citizens. Martin pricked the conscience of this Nation. He shocked white America from its smug, lethargic, aristocratic, Christian hypocrisy. And many men of good will came forward to side with right.

To divide was Dr. King's greatest asset. He transformed the comfortable into the concerned. He brought the masses off the fence and forced them to take sides in the struggle for black manhood. Those who had pretended that all was well and blacks were happy, were suddenly and dramatically confronted with the problem. Major traffic arteries which had casually taken suburbanites past the misery and suffering of the ghetto, overnight became symbols for protest with the blocking of traffic. Prestigious restaurants and theaters suddenly became the battlegrounds for civil rights armies. Voting booths and lily-white neighborhoods quickly became the targets of unrelenting attack by those committed to make the Declaration of Independence and the Bill of Rights blueprints for perfection.

Martin Luther King redefined the word "racist." No longer could sanctimonious, pious religious leaders, business executives or government officials describe the culprits as stringy-haired, back-wooded, ignorant southerners who were determined to maintain the antebellum status quo. Martin moved the Mason-Dixon line to the southern border of Canada and expanded the membership of the Ku Klux Klan to include organized labor, the chamber of commerce, the Christian community, and the Federal Government.

Martin the great divider solidified his people, he defined the common goal and advanced the common mechanism for achieving that goal—nonviolent, passive resistance. Although Martin Luther King lived but a few years and left a nation battle worn and torn with strife, his deeds will live for generations to come.

Mr. DRINAN. Mr. Speaker—

> Injustice anywhere is a threat to justice everywhere. ("Letter From Birmingham Jail," as printed in Why We Can't Wait (1964).)

In 1955, Rosa Parks boarded a bus in Montgomery, Ala., and set in motion a chain of events that have had the most profound effect on the course of history. When she took a seat in the front of the bus, Mrs. Parks was told to move to the rear because she was black. She refused and was arrested.

A young minister, outraged at the affront to Mrs. Parks and to human dignity, helped organize a bus boycott and was chosen to lead it. After several months of protest, city officials capitulated, and desegregated the buses. In the succeeding days, that Montgomery minister moved to form a permanent organization to seek equal rights for all Americans. For his work in advancing the cause of equality, he was awarded the Nobel Peace Prize. That man was Martin Luther King, Jr.

Six years ago, Dr. King was killed by an assassin's bullet, struck down as he sought once again to confront the problems of racial and economic injustice. We speak here today to commemorate his unswerving dedication to the task of removing all barriers to equality. On this day, Congressman BINGHAM is introducing a bill which would place a statue of Dr. King in the halls of Congress, the first black man to be so honored. I am privileged to cosponsor that measure and urge immediate passage. It will serve as a constant reminder to each American of his work and ideals which will surely live long after his death. It is well to recall those contributions.

The greatness of Dr. King's leadership lay in his total commitment to nonviolent, civil disobedience as an instrument for change. He firmly believed that social injustice and racial discrimination would only be rooted out of America by confronting the powerful with the moral strength of the powerless:

> We know through painful experience that freedom is never voluntarily given by the oppressor; it must be demanded by the oppressed. ("Letter From Birmingham Jail," as printed in Why We Can't Wait (1964).)

Like the great figures who had gone before him—Antigone, Thoreau, and Gandhi—Dr. King preached the gentle truth that the moral principles of equality must be placed above the immoral premises of segregation, even though they be embodied in law.

Civil disobedience, in his mind, was not the crass pursuit of selfish means for the achievement of selfish ends. To the contrary, it represented the highest expression of self-denial by submitting to temporal punishment to remove the chains of bondage. We must never forget that it was Martin Luther King who wrote to us from the Birmingham jail:

> I submit that an individual who breaks a law that conscience tells him is *unjust, and* who willingly accepts the penalty of imprisonment in order to arouse the conscience of the community over its injustice, is in reality expressing the highest respect for law. ("Letter From Birmingham Jail," as printed in *Why We Can't Wait* (1964).)

It is perfectly plain that Dr. King, in placing the civil rights movement on the firmest moral foundation, laid the cornerstone for the antiwar activities which grew out of that struggle. After all, it was he who perceived the relationship between the war in Vietnam and the battle for equality at home. It was he who protested the waste of resources in Southeast Asia when they should have been employed to remove racism and poverty in America. And it was he who called for a reallocation of goods and services from a war-oriented economy to a peace-oriented society. Although he was criticized for these views in his time, history has surely vindicated him even in this brief span of years.

For these accomplishments, Americans owe to Dr. King an eternal debt of gratitude. On this solemn occasion, we must pledge anew an unalterable commitment to the goals he so fervently sought. Until all of us have been freed from the ancient bonds of racial prejudice and economic oppression, none of us is free. Let us strive to remove the last badges of slavery "until all the wealth piled by the bondsman's 250 years of unrequited toil shall be sunk," so that each of us may say:

> Free at last,
> Free at last;
> Thank God Almighty
> I'm free at last.

Mr. PODELL. Mr. Speaker, this is an appropriate occasion to remember two men whose works more than any others are a symbol of the middle years of this century. With an all-abiding faith in America and its people, they dedicated their lives to those who desperately needed assistance in a less than perfect world. It was a noble idea, and a noble effort, and it succeeded beyond anyone's expectations.

Martin Luther King, Jr., and the Honorable Adam Clayton Powell, Jr., will be remembered by their accomplishments long after the turmoil of their times has dimmed in our memory.

Reverend King was an ordinary man who answered a call to greatness. With total commitment to the simple ideal that all Americans have equal legal and moral rights, he mobilized masses of the poor and the deprived to work and lobby peacefully for the benefits and rewards that was their birthright. Nonviolence was his faith, and every thread of his moral fiber.

From the beginning, he was subjected to brutality and vilification. Violence stalked this man and his followers in their peaceful crusade for simple justice. He moved through a land where fear obscured the American dream. With patience, sympathy, and inspired leadership, he weaned the fearful, indeed the Nation, from the error of its ways. He had convictions, and the courage to stand openly for them. He stood for what America stood for. His dream was the American dream. And the dream is being realized.

The world was watching. Long before he fell to the violent end that was marked for him, he was awarded the Nobel Prize for Peace in acknowledgment of his accomplishments. Early in the first session of the 93d Congress, some 25 Members representing a broad cross section of American life, including myself, introduced H.R. 2267, making January 15 of each year, Martin Luther King's birthday, a national holiday. I encourage my colleagues to move that legislation at this time.

Our late colleague, Adam Clayton Powell, Jr., labored in the Halls of Congress much the same as Reverend King labored in the streets. He had a relentless commitment to improve the economic and social conditions of all Americans. He was an implacable foe of historical racism, economic exploitation, and discrimination.

During his years as chairman of the Education and Labor Committee of the House he used his considerable skills to pass some 48 major pieces of legislation that are the very foundation of our commitment to the social and economic improvement of all Americans.

The work of each of these men complemented the other. They worked in different ways, but toward the same end. This land is a better place because they passed this way.

Mr. NIX. Mr. Speaker, it gives me great pleasure to join with my friend, the gentleman from New York (Mr. RANGEL) in paying tribute to two great Americans.

It is one of history's ironies that Dr. Martin Luther King and former Representative Adam Clayton Powell died on the same day, April 4, 4 years apart. In many ways these two men were very different. Yet in his own way, each played a major role in a great historical drama. Each fought, in his own way, to make our Nation truly a land of liberty and justice for all. Each contributed to battering down the old barriers of racial discrimination that hemmed in black Americans for generations. Each was a dynamic and vibrant personality who left a personal stamp on the history of our times that will not easily fade.

It is 6 years now since Dr. Martin Luther King was cruelly taken from us by the assassin's bullet. The tragedy of his death is still with us. It shocks us even now to recall how this man who preached love and brotherhood and nonviolence was the victim of senseless brutality.

Martin Luther King was the leader of a great crusade for justice. He loved this country and he believed in its capacity to overcome the injustices of the past. He believed that the moral force of his cause could sway the hearts of Americans, both black and white.

This Nation has come a long way in the 11 years since Dr. King told of his dream of a new day of brotherhood and justice. We cannot say that his dream has become a reality, for injustice and inhumanity remain. But we cannot doubt that the spiritual force of Martin Luther King has led an entire generation of Americans to reassess and to reaffirm the need for liberty and justice for all citizens in this country. Though Dr. King is no longer with us, his legacy to us will never die.

Adam Clayton Powell was another unique man who made his own unique contribution to the cause of advancing justice and equal opportunity. As a man, Powell seemed larger than life. He was always attended by controversy and publicity and he seemed to thrive on it.

I think it is unfortunate that this man was known to the public mostly because of his flamboyant lifestyle. Observers have often overlooked his great achievements during his 26 years in Congress. His greatest effectiveness came when he assumed the chairmanship of the Committee on Education and Labor. Adam Clayton Powell was chairman of that committee during the great days of the New Frontier and the Great Society.

He guided into law many landmark bills on education, labor, and economic opportunity that were long overdue on our national agenda.

President Johnson thanked Powell for helping to enact 50 major bills of the Kennedy-Johnson program. His legislative record during those years is nearly unbeatable. During his chairmanship the Congress passed the Elementary and Secondary Education Act, the Economic Opportunity Act, manpower training legislation, minimum wage laws, other important education bills, and many others.

Adam Clayton Powell was a man of life and vigor. He was a fighter, and he won many battles for the poor and the disadvantaged and the discouraged. He was fiercely independent. He was a giant of a man in many ways, and I suspect we may never see his like again.

I should make one final comment concerning Adam Clayton Powell. My position on the controversy over his seat in Congress is well-known. In my remarks on the floor in July of 1967, I said:

> I, therefore, remind my colleagues that the shouting and tumult have subsided; the unfortunate trauma induced by intemperate and, more often than not, suggestive reporting of Mr. Powell's activities has lost its distortions. The American people have had time to think, to soberly evaluate, to permit reason to assume the throne, and I am sure that out of this moment of balanced judgment, the people of this country will say to the Congress that the Powell case must be reconsidered, that Member-elect Powell did not receive the fair and impartial trial guaranteed to every American citizen, that the Congress of the United States is honorbound to admit its error, and to correct its wrong.

I repeat these words to point out that while the tumult has even yet not completely subsided, I remain convinced that the restoration of the place of Adam Clayton Powell in the history of this House is inevitable.

Mr. ADDABBO. Mr. Speaker, we mark this date of April 4 as one in which we pay tribute to the memories of two great Americans who died on this day the years 1968 and 1972. The Reverend Doctor Martin Luther King, Jr., Nobel Peace Prize winner and leader of the underprivileged, was the victim of a senseless assassination in 1968. While our former colleague and distinguished chairman of the House Education and Labor Committee, the Honorable Adam Clayton Powell, Jr., passed away in 1972.

These two men were in the main charismatic leaders and able to achieve goals for meaningful reforms. They were more than civil rights leaders for they truly represented the conscience of America in their fight against oppression.

The Reverend Doctor King led the battle in the heartland of the Nation as head of the Southern Christian Leadership Conference. His moral guidance kept us on the road toward strengthening our democratic system at a time when some others thought reform could be achieved only by destruction of our system. Dr. King's faith in America, his belief in the American dream, and his endless courage will be remembered forever.

Adam Clayton Powell fought his battles in this Chamber where his creative, imaginative leadership won him great victories. The list of historic legislation which Congressman Powell shepherded through the House of Representatives reads like a worker's bill of rights.

Minimum Wage, Manpower Training, Vocational Education, and the Economic Opportunity Act are but a few of these landmarks bearing Adam Clayton Powell's mark.

April 4 is a day when we remember these two great Americans and it is a day for paying tribute to their contributions to the preservation of our society.

Mr. YOUNG of Georgia. Mr. Speaker, April the 4th will forever remain a tragic date in American history. Six years ago today, the voice of Dr. Martin Luther King, Jr., was stilled. But his teachings will never be silenced, and his work for nonviolent social change and human justice will continue for generations, until his dream is completely fulfilled.

Year after year, month after month, there has been a massive outpouring of tributes to Dr. King. M. Carl Holman, president of the National Urban Coalition delivered a particularly stirring tribute on March 22 at the dedication dinner for the University of Notre Dame's Center for Civil Rights. I submit the text of Mr. Holman's address for the RECORD:

A TRIBUTE TO DR. MARTIN LUTHER KING

(By M. Carl Holman)

They called him Dr. King, Martin Luther King, Jr., Martin King, Martin, M.L., the Lawd—first lovingly by the young of the student movement, then flawed with ironic sadness. . . .

For some of the many here who knew Martin Luther King, it must seem almost another age since the time when he was alive, and smiling and walking among us; making us believe in the reality of the human brotherhood he envisioned through the kindling power of his presence and of that voice which was like no other.

For some who were there, it may seem not six years or more, but only yesterday since they were living through the fear or exaltation, fatigue or frustration of Montgomery, Albany, Selma, Canton, Cicero, Memphis. And it is still hard to understand that neither the color prints nor high-fidelity electronic recordings can make a child born after August 28, 1963 understand what that day was like, what the March on Washington meant, what it seemed to promise.

And it was only last week that a very young man said of another assembly, "I can understand why they went to Gary last year—because Dick Hatcher, a Black man, is mayor there. But why Little Rock?" In a country which never much cared for history, it is a very perishable commodity indeed.

But assuredly Martin Luther King made history. Most of the tired, often specious arguments over legal or legislative *versus* direct action approaches no longer interest us. The lawyers and the courts, the legislators and presidents, the incredibly courageous young rebels of SNCC, along with NAACP, CORE, the Urban League—all played their part. The churches, and synagogues, unions and women's groups, for a time made "white and black together" more than a wishful phrase. The laws went on the books. Some doors long sealed shut reluctantly swung open. It was possible finally to have Black voters in numbers that could not be ignored—and thus possible to have Black Mayors and state legislators and enough Blacks in the Congress to form a caucus.

No small part of all this must be credited, both by disciples and detractors, to Martin Luther King—visionary, sometime pragmatist, peace-breaker, peace-maker.

Peace-breaker . . . so much so that he was feared as an "outside agitator" after he and Rosa Parks and Ralph Abernathy and the other nameless townspeople of Montgomery had upset the peace of that town and won their bus boycott battle. There were even those in his native Atlanta who doubted it was wise for us to have young Martin King come home to give the NAACP's Emancipation Day Address. Atlanta being then "a city too busy to hate"—and rather smugly complacent about it. Sure enough, Martin was barely off the train before he frowned in the direction of the "White-only" waiting room and quietly asked the welcoming delegation, "When are we going to do something about that?" Some very awkward moments followed, everyone being sure that Jim-Crow signs in perhaps the proudest city in the South was a problem all right—but surely somebody else's problem.

Later, Martin was out of step again when everyone else, including some of his own SCLC board members, had the good sense to see that silence on Viet Nam was the best policy. After all, What was happening to Brown people in Indo-China—and, in the process, to our own country—had nothing at all to do with civil rights, nothing at all to do with poverty, nothing to do with human justice. Martin disagreed. Even in the name of peace, he seemed congenitally unable to hold his peace.

It was bad enough to rebuke Southern White moderates in his "Letter from a Birmingham Jail". Nor did he always interpret the scripture as others did when it came to rendering unto Caesar and unto God. When a president summoned leaders to a convocation at the White House one Sabbath Day, it was Martin who failed to attend. He explained that he was Co-Pastor with his father of Ebenezer Baptist and that the Sunday in question happened to be Martin's turn to preach. Those who know Daddy King might have an additional understanding of where true wisdom lay when the choice was between staying in the good graces of a president, or Martin Luther King, Sr.

As a peace-maker, Martin was a practitioner of the non-violence he preached, even under the most trying circumstances. He inspired and held together in creative harmony a collection of highly individualistic lieutenants: Ralph Abernathy, Fred Shuttlesworth, Wyatt Walker, Jim Bevel, Hosea Williams, Andy Young. Yoking these talents and temperaments in one units is in itself qualification enough for the Nobel Prize. I recall a jam-packed church one night, seething with outrage over an agreement with White leadership which many Blacks considered a betrayal. It was Martin who took the floor when all else had failed. He prevented the Black community from tearing itself apart that night, and showed the way to a resumption of the struggle and, eventually, to a much more genuine and just conclusion.

Even at the height of his fame, some people were embarrassed by, skeptical of, Martin's reliance on those old-timey, churchy, wooden-bench notions which seemed out of place in a plasticized modern world: justice, righteousness, redemptive love, brotherhood.

But scab-infested children in the muddy yards of Mississippi towns seemed to understand him. When Sterling Brown writes of grown Black men whose eyes could not meet those of Whites, it may fall strangely on the ears of young people reared on Malcolm, Fanon, Baraka, Nikki Giovanni, Don Lee. But Martin was up and down this country for quite a while, getting people up off stoops and into the streets and dusty roads with their heads up and eyes straight ahead. He was telling poor people—Black, White, Brown, Red—to throw off the shackles of "nobodiness" and to recognize themselves as *somebody*.

For perhaps more than anything else, Martin's true gift lay in the power he had, at his best, to invest people of all ages, classes and colors with a liberating sense of their own significant humanity. So that even in a crowd, each could feel uniquely a person. So that fearing hurt and death, knowing from what had happened to their comrades that enemies can hate enough to kill, many of them still—as he did—took risks and managed somehow to master their fear.

"I have been to the mountaintop", Martin said on a spring evening in Memphis six years ago. Few of us can climb that mountaintop from which he gazed. Fewer still find it possible even to imagine—much less *see*—through the murkiness of these days of deceit and greedy indifference—the promised land which he envisioned.

Last week, in San Francisco, the former leader of the Philippine insurgent movement said that he had come to visit America. He wanted us to be sure which America he meant. "The America", he said, "of Abraham Lincoln, Franklin Roosevelt—and Martin Luther King, Jr."

It is perhaps not too hard to see what this Brown man, the former guerilla general, might see as linking himself and Martin King—a shared history of imprisonment, harassment, the passionate drive to liberate a people. But it might seem strange to his questioners that a revolutionary, who sought freedom through violence, should so admire Martin King, the prophet of non-violent revolution. As strange as the irony of thousands of urban Blacks who had never marched in his campaigns, burning cities in response to Martin's assassination.

Perhaps the visitor from the Philippines already knows that Martin's America has only rarely existed in actuality. But if we are to find our way back again to the painful task of making such a land, it will be because we are called to judgment not so much by Martin's memory, his spirit . . . but rather because we are called by the children dying needlessly still in rural and urban ghettos; by the old who cannot piece out their days in dignity; by the men and women bereft of any real chance of having the jobs, the homes they need, the freedom to move without fear among the strangers who are their neighbors—denied the very essence of manhood and womanhood.

It is *these* who call us, whether or not we choose to hear. Martin chose to hear—to enroll, as he said, as a drum major in the cause which chose him, and which he chose. The power, the passion, the fidelity this one mortal man gave to that choice is the living legacy left to those who will use it by Martin Luther King, Jr., born a citizen of Atlanta, Georgia. Died citizen extraordinary of the South . . . America . . . the world . . . of the other world—on this fragile planet earth—which is yet to come.

THE OCTOBER MILITARY ALERT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. ASPIN) is recognized for 10 minutes.

Mr. ASPIN. Mr. Speaker, last October when President Nixon called a worldwide military alert many serious commentators, both in and out of government, expressed doubts about whether the alert was warranted. Many felt there never was a crisis in the first place. There are others who believed that while there was probably some cause for U.S. alarm—the intimation, at least, of Soviet entry into the Middle East war—that Mr. Nixon, in his need for a personal triumph, made it sound much worse than it really was. You will recall that at a press conference shortly after the alert, Nixon called what had happened our most serious confrontation with the Soviet Union since the Cuban missile crisis. There is considerable evidence that this was not so. Whether the confrontation with the Soviet Union was a real one, or a limited one or just plain phony, is still not resolved.

We cannot easily dispose of the thoughts and questions that the events of last October bring to mind: If the action taken by Mr. Nixon last fall is suspect, what can we expect if and when he is actually facing an impeachment trial in the Senate? What happens then if Mr. Nixon decides to play impeachment politics with our national security and creates an international crisis in order to rally public support for himself?

Unfortunately, the questions do not stop there. A fake crisis is bad enough, but there is something worse—and that is a real one. What happens during an impeachment trial if we really do have a confrontation with the Soviet Union, and when Mr. Nixon announces it to the Nation everyone thinks he is just playing politics? If this happens, there would clearly be a temptation for the other side to raise the stakes, perhaps even to the point of creating a genuine nuclear showdown. Mr. Nixon's lack of credibility, dismally low even now, could have disastrous consequences for the Nation during an impeachment trial. It is clear that there are serious problems we must face up to before they are upon us.

With each passing day it becomes more and more likely that the House will approve an impeachment resolution. At that point, after impeachment but before a vote for conviction or acquittal in the Senate, our country will enter a particularly sensitive period, a sort of "twilight zone," which is particularly dangerous. It is nothing we can avoid; all we can do is be ready if it comes. As Members of Congress, it is our duty to do what we can to protect against any of the dangers that may arise.

Let us suppose that the House has returned a bil of impeachment against Richard Nixon and the Senate has not yet reached its verdict. How can Congress and the American people be sure that when the President says we are facing an international crisis he is telling us nothing less than the truth? More importantly, how can we avoid underestimating the seriousness of a crisis because of Mr. Nixon's inevitable lack of public credibility during his Senate trial?

One possible solution is contained in the concurrent resolution that I am offering today. This resolution would require frequent and regular briefings on the international situation by the Secretary of Defense, Secretary of State, and Director of the Central Intelligence Agency for the ranking Members of both Houses of Congress. If congressional leaders are kept informed almost daily of developing political and military problems around the world, it is, first of all, unlikely that the President would be able to create or exaggerate an international crisis for his own benefit. It is also true that no leader of Congress, if he has the full story and is confident that his information is reliable, would allow the Nation to misjudge or underestimate a true international emergency. This resolution is designed to insure that during the difficult times ahead, if an emergency is declared the people of the country will have some assurance that it is genuine.

It is not difficult to imagine some of the objections that will be thrown up against this resolution. It will be accused of stripping the President of his power to act, even before he has been found guilty. We will no doubt be reminded that in this country a man is considered innocent until proven guilty. This is all very true—but it is not the issue. Under the resolution that I am offering today, the President, and only the President, would still be empowered to act in a military or political crisis. Congress is asking only to be kept fully informed—before, not after—of the events that might lead up to any such decision. It in no way presumes guilt; it merely recognizes the realities of the situation. It is a practical measure.

It is hard to imagine, in fact, how the President himself might object. If he does not intend to create international political crises for his political advantage, he will have nothing to hide and no reason not to keep congressional leaders fully informed. On the other hand, recognizing as he must the skepticism with which any declaration of a national emergency during his trial would be greeted by a large part of the American public, he can only welcome the chance for additional support. Congress would not be asking to share power, just information.

My first resolution addresses the possibility that an international crisis might be used for political advantage, either by the indicted President or by a foreign power. International negotiations are also subject to these influences. The temptation for any indicted President to sign dramatic international agreements to bolster his popularity and thereby, perhaps, enhance his chances of acquittal is only too obvious. As Mr. St. Clair pleads the President's case before the Senate, one can only imagine the pressures on Mr. Nixon to conclude, for example, a Strategic Arms Limitation Treaty with the Soviet Union. Such a feat would guarantee several weeks of favorable publicity for the President, not to mention the extravagant praise of his statesmanship by Russian leaders. The only problem is that the Russians, aware of the President's problems here at home, may have negotiated an agreement more favorable to them than to us. It is not inconceivable that under the stress of the impeachment proceedings, the President, through desperation to get an agreement, might bargain away more than he should.

But even if a SALT agreement concluded during the trial were the best one imaginable for our country, there are many in the country who might not believe it. It is not hard to imagine how easy it would be for those who are opposed to any arms limitation agreement to undermine public confidence in one negotiated under condition like this. There is no way the President could defend himself against charges of having "sold us down the river."

Either way, it is clear that the twilight zone during the trial in the Senate is no time for the chief executive to make or sign international agreements that will affect Americans for decades to come. Therefore, I am offering a second concurrent resolution today which makes it the sense of the Congress that no treaty or executive agreement, formal or informal, shall be concluded by the President during the trial in the Senate.

Once again, in answer to the anticipated objections, I am not proposing to strip the President of his powers. I am simply asking him to wait to make any momentous international agreements until his case has been disposed of. I am asking for a moratorium on Executive agreements as well as treaties. Of course, there is nothing in the resolution that would cause us to curtail negotiations during this period, just their formal conclusion.

It is important to remember that Mr. Nixon himself established a precedent for such a moratorium on diplomatic activities. Immediately after the 1968 election president-elect Nixon asked President Johnson not to hold any summit meetings or sign any treaties for the remainder of his term in office. Mr. Nixon, was, of course, correct in making this request. The temptation on the outgoing President to give too much away to sign a historymaking treaty were considerable—and they are exactly the same as those Mr. Nixon is now facing. So are the likely charges of a sell-out.

The first two resolutions are intended to protect the security of our country during the difficult and delicate constitutional process of an impeachment trial. The third resolution I am offering today seeks to safeguard the impeachment process itself.

Time and public opinion could become crucial during the trial by the Senate. Depending upon his political or legal situation at any given time, Mr. Nixon may wish to rush or delay the impeachment process. In his dealings thus far with the House Judiciary Committee simultaneously pushing for a quick decision while withholding evidence requested by the committee, Mr. Nixon has given notice that he is not unaware of this opportunity. The suspension of the Watergate hearings last summer for Mr. Brezhnev's visit could be a preview of the way international politics may impinge on the investigation.

It does not take much imagination to sketch out a scenario in which Mr. Nixon, with an announcement that a generation of peace is at hand, might jet off to Moscow or Peking in the middle of his trial, or on the same pretext, might invite another head of state to Washington. Since Congress might understandably be reluctant to damage the prestige of the country by conducting a trial of the head of state while that head of state is acting abroad in an official capacity, such tactics might succeed in delaying the impeachment trial and making it more difficult for the Senate to discharge its constitutional responsibility.

Therefore the third resolution I am introducing today would make it the sense of the Congress that the President shall not make state visits to other countries during the period of his trial by the Senate. Of course, if the President decides it is in his best interest, he is perfectly free to travel anywhere in the world he wants, but not on official state business. The resolution would also make it the sense of Congress that no foreign head of state make an official visit to the United States during this period.

Once again, we are not asking the President never to make state visits, just to delay them until the trial is over. Specifically he should put off his planned state visit to the Soviet Union if it falls during the Senate trial. It is a common practice to postpone state visits—Mr. Nixon recently postponed a trip to Europe—and it seems a small thing to ask at this time.

The purpose of these three concurrent resolutions is to begin to define the role of the President and Congress during the twilight zone between the time the House of Representatives votes a bill of impeachment and the final disposition of those charges by the Senate. If we are faced with an international crisis during the impeachment trial we have to know if it is a real one. Far-reaching agreements between the United States and other countries cannot be allowed to be subject to the vicissitudes of impeachment. And the hoopla of state visits cannot be allowed to interfere with the orderly process of the impeachment proceedings.

We cannot doubt that there is at least the possibility that international politics will become impeachment politics—and it is clear the dangers that this could hold for all of us. Congress has the utmost moral responsibility to protect our national interest against either a Chief Executive who might be tempted to compromise them to save his own skin or a foreign power that might be tempted to exploit the situation.

The texts of the resolutions follow:

CONCURRENT RESOLUTION

Concurrent resolution expressing the sense of Congress concerning how it should receive foreign policy information during the period from the impeachment of the President by the House of Representatives until the Senate votes on such impeachment.

Resolved by the House of Representatives (the Senate concurring), That it is the sense of Congress that during the period from the impeachment of the President by the House of Representatives through the vote on such impeachment by the Senate, the Secretary of Defense, the Secretary of State, and the Director of the Central Intelligence Agency (either together or separately) should each give a briefing every other working day to the following group: the Vice President, the Speaker of the House of Representatives, and the Majority and Minority Leaders and the Majority and Minority Whips of the House of Representatives and the Senate. The Secretary of Defense shall brief such group on the status of the United States defense; the Secretary of State shall brief such group on the status of the United States foreign policy; and the Director of the Central Intelligence Agency shall brief such group on the status of United States foreign intelligence information.

CONCURRENT RESOLUTION

Concurrent resolution expressing the sense of Congress concerning the President not signing any agreement with a foreign country or international organization during the period from his impeachment by the House of Representatives until the Senate votes on such impeachment

Resolved by the House of Representatives (the Senate concurring), That it is the sense of Congress that during the period from the impeachment of the President by the House of Representatives through the vote on such impeachment by the Senate, the President should not sign any treaty, executive agreement, or any other agreement with any foreign country or international organization.

CONCURRENT RESOLUTION

Concurrent resolution expressing the sense of Congress concerning the President not traveling abroad on government business during the period from his impeachment by the House of Representatives until the Senate votes on such impeachment, and concerning a foreign head of state not making an official visit to the United States during such period

Resolved by the House of Representatives (the Senate concurring), That it is the sense of Congress that during the period from the impeachment of the President by the House of Representatives through the vote on such impeachment by the Senate—

(1) the President should not travel abroad on government business; and

(2) no foreign head of state should visit the United States in his capacity as head of state, on the basis of an invitation from the United States Government.

PRESIDENT NIXON

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana (Mr. LANDGREBE) is recognized for 30 minutes.

Mr. LANDGREBE. Mr. Speaker, on November 7, 1972, the American people spoke loud and clear in support of President Nixon and his administration's record of achievement. When Mr. Nixon entered office in 1969, there were 543,000 troops in Vietnam, the war was costing $32 billion a year, and the defense budget constituted 44 percent of our Federal spending. Today, there are no Americans fighting and dying in Southeast Asia, our prisoners of war have returned home, and the defense budget has dropped over 15 percent—to less than 29 percent of Federal spending. After a third of a century, the military draft has ended.

Crime has been reduced in our cities—cut by half in our Capital city alone. Drug abuse has been checked, and is now in fact, decreasing.

Our college campuses are quiet; except for an occasional streaker and National Guard troops are helping out in disaster areas rather than quelling riots and other disturbances.

For the first time in 18 years, the growth in the welfare rolls has been reversed and are actually shrinking.

Unemployment dropped to a low of 4.2 percent in October 1973. Even now, in spite of the oil embargo, it is only slightly over 5 percent with "help wanted" signs visible almost everywhere.

Foreign relations have been put on sound footing for the first time in years—as evidence of this, we need only note the President's outstanding success in stimulating the first serious negotiations between Israel and the Arab countries since 1949, resulting in the cease-fire agreement and the first real hope for lasting peace in that troubled area of the globe. Of equal importance in my opinion is the dignity and wholesomeness that the President and Mrs. Nixon and their delightful family have brought to our White House.

For a year I have kept an open mind with regard to the impeachment of the President—pledging that I could and would vote for impeachment if evidence of an impeachable offense was forthcoming. I stood by while the liberal press endlessly attacked our great President under the guise of its unswerving devotion to uncovering corruption, its fearless pursuit of the truth and justice and its dedication to the people's "right to know." Where were these great champions of honest reporting when President Johnson was wheeling and dealing with Bobby Baker? Where were they while the Chappaquidick incident was being submerged? Where were they when evidence of election frauds in the Presidential election of 1960 was brought to light. In the words of Charlie Halleck, "If you guys knew a little history, it wouldn't hurt!"

I have stood by while a large segment of government has preoccupied itself with repetitious attacks on our President—special grand juries, special Senate and House committees—delving into almost every aspect of our President's life—personal and political, pertinent and impertinent.

I have stood by while those of the liberal left have tried to reverse the election mandate of 1972. Unable to get their extremist views accepted by the American people in a free election, they have used every means at their disposal to prohibit the President from implementing necessary programs to decentralize and reduce the cost of the Federal Government and to deliver on his greatest promise and greatest accomplishment—peace with prosperity. Prosperity with peace. It is the liberal policies of this Congress that have brought about the high taxes, inflation and shortages, through the implementation of oppressive government regulations and controls and the enactment of a whole plethora of "social welfare and reform" programs. Is it possible that Watergate is being perpetuated to camouflage these profound failures and the disintegration of our Nation through deficit spending?

The committees have had ample time to employ their huge staffs and expend almost unlimited resources to come up with evidence of an impeachable nature. After nearly 1 year and the expenditure of some 10 million of taxpayers' dollars, is not it time to call off the dogs. Is not it time for Congress to join the President in his determination to find solutions to those crucial problems yet remaining.

In good conscience, I can remain silent no longer. I must speak out against these brutalizing attacks upon our President.

From this hour on, I take my stand beside our beleaguered President, and against his reckless, ruthless, insidious adversaries.

And I beg you, my dear colleagues, to reexamine your role in this travesty of legislative responsibility.

I urge you to join me in calling for an end of this nightmarish political inquisition, and to an immediate return of our time and talents to the vital and pressing business of the people remaining before this Congress.

The continuation of our prosperity, yes the very survival of this great Republic, requires that we get on with our responsibilities, permitting and yes, even encouraging President Nixon to get on with his.

DR. WILLIS H. WARE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. Goldwater) is recognized for 10 minutes.

Mr. GOLDWATER. Mr. Speaker, a pillar of integrity and learned in information technology is Dr. Willis H. Ware, currently on the research staff of the Rand Corp. and recently chairman of the Secretary's—DHEW—Advisory Committee on Automated Personal Data Systems.

The Nation was most fortunate to have his able services during the preparation of the report and recommendations of this advisory committee, widely considered a landmark in its field. I recently read his essay in the annual report of the Rand Corp. for 1973, entitled "Databanks, Privacy and Society." A succinct excerpt immediately caught my attention:

> . . . in the balance of power between a citizen and the totality of systems that keep records about him, he is at a significant disadvantage.

Mr. Speaker, the basic ingredients of my legislation on fair personal information practices and limiting the use of the social security number are embodied in this presentation. I believe we must give strong legal rights to individuals in order that they can have access to their records. We must reestablish the pluralistic concept of our society that separates our relationships with our bank, our doctor, and our Government or shopkeeper. The notion that some master dossier is to be built from all our daily relationships requiring information giving is growing more popular today.

I salute Dr. Ware and those at Rand and on the DHEW Advisory Committee who have reawakened some elements very true to America. May they continue as important contributors to our social policy choices.

At this point, Mr. Speaker, I request to include Dr. Ware's essay in the Record.

[Source: Rand Corp., Santa Monica, Calif., 1973]

Data Banks, Privacy, and Society

(By Willis H. Ware)

Computer technology provides society with the tool it needs to accommodate growing information requirements. It lets us keep the records we have to keep, economically and efficiently. But the computer-based automated file can also work against us. The information in computer systems can be valuable and thus subverted for inappropriate purposes. Because of this vulnerability, automated data systems add a new dimension to the problem of personal privacy, as well as provide opportunity for embezzlement, blackmail, and other fraudulent schemes. Our essential tool could become a major societal threat unless we provide effective safeguards to protect personal information in automated files and those to whom it pertains.

The attitude of the public with regard to personal information has changed in recent years. We are becoming increasingly aware of data files and the information they contain about us.

To some data systems we provide personal information voluntarily. We do this in exchange for some benefit, privilege, or opportunity: we want to make credit-card purchases, obtain loans, write checks, get a passport, apply for a job. Some information we provide because it is required by law: we participate in the census or fill out questionnaires for military service. Sometimes we provide information inadvertently: we are in an accident that involves a police record.

We provide considerable information because we ask for services from government. We want educational assistance, unemployment support, housing allowance, or care for the older segment of the population. Congress, in turn, insists on strict accountability of public assistance programs and on evaluation of the success of such undertakings; this requires personal records and computer processing. The more extensively we and the government interact, the more extensive must be the records that need to be compiled and maintained by computer.

INFORMATION NEEDS OF GOVERNMENT

As our population increases and our society becomes more complex, and as the government enlarges its range of services, the need for personal information grows. The federal government, for example, needs extensive information in order to formulate new legislation, to adopt sound fiscal and tax policies, for entitlement decisions with regard to public assistance programs, to estimate the consequences of a possible decision, and to generally conduct the affairs of the country.

In the face of increased demand for natural resources—and many man-made resources—comprehensive planning becomes crucial at all levels of government. To adequately balance quantity and demand for land, energy, water, highways, etc., government regulation and intervention are required. Local governments need information to regulate land use, and to plan sewage and water facilities, transportation, and many other public services.

Industry gathers much personal information in order to assemble and maintain the records that are required in an era of intricate labor relations, widespread union practices, pension and insurance plans, state and federal tax withholding, and other regulatory and legal restrictions. Social research is also increasing, and along with it social experimentation, so that more information about people, their behavior, and their habits must be gathered. Thus, there exist numerous automated files containing extensive personal information about all of us.

ACCESSIBILITY OF PERSONAL INFORMATION

For whatever reason we furnish information about ourselves, we implicitly tend to assume that it will be used only in our best interest and solely for the purpose for which it is furnished. Thus it comes as a surprise when we find that the information we have provided for one purpose is being used for a different one. As a result of personal data submitted for a driving license, for example, we find ourselves on a mailing list and inundated with advertising literature.

While much personal information in automated files is anonymous, describing in a statistical way some characteristic segment of the population, there is also much that is identifiable in order to permit decisions to be made based on a person's record. Given our mobility in residence and employment, many organizations find it expedient to exchange data or to transport information about an individual from one place to another. Thus the automated record system tends to concentrate information about people in one place and to provide ready accessibility to it for a wide group of users. Moreover, automated systems can, in principle, exchange data automatically with one another and so broaden the exposure of personal information. Such linking of files, when it occurs, enlarges the volume of data available to any one inquirer.

Of the many files containing personal, private information, a considerable number are at government level: census data, social security records, Internal Revenue Service tax records, various research collections in the social and life sciences, etc. Some are in the financial industry: bank account records, savings and loan records, stock investment records, credit records. Many relate to health care, such as hospital, medical, or psychiatric records. A few have been collected by the recreational and leisure-time industry in the course of making reservations and travel plans. Those accumulated by educational institutions include a complete, detailed account of performance in high school and college.

SOCIAL SECURITY NUMBERS AS IDENTIFIERS

If the file is for a local purpose, it may be sufficient to identify the individual by his name and address. Often some secondary identification is included; the mother's maiden name is one traditional example. In many instances, federal statutes require that a person's social security number be given as an authenticator of his identity; financial institutions, for instance, are legally required to obtain it.

Federal statutes or regulations will, in some cases, authorize the exchange of information among data banks. The Internal Revenue Service, for example, regularly exchanges data with state tax-collection agencies; and in so doing, ensures that identity is preserved and records are kept straight by means of the social security number. In other cases, an administrative action will stipulate that social security numbers must be obtained. They are required by the Department of Motor Vehicles in some states, for example. Occasionally, social security numbers are secured for no particular purpose other than as a hedge against an unknown future need. Some educational organizations use them as student identifiers.

Unfortunately, the growing number of automated files in which a record about an individual includes his social security number implicitly encourages the exchange of information; it also serves as a key for combining information from several sources. Sometimes, exchange of data is facilitated by freedom-of-information acts at both federal and state levels, because these acts require that public information be provided to any requester. A person who finds himself in a file considered to be public information has no effective control over how his information will be used.

While linkage among information systems is undoubtedly not yet so widespread as to be considered at the critical level, many factors suggest that the situation is likely to develop: the remote-access computer systems that service geographically distributed users; the awareness by a manager or an official that information from some other sources will help him do his job better; recognition by a researcher that combinations of files will give him more insight into his problems; and the economic efficiency of combining several small information systems into a large one serving many classes of users.

CONTROL OF PERSONAL RECORDS

With this growing awareness that automated files pose a real threat to personal privacy, we are becoming more sensitive to the misuse of personal information, and are willing to complain about it. Our complaint may simply be the result of a personal annoyance—a dunning letter received because a paid bill has not been accurately posted to the correct account; but the complaint can be much more serious. Because of incomplete or erroneous information in an automated file, we may suffer a damaged reputation, loss of financial status or position in the community, the denial of credit, the loss of a job, or improper arrest.

Public concern over the invasion of personal privacy may well rest more on a sense of having lost control—of not knowing when information freely given for one purpose will be used for another—than on the feeling of being surrounded by a data-hungry environment. We feel a need to be guaranteed that personal, identifiable records will be used in ways over which we have some control—and that we have a mechanism to seek recourse in case we should sustain harm if they are improperly used.

The Constitution of the United States does not *specifically* provide for a right of personal privacy. Justice Brandeis, dissenting in the case of *Olmstead* v. *the United States* (1928), first suggested that personal privacy is implied in the Constitution. A continuing series of judicial interpretations have cumulatively created the right of privacy. The legal basis for these judgments includes the first amendment guarantee of free speech, press, assembly, and religion; the third amendment prohibition against quartering soldiers in private homes; the fourth amendment right to security from unreasonable search and seizure; the fifth amendment right against compulsory self-incrimination; and the ninth amendment guarantee of other unenumerated rights retained by the people.

Recent Supreme Court decisions have declared the right of personal privacy as the basis for protecting such freedoms of an individual as the practice of contraception or the reading of pornography in the home. Unlike the United States, other countries—Canada, for example—have not developed a constitutional or legal basis for extending personal privacy to its citizens.

From the standpoint of the individual citizen, he is generally unaware that information about himself is being disseminated without his approval; in most instances he is powerless to stop it even if he should discover it. Since large information systems are a relatively recent development in a technical and operational sense, one can expect to find inadequacies in their designs or incomplete operational practices, either of which can be manipulated to steal information, or can result in inadvertent or malicious leakage of information to someone not authorized to have it. Furthermore, information in data banks is usually not protected against legal process. While specific legislation does sometimes protect information in automated files, or authorizes a government official to extend protection as he sees fit, by and large, the bulk of information in such files is subject to confiscation through administrative or legal subpoena or through other court-directed seizure.

HOW TO ACHIEVE PROPER BALANCE?

Thus the exploitation of computer and communication technology in modern recordkeeping systems highlights the central confrontation between the need of government and business organizations to have personal information for efficient planning and operation and the need of the individual to have control over the way in which information about himself is used. How can we achieve a more satisfactory balance?

There are actually two quite different issues involved. One is the technical problem of designing and implementing an automated information system that will safeguard the data it contains. A properly designed system will not inadvertently leak information, and it will be physically protected against pilfering, thievery, and infiltration. It will deliver information only to users authorized to have it.

The other issue is the much more difficult one of controlling what personal information should be collected in the first place, of determining who shall have access to it and for what purpose, and of giving the individual more control over information about himself. Unlike the control exercised over national security information, there is no classification scheme established by law or executive order for labeling personal information as "sensitive," "nonsensitive," or ultrasensitive"; nor are there any government-wide guidelines for establishing who may have access to it. Thus, the rules and regulations governing dissemination of personal information from a file tend to be made by the individual or organization that collects the data and owns the file. In many instances, there are no established practices to serve as a model for good procedure. In the particular case of consumer credit reference systems, the Fair Credit Reporting Act does impose limited constraints; for example, provision is made for the individual to inspect his file and to correct it.

SOME SUGGESTIONS FOR SOLVING THE PROBLEM

In solving the technical problem, physical protection, computer hardware and software safeguards, communication security safeguards, and a general management-procedural overlay are collectively necessary to provide the overall protection needed. In all of these areas, the requirement of the defense community to protect classified information is a driving force for research, new system designs, and general progress toward an eventual solution. Fortunately, many of these same safeguards are needed in any computer system that shares its resources among many users—that is, the time-shared computer system—and to this end the general advance of the computer industry will help to provide the technical basis needed.

In solving the problem of restricting the collection of personal information, of controlling its dissemination, of carefully specifying what use may be made of it, and of affording the individual greater participation in the dissemination of his personal information, various suggestions have been made but none have been generally implemented. To improve the care with which recordkeeping systems are designed and operated, one proposal is to certify computer programmers and system designers. This action would assuredly be a useful one; but unlike the older engineering fields, the computer field does not yet have a well-established body of preferred practice upon which to draw. Thus, while certification would be a helpful step, it would put the responsibility for a properly designed and controlled record system in the wrong place. The responsibility should be assumed by the organization that assembles the system, initiates its design, and operates it, not by the technician who implements it. While certification is a step in the right direction, it cannot of itself adequately solve the problem.

A second solution might be the ombudsman approach, which has been used for many years in Scandinavian countries. Basically, the ombudsman is a spokesman for an individual who has been harmed; he serves essentially as a communication channel between the person and the bureaucracy in matters of dispute. While the ombudsman concept is a useful third-party mechanism to facilitate resolution of argument, it is not a well-established mechanism in the United States nor can it function as a sufficiently strong force to be a solution for the entire problem of protecting personal privacy.

A third solution, one that attempts to deal with the problem through the established institutions and procedures of the country, would be to create by law a Code of Fair Information Practices in the spirit of already existing legislation on labor practices. The intent of such a code would be to encourage ethical practices on the part of owners, designers, and operators of recordkeeping systems through legal deterrents. In this way it would be possible to specify how record systems should be organized and operated, how owners and operators should conduct their operations relative to the individuals about whom the information is held, what privileges and recourses the individual has, and to provide legal sanctions, both civil and criminal, that can be imposed for violations of the code.

The approach would have several advantages: It would exploit existing legal and judicial institutions and procedures. It would provide a self-adapting solution to the problem through the medium of court interpretation and judgment. It would require a minimum of new bureaucratic functions. With regard to industry, the code would be handled by the General Counsel's office, as are fair labor practices, tax matters, and other industrial regulations.

Finally, a fourth possibility is to create a Federal Record System Commission, similar to the Federal Communications Commission or the Civil Aeronautics Board, that would serve as a regulatory body to license, register, and oversee the operation of all record systems dealing with personal information. However, this would entail the creation of substantial new bureaucratic structure and funding for it. More importantly, it would also be another instance of government intervention in the affairs of the people and industry. Given our national aversion to government intervention in business and industrial activities, and the fact that deterrent mechanisms have not yet been tried, a regulatory approach to the problem of recordkeeping appears to be one that should be kept in abeyance until other methods have failed and the need for it is clearly established.

A NUMBERED SOCIETY?

The Social Security Amendments Act of 1972 (P.L. 92–603) is suggestive of what can happen if no action is taken. The Act requires that a social security number be issued to all individuals, of any age, who are receiving public assistance from federal funds. It also authorizes, but does not require, the Secretary of Health, Education, and Welfare to take affirmative measures to assign social security numbers to all children on their initial entrance into school.

Should future legislative trend follow this precedent and gradually require all sectors of the population to have a social security number, then the United States will have reached the stage at which the population *is* fully numbered, a national population register can exist, and it will be technically feasible to maintain a lifetime dossier on each citizen. Other forces can lead to the same end. The introduction of the national birth certificate number will, for example, provide a unique lifetime identification for each citizen.

While a fully numbered population may not of itself be undesirable, the alarming fact is that we are drifting toward this state without public awareness that it is happening or public debate as to the possible consequences. The end result—that each of us will have a unique and permanent identifier—is not likely to happen from a well-engineered plan or deliberate intent. Rather, it will be the combined effect of many decisions, each made by someone doing his best job as he sees it at the time. It will be the cumulative effect of a variety of legislative steps, some unnoticed data collections, and a gradual widening of the operational scope of existing record systems due to economic pressures, coupled with a general ignorance that such events are occurring. In sum, a United States citizen could easily awaken one morning to find that he is uniquely identified for life and that all sorts of personal information are being collected under his label and widely disseminated for public and private use.

A NEED FOR ACTION

The issue of personal privacy has several major public-action aspects. It must be brought before the public, and kept there; the active support of consumer-oriented organizations must be solicited to promote legislative measures; public participation in the debate about a fully numbered, registered society must be encouraged.

There are also researchable aspects. One is to examine the technical details of providing comprehensive safeguards for automated information systems. Another is to analyze the legal considerations involved in protecting the individual's right to privacy. Others are a study of the consequences of a fully numbered and registered society, a search for ways to provide comprehensive protection against abuse of personal information, and the development of means for linking automated data systems while protecting the personal privacy of the data subjects.

Since automated information systems containing personal information are essential to today's complex society, it is imperative that solutions be found to the important problem of protecting our inherent right to privacy. There is certainly no question but that in the balance of power between a citizen and the totality of systems that keep records about him, he is at a significant disadvantage.

NOTE.—About the author: In the late 1940s Willis Ware was doing research under John von Neumann on an electronic digital computer—the first of the "Princeton-class" machines. After receiving his doctorate from Princeton in electrical engineering, Dr. Ware came to Rand in 1952 to work on the exploitation of computers for military, scientific, and civil problems. He headed Rand's Computer Sciences Department from 1964 to 1971, and is at present on the Corporate Research Staff. Among his many advisory appointments, he is chairman of the Air Force Scientific Advisory Board's Information Processing Panel and of the Secretary's (DHEW) Advisory Committee on Automated Personal Data Systems.)

WILLIAMSVILLE NORTH'S NOTTINGHAM WATER ANALYSIS WORKSHOP OF 1974

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York is recognized for 15 minutes.

Mr. KEMP. Mr. Speaker, for the past several years, students of the former Nottingham Academy and Nichols School in Buffalo, N.Y., have organized and run a summer workshop called the Nottingham Water Analysis Workshop.

The accomplishments of the workshop in 1972 and 1973 have become a model for environmental education projects throughout the Nation. Indeed, the 1973 workshop demonstrated such great promise that the Department of Health, Education, and Welfare Office of Environmental Education gave a Federal grant to the program.

In 1974, the Nottingham Water Analysis Workshop will use Williamsville North High School as a base of operation. The workshop provides an interdisciplinary educational experience in environmental problems. Student inquiries will be conducted into the scientific, social, economic, political, and legislative aspects of environmental policy.

In the past, the program has developed a core of student leaders capable of extending their first-hand knowledge of environmental problems to participants in future workshops. In fact, the project director for the 1974 workshop, David Kraus, was one of last year's students. George Eisenhardt of Cleveland Mill, is the other student director.

I include segments of the program overview for the information of my colleagues, particularly those from districts with vigorous and active environmentally oriented young people. I am extremely proud of their fine efforts on behalf of our community and our country:

PROGRAM NARRATIVE

WILLIAMSVILLE NORTH'S NOTTINGHAM WATER ANALYSIS WORKSHOP

A. Precursory considerations

Williamsville North's Nottingham Water Analysis Workshop (N.W.A.W.) of 1974 has been conceived directly in relation with the Nottingham programs of 1971 through 1973, which were outgrowths of the Tilton (N.H.) Water Pollution Workshop's in 1969 and 1970. With these antecedents, and the merging of 1973–74 organizations to coordinate N.W.A.W. activities, the workshop title is thus derived. The 1974 workshop will assimilate positive aspects of its precursors, and will expand upon them in proliferation of student ecology activities in Western New York.

The workshop will operate out of Williamsville High School North, a public[1] school located in the Buffalo Township of Amherst (N.Y.). The faculty and administration of Williamsville North have fully endorsed us as well as our program.

The workshop shall be organized and directed by two students: David Kraus of Williamsville North, and George Eisenhardt of Cleveland Hill High School (N.Y.). We are the applicants submitting this mini-grant proposal.

B. Objectives

The cumulative objectives of Williamsville North's Nottingham Water Analysis Workshop are as follows: 1) To involve and train paraprofessional students in an ecology workshop designed as a multi-faceted, multidisciplinary, inter-disciplinary, and problem-oriented program; 2) To form a local model in advocation of community input and action, especially from students; 3) To form a national model in initiating student interest and action, and for contact and input to such other organizations; 4) To involve and develop participant's of N.W.A.W. 1973 teaching concepts by involving them as parastaff; 5) To spread environmental education and realization through constant and intensive community contact; 6) To initiate and coordinate school ecology activities of N.W.A.W. participants, as well as those of other schools associated with N.W.A.W.; 7) To, in extended follow-up program, coordinate and participate in the 1974 (and in subsequent years) Water Quality Survey of the State of New York (Data collection for a report due annually starting in 1974 to the Federal Environmental Protection Agency mandated under Amendments to the Federal Water Quality Act, PL 92–500). N.W.A.W. will serve as the coordinating body in Western New York for the student data collection. N.W.A.W. is currently running a type of pilot project—a Western New York stream survey; 8) To merge N.W.A.W. 1973 with the 1974 program to perpetuate an organization with students capable of environmental action due to experience in the N.W.A.W. summer programs. The following is a general discussion concerning some of the aforementioned objectives.

A goal of the summer program is to produce a core of student leaders and educators in the ecological field. The students would be expected, although not obliged, to return to their respective schools and engage in ecological activities with their fellow students. It is realistic to imagine an organization capable of coordinating and aiding in knowledge, experience, and equipment—the environmental education and ecological activity organizations of a widely dispersed group of schools in the Buffalo area. This concept, where one influences many, is essential in dissemination of environmental realization. The ultimate objective of this program is to train para-professionals who will aid in strides toward community environmental realization and action.

There are many environmental problems for which professional attention and action is indispensable. Yet, the role of the paraprofessional is becoming of equal importance in attempts to solve these environmental problems. While there is no substitute for the professional, the great need for immediate action in so many ecological fields merits the support of the community. It is an objective of the 1974 N.W.A.W. to supplement community input with students resolving environmental problems. The summer workshop is to initiate such action via the direct involvement of about twenty-five students in an environmental education endeavor in which community contact, input and action will be encouraged. This concept will be developed in future years in the Buffalo area through follow-up activities. The student organization will function throughout the area within the schools. N.W.A.W. would serve as an ecology action center for student environmentalist involved in practical applicatory projects relative to the concerns and problems of their respective communities. Also, the 1973 follow-up N.W.A.W. will merge with this summer's workshop participants to coordinate activities. Such idealistic views for this organization to attain is realistic as one reviews the past successes of workshops in the Buffalo area based at Nichols School (incorporating the former Nottingham Academy). This will be the first follow-up program of its kind to perpetuate student ecological interest and action on a profuse scale in Western New York.

Initial steps in reaching the objectives of merging with N.W.A.W. 1973, and proliferation and expansion for 1974 follow-up projects will be reached through a summer workshop which will serve as an initial learning process in environmental action and problem solving techniques. One of the most important single goals of the 1974 summer workshop will be to initiate in each participant an educational concept which is concerned with problem solving through research and resolving procedures. This induced problem solving concept will then be further developed constituting an interdisciplinary phenomenon relative to the degree of success of the environmental education program. In addition, this concept will be strengthened through a multidisciplinary approach induced simply by working in small groups and compiling thoughts and ideas.[2] This is all based on the concept

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Footnotes at end of article.

of perceive, recognize or identify, resolve, and solve—or the basic methods for solving technical environmental problems. This procedure is the same as the scientific method of problem solving as employed by professionals in many diverse fields.

The student workshop will advocate community input and action, as students will operate in the field for direct experience in what is referred to as "learning by doing." It has been said that we retain ten per cent of what we hear, twenty per cent of what we read, fifty per cent of what we see, and ninety per cent of what we experience or do.[3] The latter, being the most effective educational device, merits that the program be field oriented-for books and classroom teaching just do not meet the effectivity level required. The field oriented program provides the experience and "real life" encounters essential to such a programs success.

C. Need for financial assistance

The N.W.A.W. interdependent programs in 1973 and 1974 have the potential to form a national model for student initiated and directs programs as well as being a productive student organization in Western New York. In order to procure such status, it is essential to obtain quality personnel, multiple resources, and various community services. Thus, a realistic prerequisite is that of an operational budget. To meet our budget for the workshop and follow-up merits considerably more financial assistance than that of participant tuitions and local commercial endorsement, even though this support is increasing. To continue to expand our bases of community action and support; to continue to organize and aid environmental education in Buffalo area schools; to continue to disseminate and proliferate environmental realization and action; to have a workshop in the summer of 1974, and have an extensive follow-up program, we need financial assistance from the Office of Environmental Education.

D. Expectative benefits and results

The summer workshop will serve as a learning experience in dealing with environmental problems in the community. The scientifically and socially integrated program will be in its initial phases as the summer workshop ends. The essential learning process will be completed, and the most important part of the program will begin. About twenty-five students will be capable, as a result of six weeks of intensive research on select environmental issues, of conveying their knowledge and experiences; their environmental realization and special concerns; their technical problem solving concepts in the community in relation to environmental problems. It is expected that the participants will do this, although they aren't obligated, through their respective schools.

They will form a core of student leadership; a para-professional model for their fellow students, and students around the nation.[4] The N.W.A.W. is already a very well known and well received model—this will be expanded through the evaluations and documentations of the 1974 workshop. The follow-up activities will include coordination of school clubs related to ecology,[5] as well as practical projects. Presently, the 1973–74 N.W.A.W. is engaged in a Western New York stream survey. This and other projects of its kind facilitated by the workshop will serve purposes and applications relative to the area of study, hopefully with eventual solution of a specific environmental problem in mind.

The potential areas for environmental studies are limitless, and one or many more may be coordinated at any given time. This will be decided by student interest and capabilities at the appropriate time, for follow-up should be facilitated to pursue environmental study areas of self-induced motivation. In essence, this kind of motivation—supported through community input—forms the basis for proliferation and expansion of the program.[6]

E. The approach: Speculative aspects of W.N.N.W.A.W. 1974

The 1974 summer workshop will involve about twenty-five students and six staff members in an environmental education endeavor in suburban ecology, and general aspects of environmental studies. Environmental studies. Environmental Education—philosophy teaching by example. Multidisciplinary, interdisciplinary, and teaching by example methodoliges constitute the basics to our approach mechanism.

1. Introduction and Orientation—The N.W.A.W. 1973 slide show, complemented by a general discussion of ecology, will afford an introduction for participants to N.W.A.W.—that is, its history, accomplishments, capabilities and objectives. After this very brief introduction to the ecological organization, a trip to Ellicott Creek Park will give both staff and participants time to associate, relate and orient themselves with others, as well as the park environment. This is an essential part of the program as it allows for individual (interdisciplinary) and group (multidisciplinary) efforts to set precedents and standards for the length of the program. This is designed to remove all "butterflies" and fear, and initiate trust and belief in their fellow students which will bring out the capabilities representative of these quality students and staff.

2. Scientific Parameters—In small groups, the participants will learn techniques in one area, and then teach another group the same concepts and methods, on a day to day basis. Thus, each acquires essential skills while also learning to convey his new found knowledge. The participants will enter into the following scientific parameters: (1) analytical water chemistry; (2) pond microbiology; (3) microbiology of bacteria, diatoms and plankton; (4) equipment, samplers and stream flows; (5) algae and etrophication in biotic pond succession; (6) computer terminal statistical and data analyses techniques; (7) soil analysis techniques; (8) serial topography; (9) relative aspects of flora and fauna with respect to their abiotic essentials; (10) air pollution analystical techniques. This will be supplemented by substantial laboratory work, and diurnal operations conducted for purposes of noting the delicate, dynamic equilibria of the external environment. This section of the program concludes with the end of the first two weeks.

3. Social Sciences: Research Project—one week of the workshop will be spent thoroughly investigating and intensively inquiring into diverse aspects of an environmental problem, or area of high, controversial interests. Aspects of inquiry include those of political, governmental, legislative, economic, citizen and organizational (business and public) views and perspectives on a local problem. The work area chosen as the project will be finalized by participants, based upon their interests and motivations. Thus, should new vistas of an environmental controversy or problem arise, it is hoped that participants will take advantage of the immediate situation, for this is a guideline philosophy of follow-up activities where students operate under their own motivations in ecology. The specific areas of greatest interest and controversy at present are aspects of the Audubon Project,[7] a planned community currently under construction in close proximity to Williamsville High School North and N.W.A.W. 1974. Culmination of knowledge from almost one week's research of the topic will result from a simulex project, which are group role simulations of the actual society in which a modified debate-like procedure is employed. Students will represent the various organizations and people involved with the project problem.

4. Audubon Orientation—Via the construction of derivations of an Audubon society into a three dimensional map-like model structure, students will further familiarize themselves not only with the Amherst Audubon Project, but also with other practical derivations as well. Sketches and research will provide the basis for this entity, culminating at the end of one week with a presentation of N.W.A.W. models and ideas to local people, organizations and planners (Urban Development corporation, U.D.C.) concerned with the Amherst Audubon Project.

5. Independent Projects—Participants will pursue their respective areas of interest—either scientific or social—for one week. After completion, written as well as oral presentations will be made to the whole group with intent of realizing what can and has been done in certain problem areas. Students will have picked an area that they will have been motivated towards in the first four weeks, and pursue that project area. This provides a basis for the conduction of follow-up activities.

6. Internships—Similar in purpose and problem area parameter to the independent projects, the internships will be a direct, intensive, and "real life" exposure and experience in some area of ecology. Internships will be spent at local businesses or agencies concerned in ecology or environmental studies. Most probable will be students following up to their independent project studies by choosing an internship for a few days at an organization concerned with their special area of interest and motivation.

7. Evaluation and Documentation—Several days will be spent facilitating an evaluation of the workshop, and plans will be drawn for follow-up and documentation. Documentation will take the form of booklets and audio-visual (film) material.

8. Follow-up—As has been previously discussed, follow-up activities will commence as planning activities in part of the last week of the summer workshop. During the workshop, an environmental education expert will aid us in evaluation and follow-up preparations. The follow-up organization will be initiated to form a core of student leadership in ecological activities for years to come in Western New York.

F. Geographic Milieu and Resources Available

To supplement and complement the basic environmental learning process, all community resources will be available for our full utilization in expanding the fields of knowledge of our students. In addition to these resources, community contacts and geographic resources are present for our utilization. The following list of major action and research parameters will be dynamic and not restrictive:

1. Williamsville High School North more than meets our needs in terms of classroom space, laboratories with related equipment and research library material. Also, a terminal computer will be available for data and statistical analyses.

2. The administrative, business and community organizations of Williamsville and Amherst will serve as information centers for research purposes.[8]

3. The business district of the Buffalo Metropolitan area will make available industries and other agencies to serve as locations for brief internships, and utilized as direct and intensive learning experiences.[9]

4. In close proximity to Williamsville North (directly adjacent to the school) are a variety of natural environments: a large, wooded area; a small lake; and large marsh areas. Both Ellicott and Tonawanda Creeks are but a few miles away, as are the State University of New York at Buffalo campus flood basins. Also, a controversial sewage treatment plant, and the Amhest Audubon Project are within close radius. Island and Ellicott Creek

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Footnotes at end of article.

Parks will serve as research sites in addition to elucidating park milieu.

5. A natural (State of New York) wildlife preserve about forty minutes from Williamsville North will serve as a base of operations for one week of field-oriented excursions. The preserve constitutes over three hundred acres of land, three creeks and numerous ponds. Marsh, meadow and forested environments are also there for inquiry.

FOOTNOTES

[1] Public schools; non-profit status.

[2] See approach section of this proposal.

[3] Taken from *"Facts on File"*, year unknown.

[4] For example, we are associated with U.Y.E. (Union of Young Environmentalists).

[5] To be accomplished through E.C.H.O. (Environmental Clearing House Organization)

[6] See "Program Overview" or "Objectives" on Federal Water Quality Project.

[7] For problems and uniqueness of Amherst see "Program Overview".

[8] UDC (Urban Development Corporation) and the Amherst Town Hall are two examples.

[9] Last summer's internship agencies included Calspan Corp., Andco Environmental Processes, Great Lakes Laboratory and many others.

LEGISLATIVE SMALL BUSINESS COMMITTEE: LONGTIME GOAL OF THE NATIONAL FEDERATION OF INDEPENDENT BUSINESS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. YATRON) is recognized for 5 minutes.

Mr. YATRON. Mr. Speaker, it is widely acknowledged that the sound economic foundation of this great country rests with the continued vitality of its small business community. For all the notoriety given its big business and multinational corporations America is still a nation of small businessmen.

Over 96 percent of all the business establishments in this country are small businesses. They account for almost 45 percent of our gross national product, employ nearly 50 percent of our total work force and provide food and lodging for well over 100 million Americans. Without them, there would be no big business and the United States would not be the same.

While the importance of small business is obvious, its problems and needs are too easily ignored and forgotten. They simply do not seem that pressing when compared to the widely publicized issues we consider every day.

For this reason I applaud the Select Committee on Committees' decision to establish a legislative Small Business Committee. Small business has been underrepresented in Congress too long and the recommendation to create a full standing committee to protect its interests is one of the most desirable and welcome aspects of the select committee's proposal. In fact, I feel that the committee has displayed great wisdom and foresight with this decision—a decision which will be deeply appreciated by the Nation's 8½ million small businessmen.

Mr. Speaker, I am convinced that the Select Committee's final recommendation to create a Small Business Committee was due almost entirely to the tireless efforts of the National Federation of Independent Business and its 373,000 member firms. This has been a consistent, long time goal of the Federation, which spearheaded the overwhelming small business reaction to the Select Committee's original proposal.

NFIB was the first national small business association to recognize the need for more effective small business representation in the Congress. It was the first to work openly in behalf of this goal and over the past few months it has stood unshaken and alone in its belief that this was the only viable solution available to small business.

Mr. Speaker, because of this dedication and diligence, I would like to commend the efforts of the Federation to my colleagues in the House.

This issue was aired editorially in several Pennsylvania newspapers, including the Pottsville Republican in my district, in February, before the Select Committee made its final decision. While the issue has been decided, I feel that these editorials show the effectiveness of NFIB and express ideas that are both timely and relevant in view of the House's upcoming consideration of the Select Committee's reform proposal.

Therefore, I want to take this opportunity to bring these editorials to the attention of my congressional colleagues.

[From the Pottsville (Pa.) Republican, Feb. 9, 1974]

CONGRESS NEEDS TO BE TOLD: PUT IT ALL TOGETHER: SMALL BUSINESS "BIG"

Congress has a Select Committee on the House Beauty Shop, a Select Committee to Regulate Parking and a Select Committee on Small Business.

And now, the House Select Committee on Committees has recommended abolishing the House Small Business Committee.

This move is strongly opposed by the National Federation of Independent Business, other groups interested in the welfare of the independent entrepreneur and also knowledgeable about Congressional operations.

Many groups, and even some of the "Young Turks" in the Congress have been calling for Congressional reform, apparently supported by the general public.

But what is meant by reform, and what is the meaning of the various procedures and machinery that Congress has set up for itself over the years?

It is probably pretty generally known the work of the Congress is done in committees, chaired by members who acquire their positions through seniority. They often have the power to determine whether or not a piece of legislation shall be voted upon.

The system provides for "select" and "standing" committees. A "select" committee can thoroughly study a problem, draft remedial legislation, but it cannot bring it to the floor of the Congress for a vote.

Instead it has to refer the bill to a "standing" committee which has the authority to bring a bill up for a vote. To make the situation even more complex, the "standing" committee can refer the bill to one of its subcommittees whose chairman has the power to determine whether the legislation will ever be submitted to a vote.

The House Select Committee on Small Business over many years has done some outstanding work on problems pertinent to small and independent business. In fact, it long ago proposed legislation that bore on the current energy crisis. But in too many cases, according to the NFIB, this carefully planned legislation has been pigeonholed by one man's whim.

It is quite paradoxical that the nation's two million farmers through the Agriculture Committee, can submit legislation for a floor vote, as can the nation's less than 14,000 banks through the Banking Committee, and some 400 labor organizations through the Labor Committee, yet the five million plus independent enterprises, comprising 95 per cent of the entire American business structure can be stymied by the action of one subcommittee chairman.

Those who say that the public should demand reform of the Congress are probably right. It would probably be ungallant to suggest protesting a Congressional committee charged with providing facilities for Congresswomen to look their best, and it would probably also be discourteous to question the need for a Congressional committee to insure parking facilities for Congressmen.

But if the public is interested in reforms in their Congress, a good first step would be to write their Congressman not only protesting the abolition of the House Select Committee on Small Business, but also urging that it be given the status of a standing committee so that the future of independent business and its 50 million or so employes cannot be blocked by one man, based on perhaps his personal whims, or due to influence by any special interests. After all, a healthy growing small business sector is a curb on monopoly control.

[From the Homestead (Pa.) New Messenger, Feb. 13, 1974]

SMALL BUSINESS GROUP HITS COMMITTEE ACTION

Of these three problems one would seem to outrank the others in importance.

1. The operation of the beauty shop in the House of Representatives.
2. Control of parking around Capitol Hill.
3. The problems of maintaining and expanding the small business sector of this nation which provides about half of the private non-farm jobs.

It would seem logical the last would be considered vastly more important than the other two. But the Congress of the United States is not always logical.

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[From the Dubois, Pa. Courier-Express, Feb. 13, 1974]

EDITORIAL: IGNORING SMALL BUSINESS

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TAXES AND THE OIL INDUSTRY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Utah (Mr. OWENS) is recognized for 10 minutes.

Mr. OWENS. Mr. Speaker, gas lines that stretch for blocks, companies that reap huge profits at the expense of those of us waiting at the pumps, and the realization that at tax time, one group of giant corporations is not paying its fair share are forcing us to reexamine the way we tax the oil industry.

Oil company revenues are skyrocketing. The largest of them all, Exxon, showed an incredible $2.44 billion profit in 1973—an increase of almost 60 percent over their 1972 profits. Profits for the industry as a whole increased 46 percent over the same period. This is just the beginning. If the current trend continues, 1974 profits will be even larger. While we pay 60 cents a gallon for our gasoline and are asked to "cooperate" by dialing our thermostats to 68°, and driving at 55 miles per hour, the fuel industry is reaping a bonanza.

The huge oil companies receive tax favors that are available to no other industry. These benefits effectively reduce the statuatory tax rate of 48 percent that would apply to any other corporate endeavor to a meager 6 percent. The president of Gulf Oil reported to the Senate's Permanent Subcommitee on Investigations that Gulf paid only 2 percent in overall income taxes last year on net income of $2.3 billion. I have been advised that if the oil industry were taxed as other manufacturing industries, the increase in revenue would be greater than $3 billion annually—enough to finance an urban mass transportation project like the District of Columbia's Metro in a different large city each year. This group of giant corporations cannot justify these immense profits and Government tax gifts to an American public that is asked to sacrifice in the face of an energy crisis.

The industry has responded to this new attack by warning that this is the wrong time to question preferential treatment—treating the oil companies as any others would only worsen the fuel crisis. I believe just the opposite to be true. Our eyes have been opened to a group of very wealthy companies who are reaping huge profits while the public is making great sacrifices. Now is the time to reexamine these tax benefits and enact the urgently needed reforms. The chairman of the board of Exxon told us that "tampering" with just a part of the oil industry's tax treatment "without looking at the total tax package would be a mistake." I completely agree. The entire taxing mechanism of the giant oil corporations should be reviewed and the Government subsidies of the industry which are not justified must be ended.

Windfall or excess profits taxes sound very attractive. These taxes that apply larger tax percentages to higher profits or tax profits above a certain "normal" level appear to be just what we need to correct the current inequitable situation. I voted for just such a tax last fall.

Further analysis, however, revealed these plans to be less sound economically than they are appealing politically.

Primarily, these taxes would be nightmares to administer. They would require new bureaucracies with more red tape, endless internal revenue rulings, revisions and explanations. In order to make these taxes fair, as they must be, we would be required to legislate exceptions for the hundreds of special cases that would inevitably arise. Our historical experience with these taxes during World War II and Korea have taught us that rather than being panaceas to difficult problems, they are such Pandora's boxes of high costs, endless litigation in the courts, and code complexities. Not even anti-oil populists shed tears when they are inevitably repealed.

Second, we would be forced to define what is a "normal" profit. The Government is not smart enough nor fair enough to be able to tel la businessman, what a "normal profit" is under most circumstances.

Third, in taxing marginal profits—those profits gained on each additional barrel of oil above a certain limit, we would be defeating the national goal that Arab nations have forced us to accept—domestic independence for fuel. What oil company would drill oil, which the temporary tax was in effect, knowing that a large portion of its profits will go to the Government? Clearly it would be better for the companies to leave the oil in the ground and out of the gas pumps, until after the special tax is repealed. Most proposals do suggest that revenues that are reinvested in energy research or development be exempt from the additional tax. This would most likely result in waseful spending: huge expense accounts, foolish investments, or even large company bonuses. Most economists will agree that the price that oil commands today is incentive enough for any oil company to explore for new sources of fuel. A meeting of independent oil producers in my State in January proved to me that a price of $6 per barrel provides adequate incentive for both major and independent producers.

Finally, I cannot understand why we grant lucrative tax benefits to the oil industry, and then spend endless hours attempting to devise foolproof ways to tax these government subsidized profits away. It seems clear to me that a simple solution would be to reexamine and remove the existing oil industry tax breaks that cannot be supported by sound reasoning, and begin to treat the oil industry like any other.

Three major tax benefits granted by the Government to the oil industry for foreign exploration account for the largest portion of the reduced effective tax rate and lost revenues: the percentage depletion allowance, the privilege to take intangible drilling and development costs expense, rather than requiring capitilization, and allowing U.S. tax credits for royalties paid to foreign countries. Revision or repeal of all three should not be viewed as punishing the oil companies. We must remove preferential tax treatment when it is no longer warranted.

The percentage depletion is an artificial allowance which permits oil and gas companies to deduct 22 percent of the income received from the removal of the mineral from the property from their taxable base. Studies have shown that depletion allowances may provide income tax deductions that allow the owner to recover the cost of the well 10 to 20 times during the span of its productive life. The oil industry argues that this artificial allowance is justified by important public policy considerations, primarily the need for large stockpiles of oil for national defense. Whatever weight this rationale may have once had, the chances that we would have access to stockpiles of U.S. oil in Arab countries in time of world conflict appear dim, in the light of the boycott by the Arab nations. In addition, subsidizing oil activities has, in part, been the cause for a misallocation of energy resources, encouraging heavy investment in that area at the expense of research and development of alternative energy sources.

The tax loss from the percentage depletion allowance is great. In 1972, $1.7 billion was lost through this provision in the tax structure. With the higher prices of oil, the depletion projected tax windfall for 1974 is nearly $2.6 billion.

In the light of our present fuel shortage, I feel that it would be a mistake to eliminate immediately the percentage depletion from domestic production of oil. The percentage available, however, could be significantly reduced and still provide adequate incentive to explore and develop new domestic sources of oil and gas. The House Ways and Means Committee recently proposed legislation to phase out the depletion allowance by 1977.

Regardless of its justification for domestic production of oil, the percentage depletion cannot be supported for foreign properties. The public policy rationale for retaining this tax break for domestic property clearly does not extend beyond our national boundaries. Consequently, I believe this aspect of the tax package handled the oil industry by the Government should be eliminated immediately. Any shift in investment would be toward domestic resources, a change clearly in our national interest.

Intangible drilling and development costs, those associated with engineering expenses, salaries, and costs other than the actual drilling rigs, may be written off in full during the year in which they are incurred. In other industries, these costs would normally be deducted over the entire useful life of the property. Obviously, the oil industry receives a more favorable tax treatment than other manufacturing industries in depreciating capital costs.

The oil industry contends that exploration for oil is risky business—that unless the Government provided adequate incentives, exploratory drilling will not occur. The price of oil has risen higher in the past 6 months that anyone could have possibly predicted. The high price is a greater incentive than any we could possibly devise and place in the tax code. Indeed, the incentive to drill has actually created a shortage in the supply of drilling equipment. There is no need to further subsidize the companies with beneficial treatment of intangible drilling and development costs. 1972 revenue losses were $650 million from this item alone. The figures will be even higher in the coming years with the additional price-induced exploratory drilling.

I recommend that oil companies be required to capitalize these drilling costs, and the Government allow only normal depreciation deductions over the productive life of the property. The oil industry has been unable to show convincing policy rationale for maintaining this favorable treatment. Costs of unsuccessful wells, as always, can be deducted immediately—a normal business loss. Why then, will the risk of failure restrict exploration? As with the percentage depletion, the industry can make even weaker arguments for continuing favorable treatment for foreign exploration. If foreign operations are hampered, and I question whether the elimination of this section will have that ultimate effect, our national interest will not be seriously harmed.

The foreign tax credit allows U.S. corporations operating abroad a dollar-for-dollar tax credit for all taxes paid to a foreign government. Since international oil companies pay great sums of money to the countries where they produce oil, the foreign tax credit allows foreign earnings to enter the United States with little or no residual U.S. taxes. Masking royalties paid to foreign governments as taxes, the giant oil companies accumulate massive tax credits to offset U.S. taxes on their income.

As the crowning benefit after the percentage depletion and intangible drilling and development expense tax breaks have taken their chunks of taxes, the foreign tax credit is the final step toward total tax avoidance on foreign income. Costing the taxpayers $2 billion in 1970, and $2.9 billion in 1972, this credit makes the U.S. Government the tax collector for the Sheiks, with the people of this country paying the bill. And as would be expected, as the price of crude oil increases, these tax credits increasing accordingly. Estimates are that the revenue losses in 1974 will be even greater—reaching over $3 billion. In addition, the oil companies will amass over $16 billion in excess, unused foreign tax credits in that year. This excess can be carried back 2 years or forward 5 to shelter other U.S. tax liabilities on foreign income for those years. The picture is clear. U.S. oil companies will have virtually no U.S. taxes to pay on their foreign incomes for years to come.

This incentive for oil companies to invest abroad is in direct opposition to our national goal of fuel independence. Since royalty payments on domestic oil cannot be credited against income taxes, domestic oil producers are at a distinct disadvantage when competing with foreign operations. Ending the foreign tax credit would enable domestic producers to compete with foreign produced oil, and be a strong incentive to investment in oil here in the United States. I recommend that we allow only that percentage of foreign payments to governments that can be justified as an income tax be credited against U.S. taxes, and the huge percentage of these payments that remains be treated as a royalty. This amount would be deductable as a business expense, and not given a dollar-for-dollar credit against U.S. taxes. If we are to move toward self-sufficiency, the Government must encourage domestic production, and end our relience on any foreign sources. We must accept this basic premise.

Last February I joined with the gentleman from Ohio (Mr. VANIK) and 83 others in introducing legislation to eliminate the percentage depletion allowance and the intangible drilling expense on foreign properties and to alter the foreign tax credit to a business deduction. If our goal is to achieve energy self-sufficiency in this country, our tax system must provide some reason for the oil industry to be interested in the U.S. market.

The success of our system of taxation rests with citizens who can believe that everyone is taxed fairly and carries his fair share of the burden. There are few who believe that the giant, super-profit oil and gas corporations are equitably taxed. Reform of our tax system is long overdue. By enacting these three changes in oil and gas profit taxation, the Congress will be making a large step toward substantive tax reform.

EXPANSION OF U.S. NAVAL FACILITIES IN INDIAN OCEAN DANGEROUS

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. Reuss) is recognized for 10 minutes.

Mr. REUSS. Mr. Speaker, section 301 of H.R. 12565, the Defense Department supplemental authorization bill, which we are considering today, contains $29 million for the expansion of U.S. Naval facilities on British-owned Diego Garcia, a 5- by 14-mile island in the Indian Ocean.

When an amendment to strike section 301 is offered, I shall vote "aye."

Diego Garcia, and the Indian Ocean in general, is no stranger to foreign intervention. As early as 1498, the first major European penetration of the region occurred, when Vasco da Gama sailed into the Indian Ocean. In 1532, Diego Garcia, a Portuguese navigator, discovered the small island which now bears his name. Portuguese, Dutch, and French battled for predominance in the area, but it was England which finally won control.

The famous, or infamous, East India Co., was the agency through which England traded, fought, and established its position east of Suez for 250 years. Its activities were gradually taken over by the British Government. But it continued to exercise most of the functions of a government until the 1858 Indian mutiny brought the dissolution of the East India Co., but not the end of British hegemony in the Indian Ocean.

India was the most prized jewel in the imperial crown, and Britain was still the leading trading nation in the Persian Gulf. The British wanted to protect their communications network, secure sea access to the oil-rich Persian Gulf, and, most of all, withstand a feared French invasion of India. For these reasons, the British maintained a significant and costly naval and military pressence in the Indian Ocean.

After World War II, the British were forced to retrench. In 1947, the British left India, and the justification for retaining a "special capability" east of Suez was reduced. Though the fate of the Empire became a major controversy in domestic British politics, it was not until 1971 that Britain definitively reduced its military presence outside Europe.

In 1966, Britain signed an agreement with the United States to develop a defense base on the island. The United States would foot the bill, and Great Britain would maintain a token presence. No actual development of the base took place until 1971, when communications facilities and an 8,000-foot airstrip were installed.

Now the Defense Department is asking Congress to appropriate a further $29 million in fiscal 1974 to deepen the harbor, lengthen the runway to 12,000 feet—long enough to support B–1 bombers—and build barracks to house 500–600 naval personnel—in short, to convert the base from an "austere communications facility" to a "modest support facility."

The Defense Department tells us that this expansion is necessary to combat Soviet presence in the Indian Ocean, to reaffirm our influence in the affairs of the littoral states, and to protect oil supplies. This will sound familiar to those who know the history of British involvement in the area.

Rather than offset the Soviet presence, an expanded U.S. base is likely to encourage the Russians to escalate military capability in the Indian Ocean. Far from reasserting U.S. primacy in the political affairs of India and the smaller littoral states, a bigger base will scare the daylights out of those countries who do not wish to see the Indian Ocean the potential theater of another great power conflict. India Sri Lanka, Indonesia, Kenya, Singapore, even Australia and New Zealand have already protested the expansion, and the new labor government in England is reported to be reconsidering the arrangament. And finally, it has not yet been demonstrated what threat to oil supplies a stepped-up U.S. facility on Diego Garcia could effectively resist.

Barely have we emerged from the quagmire of Southeast Asia, narrowly have we escaped military involvement in the Near East, and already the Defense Department is out scouting the globe for one more area into which to interject our "military presence."

The Indian subcontinent could provide the biggest quagmire yet. Nearly one-sixth of the world's population lives in India alone, many of them dying from starvation and epidemic diseases. There is plenty the United States could do to help people, and to improve U.S. diplomatic relations with their governments, but it should be done through multilateral aid, not through B–1 bombers.

If and when the Soviets step up their military capacity, if and when the littoral states ask for our protection, if and when it is proved that Diego Garcia is related to vital oil supplies—then will be soon enough for the United States to consider taking the very big step of expanding its naval facilities on Diego Garcia.

I commend to the attention of my colleagues the following editorial which appeared in the Milwaukee Journal on April 1, 1974:

KEEP THE "ZONE OF PEACE"

> A naval buildup and arms race in the Indian Ocean is not in anyone's interest. Yet one might be on the verge of taking place, unless the two superpowers can come to a meeting of the minds.
>
> What will touch off the buildup are two prospective events. One is the anticipated opening of the Suez Canal as a result of the Israeli-Egyptian armistice. The other is the announced intention of the US Navy to upgrade and expand facilities on the small British island of Diego Garcia, 1,000 miles south of India.
>
> Opening the Suez Canal will allow the large Russian Mediterranean fleet to stream easily into the Arabian Sea-Indian Ocean area. And Soviet naval expansion over the last decade indicates that Moscow will do just that.
>
> The US has never maintained a large naval presence in the Indian Ocean, because for most of this century it has been a British patrolled domain. However, the British began pulling out in 1967 and the Soviets have moved quickly to fill the vacuum, even though their closest home base is some 9,000 miles away. The Russian navy now maintains the largest force in the ocean.
>
> The latest Mideast oil crisis has underscored the importance of petroleum to the health of the US, Japan and European economies. It is not in the West's interest to allow the Soviet Union to surround Mideast oil supplies.
>
> Many of the countries bordering on the Indian Ocean, including India, Australia and New Zealand, have wanted to keep it a "zone of peace." It is a wish that the superpowers should respect. This is a worthy issue for the anticipated Nixon-Brezhnev summit this spring. Soviet expansion in the ocean, however, would leave the US with little choice but to react in kind.

THE OVERSEAS PRIVATE INVESTMENT CORPORATION

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Iowa (Mr. Culver) is recognized for 5 minutes.

Mr. CULVER. Mr. Speaker, today I introduce a clean bill, reported last week by the Subcommittee on Foreign Economic Policy, to extend the authority of the Overseas Private Investment Corportation and to write into law various policy guidelines. The subcommittee held 9 days of hearings on OPIC during 1973, and a tenth day on March 20, 1974.

The primary initiative of this legislation is that it sets a course toward private insurance companies and/or multilateral institutions assuming OPIC's role of issuing insurance contracts, with OPIC taking the role of reinsurer. The bill authorizes OPIC to write reinsurance and to enter into joint arrangements with the private insurance companies. In addition, it expresses the intent of Congress that OPIC should place an increasing portion of the function of writing insurance contracts with the private insurance companies, with the aim of completely terminating its role as insurer by 1979–1980. If OPIC is unable to meet any of the deadlines for the phased conversion to privatization, it must report the reasons to the Congress.

This approach was adopted in order to reconcile two seemingly conflicting objectives—while it was thought important to give a clear expression of the intent of Congress, it was inappropriate to write mandatory dates into law. Given the lack of experience with joint arrangements between OPIC and private insurance companies, there is no certainty that privatization can be achieved. OPIC is still negotiating with the American insurnace companies, and giving OPIC's role two ridged a cast might jeopardize those rather delicate talks. Finally, as the House will continue to assess the ability of foreign investment and of OPIC to promote the development of less-developed nations, it will continue closely to scrutinize the program and may even determine that a different arrangement is more appropriate.

The bill also includes various policy guidelines for OPIC. It is directed to give preferential consideration to its programs in the least developed of the LDC's, the cut-off mark for which is set at a per capita income of $450—in 1973 dollars. OPIC should also give preferential considerations to projects by small businesses, which are defined as having net worth of not more than $2.5 million or total assets of not more than $7.5 million. The bill directs OPIC to serve as a broker between the development plans of developing countries and U.S. investors, by bringing investment opportunities to the attention of potential investors.

To take account of the legitimate concern regarding the impact of U.S. investment abroad on our domestic economy, the subcommittee wrote into the bill a stiff provision on runaway industries. OPIC must reject any application of a project that would significantly reduce the number of the investor's U.S. employees as a result of the replacement of U.S. production with production involving substantially the same product for the same market. OPIC must monitor the projects to insure that this provision is not violated after the investment is made. The bill also directs OPIC to consider the environmental impact of projects.

The legislation that was introduced last November would have granted a 2-year extension of OPIC's operating authority. This revised bill authorizes a 3-year extension. The primary reason for the extra year is that it will give OPIC a better chance to negotiate a 3-year contract with the private insurance companies, rather than a 1- or 2-year contract. The extra year will not weaken congressional oversight, as the bill requires OPIC to report to Congress by January 1, 1976, on the possibilities of transferring its activities to private insurance companies or multilateral organizations.

Another provision of the legislation directs OPIC to establish a 10-percent deductible, by which the private insurer assumes 10 percent of the risk. The purpose is to discourage investor behavior which might induce the host government to expropriate or otherwise jeopardize an investment. However, small businesses and institutional lenders would be exempt from this requirement.

Under current statute, OPIC can request a congressional appropriations without first obtaining a specific authorization. The bill would end this practice and also not allow any appropriation unless the insurance reserve dropped below $25 million. However, in order to meet its obligations, under emergency conditions, OPIC would be allowed to borrow for a limited period of 1 year up to $100 million from the U.S. Treasury.

The bill extends the agricultural credit program and permits OPIC to guarantee up to 50 percent of the loans under that program, rather than 25 percent. OPIC has had difficulty in attracting local capital to participate in the program, and this change should increase the chance for success.

It is hoped that this legislation will provide the Overseas Private Investment Corporation with the needed legislative authority and guidance to conduct its operations in the public interest as well as the necessary flexibility to negotiate a beneficial and workable arrangement with private insurance companies.

HAVE CAMPAIGN: WILL TRAVEL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusettes (Mr. HARRINGTON) is recognized for 5 minutes.

Mr. HARRINGTON. Mr. Speaker, At a time when the practice as well as the profession of politics is under attack and criticism in our society, when the participants in the crimes of Watergate are counseling young people to "stay away from politics," it is a source of some consolation to read a thoughtful, incisive article about an honest professional who brings to the art of politics great talent, total commitment, and absolute integrity. I am grateful to have had the sage counsel and thoughtful assistance of Mark Shields in my own political campaigns. He brings to the profession of politics great understanding of people, deep faith in the democratic process, and an outstanding record of personal and professional achievement. As long as individuals of his quality are willing to devote their energy, talent, and integrity to the political process, we can feel optimistic about the future of our political system.

I would like at this time to include the text of a front page story which appeared in the March 27 Chicago Tribune:

MARK SHIELDS: HAS CAMPAIGN AND WILL TRAVEL

(By Harry Kelly)

WASHINGTON.—An orange sun rises slowly over Boot Hill. The good guys and the bad guys are at it again. The clock ticks slowly toward high noon. A message crackles over the wires: "Need help!"

As the shadows darken, the modern gun-for-hire arrives, a Paladin in wash-and-wear, dismounting from a gleaming DC–9, armed with an expense account and a briefcase full of polls and issues.

From the cities of the East, across the plains and the cotton fields, and beyond the mountains of the West, the professional campaign managers travel from one election to another, political Wyatt Earps, surviving one Tombstone after another.

It is a growing breed, specialists in winning elections, ranging from the big firms with receptionists and wall-to-wall carpeting to the lone-hand independents with only a desk and an answering service, like Mark Shields.

"If a guy says, 'This is the race that's going to change the world,' I'm like a hooker at a convention; I'm set to go."

So says Shields who at 36 is considered one of the best. A roly-poly Boston Irishman celebrated for his wit, he has worked for Sen. William Proxmire, the late Robert Kennedy Gov. John Gilligan of Ohio, the Democratic National Committee, Sen. Edmund Muskie, Rep. Mike Harrington of Massachusetts, Democratic Vice Presidential candidate Sargent Shriver, and—most recently—for Thomas Luken. Luken became only the fourth Democrat in this century to be elected to the House from the Cincinnati district that has been home of the Tafts.

"More winners than losers," Shields says of his record, "if you total up the homecoming queen in the seventh grade Valentine's party, Sally Sweetwater."

What's the next Tombstone? Shields is now commuting between three or four states to pick the right candidates for him to manage in November. By carefully measuring his time—and reading airline schedules—Shields says he can run three camapigns at the same time.

With campaign budgets skyrocketing and with candidates bewildered about the media, polls, issues, and image, the ranks of those calling themselves campaign managers has grown.

The 1972 edition of the political marketplace lists 276 campaign specialists. But that's misleading. Some names, including Shields, aren't included. Some are specialists in organization, some in media and polls, some in advertising, speech-writing, research, issues, computer letters and direct mail, telephone books, some in press relations. Many do aspects of political campaigns as a sideline. Pollsters usually have commercial accounts. Madison Avenue advertises girdles as well as politicians.

One Democrat who was an official of the Humphrey campaign in 1968 and McGovern's in 1972 questions whether many are worth the money:

"The good part of it is that the good ones like Shields bring professionalism into an area that is often bumbling and unprofessional.

"But the bad part is they often charge more than their services are worth and there are some who operate on the shady side, making side deals with subcontractors, such as a 10 percent kickback from a film maker or a pollster. So the candidate ends up paying two or three times more to the consultant than he thinks."

Anyway, this Democratic campaigner contends, "There are no secrets to running a campaign. It's just that some candidates don't know the basics."

Shields doesn't argue with that: "The candidate really can get along with good old cousin George running the campaign for him. There's nothing arcane, nothing esoteric about the business of politics. It is simply people—you know, trying to reach people in a variety of different ways.

"It's just trying to communicate a message about you, about society, about the office you seek, to people at all different kinds of levels.

"I try to tell a candidate, if he's running for a statewide office in a big state like Illinois, 'you're going to raise and spend $1 million. That's major business. And no guy I know of in his right mind would get into a million-dollar business without talking to some people who had been thru it before.' "

To an onlooker, Shields is a one-man act, a candidate for the Johnny Carson Show, as he sits surrounded by newsmen at a Cincinnati French restaurant, twinkling mischievous, shunning cocktails in favor of beer on the rocks.

Shields, who works out of Washington, denies he is getting rich. Only two losing candidates, he recalls, bothered or were able to pay his bill.

"My wife says I make more per week and less per year than anyone in the world. . . . It's like being a construction worker and working overtime for a week. You're fat city for a week. Your checking account is three figures instead of one. It's great! So you grab the bride and go out and tie one on and have a big dinner. Terrific! And two weeks later she mentions the telephone company is getting a little surly with their bills."

Still there is gold in them hills, and there are causes.

Few campaign professionals play a double game. They remain loyally partisan, Democratic or Republican. Some are even more specialized. Former Barry Goldwater lieutenant Cliff White prefers Republican conservatives, Shields prefers Democratic liberals.

Altho Shields bad-mouths his business acumen, others have prospered. Matt Reese, who started as a John Kennedy volunteer in the 1960 West Virginia primary, now employs about 15 persons, has taken in three partners and will manage 8 to 10 campaigns by November. Joseph Napolitan is one of the best known Democratic campaign management consultants. Republican Bailey Deardourff, who handled the research for John Lindsey's first mayoral campaign and worked in two Nelson Rockefeller efforts, is managing a half dozen individual campaigns, as well as trying to get the full slate of eight Republicans elected in one state.

When Shields takes over a campaign, such as Luken's in Ohio, "The first thing I ask any candidate is why does he want to be a congressman or a governor; what difference will it make if he becomes a congressman, and what is he willing to do to become a congressman . . . it forces a guy to think beyond ambition."

Shields doesn't mind nursing the skyscraper egos of political candidates. He likes them. "A guy who runs for office lays his ego on the line. It's there for everybody in the neighborhood, everyone he was in school with or in service with or in the car pool with to see, whether he wins or loses. Like that."

Beyond the banter, Shields is philosophical about his own job. "An Irish Chicano picking candidates instead of lettuce."

"I meet friends who are in all kinds of good businesses with stock options and health plans. They're in that big corporate womb, and then there are a few people like myself who are kind of crazy."

The 1968 campaign of Robert Kennedy changed his life, he said. "For three months, I was able to do that which I think I do well, that which I felt was terribly important and that which I felt morally compelled to do. Most people go thru 65 or 70 years and never have that experience . . . a campaign can be the greatest educational tool in a free society."

ON THE LEADERSHIP OF CHAIRMAN RAY MADDEN OF THE RULES COMMITTEE ON SOCIAL SECURITY BENEFIT INCREASES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. VANIK) is recognized for 5 minutes.

Mr. VANIK. Mr. Speaker, today, over 29.4 million Americans will be receiving the first in a two-step increase in social security benefits totalling $300 million per month. In July of this year these beneficiaries will be receiving an additional increase of $172 million per month. The legislation which authorized this important increase for over 29 million Americans is due in large measure to our distinguished colleague, the Honorable RAY MADDEN, the chairman of the Rules Committee of the House of Representatives.

On October 30, 1973, when his committee was considering the request for a closed rule on the public debt increase bill, H.R. 11104, Chairman MADDEN led the successful effort to provide a modified rule permitting an amendment to the debt ceiling bill to increase the level of social security benefits. As a result of his action in developing a modified rule, the House Ways and Means Committee proceeded to draft a general social security bill—the bill which was signed into law on December 31.

It is high time to recognize the work of our beloved colleague, the Honorable RAY MADDEN, for his forthright leadership and foresight in leading the fight for the increase in social security benefits when it came before his committee.

Too often, the contribution of the Chairman of the Rules Committee to the legislative process is allowed to go unnoticed. It was Chairman RAY MADDEN's conviction that our elderly citizens deserve some defense against the spiralling inflation which erodes their savings and retirement benefits. The recently enacted benefit increases may have never been signed into law without his leadership in producing a "social security rule" on the debt ceiling bill.

We are indebted to this great legislator who chairs this vital committee. His leadership has been refreshingly responsive to social needs. He legislates with deep concern for the welfare of the Nation and its humblest citizen. He is selfless in his work. He is modest and does not seek the recognition which he so richly deserves.

Mr. Speaker, I wish to extend to my friend and colleague, my gratatude for his continued leadership on social security increase legislation which is today restoring some sense of balance to the needs of the elderly and the retired.

GREATER ROLE URGED FOR FHA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. BARRETT), is recognized for 5 minutes.

Mr. BARRETT. Mr. Speaker, we are all concerned with the present state of the economy and the signs of increasing interest rates and unemployment heighten these concerns. The housing market has suffered severely in the past several months and there are signs of further weakening of this sector. This past weekend there appeared in a local Washington paper an article by Mr. Milton A. Abrams entitled "Greater Role Urged for FHA" presenting an appropriate approach to meeting these conditions.

Mr. Abrams is senior vice president of Associated Mortgage Companies, Inc., and president of Associated Government Programs Co. Mr. Abrams is an extremely articulate and capable young man whose expertise is widely recognized. His suggestions are worthy of our reading and most serious consideration by HUD and the administration. I include it at this point in the RECORD:

GREATER ROLE URGED FOR FHA

(By Milton A. Abrams)

There is some talk of a recession in the residential construction sector this year and there are a number of plans being discussed to bolster home building. Those measures for housing are expected to have a positive impact on the general economy.

Historically, in times of recession the home building industry has been used to stimulate the economy. Falling interest rates have been a catalyst for rising starts. However, because of time borrowing at high rates, conventional mortgage financing sources are not in a position to respond to the recession threat with lower interest rates.

Most economists agree that conventional mortgage interest rates will not go below 8 per cent this year. In fact, long term rates turned up again recently. One effect will be little relief for middle-income Americans who cannot now afford to purchase an average-priced new or existing home. They will also have difficulty meeting the rents for new or rehabilitated rental housing.

Assuming a need for economic stimulus and use of housing construction for this purpose, two important governmental tools must be made more workable. First, the FHA must direct its attention to production operations. It must be given an organizational structure designed to encourage production backed by a public commitment from the administration.

Rapid processing of applications to commitment and loan closing is imperative. In an inflationary economy, it is critical that a developer's concept be approved and that construction commence within the shortest possible time period so that advantage can be taken of current costs of materials and labor. Compliance with requirements for cost estimation, environmental protection, fair marketing and equal opportunity need not delay production.

Second, the Tandem Plan must be expanded to support a 7 per cent rate. Under the Tandem Plan, the Government National Mortgage Association buys and sells mortgages and absorbs, in the form of discount points, the difference between the commitment price and that realized from the ultimate purchaser in the secondary market.

The ultimate purchaser will, of course, purchase at the yield requirements prevailing in the market place. Typically today (on 7¾ per cent mortgages) the cost to GNMA is between 3 and 4 per cent of the face amount of the mortgage. At this rate, the annnal budgetary expense to support 200,000 units (at $33,000 per unit) would be approximately $250 million. If doubled, this expense could still be relatively minimal when contrasted with the economic benefits that can flow from increased production and lower rents and/or ownership payments.

One of the most impressive features of government support to the market through the Tandem Plan is that it is a one-time expense approach. After meeting the discount points per unit, there is no additional federal expenditure. If Tandem support is extended to 7 per cent levels, the FHA programs will be able to reach most middle-income families, thus allowing housing alternatives not now available.

For families in need of subsidy, FHA could use rent supplements in connection with Section 221(d)(3) market-rate rental and cooperative housing programs and thereby provide housing for very low-income families. This method of achieving lower rents could be used in conjunction with the revised Section 23 leasing plan for very-low income families, recently proposed by HUD. Section 221(d)(3) is a proven program already in place and can be quickly stimulated. In contrast, the revised Section 23 program would not produce the volume of units necessary in 1974. An even greater stimulus could result if the moratorium on subsidized housing were lifted.

In addition to government commitment for discount points and rent supplement payments, other methods are available to reduce carrying charges without subsidy. For example, federal statutes presently permit an FHA multi-family mortgage to run 50 years in term, rather than 40 years, and the mortgage insurance premium to be reduced to ¼ per cent from the current ½ per cent. These two underwriting features, if applied along with the Tandem Plan, would further reduce the monthly cost of housing.

FHA will not be an effective resource for stimulating the economy unless corrective action is taken in both attitude and administrative techniques. Without lower interest rates and the possible use of other underwriting techniques, the "have-nots" of this country will grow to include much of the middle-class, at least as far as housing is concerned.

Seventy per cent of American families have an annual income of $15,000 or less and the average price of a new home today is about $34,000. The $15,000 family would have to use about 28 per cent of its monthly income toward payment of principal, interest, taxes, utilities and insurance on a typical $30,000 mortgage.

Many lenders, using a standard that no more than one-fourth of montly income should go toward shelter cost in an inflationary period, would probably not make such a loan.

Clearly, middle-income families are in need of housing assistance. In the face of a devastating inflation, the government must make an effort to lower housing costs. This can be accomplished via the FHA housing programs. FHA offers viable programs for single family ownership; for multifamily rental, condominoums and cooperatives and most of these insurance programs are available for rehabilitation too.

SAIGON LEGISLATORS SPEAK OUT

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New York (Ms. ABZUG) is recognized for 10 minutes.

Ms. ABZUG. Mr. Speaker, I have just received some very moving documents which I would like to share with my colleagues.

These are statements made by a group, like ourselves, members of the legislature of South Vietnam. When President Thieu recently overturned the constitution to give himself a third term, many members felt compelled to protest. These statements were brought to the United States by a relative of an official who opposes the Thieu regime. He feels that Members of our Congress have a legitimate interest in the situation since U.S. funds support 86 percent of the Saigon regime.

We must remember that protest of the Thieu regime is not permitted and can well result in jail, torture, and even death. Yet 54 members had the courage to sign a statement; one Senator resigned; and Thieu's old opponent, General Minh, spoke out again.

The language of their remarks is of necessity muted: not only to conform to custom but to avoid if possible arrest and detention. Reading what is implied as well as what is said, we find a very different picture from the one that Saigon would like us to have, wherein the entire population cheerfully accepts dictatorial rule. No matter how much Thieu tries to silence dissent, it does come out.

The following translations convey the deep concern of responsible citizens of South Vietnam. I believe we should listen to them before we grant any further funding to the Thieu regime:

DECLARATION BY SENATOR NGUYEN-VAN-HUYEN

SAIGON, *January 19, 1974.*

The Joint-Session of Congress just votes to accept the proposed amendment to Article 52 of the Constitution in order that the President may seek a third term.

This amendment of the Constitution brutally destroys the last ray of hope of all those still wishing to build a true democratic regime.

Consequent with my statement to the Joint-Session of Congress this morning, I solemnly reaffirm that as of this moment I resign from the Senate to return to the life of a simple citizen.

At the same time, in the name of the Central Executive Committee, I declare the dissolution of the TU-DO Party and ask my political companions to return to their ordinary life and together with the people charter a new course.

NGUYEN-VAN-HUYEN.

STATEMENT OF SENATOR NGUYEN-VAN-HUYEN

Messrs. PRESIDENTS, distinguished REPRESENTATIVES and SENATORS: on the path of the present progress of Man's Science, this extraordinary Joint-Session of Congress (born from a silent organization during the last several weeks) warns the people that the forthcoming events is about to put this regime into a new "orbit", different from the regular road.

Where will that orbit, with hidden method and plan secretly applied, (seemingly not daring to reveal to the people the deep intention of the task of amending the Constitution) lead this Nation and this people?

The whole of to-day's problem lies within that point.

If this is a movement for amending the Constitution to improve upon its defect, then who among the people, who among us, will not approve of such an initiative. And if that is the simple truth, then why the efforts to conceal and to deceive; why, faced with such an important task, the first occasion ever, since the existence of the Constitution, the precipitate action, causing each and everyone to raise doubts and to search for an explanation.

One seeks to understand for what reason, especially for what purpose, a problem of extreme importance to the future of the regime and the survival of the Nation, was hatched furtively and hurriedly in darkness like that.

If a space ship sometimes changes orbit to get to the Moon, there may arise occasion in which failure or faulty calculation may push the ship out of the safe area.

Men in the street are whispering among themselves these days: What is it that these Messieurs in Congress seem to be so extraordinarily occupied, at a time when newspapers and everyone are relaxing and preparing for Tet?

Why does the Administration of both Houses choose the terminal days of the year of the Buffalo to schedule the session for discussing such an important problem, when everyone is busily preparing to pay homage to deceased ancestors?

Is it to avoid unfavorable reaction from the people and to put everyone in front of a fait-accompli when stepping into a new era?

During the present destitute period of the Nation, faced with a struggle in which we have to hold firm and consolidate against Communism, the people's heart is the crucial element in all domains.

If the people's heart remains, there remains the Nation because it truly is the people.

Possessing the people's heart, one has every thing: on the contrary, losing it will only lead to a dark and dangerous future.

The problem of creating "true" confidence, by correctly instituting a truly free and democratic regime is the fundamental and crucial problem which has been accentuated right in the argumentation leading to the drafting of the Constitution.

What is the people's heart, what is the people's confidence with respect to their representatives, if not a close rapport between the two parties.

This rapport demands:

A "free" mandate by the people and conversely;

A "truth-ful and faith-ful" service of the representative.

We may discuss at length, but the Truth will always remain the Truth.

We cannot distort the Truth.

We cannot bridle the Truth.

We cannot trifle with the people and we cannot swindle the people.

Lessons of contemporary history demonstrate that the people will not always remain indifferent with actualities.

The people (which you, distinguished gentlemen, think that you represent) will someday ask question and hold responsible those who have intentionally created an increasingly suffocating atmosphere.

Who among us can be certain that the proposed amendments to the Constitution are useful to the Nation and correspond to the wish of the people? Or are they only some private concern, favorable to a certain superficial direction.

We all have a title, and we are proud of being the representatives of the people.

But more than that title, we carry a heavy responsibility.

Let us ask whether our action will answer either the aspiration of the people or the call of our Conscience or not.

That is Responsibility, and that is all that matters.

Because if our responsibility is not whole, then our title call is title no more, it is but false title.

If our vote does not correspond to the people's desire, does not reflect the people's wish, then our task of to-day will lead to failure, not withstanding the fact that we have betrayed the people because of minor, individual, unworthy gain.

The Law is only worthy if it succeeds in expressing Justice.

The Law must create the spirit and conditions for a really true Justice; only the impartial and equalitarian Law can bring Peace and Prosperity to the people.

If the Law only serves, instead of controlling tyrannical power, then the Law has betrayed its divine mission and becomes meaningless.

Therein lies the vulnerable point of all things.

In the survival struggle against Communism, a foundation for an equitable law system to keep the people's heart is the most important fact that we should not disdain.

Because I am convinced that the Communists do not fear any individual, but they will only retreat in front of the might and the support of the people.

In his message on January 1, 1974, the Day for World Peace, Pope Paul VI, an authority universally recognized, said:

"Do not confound Peace with a fearful submission and docility in front of the domination by others, accepting oneself slavery. True Peace is not that; repression can not be Peace. Pure external order supported because of fear is not yet Peace."

"The recent celebration of the 25th Anniversary of the Declaration of Human Rights reminds us that true Peace is based on the recognition of the inviolable value of Personalism, from which emanate Rights equally inviolable with corresponding responsibility".

"In truth, even if Peace accepts to submit itself to forthright regulations and legal governments, it will never take lightly the public interest or the freedom of mind of Man".

"Peace may lead to generous absolution and reconciliation, but it will not do that for a vile exchange, ruinous to the human values, to protect a selfish interest contrary to the legitimate rights of others".

During a sermon on that same day, the Pope also accused the false forthrightness, the connivances to solve problems by the repression or the destruction of the opposition.

His Holiness admonished that we must unify to eradicate all similar ideas and actions and explicitly defined that such a justice must be considered as an infinite injustice.

Within the framework of an extremely difficult Economy and an uncertain military and political situation, the Joint-Session of Congress is convened urgently to-day to amend the Constitution, according to the proposition of the government Representatives and Senators.

Even though embellished by a few necessary revisions, the central point of the proposed amendment is the change of the presidential term so that the incumbent president may run for a third term (of five years instead of the previous four-year term).

What will the people think of this amendment? That is the crucial question in front of us to-day.

Before answering it, it is fitting to recall briefly the course of events since the last House election of 1971. The one-candidate presidential referendum, which followed closely, has demonstrated that the people of South-Vietnam could exercise their free choice no more; Then came the forced staging for the "Delegated Power Act," and the senatorial election of August 8, 1973 with its incredible peculiarities, known to all.

Can the spirit of Freedom and Democracy, which the Constitution of April 1, 1967 holds in reverence, survive after the above mentioned chain of events?

If yes, who among us can prove and guarantee it?

And if not, then why close our eyes and be let into an orbit without exit.

Born of the people, the Tu-Do Party always shares the anxiety of the people and has chosen the path of constitutional opposition, endeavouring to bring a ray of hope, even a very frail one, into the future.

Today's amendment of the Constitution has brutally destroyed the last ray of hope of those still wishing to build a true democratic regime.

As President of the Tu-Do Party, I solemnly declare before this Joint-Session of Congress and before the people that:

"As of the moment the Constitution is amended so that the incumbent president may have another term, I wish first to beg forgiveness of the people and to ask them to accept my resignation as a Senator.

"I further solemnly declare the dissolution of the Tu-Do Party and ask my political companions in the Party to return to their ordinary life to share the contempts and sorrows and together with the people decide".

We would choose to return to the people and share all adversities rather than to become ornaments for a despotic regime.

Let us not forget that even the Communist regime succeeds only in destroying the body of man, but it is never able to subjugate neither Man's Will nor the power of Man's Mind.

The brilliant example of the novelist Alexexander SOLZHENITSYN and that of the Scientist SAKHAROV, right on Russian soil, are evident cases proving amply that "it is not only the tyrannical, despotic power which counts", and they also demonstrate that "the vulnerable point of the tyrannical power is that it relies upon and recognizes only tyrannical power"—As Paul VALERY had written: "La faiblesse de la force est de ne croire qu'á la force".

Statement of General Duong Van Minh

Dear Friends: Last year, on the same 24th day of the 12th month of the lunar calendar, we welcomed with much hope the Paris agreement as a practical basis for ending the war, and restoring peace in the spirit of national conciliation and national concord.

If the Agreement had been implemented with goodwill, today the guns would have fallen silent throughout the territory of the South, the military, civilian and political prisoners would have been reunited with their families, the people of South Vietnam would have enjoyed the democratic rights, and a new way of life would have been begun in this part of the country, and the conditions for conciliation between the various elements of the nation would have been fulfilled.

If the Agreement had been implemented correctly, today the South would have begun the work of reconstruction, development, and building a brighter future for everyone, especially for the young generations.

But all through the past year, not one single day did the guns fall silent.

And today, on the threshold of the year Giap Dan, instead of enjoying the first peaceful Tet after nearly thirty years of war, the people of the South have to carry the burden of a prolonged war and, at the same time, to face the difficulties and sufferings resulting from the grave degradation of an economy clinging to foreign aid in order to serve the needs of war.

In that painful situation, the question which I have often heard in my meeting with friends and people from various walks of life is: what must those who advocate national conciliation and national concord do?

I take the opportunity of this get-together today to place before you a few ideas with a view to making a contribution to the search for answers to that question.

The first, and the most essential thing we must do, in my view, is to maintain our strong faith in the just cause of peace.

All through the war years, when the massive use of the most frightening weapons was resorted to in this land, we believed that the Vietnamese problem could not be solved by pure military means, and because this war could end in the victory of neither side, the road of national conciliation is the only road to peace.

Our view was correct; the Paris Agreement has confirmed it.

All through the past year, the bellicose influence have blocked and sabotaged the implementation of the Agreement, but if conciliation still is the only road to peace, then however stubborn they may be, in the end they will have to accept this road if they do not want to be brought down.

The second thing we must do is to achieve unity.

Those who advocate conciliation are large and variegated bloc and inevitably differences of views exist. But even if we hold different views on one point or another, we can still easily work together on one basic point, and that is demanding the correct implementation of the Paris Agreement as a precondition for the achievement of peace.

In the present circumstances, in my view, all our efforts must be directed toward that goal, and we must hold sincere discussions together to search for modalities of effective action.

To be effective, we must rally: that is our third task.

In the past year, there were friends who urged the formation of a big and open organisation comprising all those who love peace.

In my view, in the present objective and subjective conditions of the South, it would be difficult to establish such an organisation, and if it can be established, it cannot operate effectively. Such an organisation can fall into the trap of becoming an ornament or a dependent agency of this side or the other side.

It is only when article 11 of the Paris Agreement has been truly implemented that a large scale peace force can surface and operate in broad daylight.

In the present circumstances, I think that there should be not one but several rallies round bodies or personalities having really struggled for peace, with a flexible coordination so that they can give one another positive support. This flexible form of organisation will enable the various groups advocating peace to maintain their independence while allying with one another.

The fourth and most important thing we must do is to act.

Having faith in the just cause of peace, we must ally with one another to work positively for peace: the majority of the people of the South surely desire this at present.

There are many ways in which we can act, and each man, each group may choose the way most fitting with their capabilites and situations. But whichever way they may choose to act, the only course for all of us to follow must be national conciliation. This aim must be unequivocal in our speech, gestures, attitude, position and action.

As people advocating conciliation, we cannot systematically oppose any side, nor can we systematically support any side. We only oppose policies, positions, actions harmful to peace, and support policies, positions, and actions favouring peace.

As people advocating conciliation, each of us must become a conciliation cadre, from the cities to the remotest hamlets. Through speech, through action, we must instill in every man and woman of the South the unbreakable faith in the ultimate victory of the just cause of peace.

It is only then that the people of the South can participate positively in the work of national conciliation. His Holiness the Pope has himself declared on the first day of the year 1974:

"Peace does not only depend on chiefs of state and statesmen, but depends on each of us".

Dear Friends, I have just put to you a few observations and ideas which I consider to be the fundamental points requiring discussion, concert, and agreement.

In the last days of a bleak but still hopeful year, the just cause of peace shines brighter than ever.

We can maintain our faith in the just cause; we can unite, rally and act correctly and effectively; we shall surely succeed. And the year Giap Dan will be the year of conciliation, leading to Peace of the Nation.

HOUSING OPPORTUNITIES FOR THE HANDICAPPED

(Mr. KOCH asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, today I am introducing legislation that could have a profound influence on the future of housing opportunities for severely handicapped persons. My bill, the Housing Opportunities for the Handicapped Act, provides for alternatives to institutional living arrangements for the severely handicapped.

Rather than confining the handicapped to institutions, nursing homes, and hospitals, I feel we should be searching for ways to wholly integrate the handicapped into our society. With adequate planning, comfortable, convenient, and practical alternatives can and must be provided.

First introduced in the Senate last year by Senator ROBERT DOLE, the bill would provide these alternatives by establishing a demonstration grant program to initiate new ways of equipping, adapting, and modifying private homes, apartments, hotels, or other facilities to meet the residential needs of the handicapped. My bill also mandates the Department of Housing and Urban Development to consider the needs of the handicapped when constructing future housing.

We often overlook the difficulties and inconveniences consistently encountered by the handicapped in modern living. Fully mobile persons who have assumed the role of a severely handicapped person for even an hour are astounded at the obstacles which confront them. Steps and escalators, to name only two examples, are no longer conveniences but become major hindrances to mobility if one is confined to a wheelchair. Similarly, accommodations must be made in housing appliances, fixtures, and floor plans, and the time for such change is now.

I urge my colleagues on the House Banking and Currency Committee to ponder the difficulties I have mentioned and the opportunities afforded the handicapped through this legislation, as they consider comprehensive housing legislation.

ON THE PRESIDENT'S TAXES

(Mr. KOCH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, at a time when Americans are preparing their tax returns, it is particularly distressing to find that Richard Nixon, while occuping the Office of the Presidency has underpaid his taxes to the extent of $432,787. While I am not shocked by the committee's finding, it is deeply discouraging to me to see our Nation being led by an individual who has committed such an affront to the public trust. My distress over the revelations is compounded by the very arrogance with which the White House has responded to the matter. Let us examine for a moment the short statement issued by the White House yesterday in announcing that the President would pay the $432,787 in back taxes. It concludes:

> Any errors which may have been made in the preparation of the President's returns were made by those to whom he delegated the responsibility for preparing his returns and were made without his knowledge and without his approval

What is this? An attempt to absolve the President from any responsibility for understating his tax liability. I will not attempt at this time to judge whether the President committed fraud in the preparation of his return. But, the suggestion that the President was not responsible "for any errors" in the preparation of his return is indeed outrageous. Every American, including the person occupying the highest office of our country, signs his tax return and endorses the following statement:

> Under penalties of perjury, I declare that I have examined this return, including accompaning schedules and statements and to the best of my knowledge and belief it is true, correct and complete.

While one might hesitate in criticizing the President for technical errors in his return, one cannot help but be outraged by the dimension of these so-called errors. What we have in this case are not simply errors. The underpayment of taxes in this case involves more substantial and deliberate decisions than simple technical errors of computation. The accountant is the technician, but the taxpayer sets the tone for how his tax liability is to be treated. Surely the President realized that he was not paying California income taxes since he considered his residence for State tax purposes to be Washington, D.C. Alternatively he also did not find himself paying a capital gains tax on the sale of his New York City apartment, since for purposes of his Federal income tax, he had designated California as his principal residence. Someone set the tone for dividing the profit on the Florida land sale in a way to minimize the Nixon family's taxes. Indeed, the general attitude of using and stretching loopholes wherever possible to avoid taxes was so pervasive that the committee found that even the President's deductions for gasoline taxes had been inflated.

Furthermore, it is clear from the February 6, 1969, memorandum written to the President by John Ehrlichman on charitable deductions and contributions that the President was very much involved in establishing how his tax liabilities were to be handled. It would appear from the memorandum, and the President's handwritten comments on it, that Richard Nixon was not so removed from his personal tax matters as the White House would now like to suggest.

Many Americans receive assistance in the preparation of their returns, but they have the responsibility for the accuracy and completeness of their returns. Indeed, most Americans probably worry that they or their accountants have inadvertently made an error and that they will later be subject to an audit. When filing his tax return, Richard Nixon is an ordinary citizen—or at least he should be treated as such by the Internal Revenue Service.

I think that the House and the country owe a great deal of thanks to the Joint Committee on Internal Revenue Taxation, and in particular its director, Laurence N. Woodworth, for its extraordinary, professional job in analyzing the President's return and submitting its report. While it is discouraging that the Nation's leader should underestimate his tax liability and that the IRS until yesterday did not attempt to challenge the President's returns, it is reassuring that our system of checks and balances has finally brought this matter to the fore and subjected the President to the same tax demands imposed on all other Americans.

Almost 9 months ago, on July 11, 1973, I wrote to IRS Commissioner Donald C. Alexander raising the question of whether the President had paid taxes on the capital improvements made to his San Clemente and Key Biscayne properties. I pointed out that section 61 of the Internal Revenue Code of 1954, as amended, defines gross income as "all income from whatever source derived." Thus, I argued the payment by the Federal Government for home improvements, landscaping, office furniture, and other items of nonsecurity nature for both of the personal residences of the President were additional compensation to him, and thus should be included in his gross income. I urged the IRS, at the least, to undertake an investigation to determine the exact tax implications of these expenditures by the Government on behalf of the President.

Commissioner Alexander responded promptly, but enigmatically. By letter of July 13 he said that the tax affairs of all persons are confidential and so he could not comment. He added the information I raised would be "considered by the appropriate personnel of the Service."

When it was announced that the joint committee would review the President's tax returns, I forwarded my correspondence to Mr. Woodworth. I am glad that his office saw fit to make a more active investigation of this aspect of the President's tax liabilities. While the committee found that only $92,298 worth of improvements to the San Clemente and Key Biscayne properties should be considered as taxable income, it is important that the committee confirmed the President's responsibility for paying taxes on improvements made to his property that were in fact capital improvements.

Our tax system, as our legal system, demands the good faith of the people and their voluntary compliance. It is structured on the premise that most people are honest and want to do what is right. They look to the law for direction, not merely as a threat. We cannot survive if we turn into a people whose ethics are so jaded that our response is to avoid the demands of the law whenever possible. And, we look to the President of the United States to set some standards of conduct for us. It is tragic that we must conclude he has failed us miserably and left too many people asking themselves, "Why should I do any better?"

The material follows:

JULY 11, 1973.

Hon. DONALD C. ALEXANDER,
Commissioner of Internal Revenue,
Washington, D.C.

DEAR MR. ALEXANDER: On June 20, 1973, the General Services Administration (GSA), Region 4, released a Schedule of Costs Incurred at the Presidential Complex, Key Biscayne, Florida. This was followed on June 21, 1973, by a similar GSA study summarizing the costs incurred by the Federal Government for the Presidential Compound in San Clemente, California. There was also released, on June 28, 1973, a GSA report of the expenditures for Vice President Agnew's residence in Bethesda, Maryland for the period April through June, 1973.

Many of these expenses have been characterized as part of the costs incurred at the request of the U.S. Secret Service in support of its requirement to protect the President and Vice President. Others, however, appear to be merely of a maintenance or capital improvement nature. These include heating system modification, landscaping, a swimming pool cleaner, washing machine, lawn mower, ice maker and many other items that normally are incurred by a homeowner to repair or improve his residence. In the instance of the President and Vice President, however, these costs have been borne entirely by the Federal Government.

Section 61 of the Internal Revenue Code of 1954, as amended, defines gross income as "all income from whatever source derived." Thus, if compensation takes a form other than cash or securities, it is nonetheless included in gross income, unless specifically excluded by some other provision of the Code. Accordingly, the receipt of an automobile from a business friend for past or future services is compensation, as would be the receipt of any other type of real or personal property.

The payment by the Federal government for home improvements, landscaping, office furniture and other items of non-security nature for both of the personal residences of the President appear to be additional compensation to him, and thus should be included in his gross income for the years in which the work was done. At the very least a serious investigation should be undertaken to determine the exact tax implications of these expenditures by the government on behalf of the President.

There is also the question of the future tax effects of the security-related improvements. Assuming that the value of the San Clemente and Key Biscayne properties will be enhanced by the expenses for Secret Service protection, how should these be treated upon completion of Mr. Nixon's term of office? It does not seem equitable that the President should receive government paid renovations of his personal residences and then be able to reap the benefits on a future sale of the homes. It would appear that these security expenditures, therefore, should also be included in ordinary income, if and when the governmental need therefor has expired, or at the least, upon sale of the property.

Immediate review of these questions is essential. It would be highly unfair for the average taxpayer to bear the full burden of the Internal Revenue Code while the President is able to escape taxation on expenditures made for him by his employer, the Federal Government. Accordingly, I will appreciate receipt of your opinion as to the federal income tax consequences of the expenditures outlined herein and your advice as to what steps are to be taken by Internal Revenue Service with respect thereto.

Sincerely,

EDWARD I. KOCH.

JULY 13, 1973.

Hon. EDWARD I. KOCH,
House of Representatives,
Washington, D.C.

DEAR MR. KOCH: Thank you for your letter of July 11, 1973, regarding expenditures made by the General Services Administration with respect to the residences of the President and Vice President.

As you know, the tax affairs of all persons, including high government officials, are confidential and may not be disclosed except as provided by law. We can assure you, however, that this information will be considered by the appropriate personnel of the Service.

Sincerely,

DONALD C. ALEXANDER.

JULY 20, 1973.

Hon. DONALD C. ALEXANDER,
Commissioner, Internal Revenue Service,
Washington, D.C.

DEAR MR. ALEXANDER: Thank you for your prompt response to my letter concerning the tax implications of the non-security related expenditures by the government in behalf of the President and Vice President.

I certainly agree that the Internal Revenue Service must maintain the confidentiality of every individual's tax return. I want to emphasize therefore, that I am not seeking any disclosure of information on the tax returns of the President and Vice President. Nor am I asking whether any of the items to which I referred in my previous letter were reported as income.

On the contrary, I am seeking your opinion as to whether the non-security related expenditures to which I referred in my letter of July 11th constitute taxable income or may constitute taxable income under Section 61 of the Internal Revenue Code of 1954. I would appreciate your giving me a statement on the legal principles applicable to the determination of whether items of this nature are to be included in a taxpayer's income. For example, if an employer provides improvements to an employee's home which are not necessary to carry out the employer's business, are these improvements considered income? Or, if such improvements can be used by the employee in the course of his business, but are *primarily* for the personal benefit of the employee, are they considered income for tax purposes? I realize that there are special facts and circumstances in each case, but I would appreciate having from you an opinion on the legal principles applicable to such items.

In the event your office determines that the items in question do constitute income, what then would be the appropriate course of action for the IRS in such cases?

Sincerely,

EDWARD I. KOCH.

AUGUST 2, 1973.

Hon. EDWARD I. KOCH,
House of Representatives,
Washington, D.C.

DEAR MR. KOCH: This is to acknowledge your letter of July 20 to Commissioner Alexander, concerning the question of whether improvements by an employer to his employee's home are includible in the employee's income.

You will be further advised in the matter as soon as possible.

Sincerely yours,

——— ———,
Chief, Technical Services Branch.

AUGUST 9, 1973.

Hon. EDWARD I. KOCH,
House of Representatives,
Washington, D.C.

DEAR MR. KOCH: This is in response to your letter of July 20, 1973, requesting an opinion concerning the Federal income tax consequences when an employer improves an employee's personal residence.

Your earlier inquiry of July 11, 1973, on this matter dealt specifically with the Federal income tax consequences of expenditures made by the Federal government on residences owned by the President and Vice President. In your letter of July 20 you state that you are neither requesting disclosure of any information on the President's or Vice President's tax returns nor inquiring whether any of the items to which you referred in your letter of July 11 were reported as income. Rather, you state that you are seeking a statement of the legal principles applicable to the determination of whether items of this nature are to be included in a taxpayer's income. Your letter of July 20 also states, however, that "I am seeking your opinion as to whether the non-security related expenditures to which I referred in my letter of July 11th constitute taxable income or may constitute taxable income under Section 61 of the Internal Revenue Code of 1954." You also ask, "In the event your office determines that the items in question do constitute income, what then would be the appropriate course of action for the Internal Revenue Service in such case?"

After carefully considering your July 20, 1973, request in the light of your July 11, 1973, inquiry, we have concluded that we are unable to furnish the statement you have requested. We believe that under the circumstances any such statement from this office would constitute an improper discussion of the personal and confidential tax affairs of particular taxpayers. I trust that you will appreciate our position in this matter.

With kind regards,

Sincerely,

DAVID C. ALEXANDER,
Commissioner.

AUGUST 14, 1973.

Hon. WILBUR D. MILLS,
Chairman, Joint Committee on Internal Revenue Taxation, Washington, D.C.

DEAR MR. CHAIRMAN: I would like to bring to your attention the enclosed correspondence I have had with the Internal Revenue Service concerning expenditures made by the General Services Administration with respect to improvments on the homes of the President and Vice President.

You will note that the IRS will not respond to the questions I have raised and I bring the matter to your attention with the thought that you would think it appropriate to raise the matter with them.

All the best.

Sincerely,

EDWARD I. KOCH.

SEPTEMBER 6, 1973.

Hon. EDWARD I. KOCH,
House of Representatives,
Washington, D.C.

DEAR MR. KOCH: Chairman Mills' office has forwarded to me your letter to him dated August 14, 1973.

It is my intention at the next meeting of the Joint Committee on Internal Revenue Taxation, which I hope will be later this month or early next month, to present for discussion the questions raised in your letters to the Commissioner of Internal Revenue concerning the proper tax treatment of improvements made by the government to the President's private residences.

Sincerely yours,

LAURENCE N. WOODWORTH

SEPTEMBER 19, 1973.

Mr. LAURENCE N. WOODWORTH,
Chief of Staff, Joint Committee on Internal Revenue, Taxation, Washington, D.C.

DEAR MR. WOODWORTH: Many thanks for your letter of September 6th advising of your intention to discuss with the Committee the questions I have raised with respect to the tax liability of improvements made to the residence of any employee by an employer, and specifically, such improvements made to the President's private residences by the government.

I am most appreciative of your interest and will be anxious to learn the outcome of your discussion.

Sincerely,

EDWARD I. KOCH.

DECEMBER 12, 1973.

Mr. LAURENCE N. WOODWORTH,
Chief of Staff, Joint Committee on Internal Revenue Taxation, Washington, D.C.

DEAR MR. WOODWORTH: You will recall our recent correspondence concerning my interest in determining the tax liability of improvements made to the residence of an employee by an employer, specifically those improvements made to the President's private residences by the government. As you may remember, the IRS had refused to issue an opinion on this question.

It is my hope that as the Committee investigates the tax ramifications to the President of the gift of his Vice-Presidential papers and the nonpayment of a capital gains tax on the sale of property adjoining his San Clemente home, it will also explore the issue I have raised with the IRS concerning expenditures made by the government to the President's private properties.

Sincerely,

EDWARD I. KOCH.

OIL INDUSTRY INFLUENCE WITHIN THE FEDERAL ENERGY OFFICE

Mr. ROSENTHAL. Mr. Speaker, several weeks ago, I asked William Simon, Administrator of the Federal Energy Office, to furnish me with a list of former oil industry officials holding policy-level positions with the FEO. Mr. Simon reported that as of March 1, 1974, 58 former oil industry executives held jobs at the Government's principal energy operation.

In response to my request for an update of the information, Mr. Simon notified me by letter dated March 22 that 102 former oil industry employees occupied positions at the Federal Energy Office. Of these, 62 were employed in the oil industry within the last 4 years; 10 held positions of GS-16 or higher and 59 held positions of GS-13 to GS-15; 31 were listed as "career" employees; and 49 were designated as "temporary."

Mr. Speaker, there are obviously instances when Government requires certain expertise available only in the form of industry personnel. But it should be equally obvious that the American public's lost confidence in its Government will never be regained until that kind of conflict-of-interest or even the appearance of such conflict, is removed from Government service. Sometimes it is a little more difficult to search the universities and think-tanks and public interest groups for prospective Federal employees—but the dividends in the form of increased public confidence and consumer acceptance are well worth the effort.

In the hope that the disclosures will generate serious debate and study over the risk/benefit ratio associated with the Government's hiring large numbers of former and future energy industry people to regulate that industry, I am inserting at this point in the RECORD an updated list of FEO personnel with oil industry backgrounds. I do want to indicate my deep appreciation to William Simon for the FEO's cooperation and openness in this matter.

FEDERAL ENERGY OFFICE,
Washington, D.C., March 22, 1974.

Hon. BENJAMIN S. ROSENTHAL,
House of Representatives,
Washington, D.C.

DEAR MR. ROSENTHAL: In your letter of February 22 and subsequent contacts by your staff, you requested that we furnish you an updated list of the names, job descriptions and compensation of all FEO personnel who were employed in the Energy industry during the last five years.

In response to this inquiry, we are furnishing you a complete list of FEO personnel who were formerly employed in the Energy industry. We have included their titles and GS grades.

We believe this information is responsive to your request.

Sincerely yours,

WILLIAM E. SIMON,
Administrator.

Former oil industry employees with FEO

In Washington	61
In regions	41
Total	102
GS-16-18	10
GS-13-15	59
GS-12 and below	28
Consultants	5
Total	102
Employment status:	
Career	31
Temporary	49
Detailees	18
Presidential exchange	4
	102

NO LONGER EMPLOYED WITH FEO

Region V

Al Stratford—returned to IRS.

Energy Resource Development

L. E. Moore—returned to IRS.

Name	Type of appointment	Grade	Position	Years with Government	Oil/energy—company name	Position	Years with company	Year of separation
ADMINISTRATOR'S OFFICE					OIL INDUSTRY			
Robert Emmons			Special Assistant to Administrator Consultant.	2 wks	Standard Oil of Indiana	Marketing manager/regional manager.	33	1970
POLICY ANALYSIS					OIL INDUSTRY			
Phil Esley	Permanent	16	Deputy Assistant Administrator for Policy Analysis.	3	Ohio Oil Co. (now Marathon Oil Co.).	Petroleum engineer, district reservoir engineer.	1950–55	1955
					Skelley Oil Co	Reservoir engineer supervisor	1955–62	1962
					Sinclair Research Laboratory	Senior research engineer	1962–65	1965
					Sinclair International (now Atlantic Richfield).	Staff petroleum engineer	1965–68	1968
					Not available	Petroleum consultant	1969–70	1970
					Benson Mineral Group	Assistant to owner	1970	1970
Robert Bowen	Presidential interchange.	15	Consultant	5	Phillips Petroleum Corp	Manager refined products collation and planning.	1966–73	1973
ECONOMIC AND DATA ANALYSIS					OIL INDUSTRY			
Eugene Peer 643-6213	Permanent	15	Industry specialist	4	Exxon	General manager manufacturing (1 yr)	32	1969
William Darby, 634-6453, 634-2731.	do	14	do	14	Mobil Oil	Senior petroleum economist	18	1964
David Oliver -6174, home 451-0974.	do	15	Director, Division Oil and Gas Statistics.	9	Atlantic Refinery	Chief economist	do	1964
Earl Ellerbrake -6106, home 280-5153.	do	15	Transportatian Industry Specialist.	14	Southern Ohio Pipeline	Chief/transportqtion research and development.	14	1960
Dale Swan, 634-6041	Temporary	13	Economist	1 month	ARAMCO	Staff economist	5 months	1973
Dr. Tayyabkhan -6045	Presidential interchange.	15	Chemical engineer president Executive Interchange Program.		Mobil	Manager computer methods (also 9 yrs, no title, no date).	6	(1)
Ali Ezzati -6041	Permanent	14	Economist	Under 1	Gulf Oil	Economist:		
						United States	4	1974
						Iran	2	
Herbert J. Ashman -6459	do	14	Industry Specialist Petroleum Economics.	8	Shell Oil	Assistant real estate manager	12	1966
Thomas Daugherty -6459	do	13	Trade Specialist	Under 1	American Gas Assocition National Coal Association.	Manager-statistics	3, 6	1974

Footnotes at end of article.

Name	Type of appointment	Grade	Position	Years with Government	Oil/energy—company name	Position	Years with company	Year of separation
OPERATIONS AND COMPLIANCE (FUELS MANAGEMENT AND POLICY)					OIL INDUSTRY			
John Vernon	Temporary	17	Fuel manager/crude oil and petrolchemical.	0	Exxon Corp. subsidiary	Manager economics and planning.	11	1974
Robert Cunningham	Detailee GSA	15	Industrial specialist crude oil and refining.	3½	Standard Oil of California and Chevron Asphalt Co.	Various—last-sales manager Baltimore region.	23	1971
Walter S. Housman	Permanent	13	Allocation office	22[2]	Sun Oil Co Atlanta Refining Co	Engineer trainee Executive and management trainee.	1 2	1940 1948
Robert Kahl	do	13	Industrial specialist (petroleum products).	0	Kewanee Oil Co	Vice president foreign operation.	33	1968
Dennis Kourkoumelis	do	13	Industrial specialist		Independent Shell and BP South African Petroleum Refineries. Shell Oil Co	Exploration consultant Refinery operations manager Process engineer (economics and planning).	1 3 5	 1967 1971
Ray W. Whitson	do	15	Refinery specialist	23[2]	Amerada Hess Corp City Service William Bros. Pipeline National Petroleum Refiners Association.	Senior planning engineer Chemist Chemical engineer Technical director	2 6 6 10	1974 1934 1941 1974
George Hall, Jr	Permanent	17	Fuel manager, general fuels.	1	Creole Petroleum Corp	Analyst and planning	4	1972
Neil Packard	do	12	Program analyst, residual fuel.	0	ESSO Eastern Inc., Vietnam	Aviation manager, assistant terminal manager, independent service adviser.	7	1973
George Mehocic	Detailee	13	Distribution specialist residual.	1	Humble Refinery ESSO, International.	Marketing	2-3	1972
E. Lloyd Powers	Temporary	15	Distribution specialist	Retired military	Independent	Consultant	2	1971
John Adger	do	15	Special assistant to John Schaefer, Department Assistant Administration of Fuels Management.	2 mo	Mobil	Geologist/geophysicist	4	1973
Lou Bley	Detailee EPA	16	Industrial specialist (residuals).	6	Gulf Oil	Relations director	1959–68	1968
Tom Olson	Detailee M.A	13	Industrial specialist (bunker).	1	Interstate Oil Transport Co	Safety engineer	4	1973
John Osborne	Permanent	14	Industrial specialist	13	Ashland Oil & Refining	Petroleum engineer	2	1951
Roy Pettit	Temporary	15	Staff assistant	31[2]	Standard Oil (Pettit was sent to Standard by USAF for training while in USAF.)	Trainee petrol ops	1	1955
Copp Collins	Detailee	15	Technical advisor	5	Caltek & Bahrain	Manager, Government public affairs.	3	1958
David Stein	Temporary	15	Special project officer	0	Beck & Falcon	President	(1956-67) (1967-71)	1971
Ray Russell	(President's interchange program) DET HEW	14	Regional operations	8 mo	Dow Chemical	U.S. area products sales manager for ethylene oxide, etc.	4	1973
FEDERAL ENERGY OFFICE—POLICY, PLANNING, REGULATION					OIL INDUSTRY			
D. R. Ligon	Career	17	Assistant administrator, P.P. & R.	5	Continental Oil Co	Executive assistant to president, Kayo Oil Co.		1969
J. Gill	do	15	Administrative director, office of allocation policy.	1	Gill Oil Co	President	20	1973
J. R. Goodearle	do	17	Acting Chief of Contingency Division, Office of Allocation Policy.	5	Product and Financing	Vice president, Midland Product Corp.	9	1969
D. Harnish	do	15	Industry specialist, contingency planning, Office of Allocation Policy.	11	Exploration Consultant	Field engineer	5	1963
Lisle Reed	do	15	Acting Assistant Director Office of Allocation Policy.	3	Exxon Petrochemicals	Chemical engineer	7	1970
Troy York	do	14	Industry specialist, coal switching, Office of Allocation policy.	6	Marathon Oil Co	Survey aide	6 mos.	1958
Ed Western	Presidential interchange.	15	Industry specialist, natural gas (executive interchange employee).	1	Sun Oil Co	Natural gas coordinator, Presidential interchange program.	15	1973
Tom Dukes	Career	4	Clerk-typist, Office of Gas Rationing.	1	British Petroleum	Gasoline station level (gas attendant).	1	1973
Robert Presley	do	15	Contingency Planning Division, Office of Allocation Policy.	3	Exxon/Standard Oil (N.J.)	Senior staff planner	6	1971
James Langdon	Temporary	14	Acting Director, Office of Regulatory Review.	1	American Petroleum Institute	Staff attorney	2	1973
Susan Mintz	Temporary	6	Office of Regulatory Review	1	American Petroleum Institute	Staff	7 months	1973
Clyde Topping	do	13	do	2	Mobil	Economist	3	1972
Linda Buck	Consultant		do	Under 1	Gulf Oil Co	Attorney	1	1974
Arthur Finston	do		Price and Tax Policy	do	Independent Oil Producer	Consultant		1974
FEDERAL ENERGY OFFICE—ENERGY CONSERVATION					OIL INDUSTRY			
John R. Lewis	Permanent	14	Engineer (was with Interior)	7	National Petroleum Council- Mid-Continent Oil Gas Association. Standard Oil	Petroleum engineer (1963-67) Petroleum engineer (1960-63) Petroleum engineer (1940-59)	4 4 19	1967 1963 1959
John G. Miller	do	15	Staff member (was with Interior).	Under 1	Aramco	Senior process engineer (utilities) (1948-59).	11	1959
Bart J. McGarry	do	16	Assistant director (was with Interior).	8	Northern Illinois Gas Co.- Mobil Oil Co.	Manager, public relations (1968-71). Public relations associate (1955-60).	3 5	1971 1960
ENERGY RESEARCH AND DEVELOPMENT					OIL INDUSTRY			
Chalmer Kirkbride		18	Consultant	2 weeks	Sun Oil Co	Vice President, research and engineering.	14	1970

Footnotes at end of table.

Name	Type of appointment	Grade	Position	Years with Government	Oil/energy—company name	Position	Years with company	Year of separation
ENERGY RESOURCE DEVELOPMENT						OIL INDUSTRY		
R. R. Atkins	Detail	13	Acting Deputy, Oil and Gas Group.	1971 to present.	Mississippi River Fuel and Iron Corp., Westgate Greenlane Division.	District geologist	3	1951
				2.5	Not available	Independent consulting geologist.	12	1963
					Westinghouse Air Brake, Drilling Equipment Division.	Director, Eastern Hemisphere operations.	8	1971
D. B. Gilmore	Detail	14	Materials Shortage, Deputy Director.	2	Thompson & Harris Drilling Co.	District geologist	2	1952
					Not available	Independent consulting geologist.	16	1968
					Trunbull Asphalt Co	Asphalt refinery manager and R/D.	4	1972
FEDERAL ENERGY OFFICE,[4] INTERNATIONAL ENERGY AFFAIRS						OIL INDUSTRY		
Mel Conant	Permanent	17	Deputy Assistant Administrator for Trade and Commerce.	Under 1	Exxon	Director, Government relations	12	1974
Clement Malin	do	15	Deputy Director, Office Producer Country Affairs and Emergency Supply.	do	Mobil	Latin America and Europe regional manager.	10-15 [3]	1974
Dell Perry, 343-6951	do	15	Assistant Director Oil Imports/Oil and Gas.	11	Shell	(47-60) Exploration/production, preparing leases.	13	1960
Jim West, 961-8632	Temporary	15	Staff assistant	9	Ramco		5	1965
Jim Morse, 961-8681	Permanent	15	Chief, Consumer Country Affairs.	Career	Mobil	Presidental interchange	1	1972
Wayne Malbon 961-8181	do	13	International affairs specialist.	Under 1	API; Gulf Oil; American Mining Cong.	International affairs consultant	2 (1971-1973).	1973
Jackie Jobe -8659	do	5	Secretary/steno	7	Fimes Bros., Oakland, Calif.; Ashland.	Clerk-typist	¼ (1972).	1972
George Goldsmith -8158	Temporary	9	Assistant to executive officer, International affairs.	1½	Phillips	Station assistant manager, Bartlesville, Kans.	1	1965
Robert Moore 343-5888	Permanent	14	Chemical engineer/oil imports.	3	ESSO-Standard; EXXON	Refinery anal. production design/development/evaluation.	8; 8	1971
Fred Marsik 343-6951	do	14	Oil and gas—oil imports	3	Celanese—15 years; Hayden Chem.—10 years; Jefferson Chem.—2.	Petrochemical process development.	27	1971
REGIONAL OFFICES, REGIONAL AFFAIRS						OIL INDUSTRY		
Region I:								
Duane Duy	Permanent	GS-15	Compliance chief	1	Gulf Oil (Houston)	Manager, marketing, planning, and development (1968-73); manager, marketing (1963-1968).	26	[5] 1973
Joe Pecararo	Detailee	GS-14	Compliance officer	1	Humble Corp	Terminal superintendent (1970-73); manager eng. res. (1969-1970).	33	[5] 1973
Region II:								
Terry Sands	Permanent	GS-12	Industrial specialist	Under 1	Empire State Petroleum	Executive assistant to vice presisident (1969-74).	5	
					Sinclair Oil	Price administration (1955-69)	14	1974
James Zupiac	do	GS-12	do	1	Shell	Export service manager (1960-1972).	12	
					Shell Commercial	(1956-60)	4	1972
Eugene Hennessy	do	GS-11	do	Under 1	Marcoin Inc.,	Corporation sales (1972-73)	1	
					Shell	Corporation sales (1926-64)	38	1973
Douglas Andrusky	Temporary	GS-11	do	do	Conoco	Crude oil analyst (1969-72)	3	1972
Edward Geibert	do	GS-11	do	do	Amoco	Administrative supervisor (1946-47)	28	1974
Richard Mackey	do	GS-11	do	do	Sinclair	Administrative assistant (1957-68)	11	1968
Region III: Alfred Metz, Jr.	Permanent	GS-13	Case Petroleum Office	do	ARCO, BP, Standard Oil	Sales manager (1970-73) retail and independent.	3	
					Sinclair	Sales representative, Eng. (1950-70).	20	1973
Region IV: Kenneth Dupuy	do	GS-16	Regional administrator		Standard of Texas	Trainee-geological products exploration staff assistant, general manager (1952-69).	17	1969
Region V:								
Tom Sanders	do	GS-11	Case Res. Ofc	4	Atlantic Richfield	Assistant terminal supervisor (1965-70).	5	1970
Mell Hall	Temporary	GS-11	Case research officer	1 mo	Phillips	Service representative (1951-74) real estate.	23	1974
John G. Schaberg	Permanent	GS-14	Officer control planning	4	California/Texas Oil Corp	Vice president/general manager, regional office.	27	1967
Charles Swank	Temporary	GS-9	Supervisory (application examiner).	Under 1	Philips Petroleum	Sales representative (1941-73)	32	1973
Archie Thomas	do	GS-9	do		Standard	Asphalt engineer (1948-54)		
					Albany	Asphalt engineer (1954-56)		
					Illinois Asphalt Pavement Association.	Executive secretary (1956-73)	26	1973
Richard Bennett	do	GS-11	Case research officer	do	Philips Petroleum	Marketing representative (1947-74).	27	[6] 1974

Footnotes at end of article.

REGIONAL OFFICES, REGIONAL AFFAIRS—Continued

OIL INDUSTRY—Continued

Name	Type of appointment	Grade	Position	Years with Government	Oil/energy—company name	Position	Years with company	Year of separation
Region VI:								
Jerry Trahan	Detailee	GS-9	do	1½	Cit-Com	Painter (1957 summer) Turnaround (summer 1962).	½	1962
Joe Carpenter	do	GS-14	do	14	Mays-Bang	Chief observer, seismograph (1952) (1952-53).	2	1953
Ed Matthews	do	GS-15	Senior case research officer	7	Sinclair	Research engineer (1960-63)		
					Mobil	Engineer trainee (1958)		
					Shell	Roustabout (1952-54 summers)	6	1963
Henesey	Temporary	GS-5	Case research officer	24	Standard Exxon	Gas transport (summers)	¼	
					Shell	Marketing	½	1973
McDavid	Detailee	GS-9	do	26	do	Computer (1936-41)	5	1941
						Prospecting (10 yr)		
Vinson	do	GS-12	do	14	McWood	Accountant (1963-67)	4	1967
Cranfill	do	GS-13	do	22	Various drilling companies	Laborer (1945-50)	5	1950
Stevens	Temporary	GS-15	Industrial specialist	6	Drillwell Oil Co	Partner	7	1957
Andrea	Permanent	GS-12	do	4	Continental	Administrative assistant	23	1971
Hamon	Detailee	GS-11/12	Senior case research officer	15	Cities Service	Wholesale-bulk (1935-36)	1	1936
Marwood	do	GS-12	Petroleum marketing specialist.	Under 1	Gulf	District manager (1934-71)		
					Society of Independent Gas Markets of Oklahoma.	Executive director (1972-74)		
					Atlantic Refining	Executive director (1933-34)	38	1973
Alexander	Permanent	GS-13/14	Director of case research	7	American Association Oil Well Drilling Construction.	Engineer (1952-53) (1953-55)		
					Self-Oil Well Servicing Chambers-Kennedy.	Purchasing agent (1957-67)	15	1967
Tavia Vining	Temporary	9	Clerical, sub-proof	¼	Roberts Oil	Part-time (1969) bookkeeper	Under 1	
Hudspeth	do	9	Attorney	30 day	Sinclair	House attorney	17	
					Atlantic Richfield	do	3	1972
Burch	Detailee	4	Secretary	1	Sun Oil Co	Secretary	1	1970
Edwards	do	13	Management analyst	29	Texaco	Salesman	3	1942
Sweeney	do	14	Specialist, assistant oil and gas "utility man."	19	American Oil, Warren Petroleum, Philips Petroleum.	Division engineer	1 3	1947
Region VII:								
Jenny	Permanent	14	Technical adviser	Under 1	Land O' Lakes (formerly Felco, formerly State Exchange).	Executive director and fuel manager.	27	1973
Nues	do	9	Case resolution officer	do	Conoco	Price manager	33	1974
Region VIII:								
Gallenstein	Temporary	13	Industrial specialist	do	Shell Oil	Last senior industrial representative.	22	[7]1973
Mankin	Permanent	13	Office of Cont. Planning	13	Aztec Oil & Gas, Texas	Chief engineer	3	1960
Region XI:								
Standley	do	15	Deputy regional administrator.		Union Oil	Laborer—summer	During college.	(?)
Scholl	do	14	Assistant director of case resol.	7	American Independent Oil	Purchased supplies, made distributors.	2	1967
Crimens	Temporary	11	Case Resol. Office	Under 1	Shell Oil (Chicago)	Assistant district manager-marketing.	5	1959

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[1] Still with Mobil.

[2] Retired military in petroleum.

[3] Approximate.

[4] 1 employee, an attorney serving with FEO on the Presidential interchange program from Johnson Wax, was deleted as he had no connection with oil, gas or petrochemicals.

[5] Retired.

[6] February.

[7] Early retirement.

EDUCATIONAL STATISTICS

(Mr. PERKINS asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PERKINS. Mr. Speaker, today I am introducing a bill to direct the Secretary of Health, Education, and Welfare to conduct a study on the best way for the Federal Government to improve its system for the collection, analysis, and dissemination of statistics on education.

For years now, Mr. Speaker, we have been confronted on the national level with a situation where we do not have reliable statistics on the state of education in this country. Promises have been made by several administrations that the situation would improve, but unfortunately it has not improved.

Many efforts to make sound decisions on how to change American education have been frustrated by the lack of good data. The President's Commission on School Finance, for instance, concluded that adequate data was lacking for its analysis of school finance. It reported, that although the Office of Education is charged with the responsibility for delivering comprehensive statistics about the state of education in the United States, this function tends to get lost among various operating programs within the Office of Education.

The Commission report further states that the information available is sketchy, often inconsistent, generally out-of-date, and of limited use. For example, in areas such as enrollments, expenditures, revenue sources, graduations, and dropouts, data is either not available at all or what is available is severely limited in value because of being too old.

Another area where data is lacking on the national level is in the field of teacher supply and demand. A recent report from the General Accounting Office concluded that the Federal Government does not have accurate data in this area and therefore is supporting programs which direct college graduates into teaching jobs which do not exist.

In addition, the need to upgrade educational information can best be appreciated by comparing it with the statistical activities in other areas of the Federal Government. In a special analysis of the fiscal 1972 budget, $6.1 million was cited as the expenditure for education statistics in comparison with $51.1 million for labor statistics, $35 million on health statistics, $52.9 million for production/distribution statistics, and $12.1 million for crime statistics.

Mr. Speaker, my bill would direct the Secretary of Health, Education, and Welfare on or before July 1, 1975, to report to Congress his recommendations for best improving the Federal Government's collection, analysis, and dissemination of educational statistics.

DEFENSE DEPARTMENT'S POLICY ON SPN'S AND DISCHARGES

(Mr. SEIBERLING asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. SEIBERLING. Mr. Speaker, in connection with Tuesday's special order on privacy, I discussed the Defense Department's policy on types of discharges and its policy on separation program numbers—SPN's. These policies affect every serviceman and every veteran.

SPN's are coded numbers which reflect the "reasons for separation" of a serviceman from active duty. These numbers appear on line 11(c) of every veteran's discharge record DD-214. In many cases the DD-214 contains a narrative description of the reason. Following these remarks, I am setting forth a partial listing of the reasons represented by various

SPN's, omitting the numbers corresponding to those reasons.

A cursory examination of this list is enough to realize the unjustifiable and intolerable invasion of privacy which exists by virtue of the fact that many employers have access to the lists to decode SPN's. In response to a questionnaire I sent, some 20 percent of the Nation's largest corporations admitted having access to such lists, and others indicated that they would like to have such access. Since there are only a few nonadverse reasons, it does not take a full list of SPN's for a corporation to be able to recognize whether a SPN is adverse.

A discharge authority needs little or no proof to assign an adverse SPN, even though the assignment of that SPN may itself require that the veteran be given a general or undesirable discharge. Adverse SPN's do not state civil or criminal offenses, but the veteran with an adverse SPN often faces the same job discrimination as a convicted felon. Yet most or all of the SPN's are irrelevant to future civilian job performance. Many veterans do not even realize that they have unfavorable SPN's that they may have been subjected to invasion of privacy and to job discrimination because someone decided to place a number in a space on their discharge papers.

The Defense Department has finally realized the unfairness of its SPN policy and has agreed to discontinue placing SPN's on the DD–214. However, the Department intends to continue assigning SPN's to servicemen being discharged. The information, however, will only be used internally by the Defense Department, unless the veteran requests that it be released. The new policy does not prohibit employers from exerting pressure on the veteran to request such release as a precondition to any job decisions.

Nor is the problem restricted to veterans with general and undesirable discharges. Last year, in fact, over 45,000 servicemen were released from active duty with honorable discharges accompanied by adverse SPN's.

Several days ago, the Akron Beacon Journal published an article about SPN's along with a partial listing of SPN numbers and their meanings taken from a veterans' group handbook. Since then, my office in Akron has received calls from several veterans with honorable discharges who just learned for the first time that they have adverse SPN's. Several other veterans have called to find the meaning of their SPN's. Apparently, they were unaware of the existence of SPN's or of the fact that some numbers on their discharge papers could be the basis of job discrimination.

It is regrettable that the SPN numbers and their corresponding meanings have appeared in the press, because of the possibility that employers will use the information in a discriminatory manner, thus prejudicing countless veterans. However, publication of these numbers has had the dramatic effect of making veterans aware for the first time that the Defense Department's SPN policy constituted an invasion of their privacy and subjected them to unfair job discrimination.

The simple truth is that in Akron and elsewhere, most veterans with adverse SPN's do not know what their SPN's represent. Nor do they know that employers with access to SPN lists may have discriminated against them.

I have recently received a letter from the Defense Department answering a series of questions I had asked the Department about SPN's and about types of discharges. A copy of the letter, with the questions and answers, follows these remarks. The letter should be read in conjunction with my statements in the CONGRESSIONAL RECORDS of November 28, 1973, and of April 2, 1974. As I pointed out on April 2, I am especially disturbed by the answers to questions 1, reasons for increased rates of unfavorable discharges; 9 and 17, standards of proof to award adverse SPN's and unfavorable types of discharges, and 26, types of discharge as a predictor of future civilian job performance.

Mr. Speaker, anyone interested in the degree of reasonableness of the Defense Department's SPN and discharge policy need only read the Department's letter and answers, along with the list of official "reasons" corresponding to particular SPN's. A recent Defense Department statement on SPN's also follows these remarks:

OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE FOR MANPOWER AND RESERVE AFFAIRS STATEMENT OF DISCONTINUATION OF SEPARATION CODES ON DISCHARGE DOCUMENTS

The Department of Defense has recently announced the discontinuance of the practice of placing codes on discharge documents provided to service members. These codes were used to describe the reason and authority for a member's discharge and his reenlistment eligibility.

The Department has determined that the use of these codes is a potentially contributing factor in undesirable discrimination against an individual by prospective employers or other persons in civilian life. Undesirable discrimination was not intended nor desired, whatever the circumstances of an individual's separation from active duty. Each individual will continue to have access to his reason for discharge and reenlistment eligibility, if he wishes to obtain this information.

For the deserving individual, discharge documents contain valuable information when he seeks veterans' benefits, civilian employment, or reenlistment. The purpose of this change is to insure that information on the document is readily explainable with a minimum of difficulty. The Military Services will continue the longstanding practice of separation counseling. The specific reason for discharge is thoroughly explained to each service member prior to his separation from active duty.

In addition to the discontinuance of these codes from the individual's copy of discharge documents, provisions are being made for the deletion of this information in the cases of former service members who wish this information to be deleted. In these instances, a new copy of the original form will be provided with these codes deleted. Also, as was previously available on the request of a former service member, a narrative description of the reason for discharge will be provided. These procedures are being finalized and the respective Military Services should be ready to process requests by May 1, 1974. Personnel offices at military posts, bases, and stations will have the appropriate instructions at that time.

CONGRESSMAN SEIBERLING LISTS OFFICIAL REASON FOR MILITARY DISCHARGES

Below is a partial listing reasons for separation from active military duty. These reasons may appear as coded numbers called SPN's (separation program numbers) in line 9(c) of recent veterans' discharge papers (DD–214) or in line 11(c) of earlier forms of the DD–214. Under the Freedom of Information Act, a veteran is entitled to know the reasons for his discharge. To find out what the reason for discharge was, a veteran should write the Secretary of the Army, Navy, or Air Force, Pentagon, Washington, D.C. Requests should contain the veteran's full name and service number.

Many employers have access to lists of the SPN numbers. Veterans with unfavorable SPN's are frequently discriminated against by employers. Any veteran wanting a new copy of his DD–214 with no SPN number in line 11(c) may obtain one by writing the Secretary of his former Service (Army, Navy, or Air Force).

Any veteran may at any time challenge the type of his discharge (honorable, general, undesirable, bad conduct, or dishonorable) or the reason for his discharge (SPN). A change in an adverse reason for a discharge may require the Defense Department to upgrade the type of discharge. Veterans should contact the V.A., the JAG officer at the nearest base, or the Secretary of their former service (Army, Navy, or Air Force) about the procedures to request such a change.

Convenience of the Government (demobilization).

Convenience of the Government (non-derogatory reason).

Frequent involvement of discreditable nature with civil or military authorities.

Established pattern of dishonorable failure to pay just debts.

Unsanitary habits.

Apathy, lack of interest.

Obesity.

Expiration of term of service.

Expiration of term of enlistment.

Expiration of term of active obligated service.

Fulfillment of service obligation.

Release from active duty and transfer to reserve.

Discharge for retirement as an Officer to accept commission in armed forces.

Erroneous induction.

Marriage.

Pregnancy.

Parenthood or minor children.

Minority.

Dependency.

Hardship.

Sole surviving son.

Retirement after 20 years but less than 30 years active service.

Retirement after 30 years active service.

Reserve retirement at age 60 after 20 years satisfactory service.

Unconditional resignation.

Resignation in lieu of demotion.

Resignation for the good of the service.

Resignation in lieu of board action—unfitness.

Resignation in lieu of board action—unsuitability.

Resignation in lieu of separation for disloyalty of subversion.

Request for discharge for good of the service to avoid court-martial.

Unsuitability.

Resignation—homosexual.

Homosexual—board action.

Discharge in lieu of board action—homosexual.

Unsuitability—inaptitude.

Psychiatric or psychoneurotic disorder.

Unsuitability—enuresis (bed-wetting).

Unsuitability—character and behavior disorders.
Placed on Temporary Disability Retired List.
Permanent Physical Disability Retirement.
Discharge for physical disability with severance pay.
Physical disability—existed prior to time of service.
Misconduct—fraudulent enlistment.
Misconduct—desertion, trial barred.
Misconduct—prolonged unauthorized absence.
Misconduct—AWOL, trial waived.
Conviction by civil authorities.
Adjudged juvenile offender.
Repeated military offenses not warranting court-martial.
Unclean habits, including repeated VD.
Habits and traits of character manifested by antisocial amoral trends.
Court-martial conviction for desertion.
Court-martial conviction other than desertion.
To immediately enlist or reenlist.
Important to national health, safety or interest.
Release—writ of habeas corpus.
Conscientious objector.
Erroneous enlistment.
Homosexual tendencies.
Aggressive reaction.
Antisocial personality.
Cyclothymic personality (very moody).
Not meeting medical fitness standards at time of entry.
Desertion.
Criminalism.
Drug addiction or use.
Pathological liar,
Shirking.
Habits and traits of character manifested by misconduct.
Sex perversion.
Homosexual acts.
Early release of overseas returnees.
Early release to attend college.
Early release for seasonal employment.
Emotional instability reaction.
Inadequate personality.
Mental deficiency.
Paranoid personality.
Schizoid personality.
Unsuitability.
Personality disorder.
Unfitness.
Disloyal or subversive.

WASHINGTON, D.C., *March 29, 1974.*

Hon. JOHN F. SEIBERLING,
House of Representatives,
Washington, D.C.

DEAR MR. SEIBERLING: This is in further reply to your letter of February 14, 1974, to the Secretary of Defense, requesting answers to thirty questions regarding discharge policies and procedures. This letter also responds to similar letters addressed to each Service Secretary.

After reviewing the questions, it would be helpful to provide some general discussion first.

The discharge of any individual requires three decisions by the discharge authority—determining whether a person should be discharged, the reason for discharge, and the character of service. For purposes of recording these decisions, the reason for discharge is recorded on the DD Form 214 (Report of Separation From Active Duty) by the Separation Program Number (SPN). The manner of recording the reason for discharge has been recently changed. SPN's are no longer to be used on the individual's discharge documents. Instructions are presently being finalized and forwarded to the operating levels of the Military Departments. For purposes of denoting the character of military service performed, the dischargee receives one of five types of discharge certificates; honorable, general, undesirable, bad conduct, or dishonorable. The latter two are termed punitive discharges and may only be issued as the result of a sentence by Special or General Court-Martial. The first three are termed administrative discharges.

During the past several years, about 900,000 persons have been discharged per year. In FY 1973, 88.7% of all those dischargees were separated with honorable discharges for favorable reasons; about 6.8% received honorable or general discharges for adverse reasons; and about 4.5% received undesirable, bad conduct or dishonorable discharges.

The Department of Defense would prefer that every Individual receive an honorable discharge for a favorable reason. No discrimination against anyone is intended. However, it is also the Department of Defense position that we have the right to characterize a person's discharge to reflect the quality of the service he has rendered. Therefore, honest and faithful service is recognized by an honorable discharge, satisfactory service by a general discharge, and unsatisfactory service by an undesirable discharge. This system of characterized discharges in conjunction with the reason for discharge, is the means by which the Department of Defense fulfills its obligation to assist military dischargees in their transition to civilian society, particularly the 88.7% of all discharges who receive honorable discharges for favorable reasons.

At the time of separation, each person receives a discharge certificate and a DD Form 214. To the deserving individual, these are valuable documents, when compared to the 6.8% who receive honorable or general discharges for adverse reasons, and the 4.5% who receive undesirable or punitive discharges. There is no way of acknowledging meritorious service without also acknowledging less than meritorious service, if only by omission. This dilemma has been resolved in favor of the 88% group—those veterans who served faithfully and who earned honorable discharges for favorable reasons. These individuals have a right to a personal record attesting to the high quality of their military service, which they can use in seeking veterans' benefits, civilian employment or reenlistment.

In any system as large as the Armed Forces, a system of redress must exist. Congress has enacted legislation (Title 10, United States Code, Sec. 1552 and 1553) which establishes Discharge Review Boards and Boards for Correction of Military Records to review discharges for improper issuance, error, or injustice. Congress has also authorized an Exemplary Rehabilitation Certificate (P.L. 89-690) which allows a veteran to obtain tangible evidence of his post-military rehabilitation and contribution to society.

Enclosed with this letter are the answers to your questions. Our staff will be pleased to discuss the issues with you in more detail at your convenience.

Thank you for your interest in matters pertaining to the Armed Forces.

Sincerely,

LEO E. BENADE,
Lieutenant General, USA,
Deputy Assistant Secretary of Defense.

QUESTIONS AND ANSWERS

1. Why have the rates of unfavorable discharges (general and undesirable especially) risen so sharply since 1968?

The rates of general and undesirable discharges have risen since 1968. We attribute the higher rates to:

a. Increased incidence of drug abuse.

b. Increased incidence of absenteeism over a prolonged war.

c. The necessity to identify and discharge members who do not meet retention standards, especially during times of reduction of forces.

However, it should be noted that the increased rates are very similar to our experience of the post-Korea (1954) drawdown and 1960–61–62 which were the low years of force levels.

2. What steps have you taken to minimize employment discrimination against veterans with less than honorable discharges?

The Department of Defense supports each veteran according to quality of his military service as indicated by the character of his discharge. Unfair employment discrimination is minimized by the respect of the Department for the right of privacy for each individual. Accordingly, information from the individual's personnel record is only released in response to request by the individual. Use of such information remains at the discretion of the individual.

3. Do you believe that the Department of Defense has any responsibility for the well being of veterans, or is that simply a matter for the Veterans Administration?

The Department of Defense is indeed concerned with the well being of veterans. This responsibility for the well being of veterans is fostered in direct relation to the quality of the service of each individual.

4. Are Separation Program Numbers (SPN's) necessary on the DD 214? Why? What is the justification for the regulation requiring them on the DD 214? Who are they intended to be used by?

The SPN is not required on the individual's copy of the DD Form 214. The SPN evolved as a means of documenting the reason for discharge for the individual record of the individual. The advent of computerized records increased the need for SPN's internally as computerized data identifiers. The use of SPN's on the individual's copy of the DD form 214 was recently terminated. SPN's are now to be used only internally by the Department of Defense and the Military Departments.

5. After deciding what type of discharge and reenlistment code to give an individual, does the Defense Department have any need for the information regarding SPN's? If so, what information, and why? How is the SPN used later by the Defense Department? Is the SPN placed on the DD 214 for use by the Defense Department?

The SPN is the data identifier for use in computerized personnel records. It is used by the Department of Defense and the Military Departments as described in Answer 4 and is also used to answer inquiries from the individual.

6. Which of the following do you believe are now entitled to receive Defense Department information about an individual's service record or SPN? What information, and why?

a. the Veterans Administration.

The Veterans Administration is entitled to military service information and the DD Form 214 with the information contained thereon for official functions. This is established in DoD Directive 1336.1, "Standardization of Forms, Report of Separation From Active Duty (DD Form 214 Series)." Information to Veterans Administration is necessary to allow them to administer the laws pertaining to veterans' benefits. Similar information is required by the Selective Service System and the Department of Labor.

b. other government agencies and departments considering hiring the individual.

Information for hiring considerations of other Departments or agencies is not provided unless the *individual* provides the information to them or gives his written consent to the release of the records. However, personnel records may be reviewed by investigative arms of the agencies after hiring for purposes of security clearance investigations.

c. the VFW and the American Legion.

The Department of Defense does not provide information to private employers or veteran organizations except upon the request of the individual.

d. private employers.

The Department of Defense does not provide information to private employers except upon the request of the individual.

7. Do you believe that civilian employers should be able to obtain from the Defense Department information about an individual's SPN?

No, the Department of Defense and the Services do not furnish any personal information to employers, except upon the request of the individual.

8. Who in the typical command structure actually first recommends the specific SPN's an individual will receive?

In the typical case, the individual's unit commander first recommends the reason for discharge. However, this recommendation must be acted upon by one of the officers described in the next paragraph.

Is the discharging authority required to personally review all cases in which adverse or unfavorale SPN's are given?

The discharge authority must personally determine whether a service-member should be discharged, the reason for discharge and the character of service. A commander exercising Special Court-Martial jurisdiction (usually a lieutenant colonel or commander, or above) may approve the issuance of an honorable or general discharge. A commander exercising General Court-Martial jurisdiction (usually a major general or rear admiral, or above) may approve the issuance of an undersirable discharge. In the Department of the Navy, discharge authority for both general and undersirable discharges by reason of unfitness or misconduct is centralized at Headquarters level (BUPERS) and each such discharge for cause must be approved by that office.

9. What is the standard of proof (e.g., more probably than not, beyond a reasonable doubt, etc.) required by regulation or otherwise for a command to award a SPN which could be regarded as adverse or unfavorable?

The standard of proof is based on the reason for discharge (SPN) as discussed below.

Discharges for reason of expiration of enlistment or fulfillment of service obligation, for convenience of the government, for resignation (own convenience), for dependency or hardship, for minority, or for disability may receive a general discharge if the member's military record is not sufficiently meritorious to warrant an honorable discharge. In these cases a separation with a general discharge may be effected by the commanding officer or higher authority when the member is eligible and it has been determined under the prescribed standards that such discharge is warranted. In these cases the specific basis therefor is included in the member's permanent personnel records. Discharges for unsuitability may result in the issuance of an honorable or a general discharge and the discharge may be issued only by the commander exercising Special Court-Martial jurisdiction or higher authority. Members with less than eight years of continuous active military service are notified and afforded the opportunity to make a statement in their own behalf or decline the opportunity in writing. This correspondence is filed in the member's permanent personnel records. The standard of proof in these cases is that which is sufficient to persuade the recommending commander and the discharge approving authority that the reason for discharge and the character of service is warranted and appropriate.

Discharges for unsuitability for members with eight or more years of continuous active military service will be effected only with the safeguards and procedures of administrative discharge boards and counsel, or they may waive these rights in writing. Any member receiving a discharging for unfitness or misconduct may be eligible to receive an undesirable discharge if the member's military record does not warrant a general or honorable discharge. Any person eligible for an undesirable discharge is afforded the procedures and safeguards of an administrative discharge board and counsel or he may waive these rights in writing. These discharges may be directed by a commander exercising General Court-Martial jurisdiction. The standard of proof in these cases is "substantial evidence."

Before giving a general or undesirable discharge, does the Department of Defense or the individual's command inform a service man of all the adverse infomation upon which it may base an unfavorable type of discharge?

Yes, the individual is informed of all information upon which a general or undesirable discharge is to be issued. Where reasons of specific performance indicate a discharge for unsuitability (either an honorable or a general discharge) the individual must be counseled concerning his deficiency and afforded a reasonable opportunity to overcome the deficiency. Also, in cases where an individual is being considered for discharge for unsuitability, he is offered an opportunity to rebut the allegations against him and must respond with a written rebuttal or a written declination of rebuttal. Members with over eight years of service are entitled to a hearing before an administrative board, or they may waive the board action. All members who are considered for discharge by reason of unfitness or misconduct which may result in an undesirable discharge are specifically entitled to an administrative board or they may waive the board.

10. Does the serviceman have the right to challenge an unfavorable SPN? If so, how? Please cite the authority for this.

Yes, the serviceman may challenge an unfavorable SPN through his right to challenge his prospective discharge, the type of discharge and the reason for discharge.

In cases of unsuitability, members with less than eight continuous years of service must provide a writen rebuttal or decline the opportunity. These rebuttals are considered by the discharge authority. Members who have over eight continous years of service and who are being considered for discharge for unsuitability are entitled to an administrative board hearing, or they may waive the board. Similarly, all individuals being considered for discharge for unfitness or for misconduct or security reasons are entitled to a board hearing or they may waive the board. The authority for this procedure is Department of Defense Directive 1332.14, "Administrative Discharges."

After the discharge has been issued, the individual may apply for review to the respective Discharge Review Board if he alleges improper issuance of the discharge or to the Boards for Correction of Military (Naval) Records to correct an error or an injustice (10 U.S.C. 1552 and 1553).

Does he have the right to counsel and to cross-examination of adverse witnesses, regardless of the type of discharge?

Judge Advocates are always available for consultation. Members are accorded certain rights depending on the reason for discharge and the type of discharge that may result. Basically, general discharges do not result from board proceedings which involve adversary witnesses. These discharges result from official records and reports, medical evaluations, or self-initiated admissions. In administrative board hearings, the respondent has the right to an attorney and may cross-examine any adverse witnesses.

Who decides the challenge?

In all cases the discharge authority ultimately decides the appropriateness of any challenge.

11. Are servicemen who receive unfavorable SPN's routinely told the meaning of the numbers without having to ask?

Yes, all members are informed of the reason for their discharge at the time of their separation processing.

Are they told if they do ask?

If they ask at the time of separation, they are told. If they ask after separation, the Freedom of Information Act requires us to inform them.

12. Other than the "For Official Use Only" caveat, what alternate ways are there to prevent SPN information from external use?

Inasmuch as the SPN is the reason for discharge, the external use of the information is determined by its use and release by the individual concerned.

13. Do short-term (180 days or less) servicemen receive SPN's which could be regarded as adverse or unfavorable?

Short-term active duty personnel receive a reason for discharge in the same manner as long-term active duty personnel. If the reason for discharge is adverse, the SPN will be adverse.

14. Is a written explanation for a SPN (either favorable or unfavorable) ever put on a DD 214 next to the SPN?

Until 1952, narratives were used in conjunction with the regulatory or statutory authority for discharge. At that time, some narratives were supplemented by SPN's. Later SPN's became the computerized data identifier and a few narratives supplemented the SPN's. In 1972, most of the remaining narratives were removed. Recently, the use of SPN's on the individual's copy of the DD Form 214 was terminated.

15. Is information collected on a serviceman during a background investigation prior to granting him a security clearance ever reflected in the SPN number on his DD 214?

No.

Do the persons who process DD 214's ever, under any circumstances, have access to information gained as a result of such background investigations?

How would the fact that a serviceman has been denied a Top Secret security clearance be reflected on his DD 214 or in his SPN?

It would not be reflected on the DD Form 214 or in his SPN.

16. What is the status of the revision of the SPN lists?

The new standardized SPN list will be implemented July 1, 1974.

Do you believe that provision should be made to enable veterans discharged under the present system to have their DD–214's changed to reflect the modifications of the revision?

No. The only individuals who might hope to benefit by such provision would be those unfavorably discharged. Persons with favorable discharges would have no need to apply for a change. Therefore, anyone who was discharged prior to July 1, 1974, and who had a new separation number on his DD Form 214 would be immediately suspected of having an unfavorable reason for discharge.

17. What is the standard of proof (e.g., more probably than not, beyond a reasonable doubt, etc.) required by regulation or otherwise for a command to award a general discharge? An undesirable discharge?

The standard of proof is not determined by reference to issuance of either a general or undesirable discharge. Rather, the standard of proof is based on the reason for discharge. The remainder of this answer is identical to our answer to your question nine.

18. Does a serviceman have the right to challenge a general discharge?

In cases involving unsuitability, the minimum requirement is for the individual to make a written rebuttal or statement in his own behalf. He must either submit a statement or decline to do so in writing. In cases involving unfitness, misconduct, or security the individual has the right to challenge through the administrative board. After the discharge has been issued, the individual may apply for review to the respective Discharge Review Board if he alleges improper issuance of the discharge or to the Boards for Correction of Military (Navy) Records to correct an error or an injustice.

Does a serviceman have the right to counsel and to cross-examination of adverse witnesses, either for general discharges or for undesirable discharge?

Judge Advocates are always available for consultation. In cases where administrative boards are used, the member is represented by counsel and may cross-examine witnesses.

19. Is the information which serves as the basis for a less-than-honorable discharge placed in the permanent service record of the serviceman?

Yes.

Is he given access to that information prior to discharge?

Yes.

After discharge?

Yes.

Is he given the right to challenge any information he believes is incorrect?

Yes.

20. Who in the typical command structure actually first recommends the specific type of discharge an individual will receive?

In the typical case, the individual's unit commander first recommends the type of discharge. However, this recommendation must be acted upon by one of the officers described in the next paragraph.

Is the discharging authority required to personally review all cases in which an other-than-honorable discharge is given?

The discharge authority must personally determine whether a service member should be discharged, the reason for discharge and the character of service. A commander exercising Special Court-Martial jurisdiction (usually a lieutenant colonel or commander, or above) may approve the issuance of an honorable or general discharge. A commander exercising General Court-Martial jurisdiction (usually a major general or rear admiral, or above) may approve the issuance of an undesirable discharge. In the Department of the Navy, discharge authority for both general and undesirable discharges by reason of unfitness or misconduct is centralized at Headquarters level (BUPERS) and each such discharge for cause must be approved by that office.

21. What percentage of servicemen in the military who received general discharges in fiscal 1973 were convicted by court-martial at any time during their then-current enlistment?

Statistics compiled in this manner are not readily available.

What percentage for those with undesirable discharges?

Statistics compiled in this manner are not readily available.

22. Can short-term servicemen (180 days or less) receive general or undesirable discharges?

Yes.

23. What specific information is required by the Defense Department to be provided to servicemen as far as what types of problems they can expect to face in civilian life as the result of an unfavorable discharge (other than the mere fact that they "may" encounter difficulties)?

Each Military Department has procedures for periodically explaining to members the various types of discharge certificates, the basis for issuance of different types of discharges, and the possible effects of various discharges upon reenlistment, civilian employment, veterans' benefits and related matters. As a minimum, this explanation takes place each time the Uniform Code of Military Justice is explained pursuant to 10 U.S.C. 937.

Additionally, posters stressing the impact of unfavorable discharges are available and are often placed on unit bulletin boards and in other information locations such as in day rooms and libraries. Internal publicity programs also supplement the more formal explanations discussed. Any time an individual is being considered for issuance of an undesirable discharge the impact of the receipt of that discharge must be fully explained to him.

24. What information do you believe is absolutely essential for a discharge certificate? Why?

The present discharge certificate is a documentary testimonial of the character of a person's service, and is suitable for framing. The DD Form 214 is intended for personal use as an official record. It is often recorded by the individual in the County Recorder's Office.

While the discharge certificate is a testimonial of the character of service, it is not an official summary of military service. Such a summary is provided on the DD Form 214.

25. How do you justify the fact that the Defense Department gives servicemen discharge certificates and classified the types of discharges, while other government agencies have no similar certificates or classification systems?

The discharge system of the Armed Forces involves both classifying the character of military service and the issuance of certificates. This system is based on several unique requirements. The history of the discharge system began during the Revolutionary War, and documentation of discharges was established before 1841. This system of documentation is designed to meet the requirements of the laws relating to veterans benefits. Today, our system is fully compatible with the Federal system of veterans' benefits. The State veterans' benefits programs have evolved to be compatible with the Armed Forces and the Veterans Administration. In addition, the Uniform Code of Military Justice establishes the system of punitive discharges. To our knowledge, no other agency of the government has this historical precedent, the complex relationship with veterans' benefits, and the punitive discharge system established in the Uniform Code of Military Justice.

26. Are you aware of any studies which support or reject the notion that the type of discharge is a good predictor of future civilian job performance generally? If so, please give citations.

No.

27. Do you believe that there is any need to revise the present discharge classification system? If so, please describe what you see as the shortcomings of the present system.

No. Our rationale for the need to recognize different categories of military service is provided in our basic letter.

28. Do you have any specific reaction to the findings of my investigation? If so, what?

The only information we have received is that which was presented in the Congressional Record. We are interested in your investigations.

The findings of your investigation appear to confirm facts of which we are already aware. We do request a copy of your findings. It may be of interest to you that the General Accounting Office is investigating the use of SPN's.

29. Do you think that the information from my study would be useful to personnel officers and JAG staffs for their use in advising servicemen of the specific problems that they may encounter in civilian life if they are to receive an unfavorable discharge?

We have only the information that was presented in the Congressional Record. This generally follows that which is presently explained to service members.

However, if you are willing to provide a copy of your investigation to us, we will ask the Military Services to make the information available to personnel and JAG officers for use in their counseling of dischargees.

30. Do you think the Defense Department should conduct a public education campaign to explain that general and undesirable discharges are nonpunitive? Should the Veterans Administration?

It is widely known that discharges are characterized according to the quality of military service. Therefore, any effort to publicize the distinctions between administrative and punitive discharges would be of limited interest and effect. We have no control over the definitions the public may apply to our discharge system. Therefore, we do not believe that an education program would be appropriate or fruitful.

We defer to the Veterans Administration on the second part of this question.

KENT STATE INDICTMENTS

(Mr. SEIBERLING asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. SEIBERLING. Mr. Speaker, last Friday a Federal grand jury returned indictments based on the May 4, 1970, shootings at Kent State University in which four students were killed and nine others wounded. The grand jury was not convened until 3 years after both an 8,000-page FBI report and the Scranton Commission Report on Campus Unrest strongly implied that Federal crimes had been committed in connection with the shootings and the investigation which followed.

Of course, the indictments do not mean that the National Guardsmen who were charged are guilty of any crime. They must be presumed innocent until and unless convicted at trial. Nor do the indictments of these eight enlisted men relieve some very high officials of their own moral—if not legal—responsibility for the tragedy at Kent State.

Whatever may be the guilt or innocence of those indicted—and those not indicted—there remain troublesome issues about the process of justice which operated in the case. Why did Attorney General John N. Mitchell refuse to convene a grand jury? Was there an institutional or human breakdown in the process by which justice is administered, and if so, can we as a nation correct the flaws?

Something went badly wrong at Kent State, and a grand jury has finally attempted to identify what it was. Whether it has succeeded or not remains to be seen. In dealing with what happened at Kent State, something may have gone badly wrong in Washington. To say this is not to downgrade the action of the Justice Department, responding under Attorney General Elliot Richardson to an increasing public demand for even-handed justice, in finally reopening the investigation and convened a grand jury.

It would also be appropriate for Congress to inquire into the training and equipping of National Guardsmen to deal with civil disorders. If National Guardsmen are to be used in such disorders, it is essential that they be well trained and that they be armed with effective non-lethal weapons.

Another important area for congressional attention is an examination of the legal status of the militia when used to enforce civilian laws and an examination of the degree to which such military personnel should at all times be under the control of civilian—as distinguished from military—authority while engaged in such law enforcement. I intend to introduce legislation dealing with these issues.

Like the tragedy of the dead and wounded at Kent State, the ordeal of the indicted National Guardsmen is part of a vaster tragedy in which one group of young Americans was pitted against another group of young Americans. Like the coming of the Civil War, it represented a failure of our institutions and our leadership. I am encouraged that we now seem to have reached the point where we as a people can soberly and dispassionately examine what happened to see wherein the fault lay and to make necessary corrections.

If we suceed in this examination, the sorrow and shame of Kent State may yet bear the fruit of a more humane and just system for dealing with dissent and social unrest.

At this point, I offer for printing in the Record an editorial about these indictments from the Akron Beacon Journal, a newspaper which was awarded the Pulitzer prize for investigative reporting for its coverage of the Kent State tragedy. I also offer for inclusion in the Record editorials on this subject from the Cleveland Plain Dealer, the New York Times, and the Christian Science Monitor:

[From the Akron Beacon-Journal, Mar. 31, 1974]

Kent Indictments Should Shed Light on Shootings

Now that a federal grand jury sitting in Cleveland has indicted seven former Ohio National Guardsmen and one man still with the Guard for the shootings on the Kent State University campus May 4, 1970, there is hope that the full story of what happened and why will be made public.

The grand jury did not issue a report, as some had hoped, but the future trials of the eight men indicted could serve to fill in some of the details that have been missing nearly four years now.

A report by the grand jury, released prior to the trials, could be prejudicial to those indicted. The long wait for some sort of legal resolution of the Kent State shootings has been bad enough. Now that there has been concrete legal action, it would be a tragedy to damage a case on procedural grounds.

Five former Guardsmen are charged with firing M–1 rifles at 12 students. The indictment states that death resulted from that firing. Four students—Allison Krause, Jeffery Miller, Sandra Scheuer and William Schroeder—were killed.

Three others are charged, in two separate counts, with firing at students, but not with killing anyone.

All eight are charged with violation of Section 242 of Title 18 of the U.S. Code, which makes illegal any violation of civil rights "under color of any law, statute, ordinance, regulation or custom . . ."

Charging only eight young men alleged to have been involved in the actual shooting may strike some as similar to indicting only the burglars actually caught inside Watergate.

But it may be that whatever blame might belong with higher-ups, starting with former Gov. James Rhodes and including Guard officials, is moral rather than legal. And it may be that the forthcoming trials will bring out information damaging to non-defendants.

In any case, the grand jury's action now assures that there will be trials and there will be testimony. Information held tight for nearly four years is almost certain to be made public.

The shooting deaths of four unarmed persons is too great a tragedy for the facts to be hidden by either the state or John Mitchell's Justice Department.

The guilt or innocence of the eight persons indicted by the grand jury will be known after their trials have ended. For now, of course, they must be presumed innocent.

But the grand jury at least charged persons alleged to have done the shooting and killing at Kent State. It did not charge students, as did the Portage County Grand Jury.

If the crowd—mostly student—motivated Guardsmen to fire, it will undoubtedly come out at the trials, and the juries can decide the justification, or lack of justification, for the firing.

The indictments relieve suspicions that the lid might be kept on the shooting forever. Whatever the outcome of the trials, we are almost certain to find out more about what happened and why on May 4, 1970.

[From the Cleveland Plain Dealer, Mar. 30, 1974]

Kent State Has Lessons To Teach

The eight indictments returned yesterday by a federal grand jury investigating the May 1970 killings at Kent State University will satisfy neither extreme of opinion, but they may lead to a better understanding of what happened that grim day, climax of so many grim years.

On the one hand there are those who think the U.S. Department of Justice never should have reopened the Kent State investigation but should have let the wounds heal and the memory fade.

On the other hand, those who fought to get Kent State back in the spotlight will be disturbed that one present and seven former Ohio national guardsmen were indicted not for killing but for violation of the civil rights of four dead and nine wounded students.

Nevertheless, the charges are sufficient to produce instructive trails. Once and for all it may be possible to know what went wrong at Kent State, who ordered the weapons loaded, who—if anyone—gave the order to fire, how the guardsmen really perceived their situation.

The indictments lodged entirely in the lower ranks. The trials will necessarily touch the question of whether responsibility does not belong higher and study the role of the governor, who was James A. Rhodes.

The trials might also explain the astounding differences between the federal grand jury's action and those of a Portage County grand jury in 1970. The latter exonerated the guardsmen, indicted 25 alleged campus troublemakers (most of the cases were thrown out) and wrote a report which a federal judge ordered destroyed as being prejudicial.

What information did the federal jury have that the Portage County jurors lacked? What, indeed, were the data that led the Justice Department to reopen the case? Had somebody been covering up evidence?

Obviously, the eight guardsmen have been convicted of nothing. Their rights must be respected and in no way diminished merely because the issue has been hanging fire for so long. But the grand jury deserves the nation's thanks for the long, difficult days of testimony and study of the evidence which led to the indictments.

Ultimately, something of value may be salvaged from the Kent State incident if Americans learn from it how wisely to use state militia in the suppression of disorder.

[From the New York Times, Mar. 30, 1974]

Justice at Kent State

By handing down indictments against one present and seven former members of the Ohio National Guard unit whose gunfire killed four students and wounded nine others at Kent State University in 1970, a Federal grand jury has gone a long way toward expunging a dismal chapter in the annals of the judicial system.

While an indictment is not, of course, proof of guilt, the nature of the inquiry and the substance of the panel's conclusion signify a dramatic rejection of the official attitudes that were dominant when the killings were first investigated in the wake of the campus tragedy. No longer is it automatically assumed, as it was in the vidictive mood that prevailed in both Kent and Washington in 1970, that the forces of "law and order" must be considered innocent of any act of violence committed against rebellious students. On the contrary, the grand jury charged the indicted guardsmen with violation of the students' civil rights.

What matters most in the ultimate outcome of the case is that justice be done to the memory of the dead students and the proper claims of their aggrieved families as well as to those of the injured survivors. Yet, the inquiry's new course is also of utmost significance to the Nation's hope that a wider threat to law and order may have been turned back.

The contrast between the workings of the criminal justice system in 1970 and 1974 speaks for itself. The original Ohio grand jury chose to absolve those who fired the deadly guns, while indicting the dead students' unarmed contemporaries and blaming the university's "permissiveness" for the tragic incident. An F.B.I. report expressing belief that the guardmen's claim of mortal danger had been manufactured "subsequent to the event" was withheld from the original grand jurors. In 1971 John N. Mitchell, then Attorney General, declared that, although he found the gunfire "unnecessary, unwarranted and inexcusable," there was no point in further pursuing the matter.

The process of bending justice to defense of the state's power began to be reversed when Elliot L. Richardson, in his brief tenure as Mr. Mitchell's successor, reopened the investigation. J. Stanley Pottinger, chief of the Justice Department's Civil Rights Division, pursued the case with vigor, and Attorney General William B. Saxbe was careful to remove suspicion of a possible cover-up by excluding himself from the case because of his own past service as an officer in the Ohio National Guard.

The point of this tale of two investigations is self-evident. The first inquiry offers a chilling look back at lawful government in alarming decline; the second reaffirms belief in the renewal of the American system by men dedicated to law and justice.

[From the Christian Science Monitor, Apr. 1, 1974]

Kent State Justice

The weekend's Kent State indictments recognize that the law of the United States applies to all, including the men charged with upholding it. Only a police state would tolerate a lesser standard of justice. For a time it appeared the U.S. was tolerating such a standard—a state grand jury made charges against students and "permissiveness," not against uniformed slayers of students. The U.S. Attorney General, then John Mitchell, failed to call for a federal grand jury investigation.

But a few bereaved parents and supporters persisted in getting at the truth—"I want justice, not vengeance," said the father of one of the four who were killed. Now a federal grand jury has confirmed there was a reason to go into the case again by returning indictments against eight men who were members of the National Guard of Ohio in 1970 when the tragedy took place.

The indictments are charges, not convictions. But they ensure an exploration of the case through due process of law. Without this kind of exploration the American conscience will not rest.

SAVE THE LAND AND THE PEOPLE

(Mr. HECHLER of West Virginia asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. HECHLER of West Virginia. Mr. Speaker, the Logan Banner, edited by Charley Hylton, is located in the heart of West Virginia's southern coalfields in Logan County which year after year ranks among the top coal-counties in the Nation.

If anyone knows the coal business, it is Charley Hylton and his fine staff since they live with it day after day.

From the Banner comes this excellent editorial warning which I urge my colleagues as well as the bigwigs in the coal and electric power generating industries to read and heed:

[Logan Banner, Mon., April 1, 1974]

We Need the Coal, But—

Americans are pretty much reconciled to the fact that if they want energy and a decent environment, too, they are going to have to pay for them.

Strip mining now yields more than half the nation's total annual output of coal, and will be called upon to yield more in the future. But nobody expects the coal industry to foot the entire bill—or most of it or even any of it—for the expensive and difficult reclamation of strip-mined land, or for devising some method of "cleansing" high sulphur content coal. The costs must ultimately be borne by the consumer.

The rationale behind the industry's traditional resistance to strip-mining laws—that they would put coal at a disadvantage in the marketplace—no longer holds today, if it ever did hold. America's demand not just for energy but the chemical derivatives of fossil fuels is going nowhere but up, and no one resource alone can meet it.

Yet the coal industry, allied with electrical power companies, continues to fight the bad fight, on the state level and on the national level, against any and every threat to its right to go in, rip out the coal and leave.

Members of the House of Interior Committee are reportedly under intense pressure from coal and power lobbyists to kill or gut a strong federal strip mine control bill. The measure narrowly escaped defeat in the committee last month. (The Senate is apparently beyond hope, having previously passed a similar bill by a large majority.)

This is shortsightedness in the extreme on the part of the coal and utility people. It is their environment as much as anyone else's and what the nation fails to do today to protect its natural heritage will exact a far-greater price tomorrow from their children, and everyone else's children, than mere money can pay for.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. Charles H. Wilson of California (at the request of Mr. O'Neill), for today, on account of official business.

Mr. Bafalis (at the request of Mr. Arends), after 7 p.m., today, on account of official business.

Mr. Brown of Ohio (at the request of Mr. Rhodes), for today, on account of returning to his district to investigate damage of storm disaster.

Mr. Carter (at the request of Mr. Rhodes), for today, on account of official business.

Mr. Dennis (at the request of Mr. Rhodes), for today, on account of official business.

Mr. Hillis (at the request of Mr. Rhodes), for today, on account of official business.

Mr. Luken (at the request of Mr. O'Neill), for today, on account of official business, tornado disaster in his district.

Mr. Mann, for Monday of this week, on account of illness.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Lent) to revise and extend their remarks and include extraneous matter:)

Mr. Goldwater, for 10 minutes, today.

Mr. Kemp, for 15 minutes, today.

Mr. McClory, for 60 minutes, on April 8.

(The following Members (at the request of Mr. Montgomery) to revise and extend their remarks and include extraneous material:)

Mr. Diggs, for 5 minutes, today.

Mr. Gonzalez, for 5 minutes, today.

Mr. Yatron, for 5 minutes, today.

Mr. Owens, for 10 minutes, today.

Mr. Aspin, for 10 minutes, today.

Mr. Reuss, for 10 minutes, today.

Mr. Culver, for 5 minutes today.

Mr. Harrington, for 5 minutes today.

Mr. Vanik, for 5 minutes, today.

Mr. Barrett, for 5 minutes, today.

Ms. Abzug, for 10 minutes, today.

Mr. Mitchell of Maryland, for 15 minutes, April 8, 1974.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. Broomfield, to revise and extend his remarks and to include extraneous matter during the debate on the Defense supplemental.

Mr. Frelinghuysen and to include extraneous matter notwithstanding the fact that it exceeds five pages of the Congressional Record and is estimated by the Public Printer to cost $2,090.

Mr. Rosenthal, and to include extraneous material, notwithstanding the fact that it exceeds two pages of the Record and is estimated by the Public Printer to cost $888.25.

Mr. Beard and to include extraneous matter, notwithstanding the fact that it exceeds two and one-half pages of the Congressional Record and is estimated by the Public Printer to cost $574.74.

Mr. Seiberling and to include extraneous matter, notwithstanding the fact that it exceeds 3½ pages of the Congressional Record and is estimated by the Public Printer to cost $731.50.

(The following Members (at the request of Mr. Lent) and to include extraneous matter:)

Mr. Veysey.

Mrs. Heckler of Massachusetts.

Mr. Kemp in seven instances.

Mr. Hosmer in two instances.

Mr. Archer.

Mr. Gilman.

Mr. Broyhill of North Carolina.

Mr. Smith of New York.

Mr. Wydler.

Mr. Steiger of Wisconsin in two instances.

Mr. Collins of Texas in four instances.

Mr. Price of Texas.

Mr. Pettis.

Mr. Derwinski in three instances.

Mr. McEwen.

Mr. Roncallo of New York.

Mr. Abdnor.

Mr. Nelsen in two instances.

Mr. McClory.

(The following Members (at the request of Mr. Montgomery) and to include extraneous material:)

Mr. Waldie.

Mr. McKay.

Mr. Gonzalez in three instances.

Mr. Rarick in three instances.

Mr. Owens in 10 instances.

Mr. Nichols.

Mr. Charles H. Wilson of California.

Mr. Roybal.

Mr. James V. Stanton in two instances.

Mr. Wolff in five instances.

Mr. Moakley in 10 instances.

Mr. Rodino.

Mr. Johnson of California.

Mr. Bowen.

Mr. Harrington.

Mr. Charles Wilson of Texas in three instances.

Mr. Anderson of California in two instances.

Mrs. Sullivan.

Mr. Podell.

Mr. Evins of Tennessee in two instances.

Mr. Tiernan.

Mr. Rogers.

Mr. Danielson.

ENROLLED BILL SIGNED

Mr. HAYS, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 6186. An act to amend the District of Columbia Revenue Act of 1947 regarding taxability of dividends received by a corporation from insurance companies, banks, and other savings institutions.

BILLS PRESENTED TO THE PRESIDENT

Mr. HAYS, from the Committee on House Administration, reported that that committee did on April 3, 1974, present to the President, for his approval, bills of the House of the following title:

H.R. 1321. An act for the relief of Dominga Pettit.

H.R. 5106. An act for the relief of Flora Datiles Tabayo; and

H.R. 7363. An act for the relief of Rito E. Judilla and Virna J. Pasicaran.

ADJOURNMENT

Mr. MONTGOMERY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 8 o'clock and 15 minutes p.m.), under its previous order, the House adjourned until Monday, April 8, 1974, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2144. A letter from the Deputy Director, Office of Management and Budget, Executive Office of the President, transmitting a report that the appropriation to the Bureau of Accounts of the Department of the Treasury for "Salaries and Expenses," for fiscal year 1974, has been reapportioned on a basis which indicates the necessity for a higher supplemental estimate of appropriation, pursuant to 31 U.S.C. 665; to the Committee on Appropriations.

2145. A letter from the Secretary of Defense, transmitting a draft of proposed legislation to authorize certain construction at military installations and for other purposes; to the Committee on Armed Services.

2146. A letter from the Acting Assistant Secretary of Defense (Installations and Logistics), transmitting a report on negotiated contracts for experimental, developmental, test or research work, or industrial mobilization in the interest of national defense, covering the period July-December 1973, pursuant to 10 U.S.C. 2304(e); to the Committee on Armed Services.

2147. A letter from the Associate Director for Congressional Affairs, Cost of Living Council, economic stabilization program, transmitting a summary of the voluntary decontrol commitments obtained from various industries by the Cost of Living Council; to the Committee on Banking and Currency.

2148. A letter from the Assistant Secretary of the Interior, transmitting a report on the proposed Cibolo project, Texas, pursuant to 43 U.S.C. 485h(a) (H. Doc. No. 93-282); to the Committee on Interior and Insular Affairs and ordered to be printed with illustrations.

2149. A letter from the Attorney General, transmitting a draft of proposed legislation to amend the Antitrust Civil Process Act to increase the effectiveness of discovery in civil antitrust investigation, and for other purposes; to the Committee on the Judiciary.

2150. A letter from the Administrator, National Aeronautics and Space Administration; transmitting a report on plans to conduct NASA's Lunar and Planetary Exploration program at a level in excess of that authorized in the NASA Authorization Act, 1974, pursuant to section 4(a) of Public Law 93-74; to the Committee on Science and Astronautics.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. MORGAN: Committee on Foreign Affairs. House Resolution 1002. Resolution, an inquiry into the military alert invoked on October 24, 1973 (Rept. No. 93-970). Referred to the House Calendar.

Mr. STAGGERS: Committee on Interstate and Foreign Commerce. Report on the activity of the Committee on Interstate and Foreign Commerce, House of Representatives, for the 93d Congress, 1st session (Rept. No. 93-971). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLS: Committee on Ways and Means. H.R. 421. A bill to amend the Tariff Schedules of the United States to permit the importation of upholstery regulators, upholsterer's regulating needles, and upholsterer's pins free of duty; with amendment (Rept. No. 93-972). Referred to the Committee of the Whole House on the State of the Union.

Mr. WAGGONNER: Committee on Ways and Means. H.R. 11830. A bill to suspend the duty on synthetic rutile until the close of December 31, 1976; with amendment (Rept. No. 93-973). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLS: Committee on Ways and Means. H.R. 13631. A bill to suspend for a temporary period the import duty on certain horses; with amendment (Rept. No. 93-974). Referred to the Committee of the Whole House on the State of the Union.

Mr. POAGE: Committee on Agriculture. H.R. 13113. A bill to amend the Commodity Exchange Act to strengthen the regulation of futures trading, to bring all agricultural and other commodities traded on exchanges under regulation, and for other purposes (Rept. No. 93-975). Referred to the Committee of the Whole House on the State of the Union.

Mr. CASEY: Committee on Appropriations. H.R. 14012. A bill making appropriations for the legislative branch for the fiscal year ending June 30, 1975, and for other purposes (Rept. No. 93-976). Referred to the Committee of the Whole House on the State of the Union.

Mr. MAHON: Committee on Appropriations. H.R. 14013. A bill making supplemental appropriations for the fiscal year ending June 30, 1974, and for other purposes (Rept. No. 93-977). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ARCHER:

H.R. 13966. A bill to amend the Migratory Bird Treaty Act to guarantee a trial by jury for any person charged with a violation of the provisions of that act; to the Committee on Merchant Marine and Fisheries.

H.R. 13967. A bill to amend the Internal Revenue Code of 1954 to provide for a credit or refund of manufacturers excise tax on parts and accessories installed on light-duty trucks; to the Committee on Ways and Means.

By Mr. BROYHILL of North Carolina:

H.R. 13968. A bill to amend the Social Security Act to provide adequate financing of health care benefits for all Americans; to the Committee on Ways and Means.

Mr. BROYHILL of Virginia:

H.R. 13969. A bill to require licensed undertakers in the District of Columbia to furnish financial statements when funeral arrangements are made; to the Committee on the District of Columbia.

H.R. 13970. A bill to amend the act relating to retirement annuities for teachers in the District of Columbia to increase the annuity payable to retired teachers; to the Committee on the District of Columbia.

By Mr. COHEN (for himself, Mr. Hastings, Ms. Abzug, Mr. Brown of California, Mr. Conte, Mr. Podell, and Mr. Sarasin):

H.R. 13971. A bill to establish a Health Education Administration within the Department of Health, Education, and Welfare and to provide for the development and implementation of a national health education program; to the Committee on Interstate and Foreign Commerce.

By Mr. CONABLE (for himself, Mr. Schneebeli, Mr. Duncan, Mr. Burgener, Mrs. Chisholm, Mr. Davis of South Carolina, Mr. Derwinski, Mr. Esch, Mr. Fraser, Mr. Gunter, Mr. Hastings, Mr. Horton, Mr. Hosmer, Mr. Kemp, Mr. Lehman, Mr. McCollister, Mr. Mitchell of New York, Mr. Pepper, Mr. Podell, Mr. Preyer, Mr. Regula, Mr. Smith of New York, Mr. Walsh, Mr. Ware, and Mr. Yatron):

H.R. 13972. A bill to amend title XVIII of the Social Security Act to establish a program of long-term care services within the medicare program, to provide for the creation of community long-term care centers and State long-term care agencies as part of a new administrative structure for the organization and delivery of long-term care services, to provide a significant role for persons eligible for long-term care benefits in the administration of the program, and for other purposes; to the Committee on Ways and Means.

By Mr. CULVER (for himself, Mr. Wolff, Mr. Yatron, Mr. Davis of Georgia, Mr. Burke of Florida, Mr. Vander Jagt, Mr. Whalen, and Mr. Gilman):

H.R. 13973. A bill to amend the title of the Foreign Assistance Act of 1961 concerning the Overseas Private Investment Corporation to extend the authority for the Corporation, to authorize the Corporation to issue reinsurance, to suggest dates for terminating certain activities of the Corporation, and for other purposes; to the Committee on Foreign Affairs.

By Mr. DELLENBACK (for himself, Mr. Guyer, Mr. Mayne, Mr. Riegle, and Mr. Robison of New York):

H.R. 13974. A bill to amend the Higher Education Act of 1965 to provide for increased accessibility to guaranteed student loans, to extend the Emergency Insured Student Loan Act of 1969, and for other purposes; to the Committee on Education and Labor.

By Mr. DOWNING:

H.R. 13975. A bill to amend the act of September 21, 1965, as amended, providing for the establishment of the Assateague Island National Seashore in the States of Maryland and Virginia, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. ESCH (for himself and Mr. Mr. Steele):

H.R. 13976. A bill to establish a national adoption information exchange system; to the Committee on Education and Labor.

By Mr. FREY (for himself, Ms. Abzug, Mr. Anderson of Illinois, Mr. Bafalis, Mr. Buchanan, Mr. Davis of South Carolina, Mr. Drinan, Mr. Duncan, Mr. Eshleman, Mr. Fascell, Mr. Fish, Mr. Grover, Mr. Gunter, Mr. Harrington, Mr. Hechler of West Virginia, Mr. Helstoski, Ms. Holtzman, Mr. Jones of North Carolina, Mr. Lehman, Mr. Lott, Mr. Miller, Mr. Mitchell of Maryland, Mr. Morgan, Mr. Murphy of New York, and Mr. Murphy of Illinois):

H.R. 13977. A bill to amend title 38 of the United States Code in order to provide service pension to cerain veterans of World War I and pension to the widows of such veterans; to the Committee on Veterans' Affairs.

By Mr. FREY (for himself, Mr. Pepper, Mr. Podell, Mr. Regula, Mr. Riegle, Mr. Rosenthal, Mr. Roybal, Mr. Ruppe, Mr. Charles Wilson of Texas, and Mr. Winn):

H.R. 13978. A bill to amend title 38 of the United States Code in order to provide service pension to certain veterans of World War I and pension to the widows of such veterans; to the Committee on Veterans' Affairs.

By Mr. FREY (for himself, Mr. McKinney, and Mr. Mitchell of New York):

H.R. 13979. A bill to amend title 38 of the United States Code in order to provide service pension to certain veterans of World War I and pension to the widows of such veterans; to the Committee on Veterans' Affairs.

By Mr. FUQUA:

H.R. 13980. A bill to amend the Rail Passenger Service Act of 1970 in order to provide for a demonstration project providing certain rail transportation for highway recreational vehicles; to the Committee on Interstate and Foreign Commerce.

By Mr. GAYDOS:

H.R. 13981. A bill to prohibit Soviet energy investments; to the Committee on Banking and Currency.

By Mr. GILMAN:

H.R. 13982. A bill providing for temporary controls of certain increases in utility rates; to the Committee on Interstate and Foreign Commerce.

By Mr. HAMMERSCHMIDT:

H.R. 13983. A bill extending the authorizations in the Public Works and Economic Development Act of 1965 for 3 additional years; to the Committee on Public Works.

By Mr. KOCH:

H.R. 13984. A bill to provide for the demonstration of models of living arrangements for severely handicapped adults as alternatives to institutionalization and to coordinate existing supportive services necessitated by such arrangements, to improve the coordination of housing programs with respect to handicapped persons, and for other purposes; to the Committee on Banking and Currency.

By Mr. MITCHELL of Maryland (for himself, Mr. Moakley, Mr. Stokes, Mr. Metcalfe, Mr. McSpadden, Mr. Helstoski, Mr. Conyers, Ms. Schroeder, Mr. Dellums, Mr. Young of Georgia, Mr. Stark, Ms. Burke of California, Mr. Clay, Mr. Pepper, Mr. Hawkins, Ms. Holtzman, Mr. Fauntroy, and Ms. Collins of Illinois):

H.R. 13985. A bill amending the U.S. Housing Act of 1937; to the Committee on Banking and Currency.

By Mr. MOSS (for himself, Mr. Broyhill of North Carolina, Mr. Eckhardt, and Mr. Luken):

HR. 13986. A bill to amend the Securities Exchange Act of 1934 to facilitate the collection and public dissemination of information concerning the holdings of and transactions in securities by institutional investors and investment managers; to the Committee on Interstate and Foreign Commerce.

By Mr. NELSEN (for himself and Mr. Hastings):

H.R. 13987. A bill to amend the Public Health Service Act to revise and extend programs of Federal assistance for comprehensive health resources planning, and to assist the States in regulating the costs of health care; to the Committee on Interstate and Foreign Commerce.

By Mr. NIX:

H.R. 13988. A bill to further the purposes of the Wilderness Act by designating certain lands for inclusion in the National Wilderness Preservation System, to provide for study of certain additional lands for such inclusion, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. OBEY (for himself, Mr. Addabbo, Mr. Badillo, Mr. Cleveland, Mr. Davis of South Carolina, Mr. Dent, Mr. Edwards of California, Mr. Fish, Mr. Harrington, Mr. Hastings, Mr. Hawkins, Mr. Litton, and Mr. McCormack):

H.R. 13989. A bill to protect the public health and welfare by providing for the inspection of imported dairy products and by requiring that such products comply with certain minimum standards for quality and wholesomeness and that the dairy farms on which milk is produced and the plants in which such products are produced meet certain minimum standards of sanitation; to the Committee on Agriculture.

By Mr. OBEY (for himself, Mr. McKay, Mr. Metcalfe, Mr. Mitchell of New York, Mr. Mitchell of Maryland, Mr. Moakley, Mr. Murtha, Mr. Rosenthal, Mr. Roy, Mr. Shoup, Mr. Stark, Mr. Talcott, Mr. Walsh, and Mr. Vigorito):

H.R. 13990. A bill to protect the public health and welfare by providing for the inspection of imported dairy products and by requiring that such products comply with certain minimum standards for quality and wholesomeness and that the dairy farms on which milk is produced and the plants in which such products are produced meet certain minimum standards of sanitation; to the Committee on Agriculture.

By Mr. PERKINS (for himself and Mr. Quie):

H.R. 13991. A bill to provide for obtaining certain educational statistics; to the Committee on Education and Labor.

By Mr. RODINO (for himself and Mr. Hutchinson):

H.R. 13992. A bill to amend the Antitrust Civil Process Act to increase the effectiveness of discovery in civil antitrust investigations, and for other purposes; to the Committee on the Judiciary.

By Mr. ROE (for himself and Mr. Drinan):

H.R. 13993. A bill to amend section 4a, the commodity distribution program of the Agriculture and Consumer Protection Act of 1973; to the Committee on Agriculture.

H.R. 13994. A bill to amend the National School Lunch Act, and for other purposes; to the Committee on Education and Labor.

By Mr. ROGERS (for himself, Mr. Hastings, Mr. Kyros, Mr. Symington, Mr. Nelsen, Mr. Carter, Mr. Heinz, and Mr. Hudnut):

H.R. 13995. A bill to provide for the development of a national health policy and to assist and facilitate the development of necessary health care resources; to the Committee on Interstate and Foreign Commerce.

By Mr. STEELE:

H.R. 13996. A bill to amend the Small Business Act to provide loans to small business concerns to assist them in meeting mortgage payments and operating costs if they suffer substantial economic injury as the result of rising fuel prices; to the Committee on Banking and Currency.

H.R. 13997. A bill to amend title 5, United States Code, to correct certain inequities in the crediting of National Guard technician service in connection with civil service retirement, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. TEAGUE (for himself, Mr. Mosher, Mr. Hechler of West Virginia, Mr. Bell, Mr. Davis of Georgia, Mr. Wydler, Mr. Downing, Mr. Winn, Mr. Fuqua, Mr. Frey, Mr. Symington, Mr. Goldwater, Mr. Hanna, Mr. Esch, Mr. Flowers, Mr. Roe, Mr. Camp, Mr. Cotter, Mr. McCormack, Mr. Parris, Mr. Bergland, Mr. Cronin, Mr. Ketchum, Mr. Martin of North Carolina, and Mr. Brown of California):

H.R. 13998. A bill to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and research and program management, and for other purposes; to the Committee on Science and Astronautics.

By Mr. TEAGUE (for himself, Mr. Mosher, Mr. Hechler of West Virginia, Mr. Bell, Mr. Davis of Georgia, Mr. Wydler, Mr. Downing, Mr. Winn, Mr. Fuqua, Mr. Symington, Mr. Goldwater, Mr. Hanna, Mr. Esch, Mr. Flowers, Mr. Roe, Mr. Parris, Mr. McCormack, Mr. Cronin, Mr. Bergland, Mr. Pickle, Mr. Ketchum, Mr. Brown of California, Mr. Milford, Mr. Thornton, and Mr. Gunter):

H.R. 13999. A bill to authorize appropriations for activities of the National Science Foundation, and for other purposes; to the Committee on Science and Astronautics.

By Mr. WALDIE:

H.R. 14000. A bill to revise certain provisions of title 5, United States Code, relating to per diem and mileage expenses of employees and other individuals traveling on official business, and for other purposes; to the Committee on Government Operations.

By Mr. WALSH:

H.R. 14001. A bill to provide funds for bus companies to offset the rising cost of gasoline; to ban ornamental gas lighting and pilot lights; and to establish a Standard House Committee on Energy; to the Committee on Ways and Means.

By Mr. WRIGHT:

H.R. 14002. A bill to amend the provisions of title 23, United States Code, dealing with highway beautification, and for other purposes; to the Committee on Public Works.

By Mr. ALEXANDER:

H.R. 14003. A bill to amend title XI of the Social Security Act to repeal the recently added provision for the establishment of Professional Standards Review Organizations to review services covered under the medicare and medicaid programs; to the Committee on Ways and Means.

By Mr. ASPIN:

H.R. 14004. A bill to authorize the disposal of antimony from the national stockpile and supplemental stockpile; to the Committee on Armed Services.

By Mr. BAUMAN:

H.R. 14005. A bill to repeal certain provisions of the act entitled "An Act to provide for the establishment of the Assateague Island National Seashore in the States of Maryland and Virginia, and for other purposes", approved September 21, 1965, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. COLLIER:

H.R. 14006. A bill to amend title II of the Social Security Act so as to remove the limitation upon the amount of outside income which an individual may earn while receiving benefits thereunder; to the Committee on Ways and Means.

By Mr. CONABLE (for himself, Mr. Fascell, Mr. Frey, Mr. Hicks, and Mr. Sarasin):

H.R. 14007. A bill to amend title XVIII of the Social Security Act to establish a program of long-term care services within the medicare program, to provide for the creation of community long-term care centers and State long-term care agencies as part of a new administrative structure for the organization and delivery of long-term care services, to provide a significant role for persons eligible for long-term care benefits in the administration of the program, and for other purposes; to the Committee on Ways and Means.

By Mr. HOWARD:

H.R. 14008. A bill to amend the Public Health Service Act to expand the authority of the National Institute of Arthritis, Metabolism, and Digestive Diseases in order to advance a national attack on arthritis; to the Committee on Interstate and Foreign Commerce.

By Mr. ROGERS (for himself, Mr. Kyros, Mr. Preyer, Mr. Symington, and Mr. Roy):

H.R. 14009. A bill to strengthen the Food and Drug Administration, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. STARK (for himself, Mr. Vanik, Mr. Moakley, Mr. McCormack, Mr. Ashley, and Mr. Drinan):

H.R. 14010. A bill to authorize the Secretary of the Interior to study the feasibility of a national park, recreation area, or wilderness area in the ridgelands east of the San Francisco Bay in the State of California, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. STARK (for himself, Mr. Seiberling, Mr. Bingham, Mr. de Lugo, Mr. Udall, Mr. Brown of California, Mr. Dellums, Mr. Edwards, of California, Mr. Roybal, Mr. Waldie, Mr. Leggett, Mr. Rees, Mr. Hawkins, Mr. Bell, Mr. Ryan, Mr. Hanna, Mr. Charles H. Wilson of California, Mr. McCloskey, Mr. Moss, Mr. Gonzalez, Mr. Harrington, Mr. McKinney, Ms. Abzug, Mr. Eckhardt, and Mr. Moorhead of Pennsylvania):

H.R. 14011. A bill to authorize the Secretary of the Interior to study the feasibility of a national park, recreation area, or wilderness area in the ridgelands east of the San Francisco Bay in the State of California, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. CASEY of Texas:

H.R. 14012. A bill making appropriations for the legislative branch for the fiscal year ending June 30, 1975, and for other purposes.

By Mr. MAHON:

H.R. 14013. A bill making supplemental appropriations for the fiscal year ending June 30, 1975, and for other purposes.

[*Omitted from the Record of April 3, 1974*]

By Mr. LONG of Maryland:

H.J. Res. 967. Joint resolution to designate the first Tuesday of June of each year as National Parliamentary Law Day; to the Committee on the Judiciary.

[*Submitted April 4, 1974*]

By Mr. ARENDS (for himself, Mr. Rhodes, Mr. Hébert, Mr. Cederberg, Mr. Gray, Mr. O'Neill and Mr. McFall):

H.J. Res. 968. Joint resolution designating the premises occupied by the Chief of Naval Operations as the official residence of the Vice President effective upon the termination of service of the incumbent Chief of Naval Operations; to the Committee on Armed Services.

By Mr. ASPIN:

H. Con. Res. 461. Concurrent resolution expressing the sense of Congress concerning how it should receive foreign policy information during the period from the impeachment of the President by the House of Representatives until the Senate votes on such impeachment; to the Committee on Foreign Affairs.

H. Con. Res. 462. Concurrent resolution expressing the sense of Congress concerning the President not signing any agreement with a foreign country or international organization during the period from his impeachment by the House of Representatives until the Senate votes on such impeachment; to the Committee on Foreign Affairs.

H. Con. Res. 463. Concurrent resolution expressing the sense of Congress concerning the President not traveling abroad on Government business during the period from his impeachment by the House of Representatives until the Senate votes on such impeachment, and concerning a foreign head of state not making an official visit to the United States during such period; to the Committee on Foreign Affairs.

By Mr. BINGHAM (for himself, Ms. Abzug, Mr. Adams, Mr. Addabbo, Mr. Anderson of Illinois, Mr. Annunzio, Mr. Ashley, Mr. Aspin, Mr. Badillo, Mr. Barrett, Mr. Bell, Mr. Bergland, Mr. Biaggi, Mr. Biester, Mrs. Boggs, Mr. Boland, Mr. Bolling, Mr. Brademas, Mr. Brasco, Mr. Brown of Ohio, Mr. Brown of Michigan, Mr. Brown of California, Mr. Buchanan, Mr. Burke of Massachusetts, and Ms. Burke of California):

H. Con. Res. 464. Concurrent resolution authorizing a bust or statue of Martin Luther King, Jr., to be placed in the Capitol; to the Committee on House Administration.

By Mr. BINGHAM (for himself, Mr. Burton, Mr. Carey of New York, Ms. Chisholm, Mr. Clay, Ms. Collins of Illinois, Mr. Conte, Mr. Conyers, Mr. Corman, Mr. Cotter, Mr. Culver, Mr. Dominick V. Daniels, Mr. Danielson, Mr. Dellenback, Mr. Dellums, Mr. de Lugo, Mr. Dent, Mr. Diggs, Mr. Dorn, Mr. Drinan, Mr. Dulski, Mr. Eckhardt, Mr. Edwards of California, Mr. Eilberg, and Mr. Evans of Colorado):

H. Con. Res. 465. Concurrent resolution authorizing a bust or statue of Martin Luther King, Jr., to be placed in the Capitol; to the Committee on House Administration.

By Mr. BINGHAM (for himself, Mr. Fascell, Mr. Fauntroy, Mr. Findley, Mr. Fish, Mr. Foley, Mr. Fraser, Mr. Giaimo, Mr. Gibbons, Ms. Grasso, Mr. Green of Pennsylvania, Ms. Hansen of Washington, Mr. Harrington, Mr. Hawkins, Mr. Hechler of West Virginia, Mr. Helstoski, Mr. Hicks, Ms. Holtzman, Mr. Horton, Mr. Hosmer, Mr. Howard, Mr. Hudnut, Mr. Hungate, Mr. Johnson of Colorado, and Ms. Jordan):

H. Con. Res. 466. Concurrent resolution authorizing a bust or statue of Martin Luther King, Jr., to be placed in the Capitol; to the Committee on House Administration.

By Mr. BINGHAM (for himself, Mr. Karth, Mr. Kastenmeier, Mr. Koch, Mr. Kyros, Mr. Leggett, Mr. Litton, Mr. Long of Maryland, Mr. Long of Louisiana, Mr. McCloskey, Mr. McKinney, Mr. Madden, Mr. Matsunga, Mr. Mazzoli, Mr. Meeds, Mr. Metcalfe, Mr. Mezvinsky, Ms. Mink, Mr. Mitchell of Maryland, Mr. Moakley, Mr. Moorhead of Pennsylvania, Mr. Mosher, Mr. Moss, Mr. Murphy of Illinois, and Mr. Murphy of New York):

H. Con. Res. 467. Concurrent resolution authorizing a bust or statute of Martin Luther King, Jr., to be placed in the Capitol; to the Committee on House Administration.

By Mr. BINGHAM (for himself, Mr. Nix, Mr. Obey, Mr. O'Brien, Mr. O'Neill, Mr. Owens, Mr. Patten, Mr. Pepper, Mr. Podell, Mr. Price of Illinois, Mr. Rangel, Mr. Rees, Mr. Reid, Mr. Reuss, Mr. Riegle, Mr. Rodino, Mr. Roe, Mr. Rosenthal, Mr. Roush, Mr. Roy, Mr. Roybal, Mr. Ryan, Mr. Sarbanes, Mrs. Schroeder, and Mr. Seiberling):

H. Con. Res. 468. Concurrent resolution authorized a bust or statue of Martin Luther King, Jr., to be placed in the Capitol; to the Committee on House Administration.

By Mr. BINGHAM (for himself, Mr. Smith of New York, Mr. Stark, Mr. Steelman, Mr. Stokes, Mr. Stratton, Mr. Symington, Mr. Thompson of New Jersey, Mr. Tiernan, Mr. Udall, Mr. Van Deerlin, Mr. Vander Veen, Mr. Vanik, Mr. Vigorito, Mr. Waldie, Mr. Ware, Mr. Whalen, Mr. Charles Wilson of Texas, Mr. Wolff, Mr. Wydler, Mr. Yates, Mr. Young of Georgia, and Mr. Young of Illinois):

H. Con. Res. 469. Concurrent resolution authorizing a bust or statue of Martin Luther King, Jr., to be placed in the Capitol; to the Committee on House Administration.

By Mr. DERWINSKI:

H. Con. Res. 470. Concurrent resolution expressing the sense of the Congress with respect to the financial consequences of removing professional baseball from the Robert F. Kennedy Memorial Stadium; to the Committee on the Judiciary.

By Mr. du PONT:

H. Con. Res. 471. Concurrent resolution to express the sense of the Congress with respect to certain vocational and career student organizations; to the Committee on the Judiciary.

By Mrs. GRASSO (for herself and Mr. Steele):

H. Con. Res. 472. Concurrent resolution expressing the sense of the Congress with respect to the price of refined petroleum products; to the Committee on Interstate and Foreign Commerce.

By Mr. YATES (for himself, Mr. Hechler of West Virginia, Mr. Melcher, Mr. Gude, Mr. Ryan, Mr. Fish, Mr. Derwinski, Mr. Brown of California, Mrs. Burke of California, Mr. Gunter, Mr. Murphy of Illinois):

H. Res. 1028. Resolution providing for television and radio coverage of proceedings in the Chamber of the House of Representatives on any resolution to impeach the President of the United States; to the Committee on Rules.

EXTENSIONS OF REMARKS

CALIFORNIA AGRICULTURAL LEADERSHIP PROGRAM

HON. VICTOR V. VEYSEY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 4, 1974

Mr. VEYSEY. Mr. Speaker, agriculture is the leading industry in the State of California, and certainly it is the basic industry of the national economy. Agriculture shares all the pressures for change that mark a highly mobile, rapidly changing society. Increasingly, the well-being and vitality of this industry are determined by external forces. To prepare the leadership of California agriculture to relate to national problems and to understand how these forces impinge on agriculture, the California agricultural leadership program was initiated in 1972.

Mr. Speaker, we are privileged to have 60 members from this select group visiting the Capital this week for a series of conferences. The list of officials they are slated to see includes HEW Secretary Casper Weinberger, Associate Justice William Rehnquist, Secretary of Labor

Peter Brennan, and the Director of the Ash. The balance of the itinerary for this group includes visits to a scientific Office of Management and Budget Roy forestry preserve in North Carolina, the TVA and the Atomic Energy Commission's Agriculture Research Laboratory in Tennessee, and the National Fertilizer Development Center in Alabama.

The California agriculture leadership program is an adult continuing education program. The primary goal is the continued development and expansion of a pool of trained, effective, and articulate spokesmen for the industry.

The program is managed by the Agriculture Education Foundation, Inc., in cooperation with the Council of California Growers; Fresno State College; California State Polytechnic University, San Luis Obispo; University of California, Davis; and California State Polytechnic University, Pomona.

Mr. Speaker, I include the names of these 60 outstanding young leaders of agriculture to be printed in the CONGRESSIONAL RECORD:

CALIFORNIA AGRICULTURAL LEADERSHIP PROGRAM CLASS NO. 3

Charles E. Boutonnet, Salinas; Dean E. Buchinger, Santa Ana; Michael L. Campbell, Clarksburg; William H. Colgate III, Fresno; H. A. "Gus" Collins III, Orange Cove; Byron T. Dennis, Gilroy; Ronald A. Enomoto, Half Moon Bay;

Eyvind M. Faye, Jr., Winters; Michael E. Fitch, Davis; Richard H. Greer, Claremont; Adin A. Hester, Stockton; Myron D. Holdenried, Kelseyville; Daniel F. Hollingsworth, San Jacinto; Timothy J. Indart, Clovis;

Donald Laub, Fresno; John A. Lewis, Elk Grove; Dale W. Long, Chino; Benjamin R. Olson, Jr., Bakersfiield; Robert E. Parks, Tomales; Charles A. Pritchard, Santa Margarita; Robert C. Rathbone, Martinez;

Ernest E. Righetti II, Santa Maria; Ruben Rueda, Salinas; George C. Schmidt, Gustine; Michael J. Still, Porterville; Bernard Teunissen, Corona; Jeffry C. Thomson, Bakersfield; Richard Vaughn, Waterford; and Robert W. Wilbur, Tulare.

CLASS NO. 4

Rob Roy Beard, Corcoran; William Bonde, Sacramento; Richard Bozzano, Stockton; Steward Brown, Gasoline; John Casazza, Highson; Ralph Chaffee, Heber; Brian Davie, Sacramento.

Robert Demple, Santa Rosa; Paul Diener, Five Points; Jay Goold, Sacramento; Thomas Heffernan, El Centro; Daniel Heilbel, Pope Valley; DeWayne Holmdahl, Lompoc; Arden Kashishian, Bakersfield.

Lawrence Lempke, Manhattan Beach, Gene Lundquist, Bakersfield; Thomas McGraith, Oxnard; Phillip Mowbray, Blythe; Donald Nelson, Clovis; Melvin Oneto, Elk Grove; David Pinkham, Exeter.

Ronald Rodriques, Hollister; Richard Russell, New Cuyama; George Soares, Sacramento; Lloyd Steuve, Oakdale; Henry Vander Poel, Chino, David Volz, Sacramento; Carl Voss, San Jose; Charles Williams, Napa; and Oscar Wineman, Santa Maria.

GENERAL SERVICES ADMINISTRATION ACTIVE IN FEDERAL GOVERNMENT ENERGY CONSERVATION

HON. JENNINGS RANDOLPH

OF WEST VIRGINIA

IN THE SENATE OF THE UNITED STATES

Thursday, April 4, 1974

Mr. RANDOLPH. Mr. President, if we are to achieve success in conserving valuable energy resources, it is imperative that the Federal Government take the lead. With this in mind, I bring to the attention of the Senate a March 20 statement by Arthur Sampson, Administrator of General Services, describing the Government-wide policies of the Federal Energy Office and the General Services Administration which have led to a 23.3-percent reduction in Federal energy consumption during recent months.

Mr. President, as chairman of the Public Works Committee, and as sponsor of the National and Energy Study, I feel a strong sense of urgency in exploring the new energy conservation methods which can be applied to our Federal buildings.

Committee members will meet with the General Services Administration to discuss the publication of its new "Energy Conservation Design Guidelines for Office Buildings." With 10,000 Federal buildings owned or leased by the General Services Administration in the United States, and with more under design or construction, the magnitude of possible energy savings through innovative methods, is recognized.

Mr. President, I ask unanimous consent that Mr. Sampson's statement, and the General Services Administration's Energy Conservation—Fact Sheet, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

STATEMENT OF ARTHUR F. SAMPSON, ADMINISTRATOR, U.S. GENERAL SERVICES ADMINISTRATION

The purpose of this news conference is to give you a progress report of GSA's efforts to conserve energy today and tomorrow. GSA is moving ahead vigorously on three fronts.

NEW BUILDINGS

We have stopped designing buildings that devour and waste energy. New design guidelines based on comprehensive and effective research have been published and are being used *now!* These new design features can cut energy consumption by as much as 50%.

EXISTING BUILDINGS

We have reduced lighting. We have reduced heating. We have reduced cooling. This has saved a great amount of energy. More can be saved by retrofitting. We are doing research now and will soon issue guidelines for the conservation of energy in existing buildings.

AUTOMOBILES AND OTHER VEHICLES

The objective here is to save gas—lots of it. And, we are. This is a government-wide program. Instructions have been issued and are being followed that: reduce the miles travelled; reduce speed to 50 mph; require regular tune-ups; require carpooling; and specify the use of compacts except when larger cars are fully justified.

With reduced heating, cooling, lighting and other measures in GSA operated buildings, we are saving 1.5 million barrels of oil annually. And, with our automobile programs, we are saving at a rate of 10,000,000 gallons of gas annually.

Last June, President Nixon directed that each federal agency reduce its rate of energy consumption by seven percent.

As winter set in, the President directed the federal government to take further energy conservation steps. He told the Federal Energy Administrator that "we in the government must intensify our efforts in setting an example for the nation."

President Nixon has asked *all* Americans to do what they can to help conserve our country's dwindling energy supply. At GSA, we are working to reduce energy usage by providing good government management, nationwide.

In January, Energy Administrator William Simon directed GSA to implement energy-saving steps which involve all federal vehicles, buildings, procurement and federal contractors. Since then, the FEO and GSA have developed a very close and highly effective inter-agency working arrangement.

On January 21, GSA issued energy conservation policies and procedures for the entire executive branch of government. The intent is to bring about a more efficient use of energy resources. We are doing this by revising federal motor vehicle management policies; by creating and assisting with federal employee carpooling and by a more judicious use of lighting, heating and cooling in all federal buildings.

On March 8, Mr. Simon announced that energy cutbacks by government agencies have saved the Nation 45 million barrels of oil over the last six months. In taxpayer dollars, this represents a savings of about $360 million. That's an overall 23.3 percent savings in energy between July and December 1973, Mr. Simon reported.

Our Federal Energy Administrator gave most of the credit to "federal employees who cooperated enthusiastically" with the government's overall energy conservation program.

While we believe we have made progress in energy conservation, what we have done is to provide short term solutions to a long range problem. What then are we doing to help provide the long range solution?

Two years ago GSA organized a national meeting of experts to discuss energy conservation in buildings. The results of the meeting were dramatic and we decided to design and construct a model federal building to demonstrate what could be done. We selected a federal office building in Manchester, N.H. as our model.

The purpose of our seven-story Manchester demonstration building is primarily to provide a working laboratory for the installation of both recognized and innovative energy conservation techniques and equipment. It is GSA's first step toward a firm commitment to the conservation of energy in the design, construction and operation of all federal buildings.

The completed Manchester building is expected to operate with at least 40 percent less energy consumption than existing buildings of comparable size. One of its energy conservation features will be a solar energy collector on the roof for partial heating purposes.

In addition, GSA also is going to construct an environmental demonstration project building in Saginaw, Michigan, which will provide us with another type of working laboratory centering on environmental innovations. At our request, 59 colleges and universities gave us some 250 brainstorming ideas for possible inclusion in the proposed Saginaw building. As a result, the completed building is expected to make a positive contribution to its urban surrounding and provde a pleasant interior environment for employees and visitors.

The Saginaw project will include a large solar heat collector to provide pollution-free energy for the building; greatly-reduced water consumption, including collection and use of rain water for lawn irrigation; energy-efficient design; and the use of recycled construction materials.

One of the things that we have learned from our efforts is that energy conservation and environmental quality in buildings go hand in hand. The environmental building in Saginaw will use many energy conservation techniques, and the Manchester energy building will include features to improve both the habitability and overall environmental aspects of the building.

Simultaneous with the design of these two buildings, GSA contracted with outside consultants and the American Institute of Architects Research Corporation to create design criteria for office buildings that would result in reduced energy consumption. GSA and the National Bureau of Standards worked with this team, and we are releasing today a publication containing the results of this effort.

The book is entitled "Energy Conservation Design Guidelines for Office Buildngs."

The guidelines, the first comprehensive criteria ever printed for the construction industry, highlight more than 185 ideas for conserving energy in the design, construction and operation of office buildings. They were prepared by a partnership of Dubin-Mindell-Bloome Associates, consulting engineers; Heery and Heery, architects; and the American Institute of Architects Research Corporation, under a professional services contract with GSA's Public Buildings Service.

This book is available for use by anyone. We are going to promote its use by private industry and expect to be successful in doing so. In almost every instance, energy saved is money saved.

Commercial buildings in the U.S. consume the equivalent of 5.5 million barrels of oil daily.

Existing buildings are a different problem. They were designed and constructed to waste energy. However, a great deal can be done, at minimal cost, to save energy. Here are some of the steps taken by GSA that have reduced energy usage in buildings by 15%:

1. We have removed 1.2 million fluorescent lamps from our buildings as of December 31, 1973.

2. We have reduced lighting to approximately 50 foot candles for normal employee work station areas. This is now standard in all GSA buildings and offices, along with limitations of 30 foot candles for general work areas and up to 10 foot candles for hallways and corridors, except where safety hazards would result.

3. Additional energy savings are being provided by keeping GSA controlled space heated at between 65 and 68 degrees during normal winter working hours and cutting down to not more than 55 degrees during non-working hours. This summer, we are going to cool our offices to between 80 and 82 degrees during working hours, as compared to a 76–78 degree range last summer.

4. Our GSA buildings are now being cleaned during day-time hours whenever possible to save on night-lighting.

Your government is asking all Americans to travel less, both by air and automobile. Each year, federal employees have travelled billions of miles on official business and, in doing so, consume more energy than any other body of travelers in the world. So we're doing something about that, too.

Recognizing the vast potential for energy savings, GSA has launched a campaign to have federal workers "travel by phone." In this campaign, government employees are encouraged to "take a ride on the FTS"—The Federal Telecommunications System.

Private citizens are being urged to drive fewer miles and to use carpools. The same demands are being made of federal employees.

During January and February of this year, the GSA Interagency Motor Pool system used an average 28 percent less fuel as compared to the anticipated consumption. And, because we've found that good maintenance of vehicles is a fuel saver, GSA's tune-up program is being emphasized nationwide.

Through the President's initiative in forming the Federal Energy Office to help cope with the energy crisis, GSA has been designated to coordinate a number of energy-saving programs. We are working with people as well as with buildings and cars.

First, to help better serve our people, GSA is working with all other federal agencies to increase carpooling. By allocating additional federal employee parking spaces around the nation to those government workers who use carpools, we are going to further save fuel, energy and space. In addition, along with the provision of more government-funded mass transit facilities, carpooling will help relieve our overcrowded urban highways and perhaps cut down on the staggering national auto death toll.

As for the government's use of cars, most VIP limousines and even the big sedans are now being phased out of the government fleet. We're now buying almost nothing but compact and sub-compact cars.

Since the inception of the President's program, 100 percent of the over 5,000 replacement sedans procured for use in the GSA Interagency Motor Pool system have been compacts. GSA also has assisted other federal agencies in buying smaller sedans to replace limousines, heavy and medium sedans.

The delivery to the government of the initial procurement of 500 compact vehicles has been completed. Delivery of the remaining 4,500 compacts is proceeding daily.

Energy conservation is nothing new to GSA. Long before the energy crisis was a reality, GSA was working to improve the management of all federal property and buildings with an objective to conserve energy as well as money. What we started doing years and months ago is now showing some impressive results.

While we know we have a good start, we also think it's only that—a start. There's more to do, there's more we can conserve, and that's what we expect to accomplish with GSA's good government management nationwide.

ENERGY CONSERVATION—FACT SHEET: BUILDINGS

GSA owns or leases 10,000 buildings in the U.S. containing 44% of all federal office space.

Lighting—1.2 million fluorescent light tubes removed by 12/31/73 (450,000 in Washington, D.C. area alone). Reusable tubes stored for replacement. Light levels now 50 foot candles at employee work stations (desks), 30 in general work areas, and up to 10 in non-work areas (some higher exceptions granted when justified). Exterior building lighting eliminated except for security purposes.

Result: Energy saving, 1st half FY vs. 1st half FY 73=88,000 bbls. crude oil.

Heating—Not to exceed 65°–68° during work hours, 55° in non-work hours.

Result: Energy saving 1st half FY 74 vs. 1st half FY 73=478,200 bbls. crude oil.

Cooling—Summer 1973: between 76°–78°. Now: 80°–82°. Other electrical savings from daytime cleaning and less weekend building use.

Result: Energy saving 1st half FY 74 vs. 1st half FY 73=244,800 bbls. crude oil.

Total savings: 811,000 bbls. crude oil in lighting, heating and cooling.

New Buildings—Energy Conservation Demonstration Building in Manchester, N.H., soon to be under construction, includes energy conservation design and operational features aimed at cutting consumption 40%. Environmental Demonstration Building in Saginaw, Mich., now under Congressional consideration, also includes energy saving systems.

"Energy Conservation Design Guidelines for Office Buildings," a publication being released today, offers 185 energy saving ideas for architects and engineers.

Existing Buildings—46 repair and alteration projects presently underway with expected result of up to 5% energy reduction. A document outlining energy saving improvements for existing buildings will be published soon.

VEHICLES

GSA operates 67,000 vehicles in the Interagency Motor Pool system. Total federal fleet is 420,000 vehicles.

Government-wide policy requires mileage reduction 20%.

All federal vehicles to observe 50 mph speed limit.

All sedans now being acquired by the GSA Interagency Motor Pool are compacts.

Of 211 limousines, heavy and medium sedans, 159 have been replaced by smaller cars. The number remaining will be reduced as soon as additional small cars become available.

Result: Energy savings by Interagency Motor Pool for Jan. and Feb. 1974=2.7 million gallons of gasoline or 58,200 bbls. of crude oil.

CARPOOLING

Objective is to significantly increase carpooling among federal employees. Where practical, 90% of employee parking to be used by carpools. Special additional provisions for the handicapped, motorcycles and bicycles.

GSA Central Office Building now has 476 employees in 103 carpools taking up 92% of employee parking spaces. Previously, 178 GSA employees used 123 spaces with only 32 carpools. (GSA went from 1.4 to 4.3 persons per car.)

If citywide carpooling would increase ridership from 1.2 to just 2 persons per car, the result would be 220,000 cars a day taken off the streets in the Metropolitan Washington area, with a savings of 425,000 gallons of gas and five million miles of driving per day, according to the D.C. Department of Highways and Traffic.

TRAVEL

All federal employees encouraged to use long distance, conference calls, teletype and data links (services furnished by GSA) in lieu of official travel.

PROCUREMENT

Life cycle costing, including energy costs, will be considered in purchasing approximately 9,000 air conditioners annually.

Studies now are underway for application of life cycle and energy saving standards to purchases of other commercial products by the government.

Arthur F. Sampson, Administrator, March 20, 1974.

TRIBUTE TO FRANK HOGAN—"MR. D.A."

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 4, 1974

Mr. BIAGGI. Mr. Speaker, it is with a deep and profound sense of sorrow that I join with millions of New Yorkers in mourning the passing of Francis S. Hogan, the venerable district attorney of Manhattan who died on Tuesday at the age of 72. The death of Frank Hogan signifies the end of a legendary era of excellence in the office of the district attorney.

"Mr. D.A." as Hogan was affectionately referred began his illustrious career in 1941 after serving with distinction on the staff of his predecessor, Thomas E. Dewey. From the outset, Hogan developed the respect of his colleagues based on his hard work, and unyielding sense of fairness and that excellent reputation remained untarnished for his entire 32-year term.

Frank Hogan was best known for his relentless pursuit of the forces of corruption which seem to pervade all major urban areas. He was responsible for the arrests and convictions of thousands of major criminals. Throughout the years the long arm of Hogan's office was feared by all elements of the criminal world.

Yet, beneath the hardened image of Hogan created by his profession, there was a fine and compassionate gentleman. He was a dedicated husband and fine family man. He maintained lasting relationship with his beloved Columbia University, and he grew to be one of their most distinguished alumni. Many of the fine lawyers in New York today once worked or had some contact with Frank Hogan, and many remained indebted to him for his wisdom and knowledge of the law. He taught both by the book and by example.

There was an endearing quality about Frank Hogan which I will always remember. He was a man who pursued his work with tremendous vigor, never once sacrificing his unimpeachable integrity. He handled the awesome power he possessed with compassion and dignity but firmly as well.

Unlike many of his contemporaries his purpose as DA was promoting justice and not producing headlines. He established himself as a testimonial to what an exemplary public servant should be.

Mr. Speaker, New York City has lost one of its true giants in Frank Hogan. A most fitting testimonial to this man would be for his successors to maintain the tradition of excellence which he established in the district attorney's office. I know I speak for millions of New Yorkers as well as all friends of justice and law when I extend my deepest condolences to his widow, Mary, and assure her that the memory of Frank Hogan will endure for years to come.

STATEMENT OF REPRESENTATIVE JOEL T. BROYHILL OF VIRGINIA ON A BILL TO INCREASE THE ANNUITY PAYABLE TO RETIRED TEACHERS OF THE DISTRICT OF COLUMBIA

HON. JOEL T. BROYHILL

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 4, 1974

Mr. BROYHILL of Virginia. Mr. Speaker, I am introducing legislation today which will increase the annuity payable to certain retired District of Columbia public school teachers. This legislation is designed to establish a minimum monthly retirement annuity for teachers which is not less than the minimum social security benefit and to bring the retirement benefits of pre-October 20, 1969 retirees and supervisor annuitants up to the standard applicable to present-day retiring teachers.

The first provision in this bill, that dealing with teacher retirees whose monthly annuity is less than the minimum social security benefit, would equalize the retired teacher benefit and the social security minimum benefit. This equalization of minimum benefits would be sustained and kept equal to any cost-of-living increase applied to the minimum social security benefit in the future. Under current law, this would be $90.50 per month and would increase to $93.80 in June. In addition, the monthly rate of annuity payable to a surviving child would not be less than the minimum social security benefit, including any cost-of-living increase added to that amount, or three times such minimum social security amount divided by the number of surviving children entitled to an annuity, whichever is the lesser.

The major provision of this bill deals with the pre-October 20, 1969 retirees. This date is used because it is the effective date when the teachers' retirement system was liberalized and otherwise improved the benefits of teachers who retired after that date.

The major improvement in the retirement system was that a retiree's annuity was computed after October 20, 1969 on the basis of his or her average salary for the highest 3-year earning. The pre-October 20, 1969 retiree's annuity was computed on the basis of his or her highest 5 years of earning. Consequently, individuals who retired before October 20, 1969 have generally received substantially lower annuities than those who retired after that date. This inequity is addressed in my bill by providing an increase of $240 in the annuity payable to those teachers retired prior to October 20, 1969. In addition, an annuity payable to the surviving spouse of an annuitant who retired prior to the October 20, 1969 date is increased by $132.

Mr. Speaker, this bill is truly a humanitarian effort, extending moderate benefits to those retired teachers, surviving spouses and children who are most in need of the benefits this bill provides. This legislation does not provide a windfall but rather is intended to relieve the desperate financial plight of our elderly retired teachers who are faced with the unprecedented inflationary expansion of our economy and which has had a particularly devastating effect on them. They are not seeking handouts from the Government but like the elderly recipients of social security, they are only seeking financial relief and security in their retired years. Our commitment toward improving the quality of life for these deserving Americans is clear, and I urge early and favorable consideration by my colleagues of this bill which I have proposed today.

OUTSTANDING TAR NAMED

HON. JAMES ABDNOR

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 4, 1974

Mr. ABDNOR. Mr. Speaker, South Dakota takes great pride in the achievements of its young people. During the past year, one such fine young citizen has received national recognition for her many contributions to her school, her community, and the organizations of which she is a member. Her name is Cindy Ritter of Mound City, S. Dak., and her accomplishments were recently reviews in TARget, a national publication of the National Teenage Republicans:

OUTSTANDING TAR NAMED

Cindy Ritter, immediate past State Chairman of South Dakota, was selected as the "Outstanding TAR" in the Nation at the National TAR Leadership Conference in Washington last June.

In past years, two or three outstanding TARS have received this honor, but due to Cindy's exceptional record in TARS, she was the only recipient of this coveted award for the '73–'74 period.

Cindy became a member of Teen Age Republicans almost 5 years ago when she joined the Campbell County TARS. She held numerous Club offices and was elected Club President in 1972. Under her leadership the Club continued to grow at a very rapid rate and later Campbell County TARS was chosen as one of the three "Outstanding TAR Clubs" in the country.

During her senior year, Cindy was elected State Chairman of South Dakota and she immediately began to organize new TAR Clubs throughout the state and to help expand the existing ones. With the help of TAR Advisor, Alice Kundert, Cindy traveled across the state assisting South Dakota TARS in every way possible. By the end of her term in office, the number of TAR Clubs had doubled!

It was no surprise when Cindy was chosen "Outstanding TAR Girl" of South Dakota.

At Pollock High School, Cindy was involved in a wide range of activities. . . . . everything from Student Council to serving on the Annual staff. She was a Cheerleader, a Class Officer, Homecoming Attendant, and Campbell County Snow Queen.

Cindy was President of Future Homemakers of America and the recipient of several FHA awards . . . excelled in High School Debate . . . and was an officer in South Dakota 4–H Club.

In addition, Cindy served as President of her Church Youth Group for 3 years and also was a Sunday School teacher.

There is no doubt that Cindy's warm personality and sincere interest in others are two of her greatest assets and we are confident that her years at South Dakota State University where she is a freshman, will be as rewarding as her high school days in TARS.

TAX-CUTTING INSANITY

HON. HARRY F. BYRD, JR.

OF VIRGINIA

IN THE SENATE OF THE UNITED STATES

Thursday, April 4, 1974

Mr. HARRY F. BYRD, JR. Mr. President, the March 30 edition of Business Week included an excellent editorial concerning the proposal to reduce income taxes by $10 billion this year.

While tax reduction is always politically popular, such a reduction in Federal revenues at a time of high inflation and huge Federal deficits would not be responsible.

Such a reduction could only worsen the inflation which already exceeds an annual rate of 10 percent and is eating away at the value of every worker's paycheck.

I ask unanimous consent that the editorial, "Tax-Cutting Insanity," be printed in the Extensions of Remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

TAX-CUTTING INSANITY

It is hard to see how any rational man could seriously argue for more deficit spending at a time when inflation is hitting the explosive rate of 10% a year. But politicians in an election year are not rational men. So perhaps it should not be surprising that the Democratic majority of the Joint Economic Committee of Congress is recommending a $10-billion tax cut to expand consumer demand this year.

Surprising or not, the proposal is deadly dangerous. It would push the federal budget deficit over $20-billion in fiscal 1975. And this huge injection of fiscal stimulation would come on top of the inflationary $61-billion deficit of the last three fiscal years.

The congressmen who signed the majority report obviously suffer from a special kind of tunnel vision. They are looking at the modest increase in unemployment and the decline in real income that has accompanied the slowdown of the economic boom in the first quarter of this year. They are ignoring the roaring inflation that flogged the economy to an unsustainable growth rate in 1973 and threatens to become totally uncontrollable in 1974.

Until that inflation slows down, both fiscal and monetary policy should lean strongly toward restraint. If consumer demand appears to need some reinforcement later in the year, Treasury Secretary Shultz already has pointed to a way of providing it without promoting still more inflation. He has suggested cutting the present levels of tax withholding to reduce overwithholding by about $6-billion a year. Scaling down the withholding would give consumers immediate spending money, but it would not increase the cumulative deficit because the government would have to refund the money in any case.

The Shultz proposal deserves serious consideration. To go beyond that and cut taxes in the midst of the present inflation would be pure insanity.

MISS BERTHA E. EASTON HONORED

HON. ROBERT O. TIERNAN

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 4, 1974

Mr. TIERNAN. Mr. Speaker, all too often the efforts of citizens dedicated to helping the less fortunate go unnoticed. Just recently, however, the contribution of Miss Bertha E. Easton to the Rhode Island Tuberculosis and Respiratory Disease Association received deserved recognition.

This remarkable lady has given 25,000 hours of volunteer work to the association over the past 16 years. Her retirement from a career with the Internal Revenue Service only marked the beginning of what was to become a legendary effort in the fight against TB, emphysema, and other lung diseases. She has been a tireless worker for the association, giving each task unparalleled enthusiasm. Words and awards cannot fully express the importance of her service. We, in Rhode Island, are all so proud of her. I salute her and congratulate her for her most generous and outstanding contributions.

I include a recent story from the Providence Evening Bulletin to be placed in the RECORD at this point:

EX-IRS EMPLOYEE MADE GOOD

(By Sonya F. Gray)

A small and smiling white-haired lady listened today as about 50 friends and admirers gathered to pay tribute for her contribution of 25,000 hours of volunteer work to the Rhode Island Tuberculosis and Respiratory Disease Association since 1958.

"She's a former Internal Revenue Service employe who made good," quipped John J. O'Brien, the district director of the IRS. Miss Bertha E. Easton worked there 32 years before her retirement.

"She is so thoughtless of her own convenience and comfort," said the Rev. William E. Anthony, assistant minister of Grace Episcopal Church, which Miss Easton attends.

He described the elderly volunteer, who lives at 123 Elmwood Ave., as having "this beautiful naivete" and "a rugged, determined resolution that goes on no matter what happens. She has this lovely innocence."

And throughout the party in the association's Westminister Mall office, Miss Easton smiled graciously and accepted with thanks a scrapbook of memories and photographs. When asked her age, she laughingly asked, "You don't have to put that in the paper, do you?"

One speaker estimated that the 25,000 hours of volunteer work by Miss Easton amount to more than 12 years of work, or about $55,000 if she had been paid $75 weekly.

Miss Easton said that if given that amount of money, "I really wouldn't know what to do with it."

She said that years ago a close friend died of tuberculosis, and her volunteer work for the association is, in a way, in memory of that friend.

PER DIEM AND MILEAGE ALLOWANCES

HON. JEROME R. WALDIE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 4, 1974

Mr. WALDIE. Mr. Speaker, today I have introduced a bill to revise certain provisions of title 5, United States Code, relating to per diem and mileage allowances for Government employees and other individuals traveling on official business.

Under present law, an employee, while traveling on official business away from his designated post of duty inside the continental United States, is entitled to a per diem allowance of $25. This allowance is to reimburse the employee for lodging, meals, and other necessary expenses.

As my colleagues are aware, $25 a day for lodging, meals, and other expenses is totally inadequate to offset the actual costs for those items in many areas of the United States. Employees who are required to travel in the course of their official duties are suffering from this inadequacy as they must pay for expenses in excess of the $25 limit out of their own pockets.

My bill would overcome the inadequacy of the present per diem rate by increasing it to $35. I believe that this amount more accurately reflects the cost of lodging, meals and other expenses incurred by employees who must travel on behalf of the Government.

With respect to mileage and related allowances, my bill would provide a fair and equitable method for computing the rate of these allowances by requiring that the Comptroller General of the United States conduct a quarterly study to determine the actual cost to an employee or other individual performing service for the Government for the use of a privately owned automobile, motorcycle, or airplane, in the conduct of official duties. The results of this study would be submitted to the President or his designee to be used in revising regulations governing the authorized payments of the actual cost as determined by the study.

I believe that the method proposed in this bill to determine the actual costs to the employee of operating a private vehicle in the course of his official duties is fair and equitable. The energy crisis, as we are all painfully aware, has contributed to a general and substantial increase in the cost of petroleum products, and the long-term outlook for the cost of these products is upward. Therefore, such a method as I have proposed to reimburse employees for their expenses in this area is urgently needed to correct present inequities and to avoid them in the future.

H.R. 14000

A bill to revise certain provisions of title 5, United States Code, relating to per diem and mileage expenses of employees and other individuals traveling on official business, and for other purposes

Be it enacted by the Senate and House of

Representatives of the United States of America in Congress assembled, That (a) section 5702(a) of title 5, United States Code, relating to the per diem allowance of employees traveling on official business within the continental United States, is amended by deleting "$25" and inserting in place thereof "$35".

(b) Section 5702(c)(1) of title 5, United States Code, relating to reimbursement for actual and necessary travel expenses of employees under unusual circumstances in excess of the maximum per diem allowance, is amended by deleting "$40" and inserting in place thereof "$50."

(c) Section 5703(c)(1) of title 5, United States Code, relating to the per diem allowance of individuals serving without pay or at $1 a year for travel inside the continental United States, is amended by deleting "$25" and inserting "$35" in place thereof.

(d) Section 5703(d)(1) of title 5, United States Code, relating to reimbursement for actual and necessary travel expenses of individuals serving without pay or at $1 a year under unusual circumstances in excess of the maximum per diem allowance, is amended by deleting "$40" and inserting in place thereof "$50".

(e) Section 5704 of title 5, United States Code, relating to mileage and related allowances of employees and other individuals performing services on official business inside or outside the designated post of duty or place of service, is amended to read as follows:

"§ 5704. Mileage and related allowances

"(a) For the purposes of prescribing and administering the regulations authorized by section 5707 of this title, the Comptroller General of the United States shall conduct, beginning on July 1 of each fiscal year, a cost study to determine the actual cost a mile to an employee or other individual performing service for the Government, who is engaged on official business inside or outside the designated post of duty or place of service, for the use of a privately owned motorcycle, automobile, or airplane and submit to the President or his designee, not later than the beginning of the third month after such date, the results of such study. The President or his designee shall include the specific results of the study of the Comptroller General in regulations governing the authorized payment of the actual costs described above. The Comptroller General shall continue his study of the appropriate and current accurate determination of such costs and shall transmit his then current determinations at the beginning of the third month after the presentation of the results of each prior study. The President or his designee shall revise, maintain, and administer, on a current basis, the regulations prescribed under section 5707 of this title governing the reimbursement of such costs to the employee or individual concerned.

"(b) An employee or individual described in subsection (a) of this section shall not use a privately owned motorcycle, automobile, or airplane under the circumstances described in subsection (a) of this section unless specifically authorized in writing to do so in the travel authorization. Such written authorization for the use of a privately owned motorcycle, automobile, or airplane shall be made only in the interests of the efficient and effective conduct of official business of the Government and only if the use of public transportation by the employee or individual concerned would be a personal hardship or against the public interest.".

CONTROL OF UTILITY RATES

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 4, 1974

Mr. GILMAN. Mr. Speaker, a rash of utility rate increase requests has flooded our Nation. Substantial rate increases in an essential commodity, such as electricity, cuts deeply into our pocketbooks, escalating the cost of living far beyond wage increases.

The utility companies contend that there are two main reasons for this sudden flood of rate increase applications. The first is labelled a "cost of fuel adjustment" in response to the rising price of crude oil and coal. The second has been euphemistically termed a "conservation adjustment" and outrageously seeks more revenue based upon decreased electric usage brought about by citizenry conservation.

I have recently submitted testimony at three separate hearings before the New York State Public Service Commission in opposition to utility rate increase proposals in my own region of southeastern New York. Among my recommendations for easing the burden of increased costs to the consumer were: first, a request that the PSC rescind its order which allows automatic fuel cost charges to be passed on to the consumer; second, a 3-month delay for increases related to fuel costs so that the prices in question can stabilize; third, the sharing of any valid increased fuel costs, with the consumer bearing 50 percent of the burden and the utility company absorbing the other 50 percent.

While these proposals are subject to New York State Public Service Commission acceptance or rejection, there is an area where Congress can act to alleviate the burden of high electricity costs for the consumer and that is the realm of "conservation adjustment."

In justification of their rate increase requests, the utility companies rely on the cruel hoax commonly referred to as the "conservation adjustment." For several months, the utility companies, in full page ads, beseeched the consumer to cut back on his use of electricity; to lower thermostats and to endure a chilly winter, in addition to his having obligingly waited in long lines at the gas pumps. In recognition of their well-meaning conservation, we are now asking these same good, patriotic citizens to pay exorbitant rates for electricity brought on by the decline in utility revenues as a result of these savings. This presents a serious public policy question—a question that Congress should rightfully address itself to.

Accordingly, today I am introducing legislation which places a 1-year moratorium on any utility rate increase based on a decline in electrical use resulting from consumer conservation. While I am reluctant to draw the Federal Government into the domain of the utility companies, which has long been a province of State government, the continuation of excessive rate increase applications mandates congressional action.

Mr. Speaker, I insert the text of this bill in this portion of the RECORD and urge my colleagues to join me in this effort to unburden those citizens who have generously responded to our fuel shortages:

H.R. 13982

A bill providing for temporary controls of certain electric utility rates

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, that for the period one year after the effective date of this Act,

SEC. 1. No utility or power company licensed to do business in the United States shall institute an increase in electrical utility rates for any of its consumers based on a decrease in revenue caused by conservation efforts utilized by the consumers.

SEC. 2. This Act shall take effect 30 days after enactment.

SEC. 3. Officers and directors of companies who violate this Act shall be subject to a fine of not more than $50,000 and imprisonment for a term not to exceed one year.

MILITARY AID TO SOUTH VIETNAM

HON. MARGARET M. HECKLER

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 4, 1974

Mrs. HECKLER of Massachusetts. Mr. Speaker, granting increased authorizations to the Defense Department to finance additional military supplies for the South Vietnamese army may trigger a cycle of greater involvement between our Government and Saigon when we should be actively disengaging from Indochina.

Our military investments in South Vietnam are already at a very high level. Additional increases in military assistance are unjustifiable in the face of rampant inflation and pressing domestic needs in this country.

I am opposed to the Pentagon's recent request for authority to provide an increase of $474 million in military assistance to Vietnam for the remaining months in fiscal 1974 in excess of the amount authorized by Congress last year.

The Defense Department contends that the supplemental request for additional military aid to South Vietnam is necessary to offset inflation. We should begin addressing ourselves to curbing the skyrocketing costs of food and rent in this country before worrying about the effects of inflation in Saigon.

One year after the signing of the cease-fire agreement, we are still channeling over $2 billion annually into South Vietnam and Indochina. This expense might be justified if these tax dollars were invested in projects designed to provide relief and rehabilitation for the millions of war victims in Vietnam. However, the bulk of this money is used to fund a continuing war, rather than to finance reconstruction.

Last year Congress acted to cut the administration's request for $1.6 billion in military aid to South Vietnam to an authorization of $1.1 billion and appropriated only $900 million in new money. If we authorize the transfer of an additional $474 million in supplemental appropriations, military aid to South Vietnam will reach the $1.6 billion level originally requested by the administration. This supplemental request comes only weeks before we are to consider the Defense Department's request of $1.6 billion for financial aid to Southeast Asia for fiscal 1975.

We must begin to decrease U.S. involvement in Indochina and the Saigon Government's dependence on us by voting against this supplemental authorization for new military assistance to South Vietnam.

BINARY CHEMICAL WEAPONS

HON. WAYNE OWENS

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 4, 1974

Mr. OWENS. Mr. Speaker, I would like to direct the attention of the Members to a letter addressed to the editor of the New York Times which discusses the issue of the Army's proposed procurement of binary chemical weapons. I think that the concern expressed in this letter is particularly pertinent, not just because it expresses views which I have brought to your attention, but because of the background of the person who wrote the letter. General Kinnard was, by reputation, an outstanding officer in the U.S. Army, and was intimately associated with some of the chemical operations which were conducted in Vietnam. He speaks from the military viewpoint, and very succinctly emphasizes the real dangers inherent in the proposal to begin production of the binary chemical weapon. I urge all of the Members to give the thoughts expressed in this letter their attention. Without objection, a copy of the letter is included for printing in the RECORD:

BINARY WEAPONS: COSTLY PROLIFERATORS

To the Editor: On March 25, The Times carried a news article outlining Dr. Julian Perry Robinson's position against the production of binary weapons by the Army. A binary munition differs from previous chemical munitions in one important respect: Instead of containing actual nerve gas, these munitions are designed to produce nerve gas by combining two nontoxic elements only after the weapon is on its way to a target. The technical advantages of these weapons in terms of safety during transport and storage are obvious. In addition, problems of maintenance and disposal would be lessened, since prior to use they consist of nontoxic materials.

It should be noted, though, that the pacing factor for this proposed modernization program is in reality not military but political. By stressing that binary weapons are safer, the Army expects to reduce present political constraints on their storage and transportation. This is true not only in the United States but also in West Germany, where in all probability the Army wishes to increase the U.S. chemical-weapons stockpile.

Whatever the motivation, there are real disadvantages to procuring these weapons. One is cost, which, as Dr. Robinson has pointed out, could eventually go as high as $2 billion. While one can view the opportunity costs of this sum differently, certainly most of us would prefer alternative programs, possibly in the defense budget, preferably elsewhere.

The most important disadvantages, however, are the encouragement of proliferation and the effect the program might have on undermining efforts at chemical-weapons limitation.

For several years chemical-weapons arms control has been one of the principal items under consideration at the 26-nation Conference of the Committee on Disarmament. The U.S. and the U.S.S.R. have taken leading parts in these discussions. While positions on the key issue of verification differ strikingly, the publicly affirmed common objective is the effective prohibition of chemical weapons.

Procurement (as contrasted to development) of binary weapons is likely to make the prohibition of chemical weapons almost impossible. The Army would no doubt strenuously resist giving up a binary-weapons stockpile once it is in hand. Nor can the Soviet Union be expected to refrain from modernizing and perhaps increasing its chemical-weapons stockpile if the U.S. procures binaries. In the end, the result may be to decrease U.S. national security rather than increase it.

The Congress should take a hard look at this issue. I hope it will conclude to hold off procurement of these weapons, which are both strategically destabilizing and tactically unnecessary at the present.

DOUGLAS KINNARD,
Brigadier General U.S. Army Retired.
BURLINGTON, VT., *March 26, 1974.*

WILBARGER COUNTY RESIDENTS

HON. ROBERT PRICE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 4, 1974

Mr. PRICE of Texas. Mr. Speaker, in order to maintain as close contact as possible with my constitutents, I try, as time permits, to travel throughout my district and conduct nonpartisan townhall meetings with the citizens of each county. These meetings are informal and it gives me the opportunity to meet with constituents to exchange views of the 13th Congressional District of Texas on those issues they feel are of the greatest importance to their county, the State, and the Nation. It also gives me the opportunity to inform my constituents about the progress of proposals and programs of interest to them.

During the Easter recess I will be holding these townhall meetings once again. To inform my constituents of the time and place of the meetings, postcards are sent to those counties designated as meeting places, expressing the purpose, time, and place of the meeting.

I include the text of one of these postcards at this point in the RECORD. In addition, I sent a similar card to the following counties which I will visit: Childress, Carson, Dallam, Armstrong, Wheeler, Hardeman, Collingsworth.

The material follows:

WILBARGER COUNTY RESIDENTS

POSTAL PATRON,
13th Congressional District, Texas.

As part of my continuing effort to stay abreast of the views of the citizens of Wilbarger County, I cordially invite you to attend a non-partisan, *public town hall meeting in Vernon, Tuesday, April 16, at 7:30 pm in the Wilbarger Auditorium.*

From 1:30 to 3:00 pm I will be holding a meeting at the Vernon Jr. College Student Center to meet with students and faculty members. I welcome the opportunity to meet with you and your neighbors to exchange views on those issues you feel are of the greatest importance of your county, Texas, and the Nation.

In the event you are unable to attend the meeting I hope you will not hesitate to contact me directly in Washington if I may be of assistance to you on matters affecting the Federal Government.

BOB PRICE,
Member of Congress.

HOW TO CREATE AN OIL SHORTAGE

HON. HENRY HELSTOSKI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 4, 1974

Mr. HELSTOSKI. Mr. Speaker, countless Americans throughout the Nation have been frustrated for many weeks by the enormous complexity of the energy crisis. As we know, certain inconsistencies, along with the lack of convincing data, have characterized the shortage since its "inception" a few months ago. Hence, in the wake of this outrageous situation, it is vital that we in Congress not shirk one of the major responsibilities now facing us—the obligation we have to the American people to take whatever measures are necessary to prevent this preposterous situation from recurring.

Furthermore, if we are to do this successfully, we must avail ourselves of every opportunity to learn as much as we can about the structure and monopoly of the oil industry. Hence within this context today I would like to share an article sent to me by one of my constituents, Stanley N. Bradley, of Tenafly. The article, entitled "How To Create an Oil Shortage," appeared in the March issue of Consumer Reports.

In the article, one point in particular caught my attention. Now that the Arab oil embargo has been lifted, the author asks, "Will the heat for oil policy reform also vanish?"

Mr. Speaker, because of the relevance of this article and to help make certain that "the heat for oil policy reform" does not vanish—I would like to share "How To Create an Oil Shortage" with my colleagues:

How To Create an Oil Shortage

For decades now this country has operated on the assumption that what's good for the oil industry is good for America. Few industries in our history have enjoyed so many tax breaks and subsidies.

"Congress has given the oil industry tax benefits covering drilling costs, foreign taxes paid, depletion allowances, and numerous other benefits," Senator Thomas J. McIntyre, of New Hampshire, points out. Yet, Senator McIntyre adds, those preferential actions and billions of dollars of lost tax revenues "have only brought us to the crisis we face today."

That crisis, he notes, includes an inability to meet our own crude oil demands, an inability to refine enough oil at home, and a growing dependence on foreign rather than domestic supplies.

Two factors in particular have contributed to the current state of affairs; prorationing and the oil import quota. Prorationing, a system adopted by the large oil producing states such as Texas and Louisiana, limited oil production at the wellhead and matched it to monthly demand. By thus preventing a surplus, the states were able to keep the price of crude oil artificially high.

But prorationing also made domestic oil more expensive than foreign oil. So, at the urging of the major oil companies, a succession of Presidents (starting with President Eisenhower in 1959) consented to limit oil imports to approximately 12.2 per cent of domestic production.

That quota on imports has cost the public dearly—an estimated $5.2-billion extra a year for gasoline, heating oil, and other petroleum products, according to a cabinet-level task force appointed by President Nixon to study the quota in 1970. However, consumers were supposed to suffer this burden gladly, because its purpose was said to be "national security"—that is, to prevent the United States from becoming overly dependent on foreign oil.

But in the bizarre world of Federal oil policy, the left hand often ignores what the right hand is doing. Thus, at the same time the Government was limiting imports, supposedly to protect and promote domestic oil development, it turned right around and gave American oil companies a massive tax break on foreign oil. The companies were allowed to deduct from their United States taxes the royalties they paid on overseas oil. Thus, while royalties paid on domestic oil production were treated as an ordinary business expense, royalties paid on foreign oil were treated as a direct tax credit. (Foreign governments accommodated the companies by calling the royalties "taxes.") Partly because of that credit, international oil companies often paid little or no United States taxes.

That tax bonanza, plus the lucrative profit that could be made on formerly low-cost foreign oil, spurred the major oil companies to concentrate on developing overseas oil—much of which then could *not* be brought into the United States because of the quota, but which could profitably be sold abroad. Accordingly, while oil development in the Middle East flourished, new drilling in the U.S. plummeted 43 per cent between 1959 and 1970.

In short, with the Government working at cross purposes, the import quota proved a monumental flop. By limiting imports of low-cost oil, the quota not only jacked up domestic fuel prices, but also discouraged construction of new refinery capacity. And, as the Arab boycott has painfully demonstrated, the U.S. *still* became vulnerably dependent on foreign oil. So much for the quota and national security.

By 1970, many considered the quota an idea whose time had passed. Indeed, a majority of the cabinet-level task force recommended in early 1970 that the quota be scrapped or substantially changed.

Nevertheless, President Nixon, again at the urging of the "majors," spurned the task force's recommendations and maintained the quota until May 1973.

By that time, however, demand had already outstripped declining domestic oil production. Now, rather than having a surplus of oil, the domestic oil producing states, even at full throttle, were unable to meet refinery demand.

Hardest hit were the smaller, independent refiners, who traditionally relied on the majors for much of their crude oil supplies. Previously, whether the majors wanted to or not, they had little choice but to sell to independents. For, in the heyday of prorationing, an independent who found himself short of crude oil had only to contact the Texas and Louisiana oil production authorities and request an increase in production. That leverage enabled him to get supplies from the majors, who wanted to avoid an oversupply that might drive crude prices down.

But by 1972, Texas and Louisiana were approaching full production, so independent refiners could no longer exert pressure on the majors. Their only hope was to persuade the Nixon Administration to boost oil imports to levels that would guarantee a continuing supply of crude. However, the Nixon Administration refused to increase imports significantly, a decision that forced many independents to cut their production of gasoline and heating oil during much of 1972 and 1973.

Thus, by 1972, the majors were in an enviable position *vis-a-vis* the independents, who had previously served to keep a competitive lid on prices.

With the independents forced to reduce output—and with the nation's petroleum needs at an all-time high—the majors responded by *cutting back* their own refinery output. According to oil company data assembled by the staff of the Senate Permanent Subcommittee on Investigation refineries east of the Rockies operated at only 85.3 per cent of capacity during the first six months of 1972—compared to 89.7 and 86.6 per cent, respectively, during the same months of 1970 and 1971. (Allowing time for normal maintenance, refineries, on average, are capable of sustaining production at 92 per cent of capacity, well above the 85.3 per cent level they achieved.)

According to the same Senate staff study, the resulting drop in product inventories during the first half of 1972 can be attributed primarily to the actions of eight of the largest oil companies. At the end of this period, for example, Exxon's inventory had declined 8 per cent from that of the first half of 1971. American Oil's inventory dropped 16.9 per cent, while Standard of California's and Mobil's dropped 12.3 and 19 per cent, respectively.

During the third quarter of 1972, refinery runs increased to 90.3 per cent, but then declined to 88.7 per cent in the fourth quarter. The result, finally, was a shortage—the nation's first peacetime shortage of energy. The crunch came first in home heating oil in the winter of 1972–73, and was followed by a gasoline shortage in the spring and summer.

Although aware that a shortage was developing, the Nixon Administration did little to head it off. Its major thrust was to rely on the oil companies' public spirit and implore them to help out.

Ultimately, the job of chief supplicant fell to General George Lincoln, a former political science professor at West Point. The President had appointed General Lincoln to chair his Oil Policy Committee and had shifted responsibility for the oil import program to the General's authority. Next to the President, therefore, he was the individual most responsible for keeping a rein on the fuel situation.

Initially, General Lincoln's appeal to industry to increase refinery output was met with assurances that the situation was well in hand. In September 1972, he passed those assurances on to the Senate Committee on Banking, Housing and Urban Affairs.

"There should be an adequate supply of No. 2 home heating oil during the coming winter," General Lincoln told the Committee. According to information he received from the majors, he testified, the industry "has the necessary refining capacity and necessary feed stocks to insure an adequate supply." All that was needed, he said, was for industry to operate at 93 per cent of capacity for the rest of the year.

By early November, however, the hoped-for increase in home heating oil hadn't materialized. Despite their earlier assurances, the oil companies had not found it sufficiently profitable, from their viewpoint, to boost production.

At this point, General Lincoln finally sensed that the nation was on the brink of a serious fuel shortage. But his solution for averting it was again the same. In a November 14 memorandum to the White House, he urged that the Administration "move quickly on the appeal to industry." If we fail to act now, he advised, "we would be subject to the criticism that we did not alert an appeal to the industry on a timely basis."

The memo to the White House was followed by a series of press releases in which the General again pleaded with industry to step up production of heating oil. That worked no better than before, though. By December 1972, General Lincoln was reduced to sending out a press release urging *the public* to reduce energy consumption. Such public effort was needed, the release stated, because of the "recent abnormally cold weather."

In short, government-by-appeal and government-by-press-release had failed. The next step was government-by-carrot. In January 1973, the Cost of Living Council granted the oil companies permission to hike the price of heating oil. Suddenly the oil taps opened. Refinery production east of the Rockies rose to 91.4 per cent of rated capacity, and inventories of fuel oil began to improve. But the step-up had come too late. Supply remained tight, and the shortage eventually extended to gasoline stocks, which could not be sufficiently built up to meet growing spring and summer demand.

By the fall of 1973, the public was again facing a tight supply—and climbing prices—of heating oil. Then the other shoe dropped. In October, the Arab nations clamped their embargo on crude oil.

The result, in addition to shortages, has been skyrocketing increases in gasoline and heating oil prices—and, at the same time, skyrocketing increases in oil company profits. The public, as is customary, is left to pick up the tab.

As this issue of CONSUMER REPORTS goes to press, the Arab boycott is still on and Congress is girding to debate various energy proposals. But should the boycott suddenly be lifted, will the heat for oil policy reform also vanish. Will the Government again ignore the fact that oil companies are, first and foremost, *profit-making* concerns?

On reviewing the industry's failures, Senator Henry M. Jackson, of Washington, put the question another way. "In the future," he asked, "can we allow the self-interested economic decisions of the major oil companies to create conditions that have an adverse impact on the economy, employment, and every American family?"

CU believes the answer is obvious. In an area so important as energy supply, the concerns of corporate boardrooms should not dictate public policy. Vital public needs must be met equitably, CU believes, even if that should mean regulating the oil industry as a public utility. Such a drastic measure may not be necessary, of course, but certain minimal steps by the Government are clearly demanded.

1. Oil companies must be required to provide accurate, reliable information on their operations for public scrutiny. (Until recently, the Bureau of Mines collected oil data

on a *voluntary* basis, with companies suffering no penalty for noncompliance.) A mandatory system of reporting, moreover, should be subject to regular verification by the Government. A study by the General Accounting Office concludes that such verification is essential to the "credibility of the data on which policy decisions are based." In response to a recommendation by CU president Colston E. Warne last December, William E. Simon, administrator of the Federal Energy Office, has appointed an independent committee to review the forecasting of fuel supplies by the oil industry. But legislative action is needed to force disclosure of industry data.

2. The huge tax benefits favoring foreign oil development must be eliminated. Oil companies should no longer be permitted to deduct royalty payments to a foreign government from Federal income taxes. Depletion allowances on foreign oil production should also be discontinued. It makes no sense, we feel, to encourage foreign oil development at the expense of domestic operations. All oil depletion allowances, in fact, should be eliminated, because the soaring price of oil now provides more than enough incentive for companies to seek new supplies.

3. Windfall profits realized from the energy shortage should be used for public benefit rather than for enriching the oil companies or their stockholders. The public is, and will be, paying many additional billions of dollars to oil companies because of steep increases in crude oil and refined product prices. Allowing oil companies to profit from the nation's hardship—which the industry helped create—would clearly add insult to injury. A variety of proposals for dealing with such profits are now in Congress. CU urges that they be debated on their merits, with public equity as the overriding goal.

TORRANCE UNIFIED SCHOOL DISTRICT RETIREES FOR 1974

HON. CHARLES H. WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 4, 1974

Mr. CHARLES H. WILSON of California. Mr. Speaker, on April 25, 1974, the Association of Torrance School Administrators will host their third annual employees recognition banquet for employees of the Torrance Unified School District.

These administrators, teachers, and members of the Torrance community have contributed many years of faithful and dedicated service which has resulted in developing our young children into responsible and intelligent citizens. I wish to add my personal appreciation to these deserving men and women for their diligent leadership and service to the children of the Torrance Unified School District.

I would now like to read their names into the CONGRESSIONAL RECORD so that they will know how much our country appreciates their selfless devotion to that greatest of careers: preparing our young people to be aware of the joy and possibilities of life. The retiring employees for 1974 are:

Mr. William E. Ament, Mrs. Edna A. Babcock, Mr. Leonard D. Babcock, Mr. Frank H. Baker, Mrs. Frances Beadle, Mrs. Irene H. Berger, Mr. Francis L. Briggs, Mrs. Margaret L. Briggs, Mrs. Olive Bonneau, Mrs. Ellen B. Booz, Mrs. Lucille M. Brown, Mrs. Muriel D. Cassidy, Mr. Ernie R. Coffman, Mrs. Svea E. Eklove, Mr. Edward R. Esko, Mrs. Florence M. Geiger, Mrs. Dorothy S. Goldsmith, Mrs. Nadine Hammack, and Mrs. Pearl A. Hansen.

Mrs. Virginia Hendrex, Mrs. Ethel Hiller, Mr. William O. Hoy, Mrs. Dorothy M. Jacobs, Mr. Elbert S. Jones, Mrs. Frances H. Kaltriter, Mrs. Mary L. Lee, Mr. Albert Lewis, Mr. Gilbert Lowe, Mrs. Irene L. Marittimo, Mr. Willie H. Moore, Mr. Ivan E. Nesbit, Mrs. Frances W. Orsini, Mr. Charles P. Papotta, Mrs. Ruth G. Pearson, Mrs. Maurine B. Pool, Dr. Albert Posner, Mrs. Virginia L. Rice, and Mrs. Ethelyn L. Richardson.

Mrs. Edith M. Sanchez, Mrs. Mary A. Shimpeno, Mrs. Gretchen M. Smith, Mr. Stanley W. Storms, Mr. Harry Tarr, Miss Marie E. Thomas, and Mr. Clyde Williams.

REPORT ON MILITARY SPENDING

HON. EDWARD R. ROYBAL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 4, 1974

Mr. ROYBAL. Mr. Speaker, once again this administration has proposed a militaristic budget which requires an escalation in the United States–Soviet arms race. We are told that this approach is necessary to build a "lasting structure of peace." There is no way that any nation can achieve this serious goal by escalating its war potential with even more advanced nuclear weapons.

For the first time in American history, the end of a war has been followed by increases in military spending. This strange anomaly occurs at a time when U.S. troops are home from Vietnam, when our relations with the Soviet Union and China have considerably improved, and when the first phase of the Strategic Arms Limitation—SALT—talks have been successfully concluded with the second phase already initiated.

Despite these advances in world order, we are confronted with an ever-expanding military budget. The Nixon administration is requesting a total budget for military programs in fiscal 1975 of $92.6 billion, plus a supplemental of $6.2 billion for fiscal 1974. In short, we are faced with a $98.8 billion request for 1974–75. The 1975 budget request alone overshadows the current 1974 appropriations by over $12 billion.

The administration attempts to explain away the 1975 increases by shifting the supplemental to the 1974 budget even though Congress has yet to approve the additional $6.2 billion request, and may even reduce the amount. According to a February 1974 congressional study, the new defense budget includes a real increase over 1974 spending of $4.4 billion after allowing for inflation.

It appears that this spending spree in military programs is not likely to decline. By 1980, reports a recent congressional study, military budget needs will exceed $114 billion.

The current request reflects the administration's belief that a major emphasis must be placed on military equipment, including a wide range of new strategic weapons. This is being translated into a $2.2 billion increase over 1974 figures for research and development and procurement. Proposed is a starting array of new strategic weapons systems, the most extensive in 15 years. In fact, the Pentagon, in detailing its procurement and research programs, has compiled a book of over 114 pages merely to highlight the major weapons systems, some of which will require tens of billions of dollars to complete. These include mobile ICBM's, air- and submarine-launched cruise missiles, advanced MX land-based missiles, advanced airborne tankers as well as ongoing projects like Trident and the B–1 manned bomber.

Further, it appears that the U.S. chemical warfare program has not been shelved as thought, but is still thriving. The Army plans to continue its binary nerve gas research and development program. According to a recent announcement, the binaries will be manufactured at the Pine Bluff Arsenal at Arkansas. Although precise cost analysis is difficult at this time, one analyst puts the price of a fully developed program at $1.5 to $2 billion and adds that the figure could be "perhaps more."

Not only is the cost of these war armaments disturbing but there is no sound rational basis for these expenditures. Have we so quickly forgotten the past? Nuclear weapons have a momentum of their own, provoking more advanced programs and further escalating the arms race among world powers, including the United States, the Soviet Union, China, and the major countries of Western Europe. It is time that we begin rethinking our nuclear and strategic options and give some sound direction to U.S. military policy, particularly in light of long-term domestic needs as health, education, employment, energy, and environment, social services.

Certainly this reevaluation must include scrutiny of our troop deployment overseas. Approximately 500,000 members of the U.S. Armed Forces are stationed overseas, with 300,000 in Europe and 200,000 in other parts of the world. The cost of maintaining these troops is a heavy one, and causes a drain on our balance of payments. Defense Department officials estimate the cost of U.S. forces in support of NATO at roughly $17 billion for 1974. About $7.7 billion of that figure relates to American combat forces stationed in Europe. On the basis of past figures, we can anticipate an increase in the costs of these forces for 1975.

Without complete and critical reevaluation, this country will continue to adopt military policies which generate morally divisive and inhuman wars as experienced in Vietnam and permit the escalation of the nuclear arms race. We cannot afford to repeat our past tragic mistakes and engage in the dangerous practice of nuclear brinkmanship.

IN TRIBUTE TO HANK AARON

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 4, 1974

Mr. RANGEL. Mr. Speaker, with all of the problems facing the House of Representatives today, I ask my colleagues for a few moments of their time to pause and appreciate one of the greatest achievements in sports history.

Henry Aaron has just hit a home run in the first baseball game of the 1974 season in Cincinnati. His home run is the 714th of his career and ties him with the legendary Babe Ruth at the pinnacle of baseball history.

In May 1935, 29 years ago, in Pittsburgh, Babe Ruth playing as a Boston Brave, hit the 714th and last home run of his fabulous career.

Today Henry Aaron has joined the immortal Babe with a feat that is made all the more remarkable by the realization that he has accomplished it with the immense pressures of modern publicity and the ever-present ghost of the Babe.

I salute Hank Aaron for his magnificent achievement and wish him a season as successful as its beginning.

RESPONSIBILITY IN TODAY'S WORLD

HON. LEO J. RYAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 4, 1974

Mr. RYAN. Mr. Speaker, I would like to introduce, at this point in the Record, an editorial from the Skyline Press by Claudia Jensen.

This editorial has a message for us all during these times of shortages and frustrations. All too often we have a tendency to blame "they" and "them" as Claudia points out, rather than shoulder our share of the responsibility for the condition of the world today.

The Skyline Press, for which Claudia writes, is the newspaper of Skyline College, a community college in San Bruno, Calif. An award winning newspaper, the Skyline Press is run entirely by students.

Claudia Jensen is a sophomore and a top student at Skyline College and comes from South San Francisco where she was an honors graduate from South San Francisco High School.

The editorial follows:

[From Skyline Press, Mar. 13, 1974]

VILLAINS "THEY" TAKE RAP FOR ALL IN AMERICAN BLAME SYNDROME

(By Claudia Jensen)

In case you have not heard They are at it again. There is no stopping Them once They get started, the invidious creatures. They rob us of our gas and our government's virtue all at once. That's not all either. They make the fruit we buy both bright and bad-tasting. They color our meats, our juices and just about everything else. They corrupt the young if you are old and They warp the old if you are young. They raise our taxes and make war and babies. In short, They are everyone's common enemy, the convenient scapegoat for anything that is ever wrong anywhere.

Alice in her Wonderland expressed these sentiments exactly: "'I don't think They play at all fairly,' Alice began, in rather a complaining tone, 'and They all quarrel so dreadfully one can't hear oneself speak—and They don't seem to have any rules in particular; at least, if there are, nobody attends to them'. . ."

The logical follow-up to Alice's thought is that it's a pity. They can't be done away with once and for all. After all, if They would go away, that would leave—why Us, of course!

Despite the facetiousness, the fixation with the word They is very real. For example, we blame Them for cheating us of our gas and of lying to us in the first place about an oil shortage. Yet, whatever the truth actually is, we cannot deny that we, not the invisible vague They are the ones who indiscriminately bought polyester when we might have had cotton. We, not They, bought plastic spoons when we could have used metal; we, not They, succumbed to Saran Wrap when waxed paper would have done just as well. If we continue to buy oil-based products in the madcap way we have, the oil supply will naturally decrease. The earth cannot forever play fairy godmother to our whims. Sooner or later we will have to realize our own deep personal responsibility to the earth. In the meantime. They cannot be blamed and neither can They change a thing. Only individuals can.

When the world turns topsy-turvy, who else do we blame but Them? We are shocked when the SLA's anger with Them extends to kidnapping the daughter of a "corporate enemy of the people". Yet we, ourselves, blame Richard Nixon, one-man They in his own right, for just about everything. Both accusations are equally cop-outs because no one person or no one group is ever totally responsible for the problems around them.

They won't take responsibility because after all, They don't really exist—except in our dreams. Only we as individuals can refuse to buy or love wastefully, can refuse to name-call or to settle for second best in anything. Most importantly, we have the freedom of choice that They do not have, but we must begin to consider that choice worthwhile.

PLANS FOR A NATIONAL ETHNIC CONFERENCE

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 4, 1974

Mr. BIAGGI. Mr. Speaker, on February 25 and 26 of this year, the National Center for Urban Ethnic Affairs held a preliminary meeting to lay the groundwork for a national conference which will be held this month.

The goal of the national conference is to promote what has been called the new ethnicity which is a renewed effort for ethnic people to take pride in their tradition and identity and apply it to their lives today.

Mr. Speaker, the great melting pot which is the United States owes a great deal to the millions of people who entered our shores from foreign nations. They have through hard work and love for our Nation contributed toward making this Nation what it is today.

At this point in the Record, I would like to insert an article published in the Ukrainian Daily newspaper, Svoboda, which fully covers the conference:

[From Svoboda, Mar. 23, 1974]

ETHNIC CLERGY PLAN NATIONAL CONFERENCE

WASHINGTON, D.C.—Twenty-five leading ethnic clergy from almost as many cities met recently in Washington, D.C., to plan a national conference on ethnic parish community life for late April, which they anticipate will be the beginning of an ongoing network of national ethnic-neighborhood church, clergy, religious women, and lay leadership.

Among the conferees was Auxiliary Bishop Basil H. Losten of the Philadelphia Archeparchy.

The two-day planning session, held February 25–26, initiated by the National Center for Urban Ethnic Affairs (NCUEA), focused primarily on ethnic neighborhood concerns and the promotion of what was termed the "new ethnicity".

PRIDE IN IDENTITY

"The new ethnicity is not a nationalistic or anti-American spirit, or even basically an immigrant experience, but a respect for our backgrounds and traditions and a way of life which takes pride in our identity and culture and is an essential ingredient in family, church and community life," according to Msgr. Geno Baroni, NCUEA president.

"What we need is a coalition of ethnic leadership concerned about saving our ethnic parishes and the neighborhoods in which they are located," stressed Bishop Losten.

"Based on the enthusiasm of this clergy sponsoring committee, we anticipate several hundred ethnic clergy and lay parish leaders at the National Ethnic Church Conference and the beginning of a new exciting phase for the Catholic Church in America," according to church layman Jerome Benno Ernst, planning conference coordinator who is also NCUEA coordinator.

"With the enthusiastic commitment to this church endeavor from these key Polish, Italian, Croatian, Lithuanian, Hungarian, Slovak, Irish and Ukrainian bishops, pastors and order provincials, the Church will find a new key to the revival of religious life and neighborhood development," he added.

Three broad themes were discussed at the meeting and are scheduled to be the focus of the national conference: neighborhood development, ethnic identity and parish survival.

Problems were identified and methods explored whereby parishes can positively intervene in each of these areas.

SET PRIORITIES

Priority was given to: urban renewal as a destructive force in neighborhoods; ethnic studies legislation, senior citizen housing; liturgy and culture; role of language and traditional ethnic organizations in the "new ethnicity" and in parish identity, the new immigrants, particularly poverty and minority peoples, intercultural education in the parish, survival and development of basic Catholic institutions, the role of the parish to fulfill cultural and social as well as spiritual needs.

Members of the group said they felt that the conference and network will provide a sense of hope to the thousands of ethnic clergy, religious and laity across the country.

"Our so-called rundown parishes are the ones with the greatest vitality," said Rev. Joseph Spigolon, C.S., Provincial, Scalabrini Fathers Eastern Province, "because the pastor is forced to the conclusion that the only way to save the parish is to stress the ethnic parish aspects and meet the demands for ethnic consciousness and culture. In the process, he is forced to offer a proper service."

"Ethnic people expect more social life from their parish: this is an earmark of our parishes," noted Rev. Timothy Majit, O.F.M., Major Superior, Croation Province.

The general tone of the Conference was that the ethnic parishes are strategically located at the frontiers of American church activity in terms of their urban location and their cultural contributions.

11500 BANANAS ON PIKE'S PEAK

HON. CRAIG HOSMER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 4, 1974

Mr. HOSMER. Mr. Speaker, H.R. 11500, the bill to make life impossible for surface coal miners, gets so mixed up and zealous that it contradicts itself.

Section 210(b)(14)(D) says an operator must remove any silt dams following revegetation. This implies he has a right to put up the dams in the first place.

But hold it. Section 208(d)(5) will not let an operator get a permit until he convinces the regulatory authority that no watercourse will be dammed up during reclamation.

Does that mean that the only dams that can be built are those not intended to hold water? Or what?

H.R. 11500 is a silly mixed up bill. We can protect the environment and dig coal too. But not with that bill. It is as crazy as trying to grow bananas on Pike's Peak.

NO GENERATION GAP IN NORTHERN VIRGINIA

HON. STANFORD E. PARRIS

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 4, 1974

Mr. PARRIS. Mr. Speaker, recently a questionnaire similar to that which I mailed to my constituents was distributed to the high schools in my district. About 5,000 students from 12 schools responded and the results demonstrate a remarkable similarity between the views of the young and the old in the Eighth District. Full Eighth District results are in the CONGRESSIONAL RECORD of April 3.

As were their parents, the students were substantially divided over whether President Nixon should be impeached and compelled to leave office. The majority favor the retention of daylight saving time and are against relaxing environmental requirements and standards to ease the fuel crisis. By a ratio of 4 to 1 they are against gas rationing.

The students were also evenly divided on the questions of whether campaigns should be federally financed with the prohibition of private contributions.

There was also an even split on the question of whether to legalize marijuana.

On the two major local issues asked in the questionnaire, students favored the completion of I-66 by 2 to 1 and they overwhelmingly felt that Lorton Reformatory was being improperly administered to by the D.C. Department of Corrections.

RESULTS OF THE EIGHTH DISTRICT STUDENT POLL

GAS RATIONING

1. Would you favor the mandatory rationing of gasoline? Yes, 1,062; No, 3,969.

DAYLIGHT SAVINGS TIME

2. Do you favor retaining Daylight Savings on a year-round basis? Yes, 2,916; No, 1,991.

ENVIRONMENT

3. Do you favor relaxing environmental requirements and standards in an effort to ease the fuel crisis? Yes, 1,713; No. 3,102.

WAGE & PRICE CONTROLS

4. Do you believe the present wage & price controls have been effective and should be continued? Yes, 1,681; No, 2,676.

ABORTION

5. Do you support changing the Constitution by adoption of a "right-to-life" amendment which prohibits abortions? Yes, 1,951; No, 2,907.

WATERGATE

6. Do you feel President Nixon has been fairly treated by the media in its coverage of Watergate? Yes, 2,523; No, 2,302.

IMPEACHMENT

7. Do you think President Nixon should be impeached and compelled to leave the Presidency? Yes, 2,136; No, 2,712.

ELECTION REFORM

8. Do you favor complete Federal financing of election campaigns and the prohibition of all private contributions? Yes, 2,418; No, 2,249.

TRANSPORTATION

9. Do you favor completion of Interstate Highway 66 from the Beltway (I–495) to Washington, D.C., to help solve Northern Virginia's transportation problem? Yes, 3,341; No, 1,423.

LORTON REFORMATORY

10. Do you believe that the Lorton Reformatory is being properly administered by the D.C. Department of Corrections? Yes, 822; No, 3,767.

MARIJUANA

11. Do you favor the legalization of marijuana? Yes, 2,470; No, 2,301.

OCCUPATIONAL SAFETY AND HEALTH ACT—REFORMS

HON. ROBIN L. BEARD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 4, 1974

Mr. BEARD. Mr. Speaker, realizing the tremendous need for changes in the implementation of the Occupational Safety and Health Act of 1970, last fall I introduced legislation, H.R. 10200, which would provide a number of these badly needed reforms.

Today, following 6 months of favorable responses, suggestions, and criticism, I am pleased to offer, on behalf of myself and more than three dozen of my colleagues, an omnibus bill, which, I hope will provide the vehicle for OSHA reform in the coming weeks and months.

Mr. Speaker, OSHA was designed to protect the American worker, to provide every working man and woman with a safe, healthy atmosphere in which to reform his or her daily tasks. This end, I feel, is one which few, if any, individuals can take issue with. The framers of the original act were determined to do away with excessively noisy, and oppressively hot and dangerous factories and mills.

Despite these noble aims, OSHA has turned out to be a beaucratic nightmare to the small businessman. OSHA is, in too many businesses, a threat something to be feared and loathed, yet another example to them of the unresponsive Government in Washington.

In one way or another most of the Members of this body have had experience with OSHA. For many of us, the controversy generated since its enactment more than 2 years ago clearly indicated a need for reform to improve on-the-job safety for the American worker.

The vast majority of the complaints I have received about OSHA come from small employers who are unfamiliar with Fedeal regulation and procedures and who resent the way the act is being enforced. This sentiment reveals itself all the way from calls for modification of Labor Department implementation of the law flagrant and outright disregard for OSHA standards. The net effect of which is to create a climate of hostility toward adequate standards of protection which many businesses have long sought to provide their employees as a matter of course. It is my firm belief that in enacting OSHA, Congress intended to get at those employers who willfully maintained practices detrimental to the welfare of their employees. The practical effect of OSHA standards has created an opponent-adversary relationship between employers and Labor Department officials.

What we must strive to achieve in reform of OSHA is a restoration of cooperation in attaining high levels of safety for employees. Certainly, the majority of American businessmen recognize that adequate and safe working environments are an important part of good employer-employee relations. In considering possible reforms, I believe Members on both sides of the aisle agree that many employers—especially small ones—have not been fairly treated by OSHA.

The question we must then ask ourselves is why OSHA is not accomplishing its prescribed goal. I believe this results from two major causes. First, the act lacks any incentive or emphasis on assisting employers—particularly small ones—to comply with its terms. Second, because of this, employers are openly hostile toward the Department and OSHA regulations.

Let there be no mistake—I fully believe employers have had a responsibility to comply with the law and that penalties should be dealt out where it is disregarded. But it is obvious that the objectives of the act cannot be achieved without cooperation by all parties. No amount of regulations, standards, or Federal inspectors to enforce them will coerce the employers of the Nation to compliance. Even if this were possible, it would be a sad day for America if we were to attempt it.

We must face the facts. OSHA has forced U.S. businessmen to react negatively to a policy—of providing a safe and quality work environment—which they under previous circumstances have considered to be an important element in productivity and positive worker relations. In this regard, OSHA enforcement has been counterproductive in attaining its stated goal. Moreover, we must accept that employers—especially small ones—require assistance in understanding and complying with the complex and all too often monolithic standards of the OSHA.

Through my introduction of this legislation, I have dedicated myself to trying to end this "adversary" relationship between the businessman and the Government. I feel OSHA must be a tool to help forge a tripartite partnership among business, labor and Government, working toward a single end—employee safety—in a realistic fashion.

Further, I call upon the Select Committee on Labor to act. While I commend the chairman and members of the subcommittee for taking the time to conduct the present and planned series of OSHA hearings, I feel that, if these hearings are to result in anything concrete, they must point toward the critically important reforms embodied in my bill. Mr. Speaker, the time to act is now. We can delay no longer.

Mr. Speaker, I am including in the Record the text of my bill:

H.R. 13925

A bill to amend the Occupation Safety and Health Act of 1970, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Occupational Safety and Health Amendments of 1974".

Sec. 2. Sec. 2(b)(10) of such Act is amended to read as follows: "(10) by providing an effective enforcement program;".

Sec. 3. (a) Section 3(5) of the Occupational Safety and Health Act of 1970 is amended to read as follows:

"(5) The term 'employer' means a person engaged in a business affecting commerce who has employees but does not include the United States, any State or political subdivision of a State, any nonagricultural employer who employed no more than twenty-five employees at any time during the preceding calendar year, or a small farmer."

(b) Section 3 of such Act is amended by adding at the end thereof the following new paragraph:

"(15) The term 'small farmer' means a person who owns or operates a farm who, it can reasonably be predicted on the basis of criteria prescribed by the Secretary, will not employ during the next twelve-month period more than seven man-years of agricultural labor for which compensation is paid."

Sec. 4. Section 5 of the Occupational Safety and Health Act of 1970 is amended by adding at the end thereof the following new subsection:

"(c) Notwithstanding any provision of the National Labor Relations Act, an employer may appoint, establish, and maintain a safety committee for the purposes of this Act without violating any provision of section 8 of the National Labor Relations Act."

Sec. 5. (a) Section 6(b)(2) of the Occupational Safety and Health Act of 1970 is amended by inserting at the end thereof the following: "The Secretary shall not propose any rule promulgating a new occupational health or safety standard before he (A) has, as part of each such proposal, reviewed and published in the Federal Register the financial impact of such proposed standard and (B) has determined with due regard for that impact that the benefit to be derived from such standard justifies such proposal."

(b) Section 6(b)(4) of such Act is amended by inserting "(A)" immediately after the paragraph designation and adding a new subparagraph as follows:

"(B) No standard adopted or promulgated under this paragraph shall require any employer to phase out, change, or replace existing equipment or facilities before the normal useful life of that equipment or facility has expired unless failure to so phase out, change, or replace that equipment or facility prematurely would result in a serious violation as defined in section 17(k)."

(c) Section 6(b)(7) of such Act is amended by inserting after the second sentence thereof the following: "Protective equipment and control or technological procedures other than those prescribed by such standard may be utilized by the employer where (a) such other equipment and control or technological procedures will afford adequate protection to employees and (b) the use of such other equipment and control or technological procedures does not create a new hazard to the health and safety of the employees affected."

(d) Section 6(c)(1) of such Act is amended to read as follows:

"(c)(1) The Secretary shall provide, without regard to the requirements of chapter 5, title 5, United States Code, for an emergency standard to take effect thirty days after publication in the Federal Register if he determines (A) that there is clear and recognized evidence of employees being exposed to serious danger from exposure to substances or agents determined to be toxic or physically harmful or from new hazards, and (B) that such emergency standard is necessary to protect employees from such danger."

Sec. 6. Section 6 of the Occupational Safety and Health Act of 1970 is amended by adding at the end thereof the following new subsections:

"(h) The Secretary shall evaluate as soon as practicable after the date of enactment of the Occupational Safety and Health Amendments of 1974 existing standards established pursuant to subsection (a) or (b) of this section in order to determine the applicability of each such standard to each class of business concern within each industry or form of business. After such evaluation, the Secretary shall determine as a part of each standard, the class or classes of employers to which that standard is applicable and any class of employers to be excluded from the application of that standard, after a determination that the inclusion of any such class would be unreasonable. Such evaluation and determination shall be a part of the establishment of all standards after the effective date of the Occupational Safety and Health Amendments of 1974.

"(i) The Secretary shall prescribe, as soon as practicable after the date of enactment of the Occupational Safety and Health Amendments of 1974, as part of each existing standard adopted under the Occupational Safety and Health Act of 1970—

"(1) the estimated average and maximum cost per unit to the average employer who is subject to that standard for compliance with the conditions, practices, means, methods, operation, or process used or proposed to be used by that employer under that standard; and

"(2) the period within which it is, in fact, possible for such employers to meet such standard including, but not limited to, availability of required devices, and possibility of performance of required procedures.

If the Secretary cannot find that it is possible to comply with the standard within a specified period, he shall rescind the standard, or fail to establish it in the event of a standard proposed to be established. The requirements of this subsection shall also be applicable to the establishment of each standard established after the effective date of the Occupational Safety and Health Amendments of 1974.

"(j) Failure of an employer or employee to comply with an occupational safety and health standard which has been adopted or promulgated without compliance with the provisions of chapter 5, title 5, United States Code, with respect to administrative procedures, shall not in itself be used in any civil action or proceeding as evidence of negligence, or wrongdoing, on the part of that employer or employee, or give rise to a presumption, or inference thereof."

Sec. 7. (a) Section 8(a) of the Occupational Safety and Health Act of 1970 is amended by—

(1) inserting "(1)" immediately after the subsection designation "(a)";

(2) striking out "(1)" and inserting in lieu thereof "(A)"; and

(3) striking out "(2)" and inserting in lieu thereof "(B)".

Sec. 8. (a) Section 8 of such Act is amended by redesignating subsections (b) through (g) as subsections (c) through (h), respectively, and by inserting after subsection (a) thereof the following:

"(b) The Secretary shall provide reasonable advance notice to the employer to be inspected that an inspection will be made where (1) such notice would afford the employer an opportunity to have qualified management personnel or consultants present during the inspection and (2) where the Secretary has determined that such notice would not unreasonably hamper or defeat the purposes of this Act."

(c) Section 6(d) (as redesignated by subsection (a)) of such Act is amended by adding at the end thereof the following new paragraph:

"(4) In furtherance of the effectiveness of the provisions of this subsection, the regulations of the Secretary may require, or otherwise provide for, appropriate physical examinations of employees upon the inception of their employment in a particular activity, or the effective date of the regulation, as to those who are employed in such activities on that date. In prescribing such regulations, the Secretary shall take into account the type of activity, or industry, the hazardous nature of the particular employment and the benefits in connection with the purposes of the Act which may accrue by requiring such examinations. Records of examinations made pursuant to this provision shall be maintained by the employer and be available to the Secretary in performing his duties under this Act, pursuant to the regulations of the Secretary."

Sec. 9. Section 9 of the Occupational Safety and Health Act of 1970 is amended to read as follows:

"NOTICES

"Sec. 9. (a) If, upon inspection or investigation conducted in accordance with the provisions of section 8, the Secretary or his authorized representative believes that an employer has violated a requirement of section 5 of this Act, of any standard, rule, or order promulgated pursuant to section 6 of this Act, or of any regulations prescribed pursuant to this Act, he shall with reasonable promptness issue a notice to such employer. Each notice under this section shall be in writing and shall describe with particularity the matter of violation including a reference to the provisions of the Act, standard, rule, regulation, or order alleged to have been violated. In addition, the notice shall fix a reasonable time for the abatement of the violation which reasonable time shall in no event be less than ninety days, and the notice shall contain with particularity a suggested course or courses of action which if taken by the employer will abate the violation. The Secretary may prescribe procedures for the notification in lieu of the notice required by this section with respect to di minimus violations which have no direct or immediate relationship to safety or health violations.

"(b) Each notice issued under this section, or a copy or copies thereof, shall be prominently posted, as provided in regulations of the Secretary, at or near each place a violation referred to in the notice occurred. Such posting shall not be required after (1) the date on which the violation is abated, or (2) thirty days after the Secretary has referred the matter to the Attorney General as provided in section 10(a), whichever occurs later.

"(c) No notice may be issued under this section after the expiration of six months following the occurrence of any violation.

"(d) Any employer inspected under section 8 who has been found to be not in compliance with any rule or standard adopted or promulgated under sections 6 (a), (b), or (c) shall not receive a notice for such violation if he is able to show (1) that implementing such rule or standard would not materially affect the safety or health of his employees in the facility inspected, (2) that he has employed alternative procedures to protect his employees from the hazards contemplated by the rule or standard which are as effective in protecting the safety and health of his employees, or (3) that he has furnished adequate notice and exerted all reasonable efforts, pursuant to such regulations as the Secretary may prescribe, to obtain the compliance of his employee, that such violation was attributable to such employees, and that he could not otherwise have reasonably prevented such violation.

"(e) A citation which is not issued in accordance with the provisions of section 8(a) and 8(f) shall be of no force or effect."

SEC. 10. Section 10 of the Occupational Safety and Health Act of 1970 is amended to read as follows:

"PROCEDURE FOR ENFORCEMENT

"SEC. 10. (a) If the period specified for the abatement of any violation in a notice issued under section 9 has passed and the employer has failed to correct the violation for which the notice was issued, the Secretary shall refer the matter, together with all relevant information, to the Attorney General for the institution of proceedings under this Act.

"(b) Any civil action brought under this section shall be brought under the name of the United States in the United States district court for the district where the violation was alleged to have occurred or where the violator has his principal office. In any action brought under this section, trial in the district court shall be de novo.

"(c) In assessing civil penalties in accordance with section 17 of this Act, the court shall give due consideration to the appropriateness of the penalty with respect to the size of the business of the employer being charged, the gravity of the violation, the good faith of the employer being charged, and the history of previous violations.

"(d) Whenever an employer has corrected a violation subject to a notice under section 9 in the period specified in that notice, no action shall be brought with respect to that violation for the enforcement of penalties under section 17 of this Act.

"(c)(1) No person shall discharge or in any manner discriminate against any employee because such employee has filed any complaint or instituted or caused to be instituted any proceeding under or related to this Act or has testified or is about to testify in any such proceeding or because of the exercise by such employee on behalf of himself or others of any right afforded by this Act.

"(2) Any employee who believe that he has been discharged or otherwise discriminated against by any person in violation of this subsection may, within thirty days after such violation occurs, file a complaint with the Secretary alleging such discrimination. Upon receipt of such complaint, the Secretary shall cause such investigation to be made as he deems appropriate. If upon such investigation, the Secretary determines that the provisions of this subsection have been violated, he shall bring an action in any appropriate United States district court against such person. In any such action the United States district court shall have jurisdiction, for cause shown to restrain violations of paragraph (1) of this subsection and order all appropriate relief including rehiring or reinstatement of the employee to his former position with backpay.

"(3) Within ninety days of the receipt of a complaint filed under this subsection, the Sceretary shall notify the complainant of his determination under paragraph (2) of this subsection."

SEC. 11. Section 11 of the Occupational Safety and Health Act of 1970 is amended to read as follows:

"AFFIRMATIVE DEFENSES

"SEC. 11. (a) It shall be an affirmative defense to any proceeding under this Act that—

"(1) the employer furnished adequate notice and exerted all reasonable efforts, pursuant to such regulations as the Secretary may prescribe, to obtain the compliance of his employees and the violation of the Act was attributable to such employees and the employer could not otherwise have reasonably prevented the violation;

"(2) the employer did not receive at least thirty days prior actual notice of a standard not adopted pursuant to title 5, chapter 5, United States Code, when the violation charged relates to such a standard; or

"(3) the standard which is the subject of the violation charged, would not have effectively constituted an improvement of occupational safety and health in the circumstances under which the charged is brought."

SEC. 12. Section 12 of the Occupational Safety and Health Act of 1970 is amended to read as follows:

"COMPLIANCE AGREEMENT

"SEC. 12. Whenever the Secretary determines the purposes of this Act will be best served by so doing, he is authorized to enter into an agreement with an employer believed to be in violation of an occupational safety and health standard promulgated pursuant to section 6 of this Act under which enforcement and penalty provisions are waived or deferred upon condition that the employer will voluntarily comply with the applicable standard upon such terms and conditions as the Secretary determines appropriate under the circumstances. Failure of an employer to abide by such an agreement may be taken into account in resulting enforcement and penalty procedures."

SEC. 13. Section 14 of the Occupational Safety and Health Act of 1970 is repealed.

SEC. 14. (a) Section 17(b) of the Occupational and Health Act of 1970 is amended to read as follows:

"(b) Any employer who has received a notice for a serious violation of section 5 of this Act, or any standard, rule, or order promulgated pursuant to this Act, or of any regulation prescribe pursuant to this Act and has failed, within the time prescribed in such notice, to correct such a violation, shall be assessed a civil penalty of up to $1,000 for each such violation."

(b) Section 17 of such Act is amended by striking out subsections (c), (f), (j), and (l), and by redesignating subsection (d) as subsection (c), subsection (e) as subsection (d), subsections (g) through (i) as subsections (e) through (g), respectively, and subsection (k) as subsection (h).

(c) Section 17(c) (as redesignated by subsection (b)) of such Act is amended by—

(1) striking out the word "citation" and inserting in lieu thereof the word "notice"; and

(2) striking out "(which period shall not begin to run until the date of the final order of the Commission in the case of any review proceeding under section 10 initiated by the employer in good faith and not solely for delay or avoidance of penalty)".

SEC. 15. Section 18(c)(2) of such Act is amended by striking out "at least as effective" and inserting in lieu thereof "identical".

SEC. 16. Section 21 of such Act is amended by changing the heading thereof to read as follows:

"TRAINING, EDUCATION, AND TECHNICAL ASSISTANCE"

and by adding at the end thereof the following new subsection:

"(d)(1) In order to further carry out his responsibilities under this section, the Secretary shall visit the workplaces of employers for the purpose of affording consultation and advice to such employers. Such visits (A) may be conducted only upon a valid request by an employer for consultation and advice at the workplace on the interpretation or applicability of standards or on possible alternative ways of complying with applicable standards, and (B) shall be limited to the matters specified in the request affecting conditions, structures, machines, apparatuses, devices, equipment, or materials in the workplace. Where, after evaluating a request by an employer pursuant to this subsection, the Secretary determines that an alternative means of affording consultation and advice is more appropriate and equally effective, he may provide for such alternative means rather than onsite consultation.

"(2) The Secretary shall make recommendations regarding the elimination of any hazards disclosed within the scope of the onsite consultation. No visit authorized by this subsection shall be regarded as an inspection or investigation under section 8 of the Act and no notices or citations shall be issued nor shall any civil penalties be proposed by the Secretary upon such visit, except that nothing in this subsection shall affect in any manner any provision of this Act the purpose of which is to eliminate imminent dangers.

"(3) Nothing in this subsection shall be deemed to require the Secretary to conduct an inspection under section 8 of the Act of any workplace which has been visited for consultative purposes. The failure of the Secretary to give consultation and advice regarding any specific matter during a consultation visit shall not preclude the issuance of appropriate citations.

"(4) In prescribing rules and regulations pursuant to this subsection, the Secretary shall provide for the appropriate separation of functions between officers, employees, or agents who conduct visits pursuant to this subsection and officers, employees, or agents who conduct inspections or investigations under this Act."

SEC. 17. (a) The heading of section 28 of the Occupational Safety and Health Act of 1970 is amended to read as follows:

"ASSISTANCE TO EMPLOYERS"

(b) Section 28 of such Act is amended by adding at the end thereof the following new subsections:

"(e)(1) Whenever it appears to the Secretary that it is necessary to assist employers with less than one hundred employees during the preceding calendar year to comply with the applicable standards promulgated pursuant to section 6 of this Act or standards adopted by a State pursuant to section 20 of this Act, the Secretary shall provide technical advice, assistance, and consultation, either directly or by way of a grant, to such employers to assist them in so complying.

"(2) The assistance provided by this subsection shall not include the actual cost of devices or procedures required by this Act.

"(f) Upon the application of an affected employer, the Secretary is authorized to make a grant to that employer for the cost incurred by him in complying with a standard adopted or promulgated without compliance with the provisions of chapter 5 of title 5, United States Code, if that standard was replaced by the Secretary with a standard which could have reasonably been adopted at the time the replaced standard was adopted or promulgated and the affected employer was required to comply with the later standard. Grants under this subsection to the employer shall be equal to the costs incurred by the affected employer which would not have been incurred if the later standard had been adopted or promulgated initially. For the purpose of making such grants, the Secretary is authorized to adopt schedules based upon average cost data of complying with any such standard."

SEC. 18. The amendments made by this Act shall take effect on the first day of the month beginning sixty days after the date of enactment of this Act.

CONGRESSMAN WYDLER DEMANDS HALT TO DUMPING OF SEWAGE SLUDGE NEAR LONG ISLAND

HON. JOHN W. WYDLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 4, 1974

Mr. WYDLER. Mr. Speaker, all of us have been deeply concerned with the problems of pollution of our Nation's water's in the past few years. We, in the Congress, have passed many programs establishing Federal policies to clean up and protect the precious natural resources that we possess as a Nation.

We have passed restrictions on ocean dumping and imposed strict requirements on any proposals to drill for oil in our waters, in order to protect the people in the New York and Long Island area.

A GROWING MENACE

My Fifth Congressional District has many miles of precious beaches in the Long Beach and Atlantic Beach areas and many stretches of ocean waters which are affected by the dumping of any materials into the ocean. For years the city of New York has dumped sewage sludge about 10 miles from the Long Island shore. While no immediate problems to our beaches were evident before, there are indications that this situation is a growing menace to the health and beauty of the beaches in the Fifth Congressional District.

PROTECTING THE FIFTH CONGRESSIONAL DISTRICT

I have demanded, from the appropriate Federal agencies, that an end to this practice be a matter of urgent national priority, and have received assurances that there will be attempts made, at once, to change the site of this dumping to an area much farther from the Long Island shore, where there will be no danger to our beaches and waters.

EARLY ACTION ON PROBLEM

The background of this matter is as follows: In December of last year, I, like most Long Islanders, read with concern the story in the New York Times relating to the spread of sewage sludge toward Long Island.

As I reported on December 24, 1973, the newspaper story stated that the sludge had moved to one-half mile off Atlantic Beach, and a map showed the spread from the dumping area 10 miles off our shore almost to our shoreline.

I read the story on a flight to Washington, and immediately on arrival, called the Environmental Protection Agency, which issues permits for the sludge dumping. I arranged for a meeting the following morning with representatives of the EPA and the National Oceanic and Atmospheric Administration—NOAA—which is studying the sludge dumping problem.

The next morning the heads of the EPA and NOAA met with me, as arranged, and we discussed the emergency. Little was known about the actual situation, although since last summer NOAA has been making a comprehensive survey of the water and ocean floor in the area. I asked for some immediate and preliminary results, and also discussed moving the dumping site many miles further out to sea. The danger in doing so, however, would be that the new location could be affected by currents that might carry the sludge more quickly to our shoreline.

That same afternoon, I had the preliminary results of NOAA's survey. They were inconclusive, but did not indicate any general movement of the sludge area closer than 6 miles to our shores. A written report was promised me in a few days.

I then called Prof. William Harris of Brooklyn College, who lives in Woodmere, and spoke to him at length. It was his findings which lead to the original newspaper story. He told me that he found one sludge spot about one-half mile off Atlantic Beach, but that the areas both closer to shore and further from shore were clean sand. His theory was that there might be a narrow belt of sludge running parallel to the beach about one-half mile off shore, in the direction of the Silver Point Jetty. His theory is that the sludge had been carried there by the tides.

I asked that steps be taken to get more facts, as the basis for action that could help. NOAA also sent out a special ship, the *Rorqual*, to investigate the situation. The main report was speeded up; and I requested that a study be made of a new dumping site further from our Long Island shore so we can move to it if it is necessary.

We on Long Island have opposed offshore drilling to protect our beaches from oil pollution, but the dumping of sewage sludge from New York City presents a clear and present danger to our waters and beaches that requires more than anguished cries and demands for action. It requires action itself to preserve our precious natural resources of clean ocean water over a clean ocean floor.

MOVING THE DUMPING SITE AWAY FROM LONG ISLAND

During the emergency meeting with the representatives of the Environmental Protection Agency's ocean disposal program and the people from NOAA, I suggested that immediate steps be taken to move the dumping site further from the Long Island shores. I stated quite clearly that this should be done without delay so that the appropriate governmental agencies could plan accordingly for the future and not claim surprise. Subsequent to this meeting, I had Mr. Richard T. Dewling, Director of Surveillance and Analysis for the EPA's Region II in New York, fly to Washington, D.C., to meet with me on the problem. At this meeting, I completely reviewed the matter with Mr. Dewling and although hearings were imminent on the renewal of dumping permits, I impressed upon him my demand that new sites be immediately considered and chosen for the future.

It has now been announced that such new sites are being considered and the involved Government agencies have been put on notice that the present site close to the shores of Long Island will not be approved in the future. In addition, I have contacted the U.S. Corps of Engineers and obtained their agreement to meet with and work with the EPA and State and local authorities for the purpose of establishing alternate courses of action to be taken in this matter. I am convinced that all parties now understand the seriousness of the situation and wish to move affirmatively to bring to an end the sewage sludge dumping close to our shore. I will continue to see that such action is taken.

SAFETY FIRST

My special aim is to see the sewage sludge dumping site moved to Area Two, which would be five times further from the Long Beach and Atlantic Beach shores than the current site. In the meantime, I will see that the biweekly monitory program for our bathing beaches is continued so that people using our facilities will be safe and secure. They deserve nothing less.

THE DUAL BANKING SYSTEM—ITS FUTURE IN DOUBT

HON. RICHARD T. HANNA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 4, 1974

Mr. HANNA. Mr. Speaker, one of the hallmarks of our Nation's financial structure has been the Dual Banking System whereby commercial banks may be chartered and regulated by either the Federal Government or by the several State governments. While the general public may, by and large, be unaware of this distinction, it is, nonetheless, an important factor in the protection of the public interest. The dual system is a structural feature which encourages competition in the banking field.

My concern, Mr. Speaker, is that the value of the dual system not be lost sight of in the weeks and months ahead as the Congress and the Federal regulatory authorities look to general financial institutional reform. There are already signs of an attempt to weaken, if not abandon, the system. I refer to the Federal Reserve Board's desire to require State chartered banks to "affiliate" with the national system. Leaving aside for the moment the obvious questions of constitutionality and violation of the spirit of existing statutory law, the practical consequences for the depositing and borrowing public is of very real concern to me. It is unwise, Mr. Speaker, for such a fundamental policy change as the Fed proposes to be made by anyone other than the Congress. If a case can be made for the abolition of the dual system, let it be made in the public forum afforded by the legislative process wherein all interested viewpoints will be heard. Backdoor policymaking such as is engaged in by Federal regulatory agencies from time-to-time should not be tolerated by the Congress.

THE SORRIEST SPECTACLE OF ALL

HON. FRANK J. BRASCO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 4, 1974

Mr. BRASCO. Mr. Speaker, some few astute observers of the contemporary scene have predicted that the future domestic cost of our Vietnam involvement will cost us far more in every way than what we actually paid for that bungled misadventure. That view was at least proven partially true last week in Washington because of events surrounding Federal treatment of the 2.5 million veterans of that conflict.

Americans are civic-minded; do-gooders, if you will. They like to express their concern for things, good and bad. Such sentiments are reflected here in the Congress. Resolutions are passed. We exhort our fellow citizens to give to one charity or another, to aid in the conquest of one or another affliction, to eat more or drink less of some substance. And Congress goes on record as being for God, mother, and country in a variety of forms, belaboring the obvious and charging with loud cries against and through doors which are already open.

Nor is there anything wrong per se with such behavior, although it has at times reduced the meaning and effectiveness of a general expression of congressional sentiment. Recently, among our expressions of concern, there was something about Vietnam era veterans.

In turn, the White House proclaimed a day embodying similar expressions of good will and feeling. Again, a thumping series of non sequiturs which on the surface harmed no one while benefitting no one. Meaningless mouthings of nice thoughts. Little did anyone realize how outraged veterans would react as a result of all this.

However, looking at it from the veteran's side of things, their rage becomes suddenly understandable, highlighting a situation some of us suspected but none of us truly understood, until now.

As the veterans tell it, with increasing frequency and outrage, they are not attaining access to a full range of veteran's benefits previous generations of returned service personnel obtained. At first, when such claims were made, most Americans dismissed them as aberrations. I do recall a time last year when air-conditioning was shut off in all or many Veterans' Administration hospitals. When Congress voted to shut off all air-conditioning at the Office of Management and Budget, suddenly the air-conditioning at the hospital facilities was restored to the budget. But again, most of us dismissed such signs as an aberration. We should have known better.

Last week, these veterans, numbering several thousand, came in outrage to Congress, and more of the true state of affairs came to light. None of these men were draft dodgers seeking a free ride of any kind. All had served honorably. Many had been wounded. Some were in wheelchairs. Many had also been decorated for bravery. And what they told Congress has shocked me to my very core, as an American, as one who has served in the military and as an ordinary man.

What these men complained of was a lack of delivery of the most vital services. All of them are seeking to carve out new lives. Many are married with children—small children. A number are pursuing educations of various kinds. Not only are their money benefits not enough to help them make ends meet while educating themselves; many of them are not receiving their benefits on time. As a result of this nondelivery of what are proving to be inadequate benefits, they are not able to pay tuition, feed their families, and maintain roofs over the heads of their families. We could send those men to war, but we cannot deliver their benefits on time. What is Mr. Johnson, the VA Administrator, running downtown? Certainly it is a national shame and scandal that his agency cannot deliver checks on time to these people. Do the Russians fail to deliver such benefits to their veterans? This is a disgrace for us before the entire world.

It is my understanding from what many of these veterans said that conditions in VA hospitals around the Nation leave more than a little to be desired. Also, that such complaints have been inundating the Veterans' Administration for some time, and that little or nothing has been done in response.

I have cosponsored, supported, and voted for the full range of veterans benefits over the years I have been here in the Congress, always in good faith and without partisanship. This is one of those issues, like pensions and benefits for the elderly, which is a national, non-partisan responsibility. Once these measures pass Congress and are funded, it has previously seemed that we have done our duty and fulfilled our responsibility. Evidently, it was erroneous for people like myself to believe that the programs were adequate and would be honestly and fairly administered. Certainly they are not being competently administered, for obviously it is too much for the VA, with its vast resources, personnel and facilities, to get checks out in time to these people.

What chokes me most is the spectacle of the leaders of the Nation, out before the media, spouting pious mouthings about how right Vietnam was and how much we should honor our veterans. This is the rankest kind of cant, and goes far to explain, to me at least, the extreme outrage expressed by so many of these young men last week. To ask so much of them. to promise so much to them, to deny most of it to them and then to spout off about how much we owe them is noxious and hypocritical. Rather, let the President tell his political appointees at the VA to get those benefits out on time, and to use punitive measures upon any ranking person who does not fulfill his responsibilities.

I am not a senior Member of this House. I have no power to call a committee or even a subcommittee into session. What I do possess is a vote and a voice.

The leadership of this body can convene the appropriate committees concerned with veterans and with appropriations powers. Legislative oversight hearings have not been unknown in the history of Congress, and I believe the time has arrived for such a probe into what is going on at the Veterans' Administration. Perhaps it might do for some of the powers-that-be here to make Mr. Johnson come up and explain, step-by-step, how checks are mailed and why this situation is uncorrected at this time. Just once, let Congress act and prevent the buck from being passed and passed again. Simple justice requires such an initiative. If not, then in spite of what the President has done, the blame is equally ours.

THE 56TH ANNIVERSARY OF BYELORUSSIAN INDEPENDENCE

HON. ELLA T. GRASSO

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 4, 1974

Mrs. GRASSO. Mr. Speaker, on March 25 the 56th anniversary of the proclamation of independence of the Byelorussian Democratic Republic was celebrated.

This date was truly an important milestone for the freedom-loving people of Byelorussia and for their many friends throughout the world.

The gallant people of this state, now under the iron hand of the Soviet Union, have for many centuries been victims of invasions and oppression. Byelorussia attained statehood through unification in the 13th century. Foreign domination came first from the Mongols, then the Teutonic knights, the Poles, the Germans, and finally the Russians. Yet, through all their trials, the valiant citizens of Byelorussia passed on the torch of liberty from generation to generation striving always to become a truly free people.

Independence came fleetingly in 1918, when the Byelorussian Democratic Republic was established. Yet, soon the infant nation was overrun by the Soviets. Throughout Russian domination, the people have continually sought to regain their freedom, mounting bloody insurrections in 1920, 1922, and 1944, in an effort to make Byelorussia once again an independent state. A harsh period of retaliation by the Soviets followed the 1944 uprising, yet attempts to wipe out Byelorussian culture, language, religion, and nationalism failed.

Byelorussians throughout the world retain their determination to make their state free and independent again in the future. The hard-working and diligent character of these people is reflected admirably in the accomplishments and valuable contributions made by Americans of Byelorussian descent in Connecticut and through the Nation.

Let us take this opportunity to renew our commitment to freedom for the captive people of Byelorussia, who desire and deserve a restoration of basic human rights in their country.

YOUTH OF THE 1970'S

HON. RON DE LUGO

OF THE VIRGIN ISLANDS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 4, 1974

Mr. DE LUGO. Mr. Speaker, it has become vogue to classify the youth of the 1970's as a generation of apathetic children. I would like to bring to the attention of my colleagues an example contrary of this harsh generalization.

Recently, a group of Charlotte Amalie High School students noticed that a walk of historic value was being concreted over by the Department of Public Works. The students became actively disturbed over the cultural destructiveness and evident illegality of this act. After an organized demonstration and subsequent unsuccessful confrontation with the St. Thomas Administration, these teenagers sought the advice of a teacher, Mrs. Edith Woods, and a local attorney, Mrs. Edith Bornn. The student group approached the planning board and pointed out that the aforementioned walk was in a historical district and, therefore, required board permission to be altered. The Board concurred and ruled the action of the Public Works Department illegal.

I wish to salute these students who have shown us all their personal commitments and provided a lesson in positive citizen action. Their concern, motivation, and determination resulted in a success that proves the power available to an organized group of individuals striving to see the law fulfilled.

A detailed account of their activities and an editorial comment follow:

Art Students Win Sidewalk Protest

A group of Charlotte Amalie High School art students has won a victory over the government in an attempt to salvage a historic sidewalk.

The students had noticed several weeks ago that a blue-stone walk in front of Memorial Moravian Church was being paved over with concrete by the Department of Public Works.

They made unsuccessful attempts to draw the attention of various government officials to the situation and finally demonstrated on the site last week.

After a run-in with St. Thomas Administrator Richard Maguire, they sought aid from concerned adults and attracted the attention of Mrs. Edith Bornn, local attorney.

Mrs. Bornn and one of the group, Myron Jackson, approached the planning Board and pointed out that the walk is in the Historic District and cannot be altered without the Board's position.

The Board concurred, noting it had not been informed by the government of the paving, and ruled that the government's action had been illegal.

They further invited Commissioner of Public Works John Harding to appear with any of his staff to discuss ways of removing the paving and restoring the sidewalk.

One of the group's teachers, Mrs. Edith Woods, who had been advising them on the matter, noted that the walk had also included marble plaques of historic value.

Mrs. Woods further stated that the students have organized into a group called Students for the Preservation of Historic Sites and intend to maintain their watch on alterations in the district.

Mrs. Bornn commented that the students had spent two weeks going from one Government office to another, with no success.

"Even if they had not won their case," commented Mrs. Bornn, "to have gained such a group of concerned young citizens is worth it all."

An Encouraging Lesson

A group of Charlotte Amalie High School students this week won a favorable decision from the Planning Board in a dispute concerning the meaningfulness of the Historic District, and at the same time, we trust, received a hopeful and encouraging lesson about citizen participation in government.

The students, members of an art class studying examples of historic St. Thomas architecture as a special project, became concerned several weeks ago when Public Works paved over with concrete a blue stone walk in front of the Memorial Moravian Church. The students felt strongly that this example of 18th century stonework, which reportedly also includes marble plaques of historic value, should not have been simply paved over and obliterated. They felt even more strongly that this should not have been done by the government itself in the Historic District, where by law any such changes must be approved by the Planning Board.

The first government official the students ran into was the St. Thomas administrator, who was far from sympathetic and advised them to concentrate on picking up litter and forget about the sidewalk. They persevered, however, picketing and handing out leaflets and finally with the assistance of a local attorney were able to put their case before the Planning Board. The board ruled that the government had violated its own laws by doing such work in the Historic District without Planning Board approval, and has directed the Public Works to appear to discuss ways of removing the paving and restoring the sidewalk.

What happened here, as it does in so many other cases, was that one arm of the government didn't know what another was doing, and that one department was apparently unaware that it was breaking a law. The students deserve credit for sticking to their guns and insisting that the administration obey its own rules and regulations. Preserving the blue stone walk, if possible, is important, but even more important is the need for government itself to behave lawfully, for if the government is to set a pattern of flouting the law there can be little expectation that the private sector will respect the law.

We trust that the young CAHS students will have learned from their victory the power of an aroused and concerned citizenry, and that in the future they will continue to show such civic concern.

TREZEVANT HIGH SCHOOL GIRLS—TENNESSEE STATE CHAMPS

HON. ED JONES

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 4, 1974

Mr. JONES of Tennessee. Mr. Speaker, I would like to take this opportunity to congratulate the Trezevant High School Girls' Basketball team on winning the Tennessee State Basketball Championship.

These girls have practiced and played hard all season and certainly deserve this coveted title. Much of the credit, however, is due Coach Richard Welch for molding his team into the powerful unit it is.

The secret of a winning team in any sport is its ability to work together for the whole; which in the case of the Trezevant Lady Devilettes, was winning the State championship.

I am proud of these young women and of their spirit of fair play.

TESTIMONY FOR THE URBAN EMPLOYMENT ACT

HON. JAMES V. STANTON

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 4, 1974

Mr. JAMES V. STANTON. Mr. Speaker, in the past 2 days, I have inserted into the Record the testimony of leaders of busines and Government that was given in conjunction with my own in support of H.R. 5808, the Urban Employment Act. I today insert the testimony of the distinguished labor leader who accompanied me at the hearings before the House Economic Development Subcommittee, Sebastian Lupica, executive secretary of the Cleveland AFL–CIO Federation of Labor.

The testimony follows:

Presentation to the House Public Works Committee in Behalf of H.R. 5808, the Urban Employment Act

Mr. Chairman, members of the committee—I am Sebastian Lupica, executive secretary of the Cleveland AFL–CIO Federation of Labor.

I represent more than 130,000 union members and their families.

I urge you to support H.R. 5808, which would provide for the establishment of industrial land banks.

I want to speak particularly about the ways unemployment has hurt the Cleveland area. Passage of this legislation would help the current employment picture in the greater Cleveland area. And—we need that help.

We need to be able to keep industry in Cleveland. We need the jobs—but that is only one of the reasons. Figures show that the city of Cleveland has lost more than 4 million dollars in tax money as the result of industries moving away. This tax loss has affected city services and our Cleveland school system.

The city of Cleveland is operating on a near deficit level because of income tax revenue being substantially lower. This again is partially the result of the loss of industry.

You may question why an employee does not follow his employment. There are several important reasons. Usually, it just is not possible for him to do so. Many industries move into suburbs far removed from public transportation and as a result some employees find it impossible to reach the job. Or, because of the length of time it would take for an employee to reach his employment, it makes holding the job a physical impossibility. In a city the size of Cleveland a move to the suburbs could create the necessity for a worker driving 40 to 50 miles a day. Many times a move is combined with a merger of companies and the subsequent elimination of departments and workers.

When the industry moves out of the area most workers are not able to pull up stakes and follow the employment. Unlike the transfer of management personnel, companies do not pay for moving expenses, allowances for losses on the sale of property, etc. for the blue collar workers.

One of the other major factors is that many of the employees of an established industry are older workers. They can't find a place of new employment in an already declining job market because of their age.

All of this Mr. Chairman adds up to unemployment.

Unemployment figures in Cleveland during the last quarter indicate some 45,000 persons unemployed. There are figures to indicate that there is an approximate unemployment rate in the inner city at the present time of 18%. This is the largest figure in the State of Ohio and possibly one of the highest in the Nation. When considering our total community, this rate drops, of course, but all indications are that the rate for the area is about 10%—which again is substantially higher than national average.

We all know and recognize that unemployment causes a drain on the State unemployment compensation funds; creates a loss of purchasing power, with all of the resulting factors, including the additional unemployment that results therefrom; creates higher welfare rolls, because when the unemployment compensation runs out a person usually has no other recourse; and, unfortunately, for many it means the loss of fringe benefits earned over the years such as pensions, severance pay, and vacation pay. The severity of the situation in connection with vested pension rights is such that there is now proposed legislation in Congress which would establish guidelines in this regard.

H.R. 5808 could serve to help large cities such as Cleveland stem the tide of fleeing factories. Our people—who are suffering from unemployment—need this help. We plead with you to give this legislation your support.

LA TRIBUNA AND CLUB ESPANA—HAPPY ANNIVERSARY

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 4, 1974

Mr. RODINO. Mr. Speaker, the weekend of March 23 and 24 was indeed a time of great festivity and celebration for a number of Spanish families throughout my district. Saturday night marked the ninth anniversary of Club Espana and Sunday afternoon, Carlos Bidot, director of the well respected North Jersey Spanish newspaper, La Tribuna, held a luncheon and dance to honor his publication's 12th anniversary.

When we ask ourselves what is the thread that ties one generation to the next, how do we pass down the beauty of our traditions, customs, culture, and history to our children, we need look no further than the events of this March weekend. For what better place than the Club Espana to share and to develop the richness of the Spanish legacy? And, what better way to keep in constant touch with the events, past and present, of a people than through a newspaper dedicated solely to emphasizing activities of interest to the Spanish-speaking men and women in our communities.

One organization complements the other. And, I have no doubt that both anniversary celebrations were filled with much happiness. It is my hope that for many years to come, Club Espana and La Tribuna will continue their invaluable contributions to the preservation of these precious gifts which our citizens of Spanish descent have brought to all Americans.

COMMANDER OF VFW CALLS FOR REPLACEMENT OF VETERANS' AFFAIRS ADMINISTRATOR

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 4, 1974

Mr. ANDERSON of California. Mr. Speaker, on April 2d the commander in chief of the Veterans of Foreign Wars, Ray R. Soden, sent a telegram to President Nixon expressing his indignation over the administration's lack of sufficient leadership capable of providing adequate benefits to our war veterans.

In his telegram Commander Soden urged the President "to place competent leadership at the helm of the Veterans' Administration." Therefore, I am joining him and many of my colleagues in urging the prompt replacement of Donald E. Johnson as the Administrator of Veterans' Affairs; and replacing him with someone who has not only the heart to understand some of the current inadequacies but also the experience and skills to solve them.

Mr. Speaker, I insert into the Record the entire contents of Commander Soden's timely telegram:

Washington, D.C., *April 2, 1974.*

The President,
The White House,
Washington, D.C.

I was completely baffled by the contents of your recent address to the nation concerning veterans and veterans benefits.

It was announced several times by radio news personnel that you would speak on legislation. You reiterated your recommendation of a stingy 8% incease in education rates when it is well known the Congress will enact legislation authorizing substantially greater increases.

The recommendations of your administration concerning the national cemetery system are grossly inadequate. They fail miserably to provide the honor of burial in national cemeteries reasonably close to areas of veterans residences. The proposal to eliminate the VA burial allowance is a shame on the Nation.

The pension "reform" program as proposed in your message to the Congress and by the administrator of veterans affairs would in reality deny pensions to 75% of new applicants in the future because of retirement pay and earnings of spouses. This recommendation is inconceivable.

GI home loans for Vietnam veterans are practically nonexistent. Unemployment for Vietnam veterans is on the increase. The least your administration could do for veterans in need of jobs is to insist that governmental contractors—all of them—be required by law or executive order to give veterans preference to Vietnam veterans; and, in addition, teeth must be placed in the law or the order that would require fine and/or imprisonment if found guilty of violation. This type consideration was, and is being used today for certain segments of our society—why not for our Vietnam veterans?

The establishment of a committee of cabinet members chaired by the administrator of veterans affairs offers no hope of effective recommendations for solutions of existing problems in the administration of veterans benefits. Their personal knowledge is essentially nil and it can be presumed they will merely vote on a final report prepared by designated underlings who are likewise without the knowledge and judgment skills in this area essential for accurate conclusions and effective recommendations.

After administering large scale educational programs since the end of World War II, it is contemptuous for the Administrator of Veterans Affairs to offer ridiculous excuses for check delays which in many instances have caused young veterans to discontinue educational pursuits. How Office of Management and Budget Personnel can contribute to the solution of this continuing and inexcusable problem is certainly not evident. The answer is hard work and innovative approaches. Including placement of VA personnel—perhaps Vietnam veteran students employed for this purpose—on campuses to insure prompt submission of institutional certifications and reports as required.

It is absurd to assign the Administrator of Veterans Affairs to personally check and personally report on VA hospital and medical problems. This is somewhat analogous to the fox inspecting the chicken coop. It would be inane to expect the Administrator of Veterans Affairs to submit an adverse report on hospitals and medical programs for which he has been responsible for five years.

The needs of the Veterans Administration hospital system and medical programs are evident and no further study is required. They include increased funds, additional staff personnel, higher salary rates for many physicians, more special medical programs, effective admission system which will insure the admission and treatment of each veteran sufficiently ill to warrant hospitalization, a crash construction program to add hospital beds and skilled nursing home beds, revised domiciliary facilities, and modernization of existing facilities including air conditioning, and, perhaps even more important, the reestablishment of the integrity and authority of the position of chief medical director.

Shortly after your message to Congress, and revelation of the VA 1975 fiscal year budget request, I addressed you to emphasize the inadequacies of your legislative recommendations and the inept administration of veterans benefits, particularly the multitudinous delays of veterans payments, particularly educational program payments. No response has been received to date.

I again urge you to reconsider and revise your legislative recommendations and to place competent leadership at the helm of the Veterans Administration and in other vital positions in that agency to insure availability of first quality medical care and apt administration and prompt payment of direct benefits.

I respectfully request a prompt response.

Sincerely

Ray R. Soden,
Commander-in-Chief, Veterans of Foreign Wars of the U.S.

THE HONORABLE WILLIAM MAILLIARD

HON. WILLIAM A. STEIGER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 4, 1974

Mr. STEIGER of Wisconsin. Mr. Speaker, the departure from the Congress of the distinguished and able gentleman from California, Bill Mailliard, is a loss to the House of Representatives and to the United States.

During his 21 years of service to his district and his country, Bill Mailliard has exemplified the kind of committed and dedicated leadership with which this country has been so blessed. His service as a member of the Foreign Affairs Committee and the deep and abiding interest he has had in the Congress as an institution will long be remembered by all of us who had the opportunity to serve with him. Most especially, I shall miss him as a friend and counselor, one to whom you could go for advice.

Mrs. Steiger joins with me in extending our very best wishes to the Ambassador in his new career and our sorrow at his departure from the House of Representatives.

NIAGARA FRONTIER'S HERO COMES HOME

HON. HENRY P. SMITH III

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 4, 1974

Mr. SMITH of New York. Mr. Speaker, the Niagara Frontier will be bursting with pride on Monday as it welcomes home a "native son" who has become a real 20th century hero.

The son of Mr. and Mrs. Calder Gibson of 37 Deerhurst Park Blvd., town of Tonawanda, our hero was born in Buffalo on November 8, 1936. As a child, he was repeatedly hospitalized with potentially crippling osteomyelitis, but was cured when penicillin became available when he was eight. Encouraged by his father, he became proficient in athletics—running, football and swimming. As an 18-year-old lifeguard, he met his future wife, a hometown girl, Julie Anne Volk. They were married August 22, 1959 and now have four children, Jannet Lynn, John Edward, Julie Ann and Joseph Michael. He received a bachelor's degree from the University of Rochester in 1959, a master's degree in 1960 from the California Institute of Technology and a doctorate in engineering and physics from Cal Tech in 1964.

He joined the aeronautronic research lab of the Philco Corp., Newport Beach, Calif., in 1964 as senior research scientist. He was obviously a talented and special young man, but not yet one whom schoolchildren would look up to with awe and Presidents congratulate.

Then his wife showed him a newspaper article about the National Aeronautics and Space Administration's search for scientist astronauts. Edward George Gibson was on his way to becoming a national hero.

In June 1965, Dr. Gibson, a specialist in plasma physics—the study of ultra-hot gases—was one of six men chosen to be scientist-astronauts. He was sent to Williams Air Force Base, Ariz., for a year of pilot training. He then served as a member of the astronaut support crew and a capcom for the Apollo 12 flight. He participated in the design and testing of many elements of the Skylab Space Station, and wrote a textbook on solar physics, entitled "The Quiet Sun."

The rest is well known. Dr. Gibson was the science-pilot for Skylab 4—the third manned flight of the Skylab program. SL-4 was launched at 8:01 a.m., November 16, 1973. Splashdown was at 10:17 a.m., February 8, 1974. The crew holds all the individual and space endurance records with its 84 days, 1 hour and 15 minutes in space. Other record accomplishments include: 1,214 revolutions of the Earth, 34.5 million miles of space travel; completion of 56 experiments; performance of 26 science demonstrations and 22 hours and 18 minutes outside the spacecraft.

I think the Niagara Frontier is justifiably proud of its native-born hero. I will be joining the Buffalo chamber of commerce, the village of Kenmore, the Tonawandas and other area groups and localities on Monday as we salute Dr. Edward G. Gibson at a welcome home luncheon at Buffalo's Statler Hilton Hotel. Dr. Edward G. Gibson Week will be observed in the town of Tonawanda, April 7 to 13, and legislation was passed by the New York State Legislature to declare Monday, April 8, as Edward Gibson Day.

It has been said that the young people of today are given no heroes. The Niagara Frontier is proud to offer Dr. Edward G. Gibson to today's youth as an outstanding example of intelligence, courage, and patriotism

VIRGIN ISLANDS WILL REMEMBER HER

HON. RON DE LUGO

OF THE VIRGIN ISLANDS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 4, 1974

Mr. DE LUGO. Mr. Speaker, March 29, 1974, witnessed the closing of an outstanding public career of dedication to the Virgin Islands, library science, and historical preservation. For on that day, Miss Enid Baa, director of Libraries, Museums, and Archives of the Virgin Islands, retired from public service.

Miss Baa's published research and professional activities have received the acclaim of her colleagues throughout the Caribbean and the Nation. But it is in the Virgin Islands that she is most dearly loved and will be so warmly remembered.

Enid Baa is the individual most directly responsible for the successful development of the Virgin Islands Public Library System. In 1933, she was appointed head of the Department of Public Libraries—the first woman to hold a cabinet level office in the Virgin Islands Government—she began to improve the quality of our libraries. Due to her tireless efforts, the library system has increased in size and services.

But Miss Baa is also responsible for the largest and rarest collections of Virgin Islands historical materials. This Von Scholten collection was designated so in 1959, by Miss Baa. Since then it has grown in size to include hundreds of books, periodicals, and documents. It forms one of the most widely used research sources for scholars in the field of Caribbean studies.

Miss Baa's contribution to the Virgin Islands community surpasses these professional accomplishments. She has provided us all with a sense of our history, a preservation of a culture and unique identity that may have passed into oblivion without her. By preserving our past, she has helped to point us more confidently into the future. Through her work and the beautiful example that is her life, she has provided us with an immeasurable gift.

At this time, I would like to bring to the attention of my colleagues the following detailed biography of Miss Enid Baa:

BAA, ENID MARIA—SEPTEMBER 28, 1911

One of Virgin Islands' most scholarly citizens, Enid Maria Baa, was born on St. Thomas to Orlando Baa and his wife, Sarah nee Bufford.

Her formal training at Hampton Institute and later at Columbia University fortified her into receiving highest recognition in her field not only in the Caribbean but in continental United States as well as in the international library world.

Miss Baa's interest in Library Science was developed at an early age. Being one of the four first high school graduates in the island, she participated in the establishment of the first high school library, and took particular interest in this activity after class hours and during summer and Christmas holidays. To join the library club was a thrilling experience for Miss Baa as she not only enjoyed reading the books but also working with them. She demonstrated such keen interest in her studies on the whole that after graduation from High School in 1931 she was selected for the first Interior Department Scholarship and matriculated at Howard University in Washington, D.C. But she was destined to spend only a school year there because she was chosen by Governor Pearson and the Carnegie Foundation for another scholarship to the Graduate Library School at Hampton Institute. This Graduate School was discontinued at Hampton in 1936 but relocated at Atlanta University, Georgia where it is still functioning. Despite the fact that she was only in her second year as a university undergraduate, she completed this graduate course among the top third in the class of 1933 and returned to the Virgin Islands to be appointed by Governor Pearson as Supervising Librarian for the Virgin Islands. She was the head of the then Department of Public Libraries and the first woman to hold a cabinet level office in the Virgin Islands government.

From 1933 to 1943 Miss Baa worked with greatest of interest and zeal to improve the library system. The libraries of all three islands grew in size and the services they offered were widely accepted.

In January 1943, Miss Baa was selected as exchange librarian between the University of Puerto Rico and the Virgin Islands during which time she served for five months at the University of Puerto Rico.

In the fall of 1943, only ten years after her appointment in 1933, she returned to the U.S. and was matriculated at Columbia University to complete her undergraduate college work which was interrupted when she accepted the Carnegie Corporation scholarship to enter the graduate library school as a special student. Because of her professional librarian status she was employed as such at Columbia University Library as a preliminary cataloger, a position she held from 1944–48 while studying in the field of English literature and the humanities for which she received the B.S. degree in 1949, and from the Graduate School of Library Science was simultaneously conferred on her. She held various positions while in the U.S. following her Columbia University post: Fellow Librarian at Queen's College, Flushing, New York, 1948; Head of Serial Cataloging Section at the United Nations Library, Lake Success, New York, 1949–50, where she worked in English, Spanish, Portuguese and French languages; Reference Librarian and Cataloger of the Woodrow Wilson League of Nations Documents presented in July 1950 to the United Nations; Specialist in Cataloging of Spanish or Portuguese materials at the New York Public Library, Reference Division, at Fifth Avenue and 42nd Street in 1950–51.

A later but significant position offered to Miss Baa by Governor Morris de Castro was Library Consultant to the Governor of the Virgin Islands, August to December 1950 and again from 1951 to 1954. With the reorganization of the V.I. Government under the Revised Organic Act, she was appointed Director of Libraries and Museums under Governor Archibald Alexander, 1954, a position which she still holds.

In 1955 Miss Baa was awarded the John Hay Whitney Foundation Fellowship on the basis of her contribution to the preservation of the Sephardic Jewish Records of the Virgin Islands and the reorganization and indexing of these records in a card file. Her proposal was to continue graduate studies in this field. Unfortunately, she was unable to avail herself of its benefits and relinquished the Fellowship. This Index is an invaluable reference source to genealogists. It is here that one finds the family records of Virgin Islands outstanding Sephardim, such as Judah Philip Benjamin, Camille Pissarro, Da Costas, Monsantos, de Castros, de Solas, Yulees and other greats, who lived in these islands from 1880 to 1954.

She continues to work in this field and has published a paper entitled "Preservation of Sephardic Records" in American Jewish Historical Society Publications, v. 44, No. 2, December 1954.

This work organized the births, deaths, and marriages of this ethnic group who migrated to the Virgin Islands from Spain and Portugal via France, Netherlands, Denmark and Great Britain in the 17th century.

In 1960 Miss Baa represented the Virgin Islands Government at the 3rd UNESCO conference on Latin American and Caribbean Bibliography held at Mexico City.

In January, 1961, during the administration of Governor John David Merwin, Miss Baa was seconded by the Virgin Islands Government as Librarian in Charge of Caribbean Organization Library at San Juan, Puerto Rico. In this position she was also editor of the Current Caribbean Bibliography. Also in this capacity she served as Library Specialist for the Caribbean. Her secondement was graciously continued during the administration of Governor Ralph M. Paiewonsky who was considerate of all efforts to further closer Caribbean cooperation and development.

At the termination of this Caribbean Organization in June 1965, she resumed her substantive post in the Virgin Islands as Director of Libraries and Museums and again represented the Virgin Islands Government at the First Conference on Caribbean Archives held in Mona, Jamaica in September 1965, and in October at the First Conference on Conservation in Eastern Caribbean held at Caneel Bay, St. John.

She has traveled through most of the Caribbean countries, in Europe and the United States. Today, as Director of Libraries, Museums and Archives of the Virgin Islands, Miss Baa is credited with the initiation and preservation of one of the rarest collections of Virgin Islands materials housed in the Public Libraries.

This collection, known as the Von Scholten Collection was so designated by her in 1959 as a tribute to the courageous Emancipator of Danish West Indian slaves in 1848. The collection developed from a legacy of about thirty books in 1933 to its present stage of hundreds of rare books, newspapers, periodicals, & government publications in several languages, records, family photographs, Bibles, manuscripts, coins, etc. This room is probably the only memorial to the Danish Governor who was so deeply committed to the welfare of the slaves for whom he introduced free and compulsory education in 1839 and various other social & economic legislation. The collection is constantly growing and is very much used by students from all schools and colleges as well as scholars in the field of Caribbean studies.

She is a member of the American Library Association and was on that Association's governing body called the ALA Council from 1965 to 1967 and is still on the Committee for American Association of State Librarians. She was the first representative at ALA for the Puerto Rican Library Association of which she was a member while living in Puerto Rico. Miss Baa has been an affiliate of other professional associations, such as The Library Association (British), and the Association of Special Libraries, Institutions and Bibliographers (ASLIB). She is also active in Council on the Arts, Friends of Denmark, Caribbean Historical Association, of which she is the Treasurer, Virgin Islands Conservation Society, American Jewish Historical Society, International Platform Association, and was elected in 1970 to Centro Studi e Scambi Internazionali of Rome. Italy for her contribution in Caribbean bibliography.

SELECT COMMITTEE ON COMMITTEES' MISCONCEPTION IN DECIDING TO PLACE THE JURISDICTION OF SEABED RESOURCES IN THE PROPOSED COMMITTEE ON ENERGY AND THE ENVIRONMENT

HON. LEONOR K. SULLIVAN

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 4, 1974

Mrs. SULLIVAN. Mr. Speaker, on March 21, 25, and 26, and on April 1, 1974, I inserted articles in the RECORD in which I discussed the faulty decisions of the Select Committee on Committees in transferring the existing Merchant Marine and Fisheries Committee jurisdictions over Panama and interoceanic canals, oceanography, marine mammals, and the national sea grant college program to other committees. Today, I would like to discuss the select committee's incorrect recommendations with respect to deep seabed mining which has always been under the unified oceanography and related ocean-oriented jurisdictions of the House Committee on Merchant Marine and Fisheries.

The deep seabeds in question are the vast oceanic plains lying beyond the continental margins and under the high seas, the last unclaimed areas of the world. In many places the surface of the deep seabed is covered with manganese nodules containing manganese, copper, cobalt, and nickel which, it appears, can now be recovered commercially from several thousand feet below the water. There may also be other mineral resources not as yet discovered, or, ones, such as siliceous oozes, not yet examined in detail. The lack of sedimentary formations, such as found on the continents and their shelves, gives little promise of oil and gas and coal.

Questions of jurisdiction over U.S. companies which seek to exploit these resources on the high seas and outside the jurisdiction of any nation have been raised in the Congress by several bills seeking to establish a pattern of regulation of enterprises engaged in these activities. Regulation of this type of activity has much in common with the regulation of other activities on the high seas, such as navigation and fisheries, which fall within the jurisdictional parameters of the Merchant Marine and Fisheries Committee.

In discussing the question of deciding where to place responsibility for legislation concerning deep sea mining, it was stated in part:

> Mr. . . . . I know, for example, you have as a question unresolved jurisdiction over the deep seabeds. For reasons unknown to me, the Judiciary Committee got involved in that some years ago, and is using that as a springboard to decide whether oil is being pumped adequately out of the Gulf of Mexico. I doubt if that is a legitimate Judiciary Committee responsibility. (Select Committee mark-up, February 20, 1974, p. 275).

Later, the following exchange occurred:

> Mr. . Deep seabeds belong in Energy and the Environment.
>
> Mr. . If you have a Maritime Committee, it would go there.
>
> Mr. . If you have a Maritime Committee, yes.
>
> Mr. . That is not the issue. The rights to deep seabeds will be resolved on an international basis. This Congress will not legislate everybody else's rights into that deep seabed. It belongs right here in the Committee on Foreign Affairs, I would think.
>
> Mr. . I would second his motion. (Select Committee mark-up, February 20, 1974, p. 277).

Later, the discussion again touched on the international aspect, and the following exchange occurred:

> Mr. . My thinking in suggesting that it be in Foreign Affairs is with respect to the great unresolved issue and that is whether th United States has exclusive or any jurisdiction over the deep seabeds, which I suspect is going to be resolved only by international agreement. It should be for the resolution of that question in the Committee on Foreign Affairs.
>
> Mr. . I agree with you on that as far as the treaty is concerned, and then I don't agree that the Foreign Affairs Committee should have jurisdiction after that over the development for that for oil exploration and so on.
>
> Mr. . I agree with you. (Select Committee mark-up, February 20, 1974, p. 279).
>
> Chairman. We are talking about something else now, the deep seabeds. But if an international treaty gives the United States jurisdiction over something besides the Continental Shelf, beyond whatever limit now exists, you are going to have a comparable situation and there is already a guide to what you do about the energy aspect about that. That is all I was suggesting.
>
> Mr. . No problem.
>
> Mr. . I don't think there is a problem. It is like mineral leases now in the Continental Shelf beyond the State jurisdiction. A committee of the Congress is concerned about that but it is not Foreign Affairs. If we ever establish sovereign jurisdiction over the deep seabeds and we are concerned with staking out leases in the deep seabeds, I think the same committee probably would

have jurisdiction with respect to that aspect of the problem.

Mr. . Under our plan, would you see that as being the Energy and Environment Committee?

Mr. . I would see it to be the same committee that is handling leases now, for example, with regard to minerals in the Outer Continental Shelf subject to Federal jurisdiction. If that is the Energy and Environment Committee, I suppose the same committee would assert its jurisdiction. (Select Committee mark-up, February 20, 1974, pp. 280, 281).

As I understand it, the select committee, in fact, put the jurisdiction over deep seabed mining in the proposed Committee on Energy and Envinronment.

The question of present committee jurisdiction over the minerals of the deep seabed was resolved by the Speaker in the 92d Congress with the referral of proposed legislation on the subject to the Merchant Marine and Fisheries Committee. Legislation on the same subject was again referred to the Merchant Marine and Fisheries Committee in the 93d Congress and is even now being considered in hearings before the Subcommittee on Oceanography.

Although the proceedings of the select committee indicate some confusion as to present jurisdiction over the Outer Continental Shelf Lands Act, that legislation in fact originated in the Committee on the Judiciary. The simple fact is that the control of U.S. operations related to deep seabed minerals has no connection with the Committee on the Judiciary since the deep seabeds, by definition, are located beyond the Outer Continental Shelf and outside the jurisdiction of the United States. Contrary to the impressions of the select committee members, it has little relation to the oil and gas leases on the shelf because the minerals of the shelf are within the jurisdiction of the United States, are exploited from fixed platforms within defined tracts, and in general are treated as if they were located on other public lands of the United States which are above water. It has no direct relation to the proposed Energy and Environment Committee, since there is little likelihood of the presence of oil, gas, or coal in the deep seabeds, and the minerals available there are not energy related.

In fact, the deep seabed minerals fall within the general category of ocean resources which are outside the jurisdiction of the United States and which presently are regarded as the common heritage of mankind. The pending legislation before the Merchant Marine and Fisheries Committee proposes to regulate the activities of the U.S. citizens in dealing with those resources. Legally, since they exist beyond the jurisdiction of any nation, they are similar to fish and other living resources of the sea.

An international regime for the deep sea bed is one of the subjects which will be considered by the United Nations' Conference on the Law of the Sea, the substantive session of which will convene at Caracas in June of 1974. If an international agreement is reached and subsequently ratified by the United States, then the jurisdiction relating to the implementation of that agreement as it relates to the regulation of activities of U.S. citizens on the high seas, and in particular deep sea mining, is also a matter for the committee involved in shipping and ocean resources, that is, the Committee on Merchant Marine and Fisheries.

Until an international agreement is reached and is ratified by the United States, interim regulation of U.S. deep sea mining activities is also properly a matter for the Merchant Marine and Fisheries Committee in its responsibility over ocean resources generally. As to the Committee on Foreign Affairs, there is no question that that committee has jurisdiction in relation to international negotiations and to the extent that such negotiations are involved, the Committee on Foreign Affairs is involved.

It is clear that in its deliberations the select committee misconstrued the deep sea bed problem and its relationships. Once again the select committee failed to appreciate the unity of the oceans and their various uses.

BILL TO REQUIRE LICENSED UNDERTAKERS IN THE DISTRICT OF COLUMBIA TO FURNISH FINANCIAL STATEMENTS WHEN FUNERAL ARRANGEMENTS ARE MADE

HON. JOEL T. BROYHILL

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 4, 1974

Mr. BROYHILL of Virginia. Mr. Speaker, I am introducing today a bill to require licensed undertakers in the District of Columbia to furnish financial statements when funeral arrangements are made.

This important measure will require the furnishing of a written statement at the time a funeral is arranged showing the price of the funeral selected and the services and merchandise included in the funeral; separate prices for each of any additional items of service or merchandise to be purchased; the amounts of money to be advanced by the undertaker for specific accommodation items; and the method of payment. A violation of the act would be punishable by a fine of $300 and suspension or revocation of the undertaker's license.

For the first time in the District of Columbia, the bill will assure consumers helpful and constructive information about funerals and funeral pricing. At the same time, its provisions should not prove unduly burdensome for those required to comply with its terms.

The intent of the bill is to require full disclosure of each component element of service or merchandise comprising the funeral selected and the total firm price of that funeral. For example, a basic funeral may consist of the following:

Professional services and services of the undertaker's staff; preparation and care of the body; use of funeral home facilities; use of funeral coach and car for family; guest register and acknowledgment stationery; and casket.

Under the bill, where these or similar components comprise the funeral unit, the undertaker must furnish a statement disclosing the fact that such components are included in the price of the funeral. Thus, where a family may not desire to utilize a particular component, knowledge gained from the written statement will enable the family to request an appropriate downward adjustment in the unit price.

The purpose of the bill is to assure that the consumer is informed of what is included in the funeral. However, it does not require separate price quotations for each and every component item of service or merchandise. As in other fields, a la carte pricing would only result in higher total prices and the elimination of lower priced units. Of course, where the family requests a specific additional item of merchandise or service, the price of that item must be shown separately on the written statement before the family is committed to pay for it.

In Virginia, as well as in such other States as Maryland, statutory and regulatory requirements paralleling the disclosure provisions of this bill have worked well and have proved of major value to consumers.

The penalties for violation of the bill's requirements are severe. It would be my expectation that all undertakers in the District will comply fully and promptly in the public interest. I urge my colleagues to give this measure favorable consideration.

WHITTEN GIVES UNITED STATES BEST GIFT OF YEAR

HON. DAVID R. BOWEN

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 4, 1974

Mr. BOWEN. Mr. Speaker, I wish to insert into the Record a very fine editorial which appeared in the Tupelo, Miss., Daily Journal, on March 28, pointing up the outstanding work and leadership of my distinguished colleague from Mississippi, the Honorable Jamie L. Whitten, in the area of budget control legislation.

Responsible action by Congress to bring Federal spending within the bounds of fiscal sanity, to live within our means as a government and nation, has been one of the major issues of our time. I think it speaks well for the 93d Congress that under the leadership of such dedicated Representatives as Jamie Whitten we have succeeded in taking a giant step toward getting a handle on the Federal budget in future years.

I insert the editorial at this point in the Record:

[From the Tupelo (Miss.) Daily Journal, Mar. 28, 1974]

WHITTEN GIVES UNITED STATES BEST GIFT OF YEAR

The most important development to emerge from Congress during 1974 will not involve efforts to impeach the President, changes in tax rates, enactment of a national health program, or any other move which has most consistently been making the headlines.

Rather it will be adoption for the first time in history of effective congressional controls over spending, with the legislative branch at last recapturing from the President power over the purse.

And the man responsible more than any other for this tremendously significant achievement will be our own congressman, Jamie Whitten.

Congressman Whitten not only has served as senior co-chairman of the joint House-Senate committee which is undertaking to provide Congress with effective controls over spending but he actually wrote most of the bill that currently seems certain of final approval and presidential signature.

After the thirty-two members of the House and Senate serving on the joint committee unanimously approved a bill to bring federal spending under effective controls. Congressman Whitten rewrote certain portions of the measure. And Rep. Bolling of Missouri, who handled the bill on the House floor, has been quoted as saying that eighty-five per cent of the Whitten proposals were eventually adopted.

The measure then passed the Senate in somewhat different form. And in the House-Senate conference on the two versions, ninety per cent of the Whitten proposals reportedly have been accepted in the measure finally agreed upon.

Thus sometime before summer Congress can be expected to pass and send to the President a bill which for the first time in recent history provides Congress with its own means of controlling federal spending without having to rely solely on the President to prepare and present a budget setting out what he thinks the country needs and how much should be spent to obtain it.

The new spending control measure will be built around two basic features.

One is creation of a congressional Office of the Budget similar to the White House Office of Management and Budget, which now has sole responsibility for recommending expenditure figures to Congress.

The other is the setting of an over-all spending target for the year, a feature recommended by Congressman Whitten.

With this target before it, the dozen or so individual congressional committees which recommend appropriations will take a look at the total spending picture for the year, weigh this figure against anticipated revenue, and then as the session progresses, decide how much, if any, deviation should be made from the target figure.

At present every committee goes its own way in approving appropriations without regard to the needs being considered by other committees. The result is almost always a major overrun in spending with a corresponding boost in the federal deficit which has become so large that it now costs $29 billion a year just to pay interest on the national debt.

Congressman Whitten has done such a sound job of designing the proposal to give Congress effective control over federal spending that even though the measure actually takes away from the President much of the power he has possessed as the nation's sole budget planner, Mr. Nixon is reported agreeable to signing it.

Thus thanks to the skill and judgment of our Mississippi congressman in shaping a bill which has won near unanimous approval of every group which has considered it, America in 1975 for the first time in modern history will benefit from Congress' knowing at all times where it is headed in the area of spending and how big the deficit will be if it ignores the targets set by its own Office of Budget Management.

Not only will this procedure tend to eliminate much of the friction created by presidential refusal to spend funds voted by Congress but it is almost certain to save American taxpayers two or three billion dollars a year through keeping Congress better informed on where it is headed and how it can get there most economically.

And for that great windfall America owes thanks more to our own congressman, Jamie Whitten, than to any other member of the House or Senate.

MAKING CONGRESS EFFECTIVE

HON. RICHARD BOLLING

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 4, 1974

Mr. BOLLING. Mr. Speaker, one of the most respected editorial pages in the country is the Des Moines Register. It has long been a disinterested yet clear voice for effective reforms in all branches of government.

Recently the Register published an editorial commenting on the work and report of the Select Committee on Committees. This was most gratifying since it reflects the objectives sought by all 10 members of the committee.

I was pleased, too, that the editorial makes special mention of the contribution made by Congressman JOHN CULVER of Iowa. As the editorial suggests, Mr. CULVER was one of the principal animating forces in the establishment of the select committee and in its subsequent deliberations. His contribution was a major one and a highlight of the decade he has spent with us in the House of Representatives.

I insert this March 28, 1974, Des Moines Register editorial at this point in the RECORD:

[From the Des Moines Register, Mar. 28, 1974]

MAKING CONGRESS EFFECTIVE

One of the most important observations to be drawn from the Watergate scandal, the accusations against President Nixon for abuse of power and the impeachment process itself, is the glaring weakness of Congress. The U.S. House is beginning to do something about this through a Select Committee on Committees.

This committee, of which Representative John Culver (Dem., Ia.) is a leading member, reported last week and introduced a resolution to reform the structure, jurisdiction and procedures of the House.

The Select Committee has not attracted much attention, and its reforms will face tough sledding in the House unless public concern is aroused and makes itself felt. The committee is made up of prominent members of both parties who serve on several other important committees. The only way it has been able to do its work is to take weekends, evening and other spare time.

This fact in itself exposes a fault of the committee system where powerful members serve on several major bodies. Under the Select Committee resolution, each member would be held to one of the 15 major committees, such as Agriculture and Forestry or Appropriations. Each member might also serve on a lesser committee.

Under the reform plan, committee jurisdictions are shuffled into a more logical breakdown for modern government. For example, the naval petroleum reserves would be placed under the Energy and Environment committee instead of Armed Services. Agricultural colleges would be put under the Education committee instead of Agriculture.

The infamous Internal Security Committee (formerly Un-American Activities) would be abolished and its duties assigned to Government Operations. Education and Labor would be split into two committees.

All such proposed changes strike at the foundations of power of certain key congressmen who may be expected to fight against them.

Another controversial recommendation is a new procedure to permit the speaker to refer bills to more than one committee, split legislation for referral and, subsequently, to refer bills to other committees.

The Select Committee has made a number of recommendations to strengthen the oversight functions of the House. The Government Operations Committee would be required to assemble an annual oversight agenda and to conduct investigations into matters under the jurisdiction of other committees.

Congressman Culver was influential in stressing the oversight matter. He said Congress not only needed to improve its capacity to pass laws but also to evaluate them and to get rid of obsolescent or ineffective ones.

The principal lesson to be learned from the rise in executive power in recent times, and the abuse of that power by presidents, has been the inadequacy of the people's representatives in Congress. Bringing the President to task for his failures and for his overreach of authority will do no good unless Congress itself resolves to become an effective lawmaking body.

The House Select Committee has shown the way to begin.

THE AMERICAN WAY OF LIFE

HON. JERRY L. PETTIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 4, 1974

Mr. PETTIS. Mr. Speaker, though we are loathe to admit it, our American society is undergoing changes that threaten values and institutions that once seemed immutable. These are times, in fact, when it seems that the very fabric of our culture is coming apart. It is, therefore, appropriate that we pause in the welter of crises and problems to identify and recognize elements in our community and national life that tend to resist those forces that would bring on weakness and decay.

At a time, Mr. Speaker, when philosophers, economists, and political scientists describe this troubled age as a time of dissolution, I am proud to direct your attention to an organization that is committed to the healing and strengthening of our Nation—a movement, manned by thousands of volunteers working throughout the Nation, not only to preserve what we have called the American way of life, but to deal effectively with specific contemporary ailments resulting from the traumatic upheaval now jeopardizing civilization. I refer, Mr. Speaker, to the American National Red Cross.

The unique and comprehensive function of this long-established voluntary agency was recently brought home to me when Red Cross volunteers in my district performed heroically to provide shelter and sustenance for hundreds of people trapped and immobilized in our mountain areas by the heaviest snowfall in 40 years.

A few years ago, when floods ravaged and nearly destroyed several communities in San Bernardino County, it was the Red Cross that delivered the goods in the provision of life saving, shelter, food, and reconstruction services.

I need not remind you that our Nation along with several other nations, has recently suffered one major disaster after another. Floods, earthquakes, tornados, and fires have threatened the lives and well-being of thousands of people. In each disaster, the American Red Cross has responded with qualities of compassion and expertise that must be recognized as outstanding.

But as noteworthy as its response to disaster may be, the role of the Red Cross in meeting ongoing needs is even more impressive. My colleagues are, I am sure, aware of the mandate of this House, authorizing the American National Red Cross to provide "voluntary relief and communication between the American people and their Armed Forces." This duty, along with disaster-related duties, are specifically defined in congressional charters implemented in 1900 and 1905.

The problem that now presents itself derives from the fact that the Red Cross has performed an impressive range of services to military families so admirably and consistently that most people take them for granted—not realizing that these services are totally dependent on voluntary action and volunteer dollars.

But this is only the beginning. The Red Cross pervades other areas of American life in the provision of services designed to prevent personal as well as group disasters. It comes as a surprise to many to realize that almost every law enforcement officer, ambulance attendant, bus driver, and fireman in our Nation received first aid training from certified volunteer Red Cross first aid instructors. And think of the thousands of lives that are saved each year as a direct result of local Red Cross first aid and water safety courses provided schoolchildren and swimming pool and beach attendants.

Red Cross services to patients in thousands of hospitals and convalescent homes are too often taken for granted as is the provision of blood for millions of patients undergoing surgery.

I suggest, Mr. Speaker, that my distinguished colleagues take time to explore other types of community services now being performed by well-trained, dedicated Red Cross volunteers. I was profoundly impressed upon learning that in my own district Red Cross is providing invaluable services in the event of single as well as multiple family fires. Red Cross volunteers have, for some time, delivered food supplies to elderly or disabled citizens. They provide library books for shut-ins. They regularly drive the blind to clinics, hospitals, and recreation centers. The Red Cross volunteers serve as staff aids in convalescent homes and hospitals. They conduct special projects for senior citizens. They maintain centers designed to cope with problems peculiar to inner-city problems. They carry on programs to rehabilitate drug abuse victims—the list seems endless.

In the troubling times of today, the American Red Cross embodies the traditional concerns for our fellow man and the voluntary actions to help one another which are the basis for our society and which will continue to carry these United States through the toughest of periods. I commend the dedicated Red Cross volunteers serving in every corner of the Nation and trust my colleagues here in the House will join in this salute to an outstanding organization.

REACT AGAINST CRIME

HON. HAROLD T. JOHNSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 4, 1974

Mr. JOHNSON of California. Mr. Speaker, in considering applicants for Academy nominations I noted one fine young man listed among his achievements an award given by the Chico, Calif., Exchange Club for an essay entitled "React Against Crime."

Since law and order and problems of crime are a major concern for many of us in the Nation I thought it would be interesting to see what a young man, obviously a highly qualified young man, had to say about crime and what should be done about it. Therefore I contacted Mark Bruton Johnson and asked him for a copy of his essay.

I was tremendously impressed that the essay had been written at a time when young Mark was 14 years old and was a student in the ninth grade at Bidwell Senior High School. I believe you all will appreciate from reading this essay that here is a young man with a great potential for good in this country.

I am impressed, especially, that he feels that the fight against crime should start in the home with the training of parents and then goes next to the communiy and finally to government and of course back to what one should do as an individual. I urge each of my colleagues to consider and ponder the voice of youth in this fine essay. It not only gives you one young man's views on crime but that it gives me added confidence in the future of the Nation whose well being will be in the hands of young men such as this.

I insert in the CONGRESSIONAL RECORD at this point the essay entitled "React Against Crime" by Mark Bruton Johnson:

REACT AGAINST CRIME

(By Mark Johnson)

What is crime? A crime is "an act or commission of an act that is forbidden, or the commission of a duty that is commanded by the public law and that makes the offender liable to punishment by law", Webster's Seventh New Collegiate Dictionary. This is what you are to react against.

There are four areas that I am going to cover in this report:

1. React against crime in your home.
2. React against crime in your community.
3. React against crime in your government.
4. React against crime you witness.

To react against crime in your home, you should know the law thoroughly, so that you do not break the law through negligence. By the careful training of your children in their formative years, you can eliminate future thieves, shoplifters and other such criminals. This is one of of the best ways of reacting against crime. By eliminating criminals you can exterminate crime at its origin.

To react against crime in your community, you should fulfill your duties as a member of the community. You should not shug off your responsibilities and let the next man bear the burden. Your community is only what you make it. If you do not actively support it, it will become a crime infested slum. You should back your police department because it needs your help, and is hampered and cannot do its job efficiently without your backing. You have an obligation to assist those people who need help, such as, those who are impoverished, dwell in undesirable living conditions, of those with inadequate education. These are the people who are most likely to commit a crime. We have to help them see that crime does not pay. In order to do this, we should provide the opportunity for a person to get a decent education, and the encouragement to use this knowledge to better his economic situation. Every precaution should be taken by the community to eliminate the need for a person to resort to crime for the necessities of life.

To react against crime in the government, you should vote whenever an election is held, for the official whom you think is most worthy of the position. These officials who you place in office are there to represent you, to make your voice heard, and to help fight against crime.

To react against crime you witness, you should get the facts and events straight and then immediately notify the police. You should assist the police in any way that you can. In the event that the police cannot come you can make a citizen's arrest. If you see a crime being committed, do not be afraid to assist the victim of the crime because you do not want to get involved. Maybe next time, it might be you, who needs the help.

If everyone reacted against crime, there would be no one to commit a crime. So do your part to cut down crime. "React Against Crime."

GETTING A PERSPECTIVE

HON. BILL ARCHER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 4, 1974

Mr. ARCHER. Mr. Speaker, we read much in the newspapers about charges and countercharges against President Nixon. Sometimes it takes time for the real facts to catch up with the charges. The Houston Chronicle recently dealt with this matter in an excellent editorial which I wish to enter in the CONGRESSIONAL RECORD.

[From the Houston Chronicle, Mar. 26, 1974]

GETTING A PERSPECTIVE

The nation is beginning to get a much-needed perspective concerning some of the charges against President Nixon.

The charges were unfolded with great drama and much fingerpointing. The facts have been slow to come out, as usual, and have not received as much fanfare.

Over a period of time, however, the rhetoric is wearing thin and the facts are showing through. Two examples of recent days are the milk fund charges and the claims concerning the President's California and Florida homes.

Involvement of the dairy industry in politics is proving far from unique. The President increased dairy price supports in 1971, and the charge was made that he did it in response to pledges of political contributions.

Subsequently, it has been pointed out that there was great pressure for an increase in price supports from Congress, particularly from the Democratic side of the aisle. Now we are learning how the milk fund affair extends into the Democratic camp.

Sen. Hubert Humphrey says through a spokesman that he can shed no light on the dairy industry payment of $25,000 for computer lists for his 1972 presidential primary campaigns. Sen Harold Hughes says he didn't know about $50,000 in dairy money spent for a list of rural Iowans. Rep. Wilbur Mills says he has been unaware that milk money was used to support his brief presidential campaign. Sen. Humphrey sponsored a bill seeking higher parity for the dairy farmer. Sen. Hughes was one of the sponsors of a similar bill. Rep. Mills several times contacted the President's counsel for congressional relations to urge a higher support price. Thirty separate bills were introduced in the House favoring the price support hike and 28 senators introduced legislation to support higher parity. There was intensive lobbying activity which in some cases apparently went beyond the bounds without the knowledge of some candidates. In perspective then, the charges against the President become more of a generality and have none of the specifics that stand up under scrutiny.

Facts are beginning to catch up with charges concerning the President's homes in California and Florida. A charge that campaign funds were used to help pay for the President's San Clemente residence was proved totally false. There was an allegation that the President's daughter avoided taxes on the sale of the Florida property. That was demonstrated to be totally false.

There are charges that $17 million was spent at the two homes, and over the weekend the General Services Administration labeled that report a distortion of the truth. Efforts to give the appearance that the money was spent on construction and improvements at the homes are not supported by the facts. The GSA says the inflated figure was arrived at by including costs of personnel assigned to governmental installations in support of the President for such necessary function as communications. The GSA says only about $205,000 has been spent for installations at the homes for such security devices as bullet-proof glass and smoke detectors. And the GSA points out that an act of Congress dictates maximum security for the President and the GSA would be negligent not to follow that mandate.

These recent developments are cited as examples of what The Chronicle has consistently urged—that all of the facts should be known before any conclusions are reached concerning the allegations against President Nixon.

We are dealing with a spectrum here ranging from pure truth to political innuendo of the worst sort, and only the facts can point the right way through the tangle. And pending the time the facts are fully known, judgment must be reserved.

CONGRESSMAN DRINAN JOINS WITH COMMANDER IN CHIEF OF THE VETERANS OF FOREIGN WARS, RAY R. SODEN, IN DEPLORING GAP BETWEEN PRESIDENTIAL RHETORIC AND ADMINISTRATION ACTION ON BEHALF OF VETERANS

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 4, 1974

Mr. DRINAN. Mr. Speaker, 2 days ago Commander-in-Chief of the Veterans of Foreign Wars, Ray R. Soden, sent a telegram to the President urging an administration commitment to an equitable and viable legislative program for veterans and calling for new leadership within the Veterans' Administration.

On January 28, 1974 President Nixon used the first anniversary of the ceasefire in Vietnam to boast the accomplishments of his administration on behalf of Vietnam Veterans. On February 26, speaking with regard to Vietnam Veterans Day, the President expressed gratitude for those who served.

But this administration has shown its appreciation in strange ways. Are we to assume that the President's recommendation in his January veterans message to Congress for an 8-percent increase in the rates of GI bill payments is a gesture of gratitude when just 2 weeks ago the Department of Labor announced that living costs have gone up 10 percent over the past 12 months?

Mr. Nixon's January 28th message took credit for reducing veterans' unemployment from 9.9 percent in 1971 to 4.4 percent this year. His message neglected to state that during the year in which President Nixon took office, 1969, the rate was 4.5 percent.

Are we to see gratitude in the announcement of the Secretary of Labor on January 29, 1974 that the concerted effort to place Vietnam era veterans in civilian jobs had succeeded and hence this special action would be terminated when the unemployment rate for young veterans age 20–24 is over 10 percent? This proclamation of great success was I am sure questionably received by the 28,000 veterans of Vietnam who are walking the streets daily seeking work and by the great number that have been so discouraged that they have given up their search and wait in welfare lines.

These young veterans who have given up 2 or more years to military service are met with administration resistence to congressional efforts in their behalf under the guise of combating inflation. It is ironic to note that these veterans are being denied encouragement and assistance due to administration talk about inflation which was largely brought about by the war in which they served.

Most of them have encountered difficulty in completing and even beginning their educations; many cannot find jobs and some cannot get adequate health care for their disabilities. What gratitude have they known?

Although GI bill benefits are better than they were they remain inadequate in meeting the high cost of education. Veterans' Administration hospital care may have improved but low morale and inadequate staffing persists.

Unfortunately the Veterans' Administration has exercised no moral leadership for educating public opinion and acting in the veteran's interest. What has happened to this agency that is charged with the responsibility for veteran's affairs? It has become a hapless, helpless giant. Almost without exception this enormous Federal establishment created for the sole purpose of providing services and benefits for veterans and being their spokesman, has spoken with a negative voice.

The Veterans' Administration has said "no" time and time again to congressional initiative to provide equity in GI bill benefits, disability compensation, pension rates and modernization and improvement of the Veterans' Administration hospital system. The Veterans' Administration staunchly opposed congressional efforts which resulted in adding one-half billion dollars above budget requests to hire more hospital staff.

Late, missing and incorrect payment checks and insensitive treatment by the Veterans' Administration have been chronicled in the mass media so intensely of late that there is no need to dwell on it here. I assume that my colleagues have had enough experience with this type of constituent inquiry to recognize the scope of the problem. If we have had some measure of success in breaking through redtape for our veterans let us remember the vast numbers who have not contacted us and let us question the service we are providing—service which is a matter of the veteran's basic right from an agency which is supposed to be unpolitical and serving his interests.

Providing equitable benefits and responsive service to our Nation's veterans is a cost of war that we can no more avoid than the cost of waging war.

I would like to submit into the RECORD at this point the telegram of Commander Soden whose group represents 1.8 million veterans and whose concern extends to all veterans:

WASHINGTON, D.C.,
April 2, 1974.

The PRESIDENT,
The White House,
Washington, D.C.:

I was completely baffled by the contents of your recent address to the Nation concerning veterans and veterans benefits.

It was announced several times by radio news personnel that you would speak on legislation. You reiterated your recommendation of a stingy 8% increase in education rates when it is well known the Congress will enact legislation authorizing substantially greater increases.

The recommendations of your administration concerning the national cemetery system are grossly inadequate. They fail miserably to provide the honor of burial in national cemeteries reasonably close to areas of veterans residences. The proposal to eliminate the VA burial allowance is a shame on the Nation.

The pension "reform" program as proposed in your message to the Congress and by the Administrator of Veterans Affairs would in reality deny pensions to 75% of new applicants in the future because of retirement pay and earnings of spouses. This recommendation is inconceivable.

GI home loans for Vietnam veterans are practically nonexistent. Unemployment for Vietnam veterans is on the increase. The least your administration could do for veterans in need of jobs is to insist that governmental contractors—all of them—be required by law or Executive order to give veteran preference to Vietnam veterans; and, in addition, teeth must be placed in the law or the order that would require fine and/or imprisonment if found guilty of violation. This type consideration was, and is being used today for certain segments of our society—why not for our Vietnam veterans?

The establishment of a committee of Cabinet members chaired by the Administrator of Veterans Affairs offers no hope of effective recommendations for solutions of existing problems in the administration of veterans benefits. Their personal knowledge is essentially nil and it can be presumed they will merely vote on a final report prepared by designated underlings who are likewise without the knowledge and judgment skills in this area essential for accurate conclusions and effective recommendations.

After administering large scale educational programs since the end of World War II, it is contemptuous for the Administrator of Veterans Affairs to offer ridiculous excuses for check delays which in many instances have caused young veterans to discontinue educational pursuits. How Office of Management and Budget personnel can contribute to the solution of this continuing and inexcusable problem is certainly not evident. The answer is hard work and innovative approaches, including placement of VA personnel—perhaps Vietnam veteran students employed for this purpose—on campuses to insure prompt submission of institutional certifications and reports as required.

It is absurd to assign the Administrator of Veterans Affairs to personally check and personally report on VA hospital and medical problems. This is somewhat analogous to the fox inspecting the chicken coop. It would be inane to expect the Administrator of Veterans Affairs to submit an adverse report on hospitals and medical programs for which he has been responsible for five years.

The needs of the Veterans Administration Hospital System and medical programs are evident and no further study is required. They include increased funds, additional staff personnel, higher salary rates for many physicians, more special medical programs, effective admission system which will insure the admission and treatment of each veteran sufficiently ill to warrant hospitalization, a crash construction program to add hospital beds and skilled nursing home beds, revised domiciliary facilities, and modernization of existing facilities including air conditioning, and, perhaps even more important, the reestablishment of the integrity and authority of the position of chief medical director.

Shortly after your message to Congress, and revelation of the VA 1975 fiscal year budget request, I addressed you to emphasize the inadequacies of your legislative recommendations and the inept administration of veterans benefits, particularly the multitudinous delays of veterans payments, particularly educational program payments. No response has been received to date.

I again urge you to reconsider and revise your legislative recommendations and to place competent leadership at the helm of the Veterans Administration and in other vital positions in that agency to insure availability of first quality medical care and apt administration and prompt payment of direct benefits.

I respectfully request a prompt response.

Sincerely,

Ray R. Soden,

Commander-in-Chief, Veterans of Foreign Wars of the United States.

TRIBUTE TO DR. JOHN HANESSIAN, JR.

HON. GEORGE E. DANIELSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 4, 1974

Mr. DANIELSON. Mr. Speaker, we are all aware of the tragic crash of a Turkish airliner outside Paris on March 3 in which 345 people were killed. What some of us do not know is that this accident, the worst in aviation history, also claimed the life of one of America's most gifted, dedicated, and hard-working citizens, Dr. John Hanessian, Jr.

A resident of Washington, Dr. Hanessian, 49, was with the National Science Foundation as program manager in the Office of Exploratory Research and Problem Assessment at the time of his death. He had been on leave for 2 years from George Washington University, where he was a professor of international affairs as well as the director of international studies in the program of policy studies in science and technology. He was also a consultant to the United Nations and the State Department.

Dr. Hanessian was a well-known authority on political science and international affairs. He was highly regarded as an educator, lecturer, researcher and author. On February 18 of this year, he left on a trip to Europe for the National Science Foundation which took him first to a conference on direct broadcast satellites in Italy, then to a meeting with U.N. officials in Switzerland, followed by meetings with officials of UNESCO and the Organization for Economic Cooperation and Development, in Paris. On March 3, he was on his way to London, which would have been his last stop before returning home.

Dr. Hanessian began his academic career at Syracuse University, where he majored in chemical engineering. As an engineer, he traveled to both the North and South Poles during the International Geophysical Year, on a research project for the U.S. National Academy of Sciences. Dr. Hanessian's interests began turning to political science, however, and he took up graduate work in that field at Johns Hopkins University and the University of Strasbourg. Later, he received his doctorate in international law from Cambridge University in England. During his career as a professor, Dr. Hanessian taught and lectured at the American University of Beirut, the Universities of Hawaii and Alabama, and the California Institute of Technology. He also traveled extensively in the Middle East, Russia, and Europe on various research projects.

The untimely death of this great young scholar is without a doubt a terrible loss for this country. His talents are irreplaceable. However, it is the Armenian community in the United States that feels the greatest sense of loss at this time. For Dr. Hanessian, in addition to his multiple academic roles, was also deeply involved in Armenian-American community life. He was a member of the board of directors of the National Association for Armenian Studies and Research, and vice president of the Washington chapter of the Armenian General Benevolent Union.

Dr. Hanessian's greatest contribution to Armenians in this country and to those scattered throughout the world, is the Armenian Assembly. He put his formidable talents to use to create, with the assistance of other dedicated people, a national organization which serves the Armenian people in America as a unifying voice. Seeing the fragmentation, antagonism, and political divisiveness among the Armenian people, Dr. Hanessian realized that in order to promote the common interests of Armenians, leaders of different factions would have to begin working together. He traveled from city to city talking to community leaders, and obtained their support for a unified Armenian organization. The result of his efforts is the Armenian Assembly, an organization which will bring together American Armenians and, hopefully, all Armenians, through devotion to their common cause.

Dr. Hanessian felt the need for Armenians to communicate and act together; he felt the need for education so that real communication might take place. As chairman of the national steering committee of the assembly, he was succeeding in implementing his ideas.

Now he is gone, and I do not need to say again what a tragedy this is. But his goals are not gone, his devotion is not gone. The Armenian Assembly's tribute to him says: "Professor Hanessian has left a legacy of the spirit of dedication to the purposes of the Armenian Assembly. His colleagues feel that legacy strongly and will continue his work in that spirit."

ST. NICHOLAS WINS CITY HOOP TITLE

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 4, 1974

Mr. GAYDOS. Mr. Speaker, St. Nicholas' School in McKeesport, Pa., recently captured that city's Catholic grade school basketball championship by defeating its previously unbeaten opponent, St. Robert's, 43 to 40.

This team, coached by Charles Isenburg, Michael Matwick, and Charles Kiss, went on to compete in the Diocesan class B playoffs in Pittsburgh, Pa., and while they did not win the title, they nevertheless distinguished themselves in the competition, bringing great credit to themselves, their school, their families, and their community.

The members of the championship squad include Keff Kiss, Tony Brajdic, Brian Meharra, John Glusic, George

Pazuchanics, Jim Fedor, Dave DeFelice, Charles Murn, Gene Hornicsar, Dennis Orenyak, Todd Maturkanic, Bill Rozzi, John Rozzi, Albert Elko, James Goga, James Glusic, Ray Stipanovic, Paul Rupcic, David Hornicsar, Michael Kiss, Jeff Glusic, and Andy Popovich.

Mr. Speaker, I commend the St. Nicholas' team and their coaches on the accomplishments of the past year and wish them continued success next season.

AMBASSADOR MARTIN'S REAL PROBLEM: IS ANYONE LISTENING?

Hon. PETER H. B. FRELINGHUYSEN

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 3, 1974

Mr. FRELINGHUYSEN. Mr. Speaker, for an executive branch official to take on the third and fourth estates simultaneously—represented in this instance, by a Senate subcommittee and the New York Times, respectively—is perhaps a sign of courage bordering on the foolhardy. It is, however, a refreshing demonstration of intestinal fortitude which is all too often missing from public life.

I refer, of course, to the recent publicity involving our distinguished Ambassador to the Republic of Vietnam, the Honorable Graham Martin. Having just returned from an official visit to that country on behalf of the Committee on Foreign Affairs, I feel some remarks are in order to place the Ambassador's recently-publicized, internal recommendations to the Secretary of State in their proper perspective.

In so doing, however, I want to make my own position clear. I believe that "honest and detailed" answers to questions—even "loaded" questions—about Vietnam and that country's real need for economic assistance at this juncture can—indeed, must—be made to the Congress. Moreover, the Ambassador is fully capable of presenting that case if—and this is a big if—the Congress is willing to listen.

The problem, of course, has been that listeners are not always easy to find—especially listeners who are reasonably open-minded and receptive to arguments which, I realize, are not always popular on the home front.

It is important to note, I believe, that Ambassador Martin's so-called declaration of war on certain elements in Congress and the press is based on hard, and at times embittering, experience. It also reflects a mood of understandable frustration. Like the farmer who beats his own mule on the head, he must first get that stubborn beast's attention.

In all fairness to Ambassador Martin, it should be pointed out that he has, in the past, devoted considerable effort to reason with the unreasonable—to talk into deaf ears. The lengths to which he has gone in this direction—and failed—is apparent from a sizable document which I request, Mr. Speaker, be included in the RECORD at this time.

This document consists of detailed and painstaking memoranda of conversations between Ambassador Martin and members of his staff with a group of American citizens visiting Vietnam to investigate "Prospects for Peace." A careful reading of this material I believe, will convince a fair-minded observer that the Ambassador devoted much time and attention to this group, and that the group, in turn, indicated some degree of understanding for a few of his key arguments. Upon leaving Vietnam, however, this group issued a press release which could only have been drafted prior to their arrival in the country.

Mr. Speaker, I also include in my remarks a copy of a letter from Ambassador Martin to the Secretary General of an organization called Amnesty International, which tells a similar story. The points made in this communication are, I think, self-explanatory and extraordinary presuasive. They also reflect a degree of disillusionment and frustration over the attitude of "selective outrage" which the Ambassador has found so prevalent among so-called "peace groups" commend both of these documents to my colleagues' attention. I urge them to suspend judgment until they read them all the way through.

Mr. Speaker, I urge Ambassador Martin not to give up on Congress—or even on the press. The message he is trying to put across is an important issue. It deserves a fair hearing. I also urge all in this body who are concerned with real peace in Indochina to listen—and listen closely.

MEMORANDA OF AMBASSADOR MARTIN

Memoranda of Conversations on January 16, 17, and 18, 1974, Between Ambassador Martin, Embassy Officers, and a Group of American Citizens Visiting Viet-Nam to Investigate "Prospects for Peace."

Place: American Embassy, Saigon, Republic of Viet-Nam.

Participants: January 16—Ambassador Graham Martin; Henry S. Sizer, Political Officer; Hal W. Pattison, Political Officer; Mr. John Boone, Visiting Professor, Boston University; Director, Coalition for Corrections Change; Former Commissioner, Massachusetts State Department of Corrections; Ms. Ying Lee Kelley, Councilwoman, Berkeley, California; Women for Peace (East Bay); Asian American Community Alliance; Rev. George W. Webber, President, New York Theological Seminary; Chairman, National Steering Committee, Clergy and Laity Concerned; Former Pastor, East Harlem Protestant Parish, New York City.

January 17: Ambassador Graham Martin; Minister Hugh Appling; Henry S. Sizer, Political Officer; Rev. George W. Webber; Mr. Robert Ranson, IBM Executive; Gold Star Father.

January 18: Ambassador Graham Martin; Henry S. Sizer, Political Officer; Mr. John Boone.

During the initial amenities, Mr. Webber observed that when he was in the Navy he was always told to make courtesy calls on our Ambassador. Mr. Webber said that he had been in the Navy first as a gunnery officer and then decided to become a clergyman.

Fortunately, he said, he married his wife while he was still in the Navy and before she had any suspicion that he was going to permanently defect.

The Ambassador observed that this gave them two points of common ground from which to start, that he had served in World War II in the Army and in the Air Corps, and that his father had been a clergyman. The Ambassador said that when he was a youngster his father had thought that he might possibly follow in his footsteps. Accordingly, he had received a very thorough grounding in classical studies, including Latin, Greek and history. He had also absorbed a lifetime conviction that one could never compromise with the truth. He observed that being a clergyman's son was perhaps good training for diplomacy. If one could surmount the divisions within the community and the parish, particularly if one's father was a man who felt compelled to speak out on issues which he thought were important, then one did get excellent lessons in diplomacy.

Mr. Webber remarked that clergymen's sons have a remarkable record of achievement when compared with those whose fathers had been in other professions. He said that his biggest problem when, for a long time he had been Dean of Students at the Union Seminary, was upset students, students who were there because their fathers and mothers decided that they were going to be clergymen at an early age. The students hadn't rebelled, and it didn't work out very well.

The Ambassador said that he thought he had successfully rebeled, but now and then he was not so certain that he had fully escaped. He recalled that in 1969, just after he had been appointed Ambassador to Italy, he had been called back to Washington to attend the National Conference on World Refugee Problems. The Ambassador recalled that Bishop Swanstrom of Catholic Relief Services was Chairman of the Conference and Countess Alexandra Tolstoy had made a special trip from New York to present to the Ambassador a plaque on behalf of the Conference praising his humanitarian services to world refugees. The Ambassador said that, although he had received more honors than he could have ever possibly deserved, this was the one that had touched him the most and the one which he appreciated the most. As he stood on the platform that evening he realized that, perhaps, he had not escaped his father after all.

Mr. Webber said that his parents were shocked when he made the decision to become a clergyman, but that when he goes back and traces what they did for him there is a coherence that they can't avoid. Mr. Webber said the group was grateful that the Ambassador would break into his busy schedule to receive them.

The Ambassador responded that he had always been deeply convinced of the necessity for most intimate relationships between the Foreign Service of the United States and the Committee on Foreign Relations of the Senate, and the Committee on Foreign Affairs of the House of Representatives. Therefore, when he received the letter from Chairman Nix of the Subcommittee on Asia he was, of course, glad to respond to the Chairman's request that he receive them.

Mr. Webber said that all five of the group had only one common denominator, that three of them had met each other for the first time on this trip, but that all of them had been very much involved in the "Peace Movement" in the United States during the last several years. Mr. Webber said that they had all been very curious in the past year as they tried to read the newspapers and articles from various groups of one kind and another about what was really happening in Viet-Nam. They thought that they would come on this anniversary of the Paris Agreement to see for themselves.

So, Mr. Webber said, they had gotten themselves together and decided that they would come and spend a couple of weeks in Viet-Nam under the general heading of "prospects for peace" and just do everything they could to get another personal interpretation to send to their people in various circles at home as to what had really happened in the last year. Mr. Webber said they hoped that they would find it was an encouraging prospect and that's what he thought led the five of them here from their very different experiences. Mr. Webber introduced Mr. John Boone, describing him as a professor and a professional corrections officer, and Ms. Kelley who he said was the only politician of the group.

The Ambassador said that Mr. Webber shouldn't use the word "politician" with such a disparaging tone. After all, in the old Greek sense of the word there is no more noble role. He recalled that even Ms. Bella Abzug had once said to him that "after all I am a politician".

Ms. Kelley said that she agreed that Ms. Abzug was indeed very professional. Ms. Kelley said that she was doing her very short term of service in this way. that she felt that in some way she could bring a greater undertsanding to people, and that she had a particular ability to "move people" and she hoped that this ability might prove useful. Ms. Kelley said that she also represented a newspaper and the organization "East Bay Women for Peace" which was very bitter about our policy here. She said that all Americans who have some control over Vietnamese affairs should exercise a responsibility to have the indignities currently practiced cease immediately.

The Ambassador said that he agreed that we had a responsibility but he was not certain that he would share the summary judgments, without the citation of any substantiating evidence, expressed in the letter from Ms. Laub, the Chairman of the organization to which Ms. Kelley had alluded. Ms. Kelley sharply asked what summary judgments. The Ambassador said that perhaps it would be better to read Ms. Laub's letter since he did not wish to misquote anyone. He then read the letter, which follows:

"DEAR AMBASSADOR MARTIN: East Bay Women for Peace, in the San Francisco Bay Area of California, have long been deeply concerned at the Saigon Government's arrest, torture, and lengthy confinement without trial of those who hold positions independent of President Nguyen van Thieu—neutralists, students, members of religious and civic bodies, and many others.

"We are aware that President Thieu officially denies the existence of these prisoners; but their presence is well-attested by many reliable observers, who agree in reporting the present government's widespread use of universal surveillance, frequent arrests, torture, and the virtual abandonment of even the forms of legality.

"We find it intolerable that our Government should support such tactics of repression. We have long supported the prompt formation of the National Council of National Reconciliation and Concord agreed to by all parties in signing the Peace Accords of January 27, 1973, but which President Thieu completely opposes.

"As our representative in Saigon, we strongly urge that you help in every way you can to bring the National Council of National Reconciliation and Concord into being. Only so can the long-suffering people of Viet-Nam exercise their unquestioned right to work out their own destiny.

"Sincerely,

"EDITH LAUB,
Chairman for the East Bay Women for Peace."

The Ambassador said that parts of that letter all Americans could completely agree with. The position of our government has been completely consistent in calling for the full implementation of the Paris Agreements, but he pointed out that, as his old friend Averell Harriman with whom he came into government service in 1933 had observed, it takes two to tango. The Ambassador said that the record was completely clear, that it is not the Government of the Republic of Viet-Nam or the Government of the United States of America which is holding up the implementation of the provisions of the Paris Agreements. Above all, it is not the Government of Viet-Nam which is holding up the return of the civilian prisoners. It has fully agreed to implement that provision and has repeatedly advanced concrete proposals for so doing, and has just now, once again, requested the NVA/PRG side to stop stalling and get on with it. It appears, however, that the NVA/PRG side prefer to stall in order to keep the issue alive as a propaganda issue, so that people like Ms. Laub can be persuaded to complain about it.

The Ambassador called attention to the first paragraph of Ms. Laub's letter as a perfect example of what he meant by a "summary judgment". The second paragraph takes note of the denial by the President of the Republic of Viet-Nam but goes on to say the existence of these prisoners who, Ms. Laub infers are in prison solely because of their opposition to the Government, is "well attested by many reliable observers". The Ambassador doubted there had been any such "reliable observers" or that any truly objective and competent observers would "attest" any such thing.

The Ambassador said he did not know Ms. Laub. Therefore, he assumed her motives were pure and her concern was genuine and he could only conclude that Ms. Laub was another victim of the cleverly presented campaign of gross distortion being pursued by those whose emotional involvement in a North Vietnamese victory was, seemingly, as intense as ever.

The Ambassador said he too would find it "intolerable that our Government should support such tactics of repression" if, in fact, such charges were true, which they were not. He said that he did not know Ms. Laub's age but he suspected that, long before Ms. Laub was born, he had been actively engaged in opposing all such repression whenever it occurred and getting quite a few scars in the process. The Ambassador said he, therefore, felt very sorry for Ms. Laub and others like her whose decent and humanitarian impulses were being cynically and callously manipulated by those who were striving desperately to insure the victory of North Viet-Nam where the abuses about which she was concerned really did exist.

Ms. Kelley said that this is why the group had come. Viet-Nam is so far away and she agreed that they do not have all the facts and she would certainly appreciate being corrected. The Ambassador said that, in order to be as helpful as he possibly could, he was going to take some actions for which, undoubtedly, he would be criticized. However, he had taken at face value Congressman Nix's description of the group as distinguished citizens really concerned with objective determinations of fact. He also accepted at face value the statements which had just been made that the purpose of the group was to really determine facts as they really were. Therefore, he had with him here a series of intelligence reports which, perhaps more clearly than he himself could do orally, could give them an objective picture of what was actually happening. The Ambassador said that it covered most of the points when he thought, if he were in their position, he would very much want to know about. The Ambassador supposed the group shared his conviction that statements should be confirmed by documentation with some precision.

Mr. Webber said that they appreciated that attitude. He said that the three of the group who were men had all been in the military. He said that Mr. Robert Ransom had been in the OSS during World War II, he said that he thought they all believed in our country. He said objectivity is our problem. He said that we want to be objective. He said that we do accept the fact that we are not experts. We really do want your help in understanding.

Mr. Webber said that he would be very much interested and grateful for anything that the Ambassador could share with them about what has happened in the last year in terms of the American role in Viet-Nam. He said he could mention three things that, just wandering around and talking to a variety of people, have distressed them because they do not understand. This is without any effort to say that they do understand, but the group has been very disturbed because the papers have said that President Thieu has reported that the war is escalating and the papers make that clear now. Mr. Webber said that that's a very distressing fact if a year after peace the war is heating up and he would be interested in anything that he could be told.

Mr. Webber said that another area of distress was that many people suggested that a major problem was the U.S. aid was not really reaching places where it ought to go. He said that, of course, in light of our record at home in the United States on corruption, that this perhaps is not as important as it might have once been.

And, Mr. Webber said, the third thing that distressed the group were the rumors that they have heard about the difference between the justice delivery system in this country and in our own. He said Mr. Boone had observed this in the Court yesterday. These, Mr. Webber said, are some of the matters that have distressed us and we would be glad to be helpful in correcting distortions at home.

The Ambassador pointed out that with the conclusion of the Paris Agreement a year ago, our role had completely changed. We were no longer involved in the war. We had hoped that the war would completely stop with the cease-fire which had been agreed to. Again in negotiations in May and June in which the Ambassador said he had participated along with Dr. Kissinger, another cease-fire was arranged. Neither time had it been observed by the other side. Nevertheless, the Ambassador said we were not engaged in the fighting, or in any way in an advisory role regarding the fighting. We had committed ourselves to replace equipment losses on a one for one basis and this was completely spelled out in the Paris Agreements. If the North Vietnamese had respected the Agreement it would not be necessary for the Americans to have a very large presence here at all. We had made vast reductions and had planned for even more.

Regrettably, however, the fact was that North Viet-Nam had not respected the Agreements. Therefore, a certain number of people in the Defense Attache Office were retained, engaged solely on logistics assistance to the military forces of South Viet-Nam. Although Hanoi propaganda, echoed by their colleagues in the United States, charged the U.S. with 24,000 disguised military advisers, the open record, available for anyone to see, completely "attested" to the fact that we had less than one thousand U.S. personnel engaged in anything remotely connected with the military, plus about 3,000 civilian contractors, teaching how to care for and repair equipment. The Paris Agreements prohibited any kind of advisory role and that prohibition was completely enforced. Perhaps it would be useful, the Ambassador said, if more of their colleagues who had been active in the peace movement would realize that it is their country, not ours.

The Ambassador said that Mr. Webber had observed that he had found it distressing that President Thieu had publicly said that the intensity of the violence was increasing, that to quote Mr. Webber "the war was escalating". The Ambassador said that it was a cold hard fact that the fighting was continuing and he was glad Dr. Webber found it "distressing".

The Ambassador said he trusted Dr. Webber's "distress" was over the fact of the fighting itself and was not the "distress" of some of his colleagues in the "Peace Movement" that the GVN, by daring to resist the continuing attacks of the North Vietnamese, was interfering with a complete North Vietnamese victory, in which so many of those colleagues had such a deep emotional involvement. The Ambassador said he had seen the same stories and had read them all the way through. He noted that after recording the fighting "was escalating" President Thieu had said the GVN fully intended to defend itself, but sincerely wished for a halt in the fighting which could occur immediately the moment the North Vietnamese ceased their murders of GVN officials and the slaughter of innocent civilians by their tactics of terror.

The Ambassador said that when Dr. Webber returned to the United States he might report that President Thieu shared his "distress" that the war "was escalating"; that he might report no one was fighting in North Viet-Nam, that it was the North Vietnamese who were still continuing their infiltration, it was the North Vietnamese who were stepping up the subversive activities and attacks on innocent civilians by the planting of mines and mortaring of villages with no military objective but to strike terror.

But, said the Ambassador, if one were really "distressed", the proper place to complain would be Hanoi. The mere fact that a guerrilla campaign was in progress in South Viet-Nam, the Ambassador said, was in and of itself a denial of the violent criticisms by some of their colleagues of South Viet-Nam as a repressive, closed society. By definition no guerrilla action of any consequence can be carried on in a repressive, closed society. There is no possibility whatever of any guerrilla activity in North Viet-Nam, in the People's Republic of China, in the Soviet Union, or in Cuba. Guerrilla action of this scale and magnitude can be carried on only in a reasonably free and open society. The Ambassador said that a free and open society can be described in many ways depending on the bias, prejudices or the degree of objectivity of the observer. There are those who would limit the characterization of any society as "free and open" unless it is wholly perfect and without blemish, overlooking the historical record that, except for a few moments in the Garden of Eden, the human race has not yet quite managed this accomplishment. However, to those addicted to the narcotic of "selective outrage", it is a convenient standard to use making it easy to concentrate on the warts of a society and extrapolate those warts as a picture of the total society. Fortunately, the Ambassador said, the great majority of Americans are more honest and objective observers. They can recognize the warts for what they are and put them in the total perspective. But the basic fact remains that no objective observer can possibly deny that any guerrilla operation can be effective except in a society which is basically free and open, and no objective and honest observer will come to any other conclusion than that South Viet-Nam, with all its warts and blemishes, is basically a free and open society and that North Viet-Nam is not.

The Ambassador said that there is one other basic fact which he thought just had to be recognized. For the entire period of this conflict, whenever people have had a choice amid the disruptions of the war, they have come only one way, to territory controlled by the South, never to the territory controlled by the North. The Ambassador said that he thought the group really ought to ask themselves why. Why have the refugees never gone to North Viet-Nam? Why have they never gone into the so-called PRG area? Why, when given a choice, do they always come to the areas controlled by the Government of South Viet-Nam? The Ambassador said that dealing with refugees had been his business, that he knew the problems, that he had never seen a refugee camp that couldn't be criticized. Why, the Ambassador asked, when the refugees are pushed even out of these camps by NVA/PRG attacks do they still go further south to the areas controlled by the Government of Viet-Nam and never the other way?

The Ambassador said that he thought he knew what the answer was, that all over the world people of all races, all creeds, all religions had a basic instinct for freedom and that wherever there was a chance to make a choice they always opted for freedom, they always chose to make their way to a free and open society however imperfect it may be. Therefore, the Ambassador said he hoped the group would ponder this question and carry back as part of their objective appraisal their own version of the answer to this rather elemental question.

The Ambassador then turned to Dr. Webber's statement that another area of distress was that many people suggested that a major probem was that U.S. aid was not really reaching places it ought to go. The Ambassador said that Dr. Webber was delicately and elliptically referring to what should be more directly and openly termed "corruption". The Ambassador said, of course, the problem existed. It was difficult, as Dr. Webber pointed out in his reference to the United States, to wholly eliminate it under the best of circumstances. In times of war and great social turmoil, it was always worse. Reading the Hanoi papers one could see that even in that society, regarded as Utopian by some of his colleagues, there were increasing complaints about corruption. However, the Ambassador said, in regard to our own AID programs, he was pleasantly surprised to find that the controls that had been instituted and the constant checks on performance had resulted in our AID programs being far less affected than he would have anticipated on his arrival in Viet-Nam. Noting that Mr. Boone had been a public official in Massachusetts, the Ambassador said that, for purposes of comparison, he thought the general level of corruption in the RVN might be roughly but fairly equated with that existing in Boston and the Commonwealth of Massachusetts around the first decade of this century when "Honey" Fitzgerald was Mayor of Boston. The Ambassador noted that we might take some comfort as well as hope by noting that things were now better in Massachusetts and that one of Mayor Fitzgerald's grandsons had become President, another Attorney General of the U.S., and a third, now a United States Senator, was regarded by some of Dr. Webber's colleagues in the "Peace Movement" as the White Knight in Shining Armor, tilting his lance to battle corruption, and the sole guardian of the great American liberal and humanitarian tradition. Although other Americans did not quite accept that accolade from Dr. Webber's colleagues in the "Peace Movement" as the "revealed truth", the Ambassador thought the analogy did perhaps put the problem in a clearer perspective.

Turning to the comment of Dr. Webber about the difference between the justice delivery system in the Republic of Viet-Nam and the United States, the Ambassador reminded the group that the Vietnamese system was based almost wholly on the French system and the Napoleonic code. It was quite different from the United States system deriving from Anglo-Saxon tradition. The Ambassador said he had heard exactly the same expressions of shock from American visitors to France and Italy.

It might be helpful, the Ambassador thought, if many of their colleagues realized that the sense of values, deriving largely from Confucian traditions, as modified by French influence, are not wholly like our own. The Ambassador said that he thought that some of their colleagues perhaps had been guilty of that "arrogance of power" which Senator Fulbright had so eloquently and correctly pointed out that we should attempt to avoid. Therefore, we should not sit in judgment on a system of values that is different from our own and insist that only by transferring our own can perfection be achieved. The Ambassador said that our own system had developed over two thousand years of trial and error, that it works reasonably well, but it can only work with the common acceptance of the ground rules that everyone observes and these cannot automatically be transferred all over the world. The Ambassador observed that if we really "objectively" look at what is going on today in Viet-Nam we would find that it works reasonably well in accordance with a condition which we ourselves considered vitally important two hundred years ago and that was the consent of the governed. Mr. Webber agreed and said that is where we began.

The Ambassador hoped the group would permit him to respond in some detail to a question about the "repressive police system and systematic use of torture". He first wished to say that he was revolted at the thought that any American, as many of their "Peace Movement" colleagues had done, would circulate charges that any part of any American AID Mission would participate in any way in advocating, advising about, or furnishing any equipment for, any measures that would be brutal, involve torture, or political repression of any kind. The very thrust of the AID Public Safety Advisers would automatically be the exact reverse. And the massive irony of the program of gross distortion which had been waged with such great skill was that those who had manipulated the decent instincts of their colleagues in the "Peace Movement" were the very ones who would smash any dissent of any kind once they achieved power.

Only a modicum of logical thought, the Ambassador said, leads to the inescapable conclusion that the greatest danger to any guerrilla operation or serious attempt at political subversion is an effective police system. Naturally, therefore, the primary target of the other side is to hamper, to emasculate, to destroy the police system of this country, or any other country they may wish to subvert and destroy. The Ambassador pointed to the stack of documents on the table to which he had previously referred and invited the group to look at the orders of assassination which had been issued by the other side principally directed against police officials wherever they might appear. Quite naturally the other part of the system of attack on a police system is to reduce all external aid. Therefore, the full weight of the propaganda machine must be turned loose to portray that police system as most repressive, most brutal, and to say that it engages in all sorts of torture.

The Ambassador said that he had been watching the evolution of events in Indochina for more than a quarter of a century. During that period he said he had become utterly fascinated by the success of Hanoi in fashioning a propaganda apparatus which in its efficiency, in its pervasiveness, and its sheer perfection of technique has no parallel in recorded history. Herr Goebbels would whirl in his grave, the Ambassador thought, in complete frustration at the realization that he was the most callow, unsophisticated neophyte in comparison.

Of course, Goebbels did not have at his disposal the base of the worldwide communist apparatus with its ability on certain issues to coopt non-communist parties of the left and use this base for the formation of front organizations ostensibly without communist or leftist connections. From such platforms, the Ambassador said, it is apparently easy to absorb that portion of the world wide community of alienated intellectuals driven by a compulsion to ensure that their individual intellectual hemlines are not one silly millimeter above or below the prevailing fashion.

And the final step, the Ambassador said, appears the easiest of them all, to devise the principal propaganda themes in terms of simple blacks and whites and then to reach out to enlist the decent instincts of well meaning people by persuading them by incessant repetition of gross distortions that the evils they have always opposed are clearly present in South Viet-Nam.

The Ambassador said that care is taken never to vary the simple themes of the propaganda. Thus the figure of 200,000 "political prisoners" is a consistent theme in the publications issued by the other side for well over ten years. Even those who believe this to be an exaggeration yield to the temptation to maintain their "credibility" by accepting a lesser number. For example, Amnesty International did so in June and the greatly respected, objective journal, the Economist, felt constrained to point out that not a shred of credible evidence was presented in support of Amnesty International findings.

To avoid confusion, the Ambassador said that it might be useful to make certain that we had a common definition of what was meant by the term "political prisoner". The Ambassador said that to him the incarceration and the long service in labor camps of Alesandr Solzhenitsyn warrants his classification as a "political prisoner". The Ambassador said to him that the six million European Jews, between the time of their arrest and murder, were "political prisoners" and that to him the 2,000 intellectuals and officials of Hue, between their arrest by the North Vietnamese in the 1968 Tet offensive and their summary murder, were "political prisoners". The Ambassador said that to him all those imprisoned anywhere only because of their opposition to the regime which govered them were "political prisoners". The Ambassador said that as one who had been termed an "old fashioned, liberal humanitarian" he was unalterably opposed to such oppression whether it comes from a regime of the right or a regime of the left, a regime of the center or from any other source. The Ambassador said that he knew full well that his lack of capacity for "selective outrage" violated the norms of the current intellectual modishness.

The Ambassador said that the campaign to eliminate aid to the police program had apparently been successful. Therefore, we would now see a slight variation in the propaganda themes. They would be twisted slightly in a manipulation that provides a better emphasis for the next goal, which apparently presently is to drastically reduce the volume of external aid, both military and economic, which the Government of Viet-Nam will need for the next year or two. The Ambassador said that it now seems certain that we will see the propaganda themes zero in on a reemphasis of repression, brutality, torture and the "200,000 political prisoners" and the conclusion that will be drawn is that "we really shouldn't be giving aid to this kind of people, should we?" It all sounds so reasonable, said the Ambassador, and it will be reasonably effective since a few zealous converts to the cause in the media and among the legislative staffers can carry such distortions to lengths which can permanently damage the delicate fabric of international relationships and can change American attitudes until we again turn inward into a retreat into the isolationism which was so damaging in the past.

The Ambassador reverted again to the question of "political prisoners". He pointed out that the figures in circulation vary from 200,000 on up or down. The Ambassador said that he could state with complete conviction that the total prison population within the Republic of Viet-Nam as of mid-January, including all prisoners from the smallest village detention facility through the largest central prison, does not exceed 35,000. The Ambassador said that he was absolutely certain of the correctness of this figure, that over six months had been spent using the not inconsiderable resources of this Mission to establish beyond any question of a doubt that this was a total which was accurate.

The Ambassador went on to say that he could not, of course, completely attest that within that total of 35,000 there are not included a few "political prisoners" however defined. Taking into account the hatreds that arise in a country torn by twenty-five years of conflict, whose system of values was one of Asian values, not Western values, it would be perfectly logical to assume that there would be "political prisoners". The Ambassador reiterated that in his use of the term "political prisoners" he would include only those who had been imprisoned solely because of their opposition to the regime. But the Ambassador said that he found to his utter amazement that in almost seven months of conversations with opponents of this government, with independent journalists, with representatives of the great humanitarian organizations of both our country and of other countries of the world, he had yet to be given the name of a prisoner who is incarcerated solely for his opposition to the present Government of Viet-Nam.

So, the Ambassador pointed out, the actual facts are that the total prison population in the country is less than 35,000. That is out of a total population of 19,000,000 people. The Ambassador said he was subject to correction by Mr. Boone who probably knew more about this than he did in the United States, but he understood that proportionately against our population of more than 200 million the ratio in Viet-Nam of the prison population against the total population was exactly the same as it is in the United States.

The Ambassador said he would be very grateful to the group, if while they were here, they could furnish him the names of people who they thought were in prison "solely for opposition to the present Government of Viet-Nam" and not for other reasons which would be a penal offense equally under the laws of the United States, Canada, Great Britain, Sweden, Denmark or any other country which we might regard as reasonably progressive. The Ambassador said that he had been given some names. He gave the group a list of three and he said that these had been recently identified by the North Vietnamese as "political prisoners" who should be released. The Ambassador gave them the copies of the confessions of these three individuals that they had been guilty of the assassination of Professor Bong, one of the most respected intellectual figures in the Republic of Viet-Nam. He showed them a picture of Professor Bong who had been horribly burned and mutilated by the explosives planted in his car. The Ambassador said he could accept the fact that people like this could be so motivated to perform these actions, but that he simply could not accept the definition that when you take political dissent to the point of murder that this deserves the classification of "political prisoner".

Ms. Kelley said that she was in total agreement with that, that they were not talking about that sort of thing. * * * The Ambassador said that he did not think that it was any more a part of the Asian system of values to engage in torture or repression than the instances to which both he, and he assumed also Mr. Boone with his long experience in this field could attest, have been sometimes the results of our own investigative processes in the United States, at least before we began to clean up this sort of thing over the last few decades.

Ms. Kelley thanked the Ambassador for his clarification and apologized for taking up so much of his time. The Ambassador said that he could not think of anything now that would be, or at least that he hoped would be, a more useful way for him to spend his time. Congressman Nix's letter had said that you were coming here to do an honest, objective job and the Ambassador accepted that recommendation and rejected other evidence that he had received that they were coming here to make already preconceived conclusions seem credible.

Dr. Webber responded that the group would not have had to come at all if their interest had been propaganda. The Ambassador said there was another version relating to the timing of their trip, noting the coincidence of the timing of their visit with that of another group which had been invited by the Vietnamese Council on Foreign Relations. Mr. Boone responded that his group was scheduled to leave the United States on November 25, but for practical reasons they just couldn't make it.

Ms. Kelley said that she was very much interested in the information that the Ambassador had given the group on the prison population and particularly his conclusion that it did not exceed 35,000. Ms. Kelley said that the numbers she had been given are about 200,000, but she did not want to argue about numbers nor what sort of prisons these are. She said that depending on which sources of information one uses there could be a wide variance of margin of error. The Ambassador asked her if she would mind stating the sources that she regarded as credible, that is, as evidence for the higher figure of 200,000.

Ms. Kelley responded that she could give a great deal of documentation but that her sources were exactly those of all other Americans, the New York Times, the Washington Post, the Indochina Resources Group, and the publications of the various Peace Groups. The Ambassador said that he doubted very much if the news columns of either the New York Times or the Washington Post had ever authoritatively reported such a figure to be correct. They may have very well reported that certain people have alleged this figure to be correct but that is quite a difference from establishing it as credible evidence. Of course, on the oped page of the New York Times there were occasionally signed articles from people like Mr. Fred Branfman who were entitled, of course, to give their own opinions but which the paper did not necessarily endorse. As for the Indochina Resources Group, the Ambassador said he had been told that members of the Congress had asked the GAO to investigate whether its directing mentor, Mr. Don Luce, had failed to register, as required by law, as a lobbyist and as an agent of a foreign power. Almost any objective observer would agree, the Ambassador said, that neither the Indochina Resources Group nor the "Peace Movement" publications could be regarded as either authoritative or credible.

The Ambassador said that they might turn to Vietnamese evidence which could very well be regarded as more credible. For example, the publication recently issued by Father Tin which claimed 200,000 "political prisoners". The Ambassador said that he had directed Mr. Sizer, an officer in the Political Division of the Embassy, to undertake a complete analysis of the allegations made by Father Tin, an articulate and determined opponent of the Government. He said that although it was a classified document, he had declassified this analysis to make it available to the group and he hoped that they would study it very carefully. It was an entirely authoritative examination of each of the allegations of Father Tin placed against all of the evidence that was available to us, and this examination, different from the one to which he had previously alluded, also established that the total prison population within the Republic of South Viet-Nam did not exceed 35,000.

Mrs. Kelley said that she did not want to argue about the numbers, that she was perfectly willing to accept the figure of 35,000 and the sources established by the Embassy. But she did want to talk about these stories that steadily come through about torture and repression. Mrs. Kelley said that no one wants to talk about possible torture, repression, executions in the Democratic Republic of Viet-Nam because we have no control there. The Ambassador said that he could well understand Ms. Kelley's disclination to talk about torture, repression, and executions in the Democratic Republic of Viet-Nam. It would not be a very pleasant story to hear.

The Ambassador added that he was somewhat intrigued by the implications of Ms. Kelley's remarks. It has never been his understanding of our policy that it was ever the American objective to exercise control over either North Viet-Nam or South Viet-Nam or any other country to which we have extended assistance. The Ambassador said that when he appeared before the Foreign Relations Committee of the Senate for its consideration as to whether or not it should recommend the Senate give its advice and consent to his nomination, he undertook at the request of Senator Javits and Senator Percy, among others, to make as thorough an examination as he was capable of making of these charges that have been made about Viet-Nam. The Ambassador said that he had carried out that request.

The Ambassador went on to say that over a career of service to the people of the United States, stretching now over forty years, he had established a reputation for total integrity which no one really questions. His own antecedents, the Ambassador said, were just too well known and the fact that he had taken on the establishment time and again when he thought it was wrong was also too well known. The Ambassador said that he felt under no compulsion whatsoever to defend in any way the Government of Viet-Nam. However, he did feel a compulsion to ensure that the American people be told the entire truth. Under no circumstances would he participate in any deception of the American people. Although he knew what he was saying to this group would almost surely unloose the wrath of their colleagues in the "Peace Movement," including those in the media and in the Congress, there simply were no pressure which could be brought from any source which could force him to participate in this deception of the American people which was now being carried on. These attacks had already been attempted in an effort to block his confirmation.

The Ambassador said that he had established to his complete satisfaction that the total prison population in Viet-Nam did not exceed 35,000. Therefore, on its face any figures about "political prisoners" which exceeded that number had to be totally false. The Ambassador pointed out that these figures included everyone in prison for every type of offense. It was the total prison population. The Ambassador said that he could not, of course, absolutely guarantee that there were no "political prisoners" within that number of 35,000, but just sheer plain old fashioned American common sense would seem to establish that, if there were any, it could only be a handful. If there was only one it was his deep conviction that was one too many but he reiterated that he had yet to be told of a name of an individual who was in prison solely because of his opposition to the current Government of Viet-Nam. He pointed out that he had asked the group previously for any names that may have come to their attention and they had not given him any.

Ms. Kelley said that she would expect that when a government like the United States pays such an overwhelming share of another country's budget that they certainly ought to assume a certain sense of responsibility. She said that she was not talking of such programs as CIP and Food for Peace. She gathered that these were humanitarian programs where we were introducing valuable commodities needed by the Vietnamese people into Viet-Nam. The CIP goods, she said, and the money are totally turned over to the Government of Viet-Nam and after that there is no control whatever in the way the money is used.

The Ambassador said that this, of course, is simply not true, that under the aid program in Viet-Nam, as under aid programs everywhere, there was a general agreement as to the uses to which our aid would be put and end-use examinations had been carried out to see that the agreements had been met in full.

Ms. Kelley said that there were several other points she would like to make. One is that because of American money, this immense infusion of American money and of military products into Viet-Nam, she felt we were definitely altering the situation in Viet-Nam. The Ambassador said if her statement meant that we were helping the Vietnamese to have the means to defend themselves from outside aggression, he would completely agree that our intention all along was to balance the aid being given by the Soviet Union and the People's Republic of China to North Viet-Nam.

Ms. Kelley said another thing that has not been mentioned is the nationalist effort within Viet-Nam to arrive at a solution making it possible to travel freely about the country, to congregate freely, to have ordinary legal process, to have free elections, to move around without interference. The Ambassador said that he knew of no official of the Government of Viet-Nam, nor had he met any person in the Republic of Viet-Nam who did not wish precisely the same thing. Free elections had been proposed by the Government of Viet-Nam on many different occasions during the past year after the conclusion of the Paris Agreements. The elections had always been refused by the other side for the very simple reason that the so-called PRG could not possibly get 10 percent of the vote under a truly free election with the most rigid international supervision.

Although none of the freedoms Ms. Kelley had mentioned were available in North Viet-Nam, the only reason that they were not now freely available in South Viet-Nam is that the country is still at war and not a war of its own choosing. The cold hard fact is that, no matter how hard your colleagues in the "Peace Movement" want to hide it, it is the North Vietnamese in South Viet-Nam who are still engaging in assassinations of officials, who are still planting mines that are killing innocent children, who are still using rockets and mortars indiscriminately which have no military purpose but are intended simply to cause terror and again the victims are almost always innocent civilians, not soldiers.

The Ambassador said if Ms. Kelley really wants to understand the root of the trouble which causes some restrictions in free movement, he suggested she look at this stack of documents two inches high which he has put on the table which includes the assassination orders issued by the North Vietnamese authorities against particular village and hamlet officials and the police as well as the orders to infiltrate sappers to plant dynamite and explosives. The evidence is all there if she really cared to see some true facts for a change. Ms. Kelley said that she did want to see it. The Ambassador observed that he didn't think that Ms. Kelley could really say that any country faced with this kind of a situation can be criticized for taking minimal action to protect its very existence. For example, would she tell the people who elected her that she would not take similar action to protect them against a similar threat?

Mr. Boone intervened to say that he could accept the documents to which the Ambassador had just referred, but that he is concerned about what has been happening since early last year. He said that he was dubious as a result of talking to so many people. It seemed incredible that what he had been told was true. Then he said he had sat in court all day yesterday listening with a person, who as at most a neutral, who had taken him there. In fact, Mr. Boone said he had not talked to anybody who claimed to be even sympathetic with the communists. The Ambassador observed that his hosts in Viet-Nam seemed to have done an excellent job of programming. But, Mr. Boone said, people he talked with seemed to be appalled at the flagrant examples of injustice. Mr. Boone said he sat in court all day yesterday and some people had been in jail (except for the military, the seven military people who were there for narcotic charges) for as long as two years without any kind of hearing. The Ambassador asked Mr. Boone if he had recently attended night court in any large American city and if he found things really all that different here. But, Mr. Boone said this is after the Paris Agreement. And, Mr. Boone went on, coming from one of the provinces down here, we were stopped five times, six times—six times the police got on the bus and tapped people to see if they were carrying weapons, and looked at papers. Wherever I go I see people stopped and of course you can accept this. As you said, the country is still at war, but it is sort of contradictory to what Article II implies.

The Ambassador said that he completely agreed that it was contradictory to what Article II would have hoped would occur, but that the people were moving and Mr. Boone himself and other members of the group had apparently moved freely throughout the Republic of Viet-Nam. Movement without checking was conditional, obviously, on the effective implementation of a cease-fire which the North Vietnamese had refused to implement. The Ambassador pointed out that the North Vietnamese have introduced large rockets which can now be fired from within twenty-two miles of Saigon if they are allowed to get in that close. On the table are the orders for the sappers with their dynamite and explosives to infiltrate into Saigon itself. Now, the Ambassador asked Mr. Boone, if he were in charge of protecting the people of Saigon, what measures of security would he take? Mr. Boone said, probably the same, but that he was sensitive to this kind of checking because he had grown up in the cities and, having been stopped so often himself and having been harassed and intimidated and beaten, he felt pretty close to this when people were stopped.

Mr. Boone said that he understood that they are realities on both sides. He said that some we were talking to realized that we were coming to see the Ambassador and apparently there were neutralists or even pro-government people who wanted to say, will the American Ambassador be an Ambassador of peace or an Ambassador of war? Mr. Boone said what I'm saying is that since last year, how do you see us bringing these people to the conference table in some kind of reconciliation process?

The Ambassador said that he hoped very much that he would be remembered as an Ambassador of peace. He pointed out that Mr. Boone had also been a public official and he knew very well that if one broadcasts every move that one makes, particularly again when dealing with a sensitive and proud people, about persuasion that you may be bringing to bear, it will not be effective. The Ambassador said that he thought the results would have to speak for themselves.

The Ambassador pointed out that less than a month ago he had left on Tuesday morning, flown to Paris, spent the day in session with Mr. Le Duc Tho and Dr. Kissinger, flew back directly here, arriving on Saturday afternoon. The Ambassador said he thought he was getting too old to do this kind of travelling, but his consistent effort, the consistent effort of Dr. Kissinger, and the consistent effort of the Government of the United States has been to bring an end to the fighting. The Ambassador said that there just couldn't possibly be any question about that, but again he observed that it takes two to tango.

The Ambassador said, let's take for example, the exchange of civilian prisoners which is called for by the Agreements. The South Vietnamese said that they had about 5,000 they were willing to turn over. The North Vietnamese and the so-called PRG said that they held 400. The South Vietnamese have a list of some 67,000 who are missing. Now an exchange of 5,000 against 400 isn't a very fair shake, but the South Vietnamese accepted that. They were supposed to be exchanged in the first months after the Agreements that were signed last January. The return to the other side was going on in a place called Loc Ninh which is in the so-called PRG territory. Some of the 5,000 prisoners being held by the Government of Viet-Nam said they did not wish to be returned to the other side. So the other side staged a great demonstration which forced a cancellation of the returns.

After the meetings between Dr. Kissinger and Mr. Le Duc Tho in May and June and the conclusion of the June Communique the process started again and again the same thing happened. Now the other side selects places where they want to exchange prisoners—there are 400 now, 400 prisoners. The places that they picked were ten places, ten places, to exchange 400 people, and those particular places were deep in South Vietnamese territory. So then if those points had been accepted they would argue later that because those points had been accepted as exchange points, the Government of South Viet-Nam would have admitted that this is PRG controlled territory. Now, after the meeting between Dr. Kissinger and Mr. Le Duc Tho in Paris on December 20, the process has gotten underway again.

The Ambassador said that he had with him at the table Mr. Hal Pattison who follows very closely the activities of the Two Party Joint Military Commission which handles these affairs and if the group was interested he could give them the present status of that. All the group said that they would very much like to hear it.

Mr. Pattison then pointed out that the prisoner exchanges were called for under Article 8 of the Paris Agreement. He said that last spring most of the return of military personnel was accomplished. At that time the communists had admitted to holding 5,428 military prisoners and the Government of Viet-Nam 27,000 prisoners of war. Although the Government of Viet-Nam has a list of 67,000 of their people who are unaccounted for, they finally decided to go ahead with the exchange and release almost all of their 27,000 prisoners, hoping that by setting this example, it would cause the other side to be more forthcoming in giving an accounting of these many thousands of people missing from the Government of Viet-Nam, both military and civilian.

Mr. Pattison went on to say that the precise number of those returned or released, that is the military prisoners, Viet Cong and North Vietnamese, totalled 26,750 over the February/March period. The so-called PRG side released just under 5,000 and they are still holding 410 who should have been released early in March in the last phase of the military exchanges. This, then, Mr. Pattison said left the question of the civilian detainees. The Government of Viet-Nam gave a figure of 5,081. The so-called PRG side gave a total of 637. These exchanges were halted after some unfortunate incidents at the exchange site. They resumed again in July at which time the other side staged a demonstration to which the Ambassador has referred.

Mr. Pattison said that he thought it would be clear from our experience in Korea what the cause of these demonstrations were. The thing that held up the release and return of prisoners in Korea so long was the Communist insistence that all prisoners would be returned to them whether there were any who wished not to be returned or not. Since this would be a clear violation of human rights in the gross sense we refused to go along with this. Mr. Pattison said that in the Paris Agreements, accordingly, there was a provision for the ICCS to observe the exchanges and that any who did not want to be returned to the other side would have a choice. As a consequence at each release there were a number of both military and civilians who did not wish to be returned to the other side. This upset the other side very much and these demonstrations were against those who did not want to be returned to them and it was designed to bring pressure on those who were about to be released to accept the return. Again since this was a gross violation of human rights the Government of Viet-Nam broke off the releases.

Mr. Pattison said that over the past three weeks the Government of Viet-Nam have been attempting again to get these exchanges started. They still hold 3,506 civilian detainees and the other side says it holds 226 civilian detainees and 410 military prisoners. In addition, Mr. Pattison said, the GVN hold 33 military personnel still to be returned. The Government of Viet-Nam has made very specific, concrete proposals for the release of these people at specific times and places and their businesslike approach from the very beginning of this contrasts very sharply with the approach of the PRG which has been designed to cause delay so that they could exploit the issue of retention of prisoners. The Government of Viet-Nam is hoping to, as part of the resumption of these releases, to get the other side to give some accounting of these thousands of people which the Government of Viet-Nam has belief are still held by the other side. But the other side has totally refused to discuss this aspect. Nevertheless, the GVN is willing to go ahead with the remainder of this 3,000 exchange.

The Ambassador said that he hoped very much that this time, the third time around, this process might be completed. Perhaps by now the other side had realized that it was not going to be possible to exploit this as a propaganda issue forever. Therefore, the Ambassador said it seemed to him that the trip of this group to Saigon just at this particular moment might really have been most fortuitous. The Ambassador said that he assumed that the concern of the group was as universal as Congressman Nix had described it, that they were not a part of the propaganda operation of the other side. The Ambassador said that if your concern were truly universal it occurred to him that since the other side, of course, knows that you are here, an indication from this group expressed directly to them might be useful in speeding up the exchanges.

Ms. Kelley broke in to say that she did not understand the Ambassador's last sentence or the particular thoughts he was expressing. The Ambassador went on to say that in Saigon there are the delegations of the Democratic Republic of Vietnam in Hanoi and the delegation of the so-called Provisional Revolutionary Government of South Viet-Nam. These delegations are here in Saigon as part of the machinery which was set up under the Paris Agreement and which was endorsed by the International Conference. The Ambassador said that he thought the most effective pressure that could conceivably be brought to bear to get this process of return of the civilian prisoners moving again would be for a group such as this to tell them that the American "Peace Movement" was seriously interested in some forward movement without any further delay. The Ambassador pointed out that, as Congressman Nix had described them, they were distinguished citizens of the United States and that since Hanoi was perfectly well aware of the positions they and their colleagues in the American "Peace Movement" have consistently taken, that your group had been basically friendly to the arguments which the other side has presented, they would just possibly be brought to believe that you are sincere and you are honest and that this is an issue that it is no longer possible for them to manipulate purely for propaganda purposes.

Mr. Boone asked the Ambassador if he was saying that the group could pursue an audience with the other side and put the hard questions to them that should be pursued. Mr. Boone wanted to know if this is realistic. The Ambassador replied that he didn't know whether this was realistic or not. If the purposes of the group were as they and Congressman Nix had stated them to be, the answer was yes. Certainly the credentials of this group as people who have professed a universal concern over prisoners, who have stated a concern with the lessening of the violence, an interest in getting both sides back to peaceful occupations might make such intervention extremely useful.

Mr. Boone said that what he was concerned about, for lack of another term, was that they might blow a good opportunity for peace. He said that, in the minds of the people out here, he heard everywhere over the past week that we have a great burden to bear. He said that the people he had talked to think we can do something to facilitate reconciliation. Mr. Boone asked if this was reasonable. He said, what are they talking about when they say, we can do it? Although the results would not be what Mr. Boone's question had in mind, the Ambassador said that Mr. Boone's remarks reinforced his own conviction that the group might perform a truly useful service if it were to get in touch with the two delegations as he had suggested and make known the views of the group that the other side should now proceed with the exchange of prisoners without any further delay.

The Ambassador said that the exchange of the remaining prisoners was one issue to which the group might make a contribution, but that at this moment there was also another issue on which they might make a significant contribution. He asked Mr. Pattison to explain it. Mr. Pattison said that there was a proposal made the day before at the Two Party Joint Military Commission by the Chief Delegate of the Government of Viet-Nam. Mr. Pattison said that as the group undoubtedly knew, there have been two joint appeals in the past for a cease-fire which unfortunately had led to nothing. The Government of Viet-Nam conclusion from this experience was that vague, general appeals are not likely to work because they are not specific. They did not call for any specific steps to make them effective. Therefore, rather than make another such appeal the Government of Viet-Nam proposed only yesterday to begin by agreeing to stop four types of acts—the use of indirect fire from mortars and other artillery, the cessation of the use of rockets, and the planting of land mines, and acts of terrorism, all of which serve no military purpose but resulted in the indiscriminate death of innocent civilians.

The Ambassador pointed out that this proposal did not cover the direct fire of combat troops against combat troops. It was designed to avoid just the plain slaughtering of innocent civilians, the placing of mines where kids get their legs blown off. The Ambassador said after you see a couple of these your stomach sort of turns. The Ambassador said that he was deadly serious that he wanted the killing to stop, that a constructive proposal had been made, that the group had asked whether he was an Ambassador of peace. He had replied that he was. He was now asking the group if they were to be a delegation of peace.

The Ambassador pointed out that the Tet season was approaching which traditionally had been in Viet-Nam a period of peace and reconcilation. During this period, there had usually been over the years a lessening in the intensity of the violence. This proposal, the Ambassador said, was in effect to continue afterwards. Let us not again raise the intensity of the violence. The Government of Viet-Nam was asking the other side to agree that these things will not be done in the future.

The Ambassador said that he wanted to repeat again that the group may have arrived in Saigon at a most propitious time since what has happened in South Viet-Nam has turned out quite unlike the expectations of Hanoi a year ago. At that time the North Vietnamese, looking at the Republic of Viet-Nam through the screen of Marxist-Leninist dogma and ideology, had concluded that it would all now crumble as the Americans departed. The fact was that it had not. Hanoi had made no progress at all in taking over the country in the past year and it just might now be a time when it would be perceived by Hanoi to be in their interest to lessen the violence. The Ambassador said that it is quite obvious that they are not going to take over South Viet-Nam by force.

Ms. Kelley observed that they did not really have the force. The Ambassador said that it was true that they did not have the force to take over South Viet-Nam but that they do have the force to cause enormous damage, that they actually have more force here than they had in 1972 when they started the Easter offensive. Most of the armament which is now in their hands has been introduced into South Viet-Nam in total violation of the Paris Accords. They can use it if they choose to use it. It will not be successful, but they can mount this kind of attack which would mean enormous casualties and disruptions.

But, said the Ambassador, there has been one great change since the Paris Accords a year ago. The Soviet Union and the People's Republic of China are no longer capable of being whipsawed by Hanoi, neither daring to desert Hanoi in their own competition to be the new Rome of the Marxist-Leninist world, neither daring to be accused by the other side of deserting this tiny Socialist country fighting for its life against imperialist aggression. Now this is no longer a factor, thanks to Dr. Kissinger. Therefore, when the Soviet Union and the People's Republic of China now begin to look at Hanoi in terms of their own national interests, the interests of the Chinese state and the interests of the Soviet state, it is not to the interest of either one of them for Hanoi to have a dominant position in Southeast Asia. Therefore, they are not resupplying them with massive weapons of war as they have continuously over the past years.

This time, then, Hanoi has got to calculate that if they go for broke, as we used to say in Hawaii, it is an awfully risky business because the odds are that they won't make it again, and if they don't make it, it will be highly unlikely that they will have the resources to try again by pure military force. I think they now perceive, the Ambassador said, that the strength is here, that the people do accept the legitimacy of this government no matter what the criticisms or distortions which are circulated abroad, and when they vote, they vote with their feet by coming this way. Now, the Ambassador said, the North Vietnamese have not been able to proselytize, have not been able to convert in the countryside, therefore, it just might at this time be in the perceived interest of the other side to accept a tacit lowering of the intensity of the violence.

The Ambassador said that the South Vietnamese could logically argue that with things really going for them, with the initiative on their side, they ought not to accept a lowering of the intensity of the violence. However, they do want peace. They want a chance to reconstruct their own country in peace. The Ambassador said that whatever influence Ms. Kelley has mentioned that we ought to exert, we are exerting. The result of all these combinations of factors is this very practical proposal that the Government of South Viet-Nam has advanced. It will be observed by the Government of South Viet-Nam if it is observed by the other side. Therefore, the Ambassador said he wanted to repeat, once again, that if the group was seriously interested in a lowering in the intensity of the violence, in avoiding further killing and maiming of innocent women and children by North Vietnamese terror attacks, in facilitating a climate where people can really begin to talk about reconciliation and national concord which he was convinced the Government of South Viet-Nam was prepared to do, this group really ought to seriously and prayerfully consider making an appeal to the delegations of Hanoi and of the PRG to accept the proposals which had been put forward, for both the exchange of prisoners and for the foregoing of mass destruction of civilians.

Dr. Webber said that in reading the cease-fire agreement it is really hard to see how, apart from getting American troops out, the details were adequate to solve the problem. The Ambassador said that might be true but said it was necessary that there be an intention on both sides to make an agreement work. The Ambassador reiterated that he thought the group was in a unique position here to exert influence on both these issues. He hoped that the group would get in touch with the North Vietnamese and PRG delegations and to make it very clear that they would see no excuse for their not getting on with it. The Ambassador said that this would have enormously more import coming from them than really from anyone else. The other side would be quite likely to conclude that there is danger that they would no longer be able to effectively exploit the propaganda they had been mounting all around the world. The Ambassador, therefore, thought that if the group's concern was as universal as they had stated and not selective, it seemed to him that, as a matter of conscience, they did not have much choice but to utilize the opportunity clearly in front of them to bring a cessation to the killing and to the violence.

Ms. Kelley said that she couldn't speak for the entire group but for herself her beliefs were not universal. She said she thought it would be extremely presumptuous of her to make any such representations. She said that her interests were selective, although she thought it flattering to think that she might have an effect on international arrangements, such as with the PRG and the DRV.

The Ambassador said that he thought Ms. Kelley was unduly modest, that Ms. Kelley might think it a reasonable assumption that his judgment of the effectiveness of what she might do would likely be more accurate than hers. After all, he observed, Ms. Kelley was not unknown to Hanoi and the positions your group and the "peace activisits" groups in the United States have taken are certainly clearly and favorably known to Hanoi. Therefore, the Ambassador said, the fact that their group would be concerned that there be some progress on the things for which the Agreement called, and on which the conscience of the world would demand some action would, he could assure Ms. Kelley, have a considerable effect.

Ms. Kelley responded that in that case she would make every effort, though the time was very short, to somehow reach these people. She said she was very concerned about the limited areas where they could be effective and these limited areas of assistance are in terms of American tax money at a time when the American budget internally was very tight and that she thought this was an area where every American had something to say.

The Ambassador said he agreed that every American always had a right to have something to say. He had exercised that right all his life. The Ambassador went on to say that it was with the deepest conviction and the utmost seriousness that he had made the suggestions he had just advanced. The Ambassador said he could speak with some feeling on the subject. Having been Ambassador in Thailand for four years and watching what was going on over here, he had engaged in a long and bitter four year battle with Washington arguing about the extent of the military involvement we were making in Southeast Asia. The Ambassador said that it was his conviction that, while he thought we should give materiel and training to match that being given to North Viet-Nam by the Soviets and the Chinese, it was only the local peoples of Southeast Asia who had to make the decisions that had to be made and only they who could do the actual fighting. The Ambassador said that in 1967, when people were losing their heads over Viet-Nam, he wasn't, because he was already carrying his around in a basket. It had been lopped off because of the persistence and bluntness of the expression of his opinions.

However, just at this point in time he thought it was enormously important for Americans to be able to look back a half decade from now and say that whatever mistakes we made in Viet-Nam, in the end we began to do things right and it came out all right. He thought that the price we will pay if we are not able to do this would be an inward turning of such enormous proportions that it can have a devastating effect on the influence we can exert, and have to exert, if there is to be peace in the world. Therefore, he did not understand how anyone would miss an opportunity to push for a settlement which is just and decent and which will permit the people of both North and South Viet-Nam to get on with the ordinary business of living.

The Ambassador said that he was puzzled and hoped he could make one observation which would not be taken as personal but that he wondered whether when Ms. Kelley said she was being selective, she realized that, whether this was her intention or not, she was involved in a campaign which is deliberately designed to force the American Congress to limit the economic aid to the Government of South Viet-Nam. Ms. Kelley broke in to say that she was worried that she may have created a misconception since she had a record of trying to persuade Congress to limit American funds to Viet-Nam.

The Ambassador said that he was well aware of that, but the point he was curious about was the real purpose of Ms. Kelley's efforts. There were some who opposed on the grounds of what they believed to be more serious and urgent priorities on the domestic front. The Ambassador thought this a mistaken view since he believed America had ample resources for both. However, he could respect the honesty and conviction of one who disagreed. However, the Ambassador said, he found it increasingly hard to stomach the activities of those whose emotonal involvement in the total victory of Hanoi was so great that they would engage in the most gross and deliberate distortions to deceive the American people to achieve that goal. The

Ambassador said that his emotional interest was involved only in where America comes out a half decade or decade from now, that he believed with the deepest conviction he was capable of expressing that if this does not come out well we will have set in motion an inward turning which is going to be enormously more costly to the people of the United States and which can endanger the possibilities of keeping peace in the world.

Ms. Kelley said that she wished to be completely understood. She thought cruelty and and death exist all over the world and that she was not so presumptuous to think that she or people who thought as she did could end this sort of suffering. But she said that she did feel that each one of us has an area of responsibility. She said that this may come from her Christian background. She said that she did feel that very often with American involvement in a foreign country the end result is always bad as a result of the money that we have put in. That is not to say, Ms. Kelley said, that without this money this particular country could not create the same system, but it should not be done with our money. She said that she was concerned about the usage of American funds to cause possible pain in countries where we do not, may not belong. This is possibly because we do not have enough understanding. Ms. Kelley said that she was concerned that in attempting to exert American control over this narrow strip of land in this part of the world that we were going to harm ourselves as Americans.

The Ambassador responded that control over this or any other part of the world has never been an American objective. Our objective had always been simply stated, that because the use of armed force in a nuclear world is dangerous to all mankind we thought it useful to help South Viet-Nam avoid being taken over by North Viet-Nam by force of arms. He also pointed out that, as of this moment, American policy had been successful because North Viet-Nam has not taken over South Viet-Nam by force of arms, nor is it likely to in the future, if we maintain our resolve to provide the necessary materiel assistance for the next couple of years.

Dr. Webber asked the Ambassador what in his opinion was the best thing America can do now and in the future about Viet-Nam. The Ambassador replied he thought that the best thing America can do now and in the future is to realize that only part of what Ms. Kelley says was true, that the problem of peace and progress at home really cannot be divorced from what happens elsewhere in the world; that how we finish our commitment here will inevitably influence both, that there was a certain residual obligation which had been clearly undertaken in January of 1973 to furnish both military and economic support for the next couple of years which will see this country over the attacks which are now being mounted from the other side and get it on its way economically. The Ambassador said he was now very certain it need not take longer than this, and that this should not involve any direct military participation. The Ambassador said that he simply could not understand the twisted and distorted logic of what purports to be American liberal thinking which has been so enormously and devastatingly critical of American actions taken here and now seeks to evade the only logical further conclusion that if their criticisms were only partly right it would leave us with a certain responsibility. The only credible explanation is that their emotional involvement in a Hanoi victory is so great that no lie, no distortion is too gross and revolting to accomplish this objective.

Mr. Boone said that he thought it all boiled down to integrity of the leadership of the Government of Viet-Nam and he said that's what people are confused about. The Ambassador said that he thought Mr. Boone had every good reason to be confused, taking into account the massive and concerted propaganda campaign that had been going on for quite a few years. Mr. Boone went on to say that he thought that if it is half as corrupt as we have perused in the public press he thought by golly that we really are in a bind because work and new visions for the future and all could just go down the drain. The Ambassador said that was possible, but he did not think it probable. He recalled to Mr. Boone the analogy he had made with the Commonwealth of Massachusetts and the City of Boston, noting that Mr. Boone had been a former Director of Corrections for the State of Massachusetts.

The Ambassador said he wanted to return to the fact that the group did have an opportunity at this point of time to make a very great contribution to the lessening of the intensity of the violence and to the bringing about of peace. And at an absolute minimum it could not help to fail to create conditions where peace can return here. Now, perhaps, the Ambassador said, Ms. Kelley was right, that you really should not intervene. The Ambassador said he had never accepted the theory that God wound up the clock and threw the key away, and that human beings can't do anything about it. Perhaps they were right, but he himself thought that there was at least a compulsion to try to do things that were decent and good, and at this particular point in time an enormous contribution in his judgment could be made if they were willing to make the effort. The Ambassador pointed out that the decision obviously had to be theirs, and theirs alone.

The Ambassador handed Dr. Webber a card with the telephone numbers of the North Vietnamese delegation on the Four Party Commission in Saigon and the telephone number of the delegation of the PRG in Saigon. He told the group that if they thought they could make a contribution, and he thought in all conscience that they had to make the effort, they could reach either of the delegations or both of them on these numbers.

Dr. Webber said that when one first arrives in Saigon and somebody says, if you think you know what's going on around here you haven't been here long enough, that is probably true. But Dr. Webber said that the point is back in the States it is very easy to feel, like when we signed the peace with Japan and Germany, that the war is over, that we demobilize our troops, and we now move in with aid, the Marshall Plan to reconstruct the country. Dr. Webber said, as I understand we are now learning that the war is still going on and that America cannot avoid continuing involvement in supplying that part of it for the sake of permitting the South Vietnamese to defend themselves. He asked if that was correct.

The Ambassador said that Dr. Webber's understanding was correct, the fighting was still going on and everybody who knew very much about North Viet-Nam knew that it would for a while until they understood that they simply could not prevail by force of arms. It was also true, as Dr. Webber had said, that America had a commitment to continue supplying the sufficient means to permit the South Vietnamese to defend themselves, that this commitment had been made only a year ago, that it was universally accepted by the people and by the Congress of the United States, and that he, therefore, assumed that America would continue to keep that commitment. It was important to understand what the commitment was not. It was not a commitment to intervene again. It was a commitment only to replace the losses on a one for one replacement basis on the military side. If the other side sticks to that we certainly will stick to it beyond any question.

It is not, however, wholly automatic that that commitment will be kept. The Ambassador said that he was well aware that the groups represented by Dr. Webber and his friends were doing everything within their power to see that America did not keep its commitment. Perhaps, the Ambassador said, they would be successful. If so, he thought the United States would pay an enormous cost, a cost in its own self respect, a cost in a turning inward in a new kind of isolationism which would provide enormous dangers for the people of the United States and for the people of the world. Only our grandchildren, the Ambassador said, would really be able to calculate the full measure of the cost of not keeping this commitment for the next two years.

Ms. Kelly told the Ambassador that as an elected official she knew how vulnerable sources of information could be. Whether they come to her or not with information she said depends on how much they believe in her. There are many people in America who believe the prisons here are repressive beyond what most civilized nations would accept and that our share of this is a disgrace, giving our money with or without strings.

The Ambassador said that he had previously mentioned his professional admiration of the propaganda apparatus Hanoi had been able to marshall. He said that he thought Ms. Kelley really probably was not aware of the full measure of the apparatus as it extended within the United States. For example, the Vice Chairman of the PRG delegation to the two-party talks in Paris had recently given a tongue lashing to the American peace activists who had met him there saying that the peace movement in the United States was disintegrating, and that they were falling down on the job in getting the propaganda campaign within the Congress that needed to be mounted for this next appropriation cycle. Names of prisoners were furnished the American peace activists. The names were carefully misspelled. Vietnamese names are difficult at best, but with this deliberate misspelling they are impossible to identify. These names are put out to the peace activists in the States along with a manual of instructions, including some samples of letters to be sent to Congressmen asking for information about particular individuals. Since the names were deliberately misspelled, when the response came that they could not be identified, this added to the credibility of the charge of an attempt to cover up. In view of this concerted campaign of distortion the Ambassador said that he fully understood that many of the people in the United States thought as Ms. Kelley said that they did.

The Ambassador said that he was indebted to Congressmen Dellums, who he thought was from her own district, for having put into the Congressional Record on October 31 of last year the entire manual of procedure to be followed by the peace activists in getting these letters started as a lobbying campaign, one of the most sophisticated the Ambassador had ever seen. So here again, we have the mastery of technique, the repetition, after repetition, after repetition of gross distortions of the facts as they actually are, continuously spread to decent people who hate repression everywhere until they are really led to believe that what they have been told is the truth about conditions in South Viet-Nam.

The Ambassador said, however, he doubted that the process would actually be wholly successful. He said that he had a deep and abiding conviction that one of the miracles of the modern world is the common sense of the American people once they are informed of the true facts, and there is nothing that so revolts the American people as an attempt to deceive them. The Ambassador said that he understood that there were now people in the Congress sufficiently concerned with the lobbying effort to peddle these gross distortions to press for a full scale investigation to be organized to uncover the entire extent of the mechanisms, including that part which reached into the Congressional staffs. The Ambassador was certain that when the true facts were put before the American people that they would, as they have always in the past, make the right decision.

Ms. Kelley told Ambassador Martin that she would like to ask him a very delicate question, a very direct question, since time was running short and that is, would it be possible with his influence to get a group of representatives, neutral Americans, even from the Congress, from well respected bodies to go to the prisons and freely inspect them. Ms. Kelley said that by the Ambassador's arguments if we really are trying to equip this country to defend itself against the DRV, if this country becomes stronger, respected internationally, if we are providing means whereby they defend themselves, then she thought one of the greatest weapons for South Viet-Nam would be some sort of respect which seems to be lacking. Ms. Kelley said she thought the Ambassador could certainly help facilitate this part. She said that back home. I think most people do think the cease-fire is working, that there is no more war. But I think that many people feel that the last few years of sacrifice have been very agonizing. Ms. Kelley said she would like to forget about Viet-Nam and yet she felt that somehow she could not. She said she wanted to believe the cease-fire, that she wanted to believe that there were no such things as concentration camps as there were in World War II. She wanted to be able to go home and say, let's forget about it. She said she could not stand pain. The Ambassador said that he was way ahead of Ms. Kelley, that he had been trying for a long time to have just this be done. But the real problem was how one would determine the composition of such a group. For example, did Ms. Kelley really think that the group she was with was qualified to be accepted as neutral or objective. The Ambassador thought not, and that it was a pity for if they were truly objective what they would have to say to the American people would show up a record of distortion so gross and monumental that it would indeed be shocking. Ms. Kelley asked the Ambassador if he really, honestly thought that was true. The Ambassador said that he knew beyond the slightest shadow of a doubt that it was wholly true and that he was able to describe in detail from beginning to end the whole sorry process and that he was going to do everything within his power to see that the entire story was made available to the American people.

Dr. Webber asked if there were people in the Vietnamese Government whom it would be helpful for them to talk to. He said that they had only two days now free. He said that they would be delighted to talk to anyone that the Ambassador thought might be helpful in giving them a perspective that would help, that might be a corrective. The Ambassador said that he did not know whether this would be possible. He noted that the group had been in Viet-Nam for more than a week and a half out of their two week stay before they had even contacted the Embassy. Usually when groups wanted such assistance, they informed the Embassy before they had left the United States. It was almost, the Ambassador said, as if they had delayed getting in touch with the Embassy, knowing that the Tet season was just beginning when Vietnamese offices were totally closed, in order to make a record that the Embassy had refused to request assistance for them in their quest for "prospects for peace."

Dr. Webber said that they knew only on Friday at 3 p.m. that they would be leaving the next morning at 10. That's when, he said, they finally dug up enough money from friends all over the place to come. He said it was a very tight squeeze. He said that one of the letters that the Ambassador had received came in the mail today. They were fighting to get between $7,500 and $8,000 to finance the trip. Dr. Webber said that no group supported them. He meant that there were no FOR or Quakers or peace groups who had put up the money. He said they begged it from all over the country. He said that he thought 100 women in Massachusetts dug up $25 apiece for John Boone.

The Ambassador said that he had not been aware that a senior attorney of IBM, who we understood was a member of the group, would have had so much difficulty. But to be totally honest with them, even if the Tet season were not just beginning with the Vietnamese offices closed, the unfortunate juxtaposition of their arrival with that of another group, with which again the United States Government or this Embassy had had nothing to do, was too close to be considered by many Vietnamese as pure coincidence. One supposition that he had heard was that the suddenness of their trip came from the determination to have your group here at the same time to issue a report or to have a press conference which would counter anything favorable that the other group could conceivably say. The Ambassador said that he did not know whether this was true or not, but said that perhaps the group could tell him. Unfortunately this was the supposition that he would face in trying to arrange appointments for them.

Dr. Webber said that, well, the group did not want to embarrass the Ambassador. The Ambassador said that there was no possible way they could embarrass him. The fact was that he would very much like to help. He had always been responsive to any request made by a member of the House Foreign Affairs Committee and also because he was totally convinced that if the Vietnamese were to throw everything totally wide open to them, accepting the premise even with their admission of part of the group of their selective concern, that if their concern was as the Ambassador's to tell the whole truth whether it goes against the conventional grain of their peer group or not, then it would be a very useful exercise. The Ambassador did note that they had had no difficulty in securing their visas, that they had been able to travel throughout the Republic of Viet-Nam, that they had apparently seen anyone they had chosen to see, and he called attention to the difference in North Viet-Nam where he said, as far as he knew, only Mr. Don Luce and Cora Weiss had recently been admitted. The Ambassador asked if they had made any effort on their own to arrange appointments with Vietnamese officials, either before they had left the United States or in the more than a week and a half they had been in Viet-Nam, Mr. Boone replied that they had not yet made any attempt to make appointments. The Ambassador said that the Embassy would see what it could do. In the meantime, however, he thought there would be no problem in the group's seeing the North Vietnamese and the PRG delegations to act on his suggestion that they urge those delegations to facilitate the exchange of the prisoners and to agree to the prohibition of the mass weapons which could only kill innocent civilians. The Ambassador said he would be extraordinarily interested if they decided that they would really like to make a contribution to peace, a contribution which he thought would be enormously effective if they would only try.

Dr. Webber said that the group appreciated the Ambassador's support and his candor and his integrity. They said they were grateful, tremendously grateful. They said that the Ambassador had been a great help. The Ambassador said as a matter of curiosity, would the group be in favor of giving economic aid to North Viet-Nam. Only Ms. Kelley responded saying that she really hadn't given much thought about it on this trip, but she would be very loath to give economic aid to any country right now without a clear assessment of the unfilled priorities in the United States which should receive attention. She would say, Ms. Kelley said, let's take care of our own. The best thing America can do now is to concentrate on its own internal problems. Ms. Kelley said that she thought that perhaps she could be classified as an isolationist. The Ambassador said that he was sorry to hear that. If it would help America, he would be all for it himself, but it really wouldn't work and would be a great danger to the world. Ms. Kelley said that she had been a great supporter to the Marshall Plan and of all the different aid programs, but felt that our power is so great and our control certainly should be too. The Ambassador said that he had never understood that the American objective was to gain control of other countries by its humanitarian impulses to give aid. Ms. Kelley responded that she did not give her child $2,000, even if she had that much money, just to do with as he might wish. The Ambassador said that he was not aware that this had ever been done under any of the American aid programs. He said there was a general agreement on priority. The Ambassador said that he had participated in the Marshall Plan in Europe from the very beginning. It was carefully worked out where the money was to go, but it was by agreement, it was not by dictate from our side. But once having done that he had not thought that it was ever the American intention to exercise control over the countries to which America had given aid. Ms. Kelley said that she thought with a great deal of money comes a great potential for corruption and that she did not think that anyone would mind corruption if it didn't mean human pain and that her whole approach to this is in terms of limiting human pain. The Ambassador said that that was and interesting point of view and he hoped very much that she would have an opportunity to express that view to representatives of the regime in Hanoi.

The meeting closed with a question from Dr. Webber asking whether he might further impose on the Ambassador's time by bringing in Mr. Robert Ranson, a member of the group who was then visiting in the Danang area. The Ambassador said he would be glad to see him.

The following day, Thursday, January 18, Dr. Webber returned to the Embassy with Mr. Robert Ranson, introduced by Dr. Webber as a senior attorney with IBM. The Ambassador, again because of the request of Congressman Nix of the House Foreign Affairs Committee, broke already scheduled appointments to receive them.

The ensuing conversation, lasting more than an hour, covered much of the substance of the conversations of the previous day and is, therefore, not repeated here in detail. Only a few points were new. Mr. Ranson, when asked by the Ambassador if Mr. Ranson could give him the names of "political prisoners"—individuals in prison solely because of their opposition to the present Government of Viet-Nam—gave no names but instead launched into a criticism of the GVN "justice delivery" system, hitting particularly at long delays that he believed were common before arrested persons were brought to trial.

The Ambassador observed that IBM had extensive international interests in Europe, including France and Italy. The Ambassador assumed that Mr. Ranson was perfectly familiar with the "justice delivery" systems of those countries which were, as in the case of Viet-Nam, based on the Napoleonic Code under which pre-trial detention was based on quite different legal concepts than the British or American systems. Mr. Ranson said that, even so, the principle was wrong. The Ambassador said he was glad to note that Mr. Ranson's criticisms were, then, a matter of principle applying equally to France and Italy as well as to Viet-Nam.

Mr. Ranson made a point of his OSS experience in World War II, saying that he had been trained as a saboteur to be dropped into occupied France. In response to a question whether he had been prepared to carry out assassinations, Mr. Ranson replied affirmatively. The Ambassador said that perhaps explained why the campaign of assassination being mounted by the North Vietnamese did not seem to trouble Mr. Ranson-although the Ambassador did not share this view and did not believe it would be supported by most Americans.

The Ambassador again reiterated his views that the group could, if they so chose, make a unique contribution to stopping the killing of innocent children and civilians by getting in touch with the NVA and PRG delegations demanding affirmative action on both the civilian prisoner exchanges and the renunciation of weapons of mass terror. Dr. Webber said they were having some difficulties in getting through by telephone.

On the following day, Friday, January 19, the Ambassador again saw Mr. John Boone at the latter's request. The only new factor emerging was Mr. Boone's statement in response to the Ambassador's request whether the group had made contact with the NVA and PRG delegations. Mr. Boone said Dr. Webber had said he had tried to call the DRV/PRG telephone numbers, but they were "wrong numbers". (Note: A subsequent check revealed that the telephone numbers given were completely accurate and that the telephones were working.) There was no further direct contact with the group.

Further Note: Apparently the group called a press conference in the Continental Hotel on Thursday afternoon, January 18, where they distributed a statement and tried to interest the Saigon press corps in their "findings". At the conclusion members of the group asked whether the newsmen agreed with their "findings" on Viet-Nam. A reporter who was present said there was a dead silence. No one agreed. "It was", the reporter said, "a little sad." The statement could have been, and probably was to a large extent, written before their departure from New York. It was so blatantly and obviously a propaganda operation that none of the reputable correspondents, the TV, or the wire services would touch it. Only the New York Times filed a brief story.

JANUARY 18, 1974.

PROSPECTS FOR PEACE

We are a group of five United States citizens who arrived in Saigon on January 8, 1974, and have spent two weeks in a first hand study of conditions in South Vietnam, one year after the signing of the Paris agreement. (Of appendix for group members). We make no pretense of expertise but we have been overwhelmed by the wide variety of government of Vietnam violations of the Paris agreement that we have encountered. Our immense admiration for the courage and fortitude of the Vietnamese people continues to grow as we discover what they face from a repressive government and through long years of never-ending war. We came seeking signs of peace. We have met instead on every hand the reality of a cruel military regime. The only result of the Paris agreement that we can find is the return of American prisoners of war and the withdrawal of American military forces from South Vietnam. For Vietnam there is no peace.

Our visit has been brief but our experience has been intense. We have talked to U.S. Government officials, to the United States ambassador, to American civilian employees, and to a wide variety of Vietnamese citizens: senators, deputies, ex-prisoners and the relatives of prisoners, refugees, people in resettlement camps and villages, journalists, students, farmers, clergy, people in every walk of life and on a schedule began in the early morning and continued until curfew. We have traveled to Quang Tri, Hue, and Quang Ngai and to Cantho in the Delta.

We are profoundly distressed to discover the dimensions of the continuing war and to hear, in the words of President Thieu, that the fighting is intensifying. We have heard the guns at night and seen weapons fired by day. We thought the U.S. had left the country (peace with honor, said President Nixon) only to find that the U.S. is supplying the weaponry of war and financing of repression.

We are profoundly distressed to discover that U.S. soldiers died for what is a ruthless military dictatorship that seems to reach into every area of life and leave no citizen untouched by fear. Our aid, even that intended for relief and development, is a primary source of funds for the military. Even coming from the United States, we are staggered by the scope and tragedy of corruption by government officials, seemingly at every level.

We are distressed by the justice delivery system. In long, poignant and personally devastating conversations with ex-prisoners and the relatives of present prisoners we have learned of torture that is routine and maltreatment that is universal in every prison and place of detention. We have seen back to village communities that can fairly be called concentration camps. We have visited a military court that by any standard is a travesty of justice. Our hearts bleed and our consciences cry out in pain at what we see our U.S. funds make possible.

We are prepared at every point to document these areas of distress in the testimony of those with whom we have talked, aften in meetings held of necessity in cautious privacy.

We appeal to the American people in the name of peace to overcome their amnesia about Vietnam and ask how in God's name we can truly make amends for what we have wrought. We appeal to Congress to stop the funding of this oppressive military regime. We pray for peace and reconciliation for this land and its all its people.

APPENDIX

Members of the group

John Boone (52). Visiting professor, Boston University; director, National Coalition for Correctional Change, former Commissioner, Mass. State Department of Corrections; 20 years in field of correction.

Ying Lee Kelley (41). Councilwoman, Berkeley, California. Women for Peace (East Bay). Asian American Community Alliance.

Robert Ransom (54). Attorney, employed by a New York major Corporation, National Steering Committee of Clergy and Laity Concerned, Gold Star parent (son killed near Quang Ngai, May, 1968).

Rev. George W. Webber (53). President, New York Theological Seminary; Chairman, National Steering Committee, Clergy and Laity Concerned; former pastor, East Harlem Protestant Parish, NYC.

Debrah Wiley (26). *American Report,* New York City. Covered Indo-China for three and one half years for American Report.

EMBASSY OF THE UNITED STATES
OF AMERICA,
Saigon, Vietnam, February 12, 1974.

MR. MARTIN ENNALS,
Secretary General, Amnesty International,
London WCIX 8SP.

DEAR MR. ENNALS: In your letter of January 14, 1974, you inform me that, on the occasion of the first anniversary of the signing of the Paris Agreements on Viet-Nam, Amnesty International is writing to all four signatories asking them to take immediate steps to resolve completely the lingering problem of civilian detainees in South Viet-Nam. You also enclose copies of letters you have written to the United Statse Secretary of State and to the President of the Republic of Viet-Nam.

I would like to make it absolutely explicit and clear that the remarks that follow are my own and are not to be interpreted as in any way reflecting the views of the Republic of Viet-Nam.

In your letter to me you ask me to note that in your letter to President Thieu you have drawn attention to the statement made by a former Second Secretary of the Embassy in a letter dated "31" (sic) April 1973, to a staff consultant of a United States Senator. You say that this letter (actually dated 3 April) "stated that 'somewhere between 500 and 1,000 non-communist dissidents' were being detained by the Government of the Republic of Viet-Nam." You go on to say that you would very much appreciate my commenting "on the apparent discrepancy between this statement and the frequently reported claim of the Saigon Government that it has no non-communist political prisoners."

Before doing so, a brief clarification might be helpful. You have omitted from the letter you quote, inadvertently I assume, phrases which, if included, would have conveyed a quite different meaning. The letter actually said: "Though we do not have precise figures, we estimate that the GVN now detains—somewhere between 500 and 1,000 non-communist dissidents, such as Madage Ngo Ba Thanh—". It is evident, therefore, that the letter made no such sweeping finding of fact as your selective quotation inferred. It admitted the absence of precise figures and clearly labeled the figures that followed as estimates. It further qualified the words "non-communist dissidents" by providing an illustrative example: "such as Madame Ngo Ba Thanh". Even so qualified, the imprecision of such reporting, without any evidence to substantiate or confirm what, at best, was a guess, violates the standards of American Foreign Service reporting set out by Ambassador Charles Bohlen in his recent book, *Witness to History,* to which this Embassy is endeavoring to adhere.

Nevertheless, although your letter displays, again unintentionally, I assume, a similar lack of precision in attempting to equate apples with oranges—"non-communist dissidents" with "political prisoners"—it does deserve a comment. To me, the incarceration and Siberian exile of Alesandr Solzhenitsyn warrants his classification as a "political prisoner". To me, the six million European Jews, between their arrest and murder, were "political prisoners". To me, the almost three thousand intellectuals and officials of Hue, between their arrest by the North Vietnamese in the 1968 Tet offensive and summary murder, were "political prisoners", as would be the additional 1,946 still missing, if they are still alive. To me all those imprisoned anywhere only because they are opposed by the regime which governs them are "political prisoners". As one who has been called a hopelessly old-fashioned liberal humanitarian, I am unalterably opposed to such oppression whether it comes from a regime of the right or a regime of the left, knowing full well that my lack of capacity for "selective outrage" violates the norms of current intellectual modishness.

Now, the use of the term "non-communist dissident", taken by itself, would not seem to me capable of the precise definition essential for meaningful comment on the "apparent discrepancy" to which you refer. For "non-communist dissidents" may circulate freely in South Viet-Nam if they have broken no laws. In fact, many are known to my staff and many are interviewed by the foreign press. Fortunately the additional qualification "—such as Madame Ngo Ba Thanh—" is helpful. In Washington, in early October, one of my oldest friends, a great liberal former Governor of New York, and a former Ambassador both to Great Britain and to the Soviet Union, asked me whether I thought Madame Ngo Ba Thanh was a threat to the Government of Viet-Nam. I said I did not. He asked me why she was in prison. I asked him what he thought might have happened to a woman in the United States, who, having just concluded a hearing before our mutual friend Arthur Goldberg when he was a Supreme Court Justice, had accosted him as he was about to enter his car, flogged him with her umbrella, broken the windshield of his car, and then kicked him in his private parts. He said, "My God, she would still be in jail". I agreed and said that I thought this would also have been the case in Sweden, Denmark, The Netherlands, Great Britain, Canada, the United States, or any other country where respect for the processes of justice precluded such savaging without punishment of those engaged in the administration of justice by contempt of court. I said Madame Ngo Ba Thanh was now free, free to stay and continue to criticize, or free to leave the country should she so choose.

On the basis of the above clarification of the terms you have used, I am able to inform you that I am unable to confirm any discrepancy between the comments in the letter to which you refer and the statement of the Republic of Viet-Nam that it now holds no non-communist political prisoners.

I note that the Stockholm Conference is preparing to meet again to seek the coordinating lines for the coming propaganda offensive. I note further that a Vice Chairman of the so-called Provisional Revolutionary Government of South Viet-Nam, has met in Paris with a small group of the tattered remnants of the American "peace movement". He sent them home to the United States, after a severe tongue-lashing on the disintegration of their cadre within the United States, with instructions to mount an all-out offensive in the Congress to deny all assistance to the Government and people of South Viet-Nam. In the remote event of their success, the most massive irony will be that, in so doing, they completely eliminated any possibility that the Congress of the United States would approve extension of economic aid to Hanoi.

Through more than forty years of public life, I have consistently and unswervingly supported the goals and causes which Amnesty International purports to espouse. It is, therefore, with great sadness, Mr. Secretary General, that I am forced to conclude that those who manipulate the Stockholm Conference are probably correct, in their internal private and confidential appraisals, in now listing Amnesty International as one of those organizations most susceptible to unquestioningly pushing whatever propaganda line they wish it to pursue.

And that is, truly, a very great pity for there is so much to be done. There is so much that Amnesty International could do were it to return to the "unselective outrage" against injustice that marked its creation and which, I am certain, is still the aim of the distinguished Patrons listed on the masthead of your letter.

I remain, Mr. Secretary General, as ever,

Sincerely,

GRAHAM MARTIN.

FAIR LABOR STANDARDS AMENDMENTS OF 1974

HON. CHARLES E. WIGGINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 4, 1974

Mr. WIGGINS. Mr. Speaker, I am today inserting into the RECORD an explanation of my reluctant opposition to the conference report on the Fair Labor Standards Amendments of 1974.

The legislation increases minimum wage benefits to a large category of American workers. Surely such an increase, in annual increments as proposed in the legislation, is fully justified by the alarming rise in consumer prices. But as is so often the case, even needed legislation can be fatally flawed by the overexuberance of is sponsors.

The defect in the conference report which has forced me to the conclusion that it should be rejected is its treatment of local firemen.

When the minimum wage legislation was considered in the Senate, that body extended full wage, hours of work and overtime provisions of the act to firemen. The wage provision will be of no consequence because firemen uniformly earn more than the Federal minimum wage. But the hours of work and the overtime provisions would be devastating to every city in my congressional district. The Senate proposal would have approximately doubled the cost of local fire protection by forcing cities to employ firemen on a three 8 hour shift basis. This enormous increase in cost would drive local tax rates up or, alternatively, would force cities to reduce the quality of their fire protection.

The House recognized the unworkability of the Senate bill and deleted the coverage of firemen. I supported the House bill. But the compromise of this issue by the conference committee represents an acceptance of the Senate's position and a rejection of the wisdom of the House. The compromise does not destroy municipal finances in 1 year; it does so in phases. But the end result is the same.

I understand and appreciate the desirability of compromise when deciding upon important legislation. However, as it pertains to firemen, the compromise has serious philosophical and practical applications.

Philosophically, the conference report fails to fairly reconcile the underlying difference between the Senate and House versions of the bill. Whereas the Senate favored forced compliance with the dictates of the bill by all public servants including firemen, the House recognized the wisdom of exempting firemen from Federal control. Yet, the philosophy that embodies the conference version of the amendments directly contravenes the will of the House. The conference report advocates, not immediate full Federal control of firemens' hours as urged by the Senate, but instead, a staggered, more long term application of Federal controls. This position is the apparent reconciliation of the divergent philosophies of the House and Senate. However, far from representing a compromise, this position yields to those desirous of extending the Federal domain. Any doctrine by which firemen face Federal sanctions, either immediately or 9 months hence, is an acceptance of the philosophy of extreme Federal protectionism to the full exclusion of local autonomy. Obviously it is no compromise at all; the desire of the House to maintain local control of fire protection is not being compromised—it is being forsaken.

Philosophy and practicality are inextricably tied in the Fair Labor Standards Amendments. Pursuit of a philosophy of expansive Federal controls and attempts to put that philosophy in practice will have a deleterious effect on local fire prevention services.

By mandating one uniform set of controls for the entire Nation, this legislation will be unable to effectively respond to and compensate for local variations in fire fighting services. Granted, some localities may benefit from this Federal regulation, but it cannot be denied that other local jurisdictions will lose by it. Indeed, the greater part of the Western United States is presently operating on work schedules that are above the maximum set by the compromise. To force these jurisdictions to obey one rigid set of requirements countermands the dictates of practicality and is tantamount to ineffective fire protection. As expressed by many firemen—the very people this section of the bill is designed to benefit—Federal guidelines will result in a lack of professionalism and thus a decrease in the quality of the service. In addition, local costs will skyrocket due to both the overtime provisions of the bill and the restrictions on hours worked per week. It is not unrealistic to believe that localities will be unable to absorb this increased cost. Consequently, the quality of fire protection will be ruinously compromised.

All of this is illustrative of the undesireability of the Federal Government imposing its will on a uniform basis with respect to firemen across the United States. The intent of the government's will is of course laudable; I do not oppose reasonable extensions of the Fair Labor Standards Act. However, when these standards are so rigid so as to work for the advantage of some, to the detriment of others, serious reconsideration should be given to their feasibility. Let us not extol the benefits of a bill that jeopardizes the best quality of fire service for the sake of expediency. The best forum for considering fair labor standards for firemen is local government. These units are well informed as to specific local conditions, responsive to local needs and thus best able to act in a fair and efficient manner.

URBAN PLANNING, HISTORIC PRESERVATION, AND THE DISTRICT OF COLUMBIA

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 4, 1974

Mr. STARK. Mr. Speaker, Tuesday I presented testimony before the Advisory Council on Historic Preservation. The Council is considering a case involving the General Services Administration's actions in demolishing historic properties to make room for a proposed Federal Home Loan Bank Board building. The properties involved had been determined eligible for historic preservation by the Secretary of the Interior, but GSA proceeded with their destruction plans in violation of the letter and spirit of Federal statutes.

The case at hand is an important precedent for the District of Columbia. It is imperative that we quickly establish a realistic and comprehensive planning policy for Federal buildings in the city. It should be a policy that will encourage economic and psychological stimulation for our urban renewal areas and protect and preserve the important monuments of our past.

I would like to share my remarks with my colleagues and solicit your support for our efforts to see Washington develop as a model city for the Nation:

Testimony Before the Advisory Council on Historic Preservation, April 2, 1974

Members of the Council. I appreciate this opportunity to come before you and testify on the proposed FHLBB building. I have been involved with this issue since last summer when, as Chairman Diggs' representative to the NCPC, I lead an unsuccessful effort to have the FHLBB locate their new building in the urban renewal area of the city.

Since that time, I have followed the events and procedures involving the proposed site. I would like to express several concerns I have and encourage you to consider these points as you develop your report and recommendations.

Although you are familiar with the chain of events in this case, I would like to quickly recap my own understanding and involvement.

In early February, I was contacted by the Council's staff because of my previous efforts in the case. Your staff informed me that they were negotiating pursuant to Section 106 of the Nat'l Historic Preservation Act of 1966, with the GSA and that it was likely that a Memorandum of Agreement would not be forthcoming in the near future. The next step would be a public meeting on the case and I agreed at that time to participate in the meeting.

There was little question in any of our minds that we had a rather simple, even text book example of what the Advisory Council was all about. GSA intentions were to destroy and adversely effect several historic structures. The Council has been established to insure that adverse effects are only agreed to after all other alternatives are given due, careful and sincere consideration.

There were several structures affected that were either listed or eligible for listing on the Nat'l Register for Historic Places.

GSA's contention that the buildings they quickly and surreptitiously demolished on Sunday, March 3, were not eligible for historic preservation is a pretentious fallacy. Although GSA failed to comply with Federal regulations and declare the buildings eligible for protection, the Department of the Interior, pursuant to Section 203 of PL 89-665, exercised its authority in this area and informed GSA of its findings. On February 20, GSA received a letter from the Department of the Interior which stated in part:

"The Winder Building Annex is attached to and an integral part of the Winder Building itself, which is already listed on the National Register of Historic Places. As such, it is entitled to protection under Section 106 of the National Historic Preservation Act of 1966. The Secretary of the Interior has also determined that both the Nichols Cafe and the Riggs Bank appear to meet the criteria for inclusion in the National Register.

"This determination is made to advise you that the General Services Administration should follow the other relevant procedures contained in Executive Order 11593.

"We appreciate your assistance in implementation of Executive Order 11593 and GSA's continued interest in historic preservation."

On February 28, in a letter from Secretary Morton to Mr. Sampson, the Secretary made the point even clearer. . .

"It has come to my attention that construction of the Federal Home Loan Bank Board Building on the site now proposed for it would most likely have a detrimental effect on the Winder Building. . . Being registered, the property (the Winder Building) is subject to the provisions of Section 106. . . and I am pleased to learn that the requisite review procedures have been initiated.

"This is also to let you know that the two adjoining buildings (the Nichols Cafe and Riggs buildings). . . are eligible for inclusion in the National Register. . ."

It is quite clear that Mr. Sampson was aware of the protection these buildings deserved, but decided to proceed with the demolition in willful violation of the law.

The decision to proceed with the weekend activity also followed repeated assurances from GSA that the buildings involved would not be demolished until the negotiations between GSA and the Advisory Council were resolved.

During the week of February 22, I engaged legal counsel, Mr. Patrick Macrory of Arnold and Porter, to seek a temporary restraining order to halt all demolition activity on the site. Mr. Macrory was informed by Mr. Robert Rice of GSA's Legal Counsel that the order would not be necessary because GSA would only demolish one non-historic structure and then cease activity pending resolution of negotiations with the Advisory Council. As late as Thursday, February 28, Mr. James Stewart, Project Manager for the case, assured my office that the buildings would not be taken down behind our backs.

On Friday, March 1, GSA continued their facade of cooperation by negotiating with the Advisory Council. It was only because of these commitments by GSA that we agreed to postpone any court action. We now see that these camouflage efforts were designed to protect GSA's decision to demolish the buildings at the first opportunity.

In a letter Mr. Sampson sent Congressman Thompson and I after we had questioned his agency's actions in this case, Mr. Sampson denied that GSA followed a "willy-nilly" demolition policy.

I agree with Mr. Sampson, GSA did not proceed "willy-nilly" in their demolition activity. It was a deliberate, conscious path designed to insure that the final resolution of this situation would be favorable to GSA. If GSA had succeeded in removing all the structures on the site before the court's restraining order, all preservation arguments would have become moot. It seems clear to me that the demolition decision was made after it became obvious to GSA that their actions were in violation of Federal statutes and that the Department of the Interior, the Advisory Council, and my office had adequate information and evidence to halt their actions.

I am amused by Mr. Sampson's contention that GSA is voluntarily informing the Council of the adverse effect the project will have on historic structures. Until quite recently, the world "voluntary" never appeared in GSA's position. On September 17, 1973, when GSA first contacted the Council about the project, they stated:

"This letter constitutes the beginning of Section 106 proceedings in this case."

There was no mention of GSA's "voluntary" compliance with the law, but rather, GSA knew the law and originally had intended to negotiate with the Council.

As recently as February 27, 1974, just four days before the demolition began, GSA wrote the Council and stated:

"We look forward to continuing Section 106 consultations for this project."

Mr. Sampson has fabricated this argument as an 11th hour attempt to justify his agency's illegal actions. His reference to the exemption in the authorizing legislation is inaccurate in that it was the intent of Congress that zoning exemptions be available to the Bank Board to facilitate their building plans. I am skeptical of the credibility of his contention of exemption since GSA never mentioned this argument until events forced them to seek a justification for their arrogant behavior.

Since September, GSA has proceeded in bad faith. They have conferred with and solicited the advice of the Council while continuing to issue demolition contracts. They have agreed to protect buildings subject to the Council and the Interior's consideration and then maliciously destroyed in one Sunday important and irreplaceable monuments of our past. I do not believe that their press release, issued late on the Friday before the destruction began, constitutes sufficient public notice. GSA failed to notify my office, the Advisory Council, the Department of the Interior, or any other group or individual involved or interested in the case. The only conclusion I can draw from this action is that GSA knew damn well that they were proceeding in violation of letter and spirit of the law.

I would strongly recommend to the Council that it begin its report on this case by requesting GSA rebuild the site to the condition that existed on Friday, March 1 (prior to the demolition) before any consideration of alternatives is begun.

We know that it is possible to build the new in harmony with the old. We are here today in Jackson Place, one of the finest examples of that process. GSA has never given serious consideration to this alternative for the site. Although they were instructed to do so last summer, their presentaton of alternatives shows that none except the original plan on the original site was ever fully explored. In fact, in a January 31 meeting between GSA and the Council's staff, it is my understanding that Mr. Stewart, Project Manager for the FHLBB project admitted as much.

Surely GSA should not be permitted to use their illegal actions as an advantageous argument to proceed. If the site is not restored to its previous condition before alternatives are considered, GSA will have been at least partially successful in their efforts to moot our historic preservation arguments. I believe this is a serious precedent that we should not allow to stand unopposed or uncorrected.

Once the site has been restored serious consideration should be given to what I consider to be the two alternatives on how to proceed. GSA and the Bank Board can submit new plans and designs for the building that would incorporate and complement the existing historic structures. As I said before, this has been done quite successfully on numerous occasions and if the consultant now assigned to the project is incapable of producing such an alternative then a new consultant with the necessary background should be retained. The members of the Council and others here today have more expertise and background in this area and I will defer to you to expand the guidelines for this alternative.

I would, however, like to strongly endorse another plan which I would encourage the Council to consider and hopefully, recommend. That is that the FHLBB building should not be built on the 17th & G site at all. There are numerous locations within the urban renewal section of this city that can accommodate and benefit by the type of project the Bank Board has suggested.

The decision by the Bank Board and GSA to build outside the urban renewal area has sparked a controversy between the members of the Board and some members of the National Capital Planning Commission supported by eleven members of the House Committee on Banking and Currency. The issue, of course, is a much larger one, and one that eventually must be settled between the federal government and the District of Columbia. It is centered around the question of whether or not the federal government, as a developer or landowner, has a responsibility to help meet the economic and social needs of the city in which it resides.

The Federal Home Loan Bank Board has been trying to relocate for several years. An amendment to the Federal Home Loan Bank Act in 1965 authorized the Bank Board to acquire and build a new headquarters, using the General Services Administration as purchasing agent. Various obstacles over a six-year period, however, delayed and ultimately precluded any possibility of construction on several proposed sites. In late 1970, the Chairman of the Bank Board authorized a new site investigation to be carried out within a geographic area west of the White House. The boundaries were Constitution Avenue on the south, K St., N.W. on the north, and 23rd St., N.W. on the west. The implications of these boundaries were quite clear: the Bank Board felt that a new headquarters in this area would appropriately complement the dignified and prestigious image of the Federal Home Loan Bank Board. In an environmental impact statement prepared by the General Services Administration (GSA), the first reason given for vacating the present headquarters was the belief that the Board "was not housed in a dignified and appropriate office building suitably reflecting the stability and importance of the agency and the institutions with respect to which it exercises its regulatory and insurance functions." The Board felt that a suitable location could only be found within those blocks west of the White House.

The first objection to this site selection procedure was raised at the National Capital Planning Commission meeting of June 28, 1973. I suggested, with the support of other Commission members, that the Board pursue further study of alternate sites. The members of the Commission accordingly voted to defer action on the G St. site until an analysis of alternate sites in the downtown urban renewal area was provided.

An interagency task force report revealed what many of us had held—that there were seven sites in the urban renewal area conforming to most of the specifications and requirements of the FHLBB. Downtown Progress, the non-profit corporation formed in 1960 to help revitalize the downtown area, similarly concurred in endorsing sites just east of the White House-Treasury complex. But at a subsequent meeting of the Commission, by a vote of 6–5, further exploration of alternatives was halted and approval was granted the 17th and G St., N.W. site.

I have attached to my testimony, and request it be made a part of your record, the report NCPC received outlining these urban renewal alternative sites. The report shows that these locations meet the criteria established by the Bank Board and GSA save one—they are not prestigious "locations." I do not believe, however, we should acquiesce to "prestige" so quietly. The basic question at stake is too critical to the future viability of the District as a financial entity to be lost by tacit consent. The responsibility for successful urban planning has been borne throughout the country by a coalition of business, government and social planning representatives. The failures have been marked. But where progress has been made, it is due to the notable amount of cooperation between the many interests at stake. The savings and loan industry has traditionally been the most constant and encouraging partner in any effort. That cooperation, though, is sorely lacking in the District.

There have been many landmark rehabilitation projects initiated with assistance, funding and supervision of local S&L's. Downtown Pittsburgh and Oakland, California are two of the most notable examples. In neither case would the project have been possible without the express approval of the FHLBB. The Bank Board, as intended by its authorizing legislation, is one of those government agencies most committed and dedicated to the public good. Its stated purpose has always included the stimulation of new home building and related neighborhood growth. While it is, indeed, the member savings and loans who are directly involved, the motivating spirit is provided by the regulatory agency.

Why, then, doesn't the FHLBB act in its individual capacity as director of the collective S&L industry? Apparently the Board's commitment to revitalization is limited to written guidelines for its member institutions.

Anyone familiar with the downtown urban renewal area of the District knows of the crying need for large scale building and business. The trend of growth west of that area which began over twenty years ago is continuing. Office building and commercial development that was at one time centered in the so-called "Wall Street" area on 15th St., N.W. moved west along the "K Street corridor" as far as 23rd St., and north to Dupont Circle.

The prestige associated with a business address in this section of the District is well accepted. The FHLBB, however, carries so much prestige in its own name that a Bank Board building would actually bring a great deal of prestige to the surrounding neighborhood. This image would also be heightened by the sort of office building planned. The Bank Board and the NCPC, as well as others, are in agreement that the structure shall have arcades at the ground level for commercial purposes. This use of accessible areas of the building would make it a thriving and attractive public center as well as a dignified and stately financial nucleus. In view of the present "wait and see" attitude expressed by private developers regarding the downtown area, this would surely be the first step in a long trend of rebuilding.

The factors which may seem prohibitive to a small firm considering locating east of the White House do not, however, apply in the case of a large, self-sufficient government agency that acquires, builds and occupies an entire office building. Such an agency does not have to be concerned with finding suitable tenants to occupy surplus space. There is no problem of maintaining a constant rental intake to meet overhead requirements. The only substantial cost factors involved for a government agency are those associated with acquiring land and construction. In this case, the costs of acquiring a site and of subsequent construction are less than for comparable space in prestigious neighborhoods. A study on this subject done for the National Capital Planning Commission estimates that savings realized per square foot between the "K Street corridor" and the downtown urban renewal area, for comparable office space, is often more than fifty cents per square foot.

I do not understand that increased costs might be incurred by the FHLBB if a change of site were to be made at this late date in their planning. This, then, is the only cost differential of any magnitude involved in the controversy. Are the increased costs of the selection of a new site, in the urban renewal area, justifiable in terms of the long-term financial benefit that will accrue to the city?

From a purely fiscal point of view, it must be noted, however, parenthetically, that the site now contemplated for the FHLBB at 17th and G Sts., N.W., would yield substantial tax revenue to the city if privately developed. Equally lucrative private development cannot be anticipated at this stage of development in the downtown urban renewal area.

More critical in terms of long-term financial benefit is the incentive for growth that the FHLBB headquarters would provide the surrounding neighborhood. This cannot be quantified, but all concerned authorities in the city concur in its magnitude. It would provide valuable, and long overdue, stimulation.

Additionally, GSA and the Bank Board's posture throughout this affair, their refusal to sincerely consider alternatives, their hypocritical rhetoric on historic preservation and urban development, and their illegal actions in destroying protected property should be considered when we decide the cost questions. It would be an horrendous precedent to allow the agencies to benefit from their uncooperative and illegal behavior.

Resolution of this question is not likely to come easily. The members of the Bank Board have so far stood firm in their intention to build on the site just west of the White House. They have not been swayed by the entreaties of NCPC members, members of Congress, Downtown Progress, or any others working for downtown development. Legislative recourse is available, if necessary. Both the House Committee on Banking and Currency and the House District Committee have jurisdiction to compel the FHLBB to locate elsewhere. . . .

I cannot urge strongly enough that the Council's first recommendation of disposition in this matter be that the Bank Board and GSA find another site for the building. One that does not infringe on historic properties and one that would positively benefit the city in the unique ways that the project offers.

In closing I would like to repeat a request I made when I submitted preliminary material to the Council for its consideration. Your report and recommendations will be of invaluable use to those of us concerned and involved in this issue. Pursuant to your authorizing legislation and the rules and regulations you have subsequently published, I would respectfully request that a copy of your findings be forwarded to the House District of Columbia Committee for its formal review and consideration. The case at hand is indeed a precedent. Both for the Council and your ability to enforce your regulations and for the District and its ability to influence and sanely plan the buildings that will go up.

Again, I appreciate this opportunity to share my thoughts with you and eagerly await what I hope will be a forceful and positive report.

Thank you.

EDITORIAL CALLS FOR ELIMINATION OF OIL COMPANY TAX CREDITS FOR FOREIGN INVESTMENTS

HON. JOE L. EVINS

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 4, 1974

Mr. EVINS of Tennessee. Mr. Speaker, the McMinnville Southern Standard, a splendid progressive newspaper in the district which I am honored to represent in the Congress, in a recent editorial entitled "Oil Industry Profits," concluded that:

> It is in the area of tax credits granted to oil companies for payments made to foreign nations in the guise of taxes and in the area of depletion allowances that our lawmakers might find the most fertile fields for reform.

Certainly this is a worthwhile and timely observation, and I want to include in the RECORD herewith this editorial from the Southern Standard because of the interest of my colleagues and the American people in this most important matter.

The editorial follows:

[From the McMinnville Southern Standard, Mar. 11, 1974]

OIL INDUSTRY PROFITS

The Senate has given its approval to a bill—batted back and forth between House and Senate since the waning days of the 1973 congressional session—that would give President Nixon broad powers to deal with the energy shortage, including gasoline rationing.

There may be some question of Senate sincerity in its bid to come to grips with the fuel crisis, however. House concurrence has been assessed as questionable and White House spokesmen have declared emphatically that the proposal would be vetoed by Mr. Nixon.

At issue is a provision to roll back crude oil prices to a ceiling of $7.09 a barrel, a revision worked out in a House-Senate conference of an equally controversial plan to tax excess profits of the oil industry.

And there is persuasive justification for doubts that clamping a lid on oil prices or denying the oil producers reasonable profits is the proper approach to the goal described in Washington as "breaking the back of crisis."

Conservation is only the first step in the nation's quest for energy independence.

Billions of barrels of oil remain untapped beneath the outer continental shelf off America's coastlines, on Alaska's North Slope to be made available by the Alaska pipeline and in the shale reserves in the Rocky Mountains. To harvest the fuel will require huge amounts of capital. In addition, according to the American Petroleum Institute, the equivalent of 60 new refineries will be required to process the new oil.

Hard reality demands recognition in Congress of the relationship between profits and investments.

At the same time, the oil industry cannot be allowed to enjoy a profit situation that does not provide the incentive for exploration of new resources, while benefiting from tax concessions aimed at encouraging development.

And it is in the area of tax credits granted to oil companies for payments made to foreign nations in the guise of taxes and in the area of depletion allowances that our lawmakers might find the most fertile fields for reform.

These tax breaks, no longer warranted in the grim fuel situation, are a proper target for Congress in its drive to relieve the burdens of the American consumer and taxpayer.

DEMOLAY CHAPTER SCORES AGAIN

HON. ROBERT McCLORY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 4, 1974

Mr. McCLORY. Mr. Speaker, last year it was my privilege to insert in the CONGRESSIONAL RECORD a tribute to the Anchor and Ark chapter of the Order of DeMolay. The chapter, comprised of young men ages 13 to 21—presently has 26 members who live in the Waukegan, Zion, and Winthrop Harbor communities of Lake County, Ill.

The only DeMolay Chapter in the State of Illinois which reached 100 percent of its membership goal for 1973—Anchor and Ark's officers are George Merelos, master counselor; Thomas G. Love, Jr., senior counselor; William Holliday, junior counselor; Charles Lofton, past master counselor. The Dad Adviser is Thomas G. Love, Sr., past master of Masonic Lodge No. 78 in Waukegan.

In observing National DeMolay Week and the 53d anniversary of the founding of the order, these Anchor and Ark Chapter members attended church services as a body, visited various local Government offices in the Lake County Building, and were guests of the Honorable Robert Sabonjian, mayor of Waukegan, who accompanied them as they lowered the flag over the Municipal Building at the "close of business."

Radio stations WKRS in Waukegan, and WZBN in Zion, featured the chapter by guest appearances of the members, and the members and their families were pleased to know that the general communities are informed of their daily efforts to exemplify good citizenship.

Once again, I salute these young Americans whose patriotism, religious dedication, educational achievements, and closely knit family ties mark them as the leaders of tomorrow.

HOUSE CONCURRENT RESOLUTION 470

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 4, 1974

Mr. DERWINSKI. Mr. Speaker, I have today introduced a House concurrent resolution which expresses the sense of Congress with respect to the American League's assumption of responsibility for any loss in revenues for the Robert F. Kennedy Stadium that may occur as a result of the Washington Senators having been moved from the District of Columbia. I introduce this bill today on the occasion of the 1974 opening of the major league baseball season.

As the Members will recall, the American League voted 10 to 2 to permit Robert Short to move the club to Texas. Recently, the National League turned down the effort to move the San Diego franchise to Washington.

When the Congress enacted the District of Columbia Stadium Act of 1957, it was with the understanding that a major league baseball club would use the stadium. Inasmuch as the revenues derived from the rentals paid by such a club are essential to the independent operation of the stadium, failure of the major league baseball club to place another team in Washington has made the stadium a white elephant since the end of the 1971 season.

The $19,800,000 worth of bonds that were issued in 1960 will mature in 1979. As the annual interest on the bonds is $831,600, the interest bill for the 19 years will amount to $15,800,000, thus making the total cost of the stadium $35,600,000.

While the stadium is being used for football and other activities besides baseball, the revenue sharing produced therefrom is insufficient to meet the annual interest payments, retire the bonds, and pay for maintenance. Only a dozen professional football games are played in the stadium, while major league baseball would have over 70 playing dates during a season.

The Congress did pass legislation that provided millions of dollars for a baseball stadium. If it can enact such a measure, surely it can pass other legislation to require the American League to compensate the proper government entity for the loss of revenue directly sustained by league action.

Mr. Speaker, if a bill such as I have introduced should be adopted, which would force the American League to have a major baseball team moved into the District of Columbia or have a financial penalty imposed on the league, it would be a practical vehicle to correct the league's actions which has had the effect of bankrupting the D.C. Armory Board.

Mr. Speaker, as a sports fan, I believe that Washington deserves a major league baseball team; but as a Federal official, I believe that the American League, not the taxpayer, should bear the burden of the loss of revenue which the D.C. Armory Board suffers from since big league baseball left Washington.

STUDENT RECORDS: A PROPOSED STRATEGY FOR PREVENTING ABUSES OF THE RIGHT TO PRIVACY—I

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 4, 1974

Mr. KEMP. Mr. Speaker, as I reminded this House during our colloquy earlier this week on the right to privacy and measures to further safeguard protections of that right, on some issues there can be no retreat from our resolve to aright certain wrongs. Certainly, the insuring of adequate safeguards to protect the individual's right to privacy is such an issue, for when rights are threatened, no measures are adequate unless they guarantee the protection of those rights.

The right to privacy is the right to be let alone, the right to be left alone. It is a right which forms the basis for such protections of the individual as those which shield him or her from unwarranted searches and seizures, electronic surveillance, snooping investigations and "fishing expeditions," and the inspection of personal papers, records, and effects. Support for the individual's right to privacy runs deeply in our Anglo-American heritage.

This right is exercisable by anyone, at any time in their life, as well it should be, for the gathering of information about one begins in our society today even before birth. And when that information gathering process starts, so too must protections against improper disclosures and uses be made operative. That is why the entire subject area associated with the protection of the rights of parents and pupils alike against improper disclosures and uses—actual or potential—has become a matter of substantial interest—and concern—to me. I believe we must move now, at all levels of government associated with formal education, to strengthen the right to privacy in this subject area.

Few observations on the need to protect students—yes, even small, young schoolchildren—against invasions to their privacy could better be cited than that of Alexander Solzhenitsyn, the courageous voice of human conscience who was recently expelled from the Soviet Union for his disclosures of the extreme abuses of individual rights in that society, in his classic work, "Cancer Ward":

> As every man goes through life he fills in a number of forms for the record, each containing a number of questions. . . . There are thus hundreds of little threads radiating from every man, millions of threads in all. If these threads were suddenly to become visible, the whole sky would look like a spider's web, and if they materialized as rubber bands, buses, and trams, people would all lose the ability to move, and the wind would be unable to carry torn-up newspapers or autumn leaves along the streets of the city. They are not visible, they are not material, but every man is constantly aware of their existence. . . . Each man, permanently aware of his own invisible threads, naturally develops a respect for the people who manipulate the threads.

Each of us should read and reread this observation. Its insight is profound. There are lessons here—lessons for us.

CUMULATIVE STUDENT RECORDS

Educators have constructed elaborate information gathering and storage systems, all in the name of efficiency, adding a piece here and there, tinkering with new components, assuming all the while they were creating a manageable servant for school personnel. But, what they failed to foresee was the swift development of modern technology and the widening employment of that technology and the widening employment of that technology by a social system increasingly bent on snooping.

The growth of student records into an all-inclusive dossier came in response to the increasing centralization and bureaucratization of schools. Another contributing factor was the emergence of education's ambitious goal of dealing with the child. Out of that context grew such specific actions as the National Education Association's 1925 recommendation that health, guidance and psychological records be maintained for—on—each pupil, and the American Council on Education's 1941 development of record forms that gave more attention to behavior description and evaluations and less to hard data on subjects and grades. By 1964, the U.S. Office of Education was listing eight major classifications of information to be collected and placed in the student record.

Never let it be said by anyone that my intention is to imply sinister motives among educators. Quite to the contrary, I am confident that the preponderant majority of them participated in the establishment of these elaborate student record systems out of good motives. I am equally as sure that many of them now share with me my concern over their potential misuse. I know, for many have expressed that concern to me.

WHAT IS TO BE DONE?

What is to be done?

A significant contribution to answering that question has been made in an informative, strategy-oriented research paper, authored by Sarah C. Carey, attorney at law, as assisted by Kay Lucas, a law student at Georgetown University only a few hundred yards from this Capitol.

Counselor Carey was formerly the assistant director of the Lawyer's Committee for Civil Rights under Law, and is presently associated with a Washington law firm.

This paper was brought to my attention by the National Committee for Citizens in Education, in Columbia, Md.

Counselor Carey's paper sets forth a strategy, at law, for preventing abuses of the students' and parents' rights to insure the confidentiality and proper use of information contained in pupil records.

I do not necessarily agree with each and every point made or recommendation proposed in the paper, but I do believe that is a contribution to this area of singular quality.

Mr. Speaker, at this point in my remarks, I include part I of the text of this paper:

STUDENTS, PARENTS AND THE SCHOOL RECORD PRISON: A LEGAL STRATEGY FOR PREVENTING ABUSES—I

(By Sarah C. Carey)

Elementary and secondary students in the nation's public schools are in danger of becoming locked into a records' prison that threatens to label them for life with personality, intelligence, behavioral and medical assessments based on highly questionable techniques. Not only are these assessments of dubious validity in the first place, but because they are viewed as the tools of "educational professionals" they are shrouded in secrecy and often withheld from the child and his parents. This means that the parent's responsibility for the basic decisions concerning his child's education and upbringing is seriously undermined because he is denied access to the data that the professionals hold out as the underlying justification for their recommendations. In addition, the schools frequently make the same materials that they deny to parents available to law enforcement officials, officers of the juvenile justice system and representatives of welfare, health and other non-school agencies interested in the performance of the child or his parents.

This article takes the position that basic records on a child's performance in school, including his academic and extra-curricular skills are clearly necessary for both the child and the school. Some assessment test and techniques may also be valid, but the voluminous subjective or unverifiable material that goes into a child's file in many school systems, including anecdotal comments by teachers, counsellor's reports, disability assessments, disciplinary records and the like should not become part of the child's permanent file and should be maintained only during the period of immediate use, if at all. Further, the parent of each child should have full access to all written records, temporary or permanent, as well as the benefit of oral assessments in order to participate in decisions about his child's course of education.[1] Access to any student records should be denied to non-school personnel, except with the express consent of the child or parent.

Footnotes at end of article.

At present, there are few or inadequate statutory provisions to insure parental access to records and to deny outside agency access. It is the purpose of this article to outline a number of legal theories that can be relied upon to achieve these goals. The theories that buttress the right of a parent to see his child's record include both substantive and procedural due process as well as common law bases. The concept of "liberty" embodied in the due process clause of the 14th Amendment, the 9th Amendment's reservation of basic but non-enumerated rights to the people and common law principles defining the nature of a parent's responsibility toward his child, have all been relied upon by the Courts to establish a right in the parent to control the upbringing of his child and to define the broad parameters of his education.

The decisions to date have held that a parent has a right to determine the institutional or communal setting in which his child will be educated, to prevent statutory incursions on curriculum offerings, and to remove his child from courses that conflict with parental beliefs. Those cases show that the parent's prerogative is most likely to be recognized where it does not interfere with the education of other children or the overall conduct of the schools, and where it relates to spiritual or cultural values. Although most of the decisions to date have not dealt with the specific question of whether a parent is entitled to review school records, this article argues that where the records are related to the decision with which the parent is faced, access thereto is inherent in the underlying right of control.

In addition to the cases asserting an affirmative right to decisionmaking on the part of the parent, the article traces another line of cases dealing with situations of denial, where the school is labeling the child in a stigmatizing fashion or excluding him from "mainstream" educational opportunities, to show that in these situations no deprivation can be imposed without according the parent full due process guarantees. A central element to these guarantees, as spelled out in the case law, is the right to review the records and other evidence relied upon by the educational professionals in reaching their decision.

The span of cases reviewed shows an early tendency of the Courts to favor parental preferences wherever possible as long as they do not interfere with the conduct of the schools, followed by a period of relative quiescence when much lip-service was paid to the expertise of school officials, followed in turn by more recent decisions preventing the abuse of school powers vis-a-vis the parent and the student himself. The precise dimensions of parental control including access to student records, remain to be defined in evolving litigation. The Courts continue to engage in a balancing process between the right of the state to act for the public welfare, or more specifically as parens patriae (the public guardian of the interests of minors) and the right of the parent to retain essential control over the personal development of his child. Where the parent's right prevails, the Courts have frequently stated that even though he delegates the right to educate to the public schools, allowing them to act in many instances *in loco parentis* (in place of the parent), he retains essential control over the scope of that delegation. In other words, the school can never replace the parent.

Finally, the article briefly discusses the right of the parent to prevent the collection or dissemination of certain kinds of highly personal data about his child where that data constitutes an invasion of privacy or the labeling of the child in an unverifiable but stigmatizing fashion.

A. *The Problem:* In New York City a parent was advised by school authorities that his child wasn't learning properly because he had emotional problems and should see a psychologist; the child's father had to go to Court to obtain a copy of the school psychologist's report so that the psychiatrist he hired could review it:[2] in Washington, D.C., a mother was advised by the local principal and the school psychologist (who had a heavy foreign accent) that tests conducted by the psychologist of her daughter showed that the child should repeat kindergarten; the mother was not allowed to see the tests or the underlying reports and as a result transferred her child to another school; [3] in San Francisco, Black parents who were advised that their children had been assigned to classes for the "educable mentally retarded" were able to prevent the assignment only when they went to Court to show that the intelligence assessment tests applied to their children were racially discriminatory.[4]

In Maryland, the state maintains a computerized file of the "learning disabilities" of school children that is not available to parents, although relied upon by school authorities for decisions about children. In communities throughout California preschool and other children are being screened for learning disabilities and classified by such labels as "hyper-active," "minimal brain dysfunction," and "hyperkinetic." These classifications result in special handling by the school—often without parental involvement or consent. In Bucks County, Pennsylvania, a program developed by child psychiatrist, Dr. William Stennis performs psychological diagnoses of children (such as "ego disturbed," "Oedipally conflicted," and "developmentally arrested") on the basis of a 12-point checklist reflecting teacher attitudes toward students that is computer sorted to assign the children to special counselling groups.[5]

The trend toward student classification based on various kinds of "disabilities" is rationalized by educators as necessary to tailor the curriculum to meet the individual child's needs. In actuality, it appears to reflect an attempt by the schools to justify their inability to teach certain children. Whatever its basis, it is creating a serious labeling problem that affects the way subsequent teachers treat the child as well as the way he is viewed by other agencies, institutions and individuals with which he must deal.

For example, the distribution of millions of dollars of federal anti-crime funds through the Safe Streets Act and various drug prevention programs has resulted in close tie-ins between the schools and law enforcement. In a California community, kindergarten teachers were instructed for two years to identify "target students" on the basis of data suggesting that certain five year olds had social and academic profiles similar to those of adolescents who ended up in juvenile court. Children with the "wrong" profiles were subject to close observation and monitoring.[6] In several other cities in the same state, police officers supported by LEAA grants are being assigned as "counsellors" to the school. They act both as friendly advisors and as investigators, monitoring potential delinquency. And in Montgomery County, Pennsylvania the schools were used to collect detailed, highly personal questionnaires from students who were considered potential drug abusers. The program was only stopped by a Court ruling that it constituted a violation of due process guarantees [7] and an invasion of pupil and parent privacy; the Court noted that the information contained in each student's questionnaire could easily fall into the hands of the district attorney or of a grand jury investigating juvenile crimes.[8]

B. *The Statutory Law:* A parent seeking to review or limit school files on his child is in the best position if he can rely on state statutes setting forth the terms of access to student records and defining their contents. Unfortunately, with the exception of a few states, the statutory law in this area is not far advanced. Most states leave both the scope of school files and the terms of access to the discretion of state and/or local school authorities.[9]

Some states have only general housekeeping statutes, that apply to all executive agencies, such as the Missouri provision that each agency head must "make and maintain records . . . designed to furnish information to protect the legal and financial rights of the state and of persons directly affected by the agency's activity." ANN. MO. STAT. § 109.240(3) (1965). Other state statutes are directed to schools alone but make equally broad grants of discretion. For example, the Kentucky statute requires each principal to report to the superintendent "the names, ages and places of residence of all pupils in attendance at his school, together with *any other facts that the superintendent may require* to facilitate carrying out the laws relating to compulsory attendance and employment of children (emphasis supplied)," (KY. REV. STAT. ANN. §159.160(1969)); Mississippi requires standard identifying information on students as well as such "records of mental and scholastic abilities, personality traits and characteristics, occupational interests and aptitudes as may be determined by standardized tests, and other pertinent information. . . ."[10] (MISS. CODE ANN. § 37-15-1 and §37-15-3(1972)) Few states have attempted to specify the content of a student's files,[11] leaving that determination to school authorities. Left to their own devices, most school officials have exercised little discrimination and have erred on the side of blanket inclusion of materials.[12]

FOOTNOTES

[1] For purposes of simplicity, this article refers throughout to the rights of the parent. Where the child is old enough to make his own decisions, we would vest the right to review records and participate in school related decisions in him as well as the parent. (See, for example *Tinker* v. *Des Moines Independent Community School District*, 393 U.S. 503 (1969) and Justice Douglas' dissenting opinion in *Wisconsin* v. *Yoder*, 406 U.S. 205, 241 (1972) discussing the distinction between parents' and children's rights. In some cases the child may even have an adverse right that is superior to that claimed by the parent.

[2] *Van Allen* v. *McCleary*, 27 Misc. 2d 81; 211 NYS2d 501 (1961)

[3] Interview with Anonymous Parent, Washington, D.C.

[4] *Larry P.* v. *Riles*, 343 F. Supp. 1306 (N.D. Cal. 1971)

[5] Dr. Stennis has since moved on to New Mexico where he has started a similar program in Los Alamos.

[6] The New Mexico Governor's Council on Criminal Justice recently considered an "early identification and remediation" program for potentially delinquent children (referred to as children "at risk") that included a screening program for children "ages 5 and under who may be vulnerable in later life because of biological, psychological or social exceptionality."

[7] Among other things, both students and teachers were asked to identify other students in the class who make unusual or odd remarks, get into fights or quarrels with other students, make unusual or inappropriate responses during normal school activities, or have to be coaxed or forced to work with other pupils. *Merriken et al.* v. *Cressman et al.*, F. Supp-(E.D.Pa. 1973)

[8] These problems are compounded by the tendency in recent years to computerize school records and other social service agency records, with the consequent possibility that the records of one public agency can be interrelated with those of one or a series of other agencies. A HUD official working on a federal program to help cities integrate their social service files commented on his own program as follows: "If vital statistics, and school, employment and criminal justice records can be pulled together on a named individual at will, a child's teachers may find out he is illegitimate, his poor grades may keep him from getting a job, his lack of a job may lead to crime and his criminal justice records may keep him permanently unemployed." Robert A. Knisely, as quoted in "Law and Disorder III", p. 45-46, Lawyers' Committee for Civil Rights Under Law, 1973.

[9] The statutory provisions discussed in this article reflect a sampling of state statutes that is not in any way comprehensive.

[10] The state of Idaho lacks a school records statute; however, regulations issued by the State Board of Education provide that "pupil records should be permanently kept . . ." and shall include "citizenship and character information". Separate regulations dealing with high school guidance programs require the "maintenance of cumulative records that contain pertinent data on each student."

[11] Nebraska requires the segregation of disciplinary from academic files and the destruction of the former when the pupil has graduated or left the school for three years. Rev. Stat. of Neb. § 79-4, 157 (Supp. 1973). Even those states that specify some items tend to include a discretionary clause such as "and such other facts as are required". cf Ky. Rev. Stat. Ann. § 161.200 (1969); Gen. Laws of R.I. § 16-12-4; Ore. Rev. Stat. Ann. § 336.175 (1969).

[12] In fact, a survey conducted by the Russell Sage Foundation suggests that pupil records, because of their all-inclusive nature are often underutilized by school personnel except in regard to problem or difficult children; where file data is of dubious validity its application to problem children tends to increase the already prevalent potential for discrimination against such children. *On Record: Files and Dossiers in American Life*, Ed. by Stanton Wheeler, Russell Sage Foundation, 1969: Chapter 2 "Record-Keeping in Elementary and Secondary Schools" by Goslin and Bordier. (Hereafter, Russell Sage survey.)

11500 BANANAS ON PIKE'S PEAK

HON. CRAIG HOSMER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 4, 1974

Mr. HOSMER. Mr. Speaker, the House Interior Committee has put a gag rule on consideration of H.R. 11500, the bill to guarantee a permanent energy shortage.

Although over half-a-hundred amendments are pending to title II of the measure, all debate on them arbitrarily has been cut off. Some people might regard this as pretty highhanded and arbitrary.

In large part this snafu is a result of the failure of members of the majority side of the committee to be present for the committee's deliberations. For them now to complain that the parliamentary situation is not of their own making is as illogical as trying to grow bananas on Pike's Peak.

The attitude of the coal industry, which the President has asked to produce a lot more coal, about all this is expressed in the following telegram which I received late this afternoon:

[Telegram]

WASHINGTON, D.C.
April 4, 1974.

Hon. CRAIG HOSMER,
House Committee on Interior and Insular Affairs, Capitol Hill, D.C.

The coal industry is extremely concerned over action of the Interior Committee in prematurely closing out consideration of title II of the surface mine reclamation bill. Title II contains the heart of the bill, and the committee has not yet addressed itself to the portions of title II dealing with such vital matters as areas unsuitable for mining, underground mining, hydrology and original contour (including agricultural exception) in the permanent standards, Federal enforcement, permit term, etc. There has been very little discussion of the permanent standards so critical to the industry and the essence of reclamation.

The coal industry has sincerely attempted to suggest revisions to what is now unnecessarily punitive and prohibitory legislation and to cooperate with the committee in making it more realistic and as a vehicle for effective reclamation. However, the amendments considered to date are peripheral. We have not sought, nor do we want, to delay consideration of H.R. 11500, but many significant issues have not been taken up. We believe the committee must revise these prohibitive provisions before reporting the bill.

The bill as it now stands would foreclose a major portion of a vital energy resource—half the Nation's coal production—at a time when the industry is being called upon to increase coal output and help alleviate the energy shortage. We urge that the committee reconsider its vote to close consideration of title II, or, in the alternative, to resubmit the bill to the subcommittees for further study and consideration.

CARL E. BAGGE,
President, National Coal Association.

SPACE TECHNOLOGY'S GIFTS TO EARTH

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 4, 1974

Mr. TEAGUE. Mr. Speaker, the Saturday Evening Post has carried a significant article on the importance of space technology to every American which deserves the attention of all the Members of Congress. Mr. William B. Furlong, author of "Space Technology's Gifts to Earth" has done much to place in perspective the continued and important contributions of our national space program. I commend this article to your reading:

SPACE TECHNOLOGY'S GIFTS TO EARTH

They had one thing in common—the Lake Forest businessman, the teacher in the Sacramento high school, and an elk named Monique.

In Lake Forest, the young businessman swung his car up the darkened driveway. The headlights cast a halo of light against the back wall of the garage. He shut off the engine, got out of the car, and headed for the doorway to his home, his path illuminated only by the reflected glow of the headlights.

"You forgot to turn off your headlights," offered a friend.

He didn't even break step. "Everybody tells me that," he said insouciantly. He held the door open for his guest and deliberately—even indifferently—left the car lights burning.

He wasn't worried about the battery wearing down. For he knew something his guest didn't know: the car was equipped with a device that would automatically turn off the headlights three minutes later. They were *supposed* to stay on after the driver left the car—so that he would have enough light to see by until he was safely in his house.

In Sacramento, the high school teacher fingered a small ultrasonic device about the size of a fountain pen. When one of the students in her class had an epileptic fit, she pressed a button on the device and it flashed an alarm in the principal's office. Help came running in abundance; the child was given immediate aid and—because the principal's office summoned civil authorities—more expert help from a rescue squad a few moments later. It was not the first time the pen alarm was put to use; it summoned help when one youth cut his hand on a band saw in wood shop, it summoned help again when another boy burned his hand with a welding torch. Its greatest use—as a device that didn't need batteries and could be used anywhere in the school—was in enabling the teacher to get help immediately without sending a student to the office to fetch it. Thus it could be used in those small disturbances that—without prompt help—threaten to become big ones, such as when a boisterous older boy invades a classroom and threatens or agitates the younger students. Thus this pen-alarm becomes a formidable ally for the teacher in a time when teaching has become a test of force as well as wisdom.

In the wilds of Wyoming, the elk named Monique was haplessly squealing on her own kind: she was sending signals to a satellite indicating where she was going and how she got there. The system included an electronic collar that could continue sending signals in the most frigid temperatures of winter or the coldest waters of mountain streams. Thus almost every step of Monique gave man—who was too far away to watch her—an idea of the habits and wanderings of a 500-pound elk. Other animals were sending back similar messages via satellite, i.e., grizzly bears in Yellowstone Park that were giving information on their body temperature and the light, heat, and humidity of the dens where they hibernated for the winter. (The electronic sensors were mounted on and in the animals while they were under tranquilizers.) Thus man was gaining a great deal of insight into the workings of nature though the actual process of nature was beyond his sight and sense.

What did all these people and events have in common?

They were all using the practical, bread-and-butter benefits of space technology.

In the tumultuous years of man's march to the moon, we came—as a people—to measure the benefits of space in terms of their spirit-lifting aspects. They were many and profound but they did not still the cries of those persons who said, "Why should we spend money in space when there are so many problems to be solved here at home?" The fact is that space technology is helping to solve problems at home—in pollution, in communications, in housing, in food supply. Even more unexpectedly, it's solving everyday problems that are as close to us as the stretch of our own skin.

The evidence is in an 880-page best seller called *NASA Patent Abstracts Bibliography* and it simply tells, in drab, dust-dry language, something about the 1,892 NASA-owned inventions available for licensing. New editions are coming out every six months at six dollars a copy, and the prose they offer comes alive only in the applications of space technology that are apparent in the world around us. For example:

The hard coating, resistant to high temperatures, that is now applied to certain kitchenware.

The special metals, originally designed for rocket motor casings, that are now being used in everything from scalpels to dental drills, from deep-diving submersibles to tooth caps and dental bridges.

The insulation that is so effective that when steaming hot coffee is poured into a tank covered by it, the coffee loses less than one degree of temperature in a year.

The speed-measuring device that costs one-tenth the price of radar and is being tested by police officers in Huntsville, Alabama, to track down speeders.

And this is only a small sample of the spin-offs of space. More of the everyday uses of space technology are reflected in such common aspects as clocks and cooking, batteries and ball-point pens.

In and around Los Angeles, for instance, there are long stretches of freeway where the concrete is grooved (with lines running along the highway, not—as in tollway wake-up warning systems—across the highway). Tens of thousands of cars are driven hundreds of thousands of miles over those grooved highways every day with few of the drivers knowing quite why the grooves are there. The fact is that they are a spin-off space designed to prevent spinouts: NASA discovered, in research on the landing of high-speed aircraft, that longitudinal grooves in a runway would prevent hydroplaning. (That's the tendency of wheels to "ride-up" on the surface of the water of wet or rain swept runways instead of keeping solid contract with the concrete.) NASA's discovery was not merely important to the past but to the future: the space shuttle will be landing, like a plane, at very high speeds on a landing strip at Cape Kennedy, when there is no guarantee that it won't be raining in Florida. The usefulness of such grooves not only in airplane runways but in high-speed highways was obvious. The result is that on those stretches in California where highways are grooved, the number of wet-weather accidents declined 75 percent and the number of fatalities was cut 97 percent.

Similarly in the classroom: there are an estimated 20,000 to 25,000 teachers who are putting spin-offs of space into practice every day and only a very few of their students are aware of the origins of that practice. One notable example is an "automated attendance accounting" system that allows each of the teachers in seventy-six classrooms of John F. Kennedy High School in Sacramento to relay attendance figures at the start of every period to a central data bank in the school office. Not only does it provide a continuing check on students who are truant but on those who are trying to "cover" by attending morning classes before splitting. Yet there is none of the time-consuming paperwork involved; all the teacher does is press appropriate buttons on a small console on her desk. She saves the students' time and devotes it to teaching because she doesn't have to call roll; she saves her own time because she doesn't have to go through paperwork: it's estimated that the average teacher saves forty minutes or more every day by the reports she does *not* have to write. The system is based on a small computer originally used to monitor radio signals from outer space on the Mariner flights—with engineers from the Jet Propulsion Laboratory providing the logic systems that would convert the space system to school use.

And all this is just a start. There are many applications—such as fashion and fabric—where spinoffs from space may revolutionize present practices. The astronauts, for example, wore special underwear called constant-wear garments that provided unusual long-wear support without compromising flexibility, no matter how tight the fit. They could obviously be redesigned today, not only as undergarments for both sexes—as just one of many obvious applications—but as the precursors of the tight-suit style that is so often associated pictorially with the space age. Moreover, the space age turned up significant new developments in fabrics: one of them, originally designed as a superinsulating material is made with a metallized nylon or taffeta, is heat-reflective, yet is porous and machine-washable. One day that fabric will turn up all over the country in such items as bedclothes, draperies, awnings for patios, and even tents. Another fabric that has already excited certain people—most eminently those serving sportsmen—is made by laminating a special plastic material with an extremely thin coating of aluminum that is a *half* of a thousandth of an inch thick. It weighs only a few ounces and is extremely compact: an eighty-five square-foot blanket of it—enough to cover a king-sized bed—can be folded easily into a packet the size of a pack of cigarettes and stuffed into the pocket of a windbreaker. Yet the fabric is waterproof, windproof, and exceptionally strong: it is strong enough to be used as a stretcher in emergencies. It is also economical: some blankets have been made out of it and marketed for less than four dollars. The buyers: outdoorsmen who have to spend many days and nights exposed to the whim of nature. For this fabric has an asset that no other outdoors garment possesses in such quantity: it provides complete protection from the cold by keeping body heat in—yet it can be reversed and serve equally well in keeping external heat out.

Housing is yet another area where research for space is leading to dramatic new developments for the earthbound. A number of space-developed techniques and materials led to the development of a prefabricated modular housing that is just beginning to be useful in attacking certain of the nation's social problems: an aerospace company used these concepts to come up with cabin-type dwellings for migrant farm-workers in the San Joaquin Valley of California. An adaptation of the Apollo fuel cell can be used to supply electricity not only to homes but to entire towns: a condominium subdivision in Farmington, Connecticut, is already operating on a demonstration model. A new system of electrical wiring, which makes installing an entire electrical system as easy as using Scotch tape, has already been built into a hotel in Mariana Del Rey in California.

The link between space demands and earthly needs is reflected dramatically in this wiring. NASA needed lightness and efficiency in its electrical system in the spacecraft; it also wanted safety and accessibility. In short, NASA didn't want its astronauts to be living like the rest of us carrying around 110 volts of danger in their living quarters and having to tear out a wall to check the wiring. (The standard 110-to-220-volt wiring is, as many homeowners know, quite dangerous unless it is enclosed in heavy metal tubes and mounted inside the walls of the home out of the reach of children . . . or their fathers.) So NASA came up with a way of decreasing the voltage to 2-to-5 volts and then stepping it up again where high voltage was needed at switches and outlets. Moreover, it came up with a marvelously simple way of installing wire between the switches and outlets. Instead of using the thick, round tube-enclosed wire customarily installed in homes, it came up with two very thin, very flat wires that could be embedded, side by side, in a plastic strip as thin and pliable as a hair ribbon. It was safe, light, efficient, and it could be bent easily to conform to any unusual shape or pattern. Most of all adhesive could be applied to its back side. This means it could be pasted to a wall as easily as a long strip of adhesive tape. And it is so thin that it can be painted or covered over with wallpaper and never be noticed. The new electrical wiring system will save up to thirty-five dollars a room in construction costs and it possesses an extra economy that present systems can never match: it can be peeled off and applied elsewhere whenever the electrical system has to be changed.

The range and variety of the spin-offs in space all but defy the imagination. Some of them are highly scientific: it was as a result of research at the Goddard Space Flight Research center that a way was found to plate an entire computer on a small chip less than one-tenth of an inch across; this single scientific advance contains the seeds of a conceptual leap that may one day bridge the gap between the single-dimensioned computer and the elaborate three-dimensional tracery of the nerve cells in the human brain. Some of them are highly earthy: it was as a result of the heavy breathing, and the fogging-up of astronaut Gene Cernan's visor on the flight of Gemini 9—at one time during his spacewalk he could see out only through a very small clear spot in front of his nose—that NASA came up with an antifogging agent that can be used on automobile windows or eyeglasses or the visors of helmets worn by policemen and firemen.

Some of the most significant spin-offs of space developed out of tragedies that were international in their impact—i.e., the fire in the spacecraft in January, 1967, that snuffed out the lives of three astronauts: Gus Grissom, Edward White, and Roger B. Chaffee. That tragedy not only touched off a profound investigation of everything in or around the spacecraft but it ignited the most intensive study of flame and fire in the history of man. Out of both came new clothes, new paints, new systems of insulation that might be used to reduce the deadly toll from fire: in the U.S. alone it has reached the figure of 12,000 deaths and $2.2 billion wasted annually in fires that could be prevented.

The new clothes are so effective that a man can hold a welding torch to a sleeve made of these fabrics and never feel a thing on his arm.

The paints are so effective that, far from bursting into flame and feeding the fire, they swell up and provide a shield against the flame for whatever is underneath the paint (i.e., wood).

The insulation is so effective that, in a test performed on dummy-filled old planes in Houston, it was found that persons in the insulated portion of the plane could survive for up to forty-five minutes longer than those in a noninsulated portion. (This aroused yet another thought: the same insulation, if applied to automobiles, might save the lives of thousands of persons trapped inside burning cars—perhaps unconscious—when fuel tanks explode.)

There were many other antifire developments in the hands of NASA—a new breathing apparatus for firemen, a new antifire foam, even a definitive catalogue of the toxic gases given off by various substances when they are set afire. The latter had particular point. For the astronauts in the fire in the spacecraft did not literally burn to death; their flight suits gave them considerable protection against the flames in the early stages of the fire. The official cause of death was asphyxiation due to the inhalation of toxic gases. The evidence is that the astronauts probably lost consciousness within fifteen to thirty seconds after their life-support systems introduced toxic gases instead of oxygen into their breathing apparatus. Other evidence has turned up that some of the fatalities in recent low-altitude commercial plane crashes were due to inhalation of toxic gases given off by burning substances in the cabin and not by the flames; indeed, some people appeared to lose consciousness before they even made much of a move to save themselves. The investigation of NASA into the toxic gases given off by various substances at various temperatures may one day prove to be most significant in the selection of materials used in passenger planes designed to minimize the threat of fire.

All this is only a small sample of the spin-offs from space. Overall, NASA has some one million scientific papers based upon space research and any or all of them might turn up with products useful on earth. There's a quick-drying highway patching system that might be used to repair roadways in the low-traffic hours before dawn instead of tying up major highways for day after day and hour after hour of peak-rush traffic. There's an energy-absorbing system that has been applied to everything from auto bumpers to guard rails so that collisions will be less lethal. There's an application for a machine like a lunar rover that could be used as an unmanned rescue vehicle operated by remote control in mine disasters. There's a laser system that can be used by surveyors in areas such as forests that have difficult obstacles barring normal surveying systems. There are many test devices that, for the first time, give business researchers the chance to test materials and devices without destroying them during the test: one example is a space-originated infrared system of examining what is happening at each and all of 600,000 different points on a rubber tire every second while the tire is wheeling at as much as 400 mph.

There is so much material, in fact, that NASA has set up six data banks and dissemination centers around the country to help prospectors sift through it. The fee for a single search ranges from $80 to $300, depending on the complexity of the subject; for a year-long access, the fees range from $2,000 to $20,000. Some 2,000 companies pay those prices because the dollars they pay NASA may save them millions of dollars in repeating, unwittingly, research that NASA has already performed in the space program. Not too long ago, for example, Owens-Illinois, Inc.—one of the world's largest makers of glass and glass products—wondered if there was a way to get quicker and more precise readings from intensely hot ovens where certain glass products are cooled gradually so that strains or flaws are not introduced into the glass. It could, of course, launch a research program itself to see if the intense heat would affect the telemetry signals from within the oven, or whether it would affect the instrumentation. But it pays NASA an average of $14,000 a year to search what NASA has filed away. The response from NASA: the heat wouldn't affect the actual telemetry signal but NASA—which had been deeply involved in high-temperature research because of the heat of the sun in space—said that it had not yet found instruments which could survive the extreme heat of the kind within these particular ovens. "If we hadn't the benefit of NASA's experience," says one Owens-Illinois spokesman, "we might have spent hundreds of thousands of dollars trying to develop such instruments."

All of these spin-offs had one thing in common: nobody thought of them beforehand—not even NASA. NASA was thinking of other things—of their applications in space—and these benefits just developed indirectly out of that effort. But there is another whole category of space benefits that are not indirect. They were intended and designed beforehand to benefit people on earth by using the high technology of space. As it happens, these direct benefits are as spectacular, and often better known, than the indirect benefits.

Consider television: we've been able to see three Olympics and a large number of other international events—including many Apollo moon missions—because of satellites in space that relay signals across oceans and continents. All this enlarged and exalted our lives—but it was no surprise: it was planned this way and carried out pretty much the way it was planned.

Similarly with weather satellites: they were launched with the specific purpose of improving our understanding of the weather. The only surprise is in the magnificent manner that they've helped. It was only a generation or so ago that hurricanes were incredible killers. One of them took 5,000 lives in Texas at the turn of the century. Another took 4,000 lives in the West Indies in 1928. Still another took 1,500 lives in Mexico as recently as 1959. Yet the United States has been hit twice in the last four years by killer-hurricanes—Camille in August, 1969, and Agnes in the spring of 1972—at the cost of a few hundred lives. (And with Agnes, it was the floods that erupted from the heavy rains—more than 25 cubic miles of rains fell—in the wake of Agnes that took most of the toll in that disaster.) The reason is that we could prepare for the onslaught of the hurricanes—in some cases evacuating entire villages and towns—because the weather eye-in-the-sky was keeping close track of the hurricanes' buildup and the direction they were taking. The same thing happened with tornadoes: at one time thousands of people died in tornadoes every year but only twenty-seven were killed last year. This was a reflection of the overall improvement of forecasting where these savage winds—which twist at twice the speed of hurricane winds—will strike; but much of that improvement is due to increased vigilance from space: the first weather photographs came in once a day; now they come in every thirteen minutes during the daylight hours and soon they'll be coming in every ten minutes day and night (which will be of particular help to the South, where there is a high proportion of nighttime tornadoes).

The benefits of weather satellites turned out to be local as well as regional. In July, 1969, when Hurricane Bernice hurled six-foot breakers onto the beaches near Los Angeles, a warning from the weather satellites enabled local authorities to get additional lifeguards on duty in a hurry, to rescue the more than 250 people who were caught by surprise—and might have drowned—by the high wave action. In November, 1969, a picture received from a satellite helped a Boston-based rescue party avoid squalls and thus save time on its way to pick up the crew of a tanker that was breaking up in the Atlantic. In August, 1970, the U.S. freighter *Norma Lykes* was able to avoid Hurricane Lorraine in the central Pacific, thanks largely to information received from space. On October 14, 1969, the weather satellites flashed warnings on an early season and very heavy snowfall to cattlemen in Montana; as a result they were able to take precautions to save the lives of their livestock. On the other side of the same coin, raisin growers in California, who were scrambling to protect their crops against expected heavy rains on August 29, 1970, were—on the basis of space observations—told not to bother: the rains wouldn't hit them. Thus they were able to save thousands of dollars that were better invested against the danger of a real threat.

Many of the direct benefits of space are due to the enormous flexibility of the cameras in the satellites. Because they are so far from earth, they can sweep an area so vast that no highflying photo-reconnaissance plane could ever match it. Such a plane would have to spend forty-six years in photographing from the air the same area that a satellite scans photographically in only eighteen days. At the same time, space cameras can focus with startling clarity on the smallest detail on earth: certain of them can bring any one *inch* of earth into sharp focus from 100 miles in space. That means a camera 100 miles in space can peer down and see if the shoulder insignia of an officer at a particular military installation has been changed from colonel to brigadier general. And thus, by implication, it can tell whether that military installation is likely to assume a different significance in military affairs.

That versatility has immense significance to the population on earth, particularly in helping solve its peaceful and social problems. In order to develop a cohesive plan for attacking some of its urban ills, Los Angeles, for example, decided to start by getting a detailed overview of the city—a picture of every street, every vacant lot, every building, intersection and freeway. It would have cost as much as $1,000,000 to photograph the city from a plane. But it cost only $15,000 to get just-as-clear photographs from a space satellite—and certain techniques used in space photography were able to add the information about the state of decline or decay of many structures in the city.

Those same skills can be turned loose on spotting water and air pollution: the space satellites have been used for everything from determining not only the quantity of pollution over the freeways in Los Angeles but the chemical content of that pollution. They've photographed pollutants pouring into the San Gabriel and Laguna rivers near Los Angeles, measured the widening rim of pollution in the oceans bordering the industrial areas of the world, and provided photographs sought as evidence in a legal effort to end pollution in Lake Champlain. And their capability is ever greater for they can not only photograph the rising degree of pollution anywhere in the world but they can allow earthbound scientists to measure the rise in any one area against industrial activity in that area and determine just how much a certain increase in industrial activity will contribute to a rise in pollution—if any.

The direct opportunities of space research are being expanded swiftly. In the summer of 1972, an unmanned satellite called ERTS (for Earth Resources Technology Satellite) was launched with a mission involving some 328 different experiments. In its first few months in space, ERTS exposed timber in Oklahoma that had been damaged by chemicals, revealed undiscovered faults in California's Monterey region, and led geologists to traces of an old volcano in Nevada that subterranean forces seemed to be lifting. Among other things, ERTS and its sucessor satellites were observing:

The success of land replanted after having been ripped off for strip mining in Ohio.

Damage to vegetation from highway construction in Maine.

The formation and location of icebergs in the Antarctic.

The impact of winter weather on the lee, or southeast, shores of the Great Lakes.

And this is but a small part of the opportunity at hand. Consider that, with space technology, the United States has the resources not only to photograph every single farm in the world but to tell what crop is being raised on that farm, whether the crop is young or old, whether it is healthy or diseased, and what the yield will be. It can tell not only what land lies in the path of advancing disease but it can do something almost impossible for the bare eye: it can detect the larvae of locusts and—many months before the plague of locusts becomes real—direct a crop-saving campaign against the larvae. It can decrease pollution, increase productivity, and save money for the farmer by telling him not only that his crop may be hit by a disease or pest attack—one requiring the use of chemicals to offset—but exactly what section of his crop might be in danger. (Thus a farmer in Lowa might be able to treaty only a specific 100 acres of cropland instead of pouring chemicals indiscriminately on 400 or 500 acres of crops because of a fear that they would all be threatened.) In short, the U.S. has the skills—if all nations in the world have the discipline—to mount a concerted, cohesive attack on the most devastating killer of man in today's world: famine.

Or consider another problem: the shortage of energy and mineral and natural resources. To save wood, the space satellites can improve the attack on forest fires because they can do something which has heretofore been beyond man's power—spot the fires burning in places which man has never seen. To locate certain minerals, the space satellites can take infrared photographs which hint at the placement of underground deposits. To ease the energy problem, space satellites can not only locate mineral deposits but pinpoint the location of deposits of another and cheaper form of energy—geothermal deposits.

And there is yet a higher benefit: through our experience with space we can organize methods not only of discovery but of transportation of the earth's resources to the people who most need them. For one of the seldom-cited benefits of space was the insight we gained in how to organize an attack on a huge and even impossible problem, to mobilize—in the words of one commentator—"techniques for directing the massed endeavor of scores of thousands of minds in a close-knit, mutually enhancive combination of government, university, and private industry. This is, potentially, the most powerful tool in man's history."

The irony is that having had the tool, we put it aside. We put it aside though we recognized the problems that it might solve. We put it aside at the behest of a good many conscientious people who demanded the solution of those problems and saw space science as a competitor instead of a contributor to those solutions. In insisting that space science must wait until all the problems at home are solved, they did not recognize two things: (a) that space science might be used to help solve those problems, and (b) that the world's problems will never altogether be solved—if Columbus had to wait until all of Europe's problems were solved before embarking for the New World, he'd still be waiting.

Nevertheless, the opportunities in space—for bread-and-butter offerings as well as the lifting of the spirit—are so great that they have already begun to affect our everyday lives. They lack not reality but recognition. And that, too, may come in the days and years that will ever follow the most memorable moments in man's ceaseless quest to extend his reach.

JOBS FOR VETERANS NATIONAL COMMITTEE

HON. WM. JENNINGS BRYAN DORN

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 4, 1974

Mr. DORN. Mr. Speaker, in recent days I, as every other Member of the Congress, have received a "A Report to the President of the United States on the History of the Jobs for Veterans National Committee." I found it most interesting reading and I am sure that my fellow Members also found it so.

The President's Committee was established in October 1970 to help make the citizens of the United States aware that a very large number of men and women were leaving the service of their country and that many were having difficulty finding employment. Since the formation of the committee, the unemployment rate for Vietnam-era veterans has dropped dramatically.

In the early months of 1971 the jobless rate for Vietnam-era veterans was nearly 11 percent. Today that figure has been more than cut in half. The slogan "Don't Forget—Hire the Vet," that was the catch phrase of the national committee's advertising campaign, was and is familiar throughout the Nation.

There are other activities that this committee, headed by Hon. James F. Oates, Jr., energized, promoted, and participated in. It was a gigantic effort of a small staff and the effects were salutary in all aspects. We, in the Congress, and all citizens who have regard for our young veterans, owe this committee thanks and highest commendation for a job well done.

With the decline in the unemployment rate, the committee is closing its doors, its primary job proudly concluded. There are still Vietnam-era veterans having difficulty finding employment and so the *necessary effort* to continue and complete the job will be taken by the U.S. Department of Labor and the National Alliance of Businessmen. I have been assured, and I can assure you today, that the alliance, under the leadership of retired Marine Corps Maj. Gen. John Condon, will continue strong effort on the veterans behalf.

As chairman of the House Committee on Veterans' Affairs, it gives me great pleasure to take this moment to commend the national committee. It is particularly fitting in light of the recent observance of "Honor Vietnam Veterans Day" that we should renew our awareness of our debt to a new generation of young veterans.

ROBERT GUTIERREZ OF EL MONTE NAMED REGIONAL BOY OF THE YEAR

HON. GEORGE E. DANIELSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 4, 1974

Mr. DANIELSON. Mr. Speaker, I take great pleasure in calling to the attention of my colleagues the fact that Robert Gutierrez, a constituent of mine, has been named the southern Pacific regional winner in the 28th annual Boy of the Year competition of the Boys' Clubs of America. This is a great honor for Robert, who is 15 years old, and I wish to congratulate him for his accomplishments.

Announcement of Robert's selection was made by William R. Bricker, national director of the Boys' Club of America, who said young Gutierrez was selected as best candidate of all entries submitted from the southern Pacific region, which includes 109 Boys' Clubs throughout southern California, Arizona, Utah, Hawaii, and most of Nevada.

Robert, who lives at 11737 Magnolia Avenue, El Monte, came to Washington to compete before a national selection committee with nine other regional winners for the national honor. He was accompanied by Clayton Hollopeter, executive director of the San Gabriel Valley Boys' Club. Robert was selected as the third runnerup, indeed a high honor. President Nixon presented him with his award at a special White House ceremony. There are other special events in the Nation's Capital for all 10 regional finalists.

Robert was one of nine regional winners who received a $500 scholarship from prize money provided annually by the Reader's Digest Foundation for the Boy of the Year project.

Candidates in the nationwide competition represent more than a million members of the 1,100 community-based Boys' Clubs of 49 States. Each candidate is judged on the basis of service to home, church, school, community, and Boys' Club.

Robert is a student at El Monte High School. He has an outstanding record of community achievements, ranging from serving as a volunteer summer tutor to participation in voter registration projects for elderly citizens, and has been a member of the San Gabriel Valley Boys' Club for the past 7 years. Both he, his family, and Clay Hollopeter, the excellent and dedicated director of the San Gabriel Valley Boys' Club, are to be commended for this achievement. I am proud to know and represent them.

NATIONAL LEAGUE OF WOMEN VOTERS SUPPORTS CUYAHOGA VALLEY PARK BILL

HON. JOHN F. SEIBERLING

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 4, 1974

Mr. SEIBERLING. Mr. Speaker, the bill to establish the Cuyahoga Valley National Historical Park and Recreation Area between Akron and Cleveland, Ohio has received wide State and local support. Over 60 State and local organizations have endorsed the proposal, and support is growing daily. In the past few weeks, several thousand residents of the Akron-Cleveland area have signed petitions asking for enactment of the park bill.

The proposal has strong national support as well. All of the major park and conservation organizations in our country have endorsed the proposal: The Sierra Club, Wilderness Society, National Audubon Society, National Parks and Conservation Association, National Wildlife Federation, American Rivers Conservation Council, Izaak Walton League, National Recreation and Parks Association, Friends of the Earth, the Environmental Policy Center, and the National Trust for Historic Preservation.

Mr. Speaker, I am pleased to bring to your attention another endorsement which signals the national character and significance of the Cuyahoga Valley. The League of Women Voters of the United States have expressed their support for the park bill. Because their words express so clearly and well the need to preserve this magnificent resource, I insert at this time a copy of the league's letter to Congressman TAYLOR, chairman of the Interior Subcommittee on Parks and Recreation:

THE LEAGUE OF WOMEN VOTERS OF THE UNITED STATES,
Washington, D.C., March 28, 1974.

Hon. ROY A. TAYLOR,
Chairman, Subcommittee on National Parks and Recreation, Committee on Interior and Insular Affairs, U.S. House of Representatives, Washington, D.C.

DEAR CONGRESSMAN TAYLOR: We understand that the Subcommittee on National Parks and Recreation has been considering legislation which would establish the Cuyahoga Valley National Historical Park and Recreation Area. The League of Women Voters of the United States, after consultation with the Leagues of Women Voters in Cuyahoga County and Summit County, Ohio supports this proposal.

The Cuyahoga Valley, between Cleveland and Akron is an area of special historical and environmental significance. Although the area north and south of the Valley is highly urbanized, the Valley itself has remained almost as it was in the nineteenth century. Unique biological and geological areas have been left undisturbed; parts of the Canal are National Historical Landmarks; and one gorge is a National Natural Landmark. As the last large green area between Cleveland and Akron, the Valley is threatened by urban sprawl. If its woodlands give way to asphalt, the two cities will become one megalopolis.

For most of this century the Valley has been officially recognized as worthy of preservation. In recent years six official studies (including the U.S. Army Corps of Engineers Cuyahoga Restoration Study, the Department of Interior Bureau of Outdoor Recreation Statement, and the Department of Interior National Park Service Draft Report) have recommended preservation as a Park. "Clearly," states the National Park Service, "the Cuyahoga Valley with its significant natural, historical, and recreational qualities is one of the most strategically located resources in reach of urban America."

We hope your committee recognizes the value of this area to millions of people and takes the necessary step to preserve it for future generations.

Sincerely,

RUTH C. CLUSEN,
Environmental Quality Chairman.

LET'S PAY A GREAT DEBT

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 4, 1974

Mr. FRASER. Mr. Speaker, the Vietnam war may have been an unpopular war, but that does not relieve us of the Nation's debt to those who served in it.

Last week was marked by protests from Vietnam veterans on Capitol Hill. Compared to World War II veterans, they have been shortchanged. Payments of only $220 a month to cover tuition and living costs cannot possibly meet today's tuition costs that often reach $2,500 to $4,000.

Over the weekend, the White House announced a series of steps to deal with the problems, with particular emphasis on helping the Vietnam veterans obtain education and find employment.

I hope this rhetoric is matched with funds. The White House 1974 request for VA operations was less than the 1973 request. In order to meet GI bill obligations for 1974, last week the Congress had to appropriate $750,000 in a supplemental bill. Without congressional action, the veterans would not have received their April checks.

Unless the White House request for 1975 moneys is increased, in my judgment, the appropriation will be short over half a million dollars for the veterans. This is based on an informal survey of the workload in various regional offices. If this happens, we will again be playing the demeaning, circular budgetary game initiated by the President and the Office of Management and Budget.

A recent article by columnist Carl T. Rowan succinctly describes the unfortunate position in which the Vietnam veteran finds himself today. The article follows:

[From the Washington Star-News,
Apr. 3, 1974]

Let's Pay a Great Debt

(By Carl T. Rowan)

This town long ago became accustomed to protests by the jobless and the needy.

Jacob Sechler Coxey put his name in the history books by leading a ragtag band called "Coxey's Army" into Washington in 1894 to demand laws giving relief to the unemployed.

During the depression of the 1930s my own dad built the first house we ever owned with $400 he got as a World War I bonus after the veterans had pressured and protested successfully.

Still, there is something different about last week's protests in Washington by Vietnam veterans.

We could offer up "hard times" and a national cupboard that was pretty bare as an excuse for not doing more for World War I vets. But when we are setting a record $304 billion budget for 1975, and when corporate profits just set another all time record, we can hardly blame "hard times" for the miseries of our young men who fought in Indochina.

It just seems that not many people gives a damn.

These veterans fought an intensely unpopular war, and they didn't even win it, so no one is much inclined to regard them as heroes. Although tens of thousands are legless, armless, scarred for life, in the eyes of millions of Americans they are just a cut above the draft evaders who refused to fight in Vietnam.

I am ashamed that such a large percentage of these veterans are unable to find jobs. And I shall not be surprised to learn that many of the most disillusioned, bitter vets are involved in the bank robberies and other crimes-for-money.

I am doubly ashamed that my government wants to spend at least $92 billion next year for more military hardware, but is opposing all but a piddling increase in educational allowances for Vietnam veterans, many of whose lives already have been wrecked by warfare.

I am one of millions of Americans whose lives were changed drastically by the educational allowances for World War II vets. There is just no way I could have gotten a degree at Oberlin and gone on to do graduate work at the University of Minnesota if the government had not paid all my tuition and given me $75 a month to live on. No way.

Now, with tuition at $2,500 a year and more at schools like Oberlin, Vietnam vets are locked out, for they get only $220 a month, and that is supposed to cover tuition, books, fees, living expenses—everything.

Both houses of Congress are trying to raise that $220 figure, but the Nixon administration argues that any boost beyond about $18 a month would be "inflationary."

How in the sweet name of heaven is it that a trifling $30 a month more for these vets is "inflationary" whereas a $92 billion military budget is acceptable? Why are so many decent proposals rejected as inflationary?

We know that we're not throwing money into a sinkhole when we invest it in training and educational programs for these young men. This society still reaps the bountiful fruit of its GI Bill investment in World War II vets.

We know that in helping the GIs we're building people and institutions, not destroying them. That can scarcely be said about some of the other colossial items in the national budget.

Americans seem to be projecting their own guilt about the Vietnam war into a not-so-subtle hostility toward the young men we forced to do the fighting. But these vets are not responsible for the war's unpopularity, or for the fact that we did not win it. We owe these vets just as great a debt of gratitude as if they had won some conflict ballyhooed as the "war to preserve democracy."

We ought to show our gratitude by exerting greater efforts, governmental and private, to see that the vets get jobs—and that they have access to the best technical schools and colleges in the land.

We ought to do it because it is the decent thing—and because the stability of our society requires it.

PROGRESS AT LINCOLN HOME

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 4, 1974

Mr. FINDLEY. Mr. Speaker, the only home Abraham Lincoln ever owned is located in Springfield, Ill. It is one of the ten top tourist attractions in the country, year after year. It tells more about Lincoln the man than any other single memorial in the Nation. In 1971, President Nixon flew to Springfield to sign a bill establishing the area around the home as the Lincoln Home National Historic Site.

The Illinois Bicentennial Commission has designated the Lincoln home a "focal point" for the Bicentennial celebration in Illinois, and work has been proceeding on the project at a rapid pace. This year, the Park Service provided $125,000 for the project. The money is to be used to design a new visitors' center.

Funds so far have not been budgeted for fiscal 1975. If money is not found, the newly designed visitors' center cannot be constructed next year and the hope of completing the Lincoln home project in time for the Bicentennial will have faded. It is my hope that Congress will provide $746,000 needed to begin construction.

The following editorial from last Sunday's Illinois State Journal-Register shows the wide community support for this important project:

Lincoln Home Park

Significant progress is underway at the Springfield home of President Abraham Lincoln as part of a construction program planned to make that hallowed place a major part of this nation's 1976 Bicentennial observance.

Another stage has begun in preserving and beautifying the home once occupied by the Civil War President and his family. That preservation is essential to allow future generations of Americans to view our heritage.

We are pleased that President Nixon has granted $125,000 this year to begin to accommodate visitors at the Lincoln home. But that is not all the needed money.

The $125,000 would be used to plan and design the visitors' center under the present program. But $746,000 more is needed next year to make the area what it should be: an attractive tourist center for the thousands every year from all parts of the world who come to see where the Great Emancipator lived and worked. The latter sum would be spent on building the visitor center, site preparation, landscaping and parking facilities as well as relocation of one home in the area which got misplaced over the years.

Clearly, the project is important enough to merit substantial backing by this or any administration—as a National Historical site under jurisdiction of the Park Service.

Rep. Paul Findley, who represents this district in the House of Representatives, has been spending a great deal of time on this one project. He is to be commented for the decision of the White House Office of Management and Budget to "re-program" funds for this fiscal year.

We urge Representative Findley to keep pushing. He says he plans to discuss the matter with Congresswoman Julia Hansen of Washington, Democratic chairman of the House appropriations subcommittee on Interior dealing with Park Service Matters. That is appropriate. He says he also approach the Office of Management and Budget, where the real pursestrings are held. We wish him success.

We are sympathetic to the priorities established by the Nixon Administration through the National Park Service for celebrating this nation's 200th anniversary. But rules are made to be excepted. We believe the Lincoln Home, residence of the man who brought this nation back together, would be a most appropriate project to be funded by the President who first took office over five years ago promising to bring the country back together again.

President Nixon found time to come to Springfield to sign the bill establishing the home as a historic site. We would like to see him come again—in 1976 to dedicate it to the country lawyer whose tomb is in the Illinois State Capitol, whose law office was here and on whose state legislature office desk, reconstructed by a foresighted state administration, sits a copy of the Illinois State journal.

BAN THE HANDGUN—XL

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 4, 1974

Mr. BINGHAM. Mr. Speaker, the following two examples illustrate that handguns in the hands of citizens rarely protect that citizen from attack, but rather are more often the illogical extension of an emotional altercation between friends or relatives. In the following article, reprinted from the April 4 edition of the New York Times, two such incidents are described, the latter resulting from a dispute over who would sit where in a parked car:

From the Police Blotter

A sidewalk dispute between two men on the Lower East Side resulted in the accidental shooting of a 28-year-old woman as she was passing by on her way to work. The woman was identified as Miss Sylvia Aânnan of 325 East Houston Street. The shooting occurred at Avenue B and East Fifth Street and Miss Aânnan was treated at Bellevue Hospital for a wound in the left ankle. . . .

A street altercation at East 173d Street and Anthony Avenue in the Tremont section of the Bronx resulted in two men being shot by another. The alleged assailant was identified by the police as Perfecto Diaz, 45, of Glen Cove, L.I. The wounded men were said to be José Reyes, 27, and his brother, William. The dispute was described as a clash over where to sit in the car Mr. Diaz was driving.

HEALTH CARE FOR ALL

HON. ANDREW YOUNG

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 4, 1974

Mr. YOUNG of Georgia. Mr. Speaker, Chairman Wilbur D. Mills has announced that on April 24, the House Committee on Ways and Means will begin hearings on national health insurance—one of the most serious and important issues before this Congress.

For the benefit of colleagues who will be giving careful consideration to all of the health-care alternatives which have been proposed, I submit for the Record two thoughtful articles on the issue from the April issue of the Progressive.

The writers, Joanne Ostrow and Steve Slade, point out both benefits and defects in various health systems. Ms. Ostrow, in my view, reaches a particularly compelling conclusion:

> Only a reordering of the priorities of the system, putting patient care above profits, can produce a publicly accountable health service program for all Americans.

The articles follow:

Health Care for All—National Health Insurance: The Benefits, the Risks

(By Joanne Ostrow)

During his 1968 campaign, Presidential candidate Richard Nixon operated on the premise that the nation's system of health services was not fatally flawed and that, in fact, "Americans enjoy some of the best health care in the world." But a recent United Nations study reveals that our public health standards have worsened: the United States ranks seventeenth in infant mortality, thirtieth in life expectancy for males, behind countries with fewer resources. Nixon has more recently admitted that we face "a massive crisis" in problems of health care.

A 1972 conference of American public health specialists brought to light the many problems confronting plans for national health care delivery in the nation. Among them: enormous costs, shortages of doctors, too highly specialized doctors, and lack of supporting personnel for the physician.

Nixon's proposed solution is employer insurance, or "National Health Insurance Partnership," which would require employers to "provide minimum-standard health insurance protection for their employees and dependents of employees" with employers paying at least sixty-five per cent of premium costs initially, seventy-five per cent "later." The Government would spend about $4 billion a year to make up the difference.

Medicaid would be replaced (or, more appropriately, renamed) by a government-financed Family Health Insurance Plan. This plan would provide basic health insurance protection to all low-income families with children that are not covered by employer plans. There are modest benefits for those to be covered and endless exceptions to the list of who is eligible. A small step, in that it departs from the "fee-for-service" idea, the Nixon proposal is still far from what "national health insurance" should be. The "new improved" title is misleading; keeping the Government's role to a minimum while enriching the insurance companies, it is hardly a move forward.

For example, a family could be required to spend as much as $1,500 in a year under various cost-sharing features before the program pays all expenses. Even low-income families, for whom the Government pays the health premiums, would have to spend as much as $750 before complete coverage began.

The Nixon plan also perpetuates the present self-regulation of the medical profession, a system which has driven up costs, reduced standards, and limited availability of health services, especially to the poor.

The Democrats generally approach the problem from the opposite direction; Senator Edward Kennedy's proposal is characteristic. Federal rather than employer insurance is advocated. The aim, according to the health-care plank in the 1972 Democratic platform, is to "establish a system of universal national health insurance which covers all Americans with a comprehensive set of benefits including preventive medicine, treatment for mental and emotional disorders, and complete protection against catastrophic costs, and in which the rule of free choice for both provider and consumer is protected. The program should be Federally financed and Federally administered."

The Kennedy plan follows these guidelines closely, providing complete hospital and medical care without deductibles and copayments. The Federal Government acts as the insurer and administrator. A potentially far-reaching provision would create a commission to set national standards for quality health care, and to encourage group practice.

The economic pressure of doctors' fees inevitably creates interest in plans for full pre-paid medical care. The question is not whether there should be a national health insurance system, but what form it should take. Present modifications to the system—Blue Cross, Blue Shield, and group medical insurance, Medicaid and Medicare—are too fragmented to relieve financial fears of illness of the majority. Aimed at specific categories of the public, these schemes have provided no check on the rise in medical costs and doctors' fees, nor the maldistribution of services. The general practitioner has been phased out as specialization becomes the norm.

Neither party in Congress is ready to give the other a "victory," so reform will come slowly, compromisingly, if at all.

Britain's experience with the National Health Service, operated by the central government and financed largely out of tax revenues, is closer to the Democrats' approach. It should offer an example of what the United States will face in a Federal program of medical care. Nationalized care, in principle, means improved services at lower costs. In practice, Britain has learned, one must also contend with dissatisfied doctors, overutilized services ("health consumerism"), and runaway costs. In June 1971, *Medical World News* reported that "half of Britain's medical graduates are expatriates," because of huge hospital work loads, long hours, and low pay. Hours of duty demanded by the government exceed those in any other field. The earnings of an accountant in England are double those of a general practitioner; a house call made between midnight and seven a.m. earns $6.

Britain's 10,000 general practitioners are employed by the government as "private contractors" and paid a set fee for each patient on their panels. Medical care is free except for a forty-eight per cent charge on prescriptions, and fees for spectacles and a few other items. Tax revenues cover eighty-five per cent of operating costs for the service; social security contributions make up the rest.

In the "first complete cradle-to-grave guide," *National Health Service and You* (1965), author Gordon Thomas sought to clarify the ground rules. The NHS is available to visitors from overseas who are taken ill after they have entered Britain; there is no compulsion for patients to make use of NHS, nor is any physician forced to join. (Only 600 out of a total of 23,500 G.P.s originally opted out of the system.)

There are no insurance qualifications. The running costs of the service are drawn mostly from the national exchequer, through taxes, and, to a much lesser degree, local rates.

"The most telling factor of all to the success of the service," Thomas notes, "is that ninety-seven per cent of the population in England and Wales belong to it."

Would a national health scheme be acceptable in the United States? J. Enoch Powell, outspoken member of Parliament and former Minister of Health, answers, "Most nations will commit the same follies and it looks to me from a distance that any fashionable folly is at least as attractive to Americans as it is to Englishmen."

Powell believes that for the first fifteen years of socialized medicine in Britain, nationalization prevented any hospitals from being constructed. Hospitals are more obsolete now than they would have been without NHS, and doctor-patient relationships have worsened. Waiting lists have not been shortened; "free" government services breed discontent in a public with rising expectations, and, according to Powell, the people feel they get better, faster attention by paying as private patients. Denationalization is the only answer, he feels.

The question of centralization versus decentralization is continually debated by British authorities and onlookers. While some favor imposing a central purpose and pattern on the complex administration of NHS, others argue for more local autonomy, fearing overstandardization and uniformity. The primary aim is to provide a unified service, integrated at all levels, involving close cooperation among authorities. While strong professional participation, community interest, and volunteer activity are encouraged, the main financial control and overall planning rest with the central department.

The problem of quality control is also difficult; the process of dealing with complaints against practitioners is slow and expensive. David Kidd-Hewitt, a sociology lecturer at the City of London Polytechnic, points out that the citizen is at a disadvantage. The tribunals which judge doctors' standards (set up under the NHS Act of 1946) had to be satisfactory to the professional bodies. There is, therefore, a built-in bias favorable to the doctors themselves. This is the British counterpart of the "cozy arrangement" of peer review which Herbert S. Denenberg deplores in the U.S. system.

Constant reorgnization of the system seems to be necessary. Priorities must be established and decisions about spending continually updated. It is an illusion, says Kidd-Hewitt, to expect a health service to erase disease by prevention and cure: health services are self-expanding. He suggests we will find that as consumers come to perceive their needs, the demand for treatment increases. People everywhere are less willing to accept discomforts and distress that were once considered an unavoidable part of life.

Any attempt at drawing comparisons must span the ideological gap between British and American ways of thinking: "Indeed, the horror and dismay which the commercialization of American medicine strikes into the soul of the British observer tends to paralyze all other faculties whether of discrimination or appreciation," writes British health expert Donald M. Johnson.

In a 1973 article in *The Public Interest* on commercialized medicine in the United States, sociologist Nathan Glazer asked, "Is it possible that the somewhat greater distance between healing and monetary payment that generally prevails in England and Sweden contributes to a morally healthier medical profession?"

Similarly questioning the system, a report in the *New England Journal of Medicine,* 1970, cited a "disturbingly high proportion of elective surgery performed" (twice as much surgery in proportion to population) in the United States as in England and Wales. The "old fashioned reluctance of British surgeons to operate" is not a plausible explanation. The rates of surgery in American group health plans, the *Journal* notes, are one-half those reported for Blue Shield fee-for-service practice.

In the words of one journalist critical of NHS, "it is a brutal fact that keeping people alive is becoming an uneconomic activity." Criticism of the U.S. system often focuses on the economic advantages of many practitioners.

Proposals and rejections for nationalized health insurance in the United States can be traced from the Progressive Party to Senator Edward M. Kennedy. The American Medical Association's position has been consistent since the 1930s. President Kennedy's modest plans for free health service for the aged were harshly rejected in the 1960s. John Kennedy's program, the AMA claimed, "adds up to nothing more than socialized medicine—controlled by a bureau of the Federal Government, paid for by increased Social Security taxes . . . Confined at first to the aged, it would inevitably be expanded to cover all Americans."

Senator Kennedy's current proposal is a Health Security Plan which would pay all medical expenses except for dental work on adults, lengthy psychiatric care, orthodontic work, and some prescription drugs. Regulatory boards would be established to set financial and qualitative standards throughout the health industry—a proposal hoped to be more detached than the proposed Professional Standards Review Organization, whereby doctors monitor doctors. The program would be financed by increased Social Security and Federal appropriations.

Cosponsored in the House by Representative Martha Griffiths, Michigan Democrat, the plan has opposition from the Nixon Administration, the AMA, and various legislators. President Nixon opposes the Kennedy-Griffiths bill and has introduced a proposal basically the same as last year's National Health Insurance Partnership Act.

The AMA predictably sees the Kennedy-Griffiths bill as another plan for socialized medicine. The bill would subject physicians to government review and encourage group practice, which to the AMA represents government meddling.

AMA's response is to endorse a Medicredit bill, which would subsidize, but not alter, the existing system. Keeping Washington clear of administering the program and maintaining the position of private insurance companies, the Medicredit plan is closer to the Nixon proposals.

The Kennedy-Griffiths bill would shift power away from the private insurance companies and provide free or heavily subsidized treatment in a system financed mainly by taxpayers. This plan, which veers toward the British scheme, has been criticized as economically unfeasible. The question of cost will, unfortunately, be used as a barrier to reform. An analysis of the Department of Health, Education and Welfare predicts that "if we do nothing, health care costs will rise from the present $80 billion annual level to $105.4 billion in fiscal year 1974." If Congress enacts Nixon's National Health Insurance Plan the costs will increase to $107.2 billion. With Medicredit, to $109.5 billion. And the Kennedy-Griffiths bill, HEW claims, would increase costs to $113.8 billion.

Leonard Woodcock, of the Committee for National Health Insurance, questions the validity of HEW's analysis, but notes that it nonetheless "shows overall health expenditures only six per cent higher under the comprehensive, universal equal benefits health security bill" than under the "fragmented, double-standard" bill proposed by the Administration.

The central issue remains: can Americans achieve the same system of free adequate medical care the British have learned to live with, at the same time avoiding the drawbacks? How to remedy the constant lack of funds, inadequate opportunities for doctors (particularly specialists), lack of incentive for more than minimal treatment or improvement of equipment, month- and year-long waiting lists for chronic or non-urgent ailments?

Judging by the pace of legislation through Congress, it may still take some time before the question is put to the test in America. Even then, if Congress passes reform bills, one wonders if the health care delivery system would be prepared to make the change. A national health insurance system would sound like a progressive step, would give both the liberals and the Nixon Administration a feeling of accomplishment, but would in no way reorder the present two-class system of medicine.

The industry is presently a closed system highly efficient at extracting profit. Drug manufacturers, insurance companies, the AMA, and certain individual doctors have no reason to alter their established system of financial security. Hospitals, described by Ralph Nader as "sublegal systems unto themselves," resist Federal control through strong lobbying power and have no incentive to change.

In *The American Health Empire* (1970), Barbara and John Enrenreich assess the power, profits, and politics of the complex of medical businesses. The question of insurance or public funding, they argue, does not get at the roots of the problem, which is the power of the public to control the health care system. The challenge presented by nationalizing schemes is resisted by a host of industries, according to the Enrenreichs, specifically the electronic, chemical, and insurance industries which have interests in the profitability of the present free-enterprise system.

"The most profitable small business [in the United States] is the private practice of medicine," the Enrenreichs note, and "the most profitable big business in America is the manufacture and sale of drugs. The hospital supply and equipment industry is not far behind. The insurance companies gross over $10 billion a year in health insurance premimums."

Such is the state of our system of health care. The health industry is a well-organized machine; the passage of bills based on foreign models will make high-quality medical services for the majority no more accessible than at present. Programs leaving the responsibility to employers, reinforcing private insurance companies, only strengthen resistance to change. Only a reordering of the priorities of the system, putting patient care above profits, can produce a publicly accountable health service program for all Americans.

Health Care for All—Is It Worth It To Go Halfway?

(By Steve Slade)

The United States appears to be marching relentlessly toward some form of national health insurance (NHI). There is no longer significant public debate over the need for a greater government role in the provision of medical services. Both President Nixon and Senator Edward M. Kennedy have pledged early action on the various insurance plans now before Congress.

But the Nixon and Kennedy plans represent radically different approaches to the form NHI should take. Senator Kennedy and Representative Martha Griffiths of Michigan are sponsoring broad legislation covering virtually the full range of personal health services for everyone. President Nixon proposes a combination of three programs for various groups which leaves many medical services uncovered and bills unpaid. Nixon's plan will cost the Federal Government less, and the President has made much of the "new taxes" required by the more costly Kennedy-Griffiths bill. But the Kennedy-Griffiths proposal will cost the medical consumer less out-of-pocket, and supporters have made much of the co-insurance and deductibles mandated by the less comprehensive Nixon measure.

The crucial difference, however, involves neither cost nor comprehensiveness of coverage. It centers, rather, on the question of whether Federal financing will be used to exert leverage over an enormously costly, wasteful, and inefficient system of health care delivery. The Kennedy-Griffiths bill seeks to control the medical industry by altering the traditional payment and delivery mechanisms and limiting the role of the insurance industry. The Administration proposal not only leaves the current payment and delivery system largely intact, but guarantees a powerful and lucricative role to insurance companies; it is little more than the continuation of private insurance by other means.

As the debate over these conflicting approaches and sundry alternatives unfolds, and as countervailing pressures are brought to bear on Congress, liberals, who have rightly helped create public clamor for NHI, are likely to face a cruel choice between no bill at all or one which perpetuates the present system of vast expenditures, unjustified waste, and inadequate cost controls. If the medical-industrial complex succeeds in shaping the legislation that is to come, the result will merely be to frustrate our efforts for better health and warp our national spending priorities for years to come.

In the past, the political power of the medical-industrial complex has effectively limited Federal intervention in the payment patterns of medicine. In consequence, we have seen one Federal health program after another fail in frustration. The underlying Federal philosophy toward medical care is summarized in the preamble of the much praised Comprehensive Health Planning and Public Health Services Act of 1966, which pledges no "interference with existing patterns of private professional practice of medicine . . ." In other words, the Federal Government has committed itself to financing medical care without demanding significant changes in the method of payment or delivery.

The price for this commitment was paid in the Medicare and Medicaid programs as costs rose from $3.2 billion in 1967 to $7 billion in 1970. While costs doubled, enrollment in Medicare increased by only eight per cent. The impact of these programs on medical prices was staggering. Following their adoption, the rate of inflation in medicine doubled to an annual rate of 6.6 per cent. Daily hospital service charges led the upward surge with annual increases of 13.4 per cent. During the first three years of these programs, fees rose by twenty-two per cent and daily hospital service charges increased by fifty-five per cent.

This experience is likely to be replicated and aggravated by the kind of national insurance system that the health industry and the Administration will try to persuade Congress to enact. We must ask ourselves, therefore, whether it is worth it to go halfway toward NHI. With the limited resources available to meet our vast needs, we cannot afford huge expenditures on unnecessary medicine. The 1973 budget study of the Brookings Institution pointed out that public funds spent on NHI would not be available to meet "other high-priority public objectives." Unfortunately, the American public seems willing to devote only a slowly growing portion of its GNP to public expenditures. Given this political-economic reality, the value of NHI must be weighed against the value of other social programs eliminated from consideration by NHI's high costs. The loss of social programs will escalate with the costs of the Government's commitment to current payment mechanisms.

The poor, whose health is the worst and whose need the greatest, will suffer most from the distortion of social priorities. After a study of the links between poverty and health, Professor Monroe Lerner of the Johns Hopkins School of Medicine concluded that the poor experience "substantially higher rates of overall mortality, infant mortality, and severe illness" than those in higher income brackets. Lerner suggests that programs designed to alleviate poverty will also improve the health level of the poor.

Lerner's conclusions may surprise us because we are accustomed to assuming that medical care is the only critical determinant of health. But medical sociologists have documented a wide variety of cultural, behavioral, and environmental factors which contribute substantially to health or illness. Inadequate housing, nutrition, clothing, economic security, and education contribute to the total poverty environment and to the ill health of the poor. If the poor lack access to quality medical care, they also lack access to quality housing, good jobs, and nutritious food. Social programs which help alleviate these elements of poverty will substantially improve the health level of the poor; they will also be the programs most likely to go underfunded as escalating medical costs consume available public funds.

As the legislative process works its way toward compromise, we must begin to face these questions of priorities because we cannot have all that we want nor do all that needs doing. The nature and power of the medical-industrial complex requires radical changes in payment and delivery mechanisms, but it almost guarantees the continuation of current practices. Rather than march blindly toward some vague and distant goal of national health insurance, we must begin to ask ourselves where we are *going* and whether we really want to go there.

VICTORY FOR PERSISTENCY

HON. ROBERT C. McEWEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 4, 1974

Mr. McEWEN. Mr. Speaker, three words—victory for persistency—tell the result realized, and the type of effort made, by Alan E. Emory, Washington correspondent of the Watertown, N.Y., Daily Times, on the matter of opening up farmers' individual income tax returns to inspection by the Department of Agriculture.

I wish to make a part of the Record some of Mr. Emory's news stories and an editorial applauding his work:

Victory For Persistency

An executive order which never should have been sought nor issued is about to be rescinded. The report by our Washington correspondent Alan S. Emory, that President Nixon has agreed to revoke a January, 1973, decision permitting the Department of Agriculture to examine farmers' tax returns is good news for our food producers and for all Americans who cherish their privacy. Furthermore, it illustrates dramatically the power of persistence.

President Nixon's informal agreement to withdraw an edict which had angered the more than 3,000,000 American farmers was the result of increasing pressures and criticisms from members of congress. However, in this case, the effectiveness of the pressure came from the exposures made by a relatively few newspapermen who understood the order's full implication.

The directive, refined by the Justice Department, would be a model for various government agencies other than the Agriculture Department and thereby create a situation where anyone's income tax would be subject to examination. These returns thus would no longer be the confidential documents between taxpayer and the Internal Revenue Service as Americans have always believed.

Among the first, and perhaps the very first, to understand the order's implication was Mr. Emory, who reported last fall that the Agriculture Department had decided temporarily to scrap the order. A man of persistence, Mr. Emory kept inquiring into the details and meaning of the order. Last February 26 on President Nixon's televised news conference, Mr. Emory asked the president to explain the order in light of his strong defense of confidentiality for White House papers and his new protection-of-privacy policy for individual citizens. Mr. Nixon said he would turn over the issue to Vice President Gerald Ford and his new federal commission on privacy.

Yesterday Mr. Emory learned that the President had acceded to Vice President Ford's recommendation that the controversial order be revoked. Mr. Ford, having fairly recently undergone personal scrutinity, is sensitive to the feelings of farmers, especially on taxes, and can appreciate the concern of Americans over income tax privacy.

If Mr. Ford can now manage to eliminate a Justice Department opinion that the Nixon order serve as a prototype for other agencies, the job will be complete.

Many individuals can be applauded for this significant victory, the farmers, the congress and the civil liberties group. We do not hesitate to add the name of Mr. Emory.

President Cancels Tax Probe Policy

(By Alan Emory)

Washington.—President Nixon today announced formally today that he has approved a new executive order wiping out the policy of opening up individual farmers' income tax returns to the Agriculture Department.

White House Press Spokesman Gerald Warren told the Times that the President felt the impression had grown so strong that the order constituted an invasion of privacy that it conflicted with administration goals of protecting the privacy of citizens.

The day after this reporter asked the President about the order at his Feb. 25 press conference, Warren said, Nixon asked Vice President Ford, at a Domestic Council meeting, to look into the question.

Ford reported back that he felt opposition to the order on the basis of invasion of privacy outweighed the statistical purposes for which it was first issued early in 1973.

Nixon asked whether order was really necessary, and, White House officials said, a quick analysis showed the Agriculture Department had not used it to inspect tax returns and the department had found it could "live without it."

Warren said the order had been presented to the President as containing all necessary safeguards to protect privacy.

When, however, the "current framework of the government's taking the lead on protecting privacy" was created, Warren said, the executive order seemed to indicate the administration was going in two directions simultaneously.

One White House spokesman observed that, as a result, "the Agriculture Department is going to have to work a little harder" to obtain its information, probably going to the Census Bureau, where, many observers believe, it should have gone in the first place.

Times Reporter's Query Credited by White House in Scrapping Tax Order

Washington.—The White House Thursday attributed President Nixon's decision to scrap his executive order opening up farmers' income tax returns to the Agriculture Department to a question asked by Times Washington Correspondent Alan Emory at a Feb. 25 White House news conference and a subsequent recommendation by Vice President Ford, chairman of an administration committee on privacy.

The unusual cause-and-effect explanation was provided at a White House news briefing by Deputy Press Secretary Gerald Warren.

Sen. James L. Buckley, C.-R., N.Y., today hailed the Nixon action as "an example where reporting can call to the public attention, and to the attention of a president, abuses of executive authority."

Buckley, who on March 11 wrote the President urging him to rescind the order "immediately" as an implicit invasion of privacy, told The Times, "Let us hope that all similar directives are reviewed to make sure there is no violation of privacy, other than that specifically authorized by statute and necessary for public purposes."

Rep. Robert O. McEwen, R., Ogdensburg, said he "totally approved" of the President's reversing his 1973 order.

"I commend the President for honest correction of this grievous error," the Congressman declared. "The confidentiality of individual taxpayers' returns should not be carelessly set aside."

McEwen continued, "Alan Emory, the Watertown Times Washington correspondent, did an outstanding job of tenaciously exploring the implications of the issue and keeping the attention of members of Congress and the administration on this matter, including a question put directly to the President at his news conference, with the happy result that this action has now been corrected."

Tax Return Safeguard Proposed in Reforms

(By Alan Emory)

Washington.—Legislation to tighten safeguards around individual income tax returns may become part of this year's major tax bill.

Congress is expected to approve a tax measure some time late in the year. Lawmakers on both sides of the Capitol are now planning to fit in a section sharply restricting the access to individual taxpayer returns.

The issue was posed by President Nixon's 1973 executive order allowing the Agriculture Department to examine farmers' returns, although the President revoked that order a week ago today.

What has alarmed lawmakers and observers even more, however, was the opinion of the Treasury and Justice Departments that the order was designed as a "prototype" for other federal agencies, a prospect Rep. Bill Alexander, D., Ark., called "frightening."

That issue is now before an administration committee on privacy headed by Vice President Ford. Ford recommended that Nixon revoke the order on farmers' returns, and Nixon did so about a week later.

Sen. Lloyd M. Bentsen, Jr., D., Tex., a member of the Senate Finance Committee, said he expected his tax return privacy measure to be considered wtih other tax legislation late in 1974.

Bentsen introduced his bill Tuesday, declaring that, although President Nixon had revoked his year-old order on farmers' returns, the potential for "unwarranted intrusions" into privacy still existed and the

1973 Nixon order had established a precedent.

The fact that an "unwise" order was allowed to remain on the books for a year, said Bentsen, "clearly demonstrates that our laws must be changed."

"Congress and only Congress" should decide what changes should be made, Bentsen added, to close the door to potential abuse.

He said the legislation would not hamper the Internal Revenue Service from performing its regular duties.

From Washington—Heroes in Fight for Privacy

(By Alan S. Emory)

There are several heroes involved in President Nixon's first step in pulling back from a policy that threatened the traditional privacy of everybody's income tax return. The White House tried to make it look as if President Nixon himseld had guided his advisers along the path to a change in policy, but that isn't quite true.

For one thing, there were the House hearings on the 1973 Nixon order authorizing the Agriculture Department to look at every farmer's tax return. They were triggered by a couple of very concerned Democrats, Jerry Litton of Missouri and Bill Alexander of Arkansas, but despite the hearings and some strong recommendations from a House Government Operations sub-committee public attention was pretty thin and the Nixon Administration's concern non-existent.

In fact, the Agriculture Department, which said it had consulted with the White House on the policy, refused to pull back an inch although given plenty of opportunity.

Another hero, in a restricted sense, was Internal Revenue Commissioner Donald C. Alexander, who refused to implement the policy, although he, too, declined to go to the President to point out what a bad one it was and the dangerous implications for the future.

A third hero was Sen. James L. Buckley of New York, who read a news story about the Nixon order and sat down and wrote the President on his own, calling for an immediate scrapping of the order as representing an "implicit invasion of privacy." Fortunately, Buckley mailed his letter a week before he called for Nixon's resignation, so it may have been read and considered.

Still another hero was Vice President Ford, who was not in on the earlier policy and had the political sensitivity to realize the direction in which it was heading. As soon as Nixon turned the issue over to Ford and his new government privacy committee, the Vice President moved quickly and called on Nixon to reverse himself. He even maneuvered Agriculture Secretary Butz into backing him up, and that combination convinced the President to backtrack.

The whole case was helped along by news coverage in this newspaper and the Washington Post, which, in turn, prompted an editorial in the Washington Star-News. And, it is likely, the President might never have been spurred to take any action had it not been for a question put to him at his Feb. 25 News conference. That question prompted him to toss the matter into Ford's lap.

The White House announcement of a change of heart Thursday indicated that Nixon had asked Ford to find out if the Agriculture Department tax snooping was "really necessary," but there is strong evidence that Ford was left largely on his own and it was his realization of what a bad policy this was that led to his recommendation.

The President, after all, looked pretty strange demanding confidentiality for White House materials and pointing the way for a new program to safeguard individual privacy and when only a year before he had launched a policy to open up tax returns across the board, starting with the country's 3,000,000 farmers.

The issue is not yet completely settled. Legislation is needed to make sure tax returns are as safe and private as every one assumed they were.

Ford's privacy group must come up with a finding that what the Agriculture Department might have been allowed to do should be barred to any other federal agency. There is still the matter of what prompted the Justice Department to label the Agriculture Department order a "prototype" for all other government departments, a statement that labeled the administration policy as a real threat to individual privacy.

The odds are that Ford will keep on top of the issue and that a complete reversal of an evil policy will be accomplished. The fact that it could have been formed in the first place reflects the kind of White House thinking that prevailed in the John Dean-Haldeman-Ehrlichman days, the use of the IRS as a political weapon and similar violations of individual dignity.

Between Congress, the press and the Vice President that policy line has a good chance of being consigned to the political garbage dump, where it belongs.

CONGRESSMAN AL QUIE, LAUDED FOR LEADERSHIP

HON. ANCHER NELSEN

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 4, 1974

Mr. NELSEN. Mr. Speaker, Congressman ALBERT QUIE, of Minnesota's First Congressional District, was the subject of a complimentary and much deserved political profile in the March issue of the Ripon Forum. I know that AL's many friends and admirers in and out of Congress will find it of interest, and I am pleased to insert the article in the CONGRESSIONAL RECORD:

Politics: Profiles—Albert Quie

SOUTH ST. PAUL, MINNESOTA—Minnesota's First District Congressman Albert Quie (R) refers to himself as one of the "few dirt farmers in Congress," but he is one of the most respected and powerful Republicans in the House of Representatives and is his party's leading authority on educational legislation.

The grandson of a Norwegian immigrant, Quie still farms the dairy farm settled by his grandfather. The farm is located in Minnesota's prosperous 1st C.D., which is predominantly rural and agricultural, the most populous area being the city of Rochester with its world-famous Mayo Clinic.

Quie's interest in education and elective politics was first demonstrated when he was elected to his local school board while still a student at St. Olaf College in Northfield. Elected to the Minnesota State Senate in 1954, Quie continued to demonstrate his interest in education by serving on a legislative interim commission investigating the education of exceptional children. His work on this commission resulted in the enactment of extensive legislation for the education of handicapped children.

In 1958, he was narrowly elected to Congress in a special election to replace U.S. Rep. August H. Andresen. Re-elected by a comfortable margin in the fall of 1958. Quie has easily won re-election ever since.

As a freshman congressman from an agricultural district, Quie was quite logically assigned to the House Agriculture Committee. However, he continued to express his interest in education, and Minority Leader Charles Halleck, in a precedent-setting move, appointed him also to the Education and Labor Committee. Quie retained seats on both committees until 1967, when he gave up his seat on the Agriculture Committee since he felt his farm background would allow him to continue to have an impact on agricultural issues. It was his belief that he could best serve the interests of his constituents by utilizing the expertise he had acquired in the field of education. Quie has since risen to the position of ranking minority member of the committee.

Quie theorizes that the federal government has usurped many of the governmental functions that are more appropriately exercised by state and local governments. Yet he believes also that within specifically defined areas of education, the federal government does have a legitimate function, e.g., education of the handicapped, vocational and occupational education, and instruction of the educationally disadvantaged. Higher education is another area in which he feels the federal government has a legitimate albeit limited function, and he was a major force in the adoption of the Higher Education Facilities Act in 1963 and the Aid to to Higher Education Act in 1972.

In particular, Quie is critical of the present trend whereby elementary and secondary schools are becoming increasingly isolated from the community. He stresses the need for more coordination of the schools with the community. He believes that insulation of the schools from the community has caused students to lose their own sense of identity and that the schools have failed to transmit the nation's value system to its youth. While the impetus for changes in the educational system must come from the community itself, Quie deplores the tendency of the government to stand in the way of innovative concepts in education. He feels that future legislation must account for and correct this tendency. Quie also believes that secondary-school systems have done much to stifle the vocational education of students. He favors enactment of a youth differential in the labor laws which would permit exceptions in the minimum age law so that students could work as part of their vocational training.

Quie's position as the ranking minority leader of the Education and Labor Committee during the Nixon Administration has proved to be a mixed blessing. He is frequently consulted by the President and Administration officials on education legislation, but Quie believes that the Administration has placed a low priority on educational legislation and that the Office of Management and Budget has more decision-making power in this area than does the Department of Health, Education, and Welfare. As a result, Quie has frequently differed with the Administration on many issues.

The Minnesota congressman has been a supporter of President Nixon in his stand on the Vietnam war, despite his initial reservations about the wisdom of the war effort. During the Johnson Administration, Quie questioned the justification for our involvement, our lack of objectives, and the general wastefulness of the war effort. When President Nixon took office, Quie supported his position on the war and defended the President's war policies. It was only during the latter part of the President's first term that he indicated his frustration with the President's inability to end the war. His criticism took the form of a request for a speedier withdrawal of troops and a reduction of the massive bombing attacks.

In Congress, the eight-term incumbent is generally identified with the moderate wing of the Republican Party. He was a leader, along with fellow Republicans Robert Griffin, Charles Goodell, and Donald Rumsfeld in their successful effort to replace Minority Leader Charles Halleck with Gerald Ford. Quie's voting record in the House has become more progressive in the past few years, and many observers cite as a reason the changing make-up of his district from one which was predominately rural to one which contains a substantial suburban population. However, Quie gives the clear impression that he is comfortable taking progressive positions on many issues, especially environmental protection and legislative reform.

Quie's own sensitivity to other people and their ideas has earned him the reputation as an excellent legislative mediator. As the reason for his success as a mediator, he cites his ability to reduce tensions in debates on issues at hand and then to work out a rational basis upon which the parties can come together. Quie cites his relationship with U.S. Rep. Andrew Young, a black Georgia Democrat, to explain the sensitizing nature of his own strong religious convictions. Quie explains that whereas he and Young might ordinarily find little common ground on which to relate, their mutual religious efforts have been a strong basis for communication.

Congressman Quie has been a leading advocate for congressional reform. As a ranking Republican on the House Education and Labor Committee, he has taken the lead in opening all executive committee meetings to the public and is very careful to see that the minority staff of the committee is used for committee work and not co-opted for use by individual committee members. He was a leading advocate of the modification of the seniority system by House Republicans whereby senior committee members must be subjected to a "yes" or "no" vote of committee members before they can assume a leadership position. He believes that the present committee structure needs to be thoroughly revamped but is optimistic about the ability of the Select Committee on Committee Structure to come up with mechanism to enable Congress to deal effectively with contemporary problems.

Congressman Quie does not indicate any interest in seeking higher office, and it is likely that he will attempt to remain in the House. In 1966 he very nearly ran for the governorship of Minnesota, but facing the prospect of a contest for the Republican nomination, he decided against entering the race. In 1969 there were indications he would seek the seat vacated by Sen. Eugene McCarthy, but again he decided not to seek higher office. It is widely believed that his prime considerations were the prospect of spending less time with his family and his desire to maintain his prestigious position in the House.

Married and the father of five children, both family and religion play a very important part in Quie's life. His wife, Gretchen is an accomplished artist, and her paintings are on display in the congressman's office and in the homes and offices of many of his constituents in Minnesota. Once an expert pilot (Quie is reputed to have flown his Navy fighter plane upside down at an elevation of 30 feet over St. Olaf College while courting his wife) he has recently given up flying and devotes most of his free time to the training of quarterhorses. He is often up at dawn and at work training his horses or those of a friend for entry in western shows. One of the highlights each year in his congressional district is a western trail ride which the congressman sponsors.

In the past few years Quie has faced only token Democratic opposition in his district. With the rejuvenation of the Minnesota DFL he will likely face much stronger opposition in the coming election. Any potential opponent will, however, have to overcome the formidable obstacles of Quie's broad base of bipartisan support in his district and his reputation as an effective and powerful Congressman.

THE CASE FOR A FEDERAL OIL AND GAS CORPORATION—NO. 17

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 4, 1974

Mr. HARRINGTON. Mr. Speaker, Congressman Sidney R. Yates of Illinois recently polled his constituents to learn their views on the proposal to create a Federal Oil and Gas Corporation. The results clearly favor the creation of a Government entity to develop our Nation's energy resources in competition with the private oil companies, and I believe the results are indicative of the widespread national support for the Federal Oil and Gas Corporation.

I would like to insert the results of Congressman Yates' questionnaire into the Record.

PERCENTAGE TABULATION OF RESULTS UPON CONGRESSMAN SIDNEY R. YATES' QUESTIONNAIRE

	His			Hers		
	Yes	No	Undecided	Yes	No	Undecided
4. The Federal Government now leases its oil resources on public lands to private oil companies for development and takes a royalty. Do you think it would be better if Congress were to establish a government corporation like TVA to develop such publicly owned resources for the public, as:						
(a) Oil and gas	56	35	8	63	25	11
(b) Oil shale	56	35	8	61	24	14
(c) Geothermal	63	27	9	65	22	12
(d) Solar energy	64	27	8	68	20	11

DIEGO GARCIA FUNDS OPPOSED

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 4, 1974

Mr. HAMILTON. Mr. Speaker, I rise in support of the amendment to strike section 301 of the defense supplemental bill. This section which would authorize an appropriation of some $29 million for the creation of more permanent base support facilities on the island of Diego Garcia has no business in a supplemental bill.

There may be very good arguments for and against the creation of such facilities but there are no good or compelling arguments for Congress to be rushed into creating another base overseas without first examining the political and military ramifications of such a move.

Mr. Speaker, three considerations lead me to the conclusion that this section should be deleted from the bill and that the matter should be examined further by the appropriate committees of Congress.

SIGNIFICANCE OF REQUEST

First, the significance of this request far outweighs the $29 million in the supplemental bill. If passed, we would be establishing a major military presence in a remote area where heretofore our presence was minimal and our profile low. To seek facilities to support the regular deployment of a carrier in the Indian Ocean would represent an important new type of presence and would give the United States new capabilities in a region halfway around the world where every Soviet military move to date has been in direct response to something we have done previously.

The creation of permanent base support facilities on Diego Garcia raises a whole series of questions having to do with America's appropriate role in the distant Indian Ocean. These questions need serious consideration by Members of Congress:

What is the national interest of the United States which attaches such importance to the creation of these facilities? It cannot merely be a response to potential Soviet presence.

What are the political, economic, and strategic ramifications of acquiring, or not acquiring, such facilities?

Do any military advantages that such facilities might provide the United States outweigh any political problems that might arise, the commitment a base might mean for the future, and naval competition with the Soviet Union that could result directly from this move?

Given the history of Soviet reactions to our moves, should we not at least wait to see what the Soviets do rather than create facilities and, like a magnet, attract a greater Soviet presence?

What impact will the facilities we seek have on the chances for an arms limitation agreement with the Soviet Union in this area?

What is the military balance between the United States and the Soviet Union in the Indian Ocean today and how do our military capabilities compare? What difference would these facilities we seek make in preventing the Soviet Union from doing things detrimental to U.S. interests?

What kind of contingencies would the proposed base protect us against, or enable us to meet?

What is the relationship between these facilities and our need for Persian Gulf oil and how can any facilities influence the course of oil politics?

And what other options exist for the United States to the source of action the Defense Department proposes?

Mr. Speaker, we do not have categorical answers to these questions, but a responsible Congress ought to try to find them out. Almost overnight our military involvement in the Indian Ocean area and the Persian Gulf seems to be escalating unchecked. On the one hand, we are seeking a permanent base in the Indian Ocean and on the other, we continue to promote the seemingly unrestricted flow of arms to states in the Persian Gulf where last year perhaps upward of $5 billion worth of arms were sold to Iran and Saudi Arabia. Congress urgently needs to consider the implications of the course of action our Government is taking in the Indian Ocean and Persian Gulf areas.

NO HURRY NECESSARY

A second reason for voting to delete this section is that there is no need to hurry. The Government has failed to explain adequately why an item that is of such potential significance has to be rushed through the Congress in a supplemental bill and why Congress should not have more time to consider this important issue and discuss alternatives, including a strong appeal for direct United States-Soviet negotiations to limit arms buildups and competition in the Indian Ocean and adjacent areas like the Persian Gulf.

I see no need to hurry because:

First, we have no known commitment in the area that warrants prompt action,

Second, the Navy admits that there is no relationship for the foreseeable future of facilities on Diego Garcia and the need to get supplies to countries in the Middle East should any hostilities warrant airlifts,

Third, the Navy plans for Diego Garcia are old ones, designed in the 1960s and defeated repeatedly within the Defense Department. The 1974 rationale for these old plans therefore deserves extra close attention,

Fourth, to delete this request and wait until the regular fiscal year 1975 defense bill is considered would mean a delay of only 6 to 8 months in construction on the island,

Fifth, we now have naval superiority in the Indian Ocean and will have greater naval capabilities for the immediate future, and

Sixth, the new British Government is presently considering the issue of whether to allow changes in the British-United States agreement over the use of the island in order to permit new facilities. It would be premature for this body to act before the negotiations with England are finalized.

SOVIET PRESENCE

One of the most frequently mentioned reasons for hurrying into creating these support facilities on Diego Garcia has been the Soviet presence in the Indian Ocean. Since 1968, the Soviet Union has been developing a military capability in the Indian Ocean region and it now has a permanent presence, but it is unclear what difference this presence makes and what threats it poses to our interests and to our access to Persian Gulf oil. The Soviet Union, like the United States, has a permanent presence in the area and both navies make port calls to many countries on the littoral. The Soviets have a numerically larger number of ships there, but with even the availability of a carrier from our Pacific Fleet, we have definite naval firepower superiority.

The Defense Department offers a litany on places where the Soviet Union is doing things or has facilities. But we must look behind what the Soviets are doing in Somalia, Socotra, Aden, Iraq, Mauritius, and Bangladesh. I would submit that the Soviet's naval involvement in and around the ports of these states is related directly to protecting and promoting their political interests in those countries where they have close ties. Presently, the Soviet Union does not, to my knowledge, have any base in the Indian Ocean.

These states friendly to the Soviet Union are isolated from other states in the region and although they may be able to harass their neighbors, there is no evidence that they seriously threaten U.S. interests or friends. It is important to remember that India, which is meant to be the Soviet Union's greatest ally in the area, has firmly resisted to date all attempts to acquire base rights in India. What facilities the Soviet Union does have access to appear to be small and unimproved ports and airstrips, and I seriously doubt that they have access for military aircraft to any airfield as large as the 8,000-foot runway already in existence on Diego Garcia. In fact, the irony of the request before us is that some experts even doubt the capability of a developed base at Diego Garia to support a carrier task force.

Mr. Speaker, the Soviets may have certain designs on the Indian Ocean, but there is to date no evidence that they are escalating their presence at any alarming rate or acquiring any string of bases. Their relative degree of restraint and their slow maneuvering suggest to me that they have few real interests there. In turn, this suggests their Indian Ocean policy is more one of reacting to what we do. We should, therefore, be extremely careful before doing anything that might escalate the level of naval competition in the region. This is all the more reason for our showing restraint, not acting in a hurry, and examining the issue more closely.

NEED FOR CONGRESSIONAL ASSESSMENT

Mr. Speaker, a third consideration which leads me to the conclusion that section 301 should be deleted from this supplemental bill is that there remains a need for an independent congressional assessment of the issue. My subcommittee held five hearings on the matter of Diego Garcia. That was enough to persuade me that independent of whether we should expand our facilities on the island there was a significant issue before Congress.

This bill before us today is supported by an Armed Services Committee report which presumably reflects the views of members of the committee. I was dismayed to see that the entire portion of that committee's report relating to Diego Garcia, excepting an introductory and concluding paragraph, was lifted almost verbatim from the prepared remarks Admiral Zumwalt gave before my subcommittee of the Committee on Foreign Affairs.

I am persuaded that the Armed Services Committee has not given this body its independent assessment on an issue which has significant foreign policy ramifications.

I urge my colleagues to support this amendment in order to give the appropriate committees of the Congress time to examine the issue more carefully. Only yesterday, the Senate Armed Services Committee deferred without prejudice section 301 and it will be taken under advisement in the regular fiscal year 1975 defense authorization bill.

This body should do the same.

ARMISTEAD SELDEN, JR., ASSUMES POST AS AMBASSADOR

HON. BILL NICHOLS

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 4, 1974

Mr. NICHOLS. Mr. Speaker, there may be some Members of this body who are not aware of the fact that a former colleague, Armistead Selden, Jr., has just departed Birmingham Airport to begin serving his country in yet another capacity—as Ambassador to New Zealand, Fiji, Tonga, and Western Samoa.

During his eight terms as Congressman from Alabama, Armistead distinguished himself as an outstanding Representative and gained a reputation as the House of Representative's leading authority on Latin American relations.

Following his tenure in Congress, Ambassador Selden served as Deputy Assistant Secretary of Defense under Melvin Laird and most recently he has practiced law in Washington and Tuscaloosa, Ala.

I am sure in his new position, Armistead Selden will again draw recognition as an outstanding representative of America. For the Members of the House, I would like to submit this article that appeared in the Birmingham News regarding Mr. Selden's departure and I hope that his former colleagues and friends will join me in wishing him success as one of the United States newest Ambassadors.

SELDEN LOOKING FORWARD TO NEW CAREER AS ENVOY TO AUSTRALIA

(By Thomas F. Hill)

After serving successfully as a U.S. congressman, a high-ranking Defense Department official, and an attorney, Armistead I. Selden Jr., this week put away his law books and planned to fly over half-way around the world to begin a new career in the Diplomatic Service as ambassador to New Zealand.

Selden, who also will be ambassador to Fiji, Tonga and Western Samoa, will be accompanied by his wife, the former Mary Jane Wright of Talladega, and his youngest son, Thomas Lawson, 12. The oldest daughter, Mrs. Martee Hewitt of Sewanee, is married and attending University of the South at Sewanee. Two other sons, Ing and Jac, are in college, and a daughter, Edith, is in high school so they will join the Seldens later.

"This is something new and different for me," said Selden. "I am looking forward to it."

Selden brings a wealth of experience in foreign affairs to his new post. A conservative Democrat, recently served a term as principal deputy assistant secretary of defense for international security affairs, working closely with Defense Secretary Melvin Laird. During his 16 years in the House of Representatives, Selden had considerable experience in foreign affairs, including serving as chairman of the House Foreign Affairs Subcommittee on Inter-American Affairs. More recently, he has practiced law in Washington and Tuscaloosa during which time he handled many international cases.

The Seldens will fly out of Birmingham Monday on the first leg of their long trip to his new post.

"We will fly to Los Angeles and then to Hawaii," Selden said. "I will be there several days for briefings before we fly on to my first stop, Tonga, where we will stay about six days."

Selden said he would present his credentials to the king at Tonga, and at Western Samoa.

Next stop will be Fiji, where Selden will present his credentials to the governor-general, the official representative of The Queen.

The Seldens are scheduled to arrive in Aukland, New Zealand on April 20. He will present his credentials to the governor-general there on April 22.

"This is not my first trip to New Zealand," Selden said. "I was there a few years ago while I was with the Department of Defense."

Selden has been "boning up" on the countries and is looking forward to his new duties.

The American Embassy is in Wellington, the capital, where Selden will have a staff of 65, 32 of whom are Americans. Most of them are State Department employes, with the remainder being U.S. Information Service, two Department of Agriculture attachés, a Defense Department representative and six Marine Corps guards.

There are many reasons why Selden is looking forward to his new assignment. He likes its political climate, which is headed by a labor party but functions under a parliamentary system. It is an independent country, but a member of the British Commonwealth. It has a unicameral (single body) Legislature of 87 members. Prime Minister is Norman Kirk.

"There are a number of reasons why I am pleased with my appointment," said Selden. "New Zealand has been a longtime friend and ally of the United States, having fought side-by-side with us during World War I, World War II, Korea and Vietnam.

"It is an English-speaking country, so I will not have any language problems. It has a parliamentary system of government, and I am looking forward to working with the warm, friendly people there. And also, it is a very beautiful country and has a very mild climate."

Selden pointed out that the United States was New Zealand's No. 2 customer in export items. Great Britain is the No. 1 customer. New Zealand ships more to the United States than we ship to them. Main items are lamb and wool. There are volunteer quotas on what they ship to us, and they are being observed, Selden said. New Zealand buys mostly manufactured products from us, he added.

Selden, an expert on Latin American affairs, feels that conditions will remain calm there for awhile, excepted for isolated terrorist activities.

"There is less Communist agitation now than 10 years ago," Selden said. "Also, pressure has been brought on Cuba to stop the training of foreign nationals."

Selden feels there will be no recognition of Cuba by the United States until the nation agrees to stop spreading the threat of communism in this hemisphere.

Selden's new job will keep him busy and moving. There will be much social activity, and he will be representing the interests of American investors and industrial firms which have operations there.

And he will make periodic visits to Fiji, Tonga and Samoa.

Selden is the second ambassador to come from Greensboro. The other was the late Pete Jarman, who was appointed by President Truman to be asmbassador to Australia.

As it is a presidential appointment, Selden's post will last until the end of this administration.

ESSAY CONTEST WINNERS IN ILLINOIS

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 4, 1974

Mr. DERWINSKI. Mr. Speaker, the State Bank of Clearing in Chicago, Ill., recently sponsored an essay contest in which two outstanding young lady students from my district were among the winners.

I am pleased to insert into the Record these two fine articles by Aurora Campos of Bridgeview, Ill., and Barbara Farrell of Willow Springs, Ill. These articles were printed in the March 21 edition of the Des Plaines Valley News of Summit, Ill. The articles follow:

[From the Des Plaines (I'l.) Valley News, Mar. 21, 1974]

Things I Like Most About My Neighborhood

(By Aurora Campos)

I wake up in the morning to a bright ray of sunshine, melting through my curtains. As I get up and glance out the window, I see the foreboding, yet gentle, weeping willow tree; its leaves dancing in the wind and sometimes falling to the moistened grass below. If I can see through the tree's swaying branches and leaves, I find myself staring at a long dark row of factories; its night workers going home exhausted and worn out to sleep as the rest of the world awakens.

As the day goes on, trucks roll in and out of these droning buildings, eventually cracking the once smooth pavement with their heavy weight. It is a weight the road was once unaware of since its only employers before had been occasional cars.

Because of this light travel on my street, we, as children, were able to play games on the road without our mothers having to be afraid of any harm happening to us. But, changes always come. As time passed, my friends moved away. So, with no one my age to play with I was forced to either play by myself or in the company of my sisters.

Years later another change took place. Young families moved into my neighborhood, and with them, young children; playmates for my younger sisters and brother.

It seems to be a revolution of time with people. I experienced the change in my life and environment, now my younger sisters and brother will.

My neighborhood seems to be a sort of short analysis of life. From it I can witness the changes in material existence and also the atmosphere the people in it create.

When you look around you, not only can you see the good, but also the bad. You are able to see the beautiful house, but also the fading paint; able to hear not only the children's laughter, but also their cries of sadness and pain; able to not only see the blue sky, but also the white clouds lining the horizon.

A neighborhood is like your own little world; you get your first taste of life from it and watch as it, as well as yourself, changes.

(Winner of the 6th place in essay contest sponsored by the State Bank of Clearing.)

Things I Like Most About My Neighborhood

(By Barbara Farrell)

The trees in Willow Springs possess many of the characteristics which make the tiny village as old-fashioned and nostalgic as it is. With each of nature's four seasons the trees take on a new dimension of beauty. It is this beauty begotten by nature which enables any creature, human or otherwise, to experience the life and simplicity of a tree.

To view a tree in early spring is to behold life in its purest form. Each tiny, pale, green bud is like a newborn baby, reaching out to the world, waiting to grow. Every bud is ecstatic about life, anticipating its joys and sorrows, waiting to live to the fullest extent possible. As with an infant, one can see changes day by day in the growth and transformation of every tiny bud into a rich, full, adult leaf.

The bark of the tree also takes on new life. It grows moist; moss begins to grow on its north edge.

The trees reach the height of their beauty during the summer months. Their leaves are a community, with each member protecting its neighbor from the blazing summer sun. The tree as a whole is a comfort to the animals and people in the area through the shade it offers them and the warm summer breeze it tosses to and fro in an attempt to cool every living being. The leaves on the trees, especially and the willows, which are bountiful in Willow Springs, have been transformed, as spring is to summer, from their pale green color signifying new life, to a rich, cool, deep green symbolizing fulfillment in life.

In the autumn the trees foster a weak attempt to retain the warmth and beauty of the fading summer. Each leaf takes on a different hue possessed by the summer, in hopes of preventing winter from approaching. Those leaves that turn yellow struggle to imitate the warmth of the sun which fades more and more rapidly as the days grow shorter.

The remaining green leaves try to retain their powers of cooling and comforting which they possessed during the summer to prevent the retreat of the animals and people to shelter for the winter. They, however, are dominated by the deep red leaves which are like the flaring sun at the end of the day, and the brown, crackling dead leaves which have already given up any hope of ever cooling or comforting anyone or anything again.

At first, one by one, and then by the hundreds, the leaves descend in a parade to the brown, withering grass, finally leaving the remaining branches cold, barren, and naked to the sharp wind.

During the final season of the year, winter, the trees might pass for dead, had their sap-filled branches not betrayed them. As the winter snows commence, a soft blanket of snowflakes is draped across the branches. At first the blanket is thin, but as winter progresses, it becomes thicker and thicker, warming and protecting the trees from the bitter winds.

An occasional ice storm coats the trees with a sheet of ice which reflects off the weak sun like an image in a mirror.

And as winter wears on, signs of spring slowly appear once again on the trees. Mother Nature's cycle of life begins all over, making trees some of the most beautiful things ever created, not only in Willow Springs, but everywhere.

(Second prize winner in essay contest conducted by the State Bank of Clearing.)

SENATE—*Friday, April 5, 1974*

The Senate met at 10 a.m. and was called to order by the Acting President pro tempore (Mr. METCALF).

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

O God, we thank Thee for Thy mercies which are new every morning. We thank Thee for sleep, nature's sweet restorer, and for awakening to a day of hope and joy and blessing. Help us to walk with Thee in the work of this Chamber. Break the tensions of nerves and muscle and emotions with the soothing symphony of springtime music. Help us to look beyond all that is ugly and sordid, beyond all stained lives and soiled careers to behold the redemption provided by Thy Son our Saviour. May we walk with Him in the strong faith He gives to all who acknowledge His Lordship and appropriate His forgiveness and His power.

We pray in His name. Amen.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore (Mr. METCALF). The Senator from Montana recognizes the Senator from Montana. [Laughter.]

Mr. MANSFIELD. Any bills pending that would be of benefit to Montana?

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Thursday, April 4, 1974, be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

A SENATE RESOLUTION ON THE DEATH OF THE PRESIDENT OF FRANCE

Mr. MANSFIELD. Mr. President, it is my information that the President of the United States, Richard M. Nixon, is departing at this hour for Paris to attend the public funeral services at the Cathedral of Notre Dame for the late President of the Fifth French Republic, Georges Pompidou.

As a further acknowledgement of our sense of loss in the passing of the President of France, and as a means of expressing the condolences and the sympathy of the Senate of the United States, I send to the desk a resolution on behalf of the distinguished Republican leader, Mr. HUGH SCOTT, and myself and ask for its immediate consideration.

The ACTING PRESIDENT pro tempore. The resolution will be stated.

The assistant legislative clerk read as follows:

> *Resolved*, That the Senate of the United States has learned with profound sorrow of the death of Georges Pompidou, President of the French Republic.
>
> *Resolved*, That the Senate express its deepest sympathy to the family and the people of France in their great loss.
>
> *Resolved*, That the President of the United States be requested to communicate this expression of sentiment to the widow and members of his family assuring them of the condolence of the people of our Nation in their irreparable bereavement; and be it further
>
> *Resolved*, That when the Senate adjourns today, it does so as a further mark of respect for the late President Georges Pompidou.

The ACTING PRESIDENT pro tempore. Is there objection to the present consideration of the resolution?

There being no objection, the resolution was considered and unanimously agreed to.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Berry, one of its reading clerks, announced that the House had passed the bill (H.R. 12565) to authorize appropriations during the fiscal year 1974 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, and other weapons and research, development, test and evaluation for the Armed Forces, and to authorize construction at certain installations, and for other purposes, in which it requests the concurrence of the Senate.

HOUSE BILL REFERRED

The bill (H.R. 12565) to authorize appropriations during the fiscal year 1974 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, and other weapons and research, development, test and evaluation for the Armed Forces, and to authorize construction at certain installations, and for other purposes, was read twice by its title and referred to the Committee on Armed Services.

ENROLLED BILL SIGNED

The enrolled bill (H.R. 6186) to amend the District of Columbia Revenue Act of 1947 regarding taxability of dividends received by a corporation from insurance companies, banks, and other savings institutions, having been signed by the Speaker of the House of Representatives, was signed today by the Acting President pro tempore (Mr. METCALF).

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, the distinguished Senator from Wisconsin (Mr. PROXMIRE) is now recognized for not to exceed 15 minutes.

WHAT'S RIGHT WITH THE FEDERAL GOVERNMENT—PROGRESS IN HEALTH

Mr. PROXMIRE. Mr. President, today I give the fourth in a series of speeches on the substantial progress we have made in this country since I came to the Senate over 15 years ago, with a large part of the credit going to Federal initiatives.

As I have indicated in earlier statements, the Federal Government has suffered many shocks over the past year. The dismal failure of our anti-inflation program is an example. The Federal Government's inability to foresee the energy crisis and take action to avert it also has given rise to grave questions regarding our ability to govern ourselves.

Of course, lurking behind all of our national complaints, uncertainties, and outright disillusionment is the shadow of Watergate with all the congeries of illegal acts, petty and profound, that word summons up. Our ability to cope with this question is still being tested. But it is most important that we remain equal to the task. We simply must not fall prey to an easy cynicism that dismisses all the accomplishments that have been made over the past 15 years—because of the misdeeds of a group of men who abused a sacred public trust.

That is why I have spoken out over the past week or so regarding our progress in education, women's rights, and civil rights since I came to the Senate. It is why I want to discuss our progress in the field of health today.

In spite of the vast amount of carping and complaining, the Federal Government has helped make more progress in providing improved health care to more American citizens in the past 15 years than at any time in American history, by far.

While the moaning and groaning about medical care since 1960 has probably reached an alltime high, the irony is that the volume and vigor of complaint has only been surpassed by the actual improvement in health care and the soaring cost of providing that care.

To set this discussion in perspective it is important to remember that there are many advances still to be made in the health care field. There are some substantial clouds overhanging the last 15 years of health care progress.

Perhaps the most serious unresolved problem is how to provide more people with better care without overtaxing our limited resources and thus driving medical costs through the ceiling. The cost picture over the past 15 years has been simply horrendous. The per capita cost of health care skyrocketed from $141.63 per year in 1959–60 to $441.18 per year in 1972–73.

At least a portion of this increase is due to accelerating demand for limited services created by passage of medicare and medicaid legislation. We must also recognize that the more sophisticated medical technology that accompanied the sixties was also mighty expensive.

For example, expenses per patient day in community hospitals rose from $32.23 in 1960 to $92.31 in 1971. But the heart monitors, cardiac pacemakers, dialysis machines, and computer-controlled infusion systems that have pushed these costs up have also resulted in higher quality medical care.

Hospital workers have contributed to the steep rise in health care costs through substantial pay increases. Yet these workers were badly underpaid for years. In 1960, 20 percent of New York's hospital workers were on welfare. Surely an improvement in their ability to provide for themselves is a net plus.

Another difficulty that causes me some concern is infant mortality. Our infant mortality rate has been improving over the past few years—from 26 deaths per 1,000 live births in 1960 to 18.5 deaths per 1,000 live births in 1972—but our position vis-a-vis other nations has been deteriorating.

But let us look at the remarkable progress we have made in the field of health by any standard over the past 15 years. Here are some of the statistical measures of our achievements:

In 1957 average life expectancy in the United States was 69.5 years. The figure had risen by 1971 to 71.1 years. Not much, we say, but how do we measure another 18 months of life for the average American? Life is as immeasurable as it is priceless.

Maternal mortality rates dropped from 37.1 deaths per 100,000 live births in 1960 to 20.5 deaths per 100,000 live births in 1971. Again, how do you measure the value of a wife and mother to husband and children? It is impossible.

In 1960 there were about 260,500 physicians in this country. This is about 1 physician for every 712 citizens. By 1972 this total has risen to 356,000 or 1 physician for every 599 persons.

In 1960 there were 6,876 hospitals in the United States.

By 1972 this had increased to 7,061 hospitals.

Has the average American's access to health care improved over the past 15 years? You bet it has, Mr. President. One of the major reasons is the vast increase in federally provided coverage that occurred in 1965 with the passage of medicare for our senior citizens together with the expansion of medicaid so that it could reach more of the needy.

Insurance coverage, public and private, for X-ray and laboratory examinations, prescribed drugs, and nursing care for all ages has more than doubled since 1962. Net enrollment for visits to the physician's office and home calls went up by 75 percent. Even more impressive, nursing-home coverage increased ninefold over the past decade while dental care coverage went up by almost 1,800 percent.

The insurance explosion had added greatly to the average American's freedom from the fear that medical costs will wipe out his savings or push him deeply into debt. Since 1960, the proportion of the total medical bill paid by a patient has dropped from 55 to 35 percent.

Spiraling costs still plague the consumer of medical services. But public and private insurance has insulated us to an increasing degree against devastating medical expenses.

But what has the Federal Government done to try to meet the increased demand for medical care that is triggered by every increase in insurance coverage? What have we done to try to take care of those patients who for the first time were able to get the treatment they needed because of medicare and medicaid?

First, we are educating more doctors, nurses, dentists, and allied health professionals through the aid of programs initiated during the sixties. In 1963, Congress passed into law the Health Professions Educational Assistance Act, authorizing medical school construction together with a loan program for students in schools of medicine, dentistry, and osteopathy. This program was expanded to cover schools of nursing in 1964 and instruction for paramedical personnel in 1966. Through 1971, 164 schools received $791 million for the construction of teaching facilities. Between 1965 and 1971, over 143,000 loans and nearly 64,000 scholarships assisted students of medicine, dentistry, osteopathy, and optometry.

Now the Hill-Burton program is not a new one. It existed well before I came to the Congress. In fact, it was initiated way back in 1947. But over the past 15 years it has provided literally hundreds of thousands of badly needed hospital beds. With a shift of focus to urban rather than rural needs, it continues to play a vital role in the provision of adequate medical care.

Then we have the myriad of health programs developed to meet specific health problems. Perhaps the most visible program at the present time is the fight against cancer. The 1971 Cancer Act authorized the establishment of 15 new centers for clinical research, training, and demonstration. These centers will use advanced diagnostic and treatment methods. Progress in cancer is heartbreakingly slow. We will not solve the problem just by throwing dollars at it. But we are making a coordinated attack on this dread killer—an attack that holds out the promise of substantial breakthroughs.

Back in 1963, we broke new ground in an effort to help the mentally ill and mentally retarded through the construction and staffing of facilities. Through community mental health centers, we are helping to get away from the great gray institutions that have traditionally sequestered those with mental problems from the realities of everyday life—intensifying, rather than curing, their problems. Together with advances in the use of drugs, these community facilities have dramatically shortened the average institutional stay for the mentally distressed.

The war on alcoholism took a dramatic upswing in 1970, when we passed the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act. This legislation created a National Institute to cope with this pervasive problem. It set up project and formula grant programs to help both the States and private grantees to attack alcoholism.

The various programs and projects authorized under title V of the Social Security Act have proved to be a major national resource for providing basic preventive maternal and child care services to persons in economically depressed areas, and for the location, diagnosis, treatment, and follow-up care of children with debilitating or crippling conditions. For example, there can be no doubt that many maternity and infant care projects funded by this authority have contributed significantly to lowering the Nation's infant mortality rate.

Congress in 1972 passed the National Heart, Blood Vessel, Lung, and Blood Act in order to advance the national effort against diseases of the heart, blood, and lungs. In July of 1972 the Heart and Lung Institute announced a nationwide program of professional and public information on high blood pressure, the most common of the heart and blood vessel diseases. The program is designed to exploit the development in recent years of a wide variety of effective blood pressure lowering drugs.

We must not overlook the steps the Federal Government has taken to reduce the risks every American runs as he goes about his everyday tasks. These actions are not always grouped under the heading of health care legislation, but they have made a significant contribution to each citizen's opportunity to enjoy a long and happy life.

In the words of an associate professor at Rutgers Medical School, Ann R. Somers:

> Most of the nation's major health problems—including automobile accidents, all forms of drug addiction including alcoholism, venereal disease, obesity, many cancers, most heart disease, and most infant mortality—are primarily attributable not to shortcomings on the part of the providers but to the living conditions, ignorance or irresponsibility of the patient.

I have already mentioned the creation of a national institute to fight alcoholism. This disease has killed literally millions of Americans. It is becoming more evident as the studies come in that alcoholism is the major factor in fatal auto accidents—the No. 1 cause of the slaughter on our highways. Cirrhosis of the liver is the ninth leading cause of death in the United States today. Every year 1.6 percent of all deaths in this country are caused by cirrohosis. This disease is directly attributable to alcoholism. And the Institute should help alcoholics to help themselves.

Another legislative initiative less obviously connected with health was the establishment of the National Highway Safety Administration. This is the agency that requires certain safety devices to be included as a part of standard automobile equipment. The introduction of seatbelts has undoubtedly saved hundreds of thousands of lives at minimal cost. Even this modest safety requirement did not exist before I came to the Senate.

As we all know, lung cancer is a major cause of death in the United States today. Cigarette smoking is directly implicated. It also is linked with emphysema and heart disease. The Federal attack on cigarette smoking has come to fruition in the past 15 years. It started with the Surgeon General's report in the early 1960's and culminated in legislation banning all cigarette advertising on television as well as requiring a warning to be placed on every package of cigarettes. Unfortunately, these efforts have not been as successful as we might have hoped. But there is no doubt that they have resulted in a more realistic attitude on the part of millions, many of whom have "kicked the habit," toward the hazards of smoking.

As health care has improved over the years, new problems have been created. For example, we have increased the lifespan of the average American but we have not done nearly enough to improve the quality of his elder years. Heart transplants and radical new methods of keeping patients alive after most of their vital functions have faded raise serious ethical problems. The great advances we have made in the use of artificial kidney machines create the most serious sort of moral dilemma when there are not sufficient machines to go around, or patients cannot afford this terribly expensive treatment.

These are the problems of hope and progress, however, not the problems of despair. They arise because of the advances we have made, and their solution may well create further problems.

In summation, we can hardly afford to rest on our laurels in this vital area. But neither should we overlook our progress as a nation over the past 15 years, through good times and bad, in giving our citizens the best of medical care regardless of income. Only by having pride in our past accomplishments can we maintain the confidence to continue our impressive forward march in the field of medicine.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Maryland (Mr. BEALL) is recognized for not to exceed 15 minutes.

THE PHYSICIAN SCHOLARSHIP PROGRAM

Mr. BEALL. Mr. President, along with approximately one-fourth of the Senate, I introduced in early 1971, the physician shortage scholarship program. The present Members of the Senate who were original cosponsors are: Senators ALLEN, BROCK, CHILES, COTTON, DOLE, DOMINICK, ERVIN, FANNIN, GOLDWATER, HATFIELD, HRUSKA, HUMPHREY, JAVITS, PELL, STEVENS, TALMADGE, THURMOND, TOWER, and YOUNG.

This program authorizes scholarships of up to $5,000 for young men and women who agree to practice primary care medicine in physician shortage areas under the premise that they are not more likely to return to their home shortage areas, but also to remain there.

The physician shortage program was included as a part of S. 934, the Health Professions Educational Assistance Amendments of 1971, which was signed into law on November 18, 1971.

Since enactment of the program, I have been working with the other cosponsors, and particularly with Senators MAGNUSON, YOUNG, COTTON, STEVENS, and other members of the Appropriations Committee, to secure the funding of this program. Appropriations were provided for the program in a number of HEW apporiation bills in 1972, but these funds were lost because of vetoes of overall HEW measures.

Finally, in the fiscal year 1973 supplemental appropriations bill, $2 million was provided. This appropriations measure was signed into law on July 1, 1973.

Again, in the regular fiscal year 1974 Labor-HEW appropriations bill, an additional $2 million was provided and this bill was signed into law on December 18, 1973.

Mr. President, if one can believe it, HEW, for reasons known only to the Agency, has not issued the regulations for this program as of this date, notwithstanding the fact that the law has been on the books since 1971 and the program has been funded since December 1973. HEW may believe, as they have suggested, that the physician shortage problem is over, but I do not. HEW may believe that the maldistribution problem has been solved, but I do not.

In all fairness, I would point out that the administration has been interested in some other approaches to solving the maldistribution problem, such as the loan forgiveness program, and the utilization of Public Health Service officers. I support both of these approaches, but I believe that the maldistribution problem is so critical, is so important to so many communities, and that there is so much unknown, that the various approaches should be tried and tested. One problem, for example, with respect to the loan forgiveness program, that deans of various medical schools have pointed out, is that lower income students are reluctant to assume the size of indebtedness that medical school necessitates.

Of course, the physician shortage scholarship program would relieve that fear since the student would receive a scholarship, provided, of course, that he or she carried out the commitment to serve in physician shortage areas. If the student does not carry out the commitment, the "scholarship" is converted into a "loan." Thus, if the program works, we will have helped solve the physician shortage problem; if it does not, the Government will not lose a cent.

When I introduced this proposal, I discussed the results of an American Medical Association survey published in 1970 questioning physicians on the factors that influence their decisions to practice in a certain area which gives support to the bill's priorities. This survey found that over 45 percent of the physicians indicated that they were practicing in or around the town in which they were raised. The survey also revealed that 49 percent of the physicians raised in small towns were practicing in communities of 2,500 or less. An equal percentage of doctors raised in nonmetropolitan communities of 25,000 or more were practicing in cities of that size. The AMA confirmed previous studies, which had indicated that:

> Physicians who practice in small towns are more likely to have a rural than urban background."

The AMA study concluded that:

> Physician recruitment for rural areas would be enhanced if more young men with rural backgrounds were encouraged to enter the medical profession.

Continuing, the report had this to say about the influence of a doctor's origins on his place of practice:

> Physicians who practice in small towns are more likely to have rural rather than urban backgrounds . . . rural physicians have predominantly rural backgrounds and metropolitan physicians generally had urban locations during their youth.

If we can persuade young men and women to practice in physician shortage areas, the evidence indicates that most are likely to remain. The AMA study on this point states that:

> Once a physician establishes a practice, he is not likely to move.

This survey found:

> At least 63 percent of the physicians had not moved from their original practice location. This percentage was consistent regardless of the community size. A more detailed breakdown of the area showed that about one-fourth of the physicians in non-metropolitan areas had practiced twenty years or more in the same place.

I recently came across an article in Medical Care which describes the importance of a dentist's residence in his ultimate decision to locate his practice in a given area. While there are some differences between the dentist and the doctor, I do believe that the article lends further support to the physician shortage scholarship program.

Mr. President, Charles Dickens in his book entitled, "Little Doritt" has a passage that reminds me of the Department of Health, Education, and Welfare, with respect to the physician shortage scholarship program, I quote:

> Whatever was required to be done, the Circumlocaution Office was beforehand with all the public department in the art of perceiving How Not To Do It.

Mr. President, I think my colleagues will agree I am generally a patient man, but I want to say that my patience is running thin. I want to say most clearly that I am fed up with the department's procrastination in the implementation of this program. Judging from the letters I have received, as well as inquiries from offices of other Senators, this program has generated considerable interest throughout the country. The physician shortage scholarship program also has been endorsed by the American Academy of General Practitioners, the deans of various medical schools, and the National Medical Association. I can only say that the HEW, today's Circumlocaution Department, had better learn in the very near future how to do it for I, for one, expect these regulations to be forthcoming forthwith. In addition, I ask that a number of editorials supportive of the program be printed in the Record at the conclusion of my remarks.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(See exhibits 1 and 2.)

Mr. BEALL. Mr. President, the $2 million provided in the fiscal year 1974 supplemental appropriations bill will lapse unless expended by June 30, 1974. The $2 million provided in the fiscal year 1973 appropriations bill included a provision allowing the Department to carry over funds until expended and, therefore, these funds are not in immediate danger. Nevertheless, the procrastination has already lessened the chances of the program getting off to a good start since many of the medical schools have already accepting or have accepted their classes which will enter in September of this year.

Of course, offering a young individual a scholarship after he or she has been accepted may mean that the service commitment is an afterthought and not a prior commitment. Furthermore, there will be qualified individuals in physician shortage areas who will not have heard of this program. I am also hopeful that some of our medical schools, particularly State medical schools, which I believe have a special obligation to help solve maldistribution problems in their State, might make available or reserve slots for qualified students under this program. If the regulations are not forthcoming in the very near future, I think the Secretary of Health, Education, and Welfare should understand that I am considering offering an amendment to require HEW to promulgate regulations 30 days after any legislation is signed into law. Also, if the funds are allowed to lapse, I will consider an amendment to delete $2 million from the Office of the Secretary when the regular HEW appropriations bill is before the Senate.

Finally, I want the Secretary to understand that I am aware of the recent court decision involving the Department of Agriculture and its refusal to spend the authorized $20 million appropriated for the women, infants, and children supplemental feeding program—WIC. Like my program, WIC had been funded 2 years in a row, but the funds were not obligated because regulations were not issued and the funds for 1 fiscal year were permitted to lapse. In this case, the court ruled that because the Department had failed to issue the regulations, in compliance with the will of the Congress, the Department had to spend both the appropriated funds that were allowed to lapse and the funds for the current year.

Mr. President, I certainly urge that the Secretary comply with the intent of the Congress and promulgate the regulations immediately. I would recommend, however, that only $2 million, available under the fiscal year 1974 appropriations bill, be obligated this year and that the $2 million provided in the fiscal year 1973 supplemental, be available for the class entering in the fall of 1975.

Mr. President, I ask unanimous consent to have printed in the Record the Public Law 92-157 and my floor statement for July 14, 1971, when S. 934 passed the Senate, as well as an article entitled "Choice of Practice Location: The Influence of Dental School Location and Residence at Admission."

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(See exhibits 3, 4, and 5).

Exhibit 1

[From the Frederick Post, June 4, 1973]

Physician Shortage

Like the weather that everybody talked about and until recently did nothing about, it appears at long last something is going to be done about the shortage of family physicians which exists throughout Frederick County and most of the nation.

On Friday the Senate approved the U.S. Senator J. Glenn Beall-originated Physician Shortage Area Scholarship Program by voting a $2 million appropriation to fund it.

The program will go a long way in assuring "home towns" of hanging on to some of their outstanding home-town products or of at least getting a chance for other young physicians. The program favors young persons from physician-shortage areas, such as Frederick and towns in Frederick County.

The Republican Senator from Western Maryland also has introduced the Health Care Delivery Program in this session of Congress, two important pieces of legislation.

The scholarships of up to $5,000 a year would go to medical students who agree to become family doctors in areas where there is a shortage of primary care physicians. A recipient would be obligated to serve one year for each year of scholarship.

"The physician problem is one of the most critical health problems facing countless counties and communities today," Senator Beall declared on the floor of the Senate.

Senator Beall, who is a member of the Senate Health Subcommittee, said the problem "is so critical that it is literally a matter of life or death for some communities and the citizens in those communities. . . It may be a rural community, an inner city area, or among the nation's migrant farm workers."

The Physician Shortage Area Scholarship Program was proposed by Senator Beall during the 92nd Congress, and it became part of the Comprehensive Health Manpower Training Act of 1971.

The selection system is weighted to favor young persons who live in physician shortage areas, and Senator Beall gave two principal reasons for this feature:

"The American Medical Association did a survey on the factors that influence a doctor's decision to practice in a certain area, and it found that over 45 per cent of the physicians indicated that they were practicing in or around the town in which they were raised," he said.

"The second advantage of the priorities established by the bill would be that it would have the effect of attracting and making it possible for more minority and lower-income individuals to go to medical school," said Senator Beall.

"Another important feature of the legislation is that it would encourage students to enter family medicine," the Senator added.

"In 1931, three out of four of the nation's doctors were engaged in family practice. In 1967, only one out of five doctors were in general practice.

"In Baltimore City, for example, only nine per cent of the practicing physicians are in family medicine. And a Public Health Service report in 1970 identified 16 census tracts with a population of 174,000 primarily disadvantaged citizens, in the inner city as well as some outlying areas, who were totally lacking in primary care.

"Indications are that this trend toward specialization and away from general practice is continuing, but I believe we need more family physicians."

The appropriations bill will now go to a Senate-House conference committee to work out differences in language and levels of funding, and it should behoove support there of Beall's second major health bill this year.

Exhibit 2

[From the Baltimore News American, Aug. 9, 1972]

Physician Shortage

A scholarship program designed to lure young physicians to medical desert areas has passed its final test in Congress, according to its sponsor, Sen. J. Glenn Beall Jr., R-Md.

A Senate-House Conference Committee on the appropriations bill for the Department of Health, Education, and Welfare has approved $2 million for the program in fiscal 1973.

Assuming the administration decides to spend the money appropriated, a useful tool will become available in easing the shortage of primary care physicians in certain areas.

Contrary to popular belief, rural and isolated areas are not the sole places with a dearth of doctors. Inner city sections across the country are suffering from a lack of doctors in private practice.

Sen. Beall, for example, noted that a census tract containing 174,000 persons in Baltimore City has no physicians in private practice. He referred to a part of the inner city.

The scholarship program will offer up to $5,000 a year to medical students who agree to become family doctors in deficient areas, serving one year for each year of scholarship.

The order of preference would be:

1. Individuals with financial need who live in a physician shortage area and agree to return to that area.
2. Other individuals from a physician shortage area who agree to return and practice in that area.
3. Individuals with financial need who do not live in a physician shortage area but agree to serve in one.
4. Other individuals from outside a physician shortage area who agree to practice in a physician shortage area.

With the demand for health care rising every year, and with a national health insurance plan of some form just around the corner, Sen. Beall's proposal can play a significant role in getting physicians to places needing them. We hope the program begins without undue delay.

Exhibit 3

Public Law 92-157—92d Congress, H.R. 8629—November 18, 1971

An act to amend title VII of the Public Health Service Act to provide increased manpower for the health professions, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—AMENDMENTS TO TITLE VII OF THE PUBLIC HEALTH SERVICE ACT

"Subpart III—Physician Shortage Area Scholarship Program

"SCHOLARSHIP GRANTS

"Sec. 784. (a) In order to promote the more adequate provision of medical care for persons who—

"(1) reside in a physician shortage area;

"(2) are migratory agricultural workers or members of the families of such workers;

the Secretary may, in accordance with the provisions of this subpart, make scholarship grants to individuals who are medical students and who agree to engage in the practice of primary care after completion of their professional training (A) in a physician shortage area, or (B) at such place or places, such facility or facilities, and in such manner, as may be necessary to assure that, of the patients receiving medical care in such practice, a substantial portion will consist of persons referred to in clause (2). For purposes of this subpart, (1) the term 'physician shortage area' means an area determined by the Secretary under section 741(f)(1)(C) to have a shortage of and a need for physicians, and (2) the term 'primary care' has the meaning prescribed for it by the Secretary under section 768(c)(3)(B).

"(b)(1) Scholarship grants under this subpart shall be made with respect to academic years.

"(2) The amount of any scholarship grant under this subpart to any individual for any full academic year shall not exceed $5,000.

"(3) The Secretary shall, in awarding scholarship grants under this subpart, accord priority to applicants as follows—

"(A) first, to any applicant who (i) is from a low-income background (as determined under regulations of the Secretary), (ii) resides in a physician shortage area, and (iii) agrees that, upon completion of his professional training, he will return to such area and will engage in such area in the practice of primary care;

"(B) second, to any applicant who meets all the criteria set forth in subparagraph (A) except that prescribed in clause (i);

"(C) third, to any applicant who meets the criterion set forth in clause (i); and

"(D) fourth, to any other applicant.

"(c)(1) Any scholarship grant awarded to any individual under this subpart shall be awarded upon the condition that such individual will, upon completion of his professional training, engage in the practice of primary care—

"(A) in the case of any individual who, in applying for a scholarship grant under this subpart, met the criteria set forth in subparagraph (A) or (B) of subsection (b)(3), in the physician shortage area in which he agreed (pursuant to such subparagraph) to engage in such practice; and

"(B) in the case of any individual who did not agree (pursuant to such subparagraph (A) or (B)) to engage in such practice in any particular physician shortage area (or who is not, under a waiver under paragraph (4) of this subsection, required to engage in such practice in any particular physician shortage area)—

"(i) In any physician shortage area, or

"(ii) at such place or places, in such facility or facilities, and in such manner, as may be necessary to assure that, of the patients receiving medical care provided by such individual, a substantial portion will consist of persons who are migratory agricultural workers or are members of the families of such workers;

for a twelve-month period for each full academic year with respect to which he receives such a scholarship grant. For purposes of the preceding sentence, any individual, who has received a scholarship grant under this subpart for four full academic years, shall be deemed to have received such a grant for only three full academic years if such individual serves all of his internship or residency in a public or private hospital, which is located in a physician shortage area, or a substantial portion of the patients of which consists of persons who are migratory agricultural workers (or are members of the families of such workers) and, if, while so serving, such individual receives training or professional experience designed to prepare him to engage in the practice of primary care.

"(2) The condition imposed by paragraph (1) shall be complied with by any individual to whom it applies within such reasonable period of time, after the completion of such individual's professional training, as the Secretary shall by regulations prescribe.

"(3) If any individual to whom the condition referred to in paragraph (1) is applicable fails, within the period prescribed pursuant to regulations under paragraph (2), to comply with such condition for the full number of months with respect to which such condition is applicable, the United States shall be entitled to recover from such individual an amount equal to the amount produced by multiplying—

"(A) the aggregate of (i) the amounts of the scholarship grant or grants (as the case may be) made to such individual under this subpart, and (ii) the sums of the interest which would be payable on each such scholarship grant if, at the time such grant was made, such grant were a loan bearing interest at a rate fixed by the Secretary of the Treasury, after taking into consideration private consumer rates of interest prevailing at the time such grant was made, and if the interest on each such grant had been compounded annually, by

"(B) a fraction the numerator of which is the number obtained by subtracting from the number of months to which such condition is applicable a number equal to one-half of the number of months with respect to which compliance by such individual with such condition was made, and the denominator of which is a number equal to the number of months with respect to which such condition is applicable.

Any amount which the United States is entitled to recover under this paragraph shall, within the three-year period beginning on the date the United States becomes entitled to recover such amount, be paid to the United States. under this paragraph on amount of any grant under this subpart is paid, there shall accrue to the United States interest on such amount at the same rate as that fixed by the Secretary of the Treasury pursuant to clause (A) with respect to the grant on account of which such amount is due the United States.

"(4)(A) Any obligation of any individual to comply with the condition applicable to him under the preceding provisions of this subsection shall be canceled upon the death of such individual.

"(B) The Secretary shall by regulations provide for the waiver or suspension of any such obligation applicable to any individual whenever compliance by such individual is impossible or would involve extreme hardship to such individual and if enforcement of such obligation with respect to any individual would be against equity and good conscience.

"ADMINISTRATION; CONTRACTUAL ARRANGEMENTS

"Sec. 785. The Secretary may enter into agreements with schools of medicine, hospitals, or other appropriate public or nonprofit private agencies under which such schools, hospitals, or other agencies will, as agents of the Secretary, perform such functions in the administration of this subpart, as the Secretary may specify. Any such agreement with any school, hospital, or other agency may provide for payments by the Secretary of amounts equal to the expenses actually and necessarily incurred by such school, hospital, or other agency in carrying out such agreement.

"AUTHORIZATION OF APPROPRIATIONS

"Sec. 786. For the purpose of making scholarship grants under this subpart, there are authorized to be appropriated $2,500,000 for the fiscal year ending June 30, 1972, $3,000,000 for the fiscal year ending June 30, 1973, and $3,500,000 for the fiscal year ending June 30, 1974. For the fiscal year ending June 30, 1973, and for each succeeding fiscal year, there are authorized to be appropriated such sums as may be necessary to continue to make such grants to students who (prior to July 1, 1974) have received such a grant and who are eligible for such a grant under this part during such succeeding fiscal year."

Exhibit 4

[From Congressional Record, July 14, 1971]

Health Professions Educational Assistance Amendments of 1971

Mr. BEALL. Mr. President, I am pleased to cosponsor and support S. 934, the Health Professions Educational Assistance Amendments of 1971.

National attention has rightly focused on the health care crisis in the country. While there is much that is right about our medical system, there is also much that is wrong. Almost 2 years ago, President Nixon warned that the American health care system faced a "massive crisis." In his health message submitted in February of this year, the President reiterated that warning and added that the "crisis has deepened."

The crisis can been seen in the spiraling medical costs, the manpower shortages and their maldistribution, the uneven distribution of medical services among various sectors of our society, and the gap between available medical knowledge and its delivery to the patient. Providing quality health care to our citizens wherever they live and at a price they can afford is a challenge facing the health care system, Congress, and the Nation.

I believe that we will be solving the financing part of the health care crisis either in this Congress or certainly in the next Congress, at the latest. The result will be that greater demand will be made on our medical services. That is why we need to take action now to assure adequate manpower and facilities to meet the increased demands. This will be true no matter what decision we reach with respect to the method of financing health care. While medicare has been a blessing to many senior citizens, it nevertheless demonstrates the need to increase the supply of medical manpower when we add significantly to the demand side. A decision on the financing of health care will obviously do that. It is incumbent upon Congress to take those steps necessary to make certain that we do not repeat the mistakes we made when we enacted the medicare program.

MANPOWER SHORTAGES

Mr. President, there exists in this country today a great gap between the medical manpower needed and the manpower available. For example, it is estimated that today the Nation is short 50,000 medical doctors. Shortages also exist in other health professions areas. The aim of this measure is to provide the Nation with an adequate supply of doctors, dentists, osteopaths, pharmacists, optometrists, podiatrists, and veterinarians.

Nurses also are a vital part of the health team and we have handled the nurse manpower situation in another bill, S. 1747, "Nurses Training Amendments of 1971," which I also cosponsored, and which will be considered by the Senate also.

The health professional is the key to improving health care in this country. Without them, no system will work properly. That is why the bill is so important and why it is being considered first.

BILL'S PROVISIONS

The comprehensive bill before the Senate today authorizes matching grants and loan guarantees for the construction of medical facilities; provides substantially increased institutional support to the health profession schools, authorizes incentives for the shortening education programs and for increased enrollment; creates a program to encourage family medicine; encourages greater utilization of computer technology; authorizes special project grants for programs to improve manpower distribution, brings about curriculum reform, encourages greater utilization of paramedical personnel, and for new approaches in health care organization and delivery; and extends and improves the health profession student loan and scholarship programs, including the incorporation of a bill, S. 790, "the physician shortage area scholarship program" which I introduced in the Senate earlier this year.

Since the other provisions of this bill will be discussed in detail by the bill's manager, and my other colleagues on the committee, I want to discuss this provision at some length.

BEALL AMENDMENT INCLUDED

S. 790 was introduced by me on February 17 of this year and was cosponsored by Senator DOMINICK and approximately one-quarter of the Senate membership. As incorporated into S. 934, the physician shortage area scholarship program is substantially the same as the original bill with the major exception being the deletion of the fellowship program. I ask unanimous consent that at the conclusion of my remarks the text of the physician shortage area scholarship program be printed in full in the RECORD.

Under this program, 3,500 scholarships, up to $5,000 each, are authorized over a 5-year period to young men and women who agree to serve in physician shortage areas. Five hundred such scholarships will be available in the first year, increasing to 900 by the fifth year. This area may be in rural Appalachia, in a urban poverty area, or among migrant farmworkers. For each year of the scholarship, 1 year of service in a shortage area is required. A student, participating in the scholarship program, who subsequently does all of his postgraduate work in a medical scarcity area, is relieved of 1 year of his service obligation.

If a scholarship recipient fails to honor his commitment, the scholarship is in effect converted to a loan and the individual is required to repay to the Government the value of the scholarship plus interest at the commercial market rate. If the program works, we will have taken important action in helping to solve the maldistribution problem; if it does not, the Government will not lose a cent.

The physician maldistribution problem is one of the most serious problems confronting the country and it is one of the most difficult to solve. That is why I believe that this program, which is specifically designed to respond to this problem, is so important. For the many doctor-shortage areas of the Nation, I believe it is imperative that this program be retained in the final bill. As I mentioned earlier, we need 50,000 doctors in the United States today. This gross national statistic does not adequately convey the gravity of the situation in many rural and urban areas of this country. A 1970 AMA study of the distribution of physicians indicated that there were 134 counties in this country lacking a single physician. While no Maryland county was on that list, there are many Maryland counties which are in dire need of additional physicians.

Obviously there are many more communities than counties in the country with out a single physician or without an adequate number of doctors. Although there is not a great deal of information available on individual communities lacking doctors, research that is available indicates that a great need exists. For example, a 1960 survey of over 1,600 towns and cities in Minnesota, North Dakota, South Dakota and Montana identified 1,000 towns as not having a single physician, and an additional 224 towns with only one physician.

One physician counties or communities are likely to become no-physician towns or counties unless action is taken. This is true because the age of physicians in these rural communities tends to be higher. For example, in rural Appalachia 65 percent of the physicians are over 50 years of age. In West Virginia over the last 10 years approximately 60 communities of a population of less than 10,000 have been left without a doctor as rural practitioners retire and younger doctors are not found to replace them. Thus, there is a need for providing incentives for young physicians to go into these communities.

Just as this program is direly needed by rural America, it is also needed by the inner-city area. A 1970 study of the metropolitan area of Baltimore identified 16 census tracks in the inner city which were totally lacking in primary care physicians. These census areas served approximately 174,000 people, most of whom were economically disadvantaged. I believe that the bill, which effectively respond to the maldistribution problem in both the rural and urban shortage areas. The program establishes a unique priority system for selecting students for the scholarship program.

PRIORITIES FOR SCHOLARSHIPS

The first priority is granted to individuals from lower income families who live in a physician-shortage area and who agree to return and practice in such area.

The second priority is given to individuals who reside in a physician-shortage area who agree to return and practice in such area.

The third priority is allocated to individuals from lower income families who, although residing in an area where there is not a physician shortage agree to practice in any physician-shortage area.

The final priority would go to individuals, not lower income, who do not come from an area of physician shortages, but who agree to practice in any physician-shortage area.

Mr. President, there are two primary purposes for the system of priorities for selecting eligible students for scholarships under the bill.

First, the evidence supports, what commonsense tells us, the hypothesis that persons from physician-shortage areas are more likely to return to and remain in such areas and practice medicine.

The results of an American Medical Association's survey published in 1970, questioning physicians on the factors that influence their decision to practice in a certain area gives support to the bill's priorities. This survey found that over 45 percent of the physicians indicated that they were practicing in or around the town in which they were raised. The survey also revealed that 49 percent of the physicians raised in small towns were practicing in communities of 2,500 or less. An equal percentage of doctors raised in nonmetropolitan communities of 25,000 or more were practicing in cities of that size. The AMA survey confirmed previous studies which had indicated that:

"Physicians who practice in small towns are more likely to have a rural than urban background."

The AMA study concluded that:

"Physicians recruitment for rural areas would be enhanced if more young men with rural backgrounds were encouraged to enter the medical profession."

Continuing, the report had this to say about the influence of a doctor's origins or his place of practice:

"Physicians who practice in small towns are more likely to have rural rather than urban backgrounds . . . rural physicians have predominantly rural backgrounds and metropolitan physicians generally had urban locations during their youth."

If we can persuade young men and women to practice in physician-shortage areas, the evidence indicates that most are likely to remain. The AMA study on this point states that:

"Once a physician establishes a practice he is not likely to move."

This survey found:

"At least 63% of the physicians had not moved from their original practice location. This percentage was consistent regardless of the community size. A more detailed breakdown of the area showed that about one-fourth of the physicians in non-metropolitan areas had practiced twenty years or more in the same place."

This measure is then drafted to give priorities to lower income and other individuals from physician-shortage areas because it is felt that these individuals are more likely to return and remain in the areas in which they were reared.

The second advantage of the priorities established by the bill would be that it would have the effect of attracting and making it possible for more minority and lower income individuals to go to medical school. Across the country there has been a concern over the poor representation of the minority groups in our medical schools. Only recently the University of Maryland took steps to enlarge their minority representation among its medical students.

Another important feature of the legislation is that it would encourage students to practice primary care, including family medicine. In 1931, three out of four of the Nation's doctors were engaged in family practice. In 1967 only one out of five were in general practice. In Baltimore City, only 9 percent of the practicing physicians are in family practice. Indications are that this trend toward specialization and away from general practice is continuing. The Millis report found only 15 percent of the medical student graduates planning to enter general practice.

Steps taken in recent years show some promise of reversing this trend away from general practice. For example, the American Board of Family Practice has been created.

In addition, there is included in this bill provisions to encourage family medicine. I believe that these actions will be a further incentive for medical students to specialize in the practice of family medicine and should encourage medical schools to focus anew on the family physician.

Mr. President, much has been written regarding the idealism of today's young men and women. The medical student is no exception. We are told that the new breed of medical students wants the opportunity to serve their fellow citizen. My program would provide them with this opportunity. In addition, the priority scheme will not only give them an opportunity to serve but it will provide them the chance to serve and minister to the health needs of citizens, often their friends and neighbors, in the physician shortage area wherein they grew up.

I know the Appalachia area of my State well. It is my home area. I know the young men and women who live there and, I believe, they, as well as similarly motivated students from other areas of my State and the Nation, will confirm my faith in them by making this program work.

I am convinced that this proposal is the most important provision in the legislation to deal with the Nation's maldistribution problem. By granting priorities to individuals from the shortage areas to accept the scholarshp conditioned on their making a commitment to serve in such areas, I am convinced that the probability of its success is good.

Mr. President, to solve the health care crisis we must expand our medical manpower and encourage doctors to locate in shortage areas. For if we fail to solve this problem, our goal of quality health care to all Americans, wherever they live, and at a price they can afford, will elude us. As Dr. Egeberg has warned.

"I don't care what Congress does with medical care, Medicaid, and all the other programs, nothing is going to improve the country's medical system until we get more doctors."

In summary, I believe my proposal will significantly respond to some of our medical manpower problems. It will encourage primary care, including family medicine. It responds to the maldistribution problem. It will make is possible for more lower income minority individuals to enter our medical schools.

Mr. President, I believe that S. 934 will provide us with the key, the necessary medical manpower, for improvement in our medical system. The passage of this medical manpower measure does not end legislative action in the health area; but, it will make possible the objectives of other health proposals which will follow. I urge its enactment.

Mr. President, I ask unanimous consent that a summary of the provision of S. 934 be printed in the RECORD.

SUMMARY OF S. 934

"1. Authorize $200 million for fiscal year 1972 for grants to 75% (85% in unusual circumstances) for the construction of facilities for teaching, continuing, or advanced education, medical libraries, and for research facilities in the sciences-related to health. Amount authorized increased $25 million each year until by the end of the 5th year, $300 million is available for such purposes.

"2. Authorizes Federal loan guarantees up to 90% of the principle plus interest for medical facilities. In addition, the bill authorizes interest subsidies to reduce by not to exceed 3% a year the net effective interest rate on the loan.

"3. Authorizes student loans up to $3,500 annually with a provision for cancellation of up to 50% or $5,000 whichever is greater, for service in medically underserved areas.

"4. Authorizes general institutional support of varying amounts to the health professional schools. The formula for allocating such assistance provides for basic $50,000 grant plus the amount obtained by multiplying the number of students enrolled times $4,000 for medical schools, dental and osteopathic, $1,000 for schools of optometry, $600 for schools of pharmacy, $900 for schools of podiatry, and $2,000 for schools of veterinarians.

"A bonus is provided for increased enrollment. In addition, the bill provides the incentives to shorten the education program of schools of medicine, osteopathy and dentistry. The bill also authorizes capitation grants for physicians, dental and other health professions assistants.

"5. Authorizes $150 million for fiscal year 1972 for special projects grants. This amount is increased by $15 million yearly until by fiscal year 1976, $200 million is authorized. These grants are for the improvement of the distribution, supply, and quality of health professionals, and for better utilization and greater efficiency of health personnel in the health delivery system. Grants would be for such purposes as to develop new education programs in health professions; for significant enrollment expansions; curriculum reform; training paramedical personnel; computer technology; new approaches in health care delivery; and programs emphasizing preventive medicine at medical and other health professional schools.

"6. Authorizes scholarship grants to health profession schools for students from low income families or students in exceptional financial need.

"7. Continues the emergency financial distress provisions for medical schools experiencing "severe financial stress".

"8. Authorizes $25 million in the initial year for grants to schools of medicine and osteopathy for training and fellowships in family medicine. For this purpose $15 million is authorized the first year and the sum is increased each year until by the 5th year $85 million is authorized.

"9. Authorizes $25 million annually for a 5 year period for computer technology demonstration programs.

"10. Establishes a National Health Manpower Clearing House to match the medical manpower with community needs.

"11. Directs Secretary of HEW to use his best efforts to assign public health service physicians to counties lacking a single doctor.

"12. PART H—PHYSICIAN SHORTAGE AREA SCHOLARSHIP PROGRAM

"SCHOLARSHIP GRANTS

"SEC. 799D. (a) In order to promote the more adequate provision of medical care for persons who—

"(A) reside in a physician shortage area (as determined pursuant to section 799G);

"(B) are migratory agricultural workers or members of the families of such workers; the Secretary is authorized, in accordance with the provisions of this part, to make scholarship grants to individuals who are medical students and who agree, after completion of their professional training, to engage in the practice of primary care (i) in a physician shortage area, or (ii) at such place or places, such facility or facilities, and in such manner, as may be necessary to assure that, of the patients receiving medical care in such practice, a substantial portion will consist of persons referred to in clause (B).

"(b) (1) Scholarship grants under this part shall be made with respect to academic years.

"(2) The amount of any medical student scholarship grant under this part to any individual for any full academic year shall not exceed $5,000.

"(3) The Secretary shall, in awarding medical student scholarship grants under this part, accord priority to applicants as follows—

"(A) first, to any applicant who (i) is from a low-income family, (ii) resides in a physician shortage area, and (iii) agrees that, upon completion of his professional training, he will return to such area and will engage in such area in the practice of primary care;

"(B) second, to any applicant who meets all the criteria set forth in subparagraph (A) except that prescribed in clause (i);

"(C) third, to any applicant who meets the criterion set forth in clause (i); and

"(D) fourth, to any other applicant.

"(c) (1) Any medical student scholarship grant awarded to any individual under this part shall be awarded upon the condition that such individual will, upon completion of his professional training, engage in the practice of primary care medicine—

"(A) in the case of any individual who, in applying for a medical student scholarship grant under this part, met the criteria set forth in subparagraph (A) or (B) of subsection (b) (3), in the physician shortage area in which he agreed (pursuant to such subparagraph) to engage in such practice; and

"(B) in the case of any individual who did not agree (pursuant to such subparagraph (A) or (B) to engage in such practice in any particular physician shortage area or has been waived (pursuant to paragraph (4)) to engage in such practice in any particular physician shortage area—

"(i) in any physician shortage area, or

"(ii) at such place or places, in such facility or facilities, and in such manner, as may be necessary to assure that, of the patients receiving medical care provided by such individual, a substantial portion will consist of persons who are migratory agricultural workers or are members of the families of such workers;

for a twelve-month period for each full academic year with respect to which he receives such a scholarship grant. For purposes of the preceding sentence, any individual, who has received a medical student scholarship grant under this part for four full academic years, shall be deemed to have received such a grant for only three full academic years if such individual serves all of his internship or residency in a public or private hospital, which is located in a physician shortage area, or a substantial portion of the patients of which consists of persons who are migratory agricultural workers (or are members of the families of such workers) and, if, while so serving, such individual receives training or professional experience designed to prepare him to engage in the practice of primary care.

"(2) The condition imposed by paragraph (1) shall be complied with by any individual to whom it applies within such reasonable period of time, after the completion of such individual's professional training, as the Secretary shall by regulations prescribe.

"(3) If any individual to whom the condition referred to in paragraph (1) is applicable fails, within the period prescribed by paragraph (2), to comply with such condition for the full number of months with respect to which such condition is applicable, the United States shall be entitled to recover from such individual—

"(A) an amount which bears the same ratio to the aggregate of (i) the amounts of the medical student scholarship grant or grants (as the case may be) made to such individual under this part plus (ii) the amount of interest which would be payable on such amounts if such amounts had been loans bearing an interest fixed by the Secretary of the Treasury, after taking into consideration private consumer rates of interest for consumer credit prevailing at the time the scholarships were awarded, and the interest thereon had been compounded annually, as

"(B) (i) the number obtained by subtracting from the number of months to which such condition is applicable a number equal to one-half of the number of months with respect to which compliance by such individual with such condition was made, bears to (ii) the number of months with respect to which such condition is applicable. Any amount to which the United States is entitled to recover under this provision shall be paid to the United States with interest on the unpaid balance at the rate used to determine the amount of such entitlement under the preceding sentence within five years of the date of the determination of such entitlement.

"(4) (A) Any obligation of any individual to comply with the condition applicable to him under the preceding provisions of this subsection shall be canceled upon the death *of such* individual.

"(B) The Secretary shall by regulations provide for the waiver or suspension of any such obligation applicable to any individual whenever compliance by such individual is impossible or would involve extreme hardship to such individual and if enforcement of such obligation with respect to any individual would be against equity and good conscience.

"ADMINISTRATION; CONTRACTUAL ARRANGEMENTS

"SEC. 799E. The Secretary may, in the administration of this part, enter into agreements with schools of medicine, hospitals, or other appropriate public or nonprofit private agencies under which such schools, hospitals, or other agencies will, as agents of the Secretary, perform such administrative functions as the Secretary may specify. Any such agreement with any school, hospital, or other agency may provide for payment by the Secretary of amounts equal to the expenses actually and necessarily incurred by such school, hospital, or other agency in carrying out such agreement.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 799F. For the purpose of making medical student scholarship grants under this part, there is authorized to be appropriated $2,500,000 for the fiscal year ending June 30, 1972, $3,000,000 for the fiscal year ending June 30, 1973, $3,500,000 for the fiscal year ending June 30, 1974, $4,000,000 for the fiscal year ending June 30, 1975, and $4,500,000 for the fiscal year ending June 30, 1976 and for each succeeding fiscal year, such sums as may be necessary to continue to make such grants to students who (prior to July 1, 1976) have received such a grant and who are eligible for such a grant under this part during such succeeding fiscal year.

"DEFINITION OF PHYSICIAN SHORTAGE AREA

"SEC. 799G. (a) The term 'physician shortage area' when used in this part refers to an area designated by the Secretary as a medically underserved area pursuant to section 741(f)."

EXHIBIT 5

CHOICE OF PRACTICE LOCATION: THE INFLUENCE OF DENTAL SCHOOL LOCATION AND RESIDENCE AT ADMISSION

(By Henry Wechsler, Ph. D., Denise Thum, Ph. D., and Allan F. Williams, Ph. D.)

Geographic maldistribution of dentists is an important aspect of the current and projected dental manpower shortage. In an effort to understand some of the factors associated with dentists' choice of practice location, approximately 2,400 dentists who graduated from selected dental schools during 1950, 1955, and 1960 through 1965, were surveyed and the relationship between their current practice location, their place of residence at the time of admission to dental school, and the location of the school they attended was investigated. It was found that most of the dentists who were New York State residents at the time of admission to the three New York dental schools, or five selected out-of-state schools, located their practices in New York State. Similarly, most of the non-resident graduates of the New York dental schools returned to their home states to practice. Furthermore, the large majority of New York State residents who graduated from New York dental schools established their practices in the same geographic region within the state as their original residence, or in a region which was similar to their original residence with respect to urbanization and population density. The implications of these findings for dental manpower planning are discussed.

The demand for quality dental care is rising sharply due to population growth, rising consumer expectations concomitant with higher levels of income and education, and increasing coverage by public and private insurance plans. As incomes increase and dental insurance coverage becomes more widespread, many people who have not sought regular care in the past will be so. These considerations have led to predictions of a critical dental manpower shortage in the relatively near future. For example, Cole and Cohen [6] have estimated a shortage of 9,000 to 38,500 dentists by 1980, depending on the extent of the public's participation in dental insurance plans.

However, the nation's dental manpower problem is not simply one of an absolute shortage of dentists. The available evidence indicates that geographic maldistribution of dentists is an extremely important aspect of the problem. Dentist-to-population ratios, in 1968, ranged from one dentist for every 3,726 persons in South Carolina to 1:1.230 in New York State.[1]

Furthermore, wide variations exist within states. In 1970, New York City had a dentist-to-population ratio of 1:1,125 with 51 per cent of the state's practicing licensed dentists, while dentist-to-population ratio were below the national average in large areas of the less populous central and northern parts of the state.[5] Even within relatively well-supplied metropolitan areas, there are marked local differences in dental manpower supplies. For example, in a study done in Greater Boston,[6] it was found that dentists were concentrated in high socioeconomic status areas where demand has been greatest, and that low-income areas tended to have relatively high proportions of older dentists working shorter hours. Undoubtedly, similar conditions exist in many other metropolitan areas.

These local and regional differences could merely reflect differences in the demand for dental care. In a mailed questionnaire survey of 900 private practitioners throughout New York State, however, 35 per cent of the dentists in New York City reported that their area has too many dentists, and 41 per cent wanted more patients. Compared with dentists in other parts of the state. New York City dentists had the shortest waiting times and the lowest average number of patient visits per week.[3] These findings strongly suggest that some areas of New York City are oversupplied with dentists. In contrast, the same survey found evidence of shortages elsewhere in the state.

Active efforts must be made to achieve a more equitable distribution of dental manpower, if the residence of remote, rural regions, and inner-city poverty areas are to have access to adequate dental care. As the Carnegie Commission's recent report states, "Merely increasing the supply . . . will not solve the problem of deficient health care in low-income areas." [2] Little is known, however, about factors associated with dentists' choice of practice location. If efforts to correct the maldistribution of dentists are to be effective, we must achieve a better understanding of those factors which have contributed to the present concentation of dentists in metropolitan areas.

As part of a larger project to study the dental manpower situation in New York State, a special study was done to investigate the relationship between dentists' practice location, their place of residence at the time of admission to dental school, and the location of the school they attended. The Carnegie Commission has suggested that one effective approach to the maldistribution of health personnel would be to establish training facilities in remote regions, in the expectation that graduates would tend to remain in the area. For this reason, we felt that it would be of considerable value to examine the extent to which practice location is related to dental school location.

METHOD

Three groups were studied, comprising a total of approximately 2,400 dentists: 1. all dentists who were New York State residents at the time of admission to dental school, and who graduated from New York dental schools (Buffalo, Columbia, and New York University) during 1950, 1955, or 1960–1965; 2. all out-of-state residents who graduated from the three New York schools during these years, and 3. all New York State residents who graduated during these years from the five out-of-state schools most frequently attended by New York State residents—Georgetown, Howard, Pennsylvania, Temple, and Tufts.

Names of graduates were furnished by the eight schools in the study. The three New York schools supplied the names of all graduates during the selected study years and also specified their residence at the time of admission; the five out-of-state schools provided the names of those graduates who were residents of New York State at the time of admission. The 1970 American Dental Association Directory was used to determine practice location at the time of the study.

TABLE 1.—1970 PRACTICE LOCATION OF NON-FEDERAL DENTISTS GRADUATED FROM NEW YORK DENTAL SCHOOLS AND OF NEW YORK RESIDENTS GRADUATED FROM SELECTED OUT-OF-STATE SCHOOLS

[In percent]

1970 location	New York State residents		Non-residents from New York schools
	From New York schools	From out-of-state schools	
New York State	84	71	12
Out-of-State	16	29	88

RESULTS

As may be seen in Table 1, 84 per cent of the non-federal dentists who were New York State residents at the time of admission to a New York dental school later located their practices in New York State. Among the New York State residents who graduated from one of the five selected out-of-state schools, 71 per cent returned to practice in New York State. Only 7 per cent of the New York State residents who graduated from out-of-state schools practiced in the same state as their dental school, 22 per cent had moved to another state. Similarly, only 12 per cent of

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Footnotes at end of article.

the nonresident graduates of New York schools remained in New York State. The majority (75 per cent) of the nonresidents returned to their home state, while 18 per cent practiced in a state other than New York or their home state.

Thus, after attending dental school in a state other than their home state, most dentists returned to their own state to practice. Furthermore, it was found that over half of the dentists who were New York residents at admission and who graduated from New York schools had established practice in the same general area of New York State as their residence prior to dental school.

The analysis shown in Table 2 was done in order to study further the relationship between original residence and practice location among the graduates of New York dental schools who were residents of New York State at the time of admission. Practice location in 1970 was determined for three groups: 1. all dentists who were residents of the New York Standard Metropolitan Statistical Area at admission (for SMSA definitions, see ref. 4); 2. all dentists from the six other SMSAs in New York State (Albany-Schenectady-Troy, Binghamton, Buffalo, Rochester, Syracuse, and Utica-Rome), and 3. all dentists from non-metropolitan areas of New York State (i.e., from towns not included in New York State SMSAs).

TABLE 2.—1970 PRACTICE LOCATION OF NEW YORK STATE RESIDENTS GRADUATED FROM NEW YORK DENTAL SCHOOLS, BY RESIDENCE AT ADMISSION

[In percent]

1970 location	Residence at admission		
	New York City	Other SMSA	Non-SMSA
New York State:			
Same SMSA as residence	79	64	
Different SMSA:			
New York City SMSA		4	9
Other SMSA	2	11	22
Non-SMSA	3	9	47
Out-of-State	16	12	22

The findings shown in Table 2 indicate, the large majority of New York State residents who graduated from New York dental schools established their practices in the same geographic region as their original residence, or in a region which was similar to their original residence with respect to urbanization and population density. Seventy-nine per cent of the dentists who were originally from the New York City SMSA practiced in that area; only 3 per cent established practice in a non-metropolitan area. Similiarly, among those who were from another metropolitan area in New York State, 64 per cent practiced in the same SMSA as their residence at admission; 15 per cent practiced in a different SMSA in New York State (4 per cent in Metropolitan New York City), and 9 per cent moved to a non-metropolitan region of the state.

The most striking finding shown in Table 2, however, is that nearly half (47 per cent) of the dentists who were originally from a non-metropolitan area later established practice in a non-metropolitan area within New York State. Although 79 per cent of the New York City SMSA residents remained in Metropolitan New York, very few dentists who were originally from another area of the state established practice in the New York City SMSA. Those from SMSA other than New York City tended to locate in one of the less densely populated SMSAs, while those from non-metropolitan areas who remained in New York State most often established practice in a non-metropolitan area or in one of the less densely populated SMSAs.

Thus, New York dental school graduates tended to establish practice in the same area as their residence prior to enrollment, or in an area with somewhat similar socioeconomic characteristics. This general pattern was found regardless of the school attended or year of graduation. Buffalo graduates who were originally from Metropolitan New York City located their practices in or around New York City with the same high frequency (79 per cent) as did Metropolitan New Yorkers who attended Columbia (79 per cent) or New York University (80 per cent).

DISCUSSION

The Carnegie Commission has suggested that a principal method to combat the present maldistribution of health personnel should be to develop health education centers in remote, rural areas in order to attract health personnel to those areas. The logic underlying this suggested approach is that graduates would tend to remain in the area of their school, and that other professionals might be encouraged to locate there because of the accessibility of facilities and professional colleagues.

The present study calls into question the validity of these assumptions. In itself, the location of the dental school attended does not appear to be an important factor in determining graduates' choice of practice location. The majority of dentists in the New York study established practice in their home area, regardless of where they went to dental school. Thus, although the need to expand and construct broadly distributed health care facilities cannot be disputed, the results do not lend support to the idea that the distribution of dentists can be significantly altered by establishing dental schools in areas with manpower shortages.

The New York study does not indicate whether or not these dentists ever practiced in an area other than that where they were located in 1970. However, striking differences were found in the 1970 practice location of those who were originally from metropolitan areas and those from nonmetropolitan areas. Dentists from nonmetropolitan areas of New York State were considerably more likely to be practicing in a non-metropolitan area than were those originally from New York City or another New York SMSA. Nearly half (47 per cent) of those from non-metropolitan areas were found to be practicing in a rural area, compared with only 3 per cent of those from New York City and 9 per cent of those from other New York SMSAs. While 31 per cent of the dentists from rural areas did establish practice in a New York SMSA and 22 per cent went out-of-State, the fact remains that the probability that a dentist would be practicing in a non-metropolitan area was much greater among those who were residents of such an area at the time of dental school admission than among those from a metropolitan area.

The finding that dental graduates frequently establish practice in their home area or in an area with similar socioeconomic characteristics suggests that one effective approach to the maldistribution problem may be to actively recruit dental students from rural and low-income areas with shortages of dentists. It must be recognized, of course, that most of the dentists in the New York study were probably from middle and upper-middle income families. If policies are adopted to recruit students from undersupplied areas, many of these students will be drawn from lower and lower-middle income families. Whether or not dental graduates from low-income families would also tend to return to their home area to practice cannot be determined on the basis in the New York findings. It is entirely possible that upwardly mobile students from low-income families would seek to establish practice in higher income areas where practice would be more lucrative and living conditions more attractive. Further research must be done to investigate the factors affecting choice of practice location among dental graduates from rural and urban poverty areas, as more young people from these areas enter the dental profession.

If active efforts are made to recruit dental students from under-supplied low-income areas, it will probably be necessary for dental schools to modify their admissions policies and for special financial assistance and other incentives to be offered to prospective students. Thus, recruitment efforts might involve preferential entrance requirements, assistance in obtaining dental school placement, reduced tuition, loans for tuition, and living expenses which would be cancelled after several years of practice in an undersupplied area, and A.D.A. or government scholarships. In addition, inducements could be offered to graduate dentists, to encourage them to practice in undersupplied regions. These incentives could include loans to set up practice, tax benefits, time credits toward military obligations, provision of facilities and ancillary services, and so forth. A broad range of approaches will be necessary to ensure that the nation's dental care demands will be met in the future.

ACKNOWLEDGMENT

The authors gratefully acknowledge the help provided by various people in the New York State Education Department, especially Dr. Helen B. Wolfe; Dr. Donald F. Wallace, Secretary of the Board of Dental Examiners, and the New York State Dental Society and the project's Advisory Committee.

FOOTNOTES

[1] Bureau of Economic Research and Statistics, American Dental Association; Distribution of Dentists in the United States by State Region, District and County, 1969.

[2] Carnegie Commission on Higher Education: Higher Education and the Nation's Health: Policies for Medical and Dental Education, New York: McGraw-Hill, 1970.

[3] Cole, R. B., and Cohen, L. K.: Dental manpower—Estimating resources and requirements. Millbank Mem. Fund Q. 49:29, 1971.

[4] Office of Statistical Standards, Bureau of the Budget: Standard Metropolitan Statistical Areas, 1964.

[5] Wechsler, H.: New York State Dental Manpower Study, Albany, The New York State Education Department, July 1971.

[6] Williams, A. F., Wechsler, H., and Garfield, F.: Dental manpower in an urban area, Med. Care 7:288, 1969.

Mr. DOLE. Mr. President, will the Senator from Maryland yield?

Mr. BEALL. I am happy to yield to the Senator from Kansas.

Mr. DOLE. Mr. President, I concur with the remarks of the distinguished senator from Maryland (Mr. BEALL), and add that the failure of this extremely worthwhile program to have been implemented has had especially far-reaching adverse effects in Kansas—where the shortage of physicians in our rural areas is particularly acute.

I do not think anyone will argue with the merits of this medical student scholarship program. That fact was implicit in the overwhelming support which the measure received when passed by Congress nearly 2½ years ago. What we are so distressed about is the inaction the program has received, as a result of which the progress we had looked forward to in 1971 just has not become a reality.

Thus, in spite of the positive outlook we shared when Public Law 92–157 was signed by the President, the status of the critical physician shortage has remained relatively unchanged. In Kansas, there are still many locations where one doctor sometimes serves an entire community and miles of surrounding country; where some communities cannot attract new doctors even with offers to provide facilities and practically guarantee their livelihood; where a sick child or an accident victim has to be carried for miles because the nearest town has lost its only doctor.

This is an unacceptable situation in a nation with the wealth of professional resources which we have. The problem can only be remedied through improvements in our physician distribution system. The shortage area scholarship program was designed to provide just the incentives which would, hopefully, eventually overcome this pressing need, and it is indeed unfortunate that those charged with carrying it out have not seen fit to do so.

I would hope that our expression of concern here today will fall on responsive ears and produce some immediate favorable results. The funds have been appropriated and qualified and willing applicants are waiting. We have clearly demonstrated and rearffimed our intentions: Now it is incumbent upon the administering officials to act.

Mr. BEALL. Mr. President, I thank the distinguished Senator for his pertinent comments. I appreciate his support. This is indeed an important program to many parts of our country, not just to the rural areas, but to the urban areas as well, because some of the major cities lack primary care physicians, and this program was designed to improve the distribution of health personnel throughout the country. I think it is extremely regrettable that the Department of HEW has been neglecting the program and its responsibility in carrying out the will of the Congress so this program can be implemented.

I yield the floor.

TRANSACTION OF ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of routine morning business for not to exceed 15 minutes, with statements therein limited to 5 minutes.

ORDER FOR RECOGNITION OF SENATOR PROXMIRE ON TUESDAY NEXT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Tuesday next, after the leaders or their designees have been recognized under the previous order, Mr. Proxmire be recognized for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR BIDEN ON WEDNESDAY AND THURSDAY NEXT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on next Wednesday and Thursday, after other orders for the recognition of Senators previously entered are completed, the distinguished Senator from Delaware (Mr. Biden) be recognized for not to exceed 15 minutes each day.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. SPARKMAN, from the Committee on Foreign Relations, without amendment:

S. Con. Res. 72. A concurrent resolution extending an invitation to the International Olympic Committee to hold the 1980 Winter Olympic Games at Lake Placid, N.Y., in the United States, and pledging the cooperation and support of the Congress of the United States (Rept. No. 93–771).

EXECUTIVE REPORTS OF COMMITTEES

As in executive session, the following favorable reports of nominations were submitted:

By ROBERT C. BYRD, from the Committee on the Judiciary:

William J. Schloth, of Georgia, to be U.S. attorney for the middle district of Georgia;

S. John Cottone, of Pennsylvania, to be U.S. attorney for the middle district of Pennsylvania; and

George A. Locke, of Washington, to be U.S. marshal for the eastern district of Washington.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

Joseph W. Morris, of Oklahoma, to be U.S. district judge for the eastern district of Oklahoma; and

Murray M. Schwartz, of Delaware, to be U.S. district judge for the district of Delaware.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. MOSS:

S. 3316. A bill to establish National Historic Trails as a new category of trails within the National Trails System, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

By Mr. CHURCH (for himself and Mr. McGee):

S. 3317. A bill to amend the Internal Revenue Code of 1954 with respect to .22 caliber ammunition recordkeeping requirements. Referred to the Committee on Finance.

By Mr. NELSON (for himself and Mr. Abourezk):

S. 3318. A bill to amend the Interstate Commerce Act and to provide for regulation of certain anticompetitive developments in the petroleum industry. Referred jointly to the Committees on Commerce and the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. MOSS:

S. 3316. A bill to establish National Historic Trails as a new category of trails within the National Trails System, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

NATIONAL HISTORICAL TRAILS ACT

Mr. MOSS. Mr. President, when the Congress enacted the National Trails System Act (P.L. 90–543) we directed the Department of Interior to study 14 trails which were specifically named for possible addition to the National System as National Scenic Trails.

Many of these trails were nominated because of their historic significance; not for their outstanding scenic beauty. Some, like the Mormon Battalion Trail, were traveled only once; others, like the Oregon and Old Cattle Trails, were traversed many times.

Several of these trails later became the main routes for transregional or transcontinental travel. Highways and railroads overlay or are contiguous to many miles of the original trails and communities have been developed at the crossroads or at historic resting places. For these reasons, the routes do not meet national scenic trail criteria. Neither should they be managed only for nonmechanized modes of travel.

They should, however, be given the national recognition and protection they so richly deserve. It is for this reason that I am today introducing a bill to amend the National Trails System Act by making historic trails a category under which trails such as the Oregon, Mormon Battalion, Old Cattle, and other trails can be included in the system.

I ask that the text of this bill be printed in full in the Record at the close of these remarks.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 3316

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the National Trails Systems Act (82 Stat. 919; 16 U.S.C. 1241) is amended as follows:

(a) In section 2(b) delete "and scenic" and insert ", scenic, and historic".

(b) In section 3 redesignate subsection "(c)" and "(d)", and insert prior thereto a new subsection (c) as follows: "(c) National Historic trails, established as provided in section 5 of this Act, which will be extended trails that follow as closely as possible the original trails of national historical significance but which may not be continuous trails because of the existence of cities, highways or other developments that have occurred since they were originally established."

(c) In the new section 3(d) delete "or national scenic" and insert ", national scenic or national historic".

(d) In the heading of section 5 after "SCENIC" insert "AND NATIONAL HISTORIC"; the first sentence of section 5(a) after "Scenic" insert "and national historic"; and in section 5(a) after "national scenic" wherever it appears insert "or national historic."

(e) In section 6 delete in the first sentence "or national scenic" and insert ", national scenic, or national historic"; and in the second sentence delete "or scenic" and insert ", scenic, or historic".

(f) In section 7 in the first sentence of subsection (a) after "Scenic" insert "and National Historic"; in subsection (b) and in the first sentence of subsection (c) after "scenic" wherever it appears insert "or national historic"; in the penultimate sentence of subsection (c) delete "and scenic" and insert ", scenic, and historic"; in subsection (d) delete "or scenic" and insert ", scenic, or historic"; in subsection (e) after "scenic" wherever it appears insert "or historic"; in the first sentence of subsection (h) delete "or scenic" and insert ", scenic, or historic"; in the second sentence of subsection (h) after "scenic" insert "or historic"; and in the first sentence of subsection (i) delete "or scenic" and insert ", scenic, or historic".

(g) In section 8(a) at the end of the first sentence insert the following sentence: "The Secretary is also directed to encourage States to consider, in their comprehensive statewide historic preservation plans and proposals for financial assistance for State, local, and private projects submitted pursuant to the Act of October 15, 1966 (80 Stat. 915), as amended, needs and opportunities for establishing historic trails."

By Mr. CHURCH (for himself and Mr. McGEE):

S. 3317. A bill to amend the Internal Revenue Code of 1954 with respect to .22 caliber ammunition recordkeeping requirements. Referred to the Committee on Finance.

EXEMPTION OF .22 CALIBER AMMUNITION FROM RECORDKEEPING UNDER THE 1968 GUN CONTROL ACT

Mr. CHURCH. Mr. President, for myself and Senator McGEE, I introduce today for appropriate reference legislation which would add .22 caliber rimfire ammunition to the category of ammunition sales which licensed dealers are exempted from recording as required by the Gun Control Act of 1968.

In 1969, I joined with the senior Senator from Utah (Mr. BENNETT) in supporting an amendment to eliminate the registration provisions as they affect sporting rifle and shotgun ammunition. The Congress adopted this amendment, thereby repealing the recordkeeping requirements with respect to sales of first, shotgun ammunition, second, ammunition suitable for use only in rifles generally available in commerce, and third, component parts for these types of ammunition. In adopting this proposal Congress supported my belief that the reporting requirements for ammunition for sport firearms created a large and unnecessary administrative burden on the Treasury Department, on ammunition dealers, and on the Nation's sportsmen who purchase this type of ammunition.

My bill adds .22 caliber rimfire ammunition to the existing provision (section 4182(c) of the Internal Revenue Code of 1954) exempting other types of sporting ammunition.

What exactly does the recordkeeping involve? Under provisions of the 1968 Gun Control Act, it is unlawful for a federally licensed dealer to sell or deliver ammunition without making a record showing the name, age, and residence of the purchaser. Furthermore, all dealers are required to maintain such records of importation, production, shipment, receipt, sale, or other disposition of firearms and ammunition as may be provided by regulations. In accordance with Treasury Department regulations, a licensee who sells .22 caliber ammunition is required to record: First, the date of the transaction; second, the name of the manufacturer, the caliber, gage, or type of component, and the quantity of the ammunition transferred; third, the name, address, and date of birth of the purchaser; and fourth, the method used by the licensee to establish the identity of the purchaser.

The time and nuisance involved in complying with these requirements cannot be justified. The Treasury Department, itself, concedes that, because of the volume of transactions in .22 caliber ammunition, "the recordkeeping requirements have become so burdensome that they tend to detract from the enforcement of other provisions of the firearms laws."

Moreover, this burdensome recordkeeping has proved of no value in the control of crime. Treasury Department officials have testified before congressional committees that they know of no instance "where any of the recordkeeping provisions relating to sporting-type ammunition—including .22 caliber rimfire ammunition—has been helpful in law enforcement." The Justice Department has also confirmed that:

> There is not a single known instance, as we have learned from our discussions with IRS, with the firearms people there, not a single known instance where any of this recordkeeping has led to a successful investigation and prosecution of a crime.

As far as I can tell, the only purpose of the restrictions on .22 caliber ammunition is to harass legitimate sportsmen and dealers. In no way do these restrictions help to prevent crime or track down criminals.

The present restrictions on .22 caliber rimfire ammunition is a prime example of unnecessary harassment of sportsmen and dealers. When there is already so much Government intrusion in our daily lives, here is a place to end senseless registration requirements on the sale of the most popular type of sporting ammunition in the United States.

I hope the Senate will act favorably on this proposal.

By Mr. NELSON (for himself and Mr. ABOUREZK):

S. 3318. A bill to amend the Interstate Commerce Act and to provide for regulation of certain anticompetitive developments in the petroleum industry. Referred jointly to the Committees on Commerce and the Judiciary.

(The remarks by Mr. NELSON on the introduction of the above bill and the ensuing discussion appear later in the RECORD.)

ADDITIONAL COSPONSORS OF BILLS AND JOINT RESOLUTIONS

S. 411

At the request of Mr. McGEE, the Senator from Washington (Mr. MAGNUSON) was added as a cosponsor of S. 411, to amend title 39, United States Code, relating to the Postal Service, and for other purposes.

S.2801

At the request of Mr. PROXMIRE, the Senator from Alaska (Mr. GRAVEL) was added as a cosponsor of S. 2801, a bill to amend the Food, Drug, and Cosmetic Act concerning safe vitamins and minerals and for other purposes.

ADDITIONAL COSPONSOR OF A CONCURRENT RESOLUTION

SENATE CONCURRENT RESOLUTION 79

At his own request, Mr. Moss was added as a cosponsor of Senate Concurrent Resolution 79, expressing the sense of Congress with respect to the celebration of the 100th anniversary of the birth of Herbert Hoover.

INCREASE IN EDUCATIONAL BENEFITS TO VETERANS—AMENDMENT

AMENDMENT NO. 1155

(Ordered to be printed and referred to the Committee on Veterans' Affairs.)

Mr. BUCKLEY. Mr. President, one of the great disgraces of recent times has been the shabby treatment given to many of our Vietnam veterans. Those who willingly answered the call of duty have returned from an ugly war to find themselves often shunned in civilian life. Even while they were fighting in Vietnam, a well-organized, well-financed campaign of protests against their valiant actions was dominating the American domestic scene. And now, with no American fighting men remaining in Vietnam, the Vietnam veteran is suffering serious neglect in regard to veterans' benefits.

I have reviewed the present laws which outline the benefits now available to veterans, and I find them inadequate.

The veterans of Vietnam served as faithfully as those of the Second World War and the Korean war, and have earned in every way the same expression of national gratitude in terms of veterans' benefits. Congress is just beginning to come to grips with the realities of the civilian readjustment facing the Vietnam veteran. Recent activity on the part of the Senate Committee on Veterans' Affairs does brighten the outlook for realistic reforms in the entire approach toward correcting inequities and deficiencies in present policies.

As a first step, the committee reported out the Veterans Insurance Act of 1974 which provides 5-year term insurance, raises coverage to levels as high as $20,000, guarantees conversion privileges at that level, and includes certain members of the Reserves and National Guard.

On March 29th, the Senate Committee began hearings on a number of bills dealing with the educational assistance programs. The three major bills to be discussed are House bill 12628 which has been passed by the House, S. 2784, the bill proposed by the Senate Committee on Veterans' Affairs and S. 2789, Senator McGovern's bill. Each of these bills seeks an increase in educational assistance to veterans, but each proposes a different form in which this increase is to be realized. Each of these bills extends the eligibility period to 10 years, and all three provide for expansion of the work-study allowance program. The committee's bill proposes a loan program in addition to increased allowances. Senator McGovern's bill proposes limited tuition payments.

In the City University of New York—CUNY—where tuition costs are not the problem, the veterans are more interested in increases in the subsistence allowance because of the high cost of living in New York City. Veterans at Hofstra, however, might be more concerned about tuition. Perhaps a loan program would prove a burden when the time came to repay. When the total cost of a bill becomes a factor, costly administrative changes may divert money away from the veteran's pockets.

Mr. President, these considerations make the hearings which are in progress now an essential legislative exercise. This will be an opportunity for the Senators on the committee, and those not directly involved, to make judgments on the wisdom of conflicting proposals in accordance with facts and evidence presented by witnesses. If I detect deficiencies in the final bill as reported, I will have an opportunity to add in one area or subtract in another through amendments. At this time, it appears certain that education allowances will be increased and eligibility extended 2 years. The discussion will center on methods and fringe areas, but present indications are we will emerge with reasoned, comprehensive legislation in the area of education benefits.

Because my mail has brought some specific hardships to my attention, I am introducing an amendment to extend the eligibility period an additional 2 years where rotating shifts, prolonged illness, or a similar handicap has prevented a veteran from completing his education within the allotted time. Although it is generally recognized that totally inadequate subsistence benefits for veterans have created insurmountable difficulties for the veteran of recent years in attempting to complete his education within the allotted 8 years, no acknowledgment has been given to the veteran who has suffered additional hardship because of unexpected debilitating illness or working hour requirements beyond his control. Not only will my amendment correct this situation, but it will encourage policemen, firemen, and other public safety officers who are veterans to pursue education under the GI bill which will promote professionalism in their chosen vocations. I am introducing this amendment to the House bill to insure its consideration at the hearings. If accepted, this amendment would provide for up to 12 years of eligibility in hardship cases.

I send my amendment to the desk and ask for its appropriate referral. I also ask that it be provided at this point in the Record.

There being no objection, the amendment was ordered to be printed in the Record, as follows:

There being no objection, the amendment was ordered to be printed in the Record, as follows:

AMENDMENT No. 1155

On page 5, line 10, strike out "subsection" and insert in lieu thereof "subsections".

On page 5, line 22, strike out the quotation marks and the semicolon.

On page 5, between lines 22 and 23, insert the following:

"(e) Notwithstanding the foregoing provisions of this section, the 10-year delimiting period in the case of any veteran shall be extended for an additional two year period in any case in which the Administration finds that (1) such veteran is employed (and has been so employed for a period of not less than two consecutive years) in a position in which the working shifts are rotated on a mandatory basis in such a manner as to prolong the period required to complete a course of studies, or (2) the Administration finds that such veteran has been unable to complete his educational program prior to the regular delimiting period because of illness or other severe hardship";

FEDERAL ELECTION CAMPAIGN ACT AMENDMENTS OF 1974—AMENDMENT

AMENDMENT NO. 1156

(Ordered to be printed and to lie on the table.)

Mr. HUMPHREY (for himself and Mr. Goldwater) submitted an amendment intended to be proposed by them jointly to the bill (S. 3044) to amend the Federal Election Campaign Act of 1971 to provide for public financing of primary and general election campaigns for Federal elective office, and to amend certain other provisions of law relating to the financing and conduct of such campaigns.

ANNOUNCEMENT OF HEARING—TRANSPORTATION AND THE ELDERLY: PROBLEMS AND PROGRESS

Mr. CHURCH. Mr. President, as chairman of the Senate Special Committee on Aging, I would like to announce that the committee will hold a hearing on "Transportation and the Elderly: Problems and Progress," April 9, 1974, beginning at 10 a.m. in room 6202, Dirksen Senate Office Building.

This hearing is a continuation of the inquiry conducted by Senator Chiles in February on behalf of the committee. During the earlier hearing, a number of important questions concerning the impact of the energy crisis and how it is affecting older Americans were raised. We will have testimony from the administration on how they are responding to the needs of the elderly during this period of shortages and rising costs. There are also a number of questions about administration policies in reference to mobility problems of older Americans.

NOTICE CONCERNING NOMINATIONS BEFORE THE COMMITTEE ON THE JUDICIARY

Mr. ROBERT C. BYRD. Mr. President, the following nominations have been referred to and are now pending before the Committee on the Judiciary:

C. Nelson Day, of Utah, to be U.S. attorney for the district of Utah for the term of 4 years, reappointment.

Jonathan L. Goldstein, of New Jersey, to be U.S. attorney for the district of New Jersey for the term of 4 years, vice Herbert J. Stern, resigned.

William W. Milligan, of Ohio, to be U.S. attorney for the southern district of Ohio for the term of 4 years, reappointment.

Richard A. Pyle, of Oklahoma, to be U.S. attorney for the eastern district of Oklahoma for the term of 4 years, reappointment.

On behalf of the Committee on the Judiciary, notice is hereby given to all persons interested in these nominations to file with the committee, in writing, on or before Friday, April 12, 1974, any representations or objections they may wish to present concerning the above nominations, with a further statement whether it is their intention to appear at any hearing which may be scheduled.

ADDITIONAL STATEMENTS

CARL E. WRIGHT DIES: WAS PRODUCTIVE MEMBER OF NATIONAL COMMISSION ON WATER QUALITY

Mr. RANDOLPH. Mr. President, since formation of the National Commission on Water Quality last year there has been no member more dedicated to achieving the goals of this body than Carl E. Wright, who died suddenly on Tuesday of this week. His death was caused by a heart attack. Funeral services were conducted yesterday in Little Rock, Ark., where he lived.

Carl Wright was one of five public members appointed to the Commission when it was organized under provisions of the Federal Water Pollution Control Act Amendments of 1972. The Commission, on which I am privileged to serve, is charged with important responsibilities. We are directed to assess effectiveness of our national efforts to end water pollution and to give guidance for the development of water pollution control.

To this task Carl brought the experience of many years as an ardent conservationist. His dedication to pollution control, with a mind able to grasp issues, quickly made him a valuable member of the Commission. Throughout the period of his membership he was an active participant, often leading discussions on the vital issues we faced.

Mr. Wright was involved in pollution control activities for two decades, serving with the Arkansas Commission on Pollution Control and Ecology and its predecessor, the Arkansas Pollution Control Commission. He represented industry on the Arkansas commission and served as its chairman from 1957 to 1960, and 1970 to 1972 and as its vice chairman from 1968 to 1970.

During his tenure with the Arkansas commission, our coworkers assisted in drafting all State legislation on water, air, and solid waste pollution, mandatory licensing of treatment plants and operators, a permit system for pollution control activities, and the modification of pollution control legislation. Mr. Wright was instrumental in securing passage of legislation making Arkansas one of the first States with a single agency responsible for dealing with all types of pollution problems.

Mr. President, I am certain that all Commission members, including our able chairman, Nelson Rockefeller, join in sincere sympathy to Mrs. Wright and family.

He was born in Altheimer, Ark., in 1908. He attended Henderson-Brown College and Trinity University, receiving his bachelor's degree in chemistry-mathematics.

Mr. Wright was elected mayor of Gurdon, Ark., serving from 1932 to 1936. He was elected as a representative to the Arkansas General Assembly in 1936 and served 4 years. He then spent 3½ years as a chemical warfare specialist in the U.S. Air Force.

During much of his career he was employed by the Lion Oil Co., a subsidiary of Monsanto. After 3 years in its research laboratory he spent 33 years in marketing.

Mr. President, Carl Wright's long and productive career reached its pinnacle with his service as a member of the National Commission on Water Quality. He was an unusually able and productive individual and he will be missed by those of us who had the privilege to know and work with him.

I ask unanimous consent to have printed in the RECORD a telegram from Mr. F. J. Clarke, Executive Director of the National Commission on Water Quality and a biography of Mr. Wright.

There being no objection, the telegram and biography were ordered to be printed in the RECORD, as follows:

[TELEGRAM]

APRIL 4, 1974.

Senator JENNINGS RANDOLPH,
Capitol Hill, D.C.:

I regret to inform the members of the Commission of the sudden death by heart attack on April 2, of Mr. Carl Wright, a member of the National Commission on Water Quality. His valuable contributions during past years have been noted by all members of the Commission.

His sudden death is regretted by all members of the staff. Funeral services are to be held at 2:30 p.m., April 4, from the Urbel's Funeral Home, Little Rock, Ark.

F. J. CLARKE,
Executive Director.

CARL E. WRIGHT, COMMISSIONER, NATIONAL COMMISSION ON WATER CONTROL

Wright has had a long career in state and local government and in business. He has been involved in pollution control activities for two decades, serving with the Arkansas Commission on Pollution Control and Ecology and its predecessor, the Arkansas Pollution Control Commission. He represents industry on the Arkansas commission and served as its chairman from 1957–60, 1970–72 and as its vice-chairman, 1968–70.

Wright was born in Altheimer, Arkansas in 1908. He attended Henderson-Brown College and Trinity University, receiving his bachelor's degree in chemistry-mathematics.

He was elected mayor of Gurdon, Arkansas, serving from 1932–36. He was elected as a Representative to the Arkansas General Assembly in 1936 and served four years. He then spent 3½ years as a chemical warfare specialist in the U.S. Air Force.

During much of his career he was employed with the Lion Oil Co., a subsidiary of Monsanto. After three years in its research laboratory he spent 33 years in marketing. During his tenure with the Arkansas commission Wright has assisted in drafting all state legislation on water, air and solid waste pollution, mandatory licensing of treatment plants and operators, a permit system for pollution control activities and the modification of pollution control legislation. The Arkansas commission pioneered in the "basin type" control of water pollution. In 1968 the commission was presented the first federal "Clean Water Commendation" by Interior Secretary Udall. In 1970, it was elevated to a cabinet-level status.

Wright was instrumental in securing passage of legislation making Arkansas one of the first states with a single agency responsible for dealing with all types of pollution problems. He worked closely with the Arkansas Congressional delegation in seeking to establish the U.S. Environmental Protection Agency.

THE TAFT-HARTLEY EXEMPTION FOR NONPROFIT HOSPITALS

Mr. BEALL. Mr. President, recently I had the pleasure of meeting with representatives from the Daughters of Charity of St. Vincent De Paul, a community which was founded in Paris in 1633 to care for the sick and needy of our society. In 1809, Mother Elizabeth Ann Seton established the community in Emmitsburg, Md. Today in the United States they have over 2,000 members and sponsors and staff 34 health facilities across the country with over 11,000 beds. All provinces of the United States were represented at this meeting and I ask unanimous consent that at this point in the RECORD the names of the sisters present be printed in the RECORD.

The sisters were particularly concerned with two issues: the Economic Stabilization Act, which is now no longer an issues, because of the action of the Senate Banking, Housing and Urban Affairs Committee, and, second, the removal of the Taft-Hartley exemption for nonprofit hospitals.

Since this measure will be before the Senate in the near future, I know my colleagues will be particularly interested in their observations, and I, therefore, ask unanimous consent that these observations be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

REPRESENTATIVES OF DAUGHTERS OF CHARITY OF ST. VINCENT DE PAUL, FIVE PROVINCES OF UNITED STATES

Sister Mary Louise Lyons, Counsellor for Health, Emmitsburg Province, Emmitsburg, Maryland 21727.

Sister Teresa Piro, Councillor for Health, Province of the West, Los Altos Hills, California 94022.

Sister Josephine Aitchison, Councillor for Health, West Central Province, St. Louis, Missouri 63121.

Sister John Gabriel McPhee, Councillor for Health, East Central Province, Evansville, Indiana 47715.

Sister Margaret Finnegan, Councillor for Health, Northeast Province, Albany, New York 12204.

Sister Irene Kraus, Administrator, St. Thomas Hospital, Nashville, Tennessee 37203.

Sister Alberta Beckwith, President of the Board of Trustees and Administrator, St. Agnes Hospital, Baltimore, Maryland 21229.

Sister Rosa Daly, President of the Board of Trustees and Administrator, Providence Hospital, Washington, D.C. 20017.

Sister Margaret James Hussey, President of the Board of Trustees and Administrator, Sacred Heart Hospital, Cumberland, Maryland 21502.

Sister Catherine Norton, President of the Board of Trustees and Administrator, St. Vincent's Medical Center, Jacksonville, Florida 32203.

Sister Catherine Sanders, President of the Board of Trustees and Administrator, Sacred Heart Hospital, Pensacola, Florida 32504.

SUMMARY OF CONCERNS OF DAUGHTERS OF CHARITY IN HEALTH CARE FIELD—ECONOMIC STABILIZATION AND THE TAFT-HARTLEY AMENDMENT

Gentlemen: We represent the Daughters of Charity of Saint Vincent de Paul, a Community founded in Paris in 1633 to care for the sick and the needy of society. In 1809, Mother Elizabeth Ann Seton established the Community in Emmitsburg, Maryland. Today in the United States we number over 2,000 members and carry on a variety of works in Health, Education and Welfare. Of particular interest here today is the fact that we sponsor and staff 34 health facilities across the country totaling 11,190 beds. We have labored to serve the sick with efficiency and effectiveness through the years by combining good management with our human concern and personal dedication. We are restricted in the continuation of such service by the legislative box that has been built around the health care industry. Two of the basic issues creating the critical pressures on hospitals are the topics of our discussion with you:

1. The extension of the Economic Stabilization Act for Health Care alone;

2. The removal of the existing not-for-profit hospital exemption from the Taft-Hartley Act.

Our hospitals are not-for-profit institutions, but even not-for-profit institutions must generate some revenue over expense, if they are going to remain solvent, meet their obligations in justice to employees and plan and provide for new or upgraded services to the public. If federal controls continue, hospitals will be unable to adjust charges upward in line with the increases in prices of supplies, equipment and services which they must buy in order to operate. The little surplus any institution may have will be quickly absorbed and financial troubles compounded. For example, one hospital represented here (and there are certainly others perhaps worse off) showed this picture in its 1973 Annual Financial Report:

Operating Expenses rose 10%.
Salaries increased 9%.
Supplies increased 6%.
General expenses increased 14%.
Gross revenue increased only 4%.

The percent of increase in cost of supplies is lower than would be expected because the Daughters of Charity Hospitals have a shared purchasing program. The contracts were honored during 1973 at former rates, thus reflecting little inflation. Such will not be the case in 1974. As expiration dates of contracts are reached, prices are being raised substantially.

Gross revenue in hospital parlance is a misnomer because a hospital does not in reality recoup "gross costs" since it has contracts with Medicare, Medicaid, and Blue Cross, which do not pay charges but rather what they consider to be "reasonable" costs. The reasonableness factor is also subject to change. Nor does this gross revenue reflect the "charity" element in the financial picture. The price at which hospital services have been purchased by these third party payors for many years has not been adequate to meet the institutions' total financial requirements.

It is apparent that continued regulations aimed at the hospital field alone is not only discriminatory but will eventually cause insolvency. With controls lifted on all other segments of the economy, prices will continue to spiral with some of the increases not being totally felt by hospitals for a year or even longer. Increases in food costs mean concomitant increases in the cost of feeding patients. The utility companies have not changed the rate during 1973, but in January 1974 added substantial surcharges to reflect the increase in the cost of doing their business.

Besides the removal of controls from other industries, a critical shortage of vital supplies is developing which in its turn will force additional increases in prices. Hospitals cannot do without certain metals, phosphates, ammonia, chlorine, petroleum, natural gas and wood pulp, to name only a few. Many disposable products made of plastic are used exclusively in hospitals, and these having a petroleum base are in short supply. Demand exceeds supply and pollution controls have made the production of these materials even more scarce and expensive. Hospitals pay these costs and suffer the anxieties inherent in the shortages.

It is believed that even if the government were able to contain or stabilize the economy, hospitals would continue to feel the worst inflationary pressures in their history far into 1975 and even beyond. It is extremely doubtful that these institutions will be able to hold the rate of inflation within the guidelines of COLC. Inflation will persist as long as controls exist on a portion of the economy.

Furthermore, interest rates have been extremely high during 1973. Hospitals have been affected by this fact also. Several of our own institutions have had to refinance during 1972 and were burdened with a prime rate plus formula. This cost increase hit exceedingly hard with the sharp rise in prime rate during 1973. Some of our hospitals have also had to open "lines of credit" in order to insure meeting payroll and current bills because of the tight cash flow occasioned by long delays in Medicare, Medicaid, and Blue Cross reimbursements.

Many of the myriad regulations at federal and state levels are working against the total purpose of cost controls. Shortening the patient length of stay, brought about by improved utilization patterns and preadmission criteria, may save some money, but the low occupancy raises the daily hospital costs still more. New equipment may reduce unit costs per procedure but often requires more skilled personnel to operate and maintain it. Inspection agencies often direct costly changes in plant, equipment, and procedures. The increased paperwork and manhours necessitated by the multiple forms required to comply with regulatory agencies and reimbursement programs also contribute to a snowball effect on the entire cost picture. The proposed adjustments in Workman's Compensation Laws will double and perhaps triple business costs.

Then, to further compound the problem, the Congress is intent on removing the not-for-profit hospital exemption from the Taft-Hartley Act. With the health field still under controls and unable to raise wages and salaries above the 5.5% ceiling, it is fair game for the labor unions. Forcing unionization on hospitals with all that it implies of strikes, picketing, threats, and work-stoppages of all sorts, is tantamount to placing the nation's sick citizens at the mercy of an attacker (strikers) and at the same time tying the hands of the advocates of the sick (the providers of care). Could anything be more irresponsible at this epoch in history?

In summary, we need your help to turn back the waves that threaten to overwhelm us:

1. fundamental deficiencies and inequities in various existing reimbursement arrangements need correction;

2. hospitals cannot survive under controls in a de-controlled economy;

3. adequate consideration must be given to the need to provide new, improved, or more specialized services;

4. provision must be made so that hospitals will not deplete their cash surpluses, face operating deficits or final bankruptcy.

We respectfully request that you hear our feeble attempts to make an impression of the real crippling effect that the economic stabilization controls have had and will have on the health care offered in this nation if these controls are continued. We also ask that grave consideration be given to the needs of the sick before the existing not-for-profit hospital exemption is removed from the Taft-Hartley Act.

AMENDMENT TO TAFT-HARTLEY ACT

Senator Taft has introduced a new bill (S3088) to remove the existing not-for-profit hospital exemption from the National Labor Relations Act (NLRA or Taft-Hartley).

The bill consists of two main features: (1) a delay procedure before a union can strike a hospital; and (2) a requirement of a ten-day notice before a strike actually occurs. Both of these features are of dubious value to most hospitals. The delay procedures mean just that the hospital will secure a delay before facing a strike; they do not prevent strikes. Other unfavorable aspects of these procedures are the following:

(1) The delayed strike approach is found in the Railway Labor Act. You are aware from reading the newspapers over the last few years that these procedures have been extremely unsuccessful in stopping both rail and airline strikes. In fact, there are several legislative proposals pending which would eliminate this feature from the Railway Labor Act. See Moskow, *National Emergency Disputes,* 24 NYCL 1 (1972).

(2) Most small hospitals will suffer as much as, if not more than, the unions in legal and administrative expenses in delaying the inevitable strike.

(3) If a union is forced to go through these procedures, it is likely that it will exert maximum pressure for increased pay and benefits when the day of reckoning arrives.

(4) Most union contracts are retroactive to the expiration of the prior contracts, thereby eliminating any financial incentive to hospitals in delaying agreement on a new contract.

In a new bill Senator Taft has adopted the proposal of the Department of Labor, that a ten-day notice be provided before a strike or lockout can commence. While this on its face appears reasonable in permitting a hospital to remove patients prior to a strike, the protection is illusory. First, many isolated hospitals are unable to transfer patients. Secondly, even where an individual hospital might be able to transfer patients, a strike aimed at several hospitals would undercut this transfer. Third, a hospital exposes itself to liability for any injury or aggravations caused in the transfer of such patients. Finally, under this procedure, the union can harass the hospital by giving notices of strikes and then cancelling its notice after the hospital has removed its patients. Since there is no limit as to the numebr of ten-day notices which can be given as long as there is a thirty-day interim between notices, the union can repeat this harassment ad infinitum.

In addition to the amendments to the Act in the bill, the report on the bill, but not the bill itself, will deal with other issues as a guide to the NLRB. The report will express concern that bargaining units not be fragmented. It will direct the Board to consider who are supervisors on the basis of their duties and relationship to other employees and not according to job titles or the titles "nurse" or "doctor". It will tell the Board to give priority to all health care cases. It will spell out what hospitals should be allowed to do without union interference in event of a strike, such as moving patients to other hospitals, and what they should not do. Since these directives are not in the bill. the NLRB can ignore them. As for the unit fragmentation problems, the report will not set forth what units it believes should be utilized in a hospital. There is also a misguided and mistaken belief that the Board is currently not fragmenting units for proprietary hospitals, so there is no need for concern by nonprofit hospitals. It is clear from the reference to supervisors that Congress wants the definition of supervisors expanded in part to permit nurses and doctors to be included in bargaining units, where in practice they exercise supervisory responsibility. Such a concession will create dual loyalties among nursing and medical supervisors and will effectively prevent them from assisting administration in keeping a hospital open during a strike. While the protection afforded struck hospitals is certainly a positive gain for hospitals, it would have been better if this protection were in the bill itself. It should be noted that even this protection is meaningless if all the hospitals in an area are struck or if the struck hospital is isolated and cannot transfer patients.

The real objection to Senator Taft's new bill is that it does not provide any real protection against hospital strikes. It also does not attempt to reshape the Labor Management Relations Act to take into consideration the unique nature of hospitals. Consequently, it is not surprising that all unions in the health care field are supporting Senator Taft's bill. It is also not surprising to see proprietary hospitals supporting the bill since anything they get is better than their present coverage by the Labor Management Relations Act.

This past November Local 1199 called out 50,000 employees in a strike against 33 hospitals in New Yok City. Although the Union was striking against the Cost of Living Council's Rules, unfortunately the patients were the victims of the strike. In December, our local papers were filled with pictures and articles on the strike at the George Washington University Hospital here in the Nation's Capital. Today, there is a strike in San Francisco of some 10,000 employees, including hospital workers, which has been going on since March 6th.

From the above, it seems clearly apparent that protection for patients is needed in any amendment which removes the present exemption in the Labor Management Relation Act for nonprofit hospitals.

The Daughters of Charity are not opposed in any way with labor's right to organize. However, we do feel strongly that hospitals need protection if we are to fulfill our moral and humanitarian obligations of providing uninterrupted lifesaving services.

Interruption, interference or delay in the provision of such lifesaving service is contrary to the public interest and should not be permitted.

Nonprofit, charitable hospitals are exempted from the regulation of the National Labor Relations Act (NLRA) by reason of Section 2(2) of the 1947 Taft-Hartley amendments. The reason for this exemption was summarized by Senator Tydings, who believed that nonprofit hospitals are "beyond the scope of labor management relations in which profit is involved." A distinction was drawn by Congress between the operations of those profit-oriented institutions whose entrepreneurial goal is limited to returning a profit for shareholders and institutions whose sole mission is to cure the physical and mental ills of the suffering and to provide a panoply of medical and social services unavailable elsewhere.

In weighing the right to organize and bargain collectively against the need to maintain unfettered service to the sick and injured in a charitable hospital, Congress ruled in favor of the latter.

UNIQUE POSITION OF NONPROFIT HOSPITALS

Hospitals are not grocery stores, amusement parks, or other enterprises that are regulated by the National Labor Relations Board (NLRB). They are unique enterprises with unique problems which cannot be compared to those of commercial enterprises. Its services make the nonprofit hospital a valuable member of any community, and the community should not, and indeed cannot, afford to be denied these services. The challenge to the nonprofit hospital today is to balance the ever-expanding public demand for community health care and rising operational costs with the need to continue to fairly and adequately reward those who provide the service. Unlike the profit-oriented organizations, the nonprofit hospital's sources of revenue are limited, and it has little or no economic cushion on which to rely. Because of their growing financial strain and the valuable services they provide, nonprofit hospitals should not be subject to the Taft-Hartley provisions.

If hospitals wanted to prevent passage of the bill only to avoid added costs, Congress would be unsympathetic to their plight. Many businesses subject to the Taft-Hartley Act are forced to pay wages and benefits they cannot afford. Many have closed or will close because of unionization. Despite this, Congress has deemed that economic stabilization generally can be achieved only through coverage by the Taft-Hartley Act. A legitimate argument could be made that because of its nonprofit enterprises, this characteristic alone is insufficient to justify an exemption.

But a hospital is concerned with more than mere costs. Its product is health care delivery. Efficient, effective, and timely patient care simply cannot be interrupted. Strikes, picketing, and other methods designed to economically coerce, or to merely disrupt a hospital and its operations, are detrimental to adequate health care. Unlike other profitable businesses, the nonprofit hospital is not equipped financially or otherwise to counter collective bargaining tactics. It cannot, for example, lock out employees, cease service, reschedule, or subcontract its work.

IMPACT OF STRIKES ON HOSPITALS

A strike at a hospital has only two possible effects. If a union is successful, it will force the hospital to concede to what it cannot afford, a concession which affects its ability to continue providing services. If a strike is unsuccessful, it succeeds only in interrupting care, and jeopardizing patients' lives. The nonprofit hospital cannot survive such unpredictable and costly disruptions and still serve the community and the needs of the patients who demand immediate care.

One of the leading hospital unions, Local 1199, has stated that absent the strike weapon, there would be no local 1199, and that it had no intention of giving that weapon up even if it meant violating the law. Thus, hospitals must be prepared for a future of intimidation.

INEFFECTIVENESS OF LABOR MANAGEMENT RELATIONS ACT

Will coverage by the Labor Management Relations Act (LMRA) prevent this type of union pressure? The LMRA limits only certain types of strike activity, such as recognitional strikes, jurisdictional strikes, and secondary boycotts. The Act does not prevent strikes concerning new contracts or grievances. Even when the Act prohibits strikes, a minimum of 14 days, and more likely 30 days, will be required to secure an injunction.

There exists an erroneous belief on the part of some that the present bill would eliminate recognitional strikes in hospitals. However, the Act does not prohibit all recognitional picketing (e.g., where a representation petition has been filed). Even where recognitional picketing is prohibitd, the Act permits a 30-day grace period under which a union can picket without NLRB interference. After the 30-day grace period expires, the NLRB will seek an injunction. The median time for securing an injunction is 12 days. If there are any complex legal problems, this period can run anywhere from 30 to 60 days. Because few hospitals can resist that long, the Act's prohibition against strikes is meaningless. While Taft-Hartley contains a provision restricting (*not* prohibiting) national emergency disputes, few, if any, hospital strikes would come within the ambit of such protection, and even if they qualified, the Act only delays the time in which a union can strike without special legislation being passed by Congress.

No matter what anyone's views are regarding inclusion of nonprofit hospitals within the coverage of the LMRA, all must agree that if legislation were to eliminate the exemption, it would be essential for the legislation to prohibit or reduce strikes in hospitals.

We believe that any bill must contain at least protection against interruption of patient care. While many states have laws prohibiting strikes, most contain sanctions which are ineffectual. This is the situation in New York where unions are repeatedly threatening to strike.

NECESSARY PROVISIONS

For the law to be effective, it must have the following provisions:

First, a health care institution must be allowed to seek an injunction without first having to proceed to the NLRB. This proposal would eliminate the administrative delays of the normal NLRB processes. Under this proposal, a court would be required to grant the restraining order solely upon verification by a party or its attorney that a strike is taking place and without regard to affidavits or testimony. This proposal will allow most strikes to be stopped within a minimum of one working day after they begin. However, the parties would still be permitted to present witnesses or affidavits at a later hearing to obtain a preliminary or permanent injunction.

Second, mandatory fines should be imposed for unlawful work stoppages. Such a procedure should not be taken lightly since it imposes a severe burden on unions. However, the history of labor disputes in health care institutions in states (particularly New York) with "no strike" laws has shown that such laws are usually ineffective because the unions are able to either force institutions to capitulate before the unions are found in contempt or force institutions to waive fines imposed in a contempt proceeding as the price for uninterrupted care following the strike. In fact, the imposition of fines may work to the advantage of union when a militant minority in the union is able to strike without regard to union leadership. By imposing mandatory fines, union leadership might be able to prevent the group from acting unlawfully by convincing them that such an approach could prove costly.

Third, unions should be required to reimburse the hospital and patient for union-caused damages and suffering. In addition, we are in favor of provisions which would cause a union that engages in disruptive tactics to lose its right to engage in collective bargaining for a period of one year, and an employee who participates in such activity to lose his seniority and any benefits based on seniority for the period in which he is on strike. Hopefully, if employees themselves are affected by their unlawful conduct, they will decide that engaging in prohibited activity is not worth the loss of benefits.

Because of the impact of a strike on patient care is the same at all health care institutions, the protections afforded by any bill should be extended to all nongovernmental health care institutions, including proprietary hospitals, convalescent hospitals, nursing homes, extended care facilities, and institutions devoted to the care of the aged.

PROVISION FOR CONTRACTORS

What provision should be made for contractors doing business both at institutions and with institutions? Coverage of the first group is obviously needed. If a union can effectively shut down an operation at a health care institution solely because that operation is not owned by the institution itself, the protections afforded by proposed Acts are meaningless. Every major health care institution today has at least one operation which is performed by a subcontractor. These range from food services and maintenance to such specialties as pharmacy and payroll, and the trend is definitely toward even greater subcontracting of specialties. If the institution cannot provide a key service, whether food or payroll, it will soon cease to function. Even if replacements can be found, it may take days, perhaps weeks, to get them. In the meantime, the juggling of supervisors and other employees to perform these duties must come at the expense of patient care. Accordingly, we proposed that subcontractors performing work at such institutions be given the same protection granted health care institutions.

The treatment afforded subcontractors and suppliers doing business with a health care institution is only slightly better. While the secondary boycott provision of the present Act prohibits such boycotts, it does not contain procedures for the expeditious issuance of a temporary restraining order and a preliminary injunction against such activity. It makes little difference to the health care institution that it is not receiving essential services because a subcontractor, rather than the institution itself, is faced with a strike, and is unable to operate. Consequently, such subcontractors, insofar as they are victims of secondary boycotts directed toward health care facilities, should be afforded the same protection and remedies as the health care institutions themselves. This proposal would not protect a health care institution from the loss of essential services resulting from a strike by the subcontractor's employees regarding the terms and conditions of their own employment. It is hoped that in this latter situation the union might be amenable to providing services to the institution despite the strike.

ALTERNATIVES TO STRIKING

The right to strike must be substituted by some procedure to insure that legitimate employee grievances are settled. These procedures will depend on whether an amendment would impose an absolute or limited prohibition on the right to strike. If a limited right to strike is given, then the bill should contain: 1. an extended step procedure, consisting of fact finding, voluntary arbitration, final offer vote, and a strike vote, and 2. the right of a state or federal agency to obtain an injunction against the strike if it affects the safety or health of the community in which the institution is located. Because it is our view that all strikes are inconsistent with the moral mandate imposed on a health care institution to continue operations for the benefit of the ill and suffering, we believe there should exist an absolute prohibition against strikes. If an absolute prohibition is adopted, then the only acceptable solution for settlement of disputes is the one that provides for the peaceful, final and binding resolution of all disputes. Since a large number of small health care institutions are unable to engage in any complex and costly procedure for the resolution of strikes, any mechanism adopted must be relatively simple to administer and adaptable to all disputes. While we are receptive to any procedures that accomplish the above objective we propose the following language which we believe might be acceptable to Congress, labor unions, and the hospital:

"A representative designated or selected for the purposes of collective bargaining by the majority of employees in appropriate unit of a health care institution shall negotiate with such health care institution an agreement requiring, without recourse to economic pressure by either party the final and binding resolution of all disputes involving the formulation of a collective bargaining agreement and the interpretation or application of the terms of such. In the event that the parties are unable to reach an accord within a reasonable length of time, either party, or the United States Department of Labor, may petition the district court of the United States for the district where the health care institution is located to provide a method of resolution of such disputes which should be effective immediately and which will continue in force unless and until the parties provide an alternate method."

Any proposed bill also must: provide against the fragmentation of bargaining units; declare that the subject of assignment and scheduling shall not be mandatory subjects of bargaining and restrict organizational activity within the confines of hospitals' property.

CONCLUSION

It is our opinion that no legislation should be enacted which would place nonprofit hospitals under the Taft-Hartley Act until an extensive investigation has been conducted on the possible impact of such changes on patient care. If after such a study, Congress concludes that nonprofit hospitals should be included within the Act, we recommend that the Act be further amended to provide protection against strikes and other disruptive activities.

DEFENSE OF CIVIL SERVICE PERSONNEL

Mr. MOSS. Mr. President, it is an occasional pastime of critics of the Federal Government to take cheap pot shots at the bureaucracy often by quoting some disgruntled civil servant with real or imagined complaints about his employment.

But one rarely hears about the millions of dedicated Government employees who are day after day, year after year, doing their level best to do an honest day's work in the service of their country.

And, contrary to some popular opinion, Government agencies can get things done. I need only to remind you here of the magnificent achievements of the National Aeronautics and Space Administration—a Federal Government bureaucracy—in the recent astounding success of our Skylab program. It was dedicated civil servants, sometimes working virtually around the clock, that turned that program from a possible costly failure into a spectacular success. And do not forget, it was Federal employees, working in harness with men and women in industry and universities, that put men on the moon and brought them back. That is something of which we should all be proud.

Mr. President, Bernard Rosen, Executive Director of the Civil Service Commission, recently wrote a letter to the Washington Star-News praising the countless civil servants "in agency after agency who daily evidence their continuing commitment to serving the American people with quiet competence and honesty." I ask unanimous consent that his letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. CIVIL SERVICE COMMISSION,
Washington, D.C., February 27, 1974.

TO THE EDITOR,
Washington Star-News,
Washington, D.C.

DEAR SIR: Your series on "The Bureaucrats" was a disappointment.

I cannot conceive of what criteria the writer used for selecting the small sampling of Federal employees to spotlight in the series. But the resulting portraits of a work force of scared, spiritless, security-obsessed, time-serving drones just does not square with the character of the people in the Federal service I have observed in Washington and hundreds of Federal establishments throughout the country during my career.

A custodial worker and 20 nurses understandably concerned about their work being contracted out, a disenchanted poverty program worker, an opportunist systems specialist, and a former claims examiner who realized too late that he retired too early are representative of the 300,000 civil servants in the Washington area or their more than 2,000,000 colleagues throughout the country.

In these few cases, I fail to find a basis for concluding that a "malaise" or "winter of discontent" prevail in the career service. There are, of course, bound to be some unmotivated people in a work force of the size of the Federal service—but they are a small percent of the total.

More typical of the Federal work force, I think, are the air traffic controllers, revenue agents, customs, inspectors, social security claims examiners, and able and hardworking employees in hundreds of other occupations who go about thier duties every day as responsible professionals and concerned taxpayers. Or the staff of NASA specialists under Jack Kinzler who almost overnight fashioned the space shield that saved the multi-billion-dollar Skylab mission. Or the 112,000 men and women cited for performing way beyond what could reasonably be expected of them and thus brought an extra $119 million in measureable benefits to the Government last fiscal year. Or the countless others I could cite in agency after agency who daily evidence their continuing commitment to serving the American people with quite competence and honesty.

The Star-News, in my view, missed an opportunity to perform a real public service in reporting on the career civil service as it is, rather than how a few isolated cases of individual disappointment and disenchantment make it seem to be.

Sincerely yours,

BERNARD ROSEN,
Executive Director.

BANNING POLITICAL ENCLOSURES WITH SOCIAL SECURITY CHECKS

Mr. CHURCH. Mr. President, during the past 20 years it has been the custom of Republican and Democratic administrations alike to include announcements with social security benefit increases.

These notices generally suggest that a particular boost in benefits is the result of action taken by the President.

The most recent example occurred this month when an announcement was included with the 7-percent social security increase. That notice said:

> This check includes the first part of the benefit increase which Congress recently passed and the President signed into law. The increase, generally amounting to 11 percent, is being paid in two steps. The first part—7 percent—is included in this check. The second part will be included in the July 3 checks.
>
> You do not have to take any action to get the increase in July. It will be included in your Social Security check automatically.

This practice of making reference to the President or the Congress, it seems to me, serves no useful purpose.

Social security is simply too important to be demeaned in this fashion.

It is a program which now affects almost every family in the United States in one form or another.

For this reason, it is absolutely essential to maintain the integrity of social security and to insure that it is never used for partisan purposes.

On March 11, I introduced legislation—the Social Security Administration Act, S. 3143—which is designed to immunize the program from efforts to politicize it.

Of major importance, S. 3143 would prohibit the mailing of notices which make any reference whatsoever to public officials. This measure would not—and I want to underscore this point—preclude the mailing of notices for legitimate informational purposes by the Social Security Administration.

This proposal has already generated strong support in the Senate and the House. And, I am hopeful that it will soon be enacted into law.

A recent column by Jack Anderson discusses how such announcements can create misleading, erroneous, or partisan impressions.

His article provides further support for legislation to prohibit political enclosures with social security checks.

Mr. President, I commend this news item to my colleagues, and ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

POLITICAL BENEFITS

When it comes to taking credit for increases in Social Security, President Nixon reaps even where he has not sown. For the fourth time in his administration, a note to accompany April checks will tell the nation's 28 million recipients that Mr. Nixon signed the new bill.

What the President failed to tell them was that he has consistently opposed the increases, mainly on grounds they are inflationary. Actually, the practice isn't new. President Eisenhower started it all back in 1954.

But just because it's a tradition doesn't mean it has the respect of Sen. Frank Church (D-Idaho), chairman of the Special Aging Committee. He is trying to write a ban on the political enclosures into a new Social Security law.

THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, I believe that there are three principal reasons for the U.S. Senate to give its advice and consent to the Genocide Convention.

First, the treaty seeks to outlaw a crime that is repugnant to all Americans. We should not pass up any opportunity to affirm our support for principles of international law in which we strongly believe. Historically, we have been committed to the protection of human rights and this treaty is merely a logical extension of our commitment.

Second, our failure to ratify the treaty has proven to be a matter of great embarrassment to our diplomatic personnel. Two former Ambassadors to the United Nations, Arthur Goldberg and Charles Yost, testified before the Subcommittee on Foreign Relations that their job would have been much easier if we had ratified the treaty.

Third, without our support, the development of international law in this important field of human rights will be hindered. International law is dependent upon the consensus of the international community. Without the participation of a major superpower, such as the United States, little progress can be made. While this treaty will not produce miracles, ratification will place us in a better position to object to genocide in other parts of the world. As I pointed out last summer, State Department officers have commented that we would have been in a better position to protest the genocide that occurred in Burundi if we had been a member of this accord. Without the treaty, however, our protests looked feeble and hypocritical.

Mr. President, we have delayed action on the Genocide Treaty far too long. It is imperative that we ratify this humanitarian treaty now.

DAIRY FARMERS DESERVE BETTER

Mr. DOLE. Mr. President, these are difficult days for the Nation's dairy farmers. Many of them are going out of business at a time when the Nation needs more dairy products. Today in Kansas, for example, there are 10,000 fewer dairy cows than there were last year, and there are now 22,000 fewer cows than there were just 2 years ago.

Feed costs have been going up sharply. Taxes have been increasing. Gasoline and other fuels along with fertilizers, wages, and the other fixed costs of this form of highly capitalized livestock production enterprise are rising dramatically. In short, inflation is hurting many dairy producers.

Yet, in spite of the existence of these problems and in spite of the awareness of these problems by many persons involved in public life today, there seems to be little sympathetic response to those problems from Washington.

Why?

A basic reason is because m-i-l-k has become a four-letter word in Washington politics.

Almost daily the Nation's media carry a story about campaign gifts, about antitrust suits, about farm organization litigation, about bulging political kitties held by dairy co-ops, about indictments, and grand jury testimony.

Is it any wonder that many public officials, the press, and the public at large, question whether there is any national good involved in advocacy for higher Government supports on manufacturing milk, for greater restrictions on imported dairy products, and for higher prices to be fixed under Federal milk orders?

ULTIMATE DANGER TO CONSUMER

While such reactions may be understandable, such actions are dangerous to the well-being of millions of American consumers and unfair to thousands of dairly farmers.

It is becoming more and more difficult to support the legitimate welfare of our dairy industry in the current Washington climate without creating the impression that such support is a direct result of generous political contributions.

DAIRY PROGRAMS DESERVE SUPPORT

I believe that notwithstanding such difficulties, real or imagined, dairy farmers need help.

That is why I sponsored the amendment to last year's farm bill to increase the manufacturing milk support level from 75 to 80 percent of parity, the level which is currently in effect.

That is why I have opposed and will continue to oppose price controls on dairy products and excessive dairy imports.

That is why I support efforts to provide the necessary incentives for dairy farmers to produce and market milk efficiently and profitably.

Unless we provide proper incentives to our dairy farmers, milk production will continue to drop and our consumers will suffer the results of this neglect. Consumers deserve an ample, convenient supply of top quality milk and dairy products.

I shall continue to support those dairy proposals which, in my opinion, are in the best interest of dairy farmers in Kansas and the Nation, as well as in the interest of the consumer.

Put simply, this great industry and those who make it so are much too important to allow it to suffer unjustly because of inference and innuendo concerning political campaign practices. I am confident that leaders of the dairy industry will take whatever corrective action necessary in this area.

MEDICARE AND THE PROPOSED COMPREHENSIVE HEALTH INSURANCE PLAN

Mr. MUSKIE. Mr. President, the Senate Committee on Aging's Subcommittee on Health of the Elderly, of which I am chairman, held hearings on March 12 and 13 to examine the effect of the administration's proposed new comprehensive health insurance plan—CHIP—on health care for older Americans. That plan is only one of the national health insurance proposals Congress will be examining this year, and our hearing addressed only some of the questions that must be answered in this evaluation process. But the information we did receive suggested that the administration plan would not meet the needs of the elderly.

Our hearings showed that although CHIP would offer some improvements over earlier proposals, it would create an unwieldy and perhaps unworkable apparatus which would impose increased health care costs on most elderly Americans while failing to guarantee needed improvements in the kinds of health care they receive. The increased costs would come in the form of "cost sharing"—in other words, higher deductibles and coinsurance. And the benefit increases included in the plan, while helpful to some of the elderly, would still not cover many of the health needs of most of our senior citizens.

The testimony of Nelson Cruikshank, president of the National Council of Senior Citizens, summed up CHIP very well by saying it seems to "take a lot from a great many in order to give a few people very little."

The witnesses who testified at our hearing were most concerned about the additional cost-sharing charges that would be imposed on medicare beneficiaries, particularly the 20-percent coinsurance charges at the beginning of a hospital stay. CHIP would provide coverage of hospital and medical costs combined, but with a deductible of $100, plus a coinsurance charge of 20 percent. Under the administration's proposal, out-of-pocket hospital charges to patients for an average hospital stay of 12 days at $110 per day, for example, could rise from the current $84 to $342. Thus, out-of-pocket health costs for many of the elderly would be increased beyond their already high levels.

Secretary Caspar Weinberger of the Department of Health, Education, and Welfare, who testified before the subcommittee in defense of the administration plan, justified this increased cost sharing by saying it would bring about "cost consciousness" on the part of the patient and cut down on "overutilization" of health care services. But we examined that same argument last year in hearings on the administration's previous proposal to increase medicare charges. And we found that evidence available at that time suggested that cost-consciousness would only decrease utilization when it put health care beyond the financial reach of the patient. Secretary Weinberger produced no new evidence to dispute that conclusion, and our other witnesses persuasively challenged his argument.

One witness, Melvin Glasser of the United Auto Workers, pointed out the basic weakness of the cost sharing argument. He said:

> These claims ignore the basic fact that approximately 80 percent of all health care costs are controlled today by physicians, not consumers. They place people in hospitals and nursing homes and discharge them; they order prescription drugs and no one else can. Further, it is exceedingly naive to suggest that consumers have free choice to shop among physicians or hospitals to choose the best at the lowest price. Those who make such assertions have not tried to do so.

Representatives from the American Association of Retired Persons-Retired Teachers Association—AARP–RTA—also addressed this issue and said that the "overworked contention" that rising health costs are due to overutilization is a myth. They said the administration's bill would probably exacerbate the problem of rising costs because it leaves reimbursement procedures and standards to the uncontrolled discretion of the Secretary and the States.

Although CHIP has no built-in provision for controlling rising costs, it does have built-in provisions for increased charges and for increasing these charges as costs rise. The AARP–RTA witnesses also gave useful testimony about their own health insurance proposal.

So our hearings showed that the increased cost-sharing provisions under CHIP would raise the out-of-pocket health costs for many of the elderly compared to medicare as it exists today. This conclusion alone indicates that the administration plan would be a step backward.

Our witnesses were also concerned about the provisions of CHIP relating to the low-income elderly. For those who qualify under an income test, CHIP would provide a system of lower cost-sharing charges. This would replace the current system where medicaid is used as a supplement to medicare for the needy aged, since medicaid would be abolished except for a residual long-term care program. And even though the administration plan would reduce charges for the low-income aged, it is likely that CHIP would be more costly for many of them compared with medicare supplemented by medicaid.

For example, CHIP would include a 10-percent coinsurance charge for persons with incomes of $1,749 or less. All of the proposed charges and income categories are given in the following table:

COST-SHARING FOR MEDICARE BENEFICIARIES UNDER COMPREHENSIVE HEALTH INSURANCE PLAN (PER PERSON)

Annual income (single person)	Premium	Deductible		Coinsurance (percent)	Maximum liability (exclusive of premium)
		Drugs	Other		
I. 0 to $1,749	0	0	0	10	6 percent of income (to $105).
II. $1,750 to $3,499	0	$25	$50	15	9 percent of income (to $315).
III. $3,500 to $5,249	[1] $90	50	100	20	12 percent of income (to $630).
IV. $5,250 to $6,999	90	50	100	20	$750.
V. $7,000 plus	90	50	100	20	$750.

[1] Estimated by Administration.

Persons in income categories I and II—with incomes up to $3,499—are now eligible for medicaid, which not only covers almost all costs including medicare charges, but in many States also provides for coverage of items such as hearing aids and eyeglasses. These items will not be covered under the new proposal.

HEW Secretary Caspar W. Weinberger suggested the answer to that comparison in his testimony that—

> The loss of some benefits by some current Medicaid eligibles is inevitable.

He explained that—

> Services which are currently covered under many State Medicaid programs but which will not be covered under CHIP or the residual Medicaid program includes dentures, adult dental services, hearing aids and eyeglasses for adults.

While the Secretary added that he believes that the States will continue to provide these services, he gave no indication that the Federal Government would continue to provide States with funds for these benefits—and it is unlikely that the States could make up the difference from their own revenues.

Nelson Cruikshank made another important point about the low-income assistance provisions of CHIP—that it would change the nature of the medicare program:

> The main reason for the enactment of Medicare was to give to the elderly, most of whom are retired, the same basic protection against the costs of illness and the indignity of a means test that was enjoyed by most people in the working age group. The Nixon proposal flies in the face of this insurance concept and in its place offers certain protections which rest on proof of low income. Thus it would substitute the principle of welfare for the sound and proven principle of social insurance with entitlement as a right based on contributions made during the beneficiary's working years.

In addition to the cost-sharing and low-income provisions, CHIP includes some improvements in medicare: coverage of catastrophic illness, coverage of out-of-hospital prescription drugs, and an improved mental health coverage. While these improvements are worthwhile, our witnesses pointed out that they would not provide a great deal of benefit for most of the elderly.

Catastrophic hospital and medical coverage under CHIP would provide protection against large health costs only after initial payment of deductibles and coinsurance charges. But there is no provision for coverage of catastrophic illnesses that require long-term care in a skilled nursing home, an intermediate care facility, or in the home. The catastrophic provisions are needed, but they would give additional help only to a small number of the elderly compared to present medicare coverage.

CHIP would also provide some coverage of out-of-hospital prescription drugs, an improvement in medicare which is long overdue. But the value of the proposed coverage is limited by the imposition of a $50 per person deductible, and by coinsurance charges. And it was not clear how this benefit would be administered.

CHIP would also change medicare's coverage of mental health. CHIP would cover 30 days of hospitalization or 60 days of partial hospitalization, instead of the present medicare lifetime limit of 190 hospital days. This would adversely affect those elderly persons who suffer a mental illness requiring long hospitalization. But on an outpatient basis, CHIP would provide 30 visits to a comprehensive community care center or not over 15 visits to a private practitioner. This is some improvement over the present dollar limit for doctor visits of $250 per year.

Some existing medicare benefits, however, would be reduced. Home care coverage, in fact, would be reduced from the present 200 visits under medicare parts A and B to only 100 visits under CHIP, and a coinsurance charge would be added. Posthospital extended care would be limited to 100 days per year as compared to the present provision of 100 days per benefit period or "spell of illness," under which it is now possible to have more than one benefit period a year. In general, long-term care outside of a hospital is left to a residual medicaid program which would benefit only the low-income aged.

In addition, the administration of the program raises many problems, including its implementaton by the States. If some States do not choose to pass enabling legislation, there could be two medicare programs—an "old" medicare program in one State and a "new" medicare program in another. Aged persons who moved from State to State might find their eligibility rights changed or even questioned. Witnesses from the AARP even suggested that this would raise constitutional questions.

Mr. President, the testimony which I received at these 2 days of hearings has convinced me that the administration's proposal will not adequately improve medicare. Although the current medicare program now pays for only 40 percent of an aged person's health bill, it does provide important protection for the aged—particularly for short-term hospital stays. This protection must not be diluted by the imposition of added charges which will shift an even higher proportion of health costs to retirement incomes.

And the differences and inequities now existing in the Federal-State medicaid program would not be improved by uniformly reducing the number of health services which would receive Federal funds. To the needy aged who now receive dental care and eyeglasses and other health aids from medicaid, these services mean, in the words of one of our witnesses, the differences between a "decent life and a living death."

We certainly cannot expect immediately to legislate a program which will take care of all the deficiencies in our medicare and medicaid programs, but the administration's proposal not only provides little improvement but would worsen health coverage for many elderly Americans. This renders invalid any claim for overall superior coverage by this proposal.

GROWING TYRANNY OF GOVERNMENT PAPERWORK

Mr. COTTON. Mr. President, my friend and able colleague, the distinguished Senator from New Hampshire, Mr. McIntyre, has long been active in the field of small business, making full use of the staff and facilities of his Select Small Business Subcommittee to develop the facts and devise remedies for many of the problems and harassments that handicap that backbone of America—the small businessman. Senator McIntyre has his full share of that rare commodity which we in New England call commonsense and he hates redtape. He has been more and more incensed as extensive hearings which he has conducted reveal that each year the Federal Government generates enough paperwork "to fill Yankee Stadium from the playing field to the top of the stands 51 times."

In the April issue of Reader's Digest Senator McIntyre has written a challenging article on the ever-mounting piles of Government paperwork that are smothering small business. The shocking facts he so pungently presents merit the attention of every Member of Congress, and I ask unanimous consent that it be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the April Reader's Digest]

The Growing Tyranny of Government Paperwork

(By Senator Thomas McIntyre)

In Franklin County, North Carolina, the owner of a small grocery store-service station picks up his mail and snorts in disgust: "More damn forms for Uncle Sam!" By the end of April, he and his wife will have had to fill out 39 government reports since the first of the year—more than two a week. They include, of course, the federal income-tax return (complete with schedules A, C, F and SE).

But there are dozens of others. For the Department of Agriculture, a list of prices charged farmers for supplies and services. For the Census Bureau, a detailed breakdown of cash and credit sales. For the Labor Department, an "Occupational Injuries and Illness Survey." Putting in long hours compiling what he considers useless information, the young businessman is angry. "Who am I working for—me or some bureaucrat?"

Frustrated and embittered, he is not alone. Down the road, a farmer must fill out forms giving the Bureau of Labor Statistics the same data he has already provided to the Internal Revenue Service. Additionally, the Labor Department wants a "Report on Occupational Employment"; Agriculture has to know the price of everything from seed to tractor fuel; and the Census Bureau demands a detailed analysis of his fertilizer. "I'm supposed to be a farmer," he says wearily, "not some kind of professional record-keeper."

As these examples demonstrate, federal paperwork is mushrooming wildly. Each year, Washington generates more than two billion pieces of paper—ten different forms for every man, woman and child in the country and enough to fill Yankee Stadium from the playing field to the top of the stands 51 times. It costs taxpayers $18 billion to print, sort and file those two billion forms. And it costs businessmen another $18 billion to fill out and return them. What we are talking about then is $36 billion.

Over the past two years, the Senate Select Small Business Subcommittee, of which I am chairman, has held extensive hearings on what the Chicago *Tribune* calls "strangulation in triplicate." Witness after witness echoed the sentiments of Edwin Chertok, president of a Laconia, N.H., furniture store: "Small businessmen are being buried in a landslide of paperwork. For many, paper pollution will spell disaster and force them out of business."

The fact is that needless and duplicative paperwork is diverting small businessmen from their primary function: serving the public, providing jobs, making profits, paying taxes. Thus, a Tennessee contractor writes that his firm must spend "one fourth of its management effort producing mostly worthless documents to further inundate government files." The owners of a small New England restaurant that grossed $30,000 had to pay a certified public accountant $820 last year to fill out 52 federal forms and reports, work that only a professional could hope to complete accurately.

The owner of a small New Hampshire print shop told me: "It's just not worth it. Coming in every Saturday and Sunday to fill out forms for Washington. We're ready to chuck it." And when he does, six more people will be out of work. Subcommittee investigators have heard dozens of similar victims of government paperwork. Frustrated by red tape and petty regulations, an Iowa poultryman tells me that he shut down his $250,000-a-year operation. And the president of a small Midwest feeder airline laid off 80 of his 85 employees.

One does not have to be a professional economist to see that the federal paperwork burden is sapping the strength of our economy. Equally dismaying, however, is the wedge that red tape drives between government and its people.

Consider the case of Al Rock, general manager of a small 5000-watt radio station in Nashua, N.H. Federal Communications Commission regulations place on him the same burden they do on a multi-million-dollar radio outlet in New York or Los Angeles. Thus, when the station's license came up for renewal Rock and another full-time employe had to spend four months filling out a 45-pound application, and personally interviewing 100 people. Rock also had to provide a minute-by-minute analysis of a typical week's programming. "I don't object to re-applying for a license," he says. "But don't you think we could provide better service to the community if we weren't bogged down with trivia like this?" I cannot disagree.

There is hardly a federal department or agency that is not guilty of excessive paperwork demands. But the biggest offender is the Internal Revenue Service—with 13,745 different forms and form letters. The secretary-treasurer of an engineering company in Amesbury, Mass., was typical of dozens of witnesses before our subcommittee: "We find it impossible to keep up with everchanging rules and regulations concerning taxes and filing requirements. We are by no means unique, but we have to make 70 filings or payments a year—some weekly, some quarterly, some annually."

Year after year, these reports increase. The IRS *Tax Guide for Small Business* takes 24 hours to read and digest. In 1970, it listed 30 forms that most businessmen had to fill out; this year that number reached 85. For millions of businessmen these forms are gobbledygook. As the IRS itself admits, "A taxpayer will probably have to read at the level of the average college graduate to be able to comprehend all the tax instructions." Moreover, there is considerable evidence that not even IRS employes can fathom the instructions. A *Wall Street Journal* reporter, posing as a businessman, visited five different IRS offices to ask advice on his taxes. Result: five widely divergent verdicts on what he owed.

We in Congress must share the blame for saddling the nation's small businessmen with onerous forms and reports, however. In our desire to improve the health, education and welfare of our fellow citizens, we pass high-sounding bill after high-sounding bill—from the truth in Lending Act to the Clean Poultry Act to the Consumer Products Safety Act. Rarely do we pause to consider the ramifications of our legislation.

The Occupational Health and Safety Act, enacted with noble purpose, is an example. Few of us who passed that bill realized that we were giving federal bureaucrats the power to hand down sweeping, often unintelligible, regulations. Sample: "Exit is that portion of a means of egress which is separated from all other spaces of the building or structure by construction or equipment as required in this subpart to provide a protected way of travel to the exit discharge." A Chicago businessman was forced to pay outside consultants $1,800 to interpret such regulations, and even they were unsure. And throughout the country thousands of general contractors have learned they will have to spend $6,000 for a complete set of government guidelines spelling out their responsibilities under the new act. The accumulated documents stacked one on top of another reach 17 feet high!

No one seriously suggests the elimination of all government paperwork. But we can reduce waste, duplication and complexity. Congress recognized this more than three decades ago. In 1942, it passed the Federal Reports Act, directing the Bureau of the Budget (now the Office of Management and Budget—OMB) to conduct a continuing program to coordinate and eliminate repetitive and outdated forms.

The Act has simply been ignored. If a contractor works for five different government agencies, he must submit to all five detailed reports demonstrating compliance with the Equal Employment Opportunity statute. That law has been on the books since 1964. But the government has yet to provide businessmen the first system for coordinating reports to these agencies.

After lengthy hearings, I have drafted legislation to deal with the paperwork crisis. One bill, S. 1812, would take away from OMB the job of administering the Federal Reports Act, and give it to the General Accounting Office, the Congressional watchdog that monitors government spending. It would also bring the now-exempt IRS under the Reports Act. This is necessary because the IRS has adamantly refused to take steps to cut down on paperwork. IRS form 941—which employers must fill out quarterly to report their income tax and Social Security withholding—is a case in point. Another bill I have introduced, S. 2445, would replace these quarterly filings with an annual system, eliminating some 12 million unneeded forms each year. This simple step would save business and government hundreds of millions of dollars a year.

A third bill, S. 200, would force Congress to take the lead in battling federal red tape. As one businessman told our subcommittee: "Congress should see to it that no bill is reported to the floor for action unless there has been full consideration in committee of the paperwork burden it would cause." S. 200 would do just that—and none too soon. By the OMB's own conservative estimate, the reporting burden that government imposes on its citizens increased 23 percent in one recent nine-month period. At that rate, paperwork will double in less than three years and quadruple in five.

Passage of these bills will do more than hack away at the mountains of government paper. It will, for the first time in three decades, ally Congress *with* the people and *against* the faceless bureaucrats who are making their lives miserable. It's about time.

TO BETTER THE LIFE OF OUR CITIZENS

Mr. MOSS. Mr. President, in these days of inflated prices before which even the rich are beginning to quail, something must be done for those elderly and disabled persons who live on fixed incomes.

There is a thoughtful editorial on this subject in the April 6 issue of Saturday Review World and I ask unanimous consent that the editorial be printed in the Record for the benefit of the Senate.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

A New Look at Welfare

To most Americans *welfare* is a dirty word. It connotes wangling and weaseling for public dollars. It has been made to seem that our welfare system is somehow at odds with the national character. This attitude unquestionably reflects the American tradition—in most respects a sound one—that people should look after themselves. We tend, however, to take a stereotyped view of welfare as a system in which lazy loafers who refuse to work are supported by those who do. Naturally, everyone dislikes paying hard-earned money for taxes that maintain spurious projects.

Europeans, from the time of Bismarck in the mid-nineteenth century, have accepted the ultimate responsibility of the State for the well-being of its people. Americans, I believe, see the magnitude and complexity of the welfare problem, but many tend to look at welfare astigmatically, distortedly—from one side only.

Like everyone else, I naturally oppose giving welfare to those who don't need it and to those who refuse to work. With 25 million Americans living below the officials "poverty level," and unemployment at 5.2 percent in January and going up—it is not surprising that at last report, 14,700,000 Americans were receiving $1,782,000,000 a month in welfare. Of those, however, 73 percent comprised the aged, the infirm, and dependent children. But I also question severely the easy assumption that many able-bodied people prefer idleness to work. A few years ago this question was investigated thoroughly by a blue-ribbon Commission on Income Maintenance Programs, chaired by a hard-headed Chicago industrialist, Ben Heineman. The Heineman panel concluded that people do work if the opportunity is available. Apart from the few unfortunate misfits of modern society, when able-bodied people are not working, the reason is usually that they cannot find a job.

Cheating is reprehensible, particularly when it's done with public money. However, there is, I believe, a tendency to magnify cheating on welfare. Even though businessmen occasionally cheat on taxes, no one is advocating abolition of the free-enterprise system. Let's eliminate the cheating—but not welfare.

I would like, therefore, to propose another way of looking at welfare. As we seek to improve it, why can't we view it with pride as we would our local United Givers Fund or any other community undertaking that enlists our social zeal? Why don't we think in terms of the indispensable role welfare plays in helping the elderly couple around the corner who have lost their pension through no fault of their own or the mother whose husband has died and who has children to support? Why do we always have to look at it in terms of cheaters? Why can't we take deep satisfaction in being citizens of a country that is compassionately concerned for its people?

Certainly, we must tighten up the regulations. At the same time, however, we must devise a better way than now exists for helping those who *need* help. Setting national standards for welfare levels and for competence in administration is one example. Providing aid to the working poor is another, and it is long overdue. Many who work a full week just don't earn enough to support their families.

It is to President Nixon's credit that early in his first administration he launched a far-reaching welfare-reform program called the Family Assistance Plan. The Committee for Economic Development, a top-level business group, strongly supported the program. The plan provided a $2400 minimum for a family of four, a figure which at that time was exceeded only in the wealthy states. The plan also provided for aid to the working poor. The program passed the House but was defeated by deep-seated opposition in the Senate Banking and Currency Committee. Why? Partly over disagreement on the legitimate issue of work incentives but also because the plan suffered for want of sustained White House interest. One can only hope that the recent introduction of the Federal Supplemental Security Income Program for establishing an income floor for the aged and disabled presages a new interest in welfare by the administration.

Like national defense, welfare should be a matter beyond party. Politics and human suffering don't go together. Welfare is not the beginning but the end of efforts to better the lot of our citizens. We must start with full-employment efforts, an adequate minimum wage, unemployment and health insurance, and social security—which are not gifts but come largely from contributions by employers and employees.

At the same time, let's also decide as a nation that we intend to do the right thing by those who—after all these assists—still need help. And let's decide that in extending such help, we will be generous and will not wince if it's called welfare.—George C. McGhee.

GROWING WITH AGE

Mr. CHURCH. Mr. President, the Senate Committee on Aging must, of necessity, pay close attention to economic problems affecting older Americans. Issues such as inflation and problems related to health care deserve—and receive—committee concern and action.

The committee must also be aware of attitudes toward aging, especially when those attitudes affect public policy and the well-being of aged and aging persons. For example, age discrimination in employment still persists despite a law dating back to 1967 and solid evidence that older workers can be invaluable to employers.

Attitudes also play a major role in the individual's own feeling of self-worth as the years go by. For women, in particular, the later years of life often bring new evaluations of her role in life. As a person whose offspring now may have youngsters of their own, a woman may begin to think about resuming or beginning a career; or she may simply question the role in life she has maintained through middle age. This questioning can be healthy; often, however, it is blighted in the judgment—by herself or by others—that she's "too old" for new beginnings.

An article in the March 31 Washington Post by Sharon Curtin, the author of "Nobody Ever Died of Old Age" discusses the impact of aging among women and makes several important points. She reports:

> The older women (in our society) in particular, have been considered a less than human creature, a figure both gray and fuzzy around the edges. If young women were forced into an acceptance of second-class citizenship, old women were forced to fade completely out of the picture. Now it is as if older women are just beginning to become visible as active and respected members of their communities.

The article discusses the work of Maggie Kuhn and others now working toward growth in old age, rather than submergence. Such encouraging developments deserve recognition, and I ask unanimous consent that the article be printed in this Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the Washington Post, Mar. 31, 1974]

Continuing To Grow With Old Age

(By Sharon Curtin)

Simone de Beauvoir once wrote that she had "never met a single woman, either in life or in books, who viewed her old age cheerfully."

The women's movement, through a process of education and continuing struggle, is beginning to change the way all women view themselves and each other. It seems possible that even though the physical process of aging is irreversible, older women need not accept the picture of themselves as useless, unattractive, dependent and devoid of intelligent thought. As we grow in understanding ourselves as women, we begin to change our view of all the stages of life.

Life has always been harder on the aging woman than on the young. Our culture reserves rewards and hopes for the youthful woman.

When you are 20, you may dream of a job, a career, the chance to become the kind of person you want to be; when you are old and dreams fade, you see only that the promises were false. In the early days of the women's movement, it sometimes seemed that liberation was possible for the young—that the questions we asked and the demands we made were pertinent only for women with their life before them. As the movement broadened, women began to understand that the problems cut across lines of age, race and class.

The predicament of the aging woman—from 40 on—is the product of a culture that provides her with few defenses as she grows older; the things, real and illusory, that sustained her during her earlier years are swept away. Usually a woman entering middle age gave up early career ambitions and married. Sometimes she held on to the idea that someday, after the children no longer need her, she could return to her original hopes for herself.

As the years pass, and she raises her children and copes with her marriage, it becomes ever clearer that early ambitions will not be realized. This loss of hope is accompanied by the fact that she has no training in keeping herself, her idea of self, alive.

As a woman ages she realizes how very difficult it is to change a lifelong degree of economic, intellectual and emotional poverty. Given so few resources when young, an impoverished old age becomes more likely.

THE DESPAIR OF MOTHERS

Women have suffered from the lack of opportunity to develop themselves, to learn skills and explore possibilities, to function, grow, have a career. We live in a social system which is increasingly forceful in forming the kind of person it requires to survive.

For a woman, the socially acceptable role has been one of renunciation. She is programed to give it all up for husband and children.

I sometimes think that the women's movement was born out of the despair of our mothers; we did not need to look far to find the result of a passive acquiescence in the roles designed for women.

For myself, as least, this is true. My mother always dreamed of a career as an artist; instead she had seven children and on her face I could see, if not bitterness, a sense of loss. During my early experiences in the women's movement I felt contemptuous of older women. This changed as understanding grew. The fruit of beginning to love ourselves is that we also learned to love and understand our mothers.

My mother is 60 years old. A few years ago, she decided to find a job. Although she would probably deny that she is in any way influenced by the women's movement, her ability to move out of the role of "housewife" is certainly an example of the impetus of the movement on women who are neither politically active nor particularly liberated. She feels comfortable working now and 10 years ago it would not have been possible.

She continues to change in hundreds of small ways and is continuing to benefit from the actions of her more militant sisters. Her new freedom also has made it possible for us to be closer, as together we begin to understand the importance of independence. At an age when most workers are thinking of retirement, my mother is just beginning to think of a career.

TOP OF THE CLASS

One woman refusing to accept the judgment that "you're too old for this" passes on the strength of her action to us all.

For example, I know a woman, 63 years old, who wanted to "better herself" by becoming a nurse. She was refused admission to her local community college on the grounds she was too old. No one told her she was too stupid or too weak or too unhealthy to do the academic and clinical work required; they just felt she was too old to enter a new profession and that education was better reserved for the young.

"It made my blood boil," she told me. "Here those people were, sitting at their desks, insisting that I wasn't capable of doing work I had done all my life—taking care of people. I wanted to learn how to do it better that's all. It wasn't that women haven't been doing the job always, it was just that I needed to grow a little. So I decided I must have some rights and I began agitating."

She wrote letters to local politicians, contacted the State Human Rights Commission, got recommendations from local people she had cared for in an informal capacity, had a complete physical checkup to make sure she could do the work. She was finally admitted to the nursing school and has completed her first semester at the top of her class.

There are millions of women like my friend and my mother, older women who are beginning to demand a chance to contribute more to their communities and the recognition and respect they deserve for the jobs they have always done.

The older woman (in our society) in particular has been considered a less than human creature a figure both gray and fuzzy around the edges. If young women were forced into an acceptance of second-class citizenship, old women were forced to fade completely out of the picture. Now it is as if older women are just beginning to become visible as active and respected members of their communities.

GRAY PANTHERS

In July, 1973, I met a woman who profoundly changed the way I view my own aging. Her name is Maggie Kuhn and she is a cofounder of the Gray Panthers, a national militant organization of older Americans. We were appearing before a Senate committee investigating health barriers to older Americans.

I was impressed by her energy, her intelligence, her beauty and her humor; so impressed, in fact, that after the meeting I gushed like a rock groupie. And Maggie looked me in the eye and told me I should know better, that she was not unusual.

"We have hundreds of members, most of them women, and all of them active, capable human beings. Don't think I'm special just because I happen to be here today. Women, particularly older women, have always provided the social conscience in the United States."

Maggie Kuhn is perfectly correct: I know many women like her. It is just that I was bogged down in a cultural attitude toward older women that is both ignorant and oppressive. It is easier to assume that someone like Maggie is extraordinary than it is to accept the fact that women, as they age, continue to be productive human beings. It is also easier not to accept older women as sisters, as if that would retard my own aging process.

As women develop a consciousness of their sisterhood, they begin to realize how harshly our society deals with the aging woman. For myself, this has meant an increasing awareness of the ways our society withdraws support from people as they grow older.

For example, every woman I talk to complains about the treatment she receives from the health professional. But older women suffer most of all; doctors are generally unresponsive to the health needs of the elder woman, refusing to help her understand her aging process and depreciating her complaints. The aging woman is a joke or a nuisance; she is caught between not wanting to be a whiner and a real need to understand what is going on with her body.

JUST ANOTHER STAGE

Now, perhaps, for the first time there is an increasing acceptance of the lifelong sensuality of human beings, and more women are discovering the job of being loving, feeling, active human beings throughout their entire life. I think this is one of the most important effects of the women's movement on older women.

As women change as individuals, they are beginning to move for changes in the larger society. The actions of women in groups such as Older Women's Liberation and the Gray Panthers are beginning to weaken the discriminatory social and economic structure that oppresses all old people.

They are active in the move to increase and equalize Social Security benefits. They want to see an end to the crazy patchwork of our private pension plan structure. They demand more and better employment opportunities for older women particularly women entering the job market after years of raising a famliy. In a society that is neither imaginative enough nor generous enough to provide full employment, women are promoting the idea of new careers in community service.

Of course, the struggle is just beginning. But women like Maggie Kuhn and the nursing student and my mother are providing an inspiration and an example. Someday we may be able to view our old age cheerfully and happily as just another stage.

PRESIDENT NIXON

Mr. FANNIN. Mr. President, the Nixon administration is under microscopic examination by the press, by the courts, and by the Congress.

President Nixon has provided extraordinary cooperation in providing documents and opening his files to the Special Prosecutor and to House investigators.

No other administration in the history of our country has laid itself open to such examination.

President Nixon has yielded a great deal—much more than the Constitution, our laws, or tradition would require.

He put his disputed income tax in the hands of the Internal Revenue Service and the Joint Committee on Internal Revenue Taxation. He agreed—at his own initiative—to abide by the decision of these bodies, and now he has ordered this enormous tax paid. Any other citizen of our Nation would have had the right, and almost certainly would have exercised the right, to carry the case through channels of appeal. Attorneys tell me that on appeal he might well have won reversal of committee and IRS decisions. These are, after all, not judicial bodies which made the calculations.

President Nixon felt that there was a need to settle this issue quickly even if it resulted in great cost to himself. So he sacrificed his constitutional rights, and the cost was high.

In reading the papers and watching

television, we are sometimes led to believe that our Government has been paralyzed and that the United States is in shambles.

There may be some hysteria here on Capitol Hill, but I do not believe that our Government is in chaos—not by any stretch of the imagination. One must wonder how some previous administrations might have reacted were they put in the fish bowl that the Nixon administration is in.

Despite the mighty effort being made to bring down the administration, President Nixon is continuing to give us strong and steady leadership.

The domestic programs he is proposing are sound. It is the Congress which is floundering through its attempts to pass legislation that would be extremely detrimental to our national future. It is the administration that has been providing sound counsel and has been acting as a backstop to provide stability in recent times of crisis.

During the recess in January it was my good fortune to visit some of the nations in the Mideast and North Africa. There I found almost universal admiration for President Nixon. The leaders of nations in this troubled part of the world told me they had great faith that President Nixon could bring a fair settlement of the Arab-Israeli dispute and that he was their hope to keep world peace.

Time after time we have seen President Nixon win the respect and cooperation of the leaders of other nations which have in the past been hostile to the United States.

It is a tragedy that this man who is so highly respected around the world should be treated with so much hostility in his own Capital.

President Nixon continues to have my support as he seeks to accomplish the great goals he has established for domestic prosperity and world peace.

THE RIGHT OF ALL CHILDREN TO LEARN: FOLLOW THROUGH APPROPRIATIONS MUST BE CONTINUED

Mr. HUMPHREY. Mr. President, I am happy to announce that I am joining in sponsoring an amendment which will restore $20 million to one of the most important children's programs that the Federal Government is involved in—the Follow Through program. I sincerely hope that a majority of my colleagues will see fit to support this proposed amendment to the supplemental appropriations bill so that this most worthy program will not be allowed to die.

The Follow Through program helps carry out one of the greatest responsibilities we have in this country—that of insuring adequate education of our youth. We have much to be proud of in our educational system. Our schools have turned out the brightest, most intelligent, and most well-informed generation in this Nation's history.

But we also have much to be ashamed of. Not everyone has had an equal chance to achieve success. Children from low-income families often have been failed in school because school programs are geared too often to achievement standards that reflect an entirely different socioeconomic context. These children from the inner city or Appalachia and other poor rural areas may have their own rich cultural backgrounds, yet they, in some cases, have been failed because those cultures are not those programed into their school curriculum. The children who are failed become disillusioned and that failure can predetermine their resignation to a life of poverty.

A major effort to correct all this was the Head Start project. It began to help disadvantaged children in preschool, the time of development when the child needs help the most and when it has its most favorable impact. Head Start has been an effective program, but one of its chief faults was that the schools were not attuned to the program, and the gains that the Head Start children made in preschool were lost when they entered the regular school program.

To help achieve an effective transition for these children after they enter the first grade, President Johnson first proposed the Follow Through program in his state of the Union message on January 10, 1967. He then requested $120 million under the Economic Opportunity Act in fiscal year 1968—funds to operate a large-scale Follow Through program for up to 200,000 children.

However, in the fall of 1967, before that legislation was enacted, it became known that OEO would receive substantially less than requested, and Follow Through, as a new program, would receive little, if any, funding. A decision was made by the Office of Economic Opportunity, Department of Health, Education, and Welfare, U.S. Office of Education, and the Bureau of the Budget that Follow Through, for the time being, should be an experimental program.

So, Follow Through became the Nation's largest educational experimental program. It obtained 22 program sponsors, mostly universities and experimental laboratories, each with an innovative approach to educating low-income children. In addition, there are 14 self-sponsored projects. Each local school system which receives a project grant agrees to work with one of these sponsors over a number of years in order to implement his approach. The local project managers also agree to be part of a national evaluation of the various approaches and of the program design as a whole.

President Nixon said that his administration's aim was to target educational programs to the children with the greatest needs. Follow Through is precisely such a program. But the President's rhetoric is not reality. Follow Through is on its way to being phased out. In 1971, a 5-year plan for a basic change in the direction of the Follow Through type programs was formulated in USOE. This plan called for the gradual phasing out of the federally administered Follow Through program itself on the grounds that it should not remain a service program indefinitely.

The plan provided for State education agencies to play a leading role in planning and working with local school systems, for the adoption and proliferation of Follow Through type programs. This plan was presented to chief State school officers, and an order was issued to enable State education agencies to apply for planning grants in the initial year of the plan. Five State education agencies were approved for such grants and received planning grants of approximately $50,000 each from fiscal year 1972 Follow Through funds. The States were Arkansas, California, Michigan, New Jersey, and North Carolina. It was further indicated that if the planning reports of these States were found to be acceptable, the Office of Education would follow the planning grants with operational grants to the State agencies, as well as make a new round of planning grants to an additional number of States.

After the five States had begun their planning, however, they were informed that the proliferation aspect of the 5-year-plan had been scrapped. Only the phaseout aspect of this plan for Follow Through remained in effect. There are now no plans or provisions for building on Follow Through to mount a large-scale service program.

A phaseout timetable similar to that in the 5-year-plan is now being implemented, with the entering grade—kindergarten or first grade, depending on the project—to be dropped in the 1974–75 school year. This is reflected in the reduced funding level for fiscal year 1974, which funds the 1974–75 school year. Each project must drop a grade a year so that after 4 years there will be no children in the program. This phaseout destroys the integrity of the program and its services. Therefore, it jeopardizes the evaluation. The program is in danger of being judged a failure because it was killed off prematurely.

This phaseout of Follow Through is another shortsighted action by this administration, another crucial social welfare program scrapped with the blame being laid to inflation. But this phaseout has far-reaching and potentially disastrous effects for the future. These children, because of their school failure, may later swell welfare rolls, may pick up criminal records, and most certainly will be on the lower end of the income ladder, as much in poverty as their parents.

And unless Congress takes favorable action on this supplemental appropriation amendment soon, the administration will indeed be able to carry through its proposed phaseout of the Follow Through program.

Mr. President, I urge that serious attention be given without delay to the critical need for the retention of the Follow Through program, in connection with the consideration of the supplemental appropriations amendment and other legislation pending in the Senate for the continuation of programs to combat poverty.

EARTH RESOURCES TECHNOLOGY SATELLITE

Mr. MOSS. Mr. President, I recently received a letter from Mr. Joe E. Steakley, president of the American Society of

Photogrammetry, setting forth concisely and cogently the arguments for continuing the earth resources technology program.

Last year, the four committees of Congress which review NASA's authorizations and appropriations disagreed with the administration's decision to allow a gap in this important program, and provided funds to assure continuity of ERTS data, which is becoming so important in resource inventory, conservation, the discovery of new energy sources, land management, ecology and environmental analysis.

The administration's budget for the next fiscal year does not provide for continuing that program. Because of the timeliness of President Steakley's letter, I ask unanimous consent that it be printed at the conclusion of my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

AMERICAN SOCIETY OF PHOTOGRAMMETRY,
Falls Church, Va., March 28, 1974.

Hon. FRANK E. MOSS,
Chairman, Committee on Aeronautical and Space Sciences, Russell Senate Office Building, Washington, D.C.

DEAR SENATOR MOSS: The American Society of Photogrammetry is concerned that there are no approved plans to continue the Earth Resources Technology Satellite (ERTS) Program beyond the second satellite, ERTS–B. We understand that ERTS–B will be launched in Fiscal Year 1975 and should provide earth resources data into 1976. The program will then have had continuity since July 1972, a span of about four years, which appears much too brief a period to analyze, evaluate, and apply this new technology. It falls considerably short of the 1980 U.S. census, when land use and demographic data would be most useful. Since approximately two years are required to prepare a satellite for launch, planning must start now to avoid a time gap after 1976.

It has taken ERTS–1 over a year to obtain cloud-free coverage of many areas. Only now, twenty months since launch, is repeated coverage becoming available. The considerable value of change detection, monitoring, and seasonal phenomena is becoming apparent. As the result of initial experiments, many government and industry groups are faced with decisions of redirecting effort and funding to apply this new tool. Many are unwilling to abandon existing techniques if ERTS data acquisition is temporary; they are willing, however, to apply ERTS data if assured that the program will continue for a reasonable time span.

The ERTS program promotes international benefit and good will. Canada has built a receiving station and, among other uses, is measuring forest fire damage and ocean ice movement in the far north. Brazil, also with a receiver, is preparing photomaps of the country. Iran has contracted for an evaluation of its natural resources and grazing lands using ERTS images. Maps of Antarctica are being prepared as part of international agreements. For the first time, photomosaics of the entire United States, including Alaska, are being made available.

The membership of the American Society of Photogrammetry includes significant representation from governments, manufacturers, educational institutions and the engineering and scientific communities. While final results and a complete analysis of the benefits of the ERT data are not yet available, we are convinced that continuation of the program at least through this decade is both necessary and justified.

While other experimental satellites may be launched to evaluate sensors, the value of systematic, continuous world-wide coverage can only be determined by ERTS. Information from this program is already finding increasing use in such vital areas as resource inventory, conservation, new energy sources, land management, ecology and environmental analysis.

We therefore believe that the national interest and American prestige abroad would best be served by early approval of plans for a continuation of the ERTS program. To this end we solicit your support of this position and such action as the Senate Committee on Aeronautical and Space Sciences may deem advisable.

Yours sincerely,
JOE E. STEAKLEY,
President.

THE EISENHOWER CONSORTIUM AND THE U.S. FOREST SERVICE

Mr. HANSEN. Mr. President, a couple of years ago, nine universities in the Rocky Mountain region, including the University of Wyoming, formed the Eisenhower Consortium for Western Environmental Forestry Research to pull together the many types of research experience and skill available in these institutions and to work toward solution of some of the environmental problems of this area.

The consortium has in the past received some funding assistance for research projects from the U.S. Forest Service, the Environmental Protection Agency, and the National Science Foundation. Consortium officials are seeking additional funds in the fiscal year 1975 budget for the U.S. Forest Service to extend and expand the valuable work in which participating institutions are engaged.

A brief background paper explaining the consortium's goals and program expectations was sent to me recently by William Carlson, president of the University of Wyoming. Because of the participation in the consortium's program of a number of universities. I ask unanimous consent that this background information be printed in the RECORD at the conclusion of my remarks for the benefit of Senators from other States involved in this program.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

BACKGROUND MATERIAL ON EISENHOWER CONSORTIUM

The University of Wyoming has for the past two years been a member of the Eisenhower Consortium, which grants small funds for research in areas of forest resource management.

Grants from the Consortium have stimulated excellent new research at the University of Wyoming although total funds available are small.

Recently the Consortium University delegates concurred in the principle that it would be worthy to seek an increase in funds available for this research (funds presently come from the Forest Service) and have agreed that each, in their own way, will call certain common needs, goals and facts to the attention of some of their senators.

In essence our common feelings are as follows:

A PROGRAM OF WESTERN ENVIRONMENTAL FORESTRY RESEARCH

Progress toward timely solutions of environmental problems of the central and southern Rockies and the adjacent high plains requires an array of scientific and technical disciplines and research skills not found in sufficient quantity in any one institution. Therefore, nine universities in the region and the Forest Service, through the Rocky Mountain Forest and Range Experiment Station, in 1972 formed the Eisenhower Consortium for Western Environmental Forestry Research to mobilize and coordinate the array of research experience and skills available in these institutions. The universities are: University of Wyoming, University of Colorado, University of New Mexico, Colorado State University, New Mexico State University, University of Arizona, Arizona State University, Northern Arizona University, and Texas Tech University. The Consortium is able to completely coordinate regionwide, multidisciplinary research on regional problems. This capability has been demonstrated in the Consortium's first two years of research, which has made outstanding progress with very limited funds. Currently, the Consortium has been joined by The Institute of Ecology in a natural resource problem assessment of the entire Rocky Mountain West, mobilizing the efforts of more than 200 experts from industry and Federal and State agencies, as well as universities.

Recently through joint efforts of the Consortium and The Institute of Ecology, the cooperation of the National Science Foundation, the United States Environmental Protection Agency and the Forest Service were obtained to fund a Problem Assessment Project. A major grant was received from NSF with smaller amounts from EPA and the Forest Service. The significance of this is that the Problem Assessment Project will provide form, sound guidelines for establishing research needs and priorities in areas of forest and resource management so that future expenditures of funds can be made wisely and directed toward the most urgent problems.

Planners and decision makers will need specific information on environmental and socioeconomic effects of current and prospective activities to determine the available alternatives and to choose those that will optimize benefits to society and minimize both adverse environmental effects and economic costs. We expect that specific problem areas may include:

1. Determination of the environmental, ecologic, and socioeconomic effects of new and expanded residential and industrial developments, recreational sites and activities, and transportation systems.
2. Develop methods and techniques for monitoring and controlling changes in environmental and ecological factors, for managing use of natural environments and for reducing adverse consequences.
3. Analyze constraints of current laws and institutional arrangements on maintenance of a high-quality environment, and identify and evaluate needs for new legislation and modified or additional institutional arrangements.
4. Improve methods for achieving broad public understanding of man's interrelationships with, and needs for, products and experiences from forests and associated wild lands.

The research planned for initial implementation will be aimed at determining: the intensities and modifications of land use and management practices permissible without inducing soil erosion; the water quality-water yield effects of recreation and residential developments and of various land uses; and the recreational carrying capacity in terms of impact on the land, the limiting effect of human interactions on the recreational experience, and relations to demands for outdoor recreation.

The Rocky Mountain Forest and Range Experiment Station and the nine universities mentioned above are already cooperating in a number of studies aimed at environmental problems in the central and southern Rockies and adjacent high plains. An additional $800,000 is needed as a first increment to the current effort to mount an effective attack on these problems. Approximately one-half of new funds allotted to the program will be used to support research by the Station and one-half will support complementary research by the universities.

We estimate that a minimum of $4 million annually will be required for the program, and we propose its implementation over a 5-year period.

Of highest priority is research on the effects of increased use on soil, water, and esthetic quality. The central and southern Rocky Mountains are the major source of the water supply for the Colorado River Drainage, the Rio Grande Drainage, the Western Slope of the Colorado Rockies, and the adjacent high plains. Water for irrigation and for industrial and human consumption must meet standards of chemical, physical, and biological purity. The area also has great scenic beauty, provides outstanding recreational opportunity, has a rich variety of wildlife, and produces an appreciable amount of timber and forage.

The planned massive energy production facilities and more complete exploitation of the extensive mineral resources promise a further surge of population. Localities that are now rural and thinly populated will become industrialized and urbanized. Consequently, an additional wave of new building and sharply increased demands for renewable resources and outdoor recreational opportunities are in prospect.

The impacts of ever-increasing numbers of people on the fragile western environments can be disastrous unless methods of controlling and mitigating these impacts are developed. Land in the West is slow to recover from disturbance because of short, cool growing seasons and generally limited rainfall. Soils are thin and unstable in many localities. Thus, heavy use can result in accelerated erosion, heavy sedimentation and contamination of waterways, sharp reductions in fish and wildlife populations, and destruction of the esthetic and amenity values of the open spaces of the West.

Energetic attempts are being made to plan land use and land management to minimize and control effects of increased activities and new developments, but the process is seriously hindered by lack of information of effects on vegetation, soils, water and air quality, wildlife and fish population and distribution, esthetic quality, and amenity values of open land. Main sources of impacts are residential and industrial developments, recreational sites and activities, and transportation systems. Current laws and institutional arrangements also impose some constraints on efforts at environmental protection.

Protection of soil and water quality is fundamental not only to maintenance of productivity for commodities but also to preservation of recreational, esthetic, and amenity values. Soil loss is an irreversible change of the ecosystem; plants and animals are fewer in species and number and small in size than in the undamaged system. Thus, soil loss makes an area less attractive, less useful, and less productive. Eroding soil carries with it organic material and mineral elements, so that aquatic life suffers from excessive sediment, reduced oxygen, and sometimes harmful levels of mineral elements. The same constituents also mar the attractiveness of the watercourses for recreational activities and reduce the usefulness of the water for irrigation, industry, and human consumption. The results are reduced revenues from recreation, hunting, fishing, and commodity production, and increased costs of water use.

THE POLITICS OF FOOD

Mr. HUMPHREY. Mr. President, a very informative article, "The Politics of Food," by Stephen S. Rosenfeld, appeared in the spring issue of Foreign Policy.

Mr. Rosenfeld clearly points out the highly important foreign policy implications of our Nation's food policy or lack of one. The author indicates also the growing awareness of Secretary of State Kissinger of the relationship between food and foreign policy.

In 1956 I held Senate Foreign Relations Committee hearings on the subject of food reserves. At that time, Assistant Secretary of Agriculture Butz was opposed, in principle, to the idea of reserves. However, 18 years later, as Secretary of Agriculture, he has now come around to supporting reserves for other countries but only privately held reserves for the United States.

The relationship between diplomacy and agriculture remains largely unplowed ground. That situation will remain if the USDA continues to follow a narrow policy of dependence upon the free market and of emphasis upon exports of American agricultural commodities, without giving adequate consideration to other vital interests of our Nation.

I feel that we must develop a food reserve system to prevent famine abroad and assure adequate food at home, and a food policy to relate to our foreign policy. This article contributes toward a better understanding of these issues.

Mr. President, I request unanimous consent that the article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

The Politics of Food

(By Stephen S. Rosenfeld)

If food is becoming chronically short in the world,[1] what does it mean for American foreign policy? What obligations do we have to maintain our traditional postwar role as granary for the world's hungry? What opportunities are still available to use food, as we have for more than a generation, as a political instrument, offering it as a carrot, denying it as a stick? Given the political and economic strength of the American farm sector, can there be any discretionary use of food for diplomatic purposes, or is the role of diplomacy simply to follow behind agriculture—rather as the man with the little shovel follows the circus elephant—and clean up as best it can?

These issues constitute largely unplowed ground. There has been little systematic thinging about the new relationship between agriculture and diplomacy. As Henry Kissinger conceded in his Senate confirmation hearing: "It is a new field for us. We had not in the past thought that agricultural exports required foreign policy decisions." So Kissinger and the rest of us are going to have to learn about this area of international policy—the politics of international food.

Begin with American agriculture's productivity and its political power. Because of our natural endowment, our technology, and the talents of our farmers, the United States has long been capable of producing far more than it consumes. From the time of the Great Depression, the "farm bloc" was strong enough to assure that the government would protect farmers against swings and falls of income brought on by overproduction. For some 30 years, the government, by various means, took these surpluses off farmers' hands, either distributing them below cost in domestic or foreign markets, insulated as best as possible from commercial markets, or storing them. The best known program of this sort was the Agricultural Trade Development and Assistance Act of 1954, known as P.L. 480 or Food for Peace; under it, close to $30 billion of farm commodities have been distributed abroad. Many officials connected with P.L. 480 speak of it warmly as a humanitarian program. In fact, it was a program the government devised to get some political and economic use out of food that it was accumulating anyway for domesitc political purposes. The international result was the same: the United States became the world's "residual supplier" of agricultural commodities, the one place to turn to in emergencies. Both at home and abroad the notion spread that this was the normal and lasting state of affairs.

SURPLUSES: BLESSING OR MENACE?

In fact, it was not. The political context began to shift sharply in the 1960's. By the Supreme Court's one-man-one-vote ruling of 1962, for instance, the farm bloc's back was broken. Agriculture Secretary Earl Butz has described the impact: "Urban interests, consumer interests, welfare interests, and labor interests had become the muscle behind the political majority. Cheap food became much more important in the over-all consideration than farm income." This desperate (for farmers) situation was redeemed in part by the Nixon farm legislation of 1970, and in greater part by the explosion of world food demand which took place at about that time. "The Department of Agriculture," Butz has said, "in response to a surplus-weary Congress and a cost-sensitive public, and in line with its own philosophies, was determined to get out of the grain storage business [sic]. We were also determined to compete on the world market." To translate: With a Congress increasingly untuned to farmers, an Administration with a strong free market orientation came along just as, fortunately, market demand was mushrooming. The technological revolution which created the "farm problem" by making overproduction easy 40 years ago "is being overtaken by a revolution in consumer demand," Assistant Secretary Carroll G. Brunthaver, Jr. said happily last spring. He noted that in farm legislation passed in 1973, "the Congress rejected the idea of government stocks of grain in anything more than a token amount."

Quite so. The Congress may lack Butz's ideological zeal for the free market but it shares his conviction that surpluses (or "reserves" or "stocks")—whether accumulated on the domestic market or the foreign market—are not only a menace to prices but a heavy cost item in themselves. Commercial exports are everything. Typically, the Senate Agriculture Committee declared in its report on the 1973 farm bill that "we should urge farmers to continue to produce for the world market so that agricultural exports would be increased." The Agriculture Department, which maintains market intelligence officers ("attachés") in some 60 foreign posts, quivers with pride and achievement now that exports have risen, this fiscal year, to an estimated $19 billion. "Agriculture can turn out to be America's ace in the hole"—to pay for oil, Butz claims. The farm sector's expected contribution to the balance of payments this year is about $10 billion. Says his chief economist, Don Paarlberg, "We have adopted the policy of being competitive in world markets for key agricultural commodities, using our productive capacity to export these crops and earn the foreign exchange necessary to purchase needed imports and to strengthen the dollar." I should add that, as of late December, the Agriculture Department had not publicly factored the world energy crisis into its projections of world demand for American food.

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[1] As Lester Brown argues persuasively in "Food: The Next Crisis?" in Foreign Policy 13.

Agriculture's sense of new strength is also apparent in the American approach to trade, particularly in the General Agreement on Tariffs and Trade (GATT) negotiations which began formally last September. Within the Agriculture Department there is a certain residual bitterness that in the Kennedy Round the interests of agriculture were given second billing to those of industry. Now, however, Paarlberg points to recent export figures to show "what our farmers and marketing system might be able to do consistently—several years down the road but with greater price stability—if many of the artificial barriers to import demand in other nations were reduced." American agriculture, he said last fall, now seeks "a major, perhaps decisive role" in the GATT talks. "Our resolve must be to put increasing international pressure on those foreign trade barriers which prevent one of the most efficient U.S. industries—one of the world's most efficient farm sectors—from bringing its weight to bear to improve our trade and payments position." Our policy is easy to summarize: food for cash.

FOOD: FOR PEACE OR POLITICS?

While commercial exports have climbed toward $20 billion, shipments under Food for Peace have dropped below $1 billion. "The future mechanism for aiding food-deficit countries is," an Agriculture Department publication notes dryly, "uncertain." Now it is true that, for recipients, Food for Peace has not always been an unmitigated benefit: it has sometimes depressed their agriculture and has involved political and psychic costs. It has also become true in recent years, as Butz told me in an interview, that P.L. 480 "is no longer primarily a surplus disposal program. It's for humanitarian purposes and for national security—to help infuse purchasing power into countries on our defense perimeter. South Vietnam is a case in point." Indeed, last year *most* 480 supplies went to Vietnam and to these other countries regarded, in varying degrees, as segments of the American "defense perimeter": South Korea, Israel, Pakistan, and Indonesia.

Nonetheless, through three decades, Food for Peace and its predecessor programs have fed hungry millions. They have nourished our better instincts as a people.

For three decades, moreover, American diplomats have used food as a political tool: to relieve the misery of our friends, to spare them the cost of buying food on the open market, and to help them keep popular discontent within politically manageable bounds; to show off American productivity and generosity; to bargain for other benefits; and so on. It is within this tradition of food diplomacy that administration officials now suggest that we may stop selling food to countries which won't sell us oil.

It is perhaps worth noting here that while countries in duress may appreciate—sometimes through clenched teeth—our food largesse, they tend to react strongly against the overt use of food as a political weapon. During a period of bad relations in 1964, for instance, President Nasser of Egypt denounced the United States for failing to provide emergency food supplies and told the United States to "go drink sea water." During another bad period in 1966 he declared: "The freedom we have bought with our blood we shall not sell for wheat, for rice, or for anything." Three days before President Allende of Chile was overthrown and killed last fall, his government said that the United States had refused to sell it, for cash, vitally needed supplies of wheat, because of a "political decision of the White House"; less than a month after the coup, the United States approved a credit sale of wheat to the new Chilean government in an amount eight times the total commodity credit offered to Chile in the Allende years. Oil states, however, with their cash and small populations—and their oil—are not similarly vulnerable. Plainly, it depends.

Until quite recently, nonetheless, the idea of feeding hungry foreigners was fading for other than political reasons. The chairmen of the two agriculture committees, Senator Herman Talmadge and Representative W. R. Poage, are known for their conservative philosophy and their national, as opposed to international, outlook; they both have pronounced themselves content with America's past and present performance on food aid. Food for Peace is "a drain on American dollars," Poage said, "and it should be treated as just another kind of foreign aid like medicine or printing presses." The Agriculture Department, whose Secretary has been known to warn darkly of "alarmists," has consistently played down the possibility of famine, playing up the helpful influence of good weather, and pointing to the "international" nature of the world food problem without offering initiative or leadership. Even in the State Department, the attitude was growing more negative. "Food for Peace was based on the ethnocentric idea that we could pacify the world by food," a State Department official said to me last summer at a time when Bangladesh was beginning, largely in vain, for a trickle of wheat. "Now our thinking is that feeding the world is an international problem, maybe one for the United Nations. The worst thing we could do for a country would be to put it on a permanent dole. That would just give it the excuse to avoid solving its own problems, especially population. Then Secretary of State William P. Rogers uttered a faint call in his last annual report for "an over-all review of U.S. food production policy in relation to its effect on our assistance to the LDC's [less-developed countries]," but no one answered and his own department did not follow up.

A WORLD FOOD RESERVE

In fact, Food for Peace must be considered all but defunct. Only last summer did a "new" idea appear for a program or mechanism to fill its chief purpose of easing world hunger. The idea was a "world food reserve" and it came from A. H. Boerma, the Dutchman who is Director General of the U.N. Food and Agriculture Organization. To be sure, the idea of a planned reserve is not new. A report prepared in the Senate Agriculture Committee recalls that, as early as 1912, Henry A. Wallace cited the Biblical story of Joseph storing grain against famine, and the Confucians' creation of a "constantly normal granary" in China, in order to urge a similar food storage plan upon the United States. As Secretary of Agriculture, Wallace steered into law in Depression America a storage program intended to protect American farmers' income. A British-American Combined Food Board provided some experience in internationalizing food cooperation in World War II. In 1945, John Boyd-Orr, the Food and Agriculture Organization's (FAO) first chief, proposed a plan for purchase and storage of international food reserves.

His plan foundered on the same rocks that have endangered all like proposals since, whether the reserves be meant for the domestic or international market. That is, essentially, the fear of producers everywhere that at some point the reserves will be dumped on the market, thus depressing the prices. In the United States, the farm bloc for many years had the strength not only to induce the government to buy surpluses but to keep them off the market. Farmers, though politically weaker now, make the same appeal, the more so in a period of strong market demand and high prices. "Food reserves held by government can never be perfectly insulated from the market." Butz warned in December. "Farmers should not be fooled by promises that a system can be designed to protect farmers from a premature release of stocks. Any set of rules would certainly be subject to change—especially in light of public pressures like those which prevailed in 1973, pressures which forced this Administration to impose counterproductive price controls." And even those officials who are indifferent to the welfare of farmers are slowed by the high costs of buying and storing food for a reserve and by the idea, encouraged by the Agriculture Department, that the United States has done plenty in the past and that other developed countries, to say nothing of the developing countries themselves, should do more now.

Now, Boerma, offering his proposal in July, helped publicize the great need to which his proposal was addressed. The "nonaligned" nations, meeting in Algiers in September, made a like appeal. At the same time, the Brookings Institution sponsored a report focusing on reserves and agricultural trade among North America, the European Economic Community, and Japan. A British economist, Timothy Josling, published a widely circulated paper on international grain reserves. Concern for reserves was in the air, like, if you will, a gas. But given the political and economic facts of life in Washington, a spark was needed to give the idea life within the American government. Such a spark could only be struck by people outside the American agricultural establishment.

THE NSC STUDY

This was done on September 11, at the former's confirmation hearing, by Secretary of State Kissinger and Senator Hubert Humphrey. Humphrey first started talking about reserves in the 1950's. Senator Edward Kennedy, among others, now brings publicity and support to the idea, but Humphrey has been the commanding figure among the handful of legislators with not only an internationalist outlook and a conscience but with farm expertise. As chairman of the Senate's Foreign Agricultural Policy Subcommittee, he has produced a prodigious public record on issues of world food security. As a member of the Foreign Relations Committee, he conducted this colloquy with Kissinger, a city boy through-and-through:

HUMPHREY. Would you initiate, after consultation with the Secretary of Agriculture, the Secretary of Commerce, and obviously with the President, a discussion amongst the main exporting nations and the main importing nations as to what we are going to do in the coming year to relieve conditions of human misery and, in some areas, famine, in the light of the world food supply situation?

KISSINGER. You know, Senator Humphrey, that your suggestion runs counter to all our traditional attitudes with respect to agriculture.

HUMPHREY. Correct.

KISSINGER. We have always resisted the idea of commodity-type agreements because we wanted to have the maximum opportunity for the export of American products, and we thought we would have enough to take care of all needs. In this respect the experience of the last year (1972–73) has been a challenge to all our traditional assumptions. We recognize that now we are living in a new world.

We have recently started an interdepartmental study of this problem. The proposal you make is one that some of us were discussing informally earlier this year; at that time it did not receive too much favor because of the weight of previous assumptions.

All I can say, pending the completion of that interdepartmental study, is that the approach you have suggested is needed, and we will look at it with the greatest sympathy.

That "interdepartmental study," a project of the National Security Council, concluded, in essence, that although the world food outlook is uncertain, the United States should explore new ways of promoting an international approach to related issues of food aid and development. Those familiar with the NSC study report that it, and Kissinger's personal impetus behind it, provoked a thorough and continuing review in the downtown departments and made the bureaucracy focus on the new vistas of world food. In turn, the review helped educate Kissinger, who at his confirmation hearing, was speaking strictly off a staff briefing. He was initially outraged that in 1973, almost overnight, the United States had to stop selling certain farm commodities—with troublesome foreign policy consequences—in markets which it had spent five years trying to expand. He is described now as soberly heedful of the interrelationship of agriculture and diplomacy, and as determined not to leave policy in that area to "economists."

A WORLD FOOD CONFERENCE

Less than two weeks after his confirmation *hearing*, Kissinger went to the United Nations and proposed a World Food Conference along the precise lines suggested by Humphrey. This was, I am prepared to believe, more than a gesture to show the Third World gallery that the United States is interested in more than countries big and rich enough to be part of the balance of power. It was an acknowledgement, more meaningful for having been made in a political forum and in the expectation of indefinite food shortages, that the United States regards the world food situation as an urgent issue demanding an international solution and transcending the complex ongoing questions of agricultural trade. The Conference will be held in Rome next November under the auspices of the United Nations, with technical assistance by the FAO. It was put under the United Nations rather than the FAO because the U.N. has a universal membership (the Russians don't belong to the FAO) and because grain-exporting countries tend to look at the FAO as a club (in both senses) of the food-deficit countries. The Conference will consider a range of issues chosen, or so the United States hopes, for being particularly amenable to international cooperation—pest control, disaster relief, technical assistance for self-help programs, and so on. But an international food reserve remains the key issue.

As usual, an international timetable is forcing national decisions. Kissinger has appointed a coordinator to oversee the shaping of the American position at the World Food Conference. The fact that the Conference will be under the United Nations, not the FAO, facilitated his effort to put State rather than Agriculture in charge of the American position. The Agriculture Department named the deputy coordinator. The bureaucratic byplay is, by consensus, brisk but positive. The FAO's Boerma has been applying pressure of his own, on Butz, from what might be called the left flank. They seem to have pushed each other into a mutually acceptable position on reserves. Butz now agrees that the government as well as private traders will have to hold reserves. Boerma has eased off his earlier preference that reserves be controlled internationally, rather than by each participating nation. Over-all, the inevitable and healthy difference in viewpoint of Agriculture and State—Agriculture representing a powerful domestic interest group, State representing a more abstract foreign policy "interest"—ensures a lively process of policy formulation. Butz is a tough, able, and outspoken man, a gamecock, and those who know him well are confident that in joining this process with Kissinger, he is quite up to ensuring that agriculture's—and Agriculture's—interests will be properly served.

GAMES RUSSIANS PLAY

The Soviet Union needs a separate word. Détente has brought the Russians into the world grain market. Their resources allow them to make a huge impact on world supplies and prices. More than any other single factor, it was the Russian purchases of 1972 which left the United States able to respond only stingily to emergency appeals from West Africa and Bangladesh. Those countries could well have concluded that détente is a conspiracy of the rich against the poor. The 1972 purchases also contributed to boosting food prices here and elsewhere. Yet the Russians still play an irresponsible loner's game. Take carryover stocks: their size indicates whether a country facing a bad harvest or an unexpected surge in demand will go on the world market. The Russians keep stock information secret. Not even the bilateral Soviet-American agricultural agreement signed at the second summit obliges them to report in that critical area. (That agreement was signed, by the way, before Kissinger started getting wise to agriculture.) Nor do the Russians take an organized part in international efforts to feed the hungry. They shun the FAO. Presumably, the World Food Conference will help smoke them out.

Just what will come out next November, at the Conference, is hard to say. I would guess that we are only at the beginning of composing a national policy consistent at once with our best instincts, with our producer's interests, and with our gathering awareness that we live in a world which may force us into new patterns both of cooperation and competition in order to assure ourselves the resources necessary for our national life. Until now, our thinking and policy on resources have assumed either an adequate domestic supply or adequate foreign access. In this condition of plenty, we could indulge a casual and unplanned approach. But we seem now to be entering a period of shortages, world or national. George McGovern, a farm state politician and former Food for Peace administrator, told the Senate last August:

> We have chosen commercial sales of wheat to the Soviet Union over guarantees of an adequate diet for those impoverished Americans who subsist on surplus commodities. We have chosen, at least indirectly, to feed American livestock—in support of our taste for meat over grain—instead of meeting desperate human needs in West Africa, South Asia and elsewhere. We are forced to such results because we simply have no policy for choosing which needs to fill and which to ignore when we cannot fill them all.

The country is now starting to choose.

CONCLUSION OF MORNING BUSINESS

Mr. MANSFIELD. Mr. President, is there further morning business?

The ACTING PRESIDENT pro tempore. Is there further morning business? If not, morning business is closed.

FEDERAL ELECTION CAMPAIGN ACT AMENDMENTS OF 1974

The ACTING PRESIDENT pro tempore. The Chair lays before the Senate the unfinished business, which the clerk will state.

The assistant legislative clerk read the bill by title, as follows:

> A bill (S. 3044) to amend the Federal Election Campaign Act of 1971 to provide for public financing of primary and general election campaigns for Federal elective office, and to amend certain other provisions of law relating to the financing and conduct of such campaigns.

The Senate resumed the consideration of the bill.

The PRESIDING OFFICER. The pending question is on the amendment of the Senator from Georgia (Mr. TALMADGE).

Mr. MANSFIELD. Mr. President, it is my understanding that that amendment will not be voted on until Monday. It is my hope that other amendments which may be available will be offered this afternoon, and if there are to be rollcall votes, they, too, can be put over until Monday under the previous agreement.

CLOTURE MOTION

Mr. MANSFIELD. Mr. President, at this time I send to the desk a cloture motion and ask that it be read.

The ACTING PRESIDENT pro tempore. The cloture motion having been presented under rule XXII, the Chair, without objection, directs the clerk to read the motion.

The assistant legislative clerk read the motion, as follows:

> We, the undersigned Senators, in accordance with the provisions of Rule XXII of the Standing Rules of the Senate, hereby move to bring to a close the debate upon the pending bill S. 3044, a bill to amend the Federal Election Campaign Act of 1971 to provide for public financing of primary and general election campaigns for Federal elective office, and to amend certain other provisions of law relating to the financing and conduct of such campaigns.
>
> John O. Pastore.
> Harrison A. Williams, Jr.
> Clifford P. Case.
> Abraham Ribicoff.
> Thomas F. Eagleton.
> Joseph R. Biden.
> Alan Cranston.
> Birch Bayh.
> Dick Clark.
> Frank Church.
> Quentin N. Burdick.
> James Abourezk.
> Gale W. McGee.
> Edmund S. Muskie.
> Philip A. Hart.
> Edward M. Kennedy.
> Floyd K. Haskell.
> Howard M. Metzenbaum.
> Jacob K. Javits.
> Marlow W. Cook.
> Edward W. Brooke.
> Ted Stevens.
> Joseph M. Montoya.
> Hugh Scott.
> Richard S. Schweiker.
> Henry M. Jackson.
> Hubert H. Humphrey.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Talmadge amendment be laid aside temporarily until the close of routine morning business on Monday.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

RECESS

Mr. ROBERT C. BYRD. Mr. President, I move that the Senate stand in recess subject to the call of the Chair.

The motion was agreed to; and at 10:44 a.m., the Senate took a recess subject to the call of the Chair.

The Senate reconvened at 10:47, when called to order by the Acting President pro tempore.

FEDERAL ELECTION CAMPAIGN ACT AMENDMENTS OF 1974

The Senate continued with the consideration of the bill (S. 3044) to amend the Federal Election Campaign Act of 1971 to provide for public financing of primary and general election campaigns for Federal elective office, and to amend certain other provisions of law relating to the financing and conduct of such campaigns.

The ACTING PRESIDENT pro tempore. The Chair recognizes the senior Senator from Virginia.

Mr. HARRY F. BYRD, JR. Mr. President, I wish to commend the difficult and lonely fight being made by the distinguished Senator from Alabama (Mr. ALLEN) against an unjustified raid on the Treasury of the United States. The Senator from Alabama has led the fight against taking tax funds to finance political campaigns.

As one Senator, I shall not vote to take money from the pockets of the hard working wage earners of our country and turn that money over to the politicians. The polls show that politicians these days are not in very good standing. Yet many in Congress say, "Oh, the people want us to vote this money. They want us to take tax funds for our campaigns." I do not believe that. I do not believe that the wage earners of the country want to have the House and Senate dip into their pockets and take money from the hard-working people of the country and turn it over to the politicians to use as they wish.

So I commend the able Senator from Alabama. I hope he will prevail in his difficult struggle against this new program for an additional use of tax funds. The record shows that whenever Congress gets into something, the cost increases. This campaign financing bill will not decrease the cost of campaigns; it will increase the cost of campaigns. That is the whole history of congressional spending.

That is the whole history of Congress. Whenever Congress gets involved in a matter, the cost goes up.

I say that the cost of campaigns is too high now. What needs to be done is to put a tight ceiling on campaign expenditures and a tight ceiling on the amount of money that any individual can contribute to a campaign.

I hope Congress will do just that. But I hope that Congress will reject dipping into the pockets of the wage earners in order to get money from the Federal Treasury to turn over to the politicians of our Nation.

Mr. President, I ask unanimous consent that I be permitted to speak out of order on another subject.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. HARRY F. BYRD, JR. First, Mr. President, I ask unanimous consent that I may yield to my distinguished colleague from Wisconsin (Mr. NELSON) without losing my right to the floor.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. NELSON. Mr. President, I ask unanimous consent to speak very briefly out of order.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

S. 3318—INTRODUCTION OF A BILL TO AMEND THE INTERSTATE COMMERCE ACT

Mr. NELSON. Mr. President, I send to the desk a bill to amend the Interstate Commerce Act and provide for regulation of certain anticompetitive developments in the petroleum industry, and I ask unanimous consent that the bill be referred to the Committee on Commerce.

Mr. GRIFFIN. Mr. President, I reserve the right to object.

The ACTING PRESIDENT pro tempore. The Senator from Michigan reserves the right to object.

Mr. NELSON. If the Senator will permit me to comment, there is dual jurisdiction over this bill. It has antitrust provisions in it, and it amends the Interstate Commerce Act. Either committee could handle it. Probably both will want to before any action is taken on the bill. I ask unanimous consent that initially it be referred to the Committee on Commerce.

The ACTING PRESIDENT pro tempore. Is there objection?

Mr. HARRY F. BYRD, JR. Mr. President, reserving the right to object, may I ask, is the Finance Committee involved in this legislation?

Mr. NELSON. I think it could be. The bill would amend the Interstate Commerce Act. It provides for divestiture of certain activities of the oil companies, divestiture of refining if they in fact refine, produce, and engage in other activities. So I would not be surprised if Finance, Judiciary, and Commerce all have legitimate jurisdiction over parts of the measure.

Mr. HARRY F. BYRD, JR. Irrespective of the merits of the proposal, I would hate to see the Finance Committee bypassed on a matter which is within its jurisdiction. Would the Senator be inclined to let——

Mr. NELSON. I would like to have it referred to the Committee on Commerce, although I am sure that any other committee that desires at any stage could have its own hearings, as is very frequently done, or have it referred for its own consideration. That would be perfectly appropriate, as frequently happens here.

Mr. HARRY F. BYRD, JR. I do not want to object to the request of my distinguished friend from Wisconsin, and I shall not object, but I would hope that if aspects of it are matters that should be considered by the Committee on Finance, the Senator from Wisconsin would urge that it be referred to the Finance Committee at the appropriate time.

Mr. NELSON. I am not sure whether there are. It had not really occurred to me until the Senator raised the question as to whether or not there are Finance Committee jurisdiction problems involved. There clearly is jurisdiction in both the Commerce Committee and the Committee on the Judiciary, because it would amend the Interstate Commerce Act, but it also has antitrust provisions as well.

It has to go somewhere initially, and as I say, I would have no objection—and would not be entitled to make any objection anyway—to any committee that has jurisdiction over some aspect of the subject matter requesting that, at the appropriate time, there be a referral of the bill to that committee.

Mr. HARRY F. BYRD, JR. I am not seeking additional work for the Finance Committee, but I would not like to see it bypassed on a subject in which it has jurisdiction.

I have no objection to the request of the Senator from Wisconsin.

Mr. GRIFFIN. Mr. President, reserving the right to object, I do not know that I shall object, except to observe that there is an Antitrust Subcommittee of the Committee on the Judiciary which is chaired by my senior colleague from Michigan (Mr. HART). It would seem that, since the bill clearly is directed to the matter of antitrust laws, it would be a little unusual, at least without consulting—and perhaps the distinguished Senator from Wisconsin has consulted and cleared with the other committees, particularly the Judiciary Committee, which I would think would have primary jurisdiction—to bypass that committee by unanimous consent on the Senate floor.

Perhaps there could be joint referral to both the Judiciary Committee and the Committee on Commerce.

Mr. NELSON. Mr. President, I have no objection to that. It is perfectly clear that there is important jurisdiction in the Judiciary Committee.

Many years ago—I do not know the date—on a similar problem, which involved prohibiting the railroads from hauling products that they owned, which is similar to this matter, the Commerce Committee handled that problem. But there clearly is dual jurisdiction.

I ask unanimous consent that the bill be referred to both the Committee on the Judiciary and the Committee on Commerce.

I have no objection to Finance, either. I am not sure there is a primary Finance Committee jurisdiction, but if there is, and the Senator from Virginia or the chairman of the Finance Committee asks for jurisdiction, I would have no objection to that.

Mr. GRIFFIN. Mr. President, as the request has now been phrased, I have no objection. As the Senator from Wisconsin well knows, not only do we have an Antitrust Subcommittee of the Committee on the Judiciary, but it is very adequately staffed by experts in the field. It would not seem wise for the Senate to bypass that expertise and send it to the Committee on Commerce, on which I serve, but which is not particularly experienced with antitrust questions.

So I am delighted that the Senator has revised his request.

The ACTING PRESIDENT pro tempore (Mr. Metcalf). Without objection, the bill will be received and referred jointly to the Committee on Commerce and the Committee on the Judiciary.

Mr. NELSON. Mr. President, Mr. Abourezk and I have joined in sponsoring this legislation entitled the Free Enterprise in Petroleum Act.

Massive amounts of evidence accumulated over the past quarter century indicate that those major oil companies, engaged in the whole process of oil management and control from drilling to retailing, are in fact monopolistic, anticompetitive, and destructive of free enterprise in the oil industry. This legislation is designed to eliminate this kind of monopolistic control by requiring divestiture of vertically integrated oil companies.

The legislation contains three prohibitions. First, it forbids pipeline companies engaged in interstate commerce from transporting petroleum products which it produced or manufactured. Second, it prohibits oil refiners from engaging in development or production of petroleum products; and, third, it forbids refiners from marketing finished petroleum products. These prohibitions do not apply to "independent" refiners defined as those who buy three-fourths of their crude oil and sell most of their products at the refinery.

The problem of monopolistic practices in the oil industry is not new nor are the proposals to cure it. In July of 1937, Congressman Biermann introduced similar legislation and in every decade since Members of both Houses have proposed legislation aimed at the same problem. These proposals have borne the names of distinguished Members of both Houses such as Borah, Gillette, Nye, Harrington, and Roosevelt. Currently, legislation concerning this problem is pending in both Houses. It is time for Congress to act.

Mr. President, there can no longer be any doubt that a law of this kind is needed. There can be no doubt of the abuses caused by a petroleum industry which is vertically integrated and monopolistic. According to figures in a Government Operations Committee print entitled "Investigation of the Petroleum Industry," that industry has in certain respect become even more concentrated and top-heavy in 1969 than it was in 1960. The top eight oil companies together accounted for 50 percent of the domestic net crude oil production while the top 20 companies had 70 percent. In 1960, those figures were 43 and 63 percent, respectively. All by themselves, four companies—Standard of New Jersey, Texaco, Gulf, and Shell—accounted for 31 percent in 1969 while in 1960 they shared 26 percent. In 1970, the top 20 companies accounted for 94 percent of proved domestic crude reserves, the top eight had 64 percent and the top four had 37 percent. In 1970, the company shares of domestic crude oil and gasoline refining capacity were as follows: The top four had 33 percent, the top eight had 57 percent, and the top 20 shared 86 percent.

In hearings before Congressman Roosevelt's committee in the mid-1950's, before Senator Hart's Antitrust Subcommittee, and in a lengthy study by my own staff, the same facts have been consistently brought out: The abuses include short leases for retailers, unwarranted cancellations, artificially induced price variances, forced trinket "give-aways" which are beneficial only to the oil companies, and on and on. As recently as last month, in a front page article in the Milwaukee Sentinel it was stated that 3,600 independent retail gasoline dealers had begun concerted efforts to effect State legislation of this sort. The retailers list additional abuses including being forced to purchase such things as batteries and accessories from the majors at prices dictated by the majors.

The oil industry monopoly has had a truly devastating effect on retail gasoline dealers. In testifying before the Senate Antitrust and Monopoly Subcommittee of the Judiciary Committee, Mr. H. C. Thompson, president of the National Congress of Petroleum Retailers, has described the retail dealers' position as "largely that of an economic serf rather than that of an independent businessman." In his July 14–15–16, 1970, testimony, Mr. Thompson estimated that the turnover in gasoline station operators is 25 to 35 percent each year, or about 50,000 to 70,000 dealers.

The legislature has not been the only branch to attempt to bring about competition in the oil industry. In his fine speech on this subject last July 12, the distinguished Senator from South Dakota (Mr. Abourezk) traced the history of Federal court cases in this area since the landmark case of *Standard Oil Company of New Jersey* v. *United States*, 221 U.S. 1 in 1911.

An exhaustive examination of this whole problem has recently been completed by the Federal Trade Commission. It is a 141-page document entitled "Complaint Counsel's Prediscovery Statement," dated February 22, 1974, and is in support of the Commission's complaint in In the Matter of Exxon Corporation et al. This document is discussed in two recent newspaper articles.

The first is an article by Morton Mintz in the Washington Post, February 24, 1974, and the second is from the Wall Street Journal, February 25. Among the remedies it proposes, the FTC suggests refinery and pipeline divestiture.

Unfortunately, proceedings of this sort take very much time. Mr. Mintz suggests a final resolution is 8 to 10 years away. Given the present state of our petroleum supply and the state of the oil industry, I suggest that we cannot wait that long.

We can no longer put off legislation of this sort as being premature or ill-considered. Nor can we hide from the fact that there continues to be a petroleum crisis, even though its immediate effects may have been eased by the recent lifting of the oil embargo. This is a bill whose time has come.

Mr. President, I ask unanimous consent that the bill and its summary be printed in the Record along with an excerpt of my remarks on this subject in 1971 and the three newspaper articles that I have just referred to.

There being no objection, the material was ordered to be printed in the Record, as follows:

S. 3318

A bill to amend the Interstate Commerce Act and to provide for regulation of certain anticompetitive developments in the petroleum industry

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled.

SHORT TITLE

Section 1. This Act may be cited as the Free Enterprise in Petroleum Act of 1974.

FINDINGS

Sec. 2. (a) The Congress finds: (1) that Paragraph (8) of section (1) of the Interstate Commerce Act (49 U.S.C. 1 (8)) which divorces the business of transporting by railroad commodities in interstate commerce from their manufacture, thereby avoiding the tendency to discrimination, should be amended to apply to "pipeline companies", as that term is defined herein; (2) that the industrial organization of the petroleum industry in its present form does not serve the public interest; (3) that industry is characterized by aggregations of capital of tremendous size; (4) that these large companies are engaged in petroleum refining, but are interlocked at various levels of industry operation to the degree that the national policy of competitive free enterprise is frustrated; and (5) that by virtue of intercompany arrangements and vertical integration of refiners into the production of crude oil, the transportation of crude oil and finished products and the marketing of finished products, these large refiners have acquired and hold substantial monopoly power over interstate and foreign commerce in petroleum, adversely affecting the ability of the United States to establish a rational energy policy or conduct its foreign relations properly in important areas.

(b) The Congress further finds that an ample supply of energy at reasonable cost is essential to the national interest, and that petroleum hydrocarbons are a very significant portion of our energy supply. Current and projected levels of hydrocarbon imports from foreign sources entail serious consequences to the national defense and foreign policy of the United States, to the stability and health of the domestic economy, to the competitive position of this Nation in world trade, to the purchasing power of United States currency, and to the welfare of its citizens.

(c) It is therefore essential that action be taken on an emergency basis to reorganize the structure of the petroleum industry, to restore the free enterprise system in energy development, to assure an adequate flow of capital into exploration and development of secure and environmentally safeguarded sources, and to accord investors, consumers and taxpayers adequate protection in relation to energy development and the divestitures required hereunder.

DEFINITIONS

Sec. 3. (a) "Refinery" means a plant constructed or operated for the purpose of separating or converting liquid hydrocarbons to finished products or unfinished oils for further refining;

(b) "Finished products" means liquid hydrocarbon products used or useful without further processing other than mechanical blending for the production of energy for heating or as a source of mechanical power.

(c) "Crude oil" means a mixture of liquid or gaseous hydrocarbons that are produced from natural underground reservoirs, and which are liquid at atmospheric pressures after production.

(d) "Liquid hydrocarbons" means any liquid composed of hydrogen and carbon molecules, and includes such hydrocarbons derived from tar sands, oil shale or liquefaction of coal.

(e) "Company" means any business enterprise of any nature whatsoever, and shall include but not be limited to corporations, trusts, unincorporated associations, partnerships, and sole proprietorships.

(f) "Affiliate" means any company owned or controlled by another company, or which owns or controls another company, or is under common ownership or control with another company; where the terms "own" or "ownership" refer to ownership of a substantial interest, and the term "control" refers to control by stock interest, representation on the board of directors or similar governing body of the controlled company, or control by contract, agreement, or trust relationship with other stockholders, or otherwise.

(g) "Independent refiner" means a company operating a refinery of which not more than 25 per centum of the total input is derived from crude oil produced by or on behalf of such company or any affiliate of such company; and which sells at least half of the total of finished products produced in its refinery or refineries to companies not affiliated with it for resale at wholesale or retail under brands not owned or controlled by such refinery company.

(h) "Pipeline Company" means a company engaged in any way in the transportation of oil by pipeline or partly by pipeline.

DIVESTITURE OF PIPELINE FACILITIES

SEC. 4. Paragraph (8) of section 1 of the Interstate Commerce Act (49 U.S.C. 1(8)) is amended—

(1) by adding "(a)" immediately after (8) in such paragraph; and

(2) by adding at the end of such paragraph the following subparagraph to read as follows:

"(b) (1) It shall be unlawful for any pipeline company subject to this chapter to transport to, from, or within any State, territory, or the District of Columbia any crude oil or other liquid hydrocarbon, or any finished product, which is produced or manufactured by such pipeline company or any company which is an affiliate of such pipeline company."

DIVESTITURE OF PRODUCING FACILITIES

SEC. 5. After the date of enactment of this Act, except as specifically provided herein, no company operating a refinery, other than an independent refiner, shall at the same time own or control any interest of any nature whatsoever, directly or through any affiliate, in any company engaged in the exploration for, development of, or production of crude oil or other liquid hydrocarbons.

DIVESTITURE OF MARKETING FACILITIES

SEC. 6. After the date of enactment of this Act, except as specifically provided herein, no company operating a refinery, other than an independent refiner, shall at the same time own or control any interest of any nature whatsoever, directly or through any affiliate, in any company engaged in the marketing of finished products: *Provided, however*, That any such company may maintain and operate facilities for the sale and delivery of such finished products directly from a refinery.

DIVESTMENT PLANS AND FINANCIAL ACCOUNTING

SEC. 7. (a) The Securities and Exchange Commission, in accordance with such rules, regulations, or orders as it may deem necessary to promulgate to carry out the purposes of this Act, shall require companies holding ownership interests in facilities which are prohibited by this Act, to submit, within one year from the date of enactment of this Act, plans for the divestment of such ownership interests, whether represented by securities, or otherwise. If, after notice and opportunity for hearing, the Commission shall find such plan, as submitted or as modified by Commission order, necessary to effectuate the provisions of this Act and fair and equitable to the persons affected by it, the Commission by order shall approve such plan and shall thereafter take such action, by application to a court for appointment of a trustee, or receiver, or for such other order as may be necessary, to enforce such plan: *Provided, however*, That the Commission shall not approve any plan which will not substantially accomplish the necessary divestment on or before January 1, 1977.

(b) The Commission shall immediately prescribe rules and regulations governing the financial accounting of companies subject to this Act, to insure careful segregation of operations of such companies in each level of industry operation, separately calculating and reporting capital and operating costs, and profits, for operations relating to crude oil production, operation of each refinery, operation of pipelines, and operation of marketing facilities.

OPERATIONS PENDING DIVESTMENT

SEC. 8. Any company required by the terms of this Act to divest property or interests may continue to operate such property or interests under this Act for a period not to exceed one year from the date of enactment of this Act without submission of a plan or plans for divestment, and thereafter during the period required for consideration and approval by the Commission of a plan submitted, as herein provided. Such company shall, however, in no event continue to operate or control such property and interests after January 1, 1977.

VIOLATIONS

SEC. 9. If any company shall violate any of the provisions of this Act or any rule, regulation, or order issued hereunder, upon application of any Federal court by the United States, or any customer or competitor of such company or any person affected by such violation, such court shall order the forfeiture to the United States of the sum of $5,000 for each day such violation shall be found to have continued, and for payment of the costs and expenses of suit, including, if a private enforcement action, an informer's fee to be calculated in like manner to those provided by law relating to the collection of import duties or other taxes.

EXCERPTS FROM SENATOR NELSON'S REMARKS ON EDUCATIONAL TELEVISION, OCTOBER 14, 1971, WHA TELEVISION, WISCONSIN

Prior to government placing new restrictions on the activities of any segment of our society, there must be overwhelming evidence supporting the need for such action. In my opinion, years of congressional study have constructed a case for drastic steps to be taken in the area of retail distribution of gasoline and related products.

When this industry was in its infancy, the Congress discerned the obvious detrimental public consequences of the one man control which then existed. In 1911, the Supreme Court decided the Standard Oil case, which broke up the Standard Oil Trust. Since that time little has been done to insure that the benefits this action offered both to business and the public would remain effective.

Today the industry is one of the economic giants operating in this country. Some 225,000 retail outlets with annual sales in excess of $25 billion supply consumers with over 90 billion gallons of gasoline and other products. These figures represent staggering multiples of growth since 1911.

Through the years, as the demand for product increased, there has been a constant movement to a re-concentration of power within the industry. Today a mere handful of men, representing 11 oil companies, control the industry from the wellheads to the consumer. The court decision of 1911 has been effectively nullified. I think it is time the interests of the public and the retailer were again considered and new legislation enacted to restore competitive balance within the industry.

The Roosevelt Committee of the mid-50's; the Hart Committee, plus, a study by my staff spanning 4 years have produced a sorry picture of this industry, which enjoys a captive market for its product. It exhibits little regard for the well-being of its retailers. . . .

Time will not permit a full statement of the abuses uncovered within this industry, such as, short leases for retailers, unwarranted cancellations, artificially induced price variances, forced trinket "give aways", which are only beneficial to the oil companies; and on and on.

I think there is an answer to this problem. I have prepared a Bill for introduction in the Senate which will prohibit producers of gasolines from owning and operating retail outlets. The public will benefit from a system which will then provide for the free operation of the retail gasoline market, and 225,000 retailers will become true independent businessmen, with the opportunity to decide their own destinies.

The oil companies will doubtlessly issue a unanimous cry that such legislation is a blow to the free enterprise system. To them I say—it is designed to make that system work, not for the privileged few, but for the many independent businessmen who are now victims of a powerful oligarchy.

[From the Milwaukee Sentinel, Feb. 19, 1974]

SEEK LAW ON GAS STATION OWNERSHIP

MADISON, WIS.—A newly formed coalition of Wisconsin's 3,600 independent retail gasoline dealers has hired lobbyists to push legislation that would outlaw station ownership by major oil companies.

The coalition hired three Milwaukee attorneys who registered Monday as lobbyists for the Wisconsin Gasoline Dealers Co-ordinating Committee.

They immediately sought bipartisan support for their draft bill that would make it illegal for a major oil firm to own a retail outlet.

The attorneys, and several independent dealers, spent Monday in Madison meeting with aides to Gov. Lucey, and with state energy advisor Stanley York. They were hoping to meet soon with Atty. Gen. Robert W. Warren.

York and Lucey's legal counsel, David Hase, agreed in principle with the coalition that preservation of the independent retailer is the goal of state government.

The coalition is seeking amendments to the state's antitrust laws to prohibit station ownership, and it wants new contract laws to protect independent dealers from what the coalition members call harassment by the major firms.

Atty. Raymond Krueger told Hase that independents are being squeezed out of business by major oil firms that "arbitrarily terminate contracts" with the dealer.

"If this continues much longer, the oil companies will have achieved their goal—running the independents out of business," said Atty. William E. Glassner, Jr., another representative of the coalition.

The coalition is comprised of the Wisco Retail Gasoline Dealers Association, the Clark Oil Dealers Association and unorganized independent dealers.

The dealers want more contractual protection through state laws. They maintain that present law permits major firms to force them to purchase batteries, tires and accessories from the major firms at the prices the majors demand.

If they don't abide by the major company's demands they don't get gasoline, or they are harassed by other company threats, the dealers told Hase.

Hase said Lacey supports the preservation of the independent oil retailers, but he said he is not certain whether forcing the major firms out of the retail market is the answer.

The independent dealers said that major firms have closed 20% to 52% of the retail outlets selling their brands was a company owned station and that none of those closed was a company owned station.

Arthur Johnson, vice president of the retail dealers group, said one major firm closed 9 of 13 outlets in Madison recently, all independent owner operated.

[From the Washington Post, Feb. 24, 1974]

REFINERY DIVESTITURE URGED

(By Morton Mintz)

Putting some of the blame for high fuel prices and inadequate refinery capacity on a lack of competition among the nation's eight largest oil companies, the Federal Trade Commission staff is seeking to force them to sell 40 to 60 percent of their refinery capacity.

Ten to 13 new firms would be formed to buy the divested refineries, under a tentative proposal by the FTC's Bureau of Competition.

If the industry had been organized "to depend upon free markets, it is doubtful that the present shortage of refinery capacity would have arisen," the staff said.

In addition to the refinery divestiture, the bureau said, the newly formed firms also should acquire pipelines owned by the oil companies, as well as the joint-venture pipelines.

The proposal is the first specific disclosure of the relief sought by the bureau to satisfy the antitrust complaint it filed July 17 against the companies—Exxon, Texaco, Gulf, Mobil, Standard of California, Standard of Indiana, Shell and Atlantic Richfield.

All of the companies have said they are innocent of the FTC staff's charge that they have joined at least since 1950 to monopolize refining and to maintain a noncompetitive structure of refining in "the relevant market"—the East and Gulf coasts, and parts of the mid-continent.

The proposed remedies would bring consumers "significant benefits" by imposing competition "where it has been present only rarely," the staff contended.

Its recommendations are in a 141-page "pre-discovery statement" filed Friday with Administrative Law Judge Donald R. Moore, who will hold a hearing and make a recommendation to the commission.

The proceeding is certain to go into the courts. A final decision by the Supreme Court is believed to be eight to 10 years off.

The proposed divestitures would make the new refinery firms "viable and independent," because they would have the assured access to major pipelines needed in a competitive market, the staff statement said.

Moreover, the statement said, divestiture would encourage efficient independent marketers to expand because their sources of supply would be safe.

"If consumers choose to have more low-priced gasoline without amenities, their demand will encourage independents to buy more from a genuine market," the bureau said.

It also asked for a ban on future refinery acquisitions by the eight companies, in addition to a limit on their joint ventures and on their exchanges of crude oil and petroleum products.

Through "common courses of action," the defendants opposed the refinery that Occidental Petroleum wanted to build for New England in Machiasport, Maine, in 1960, the statement said.

The statement, signed by staff counsel Robert E. Liedquist, said the eight companies—each integrated from the wellhead to the gas pump—are so interdependent that "in virtually every facet of their operation, they have common rather than competitive interests."

For example, the staff said, all but ARCO and Standard of Indiana are partners in the Iranian Oil Consortium and, in addition, are members of other joint international ventures in the Middle East. Thus, each is the others' "confidant" and has "a solid community of interest . . . which fosters cooperation rather than competition," the statement said.

Moreover, the staff said, the eight firms are, "to some extent . . . commonly rather than independently owned." The statement cited a "suggestive" example: "Chase Manhattan Bank, through various nominess, is both the largest shareholder in Atlantic Richfield and the second largest shareholder of Mobil. Clearly it is not in Chase Manhattan's interest to promote vigorous competition between them."

Ties between the banks and the eight companies are so strong that they "enjoy an identity of interest," the staff said. Competitors find it difficult to get financing for refineries because the major New York City banks do not want to "jeopardize" their own investments, the staff said. A refinery with a daily capacity of 250,000 barrels costs up to 600 million.

"Investment decisions are made together by firms in joint ventures," the staff continued. "Loans are sought from financial institutions on whose boards . . . there are representatives of other petroleum companies. Even in their political and public relations activities the major firms act in unison.

"In short," the staff concluded, "at no point in their operation do respondents engage in genuinely independent behavior. Rather, an intense awareness of a community of interest characterizes all of their activities and multiplies the impact of their concentration into monopoly power."

[From the Wall Street Journal, Feb. 25, 1974]

FTC STAFF URGES BIG OIL FIRMS' DIVESTITURE OF 40 TO 60 PERCENT OF REFINERIES, ALL PIPELINES

(By Mitchell C. Lynch)

WASHINGTON.—A special staff report by the Federal Trade Commission recommends that eight of the nation's largest oil companies be forced to divest themselves of 40% to 60% of their refining operations.

The report was filed by the FTC staff to buttress its complaint against the companies that they have monopoly control of the nation's oil industry. This stranglehold, the report says, is directly linked to the current fuel shortage and is causing higher prices for nearly all types of fuel, including gasoline.

Named in the original complaint issued last summer were Exxon Corp., New York; Texaco Inc., New York; Gulf Oil Corp., Pittsburgh; Mobil Oil Corp., New York; Standard Oil Co. of California, San Francisco; Standard Oil Co. (Indiana), Chicago; Shell Oil Co., Houston, and Atlantic Richfield Co., New York. All companies previously have denied the charges.

The 14-page report further recommends that these companies be forced to give up control of all their pipelines. The refining operations and pipeline facilities would be divested to 10 to 13 "new" companies that would be spun off from the oil companies, the report recommends. It adds that provision should be established to make sure the oil companies wouldn't have any control of the new pipeline companies.

INEFFICIENT, COSTLY OPERATIONS CITED

The report, for the first time, lists specifically what the FTC staff wants done to end what it says is a monopoly setup that for years has maintained strong barriers against any competition. Shielding themselves from outside interference, these companies have been able to operate both inefficiently and at unwarranted expenses to consumers, the report charges.

The report was turned over to an FTC administrative law judge as part of legal proceedings that are expected to take years to complete. If the FTC judge agrees with the complaint, he would make a recommendation for action with the Federal Trade Commissioners. If the commissioners follow the administrative judge's ruling, the oil companies could take their appeals to the courts.

Not only do the companies work at close ranks with each other, the staff report continued, but they bring major financial institutions into their bailiwick to help their cause.

For example, the report says Chase Manhattan Bank "is both the largest shareholder in Atlantic Richfield and the second largest shareholder in Mobil." The upshot: "Clearly it isn't in Chase Manhattan's interest to promote vigorous competition between them," the report says. (Large banks have steadfastly denied they influence company policies through their trust-fund holdings.)

The chief way the companies block competition is to keep crude-oil prices "artificially high," the report says. To these companies, which control exploration, pumping, piping, refining and sales, high crude prices are "merely bookkeeping transfers" that are passed on to the consumer in the form of higher fuel prices.

However, to any independent company, higher crude prices mean "out of pocket costs," the report claims. "Consequently, refining has been rendered less attractive" to smaller companies thinking of getting into the oil-processing business.

ENERGY CRISIS AS AN EXAMPLE

The current fuel squeeze "dramatically illustrates" the "ills" of the oil-company setup, the report asserts. Forcing the companies to make the divestitures "will work to prevent the recurrence of the present shortage of refinery capacity," the report says.

What's more, the report says, "The consumer pays twice" because of the companies' market power, "both directly in the form of higher prices and indirectly in that society's resources aren't allocated in the most efficient manner."

The companies have full say on prices because they control production, pipelines and "international crude oil." This power is bolstered by "their exploitation of state and federal legislation, particularly state prorationing laws and the oil import quota." This enables companies to prevent any increase in supply from upsetting their posted prices.

An example of the companies' muscle, the report says, was their successful move to block construction of a refinery to be built by Occidental Petroleum Corp. in Machiasport, Maine, in 1960. That refinery was designed to provide petroleum products for the New England area, which currently is being hard hit by the fuel shortage.

SUMMARY OF FREE ENTERPRISE IN PETROLEUM ACT OF 1974

Section 1 contains the short title of the measure.

Section 2 recites detailed findings by the Congress concernings: the applicability of a section of the Interstate Commerce Act—which divorces the business of transporting by railroad, commodities in interstate commerce from their manufacture—to the petroleum industry; the present highly concentrated organization of the industry, its effect frustrating the national policy in several areas; the policy of competitive free enterprise capitalism generally; energy policy provisions for an ample supply of petroleum products at reasonable costs in interstate and foreign commerce; in carrying out foreign policy in important areas; and in maintaining the stability and purchasing power of the United States currency. This Section also finds that it is therefore essential to reorganize the petroleum industry in such a manner as to make possible effective policy decisions in these areas while at the same time protecting the interests of investors.

Section 2 defines the critical terms used in the legislation. Particularly, it defines the term "affiliate" of a company as including parents, subsidiaries or companies under common control with such companies, whether such relationship is established by ownership, direct or indirect interlocking directorates, by contract or by any other means. It also specifically defines an "independent refiner," a company excepted from the divestment provisions of other sections of the Act, as a company operating a refinery of which not more than 25% of the total input is derived from crude oil produced by or for such refiner or any affiliate, and which sells at least half of its total finished products through other than owned or controlled marketing facilities.

Section 4 prohibits integration into pipeline transportation. This is accomplished by an amendment to the Interstate Commerce Act to prohibit any common carrier pipeline from transporting crude oil, other liquid hydrocarbons, or finished products, if the commodity transported is owned by the pipeline or any affiliate. This provision is similar to the "commodities clause" provision of the Interstate Commerce Acts imposing limitations on railroads, and is in form an amendment to that provision.

Section 5 prohibits any company operating a refinery, other than an independent refiner, from owning or controlling any interest in exploration for, development of or production of crude oil or other liquid hydrocarbons, including synthetics.

Section 6 is a similar prohibition relating to marketing facilities, forbidding any company operating a refinery, other than an independent refiner, from owning, controlling or operating facilities for the sale of finished products, other than those facilities necessary for sale of produce directly from the refinery.

Section 7 makes provision for procedures to accomplish the divestment of properties which would otherwise be held in violation of the provisions of the Act. As with public utility holding companies, the Securities and Exchange Commission is given authority to receive and consider divestment plans filed by integrated companies. If the Commission finds such plan as submitted, or as modified by the Commission, to be fair and equitable in its protection of investor interests, and to be in accord with the purposes of the Act, it is authorized to approve the plan and direct its implementation. Pending approval of any plan, however, the Commission is directed to prescribe rules and regulations for petroleum company accounting which will effectively segregate the costs, both capital and operating, and the profits, which are appropriately allocable to each level of company operation.

Section 8 makes necessary allowance for operations during the period before divestiture can be accomplished. It permits companies otherwise subject to the prohibitions of Section 5 and 6 of the Act to continue operations for one year prior to the filing of an appropriate divestment plan with the Securities and Exchange Commission, and thereafter during the period required for the consideration, approval and effectuation of such a plan by the Commission.

Section 9 imposes penalties for the violation of the Act, to consist of a forfeiture of $5,000 for each day a company is in violation. It also provides that this forfeiture can be declared by application to a United States District Court at the request of the United States or any customer or competitor of the company, or of any other person affected by the violation. In the event suit is brought by private interests, an appropriate informer's fee is to be paid, calculated as are those fees allowable in customs or tax matters. Costs and expenses of suit are also to be allowed a successful private party.

TRADE WITH THE SOVIET UNION AND RHODESIA

Mr. HARRY F. BYRD, JR. Mr. President, like many Americans, the Richmond Times-Dispatch, a newspaper published in the city of Richmond, Va., is deeply concerned over the dual standard employed by the State Department. The Times-Dispatch editorial of Wednesday, April 3, 1974, entitled "No and Yes," discusses the matter of trade with two nations and the attitude of the State Department. The two nations are the Soviet Union and Rhodesia.

The State Department advocates trade concessions to Soviet Russia and this very same State Department advocates an embargo on trade with Rhodesia.

This embargo on trade with Rhodesia is advocated even though such an embargo would mean that the United States would become dependent on Communist Russia for a vital war material; namely, chrome. All of U.S. needs must be imported.

There are only three nations in the world with large deposits of chromium and those nations are Rhodesia, South Africa, and Russia. The largest of all the deposits are in Rhodesia.

When Rhodesian chrome is embargoed, that means that the United States must rely for the largest part of its chrome needs upon Russia; yet, it is because of Russia, it is because of the potential threat to world peace posed by Russia, that the American taxpayers are spending some $80 billion a year for defense.

Thus, to many Americans, the attitude of the State Department makes little sense. It says on the one hand that we want to embargo trade with Rhodesia, which by no conceivable stretch of the imagination can be considered a threat to world peace but, on the other hand, we want to give special trade concessions to Soviet Russia which we all recognize is a potential threat to world peace.

Incidentally, I put this question to Secretary of State Kissinger when he appeared to testify before the Committee on Finance.

I said this to him:

> In your judgment, is Rhodesia a threat to world peace?

Secretary Kissinger's reply was one word, "No."

Mr. President, I ask unanimous consent to have the editorial from the Richmond Times-Dispatch printed in the RECORD. The editor of the editorial page is Edward Grimsley. The chairman and publisher is David Tennant Bryan.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

NO AND YES

In determining its official views toward other countries, should the United States be decisively influenced by their domestic characteristics and internal governmental policies? Well, no and yes. "No" in the case of the Soviet Union but "yes" in the case of tiny Rhodesia. This, in effect, is what Secretary of State Henry A. Kissinger admitted to the Senate Finance Committee recently in response to a series of piercing questions from Virginia Sen. Harry F. Byrd, Jr.

Mr. Kissinger had appeared before the committee to support a trade bill that would give most favored nation treatment to Russia, a concession opposed by some congressmen who object to the Soviet Union's refusal to permit its Jewish citizens to emigrate more freely. Calling the concession a "practical necessity," the secretary argued that Russia's internal policies should not be a decisive factor in the formulation of Soviet-American trade arrangements.

At that point, Mr. Kissinger found himself in a trap skillfully set by Senator Byrd. As all Americans should be, the senator is offended by the duplicitous attitudes of those—including the Nixon administration—who simultaneously favor trade concessions for Russia, one of the world's most oppressive dictatorships and a continuing menace to international peace, and a trade embargo against Rhodesia, which is a threat to no other country. Sponsored by the United Nations, the embargo was conceived as punishment against Rhodesia primarily because of its internal racial policies. Having heard the secretary of state insist that Russia's internal affairs should not influence American policy toward the Soviet Union, Senator Byrd was eager to hear his justification for support of the embargo against Rhodesia.

"You recognize our action in embargoing trade with Rhodesia as being just?" Senator Byrd asked Mr. Kissinger.

"Yes."

"Do you regard the Soviet Union as being governed by a tight dictatorship, by a very few persons over a great number of individuals?" Senator Byrd continued.

"I consider the Soviet Union, yes, as a dictatorship of an oligarchic nature, that is, of a small number of people in the Politburo," replied Mr. Kissinger.

"In your judgment, is Rhodesia a threat to world peace?"

"No," answered Mr. Kissinger.

"In your judgment, is Russia a potential threat to world peace?"

'I think,'" said the secretary, "the Soviet Union has the military capacity to disturb the peace, yes."

"In your judgment, does Russia have a more democratic government than Rhodesia?"

"No," Mr. Kissinger conceded.

One can almost see the secretary squirming in the witness chair. As the questioning continued, Mr. Kissinger finally offered a flimsy excuse for the embargo. It was not motivated by Rhodesia's internal policies, he said, so much as by "the fact that a minority has established a separate state . . ."

"Well, then," Senator Byrd concluded, 'you say it is because Rhodesia seeks to establish her own government. Is that not what the United States did in 1776?'"

Despite Mr. Kissinger's efforts to find other reasons to justify the boycotting against Rhodesia, the truth is that it *was* inspired by foreign disapproval of Rhodesia's internal racial policies. Though blacks constitute an overwhelming majority of Rhodesia's population, its government is controlled by whites and is accused of pursuing discriminatory policies against blacks. But many of the very same people who castigate the Rhodesian government for its racial policies endorse diplomatic and economic intimacy with Russia, which keeps *all* of its people under the brutal heel of totalitarianism.

Whether Rhodesia's internal policies are good or bad, they are Rhodesia's own business. Besides, if "practical necessity" is, as Mr. Kissinger suggested, a paramount factor in shaping American foreign policy, there is one compelling practical reason the United States should not support an embargo against Rhodesia. It is a major source of chrome, a metal vital to the American defense industry in particular and to our domestic economy in general. Denied Rhodesian chrome as a result of the embargo, we become dependent upon—of all nations—Russia, the major potential threat to America's survival.

THE PANAMA CANAL

Mr. HARRY F. BYRD, JR. Mr. President, the Virginia Legislature has adopted a resolution urging the Congress of the United States to—

> Reject any encroachment upon the sovereignty of the United States of America over the Panama Canal and insist that the terms of the Hay-Bunau-Varilla Treaty of 1903 as subsequently amended be adhered to and retained.

The patrons of this resolution are Senators Barnes of Tazewell County; Campbell of Hanover County; Means of Caroline County; and Willey of Richmond city. Senator Willey, incidentally, is the President pro tempore of the Virginia Senate—and the senior member of that body.

Senators Hopkins of Roanoke city; Aldhizer of Rockingham County; Buchanan of Wise County; Canada of Virginia Beach; Burruss of Lynchburg; Truban of Shenandoah County; Anderson of Halifax County; Thornton of Salem; Goode of Franklin County; Townsend of Chesapeake; Warren of Bristol; Parkerson of Henrico County; and Michael of Charlottesville.

The resolution was agreed to by the Senate on February 22, 1974, and by the House of Delegates on March 8, 1974.

I applaud the action of the Virginia Legislature. In my judgment, this represents the thinking of the people of Virginia.

It is unfortunate that the State Department seems determined to give away U.S. sovereignty over the Panama Canal, which sovereignty was obtained in perpetuity by treaty 71 years ago.

The Secretary of State in a ceremony in Panama recently encouraged the Panamanians to believe that the United States is committed to a change in the treaty which would eliminate U.S. sovereign perpetuity.

If the State Department had its way, such would happen.

But any change in the current treaty with Panama must be submitted to the Senate for approval.

The Senate, in my judgment, will not approve such a change as has been agreed to by Secretary Kissinger.

It is important to note that a resolution has been signed by 34 Senators, pledging that they will not support such a proposal.

That means that any such proposal is dead, because any change in the treaty with Panama requires a two-thirds vote. I submit that this body will not vote by a two-thirds majority to give away the Panama Canal.

I believe that the State Department is out of touch with reality when it believes the Senate will give two-thirds approval to changing a treaty to eliminate U.S. sovereignty over the Panama Canal.

It seems to me, Mr. President, that the sooner the Panamanians understand this, the better off both countries will be.

QUORUM CALL

Mr. HARRY F. BYRD, JR. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. CRANSTON). The clerk will call the roll.

The legislative clerk called the roll.

Mr. CLARK. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

FEDERAL ELECTION CAMPAIGN ACT AMENDMENTS OF 1974

The Senate continued with the consideration of the bill (S. 3044) to amend the Federal Election Campaign Act of 1971 to provide for public financing of primary and general election campaigns for Federal elective office, and to amend certain other provisions of law relating to the financing and conduct of such campaigns.

AMENDMENT NO. 1067

Mr. CLARK. Mr. President, I call up my amendment No. 1067.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. CLARK. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered; and, without objection, the amendment will be printed in the RECORD.

The amendment is as follows:

On page 3, beginning with line 6, strike out through line 4 on page 25 and insert in lieu thereof the following:

"TITLE V—PUBLIC FINANCING OF FEDERAL ELECTION CAMPAIGNS

"DEFINITIONS

"SEC. 501. When used in this title—

"(1) 'candidate' means an individual who seeks nomination for election, or election, to Federal office, whether or not he is elected, and, for purposes of this paragraph, an individual seeks nomination for election, or election, if he (A) takes the action necessary under the law of a State to qualify himself for nomination for election, or election, to Federal office, (B) receives contributions or makes expenditures, or (C) gives his consent for any other person to receive contributions or make expenditures for the purpose of bringing about his nomination for election, or election, to such office;

"(2) 'Commission' means the Federal Election Commission established under section 502;

"(3) 'contribution'—

"(A) means a gift, subscription, loan, advance, or deposit of money or anything of value, made for the purpose of—

"(i) influencing the nomination for election, or election, of any person to Federal office or as a Presidential or Vice-Presidential elector; or

"(ii) influencing the result of a primary election held for the selection of delegates to a national nominating convention of a political party or for the expression of a preference for the nomination of persons for election to the office of President;

"(B) means a contract, promise, or agreement, whether or not legally enforceable, to make a contribution for any such purpose;

"(C) means a transfer of funds between political committees; and

"(D) means the payment, by any person other than a candidate or political committee, of compensation for the personal services of another person which are rendered to such candidate or committee without charge for any such purpose; but

"(E) does not include—

"(i) (except as provided in subparagraph (D)) the value of personal services rendered to or for the benefit of the candidate by an individual who receives no compensation from any person for rendering such service;

"(ii) payments under section 509;

"(iii) newsstories, commentaries, and editorials on broadcast stations or in newspapers, magazines, and other periodical publications (other than a publication of a political party, a political committee as defined in section 591(d) of title 18, United States Code, a candidate or an agent of any of the foregoing); non-partisan registration and get-out-the-vote activity; communications by an established membership organization (other than a political party) to its members, or by a corporation (not organized for purely political purposes) to its stockholders;

"(4) 'expenditure' means—

"(A) a purchase, payment, distribution, loan, advance, deposit, or gift of money or anything of value, made for the purpose of—

"(i) influencing the nomination for election, or election, of any person to Federal office, or as a Presidential and Vice-Presidential elector; or

"(ii) influencing the result of a primary held for the selection of delegates to a national nominating convention of a political party or for the expression of a preference for the nomination of persons for election to the office of President;

"(B) a contract, promise, or agreement, whether or not legally enforceable, to make an expenditure; and

"(C) a transfer of funds between political committees;

"(5) 'Federal office' means the office of President of the United States or of Senator or Representative in the Congress of the United States;

"(6) 'general election' means any election, including special elections, held for the election of a candidate to Federal office;

"(7) 'major party' means a political party which, in the preceding general election nominated a candidate who—

"(A) received, as the candidate of that party, 25 percent or more of the total number of popular votes cast for all candidates for election to that office; or

"(B) received, as the candidate of that party, the largest number or second largest number of popular votes cast for any candidate for election to that office;

"(8) 'minor party' means a political party which is not a major political party;

"(9) 'political party' means a committee, association, or organization the primary purpose of which is to select and to support individuals who seek election to Federal, State, and local office as the candidate of that committee, association, or organization;

"(10) 'primary election' means (A) an election, including a runoff election, held for the nomination of a candidate for election to Federal office, (B) a convention or caucus of a political party held for the nomination of such a candidate, (C) an election held for the selection of delegates to a national nominating convention of a political party, and (D) an election held for the expression of a preference for the nomination of persons for election to the office of President;

"(11) 'Representative' includes Delegates or Resident Commissioners to the Congress of the United States; and

"(12) 'State' means each State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and any territory or possession of the United States.

"FEDERAL ELECTION COMMISSION

"SEC. 502. (a) (1) There is established, as an independent establishment of the executive branch of the Government of the United States, a commission to be known as the Federal Election Commission.

"(2) The Commission shall be composed of seven members who shall be appointed by the President by and with the advice and consent of the Senate. Of the seven members—

"(A) two shall be chosen from among individuals recommended by the President pro tempore of the Senate, upon the recommendations of the majority leader of the Senate and the minority leader of the Senate; and

"(B) two shall be chosen from among individuals recommended by the Speaker of the House of Representatives, upon the recommendations of the majority leader of the House and the minority leader of the House. The two members appointed under subparagraph (A) shall not be affiliated with the same political party; nor shall the two members appointed under subparagraph (B). Of the three members not appointed under such subparagraphs, no more than two shall be affiliated with the same political party.

"(3) Members of the Commission shall serve for terms of seven years, except that, or the members first appointed—

"(A) two of the members not appointed under subparagraph (A) or (B) of paragraph (2) shall be appointed for terms ending on the April 30th first occurring more than six months after the date on which they are appointed;

"(B) one of the members appointed under paragraph (2) (A) shall be appointed for a term ending one year after the April 30 on which the term of the member referred to in subparagraph (A) of this paragraph ends;

"(C) one of the members appointed under paragraph (2) (B) shall be appointed for a term ending two years thereafter;

"(D) one of the members not appointed under subparagraph (A) or (B) of paragraph (2) shall be appointed for a term ending three years thereafter;

"(E) one of the members appointed under paragraph (2) (A) shall be appointed for a term ending four years thereafter; and

"(F) one of the members appointed under paragraph (2) (B) shall be appointed for a term ending five years thereafter.

"(4) Members shall be chosen on the basis of their maturity, experience, integrity, impartiality, and good judgment. A member may be reappointed to the Commission only once.

"(5) An individual appointed to fill a vacancy occurring other than by the expiration of a term of office shall be appointed only for the unexpired term of the member he succeeds. Any vacancy occurring in the office of a member of the Commission shall be filled in the manner in which that office was originally filled.

"(6) The Commission shall elect a Chairman and a Vice Chairman from among its members for a term of two years. The Chairman and the Vice Chairman shall not be affiliated with the same political party. The Vice Chairman shall act as Chairman in the absence or disability of the Chairman, or in the event of a vacancy in that office.

"(b) A vacancy in the Commission shall not impair the right of the remaining members to exercise all the powers of the Commission and four members thereof shall constitute a quorum.

"(c) The Commission shall have an official seal which shall be judicially noticed.

"(d) The Commission shall at the close of each fiscal year report to the Congress and to the President concerning the action it has taken; the names, salaries, and duties of all individuals in its employ and the money it has disbursed; and shall make such further reports on the matters within its jurisdiction and such recommendations for further legislation as may appear desirable.

"(e) The principal office of the Commission shall be in or near the District of Columbia but it may meet or exercise any or all its powers in any State.

"(f) The Commission shall appoint a General Counsel and an Executive Director to serve at the pleasure of the Commission. The General Counsel shall be the chief legal officer of the Commission. The Executive Director shall be responsible for the administrative operations of the Commission and shall perform such other duties as may be delegated or assigned to him from time to time by regulations or orders of the Commission. The Commission shall not delegate the making of regulations regarding elections to the Executive Director.

"(g) The Commission may obtain the services of experts and consultants in accordance with section 3109 of title 5, United States Code.

"(h) In carrying out its responsibilities under this title, the Commission shall, to the fullest extent practicable, avail itself of the assistance, including personnel and facilities, of the General Accounting Office and the Department of Justice. The Comptroller General and the Attorney General are authorized to make available to the Commission such personnel, facilities, and other assistance, with or without reimbursement, as the Commission may request.

"(i) The provisions of section 7324 of title 5, United States Code, shall apply to members of the Commission notwithstanding the provisions of subsection (d) (3) of such section.

"(j) (1) When the Commission submits any budget estimate or request to the President or the Office of Management and Budget, it shall concurrently transmit a copy of that estimate or request to the Congress.

"(2) Whenever the Commission submits any legislative recommendations, or testimony, or comments on legislation requested by the Congress or by any Member of Congress to the President or the Office of Management and Budget, it shall concurrently transmit a copy thereof to the Congress or to the Member requesting the same. No officer or agency of the United States shall have any authority to require the Commission to submit its legislative recommendations, or testimony, or comments on legislation, to any officer or agency of the United States for approval, comments, or review, prior to the submission of such recommendations, testimony, or comments to the Congress.

"(k) In verifying signatures on petitions required under this title, the Commission shall avail itself of the assistance, including personnel and facilities, of State and local governments to the extent those governments have already established programs to verify signatures on petitions. The Commission may make agreements with State and local governments to reimburse those governments for such assistance.

"POWERS OF COMMISSION

"SEC. 503. (a) The Commission shall have the power—

"(1) to make, pursuant to the provisions of chapter 5 of title 5, United States Code, any rules necessary to carry out its functions under this Act, including rules defining terms used in this Act and rules establishing procedures for gathering and certifying signatures on petitions required under this title;

"(2) to make rules governing the manner of its operations, organization, and personnel;

"(3) to require, by special or general orders, any person to submit in writing reports and answers to questions the Commission may prescribe; and those reports and answers shall be submitted to the Commission within such reasonable period and under oath or otherwise as the Commission may determine;

"(4) to administer oaths;

"(5) to require by subpena, signed by the Chairman or the Vice Chairman, the attendance and testimony of witnesses and the production of all documentary evidence relating to the execution of its duties;

"(6) in any proceeding or investigation, to order testimony to be taken by deposition before any person designated by the Commission who has the power to administer oaths, and to compel testimony and the production of evidence in the same manner as authorized under paragraph (5) of this subsection;

"(7) to pay witnesses the same fees and mileage as are paid in like circumstances in the courts of the United States;

"(8) to initiate (through civil proceedings and through presentations to Federal grand juries), prosecute, defend, or appeal any court action in the name of the Commission for the purpose of enforcing the provisions of this title and of sections 602, 608, 610, 611, 612, 613, 614, 615, 616, and 617 of title 18, United States Code, and to recover any amounts payable to the Secretary of the Treasury under section 510, through its General Counsel; and

"(9) to delegate any of its functions or powers, other than the power to issue subpenas under paragraph (5) to any officer of the Commission.

"(b) Any United States district court within the jurisdiction of which any inquiry is carried on, may, upon petition by the Commission—

"(1) in case of refusal to obey a subpena or order of the Commission issued under subsection (a) of this section, issue an order requiring compliance therewith; and any failure to obey the order of the court may be punished by the court as a contempt thereof; and

"(2) upon the request of the Commission, convene a special Federal grand jury to investigate possible violations of this Act.

"(c) No person shall be subject to civil liability to any person (other than the Commission or the United States) for disclosing information at the request of the Commission.

"(d) Notwithstanding any other provision of law, the Commission shall be the primary civil and criminal enforcement agency for violations of the provisions of this title, and of sections 602, 608, 610, 611, 612, 613, 614, 615, 616, and 617 of title 18, United States Code. The Attorney General shall prosecute violations of this Act or those sections of title 18 only upon the request of the Commission.

"(e) Upon application made by any individual holding Federal office, any candidate, or any political committee, the Commission, through its General Counsel, shall provide, within a reasonable period of time, an advisory opinion whether any specific transaction or activity may constitute a violation of any provision of this title or of any provision of title 18, United States Code, over which the Commission has primary jurisdiction under subsection (d).

"ELIGIBILITY FOR FINANCING

"SEC. 504. (a) Each political party and candidate shall—

"(1) agree to obtain and to furnish to the Commission any evidence it may request about the expenditures by that party or candidate;

"(2) agree to keep and to furnish to the Commission any records, books, and other information it may request; and

"(3) agree to an audit and examination by the Commission under section 509 and to pay any amounts required under section 509.

"(b) Each political party and candidate shall certify to the Commission that—

"(1) the candidate will not incur expenditures greater than the limitations in section 506; and

"(2) no contributions greater than the limitations on contributions in section 615 of title 18, United States Code, have been or will be accepted by the party or candidate.

"(c) To be eligible to have the Commission make any payments under section 508, a candidate shall file all agreements and certifications required under subsections (a) and (b) with the Commission before the date of the relevant election at the time required by the Commission.

"(d) To be eligible to have the Commission make any payments in connection with a major party primary election campaign under section 508, a candidate who seeks the nomination of that party must in addition to the requirements of subsection (c), file with the Commission not later than two hundred and ten days before the date of that primary election—

"(1) a declaration that the candidate is seeking the nomination of a named major party for election to the office of Representative and a petition in support of his candidacy signed by a total number of people in excess of 2 per centum of the voting age population (as certified under section 506(f)) of the congressional district in which he seeks election; or

"(2) a declaration that the candidate is seeking the nomination of a named major party for election to the office of Representative in a State which is entitled to only one Representative, to the office of Senator, to the office of Vice President, or to the office of President, and a petition in support of his candidacy signed by a total number of people in excess of 1 per centum of the voting age population (as certified under section 506 (f)) of the geographic area in which the primary election for that office is held.

"(e)(1) No candidate is eligible under subsection (d) until the Commission verifies that the petition filed by the candidate meets the requirements of subsection (d) and that—

"(A) the signatures on the petition are valid;

"(B) the individuals who signed the petition are eighteen years of age or older;

"(C) the individuals who signed the petition live in the geographic area in which the general election for the office the candidate seeks is held or are qualified to vote in the primary election under the laws of the State in which that election is held; and

"(D) no individual who signed the petition has signed a petition required under this section of any other candidate for the same office.

"(2) The Commission shall approve or disapprove any petition filed under this subsection not later than one hundred and eighty days before the date of the primary election in connection with which that petition is filed.

"(f) To be eligible to have the Commission make any payments under section 508, a political party must, in addition to the requirements of subsection (c), file with the Commission, at the time and in the manner the Commission prescribes by rule, a declaration that the political party will nominate candidates who will actively campaign for election in the next regular general election.

"ENTITLEMENTS

"SEC. 505. (a)(1) A candidate who is eligible for Federal financing of his campaign under section 504 is entitled to payment by the Commission of expenditures he incurs in connection with his campaign for nomination by a major political party.

"(2) No candidate who seeks the nomination of a major party is entitled to payment of his expenditures by the Commission under this subsection in excess of an amount which is equal to the amount the candidate is permitted to incur in connection with his primary election campaign under section 506 (a)(1) or (b), as applicable.

"(b)(1) Every candidate nominated by a political party who is eligible for Federal financing of his campaign under section 504 is entitled to payment by the Commission of expenditures he incurs in connection with his general election campaign.

"(A) No candidate of a major party is entitled to payment of his expenditures by the Commission under this subsection in excess of an amount which is equal to the amount the candidate is permitted to incur in connection with his campaign for election under section 506(a)(2) or (b).

"(B) No candidate of a minor party is entitled to payment of his expenditures by the Commission under this subsection in excess of an amount which is equal to the greater of—

"(i) an amount which bears the same ratio to the amount of payments to which a candidate of a major party for the same office is entitled under this subsection as the total number of popular votes received by the candidate of that minor party for that office in the preceding general election bears to the average number of popular votes received by the candidate of a major party for that office in the preceding general election; or

"(ii) an amount which bears the same ratio to the amount of payments to which a candidate of a major party for the same office is entitled under this subsection as the total number of popular votes received by the candidate in the current general election bears to the average number of popular votes received by the candidate of a major party for that office in the current general election.

"(2)(A) Every independent candidate who is eligible for Federal financing of his campaign under section 504 is entitled to payment by the Commission of expenditures he incurs in connection with his general election campaign.

"(B) No independent candidate is entitled to payment of his expenditures by the Commission under this subsection in excess of an amount which is equal to the greater of—

"(i) an amount which bears the same ratio to the amount of payment to which a candidate of a major party for the same office is entitled under this subsection as the total number of popular votes received by the independent candidate as a candidate for that office in the preceding general election bears to the average number of popular votes received by the candidate of a major party for that office in the preceding general election; or

"(ii) an amount which bears the same ratio to the amount of payment to which a candidate of a major party for the same office is entitled under this subsection as the total number of popular votes received by the independent candidate in the current general election bears to the average number of popular votes received by the candidate of a major party for the same office in the current general election.

"(c) A minor party candidate or an independent candidate who (1) was the candidate of a major party for the same office in the preceding general election, (2) received the largest or second largest number of popular votes cast for a candidate for that office in the preceding general election, or (3) received more than 25 per centum of the total number of popular votes cast in the preceding general election for that office shall be considered to be the candidate of a major party for purposes of this section.

"(d)(1) Every political party which is eligible for Federal financing under section 504 is entitled to payment by the Commission of expenditures it incurs in connection with Federal election activities such as voter registration drives, get-out-the-vote drives, and nominating conventions.

"(2) No political party is entitled to payment of its expenditures by the Commission under this subsection in excess of—

"(A) 20 per centum of the amount of payment by the Commission to which the Presidential candidate of that party is entitled under subsection (b), in any year in which a regular quadrennial Presidential election is held; or

"(B) 15 per centum of the amount of payment by the Commission to which the Presidential candidate of that party is entitled during a regular quadrennial Presidential election year under subsection (b) in any other year.

"(e) Notwithstanding the provisions of subsection (b), no minor party candidate or independent candidate is entitled to payment by the Commission of any expenditures under this section which, when added to the total amount of contributions received by him in connection with his campaign, exceed the amount of expenditures he may incur in connection with that campaign under the provisions of section 506.

"EXPENDITURE LIMITATIONS

"SEC. 506. (a)(1) Except to the extent that such amounts are changed under subsection (e), no candidate, other than a candidate for the office of President, may incur any expenditure in connection with his primary election campaign in excess of—

"(A) in the case of a candidate who seeks nomination for election to the office of Senator, the greater of—

"(i) 15 cents multiplied by the voting age population (as certified under subsection (f)) of the State in which he seeks nomination for election; or

"(ii) $175,000;

"(B) in the case of a candidate who seeks nomination for election to the office of Representative—

"(i) 25 cents multiplied by the voting age population (as certified under subsection (f)) of the congressional district in which he seeks nomination for election; or

"(ii) the limitation under subparagraph (A) if the State in which he seeks nomination is entitled to only one Representatve.

"(2) Except to the extent that such amounts are increased under subsection (e) no candidate, other than a candidate for election to the office of President, may incur any expenditure in connection with his general election campaign in excess of—

"(A) in the case of a candidate who is seeking election to the office of Senator, the greater of—

"(i) 20 cents multiplied by the voting age population (as certified under subsection (f)) of the State in which he seeks election; or

"(ii) $250,000;

"(B) in the case of a candidate who is seeking election to the office of Representative—

"(i) 30 cents multiplied by the voting age population (as certified under subsection (f)) of the State in which he seeks election; or

"(ii) the limitation under subparagraph (A) if the State in which he seeks election is entitled to only one Representative.

"(b)(1) No candidate for nomination for

election, to the office of President may incur with his campaign in excess of the amount which a candidate for nomination for election, or election, to the office of Senator (or for nomination for election, to the office of Delegate, in the case of the District of Columbia) may incur within that State in connection with his campaign for that nomination or election.

"(2) No candidate for election to the office of President may incur any expenditure in connection with his general election campaign in excess of 20 cents multiplied by the voting age population (as certified under subsection (f)) of the United States.

"(3) The Commission shall prescribe rules under which any expenditure incurred by a candidate who seeks nomination for election to the office of President for use in two or more States shall be attributed to that candidate's expenditure limitation in each such State based on the number of persons in each State who can reasonably be expected to be reached by that expenditure.

"(4) The Commission shall prescribe rules under which a candidate for nomination for election to the office of President may authorize his national campaign committee to incur expenditures in connection with his national campaign in an amount not in excess of 10 per centum of the amount of expenditures which he may incur in connection with his primary election campaign in a State under this section. The expenditure limitation applicable to that candidate for such campaign in that State shall be reduced by an amount equal to the amount the candidate authorizes under this section.

"(c)(1) No candidate who is unopposed in a primary election may incur any expenditure which is in excess of an amount which is equal to 20 per centum of the limitation applicable to that candidate under subsection (a) or (b) of this section.

"(2) A candidate in a primary or general election runoff election shall have an expenditure limitation which is 50 per centum of the limitation in subsection (a) or (b) of this section, as applicable.

"(3) A candidate who seeks the nomination of a political party which selects its nominee by means of a convention or caucus system which does not include a popular election or elections shall have an expenditure limitation which is 10 per centum of the limitation in subsection (a) or (b) of this section, as applicable.

"(d)(1) Expenditures incurred on behalf of any candidate are, for the purpose of this section, considered to be incurred by that candidate.

"(2) For purposes of this subsection, an expenditure is considered to be incurred on behalf of a candidate if it is incurred by—

"(A) an agent of the candidate for the purposes of incurring any campaign expenditure,

"(B) any person authorized or requested by the candidate to incur an expenditure on his behalf, or

"(C) in the case of the candidate of a political party for President, the candidate of that party for Vice President, or his agent, or any person he authorizes to incur an expenditure on his behalf.

"(e)(1) For purposes of paragraph (2)—

"(A) 'price index' means the average over a calendar year of the Consumer Price Index (all items—United States city average—published monthly by the Bureau of Labor Statistics, and

"(B) 'base period' means the calendar year 1973.

"(2) At the beginning of each calendar year (commencing in 1975), as necessary data become available from the Bureau of Labor Statistics of the Department of Labor, the Secretary of Labor shall certify to the Commission and publish in the Federal Register the percentage difference between the price index for the twelve months preceding the beginning of such calendar year and the price index for the base period. Each amount determined under subsections (a), (b), and (c) shall be changed by such percentage difference. Each amount so changed shall be the amount in effect for such calendar year.

"(f) During the first week of January 1975, and every subsequent year, the Secretary of Commerce shall certify to the Commission and publish in the Federal Register an estimate of the voting age population of the United States, of each State, and of each congressional district as of the first day of July next preceding the date of certification. The term 'voting age population' means resident population, eighteen years of age or older.

"PETITION DRIVES

"SEC. 507. (a) Except to the extent that such amounts are changed under subsection (d)—

"(1) no candidate who seeks a major party nomination for election to the office of Representative may incur any expenditures in connection with his petition drive to meet the requirements of section 504 which exceed an amount equal to 2 cents multiplied by the voting age population (as certified under section 506(f) of the congressional district in which he seeks election; or

"(2) no candidate who seeks a major party nomination for election to the office of Representative from a State which is entitled to only one Representative, Senator, or President, may incur any expenditures in connection with his petition drive to meet the requirements of section 504 which exceed an amount equal to the greater of—

"(A) 1 cent multiplied by the voting age population (as certified under section 506(f)) of the geographic region in which he seeks election; or

"(B) $77,500.

"(b)(1) No person may make a contribution to any candidate for use in connection with the petition drive of that candidate to meet the requirements of section 504 which, when added to all other contributions made by that person to that candidate in connection with the same petition drive, exceeds $100.

"(2) No candidate may knowingly accept a contribution from any person made in connection with the petition drive of that candidate which, when added to all other contributions from that person made in connection with that petition drive, exceeds $100. For purposes of this paragraph, a contribution accepted by any person who makes any expenditures in connection with the petition drive of a candidate is considered to be accepted by that candidate.

"(c) No candidate may make any expenditure or accept any contribution in connection with his petition drive except during the period beginning three hundred days before the date of the primary election of the major party whose nomination the candidate seeks and ending two hundred and ten days before that date.

"(d)(1) Each candidate who files a petition with the Commission under section 504 shall report to the Commission the amount of each contribution he receives in connection with his petition drive, the identity of each contributor, and any other information the Commission requires at the time and in the manner the Commission prescribes.

"(2) If a candidate meets the requirements of section 504, the Commission shall pay an amount to each person who contributed to the petition drive of that candidate an amount equal to the contribution made by that person under subsection (b) to that candidate.

"(e) Each amount under subsection (a) shall be changed at the beginning of each calendar year by the percentage difference between price indexes as determined under section 506(f). Each amount so changed shall be the amount in effect for that calendar year.

"PAYMENTS BY THE COMMISSION

"SEC. 508. (a)(1) There is established on the books of the Treasury of the United States a fund to be known as the Federal Election Campaign Fund.

"(2) There are authorized to be appropriated to the fund such amounts as are necessary to carry out the provisions of this title.

"(3) On the day after the effective date of this title, the Secretary of the Treasury shall transfer to the fund any moneys in the Presidential Election Campaign Fund established under section 9006 of the Internal Revenue Code of 1954.

"(4) The Secretary of the Treasury may transfer to the general fund of the Treasury any amounts from the Federal Election Campaign Fund which he determines, after consultation with the Commission, are in excess of the amounts which are necessary to carry out the provisions of this title.

"(b) The Secretary of the Treasury shall transfer to the Commission such amounts as the Commission certifies to the Secretary from time to time are necessary to make payments under this section.

"(c)(1) The Commission shall create on its books an account for each political party and candidate eligible for payments under section 504.

"(2) The Commission shall allocate the funds it receives from the Secretary of the Treasury under paragraph (1) among the accounts of each political party and candidate according to the amount to which each party and candidate is entitled under section 505.

"(3) The Commission shall credit all contributions which a political party or candidate sends to the Commission under section 615 of title 18, United States Code, to the account of that party or candidate.

"(d)(1) A candidate who seeks the nomination of a major political party may contract for goods, services, or other expenditures in connection with his primary election campaign only during the period beginning one hundred and eighty days before the date of the primary election of that party and ending on the date of that primary election.

"(2) A candidate may contract for goods, services, or other expenditures in connection with his general election campaign only during the period beginning on the date on which he is nominated by a major political party for that election and ending on the date of that general election. A minor party or independent candidate may contract for such goods and services only during the period beginning one hundred and eighty days before the date of the general election, or on the date on which a major party nominates a candidate for the office the minor party or independent candidate seeks, whichever date is earlier, and ending on the date of the general election.

"(3) A political party may contract for goods, services, or other expenditures in connection with its Federal election campaign activities only during the period beginning two years before the date of the next general election in which it will nominate candidates and ending on the date of that general election.

"(4) The Commission may void any contract made by a party or candidate under this subsection which is fraudulent or illegal before performance of that contract begins according to procedures it prescribes by rule.

"(e)(1) The Commission shall pay all expenditures incurred by each political party or candidate by contracts created by that party or candidate under subsection (d). The Commission may not pay any amount in excess of the amount to which that political party or candidate is entitled under section 505.

"(2) If a candidate becomes entitled to an increased amount of payments under section 505 (b)(1)(B) or (b)(2)(B) because of the number of votes he receives in an election, the Commission shall pay the amount of that increase in payments to which the candidate is entitled on a pro rata basis directly to the persons who contributed to that candidate in connection with that election.

"(f)(1) The Commission shall make all payments under this section directly to the person with whom the political party or candidate contracts for goods, services, or other expenditures. Except as provided in paragraph (2), no political party or candidate shall pay any expenditures which it or he incurs in connection with a Federal election campaign except through payments by the Commission under this title.

"(2) A candidate may maintain a petty cash fund out of which he, or one individual he authorizes in writing, may make expenditures not in excess of $25 to any person in connection with a single purchase or transaction. A candidate for Vice President or President may maintain one petty cash fund in each State. Records and reports of petty cash disbursements shall be kept and furnished to the Commission in the form and manner the Commission prescribes.

"EXAMINATIONS AND AUDITS; REPAYMENTS

"SEC. 509. (a) After each Federal election, the Commission shall conduct a thorough examination and audit of the expenditures incurred by every candidate.

"(b)(1) If the Commission determines that any portion of the payments it makes for a political party or candidate under section 508 was in excess of the aggregate amount of the payments to which the party or candidate was entitled under section 505, it shall so notify that party or candidate, and the party or candidate shall pay to the Secretary of the Treasury an amount equal to the excess amount.

"(2) If the Commission determines that any amount of any payment made by the Commission for a political party or candidate under section 508 was used for any purpose other than—

"(A) to pay expenditures, or

"(B) to repay loans the proceeds of which were used, or otherwise to restore funds (other than contributions to pay expenditures which were received and expended) which were used, to pay expenditures,

it shall notify the party or candidate of the amount so used, and the party or candidate shall pay to the Secretary of the Treasury an amount equal to such amount.

"(3) If the Commission determines that a major party candidate for whom it has made payments under section 508 received—

"(A) a total number of popular votes in the primary election, in connection with which the Commission made payments for that candidate which is less than 15 per centum of the total number of popular votes cast for all candidates seeking the same office that candidate seeks in that primary election;

"(B) a total number of delegate votes in the nominating convention in connection with which the Commission made payments for that candidate which is less than 15 per centum of the total number of delegates votes cast for all candidates seeking the same office that candidate seeks in that convention; or

"(C) a total number of popular votes in the general election in connection with which the Commission made payments for that candidate which is less than 25 per centum of the total number of popular votes cast for all candidates seeking the same office that candidate seeks in that general election,

it shall notify that candidate and the candidate shall pay to the Secretary of the Treasury an amount equal to the total amount of payments which the Commission made for him under section 508.

"(4) No payment shall be required from a political party or candidate under this subsection in excess of the total amount of all payments by the Commission for that party or candidate under section 508.

"(c) No notification shall be made by the Commission under subsection (b) with respect to a Federal election more than three years after the day of the election.

"(d) A candidate for whom the Commission has made payments under section 508 in an amount which is less than 25 per centum of the amount to which that candidate is entitled for a primary or general election under section 505 may withdraw as a candidate in that primary or general election at any time up to the forty-fifth day before the date of the primary election, or the thirtieth day before the date of the general election, in connection with which the Commission made those payments. A candidate who withdraws under this subsection shall pay to the Secretary of the Treasury an amount equal to 50 per centum of the payments which the Commission made for him under section 508.

"(e) All payments received by the Secretary under subsections (b) and (d) shall be deposited by him in the fund.

"REPORTS TO CONGRESS; INVESTIGATIONS; RECORDS

"SEC. 510. (a) The Commission shall, as soon as practicable after each Federal election, submit a full report to the Senate and House of Representatives setting forth—

"(1) the expenditures incurred by each political party and candidate which received a payment under section 508 in connection with that election;

"(2) the amounts paid by it under section 508 for that political party or that candidate; and

"(3) the amount of payments, if any, required from that political party or candidate under section 509, and the reasons for each payment required.

"(b) The Commission may conduct examinations and audits (in addition to the examinations and audits under section 509), investigations, and require the keeping and submission of any books, records, and information necessary to carry out the functions and duties imposed on it by this title.

"JUDICIAL REVIEW

"SEC. 511. (a) Any agency action by the Commission made under the provisions of this Act shall be subject to review by the United States Court of Appeals for the District of Columbia Circuit upon petition filed in such court by any interested person. Any petition filed pursuant to this section shall be filed within thirty days after the agency action by the Commission for which review is sought.

"(b) The Commission, a political party, a candidate, and individuals eligible to vote in an election for Federal office are authorized to institute any action, including actions for declaratory judgment or injunctive relief, which are appropriate to implement any provision of this title.

"(c) The provisions of chapter 7 of title 5, United States Code, apply to judicial review of any agency action, as defined in section 551 of title 5, United States Code, by the Commission.

"PENALTIES

"SEC. 512. (a) Any person who violates the provisions of section 506, 507, or 508 of this title shall be fined not more than $50,000, or imprisoned for not more than five years, or both.

"(b)(1) It is unlawful for any person knowingly and willfully—

"(A) to furnish any false, fictitious, or fraudulent evidence, books, or information to the Commission under this title, or to include in any evidence, books, or information so furnished any misrepresentation of a material fact, or to falsify or conceal any evidence, books, or information relevant to an examination and audit by the Commission under this title; or

"(B) to fail to furnish to the Commission any records, books, or information required by him for purposes of this title.

"(2) Any person who violates the provisions of paragraph (1) shall be fined not more than $50,000, or imprisoned not more than five years, or both.

"(c)(1) It is unlawful for any person knowingly and willfully to give or accept any kickback or any illegal payment in connection with any expenditure incurred by a candidate or political party which the Commission pays under section 508.

"(2) Any person who violates the provisions of paragraph (1) shall be fined not more than $50,000 or imprisoned not more than five years, or both.

"(d)(1) Any person who violates any provisions of this title or of section 602, 608, 610, 611, 612, 613, 614, 615, 616, or 617 of title 18, United States Code, may in addition to any other penalty, be assessed a civil penalty by the Commission under paragraph (2) of this subsection of not more than $10,000 for each violation. Each violation of this title and each day of noncompliance with an order of the Commission shall constitute a separate offense. In determining the amount of the penalty the Commission shall consider the person's history of previous violations, the appropriateness of such penalty to the financial resources of the person charged, the gravity of the violation, and the demonstrated good faith of the person charged in attempting to achieve rapid compliance after notification of a violation.

"(2) A civil penalty under this subsection shall be assessed only after the person charged with a violation has been given an opportunity for a hearing and the Commission has determined, by decision which includes findings of fact, that a violation did occur, and the amount of the penalty. Any hearing under this section shall be held in accordance with section 554 of title 5, United States Code.

"(3) If the person against whom a civil penalty is assessed fails to pay the penalty, the Commission may file a petition of enforcement of its order assessing the penalty in any appropriate district court of the United States. The petition shall designate the person against whom the order is sought to be enforced as the respondent. A copy of the petition shall forthwith be sent by registered or certified mail to the respondent and his attorney of record, and thereupon the Commission shall certify and file in such court the record upon which such order sought to be enforced was issued. The court shall have jurisdiction to enter a judgment enforcing, modifying, and enforcing as so modified, or setting aside in whole or in part the order and decision of the Commission or it may remand the proceedings to the Commission for such further action as it may direct. The court may determine de novo all issues of law but the Commission's findings of fact, if supported by substantial evidence, shall be conclusive.

"RELATIONSHIP TO OTHER FEDERAL ELECTION LAWS

"SEC. 513. The Commission shall consult from time to time with the Secretary of the Senate, the Clerk of the House of Representatives, the Federal Communications Commission, and with other Federal officers charged with the administration of laws relating to Federal elections, in order to develop as much consistency and coordination with the administration of those other laws as the provisions of this title permit. The Commission shall use the same or comparable data as that used in the administration of such other election laws whenever possible.

"AUTHORIZATION OF APPROPRIATIONS

"Sec. 514. There are authorized to be appropriated to the Commission, for the purpose of carrying out its functions under this title, such funds as are necessary for the fiscal year ending July 30, 1975, and each fiscal year thereafter.".

(b) The Federal Election Campaign Act of 1971 is amended by—

(1) striking out "Comptroller General" in sections 104(a) (3), (4), and (5) and inserting "Federal Election Commission";

(2) striking out "Comptroller General" in section 105 and inserting "Federal Election Commission";

(3) amending section 301(g) (relating to definitions) to read as follows:

"(g) 'Commission' means the Federal Election Commission;";

(4) striking out "supervisory officer" in section 302(d) (relating to organization of political committees) and inserting "Commission";

(5) amending section 302(f) by—

(A) striking out "appropriate supervisory officer" in the quoted matter appearing in paragraph (1) and inserting "Federal Election Commission";

(B) striking out "supervisory officer" in subparagraphs (A) and (B) of paragraph (2) and inserting "Commission"; and

(C) striking out "which has filed a report with him" in paragraph (2) (A) and inserting "which has filed a report with it";

(6) amending section 303 (relating to registration of political committees; statements) by—

(A) striking out "supervisory officer" each time it appears and inserting "Commission"; and

(B) striking out "he" in the second sentence of subsection (a) and inserting "it";

(7) amending section 304 (relating to reports by political committees and candidates) by—

(A) striking out "appropriate supervisory officer" and "him" in the first sentence of subsection (a), and inserting "Commission" and "it", respectively;

(B) striking out "supervisory officer" where it appears in the second sentence of subsection (a) and in paragraphs (12) and (13) of subsection (b), and inserting "Commission"; and

(C) striking out everything after "filing" in the second sentence of subsection (a) and inserting a period;

(8) striking out "supervisory officer" each place it appears in section 305 (relating to reports by other than political committees) and section 306 (relating to formal requirements respecting reports and statements) and inserting "Commission";

(9) striking out "Comptroller General of the United States" and "he" in section 307 (relating to reports on convention financing) and inserting "Federal Election Commission" and "it", respectively;

(10) striking out "SUPERVISORY OFFICER" in the caption of section 308 (relating to duties of the supervisory officer) and inserting "COMMISSION";

(11) striking out "supervisory officer" in the first sentences of subsections 308(a) and 308(b) and inserting "Commission";

(12) amending section 308(a) by—

(A) striking out "him" in paragraphs (1) and (4) and inserting "it"; and

(B) striking out "he" each place it appears in paragraphs (7) and (9) and inserting "it";

(13) amending subsection (c) of section 308 by—

(A) striking out "Comptroller General" each place it appears therein and inserting "Commission", and striking "his" in the second sentence of such subsection and inserting "its"; and

(B) striking out the last sentence thereof;

(14) amending subsection (d)(1) of section 308 by—

(A) striking out "supervisory officer" each place it appears therein and inserting "Commission";

(B) striking out "he" the first place it appears in the second sentence and inserting "it"; and

(C) striking out "The Attorney General on behalf of the United States" and inserting "The Commission or the Attorney General on behalf of the United States"; and

(15) striking out "a supervisory officer" in section 309 (relating to statements filed with State officers) and inserting "the Commission".

(c) (1) Section 5314 of title 5, United States Code, is amended by adding at the end thereof the following paragraph:

"(60) Members, Federal Election Commission (7).".

(2) Section 5316 of such title is amended by redesignating the second paragraph (133) as (134), and by adding at the end thereof the following new paragraphs:

"(135) General Counsel, Federal Election Commission.

"(136) Executive Director, Federal Election Commission.".

(d) Until the appointment of all of the members of the Federal Election Commission and its General Counsel and until the transfer provided for in this subsection, the Comptroller General, the Secretary of the Senate, and the Clerk of the House of Representatives shall continue to carry out their responsibilities under title I and title III of the Federal Election Campaign Act of 1971 as those titles existed on the day before the date of enactment of this Act. Upon the appointment of all the members of the Commission and its General Counsel, the Comptroller General, the Secretary of the Senate, and the Clerk of the House of Representatives shall meet with the Commission and arrange for the transfer, within thirty days after the date on which all such members are appointed, of all records, documents, memorandums, and other papers associated with carrying out their responsibilities under title I and title III of the Federal Election Campaign Act of 1971 as it existed on the day before the date of enactment of this Act.

(e) Subtitle H (Financing of Presidential Election Campaigns) of the Internal Revenue Code of 1954 (relating to financing of Presidential election campaigns) is repealed.

(f) The amendments made by this section shall take effect on January 1, 1975.

On page 42, beginning with line 1, strike out through line 16 on page 59.

On page 59, strike out lines 18, 19, 20, and 21, and insert in lieu thereof the following:

Sec. 207. Section 308(a)(6) of the Federal Election Campaign Act of 1971 is amended to read as follows:

On page 60, beginning with line 13, strike out through line 9 on page 61.

On page 61, line 12, strike out "Sec. 210." and insert in lieu thereof "Sec. 208.".

On page 61, line 14, strike out "redesignated as section 314 of such Act and".

On page 61, strike out lines 16, 17, and 18.

On page 61, line 19, strike out "(2)" and insert in lieu thereof "(1)".

On page 61, line 24, strike out "(3)" and insert in lieu thereof "(2)".

On page 62, line 6, strike out "211." and insert in lieu thereof "209.".

On page 62, line 8, strike out "redesignated as section 315 of such Act and".

On page 62, strike out lines 12 and 13.

On page 62, line 15, strike out "212." and insert in lieu thereof "210.".

On page 62, beginning with line 18, strike out through line 5 on page 64.

On page 64, line 7, strike out "318." and insert in lieu thereof "311.".

On page 64, line 9, beginning with ", title V,", strike out through "Code," on line 10.

On page 64, line 14, strike out "319." and insert in lieu thereof "312.".

On page 64, line 23, strike out "213." and insert in lieu thereof "211.".

On page 71, line 20, strike out "(1)".

On page 72, line 1, strike out "would be limited under section 504" and insert in lieu thereof "is limited under section 506".

On page 72, strike out lines 2 and 3 and insert in lieu thereof "Campaign Act of 1971.".

On page 72, line 4, strike out "(2)" and insert in lieu thereof "(b) (1)".

On page 72, line 7, strike out "(3)" and insert in lieu thereof "(2)".

On page 72, line 12, strike out "(4)" and insert in lieu thereof "(3)".

On page 72, line 21, strike out "(5)" and insert in lieu thereof "(c)".

On page 73, beginning with line 3, strike out through line 4 on page 75.

On page 75, line 6, strike out "(a) (5)" and insert in lieu thereof "(c)".

On page 75, line 11, strike out "(a) (4)" and insert in lieu thereof "(b)".

On page 75, beginning with line 19, strike out through line 8 on page 77 and insert in lieu thereof the following:

"(a) (1) No person may make a contribution to a major party, to a candidate who seeks the nomination of a major party, or to the candidate of a major party for use in connection with a primary election or general election campaign of that party or candidate.

"(2) No major party candidate who seeks the nomination of a major party, or candidate of a major party may knowingly accept a contribution from any person in connection with a primary election or general election campaign of that party or candidate. For purposes of this paragraph, a contribution accepted by any political committee which makes any expenditures in connection with the primary or general election campaign of a major party or the candidate of a major party shall be considered to be received by that party or candidate.

"(b) No minor party may accept contributions in connection with its Federal election campaign activities in excess of an amount which, when added to the maximum amount of payments by the Federal Election Commission to which that party is entitled under section 505 of the Federal Election Campaign Act of 1971, exceeds the amounts of payments by the Commission to which a major party is entitled under section 505 of such Act.

"(c) (1) No candidate who seeks the nomination of a minor party may accept total contributions in connection with his primary election campaign which exceeds the amount of the limitation on expenditures which applies to a candidate in a primary election campaign under section 506 (a) (1) or (b) of the Federal Election Campaign Act of 1971.

"(2) (A) A candidate of a minor party or an independent candidate may accept contributions in connection with his general election campaign only during the period beginning one hundred and eighty days before the date of the general election, or on the date on which a major party nominates a candidate for the office the minor party or independent candidate seeks, whichever date is earlier and ending on the date of the general election.

"(B) No candidate of a minor party or independent candidate may accept total contributions which, when added to the maximum amount of payments by the Federal Election Commission to which that candidate is entitled under section 505 of the Federal Election Campaign Act of 1971, exceed the limitation on expenditures which applies to a candidate in a general election campaign under section 506 (a) (2) or (b) of such Act.

"(d) For purposes of this section, a contribution accepted by any political committee which makes any expenditures in connection with the primary or general election campaign of a minor party, a candidate who seeks the nomination of a minor party, a minor party candidate, or an independent candidate, is considered to be accepted by that party or candidate.

"(e) (1) No person may make a contribution which, when added to all other contributions made by that person to the same party or candidate in connection with the same campaign, exceeds $100. This $100 limitation applies separately to contributions made in connection with a primary election campaign and with a general election campaign.

"(2) No party or candidate may knowingly accept contributions in connection with its Federal election campaign from any person which, when added to all other contributions accepted by that party or candidate which were made by that person in connection with the same campaign, equals an amount in excess of $100. This $100 limitation applies separately to contributions made in connection with a primary election campaign and with a general election campaign. For purposes of this paragraph a contribution accepted by any political committee which makes any expenditures in connection with the primary or general election campaign of a candidate shall be considered to be accepted by that candidate.

"(f) No person may make a contribution which, when added to all other contributions made by that person to all political parties and candidates in connection with any primary election or general election campaigns during the preceding twelve months, exceeds $1,000.

"(g) All contributions which a party or candidate receives shall be sent to the Federal Election Commission in the manner and with any information about the identity of the contributor which the Commission prescribes by rule.

"(h) (1) No person shall make any expenditure advocating the election or defeat of a clearly identified candidate or political party during any calendar year (other than an expenditure made on behalf of a candidate, as defined in section 506 (d) (2)) of the Federal Election Campaign Act of 1971 which, when added to all other such expenditures made by that person during that year exceeds $1,000.

"(2) For purposes of paragraph (1), 'clearly identified' means—

"(A) the candidate or political party is named;

"(B) a photograph or drawing of the candidate appears; or

"(C) the identity of the candidate or political party is apparent by unambiguous reference.

"(3) For purposes of paragraph (1), 'person' does not include a political party.

"(i) For purposes of this section—

"(1) 'contribution' does not include moneys collected for a petition drive under section 507 of the Federal Election Campaign Act of 1971; and

"(2) 'major party' and 'minor party' have the same definitions as under section 501 of the Federal Election Campaign Act of 1971."

Mr. CLARK. Mr. President, this amendment is offered as a substitute for title I of the Senate Rules Committee bill (S. 3044) now under consideration, and the amendment is identical to the Comprehensive Election Reform Act (S. 2943) which I introduced in February. The legislation goes beyond the provisions of S. 3044, and far beyond anything previously considered by the Senate, but there is no question that this is the time and the place to again raise the concept of total public financing of Federal elections. It is a proposal to eliminate the dominance of the private dollar in the public's business.

The introduction of this amendment in no way reflects a lack of support for the public financing legislation that Senator HOWARD CANNON and Senator CLAIBORNE PELL have managed so ably over the last week or so. If anything, my support for the Rules Committee bill has grown during the debate as the Senate has considered the arguments of the opponents to public financing.

But the introduction of this amendment does reflect a fundamental belief that S. 3044 does not go far enough. Given the incredible abuse of the political process, given the skepticism and doubt of the American people, a system of public financing that is either partial or optional simply will not be enough.

Over the last few days, the Senate has heard hours of debate over public financing, and in all of that time, we have gotten lost in the complexities of amendments and counterproposals, and there has been a tendency to forget about one central point: the present system of financing political campaigns simply does not work.

It is beyond reform. Like an old tire with too many miles and too many patches, it cannot be repaired. It has to be changed—and that change must include more than partial or optional public financing.

The Senator from Alabama (Mr. ALLEN) has argued at length that the public financing proposal now before the Senate has its own problems and infirmities. Perhaps it does, but whatever those problems and infirmities, it is definitely preferable to the current system. As the Clear Rapids Gazette observed in an editorial just yesterday:

> There is no great reassurance in the idea of tax monies paying for the self-centered blandishments of political candidates. But distasteful as the proposal may seem, it beats the daylights out of the present abuse-prone financing system.

And total public financing of political campaigns beats the daylights out of partial and optional public financing of political campaigns.

Total public financing would eliminate many of the questions that the opponents of S. 3044 have raised. There would not be loopholes available for anyone to funnel private money to candidates for public office if only because candidates would have no need for private money. And every citizen would have the same influence, the same access, the same degree of representation from public officials. Each of us could vote, each of us could volunteer in a campaign.

None of us could use money and wealth to buy public office or political influence.

There is an inherent inconsistency in relying on private funds in any way to support election to public office. As long as candidates have to depend on private funds—however large or small the amount—the potential for abuse will remain. And the people know it.

The only way to dissipate their doubt and distrust, the only way to restore faith in the integrity of popular government, is to put public actions beyond the influence of campaign contributors. That requires total public financing of elections, and absolutely no reliance on private contributors.

Mr. President, my amendment would remove the influence of private money in public elections. It is the only proposal which does so. It provides for total Federal financing in primary and general elections for all Federal offices.

It is the only proposal which allows candidates to qualify for public financing in primaries by demonstrating the only legitimate evidence of public support—the petition signatures of registered voters. This is a far more satisfactory and representative way of determining public support than continued reliance on private contributions. All the people should control the access to public offices, not just those who have enough money to devote part of it to politics. And for those people concerned about the chance of public financing attracting too many candidates, the proposal provides that the candidate must obtain a minimum percentage of the vote—to avoid reimbursing the Federal Treasury for the cost of the campaign.

The plan would distribute campaign funds in primaries equally to all candidates who qualify. Everyone should have an equal chance at the public's attraction. Matching and mixed plans of private and public financing simply reinforce, at public expense, the candidate preferences of those with enough money to contribute to political campaigns. The "incumbency advantage" inherent in all matching plans for public financing is significant, and the only way to eliminate it is to eliminate the use of private funds as a measure of public support.

The terrific advantages that incumbents now have over their challengers arise chiefly out of the system of private financing. Incumbents have a built-in advantage in raising campaign funds. Only by eliminating the need to raise private funds can that advantage be substantially reduced and the campaign contest balanced. Matching plans not only fail to reduce the advantage, but tend inevitably to increase it. Decreasing the total amount of private funds required means candidates have to raise less money, but incumbents will always raise it quicker. Putting a ceiling on the size of contributions means the number of contributors is increased.

And here again, incumbents have an enormous advantage because of their network of friends and supporters.

Finally, this proposal provides for effective enforcement of campaign finance laws. Unlike any other bill, it creates a commission which covers all permissible political expenditures—goods, services, and salaries. And it charges them against the candidates' accounts maintained by the commission.

Perhaps the central lesson of Watergate is that we must carefully guard, not only the sources of campaign contributions, but their use. The Commission established in my amendment would police expenditures before they are made, rather than simply audit them after they are made—when it is too late either to prevent the harm or to remedy its consequences. The threat of punishment alone is too weak a deterrent when so much political power is at stake.

The cost of my proposal is necessarily higher than the cost of the committee bill but at most, it will take $250 million a year to fully finance all Federal election campaigns. That amounts to less than one-tenth of 1 percent of the annual budget of this Government. It amounts to less than one-fifth of the cost of one Trident nuclear submarine. It amounts to about $1 a year from every American. It amounts to an awfully small price to pay to restore trust and confidence in our political system, and to return to a government truly responsible to all the people.

Many contend that we must encourage, not discourage, small individual contributions to political campaigns. There is an argument that encouraging small contributions increases participation in the political process.

But only a tiny percentage of the American people now contribute in any amount to political campaigns. Fewer than than 2 percent of those who voted in 1972 contributed to either Presidential campaign, and less than one-half of 1 percent of any constituency ever contribute to an individual candidate. When they do contribute, it is usually by virtue of their wealth and education. If we continue to allow private contributions, whatever the rules or limits, we will inevitably continue to favor that tiny group and discriminate against the vast majority of Americans. I believe very strongly in increasing political participation, but only in a way that allows everyone to participate equally. This proposal would encourage equal involvement—with the provision of an income tax checkoff—and involvement on a volunteer basis where consideration of economic status is not a factor.

Others have suggested that to outlaw private contributions would somehow violate the first amendment right of freedom of expression. But in a number of cases, the U.S. Supreme Court has consistently affirmed the existence of another basic right—the right of citizens to be free of wealth distinctions in the political process—and the court has further implied an affirmative obligation to eliminate the influence of wealth on political campaigns.

Prof. Archibald Cox, whose combination of scholarly and practical knowledge of this issue is unique, made the case convincingly in the March 9, 1974 Saturday Review/World. He wrote:

> The objection is sometimes raised that prohibiting private campaign contributions violates the freedom of speech guaranteed by the First Amendment. Money is indeed necessary in order to make speech effective. Those of few or modest means can make themselves heard only by pooling their resources. Even so, spending money is one step removed from speech, and the contributor is a second step away because he is using money to promote not his own speech but another's.
>
> Nor can it fairly be said that ideas would be suppressed or opportunities for speech be restricted. Everyone would be left free to speak and write as an individual. Except for the very wealthy, everyone would be left free to spend money in disseminating his personal expressions. As for parties and candidates, the public subsidy would merely replace the private contributions. The opportunities to travel, to buy space or time in the media, to leaflet and advertise, would remain. The relative size of expenditures by one or another candidate might be affected, but the First Amendment has never been supposed to guarantee those able to raise the most money the greatest opportunity for organized political expression.

A "constitutional right" to use wealth in the political process is a right that only destroys the rights of others. The elimination of private contributions and the substitution of public financing of political campaigns is both legal and desirable.

In 1976 this country will celebrate its 200th birthday. I hope the Senate passes a bill that will enable us to cleanse politics of the real and perceived corruption that haunts the country, and that will encourage our citizens to renew their faith in the institutions of self-government. That is the only way to enter our third century with heads unbowed by shame, confident in the future. We can not afford to do anything less.

Mr. President, I ask unanimous consent to have printed in the RECORD, a summary of my amendment.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

COMPREHENSIVE ELECTION REFORM ACT OF 1974

Provisions:

CANDIDATES AND ELECTIONS COVERED

President: Primary and general (incorporates Presidential check-off fund)

Congress: primary and general.

TYPE OF FUNDING

Automatic full funding of all qualifying major party candidates with partial funding of minor and independent candidates on basis of vote performance. Campaign bills paid by and through Federal Election Commission.

PARTY ORGANIZATIONS COVERED

National party (major and minor) automatically receives funding in presidential election year of up to 20% of amount allowed its presidential candidates. In all other years, it's up to 15% of that amount. Party may spend public funds for election activities such as voter registration, nominating conventions, get-out-the-vote drives. Bills paid directly by Federal Election Commission.

HOW ADMINISTERED

Seven member Federal Elections Commission, appointed by President with consent of Senate to serve staggered seven year terms. Two recommended by Senate leadership, two by House. No more than four of seven of same political party. Responsible for administering, auditing, enforcing federal campaign finance program. Has full investigative, subpoena, prosecutorial powers. Commission responses to Executive Branch.

Executive Branch prohibited from censoring Commission comments or testimony.

Commission sets up accounting system for each qualified candidate, pays all bills directly, except for petty cash expenses of $25 or less.

AMOUNT OF FUNDING

President: Primary: 15¢ x VAP * in each state; *General:* 20¢ x VAP in each state.

Senate: Primary: 15¢ x VAP (or $175,000 if greater); *General:* 20¢ x VAP (or $250,000 if greater).

House: Primary: 25¢ x VAP (or Senate amount if state has only one Congressional district); *General:* 30¢ x VAP.

HOW QUALIFY

Candidates agree to file all necessary records and comply with audit requirements, certifying that he or she will not exceed spending and contribution limits.

President: Primary: Petition signatures of 1% of VAP in each primary state must be filed with Commission 210 days before primary, to be validated by Commission within 30 days.

General: Major party candidates automatically qualify for full funding.

Senate: Primary: Petition signatures of 1% of VAP in State must be filed with Commission 210 days before primary.

General: Major party candidates automatically qualify for full funding.

House: Primary: Petition signatures of 2% of VAP in district must be filed with Commission 210 days before primary (1% if single district state).

General: Major party candidates automatically qualify for full funding.

National party: Automatically qualifies for funding based on a percentage of the presidential candidate entitlement.

CANDIDATE SPENDING LIMIT

Same as total entitlement allowed major party candidates (see "Amount of Funding"). In presidential primary, candidate can authorize his or her national committee to spend up to 10% of his or her total allowable limit in states entered, reducing own spending by that same amount. Unopposed primary candidates may spend only 20% of amount allowed opposed candidate.

LIMITS ON INDIVIDUAL PRIVATE CONTRIBUTIONS

No private contributions can be given to or accepted by major party candidates or major parties in primary or general elections. (Exception for $100 maximum contributions allowed in petition gathering, all contributions to be refunded later from primary entitlement). Limit of $100 on contribution to minor party, independent candidate (separate limit for primary, runoff, general). Minor party, independent candidates may accept private contributions up to overall spending limit.

LIMITS ON CONTRIBUTIONS BY POLITICAL COMMITTEE TO CANDIDATE

No contributions allowed to major party candidates or to major party. $100 limit on contributions to minor, independent candidates.

TREATMENT OF MINOR AND NEW PARTIES/CANDIDATES

Entitled to a fraction of major party funding based on ratio of minor/new party candidate votes received to average votes received by major party candidate. May raise proportionately more in private funds up to spending limit.

Can receive additional funding—up to total funding—after election on basis of performance.

SPECIFIC RESTRICTIONS

Major party candidate must repay full entitlement if he or she receives less than 15% of votes in primary or 25% in general election.

Candidates may withdraw under certain conditions, repaying half of entitlement received.

Post election audit can require repayment of excess funds received by candidate.

Minor party candidate or his or her family can spend $1,000 on primary or general election (treated separately); major party candidate or family can spend $1,000 in connection with petition drive.

All private contributions to minor, independent candidates must be sent to Election Commission, fully identified.

Full reporting of petition drive contributions.

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*VAP—voting age population.

Spending limits for petition drives:

House: 2¢ x VAP.

Senate: 1¢ x VAP or $7,500, whichever is more.

Limit of $100 on individual's contribution to petition drive.

TAX INCENTIVES FOR SMALL CONTRIBUTIONS

Increase tax credit to 100% of contribution up to $100 ($200 on joint return). Provides automatic income tax payment to Election Fund of $2, unless taxpayer specifically designates "no."

OTHER PROVISIONS

Repeals Sec. 315 "equal time" requirements of Communications Act for all federal candidates.

Bans use of frank for mass mailings 90 days before any federal election.

Directs Postal Service to establish special rates for all federal candidates.

PENALTIES

Up to $50,000/five years.

Civil penalty: Up to $10,000 per day per violation.

ESTIMATED ANNUAL COST

$250 million (assumes three candidates in each party primary for every Federal office).

Effective Date: January 1, 1975.

Mr. PELL. Mr. President, I congratulate the Senator from Iowa on the completeness and fairness of his amendment an for the thought that has gone into it. It is, as he suggests, a very innovative and major suggestion. It would involve substantial expense, substantial amounts from the public treasury, perhaps twice or three times as much as is foreseen in the bill that is presently under consideration. This matter was not considered in the deliberations of the subcommittee. It was not adequately considered at that time. Finally, there is the question of what the courts would rule in connection with the flat out prohibition on private contributions. They might be willing and already have supported a limitation on the amount an individual can contribute. To prohibit him from contributing anything might be a violation of his constitutional rights.

For these reasons, as the acting manager of the bill, I would be compelled not to support the amendment of the Senator from Iowa.

Mr. President, I move that the amendment of the Senator from Iowa be tabled at this time.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Rhode Island.

The motion was agreed to.

AMENDMENT NO. 1156

Mr. HUMPHREY. Mr. President, today I submit an amendment for myself and my distinguished colleague from Arizona (Mr. GOLDWATER) that would make the day on which Federal general elections are held a legal public holiday.

While I have been successful in each of the last 2 years in winning Senate approval of similar amendments, neither of them have been enacted, for various reasons unrelated to the substance of this proposal. I hope that this time it will be passed by the Congress and become law.

The logic of this amendment is just as compelling today as it has been for years. Under our present electoral system, a number of serious obstacles have been erected that block full democratic participation by all Americans in our Government and politics.

We have made some great strides in the last 25 years, however, in reducing and eliminating these barriers. Unconstitutional voting requirements posed by the poll tax, literacy requirements, residency laws, and some of the more subtle racially motivated obstacles, have been removed. And, we are making some progress in facilitating voter registration—a step of great importance in increasing democratic participation in our Government.

Yet there is more that we can, should, and must do, in the name of true popular democracy, to bring the mass of the people into the political system of our Nation.

Mr. President, according to a survey conducted by the U.S. Census Bureau, 51.2 million eligible Americans did not vote in the general elections in November 1972. That number represented a full 37 percent of the voting-age population in this country at that time. Many of these people have been denied this basic right of citizenship because of hard-to-find registration offices and a full day's work.

The amendment I submit today would eliminate one of the major obstacles to fuller voter participation in elections. It would assure that millions of American working families are not deterred from excercising their franchise in Presidential and congressional elections.

My amendment makes election day the first Wednesday after the first Monday in November, and also creates a legal holiday on that day.

Several other Nations—Denmark, Italy, France, Germany, and Austria—which enjoy 85 to 95 percent voter turnout in nearly every election have designated election day a holiday.

These are nations that are industrialized. They find that the workers participate freely openly, and in much larger numbers when there is an election holiday.

I believe that it would substantially improve participation in our elections, as well.

Workers who commute long distances to work often leave home before polls open and return after they have closed. People working irregular shifts in a shop or factory are also discouraged from voting. In some areas rush hours at the polls mean a long wait in line causing many who must get to work, and many others who are tired from a full day's labor, to give up their franchise in despair.

Mr. President, it is time we put an end to this obstacle to democracy. The amendment I am introducing today would achieve this goal, it would eliminate the work day as an obstacle to expanding suffrage.

The right to vote should not be hampered by any economic consideration. It is too important to the survival of our system of government. In the 19th century we eliminated property ownership requirements for voting in this country. As we enter the last quarter of the 20th century, it is time for us to act to prevent a job from keeping the 80 million Americans who work in factories, on farms, and in the businesses of this Nation, from the voting booths.

Mr. President, I believe this amendment—providing a legal election holiday every 2 years beginning in 1976—would increase voter participation for the most important office in the land: The Presidency of the United States—an open day so that every citizen will have all the time in that day available to consider the candidates and exercise his franchise. And the same, of course, would apply to the offices of U.S. Senator and Member of the House of Representatives.

I send to the desk my amendment, for myself and for Mr. GOLDWATER, and ask that it be printed.

The PRESIDING OFFICER. The amendment will be received and printed, and will be on the table.

Mr. HUMPHREY. Mr. President, I might ask the acting manager of the bill, since this amendment has passed through the Senate twice with overwhelming votes, as to whether or not he would just like to accept the amendment or let is go over so we can vote on it. It will be adopted again, I am sure, unless the Senate has completely changed its mind.

Mr. PELL. Mr. President, I would like to ask, in view of the fact that, as the Senator has suggested, I am the acting floor manager, that it go over until next week, when the floor manager will be here.

Mr. HUMPHREY. Very good.

EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider certain nominations which have been reported today by the Committee on the Judiciary.

The PRESIDING OFFICER. Without objection, it is so ordered.

U.S. ATTORNEY

The PRESIDING OFFICER. The clerk will state the first nomination.

The legislative clerk read the nomination of S. John Cottone, of Pennsylvania, to be U.S. attorney for the middle district of Pennsylvania.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

U.S. DISTRICT JUDGE

The legislative clerk read the nomination of Murray M. Schwartz, of Delaware, to be a U.S. district judge for the district of Delaware.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

U.S. ATTORNEY

The legislative clerk read the nomination of Mr. William J. Schloth, of Georgia, to be U.S. attorney for the middle district of Georgia.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

U.S. DISTRICT JUDGE

The legislative clerk read the nomination of Joseph W. Morris, of Oklahoma, to be U.S. district judge for the eastern district of Oklahoma.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

U.S. MARSHAL

The legislative clerk read the nomination of George A. Locke, of Washington, to be U.S. marshal for the eastern district of Washington.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate return to the consideration of legislative business.

There being no objection, the Senate resumed the consideration of legislative business.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, on Monday, the Senate will convene at the hour of 12 o'clock noon. After the two leaders have been recognized under the standing order, there will be a period for the transaction of routine morning business of not to exceed 30 minutes, with statements limited therein to 5 minutes each, at the conclusion of which the Senate will resume consideration of the unfinished business, S. 3044.

At that time the pending question will be on an amendment by Mr. TALMADGE, on which there is a time limitation of 30 minutes. Any rollcall votes on the Talmadge amendment or other amendments, motions, et cetera, will not occur until the hour of 3:30 p.m. The leadership would expect several rollcalls on Monday.

Mr. President, if there is anything in my statement of the program that has not been previously ordered, I ask unanimous consent that it be done.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADJOURNMENT

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, and, pursuant to Senate Resolution 304, as a further mark of respect to the memory of Georges Pompidou, President of the French Republic, that the Senate now adjourn.

The motion was unanimously agreed to; and at 11:33 a.m. the Senate adjourned until Monday, April 8, 1974, at 12 noon.

CONFIRMATIONS

Executive nominations confirmed by the Senate April 5, 1974:

DEPARTMENT OF JUSTICE

William J. Schloth, of Georgia, to be U.S. attorney for the middle district of Georgia for the term of 4 years.

S. John Cottone, of Pennsylvania, to be U.S. attorney for the middle district of Pennsylvania for the term of 4 years.

George A. Locke, of Washington, to be U.S. marshal for the eastern district of Washington for the term of 4 years.

(The above nominations were approved subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

IN THE JUDICIARY

Joseph W. Morris, of Oklahoma, to be U.S. district judge for the eastern district of Oklahoma.

Murray M. Schwartz, of Delaware, to be U.S. district judge for the district of Delaware.

EXTENSIONS OF REMARKS

LOCAL PHONE COMPANY SETS NEW POLICY ON GIVING DATA TO POLICE

HON. DAVID R. OBEY

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 4, 1974

Mr. OBEY. Mr. Speaker, the Wood County, Wis., Telephone Co. has decided it will not turn over long-distance call records to law enforcement or investigative agencies except under subpena or administrative summons.

The company will also notify those customers whose records have been subpenaed, unless the agency involved certifies to the company that notification "could impede its investigation and interfere with enforcement of the law."

I think the Wood County Telephone Co. should be heartily commended for adopting this policy to protect individual privacy against informal snooping by Federal, State, and local agencies.

Here is an article from the Wisconsin Rapids Tribune of March 29, explaining how the policy will work and why it was adopted:

[From the Wisconsin Rapids Tribune, Mar. 29, 1974]

PHONE COMPANY HERE SETS NEW POLICY ON GIVING DATA TO POLICE

(By Thomas Berger)

Effective immediately, the Wood County Telephone Co. will not turn over long distance telephone call records to government or law enforcement agencies of legislative committees except under subpoena or administrative summons, the board of directors of the company decided Thursday.

In the past the company honored requests from local law enforcement agencies for records of toll calls. The information included date, time, duration and number called.

James Wenzlaff, vice president and general manager of the company, refused comment on other agencies the information was released to or the number of requests received or honored.

He said he had heard news reports of other telephone companies giving the information to the Internal Revenue Service, the Federal Bureau of Investigation and the Department of Justice but refused to say if the Wood County Telephone Company had also surrendered records to the agencies.

Wisconsin Rapids Police Chief Allen Spencer and Wood County Sheriff Thomas Forsyth both said the information was requested by their agencies only very infrequently.

The company will also now begin notifying customers when their records have been subpoenaed or summoned, except in those circumstances where the agency requests the company not to disclose that information and certifies such notification "could impede its investigation and interfere with enforcement of the law."

Until now customers were informed of a subpoena or summons only if they asked whether such action had taken place, the company said. Now the person whose records are sought will be notified by a phone call and a letter written within 24 hours.

Wenzlaff said the company will no longer honor a demand for such records in the form of written requests from law enforcement agencies.

Spencer said he could not recall the last time such records were requested by Wisconsin Rapids police. Forsyth said the last time his department did was "about two years ago on a drug case."

"The FBI used to use this type of thing a lot," Forsyth said. "We have done this but on such rare occasions."

The company's officials met with Spencer and Forsyth about three weeks ago to discuss the changes in the company policies. The company also will no longer give police an unlisted number, even in case of an "emergency," Forsyth said.

"We have reviewed our policy in the all-important area of customer privacy many times over the years and these changes are the result of the latest such review," Wenzlaff said. "There are important issues involved—the right of individual privacy is vital and so is the need for effective law enforcement.

"We are deeply concerned about the need to protect individual privacy. We would prefer not to reveal anything to anybody about the billing records of our customers, but obviously we must honor subpoenas served upon us."

He said that only the information necessary for billing purposes was surrendered and "These records contain no information as to the contents of any telephone conversation."

He refused comment when asked whether the company has allowed any taps to be placed on its telephone lines.

A bill has been introduced into the Wisconsin Assembly's Judiciary Committee requiring investigators to get court permission to explore utility records of calls. Wisconsin Telephone Co. disclosed last year it provided the Justice Department with records of toll calls but discontinued the practice March 1 this year.

WE NEED THE INTERNAL SECURITY COMMITTEE

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 4, 1974

Mr. BIAGGI. Mr. Speaker, I was pleased at the actions of the House in voting for continued funding for the

House Committee on Internal Security. I would like to take this occasion to express my continued strong support of the committee and its objectives.

There are those in America who feel that we no longer are in need of the HISC. Apparently, these rosy-eyed optimists are not aware of the recent wave of terrorist acts which are occurring in this country. Perhaps they are not concerned with the likes of the dreaded Symbionese Liberation Army, or the American Revolutionary Army. Or perhaps these people have been overcome with "détente" fever and no longer adhere to the belief that communism is our enemy.

No, I do not share these beliefs for a minute. I contend that rather than seeking the disbarment of this important committee, closer attention ought to be paid to its work. For example, how many Americans were even aware that the Internal Security Committee had prepared and released an extensive report on the SLA prior to the tragic Hearst kidnapping?

Let us not believe for a minute that we are so immune from threats to our internal security that we can afford the luxury of disbanding HISC. Who else can we rely on to keep effective tabs on subversive elements in our society? Perhaps some of my colleagues would prefer to see the committee room be turned over to Jane Fonda and her loyal American friends.

Let us not be so hasty in our efforts to destroy that which is necessary. The suggestion that the duties of the committee be taken over by the Judiciary Committee is unacceptable to me and those who recognize the danger of this shift. If the work of HISC were transferred to the Judiciary Committee, the net effect would be to effectively obscure this important work. I applaud the efforts of this committee and its distinguished chairman, Mr. Ichord, in their efforts. They have my continued support and that of all Americans who realize that our internal security is a matter of paramount national importance.

BOOKER T. WASHINGTON

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 4, 1974

Mr. RANGEL. Mr. Speaker, today commemorates the accepted birthdate of Booker Taliaferro Washington. During the 19th century, Mr. Washington constructively and effectively carried the mantle as foremost American black leader from the famed Frederick Douglass. His influence as an educator, statesman, and black spokesman greatly affected the lives of black Americans during the turn of the century.

Mr. Washington graduated from Hampton Institute and later continued his studies at Wayland Seminary in Washington, D.C. In 1881 Washington founded Tuskegee Institute. The institute started as a simple shanty and later under his master hand it was continually expanded. Today it boasts a campus of 150 buildings and is world renowned for agriculture research and extension work. The institute also served as a base for the revolutionary discoveries of George Washington Carver.

Tuskegee Institute, however, serves as a tangible example of Mr. Washington's genius. An intangible example was the ideology of black development he provided to the majority of black Americans during Reconstruction and its aftermath.

Mr. Washington believed that blacks should attain their civil rights in a deliberate manner. He also believed that blacks could best assert their rights in the economic and moral arenas. His ideological position often allowed him to forge formidable coalitions with whites and blacks in the pursuit of civil justice for all.

I salute Mr. Washington as an outstanding American and urge my colleagues to join me in commemorating his birthday.

LARRY O'BRIEN

HON. JOE MOAKLEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 4, 1974

Mr. MOAKLEY. Mr. Speaker, many of us are concerned over the future of American politics. The public today is disillusioned with our political process. History offers no clearer lesson than the price nations pay for a loss of faith in government.

To find out what is wrong with politics today and to seek some direction for rebuilding public confidence, a young reporter from the Patriot-Ledger, Mr. Paul Mindus, traveled to New York to talk with Larry O'Brien.

I would like to share his report with my colleagues:

An Interview With Larry O'Brien

(By Paul D. Mindus)

New York.—Lawrence F. O'Brien has not fallen from power. Apparently he has walked away from it.

BEYOND RECALL

The premier strategist, unifier and loyalist of the national Democratic party does not want to be recalled as the party's chairman, does not want to run for elective office, and will not accept a draft to either role.

Larry O'Brien is not tired of politics—the focus of his life since he began campaign work around Springfield in 1938. But after 35 years and for reasons he does not fully articulate, he feels he would have little impact on a public increasingly disenchanted with politics; and about this "mass cynicism" and other matters Mr. O'Brien is depressed.

In a two-hour interview with The Patriot Ledger at his Manhattan apartment overlooking Roosevelt Island (formerly called Welfare Island), the Massachusetts-born survivor of the Kennedy Era and the "Irish Mafia" talked not about political strategy for 1976 or the congressional gains Democrats anticipate this fall.

"My thinking goes way beyond that", he said. "I'm concerned with what's happening to our democracy. If you have widespread cynicism, it goes to both parties and to all politicians."

Continuing in an uncharacteristic vein of nonpartisanship, "It really makes no difference whether the Democrats or Republicans win now or in 1976 unless something is done about the present widespread cynicism to restore confidence in our democratic system. It's the politicians who made the people cynical with excessive rhetoric and excessive promises."

He did not mention that politicians also have an excessive fear of acting in a manner that would imperil their chances of re-election, but added, "For a long time I used to think Americans had a poor voting record because of apathy, but now it's become massive cynicism, and that depresses me."

In the comfortably opulent setting of his East Side home, the steady quiet words and muted mannerisms, except for chain-smoking cigarettes, seem ages apart from the feverish charges of "espionage, sabotage and corruption" and of a way of life "bordering on a police state" with which he attacked the Nixon Administration on the eve of the 1972 election.

"I still feel that way," he said last week, but his voice no longer sounds like a political hawker.

Mr. O'Brien refuses to term himself a "recluse", and while he firmly declined any possibilities of returning to active politics, he did not rule out campaigning for certain candidates "if they feel they need me."

CAN'T ASK TEDDY

Is one of those candidates Sen. Edward Kennedy? Mr. O'Brien won't say. He called the surviving Kennedy "obviously the major potential Democratic candidate for the presidency," but he said he had been tied so personally to John and Bobby Kennedy and the assassinations that ended their political careers that "I would not ask Teddy to run."

Since the 1972 McGovern debacle, Mr. O'Brien has spent much time reflecting on the major political happenings he witnessed and often directed since beginning with JFK's 1952 Senate campaign. He is putting the finishing touches on memoirs for a book entitled "No Final Victories," to be published by Doubleday this fall.

The title, he said, indicates that political campaigns and programs can point with pride at their accomplishments, but as each aspect of a problem is understood, the process leads to more problems and greater difficulties.

Despite the so-called "legend of Larry O'Brien" as the medicine man for Democratic party rifts and the "O'Brien Manual" for organizing campaigns, he looks back on the eight years he served in government under two presidents as his most substantive contribution to political life—more important than the national wheeling and dealing which are the prize and goal. * * *

LEVEL WITH PEOPLE

And now he wants politicians and himself "to level with the American people", a theme he said he first spelled out in the opening session of the Democratic convention several weeks after Watergate.

"The cynicism bothers me more than anything else," he said.

He concluded that politicians have disenchanted the public about government, and expressed guilt on his part as well in creating political images through contrivances and polished rhetoric rather than frankly presenting candidates before the American public.

"The parties have a responsibility for direct confrontation and direct communication before 200 million people," he said angrily. "We've failed miserably to understand these problems of financing. Here's Nixon with Watergate who last year was vetoing campaign financing.

"I mean, goddamn, do the American people get excited? Not that I'm aware of. How do you get them to point to say, "Goddammit, there has to be a campaign financing bill. There has to be an opportunity for me and my kids on that tube to know what the hell is going on and get the different points of view and have a chance at least to be an active participant in this damned democracy.

"I don't want to look at some 60-second spot where the guy has got a coat over his shoulder and is marching up a mountain. That doesn't tell me what the issues are nor how he and his party feel about them.

"The bottom line has to be who are our leaders, who do you look to?"

Mr. O'Brien is bitter about Watergate "because it has escalated the public's cynicism to a whole new level where the politicians now command less trust and respect than at any time in our nation's history."

How he expects to help restore confidence without taking an active national role is not clear, but Mr. O'Brien wants to push several measures for electoral reform:

REFORMS ADVOCATED

To mandate public financing of presidential campaigns and end the influence of the "fat cats";

To change Federal Communications Commission regulations to make mass communication by radio and television a forum for equal access by Democratic and Republican candidates for election and by party leaders to balance views on national issues;

To require "automatically" live and unrehearsed debates on national television between leading presidential candidates;

To allow national political advertising time on television in direct proportion to each party's percentage in the previous election campaigns;

To end the growing depersonalization of political campaigning through the use of "Madison Avenue imagemakers."

While these suggestions are intended to restore confidence in general terms, Mr. O'Brien said only aggressive "and vigorous action by Congress to pursue all matters relating to the abrogation of constitutional rights of individuals and abuse of governmental power in the Watergate scandal will vindicate the democratic system."

ACTION

The failure of Congress to act "would add a whole new level of disenchantment and leave the people with no leadership," he said.

He spoke cautiously about the weekend Watergate indictments against seven former high White House officials.

"The Congress under the impeachment process has a responsibility to review the indictments and to make a determination to fulfill that responsibility," he said. "I believe the American people will take the long haul and want to follow through the indictments.

"These indictments followed a 20-month investigation by fellow citizens and fulfilled an important part of the constitutional system. They were not irresponsible sorts of accusations.

"One of the brighter moments in terms of the unfolding drama is the recognition that the judiciary has consistently fulfilled its function from the beginning," he said.

He said it is unfortunate that many people construe an indictment to be some kind of determination of guilt, but agreed that the public is impatient for answers and may take conclusions wherever available.

The burden for constructive action is not on the President, he said, "even though many congressmen would like him just to resign and relieve them of the responsibility.

"THE HANGUP"

"Congress as an institution has a real problem with the American people as well as the President. Does the elected official have a responsibility to lead and educate his constituency or is it just to poll your district on what 51 per cent of your people want? That's where the hangup is," he said.

With all the concern, then, about the need for political leaders to help the public believe again in their system, why has Larry O'Brien dropped out?

He explained simply that at the end of the 1972 convention he did not want to continue as chairman. He wanted only to clean out his Washington presence and move back to New York to finish a commitment he made in 1965 to write a book.

"NO"

"Didn't you want to pick up the reins again?" he was asked.

"No, I didn't want the reins."

"Do you want them again?"

"No."

"Asolutely not?"

"No."

"Would you accept a draft?"

"No."

Why?

He believes there are able younger people with newer ideas, even though at 56, he acknowledges his contacts and expertise could still be productive.

"I've had splendid opportunities for public service and I've fulfilled a desire to be involved," he said, 'but I'm depressed. I'm depresed to see after two decades of constant activity that the American people feel the way they do.

FINDING OUT

"I'm far more depressed and concerned about this than I think any politician in America, because politicians have a tendency to wear blinders. I don't think it hurts to step out into that private sector to find out what this life is all about."

"Wouldn't you have to step back into politics to do something about what depresses you?" he was asked.

"I can't envision any role that would be meaningful in terms of making any impact on correcting a situation I think is just appallingly bad," he replied.

"I want to be completely candid with you."

Part of Mr. O'Brien's last two years has been occupied with the creation of the Lawrence F. O'Brien International Center for the study of political process at Dag Hammarskjold College in Columbia, Md.

The institute held a one-a-month political process seminar last January, and students from around the world met and discussed American politics with congressmen and national columnists.

A START

"What sold me on getting into this is that though you have a small group of students, you shouldn't turn your back," he said. "You have to start somewhere. In the final analysis, does this generation feel this system deserves continuity?

"At the end of that course, I asked for a show of hands, saying with all that has been said, 'How many of you envision being a part of this process?' and all but one raised his hand. That means something."

NULL ADAMS, JOURNALIST, HONORED FOR 50 YEARS OF SERVICE

HON. ED JONES

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 4, 1974

Mr. JONES of Tennessee. Mr. Speaker, recently, Mr. Null Adams, one of the outstanding journalists in America, celebrated his 50th anniversary of service with the Memphis Press-Scimitar.

I have known Null for many years, and respect and admire his endeavors in the field of journalism.

On Monday, April 1, the Memphis Press-Scimitar printed an article honoring Null's 50 years of service. The text of that article follows:

Null Adams could have become a member of the Memphis Publishing Company's 25-Year Club a quarter of a century ago, had there been a club in 1949.

Yesterday, Adams, who is assistant managing editor and politics editor for the Press-Scimitar, received his pin for 50 years of service.

"I'm not old," said Adams as he addressed fellow members at a two-hour party in the company building, 495 Union. "I've just been here a long time."

Beginning at age 17 as a part-time police reporter, Adams went from reporter to city editor to his present position with The Press-Scimitar.

"I still get as much of a kick out of working for the paper now as I did my first week as a reporter," he said. "Scripps-Howard has been a wonderful vineyard to toil in these 50 years."

STUDENT RECORDS: A PROPOSED STRATEGY FOR PREVENTING ABUSES OF THE RIGHT TO PRIVACY

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 4, 1974

Mr. KEMP. Mr. Speaker, at this point in the proceedings, I include the second part of the research paper, entitled, "Students, Parents and the School Record Prison: A Legal Strategy for Preventing Abuses," by Sarah C. Carey, attorney at law:

STUDENTS, PARENTS AND THE SCHOOL RECORD PRISON: A LEGAL STRATEGY FOR PREVENTING ABUSES—II

(By Sarah C. Carey)

A similar situation prevails in regard to State statutes governing access to the files. Most states do not guarantee parental access. At the same time, they leave the question of outside agency access up to the schools. For example, New Jersey in a fairly typical statute provides that "Public inspection of pupil records may be permitted and any other information relating to the pupils or former pupils of any school district may be furnished in accordance with rules prescribed by the state board and no liability shall attach to any member, officer or employee of any board of education permitting or furnishing the same accordingly." N.J. Stat. Ann. § 18A.36–19(1939, 1968) No special mention is made of parents.

California, on the other hand, specifically grants a parent the right to inspect written records concerning his child "in any reasonable manner in consultation with a certificated employee of the district when he requests to do so during regular hours of the school day" Calif. Code Ann. Div. 9 Ch. 1 Art 6 § 10757 (Supp. 1973). The California statutes limit access to student records generally but spell out specific exceptions; these include a state or local law enforcement officer "seeking information in the course of his duties" or a county agency responsible for protective services to children. Limited

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Footnotes at end of article.

exceptions are made for employers and for officials of the U.S. when the student is a veteran. § Calif. Code Ann. Div. 9, Ch 1, Art 9.

Oregon and Nebraska are unique in imposing stringent access provisions. Oregon makes student records confidential, grants the parents a broad right of review of all records and limits access by others to grade transcripts, lists of courses taken, attendance records, achievement tests and health records. Ore. Rev. Stat. § 336.19 (Supp. 1972) Nebraska's laws grant pupils and parents full access to their own records; deny access or divulgence of record contents to other persons; require that disciplinary files be maintained separately from performance records and mandate the destruction of the former after the student has graduated or left the school 3 years.[13]

Actual practice even in those states with express statutory provisions tends to favor access by public officials, while disfavoring the parent.[14] The Russell Sage survey,[15] published in 1969 reported that of the 54 school districts examined, 20 districts denied access to the entire file to parents; 14 denied access to part of the file and 8 allowed access under certain circumstances only. On the other hand, 29 districts granted full access to CIA and FBI officials, 23 granted such access to the juvenile courts (without a subpoena) and 14 granted complete or partial access to prospective employers.[16]

C. *The legal rights of the parent:* The United States Constitution guarantees to the Individual citizen a series of fundamental rights that cannot be infringed by the federal or state governments without compelling justification. Current definitions of these rights include the right to marry.[17] the right to bear children, and maintain a family,[18] the right to control one's body,[19] and the right to direct the upbringing of one's children.[20] The essence of these rights is that they are so fundamental to personal liberty that they merit a high level of protection from incursions by the state. They are sometimes described as "fundamental" or "natural rights" inherent in American tradition or Western values; in other cases they are posited upon the 14th Amendment's guarantee of liberty or the 9th Amendment's reservation of rights to the people; and in still others they are based on common law principles.

Whatever the basis, it is clear that a parent, as part of his right to raise a family, retains basic decision-making authority and responsibility concerning his child's education that cannot be abridged by the states whether by direct exclusion of the parent or by indirect exclusion through the withholding of crucial information about the child.

(1) *The Parent Can Control Certain Basic Aspects of His Child's Education.* (a) *The "Due Process" Decisions*: In a series of major decisions, the U.S. Supreme Court has ruled that the guarantee of liberty contained in the 14th Amendment due process clause insures the right of the parent to control the upbringing of his children. That clause provides that no state may "deprive any person of life, liberty, or property, without due process of law." The precision content of the concept of "liberty" protected under this provision has been the subject of extensive debate, but it has generally been understood to encompass both those rights explicitly enumerated in the Bill of Rights as well as additional rights traditional to this society.[21]

The first decision by the U.S. Supreme Court reserving basic control over a student's education to his parents was *Meyer* v. *Nebraska* 262 U.S. 390 (1923). In that case the Court declared unconstitutional a state law that prohibited the teaching of "any subject to any person in any language other than the English language." The statute also forbade the teaching of foreign languages until the pupil had successfully past the eighth grade. The Court held that such legislation could not be justified under the guise of protecting the public; on the contrary it took judicial notice of the fact that "experience shows that this (instruction in a foreign language at an early age) is not injurious to the health, morals, or understanding of the ordinary child". It concluded instead that the statute was an unwarranted interference "with the opportunities of pupils to acquire knowledge, and with the power of the parents to control the education of their own." [22]

The Court found that the latter was an integral part of the liberty guaranteed by the due process clause. It stated:

"Without doubt, it (liberty) denotes not merely freedom from bodily restraint, but also the right of the individual to contract, to engage in any of the common occupations of life, to acquire useful knowledge, to marry, establish a home and bring up children, to worship God according to the dictates of his own conscience, and generally to enjoy those privileges long recognized at common law as essential to the orderly pursuit of happiness by free man." 262 U.S. at 399.

In 1925, in *Society of the Sisters of the Holy Name of Jesus and Mary* v. *Pierce,* 268 U.S. 510 (1925), the Court further elaborated on the control of the parent over the child's education. There, the Court invalidated an Oregon compulsory education law requiring the attendance of all students at public schools. Parents who wanted to send their children to parochial schools [23] had claimed that the law interfered with their right to religious freedom and to the upbringing of their children. In an opinion that put little emphasis on the First Amendment allegations the Court held:

"Under the doctrine of *Meyer* v. *Nebraska* . . ., we think it entirely plain that the Act of 1922 unreasonably interferes with the liberty of parents and guardians to direct the upbringing and education of children under their control. As often heretofore pointed out, rights guaranteed by the Constitution may not be abridged by legislation which has no reasonable relation to some purpose within the competency of the state. The fundamental theory of liberty upon which all governments in this Union repose excludes any general power of the state to standardize its children by forcing them to accept instruction from public teachers only. The child is not the mere creature of the State; those who nurture him and direct his destiny have the right, coupled with the high duty, to recognize and prepare him for additional obligations." 268 U.S. at 534–35.

In subsequent years the Court repeatedly acknowledged the sanctity of the family relationship, and the right and duty of the parent to provide for the education and upbringing of his children.[24] In 1972, in *Wisconsin* v. *Yoder*, 406 U.S. 205, the Court excused Amish children of senior high school age from compulsory school attendance altogether, finding that the society in which they lived imparted to them a different but equally valid set of values and skills. Although there were religious overtones to the case, the Court held that the parents could choose the education scheme that best met the principles underlying their way of life, provided the latter was sufficiently defined. The Court rejected the state's argument that it was acting as *parens patriae,* suggesting that the state could assert that role over the parent's interest only if there were a showing of harm to the physical or mental health of the child or to the public safety, peace, order or welfare.

In reaching its decision to excuse Amish children from the state's compulsory education requirement, the Court reasoned as follows:

"The history and culture of Western civilization reflect a strong tradition of parental concern for the nurture and upbringing of their children. This primary role of the parents in the upbringing of their children is now established beyond debate as an enduring American tradition. . . . To be sure, the power of the parent, even when linked to a free exercise claim, may be subject to limitation under *Prince* if it appears that parental decisions will jeopardize the health or safety of the child, or have a potential for significant social burdens.

* * * * *

"(A) State's interest in universal education, however highly we rank it, is not totally free from a balancing process when it impinges on other fundamental rights and interests, such as those specifically protected by the Free Exercise Clause of the First Amendment and the traditional interest of parents with respect to the religious upbringing of their children . . ." 406 U.S. at 232, 233, 234, 214.

The Supreme Court decisions do not cover a broad variety of factual circumstances. And they have made it clear that the rights of the individual parent were preserved because there was no serious conflict with countervailing state interests, such as protection of the public health or safety. Despite their limited reach,[25] it can be argued on the basis of these cases that the parent has a right to make affirmative decisions concerning his child's disposition; particularly where spiritual, cultural, or psychological factors are involved. As stated above, the Court has not yet had to deal with the question of whether the parent also has a right to any records maintained by the school that are necessary to the proper exercise of his decision-making authority. However, such access should be viewed as an integral part of the basic parental right. It is unlikely that the Court would define a fundamental right on the one hand and then permit the schools to frustrate it by denying the means essential to its exercise on the other.[26]

(b) *The Ninth Amendment:* A second, to some extent overlapping, constitutional source of protecting a parent's right to control his child's education can be found in the Ninth Amendment to the U.S. Constitution. That amendment provides: "The enumeration in the Constitution, of certain rights, shall not be construed to deny or disparage others retained by the people." The Court has rarely elaborated upon this amendment; in fact, it was not raised with any frequency until the advent of the privacy cases; it has received further elaboration in cases challenging abortion laws; [27] laws that interfere with personal appearance and similar interferences with the person.[28]

The most extensive discussion of the reach of the Ninth Amendment is contained in Justice Goldberg's concurring opinion in *Griswold* v. *Connecticut,* 381 U.S. 479, 486 (1965). Goldberg, in arguing that the right to privacy in marriage (and hence to choose to use or not use contraceptives), although not mentioned in other sections of the Constitution, was a right contemplated by the 9th Amendment, stated:

"The 9th Amendment simply shows the intent of the Constitution's authors that fundamental rights exist that are not expressly enumerated in the first eight Amendments and an intent that the list of rights included there not be deemed exhaustive." 381 U.S. at 492.

Goldberg argued that the rights additional to the enumerated ones could be determined by looking: "to the 'traditions and (collective) conscience of our people' to determine whether a principle is so rooted (there) . . . as to be ranked as fundamental.' . . . The inquiry is whether a right involved 'is of such a character that it cannot be denied without violating those fundamental principles of liberty and justice which lie at the base of

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Footnotes at end of article.

all our civil and political institutions'. . . . '. . . 'Liberty' also 'gains content from the emanations of . . . specific (constitutional guarantees' and 'from experience with the requirements of a free society.' " 381 U.S. at 493.

This language suggests that in many, but not necessarily all cases, considerable overlap will exist in the definitions of: 9th Amendment rights, the rights encompassed within the liberty promised by the due process clause, and the common law rights accruing to the individual vis-a-vis the state. In any challenge asserting a parental right to control his child's education all three sources of authority should be relied upon.[29]

FOOTNOTES

[13] Massachusetts recently enacted a parental access law that states: "Each school committee shall, at the request of a parent or guardian of a pupil or at the request of a pupil 18 years of age or older allow such parent, guardian or pupil to inspect academic, scholastic or any other records concerning such pupil which are kept or required to be kept." Ch. 785 Acts of 1973 General Laws Ch. 71, Sec. 34 E.

[14] Diane Divoky "Cumulative Records: Assault on Privacy", Learning Magazine.

[15] Footnote 3 p. 6 *supra.*

[16] A recent article on New York City showed that 28 "outside agencies had access to the school records". These included FBI agents, military intelligence officers, welfare workers, policemen, probation officers, Selective Service board representatives, district attorneys, health department workers and civil service commission officers.

[17] *Loving* v. *Virginia,* 388 U.S. 1 (1967).

[18] *Skinner* v. *Oklahoma,* 316 U.S. 535 (1942); *Meyer* v. *Nebraska,* 262 U.S. 390 (1925)

[19] *Roe* v. *Wade* — U.S. — 35 L.Ed 2d 147 (1973); *Stull* v. *School Board of the Western Beaver Junior-Senior High School et al.* 459 F.2d 339 (1972).

[20] *Wisconsin* v. *Yoder,* 406 U.S. 205 (1972); *Meyer* v. *Nebraska,* 262 U.S. 390 (1923); *Society of the Sisters of the Holy Name of Jesus and Mary* v. *Pierce,* 268 U.S. 510 (1925).

[21] These rights cannot be interfered with without substantial justification. In the words of Justice Douglas:

"Due process has not been reduced to any formula; its content cannot be determined by reference to any code. The best that can be said is that through the course of this Court's decisions it has represented the balance which our Nation, built upon postulates of respect for the liberty of the individual, has struck between that liberty and the demands of organized society. . . . It is a rational continuum which, broadly speaking, includes a freedom from all substantial arbitrary impositions and purposeless restraints" (*Poe* v. *Ullman,* 367 U.S. 497 (1961) dissenting opinion.)

[22] The court also suggested that the state could not err in the other direction by overreaching in its educational offerings. It took the example of Sparta where "in order to submerge the individual and develop ideal citizens," the males were assembled at seven "into barracks and entrusted their subsequent education and training to official guardians." The Court commented that although such measures "have been deliberately approved by men of great genius, their ideas touching upon the people of a state were wholly different from those upon which our institutions rest; and it hardly will be affirmed that any legislature could impose such restrictions upon the people of a state without doing violence to both letter and spirit of the Constitution."

[23] The Court also found an unjustified interference with the property rights of the private church schools.

[24] In *Prince* v. *Massachusetts,* 321 U.S. 158 (1943), for example, the Court upheld a statute prohibiting the sale or offer of sale of periodicals, magazines or other literature, including religious literature, on the streets or in other public places by minors but stated that "It is cardinal with us that the custody, care and nurture of the child resides first in the parents, whose primary function and freedom include preparation for obligations the state can neither supply nor hinder. . . . And it is in recognition of this that these decisions have respected the private realm of family life which the state cannot enter." Similarly in *Griswold* v. *Connecticut,* 381 U.S. 479 (1965) striking down a Connecticut law that proscribed the use of contraceptives by married people, the Court referred to the right of a parent to control his child's education established in *Pierce* and *Meyer,* as a precedent for deriving marital privacy rights from the 1st and 14th Amendments.

[25] One lower federal court has applied the right of parental control contemplated by the due process clause to preclude the exercise of corporal punishment by the school against the child. In *Glaser* v. *Marietta,* 351 F.Supp. 555 (W.D.Pa 1972) the Court stated: "The regulations enacted by the School District on their face appear to be reasonable, within the scope of authority which the state is authorized to grant to it, and in agreement with the preference of many parents. But when the regulations are confronted with the flat prohibition of a particular parent and an assertion of her fundamental rights to raise her child in the manner in which she chooses, then obviously the balancing process inherent in the *Yoder* and *Prince* cases becomes necessary." 351 F.Supp. at 560. The Court acknowledged that judicial interference with school decisions was not advisable unless basic rights were involved; it then held that the judgment as to the appropriate form of punishment for a wayward student "is that of the parent primarily, not the state, not the school and may be made by the parent absent weighty factors which we do not find exist in this case. Where justification for the deprivation of a personal liberty cannot be shown, it may not be taken away by the state or its agency." 351 F.Supp. at 561. The Court added that any parent who was unwilling to grant punishment discretion to the school had an obligation to discipline the child herself so that he would not interfere with other children. (Some federal courts have reached divergent results in regard to discipline issues).

[26] In addition to the federal court decisions basing a parent's right to determine the education of his child on the 14th Amendment's due process clause, a number of state courts have reached similar results. See, for example, *Finot* v. *Pasadena City Bd. of Ed.,* 58 Cal. Rptr. 520; 250 C.A. 2d 226 (1967) and *Dickens* v. *Ernesto,* 37 A.D. 2d 102, 322 N.Y.S. 2d 581 (1971).

[27] YWCA of *Princeton* v. *Kugler, et al.,* 342 F. Supp. 1048 at 106 (D.N.J. 1972), *Roe* v. *Wade,* 410 U.S. 43, 35 L.Ed.2d 147 (1973).

[28] See, for example, *Breen* v. *Kahl,* 419 F. 2d 1034 (1969) and *Stull* v. *School Board of Western Beaver Junior-Senior High School et al.,* 459 F. 2d 339 (1972) upholding a right to determine one's own hair style. The *Breen* Court held this to be an aspect of personal freedom whether designated "as within the penumbras of the First Amendment freedom of speech . . . or as encompassed within the Ninth Amendment as an additional fundamental right." 419 F.2d at 1036.

[29] Some states have included in their own constitutions clauses similar to the 9th Amendment. Article 1 section 31 of the Idaho constitution, for example, states: "This enumeration of rights shall not be construed to impair or deny other rights retained by the people." In 1957, the Supreme Court of Idaho in *Electors of Big Butte Area* v. *State Board of Education,* 78 Idaho 602; 308 P.2d 225 (1957), held that among these rights is the right of parents to participate in the supervision and control of the education of their children.

GSA EFFORTS TO CONSERVE ENERGY

HON. FRANK HORTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 4, 1974

Mr. HORTON. Mr. Speaker, I want to address my remarks to the Federal Government's effort to conserve energy during the last year. After examining the results to date, I believe you will agree the accomplishments speak highly of the Government's ability to respond quickly and effectively to the energy crisis.

As you may recall, the Federal energy conservation program was initiated in June of 1973 by President Nixon. The President directed the Federal Government to take immediate action to conserve energy consumption. His intent was for the Federal community to take a leadership role in energy conservation and set an example for the rest of the Nation to follow. He quantified his objective by establishing an energy reduction goal of 7 percent. In the fall of 1973, he revised the goal to 15 percent after studying the initial progress.

The direction and supervision for the Federal program has been ably provided by Energy Administrator William Simon, and Arthur F. Sampson, Administrator of General Services. Through their leadership, Federal buildings' summer cooling temperatures were raised and winter thermostats lowered. Nonessential light bulbs were removed from Federal buildings in order to reduce electrical use. A Government-wide policy of reducing total motorpool mileage by 20 percent was implemented and enforced. Compact cars were purchased instead of the larger sedans. Federal employees were encouraged to use long-distance phone calls in lieu of official Government travel. In an effort to encourage employees to carpool, 90 percent of Federal employee parking spaces are now reserved for carpoolers. GSA is to be congratulated for its swift implementation and effective management of each program.

The 6-month total energy savings overwhelmingly surpassed the President's initial 7-percent and revised 15-percent goals. The final figures indicate a total energy savings of 23.3 percent over the year before. There is no question this accomplishment would not have been achieved without a spirit of cooperation and personal sacrifice on the part of every civil servant. They are to be congratulated on a job well done. Also, special accolades should be given to Energy Administrator Simon and GSA Administrator Sampson for management of this program.

Mr. Speaker, I would like to share with my colleagues a recent statement delivered by Mr. Arthur F. Sampson, Administrator of GSA. After reading the statement. I believe my colleagues will agree that GSA's record in this field has been impressive:

[News Release]

STATEMENT OF ARTHUR F. SAMPSON

The purpose of this news conference is to give you a progress report of GSA's efforts to conserve energy today and tomorrow. GSA is moving ahead vigorously on three fronts.

NEW BUILDINGS

We have stopped designing buildings that devour and waste energy. New design guidelines based on comprehensive and effective research have been published and are being used *now!* These new design features can cut energy consumption by as much as 50%.

EXISTING BUILDINGS

We have reduced lighting. We have reduced heating. We have reduced cooling. This has saved a great amount of energy. More can be saved by retrofitting. We are doing research now and will soon issue guidelines for the conservation of energy in existing buildings.

AUTOMOBILES AND OTHER VEHICLES

The objective here is to save gas—lots of it. And, we are. This is a government-wide program. Instructions have been issued and are being followed that: reduce the miles travelled; reduce speed to 50 mph; require regular tune-ups; require carpooling; and specify the use of compacts except when larger cars are fully justified.

With reduced heating, cooling, lighting and other measures in GSA operated buildings, we are saving 1.5 million barrels of oil annually. And, with our automobile programs, we are saving at a rate of 10,000,000 gallons of gas annually.

Last June, President Nixon directed that each federal agency reduce its rate of energy consumption by seven percent.

As winter set in, the President directed the federal government to take further energy conservation steps. He told the Federal Energy Administrator that "we in the government must intensify our efforts in setting an example for the nation."

President Nixon has asked all Americans to do what they can to help conserve our country's dwindling energy supply. At GSA, we are working to reduce energy usage by providing good government management, nationwide.

In January, Energy Administrator William Simon directed GSA to implement energy-saving steps which involve all federal vehicles, buildings, procurement and federal contractors. Since then, the FEO and GSA have developed a very close and highly effective inter-agency working arrangement.

On January 21, GSA issued energy conservation policies and procedures for the entire executive branch of government. The intent is to bring about a more efficient use of energy resources. We are doing this by revising federal motor vehicle management policies; by creating and assisting with federal employee carpooling and by a more judicious use of lighting, heating and cooling in all federal buildings.

On March 8, Mr. Simon announced that energy cutbacks by government agencies have saved the Nation 45 million barrels of oil over the last six months. In taxpayer dollars, this represents a savings of about $360 million. That's an overall 23.3 percent savings in energy between July and December 1973, Mr. Simon reported.

Our Federal Energy Administrator gave most of the credit to "federal employees who cooperated enthusiastically" with the government's overall energy conservation program.

While we believe we have made progress in energy conservation, what we have done is to provide short term solutions to a long range problem. What then are we doing to help provide the long range solution?

Two years ago GSA organized a national meeting of experts to discuss energy conservation in buildings. The results of the meeting were dramatic and we decided to design and construct a model federal building to demonstrate what could be done. We selected a federal office building in Manchester, N.H., as our model.

The purpose of our seven-story Manchester demonstration building is primarily to provide a working laboratory for the installation of both recognized and innovative energy conservation techniques and equipment. It is GSA's first step toward a firm commitment to the conservation of energy in the design, construction and operation of all federal buildings.

The completed Manchester building is expected to operate with at least 40 percent less energy consumption than existing buildings of comparable size. One of its energy conservation features will be a solar energy collector on the roof for partial heating purposes.

In addition, GSA also is going to construct an environmental demonstration project building in Saginaw, Michigan, which will provide us with another type of working laboratory centering on environmental innovations. At our request, 59 colleges and universities gave us some 250 brainstorming ideas for possible inclusion in the proposed Saginaw building. As a result, the completed building is expected to make a positive contribution to its urban surrounding and provide a pleasant interior environment for employees and visitors.

The Saginaw project will include a large solar heat collector to provide pollution-free energy for the building; greatly-reduced water consumption, including collection and use of rain water for lawn irrigation; energy efficient design; and the use of recycled construction materials.

One of the things that we have learned from our efforts is that energy conservation and environmental quality in buildings go hand in hand. The environmental building in Saginaw will use many energy conservation techniques, and the Manchester energy building will include features to improve both the habitability and overall environmental aspects of the building.

Simultaneous with the design of these two buildings, GSA contracted with outside consultants and the American Institute of Architects Research Corporation to create design criteria for office buildings that would result in reduced energy consumption. GSA and the National Bureau of Standards worked with this team, and we are releasing today a publication containing the results of this effort.

The book is entitled "Energy Conservation Design Guidelines for Office Buildings."

The guidelines, the first comprehensive criteria ever printed for the construction industry, highlight more than 185 ideas for conserving energy in the design, construction and operation of office buildings. They were prepared by a partnership of Dubin-Mindell-Bloome Associates, consulting engineers; Heery and Heery, architects; and the American Institute of Architects Research Corporation, under a professional services contract with GSA's Public Buildings Service.

This book is available for use by anyone. We are going to promote its use by private industry and expect to be successful in doing so. In almost every instance, energy saved is money saved.

Commercial buildings in the U.S. consume the equivalent of 5.5 million barrels of oil daily.

Existing buildings are a different problem. They were designed and constructed to waste energy. However, a great deal can be done, at minimal cost, to save energy. Here are some of the steps taken by GSA that have reduced energy usage in buildings by 15%:

1. We have removed 1.2 million fluorescent lamps from our buildings as of December 31, 1973.

2. We have reduced lighting to approximately 50 foot candles for normal employee work station areas. This is now standard in all GSA buildings and offices, along with limitations of 30 foot candles for general work areas and up to 10 foot candles for hallways and corridors, except where safety hazards would result.

3. Additional energy savings are being provided by keeping GSA controlled space heated at between 65 and 68 degrees during normal winter working hours and cutting down to not more than 55 degress during non-work hours. This summer, we are going to cool our offices to between 80 and 82 degrees during working hours, as compared to a 76–78 degree range last summer.

4. Our GSA buildings are now being cleaned during day-time hours whenever possible to save on night-lighting.

Your government is asking all Americans to travel less, both by air and automobile. Each year, federal emyployees have travelled billions of miles on official business and, in doing so, consume more energy than any other body of travelers in the world. So we're doing something about that, too.

Recognizing the vast potential for energy savings, GSA has launched a campaign to have federal workers "travel by phone." In this campaign, government employees are encouraged to "take a ride on the FTS"—the Federal Telecommunications System.

Private citizens are being urged to drive fewer miles and to use parpools. The same demands are being made of federal employees.

During January and February of this year, the GSA Interagency Motor Pool system used an average 28 percent less fuel as compared to the anticipated consumption. And, because we've found that good maintenance of vehicles is a fuel saver, GSA's tune-up program is being emphasized nationwide.

Through the President's initiative in forming the Federal Energy Office to help cope with the energy crisis, GSA has been designated to coordinate a number of energy-saving programs. We are working with people as well as with buildings and cars.

First, to help better serve our people, GSA is working with all other federal agencies to increase carpooling. By allocating additional federal employee parking spaces around the nation to those government workers who use carpools, we are going to further save fuel, energy and space. In addition, along with the provision of more government-funded mass transit facilities, carpooling will help relieve our overcrowded urban highways and perhaps cut down on the staggering national auto death toll.

As for the government's use of cars, most VIP limousines and even the big sedans are now being phased out of the government fleet. We're now buying almost nothing but compact and sub-compact cars.

Since the inception of the President's program, 100 percent of the over 5,000 replacement sedans procured for use in the GSA Interagency Motor Pool system have been compacts. GSA also has assisted other federal agencies in buying smaller sedans to replace limousines, heavy and medium sedans.

The delivery to the government of the initial procurement of 500 compact vehicles has been completed. Delivery of the remaining 4,500 compacts is proceeding daily.

Energy conservation is nothing new to GSA. Long before the energy crisis was a reality, GSA was working to improve the management of all federal property and buildings with an objective to conserve energy as well as money. What we started doing years and months ago is now showing some impressive results.

While we know we have a good start, we also think it's only that—a start. There's more to do, there's more we can conserve, and that's what we expect to accomplish with GSA's good government management nationwide.

A REQUEST TO THE FEDERAL RESERVE: FOR 1974, TRY STAYING WITHIN THE 4- TO 6-PERCENT NEW MONEY BAND

HON. HENRY S. REUSS

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 4, 1974

Mr. REUSS. Mr. Speaker, for the past 3 years the Federal Reserve System has quite consistently kept the supply of new money—the public's checking accounts and currency—above the upper limit of the 2- to 6-percent yearly rate of increase recommended as the normal growth range by the Joint Economic Committee.

There is good ground to believe that this excessive creation of new money has caused and aggravated the acute inflation from which we still suffer. Paradoxically, interest rates today may well be higher, as a result of inflation, than they would have been had the Fed stayed within the 2- to 6-percent band, and thus helped avoid the excessive inflation which is now built into the interest rate structure.

Though it is hard to discover the rationale of the Fed by reading its published works, such as the summary reports of the Open Market Committee, I suspect that its real reasons for over the 6-percent money creation are because it felt a need to facilitate Federal borrowing; or that tighter money might unfairly squeeze interest-sensitive segments of the economy such as housing, small business, and State/local governmental borrowing; or cause a business "liquidity crisis;" or even trigger a recession. Conversely, the Fed's frequent past sorties into money growth below 2 percent may have been due to its desire to "make amends for" actions of other branches of the Government that the Fed deemed inflationary.

Thus, though paying allegiance to the 2- to 6-percent band in principle, the Fed has more often than not deviated from it in practice, because it has tried to compensate for the errors and omissions, frailties, and shortcomings of the Congress and executive branch.

Currently, new money is being created at an annual rate of 6.4 percent. My hope is that the Fed will keep the rate of new money creation under 6 percent—though not below 4 percent—at least for the rest of 1974.

It would clarify expectations, at home and abroad, if the Fed would state publicly that it intended to keep yearly growth of new money in the 4- to 6-percent range. The Federal Reserve Board, with its independence deriving from 14-year terms, has an unparalleled opportunity to speak economic truths today. It should accompany its announcement of its intention to restrict overall monetary growth to the 4- to 6-percent band by a proposed program of selective fiscal and monetary actions by the Fed, the executive branch, and the Congress to avoid recession and increased unemployment, to avoid a squeeze on housing, small business and State/local borrowing, to avoid a business "liquidity crisis."

I shall discuss the current inflation; its causes, including the consistent breaching of the new-money band on the high side; and how the Fed can help itself and the rest of the Government to do a better job of moving toward the goal of full employment without inflation.

We have experienced unacceptably rapid inflation these past several years. It is getting worse, not better. Here are the annual changes—from December to December—for the period since 1964:

Percentage change from preceding December

December 1965	1.9
December 1966	3.4
December 1967	3.0
December 1968	4.7
December 1969	6.1
December 1970	5.5
December 1971	3.4
December 1972	3.4
December 1973	3.8

The intolerable acceleration of inflation in 1973 reflected in substantial measure increases in food and energy prices. Between the fourth quarters of 1972 and 1973, consumers' food prices rose 19.5 percent and energy prices 12.8 percent.

But inflation accelerated in other sectors as well. Between the fourth quarters of 1971 and 1972 prices of items other than food and energy increased 3 percent. In the first quarter of 1973, these prices rose at an annual rate of 2.5 percent; in the second quarter the rate increased to 4.1 percent; in the third quarter the rate was 4.7 percent; in the fourth quarter it jumped to 6.8 percent.

The current inflation is not narrowly based. Though the extraordinary increases in food and energy prices have been receiving the headlines, the acceleration of inflation has been a pervasive phenomenon.

THE CAUSES OF INFLATION

SPECIAL FACTORS

Today's fearful inflation is widely believed to be due to special factors. There were, of course, special events which propelled food and energy prices upward since 1973. But the current inflation is not confined to food and energy.

In every short period which is characterized by inflation, we can point to special factors that help explain it. In 1969 and 1970, many pointed to unusually high interest rates and wage boosts in the construction industry and to the impact of medicare; for housing and medical care, prices were rising faster than prices in general. Today, many point to poor crops worldwide as causing greatly increased demand for U.S. food, and to petroleum price hikes by OPEC. Special events such as these definitely raise particular prices in the periods when they are operating.

But our current inflation is by no means entirely due to special factors beyond our control. Special factors do not cause pervasive continuing inflation. Fiscal and monetary policy excesses do.

FISCAL POLICY

Government deficits increase aggregate demand. Thus the contribution of fiscal policy to the inflation we have experienced since 1964 is widely recognized. In 1967 and 1968 large Federal deficits, in the full employment as well as the actual budget, added to demand pull pressures in those years. Since then, however, fiscal policy generally has been disinflationary. The full employment budget showed surpluses of $8.8 and $4 billion in 1969 and 1970, deficits of $2.1 and $7.7 billion in 1972, and a $5.8 billion surplus in 1973. Moreover, in 1973 the national income accounts actual budget moved from a small deficit position in the first quarter of 1973 to a balanced position in the spring quarter and to a surplus in the summer quarter.

The acceleration of economywide inflation in 1973 cannot, then, be attributed to current Federal fiscal policy. It is significant, furthermore, that the 1974 and 1975 fiscal year budget estimates indicate continued fiscal restraint. The moderate deficits in the national incomes accounts budget which are forecast—$4.7 billion in 1974 and $8.6 billion in 1975—reflect a predicted decline in economic activity. No new stimulus has been provided in fiscal 1974 and none is planned for 1975.

MONETARY POLICY

Like fiscal policy, monetary policy has a direct impact on spending by investors and consumers. In today's world of sharp pencils and zero excess bank reserves, when the Federal Reserve buys securities on the open market, augmenting bank reserves, the Nation's money supply increases very nearly immediately and by the same percentage, a 5-percent increase in reserves quickly generating a roughly 5-percent increase in money supply. In fact, often banks will have made loan commitments, and will sell securities to the Fed to obtain the reserves needed to honor these commitments without having to call in other loans. In other cases, banks quickly line up borrowers after their reserves have been increased. If the economy is buoyant, they are likely to have a waiting list of would-be borrowers.

Once the newly created money is in circulation, it circulates just like other money. Those who receive it, whether they receive it by borrowing from banks or selling goods and services to borrowers, spend and recirculate it. Because aggregate spending is increased by increasing money supply, we need to use care when increasing money supply. If the economy is operating at near-full employment, pervasive inflation follows in the wake of too rapid money supply growth. This is the classic case of "too much money chasing too few goods." It is both inexcusable and avoidable.

MONETARY POLICY GUIDELINES

In 1967, the Joint Economic Committee set forth proposed guidelines for monetary policy, to avoid both pervasive inflation and protracted recession. The committee urged the Federal Reserve to "adopt the policy of moderate and relatively steady increases in the money supply." After further study and hearings, the committee issued a report entitled, "Standards for Guiding Monetary Action," recommending that "in normal times" money growth be kept "within the limits of 2 and 6 percent per annum."

The commonsense economics of this recommendation is that the growth of our economy's real productive capacity from all sources, including labor force growth, capital accumulation, and improvements in technology and labor force skills, has averaged 4 percent per year. Yearly money supply growth in the 2- to 6-percent range would thus keep pace with the long-term growth of our productive capacity, and at the same time allow enough flexibility to adjust both to short-run deviations in the growth of our productive capacity, and to disturbances originating in unusual special events.

A second reason for recommending a 2- to 6-percent yearly growth in money is that in the past, whenever money supply growth has been outside this range, we have had trouble. In the post-Korean war period, we suffered recessions following cutbacks in money growth below 2 percent yearly in 1953–54, 1957–58 and 1960–61. We had a minirecession when money supply growth fell to zero between April and December 1966.

The economy began to overheat in 1967, with inflation accelerating to 4.7 percent in 1968 and 6.1 percent in 1969. The stimulus from fiscal policy in the Vietnam war was, of course, a major force in the economy's overheating, at least until the surtax on incomes was enacted in mid-1968. The stimulus from monetary policy lasted well past mid-1968. Money supply growth accelerated to 6.6 percent in 1967 and 7.8 percent in 1968. The pervasive inflation of 1968 and 1969 was due in large measure to the Federal Reserve's excesses of 1967 and 1968.

Money supply growth was cut back from above 6 percent to below 2 percent per year in the second half of 1969. This sharp cutback, from well above the upper limit of the recommended range to the lower limit in less than a year, was a major factor in the recession that began in late 1969 and lasted to late 1970. The lesson here is that, if cutbacks in money supply growth are required to check inflation, they should be made slowly and prudently.

Three years ago, in the Joint Economic Report released March 30, 1971, I suggested rules of reason in implementing the basic recommendation for a 2- to 6-percent yearly money growth.

> The target figure should be on the higher side of the band in periods of less than full use of resources, on the lower side in periods of full use of resources.
>
> Moreover, the target figure should be on the higher side of the band, *or even higher* than the band, when resources are underemployed, *and simultaneously* businesses are making exceptionally heavy demands on credit, not for current business expenditures, but for additional liquidity in anticipation of future needs, or to replenish unexpected liquidity losses.

At that time—March 1971—unemployment had risen to 6 percent, while the rate of inflation had gradually been tapering off, and we had only recently passed through a severe liquidity crisis culminating in the collapse of the Penn Central. There was thus, pursuant to my proposed rule, a need to permit some leeway on the high side for money supply growth in excess of 6 percent yearly, provided close watch was kept to bring money growth below the 6-percent-per-year upper guideline as soon as the economy turned expansive.

This proviso was phrased as follows:

> If the recent past has been dominated by excess demand and substantial inflation, an attempt to reach full use of resources in the short-run through accelerated monetary growth could sacrifice the prospects for non-inflationary growth over the longer run. Under such circumstances, if the economy were operating somewhat below its potential, but moving upwards, a rate of money stock growth that was too high might risk overstimulating the economy.

The full record of annualized month-to-month growth and year-to-year changes in money in the period March 1971–March 1974 is given below. I use month-to-month and year-to-year changes because these measures by their nature can only be computed in one way; quarter-to-quarter and other changes on the other hand can be misleading because they can be computed in several different ways with different results.

As is evident, since March 1971, the Federal Reserve persistently, often in extreme fashion, and for the most part with inflationary results, has chosen to keep the growth of money above 6 percent on a year-to-year basis.

PERCENTAGE GROWTH IN MONEY, MARCH 1971 TO MARCH 1974

	1971	1972	1973	1974
Month-to-month:				
January		1.5	4.7	−3.6
February		13.8	5.6	13.4
March		11.6	.9	[1]8.8
April	9.0	7.5	6.0	
May	13.2	3.9	13.9	
June	9.9	6.9	14.2	
July	7.2	11.8	4.1	
August	1.0	6.3	−.9	
September	1.5	7.7	−3.6	
October	4.1	8.7	5.0	
November	−.7	6.2	10.4	
December	2.0	14.7	7.1	
Year-to-year:				
January			9.0	5.1
February			8.3	5.7
March			7.3	[1]6.4
April		6.2	7.2	
May		5.4	8.1	
June		5.2	8.7	
July		5.6	8.0	
August		6.0	7.4	
September		6.7	6.4	
October		7.0	6.0	
November		7.6	6.4	
December		8.7	5.7	

[1] Based on the 1st 3 weeks of March 1974.

In 1971 there was, as just observed, some reason for expanding the money supply faster than 6 percent yearly. But by mid-1972, at the latest, it should have been clear, with unemployment beginning to break downwards and the rate of inflation again accelerating, that there was no longer any justification for exceeding the upper money supply guideline. Yet, the rate of money supply growth continued to exceed 6 percent yearly on until the summer of 1973.

Since last summer, moreover, money growth on a month-to-month basis has fluctuated wildly, and there are as yet no signs that it will be controlled in a judicious manner. The long-term trend in fact still appears to be above 6 percent yearly.

RECOMMENDATION

It is time for the Fed, for this year at least, to bring year-to-year money growth below 6 percent within the next month or two, and to keep it between 4 and 6 percent throughout 1974. The current 10 percent inflation rate is no reason whatever to increase the money supply accordingly "in order to validate the new price level." Such a rate of new money creation, added to past excessive money creation, will simply facilitate additional spending, and the 10-percent inflation will worsen.

On the other hand, money growth should not be allowed to fall below 4 percent in 1974. This is so because interest rates can be pushed up temporarily to recession-inducing levels by sharp reductions in money supply. They will recede as the recession proceeds and credit demands fall. The events of last summer and fall warn us that this scenario of interest rates being pushed up to recession-inducing levels by sharply cutting money supply can proceed very rapidly once it is begun. During the summer of 1973 the Fed cut the rate of money growth below zero, interest rates rose sharply, and financial disintermediation and a decline in housing starts, which often are the first signs of recession, quickly followed. The lesson is clear. When money supply has been increasing above 6 percent yearly for more than a year, as it had been until last summer, a recession is risked by cutting back its growth sharply, especially if it is cut below 2 percent yearly. In the coming year, therefore, the Federal Reserve must not permit yearly money growth to fall below 4 percent. There is no reason for the Federal Reserve to use its money supply powers to deliberately push up interest rates to recession-inducing levels. We want to avoid recession at least as much as we want to check inflation.

SOME TEMPTATIONS TO AVOID

The Fed can keep money growth within the 4- to 6-percent band for 1974 if it overcomes the temptation to play Mr. Fix-it to the entire economy. Specifically, it must avoid the temptation to step up money growth beyond the band:

First. To facilitate U.S. borrowing by the Treasury and by federally sponsored credit agencies.

In fact, interest rates are pulled up by feedback from increasing money supply. As inflation accelerates in the wake of stepped-up money supply growth, credit demands rise because businesses and consumers try to stockpile commodities and add equipment before prices rise still further. This pulls up interest rates. It is self-defeating, therefore, to try to stabilize interest rates to the U.S. Treasury by increasing money growth beyond the band.

If Congress and the administration in their wisdom want to increase public spending, the Federal Reserve is under no obligation to try to facilitate the necessary transfer of resources from the private to the public sector, and it should not attempt to do so.

Second. To "help" interest-rate-sensitive sectors like the thrift industry and housing.

The viability of thrift institutions and housing depends on achieving price stability. They cannot prosper in an inflationary environment. Inflationary money growth, though intended to help them, soon backfires by causing disintermediation—the withdrawal of savings deposits from thrift institutions, and the consequent drying up of mortgage money. The Federal Reserve can best assist thrift institutions and housing by keeping the money supply growing steadily and moderately, for this year 4 to 6 percent.

The Fed should accompany such a neutral 4- to 6-percent new money policy by sketching out a constructive alternative to its present policy. Today the Fed creates enough excess new money to feed the fires of inflation, without at the same time really helping either the thrift institutions or housing that it is apparently trying to help. The constructive alternative is for the Fed to create a proper, neutral amount of new money, and then, from its independent vantage point, to advise the rest of the Government what the rest of the Government should do.

With respect to thrift institutions and disintermediation, this advice might take the following form. The Home Loan Bank Board, to the limit of its resources, should act to prevent pressure on the thrift institutions. Standing back of the Home Loan Bank Board, the Fed itself could open its discount window to thrift institutions, meanwhile making compensating open market sales, if necessary, to keep money growth within the 4- to 6-percent yearly band.

With respect to housing, there is likewise an arsenal of available actions to cushion any hardship that might accompany the Fed's employing a noninflationary money policy. For example, the Fed itself could purchase for its open market portfolio more housing-related securities. The Fed and other regulatory agencies could prescribe that the various depository institutions invest minimum percentages of their time deposits in residential mortgages. Or the regulatory agencies could impose special asset reserve requirements which favor residential mortgages over other loans, such as a zero requirement for residential mortgages. The Fed could also explore the foreign experience with capital investment committees, as by assigning highest priority to residential mortgages and lowest priority to gambling casinos and similar projects. The Fed should also recommend ways in which congressional fiscal policy can be used to help housing, as by expanded governmental housing investment, and interest rate subsidies.

The conventional wisdom says that housing—and small business, and State and local governments—should be shielded from the winds of tight credit and high interest rates. It is up to the Fed to use its independent position to tell us all the hard measures that need to be taken, rather than to blur the issues by the easy and self-defeating creation of excessive new money.

Third. To combat structural unemployment caused by supply constraints such as today's energy shortfall. Extended unemployment compensation, apprenticeship subsidies, public service employment and similar programs are needed to cope with these problems and the hardships they involve. Congress is the proper body to develop these programs, and an independent and responsible Fed should tell it so. The best thing the Fed can now do to prevent unemployment is to keep money supply for this year within the 4- to 6-percent band, and to instruct Congress and the public on the proper tax and expenditure methods of fighting unemployment.

In short, the Fed should cease warping a sound monetary policy in order to compensate for what it considers to be the frailties and shortcomings of the rest of the government. Far better, let the Fed pursue a sensible monetary policy, and provide a profile in courage by telling the rest of the Government and the public the measures that are needed to get on the track of maximum employment, maximum productivity, and maximum purchasing power.

ANALYSIS OF THE COMPREHENSIVE VIETNAM ERA EDUCATION BENEFIT ACT

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 4, 1974

Mr. WOLFF. Mr. Speaker, in February, I, along with four of my colleagues on the House Veterans' Affairs Committee, introduced the Comprehensive Vietnam Era Education Benefits Act. An identical bill has also been introduced in the Senate with broad, bipartisan support. This legislation includes provisions that will truly equalize educational opportunities for all Vietnam vets and so upgrade the present GI bill that it will more closely resemble its World War II predecessor. The Vietnam Veterans Center, here in Washington, has prepared a comprehensive analysis of this legislation and the need for it in light of the inadequacies of the present GI program. I would like to share with my colleagues a portion of this analysis, which I feel captures the true concern of today's veteran. A selection from the Vietnam Veterans Center analysis follows:

ANALYSIS OF THE COMPREHENSIVE VIETNAM VETERANS BENEFITS ACT

The Comprehensive Bill recognizes that the present system of administering veterans educational and readjustment benefits is not meeting the specific intent and objectives of Congress and is denying readjustment assistance to thousands of Vietnam era veterans. The Comprehensive Bill amends the current GI Bill to provide specific solutions to inadequacies and shortcomings of the present system and improve the effectiveness of existing programs and opportunities for Vietnam era veterans.

It will accord all veterans presently in training programs the same subsistence increases and similar improvements to House Act. H.R. 12628, to include a 13.6% increase in the subsistence allowance and an extension of the time period in which a veteran must use his benefits from 8 to 10 years.

No Vietnam era veteran will receive less benefits than he is currently entitled to. All veterans will have greater flexibility to use their education and training benefits.

The Comprehensive Bill, in its present form, does not contain many technical and perfecting provisions that are generally supported and should be incorporated into final legislation. However, it does contain other provisions which appear similar to those approved in H.R. 12628, but are not. These provisions are the expansion of the Work Study Program and the Veterans Communication Center. (These provisions will be clarified in section by section analysis.)

Analysis of Specific Provisions of the Comprehensive Vietnam Veterans Benefits Act

A. 13.6 PERCENT INCREASE IN THE SUBSISTENCE ALLOWANCE PAID TO VETERANS IN VOCATIONAL REHABILITATION AND EDUCATION PROGRAMS

Explanation of provision

Increases the educational assistance allowance under all veterans vocational rehabilitation and education programs by 13.6%.

Justification of provision

This provision is identical to an increase enacted by the House of Representatives. It increases the monthly subsistence allowance paid to veterans in educational programs to a level that compensates for inflation and the inordinate rise in basic "living expenses" since the enactment of the current benefit levels in Oct. 1972.

Safeguards against abuse

This provision would be no more subject to abuse than the present system, therefore, no additional or special safeguards would be necessary.

Cost

The estimated cost of the 13.6% increase in educational allowance for fiscal year 1975, applied to veterans currently using their education and training benefits, is $374.1 million. (OMB) Total cost projections for fiscal 1975–79 are $1,415 billion. (OMB)

Since the purpose of the Comprehensive Bill is to enable many veterans to effectively use their readjustment benefits for the first time, it is possible that cost figures could exceed OMB estimates.

B. EXTENSION OF THE 36-MONTH ENTITLEMENT PERIOD

Explanation of provision

This provision would enable the VA to extend a veteran's benefit up to an additional 9 months in special circumstances.

Due to circumstances beyond their control, many veterans are unable to complete their programs of instruction within the time frame they are entitled to receive benefits. Such circumstances include: credits lost in transfer from one institution to another, change of a major or program of instruction, lack of sufficient preparatory background or training to complete a program of instruction. Under these or similar circumstances, the VA would have the authority to extend a veteran's benefits to enable him to complete his education or training.

Justification of provision

The conditional extension of entitlement would provide needy and deserving Vietnam veterans with special circumstances a maximum of 45 months entitlement to complete their education. All World War II veterans were accorded a full 48 months of GI benefits to complete their training.

This provision is not intended to be a blanket extension of entitlement. Its intent is similar to the "free entitlement" accorded Vietnam era veterans who need assistance *to begin* education and training programs. The conditional extension of entitlement would benefit veterans who need assistance *to complete* education and training programs.

Safeguards against abuse

Safeguards and administrative procedures similar to those used to administer the "free entitlement" and "prep" programs would be required to administer the conditional entitlement extension. Since similar programs are now in effect, the VA should have the expertise to administer the program and prevent abuses.

Cost

The cost of the conditional entitlement extension is difficult to estimate, since the VA has no data on the effectiveness of the current program or the number and nature of problems veterans encounter in completing their education and training.

C. EXTENSION OF THE DELIMITING PERIOD FROM 8 TO 10 YEARS

Explanation of provision

This provision would extend the period in which a veteran must use his benefits from 8 to 10 years. Veterans who were discharged after January 31, 1955 and before June 1, 1966 whose eligibility for training is scheduled to expire on June 1, 1974 will have until June 1, 1976 to complete training.

Justification of provision

This provision is identical to one passed in H.R. 12628. It would enable veterans discharged in the years 1965–66 who were unable to begin education and training until 1970 when benefits were raised (above $130) to complete their training before their eligibility expires. It provides the same relief to "Cold War Veterans" who would otherwise lose their entitlement on June 1, 1974.

Safeguards against abuse

This provision would not be subject to abuse.

Cost

$166 million, Fiscal 1975; $513 million, Fiscal 1975–79. (OMB estimates)

D. ACCELERATION OF ENTITLEMENT

Explanation of provision

The Acceleration of Entitlement Provision is the most important provision of the Comprehensive Veterans Education legislation. It would enable a veteran in a full time program of instruction to receive a greater monthly subsistence allowance (reducing his total entitlement a proportional rate) provided acceleration would lead to completion of an education or training program. Acceleration is the only means whereby millions of Vietnam veterans can use their existing entitled benefits to receive vitally needed readjustment assistance for education and training.

Acceleration would open up educational opportunities to veterans who have been denied assistance and opportunities under the present GI Bill system. Under acceleration, a two year technical or vocational education could be possible for every veteran. Veterans with previous college experience could complete their educations at private institutions or attend graduate programs.

Acceleration, combined with the tuition equalizer provision would enable veterans with dependents to attend education and training programs for three school years (24 months) at almost any public school in America.

Acceleration, combined with the tuition equalizer provision would enable single veterans and veterans with one dependent to receive two school years (18 months) of education and training at almost every private institute of higher learning, vocational, technical or professional institution in America. (See special supplement on acceleration/Appendix E).

Justification of provision

Acceleration is the only provision that will enable the Educational Assistance Program to fulfill the intent of Congress and provide assistance to millions of veterans without massive supplemental cost to the GI Bill. Acceleration recognizes that readjustment assistance and education and training must not be restricted to a four year period and that two year programs of instruction can go a long way to restoring lost educational and career opportunities for Vietnam era veterans.

The World War II GI Bill had an acceleration provision that enabled veterans to use their "educational payment" at an accelerated rate to cover yearly educational expenses in excess of the alloted $500.

Safeguards against abuse

The acceleration provision requires that a veteran must be enrolled in a program that will lead to a recognized and predetermined vocational, educational, or technical objective in order to receive his monthly payment at an accelerated rate. The acceleration provision is the only provision of the Veterans Educational Assistance Act that makes the ability to complete a program of instruction a prerequisite for receipt of benefits. The Veterans Administration has substantial latitude to determine regulations for administering the provision. It is possible that an income ceiling could be applied, as was used in the World War II GI Bill.

Cost

With the exception of the cost of veterans using benefits for the first time, this provision would add no new cost to the benefits that all eligible Vietnam era veterans are currently entitled to. Current cost by veterans using their benefits is estimated by OMB to be $600 million for fiscal 1975.

E. TUITION EQUALIZER PROGRAM

Explanation of provision

The Tuition Equalizer Provision pays the cost of tuition over $400 up to $1,000 (a total of $600) per school year. The purpose of the tuition equalizer provision is to provide veterans in states with high cost public education an equal opportunity to enter school by subsidized tuition costs to a level equal to the average tuition paid by veterans in public institutions, presently $424.

Justification of provision

"Current benefits levels, requiring as they do the payment of tuition, fees, books, and supplies, and living expenses provide the basis for 'unequal treatment of equals'. To restore equity between veterans residing in different states with differing systems of public education, some form of variable payments to ameliorate the differences in institutional costs would be required." (Finding, Educational Testing Service Report, September 1973.)

The tuition equalizer provision is the form of variable payment that will restore equity between veterans residing in states with different systems of public education.

Safeguards against abuse

The tuition equalizer provision is not a return to the World War II system of VA payment to schools for total "educational expenses" and therefore precludes many of the abuses inherent in the World War II system. The tuition equalizer provision specifically prohibits veterans from being charged tuition rates exceeding those paid by nonveterans, and prohibits payment of educational expenses other than tuition, i.e. "fees, books, supplies and other expenses."

Cost

Cost of the tuition equalizer provision is estimated by OMB to be $250 million for the fiscal year 1975.

F. EXPANSION OF THE WORK STUDY PROGRAM

Explanation of provision

The Work Study program is currently operating on a budget of $4 million per fiscal year, limiting payments to veterans at $250 per school year. This provision lifts these severe restrictions to provide a comprehensive and effective Work Study program.

Justification of the provision

The present work study program is so restricted that it cannot adequately augment a veteran's subsistence allowance, and cannot fulfill such critically needed functions as Outreach and the VA's new VETREACH Program, veterans counseling, preparation and processing of administrative work, veterans hospital and health care work, etc.

Safeguards against abuse

Work Study programs would be determined by the Veterans Administration and the funds must be appropriated by Congress. Experience gained from other Work Study programs should provide effective guidelines against abuse.

Cost

To be determined by Congress and the Veterans Administration. ($30–$50 million/estimate)

G. VIETNAM ERA VETERANS COMMUNICATIONS CENTER AND VIETNAM ERA VETERANS ADVISORY COMMITTEE

Explanation of provision

This provision establishes a Vietnam Era Communications Center and a Veterans Advisory Committee. The purpose of the center would be to insure that the Vietnam era veterans' experience and perspective would be instrumental in the planning, coordination, implementation and administration of all government programs affecting Vietnam era veterans. The Advisory Committee would assist the Communications Center in a high level national effort to utilize the $6 billion a year the Defense Department spends on training its servicemen by civilian recognition, certification, utilization, or accreditation of military training, skills and experience.

Justification of provision

"The limited effect of other federal agencies to provide education and training to veterans has been due in part to lack of overall direction, leadership and coordination." (Report of the Educational Testing Service September, 1973.)

"It is recommended that government and private licensing and certification agencies, labor unions in the apprenticeable trades, and the academic community establish procedures whereby appropriate credits can be established for specific military job skills." (National Jobs for Veterans Report of the President, March 1974.)

Safeguards against abuse

The only abuse inherent in this provision would be ineffective and uninspired implementation.

Cost

The Communications Center and Advisory Committee would be funded through existing agency funds.

THE ITALY-YUGOSLAVIA DISPUTE

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 4, 1974

Mr. ASHBROOK. Mr. Speaker, a New York Times editorial of March 31 describes the present conflict between Italy and Yugoslavia as a "senseless quarrel." The editorial notes that these two countries have coexisted for 20 years, but it fails to ask a basic question as to the true wishes of the Slovenes and the Croatians who are involved in the present impasse. In other words, shouldn't the Slovenes and Croatians be granted the right to vote, the right to self-determination, in this and other matters as is presently done in Italy?

Another aspect of the controversy concerns U.S. interests in this area. As many American naval strategists over the years have considered it of importance to the 6th Fleet that the Soviet Navy does not obtain bases on the Adriatic which would be land-connected with the Soviet Union through Hungary, any remedial measures which would frustrate the establishment of an overland route to the Adriatic by the Soviets should be considered.

I am writing to Secretary of State Kissinger for information as to what steps are being taken in this area.

The New York Times editorial follows:

[From the New York Times, Mar. 31, 1974]

SENSELESS QUARREL

For twenty years the flourishing relations between Yugoslavia and Italy have served as dramatic proof that even the most intractable and explosive of international problems can be resolved with patience and goodwill. Now, in fits of petulance that defy rational explanation, Belgrade and Rome are restoking the territorial quarrel that once threatened to ignite great-power conflict but that they settled, in fact if not in law, in 1954.

The Memorandum of Understanding, signed in London that year with American and British participation, assigned the port city of Trieste and some land around it to Italy while allocating the rest of the disputed territory, known as Zone B, to Yugoslavia. Rome and Belgrade knew this division was final but, since neither wished to surrender legal claims publicly, the understanding did not fix formal boundaries.

Few international accords have worked so well. The once-disputed frontier became one of the world's most open borders. Two-way trade flourished, thousands of Yugoslavs crossed daily to work in Italy without visas, Italian tourists flocked to Yugoslavia's Dalmation coast. Italy reincorporated Trieste while maintaining it as a free port; Yugoslavia attached part of Zone B to its Slovenian Republic, the rest to Croatia.

Last month, however, Yugoslavia set up new signs at some border points, proclaiming: "Socialist Federal Republic of Yugoslavia—Socialist Republic of Slovenia." A Trieste newspaper protested that this was claiming sovereignty over still-disputed land. The Rome Government then felt compelled to remind Belgrade in a note that the 1954 memorandum had not resolved questions of sovereignty or permanent borders. The quarrel has since escalated with Yugoslavia even moving tanks to the border area for the benefit of television cameras.

The refiring of this dangerous dispute is far too great a price to pay for an artificial reinforcement of unity among Yugoslavia's diverse republics or a temporary bolstering of Italy's shaky center-left Government with dubious support from fascists and monarchists. It is high time for cooler heads in both capitals to defuse the most senseless international quarrel in 1974.

A BRIEF SURVEY OF PRICE AND WAGE CONTROLS

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 4, 1974

Mr. DERWINSKI. Mr. Speaker, a member of my staff, Mr. Robert Schuettinger, who taught political science at several universities before coming to Washington, has recently published a study of the historical effects of price and wage controls which I would like to commend to the attention of my colleagues. The study is entitled "A Brief Survey of Price and Wage Controls From 2800 B.C. to A.D. 1952," Heritage Foundation, 415 Second Street NE., Washington, D.C.

I should like to submit for the RECORD the conclusion of this timely essay:

CONCLUSION

The record of government attempts to control wages and prices is clear. Such efforts have been made in one form or another periodically in almost all times and all places since the very beginning of organized society. In all times and in all places they have just as invariably failed to achieve their announced purposes. Time after time an historian has laconically concluded ". . . the plan to control rising prices failed utterly." Or ". . . the laws were soon repealed since no one paid any attention to them."

Very often they *have* had side effects. Many rulers have been forced to resign, abdicate or commit suicide because of their unexpected consequences. Many governments have fallen. Inflation has often jumped 100 or 500 times after they were introduced. Unemployment and bankruptcies have followed in their wake. Totalitarian regimes when led by men ruthless enough have been temporarily strengthened through controls over people's livelihoods.

In Egypt, government controls over the grain crop led gradually to ownership of all the land by the state. In Babylon, in China, in Greece and Rome various kinds of regulations over the economy were tried and usually either failed completely or produced harmful effects. One of the most well-known cases of wage and price controls in the ancient world occurred in the time of the Emperor Diocletian. Thousands of people throughout the Empire were put to death before these futile laws were finally repealed.

In the Middle Ages, the city of Antwerp fell to the Spanish largely because no one would risk bringing food to the besieged city if he could not obtain the market price once he had passed by the Spanish guns.

In the American colonies, frequent attempts were made to keep down the price of beaverskins and suchlike commodities. All failed. Indians as well as the European colonists insisted on market prices for their goods and labor.

During the American War of Independence, Washington's army nearly starved at Valley Forge largely due to what John Adams called "That improvident Act for limiting prices [which] has done great injury, and [which] in my sincere opinion, if not repealed will ruin the state and introduce a civil war." [1] As one economic historian explained, "The regulation of prices by law had precisely the opposite effect to that intended; for prices were increased rather than diminished by the adoption of the measure." [2] The same historian concluded that "Tried by facts, the measure was a total failure in achieving the end proposed by its authors and ultimately had not a defender." [3]

With the coming of the Revolution in France, successive governments still failed to learn from experience. A series of so-called "Maximum Price" laws were passed and all proved ineffectual. We are told that in Paris of 1794 one observer reported that "one hundred and fifty women had crowded up to a butcher's door at four o'clock in the morning. They screamed out that it was better to pay twenty or thirty sous and have what they wanted than to pay fourteen, the maximum price, and get nothing." [4]

With the advent of the nineteenth century the western world was blessed by a happy period of relative peace and prosperity. For 100 years no major wars were fought by the European Powers and the principles of free trade reached their ascendancy. Shortly after Victoria came to the British throne the famous Corn Laws (which for generations kept the price of bread higher than market levels) were repealed. As we have seen, the British authorities in India managed to avert a disastrous famine in 1866 by allowing the prices of food to fluctuate with the market thus insuring a speedy and equitable distribution of rice and grain where they were needed most.

With the breakdown of the structure of peace in 1914, however, both the Allies and the Central Powers insisted on returning to the drawing board with entirely predictable results. Even in the Organized State *par excellence* (the Kaiser's Germany) economists pronounced price and wage controls to be ineffective. No other nation, democracy or dictatorship, monarchy or republic, managed to make them work.

During the Second World War and shortly thereafter price and wage controls once again were resorted to by the major nations. Although a supreme patriotic effort in several nations (including the United States) slowed the official rise in wages and prices a bit, it is probable that the real prices and wages were little affected. Besides a thriving black market, reduction in quality of goods and increased "perquisites" for jobs (fringe benefits, overtime, etc.) all contributed toward a double system, the "official" controlled prices and wages and the "unofficial" real prices and wages.

Even the defenders of wage and price controls recognize that they result in distortions in the use of economic resources, add heavy extra costs and at least may still fail to reduce inflation.

Most economists would agree that controls of this sort produce uncertainty and hesitation. Many businessmen hold back and fail to expand into new areas and add new employees because they are not sure what will be the latest government regulation. Controls also cost millions of man-hours in both government and industry; the great expense of administering countless regulations (if we assume their effect is negligible or negative) must be recorded as colossal waste. As profits approach legal ceilings, businessmen have less reason to keep down costs; this also leads to waste of valuable resources. Insofar as wage controls actually hold down salaries, employees are not stimulated to do their work or to seek a better job and employers are restrained from securing as many and as highly skilled workers as they could productively use.

Although many economists would concede that government controls are able to restrain prices for very short periods of time (by so-called "freezes") the end result is that pent-up inflation bursts at the first opportunity, giving rise to even higher prices in the long run. This effect has been recognized at least since the very beginning of our Republic; John Adams wrote to his wife in 1777 that "I expect only a partial and temporary relief from [rising prices by means of controls] and I fear that after a time the evils will break out with greater violence. The matter will flow with greater rapidity for having been dammed up for a time." [5]

In addition to the many economic difficulties which cannot be dismissed with such quips as Lord Keynes' dictum that "in the long run we are all dead", there remains an underlying moral problem. The government of the United States was scarcely a year old when a writer in *The Connecticut Courant* asserted that "the scheme of supporting the money and regulating the price of things by penal statutes . . . always has and ever will be impracticable in a free country, because

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Footnotes at end of article.

no law can be framed to limit a man in the purchase or disposal of property, but what must infringe those principles of liberty for which we are gloriously fighting."[6]

If an historian were to sum up what we have learned from the long history of wage and price controls in this country and in many others around the world, he would have to conclude that the only thing we learn from history is that we do not learn from history.

As America's first economist, Pelatiah Webster, observed when describing the effects of the unhappy experiment with economic controls during our War of Independence, "It seemed to be a kind of obstinate delirium, totally deaf to every argument drawn from justice and right, from its natural tendency and mischief, from common sense and even from common safety[7] . . . It is not more absurd to attempt to impel faith into the heart of an unbeliever by fire and fagot, or to whip love into your mistress with a cowskin, than to force value or credit into your money by penal laws."[8]

FOOTNOTES

[1] Bolles, Albert, *The Financial History of the United States*, New York, 1896, vol. 1, pp. 165–66.

[2] *Ibid*, p. 166.

[3] *Ibid.*, p. 173.

[4] Bourne, Henry, "Food Control and Price-Fixing in Revolutionary France," *The Journal of Political Economy*, March 1919, p. 208.

[5] Bolles, *op. cit.*, p. 159.

[6] *The Connecticut Courant*, May 12, 1777.

[7] Webster, Pelatiah, *Political Essays*, Philadelphia, 1791, p. 129.

[8] *Ibid.*, p. 132.

SENATE—*Monday, April 8, 1974*

The Senate met at 12 o'clock noon and was called to order by Hon. SAM NUNN, a Senator from the State of Georgia.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

O God, our Father, may this Holy Week teach us anew the power of redemptive love and the way of the cross. May all who follow the Redeemer observe these days of sacred memory in the spirit of heart-searching and holiness, of humility and penitence, of love and adoration and gratitude. Give us grace to yield our lives to the way of self-giving and sacrifice. May we ever be true to ourselves and true to Thee even though it leads to a cross of rejection and pain. While we work may we worship and ever love Thee with our whole heart and mind and soul and strength.

Through Him who died for the sins of the world. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., April 8, 1974.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. SAM NUNN, a Senator from the State of Georgia, to perform the duties of the Chair during my absence.

JAMES O. EASTLAND,
President pro tempore.

Mr. NUNN thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Friday, April 5, 1974, be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

WAIVER OF THE CALL OF THE CALENDAR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the call of the legislative calendar, under rule VIII, be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

CONSIDERATION OF MEASURES ON THE CALENDAR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendars Nos. 742 and 743.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

AMENDMENT OF CERTAIN LAWS AFFECTING THE COAST GUARD

The Senate proceeded to consider the bill (H.R. 9293) to amend certain laws affecting the Coast Guard, which had been reported from the Committee on Commerce with amendments on page 4, after line 12, strike out:

(10) Section 657 is amended—

(A) by deleting from the catchline the semicolon and the words following "children";

(B) by designating the existing section as subsection (b); and

(C) by inserting a new subsection (a) as follows:

"(a) Except as otherwise authorized by the Act of September 30, 1950 (20 U.S.C. 236–244), the Secretary may provide, out of funds appropriated to or for the use of the Coast Guard, for the primary and secondary schooling of dependents of Coast Guard personnel stationed outside the continental United States at costs for any given area not in excess of those of the Department of Defense for the same area, when it is determined by the Secretary that the schools, if any, available in the locality are unable to provide adequately for the education of those dependents.".

On page 5, at the beginning of line 5, strike out "(11)" and insert in lieu thereof "(10)".

On page 5, at the beginning of line 16, strike out "(12)" and insert in lieu thereof "(11)".

On page 5, beginning with line 18, strike out:

(B) by amending item (section) 657 to read: "657. Dependent school children.".

On page 5, at the beginning of line 19, strike out "(C)" and insert in lieu thereof "(B)".

On page 6, at the beginning of line 1, strike out "(13)" and insert in lieu thereof "(12)".

On page 6, at the beginning of line 4, strike out "(14)" and insert in lieu thereof "(13)".

On page 6, at the beginning of line 13, strike out "(15)" and insert in lieu thereof "(14)".

On page 6, at the beginning of line 19, strike out "(16)" and insert in lieu thereof "(15)".

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

THE 1980 WINTER OLYMPIC GAMES AT LAKE PLACID, N.Y.

The concurrent resolution (S. Con. Res. 72) extending an invitation to the International Olympic Committee to hold the 1980 Olympic games at Lake Placid, N.Y., in the United States, and pledging the cooperation of support of the Congress of the United States, was considered and agreed to.

The preamble was agreed to.

The concurrent resolution, with its preamble, reads as follows:

S. CON. RES. 72

Whereas the International Olympic Committee will meet in October 1974, at Vienna, Austria, to consider the selection of a site for the 1980 winter Olympic games, and

Whereas Lake Placid in the town of North Elba, County of Essex, and State of New York, has been designated by the United States Olympic Committee as the United States site for the 1980 winter Olympic games, and

Whereas the residents of Lake Placid and the town of North Elba in Essex County, New York, have long been recognized throughout the world for their expertise in organizing, sponsoring, and promoting, major national and international winter sports competitions in all of the events which are a part of the winter Olympic games, and

Whereas it is the consensus of the Members of the Congress of the United States that the designation by the International Olympic Committee of Lake Placid in the town of North Elba, Essex County, New York, as the site of the 1980 winter Olympic games would be a great honor for all of the people in the United States: Now, therefore, be it

Resolved by the Senate (*the House of Representatives concurring*), That the International Olympic Committee be advised that the Congress of the United States would welcome the holding of the 1980 winter Olympic games at Lake Placid in the town of North Elba, county of Essex, and State of New York, the site so designated by the United States Olympic Committee; and be it further.

Resolved, That the Congress of the United States expresses the sincere hope that the United States will be selected as the site for the 1980 winter Olympic games, and pledges its cooperation and support in their successful fulfillment in the highest sense of the Olympic tradition.

TRIBUTE TO SARAH McCLENDON

Mr. MANSFIELD. Mr. President, I ask unanimous consent that an article which was published in the New York Post on Saturday, April 6, 1974, entitled "Keeping After Those Presidents," written by Jerry Tallmer, be printed in the Record at the conclusion of my remarks.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. (See exhibit 1.)

Mr. MANSFIELD. Mr. President, this article has to do with Sarah McClendon who, I think, has been a determined reporter, who has asked very tough questions, and who has not been given the recognition which I think is her due.

Therefore, I am delighted at this time to have this article printed in the Record. I am only sorry that I do not have the letter which Eileen Shanahan wrote to her newspaper, the New York Times, in defense of Mrs. McClendon.

The article follows:

Exhibit 1

Keeping After Those Presidents

(By Jerry Tallmer)

Washington.—President Eisenhower used to turn purple with rage at her questions, not least on the subject of his dedication to golf. President Kennedy, on the other hand, used to turn to ice. At one of his press conferences, rather than recognize her repeated demands for the floor, he pointed through her, beyond her, above her, right of her, left of her, to other correspondents.

President Nixon has had his problems, too, with leather-lunged Sarah McClendon of Texas. But many thought he gave as good as he got, and perhaps a little bit more, at a televised press conference six weeks ago. "You have the loudest voice," he said, recognizing Mrs. McClendon amid a clamor of cries of "Mr. President!"

"Good," said Mrs. McClendon forthrightly. "Thank you, sir." Seizing the reins, she cantered on. "I don't think you're fully informed about some of the things that are happening in the government in a domestic way. I'm sure it's not your fault, but maybe the people you appointed to office aren't giving you right information. For example, I just discovered that the Veteran's Administration has absolutely no means of telling precisely what is the national problem regarding the payments of checks to boys going to school under the GI Bill . . ."

The question, if that's what it was, fell in rather curiously with the more cosmic ones being asked that evening about impeachment and the energy crisis, but Nixon undertook to answer it anyway. He was going on about how "expeditiously" such payments were being attended to by Donald E. Johnson, Administrator of Veterans Affairs, when Sarah McClendon bellowed:

"He is the very man I'm talking about. He's not giving you the correct information . . . He has no real system for getting at the statistics on this problem."

"Well," said the President, "if he isn't listening to this program, I'll report to him just what you've said." And then, with a light smile: "He may have heard even though he wasn't listening to the program."

The incident provoked Eric Sevareid, a little later that night, to refer on CBS-TV to Mrs. McClendon as "this lady who has been known to give rudeness a bad name," and two days later The New York Times devoted an entire editorial to the "boorish behavior" of the lady. Elsewhere in the same paper, however, there appeared the news that on the afternoon following the press conference, Don Johnson of the VA had conceded "we simply don't have" the information Mrs. McClendon was calling for.

Then, last Sunday, in his radio address on veterans' affairs, the President went out of his way to say the following: "Some of you may recall that in a recent White House press conference, one of the most spirited reporters in Washington, Sarah McClendon of Texas, asked me why some veterans studying under the GI Bill were not receiving their government checks or were receiving them long after they were due. That was a good question . . . And due in large part to Mrs. McClendon and others who have brought problems to our attention, the Veterans Administration is now engaged in a major effort to improve their operations."

Sarah McClendon entered those words in her file labeled "Mission Accomplished." And next to them she tucked the clipping of a letter to the editor of The New York Times. It said Mrs. McClendon deserved "appreciation, not condemnation, for the questions she has asked Presidents over the years," and concluded: "Mrs. McClendon is reviled, I fear, largly because so many people find tough-mindedness in a woman an unattractive trait. A man who had asked the same questions as Mrs. McClendon would not be criticized by the Times." The writer: Eileen Shanahan, Washington correspondent of the Times.

"Brave of her," said Sara McClendon in the middle of a harrowing day in Washington—the day after the announcement of Nixon's tax delinquency. "I went to 3:30 this morning," she said, meaning worked till then, and had just now come away from a turbulent midday White House briefing—"They're all riled up"—followed by broadcasts to two of her outlets. Over the years she has represented a varying string of newspapers and radio and TV stations, mostly in Teaxs and New England, which once inspired Eisenhower to ask her before all her colleagues: "Do you get fired every week and join another paper the next week?"

Mrs. McClendon threw back her coat to reveal several ropes of pearls and beads and stuff, as well as her eyeglasses dangling from a chain upon the front of her green dress. She is a short, ample woman with blue eyes and vaguely reddish hair; in the early years she was invariably described as "petite."

She ticked off her 10 present outlets, leading with three Texas papers: the El Paso Times, the Sherman Democrat, the Temple Telegram, "I've had those three clients since 1946. That's pretty good, isn't it? I always say I don't have enough. I need more. I'm very small potatoes. A lot of people wouldn't take these little piddling jobs, but I put them all together and made a living of it for myself and my daughter. And it kept me independent."

Incidentally, she's no longer affiliated with the Manchester (N. H.) Union-Leader, the arch-conservative William Loeb paper that printed the phony Muskie "Canuck" letter. "Loeb never did tell me how to write, and never asked me to do any of his dirty work, but I'm glad I don't work for him now."

Sarah McClendon is out of Tyler, an East Texas town between Dallas and Shreveport.

"I'm the youngest of nine, and there are eight of us living and I'm 63, be 64 in July, and that's pretty good. All cussed, rugged people who all help each other."

Sidney Smith McClendon, her father, of "good, solid, honest, staunch Scotch stock," was a piano merchant and owner of a stationery store; Annie Rebecca Bonner McClendon, her mother, a Southerner with English blood, took Sarah at the age of 6 to suffragette speeches and rallies.

"Wonderful people. My father would walk home a couple of miles with toys on Christmas eve, to keep the kids from knowing. He pushed me, gave me drive, telling me it was contacts that count, that I should go on, should get out and meet people.

"When he was 11 he marched in a parade with signs saying: 'Democrats, Ain't You Happy?'—because Reconstruction had just been voted out. My family nearly starved to death during Reconstruction. My people were born right after the Civil War. I've known several slaves who were owned by my family. And," said Mrs. McClendon reflectively, "I'm very conscience-stricken that we owned them."

The wolf was never far from the door during her own girlhood. "It's very hard being poor. Not that I'm not still. But people then, in that part of Texas, were *very* poor. There was no oil money, and there was this craving for industry and for agricultural revolution. Then, when I was 'grown-up' and a reporter, there came an oil boom, with all its greed and cruelty and arrogance. It's fascinating to cover an oil boom. It helped me with this recent energy crisis."

It was with the assistance of her brothers and sisters that Sarah "managed to get through two years of Tyler Junior College." Then she went to work in a bank "and borrowed the money to go to the University of Missouri School of Journalism," from which she was graduated in 1931.

"I started to go to Chicago, but I was too timid and too frightened to do that. So I called Carl Estes, publisher of the Tyler Courier-Times, and he said: 'Come on down tomorrow.' I went to work for him at $10 a week—crusading to get a new hospital. I think you should crusade, don't you? And Estes, who's dead now, was a crusading editor." But when, in 1939, she "made a speech about fascist chambers of commerce," the paper was forced to fire her.

For the next several years she developed a stringer service for other Texas newspapers. When World War II arrived she promptly joined the Women's Army Corps as a buck private, feeling she owned it to the two brothers she'd seen go off to World War I. "I must have been 7 or 8 then, and I saw how it broke the family. A small child in a big family—I guess I observed more than they realized. You can't imagine what 'going overseas' meant to an inland family. Just terrifying."

The WAC put her in public relations—she'd wanted intelligence—and sent her to Washington in 1943. That year she married salesman John Thomas O'Brien, who is now also among the dead.

"He left me before my child was born. I got out of the Army in 1944, and nine days after she was born I got a job in the National Press Building, working for Bascom M. Timmons who has a number of papers.

Such a kind man—he would have died if he'd known I had a nine-day baby back home. I remember having to have someone open those heavy doors. His assistant, his underling, said to me: 'You won't be here long.'" Sarah McClendon let it lie there, and then said: "I was just blessed. Wasn't I blessed?"

Though nominally Mrs. O'Brien, Sarah McClendon prefers to be called Mrs. McClendon. "Emily Post would say you have to say 'Miss,' but who the hell cares about Emily Post?" Her daughter Sally is today Mrs. David McDonald, wife of a Canadian correspondent based in London and mother of Allison McClendon Jones, product of an earlier marriage.

"Sally was my copy girl and cub reporter at Capitol Hill, a brilliant girl. She had so much of it, she said: 'Mother, I'm retiring from politics at 22.' And my granddaughter, she'll be 5 next week and she's a chip off the old block. She'll be better, stronger. My daughter's much better, stronger than me, and Allison will be better than that. They do get better, you know."

It was time to talk about some Presidents.

"I started with Roosevelt, of course. I could see he was a very sick man, his fingers fumbing behind his desk.

"Then Truman. I don't recall too much of his press conferences.

"Eisenhower. You had to educate Eisenhower when you were asking your question. Well, you have to with all Presidents, this country's so big and there's so much to know, but you *had* to do this with Ike."

Kennedy. "I had a feeling that he was starting a lot of things and not finishing others, and this worried me. But you couldn't help but like him."

Lyndon Johnson. "Oh gosh." Mrs. McClendon's hand flew to her throat. "We had a very long relationship, and for a while were like brother and sister. But the first time I met him—he was a Congressman—he shook his finger in my face and started screaming to me about a story I'd done on oil. He wanted me to take it back—and I wouldn't.

"The thing about Lyndon Johnson is that if you displeased him, there could be repercussions. I've seen it on me and on others." Such as? "Well, he could make you lose papers, for one thing."

It was not Mrs. McClendon's shining hour when, back in the Kennedy era, she hurled accusations of "security risks" at a couple of State Dept. officials against whom there was no such case. However, she has pretty much stopped doing things like that.

What never stops is the pounding of her questions. (She seized or was granted the floor 49 times during the 55 press conferences of Eisenhower's first two years.) Nor does she think her questions are trivial.

"When I asked Eisenhower if he'd gotten permission from Congress before sending the Marines to Lebanon, TRB wrote in The New Republic: 'Sarah McClendon may have changed history with her question'—one which Eileen Shanahan in her letter to the Times said 'does not look silly or frivolous now.'"

It was 11 years ago that Mrs. McClendon organized a Press Briefing Group with the object of getting more women to ask questions. "We have men in it now, too. For the longest time there were only about three to five women who asked questions. There are more now who at least *try* to get their questions in."

And it was 30 years ago she first sought entry into the National Press Club. For 27 years that privilege was denied her. When they finally took her in, gave her a badge, a meal, Sarah McClendon . . . wept.

FEDERAL ELECTION CAMPAIGN ACT AMENDMENTS OF 1974

Mr. TALMADGE. Mr. President, will the distinguished majority leader allow me to proceed for a few minutes at this time?

Mr. MANSFIELD. I yield to the Senator from Georgia (Mr. TALMADGE) and will hold my 5 minutes until later.

The ACTING PRESIDENT pro tempore. The Senator from Georgia is recognized.

AMENDMENT NO. 1154 AS MODIFIED

Mr. TALMADGE. Mr. President, in response to questions regarding the scope of my amendment No. 1154, I send a modification of that amendment to the desk and ask that the amendment, as modified, be printed.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. The amendment will be received and printed and will lie on the table.

Mr. TALMADGE. Mr. President, my modification simply inserts after the words "no person" in the original amendment the words "affiliated with a political election campaign." The purpose of this modification is to clarify a vital point raised in last week's flood discussion of my amendment and brought to my attention this weekend by members of the Georgia press. My amendment is not intended to inhibit or, for that matter, even cover good-faith reporting of campaign news by employees of newspapers, periodicals, and other news publications. The amendment, as modified, makes this clear and, in fact, goes even further and applies only to persons affiliated with political election campaigns.

Nevertheless, the amendment may still be open to other interpretations and, since this would be a criminal statute, no questions about its scope can be left unanswered.

For this reason, I feel we must explore the need for further perfection of the language of my amendment. Unfortunately, the time strictures involved in consideration of the campaign reform bill do not allow adequate time for this. I remain undeterred in my desire to stop once and for all the types of "dirty tricks" practiced during the 1972 Presidential election campaign in which candidates were willfully and falsely accused of deviancy, insanity, bigotry, and other reprehensible acts and traits. However, because of the considerations I have mentioned, I feel that the Senate should defer action in this area at this time. Accordingly, I ask unanimous consent that I be permitted to withdraw my amendment.

THE ACTING PRESIDENT pro tempore. Without objection, the amendment as modified is withdrawn.

Mr. CRANSTON. Mr. President, will the Senator from Georgia yield?

The ACTING PRESIDENT pro tempore. Time is under the control of the distinguished majority leader.

Mr. MANSFIELD. I reserve the right to my 5 minutes and yield to the Senator from California.

Mr. CRANSTON. I thank the distinguished majority leader.

I should like to state that I fully concur with the objectives of the Senator from Georgia. I am delighted that he has agreed not to press his amendment at this point until very careful consideration can be given to it, because there were reasons to be concerned, that it might be used to harass candidates, to harass the press, or to harass people who wrote letters to the press, and so forth. It probably would be very difficult to achieve prosecution successfully under the Senator's amendment but it would not be difficult for people successfully to harass candidates, including Members of Congress. The objectives of the amendment are valid and I am delighted that we will have ample time under the procedure the Senator has outlined, to consider all the ins and outs later on.

Mr. TALMADGE. I thank the distinguished Senator from California and concur fully with what he has just stated.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Heiting, one of his secretaries.

REPORT ON AERONAUTICS AND SPACE ACTIVITIES—MESSAGE FROM THE PRESIDENT

THE ACTING PRESIDENT pro tempore (Mr. NUNN) laid before the Senate a message from the President of the United States, which, with the accompanying report, was referred to the Committee on Aeronautical and Space Sciences. The message is as follows:

To the Congress of the United States:

I am pleased to transmit this report on our Nation's progress in aeronautics and space activities during 1973.

This year has been particularly significant in that many past efforts to apply the benefits of space technology and information to the solution of problems on Earth are now coming to fruition. Experimental data from the manned Skylab station and the unmanned Earth Resources Technology Satellite are already being used operationally for resource discovery and management, environmental information, land use planning and other applications.

Communications satellites have become one of the principal methods of international communication and are an important factor in meeting national defense needs. They will also add another dimension to our domestic telecommunications systems when the first of four authorized domestic satellite systems is launched in 1974. Similarly, weather satellites are now our chief source of synoptic global and local weather data. Efforts are continuing to develop capabilities for worldwide two-week weather forecasts by the beginning of the next decade. The use of satellites for efficient and safe routing of civilian and military ships and airplanes is being studied. Demonstration programs are now underway aimed at improving our health and age techniques.

Skylab has given us new information on the energy characteristics of our sun. This knowledge should help our understanding of thermo-nuclear processes and contribute to the future development of new energy sources. Knowledge of these processes may also help us understand the sun's effect on our planet.

Skylab has proven that man can effectively work and live in space for extended periods of time. Experiments in space manufacturing may also lead to new and improved materials for use on Earth.

Development of the reusable Space Shuttle progressed during 1973. The Shuttle will reduce the costs of space activity by providing an efficient, economical means of launching, servicing, and retrieving space payloads. Recognizing the Shuttle's importance, the European Space Conference has agreed to construct a space laboratory—Spacelab—for use with the Shuttle.

Notable progress has also been made with the Soviet Union in preparing the Apollo-Soyuz Test Project scheduled for 1975. We are continuing to cooperate with other nations in space activities and sharing of scientific information. These efforts contribute to global peace and prosperity.

While we stress the use of current technology to solve current problems, we are employing unmanned spacecraft to stimulate further advances in technology and to obtain knowledge that can aid us in solving furture problems. Pioneer 10 gave us our first closeup glimpse of Jupiter and transmitted data which will enhance our knowledge of Jupiter, the solar system, and ultimately our own planet. The spacecraft took almost two years to make the trip. It has traveled over 94,000 miles per hour—faster than any other man-made object—and will become the first man-made object to leave our solar system and enter the distant reaches of space.

Advances in military aircraft technology contribute to our ability to defend our Nation. In civil aeronautics, the principal research efforts have been aimed at reducing congestion and producing quieter, safer, more economical and efficient aircraft which will conserve energy and have a minimum impact on our environment.

It is with considerable satisfaction that I submit this report of our ongoing efforts in space and aeronautics, efforts which help not only our own country but other nations and peoples as well. We are now beginning to harvest the benefits of our past hard work and investments, and we can anticipate new operational services based on aerospace technology to be made available for the public good in the years ahead on a routine basis.

RICHARD NIXON.

THE WHITE HOUSE, *April 8, 1974*.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The ACTING PRESIDENT pro tempore (Mr. NUNN) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider the nomination on the Executive Calendar under the Department of Agriculture.

There being no objection, the Senate proceeded to the consideration of executive business.

The ACTING PRESIDENT pro tempore. The nomination on the Executive Calendar, under the Department of Agriculture, will be stated.

DEPARTMENT OF AGRICULTURE

The second assistant legislative clerk read the nomination of Richard L. Feltner, of Illinois, to be an Assistant Secretary of Agriculture.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the President be notified of the confirmation of this nomination.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to, and the Senate resumed the consideration of legislative business.

WATERGATE

Mr. MANSFIELD. Mr. President, 1 year of Watergate is too much; 1 day of Watergate is too much, but the issue will have to run its course. It would be my hope that the Senate Select Committee on the Watergate and related matters would be able to complete its business by May 28 and, at that time, it would turn over the evidence accumulated and its recommendations to Special Prosecutor Leon Jarworski on the one hand, and the House Judiciary Committee on the other.

At the same time, I would hope it would make whatever legislative recommendations it feels necessary to the Senate for consideration. In my opinion, the Special Prosecutor and the courts are doing the job and doing it well. I note that Mr. Jaworski stated that it would take several years to clear the Watergate and related matters through the courts. The House Judiciary Committee is doing its job extremely well and the lack of leaks out of that committee is a most encouraging sign. I would hope that the White House and the committee would get together on the differences which are keeping them apart and arrive at a satisfactory accommodation so that the Judiciary Committee could get on with its hearings and make its judgment known to the House at the earliest possible date.

I have noticed with some concern that polls of various kinds have been taken as to how the Judiciary Committee stands and even how individual Senators stand on this matter, before all the evidence is presented, either to the committee or to the Senate. There have also been editorials and commentaries on the issue of impeachment by the House and a trial by the Senate which, I think, anticipates the question. Some Members of Congress have advocated resignation by the President. None in the Senate that I know of have suggested impeachment. My position on the question of resignation is well known; it is a question which will be decided by the President and the President alone. All this is being bruited about before the issue is directly presented, either to the House or the Senate, in any constitutional form.

The questions we should ask ourselves are as follows:

Are we being impartial in fact and appearance?

Are we aware of our responsibilities, potential, and possibly real?

Are we shunting aside the basic principles of law which presumes the innocence of the accused until found guilty?

Is the media living up to its responsibilities in "telling it as it is," on the basis of corroboration, research and source material, or is it interpreting the news to support a point of view? Basically, I think the press, overall, is doing an excellent job.

Are we exercising restraint and patience? In my view, I think the Senate, by and large, is.

Are we—all of us—too emotionally involved? In my judgment, I think we are involved, because one cannot follow the media, the court proceedings, and the Watergate hearings without being concerned.

Are too many of us saying, "The votes are there in the House of Representatives"? In my opinion, no one really knows; certainly, I do not, and no one will know until and unless a vote is taken in the House on the issue involved.

If and when the issue reaches the Senate, and no one can answer the question at this time, what should the procedures in the Senate be? Should the hearings be televised? Should new rules to fit the issue be adopted? In my opinion, I think serious consideration should be given to the televising of any proceedings which might occur in the Senate. Extraordinary historical significance does not alone justify television. More important, the American people should see the totality of evidence when and if it is presented to the Senate so that when each Senator makes his final judgment of guilty or not guilty, the American people will be fully apprised of the basis of that judgment. I think this will be very important to assure the acceptance of the judgment by the Senate, if it should come to us, whatever it may be. However, this is a matter which will have to be decided, if and when the issue comes to the Senate, and the decision will be made by the Senate as a whole, after giving full consideration to the views of all persons involved.

As far as procedures are concerned, it would be my intention to discuss this matter, if and when it comes before the Senate, with the Republican leader, the Senator from Pennsylvania (Mr. HUGH SCOTT), and to lay before him the proposition that there be a meeting of the full Senate in executive session to seek to make the proceedings as impartial and nonpartisan as possible.

As far as the Democratic leadership is concerned, it has at all times tried to work in accord with the President to the end that the responsibilities of the executive and legislative branches under the Constitution would be carried out. It is well to keep in mind that while we are all transients insofar as the Presidency, on the one hand, and the institution of the Senate and the Congress on the other, are concerned, it is the office of the Presidency and the Congress which are permanent, continuing, and enduring. As long as a Senator holds his office, he has all the responsibilities that go with that office, and the same applies to a President.

I ask unanimous consent that an editorial in the Wall Street Journal by someone who "paid a visit to Washington, D.C., in the last few days and came away wondering if the President of the United States could get a fair trial in our Nation's Capital," be printed in the RECORD at the conclusion of my remarks.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(See exhibit 1.)

Mr. MANSFIELD. While this editorial accurately expresses a headline in the local press of a few days ago, and inaccurately what was reported in the body of the same story as it applies to me, I think there is considerable food for thought in the writer's comment. I would also point out, however, that there are dangers in equating a court trial with an impeachment proceeding. If the Founding Fathers thought that they were the same thing, they would have made the place of venue the Supreme Court, not the Senate.

EXHIBIT 1

A CHANGE OF VENUE

We paid a visit to Washington, D.C., in the last few days and came away wondering if the President of the United States could get a fair trial in our nation's capital. The city seems so totally in the grip of Watergate fever that those elected representatives who will soon be sitting in solemn judgment of the President appear to have lost control of events, and are in danger of being swept along by an impeachment machine that could turn the proceedings into a lurid Roman circus.

What seems to be happening is that Congress is demonstrating how difficult it is to suspend judgment, to presume the innocence of the accused before the taking of evidence, testimony and cross-examination. By its example it reveals why the law courts of the Western democracies for centuries have deemed the formalities and rituals of a criminal proceeding to be of such paramount importance. There is now no one in Congress, Democrat or Republican, urging even minimal rules of conduct for the juries and the judge, and the system of justice that the people provide the lowest and the highest is being suspended because Richard M. Nixon is in the dock.

We see members of Congress routinely predicting the President will quit sooner than face the music. We see them openly announcing their intention to impeach, even before they know what the charges will be, if indeed there are charges. Senate Majority Leader Mansfield and Wilbur Mills of the House blithely predict there are enough votes in the House to impeach, which can only be described as bandwagon politics. Jimmy the Greek, the Las Vegas oddsmaker, conducts a private poll to detect which way members are leaning and, incredibly, gets responses. The franking privilege is being used to promote grass-roots impeachment petitions. And all over Capitol Hill there are lists being drawn up of Senators "likely" to convict and "likely" to acquit.

It's as if, during the trial of the "Chicago Seven," the jurors were permitted to pop up periodically to excoriate the defendants, Jimmy the Greek allowed in the jury box to conduct a running poll of sentiment that he could flash back to Vegas, and Judge Julius Hoffman allowed to collect petitions for conviction that he could lay before the court.

In a criminal proceeding, there is good reason why the defense is allowed to participate in jury selection, challenging prospective jurors it believes would be prejudiced. There's good reason, in a sensational case involving a heinous crime, for the judge to order a change of venue when his court is overwhelmed by passion. And there's good reason, when an untarnished jury can be found in such a case, to sequester it from outside influence during the trial.

Of course, all these precautions are impossible in an impeachment proceeding. The President can't help pick his jury. Congress can't be sequestered from the influences of the press. And Capitol Hill can't be moved to Cedar Rapids or Salt Lake City. Nor should any of these things be done even if it were possible.

But this makes it all the more important that Congress get a grip on itself and agree on formalities and rituals appropriate to a Grand Inquest, to require rules of conduct that will have the effect of changing venue from a court ruled by passion to one composed.

The Mansfields, Scotts and Alberts cannot simply wash their hands of responsibility, arguing they have no authority to impede the free speech or activities of freely elected Congressmen. If Congress would agree to rules of conduct, its leaders would per force have the power to at least verbally censure transgressors. The mere existence of a code, where there is none now, would provide a sobering frame of reference for the great majority in Congress who would otherwise say or do anything because of the provocative climate that prevails.

And if the leaders of Congress can't bring themselves to regain a semblance of control over these events, at least individual members of the House and Senate can make personal commitments to contribute nothing to the carnival that encroaches. Those who have already allowed themselves to slide can begin straining mightily to suspend judgment, elbowing aside the oddsmakers and pollsters and asking their staffs to do the same. They can begin too by resisting the outrage or resentment they might feel over the way the accused insists on his rights and loudly proclaims his innocence.

If this be done, it will be possible for the President of the United States to get a fair trial in Washington, D.C., and however he is ultimately judged the American people will be able to say that justice was done.

Mr. HUGH SCOTT. Mr. President, I will have more to say at a later time, because this suggestion has just been advanced by the distinguished majority leader. I will be glad, of course, to confer with him at any time on any matter that pertains to the Senate business, if, as, and when there appears to be reason to believe that it will become Senate business.

I very much fear that the statement of the distinguished majority leader may not be brought to the attention of the American people with the full force of what he has said, because perhaps the news value, at first blush, is that he has suggested that the proceedings be televised. At this point, I am not prepared to make any statement on that. But he has said a great many more important things than that, if we can get them noted—brought to public notice.

For example, he has said that editorials and commentaries on the issue of impeachment by the House and also by the Senate anticipate the question. He has said something that both he and I have continually said, and I get the impression that we are simply talking into a high wind each time we say it. But he has said it again, and I repeat it:

> Are we shunting aside the basic principle of law which presumes the innocence of the accused until found guilty?

He has also cautioned against Members of this body saying that the votes are there in the House of Representatives, and he has pointed out that he does not know—and he questions whether others know, unless and until a vote is taken in the House. I agree with that. Any estimate that I have heard from over there is subjectively expressed by the person who tells me. Some people say the votes are not there; some people say they are.

I think that when the Senate intervenes in the affairs of the House by prognostication and projection of something it really does not know anything about, because it must get into the minds of 435 people and come out at the other end with an answer, this is a disservice to the process.

The distinguished majority leader also says that the American people should see the totality of the evidence, when and if it is presented to the Senate.

I stress again, "when and if" so that this statement of the majority leader will not be treated as an assumption that the proceedings will occur before the Senate, but he has been most careful in his fairness, as he is always so fair, to stress the "when and if."

He said so far as the proceedings are concerned, if and when, he will discuss these matters with me and, of course, an executive session would seem to be in order for that purpose. I would be inclined to agree personally. I think it is a matter for my party and the majority leader's party to determine whether or not an executive session is desired. I would say in this first instance it would seem to me that would be the best way to consider a situation rather than to try it in the newspapers or make statements on the floor which do not represent considered judgments.

Now, we can head in one of two directions, or pursue, as the Senate has tried to do generally, a middle course. The middle course, it seems to me, ought to steer us very much closer to one of the polarities than the other, and the one polarity would be a total and complete impartiality, an absence of any partisan fervor, and a full and dispassionate, as well as compassionate approach to any problem that comes to us, if and when it does.

The other polarity would be an excess of party fervor, as in the Johnson matter, leading to the allegation that the election of 1972 was stolen in 1974. That was we must avoid at all cost. We must avoid the partisanship which might arise if the parties divide in the consideration of this matter in such fashion as to lend credence to a public assumption of that awful and intolerable conclusion.

On the other hand, it is impossible for humanity and human nature to be totally and completely dispassionate and impartial. I suggest that this is the time for us to consider that that is where our duty lies.

I will have more to say later.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. HUGH SCOTT. I am glad to yield to the distinguished majority leader.

Mr. MANSFIELD. Speaking as the majority leader, I want to assure you that if and when the issue comes to the Senate there will be as little partisanship as possible, and as far as I am concerned, I would hope there would be none.

Furthermore, if and when the issue comes to the Senate, and we will never know until the House decides one way or the other—negatively it will not; affirmatively it will—then, I would point out, the Senate itself will also be on trial. I would point out further that while this Senate, if and when the issue comes to this body, renders a verdict, the final jury and the final judge will be out there among the people who elect us, because, after all, when we speak of the Government of the United States, we speak of the people of this Republic, and they are the final arbiters. They will watch us carefully as they should.

May I say in passing that when an issue of this nature comes to the Senate and is to be televised, that would be subject to the approval of the Senate as a whole. I am expressing a personal opinion that there will be no circus, that there will be nothing in the way of hanky-panky, because I would expect and anticipate without question that every Senator would act with the greatest dignity and circumspection, and that there would be no hamming on the part of any Member of this body, if it happens to turn out that way, that the proceedings, if and when the question comes to this body, are televised.

Mr. HUGH SCOTT. Therefore, justice must not only be done; justice must seem to have been done. Fiat Justitia must be the guideline if and when this happens, and finally woe unto those who seek to act on other than the facts and evidence.

MESSAGE FROM THE HOUSE—ENROLLED BILLS SIGNED

A message from the House of Representatives by Mr. Berry, one of its reading clerks, announced that the Speaker had affixed his signature to the following enrolled bills:

H.R. 12253. An act to make certain appropriations available for obligation and expenditure until June 30, 1975, and for other purposes; and

H.R. 12627. An act to authorize and direct the Secretary of the Department under which the U.S. Coast Guard is operating to cause the vessel *Miss Keku*, owned by Clarence Jackson of Juneau, Alaska, to be documented as a vessel of the United States so as to be entitled to engage in the American fisheries.

The enrolled bills were subsequently signed by the Acting President pro tempore (Mr. NUNN).

TRANSACTION OF ROUTINE MORNING BUSINESS

The **ACTING PRESIDENT** pro tempore. Under the previous order there will now be a period for the transaction of routine morning business not to exceed 30 minutes, with statements limited therein to 5 minutes.

MILITARY AID TO SOUTH VIETNAM

Mr. SYMINGTON. Mr. President, an article in the press last Friday reporting on the House action that denied increase in the $1.126 billion ceiling on military aid to South Vietnam stated:

> On the other side of Capitol Hill the Senate Armed Services Committee had voted Wednesday to allow the administration $266 million more.

That statement, without any further explanation, is misleading; and I would take this opportunity to set the record straight.

The Senate Armed Services Committee voted unanimously to hold the military assistance service funded—MASF—program to the same $1.126 billion ceiling as previously enacted by Congress for fiscal year 1974; and now reinforced by the vote last week in the House.

In addition, the Senate Armed Services Committee voted to include language in their report on this bill which would direct the Department of Defense to straighten out the reporting of obligations for fiscal year 1974; and also to hold to the current ceiling of $1.126 billion.

Research on the part of the committee staff had revealed that the Defense Department was reporting obligations for ammunition on a statistical basis, rather than on the basis of actual orders or deliveries; and as a result, a $266 million obligation was reported during fiscal year 1974 for ammunition actually delivered to South Vietnam in either fiscal year 1972 or fiscal year 1973.

This totally artificial accounting system reduced the real amount of support available in fiscal year 1974; therefore, the Defense Department can actually obligate only $860 million under this current ceiling of $1.126 billion.

Allowing Defense to delete the $266 million from the obligations reported in fiscal year 1974 for statistical purposes only will permit them to obligate close to the level obligated for in the first three quarters of fiscal year 1974; also to carry out the original intent of the Congress when it authorized obligations up to $1.126 million.

I would stress that this proposal does not authorize any new funds for fiscal year 1974. It only allows the Defense Department to utilize already authorized and appropriated, but unobligated, funds up to the established ceiling in question.

JUSTICE WHITEWASHES FITZGERALD AFFAIR

Mr. PROXMIRE. Mr. President, more than 5 years ago A. Ernest Fitzgerald testified before the Joint Economic Committee regarding huge cost overruns, in the acquisition by the Air Force of a giant cargo plane—the C–5A. A major effort was made by the Air Force to prevent Fitzgerald from testifying. First he was warned not to appear, then he was not to prepare written testimony.

Following his testimony revealing for the first time that the plane was to cost $2 billion more than official estimates, he was subjected to a campaign of abuse and harrassment that boggles the mind. Within 12 days of his testimony his career tenure had been revoked after a so-called computer error was discovered. A submission he made to the Joint Economic Committee was doctored without his knowledge. He was given the most menial tasks to perform. He was falsely accused of leaking confidential documents to the Congress. He was the subject of a rigged security investigation. And finally the ultimate sanction was applied. He was fired.

Recognizing that these retaliatory acts resulted from Fitzgerald's sin of committing the truth before a committee of the Congress I urged the Justice Department to proceed to prosecute the guilty under the criminal code. Specifically I referred to title 18, United States Code, section 1505, which makes a crime punishable by a fine of up to $5,000 and/or imprisonment for not more than 5 years to threaten or injure a congressional witness.

The response on the part of the Justice Department was an act of foot dragging that makes the unfolding of the Watergate story seem a model of speed. From November 22, 1969, to December 12, 1973, the Department delayed, postponed, and put off any action in the case. First they argued that they would await the results of a Civil Service Commission proceeding that Fitzgerald was bringing to regain his job. This decision was made after a study that consisted of looking at testimony presented before the Joint Economic Committee and considering evidence presented voluntarily by the Air Force Department. No effort was made to conduct an independent investigation.

The Department then participated in a maneuver that delayed the final resolution of the civil service case for at least 2 years by appealing a lower court decision that the Civil Service Commission hearing should be an open one.

Finally the Department wrote to me on December 12, 1973, saying, in effect, that the testimony presented at the Civil Service Commission proceeding did not justify any further action to enforce the criminal sanctions against interfering with a congressional witness. This letter followed on the heels of the Commission's decision to restore Fitzgerald to his job.

The Commission's final decision in the Fitzgerald case clearly showed that then Air Force Secretary Seamans has falsely accused Fitzgerald before a congressional committee of leaking classified information. It also demonstrated that Gen. Joseph Cappucci, former Director of the Air Force of Special Investigations, had initiated a security investigation of Fitzgerald on the basis of unfounded charges and had then proceeded to destroy information arising from the investigation that was favorable to Fitzgerald. The derogatory charges were kept in the file while proof that these charges were false was destroyed.

The civil service proceedings also indicated that the Fitzgerald affair penetrated into the White House. Secretary Seamans refused to furnish testimony on conversations he had with, or advice he received from, White House staff.

The President himself took the blame for the Fitzgerald firing at a January 31, 1973, press conference, although Presidential Press Secretary Ziegler later told the press the President had "misspoke himself."

Mr. President, the Justice Department has not only determined not to look beyond the facade of the Civil Service Commission proceedings that restored Fitzgerald to an Air Force job. It has also decided to defend the very men involved in the retaliatory acts that were inflicted on Fitzgerald in a lawsuit brought by Fitzgerald. The defendants in this suit include Dr. Seamans and General Cappucci. Included also is former Assistant Secretary of the Air Force Spencer J. Schedler who was under investigation by the Justice Department as late as December 12 for a possible violation of the Federal Corrupt Practices Act. This creates a blatant conflict-of-interest situation.

I can only conclude on the basis of the record in the Fitzgerald case that the Justice Department has, wittingly or unwittingly, become a party to a coverup of criminal behavior on a rather massive scale.

In view of the conflict of interest problem now confronting the Department as well as its apparent inability to conduct its own investigation, I have written to Attorney General Saxbe urging him to submit the case of A. Ernest Fitzgerald with all relevant material in the Department's possession, to a Federal grand jury for its consideration of possible violations of the Federal criminal code.

Unless a grand jury moves quickly to expose the sordid facts behind the attempts to destroy Fitzgerald we can forget about a civil service dedicated to truly serving the taxpayer. The moral behind the Fitzgerald story thus far is "to get along you go along."

Mr. President, the whole sorry mess demonstrates with great force the need for a truly independent Justice Department, free of the shackles of partisanship. Obviously such an independent objective agency would have long since blown the whistle on the culprits in the Fitzgerald affair. But the present Justice Department, whose interests are directly tied to the administration, has shown itself to be incapable of moving quickly and effectively to wash out this stain on the body politic. This is a textbook example of why legislative efforts to set up an independent Justice Department must succeed if we are to restore the people's faith in their Government.

One of the most persistent critics and seekers-after-truth in the Fitzgerald affair has been Clark Mollenhoff. In a March 24 column he made a compelling case that the Department of Justice is, by its behavior in the Fitzgerald affair, participating in an obstruction of justice.

I ask unanimous consent that this impressive analysis, as well as my letter to Attorney General Saxbe, be printed in the Record at this point.

There being no objection, the material was ordered to be printed in the Record, as follows:

April 3, 1974.

Hon. William B. Saxbe,
Attorney General of the United States,
Department of Justice,
Washington, D.C.

Dear Mr. Attorney General: On November 22, 1969, more than four years ago, I wrote then Attorney General Mitchell regarding the case of A. Ernest Fitzgerald, who had been dismissed from the Department of the Air Force following his testimony before the Joint Economic Committee on defense procurement policies. The Civil Service Commission has since held that Mr. Fitzgerald was "improperly separated" from the Department.

In that letter I pointed out that it was a criminal offense to threaten, influence, intimidate or impede any witness in connection with a Congressional investigation and that it was also a criminal offense to injure any witness in his person or property because of such testimony (18 U.S.C. § 1505). I urged the Department to enforce this law against those who attempted to place restrictions on Mr. Fitzgerald prior to his testimony and who took reprisals against him following that testimony.

In the words of my earlier letter "as far as this law is concerned we have a violation and a victim."

This initial correspondence was followed by what I can only term 'evasions' on the part of the Department.

On February 18, 1970, Assistant Attorney General Will Wilson wrote that the Justice Department would await the results of a Civil Service Commission proceeding. This decision was not based on any independent investigation by the Department but simply on a review of testimony presented before the Joint Economic Committee and material voluntarily submitted by the Air Force.

The Justice Department not only maintained this position for the next two and one-half years but participated in attempts to block an open Civil Service Commission hearing on the Fitzgerald case. This prolonged the final resolution of the Civil Service appeals process.

Finally Assistant Attorney General Petersen wrote to me on December 12, 1973, saying, in effect, that the testimony presented at the Civil Service Commission proceeding did not justify any further action to enforce the above-mentioned law regarding interference with witnesses before a Congressional Committee.

Apparently the Justice Department has determined not to look beyond the facade of the Civil Service Commission decision. I can only regard this as a complete whitewash.

The decision itself details a number of instances of outrageous conduct clearly intended to destroy Mr. Fitzgerald's reputation following his testimony before the Joint Economic Committee. Here are two examples taken word by word from the Commission's decision:

On May 7, 1969 Secretary [of the Air Force] Seamans testified before the House Armed Services Committee in Executive session and made several accusations against Mr. Fitzgerald.

* * * * *

Secretary Seamans testified that on the day after his May 7, 1969 testimony he learned that no security violation [by Mr. Fitzgerald] was involved; that the word "confidential" did leave an ambiguity; that some damage was done; and that it wasn't until six months later that he apologized to the Committee for his remarks being taken as a security violation.

Brigadier General Joseph J. Cappucci, former Director of the Air Force Office of Special Investigations, (OSI) testified that on May 17, 1969, OSI opened a file . . . and started a special inquiry based on conflict of interest charges made against Mr. Fitzgerald by a confidential informant . . . General Cappucci testified that when these checks came back favorable, instead of placing the favorable information in the file he closed it . . . All the favorable reports were destroyed. We find no credible explanation for OSI retaining the derogatory allegations about Mr. Fitzgerald while destroying all the results of the investigation which proved these allegations were without substance.

Clearly Civil Service Commission proceedings are no substitute for a thorough criminal investigation. For example, the Commission was sharply limited by the fact that Dr. Seamans, Mr. Schedler and Col. Pewitt repeatedly invoked executive privilege in refusing to tell all that they knew about the Fitzgerald affair.

Now the Justice Department has placed itself in a completely untenable conflict of interest situation by representing the very men whose conduct appears to have violated the criminal code in a civil suit against these individuals, including Dr. Seamans and General Cappucci, brought by Mr. Fitzgerald.

The Department is also representing Assistant Secretary of the Air Force Spencer J. Schedler while at the same time, according to Assistant Attorney General Petersen's letter to me of December 12, 1973, considering the possibility that he may have violated the Federal Corrupt Practices Act in a collateral matter.

Mr. Attorney General, I can only conclude on the basis of the record in this case that the Department has, wittingly or unwittingly, become a party to a cover-up of criminal behavior on a rather massive scale.

The effort to punish a distinguished civil servant for his testimony before a Congressional Committee may well reach into the White House. Secretary Seamans refused to furnish testimony in the Civil Service Commission proceeding on conversations he had with, or advice he received from, the White House staff. The President himself took the blame for Mr. Fitzgerald's firing in a January 31, 1973, press conference—a statement that Presidential Press Secretary Ziegler later said was in error.

In view of the conflict on interest problem now confronting the Justice Department as well as the Department's apparent inability to conduct its own investigation of the Fitzgerald affair I urge you to submit the case, with all relevant material in your possession to a federal grand jury for its consideration of possible violations of the federal criminal code.

I will be most happy to assist in any way the grand jury's investigation and I am sure that the same goes for Mr. Fitzgerald.

Sincerely,

William Proxmire,
U.S. Senate.

Cover-Up Still Stands

(By Clark R. Mollenhoff)

WASHINGTON.—Despite the lessons to be learned from the Watergate cover-up, the Justice Department has failed to wipe out an Air Force cover-up of improper and illegal acts by the top military and civilian personnel who fired Air Force cost analyst A. Ernest Fitzgerald.

With the facts available in public records, Atty. Gen. William Saxbe should recognize that a defense against perjury and falsification of records charges in the multibillion-dollar C5A air transport scandal can become an obstruction of justice.

The genial former Ohio Republican senator should see the similarity between the Air Force claims of "executive privilege" and other arbitrary secrecy claims in the Fitzgerald case, and the White House role in the Watergate burglary and bugging.

It could be argued that there is less justification for Saxbe to permit his Justice Department to support the Air Force cover-up than there was for former White House chief of staff H. R. Haldeman and former special assistant John D. Ehrlichman to try to use the FBI and CIA to limit a full investigation of the Watergate burglary in June and July of 1972.

Certainly, in those first few days after the Watergate burglary, President Nixon, Haldeman and Ehrlichman might plead that they were unsure of the facts.

By contrast, the Fitzgerald case has been a controversy for more than five years. It started in an open congressional committee in November 1968 when Fitzgerald exposed the $2 billion in cost overruns on the C5A contract and stirred the wrath of his Air Force superiors.

The five-year ordeal of Fitzgerald is on the public record with the dirty details of Air Force generals and high civilians misusing their authority to retaliate against Fitzgerald for daring to tell the truth to Sen. William Proxmire, D-Wis.

A large part of the story has been told in congressional hearings and on the floor of the Senate in the period when Saxbe was a senator.

The Air Force's seamier activity is spelled out in a Civil Service Commission hearing that resulted in a finding that Air Secretary Robert C. Seamans Jr. had "wrongfully" used the "reduction in force" procedures to fire Fitzgerald. The Civil Service Commission has ordered Fitzgerald reinstated.

By March 1974, the Justice Department should have had time to prosecute the liars and the falsifiers who tried to frame Fitzgerald. Instead, the Justice Department is aiding and abetting a continuing cover-up in a $3 million civil damage suit that Fitzgerald has brought against those who he claims are responsible for his wrongful discharge.

Unless there is some genuine national security reason for hiding the record, the Justice Department's support of the Air Force against Fitzgerald is an obstruction of justice.

The law clearly states that it is a federal felony for any government official to retaliate against another employe for giving truthful testimony before a committee of Congress.

The record hows direct testimony as well as documentary proof to establish these facts:

Fitzgerald was warned by his superior that he should not testify on the nearly $2 billion in cost overruns on the C5A program.

Following his testimony, memorandums were circulated as to how he could be fired in the face of the law prohibiting retaliation, and in the face of warnings from Proxmire.

High Air Force civilians and military officers circulated unsubstantiated stories that Fitzgerald was a "dishonest person" involved in "conflicts of interest" and various security violations.

Four Air Force officers within the space of a few days filed secret reports against Fitzgerald alleging personal and official improprieties.

Brig. Gen. Joseph Cappuci, head of the Air Force Office of Special Investigations, admitted conducting an investigation of Fitzgerald on the basis of "vague" charges, and the July 1969 investigation established that the charges were without merit.

In the fall and winter of 1969, months after the Air Force investigation had washed out, Seamans, Spencer Schedler, deputy assistant air secretary, and various Air Force officers were still seeking to discredit Fitzgerald by whispering "security risk" and "conflict of interest" rumors.

With full knowledge that the charges against Fitzgerald had been washed out, the Air Force went through with the firing of Fitzgerald. His file was stripped of the reports that had cleared him of charges but the charges against him remained in the files.

Saxbe, busy with a new job, may not recognize the Air Force smearing of Fitzgerald as the same pattern of conduct that resulted in indictment of seven of President Nixon's political associates for obstruction of justice in the Watergate matter.

The technical term that covers the crime of failing to properly prosecute is "misprison." In the atmosphere of Watergate, Saxbe would be well advised to be diligent in his efforts to avoid neglect of his duties as the chief law enforcement officer in the nation.

Mr. PROXMIRE. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ALLEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

TORNADOES STRIKE CRUEL BLOWS

Mr. ALLEN. Mr. President, last Thursday the forces of nature struck a devastating blow to my home State of Alabama and to a number of other States as tremendous tornadoes moved through the land, laying waste everything before them.

At latest count, 76 Alabamians were killed, hundreds were seriously injured, thousands made homeless, and property damage of upwards of $200 million was sustained in Alabama alone.

Although the Senate was engaged in deep and serious debate on the public financing of campaign bills, the majority leader made a decision that voting on amendments to this legislation would not be held Friday. I want to express my appreciation to him for his thoughtfulness, because this gave me the opportunity to go home to be with my fellow Alabamians in their time of need.

Mr. President, over the past weekend I toured the tornado stricken area of Alabama, and feel compelled to make a report of the damage and of my impressions gained from talking with hundreds of people.

I wish to commend the distinguished Senator from North Dakota (Mr. BURDICK) for making a field trip with his subcommittee of the Public Works Committee, going into the tornado stricken area of the country, and to Congressman BOB JONES for taking his Public Works Committee into Alabama and other areas. I also wish to commend Secretary of HUD Lynn for visiting the ravaged areas throughout the country, including a visit to my home State of Alabama.

When the tornado hit Alabama, I was at my Virginia residence, but by 8:30 the next morning I had sent messages of sympathy, encouragement, and offers of assistance back to Alabama, had called on the President to declare Alabama a disaster area for Federal assistance, and had started seeking to expedite the work of Federal disaster relief agencies.

I wish to commend Chairman JENNINGS RANDOLPH for his interest and deep concern for the plight of those who lost their loved ones and who lost all of their possessions, and I commend him for seeing to it that remedial legislation is already being considered in his committee.

On Friday morning I returned by plane to Alabama to be with our stricken people, to offer encouragement and moral support and to assist in any way that I possibly could.

While I wanted to visit all who had lost loved ones or who were injured or who had lost all of their possessions, this was impossible. I was able over parts of 3 days to visit Jasper, Guin, Moulton, Tanner, Athens, Decatur, and Huntsville and inspect the damage in those areas.

I saw hundreds of houses, trailers, and business houses demolished, powerlines down, public buildings destroyed, hundreds homeless and injured, the hospitals for hundreds of miles around filled with the injured, and scores who had lost loved ones. Many had lost everything they had—their loved ones and all of their possessions.

How sad it was, how heavy my heart was. How cruel fate had been.

But then as I looked closer, my heart was uplifted. People were sad, they were dazed by the tragedy, but they were not demoralized. Everyone was helping, eager to be of service: Civil Defense, the Red Cross, the Salvation Army, the National Guard, members of the Armed Forces, State, county, and city law enforcement officers, the State labor department, pensions and security, church groups, school groups, insurance adjusters, representatives of Federal agencies, public officials and employees of State, county, city, and nation, Scouts, civic clubs, utility employees and other dedicated men, women, boys, and girls.

At central points throughout the area hundreds of people were bringing in food and clothing, and neighbors were inviting victims into their homes. Clothing and food were coming in by the truckload from kind people from without our State. I saw dozens of houses already being rebuilt or re-roofed. REA, TVA, and Alabama Power Co. personnel were restoring electric service everywhere. Temporary housing in the form of mobile homes and HUD houses, food stamps, and unemployment compensation were being made available. Offices were being set up to make long-term, low-interest-rate loans.

Never have I seen our people more united. Never have I seen a better spirit among our people. Never have I seen our people more dedicated or more determined or more willing to share, to give of their means and to give of themselves, to rise above adversity.

As I meditated on the tragedy and its aftermath I thought of the tremendous force of the tornado and of the fact that man has unleashed weapons of destruction and of great force but how puny are man's powers when compared with the forces of nature, which is but another way of saying as compared with God's power.

And I thought that if we unite naturally and automatically in the face of tragedy can we not unite as a people in tranquil, peaceful times as well?

Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. Hathaway). Without objection, it is so ordered.

DIVISION OF TIME ON CLOTURE MOTION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the time for debate on the motion to invoke cloture tomorrow, under the rule, be divided and controlled equally between the distinguished Senator from Alabama (Mr. Allen) and the distinguished Senator from Nevada (Mr. Cannon).

The PRESIDING OFFICER. Without objection, it is so ordered.

VALIDATION OF AMENDMENTS TO BE PROPOSED TO S. 3044

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that all amendments to the bill (S. 3044) which are at the desk tomorrow at the time the vote on the motion to invoke cloture begins, be considered as having met the reading requirement under the rule.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR TRANSACTION OF ROUTINE MORNING BUSINESS TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent, after the orders for the recognition of Senators on tomorrow are completed, that there be a period for the transaction of routine morning business for not to exceed 15 minutes, with statements therein limited to 5 minutes; and that the Senate then resume the consideration of the unfinished business at the conclusion of the transaction of routine morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The ACTING PRESIDENT pro tempore (Mr. Nunn) laid before the Senate the following letters, which were referred as indicated:

Report of National Aeronautics and Space Administration

A letter from the Administrator, National Aeronautics and Space Administration, transmitting, pursuant to law, a report of that Administration on plans to conduct the Lunar and Planetary Exploration program at a level in excess of that authorized by law (with accompanying papers). Referred to the Committee on Aeronautical and Space Sciences.

Report on Reapportionment of an Appropriation

A letter from the Deputy Director, Office of Management and Budget, Executive Office of the President, reporting, pursuant to law, that the appropriation to the Department of Agriculture for the Food Stamp program, Food and Nutrition Service, for the fiscal year 1974, had been apportioned on a basis which indicates the necessity for a supplemental estimate of appropriation. Referred to the Committee on Appropriations.

Report of Military Procurement Actions in the Interest of National Defense

A letter from the Acting Assistant Secretary of Defense (Installations and Logistics), transmitting, pursuant to law, a report of military procurement actions in the interest of National Defense, for the period July-December 1973 (with an accompanying report). Referred to the Committee on Armed Services.

Report on Medicare

A letter from the Secretary of Health, Education, and Welfare, transmitting, pursuant to law, a report on Medicare, for the fiscal year 1972 (with an accompanying report). Referred to the Committee on Finance.

Report of Comptroller General

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Progress and Problems in Developing Nuclear and Other Experimental Techniques for Recovering Natural Gas in the Rocky Mountain Area", Atomic Energy Commission, Department of the Interior, Federal Power Commission, dated April 2, 1974 (with an accompanying report). Referred to the Committee on Government Operations.

Report on the Cibolo Project, Texas

A letter from the Assistant Secretary of the Interior, transmitting, pursuant to law, a report on the Cibolo project, Texas (with an accompanying report). Referred to the Committee on Interior and Insular Affairs.

Proposed Realinement of Nursing Home Program

A letter from the Under Secretary of Health, Education, and Welfare, relating to certain proposed realinements of functional responsibilities with respect to the nursing home improvement program (with accompanying papers). Referred to the Committee on Labor and Public Welfare.

Proposed Legislation From Department of Health, Education, and Welfare

A letter from the Acting Secretary, Department of Health, Education, and Welfare, transmitting a draft of proposed legislation to extend and transfer to the Department of Health, Education, and Welfare, the Native American program established under the Economic Opportunity Act of 1964 (with accompanying papers). Referred to the Committee on Labor and Public Welfare.

PETITIONS

Petitions were laid before the Senate and referred as indicated:

By the ACTING PRESIDENT pro tempore (Mr. Nunn):

A resolution adopted by the board of directors of The National Management Association, Dayton, Ohio, relating to the Office of President. Referred to the Committee on the Judiciary.

A resolution adopted by the DFL Caucus, Cannon Falls, Minn., praying for the enactment of legislation relating to abortion. Referred to the Committee on the Judiciary.

A letter, in the nature of a petition, from the President, American Federation of Teachers AFL–CIO, Washington, D.C., relating to H.R. 69, to extend the Elementary and Secondary Education Act, and other education programs. Referred to the Committee on Labor and Public Welfare.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. TALMADGE, from the Committee on Agriculture and Forestry, with amendments:

S. 3231. A bill to provide indemnity payments to poultry and egg producers and processors (Rept. No. 93–772).

By Mr. PASTORE, from the Joint Committee on Atomic Energy, without amendment:

S. 3292. A bill to authorize appropriations to the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes (Rept. No. 93–773).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. MAGNUSON (for himself and Mr. Cotton) (by request):

S. 3319. A bill to authorize appropriations for the fiscal year 1975 for certain maritime programs of the Department of Commerce. Referred to the Committee on Commerce.

S. 3320. A bill to extend the appropriation authorization for reporting of weather modification activities. Referred to the Committee on Commerce.

By Mr. CLARK (for himself, Mr. Abourezk, Mr. Dole, and Mr. McGovern):

S. 3321. A bill to amend section 405 of the Agricultural Act of 1949, as amended, to provide that price support loans shall mature 1 year after the date on which they are made. Referred to the Committee on Agriculture and Forestry.

By Mr. HARTKE:

S. 3322. A bill to establish a Federal Disaster Coordinating Council, and for other purposes. Referred to the Committee on Government Operations.

By Mr. MONTOYA:

S. 3323. A bill to designate the Manzano Mountain Wilderness, Cibola National Forest, N. Mex.

S. 3324. A bill to designate the Bandelier Wilderness, in the Bandelier National Monument, N. Mex.; and

S. 3325. A bill to designate the "Apache Kid Wilderness", Cibola National Forest, N. Mex. Referred to the Committee on Interior and Insular Affairs.

By Mr. HUMPHREY:

S. 3326. A bill to authorize any officer or employee of the United States to accept the voluntary services of certain students for the United States. Referred to the Committee on Post Office and Civil Service.

By Mr. McINTYRE:

S.J. Res. 204. A joint resolution to authorize the Secretary of the Interior to assist in the restoration and preservation of certain historic properties known as Strawberry Banke, Inc. Referred to the Committee on Interior and Insular Affairs.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. MAGNUSON (for himself and Mr. COTTON) (by request):

S. 3319. A bill to authorize appropriations for the fiscal year 1975 for certain maritime programs of the Department of Commerce. Referred to the Committee on Commerce.

Mr. MAGNUSON. Mr. President, I introduce, by request, for appropriate reference, a bill to authorize appropriations for the fiscal year 1975 for certain maritime programs of the Department of Commerce, and ask unanimous consent that the letter of transmittal and statement of purpose and need be printed in the RECORD with the text of the bill.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 3319

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That funds are hereby authorized to be appropriated without fiscal year limitation as the appropriation act may provide for the use of the Department of Commerce, for the Fiscal Year 1975, as follows:

(a) acquisition, construction, or reconstruction of vessels and construction-differential subsidy and cost of national defense features incident to the construction, reconstruction, or reconditioning of ships, $275,000,000;

(b) payment of obligations incurred for ship operating-differential subsidy, $242,800,000;

(c) expenses necessary for research and development activities, $27,900,000;

(d) reserve fleet expenses, $3,742,000;

(e) maritime training at the Merchant Marine Academy at Kings Point, New York, $10,518,000; and

(f) financial assistance to State Marine Schools, $2,973,000.

SEC. 2. In addition to the amounts authorized by section 1 of this Act, there are authorized to be appropriated for fiscal year 1975 such additional supplemental amounts for the activities for which appropriations are authorized under section 1 of this Act as may be necessary for increases in salary, pay, retirement, or other employee benefits authorized by law.

SECRETARY OF COMMERCE,
Washington, D.C., February 25, 1974.

Hon. GERALD R. FORD,
President of the Senate,
U.S. Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Enclosed are six copies of a draft bill to authorize appropriations for the fiscal year 1975 for certain maritime programs of the Department of Commerce, together with a statement of purposes and provisions in support thereof.

We have been advised by the Office of Management and Budget that there would be no objection to the submission of our draft bill to the Congress and further that its enactment would be in accord with the program of the President.

Sincerely,

FREDERICK B. DENT,
Secretary of Commerce.

STATEMENT OF THE PURPOSES AND NEED OF THE DRAFT BILL TO AUTHORIZE APPROPRIATIONS FOR THE FISCAL YEAR 1975 FOR CERTAIN MARITIME PROGRAMS OF THE DEPARTMENT OF COMMERCE

Section 209 of the Merchant Marine Act, 1936, provides that after December 31, 1967 there are authorized to be appropriated for certain maritime activities of the Department of Commerce only such sums as the Congress may specifically authorize by law.

The draft bill authorizes specific amounts for those activities listed in section 209 for which the Department of Commerce proposes to seek appropriations for the fiscal year 1975, and reflects the continuing Department efforts to provide the essential resources required to accomplish the objectives of the Merchant Marine Act of 1970.

"(a) acquisition, construction, or reconstruction of vessels and construction-differential subsidy and cost of national defense features incident to the construction, reconstruction, or reconditioning of ships, $275,000,000." The fiscal 1975 ship construction program will provide multi-year funding of some ship construction contracts. It is anticipated that 1975 funding will cover unfinanced balances for 7 ships under fiscal 1974 contracts. Construction subsidy contracts for 9 ships are planned in 1975, with 5 ships being financed with 1975 funds and multi-year financing being ulitized for the remaining 4.

"(b) payment of obligations incurred for operating-differential subsidy, $242,800,000."

Operating subsidy funds requested for FY 1975 would provide for payment of subsidy on two passenger ships, three combination passenger-cargo ships, 185 general cargo liners, and 22 bulk carriers during the year. Additionally the request includes funds for payment of subsidies determined to be due subsidized operators for operations in prior years.

"(c) expenses necessary for research and development activities, $27,900,000."

The 1975 program provides funding for the initiation and continuation of R&D efforts to reduce the costs of operating and building U.S. ships. Major efforts in FY 1975 are planned in the areas of advanced nuclear ship development, ship machinery, more productive shipbuilding methods, improved navigation/communication systems, and investigation of shipboard automation. The principal aims are to improve the productivity of U.S. shipyards and to reduce the life cycle costs of U.S.-flag ships in order to make the U.S. martime industry more competitive with foreign fleets. The continued participation of industry in cost-sharing of R&D projects provides increased results for the government investment.

"(d) reserve fleet expenses, $3,742,000."

Funding provides for the preservation, maintenance and security of ships held for national defense purposes, distributed among three active fleet sites. Periodic represervation of hulls, machinery, and electrical components, combined with continuous application of cathodic protection to the bottoms, are methods employed in maintaining the ships for further service.

In fiscal 1975, funds will be used for the care of approximately 294 ships retained for national defense purposes. 130 other vessels will be scrapped by June 1975, assuming there is an acceptable market in scrap.

"(e) maritime training at the Merchant Marine Academy at Kings Point, New York, $10,518,000."

This requested authorization is for the operation of the Merchant Marine Academy at Kings Point to train cadets as officers for the U.S. merchant fleet in both peacetime and national emergencies. Approximately 200 officers graduate each year. A program increase is included to implement the Facilities Modernization Program at the Academy by expanding the physical training facilities, and by renovating part of one academic building.

"(f) financial assistance to State Marine Schools, $2,973,000."

The Maritime Academy Act of 1958, as amended (72 Stat. 622–624), authorizes a program of assistance for training of cadets at State marine schools for service as officers in the United States merchant marine. The six participating State schools, Maine, Massachusetts, Michigan, New York, Texas, and California, prepare officers to man our merchant ships in times of peace and national emergency.

The funding level of $2,973,000 will provide for grants in the amount of $75,000 to each of the participating State schools, allowances not to exceed $600 to cadets for uniforms, textbooks and subsistence, and funds for the maintenance and repair of the training ships used by the schools. A program increase is included to adequately fund maintenance and repair of the training ships.

Section 2.

The purpose of section 2 is to avoid having to amend the fiscal year 1975 authoriization act if pay supplemental appropriations for that year are requested.

Funds for the remuneration of Maritime Administration employees at the National Defense Reserve Fleets and at the United States Merchant Marine Academy are included in this authorization request.

By Mr. MAGNUSON (for himself and Mr. COTTON) (by request):

S. 3320. A bill to extend the appropriation authorization for reporting of weather modification activities. Referred to the Committee on Commerce.

Mr. MAGNUSON. Mr. President, I introduce by request, for appropriate reference, a bill to extend the appropriation authorization for reporting of weather modification activities, and ask unanimous consent that the letter of transmittal and statement of purpose and need be printed in the RECORD with the text of the bill.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 3320

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 6 of the Act of December 18, 1971 (85 Stat. 736; 15 U.S.C. 330e), is amended by striking the word "and" after "June 30, 1973," and inserting after "June 30, 1974," the words "June 30, 1975, June 30, 1976, and June 30, 1977,".

SECRETARY OF COMMERCE,
Washington, D.C., March 13, 1974.

Hon. GERALD R. FORD,
President of the Senate, U.S. Senate, Washington, D.C.

DEAR MR. PRESIDENT: Enclosed are six copies of a draft bill to extend the appropriation authorization for reporting of weather modification activities, together with a statement of purposes and provisions in support thereof.

We have been advised by the Office of Management and Budget that there would be no objection to the submission of our draft bill to the Congress and further that enactment would be consistent with the Administration's objectives.

Sincerely,

FREDERICK B. DENT,
Secretary of Commerce.

STATEMENT OF PURPOSE AND NEED

The proposed bill would extend the authorization of funds through the fiscal year ending June 30, 1977, for Public Law 92-205, "An Act to provide for the reporting of weather modification activities to the Federal Government". Section 6 of P.L. 92-205 authorizes appropriations to carry out the reporting functions under the Act only through the fiscal year ending June 30, 1974.

Pursuant to P.L. 92-205 the National Oceanic and Atmospheric Administration (NOAA) has underway an effective program for the reporting of non-Federally-sponsored weather modification activities. A complementary program for reporting of Federally-sponsored weather modification activities has also been initiated by agreement with appropriate Federal agencies. NOAA's program provides the only source of factual and useful information on all such activities carried out in this country. In accordance with the Act compilations of the reports are published on a periodic basis.

Continuation of the reporting program is critical for determining whether weather modification operations will be duplicative and will provide a data base for checking both desirable and undesirable atmospheric changes against the reported activities. All reported information is available to the public as well as to all Federal agencies. Under proposed amendments (Federal Register, Vol. 38, No. 213—Nov. 6, 1973) to the rules implementing the present law, an orderly inventory of weather modification activities will provide a single source of information on the safety and environmental precautions used in weather modification activities in the United States. Furthermore, under the proposed rules, if an examination of a report indicates possible adverse effects from a proposed weather modification project or interference with another nearby project, the program allows for notification of such possibilities to the appropriate operators and State officials.

By Mr. CLARK (for himself, Mr. ABOUREZK, Mr. DOLE, and Mr. MCGOVERN):

S. 3321. A bill to amend section 405 of the Agricultural Act of 1949, as amended, to provide that price support loans shall mature 1 year after the date on which they are made. Referred to the Committee on Agriculture and Forestry.

FARM COMMODITY LOAN BILL

Mr. CLARK. Mr. President, if the people most familiar with the history and operation of Federal farm programs were asked to pick the one program that has been the most effective in terms of cost and benefit, their selection undoubtedly would be the ever normal granary or, as it is commonly called, the commodity loan program.

This program began in 1933 with the creation of the Commodity Credit Corporation by Executive Order 6340. There have been changes in the program since then, but the function has remained the same. As the original legislation said, it was established:

> For the purpose of stabilizing, supporting, and protecting farm income and prices, of assisting in the maintenance of balanced and adequate supplies of agricultural commodities, products thereof, foods, feeds, and fibres, and of facilitating the orderly distribution of agricultural commodities . . .

That purpose is as valid in 1974 as it was at the depth of depression in 1933.

But the changing times that have brought changes in economic conditions, harvesting methods, storage facilities, and marketing procedures also require changes in the administration of a program that has served the Nation so well for 40 years.

The legislation I am offering today—along with Senators ABOUREZK, DOLE, and MCGOVERN—would make a small, but important, change in the commodity loan program. It would improve the program's compatibility with the needs of both farmers and consumers in 1974.

BACKGROUND

Under the present regulations, a nonrecourse Commodity Credit Corporation loan matures on the last day of the third month prior to the first month of the new crop year. That date is fixed—the date of the loan makes no difference. For example, loans were made, and will be made, on 1973 corn from the day the first bin or crib was filled last fall through June 30, 1974. But every loan on 1973 corn, regardless of whether it was disbursed on October 1, 1973, or will be disbursed on June 30, 1974, matures on July 31, 1974. All soybean loans mature on June 30, all oats loans mature on April 30, and all wheat loans normally mature on May 31 or April 30.

There was a sound reason for this in the 1930's. For instance, corn was harvested in the ear, stored in slatted cribs to dry—artificial dryers and combines had not been invented—and it was in the best condition to move to market in midsummer.

Now artificial driers are commonplace. The moisture content of grain in storage can be regulated carefully. Now approximately 75 percent of all corn grown in the United States was shelled before storage, and the corn harvested and stored in the ear is intended primarily for livestock feed on the producing farm or in the immediate area.

Grain production has doubled since the 1930's, compounding the storage and transportation problem, as the experience of the last 3 crop years has shown all too well.

There is no longer a valid reason for preferring one fixed date in the year for moving a commodity under loan from storage. As long as the movement is not bunched together, any date will be satisfactory. And considering the original and still-valid purposes of the program, this change in the administrative regulations of the program, certainly is justified.

THE BILL'S PROVISIONS

This proposal would amend the Agricultural Act of 1949, providing that "A nonrecourse loan shall mature 1 year after the date on which the loan is made unless the maturity date of the loan is extended by the Secretary."

This simple change would mean that the farmer who negotiates a CCC loan on corn in October 1974, will have exactly 1 year to dispose of the corn on the market or repay the loan and utilize it for livestock feed. The farmer who waits until June 1975 to obtain a loan on his 1974 harvested corn will have a current loan until June 1976.

The same principle would apply on all agricultural commodities on which a nonrecourse loan is available.

The bill would give farmers more freedom in selecting the time to market their production or, if they choose to feed the grain to livestock, it would give them the opportunity to take the loan late in the season and hold it as a hedge against poor production the second year.

Commodities would come on the market every day of the year, minimizing the price slump that comes with heavy marketings and the price rise that usually comes with light marketings even when total stocks are adequate.

As a result of this bill, the Government would have less influence on the time of marketing, and the year-round marketing of all commodities would alleviate periodic transportation problems.

Producers would use this more practical loan program to increase the amount of grain and soybeans stored on the farm, providing a strategic reserve of feed grain, oil seeds, and food grain in farm storage and local warehouse storage, completely under the control of the farmer. Since loans could be repaid at any time, market conditions would draw the commodities into the market when needed.

CONSUMER BENEFIT

This change in the commodity loan program would benefit consumers as well as producers. Fluctuating prices of feed grains and soybeans have disrupted cattle and hog feeding more than anything else. The supply and price of meat in the grocery store reflect the stability or instability of grain and feed supplement prices on the farm, and this legislation would help provide stability.

Mr. President, this proposal would have a beneficial effect on producers and consumers. I hope the Senate can give it prompt consideration and approval.

I ask unanimous consent that the bill and letters from farmer and commodity organizations about it be printed in the RECORD.

There being no objection, the bill and letters were ordered to be printed in the RECORD, as follows:

S. 3321

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 405 of the Agricultural Act of 1949, as amended, is amended by adding at the end thereof a new sentence as follows: "A nonrecourse loan shall mature one year after the date on which the loan is made unless the maturity date of the loan is extended by the Secretary."

SEC. 2. The amendment made by the first section of this Act shall be effective with respect to loans made on and after the date of enactment of this Act.

MIDCONTINENT FARMERS ASSOCIATION,
Columbia, Mo., February 19, 1974.

Hon. DICK CLARK,
Senate Office Building, Washington, D.C.

DEAR SENATOR: The bill which you propose to amend Section 405 of the Agricultural Act of 1949 would appear to be quite meritorious. At least farmers who place their commodities under non-recourse loans would know that the loan would prevail for at least one year and could, with the approval of the Secretary, have the date of the loan extended. We would favor this type of legislation.

I apologize again for the delay in providing you a reply.

Yours very truly,
L. C. "Clell" Carpenter.

Iowa Farmers Union,
Des Moines, Iowa, February 14, 1974.
Hon. Dick Clark,
Old Senate Office Building, Washington, D.C.

Dear Dick: I understand you have in mind introducing a bill which would require that the initial maturity date for a government commodity loan be 12 months from the time it is taken out. I see considerable merit in such a change from the present policy under which the maturity date for each commodity is the same for all producer borrowers regardless of when the loan is obtained.

As it is now, the initial loan period at most covers no more than 8 to 9 months from the time the crop has been harvested and is ready for sealing. Moreover, redemptions through sale of the commodity tend to be bunched during the last month or two of the loan period with, of course, softening effects on the cash market. With a fixed common maturity date and especially with advance notice having been given (as in the case of the 1973 crop) that there will be no resealing, the grain trade can pretty well anticipate what will happen in the way of deliveries.

A spread on loan maturities would tend somewhat to ease the pressure on local elevators to receive the grain collateral and arrange outbound transport if needed.

Producers also would be under less pressure to make redemption and disposal decisions well before the new crop prospects are fully developed. There would be less peaking of work loads on the federal loan program staff.

Producers who depend on local elevator space to receive their crop at harvest might not always be able to get a storage commitment beyond late summer, hence would not have advantage of 12 months in which to elect a redemption date. A storage deadline, however, would be a matter for agreement between the producer and the warehouse management.

Respectfully,
Lowell E. Gose,
President.

Iowa Farm Bureau Federation,
Des Moines, Iowa, February 18, 1974.
Hon. Dick Clark,
U.S. Senate, New Senate Office Building, Washington, D.C.

Dear Senator: We appreciate receiving a copy of the bill you plan to introduce concerning maturity of price support loans.

We discussed these provisions with our board of directors at the last meeting. At the moment, we see no disadvantages in doing this and believe the advantages you've outlined in your letter are real and that the legislation has merit.

Unless something comes to our attention that we do not now know of, we would certainly support you in this legislative effort.

Sincerely,
J. Merrill Anderson,
President.

National Corn Growers Association,
Boone, Iowa, February 11, 1974.
Senator Dick Clark,
Senate Office Building,
Washington, D.C.

Dear Dick: You hit a sensitive nerve in your letter to me of February 6 concerning the bill you plan to introduce in the Senate in the near future concerning making non-recourse agricultural loans so they expire 12 months after the date they are made, rather than all at the same time for each crop.

We have long recommended this action to USDA and have felt that they did not want to give it up for reasons of outside pressure. As you point out, with corn loans coming due on July 31, the producer with grain under loan must make a decision well before that date if he does not want to get caught in a last minute rush of sales by other producers who may wait until near the closing date.

Furthermore, he has been put under pressure in the past by CCC via mailings with return cards enclosed asking for his decision on either redeeming or delivering his grain to the CCC in satisfaction of the loan. These requests have usually come in late June. This is when the corn belt looks like a garden and the market has had no chance to reflect any bad news concerning the crop. Cash sale of his previous year's corn then further depresses the market.

Worst of all, with the decision by the producer usually being made well ahead of July 31, a market advance in price caused by bad growing weather in the U.S. or unfavorable crop conditions in other major countries of the Northern Hemisphere cannot be taken advantage of by him. This has happened time after time, with the buyer of the grain benefiting and the producer watching the price go up after he sold.

Defenders of the present loan policy can say that the producer can do the same as the buyer, i.e. redeem the loan by paying principal and interest and keep the grain so that he is in possession of it when the market goes up. The fallacy is that the producer does not have the private credit available to him to do so as at this time of the year he is in one of his highest borrowing periods already.

All your points are well taken and I concur in them. It might be that the warehouse receipt loans which represent corn under loan in elevators will have to be redeemed no later than August 31 in order for the elevator to have time to move it out so as to make room for the new oncoming crop. But in any event, these loans should be allowed to run until August 31 which would keep the grain in the producer's control through the crucial crop scarce month. You'll soon hear from the country grain trade if they don't think keeping warehouse loans past their present expiration date is practical for them.

I'll look forward to talking with you in person about this. As you know, I plan to testify on February 21 concerning the corn allotment matter before the Senate Agricultural Committee at your invitation. I'll no doubt see you then.

Yesterday we forwarded to you our new cost of production figures for corn under two growing circumstances. Copies also went to Bob Wegmueller.

Sincerely,
Walter W. Goeppinger,
Chairman of Board.

Iowa Pork Producers Association,
Des Moines, Iowa, February 11, 1974.
Senator Dick Clark.

Dear Senator: I think this Bill to amend section 405 of the Agricultural Act of 1949 as amended to provide that price support loans shall mature one year after the date on which they are made is a sound proposal.

This should have been done a long time ago so that all the corn wouldn't be delivered at the same time. And so they couldn't suppress the market until after the corn and beans are released.

I think this is a very good bill and if you need any more support let me know.

Keep up the good work.

Sincerely,
Paul Bernhard.

By Mr. HARTKE:

S. 3322. A bill to establish a Federal Disaster Coordinating Council, and for other purposes. Referred to the Committee on Government Operations.

FEDERAL DISASTER ASSISTANCE ACT OF 1974

Mr. HARTKE. Mr. President, today I am introducing legislation which will speed relief to the victims of the recent wave of tornadoes. My proposal establishes a Federal Disaster Coordinating Council within the Executive Office of the President in order to coordinate the work of the several Federal agencies which have disaster relief responsibilities.

Mr. President, I need not recount in detail the terrible ravage of the recent tornadoes. The vicious winds streaked across my home State of Indiana killing more than 50 persons and injuring more than 1,000. I understand that this is the worst tornado the Nation has seen since 1965, but we in Indiana suffered severely from the Palm Sunday tornadoes of 1965.

Nearly 100 twisters struck with the thundering sound of fast-moving freight trains within 8 hours last Wednesday night in an area from Oklahoma to Georgia to Michigan. They left more than 300 dead in their wake and property damage estimated at more than $1 billion.

In Indiana, the hardest hit communities were Hanover in the southern portion of the State and Rochester and Monticello in the north-central region. One newspaper account noted that a tornado took only 1 minute to cross Monticello and demolish most of that community.

The tornadoes lifted a panel truck 250 yards in Knightstown, destroyed the Monroe Central High School in Kennard and demolished a White County courthouse in Monticello. Five were killed in Madison and a section of the city called "New Madison" was almost completely destroyed. Eight were killed in Monticello, many more injured and a five-block downtown area was severely damaged. Seven are dead in Rochester with residential areas there suffering severe damage. Three were killed in Hanover, where the Hanover College campus suffered $10 million in damages and 50 homes in one subdivision were destroyed. There was heavy damage to Fountaintown. Seventy-five percent of the homes in Kennard were destroyed. Eleven were injured in Swazee and a trailer park destroyed. In Parker, several high school students were injured, and there are two dead in Hamburg.

Mr. President, it is difficult to translate these statistics into reality unless you see the ravages of a tornado firsthand. I have visited some of the stricken areas, and intend to take several members of my staff to those areas during the upcoming recess. We will do all that we can to provide those left homeless and those whose businesses were destroyed with immediate assistance.

Tornadoes disrupt the lives of individuals, families, and communities. For that reason, we should do everything in our power to assure that governmental assistance arrives quickly so the disruption can be minimized. That is the intent of my proposal.

Mr. President, I ask unanimous consent that the text of my bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 3322

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the Federal Disaster Assistance Act of 1974.

TITLE OF PURPOSE

SEC. 1 (a) The Congress hereby finds and declares that—

(1) because of the recent tornadoes which resulted in the loss of many human lives and extensive damages to property; and

(2) because disasters often cause loss of life, human suffering, loss of income, and property loss and damage; and

(3) because disasters often cause disruptions which affect individuals and families with great severity; and

(4) because there is a need to expedite Federal assistance to the victims of disasters so that disruptions and suffering can be minimized; therefore

(b) It is the intent of the Congress, by this Act, to provide an effective means of coordinating Federal disaster assistance efforts.

ESTABLISHMENT OF THE FEDERAL DISASTER COORDINATING COUNCIL

SEC. 2. (a) There is hereby established in the Executive Office of the President a Federal Disaster Coordinating Council which shall coordinate the activities of all Federal agencies providing disaster assistance.

(b) The President may direct any Federal agency, with or without reimbursement, to utilize its available personnel, equipment, supplies, facilities, and other resources including managerial and technical services in support of State and local disaster assistance efforts, and

(c) The President may prescribe such rules and regulations as may be necessary and proper to carry out the provisions of this Act.

By Mr. MONTOYA:

S. 3323. A bill to designate the Manzano Mountain Wilderness, Cibola National Forest, N. Mex.;

S. 3324. A bill to designate the Bandelier Wilderness, in the Bandelier National Monument, N. Mex.; and

S. 3325. A bill to designate the "Apache Kid Wilderness," Cibola National Forest, N. Mex. Referred to the Committee on Interior and Insular Affairs.

Mr. MONTOYA. Mr. President, today, I am introducing three bills to create the Bandelier, Apache Kid, and the Manzano Wilderness Areas under the provisions of the Wilderness Act of 1964.

As a nation, we are growing at an astronomical rate. Our country is becoming increasingly urban. With this in mind, the Wilderness Act of 1964 was passed. The Wilderness Act recognizes the need for areas free from concrete and skyscrapers and seeks to protect places of natural beauty from the encroachment of urban progress. I quote from the New Mexico Wilderness Study Committee:

> The purpose of the Wilderness Act is to assure that man shall have some places in this country to which he can go when seeking surcease from the noise and speed of machines, the confines of steel and concrete, the crowding of man upon man; that he or she shall have some place to go when the need is felt to be in harmony with nature and to know its peace and beauty undisturbed by man.

The Bandelier Area contains 22,130 acres of land dotted with archeological sites. The map of the proposed area shows a number of developed sites which will not be included in the wilderness area. Other archeological sites are located within the proposed wilderness. These can be excavated using techniques which do not require machinery or additional constructions, should it be decided that they should be excavated. My bill differs from the House version in that it includes the Upper Frijoles Canyon and the Canada de Cochita Grant Area. A major portion of the proposed wilderness area is backcountry accessible only by foot trails. This makes it particularly suitable for hiking and backpacking. Placing this area under the Wilderness Act would insure its virgin beauty for years to come.

The Apache Kid Area is one of the largest remaining areas in New Mexico to receive wilderness consideration. Due to its rugged terrain it is probably the least known of New Mexico's possible wildernesses. There is a network of trails in the area for hiking, backpacking, and horseback riding. This area is particularly needed as an overflow for the Pecos Wilderness Area.

The Manzano Area consists of terrain similar to the Apache Kid, and Bandelier Areas. It is of special value, because it is close to Albuquerque. Much of the 37,000 acres, which is canyon land is honeycombed with trails suitable for hiking and backpacking.

We, as a Nation, cannot afford to be without these areas as part of our wilderness system. We, as a nation, can afford to protect our esthetic desires by designating these areas under the Wilderness Act of 1964.

With the foregoing in mind, I urge enactment of these bills.

By Mr. HUMPHREY:

S. 3326. A bill to authorize any officer or employee of the United States to accept the voluntary services of certain students for the United States. Referred to the Committee on Post Office and Civil Service.

STUDENT INTERN AMENDMENT TO CIVIL SERVICE LAW

Mr. HUMPHREY. Mr. President, I am today introducing legislation which will provide relief from existing civil service regulations that place severe constraints upon programs that provide unsalaried educational internships in Federal agencies for high school, college, and graduate students.

The purpose of this bill is to allow our Federal agencies to open their doors to student involvement in challenging apprenticeship roles which can greatly enhance the participants' knowledge about Government. Because such student activity exists primarily for the educational and intellectual benefit of the interns, I can see no justification for the existing regulations which prohibit unsalaried service, and which prevent the creation of thousands of additional opportunities for young people.

Surely, in these critical times, youth involvement in Government is essential, and we should be creating new avenues for young people to enrich their textbook knowledge of Federal administration. Perhaps, in the process, we may be fortunate enough to attract some of these interns into public service careers.

As a model of such an educational program, I commend to the Senate's attention the Executive High School Internships of America. This program, which annually involves 1,300 high school juniors and seniors across the country, enables young people to serve as special assistants-in-training to executives in Government and related fields. The internship carries a full semester of academic credit, but no pay. Sponsoring executives are required to provide a broadly stimulating educational experience and are specifically prohibited from using students as clerks, messengers, or for other functions for which people would be compensated. Incidentally, the founder and national director, Dr. Sharlene Pearlman Hirsch, got the idea after serving as a Washington intern in education in the U.S. House of Representatives.

The program's National Advisory Board includes two of my distinguished colleagues in the Senate, Mr. JAVITS, of New York, and Mr. MONDALE, of Minnesota, and two from the House, Mr. BRADEMAS, of Indiana, and Mr. ORVAL HANSEN, of Idaho. I congratulate them on their support of this outstanding effort.

Mr. President, I ask unanimous consent that the text of my bill be included at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 3326

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding the provisions of section 3679 of the Revised Statutes of the United States (31 U.S.C. 665(b)) or any other provision of law, any officer or employee of the United States may accept voluntary service for the United States if such service is performed by a person who is enrolled as a student, not less than half-time, in an institution of higher education or a secondary school at the time the person makes application to perform such voluntary services.

SEC. 2. As used in this Act, the terms "institution of higher education" and "secondary school" have the same meaning as prescribed for such terms in section 1201 of the Higher Education Act of 1965 (20 U.S.C. 1141).

By Mr. McINTYRE:

S.J. Res. 204. A joint resolution to authorize the Secretary of the Interior to assist in the restoration and preservation of certain historic properties known as Strawberry Banke, Inc. Referred to the Committee on Interior and Insular Affairs.

STRAWBERRY BANKE, INC.—AMERICA'S PREMIERE HISTORIC RESTORATION

Mr. McINTYRE. Mr. President, I send to the desk for proper reference a joint resolution to authorize the Secretary of the Interior to assist in the restoration and preservation of certain historic properties known as Strawberry Banke, Inc., in Portsmouth, N.H.

The Congress has identified the year 1976 for the Bicentennial celebration of the founding of our Nation, Mr. President, and both the legislative and executive departments have determined that this celebration should give highest priority to programs to preserve, restore and maintain for public appreciation sites, buildings and objects of historical, architectural and archeologial significance.

In keeping with the charge, Mr. President, the resolution I am introducing today would authorize not more than $2,900,000 to carry out the Nation's premiere historic restoration project under provisions of an act first approved in August of 1935.

I use the word "premiere" to describe the Strawberry Banke restoration project because the adjective is accurately applied. The Bicentennial celebration marks the 200th aniversary of the founding of our Nation, but the settling of Portsmouth, N.H., by English colonists predates that happy event by no less than 146 years, and efforts to restore the most historic part of the city commenced 18 years before we even begin to observe the Bicentennial.

Strawbery Banke, Inc., a private, nonprofit, educational, scientific, and charitable organization, filed articles of agreement basic to incorporation in 1958, and a year later the New Hampshire Legislature voted to allow any town or city to preserve and restore old buildings as part of renewal development.

Five years later, Strawbery Banke, Inc., acquired an urban renewal site of 10 acres in Portsmouth. On those 10 acres were 27 houses dating back to the 17th, 18th, and early 19th centuries and still standing on their original sites.

Federal funds made available to this project through the Department of Housing and Urban Development were augmented by $215,000 raised through a local bond issue by the city of Portsmouth and more than $185,000 from the State of New Hampshire.

An overall investment of $1,800,000 to date has made it possible for today's visitors to Strawbery Banke to step back two centuries onto narrow colonial streets crowded with the modest but substantial homes of packetmasters, fishermen, and shipwrights where such historic figures as George Washington, John Paul Jones, Lafayette, and Daniel Webster either lived or visited.

Despite the outstanding success of this restoration project, Mr. President, the unhappy facts of life are that yearly receipts through general admissions, memberships, contributions, and rental income fall far short of the costs of property insurance, groundskeeping, salaries and wages, payroll taxes and other expenses.

Because of the imminence of the Bicentennial, because New England represents the historic birthplace of the American people, because Strawbery Banke is, indeed the premiere historic restoration project in our Nation, because an adequate injection of Federal funds can make it possible for its incorporators to continue to preserve a local society that can serve as an inspiration to other communities throughout the country now, during the Bicentennial and after, I am introducing this resolution.

ADDITIONAL COSPONSORS OF BILLS AND JOINT RESOLUTIONS

S. 947

At the request of Mr. Tunney, the Senator from Connecticut (Mr. Ribicoff) was added as a cosponsor of S. 947, to amend the Internal Revenue Code of 1954 to allow a business deduction under section 162 for certain ordinary and necessary expenses incurred to enable an individual to be gainfully employed.

S. 1311

At the request of Mr. Griffin, the Senator from North Carolina (Mr. Helms) was added as a cosponsor of S. 1311, to amend the Communications Act of 1934 to provide that renewal licenses for the operation of a broadcasting station be issued for a term of 5 years and to establish certain standards for the consideration of applications for renewal of broadcasting licenses.

S. 2801

At the request of Mr. Proxmire, the Senator from Wyoming (Mr. Hansen) was added as a cosponsor of S. 2801, to amend the Food, Drug, and Cosmetic Act, and for other purposes.

S. 2854

At his own request, Mr. Griffin was added as a cosponsor of S. 2854, a bill to amend the Public Health Service Act to expand the authority of the National Institute of Arthritis, Metabolic, and Digestive Diseases in order to advance a national attack on arthritis.

S. 3098

At the request of Mr. Dole, the Senator from California (Mr. Tunney) was added as a cosponsor of S. 3098, a bill to amend the Emergency Petroleum Allocation Act of 1973 to provide for the mandatory allocation of plastic feedstocks.

S. 3154

At the request of Mr. Ribicoff, the Senator from Minnesota (Mr. Mondale) and the Senator from Iowa (Mr. Hughes) were added as cosponsors of S. 3154, the Comprehensive Medicare Reform Act of 1974.

SENATE JOINT RESOLUTION 14

At the request of Mr. Brock, the Senator from North Carolina (Mr. Helms) was added as a cosponsor of Senate Joint Resolution 14, a joint resolution proposing an amendment to the Constitution of the United States relating to open admissions to public schools.

SENATE JOINT RESOLUTION 181

At the request of Mr. Dominick, the Senators from Hawaii (Mr. Fong and Mr. Inouye) were added as cosponsors of Senate Joint Resolution 181, to designate the third week in April of each year as National Coin Week.

SENATE JOINT RESOLUTION 203

At the request of Mr. Roth, the Senator from Maine (Mr. Muskie), the Senator from Rhode Island (Mr. Pastore), the Senator from Kentucky (Mr. Cook), and the Senator from Alaska (Mr. Gravel) were added as cosponsors of Senate Joint Resolution 203, to authorize the President to issue a proclamation designating the month of May 1974 as "National Arthritis Month."

ADDITIONAL COSPONSORS OF A RESOLUTION

SENATE RESOLUTION 301

At the request of Mr. Thurmond, the Senator from Missouri (Mr. Symington) was added as a cosponsor of Senate Resolution 301, in support of continued undiluted U.S. sovereignty of jurisdiction over the U.S.-owned Canal Zone on the Isthmus of Panama.

FEDERAL ELECTION CAMPAIGN ACT AMENDMENTS OF 1974

AMENDMENTS NOS. 1157 THROUGH 1160

(Ordered to be printed and to lie on the table.)

Mr. ROTH submitted four amendments intended to be proposed by him to the bill (S. 3044) to amend the Federal Election Campaign Act of 1971 to provide for public financing of primary and general election campaigns for Federal elective office, and to amend certain other provisions of law relating to the financing and conduct of such campaigns.

AMENDMENT NO. 1161

(Ordered to be printed and to lie on the table.)

Mr. EAGLETON. Mr. President, with the cosponsorship of the junior Senator from Alabama (Mr. Allen) I offer an amendment to S. 3044, the Federal Election Campaign Act Amendments of 1974.

Stated very simply, this amendment would lock shut forever the door to one of the oldest loopholes for improper campaign contributions—contributing through the name of one's minor child. This amendment would make it illegal for anyone to direct, request, or otherwise induce their children, or the children of their family, under the age of 16 years to make a political contribution.

As presently written, will S. 3044, the Federal Election Campaign Act Amendments of 1974, allow a 12-year-old child to contribute to a candidate if the child's parent has already contributed the maximum amount to a same candidate?

Section 310 of the Federal Elections Campaign Act of 1971 says:

> No person shall make a contribution in the name of another person and no person shall knowingly accept a contribution made by one person in the name of another person.

The spirit of this section has been interpreted to allow the parent of a minor to make a contribution in the name of the minor.

S. 3044, the Federal Election Campaign Act Amendments of 1974, would amend this section of the Election Act of 1971 by adding the words "or knowingly permit his name to be used to effect such a contribution." This addition places liability for a contribution made in the name of another person, upon the person whose name was used. It does not address itself to the original question of the minor child of a contributor who has given a maximum amount allowable under S. 3044 to a Federal candidate.

Survey of the three major Federal agencies charged with enforcement of Federal Election laws—the Department of Justice, the Office of Federal Elections of the General Accounting Office, and the Office of the Secretary of the Senate—found a consensus interpretation of section 310 of the Federal Election Campaign Act of 1971. All agreed that under the present law, as amended by S. 3044, the question of a minor child contributing to a candidate after his parent had made the maximum contribution to the same candidate could be argued either way. They agree that the law in its present form, as amended by S. 3044, does not nail down the ambiguity regarding this particular question.

Mr. President, I ask that the text of the amendment to S. 3044, the Federal Election Campaign Act Amendments of 1974 be printed in the Record.

There being no objection, the amendment was ordered to be printed in the Record, as follows:

Amendment No. 1161

On page 77, line 9, after "contributions" add a semicolon and "contributions through minors".

On page 77, line 10, insert "(a)" before "No".

On page 77, beginning in line 14, strike out "Violation of the provisions of this section is punishable by a fine of not to exceed $1,000, imprisonment for not to exceed one year, or both.".

On page 77, between lines 16 and 17, insert the following:

"(b) No person may direct, request or otherwise induce any of his children or the children of his immediate family (as defined in section 608), who has not attained the age of 16 years to make a contribution to or for the benefit of a candidate or a political committee.

"(c) Violation of any provision of this section is punishable by a fine of not to exceed $1,000, imprisonment for not to exceed one year, or both.

On page 78, after line 22, strike out the item relating to section 616 and insert in lieu thereof the following:

"616. Form of contributions; contributions through minors.

HEALTH SERVICES RESEARCH AND MEDICAL LIBRARIES ACT—AMENDMENTS

AMENDMENTS NOS. 1162 THROUGH 1174

(Ordered to be printed and to lie on the table.)

Mr. BEALL submitted 13 amendments intended to be proposed by him to the bill (H.R. 11385) to amend the Public Health Service Act to revise the programs of health services research and to extend the program of assistance for medical libraries.

ANNOUNCEMENT OF HEARINGS

Mr. JOHNSTON. Mr. President, last week Mr. Julius Shiskin, the Commissioner of Labor Statistics, announced major changes in the present method of computing the Consumer Price Index.

The Consumer Price Index is the most widely used measure of inflation. It is designed to provide an accurate indication of what the average American consumer must pay for basic needs.

The Consumer Price Index is, of course, extremely important to economic policymakers who must rely upon the index in making critical judgments on the rate of inflation.

But the index is even more crucial to the millions of Americans whose entitlement to wage and other benefits is explicitly tied to the CPI. Some 50 million Americans have incomes or receive payments which are affected by movements in the CPI. There are 5.1 million unionized workers with wage escalator clauses; 29 million social security recipients; 2 million retired military and civil service employees; 600,000 postal workers; and 13 million food stamp recipients. In addition, various other private agreements are dependent upon movements in the CPI, including leases, divorce settlements, and retirement benefits.

Because of the importance of the proposed changes in the Consumer Price Index, the Subcommittee on Production and Stabilization of the Committee on Banking, Housing and Urban Affairs will hold hearings on these proposals on April 23, 1974 at 2 p.m. in room 5302 of the Dirksen Building. At that time we intend to hear from Mr. Shiskin and representatives of those most directly affected by the proposed changes.

ADDITIONAL STATEMENTS

NATIONAL BOY OF YEAR

Mr. HUGH SCOTT. Mr. President, I had the great pleasure last week of meeting a remarkable young man, George R. Clark, Jr., of Philadelphia. George had just been selected the National Boy of the Year by the Boys' Club of America. I was quite impressed with his enthusiasm, poise, and sincerity and was delighted that the Boys' Club of America made such a fine choice.

I ask unanimous consent that an article in Friday's Philadelphia Inquirer about George Clark be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

He's an All-American Boy

George R. Clark Jr., a 17-year-old senior at Edison High School, and the R. W. Brown Boys' Club on Columbia ave. have combined to give Philadelphia a double honor.

George Clark won the National Boy of the Year award from the Boys' Club of America and went to the White House for a personal presentation from President Nixon. This is the first time that one club has had a national winner two consecutive years. Gilbert Baez, last year's winner, is now a student at Dickinson College.

One of five children of Mr. and Mrs. George R. Clark Sr. of North Franklin st., George Jr. is an all-around all-American teen-ager. He is president of his class at Edison and captain of the basketball team. A versatile athlete, he is also a letter-winner in baseball and track and sports editor of the yearbook. A B-average student, he tutors children in reading and, with all this, still finds time for a busy schedule of leadership responsibilities in Boys' Club activities.

Speaking for all the family, his mother said, "We are very proud of George." So is all of Philadelphia.

AMERICA'S ECONOMIC FUTURE

Mr. BENTSEN. Mr. President, as I travel around the country I listen to many Americans who are deeply worried about the long-range viability of our Nation's economy.

Some people question whether we can maintain in the future previous levels of economic growth. Others wonder whether high rates of economic growth will damage the quality of life. Even scholars warn that an end to progressive economic development may be in sight.

Everyone has heard the voices of gloom:

We are being swallowed by pollution.

We are drowning in overpopulation.

We are growing beyond the limits of our natural resources.

Technological advance is destroying human values.

These familiar chords echo across the land. Our citizens are spinning in the swiftly moving current of change. They are bewildered by rapid and repeated economic disruptions—by booms and busts—unsuccessful phases and empty phrases.

The rush of events eats away at the bedrock of our institutions, and forces our people to struggle simply to keep their livelihoods from being swept away by steeply rising prices and unacceptably high levels of unemployment.

Many Americans are beginning to feel that the reins of the public interest are out of hand, and that Government by crisis has become the norm.

The response I witness to this continual condition of crisis is of very great concern to me. I see aggravation and then alienation among many of our people. I see as well active attempts to put a stop to economic growth in America.

If we choose to withdraw in frustration, sit back in apathy, or boil over in hasty outrage, our economic future can only be bleaker and more uncertain. Shortages of all shapes and sizes, as well as higher levels of unemployment and accelerating inflation may become business as usual. But we can prevent this dismal outcome by using the intelligence and ingenuity which have provided the United States a great record of economic progress.

I believe that growth need not end nor become a disparaging word. Healthy economic growth—properly channeled and well balanced—is beneficial. It enriches the quality of life. It raises the standard of living of many of our lower income families. And it maintains and improves the high level of comfort most Americans expect.

One has only to look ahead to the rest of 1974 to understand what economic stagnation means: it means productivity will decline and wage costs will rise. Yet for many workers, real income will fall because of rampant inflation. It means that some struggling new businesses will be forced into bankruptcy while more established firms will have to cut back on funds for innovation and other progressive activities. It means personal suffering for the 1 million more Americans who may be unemployed by the end of 1974, and the possible loss of another $30 billion of national output. And above all, it means an increase in social discord as workers, farmers, and businessmen compete for a shrinking economic pie. I believe that Americans have a right to demand more than they are getting under existing policies.

Last year, we saw not only an energy shortage but also a beef shortage, a paper shortage, a fertilizer shortage, a pipe shortage, and even a bailing wire shortage. And throughout those troubles we saw a shortage of forward Government strategy—a lack of preparation for anticipating and answering problems before they became the next crisis.

I believe the private free enterprise system is the dominant decisionmaker in our economy—and I would not have it any other way. A free competitive market still provides the most efficient allocation of goods and services within our economy. But with the Federal Government spending $1 out of every $4, we cannot ignore its impact. The spending, taxing, borrowing, and regulatory policies of the Federal Government give our economy substantial direction. In recent years we have achieved what growth we have in spite of rather than because of Government policies. I have no doubt that in the years ahead we must do better.

It is essential that we begin now to examine the economic policies required to meet our future needs before we are once again caught short. The continued absence of long-range thinking about our best policy options can only lead us pell-mell into more pitfalls of crisis management.

The Congress should have a role in developing this forward-looking economic strategy. I am afraid we are so preoccupied with present problems that we are not doing nearly enough in taking the longer range view—or in developing policies to help solve the major economic problems which lie ahead.

At the beginning of the year, I approached the chairman of the Joint Economic Committee and its members with a proposal to set up a new subcommittee for the purpose of launching a major effort to spotlight the roadblocks in this Nation's economic future and to furnish the Congress with reasoned longrun policy options and their projected consequences.

The response was enthusiastic, and I am pleased that a Subcommitte on Economic Growth has been established, which I will chair. The distinguished members of the new subcommittee are Senators Proxmire, Ribicoff, Humphrey, Javits, and Percy; and Congressmen Reuss, Moorhead, Widnall, and Conable.

In undertaking this important task we are, indeed, fortunate to have the participation of experienced men of such high caliber and great expertise. I look forward to working with them to diagnose the complex challenges ahead and to recommend policy choices to insure that we achieve healthy and balanced economic growth which is consistent with social priorities and which improves the quality of American life.

In order to develop long-range economic policy options there is a need for our subcommittee to examine some available projections of national economic growth potential and productivity trends over the next 10 years. These projections and trends will provide a useful overview of the long-term economic framework for the initial hearings on May 7, 8, and 9.

As we explore the prospects for the U.S. economy in the years ahead our uppermost priority is the well-being of American citizens and the long-range need for full and productive employment.

Our subcommittee realizes that the composition of the labor force has changed in recent years, but I am one Senator who is not willing to abandon the full employment concept of 4 percent. Bear in mind that the 1-percent increase in unemployment which the administration is apparently willing to accept as a full employment target means a million more Americans out of work. In addition to the loss in national output, the Federal Treasury will forego between $12 and $15 billion in tax receipts while at the same time the Government will be forced to pay out $2 to $3 billion more in unemployment compensation.

Our long term full employment objective should maintain unemployment rates substantially below 4 percent. We need better manpower training and educational services for our workers to increase longrun productivity and to sharply increase labor force participation among younger people, women, and minority groups. This will offset the projected long-range slowdown in the rate of increase in the labor force due to declining birth rates, which might otherwise result directly in less economic growth in the future.

The American people expect their Government to look down the road to find out what broad employment opportunities can be created. Now and better jobs, however, are the product of more investment. It has been estimated that it takes $25,000 in new investment to create one new manufacturing job. There is a substantial long-range need for capital investment in the years ahead.

In light of this, I am deeply concerned that overall net domestic investment in the United States, expressed as a percentage of gross national product, is much lower than in any other major industrial country—and this adverse trend has been growing for almost 20 years. The figures for 1970 reveal that Japan has invested almost 3½ times as heavily as we do; in Germany, France, and the Netherlands, the rate is 2½ times greater than ours; in Italy and Sweden it is twice as much; and Canada, the United Kingdom, and Belgium all spend more of their gross national product on domestic investment than the United States does.

The relative lack of new investment has slowed long-term domestic capacity growth in the American economy. The insufficient investment in industrial plant and equipment contributes to the scarcity of supplies, generating longrun inflationary pressures. There are projections that annual capital needs for U.S. business not including construction will increase from approximately $105 billion in 1973, to $233 billion in 1985.

Steel, which is a cornerstone of our economy, is just one example of an industry badly in need of long-term capacity expansion and modernization. It is reported that the capital needs of the steel industry alone will average $3 to $4 billion each year through 1985.

In order to finance the steel mills built since 1966 the steel companies have been forced to increase long-term debt to about 40 percent of stockholders' equity, compared to approximately 30 percent in the earlier year. There are limits to what extent future capacity can be financed by increasing the long-term debt load instead of raising equity capital. But, the present stock market valuation placed on the U.S. Steel Corp. barely equals McDonald's hamburger chain despite the fact that United States Steel's book value is 18 times as great as McDonald's. Even though we are long on hamburgers and short on steel, McDonald's is in a better position to raise equity capital for more hamburger stands than United States Steel is to raise capital for new mills and machinery to build steel plates for construction of petroleum refineries and other basic industrial capacity.

We are likely to have a far more serious steel crunch on the horizon and be forced to increase our reliance on foreign producers for this critical, high technology material.

The Subcommittee on Economic Growth hopes to prevent this from happening to steel or to any of our domestic industries by considering now where funds for future investment are to be raised. Will our savings rates be adequate and our financial markets strong enough to do the job?

Our subcommittee wants to know what magnitude and pattern of capacity growth and capital formation are necessary to meet demand for full employment and full production in the years ahead.

Along with the future problems of insufficient investment in plant and equipment and inadequate capital formation, we should be fully aware of the long-range need for careful managament of our natural resources.

The United States is rapidly joining the rest of the industrialized world in depending on third world countries for its raw materials supply. According to the Department of the Interior, the United States already depends on imports for more than half its supply of 6 of 13 basic raw materials required by an industrial society.

Furthermore, many of these metal supplies are concentrated in only a few countries. There may be numerous attempts to steal a page from the Arabs' book at the expense of industrial nations through the creation of producer cartels. We must not overlook the fact that the sharp rises in prices for petroleum products, foodstuffs, and fertilizer between late 1972 and early 1974 will force the developing countries which are not oil producers to pay over $15 billion more for these essential imports in 1974. Thus the pressure will be very great on these raw materials producing countries to take whatever steps are necessary to substantially increase the price of their exports to balance off the higher costs of their food and fuel imports.

Our subcommittee will investigate what may become a staggering problem of resource scarcity and will suggest actions the Government should take to insure an adequate supply of raw materials to keep our factories going and prevent unemployment in the coming years.

Another major item to be explored is the long-range need for relative price stability. Lately, inflation has taken a terrible toll on the purchasing power of consumers and the rate of real economic growth.

John Dunlop, the Director of the Cost of Living Council, said recently:

> We just don't know how to control inflationtion.

And Arthur Burns adds—

> Inflation cannot be halted this year.

Yet the adminstration instinctively reaches for the traditional anti-inflation tools—tight monetary and fiscal policy. They accept the excessive unemployment which those restrictive policies cause as inevitable. But some economists are forecasting a long-term inflation rate in excess of 4½ percent for a considerable time, no matter what combination of fiscal and monetary options is followed.

I believe we should not consent to higher unemployment rates and loss of output as unavoidable. We must find better methods of combating and minimizing the effects of inflation over the long haul than policies which continually choke off growth. What we have been doing to the housing industry every few years with a restrictive monetary policy in an attempt to curb inflation only adds to our long-term shortage of housing, thus increasing inflationary pressures in the long run.

Neither the Congress nor the administration has done enough long-range thinking about improving anti-inflation policies. My new Subcommittee on Economic Growth will be an instrument to fill this need in the Congress. I believe we can offer economic policy options to insure a long-run balance between relative price stability and long-term economic growth.

As a former businessman, my business could not have survived and prospered if I had failed to look ahead at the potential difficulties as well as the opportunities. In my judgment it is the duty of the U.S. Government to do the same.

This Nation can ill afford to count on 11th hour, piecemeal public policy for its problem solving. The possible obstructions to growth should be identified now while there is still time to measure our future needs and to suggest ways to meet those economic needs in the coming years.

The American people have a right to expect those of us in Government to do more than flounder from crisis to crisis. My new subcommittee accepts this obligation to do more in developing policy choices for the Congress and the American public to help overcome the barriers in the future growth of the American economy.

EDWARD SPECTER

Mr. HUGH SCOTT. Mr. President, it is with much sadness that I mark the death of Edward Specter who, for a quarter of a century, devoted his talents to making the Pittsburgh Symphony one of the most renowned orchestras in the Nation.

Nearly 50 years ago, he played an instrumental role in reviving the symphony in Pittsburgh and in keeping it alive during its early years. While serving as its director, Mr. Specter worked tirelessly and unselfishly to raise the funds needed to sustain the orchestra through a troubled financial period. He was credited with keeping the orchestra together and, by his example, inspired others with his dream. A dream which became reality, a dream which has filled the hearts and souls of people throughout the world with fine music.

We are indebted to Mr. Specter for giving so much of himself to the music world. To all of us who for many years will enjoy the lovely sounds of the Pittsburgh Symphony, we will remember how it all started.

Mr. President, I ask unanimous consent that the Pittsburgh Press and the Pittsburgh Post-Gazette accounts of his passing be printed in the Record.

There being no objection, the articles were ordered to be printed in the Record, as follows:

Edward Specter

No better eulogy could be written for Edward Specter, who died Wednesday at 73, than these phrases from a 1954 Post-Gazette editorial, "Well Done, 'Mr. Symphony' ":

"If anybody in Pittsburgh deserves the title, 'Mr. Symphony,' it is Edward Specter, who soon steps down after a quarter century as manager of the local orchestra. It was he who in 1929 helped conceive the idea of reviving the symphony here. And it has been under his direction that this idea became reality . . . The Pittsburgh Symphony is today and for several years has been outstanding nationally, with every promise of becoming more so. For this, the city's debt to Mr. Specter, who refused to admit of defeat under the heaviest trials, is incalculable."

The strength of the Symphony two decades later is living testimony to the sturdy foundations Mr. Specter laid.

Ex-Manager of Symphony Dies at 72

Edward Specter, who helped organize the Pittsburgh Symphony Orchestra in 1926 and served as it manager for the next 25 years, died yesterday in West Penn Hospital.

Mr. Specter, 72, lived in the Carlton House, downtown.

An attorney as well as a musician, Mr. Specter was credited with keeping the orchestra together in its early years through extensive fund-raising, when the organization was a musical success but experienced hard times financially.

In 1952 Mr. Specter resigned as orchestra manager to become a theatrical producer in New York, where he remained until last year.

Upon his return to Pittsburgh he joined a law firm in the Frick Building, downtown.

Mr. Specter played trumpet with a restaurant orchestra while attending the University where he was graduated with honors in 1923.

He was a member of Pi Lambda Fraternity, Rodef Shalom Temple and the Allegheny Bar Association.

Surviving are his sister, Mrs. Ruth Scholnick of Pittsburgh, and two brothers, Harry of Pittsburgh and H. Herbert of St. Petersburg, Fla.

Services will be at 4 p.m. tomorrow at the H. Samson Inc. Funeral Home, 537 N. Neville Ave., Oakland, where friends will be received one hour prior to services.

Burial will be private.

The family suggests memorial contributions to the Edward Specter Fund for the Pittsburgh Symphony.

KANSAS CITY SHOWS HOW TO DO THE JOB

Mr. SYMINGTON. Mr. President, for more than 30 years Kansas Citians have had the opportunity to advise their elected officials of their needs and participate in the management of their city through a system of neighborhood councils.

Created during World War II in an effort to work on juvenile delinquency and later expanded to cover all city problems, the councils assure a voice for each of the diverse neighborhoods of Kansas City, the third largest U.S. city in terms of area. At the same time, the councils also provide a sounding board where city officials can discuss current and proposed programs, determine areas where services need improvement, and anticipate the impact of their decisions.

An article in the Washington Star-News April 2 cited the Kansas City experience with neighborhood councils as an excellent example of the worthwhile type of citizen participation program proposed for the District of Columbia if Washington voters approve home rule in their May 7 referendum.

I ask unanimous consent that the article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the Washington Star-News, Apr. 2, 1974]

Kansas City Shows How To Do the Job

(By Corrie M. Anders)

Kansas City, Mo.—The large woman rose from her seat in the basement of St. Francis Seraph Church and stared sternly at Mayor Charles B. Wheeler Jr.

"Mr. Mayor," she began, "what can you do about cleaning up around the railroad tracks? There is soybean and corn spilled all over the place The rats are as big as I am. . . ."

She emphasized the stink of the rat infestation with a frown and sat. Even as the mayor was removing his pipe to respond, a man wearing white socks, dirt-covered workshoes and a blue parka rose to complain.

"I don't like to bring troubles to you," he said. "You've got enough, just like this body. But the trash is always picked up in those other neighborhoods, no matter what day it is.

"And down here, we know there are thousands and thousands of rats. I could take you down to the river and shine my headlights and you would see hundreds of rats. Why can't you bait these rats all the time instead of just special projects?"

Mayor Wheeler puffed at his pipe and listened to the charges from the 50 persons present for the meeting—sponsored by the Northeast Industrial District Community Council. The long-dormant council was revived six months ago when the city threatened—and then put off under the council's pressure—to close down the neighborhood's only public institution, an elementary school.

The northeast community is isolated by a scenic bluff and the Missouri River from the heart of the city and its services—much like the Anacostia community in the District. The area is called by its detractors "East Bottom"—literally and figuratively.

It is a community of approximately 500 families—low income working-class, white and Spanish-surnames.

"The best argument you've got," the mayor told the group, "is that services down here should be like anywhere else." He promised to renew the rat-baiting program and said, "Perhaps now is a good time to re-evaluate a decision that's 15 years old and caused all these problems."

Although far from being one of the strongest community councils in the city, the northeast council demonstrated its clout in beating back the city's decision to close the elementary school. And the council recently won a promise from a major grain company to help clean up the area.

There are approximately 140 neighborhood councils in this city of 507,000, which is 22 percent black. They are a variation of the Advisory Neighborhood Council concept that Washington voters wil be asked to approve in the May 7 referendum.

Kansas City has had this form of government decentralizaton since 1943. Its structure offers an excellent historical perspective of the advantages, disadvantages, achievements and operations of advisory councils.

The neighborhood councils range in membership from a dozen to several hundred persons. About half of the councils are formed on geographic lines, while the remainder are based on functional concerns, such as housing or police protection.

Individually and collectively, the councils have won some pitched battles with the city. They carry an enormous political club and city officials listen when they speak.

"They don't always get everything they want," said one city official, "but they don't always lose either."

Kansas City has a mayor, city manager and 12-member city council—six of whom are elected by districts and the remainder at large.

The neighborhood councils have an easy rapport with the city's elected officials and very seldom get into general fights with City Hall, primarily because the concept has been around so long that the two sides understand each other. Any battles usually are fought over a particular issue and once resolved, the antagonism does not linger.

Department heads frequently visit neighborhood council meetings, like the mayor's visit to St. Francis Soraph, and often will attend two or three meetings a night. The city also maintains close contact with its citizens by taking budget hearings into seven or eight neighborhoods.

The neighborhood councils are completely autonomous of the city. They have no staff or funding except for one highly active group which has hired its own housing specialist. Instead, they are served by the city's Community Development Division, a 17-member professional and support staff which, although paid for by the city, maintains its independence from City Hall.

The city has so many neighborhood councils primarily because of its geography and because the "area of interest varies from one end of the city to another," CDD Director James Reefer said in a recent interview.

Kansas City is the third largest U.S. city in terms of land, with 316 square miles. Sprawled across three counties, its north-south boundary stretches farther than from the District to Baltimore and its east-west boundary is about half as long.

The city also has advisory councils in the Model Cities and urban renewal areas. However, these have their own staff and salaries and operate independently of the Community Development Division.

That the advisory council concept has worked so well and for so long stems primarily from the fact that they they were initiated by the city itself and not by demands of the community.

The idea evolved in the war year of 1943 when juvenile delinquency was rampant in the city, with fathers in combat zones and mothers working. The problem was turned over to the city's welfare department.

"We decided it was a neighborhood problem," said L. P. Cookingham, who was city manager at the time. "The police couldn't do anything about it, so we came up with the community council idea"—seeking the help of established groups such as churches and civic associations.

The city quickly realized that juvenile delinquency was only part of a much larger problem—which was a city-wide concern—and decided to broaden citizens' participation.

The first councils were set up around 12 communities, each representing a public high school district. One city staff specialist was assigned to serve each of the 12 councils.

Then smaller neighborhood councils were formed to serve areas around elementary school districts. In those early years, the councils concentrated on civic improvements, such as playgrounds, better transportation, sanitation, street lights and housing code enforcement.

Membership and the power of the councils declined during the placid 1950s and early 1960s. There were only 35 such councils five years ago. They experienced a resurgence during the social upheavals of the late 1960s.

The degree of activity varies from group to group. Some councils have been active since the inception of citizens participation 31 years ago. Others spring up overnight over a particular issue and die just as quickly, as one official added that "once they get their street lights repaired, they just stop meeting."

Almost any group of residents can create a neighborhood council and receive expert help from the CDD. There have been occasions when a rump group has split from a neighborhood council to form its own body.

The CDD has a fiscal 1974 budget off $167,368—paid for out of general funds. The department provides staff and consulting assistance to the councils on request. The staff gathers information, helps to analyze a particular problem, aids in setting priorities, helps to plan courses of action and mobilize resources.

"We go over their needs and concerns and give factual matter and help provide alternatives," Judy K. Laffon, a CDD supervisor, said. "Our role is one of helping them to be their own advocate."

If there is a fly in the concept's ointment, it is a feeling by a minority of city council members that the CDD is too helpful, and that perhaps its budget is too large.

Although the councils are more advisers to the city and are concerned primarily with their own neighborhoods, there are key issues that can unite them into a formidable band of angered citizens ready for a protracted battle. More often than not, the issues are freeways, correctional facilities and large-scale zoning changes.

In 1971, the city adopted a traffic plan to build a major corridor through the western part of the city, a richly diverse area with a high percentage of senior citizens and youths, high-rise apartments, small single-family homes and mansions.

The area already had five major corridors and the citizens were heatedly opposed to another, which they said would "wipe out their homes" and divide the community. Led by the Westport Community Council, the citizens used mass leafleting, meetings and the media to oppose the freeway.

City council members were called into the community and asked what they thought about the proposals, with the near-certainty they would lose voter support if they admitted favoring the project. The strong lobbyist effort worked and the corridor was removed from a bond issue at the time. Another battle five years ago to build up the South Midtown Freeway still is in the planning stage and the citizens appear to have lost that fight.

THE LONGEVITY RATE IN NEBRASKA

Mr. CURTIS. Mr. President, I am a little tired of people who, upon learning of the longevity rate in Nebraska say, "In Nebraska, you don't really live longer. It just seems longer."

I finally have an answer in the form of a column that appeared in the Chicago Tribune. The item was sent to me by a well-known publisher in the Cornhusker State, Thomas C. Hickey of Lincoln. Tom and I both intend to take advantage of as much Nebraska longevity as we can.

Mr. President, I ask that this column be printed in the RECORD so my colleagues might better understand that we do live longer in Nebraska and that we enjoy it more.

There being no objection, the column was ordered to be printed in the RECORD, as follows:

WHAT'S NEBRASKA'S SECRET?

In Nebraska, it seems, the chances of living a longer life are better than in any other state. The average longevity there is 71.95 years compared with a national average of 71.2.

To get a proper perspective, of course, we must remember that Nebraska's longevity is exceeded in such places as Scandinavia, the Netherlands, Germany, and Canada. But the obvious question still arises: What do the Nebraskans have that the rest of us don't have?

The experts, of course, will give a lot of useless explanations such as homogeneous population, little urban poverty, the rural life, and an invigorating climate [which is a euphemistic way of saying that the temperature may range from 23 below to 123 in the shade, if you can find it]. It is also worth noting that the forbears of today's Nebraskans came primarily from Scandinavia, the Netherlands, Germany, and Canada, which may not be wholly irrelevant.

But we call these explanations useless because they are not things that the rest of us can do very much about. We prefer to think about things we can control, so we shall pass along some information we have gathered about the idiosyncrasies of Nebraskans which may or may not be helpful.

Nebraskans are noted for working hard, especially out of doors. Nebraska has one of the lowest alcoholic consumption rates and divorce rates in the country. It has the simplest state income tax law [13 per cent of your federal tax, period]. It grows much of its own food, so that meddlesome middlemen are less likely to slip artificial coloring, additives, and so forth into it. Nebraskans are as firmly opposed to pornography as anybody in the country. And finally [hold your breath], they have the best record in the country for voting Republican.

We offer no opinion as to which of these are the determining factors. But surely each of us can find something there that suggests he is doing the right thing. And that in itself should give him a certain amount of contentment—which, after all, is probably the most important ingredient of longevity.

THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, the history of the United States begins with a profound human rights document—the Declaration of Independence. Since that time the United States has led the crusade among nations in the field of human right.

In fact, it was our American leadership at the San Francisco Conference in 1945 that resulted in a strong human rights section in the Charter of the United Nations. We recognized then that the denial of human rights and human dignity creates a prime source of potential conflict and a threat to international peace.

And 25 years ago the United States also used its leadership for the drafting of the Genocide Convention. This was the first human rights document to be endorsed by the U.N. General Assembly, and that endorsement was unanimous. Today, the United States and the Union of South Africa are the sole remaining charter members of the U.N. who have still not ratified the treaty.

Mr. President, the cause of human rights and the promotion of international peace are inseparable. It is imperative that the United States regain its leadership in this area. We must again proclaim our support for the principles laid down by Thomas Jefferson almost 200 years ago.

I call upon my colleagues to join with me in support of the ratification of the Genocide Convention.

TRIBUTE TO VICE ADM. JOEL T. BOONE

Mr. CURTIS. Mr. President, it is with deep sorrow that I noted last week the passing of a selfless American, Vice Adm. Joel Thompson Boone, White House physician to three former Presidents.

A veteran of both World Wars, Admiral Boone served as a medical doctor, at one point as fleet medical officer to Adm. William F. Halsey. Admiral Halsey assigned Admiral Boone to the liberation of Allied prisoners of war in Japan.

His years of military service earned him the Congressional Medal of Honor, the Army Distinguished Service Cross, the Silver Star Medal with five Oak Leaf Clusters, and the Purple Heart Medal with two Oak Leaf Clusters.

A native of Pennsylvania, Admiral Boone served as White House physician to Presidents Warren G. Harding, Calvin Coolidge, and Herbert Hoover.

I think we should all pay tribute to a man who gave so much of himself to the service of his country. His record is inspiring in an era when loyalty to country is so often challenged.

I wish to express my personal sympathy to the family of Adm. Joel Boone. I wish much success to the endeavors of the Joel T. Boone Clinic at the Naval Amphibious Base in Little Creek, Va., dedicated in his honor in 1972.

Mr. President, at this time I ask unanimous consent to have printed in the RECORD the memorial tribute to Vice Admiral Boone expressed so eloquently by the Reverend Edward L. R. Elson of the National Presbyterian Church of Washington, D.C.

There being no objection, the tribute was ordered to be printed in the RECORD, as follows:

MEMORIAL TRIBUTE TO VICE ADM. JOEL T. BOONE, (M.C.)—USN RET. BY THE REVEREND EDWARD L. R. ELSON, S.T.D.

Our presence in this Church is our simple memorial of affection and esteem for Joel T. Boone whose life spoke with an eloquence our words or actions will never match.

He lived from the inside out, a discipline acquired from his Quaker boyhood and carried over into his adult years as a Presbyterian. His power came from the soul, his strength from his mind. Outward assurance and a confident demeanor was derived from an ordered mind and a soul at peace. His life was the epitome of selfless service.

The main outline of his life will inspire the coming generations as long as memory endures.

Joel T. Boone was born in St. Clair, Pennsylvania, educated at Mercersburg Academy and Hahnemann Medical College, where he received his Doctor of Medicine degree in 1913. In April 1913 he was commissioned a Lieutenant (Junior Grade) in the Medical Corps of the U.S. Navy and began a career unequaled by any medical officer in the armed services of the U.S., retiring as Vice Admiral on December 1, 1951, to become Medical Director of the Veterans Administration.

In April 1917 the young physician was assigned to the sixth Regiment of Marines at Quantico, with which unit he arrived in France in early October 1917, participating as Battalion, Regimental Surgeon in six major intensive campaigns and emerging as a legendary youth renowned throughout the world for selfless service, gallantry beyond the call of duty, and exceptional medical competency. Even before World War II he was known as the most highly decorated Medical officer in our nation's history. His 24 decorations include our nation's highest—the Congressional Medal of Honor, the Distinguished Service Cross—second highest for valor—six Silver Stars for gallantry—three Purple Hearts for wounds received in action—decorations from Italy, France, Belgium, Haiti, Korea.

On returning from the campaign of World War I he became the Attending Physician at the White House, serving Presidents Harding, Coolidge and Hoover—attending President Harding at his death and the son of President Coolidge at his death. From his White House duties in 1933 he served on the Hospital ship *Relief*, assignments ashore in San Diego and Long Beach and Seattle, until in April 1945 he became Fleet Medical officer on the staff of Admiral William S. Halsey. He represented the Medical Corps at the Japanese surrender ceremonies aboard the *U.S.S. Missouri* September 2, 1945.

By September 1949 he was on duty at the Department of Defense as Chief of Joint Plans and Action Division, Medical Services, Department of Defense.

A Fellow of professional and learned societies, he is also the recipient of honorary degrees and citations which you ought to take time to read and note. Vice Admiral Boone had two great avocations to which he was devoted—Mercersburg Academy and the National Presbyterian Church which he has loved and served for more than 40 years.

At Mercersburg, which had its origin as a Church school, he served as a member of the Board of Regents for 35 years—President of the Board for a decade, President of the General Alumni Association, 1927–41. In appreciation for their distinguished alumnus, one of the principal buildings was dedicated as Boone Hall.

In this congregation for all these years he has been loved and admired for his genuine Christian piety, selfless service and wise statesmanship. He has served numerous terms as a Ruling Elder, six years as a Trustee, of which board he was Vice President. In 1930 the General Assembly elected him to membership on the National Capital Presbyterian Commission, which in 1927 incorporated the National Presbyterian Church and began the process by which the National Presbyterian Church became a reality. Of that distinguished group on the Commission, he is today the sole survivor.

After he left the White House in the 1930s he and Mrs. Boone were my parishioners in LaJolla, and when we were separated in the military service he remained a friend and counselor as he has been here—a total of nearly 40 years. One year before Pearl Harbor when I had resigned my civilian parish in order to exercise the commission I had received as Army Chaplain in 1930 he closed a letter by saying:

"You have entered on a great adventure in the military and have burned your bridges behind you. With the international situation as uncertain as it is and at your age and with the great challenge before you to serve your country as a military entity, I feel that you have done the wise and the right thing in relinquishing your pastorate. We can only act on the future by meeting the present as our conscience dictates, not looking too far ahead, but facing the future with a determined faith".

This was more than sound counsel for me. It was the witness of his own life—a sound faith.

His highest citation came last Tuesday morning when he slipped over into life on the other side, and the King of Kings and Lord of Lords conferred the accolade.

"Well done—good and faithful servant"—Amen.

THE TRUTH ABOUT CURRENT FARM PRICES

Mr. SYMINGTON. Mr. President, last month, at a televised news conference in Houston, Tex., the President of the United States told the American people that "Farmers have never had it so good."

Since then, many Missouri farmers have sent us indignant letters asking where they could get the $14 a bushel for soybeans mentioned by the President. Most of them wrote they had sold their beans last fall for less than half the price reported by the President.

Missouri farmers also wrote they received $2.85 a bushel for corn at harvest time, and asked where they could get the $5 a bushel mentioned by the President; also, where they could sell their wheat for $7 a bushel.

Beef and milk producers write:

> If we are doing so well on cattle, why are we getting 25 pecent less per hundred and losing $125 to $200 a head; and why are so many dairy farmers selling their herds for slaughter.

An editorial in the April issue of Today's Farmer magazine reports that the "Highest cash price ever paid for soybeans was $12.27 per bushel on June 5, 1973. And that was not at a country elevator."

The editorial also cites a recent Department of Agriculture study that "shows that farmers had more purchasing power during each of the years from 1942 through 1948 than they had in 1973."

Inflation, which is eroding the purchasing power of all Americans, has been particularly severe on the people of agriculture. As examples, the price of barb wire has increased 60 percent, that of gasoline 50 percent since December, the cost of fertilizer has doubled since October, and in some areas the price of propane has increased as much as 500 percent since last summer.

I ask unanimous consent that this editorial from Today's Farmer be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

FARMERS HAVE HAD IT BETTER

"Farmers have never had it so good," President Nixon declared last month in Houston, Tex. Millions of tv viewers, no doubt, believed that the President knew what he was talking about.

But not the cattle feeders who've been selling steers at an out-of-pocket loss of $100 or more per head.

And not the milk producers who are being squeezed out of dairying by subsidized imports of dry milk and cheese.

Not even the soybean producers—of whom not one has ever marketed beans for processing at the price of "$14 per bushel" mentioned by Mr. Nixon. (Highest cash price ever paid for soybeans was $12.27 per bushel on June 5, 1973. And that was not at a country elevator.)

True, farm prices have risen. And net farm income last year hit an all-time record high—in terms of dollars. The average farmer has handled more dollars during the last winter than ever before. But they were cheap dollars.

What about purchasing power? That's the true measure of how well farmers are doing. It's revealed in a USDA study—which, for some reason or other, does not seem to get much attention.

Purchasing power of dollars earned from farming last year was greater than in the recent years preceding. But it was no record-breaker.

In fact, the USDA study shows that farmers had more purchasing power during each of the years from 1942 through 1948 than they had in 1973. And with present price trends, that's sure to be true for 1974.

So let's keep the record straight. True, farmers have had it worse. But they've also had it better. With inflation, cheap dollars and climbing costs, farmers still have problems—serious problems of survival. And those problems will not go away, just because the President of the United States says that all is well.

NEBRASKA REPUBLICAN FOUNDERS' DAY

Mr. CURTIS. Mr. President, a former Member of this body, Mr. Fred A. Seaton of Hastings, Nebr., died on the 16th day of January 1974. He was one of Nebraska's leading citizens and he had a long record in public service.

At the Annual Nebraska Republican Founders' Day held in Lincoln, Nebr. On April 6, 1974. The Honorable Val Peterson, distinguished former Governor of Nebraska and former Ambassador to Denmark and Finland, paid a much deserved tribute to Mr. Seaton. I ask unanimous consent that Governor Peterson's remarks be printed in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

TRIBUTE BY VAL PETERSON TO FREDERICK ANDREW SEATON, NEBRASKA REPUBLICAN FOUNDERS' DAY

Born in the District of Columbia, raised in Kansas, Fred Seaton adopted Nebraska in the days of depression, drought and dust and over the years became cherished by Nebraska as one of her very own.

Fred was above all a top flight newspaperman. He loved good writing and speech. Fractured English caused him to shudder. He saluted the reporter who dug out the facts, presented them in orderly and concise manner and with objectivity. He knew that a democracy cannot survive without a vigorous, a fair and free press. Newsmen who slanted, twisted, sensationalized and distorted the news had his contempt.

Seaton was a politician's politician. He had a sharp sense of political strategy and many went to him for political advice. He was confidant and friend to two Presidents of the United States, Dwight Eisenhower and Richard Nixon, as well as secretary to a great Kansan, Governor Alfred Landon, who in 1936 faced the invincible FDR.

Fred Seaton held many responsible positions in government. He served as State senator, U.S. Senator, Assistant Secretary of Defense and deputy assistant to the President. As Secretary of Interior he had responsibilities throughout the mainland, the Caribbean and the Pacific. He, too, represented the President on several foreign assignments. Secretary of Interior was his highest title, but the job he cherished above all, was as a member of President Eisenhower's staff. The White House, he felt was here the action and power are found.

Fred Seaton was scrupulously honest in business, government and intellectually and no one who accepted his counsel became involved in slippery, shoddy or shady activities. His brand of honesty was and is absolutely essential in government. Thank God it is more widely present in government than many believe.

Fred knew that the political party is the best device yet found to permit the people to express their wishes in governmental matters—the selection of leaders and the formulation of policies. He respected our political system and the men who served in it while always ready to join in efforts to improve the system and the practitioners.

Fred, whose life was much too brief, was highly active in the Republican Party for forty-two years. It is fitting that at this Republican founders' day gathering we remember his valued services to this organization and his many contributions to our State and Nation.

GENERAL EDUCATION PROVISIONS ACT

Mr. BENTSEN. Mr. President, I was particularly pleased to see the conference report on H.R. 12253 approved on Thursday, for it contains the essence of two bills I introduced last year and this year.

On September 24 of last year, I introduced a bill to eliminate the "needs test" in the guaranteed student loan program for college students from families earning less than $15,000 a year. The so-called needs test, unwisely included in the Education Amendments of 1972, required students applying for guaranteed loans to make a complete disclosure of their family assets to receive a guaranteed loan.

Distortions immediately developed, and the number of student loans fell dramatically. This was largely because a "means test" can be deceptive; it can be blind to whether a family holds liquid or nonliquid assets, family need in a restrictive and arbitrary way, cutting students out of the program who had been in before.

Mr. President, I believe we must give the poor a priority in student aid programs, but we cannot overlook those of moderate income, who are victims of inflation and of the severe rise in college costs. Too often in our aid programs we neglect to the moderate income American, who has been heavily burdened by State and local taxation and rising prices. These neglected Americans become more resentful and direct their resentment against the poor and the Government. What I am suggesting is that there must be a more equitable sharing of costs and benefits in these programs, while maintaining our concern for the poor.

The provision in the conference bill eliminates the "needs test" for loans up to $2,000 in families with $15,000 in income. That is a very significant step, and I applaud the Conferees for their action.

The second part of H.R. 12253 contains the thrust of S. 2907, which I introduced in January of this year. It allows local school districts to carry over unexpected education funds from this fiscal year and fiscal 1973 into the following fiscal year.

If we are to give our local school administrators some degree of confidence that they can expend Federal funds wisely, this provision is essential. We recently had substantial fiscal 1973 education funds released, which had formerly been impounded. In addition, school districts have not expended all of their fiscal 1974 funds. This provision, allowing them to carry over these funds until next year, assures that these funds will not be spent in a hasty and careless manner.

I believe we must work beyond this provision to assure forward funding of education programs so that our school administrators can engage in effective, long-range planning. For too long they have lived with uncertainty, not knowing the thrust or the amount of Federal funds they can expect. It is time that we remedy this situation and introduce a degree of certainty into our Federal education programs.

I commend the conferees for this bill, and I urge the President to act swiftly to sign it into law.

EXIMBANK SOVIET LOAN POLICY

Mr. SCHWEIKER. Mr. President, I ask unanimous consent to have printed in the RECORD the text of the statement I made before the Subcommittee on International Finance of the Committee on Banking, Housing and Urban Affairs, together with attachments.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

EXIMBANK SOVIET LOAN POLICY

I appreciate the opportunity to testify today before the Subcommittee on International Finance of the Banking, Housing and

Urban Affairs Committee concerning current lending procedures of the Export-Import Bank. My testimony will deal with five basic areas: (1) requirements of existing law; (2) elements of U.S. national interest; (3) impact of compliance with existing law; (4) roles of Congress and Executive; and (5) recommendations for action.

1. *Requirements of Existing Law.* Section 2(b)(2) of the Export-Import Bank of 1945, as amended, 12 U.S.C. 635(b)(2), provides:

"The Bank in the exercise of its functions shall not guarantee, insure, or extend credit, or participate in any extension of credit—

"(A) in connection with the purchase or lease of any product by a Communist country (as defined in section 2370(f) of Title 22), or agency or national thereof, or

"(B) in connection with the purchase or lease of any product by any other foreign country, or agency, or national thereof, if the product to be purchased or leased by such other country, agency, or national is, to the knowledge of the Bank, principally for use in, or sale or lease to, a Communist country (as so defined),

"except that the prohibitions contained in this paragraph shall not apply in the case of any transaction which the President determines would be in the national interest if he reports that determination to the Senate and House of Representatives within thirty days after making the same."

As you know, on January 31, 1974, I requested the Comptroller General of the United States to determine whether this provision required an individual Presidential determination of national interest, submitted to Congress, for each Eximbank transaction with a Communist country. The Comptroller General, in ruling B-178205 dated March 8, 1974, agreed with my contention that such individual Presidential determinations, for each transaction, were required. On March 11, the Bank suspended all loan transaction with Communist countries, until March 22, when it resumed such transactions in accordance with its prior practice. The basis of resumption was an opinion of the Attorney General, dated March 21, 1974, to the effect that the prior practice of issuing blanket Presidential determinations, for each country, was consistent with existing law.

I know Comptroller General Staats has ably defended the merits of his ruling before this Subcommittee, and I have included his full opinion as an exhibit to this testimony. I fully support the Comptroller General's position, and, without dwelling at length on the legal arguments, I would simply like to respond to what seems to be the central thrust of the Attorney General's opinion, i.e., that blanket Presidential national interest determinations, by country, are legal, despite explicit statutory language to the contrary, simply because Congress never objected to the practice.

Mr. Chairman, there is no such principle of law. An act which is illegal the first time is also illegal the second time and the tenth time and so on, unless the law is changed. According to the Attorney General's reasoning, a transaction could apparently be 100% illegal the first time, but only 80% illegal the second time, and maybe 50% illegal the fifth time, until finally, by magic, it becomes 100% legal. And this magic transformation, implies the Attorney General, occurs solely because Congress—which has no Constitutional law enforcement authority—failed to act to enforce the law.

I submit that this new principle of statutory interpretation—the notion that Congressional failure to enforce a specific legal provision can reverse the meaning of that provision—has far-reaching and serious implications, implications that challenge the historic legislative role of Congress. Even if we accept, for purposes of argument, the questionable legal theory of ratifications by inaction, the legislative history of the Export-Import Bank Act does not support the conclusion that Congress, by inaction, has accepted the blanket country-by-country determination of national interest. To the contrary, debate clearly indicates the insistence of Congress that ". . . if, for example, there are 20 such determinations, the President will report 20 different times." (109 Cong. Rec. 25416-17).

In summary, Mr. Chairman, I believe the current law clearly requires an individual Presidential determination of national interest, for each Eximbank transaction with a Communist country. In the latter part of my testimony I will suggest appropriate remedies to end the current Bank practices which are contrary to law. But at this point, I would hope my testimony has clearly established that blanket national interest determinations, by country, have *not* been unanimously accepted by a passive Congress. I am opposed to past Eximbank practice, I am opposed to the Bank operating in defiance of the law, and I will continue to seek legislative action to end this practice.

2. *Elements of U.S. National Interest.* Some might wonder, Mr. Chairman, why the Presidential determination of national interest is so important. After all, under existing law, if the President did issue a determination of national interest for each transaction, as required, the Congress would have no veto power, and so Bank business could continue as usual. So this might appear at first glance to be an argument about form, not substance.

Nothing could be more incorrect. The Presidential determination of national interest is virtually the only substantive guarantee which insures that Eximbank transactions with Communist countries are not detrimental to our national interest. I have no general objection to East-West trade of nonstrategic items, which are not in short supply here. I do not oppose selling trucks to Poland or trains to Yugoslavia. But I do oppose the notion that a single Presidential determination can establish, years in advance, that it will be in our national interest to finance not only trucks and trains, but also computer technology and energy exploration in Communist countries.

The Eximbank is intended to assist American industry in competing internationally, particularly against foreign State-subsidized industries. The underlying assumption has been that since this country has unlimited capacity to produce goods for export, exports should be encouraged.

Mr. Chairman, I do not think this historical assumption is valid in 1974, and I would hope these hearings will explore our new situation. Instead of having unlimited export capacity, we now have massive shortages here in this country. Steel, petrochemicals, fertilizer, wheat—these items are only the tip of the iceberg. In these circumstances, the whole concept of Eximbank export subsidies should be reviewed. But while that review is taking place, we should insure that additional exports of scarce items are not subsidized; these scarcities did not exist in 1972, when the President issued his blanket national interest determination, and that determination is clearly invalid today.

I believe the proposed Russian energy investments are particularly contrary to our national interest. On March 24, 1974, the *Philadelphia Inquirer* carried an article by Donald L. Bartlett and James B. Steele entitled "Oil Firms Drilling Abroad—Skip U.S." This article, which I offer as an exhibit to my testimony, describes how major oil companies are pursuing foreign oil exploration, while ". . . the number of rigs drilling for oil in the Gulf of Mexico off Louisiana—the nation's major offshore oil producing region—is the lowest it's been in years and the amount of oil produced there daily is declining." The article discloses that the federal oil reserves under lease from which *no oil* is being produced are currently at a seven-year high. And industry officials explain the reduction in domestic energy production by saying there are not enough oil drilling rigs. *Not enough rigs,* for American energy exploration, Mr. Chairman—and yet the Eximbank is presently considering a $49.5 million application for energy exploration in the Yakutsk area of Eastern Siberia.

After the Yakutsk deal, the next 7% American investment in Soviet energy on the agenda is the $7.6 billion North Star project. Of this total, American capital will account for about $6 billion of the total, with the Eximbank once again taking the lead. Proponents of the North Star investment argue that the Russian natural gas reserves are so vast it does not make sense to pursue energy exploration anywhere else.

But proponents of this deal do not talk much about the security of this Siberian investment—perhaps because in large measure it would be an investment by American taxpayers, with limited corporate exposure. They do not talk about the official Russian efforts to continue the Arab oil embargo after the Arabs had decided to end it. They do not talk about the recent Russian energy price hikes to Finland, or the Russian oil cut-off against West Germany. Indeed, in the brochure describing this deal, under the heading "Security of Supply" the only reassurance is that the energy involved will account for only .6% of total 1980 U.S. energy requirements.

There is no response to the recent *Washington Post* editorial entitled "Moscow's Hand on the Pump," which reads in part as follows:

"The Soviet Union has made a good thing in the past about being a fair and reliable trading partner. This reputation has served it well, the Economist recently noted, in inducing West Europeans to deliver large quantities of steel pipe and other equipment, against promises to be paid in future oil or gas. Yet in the Finnish case, the Russians jacked their prices through the roof. With Germany, they simply stopped delivering for a while and then resumed the flow but, again, at much higher prices. In brief, neither on the supply front nor the price front have they treated their traditional customers well—customers with whom they have no outstanding political differences, moreover. If the Russians began to run short of energy themselves, as many foreign experts expect they will, would they fulfill their contracts for export sales? These are matters which must be taken into account in the United States' own deliberations on the advisability of making large long-range investments in Soviet gas and oil."

There is no response to the New York Times editorial of March 14, 1974, which states:

"Strongly championed by Secretary of State Kissinger, the Siberian natural gas projects have become a symbol of the Administration's policy of détente. But the genuineness of the Soviet interest in détente has been cast increasingly in doubt by Moscow's attitudes in Europe and the Middle East. However valuable a mood of reduced tensions between the two superpowers, political atmosphere is not something to be bought by economic transactions that cannot be justified on their own merits. The Siberian natural gas development has yet to pass this test."

Until we have answers to those questions, Mr. Chairman, and ironclad assurances of security, the national interests of the United States will not be served by Eximbank subsidy of Siberian energy development.

3. *Impact of Compliance With Existing Law.* In view of these clear questions of national interest, I am frankly at a loss to understand why the Eximbank so stubbornly resists compliance with existing law. It is useful, therefore, to consider exactly what such compliance would entail.

At present, every thirty days the Eximbank submits to the appropriate Committees of Congress a list of all of its transactions with Communist countries. This list is normally a simple one-page document. To comply with existing law, the Bank would simply be required to forward this same list to Congress by way of the White House, where the President would certify that the listed transactions are in the national interest. There would be no delay, no Congressional veto power, no bureaucratic nightmare.

But there would be one vital new element. If the law were followed in this fashion, the Congress—and the American people—would have the benefit of the President's personal certification that the listed transactions are transactions deserving of U.S. Government support. Why does the Eximbank resist this? Why does the President not do this voluntarily, without additional legislation? I do not know the answers to these questions, Mr. Chairman, but I do know we are now living with the shortages and high prices resulting from the Russian wheat deal, and I submit we no longer can afford the luxury of lax practices which could lead to a Russian energy deal.

The Eximbank is intended to encourage exports. The bankers there—quite properly—are advocates of expanded American exports, in all areas. To permit these advocates to determine our national interest is about like letting the District Attorney be the final judge of guilt or innocence, and that simply does not make sense to me.

4. *Roles of Congress and Executive.* Recent Eximbank transactions do not make sense to my constituents either. At the height of the Arab oil embargo, for example, the Eximbank loaned $100 million, at 6% interest, to five of the Arab countries embargoing us. The purpose? To finance the Su-Med pipeline, to ship Mideast oil to Western Europe, *not* to the United States—with big profits for the Arab countries embargoing us. Apparently the Eximbank notion of national interest is American imperialism in reverse: instead of flexing our economic muscle overseas, we now reward those nations which nationalize our industries and cut off our energy, with $100 million loans at 6% interest. The Eximbank concedes that Egypt has defaulted on prior loans, but now says the Su-Med loan had been "approved" but not "closed," pending negotiation of satisfactory security to insure repayment by Egypt.

Mr. Chairman, this is outrageous. The hard-pressed taxpayers in my State do not want to be left with some technical legal right to foreclose a pipeline mortgage in the Egyptian desert. The argument was if we didn't finance the Su-Med pipeline the Russians would, and yet now the Eximbank claims the Russians lack sufficient hard currency to finance their own pipeline. I'm tired of hearing we must do this deal or that deal against our national interest, because if we don't, the Russians will. My constituents don't accept that reasoning, and I don't accept it, and I can tell you today that the American people would not finance that Su-Med pipeline if the Eximbank had consulted them.

Mr. Chairman, I could go on but I think the point has been made. I think the American people know it's against our national interest to subsidize these deals, and I think a majority of Congressmen and Senators know it. The question is, what are we going to do about it?

The answer to that should be clear. The Comptroller General is the lawyer for Congress, and his ruling was totally unambiguous. Yet his ruling is presently being ignored by the Executive Branch. I can understand why the polls show public respect for Congress at an all-time low. I can understand why we hear about the lazy, indecisive, inept Congress. If the Congress of the United States is willing to sit back and let the Eximbank resume business as usual, in open defiance of the law and the Comptroller General, then I submit this criticism is justified, this disrespect is deserved.

The underlying issue is not how we structure our international trade policy, although that is important. The underlying issue is whether the Congress of the United States has the courage and the will to make an Executive Branch agency obey the law, and that is the issue which will make—or break—the reputation of Congress with the American people.

5. *Recommendations for Action.* I have introduced two proposals to deal with this situation. First, S. 3229, the Soviet Energy Investment Prohibition Act, would absolutely prohibit any U.S. Government-supported investment in energy exploration or production in the Soviet Union. Senators Ribicoff, Dominick and Scott of Virginia have joined in cosponsoring this measure, and I would hope this Subcommittee would consider adding my bill as an amendment to the basic Export-Import Bank authority.

Second, I have advised my colleagues on the Appropriations Committee of my intention to introduce, in Committee, an amendment to the Second Supplemental Appropriations bill which will prohibit the Eximbank from obligating or expending any funds, for program or administrative expenses, until the Bank complies with the Comptroller General's ruling with regard to Section 2(b) (2) loans. I intend to push for action on this measure, to insure that existing law is complied with while your Committee's consideration of the basic Bank authority continues.

Finally, I submit for the consideration of your Committee an amendment which I have prepared, which would insure that in the future, the vital national interest determination will not be delegated to anonymous officials at the Eximbank. I think this amendment will guarantee that the President personally makes the national interest determination, and I would urge you to add this provision to the basic Bank authority.

JANUARY 31, 1974.

Hon. Elmer B. Staats,
U.S. Comptroller General, General Accounting Office, General Accounting Office Building, Washington, D.C.

Dear Comptroller General Statts: I have been informed that the Export-Import Bank is presently considering an application by the Soviet Union for a $49.5 million direct loan to be invested in an energy development project in the Yakutsk area in Eastern Siberia. In addition, the Soviet Union is expected to seek additional Export-Import Bank credits to finance the $7.6 billion North Star energy development project in Western Siberia.

It is my understanding that the Export-Import Bank Act of 1945, as amended, provides that the Bank ". . . shall not guarantee, insure or extend credit . . . in connection with the purchase or lease of any product by a Communist country . . . except . . . in the case of *any transaction* which the President determines would be in the national interest *if* he reports that determination to the Senate and House of Representatives within thirty days after making the same [emphasis added].

It is my further understanding that President Nixon, by Presidential determination dated October 18, 1972, has declared it to be in the national interest for the Export-Import Bank to extend credit to the Soviet Union. Subsequent to such Presidential determination, the Export-Import Bank has extended credits to the Soviet Union in numerous transactions, and has reported such transactions to Congress every 30 days, but no separate Presidential determination of national interest has been issued by the President in connecion with any of such transactions.

I would appreciate having your investigation and conclusions in response to the following questions:

(1) In view of the restrictions contained in the Export-Import Bank Act of 1945, as amended, has the Export-Import Bank acted in compliance with applicable law in extending credit to the Soviet Union in the absence of individual Presidential determinations, submitted to Congress, to the effect that each such transaction is in the national interest?

(2) Regardless of the legality of prior loans, in view of the present American energy crisis, can the Export-Import Bank legally extend credit to the Soviet Union for the pending Yakutsk energy development project in the absence of the specific Presidential determination, submitted to Congress, that such transaction is in the national interest?

(3) What is the total amount of Export-Import Bank funds presently outstanding in loans, guarantees or insurance to the Soviet Union, and what is the total amount of federal funds presently committed to energy research and development in the United States?

In view of the pendency of the Soviet credit application with the Export-Import Bank, I would appreciate your response at the *earliest possible date.*

Thank you very much.

Sincerely,
Richard S. Schweiker,
U.S. Senate.

Comptroller General of
the United States,
Washington, D.C., March 8, 1974.

Hon. Richard S. Schweiker,
U.S. Senate.

Dear Senator Schweiker: Your letter of January 31, 1974, raises several questions concerning the participation of the Export-Import Bank (Eximbank) in transactions involving the Soviet Union. These questions arise primarily in view of section 2(b) (2) of the Export-Import Bank Act of 1945, as amended, which prohibits the Bank from guaranteeing, insuring or extending credits in connection with the purchase or lease of any product by a Communist country except in the case of any transaction which the President determines would be in the national interest and so reports to the Congress.

You state it to be your understanding that on October 18, 1972, President Nixon determined it to be in the national interest for Eximbank to extend credits to the Soviet Union. Subsequent to this Presidential determination, Eximbank has extended credits to the Soviet Union in numerous transactions, and the Bank has reported such transactions to the Congress. However, no separate determination of national interest for each individual transaction has been issued by the President.

You also indicate that Eximbank is presently considering an application by the Soviet Union for a $49.5 million direct loan to be invested in an energy development project in the Yakutsk area of Eastern Siberia, and that the Soviet Union is expected to seek additional Eximbank credits to finance a $7.6 billion North Star Siberia.

In consideration of the foregoing matters, you request our response to the following specific questions:

(1) In view of the restrictions contained in the Export-Import Bank Act of 1945, as amended, has the Bank acted in compliance with applicable law in extending credit to the Soviet Union in the absence of individual Presidential determinations, submitted to Congress, to the effect that each such transaction is in the national interest?

(2) Regardless of the legality of prior loans, in view of the present American energy crisis, can the Eximbank legally extend credit

to the Soviet Union for the pending Yakutsk energy development project in the absence of a specific Presidential determination, submitted to Congress, that such transaction is in the national interest?

(3) What is the total amount of Eximbank funds presently outstanding in loans, guarantees or insurance to the Soviet Union, and what is the total amount of Federal funds presently committed to energy research and development in the United States?

As you indicate, the President made a determination concerning extension of Eximbank credits to the Soviet Union on October 18, 1972. The full text of this determination, as published at 37 F.R. 22573 (October 20, 1972), is as follows:

"THE WHITE HOUSE,
"Washington, October 18, 1972.

"I hereby determine that it is in the national interest for the Export-Import Bank of the United States to guarantee, insure, extend credit and participate in the extension of credit in connection with the purchase or lease of any product or service by, for use in, or for sale or lease to the Union of Soviet Socialist Republics, in accordance with Section 2(b) (2) of the Export-Import Bank Act of 1945, as amended.

"RICHARD NIXON."

This determination was reported to the Congress on the date it was made. See Congressional Record for October 18, 1972, p. 37204 (Executive Communication No. 2432). Obviously this document evidences a determination that it is in the national interest to extend credits to the Soviet Union as a general matter, and without reference to any particular transaction or transactions.

Your first question, as to the validity of such a general determination, requires consideration of the legislative history of section 2(b) (2) of the Export-Import Bank Act and prior appropriation act provisions.

Section 2(b) (2) of the Export-Import Bank Act of 1945, as amended, 12 U.S.C. 635(b) (2), provides, quoting from the United States Code:

"The Bank in the exercise of its functions shall not guarantee, insure, or extend credit, or participate in any extension of credit—

"(A) in connection with the purchase or lease of any product by a Communist country (as defined in section 2370(f) of Title 22), or agency or national thereof, or

"(B) in connection with the purchase or lease of any product by any other foreign country, or agency, or national thereof, if the product to be purchased or leased by such other country, agency, or national is, to the knowledge of the Bank, principally for use in, or sale or lease to, a Communist country (as so defined),

"except that the prohibitions contained in this paragraph shall not apply in the case of any transaction which the President determines would be in the national interest if he reports that determination to the Senate and House of Representatives within thirty days after making the same."

The above-quoted provision was added by section 1(c) of the act approved March 13, 1968, Pub. L. 90-267, 82 Stat. 47, 48. The 1968 act was in this regard based upon a somewhat similar limitation which had been carried in appropriation acts for prior years.

The appropriation act limitation first appeared in the Foreign Aid and Related Agencies Appropriation Act, 1964, approved January 6, 1964, Pub. L. 88-258, 77 Stat. 857, 863, as follows:

"None of the funds made available because of the provisions of this Title shall be used by the Export-Import Bank to either guarantee the payment of any obligation hereafter incurred by any Communist country (as defined in section 620(f) of the Foreign Assistance Act of 1961, as amended) or any agency or national thereof, or in any other way to participate in the extension of credit to any such country, agency, or national, in connection with the purchase of any product by such country, agency, or national, except when the President determines that such guarantees would be in the national interest and reports each such determination to the House of Representatives and the Senate within 80 days after such determination."

The same language was included in the appropriation acts for 1965 (78 Stat. 1022), 1966 (79 Stat. 1008), 1967 (80 Stat. 1024-25), and 1968 (81 Stat. 943).

The appropriation act limitation, as originally enacted in 1964, represented a compromise between proponents of a flat prohibition against Eximbank participation in any transactions involving Communist countries, led by Senator Mundt and Representative Findley, and those members who insisted upon according discretion to the President. However, the legislative history indicates that this languague was intended to require a specific Presidential determination for each transaction to be exempted from the prohibition. Thus Senator Mundt commented as follows in a statement appearing at 109 Cong. Rec. 25619:

"* * * The compromise language which we finally developed in the conference report and which has been adopted by the House is a significant and important policy recommendation by Congress and a firm expressional intent. It contains the same specific prohibition against extension and guarantees of credit to the Communist nations contained in S. 2310 but it provides an escape clause to be used by the President of the United States only—and I repeat only—when he himself finds in the case of each proposed credit transaction that he believes it to be in the national interest * * *.

* * * * *

"I am confident there are many in Congress and throughout the country—and I include myself among them—who will want to scrutinize each such transaction most intently and carefully if it should actually eventuate and be authorized. * * *

"Thus, I am well satisfied with the policy declaration and the specific prohibition in this matter contained in the conference report and by the work accomplished by the House-Senate conference committee in writing into this foreign aid appropriations bill a prohibition which can be voided only by specific Presidential action to be publicly reported in each case within 30 days to both Houses of Congress."

The same intent seems to be manifested during House consideration of the conference report. Mr. Passman observed:

"* * * The so-called Mundt amendment which was agreed to by the conferees requires two things specifically: The President must determine that financing such assistance by the Export-Import Bank is necessary, and the President must report each such determination * * *.

* * * * *

"* * * If, for example, there are 20 such determinations, the President will report 20 different times * * *." 109 Cong. Rec. 25416-17.

In response to an observation that the President had already in effect determined that sales of wheat and other agricultural products to the Soviet Union were in the national interest, Mr. Rhodes stated:

"Of course, the gentleman realizes that a new determination has to be made with each transaction under the terms of this amendment?" *Id.* at 25418.

As noted previously, the present statutory provision was enacted in 1968 by Public Law 90-267. The report on the 1968 legislation by the Senate Committee on Banking and Currency noted the similar provision contained in prior appropriation acts, but pointed out:

"* * * the committee provision goes beyond the existing provision in two respects. First, as indicated, *it would require a determination of national interest by the President in the case of indirect as well as direct transactions* with Communist countries. Second, the provision becomes a part of the Bank's statutory charter and does not need to be adopted each year by the Congress as in the case with the appropriation act." S. Rept. No. 493, 90th Cong., 1st sess., 4. (Italics supplied.)

The conference report commented with reference to the provision enacted:

"The Bank is also prohibited from participating in credit transactions in connection with the purchase or lease of any product by a Communist country * * * *except after a Presidential determination communicated to Congress within 30 days after it is made, that the transaction would be in the national interest.*" H. Rept. No. 1103, 90th Cong., 2d sess., 4. (Italics supplied.)

* * * * *

Finally, in explaining the conference version of the 1968 legislation, Senator Muskie reiterated that section 2(b)(2) was patterned after the similar limitation which had been carried in appropriation acts. 114 Cong. Rec. 3836.

Thus the language of section 2(b)(2) of the present act, together with its legislative history, clearly requires a separate determination for each transaction. Your first two questions are therefore answered in the negative.

With reference to your third question, the materials enclosed herewith indicate the present status and extent of Eximbank participation in transactions involving the Soviet Union. Finally, a report to the President dated December 1, 1973, from the Chairman of the Atomic Energy Commission indicated the following obligations for Federal energy research and development for fiscal years 1973 and 1974:

[In millions of dollars]

Program element:	Actual 1973	Planned 1974
Conserve energy	52.8	62.3
Increase domestic production of oil and gas	20.0	19.5
Substitute coal for oil and gas	88.0	167.2
Validate nuclear option	395.8	517.3
Exploit renewable energy sources	82.8	123.0
Total	640.2	889.3

We have not audited or verified the above data. The President's fiscal year 1975 budget contains $1.5 billion for direct energy research and development.

Sincerely yours,

ELMER B. STAATS,
Comptroller General of the United States.

[From the Philadelphia Inquirer, Mar. 24, 1974]

Oil Firms Drilling Abroad—Skip United States

An American oil company drills for yet more oil in the Arab sheikdom of Dubai.

Two other American oil firms explore the possibility of developing the Soviet Union's vast oil deposits.

And still another American oil company allocates a greater percentage of its exploration budget this year than last year to searching for oil in foreign countries.

At the same time, the number of rigs drilling for oil in the Gulf of Mexico off Louisiana—the nation's major off-shore oil producing region—is the lowest it's been in years and the amount of oil produced there daily is declining.

In short, despite talk in Washington about the importance of being self-sufficient in energy, the oil industry is continuing many of the practices that led originally to this country's growing dependence on foreign oil.

Meanwhile, Congress has wrangled for the last six months without coming up with a single piece of legislation to help prevent another oil shortage.

Indeed, the House Ways and Means Committee last week, after studying the foreign-tax-credit system that many economists agree has encouraged American oil companies to drill abroad rather than at home, failed to recommend any significant changes in the system.

It was as Congress sat immobilized and Americans were being warned repeatedly about overdependence on Arab oil that a subsidiary of Continental Oil Co. announced on Dec. 17 a major oil strike in Arab waters off the Persian Gulf. This was two months after the start of the boycott.

Also in December, Occidental Petroleum Co. announced it had signed a 35-year agreement to explore for oil in Libya, the most militant and politically unstable of the Arab oil producers. Libya was one of only two Arab countries that voted against lifting the oil ban against the United States March 18.

In South Vietnam, an area of almost continuous political or military turmoil for decades, Exxon and Mobil are going forward with oil exploration plans on the Southeast Asian nation's continental shelf.

HOTTEST SPOT

The two American multinationals were among four companies awarded concessions by the Thieu government last summer to search for oil in Vietnamese coastal waters. The companies agreed to pay the south Vietnamese a total of $59 million in return.

Perhaps the hottest spot for American oil companies, but one that holds little hope of meeting America's needs, remains the North Sea.

Mounting oil discoveries there, many by American oil companies, will make the British and Norwegians—both now dependent on imported oil—largely self-sufficient by the early 1980s.

At the same time, if American oil companies continue to drill abroad rather than home, the United States will be importing more than 50 percent of its oil.

Evidence of the industry's unchanged drilling practices is best seen in the Gulf of Mexico off Louisiana.

Statistics on worldwide off-shore drilling operations, published monthly in Offshore magazine, show an average of 40 rigs a month drilling for oil offshore Louisiana during the first three months of this year compared to 52 rigs a year ago, and 55 rigs in that period the year before that.

The decline comes only slightly more than a year after the oil industry leased an additional 800,000 acres from the Federal government for exploration. The industry has leased more than 5 million acres in the last 20 years.

AVERAGE RECORD

But by the end of last year, the amount of acreage under lease on which no oil was being produced stood at a seven-year high, according to statistics of the United States Geological Survey (USGS).

USGS statistics show that 1.2 million acres leased to oil companies were not producing oil or gas at the end of 1973, the highest amount of non-producing acreage since 1966.

With onshore Louisiana production declining by as much as 10 to 15 percent a month from a year ago, additional oil offshore production is needed to make up for the decline.

However, as already noted the number of offshore rigs is declining, and so is production.

From a high of about 980,000 barrels of crude oil daily in 1971, Louisiana off-shore production has now dropped to about 910,000 barrels daily.

"There is still a lot of unexplored acreage out there," said one oil industry materials supplier in Morgan City, La., a major offshore oil industry center, in an interview with an Inquirer reporter.

"But even if you wanted to drill on it, you couldn't because there aren't enough rigs."

SHORTAGE OF RIGS

When asked to explain the drilling decline, an official of the USGS, which oversees drilling and production operations in the Gulf, gave the same explanations.

The reason for the shortage is because many American oil companies have contracted for rigs to drill in the North Sea.

During the first three months of 1974, the number of rigs at work in the North Sea was up 75 percent over the same period a year ago. An average of 35 rigs were drilling for oil each month this year as compared to 20 a month last year at this time.

Even more important, most of the rigs in the North Sea are so-called deepwater rigs—capable of drilling in water depths up to 600 feet.

Morgan City offshore observers said much of the unexplored acreage under lease in the Gulf of Mexico is in water from 200 to 600 feet deep. Such a depth requires deep water drill rigs like those now under contract to American companies in the North Sea.

In contrast, virtually all of the offshore drilling off Louisiana to date has been in water depths of 100 feet or less.

Even with the emphasis on self-sufficiency coming out of Washington, drilling contractors in Morgan City say they have not detected an upturn in drilling activity.

"I don't think it has picked up a bit," said the drilling superintendent of one offshore firm. "I don't know why that is. We've even got a lot of shallow-water rigs idle."

Another drilling contractor said oil companies are still offering more incentives to drill abroad than at home.

"We can only get a well-to-well contract in the Gulf," he said. "We used to get a yearly drilling contract. Now it's only on a well-to-well basis. We can still get a year's contract if we want to send the rig overseas."

Ironically, Foreign Drilling Contractors apparently are thinking about drilling in the Gulf.

Norwegian drilling contractors recently sent a letter to the International Association of Drilling Contractors (IADC) in Dallas, seeking information about U.S. taxes and U.S. restrictions on the use of foreign labor.

An IADC official said several Norwegian drilling companies are interested in drilling in the Gulf of Mexico or other sections of the American continental shelf that might be opened for oil exploration.

The spokesman said the request was forwarded to Federal officials in Washington.

[From the Washington Post Editorial. Mar. 29, 1974]

Moscow's Hand on the Pump

A sobering comment on Moscow's reliability as a supplier of natural gas and oil is contained in recent accounts of its dealings with two veteran customers in Western Europe. Finland, for one, found that the Russians raised their price last fall to the level of the world price set by the oil cartel. This added at least half a billion dollars to Finland's annual energy bill. But the price of the goods which the Finns sell to Russia remained the same. So great was the shock that the socialist premier of Finland was led to compare the additional burden, five per cent of GNP, to the postwar reparations which Moscow imposed on the Finns—about two per cent of GNP. By their particular political dependence on the Soviet Union, the Finns are locked into this one-sided arrangement, which illustrates all too well the economic aspect of "Finlandization."

In respect to West Germany, the Russians evidently realized during the oil panic last fall that they could get a higher price by exporting elsewhere. So they slowed and then stopped delivering crude oil, though a contract had been in force for more than 15 years. They had contracted to deliver 3.4 million tons of crude in 1973; actual deliveries were 2.86 million tons. Exploiting Germany's temporary duress, the Russians pushed their price to $18 a barrel. Veba, the German oil buying agency, then suspended its contract with the Russians. It was put back into effect, at new higher prices, only a few days ago.

Meanwhile, Moscow Radio has just felt compelled to deny an Iranian newspaper's report that the Soviet Union is buying natural gas cheap from Iran and selling it dear in the West. Even if the Kremlin wanted to perpetrate such an uncomradely deed, Moscow Radio says, it couldn't because there is no pipeline. But there is a pipeline—a fact which has to be set against Moscow Radio's denial.

The Soviet Union has made a good thing in the past about being a fair and reliable trading partner. This reputation has served it well, the Economist recently noted, in inducing West Europeans to deliver large quantities of steel pipe and other equipment, against promises to be paid in future oil or gas. Yet in the Finnish case, the Russians jacked their prices through the roof. With Germany, they simply stopped delivering for a while and then resumed the flow but, again, at much higher prices. In brief, neither on the supply front nor the price front have they treated their traditional customers well—customers with whom they have no outstanding political differences, moreover. If the Russians began to run short of energy themselves, as many foreign experts expect they will, would they fulfill their contracts for export sales? These are matters which must be taken into account in the United States' own deliberations on the advisability of making large long-range investments in Soviet gas and oil.

[From the New York Times editorial, Mar. 14, 1974]

Siberian Gas

The Administration's dubious proposal to channel billions of American investment dollars into developing the Soviet Union's Siberian natural gas fields has run into a well-timed legal barrier. On political and strategic grounds, beyond the technical point of law involved, the Congress would do well to grasp this unexpected opportunity to subject the Siberian venture to harder scrutiny.

Acting on a request by Senator Schweiker, Republican of Pennsylvania, the General Accounting Office has barred the Export-Import Bank from extending credits for the first part of the project pending a legally required statement from the White House that the project would be considered in the "national interest." Without an initial credit of $49.5 million, the ambitious Yakutsk exploration plan would probably die aborning.

The notion of a vast Soviet-American joint venture in the energy field had a certain superficial attraction when it was first broached two years ago, both as a tangible expression of an emerging détente and as a possible means of opening promising new energy sources.

Even then there were skeptics, including this newspaper, who questioned the plan's justification on both technological and commerical grounds, to say nothing of the security implications. With the passage of time, those doubts have become stronger than ever.

Vast new supplies of natural gas could admittedly provide an alternative to petroleum now imported from the Middle East, but this would simply be trading one politically unreliable source of energy for another equally vulnerable to the policy evolution of a foreign government. It is hard to see the "national interest" in pumping an eventual $6 billion, or much more, into developing Soviet energy sources when the investment could be well or better applied inside this country.

Strongly championed by Secretary of State Kissinger, the Siberian natural gas projects have become a symbol of the Administration's policy of détente. But the genuineness of the Soviet interest in détente has been cast increasingly in doubt by Moscow's attitudes in Europe and the Middle East. However valuable a mood of reduced tensions between the two superpowers, political atmosphere is not something to be bought by economic transactions that cannot be justified on their own merits. The Siberian natural gas development has yet to pass this test.

S. 3229

A bill to prohibit Soviet energy investments

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, section 1 of this Act may be cited as the "Soviet Energy Investment Prohibition Act".

Sec. 2. No department, agency, or instrumentality of the United States Government may directly or indirectly provide assistance to finance or otherwise promote the export of any commodity, product, or service from the United States if the intended use of such commodity, product, or service involves energy research and development or energy exploration in the Union of Soviet Socialist Republics.

Amendment by Senator Richard S. Schweiker to the Second Supplemental Appropriations Bill

The following is to be inserted at the appropriate place in the bill:

"*Provided, however:* That after the date of enactment of this Act, none of the funds available to the Export-Import Bank of the United States and subject to the Limitations on Program Activity and Administrative Expenses contained in title V of Public Law 93–240 shall be available for obligation or expenditure by the Bank until the Bank complies with Section 2(b)(2) of the Export-Import Bank Act of 1945, as amended, 12 U.S.C. 635(b)(2), in accordance with ruling B–178205 of the Comptroller General of the United States, dated March 8, 1974."

S. —

A bill to amend the Export-Import Bank Act of 1945 with respect to the determinations of national interests which are required in connection with certain transactions

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, section 2(b)(2) of the Export-Import Bank Act of 1945 is amended by adding at the end thereof the following new sentence: "A determination made under this paragraph shall be effective only if—

"(i) it is made personally by the President; and

"(ii) it is made with respect to a particular purchase or lease of a product in connection with which the Bank proposes to guarantee, insure, or extend credit, or participate in an extension of credit."

THE FILIBUSTER ON S. 3044

Mr. PACKWOOD. Mr. President, I am fearful that the extended debate on the campaign reform bill currently before the Senate is doing nothing more than further damaging public confidence in the Senate.

To be sure, like many Members of the Senate, I have a number of reservations about specific provisions of S. 3044. I would prefer to see citizens and voters maintain a greater control of where, and to whom, their dollars are to go, and public financing takes that right away from the American voter.

Nevertheless, despite its weaknesses, there is too much good in this bill to keep it bottled up any longer with long-winded, meaningless debate. Whatever the outcome, it is time to make up our minds and vote.

The issues are clearly understood by Members of this body, and I regret to say our constituents are clearly beginning to see through the pointless extension of redundant debate. I have received hundreds of letters urging action on this measure. Oregonians are demanding to know what the delay is. They cannot see the point of endless debate—neither can I.

Well, Mr. President, what is the delay? Views from both sides of the aisle, on both sides of the issue, have been sufficiently aired. The rights of the apparent minority on this matter have been respected, but now it is the will of the majority that is being obstructed.

Today, we are once again witnessing the Senate paralyzed by the archaic rule of the Senate which allows filibustering of legislation.

If campaign finance were the only issue being considered by this body this session, perhaps we could excuse squandering time to revisit every nook and cranny of debate already heard before. But our agenda is crowded. Serious matters are being left undecided while we sit here wasting time in banal debate. We must bring this issue to a vote, now.

We were elected to be decisionmakers—let us exercise our mandate.

RHODE ISLAND GROUP HEALTH ASSOCIATION

Mr. PELL. Mr. President, the Rhode Island Group Health Association was the first health maintenance organization established in the State of Rhode Island. Its history has been typical of that of all pioneering institutions, and I would like to discuss it briefly today, and share its lessons with my colleagues.

My interest in RIGHA began as a result of my belief in the great potential for progress which lay in the reorganization of health care services. It holds my continued interest because, as with new ventures, there are always unanticipated problems, costs, and continually emerging questions about policy and goals, and the way in which RIGHA has met these challenges is, in itself, an exciting and important story.

When RIGHA started operations, the phrase HMO was almost unknown throughout the general community it wished to serve. An enormous, and still continuing educational effort was required to inform people of the options open to them as health care consumers. RIGHA got off to a rocky start, both in the area of marketing and management. It was not until the Prudential Insurance Co. stepped into the picture, almost 1 year ago and lent RIGHA management expertise and start-up money, that this new and untried system began to show its merits as a health care asset. The members of the Rhode Island Group Health Association are participating in an exciting and fruitful project, thanks to the interest and participation of the Prudential and the Rhode Island AFL–CIO.

Mr. Selig Greenberg, the medical reporter for the Providence Journal-Evening Bulletin, has recently begun a broad study of the changing patterns of health care in Rhode Island. The first article was titled "Group Health Care: Rhode Island Seen Leading the Way." Because I believe that the story of RIGHA is important and will be helpful as we move into the establishment of many new HMO's, Mr. President, I ask unanimous consent that an article in the series "Health Care in Transition" by Mr. Selig Greenberg be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

RIGHA

The tortuous history of the Rhode Island Group Health Association (RIGHA), the state's first group practice prepayment plan, illustrates graphically both the difficulties and opportunities of this innovative mode of delivering medical services.

It took labor union leadership, which originated the program but has since turned over control to a community-dominated board of directors, several years of planning, scrounging for start-up funds and efforts to overcome the coolness of the medical and hospital establishments before actual operations could get underway in June, 1971, in a newly constructed ambulatory care center on the grounds of the Our Lady of Fatima Unit of St. Joseph's Hospital in North Providence. Most of the plan's full-time salaried physicians had to be imported from outside the state.

Although RIGHA's plans called for an initial enrollment of 6,000 subscribers and the addition of 1,000 monthly for a membership of 13,000 by the end of 1971, it began operations with only 1,200 members and finished its first year with an enrollment of about 7,000. After more than two and a half years, its membership now stands at 13,500.

Since the plan had to start with a full complement of primary physicians and auxiliary personnel, lagging enrollment has resulted in deficit operations. To date, net operating losses amount to $1,050,000.

The pioneering project also has had to struggle with plethora of managerial problems under four executive directors. Some of these problems are reported to have been resolved since the Prudential Insurance Company came to the rescue last April.

Prudential, which is looking ahead to the likely enactment of a national health insurance law and wants to strengthen its position by gaining experience in the group practice prepayment field, has given RIGHA two $50,000 grants and agreed to lend it up to one million dollars, of which $900,000 has so far been borrowed.

Under a five-year management services contract, Prudential also has assigned Kennett L. Simmons, one of its young executives, as the plan's executive director and two of its other employes to help in RIGHA's management.

Aside from the Prudential loan and more than $300,000 borrowed in start-up funds from a number of local and national labor organizations, RIGHA has received nearly $500,000 in federal development grants. It also has been given up to now federal grants of $560,000 for its so-called "troubled employe" program for the early detection and treatment of persons adversely affected by alcohol or some other disruptive condition.

Simmons estimates that RIGHA will reach the breakeven point by next January, when he anticipates an enrollment of about 18,500, the maximum membership that can be accommodated in the plan's present facility.

The feasibility of establishing a second ambulatory care center in another part of the state is now being explored in the hope of obtaining federal aid under recently enacted legislation for such assistance for health maintenance organizations. A requirement in the new law that employers of 25 or more persons must offer their employes the alternative of joining group practice plans is expected to help materially in boosting RIGHA's enrollment.

"The biggest barrier to enrollment is the newness of the concept," Simmons **said.** "Word of mouth is our only weapon. If we can get people into this building and get them adjusted to the group practice concept, they'll discover that our clinic is more attractive than the average hospital clinic or doctor's office. Our location, which is not the most accessible, has been the other major enrollment barrier."

Much of the initial resistance to the novel setting of medical care is reported to have been overcome by now, and polls of the membership have shown a high degree of satisfaction.

State employes, with 2,436 subscribers, make up the largest RIGHA group. Other large groups include 1,451 Providence municipal employes, 1,272 persons enrolled through the United Small Business Associates, 600 federal employes, 590 employes of the Rhode Island Public Transit Authority, 547 employes of Corning Glass Works and 460 employes of New England Telephone Company.

The acid test of prepaid group practice organizations has been their success in reducing the incidence of costly hospitalization by stressing preventive and ambulatory services.

RIGHA estimates that last year it averaged 490 days of hospital care per 1,000 subscribers. This compares with an average of 730.53 days of hospitalization per 1,000 group subscribers of Rhode Island Blue Cross in the latest available 12-month period. In view of the relatively small number of patients involved, it may still be too early to draw any definite conclusions regarding the statistical significance of the RIGHA figures. They nevertheless appear to indicate that the new plan is on the right track.

AMMUNITION SHORTAGE IN VIETNAM

Mr. THURMOND. Mr. President, the Thursday, April 4 issue of the Washington Post included an article entitled, "A Battalion Dies at Kontum."

The writer, Philip A. McCombs of the Washington Post Foreign Service, makes the point that some 200 men and officers in a battalion were killed or lost because of the lack of ammunition.

The South Vietnamese officers in the battalion had been complaining to Mr. McCombs and other reporters that they were under a tight rationing of ammunition and the necessary support was being denied in either Washington or Saigon.

Besides the unit destroyed at Kontum, two other battalions had been recently wiped out in nearby mountains.

Mr. President, as the Senate knows, the administration is requesting additional funds in the Military Assistance Service Funded account for ammunition to aid troops in South Vietnam.

It was not long ago on this floor that those who were pushing hardest for withdrawal of U.S. troops stated we should let the Vietnamese do their own fighting and limit our help to supplies.

Apparently the supplies being provided in a critical item like ammunition is not adequate. The administration has requested additional authority to raise the MASF ceiling but approval of this request by the Congress is very much in doubt.

Mr. President, this country and the free world will suffer if we deny South Vietnam the support necessary to defend itself. Information reaching me indicates the United States is not even able to provide replacement for the South Vietnamese losses on a one-to-one basis as allowed in the cease-fire agreement.

In other words, we have preached to the world that we will help this small nation fight Communist agressors. Yet it appears we may not be fulfilling this pledge. If this is actually the case, then it is a sorry day for America.

Mr. President, I ask unanimous consent that this article by Mr. McCombs of the Washington Post be printed in the RECORD at the conclusion of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

A BATTALION DIES AT KONTUM—OFFICERS SAY LACK OF AMMO HAMPERS OPERATIONS

(By Philip A. McCombs)

SAIGON, April 3.—Forward Combat Base No. 5 in the high mountains northeast of Kontum and several nearby positions were overrun by North Vietnamese army troops yesterday, military officials here said.

Reporters had been visiting the base by helicopter for the past several weeks, interviewing government troops there, and viewing a supply road nearby being built by the North Vietnamese army.

According to officials, combat base No. 5 received 700 rounds of artillery fire yesterday and then was overrun at 2 p.m.

Two hundred government troops were killed or listed as missing following the attack, officials said. Their battalion commander, Capt. Nguyen Thanh, was killed.

He had been complaining to the visiting reporters, including me, that both Saigon and U.S. officials had been limiting his supplies of artillery because of the tremendous costs involved.

South Vietnamese troops in embattled Kontum Province have been firing as many as 5,000 artillery rounds a week at $35 a piece—as much as $175,000 weekly.

But the province chief, Mai Xuan Hau, said he needs two to three times as much to do the job. As it is, ammunition is the largest chunk of the continued U.S. military aid to South Vietnam. Of the 200,000 tons of ground ammo supplied by the Americans in the first year of the cease-fire, most was for artillery.

When I visited Capt. Thanh last week, he was visibly nervous because the North Vietnamese had recently wiped out two government battalions in the nearby mountains. The 280th Regional Force Battalion, which Capt. Thanh commanded, makes three. A government battalion has roughly 350 men.

"I've got to stay here 30 days," Thanh said then, "and I've been here a week."

It was not a pleasant place to be. The troops had dug bunkers in the hilltop, but their position seemed truly tiny against the vast sweep of the jungle mountains around it.

There seemed little doubt that the mountains were almost completely controlled by the North Vietnamese despite government efforts. There was a Communist flag tied to a tree about 20 yards down the hill from the bunkers, but nobody dared to venture across those 20 yards to take it down.

I was brought in by helicopter. It took off immediately and circled high while I interviewed Thanh and his soldiers.

When it was time to leave the hilltop, the helicopter returned and Thanh said, "Tell the pilot to take off quick and to stick to the southern side of the hill."

Thanh had repeatedly emphasized that his job was to gather intelligence on North Vietnamese movements on their new road, which could be seen as a thin line winding on the hillsides down in the jungle valley.

When his men saw movement on the road, they were to call in artillery fire. Except for trying occasionally to mine the road, their job was not to fight.

Trying to control an area from essentially static positions with the use of heavy artillery fire is a lesson government forces learned from the French and one that much of the American military influence here reinforced.

It is a tactic designed to save casualties that might be high in face-to-face infantry confrontations, but its disadvantage in the mountains of Kontum, as elsewhere throughout Vietnam during the war, is that it leaves the countryside—and the initiative—to the enemy.

Province chief Hau, reached by telephone today, said, "I was talking with him [Capt. Thanh] during the battle and suddenly I lost contact. Then the radio operator came on and told me that the captain was killed by the shelling." A short time later, all radio contact with Combat Base No. 5 was lost.

Hau said a week ago that during the previous month 300 Soviet-built tanks and trucks moved over the new North Vietnamese military road hacked through the jungle 10 miles north of Kontum City.

He called the movement part of a vast pattern of Communist infiltration since the cease-fire that has brought 50,000 fresh Communist troops into the province to build and guard infiltration routes deeper into the heart of the country.

Government forces have sent battalions of troops into the jungle to cut off the traffic, and these soldiers have relied on artillery fire more than anything else.

"We're constantly ordered to conserve ammunition," complained Hau. "We don't have enough shells. If we had the ammunition, we'd eliminate the communists."

He said he would also like to ask Congress to give B–52 bombers to South Vietnam and train Vietnamese to fly them. "Then all the Communist positions in the mountains around here will be destroyed immediately and easily," he said.

While Col. Hau said the pressure on him to conserve ammunition comes from within the Vietnamese command structure, U.S. officials also exert pressure on the Vietnamese to conserve ammunition.

While this pressure has recently been intensified and is said to have been effective, the figures to back up this claim are classified by the Vietnamese and are not available.

The amount of ammunition supplied South Vietnam depends on what is expended, on the dollar limitations imposed by Congress, and on a complex allocation process that involves sometimes exorbitant requests and, the Americans claim, tightfisted auditing.

Under the terms of the cease-fire, ammunition and equipment can be replaced on a one for one basis. How much the South Vietnamese request each month is not public, but knowledgeable Americans concede that it is often inflated by claims for ammunition that in fact was not fired.

To counter possible abuses, the United States Military Team has staffs of auditors and inspectors whose job it is to insure, by field visits, that the equipment and ammunition is properly used for the purpose for which it was intended.

American officials here say their job is to "restrain" the South Vietnamese in the use of ammunition.

This pressure for restraint is supposed to be exerted at the highest South Vietnamese levels which, in turn, are supposed to put pressure on forces in the field.

Col. Hau was asked if he thought his government had violated the cease-fire by sending battalions to occupy areas not held at the time of the cease-fire.

Article three of the cease-fire agreement says that "the armed forces of the two South Vietnamese parties shall remain in place."

The Colonel said the North Vietnamese didn't control the areas at the time of the cease-fire, either, so that they violated the cease-fire agreement by building their new road.

"In a mountainous area like that, who can claim he controls it?" he said.

FOREIGN ASSISTANCE

Mr. INOUYE. Mr. President, the Senate Appropriations Subcommittee on Foreign Operations contends that foreign assistance of whatever form and from whatever source is closely interrelated and that total resources available to any one country are perhaps the most important yardstick in measuring the level of U.S. assistance to that country.

Last year we pulled together the several components making up the President's proposed program and presented them by country and region in appendix I of our fiscal year 1974 hearing record (page 1333).

These programs are described in agency parlance as being dynamic in nature, meaning that the original illustrative program for which the funds were sought is subject to change—and frequently is—often shifting between countries and fiscal years so as to become virtually unrecognizable.

From time to time, we do request information as to these changes and on March 6, 1974 I inserted into the CONGRESSIONAL RECORD—pages 5579-5581—tables reflecting changes in the military and bilateral assistance programs as of February 2, 1974.

Today I ask unanimous consent to have printed in the RECORD two additional tables:

First. Reflecting proposed economic and military assistance to Cambodia, Laos, and Vietnam as of March 1974.

Second. Reflecting revised Public Law 480 shipping estimates for countries as of March 1974 for those countries receiving supporting assistance.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

PROPOSED FISCAL YEAR 1974 MILITARY AND ECONOMIC PROGRAMS IN CAMBODIA, LAOS, AND VIETNAM

[Amounts in thousands of dollars]

	Fiscal year 1974 proposed	Fiscal year 1974 revised estimate	Change
CAMBODIA			
Total, military and economic	287,648	599,540	+311,892
Military programs	181,430	333,867	+152,437
Military assistance program	173,000	[1] 325,012	+152,012
Military assistance and advisory group administrative and training costs	1,430	1,885	+425
Excess defense articles [2]	7,000	7,000	
Public Law 480 (sec. 104(c))	(24,720)	(136,600)	
Economic programs	106,218	265,673	+159,455
Indochina postwar reconstruction	75,000	95,000	+20,000
International narcotics control		3	+3
Public Law 480, shipments (CCC value) [3]	30,934	170,670	+139,736
Mutual education and cultural exchange	284		−284
LAOS			
Total, military and economic	375,807	168,543	
Military programs	316,700	122,590	[6] −610
Military assistance service funded	[4] 311,200	[5] 117,700	(6)
Military assistance and advisory group administration and training costs	2,500	1,890	−610
Excess defense articles [2]	3,000	3,000	
Economic programs	59,107	45,953	−13,154
Indochina postwar reconstruction	55,000	40,000	−15,000
Population programs	910	600	−310
International narcotics control	1,500	1,546	+46
Public Law 480, Title II	1,505	3,599	+2,094
Mutual education and cultural exchange	192	208	+16
VIETNAM			
Total, military and economic	2,248,026	1,977,370	
Military programs	1,594,600	1,262,300	(6)
Military assistance service funded	[4] 1,559,600	[5] 1,227,300	(6)
Purchase of local currency	(63,600)	(80,000)	
Excess defense articles [2]	35,000	35,000	
Public Law 480 (Sec. 104(c))	(137,360)	(244,000)	
Economic programs	653,426	715,070	+61,644
Indochina postwar reconstruction	475,000	[7] 354,000	−121,000
Selected countries and organizations		110,000	+110,000
Population programs	1,500	560	−940
International narcotics control	182	180	−2
Public Law 480, Shipments (CCC value) [3]	176,420	250,000	+73.580
Mutual education and cultural exchange	324	330	+6

[1] Includes the value of military assistance authorized Dec. 17, 1973, to be furnished under the authority of Sec. 506, FAA, as amended.

[2] Overseas stocks only—domestic excess if funded under MAP.

[3] Reflects the following tonnage estimates for commodities for Cambodia and Vietnam:

	Estimate May 1973	Estimate March 1974	Change
Cambodia:			
Wheat (metric tons)	35,000	25,000	−10,000
Rice (metric tons)	70,000	265,000	+195,000
Cotton (bales)	2,200	2,200	
Cotton yarn (pounds)		3,307,000	+3,307,000
Vegetable oil (metric tons)	500	700	+200
Tobacco (metric tons)	750	750	
Vietnam:			
Wheat (metric tons)	330,000	150,000	−180,000
Corn (metric tons)	100,000	90,000	−10,000
Rice (metric tons)	285,000	310,000	+25,000
Cotton (bales)	73,500	75,000	+1,500
Tobacco (metric tons)	4,900	4,700	−200
Vegetable oil (metric tons)	5,000	5,000	
Nonfat dried milk (metric tons)	15,000		−15,000
Tallow (metric tons)	1,200		−1,200

[4] The fiscal year 1974 program for Laos and Vietnam was based upon requested new obligationa authority (NOA) of $1,559.6 million for Vietnam and $311.2 million for Laos plus an estimated $229.2 million to allow for potential obligation of unobligated balances and for flexibility providing an overall obligational ceiling for both countries of $2.1 billion. This overall obligational ceiling was subsequently reduced to $1,126 million.

[5] These figures shown for Laos and Vietnam do not represent NOA as shown in the table for the proposed fiscal year 1974 programs. At the request of the staff of the Senate Appropriations Subcommittee on Foreign Operations, an estimate has been made of the total obligations which could be reported for Laos and Vietnam during fiscal year 1974 from available resources assuming that the Congress approves the requested increase in the total obligational ceiling to $1.6 billion. In addition to the estimates provided in the table, there is approximately $205 milllion in the requested increase in the overall ceiling to $1.6 billion to provide for flexibility and reprograming as necessary to meet fiscal year 1974 MASF requirements. No additional appropriations by the Congress for MASF for fiscal year 1974 would be required.

[6] The data presented in the requested estimates for Laos and Vietnam are not statistically comparable with the proposed fiscal year 1974 program; therefore, a net change figure is inappropriate.

[7] Includes $54 million supplemental appropriation request being considered by the Congress.

PUBLIC LAW 480 SHIPPING ESTIMATES—THOUSAND DOLLAR, CCC VALUES, FISCAL YEAR 1974—ORIGINAL ESTIMATE AND AS REVISED

	Fiscal year 1974, thousand dollar CCC						Net difference, original/revised estimates
	Congressional presentation, original estimate			Revised estimate			
	Total	Title I	Title II	Total	Title I	Title II	
Supporting assistance, total	282,758	272,600	10,158	549,915	544,562	5,353	+267,157
Cambodia [1]	30,934	30,900	34	194,189	194,177	12	+163,255
Israel	[2] 58,865	56,800	2,065	39,507	39,416	91	−19,358
Jordan	4,484	3,000	1,484	7,545	6,779	766	+3,061
Laos	1,505		1,505	3,599		3,599	+2,094
Malta	350		350	323		323	−27
Vietnam [1]	176,420	171,700	4,720	304,752	304,190	562	+128,332
Southeast Asia rice reserve	10,200	10,200					[3] −10,200

[1] It should be made clear that the revised figures shown for Vietnam and Cambodia are not "shipping estimates," as the overall title implies, but the maximum available under Department of Agriculture allocations. Although it is possible that the Public Law 480 shipments to Vietnam could go as high as the $304,000,000 shown, this is unlikely. For example, the $304,000,000 includes 300,000 tons of wheat. AID has entered into agreements for 150,000 tons for Vietnam and there is a possibility that as much as 40,000 additional tons will be added. The 110,000 tons in dollar terms is more than $20,000,000. The $304,000,000 also includes a 35,000-ton rice reserve which may, or may not, be committed to Vietnam, also with a value of $20,000,000.

AID uses fiscal year 1974 estimates of $250,000,000 for Vietnam and $170,000,000 for Cambodia on the basis of actual agreements entered into and what we expect to be shipped during fiscal year 1974. Details of these agreements are attached. Not all of the commodities covered under these agreements will be shipped this fiscal year. Carryovers into fiscal year 1975 are anticipated. Hence, as the agreement table shows, AID has signed agreements with Vietnam for $256,000,000, with another $13,000,000 pending, for a potential total of $269,000,000. Last year, $16,000,000 in agreements was not, in fact, shipped. Hence, AID's estimate of roughly $250,000,000 rather than $268,000,000.

[2] Includes Gaza and Jordan, W.B.

[3] Included in Vietnam and Cambodia revised estimate.

CHESTERFIELD SMITH, PRESIDENT, AMERICAN BAR ASSOCIATION, ON THE NATIONAL NO-FAULT BILL

Mr. GOLDWATER. Mr. President, on Thursday a week ago I announced in the Senate my considered view as to why the national no-fault insurance legislation now on the Senate calendar is an invasion of State prerogatives.

My statement was based on my lifelong study and readings, as a layman, of records of the original purposes of the Founding Fathers at the Constitutional Convention of 1787 and at the ratification proceedings that followed in the several State conventions which preceded the establishment of our national charter among the States so ratifying.

The basic theme of my statement was the serious concern I have that S. 354, the national no-fault bill, directly infringes upon the essential concept of federalism which the framers had so carefully implanted in the structure of the new Government they created.

Mr. President, I am pleased to have received today a mailgram by Mr. Chesterfield Smith, president of the American Bar Association, which confirms my personal analysis of the proposed No-Fault Act. Mr. Smith shares my view that S. 354 would improperly preempt the work of State legislators now actively treating the same subject in a field of legislative responsibility traditionally reserved by law and custom to the State level.

Moreover, Mr. Smith warns that S. 354 not only is repugnant to the true spirit of the Constitution, but it very likely is invalid under the Constitution by reason of its totally unprecedented attempt to mandate the administration by State officials of a federally imposed statutory system.

Mr. President, the position of Mr. Smith, both in his capacity as a representative of the American Bar Association and as an expression of his professional opinion of the serious constitutional defects of S. 354, is an important message that deserves a wide reading and the most serious consideration by the Senate. I would remind my colleagues that our branch of Congress was originally established with the view of preserving the integrity and independence of the several States as distinct sovereignties; and it is with this original, underlying purpose in mind, that I urge all Senators to review carefully the points raised by Mr. Smith.

Mr. President, at this time I ask unanimous consent that the telegram of Mr. Chesterfield Smith shall be printed in the RECORD for the information of all Senators.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

APRIL 12, 1974.

DEAR SENATOR GOLDWATER: When you begin consideration this month of S. 354, the National No-Fault Motor Vehicle Insurance Act, I urge your serious consideration of three significant reasons why I believe you should vote against enactment. First, as indicated in my Senate testimony, twenty States recently have enacted reforms and most others are considering such legislation. To enact a Federal law would not only preempt the work of your State legislators, but would also mandate Federal law in an area traditionally and most effectively handled at the State level. Second, the Department of Transportation cost study has been significantly discredited in Senate testimony. In fact, the authors of the DOT study readily admit that economic factors, regional transportation characteristics and effects of the energy crisis were not evaluated. Therefore, it is difficult to accept these cost projections which are based on fragmentary and incomplete data. Finally, I have substantial reservations on the constitutionally of this Federal preemptive law. Specifically, I am concerned with the ability of Congress to mandate the administration by States of a federally imposed statute.

I wish to emphasize the belief of the American Bar Association that the States—not the Federal Government—can best respond to the urgent need for reform of the automobile reparations system. I personally oppose Federal no-fault, without reservation, and I want the States to alleviate existing deficiencies in their automobile reparations systems. For that reason, I personally favored the adoption of no-fault by the Florida Legislature over two years ago and I personally favor similar action by other States suitably modified by local governmental traditions.

CHESTERFIELD SMITH,
President, American Bar Association.

TOWARD A HEALTHIER AMERICA: A PARTNERSHIP BETWEEN THE MEDICAL COMMUNITY AND GOVERNMENT

Mr. RANDOLPH. Mr. President, our able and diligent colleague, the senior Senator from California (Mr. CRANSTON) serves with me on the Veterans' Affairs Committee and the Labor and Public Welfare Committee. In each committee he has been an active participant and contributed substantially to our consideration of legislation on health matters. As chairman of the Subcommittee on Health and Hospitals of the Veterans' Affairs Committee, Senator CRANSTON has authored vital legislation which has vastly improved the Veterans' Administration's ability to provide for the health care needs of veterans.

As a member of the Subcommittee on Health of the Labor and Public Welfare Committee, he has participated in the development of health legislation reported from the subcommittee and authored major laws and amendments. Senator CRANSTON has applied many of the insights he has learned from close association with the VA health care system to legislation in this committee. Additionally, he has taken advantage of his membership on both legislative committees in an endeavor to create a closer coordination between VA hospitals and their surrounding medical communities.

On March 15, Senator CRANSTON addressed the Beverly Hills Medical Society, and set forth his view that this close coordination and sharing of certain resources was essential between VA hospitals and the community. He expressed his positive reaction to a recent California Medical Association offer to conduct CMA staff surveys at each of the Veterans' Administration hospitals in California. He feels that acceptance of such an offer by the VA would lead to closer coordination between the surrounding medical community and the VA and result in their mutual benefit.

The Senator from California (Mr. CRANSTON) also urged the members of the medical community to share their experience and insights as health care providers with their elected representatives, to assure that health care legislation would be workable and would result in improved patient care.

I believe his remarks will be of genuine interest to Senators and I ask unanimous consent, Mr. President, that the text of his speech be printed in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

SENATOR CRANSTON REMARKS TO BEVERLY HILLS MEDICAL ASSOCIATION, MARCH 15, 1974

TOWARD A HEALTHIER AMERICA: A PARTNERSHIP BETWEEN THE MEDICAL COMMUNITY AND GOVERNMENT

Recently, a survey conducted in two Washington, D.C., neighborhoods by the National Academy of Science, indicated that the care provided the children in those neighborhoods was far below what one would expect in a major metropolitan area with an abundance of health resources. These two neighborhoods represented two income levels: One middle to high income; the other middle to low income. In each community, the incidence of poor health among the children was substantially the same. It showed that one fourth of the children had a serious deficiency in one of three medical measures used as the criteria for judging the quality of care provided—hearing, eyesight, and anemia.

This survey points up a great challenge: The need to develop creative legislation and programs to achieve a healthier America. It illustrates that there is indeed a long—far too long—way to go before we can say we have achieved that goal.

In working toward that goal, I think two basic principles must be paramount. First, every citizen must be guaranteed the right to quality health care as rapidly as we can develop that care. There can be no double standards. Second, quality health care must be achieved through the joint efforts and close collaboration between the medical community and government through its elected officials.

Historically, Government has accepted its responsibility primarily by breaking down some of the financial barriers to obtaining health care through the establishment of the Medicare and Medicaid programs.

There are still many people, however, who find access to quality health care difficult or impossible.

Within the last few years, there has been growing acceptance that government's role must be more than just to provide for a health care financing mechanism for the medically indigent or the older American. Thus, at least eight proposals for national health insurance are currently before Congress.

Of these, I have cosponsored S. 3, the Health Security Act. I believe this proposal, while certainly not perfect, and requiring some further thought and refinement, offers the broadest range of health care to the patient, and at the same time tries to address the problem of building up the nation's health resources to meet the increase in demand for health services which is expected to result from the adoption of a national health insurance program.

There can be no doubt that national health insurance will be a major topic of discussion this year, and that the next few years will see the eventual implementation of a national health insurance program. As I see it, this program will be a blend of the several proposals before us now.

President Nixon's newest health insurance proposal is a significant advance over his first proposal two years ago.

The basic benefits are decidedly improved over those he first proposed, and his new plan would extend coverage to many segments of the population excluded under his previous proposal.

However, the Administration's proposal would require middle and marginal low-income families to make excessive payments which would deter their receiving comprehensive and preventive health care. I am also most concerned that the average illness would then turn out to cost more out-of-pocket to the Medicare beneficiary than at present under Medicare. In its analysis of the Nixon proposal, the National Council of Senior Citizens has estimated that the out-of-pocket cost under the plan of the average 12-day hospital stay for Medicare beneficiaries would be quadrupled—rising from the present $84 to $342.

In addition, some services now provided under Medicaid for indigent persons would *be reduced* under the President's proposal. For instance, indigent persons would be required to pay for a portion of basic services now provided to them at no cost. The preventive health care benefits presently available to Medicaid beneficiaries up to the age of 18 would be limited and would apply only to individuals up to the age of 13.

Moreover, I don't think we should give the health insurance industry a major responsibility in administering reimbursement with almost no Federal regulatory standards or procedures, as the President proposes.

I also don't think Mr. Nixon—or whoever put together his proposal—gave enough consideration to the errors of the original Medicare program, where there were insufficient procedures to control overall health care costs (especially during hospitalization) and to provide incentives for the more efficient and effective use of expensive medical resources.

In developing a national health insurance program, I hope we can receive the greatest input from practicing physicians. You will be on the forefront of those who must make any program that is adopted work. Your experience in patient care—in knowing your patients and their attitudes toward health care, in knowing the problems of health providers, in knowing the strengths as well as the weaknesses in your own community, will be an invaluable asset in the development of a successful, workable program for national health insurance. I urge you to share with me the insights and knowledge you have acquired as providers in the current health system.

In building towards some kind of inevitable national health insurance program, we in Government, and you in the medical community share a major responsibility—to create a system that can withstand the phenomenal pressures that will be brought to bear on the full range of existing health resources by the establishment of national health insurance.

At the Federal level, some of these first steps have been taken in programs to increase the nation's health manpower through incentives to health training institutions to train more physicians—with specialties meeting the demand for more family services—and more dentists, nurses, and other professionals, as well as the urgently needeed extenders of the highly trained professional—for example, the physician's assistant, the dental therapist, and the specialized surgeon's assistant. The trend within the past decade to use the nurse more effectively as a nurse practitioner in specialized fields has received the bulk of its impetus from Federally-supported programs. I have been at the forefront of these legislative efforts in Congress.

In the field of medical research, the Federal government has made a massive contribution—some 63 percent of the nation's biomedical research budget is derived from Federal sources. Despite short-sighted efforts by the Administration to cut back biomedical research in all but a few highly "popular" areas—cancer and heart and lung disease—we are continually trying to broaden this support.

I'd like to mention a few of the steps I am taking to build our health resource capability.

One of these steps is legislation I cosponsored to establish an Institute on Aging. This new Institute will focus attention on finding solutions to the biomedical, psychological, and social problems of the older American who now represents ten percent of the population—a statistic that cannot help but become greater as medical science continues its steady advance against illness and the two major killers, cancer and heart disease. It will develop and encourage research in the aging process. This legislation, pocket-vetoed by the President in 1972, passed the Senate again last year. It should receive favorable consideration in the House in the next month.

I recently introduced the National Arthritis Act which, when enacted, will provide the means to mount a national attack on arthritis. This attack will be supported through an organized program of basic and clinical research directed towards medical areas defined as most promising by a panel of experts. It will also include a concerted effort to develop early diagnosis and control of arthritis, and to establish centers where arthritis sufferers can be referred for the most up-to-date treatment and rehabilitation, and where professionals can be specially trained to treat this crippling and disabling disease. This bill now has 51 cosponsors!

In the area of improving health services, I am particularly concerned at the difficulty many people have in obtaining specialized medical services in an emergency. In many parts of the country there is in reality no system for taking care of the emergency victim. Rather, there is a haphazard approach of trusting to luck that all the essential elements of an emergency medical services system will fall into place when needed. But this does not just happen.

Instead, in times of medical emergency, precious minutes have been lost—minutes that could mean life, or freedom from permanent disability. Here in Beverly Hills, I understand that there is no emergency room open to the public 24 hours a day. When sudden illness strikes, someone has to know how to call the Fire Rescue Squad and indeed has to know that that is the entry point into the emergency system.

Then, if it's not rush hour, it's a quick four minute run to U.C.L.A.'s excellent emergency room. If traffic is heavy, it may take considerably longer.

Beverly Hills has a reasonably workable system. However, most other communities are not as fortunate. Their problems will, I hope, be solved through implementation of legislation I authored—the Emergency Medical Services Systems Act of 1973. There is $27 million available this year under this new law to help communities organize their emergency medical services into systematic approaches, to develop the necessary transportation and communications facilities, to train the necessary personnel to provide the care—from the Emergency Medical Technician to the emergency room physician—and to provide the necessary services quickly and efficiently;

The advice of the medical community was invaluable in developing this new law as it has been in all my legislative activities related to health matters. I have always sought the suggestions of the providers of health care, as well as the consumers, on these matters, and have always found them eager to be of help. They have offered very important insights.

I hope to keep this avenue of communication wide open in the future consideration of health legislation before Congress, as well as in my oversight responsibilities for Federally-supported health programs.

A case in point is the recent proposal to me by the California Medical Association that it conduct CMA staff surveys of all the Veterans Administration hospitals in California. As Chairman of the Subcommittee on Health and Hospitals of the Veterans Affairs Committee, I have been actively engaged for the last five years in efforts to improve the quality of care at VA hospitals.

As part of this effort, I have stressed repeatedly the importance of involving the VA more closely with community medicine and vice versa, and I have authorized a great deal of legislation that is now law, to bring about this essential communication and cross-fertilization. I believe strongly that the $3.2 billion VA health and hospital system is a great national health resource which can while improving health care for veterans serve all Americans in developing new methods of treatment, research, and health personnel training.

Thus, when the CMA's suggestion was made to me last month, I welcomed it, and immediately began discussing it with various persons in the medical community, and then with the VA Department of Medicine and Surgery. I am now recommending to the VA Chief Medical Director that the VA accept this offer. I am convinced that the CMA Staff Surveys of California VA hospitals can only result in better patient care for veterans.

In fact, this extension of the CMA staff surveys to the VA hospitals seems a logical extension of the CMA/RMP patient-care audit system which I understand the majority of Veterans Administration hospitals in California already are using. The VA use of this internal review system serves as an excellent example of the cooperation and coordination that can exist between the medical community and Federal health programs.

This brings me to the newest role government is playing in the medical community, that of assuring that health care provided under Federally-financial auspices meets the highest quality standards. The Professional Standards Review Organizations, authorized by H.R. 1 two years ago and now being implemented, will be the vehicles for carrying out this responsibility.

The CMA/R.M.P. medical audit serves as an excellent example of the positive contribution which can be made by the medical community itself in assuring quality care.

It is encouraging to note that these CMA/RMP audit programs are being adopted in 38 other states. Undoubtedly, their influence will be felt in regard to R.S.R.O. programs as they are established throughout the country.

One of the concepts included in the CMA/RMP audit, which I applaud, is its recognition that patient care evaluation is an interdisciplinary responsibility. Another is that it is oriented towards providing a learning experience and continuing education program for participating health care personnel, rather than an adversary program where one group of peers is acting as judge of the qualifications of others and acting merely as a disciplinary force rather than primarily as an educational one.

Through programs such as the CMA/RMP patient-care audit, the process of achieving better health care for all Americans is going forward in the medical community itself, building upon the knowledge gained in the past in order to improve health care in the future.

Government—at all levels—must similarly focus its efforts on developing positive measures to improve health care. It cannot rely on arbitrary measures to restrict patient utilization of health serviecs by time-consuming prior authorization for hospitalization, or by arbitrarily limiting the number of services which can be received over a particular period of time.

I believe we should and must rely in the first instance on the good judgment and integrity of health care professionals to make basic medical judgments, back-stopped by an effective, multi-disciplinary, progressive utilization review system. Diseases and injuries are not, of course, treatable on paper. They exist in the very personal context of the individual patient and the overlay of his or her particular medical history and current social, economic, psychological, and physical make-up.

Good patient care can not be prescribed by a computer printout. The human factor on the giving and receiving end is all important.

That is why we cannot rush headlong into massive new procedures such as contracting with pre-paid health plans without first thoroughly evaluating their ability to provide comprehensive, compassionate, health services and to establish adequate safeguards to assure quality.

In the short run, such steps may achieve a dollar savings, but in neither the short nor the long run do they necessarily contribute to the desired goal—quality health care for the individual patient.

In fact, these kinds of short-sighted measures may very well prevent quality and cost-effective health care by setting up artificial barriers and measures not applicable to particular patient needs and medical situations.

Such measures, I believe, were the result of administrators looking too much to the pocketbook and too little to the basic purpose of health programs. The process must, of course, be a delicate balance which cannot be properly struck with a meat axe or a bludgeon. Something closer to the precision of a surgeon's scalpel and an electrocardiogram's fine tuning are needed.

I believe that much unfortunate skepticism about prepaid health plans here in California has resulted from this headlong plunge to cut costs at the expense of quality care. And to do so particularly for those who cannot afford to purchase their own care. In the process, many fine programs have been tarnished by the notoriety of a few that were poorly planned and poorly administered.

Now, the California legislature is taking steps to ensure that a high level of care is provided by prepaid plans, and in Washington the amendments to the Social Security Act, currently in Conference, include language which will assure that any prepaid health program, contracting to provide services under Medicaid, must meet certain basic requirements.

Hopefully, the problems which arose will now be corrected by what I believe is an example of responsible and responsive action of elected representatives both in Sacramento and Washington, who have thereby shown their dedication to the principle that quality health care must be provided in the most efficient manner and must be of one standard for all.

I know this is also the prime consideration for you in the medical community.

I believe that working together we can achieve our mutual goals. I again invite your full partnership in my efforts in this field, and I look forward to your active participation with me in the development of new programs and processes to assure a healthier America.

DEFENSE BUDGET DECLINING

Mr. THURMOND. Mr. President, despite many statements to the contrary, the defense budget is declining and has been declining for the last several years.

An editorial which brings this point into sharp focus appeared in the Tuesday, March 26 issue of the Augusta Chronicle newspaper, Augusta, Ga. Entitled "Peril in Weakness," the editorial takes note of reports that the defense budget will apparently be cut sharply by the Congress. It also draws attention to the fact that as a percent of the national budget, defense has declined a great deal in the last few years and in many areas we are falling behind the Soviet Union in military preparedness.

Mr. President, I ask unanimous consent that this editorial be printed in the RECORD at the conclusion of my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

PERIL IN WEAKNESS

The probability is that our country's proposed $85.8 billion defense budget will have smooth sailing in the Congress, it is reported by Congressional Quarterly staff writers close to the Washington scene.

But the reason for their forecast is that the Nation—and its congressmen—are "preoccupied by impeachment, energy and the economy." This situation may turn out to be the determining factor, but if we have an adequate defense simply by default of those who might normally urge unilateral disarmament, we as a people will have learned little. We should stay at least as strong as the Soviet Union because the clear lesson of all history is that weakness invites aggression.

As a matter of fact, an attack on the Pentagon's budget requests does come from what might be thought an unlikely source—a former secretary of Defense. Clark M. Clifford's proposal that spending be cut $4 billion in each of the next four years until it leveled off at $70 billion is a demonstration of one major reason the Vietnam war stretched out so long, with so many needless casualties. The former Defense secretary then was against the use of power to gain an earlier peace, and he now is against the creation of power which could assure the retention of peace.

It is true that the $85.8 billion requested is the largest dollar amount ever proposed. Disarmament advocates will trumpet that fact from the housetops. What they will be very quiet about is that (1) galloping inflation makes this amount far less in purchasing power; (2) vastly expanded costs of recruiting and retaining personnel sharply whittles down spending for other vital needs; and (3) the amount, large as it is, is still—in the words of Rep. Robert L. F. Sikes (D-Fla.), ranking Democrat on the House Appropriations Defense Subcommittee—"shrinking" as a percentage of the total budget. If one wishes to locate spending areas that have expanded most exorbitantly, and offer the greatest challenge for economy, he should look to the social programs which do little except pay for wasteful armies of bureaucrats.

An article in the March 15 issue of National Review by Sen. James L. Buckley (Ind.-N.Y.) notes that Russia has forged ahead of us in all-important nuclear weapons. Over the past five years, he points out, U.S. expenditures for strategic forces have declined from one-third of our defense funds to less than one-tenth. Not only has Moscow developed five new strategic ballistic missiles in just one year—it also has turned out two new missile-launching submarines in the same period.

Half the Soviet navy has been launched since 1964, and its air force has been modernized and enlarged. Our ground forces have shrunk while the Russians have maintained 75 divisions.

Worst of all, our research for defense has been reduced 21 per cent while the Soviet research continues at a level 50 per cent above our own.

It may indeed be, as Congressional Quarterly observers predict, that the defense budget will pass substantially as requested. Members of the Congress, however, if they value our security, will be on the alert to repel attacks such as that by Clifford.

I.R. & D. AND THE TECHNOLOGY BASE

Mr. CHILES. Mr. President, I would like to call to the attention of my colleagues an excellent article by Vernon Pizer in the February issue of the Washingtonian magazine entitled, "Who Unplugged America's Science Machine?" It is a comprehensive and lucid study of the current decline in scientific and technological research and development on the Federal level.

I have been extremely concerned about the long-range effects of this erosion on the technological base of this country, particularly in the energy, space, and defense areas. To continue to undercut scientific development in areas affecting all levels of society would be nothing short of disastrous.

However, there is more to the problem than the need for increased and sustained Federal funding of contracted research and development. We in the Congress must begin to think in terms of a total national base of research and technology. In this regard, research and development performed independently by the Nation's innovative industries, both large and small, is part of our problem and must be part of our solution.

How to sustain and enrich the Nation's base of research and technology is the central issue. Alternative mechanisms to do so, of which I.R. & D. is only one, then must be thoroughly evaluated not only for the beneficial results but also for the adverse side effects that these techniques generate.

Mr. President, I ask unanimous consent that the Washingtonian article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[Reprinted by permission of Washington Magazine, Inc., February 1974]

WHO UNPLUGGED AMERICA'S SCIENCE MACHINE?

(By Vernon Pizer)

Last fall, in a White House ceremony that was resurrected after a two-year pause in its annual scheduling, President Nixon awarded the National Medal of Science to eleven people. The event drew perfunctory coverage from the daily press, but scientific Washington—and scientists around the nation—were attentive almost to the point of mesmerization. Nobelists, leaders of professional societies and technological think-tanks, or just plain bench scientists subjected every facet of the awards to the kind of hair splitting analysis dear to Talmudic scholars: Composition of the guest list, manner in which the event was staged, length and character of the Presidential remarks, degree of warmth in the Presidential voice.

This remarkable attentiveness to nuances suggests the complex and fragile relationship that exists between science and government, a relationship exerting a direct, very large influence on everyday life—after all, everyday living now is in almost all ways conditioned by science and technology. It raises a series of pertinent questions. What is the state of American science? What is its relationship with government? What are our national science policies? How and by whom are these policies being shaped? What has gone awry in our handling of science and technology to put our energy supply in jeopardy? What other crises are about to come down on our heads and what needs to be done to protect us from them?

In recent years the scientific community has reeled from a series of rebuffs it was not prepared for. After World War II—a conflict as much, or more, a contest of technologies as of armies—the public genuflected at the altar of science/technology. Later, when the Soviet sputnik threatened our national pride, US science rallied to the cause again, mounting a massive, successful assault on space. Then a curious thing happened on the way to the mid-1960s—significant numbers of people began to have doubts about the quality of life in a technological society. There was a recoil from mechanized, computerized, plasticized, depersonalized living. There was condemnation of chemical preservatives in food, perversity in telephones and cars, hazards in microwave ovens and paint formulas, industrial debris in water, soil, and air.

While much of the public was rebelling against it, the scientific community faced disturbing questions about its proper role and responsibility. Its self-examination and self-doubt were intensified by the war in Vietnam, which channeled so large a portion of the scientific effort into destructive acts. A dormant organization, the Federation of American Scientists, was rejuvenated to lobby Congress, harry the Administration, and galvanize broad support for what the FAS conceives to be the proper uses of science. Much of the scientific community deplored the active politicizing of science, but FAS membership increased from several hundred five years ago to some 6,000—including 33 Nobelists—today.

In early 1973 President Nixon, with the blessing of Congress, bashed the wrecking ball against the White House science structure. Eliminated from the Presidential staff were the Science Adviser to the President and two groups chaired by him: the Office of Science and Technology (OST) and the President's Science Advisory Committee (PSAC). Scientists could rationalize their fall from public grace, could even empathize with their detractors. They could live with the ferment and militancy within their own ranks, even ultimately benefit from this exercise in self-criticism. But the upheaval at 1600 Pennsylvania Avenue left them dismayed, apprehensive, and confused. Hence, the attention they lavished on the recent Presidential science awards.

To be sure, the White House announced that the Science Adviser's hat would be worn by the director of the National Science Foundation, a federal agency. In addition, the functions of the disbanded OST were to be assumed by a new Science and Technology Policy Office to be established within NSF. But gone entirely was PSAC, created by President Eisenhower to channel to the White House the views of the nation's most distinguished scientists and engineers. A feisty, intellectually uninhibited bunch, PSAC's eighteen members commuted to monthly meetings in Washington, where they frequently opposed Administration projects and exhibited a penchant for seeking flaws in military technology proposals. Not unduly awed by the Presidency, more than once PSAC members publicized their disagreement with Administration views. It was not too surprising that Mr. Nixon eliminated the committee. But in doing so he severed a conduit of extremely sophisticated scientific advice whose value was enhanced by the very independence he found abrasive.

Did the White House's dismantling of its scientific apparatus signal a Nixon Administration downgrading of science at a time when the nation has problems only science can solve? Did it reflect Nixonian pique? After all, PSAC had been nettlesome; an OST consultant had helped shoot down the SST when Mr. Nixon was trying to push it through Congress; the scientific community had largely opposed Mr. Nixon during his campaigns for the Presidency.

"The President was certainly aware of the scientific community's disapproval of him, and the role this played in the breakup of the White House science mechanism cannot be discounted," say Dr. Glenn Seaborg, Nobel prize winner, until two years ago head of the Atomic Energy Commission, currently chairman of the American Association for the Advancement of Science. In a voice oddly small for his gangling six-foot-three-inch frame, he continues: "But the more I analyze the breakup, which I found distressing, the more I feel it stems mainly from two factors. One is Administration uneasiness with science and scientists, an uneasiness tinged with a peculiar, unexplainable fear of science. The second is White House disdain for scientists because, from the politician's viewpoint, we lack political acumen. To fall back on what I imagine is now outdated slang, we are too square to fit the convolutions of politics."

Predictably, Dr. H. Guyford Stever, director of the National Science Foundation and former president of Carnegie-Mellon University, defends the White House: "It is nonsense to think that this Administration is anti-science. The Administration has"—he pauses here to search for the right word—"cautious respect for science. It believes decentralization away from the White House will enhance performance by moving the federal organs of science into a better relationship, by bringing basic research closer to those who apply the research. But moving the Science Adviser from the White House doesn't mean the President loses touch with science. I have ready access to him when I feel the need. Furthermore, and this isn't appreciated, prior Science Advisers were covered by executive privilege because they were on the President's staff and so they were not available to Congress. Executive privilege does not extend to me. I am within reach of Congress and have already testified at hearings on the Hill. This opening up of communications has to mean better science."

Dr. Stever's statement invites skepticism. When there was a Science Adviser at the White House he regularly attended meetings of the National Security Council, the Defense Science Board, and, when appropriate, the Joint Chiefs of Staff. He had direct access to the President. All this meant he had thorough knowledge of government actions—and contemplated actions—related to science.

Things are different now. Direct participation in NSC deliberations is only by invitation, sparingly issued. The military follows a policy of benign neglect toward the Science Adviser. Access to the President has become indirect: The Science Adviser now communicates through two filters—the Office of Management and Budget and George P. Shultz in his role as Assistant to the President. Stever can make an end run around these screens but he doesn't often try it. Finally Stever's assertion that former Science Advisers were unavailable to Congress is a bit misleading. The Science Adviser was beyond reach of Congress only in his role as Presidential assistant; in his role as head of the Office of Science and Technology he was—through the arcane logic that determines the extent of executive privilege—available. Both Jerome Weisner and Don Hornig, two of Stever's predecessors, appeared before Congressional committees.

"On paper, Stever has a set of responsibilities that sound impressive, but when you examine the facts you find anomalies," says Dr. Philip Handler, president of the prestigious National Academy of Sciences. "For instance, of all the federal agencies involved in science—AEC, NASA, HEW, DOD, and the rest—only Stever's NSF has a broad hunting license to pursue and support basic research across the whole spectrum of inquiry; all the others confine themselves to science that is related to their assigned mission. One of Stever's multiple responsibilities is to chair the Federal Council on Science and Technology, which is composed of all the agencies doing science. The idea is that Stever, with his clout as Science Adviser and his NSF range over the whole of science, can use the Council as a vehicle for inter-agency transfer of knowledge, for sharing of projects and facilities, for cross-fertilization of concepts and insights, and so on. But the Council has never lived up to its potential and Stever is handicapped in turning things around because the Adviser's clout diminished the moment he left the White House and because NSF is a small agency in a league of big agencies. Those are simply the realities of bureaucratic life."

When Handler adopts his favorite reflective pose—torso draped low on one chair, feet extended on the seat of another—you sense that while his body rests his mind remains standing at attention. "Many, but not all, of the functions of the dismantled White House science apparatus have been assigned to NSF. My fear is that these additional responsibilities may divert Stever and his top people from their original task. Bear in mind that NSF is the only government agency specifically mandated to support basic research across the board. In addition, the fact remains that the upheaval in the White House left a critical void and nothing has been devised to fill the vaccum. Any way you look at it, it is inescapable that the Science Adviser has been pulled down to a lower level. When he was in the White House he was the President's in-house problem solver. The President needs him close at hand, needs him as an expert who can serve almost as an adversary to the cabinet departments submitting science proposals. Somebody is going to have to re-invent the Science Adviser at White House level."

Roy Ash, head of the Office of Management and Budget, is nominally one of the two intermediaries between Stever and the President. Actually, the OMB screen on a daily basis has been Dr. John C. Sawhill, OMB Associate Director for Natural Resources, Energy, and Science until his recent appointment as Deputy Director of the new Federal Energy Administration. Sawhill concedes that removal of the Adviser from the White House fostered widespread belief that the Administration had assigned science a lower priority, "but we don't think we should have a White House adviser on science any more than one on Indian affairs or education." He also concedes that turning the advisory function over to NSF creates a small-frog-in-a-big-pond situation, since NSF is dwarfed by the other federal agencies doing science, "but we will sit down with Guy Stever and give him some say in how we allocate resources to all the agencies and we will make sure the agencies know we are doing this."

Sawhill did not seem to recognize that his statement implies that the advisory post was seriously impaired when it was severed from the White House. His statement also is a tacit confirmation of the view held by knowledgeable insiders that the federal approach to science is less a product of scientists than of Administration business managers.

A man with impeccable inside credentials is William D. Carey, now vice president of the Arthur D. Little management consulting firm, but until 1969 the assistant director of the Bureau of the Budget, where his field of oversight was science. "I've seen evidence that Guy Stever is operating with considerable confidence, developing channels to industry and the academic institutions and putting together a fine group of people in NSF, but he has an uphill struggle to infuse his influence into a Presidency in great disarray," he says. "And the way the scenario is written, his problems are even worse than I contemplated when the changed set-up was first announced. The truth of the matter is that while he has two supposed channels to the President, in practical terms the two merge and become one. Shultz has his plate full and can only ration a splinter of his attention to science. About the only science that gets through to the President is what manages to filter through the screen and the screen is OMB."

In other words, federal science is to a considerable extent what the Office of Management and Budget says it is. This is not necessarily bad for science. It can't flourish in isolation from economic reality and the claims of other national requirements. Nevertheless, it is unsettling to find that much of the mold in which US science is cast is being shaped by the hands of John Sawhill types. And no matter how sensitive those hands are, they belong to men whose expertise is confined to business administration.

I asked Dr. Sawhill how a financial manager makes decisions in the labyrinth of science and technology. He responded forcefully: "By applying proven management techniques, including the yardstick of cost effectiveness. We simply use our accumulated analytical wisdom to arrive at a sound judgment."

In discussing the philosophy with which he approaches his task, Sawhill said, "We can't move too fast on science and technology. The President, any President, can be a leader to only a very limited extent; he can't be far ahead of the people. He can't introduce a program until the people are ready to support it and the people won't be ready until they are in a crisis situation. Once we are in a crisis we can shape a crash program to deal with it. I believe in the efficacy of crash programs. It is only when you marshal all your talents and resources on a crash basis that you get good, hard results."

Strange words from a management expert. Wernher von Braun once told me, "I can't understand Washington's penchant for getting boxed into a corner and then relying on a crash program to get it out. A crash program can't make up for lost time. It's like trying to compress nine-month gestation into one month by impregnating a woman by nine different men simultaneously."

Bill Carey shook his head when I asked his opinion of the Sawhill philosophy. "I don't deny that if you suddenly face an unexpected problem of major scope you have to concentrate resources and get priorities to deal with it, but if we have learned anything about crash programs it is that they result in tremendous waste and dislocation. I can't agree that our science should evolve on a crash basis. That's like setting out to jerk science up by its ears and make it bark the way old Lyndon used to hoist his beagle."

Dr. Seaborg sounded almost sad as he observed, "I don't understand why Presidents can't lead. If they don't who can? As for crash programs, they are surely the most inefficient, ineffective course to chart. I can't conceive of anyone wanting to go ahead on a crash basis."

Dr. Philip H. Abelson, president of Carnegie Institution of Washington and editor of the influential magazine *Science*, says, "The government consistently and successfully fumbles away our scientific and technological resources. Look how we diverted so much of our talent and resources to foolishness like Apollo. We got a little return from it but nothing commensurate with the tremendous investment. We don't look ahead, don't make balanced, rational plans for the future because the politicians are here-and now oriented. They want the quick, visible payoff and they're willing to mortgage the future to get it. They couldn't care less about an undertaking that might take, say, ten years to bring to fruition because they won't be in office then."

Is Abelson overstating the ineptitude of politicians? Is he expressing the feelings of a scientific community stung because it is not permitted to dip freely into the cookie jar? It did not seem so to me when I attempted to assess the performance of the Administration and Congress in science matters.

"When the Administration comes up with a program, they send it to us for legislative action but they don't accompany it with the high-level discussion out of which the proposed program emerged," a source on the House Committee on Science and Astronautics complained to me. "This denies us access to the reasoning behind it and to evaluation of the options and alternatives that were considered. It leaves us more or less groping our way until we finally reach the hearing stage and try to ask the right questions of witnesses. But in the meantime a lot of members have gotten themselves locked in by their public statements on the proposal, especially if it is one that attracts wide attention. That is a very unhealthy situation.

"Look what happened with the Clean Air Act. The legislation was first brought up in Congress at the time the country was all stirred up over ecology. Congressmen feel pulses more sensitively than doctors. Their reading of the public pulse led many to declare forcefully that they would keep auto exhausts from further fouling voters' lungs. They were committed to the legislation by the time we reached hearings so when they asked the experts if they could clean up emissions by such and such a date and the experts said 'Yes, but . . .' they chopped off testimony at the 'but.' They didn't want to hear about the technical problems, the effects on gas consumption and engine performance, the high cost of clean-up, and the possibility that the process of eliminating one harmful emission might merely substitute a different harmful emission. The bill was passed, face was saved, but few would agree it is a distinguished piece of legislation."

The Clean Air Act is only one of several poor Congressional actions in the area of science. Another that came home to haunt its supporters is section 203 of the 1970 Department of Defense authorization, the so-called Mansfield amendment, which required the Department of Defense to abandon all basic research not linked directly and demonstrably to specific, legitimate military requirements. (Although the legislation singled out DOD, the other mission-oriented agencies interpreted it as a signal and discontinued basic research not clearly tied to their missions.) Scientists cried out that basic research seldom is clearly definiable in terms of end-product use that the knowledge it produces is not divisible into good and bad, that it can't be segmented like sausages according to its potential application. They pointed out that from basic research conducted for the military came cryogenics, lasers, antibiotics, radar, jet airplanes. Congress paid no heed.

(Scientists generally praise the National Science Foundation for trying to prevent the more damaging discontinuations of basic research by taking over some of the projects abandoned by the mission agencies. But the hole in the dike was bigger than the NSF finger, and much research just leaked away.)

For twelve years—from the time of his first election to the House until he chose not to stand for re-election in 1970—Congressman Emilio Q. Daddario of Connecticut was one of the few who labored consistently for better science legislation, a record the more admirable because during his incumbency the public outcry against technology was shrill and he could have made political hay by joining the anti-science chorus. Daddario grants that the Congressional performance in science has been less than sterling. He admits that many Congressmen lock themselves into unwise positions before the facts are developed. But he understands why Congress has not performed better: "Congress hasn't had an adequate in-house mechanism to develop the facts lucidly, objectively, and rapidly. It hasn't had the tools to look ahead in science, to try to match national resources to national needs, to relate specific technologies to other areas of national life and to assess their effects on them. In short, there hasn't been sufficient Congressional capacity to evaluate, to anticipate, and to plan in the sciences."

But now, largely because of Daddario's efforts, the view from the Hill is due to change. Congress recently created the Office of Technological Assessment. The apolitical structure of OTA is promising: It will be overseen by a twelve-man board selected equally from members of both Houses and of both parties, and it will be advised by a twelve-man council drawn from consumer groups, industry, and the science community. Daddario has been appointed its operating head, another good sign. Perhaps most reassuring of all is Daddario's operational design for OTA—"We will develop our data and recommendations by going to the best experts, whoever and wherever they are, and drawing on their knowledge and insights. That will permit us to be a tight, trimmed-down body unfettered by institutional fat and parochial views and able to move quickly in any direction. I don't intend to create a bureaucracy of resident eggheads."

Perhaps reaction against science and technology preordained the current energy crisis. It is interesting to see how knowledgeable people assess the circumstances that cause us to be where we are today.

Dr. Stever says candidly, "We are in an energy crisis largely because this and preceding Administrations failed to heed the warnings that were given them. Back in 1964, one of my predecessors as Science Advisor, Don Hornig, alerted the White House in a report of hundreds of pages that made clear the dimensions of the developing problem. Succeeding advisers repeated the warnings but the White House was not spurred to action."

"More than anything else," says Dr. Seaborg, "it was the failure of the decision makers to act that got us into this. For years the technical people have been warning that our energy base needed to be expanded and improved to meet our mounting requirements. I spoke out on this publicly and in government councils in urgent tones as far back as the early 1960s. It has taken at least a decade for the decision makers to heed the fire-bells that were rung."

Dr. Abelson says, "We are caught in a bind because of mismanagement and complacency and because we got—and are still getting—more breastbeating than really incisive, definitive, long-range direction. The first thing we have to agree on is that there have to be trade-offs. A perfect environment is an impossible dream. If, for example, we say we can't have new refineries because they stink, then we can't have energy."

Dr. Handler points a finger at both science and government. "Scientists and technologists yelled, but not loud enough, long enough, or soon enough; they didn't foresee that automobiles would be reproducing themselves in annual twelve-million increments; they didn't make adequate projections of needs and resources. Government was stodgy, listless, dozing off. My God, the Bureau of Mines should have been hot on the trail of coal gasification twenty years ago."

Dr. Sawhill of OMB responds, "The technical people sounded the alarm but we simply had to wait for the crisis to come in order to have public support for a major program to cope with it."

The energy crisis should be a warning. We are facing a problem of even greater proportions. "Energy has me worried but basic materials have me worried even more," says Guy Stever. "We must move rapidly and wisely in the field of materials science because shortages are approaching critical stage." The materials problem did not appear overnight. On July 14, 1968, the National Bureau of Standards issued a report on materials that emphasized the need to deal quickly with corrosion problems. Some of the warnings: U.S. losses each year due to corrosion are more than ten billion dollars, at least one billion of it in federal facilities alone; almost 40 percent of US steel production is for replacement of corroded parts and products. But no meaningful program was launched to correct the appalling corrosion waste.

Dr. Handler cites statstics: "Of 75 critical minerals we need to support our economy, 25 percent do not exist in this country, so we must depend entirely on foreign sources whose supply is diminishing at the same time that consumption around the world is mounting. Another 25 percent of the minerals exist to some degree in this country so, at least for now, we can satisfy a portion of our needs from domestic sources. The remaining 50 percent exists domestically in quantities sufficient for current needs but in 20 years, 30 at the outside, the 50 percent in which we are now self-sufficient will have been slashed in half. So the situation is grim. An approach like recycling is only one of a whole range of answers that have to be found. What's needed, and quickly, is an innovative, across-the-board effort in materials science to come up with fresh, imaginative technologies. But who is formulating national policies that will meet the problem head-on and lead to solutions? Nobody. That worries the hell out of me."

The key word in the foregoing is "policies." Those who pursue science all agree that the primary flaw in the way the nation handles science is the failure to devise a rational, consistent policy. As Handler says, "This country has never had a science policy. We never looked at the subject in its entirety and formulated an intelligent, over-all approach. What we have had is bits and pieces of *ad hoc* policies to deal with bits and pieces of science; often they were wasteful if not downright counterproductive. For instance, the Mansfield amendment was adopted just to deal with defense science but as a result of it twelve materials laboratories were abandoned. Or take the fiasco of the President's War on Cancer where a 'disease of the month' was picked and people and resources were pulled from other health programs to attack it. Focusing unduly large effort on finding a quick payoff on cancer unbalances the total quest for medical knowledge, pinches NIH's ability to perform research over the spectrum of biomedicine, research from which could come the answers to a host of medical riddles including—ironically—cancer. This kind of thinking permeates the whole fabric of science because the fabric is woven largely on looms controlled and funded by inept, myopic federal decision-making. At one end of the scale we wind up with scientists so busy as entrepeneurs making a pitch for funding that they have damned little time for science, and at the other end we have a few jewels almost lost in a pool of well funded mediocrity."

Seaborg—"We need to fill our policy vacuum. We need to announce a strong program of support for basic research, and a workable mechanism for establishing priorities in the various fields of science/technology consistent with our national requirements. It is long past time that we recognized that science has a potent capacity to determine the welfare of the nation and so must be accorded a central and continuing role in the decision-making process."

Carey—"We have no firm or lasting policies. We have only a series of temporary policies and they are temporary each year according to the shape of the budget. Our attitude toward science is tactical, not strategic, and that's not good enough. We must look ahead, must devise an enduring policy and a coordinated program for long-range gains."

Daddario—"Because there is no definitive science policy we are forced to fall back on short-range responses jerrybuilt to meet each crisis at its apex. We simply have to fashion a national policy on a rational, anticipatory basis with the executive and legislative branches, the public sector, the academicians, and industry all influencing its ultimate shape so that it is a national concensus. It has to look ahead at our needs and goals and provide the scientific-technological vehicle to get us there, and it has to have enough flexibility so that it does not stifle initiative."

Abelson—"Science is pursued on 10,000 fronts and the opportunities on each front are variable and shifting so there must be sufficient resiliency to seize them when they appear. But the resiliency has to be within a consistent and continuing framework and we have never had that. Those who administer science and control its pursestrings constantly waver, responding to enthusiasms of the moment. Starting back in the Kennedy years the government granted vast numbers of fellowships to lure people into the sciences so we wound up with many who should never have been in the field. Now the pendulum has swung the other way and the government has come very close to abolishing fellowship completely so we are failing to get many who could add strength to science. This start-and-stop inconsistency is pitifully common and it squanders resources and brains. Every time a field of science generates a wave of popular enthusiasm every government agency tries to get on the gravy train; as soon as popular enthusiasm switches to something else they immediately change trains. What we need desperately is a sound, coherent government way of handling science, one that cuts out the train changing."

What we seem to have is a science/technology community afloat on a sea of governmental ineptitude, erratically propelled by winds that blow hot or cold or not at all from the White House and the Hill. What has this done to science itself? How healthy is American science? And what is the prognosis?

There is no simple gauge to measure science's state of health, but there are a couple of useful indicators. One is the number of Nobel prizes awarded to American scientists. Here, superficially, the news is encouraging. The Nobel prize continues to be awarded to Americans in disproportionately large numbers. However, the prize is as much an accolade for past accomplishments as for current attainments. There is a built-in time lag in basic science, a long period of necessary testing and refining, so the work that wins recognition today always is several years past its initiation. The birth control pill, for example, derives from hormone research undertaken in 1849.

Another indicator of quality is the status of the American "patent balance"—patents granted in various countries for developments of US origin versus those of foreign origin. It is a measure of the comparative innovative competence of science and technology among the advanced countries. The figures reveal a favorable US balance, but the margin of favorability is markedly declining. Since 1966, progressively fewer patents of US origin have been issued in France, Great Britain, West Germany, the Soviet Union, and Japan; during the same period the US granted patents for an accelerating number of developments of Japanese origin. From 1966 to 1970 the American favorable patent balance fell by 40 percent.

Guy Stever at the National Science Foundation expresses faith in US science. "The quality of our science is still extremely high," he says, "although it doesn't tower over foreign science as it once did. There used to be an almost unbelievable gap between us and the rest of the world but that gap has now closed dramatically. What has to be borne in mind is that it wasn't closed because our performance deteriorated but because they made such a tremendous comeback after the dislocations and discontinuities of World War II."

Bill Carey is less sanguine. "Our basic research is holding up very well in every field but the quality of the technology that derives from it is not holding up as well. With regard to both I am troubled that neither is growing. In other words, we are doing less than we are capable of doing and less than we should be doing. This is the way a nation becomes second rate. We haven't reached that point yet but I think we are headed that way unless we take prompt, affirmative steps to change direction."

The views of Dr. Abelson parallel those of Carey. "We tended to assume that because our science/technology was the best in the world we were guaranteed leadership in perpetuity, so we drifted into complacency and smugness. The result is that there has been some slippage in the caliber of our technology, especially in comparison with the level of performance abroad."

Dr. Handler echoes the Stever confidence in American science, but hedges his position: "I start with the fundamental belief that our science is great. Having said that I have to point out that greatness is relative and not immutable. One thing that worries me is our almost total failure to develop capability for technological assessment—crystal-balling the future impact of new technologies. In the past we ignored the price that neglect of technological assessment extracts because we operated in an economy of waste and because we, as a nation, were only tangentially sensitive to societal needs. Those days are gone forever. To stay healthy, science and technology have to adjust to today's realities."

Dr. Handler's point about the need to evaluate future impact was echoed by virtually everyone I spoke to; it marks an awareness that a new dimension has been added to the criteria for judging science and technology, a recognition that—as one put it—"We must ask not only what a new development will do but also what *else* it will do." He illustrates by citing the mechanization of cotton picking in the 1930s. Mechanization was accompanied by the less-than-startling prediction that the machines would displace vast numbers of field workers but would greatly enhance farm efficiency. It was not foreseen that displaced workers would migrate to cities and create the ghettos that plague urban America.

When they move from estimating science's present quality to predicting its future health the experts divide the most. They coalesce into two distinct groups, one tilting toward optimism, the other toward pessimism.

Among the more confirmed optimists is Dr. Stever, which is hardly surprising considering his position. "I see us coming toward a more sophisticated approach, with the science community placing greater emphasis on quality than on numbers. I see better rapport between those who manage science, those who do science, and those who are served by it. I see basic research responding better and quicker to matters that affect the character of our lives and by doing so preventing many vexing problems.

I have to say I look to the future with confidence."

Dr. Handler also adopts a buoyant outlook. "There are enormous problems ahead," he concedes, "but I see no grounds for despair. Spaceship Earth is suddenly small and resources are finite but science is at best adolescent. The body of scientific understanding has been doubling every eight to ten years and 90 percent of the knowledge we possess today was learned during my lifetime. That means we have a fantastic, self-renewing outpouring of answers to questions we raise and to those we haven't even yet begun to raise. I simply cannot believe that we will be unable to think our way out of our dilemmas."

The essence of Dr. Sawhill's look into the future is change, change that will lead to better science/technology. "I see a resurgence of R and D funds but with the money and effort switching to areas of emphasis that are different from those of the past. I see us shifting our technologies away from the defense and space programs that have captured so much attention to other fields more directly related to us as individuals—things like medicine, environment, energy, nutrition, pollution. I think we will develop a closer, better link between science and government that will result in creating a set of priorities for science and this, in turn, will mean better science and an enhanced level of national well-being."

"You can include me among the optimists," Dr. Seaborg says in his soft-spoken, thoughtful way. "To be without optimism is to be without hope. I do not doubt that we are entering a period of austerity. But, and I suppose it is quite ironic, I base much of my optimism on the very energy crunch that grips us now. The energy crisis that is hurting us is also helping us by dramatizing our dependence on our scientists and engineers. This will unquestionably restore a sense of balance, will bring scientists and engineers back into proper perspective. I see signs of it happening already. Because of this I am convinced we will marshal our intellectual resources to solve our problems."

Dr. Abelson expresses the pessimists' view. His panorama of the future is dismal and he describes it in somber tones. "After a long period of mismanagement and of frittering away resources and opportunities, we now face a set of monumental challenges that put a severe strain on the ability of society and the profit system to cope with technological realities pragmatically and intelligently. We are in for tough times. Just getting through the next five or ten years is a tremendous challenge. I think we are due for a lowering of the level of our technology and I think it is even likely that we will have a lowering of our overall standard of living." But Abelson does manage to perceive a few, thin threads of silver caught in the lining of his dark cloud. "My hope is that I am right in my reading that there is in process a growing Administration recognition that the scientific/technological crises confronting us are not solvable by political fiat but by sceintific/technological performance. There seems to be the stirirng of a government move toward more perceptive, more relevant support of science—hence, a stimulus for better science. If my reading is accurate, if this movement accelerates and expands, then the tough times ahead can become less protracted."

Bill Carey pitches his tent on the nether side of Phil Abelson's. "I do not see this nation again in the position of world preeminence in science/technology that we enjoyed as recently as five to seven years ago. It is a lead we have given up and will not recover. In basic science we will continue to hold a respected seat at the table but is will now be a round table, no more place set at the head. In technology the prospects are more gloomy. I see us driven by problems and hampered by slackness in the tchnology apparatus. We will be backed into troubles when we should be able to approach them with our bow instead of our stern. I can see decades of crunches, squeezes, and shortages that will create public demands for better scientific/technological arrangements by government, by the academic institutions, and by industry."

Unquestionably, the nation has been ill-served in the way science has been administered. It is equally clear that these maladroit policies will, unless changed, do even greater harm to the national welfare. Based on my interviews, I think several steps should be taken.

The Science Adviser should be restored to the White House, where his counsel will be directly and immediately available to the President.

The Federal Council on Science and Technology should be revitalized because it has the potential for making a significant contribution to the nation's well being. But the potential can be realized only if chairman Guy Stever forces the Council to turn from pedestrian matters to major questions and if he requires the member agencies to assign top-level representatives to the Council instead of fourth-echelon people as is now the case. Dr. Stever cannot do this unless President Nixon gives him enough clout to chair the Council more aggressively.

Congress should move rapidly to get its new Office of Technological Assessment into full operation. Then it should utilize OTA fully to make it less likely that members legislate unwisely or get locked into premature public positions on science matters.

Scientists and engineers should use their professional organizations to participate in the political decision-making process, alerting Congress and the Administration to possible problem areas, proposing remedial actions, taking public stands on issues related to science and technology.

But most of all, the federal government must for the first time in history frame an overall policy that eliminates crash-basis science, erratic funding, and submission to faddish enthusiasms, and that substitutes consistency, continuity, balance between research and application, and long-range planning relating science/technology to national needs and goals.

After examining the American house of science, I came away troubled. The fine, old structure has cracks in the underpinnings, mildew on the walls, leaks in the roof. But if the defects seem more distressing than some who dwell in the house judge them to be, they are not yet fatal. The structure is yet repairable. What remains to be answered is whether the residents will agree in time on comprehensive rehabilitation and will take up the tools to make repairs intelligently and promptly, or whether they will vacillate and dissipate their efforts in piecemeal approaches that delay, but do not prevent, the decay that must eventually leave them—and us—out in the cold.

THE CONSTABLES OF BROTHERS, OREG.

Mr. HATFIELD. Mr. President, in the wide open spaces of eastern Oregon, the towns are often some 100 miles apart, and often there is not much civilization between. On one stretch of highway from Bend to Burns, however, Nell and Clayton Constable make life more pleasant for travelers, as well as for the people living on ranches and farms in the country surrounding the little town of Brothers, Oreg.

Recently, a reporter for the Bend Bulletin visited the Brothers store and talked with the Constables about their business serving the people of central and eastern Oregon.

I ask unanimous consent that this interesting article, by Ila Grant Hopper, of the Bend Bulletin of March 27, 1974, be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Brothers Store Is Social Center of Central Oregon High Desert

(By Ila Grant Hopper)

Nell Constable wiped her hands on her apron and smoothed her dark brown hair.

"No, we certainly don't get lonesome," she smiled. "Our neighbors come here to visit, or to pick up their mail, or buy a few groceries. We've had the store 15 years now—and our roots are here on the desert."

Her husband, Clayton, nodded. He's 63. Nell's 59.

"Brothers may be out in the middle of nowhere," he drawled. "But sometimes, it's just like Grand Central Station. Course, I've never been to Grand Central Station."

The Constables' country store, about 55 miles east of Bend, is the social center and community hub for some 40 families who live on cattle ranches on the Central Oregon high desert. Brothers is one of the few wide spots on the 132-mile stretch of road between Bend and Burns. It is 16 miles east of Millican, and 21 miles west of Hampton.

It was a slow day. Two or three women from the State Highway Division maintenance station just east of the store had stopped in on a variety of business. One borrowed a frying pan to try a new receipe for almond roca.

"You have to have a good, thick pan so you can melt the butter but keep it from burning." Nell explained. "Here, try a piece of my candy. I just made it this morning."

Another of the "girls," as Nell calls them, brought a persimmon to be stored in the freezer.

A little bell jingled and the door burst open. A 12-year-old boy, one of the nine pupils at the school across the road, reached in the pocket of his faded blue jeans to make sure his lunch money was still there.

"I'd like a hamburger, if you please, Mrs. Constable."

"Ready in a minute," Nell promised.

The bell jingled and the door opened again. The noon-hour rush was on.

This time it was Bob Williams, the state patrolman who covers the area.

"What's the special of the house today?" he asked.

"We thought you'd be along today."

The latter comment came from the end of the counter. It was offered by Lewis Constable, 24, the youngest of the Constables' four sons. Recently he and his wife, Marilyn, joined his parents in operating the store.

"Mom baked a fresh rhubarb pie, 'specially for you," Lewis said.

"Sounds good," Williams agered. "I'll start out with a hamburger deluxe."

Nell Constable is a famous cook. Tourists who frequent the desert to hunt deer or search for rocks and arrows often plan to reach Brothers at meal time.

"How's the gasoline business?" Williams asked, straight-faced. "I might be able to line you up some customers from Bend."

Years ago, Clayton was service manager at a Bend garage.

"Don't do much mechanical work any more," he remarked. "Just enough to get 'em down the road."

Clayton keeps the 30-cup coffeemaker purring like a new Cadillac.

"Takes up to 10 pots a day in summer time," he said. "In winter time, we get by with three or four."

"We're real busy from the first of May

through November," Nell explained. "When we need extra help, the girls from the highway station give us a hand."

During the busy season, the store is open seven days a week—from the time the mail truck stops enroute to Burns at 7 a.m., till 8:30 or so in the evening.

"We get lazy in winter time," Nell said. "We turn off the grill at about 6:30 in the evening, and we don't open up on Sundays."

When business is slow, there's more time for socializing. Every morning there's a kaffee-klatch. Sometimes six or eight mothers stop in after bringing their children to school.

"We have a card party about once a month at the school," Nell said. "And the community barbecue, in the fall, is the highlight of the year."

The school Christmas program and eighth-grade graduation are big deals, too. And "once a year or so" there is a dance at Pringle Flat, 12 miles north of the school.

The Constables picked up the thread of the conversation, as customers and visitors came and went. Frequently the phone rang.

"We have the only phone in Brothers," Nell explained. "So the store is sort of a relay station for messages. In emergencies, we deliver them in person."

"It's a pretty close-knit community," Clayton commented. "We all help each other in a pinch."

The Constables admit that running the country store is demanding, and there aren't many vacations. Nell made a trip to North Carolina five years ago, and last year she spent a few days in California. She regrets not being able to visit oftener with her three older sons and their families.

Del (DJ) is 41, and a district oil company manager in Los Angeles. Kenneth, 39, is an Army lieutenant colonel in Iran. Don, 32, works for General Electric Co. in Los Angeles.

The Constables have seven grandchildren. Constable was born in Prineville, and Nell came to Bend at the age of 12.

"I guess you have to love the desert to live out here," Clayton commented.

"It's a rewarding life," Nell said. "I can't think of anywhere I'd rather be."

SOME FORGOTTEN AMERICANS

Mr. EAGLETON. Mr. President, last week 30 million Americans received a badly needed and too long delayed 7-percent increase in social security benefits.

In order that those aged, blind, and disabled persons who receive supplemental security income payments should also have a cost-of-living increase, late last year Congress enacted legislation increasing the SSI payment levels—initially set at $130 for an individual and $195 for a couple—by approximately 7 percent, or to $140 for an individual and $210 for a couple.

The SSI increase was made effective in January. However, because it was not possible for the Social Security Administration to make the increased payments in January, SSI recipients received January payments at the $130–$195 levels. In February SSI checks were increased to $140–$210 levels, and the February checks also included retroactive payments for the month of January.

Thus, the 3.2 million recipients of supplemental security income should have received in February the cost-of-living increases that other social security beneficiaries have received this month.

But, sadly, Mr. President, more than a million SSI recipients across the country—those persons who also receive State supplementary payments—have not had any increase in income.

This has occurred because, under Federal law, the States have been free to reduce their payments to the aged, blind, and disabled by the amount of the SSI increases received in February. Federal law requires only that the States make payments to persons who were on State assistance rolls in December 1973 in an amount that will insure their total income is no less than it was in December 1973.

Last November, when the Senate considered H.R. 3153, I offered an amendment that would have required the States to "pass through" the SSI increases to their aged, blind, and disabled citizens. My amendment was adopted by the Senate, but it has since been languishing, along with other important provisions of H.R. 3153, in a conference committee.

Mr. President, I make these remarks today simply so we may be reminded that many of the aged, blind, and disabled who have suffered most from the continually increasing cost of living and who most needed an increase in income have not received the benefit of the increases provided by Congress.

In my own State of Missouri, some 77,500 aged, blind, and disabled persons are this month still receiving only that level of income they had in December 1973. The SSI increases—$10 for a single person and $15 for a couple—have simply been absorbed by the State.

Let me cite a hypothetical, but typical, example of what has happened to too many SSI recipients in Missouri and elsewhere.

In December 1973, Mrs. Jane Doe received a social security benefit of $110 and an old age assistance check in the amount of $85, for a total income of $195.

In January, in addition to her social security benefit, Mrs. Doe received $40 from SSI and $45 from the State. Her total income remained $195, as required by Federal law.

In February, Mrs. Doe's SSI check was increased from $40 to $60, representing a $10 increase for the months of January and February. Her State supplementary check was reduced by $20 in order to recover the $10 she was "overpaid" in January. Mrs. Doe's $10 SSI increase vanished into thin air.

In March, her SSI check dropped back to $50 and her State supplementary check stabilized at the $35 required to maintain her December 1973 income of $195.

Now comes April, the month of the long awaited social security increase. Mrs Doe's social security check is increased from $110 to $118. Her SSI check is decreased from $50 to $42. Her monthly income remains $195.

During the first 4 months of 1974, Mrs. Doe's three checks have gone up and down, month after month, in a way that is exceedingly difficult to explain or to understand. But the net result is simple—she has had no increase in income.

Mr. President, had my amendment been approved by the conference committee, more than a million Mrs. Does across the country would now be enjoying a small, but sorely needed, increase in monthly income. As it is, they must struggle to make an income inadequate in 1973 cover 1974 prices of food, fuel, and other necessities. Little wonder if these Americans feel they have been forgotten.

Even without enactment of my amendment, State legislatures may still act voluntarily to insure that these people have the benefit of future increases in Federal benefits. The next increases will come in July when social security benefits will be increased by 4 percent and SSI payments will be increased by $6 for an individual and $9 for a couple.

I am happy to be able to report that the Missouri Legislature recently enacted legislation that will permit 54,000 aged, blind, and disabled persons to receive the July SSI increases without having their States check reduced. Even so, another 23,500 people who do not qualify for SSI but receive only State supplementary payments may have their State payments reduced as a result of the July social security increase.

Mr. President, I ask unanimous consent that articles from the St. Louis Globe-Democrat and the St. Louis Post-Dispatch describing the action taken by the Missouri Legislature be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the St. Louis Globe-Democrat,
Mar. 23, 1974]

BOND OPPOSES WELFARE BILL IN PRESENT FORM

(By Les Pearson)

Gov. Christopher S. Bond wants to cut state supplemental welfare payments to the aged, the blind and the disabled, and for that reason is opposing in its present form a bill pending in the Senate, his office said Friday.

The bill, to be heard Tuesday, would require the state to continue payments at their present level, regardless of any federal aid increases. Bond wants to pay just enough out of state funds to keep combined state-federal payments from falling below their December, 1973 level.

But House Democrats say they will oppose any Senate changes in the measure, which officials say must be passed by March 31 to avoid the loss of $65 million in federal Medicaid funds for Missouri.

Alan Woods, Bond's chief of staff, said, "we're not for that bill as it stands now in any way, shape or form."

Welfare Director Bert Shulimson said the bill as originally introduced by Rep. Russell Goward (Dem.), St. Louis, would meet federal requirements. But a House committee headed by Goward added the provision that state payments should not be reduced.

Charles Valier, Bond's legislative aide, told Goward the governor would veto the bill in its present form, Goward said. But Valier said he told Goward that the governor objects only to the form of the bill.

Goward told The Globe-Democrat he will oppose any Senate effort to change the bill.

Woods said Attorney General John C. Danforth's office has not yet formally notified him or the governor whether legislation is needed to meet federal requirements.

But Assistant Attorney General Kermit Almstedt, who has researched the question, told The Globe-Democrat, "If there's no legislation by March 31, we're out a lot of money."

Robert R. Northcutt, chief counsel for the

Division of Welfare, said the original bill, which Bond's office has said he will support, will meet the federal requirements.

The state will save about $5 million a year if it can reduce its supplemental payments, as federal payments are increased, Northcutt said, but House Democrats have insisted welfare income of recipients be increased as Congress approves additional benefits.

For example, suppose the December, 1973, level for a welfare recipient was $150 a month in combined state-federal payments, and the federal payment in the future is increased by $10 a month. Under the pending bill, the $10 would be added to the $150, bringing the total to $160. Under the Bond proposal, the state payment would be reduced $10 and the total would remain $150.

The categories involved were taken over by the federal government last year, although state supplemental payments are required by federal regulations.

Charles Valier, Bond's legislative aide, said the takeover by the federal government was intended to relieve states of the responsibility in those welfare categories.

He said the governor wants the flexibility to end state supplemental payments in cases where it is warranted.

Shulimson said he and Northcutt will appear before the Senate committee to explain that, in their view, some legislation is needed.

But both said the original bill is sufficient to meet federal requirements. They said they will take no position on placing a floor under state supplemental payments unless instructed to do so by the governor.

[From the St. Louis Post-Dispatch, Mar. 29, 1974]

Senate Passes Welfare-Hike Bill Bond Had Opposed

(By Fred W. Lindecke)

Jefferson City, March 29.—About 54,000 aged, blind-and disabled persons will get a small increase in welfare benefits July 1 if a bill passed by the Legislature is signed by Gov. Christopher S. Bond.

However, the bill was included on a hitherto secret list of bills that the Governor had asked Republican legislators to block.

The Federal Government is scheduled to increase welfare benefits by $6 a month for a single person and by $9 for a couple beginning July 1.

The bill sent to Bond by the Senate yesterday would prevent the state from cutting its supplementary payments to these welfare recipients by the same amount.

Current state law requires the state to cut its benefits by whatever amount the Federal Government increases its allotments. Bond tried to keep this provision in the new bill, an amendment to do so was defeated by the Senate, 16 to 13.

If Bond signs the bill he would have to add $5,200,000 to his budget for the fiscal year beginning July 1 to pay for the benefits. The budget presented did not contain these funds, on the presumption that the current law would be followed and state supplementary payments cut.

Bond is under pressure to sign the bill by Sunday because the measure contains provisions necessary to comply with certain federal demands. The state is threatened with loss of $40,000,000 in federal welfare funds unless the deadline for enactment is met.

However, an aid to Bond charged that the refusal of the Senate to accept Bond's changes might have left the welfare bill flawed to such an extent that payments under it would not be legal.

Welfare recipients to whom the bill's provisions would apply include only those aged, blind and disabled persons who were on the welfare rolls last December.

Last year, the Legislature passed the law that gave these aid recipients supplementary state payments to protect them from loss in benefits when the Federal Government took over welfare categories on Jan. 1 of this year.

Persons who began receiving the new federal welfare benefits after Dec. 31, 1973, are not eligible for the supplementary payments. The July 1, 1974 increased federal benefits will apply to all recipients. But those persons receiving the state supplement will not gain income if the state law is not changed.

WELFARE REFORM

Mr. THURMOND. Mr. President, the reform of our welfare program has been the subject of considerable interest in recent years. It seems that this area is one in which confusion and inequity abound, leaving us with a program which, in addition to failing to reach its goals, is actually proving to be counterproductive in many cases.

In order to legislate effectively in this or any other area, it is vital that we in the Congress be well informed. For that reason, I ask unanimous consent that an article which appeared recently in the National Review be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From National Review, Jan. 18, 1974]

The Welfare Dollar Goes 'Round and 'Round

(By Clayton Thomas)

The welfare rolls in the United States currently number 15 million Americans, and the annual cost is approximately $20 billion. But welfare is not just statistics. It is synonymous with poverty, and poverty means drugs, crime, and deteriorating cities. A drug addict dies on a lonely Harlem street. A building superintendent bashes down a door in a dank tenement and rapes a woman. A welfare mother screams obscenities because she cannot get the money to feed her children.

Despite the massive social and economic effects of welfare, no solution seems forthcoming, partly because sharply conflicting analyses logjam reform. Liberals see the problem as economic: those on relief are excluded from the mainstream, unable to help themselves; higher payments are in order. Conservatives see the problem in moral terms: those on relief are "cheaters" and "loafers"; financial cutbacks and stricter regulations are in order.

Some of the contradictory attitudes are no doubt illusions believed by various people for politcal or personal reasons. My own opinion is that there are indeed many myths about welfare, and that these must be exploded before a solution to the problem of public assistance can come into sight. Among the most significant are these:

Welfare is an economic phenomenon caused by a lack of jobs.

The rapid growth of Northern welfare rolls results from the immigration of blacks and Puerto Ricans who, frustrated in their search for jobs, are forced onto the welfare rolls.

Welfare clients are disabled by their social environment and will leave the relief rolls when they are given better housing, education, job training.

Welfare clients are not loafers, cheaters, and baby producers, and their aspirations and values closely resemble those of middle class working people; but because of social deprivation and alienation, they have never had the opportunity to get jobs and become self-sufficient.

UNEMPLOYABLE

During a year as a caseworker in the New York City Department of Social Services (formerly known as the Welfare Department), I dealt with hundreds of welfare clients—black, white, and Puerto Rican—in all welfare categorics. I pounded the pavements of hard-core ghettos and visited dilapidated tenement apartments, welfare hotels, and boarding houses. My own experiences did not support the above myths.

Although welfare regulations required that single employable individuals (Home Relief) look for jobs, only two of the 60 on my caseload made any effort to find work. The rest turned down employment, avoided interviews and job training like the plague (they usually got sick on the day of their appointment with prospective employers or job counselors), and tried desperately to produce medical excuses indicating that their ability to work was limited or that they were incapacitated.

In one case, a white welfare client admitted to me that he was physically able to work, and he subsequently passed a city health examination with flying colors. Then, apparently panicking at the thought of a job, he brought in a letter from a physician stating that he had numerous ailments and was not employable. (The doctor who had written the report specialized in welfarites and mentioned that this patient would be coming to him for a substantial amount of treatment.) The welfare department, fearing legal suits if they made the man work and it turned out that he really was ill, decided to classify him unemployable. When I asked him about his sudden change in health, he merely looked at the floor, shuffled his feet, and said nothing.

A Puerto Rican male on my caseload, classified as employable until he brought a letter from a doctor alleging a disabling kidney ailment, somehow maintained an excellent wardrobe; once he was picked up by the police for robbery and held for five days; after his release he explained to me that "I had no idea this friend of mine standing next to me in the department store was stealing all that stuff. I thought we were just going in to do some legitimate shopping."

In another case of health impairment, a white client had been badly slashed with straight razors and left for dead on a desolate street. After intensive hospital care he recovered, but he claimed that the psychological effects of his "accident" incapacitated him for work. By his own account, however, he did have the energy to hunt down black and Puerto Rican addicts and beat them with a lead pipe. (He was eventually arrested and held on $20,000 bail.)

Fifty-seven of my 60 Home Relief recipients had no job histories within the previous three years that I could verify, and only two could qualify for unemployment benefits. When I suggested to one client, who had complained that he could not find work, that he might be able to get a position as a janitor, he replied, "You can go ——— yourself, Mr. Thomas, if you think I'll do ——— work like that." This man, who had deserted his family, eventually found a job of his own; he sold narcotics.

Most of these clients came in off the streets and were narcotics and cocaine addicts, alcoholics, and prostitutes (male and female). Others were referrals from hospitals (often addicts) and prisons (usually addicts and/or pushers).

Home Relief clients and narcotics addicts were the most dangerous to deal with, and employees in my center were periodically beaten for refusing to give them funds to which they were not entitled. On the other hand, the welfare center's guards frequently beat up recipients (usually frail ones), and one floored a female supervisor one day with a punch in the face. Another was arrested for selling heroin to the welfarites. Though nearly all of them were black or Puerto Rican, they hated the recipients and the system itself. One, a Negro, told me, "Rockefeller and Lindsay give these ——— assistance, but they won't give us a decent salary. The best way to clean up this city is to assassinate the mayor."

Welfare mothers had fundamentally the same attitude toward work as the Home Relief clients. Nor were they interested in gaining employment skills. Only one of 30 mothers on my caseload could be persuaded to apply for the Work Incentive Program (WIN), then voluntary, which granted cash incentives and baby-sitting fees to trainees, and only gradually reduced a woman's welfare payments once she found a job. Of those who enrolled in WIN citywide, only 10 per cent finished the course; of these, only a small number took employment. Why such a poor success rate? In my opinion, many mothers enrolled only for the extra cash and for a variation in their daily routine. Then, as time went on, they began to resent the restriction on their freedom, and they quit. A mother of four told me, "I'll go to school or job training, but I don't want to work."

From such experiences, I concluded that supplying more jobs would hardly resolve the welfare problem, or even significantly reduce the rolls. On the contrary, the rolls would remain static, because the vast majority of welfarites would do whatever they could to escape the employment created for them.

How, then, do sociologists manage to conclude that welfarites want to work? My guess is that, after years of interrogation by their caseworkers, welfare clients know full well what values they are *supposed* to have, and how they are supposed to respond to questions posed by middle class interviewers. When asked how he feels about working, the client automatically responds, "I want to work." I ran into this phenomenon constantly on my job; some recipients even falsified their life and work histories according to what they felt was expected of them, and I often held erroneous views of a welfare family's status because of the fabricated answers I got. Researchers do not realize that welfare clients feel psychological pressure to conform, or to pretend to conform, to traditional middle class values.

MIGRATING TO JOBS?

Another mistaken theory, as I mentioned, is that blacks and Puerto Ricans generally came north in search of employment, and were instead forced onto the relief rolls by the shortage of jobs. My own experience is that they generally migrated specifically to get public assistance. Two years ago, when food budgets in New York were reduced 10 per cent by the state legislature, an irate mother of five told me, "If you people keep cutting back the budgets, I'll tell my relatives in Puerto Rico not to come over here." A black client told me, "I want to go back to the South, but the welfare there is way too low. The only way I would do it is if I got my New York welfare checks sent down to me in South Carolina." When I told her that was impossible, she decided to stay in New York. A carload of prospective clients drove straight through from California and arrived, one day, at the front door of my welfare center, got out of their jalopy, and got right on the rolls. They made no bones about it. Ronald Reagan was cutting back welfare in California, and they had come to New York for higher payments.

Many advocates of welfare fail to realize that migrants from the South and Puerto Rico are far better off in New York slums than in the hovels from which they came (four to eight times better off, in dollars). But the point is not lost on the South and Puerto Rico. A white welfare employee with friends in Mississippi and Louisiana told me, "The Southerners are laughing in their boots as the blacks flow north for welfare. They're only too glad to let us have them." And the local government in San Juan has erected signs in the slums: "Go to New York and Have the Baby Free."

WHAT CAUSES SLUMS?

The civic-minded, alarmed by the degradation in which welfarites live, often call for new housing. The usual assumption is that dilapidated neighborhoods result from the negligence of slumlords. But I found the primary reason the sheer active destruction by tenants themselves. A member of the mayor's Hotel Task Force, who spent his time rehousing hotel welfarites in apartments all over New York, told me; "The continuing decay of the city and the condemning and razing of city blocks is due to welfare recipients. The working poor have a stake in their property, and they care for their homes. Welfarites don't. They know that whatever happens, the welfare department will take care of them." Welfarites, I found, move into neighborhoods, bring crime and violence, rout the working poor and middle class, occupy the buildings, then physically destroy them. The process takes only a few years; the cycle merely begins anew when welfarites are moved to new housing, as is now happening with low income model housing and Model Cities buildings.

How does the destruction occur? One family with 12 children was rehoused four times. Each time, one of the children, a firebug, burned down their accommodations. In another case, a mother of four who wanted better housing simply burned her own apartment down. A physically ill welfare client who had lived four years in the Hamilton Hotel, one of the first of a series of welfare hotels to be condemned in the city during 1971, gave this account of how his building deteriorated: "About a year ago, the management formally opened the doors to welfare to get more money. That was the end of the place. The clients burned out whole wings of the structure. Most of the people are addicts and prostitutes. We have muggings and murders in the hallways. The junkies ring the fire alarms to attract the guards to one area of the building and then break down doors, beat and rob people in another. I've seen the kids bashing away at the marble on the walls with hammers." Why do they do that? "For the same reason that people climb mountains. Because they're there. These people aren't civilized enough to live in organized society." A black welfare recipient who lived in the Broadway Central Hotel told me: "Last week they gang-raped the maid on the seventh floor, and two nights ago a seven-year-old was raped on the fifth. I can take the rats, Mr. Thomas, but I can't take the people. I have to barricade my doors at night to stay alive." Equally shocking accounts were given me by members of the Hotel Task Force.

In order to visit the homes of my welfare clients, I entered what were, undoubtedly, some of the most dangerous neighborhoods in the world—the South Bronx, Harlem, and East New York. I dodged addicts in doorways, confronted heroin users about to "shoot up," and was followed through lonely streets by muggers eager for my wallet. Other caseworkers in my center were less fortunate; they were assaulted, robbed, and in one case, held down on the top floor of a dilapidated building and injected with heroin. It is hard for most of us even to imagine the day to day terror in which slum residents live. One family, living in a building that seemed to be on the verge of collapse, told me: "The addicts trade drugs and shoot up every night in our building. Last week we heard a bad fight in the hallway at about 3 A.M. The next morning, when we got up, a corpse blocked our front, door. The man had been stabbed to death." I once ran for my life from a hotel, pursued by one of my own clients, a huge, crazed black man who assaulted and robbed the other tenants, but was tolerated for a time by the terrified couple who ran the place.

Reform-minded people often hope that better schooling for the children of welfarites will prepare them for jobs and a decent future. But unfortunately the decline of ghetto schools, has paralleled the rise of the welfare rolls and the expansion of slum areas. The role of the teacher is no longer to teach, but to maintain at most minimal order; as one teacher put it: "My two jobs are to keep myself alive and to keep my students alive." Drugs, crime, and violence permeate the junior high and high schools in poor neighborhoods. A talented 12-year-old welfare child, going to a half-black and half-Puerto Rican junior high school in Manhattan, said: "I keep quiet in the classroom and don't make trouble. That way the teacher gives me Bs. The troublemakers get Cs and Ds. Whatever I learn, I learn on my own. I'm under a lot of pressure to take heroin, and kids try to beat me up because I won't. The high school I'll end up going to is worse. I hang out with the white kids, who get in much less trouble." A Puerto Rican mother, whose two children attend a primary school in the South Bronx, told of a gang war among 12-year-olds that resulted in one child's being shot in the face.

To exacerbate the situation, poor parents have recently grown self-righteous and militant toward established authority. Discipline is next to impossible. One teacher told me: "Whereas, in the past, parents would be angry at their children when they got into trouble at school, most blacks and Puerto Ricans vent their hatred on the system when the kids do something wrong. The children are rarely taken to task."

ABUSES UNCHECKED

A recent survey revealed that the working American tends to see welfarites as loafers, cheaters, and baby producers. Despite the protestations of many social commentators and politicians that this is an unfair stereotype, my own experiences support this view. Cheating was virtually universal. One mother of six, who had secretly moved to New Jersey, came into the city for over a year to collect undeserved public assistance checks at a Manhattan mailbox. Several of my clients held fulltime jobs they had not acknowledged. Others were getting financial support from boyfriends or fathers of their children and did not report it. Some recipients had gotten on the rolls at a number of different welfare centers and were receiving from two to six checks at a time.

The computer checkup system which was designed to detect such abuses was in a state of chaos. Even when fraud was somehow discovered, welfare officials in my center, fearing that they would be held responsible, took no action against the offenders and quietly ordered the records sent to the dead files.

In one case of gross embezzlement, a supervisor was so infuriated he decided to prosecute; but when he brought his evidence to the courthouse, the Assistant District Attorney asked him to drop the charges, explaining that the strong support the clients would get from groups like the Legal Aid Society would make the litigation interminable. Besides, he added, his office had to deal with more important criminal cases than welfare offenses. The charges were dropped. Two days later, the family was back at the social service center demanding assistance. Payments were quickly resumed.

In most court cases, ironically, it was not the welfare department but clients themselves who did the prosecuting. One man who had concealed an income double the amount of his welfare payments demanded, upon being detected, a hearing. He flatly denied the facts, which welfare officials proceeded to establish. The court ruled against the client, who, enraged, threw a chair at the judge. A supervisor then had to grab the recipient in a hammerlock to prevent further violence.

The "missing" father of a welfare family turned out to be living at the family address, fully employed, and claiming the family as dependents on the tax form. Armed with full proof, the caseworker terminated the mother's checks—whereupon she demanded a hearing. She claimed in court that her husband had deserted her since the termination. The welfare department, caught off guard, had no way of proving otherwise. Payments were ordered resumed. When the husband's name was referred to the Division of Legal Service for tax evasion, the detectives showed no interest in pursuing the matter. Contrary to City Hall press releases, the Legal Services Division showed the same reluctance to track down missing fathers of welfare children.

These cases typify the casual fraud and belligerency of welfare clients, but they also point up the fantastic craving of welfarites for their checks and the difficulty of getting them off the rolls. Welfare has become a social right as unchallengeable as the right to life itself. Such fraud was actively assisted by the mayor's aides. Pro-welfare organizations, like Mobilization for Youth and the West Side Community Alliance, constantly put pressure on the city to give illegal grants to bitterly vociferous clients. Lindsay's appointed political officials, especially Jule Sugarman and his associates at the Human Resources Administration (which governs the city welfare system), usually buckled and ordered the money handed out. In one case, a welfarite decided he wanted an apartment for which the rent was far in excess of normal public assistance levels. Rather than waste time with the welfare department, the man opened a small bank account and purposely bounced $450 worth of checks for the rent, security, and broker's fee needed to secure the accommodations. While the various defrauded parties considered legal action against him, antipoverty agencies pressured city administrators to help him out, and I was finally ordered to issue welfare funds to cover the bogus checks.

In another case, when a political aide authorized illegal grants of money to a public assistance family on my caseload, I asked the director of my welfare center to complain to the Human Resources Administration. He did. The response he got over the phone was "Lay off these people." The answer seems natural enough, since the welfare mother involved had a long list of appointed officials to call whenever she needed help. Once I was even directed to give money to an unauthorized alien who was being deported, even though welfare officials at my social service center admitted he was totally ineligible for funds.

Fraud is now harder than ever to expose, since the new income maintenance affidavit system has all but eliminated checkup visits to welfare homes. A prospective recipient simply comes into a welfare center, states his case, signs an affidavit form attesting that the facts he has given are true, gives some documented proof, and the checks start rolling off the computer. To qualify for further aid, he has only to reappear periodically to reiterate his need for funds.

When it came to reproducing children, welfare clients justified the worst suspicions of conservative cynics. Not only were there many children; in large families, there were often many fathers. Instances of deserting husbands were rare; transient boyfriends begot most of the children, and mothers usually claimed they knew little or nothing about their vanishing mates. Some children resulted from casual pickups. I had no success in getting any of the mothers on my caseload to practice contraception. Exasperated, I finally asked several Puerto Rican mothers if their resistance was on religious grounds; the answer was always a flat no. Most of the welfare mothers were single and knew about contraceptives; but apparently they just could not be bothered to use them.

The high birth rate would be less disturbing if welfare children were raised in a healthier atmosphere. But though a few mothers showed great concern for their offspring, most let their four-year-olds roam the streets unattended and left their children home alone. Physical violence and child abuse was commonplace. I observed whippings and clubbings of three- and four-year-olds, and saw one infant picked up and thrown across a room. One welfare mother's boyfriend would hold her five-year-old daughter's hands over the flames of a gas stove for punishment; eventually the child's fingers became maimed lumps of scar tissue. Another mother poured boiling water over her small son; the social worker told me that this was not a serious enough abuse to warrant placing the boy in a foster home.

Many social theorists think that a father's presence would help to stabilize public assistance families. Accordingly, the welfare department tried not to break up mothers and their lovers. But it is doubtful whether this theory is entirely realistic; in many cases, the presence of the lover was clearly a negative influence on the family, but the mother—out of loneliness, simple affection, or an inability to handle his brute force—did not put him out. One woman got a new hairdo and hat to celebrate when she heard that her common law husband had died in a gutter.

COSTS GROW AND GROW

Though welfare requirements in New York have been made more stringent over the past two years, the cost of the welfare program continues to grow. This is largely due to increasing rents and medical costs, and to the general inefficiency of the system; college-educated caseworkers have lately been replaced by incompetent, untrained, and often truculently lazy affidavit clerks, and the recently installed computer system is chaotically disorganized.

Moreover, the Lindsay administration's claim that the city's welfare rolls have stopped growing in the past year is hardly credible. The welfare employees I have talked to do not believe it. One told me, "While I'm not in a position to judge citywide, I've seen no letup over the past year and a half of people getting on the rolls. As far as I am concerned, the 'freeze' is merely statistical manipulation." This is in accord with my own experience as a caseworker: I kept close track of the activity in my center and during the periods when City Hall was claiming "zero" growth, I saw no change in the number of new cases accepted for welfare. To deepen the mystery, the *Times* reports that the middle class exodus from the city is continuing; it is difficult to believe that those who leave are replaced only by others who are employed rather than by welfare clients. Furthermore, poor Puerto Rican families continue to pour off the planes at city airports. If one accepts the administration's claim, it is hard to explain where these people are going and how they are supporting themselves. (The "freeze" may simply be an illusion created by the new system's inefficiency in registering new applicants and the computer's zeal in arbitrarily closing old cases.)

There are now various compulsory programs for those welfarites who are able to work, and the principles involved has found support in a recent U.S. Supreme Court decision. But even if the city had the will to enforce these, it would still lack the means. Besides, the programs are so inefficient as not to be worth their expense. The Work Incentive Program, for example, has succeeded in getting only 2 per cent of those mothers registered as eligible off the welfare rolls.

During the latter half of 1973, the retiring Lindsay administration has made a last ditch effort to influence federal policies and the new Beame mayoralty with its political attitudes toward welfare. Numerous statistics and studies have emanated from Jule Sugarman's office. One done recently by the Rand Institute and the city, and reported in the *Times* under the headline "Welfare Clients—Working When They Can," purports to show that approximately 40 per cent of the families on welfare in New York City have some family member working and use relief to supplement that income in order to survive. In addition, the study claims that the constant turnover of cases on welfare indicates the relief population is not a static mass of people, parasites on the public purse, but in large part a group of individuals who use welfare during periods of hardship when they are temporarily unemployed; 43 per cent of all welfare dollars, according to the study, go to such recipients.

It is my opinion that these statistics do not in any way represent the reality of welfare, but are fabricated and promulgated at the taxpayers' expense for political self-interest. Civil service welfare workers, throughout the late 1960s and early 1970s, groaned with dismay as dozens of misleading and falsified studies that bore no relation to the phenomenon of welfare within the welfare centers poured out of the Human Resources Administration.

The Rand study "findings" were derived from an analysis of the 12-month period ending June 1, 1970, a time when I was employed by the welfare department. Contrary to what was reported in the *Times*, it was my experience, and that of dozens of other employees I worked with, that families acknowledging an individual working were extremely rare (I would estimate at most 5 per cent). Over a one-year period, in all my cases, only one family member was employed. While I assumed that some mothers and older children held part-time jobs, their employment illegally supplemented their welfare budget and was not part of any positive effort to become self-sufficient.

The notion that close to half of all welfare dollars go to families and individuals temporarily out of work is equally preposterous. Over a 15-month period, ending September 30, 1973, of 64,000 welfare families monitored by New York State, fewer than 2 per cent became financially independent of welfare. This is certainly a poor showing for a welfare population of which the city claims almost half is merely between jobs. Nor does it corroborate the Rand study claim that a good 15 per cent of the families surveyed were independent of welfare at the end of the one-year period. On the contrary, it was my experience that welfare mothers got on and stayed on the rolls. They had insignificant work histories and virtually no motivation for employment. Of those mothers completing the lengthy WIN job training program and securing employment, 35 per cent quit or were fired within 90 days.

CAN WE DO ANYTHING?

What can be done about welfare? In my opinion, these steps must be taken before the welfare mess can be corrected:

Welfare must be federalized, and payments made uniform throughout the United States. The present disparity of grants encourages migrations of the poor that will in time destroy the cities of the North. The trend of recent years to assume that clients will be on the welfare rolls for good must be reversed, and the concepts of employment, self-sufficiency, and social responsibility must form the foundation of any new welfare legislation.

Welfare administrators must be given the authority and autonomy to enforce the system without interference from politicians and pressure groups. When welfare clients repeatedly told me to "——— myself" as I tried to enforce regulations, they know they could get away with it because they had the support of the local political system.

Welfare payments to families should be frozen at current levels; mothers should realize that more children will not net them more money.

Employable single individuals and mothers should be made to work ;day care centers to be run by public assistance recipients themselves, should be established.

Work programs should not take priority over regular jobs in the public and private sectors; nor should the welfare departments assume the responsibility for finding welfarites regular jobs.

Welfare mothers must be required—as a prerequisite for public assistance—to supply information about the fathers of their children.

Rules and regulations in various areas of welfarites' lives (housing, schools, fraud, and embezzlement) must be tightened and enforced. Incidentally, the new rigor must be applied to blacks and Puerto Ricans as much as to whites; white administrators and politicians, I have found, often enforce higher standards for white welfare recipients than for nonwhites, apparently assuming the latter to be incapable of assuming responsibility or attaining self-sufficiency.

Built upon mythical foundations, twisted by power-hungry politicians, and deeply entangled by decades of labyrinthine bureaucracy, the current public assistance system threatens to remain a ludicrous farce of inefficiency, manipulation, and fraud. Through the kind of recipient it attracts and fosters, it is destroying our nation's cities, terrorizing the populace, disrupting the school systems, exacerbating racial hostility, and turning the middle class into a nomadic culture, constantly on the run from deteriorating neighborhoods, drugs, and violence. For the sanity and dignity of the people, poor, rich, and middle income, the issue of complete public assistance reform has to be revived at the federal level, and tough legislation must be passed and implemented through a totally new and rigorously administered welfare system.

ASSISTING SMALL BUSINESS TO COMPLY WITH THE OSHA LAWS

Mr. BIBLE. Mr. President, as chairman of the Select Committee on Small Business, I have consistently tried to make it possible for the small business community to be partners in progress rather than the victims of progress.

It was gratifying that the legislation which I first proposed in 1969, enabling SBA loans for general compliance with consumer, pollution, environmental, health and safety standards, became law on January 2 of this year as Public Law 93-237. Our committee has also worked over the years on other possible legislative and administrative proposals to make it practical for small businesses to live with government requirements.

One of the notable areas of difficulty in this regard has been the occupational safety and health law. This statute gave rise to a massive 330 page set of regulations that still has many businesses tied up in knots in attempts to comply.

A serious defect in the OSHA statute from the beginning has been the inability of the Federal Government to be helpful to the small firms constituting 97½ percent of the business population who may desire earnestly to meet the requirements of the statute within their available management time and financial means.

We have advanced and supported legislation to provide for onsite consultations to remedy this problem. I was gratified to note the recent introduction of a bill by a member of our committee, the Senator from Iowa (Mr. CLARK), proposing that the Small Business Administration be given authority to conduct the onsite advisory inspections.

I have been advised by the Department of Labor that the Department views with approval the authority contained in section (b) of the Small Business Act that:

> It shall be the duty of the Administrator (of the SBA) whenever it determines such action is necessary—(1) to provide technical and managerial aids to small business concerns, by advising and counseling on matters in connection with . . . accident control. . . .

I ask unanimous consent that the correspondence to this effect from the Labor Department be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. BIBLE. It was most encouraging that the 10th Biennial Convention of the American Federation of Labor and Congress of Industrial Organization (AFL–CIO) adopted a policy resolution stating that this great labor organization would accept an onsite consultative program for small employers provided that it was "financed to a separate budgetary request"; that is, separate from the administration of the OSHA law, and also that it "provides the same rights and protections for workers as are set forth in the inspection and enforcement sections of (that) act."

It seems to me that we now have some very welcome developments in this field.

I hope that the committees of Congress concerned will be able to move forward with these suggestions and bring a real measure of relief to the thousands of small firms who wish to comply with occupational safety and health requirements.

EXHIBIT 1

AMERICAN FEDERATION OF LABOR
AND CONGRESS OF INDUSTRIAL
ORGANIZATIONS,
Washington, D.C., February 14, 1973.

Mr. JOHN H. STENDER,
Assistant Secretary, Occupatinal Safety and Health Administration, U.S. Department of Labor, Washington, D.C.

DEAR JOHN: The 10th Biennial Convention of the AFL–CIO held October 18-24 of this year unanimously adopted a policy resolution dealing with occupational safety and health. Copies of this resolution were given to your Special Assistant, Mr. Maywood Boggs, one of which he told me would be delivered to you. I understand that this was done.

I particularly wish to call to your attention that part of our policy resolution addressed to on-site consultative services. It reads:

"Accept any on-site consultative program for small employees only if it is separately financed and administered by an agency other than the Labor Department, provides the same rights and protections for workers as are set forth in the inspection and enforcement sections of the Act, contains penalties against its misuse to avoid compliance with the standards of the Act, and is financed under a separate budgetary request."

The AFL–CIO, therefore would oppose any legislation proposed, now or in the future, which would be counter to the above. Moreover, it would oppose with equal vigor any administrative proposal to accomplish on-site consultative services within OSHA.

I would appreciate your taking the opportunity to examine our statement dealing with on-site consultative services and giving us the benefit of your reactions at your earliest possible convenience.

Sincerely yours,
GEORGE H. R. TAYLOR,
Executive Secretary.

U.S. DEPARTMENT OF LABOR,
Washington, D.C., December 20, 1973.

Mr. GEORGE H. R. TAYLOR,
Executive Secretary, AFL–CIO Standing Committee on Occupational Safety and Health, Washington, D.C.

DEAR MR. TAYLOR: Thank you for your recent letter asking for my reaction to your policy resolution agreeing to on-site consultative programs for small employers if those programs are separately financed and administered.

My position is in strong support of on-site consultative service to assist small businesses in complying with safety and health standards. Even before affirming that stand during my confirmation hearings, I took an active role as a Washington State Senator in assuring such a provision would be included in my home state's occupational safety and health plan.

Under present law, the Labor Department is not authorized to offer Federal consultation in an employer's establishment without conducting an inspection at the same time. Where states have sought such authority, we have approved on-site consultation service in their plans, if it is shown to have separation from the mechanisms of enforcement sufficient to protect them against reduced impact.

While I am reluctant to offer an interpretation of laws that govern other agencies, to be fully responsive to your question, I feel I should point out a statutory provision that relates to your resolution. It is the authority found in the Small Business Act (PL 85–536, Section 8(b)) which empowers the Small Business Administration in making available "technical and managerial aids to small-business concerns" to provide advice and counsel on "accident control."

The pertinent provision follows:

"It shall also be the duty of the Administration and it is hereby empowered, whenever it determines such action is necessary—

(1) to provide technical and managerial aids to small-business concerns, by advising and counseling on matters in connection with Government procurement and property disposal and on policies, principles, and practices of good management, including but not limited to cost accounting, methods of financing, business insurance, accident control, wage incentives, and methods engineering, by cooperating and advising with voluntary business insurance, professional, educational, and other nonprofit organizations, associations, and institutions and with other Federal and State agencies, by maintaining a clearinghouse for information concerning the managing, financing, and operation of small-business enterprises, by disseminating such information, and by such other activities as are deemed appropriate by the Administration;" (emphasis supplied)

I hope the foregoing is helpful to you and your colleagues in furthering the common concern of labor, management and government to end injury and illness in the American workplace.

Sincerely,
JOHN H. STENDER,
Assistant Secretary of Labor.

U.S. Department of Labor,
Washington, December 20, 1973.

Dear Senator Bible: Because of your recognized interest in helping small businessmen comply with occupational safety and health standards, I felt the enclosed letter from Assistant Secretary Stender would be of interest to you.

If you have any questions or require additional information, please let me know.

Sincerely,
Benjamin L. Brown,
Deputy Under Secretary for Legislative Affairs.

INTERIOR DEPARTMENT OUTSTANDING SERVICE AWARD MADE TO OREGON MAN

Mr. HATFIELD. Mr. President, recently the Interior Department recognized the outstanding contributions made in energy conservation by the Bonneville Power Administration under its able administrator, Don Hodel. Hodel was presented with the Outstanding Service Award of the Interior Department.

While I know how widespread the efforts were throughout BPA to provide leadership in energy conservation, Don Hodel provided the catalyst in directing BPA efforts throughout the Northwest. I congratulate Don Hodel on this recent award, and I also thank the many other employees of BPA who contributed to the energy conservation efforts.

I ask unanimous consent that the announcement by the Interior Department be printed in the Record.

There being no objection, the announcement was ordered to be printed in the Record, as follows:

Donald P. Hodel Wins Interior's Outstanding Service Award

Secretary of the Interior Rogers C. B. Morton has honored Donald Paul Hodel, Administrator of the Bonneville Power Administration, with the Department of the Interior's Outstanding Service Award.

James T. Clarke, Assistant Secretary for Management, made the presentation Friday (March 1) at the Bonneville Power Administration headquarters in Portland.

The award is the highest presented by Interior for executive accomplishment by a non-career Federal employee, Clarke said.

This is only the sixth time the award has been made and the Hodel presentation is the first for energy conservation. It was presented to Hodel in recognition of his leadership in developing a highly successful energy conservation program during the 1973 drought in the Pacific Northwest.

Many of the energy conservation actions developed then have since become models for the nation, Clarke pointed out.

As early as April 1973, Hodel outlined steps in curtailing nonessential electrical use in all BPA field installations. Joining with the General Services Administration, he made the once-brightly lighted BPA building a symbol of power conservation. Significant savings were attained through reductions in lighting, daytime janitorial and maintenance services, temperature regulation and careful operation of energy-consuming equipment.

Then came Toastmasters and Toastmistresses. These ardent public speakers became the nucleus of a corps of BPA speakers, including Hodel, who urged energy conservation before 124 school groups, service and civic organizations.

From July through December, 1973, internal BPA energy economies resulted in average power savings of 14 per cent throughout the Bonneville system, including an average 25 per cent cutback in the Portland headquarters building.

Based upon load forecasts, total savings in electrical energy averaged nearly 7 per cent throughout the Bonneville Power Administration service area in the September-December period. These voluntary efforts by all segments of the utility industry, augmented by heavy precipitation in late 1973, averted a serious power shortage, Clarke said in his citation. By late January, 1974, BPA and Northwest utilities were supplying large blocks of power to fossil-fuel deficient utilities in the Pacific Southwest.

CONTRASTING DEFENSE AND COMMERCIAL BUSINESS

Mr. McINTYRE. Mr. President, when the defense budget reaches the $90 billion level—which it has this year—we have increasing interest in how to do our defense business, whether we are doing it in the most effective way, and whether we can use business procedures to save the taxpayers money.

The April 1, 1974, issue of Aviation Week and Space Technology has an interesting editorial on this very subject by Mr. Brainerd Holmes, executive vice president of the Raytheon Corp.

Mr. Holmes, who has an extensive background both in government and industry addresses the marked differences between defense and commercial business as they impact on industry. I consider his views worth consideration and therefore, Mr. President I ask unanimous consent to print this editorial by Mr. Holmes in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

Contrasts in Defense Business

The challenge of charting the path to truly cost effective system acquisition is formidable, but let us make a beginning by examining some of the differences—and similarities—between commercial business and the defense business to see if there are lessons to be learned.

Industry responds to its market. It responds differently to the commercial market than the defense market because the demand is not the same. There is indeed a fundamental difference in the process by which commercial products are conceived, developed, produced and sold as opposed to the cycle for a defense product. And there is no question but that the commercial product is brought to market in a more efficient and timely manner. Nor is there any question that the manager's approach is different for the two classes of products.

In the commercial arena he is on the offensive, driving toward simplicity, eliminating non-essentials, tailoring his product to the lowest cost that will meet the minimum requirement for a particular segment of the market. He has a wide latitude to make timely management judgments to accomplish this end.

Contrast this with the program manager for a modern weapon system. His product is designed to meet the most exotic threat; it is highly sophisticated and automated to compensate for unskilled or low-skilled operation and maintenance. The manager must spend untold manhours in justifying and defending costs, designs, systems procedures and even basic management decisions. Small wonder that this produces a defensive-minded manager. His drives are directed at meeting the specification. Involved decision and approval procedures introduce costly delays that negate savings, which timely implementation would have produced. In weapon system acquisition, we have built a system that tends to inhibit the managerial skills that we admire and respect in the commercial manager. And we pay a penalty—for this philosophy is not calculated to get the product to market at the lowest possible price.

Before I am accused of finger-pointing myself, let me hasten to say that our industry must bear with the military a share of the guilt for this self-defeating syndrome of over-speculation, over-control and over-involvement of the customer in the management of our business. Because of our fear of being eliminated from the competition if we take exception to unrealistic specifications because of our own desire to operate on the leading edge of technology and to produce the most sophisticated equipments, we have contributed to the proliferation of these wasteful practices.

I do not for a moment intend to suggest that we ignore the unique nature of the defense industry. It is different. Many of the requirements are absolutely essential to meet threat. They cannot be eliminated regardless of the cost. But we can define the threat, and we can determine what portion of our resources we can allocate to meet that threat, and we can design our product to do the job with the resources provided. We can because we must.

How?

Not by simply declaring that the defense market is just another market that industry can service as it does the commercial market. That would be disastrous oversimplification. We do have to maintain a capacity to produce minimum essential requirements for guns, ships, missiles, aircraft and other requirements for military readiness. We do have to maintain the facilities and the trained manpower essential to produce these necessary implements of our national strength. We do have to maintain a strong IR&D [independent research and development] effort to provide a future capability to meet the evolving threat. We do have to maintain a capability for viable competition that is the very lifeblood of our industry.

And to do so, we must recognize the peaks and valleys that are characteristic of our industry. We must bear the overhead associated with temporarily unproductive facilities that are vital to maintaining not only the competitive character of our industry but also the production reserve that supports our national strategy. Defense requirements are unique, and the Defense Dept. has a responsibility to maintain what is essentially a national asset—the broad base of capability that enables us to stay at the forefront of weapon development during peacetime and to be ready to produce all that is necessary in wartime.

All this is to say that the defense business is not, cannot and should not be run in all respects like a commercial operation. But we can borrow from the recognized strengths of commercial practices. Let's call a spade a spade. Our real problem stems from the desires on the part of both industry and government to extend the technical state of the art beyond what is necessary; to specify requirements which may never be encountered, and to protect against every contingency. That is a luxury we can no longer afford. In commercial terms, we are dedicated to a product the market cannot support. That spells disaster. In any terms, prudent management dictates that we reorient our thinking and our efforts to bring the product in balance with the market. In other words, to get the cost of the product down to a price the customer can afford. . . .

ROLE OF GOVERNMENT IN ENERGY CRISIS

Mr. TOWER. Mr. President, I ask unanimous consent to print in the Rec-

ORD some remarks of Mr. Herman J. Schmidt, vice president, Mobil Oil Corp., on the role of Government in the energy crisis. These comments are most instructive, not only on what course the Government should take, but on what course the Government most certainly should not take.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

GOVERNMENT'S APPROPRIATE ROLE IN ENERGY

(By Herman J. Schmidt)

It will not come as news to any of you that some of the media and some politicians have tried to make the large oil companies the scapegoats for the inconvenience and higher fuel prices recently experienced by the American people. These companies have even been accused of conspiring to create an artificial shortage of oil in order to raise prices.

It's not my intention today to answer these charges beyond saying that at least with respect to the company with which I am associated—and, I believe, with respect to others as well—the charges are totally false.

I would remind you that Arab oil-exporting countries last fall reduced crude oil production by an aggregate of close to 5 million barrels a day. Some of this massive cutback was later restored, but until early this week, production in those countries was still running 3 million barrels a day less than the Free World had expected would be produced.

No matter how efficient they may be—and they *are* efficient—no oil companies can make up that great a loss. Your thermostats have been set in the Middle East, and that is where the line at the service station forms. No amount of inflammatory rhetoric can mask that fact forever.

Rather than engage in sterile debate, I should like to address myself to what must be done to assure our country, long term, of adequate and secure energy supplies, and in the process, to answer the question. What is the appropriate role for the government in the energy industries? In doing so, I shall discuss primarily the petroleum industry, since it is the one with which I am most familiar and since crude oil and natural gas furnish about three-quarters of the energy consumed in this country.

What is the proper relationship between the private sector and the federal government? This is particularly pertinent when one reads and hears daily of proposals being advanced in Washington and elsewhere, that would change the very nature of the relationship under which the American economy has achieved such strength. I will touch on just two types of these various proposals, en route to sketching an affirmative role for government.

The first type would create a government company to find and produce crude oil and natural gas. The second would increase substantially the very considerable degree of government regulation already imposed on private oil companies.

Before discussing these proposals, I should like to sketch for you what I think it is that makes private companies uniquely useful. The United States attained the highest material standard of living in all recorded history through the free-market system which has added to our plentiful natural resources the critical ingredient that this system elicits in greater measure than any other—human resourcefulness.

In discussing the free-market system, I would hope that in this gathering we can dispense with the campaign oratory that tries to brand every successful industry as monopolistic, conspiratorial, and noncompetitive. Despite very occasional aberrations to the contrary, American business is indeed competitive, and this is particularly true of the oil business.

Competition forces business to operate at the lowest possible cost consistent with product quality and with decent wages and benefits. Competition also puts a ceiling on the price a business can get for its goods and services. It is that very ceiling that dictates the low costs. The only way to improve your margins is to reduce your costs. This is, in fact, what produces the profit.

It is profit that brings out supply. Any indication that profits are abnormally high tends to attract substantial new production capacity. This, of course, increases the supply. And that, in turn, lowers the price.

The least costly part of what you pay for a product is the maker's profit, because through that profit—which is usually modest—you get a person who watches the maker's costs. The consumer benefits from this cost-control as much as the producer does.

The beauty of the free-market system is its capacity to adapt to a changing world.

Provided it is not unduly interfered with, I believe this self-regulating mechanism will continue to work and serve the consumer well. Once government begins tinkering with the mechanism or with the profit motive, malfunctions develop quickly.

The cost of energy has recently risen dramatically, and in the longer term may increase still further. Even so, I am convinced that the free market offers the only proven way to ensure adequate supply and to minimize additional price increases.

In advocating free-market pricing for fuel, I recognize the burden which higher-priced energy places on the economically deprived among our people. To the extent that there is a serious adverse impact on the poor, we must not turn our backs on it. Dealing with it directly, however—by subsidy to them if necessary—rather than by a general distortion of fuel price levels throughout the economy, will prove the most effective and least expensive solution. Arbitrary price controls that delay the development of additional supplies will only aggravate the problems of the poor.

Against this backdrop, let us look now at the proposal to set up a federal government company to explore for and produce crude oil and natural gas on federal, state, private, and foreign acreage and, under certain circumstances, to engage also in transportation, refining, and marketing. The ostensible purposes of this company would be to provide additional energy supplies to furnish a yardstick for measuring the costs and profits of the privately owned oil companies; and to make those private companies more competitive.

Since a government company has no requirement to earn a profit in order to stay alive, it has no competitive drive for the heightened efficiency that reduces costs. I have never heard anyone suggest government as an example of efficiency or low-cost operations. There are, of course, those who say the great virtue of a government company is that it does not have to make a profit and indeed should not be permitted to. Those people do not realize they are saying a government company has little incentive to use tax dollars efficiently.

As for substantially increasing the supply of oil and natural gas, which involves lead times of up to 10 years, it is important to remember that a government oil company would be free from any real economic pressure to get on with the task of exploration and development. Private companies, on the other hand, are always under pressure for a return on their capital. Hence their drive to find oil and gas as quickly as possible, and to begin promptly bringing it to market.

Since the energy shortage is likely to be with us for years, it would defy all credulity to turn over the most promising 20% of U.S. government-held acreage—as is seriously being proposed—to a company with no experience, no demonstrated competence, and no pressure or incentive to perform. Assuming even reasonably prudent selection, the first 20% of the available acreage could represent significantly more than 20% of the prospective reserves. There is no better way to prolong the shortage.

Can anyone really imagine the government's giving such a company enormous sums of money year after year for high-risk operations, which is what oil exploration is? Few government oil companies anywhere have been successful risk-takers. Even if such a government oil company in our country did manage to find some oil, one has only to look at the U.S. mails to understand government's approach to efficient production.

Not only would this proposed government oil company begin life with first call on the choicest acreage. It would pay no bonus and no rentals on the acreage; no royalties and no taxes. It would enjoy lower interest rates on any borrowings than the private companies, because the taxpayers would be underwriting the loans. Such proposed treatment would make a farce of the yardstick argument, because there would simply be no comparability.

In sum, I submit, the proposal to set up a government oil company is totally without merit and almost sure to be counter-productive. Even more important than the millions that would be wasted is the precious and irretrievable time that would be lost.

This brings us to the second type of proposal, which would impose on domestically produced crude oil and on natural gas moving in *intra*state commerce the same sort of wellhead price controls now imposed on gas destined for *inter*state commerce.

We have learned over the years that the emergence of any shortage almost invariably brings cries for additional government regulation of one sort or another. Unfortunately, this is likely to worsen the very shortage it is instituted to remedy. Let us explore this point, because it is a crucial one.

One of the problems in evaluating government regulation is that "regulation" is an emotionally loaded word. To many it connotes some sort of fairness, a shield against exploitation, in the interest of the ordinary citizen. Yet our country has now had rather long, and not very happy, experience with regulation.

It is time, it seems to me, to base our attitude toward any additional government regulation not on a sort of wishful thinking, but rather on what experience shows us the results of regulation are really likely to be.

Investigations by growing numbers of scholars reveal that the results of past regulation have been so bad for those who were allegedly to be protected that we should be extremely hesitant about introducing any new regulation. This is not because we are anywhere near Utopia, but because of defects inherent in the regulatory process itself.

The perfect example of how government regulation in the name of the consumer tends to work *against* the consumer is what the Federal Power Commission has done with natural gas. The example is instructive and highly relevant to the proposal to regulate crude oil prices or, in fact, to regulate other industries.

In 1954, wellhead price controls were placed on natural gas destined for *inter*state transmission. Ever since then, the Federal Power Commission has focused its regulatory policies almost entirely on low prices to the consumer in the short term. It has ignored two elements at least equally important to the consumer in the longer term—adequacy and security of supply.

The F.P.C. set such artificially low prices for natural gas that demand for this clean-burning fuel skyrocketed, while both the incentive and the means to find additional reserves of it plummeted. Today there is a serious and growing shortage of natural gas—precisely what we in the oil industry said 20 years ago, and ever since, was bound to happen.

Meanwhile, plans are under way to import liquefied natural gas from less-secure sources abroad at four to five times the laid-down price of domestic natural gas. Yet the geologists of this country are convinced there are substantial additional U.S. gas reserves awaiting discovery onshore when it becomes economically feasible to explore for them and offshore the East and West Coasts when those areas are opened to exploration.

I should think the moral to be learned from the sorry history of government regulation of the natural gas industry would by now be apparent to almost everyone. About the best way to prolong and worsen the energy shortage is through further regulation. Does anyone really believe we can run America's immensely complex industrial structure better by substituting regulation for the basic competitive forces that have served the consumer so well in a free market?

The types of proposals on which I have touched are only two among many being advanced in Washington for additional regulation of American business, particularly the petroleum industry. The thread that is common to virtually all of them is the illusion that they will ameliorate one problem or another. Yet over and over our nation's experience with regulation has shown that it is highly unlikely to produce any ultimate benefit for the consumer.

What, then, *is* the appropriate role for government in the energy industries? Should government simply do nothing? On the contrary, past government inaction at points where action was urgently needed has been a major part of the problem.

What is essential is a comprehensive national energy policy, to set goals and to create the parameters and the climate within which the private sector operates in our free-market system.

In the absence of such a policy, programs which could materially increase domestic energy supplies in both the near and intermediate term are being held up. The list includes further acceleration of federal leasing, particularly in the Outer Continental Shelf; immediate resumption of drilling on suspended leases; relaxation of natural gas price regulations, especially for newly committed supplies; and greater utilization of coal.

Only government can set forth national goals and work out the necessary compromises to reconcile conflicting interests and viewpoints. We must place the national interest in energy matters above regional or other special interests, and we must recognize the natural priorities among various energy sources. Only government can develop the ground rules under which private industry must work. Clearly, government has an important and affirmative role to play.

The policy we adopt must, among many other things, recognize the need for continued economic growth—not mindless, exponential growth, but reasoned and balanced growth to enable more and more disadvantaged Americans to attain a higher standard of living.

It obviously has to include such conservation goals as energy-efficient building standards and better public transportation. It also must comprehend the siting of nuclear plants, refining facilities, and deepwater ports, and the stockpiling of large quantities of crude oil at a feasible time. It should address itself to the development of an American-flag tanker fleet that could be competitive in world trade and could ease the balance-of-payments drain stemming from imports of high-cost foreign oil. Also, we must have a policy that will permit strip-mining of coal in areas where land reclamation is possible. It makes no sense to restrict any form of mining coal that is economic and at the same time to make large research expenditures on ways to liquify and gasify coal.

We clearly need a national policy on environmental tradeoffs. There is no irreconcilable conflict between a cleaner and more pleasant environment and adequate energy supplies to help people still struggling to work their way out of poverty. We must strike a rational and workable balance between unacceptable enivironmental risks and unacceptable economic risks. An adequate and secure supply of energy is not a discretionary matter for a country as dependent on it as ours is. We therefore must have a balanced policy that does not permit extremist approaches to environmental protection to delay for years progress toward achievement of our national goals on energy.

Having struck a reasonable and rational balance on that fundamental, we must then develop a timetable with quantified goals for such component elements as oil, natural gas, nuclear power, coal liquefaction and gasification, coal for direct burning with desulfurization equipment, oil from shale, and, in a longer time frame, energy from more exotic sources. In drawing up such a balance sheet, we should keep in mind the simple fact that in the time frame we are discussing here—and even beyond—conventional oil and natural gas will remain our primary energy sources. There is no viable alternative.

It would seem to me that joint industry-government task forces could be most helpful in developing such a timetable and in quantifying the goals for the various components. All of us, the government included, must be very sure that no important piece is omitted from this extraordinarily complex jig-saw puzzle.

In all of this, we will have to keep in mind a host of considerations. One of the first of these is the question of self-sufficiency. I personally do not believe that we should initiate a crash effort to attain 100% self-sufficiency in energy, certainly not within any brief span of time such as 10 to 15 years. I cannot say whether our goal should be 80% or 90% self-sufficiency or just what, by 1990 or whenever, but I suspect that the cost of 100% self-sufficiency could be prohibitive.

Even if we could assume that the construction labor and the materials and the technology would be available, the massive capital programs required to achieve complete self-sufficiency in the near term could put heavy upward pressure on interest rates. They could drain off capital urgently needed in other critical areas of the economy. The physical environment might be seriously damaged. Nor do I think we should even appear to be retreating into an economic Fortress America. Since no human endeavor can be made completely risk-free, I should think we would be willing to rely on imports for some modest portion of our energy needs.

At the same time, we must minimize the risks created by unnecessary uncertainty as to our government's policies. The value of constancy and consistency can hardly be overestimated. They are essential to the business planning that is a prerequisite to the unprecedently large research programs and capital expenditures mandated by the situation.

A consistent energy policy will provide the basis for sound assumption as to future prices and costs—so important if we are to come to grips with the insurance aspects of a national energy policy: How much are we as a nation willing to pay to become largely independent of other countries with respect to energy? We shall surely have to face up to that question before we undertake the high-cost technology that may make our energy supplies more expensive than those of, say, Western Europe or Japan—more secure, to be sure, but possibly higher in cost.

The United States has the natural resource base, the work force, the technical skills, the management, and the organization to meet our future energy needs. I would guess that we can raise the huge amounts of capital required. But in the last analysis, it is the rate of return on capital in the energy industries that will determine whether the job gets done. Energy prices must cover prospective costs, and government regulation of the marketplace must be held to the minimum. It will not be possible to provide the country's long-term energy requirements if the market is distorted by restrictions imposed in an effort to solve or ameliorate short-term problems.

What is going to be critical is the sort of flexibility, resourcefulness, dedication, and risk-taking that have long characterized private oil companies around the world. The preeminent contribution that responsible government can make is to nurture and strengthen those qualities in every conceivable way; to make sure that adequate rewards await those who earn them by serving the public well; and to abandon the attachment to regulation for the sake of regulation.

I urge that we Americans not act as the instrument of our own torture. Applying this specifically to the subject of my talk today, I am saying, Let's not muzzle the strongest weapon in our arsenal—the privately owned oil companies.

Unless we assure ourselves of the energy required to sustain the well-being of the American people, no arms or armament can assure the nation's security, nor can social programs of whatever nature assure its stability. If we give up the campaign oratory and the search for scapegoats, if we take a responsible approach and a long, realistic view, we as a nation *can* solve our energy problems. The time to begin is now.

JOEL L. OPPENHEIMER NACV'S MAN OF THE YEAR

Mr. HARTKE. Mr. President, this past Friday marked the closing of the seventh convention of the National Association of Concerned Veterans—NACV—in Rochester, N.Y. This group of Vietnam veterans, founded in 1968 has grown from 130 chapters to over 200, representing 57,000 members. This is an impressive record of growth, all the more so because NACV has overcome a number of obstacles that other organizations, in less dedicated hands, might have found insurmountable.

Over the last 7 years only one individual has been acknowledged as NACV's "Man of the Year." Friday in Rochester, the delegates to the seventh convention recognized Washington tax lawyer, Joe L. Oppenheimer as NACV's Man of the Year. This distinguished award follows on the heels of the recent approval to grant NACV tax-exempt status under section 501(c)(19) of the Internal Revenue Code.

As chairman of the Senate Committee on Veterans' Affairs, it is my pleasure to commend Mr. Oppenheimer for helping to dignify the sacrifices that our Vietnam veterans made during a period of unpopular conflict in Indochina. Mr. Oppenheimer's efforts to strengthen the NACV's effectiveness took months of legal research which culminated in making the NACV the first veterans organization to qualify under this new IRS ruling. His unceasing efforts and undying faith in the NACV brought a decision by the IRS favorable on all points.

Because of his dedicated support, this young veterans group can now receive tax-exempt contributions from all segments of society both public and private to continue their efforts for the 7 million Americans who served during the Indochina war.

ENERGY RESEARCH AND DEVELOPMENT

Mr. **BROCK**. Mr. President, there are currently before the Government Operations Subcommittee on Reorganization several pieces of legislation proposing alternative structures to manage energy research and development in the coming years. Testimony has been received in hearings which indicates, I believe for the first time, the extensive work and preparation which the AEC has in in preparing this Nation for the nuclear age. Many Americans are concerned and want the answers to such questions as "why can't we go to a fusion stage and skip development of fission?"; "Is nuclear the only option?"; and, "Where will new technologies be bred to minimize the risk of counterproductive energy policy actions?"

For the first time, in one place, an individual responsible for this effort has had the courage to attempt to answer these questions. Chairman Ray's testimony is not only good reading but must reading for all those legislators who will decide the path of our energy legislation. For that reason, I ask unanimous consent to print her testimony in the RECORD directly after my remarks. I would also like to express my appreciation to Senator RIBICOFF, chairman of that subcommittee for as comprehensive and well-balanced a set of public hearings on an issue as I have experienced.

There being no objection, the testimony was ordered to be printed in the RECORD, as follows:

STATEMENT OF DR. DIXY LEE RAY, CHAIRMAN OF THE U.S. ATOMIC ENERGY COMMISSION BEFORE THE REORGANIZATION, RESEARCH, AND INTERNATIONAL ORGANIZATIONS SUBCOMMITTEE OF THE GOVERNMENT OPERATIONS COMMITTEE, U.S. SENATE, ON S. 2744

This is the third time that I have had an opportunity to testify before this subcommittee on the Administration's proposals for reorganizing Federal research and development programs on energy systems. During the last six months there have been a number of dramatic developments in the energy picture which have caused us to reexamine our assumptions and goals, but one fact has remained clear: an effective solution to the energy problem facing this nation depends upon the creation of a coodinated, well directed, and efficient energy research and development program at the Federal level.

In my last appearance before this subcommittee on December 4, 1973, I explained why the Atomic Energy Commission strongly supports S. 2744, which provides for an Energy Research and Development Administration and a separate Nuclear Energy Commission. Nothing has happened in the intervening three months to cause the Commission to alter its views on the importance of this legislation. For this reason I welcome this occasion to explain why we need these two new agencies and why we believe that the AEC structure, with its administrative experience and talented laboratories and contractors, can provide the essential core for an effective ERDA.

NATURE OF THE ENERGY CRISIS

No edition of a daily or weekly newspaper, no copy of a news magazine is complete without a column, comment, or speculation on the energy crisis.

The fuel shortage we are experiencing is truly a problem of worldwide dimensions. In the long run we may well be fortunate that political developments have forced the crisis upon us a decade or more before it would have otherwise arrived. We can now see that the energy shortage was inevitable. Some shortsighted optimists would have us believe that shorter gas lines and more fuel oil in a home heating system constitutes "happiness." But at best that is a transient happiness. We all know that our fossil fuel sources are limited, especially in such convenient forms as oil and natural gas. We also know that dependence on foreign sources can subject us to a form of political blackmail. Lifting the oil embargo will serve only to make us more comfortable in the "intervening years," after which we will either face a yet more serious crisis or become self-sufficient.

The energy question is readily divided into two distinct but overlapping problems. First, what can we do now—in the immediate future and over the next 2-5 years—to provide the fuels necessary to avoid an economic recession or physical hardship? And second, how can we reduce our reliance on fossil fuels by developing alternate energy sources without losing the many real advantages that modern civilization has to offer?

In the first category fall the many initiatives now being taken or planned by the Federal Energy Office under the able leadership of Bill Simon. Efforts to cut back on consumption and to conserve such fuel as we have available are already producing results. The President has proposed a courageous plan designated "Project Independence." The plan is to use presently developed technology and known processes to increase our domestic fuel supplies. This important program is also a responsibility of the Federal Energy Office.

There are other ways of improving our energy situation. Working with private industry, the Federal Government should consider encouraging private industry to develop new energy systems through financial incentives such as guaranteed prices for energy produced, loan guarantees or direct loans, and priority allocations of resources such as construction materials. Implementation of these proposals could result in substantial production of coal, synthetic fuels—both gas and liquid—and oil from shale.

The real problem is the long-term one. While providing for today's needs, while making sure that the wheels of industry keep turning and our industrial economy remains strong, we must not let short-term responses blind us to the crucial necessity of beginning NOW the greatly expanded research and development effort that will eventually lead us out of the fossil fuel age. One way to reach this goal is detailed in the report "The Nation's Energy Future," which I presented to President Nixon at his request on December 1, 1973. The organization that will make it possible to accomplish the objectives of that report is that proposed in S. 2744: the Energy Research and Development Administration.

THE NUCLEAR ENERGY COMMISSION

I intend to direct most of my remarks today to the need for ERDA, but first I would like to mention the importance of the Nuclear Energy Commission proposed in S. 2744. The bill provides that the Atomic Energy Commission itself as well as certain elements of the staff would be established as an independent regulatory agency to be called the Nuclear Energy Commission. Reconstituting the AEC as NEC would be the final step in a process which has continued over a period of years to separate the operational and the regulatory functions of AEC. During the early years in the development of nuclear technology and the nuclear industry it made sense to integrate the operational and regulatory functions in one agency so that we could be certain that the new regulatory procedures being established fully protected the public against the potential hazards of a new technology. Now that both the industry and the technology have matured, we believe that the time has come to separate these two functions. Creation of a separate Nuclear Energy Commission will mean that one Federal agency will be able to devote all of its attention and its resources to the regulation of nuclear activities. The obvious importance of this function in our opinion fully justifies the provisions of S. 2744 establishing the NEC.

There is much more that should be said about the need for the proposed NEC. Commissioner Doub is present today and is prepared to discuss this subject in greater detail.

WHY ERDA?

The energy crisis has spurred many Federal agencies to suggest promising research and development projects. The intent of these proposals has been laudable, but the result has often been confusion. It is difficult to determine whether such proposals really augment the Federal effort or merely duplicate existing projects. And it is almost impossible under present circumstances to evaluate similar projects sponsored by different agencies. There has been some success in assigning lead responsibilities for certain kinds of research and development to one agency, but decisions of this nature can at best be temporary—pending the establishment of an integrated energy research and development program for the nation.

In many instances more than one agency is working on the same problem. Obviously coordination becomes difficult, but there are more subtle obstacles to successful development under these circumstances. Often the major responsibilities of a sponsoring agency will divert the research and development program from the main objective in terms of energy to peripheral considerations. This diffusion of responsibilities and fragmentation of leadership mean that we are not mobilizing our resources in the most efficient and effective manner. There is a temptation to capitalize on "visible" short-term payoffs at the cost of longer-run solutions. A series of short-term solutions will not meet the long-term need. Only by bringing all these projects under one research and development agency can we be sure that long-term objectives will be pursued.

The Energy Research and Development Administration described in S. 2744 provides a logical structure for organizing a research and development effort of the massive size and diversity required to provide the energy systems we need. ERDA would assure that alternative energy systems really have an opportunity to compete at the Presidential level for available resources. The kind of centralized coordination which ERDA would provide is essential to rational management of energy research and development.

Good management will require careful attention to a wide range of social and economic issues related to energy development. These include such diverse matters as the environmental concerns of the Environmental Protection Agency, reactor safety requirements of the proposed Nuclear Energy Commission, policies of the Department of Transportation, and resource management programs of the Department of the Interior. ERDA would have some impact on the activities of these and other agencies. But more important, ERDA would be in a position to respond effectively to the interests and concerns of these agencies in a way that is not possible at the present time. ERDA would be able to work with other agencies in formulating appropriate research and development strategies and budgets. ERDA would offer an independent, objective assessment of R&D needs. It would not be "captive" of any particular persuasion. Rather ERDA would be in a position to formulate policy and budget issues in a form that would be amenable to resolution at the Executive Office level. There is a compelling need today for an agency like ERDA, which can provide a prompt and flexible response to rapidly changing conditions in energy technology.

ERDA: A BALANCED ORGANIZATION

I have stressed the importance of balance in our approach to energy research and development. Without balance, we cannot be certain that the most promising energy systems will receive the support they deserve. The Administration recognized this need in drafting the original legislative proposal on which S. 2744 is based. Under the bill, ERDA would include personnel from both AEC and the Department of the Interior. It would draw upon the resources of these agencies and on those of the National Science Foundation and the Environmental Protection Agency.

There has been some concern expressed, however, that AEC, as the major component of ERDA, would dominate the new agency. If in fact ERDA were dominated by former AEC personnel, would there not be some danger that ERDA's programs would be biased in the direction of nuclear systems? In the opinion of some people, such a tendency would be especially unfortunate because they believe that AEC has not demonstrated the technical and administrative capability needed to form the core of ERDA.

Let me speak first to the question of nuclear bias. As I see it, there are at least four barriers to this kind of distortion in ERDA. First, there is no reason to believe that ERDA would be dominated by the present leadership of AEC. Under the bill, the ERDA Administrator and the Assistant Administrators would be appointed by the President with the advice and consent of the Senate. In proposing and confirming individuals for these positions, the President and the Senate will have an opportunity to provide the kind of balance required.

Second, the ERDA organization proposed in S. 2744 assures that each major energy system under development will have equal access to the Administrator and an equal voice in decisions. Fossil Energy Research and Advanced Energy Research would have their own Assistant Administrators with the same stature and authority as the Assistant Administrator for Nuclear Energy Systems.

Third, the organizations that would be transferred from AEC to ERDA have an established history of pursuing research projects which go well beyond the formal limits of nuclear research and development. Since 1971 AEC has been authorized to support research and development on energy systems other than nuclear, and the AEC's laboratories have made an impressive record in performing energy-related research for other Federal and state agencies.

Finally, the Congress in chartering ERDA and in appropriating funds will have a strong hand in determining the scope and direction of ERDA activities. S. 2744 itself recognizes the vital importance of all areas of energy research and development and the need to devote appropriate attention to each of them.

I am convinced that the four points I have just mentioned provide adequate safeguards against the dangers of nuclear bias.

AEC: A NATIONAL RESOURCE

I would like to say a few words about the second concern—that AEC does not have the technical and administrative competence required to form the core of ERDA. Let me say emphatically that the reverse is true—that AEC represents the kind of resource, both in talent and experience, that is essential to the success of an agency like ERDA. In fact, the concern of some people about nuclear bias probably stems from a realization of the exceptional capabilities of the AEC in energy research and development.

There is another contradiction inherent in some of the reservations that have been expressed. Some people find it possible to praise the genius and capabilities of the AEC laboratories while denying the effectiveness of AEC management. Such a position is as logical as praising the coordination and performance of a body while denying its head. The AEC laboratories deserved great credit for their accomplishments, but they would not be the strong and effective institutions they are today without the direction and management they have received from the AEC. Furthermore, the breadth of their capability arises from the basic facts of life and matter: the study of atomic energy involves the most fundamental understanding of scientific knowledge.

The AEC and its laboratories are staffed by scientists and engineers representing every conceivable discpline. During FY 1973 there were about 8,500 scientists and engineers employed at AEC's seven multipurpose laboratories. Information on personnel, programs, and capabilities of the laboratories are contained in the book "AEC Reseach and Development Laboratories—A National Resource" which we wish to submit for the Committee's information. The AEC laboratories are "interdisciplinary" and the broad range of disciplines represented are required for nuclear research and development. In fact, many of the problems the laboratories encounter are not unique to nuclear projects. Nuclear energy is the end product, but the talents and resources used extend far beyond the nuclear disciplines.

The AEC and its laboratories are project oriented. They have the skills, facilities, and goal orientations necessary to address a broad spectrum of problems. In addition, they have extensive field experience in demonstrating the feasibility of new technologies, many of which have resulted from close cooperation with industrial partners. We must understand that the skills and relationships developed in AEC projects represent a rare and virtually irreplaceable national resource. It has taken more than thirty years to develop the combination of governmental and scientific institutions which make up the AEC enterprise today. AEC and its laboratories offer to the nation an administrative and technical structure which has proven its ability to translate highly sophisticated scientific and technical data into practical engineering systems.

THE BREADTH OF AEC RESEARCH

Many people are not aware of the breadth and diversity of the AEC's research and development programs. These two attributes of the AEC program speak directly to the questions of nuclear bias and technical capability.

Many of the AEC's large, ongoing programs are not predominantly concerned with nuclear subjects. For example, the essential questions in controlled thermonuclear research and concerned with the physics and engineering aspects of plasmas, including the solution of the problems of superconducting high voltages with high efficiency. The major problems in laser fusion to date concern lasers and optics. The lasers being perfected in AEC laboratories have a wide variety of uses, such as for welding a detached retina to the eye.

Many examples of AEC work which is not uniquely nuclear occur in the areas of health effects, materials, and testing. The AEC is providing extensive support for studies of the effects of radiation on the biosphere. Especially important have been developments in the science of assessing the impacts of such releases. The techniques developed are equally applicable to the study of other pollutants. For instance, we have developed mathematical models for predicting the transport of radioactivity through the atmosphere and aquatic pathways. Equipment has been developed to detect emissions and to analyze cellular effects. In fact, one of the first uses for a cell analyzer developed by the Lawrence Livermore Laboratory was to perform field analyses of industrial pollutants for the Environmental Protection Agency.

Most nuclear research programs require specialized materials—metals, ceramics, plastics, and others, such as modern composites. Often these materials are not commercially available and must be developed for specialized applications. These materials have found their way into a variety of commercial uses. But it is not enough to develop new materials. Research on their properties and guarantees of integrity over an expected lifetime are necessary. Nowhere else is there accumulated the range of equipment for testing and fabrication as is found in the AEC's laboratories.

An important capability developed in AEC research on health and materials has been new skills in tests for reliability. The quality control required in nuclear work, whether we are discussing reactors or weapons, far exceeds that of most other technologies. A sophisticated science has evolved around testing capabilities. These range from electron microscopy that reveals flaws on scales approach the diameter of the atom to large machines that test structures up to millions of pounds. The AEC laboratories developed many of the techniques that are only now being introduced in commercial applications.

Even more important, they can be applied directly in the various kinds of research and development which ERDA would perform—on fossil, solar, and geothermal energy systems as well as nuclear. ERDA would make it possible to translate these nuclear skills to the much broader area of general energy research. The establishment of ERDA would enable us to build up and expand research and development on these nonnuclear energy systems, which have been too long neglected in the past.

THE FACTS ABOUT NUCLEAR POWER

Before closing I would like to say a few words about the charges which a small but vocal minority has leveled in recent months on the Commission's nuclear power program. I am not referring to the constructive suggestions which we continually receive from responsible critics but to the "shot-gun" attacks by those who are attempting to turn public opinion against nuclear power in any form. Unfortunately, in attacking AEC, these individuals sometimes give the appearance of discrediting the kind of forward-looking research and development program which is needed to meet our energy needs. So I think it is important today to set forth the essential facts. Among the AEC staff present you have a number of experts who can discuss the details.

There have been *claims* that nuclear power plants are dangerous. Here are the *facts:* nuclear power plants do emit radiation, but how much do they emit in comparison with other things? The estimated annual whole-body radiation received in the United States in 1973 was:

Source:	*Millirems*
Cosmic rays	44.0
Rocks, soils, and building materials	40.0
Internal body sources	18.0
Global fallout	4.0
Occupational activities	2.6
Medical activities	75.6
Total	184.2

From nuclear power we each received 0.003 millirems in 1970, and 0.425 millirems is projected from nuclear power in the year 2000.

We also know that radiation can cause cancer. Just how this happens is not completely understood, since at low exposure rates the effects may be much less proportionally than at high exposure rates. On the assumption that the rate of exposure does not affect the cancer-producing potential, Ralph Lapp has estimated an upper limit to the cumulative death attributable to radiation-induced cancer up through the year 2000. There would be 200,000 deaths from natural background radiation; 100,000 from medical X-rays; 7,200 from jet airplane travel; 6,800 from weapons fallout; and 90 from nuclear power plants. The total estimated cancer deaths from all causes over the same time period would be 20 million. So nuclear power plants do represent some measurable risk, but it is insignificant when compared with other causes of cancer.

Another objection is that nuclear power plants may have accidents. We believe that the care taken in design and operation ensures that the chances of a serious accident happening at a nuclear plant are very small. But how can we quantify this risk? About a year and one half ago the Commission set up a group of scientific experts to study this question. We were fortunate that Professor Norman Rasmussen of MIT agreed to direct this study. He is available today to answer your questions along with Dr. Herbert J. C. Kouts, our Director of Reactor Safety Research. I will defer to them for details, but I believe the risks from nuclear power plants are acceptable in comparison to the other risks society has demonstrated a willingness to accept.

Another claim made about nuclear power plants is that they are unreliable and uneconomical. In answer to that objection I can state that the cost of power produced from a representative number of fossil fuel plants in 1972 was 10.3 mills per kilowatt hour. For nuclear power plants the corresponding costs was 8.1 mills per kilowatt hour. As for reliability, large fossil plants were available to operate 73.5 percent of the time during the period of 1960–1972 and nuclear plants were available 74.4 percent of the time. The Commonwealth Edison Company has reviewed the availability of its plants in 1973 and found that the new fossil plants were available 69.1 percent of the time and its new nuclear units had an availability factor of 80.8 percent.

It also has been charged that the AEC does not provide adequate assurance against the theft of nuclear material from nuclear plants or while in transit. I consider the safeguarding of special nuclear materials against diversion from peaceful to weapons uses one of our most important responsibilities. The Commission does not take this matter lightly. The discussion of AEC safeguards against deliberate acts of nuclear destruction is frequently blurred by excessive over-simplification. The public has a right to be assured that there are adequate and effective safeguards against attempts to steal the material from nuclear plants or in transit. Our people also have a right to be assured that these safeguards are efficiently carried out—that the regulations are responsive to the problem rather than just a reaction by an agency seeking to avoid criticism. During 1973 significant improvements were made in AEC regulations as a result of our continuous analysis of present and potential threats. We are spending $6 million this year for research and development on safeguards. This is in addition to more than $45 million we are spending for guard forces and protective measures at the plants and in transit. We consider this adequate to meet the present threat. Of course, we can make improvements and we will. We have studies underway to strengthen our safeguards to meet the changing levels of threat.

These are a few of the charges leveled by our critics. Many are responsible persons with legitimate concerns. We welcome constructive criticism. But too often our critics are individuals who rely on reckless overstatements to make their points. They speak without having the credentials to back their assertions, and few listeners ask to see their credentials. They are not questioned about their lack of specifics to back up their generalizations. The charges of these critics should be evaluated in the larger context of the real world and accorded the hearing they deserve. Whether our critics are responsible or otherwise, the Atomic Energy Commission will continue to be open to the public, both in terms of accepting public criticism and providing all the facts. To do less would be to shirk our responsibility as a public agency.

I am not here today to apologize for AEC's actions in the past; nor am I complaining about not being understood. But I think it is vitally important that we set the record straight. It would indeed be a tragedy if the sort of spurious and irresponsible criticism I have mentioned today should prevent us from seizing the extraordinary opportunity which S. 2744 offers us in advancing the national welfare. We believe S. 2744 charts the course we should follow in pursuing our goal of energy self-sufficiency, and we commend this subcommittee for its perseverance in seeking that objective.

OREGON BOTTLE BILL

Mr. PACKWOOD. Mr. President, on March 28, 1974, an article concerning the Oregon beverage container law appeared in the East Oregonian, a daily newspaper based in Pendleton, Oreg. This article points out results of a study undertaken on the effects of the Oregon bottle bill. This study, interestingly enough, indicates far fewer severe effects on industry than industry maintained there would be as a result of enactment of the so-called bottle bill. As I continue to receive reports on the beneficial impacts being realized under Oregon's new law, I am further convinced that the Senate would be acting with great foresight in moving to adopt sound beverage container legislation. The Oregon law has been very successful, and many States are looking to Oregon for guidance and leadership as they pursue similar measures. Oregon has been in the forefront in the push to cut down on beverage container litter, as it is similarly out in front in most other drives to clean up our environment. I think, then, it is only fitting that Oregon's Senators should be the ones to introduce beverage container legislation on the national level, and I am pleased and proud to be a cosponsor of the measure Senator Hatfield introduced in June 1973, the "Nonreturnable Beverage Container Prohibition Act." Hearings are expected very soon on this measure, and it is my hope that, given the very positive effects of the Oregon law as reported during the course of its first year and thereafter, my colleagues will see fit to enact Federal legislation at the earliest possible date.

Mr. President, I ask unanimous consent that the East Oregonian article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Economics of the Bottle Law

A couple of university business professors have studied economic effects of Oregon's bottle law and have concluded that the law hasn't done the severe damage to the container industry and grocery store that was predicted by some.

The bill, which was opposed by businesses dealing with beverage containers, requires a mandatory deposit of five cents on all embossed or specially shaped bottles and on cans of carbonated beverages and beer. It puts a two-cent deposit on refillable bottles used by more than one beverage producer.

Professors Charles Gudger and Jack Bailes, of Oregon State University, point out that the law has reduced bottle and can waste considerably (88 per cent), which has been reported widely. They then give this economic rundown:

Savings in trash handling and clean-up costs—$700,000.

Losses in profits to can and bottle manufacturers—$614,000.

Rise in operating costs of beer distributors—$589,000.

Rise in operating costs of retailers—nearly $3 million.

Savings to malt beverage brewers and pop bottlers because of reusing containers—$8 million.

Effect on total business income—a gain of almost $4 million.

Employment—decreased in container manufacturing and increased in other sectors, with net gain of 365 jobs.

VIETNAM VETERANS AND EDUCATIONAL ASSISTANCE BENEFITS

Mr. HARTKE. Mr. President, on Wednesday and Thursday of this week, the Committee on Veterans' Affairs, which I am privileged to chair, will continue hearings concerning readjustment assistance for Vietnam veterans. While almost all agree that considerably more must be done, the issues before the committee are complex and not susceptible to easy solutions. We are confronted not only with fiscal realities but also with the problems of determining an equitable system capable of being administered which is substantially free of abuse. Some of the complexities and the equities involved were spelled out in two articles appearing in yesterday's papers. I commend them to my colleagues and ask unanimous consent that they be printed in the Record.

There being no objection, the articles were ordered to be printed in the Record, as follows:

[From the Washington Post, Apr. 7, 1974]

Are Vets' Benefits Adequate?

(By William Greider)

There's an established tradition in America that, in between wars, people argue about how the country is treating its old soldiers.

Donald E. Johnson, a World War II vet himself and former national commander of the American Legion, blistered public indifference toward the veterans in typical rhetoric, designed to provoke patriotic guilt.

"They believe they are forgotten men, fighting to halt aggression halfway round the world and receiving little or no recognition for it," Johnson complained.

That speech was in 1953 and the vets were from the Korean War. Now there is a new generation of "forgotten men" from the Vietnam. And Donald Johnson, as President Nixon's chief of the Veterans' Administration, is catching the flak about how they are treated.

Last week, for instance three national veterans' organizations, an influential congressman and a senator called for Johnson's ouster as head of the VA. They accuse him of crippling both educational and medical programs, and blame him for problems ranging from poor care at the VA's 170 hospitals, to late benefit checks for the 1.5 million Vietnam vets who are going to school on the GI bill.

"The present GI bill system," the Vietnam Veterans Center proclaims, "violates the intent of Congress and denies education and training to millions of needy Vietnam era veterans."

Yet Donald Johnson says, in so many words, that U.S. veterans never had it so good. The government is spending $13 billion a year on them now, an enormous increase over the last few years, and they are using the programs—from educational aid to home loans—in record numbers.

The VA asserts: "The average Vietnam veteran attending a four-year public or a two-year public institution has educational benefits slightly higher than his World War II counterpart when adjustments for changes in the Consumer Price Index are made."

So, for veterans, it is either the best of times or the worst of times, depending on whom you listen to. Which one is right?

The answer is complicated because, in some respects, they are both right. For millions of young men home from Vietnam, the GI bill today gives them everything their fathers got when they came home from World War II and maybe even a little extra. Yet for another group of today's veterans—especially the poor, especially the young married men—it's not such a good deal. A lot of them—millions of them—are not going to school because today's GI bill doesn't pay the bills the way it did a generation ago.

To understand the arguments on both sides, you have to go back to the heady fanfare which greeted the homecoming GI's after V–J Day in 1945. In its patriotic fervor, Congress had already enacted the GI bill, an unprecedented plan to help the veterans of World War II—low-interest home loans, temporary housing, cash supplements during their first year of adjustment and, most important, an educational aid program which helped to revolutionize higher education in America.

Every veteran could go to school anywhere he chose and the government would pick up the whole tab for books, fees and tuition, up to $500. Even with the postwar inflation, $500 would buy the best education in America. Harvard's enrollment in 1947 was 59 per cent veterans. The money went directly to the schools and each veteran, if he was single, received $75 a month for his living expenses, slightly more if he had a family.

The plan worked so well, opening doors for so many young Americans who would never have dreamed of a college education, that it is fondly remembered as an important social equalizer, a chance for millions to raise their economic status.

Yet VA officials had a different memory burned into their collective consciousness—a national scandal. In 1950, congressional investigators discovered that a lot of schools and colleges were getting rich on the vets, jacking up tuition rates to collect more from the government treasury.

One college increased its charge for vets from $25 to $100 per quarter. Another raised its rate from $15 to $100 per quarter. Another raised its rate from $15 to $200 though its cost per student averaged $65 after its other federal aid grants were deducted.

One state military school collected from both the state government and the VA and then paid cash bonuses to its students when they graduated. Some colleges built fancy stadiums, thanks in large part to the GI bill.

As it happens, that 1950 investigation was led by Rep. Olin Teague (D-Tex.), former chairman of the House Veterans Affairs Committee and still its ranking Democrat. The experience persuaded Teague that university administrators couldn't be trusted with direct tuition grants. It absolutely traumatized the VA bureaucrats. Never again, they said.

The system was changed for the Korean conflict veterans. Instead of direct payments to the schools, each vet would get a monthly allowance which was supposed to be large enough to cover his tuition and his living expenses.

That approach is under attack now as inequitable and terribly inadequate for millions of veterans. Some senators and congressmen (though not Teague) are pushing legislation which would create a tuition supplement, up to $600, depending on the cost of a veteran's particular school.

The Vietnam vet, if he is single with no dependents, receives a monthly check of $220—or $1,980 which has to cover his tuition, books, fees, and nine months of rent, food, and so forth. Obviously, that won't get you into Harvard where tuition, room and board will cost $5,700 next fall. Harvard had 1.5 percent veterans in its 1972 enrollment.

But it also won't get you into Slippery Rock State College in Pennsylvania, which will cost $2,350 next fall, or scores of other private and public institutions where the price of higher education has skyrocketed. NYU had 14,359 vets in 1947—last year it had 463.

Congress has raised the education allowance twice in the last five years, both times over objections from the VA and the White House. The House recently passed another increase of 13 percent and Senate leaders are thinking of an even bigger figure, though the Nixon Administration wants to hold it to an 8 percent increase.

Overall, the VA insists that current participation under the GI bill is better than it ever was before. Approximately 51 percent of the Vietnam era's 6.5 million veterans have used the aid for some kind of schooling (24 percent of them went to college). That compares to 42 percent participation after the Korean war and 50 percent for World War II vets (when 15 percent went to college).

The trouble with that comparison, according to the critics, is that Vietnam vets are coming home to a different world—where college education is not so rare. In 1940, only about seven percent of Americans, age 25 to 29, had been to college. By 1970, that group had nearly tripled in size. Thus, the World War II vets were breaking the national pattern and reshaping it. The Vietnam vets are more or less following it.

But the major complaint is that current system of monthly checks serves veterans in a discriminatory way. If he lives in a state like California where public education is virtually free, the $220 a month is a good deal. Even if he is married with children, he may be able to manage it. Even if he is poor.

But if he lives in a state like New York or Ohio or Indiana or Pennsylvania where even public schools charge some stiff fees, his opportunities go way down, especially when the local job market is so tight he cannot find parttime employment. California, which supports a large system of junior colleges as well as four-year colleges, has the highest college participation rate among its veterans—37 percent. In Indiana, it is 4 percent.

"The GI bill is adequate," said Forrest Lindley, one of the young vets lobbying for improvements, "only if you are a single vet going to a public school in a low-tuition state."

For instance, two-thirds of the Vietnam veterans are married, but only about one of seven of them is using the GI bill. Lindley and others also argue that on a strict dollar-for-dollar comparison the maximum World War II benefits equal about $3,800 in current dollars compared to the $1,980 in allowances provided today. Vets are also more likely to use the GI bill if they were already in college before the war—suggesting that middle-class vets are cashing in more easily than the poor.

The VA turns the question around, however. By looking only at those who are using the GI bill today, most of whom are going to public low-cost schools, it concludes that a slight majority of them would actually lose if the government returned to the old system. For instance, the old $75 allowance translates into about $166 a month in today's dollars. A Vietnam veteran who is now getting $220 a month (and who attends a tuition-free school) gets a little more cash.

But what about the millions who aren't going to school? Or those who just happen to live in states where public education isn't so cheap? The reformers are pushing a "tuition equalizer" which would help them—a government voucher for tuition costs over the national average of $400 but limited to a ceiling of $1,000.

That still wouldn't get many veterans into Harvard, but it would open up a wide number of public and private colleges, especially in the Midwest and East, which are now too dear for someone trying to live on GI benefits. There are companion proposals too, such as an "accelerator" provision which would allow married vets to use up their entitlement faster and get more cash each month.

The VA opposes those measures. So does Rep. Teague. In terms of choice, they would agree that today's veterans can't afford the more expensive schools which were open to vets after World War II. But then neither can the non-veterans. College enrollment has shifted heavily toward public institutions because of soaring tuition, a trend which the VA doesn't see as especially harmful.

Likewise, they concede that the present system creates some geographical bias. A Pennsylvania vet has money problems which don't confront a California vet.

"There's no pretense," said Meadows, "of the program being designed to meet all the peculiar problems of the individual. It's designed to provide equal benefits for equal service."

The critics argue that the principle is a sham when so many veterans can't buy the same educational services with their "equal benefits." Yet, as Meadows argues, if Congress does provide tuition supplements for states which don't provide low-cost public schools for their young, is that fair to states like California which do?

"You're not going to shovel out $600 to high-cost schools in Pennsylvania or New York without the others wanting the same thing," Meadows warned.

Congress will have to answer that question if it goes for the tuition plan this year. Meanwhile, it will be fighting the Nixon Administration over Donald Johnson's management of the VA as well as on the basic issue of how much benefits should be increased to keep up with inflation. The old soldiers won't be forgotten, at least for a while.

[From the Washington Star-News, Apr. 7, 1974]

Too Little Help for Vietnam Vets

There was a certain emptiness in the first Vietnam Veterans Day, observed recently by proclamation of President Nixon, and the reason is obvious enough: The gap between promise and fulfillment, regarding this country's obligation to those veterans, can only bring on a feeling of shame considering the awful sacrifices of that most unpopular war. It is right to pay tribute, as the President did. It is more important, though, to pay cash, for all the benefits—the unlocking of opportunities—that many of these ex-servicemen need so desperately.

That is the real testimonial of national commitment and appreciation, something that requires extra sacrifice by society in the here and now. Mr. Nixon stated the point very well in his special veterans message of last January: "We owe these men and women our best effort in providing them with the benefits that their service has earned them." But his proposals in the way of spending fell short of the high standard he had voiced. Nor has Congress provided enough in recent times, though it ordinarily goes well beyond Mr. Nixon's requests.

The problem is that inflation has been eating up the gains faster than they become available, so that Vietnam veterans find themselves grievously short-changed, especially in trying to get a college education. They are bitter, many of them, in reflecting on World War II vets' ability to do this handily with **GI Bill** benefits and their own inability in all too many cases. Though they're getting more money, it buys much less. Under the World War II GI Bill, the government made a direct payment to the college, generally sufficient to meet all costs of tuition, books and fees, and gave the vet $75 a month for living expenses. Millions of men and women now in middle age breezed through to get their degrees, with little financial worry, on that system.

But what does the Vietnam veteran receive? A flat stipend of $220 a month, from which he must pay tuition, living expenses and all else. And rocketing tuition costs have reduced this to a pittance, for the purposes of attending many a four-year college these days. Last fall, according to a recent report, only 1.5 percent of the entering freshmen in these institutions were veterans. The vets are being stuffed into two-year community colleges, vocational schools and job-training endeavors. Many are being supported by working wives as they try to get educated, and countless others simply have given up.

Congress must do something to relieve this injustice, and apparently it will, but the question is how much? Mr. Nixon now proposes an 8 percent hike in education and training benefits, to give single vets a raise to $237 monthly. The House is a good deal ahead of him, as usual, already having approved a 13.6 percent boost and a $250 stipend, by unanimous vote. In terms of increased spending, the House plan calls for $600 million, as against roughly $200 million proposed by the President, but neither is an adequate response to veterans' needs. The Senate, though, is about to receive much more ample proposals from its Veterans' Affairs Committee, whose hearings are being enlivened by angry Vietnam vets. Chairman Vance Hartke of Indiana was talking the other day about a 23 percent jump, to $270, but even that brought derisive shouts from ex-GIs in his hearing room.

How much more, then? Some experts in this field think a hike of $800 million to $1 billion is needed to give Vietnam-era vets the actual returns in education enjoyed by World War II veterans. And though Congress may not approach that maximum figure, and perhaps cannot do it within the fiscal realities that prevail, the Senate will deal with legislation in this range. When the time comes, it must summon the utmost generosity allowable, and give serious thought to what other federal programs might be reduced, at least temporarily, so this one can be expanded.

Also, the Senate should move beyond the stipend system that keeps many veteran students in dire hardship, and work out a method to provide tuition assistance as well. Much can be said for initiating an educational loan program. Along that line, some lawmakers would like to utilize the $7-billion National Service Life Insurance Trust Fund, consisting entirely of insurance premiums paid by veterans. It seems reasonable to use some of this vast reserve for individual loans to help veterans secure education and training.

Admittedly, veterans are benefitting heavily from the present program, attending schools by the hundreds of thousands, in somewhat higher percentage than World War II vets did. But the Veterans Administration paints too rosy a picture, as in noting that educational benefits have increased 70 percent since 1970. After all, upwards of 4 million servicemen have been discharged since then, and the stipend four years ago was outrageously low.

And serious deficiencies are all too evident in other areas. Unemployment among Vietnam veterans in the 20-to-24 age group is sharply above the national average for that bracket. Upon demand by Congress, the Labor Department has just given a very poor and belated accounting of its stewardship in carrying out Congress' 1972 mandate to help veterans find jobs. We expect this will produce some fireworks in congressional hearings quite soon, as it rightly should. Congress also is obligated, we think, to enlarge upon Mr. Nixon's proposed cost-of-living increases for disabled veterans.

As of right now, though, the main demand for performance is upon the President himself. His Veterans Administration is in serious disarray, and has been for some time under the direction of Donald E. Johnson. This was pointed up again last week by the heated resignation of Dr. Marc J. Musser, the VA's chief medical director, and demands for the firing of Johnson by some leading members of Congress and two veterans' organizations. Allegations of excessive political influence on the agency seem not without foundation, and Johnson's erratic leadership doesn't inspire much confidence. Nor does Mr. Nixon's latest response: Appointment of Johnson to organize an investigation of inefficiencies in his own agency.

But the larger problem is administration policy which resists a more generous financial commitment, as being inflationary. The war also was fought at inflated costs, and contributed much to the inflation the country now suffers. The men who fought it deserve at least the same consideration, in terms of priority, that the war received. This will not, after all, be a continuing expense; in a very few years the Vietnam veterans either will have gotten their college educations or lost the chance. If this country fails now to give them the fullest opportunity, it will not live very comfortably with itself.

RESOLUTIONS OF NATIONAL LIVESTOCK FEEDERS ASSOCIATION

Mr. PERCY. Mr. President, recently I was visited by a delegation of Illinois members of the National Livestock Feeders Association to discuss issues of interest to the industry. We had an interesting discussion of some of the resolutions passed by the NLFA at its annual meeting in February.

For the information of all my colleagues, I ask unanimous consent that the resolutions adopted by the NLFA at its 1974 annual meeting be printed in the Record.

There being no objection, the resolution was ordered to be printed in the Record, as follows:

Resolutions Adopted—National Livestock Feeders Association

RESOLUTION NO. 1—ECONOMIC STABILIZATION

Whereas, the current policy of the National Association strongly opposes the application of price controls to livestock and meat; and

Whereas, inflated prices are the result, not a cause, of inflation; and

Whereas, price controls and related measures, seriously distort production and marketing, create artificial shortages of a wide range of goods in the economy, and are otherwise deleterious to the public interest and to the interest of producers, marketers, and consumers;

Be it resolved, that this Association calls for the termination of all price controls immediately and is opposed to giving the President of the United States authority to impose programs to stabilize the economy, except in cases of national emergency.

RESOLUTION NO. 2—THE ENERGY SITUATION AND AGRICULTURE

Whereas, food and natural fibers are basic necessities; and

Whereas, an adequate supply of energy if vital to agricultural production, processing, and distribution;

And since, the Federal Energy Office recognizes this top priority status and, also, the need for flexibility in allocating and distributing fuels, fertilizers, and other energy-derived production inputs;

The members of the NLFA hereby pledge to utilize fuels and other energy-derived products made available to them in a judicious manner.

The Association will continue to work toward assuring agriculture its rightful priority with respect to the allocation of fuels and other energy-derived products, including the use of energy materials in the production and distribution of fertilizers and other agricultural chemicals and the like.

RESOLUTION NO. 3—EXPORT CONTROLS ON AGRICULTURAL COMMODITIES

Whereas, the U.S. Government acted to restrict the exportation of certain agricultural commodities and products in connection with attempts to stabilize the economy; and

Whereas, the exportation of agricultural commodities and products is crucial to the United States and is in the best interest of agricultural producers; and

Whereas, being a dependable supplier is essential to developing and maintaining important foreign markets for agricultural exports;

Be it resolved, that the Association confirms the interim action taken by the National Board of Directors to oppose export restrictions on any and all agricultural commodities.

RESOLUTION NO. 4—FOREIGN TRADE STATISTICS

Whereas, U.S. Foreign Trade Statistics as compiled and publicized are subject to serious misinterpretation resulting in a distortion of the true relationship between exports and imports and creating a false impression of our trade and payment balances due to:

(1) Reporting of the value of U.S. imports on the basis of f.o.b. country of origin, instead of a c.i.f. basis (adding insurance and ocean freight), the system used by most other trading nations;

(2) Assigning an export dollar value to products given away, subsidized, or otherwise shipped under arrangements under which full value is not received.

Be it resolved, That the Association reaffirms its policy urging that sales for cash and monies actually received be clearly separated from other shipments in the reporting of U.S. exports, and that the Association continue to push for the valuation of imports on a c.i.f. basis as the accepted standard of procedure.

RESOLUTION NO. 5—LAND USE

Whereas, increased public attention is being focused on land use, with environmental and recreational considerations receiving disproportionate emphasis; and

Whereas, the right to own and use land for private purposes is basic to the American way of life and to our economic system; and

Whereas, land is perhaps our most vital natural resource, upon which we depend for food, clothing, shelter and recreation;

Therefore, this association holds:

(1) That Government interference with the right of the individual to own and use

land should be kept to the minimum consistent with the overall public interest;

(2) The dominate government role in connection with land use should rest with local and state governments;

(3) The role of the Federal Government should be limited to that of overall coordination and technical assistance;

(4) That the use of land for food production be given high priority, consistent with the need for ever-expanding production; and

(5) That freedom of ownership and land management be recognized as essential to a strong, healthy, and productive agriculture.

RESOLUTION NO. 6—TAX SHELTERS OR DEFERRALS

Whereas, accounting tax-loss investments in cattle feeding constitute government subsidization of custom feeding; and,

Whereas, such investments for tax purposes are a competitively inequitable source of financing which places owner-feeders at a competitive disadvantage and seriously distorts the supply and price patterns for feeder cattle and feedstuffs; and,

Whereas, this abuse of the cash system of accounting and reporting for tax purposes seriously jeopardizes the use of said system on the part of bona fide feeders.

Be it resolved, That the National Livestock Feeders Association supports the interim action taken by the Board of Directors in working with Treasury officials and the Joint Committee on Internal Revenue Taxation of the Congress to correct this type of abuse of the cash accounting and reporting system.

Be it further resolved, That the Association will specifically: (1) Closely follow the implementation of legislation and/or IRS rulings, including the recent proposal on prepaid feed to assure interpretation in a manner which will protect the interest of the bona fide feeder; (2) Push enforcement by the IRS of the legal prohibition of using accumulated expenses for tax write-off purposes.

RESOLUTION NO. 7—FARMLAND TAXATION

Whereas, there are problems in the tax structure and assessed valuations of farmland;

Be it resolved That the National Livestock Feeders Association urges state legislation be passed to assure that agricultural land be assessed according to its current earning capacity in agricultural purposes rather than to base assessments on sale price or on potential value as might occur from purposes other than agriculture.

RESOLUTION NO. 8—UTILIZATION OF ANIMAL WASTE

Whereas, animal waste should be viewed in the context of a valuable resource, rather than a disposal problem; and

Whereas, various treatment procedures have been and are being tried experimentally to use animal waste for the production of energy and other useful products;

Be it resolved, That the National Livestock Feeders Association shall continue to encourage experimentation in the use of animal waste, both as an energy source and as recycled feed ingredient.

RESOLUTION NO. 9—AIR QUALITY

Be it resolved, That any move on the part of the State or Federal Government to control odors from feedlots must be coordinated with the development of control technology and, furthermore, must give due consideration to the cost vs. the benefit concept.

RESOLUTION NO. 10—DES WITHDRAWAL

Resolved That the National Livestock Feeders Association strongly encourages those feeders returning to the use of DES to rigidly observe a 14-day withdrawal period before marketing animals for slaughter.

RESOLUTION NO. 11—ANIMAL RESEARCH

Whereas, despite the urgent need to expand agricultural production, and specifically meat production, animal research is inadequately supported to meet the growing challenge of the future; and

Whereas, the need for expansion and greater efficiency in animal production is essential to the nation's food supply and, therefore, the public interest dictates that greater attention be given to animal research; and

Whereas, close coordination between the Federal Government and the various state research institutions is necessary for research programs to be the most effective and produce the greatest results at the least cost;

Be it resolved That the NLFA strongly supports expanded animal research and calls for close coordination at all government levels, including the productive use of existing research facilities and personnel.

RESOLUTION NO. 12—EMERGENCY AND QUASI-EMERGENCY DISEASE CONTROL FUNDING

Whereas, the livestock and meat industry and the consuming public lives under the continuous threat of catastrophic disease outbreaks; and

Whereas, immediate action can often forestall outbreaks of epidemic or quasi-epidemic proportions; and

Whereas, in the past when special problems or outbreaks have occurred, the necessary action has been funded by "robbing" existing budgeted disease control and erradication projects, resulting in costly interruptions of these programs;

Therefore, be it resolved, That the NLFA urges special control actions resulting from special problems, outbreaks, or disease epidemics be handled and funded by:

(1) Focusing fully and immediately upon control measures at the moment of discovery with all of the resources necessary; and

(2) The documented cost of such work, including indemnity payments for animals depopulated, be presented to the Congress upon completion for budget reimbursement.

RESOLUTION NO. 13—CATTLE IDENTIFICATION

Be it resolved, That the National Livestock Feeders Association reaffirms its support of the United States Animal Health Association in its efforts to develop and implement a practical method of identifying cattle from the point or origin.

RESOLUTION NO. 14—FEEDER CATTLE MANAGEMENT

Whereas, there still remains a great deal of progress to be made in handling feeder cattle to the end that they arrive at the feedlot in a healthy, thrifty condition; and

Whereas, it is important for the feeder to know the health history of the animals purchased and placed on feed; and

Whereas, Livestock Conservation, Inc. has now assumed the leadership responsibility in this particular area;

Be it resolved, That the NLFA supports the action being taken by LCI toward the development and recommendation of disease control and other management techniques and practices which will further said goals; and

Be it further resolved, That the Association will continue to promote the preconditioning of feeder cattle at the point of origin.

RESOLUTION NO. 15—MISREPRESENTATION OF FEEDER LIVESTOCK

Whereas, it appears that some market agencies and/or livestock dealers are prone to misrepresent in one way or another the cattle they offer for sale, including an announcement or claim that the cattle are green or fresh from the grower when in fact they are not; and

Since such deceptive practices are violations of the Packers and Stockyards Act,

Be it resolved, That all market agencies and dealers be hereby alerted to the fact that misrepresentation of cattle offered for sale is in violation of the Act and will not be tolerated, and

Be it further resolved, That if and when any member of the National Livestock Feeders Association encounters practices that amount to misrepresentation, they be encouraged to report the incident to the nearest Supervisor of the Packers and Stockyards Administration for appropriate action.

Be it further resolved, That the NLFA shall work toward the enforcement of contracts and prosecution in case of default.

RESOLUTION NO. 16—ENFORCEMENT OF PACKERS AND STOCKYARDS ACT

Over the years, the members of the Livestock Feeders Associations have supported equitable and effective enforcement of the Packers and Stockyards Act, and have taken the position that this statutory code of trading ethics should be applied non-discriminately to those engaged in the business of buying and/or selling livestock.

Furthermore, the Associations have supported the basic enforcement concept inherent in the Act that packers should not be permitted to integrate into the selling side since such action, if allowed, would spell the doom of the independent owner-feeder and result in the type of packer domination of the industry which brought about the original passage of the P & S Act.

The National Livestock Feeders Association hereby registers its continued support of the above policy positions in connection with:

(1) Prohibiting packers from becoming involved in the ownership and/or operation of custom feedlots; and

(2) The non-discriminatory application of the Act to those engaged in the business of selling and/or buying livestock; provided, however, that due diligence be exercised in determining that the party in question is truly engaged in performing the functions of agency or is a dealer within the definition of the statute.

RESOLUTION NO. 17—PACKERS AND STOCKYARDS ACT

Whereas, previous attempts have been made by the National Livestock Feeders Association to obtain numerous amendments to the Packers and Stockyards Act which was passed fifty-three years ago and to cause this act to be more meaningful and applicable under changed conditions in the livestock and meat industries; and

Since certain resistance has been encountered due in part, at least, to the extent of the changes that have been sought:

Be it resolved That the Association concentrate its efforts for the time being on amendments that would clarify the jurisdiction of the Packers and Stockyards Administration, would provide authority for the Administration to seek injunctions or restraining orders through Federal Courts against registrants or packers in cases where it is evident that practices employed or financial conditions endanger the position of persons with whom they are doing business, would reform the reparation procedure to include its application to meat packers and fix the responsibility for payment or reparation claims that might be awarded, and provide that the packers be bonded as is required for livestock dealers.

RESOLUTION NO. 18—FUTURES TRADING—COMMODITY EXCHANGE ACT

Whereas, recent developments in the contract commodity markets have pointed up the need for more strict regulation of certain aspects of such trading; and

Whereas, legislation has been introduced in the U.S. Congress to amend the Commodity Exchange Act to strengthen the regulation of futures trading; and

Whereas, futures trading in live cattle and live hog contracts has become predominantly speculative, a condition which invites market manipulation;

The National Livestock Feeders Association favors amendments to the present law which will:

1. Provide injunctive authority to prevent violations of the Act;

2. Require additional delivery points where needed to assure that speculators cannot demand more than the cash value for commodities.

3. Prevent excessive speculation or manipulation of the market by:

(1) Avoid conflict of interest on the part of floor brokers and commission merchants by prohibiting them from trading on established markets for their own account in any commodity in which they handle customer orders, and strictly control said privilege on other than established markets;

(2) Establish appropriate limits on the amount of open interest which can be held by a futures commission merchant or speculator and provide for an appropriate rate of reduction of open interest as the delivery date approaches;

(3) Establish an appropriate limit on the amount of trading any party can do in a specified time (one day);

(4) Outlaw the handling of discretionary accounts on the part of commission merchants and floor traders, except on a temporary basis for short periods of time;

4. Require commodity markets and brokers to keep complete and accurate records;

5. Prevent foreign interests from speculating in excess of the limits set for domestic customers, and require the reporting of foreign sales;

6. Bring all agricultural commodities under regulation;

7. Other such amendments which are in the interest of improving market performance and protecting the interest of persons utilizing the contract markets.

The association is not in favor of setting up a new regulatory agency or transferring the regulatory authority from the U.S. Department of Agriculture.

With respect to live cattle and live hog contracts, the Association takes the position that:

(1) Disallow more than one redelivery of each given lot;

(2) Monthly contracts to enable delivery each month;

(3) Four days per week delivery.

RESOLUTION NO. 19—UNIFORM MARKETING

Be it resolved, That due to the recent penalties on over-finished cattle, we urge the livestock producer and feedlot operators to sell cattle when they are finished for grade. Because of the high cost of over-finished cattle with the high cost of gains brought on by the higher corn prices and protein, we urge that feeders sell at proper grade.

RESOLUTION NO. 20—RECOGNITION OF AND PAYMENT FOR CUTABILITY

Whereas, it behooves the feeding industry to do everything reasonably possible to produce fed animals whose carcasses will cut-out a high percentage of saleable lean meat within each quality grade and with minimum cover and waste; and

Since higher cutting carcasses provide economic advantages to slaughterers as well as retailers and any such economic advantage should also accrue to livestock feeders;

Be it resolved, That the National Livestock Feeders Association urges the meat packing and retailing industries to recognize clearly the value differences in carcass cutability, and strongly encourages sufficient differentials be paid to reflect real value; and

Be it further resolved That the feeder be encouraged to ask for grade and cutability results as a condition of sale.

RESOLUTION NO. 21—BEEF GRADING STANDARDS

Be it resolved, The Board of Directors is hereby instructed to address itself, directly or through a special committee, to improving the Beef Grading Standards and to work toward a consensus of other industry groups on possible changes to be made.

The following is for the guidance of the Board:

Relaxation of the Grades: The membership reaffirms its traditional policy of opposing a relaxation of the grade standards merely for labeling purposes, especially with respect to widening the Choice grade.

Conformation: The membership does not oppose transferring conformation from the present Quality Grades, provided the impact of conformation is measured either separately or in conjunction with the Yield Grades.

Creation of a New Grade: In connection with the proposal to create a new grade made up of the upper portion of the Good Grade, the members raised the questions as to whether or not there is a sufficient number of carcasses to warrant a separate grade designation and whether or not a new grade would gain ready acceptance as a working grade.

Marbling and Maturity: The membership supports the proposal that the emphasis placed on marbling and maturity remain unchanged for the present time.

Improvement of Standards: The members support the proposal that the USDA initiate efforts to improve the accuracy and precision of conformation criteria for the evaluation of muscling; and, furthermore, the Association strongly favors the challenge extended to research institutions to initiate intensive studies with the goal of developing criteria or data to provide a basis for improving the Beef Grade Standards.

RESOLUTION NO. 22—INSPECTION OF IMPORTED MEATS

Be it resolved That foreign beef imported to the United States be subject to U.S. domestic standards of inspection and subject to same restrictions as far as pesticides, antibiotics and feed additives.

RESOLUTION NO. 23—TRUCK WEIGHTS AND LENGTHS

Whereas, the lack of uniformity among states in the limitations placed on truck weights and lengths works a hardship on both truck operators and shippers; and

Whereas, the financial plight of Eastern and Midwest railroads along with the general erosion of railroad service have forced livestock and meat shippers to be more dependent upon truck transportation; and

Whereas, the energy situation is creating serious transportation problems, including a reduction in service;

Be it resolved, That the National Livestock Feeders Association supports moves now pending in the U.S. Congress and will aggressively work for the adoption of a uniform total weight limit of approximately 127,000 pounds and a length limitation of approximately 105 feet overall (equivalent of twin 40-foot trailers plus tractor plus dolly) on all Federal highways.

Furthermore, the Association hereby reaffirms Resolution No. 18 of 1970.

RESOLUTION NO. 24—PUBLIC RELATIONS PROGRAM FOR AGRICULTURE

Whereas, developments over the past two years have again vividly pointed up the need for establishing better rapport and understanding between the food and industry and the consuming public, legislators and government officials, and the news media; and

Whereas, a long-range, institutional type public relations program can contribute to this goal; and

Whereas, the Agricultural Council of America has been established for the purpose of carrying on such programs for the benefit of agriculture as a whole;

Be it resolved, That the NLFA will support the Council financially in a moderate way, as determined by the Board of Directors and subject to conditions satisfactory to the Board;

However, it is the desire of the membership that the primary support from monies collected from livestock producers and feeders go to support commodity programs as carried on by the National Live Stock & Meat Board.

RESOLUTION NO. 25—MEAT BOARD AND STATE CHECK-OFF PROGRAMS

PART I—STATE COUNCIL REPRESENTATION

Whereas, many of the states have now established state check-off programs for research, education, meat promotion and public relations; and

Whereas, a sizeable portion of the monies collected under certain of these state programs goes to the National Live Stock & Meat Board and its species councils;

The NLFA recommends that an equitable system be adopted by the Meat Board to accord state check-off organizations representation on the appropriate species council of the Board, on the basis of the amount of monies contributed to the Board.

PART II—COORDINATION OF INDUSTRY PROGRAMS

Whereas, the formation of state check-off programs has resulted in a lack of coordination and in duplication of program activities in the expenditure of the funds; and

Whereas, in most cases, the major proportion of the monies collected can be utilized most effectively for the benefit of the Industry, including livestock operators in the given state, in well-coordinated national programs of research, education, meat promotion and public relations; and

Whereas, the need is clear for an expanded public relations program on behalf of the livestock and meat industry;

Be it therefore resolved, That the Association supports the Meat Board in its move to undertake an expanded public relations program on behalf of the Industry.

Be it further resolved, That the NLFA encourage all state check-off groups to make a substantial contribution of funds collected available to the National Live Stock & Meat Board.

RESOLUTION NO. 26—LIVESTOCK AND CROP ESTIMATES

Whereas, livestock and crop estimates compiled and published by the Statistical Reporting Service of the U.S. Department of Agriculture are an essential informational source for the industry and, also, benefit the consuming public; and

Whereas, the SRS must be in a position to carry out its responsibilities in this regard in a manner to obtain the highest degree of accuracy possible;

Be it resolved, That the NLFA strongly supports the livestock and crop estimates program carried on by SRS and will use its influence to obtain sufficient appropriations to permit the SRS to carry out its responsibility effectively.

RESOLUTION NO. 27—PREDATOR CONTROL

Be it resolved, That the National Livestock Feeders Association is opposed to action of the Environmental Protection Agency in banning the use of chemicals, drugs and devices generally conceded to be desirable for use in control of predators and rodents.

RESOLUTION NO. 28—COMPLIMENTS TO SECRETARY BUTZ

Whereas, the policies of Secretary of Agriculture, Earl Butz, have been very beneficial to the American farmer; and

Whereas, he correctly warned against price controls on agricultural products;

Therefore, be it resolved, That the National Livestock Feeders Association commend Secretary Butz for being a true friend of the farmer; and

Be it further resolved, That, as the implementation of price controls proved him right, we urge agricultural policy makers to heed his advice and allow agriculture to operate in a free economy.

RESOLUTION NO. 29—FREE MARKETING SYSTEM

Be it resolved, That the National Livestock Feeders Association work to maintain an open and free enterprise market system and we will continue to oppose any legislation to jeopardize the free market systems by Government or organizations.

We believe it is to the best interest of the American farmer to exercise self-discipline and market his commodity in an orderly manner.

RESOLUTION NO. 30—APPRECIATION

Be it resolved, That the Association express its appreciation and gratitude to all those who assisted with the 1974 convention, including the Convention and Visitors Bureau in Kansas City, all convention speakers, exhibitors, hosts and sponsors of the numerous events which made the 1974 National Livestock Feeders Convention a most memorable one.

THE KILLING OF DOLPHINS

Mr. HARTKE. Mr. President, during the 92d Congress, legislation was passed to protect marine mammals. I am proud to have played a part in the passage of that legislation as a member of the Senate Commerce Committee.

Recently, I received a letter from a young student in Pennsylvania, Daniel Bernard, together with two fellow students. That letter notes that dolphins are being killed as the direct result of the method which Japanese fishermen use to catch tuna. Nets are used to catch the tuna, and dolphins get caught in these nets and are unable to come to the surface in order to breathe.

I am hopeful that an alternative method of catching tuna can be found, and have written a letter to the Japanese Ambassador to the United States urging his government to investigate this matter.

Mr. President, I ask unanimous consent that the text of the letter from Mr. Bernard and my letter to the Japanese Ambassador be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C., April 5, 1974.

HIS EXCELLENCY,
TAKESHI YASUKAWA,
Ambassador, Embassy of Japan, Washington, D.C.

DEAR AMBASSADOR YASUKAWA: I am enclosing a copy of a letter I received recently from some young students. They express a concern about the unintentional killing of dolphins at the time when Japanese fishermen are catching tuna.

I would greatly appreciate your government's study of this matter with a view toward alternative means of catching tuna which does not, at the same time, result in the killing of dolphins.

Thank you for your cooperation in this matter. With my best wishes, I am

Sincerely,

VANCE HARTKE,
U.S. Senator.

SAVE THE DOLPHINS!

Dear Senator, we have found out from a very reliable source that several tuna fish companies in Japan have been killing vast numbers of dolphins within the last few years and we dislike the way they kill hapless dolphins. In the process of catching tuna fish with nets dolphins get cought (caught) in these nets and cannot serface (surface) to breathe. We would like to suggest that these companies use another method of catching the tuna fish and would appreciate it very much if you could write a letter to the Japanese Government. We are very concerned about the killing of these beautiful creatures!!

For more information write to: Daniel Bernard, 210 Remington Road, Broomall, Pa. 19008.

(Signed) Daniel Bernard, Bryan Naff, Mike D'Orazio.

STRIPPER WELL INCENTIVES

Mr. FANNIN. Mr. President, one of the wisest acts of Congress during the energy crisis has been to provide incentives for the operation of marginal oil wells, commonly referred to as stripper wells.

Through price incentives we have brought these marginal wells back into production and we have encouraged the continued pumping from wells which might otherwise have been abandoned. It is very important to understand that through this program we have produced a significant amount of oil that might otherwise have gone to waste; it simply never would have been pumped out of the ground because without incentives it was not profitable to go to all the trouble and expense of wringing this oil out of the Earth.

Mr. President, today I received a letter from William Simon, administrator of the Federal Energy Office, reaffirming the success of this program and clearly stating the need for its continuance. I ask unanimous consent to have this letter printed in the RECORD so that all my colleagues may have a better understanding of why we need the stripper well incentives:

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

FEDERAL ENERGY OFFICE,
Washington, D.C., April 6, 1974.

Hon. PAUL J. FANNIN,
U.S. Senate,
Washington, D.C.

DEAR SENATOR FANNIN: The question continues to arise concerning the wisdom of the "stripper well" exemption in the Emergency Petroleum Allocation Act. This communication reflects my present concerns about the future of that provision.

As you know, Congress has approved, on two occasions, legislation containing an exemption from price controls of all crude oil produced from stripper wells. The Alaskan Pipeline bill was the first vehicle for such an exemption, and was closely followed by the enactment of the Emergency Petroleum Allocation Act which contains a similar exclusion.

FEO regulations currently exempt from price controls crude oil produced from a lease whose average daily production for the preceding calendar year does not exceed 10 barrels per well. The aim of this provision is to delay the shutdown of a marginal well by providing an incentive to the producer to extend the productive life of the well. The added revenues to the producer may also help finance additional exploration and development.

It is significant to note that the majority of stripper wells are owned by the independent segment of the domestic petroleum producing industry. This is the same portion of the industry which drills approximately 85 percent of the exploratory crude oil and natural gas wells in the United States. Thus, the exemption is vital in order to generate the additional revenues necessary to ensure a continuation of this high percentage of domestic exploration by the independent producer.

Today, there are an estimated 360,000 stripper wells operating in the United States, producing an average of 3.5 barrels of crude daily. Stripper production accounts for approximately 13 percent of the Nation's daily crude oil production. Approximately 5.1 billion barrels of the Nation's proven recoverable reserves of approximately 35 billion barrels (this includes the North Slope's 10 billion barrels) underlie what are presently stripper wells. Since all producing wells eventually become stripper wells, any step preventing their premature abandonment will significantly contribute to this Nation's proven reserves. For example, the stripper well exemption is enabling continued production from some little known oil producing areas, such as the State of New York which has approximately 5,500 wells currently in production. It should also be noted that the maximization of stripper production has significant economic advantages; the wells are already drilled, the tubular goods in place, and there remains no risk of encountering a dry hole.

Recent reports have indicated that the stripper well exemption is paying additional dividends. Due to the higher prices for stripper oil, remedial work in stripper areas has significantly increased. The results of proper maintenance and, in some cases, complete workovers could add another 200,000 barrels per day or more to U.S. crude supplies. It is imperative that this level of production be maintained. We are also encouraged by reports that drilling rig activity has increased 36 percent over the comparable time period of last year.

In some midwestern states, such as Kansas, production from stripper wells constitutes a very large portion of the state's total crude supply. Anything less than an incentive to continue production from these wells would work a hardship on small inland refineries dependent upon the maintenance of a nearby supply.

Because of the time lag inherent in making available to the consumer alternate sources of energy, it is vital that we extend the production already in existence. For these reasons, I strongly recommend the continuation of the stripper well exemption and oppose elimination of it. We should not put in jeopardy such a significant percentage of U.S. crude supplies because of a failure to recognize the higher costs associated with the production of that oil.

Sincerely yours,

WILLIAM E. SIMON,
Administrator.

CONGRESSIONAL RESPONSE TO PRESIDENT'S VETERANS MESSAGE

Mr. HARTKE. Mr. President, yesterday, my distinguished colleague in the House of Representatices, OLIN "TIGER" TEAGUE, of Texas, responded to President Nixon's nationwide address on veterans of a week ago. TIGER TEAGUE is the ranking Democratic member on the House Veterans Affairs Committee and until the beginning of the 93d Congress, served as its chairman for the past 25 years. Representative TEAGUE clearly addressed the problems facing veterans and said that "the President seems to be completely misinformed about the problems in the Veterans' Administration." Such a view may be the most charitable characterization that can be applied—particularly if a report by Bob Schieffer on the CBS Sunday News on March 31 is correct. According to Schieffer, an internal White House memo surfaced accidentally which revealed that the President had originally planned to point out that unemployment among veterans was declining. When figures showed the opposite, CBS reported that the White House memo tried to make the best of the situation by, and here CBS quoted from the memo: "posturing Richard Nixon as cracking the whip over the VA." This "posturing" by the President was according to the White House memo "appropriate politically". To date, I am aware of no denial of the account by CBS and I can only conclude that it is accurate.

Mr. President, it is obvious that we need more than "posturing" by the President and we need less of the sort of *self-investigation* which has come to be known as the "Ehrlichman Gambit."

Mr. President, I ask unanimous consent that the full text of Representative Teague's remarks yesterday be printed in the Record.

There being no objection, the remarks were ordered to be printed in the Record, as follows:

ADDRESS BY THE HONORABLE OLIN E. TEAGUE, MEMBER OF CONGRESS

Last Sunday in an address to the nation, the President acknowledged that there are serious problems in the Veterans Administration education and medical programs. Unfortunately, his solution was all too familiar. He called for self-investigation. He said he had directed the Administrator of Veterans Affairs, Donald Johnson, and the Office of Management and Budget to take a hard look at services provided by the VA and report back to him in eight weeks. He also said that he was directing the Administrator of Veterans Affairs to conduct a thorough investigation of veterans hospitals and clinics to report to the President within 60 days. He announced still another study committee of several cabinet members to be headed by Administrator Johnson. I happen to personally know that two years ago President Nixon directed Administrator Johnson and the Director of OMB to make an investigation of medical programs and I have heard nothing from it.

The President seems to be completely misinformed about the problems in the Veterans Administration. The Agency does not need more committees and self-investigation. It needs a change in top level management. There is no real basis for expecting any improvements when the man who has caused most of the problems is investigating himself.

The nation's major veterans organizations, the administrators of schools and colleges across the country, and tens of thousands of veterans know there is a serious problem in administering the education program and getting benefits checks to veterans on time. In spite of all the complaints and publicity that this serious problem has received, the House Committee on Veterans Affairs was advised by the Administrator, "We do not believe more people at this time would solve our problems. . . . It is our opinion that a request for more people in the benefits area is not warranted." A few weeks later the Directors of the Veterans Administration Field Offices reported to Administrator Johnson that if they were to keep their programs current and deliver checks on time, they would need in excess of 1500 additional people.

The Administrator of Veterans Affairs not only seems incapable of understanding the nature of the problems confronting his Agency, but stubbornly refuses to admit there is a problem. Now we are expected to believe that after 60 days inquiry this same man will come up with the answer.

The problems of the Veterans Administration hospital and medical program are directly traceable to mismangement by the Administrator of Veterans Affairs. For several years he has appeared before the Appropriations Committees of the Congress and opposed any attempts to add funds for the medical program and contended that no additional funds were needed. Despite that, Congress in the last several years has added about one-half billion dollars in appropriations for VA medical services. Two years ago these additional appropriations were made available just in time to improve staffing and head off a strike by nurses and doctors in the VA hospitals at Boston, Massachusetts, Portland, Oregon, Miami, Florida and one or two in the New England states.

Administrator Johnson has completely wrecked the leadership of the Department of Medicine and Surgery. Despite the fact that the White House had approved Dr. Marc J. Musser, Chief Medical Director of the Veterans Administration for a new four-year term beginning in January of this year, the Administrator has maintained a continual harassment of Dr. Musser and his major assistants. The result is that the Chief Medical Director and the Deputy Chief Medical Director have resigned and many highly competent doctors and other professional persons in the Department of Medicine and Surgery have been transferred or pushed into resignation or retirement. With Dr. Musser's departure from the Agency we have lost a doctor widely recognized by the medical community as an extremely capable and dedicated professional.

The Health and Hospital Subcommittee of the Senate Veterans Affairs Committee, has announced it will conduct a full inquiry. Now with the veterans medical program leaderless, the Administrator of Veterans Affairs, who created the problem in the first instance, is going to spend eight weeks in investigating the problem.

In the 25 years I have served on the Veterans Affairs Committee, I have never seen morale in the Veterans Administration at a lower state. This is the direct result of political manipulations by the Administrator and is the root cause of most of the Agency's problems.

Administrator Johnson has made the Veterans Administration a dumping ground for ex-CREEPS. Incompetent former campaign officials and inexperienced, unqualified persons have been placed in important positions at high salaries. Competent professional people have been pushed aside to make way for these people. Now the veterans of the country are saddled with political appointments and ex-CREEPS. The result is that the veterans programs of this nation are deteriorating.

We have repeatedly tried to call these matters to the attention of the President, although we are not sure that the information which we have supplied the White House has reached the President.

The President reiterated his recommendation for an 8% increase in education benefits. He neglected to advise the public, however, that Congress is already working on this matter, and on February 19 of this year by a vote of 382–0, the House of Representatives passed a bill which would increase education assistance allowances by 13.6% at a first year additional cost of $561 million. This amount is necessary to bring rates in line with increases in the consumer price index since the last increase. The Senate Veterans Affairs Committee is holding hearings on education rate bills now.

A number of us in Congress are puzzled that in any survey of veterans problems the President would neglect to mention the need for cost-of-living increases for service-connected disabled veterans and survivors. An increase of approximately 15% will be required to adjust these payments to changes in the consumer price index since the last increase. The House and Senate have completed Subcommittee hearings on this subject and expect to work up the bill this week.

The President spoke at some length in his radio message about the plight of Vietnam veterans in securing jobs upon their return to civilian life, and indicated that he had launched a six-point program to correct this situation in June 1971. Congress enacted Public Law 92–540, which among other things, mandated the immediate hiring of 67 federal veterans employment specialists by the Labor Department to aid in securing employment for young Vietnam-era veterans. The Labor Department has failed to add a single specialist until more than one year after enactment. Even today, fewer than half of those positions are filled.

In defending his record, Administrator Johnson said that the Administration is now spending more than 13.6 billion dollars on veterans, ⅔ again as much as was spent just four years ago.

Let me emphasize that it is the Congress of the United States, not the Administration, that appropriates money. Appropriations by Congress for veterans benefits have risen from 7 billion dollars in 1969 to 13.6 billion dollars under consideration for 1975. Practically all these funds go into direct benefits for veterans. The problem at VA is one of administration, not appropriations.

Each year for the past four years, Congress has found it necessary to add substantially to the budget proposed for the Veterans Administration. There is not the slightest doubt that Congress has, and will, appropriate the funds necessary to meet the legitimate needs of veterans if the Veterans Administration will be honest and cooperative in identifying those needs.

Veterans Affairs have never been permitted to become a partisan issue in the Congress and we do not expect to allow such a thing in the future. Over the years the Veterans Administration has been a non-political, highly professional, Agency. Most of its problems today grow directly out of the attempts of Administrator Johnson to inject politics in this Agency. Apparently, this situation is so serious an investigation by the Civil Service Commission may be required. I cannot believe that the President of the United States wants to make the Veterans Administration a political agency; therefore I must conclude that he is not fully informed.

Major veteran organizations of this country have concluded that there must be a change in VA management. The National Commander of the Disabled American Veterans said that frustrating inefficiency and bureaucratic bungling under Johnson prove beyond doubt that Johnson and his ranking administrative staff are totally incapable of coping with problems facing the American veteran, especially the service-connected disabled veterans.

The National Commander of the Veterans of Foreign Wars in a telegram to the President said, "I again urge you to reconsider and revise your legislative recommendations and to place competent leadership at the helm of the Veterans Administration and in other vital positions in that Agency to insure availability of first quality medical care and apt administration and prompt payment of direct benefits."

The Paralyzed Veterans of America called for the immediate resignation of Donald Johnson as Administrator of Veterans Affairs and said that under Johnson's misdirected guidance there has been a deterioration of veterans programs.

The proposals of the President for self-investigation are to me ridiculous and will not solve the problems of VA. I share the view of major veteran organizations that a change in top administration of VA is necessary. Competent management for that Agency can be found.

Just this week Congress demonstrated its concern for veterans, particularly those with service in Vietnam, by appropriating an additional $750 million for additional GI Bill benefits. Congress is steadfast in its determination that veterans affairs remain nonpartisan. We stand ready to meet the needs of the men and women who have served our country in time of war.

Good Day.

Mr. HARTKE. Mr. President, it is most disturbing to have a man who is intimately involved with veterans' matters as TIGER TEAGUE say that in his 25 years he has served on the Veterans' Affairs Committee, he has "never seen morale in the Veterans' Administration at a lower state."

In addition, the circumstances surrounding the resignation of Dr. Marc J. Musser as Chief Medical Director of the Veterans' Administration just 3 months after his reappointment is equaly alarming. The Subcommittee on Health and Hospitals, so ably chaired by the senior Senator from California (Mr. CRANSTON), will begin hearings on April 23 which will probe the basic control and direction of the VA's Department of Medicine and Surgery. No Member of the Senate has worked harder or achieved more in the past 5 years to improve the quantity and quality of VA health care than Senator CRANSTON. His dedication to first-rate medical care for our Nation's veterans is well known and without partisanship. Thus, his deep concern and distress over the problems concerning the direction and control over the medical policies within the Veterans' Administration are fully shared by me and worthy of serious and detailed consideration in the forthcoming hearings.

Mr. President, I would caution, however, that our concern over inept, ineffective, or partisan leadership within the Veterans' Administration should not obscure larger issues which transcend personalities. Changes in personnel without corresponding changes in policy will be cosmetic at best. Until policies are changed and those who make the basic policy are identified and made accountable to Congress for the indecisions, little will be changed. I believe this was well illustrated in an Evans and Novak column today and I ask unanimous consent the full text of that column be printed in the RECORD at this point.

There being no objection, the column was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Apr. 8, 1974]

HALDEMAN-EHRLICHMAN LEGACY: CHAOS IN THE VA

(By Rowland Evans and Robert Novak)

The horrors now afflicting the nation's veterans programs can be traced to the radical plan of the old Haldeman-Ehrlichman White House, officially repudiated but surviving nevertheless, to centralize all power in the Oval Office during President Nixon's second term.

Although H. R. Haldeman and John D. Ehrlichman are long gone, their grand design endures—administered by spiritual heirs and generally ignored by Watergate-preoccupied Washington. The disruptive results are now surfacing in one agency after another. In the Veterans Administration (VA), the political explosion has just begun.

A central feature of the Haldeman-Ehrlichman plan was to place trusted Nixon aides, from the White House and the widely defamed Committee for the Re-Election of the President (CREEP), in key positions of executive departments. Running the government then would be Haldeman and his staff, backed by the Office of Management and Budget (OMB) headed by Roy Ash and his deputy, Fred Malek, who had been second-in-command at CREEP.

Named by Malek to be White House agent for VA's multibillion-dollar operations was Frank Naylor, fresh from a stint at CREEP rounding up veterans organizations' support for the Nixon-Agnew ticket. Naylor moved into VA's plush 10th floor executive offices as a supergrade 18 paying $43,926.

Other CREEP alumni from the Malek stable moved to lesser VA jobs. Among the many: Michael Bronson, a CREEP field representative as assistant administrator for planning and evaluation; Andrew Adams, a Kansas coordinator for CREEP as deputy director in VA's now-embattled education division.

What was happening at the VA reflected a radical effort to give the White House total control of all major bureaus and departments. Now, 15 months later, the outcome at the VA is clear: utter disaster.

Naylor, who came to VA without experience in the agency's highly specialized work, has now been quietly shunted to the Farmers Home Administration. Bronson is on his way out. Adams, a polio victim confined to a wheelchair, is slated to run the new rehabilitation office in the Department of Health, Education and Welfare (but powerful congressmen may block that appointment).

This accelerating collapse of the Haldeman-Ehrlichman centralization of power barely begins the story of the VA's crisis.

The American Legion cheered when then Republican Sen. Jack Miller of Iowa (defeated for re-election in 1972) persuaded Mr. Nixon in 1969 to name Don Johnson, a fringe Iowa Republican politician and former national commander of the Legion, to head the VA. Today, however, even the Legion has soured on Johnson's performance running the VA's 171 hospitals, 59 regional offices and tens of thousands of employees.

"Don," said one congressional critic, "is a political primitive who plays everything by the Malek rule book." Malek's first rule is saving money. Thus, Johnson's critics complain he automatically overrides his own experts, plus the organized veterans' lobbies, to accept OMB's budget proposals even at the expense of essential veterans' services.

The most dramatic case was the Johnson-contrived ouster last week of Dr. Marc J. Musser, VA's highly regarded chief medical director. In a private letter April 3 to Rep. Olin Teague, ranking Democrat on the Veterans Committee, and Sen. Alan Cranston, chairman of the Senate Subcommittee on Veterans Health and Hospitals, Musser said that "an antagonistic and uncooperative administrator (Johnson)" made his job impossible and that "the infiltration of the department by personnel selected and appointed by . . . the administrator has virtually eliminated any possibility of functional integritcy" in the medical branch.

When Musser came under attack by Johnson's office last year, then presidential counselor Melvin Laird interceded. Laird wrung from Johnson a firm agreement to stop interfering with Musser's operation.

More significant, Mr. Nixon himself strongly indicated to Teague last December that Musser would stay. Now, with the President preoccupied with fighting impeachment and with Laird gone, Musser has been hounded out of office.

Musser's top deputy, Dr. Benjamin F. Wells, was also forced out. Wells told us Johnson "just could not stand" Wells' connections with powerful congressional Democrats.

By throwing its full weight behind Johnson, OMB retains draconian control over Va's budget. The cost is high: loss of support from the powerful veterans' lobby, from tens of thousands of Vietnam veterans, and administrative chaos in the VA. Such is one bitter after-taste of the Haldeman-Ehrlichman blueprint for power.

WHY DO WE HAVE AN ENERGY CRISIS?

Mr. HANSEN. Mr. President, as I have said so many times before, it is discouraging to see and hear the continuing outpouring of sheer vindictiveness against the petroleum industry as the perpetrator of the energy crisis, or hoax, as some have termed it.

But, it is equally refreshing to occasionally see or hear an intelligent and objective analysis of the energy problem such as one carried in the January/February issue of the Wyoming Alumnus.

Donald Stinson, who is head of minerals engineering at the University of Wyoming, has answered the question of why we have an energy crisis in easily understood language and I believe it would benefit many of us in the Senate to take a few moments to read his analysis and recommendations.

I ask unanimous consent that his article, "Why Do We Have An Energy Crisis?" be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WHY DO WE HAVE AN ENERGY CRISIS?

(By Donald Stinson)

(EDITOR'S NOTE.—The University is in an advantageous position to contribute suggestions for dealing with the energy shortage. On the following pages articles from various viewpoints are presented.)

We have all heard the reasons why we have an energy crisis or at least who is to blame: the big oil companies, the Arab countries, the President, the Communists and Russia, the environmentalists—or if all else fails, you can be sure it has been the Democrats or Republicans.

Here in Wyoming where we have recently experienced a beef crisis played to the same scenario, the situation should not be hard to understand. The prime source of the problem came from inept, bungling, federal controls. On the energy scene where significant new sources take tens of years to develop the time scale was much longer.

In fact, it all started about 20 years ago, when the United States Supreme Court ruled that the producers of natural gas as well as the interstate natural gas transmission companies were subject to control by the Federal Power Commission under the Natural Gas Act of 1938. During the intervening years only gas and gold have been subject to federal price ceilings.

At the height of World War II we produced over two-thirds of all the oil produced in the world. By 1953 the continental United States was still responsible for over half the production and consumption of crude oil for the whole world. Our natural gas production was almost 10 times that of the rest of the world combined. Our coal production was the largest in the world and efficient enough to export significant quantities.

The competitive nature of the energy market and the ability of users to convert from one form of energy to another spread the basic problem from natural gas to all other forms of energy production and consumption. In most parts of the country a home could be heated by natural gas, oil, coal, or electricity for instance. Electrical power could be generated with waterpower or by burning natural gas, oil, or coal. This consumer discretion is similar to a housewife's selection of beef, pork, fish, or chicken to feed her family, except that it takes a power plant much longer to change its choice.

In 1954 the natural gas industry was going through a critical period when conditions and prices were changing rapidly. During and immediately after the Second World War large volumes of natural gas either found when searching for crude oil. or produced with crude oil, were available at very low prices. Since in many cases the only alternative to selling this natural gas was to flare it, much of it was actually sold for less than the cost of air at the same pressure. Prices as low as 3 to 5 cents per 1,000 standard cubic feet were not uncommon. As long as gas was being flared it made good sense to use this surplus gas to replace: oil at refineries, electricity for street lighting, or coal for power plants. Long distance pipelines were constructed to replace small manufactured gas systems supplying gas primarily to residential and small commercial customers in large cities. The availability of large volumes of gas at such low prices also permitted the long distance transmission lines to be built for maximum capacity, enabling them to sell the surplus natural gas to large industrial customers at competitive prices.

The only thing such low prices did not reflect was the actual value of the material being sold. Typical natural gas sold at 10 cents per 1,000 standard cubic feet on an energy basis is the equivalent of 60c per barrel for crude oil and $2.00 per ton for coal. Obviously at such prices the demand for natural gas continued to expand.

As the surplus of natural gas began to disappear and the demand continued to increase, the price of natural gas started to move up. It was at this point that the Federal Power Commission, at the direction of the Supreme Court, moved in to artificially control the price of natural gas. The price freeze prevented the natural and desirable course of increasing prices which would have forced heavy industrial customers off the pipelines to conserve the limited supplies for residential and critical industrial applications.

As one might expect, the petroleum companies and other natural gas producers protested such actions loudly. Pricing filet mignon below hamburger can be expected to produce an extreme shortage of filet mignon. Hines H. Baker, President of the Humble Oil and Refining Company, stated in 1954:

"Presumably, the purpose of a plan to fix the producer's price of gas is to establish it somewhere *below* what would be established by competition. It is clear that such low price would tend to increase the number of customers desiring gas, the number of household installations, and the demand for gas. But the low price would lessen the incentive to explore for and develop gas. This would lower the rate of discovery of gas reserves. With demand increasing and rate of discovery decreasing, after a time a definite shortage of gas occurs. . . . Thus, the primary interest of the consumer is defeated."

No gas wells were shut-in during the next few years. The number of oil and gas exploratory wells declined only slightly and the public decided that the oil and gas industry had cried wolf and nothing was really going to happen. The steep and unchecked decline of the ratio of gas reserves to yearly production was largely ignored outside the industry.

The long-term availability of natural gas at low prices in the world's principle energy market produced subtle but significant long-range effects. It placed an effective ceiling on the world price for residual fuel oil. It discouraged the construction of coal-fired power plants. It retarded the construction of nuclear power plants. It produced flagrant consumption of energy with an almost complete disregard for efficiency or ultimate cost to society. Here in Wyoming there are numerous public buildings with no storm windows or provisions to reduce temperature at night or during holidays. We have industrial power plants in the midst of some of the world's richest coal fields burning natural gas because it was the cheapest fuel available when these plants were constructed.

During this period the funds that should have been invested in the search for new domestic natural gas and crude oil supplies were invested in other activities. During the two decades following the Supreme Court Decision, American oil companies discovered major oil fields in Australia, Nigeria, Algeria, Egypt and Libya as well as offshore fields near Great Britain, Norway, Denmark, and Iran. These companies also made many investments in other fields. During these years the production of natural gas and crude oil and the refining of crude oil in the United States was not yielding a satisfactory rate of return. It has been frequently mentioned that our major oil companies are some of the largest companies in the world. But there is no company large enough to justify investing its stockholders' money in activities that the company knows will not yield a satisfactory rate of return.

By the early 1960's the stage was set. The world's largest energy producer was rapidly increasing its consumption of all forms of energy while effectively preventing any price increase that might reduce its appetite or increase its own supplies. The following events, forced by public opinion, read almost like a sinister plot to incapacitate the nation.

As a result of growing concern over the environment and for the preservation of our natural rivers, the construction at most of the desirable hydroelectric dam sites in this country was blocked. Hell's Canyon, Marble Canyon, and many other sites were preserved, but many millions of kilowatts of clean electrical generating capacity were lost.

Reflecting the same concern for the environment, additional drilling in the Santa Barbara Channel was banned. This halted the development of one of the most promising oil regions in the country.

Because of some of the same concerns, exploratory drilling off the coast of New England, the South Atlantic States, and parts of Florida was also banned or seriously delayed. These are not proven oil provinces, but only drilling can establish if there is oil there.

Then at the eleventh hour the oil industry discovered the largest crude oil deposit ever found on the North American continent and announced plans to build a pipeline across Alaska to deliver this oil to the American markets. The construction of this line has been delayed for over five years by environmentalists and governmental red tape.

Here in Wyoming there have not been any outright bans on drillings, but the delays and problems in leasing and drilling on the public lands have increased and the oil finder's job has become harder because of them.

The final blow to the exploration for crude oil and natural gas was the reduction in the depletion allowance from 27½% to 22%. This a whole story in itself, but the facts indicate that it was reduced when we needed it the most. To reduce the incentives for the exploration and discovery of natural gas and crude oil in the face of an imminent shortage of both can only be described as bordering on lunacy.

In the same vein, the major gas and electric utilities and the principle oil companies continued to encourage customer usage by advertising, promotion, and rate schedules even after it became apparent that serious shortages were impending. In fact, some companies were compelled to restrict such activities only in response to consumer pressure after shortages had actually developed. In many cases such as electrical home heating or gas lighting, the application was promoted even though it was an inefficient use of the energy resource.

Crude oil refineries or expansions were not only turned down in places like Cheyenne for financial reasons, but new construction came to a standstill in almost the whole country. From Maine to Washington and Florida to California, companies wishing to construct new oil refineries ran into local and state denials. These rejections were not quite as complete as were those for requests to build superports to handle large superbankers. Thus, the United States today does not have a single port capable of handling the large supertankers that have been providing the cheapest method of transporting crude oil for the last 15 years.

With growing concerns for clean air, the large coal fired power plants became a favorite target of the environmentalist. Many coal fired power plants converted to cheap natural gas or fuel oil rather than import low sulfur Western coals or clean up their stacks while using high sulfur Eastern coals.

The Environmental Protection Agency controls on automobiles have increased the gasoline consumption nearly 10 percent by lowering the efficiency of the automobile engine in an effort to control air pollution.

If all of these actions had been perpetrated by a group pushing the relatively clean nuclear power, it might be easier to understand. Because of their thermal pollution and radiation risks, nuclear power plants have been delayed and harassed almost as much nuclear devices to stimulate natural gas pro- as new oil refineries. Experiments to test nuclear devices to stimulate natural gas production in western Wyoming have been blocked for similar reasons.

Solar, geothermal, and fusion power as significant factors in the national energy supply are only dreams for sometime in the far distant future. The solutions for today and the immediate future will involve Wyoming's natural gas, crude oil, coal, uranium and shale oil.

The Arab nations, by their oil embargo, only pushed us into a hole we had already dug for ourselves. The world, and particularly the United States, cannot afford the unreasonable demands being made on natural gas and crude oil because of their ready availability and, until recently, their low prices. Some studies have estimated Wyoming coal reserves at more than 400 billion tons of coal. The energy potential of this much coal exceeds all the world's known oil reserve. Long term prices of $10 per barrel for crude oil, like recent Middle East prices, and one dollar per 1,000 standard cubic feet for natural gas, like the United States has recently offered the Soviet Union, instead of our 16.2c would benefit Wyoming more than any other state in the Union. Such prices would not only triple Wyoming's tax income from minerals, but they would stimulate the development of uranium, coal, and shale oil. Perhaps Wyoming could apply for membership in the Organization of Petroleum Exporting Countries. Wyoming does export close to 90% of the oil we produce.

THE CONSUMER ENERGY ACT OF 1974

Mr. STEVENSON. Mr. President, the Senate Commerce Committee has been at work for several months on a major legislative effort to restore the conditions of a free market to the oil and gas industry. The purpose of the Consumer Energy Act of 1974 is both to restore competition to the industry and help bring supply back into balance with demand. Until then this act would protect the economy from energy inflation by controlling the wellhead prices of oil and gas in those sectors of the energy market where competition and the laws of supply and demand cannot do the job.

The act is now being marked up in the Commerce Committee. If we do not proceed on such a moderate path as this act proposes, an indignant public will in time insist upon drastic steps to assure an adequate supply of energy at reasonable costs. Already demands are heard from many quarters that the oil industry be fully regulated or nationalized.

I do not believe that either is the answer. But the need for action is manifest.

The cost of living continues to go up.

The wholesale price index in March rose at a 15.6-percent annual rate. That means more energy-induced inflation is on the way.

Rising energy prices hit our economy at every stage of the manufacturing and marketing process. They hit essential public services. Schools must lay off teachers to pay the energy bill. The prices have a reverberating impact—a multiplier effect—that buffets our national economy and our entire system unmercifully.

The principal cause of this appalling inflation is the cost of energy. Wholesale fuel costs rose at an annual rate of 57 percent in March. The cost of refined petroleum products was up 146 percent over a year earlier. The public is acutely conscious of energy costs at the gasoline pump, but not yet of its high cost in the price of every other commodity and service. Energy costs account for 30 percent of the cost of food; 17 percent of the cost of steel. This inflation throughout the economy caused largely by energy costs and certain to get worse, could be the source of social unrest, as well as severe economic distress.

The major oil companies make a convenient target. But we must acknowledge that the great petroleum companies are not alone to be blamed. They exist to serve their stockholders—not necessarily the national interest. If they act in a way that maximizes profit to the exclusion of national welfare, they are simply acting in what they think is their self interest. We should not be surprised—nor outraged—but well aware by now that what is good for Exxon is not necessarily good for the country.

The oil companies have been maximizing their profits. The price of gasoline rose 12 to 15 cents per gallon in 1973; the industry proposes to raise it at least 10 cents in 1974. The price of other petroleum products is increasing even more sharply.

For every penny the price of a gallon of gasoline is increased, $1 billion more flows into the coffers of the oil industry.

At this rate, revenues gathered by the major oil companies which increased by more than $24 billion in 1973 will increase at an even higher rate in 1974.

There is no way such huge amounts can be spent on new exploration and development for oil and gas. And if the oil companies were to take over the alternative sources of energy, including coal, shale, nuclear, and the more esoteric sources of energy like solar and geothermal, then a vertically integrated industry would become horizontally integrated also, and the Nation would be even more exposed to its mercies.

When adjustments are made for different accounting procedures, it will be found that the profitability of this industry was among the highest of all industries even before it took advantage of decreased supply to increase prices.

The major oil companies are concerned with profits as we might expect of any "for profit" corporations.

But when those large and growing profits have such enormous impact on the public interest, to whom shall the people turn?

The answer is obvious: to those who are elected to represent the people and guard the public interest—the President and the Congress. When the first quarter profits of the major oil companies are announced in another week or so, the people will look to the Government for relief.

Yet, President Nixon offers no relief, only more of the same—more tax breaks for this most pampered industry; still higher profits for the industry; more public lands to plunder; more license to pollute the air, more inflation, more unemployment—and more shortages. The administration and the major oil companies threaten, Samsonlike, to bring down the American economic temple upon our heads.

The President proposes a so-called excess profits tax which is nothing more than an excise tax—another tax to be levied on the price of crude oil, another cost to be passed on to the consumer. He vetoes the Emergency Energy Act, which includes 12 of his 17 vaunted energy programs, because it rolls back prices, reduces excess profits, and helps the beleaguered consumer. And then he blames the Congress for inaction.

When all is said and done, the President's prescription is higher prices for industry, agriculture, and the citizen—and blame for the Congress. The consumer—industrial, agricultural, and individual alike—and the Nation, will be left literally to the mercies of a few large international corporations—unless the Congress acts.

Just how vulnerable we are to the whims and vagaries of the heavily concentrated and interconnected major oil companies has become obvious in recent months.

Major oil companies have refused to import crude oil to the United States, because a Federal program required them to share a small percentage of their oil with smaller refiners. They cut off supplies to the United States at the height of the gasoline shortage in order to sell oil for larger profits abroad. These are the same multinational oil companies whose profits in 1973 increased upward of 56 percent as a result of the shortage they helped create. They sell crude oil abroad, then operate their refineries in the United States at 76 percent of capacity, and claim they have insufficient product to supply our needs. They spend large sums to advertise their virtue—and cut off fuel to U.S. Armed Forces during the recent Middle East conflict.

They have built refineries and production facilities abroad and left the United States without sufficient domestic production and refining capacity. As early as 1928, it appears the major oil companies were conspiring to control supply and set artifically high prices for crude oil in international commerce. As foreign crude prices go up their profits on foreign operations go up—and so they cannot be depended on to negotiate with the governments of the oil rich nations for lower prices. They cut off supplies to independent refiners and marketers, eliminating the little remaining competition in the domestic oil industry.

They act from ignorance or under duress from foreign governments. They are not purposely malicious. Their motive is profit, and nothing is wrong with that. But their motive is irrelevant. For whatever reasons, these companies can decrease supplies at will and drive up prices. They can and do withhold vital natural gas production in the Gulf of Mexico in anticipation of the higher prices promised by the Nixon administration. They have it within their power to use energy shortages, real or contrived, to drive up prices with disastrous consequences for the entire economy.

The price of oil is determined with little regard to production costs and with little impact from competition. The price of foreign crude oil is established by the governments of foreign oil-producing nations. The Nation is already dependent for over one-third of its oil on foreign crude. The price of domestic oil is established by the 20 oil companies which control almost 74 percent of the Nation's domestic oil production and 86 percent of the Nation's refinery capacity. The 20 largest natural gas companies, the same companies for the most part, control over 70 percent of the gas sales to interstate pipelines. These companies which dominate the production of oil and gas also control the pipelines and marketing of oil.

From Iran to the local gas pump competition does not operate in the petroleum industry to determine the price or the allocation of scarce energy supplies. Since energy is essential and the demand for it, therefore, relatively inelastic, foreign governments and a few vertically integrated and interrelated corporations can take advantage of shortages, which they have the power to create, to drive up prices at every stage in the production and distribution processes.

If the energy crisis makes anything clear at this point, it is simply that these companies, acting as they do through joint ventures, interlocking directorates, and exchange agreements, can at will decrease production of essential oil and gas supplies to create larger profits for themselves and severe inflation for everyone else. The eight largest have now been charged by the Federal Trade Commission, after an exhaustive study, with monopolistic practices.

To offer the people no better hope than high prices and more high prices along with belated and mismanaged allocation programs—while the major oil companies grow fatter—offends our sense of justice. And the high prices cannot be justified as a price for free enterprise—because there is little free enterprise in this largest and most basic industry. Indeed, the higher prices and profits for the majors will make it easier for these companies to take over, or drive out, the remaining independents at every level.

A government policy of consumer *gouging* is a prescription for economic disaster and political instability.

The Consumer Energy Act of 1974 is a workable alternative to the Nixon administration's policy: A consumer energy program that offers immediate relief for the Nation's consumers and a rebirth of competition in the Nation's oil and gas industry. It is a comprehensive, practical program fair to both the public and the oil industry.

The Consumer Energy Act of 1974 aims to revitalize the free enterprise system by strengthening the market position of thousands of small, independent oil and gas producers. The act would remove price controls from the vast majority of the Nation's producers, while providing the reformed and simplified regulation that is needed to protect the consumer from the 20 major oil and gas companies which now dominate every segment of the petroleum industry—production, refining, the pipelines, and distribution.

The act will more fairly distribute the burdens of the energy crisis; infuse vitality and competition into the oil industry; and develop, for the future, increasing energy supplies at reasonable prices. It offers the kind of action the American people want.

Senator MAGNUSON, chairman of the Senate Commerce Committee, and I are chief sponsors of the bill. More than 20 other Senators have already expressed their support for this approach.

First, we propose an immediate rollback of petroleum prices for the major oil companies.

On December 19, the Cost of Living Council permitted the price of old flowing oil to rise from $4.25 to $5.25 per barrel—a $3 billion per year Christmas present to the oil industry. Even before that, the adminstration had removed all price controls on so-called new oil—allowing an increase in new oil prices from $3.40 to more than $10 per barrel in less than a year.

The justification given for such price increase was the need to increase supplies. Yet, it is the Nation's smaller independent producers who account for approximately 75 percent of all the exploratory drilling for new gas and oil. It is the independent producers who are most likely to use the capital from price increases to reinvest in further new drilling.

In the hands of the major oil companies, such price increases are unconscionable and unjustified. The massive influx of dollars into the treasuries of the majors is already far beyond their ability to invest in expanded exploration.

We propose, therefore, a rollback in the price of all domestic crude oil produced by major oil companies to December 1 price levels. At these levels new oil produced by the top 20 majors would sell for approximately $7 per barrel, and old oil at $4.25 per barrel.

This action will leave the great majority of the Nation's oil and gas producers—the independents—free to compete with each other and grow stronger as the major force in the marketplace for increasing supply, while reducing the majors' excess profits.

Second, we propose regulatory reforms which will revive competition in the energy marketplace—and, while reviving competition, protect the consumer from price-gouging.

Consider natural gas. Only 1½ percent of the Nation's 4,700 producers account for 85 percent of the Nation's natural gas supply. We propose to remove Federal Power Commission wellhead price controls from the small producers who compete and deserve a price incentive, because they conduct most of the Nation's exploratory drilling.

Meanwhile, we propose to continue regulation of the major oil company producers and streamline the Federal Power Commission's regulatory procedures to eliminate "regulatory lag."

Wellhead price controls are also needed to protect the consumer from the same major companies in the oil sector of the industry. The FPC is therefore given authority—to establish wellhead oil prices which will assure these 20 major oil companies recover their costs and a reasonable return. The bill would provide a finely tuned regulatory scheme applicable only to those large corporations whose anticompetitive position requires such controls.

There are over 10,000 oil and gas producers in the Nation. Yet the top 20—a mere 0.2 percent of all the producers—control over 74 percent of all the Nation's oil and gas production. By deregulating the other 9,980 producers, their relatively small market share will increase, competition will be encouraged, the 20 largest oil companies will be guaranteed a reasonable rate of return, the consumer will be protected against the ravages of uncontrolled energy inflation.

Since oil and gas are substitutable fuels and often produced in association with each other and by the same companies, the same regulating agency would apply the same procedures to both. Regulation would be harmonized and centralized in one independent agency.

To avoid diversions of oil and gas from the interstate to the intrastate markets, the controls would apply in both. The distinction between the two is artificial; the energy shortage is national—but supplies are regional. A national regulation of prices charged by major companies, all of them in national commerce, is essential.

These price controls would replace the rollback mentioned earlier. They guarantee the major corporations a reasonable rate of return; they protect the consumer against price extortion—and help create a free enterprise system in the oil and gas industry.

Third, we propose a Federal Oil and Gas Corporation—a TVA for energy—a supplier that could hold down prices; increase competition; inventory the Nation's public oil and gas resources; and deal with other producing nations on behalf of the United States.

It is time to create a national enterprise whose only concern is not profit, but the national interest. And it is time to develop public oil and gas resources for the benefit of the public. The public domain contains 50 to 75 percent of all the Nation's oil and gas resources.

The people own these resources; yet the Government knows very little about their location or extent. It leases national forests to oil companies for 50 cents an acre and for 10-year lease terms without any idea of what it is giving away or whether the environmental price is worth paying. One naval petroleum reserve appears to contain at least 30 billion barrels of recoverable oil. At $10 a barrel the stakes are not inconsiderable. The Federal Oil and Gas Corporation would be able to inventory these bountiful public resources, and determine their value before they are exploited by the major oil companies.

Through its oil and gas production from Federal lands, the corporation could provide additional fuel supplies to independent refiners and independent marketers who, once again, could compete with the major oil companies. It would develop and produce oil and gas from the public domain by methods that are environmentally sound and maintain strategic reserves. Never again would the Nation's oil and gas supply be determined by a handful of multinational corporation vulnerable to the pressures and policies of foreign governments. Its profits would go to the Treasury. Its existence as an assured supplier of crude oil would probably stimulate the construction of needed refineries, and if they were not constructed, it could construct refineries itself and supply independent marketers with refined products.

This corporation would stimulate competition in the oil industry—in its production, refining, and marketing segments. It would offer the public a reliable yardstick on production costs. It would give us a way of checking, through actual experience, the efficiency and pricing performance of the private oil companies.

And it would represent the Government in direct negotiations with foreign producing countries for foreign production facilities and for the purchase of crude oil.

No other advanced nation leaves itself to the mercies of multinational oil companies as does ours; most already have oil companies owned wholly or in part by the Government. Most of these companies are highly efficient.

Fourth, we propose a system of fair access to petroleum pipelines by all members of the petroleum industry.

At present, petroleum pipelines are the private preserve of the major oil companies. They are, for the most part, owned by a few of the largest majors. Yet they are the lifelines upon which independent producers, refiners, and marketers, in fact the Nation, all depend.

We propose to make the oil companies common carriers in fact as well as in name. Only thus can all shippers and receivers obtain fair access to the pipeline network.

Fifth, we propose that Federal lands be leased to oil companies under a new system of royalty bidding that requires development of the leases or their forfeiture.

In the past, valuable Federal oil, and now oil shale, leases have been won by "bonus bidding." This system requires an enormous capital outlay by the bidder—so large that even most major oil companies band together in joint ventures. This old bidding system raises a price barrier that only the major oil companies have been able to cross successfully. And when the leases are acquired, they frequently are held with nominal production or cash payments. They are not developed expeditiously and produced. Almost one-third of the commercial natural gas wells in the Gulf of Mexico are shut in now. Apparently the oil companies are in many cases waiting for the higher prices promised by the Nixon administration.

Under the royalty system bidders would offer to the Government a share of the oil recovered—or a combination of cash and oil. The royalty to the Government would be paid—in part at least—out of future production. Development and production would be required.

By moving toward such a system, we can open up the rich Federal domain to the independent oil company, increase production and over time the income of the Federal Government, too.

Sixth, we propose, on behalf of the small gasoline dealer who must deal with the major oil companies, a major reform of the franchise system.

Hundreds of thousands of the Nation's independent gasoline dealers have invested their time and money in gasoline stations which sell oil products at either branded stations leased from major oil companies or independently owned stations often unbranded.

This bill protects station operators—both branded and unbranded—from the massive economic power of the major oil companies, the power to give and the power to take away. It protects the small gasoline dealer by forbidding sudden, arbitrary termination of his lease or franchise.

Seventh, we propose reform of the current energy-wasting rate structure for natural gas and other forms of energy.

In the past, when we imagined our supplies of energy to be limitless, the Federal Power Commission and other agencies adopted rate structures that encouraged waste. As consumption went up, utilities charged less for each unit of energy used.

The time has come to reverse priorities. We propose graduated rate increases for increased consumption to encourage conservation rather than waste and lower rates for residential users than industrial users.

Eighth, we propose a full and honest accounting from the Nation's petroleum companies.

If we are to restore the Nation's faith in a workably competitive energy industry and make policy wisely, then we must have the facts—facts about supplies and reserves; facts about the major oil companies' financial condition; facts about exports and imports; facts about actual production costs. All these facts should be gathered in a timely manner and made public. Our bill requires collection of this information and public disclosure.

The energy crisis is not a crisis of nature; there is abundant petroleum in the earth and under the sea for near term requirements. It is a crisis of our economic and political machinery. The crisis began with failures and misuses of that machinery—and we can find solutions only by changing and improving that machinery.

This legislation is a start toward making those necessary changes. More needs to be done. The Nation must have an energy ethic which emphasizes the conservation of energy. It must develop alternative sources of energy. This legislation is a beginning—and a proposal for action and relief now.

If we fail to act, the entire cost of the energy crisis will fall upon the American people; and that cost could be written in lurid letters of economic and political collapse.

The energy crisis, and the public frustration and outrage it has produced, are a kind of handwriting on the wall. The message is this: If this country continues to suffer at the hands of one large, concentrated, interconnected and unaccountable industry, public patience will run out—and that industry may someday be totally regulated, broken up, or even nationalized. I do not want to see that happen. I want to see the free enterprise system preserved and encouraged. I want to see it work. And I believe most of the American people still feel the same way.

A DEAD END BUDGET FOR "SESAME STREET"?

Mr. HUMPHREY. Mr. President, two excellent children's television programs, "Sesame Street" and "The Electric Company," face the threat of being terminated. The Children's Television workshop, a nonprofit organization which produces both programs, has suffered severe budget cuts which place these two fine programs on a much less secure financial footing than in prior years.

The U.S. Office of Education reduced the workshop's grant from $6 million in fiscal 1973 to $3 million in fiscal 1974. In addition, the Ford Foundation has reduced its financial support to the workshop.

These cutbacks have left the Children's Television Workshop with a budget deficit and a decimated staff. The initial effects of the cutback were the elimination of 36 staff positions, a great reduction in experimentation and creativity for these shows, and a curtailment of research in such areas as animated and live action films.

Information obtained from the Children's Television Workshop indicates that it had anticipated a gradual withdrawal of funds from Government and foundations as it grew more self-sufficient. But the termination of funds from the Office of Education was far from gradual, and has done great damage.

The cutbacks already made by the workshop will reduce expenditure by about $2 million, leaving a budget of only $10.2 million.

That $10.2 million budget is to be met by the $3 million grant from the Office of Education, $5 million from the Public Broadcasting Corp., and $1.7 million from product royalties, overseas broadcasting rights and show royalties—leaving a deficit of $500,000. And the Program Corp. of the PBC may furnish only $4 million instead of the $5 million requested, leaving a $1.5 million deficit.

In terms of the total Federal budget, the $3 million cutback in the Office of Education funding is almost unnoticeable. However, it is so very important to the future of programs like Sesame Street and the Electric Company. And it is typical of the nearsightedness that has been chronic in many of the agencies since this administration took office. The education and well-being of our children should be one of the top priorities for those of us in Government.

Sesame Street and The Electric Company are instilling a love of learning and of people in preschool children, some of whom would never have received it otherwise. We cannot afford to neglect these efforts.

Sesame Street and The Electric Company were rated No. 1 and 2, respectively, in a recent poll of public television broadcasters taken by the Program Cooperative. They finished with ratings of 4.8 and 4.7, respectively, on a 5-point scale in the category of children's programing.

So the children feel these programs are good, the broadcasters feel they are good, and the parents I have heard from feel they are fine influences for learning upon their youngsters. We should not deprive the children of this country of the joys of singing their ABC's or of learning to count from "Big Bird." I urge the support of my colleagues for restoration of the budget cuts by the U.S. Office of Education to the Children's Television Workshop.

PENSION REFORM: A CONGRESSIONAL FAILURE

Mr. HARTKE. Mr. President, I should like to bring to the attention of my distiguished colleagues, an editorial written by one of this country's leading authorities on the private pension system, Dr. Merton C. Bernstein. His brilliant analysis of the two pension bills passed in the House and Senate respectively, concludes that these so-called "reform" bills are a sham. This legislation, in Dr. Bernstein's words, is an "insult added to injury" to the working men and women of America who have found through tragic experience that a hard-earned pension is in the overhelming majority of cases, a broken promise at the time of retirement.

Almost all of the issues and provisions Dr. Bernstein attacks in these bills as too weak or ineffective, would have been corrected if my legislation on pension reform had been adopted by this Chamber. Here is a summary of why my proposals were.

1. PENSION BENEFITS

Full benefits upon retirement after 5 years with the same employer; the Senate bill provides 100 percent of the pension after 15 years with the same firm, 50 percent after 10 years, and 25 percent after 5 years.

2. SURVIVOR'S BENEFITS

Widows would receive 50 percent of husband's full benefit; the Senate bill permits a widow to receive a benefit only if her husband had elected to receive a smaller pension payment during his lifetime. In that case, her payment would be half of her husband's reduced pension.

3. CREDIT FOR PART-TIME AND OCCASIONAL WORK

All periods of employment would count toward eligibility for a pension. The Senate bill requires 5 years of full-time uninterrupted service with one employer to qualify for only 25 percent of the pension.

4. GRIEVANCES

A simple, inexpensive administrative procedure would have been established to protect employees from improper discharge by firms attempting to avoid their pension obligation; the Senate bill requires a worker who, for example, was discharged 2 months short of qualifying for 25 percent of his pension, to bear all costs in pursuing his grievance through the courts.

5. PORTABILITY

The establishment of a national pension system allowing full transfer of pension benefits when an employee changes jobs; the Senate measure leaves the question of credit for past employment entirely in the hands of the employers.

6. INSURANCE OF PENSION FUNDS

Retired workers would receive a pension equal to 80 percent of their highest average wage over 5 years should an employer go out of business or $500 per month, whichever is less; the Senate bill provides insurance up to only 50 percent of the worker's highest wage over 5 years.

If Congress is going to improve its image with the public, it is going to have to pass better people-oriented pension legislation.

The unsettling reality of these nonreform bills is that another chance at effective and meaningful pension reform probably will not come along for at least another decade. In the meantime, the suffering will continue, the complaints will contine to mount, and the U.S. Congress will continue to bear the responsibility.

Mr. President, I ask unanimous consent that the article, "Pension Reform: Insult Added to Injury," by Prof. Merton C. Bernstein, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

PENSION REFORM: INSULT ADDED TO INJURY

(By Merton C. Bernstein)

Reforms that don't reform much are an all too familiar phenomenon in Washington, and we are about to be favored with a classic addition to the breed.

The latest non-reforms are contained in Senate and House bills supposedly designed to correct flaws in private pension plans. There has been considerable clamor about such plans since it was disclosed in 1971 that the vast majority of pension-plan participants never received any pensions from them. Here was a problem that clearly needed fixing, with the public assuming reform pressure would come from the labor movement.

Unfortunately, though, the necessary labor backing for significant reform never materialized. On the contrary, big labor generally has supported some of the worst features of the House and Senate bills, evidently finding it in its interest to join with big business in restricting worker protection. Former employees, after all, are also *former* union members, and pensions usually are the most expensive fringe benefit to be negotiated. To win sizable wage boosts for current members as well as pensions that actually provide pensions at all, let alone respectable benefits, labor apparently is willing to limit eligibility to a minority of workers.

The upshot is that, barring a last-minute switch in the conference committee, the measure that emerges will be weak and misleading, and another chance at effective reform probably won't come for at least a decade.

LEAVING EMPTY HANDED

The central problem with private pension plans lies in their vesting provisions, which give workers leaving a plan before retirement age a claim to pension benefits later when they do retire. Not that most plans lack vesting rights; in fact, three-quarters of all participants are in plans that confer vesting after 10 or 15 years of service. The catch is that most people separating from plans cannot meet the 10- or 15-year requirement.

This became clear in the Senate Labor Committee's 1971 study of 1,500 plans that had 6.9 million participants between 1950 and 1969. Committee sampling showed that of the 5.2 million workers who had departed from the plans in those years, a mere 3 per cent actually obtained any benefits, and only 1 per cent achieved vested rights.

The tale was dismal for both the 10-year and 15-year vesting plans. The committee found that of those leaving plans with 15-year vesting, 92 per cent went empty-handed. Of those separated from plans with 10-year vesting—the most liberal in common use—73 per cent went without a dime. All this is in addition to other national data showing that a large portion of such separations is involuntary.

The main task, then, was to strengthen vesting rights—perhaps starting, as some suggested, with 50 per cent vesting after five years of credited service and going to 100 per cent vesting after 10 years—and to effectively prevent any firings by bosses seeking to exclude workers from pension eligibility.

But the vesting provisions of the Senate and House bills do little to change the current flaws. In fact, estimates done for the Senate Labor Committee show that the several formulas would hardly increase pension plan costs at all for those with 10-year vesting and only by minuscule amounts for those with 10-year vesting or with no vesting at all. The simple reason is that the formulas would not give substantial additional protection to the great mass of workers separating from plans; where they might salvage some benefits, they would be minute.

THE SENATE BILL

The Senate non-reform bill, for example, was passed last September by a unanimous 93 to 0 vote, which suggests how innocuous it is. On the crucial point of vesting, it would exclude all years of work before age 25, despite the fact that the overwhelming bulk of blue-collar and gray-collar workers and many white-collar workers take full-time jobs when they are 16, 17 and 18.

After five years of *credited* service are achieved by age 30 (which means perhaps 12 to 14 years of actual work for a semi-skilled factory worker), the employee would be vested for 25 per cent of a normal benefit. For each subsequent year an additional 5 per cent would vest, reaching 50 per cent after 10 years of credited work, and then by 10 per cent annual additions culminating in 100 per cent after 15 years of credited service.

To some, this 25 per cent vesting after five credited years might seem like a reasonable step in the right direction. But it actually means paltry benefits.

An October, 1973, survey by the Bureau of National Affairs showed that most existing blue-collar pension plans pay a benefit of $4 to $6 a month for each year of credited service. This means a full benefit for an employee with five credited years under a $6 plans would pay $30 a month. Under the Senate 25 per cent formula, only $7.50 a month would be salvaged, for a grand total of $90 a year—payable many years after separation and after erosion by inflation.

A white-collar worker with a $10,000 job would do little better. The BNA survey found that their plans pay 1 to 2 per cent of final average salary for a year of service. So a typical plan for a $10,000 worker, at 1½ per cent, ordinarily would yield $750 a year; the Senate, 25 per cent formula salvages $187.50 of this.

Theoretically, separated employees could obtain several such benefits in a working lifetime. But government studies show that the bulk of those losing pension-covered jobs obtain other positions, if any, that provide thin or no fringes. A joint Treasury-Labor department report last fall confirmed this: "Only half of the men aged 50 or older who were employed 10 or more years were vested." In addition, substantial numbers of older workers had under 10 years of service in their jobs. Once a person loses a job, he or she is vulnerable to layoff due to low seniority.

But, the claim is made, at least long-term employees would receive the protection of vesting. As noted, substantial service can be excluded. Moreover, the Senate vesting provisions would not take effect for anyone until 1976, adding almost two years to the service required. For collectively bargained plans, the provisions wouldn't begin until 1981 or when the pension plan in effect at enactment expires. This would add two to seven years to the vesting requirements for many. In the auto industry, for example, the current collective agreement expires in 1976—but the pension agreement runs until 1979.

The Senate bill, like the House version, prohibits discharge to prevent the achievement of pension eligibility, a protection of particular importance to non-union workers. But the provision seems to put the burden upon the employee to prove that the motivation (a near impossibility except in the most blatant cases), and neither bill provides a rapid and inexpensive procedure to enforce what dubious rights are given.

If the Senate bill is weak, the House measure is weaker.

The House bill requires one of these vesting formulas, but the choice is left to employers and unions, if any is in the picture. They can pick the Senate formula, straight 10-year vesting (under which 73 per cent of those separated left without a penny, it will be recalled), or the "rule of 45." This rule would confer 50 per cent vesting when age and credited services total 45, with at least five years of credited service required.

It is only natural that employers would choose the least expensive, and thus least protective, plan. Experience shows, too, that unions often go along with companies on this, concentrating their efforts instead of wage increases or higher pension benefits for a lucky few.

The Senate Committee did not price these alternatives, but its actuary did make estimates for slightly more liberal and restrictive versions. These show that their estimated added costs would be slight. Moreover, by winnowing out older workers, the "rule of 45" could be made meaningless for many in the absence of protection against discharge without cause. Hence a net gain for vesting would be slight to non-existent, while the already difficult employment problems of older workers might well be exacerbated.

But there is more. In addition to the delays in the Senate bill, the House version would phase in vesting so that in the year it must begin—perhaps as late as 1981—only half of the Senate formula need apply. In other words, the $90 a year for blue-collar workers and $187.50 for white-collar workers previously noted would be cut in half. In each subsequent year, an added 10 per cent would be required, so that the full formula—no great shakes to begin with—could be delayed until 1985.

If all this were not bad enough, the House bill also allows exclusion of all years worked before 1969 if, starting with Jan. 1, 1969, an employee had not achieved at least five years' service.

Under many plans, large numbers do not obtain a year's credit in a 12-month period because work is not available due to seasonality or layoffs. Instead some fraction of a year's credit results. Such employees could be denied all of their years of service before 1969 for pension purposes under this provision. Other breaks-in-service provisions are equally, if not more, threatening to credits for past service. Long-term employees—those allegedly protected—would be the victims.

In sum, the vesting provisions of both measures—and especially the House version—would prove as unprotective and disappointing as the plans they purport to reform. And the AFL–CIO, pressed by several large unions, generally pushed for the same limits on vesting and funding as did business. What they differed over was "reinsurance," or a government system to make good on benefits when plans end with insufficient funds. Unfortunately, the House bill limits that insurance to those benefits required by the measure's mandatory vesting provisions, which are skimpy and, ironically, especially delayed when bargained.

THE BIG LOSERS: WOMEN

Pension plans were designed to pay off to the largely male workers who put in long periods for one company or group of companies. The majority of these men will be losers, but an even larger proportion of women will lose out as employees and as their husbands' survivors.

More women work than ever before. When retirement comes, a substitute for their pay is just as necessary as for men's, otherwise their own and their family's standard of living will decline. But published data show that women have shorter job tenure and hence less chance to achieve vesting. The vesting weaknesses thus fail women even more than they do men (except that married men also depend upon their wives' earnings). As women generally live longer than men, they face long periods without their husbands and, if the men have been among the lucky ones, their husbands' pension. Perhaps 1 per cent of all women get private pension widow's benefits.

Neither the Senate nor the House bill effectively improves this showing. Both require plans to provide retirees with a choice to take an undiminished benefit during their own lifetime or a reduced lifetime benefit plus a survivor benefit. Such "joint and survivor options" already are common among pension plans. The hitch is that few employees choose to provide assured income for the surviving spouse.

If women are the chief losers, the well-to-do are the chief gainers.

A year ago the Treasury Department reported that only 23 million employees participated in pension plans, considerably below the commonly advertised 30 million to 35 million. Sparsity of coverage obviously makes it more difficult to achieve vested pension credits. Moreover, as Frederick Hickman of the Treasury noted in a recent article, taxpayers in the upper 8 per cent now obtain half of the tax benefits given to private pension plans (the break flows from the tax-free nature of earnings on plan reserves) while the lower half "enjoy" 6 per cent of those benefits.

To "rectify" this situation, both bills enable those without pension coverage to make tax-sheltered retirement investments of up to $1,500 a year. Unlike the Keogh plans for the self-employed, those who voluntarily choose to do so need not make any retirement provision for other employees. Many self-employed will have no difficulty in finding $3,000 (per couple) to invest in this new way. Canadian experience shows that upper-income taxpayers use and benefit disproportionately from such arrangements. Those most in need of benefits to supplement Social Security cannot play in this game.

WAIT TILL NEXT YEAR

There are other serious shortcomings as well:

Neither bill meets the acute problem of inflation, which could be eased considerably by mandatory portability. The final bill should require that the value of vested credits for separating employees be deposited to an account in the employee's name at a national pension clearing house, where the money would work to improve benefits for that individual rather than reduce the cost to the employer of the plan he left.

Neither bill prevents fund managers from dealing with employers who establish the plans—fertile ground for corrupt practices. Indeed, the House bill expressly permits "self-dealing (so-called because the plan administrators are chosen by the company), provided only that market value be paid. Experience amply demonstrates that this is an entirely inadequate safeguard.

Proponents of the current measures argue that one must accept a less than ideal bill. But what appears to some as half a loaf seems to others more like crumbs. The rationalization that the current bills are only a beginning to be built upon and improved is a dangerous delusion. Once Congress enacts a measure it will be spent and will not soon nerve itself to another similar effort. The last pension reform legislation, requiring certain disclosures by plans, was passed in 1958 and provided no realistic protection. The optimistic view is that any further follow-up legislation would come in another 10 years. Unless the grave weaknesses of the current measures can be greatly improved in conference, Congress would be well advised to "wait 'til next year."

OUR VETERANS DESERVE BETTER

Mr. HUMPHREY. Mr. President, March 29, designated as Vietnam Veterans Day, reminded us that 1 year ago the United States terminated its direct military involvement in the Vietnam war—the longest war in America's history, in which some 2.5 million men saw service. But what this day should have brought forcefully to public attention are the urgent problems confronting a great number of the 7 million veterans of the Vietnam era—including the 40,000 men who returned disabled.

I want to discuss at this time an agenda for action by Congress, addressed to the following issues of deep concern to all of America's veterans:

Adequate GI bill educational benefits, brought in line with soaring tuition costs;

Programs to meet the urgent need for jobs and income;

Adequate and immediately accessible health care;

And increases in disability benefits and dependency and indemnity compensation, as well as the protection of veterans pensions, in response to sharp increases in the cost of living.

1. A $270 MINIMUM MONTHLY EDUCATIONAL BENEFIT

In contrast to our veterans of World War II and Korea, veterans of the Vietnam era cannot afford the costs of the education they deferred while serving their country, and they confront public apathy toward their critical need for jobs and a fair opportunity. The young veteran confronts a classic "Catch-22" situation: To get a better job he needs to continue his education; but his GI bill benefits fall far short of meeting the costs of that education, and all too often he cannot even find work to supplement those benefits. On top of this, he frequently finds his application for various forms of assistance to which he is entitled, snarled in redtape with payment from the Veterans' Administration delayed for weeks on end.

2. SURVEY OF VETERANS BENEFITS

Last fall, the Educational Testing Service made an independent study of veterans benefits for the Veterans' Administration, but the Veterans' Administration promptly rejected the conclusions of that study. The study laid out certain basic and irrefutable facts. In 1948, GI's received tuition up to $500 per year paid directly to the colleges. At that time, this tuition charge covered nearly all public colleges in the United States and 89 percent of all private colleges. In addition, the veteran received $75 per month for personal living expenses.

Today, the Vietman vet using the GI bill receives a flat payment of $220 per month to cover all of these expenses—educational and noneducational. This $220, when adjustments for dollar value are made, represents, ironically, the World War II veteran's living allowance alone. This is simply unfair and it ought to be corrected without delay.

In my State of Minnesota, a veteran attending the University of Minnesota, paying $676 tuition and fees and the U.S. average $216 for books, would have $121 per month on which to live. If he chose one of five State colleges with a mean tuition charge of $455, he would have $146 per month on which to live. This is simply inadequate.

3. NEED TO CORRECT INEQUITIES

It is imperative that Congress act without delay to correct these disparities and to provide a realistic educational opportunity for veterans. Words of praise are no substitute for a decent education. I am a joint sponsor of two key bills in the Senate, S. 2784 and S. 2786, which would provide our veterans the realistic level of assistance they require. Under this legislation payments to veterans enrolled in schools and training institutions would be raised by 23 percent—as contrasted with an increase of 13.6 percent in legislation recently passed by the House, and an increase of only 8 percent proposed earlier by President Nixon. The Senate bill would amount to an increase for a single veteran from the maximum of $220 a month to $270 and for a married veteran from $261 to $321. It would also authorize low-cost Federal loans for veterans of up to $2,000 a year. The second bill would extend the time within which GI bill training must be completed from 8 to 15 years and it would increase the maximum entitlement from 3 years to 4 years.

In addition, I have cosponsored S. 2789, the Comprehensive Vietnam Era Veterans Education Benefits Act, which proposes a different and more equitable method of assisting veterans to meet educational expenses.

Mr. President, our younger veterans confront seriously limited choices in pursuing a higher education. They must stretch their benefit payments to meet the costs of public institutions, but they are effectively excluded from attending private institutions of higher education due to a general tuition increase of 500 percent in the United States since the late 1940's. I urge that Senate consideration of legislation to address these problems effectively, be expedited.

I also urge early congressional action to provide for appropriations for the veterans cost of instruction program under the Higher Education Act. The Nixon administration has again failed to request funds for this vitally important program, in its fiscal 1975 budget. However, this program has greatly increased the participation rate in the GI bill program in many cities and provided enrollment, counseling, and remedial course assistance to thousands of veterans. It has been the key to the establishment of special veterans offices at our colleges and has assisted these institutions in handling the actual costs of education.

4. THE RIGHT TO A JOB

A second area demanding forthright congressional action is that of opening critically needed job opportunities for our veterans. Younger veterans confront an unemployment rate of over 10 percent. They have been hard hit by the additional impact of the energy crisis with unemployment increases tied to their lack of job seniority. It is reported that increasing numbers of Vietnam vets are joining early morning lineups to get on the Nation's welfare roles. I have found this inexcusable, where Government fails to act out of a simple respect for human dignity.

Our veterans ask no more than a fair chance—the opportunity to help themselves, to work and to know the security of an income and hope for the future. And it was precisely to address this urgent problem that early in the 93d Congress I introduced legislation, S. 705, to establish a major program of job opportunities in the public sector, and giving priority to the employment needs of our veterans. A similar provision for priority consideration is included in the Energy Emergency Employment Act, S. 3027, which I introduced 2 months ago, and which proposes a comprehensive program of employment and training assistance in both the public and private sectors. I remain hopeful that such further legislative initiatives can be pursued in the present session of Congress, beyond the comprehensive manpower training and public service jobs bills enacted last year.

5. VA HOSPITAL CARE

Mr. President, no veteran who needs hospital care should be turned away from a VA hospital. However, all Senators are aware of repeated reports of hospital admission denials, apparently resulting from restricted budgets and personnel limitations. Last year, Congress passed major legislation, the Veterans Health Care Expansion Act, but we subsequently confronted incredible delays by the Veterans Administration in submitting its budget request to cover deficiencies in the VA's ability to meet its responsibilities to provide quality health care to eligible beneficiaries. Meanwhile, the Department of Medicine and Surgery in the Veterans Administration, along with other Departments, has suffered from the loss of high officials of demonstrated capability, with the qualifications of their replacements apparently being chiefly their political credentials.

6. IMPACT OF INFLATION ON DISABLED AND OLDER VETERANS

Disabled veterans and our older veterans have had to fight a rear-guard action against efforts of the present administration to limit or reduce the assistance they vitally need. It required a strong protest from Congress and the public to cause the administration last year to pull back for further study a plan that would have been quickly implemented to take away $160 million in benefits to physically disabled Vietnam era veterans—a shocking, cynical decision to save money at the expense of the future of thousands of persons who have made such a direct sacrifice in the service of their country. And a separate battle had to be waged against administration plans to strike a double blow against all veterans pension benefits, first, by redefining income pension entitlement, and second, by cutting back VA administrative funds required for the processing of pension benefit applications.

Congress last year, recognizing the need to keep pension payments abreast of cost-of-living increases, enacted Public Law 93-177, which will mean that pension checks for approximately 2 million veterans, widows, and dependent parents will be increased by almost $240 million during 1974.

I regretted that a further provision strongly supported, and which would have increased the annual income limitations for pensions by $400, could not be included in the final legislation. I have urged the Senate Veterans' Affairs Committee to recommend such legislative action as may be required to prevent offsetting reductions in veterans' pension benefits resulting from social security increases in 1975 and thereafter. This was a key purpose of legislation which I introduced early in the 93d Congress, S. 835, the Full Social Security Benefits Act.

I am gratified that the Senate Veterans' Affairs Committee is taking early action on urgently needed legislation to improve service-connected disabilities and survivor benefits. I am a joint sponsor of the two key bills—S. 3067, the Veterans' Disability Compensation Act, and S. 3072, the Survivors' Dependency and Indemnity Compensation Act. Both measures provide needed cost-of-living increases for veterans and survivors receiving service-connected compensation—15 percent for veterans and 16 percent for widows. I have recommended that the committee also consider a provision to initiate an automatic cost-of-living escalator for these programs, rather than have them continue to be subject to periodic congressional action and to delay in implementation by the administration.

Mr. President, our Nation owes no greater debt than to those who have served in the Armed Forces and contributed to the national defense. I have outlined the highlights of a legislative program that must be pursued by the Congress without delay. But we also need to do everything possible to reassert a national sense of responsibility toward our veterans. We must seek out young veterans and help them resume their rightful place in society. And we must give to our older veterans the respect and the hope in the future to which they are entitled.

HEARINGS ON HUMANITARIAN FOOD ASSISTANCE

Mr. HUMPHREY. Mr. President, on April 4 the Subcommittee on Foreign Agriculture Policy of the Senate Committee on Agriculture and Forestry held hearings on the future direction of U.S. Public Law 480 humanitarian food assistance programs.

Witnesses appearing before the subcommittee included Richard Bell, Deputy Assistant Secretary of Agriculture for International Affairs and Commodity Programs; Daniel Parker, Administrator of the Agency for International Development; James P. Grant, President of the Overseas Development Council; and Frank L. Goffio, representing the American Council of Voluntary Agencies for Foreign Service, Inc.

This is an especially appropriate time to review these food assistance programs. The Public Law 480 program was begun at a time when the United States had abundant food stocks and was eager to share these supplies. With these stocks gone, and the world commercial markets strong, the United States faces a major moral question. Will this eminently successful humanitarian program, begun in a time of plenty, be sustained during a period of scarcity?

The two administration witnesses, Mr. Bell and Administrator Parker, emphasized that the programs were continuing in spite of cuts in volume resulting from increased prices and decreased availabilities.

The issue of heavy programing of Public Law 480 resources for South Vietnam and Cambodia was discussed in the light of cutbacks elsewhere, and Mr. Parker argued that the people of Southeast Asia were in many cases refugees and needed the assistance on a humanitarian basis.

Mr. President, I ask unanimous consent that my opening statement at the hearing be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR HUBERT H. HUMPHREY

Food for Peace is not a political program, even though foreign policies are involved. It is not an agricultural program, even though food and fiber are involved.

Food for Peace is a moral program.

Food is power. And in a very real sense it's our extra measure of power. It may be the one thing that we have in greater abundance and in the ability to produce beyond anyone else.

I have heard very few voices raised in the Congress of the United States about food as a power for good, as well as for its physical and financial value. I have heard all too few voices raised as to what should be an adequate supply of food for the American people and this nation to fulfill, first our moral responsibility, and secondly, our international responsibility.

I see us argue agricultural policy without bringing in what I think is one of the most important aspects of it. The moral, the social, the psychological, the spiritual aspect. One of the most powerful forces in the world is love. Compassion. Understanding. For some reason or other we have forgotten a little bit about that.

Moreover, P.L. 480 is a proven program. For over twenty years our Food for Peace program has served as a model throughout the world for what humanitarian food assistance can and should do. Not only have concessional sales under the program been an important factor in the expansion of markets for our farm products abroad, but food assistance under P.L. 480 has provided an essential bridge upon which the poorest countries of the world can reach for self-sustained economic growth.

Every year almost 90 million people benefit from the maternal and child care, school lunch, food for work, and other humanitarian programs made possible through Public Law 480. And for millions of disaster victims throughout the world, Food for Peace shipments have meant life itself. In more than 100 countries throughout the world the burlap bags of farm commodities marked with the phrase "Given by the people of the United States of America" are a familiar reminder that America still practices the Judeo-Christian ethic in the sharing of our abundance.

However, much has changed since my colleagues and I sat down over twenty years ago to map out the policies which eventually would become P.L. 480. The world food supply situation has become increasingly precarious. World demand for food, particularly, in recent years, has continued to outstrip production, spurred by unabated population growth throughout the world and the effects of rising affluence in the developed nations. Every year, food production lags behind demand by one percent on a worldwide basis, and in the past two years this shortfall has markedly increased.

Furthermore, agricultural resources such as fuel, fertilizer, water and arable land are facing increasingly significant constraints, and especially in developing countries. And long-term climatic changes in certain parts of the world confront millions of people with chronic famine. Suddenly food security is becoming the number one public policy issue around the world, and policy makers in all countries are turning new attention to food.

A nation's food supply is its most precious resource. And the responsibility of government to assure adequate food for its citizens is its most basic one. Leaders throughout the world may spend hours debating the needs of defense, but all the military manpower and hardware is meaningless if a nation cannot assure its people of enough to eat. National security, as many countries may painfully come to realize over the next few years, is much more than large troop and sophisticated weapons systems.

Food security must begin with proper national planning. Each country must assess its own needs and work out a program which complements its overall development goals. And one of the most important development goals should be to achieve a reasonable level of agricultural self-sufficiency.

Food aid can be viewed as only a short term measure. In the long run a country must be able to take over the responsibility itself for providing its people with food.

We can no longer count on consistent American farm surpluses to provide for the food needs for large sectors of the world.

Increasingly, we may well find lean years interspersed with the years of abundance. And without a buffer of domestic and international food reserves, as I have proposed before my colleagues to balance these swings in supply, consumers throughout the world will be victims of the vagaries of chance.

Moreover, the role that commodity reserves play in agricultural development should not be underestimated. Until farmers in developing countries can count on reasonably stable markets for their output, expansion of farm production will remain limited. This is particularly significant in the developing world where commodity markets are subject to volatile swings. Therefore, as a condition for agricultural development we must assist and encourage international initiatives to provide for supply assurance and market stabilization through stockpiling basic commodities.

But just as food aid can only be viewed as a short-term solution, international food stockpiles can only be viewed as a medium-range food security mechanism. At the current rate of growth in demand for food the rich years will become scarcer and the lean years more frequent. Eventually, we will reach a point at which we can no longer replenish food stockpiles from production.

Clearly what all of this means is that our long-term goals have to be directed toward increasing food production and limiting the growth of demand through population programs, coupled with economic development, and through conservation and more efficient use of available food resources. No other development goal is more imperative.

We must insist then that the resources we commit for development purposes are used as efficiently as possible. Before we provide food assistance, we should encourage each country to work out their long-term development goals and specifically how food aid can assist in those goals. With only a limited amount of American farm production to devote to food assistance, it is only judicious that priority be given to those countries willing to work out their own programs for self help.

As a condition of food assistance, each country should work out a long-term food security plan, with the advice and assistance from U.S. AID officials, Priorities to be reflected in this plan should include measures: (1) to increase agricultural production leading toward a reasonable level of food self-sufficiencies; (2) to improve nutrition; and (3) to establish meaningful programs for population control.

Unless our food assistance is directed toward such development objectives, we may only be making the problem worse by creating a dependency on food donations and by supporting the further increase in population. The hard facts of life are simply that we cannot go on forever fulfilling the food needs for much of the rest of the world, whether we want to or not. The American cornucopia is becoming increasingly strained, and, therefore, food assistance efforts should be directed into programs designed to help food deficit areas develop the capacity to feed themselves.

In addition to directing our food assistance toward serving development objectives, I believe we should restate United States food aid policies in terms of serving humanitarian needs, rather than of assisting military security objectives. On February 21, 1974, I introduced Senate Concurrent Resolution 69, calling for an investigation of the possible misuse of P.L. 480 commodities, or of foreign currencies generated from the sale of those commodities. I had particularly reference to P.L. 480 shipments to Cambodia and South Vietnam.

Tables provided by the Agency for International Development indicate that within fiscal 1974 alone, the estimate of the value of Title I Public Law 480 shipments to Cambodia and South Vietnam has more than doubled. Forty-four percent—almost half—of all food for peace shipments from the United States throughout the world in fiscal year 1974 will go to these two nations. That works out to a major diversion of local currencies in these countries, through U.S. food assistance, for defense purposes—an indirect but nevertheless substantial addition to American military aid.

Meanwhile, commodity assistance for humanitarian programs by CARE and church-sponsored relief agencies have been cut back. It has been estimated that 20 million fewer people are being helped to avoid starvation than 2 years ago.

It is clear that Congress must take early action to prevent such profoundly serious distortions of the food for peace program.

A food assistance policy that now emphasizes serving humanitarian needs would also replace a policy stated in terms of surplus disposal. It is time that we made a clear commitment to food assistance in its own right.

Over the years P.L. 480 has been a useful part of our efforts to manage surplus farm production. However, times have changed. We can no longer count on year to year surpluses.

The shortages of the past year caused a great deal of disruption in our food assistance efforts. Programmed commodities under the Title II donation program were down more than 50 percent in 1973 from 1971 and will be cut even further in the coming year. Total funds appropriated under the Food for Peace program have dropped steadily from a high of $1.6 billion in 1964 to an estimated $800 million in 1975.

Uncertainties in supply have created special hardships for U.S. voluntary agencies and recipient country governments who have devoted millions of dollars of their own resources to establish development and humanitarian programs to utilize P.L. 480 commodities.

The present language of P.L. 480 raises a barrier to effective humanitarian food assistance in times of short supply of U.S. agricultural commodites. Under existing law the Secretary of Agriculture cannot ship commodites under P.L. 480 if he determines that the available supplies are not adequate to meet domestic requirements and anticipated exports for dollars.

Last year I introduced a bill, S. 2792, that would allow the Secretary the flexibility to permit food aid shipments if he determines that part of the exportable supply is necessary to fulfill the national interest and humanitarian objectives of the law.

This provision was subsequently incorporated in the Foreign Assistance Act as enacted by Congress, as a statement of the sense of Congress on essential legislative reforms to be made in the Agricultural Trade Development and Assistance Act. In this same provision of the final foreign aid bill, it is also stated to be the sense of the Congress that the Secretary of Agriculture shall take humanitarian food needs into consideration when making U.S. production and set-aside decisions.

This fall, the United States will participate in a world conference on food security. It is imperative that we clarify our own long-term food aid policies before we go to this conference. Only if we have our own house in order can we make commitments to participate in multilateral efforts to alleviate suffering, hunger, and malnutrition.

The officials in our government who make the policies in regard to food assistance ought to take a good look at the situation for which they are making the policies. There is no more classic case of the "ivory tower" phenomena than the people in the Department of Agriculture, AID, OMB, and the National Security Council who decide "in absentia" the U.S. food aid policies for the developing world.

If we are going to decide who is to eat and who is to suffer hunger, it's about time we get out and take a look at the programs for which we are responsible. As a start, I think it imperative that key Congressional representatives and senior officials of OMB, NSC, AID, State and USDA form a team to visit Title II field activities in order to base their decisions on actual first-hand, on-site evaluations of extensive conditions of hunger and starvation.

The time has come to review our food aid policies in terms of new circumstances and new needs. The past success of our Food for Peace program is no excuse to avoid the consideration of new and innovative thinking in regard to food assistance.

To insure that the food resources the American people commit to the developing world are used most wisely and efficiently we must do the following:

Restate the U.S. commitment to Food Assistance as based on humanitarian needs rather than as assisting surplus disposal at home or military security abroad.

Direct our food assistance to long-term development programs designed to increase agricultural self-sufficiency, improve nutrition and provide for planned population growth.

Establish a system of domestic and international food reserves to provide a minimum level of supply security and market stabilities against the inevitable swings in world production.

Reaffirm and clarify our own commitment to food assistance and insure that our officials responsible for food aid policy are fully aware of the magnitude of the problems we are facing.

As the world's most important producer of foodstuffs, the United States stands alone in its ability to influence food policy for the rest of the world. And certainly, this fact is no more evident than in the area of humanitarian food assistance. Increasingly, the United States is being forced into the position of determining who will have enough to eat and who will face hunger as our food production becomes the residual supply throughout the world. We must bear this responsibility with a respect for the food security of consumers throughout the world.

During consideration of authorizing legislation over two decades ago, the Congress originally turned down the title Food for Peace. It wanted Surplus Disposal. But I offered the amendment to call this program by law, Food for Peace.

And I want to say with deep thanks and to the everlasting honor of President Eisenhower, that it was his decision to call this program Food for Peace, despite its initial statutory title. Congress later agreed to give this program the title that reflects moral leadership, rather than an expedient mechanism for dumping surplus commodities.

We in this country have a "win" policy. I think we ought to be trying to win over poverty, illiteracy, sickness, frustration and hunger. We should be winning wars and winning battles for human dignity. This is what the struggle is about in Asia, in Latin America and Africa. And these people continue to look to us in the United States to affirm that each person is personally important; each endowed with soul and spirit.

And what else do people want? Opportunity. Just a chance to make something out of themselves. Our foreign aid and technical assistance programs, the Peace Corps, and the Food for Peace program are all designed to serve this objective—to help people help themselves.

The challenge before us now is to continue to fulfill our commitments to the people of over 100 countries to look to the United States to meet urgent needs for food assistance. To prematurely withdraw this promise of self-help aid is to court profoundly serious consequences of political instability and extensive suffering in these countries. Our international responsibility and vital interests demand that our government avoid such policy changes.

Mr. HUMPHREY. Mr. President, the testimony of Mr. James Grant highlighted the increased seriousness of the plight of the poorest countries as a result of the energy and food crisis of the past year.

His testimony indicated that these countries now have not only vastly increased fuel costs but also face sharply increased food costs. And the United States, as the world's primary breadbasket, but currently lacking a food policy, will play a major role in determining the fate of these countries.

Mr. Grant asserted that a major program is required to aid the poorest countries, and suggested that other countries would be prepared to join in if the United States were to lead the way. He suggested that, for the United States, food assistance might be the best area to be of help.

Mr. President, I ask unanimous consent that the full statement by Mr. Grant be placed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF JAMES P. GRANT

HUMANITARIAN FOOD ASSISTANCE IN THE NEW ERA OF RESOURCE SCARCITIES

Mr. Chairman and Members of the Committee:

I welcome the opportunity to testify at your invitation before the Senate Subcommittee on Foreign Agricultural Policy on "Humanitarian Food Assistance." These hearings could not be more timely.

Events of the past year have vastly increased the problems of the poor throughout the world, particularly in the poorest countries, whose prospects, barring major international action, can be expected to continue to deteriorate over the next several years. The doubling to quadrupling of food and energy prices dooms millions to premature deaths from increased malnutrition and even outright starvation. The only question, and one Americana can influence, is: how many millions?

The past year has also seen accelerated large-scale erosion of that comprehensive set of humanitarian assistance policies that have served as a symbol of America for twenty years. These policies have virtually dissolved under the combined impact of lucrative export markets and governmental fear of aggravating high food prices in the United States through food air purchases. Increasingly dependent on the commercial market for food, the poor and the poorest countries have had to compete for scarce food in competition with the rising demand of the increasingly affluent in Japan, the Soviet Union, Western Europe, and North America. Prices have soared—to the great benefit of the American balance of payments and to the greatest detriment of the poorest of the poor.

The United States, the world's primary breadbasket, no longer has a world food policy, and decisions are urgently needed. As was stated in the London Times on March 29:

"What the Americans finally decide will be crucial. They have been extraordinarily generous in their fat years, but now they are, to an extent, the "Arabs" of much of the world's food supply."

Many of the basic factors which are essential to the making of these decisions are discussed in my detailed testimony which follows on the effect of the energy, food and fertilizer shortages, and prices rises on the poorest countries and on our policies toward them. My conclusions may be summarized as follows:

1. The United States no longer has a coherent set of policies addressing world food needs. This is illustrated by the dramatic decline, by more than 60 per cent in two years, in the physical shipments of food aid. Only for those countries in which the United States has a strong security concern—Vietnam, Cambodia, Laos, Israel, and Korea—can we still be said to have a meaningful food policy. By the current fiscal year these five countries (with only 60 million people) are receiving over 40 per cent, by volume, of all U.S. bilateral food aid, and about two-thirds of all concessional sales under Title I of PL 480.

2. Continued food aid overseas, like food aid at home, can no longer be premised on the concept of surpluses. Largely because of increasing demand from rising affluence and population growth, the world is entering a new era, characterized increasingly by tight supply situations and sellers' markets for a growing list of commodities—food, oil, fertilizer, fish, and others. This not only means that large-scale surpluses are no longer available (an original premise of PL 480), but that higher prices work very greatly to the disadvantage of those poor countries not amply endowed with raw materials.

3. A dangerous world food situation is emerging, with world food stocks at the lowest levels since the World War II era. Poor weather over any widespread areas during the next eighteen months would begin an acute world food crisis. A shortage of nitrogenous fertilizer production capacity for at least several years ensures a dangerous

food supply situation for important parts of the developing world over the next several years.

4. A number of the poorest and slowest growing countries—some 40 countries with nearly one billion people—are so seriously threatened by the combination of soaring food and fertilizer prices on the one hand and of skyrocketing oil prices on the other, that they face the prospect of disaster during the next several years, and many of their governments can be expected to topple under the new stresses.

5. The international order as we know it cannot long survive if there is a continuation of the 1973 and 1974 trends, whereby the increasingly affluent richest one billion people of the world pre-empt through their purchasing power ever larger shares of the world's grain and fertilizer, leaving less and less for the poorest billion in the world.

6. North America, the world's breadbasket, and a major beneficiary of scarcity-derived higher prices (over $10 billion in FY 1974) for its raw material exports, has a special responsibility for helping the hardest hit countries on the food aspects of the world economic crisis.

7. The United States Government should not continue to drastically reduce and suspend the procurement of specific foods and fertilizers under its humanitarian and development cooperation programs for fear of aggravating domestic prices—as has been done several times in the past year—without giving the American people an opportunity to decide whether they might be willing to reduce their own consumption standards slightly so that others might have a better chance for life elsewhere. As the grain reserves diminish and as the world depends for the first time in human history on one common pool for its food supply, people in the United States should know that the way we eat—and fertilize our lawns—is affecting lives elsewhere. I believe most Americans, if given the choice would respond by modifying their usual diet, which now takes an average of 1,850 pounds of grain to support (as compared to 380 for the average South Asian), just as most have already responded to the fuel shortage by lowering thermostats.

8. By skillful handling of the world's most essential raw material—food—which it dominates, the United States can begin to pioneer and formulate the rules of the game—for access to supplies, increasing production to meet demand, and establishment of reserves—which should be followed to the benefit of all in the management of most resources in tight supply.

The Overseas Development Council has recently completed its second annual assessment of the issues involving the United States and the developing countries, "The United States and the Developing World: Agenda for Action 1974," to be published on April 9. The report recommends a number of immediate actions, summarized below, to address the urgent problems posed by the energy, food and fertilizer crises which are relevant to the humanitarian food assistance concerns of this Subcommittee.

1. Agreement by food exporting countries to set aside a portion of their food exports for transfer on concessional terms to the poorest countries.

2. A parallel action by capital surplus, oil-exporting countries to set aside a portion of their oil exports for transfer to the poorest developing countries on concessional terms, or to set aside a portion of their oil revenues for development assistance, or both.

3. A worldwide effort to expand low-cost food production with particular emphasis on the poorest countries—including an early Congressional enactment of the IDA replenishment and an expansion of the U.S. bilateral development program recently restructured by Congress to focus on rural development and the poor majority. This also would strengthen motivation for smaller families.

4. A joint effort by the capital-surplus oil exporters and industrial countries to expand world fertilizer capacity and to help the poorest developing countries with their expanding and urgent needs.

5. Establishment of a global system for maintaining adequate food reserves to meet future shortages and to encourage continued high levels of agricultural production during surplus periods.

6. A cooperative effort to help all countries find substitutes for oil, including an interchange of information on energy technology and financing of major projects in the poorest countries by capital-surplus countries.

7. Agreement on providing such short-term financial support for the price-distressed poorest countries as debt postponement and a special issuance of the IMF's Special Drawing Rights.

8. International pledges to the World Food Program need to be expanded beyond the original target of $440 million for 1975–76 in order to offset the effects of soaring commodity prices. The United States can encourage that expansion by agreeing to continue providing 32 per cent of total WFP resources on a matching basis at levels beyond, and not just up to, $440 million.

Two points need to be underlined. First, these actions go beyond the issue of humanitarian food assistance in its narrower sense. However, the situation of the hardest hit poor countries is so acute as a consequence of the price shocks and dislocations of the past year that humanitarian assistance alone would never be adequate to meet the needs in much of Africa and South Asia. These countries—described by some as a new "Fourth World" to distinguish them from other Third World countries which are less seriously hit or even significantly helped by recent price changes—need to greatly increase their domestic production of foodstuffs and energy over the next several years if they are not to be permanently disadvantaged by the new era of high energy and food prices.

Second, these actions would be mutually reinforcing if all or most of them could be secured. Their total impact would go well beyond dealing with immediate problems of the current economic turmoil to hold out the prospect of accelerated development. Moreover, some of these proposals might be easier to adopt in association with others. Thus, for example, both grain exporters and oil exporters might find it easier to approve concessional sales of their respective commodities if each knew the other was prepared to do the same.

It is not necessary to get agreement on all actions at once. They could be discussed in several forums over the next year or more, beginning at the United Nations Special General Assembly on Raw Materials that opens on April 9. A most important opportunity later this year will be the World Food Conference, which should be broadened to include the related topics of energy and fertilizer because of their relevance for food production. Encouragement of constructive U.S. leadership by this Committee and the Congress as a whole is critically important at this crucial time.

ENERGY, FOOD, FERTILIZER, AND THE NEW FOURTH WORLD

An emerging new order

Any meaningful assessment of the implications to be drawn from the energy and food crises of the past year must take into account that these shortages are primarily a result of a newly emerging international economic and political order resulting from the unparalleled economic growth of the past quarter century. Global shifts of this magnitude rarely take place smoothly. A principal challenge for the future is how to accommodate to the structural changes required as a result of the progress of the past 25 years without sentencing whole nations and much of mankind to unnecessary suffering—and even premature death.

The jarring changes the world has experienced in the past year have resulted from two quite different sets of circumstances—short-term and cyclical factors on the one hand, and longer-term and more permanent kinds on the other. With respect to the short-term circumstances, the early 1970s witnessed an unprecented business boom caused by the simultaneous expansion of all the industrial economies for the first time since World War II. Other major but short-term factors have included unprecedented droughts in the case of food and the Middle East conflict in the case of oil.

Viewed from the perspective of ten years hence, however, the shortage crises of the past year—while accelerated by the short-term factors—will probably be seen as essentially the product of major long-term trends: continuing rapid economic growth taking place within the constraints of an often finite physical system and of relatively inflexible political and economic structures. As the global scale of economic activity has expanded—from roughly $1 trillion in global production in the late 1940's to some $4 trillion in 1974—it has begun to push the global system increasingly to the limits of its adaptive capacity. There was relatively little strain on the world system 25 years ago, but as the world approached its third trillion dollars of global production in the late 1960s, signs of stress began to appear at many points. We began experiencing an ecological overload, ranging from massive environmental pollution in cities everywhere to an over-harvesting of the world catch of table-grade fish, which appears to have led to a decline and fluctuation in the world fish catch over the past three years. Global increases in population growth, averaging 2 per cent a year, as well as in affluence, averaging 3 per cent per capita annually, have increased the demand for food by some 30 million tons each year, thereby straining the productive capacity of the world agricultural system. Even in the case of many commodities for which additional productive capacity exists, for example oil and coffee, soaring world demand is bringing about sufficient shifts from the buyer's circumstances of the last 25 years to those of a new seller's market.

It bears remembering that the period since World War II was characterized largely by material surpluses. The central economic issue of the period was access by producers to the markets of consuming nations. The international rules developed under the General Agreement on Tariffs and Trade (GATT), the Kennedy Round of trade negotiations in the 1960s, the key resolution by the developing countries at the past three UNCTAD conferences, and the proposed Trade Reform Act of 1973 have all taken place or been developed in this context of seeking to safeguard and to increase access to markets. Recent events indicate that an equally important, or even more important set of issues is taking shape around the question of assuring consuming nations reasonable access to resources—such as energy, minerals, grain, fish, soybeans, and timber—and on the associated need to develop global approaches to the new worldwide problems arising from scarcity in the marketplace. The shift from traditional buyers' markets to global sellers' markets for an ever lengthening list of commodities is bringing a host of profound changes, many of which are still only remotely sensed.

Energy, Food, and Fertilizers: The Price Shock

The "price shock" which many developing countries are experiencing comes primarily from two quite different factors: (1) the increase in oil prices, (2) higher prices for essential food and fertilizer from developing countries. If prices remain at current levels (which are four times those of 1972), the non-oil-exporting developing countries will have to pay $10 billion more for necessary oil imports in 1974 than in 1973. Some $2.5 billion of this total will represent the increase in the oil bill of Latin American countries. Moreover, it is likely that most of this money will be "recycled"—in the form of purchases and investments by oil-exporting countries—*not* into the economies of the hardest hit non-oil-exporting countries, but into those of the developed countries. At the same time, the increased cost of the food and fertilizer imports of the non-oil-exporting developing countries from the developed countries will exceed $5 billion. With wheat and nitrogenous fertilizer prices more than three times those of 1972, the increased import bill for these two commodities alone (primarily from the United States) will be over $3.5 billion.

As a consequence of these rises, the developing countries will need to pay some $15 billion more for essential imports in 1974. The massive impact of these price increases is indicated by the fact that they are almost doubled the $8 billion of all development assistance that the developing countries received from the industrial countries in the same year. Additional to these are the substantial expenditures required to cover price rises of manufactured products from developed countries, increases which totalled 19 per cent in 1973 for exports from OECD countries as a whole.

Equally important, many developing countries will be further damaged if the present worldwide economic slowdown is allowed to drift into a major global recession. Their export earnings would be reduced, and those countries depending heavily on workers' remittances and on revenues from tourism—for example Mexico, Turkey, and the Caribbean countries—would suffer additional harm. Whether a global depression can be avoided depends on how the developed countries (and notably the United States) react to the new situation.

For virtually all developing countries, however, an offsetting factor is the higher prices they now receive for their commodity exports. Thus, the nearly $2 billion Brazil pays in price increases in 1974 for its imports will be substantially offset by the much higher prices it is receiving for its commodity exports (coffee up 36 per cent, soybeans 79 per cent) compared to two years ago. It is not a major offset for many other countries, however. For India, for example, the increases in the prices of its exports (up 19 per cent for tea, 17 per cent for jute) only offset the increased costs of manufactured imports.

Effects of the price increases on particular developing countries

Beyond these general effects on all of the developing countries, however, the impact of price increases, as already indicated, varies greatly among individual developing countres. The major oil exporters—including Venezuela and Ecuador in Latin America—are one category of developing countries which obviously benefits. These countries—whose combined population of more than one quarter billion is greater than that of North America, or the European Community, or of Latin America—will be in a greatly improved position to accelerate their economic growth. However, the degree of benefit varies sharply among the countries within this group. Thus Venezuela's increased earnings from oil alone will in 1974 more than triple its total imports of $2.4 billion in 1973. Indonesia, which is an extremely poor country within this category, now benefits only to the extent of $20 per capita from the oil price hikes; but even in this case, the additional oil earnings—in combination with the good prices it is getting for its other raw material exports—will remove foreign exchange as a major constraint on its development effort.

It must be noted, however, that increased foreign exchange availability does not remove, although it may alleviate, other major development constraints—the many social problems faced by most oil-exporting countries. Thus in such disparate countries as Venezuela, Nigeria, Algeria, and Indonesia, the serious unemployment and income maldistribution problems which are largely a consequence of their economic and social structures and policies have not been solved, and may only be eased, by growing availability of foreign exchange. Djakarta's vast urban slums and its recent riots are vivid reminders that growing social problems can exist side by side with accelerating economic growth and increased foreign exchange earnings. Saudi Arabia and the Persian Gulf Emirates also face major problems of transition from feudal to modern structures. These countries will need continued technical cooperation in solving their development problems, but they clearly no longer require any capital financing on highly concessional terms.

A second category of developing countries consists of those non-OPEC countries which, on balance, have not been significantly injured by the price trends of the past two years or those that appear to be net beneficiaries. Some of these countries are self-sufficient in oil or are minor oil exporters; some benefit substantially from their exports of other raw materals whose prices are increasing; and some enjoy both of these advantages. China, Colombia, Mexico, Bolivia—and, shortly, Peru as well—are in the first sub-group, while Malaysia, Morocco, Zambia, Zaire, and probably also Brazil belong in the second. Tunisia because of its phosphates, and Bolivia because of its tin are examples of minor oil-exporters benefiting under both headings. The countries in this broad category range from Brazil, whose advantages in other areas will largely offset the net effect of the price changes of 1972, to Tunisia, Malaysia, or Bolivia, which will benefit significantly from the changes in terms of trade—though to a much lesser extent than the OPEC countries.

Mexico and Tunisia, however, also belong to a third category of countries—those which will suffer disproportionately from any economic slowdown in the industrial countries because of their close linkages with the major industrial regions of the West. These are nations which during the past 15 years have successfully capitalized on their physical proximity to the industrial countries to increase their earnings from tourism, workers' remittances, and exports of agricultural perishables. Greece, Spain, Turkey, Yugoslavia, Tunisia, and Algeria are among those who have benefited greatly from their participation in Western European economic expansion. Thus, in 1973, Yugoslavia and Turkey each earned more than $1 billion from workers' remittances, and Yugoslavia earned an equivalent amount from tourism as well. Mexico and the Caribbean have been the most conspicuous gainers from proximity to the booming North American market. Mexico's tourism earnings, for example, execeeded $1 billion in 1973.

A related but somewhat different group of countries includes countries such as South Korea, Taiwan, Hong Kong, and Singapore, which are closely integrated with the world economy but almost entirely through the processing of goods. The energy component of their imports is very large, and they also are substantial food importers. The combined increase of South Korea's oil and food bills in 1974 is likely to approximate $1 billion. These countries clearly are affected adversely by the greatly increased prices of the energy and raw materials they need. However, the crisis period for such countries may well be of relatively short duration, since—provided that there is no major global recession and the market continues strong—they should be able to pass along much of the extra cost to the buyers of their manufactured exports. In recent years, most of these countries have developed sizable foreign exchange reserves, as well as established patterns of access to export credits and to Wall Street and Euro-dollar markets.

Because of the inherent strength of the ties of these two groups of developing countries to the industrial economies, their problems of adapting to the new price structure should not prove impossible unless the slowdown in the industrial countries is serious and long-lasting. In 1974 and 1975, many of these countries will need access to funds of a type which should be relatively easy for the international economic community to provide if the Western nations wish to accommodate the needs of these countries. Many of the measures developed for assisting the OECD countries to adjust to the higher oil prices should be applicable to them as well, and it should be possible to ensure their continuous access to the Euro-currency markets and export credits despite their short term difficulties.

The fourth and final category of countries consists of the hard core of seriously troubled countries, totaling about forty in number. Most of these countries are in tropical Africa, South Asia, and the Central American-Caribbean area, but the category also includes Uruguay, and possibly Chile and the Philippines. It is important to realize that these countries together contain some 900 million people—nearly half the population of the developing world exclusive of China. For this group of countries, the consequences of the changes from 1973 are overwhelmingly negative. Most of these countries not only are the poorest in the world at present, but also have the most dismal growth prospects for the future. Their net share of the identifiable adverse effects of the recent price increases amounts to some $3 billion. In addition, these countries face imponderables such as the cost of reduced direct private investment in the wake of these economic disruptions, or the decline in their export earnings due to the global economic slowdown in 1974. Finally, if the countries in this category are to maintain their development momentum, they will need major additional investments either to increase their food, fertilizer, and energy production to reduce their dependence on these high priced imports, or to establish new export industries to enable them to pay their vastly higher import bills—or both.

Extraordinary measures will need to be found to assist these countries. Most of the measures suitable for helping the third category of countries described above are not suitable for the fourth category. These poorer countries are unable to assume large additional amounts of short term or medium term credits on near-commercial terms because of their already high debt burdens and limited foreign exchange earning capacity.

Worsening world food situation

It has been apparent for approximately a year now that the current international scarcity of major agricultural commodities and the major drawdown of world food reserves reflects important long-term trends as well as the more temporary factor of lack of rainfall in the Soviet Union and large areas of Asia. We probably are witnessing in the world food economy a fundamental change from two decades of relative global abundance to an era of more or less chronically tight supplies of essential foodstuffs—despite the return to production of U.S. cropland idled in recent years. A major reason behind this shift has been the fact, as noted earlier, that growing affluence in rich countries is joining population growth in the poor countries as a major cause of increasing demand for foodgrains. At the same time, over-fishing has interrupted the long period of sustained growth in the world fish catch—thus limiting the supply of another important protein source.

As a consequence of these fundamental changes and the temporary phenomenon of drought, global food stocks have been dropping in recent years. Including the idled cropland as a ready second line food reserve, the global reserves have dropped from the equivalent of 69 days of consumption in 1970 to some 36 days of reserves by last summer. Despite the highest grain production and the highest grain prices in history in the current crop year, global reserves are continuing to fall and may reach the level of only the equivalent of 26 or 27 days supply by the end of fiscal year 1974.

Food production prospects for the developing countries for the next crop year beginning in July are even less hopeful than they were last fall. Most developing countries will be even more short on foreign exchange, as a result of the doubling of energy prices last December, and shortages of imported energy, fertilizers, pesticides and other farm inputs can result from this factor. In addition, the world is faced with a fertilizer shortage which will last at least for several years. Developing countries currently are hurt the most. This is evidenced by the 750 thousand to one million ton shortfall in India's fertilizer imports, which will result in an additional production shortfall of 7 to 10 million tons of grain, and could mean an *additional* import bill of over $2 billion. Barring some new governmental intervention, developing countries can expect their fertilizer supply to be cut back far more than will be the case in the industrial countries manufacturing fertilizers, where political priorities will make themselves felt. This is particularly unfortunate at times of global scarcity since each additional ton of fertilizer used on rice in Bangladesh will possibly yield close to double the yield it will bring in Japan (or the United States) where already heavy fertilizer use has reached the point of rapidly diminishing returns.

In the United States the combination of new acreage being restored to production, the greater use of fertilizers because of the much higher prices for grains, and the increased use of urea for feed, have resulted in an unofficial "quasi-embargo" on U.S. fertilizer exports in recent months. U.S. domestic urea prices are less than one-half those being paid by developing country importers when suppliers will sell to them. Japan, in recent years the world's largest fertilizer exporter, has cut back its production severely as a consequence of the energy crisis, to the point where this year it will be largely limited to meeting the demands of its politically important domestic market and supplying Communist China. It will be at least three years before adequate nitrogenous fertilizer capacity can be constructed and more probably five or six years in the absence of a major international program.

The serious implications of this decreased availability of fertilizer for developing countries over the next several years become even clearer when it is remembered that if developing countries are to increase their agriculture by 4 per cent annually in the 1970s, their fertilizer use will have to increase by 14 per cent annually as contrasted to increases of 8–10 per cent in recent years. (Historical experience indicates that a 3.5 per cent increase in national fertilizer use is required for a developing country to increase its yields by 1 per cent.)

The adverse effects of this fertilizer shortage extends far beyond the immediate loss in production in the developing countries. It also threatens to interrupt the whole forward momentum of the laboriously launched Green Revolution, which has been centered around encouraging farmers to use the new rice and wheat seeds, whose profitability depends on heavy use of fertilizers. Hundreds of thousands of small farmers who have taken to the Green Revolution in recent years will now be faced with major difficulties, and many may revert to traditional varieties less dependent on fertilizer and pesticides.

The food problems of developing countries will be further aggravated by the likely continuing decline in world food aid at a time when soaring food and energy prices and fertilizer and energy shortages put them in great need. U.S. shipments under the Food for Peace Program are down two-thirds this year from the physical volume of several years ago, and could well drop even further next year. Increased exports to the affluent countries is the principal reason. U.S. agricultural exports increased by $7 billion to $20 billion this year, with some 90 per cent of the increase due to price rises.

Finally, an even more urgent case now exists for substantially increasing international efforts to aid agricultural development within the developing nations through food for work, World Bank, and AID programs. Many poor countries have a vast unexploited agricultural potential. Those countries which have been able and willing to exploit the Green Revolution potential in wheat and rice have demonstrated that significant increases in food production are possible in many developing nations at far less cost than comparable increases in many of the more agriculturally advanced nations. There is increasing evidence, moreover, that assistance earmarked for agricultural development should give special attention to the role of small farmers in the production effort. In many developing countries, small farmers—when given effective access to needed agricultural inputs as well as health and educational services—have engaged in more intensive cultivation and generally achieved higher per-acre yields than those with large farms. By improving the access of the poor majority to both income and services, this approach to rural development also contributes greatly to the motivation for smaller families that is the prerequisite of a major reduction in birth rates.

Steeply declining food aid

Since 1954 the United States has maintained a large and generous food aid program under PL 480. This landmark measure made it "the policy of the United States to use (our) abundant productivity to combat hunger and malnutrition and to encourage economic development in the developing countries" through concessional sales under Title I and humanitarian grants under Title II. For nearly two decades, the PL 480 program was one of those fortunate and somewhat unique institutions which satisfied many goals simultaneously—providing an outlet for U.S. commercial surpluses, building future commercial markets, aiding the economic development of recipient countries, supplying crucial U.N. and voluntary agency programs to improve the nutritional levels of vulnerable groups, and forestalling massive famine when natural disaster strikes.

Since 1966, the program has not been directly linked formally to the existence of large surplus stocks in the United States. Instead, a rationale for U.S. food aid was provided going far beyond the concept of surplus disposal to view food aid as an important foreign policy tool and a humanitarian responsibility. The continued presence of large food stocks and tens of millions of acres of idled cropland, of course, made the shift in rationale relatively easy to articulate. Events of the last year, however, have brought to the fore the unresolved contradictions and ambiguities inherent in the purposes of the program. Faced with low grain stocks last summer, the United States reportedly delayed shipping an additional 100,000 tons of grain for emergency relief to the Sahel until we were certain that the harvests later that year would replenish our supply.

As the following tables demonstrate, the recent emergence of food scarcity and high prices in the United States has led to a substantial reduction in the quantities of food supplied under PL 480. While the decline in dollar terms has not been great, when the program is examined by quantity and recipient country, the shrinkage is very dramatic.

In analyzing the decline in PL 480 aid of the last year, it is necessary to distinguish between Titles I and II of the program, since aid under the two titles operates in different manners for different purposes. Under Title I, most food is sold under long-term loans for dollars or convertible currencies, with interest rates set below commercial levels. Small amounts are sold for local currencies where a genuine U.S. need for these currencies exists. As Table 1 shows, the dollar value of Title I food commodity exports increased between FY 1972 and FY 1974, rising from $549 million to $640 million. The total quantity of grains and high protein products shipped, however, fell in 1974 to less than one-third the 1972 levels. Milk shipments dried up entirely.

TABLE 1.—TITLE I: FOOD SHIPMENT FISCAL YEAR 1972–75 (SALES FOR DOLLARS ON CREDIT TERMS AND FOREIGN CURRENCIES)

Commodity	1972	1973	1974 (estimate)	1975 (U.S.D.A. presentation)
	Thousand metric tons			
Wheat and products	4,615	2,517	1,005	1,254
Milk, dried, evaporated or condensed	19	2	0	0
Blended food products	0	0	2	7
Rice	813	987	620	1,000
Corn, grain, sorghum	1,217	1,289	454	1,140
Vegetable oils	193	107	148	166
	Million dollars			
Value of title I food commodities	549	555	640	567
Total title I commodity value (ind. cotton, tobacco, inedible tallow)	675	685	740	703

Source: U.S.D.A.

An examination of the country breakdown of Title I sales reveals more clearly the extent to which Title I sales have dwindled for most poor countries. As Table 2 shows, the portion of Title I food sales going to four nations in which the U.S. maintains a special security interest—South Vietnam, Cambodia, Jordan, and Israel—doubled in one year to reach 63 per cent in the current fiscal year. Half the wheat, two-thirds the feedgrains, and all the rice shipped under Title I this year is going to these four countries. With the total level supplied of each of the commodities already cut sharply, it is apparent that non-security Title I programs have been reduced much more substantially than aggregate figures would suggest.

TABLE 2.—TITLE I: AID TO SECURITY ASSISTANCE COUNTRIES (SOUTH VIETNAM, CAMBODIA, ISRAEL, JORDAN) AS PERCENT OF TOTAL TITLE I

[In percent]

Fiscal year	1972	1973	1974 (estimate)	1975 AID presentation
Security assistance as percent of quantity, title I:				
Wheat	NA	15	47	29
Rice	NA	47	100	49
Feed grains	NA	51	66	31
Vegetable oil	NA	22	9	16
Security assistance as percent of total food tonnage (wheat, feed grains, rice, vegetable oil)	NA	31	63	35
Security assistance as percent of value, total title I commodities	25	36	73	41

Source: USAID.

Under Title II, most food is provided on a grant basis to governments, voluntary agencies, and the U.N.'s World Food Program. The commodities supplied are used in nutritional programs for vulnerable groups such as mothers, infants, and school children, in "food for work" programs to build infrastructure, and in disaster relief activities such as in the Sahel and Ethiopia.

Even the dollar value of Title II food shipments has fallen over the last two years and this, combined with soaring prices, has resulted in a devastating decline in the quantity of food supplied. Wheat shipments are half of last year's, and rice and milk shipments have disappeared. Only the tonnage of so-called feedgrains has risen, reflecting the shipment of grain sorghum to the Sahel.

TABLE 3.—TITLE II: FOOD SHIPMENTS FISCAL YEARS 1972–75 (VOLUNTARY AGENCY GRANTS, WORLD FOOD PROGRAM, GOVERNMENT TO GOVERNMENT GRANTS FOR DISASTER RELIEF AND ECONOMIC DEVELOPMENT)

Commodity	1972	1973	1974 (estimate)	1975 (U.S.D.A. presentation)
	Thousand metric tons			
Wheat and products	1,614	1,649	718	628
Milk (dried)	115	26	0	0
Rice	248	33	0	0
Corn, oats, grain sorghum and products	257	246	379	271
Blended food products	266	195	182	143
Soybean products	4	1	1	0
Vegetable oils	187	111	53	58
	Million dollars			
Total title II food commodity value	380	290	248	175

Source: U.S.D.A.

The shrinking supply of goods under Title II over the last year is having disastrous effects on the valuable programs of the voluntary agencies and the World Food Program, which depend heavily on U.S. food grants. In FY 1972, 90 million of the world's poorest people earned or received food originating within the Title II program, including 46 million in maternal, infant, and child feeding programs, 15 million in food for work programs, and 28 million in disaster and refugee programs. No one knows how many millions of the nutritionally vulnerable people have had to be cut from these programs as a result of the declining availability of food supples under Title II documented above, but it almost certainly numbers in the tens of millions.

Ironically, as the USDA is predicting bumper crops and we are earning more from their sale than ever before, the amount of food made available to the voluntary agencies is shrinking just as the need is increasing and they are putting a new emphasis on the very kind of rural and agricultural development projects most necessary as a long-term solution to the present crisis—and even as the Congress has advocated increasing reliance on the private sector in our foreign aid activities. Similarly, the nutritional and public works projects of a growing and valuable international institution—the World Food Program of the FAO—are being cut back to levels lower than past years due to the declining purchasing power of its funds.

The sharp decline in actual shipments of food aid under each commodity supplied under PL 480 is shown in Table 4.

What is needed is a mechanism effective under the new circumstances of tight supply and increased human need for managing our own production and marketing so that our complex domestic, commercial export, and humanitarian export responsibilities can be met. There is no reason why we cannot meet reasonable export as well as domestic needs, provided that a means of orchestrating the balanced uses of our agricultural wealth be devised.

TABLE 4.—TOTAL PUBLIC LAW 480 SHIPMENTS, TITLES I AND II, FISCAL YEAR 1972–75

Commodity	1972	1973	1974 (estimate)	1975 (U.S.D.A. presentation)
	Thousand metric tons			
Wheat and products	6,229	4,166	1,723	1,882
Milk (dried, evaporated, condensed)	134	28	0	0
Rice	1,061	1,020	620	1,000
Blended food products	266	195	184	150
Corn, grain sorghum, oats and products	1,474	1,535	833	1,411
Soybean products	4	1	1	0
Vegetable oils	380	218	201	224
	Million dollars			
Total value of food commodities	929	845	888	742
Total Public Law 480 commodity value (ind. cotton, tobacco, inedible oil)	1,055	975	988	878

Source: U.S.D.A.

The world food program

Special mention should be made that the World Food Program's (WFP) pledging target for 1975–76 is $440 million in food and cash. Officials are very optimistic about meeting this following the recent Saudi Arabian pledge of $50 million—making it the second largest donor behind the United States. The United States is pledged to underwrite 32 per cent of the total contributions up to the program total of $440, meaning up to $140 million for the United States. The 32 per cent portion for the United States represents a reduction from 40 per cent in the current pledging period and up to 50 per cent in past years. As of April 1, a total of $412 has been pledged.

Unfortunately, due to rising prices of both commodities and freight, many valuable planned development projects have had to be suspended or cancelled this year, and ongoing projects have been cut. According to WFP Executive Director Dr. Francisco Aquino, the tripling of commodity prices of 1973 has "resulted in an estimated shrinkage of the Program's 'Food Basket' by about 40 per cent, which has seriously affected the Program's ability to meet its commitments."

Looking at projected prices last October, Dr. Aquino noted that pledgings of $650 million would now be necessary to enable the WFP to meet its planned goals for 1975–76. However, WPF officials accepted the more "realistic" target of $440 million, and proposed that target to the General Assembly last December where it was accepted. If pledgings of $440 million are achieved, it is expected that the total quantity of commodities available to the WFP during the period will be below the levels of 1973–74.

The WFP has played an increasingly valuable role, now in 88 countries with an emphasis on the "least developed," in meeting nutritional needs of vulnerable groups, food for work development projects, and disaster relief—most recently in the Sahel and Ethiopia. The list of projects now being suspended is a depressing one, including rehabilitation of war refugees in Pakistan and sorely needed irrigation projects in India. Thus the international community would do well to follow Dr. Aquino's plea and make every effort to exceed the $440 target by a substantial margin, just as the targets of the present period and of the 1969–70 period were exceeded. If the EEC comes through with a planned $60 million pledge which is yet to be approved by the Ministers, the target will be exceeded soon. If Iran and Kuwait, which have not yet pledged, decide to give substantial sums, and if other OPEC nations could be persuaded to follow the Saudi Arabian lead, it would be possible to salvage some of the plans which have been scrapped due to the commodity shortage. The United States could play an important role in encouraging further pledges by agreeing to continue providing 32 per cent of the total at levels beyond $440 million. The United States would be helping to strengthen an important international institution, and every project saved would serve highly worthwhile ends. The effect of higher prices on the poor, and the need for a crash effort to increase developing country food production rapidly, highlight the importance of WFP programs to build necessary agricultural infrastructure and alleviate malnutrition among the vulnerable.

The special role of food aid

Concessional food sales and food relief measures have a crucial and unique role to play as the international community attempts to fashion a new order out of the current global economic malaise. As the impact of fertilizer scarcity and tight world food supplies emerges over the next year, it appears extremely likely that many food deficit nations will have large import needs but will simply lack the capacity to buy needed food at prevailing prices. A world program, led by the United States but also involving Canada, Australia, and possibly the EEC, to provide substantial levels of grain on concessional terms to the hardest hit nations may be absolutely essential during the next several years if large-scale disaster is to be avoided. Such a program would not have to be viewed as a permanent food aid effort; rather, the need is for a major emergency effort to tide over the nations hardest hit by the jarring events of the last year until fertilizer and food production can resume their upward trend, and the necessary economic adjustments to new world market conditions can take place.

Since agricultural development is such an important key to solving the present crisis of the Fourth World, food for work programs which enable the mobilization of manpower for construction of needed infrastructure must be seen as an important aspect of the overall aid effort. Nutritional programs for vulnerable groups must also be seen as an important aspect of both the immediate recovery effort, and the long-term food aid need. Therefore, as the U.S. food aid program is designed for the future, it is essential to preserve a major program of granted food aid like that now supplied under Title II of PL 480. To permit efficient planning of nutrition and development projects, particularly by the international voluntary agencies and the World Food Program, it is also essential to devise a means of providing some semblance of security of supply over a multiyear period.

The food aid program must develop the flexibility to ensure that when commodity prices rise dramatically, extra funds will be forthcoming to prevent the wholesale dislocation of projects, for it is during times of scarcity that the projects assume their greatest importance.

The matter of protecting PL 480 commodities for overseas use is the subject of a Sense of the Congress Resolution attached to the Foreign Assistance Act of 1973 as the result of a Senate initiative. It is also the subject of S. 2792, an amendment to Section 401 of the Agricultural Trade Development and Assistance Act of 1954 now pending before this Committee. I commend your continuing efforts to convert that Resolution to the law of the land.

There is much to be said for the recent proposal of the Church World Service of the National Council of Churches that a tithe, or ten per cent, or our exportable agricultural commodities, over and above our domestic needs, be used annually to help meet world food needs through concessional sales, humanitarian grants, and world food reserves. While in FY 69 our contribution for such purposes was about 18 per cent, it has dropped steadily in the past five years to a current level of about 5 percent, as need has risen sharply and as the prices at which we sell our grain has doubled and trebled. The same Judaeo-Christian tradition of concern for the world's hungry people developed in this Nation during a time of agricultural surplus should now be reaffirmed during a time of world food scarcity. We have unwittingly slighted the world's hungry people and need now to reaffirm our traditions of caring and sharing which represent the American people at our best—and is in the enlightened best interest of all in the increasingly interdependent world.

Finally, more thought needs to be given to methods for reducing wasteful use of grain by the affluent in both the rich and the poor countries to ease global food scarcity. Beef, requiring up to seven pounds of grain to produce a pound of meat, may be the food counterpart of the two to three ton highway gas guzzlers getting 8 miles per gallon. Chicken, requiring only two to three pounds of grain per pound of meat, is the "sub compact" of the energy field. Since affluence in the rich countries can contribute to millions of premature deaths in the poor countries in scarcity periods such as 1974 and 1975, should not consideration be given to special measures to reduce wasteful consumption of food just as we have reduced our consumption of energy through turning down thermostats, driving more slowly, and greater use of smaller cars?

Conclusion

Paradoxically to most Americans, the United States may be the only major industrialized country currently able to take a lead in a cooperative global effort to counteract the effect of recent price changes. The United States is least dependent upon oil imports and is benefiting by about $6 billion in FY 1974 from higher prices for its food exports. Its balance of payments in 1974 and 1975 should be favorable despite a possible trade deficit, reflecting the fact that the United States will provide the most attractive investment opportunity for the oil exporting countries with their potential $50 billion to $66 billion annual capital surplus. However, the moral and logical position of the United States in urging OPEC action to ease the world crisis would be greatly strengthened by an initiative to use our dominance (together with that of Canada and Australia) of the world food supply to work together with the OPEC countries who dominate the world's energy.

The past year has clearly indicated what can lie ahead if, by preference or by lack of foresight, the law of the jungle, rather than cooperation, remains the response of nations. As the discussion of food illustrates, many of the new problems of global scarcity brought on by rising affluence and increasing populations should be amendable to alleviation, certainly, and even possibly to solution through cooperative international action. A major U.S. initative in the food field would be in its humanistic tradition, and is desperately needed if tens of millions are not to die prematurely in the 1970s from increased malnutrition as a result of higher food prices and food scarcities. The costs would be shared in an international effort, and the long-term benefits to the American farmer and consumer could be substantial quite apart from the impact of such an initiative on the new global politics of resource scarcity. And it could make more likely a parallel effort in the energy field by the richer OPEC nations.

Mr. HUMPHREY. Mr. President, the final witness, Mr. Frank L. Goffio, described how the voluntary agencies utilize private donations and Public Law 480, title II, commodities supplied by the Government to carry on a whole host of programs overseas to further development and combat malnutrition.

He indicated that programs of this nature with inputs from the host country and U.S. citizens cannot be turned on and off again. One of his concerns was that there not be another gap in the food pipeline during the first quarter of the next fiscal year as there was in the first quarter of the present fiscal year.

Both Mr. Goffio and Mr. Grant supported the sense of Congress provision in last year's Foreign Assistance Act whereby the Secretary of Agriculture will take into account humanitarian needs in making U.S. production and set-aside decisions, as a way of giving a renewed commitment to the Public Law 480 program.

Mr. President, I ask unanimous consent that the statement of Mr. Goffio be inserted at this point in the Record.

There being no objection, the statement was ordered to be printed in the Record, as follows:

Statement by Frank L. Goffio

Mr. Chairman and Members of the Committee: My name is Frank L. Goffio. I am Honorary Chairman of the American Council of Voluntary Agencies for Foreign Service, Inc. and I also serve as Executive Director of CARE, Inc., one of 43 U.S. voluntary, non-profit organizations which comprise the membership of the American Council. Like CARE, other member agencies of the Council are deeply involved in attempting through their programs to alleviate the social and human needs of the refugees, the hungry, the homeless and the hopeless overseas. They do this as voluntary channels for the expression of the traditional care and concern of the people of the United States for those less fortunate than themselves. Reflecting in their constituencies the broad spectrum of American pluralistic life, including the major religious faiths, the member agencies of the American Council believe that in expressing to you this morning their concern about PL 480 and its continuing implementation, they are properly interpreting to you these abiding concerns of the American people.

The voluntary agencies of the American Council which have been privileged to participate in the PL 480 food donation programs since its inception in 1954 (and before that under Section 416 of the Agricultural Act of 1949) have testified before members of the Committee on Agriculture of both Houses on many earlier occasions regarding the incomparable value of this most enlightened piece of humanitarian legislation enacted by the U.S. Congress. They have described to you the ways in which PL 480 food commodities, distributed by them on a people-to-people basis have saved lives, reduced the danger of crippling malnutrition in the pre-school child, helped the poorest to achieve self-sufficiency, and through food-for-work programs and in other ways, aided in the development, not only of the individual himself, but of his community and his nation.

The programs of the voluntary agencies of the American Council are totally humanitarian in motivation and in character, as distinguished from programs in the public sector or those of the business community. They contribute at the same time not only to the immediate relief of suffering (the common concept of the purpose of humanitarian activity), but also to the alleviation of the underlying conditions which brought about the suffering. These programs are in the field of development—economic, social and human development.

It is an economic truism that development is not advanced in the absence of an adequate food supply, whether the food is locally produced or imported. In their development programs the voluntary agencies have made use of the availability of PL 480 food commodities not only to bolster some aspects of their development activity but also directly as an incentive to create such activity as in their food-for-work projects. These projects are carried on by American voluntary agencies in 54 different countries of the world and include such activity as:

Well-digging.
School and warehouse construction.
Fisheries and fish cultivation.
Land clearance.
Construction of farm-to-market and feeder roads.
Irrigation schemes and the like.

However, with the present world food shortages, even threats of impending world famine, and the resulting high cost of food in the United States, plus other current uncertainties concerning food availability under PL 480, the voluntary agencies have a growing and grave concern for the future of these essential programs.

The kinds of development assistance programs which the voluntary agencies operate overseas cannot be turned on and off like spigots because of the unpredictability of a continuing adequate food supply. These activities are not only closely and purposedly interlinked with the PL 480 donation program, but are also carefully planned to include other available resources in the area, as for example, host government (national or local), other nation governmental and private effort, other U.S. public and voluntary effort, and most importantly of all, the cooperation and participation of the people themselves. The effort of all may be impeded or wasted if planned inputs are not forthcoming and responsible continuity of programing cannot with some certainty be assured.

Even while providing emergency assistance in the case of catastrophes such as the most recent devastating drought and famine in the Sahel and Ethiopa, the American voluntary agencies are at work attempting with others to rehabilitate the region and its people. The very work of rehabilitation involves the provision of greater self-sufficiency in food supply making possible the further development of the area. While directly upon the heels of a major disaster there is an outpouring of aid of all kinds, including food, agencies are confronted with the problem that once the immediate emergency is over, assistance which is still needed in the rehabitation and reconstruction stage (e.g. to avert the recurrence hopefully of such disasters) may not be available. Without a reasonable assurance of continuity of food supply, the voluntary agency programs of rehabilitation and development may have to be abandoned or greatly reduced in many of these instances.

The voluntary agencies pointed out these problems in testimony presented last year before both Senate and House Agriculture Committees relative to the extension of PL 480. They declared at that time ". . . we voice our concern lest, in the face of continuing and expanding need, there be failure to implement or to fund the programs adequately." In reply, PL 480 was remandated by the Congress for an additional four years. In addition, the Foreign Assistance Act of 1973 declared it to be the sense of Congress that in assessing food production levels, "the expected demands for humanitarian food assistance through such programs as . . . Public Law 480" be included and that increased flexibility be provided through consideration of legislation to amend Section 401 of PL 480. In the same Act the sense of Congress also was expressed that "The United States should participate fully in efforts to alleviate current and future food shortages which threaten the world." The voluntary agencies concur fully in this position.

It is the particular plea of the American Council of Voluntary Agencies for Foreign Service, and particularly those of its member agencies operating relief, rehabilitation and development programs overseas that especially now with renewed Foreign Assistance emphasis on development and the impending food crisis which confronts the world, the Congress should take whatever steps it deems appropriate to give material substance to the above "sense of Congress" provisions to the end that insofar as possible a continuing and regular food resource will be available to the voluntary agencies under PL 480 for their overseas programs.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER (Mr. HATHAWAY). The time for the transaction of routine morning business has now expired.

Morning business is closed.

FEDERAL ELECTION CAMPAIGN ACT AMENDMENTS OF 1974

The PRESIDING OFFICER. Under the previous order the Senate will now resume the consideration of the unfinished business, S. 3044, which the clerk will state.

The legislative clerk read as follows:

> S. 3044, to amend the Federal Election Campaign Act of 1971 to provide for public financing of primary and general election campaigns for Federal elective office, and to amend certain other provisions of law relating to the financing and conduct of such campaigns.

Mr. ROBERT C. BYRD. Mr. President, I believe that the distinguished Senator from Iowa (Mr. CLARK) is prepared to call up his amendment on which the yeas and nays have already been ordered. It is my understanding that when debate is completed on his amendment, if completed prior to 3:30 p.m. today—which I am sure it will be—the vote on the Clark amendment will occur at the hour of 3:30 p.m.

The PRESIDING OFFICER. The Senator is correct.

Mr. ROBERT C. BYRD. I thank the Chair.

AMENDMENT NO. 1152

Mr. CLARK. Mr. President, I call up my amendment No. 1152 and ask that its reading be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered, and the text of the amendment will be printed in the RECORD at this point.

The text of the amendment follows:

> On page 78, after the matter appearing below line 22, insert the following:
>
> REPEAL OF CERTAIN EXCEPTIONS TO CONTRIBUTION AND EXPENDITURE LIMITATIONS
>
> SEC. 305. Section 614(c)(3) of title 18, United States Code (as added by section 304 of this Act), and section 615(e) of such title (as added by section 304 of this Act) (relating to the application of such sections to certain campaign committees) are repealed. Section 615 of title 18, United States Code (as added by section 304 of this Act), is amended by striking out "(f)" and inserting in lieu thereof "(e)".

Mr. CLARK. Mr. President, I ask unanimous consent that the name of the Senator from Illinois (Mr. STEVENSON) be added as a cosponsor of my amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CLARK. Mr. President, last Wednesday, with only a handful of Senators in the Chamber, the Senate passed amendment No. 1102 by voice vote. The amendment exempted the House and Senate campaign committees of the two major parties from the contribution and expenditure limitations of the campaign financing bill now before the Senate.

In my judgment, the amendment opens an obvious loophole that will allow massive amounts of private money to influence congressional campaigns, seriously compromising the excellent legislation that Chairman CANNON and the rules committee have brought to the floor.

The amendment I have introduced would repeal the sections of the bill added by the amendment passed last Wednesday.

In offering that amendment, the distinguished Senator from Tennessee (Mr. BROCK) said:

> It is important that our parties not be weakened. But strengthened, by whatever action Congress takes. I would hope that in writing this particular bill we can provide that sense of purpose with this amendment. (Pg. S. 5189 CONGRESSIONAL RECORD, April 3, 1974).

This bill had just that "sense of purpose" already—without the Brock amendment. The committee bill as reported provided a major role for both the State and national political parties by allowing each of them to contribute an additional 2 cents a voter to a campaign, over and above a candidate's expenditure limitation. The amendment approved last Wednesday deals not with the role of political parties, which have millions of supporters and thousands of small contributors, but with the role of the "In-House" campaign committees of both Houses of Congress.

During the course of the debate, Senator ALLEN expressed some concern about "leaving—contributions and expenditures for these committees—with the sky as the limit." In response, Senator BROCK said:

> Our average contribution was something on the order of $23.75 in the Republican Party . . . by no definition can that $23.75 be sufficient to influence the election or the vote of an individual running for the Senate.

Perhaps the average contribution to the Republican Party is $23.75, but that certainly can't be the average contribution to the Campaign Committees of the House and Senate. The ticket price for the Republicans' annual fund-raising dinner is $1,000—for the Democrats, the price is $500. And many of those tickets are purchased in blocks by various groups. No one should confuse national political parties, supported as they are by thousands of people giving in $5 and $10 amounts, with the Senate and House Campaign Committees.

There was another confusing aspect of the amendment which Senator ALLEN inquired about: The maximum amount that could be received from any contributor by one of the "in-house" Campaign Committees. Senator BROCK said:

> The same limit that would apply to giving to a campaign or to the national committees would apply here.

I am not at all sure that's the case.

Under S. 3044, an individual is limited to giving $3,000 and a group is limited to giving $6,000 to any single candidate's campaign. But an individual would be limited only by the $25,000 overall ceiling in contributing to one of these committees, and for groups there would be no limit at all.

What this amendment has done is exempt the House and Senate Campaign Committees from any effective restrictions. Individuals could contribute to them almost without limit. Groups could contribute completely without limit. And, unlike any other political committees, these committees could contribute unlimited amounts directly to the candidates—with the candidates' total expenditure ceilings as the only effective restraint.

In the case of a Senate race in California, it would mean that the legal limitation on what the Democratic and GOP senatorial campaign committees could give would be $2,121,450 in the general election. In Iowa, it would be $288,000. In Tennessee, it would be $406,500. It is apparent that last Wednesday the Senate set aside any effective limitation on contributions.

My amendment No. 1152 would repeal the provisions added by amendment No. 1102. I would not lightly raise an issue that already had been considered. But if the Senate allows amendment No. 1102 to stand, it will be compromising the very integrity of this campaign financing legislation.

Let me provide an example. Suppose that in 1976 the Democratic or Republican senatorial campaign committee has pinpointed 10 key Senate races. An organization—and there are many that would be willing and able—decides to give $100,000 to the campaign committee, which in turn passes along $10,000 to each of its 10 "key" candidates.

Now there would be nothing illegal

about that transaction—the money would not have been specifically earmarked for any particular candidate. But the effect would be clear. Each of those candidates would know how they got that $10,000 check, and its real source.

The rules committee has withstood virtually every challenge to S. 3044 so far. Amendment No. 1102 is the one glaring exception. As the Washington Post reported last week.

> It is the first substantial breach in provisions of the bill that limit individuals to a $3,000 contribution to any one candidate and organizations to a $6,000 contribution.

The amendment passed last Wednesday directly contradicts the basic goal that we have been working toward over the past 2 weeks—the cleansing of our political process. It should be repealed.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Berry, one of its reading clerks, announced that the House insists upon its amendments to the bill (S. 2770) to amend chapter 5 of title 37, United States Code, to revise the special pay structure relating to medical officers of the uniformed services, disagreed to by the Senate; agrees to the conference requested by the Senate on the disagreeing votes of the two House thereon; and that Mr. Stratton, Mr. Nichols, Mr. Hunt, Mr. Hébert, and Mr. Bray were appointed managers of the conference on the part of the House.

OPPOSITION TO CAMPAIGN FINANCE BILL

Mr. ALLEN. Mr. President, one of the greatest dangers of congressional service is that some Members get so imbued with what they read and hear in the Washington news media that they tend to forget that the greatest number of Americans and the bulk of our country lie beyond the Potomac River.

I fear that this is the case in consideration of S. 3044, the bill for public financing of campaigns. The pell-mell rush to support public subsidies for politicians, as is proposed in this legislation, is being led—or should I say misled?—in part by the Washington news media.

But there is a rising chorus of opposition throughout the rest of the country to this proposed raid on the Public Treasury. And as newspaper editors in the 50 States understand the implications of this proposal, they are writing editorials opposing public financing of campaigns. The heartland of America is speaking, but I feel that some Senators are still not listening.

Mr. President, as examples of this rising public outcry, I have an editorial, "A Misuse of Public Funds . . . ," from the Saturday, March 30, 1974, issue of the Chicago Tribune, and an editorial, "Mired in Molasses," from the Wednesday, April 3, 1974, issue of the Birmingham Post-Herald.

I ask unanimous consent that these editorials be printed in the Record for the edification of all Senators.

There being no objection, the editorials were ordered to be printed in the Record, as follows:

[From the Chicago Tribune, Mar. 30, 1974]

A Misuse of Public Funds . . .

An irresponsible majority of the United States Senate has twice defeated attempts by Sen. James Allen to remove public financing of political campaigns from the Senate's campaign reform bill. The measure now seems assured of Senate passage.

The House soundly defeated a similar measure last year and is not happy about this year's entry. President Nixon has warned that he will veto the bill if public financing is included. Five of the seven members of the Senate Watergate Committee, whose mission it was to draft campaign reform legislation for the Senate, are strongly opposed to public campaign financing.

Still its supporters persist. Their apparent strategy is to keep battering away until the opposition begins to crack. It must not crack. Public campaign financing poses an insidious threat to this country's two-party, majority-rule system of government.

As the President and many others have noted, the bill is designed to eliminate private contributions, and thus deny to voters the right to give financial support to the candidate of their choice. Instead, their tax money would be used to support all candidates, including those they opposed. Black taxpayers, for example, could be supporting the candidacy of Gov. George Wallace.

True, the scheme would curb the appalling cost of Presidential elections, shown in the accompanying graph, but in congressional campaigns, spending might well increase. Congressmen who have been reelected easily with campaign treasuries of only $20,000 would find themselves with $90,000 to spend.

As Sen. Howard Baker, vice chairman of the Watergate committee, noted, public financing would give the government fiscal control over elections. This could easily lead to assuming regulatory control, thus giving the party in power tremendous influence.

Public financing has been rationalized as a means to prevent corruption, but it goes much farther than that. As Walter Pincus, executive editor of the New Republic, put it in a statement supporting the proposal: "Don't kid yourself that you back public financing to prevent Watergates and corruption. You do it to change the system."

The scheme would hand out public money to any and all qualified comers in congressional and Presidential primaries. Candidacies would multiply like rabbits. Special interest organizations like the American Civil Liberties Union, Nader's Raiders, the gun lobby, Common Cause, corporate associations, and labor unions could become political parties in their own right. The two major parties and the two-party, majority-rule system could founder. Chaos could result.

In the words of Mr. Baker: "We are burning down the barn to get rid of the rats."

[From the Birmingham Post-Herald, Apr. 3, 1974]

Mired in Molasses

Despite all the lofty rhetoric, it will take some fancy legislative maneuvering to get an effective campaign reform bill through Congress this year.

A more likely prospect is that campaign reform will disappear in a vat of election-year molasses and not be seen or heard from again until 1975.

The reason for this dismal prediction is the current disagreement among the House, the Senate and President Nixon over what needs to be done to curb excessive spending and loose bookkeeping in congressional election campaigns.

Judging by its past lack of enthusiasm, the House would like to do nothing—or at least do nothing to make it easier for challengers to oust incumbents.

Rep. Wayne L. Hays, D-Ohio, the man in charge of reform legislation, is adamantly opposed to setting up an independent elections commission. Under present law, the House and Senate police their own campaign practices, which is like sending a barkless dog on burglar patrol.

The Senate has been much more responsive, passing a reform bill last July that would have set limits on campaign spending and campaign giving; outlawed all cash contributions of more than $50; required full disclosure of a candidate's assets and income; encouraged television debates among major candidates; funneled each candidate's spending reports through one central committee, and set up an independent elections commission.

Now the Senate is on the verge of sabotaging its own bill by insisting that tax money be used to help finance all congressional and senatorial election campaigns, both primary and general.

This is a bad proposal. It would make money available to candidates who have no real base of support. It would provide too much money in some places, too little in others. Even if it passes the House, which is unlikely, the President, who opposes public financing, is expected to veto it.

That would leave the reform campaign back where it started—with no limits on how much pressure groups can give to candidates; no limits on how much candidates can spend, and no independent commission to blow the whistle when necessary.

This is fine and dandy for lobbyists and special interest groups, who stand ready to pour millions into political campaigns this year, much of it aimed at keeping good old Jack ("he'll take care of us") in office for another term.

But it's a strange way to restore voter confidence in a much-abused political campaign system that badly needs some basic reforms.

RECESS UNTIL 2 P.M.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess until 2 p.m. today.

There being no objection, at 1:18 p.m. the Senate took a recess until 2 p.m.; at which time the Senate reassembled when called to order by the Presiding Officer (Mr. Mansfield).

The PRESIDING OFFICER. The Chair (the Senator from Montana, Mr. Mansfield, in the chair) suggests the absence of a quorum.

The second assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. Montoya). Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, what is the pending business?

The PRESIDING OFFICER. Amendment No. 1152 of the Senator from Iowa (Mr. Clark).

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the vote on the pending amendment occur at the hour of 3:30 p.m. today.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I thank the Chair and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 3 P.M.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess until the hour of 3 p.m. today.

There being no objection, at 2:35 p.m. the Senate took a recess until 3 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. Bartlett).

TRIBUTE TO THE STAFF OF THE JOINT COMMITTEE ON INTERNAL REVENUE TAXATION

Mr. HARRY F. BYRD, JR. Mr. President, I ask unanimous consent that an insertion in the Record be permitted by the distinguished senior Senator from Louisiana (Mr. Long).

The PRESIDING OFFICER (Mr. Bartlett). Without objection, it is so ordered.

The statement by Senator Long and the Washington Post article of April 4, 1974, by Spencer Rich is as follows:

Statement by Senator R. Long

In connection with the entry into the Congressional Record of Spencer Rich's April 4, 1974, *Washington Post* article on the Joint Committee on Internal Revenue Taxation, I would like to add a few brief comments.

It is our privilege, as Senators, to work with many outstanding committees and their respective staff members. Of all those with whom I have had contact as a U.S. Senator, the professional staff of the Joint Committee on Internal Revenue Taxation must rank as one of the most visible in terms of professional expertise, impartiality and discretion on sensitive matters. In this regard, I would, therefore, like to add my commendations to the Committee for the outstanding job it has done in its recent and extensive examination of the President's tax returns.

This is an example of our Congressional Committee system and general government operations at their very finest. It certainly is my privilege and pleasure to be chairman of such a dedicated and outstanding committee.

[From the Washington Post, Apr. 4, 1974]

Joint Tax Staff Regarded as Best on Hill

(By Spencer Rich)

When members of Congress get legislative advice from Larry Woodworth, the 56-year-old soft-spoken son of an Ohio Baptist preacher, they listen with special care and respect.

For Woodworth—who heads the staff of the Joint Committee on Internal Revenue Taxation which has just issued a devastating report on President Nixon's taxes—has a universal reputation as one of the best, perhaps the very best, staff man on Capitol Hill.

And the 40-member staff over which Woodworth has ridden herd for the past 10 years is known as the ablest, most discreet, most savvy and most professional group of committee aides in Congress.

Few people on Capitol Hill and virtually no one off the hill—except the Treasury Department and the private tax lawyers and lobbyists—know much about the joint committee. Yet it is one of the most powerful in Congress, with tremendous influence over legislation affecting the lives of millions.

The joint committee, created under the Revenue Act of 1926, consists of members of the tax-writing committees—House Ways and Means and Senate Finance. The chairmanship alternates and the chairman this year is Sen. Russell B. Long (D-La.), with Rep. Wilbur Mills (D-Ark.) as vice chairman. For years the Senate chairman was Harry Flood Byrd Sr. (D-Va.), an arch-conservative in fiscal matters.

The joint committee provides the major staff for both chambers of Congress on tax matters, and right now—in addition to Woodworth, who holds a doctorate in public administration and isn't an economist or a tax lawyer—it has 25 professional staff members.

Including secretarial and clerical positions, the total staff is about 40. The professional staff members include two legislative counsels, six legislative attorneys, six economists and a number of economic and tax-statistic analysts. Several of the members have accounting training as well. The staff has been built up as a civil service-type staff—nonpolitical and nonpartisan.

When a tax bill is before either Ways and Means or Finance or on the floor of either chamber, it is the business of the joint committee staff to draft the legislation, to write the reports and to be at the side of committee members to advise and assist. Four or five staffers are almost always seen on the House and Senate floors whenever a tax bill is being considered.

Woodworth gets $40,000 a year, the highest possible staff salary in Congress. With the committee since 1944, he is a master at trying to tailor and stitch the proposals of members into a coherent whole. He is the model civil servant—able, discreet, honest and hardworking, according to members and associates. He could probably triple his salary in private industry but he won't jump.

Second in command on the committee staff is Lincoln Arnold, 64, a one-time municipal judge in Thief River Falls, Minn., who was an Internal Revenue Service attorney, senior legislative counsel for the House, and worked in private practice for 15 years with Alvord and Alvord.

Another staff aide with a major role on the Nixon tax report is Bernard (Bobby) Shapiro, a soft-spoken lawyer in his early 30s with a trace of a drawl (he's from Richmond) and training in accountancy as well as law. Shapiro sometimes serves as a surrogate on the floor when Woodworth can't be there.

Assistant staff chief Herbert L. Chabot, 42, who comes from New York and got his law degree from Columbia, provided staff work on pension reform bills when they were considered by the Finance and Ways and Means committees.

From the start, a staff team worked extensively and virtually full time on the president's tax matters. It consisted of Woodworth, Arnold, Shapiro, attorney Mark McConaghy, attorney Paul Oosterhuis, accountant Allan Rosenbaum and economist James Wetzler. From time to time, other staffers pitched in, and at the end most of the staff was working to get the final report in shape.

Mr. HARRY F. BYRD, JR. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CLARK. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

FEDERAL ELECTION CAMPAIGN ACT AMENDMENTS OF 1974

The Senate continued with the consideration of the bill (S. 3044) to amend the Federal Election Campaign Act of 1971 to provide for public financing of primary and general election campaigns for Federal elective office, and to amend certain other provisions of law relating to the financing and conduct of such campaigns.

Mr. CLARK. Mr. President, earlier in the debate, I discussed at some length the reasons that the Senate should adopt my amendment (No. 1152) to repeal amendment No. 1102 passed by voice vote last Wednesday. That amendment exempted the House and the Senate campaign committees of the major parties from the contribution and expenditure limitations of the campaign financing bill now before the Senate. In my judgment, that is the first loophole we have written into a very excellent bill.

The committee bill as reported does provide a major role for both the State and national political parties by allowing each to contribute an additional 2 cents a voter to a campaign—over and above the candidate's expenditure limitation. The amendment approved last Wednesday deals not with the role of political parties, which have millions of supporters and thousands of small contributors, but with the role of in-house campaign committees of the House and the Senate.

This is the essential point: all other committees are limited to $6,000 in terms of what they can contribute to an individual candidate. This amendment lifts that restriction leaving $25,000 as the only effective limitation on what an individual can give to a committee. It leaves a loophole allowing committees unlimited contributions to the congressional campaign committees, and in turn, allows them an unlimited amount of money to give to individual candidates.

There is another serious problem with the amendment passed last Wednesday, section 614(c), on page 71 of the Rules Committee bill. The amendment exempted the senatorial and congressional campaign committees from the $1,000 independent expenditure limitation. It is true that the State and national parties are also exempt from this limitation, but they are subject to a 2-cent-a-voter ceiling on any contributions to or expenditures for a particular candidate.

The senatorial and congressional campaign committees, however, are not subject to any restrictions. I am sure this is not the intent of the amendment, but its effect is certain.

Mr. BROCK. Mr. President, I should like to take a few minutes to explain the purpose of the amendment as it was offered and as it was intended.

Upon reading the Rules Committee bill, we felt that perhaps by inadvertence there were no safeguards to maintain the viability of the various congressional committees of the two parties. The bill as it was written would have effectively eliminated the operation of the House and the Senate campaign committees of the two parties, respectively; and that, I think, is one of the things that I find dangerous in the proposed legislation.

The bill, to my way of thinking, goes too far already toward damaging the two-party process. I believe it places that process very much in jeopardy. If we are going to have an effective political system, we have to have some mechanism by which the parties not only maintain themselves but also have some opportunity for internal discipline.

The amendment was not drawn with the view of escaping the safeguards of the campaign contribution ceilings. I said on the Senate floor during the debate on the amendment that we would still be limited, as I understood it, to a $3,000 gift from an individual or a committee. Perhaps my impression is wrong. If it is, I would be delighted either to modify the amendment or to accept other language that would so correct it.

I am not sure that that is the case. However, I would be willing to make sure it is, not only by legislative history but also by specific language. But the Senator's amendment does a great deal more than that. In effect, it strikes all the language of the amendment; and, in effect, he would put us back into the position originally reported by the Committee on Rules and Administration. I do not find that acceptable. I hope the Senate does not support the amendment as presently worded.

The Senator from Nevada, the Senator from Texas, and a number of other Senators and I have discussed the thrust of my amendment at length. There is no disagreement as to intent. If clarification is necessary in terms of legislative history, that is one thing, but to simply strike and, in effect, go back to the original position of eliminating these two committees, which do perform a valuable function in terms of supporting and serving our candidates, would be self-defeating and highly dangerous.

I cannot support the amendment, although I do understand the concern of the Senator in raising the particular point. I think he goes too far and I hope the Senate does not accept this particular amendment.

Mr. CANNON. Mr. President, as has been pointed out, the Senate did adopt the Brock amendment last week. I do not share the concern of the Senator from Iowa with respect to the one provision that he contends opens wide the door.

I think the possible opening of the door here, if the door is open, relates to the paragraph beginning on line 8, page 74 which, under the bill, prohibits independent expenditures in excess of $1,000. It does appear that perhaps the Brock amendment (No. 1102) exempts the Senate and House from limits on independent expenditures. If it does, and counsel is checking this now, later an amendment could be offered to change that possibility and make it clear that those committees were not exempted from subsection (C)(1) on page 74.

But I think the hazard, if it can be called a hazard, and I do not think it is a hazard, of larger contributions being made to these committees—I think that was what was hoped for by the amendment—was that larger contributions could be made to those authorized committees, and let them make contributions to the candidates which are within the candidates' spending limits, obviously, and that this would help maintain the party structure by permitting the campaign committees and national committees of both parties to make contributions to the respective candidates.

So while I would be inclined to support the amendment if it did not go as far as it does, I think under the circumstances I would be opposed to it here. If we need a perfecting amendment later that could be offered with respect to the limit.

Mr. BROCK. I know the Senator's intention and I think he understands the situation. We are both seeking the same thing in this amendment; and I think the Senator from Iowa has raised a valid point. But the amendment he has offered goes so far as not to permit the committees to do anything. That is unacceptable, but I would urge that language be posed to take care of this concern on his part by offering an amendment. I appreciate the chairman's position in trying at least to keep the two committees in operation.

Mr. CANNON. I think in the colloquy that took place last week it is clear what was intended by the Senator's amendment, and I would hate to see the Senate now take action to simply reverse itself on the action that it took last week.

Mr. BROCK. I agree, and I thank the Senator.

Mr. CANNON. Mr. President, I am prepared to yield back the remainder of my time.

Mr. CLARK. Mr. President, the problem with the discussion on the floor last week was that the Senators present assumed, as did the Senator from Tennessee, that there was a $3,000 limitation on the amount the congressional campaign committee could receive and a $6,000 limit on the amount the congressional campaign committee could contribute to an individual candidate. Clearly, that is not the case. It is unlimited.

If we do not agree to the pending amendment, we will leave the loophole open. This is the first time so far that we have said to a political committee, "You can collect as much money as you want, an unlimited amount, and give us as much as you want—up to $2 million in the case of California—without limitation."

In this one case of senatorial and congressional committees, we are saying that they can collect unlimited amounts of money. The Committee on Rules and Administration was wise when it reported the bill without that loophole.

As it reported the bill, the committee said in effect that these "in-house" committees would be restricted exactly the same way as other political committees.

My amendment would do one thing: It repeals the Brock amendment and takes us back to the bill reported by the Committee on Rules and Administration. The committee's original judgment was correct. To permit unlimited expenditures would be a serious mistake.

The PRESIDING OFFICER. The hour of 3:30 having arrived, the question is on the amendment of the Senator from Iowa (Mr. Clark). The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. Bayh), the Senator from Texas (Mr. Bentsen), the Senator from Idaho (Mr. Church), the Senator from Mississippi (Mr. Eastland), the Senator from Arkansas (Mr. Fulbright) the Senator from Alaska (Mr. Gravel), the Senator from South Carolina (Mr. Hollings), the Senator from Iowa (Mr. Hughes), the Senator from Massachusetts (Mr. Kennedy), the Senator from Louisiana (Mr. Long), the Senator from Wyoming (Mr. McGee), the Senator from Ohio (Mr. Metzenbaum), are necessarily absent.

Mr. GRIFFIN. I announce that the Senator from Utah (Mr. Bennett), the Senator from Arizona (Mr. Fannin), the Senator from Hawaii (Mr. Fong), the Senator from Florida (Mr. Gurney), the Senator from New York (Mr. Javits), and the Senator from Idaho (Mr. McClure) are necessarily absent.

I also announce that the Senator from Virginia (Mr. William L. Scott) and the Senator from Ohio (Mr. Taft), are absent on official business.

I further announce that, if present and voting, the Senator from Ohio (Mr. Taft), would vote "yea."

The result was announced—yeas 44, nays 35, as follows:

[No. 121 Leg.]

YEAS—44

Abourezk
Allen
Beall
Biden
Brooke
Burdick
Byrd,
  Harry F., Jr.
Byrd, Robert C.
Chiles
Clark
Cranston
Domenici
Eagleton
Hart
Haskell
Hathaway
Helms
Huddleston
Humphrey
Inouye
Jackson
Johnston
Magnuson
Mansfield
Mathias
McGovern
McIntyre
Mondale
Montoya
Moss
Nelson
Nunn
Packwood
Pastore
Pell
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Stevenson
Symington
Tunney
Weicker

NAYS—35

Aiken
Baker
Bartlett
Bible
Brock
Buckley
Cannon
Case
Cook
Cotton
Curtis
Dole
Dominick
Ervin
Goldwater
Griffin
Hansen
Hartke
Hatfield
Hruska
McClellan
Metcalf
Muskie
Pearson
Percy
Scott, Hugh
Sparkman
Stafford
Stennis
Stevens
Talmadge
Thurmond
Tower
Williams
Young

NOT VOTING—21

Bayh
Bellmon
Bennett
Bentsen
Church
Eastland
Fannin
Fong
Fulbright
Gravel
Gurney
Hollings
Hughes
Javits
Kennedy
Long
McClure
McGee
Metzenbaum
Scott,
William L.
Taft

So Mr. CLARK's amendment (No. 1152) was agreed to.

Mr. CLARK. Mr. President, I move that the Senate reconsider the vote by which the amendment was agreed to.

Mr. JOHNSTON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 1156

Mr. HUMPHREY. Mr. President, for myself and the distinguished Senator from Arizona (Mr. GOLDWATER) I call up amendment No. 1156, which is at the desk, and ask that it be read.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the reading of the amendment be discontinued and that the amendment be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment ordered to be printed in the RECORD is as follows:

On page 86, between lines 2 and 3, insert the following new section:

SEC. 520. Section 6103(a) of title 5, United States Code is amended by inserting between—

"Veterans Day, the fourth Monday in October." and

"Thankgiving Day, the fourth Thursday in November." the following new item:

"Election Day, the first Wednesday next after the first Monday in November in 1976, and every second year thereafter.".

Mr. HUMPHREY. This is an amendment that has been agreed to by the Senate in each of the last 2 years. Unfortunately, for reasons extraneous to the substance of this legislation, it has yet to be enacted. The amendment would make Federal election day the first Wednesday after the first Monday in November, and create a legal holiday on that day.

I will not repeat all of the arguments for this amendment. I am sure that all Senators are familiar with them. The logic of the amendment is just as compelling today as it has been in the past, when this body voted overwhelmingly in its favor.

Mr. President, making election day a national holiday would move us still closer to the ideal of popular democracy that all of us cherish. It would help to bring the mass of the people even more into the mainstream of our national political system.

I would remind Senators of the inadequate level of participation in the 1972 elections. According to a survey by the U.S. Census Bureau, 51.2 million eligible Americans did not vote in the general elections in November 1972. That number represented a full 37 percent of the voting-age population in this country at that time. Many of these people have been denied this basic right of citizenship because of hard-to-find registration offices and a full day's work.

The amendment before us would eliminate one of the major obstacles to fuller voter participation in elections. It would assure that millions of American working families are not deterred from exercising their franchise in Presidential and congressional elections.

Several other nations find that workers participate freely, openly, and in larger numbers when there is an election holiday. In Denmark, Italy, France, Germany, and Austria, where election day is a holiday, voter turnout of 85 and 95 percent is normal. I believe it would substantially increase participation in our elections as well.

Workers who commute long distances to work often leave home before polls open and return after they have closed. People working irregular shifts in a shop or factory are also discouraged from voting. In some areas, rush hours at the polls mean a long wait in line causing many who must get to work, and many others who are tired from a full day's labor, to give up their franchise in despair.

Mr. President, it is time we put an end to this obstacle to democracy.

In the 19th century we eliminated property ownership requirements for voting in this country. As we enter the last quarter of the 20th century, it is time for us to act to prevent a job from keeping the 80 million Americans who work in factories, on farms, and in the businesses of this Nation from the voting booths.

Mr. President, I believe this amendment, which provides a legal election holiday every 2 years begining in 1976, would increase voter participation for the most important office in the land: the Presidency of the United States. It would be an open day, so that every citizen will have all the time in that day available to consider the candidates and to exercise his franchise. And the same time, of course, would apply to the offices of U.S. Senator and Member of the House of Representatives.

Mr. President, I yield to the distinguished Senator from Arizona.

Mr. GOLDWATER. Mr. President, I am happy to join the distinguished Senator from Minnesota (Mr. HUMPHREY) in offering the amendment. I think it is a sad commentary on the electorate of this country when we find that in Presidential elections we have been electing Presidents by a very bare majority. While the last several Presidential elections have been won by large pluralities, we discover that the total vote has not been much in excess of 50 percent of the voting population. Then when we look at other countries that have patterned themselves upon pretty much the same concept of government and see that their turnout is 90 or 95 percent, it makes those of us who stand for election wonder what has happened in America.

The concept of making election day a national holiday is not new. Such a proposal has been passed twice by the Senate. I believe the United States is one of the few countries that does not recognize the importance of election day by making it a national holiday.

I have thought about this proposal at great length. I think it would be desirable. In fact, anything we can do to get more Americans to be interested in our political system would be desirable. I am aware that what we have been going through during the past year is not the most pleasant thing in the world and makes many Americans wonder what is wrong with the system. But I have always told people that bad politicians are elected by good people who cannot vote.

If we can make election day a holiday, and then ask the assistance of both parties in really trying to get out the vote, perhaps we will see an informed electorate by creating in this country a turnout of voters which will be in excess of 75 percent.

I think this would be very healthy for America. It would be very good for everything that now ails the body politic in America. I am very happy that the Senator from Minnesota has offered this amendment. He and I happen to be members of a very exclusive club. We have gone through this, and we have some understanding of what it is to address millions of Americans, only to find that on election day only a relative handful will turn out.

I suggest that while it could be a problem of the candidate in my case, it certainly would not be in his case; so we sort of stand each other off there.

I hope very much that the manager of the bill will accept this amendment. I have not spoken to him about it, but this body has twice, as the Senator stated, passed this approach. I do not care to ask for a rollcall vote, and I am sure my colleague does not.

Mr. NELSON. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. NELSON. Mr. President, I agree with what the distinguished Senator from Arizona has said. I think this is a very important proposal, and I think we ought to have the yeas and nays to assure that when the bill goes over there, the other side will know how we feel about it.

So, Mr. President, I ask for the yeas and nays.

Mr. COOK. Mr. President, before the Senator does that, may I say I have no objection to it. This was in the bill that we passed last year, largely because of the actions of the Senator from Minnesota, and at that time he and I had quite a colloquy about it, and if I am not mistaken we had a rollcall vote on that occasion.

Mr. HUMPHREY. We did.

Mr. COOK. I have no objection to having it again, but I did want to get into the RECORD that we had quite an extensive debate on the floor on that bill last year. That is in the RECORD over on the House side, and this will be the second time. I merely wanted the Senator from Wisconsin to know that.

Mr. NELSON. Mr. President, having listened to the impressive argument of the Senator from Kentucky, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. HUMPHREY. Mr. President, I have no further comment. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

Mr. CANNON. Mr. President, the yeas and nays were ordered; is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. CANNON. Mr. President, as the Senator stated, the Senate has voted on this issue before. We are prepared to accept it.

I am not convinced, in my own mind, that one can force people to vote by simply making election day a holiday. I think the indications of our experience have been that whenever a holiday comes along—even though, as provided in this bill, it may be in the middle of the week, which may eliminate the situation of a long weekend holiday—it probably will result in a fishing day.

I yield back the remainder of my time.

Mr. HUMPHREY. Mr. President, I yield back my time.

The PRESIDING OFFICER (Mr. BARTLETT). All remaining time having been yielded back, the question is on agreeing to the amendment of the Senator from Minnesota (Mr. HUMPHREY) and the Senator from Arizona (Mr. GOLDWATER). On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Texas (Mr. BENTSEN), the Senator from Idaho (Mr. CHURCH), the Senator from Mississippi (Mr. EASTLAND), the Senator from North Carolina (Mr. ERVIN), the Senator from Arkansas (Mr. FULBRIGHT), the Senator from Alaska (Mr. GRAVEL), the Senator from Indiana (Mr. HARTKE), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Iowa (Mr. HUGHES), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Louisiana (Mr. LONG), the Senator from Wyoming (Mr. MCGEE), and the Senator from Ohio (Mr. METZENBAUM) are necessarily absent.

Mr. GRIFFIN. I announce that the Senator from Utah (Mr. BENNETT), the Senator from Arizona (Mr. FANNIN), the Senator from Hawaii (Mr. FONG), the Senator from Florida (Mr. GURNEY), the Senator from New York (Mr. JAVITS), the Senator from Idaho (Mr. MCCLURE), and the Senator from New York (Mr. BUCKLEY) are necessarily absent.

I also announce that the Senator from Oklahoma (Mr. BELLMON), the Senator from Virginia (Mr. WILLIAM L. SCOTT), and the Senator from Ohio (Mr. TAFT) are absent on official business.

The result was announced—yeas 55, nays 21, as follows:

[No. 122 Leg.]

YEAS—55

Abourezk
Baker
Beall
Bible
Biden
Brock
Brooke
Burdick
Byrd, Robert C.
Cannon
Case
Chiles
Clark
Cook
Cranston
Dole
Eagleton
Goldwater
Hart
Haskell
Hathaway
Huddleston
Humphrey
Inouye
Jackson
Johnston
Magnuson
Mansfield
Mathias
McClellan
McGovern
McIntyre
Mondale
Montoya
Moss
Muskie
Nelson
Nunn
Pastore
Pearson
Percy
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Sparkman
Stennis
Stevens
Stevenson
Symington
Talmadge
Tunney
Weicker
Williams

NAYS—21

Aiken
Allen
Bartlett
Byrd, Harry F., Jr.
Cotton
Curtis
Domenici
Dominick
Griffin
Hansen
Hatfield
Helms
Hruska
Metcalf
Packwood
Pell
Scott, Hugh
Stafford
Thurmond
Tower
Young

NOT VOTING—24

Bayh
Bellmon
Bennett
Bentsen
Buckley
Church
Eastland
Ervin
Fannin
Fong
Fulbright
Gravel
Gurney
Hartke
Hollings
Hughes
Javits
Kennedy
Long
McClure
McGee
Metzenbaum
Scott, William L.
Taft

So the Humphrey-Goldwater amendment was agreed to.

Mr. HUMPHREY. Mr. President, I move that the vote by which the amendment was agreed to be reconsidered.

Mr. COOK. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

THE FUTURE OF NASA

Mr. MAGNUSON. Mr. President, in September of last year, I introduced for myself, Mr. Moss, and Mr. TUNNEY, S. 2495, a bill to apply the scientific and technological resources of the country to the solution of domestic problems and to create a survey of science and technology resources and applications. Since that time in joint hearings between the Committees on Aeronautical and Space Sciences and Commerce, the objectives of S. 2495 have been almost unanimously endorsed by expert witnesses.

When the bill was introduced, I commented that—

> The progress that has been made in space is indeed tremendous, but the promise it holds for progress here on earth is far more incredible and far more important. It is to that promise of solutions to the challenges of life right here on our own planet in our own country that the Technology Resources Survey and Applications Act is addressed.

My colleague and cosponsor of S. 2495, Senator Moss of Utah, delivered a very outstanding and prophetic speech in the State of Washington before the Boeing Co. Management Association on March 22 entitled "The Future of NASA." Senator Moss expressed great optimism for the future prospects of NASA and the aerospace industry. His optimism lay in the increased role for NASA and the aerospace industry in utilizing its technological capability to solve pressing domestic problems.

Senator Moss clearly showed the importance of S. 2495 in leading us to the outstanding benefits which NASA holds for the American people. The significance of Senator Moss' March 22 speech is such that I ask unanimous consent to have it printed in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

THE FUTURE OF NASA

(By Senator FRANK E. MOSS)

I greatly appreciate this chance to meet with members and friends of the Boeing Management Association.

The name Boeing is always associated with the State of Washington. Over a period of years, however, I have come to associate Boeing as well with Utah and the fine people you employ there headed by the competent, hard-working and public-spirited, Mr. Jim Cummings.

Boeing assembles and checks out the Minuteman at Hill Air Force Base. For years this efficient operation has furnished the backbone ICBM deterrent force for our Nation.

And I believe that Boeing is happy with the caliber of people which it employs in Utah. I know that the Governor and all of our State and Local officials and our citizens generally appreciate Boeing. Utah welcomes your contribution to her thriving and impressive aerospace and electronic industry complex!

Boeing people everywhere should be proud of the key role they have played in achieving and maintaining American technological leadership. I have often quoted a statement that Wernher von Braun made in testimony before my Aeronautics and Space Sciences Committee last fall. He said, "World leadership and technological leadership are inseparable. A third-rate technological nation is a third-rate power politically, economically and socially. Whether we like it or not ours is a technological civilization. If we lose our national resolve to keep our position on the pinnacle of technology, the historical role of the United States can only go downhill." It is in this context that I want to discuss with you tonight the future of NASA as I see it.

Predicting the future with any degree of certainty is never easy. Trying to make predictions in the wake of the amazing and unpredicted events of the last few months may be particularly foolhardy, but I'll take a stab at it.

The other day I saw a bumper sticker that was new to me. It said, "Chicken Little Was Right!"

I am sure that many have felt the sky was falling. I'd be hard-pressed to convince you that a fairly good-sized chunk of it didn't land right here in Seattle about four years ago. But in looking ahead with you tonight, I'm going to use some admittedly rose-colored glasses, and say that the future of NASA and its aerospace partners looks brighter than it has for some time.

First let me cite some of the uncertainties.

Right now the most apparent threats to the future of NASA seem to be: (1) pending legislation to change the role of NASA; (2) the attitudes of the American people toward technology; and (3) the crisis orientation of Federal R & D funding. I'll discuss each of these interrelated factors briefly.

The first and most obvious factor affecting the future of NASA is the fact that there are currently before Congress nearly 100 bills which would modify the charter of NASA in one way or another. The American people have tended to focus more and more on the domestic social troubles besetting this nation. They are growing more insistent that Federal money help resolve these troubles. Their insistence is reflected in much of the proposed legislation. But, although there may be some minor mid-course corrections, I predict there will be no major redirections of NASA in the foreseeable future.

The future of NASA is, however, closely tied to the future attitudes of the American public. As a result, I firmly believe that the success of the technological community in selling the importance of maintaining an adequate level of advanced technology in this country is a second factor which will profoundly affect the size and content of NASA programs. There are encouraging signs in this regard.

The energy crisis has forced the man on the street—or perhaps the man in the gasoline line—to think more seriously about the promise technology holds for solving problems. On a different front, interest is growing among the professional societies in stepping into an unfamiliar role in selling technology.

At a conference on "Scientists in the Public Interest" last September in Utah, I suggested that the societies take part of the responsibility for convincing the public that this country must have a permanently strong, advanced technology. The word "convincing" was chosen advisedly because this was a suggestion for a strong direct appeal to the public. Success will not come easily, because it will be necessary to convince the people that their money, rather than merely their best wishes, should go toward technology.

Believe me, that takes pragmatic, aggressive logic and lots of it. It will require the preparation in layman's terms of carefully considered explanations of the relationship of technology to national problems. The professional societies are well-equipped to do this job.

Such an effort would serve engineers and scientists as individuals, as professionals and as citizens interested in the well-being of their country. An activity of this type would be a relatively unfamiliar role to the societies and would change their pattern of communication from among themselves only, to a pattern which included a broader segment of the public. This area of communication is a lot tougher and far less sympathetic, but it provides an opportunity—perhaps the best opportunity—to reverse permanently the recent spending trends for R & D.

I can report that there is considerable interest on the part of the professional societies in assuming this selling role.

Another major factor affecting the future of NASA is a growing recognition in both the executive and legislative branches of government of the need for more orderly utilization of Federal Research and Development funds.

The ups and downs, the stops and starts, that have plagued Federal research and development efforts ever since we embarked on Federal support for R & D have created a continuing state of chaos and uncertainty. Facilities are built and closed, scientists and engineers are trained, employed and laid off, all with little apparent foresight.

I needn't remind any of you that a few short years ago we were simultaneously rushing headlong toward an energy crisis and laying off engineers and scientists by the thousands.

It is time for us to bring these two shortcomings—poor planning and poor use of resources—into focus *together,* to examine them, and to do something about them.

Your own Senator Magnuson, my good friend and strong mentor in the Senate, has been active in this regard. In September of last year Senator Magnuson introduced S. 2495. Senator Tunney of California and I are cosponsors. Hearings are currently being held by the Senate Commerce Committee and the Aeronautical and Space Sciences Committee. Senator Magnuson is Chairman of Commerce. I am Chairman of Space. But also I'm a member of Commerce and Maggie is a member of Space! How's that for working in tandem?

The bill seeks to establish within the Executive Branch of the Government an improved mechanism, an improved climate, and improved funding for dealing with critical domestic problems which may be susceptible to scientific and technological solutions in whole or in part. And we want to bring into that process careful consideration of the projected availability of scientific and technological resources to apply to those problems before they become of crisis proportion.

S. 2495 would accomplish this by establishing a National Science and Technology Council and by expanding the charter of NASA.

No one here or abroad has developed a greater capacity than has NASA, and its partners in industry and universities, for defining technical problems, devising solutions, and demonstrating those solutions.

But we have a curious penchant for ignoring this proven resource. This is not to say that NASA should be thrown into the fray every time a problem emerges. There are many problems ahead that NASA is ill-equipped to solve. But where we need a systematic approach to a complex problem with high technological content, why should we studiously avoid using our strongest source of assistance.

Let me emphasize one point. We are not in any way suggesting that NASA lacks a mission in aeronautics and space. Support for this mission should not be diminished—it should be enlarged. What we are suggesting in S. 2495 is that NASA and its partners should also be authorized to tackle other missons upon assignment by the President and approval by the Congress.

Let us turn now more specifically to NASA's future. As I said earlier, I do not believe the basic charter of NASA will or should be charged. Changes in emphasis are needed and are most certainly going to occur. During its first 15 years NASA looked outward from the earth and its goal was to understand what it saw. Now this emphasis is changing. Although exploration remains a major goal, we are increasingly looking back toward the earth and using NASA's skills to understand and improve what we see. Increasingly, NASA will be called upon to help improve the quality of human life.

Just last week a witness before my Committee likened the first Earth Resources Satellite—ERTS—to the invention of the microscope. The microscope, of course, enabled us to see things which had been too small to view and comprehend. Its use generated whole new fields of science. It is the classic example of the close interplay of science and technology.

With ERTS, we can now see and begin to comprehend things that heretofore were too big for us. We may well be as unable to predict today what ERTS will mean, as Janssen was with his microscope in 1590.

Dr. Fletcher, the Administrator of NASA, recently provided a thoughtful prediction of the future of his agency. He subdivided his prediction into six major areas which give an excellent overview of NASA's future. What I would like to share with you is a combination of Dr. Fletcher's and my views, in these six areas.

First, we will continue to explore throughout the Solar System with automated spacecraft (that is, unmanned spacecraft); and one of the main aims of this exploration will be to find evidence of extraterrestrial life, or at least a better understanding of how life arose on earth.

Two questions frequently asked in this regard are (1) when we will send men back to the moon; and (2) when we will send men to Mars.

Whether we will want to send men back to the moon on short Apollo-type missions requires further study. It is probably better to wait until we are ready to begin establishment of manned scientific bases for long term use much as we have done in our present bases in Antarctica.

Such bases on the moon do not appear likely, even later in this century, unless they are built as international projects with the cooperation of the Soviet Union, the United States and perhaps Europe. Such a base or bases would be too extensive for one country to finance alone.

Manned exploration of Mars will probably wait until after we have had experience with large Space Stations in earth orbit and with long stays in scientific bases on the moon. Not that these steps are required—rather they are logical next steps in an orderly program.

Like scientific bases on the moon, manned expeditions to Mars will likely be organized on an international basis. Even though such an undertaking is technically feasible now and might receive international support, with all the other financial problems currently facing the developed countries, it is unlikely that any one of them will foot the bill by itself—at least not in the next two decades.

Second, we will intensify our use of spacecraft in earth orbit. Some of these spacecraft will look back at earth and some will study the sun or look far out into the universe. Some will seek scientific information, some will produce practical benefits.

Skylab has convinced us that we will need Large Space Stations for long missions employing larger and more sophisticated instruments.

But NASA simply will not have the funds in this decade to develop both the Space Shuttle and a Large Space Station. Faced with that choice, the Shuttle takes priority.

It is possible that the Soviet Union will develop a space station, and they may have it in orbit by the end of this decade. How it will compare in size, versatility and productivity with the manned Spacelab module the Europeans are developing for us with the Space Shuttle remains to be seen.

Third, during the remainder of this decade much effort will be concentrated on developing the Space Shuttle transportation system, which, as you know, is a better and cheaper way of getting manned and automated payloads to earth orbit and back. We will also be working closely with a group of nine European countries which is developing a manned Spacelab module to be carried to orbit and back in the Space Shuttle.

I anticipate that development of a second generation shuttle may not only aim at cost reduction but also simplification of take off and landing operations. It is very possible that the shuttle system could be simplified to the extent which it could become an important export product with the ability to take off and land in a manner similar to commercial aircraft.

Fourth, in addition to developing the Space Shuttle in this decade, we are planning and developing the improved payloads for the shuttle to launch and service in the 1980's and 1990's. These payloads will include large automated observatories and a wide range of experiments and practical tasks to be performed in the manned Spacelab module.

I predict that when space shuttle becomes a reality its uses will mushroom. Increasingly, shuttle payloads will include sophisticated systems to greatly improve our utilization of earth resources. Space manufacturing will become an important element in shuttle payloads. It is very possible that energy related payloads such as solar power systems, could become primary shuttle payloads.

Fifth, we will continue a strong program in aeronautical research to help meet civil and military aviation needs. This might well receive increased emphasis. Expansion could take place in areas of engine efficiency and new fuels, such as hydrogen. Increasing aircraft safety and reducing noise and pollution will continue to be areas of major interest.

And sixth, we will see developed a number of programs to demonstrate how new technology developed in the space program can be used to meet national needs outside the aerospace field. For example, we already know a great deal about how solar energy can be harnessed or how hydrogen can be used as a fuel.

These programs are vital to the well being of the space program because it is here that the American people can see some of the "pay-off" for their tax dollar. There is considerable pressure to enhance this area of NASA activity.

I would like to conclude with a few observations:

First, the NASA charter originally set forth in 1958 is still viable and will be for years to come. We are just beginning to understand what tremendous benefits that charter has given this Nation. The real benefits to our people have been not just space exploration but solid achievements in the betterment of life on earth. Achievements traceable to the space program include communications, earth resources management, oceanography, weather prediction, international trade and much, much more.

The NASA role in pressing forward the frontiers of aeronautical and space science must continue. Basic research is the key to this country's future and must not be allowed to falter.

Photographs taken by astronauts and their description from space have provided glimpses of the earth for people throughout the world which have profoundly affected the feelings and thinking of mankind about the planet on which we are so fortunate as to have been born. This perhaps was the single most important result of the Apollo program, despite the many other benefits that our country and our industries are receiving in ever-increasing abundance from the research and development that made the lunar landings possible.

The better appreciation of our neighboring planets and their moons in orbit about our Sun has provided us a greater appreciation for the marvelous universe in which we live. It is almost overwhelming to be told by scientists that our Sun is an average star among 100 billion in the Milky Way galaxy, and that for each person alive today on this earth, there are a hundred galaxies in view of our telescopes! Surely our opportunities for learning and growth are limitless.

The youth of this state and of the nation must have a challenge for the future and a dream toward which they may turn their minds and their thoughts. I view the aeronautics and space program as a very important and highly relevant industry to coalesce the dreams of youth and to benefit mankind.

As we look at views from space of our beautiful planet, we can be both humble and proud—humbled by the relative place of man in the great universe, and proud of the island home we have been provided. Surely we are all challenged by the important responsibility resting on our shoulders for proper accounting to this and future generations for its safekeeping.

The greatest challenge to the future of NASA, and indeed to the future of all Federally-financed research and development in this country is the attitude of the American people. I believe that if they understand fully what benefits will be received from a strong Federally-financed research and development program, the future of NASA is bright indeed.

DISASTER RELIEF

Mr. COOK. Mr. President, it is important to note that tomorrow the Public Works Committee will begin working toward marking up S. 3062, which is a bill entitled "The Disaster Relief Amendments of 1974." It is because of that particular matter and because it is coming up tomorrow that I should like to put into the RECORD a report that we received late this afternoon from the committee's disaster coordinator for the American Red Cross.

These figures include the Commonwealth of Kentucky and five counties in southern Indiana relative to the series of tornadoes which struck that area Wednesday evening last.

So far, in the area I have described, we have officially designated 88 dead; 916 injuries; 472 hospitalized individuals; 1,375 homes have been totally destroyed; 1,426 homes have sustained major damage, which is damage of 50 percent or more; 2,037 have sustained minor damage, and that is a figure of less than 50 percent; 524 mobile homes have been totally destroyed; 230 mobile homes have received major damage; 1,312 farm buildings have been totally destroyed; 807 farm buildings have received major damage; 170 boats, small craft, mostly on the Green River Reservoir, have been totally destroyed; 212 small businesses have either been totally destroyed or have received major damage, and the Red Cross says that at this stage of the situation, that figure could be seriously low.

In that area of Kentucky and the five counties in Indiana 6,020 families have been affected in a major way.

Through the efforts of the chairman of the Committee on Public Works and through the efforts of Senator BURDICK, Senator DOMENICI, and Senator BAKER—they were in the respective areas this weekend to help in the decisions that will be made tomorrow—the committee graciously held a meeting at 2:30 today, at which point all the Senators from the areas affected were asked to appear and to put the substance of their talks and ideas in the hands of the committee for the purpose of aiding in the markup tomorrow.

All of us in the counties affected are tremendously grateful to the Senators I have named and to the chairman, the Senator from West Virginia (Mr. RANDOLPH), for authorizing the subcommittee to take this trip over the weekend so that a survey of this area could be made.

Mr. RANDOLPH. Mr. President, will the Senator yield?

Mr. COOK. I yield.

Mr. RANDOLPH. Mr. President, I commend the Senator from Kentucky (Mr. COOK), and in so doing I express appreciation to him and other Senators who met with us earlier today and are counseling with our committee and subcommittee and the staff on amendments to the Disaster Relief Act. The input they give will aid us tomorrow, when the committee meets in an attempt to deal fairly and in a well-reasoned manner, but quickly, with this problem. The tornadoes last week brought disaster to many States, including the State of Kentucky, as mentioned by the Senator, who gave us many contributions which will help us write what we believe to be constructive language.

Our work also will be aided by the findings of Senators BURDICK, DOMENICI, and BAKER who visited the damaged areas of four States last Friday and Saturday. These Senators revised their schedules so that they could view the damage firsthand as we prepared to consider this important legislation.

I hope that the measure can be brought to the Senate in the middle of this week. The able Senator from Tennessee, the ranking minority member of our committee, who participated in the counseling session and who worked with the subcommittee members on the weekend, is present. I know that he will discuss this situation before the colloquy ends.

Mr. BAKER. Mr. President, will the Senator yield?

Mr. COOK. I yield.

Mr. BAKER. I will not take long, except to commend the distinguished chairman of the committee for his remarks and his perception of the problem involved, and to say, in reiteration of what he has already said, that the Subcommittee on Disaster Relief of the Committee on Public Works, ably chaired by Senator BURDICK, the ranking member of which is Senator DOMENICI, visited Tennessee, Kentucky, Ohio, and Indiana over the past weekend.

Those of us on the committee pay our special thanks to the joint leadership for arranging for no votes in the Senate on Friday, so that all could undertake this important business without missing important rollcall votes.

I believe that the on-sight inspection by the subcommittee over the weekend and the additional remarks by the distinguished senior Senator from Kentucky and others will be very useful in seeing that we alleviate the suffering and the financial loss that have befallen the residents of this area.

I join in urging that we take speedy action on these proposals. I commend the administration for having at this moment the Secretary of Housing and Urban Development in meetings with the Committee on Public Works, to try to coordinate the efforts of the Committee on Public Works with those of the administration. I predict that there will be a broad base of support for a measure by both the administration and Congress and that we can proceed to an early disposition of this problem.

I thank the Senator for yielding.

Mr. COOK. I thank the Senator from Tennessee and the Senator from West Virginia.

I say to my colleagues, Mr. President, that I hope that after the debates we had last year, after the problems of Camille and Agnes, and now these problems in major areas that are not involved in any flood plains—frankly, it looks as though all the military might and the power of a major nation had gone through some of the neighborhoods, certainly in my State—we will realize our responsibility, as representatives of the people, to move with a greater degree of responsibility in the field of direct grants. Frankly, there are people who will never survive from the economic loss that has been occasioned by this disaster.

I believe it is incumbent upon us to look a great deal more compassionately to the concept of direct grants to communities and areas as a result of the devastation that the subcommittee witnessed last week.

FEDERAL ELECTION CAMPAIGN ACT AMENDMENTS OF 1974

The Senate continued with the consideration of the bill (S. 3044) to amend the Federal Election Campaign Act of 1971 to provide for public financing of primary and general election campaigns for Federal elective office, and to amend certain other provisions of law relating to the financing and conduct of such campaigns.

Mr. COOK. Mr. President, I direct a question to the Senator from Kansas. Is he prepared to proceed with an amendment?

Mr. DOLE. Yes.

The PRESIDING OFFICER. The Senator from Kansas is recognized.

Mr. HARTKE. Mr. President, will the Senator yield?

Mr. DOLE. I yield.

Mr. HARTKE. Mr. President, I ask unanimous consent that John Szabo and Guy McMichael III have the privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, I call up my unprinted amendment which is at the desk.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

On page 39, between lines 20 and 21 insert the following new subsection:

"(c) Any published political advertisement of a candidate electing to receive payments under title I of this Act shall contain on the face or front page thereof the following notice:

" 'Paid for by Federal tax funds.' "

On page 39, line 21, strike out "(c)" and insert in lieu thereof "(d)".

On page 40, line 3, strike out "(d)" and insert in lieu thereof "(e)".

On page 40, line 11, strike out "(e)" and insert in lieu thereof "(f)".

Mr. GRIFFIN. Mr. President, I ask for the yeas and nays on the amendment.

The yeas and nays were ordered.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. DOLE. I yield.

Mr. MANSFIELD. May we consider the possibility of a time agreement?

Mr. DOLE. Five minutes?

Mr. MANSFIELD. Mr. President, I ask unanimous consent that there be a time limitation on the amendment of 10 minutes, to be equally divided between the sponsor of the amendment, the distinguished Senator from Kansas, and the manager of the bill, the Senator from Nevada (Mr. Cannon).

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, if the Senator from Kansas will allow me, I should like to call up a bill, with the time not being charged to either side. I ask unanimous consent that the pending business be laid aside temporarily.

The PRESIDING OFFICER. Without objection, it is so ordered.

VETERANS' INSURANCE ACT OF 1974

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 700, S. 1835.

The PRESIDING OFFICER (Mr. (Bartlett). The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (S. 1835) to amend title 38, United States Code, to increase the maximum amount of Servicemen's Group Life Insurance to $20,000, to provide full-time coverage thereunder for certain members of the Reserves and National Guard, to authorize the conversion of such insurance to Veterans' Group Life Insurance, and for other purposes.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Veterans' Affairs, with amendments on page 1, line 4, after the word "of", strike out "1973" and insert "1974"; on page 4, line 20, after the word "Reserve", strike out "or" and insert "of"; on page 1, line 14, after the word "the", where it appears the first time, strike out "Armed Forces" and insert "uniformed services"; in line 18, after the word "Servicemen's" strike out "Group." and insert "Group Life Insurance to an individual policy under the provisions of law in effect prior to such effective date."; on page 11, line 2, after "(4)", insert "of subsection (a)"; in line 19, after the word "follows", strike out "all" and insert "All"; in line 23, after the word "revolving", strike out "fund"." and insert "fund."."; on page 13, line 2, after the word "actuarial", strike out "principles."." and insert "principles." " "; in line 5, after the word "first", strike out "paragraph" and insert "clause"; after line 15, insert:

(2) Subsection (e) is amended by deleting therefrom the words "this amendatory Act" and inserting in lieu thereof "the Veterans' Insurance Act of 1974".

At the beginning of line 19, strike out "(2)" and insert "(3)"; on page 14, line 8, after the word "new", strike out "section" and insert "sections"; on page 15, line 13, after the word "premiums", strike out "of" and insert "for"; on page 18, line 25, after the word "than", strike out "five" and insert "four"; on page 19, line 1, after the word "eligible", insert "within one year from the effective date of the Veterans' Group Life Insurance program"; on page 20, line 2, after the word "including", strike out "the cost of administration and"; in line 4, after the word "disabilities.", insert "The Administrator may establish, as he may determine to be necessary according to sound actuarial principles, a separate premium, age groupings for premiums purposes, accounting, and reserves, for persons granted insurance under this subsection different from those established for other persons granted insurance under this section"; after line 11, insert:

"§ 778. Reinstatement

"Reinstatement of insurance coverage granted under this subchapter but lapsed for nonpayment of premiums shall be under terms and conditions prescribed by the Administrator.

After line 15, insert:

"§ 779. Incontestability

"Subject to the provision of section 773 of this title, insurance coverage granted under this subchapter shall be incontestable from the date of issue, reinstatement, or conversion except for fraud or nonpayment of premium."

In the matter after line 23, after "777. Veterans' Group Life Insurance,", insert:

"773. Reinstatement.
"779. Incontestability.".

At the top of page 21, insert a new section, as follows:

Sec. 10. Chapter 19 of title 38, United States Code, is amended as follows:

(1) By striking out "Environmental Science Services Administration" wherever it appears in section 765 and inserting in lieu thereof "National Oceanic and Atmospheric Administration".

(2) By striking out "General operating expenses, Veterans' Administration" in clause 3 of subsection (d) of section 769 and inserting in lieu thereof "General Operating Expenses, Veterans' Administration".

(3) By striking out "Bureau of the Budget" in section 774 and inserting in lieu thereof "Office of Management and Budget".

At the beginning of line 14, change the section number from "10" to "11"; and, on page 22, line 1, after the word "amendments"; insert "made by sections 5 (a) (4) and (5) of this Act, and those"; so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Veterans' Insurance Act of 1974".

Sec. 2. (a) That section 723 of title 38, United States Code, is amended as follows:

(1) The catchline is amended to read as follows:

"Veterans' Special Life Insurance".

(2) Clause (4) of subsection (a) is amended to read as follows: "(4) all premiums and other collections on such insurance and any total disability provisions added thereto shall be credited to a revolving fund in the Treasury of the United States, which, together with interest earned thereon, shall be available for the payment of liabilities under such insurance and any total disability provisions added thereto, including payments of dividends and refunds of unearned premiums".

(3) Clause (5) of subsection (b) is amended to read as follows: "(5) all premiums and other collections on insurance issued under this subsection and any total disability income provisions added thereto shall be credited directly to the revolving fund referred to in subsection (a) of this section, which, together with interest earned thereon, shall be available for the payment of liabilities under such insurance and any total disability provisions added thereto, including payments of dividends and refunds of unearned premiums".

(4) Subsections (d) and (e) are hereby repealed.

(b) The analysis of chapter 19 of title 38, United States Code, is amended by deleting

"723. Veterans' special term insurance."

and inserting in lieu thereof the following:

"723. Veterans' Special Life Insurance.".

Sec. 3. Clause (5) of section 765 of title 38, United States Code, is amended to read as follows:

"(5) The term 'member' means—

"(A) a person on active duty, active duty for training, or inactive duty training in the uniformed services in a commissioned, warrant, or enlisted rank, or grade, or as a cadet or midshipman of the United States Military Academy, United States Naval Academy, United States Air Force Academy, or the United States Coast Guard Academy;

"(B) a person who volunteers for assignment to the Ready Reserve of a uniformed service and is assigned to a unit or position in which he may be required to perform active duty, or active duty for training, and each year will be scheduled to perform at least twelve periods of inactive duty training that is creditable for retirement purposes under chapter 67 of title 10;

"(C) a person assigned to, or who upon application would be eligible for assignment to, the Retired Reserve of a uniformed service who has not received the first increment of retirement pay or has not yet reached sixty-one years of age and has completed at least twenty years of satisfactory service creditable for retirement purposes under chapter 67 of title 10; and

"(D) a member, cadet, or midshipman of the Reserve Officers Training Corps while attending field training or practice cruises."

Sec. 4. Section 767 of title 38, United States Code, is amended as follows:

(1) Subsection (a) is amended to read as follows:

"(a) Any policy insurance purchased by the Administrator under section 766 of this title shall automatically insure against death—

"(1) any member of a uniformed service on active duty, active duty for training, or inactive duty for training scheduled in advance by competent authority;

"(2) any member of the Ready Reserve of a uniformed service who meets the qualifications set forth in section 765(5)(B) of this title; and

"(3) any member assigned to, or who upon application would be eligible for assignment to, the Retired Reserve or of a uniformed service who meets the qualifications set forth in section 765(5)(C) of this title;

in the amount of $20,000 unless such member elects in writing (A) not to be insured under this subchapter, or (B) to be insured in the amount of $15,000, $10,000, or $5,000. The insurance shall be effective the first day of active duty or active duty for training, or the beginning of a period of inactive duty training schedule in advance by competent authority, or the first day a member of the Ready Reserve meets the qualifications set forth in section 765(5)(B) of this title, or the first day a member of the Reserves, whether or not assigned to the Retired Reserve of a uniformed service, meets the qualifications of section 765(5)(C) of this title, or the date certified by the Administrator to the Secretary concerned as the date Servicemen's Group Life Insurance under this subchapter for the class or group concerned takes effect, whichever is the later date."

(2) Subsection (b) is amended by deleting "ninety days" wherever it appears therein and inserting in lieu thereof "one hundred and twenty days".

(3) Subsection (c) is amended to read as follows:

"(c) If any member elects not to be insured under this subchapter or to be insured in the amount of $15,000, $10,000, or $5,000, he may thereafter be insured under this subchapter or insured in the amount of $20,000, $15,000, or $10,000 under this subchapter, as the case may be, upon written application, proof of good health, and compliance with such other terms and conditions as may be prescribed by the Administrator. Any former member insured under Veterans' Group Life Insurance who again becomes eligible for Servicemen's Group Life Insurance and declines such coverage solely for the purpose of maintaining his Veterans' Group Life Insuraance in effect shall upon termination of coverage under Veterans' Group Life Insurance be automatically insured under Servicemen's Group Life Insurance, if otherwise eligible therefor."

Sec. 5. (a) Section 768 of title 38, United States Code, is amended as follows:

(1) Subsection (a) is amended by inserting "or while the member meets the qualifications set forth in section 765(5) (B) or (C) of this title," immediately before "and such insurance shall cease".

(2) Clauses (2) and (3) of subsection (a) are each amended by deleting "ninety days" wherever it appears therein and inserting in lieu thereof "one hundred and twenty days".

(3) Subsection (a) is further amended by adding at the end thereof the following:

"(4) with respect to a member of the Ready Reserve of a uniformed service who meets the qualifications set forth in section 765(5) (B) of this title, one hundred and twenty days after separation or release from such assignment—

"(A) unless on the date of such separation or release the member is totally disabled, under criteria established by the Administrator, in which event the insurance shall cease one year after the date of separation or release from such assignment, or on the date the insured ceases to be totally disabled, whichever is the earlier date, but in no event prior to the expiration of one hundred and twenty days after separation or release from such assignment; or

"(B) unless on the date of such separation or release the member has completed at least twenty years of satisfactory service creditable for retirement purposes under chapter 67 of title 10 and would upon application be eligible for assignment to or is assigned to the Retired Reserve, in which event the insurance, unless converted to an individual policy under terms and conditions set forth in section 777(e) of this title, shall, upon timely payment of premiums under terms prescribed by the Administrator directly to the administrative office established under section 766(b) of this title, continue in force until receipt of the first increment of retirement pay by the member or the member's sixty-first birthday, whichever occurs earlier.

"(5) with respect to a member of the Retired Reserve who meets the qualifications of section 765(5)(C) of this title, and who was assigned to the Retired Reserve prior to the date insurance under this amendment is placed in effect for members of the Retired Reserve, at such time as the member receives the first increment of retirement pay, or the member's sixty-first birthday, whichever occurs earlier, subject to the timely payment of the initial and subsequent premiums, under terms prescribed by the Administrator, directly to the administrative office established under section 766(b) of this title."

(4) Subsection (b) is amended to read as follows:

"(b) Each policy purchased under this subchapter shall contain a provision, in terms approved by the Administrator, that, except as hereinafter provided, Servicemen's Group Life Insurance which is continued in force after expiration of the period of duty or travel under section 767(b) or 768(a) of this title, effective the day after the date such insurance would cease, shall be automatically converted to Veterans' Group Life Insurance subject to (1) the timely payment of the initial premium under terms prescribed by the Administrator, and (2) the terms and conditions set forth in section 777 of this title. Such automatic conversion shall be effective only in the case of an otherwise eligible member or former member who is separated or released from a period of active duty or active duty for training or inactive duty training on or after the date on which the Veterans' Group Life Insurance program (provided for under section 777 of this title) becomes effective. Servicemen's Group Life Insurance continued in force under section 768(a) (4)(B) or (5) of this title shall not be converted to Veteran's Group Life Insurance. However, a member whose insurance could be continued in force under section 768(a)(4)(B) of this title, but is not so continued, may, effective the day after his insurance otherwise would cease, convert such insurance to an individual policy under the terms and conditions set forth in section 777 (e) of this title."

(5) Section 768(c) is hereby repealed.

(b) The amendments made by this Act shall not be construed to deprive any person discharged or released from the *uniformed services* of the United States prior to the date on which the Veterans' Group Life Insurance program (provided for under section 777 of title 38, United States Code) becomes effective of the right to convert Servicemen's Group Life Insurance to an individual policy under the provisions of law in effect prior to such effective date.

Sec. 6. Section 769 of title 38, United States Code, is amended as follows:

(1) By deleting from paragraphs (1) and (2) of subsection (a) "is insured under a policy of insurance purchased by the Administrator, under section 766 of this title" and inserting in lieu thereof "is insured under Servicemen's Group Life Insurance".

(2) By redesignating paragraphs (2) and (3) of subsection (a) as paragraphs (3) and (4), respectively, and by adding after paragraph (1) a new paragraph (2) as follows:

"(2) During any month in which a member is assigned to the Ready Reserve of a uniformed service under conditions which meet the qualifications of section 765(5) (B) of this title, or is assigned to the Reserve (other than the Retired Reserve) and meets the qualifications of section 765(5)(C) of this title, and is insured under a policy of insurance purchased by the Administrator, under section 766 of this title, there shall be contributed from the appropriation made for active duty pay of the uniformed service concerned an amount determined by the Administrator (which shall be the same for all such members) as the share of the cost attributable to insuring such member under this policy, less any costs traceable to the extra hazards of such duty in the uniformed services. Any amounts so contributed on behalf of any individual shall be collected by the Secretary concerned from such individual (by deduction from pay or otherwise) and shall be credited to the appropriation from which such contribution was made."

(3) By deleting from the second sentence of paragraph (4) of subsection (a) "subsection (1) hereof, or fiscal year amount under subsection (2) hereof" and inserting in lieu thereof "paragraph (1) or (2) hereof, or fiscal year amount under paragraph (3) hereof"; and by deleting in such paragraph (4) "this subchapter" each time it appears and "insurance under this subchapter" and inserting in lieu thereof "Servicemen's Group Life Insurance".

(4) The first sentence of subsection (b) is amended by deleting "such insurance" and inserting in lieu thereof "Servicemen's Group Life Insurance"; and the second sentence of such subsection is amended by deleting "this subchapter" and inserting in lieu thereof "Servicemen's Group Life Insurance".

(5) Subsection (c) is amended by deleting "any such insurance" and inserting in lieu thereof "Servicemen's Group Life Insurance".

(6) The last sentence of subsection (d)(1) is amended to read as follows: "All premium payments and extra hazard costs on Servicemen's Group Life Insurance and the administrative cost to the Veterans' Administration of insurance issued under this subchapter shall be paid from the revolving fund.".

(7) By adding at the end of such section a new subsection as follows:

"(e) The premiums for Servicemen's Group Life Insurance placed in effect or continued in force for a member assigned to the Retired Reserve of a uniformed service who meets the qualifications of section 765(5)(C) of this title, shall be established under the criteria set forth in sections 771 (a) and (c) of this title, except that the Administrator may provide for average premiums for such various age groupings as he may determine to be necessary according to sound actuarial principles, and shall include an amount necessary to cover the administrative cost of such insurance to the company or companies issuing or continuing such insurance. Such premiums shall be payable by the insureds thereunder as provided by the Administrator directly to the administrative office established for such insurance under section 766 (b) of this title. The provisions of sections 771 (d) and (e) of this title shall be applicable to Servicemen's Group Life Insurance continued in force or issued to a member assigned to the Retired Reserve of a uniformed service. However, a separate accounting may be required by the Administrator for insurance issued to or continued in force on the lives of members assigned to the Retired Reserve and for other insurance in force under this subchapter. In such accounting, the Administrator is authorized to allocate claims and other costs among such programs of insurance according to accepted actuarial principles."

SEC. 7. Section 770 of title 38, United States Code, is amended as follows:

(1) The first clause following the colon in subsection (a) is amended to read as follows:

"First, to the beneficiary or beneficiaries as the member or former member may have designated by a writing received prior to death (1) in the uniformed services if insured under Servicemen's Group Life Insurance, or (2) in the administrative office established under section 766(b) of this title if separated or released from service, or if assigned to the Retired Reserve, and insured under Servicemen's Group Life Insurance, or if insured under Veterans' Group Life Insurance;".

(2) Subsection (e) is amended by deleting therefrom the words "this amendatory Act" and inserting in lieu thereof "the Veterans' Insurance Act of 1974".

(3) Subsections (f) and (g) are amended by adding after "Servicemen's Group Life Insurance" wherever it appears therein "or Veterans' Group Life Insurance".

SEC. 8. Section 771 of title 38, United States Code, is amended as follows:

(1) Subsection (b) is amended by deleting "the policy or policies" and inserting in lieu thereof "Servicemen's Group Life Insurance".

(2) The third sentence of subsection (e) is amended by deleting "section 766" and inserting in lieu thereof "section 769(d)(1)".

SEC. 9. (a) Subchapter III of chapter 19 of title 38, United States Code, is amended by adding at the end thereof the following new sections:

"§ 777. Veterans' Group Life Insurance

"(a) Veterans' Group Life Insurance shall be issued in the amount of $5,000, $10,000, $15,000, or $20,000 only. No person may carry a combined amount of Servicemen's Group Life Insurance and Veterans' Group Life Insurance in excess of $20,000 at any one time. Any person insured under Veterans' Group Life Insurance who again becomes insured under Servicemen's Group Life Insurance may within sixty days after becoming so insured convert any or all of his Veterans' Group Life Insurance to an individual policy of insurance under subsection (e) of this section. However, if such a person dies within the sixty-day period and before converting his Veterans' Group Life Insurance, Veterans' Group Life Insurance will be payable only if he is insured for less than $20,000 under Servicemen's Group Life Insurance, and then only in an amount which when added to the amount of Servicemen's Group Life Insurance payable shall not exceed $20,000.

"(b) Veterans' Group Life Insurance shall (1) provide protection against death; (2) be issued on a non-renewable five-year term basis; (3) have no cash, loan, paid-up, or extended values; (4) except as otherwise provided, lapse for nonpayment of premiums; and (5) contain such other terms and conditions as the Administrator determines to be reasonable and practicable which are not specifically provided for in this section, including any provisions of this subchapter not specifically made inapplicable by the provisions of this section.

"(c) The premiums for Veterans' Group Life Insurance shall be established under the criteria set forth in sections 771 (a) and (c) of this title, except that the Administrator may provide for average premiums for such various age groupings as he may decide to be necessary according to sound actuarial principles, and shall include an amount necessary to cover the administrative cost of such insurance to the company or companies issuing such insurance. Such premiums shall be payable by the insureds thereunder as provided by the Administrator directly to the administrative office established for such insurance under section 766(b) of this title. In any case in which a member or former member who was mentally incompetent on the date he first became insured under Veterans' Group Life Insurance dies within one year of such date, such insurance shall be deemed not to have lapsed for nonpayment of premiums and to have been in force on the date of death. Where insurance is in force under the preceding sentence, any unpaid premiums may be deducted from the proceeds of the insurance. Any person who claims eligibility for Veterans' Group Life Insurance based on disability incurred during a period of duty shall be required to submit evidence of qualifying health conditions and, if required, to submit to physical examinations at their own expense.

"(d) Any amount of Veterans' Group Life Insurance in force on any person on the date of his death shall be paid, upon the establishment of a valid claim therefor, pursuant to the provisions of section 770 of this title. However, any designation of beneficiary or beneficiaries for Servicemen's Group Life Insurance filed with a uniformed service until changed, shall be considered a designation of beneficiary or beneficiaries for Veterans' Group Life Insurance, but not for more than sixty days after the effective date of the insured's Veterans' Group Life Insurance, unless at the end of such sixty-day period, the insured is incompetent in which event such designation may continue in force until the disability is removed but not for more than five years after the effective date of the insured's Veterans' Group Life Insurance. Except as indicated above in incompetent cases, after such sixty-day period, any designation of beneficiary or beneficiaries for Veterans' Group Life Insurance to be effective must be by a writing signed by the insured and received by the administrative office established under section 766 (b) of this title.

"(e) An insured under Veterans' Group Life Insurance shall have the right to convert such insurance to an individual policy of life insurance upon written application for conversion made to the participating company he selects and payment of the required premiums. The individual policy will be issued without medical examination on a plan then currently written by such company which does not provide for the payment of any sum less than the face value thereof or for the payment of an additional amount as premiums in the event the insured performs active duty, active duty for training, or inactive duty training. The individual policy will be effective the day after the insured's Veterans' Group Life Insurance terminates by expiration of the five-year term period, except in a case where the insured is eligible to convert at an earlier date by reason of again having become insured under Servicemen's Group Life Insurance, in which event the effective date of the individual policy may not be later than the sixty-first day after he again became so insured. Upon request to the administrative office established under section 766(b) of this title, an insured under Veterans' Group Life Insurance shall be furnished a list of life insurance companies participating in the program established under this subchapter. In addition to the life insurance companies participating in the program established under this subchapter, the list furnished to an insured under this section shall include additional life insurance companies (not so participating) which meet qualifying criteria, terms, and conditions established by the Administrator and agree to sell insurance to former members in accordance with the provisions of this section.

"(f) The provisions of sections 771 (d) and (e) of this title shall be applicable to Veterans' Group Life Insurance. However, a separate accounting shall be required for each program of insurance authorized under this subchapter. In such accounting, the Administrator is authorized to allocate claims and other costs among such programs of insurance according to accepted actuarial principles.

"(g) Any person whose Servicemen's Group Life Insurance was continued in force after termination of duty or discharge from service under the law as in effect prior to the date on which the Veterans' Group Life Insurance program (provided for under section 777 of this title) became effective, and whose coverage under Servicemen's Group Life Insurance terminated less than four years prior to such date, shall be eligible within one year from the effective date of the Veterans' Group Life Insurance program to apply for and be granted Veterans' Group Life Insurance in an amount equal to the amount of his Servicemen's Group Life Insurance which was not converted to an individual policy under prior law. Veterans' Group Life Insurance issued under this subsection shall be issued for a term period equal to five years, less the time elapsing between the termination of the applicant's Servicemen's Group Life Insurance and the effective date on which the Veterans' Group Life Insurance program became effective. Veterans' Group Life Insurance under this subsection shall only be issued upon application to the administrative office established under section 766(b) of this title, payment of the required premium, and proof of good health satisfactory to that office, which proof shall be submitted at the applicant's own expense. Any person who cannot meet the good health requirements for insurance under this subsection solely because of a service-connected disability shall have such disability waived. For each month for which any eligible veteran, whose service-connected disabilities are waived, is insured under this subsection there shall be contributed to the insurer or insurees issuing the policy or policies from the appropriation 'Compensation and Pensions, Veterans' Administration' an amount necessary to cover the cost of the insurance in excess of the premiums established for eligible veterans, including the cost of the excess mortality attributable to such veteran's service-connected disabilities. The Administrator may establish, as he may determine to be necessary according to sound actuarial principles, a separate premium, age groupings for premium purposes, accounting, and reserves for persons granted insurance under this subsection different from those established for other persons granted insurance under this section. Appropriations to carry out the purpose of this section are hereby authorized.

"§ 778. Reinstatement

"Reinstatement of insurance coverage granted under this subchapter but lapsed for nonpayment of premiums shall be under terms and conditions prescribed by the Administrator.

"§ 779. Incontestability

"Subject to the provision of section 773 of this title, insurance coverage granted under this subchapter shall be incontestable from the date of issue, reinstatement, or conversion except for fraud or nonpayment of premium."

(b) The analysis of subchapter III of chapter 19 of title 38, United States Code, is amended by adding at the end thereof the following:

"777. Veterans' Group Life Insurance.
"778. Reinstatement.
"779. Incontestability.".

Sec. 10. Chapter 19 of title 38, United States Code, is amended as follows:

(1) By striking out "Environmental Science Services Administration" wherever it appears in section 765 and inserting in lieu thereof "National Oceanic and Atmospheric Administration".

(2) By striking out "General operating expenses, Veterans' Administration" in clause 3 of subsection (d) of section 769 and inserting in lieu thereof "General Operating Expenses, Veterans' Administration".

(3) By striking out "Bureau of the Budget" in section 774 and inserting in lieu thereof "Office of Management and Budget".

Sec. 11. This Act shall become effective as follows:

(1) The amendments made by section 2, relating to Veterans' Special Life Insurance, shall become effective upon the date of enactment of this Act except that no dividend on such insurance shall be paid prior to January 1, 1974.

(2) The amendments relating to Servicemen's Group Life Insurance coverage on a full-time basis for certain members of the Reserves and National Guard shall become effective upon the date of enactment of this Act.

(3) The amendments increasing the maximum amount of Servicemen's Group Life Insurance shall become effective upon the date of enactment of this Act.

(4) The amendments made by sections 5 (a)(4) and (5) of this Act, and those enacting a Veterans' Group Life Insurance program shall become effective on the first day of the third calendar month following the month in which this Act is enacted.

Mr. HARTKE. Mr. President, as chairman of the Committee on Veterans' Affairs, it is my privilege and pleasure to urge the Senate to approve my bill S. 1835, the Veterans' Insurance Act of 1974. This comprehensive measure which is cosponsored by each member of the Senate Committee on Veterans' Affairs and which was unanimously reported from the committee makes a number of important amendments in insurance programs for active duty servicemen and veterans.

Briefly, the Veterans' Insurance Act of 1974 would make four major amendments to existing law. First, the Veterans' Insurance Act would provide full-time coverage under servicemen's group life insurance—SGLI—for members of the Ready Reserves, National Guard, and certain members of the Retired Reserves who are under 60 years of age and who have completed at least 20 years of satisfactory service. Over 1 million men and women would be eligible for insurance under this provision.

Second, the Veterans' Insurance Act would provide for the automatic conversion of servicemen's group life insurance policy to a nonrenewable 5-year term policy to be known as veterans' group life insurance—VGLI—effective the day after the servicemen's group life insurance expires for the veteran which is usually 120 days after discharge from military service. Also, any veteran whose coverage under servicemen's group life insurance terminated less than 4 years prior to the effective date veterans' group life insurance would be eligible for coverage under veterans' group life insurance for a period equal to 5 years less than time elapsed between the termination of the servicemen's group life insurance policy and the effective date of veterans' group life insurance. Over 3 million veterans would be eligible for VGLI insurance under the provisions of this bill.

Third, the Veterans' Insurance Act would increase the maximum amount of life insurance coverage under servicemen's group life insurance from $15,000 to $20,000 which would bring coverage under SGLI or VGLI more in line with the average amount of insurance carried by American families today, as well as the amount of insurance the Federal Government offers its own employees. It is estimated that almost 99 percent of those who are currently covered under SGLI will elect the coverage in the maximum amount of $20,000. In addition, the committee wishes to note that enactment of this provision will operate to increase SGLI insurance coverage from $15,000 to $20,000 for all policies currently in force for 1,089 servicemen who are currently listed as missing in action in Southeast Asia.

Fourth, the Veterans' Insurance Act would authorize the return of excess premiums currently being paid by Korean conflict veterans for veterans' special term life insurance—VSLI—as a dividend to them. Currently, premiums charged for VSLI are up to 70 percent more than needed to pay for the cost of claims, mortality and administrative charges. But, rather than be returned as dividends to the veteran policyholder, they are retained by the Government. Under amendments made by S. 1835, these overpayments will be returned to the veterans. Dividends are estimated to be as high as $18 a year for policyholders.

Mr. President, as with all legislation reported from the committee which I am privileged to chair, S. 1835, the Veterans' Insurance Act of 1974, is the product of solid bipartisan activity by each member of the committee. I am particularly indebted to Senator Harold E. Hughes, chairman of the Subcommittee on Housing and Insurance and the ranking minority member of the subcommittee, Senator James McClure, who conducted hearings reviewing VA insurance programs and received testimony concerning S. 1835.

The subcommittee received testimony from the Hon. G. V. Montgomery, chairman of the House Veterans' Affairs Subcommittee on Insurance, concerning H.R. 6574, his bill to extend full-time coverage under the servicemen's group life insurance—SGLI—program to certain members of the Ready and Retired Reserves and the National Guard—which provisions are incorporated in S. 1835, as reported. Testimony received from administration spokesmen included that of Odell Vaughn, Chief Benefits Director, Veterans' Administration, and Dr. Theodore C. Marrs, Deputy Assistant Secretary of Defense, Department of Defense. The Adjutant Generals of the National Guard of California, Florida, Iowa, Nevada, and Vermont testified at the subcommittee hearings as did representatives of the National Guard Association and the Reserve Officer's Association of the United States. Also testifying were representatives from the American Legion, Veterans of Foreign Wars, Disabled American Veterans, and the National Association of Concerned Veterans.

Representatives of the insurance industry appearing before the subcommittee included the National Association of Life Underwriters and the president of Ideal National Life Insurance Co.

Finally, the subcommittee received testimony from Dr. Joseph M. Belth, prefossor of insurance at the Graduate School of Business, Indiana University, and the author of "Life Insurance: A Consumer's Handbook."

Mr. President, special mention should also go to Congressman G. V. (Sonny) Montgomery, Chairman of the House Veterans' Affairs Subcommittee on Insurance whose keen interest in providing servicemen's group life insurance to reservists and National Guard members has contributed greatly to the bill which we report today. Finally, it should be noted that comments of the General Counsel of the Veterans' Administration concerning S. 1835 have been a source of inspiration to me and my staff.

Mr. President, there is no need to go into detail about the importance of life insurance. People buy life insurance for a variety of reasons but the primary reason is for financial protection for one's family in case of premature death. Approximately 145 million Americans or 70 percent of the population are insured by one or more life insurance policies having a combined face value of $1.5 trillion. In fact, the Veterans' Administration alone provides insurance coverage exceeding $90 billion through seven life insurance programs it administers or supervises on the behalf of 9 million active duty servicemen and veterans.

Mr. President, I ask unanimous consent that appropriate excerpts from the committee report to S. 1835 which explain the increase in greater detail be included in the Record at this point.

There being no objection, the report was ordered to be printed in the Record as follows:

Background and Discussion

VETERANS' ADMINISTRATION LIFE INSURANCE PROGRAMS

Approximately 145,000,000 people or about 70 percent of the population of the United States are insured by one or more life insurance policies having a combined face value of $1.5 trillion. Comprising about 6 percent of this amount are seven life insurance programs supervised or administered by the Veterans' Administration providing insurance coverage exceeding $90 billion on behalf of 9 million active duty servicemen or veterans.

Servicemen and veterans of World War I were up to $10,000 of United States Government Life Insurance (USGLI) policy. The oldest of Government administered programs, USGLI began in 1919 as the first permanent program for World War I veterans and was offered as a conversion from their inservice yearly renewable term coverage. No new issues of this life insurance have been available since 1951, and at present there are 160,000 policies worth $682 million. Dividends based on excess earnings of insurance premiums are regularly paid with the 1973 declared dividend amounting to approximately $21 million or an average of $143 to be paid by the Government to policyholders.

A second Government administered insurance program, National Service Life Insurance (NSLI), begun in 1940 (and closed to new issues in 1951) similarly offered $10,000 of life insurance to servicemen and veterans of World War II. NSLI is the largest of all veterans' insurance programs today with 4.1 million veteran policies with a face value of $27 billion. NSLI is a self-sustaining program except for the cost of administration and for death claims attributable to the extra hazards of military service which are paid by the Government. Dividends are also paid to NSLI policyholders based upon excess earnings of the NSLI trust fund. The 1973 declared dividend totals $276 million for an average payment of $72 for those insured under the program.

During the Korean conflict, the Government provided a $10,000 indemnity policy to servicemen. Following discharge, veterans were offered a $10,000 non-participating (i.e., non-dividend paying) term policy known as Veterans' Special Term Life Insurance (VSLI). There are about 600,000 VSLI policies in the amount of $5.3 billion currently in force. Not only is VSLI insurance also a self-supporting policy, but the Government earns a "profit" because the premiums paid are regularly in excess of mortality experience. In 1961, Public Law 87–223 did authorize a one-time special dividend to certain VSLI policyholders. Section 2 of the proposed Veterans' Insurance Act of 1974 (discussed hereinafter) would amend title 38 to permit the return of excess premiums to veteran policyholders on a regular basis.

A fourth Government administered self-supporting life insurance policy is Veterans' Reopened Insurance (VRI) which was authorized for a one-year period beginning May 1, 1965 when it became apparent that many disabled World War II and Korean conflict veterans had passed all delimiting dates for Government life insurance—and were either unable to obtain commercial life insurance coverage or could not obtain it at a reasonable cost. The one-year reopening resulted in about 210,000 veterans purchasing VRI life insurance. Currently, there are about 189,000 policies in force with a face amount of $1.3 billion.

The fifth VA policy is Service-Disabled Veterans Insurance (known as RH policies), which was first authorized in 1951 and is still open to new issues. This program is designed to assure service disabled veterans the ability to obtain life insurance at standard rates without regard to the physical impairment. Veterans with service-connected ratings for compensation purposes in the amount of 10 percent or more in degree and who are otherwise insurable have up to one year from the date of notice of such VA rating to apply for RH coverage. Disabled veterans may obtain $10,000 and in some cases up to $25,000 in life insurance at a standard rate. Since the RH program insures substandard risks at standard premium rates, it is the only Government administered insurance program which is not self-supporting. The cost to the Government in fiscal year 1973 was $13.6 million. There are approximately 145,000 policies in force at face value amount of $1.3 billion.

Finally, there are two Government life insurance policies which are *administered* by private insurance companies and supervised by the Veterans' Administration. The first is Veterans' Mortgage Life Insurance (VMLI) created in the last Congress by Public Law 92–95 which provides mortgage protection life insurance up to $30,000 at standard premium rates for any veteran who receives a Veterans' Administration grant for specially adapted housing. The Veterans' Administration assumes the excess cost attributable to the veteran's disability which in fiscal year 1974 is approximately $4.2 million. As of December 31, 1973, 4,972 veterans had purchased mortgage protection life insurance in the amount of $101 million under the new program.

The second and largest of the VA supervised insurance policies administered by private insurance is Servicemen's Group Life Insurance (SGLI). First authorized in 1965 by Public Law 89–214, SGLI has provided Vietnam era servicemen with a maximum $15,000 term insurance policy at low premiums (presently $2.50 a month for maximum coverage) which are handled by military payroll deductions. Coverage is optional and the servicemen may elect insurance in smaller amount of $10,000, $5,000, or not at all. Coverage is available to active duty servicemen and to Reserve, National Guard, and ROTC members while they are on active duty for training. Congress extended SGLI to cover cadets and midshipmen at the four service academies last year in Public Law 92–315. As of December 31, 1973, 3,522,000 policies in the face value amount of $38.3 billion are in force. These policies are divided between 2,517,000 policies held by active duty servicemen with a face value amount of $37.1 billion and 1,005,000 temporary policies with a face value amount of $1.7 billion held by Reservists while on active duty.

The SGLI program is supervised by the Veterans' Administration and is administered by Prudential Insurance Company, Newark, New Jersey, as primary insurer through a contractual agreement with the VA. This insurance is reinsured on a formula basis prescribed by the Administrator with as many qualified commercial companies as elect to participate. Presently, 584 companies are participating in this program as reinsurers and converters and an additional 32 are participating as converters only. Under existing law, following his discharge, the veteran has 120 days within which he may convert all or part of his SGLI term coverage without evidence of insurability to a cash value policy with one of the 616 participating commercial life insurance companies. The law provides that such policies must be converted to a cash value form of insurance.

Amendments made by this bill would extend SGLI coverage on a full-time basis to Reservists and National Guard members, increase the maximum amount of insurance from $15,000 to $20,000 and also establish a new five-year limited term Veterans' Group Life Insurance policy, which are discussed below.

VETERANS' SPECIAL TERM LIFE INSURANCE AMENDMENTS

S. 1835, as reported, would correct a continuing and long standing inequity concerning Korean conflict veterans by authorizing the payment of dividends on Veterans' Special Term Life Insurance (VSLI). The Government provided Korean conflict servicemen with a $10,000 indemnity policy during their active duty service. The VSLI program was first authorized beginning April 25, 1951 to allow Korean conflict veterans to purchase Government sponsored life insurance following their military duty and was closed to new issues on December 31, 1956. VSLI was issued to veterans of the Korean conflict who applied for insurance within 120 days after their discharge from service during that period. As originally authorized, this insurance was nonconvertible (there were no permanent plans) and nonparticipating (no dividends were payable). Public Law 85–896, effective January 1, 1959, amended section 723 of title 38, United States Code, to authorize the conversion or exchange of Veterans' Special Term Insurance to a permanent whole life insurance plan (W-ordinary life) or to a limited convertible term policy which could not be renewed after age 50 (W–LCT). All term insurance continued to be nonparticipating. As of December 31, 1973, there were 43,000 policies of VSLI in force which had not been converted or exchanged, and 557,800 that had been so converted or exchanged as shown in the following table:

TABLE 1.—VSLI POLICYHOLDER DISTRIBUTION

Type and plan	Number of policyholders	Amount of insurance (millions)
RS—5 LPT	43,000	$389
W—5 LCT	371,000	3,406
W—permanent	179,000	1,416
Extended term [1]	7,800	57
Total	600,800	5,268

[1] The extended term plan policies represent W—permanent plans which are lapsed but are continued in force under the extended insurance provision of the policy.

The premiums charged to these Korean war veterans with term policies (based upon the Commissioners 1941 Standard Ordinary Table of Mortality) are far in excess of mortality experience. Following a long established procedure, Veterans' Administration insurance premium rates are usually set conservatively by the actuarial process. For example, it is estimated for fiscal 1974 overpayments for NSLI were 31 percent and for SGLI, 22 percent. Once such excess premiums are precisely established and confirmed under those policies, they are of course returned to the veteran in the form of dividend payments. But premiums charged for VSLI are up to 70 percent more than are needed to pay for the cost of claims, mortality, and administrative charges; and rather than returned as dividends to the veteran policyholder, they are retained by the Government. With the exception of a one-time special dividend for some VSLI policyholders authorized in 1961 by Public Law 87–233, all premiums overcharges are retained by the Administrator who periodically transfers from the revolving fund to general fund receipts in the Treasury such amounts as he determines are in excess of actuarial liabilities of the fund (including contingency reserves). Since 1961, in excess of $47 million has been transferred from the section 723 revolving fund to the Treasury.

The following table illustrates excess premiums collected by the Veterans' Administration (which they prefer to designate as "Gain from Operations") since 1965:

TABLE 2.—VSLI GAINS, TRANSFERS AND SURPLUS

[In millions of dollars]

Calendar year	Gain from operations	Transferred to U.S. Treasury	Surplus
1965			11.5
1966	2.7	7.0	7.2
1967	2.8	8.0	2.0
1968	3.8	2.0	3.8
1969	4.8	2.5	6.1
1970	4.7	6.5	4.3
1971	6.4	7.0	3.7
1972	5.6	8.0	1.3
1973 (estimated)	8.1	6.0	3.4
1974 (estimated)	10.2		

Section 2 of the bill would authorize payment of dividends on Veterans' Special Term

Life Insurance continued in force or converted or exchanged. Following policy coordination with the Office of Management and Budget, the Veterans' Administration formally opposed the return of the overcharges to veteran policyholders in testimony before the Committee. The Administration has attempted to justify its opposition by suggesting that the overpayments should be applied to the small deficit sustained by Service-Disabled Veterans Insurance, the only non-self-supporting Government administered insurance program. The Committee has carefully considered and rejected this argument. It believes the obligation incurred by our country concerning its veterans are obligations owed by the Nation as a whole and not by any particular segment of the population. A principle that is equally fundamental to the Committee is that it never intended by Congress that the Government overcharge war veterans for insurance and make a profit on that overcharge. Ending Government retention of overcharges and converting VSLI to dividend paying policies will correct what the VFW in testimony before the Committee has termed a "gross inequity."

Section 2 would operate prospectively with current and future premium overcharges being returned as dividends. The premiums paid by each insured for his particular amount, plan and age of issue will not change. However, the dividends he will receive as a part of this act will have the result of reducing the net cost of the veteran's insurance. These dividends may also be used to purchase additional paid-up insurance. Although the final figures for calendar year 1973 are not yet available, a reliable estimate of the excess premiums would be $8.1 million. From this amount, $6 million has been transferred to the U.S. Treasury leaving an unassigned surplus of $2.1 million which, when added to the 1972 surplus, results in a total of $3.4 million. It is currently estimated that the excess premiums or "net gain from operation" for calendar year 1974 will amount to $10.2 million. Predicated on a dividend of $6 million being declared in 1975, the unassigned surplus would then be increased to $7.6 million. If current trends continue, the net gain from operations in 1975 would be $12 million resulting in an estimated 1976 dividend of $9.1 million and leaving a surplus of $10.5 million at the end of the calendar year 1975. This surplus would guard against the possible reduction in the amount of future dividends due to a loss in interest earnings or adverse mortality experience and would also provide a means for "leveling off" or making slight increases in future dividend distribution. A first year dividend of $6 million would be distributed as shown in the following table:

TABLE 3.—ANTICIPATED 1ST-YEAR VSLI DIVIDEND

	Amount
RS (5-year level premium term)	$545,000
W (5-year limited convertible term)	955,000
W (Permanent plan)	4,500,000
Total	6,000,000

The following table further reflects the effect on a representative RS policyholder and a representative W policyholder when the fund becomes participating. For RS and W term policyholders, the table uses age 41, which is their current average age. The table uses age 30 for permanent plan policyholders based on the average 1963 effective year of conversion:

TABLE 4.—EFFECT OF AMENDMENT ON TYPICAL VSLI POLICYHOLDERS

	RS (5 LPT)	W (5 LCT)	W (ordinary life)
Issue age	41	41	30
Year of issue	1972	1972	1963
Average amount of insurance	$8,900	$9,100	$8,000
Premium	$66.22	$29.48	$110.40
Estimated dividend (average per policy)	$12.46	$2.55	$18.80
Net cost per policy	$53.76	$26.93	$91.60
Net cost per $1,000	$6.04	$2.95	$11.45

PROVISION OF FULL-TIME SGLI TO MEMBERS OF THE RESERVES AND NATIONAL GUARD

Section 3 of S. 1835, as reported, would offer Servicemen's Group Life Insurance coverage on a full-time basis to certain members of the Reserves and National Guard. Members of the Selected Reserve and certain members of the Retired Reserve to age 60 would be entitled to purchase a SGLI policy providing full-time term life insurance coverage up to a maximum amount of $20,000 (as authorized by section 4 of this act.) Great interest has been generated among those who believe that extension of this term life insurance coverage will act as a significant incentive to enlist and retain coverage will act as a significant incentive to enlist and retain Reservists and Guardsmen. The Honorable G. V. Montgomery, Chairman of the House Veterans' Affairs Subcommittee on Insurance, expressed particular concern about the need to bring the personnel strength of Reserves and National Guard up to authorized levels and sponsored H.R. 6374 to extend SGLI insurance to such members. Following hearings before his Subcommittee, Representative Montgomery's bill received nearly unanimous House approval this past year.

There appears to be no question that in the age of the All Volunteer Army the inducement to enlist in the Reserves and National Guard has been reduced. Reserve forces, which now comprise 30 percent of the total military forces available to the country, are about 10 percent below their authorized strength. (By contrast, National Guard strength was at 100 percent as recently as two years ago.) The following table supplied by the Department of Defense indicates authorized strength, existing personnel shortages and anticipated shortages by the end of the current fiscal year:

TABLE 5.—AUTHORIZED AND ACTUAL RESERVE AND NATIONAL GUARD STRENGTH

	Mobilization manning objective (minimum level of manning required)	Actual strength, Jan. 31, 1974	Deficiencies
Army National Guard	411,979	396,423	−15,556
Air National Guard	92,291	92,870	+579
Total, National Guard	504,270	489,293	−14,977
Army Reserve	260,554	227,702	−32,852
Navy Reserve	116,981	117,800	+819
Marine Reserve	39,488	32,425	−7,063
Air Force Reserve	49,773	46,562	−3,211
Total, Reserves	466,796	378,489	−42,307
Grand total	971,066	867,782	−57,284

Dr. Theodore Marrs, Deputy Assistant Secretary of Defense (Reserve and Manpower), testifying in support of S. 1835 said:

"In view of increased dependence on the Guard and Reserve and the necessity to have adequate manning and the contribution that this makes to appealing in the area of both recruiting and retention, we feel it very important that this be passed."

Major General Henry W. McMillan, Adjutant General, National Guard Association of Florida, noted in his testimony that the National Guard and certain elements of the Army Reserve have been assigned high priority missions:

". . . some of which call for rapid deployment to overseas following mobilization. This new and more critical role makes it urgent that we maintain strength levels commensurate with our readiness objectives and timetables."

And, Representative Montgomery has said:

"I think we are all aware that in the event we are faced with an emergency situation, the draft will be the last means of resort, not the first. The Reserves will oversee the call-up and we must ensure that the strengths are adequate to meet any situation."

Numerous formal and informal surveys have been conducted in recent years on why people join the Guard and Reserve and what actions might encourage more people to do so. A national Gilbert Youth Survey conducted for the Department of Defense on the attitudes of civilian youth towards military service found that in a "no draft" situation 15 percent of those surveyed would be attracted by the incentive of Service's Group Life Insurance. Surprisingly, 9 percent of the survey listed full-time insurance coverage as their first preference among various recruitment incentives.

As to retention of existing personnel, another survey, entitled "Maintenance of Reserve Components In A Volunteer Environment," conducted by Research Analysis Corporation for the Department of Defense found that 27 percent of our Army National Guard personnel and 23 percent of the United States Army Reservists would reenlist based upon the incentive of SGLI insurance coverage.

The Department of Defense has informed the Committee that approximately 910,000 men and women would be eligible for full-time SGLI coverage if S. 1835 were enacted. Of that number, the Defense Department estimates that 97 percent will elect coverage (and 99 percent will choose maximum coverage in the amount of $20,000).

Full-time coverage under SGLI would also be authorized for persons assigned to or who upon application would be eligible for assignment to the Retired Reserve of a uniformed service who are under 60 years of age and who have completed at least 20 years of satisfactory service creditable for retirement purposes under chapter 67 of title 10, United States Code. Presently, members of the Retired Reserve have no eligibility under SGLI. Often a Guardsman or Reservist retires at age 45 having completed 20 years of service yet is ineligible for any retirement pay until he is 60. This measure would provide full-time coverage up to $20,000 during the interim period between his 45th and 60th birthdays and provide a measure of protection for the Retired Reservist's family. Representatives of the Department of Defense and members of various National Guard units throughout the United States testified as to a number of tragic circumstances occurring with respect to Retired Reservists who had not yet reached the age of 60 and qualified for retirement pay and survivor benefits.

As Major General Joe May, Adjutant General of Iowa noted:

"Since they had not begun to receive their retirement pay, their widows were not eligible for any benefits. These men all were dedicated public servants, and I feel all should have been afforded some protection benefits for their survivors."

The following table indicates the number of Reservists presently eligible for retired pay under 60 years of age who would be made eligible under this provision.

Table 6.—Reservists presently eligible for retired pay under 60 years of age

Army Reserve	28, 500
Air Force Reserve	29, 700
Naval Reserve	53, 169
Marine Corps Reserve	3, 367
Coast Guard Reserve	908
Total	115, 644

As reported in S. 1835, the extension of Servicemen's Group Life Insurance to Reservists and National Guard members is strongly supported by the Department of Defense and the Veterans' Administration. All veterans' organizations, the Reserve Officer's Association, and the National Guard Association of the United States also testified in strong support of this provision.

Increase in maximum insurance coverage from $15,000 to $20,000

The bill as reported would increase the maximum amount of life insurance coverage available under Servicemen's Group Life Insurance (as well as under the new VGLI program created by this act) from $15,000 to $20,000. As under current law, eligible members can elect to be insured in lesser amounts of $15,000, $10,000, or $5,000, or not at all. The monthly premiums for Servicemen's Group Life Insurance are presently $2.55 for $15,000 or approximately 85c per each $5,000 of insurance. The increase in maximum coverage under SGLI or VGLI insurance is to be financed by an increase in premiums paid by the serviceman or the veteran. If current premiums remain consistent, the maximum coverage for $20,000 would cost the serviceman or veteran approximately $3.55 per month. Cost to the Government would accrue only to the extent of adverse mortality experience related to the extra hazard of military service. No foreseeable cost to the Government is anticipated as a result of the termination of hostilities in Southeast Asia.

The Committee is convinced that the increased coverage authorized in the reported bill is justified both by current economic living conditions and by the average amount of insurance coverage in force today. It should be noted that the War Risk Insurance Act of October 6, 1917, first established a program of Government insurance for those serving in the Armed Forces which allowed $10,000 of coverage. In the following 57 years of Government administered or supervised life insurance, the maximum amount of coverage has increased only once, by Public Law 91–291, approved June 25, 1970, in which the maximum coverage under SGLI was increased to $15,000. The American Legion noted in its testimony supporting an increase in the maximum coverage level that, in terms of today's purchasing power, it takes approximately $3 today to buy what $1 purchased in 1919, when a $10,000 life insurance policy was first authorized.

Increasing the maximum amount of available SGLI or VGLI insurance would also bring its coverage more in line with the average amount of insurance carried by American families today and the amount of insurance the Federal Government offers its own civilian employees. In 1971, for example, the average amount of insurance coverage for insured families was approximately $25,700. Federal Civil Service employees may purchase group term life insurance in the amount of $20,000.

Currently, more than 97 percent of those eligible for Servicemen's Group Life Insurance elect coverage; of that number, 99 percent are insured for the maximum available amount of $15,000. Representatives of the Department of Defense and the Veterans' Administration both testified that they anticipated that nearly all servicemen who currently are insured under SGLI would also choose the maximum coverage of $20,000 if made available as the reported bill authorizes.

If the veteran decides to exercise his statutory right to convert his SGLI or VGLI to a whole life insurance policy with a participating commercial insurance company, he would now be converting at an amount which more clearly approximates the average insurance coverage held by American families. A Veterans' Administration survey conducted in 1971 of those who exercised conversion rights under SGLI found that 85.8 percent purchased a commercial whole life insurance conversion policy in the maximum amount of $15,000. Thus, based upon the historical record, the insurance industry may reasonably expect the overwhelming majority of its conversion policy sales to be for the new maximum level of $20,000.

In his testimony supporting the increase in the maximum amount of insurance coverage in S. 1835, Defense Department Deputy Assistant Secretary Marrs noted that in 1971 the President appointed an interagency committee to review the Military Retirement and Survivors Benefits system and to recommend such changes as were found necessary or desirable including the adequacy of the Servicemen's Group Life Insurance program. After careful consideration, the Interagency Committee recommended that the maximum amount of SGLI insurance coverage be increased to $20,000 and reported that:

"The insurance plan is the other element of active duty survivor benefits where a requirement to change exists. Although the SGLI maximum was increased in 1970 from $10,000 to $15,000, the first quadrennial review of military compensation had recommended, as a result of its extensive studies, that the maximum be increased to $20,000. The committee believes the reasoning for that recommendation continues to be sound. Increasing maximum SGLI coverage, would improve the attractiveness of the uniformed services' total compensation package. This improvement would be attained at a relatively low cost to the Government since the Government's costs with the SGLI program are primarily administrative; of course, the Government would pay the extra hazard costs that are based on the actual mortality experience of the services. A further reason for revising the insurance coverage exists when uniformed service insurance coverage is compared with that available under the Federal civil service plan. All service employees may obtain at least $20,000 worth of coverage. Some are permitted to purchase significantly greater amounts."

The Subcommittee on Housing and Insurance also received testimony in support of this provision from representatives of all major veterans' organizations, the Reserve Officer's Association and the National Guard Association.

The Committee also wishes to note that enactment of this provision will operate to increase SGLI insurance coverage from $15,000 to $20,000 for all policies currently in force for the 1,089 servicemen who are listed as Missing in Action in Southeast Asia (total number as of February 16, 1974). According to the Department of Defense, every one of these servicemen is insured by SGLI.

Veterans' group life insurance

S. 1835, as reported, would authorize the conversion of Servicemen's Group Life Insurance to a new five-year limited term insurance policy to be known as Veterans' Group Life Insurance (VGLI). Designed to provide low-cost insurance protection during the readjustment period experienced by Vietnam era veterans following their separation from active military duty, VGLI is closely patterned after SGLI insurance now in force. As with SGLI, Veterans' Group Life Insurance would offer low-cost term insurance in a maximum amount of $20,000 for up to five years during the veteran's readjustment transition. The insurance will be provided by private insurers as part of a group VGLI contract to be awarded on a competitive basis by the Veterans' Administration and supervised by that agency. Following that five-year period of coverage, the veteran policyholder would then have an enforceable statutory right (as he does now under SGLI) to convert his insurance to a commercial whole life policy with any one of the 600 private insurance companies expected to participate in the VGLI program.

Major impetus for the establishment of VGLI derives from the experience of Vietnam era veterans who were insured under SGLI during their military service. Existing law provides that in most cases SGLI insurance coverage ceases 120 days following a serviceman's release from active duty service (totally disabled veterans who are insured under SGLI have up to one year after discharge). During that 120-day period, the veteran has a statutory right to convert his SGLI coverage to a commercial whole life policy (in the same or lesser amount) offered by one of the participating private life insurance companies. In practice, current policy appears to have serious deficiencies. A survey of the SGLI program conducted by the Veterans' Administration in 1971 found, for instance, that only one-third of SGLI policyholders were converting to commercial insurance following military discharge. And, of those who did convert, VA testimony before the Committee revealed that there was a "high-lapse ratio after the first year." The reasons for low-conversion rates (and high-lapse ratios for those that do) are varied but most would appear to support the need to establish a Veterans' Group Life Insurance program as contemplated in S. 1835.

First, of course, is the fact that upon discharge many young veterans are concerned with matters other than life insurance coverage. In the words of one Administration witness, ". . . young men tend to ignore their life insurance needs." Consequently the 120-day conversion period has often run its course with the veteran either forgetting, being unaware, or unconcerned about his insurance needs. The 1971 VA study found that 38.7 percent of young veterans surveyed believed that they "had enough life insurance" and an additional 13 percent either forgot or were unaware of their SGLI conversion rights. Finally, and perhaps most significantly, the Veterans' Administration study also revealed that inability to afford insurance coverage was a major reason for low conversion. Quite naturally, life insurance hardly appears to be a priority to the young ex-serviceman concerned with all the obvious readjustment problems of additional schooling, finding an additional job, beginning a family, and buying a home. One hundred twenty days passes swiftly and the veteran often finds himself with no insurance coverage. His financial situation too often prohibits him from taking out any insurance, much less adequate insurance. Veterans' Group Life Insurance is intended to provide a low-cost policy of life insurance during this readjustment period following which the veteran will be in a better position to recognize the value of commercial life insurance and to purchase that amount which he considers adequate and necessary.

In strongly supporting the establishment of VGLI insurance, the Veterans' Administration has reported that if a veteran 20–30 years of age today buys a $15,000 ordinary life policy with no added benefits from a company which will pay dividends, a typical monthly premium will be about $21. This cost would of course be reduced in the future as dividends are declared. Veterans' Group Life Insurance as proposed by this bill, however, would reduce by more than seventy-five percent most veterans' initial outlay for the same amount of insurance during these critical years of readjustment.

As the VA noted in its report to S. 1835: "While the coverage is limited term life insurance only, the premium reduction is of particular importance to those veterans readjusting to civilian life, many of whom have limited incomes and many of whom will undertake programs of education during which time they will not have an income from employment."

The high-lapse ratio of veterans who have converted to commercial whole life policies also tends to support the presumption that such payments are difficult to make for young veterans generally confronted with substantial expenses and modest incomes. Veterans' Administration studies also reveal that the lower the educational level of a veteran the higher the rate of response that he could not afford to convert his SGLI policy. In further analyzing statistics gathered by the survey, the Veterans' Administration noted that they "would appear to indicate that a relatively high percentage of Negro veterans felt they needed insurance but could not afford it."

The Committee also received testimony supporting VGLI from James M. Mayer, President of the National Association of Concerned Veterans (formerly the National Association of Collegiate Veterans) which represents 300,000 Vietnam era veterans. Mayer noted that:

"SGLI seems to presume that most young veterans will convert their service coverage to an individual policy with a private firm. However, this situation simply was not an opportunity for many Vietnam-era veterans. There are a number of reasons for this predicament, including the following:

"1. Upon return, the younger veteran is closer to poverty than financial autonomy. This discourages the veteran from making adequate, yet expensive, life insurance a priority in readjustment.

"2. Most young veterans have little knowledge of the complexities or the value of life insurance. While the hazards of possible combat taught young veterans the value of coverage inservice, an ambivalent view on insurance exists in their civilian life.

"3. Because of the young veteran's immediate concerns, the 120-day eligibility period is usually over before most have secured even the most basic services or benefits.

"4. An extraordinary number of Vietnam-era veterans have been contacted by various commercial interests. Some of these contacts have resulted from less-than-ethical transfers of mailing lists. Some of these contacts are of a shoddy opportunity.

"Repeated inundation by market-oriented groups has accentuated the veterans' skepticism of such offers. Therefore, the popularity of such terms as "junk mail" and "rip offs" is rampant among young veterans.

"Legislation, such as S. 1835, is necessary to correct these circumstances. This legislation should provide maximum opportunities for all Vietnam-era veterans—especially the disabled and low-income veterans."

In its testimony the Veterans of Foreign Wars observed that for the young veteran:

"The first five years after discharge from service are often the hardest. Money is scarce. If married, the veteran needs life insurance protection."

Consistent with the foregoing factors, VGLI would also be offered on a limited retroactive basis to many of the 6 million Vietnam era veterans previously separated from service who did not convert their SGLI policies or whose commercial policies lapsed for nonpayment. The Committee is convinced that a young veteran discharged yesterday has the same readjustment problems, and will continue to have those problems, during the next five years as would a veteran discharged tomorrow. Under this retroactive provision, VGLI would be issued for a term period equal to five years less any time lapse in the termination of the applicant's Servicemen's Group Life Insurance and the effective date of the VGLI program. For example, the veteran who was discharged a year ago would be entitled to Veterans' Group Life Insurance for a period of four years. A veteran discharged two years ago would be entitled to VGLI for a period of three years, and so on. For retroactive coverage, proof of good health would be required, except that any veteran who could not meet the good health requirements for insurance under this subsection solely because of a service-connected disability would have such disability waived.

While generally conceding the logic of retroactive application of VGLI insurance to cover veterans with similar readjustment needs, the Veterans' Administration expressed a number of technical reservations concerning the operation of the provisions as introduced. These included the problems of "adverse selections" by service-connected disabled veterans made retroactively eligible which could result in increased premiums. The Veterans' Administration estimates that, on an annual basis, such "adverse selection" could increase premiums by about 10¢ per thousand or about $2.00 a year for veterans insured in the maximum amount of $20,000. The Veterans' Administration was also concerned about the difficulties in administration which might be created by a large open period for enrollment by those retroactively eligible. In response, the Committee has made a number of technical amendments in the reported bill which it believes meets the reservations expressed. For example, a separate risk pool is authorized for those made eligible under retroactive provisions so as not to penalize those currently being discharged. Further, the opportunity to participate in the VGLI insurance program on a retroactive basis must be exercised by the veteran within one year following enactment of the program. In the past five years, almost 4.5 million veterans have been separated from the uniformed services. Approximately 97 prcent of those veterans were insured under SGLI and hence would be eligible for VGLI as shown in the following table:

TABLE 7.—*Vietnam era veteran separations from service, fiscal year 1971–74*

Fiscal year:	*Total discharged*
1971	1,014,000
1972	890,000
1973	570,000
1974 (estimate)	500,000

Following the five-year period of the term insurance coverage in which the veteran will have "adjusted socially and economically" according to the Veterans' Administration, it can be assumed that he will have substantially completed his education under the GI bill and will have settled into a more regular framework of employment and family life. With increased education, maturity, and a better sense of his financial responsibilities, he will be in a superior position to decide his insurance needs, if any, and to intelligently exercise his conversion rights as he sees best. It would certainly appear that by five years following discharge the veteran would be more able to afford commercial life insurance should he decide to convert his VGLI policy. It would also appear that there would be less chance that such policies would lapse for nonpayment than is the case currently. Veterans' Group Life Insurance should also be beneficial to private insurance companies assuming the accuracy of VA estimates that a significantly higher percentage of veterans would convert their VGLI policies than they do now under SGLI.

The following table indicates the number of servicemen who would be made eligible for VGLI coverage during the next three fiscal years.

TABLE 8.—*Estimated Vietnam era veteran separations from service, fiscal years 1975–78*

Fiscal year:	*Total discharged*
1975	460,000
1976	450,000
1977	450,000
1978	450,000

COST ESTIMATES

In accordance with section 252(a) of the Legislative Reorganization Act of 1970 (Public Law 91-510, 91st Congress), the Committee, based on information supplied by the Veterans' Administration, estimates that the only significant costs attributable to this bill are occasioned by section 2 of the bill authorizing the payment of dividends on Veterans' Special Life Insurance. The Veterans' Administration estimates that approximately $6 million a year in excess premiums paid in by policyholders would be returned to the veterans instead of being transferred to the Treasury under current practice. The Veterans' Administration anticipates administrative costs of approximately $200,000 in connection with the payment of dividends during the first year with no significant costs during the succeeding four. As to the remainder of the act, the Veterans' Administration has advised the Committee as follows:

"The insurance benefits provided by the bill are practical and actuarially sound. All of the claims of the cost of the bill would be borne by the insureds. There is no foreseeable possibility of an extra hazard cost to be borne by the Government. All of the administrative costs of the bill to the Veterans' Administration and to the commercial insurers would be borne by the insureds. There would also be some minor costs not estimated as the Veterans' Administration with regard to the administrative costs amending group policy, printing the necessary forms, and updating handbooks and pamphlets."

TABULATION OF VOTES CAST IN COMMITTEE

Pursuant to section 133(b) of the Legislative Reorganization Act of 1946, as amended, the following is a tabulation of votes cast in person or by proxy of the Members of the Committee on Veterans' Affairs on a motion to report S. 1835, with amendments, favorably to the Senate:

Yeas—9. Vance Hartke; Herman E. Talmadge; Jennings Randolph; Harold E. Hughes; Alan Cranston; Clifford P. Hansen; Strom Thurmond; Robert T. Stafford; and James A. McClure.

Nays—0.

SECTION-BY-SECTION ANALYSIS AND EXPLANATION OF S. 1835, AS REPORTED

SECTION 1

This section provides that the proposed Act may be cited as the Veterans' Insurance Act of 1974.

SECTION 2

Subsection (*a*) of section 2 amends section 723 of subchapter I of chapter 19 of title 38, United States Code, to authorize the payment of dividends on Veterans' Special Term Insurance continued in force or converted or exchanged in accordance with the provisions of that section.

Clause 1 of subsection (a) amends the catch line to section 723 to read Veterans' Special Life Insurance.

Clause 2 of subsection (a) amends section 723(a)(4) by providing that the five-year level premium term policies authorized under this section will be participating policies (i.e., dividend paying) rather than nonparticipating as limited by current law. All premiums and interest earned thereon in excess of liabilities shall be available for the payment of dividends and refunds of unearned premiums to the policyholders.

Clause 3 of subsection (a) amends section 723(b)(5) by providing that the five-year limited convertible term policies authorized under this section will be participating policies (i.e., dividend paying) rather than nonparticipating as limited by current law. All premiums and interest earned thereon in excess of liabilities shall be available for the payment of dividends and refunds of unearned premiums to the policyholders.

Clause 4 of subsection (a) repeals sections 723(d) and 723(e). Section 723(d) refers to a one-time special dividend which the Administrator was directed to pay to policyholders under *this section* pursuant to Public Law 87-223. Payments were authorized only from 1961 to 1963 and the provision is now obsolete and inapplicable. Section 723(e) directing the Administrator to periodically transfer excess amounts from the revolving fund established in subsection (a) into the Veterans' Insurance and Indemnity Fund is repealed because amendments made in this act would convert all insurance policies under section 723 from nonparticipating to participating. Excess funds will now be paid directly to the policyholders themselves.

Subsection (b) amends the analysis of section 723 of chapter 19 of title 38 to correspond with the change in the title of that section to Veterans' Special Life Insurance.

SECTION 3

This section amends section 765(5) to broaden the definition of "member" (i.e., person eligible for coverage under SGLI) to include Ready Reserve members who are assigned to a unit or position in which they may be required to perform active duty (or active duty for training) and who each year will be scheduled to perform at least twelve periods of inactive duty training that is creditable for retirement purposes under chapter 67 of title 10, United States Code. By virtue of 10 U.S.C. 269(b) and 32 U.S.C. 101 (5) and (7) members of the Army and Air National Guard are deemed to be members of the Ready Reserve and hence are included in this amended definition of member. The effects of this amended definition will be to expand to Ready Reserve and National Guard members full-time SGLI coverage. Under current law, members of the Reserves and National Guard are covered under SGLI only under the following circumstances: (1) when such member is on active duty or active duty for training; (2) when such member is called or ordered to duty that specifies a period of less than 31 days during the hours of scheduled inactive duty training; or (3) while such member is traveling to or from official duties. In addition, the term "member" is also amended by this section to include any person assigned to the Retired Reserves who (1) has not received the first increment of his retirement pay or has not reached his 61st birthday; and (2) who has completed at least 20 years of satisfactory service creditable for retirement purposes under chapter 67 of title 10.

SECTION 4

Clause 1 amends section 767(a) providing automatic coverage under SGLI to reflect the broader definition of "member" in section 765 (as amended by section 3 of this act) to include members of the Ready and Retired Reserves. The maximum amount of automatic coverage is increased from $15,000 to $20,000 with an option to the member to elect insurance coverage in a lesser amount of $15,000, $10,000, $5,000, or not at all.

Clause 2 amends section 767(b) to provide that, with respect to any member on active duty or active duty for training for less than 31 days, on inactive duty training scheduled in advance, or traveling to or from such duty, SGLI coverage will be extended from 90 to 120 days after that period of duty or travel, if during such a period a disability was incurred or aggravated which rendered the member uninsurable or caused his death.

Clause 3 amends section 767(c) relating to subsequent election of coverage to reflect the increase in the maximum amount of SGLI insurance coverage from $15,000 to $20,000 made by this act. This section is also amended by providing for automatic SGLI coverage in any event where a member eligible for SGLI has declined coverage solely to maintain a Veterans' Group Life Insurance (VGLI) policy (authorized in section 9 of this act) which is subsequently terminated.

SECTION 5

Subsection (a) of section 768 relating to duration and termination of SGLI coverage and conversion rights is amended to reflect the extension of full-time SGLI coverage to members of the Ready and Retired Reserves.

Clause 1 amends section 768(a) which provides automatic coverage under SGLI unless the eligible member elects not to be covered to reflect the broader definition of "member" in section 765 (as amended by section 3 of this act).

Clause 2 amends clauses 2 and 3 of section 768(a) to extend SGLI coverage from 90 to 120 days in the case of any member on active duty or active duty training for less than 31 days, or on inactive duty training scheduled in advance, where such training results in a disability or aggravates a pre-existing condition. Under current law, SGLI coverage normally terminates on such member's last day of active duty or scheduled training. If a disability is incurred or aggravated, however, coverage may be extended 90 days so that, if death results within that period, the insurance policy is in effect and is payable to the insured's beneficiary. The amendment made by this clause would extend that period from 90 to 120 days.

Clause 3 would add new clauses 4 and 5 to section 768(a). New clause 4 provides that SGLI coverage for a Ready Reserve member shall cease 120 days after separation or release from assignment unless on the date of that separation the member is (A) totally disabled, in which case the insurance shall continue in force for one year after discharge or until the member is no longer disabled whichever is earlier, or (B) has completed at least 20 years of satisfactory service creditable for retirement purposes under chapter 67 of title 10 and would thus be eligible for assignment to the Retired Reserves. In this latter circumstance—unless the insurance is converted to an individual whole life commercial policy under terms set forth under new section 777(e)—SGLI coverage will continue upon timely payment of premiums until the member receives the first increment of his retirement pay or reaches his 61st birthday, whichever is earlier. Under the new clause 5, a member assigned to the Retired Reserve, prior to the effective date of the extension of SGLI insurance for that group, will be entitled to coverage until such member receives the first increment of his retirement pay or reaches his 61st birthday, whichever is earlier.

Clause 4 amends section 768(b) to provide that the day after SGLI coverage ceases for active duty members, the insured's policy is automatically converted to a five-year limited term policy known as Veterans' Group Life Insurance provided for in new section 777 (created by section 9 of this act). Members of the Ready Reserve and Retired Reserve, however, would not be eligible for Veterans' Group Life Insurance. Servicemen's Group Life Insurance coverage ceases for such Reserve members 120 days after separation unless on the date of separation the insured has completed at least 20 years of satisfactory service creditable for retirement purposes under chapter 67 of title 10 and is eligible for assignment to the Retired Reserves. In such circumstances, unless the insurance is converted to a whole life commercial insurance policy within 120 days after separation, SGLI coverage will continue until the insured receives his first retirement pay or reaches his 61st birthday, whichever is earlier.

Clause 5 repeals section 768(c) providing the conditions and procedures for conversion of a SGLI policy to a whole life commercial private policy. Those provisions are now found in new section 777(e), which also provides for the conversion of SGLI to Veterans' Group Life Insurance.

Subsection (b) is a savings provision which preserves existing conversion rights for servicemen with SGLI policies who were released from the service prior to the effective date of the new Veterans' Group Life Insurance program provided for in section 9 of this act.

SECTION 6

This section makes a number of technical amendments and one substantive change to section 769 relating to deductions, payment, interest, and expenses under Servicemen's Group Life Insurance programs.

Clause 1 makes technical amendments to paragraphs 1 and 2 of section 769(a) to make clear that the term "insurance" used in that section refers to Servicemen's Group Life Insurance. This clarification prevents possible confusion with the new Veterans' Group Life Insurance program established by this act.

Clause 2 redesignates paragraphs 2 and 3 of section 769(a) as 3 and 4 and adds a new paragraph 2 which provides that the Administrator shall set the premium rate for insurance extended to members of the Ready and Retired Reserve units eligible for SGLI under this act. The cost if insuring such members (less any amount traceable to the extra hazards of duties as a reserve member) shall be contributed from active duty pay appropriations. The appropriate service Secretary shall collect insurance premiums by deduction from the pay or otherwise from the insured reserve member concerned.

Clauses 3, 4, 5, and 6 make technical amendments to reflect the redesignated paragraphs in section 769(a) and further amend sections 769 (b), (c), and (d) to also clarify the term "insurance" used in each instance to refer to Servicemen's Group Life Insurance.

Clause 7 adds a new section 769(e) which provides that the regular procedures for assignment of SGLI premiums contained in section 771 shall apply with respect to members assigned to Retired Reserves except that the Administrator is authorized to provide for average premiums for such various age groupings as he may determine necessary according to sound actuarial principles and to include an amount necessary to cover the administrative costs of such insurance in the premiums established for eligible Retired Reserve members. The premiums shall be payable by members as provided by the Administrator directly to the administrative office established under section 766(b). A separate accounting may be required by the Administrator for insurance issued to or continued in force on the lives of members assigned to the Retired Reserve and other insurance in force. In such accounting the Administrator is authorized to allocate claims and other costs among such programs of insurance according to accepted actuarial principles.

SECTION 7

Clause 1 amends section 770(a) which defines the order of precedence in the payment of insurance to beneficiaries to reflect the addition of newly eligible Ready and Retired Reserve members. This section provides that any Retired Reserve member insured under SGLI or any veteran insured under VGLI may submit a written designation of beneficiaries to the administrative office established under section 766(b) of title 38.

Clauses 2 and 3 make technical amendments to section 770 (e), (f), and (g) to reflect amendments made by this act which create the new Veterans' Group Life Insurance program.

SECTION 8

Clause 1 makes technical amendments to section 771(b) to clarify that the insurance policies referred to in that section are those issued under Servicemen's Group Life Insurance.

Clause 2 amends section 771(e) to correct a prior typographical error and thus properly identify the section which establishes the revolving fund as section 769(a)(1) rather than section 766 as the law presently states.

SECTION 9

Subsection (a) amends subchapter III of chapter 19 of title 38. Three new sections create a new non-renewable five-year term life insurance program for recently discharged veterans to be known as Veterans' Group Life Insurance. These sections are more fully described as follows:

§ 777. Veterans' Group Life Insurance

Subsection (a) authorizes the issuance of VGLI insurance in the maximum amount of $20,000 (separately, or in combination with SGLI) or in a lesser amount of $15,000, $10,000 or $5,000. In the event any person insured under VGLI again becomes insured under SGLI (through re-enlistment in a regular or reserve component of the uniformed services) he may, within 60 days, convert any or all of his VGLI policy to a permanent commercial whole life insurance policy as provided for in section 777(e).

Subsection (b) establishes that the new VGLI policy would (1) provide protection in case of death; (2) be issued on a nonrenewable five-year term basis; (3) have no cash, loan, paid-up, or extended values; (4) except as otherwise provided (i.e., in incompetent cases), lapse for nonpayment of premiums; and (5) contain such other terms and conditions such as the Administrator determines to be reasonable and practical which are not specifically provided for in the bill.

Subsection (c) provides that premiums for VGLI would be established under normal criteria set forth in sections 771 (a) and (c) relating to SGLI except that the Administrator may provide for average premiums for such age groupings as he may determine to be necessary according to sound actuarial principles. Also the premiums would include an amount to cover the administrative costs of the insurance to the insurer. Premiums would be payable by the insureds directly to the administrative office established by the primary insurer. Where a person who was mentally incompetent on the date he became insured under VGLI dies within one year of such date, the insurance will be deemed not to have lapsed for nonpayment of premiums and to be in force on the date of death. In such cases, the unpaid premiums will be deducted from the proceeds. Any person who claims eligibility for VGLI based on a disability incurred during duty shall be required to submit evidence of qualifying health conditions (uninsurability or total disability) and to submit to physical examinations at his own expense.

Subsection (d) provides that the beneficiary provisions contained in section 770 applicable to SGLI would be made applicable to VGLI as well, except that the designations would be filed with the administrative office instead of with the uniformed services. Designation of beneficiaries for SGLI filed with the uniformed services would be valid for VGLI but only for 60 days after VGLI became effective. Thereafter, the insurance would be payable in accordance with the order of beneficiaries specified unless a new designation for VGLI was filed with the administrative office. However, in incompetent cases, SGLI designations would be valid for VGLI until the disability is removed but not for more than five years.

Subsection (e) sets forth the conditions for conversion rights under VGLI in substantially the same form as currently exists under section 768(c) (which is repealed by this bill), for those insured under SGLI. Insured veterans are eligible to convert VGLI to an individual policy with a commercial insurer effective the day after VGLI terminates by reason of the expiration of the five-year term. However, persons who again become insured under SGLI would have 60 days thereafter to convert VGLI to an individual policy which would be effective no later than the 61st day after which he again became insured under SGLI. Veterans' Group Life Insurance would continue the present right of veterans under SGLI to continue their insurance after the period of postservice coverage by converting to an individual commercial cash value policy issued at standard rates by an insurance company participating in the program. As before, such policies must not contain any provisions which restrict future military service in the uniformed services of the United States. If the veteran is disabled, he may purchase such insurance without the payment of any extra premiums occasioned by his disability.

Subsection (f) states that the provisions in sections 771 (d) and (e) applicable to SGLI relating to determinations affecting the maximum expense in risk charges of the insurer and the accounting at the end of the policy would also be made applicable to VGLI. However, in such accounting the Administrator would be authorized to allocate claims and other costs among such programs of insurance according to accepted actuarial principles.

Subsection (g) provides that anyone whose SGLI coverage terminated prior to the date the VGLI program became effective, but less than 4 years prior to such date, shall be eligible for VGLI in an amount equal to the amount of his SGLI which was not converted to an individual policy. Such application must be made by an eligible veteran within 1 year from the effective date of the establishment of Veterans' Group Life Insurance programs.

The VGLI policy issued under this subsection shall be for a term equal to 5 years less the time elapsing between the termination of the insured's SGLI policy and the effective date of the establishment of the VGLI program. A veteran must, however, have at least one year of his five-year readjustment period remaining in order to qualify for VGLI coverage.

The VGLI policy is only effective upon application to the administrative office set up under section 766(b), plus payment of the required premium and proof of good health satisfactory to the administrative office. Any member who cannot meet the good health requirements solely because of a service-connected disability shall have this requirement waived. For each month of waiver, there shall be contributed to the insurer or insurers issuing this policy, from the appropriation "Compensation and Pensions, Veterans' Administration", an amount necessary to cover the cost of the insurance in excess of the premiums established for eligible veterans, including the cost of the excess mortality attributable to such veterans' service-connected disabilities.

The Administrator may establish a separate premium, age groupings for premium purposes, accounting, and reserves, for persons granted insurance under this subsection different from those established for other persons granted insurance under this section. This may be done as the Administrator determines such action is necessary according to sound actuarial principles. Appropriations to carry out the purpose of the section are hereby authorized.

§ 778. Reinstatement

This section provides that insurance coverage granted under this subchapter which has lapsed for nonpayment of premiums shall be reinstated under the terms and conditions prescribed by the Administrator.

§ 779. Incontestability

This section provides that coverage under SGLI or VGLI is incontestable from either the date of issue, reinstatement, or conversion. The only exceptions to incontestability are fraud, nonpayment of premium, and forfeiture for the reasons stipulated in section 773, which deal with forfeiture for reasons of guilt for mutiny, treason, spying, desertion, or refusal to perform service in the uniformed services or to wear the uniform of such service because of reasons of conscientious objection.

Subsection (b) amends the analysis of subchapter III of chapter 19 of title 38, United States Code, to reflect the addition of new sections 777, 778, and 779.

SECTION 10

Three minor technical amendments to chapter 19—the insurance chapter—of title 38, United States Code, are made by this section.

Clause 1 substitutes the term "National Oceanic and Atmospheric Administration" for the term "Environmental Science Services Administration" in paragraphs (1) and (6) of section 765. Those paragraphs define the term "uniformed services" for the purpose of eligibility for the Servicemen's Group Life Insurance program established by subchapter III of chapter 19. The Environmental Science Services Administration was merged with other components into the National Oceanic and Atmospheric Administration by Reorganization Plan No. 4 of 1970. These items amend section 765 to reflect that change.

Clause 2 amends section 769(d) to correct a grammatical error.

Clause 3 substitutes the term "Office of Management and Budget" for the term "Bureau of the Budget" in section 774. That section established the Advisory Council on Servicemen's Group Life Insurance and specifies the Director of Bureau of the Budget as one of its members. By Reorganization Plan No. 2 of 1970, that office was redesignated as the Office of Management and Budget. This clause amends section 774 to reflect that change.

SECTION 11

This section establishes the effective dates for the Veterans' Insurance Act of 1974. Amendments made relating to the Veterans' Special Term Life Insurance are to become effective upon the date of enactment of this act except that no dividend on such insurance shall be paid prior to January 1, 1974. Amendments relating to the extension of Servicemen's Group Life Insurance coverage on a full-time basis for certain members of the Reserves and National Guard and those increasing the maximum amount of Servicemen's Group Life Insurance are to become effective upon the date of enactment of this act. Finally, amendments to establish the Veterans' Group Life Insurance program are to become effective on the first day of the third calendar month following the month in which the act is enacted.

Mr. HARTKE. Mr. President, I ask unanimous consent, that there be printed into the RECORD a letter to me from Frank Stover, the national legislative director of the Veterans of Foreign Wars of the United States. This letter presents articulately and most persuasively the reasons why the VFW so vigorously supports this bill.

There being no objection, the letter was ordered to be printed as follows:

VETERANS OF FOREIGN WARS
OF THE UNITED STATES,
January 17, 1974.

Hon. VANCE HARTKE,
Chairman, Committee on Veterans' Affairs, U.S. Senate, Washington, D.C.

MY DEAR MR. CHAIRMAN: The Veterans of Foreign Wars is extremely pleased that your Committee has ordered favorably reported S. 1835, an insurance bill of wide interest to a large number of veterans of all wars as well as active duty military personnel including Reservists.

S. 1835 carries out a number of mandates and priority goals of the Veterans of Foreign Wars. The V.F.W. position is determined by the delegates to our National Conventions and pursuant to those mandates the Veterans of Foreign Wars lent its support and recommended favorable consideration of S. 1835 when hearings were held on the bill by your Subcommittee on Housing and Insurance on May 23, 1973.

Since the hearings, the Veterans of Foreign Wars has held an annual National Convention, at which time about 300 resolutions were adopted by the delegates, representing more than 1.8 million members. The purpose of this letter is to update the V.F.W.'s support and the reasons therefor regarding the several provisions in S. 1835, as reflected in the mandates approved at our New Orleans Convention last August.

First, the V.F.W. lent its support to the House-approved bill, H.R. 6574, which will provide full-time coverage under SGLI for the Reservists and National Guardsmen and some retirees, which is one of the provisions of S. 1835. The all-volunteer Army concept has replaced compulsory military service as previously prevailed under the Draft Act. Part of the success of the all-volunteer Armed Forces concept will be maintaining the authorized levels of the Reservists and National Guard.

With the military draft ended, there are decreasing numbers who are opting to join the Reserves and National Guard. The offer of full-time low cost life insurance coverage for prospective members of the Reserves would be in the national interest because it could be the deciding factor for a young person to join the Reserves. For these reasons the V.F.W. supports authorizing full-time SGLI coverage for members of the Reserves.

Secondly, the maximum coverage under SGLI for Reservists and active-duty members of the Armed Forces should be increased. Back in 1940 when the NSLI program was initially authorized, the maximum coverage was $10,000. It has been increased only once since that time and then only to $15,000. During the intervening years since 1940 active-duty pay scales have gone almost out of sight compared to pre-World War II pay scales. Life insurance protection for active-duty servicemen is out of step with active-duty pay. Time is long overdue to increase the protection of our active-duty servicemen to the maximum amount of at least $20,000.

Thirdly, the National Service Life Insurance program includes some World War I, all World War II, and Korean veterans. When the Korean war began because of new circumstances, a special NSLI program was authorized. However, Congress later provided that any excess money paid in premiums to this special insurance fund would not be refunded as dividends, as is usually done, but would be transferred to the United States Treasury. This proved to be most discriminating toward veterans holding these policies, since they were forced to pay a premium based on an outdated mortality table in excess of the protection they were receiving under the life insurance policies issued to them.

There are tens of thousands of these Korean war veterans who have been overcharged all these years on their special NSLI policies. The V.F.W. is convinced Congress never intended the Veterans Administration to overcharge these Korean veterans. It is understood that about $41 million has accumulated in excess premium payments and that these funds have been transferred to the United States Treasury, which money is used for general purposes. It is most pleasing that one of the provisions of S. 1835 will authorize dividends be paid on these special NSLI policies.

Fourth, another long-held objective of the V.F.W. is to establish a life insurance program for Vietnam veterans similar to the NSLI program to which World War II and Korean veterans were entitled to participate in. Practically every Vietnam veteran needs and wants life insurance protection. It is fitting and proper, therefore, that during their readjustment years their government assist these veterans by providing an opportunity for them to obtain low-cost life insurance, similar to the SGLI protection which was provided for them while on active duty. A provision in S. 1835 would establish a Vietnam group life insurance program (VGLI) by automatic conversion of SGLI to a nonrenewable five-year term policy. At the end of the five years, the new VGLI could be converted to an individual policy of a permanent plan insurance with a commercial company under the terms and conditions which now apply when a veteran is separated from the Armed Forces and converts his SGLI policy to a permanent plan.

Life insurance coverage for a large number of Vietnam veterans can fairly be described as a readjustment benefit. Many Vietnam veterans are married and have family responsibilities. Many are attending school under the GI Bill, where all of their GI Bill checks are spent on education and training. The first five years are generally the hardest for a veteran. A five-year term low-cost life insurance policy would be extremely helpful for these young veterans at a crucial period during their lives.

The V.F.W., therefore, is pleased to support this VGLI concept in S. 1835 and hopes that such approval by the Congress will be the basis for extending the program along the lines of the NSLI program for World War II veterans, which has proved to be so successful.

The V.F.W. commends your Committee for taking up and reporting this bill to the full Senate.

For the reasons stated above, the V.F.W. is hopeful that the full Senate will approve S. 1835. Your support and vote for these views and recommendations carrying out Veterans of Foreign Wars mandates will be deeply appreciated.

With kind personal regards, I am
Sincerely,

FRANCIS W. STOVER,
Director, National Legislative Service.

Mr. HARTKE. Mr. President, the American Legion fully supports the provisions of S. 1835 and I ask unanimous consent that a telegram from Herald E. Stringer, director of the Legion's National Legislative Commission be included in the RECORD at this point.

There being no objection, the telegram was ordered to be printed in the RECORD as follows:

[TELEGRAM]

MARCH 14, 1974.

Hon. VANCE HARTKE,
U.S. Senate, Russell Senate Office Building, Washington, D.C.:

This is in further reference to our statement on S. 1835 presented to the Subcommittee on Housing and Insurance, Senate Committee on Veterans Affairs, May 23, 1973.

This proposed legislation would eliminate an existing inequity in Veterans Special Life Insurance by authorizing the Administrator of Veterans Affairs to return premium overcharges and interest earnings to the policyholder. It would increase the amount of servicemen's group life insurance that may be carried by members of the active service, extend such coverage to members of the active reserves, national guard and the retired reserve through age 60, and provide a post-service group life insurance program for Vietnam veterans separated from the Armed Services less than five years to assist in their readjustment to civilian life.

The American Legion fully supports the provisions of S. 1835 and urges its early enactment.

HERALD E. STRINGER,
Director, National Legislative Commission.

Mr. HARTKE. Mr. President, as part of its overall review of VA administered and supervised insurance policies, the committee also received substantial testimony and pertinent related documents concerning problems faced by veterans seeking to convert their SGLI policies to a participating commercial whole life insurance company policy. In this connection, the committee heard testimony from Dr. Joseph M. Belth, professor of insurance at the Graduate School of Business at Indiana University and who is president of the American Risk Insurance Association and also author of "Life Insurance: A Consumer's Handbook." In his testimony supporting adoption of S. 1835, Dr. Belth noted that:

> There are at least three ways in which the Vietnam-era veterans have been treated in a less desirable manner than their earlier counterparts. First, the coverage must be obtained from commercial companies, and this generally involves costs substantially in excess of what would be required if the coverage were offered by the VA. Second, they are not allowed to buy term insurance to exercise their conversion privilege, despite the fact that term insurance in many family situations is an appropriate form of coverage. Third, they have not been provided with any guidance to assist them in making a wise choice among the many commercial firms participating in the SGLI program as converter companies.

Enactment of S. 1835 will provide veterans' group life insurance, a 5-year low-cost term insurance policy during the veteran's readjustment period. Dr. Belth directed the thrust of his testimony toward the problem of the veteran obtaining accurate and relevant information when exercising his insurance conversion rights, to one of the 600 commercial life insurance companies currently participating in the Veterans' Administration SGLI program—and those expected to participate in the VGLI program. He observed that once a veteran has decided to exercise his conversion privilege, "two factors are of primary importance in his choice of a company—financial strength and price." As to financial strength, Belth noted that according to the best life insurance reports there are substantial variations as to the financial strength of the participating companies in the SGLI program and he urged that the VA provide the veteran with information concerning the financial strength of the companies. As to cost of policies, Belth noted that they vary widely on straight life insurance policies of the type which is available to the veteran converting his SGLI—or VGLI—policies.

In 1971, the National Underwriter Co. invited a large number of companies to furnish price information. Significantly more than half of SGLI converter life insurance companies did not submit data. Of the 286 converter companies that did, however, the information revealed that the 20-year, 4-percent interest adjusted cost on a $10,000 participating straight life policy ranged from $2.34 to $6.53 for men aged 25; from $3.69 to $9.50 for men aged 35; and from $7.47 to $17.02 for men aged 45. By contrast it should be noted that on the basis of the VA's 1970 dividend scale, the 20-year 4-percent interest adjusted cost for the NSLI straight life policy of the veteran aged 45 would be $4.92. Since the foregoing costs represent cost per year per $1,000 in face amount of insurance, the price differential for veterans seeking to buy essentially the same insurance can vary widely. In the previously mentioned example it amounts to a difference of $81.80 a year in premiums for the man aged 25; $166.31 for the man aged 35; and over $190.46 for the man aged 45.

The price information for the converter companies on which such information is shown in "Cost Facts on Life Insurance" is summarized in the following table:

TABLE 1.—DISTRIBUTION OF SELECTED POLICIES, BY INTEREST ADJUSTED COSTS ($10,000 PARTICIPATING AND NONPARTICIPATING STRAIGHT-LIFE POLICIES ISSUED IN 1970 BY VARIOUS CONVERTED COMPANIES TO MALES AGED 25, 35, AND 45)

Interest adjusted costs [1]	Number of policies					
	Participating			Nonparticipating		
	Age 25	Age 35	Age 45	Age 25	Age 35	Age 45
$2 to $2.99	6					
$3 to $3.99	56	1		1		
$4 to $4.99	64	12		41		
$5 to $5.99	37	54		149	1	
$6 to $6.99	6	45		17	14	
$7 to $7.99		45	1	5	77	
$8 to $8.99		15	2	0	111	
$9 to $9.99		1	23	0	10	
$10 to $10.99			48	1	1	
$11 to $11.99			12			3
$12 to $12.99			28			29
$13 to $13.99			34			76
$14 to $14.99			12			88
$15 to $15.99			1			20
$16 and over			1			1
Total policies	169	173	171	214	214	217
Low	$2.34	$3.69	$7.47	$3.13	$5.51	$11.02
1st quartile	3.79	5.64	10.45	5.07	7.70	13.53
Median	4.25	6.39	11.50	5.44	8.09	14.01
3d quartile	5.10	7.44	13.12	5.76	8.45	14.47
High	6.53	9.50	17.02	10.01	10.12	20.56
Mean	4.36	6.51	11.70	5.44	8.03	13.96
Standard deviation	.85	1.12	1.64	.67	.66	.96
Coefficient of variation (percent)	19.5	17.2	14.0	12.3	8.2	6.9

[1] 20-year average annual interest adjusted costs per $1,000 of face amount, assuming 4-percent interest.

Given these substantial cost differences and his continuing investigation of the matter, it is understandable that Dr. Belth came to the conclusion that:

> Vietnam Era veterans receive inadequate and frequently deceptive information about life insurance, as do life insurance consumers in general. Many sales presentations involve little if any price information. Often the presentation is based on emotional considerations, and about the only kind of price information that enters into the presentation is the size of the first premium. The life insurance market is characterized not only by an absence of reliable price information, but also by the presence of deceptive price information. In my opinion, the deceptive sales practices found in the life insurance industry constitute a national scandal.

Professor Belth urges that appropriate action be taken to insure that Vietnam era veterans have access to accurate, adequate, and relevant information on which to base a rational determination in the exercise of their conversion rights.

Professor Belth proposed that information disclosed to the veteran at the time of his conversion should include: First, the annual premium to be paid each year; second, the amount payable on death in any year; third, the amount payable on discontinuation of a policy in any year; fourth, the dividends payable each year under a company's current dividend scale; fifth, the amount of life insurance protection in effect each year; sixth, the price of each $1,000 of life insurance protection each year; seventh, summary information allowing the veteran to see the extent to which he is buying protection and the extent to which he is accumulating savings; eighth, summary information allowing the veteran to make comparisons among similar policies issued by different companies if he wishes to do so; and ninth, certain other important information including the cost of policy loans and the cost of paying premiums other than annually. He suggested that this information could be given to the veteran at or prior to the delivery of a conversion policy and further that information should be contained in the premium that the veteran receives on each yearly anniversary of his conversion policy. A two-page form could contain annual information on the first page and summary information on the second page.

Testimony and other documents submitted to the committee revealed an even more fundamental problem facing veterans attempting to intelligently choose an insurance company when exercising their conversion rights which relate to the manner in which insurance companies "cost" their policies.

How insurance companies "cost" their policies has been a major concern for some time of my distinguished colleague, Senator HART, chairman of the Subcommittee on Antitrust and Monopoly. My hardworking colleague and senior Senator from the neighboring State of Michigan, noted as early as 1968 in his speech before life insurance company lawyers that there is no competition in the life insurance business since the pricing structure is so complex that buyers cannot compare policies or determine what they will ultimately pay for coverage. Senator HART noted that the premium was no guide because it does not necessarily reflect the actual price—most particularly in the kinds of policies most often sold, that is straight life also known as whole life, permanent, and "cash value." Unlike term insurance which offers "pure protection," straight life combines "savings" aspects as well. With such policies it is usually quite difficult for the buyer to determine how much of his money goes into the savings aspect and how much he is paying for protection.

Much of the controversy over how to provide the buyer with more adequate and relevant information has centered on the insurance industry's use of the traditional or "net cost" method of pricing. The net cost method of comparing insurance costs simply adds all the premiums you pay over a period of time—usually 20 years—and then subtracts what you get back either as dividends and/or cash value you receive by turning in your policy at the end of the period. The resulting figure is a simple means by which to determine "net cost." Unfortunately, such a method ignores critical factors of time and interest.

Under the net cost method, a policy for which premiums start out at $400 a year and decrease gradually to $200 would look just as good as a policy for which premiums start out at $200 and increase gradually to $400. Yet, the second policy is a better buy because more money would be available for a longer period of time to the insured for investment elsewhere. Similarly, a policy which pays dividends early in the life of a policy is a better buy than that which pays a larger amount near the end of the life of the policy. The interest-adjusted method of computing insurance costs takes these factors into account.

Responding to criticisms of the traditional net cost method, the insurance industry in 1961 established a Joint Special Committee on Life Insurance Costs, chaired by Mr. E. J. Moorhead, vice president of Integon Life Insurance Co., and a member of the Veterans' Administration Actuarial Advisory Committee.

In its report issued in May 1970, the committee recommended the interest-adjusted cost method as the "preferred" method to be used in making cost comparisons among similar policies issued by different companies. The committee reported:

> Our Committee has concluded that the method called in this report the interest-adjusted method, is the most suitable of all those of which we have knowledge. Our principal reasons for this opinion are:
>
> 1. It takes time of payment into account.
> 2. Of all methods that take time of payment into account, it is the easiest to understand.
> 3. It is possible to use this method without having recourse to advanced mathematics.
> 4. It does not suggest a degree of accuracy that is beyond that which is justified by the circumstances.
> 5. It is sufficiently similar to the traditional method so that transition could be accomplished with minimum confusion.

Consumer Union which has also endorsed the interest-adjusted method notes that:

> It works much like the traditional method, with a key difference: Interest is factored in.
>
> For the sake of uniformity, most authorities use a 4-percent interest factor. That means that 4-percent interest is added to the first year's premium; then the second year's premium is added to the total, and 4-percent interest is added on the new sum; and so on for twenty years or however long a period is being evaluated. The same thing is done with dividends. (Because of the uncertainties involved in projecting future dividends, the Committee recommended the method not be used for comparison of participating companies involving periods of more than twenty years.) Then you subtract dividends in cash value from the premiums just as before.
>
> Following the procedure above gives you the "interest-adjusted net cost." To get the interest-adjusted net cost index, you then divide by a constant period. The result is the amount of money you would have to deposit every year in an account bearing 4-percent interest to come up at the end of twenty years with a sum equal to the net cost.
>
> That part sounds complicated. But the index also has an intuitive meaning. It is simply the average age of true cost of the protection offered by your policy.

Subsequent to the report of the Joint Committee on Life Insurance Costs, the Pennsylvania State Insurance Department under Commissioner Herbert Denenberg, issued "A Shoppers Guide to Life Insurance," which employs an interest-adjusted index and compares the cost of the protection of straight life insurance policies for insurance companies doing business in that State.

Effective January 1, 1973, the Wisconsin Insurance Department ruled that life insurance companies operating in Wisconsin were required to make interest-adjusted price figures available to buyers at or prior to delivery of the policy. Also in February of this past year, the Senate Subcommittee on Antitrust and Monopoly held 4 days of hearings concerning the pricing of insurance policies. Subsequent to these hearings, the American Life Insurance Association adopted in April 1973, a resolution stating that:

> Member companies have the responsibility to provide the most helpful information concerning costs, values, and features of their policies to buyers so that they can make an informed and intelligent purchase decision. The interest-adjusted method was considered by the Association as the "most practical indeces of all the various methods developed so far."

At its annual meeting during the week of June 4, 1973, the National Association of Insurance Commissioners, an organization composed of all State insurance regulatory officials, adopted a task force report which incorporates a model regulation on the life insurance interest-adjusted method and on deceptive practices in life insurance. The model regulation on the interest-adjusted method would require that upon the request of the sales prospect the insurance agent or the insurance company would be required to furnish the interest-adjusted index to the consumer. At the same time, the Special Assistant to the President for Consumer Affairs, Virginia Knauer, urged the adoption of the interest-adjusted method by insurance companies and renewed her criticism of the industry for its unwillingness to provide meaningful cost comparisons to buyers of life insurance who she said were "shopping blind."

And, in a letter to the National Association of Insurance Commissioners, President Nixon wrote that he had "long advocated the provision of full and accurate information to assist each consumer in buying wisely." And, although not endorsing any particular disclosure system, he indicated that the interest-adjutsed method, which the Commissioners were considering adopting on an interim basis was a "significant step forward in meeting this administration's priority goal of adequate information."

Subsequent to its February hearings, the committee on Antitrust and Monopoly submitted questionnaires to numerous insurance companies throughout the United States with regard to their position on the interest-adjusted method recommended by the Joint Special Committee on Life Insurance Costs. Responses indicate that insurance companies which received some $13.8 million in premiums in 1971 or approximately 87 percent of all premiums collected that year have endorsed the interest-adjusted method.

Notwithstanding the foregoing, the interest-adjusted method as both its critics and supporters agree is not perfect. As Herbert Denenberg, Pennsylvania's State Insurance Commissioner, stated in Senate testimony recently:

> Producing a perfect cost index may be the equivalent of squaring a circle. The public can't wait for the circle to be squared, and it's tired of waiting for price disclosure. The critics of full disclosure to the public would await the perfect index. They are willing to be quite patient.

Consumer Union, which recently produced its own index of insurance companies, while noting that the interest-adjusted method is "imperfect," added that it believed that it was the "best tool available now for cost comparison and vastly superior to the 'thoroughly discredited net cost method' ".

Consumers Union noted that:

> Among the flaws of the interest-adjusted method are these:
>
> The choice of a specific period for comparison, such as 10 or 20 years, is arbitrary. Some companies might look better or worse if a longer or shorter period were compared. To a slight extent, companies can design their rate and dividend schedules to make themselves look good in a 20-year comparison. The interest-adjusted method ignores mortality rates and policy lapse rates—factors that could be used to produce a more sophisticated index. And, of course, any cost comparison method assumes that the items being compared are for all practical purposes identical.
>
> CU did its best to make sure we were comparing apples with apples and oranges with oranges. But the policies we rate within each category do contain subtle differences—in the convertibility clauses, for example, and especially in the generosity of a contractual benefit called "waiver of premium in the event of disability." We believe these differences to be relatively fine points. However, because of the overall limitations of the interest-adjusted method, you should ignore small differences in cost between policies shown in our tables.
>
> The range of policy costs, however, is so wide that clear distinctions between companies can still be made from our tables. A glance at the figures will show, for example, that the interest-adjusted cost of a $100,000 participating five-year term policy bought by a 25-year-old man can range from $254 to $489—a variation of 92 percent. And the cost of whole-life policies can vary even more.

The wide cost variations previously noted by Dr. Belth in his testimony before our committee concerning the replacement policies offered by SGLI participating insurance companies confirms the wisdom of using the interest-adjusted approach as a useful tool in helping the veteran make a rational choice among competing policies.

Unfortunately, the Veterans' Administration has been reluctant in responding to legitimate information needs of the individual veteran faced with the prospect of choosing a policy with one of the over 600 commercial life insurance companies participating in Government supervised servicemen's group life insurance within a short period of time. Although the VA's response has been disappointing, it is not altogether unanticipated or atypical for a bureaucratic organization of its size and established ways. As early as 1968, Senator HART, chairman of the Senate Subcommittee on Antitrust and Monopoly, wrote the Administrator of the Veterans' Administration suggesting that because of the enormous differences in prices charged for $10,000 straight life policies by participating companies that it would be "appropriate that the VA compile price information from the companies and put it in a form so that Vietnam veterans can compare readily the policies offered." The Administrator declined questioning the propriety of ranking companies solely on the price of insurance as well as questioning the use of the interest-adjusted costing method.

In an appearance before the Senate Subcommittee on Antitrust and Monopoly on February 20, 1973, Ralph Nader was sharply critical of the Veterans' Administration's reluctance to enable the veteran to have more adequate information in choosing among the converting companies. At hearings before the Veterans' Affairs Subcommittee on Housing and Insurance on May 23d, however, there were indications that the Veterans' Administration was significantly reassessing its position. VA representatives testified that their actuaries "used the traditional net cost method because they were trained in that like the other actuaries in this country." However, the VA representatives then stated that the "VA was not wedded to the traditional cost method" and could see "certain defects in it." Acknowledging that "there is every reason to believe that we are approaching if not a consensus with respect to the interest-adjusted method, certainly a growing approval of its use," the VA representative went on to say:

> The interest-adjusted method does make provision for the timing of dividends and the counting of interest. We agreed at the time that hereafter we would use the interest-adjusted method as the preferred method whenever we were making cost comparisons on our own policies and this was conveyed to other key officials of the insurance service.

And, in October 1973, the VA revised its first pamphlet, VA Pamphlet No. 29-3, dealing with National Service Life Insurance to reflect the interest adjusted method of costing insurance. But, this is only a first step. Clearly it is time for the Veterans' Administration to abandon the posture of the laggard and somewhat dull follower and become the leader in insuring that veterans have access to clear, accurate, reliable, and adequate information about the cost and value of the policies they buy.

Mr. President, the hearings and documents submitted for the consideration of the committee establish conclusively, I believe, that Vietnam era veterans are often confronted with inadequate or deceptive information concerning life insurance policies at the time they exercise their SGLI conversion rights. Veterans have a right to easy access to accurate, adequate, and relevant information with respect to the price and benefits of policies issued by qualified commercial life insurance companies participating in the SGLI program. The Veterans' Administration currently possesses ample statutory authority to issue the necessary regulations guaranteeing the veteran easy access to more adequate information about those insurance policies which often involve substantial commitments of the veteran's financial resources. As I noted, the Veterans' Administration's recent adoption of pamphlets using the interest-adjusted costing method of life insurance such as NSLI is a necessary and important first step. More needs to be done. Such procedures should be applied to all Government administered or supervised insurance policies.

If our policy is to be one in which only Government supervised life insurance is to be offered for a limited period of time, following which the veteran's only option is conversion to a participating commercial life insurance company policy, then the Government has an obligation to insure that the veteran is provided with all the relevant information he needs in order to make a prudent and rational decision. If we fail to do this, then it seems to me that the only equitable course of action for Congress would be to create Government administered life insurance programs for our Vietnam era veterans similar to those offered veterans of previous wars.

Mr. President, I urge my colleagues to support S. 1835, the Veterans' Insurance Act of 1974.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the committee amendments be agreed to en bloc.

The PRESIDING OFFICER. Is there objection? The Chair hears no objection, and the committee amendments are agreed to en bloc. The bill is open to further amendment.

Mr. ALLEN. Mr. President, I submit as an amendment to S. 1835, the provisions of S. 383, as reported by the Committee on Armed Services.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

> SECTION 1. (a) Chapter 13 of title 37, United States Code, is amended by adding at the end thereof a new section as follows:
>
> "§ 707. Allotments: members of the National Guard
>
> "(a) The Secretary of the Army or the Secretary of the Air Force, as the case may be, may allow a member of the National Guard who is not on active duty to make allotments from his pay under sections 204 and 206 of this title for the payment of premiums under a group life insurance program sponsored by the military department of the State in which such member holds his National Guard membership or by the National Guard association of such State if the State or association concerned has agreed in writing to reimburse the United States for all costs incurred by the United States in providing for such allotments. The amount of such costs and procedures for reimbursements shall be determined by the Secretary of Defense and his determination shall be conclusive. All amounts of reimbursements for such costs received by the United States from a State or an association shall be credited to the appropriations or funds against which charges have been made for such costs."
>
> (b) The United States shall not be liable for any losses or damages suffered by any person as the result of any error made by any officer or employee of the United States in administering the allotment program authorized under subsection (a).
>
> (c) The table of sections at the beginning of chaper 13 of such title is amended by adding at the end thereof a new item as follows:
> "707. Allotments: members of the National Guard.".

Mr. ALLEN. Mr. President, this amendment would allow the Department of Defense to set up an allotment system for National Guard insurance, group insurance in private companies, with deductions to be made from the pay of National Guardsmen, and with the overhead to be paid by the National Guard Association.

This has been approved by the Committee on Armed Services, and in the report the Department of Defense has stated it interposes no objection to the bill.

Mr. GRIFFIN. Mr. President, before the question is put, I would like to ask the chairman of the Committee on Veterans' Affairs a question. I understand these are amendments to the House bill that we are considering.

Mr. HARTKE. The amendment of the Senator from Alabama is not in the House bill, but is a seperate measure. Part of the substance is in the House bill which was referred to the Committee on Armed Services. That committee held hearing and approved of the measure. They also approve of this action as an amendment to the veterans bill.

Mr. GRIFFIN. A number of Senators have indicated that when this matter comes up they want to be able to vote for it, especially the increase in veterans life insurance to $20,000.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. GRIFFIN. I yield.

Mr. MANSFIELD. Mr. President, I ask for the yeas and nays for final passage, the vote to occur after disposition of the amendment by the Senator from Kansas (Mr. DOLE) to the campaign financing bill.

The PRESIDING OFFICER. Is there objection?

Mr. MANSFIELD. On the House bill.

Mr. HARTKE. On the House bill.

The PRESIDING OFFICER. Is there objection that the yeas and nays be ordered?

Mr. MANSFIELD. On the House bill.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. HARTKE. Mr. President, S. 383, introduced by Senator ALLEN, was originally referred to the Veterans' Affairs Committee but was later discharged and referred to the Committee on Armed Services which has jurisdiction over the subject matter of the bill. This measure would allow the Secretaries of the Army and Air Force to permit allotments from the pay of members of the National Guard, who are not on active duty, to make payment for group life insurance premiums of programs sponsored by the State military department or State association of the Guard.

The Armed Services Committee, after conducting a review of S. 383, favorably reported an amended bill on April 3, to provide that State Guard associations would be responsible to the Federal Government for the full cost of administering this program and that the United States would not be liable for any damages arising from this administrative function. S. 383, as reported, would not result in increased budgetary requirements for the Department of Defense. No guardsman would be required to take the State or Guard association sponsored life insurance or to use this allotment provision.

In view of the action of the Armed Services Committee and in view of the amendments made by them, the Veterans' Affairs Committee is prepared at this time to accept S. 383 as reported as an amendment to the Veterans' Insurance Act of 1974.

The PRESIDING OFFICER. The question is on the amendment of the Senator from Alabama.

The amendment was agreed to.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Committee on Veterans' Affairs be discharged from further consideration of H.R. 6574, that H.R. 6574 be made the pending business, and that the text of S. 1835, as amended, be substituted for the text of H.R. 6574.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

H.R. 6574 will be stated by title.

The assistant legislative clerk read as follows:

A bill (H.R. 6574) to amend title 38, United State Code, to encourage persons to join and remain in the Reserves and National Guard by providing full-time coverage under Servicemen's Group Life Insurance for such members and certain members of the Retired Reserve, and for other purposes.

The PRESIDING OFFICER. Is there objection to the present consideration of the House bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all after the enacting clause in H.R. 6574 be stricken, and that the text of S. 1835, as amended, be substituted in lieu thereof.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on the engrossment of the amendment.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that S. 1835 and S. 383 be indefinitely postponed.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFELD. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MANSFIELD. Mr. President, H.R. 6574, as amended, is now the pending business and we have proceeded to the point where we have had third reading. Is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. ALLEN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. ALLEN. Mr. President, the provisions of S. 383 were added to S. 1835, and then the House bill was brought up.

Mr. MANSFIELD. That is correct.

Mr. ALLEN. I do not recall hearing the provisions of S. 1835, as amended, added as a substitute for H.R. 6574.

The PRESIDING OFFICER. It was a part of the unanimous consent request.

Mr. ALLEN. Very well, I thank the Chair.

FEDERAL ELECTION CAMPAIGN ACT AMENDMENTS OF 1974

The Senate continued with the consideration of the bill (S. 3044) to amend the Federal Election Campaign Act of 1971 to provide for public financing of primary and general election campaigns for Federal elective office, and to amend certain other provisions of law relating to the financing and conduct of such campaigns.

IDENTIFICATION OF TAX-SUPPORTED POLITICAL ADVERTISEMENTS

Mr. DOLE. Mr. President, if campaigns for Federal office are to become federally financed projects like housing developments, highways, and flood control levees then they deserve to be accorded the same treatment. Therefore, I am introducing an amendment to the so-called public financing bill that will require tax-supported political materials to be clearly identified and called to the attention of the American people.

My amendment requires that any condidate for Congress, the Senate, President or Vice President who accepts Federal tax funds for his campaign shall print on all of his campaign literature, advertisements, bumper stickers, billboards, or matchbooks a clear notice that they are paid for with tax money.

The Federal Government has developed a very useful policy of identifying tax-supported projects, usually by means of a billboard or sign erected on the project site. Frequently, these notices give the total cost of the project, the Federal share, the local or State share, and a brief description of the project. Perhaps such great detail would not be practical in the case of tax-supported political campaigns, but the principle is valid. So if the Congress is going to turn itself and the entire electoral system into a massive Federal grant-in-aid program, it is entirely fitting and proper that the American people be shown how their tax dollars are being spent.

If candidate X is going to be given so many hundreds of thousands of dollars from the U.S. Treasury, then I believe the American people are entitled to see the fruits of their tax dollars clearly identified. It would be no great inconvenience to tax-supported candidates to include such a notice on their bumper stickers, their buttons, their newspaper ads, and so forth. And I believe the public has a right to be advised of such expenditures.

My amendment requiring this identification is simple and straightforward and it would certainly provide more immediate and valuable information on campaign expenditures to the average taxpayer than some obscure bookkeeping entry in one of the many reports required of political candidates.

When Mr. and Mrs. Taxpayer see their tax dollars being spent on candidate X's billboards, candidate Y's newspaper advertisements and candidate Z's yard signs, it will give them a much clearer idea about the flow of their taxes and the uses to which they are put.

So I would hope the Senate will adopt this amendment and urge my colleagues to do so. The American people should see where their taxes go, and Federal projects—whether dams or bridges or foreign aid or political campaigns—should be identified.

Mr. GRIFFIN. Mr. President, will the Senator yield for a question for the purpose of legislative history?

Mr. DOLE. I yield.

Mr. GRIFFIN. Of course, I wish there would be some indication that this notice had to be in large readable print, and I think the intention would be it could not be in small print.

Mr. DOLE. No, it could not be larger than your name, of course, but the public should be able to read it.

Mr. GRIFFIN. Would it be acceptable to have a rubber stamp, so they could stamp across the literature, "Paid for with Governments funds."

Mr. DOLE. That would be appropriate.

Mr. GRIFFIN. I thank the Senator. That clarifies the question.

Mr. CANNON. Mr. President, I yield myself 1 minute simply to point out that the statement itself calls for a false statement. A person elected under title I in the primary campaign would be entitled only to 50-percent matching funds. Therefore, the statement on the billboard or in television advertising or in newspaper advertising or in the brochures he puts out that it is paid for by public financing only would be in error. It would be paid for only in part by public funds if he elected to take advantage of title I.

I think what we are seeing here is a filibuster by amendment, and this is just another one.

I reserve the remainder of my time.

Mr. DOLE. Mr. President, I am not part of a filibuster. I voted for cloture, as the Senator knows. I had in my original amendment "paid for in whole or in part by Federal tax funds." I think that is the intent. If only 50 percent was paid for in tax funds, the statement would contain "only 50 percent," but I did not know how to draft that or how much each of us would take. At least, for legislative history, that would be the intent and the hope.

I could perhaps modify my amendment to show the percentage of the tax funds.

I ask consent to have the modification made to the effect that, if it is not paid for wholly by tax funds, the part that is be shown.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Who yields time?

Mr. CANNON. Mr. President, I am prepared to yield back the remainder of my time.

The PRESIDING OFFICER. Will the Senator from Kansas have his amendment sent to the desk?

Mr. CANNON. Mr. President, I would also point out that the percentage could be different in every instance, because one person may take advantage of it to the extent of 50 percent, and another person may take advantage of it to the extent of 20 percent. It relates to the amount of funds he is able to raise for the purpose of matching, so it could be different in every instance. It is a very bad amendment.

Mr. DOLE. Mr. President, the Senator from Nevada is entitled to his opinion, but I believe my amendment is entirely appropriate. I might say, as a matter of clarification, to avoid that possibility, I have gone back to the original language of the amendment, which I think would clarify it.

Mr. GRIFFIN. Mr. President, may I ask that the clerk read the modified amendment?

The PRESIDING OFFICER. The clerk will read the amendment as modified.

The second assistant legislative clerk proceeded to read the amendment, as modified.

Mr. GRIFFIN. Mr. President, I ask unanimous consent that the remainder of the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment, as modified, is as follows:

On page 39, between lines 20 and 21 insert the following new subsection:

"(c) Any published political advertisement of a candidate electing to receive payments under Title I of this Act shall contain on the face or front page thereof the following notice:

" 'Paid for in whole or in part by Federal tax funds.' "

On page 39, line 21 strike out "(c)" and insert in lieu thereof "(d)".

On page 40, line 3, strike out "(d)" and insert in lieu thereof "(e)."

On page 40, line 3, strike out "(d)" and insert in lieu thereof "(e)."

On page 40, line 11, strike out "(e)" and insert in lieu thereof "(f)."

Mr. DOLE. Mr. President, I yield back the remainder of my time.

Mr. CANNON. Mr. President, before I yield back the remainder of my time, let me say that, as the Senator pointed out correctly, he voted for cloture the other day. I hope he does so tomorrow.

I yield back the remainder of my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment of the Senator from Kansas (Mr. DOLE), as modified. The yeas and nays have been ordered, and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Texas (Mr. BENTSEN), the Senator from Idaho (Mr. CHURCH), the Senator from Mississippi (Mr. EASTLAND), the Senator from Arkansas (Mr. FULBRIGHT), the Senator from Alaska (Mr. GRAVEL), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Iowa (Mr. HUGHES), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Louisiana (Mr. LONG), the Senator from Wyoming (Mr. MCGEE), and the Senator from Ohio (Mr. METZENBAUM) are necessarily absent.

Mr. GRIFFIN. I announce that the Senator from Utah (Mr. BENNETT), the Senator from Hawaii (Mr. FONG), the Senator from Florida (Mr. GURNEY), the Senator from New York (Mr. JAVITS), the Senator from Idaho (Mr. MCCLURE), the Senator from Tennessee (Mr. BROCK), and the Senator from New York (Mr. BUCKLEY) are necessarily absent.

I also announce that the Senator from Oklahoma (Mr. BELLMON), the Senator from Virginia (Mr. WILLIAM L. SCOTT), and the Senator from Ohio (Mr. TAFT) are absent on official business.

The result was announced—yeas 30, nays 48, as follows:

[No. 123 Leg.]

YEAS—30

Allen
Baker
Bartlett
Biden
Byrd,
  Harry F., Jr.
Byrd, Robert C.
Cotton
Curtis
Dole
Dominick
Ervin
Fannin
Goldwater
Griffin
Hansen
Helms
Hruska
Mansfield
McClellan
McIntyre
Nunn
Packwood
Percy
Randolph
Ribicoff
Talmadge
Thurmond
Tower
Weicker
Young

NAYS—48

Abourezk
Aiken
Beall
Bible
Brooke
Burdick
Cannon
Case
Chiles
Clark
Cook
Cranston
Domenici
Eagleton
Hart
Hartke
Haskell
Hatfield
Hathaway
Huddleston
Humphrey
Inouye
Jackson
Johnston
Magnuson
Mathias
McGovern
Metcalf
Mondale
Montoya
Moss
Muskie
Nelson
Pastore
Pearson
Pell
Proxmire
Roth
Schweiker
Scott, Hugh
Sparkman
Stafford
Stennis
Stevens
Stevenson
Symington
Tunney
Williams

NOT VOTING—22

Bayh
Bellmon
Bennett
Bentsen
Brock
Buckley
Church
Eastland
Fong
Fulbright
Gravel
Gurney
Hollings
Hughes
Javits
Kennedy
Long
McClure
McGee
Metzenbaum
Scott,
  William L.
Taft

So Mr. DOLE's amendment, as modified, was rejected.

The PRESIDING OFFICER. The Senate will be in order.

Mr. MANSFIELD. Mr. President, if I may have the attention of the Senate, I ask unanimous consent that on the vote which will follow immediately, there be a time limitation of 10 minutes.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. MANSFIELD. That will be the last vote tonight. I understand that the distinguished Senator from Alabama will call up an amendment which will be the pending business tomorrow. At this time, I ask unanimous consent that there be a time limitation of 1 hour on the Allen amendment to be called up, the time to be equally divided between and controlled by the sponsor of the amendment, the distinguished Senator from Alabama (Mr. ALLEN), and the manager of the bill, the distinguished Senator from Nevada (Mr. CANNON).

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ALLEN. Mr. President, the amendment is No. 1141, and it would reduce the overall amount that can be expended very greatly.

The printed amendment by that number has certain figures in it; I ask unanimous consent that I may modify those figures slightly, even though the time limitation has been agreed to.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment, as modified, is as follows:

On page 13, line 23, strike out "10 cents" and insert in lieu thereof "8 cents".

On page 15, line 9, strike out "15 cents" and insert in lieu thereof "12 cents".

Mr. MANSFIELD. Does the Senator request the yeas and nays?

Mr. ALLEN. Yes.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that it be in order at this time to order the yeas and nays on the Allen amendment which will be called up.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. HARTKE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HARTKE. Will there be a rollcall vote now on the insurance bill?

The PRESIDING OFFICER. The Senator is correct.

VETERANS INSURANCE ACT OF 1974

The Senate resumed the consideration of the bill H.R. 6574 to amend title 38, United States Code, to increase the maximum amount of Servicemen's Group Life Insurance to $20,000, to provide full-time coverage thereunder for certain members of the Reserves and National Guard, to authorize the conversion of such insurance to Veterans' Group Life Insurance, and for other purposes.

Mr. HARRY F. BYRD, JR. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HARRY F. BYRD, JR. Is H.R. 6574 the pending business?

The PRESIDING OFFICER. The pending business now is H.R. 6574 as amended.

Mr. HARRY F. BYRD, JR. As amended by what?

The PRESIDING OFFICER. As amended by the substantive language of S. 383 and S. 1835.

Mr. HARRY F. BYRD, JR. A further parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HARRY F. BYRD, JR. Am I correct in my understanding, then, that S. 1835 and S. 383 have been added to the House bill, or do they take the place of the House bill?

The PRESIDING OFFICER. They have replaced the language in the House bill.

Mr. HARRY F. BYRD, JR. Insofar as the substance of S. 383 is concerned, it has not changed and there is no cost to the Government involved in that amendment?

Mr. ALLEN. We are taking it back as it came from the Senate committee.

Mr. HARRY F. BYRD, JR. I thank the Senator from Alabama and the Senator from Montana, and I thank the Chair.

Mr. ALLEN. Mr. President, I ask unanimous consent that the names of the following Senators who were cosponsors of S. 383 be added to the amendment which the Senator from Alabama offered to S. 1835: Mr. Eastland, Mr. Dole, Mr. Thurmond, and Mr. Stennis.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. THURMOND. Mr. President, I rise in support of H.R. 6574 as amended, the Veterans' Insurance Act of 1974.

Basically, this legislation serves four purposes.

First, it would provide servicemen's group life insurance—SGLI—for the Ready Reserve and National Guard on a full-time basis.

Second, it would provide veterans group life insurance—VGLI—to veterans for a 5-year nonrenewable period.

Third, the maximum amount of SGLI or VGLI which may be purchased would be increased from $15,000 to $20,000.

Fourth, veterans' special term life insurance would be made a participating policy.

Mr. President, this legislation was cosponsored by all members of the Veterans' Affairs Committee, and after extensive hearings by the Subcommittee on Housing and Insurance, was unanimously reported on March 1, 1974.

Presently, SGLI is extended only to those on active duty or active duty for training under a call or order to duty that specifies a period of less than 31 days, during scheduled inactive duty training, and while traveling to and from such duties.

Much has been said about the necessity to make service in the Reserves and National Guard more attractive, and to encourage persons to join and remain in the Reserve components of our Armed Forces. This is of particular importance in light of the volunteer Army concept.

The provision for full-time SGLI coverage for the Ready Reserves and National Guard will provide an additional incentive for the recruit or member of the National Guard to join and remain in a unit.

Mr. President, the provision for a nonrenewable 5-year term policy known as veterans group life insurance is a good one. VGLI would become effective on the day SGLI terminates, and after 5 years, could be converted by the veteran with a commercial insurer.

Presently, the veteran must convert his SGLI policy, if he desires, within a 120-day period after discharge, or lose his right to conversion.

This provision will enhance the readjustment process for our young veterans. It will allow them a conversion opportunity when they are more financially able to convert their policy with a commercial insurer.

The veterans special term life insurance program was authorized for Korean conflict veterans, but paid no dividends.

The VSLI provision will return excessive premiums to those veterans, instead of having the amount in excess of mortality claims revert to the Treasury.

Finally, the maximum amount of coverage under SGLI and VGLI would increase from $15,000 to $20,000.

The average ownership of insurance is in excess of $25,000 for each insured family. I am convinced that these provisions go a long way toward assuring the young veteran adequate protection for his family while he is trying to readjust to the civilian economy.

Since both SGLI and VGLI are self-supporting programs, the cost impact is a minimal administrative cost. An estimated cost of $6 million would be involved in the return of dividends to the Korean veterans on the veterans' special life insurance policies.

I believe that the Veterans Insurance Act will have a positive effect on both the uniformed services insurance programs and on VA insurance programs.

Mr. President, I urge my colleagues to give this legislation their most careful consideration.

Mr. HANSEN. Mr. President, I rise in support of H.R. 6574 as amended, a bill relating to insurance provided for members of the armed services.

This bill has four parts which should be beneficial to many individuals, both those on active duty and veterans who have been separated from service.

The first portion of this bill will provide Servicemen's Group Life Insurance—SGLI—to all members of the Reserves and National Guard.

It will increase the coverage of all personnel from $15,000 to $20,000. This is in line with the coverage of the average American citizen. It also should serve as an inducement to young men to enlist and remain in the Reserve or National Guard programs.

The bill will provide conversion coverage to individuals who were discharged during the 5 years preceding enactment of this bill who did not convert their Servicemen's Group Life Insurance within 120 days.

It provides full-time coverage for Reservists and National Guard members who have retired but who are not eligible for retirement benefits until the age of 60.

The last provision of S. 1835 authorizes the payment of dividends on Veterans' Special Term Life Insurance—VSLI—issued prior to December 31, 1956.

The premiums charged on this type insurance are in excess of the actuarial costs. I am sure Congress never intended that any overcharge made on this insurance should be used to offset charges of another type Government insurance.

The Department of Defense, as well as all veterans' organizations, favor this legislation.

In light of these facts, I respectfully urge the support of my colleagues for this legislation.

The PRESIDING OFFICER. The bill (H.R. 6574) having been read the third time, the question is, Shall it pass? On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana Mr. Bayh), the Senator from Texas (Mr. Bentsen), the Senator from Idaho (Mr. Church), the Senator from Mississippi (Mr. Eastland), the Senator from Arkansas (Mr. Fulbright), the Senator from Alaska (Mr. Gravel), the Senator from South Carolina (Mr. Hollings), the Senator from Iowa (Mr. Hughes), the Senator from Massachusetts (Mr. Kennedy), the Senator from Louisiana (Mr. Long), the Senator from Wyoming (Mr. McGee), and the Senator from Ohio (Mr. Metzenbaum) are necessarily absent.

I further announce that if present and voting, the Senator from Ohio (Mr. Metzenbaum), and the Senator from Arkansas (Mr. Fulbright) would each vote "yea."

Mr. GRIFFIN. I announce that the Senator from Utah (Mr. Bennett), the Senator from Tennessee (Mr. Brock), the Senator from Hawaii (Mr. Fong), the Senator from Florida (Mr. Gurney), the Senator from New York (Mr. Javits), and the Senator from Idaho (Mr. McClure) are necessarily absent.

I also announce that the Senator from Oklahoma (Mr. Bellmon), the Senator from Virginia (Mr. William L. Scott), and the Senator from Ohio (Mr. Taft) are absent on official business.

I further announce that, if present and voting, the Senator from Hawaii (Mr. Fong) would vote "yea."

The result was announced—yeas 79, nays 0, as follows:

[No. 124 Leg.]

YEAS—79

Abourezk
Aiken
Allen
Baker
Bartlett
Beall
Bible
Biden
Brooke
Buckley
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Clark
Cook
Cotton
Cranston
Curtis
Dole
Domenici
Dominick
Eagleton
Ervin
Fannin
Goldwater
Griffin
Hansen
Hart
Hartke
Haskell
Hatfield
Hathaway
Helms
Hruska
Huddleston
Humphrey
Inouye
Jackson
Johnston
Magnuson
Mansfield
Mathias
McClellan
McGovern
McIntyre
Metcalf
Mondale
Montoya
Moss
Muskie
Nelson
Nunn
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Sparkman
Stafford
Stennis
Stevens
Stevenson
Symington
Talmadge
Thurmond
Tower
Tunney
Weicker
Williams
Young

NAYS—0

NOT VOTING—21

Bayh
Bellmon
Bennett
Bentsen
Brock
Church
Eastland
Fong
Fulbright
Gravel
Gurney
Hollings
Hughes
Javits
Kennedy
Long
McClure
McGee
Metzenbaum
Scott, William L.
Taft

So the bill (H.R. 6574) was passed.

Mr. HARTKE. Mr. President, I move to reconsider——

Mr. ALLEN. Mr. President, if the Senator will withhold that for a moment, until we get the title amended, I have an amendment at the desk and ask that it be stated.

The PRESIDING OFFICER (Mr. ABOUREZK). The amendment will be stated.

The legislative clerk read as follows:

Amend the title by adding the words: "and to authorize allotments from the pay of members of the National Guard of the United States for group life insurance premiums."

Mr. ALLEN. Mr. President, this is merely an amendment to the title to cover the provisions of S. 383 added to the bill, and I ask that it be agreed to.

The amendment was agreed to.

Mr. HARTKE. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make technical and clerical corrections in the engrossment of the Senate amendments to H.R. 6574.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HARTKE. Mr. President, I move that the vote by which the bill was passed be reconsidered.

Mr. GRIFFIN. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

TRIBUTE TO SENATOR GOLDWATER

Mr. HARRY F. BYRD, JR. Mr. President, the New York Times magazine for yesterday, April 7, 1974, has published a most interesting article on one of our colleagues. It is entitled "The Liberals Love Barry Goldwater Now." It was written by Roy Reed who is chief Southern correspondent for the New York Times.

Mr. President, I have read this article very carefully. It seems to be an objective piece of reporting. Those of us who know BARRY GOLDWATER know what a wonderful, warmhearted, courageous individual he is. We know how outspoken he is, a characteristic that the people of this country increasingly like in their public officials.

A little while ago, a Senator mentioned to me, in talking about this article, that if we are not careful, both major parties may wind up their conventions by nominating BARRY GOLDWATER in 1976.

Well, Mr. President, I am not promoting any candidacies at all, but I do think that, in justice to BARRY GOLDWATER, some of his views were misrepresented in earlier years. It is most appropriate that this article written by Roy Reed in the New York Times magazine be printed in the RECORD, and I ask unanimous consent that that be done.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE LIBERALS LOVE BARRY GOLDWATER NOW

(By Roy Reed)

The smell of facism has been in the air at this convention.—DREW PEARSON at the Republican National Convention in San Francisco, 1964.

Goldwaterism has come to stand for nuclear irresponsibility.—From a staff letter written for Gov. William W. Scranton of Pennsylvania, an unsuccessful candidate for the 1964 Republican Presidential nomination.

I think the Republican party platform plus Goldwater is a prescription for World War III—NORMAN THOMAS, the Socialist leader, 1964.

I've often said that if I hadn't known Barry Goldwater in 1964 and I had to depend on the press and the cartoons, I'd have voted against the son of a bitch.—Senator BARRY M. GOLDWATER, the 1964 Republican Presidential nominee, in an interview Oct. 30, 1973.

So many unsettling things have happened lately that it is hard to remember what a menace the Senator from Arizona was in 1964. Recollect a little longer on how fearsome it was during that emotional Presidential election campaign. There was George Meany (before Meany's fall from grace over Vietnam, and long before his rehabilitation as a leader of the Nixon impeachers) warning us of "a parallel between Senator Barry Goldwater and Adolf Hitler." While Drew Pearson was reporting the smell of fascism, Gov. Edmund G. Brown of California was picking up "the *stench* of fascism." The Rev. Dr. Martin Luther King, Jr. saw "dangerous signs of Hitlerism in the Goldwater campaign." Even President Lyndon B. Johnson warned us that his opponent was "a raving, ranting demagogue."

Now it is time to celebrate the decennial of our escape from Goldwaterism and a peculiar thing has happened. The man who was the villain in 1964 has become a hero. In fact, he is one of the few political heroes left alive in the United States. And, most puzzling, he seems to be almost as well-loved by those who once feared and despised him as he is by those who have always loved him.

The astonishing new popularity of Barry Goldwater beyond the conservative wing of the Republican party is generally attributed to his blunt talk on Watergate during the last year. Of all the Republicans, he has been the most fearless in needling and prodding his Republican President. He has repeatedly urged Mr. Nixon to tell the truth and when the President has failed to satisfy him he has publicly raised doubts about the President's honesty. He has admitted that Watergate will hurt his party in the coming elections, and he has said he does not blame any Republican who feels he has to put distance between himself and his party's leader when he approaches his constituents.

But Watergate is not the whole story of Barry Goldwater's new standing. Evidence of his rehabilitation could be seen well before Watergate as he visited college campuses and got enthusiastic welcomes from people whose 1964 memories were of Halloween and grade school, not politics. Now it appears that it was also taking place at the same time in the subconscious minds of millions of liberal Democrats who voted against him in 1964 but who, undeliberately and perhaps unconsciously, somewhere along the way lost their fear of him, and their rancor.

Maybe it is time for liberals to ask themselves some questions. Were we wrong about Goldwater in 1964? Was he a bad guy, or were we sold a bill of goods? What has happened since then to make him acceptable? Has he changed, or has the country changed? Or, God help us, have the liberals changed? If we were deceived in 1964, what is the chance that we are being deceived again in 1974?

What difference does it make—someone will ask. Isn't Barry Goldwater merely a Senator from Arizona now, defanged and harmless? Maybe so. But a funny thing happened on his way to becoming every liberal's favorite conservative, as someone put it. He is now the Dwight D. Eisenhower of the Republican party. As an elder and now respectable statesman, his voice will be listened to for a long time. There is even talk of his running for President again; he is not taken in by such talk, but he knows its value.

I am one of the few national reporters who have never covered Goldwater. When I walked into his office not long ago, on the first of two visits, the only baggage I carried was a faded, 10-year-old suspicion of the man and a crisp new amazement at the rehabilitation he had undergone. The first things I noticed as I waited in his outer office were the famous airplane and automobile models that he had made or acquired over the years. There was a 1930 Alfa Romea named—for his wife—"The Peggy G," built by Barry Goldwater, 1973, as the plaque said. I smiled at my 1964 memories. Goldwater the tinkerer. Goldwater the political lightweight. Next the pictures. Paintings of Indians. Sensitive photographs of Indians. One was a likeness of an old man, and the picture seemed to show all there is in the human face of experience and strength and mildness. I learned later that Goldwater had taken some of the pictures. I did not know that at the time but before I stepped into his inner office I was aware that he had established a beachhead in my mind.

It is always necessary in political writing to say that the politician looked either tan and fit or pale and tired. Mr. Goldwater looked tan and fit. I told him at some point, when he was talking about the disadvantage of running for President at his age, that he didn't look 65. He said he knew it.

"But when you try to put an older man on the television tube," he said, "it's just damned hard to do. The younger voters, the young women particularly, will see a guy with wrinkles all over his face and then some young buck stands up and—'Gee, this guy's for me!' "

But that was much later. He began by remembering the 1964 election: "The size of the vote that Johnson got was a bit of a surprise, but it didn't bug me; it didn't stay with me. When you've lost an election by that much, it isn't a case of whether you made the wrong speech or wore the wrong necktie. It just was the wrong time."

How does he feel now about Lyndon Johnson, the great rival of his life? "Lyndon and I were always friends. And I knew his shortcomings just as he knew mine. I never felt unkindly toward him. He never really—he never did anything uncalled for in our campaign. I think a few remarks he made about me were remarks made in the heat of a campaign that he probably regretted. I saw him once or twice, three or four times, after the election. I tried to give him advice on South Vietnam, which he wouldn't take, and I tried to tell him to get rid of Robert McNamara, which he finally did and admitted that he should have done it sooner. No, I always felt very kindly disposed toward Lyndon. He was a power man. He used power. In fact, he used power in everything that he did. I didn't particularly appreciate that, 'cause I think you can catch more flies with honey than you can banging at 'em."

I had already talked to several people about the phenomenon of Mr. Goldwater's burial and resurrection and I had been offered numerous explanations for it, ranging from sociological to supernatural. One of the more persuasive had come from Senator J. William Fulbright of Arkansas, an early Goldwater adversary in the Senate. Mr. Fulbright recalled that Mr. Goldwater in 1964 had advocated widening the Vietnam war by bombing Hanoi, mining Haiphong harbor and other measures, while President Johnson during that election year had protested that he would never send American boys to fight a war that Asian boys should be fighting. "Later, it appeared that that was a deception, that Lyndon Johnson intended all along to widen the war; so there's been a reaction. The misjudgment of Lyndon Johnson tends to carry over to where we were unfair to

Barry Goldwater, because Lyndon Johnson did even more than Barry Goldwater said he would do."

It is easy, as Mr. Fulbright acknowledges, to look back and see where we were headed. What is not quite clear is why we so stubbornly refused to read the signs that were given. In The Times of July 15, 1964, the day Mr. Goldwater won the Presidential nomination at San Francisco, a page-one story from Washington reported that the Johnson Administration was sending 300 more Green Berets to South Vietnam as "advisers." "Thus the withdrawals that were set in motion last Christmas when 1,000 of 16,500 men were withdrawn have been reversed," the story said.

Senator Goldwater does not agree that President Johnson followed his policy on Vietnam. He still believes it was a mistake to rely so heavily on ground troops. He said he told Mr. Johnson soon after the 1964 election, "You've got to bomb the living hell out of them. In fact, we've got to carry this war to North Vietnam and right to Hanoi itself if you're going to be successful, and that would include the mining of Haiphong." He believes the war would have ended much sooner, and without having to send large numbers of ground troops, if Mr. Johnson had taken his advice.

But the point is the same. We were deceived by Lyndon Johnson, and the deception somehow legitimized the Goldwater war policy. No matter that he might have been as mistaken as Johnson, or that his policy might have been even more disastrous. Johnson took Goldwater off the hook and made possible, perhaps even inevitable, his eventual rehabilitation.

That would have sounded preposterous during the campaign of 1964. Remember, we were opposing a right-wing zealot who had pledged "victory" over Communism. There was not enough room in the world for both democracy and Communism, he had warned; and since he had also spoken of the desirability of "brinkmanship" and the need for courage in using nuclear weapons as a threat against the Russians, it seemed obvious where he would take us if he became President. And it was not just his foreign-policy views that frightened us. Congress, under the Johnson lash, had finally passed a civil-rights law with teeth. Mr. Goldwater had voted against it, calling it unconstitutional. Every black leader of any stature lined up against the Goldwater candidacy. Jackie Robinson became chairman of "Republicans for Johnson."

Then there were Social Security, which Goldwater wanted to abolish—remember?—and the Tennessee Valley Authority, which he wanted to sell. It was easy to be frightened. Goldwater had made thousands of spoken and written statements on everything he could think of, hundreds of off-the-cuff wisecracks that pleased audiences, titillated reporters and alarmed his staff.

His votes on legislation, when he had bothered to come in from the lecture circuit long enough to vote, were almost entirely against large public expenditures of any kind, against Federal aid to education, against foreign aid, against farm subsidies, against the Rural Electrification Administration—in short, against almost every group or idea that had had a claim on the liberal conscience since the days of Franklin D. Roosevelt.

If finding the Goldwater weaknesses was possible for a novice like me in 1964, it was child's play for a political intellectual like J. W. Fulbright. Poking fun at "The Conscience of a Conservative," the title of Goldwater's book, Mr. Fulbright told the Senate on the one-month anniversary of Mr. Goldwater's nomination, "A peculiar problem arises from the fact that while Senator Goldwater is himself of conservative disposition, his conscience clearly is not. It is in fact, an unruly conscience demanding intermittently that we break off diplomatic relations with the Soviet Union, or that we impose a Western protectorate on the newly independent peoples of Africa, or that we balance the Federal budget while at the same time abolishing the graduated income tax and sawing off the Eastern seaboard—with all its valuable tax money—and letting it float out to sea."

Picking holes in Goldwater was easy. It was also perilous. Consider the way the public impressions were built, brick by brick: He was making a speech like thousands of speeches he had made since he had soared into the national scene on the winds of Arizona in 1952; the audience was the Captive Nations rally being held at San Francisco during the Republican National Convention of 1964: "I am not one of those naive people who think you can live with your enemy, particularly when he has sworn to bury you."

Perfect Goldwater. Any American over 30 will remember that line, or one like it. It is part of his "victory over Communism" speech, and it calls up memories of other fighting words: "nuclear superiority," "brinkmanship." But how many remember the lines that came next: "Nor am I a warmonger who believes that the only way to stop Communism is with bombs or bullets. I don't believe you can stop any idea by killing people, but only with a better idea." That, too, was a regular theme in the Goldwater speeches. But who would remember it when it was buried under "bombs" and "victory" and "brinkmanship"?

It was the same with civil rights. He was accused of having allowed himself to be captured by racists and reactionaries, and he had. But in the hubbub his private views were lost. It was reported in The Times—the same week it reported the Captive Nations speech—that Mr. Goldwater had addressed the Florida delegation at the convention, calling on Gov. George C. Wallace to step out of the race to avoid splitting the Southern vote, but also telling his Southern audience that segregation was wrong—"morally and in some instances constitutionally." He went on to say that he would use the moral power of the Presidency to end discrimination and that he would enforce the 1964 civil-rights law, even though he had voted against it.

Probably the only things that are generally remembered now about Goldwater and the race issue in 1964 are that the Congress of Racial Equality demonstrated outside the Cow Palace during the Republican convention and that the Negro delegates on the inside threatened to walk out to protest his policies. That so one-sided and negative a recollection should have survived may be the proper comeuppance for a man who lets himself be used by evil men.

But what of us who allow ourselves to be used by good men? Mr. Goldwater made a speech in New Hampshire one day in 1964 in which he suggested a voluntary system for Social Security. He said those who wanted to stay in the system should be able to do so and those who preferred to provide for their own retirement should be able to get out. A headline in a New Hampshire newspaper the next day said, "Goldwater Sets Goals: and End Social Security, Hit Castro." The inaccurate headline was followed by considerable reporting around the country attempting to clarify what Goldwater had actually said. I have no doubt that I learned the truth of the matter in 1964, before the incident faded from sight. Why, then, do you suppose that 10 years later my memory was still willing to believe that Barry Goldwater had advocated abolishing Social Security?

I think I know the answer: (1) The Democrats, who had my sympathy in 1964, insisted that I believe the worst about Senator Goldwater, even if it meant believing that he was a political monster, and (2) like the girl in "Oklahoma" who couldn't say no, I *wanted* to believe the worst about him. Thus the stage was set for my memory, 10 years later, to try to tell me something that I had once known to be a lie.

If his enemies distorted Mr. Goldwater in the public mind that year, they were not alone in the endeavor. Mr. Goldwater did all he could to add to the confusion. In a way, he really was a frightening public figure. He was continually giving answers off the top of his head to the most serious questions. His spontaneity had a dual effect. To his friends, he was candid and refreshing; to his enemies, he was insane and dangerous. One wonders how an impartial observer would characterize his going to Tennessee to argue that the Federal Government should sell the Tennessee Valley Authority.

I did not ask him if he had any regrets about his conduct of the 1964 campaign because I figured he would say no. It is almost as hard to admit regret as it is to admit error. But one of his comments was revealing. I said it was interesting that he still had a large following nine years after his defeat for President, while Senator George McGovern's following had apparently melted away within nine months. He said that was because Mr. McGovern had left his party.

But isn't that what people said about Goldwater in 1964? Yes, but it was not true, he said. Then he talked of the extremist image that had cost him so much support in his own party. "I think in my acceptance speech"—he hesitated as if trying to remember the words—"when I said something like, uh—'extremism in the defense of liberty is no vice . . ." well, this became a great tool for the Republicans to leave me. I guess I lost between six and eight milllion Republicans who looked on me as radical, or conservative, almost Fascist-bent. Because you've got the spectrum: To the complete right is Fascsim, complete left is Communism, and there's not much difference. So that was the way I was painted. But I got 27 millilon votes and I don't think I've lost many of them, frankly, since that time. And I know from personal contacts that many of these Republicans have become my friends. For example, Agnew was completely opposed to me, and yet I'm his biggest defender. Rockefeller was completely opposed to me, yet we're very close friends now." (His defense of former Vice President Agnew is merely on procedural grounds. He believes the White House and the Justice Department wronged Agnew by trying his case in the press before formal charges were filed. He also thinks Mr. Agnew would not have pleaded guilty to income-tax fraud if he had not been guilty of some wrongdoing.)

I asked Mr. Goldwater if he had changed since 1964. No, he said, the change has taken place in the attitude of the country. The people have come around to his point of view; they have finally seen what he was driving at. Maybe he is right. The country has changed, and in some ways it has moved closer to his point of view. For example, the second Reconstruction has clearly run out of steam. It can surely be said that the nation is now moving at a Goldwater pace on the race issue. It is probably true that liberal attitudes have changed on some subjects, too. Liberal newspapers that were editorially optimistic about the Soviet Union in 1964 because of Premier Khrushchev's liberal policies are now filled with Goldwater-like pessimism over the Soviet leadership's treatment of Aleksandr Solzhenitsyn.

But if the world has changed, so has Mr. Goldwater. Ten years ago, he wanted to send the Marines to settle a dispute with Fidel Castro. Now he no longer talks about Cuba. He feels that Castro and Cuban Communism have lost their appeal and are no longer a threat, politically or economically, to the Western hemisphere.

While he was talking of withdrawing diplomatic recognition from the Soviet Union in 1964, in 1974 he favors détente. "I don't think we've obtained it," he adds. "I think we're quite a ways from it." He still believes the West should strive to keep an advantage over the Communist countries but he says the world has changed in the last 10 years. The Soviet Union, for example, is now capable of keeping an occasional treaty, he says, while in the old days it almost never kept one. Also, he feels that the Soviet leaders now fear China much more than they fear the United States, and that this change has made them less dangerous to us at the moment. But that could change again and we must not let our guard down, he says.

He advocated pulling out of the United Nations in 1964 if mainland China was admitted. Now he applauds Mr. Nixon's *rapprochement* with the Chinese. "We're not salted into any position," Tony Smith, his press aide, explained. "Barry Goldwater is as entitled to change his mind as Bill Fulbright is to change his."

The Senator has even changed his mind about the Republican party's Eastern Establishment. Not just Nelson A. Rockefeller—who has met Goldwater at least half way in his ideology—but the whole Dewey-Javits-Wall Street Eastern seaboard that he once advocated, about half in jest, sawing off and floating out to sea. When I asked him if he saw any merit in establishing a national Conservative party, he said no, there was no point; the Republican party could handle the job.

"My personal feeling is, I no longer feel that a Republican *has* to be a conservative," he said. "I can live with Jack Javits." He conceded that that meant he had changed his mind "to some extent. I used to get very angry about Republicans who would not vote down the party line. But the longer I stayed around here in the East, the more I realized that living in these big Eastern cities and these big Eastern states was a little different from living out in the Middle West and the Far West. I couldn't get elected in New York City. I don't work politics that way. On the other hand, I don't think Jack Javits could get elected in Phoenix, 'cause he doesn't do it my way." He chuckled.

Of course, the big change of mind that has most endeared him to his old liberal enemies is his new hard line on Richard Nixon. He and Mr. Nixon had been publicly reconciled to each other for many years. There was some conflict between them in the early days, back when Mr. Nixon was working closely with the hated Eastern Establishment. Many probably have forgotten that Mr. Goldwater was the only threat to Mr. Nixon's Presidential nomination at the 1960 Republican convention. But that minor opposition was quickly forgotten and Mr. Goldwater joined in campaigning for the party's nominee that year. Whatever bitterness might have remained between the two men probably was dissipated further after Mr. Goldwater's defeat of the party's Eastern Establishment and his capture of the 1964 convention.

"We made it sort of the Western Establishment," he said with a satisfied grin. "I don't know if it's any better, but conservatives have dominated and have retained control, which is all right with me." Perhaps it was that confidence in the firmness of conservative control of the party that made Mr. Goldwater feel free to criticize President Nixon when the President moved too slowly to suit him on Watergate. Or perhaps it was simply a feeling that his personal standards of honesty and decency had been violated. Whatever it was, he began to speak his mind on the President early last year and he has continued to do so.

"He is a loner—the most complete loner I've ever known in any profession or business," he said during our first interview. "He doesn't seek the advice of those people who've had a lot of political experience. Who he does get advice from, I have no idea. I haven't had a long talk with him since Thanksgiving last year [1972]. I went up to Camp David and we spent about three hours just chatting about things and he told me about changes in personnel and things like that.

"The President is not a warm man, outwardly. Yet, you get him with a few of the boys and get him to take a drink and, hell, he loosens right up. I wish he did more of that." Goldwater said he had tried to persuade the President's men to get him to relax. "When Laird went in there, I said, 'Mel, the one thing you can do for this guy is have him do what Eisenhower used to do.' Maybe once a month or once every six weeks the phone would ring about 5 o'clock and say, 'Hey, what are you doing?' 'Nothing.' 'Well, on your way home, drop in and we'll have a drink.' So we'd go upstairs in the living room and there might be four, five, six or a dozen. Now the purpose of that meeting was either to let the President blow off steam or let us blow off steam. And he'd say, 'O.K., what's bugging you?' And you'd sound off. If Nixon would do this, I think it would be a great help to him. . . . He doesn't have the intimate touch. I don't care what you're president of, when you're a leader you have to have rapport with your troops."

How about Mr. Nixon's famous "cool"; does he really have it? "I think he's cool. I've never, I don't think I've ever seen him get mad. I've heard him swear a lot but not in madness. Say, 'That son of a bitch shouldn't have done that,' or something like that."

He said the President telephoned him recently in Arizona to thank him for backing him at one point on the Watergate controversy. "I acknowledged it and I said, 'now, Mr. President, I have one request to make of you. Don't make another speech. I don't know who your writer is, but they're no good.' I said, 'When you want to talk to the press, you want to get something across, call the press in and have a go at it; nobody can beat you at it.'" Subsequently, of course, Nixon did submit to public questioning several times.

There might be elements of personal affront in Mr. Goldwater's coolness toward the President. His son, Barry Jr., is a close friend and old schoolmate of John Dean, the apostate and former White House lawyer. Mr. Dean and young Goldwater were on the swimming team together at Staunton Military Academy. The Senator himself is not close to Mr. Dean but it is said he saw him at least once at his son's house and advised him to "tell it straight" when he testified before the Senate Watergate committee.

In addition, the Senator is said to be "not especially happy" about the cool treatment the White House has given Richard Kleindienst, the short-time Attorney General, and other Goldwater friends in the Nixon Administration. And if the White House felt that hiring Dean Burch, the former Goldwater campaign aide and chairman of the Federal Communications Commission, as a White House staffer would soften Mr. Goldwater, then the President and his people were being naive, according to Mr. Goldwater's people. Within days after Mr. Burch was hired in February, the President invited Mr. Goldwater to a White House political meeting along with the Republican leadership of Congress. He turned down the invitation. Goldwater does not favor impeachment of the President but his mind is open on resignation. He does not think the President should resign unless he makes "calamitous mistakes" even more damaging than those made so far. Beyond that, Goldwater does not like to discuss the question.

Probably his most telling comment on the President was something not quite stated. I mentioned the talk in some circles that Mr. Nixon had quietly "torpedoed" Vice President Agnew and forced him to resign. Mr. Goldwater pointedly did not disagree with that theory. He said, "I think it's too early for anybody to say. If you want to wait around until I die, I've written what I thought took place and it's sealed up in my papers. It can't be used. I could write a beautiful scenario on that and come up with exactly what happened." I told him I would love to see it. He laughed and said, "I know you would. I'm not going to talk about it. 'Cause you can't prove it at all."

This is all very pleasing to liberals. And yet, none of it means that old-time liberal Democrats are taken in by the new Goldwater, any more than Mr. Goldwater is deceived by the meaning of his new popularity. "With most Americans," he said, "they like honesty. I think sometimes they get confused. They find a fellow who will tell the truth all the time and be candid and they think of themselves as liking him when it may not be that at all. It may be just a feeling of respect and that sort of thing."

No one is likely to confuse Mr. Goldwater's prodding of President Nixon with any deep ideological conversion. Liberals know that he still scores zero in the Americans for Democratic Action ratings; that in 1973, for example, he voted against Federal money for mass transit, against halting the import of Rhodesian chrome and against reducing the Pentagon's money for the Trident submarine, and that he voted for limiting busing for school desegregation and for weakening the minimum wage law. They know, too, that in spite of his criticism of Mr. Nixon over Watergate, he still supports him on almost everything else.

Government spending still disturbs him. President Nixon's $300-billion budget alarms him just as much as President Johnson's $200-billion one did. He still believes the Government has grown too large. The "welfare mess" makes him see red, as does the booming crime rate. But while he still describes himself as conservative, he also likes to play the no-label game, as some liberals do nowadays. "I've always said that when history is written, Bob Taft and I will be called liberals," he said. "My hero of American politics was Thomas Jefferson, who in my opinion was a real liberal. And when you lay a real liberal alongside a real conservative, there's not enough difference to put in your hat.

"The major difference is that the conservative tends to rely always on history for the lessons of today and tomorrow, while the liberal will look at history and remember what happened but is willing to take a try once again at doing something even though it might have failed in the past. But the moment they find that they're wrong they'll come back. But the so-called modern liberal doesn't do that. I don't call a man liberal just because he wants to spend more money to supposedly help more people. It hasn't worked that way."

Very few of the "so-called modern liberals" would have trouble restraining themselves from pulling the Goldwater lever in the voting booth if he should run for President again. Not that he is likely to do that, in spite of the new talk.

"As I said down in Kentucky the other night—somebody asked the question, said, 'What if you were offered the nomination?' and I said, 'Well, any man who says he wouldn't take it is a damned liar.' But I won't do anything to encourage anybody. I will do everything to encourage them not to and I don't really think there will be any effort made. We have three good candidates looming now, Connally, Rockefeller and Reagan. I can support any one of them and would enjoy supporting any one of them."

But what about the old hunger for the Presidency? Is it gone? "Tell you the truth, it was never really there," he said. "When Jack Kennedy was killed—I looked forward to running against Jack. And we used to talk about it. We had a hell of a good idea that I think would have helped American politics. We wouldn't necessarily live together but we would travel together as much as possible and appear on the same platform and express our views."

After Mr. Kennedy's assassination, he said, he decided not to run. Then it appeared that the Rockefeller people and the Easterners would take over the party so he got back in the race. "But it never was life or death for me."

He says the idea of his running for President again is usually raised by young people. He spends as much time as any conservative spokesman on the college lecture circuit. Of 10 speaking engagements he had in November, seven were on campuses. He is no longer invited exclusively by conservative campus groups. Many of his appearances now are open to all students, and his staff says he draws large numbers of all political persuasions. He gets several invitations to speak at commencements each year. The Senator reports increasing agreement with his views among students.

"I have a group or two every week in this office," he said. "I will answer their questions and I won't have answered but three or four and one of them will say, 'Now, wait a minute. You're a conservative, and I don't classify myself but I'm agreeing with you." The young especially like his criticisms of big government, he said. "This, I think, is the central theme of the young people."

He has also found a revival of courtesy on campuses. Our first interview took place a few days before he was to speak at Western Kentucky University. "I remember the last time I was there, it was a little rough," he said. "And so was the University of Kentucky. This has all changed. I never get any bad treatment any place. Man, I used to have kids get up and shout 'Bull!' and walk up and down with dirty signs. But the campus has changed completely. These kids, they know what they're there for now."

Nonetheless, enthusiasm for Goldwater among the young is still a little puzzling. I suspect that the explanation for it goes beyond new standards of courtesy on campus or deep beliefs in limited government. There have been numerous indications that students are no longer much interested in government of any kind, limited or otherwise. Back in 1964, James Reston may have revealed the secret of Goldwater's appeal, not only to the young but also to many others afflicted with yearning and hope, but like some other good comment and analysis of that year, it got lost in the national panic as people ran over each other to get out of the way of the Goldwater menace: "Mr. Goldwater may attract all the ultras, and the antis—the forces that are anti-Negro, antilabor, antiforeigner, anti-intellectual—but he also attracts something else that is precisely the opposite of these vicious and negative forces. Mr. Goldwater touches the deep feeling of regret in American life: regret over the loss of religious faith; regret over the loss of simplicity and fidelity; regret over the loss of the frontier spirit of pugnacious individuality; regret, in short, over the loss of America's innocent and idealistic youth."

We now seem to be in another of our periodic spasms of regret over lost innocence. And who in our battered and depleted cadre of political leaders is better equipped to symbolize that loss and regret than square-shouldered, all-American Barry Goldwater? The man is easy to like. Remember how he behaved after he lost the 1964 election—43 million votes to 27 million. Unlike Richard Nixon, the grudge fighter and wound licker who found defeat almost intolerable, Barry Goldwater simply said to hell with it. If the country did not want him, he would go back to his ham radio and his flying. He would rather occupy his mind with inventing an electronic flag-raising machine than with scratching his way back into power in Washington.

And how perceptions change! If he was the Bela Lugosi of American politics in 1964, he has now become the Henry Higgins. Since he has begun to prosper politically again, he is almost cranky about it. He showed me a huge stack of fan mail and said it had come from every state in the union. "My biggest trouble is keeping up with the damned stuff," he said. His voice had the same good-natured but put-upon tone when he talked of having to run all over the country making speeches, trouble-shooting for the party, educating the young, straightening out the President. He was trying to tell me that he was an ordinary man *who desires nothing more than just the ordinary chance to live exactly as he likes and do precisely what he wants.**

What, after all, is his politics? It never has been one of engagement, of getting this country moving again. It is a politics of indignation. He looks up from his work table where he is minding his own business and here comes the goddamned Government, meddling with him. It is a politics of defense, of outraged sensitivity, of the violated citizen who just wants to live exactly as he likes.

But wasn't he a threat to the country in 1964? That San Francisco convention hall full of yahoos, haters and nuts was no joke. And he was there with them, taking their cheers and by his mere presence and station egging them on. By God, there *was* a smell of fascism in the air. It was no less real that it came from the Indians and not from the chief, and the chief stood by and did nothing to stop it.

And yet, there is still unfairness in the judgment if it stops there. Because as scary as that convention was, it was not scary in the same way a George Wallace rally is when the fevers are running high in Birmingham or Meridian or Flint. The difference is in the build of the men at the top. Wallace is a born and bred demagogue. When he finds passion in a crowd he makes blood contact with it, riding it, prodding it, lashing it to his own and thus giving both passions for a moment more power than any two passions singly and separately could ever achieve. George Wallace is a creature of political lust, and if it is hard to distinguish his politics from his sexuality, that is no accident. He is in the great tradition of hungry men who make no distinctions among their appetities.

Goldwater is different. Words like lust and passion do not fit him. His listeners like him but they do not yearn to go to bed with him or he with them. While Wallace is a demagogue, Goldwater is merely a crowd pleaser.

There is no doubt that Barry Goldwater wanted to be President, but I think he is truthful when he says he never lusted for it. Perhaps the voters sensed that. And perhaps that is why they rejected him so decisively, as some women instinctly reject a man when they sense that he is not blood-bonded in his determination.

The instinct is probably sound. It eliminates the frivolous, both in love and politics. Nevertheless, I am still fretful over the way we treated Barry Goldwater that year. It troubles me that we all stood by and let a man who was merely wrongheaded be portrayed to the world as monstrous. When I went to mark my ballot in 1964, I was not asked to vote rationally; I was asked to believe only that Barry Goldwater was a dangerous man. I bought it and thereby let myself be cheated.

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* From "I'm an Ordinary Man," in "My Fair Lady." Copyright 1956 by Frederick Loewe and Alan Jay Lerner. Used by permission of Chappell & Co. Inc.

FEDERAL ELECTION CAMPAIGN ACT AMENDMENTS OF 1974

The Senate continued with the consideration of the bill (S. 3044) to amend the Federal Election Campaign Act of 1971 to provide for public financing of primary and general election campaigns for Federal elective office, and to amend certain other provisions of law relating to the financing and conduct of such campaigns.

AMENDMENT NO. 1141

Mr. ALLEN. Mr. President, I call up my amendment No. 1141 and ask it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

> On page 13, line 23, strike out "10 cents" and insert in lieu thereof "5 cents".
>
> On page 15, line 9, strike out "15 cents" and insert in lieu thereof "10 cents".

Mr. ALLEN. Mr. President, according to the unanimous consent agreement heretofore made, I offer a modification to the amendment, and ask that it be stated.

The PRESIDING OFFICER. The modification will be stated.

The assistant legislative clerk read as follows:

> On page 13, line 23, strike out "10 cents" and insert in lieu thereof "8 cents".
>
> On page 15, line 9, strike out "15 cents" and insert in lieu thereof "12 cents".

Mr. ROBERT C. BYRD. Mr. President, does the distinguished Senator from Alabama wish to speak on his amendment this evening?

Mr. ALLEN. No. I understand that the time limitation will be stated on it tomorrow.

Mr. ROBERT C. BYRD. Very well. I thank the Senator.

ORDER FOR RECOGNITION OF SENATOR AIKEN TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the distinguished Senator from Wisconsin (Mr. PROXMIRE) has been recognized under the order previously entered on tomorrow, the distinguished Senator from Vermont (Mr. AIKEN) be recognized for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, it is my understanding that there is a time limitation on the Allen amendment as modified of 1 hour?

The PRESIDING OFFICER. The Senator is correct.

Mr. ROBERT C. BYRD. It is my understanding also that the order for the resumption of the consideration of the unfinished business at the conclusion of routine morning business tomorrow has already been entered?

The PRESIDING OFFICER. That is correct.

Mr. ROBERT C. BYRD. It is also my understanding that the pending question at that time will be on adoption of the amendment of the Senator from Alabama (Mr. ALLEN) as modified.

The PRESIDING OFFICER. That is correct.

Mr. ALLEN. Mr. President, will the Senator from West Virginia yield?

Mr. ROBERT C. BYRD. I yield.

Mr. ALLEN. May I state in brief just what the amendment and the modification will do. The amendment would have changed the permissible amount of money to be spent in a primary from 10 cents per person of voting age to 5 cents, and to change the amount that could be spent in a general election from 15 cents down to 10 cents.

The distinguished Senator from Nevada (Mr. CANNON) stated in colloquy on the floor that he felt these reductions were too large, but if the amendment was submitted at 8 cents per person of voting age in the primary and 12 cents per person of voting age in the general election, he personally—but not speaking for the committee—would support such an amendment.

The overall amount that can be spent would control the amount of the Federal subsidy in the primary because the Federal Treasury potentially would be called upon to pay half that amount and it would of course reduce the amount that the Public Treasury would pay for the general election. Overall, it would accomplish about a 20 percent reduction in overall expenditures. It would be a possible saving of as much as $100 million every 4 years. So the modification has been made. It would accomplish a 20 percent reduction in the permissible amount of overall expenditures. I hope that on tomorrow the Senate will accept the amendment.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the program for tomorrow is as follows:

The Senate will convene at 12 noon.

After the 2 leaders or their designees have been recognized under the standing order, Mr. PROXMIRE will be recognized for not to exceed 15 minutes. Mr. AIKEN will then be recognized for not to exceed 15 minutes, after which there will be a period for the transaction of routine morning business, of not to exceed 15 minutes, with statements therein limited to 5 minutes each.

At the conclusion of the transaction of routine morning business, the Senate will resume consideration of the unfinished business, S. 3044, the public campaign financing bill.

The pending question at that time will be on the adoption of the amendment, as modified, by Mr. ALLEN. There will be a yea and nay vote on that amendment. The vote will occur at approximately 1:45 p.m.

Other votes on amendments may occur subsequent to the vote on that amendment and prior to 3 p.m.

At 3 p.m., the debate on the motion to invoke cloture will begin, and there will be 1 hour under the rule. The hour will expire at 4 p.m. At that time, the mandatory quorum call will be issued; and upon the establishment of a quorum, the vote, which will be a rollcall vote, will occur at approximately 4:15 p.m.

Subsequent to the vote on cloture, votes on amendments to the bill will be in order, and yea-and-nay votes will occur.

ADJOURNMENT

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until 12 o'clock noon tomorrow.

The motion was agreed to; and at 5:12 p.m. the Senate adjourned until tomorrow, Tuesday, April 9, 1974, at 12 noon.

NOMINATIONS

Executive nominations received by the Senate April 8, 1974:

DEPARTMENT OF STATE

John P. Constandy, of the District of Columbia, to be Deputy Inspector General, Foreign Assistance, vice Anthony Faunce, resigned.

IN THE MARINE CORPS

The following-named officers of the Marine Corps for temporary appointment to the grade of brigadier general:

John R. Debarr
Herbert J. Blaha
Philip D. Shutler
Richard E. Carey
George W. Smith
John H. Miller
Harold A. Hatch
Edward J. Bronars
Warren R. Johnson
Paul X. Kelley

CONFIRMATIONS

Executive nomination confirmed by the Senate April 8, 1974:

DEPARTMENT OF AGRICULTURE

Richard L. Feltner, of Illinois, to be an Assistant Secretary of Agriculture.

(The above nomination was approved subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

HOUSE OF REPRESENTATIVES—*Monday, April 8, 1974*

The House met at 12 o'clock noon.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

Set your troubled hearts at rest. Trust in God always.—John 14: 1 NEB.

Our Father God, at the beginning of Holy Week we bow at the altar of prayer, erected by our fathers, that here we may receive strength for the day, wisdom to make sound decisions, insight to see clearly the way we should take, and courage to walk in it until the end of life's day.

Help us to take a firm stand for what we believe to be right. Grant that we not be neutral morally nor negative spiritually, but by Thy grace may we live honestly, helpfully, and hopefully keeping ourselves committed to Thee and to the highest good of our beloved country.

So may we be tall men and women, Sun-crowned, who live above the fog in public duty and in private thinking.

In the spirit of Christ we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Marks, one of his secretaries, who also informed the House that on April 2, 1974, the President approved and signed a bill of the House of the following title:

H.R. 5236. An act to provide for the conveyance of certain mineral interests of the United States in property in Utah to the record owners of the surface of that property.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 12253) entitled "An act to amend the General Education Provisions Act to provide that funds appropriated for applicable programs for fiscal year 1974 shall remain available during the succeeding fiscal year and that such funds for fiscal year 1973 shall remain available during fiscal years 1974 and 1975."

The message also announced that the Senate disagrees to the amendments of the House to the bill (S. 2770) entitled "An act to amend chapter 5 of title 37, United States Code, to revise the special pay structure relating to medical officers of the uniformed services," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. STENNIS, Mr. SYMINGTON, Mr. JACKSON, Mr. THURMOND, and Mr. TOWER to be conferees on the part of the Senate.

The message also announced that the Senate disagrees to the amendments of the House to the bill (S. 2771) entitled "An act to amend chapter 5 of title 37, United States Code, to revise the special pay bonus structure relating to members of the Armed Forces, and for other purposes," agrees to a conference requested by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. STENNIS, Mr. SYMINGTON, Mr. JACKSON, Mr. THURMOND, and Mr. TOWER to be the conferees on the part of the Senate.

APPOINTMENT OF CONFEREES ON S. 2770

Mr. STRATTON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 2770) to amend chapter 5 of title 37, United States Code, to revise the special pay structure relating to medical officers of the uniformed services, with a House amendment thereto, insist on the House amendment, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from New York? The Chair hears none and appoints the following conferees: Messrs. STRATTON, NICHOLS, HÉBERT, HUNT, and BRAY.

HEARINGS OF SUBCOMMITTEE ON INTERNATIONAL TRADE

(Mr. ASHLEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ASHLEY. Mr. Speaker, I would like to announce that the Subcommittee on International Trade of the Committee on Banking and Currency has scheduled for the period April 22 through May 2 hearings on legislation dealing with international economic policy.

These hearings will focus on bills to amend and extend the Export-Import Bank Act of 1945, as amended; to authorize appropriations to implement the International Economic Policy Act of 1972; and to further amend and extend the authority for the regulation of exports, the Export Administration Act of 1969, as amended. The subcommittee also expects to receive testimony on House Resolution 774, which would express the sense of the House that no Export-Import Bank programs shall be extended to non-market-economy countries other than Poland and Yugoslavia during the period the Senate is considering and acting on H.R. 10710, the Trade Reform Act of 1973.

Members wishing to testify or to submit a statement for the record should address their requests to Joseph J. Jasinski, professional staff member, Subcommittee on International Trade, Committee on Banking and Currency, 2129 Rayburn House Office Building, Washington, D.C. 20515. Telephone 225-7145.

PERSONAL EXPLANATION

(Mr. COUGHLIN asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. COUGHLIN. Mr. Speaker, on Thursday, April 4, I was not present for a recorded vote, rollcall No. 147, on an amendment offered by Congressman HÉBERT to H.R. 12565, the Department of Defense supplemental authorization bill, which would have increased the authorization ceiling on military aid to South Vietnam by $274 million. Had I been present, I would have voted "no" on this amendment.

The House had already voted on this issue earlier in the day when it failed to order the previous question on the rule which included language waiving points of order against sections of the bill authorizing additional military assistance to South Vietnam. I voted against adoption of the rule. As a cosigner of a "dear colleague" letter urging Members to oppose any increase in the ceiling on military aid to South Vietnam, I would have voted against the subsequent attempt to raise the ceiling by a floor amendment.

DUTY-FREE IMPORTATION OF UPHOLSTERY REGULATORS AND UPHOLSTERER'S REGULATING NEEDLES AND PINS

Mr. MILLS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 421) to amend the Tariff Schedules of the United States to permit the importation of upholstery regulators, upholsterer's regulating needles, and upholsterer's pins free of duty, which was unanimously reported favorably to the House by the Committee on Ways and Means.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

Mr. SCHNEEBELI. Mr. Speaker, reserving the right to object, will the gentleman from Arkansas kindly explain the legislation?

Mr. MILLS. Mr. Speaker, if the gentleman from Pennsylvania will yield I will be happy to explain the bill.

Mr. SCHNEEBELI. I yield to the gentleman from Arkansas.

Mr. MILLS. Mr. Speaker, the purpose of H.R. 421, as reported to the House by the Committee on Ways and Means, is to amend the Tariff Schedules of the United States to make duty-free imports of upholstery regulators, upholsterer's regulating needles, and upholsterer's pins. These items, which are used to stuff furniture being upholstered, are currently dutiable at 9.5 percent, 8.5 percent, and 9.5 percent ad valorem, respectively, under rate column No. 1—applicable to countries accorded most-favored-nation treatment—and at 45 percent, 40 percent, and 45 percent ad valorem, respectively, under rate column No. 2—applicable to Communist countries, except Poland and Yugoslavia.

The Committee on Ways and Means was informed that there is no commercial production of these articles in the United States and that the domestic upholstery trade is dependent on imports, principally from West Germany and the United Kingdom. The pending bill, which was introduced by our colleague, the Honorable SILVIO O. CONTE, would establish a new item in the Tariff Schedules under which all imports of these articles would be free of duty.

Bills of identical purpose to H.R. 421 were unanimously passed by the House in both the 91st and 92d Congresses, but neither of these was enacted because of unrelated amendments added by the Senate in which the House did not concur. Favorable reports were received from the executive branch on the legislation, and the bill has been reported unanimously by the Committee on Ways and Means. I urge its passage by the House.

Mr. SCHNEEBELI. Mr. Speaker, I thank the gentleman from Arkansas for his explanation of the bill.

Mr. Speaker, I rise in support of H.R. 421. The House has passed essentially the same legislation twice, but disagreement on nongermane Senate amendments each time has prevented enactment.

The articles cited in the bill are used in the upholstery trade. The regulators, resembling knitting needles, are used to stuff upholstered furniture, and are dutiable at 9.5 percent ad valorem. The regulating needles are eyeless, about a foot long, and are dutiable at 8.5 percent ad valorem. The pins are 3 inches in length, have a loop instead of a head, and are dutiable at 9.5 percent ad valorem.

The committee has been informed there is no domestic commercial production of these articles; therefore, our upholstery trade has to depend on imports—the volume of which has been small—estimated at less than $20,000 a year.

The committee has heard no objection to the legislation, and favorable reports have been received from interested departments and agencies.

The committee unanimously ordered the bill reported, and I strongly recommend its passage now.

Mr. CONTE. Mr. Speaker, would the gentleman yield?

Mr. SCHNEEBELI. I yield to the gentleman from Massachusetts (Mr. CONTE), the author of the legislation.

Mr. CONTE. Mr. Speaker, I rise in support of H.R. 421 and wish to express my thanks to the Committee on Ways and Means for its consideration of this measure, and its unanimous recommendation that it be passed.

Mr. Speaker, since 1967 I have been working for the passage of this legislation which would make duty free the imports of upholstery regulators and upholsterer's pins. These items are not manufactured in the United States. Consequently, the rationale of requiring a duty to protect domestic industry does not exist. Further, the imposition of these duties penalizes the users of these items unnecessarily. Every upholsterer of furniture and automobiles requires these tools for his trade.

The duty-free importation of the items covered by the bill would serve to improve the competitive status of American industry without harming any domestic producer.

Similar legislation was passed unanimously by the House near the close of the 91st and 92d Congresses, but died in the adjournment rush, because of an unrelated amendment attached to this bill.

In past years, the responsible Government agencies have reviewed this legislation and endorsed it. The Departments of State, the Treasury, Commerce, and Labor, and the Special Representative for Trade Negotiations in the Executive Office of the President, have all given favorable reports on the legislation. No objections have been reported from any other source.

Favorable action on this legislation would have a positive impact on the entire upholstery industry. I am pleased it has reached the floor of the House again, and urge its enactment.

Mr. SCHNEEBELI. Mr. Speaker, I withdraw my reservation of objection.

The **SPEAKER.** Is there objection to the request of the gentleman from Arkansas?

Mr. GROSS. Mr. Speaker, further reserving the right to object, I would ask the gentleman from Arkansas (Mr. MILLS) does this have anything to do with acupuncture needles?

Mr. MILLS. Mr. Speaker, if the gentleman will yield, the answer is "no," they are not included.

I might further advise my friend, the gentleman from Iowa, that the House passed this bill on two previous occasions, in the 91st Congress and the 92d Congress, but that the bill did not become law because of other amendments that were adopted while the bill was in another body of the Congress.

Mr. GROSS. Mr. Speaker, further reserving the right to object—and I realize that the next question I am asking the gentleman from Arkansas probably may not apply to that gentleman's committee—does the Committee on Ways and Means have anything to do with the regulation of exports from this country?

Mr. MILLS. Mr. Speaker, if the gentleman will yield, the answer is "no." The jurisdiction as to exports is the subject matter of another committee.

Mr. GROSS. Mr. Speaker, I wonder if the gentleman from Arkansas would agree with me that some committee of this Congress—and I suppose it is the Committee on Banking and Currency?

Mr. MILLS. That is correct.

Mr. GROSS. That committee ought to be doing something about the exports of apparently most of our scrap metal and various other metals.

Mr. ASHLEY. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Ohio.

Mr. ASHLEY. Mr. Speaker, I think that I can answer the inquiry of the gentleman from Iowa.

The Subcommittee on International Trade of the Committee on Banking and Currency has scheduled hearings to start immediately after the recess, and we will have a bill brought to the floor of the House within 3 weeks.

Mr. GROSS. Apparently there is no way to impress the executive branch of the Government that American producers are in serious trouble for lack of scrap and other metals due to exports. I hope there will be no delay in bringing forth some kind of legislation. The House of Representatives has a very real responsibility in this situation.

I thank the gentleman.

Mr. Speaker, I withdraw my reservation of objection.

The **SPEAKER.** Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The Clerk read the bill as follows:

H.R. 421

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That schedule 6, part 3, subpart E of the Tariff Schedules of the United States (19 U.S.C.) is amended—

(1) by striking out "upholstery regulators, and", and by inserting "and upholstery regulators, upholsterer's regulating needles, and upholsterer's pins," after "other hand needles," in the item description preceding item 651.01;

(2) by striking out "and upholstery regulators" in item 651.04; and

(3) by inserting after item 651.05 the following new item:

"	651.06	Upholstery regulators, upholsterer's regulating needles, and upholsterer's pins.	Free	Free	"

SEC. 2. The amendments made by the first section of this Act shall apply with respect to articles entered, or withdrawn from warehouse, for consumption on or after the date of enactment of this Act.

With the following amendments:

Page 2, strike out the matter between lines 4 and 5 and insert the following:

651.06	Upholstery regulators, upholsterer's regulating needles, and upholsterer's pins.	Free...	Free...

Page 2, line 5, insert "(a)" immediately before "The amendments".

Page 2, after line 8, insert the following:

(b) The duty free treatment applied to upholstery regulators, upholster's regulating needles, and upholster's pins under item 651.06 of the Tariff Schedules of the United States (as added by the first section of this Act) shall be treated as not having the status of a statutory provision enacted by the Congress, but as having been proclaimed by the President as being required or appropriated to carry out foreign trade agreements to which the United States is a party.

The **SPEAKER.** The question is on the committee amendments.

The committee amendments were agreed to.

Mr. MILLS. Mr. Speaker, I move the previous question on the bill.

The previous question was ordered.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

TEMPORARY SUSPENSION OF DUTY ON SYNTHETIC RUTILE

Mr. MILLS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 11830) to suspend the duty on synthetic rutile until the close of December 31, 1976, which was unanimously reported favorably to the House by the Committee on Ways and Means.

The Clerk read the title of the bill.

The **SPEAKER.** Is there objection to the request of the gentleman from Arkansas?

Mr. SCHNEEBELI. Mr. Speaker, reserving the right to object, I take this time to ask the distinguished chairman of the committee about this legislation.

Mr. MILLS. Mr. Speaker, will the gentleman yield?

Mr. SCHNEEBELI. I yield to the gentleman from Arkansas.

Mr. MILLS. I appreciate the gentleman's yielding.

Mr. Speaker, the purpose of H.R. 11830, as reported to the House by the Committee on Ways and Means, is to suspend for a temporary period, until the close of June 30, 1977, the duty on synthetic rutile.

The Committee on Ways and Means was advised that at the present time, the United States is dependent on imports to meet its needs for both natural and synthetic rutile. Worldwide, both materials, which are functionally equivalent, being principal sources of titanium dioxide pigment used by the paint, paper, and plastics industries are in short supply. Rutile is also used in making titanium sponge, metal, and alloys.

Natural rutile presently enters the United States duty free under item 601.51 of the Tariff Schedules of the United States. Synthetic rutile, on the other hand, is dutiable, under item 603.70 of the TSUS, at 7.5 percent ad valorem under rate column numbered 1—applicable to countries accorded most-favored-nation treatment—and 30 percent ad valorem under rate column numbered 2—applicable to Communist countries, except Poland and Yugoslavia. The pending bill, which was introduced by our colleague on the Committee on Ways and Means, the Honorable JOE D. WAGGONNER, would add a new provision in the appendix to the TSUS to temporarily suspend the 7.5 percent duty under colum numbered 1, until the close of June 30, 1977, but would effect no change in the duty under column numbered 2.

Although ilmenite, the natural mineral from which synthetic rutile is derived, is found extensively in the United States, the Committee on Ways and Means is informed that synthetic rutile is not presently produced in this country largely because of major ecological problems associated with the disposal of polluting effluents created in the ilmenite upgrading process and the currently prohibitive costs of curing those problems. The Department of the Interior, in supporting enactment of H.R. 11830, advised the committee that it is now engaged in research to develop environmentally acceptable techniques for deriving synthetic rutile from domestic ilmenite resources, but that "commercial application of these processes is still some time off."

Imports of synthetic rutile, which come principally from Australia and Japan with a lesser amount from India, totaled 9,200 tons in 1972 and 16,000 tons in the first 7 months of 1973. The Committee on Ways and Means is of the opinion that the temporary suspension of duty provided by H.R. 11830 would, in addition to serving domestic consumer and ecological considerations, aid the United States in obtaining a greater share of the limited world supply, thereby helping to maintain production and employment levels in domestic manufacturing, particularly in the paint and pigment industries.

In addition to the Department of the Interior, the Departments of State, Treasury, and Commerce submitted favorable reports on this legislation, and the Committee on Ways and Means is unanimous in recommending its enactment. I urge its passage by the House.

Mr. SCHNEEBELI. Mr. Speaker, I support H.R. 11830, which would suspend the duty on synthetic rutile through June of 1977.

Rutile is used in making titanium sponge, metal and alloys, and is a source of titanium dioxide pigment employed in the paint, paper and plastics industries. It is in very short supply, both in its natural and synthetic forms, which can be used virtually interchangeably. Natural rutile can be imported duty free, but synthetic rutile is dutiable at 7.5 percent ad valorem.

Synthetic rutile is produced from ilmenite, a natural mineral found in abundance in the United States. Unfortunately, serious environmental problems have been encountered in the synthetic rutile production process, and the cost of curing those problems has so far proved prohibitive. It is expected that a technological breakthrough will occur, but not in the near future. Therefore, Mr. Speaker, it is proposed that the duty of synthetic rutile be lifted temporarily, to help the United States obtain a greater share of the world's limited supply, and thus serve a number of domestic interests—ecologic as well as economic.

Mr. Speaker, no objection to this legislation has been heard by the committee and the bill was unanimously ordered reported. I urge my colleagues to approve it.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. SCHNEEBELI. I yield to the gentleman from Iowa.

Mr. GROSS. I thank the gentleman for yielding.

This apparently is another American industry that has fallen victim to the overzealous ecologists is that not true?

Mr. MILLS. Mr. Speaker, will the gentleman yield?

Mr. SCHNEEBELI. I yield to the chairman.

Mr. MILLS. I do not think that is quite the situation. We have historically been dependent upon foreign sources to a great extent for natural rutile. We do not produce the synthetic rutile here, largely because of ecological concerns and the high cost of processing ilmenite into synthetic rutile. There is some rutile produced, as I recall, in the State of Florida, but it is sold in its natural state. There is no production, I am told, of the synthetic rutile in the United States.

Mr. GROSS. On page 2 of the gentleman's report it is indicated that the ecologists have chased producers of synthetic rutile out of business.

Mr. MILLS. If the gentleman will yield further, I will say it has been a problem. I would not say it has chased them out of business; I think the pollution factor and the associated cost have prevented processors from going into business here in the United States.

Mr. SCHNEEBELI. Mr. Speaker, there seems to be no objection to this bill, and I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The Clerk read the bill as follows:

H.R. 11830

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subpart B of part 1 of the Appendix to the Tariff Schedules of the United States (19 U.S.C. 1202) is amended by inserting after item 911.16 the following new item:

"| 911.25 | Synthetic rutile (provided for in item 603.70, pt. 1, schedule 6).| Free | No change | On or before 12-31-76. |".

SEC. 2. The amendment made by the first section of this Act shall apply with respect to articles entered, or withdrawn from warehouse, for consumption on or after the date of the enactment of this Act.

COMMITTEE AMENDMENT

With the following committee amendment.

The Clerk read as follows:

Page 1, after line 5, strike out "12-31-76." and insert "6/30/77".

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, and was read the third time, and passed.

The title was amended so as to read: "A bill to suspend the duty on synthetic rutile until the close of June 30, 1977."

A motion to reconsider was laid on the table.

TEMPORARY SUSPENSION OF DUTY ON CERTAIN HORSES

Mr. MILLS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 13631) to suspend for a temporary period the import duty on certain horses.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

Mr. SCHNEEBELI. Mr. Speaker, reserving the right to object, I take this time to ask the chairman if he will report on the legislation.

Mr. MILLS. Mr. Speaker, will the gentleman yield?

Mr. SCHNEEBELI. I yield to the gentleman from Arkansas.

Mr. MILLS. Mr. Speaker, the purpose of H.R. 13631, as reported to the House by the Committee on Ways and Means, is to suspend for a temporary period, until the close of June 30, 1976, the duty on certain horses.

At the present time, horses for immediate slaughter, thoroughbreds for breeding purposes, and racehorses returned to the United States after being used abroad solely for racing purposes may be imported into the United States duty free. Other horses, however, are presently dutiable at $2.75 per head, if valued not over $150 per head, or at 3 percent ad valorem if valued over $150 per head. These are the rates applicable under rate column No. 1 of the Tariff Schedules of the United States, applicable to countries accorded most-favored-nation treatment. By adding new provisions in the appendix to the TSUS to temporarily suspend the duties on horses presently dutiable under item 100.73 and item 100.75, the pending bill would provide a uniform duty-free rule under column No. 1 of the TSUS for horses imported for any purpose, until the close of June 30, 1976. The bill, which was introduced by our colleague, the Honorable JACK F. KEMP, would make no change in the rates of duty under rate column No. 2—applicable to Communist countries, except Poland and Yugoslavia.

The Committee on Ways and Means was advised that several problems have been encountered under the present tariff structure for horses. For example, the provisions operate discriminatorily among different breeds, problems at the borders associated with valuation have arisen, and bonding problems have arisen, particularly in connection with racehorses entering the United States for participation in claiming races. These problems and their attendant administrative difficulties and expenses appear particularly burdensome when compared with the minimal revenues derived from the duty on horses—approximately $176,000 in 1973.

The Committee on Ways and Means is of the opinion that enactment of H.R. 13631 is desirable to alleviate these problems and to eliminate the current disparate and inequitable rules relating to imports of horses. The suspension of duty on a temporary basis will afford an opportunity for study respecting the desirability of continuing the duty-free treatment, either on a temporary or a permanent basis.

Favorable reports were received from the executive branch on the legislation, and the Committee on Ways and Means is unanimous in recommending its enactment. I urge its passage by the House.

Mr. SCHNEEBELI. Mr. Speaker, I support H.R. 13631, which would suspend until June 30, 1976, the duties on certain horses.

Under present law, horses may be imported duty free if they are destined for immediate slaughter, if they are recognized and registered as purebred by the Agriculture Department and are destined for breeding purposes, or if they are being returned to this country after racing use only in another country.

Other horses are dutiable at $2.75 each if they are valued at $150 per head or less, and at 3 percent ad valorem if they are valued at more than 150 per head. One problem which has arisen under current law concerns quarter horses, which are not duly recognized and registered as purebred. Thus, although they are bred for racing, as are thoroughbreds, they are dutiable. Unlike thoroughbreds, H.R. 13631 would eliminate this discrimination. It also would eliminate other problems, including those associated with valuation of foals and horses bred for racing but not yet raced.

Mr. Speaker, the revenue loss from this measure has been estimated at less than $200,000 in the first year of its effectiveness and the committee felt this to be outweighed by the problems of customs valuation and the attendant administrative expenses which the bill is designed to remove. No unfavorable reports on the legislation were received by the committee, which unanimously ordered H.R. 13631 favorably reported.

Mr. KEMP. Mr. Speaker, will the gentleman yield?

Mr. SCHNEEBELI. I yield to the gentleman from New York.

Mr. KEMP. I thank the gentleman for yielding.

Mr. Speaker, I rise in support of the enactment of this measure to suspend until June 30, 1976, the import duty on certain horses and wish to express my appreciation to the distinguished chairman, Mr. Mills, Mr. Schneebeli, and the Ways and Means Committee for their unanimous support of this legislation.

The bill before us, H.R. 13631, was introduced by me on March 20, 1974, as a redraft of my previously introduced measure, H.R. 9719, a bill which would have suspended the import duty for an indefinite period.

WHAT H.R. 13631 WOULD DO

The bill now before us, if enacted, would amend subpart B of part 1 of the appendix to the Tariff Schedules of the United States, by providing that horses, other than those for immediate slaughter, whether valued at less than or more than $150, would be able to enter the country without the imposition of the 3-percent-of-value tariff or per-head duty now levied on them. This suspension of tariffs and duties would be for a period not to exceed June 30, 1976, or approximately 2 years.

The need for this legislation is reflected in the fact that it was reported unanimously by the Committee on Ways and Means. That need is also reflected by the concurrence of Treasury in its enactment, provided it is limited to the time period contained in the reported bill.

GROWTH IN OWNERSHIP OF HORSES

There has been a substantial growth in the ownership of horses during recent years, both among amateur and professional owners. Last year the United States imported $7.5 million in horses, a great number of which were for private, pleasure sporting. As an example of the growth in interest in horses, the number of horses owned by 4-H Club members across the Nation now stands at 296,000, a full 46,000 over just 2 years ago.

The U.S. Forest Service also reports that the use of horse trails maintained by it has increased by 15 percent over a year ago.

In addition, the surging popularity of polo, steeplechase, equitation, dressage, and point-to-point events has added to the interest in horse ownership, breeding, and training.

And, last but not least, the ownership of horses is now considered one of the best hedges on inflation, with the value of horses rising steadily.

PRESENT LAW DIFFICULT TO ADMINISTER

The present law is difficult to administer.

Under that law, most horses of a value in excess of $150 imported into the United States—principally Canadian bred horses—are subject to a 3-percent duty, 3 percent of the value of the horse. This is part of the problem: What constitutes the value of a horse which has never been offered for sale, privately or at auction?

Such a valuation requirement means that the U.S. customs officials must attempt to place a specific dollar value on each and every horse being brought into the United States of a value of $150 or more, including foals. This is a requirement subject to substantial subjective judgment.

I have been told by constituents that customs agents have admitted privately to them that they wished the tariffs were lifted because they felt such great uncertainty, and potential unfairness to owners, in levying percentages on horses of unknown actual dollar values.

The enactment of H.R. 13631 would eliminate these problems at the borders. The valuation of foals—horses yet to have been raced—and similiar cases is always difficult, as I have said, for customs officials. In addition, valuation, and bonding problems arise particularly with respect to racehorses entering the country for participation in claiming races. Claiming races are designed to assure that horses of as nearly equal caliber as possible are matched in any given race. Hence, the rule in such races is that any horse in the race may be claimed, that is, purchased, for the claiming price.

The Department of Commerce, which favors enactment of this bill, has provided the Committee on Ways and Means with the following information respecting the cumbersome and often penalizing operation of present bonding procedures in the case of horses entering the United States and participating in claiming races:

> The elimination of the import duty on horses would serve several useful purposes. Horses entering the United States for racing must obtain either a single-entry or term bond for temporary importation. The procedures for the single-entry bond require the importer to establish a surety bond at the time of entry for an amount twice the *ad valorem* duty. The bond is valid for one year with two one-year extensions permissible. If the horse is not returned within this period, the bond is breached. Similarly, under the term-bond procedures, a surety bond with a minimum value of $10,000 (after January 16, 1974) is required to be made by the importer. The term bond is honored at all ports of entry, for any number of crossings, and for a one-year period, although two one-year extensions are allowable. Consonant with the procedures under the single entry bond, the term bond is forfeited if the horse is not returned within the one-year period or any extension thereof.
>
> The bonding procedures outlined above are particularly burdensome to the horsemen who import horses for claiming races in the United States. The majority of races in the United States are claiming races. Claiming races are designed to ensure that the horses in any specific race are of comparable ability by requiring that all horses in the race may be purchased at a price established for the particular race. For example, horses running in $5,000 claiming races may be purchased for $5,000. Of course, the importer of a horse sold in a claiming race which is not returned to the country of origin within the prescribed time limits would have his bond forfeited. Removal of the duty would eliminate the bonding requirements for the importer.

This information from the Department—on these problems of customs valuation and their attendant administrative expenses and difficulties—looms large when compared with the minimal revenues derived from the duty on horses—estimated at a total of only approximately $176,000 in calendar year 1973.

The present tariff structure for horses also operates discriminatorily among different breeds being brought into the country. For example, horses may be imported duty free for breeding purposes if they are thoroughbreds. This rule applies, however, only if they are certified by the Department of Agriculture as being of a recognized breed and duly registered on a book of record recognized by the Secretary of Agriculture for that breed. Inasmuch as the American quarter horse does not qualify under these criteria, importers of such horses for breeding purposes are required to pay duty, usually at 3 percent ad valorem, while other breeds may be entered duty free. Enactment of H.R. 13631 would suspend this discriminatory treatment for a temporary period, during which the new rule's operation may be studied to determine if it should be made permanent, allowed to expire, or continued for an additional temporary period.

URGES THE ENACTMENT OF BILL

Mr. Speaker, I urge the enactment of this bill, and I urge its speedy consideration by the other House.

Mr. SCHNEEBELI. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The Clerk read the bill, as follows:

H.R. 13631

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subpart B of part 1 of the appendix to the Tariff Schedules of the United States (19 U.S.C. 1202) is amended by inserting immediately before item 903.90 the following new item:

"	Horses, other than for immediate slaughter (provided for in part 1, schedule 1):			
903. 50	Valued not over $150 per head (item 100.73)	Free	No change	The 2-year period beginning day after enactment of this item.
903. 51	Valued over $150 per head (item 100.74)	Free	No change	The 2-year period beginning day after enactment of this item."

With the following committee amendments:

Page 1, line 6, strike out "item" and insert "items".

Page 2, strike out the matter appearing immediately above line 1 and insert the following:

	Horses, other than for immediate slaughter (provided for in part 1, schedule 1):			
903.50	Valued not over $150 per head (item 100.73)	Free	No change	On or before 6/30/76.
903.51	Valued over $150 per head (item 100.74)	Free	No change	On or before 6/30/76.

SEC. 2. The amendment made by the first section of this Act shall apply with respect to articles entered, or withdrawn from warehouse, for consumption on or after the date of the enactment of this Act.

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. MILLS. Mr. Speaker, I ask unanimous consent that I may extend my own remarks and that the authors may revise and extend their remarks on the three bills just passed.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

REPORT ON RECENT PROGRESS IN AERONAUTICS AND SPACE ACTIVITIES DURING 1973—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. No. 93–283)

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Science and Astronautics and ordered to be printed with illustrations:

To the Congress of the United States:

I am pleased to transmit this report on our Nation's progress in aeronautics and space activities during 1973.

This year has been particularly significant in that many past efforts to apply the benefits of space technology and information to the solution of problems on Earth are now coming to fruition. Experimental data from the manned Skylab station and the unmanned Earth Resources Technology Satellite are already being used operationally for resource discovery and management, environmental information, land use planning, and other applications.

Communications satellites have become one of the principal methods of international communication and are an important factor in meeting national defense needs. They will also add another dimension to our domestic telecommunications systems when the first of four authorized domestic satellite systems is launched in 1974. Similarly, weather satellites are now our chief source of synoptic global and local weather data. Efforts are continuing to develop capabilities for worldwide two-week weather forecasts by the beginning of the next decade. The use of satellites for efficient and safe routing of civilian and military ships and airplanes is being studied. Demonstration programs are now underway aimed at improving our health and education delivery systems using space-age techniques.

Skylab has given us new information on the energy characteristics of our sun. This knowledge should help our understanding of thermo-nuclear processes and contribute to the future development of new energy sources. Knowledge of these processes may also help us understand the sun's effect on our planet.

Skylab has proven that man can effectively work and live in space for extended periods of time. Experiments in space manufacturing may also lead to new and improved materials for use on Earth.

Development of the reusable Space Shuttle progressed during 1973. The Shuttle will reduce the costs of space activity by providing an efficient, economical means of launching, servicing and retrieving space payloads. Recognizing the Shuttle's importance, the European Space Conference has agreed to construct a space laboratory—Spacelab—for use with the Shuttle.

Notable progress has also been made with the Soviet Union in preparing the Apollo-Soyuz Test Project scheduled for 1975. We are continuing to cooperate with other nations in space activities and sharing of scientific information. These efforts contribute to global peace and prosperity.

While we stress the use of current technology to solve current problems, we are employing unmanned spacecraft to stimulate further advances in technology and to obtain knowledge that can aid us in solving future problems. Pioneer 10 gave us our first closeup glimpse of Jupiter and transmitted data which will enhance our knowledge of Jupiter, the solar system, and ultimately our own planet. The spacecraft took almost two years to make the trip. It has traveled over 94,000 miles per hour—faster than any other man-made object—and will become the first man-made object to leave our solar system and enter the distant reaches of space.

Advances in military aircraft technology contribute to our ability to defend our Nation. In civil aeronautics, the principal research efforts have been aimed at reducing congestion and producing quieter, safer, more economical and efficient aircraft which will conserve energy and have a minimum impact on our environment.

It is with considerable satisfaction that I submit this report of our ongoing efforts in space and aeronautics, efforts which help not only our own country but other nations and peoples as well. We are now beginning to harvest the benefits of our past hard work and investments, and we can anticipate new operational services based on aerospace technology to be made available for the public good in the years ahead on a routine basis.

RICHARD NIXON.

THE WHITE HOUSE, *April 8, 1974.*

CALL OF THE HOUSE

Mr. GROSS. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. BRADEMAS. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 148]

Abzug
Anderson, Calif.
Andrews, N.C.
Armstrong
Aspin
Badillo
Bell
Biaggi
Blatnik
Boggs
Bowen
Brasco
Breaux
Brinkley
Burke, Calif.
Carey, N.Y.
Chappell
Chisholm
Clark
Clay
Cochran
Cohen
Conyers
Crane
Cronin
Culver
Daniels,
  Dominick V.
Danielson
Davis, S.C.
Dellums
Dent
Derwinski
Dorn
Eshleman
Flowers
Ford
Frelinghuysen
Froehlich
Giaimo
Gibbons
Green, Oreg.
Griffiths
Gubser
Guyer
Hanley
Hansen, Wash.
Harrington
Hawkins
Heinz
Holifield
Jones, Tenn.
Kazen
Landrum
Litton
Long, La.
Lott
McCloskey
McEwen
McKay
McSpadden
Madigan
Maraziti
Matsunaga
Melcher
Metcalfe
Milford
Mizell
Mollohan
Morgan
Mosher
Murphy, Ill.
Nix
O'Neill
Owens
Patman
Pepper
Peyser
Pickle
Quillen
Regula
Reid
Rhodes
Rodino
Rogers
Roncallo, N.Y.
Rooney, N.Y.
Roy
Ruppe
Satterfield
Seiberling
Shipley
Shoup
Slack
Smith, N.Y.
Staggers
Steele
Stubblefield
Teague
Thompson, N.J.
Ullman
Walsh
Wiggins
Wilson, Bob
Wilson,
  Charles, Tex.
Wyman
Young, Fla.
Young, Ga.

The SPEAKER pro tempore (Mr. McFALL). On this rollcall 325 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

REREFERRAL OF H.R. 4894, FOR RELIEF OF THE SOUTHEASTERN UNIVERSITY OF THE YOUNG MEN'S CHRISTIAN ASSOCIATION OF THE DISTRICT OF COLUMBIA

Mr. DIGGS. Mr. Speaker, I ask unanimous consent that the Committee on the District of Columbia be discharged from the further consideration of the bill (H.R. 4894) for the relief of the Southeastern University of the Young Men's Christian Association of the District of Columbia, and that the bill be rereferred to the Committee on the Judiciary.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

DISTRICT OF COLUMBIA BUSINESS

The SPEAKER pro tempore. This is District of Columbia day. The Chair recognizes the gentleman from Michigan (Mr. DIGGS), chairman of the Committee on the District of Columbia.

EISENHOWER MEMORIAL CIVIC CENTER SINKING AND SUPPORT FUNDS ACT OF 1974

Mr. DIGGS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 12473) to establish and finance a bond sinking fund for the Dwight D. Eisenhower Memorial Bicentennial Civic Center, and for other purposes, and pending that motion, Mr. Speaker, I ask unanimous consent that general debate on the bill be limited to not to exceed 1 hour, to be equally divided and controlled by the gentleman from Minnesota (Mr. Nelsen) and myself.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Michigan.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 12473, with Mr. Price of Illinois in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the unanimous-consent agreement, the gentleman from Michigan (Mr. Diggs) will be recognized for one-half hour, and the gentleman from Minnesota (Mr. Nelsen) will be recognized for one-half hour.

Mr. REES. Mr. Chairman, this bill is an attempt to make sure that the Eisenhower Civic Center will be a financial success, and it will not come back to Congress for funding, and that the general taxpayers of the District will not be asked to finance the Center.

Mr. Chairman, when the original bill came through authorizing the construction of the Eisenhower Center I was one of those who voted against the bill because I was very dubious as to the financial projections on the financing of this center.

When the Committee on the District of Columbia was called upon to give its approval of the plan of the Eisenhower Center I still did not feel that the projections of the district were adequate. We did some of our own in-House projections, and it was felt that we needed to set up a definite financing plan for this Center if it were to be feasible and make its way financially. We did not want to have the situation that we now have with RFK Stadium, where none of the principal payments have been paid on the bonds, and only one-half of the bonds have been financed by the events that have been held at RFK Stadium.

We will create by this bill two funds. One is a support fund. Into the support fund goes revenue from the Convention Center.

No. 2, we have per delegate spinoff funds going into the fund. Let me explain how that works. We are going on the assumption that every delegate who goes to the convention will be spending x amount of dollars in Washington, and that probably at least $3 of that would be in the form of sales taxes, so that we are putting into that fund $3 per head per day per delegate, and that is a very low assumption, assuming that the delegate is only going to spend $50 a day. Projections are that the delegate spends more than $50 a day, but we are using low projections.

No. 3, we have a tax increment revenue. The Eisenhower Center is in the redevelopment area, Mount Vernon Square. This area is depressed. It really does not pay very much at all in property taxes. We are assuming that if the Convention Center goes in, it will generate a great deal of property tax because already there are commitments for several hundred million dollars for new construction in the redevelopment area if the Convention Center goes in. These are hotels, shops, stores. So what we do is take the property tax income today, and then we will take the property tax income as the property goes up in value, and 25 percent of that increment goes into the fund.

The fourth area of income would be from the $14 million authorization that was authorized in the original legislation creating the Eisenhower Civic Center that must be appropriated by the Committee on Appropriations. If they appropriate these funds would go into the support fund.

If we find that all of these revenues will not pay for the overhead or will not pay for the principal and interest payments, we will then have to depend on a bond sinking fund. The bond sinking fund is to back up the Eisenhower Center to make sure that it is paid, not by Congress, not by the general taxpayer, but by those who would benefit by the Center.

The first tax is a 1-percent tax on hotels. The hotels have already agreed to this, and this tax would be triggered in the middle of next year.

No. 2, if, with that money from the hotel tax building up a bond sinking fund of $5.5 million, which is 1 year's principal and interest payment, is not enough——

The CHAIRMAN. The time of the gentleman has expired.

Mr. DIGGS. Mr. Chairman, I yield 5 additional minutes to the gentleman from California.

Mr. REES. I thank the chairman.

What we have, No. 2, is a special assessment district that covers all of the commercial property in downtown Washington, so that if none of these funds cover principal and interest, then there will be a special assessment, a property tax special assessment, which will then pick up the balance of the deficit. We also have interest on the money in the sinking fund, because this will be invested in some type of Government Treasury note. This is a complete cycle of financing. Those that are to benefit by the Convention Center are those that will have to pay for the Convention Center if their original projections do not work out.

I have here endorsements from the Metropolitan Washington Board of Trade that represent practically all the business in the commercial areas that will be backing up this project.

I have a telegram of support from the Hotel Association. They are willing to be taxed 1 percent so they can have this Convention Center. I have a telegram of support from the Federal City Council and a telegram from the Washington Area Convention and Visitors Bureau and one from the Washington Board of Realtors. I think this can be a successful project. It is not going to be tossed into the laps of the taxpayers, either national or local, and it is going to generate business and pick up an area in Washington which has been a depressed area, an area that is not producing tax revenue.

The Eisenhower Center is needed for this city. If we do not have this additional tax revenue, this Convention Center, there could be problems with the city's tax base going down further and further as time goes by, and many of the businesses in the central city might leave for the suburbs of Virginia and Maryland.

I think in terms of developing Washington this is a good project because it will be self-financed by those people who benefit from the project.

I would urge all Members to support this bill.

It has been worked out with members of our committee and we have discussed it also with the Appropriations Committee and with the equivalent Senate committees and I find generally there is support for this concept of self-financing of the Eisenhower Convention Center with a referendum.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. REES. I yield to the gentleman from Iowa.

Mr. GROSS. Mr. Chairman, how does the gentleman suppose his telegrams will read when this thing falls flat on its face, as have all other such deals? Will the telegrams then demand that "Uncle Sugar" step up to the platter and take a swing with a bundle of cash?

Mr. REES. Under this bill it does not matter what they feel like. What it says in the bill is that there shall be a special support fund in that area and so those gentlemen who have been sending in these telegrams will have to pay if this Center is not a financial success. There is no way under this bill in which they can come back to "Uncle Sugar" and hit the general taxpayers either in the District of Columbia or in the country.

I explained to the gentleman my projection is one-half of the projections of those associations who support the project, and even with those rather dismal projections I made for them, those people said they were willing to back this Center. I think it, with this financial plan, the project will be a success.

I think their support is good enough for me.

Mr. GROSS. The gentleman is one in a long line of those who have stood in the well of the House and promised that these projects would never cost the taxpayers of the country a single dime. No, never. What does the gentleman think is going to happen next year when the bonds come due on the white elephant known as the RFK Stadium?

Mr. REES. If there had been a bill like this for the RFK Stadium, we would not have to swallow those bonds. That is why I voted against that Eisenhower Center and wrote this bill, to make sure this would not come back in our laps.

Mr. GROSS. If this does not generate the income anticipated, then we will have another big white elephant in another place in the District of Columbia. What will we do with it then?

Mr. REES. It will be the white elephant of the business community of Washington, D.C. It will not be the white elephant of the Congress of the United States.

Mr. GROSS. It will be when we amend the law.

Mr. NELSEN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I am also one of the Members who voted against the Eisenhower Civic Center when it was just proposed October 3, 1972. However, it carried by a vote of 199 to 183 on a motion to strike the Civic Center from that original bill. An amendment was offered for an oversight committee which carried by 250 to 137, which meant that the bill would have to come back to the Appropriations Committee and to the District of Columbia Committee.

The bill then passed by a vote of 210 to 169 and was enacted into law as Public Law 92-50; so the decision has already been made. Anything that we do here is to try to bolster feasibility of this project with the amortization bill we take up today, if we can call it that. As a result of this bill, and we have done a good deal of work on it, particularly the gentleman from California (Mr. REES) we in the District Committee have tried to give this Congress some assurance, at least a strong indication of interest on our part, to see to it that there is a tax and sinking fund plan that would meet our own concerns as well of all Members of the House as to the financial feasibility of this project.

When we consider investments like this in the District of Columbia, I am reminded years ago how on the farm every spring we would buy baby chicks. The catalog that was issued advertising them would refer to the flock from which these birds based on their ROP—record of performance. So the assumption was that if the mother hen laid 200 eggs in a year, that the pullet would probably do as well or better.

Now, the record of performance, as has been mentioned, as far as the Kennedy Center, the RFK Stadium, and other things that we have put our minds to try to implement in the past about the only thing we got from the pullet was some eggs in our faces. It did not pay out in all cases.

However, I believe we have a plan that, I think, is one of the most studied plans that we have ever had, where there is the same assurance through the revenues generated in the benefit areas downtown that go into earmarked support and sinking funds where the Civic Center benefit areas will be producing income, instead of little, or some cases, no income at all.

Now, this morning I took a trip around town and I went down in the area in the heart of our Federal City where this Civic Center will be built. Believe me, it needs attention. It needs attention locally and as our Federal City.

Here we have a picture [demonstrating] of the area that we are talking about. It is not producing much revenue. It is not producing income in the way of taxes in adequate amounts to meet expenses in this city. It is a badly deteriorated situation in this area of the city. It needs rebuilding.

Now, then, we have a picture [demonstrating] of the Civic Center that would be constructed, which this House has voted to proceed with in 1972, but have not given the proper attention to finance a plan which we first voted that would substantially assure its financial independence. That has now been done in Mr. REE's bill.

Here you see [demonstrating] four city blocks. This Center would be there and around the Center we can see what has already taken place, where commitments to build have been made or are contingent on the construction of the Civic Center.

For example, over here [pointing to the hotel that would be built] the total dollars invested in this area for proposed construction is $7.5 million in this spot.

Over here, $22 million; $500 million here and plans are already underway for the construction of a hotel here, provided the Civic Center is constructed.

Here is $100 million here. Here is $15 million. Here is $3.2 million [indicating]. Altogether the reconstruction is estimated to reach $372 million.

Now, some may ask the question, "Why are some of these so far away?" The point is that this entire area needs to be developed. The theory is—and it is a theory—that if this money goes in there, this entire area will begin to develop. Some construction will be adjacent, some will be blocks away and then construction will begin in between the sites.

Now, the question always comes up, "What about parking?" It is true that in the plan itself the parking is limited; but it is also a part of a plan that when this area is developed, there will be more parking, but it will be private parking not publicly subsidized as it is in many cities.

Moreover, we have the subway system which closely connects with hotels and other downtown areas easily accessible to the Center.

Now, a feasibility study was made by a very competent firm.

The feasibility study indicated that this Center could pretty much stand on its own without the financing plan that has been produced in this bill, and if it is true that it could stand on its own, certainly with the Rees plan—H.R. 12473—added, there is bolstering and contributing assurance that it will be safer, it will be more assured of success than it originally was thought to be.

Now, the District of Columbia has only two principal sources of business income. One is the Government—Government employees, et cetera—and the Federal City is where our Government is housed; and the other is tourism. The only way that this city could ever become to some degree independent of taxes coming from the Federal payment—from Minnesota, from Iowa, from Michigan, from all over the United States—if there is tax-income-producing property in the District of Columbia, which we do not have enough of. If the people here in the District of Columbia are to have jobs and income, there is going to have to be something that will enhance and build on one of the city's principal sources of income—tourism. The Civic Center will do this.

So I would feel that, having first voted no on the Civic Center in 1972, and not having prevailed, I endorse the careful plan that the gentleman from California (Mr. REES) has worked out. I do this having in mind that there are those who want the people to have a vote on it, and I am certainly willing to go along with that idea and let the referendum go and let the people have a voice.

Now then, as to the City Council, there has been some division there on the Civic Center which is not too important, but I feel that there was a little politics creeping into that, as testified to by some. At the same time, I am convinced, as a Minnesota farmer and a taxpayer, in the interests of my Federal City and your Federal city, that something needs to be done to help the city become more financially independent. A Civic Center, in my opinion, will help do this. The Mayor agrees.

We point to all of the failures that have occurred in financing projects in the District, and seemingly our economy votes sometimes hinge around money that goes to our Federal City, and sometimes it is justified; sometimes it is not. But, I would like to point out with some pride again to one of the things we did in the Washington Technical Institute, where was started something that this city did not have. I point with pride to the fact that in the first graduating class, 87 percent of the young people that graduated had a job the day they graduated, because they had a skill, they had a know-how, they had something to go out and earn a living with.

On that basis, I think that investment has paid off and I believe this one will, too, given the Rees financing plan.

Members may ask a question of me or anybody here, is there any sensible reason why any one of us should have any interest at all in this bill concerning Washington, D.C.? My answer is, it is our Federal City. It is your Federal City. After carefully surveying this problem, having voted against it in 1972 because I thought, "Here we go again with egg on our faces," but after the Rees plan was developed, in my judgment this goes a long way toward giving us the assurance that I think we are going to have to help the city and provide a plan to pay off the development debt of the Center.

I believe the bill is a good bill. Some of us have served on the District Committee—and there is very little thanks any of us get for that back home—but my interest in this bill, in this city, is because it is my Federal City, and I think it is up to all of us to exercise concern for it. At the same time, I hope to provide a financing plan that was lacking in the 1972 law. Some of us spent hours and hours and hours on this plan in the committee, and I think we have had the facts laid before us in a manner that gives me the feeling that we are on the right road to a fiscally sound project that is given a financially sound base with the Rees bill. I hope that this House will pass this bill. We already passed the bill for the Center in 1972, let us give a financially sound base for construction and operation with the bill before you today.

Mr. Chairman, this really is adding a financing plan that I think we ought to have. It gives us a referendum where the people can have a voice in making the decision. I think it is a well-rounded, carefully considered piece of legislation, and I think it is presented in a much better way than was the Kennedy Center or the Stadium, which we all recognize as having presented a little bit of a difficult problem for all of us.

Mr. SNYDER. Mr. Chairman, will the gentleman yield?

Mr. NELSEN. I yield to the gentleman from Kentucky.

Mr. SNYDER. Mr. Chairman, there are a couple of questions I wish to ask the gentleman.

Does the gentleman agree that under the existing plan parking is limited? Will the gentleman tell the Members just how many parking places are provided for under the existing plan?

Mr. NELSEN. Mr. Chairman, there are only 94 to 100 parking spaces provided for in this bill. However, if this entire area is developed, certainly the facilities for parking will grow with the rest of it and be privately financed. We have the subway system, which will directly tie into the Civic Center. The subway is publicly financed, perhaps auto parking should be privately financed.

Mr. SNYDER. How much is that additional parking which is going to be provided for in the future going to cost?

Mr. NELSEN. Mr. Chairman, that will be private development—no public funds.

Mr. SNYDER. Mr. Chairman, if the gentleman will yield further, I have another question.

Mr. NELSEN. Yes, I yield to the gentleman from Kentucky.

Mr. SNYDER. Mr. Chairman, I have just one more question.

The original bill, as it has been alluded to here today, requires the approval of four committees of Congress, two in the House. I read in the newspaper that a subcommittee of the Committee on Appropriations, I believe, unanimously disapproved this. I realize that is not the action of the full committee.

How does the gentleman intend to deal with that?

Mr. NELSEN. Mr. Chairman, one of the requests that came to our attention was the request that a referendum be provided, and we have gone along with that idea, in spite of the fact that our committee originally went along with the bill without a referendum.

However, I think in the legislative process we must recognize the responsibility of all committees and try to work out some kind of an accommodation, which is what we did.

Mr. SNYDER. Mr. Chairman, if the gentleman will yield further, is it the gentleman's thought, then, that if a referendum provision is passed and included in the bill, and the bill is passed, that Subcommittee on Appropriations which I read about in the paper is going to change its mind?

Mr. NELSEN. Mr. Chairman, I do not speak for the Committee on Appropriations. That committee will have its chance to make its decision, as our committee did, when it had its opportunity. I certainly would respect what they do. I have no way of knowing what they will do.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. NELSEN. I yield to the gentleman from Iowa.

Mr. GROSS. Mr. Chairman, let me ask the gentleman this:

Were there hearings held on this bill?

Mr. NELSEN. Mr. Chairman, I did not understand the gentleman's question.

Mr. GROSS. Mr. Chairman, I asked the gentleman: Were there hearings held on this bill by the Committee on the District of Columbia?

Mr. NELSEN. There were extensive hearings, yes.

Mr. GROSS. Where are they?

Mr. NELSEN. Does the gentleman mean, where are the hearings?

Mr. GROSS. Yes.

Mr. NELSEN. They are in committee galley print.

Mr. GROSS. Mr. Chairman, I am unable to get them down at the desk.

Mr. NELSEN. Mr. Chairman, I will yield to the chairman of the committee, if there are any further details to be explained.

Mr. GROSS. When were the hearings held?

Mr. NELSEN. Mr. Chairman, we have held hearings at various times in December and March for a long time, I will say to the gentleman from Iowa (Mr. Gross).

Mr. GRAY. Mr. Chairman, will the gentleman yield?

Mr. NELSEN. I will be glad to yield to the gentleman from Illinois.

Mr. GRAY. Mr. Chairman, let me say, as the author of the original authorizing and enabling legislation, we have held five distinct hearings on this matter. One of them was downtown, which is unprecedented. We went to the Mount Vernon Square area.

Also in February, hearings were held before the Committee on the District of Columbia on this very financing proposal.

Mr. GROSS. Mr. Chairman, will the gentleman from Minnesota yield?

Mr. NELSEN. I yield to the gentleman from Iowa.

Mr. GROSS. Mr. Chairman, let me ask the gentleman from Illinois this question:

Was one of the hearings the one which the gentleman walked out on, allegedly walked out of the hearing?

Mr. GRAY. Mr. Chairman, if the gentleman from Minnesota will yield, I never walked out of any hearing. I walked off a television program which was supposed to be a debate to shed a little light. Instead of shedding a little light, it shed a lot of heat, so I walked off, and that was channel 7. It had absolutely nothing to do with the matter under discussion.

Mr. NELSEN. Mr. Chairman, I might mention that I do not blame the gentleman from Illinois for walking off. I watched the program.

Mr. GROSS. Mr. Chairman, if the gentleman will yield further, I am still wondering where the hearings are.

Mr. NELSEN. Mr. Chairman, I will inform the gentleman that Mr. Hogan of the committee staff will give him the galley print, and I think the facts will be clear.

Mr. GROSS. Will the gentleman yield?

Mr. NELSEN. I yield to the gentleman from Iowa.

Mr. GROSS. Mr. Chairman, if it is not serious enough to have a bound copy, do we have to work from the galley proofs; is that right?

Mr. NELSEN. I am not suggesting that, I will say to the gentleman from Iowa——

Mr. GROSS. That is a galley proof.

Mr. REES. Mr. Chairman, will the gentleman yield?

Mr. NELSEN. I will yield to the gentleman from California.

Mr. REES. Mr. Chairman, I thank the gentleman for yielding.

It is my understanding there were hearings held in December, and there were also hearings held in March. The December hearings were, I think, on the 14th of December, and the other one was on March 7.

We had public testimony and everyone was notified of the hearings, and they were in accordance with the rules of the House.

Mr. GROSS. Except that they are not printed. This is the first I have seen of any hearings of March 7. I am suprised it is not printed.

Mr. GRAY. Will the gentleman yield?

Mr. NELSEN. I yield to the gentleman.

Mr. GRAY. The gentleman from Kentucky asked a question about parking. I would like the record to show that within 800 feet of the site of this Center there are 10,250 parking spaces plus we have a contract and are underway at Union Station with 1,200 additional automobile parking spaces and 700 places for buses. It is only eight blocks distant, and we plan to have a shuttle service running directly from the Visitors' Center up to the Ninth Street underpass in the center of this facility, and we expect to have the first leg of the Metro in Union Square, so we will have ample parking and visiting facilities.

Mr. NELSEN. I thank the gentleman from Illinois.

Mr. Chairman I wish to insert at this point my additional views (joined with by Mr. Rees) as they appeared in the report (No. 93-923) accompanying H.R. 12473:

Additional Views of Representative Thomas M. Rees and Representative Ancher Nelsen on H.R. 12473, as Amended

We support the provisions of H.R. 12743, which establishes a sinking fund to meet the interest and principal payments of bonds issued pursuant to the Public Buildings Act of 1959 to provide for the construction of a convention and civic center in the District of Columbia and to establish a support fund for the convention and civic center in order to insure a financially sound project.

Public Law 92-520 authorized the construction of the convention and civic center, but pursuant to an amendment added in the House, the construction of such convention and civic center was predicated on the submittal to and approval by Senate and House Committees for the District of Columbia and the Senate and House Committees on Appropriations of the design plans and specifications, including cost estimates, of such convention and civic center. No purchase contract for the construction of such center may be entered into by the District Government or the corporation or entity authorized to construct such center without such approval.

When the matter of the authorization of the construction of the convention and civic center came up on the Floor on October 3, 1972, we voted against the measure for reasons, among others, which we believe are addressed and corrected by this bill.

The unfortunate record of RFK Stadium, both as to its original cost estimates and its annual earnings as projected at the time of its approval, was very persuasive to us in voting not to permit a repetition of this type of construction project and financial undertaking. We were also mindful of the recent experience of Congress in funding the JFK Center for the Performing Arts and the escalating costs of the Metro subway system now under construction in the District of Columbia and its suburbs.

However, we support this bill as a measure which addresses these earlier cited criticisms, which heretofore had some validity, but which are provided for and corrected by the provisions contained in this legislation as noted below:

1. The design plans and specifications, including detailed cost estimates of the convention and civic center, have been subjected to considerable review; detailed examination and additional concessions have been made which have resulted in House District Committee approval of the project.

The District of Columbia has agreed that the following actions will be taken with respect to the Center:

(*a*) That the Commissioner will insure that all purchase contracts for the financing, design, and construction and maintenance of the convention and civic center are let to "the lowest and best bidder as determined by the Commissioner" under usual competitive bid procedures.

(*b*) That a value engineering study will be undertaken by the District Government to insure that the design plans and specifications of the convention and civic center as submitted to this Committee are subjected to professional examination, so as to obtain optimum value for every dollar spent on this project.

Meanwhile, the District Government has conducted and submitted to the Committee a concept design report under contract with certain architects and engineers, wherein data was collected and analyzed which included examination of the construction and operation of convention and civic centers in a number of other cities, as well as specific plans and designs for the convention and civic center planned for the District of Columbia. All of this material was reviewed and examined by the Environmental Protection Agency to determine that it met with certain environmental impact standards as they relate to the particular location of this convention and civic center. In addition, the matter was examined in detail in hearings held before the District of Columbia Council, at which a number of local citizens, economists, etc., appeared and testified for and against certain aspects of the Center. The Council approved the design specifications and cost estimates and forwarded the matter to this Committee.

2. The bond sinking fund and support fund, as well as the taxes and revenues provided for in this bill, avoid some of the problems encountered with the RFK Stadium and provide the protections necessary to insure that the construction costs and the operation of the convention and civic center will to the optimum extent possible guarantee that the financial integrity and the soundness of management necessary to insure that overall this project will be economically sound and not constitute a burden to the District residents.

The thrust of this bill is to insure to the maximum extent possible that taxes are imposed in a benefit area, that revenues are realized from the benefit area, and that there are recoveries for the operating costs of the Center from the monies expended by delegates attending conventions at the Center that will place the support and bond sinking funds in a liquid condition that insures financial soundness. Accordingly, there will be adequate financing to meet the operating needs of the convention and civic center and there will be adequate funds to handle the debt servicing of the bonds that are issued to cover the costs of the construction of the convention and civic center. A general outline of how the funds are established, when the funds are used, and special features of the funding and taxing provisions of this bill are as set forth below:

FUNDS ESTABLISHED

(*a*) *Support Fund.*—Composed of:

(1) Gross revenues from Center's operations.

(2) 25% of the increase in real estate tax collections over FY 1974 occurring in the Civic Center Economic Impact Area. (Identical to downtown urban renewal area)

(3) General fund revenues equal to $3.00 per convention delegate per convention day. This represents an estimate of the average D.C. taxes received from spending by convention delegates.

(4) Monies appropriated from $14 million Federal payment authorized in P.L. 92-520.

(*b*) *Bond Sinking Fund.*—Composed of:

(1) Revenues from a 1% increase in the tax on hotel rooms effective FY 1976 (raises $1 million annually).

(2) Revenues from increase in real estate tax for commercial establishments in modified downtown business district, as defined by Census Bureau (rates set by City Council).

WHEN FUNDS ARE USED

(*a*) Support Fund used to meet all of Center's operating costs, and to make payments on loans for building the Center.

(*b*) If Support Fund monies insufficient, *Bond Sinking Fund* monies are used to pay off loans.

SPECIAL FEATURES

(*a*) Hotel tax paid into Bond Sinking Fund is removed when that fund builds up to an annual loan payment (about $6 million). Tax is triggered back on when Sinking Fund drops below this amount.

(*b*) Real estate tax takes effect only when Sinking Fund dips below $100,000. Is removed when fund builds back up to an annual loan payment.

3. The benefits to be derived by the District of Columbia from the rejuvenation of the area surrounding the convention and civic center are substantial. There is little question but what one of the largest businesses in the District of Columbia is its attraction as a tourist center. The convention business is a big business throughout the country, and the increase in tourist dollars spent in the District by reason of the construction of the convention and civic center will be considerable. Based on the information set forth in the table below, the average person attending a convention stays an average number of days and spends an average amount of money:

GENERAL SERVICES ADMINISTRATION—CONVENTION DELEGATE EXPENDITURES

		IACB survey, Washington D.C.[3]	
	IACB national averages[1] (percent)	Average[2] expenditures (1971 dollars)	Percentage
Hotel rooms	33.69	$85.30	40.70
Retail stores	11.92	17.16	8.19
Restaurants (except hotel)	12.61	32.13	15.33
Hotel restaurants	12.90	25.64	12.23
Beverages	5.59	13.28	6.34
Night clubs, sports	4.89	7.33	3.50
Local transportation	4.09	10.71	5.11
Car, gas, oil, service	5.98	4.06	1.94
Theater	1.03	.62	.30
Sightseeing	1.50	4.30	2.05
Other	5.80	9.04	4.31
Total	100.00	209.57	100.00

[1] Source: 1966 IACB national survey—convention delegate expenditures.

[2] Source: Washington Convention and Visitors Bureau (adjusted to 1971 dollars).

[3] Source: Washington Convention and Visitors Bureau—over 4 days are spent by the average delegate at a convention.

It is estimated that two to four years after the Center opens it will have 222 days per year utilized by conventions and other events. Further it is estimated that within that period when the Center is in full operation, it will be utilized by 342,000 delegates. Thus, it can be readily seen that convention business will greatly stimulate local District businesses and there will be substantial amounts of sales tax revenue collected by the District as a result.

The projected amount of new developments in the downtown Washington area, which may be attributable in large part to the Center over the period 1975-1980, is estimated as follows: [1]

Quality Inn—Downtown—14th and Massachusetts Avenue	$7,500,000
Hyatt Regency—New Jersey and D Street	40,000,000
Prime Land Bank, Inc.—7th, 8th, I, K Streets	50,000,000
Parking garage—9th and G	3,200,000
1,000-room apartment building (renewal site) at 5th and K	22,000,000
Mixed use development on renewal sites at 12th and G, and 7th and G	100,000,000
Two hotels (sites confidential)	30,000,000
C&P headquarters building, 8th and G Streets	15,000,000
Development of 15 parcels, which have been assembled by developers, are now largely vacant, used for parking lots, and zoned for hotel or intensive commercial use (this does not take into account any development resulting from the Pennsylvania Avenue Plan)	105,000,000
Estimated total value of new development	372,700,000

The foregoing is exclusive of the escalation in the property values that will result because of the construction of the Center in the downtown area. The real estate tax revenue as expected will be realized by the District of Columbia from 1975 through 1985 is as follows:

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[1] Source: District of Columbia Government.

Real estate tax revenue increase expected from redevelopment

1975	0.2
1976	.8
1977	1.6
1978	2.0
1979	2.8
1980	3.2
1981	3.6
1982	4.0
1983	4.4
1984	5.0
1985	5.6

The foregoing is illustrative of the kinds and varieties of benefits that will be derived in terms of increased tax revenues, increased business and increased construction and development in downtown Washington as a result of proceeding with the convention and civic center. The fact that we have added the protection of H.R. 12473 to the Center project so as to insure the financial viability of the project and thus greatly enhances the prospects that the rejuvenation of downtown Washington, and the benefits which are side effects of that rejuvenation, will be derived to the interest and benefit of the District of Columbia and its residents.

For the foregoing reasons, we support H.R. 12473, and we also urge you to support it.

THOMAS M. REES.
ANCHER NELSEN.

I now yield 5 minutes to the gentleman from Virginia (Mr. BROYHILL).

Mr. BROYHILL of Virginia. Mr. Chairman, I wish to urge the support of my colleagues for the bill H.R. 12473, which provides a fiscal program assuring the financial viability of the proposed Dwight D. Eisenhower Memorial Bicentennial Civic Center here in the Nation's Capital.

The Eisenhower Memorial Civic Center was authorized by Public Law 92-520, approved on October 21, 1972, subject to the subsequent approval of the design, plans, specifications, and cost estimates by the District of Columbia Committees and the Appropriations Committees of the House and the Senate.

After the enactment of Public Law 92-520, a nonprofit organization, known as the Eisenhower Center Corporation, was formed to provide the financing for this project. This corporation has been granted unsecured loans from several local banks in the total amount of some $600,000, to provide funds for the development of the plans for the Center. At this time, preliminary plans have been drawn, and the final plans and specifications are about 30 percent completed, for a civic center and convention facility in the Mount Vernon Square area of the city.

The cost of site acquisition, construction, and equipment of the Center is presently estimated at $80.6 million. When final approval of the project is obtained, the Eisenhower Center Corporation will issue bonds in that amount, the interest on which will be tax exempt. The Center will then be constructed and leased to the city for operation, and the District of Columbia government will then assume responsibility for the payment of principal and interest on the bonds. At the end of a period of 30 years, when the bonds have been retired, the title to the Center will be vested in the District of Columbia.

It is estimated that the debt service on the bonds will be about $5.5 million per year. The operating costs are estimated at some $1.8 million in 1978, the first year the Center is expected to be in use, and this figure is expected to increase to $3 million by 1985. Thus, the total expense accruing to the city is expected to vary from $7.3 million in 1978 to about $8.5 million in 1985.

Spokesmen for the District of Columbia government predict that the Center will generate new revenues to the city in the form of property, sales, and income taxes, which they believe will be sufficient, in addition to the operating revenues derived from the Center, to defray the entire costs incident to the Center.

While this estimate of self-liquidation of this project may well be justified, I and a majority of my colleagues on the House District of Columbia Committee feel that there should be a fiscal plan enacted in connection with the Eisenhower Center which will serve to protect the taxpayers of the District of Columbia and the Federal Treasury alike from the necessity of assuming a burden of fiscal responsibility for this Civic Center in the event the city's predictions fail to materialize as expected. Thus, the bill H.R. 12473 has been designed to afford a protection, a safeguard against such an eventuality, by assuring the liquidation of this entire project, if necessary, by revenues derived largely from those interests in the city which will benefit to the greatest extent from the operation of the Civic Center.

The bill will accomplish this purpose by establishing on the books of the U.S. Treasury, to the credit of the District of Columbia, two trust funds—a bond sinking fund and a support fund.

The Eisenhower Memorial Bicentennial Civic Center bond sinking fund will be established for the purpose of accumulating amounts available for making payments of the principal and interests on the bonds incident to the Eisenhower Civic Center in years when amounts available in the support fund are not sufficient to meet these costs. As I have stated, this cost will be $5.5 million per year.

The sinking fund will be financed from the following sources of revenue:

First. A 1-percent additional sales tax on the rental of hotel rooms in the city. This levy, which will raise the present sales tax on hotel room rentals to 7 percent, will be effective only during "bond-sinking periods." The first such bond-sinking period is to begin on July 1, 1974, and will end on the first day of the first full month beginning after the date when the D.C. Commissioner certifies to the D.C. Council that the amount in the sinking funds is equal to the amount of the total cost of debt service on the bonds for 1 year. Then subsequent bond-sinking periods will begin if and when the amount in the sinking fund falls below that amount, and so on. Thus, this tax will be "triggered" on and off so as to maintain a sinking fund sufficient to meet the debt service costs on the bonds for 1 complete year.

This additional tax on hotel room rentals is estimated to bring in about $1 million per year to the sinking fund, and this new levy for this purpose is supported by the D.C. Hotel Association and by a number of individual hotel owners. It is interesting in this connection to note that two large new hotels are already planned for construction in the Civic Center area when this project is finally approved.

Second. A special real property tax. For this purpose, the bill creates a Civic Center Benefit Area, which will be comprised of all nonresidential real property within the D.C. downtown business district, together with all nonresident real property outside of this district and zoned C-4 or C-3-b as of March 1, 1974. These zoning classifications are selected because they apply to the commercial properties which will benefit to the greatest extent from the presence of the Civic Center in the city. I am advised that these properties outside of the Benefit Area itself are contiguous either to the Benefit Area or to each other, so that all the properties affected lie within a common boundary. This boundary is quite irregular in shape, of course, but it includes roughly that part of the city bounded by Constitution Avenue, Massachusetts Avenue, North Capitol Street, and 19th Street NW.

These commercial properties within the Civic Center Benefit Area will be taxed at such a rate that at the end of a period of 2 fiscal years the total revenues in the sinking fund, after the payment of all annual principal and interest payments, shall exceed $100,000; and after 3 fiscal years, after such debt service payments for those years, there will remain in the fund sufficient money to pay the debt service costs for 1 additional year. This formula is designed to assure an adequate amount in the sinking fund at all times.

This special real property tax will also be triggered on and off. The tax shall apply to any fiscal year following a certification by the D.C. Commissioner on June 15 that the net adjusted amount in the sinking fund is less than $100,000 and when the 1-percent sales tax levied on hotel room rentals is in effect. Then the tax will terminate at the end of any fiscal year in which the D.C. Commissioner certifies that the net adjusted amount in the fund is at least equal to 1 year's debt service cost on the bonds.

Third. Any surplus funds from the support fund.

Fourth. Any interest accruing from the investment of funds in the sinking fund.

It is further provided that the bond sinking fund shall terminate when the U.S. Comptroller General determines that enough funds exist in the sinking fund to pay the total aggregate of principal and interest outstanding on the bonds. At such a time, the D.C. Commissioner shall request appropriations of the amount from the fund sufficient to pay off the bonds, any surplus remaining shall be transferred to the D.C. general fund, and the bond sinking fund shall go out of existence.

The Eisenhower Memorial Bicentennial Civic Center support fund will be established for the purpose of making funds available for making payments for operating expenses of the Civic Center, and any other expenses incurred by the District government directly attributable to the construction or operation of the Center. Also, it will provide funds for the payment of principal and interest on the bonds. As I have stated, in any year when the money in this support fund is not sufficient to meet the debt service costs on the bonds, then sufficient funds for this purpose will be made available from the sinking fund. And on the other hand, when the amounts in the support fund are more than sufficient for all the above-mentioned purposes, any reasonable amount of such surplus may be appropriated to the bond sinking fund.

The support fund will be financed from the following sources of revenue:

First. Amounts appropriated by the Congress from the Federal Treasury as authorized in Public Law 92-520. Section 4(a) of that act authorizes the appropriation of a maximum of $14 million of Federal funds to ease the financial burden on the D.C. government's budget during the initial years of the Eisenhower Civic Center.

Second. Twenty-five percent of the increased revenues derived each year from the regular real property tax on all real properties located in the Civic Center Development Impact Area, which is the downtown urban renewal area as defined in the comprehensive plan adopted by the NCPC—and not to be confused with the special real estate tax Civic Center Benefit Area described earlier in this text.

Since the Civic Center will inevitably lead to a substantial increase in the value of all real property located in this downtown area, there will be a corresponding increase in the real property tax revenues derived from such properties. In computing this 25 percent of such increment which will accrue to the support fund, the fiscal year 1974 will be used as the "base year," and all increases in the tax yield will be computed using the tax collected in the area during that fiscal year 1974 as the standard. The remaining 75 percent of this increase will of course go into the D.C. general fund.

It is estimated that this tax will yield $1 million to the support fund in 1978, and that it will increase to $2.8 million in 1985.

Third. Gross receipts derived from the operation of the Civic Center. These revenues have been very conservatively estimated, assuming only two-thirds of the city's estimate of the anticipated attendance, at $500,000 in 1978 and increasing to $1.6 million by 1985.

Fourth. Revenues, which would otherwise be deposited in the D.C. general fund, amounting to $3 per delegate at the Center per convention-day. It is estimated that the average delegate to a convention stays for at least 4 days and spends at least $50 per day during his stay. The revenues referred to represent a portion of the sales tax yield which will accrue from these expenditures. It is estimated that the income to the support fund from this source will amount to some $800,000 in 1978 and will rise to $3.4 million in 1985.

The bill further provides that whenever the amount in the sinking fund equals the cost of the debt service on the bonds for an entire year, any surplus existing in the support fund will then go into the D.C. general fund—rather than into the bond sinking fund.

The annual debt service for these Civic Center bonds is to be included within the ceiling imposed in the Home Rule Act, which provides that debt service payments may not exceed 14 percent of the city's total revenues in any fiscal year.

It is further provided that the U.S. Comptroller General shall make an annual audit of both of these funds, and report his findings to the Congress, the President, and the D.C. Commissioner and the D.C. Council.

The provisions of this proposed legislation will become effective on the date of enactment into law, or the date when final approval of the Civic Center is obtained, whichever occurs later.

I wish to commend my colleague, Congressman Rees, for his diligent work in developing this excellent piece of legislation. This concept of the two special trust funds, financed entirely by the users of the Civic Center, the real estate owners in the area whose property will be enhanced in value by the Center, the commercial interests in the city which will benefit particularly from its operation, and the Federal Government to the extent authorized by the Congress in the act of 1972, will afford a financial stability to this great enterprise and an assurance that neither the Federal Government nor the District taxpayers in general will be subjected to any financial burden in connection with the Eisenhower Civic Center under even the most adverse circumstances. And I am particularly pleased that the two "special" taxes involved, the added sales tax on hotel room rentals and the added real estate tax on commercial properties, will be imposed only during those periods when they may be needed.

I cannot express too strongly my conviction that the construction of this proposed Civic Center is vitally important to the District of Columbia. The site chosen for the Center is ideal from every standpoint, and this facility in that location will spark the revitalization of that section of downtown Washington, which has been deteriorating rapidly in recent years. The Center will create new jobs and bring additional revenues to the District of Columbia government, and thus will be a boon to the economic well-being of the entire city.

In my opinion, it is a disgrace that our Nation's Capital is the only major city in the United States which does not have adequate facilities to accommodate the larger national and international conventions, nor a civic center for those activities which are essential for the enrichment of urban living. The proposed Eisenhower Memorial Bicentennial Civic Center will fill both of these needs, and will also be an active and fitting memorial to the late President Eisenhower, who took such a strong interest in the welfare of this Capital City.

Enthusiastic support for this project has been expressed by the Commissioner of the District of Columbia and a majority of the members of the District of Columbia Council, the District of Columbia Redevelopment Land Agency, the District of Columbia Board of Trade, and by bankers, hotel owners, and other leaders in the business community.

I commend this excellent bill to my colleagues for favorable action at this time.

Mr. NELSEN. Mr. Chairman, I yield 2 minutes to the gentleman from Maryland (Mr. Gude).

Mr. GUDE. Mr. Chairman, I rise in very strong support of this legislation. I think this whole question of the Eisenhower Civic Center has been very thoroughly discussed. We owe a great debt of gratitude to the gentleman from California (Mr. Rees), who has developed this plan. I believe if anyone remains who questions the financing will take the time to look into it, he will see that we do, indeed, have a sound financial plan here, and one which, above all, will not be a burden upon District residents. Through the establishment of these special support and sinking funds, we are providing a means of financing which essentially places the financial responsibility upon the shoulders of those who will gain most from the Center.

I hope the House will give this legislation its very strong support. It is very important to the revitalization of our downtown area, and it is going to mean a great deal to the city of Washington.

Mr. DIGGS. Mr. Chairman, I yield 3 minutes to the gentleman from Indiana (Mr. Myers).

Mr. MYERS. Mr. Chairman, I applaud the gentleman from California for his efforts to devise a program that would take off of the hook the American taxpoyer. I am not at all sure it is going to accomplish this, but I rise now with some question and reservation about the plan as has been presented here this afternoon.

First, in the bond sinking fund, the gentleman provides for a hotel tax, adding 1 percent to the existing 6 percent hotel tax. Who is going to pay this additional 1 percent? Is it only the people who will be visiting the Convention Center in Washington, D.C.? No, not at all. It is going to be the Members' constituents who come to visit them or who come to visit their Nation's Capital, most of whom could care less about the Convention Center and probably will never know it even exists. So it is going to be the Nation's taxpayers paying an additional fund into this hotel sinking fund.

Second, it provides for a Civic Center benefit area assessment. This means that they are going to either specially assess real estate property owners or provide a special rate—and it says in the bill commercial properties—in that particular area. I understand that is what this map over here means. But I have some questions about this.

Back during the supplemental hearings when the District was before our subcommittee, Mr. Coppie answered my question—and this has to do with a court decision by the Supreme Court most recently affecting real estate property taxation in the District of Columbia, where the District was found to have a variable assessment rate in different sections of the city. My question was:

> Mr. Myers. Did the court say the valuations had to be set at 55 percent for both residential and commercial properties, or all should be equal?
>
> Mr. Coppie. . . . it was the mandate of the court that the residential and the commercial be at the same assessment rate.

Then Mayor Washington added:

> One they mandated 55; two, they said there should be an equitable rate, which meant a uniform rate.

Later I reiterated the same question. My question was:

> They (residential and commercial property rates) are at the same level fixed by the court?

Then Mr. Robbins, who is counsel handling this appeal in the courts presently said:

> No; the Court said we would have to do it by rule-making proceeding.
>
> We held a meeting, and our office was asked for a legal opinion, and we told them that under the law that all real property in the District had to be assessed at the same rate.

Mayor Washington:

> The real problem that flowed from the setting of 55 by the Court was then to fix in law that 55 percent of assessed value, which meant we had to deal also with the supplement court action which said you have a uniform rate.
>
> Mr. Myer. Then it is the judgment of the District of Columbia that all real property must be assessed and rated the same, whether it be commercial or multiunit residential.
>
> Mr. Washington. That is the equalization principle the Supreme Court laid down.

So I do not know how we can have a different rate when the courts just in the last year have held in the District of Columbia that is illegal.

Then I have a last question.

Mr. REES. Mr. Chairman, will the gentleman yield on that point?

Mr. MYERS. I yield to the gentleman from California.

Mr. REES. Mr. Chairman, I am very familiar with the property tax situation in the District of Columbia and I am currently working on legislation which would rewrite the tax law.

What the Court decision said was that on a general tax rate all property had to be assessed at the same rate. It did not say that a city could not put together a special assessment district.

In California, for example, we financed much of our growth through special assessment districts, so on my tax bill in Los Angeles I find I am paying taxes to four or five different special assessment districts, that were created for special situations, for example, the metropolitan water district, the mosquito abatement district, and so on.

This is an established principle of law that one can have a special assessment district.

The original district in the tax base has to be treated equally, yes, but we can create a special assessment district for a special purpose, and this is a special assessment district for a special purpose.

So the gentleman's observation I do not think is anywhere on point in terms of the Court decision in the District of Columbia in regard to the variable assessment between residential and commercial.

Mr. MYERS. I will respond. It is not my judgment on this situation. It was an answer in response to my question made by both the Mayor, and Mr. Coppie, as well as his counsel, Mr. Robbins. All three answered the question that they had to have the same rate in all areas of the District of Columbia.

Mr. REES. They were not talking about special assessment districts. I must say after dealing with the special assessment districts in the legislature and the Congress for nearly 20 years, I think they were talking about the tax base in general and not special assessment districts.

Mr. MYERS. I think that remains to be seen.

Section 9 of the bill provides that in the support fund there shall be credited from the general fund of the District of Columbia to the support fund, and that is to be figured semiannually, as I understand it, about the number of delegates who have attended that Center in the previous 6 months. I do not know what calculations have been made, but in the present taxation of the sales tax, an individual attending a convention would have to eat $50 worth of food and $25 of drinks and would have to buy $15 worth of clothing each day to pay this sufficient tax, of $3 per day. I do not think most conventioners spend that much.

Mr. REES. Mr. Chairman, if the gentleman will yield further, the gentleman is talking about a delegate spending probably $100 to $150 a day, and that would generate at least $3 a day in tax revenue. All we have to do is spend $50 and we have reached 6 percent. I suspect they will be spending three times that. As I say, all the figures were cut down from the estimates made for other cities.

Mr. MYERS. I do not know. I have never spent $50 a day for food and I could not drink $25 of drinks and they would have to spend an additional $15 in clothing or something else to generate $3 of taxation.

Mr. REES. The gentleman is putting all his eggs in one basket. We are talking about at least $50 here.

Mr. MYERS. We have already tapped the hotel room cost once for an additional percentage.

Mr. REES. I know, but there is another 6 percent in there that they already pay. What this 1 percent is, is the additional 1 percent to the existing 6 percent tax they are paying.

Mr. MYERS. This allows nothing for the additional services that the District of Columbia will have to provide out of the authorization funds.

Mr. REES. Oh, it certainly does, this project only takes 25 percent of that and the balance goes for the general services.

Mr. VANIK. Mr. Chairman, I am opposed to this legislation to provide for the financing of the Bicentennial Civic Center.

Washington is already a mecca for tourists. It is one of the most beautiful and exciting cities in America—and it has been made beautiful by the tax dollars of the rest of the Nation. Washington does not need any more visit inducements. It does not need to become a convention center. It should not be promoted as a convention center. The city has already been provided—at the expense of all the Nation's taxpayers—with a cultural center with three enormous theaters. The stadium will become substantially the obligation of the Nation's taxpayers. The D.C. Armory—used largely as a convention center—was supported by the Nation's taxpayers.

All of our Nation's major cities could be more pleasant to live in, with beautiful buildings, parks, and plazas, if they had received even a small fraction of the assistance the city of Washington has received in the downtown Federal area.

We are building a marble Rome along the banks of the Potomac, based on tax dollars which must be drawn from the other cities of America. It is time that some of those tax dollars and those urban improvement programs were provided to other major cities.

Washington has quite a lot going for it—it simply does not have to be "everything U.S.A."

Mr. MAZZOLI. Mr. Chairman, I support H.R. 12473, as amended, which seeks to provide the voters of the District of Columbia an opportunity to approve or disapprove the construction of the Eisenhower Civic Center proposal.

I was an opponent of the original legislation, passed in the last Congress, which authorized this project. Frankly, Mr. Chairman, I still have strong reservations about the ultimate wisdom of this venture.

However, the legislation before the House today goes a long way toward improving the terms under which this project will be carried forward.

This bill would exact a financial commitment from those sectors of the business community which stand to profit most from development of the center.

Had this degree of commitment been shown by the business community of Washington from the outset, the Eisenhower Center would have had much smoother sailing, and would in all probability be under construction by now, rather than hanging fire.

If the wisdom of the House is to add a referendum provision to H.R. 12473—whereby taxpayers whose funds provide the ultimate backing for the convention center bonds are to be given the right to vote the proposal up or down—the bill will be better yet.

A referendum is just, and I, for one, am certain that the citizens of the District will listen to the arguments put forward by the center's proponents and evaluate it properly.

The tax features in this bill provide a vital element of insurance to protect the taxpayers from absorbing the full cost of the bond payments in the event that the center fails to generate the anticipated reviews.

Beginning in fiscal year 1976, an additional 1 percent tax on hotel and motel room rentals would be put into effect, with these revenues reserved for meeting the debt service on the center.

Additionally, provision is made for the creation of a special assessment district, comprised of the downtown business area, which would automatically come into existence if convention attendance and spinoff revenues fail to match predictions.

Mr. Chairman, if the District is to have a new convention center of this magnitude, I believe that the safeguards provided by H.R. 12473 are nothing less than imperative.

Mr. DIGGS. Mr. Chairman, I reserve the balance of my time.

Mr. NELSEN. Mr. Chairman, I think my time has expired; I have no more requests.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

The Clerk will read.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Eisenhower Center Bond Sinking Fund Act".

STATEMENT OF PURPOSES

The purpose of this Act is to establish a sinking fund for meeting the interest and principal payments of bonds issued pursuant to section 18 of the Public Building Act of 1959 (40 U.S.C. 601 et seq.) to provide for the construction of a civic center in the District of Columbia, and for other purposes.

DEFINITIONS

For the purposes of this Act—

The term "District" means the District of Columbia.

The term "Commissioner" means the Commissioner of the District of Columbia established under Reorganization Plan Numbered 3 of 1967.

The term "Center" means the Dwight D. Eisenhower Memorial Bicentennial Civic Center authorized by section 18 of the Public Building Act of 1959.

The terms "convention" means any organized gathering of persons who contract to use the meeting or exhibit facilities of the Center for a period of more than one day.

The term "delegate" means any person who duly registers his attendance at a convention held in the Center in which the major participating organization or organizations have a membership at least half of which do not reside in the District of Columbia.

The term "convention day" means any day in which at least two hours of formal activities of a convention are scheduled.

The term "delegate day" means attendance by one delegate for one convention day.

The term "hotel" means any hotel or motel licensed or required to be licensed under the Housing Regulations of the District of Columbia.

BOND SINKING FUND CREATED

There is established on the books of the Treasury of the United States to the credit of the District a bond sinking fund to be known as the Dwight D. Eisenhower Memorial Bicentennial Civic Center Bond Sinking Fund (hereinafter referred to as the "bond sinking fund"). The bond sinking fund shall be available without fiscal year limitation and shall consist of such amounts as may be, from time to time, deposited on it. Amounts in the bond sinking fund shall be appropriated as hereinafter provided, and in the same manner as general fund appropriations of the government of the District of Columbia, and shall be available solely for the purposes of paying the principal and interest on the general obligation bonds (or rent constituting payment of such bonds) issued to finance the Center.

SALES TAX ON HOTEL ACCOMMODATIONS

Commencing July 1, 1974, there is hereby levied each year a 1 per centum gross receipts tax, which shall be in addition to any other amount of such tax upon the gross receipts from sales or other charges for any room, lodgings, or accommodations, furnished to transients by any hotel, inn, tourist camp, tourist cabin, or any other place in which rooms, lodgings, or accommodations are regularly furnished to transients. The tax shall continue until modified or repealed according to the provisions of section 9, and all revenues derived from this tax shall be deposited in the bond sinking fund.

SALES TAX ON RESTAURANT MEALS AND LIQUOR BY THE DRINK

Commencing July 1, 1974, there is hereby levied each year a 1 per centum gross receipts tax, which shall be in addition to any other amount of such tax, upon the gross receipts from the sales of (A) spiritous or malt liquors, beer, and wines by the drink for consumption other than off the premises where such drink is sold, and (B) food for human consumption other than off the premises where such food is sold. The tax shall continue modified or repealed according to the provisions of section 9, and all revenues derived from this tax shall be deposited in the bond sinking fund.

APPROPRIATION REQUEST FOR THE BOND SINKING FUND

SEC. 7. (a) In preparing the annual budget for the forthcoming fiscal year the Commissioner shall calculate and clearly identify the general fund revenues which are estimated to result from the convention activities of the Center. In making such calculations the Commission shall multiply each delegate day by the amount of $4. The amount, which represents the sales, property, and income tax revenues generated by the average daily spending of delegates attending a convention in the Center shall be identified as the indirect revenue.

(b) The Commissioner shall next estimate the net operating deficit for the Center for the fiscal year which shall not be met from the special Federal payment authorized by section 4(a) of the Dwight D. Eisenhower Memorial Bicentennial Civic Center Act, together with any other costs to the District of Columbia which are directly attributable to the Center. These amounts shall be subtracted from the indirect revenue calculated according to subsection (a). The result shall be known as the net indirect revenue.

(c) From the total annual debt service payment of interest and principal (or the payment of rent constituting such payment) the Commissioner shall subtract the net indirect revenue calculated according to subsection (b). This resulting amount shall be requested in the annual or supplemental budget as the appropriation from the bond sinking fund.

(d) At the end of each fiscal year the Commissioner shall adjust the amounts referred to in subsection (a), (b), and (c) which are the basis of the appropriation for that fiscal year to actual circumstances and shall include in the next year's budget request the appropriate net reimbursement amounts for the bond sinking fund and the general fund, it any.

(c) Commencing July 1, 1977, the amount of $4 per delegate day utilized in the calculation of subsection (a) shall be changed by the same percentage as the percentage change in the base upon which the gross receipts tax upon the sales or hotels, restaurant meals, liquor by the drink, and similar activities in the same classification is levied.

ADJUSTMENT OF TAXES AND FUND BALANCE

SEC. 8. If the amount in the bond sinking fund is twice the annual debt service, and if the total expenditure from the bond sinking fund the previous year was less than the receipts paid into the fund during the same fiscal year, the amount of some or all of the taxes levied in sections 5, 6, and 7 of this Act shall be decreased or eliminated by the District of Columbia Council in such amount so that new revenues will balance the amount appropriated from the bond sinking fund for the current fiscal year: *Provided*, That should the amount in the bond sinking fund at the close of any fiscal year subsequently drop below the amount of twice the annual debt service, the Council shall impose taxes sufficient to bring the balance of the fund to twice the annual debt payment within two fiscal years.

INVESTMENT OF FUNDS

SEC. 9. All funds deposited in the bond sinking fund may be invested by the Commissioner in interest-bearing securities in the same manner as general revenues or construction loan balances available to the District of Columbia. The amount of interest earned shall be deposited to the credit of the bond sinking fund.

DISPOSITION OF EXCESS FUNDS

SEC. 10. At such time as the Comptroller General of the United States determines that any balance in the bond sinking fund is no longer needed for the purposes for which it was set aside the Commissioner may request appropriation of such amounts from the bond sinking fund to the credit of the general fund of the District of Columbia.

CENTER BONDS INCLUDED IN DEBT LIMITATIONS

SEC. 11. Annual debt service payments for interest and principal on Center bonds (or rent constituting payment of such bonds) shall be included within the 44 per centum general obligation debt ceiling of section 603(b) of the District of Columbia Self-Government and Governmental Reorganization Act.

RULES AND REGULATIONS

SEC. 12. The Commissioner shall prescribe such rules and regulations as may be necessary to carry out the purposes of this Act.

ANNUAL AUDIT

SEC. 13. The Comptroller General of the United States shall make an annual audit of the bond sinking fund and report his findings to the Congress, the President, and the Commissioner and Council of the District of Columbia.

FULL FAITH AND CREDIT

SEC. 14. Nothing in this Act shall be construed as impairing the full faith and credit of the District of Columbia to repay their general obligation bonds.

AUTHORIZATION OF APPROPRIATIONS

SEC. 15. There are authorized to be appropriated from the bond sinking fund an annual amount for the purpose of retiring bonds (or rent constituting payment of such bonds) in such amounts as when added to other revenues of the District of Columbia available for this purpose shall be sufficient to pay the annual debt service costs.

EFFECTIVE DATE

SEC. 16. The provisions of this Act shall take effect immediately upon the date of enactment if construction of the Center proceeds under the provisions of section 18 of the Public Buildings Act of 1959.

The CHAIRMAN. The Clerk will read the committee amendment.

The Clerk read as follows:

Committee amendment:

Strike out all after the enacting clause and insert in lieu thereof the following: That this Act may be cited as the "Eisenhower Memorial Civic Center Sinking and Support Funds Act of 1974".

STATEMENT OF PURPOSES

SEC. 2. The purpose of this Act is to establish a sinking fund for meeting the interest and principal payments of bonds issued pursuant to section 18 of the Public Buildings Act of 1959 (40 U.S.C. 601 et seq.) to provide for the construction of a civic center in the District of Columbia, and to establish a support fund for such civic center in order to assure a financially sound project.

DEFINITIONS

SEC. 3. For the purposes of this Act—

(a) The term "District" means the District of Columbia.

(b) The term "Commissioner" means the Commissioner of the District of Columbia established under Reorganization Plan Numbered 3 of 1967.

(c) The term "Civic Center" means the Dwight D. Eisenhower Memorial Bicentennial Civic Center authorized by section 18 of the Public Building Act of 1959.

(d) The term "convention" means any organized gathering of persons who contract to use the meeting or exhibit facilities of the Civic Center for a period of more than one day.

(e) The term "delegate" means any individual who attends a convention held in the Civic Center in which a majority of those attending do not reside in the District as determined by the Commissioner.

(f) The term "convention day" means any day in which at least two hours of activities of a convention are scheduled.

(g) The term "principal and interest payments" shall include payment of rent constituting principal and interest payments on bonds issued for the construction of the Civic Center.

SEC. 4. (a) There is established to the credit of the District of Columbia on the books of the Treasury of the United States, to be administered by the Commissioner, a trust fund to be known as the Eisenhower Memorial Bicentennial Civic Center Bond Sinking Fund (hereafter in this Act referred to as the "bond sinking fund"). Amounts in the bond sinking fund shall be available, as provided by appropriation Acts, for making expenditures to pay the principal and interest on outstanding bonds issued under section 18 of the Public Buildings Act of 1959 in those years when amounts available in the Eisenhower Memorial Bicentennial Civic Center Support Fund are insufficient to make such principal and interest payments.

(b) The bond sinking fund shall consist of amounts deposited in such bond sinking fund, from time to time, as follows:

(1) An amount derived from the tax levied during bond sinking periods under sections 125(b) of the District of Columbia Sales Tax Act equal to an amount derived from such tax devied at a rate of 1 per centum.

(2) The amount derived from the tax levied under section 7 of this Act.

(3) The amount of the surplus appropriated from the Eisenhower Memorial Bicentennial Civic Center Support Fund, established under section 5 of this Act.

(4) Interest realized from any investment of the money in the bond sinking fund.

SEC. 5. (a) There is established to the credit of the District of Columbia on the books of the Treasury of the United States, to be administered by the Commissioner, a trust fund to be known as the Eisenhower Memorial Bicenteninal Civic Center Support Fund (hereafter in this Act referred to as the "support fund"). The support fund shall be available, as provided by appropriation Acts, for making payments for operating expenses of the Civic Center together with any other expenses incurred by the District government directly attributable to the construction or operation of Civic Center, and for payments of the principal and interest on the outstanding bonds issued under section 18 of the Public Buildings Act of 1959. When amounts in the support fund are sufficient to maintain such fund, a reasonable amount of the surplus in such support fund may be appropriated to the bond sinking fund, except as provided in section 11(b).

(b) The support fund shall consist of amounts deposited in such support fund as follows:

(1) Amounts appropriated as authorized in section 4(b) of the Public Buildings Act of 1959.

(2) 25 per centum of the amount of the increase in the amount derived during each fiscal year from the tax levied on real property located in the Civic Center Development Impact Area after the fiscal year ending June 30, 1974, as determined by the Commissioner under section 8 of this Act.

(3) Gross revenues derived from the operation of the Civic Center.

(4) An amount equal to $3 per delegate per convention day, as determined under section 9 of this Act.

SEC. 6. (a) Section 125 of the District of Columbia Sales Tax Act (D.C. Code, sec. 47–2602) is amended as follows:

(1) The existing material in such section is designated as subsection (a).

(2) Subsection (a)(2) of such section, as designated by paragraph (1) of this section, is amended by inserting "except as provided in subsection (b)," immediately before "the rate".

(3) Such section is amended by adding at the end thereof the following:

"(b) The rate of tax imposed under subsection (a)(2) shall be, during a bond-sinking period, 7 per centum, with one-seventh of the amount derived from such tax during such period being paid into the Eisenhower Memorial Bicentennial Civic Center Bond Sinking Fund (hereafter referred to as the 'bond sinking fund'). The initial bond-sinking period shall begin on July 1, 1975, or on the first day of the first complete month beginning after the effective date of the Eisenhower Memorial Civic Center Sinking and Support Funds Act of 1974, whichever last occurs, and end on the first day of the first complete month beginning after the date on which the Commissioner of the District of Columbia certifies to the District of Columbia Council that the tax levied on real property under section 7 of the Eisenhower Memorial Civic Center Sinking and Support Funds Act of 1974 is not in effect, and the amount in the bond sinking fund, at the close of the fiscal year after all principal and interest payments for that fiscal year have been made, is or will be equal to the amount of the total principal and interest payments payable in any year on the outstanding bonds issued pursuant to section 18 of the Public Buildings Act of 1959. Subsequent bond-sinking periods shall begin on the first day of the first complete month beginning on the date on which the Commissioner of the District of Columbia certifies to the District of Columbia Council that the amount in the bond sinking fund is less than the amount of such total principal and interest payments and shall end on the first day of the first complete month beginning after the date on which the Commissioner of the District of Columbia certifies to the District of Columbia Council that the tax levied on real property under such section 7 is not in effect, and the amount in the bond sinking fund is equal to or greater than the amount of such total principal and interest payments."

SEC. 7. (a) There is hereby established a special assessment area (hereinafter referred to as the "Civic Center benefit area") which shall include all nonresidential real property including improvements thereon which is located within the central business district of the District, as defined by the United States Bureau of the Census in its last census of retail trade in the District of Columbia (United States Bureau of the Census, Census of Business, 1967, Retail Trade: Major Retail Centers, District of Columbia, B.C. 67–MRC–9), and nonresidential property outside the central business district which is zoned C–4 or C–3–b as of March 1, 1974.

(b) There is hereby levied for certain fiscal years, as designated according to the succeeding subsections of this section, a tax on the real property (including improvements thereon) within the Civic Center Benefit Area, at a rate set by the District of Columbia Council which would be sufficient to return an amount, which together with other revenues available to the bond sinking fund, at the close of the fiscal year following the fiscal year in which the tax is imposed, would be greater than $100,000 after all payments of annual principal and interest on bonds had been made for those fiscal years, and that by the close of three additional fiscal years, after all payments of principal and interest on bonds had been made in those years, would be at least equal to one year's annual principal and interest payment on such bonds. Such tax shall be payable and collected in the same manner as other taxes on real property in the District, and the amount derived from such tax shall be paid into the bond sinking fund and shall be in addition to any other tax levied on such real property (including improvements thereon) under any other law in effect in the District.

(c) In order to determine whether the tax levied under subsection (b) shall be applied, the Commissioner shall certify to the District of Columbia Council, before June 15 of each year, the amount in the bond sinking fund as of May 30 of that year and shall adjust such amount by deducting the amount of any principal and interest payments which are yet due and payable in such fiscal year and by adding the amount of any additional estimated revenues which will be credited during the remainder of the fiscal year to the bond sinking fund. If the adjusted amount in the bond sinking fund certified by the Commissioner as of May 30 is less than $100,000, and the tax levied under the amendment made by section 6 is in effect, such tax shall apply with respect to the next following fiscal year.

(d) In order to determine whether the tax applied under subsection (c) shall be terminated, the Commissioner shall certify to the District of Columbia Council before June 15 of each year the amount in the bond sinking fund as of May 30 of that year and shall adjust such amount by deducting the amount of any principal and interest payments which are yet due and payable in such fiscal year and by adding any additional estimated revenues which will be credited during the remainder of the fiscal year to the bond sinking fund. If the adjusted amount in the bond sinking fund certified by the Commissioner as of May 30 is at least as great as the total annual principal and interest payment due on bonds, the tax applied under subsection (c) shall be terminated with respect to the next following fiscal year.

(e) In order to determine whether the tax terminated under subsection (d) shall be reinstituted, the procedures of subsection (c) used to determine initial application of the tax shall be followed, and the procedures of subsection (d) shall be followed with respect to terminating any reimposition of the tax.

Sec. 8. (a) The Commissioner shall determine the amount derived from the tax on real property located in the Civic Center Development Impact Area during the fiscal year ending June 30, 1974, which shall be known as the base year. For each fiscal year thereafter, the Commissioner shall compute the amount by which the revenue derived from such tax has increased, or would have increased, as a result of the rise in full market value of the real property subject to such tax, over the base year. By September 30 of each year, there shall be credited to the support fund 25 per centum of the amount of such increase.

(b) For the purposes of this section the *Civic* Center Development Impact Area shall be the downtown urban renewal area as defined in the comprehensive plan adopted by the National Capital Planning Commission pursuant to the District of Columbia Redevelopment Act (D.C. Code, sec. 5–701 et seq.).

(c) All computations and determinations made by the Commissioner under this section shall be, when made, certified to the Comptroller General of the United States.

Sec. 9. (a) Notwithstanding any other provision of law, for each fiscal year, there shall be credited to the support fund, out of revenues otherwise credited to the general fund of the District, an amount, determined by the Commissioner according to the provisions of this section, representing the increased revenues of the District as a result of the operation of the Civic Center. As soon as possible after June 30 and December 31 of each year, the Commissioner shall determine the number of delegates for each convention day occurring during the immediately preceding six months. There shall be credited to the support fund an amount equal to such total number of delegates computed for the immediately preceding six months multiplied by $3. The amount of the multiplier shall be increased or decreased, each time the computation under this section is affected, by the percentage change in the cost of living, as determined by the Secretary of Labor, using the fiscal year ending June 30. 1978. as the base year.

(b) All computations and determinations made by the Commissioner under this section shall be, when made, certified to the Comptroller General of the United States.

Sec. 10. (a) The Commissioner shall, in preparing the annual budget request for the District, estimate the amount which will be available during the fiscal year for which such request is being made in the support fund for paying the operating expenses of the Civic Center, other expenses of the District directly attributable to the operation or construction of the Civic Center, and for making the total principal and interest payment due on outstanding bonds issued for the construction of the Civic Center during that fiscal year. Whenever the Commissioner determines that there are insufficient amounts in the support fund to make such principal and interest payments he shall recommend, in such budget, that the required amount be appropriated from the bond sinking fund to make such payments.

(b) At the end of each fiscal year the Commissioner shall adjust the amounts estimated under subsection (a), which are the basis of the appropriation for that fiscal year, to actual circumstances and shall include in the next succeeding fiscal year's budget request the appropriate net reimbursement amounts for the bond sinking fund if any.

Sec. 11. (a) At such time as the Comptroller General of the United States determines that the amount in the bond sinking fund is sufficient to pay the total aggregate amount of principal and interest on all outstanding bonds issued for the construction of the Civic Center, the Commissioner shall request that the amount in the bond sinking fund be appropriated to pay such amount, and any remaining surplus be appropriated to the general fund of the District. On the effective date of such appropriation Act, the bond sinking fund shall terminate and the taxes levied under section 125(b) of the District of Columbia Sales Tax Act and under section 7 of this Act shall lapse.

(b) Whenever the amount in the bond sinking fund, at the close of the fiscal year after all principal and interest payments for that fiscal year have been made, is or will be equal to the amount of principal and interest payments due on outstanding bonds issued for the construction of the Civic Center in any year, or on and after the date upon which the Comptroller General makes his determination with respect to the amount in the bond sinking fund, as specified in subsection (a), the surplus in the support fund, otherwise payable into the bond sinking fund, may be appropriated into the general fund of the District.

Sec. 12. Annual debt service payments of interest and principal on bonds issued for the Civic Center under section 18 of the Public Buildings Act of 1959 shall be included within the 14 per centum general obligation debt ceiling of section 603(b) of the District of Columbia Self-Government and Governmental Reorganization Act and nothing in this Act may be construed as excluding such bonds from such ceiling.

Sec. 13. The Commissioner shall prescribe such rules and regulations as may be necessary to carry our the purposes of this Act.

Sec. 14. The Comptroller General of the United Stats shall make an annual audit of the bond sinking fund and the support fund and report his findings to the Congress, the President, the Commissioner, and the Council of the District of Columbia.

Sec. 15. Nothing in this Act shall be construed as impairing the full faith and credit of the District to repay its general obligation bonds.

Sec. 16. The provisions of this Act shall take effect on the date of enactment, or on the date construction of the Civic Center is approved as provided under the provisions of section 18 of the Public Buildings Act of 1959, whichever last occurs.

Mr. DIGGS (during the reading). Mr. Chairman, I ask unanimous consent that the committee amendment be considered as read, printed in the Record, and to open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

Mr. GROSS. Mr. Chairman, reserving the right to object, is that request for the entire committee amendment?

Mr. DIGGS. The committee amendment as a substitute.

Mr. GROSS. The committee amendment as a substitute?

Mr. DIGGS. Yes.

Mr. GROSS. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

AMENDMENT OFFERED BY MR. DIGGS TO THE COMMITTEE AMENDMENT

Mr. DIGGS. Mr. Chairman, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. Diggs to the committee amendment: Page 21, after line 3, insert the following:

Sec. 16. (a) In order that the Committees of the House of Representatives and the Senate which are charged with the duty of approving the design and cost estimates of the Civic Center can better be informed as to whether the qualified registered electors in the District of Columbia approve of the Civic Center, the District of Columbia Board of Elections shall hold an advisory referendum on the question of the Civic Center, on the date fixed by the Board (under section 701 of the District of Columbia Self-Government and Governmental Reorganization Act) for the charter referendum.

(b) In addition to the other questions placed on it, the charter referendum ballot shall contain the following:

"In addition, the Dwight D. Eisenhower Memorial Bicentennial Civic Center Act requires that four committees of the Congress approve the design, plans, and specifications, including detailed cost estimates, of the civic center prior to its construction.

"In order to advise these committees as to whether a majority of the registered qualified voters of the District voting in this referendum on this issue would prefer that the civic center be built, indicate in one of the squares provided below whether you are for or against the construction of the Dwight D. Eisenhower Memorial Bicentennial Civic Center.

"☐ For the Eisenhower Memorial Civic Center.

"☐ Against the Eisenhower Memorial Civic Center.".

(c) Voting may be by paper ballot or by voting machine. The Board of Elections may make such changes in the paragraphs of the charter referendum ballot referring to the Civic Center as it determines to be necessary to permit the use of voting machines if such machines are used.

(d) The Board of Elections shall, within a reasonable time, but in no event more than thirty days after the date of the charter referendum, certify the results of the advisory referendum on the Civic Center to the Secretary of the Senate and the Clerk of the House of Representatives.

(Renumber the following section accordingly.)

Mr. BROYHILL of Virginia. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in support of the amendment offered by the gentleman from Michigan (Mr. Diggs). I support this proposed referendum with a great deal of reluctance and a lot of misgivings. But, this is probably the only way we are going to get this Convention Center built under present circumstances.

Mr. Chairman, I am deeply disappointed that it is now deemed necessary to put this matter to a referendum in order to get it built. This is going to cause needless delay and is going to increase materially the cost of construction of this facility.

Mr. Chairman, let me say that I question the motives of some of the proponents or advocates of this referendum; mind you, I say "some" of the proponents. I suspect that they feel that it is a means of killing the proposed Civic and Convention Center, and some of them have been brazen enough to admit it. They claim that they feel a concern for the cost to the taxpayers of the District of Columbia. However, these people have never before expressed any concern for the taxpayers of the Nation's Capital.

This bill H.R. 12473 provides for guarantees for the cost of debt service and operation costs, and as always—and this will be no different from the home rule bill that was passed last year—the Federal Government has always, and always will have to, underwrite the budget of the District of Columbia. So, I do not really accept the motives of these so-called bleeding hearts who are talking about keeping the taxes down for the citizens of the District of Columbia.

Where were all these opponents of this center 2, 3, and 4 years ago, when many of us were working to obtain the approval of this project? We had the gentleman from Illinois (Mr. GRAY), the Mayor, the business and civic leaders of this city, and many of our colleagues here in the Congress, working hard to obtain approval of this proposal, but these proponents of a referendum did not seem to care then, and did not show up to testify pro or con on the Convention Center when the hearings on the subject were being held in the committee.

Mr. GRAY. Mr. Chairman, will the gentleman yield?

Mr. BROYHILL of Virginia. Mr. Chairman, I yield to the gentleman from Illinois.

Mr. GRAY. Mr. Chairman, I thank the gentleman for yielding to me. I think he has raised a very important point. In the Committee on Public Works—and the gentleman knows that he and I cosponsored that legislation—we worked 4 years getting this project authorized. We held five separate, distinct hearings and heard hundreds of witnesses. Not one single person in the District of Columbia asked that this matter be submitted to referendum over those 4 years.

Mr. BROYHILL of Virginia. Mr. Chairman, I thank the gentleman from Illinois for his comments.

Mr. Chairman, as I pointed out before, many of our colleagues, and a lot of people in the business community and citizens of the District of Columbia did work together to develop a formula for the construction of this Center. The need for the Center, I feel, has been proved, and the support from the responsible people in the Nation's Capital has been overwhelming. Now we have what I call the Johnny-come-latelies, who want this proposal put to a referendum, a proposal which will result in extra cost to everyone.

For the first time, these people have come forth expressing their concern for the welfare of the people of the District of Columbia.

Mr. Chairman, I feel that this proposal for the referendum is a prime example of the conflict betwen the Federal interests, the economic health of this Nation's Capital, and the interests of some of these self-proclaimed leaders here in the District of Columbia.

And I make a prediction here today that this conflict of interests, Federal and local, in this city is going to grow more acute as time passes.

However, I have no objection to the amendment, Mr. Chairman. I support the amendment, if it is essential for the approval of this center for which many of us have worked so hard for so many years. If it is now necessary to hold a referendum for this plan to be a reality, then so be it.

But if the project is defeated in referendum, Mr. Chairman, the responsibility for this tragic loss must be placed where it belongs, on the shortsighted obstructionists who have not been interested in working together for the betterment and economic soundness of this Nation's Capital, but who are now interested in the control of a little kingdom that they can play with and destroy if they so desire.

Mr. GROSS. Mr. Chairman, I move to strike the necessary number of words.

Mr. Chairman, if I viewed this amendment with the reluctance that the gentleman from Virginia (Mr. BROYHILL) views it, I would certainly be opposed to it. The gentleman says that only the short-sighted and the hypocrites are supporting this amendment, and yet he says he is going to vote for it.

Mr. BROYHILL of Virginia. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Virginia.

Mr. BROYHILL of Virginia. Mr. Chairman, the gentleman knows to whom I was referring.

Mr. GROSS. No, I do not.

Mr. BROYHILL of Virginia. Mr. Chairman, I made it clear that I was supporting this amendment most reluctantly, although I had a lot of misgivings, as the only possible way of obtaining approval for this facility. And I said that "some" of the people who brought pressure to bear so as to make this referendum necessary are hypocritical in their position on the matter. The gentleman knows what I am talking about.

Mr. GROSS. Mr. Chairman, I am not in the business of stultifying myself to that extent, but if I thought there were only hypocrites supporting this amendment, I would certainly vote against it and oppose it.

Mr. BROYHILL of Virginia. Mr. Chairman, the gentleman knows that hypocrites do not always lose.

Mr. GROSS. I do not know about that. The gentleman can speak for himself.

Mr. Chairman, the first question I would like to ask some member of the committee is this: What happens to the $14 million this bill would commit the Federal Government to put into this project if it fails?

Mr. REES. Mr. Chairman, will the gentleman yield?

Mr. GROSS. Yes, I yield to the gentleman from California.

Mr. REES. Mr. Chairman, under the original enabling legislation, four committees of Congress will have to approve the proposal——

Mr. GROSS. Mr. Chairman, I am not interested in that. I will ask the gentleman to not take my time on that. I wish the gentleman would just answer one question.

What happens to the $14 million if this business fails?

Mr. REES. The money will not be spent.

Mr. GROSS. Suppose we go ahead and put $14 million into this convention center—and, of course, that is the foot in the door—but we put in the $14 million that is being requested from good old "Uncle Sugar." What happens to the $14 million in Federal funds if that is expended and the city cannot or will not raise the rest of the money?

Mr. REES. If this bill that is before us is not passed, the $14 million will not be appropriated for the civic center.

Mr. GROSS. Mr. Chairman, that is not the question.

Mr. REES. If we put the $14 million in and the center is built, then the payment of bonds and interest will be guaranteed by that financing plan that is shown by that chart.

Mr. GROSS. And if the financing plan fails, what happens?

Mr. REES. That financing plan will not fail.

Mr. GROSS. That is what the gentleman says.

Mr. REES. It will not. It is a special assessment.

Mr. GROSS. Mr. Chairman, that is what the gentleman thinks.

I can remember back in the 1950's when the stadium was built and the gentleman from Arkansas, who has long since departed this body, stood on the floor of the House and said, over and over again, "It will never cost the Nation's taxpayers one thin dime."

Mr. REES. Mr. Chairman, I would suggest that the gentleman read this bill.

Mr. GROSS. Mr. Chairman, the gentleman knows who is going to retire the stadium bonds if they are ever paid. The gentleman knows that, does he not?

I will not be here, but I warn the gentleman and the other Members of the House that you are going to get the opportunity, probably about next year, to come up with $20 million to retire the stadium bonds which they promised us faithfully would never become an obligation of your taxpayers and mine.

Let me say to the gentleman from Virginia that if I had the confidence in and desire for this proposal that he has, I think I would advocate that the tourists who come to northern Virginia and use the hotels there pay a $3 tax whether they go to the convention center or not.

I think you and the gentleman from Maryland (Mr. GUDE) who has also spoken in behalf of this proposal, ought to support a provision in this bill which would provide that those who come to northern Virginia and use the hotel facilities there should be socked $3 each for this convention center, whether they use it or not.

Mr. BROYHILL of Virginia. Will the gentleman yield?

Mr. GROSS. I yield to the gentleman.

Mr. BROYHILL of Virginia. I would say that the people of the great State of Iowa have been the recipients of a lot of Federal handouts and subsidies over the past 3 years, and they have never turned back one single dollar of it.

Mr. GROSS. We cannot hold a candle to northern Virginia, I will say to the gentleman.

Mr. BROYHILL of Virginia. May I ask the gentleman a question? During the years of great service that the gentleman from Iowa has rendered to this great *Nation*——

Mr. GROSS. Just say it and get it over with.

Mr. BROYHILL of Virginia. Can the gentleman recall one occasion or instance when he has supported any project or facility for this Nation's capital?

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. Gross was allowed to proceed for 5 additional minutes.)

Mr. GROSS. I do not have my voting record at hand.

Mr. BROYHILL of Virginia. The gentleman has opposed every such proposal.

Mr. GROSS. I can tell the gentleman of one I opposed that was never built, and that was the glorified fish pond down on the Potomac River.

I am only trying to save the taxpayers a little money. This is a soak-the-tourist bill. As the gentleman from Indiana (Mr. Myers) so well pointed out a little while ago, it will make no difference whether our constituents come to Washington for a convention. They will get clobbered with a tax on their hotel bills and food to pay for a convention center. And the gentleman from Virginia (Mr. Broyhill) also talked about parking.

There will be 89 parking spaces in connection with this convention hall. I do not know whether MPI or is it NPI—I am sure my friend from Virginia knows. What are those initials I ask my friend from Virginia?

Mr. BROYHILL of Virginia. I did not say anything about parking.

Mr. GROSS. The gentleman knows the name of the outfit that has a hammerlock on parking in the District.

Mr. BROYHILL of Virginia. Do not put words in my mouth.

Mr. GROSS. I suppose they will have a franchise on that, too, if this parking arrangement in connection with it is built.

Now let us look at the facts of life. The subcommittee of the Committee on Appropriations which deals with the District of Columbia, the Natcher subcommittee, has refused to approve any money for this project up to this point. And the members of that committee are not going to appropriate any of the Federal taxpayers' money for this proposition unless they are mandated to do so.

This entire proposal ought to be defeated.

Mr. GRAY. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, since this is such a very important matter, I ask unanimous consent that I may be permitted to proceed for an additional 3 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The CHAIRMAN. The gentleman from Illinois is recognized for 8 minutes.

Mr. GRAY. Mr. Chairman, first let me say that I rise in support of the bill before us. I want to commend the distinguished Chairman, the gentleman from Michigan (Mr. Diggs) and the distinguished gentleman from California (Mr. Rees), and the distinguished gentleman from Minnesota (Mr. Nelsen) and the other members of the committee for trying to work out a very perplexing problem in the financing of the Eisenhower Civic Center, but I think we are missing the real picture here today, my friends. We are paying for the Eisenhower Civic Center every single year in the Federal payment to the city. The $5.5 million a year that would be required to pay the interest and principal on these bonds is infinitesimal compared to what we are pumping in from Illinois taxpayers, the taxpayers of Michigan, California, and other places.

When I came to the Congress the Federal payment to the District of Columbia—and I am talking about exclusive of public works, buildings and the Capitol Improvement programs, I am talking about a direct subsidy to the District of Columbia—was $20 million a year. And my dear friend—and he is my dear friend—the gentleman from Kentucky (Mr. Natcher) when he took the chairmanship of the Subcommittee on Appropriations for the District of Columbia, it was $30 million a year. But because of the great exodus of people out of Washington, and 75,000 have left since I have been in the Congress, because of stores closing, and going to the suburbs—10 major grocery stores closed this year in the District of Columbia—that figure of a small $20 million to $30 million has now catapulted to $230 million requested for this year, and with the home rule bill passed in the next 4 years it will go up to $300 million.

I represent the fourth largest taxpaying State in the Nation, and I resent taking away money from needed programs from the coal mining areas and pumping it into the District of Columbia when this city could be self-sustaining with projects such as the Civic Center.

This project will bring in over $1 billion, and I repeat, $1 billion a year of additional revenue into the District of Columbia and suburbs.

How do I get that figure? Because that is what people coming to Washington today are spending in the Washington area.

Our study developed testimony that the average person coming to Washington planned to stay 7 days, and they are only staying 2 days. Why? Because there is no place to get information—and we will take care of that with the Visitors' Center. And because there is no place to park, and we are building a $23 million parking garage that is eight blocks from where this Center will be located, so that we are going to have ample parking spaces for this facility, with shuttle buses running back and forth. So if we do nothing but double their present 2-day stay to 4 days this will bring in an additional $1 billion a year in revenue, with a 5 percent sales tax alone that is $50 million, 10 times as much as it will cost to pay off the bonds. And we are arguing here as to whether or not we need this project, and whether it ought to go to a referendum. Let me tell the Members that just the increase in the Federal payment, not the total Federal payment, the increase of the past 3 years would pay for this project in cash. And under the home rule bill that we just passed, the increase in the Federal payment, the increase we are going to give out of mine and your taxpayers' pockets, will pay for those facilities. The increase is $70 million for the next 3 years.

We are here today quibbling, do we or do we not want it? We are paying for it now, only we are not getting it. I ask my colleagues to recognize that since I have been a Member of Congress, we have paid out over $1.5 billion of taxpayers' money to subsidize the District of Columbia. Do we or do we not want to build up the economic base? Do we or do we not want to provide a facility that will bring dollars into town and above all convenience.

The Members may say, How do we know this is going to pay off? Why is New Orleans spending $140 million for a second facility with a visitation of less than 1 million people, when we have already 25 million people coming into Washington? Why is New York going to build a third facility at $200 million? Why does Los Angeles have two—and Anaheim is a short 30 miles away with another facility? Why is Chicago, Dallas and every major city in this country building a convention center? To bring in additional dollars. More hotels, more housing, more growth.

I am going to put in the Record at a later date letters from hotel chains that have agreed to spend over $100 million of their own money if this facility is built. Please listen to this carefully. It is in writing.

Mr. Gross, it is a definite commitment. It is not promise; it is a definite commitment to spend over $100 million. The real estate taxes and the sales taxes and the bed taxes from these two hotels alone will more than generate enough to pay off that $5½ million a year. Why are we worried?

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. GRAY. I yield to the gentleman from Iowa.

Mr. GROSS. I thank the gentleman for yielding.

Are those the two sources that the report says are confidential?

Mr. GRAY. No, no. I have them right here. I shall be glad to show the gentleman from Iowa the letters and commitment. They are certainly not confidential. In fact, there was an editorial in the Star recently: "Big Hotels To Hinge on Center." It tells all of the principals involved. It tells that one facility will be larger than the Washington Hilton. It will cost over $50 million; it will have 1,200 rooms. The Washington Hilton has only 1,180 rooms. We have another consortium from Texas that has pledged to spend more than $50 million of their own money. As I said, the real estate taxes and the bed taxes alone will more than pay for this from these two facilities, if the city never takes a dime in at the front door.

Mr. GUDE. Mr. Chairman, will the gentleman yield?

Mr. GRAY. I yield to the gentleman from Maryland.

Mr. GUDE. I thank the gentleman for yielding.

I appreciate the gentleman's leadership in this regard, and I think he well pointed out what Congressman Rees also pointed out, that, indeed, if this is a failure, it will not be the taxpayers' write-off; it will be the business community's. They put their name on the line on this and they are going to have to foot the bill if it does not work.

Mr. GRAY. I appreciate and agree with the gentleman's comments. He is always helpful.

There are many major reasons why we should vote down a referendum. One, we recently passed a bill saying we wanted full autonomy for the District of Columbia. This Congress by an overwhelming vote said, Let us let the Mayor and the City Council run the city of Washington. Let me tell the Members that the City Council recently voted twice against a referendum.

The Mayor is against a referendum. This very committee voted, not unanimously, but by a majority, against a referendum.

Now they are bringing out a bill to try to appease another committee of the House asking for a referendum. Every single day that we delay this project, Mr. Chairman, is costing money.

The General Services Administration says that the escalation in costs of public buildings is 1 percent per month. It is a $72 million project. That means every month that we delay it is costing $720,000. What else?

We have here, Mr. Chairman, a very, very dangerous precedent. This being the Nation's Capital, do we want to put ourselves on record as saying every time we build a street, a city jail, a school, or anything else that Congress is going to come up here and legislate for a referendum?

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. Gray was allowed to proceed for 2 additional minutes.)

Mr. GRAY. This project, Mr. Chairman, now has 20 percent Federal contribution. There is no way the Members' constituents back home can vote on the 20 percent. So why should we allow a few people in the District of Columbia to tell our constituents how to spend their money.

Third, the last election held in the District of Columbia, I am sorry to say, had a turnout of 15 percent for a school board election. Do we want to give 15 percent of the people the right to tell 211 million Americans they cannot have a national center to hold the national nominating conventions? They cannot have a national center to hold our inaugural balls and other large gatherings such as conventions and spectator events?

They cannot have a national center to invite foreign people here who may want to come and tell us what they are doing in their respective countries.

Do we want 15 percent of the people voting in the District of Columbia telling us we cannot memorialize a World War II hero like we did John F. Kennedy with the Kennedy Center? That is what we are saying when we vote for the referendum amendments. We are saying to those people: Tell us in the Congress what you would like us to do. Are we not the elected representatives of the people?

You have a referendum only when there is a need for an increase in taxes. It is on record by the Mayor of this city that this project will not now or at any time in the future require the raising of taxes 1 cent in the District of Columbia. Some people are saying that there will be an increased tax. On this project they positively and absolutely will not.

Let me say to my friend, the gentleman from Iowa (Mr. Gross), I agree with him on one point. The fall or passage of this bill is not going to change the Appropriations Committee one iota. We must be frank about it. The gentleman from Kentucky is a very astute Member of Congress. I have great respect for him, but the fact remains he has not agreed to approve the plans, specifications, and the cost estimates as required by law. If we pass this bill three times and if the referendum passes by a majority, so we are kidding.

So I would propose, and I do it very reluctantly, but after having agonized over this project for 4 years and having known the great benefits that are going to follow from it, I plan to offer an amendment to take out of this bill all of the $14 million contribution.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

(By unanimous consent, Mr. Gray was allowed to proceed for 1 additional minute.)

Mr. GRAY. Mr. Chairman, I plan to offer an amendment to take out of this bill all of the Federal contribution of $14 million, because as I said since the $14 million was put in we have hotels and other facilities that will generate 10 times more money than the Federal contribution, and in the same amendment we will relieve the oversight of the Appropriations Committee.

The Appropriations Committee has a responsibility both legally and morally to approve the plans and specifications of this project. They have not done so. So I say that if my constituents are not going to have the right to say anything about it by referendum similar to D.C. residents, let us take out the $14 million and eliminate the oversight of the Appropriations Committee and, summarizing, let us vote down the referendum, support the amendment I am going to offer, to take out the $14 million, and let us allow the District of Columbia Mayor and City Council have full autonomy and build the Center if they want it.

Mr. NELSEN. Mr. Chairman, I rise in support of the amendment and move to strike the last word.

Mr. Chairman, in the process of legislation no single committee should assume that it has all the answers, and I speak now for the District of Columbia Committee. Word reached us that there were those who would like to have a referendum to reflect the citizen views of whether or not the city supports this or whether it does not. So our committee, our good chairman, the gentleman from Michigan (Mr. Diggs), and I and others decided OK, if that is what seems to be the wish of the members of the Appropriations Committee, we would go along with it. So we decided to offer the amendment today.

In my judgment the only way we will proceed with this is to accept this Rees financing plan and include in it the referendum, and I believe we will have then accommodated quite a large number of the members of both committees that must give approval to this civic center project in the House.

I plead with the House after all the hard work that has been done and after the attempt to get some kind of semblance of an amortization plan, that we proceed with this bill and support the amendment offered by the gentleman from Michigan (Mr. Diggs).

Mr. FAUNTROY. Mr. Chairman, I move to strike the last word and rise in support of the amendment.

Mr. Chairman, I am in support of H.R. 12473, the committee amendment calling for an advisory referendum by the voters of the District of Columbia on the Convention Center. I take this position for many reasons.

First, many substantial questions have been raised over the past months over the wisdom of the Convention Center proposed to the Congress. The quantity and quality of these questions are such that I believe that the Convention Center should go forward only after vigorous public debate and a vote by the people of the city.

More importantly, it would be utterly inconsistent with the principle of self-determination that this Congress has approved in the recently passed new Government and Self-determination Act for the District of Columbia to now say that the people of this community cannot intelligently make a decision on whether they are willing to pay for this Convention Center.

A referendum is not a tactic to defeat the Center. I am prepared to urge you to vote for it, if the voters approve. We can have a referendum by May 7, which would not involve an unreasonable delay. There is adequate time for public discussion and voter education, if this committee and the Senate will act quickly to authorize the referendum.

A referendum is the method used in almost all of your communities to get approval of a project of this magnitude—$165 million. In many communities, even where there is no general referendum requirement, it is not unusual for the State legislature to call for a referendum on an especially large project. That is precisely what the committee amendment calls for.

It is true that the Self-Determination Act signed into law does not call for referenda on major Capital works projects. But, I would remind the committee that the bill written by and voted out by this committee, H.R. 9682, did call for a vote by the people on all bond issues. Almost all of us strongly supported that concept: it was abandoned only because the fiscal provisions of the bill were substantially overhauled after the bill got out of committee. The concept was sound last June, and it is sound now.

Some have argued that a referendum on the issue is inconsistent with self-determination because this project has been approved by local officials. I would simply point out to the committee that local officials are appointed and not responsible to the people of the city. We would have a very different case if locally elected officials approved the project. But, it is because we have no other mechanism now to judge local assent that we must relay on the referendum.

I, for one, am not convinced that such a project would fail at referendum. If the project is sound, and will not result in additional taxation to the people of the city, as the proponents argue, the case should be put to the people. I have a profound faith in their ability to sort through an issue like this, and to resolve it sensibly and fairly. If an adequate case cannot be made, the project will fail. If the case is a good one, it will pass.

Mr. Chairman, I rise also because it should be noted that time is of the essence. The referendum will be held on May 7. I would like to ask the distinguished chairman of our committee if he has been in contact with the chairman of the Senate District Committee on this matter to determine if he and his committee are prepared to move expeditiously on the referendum matter so that we may begin the task of getting the facts out to the people.

Mr. DIGGS. Mr. Chairman, will the gentleman yield?

Mr. FAUNTROY. I yield to the gentleman from Michigan.

Mr. DIGGS. I have every reason to believe that the other body will act and act expeditiously on this matter this week.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan (Mr. Diggs) to the committee amendment.

The question was taken; and on a division (demanded by Mr. Gray) there were—ayes 35, noes 39.

RECORDED VOTE

Mr. REES. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 276, noes 69, not voting 87, as follows:

[Roll No. 149]

AYES—276

Adams
Addabbo
Anderson, Ill.
Andrews,
  N. Dak.
Archer
Arends
Ashbrook
Bafalis
Baker
Barrett
Bauman
Beard
Bennett
Bergland
Bevill
Biester
Bingham
Boland
Bolling
Bray
Breckinridge
Brooks
Brotzman
Brown, Mich.
Brown, Ohio
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burgener
Burleson, Tex.
Burton
Byron
Camp
Carney, Ohio
Carter
Casey, Tex.
Chappell
Clancy
Clark
Clausen,
  Don H.
Cleveland
Cohen
Collier
Collins, Ill.
Collins, Tex.
Conable
Conte
Conyers
Corman
Cotter
Coughlin
Daniel, Dan
Daniel, Robert
  W., Jr.
Davis, Wis.
de la Garza
Dellenback
Dennis
Devine
Dickinson
Diggs
Dingell
Donohue
Downing
Drinan
Dulski
Duncan
du Pont
Eckhardt
Edwards, Ala.
Edwards, Calif.
Eilberg
Erlenborn
Esch
Evins, Tenn.
Fascell
Findley
Fish
Fisher
Flood
Flynt
Foley
Ford
Forsythe
Fountain
Fraser
Frenzel
Fulton
Fuqua
Gaydos
Gettys
Gilman
Goldwater
Gonzalez
Grasso
Green, Pa.
Gross
Gude
Gunter
Haley
Hamilton
Hammer-
  schmidt
Hanley
Hansen, Idaho
Hastings
Hays
Hébert
Hechler, W. Va.
Heckler, Mass.
Helstoski
Henderson
Hillis
Hogan
Holifield
Holt
Holtzman
Horton
Hosmer
Hudnut
Hungate
Hunt
Hutchinson
Jarman
Johnson, Colo.
Johnson, Pa.
Jones, Okla.
Jordan
Kastenmeier
Kemp
Ketchum
King
Koch
Kuykendall
Kyros
Landrum
Latta
Lehman
Lujan
Luken
McCormack
McDade
McFall
McKinney
Macdonald
Madden
Madigan
Mahon
Mallary
Mann
Martin, Nebr.
Mathias, Calif.
Mathis, Ga.
Matsunaga
Mayne
Mazzoli
Meeds
Mezvinsky
Michel
Miller
Mills
Minish
Mink
Minshall, Ohio
Mitchell, Md.
Mitchell, N.Y.
Moakley
Montgomery
Moorhead, Pa.
Mosher
Moss
Murphy, N.Y.
Murtha
Myers
Natcher
Nedzi
Nelsen
Nichols
Obey
O'Brien
O'Hara
Parris
Passman
Patten
Perkins
Pettis
Pike
Poage
Podell
Powell, Ohio
Preyer
Pritchard
Quie
Railsback
Randall
Rangel
Rarick
Rees
Regula
Reuss
Riegle
Rinaldo
Robison, N.Y.
Rodino
Roe
Rogers
Rooney, Pa.
Rose
Rosenthal
Rostenkowski
Rousselot
Roybal
Runnels
St Germain
Sarasin
Sarbanes
Satterfield
Schneebeli
Schroeder
Sebelius
Seiberling
Shriver
Shuster
Sikes
Skubitz
Smith, Iowa
Snyder
Spence
Staggers
Stanton,
  J. William
Stark
Steed
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Stokes
Stratton
Stuckey
Studds
Symington
Symms
Taylor, Mo.
Taylor, N.C.
Thomson, Wis.
Thone
Tiernan
Towell, Nev.
Treen
Udall
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Veysey
Waggonner
Waldie
Wampler
Ware
Whalen
White
Whitehurst
Whitten
Widnall
Williams
Wilson,
  Charles H.,
  Calif.
Winn
Wolff
Wylie
Yates
Yatron
Young, Ill.
Young, S.C.
Young, Tex.
Zablocki
Zion
Zwach

NOES—69

Abdnor
Alexander
Annunzio
Ashley
Biaggi
Blackburn
Brademas
Broomfield
Brown, Calif.
Burke, Fla.
Burke, Mass.
Burlison, Mo.
Butler
Cederberg
Chamberlain
Clawson, Del
Conlan
Davis, Ga.
Delaney
Denholm
Dent
Evans, Colo.
Frey
Giaimo
Ginn
Goodling
Gray
Grover
Hanna
Hanrahan
Hansen, Wash.
Harsha
Hicks
Hinshaw
Howard
Huber
Johnson, Calif.
Jones, Ala.
Jones, N.C.
Karth
Kluczynski
Lagomarsino
Landgrebe
Lent
Long, Md.
McClory
McCollister
Martin, N.C.
Mollohan
Moorhead,
  Calif.
Price, Ill.
Price, Tex.
Roberts
Robinson, Va.
Roncalio, Wyo.
Roush
Ruth
Ryan
Sandman
Scherle
Sisk
Stanton,
  James V.
Sullivan
Thornton
Vigorito
Wright
Wyatt
Wydler
Young, Alaska

NOT VOTING—87

Abzug
Anderson,
  Calif.
Andrews, N.C.
Armstrong
Aspin
Badillo
Bell
Blatnik
Boggs
Bowen
Brasco
Breaux
Brinkley
Burke, Calif.
Carey, N.Y.
Chisholm
Clay
Cochran
Crane
Cronin
Culver
Daniels,
  Dominick V.
Danielson
Davis, S.C.
Dellums
Derwinski
Dorn
Eshleman
Flowers
Frelinghuysen
Froehlich
Gibbons
Green, Oreg.
Griffiths
Gubser
Guyer
Harrington
Hawkins
Heinz
Ichord
Jones, Tenn.
Kazen
Leggett
Litton
Long, La.
Lott
McCloskey
McEwen
McKay
McSpadden
Maraziti
Melcher
Metcalfe
Milford
Mizell
Morgan
Murphy, Ill.
Nix
O'Neill
Owens
Patman
Pepper
Peyser
Pickle
Quillen
Reid
Rhodes
Roncalio, N.Y.
Rooney, N.Y.
Roy
Ruppe
Shipley
Shoup
Slack
Smith, N.Y.
Steele
Stubblefield
Talcott
Teague
Thompson, N.J.
Walsh
Wiggins
Wilson, Bob
Wilson,
  Charles, Tex.
Wyman
Young, Fla.
Young, Ga.

So the amendment to the committee amendment was agreed to.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. GRAY TO THE COMMITTEE AMENDMENT

Mr. GRAY. Mr. Chairman, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. Gray to the committee amendment: Page 21, strike out lines 4 through 8, inclusive, and insert in lieu thereof the following:

Sec. 16. (a) Subsection (b) of section 4 of the Dwight D. Eisenhower Memorial Bicentennial Civic Center Act (P.L. 92–520) is hereby repealed.

(b) Paragraph (4) of subsection (d) of section 18 of the Public Buildings Act of 1959 is amended by striking out the following: ", and the Senate and House Committees on Appropriations,".

SEC. 17. This Act shall take effect on the date of its enactment.

Mr. REES. Mr. Chairman, I reserve a point of order on the amendment to the committee amendment.

The CHAIRMAN. The gentleman from California reserves a point of order on the amendment to the committee amendment.

Mr. SNYDER. Mr. Chairman, I too reserve a point of order on the amendment to the committee amendment.

The CHAIRMAN. The gentleman from Kentucky (Mr. SNYDER) reserves a point of order on the amendment to the committee amendment.

Mr. GRAY. Mr. Chairman, I offer this amendment very reluctantly, but as I said in the debate earlier, we have agonized over the Eisenhower Civic Center for some 4 years and, being the principal author, I have had my time preempted by it day after day, month after month, and year after year.

The main purpose of the Eisenhower Civic Center was to establish a national facility, a facility that would memorialize a decreased President, a two-term President, and a great war hero. Also, if the Members will notice by the title of the act, it says that we shall call this the "Dwight D. Eisenhower Memorial Bicentennial Civic Center Act." And when we authorized this in October 1972, we did so that all committees of the Congress would work with dispatch and so that this facility could have been completed by July of 1976, so our constituents could come here to enjoy the Bicentennial. But for some reason—and I have no idea why—the House Subcommittee on Appropriations for the District of Columbia has refused to allow the transfer of funds so that property could be acquired and land could be cleared, and has also refused to approve plans, cost estimates, and specifications.

That $14 million that the Members see on the board here is from my constituents, and from yours as a direct contribution recommended by the President of the United States in a letter to me dated in August of 1972, wherein President Nixon said that in order to have this facility ready for the Bicentennial, we feel that taxpayers' money should be cranked into the project for the use of the facility.

So the original enabling legislation called for a $14 million authorization. That money has never been appropriated. I say to my friend, in reply to the colloquy that was conducted with the gentleman from Iowa on the floor, that it never will be appropriated unless the House Subcommittee on Appropriations follows the law and acts.

My amendment is very simple. Let us have them pay for the project out of revenues generated from people using it. Why should my people in Illinois, and the constituents of the other Members contribute $14 million into this project if we are not going to have anything to say about it? It is just that simple.

So here is a chance to save $14 million. Here is a chance to eliminate the responsibility of the Committee on Appropriations. Since it is not going to allow money to be appropriated, there will be no need for oversight, so therefore the amendment simply deletes all the oversight, as it deletes the $14 million.

I cannot conceive of any Member voting against the amendment that voted for the referendum.

The first request was submitted to the Committee on Appropriations almost a year ago, and they have had hearing after hearing. They have heard from opponents and proponents, and as of 10 minutes ago the chairman of the subcommittee told me that he would not—and I repeat—he would not be guided by a referendum one way or another, so that the only thing we can do is to take out the Federal contribution, take out the $14 million, and allow the people of the District of Columbia to work their own will on this facility.

POINT OF ORDER

The CHAIRMAN. Does the gentleman from California desire to be heard on the point of order?

Mr. REES. Yes, Mr. Chairman. The point of order is that the amendment offered by the gentleman from Illinois is not germane to the Eisenhower Memorial Civic Center Sinking and Support Funds Act of 1974, which is the bill now before us. What the gentleman's amendment does is amend the Public Buildings Act of 1959, as amended, to create the Eisenhower Civic Center. What his amendment would specifically do would be to delete two sections, one of them with the congressional approval, and the other, section 4(b), dealing with the authorization for $14 million.

It is my contention, Mr. Chairman, that his amendments would only be germane to specific legislation, which would be an amendment to the Public Buildings Act of 1959.

The CHAIRMAN. Does the gentleman from Illinois desire to be heard on the point of order.

Mr. GRAY. Yes, Mr. Chairman, I desire to be heard.

Mr. Chairman, the parameters and the scope of my amendment concern financing only. It is true that the Public Buildings Amendments Act of 1959, as amended, was the authority for the establishment of the authorization for this center. My amendment only deals with the $14 million, which is part of the financing similar to the purposes of H.R. 12473, which is to establish and finance a sinking fund for the Dwight D. Eisenhower Memorial Bicentennial Civic Center. Very simply put in Illinois country language, one puts in; the other takes out. It is a very simple amendment.

The CHAIRMAN. Does the gentleman from Kentucky desire to be heard on the point of order?

Mr. SNYDER. Mr. Chairman, I do wish to be heard.

I support the points raised by the gentleman from California with regard to germaneness. I take issue with the gentleman from Illinois that all this amendment does is relate to financing. That is not accurate. This amendment also takes away an oversight of the District of Columbia and of both the House and the Senate. It attempts to amend the provisions of law of the Committee on Public Works, rather than the attempts of the District of Columbia relating to this legislation concerning financing.

The CHAIRMAN (Mr. PRICE of Illinois). The gentleman from California (Mr. REES) makes the point of order that the amendment offered by the gentleman from Illinois (Mr. GRAY) is not germane to the committee amendment in the nature of a substitute for the bill H.R. 12473. The gentleman from Kentucky (Mr. SNYDER) also supports the point of order. The Chair has listened to the arguments in support of and against the point of order.

The committee amendment establishes a support fund for the Civic Center, into which will be deposited funds from operating revenues, spinoff tax benefits, certain local income, real estate and sales taxes and funds appropriated pursuant to the authorization of $14 million contained in section 18 of the Public Buildings Act as the Federal share for the construction costs of the Eisenhower Civic Center.

The amendment of the gentleman from Illinois would repeal that portion of the Eisenhower Civic Center Act—section 18 of the Public Buildings Act which authorizes the $14 million share—and repeal that portion of the "approval" provision contained in section 18 which requires approval of the Senate and House Committees on Appropriation. The amendment has been drafted as a substitute for the language contained in section 16 of the committee amendment, which provides that the provisions of H.R. 12473 become effective either on date of enactment or upon approval by the House and Senate Committees on District of Columbia and Appropriations as provided in section 18 of the Public Buildings Act, whichever is later.

While under ordinary circumstances an amendment to a law reported from committee B is not germane to a bill reported by committee A, in this instance the Gray amendment would appear to be germane to section 16 of the committee amendment to H.R. 12473.

The Chair would cite two reasons for reaching this conclusion: First, since section 16 of the committee amendment makes the act contingent upon approval of construction plans as provided in section 18 of the Public Buildings Act, an amendment to alter the approval mechanism contained in that act is germane; and second, since H.R. 12473 would transfer funds appropriated as the Federal share into the support fund being established in the bill, the concept of the extent of Federal participation in the project has been injected into the committee amendment. Therefore an amendment to eliminate the Federal share, thereby making the project one which will be financed entirely by local revenues, in the opinion of the Chair is germane.

For these reasons the Chair holds that the amendment is germane and overrules the point of order.

Mr. NELSEN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I have here in my hand the Record of October 3, 1972, wherein a vote for an oversight opportunity for the House, offered by Mr. Snyder, carried by a vote of 250 to 137. I must say that my colleague, the gentleman from Illinois (Mr. Gray) at that time voted with the "noes" on that particular issue. His position here is thus consistent with his earlier position.

Mr. GRAY. Mr. Chairman, will the gentleman yield?

Mr. NELSEN. I yield to the gentleman from Illinois.

Mr. GRAY. Is it not true though that at that time that we had a $14 million authorization in the bill and is it not a fact now there will be nothing to oversee if we take out the $14 million?

Mr. NELSEN. I have no desire to speak to that point at all. I only want to say in the home-rule legislation we provided in that legislation oversight by the Congress of the United States on budget and appropriation matters. Reference has been made to the fact that Appropriations Committee often consumes considerable time in its review. I want to say to the Appropriations Committee a little time taken in review of revenues spent here can only draw a compliment from me as far as that is concerned.

So I want to say I hope this amendment is defeated because I believe we now have a pretty good package the way the bill is drafted. The Rees financing plan plus a local referendum.

Mr. BROYHILL of Virginia. Mr. Chairman, I move to strike the last word and rise in support of the amendment.

Mr. Chairman, the amendment offered by the gentleman from Illinois (Mr. Gray) is an attempt at a further compromise on this proposal. I feel that it is a terrific compromise.

The construction of this convention and civic center is vitally important to the Nation's Capital, and the people in the District who are going to pay the District's share of the costs are willing to underwrite the project and even to waive the $14 million Federal contribution. I think the Congress of the United States should go along with that.

If any group or any community who may be in a position to benefit from a Federal contribution is willing to have that authorization repealed, then we in the Congress should accept that position.

As I have said, there have been some recent roadblocks put forth to jeopardize the construction of this center. We have tried to meet all these objections, and have offered amendments so as to get approval from those who want to oppose the project. We have been years and years in working out plans for this center, and yet we do have a last-minute effort—and I am not referring to any of my colleagues on this floor—but there are some people in this city who are trying to kill this facility. They have not shown any interest in this project, nor in any other project offered in the past for the District of Columbia.

If it is necessary to waive the $14 million Federal contribution to make this project a reality, then we must agree to this action.

Washington, D.C., must have this project. The city's economy needs the jobs and the revenues that this facility will generate. It badly needs an economic shot in the arm. As I said before, the downtown area of this town is steadily deteriorating. We all want the Nation's Capital to grow and prosper, and not to deteriorate. In view of the warning that some Members of Congress have given that they will never go along with appropriating this $14 million, then I say let us repeal that authorization and let the people of the District of Columbia pay 100 percent of the cost themselves.

Mr. DIGGS. Mr. Chairman, I move to strike the last word.

I rise in opposition to the pending amendment to strike the special $14 million Federal payment for this project. The original authorization of these funds, which passed this body by 210 to 169, recognized the special Federal, local partnership that has been integral to this project.

The $14 million Federal fund is integral to the sound financial condition of the Dwight D. Eisenhower Memorial Bicentennial Civic Center, named in honor of our late President. First, these funds are important in the initial startup years of the center, before its full attendance level is met. Once the center is in full operation as Mr. Rees outlined, the center will generate sufficient moneys to meet its costs. But during this crucial transition period—which all business operations experience—a fund will be needed to meet initial costs. The $14 million Federal fund should be available for this purpose.

Second, the $14 million will be available as additional financial back-up to the taxes authorized in H.R. 12473. This will help assure that sufficient funds will be available to pay off the yearly bond payments without placing a financial burden on the local District of Columbia taxpayers or having to go back to the Federal Treasury for this project.

Third, I would stress that the congressional Appropriations Committees will have full responsibility for appropriating any moneys and only so much as may be necessary from this special authorization.

Finally, I would state that Mr. Ree's well thought out financing plan to pay the costs of this center is not a substitute for any Federal funds. Rather it builds upon the original congressionally approved authorization of $14 million and guarantees that these moneys will be used to help build this local and national center as Congress intended; and will not be used for any other purpose.

Mr. Chairman, I yield back the balance of my time.

Mr. SNYDER. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I am in accord with those who are speaking in opposition to the amendment, not so much as to the $14 million authorization, but so far as it would repeal the oversight of the District of Columbia Committee and the Committee on Appropriations. When this matter was debated in 1972, I offered an amendment on the floor which was adopted, and to which the gentleman has been referring. At that time the estimated cost was $65.5 million. Now if it had not been for the oversight hearings that were held by the Appropriations Subcommittee for the District of Columbia, we would not know today the cost with the amortization of the bonds is $165 million, rather than $65.5 million. We would not know there are only 89 to 95 parking spaces and things of that nature.

I think we argued this in 1972. We voted it substantially. We should affirm our action taken then and defeat this amendment.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois (Mr. Gray) to the committee amendment.

The question was taken; and on a division (demanded by Mr. Gray) there were—ayes 60, noes, 39.

RECORDED VOTE

Mr. DIGGS. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 142, noes 205, not voting 85, as follows:

[Roll No. 150]

AYES—142

Alexander
Annunzio
Archer
Arends
Ashley
Baker
Bennett
Bevill
Biaggi
Biester
Broomfield
Brown, Calif.
Broyhill, N.C.
Broyhill, Va.
Burke, Fla.
Burke, Mass.
Butler
Byron
Camp
Carney, Ohio
Clancy
Clawson, Del
Cohen
Collier
Cotter
Daniel, Dan
Daniel, Robert W., Jr.
Davis, Ga.
Davis, Wis.
Delaney
Dellenback
Denholm
Duncan
Edwards, Ala.
Eilberg
Evins, Tenn.
Findley
Fisher
Fuqua
Gaydos
Giaimo
Ginn
Gonzalez
Grasso
Gray
Green, Pa.
Grover
Gubser
Gude
Hammerschmidt
Hanley
Hanna
Hanrahan
Hays
Hébert
Hechler, W. Va.
Heckler, Mass.
Hicks
Hinshaw
Hogan
Holifield
Howard
Hungate
Jarman
Johnson, Calif.
Johnson, Pa.
Jones, N.C.
Jordan
Karth
Kluczynski
Kyros
Lagomarsino
Lent
Long, Md.
Luken
McCormack
Mann
Martin, Nebr.
Martin, N.C.
Mathias, Calif.
Mathis, Ga.
Meeds
Miller
Minshall, Ohio
Mollohan
Moss
Murphy, N.Y.
Murtha
Obey
O'Hara
Parris
Pike
Poage
Pritchard
Randall
Reuss
Rinaldo
Robinson, Va.
Roe
Roncalio, Wyo.
Rostenkowski
Ruth
Ryan
Sandman
Sarasin
Satterfield
Schroeder
Sebelius
Seiberling
Shuster
Sisk
Stanton, J. William
Stanton, James V.
Steed
Steelman
Steiger, Wis.
Stephens
Studds
Sullivan
Thomson, Wis.
Thornton
Towell, Nev.
Treen
Udall
Ullman
Van Deerlin
Vanik
Vigorito
Wampler
Ware
Whitehurst

Widnall
Williams
Wilson, Charles, Tex.
Wolff
Wright
Wydler
Yatron
Young, Alaska
Young, Ill.
Young, Tex.
Zablocki

NOES—205

Abdnor
Adams
Addabbo
Anderson, Ill.
Andrews, N. Dak.
Ashbrook
Bafalis
Barrett
Bauman
Beard
Bergland
Bingham
Blackburn
Boland
Bolling
Brademas
Bray
Breckinridge
Brooks
Brotzman
Brown, Mich.
Brown, Ohio
Buchanan
Burgener
Burleson, Tex.
Burlison, Mo.
Burton
Carter
Casey, Tex.
Cederberg
Chamberlain
Chappell
Clark
Clausen, Don H.
Cleveland
Collins, Ill.
Collins, Tex.
Conable
Conlan
Conte
Conyers
Corman
Coughlin
de la Garza
Dennis
Dent
Devine
Dickinson
Diggs
Donohue
Downing
Drinan
Dulski
du Pont
Eckhardt
Edwards, Calif.
Erlenborn
Esch
Evans, Colo.
Fascell
Fish
Flood
Flynt
Foley
Ford
Forsythe
Fountain
Fraser
Frenzel
Frey
Gettys
Gilman
Goldwater
Goodling
Gross
Gunter
Haley
Hamilton
Hansen, Idaho
Harsha
Hastings
Helstoski
Henderson
Hillis
Holt
Holtzman
Horton
Hosmer
Huber
Hudnut
Hunt
Hutchinson
Ichord
Johnson, Colo.
Jones, Ala.
Jones, Okla.
Kastenmeier
Kemp
Ketchum
King
Koch
Kuykendall
Landgrebe
Landrum
Latta
Lehman
Lujan
McClory
McCollister
McDade
McFall
McKinney
Macdonald
Madden
Madigan
Mahon
Mallary
Matsunaga
Mazzoli
Mezvinsky
Michel
Mills
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Montgomery
Moorhead, Calif.
Moorhead, Pa.
Mosher
Myers
Natcher
Nedzi
Nelsen
Nichols
O'Brien
O'Neill
Passman
Patten
Pepper
Perkins
Pettis
Podell
Powell, Ohio
Preyer
Price, Ill.
Price, Tex.
Quie
Railsback
Rangel
Rarick
Rees
Regula
Riegle
Roberts
Robison, N.Y.
Rodino
Rogers
Rooney, Pa.
Rose
Rosenthal
Roush
Rousselot
Roybal
Runnels
St Germain
Sarbanes
Scherle
Schneebeli
Shriver
Sikes
Skubitz
Smith, Iowa
Snyder
Spence
Staggers
Stark
Steiger, Ariz.
Stokes
Stratton
Stuckey
Symington
Symms
Taylor, Mo.
Taylor, N.C.
Teague
Thone
Tiernan
Vander Jagt
Vander Veen
Veysey
Waggonner
Waldie
Whalen
White
Whitten
Wilson, Charles H., Calif.
Winn
Wyatt
Wylie
Yates
Young, S.C.
Zion
Zwach

NOT VOTING—85

Abzug
Anderson, Calif.
Andrews, N.C.
Armstrong
Aspin
Badillo
Bell
Blatnik
Boggs
Bowen
Brasco
Breaux
Brinkley
Burke, Calif.
Carey, N.Y.
Chisholm
Clay
Cochran
Crane
Cronin
Culver
Daniels, Dominick V.
Danielson
Davis, S.C.
Dellums
Derwinski
Dingell
Dorn
Eshleman
Flowers
Frelinghuysen
Froehlich
Fulton
Gibbons
Green, Oreg.
Griffiths
Guyer
Hansen, Wash.
Harrington
Hawkins
Heinz
Jones, Tenn.
Kazen
Leggett
Litton
Long, La.
Lott
McCloskey
McEwen
McKay
McSpadden
Maraziti
Mayne
Melcher
Metcalfe
Milford
Mizell
Morgan
Murphy, Ill.
Nix
Owens
Patman
Peyser
Pickle
Quillen
Reid
Rhodes
Roncallo, N.Y.
Rooney, N.Y.
Roy
Ruppe
Shipley
Shoup
Slack
Smith, N.Y.
Steele
Stubblefield
Talcott
Thompson, N.J.
Walsh
Wiggins
Wilson, Bob
Wyman
Young, Fla.
Young, Ga.

So the amendment to the committee amendment was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. The question is on the committee amendment as amended.

The committee amendment as amended was agreed to.

Mr. DIGGS. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with an amendment, with the recommendation that the amendment be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. PRICE of Illinois, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 12473) to establish and finance a bond sinking fund for the Dwight D. Eisenhower Memorial Bicentennial Civic Center, and for other purposes, had directed him to report the bill back to the House with an amendment, with the recommendation that the amendment be agreed to and that the bill as amended do pass.

Mr. DIGGS. Mr. Speaker, I move the previous question on the bill and the amendment thereto final passage.

The previous question was ordered.

The SPEAKER. The question is on the committee amendment.

The committee amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. MYERS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 138, nays 211, not voting 83, as follows:

[Roll No. 151]

YEAS—138

Adams
Addabbo
Anderson, Ill.
Arends
Barrett
Bergland
Biester
Bingham
Boland
Bolling
Brademas
Breckinridge
Brown, Calif.
Brown, Mich.
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burke, Fla.
Burke, Mass.
Burton
Butler
Carney, Ohio
Clausen, Don H.
Cohen
Collins, Ill.
Conte
Conyers
Corman
Dent
Diggs
Drinan
Dulski
du Pont
Eckhardt
Edwards, Calif.
Fascell
Flood
Foley
Ford
Fraser
Fuqua
Giaimo
Ginn
Gonzalez
Grasso
Grover
Gude
Hammerschmidt
Hanley
Hanna
Hanrahan
Harsha
Hays
Heckler, Mass.
Helstoski
Hogan
Holifield
Holtzman
Johnson, Calif.
Jordan
Karth
Kastenmeier
Koch
Kyros
Lent
Luken
McClory
McDade
McFall
McKinney
Madden
Mann
Martin, N.C.
Mathias, Calif.
Matsunaga
Mazzoli
Meeds
Mezvinsky
Miller
Mills
Mink
Minshall, Ohio
Mitchell, Md.
Moakley
Moorhead, Pa.
Mosher
Murphy, N.Y.
Nedzi
Nelsen
O'Hara
O'Neill
Parris
Pepper
Pike
Podell
Preyer
Price, Ill.
Price, Tex.
Pritchard
Quie
Railsback
Rangel
Rees
Reuss
Riegle
Robison, N.Y.
Rodino
Rogers
Rooney, Pa.
Rose
Rosenthal
Roybal
Sandman
Sarasin
Sarbanes
Schroeder
Sisk
Staggers
Stanton, James V.
Stark
Steelman
Stephens
Stokes
Stuckey
Studds
Treen
Udall
Vander Jagt
Vander Veen
Waldie
Ware
Whalen
Wilson, Charles, Tex.
Wolff
Wright
Yates
Zablocki
Zion

NAYS—211

Abdnor
Alexander
Andrews, N. Dak.
Annunzio
Archer
Ashbrook
Ashley
Bafalis
Baker
Bauman
Beard
Bennett
Bevill
Biaggi
Blackburn
Bray
Brooks
Broomfield
Brotzman
Brown, Ohio
Burgener
Burleson, Tex.
Burlison, Mo.
Byron
Camp
Carter
Casey, Tex.
Cederberg
Chamberlain
Chappell
Clancy
Clark
Clawson, Del
Cleveland
Collier
Collins, Tex.
Conable
Conlan
Cotter
Coughlin
Daniel, Dan
Daniel, Robert W., Jr.
Davis, Ga.
Davis, Wis.
de la Garza
Delaney
Dellenback
Denholm
Dennis
Devine
Dickinson
Donohue
Downing
Duncan
Edwards, Ala.
Eilberg
Erlenborn
Esch
Evans, Colo.
Evins, Tenn.
Findley
Fish
Fisher
Flynt
Forsythe
Fountain
Frenzel
Frey
Fulton
Gaydos
Gettys
Gilman
Goldwater
Goodling
Gray
Green, Pa.
Gross
Gubser
Gunter
Haley
Hamilton
Hansen, Idaho
Hansen, Wash.
Hastings
Hébert
Hechler, W. Va.
Henderson
Hicks
Hillis
Hinshaw
Holt
Horton
Hosmer
Howard
Huber
Hudnut
Hungate
Hunt
Hutchinson
Ichord
Jarman
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Kemp
Ketchum
King
Kluczynski
Kuykendall
Lagomarsino
Landrum
Latta
Lehman
Long, Md.
Lujan
McCollister
McCormack
Macdonald
Madigan
Mahon
Mallary
Martin, Nebr.
Mathis, Ga.
Mayne
Michel
Minish
Mitchell, N.Y.
Mollohan
Montgomery
Moorhead, Calif.
Moss
Murtha
Myers
Natcher
Nichols
Obey
O'Brien
Passman
Patten
Perkins
Pettis
Poage
Powell, Ohio
Randall
Rarick
Regula
Rinaldo
Roberts
Robinson, Va.
Roe
Roncalio, Wyo.
Rostenkowski
Roush
Rousselot
Runnels
Ruth
Ryan
St Germain
Satterfield
Scherle
Schneebeli
Sebelius
Seiberling
Shriver
Shuster
Sikes
Skubitz
Smith, Iowa
Snyder
Spence
Stanton, J. William
Steed
Steiger, Ariz.
Steiger, Wis.
Stratton
Sullivan
Symington
Symms
Taylor, Mo.
Taylor, N.C.
Teague
Thomson, Wis.
Thone
Thornton
Tiernan
Towell, Nev.
Ullman
Van Deerlin
Vanik
Veysey
Vigorito
Waggonner
Wampler
White
Whitehurst
Whitten
Widnall
Williams
Wilson, Charles H., Calif.
Winn
Wyatt
Wydler
Wylie
Yatron
Young, Alaska
Young, Ill.
Young, S.C.
Young, Tex.
Zwach

NOT VOTING—83

Abzug
Anderson, Calif.
Andrews, N.C.
Armstrong
Aspin
Badillo
Bell
Blatnik
Boggs
Bowen
Brasco
Breaux
Brinkley
Burke, Calif.

Carey, N.Y.
Chisholm
Clay
Cochran
Crane
Cronin
Culver
Daniels, Dominick V.
Danielson
Davis, S.C.
Dellums
Derwinski
Dingell
Dorn
Eshleman
Flowers
Frelinghuysen
Froehlich
Gibbons
Green, Oreg.
Griffiths
Guyer
Harrington
Hawkins
Heinz
Jones, Tenn.
Kazen
Landgrebe
Leggett
Litton
Long, La.
Lott
McCloskey
McEwen
McKay
McSpadden
Maraziti
Melcher
Metcalfe
Milford
Mizell
Morgan
Murphy, Ill.
Nix
Owens
Patman
Peyser
Pickle
Quillen
Reid
Rhodes
Roncallo, N.Y.
Rooney, N.Y.
Roy
Ruppe
Shipley
Shoup
Slack
Smith, N.Y.
Steele
Stubblefield
Talcott
Thompson, N.J.
Walsh
Wiggins
Wilson, Bob
Wyman
Young, Fla.
Young, Ga.

So the bill was not passed.

The Clerk announced the following pairs:

On this vote:

Mr. Thompson of New Jersey for, with Mr. Stubblefield against.

Ms. Abzug for, with Mr. Andrews of North Carolina against.

Mr. Hawkins for, with Mr. Brinkley against.

Mr. Dominick V. Daniels for, with Mr. Flowers against.

Mr. Cronin for, with Mr. Froehlich against.

Mr. Harrington for, with Mr. Guyer against.

Mrs. Burke of California for, with Mr. Landgrebe against.

Mr. Leggett for, with Mr. Maraziti against.

Mr. Carey of New York for, with Mr. Quillen against.

Mr. Dingell for, with Mr. Young of Florida against.

Mr. Clay for, with Mr. Wyman against.

Mr. Reid for, with Mr. Talcott against.

Mr. Metcalfe for, with Mr. Shoup against.

Mr. Young of Georgia for, with Mr. Walsh against.

Mr. Badillo for, with Mr. Bob Wilson against.

Mr. Anderson of California for, with Mr. *McEwen* against.

Mr. Danielson for, with Mr. Eshleman against.

Mr. Patman for, with Mr. Crane against.

Mrs. Chisholm for, with Mr. Derwinski against.

Mr. Dellums for, with Mr. Dorn against.

Mr. Nix for, with Mr. Jones of Tennessee against.

Mrs. Griffiths for, with Mr. Murphy of Illinois against.

Mr. Rhodes for, with Mr. Davis of South Carolina against.

Until further notice:

Mr. Pickle with Mr. McKay.
Mr. Blatnik with Mr. Kazen.
Mr. Brasco with Mr. Slack.
Mr. Breaux with Mrs. Green of Oregon.
Mr. Milford with Mr. Bell.
Mr. Litton with Mr. Gibbons.
Mr. Long of Louisiana with Mr. Mizell.
Mr. Culver with Mr. Cochran.
Mr. Rooney of New York with Mr. Lott.
Mr. Roy with Mr. McCloskey.
Mr. Melcher with Mr. Morgan.
Mr. McSpadden with Mr. Peyser.
Mr. Aspin with Mr. Owens.
Mrs. Boggs with Mr. Roncallo of New York.
Mr. Bowen with Mr. Shipley.
Mr. Frelinghuysen with Mr. Ruppe.
Mr. Heinz with Mr. Smith of New York.
Mr. Steele with Mr. Wiggins.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. DIGGS. Mr. Speaker, I ask unanimous consent that all Members may revise and extend their remarks on the bill (H.R. 12473) just considered.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

The was no objection.

CHANGE IN LEGISLATIVE PROGRAM

(Mr. O'NEILL asked and was given permission to address the House for 1 minute.)

Mr. O'NEILL. Mr. Speaker, I take this time to announce a change in the order of business for tomorrow. We will consider the legislative appropriations bill after the changes in certain House procedures resolution. In other words, House Resolution 998 will come before the legislative appropriations bill on Tuesday, tomorrow.

CONGRESSIONAL COUNTDOWN ON CONTROLS

(Mr. STEELMAN asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. STEELMAN. Mr. Speaker, I highly commend the Committee on Banking and Currency for voting last week not to consider any of the bills to extend in some form the Economic Stabilization Act of 1970. We are now almost at the point of returning to the law of supply and demand in the marketplace, and it is high time we did so.

This is not the first time in our history we have seen the failure of wage and price controls. The early Americans had a similar experience, and I submit for the RECORD an article written by Robert L. Schuettinger, former assistant professor of political science at the Catholic University of America:

THE EARLY AMERICANS

The early New England colonists were convinced that government ought to extend its powers into the regulation of all aspects of society, from the religious to the political to the economic. "This was a defect of the age," the economic historian William Weeden tells us (though hardly a defect unique to seventeenth century Massachusetts) "but the Puritan legislator fondly believed that, once freed from the malignant influence of the ungodly, that once based upon the Bible; he could legislate prosperity and well-being for every one, rich or poor."

In 1630 the General Court made a fruitless attempt to fix wage rates. Carpenters, joiners, bricklayers, lawyers and thatchers were to receive no more than two shillings a day. A fine of ten shillings was to be levied against anyone who paid or received more. In addition, "no commodity should be sold at above four pence in the shilling [33%] more than it cost for ready money in England; oil, wine, etc., and cheese in regard to the hazard of bringing, etc., (excepted)."

Weeden comments dryly that "These regulations lasted about six months and were repealed."

There was an attempt at about the same time to regulate trade with the Indians . . . with the same result. The price of beaverskins (an important article of trade at the time) was set at no more than 6 shillings a skin with a "fair" profit of 30% plus cost of transportation. A shortage of corn, however, drove the price of that commodity up to 10 shillings "the strike," and sales of this dwindling supply to the Indians were prohibited. "Under this pressure, beaver advanced to 10 shillings and 20 shillings per pound; "no corn, no beaver," said the native. The Court was obliged to remove the fixed rate, and the price ruled at 20 shillings."

The offshoot of the Massachusetts Bay Colony in Connecticut experienced the same artificial efforts to control prices and to divert trade from its natural courses. One nineteenth century historian has briefly summed up these attempts. "The New Haven colony," he wrote, "was made notorious by its minute inquisition into the details of buying and selling, of eating and dressing and of domestic difficulties. Then the people were mostly of one mind about the wisdom of such meddling, the community was small and homogeneous in population and religious sentiments. If such legislative interference could have been beneficient, here was a favorable opportunity. It failed utterly. The people were wise enough to see that it was a failure."

The effects of controls on prices and wages were by no means confined to the English-speaking colonies in North America. In the territory that is now the State of Illinois, French settlers were faced with similar harassments from a far away government. In a history of that part of French North America, Clarence Alvord notes: "The imposition of minute regulations issued from Versailles had been a burden upon the beaver trade. Fixed prices for beavers of every quality, that had to be bought, whatever the quantity, by the farmers at the Canadian ports, had made impossible a free development and had reduced the farmers one after another to the verge of bankruptcy . . . an order was issued on May 26, 1696, recalling all traders and prohibiting them from going thereafter into the wilderness . . . [though] complete enforcement of the decree was impossible."

The sporadic attempts during the seventeenth and early eighteenth centuries to control the economic life of the American colonies increased in frequency with the approach of the War of Independence.

One of the first actions of the Continental Congress in 1775 was to authorize the printing of paper money . . . the famous "Continentals." Pelatiah Webster, who was America's first economist, argued very cogently in a pamphlet published in 1776 that the new Continental currency would rapidly decline in value unless the issuance of paper notes was curbed. His advice went unheeded and, with more and more paper in circulation, consumers naturally began to bid up prices for a stock of goods that did not increase as fast as the money supply. By November, 1777, commodity prices had risen 480% above the pre-war average.

The Congress, however, at least when addressing the public, professed not to believe that their paper money was close to valueless but that prices had risen mainly because of unpatriotic speculators who were enemies of the government. "The real causes of advancing prices," one historian notes, "were as completely overlooked by that body as they were by Lysias when prosecuting the corn-factors of Greece. As the Greek orator wholly attributed the dearness of corn to a combination among the factors, so did Congress ascribe the enormous advance in the price of things to the action of those having commodities for sale."

On November 19, 1776, the General Assembly of Connecticut felt impelled to pass a series of regulations providing for maximum prices for many of the necessaries of life. It also declared that "all other necessary articles not enumerated be in reasonable accustomed proportion to the above mentioned articles." Another similar act was passed in May, 1777. By August 13, 1777, however, the unforeseen results of these acts became clear to the legislators and on that date both acts were repealed.

In February 1778, however, the pro-regulation forces were again in the ascendancy and Connecticut adopted a new tariff of wages and prices. Retail prices were not to exceed wholesale prices by more than 25% plus the cost of transportation. In a few months it became evident once again that these controls would work no better than the former attempts and in June 1778, the Governor of Connecticut wrote to the President of the Continental Congress that these laws too, "had been ineffectual."

The Connecticut experience, of course, was by no means unique. Massachusetts, among other states went through almost exactly the same on-again, off-again syndrome with its own verison of wage and price controls. In January 1777, a law was passed imposing "maximum prices for almost all the ordinary necessaries of life: food, fuel and wearing apparel, as well as for day labor . . . so far as its immediate aim was concerned," an historian concludes, "the measure was a failure". In June 1777, a second law was passed (a Phase II), on the ground that the prices fixed by the first law were "not adequate to the expense which will hereafter probably be incurred in procuring such articles." A few months later, in September, the General Court of Massachusetts, convinced that the price-fixing measures "have been very far from answering the salutary purposes for which they were intended" completely repealed both laws.

In Pennsylvania, where the main force of Washington's army was quartered in 1777, the situation was even worse. The legislature of that commonwealth decided to try a period of price control limited to those commodities needed for the use of the army. The theory was that this policy would reduce the expense of supplying the army and lighten the burden of the war upon the population. The result might have been anticipated by those with some knowledge of the trials and tribulations of other states. The prices of uncontrolled goods, mostly imported, rose to record heights. Most farmers kept back their produce refusing to sell at what they regarded as an unfair price. Some who had large families to take care of even secretly sold their food to the British who paid in gold.

After the disasterous winter at Valley Forge when Washington's army nearly starved to death (thanks largely to these well-intentioned but misdirected laws) the ill-fated experiment in price controls was finally ended. The Continental Congress on June 4, 1778, adopted the following resolution:

"Whereas . . . it hath been found by experience that limitations upon the prices of commodities are not only ineffectual for the purposes proposed, but likewise productive of very evil consequences to the great detriment of the public service and grievous oppression of individuals . . . resolved, that it be recommended to the several states to repeal or suspend all laws or resolutions within the said states respectively limiting, regulating or restraining the Price of any Article, Manufacture or Commodity."

One historian of the period tells us that after this date commissary agents were instructed "to give the current price . . . let it be what it may, rather than that the army should suffer, which you have to supply and the intended expedition be retarded for want of it." By the Fall of 1778 the army was fairly well-provided for as a direct result of this change in policy. The same historian goes on to say that "the flexibility in offering prices and successful purchasing in the country in 1778 procured needed winter supplies wanting in the previous year."

The American economist, Pelatiah Webster, writing toward the end of the War of Independence in January 1780, evaluated in a few succinct words the sporadic record of price and wage controls in the new United States. "As experiment is the surest proof of the natural effects of all, speculations of this kind," he wrote, ". . . it is strange, it is marvelous to me, that any person of common discernment, who has been acquainted with all the above-mentioned trials and effects, should entertain any idea of the expediency of trying any such methods again. . . Trade, if let alone, will ever make its own way best, and like an irresistible river, will ever run safest, do least mischief and do most good, suffered to run without obstruction in its own natural channel."

THE JUDICIARY COMMITTEE AND THE IMPEACHMENT INQUIRY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. McClory) is recognized for 60 minutes.

(Mr. McCLORY asked and was given permission to revise and extend his remarks, and to include two items of extraneous material.)

Mr. McCLORY. Mr. Speaker, I have requested this special order on behalf of several of my Republican colleagues and myself for the purpose of setting forth our views regarding the present status and future actions of the House Judiciary Committee in the pending impeachment inquiry which has been before our committee since last October.

I should preface my remarks by stating that I am not complaining here about any delays or foot-dragging. However, I would insist that some important decisions should be made now—this week, before the congressional recess and before the members of the committee leave Washington on Thursday—not to return again until Monday, April 22.

Mr. Speaker, while our committee has had the benefit of a number of briefings presented by our competent staff of lawyers and researchers, who have not had a meeting of the committee at which business on this subject might be conducted since March 7. There is important business pending before the committee right now, business which requires positive and prompt action—business which will determine the speed, the thoroughness and the fairness of the pending impeachment inquiry.

One subject which remains in limbo is that of the committee's request for information consisting of itemized takes or transcripts of conversations between the President and various of his aides as set forth in the committee's letter of February 25, and supplemented in Mr. Doar's letter of April 4. While I would hope that this subject might be resolved before tomorrow's deadline, as set forth in the April 4 letter, it would seem essential to convene a meeting of the committee no later than Wednesday, April 10, if any committee action is to be taken on this subject before the congressional recess.

In my own mind, a subject of even greater importance would be the adoption of detailed rules of procedure to govern the receipt of evidence by the members of the committee as proposed to be detailed in a trial book to be prepared by the staff together with citations of documentary and other factual evidence, as well as transcripts, excerpts of grand jury reports and other materials to be furnished to the committee members.

In this connection, it should be established at once whether the hearing at which the initial presentation is to be made and related evidentiary materials are to be received are to be opened to the public—and whether permission is to be granted to televise these sessions.

For my own part, it is completely unacceptable to suggest, as the staff has done on page 22 of the memorandum of April 3, 1974, that the committee defer the adoption of its procedures until it has received and considered the initial presentation by committee counsel respecting the facts and evidence. As I stated at the last briefing session, this would seem to put "the cart before the horse"—where the committee would first receive a detailed presentation of evidence—and adopt—at some future time—the rules of procedure under which its inquiry is to be conducted.

In addition, if it is proposed to defer the presence of counsel for the President until after the completion of such a presentation, then it would seem that his request—and the desire of a substantial number of the members of this committee—would be circumvented and effectively thwarted.

It is my individual view that if the trial book or initial presentation is intended to serve as a sort of opening statement, the staff's proposal, as outlined, goes far beyond this concept and would appear instead to be a rather detailed exparte presentation of the case in support of possible articles of impeachment. I am sure it would be interpreted by the public in that way—and there would probably be substantial difficulty in delaying action by the committee in order to receive supplemental evidence after 4 or 5 weeks had elapsed while the initial presentation of evidence was taking place. I would suggest that if counsel wishes to present some kind of opening statement, this could be done in a much more abbreviated form to occupy—without interruption—a single morning or morning and afternoon meeting of the committee.

Mr. Speaker, I am not suggesting in any way that the committee's rules of confidentiality should be violated, and I would offer the suggestion that the committee should act—and act at once to determine whether executive sessions should be held when grand jury transcripts or other confidential materials are to be examined. We should also determine whether the rules of confidentiality might be expanded to permit counsel for the President, in addition to the presently designated individual to review such confidential materials. Such a revision might be of particular significance in receiving the six itemized subjects which the White House has failed so far to furnish.

Mr. Speaker, it was my feeling at the outset of this inquiry that the interrogation of witnesses—including questions relating to documentary proof—would be handled largely through our committee counsel. Such a view was prompted, of course, by the fact that the committee has failed to establish a formal ad hoc or subcommittee—as was done in every earlier impeachment inquiry. The potentially interminable proceedings which could result from extensive examination or cross-examination of all 38 members of the committee would not seem to be a feasible means of conducting—and concluding the impeachment inquiry in which we are engaged.

Mr. Speaker, another subject on which I assume some of my colleagues may wish to comment is that relating to the use of depositions as an alternative for testimony from live witnesses before the committee. Personally, I have no objection to the use of depositions. I feel that where testimony is to be taken in this manner, the same rights should be accorded to counsel for the President as the committee should be expected to accord to the President's counsel before the committee itself. I am informed that in lieu of depositions the staff has resorted to securing testimony by way of affidavits. I question whether this is consistent with the views of those committee members who feel strongly about according the privilege of cross examination to counsel for the President. Indeed, the distinction between a deposition and an affidavit—where it is proposed to use such an affidavit as evidence—is specious.

Mr. Speaker, I am sure that there are other items of business which the committee should be undertaking at committee meetings. It is quite unlikely that all of the business could be transacted at one single meeting. Accordingly, it would be my hope that the Judiciary Committee might meet tomorrow, as well as on Thursday for the purpose of discussing and resolving at least some of these pressing points which I have raised. At the very least, it would seem that the committee members should have in hand during the Easter recess a draft of the proposed rules of procedure for conducting the hearing and receipt of evidence—whether the presentation is made by way of documentary proof or live witnesses—and that the rules of procedure should be adopted in advance of the time when any evidence is offered to or received by the committee.

Mr. Speaker, I feel sincerely that the chairman of our committee has a basic desire to be fair and objective in the conduct of this impeachment inquiry. The suggestions that I have offered here today are consistent with my personal desire to be both fair and objective. The quality of our work and the general public acceptance of our efforts depends upon the decision and actions which we as members of the committee and as Members of the Congress take. The suggestions and recommendations which my colleagues and I are offering today are made in the spirit of providing the most responsible and the most honorable performance possible under the unique constitutional mandate with which we are charged.

The suggestions follow:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., April 5, 1974.

DEAR COLLEAGUE: In cooperation with several Republican colleagues on the Committee, I have requested a Special Order for Monday, April 8, following the close of legislative business to discuss subjects related to the Impeachment Inquiry pending before our Committee.

It has been suggested that we discuss, among other things, the following:

1) The need for calling one or more "Meetings" of the House Judiciary Committee before the Easter Recess for the purpose of transacting Committee business related to the Impeachment Inquiry.

2) The necessity of adopting Rules of Procedure to establish (a) rights of Counsel for the President (b) privilege of cross-examination (c) order of proof, etc. before proceeding with the receipt of documentary evidence to be delineated in the Staff's "trial book."

3) Determine the rights of Members in connection with the receipt of evidence.

4) Adoption of a tentative daily and overall timetable for hearings, i.e. (a) morning and afternoon meetings (b) night sessions (c) meetings on consecutive days.

5) Establishment of the criterion of proof necessary to support any proposed Articles of Impeachment and,

6) Other relevant subjects.

I hope that you will be present on the Floor Monday afternoon to participate in the Special Order discussion of these and related subjects.

Sincerely yours,
ROBERT MCCLORY,
Member of Congress.

I merely want to add I did send letters out to my Republican colleagues and notified the majority side as well and the committee staff of this special order. I am attaching the colleague letter to these remarks.

Mr. DEVINE. Will the gentleman yield?

Mr. McCLORY. I yield to the gentleman from Ohio.

Mr. DEVINE. I thank the gentleman for his taking this time to bring this matter up.

I inquire of him whether he feels this committee is being operated in a partisan or political manner.

Mr. McCLORY. Well, it is my feeling that the committee is operating at the present time in a bipartisan way. The questions I am raising today are questions which have come to my attention and which cause me to be apprehensive. I am apprehensive that if the initial presentation of evidence is done without counsel for the President being present, it would be interpreted as a partisan proimpeachment undertaking. I think all members of the committee would be criticized for that kind of procedure.

Mr. DEVINE. Will the gentleman yield further?

Mr. McCLORY. I yield to the gentleman.

Mr. DEVINE. The thrust of my remarks is initiated because of a UPI release with the Washington byline dated March 27 in which it says:

> Democratic National Chairman Robert Strauss said Wednesday his "morning line" is that a Nixon impeachment trial will be underway or scheduled by early December, and that Democrats may have to decide then whether to take a party stand on the issue.
>
> "That's how I see the odds now," he said.

Strauss also said:

> Democratic candidates in different parts of the country may want to take different approaches to Watergate because of a varying political climate.
>
> "It may be different in the south than it is in the north," he added.

Finally Strauss said:

> The party's position on Watergate—if it finally adopts one—must be based on what "is good or bad for the Democrats" and whether it will detract from any actual impeachment proceedings.

So with this statement attributed to the Democratic Party's national chairman in a UPI release I was wondering whether we are going in that direction.

Mr. McCLORY. I could only interpret that as being a strong partisan position and a strong partisan recommendation on the part of the chairman of the Democratic National Committee.

I would like to differentiate between his views and those that are held by those of us serving in this very sensitive and very unique role as members of the House Committee on the Judiciary.

While I am aware of the fact that some of the Democratic Members have themselves introduced resolutions for impeachment, I believe that by and large the Members on the Democratic side as well as all of the Republicans are endeavoring to be impartial and objective and will listen to the evidence and decide their case on the basis of the Constitution and the law and the evidence.

The only thing I am concerned about at this stage is if the case is presented in a way where it is ex parte and we only hear one side and go through this format for 4 or 5 weeks, it will be very difficult to be impartial and objective. If the Republicans at that point suggest we should have further hearings with live witnesses, we will be charged with dilatory tactics. Consequently I feel we should adopt the rules of procedure under which we should operate as the first order of business.

We should adopt them now, and then proceed on the basis of following those rules to assure that our procedures are fair and impartial insofar as all of the parties are concerned.

Mr. SANDMAN. Mr. Speaker, will the gentleman yield?

Mr. McCLORY. I yield to the gentleman from New Jersey (Mr. SANDMAN) who has contributed so much to our hearings.

Mr. SANDMAN. Mr. Speaker, I rise in support of what the gentleman from Illinois (Mr. McClory) has said. I want to compliment the gentleman for taking this special order today. I think it is long overdue that something has been said and probably should have been said a long time ago.

Not to go through a long tirade, or anything, but I am one of the people who voted for the broadest possible subpena power. I voted against every one of the restrictive amendments to the subpena power. I have publicly said that the President should supply anything and everything that the committee wants, and that is the way I believe we should function, so no one can say I am trying to defend the President. But I can remember coming back here on January 7.

If the Members will recall, the House did not go into session until January 21, but I came back from a vacation in Jamaica on January 7, and some other Members came in from California, Illinois, and from all over the country so as to meet here 2 weeks before opening day of Congress on January 21.

I thought when I came here then that I was going to take part in trying to arrive at some agreement on the rules of procedure. As I say, that was back in January, 3 months ago. We did not do anything on January 7, and, quite honestly, we have not done anything since January 7 that means anything. Here we are a couple of months later, and we still have not resolved one single point as to procedure. All we do is meet once in a while, whenever the counsel feels that he has something he should tell us. We ask questions but we do not get answers. And, of course, we never have a business meeting. All we have are briefings.

This by itself is ridiculous. Now we receive information today that we are not going to perhaps adopt any rules of procedure until after Mr. Doar makes his presentation of facts. Does not that make a lot of sense?

This will be one member of the committee of 37 of us, all members of the bar, who cannot believe that this is the way we ought to function. Of course it is not, it is ridiculous.

Then, of course, we are also told that we have a brand new procedure now. We may not even have one live witness come before this committee, that a good bit of this is going to be presented by self-serving affidavits.

As liberal as I have been on the subpena power, this is one member of the committee that is never going to vote for an impeachment if this is the way we are going to try to get it. This is what makes me so apprehensive about what we do from day to day. They are going to decided whether or not the President of the United States shall be treated as any other citizen, and be represented by counsel, and they are going to decide that after Mr. Doar presents the evidence, not before. That is what was said in the release made by the gentleman from New Jersey (Mr. Rodino) this morning. There is no getting around it.

Mr. EDWARDS of California. Mr. Speaker, will the gentleman yield at that point?

Mr. SANDMAN. Not now. But I will be glad to yield to the gentleman later.

The SPEAKER pro tempore. The Chair would advise the gentleman from New Jersey that the gentleman from Illinois (Mr. McClory) has control of the time, and the gentleman from Illinois can yield at any time he desires to any other Member.

Mr. EDWARDS of California. Mr. Speaker, will the gentleman yield?

Mr. McCLORY. When the gentleman from New Jersey concludes his statement then I will yield to the gentleman from California.

Mr. SANDMAN. Mr. Speaker, I thought the gentleman from Illinois yielded to me for the purpose of my making a statement, and that is all I am doing. So we will go on from there.

Nobody has decided whether or not we are going to have open hearings, public hearings, whether we function as a grand jury or as to the weight of the evidence that is necessary; nobody even talks about that, we are not permitted to talk about it.

If one asks the counsel, he has almost been given instructions not to tell. That is what I get from him today, because I am not at all satisfied with his answers.

We have been talking about and reading about delay—delay—delay. Who is delaying? Let us put the cards right on the table. It is going to take weeks to decide these issues, make no mistake about it.

On January 7 of this year I suggested that we meet every day and wind these things up. I am suggesting it now. But we are not going to meet. The Members know we are not going to meet. The Chairman makes rules; nobody ever votes on the rules. I have never been a member of such an undemocratic process in my life. I say this in all deference to the chairman.

There are 14 grounds that have been filed. They have 100,000 pages of evidence; they have got this; they have got that. They have everything except anything to present to the committee that is supposed to be looking into the inquiry. I suggested: Let us see what you have. Either put up or shut up. That is what the public wants to see. Let us start with the one area where we cannot agree and in which impeachment lies, if they have the evidence. But no one has answered that question either.

I should like to say at this moment I do not think this is being done intentionally; I hope it is not; but if it continues, no normal person can believe otherwise. I am suggesting that the committee have business meetings 5 days a week and get this show on the road.

Mr. McCLORY. I thank the gentleman for his contribution and his expression of very strong feelings.

I think it is important that we indicate clearly that members of the committee have these very strong views and that we provide this opportunity to express them.

I commend the gentleman from New Jersey (Mr. Sandman) on a very forceful and constructive statement.

Mr. EDWARDS of California. Mr. Speaker, will the gentleman yield?

Mr. McCLORY. I yield to the gentleman from California.

Mr. EDWARDS of California. I thank the gentleman for yielding.

I think my friend, the gentleman from New Jersey (Mr. Sandman) must not have been listening to the chairman of the committee when he announced very explicitly, confirmed by Mr. Doar, that right after the recess the suggested rules, prepared by both the minority and majority counsel, or all of the counsel—and Mr. Doar and Mr. Jenner are in charge—would include consideration of all of the things that Mr. Sandman was discussing, and that these rules would be adopted, amended, or rejected, but they would be considered before the presentment is made. Certainly no one on that side of the aisle has exclusive claim for the feelings expressed that the President is entitled to counsel. He is entitled to all of the due process in the world. Members on this side of the aisle are just as interested as Members on that side of the aisle in having the President get a square deal.

Over here there are many of us who have fought for years, actually decades, for procedures by congressional committees where the respondent, or the person who is being talked about by a witness, is entitled to representation. This is one of our old arguments against the House Un-American Activities Committee, because that committee had never provided the people being testified against with counsel.

I am going to recommend support by some of our friends on the other side of the aisle for our position over here that congressional committees should be fair. We certainly are not going to finish this impeachment one way or the other and go back home and go back to the history books and say that other Americans than the President would have been treated better by the House Committee on the Judiciary. We are going to give the President every possible benefit.

Mr. McCLORY. I thank the gentleman.

I commend the gentleman on his expression. I interpret the gentleman's position as being one which would accord to the President full representation by counsel at any evidentiary hearings that we have of our committee. I think that the press release and the statement to which the gentleman from New Jersey (Mr. Sandman) had reference was the paragraph in the chairman's (Mr. Rodino's) press release which said:

> The committee will also have to adopt rules to govern its procedures during the evidentiary hearings. I would hope that those could be considered during the second week after the Easter recess. I am concerned about two things: First, the question of confidentiality during the evidentiary hearings; second, my conviction that we should not be bound to inflexible procedures until we have had the benefit of the initial evidentiary presentation by the staff.

In other words, I think what the chairman (Mr. RODINO) seems to have in mind when he talks about flexible rules of procedure is a practice of adopting various rules as we go along. I feel that is completely unacceptable. I think we should have the rules of procedure established at the outset including the right of the President to have counsel present, and what limitations or restrictions on his rights and prerogatives would be imposed.

Every respondent in an impeachment inquiry since 1876 has had the right to be present in person or by counsel, and it seems just unthinkable that we would not accord full representative rights to the President of the United States in the course of this inquiry.

Mr. HOGAN. Mr. Speaker, will the gentleman yield?

Mr McCLORY. I yield to the gentleman from Maryland (Mr. HOGAN).

Mr. HOGAN. I thank the gentleman for yielding and I thank him for taking this time to shed some light on some of the factors that have been bothering so many of us.

I want to say to the gentleman from California that my understanding of what transpired this morning in our briefing session is similar to the understanding of the gentleman from New Jersey (Mr. SANDMAN), that is we are not going to adopt any rules until we have had the summary of evidence, and I think that is far too late.

Mr. McCLORY. If I may say, a summary of the evidence to be presented to the committee as I understand the plan involves a presentation by the staff to the committee of documentary or written evidence. The staff plans to do this on a day-after-day basis. So, we are talking about a prolonged process which is involved and not some kind of brief opening statement.

Mr. HOGAN. I agree with the gentleman.

As far as the President's counsel being present, as the gentleman in the well pointed out, all other inquiries over the past 100 years have accorded this privilege to the attorney for the respondent. I refer to the precedents in Hinds, in III, 2445, 2471, 2518, and in III, 2470, 2501, 2511, and 2516.

But aside from the fact that there is ample precedent for this being done, fairness dictates that this be the case.

The American people, I think, must be assured that regardless of what decision we on the House Judiciary Committee come to, we must have reached that conclusion objectively with all elements of fairness being accorded to the President.

There are some who will argue that the President's counsel should not be present because we are a grand jury. While I myself have used the analogy of the grand jury, we are not, strictly speaking, a grand jury. Some aspects of our responsibilities are similar to those of the grand jury but not all. For example, the grand jury is selected at random from the populace at large. We have been elected on a partisan basis from our respective congressional districts. The grand jury is obliged to keep its deliberations secret—although we all know instances in recent times where that has been violated. There is no such responsibility on us.

In many of our sessions, our briefing session today for example and many of our meetings have been public. Grand jury sessions are not. Furthermore, some of the prejudicial statements made in the past by some of our Members would, if made by grand juries, be grounds for disqualification.

We also have a responsibility on the Judiciary Committee as the impeachment inquiry to get information on both sides, inculpatory as well as exculpatory.

The grand jury has no such responsibility. It hears only the case from the prosecution.

So I think it is really erroneous for us to continue using the analogy of the grand jury as an excuse for denying the President's counsel the right to be present, the right to cross-examine, and the right to present evidence of his own.

With respect to some of the other matters mentioned, there is also precedent in the House precedents for the committee reporting back to the House on the progress of its investigation. I would hope that the gentleman from Ohio (Mr. HAYS) is quoted accurately in the press when he says he is going to demand some answers to some questions when we come back for additional money, which we most certainly will have to do. I think the committee should have to report what progress, if any, has been made thus far. Frankly, I personally have not seen a great deal of progress.

There are also precedents that the House is the arbiter of this question of whether or not the respondent's attorney should be present at the presentation of evidence.

So if the committee itself wants to skirt the question and say because we are a "grand jury," the President's counsel does not have that right, I suggest, in all fairness, we bring this question back to the House and let the House of Representatives itself resolve the question as to whether or not the President's counsel should be present.

I would like to discuss another point that both the gentleman from New Jersey and the gentleman in the well addressed themselves to, that is the question of delays. I have been saying in open and closed meetings ever since we have been meeting in November that we must resolve procedural matters as soon as possible before we ever get to the point of listening to the evidence.

For example, in the impeachment of President Andrew Johnson, the Committee on the Judiciary came to the floor with a general resolution of impeachment and then, when that was approved, a committee was appointed to draw up charges against the President.

Now, I assume we are not going to do that this time; but it is a question to which we have not yet addressed ourselves. We ought to resolve these procedural questions while we still have time before the evidence is being presented. We should decide whether or not hearings should be open or closed, whether or not the President's counsel should be present, what we do if our subpenas are ignored, and so forth.

I think it is extremely unfair for the chairman of the committee to publicly blame the President's counsel and the President for the delays in our inquiry.

This is certainly not the case. We have been dragging on with no meetings at which any substantial matters can be handled, and few briefings, and no presentation of any evidence whatsoever and yet he blames the President for the delay.

I say we should be meeting on a daily basis until all these matters are resolved.

Now, I would like to address myself to the question of the staff. Perhaps I have been harder on the staff than most. I know it is in vogue for everyone on the committee to throw bouquets at the staff. Frankly, I have been disappointed in the staff. We were told, as the gentleman will recall, that on March 15 we would have a memorandum on impeachment offenses. What we got was a very skimpy analysis, slanted against the President which included editorial comments and overlooked many of the impeachment precedents. It also included such statements to the effect that, "There are some who say that an impeachment of a judge should be treated differently than an impeachment of a President, but such is not the case." These are the words used in this so-called legal memorandum of impeachable offenses, the memorandum given to us by the staff. The Founding Fathers themselves made a distinction between the impeachment of a judge and the impeachment of a President. In the latter case, the Chief Justice of the Supreme Court is mandated as the presiding officer. This is not so in the case of the impeachment of a judge.

I was very disappointed that the memorandum of impeachable offense was so scant. Obviously, the one prepared by the President's counsel was slanted in his favor; but I did not expect the one produced by the staff of the committee to be slanted against the President.

The most objective one, in my opinion, is the one prepared by the Department of Justice, where they gave a balanced and comprehensive view of both. We in the minority were criticized for requesting a more detailed brief concentrating on criminality. It is certainly our right to have as much information as possible on this complex subject. I want to point out, however, that the President and his lawyer are absolutely wrong when they say we ought to define impeachable offenses before we ask them for any other material. I have publicly stated the President is wrong in not honoring our request. Anyone who makes a study of impeachable offenses, must come to the conclusion that what is an impeachable offense is a subjective decision for each Member to make for himself.

I do think the delays have been unconscionable and I do hope the committee will get on with this important historical constitutional responsibility.

Mr. McCLORY. I thank the gentleman from Maryland. The gentleman makes a very important contribution to our hearing and has expressed his very forceful views, which deserve immediate attention.

Mr. BUTLER. Mr. Speaker, will the gentleman yield?

Mr. McCLORY. I am happy to yield to the gentleman from Virginia (Mr. BUTLER).

Mr. BUTLER. Mr. Speaker, will the gentleman yield?

Mr. McCLORY. Mr. Speaker, I yield to the gentleman from Virginia.

Mr. BUTLER. Mr. Speaker, I thank the gentleman for yielding to me. I want to commend him for having this special order and giving us an opportunity to express ourselves on the questions he raises. Of course, I am in support of the thrust of his comments today.

Mr. Speaker, I would appreciate it if the gentleman from Illinois would yield to the gentleman from California (Mr. EDWARDS) for a moment so that I may address a question to him.

Mr. McCLORY. Mr. Speaker, I yield to the gentleman from California (Mr. EDWARDS).

Mr. BUTLER. Mr. Speaker, it is my understanding from the gentleman's comments that he is in agreement with many on the outside, that the President should be represented by counsel in these proceedings. I wonder if the gentleman could speculate on how many people on his side of the aisle agree with him that the President of the United States should be represented by counsel?

Mr. EDWARDS of California. Mr. Speaker, I certainly have not polled them, but I am sure that there are quite a number, because for many years I have associated with them and know their ideas generally on due process and on representation before congressional committees.

I might add that I agree with the gentleman from Maryland (Mr. HOGAN), that this is only having a relationship to a grand jury proceeding. A grand jury proceeding is one where the members of the grand jury do not put on another hat after the indictment is returned and move over as prosecutors into the courtroom. The analogy of the grand jury is useful, but the analogy certainly is not exact.

Mr. BUTLER. Mr. Speaker, following up on my question, assuming for the moment that all of the Republicans have taken the partisan view that the President of the United States should be represented by counsel, would the gentleman say that on his side of the aisle there are a sufficient number to make a majority in favor of this proposal?

Mr. EDWARDS of California. Mr. Speaker, I would say that right from the beginning there would be a majority of the Democrats on our side who would take what I consider that very fair point of view. It certainly has nothing to do with partisanship, and it does not have anything to do with being a Republican or a Democrat. It seems to me it is the only right thing to do, and has been right from the beginning. I never really thought it was under argument.

Mr. BUTLER. Mr. Speaker, does the gentleman not agree with the gentleman from Illinois (Mr. McCLORY), that the effect of deferring the resolution of and voting on this question on the grounds that this question has not been resolved—quite obviously all the committee agreeing that the President ought to be represented by counsel—it is useless to waste any more time on that question? The staff should be instructed to prepare its rules of procedure accordingly, and we should get on with that particular item.

Mr. McCLORY. Exactly. I do not think the preparation of the rules procedure is that monumental a task. The thing that puzzles me is the desire, the apparent desire on the part of the staff to defer the presentation of proposed rules of procedure until some later time. The gentleman from Maryland (Mr. HOGAN) made a reference to the Andrew Johnson impeachment. That was chaotic, partly because the rules were made up as they went along. That is something this Congress and this committee certainly should not want to do. We want to handle this in a responsible, orderly, dignified, and proper way.

It seems to me that the first item of business for us is to adopt the procedure under which we are going to operate. I thank the gentleman from Virginia very much for his very helpful remarks and for the very important contribution he makes to the work of our committee.

Mr. DENNIS. Mr. Speaker, will the gentleman yield?

Mr. McCLORY. Mr. Speaker, I yield to the gentleman from Indiana.

Mr. DENNIS. Mr. Speaker, the fact of the matter is that up to this point, the procedures adopted by our committee leave a great deal to be desired. I do not make that statement in any sense of political acrimony at all, but simply as a dispassionate criticism which I think is fully justified by the facts, and in the hope that we may see a very early improvement.

Mr. Speaker, we have been conducting affairs here in a rather unique way—I must admit a fairly effective way up to date—in that we have been having only briefing sessions of the committee where we meet as individuals in a group to be briefed by the staff, while the chairman completely avoids having any business meetings of the committee where any action can be taken on any of the important matters before us, some of which have been mentioned here this afternoon.

Now, a very good case in point is the matter of the participation of the President's counsel, which, as was very well brought out in the colloquy here a moment ago between the gentleman from Virginia and the distinguished gentleman from California, indicates there is a definite majority consensus in the committee on both sides on the general proposition that the President should be represented by counsel during our hearings. And yet we have never had a vote on that, and we cannot have a vote on that issue, because we do not meet.

Now, Mr. Speaker, it is difficult for me to understand, with all respect to everyone concerned, why we do not meet on a matter like that and get it resolved. What we are doing is contrariwise.

There are other issues. There is the matter of narrowing issues; there is the matter of the calling of witnesses, which is intimately bound up, of course, with the rights or privileges which may be extended to the President's counsel, because there is really not a great deal he can do except cross-examine live witnesses if they are called. All of these things are deferred by the simple expedient of not meeting to decide them.

Now, it would be legitimate to meet and decide them contrary to my point of view, if that is what we want to do. I am sure the matter of the participation of the President's counsel, as a matter of fact, is not a case where a majority vote would go contrary to my point of view. A majority of the committee agrees with me that the President's counsel should participate. I hope the fact that that is so obviously true is not the reason why we have never been given the chance to vote on it.

I am accustomed to taking my "lumps" on votes, even if I lose them. The committee should decide it.

What I really object to is sort of drifting into a decision, without the committee's ever making the decision, by reason of the chairman's not holding meetings. Therefore, the recommendations of the staff are sort of going uncontradicted, actually unadopted, but as a matter of fact, that is where we are likely to wind up.

Now, the staff has not had quite the same view on this matter of the President's counsel that the committee has.

Mr. HOGAN. Mr. Speaker, will the gentleman yield on that point? I would like to make an observation with respect to what the gentleman from Indiana (Mr. DENNIS) said.

Mr. McCLORY. I yield to the gentleman from Maryland.

Mr. HOGAN. Mr. Speaker, I think the gentleman from Indiana (Mr. DENNIS) is making an excellent point, one which needs to be emphasized.

Last week we all read in the media about a report regarding the President's taxes. This report was prepared by the staff of the Joint Committee on Internal Revenue Taxation, and yet all over America this was reported as a report from the Joint Committee on Internal Revenue Taxation itself.

It was not that. The members of the committee did not even see that report until the day it was made public. It was a staff report.

Mr. Speaker, I think there is an inherent danger in any operation around here when we allow the staff to run the show.

Mr. DENNIS. Mr. Speaker, if the gentleman from Illinois will yield further, here is a suggestion which our staff made on this matter of participation by counsel a week or so ago.

They talked about presenting evidentiary matters first, and then they said as follows:

> It is suggested that the committee defer the adoption of these procedures—that is, the procedures concerning conduct of the hearings and the privileges to be extended to the President's counsel, and so on—until it has received and considered the initial presentation by the committee counsel respect-

ing the facts and the evidence. After the completion of this presentation of evidence, at that point a decision on participation by the President's counsel can be made.

However, that is not the logical way to do it, because we usually lay down the ground rules before we begin to take the testimony, so that we can be guided by the rules. Nor is it the way that the majority of the committee on both sides of the aisle wants to do it. But it is the way we are doing it, nevertheless, because we cannot meet and vote. We have never voted on this suggestion; there is no opportunity to vote it down.

Now, I am very gratified with the fact that the chairman said this morning we are going to have a business meeting this week on the subject of exercising subpena powers during the recess. Then he suggests another meeting after the recess when we begin to talk about narrowing the issues, which is certainly long overdue. Only the week after that, according to the distinguished chairman's suggestion, will we begin to take up these procedural matters, such as the rights of the President's counsel. However, by that time, and in accordance with the staff's suggestion—and I could not see that they changed it any this morning—by that time we will be underway on the presentation of evidence. If we get a vote on the matter of the President's counsel, which I assume we finally will, it will be after we have already begun to take testimony instead of before, which is when we should have it.

What I am afraid of is this: I am sure Mr. EDWARDS wants to extend the right to counsel, as he said, but I do not want to see a situation arise where under this proposed rule or proposed rules and under the inability we have to vote on them until they become a fact by drift, we are going to wind up, I am afraid, with this kind of a situation where we will not get decided the matter of participation by counsel and we will not have decided the very closely related and exceedingly important matter of the calling of live witnesses. I, for one, can think right now of six or eight witnesses who ought to be called, by all means, if we are going to have a complete investigation on the basis of which I or anyone else wants to be asked to vote on this important matter.

So we should decide now, because we will wind up with a situation otherwise where we will have a lot of ex-parte, documentary, staff-assembled, uncross-examined evidence put in front of us. We will have that and there will be great pressure to do something, to vote to get rid of this matter; and then they will say, "Well, you cannot call in oral testimony now, and you cannot go into the question at this late date as to whether to grant immunity to people who claimed the fifth amendment; you cannot delay this thing any longer." So we will be asked to vote on an incomplete, skeleton record. That is what I do not want to see happen and it is what should not happen and what would not happen if we had had our business meetings and voted promptly on the important things before us, which are the participation of counsel and the calling of witnesses for testimony. Then we would have a respectable investigation of the kind we ought to have.

If the committee voted down those propositions, which I do not believe they would, then at least the committee would have done it and that is the committee's privilege. That is the way we ought to go ahead with this investigation.

Mr. McCLORY. I thank the gentleman for his very forthright and very constructive statement.

I would like to point out that if we would follow the procedure of accepting all of the documentary evidence at one stage and going on for 4 or 5 weeks in that way and then accept the suggestion of a Republican member of the committee that we should then hear from some live witnesses, I am sure the criticism would be directed at our side, that we were trying to delay the proceeding.

Whatever we are going to do, we should make up our minds to do it and present the whole case to the committee and not, certainly, have two hearings on it, although that would be possible under the procedure which appears to be recommended by the staff.

I would like also to point out that by not having committee meetings we are permitting some misunderstandings, to develop. When I addressed a question this morning in the committee meeting to Mr. Doar, questioning the wisdom of a delay until after the presentation of the evidence for the adoption of rules of procedure, he indicated it was a misunderstanding or misinterpretation of language on my part and that he was not able to express himself as accurately as he had expected to and that perhaps I was misunderstanding.

Well, having a committee meeting would obviate that kind of a misunderstanding.

Mr. LATTA. Mr. Speaker, will the gentleman yield?

Mr. McCLORY. I yield to the distinguished gentleman from Ohio (Mr. LATTA).

Mr. LATTA. Mr. Speaker, I want to thank the gentleman from Illinois for yielding to me, and to commend the gentleman for taking this time. I believe some of the points which have been made here this afternoon needed airing. I think the American people want to know what is going on in this committee, as its estimates do involve their President.

At the outset, Mr. Speaker, I want to commend the gentleman from New Jersey (Mr. RODINO), the chairman of the Committee on the Judiciary, for the fairness he displays in chairing his committee. I think he does a very good job under difficult circumstances. As the members know, I am a new member on the committee, and have been serving and am still serving on a much smaller committee, and it is remarkable to me how the chairman manages to parcel limited time among 37 members.

Mr. Speaker, I also want to commend the ranking Republican member on the committee, the gentleman from Michigan (Mr. ED HUTCHINSON). I know that he and the chairman have worked many hours together on this matter, and that they are in agreement on much of the procedures used and adopted to date.

I want to point out a couple of things that I feel as a newcomer on this committee need to come to the attention of the American people, and need reemphasizing so they do come out.

As I indicated this morning before the committee, I feel that members of the committee are being kept too much in the dark. I pick up the newspaper and read about the Committee on the Judiciary doing this, and the Committee on the Judiciary doing that, and I get to thinking well, that involves me, and yet I do not know anything about the activities referred to. I am not unlike other members of the committee. The staff is really doing the work of the committee and keeping the committee in the dark. What the papers are really talking about is the staff of the Committee on the Judiciary that is doing this, thus, and so, and if my life depended on it right now I could not name you more than four individuals on that staff.

So today there are some 36 or 37 lawyers on this staff doing the investigating and making important decisions who are nameless individuals as far as I am concerned as a Member of the Congress. Yet these are the people who are conducting the most important inquiry of our time. I think the American people honestly believe that the House Committee on the Judiciary, meaning the elected Members of the Congress, are conducting this inquiry, and this is just not true.

I think it is important to stress this, not only today, but in the future; unless we are brought in so that we know what is going on, we will never know. I was somewhat dumbfounded to learn after we first approached this subject of the cross-examination of witnesses by President's counsel and had an understanding that a decision was to be held in abeyance until the next committee meeting, that in fact ways were being attempted to circumvent the committee's wishes by going to affiants rather than give the opportunity to cross-examine when depositions are taken. The staff memorandum I have in my hand was addressed to all attorneys by one Joseph Woods clearly points the way for such action. It is dated March 22, 1974, and titled "Witness Procedure." This is after we discussed this matter in the Committee on the Judiciary.

It says that the following procedures are to be followed, in order to make our selection of witnesses and our conduct of interviews more productive. Who is "our?" Undoubtedly the staff.

It reads:

(1) As stated in my memorandum of March 20, no depositions will be taken until further notice.

This means that subpenas will not be issued to compel the attendance of witnesses, so as to correct the implication of the March 20 memorandum, it does not mean that testimony may not be taken under oath. Testimony may be recorded in affidavits or sworn statements, however, it may not be compelled.

Then it goes on with five more paragraphs to deal with the subject.

I want to say, just speaking for one member of the committee, I do not believe the committee should permit such orders to stand when they are not in accord with the wishes of the committee.

Every lawyer knows that oftentimes your own witness in case sometimes does not tell you all that he knows about the facts. But let that person be subjected to a scorching cross-examination, and the facts do come out. Facts are what the American people want. They do not want a half truth; they want the whole truth and nothing but the truth. This is the only way they can get it.

I do not think that it bespeaks very well of this House and this committee to stand in the way of getting the truth, lest the committee be charged with a coverup. Certainly this is the last thing this committee wants. The idea of waiting until the staff has assembled all of the information they want to assemble, same not being subjected to cross-examination, and put into some sort of a statement of fact is reported to me. We are supposed to make a reasoned judgment in this matter. Will anybody tell me how in the name of sense one can make such a judgment based on what somebody else has put together that he thinks we ought to know? This is not the type of inquiry the American people want. This is not the type of inquiry this House of Representatives thought they were getting when they voted $1 million for same.

We are going to have to answer to this House when the committee comes back here asking for more money. They are going to want to know how this money has been spent.

I think that we need to shed some light on what is going on. The American people are demanding it. We ought to give it to them.

Mr. McCLORY. I thank the gentleman from Ohio.

I should just like to explain that, while the gentleman from Ohio is a newer member of the House Committee on the Judiciary, he is a veteran Member of this House and a very important new member of the committee. I think that his statement is extremely important. Particularly it is important for us to recall that cross-examination is one of the best means of arriving at the truth, which is a principle the gentleman has just brought out.

GENERAL LEAVE

Mr. McCLORY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the subject of this special order.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. McCLORY. Mr. Speaker, I yield to the gentleman from New York (Mr. FISH).

Mr. FISH. Mr. Speaker, I should like to compliment the gentleman from Illinois. I think this has been a very constructive special order In the few minutes remaining I should just like to recapitulate some of the points that I think have emerged.

It seems to me that we have shed new light on the whole question of the importance of the presence of Mr. St. Clair at the initial presentation of the case to the committee. We have welcomed news of the bipartisan support for that. Second, the whole question of delaying the calling of live witnesses I think has been raised here in sharp focus. We cannot wait until we are halfway through the presentation of a case and then ask the witnesses, which may take another month before they can appear, to appear. It must be very apparent that there are certain individuals we want as live witnesses. I cannot imagine why this matter cannot be taken up, and the committee chairman and the staff informed of the obvious witnesses that we will want to have before us at the time we start the presentation.

I would also hope that we, as the minority stated very clearly, would want everything else put aside during the presentation of this case. It is going to take 6 weeks. I am interested in knowing whether that means five mornings a week. And if not, let us hopefully, by working five mornings a week on the presentation, shorten this time so that we will get the decision at an early date.

Certainly there has been an inference that delay in adoption of the rules of procedure really is to delay our meeting the issue of Mr. St. Clair, and I hope we have made a record so that this will not be the case.

It seems to me many Members have talked about the need for business meetings. I think this should be emphasized more and more. Scheduling one business meeting to handle the issues when we have been talking about actually 2-hour sessions certainly is not enough when we are talking about something as important as this. There should be several meetings scheduled to take place as soon as we return.

I thank the gentleman for taking this time on this matter.

Mr. McCLORY. I thank the gentleman from New York for his remarks. The gentleman has been a principal force in motivating us to set forth the views of the Republican members of the committee when it was deemed necessary to set forth that position and so that the public and the chairman and the other members of the committee and of the House would know exactly how we feel.

Mr. Speaker, I have no further request for time.

Mr. SMITH of New York. Mr. Speaker, I commend the gentleman from Illinois (Mr. McCLORY) for taking this special order to discuss the Impeachment Inquiry.

There is no doubt whatever that the House Judiciary Committee should meet before the Easter recess to transact necessary committee business related to Impeachment Inquiry. Before the committee proceeds with the receipt of documentary evidence, we really should adopt rules of procedure to establish the rights of the counsel for the President to notice of hearings, the right to be present and participate at hearings and the taking of depositions, whether or not he is to be allowed the privilege of cross-examination and any other privilege that may be accorded him.

I am not sure whether we can at this time adopt a tentative daily and overall timetable for hearings, but I think the Committee should at least discuss the possibility.

I hope Chairman RODINO will call such a meeting or meetings, as the case may be, before the Congress adjourns for the Easter recess. I think the inquiry demands it and I think the people of this country deserve it.

Mr. RHODES. Mr. Speaker, the House Judiciary Committee has undertaken a grave and momentous consideration—impeachment of the President. To date the committee has handled this difficult task with a commendable measure of restraint. As time goes on, these proceedings will necessarily absorb more of the time of other Members of the House due to the huge volume of mail being generated, and in their keeping informed on developments.

The Judiciary Committee has assembled a large staff. They have now, for some time, been pursuing numerous areas of investigation. I believe that the committee now should expedite organizing its own internal structure—establish rules and procedures for the presentation of evidence, and develop an overall timetable for future proceedings. The committee should narrow down its considerations and make a determination of what kind of proof it is to consider, how evidence is to be presented, and the rights of Members regarding such evidence.

I realize fully the serious implications that the committee's investigations involve. I appreciate the value of due deliberation. I also recognize that there are many issues before this Congress that should receive our undivided attention. As in the past, I again urge the committee to move decisively and steadily toward an early resolution of the impeachment question. One important step would be an early meeting devoted to establishment of procedures and rules, as well as a general approach to the committee's future considerations.

GENERAL LEAVE

Mr. McCLORY. Mr. Speaker, I ask unanimous consent that all Members, may have 5 legislative days in which to revise and extend their remarks on the subject of my special order.

The SPEAKER pro tempore (Mr. MAZZOLI). Is there objection to the request of the gentleman from Illinois?

There was no objection.

LOW INCOME HOUSING ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maryland (Mr. MITCHELL), is recognized for 30 minutes.

Mr. MITCHELL of Maryland. Mr. Speaker, I sat through those deliberations and I was quite interested to hear the remarks of the gentlemen on the preceeding special order. I understand the discussion will be continued and it is not my purpose to breakup the discussion of that matter at all but there are other matters which weigh heavily on my constituents and I wish to talk on some other matters on my special order. I will be talking about the matter of public housing, low income housing.

Mr. Speaker, a quarter of a century ago, this Congress committed itself to the goal of "a decent home and a suitable living environment for every American family." But, for millions of low income American families, that goal has been nothing but a hollow joke. Despite a series of housing bills, they have neither decent homes nor a suitable living environment. It is time that we made good on the promise.

Let us consider some basic facts. According to the Department of Housing and Urban Development's own estimates:

There are 1.5 million households with incomes below $1,000 annually who are eligible for housing subsidies, but for whom there is no subsidized housing available.

There are 3.1 million households with incomes between $1,000 and $2,000 who are eligible for housing subsidies, but for whom there is no subsidized housing available.

There are 3.6 million households with incomes between $2,000 and $3,000 who are eligible for housing subsidies, but for whom there is no subsidized housing available.

There are 3.2 million households with incomes between $3,000 and $4,000 who are eligible for housing subsidies, but for whom there is no subsidized housing available.

There are 3.1 million households with incomes between $4,000 and $5,000 who are eligible for subsidies, but for whom there is no subsidized housing available.

Almost all of these families live in housing which is either unsafe, unsanitary, or which costs so much that they cannot meet other basic needs. For example, in 1970 the median rent paid by families with incomes below $2,000 was $79, or at least 47 percent of their incomes, leaving no more than $86 for all other needs. The average renter family, in contrast, had an income of $6300 and paid rent of $108, or 20 percent of income. This left more than $400 monthly for all other needs.

Yet, in 1972, two-thirds of all new housing production was priced to serve families with incomes above $10,000. Only 3 percent served families with incomes below $4,000. If these rates continue, it will only take 14 years to build new houses for the 25 million families with incomes above $10,000, but it will take 179 years to provide new housing for the 15 million families with incomes below $4,000.

Even worse than this sorry statistic is the fact that housing subsidies in this country by and large go to those who need them least. This is because the subsidies which homeowners receive in the form of tax deductions amount to four times as much as all other housing subsidies combined. And these tax subsidies are rising far more rapidly than the housing subsidies for low- and moderate-income families which have received so much discussion and comment in recent months. Officials of the Department of Housing and Urban Development have, for example, complained of the "open-ended" authorization of subsidies under the Brooke amendment, to make up the difference between the amounts very low-income families can afford and what is needed to operate public housing in a viable way. But I have heard no one complain of the "open ended" nature of tax subsidies, which have risen at an estimated rate of $1 billion annually, as mortgage interest rates and local property taxes have increased.

Our housing subsidy structure is topsy-turvy. In 1970, for example:

Households with incomes below $3,000 received an average housing subsidy of $56 per year—total subsidies of $0.6 billion for 11 million households.

Households with incomes between $3,000 and $6,000 received an average housing subsidy of $102—total subsidies of $1.1 billion for 11 million households.

Households with between $6,000 and $10,000 received an average housing subsidy of $123—total subsidies of $1.9 million for 16 million households.

Households with incomes above $10,000 received an average subsidy of $179—total subsidies of $4.5 billion for 25 million households.

The only program which has been developed to meet the housing needs of families with incomes below $5,000 in a major way has been low rent public housing. Yet this program is now endangered. It needs to be revived, improved, and expanded, not shelved or perverted into a disguised approach to housing allowances.

Public housing, begun in 1937, has provided more than 1 million families with decent shelter. The Housing Act of 1949, which set our national housing goal set public housing authorizations at an estimated 10 percent of housing production. However, determined opposition from real estate interests and others resulted in a series of riders to appropriation bills which prevented the intent of the law from being achieved. Public housing starts were at a level of 1-2 percent of total starts.

Worse yet, the inflexibility of the program at the time and the difficulty of finding sites led to construction of many high-rise, monster, public housing projects. Too easily forgotten is that these projects were built under duress, as the only alternative possible, and that the vast majority of public housing is in small projects, which have been an asset to their communities as well as providing decent shelter for their occupants.

More important, our years of experience in public housing have provided many opportunities for flexibility and for new approaches which have made the program increasingly responsive to community needs. High-rise public housing is now outlawed, except for the elderly where low-rise housing is impossible to build. Public housing has provided opportunities for home ownership, for rehabilitation, for purchase, or rent of existing housing.

On Thursday, April 4, 1974, I introduced a bill to improve and expand the public housing program, and I intend to press as vigorously as I can for its provisions as we move toward adopting housing legislation. The major features of the bill are supported by an impressive array of organizations concerned with decent housing for everyone, including the National Tenants Organization, the Interreligious Coalition for Housing—representing Protestant, Catholic, and Jewish denominations—Americans for Democratic Action, the National Rural Housing Coalition, and a number of public interest groups.

Basically, the bill would:

First. Provide for continuation and expansion of the public housing program, authorizing roughly 750,000 additional units during 1974 and 1975. While this is still far from the level needed to meet low-income housing needs, it represents a substantial increase in production over previous years.

Second. It would provide for operating subsidies in order to permit public housing to continue to serve very poor people with adequate shelter.

Third. It would require that public housing serve families at the very bottom of the income scale. At least 20 percent of those admitted would have incomes below 20 percent of the median income of the area, and at least half would have to have incomes below 50 percent of the median. However, the bill would remove the present income limits for continued occupancy, so that people in public housing could remain there.

Fourth. It would prohibit discrimination against any otherwise eligible applicant on the basis of race, religion, national origin, age, sex, marital status, or amount or source of income.

Fifth. It would eliminate the requirements for special local public approval which have enabled many communities to prevent development of housing badly needed by their residents. As a corollary, it would eliminate the requirement for exemption of public housing from local real property taxes, so that conventional public housing would pay full taxes.

Sixth. It would continue the present program of leased public housing in private accommodations, but would strengthen tenants rights under this program and provide for greater public control.

Seventh. It would continue the present prohibition against high rise public housing for families with children.

Eighth. It would continue the present policy of encouraging tenant participation on the boards of local public housing agencies.

Ninth. Finally, it would provide that, in areas where there is no public housing agency or an existing public housing agency is unwilling or unable to function, a local nonprofit housing corporation could receive the public housing subsidies to enable it to provide housing for low-income families. In this connection I would point out that at least half the Nation's counties have no public housing agencies.

I will include a section-by-section summary that I have just referred to at a later point in the RECORD.

CITIZEN'S RIGHT TO KNOW AND RIGHT TO PRIVACY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. STEELMAN) is recognized for 5 minutes.

Mr. STEELMAN. Mr. Speaker, I am introducing today seven bills designed to guarantee the citizen's right to know, and protect his right to privacy.

Nothing so diminishes democracy as secrecy, and nothing so derides our constitutional democracy as invading the right to privacy.

One of the most important points of distinction between a democracy and totalitarian regimes is in their respective attitudes regarding the openness of governmental operations.

It is very important that as we approach our Bicentennial, we reaffirm our committment to openness and accessibility throughout government. We must take the lead to insure that the right to know is a right not only for the few in the seats of power in this country, but for Congress—for the press—and for every person.

Congress deserves the criticism it has received for failing to take decisive action. In 1966 when the Freedom of Information Act became law, we were hopeful that the ominous growth of sanctioned secrecy would be stopped. However, our hopes are still hopes and secrecy is growing.

It is a painful fact that the Watergate scandal grew and flourished in an unhealthy atmosphere of secrecy. The American University has brought this point home to us in a revealing study, just released, which concluded that not only has the Federal Government failed to live up to its claim of openness, but it has actually moved in the opposite direction.

Our experience with the Freedom of Information Act has shown us the loopholes that need to be closed, the additions that need to be made, and the problems that have been left untouched by the original legislation.

John C. Sawhill, Deputy Administrator of the Federal Energy Office, said recently that because "the Freedom of Information Act doesn't work, has too many exemptions and allows too much delay," their agency is instituting "operating regulations that go far beyond the requirements of the law." This is laudable, but we as a Congress cannot rely on this type of agency initiative.

This is why I am today introducing five major bills that will amend the Freedom of Information Act:

I. TIME LIMIT ON ANSWERS

One of the major problems with the operation of the Freedom of Information Act is the time that it takes to answer a request for information. There have been too many instances where the agency involved has used the language of the bill to stall or neglectfully delay. My first bill will end this by requiring an agency to produce the information requested within 15 days, about 2 working weeks, or give a detailed explanation of the reason that it is withholding the information pursuant to the Freedom of Information Act.

II. TO ENCOURAGE COURT ACTION, WHERE NECESSARY

During the period from July 4, 1967, to July 4, 1971, there were 2,195 recorded refusals to requests for access to public records. Of those 2,195 refusals, only 99 were taken to the courts. When we look for reasons as to why only 99 people chose to go to court, part of the answer lies in the staggering cost of waging a legal battle against a well equipped, talented, and vastly experienced battery of Government lawyers. To make it economically feasible and to encourage citizens to exercise this most basic right to know, my second bill will award court costs and reasonable attorneys fees to a succesful complainant.

III. WILL LIMIT "OVERCLASSIFICATION"

Normally when any document contains any reference, sentence or phrase deemed "secret" by an agency, the whole document is classified and any derivative documents which come from or refer to the original document are withheld under the shield of the Freedom of Information Act.

This was not the intent of Congress in enacting freedom of information legislation, nor have subsequent court decisions condoned it, but the fact is that it still goes on. I therefore am introducing a third bill to amend the Freedom of Information Act to require agencies to give out all of the information requested with such suitable deletions as may be necessary, and not as has been the case, to withhold all the information. This is really another name for overclassification; we all talk about, criticize and complain about it—now we have a chance to help bring it to an end.

IV. EXPAND THE JUDICIARY ROLE

I would like to talk about the most serious problem that has developed in the administration of the Freedom of Information Act—and that is the unjustified classification that has gone on to hide either inefficiency, ineptitude, embarassment, malfeasance, and, as has been the case, criminal acts.

The judiciary has interpreted the act as limiting courts to merely determining whether the document sought by a plaintiff was classified by the agency pursuant to executive order. The court does not determine, review and assess the right and wrong of the classification itself. Justice Stewart, in a concurring opinion in *Environmental Protection Agency* v. *Mink*, (410 U.S. 73) warned that there has been "built into the Freedom of Information Act an exemption that provides no means to question an Executive decision to stamp a document "secret" however cynical, myopic, or even corrupt that decision might have been."

This kind of thing will be ended by my fourth bill that will allow the courts de novo and incamera review of information withheld under the exemptions found in the act to determine the propriety of the classification, and to order its release if not properly classified.

V. SPECIFY EXECUTIVE CRITERIA FOR CLASSIFICATION

My fifth bill will force the executive to establish criteria whereunder it may withhold information to be related to foreign policy, and the bill will also begin to set some long-needed limits on what may be withheld in the name of national defense. This will give the courts a guide in determining what is and what is not properly classified, and it will also seek to put some reason and justification into what is being classified and withheld from the public.

RETURN THE RIGHT OF PRIVACY

I am also introducing today two long-overdue bills that will put effective controls on computer banks and strictly limit the use of the Social Security number to its intended and legally prescribed uses.

VI. LIMIT USE OF SOCIAL SECURITY NUMBER

The use of the social security number as a "standard, universal identifier" is becoming more an everyday fact of life. The July, 1973 report of the Secretary of HEW's Advisory Committee an Automated Personal Data Systems cautioned that there is a "drift toward using the social security number as a de facto national identification number." This could lead to arbitrary and unjustified linkups and dissemination of personal information about an individual that, in the report's words, "may frustrate and annoy individuals, but may also threaten a denial of status and benefits without due process of law."

The first of these "privacy" bills will end the use of the social security number as a student identification number, a drivers license number, a credit card number, and myraid other uses. The bill will insure that the social security number is used only as required by Federal law or uses relating to the purposes of social security.

VII. CONTROLS ON COMPUTER BANKS

My last bill is designed to place strict controls on the contents and uses of personal information compiled by computer data banks. It will limit and put safeguards on who can use and have access to the information. But most of all, it will require the organization storing and using the information to publish the fact that it is doing so, tell people how they can be informed if they are the subject of data in the system, how they can gain access to such data, and how they can contest the accuracy of the data. If the data is wrong, it must be removed.

I am sure we all know of instances where a person was turned down for credit because of a "bad credit rating" supplied by a computer service. What did this rating consist of and how did they get their information? This is a question I have asked, along with many other worried citizens. This bill will, at last, give us the answers and the tools we need to find out what is being said about us, to make sure it is accurate, and to give us a say in who has access to it.

Mr. Speaker, these pieces of legislation will serve the best interests of the American people and protect their inherent and unalterable right to privacy and their right to know.

THE JUDICIARY COMMITTEE AND IMPEACHMENT PROCEDURE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maryland (Mr. Hogan) is recognized for 60 minutes.

Mr. HOGAN. Mr. Speaker, I would like to continue the dialog we had with respect to the impeachment inquiry. I would like to first amplify some of the things said by the gentleman from Ohio (Mr. Latta). I do not want the importance of the distinction between the deposition and the affidavit to go unnoticed.

Why would the staff prefer an affidavit over a deposition, which is obviously a superior form of evidence? I can see only one reason: to deny the President's counsel the opportunity to cross-examine, which he should have the opportunity to do, during deposition. If there is another explanation, I would like to know what it is.

The gentleman from Ohio (Mr. Latta) also alluded to how important cross-examination is. Every attorney in this House is well aware of the truth of that statement.

While some facts in this impeachment inquiry may not be subject to dispute, obviously some of them are subject to dispute.

If we look at the so-called Watergate Committee's hearings in the other body, we know that there were contradictory statements made by witnesses before that committee.

We of of the Judiciary Committee certainly have a responsibility to try to determine who is telling the truth and who is not.

As to these allegations, a crucial task will be to resolve as best we can the conflicting testimony or other evidence relating to these events that took place, as long as 2 years ago.

It is in this sort of factfinding process in which cross examination, properly directed, can be so vital. There is no better tool in the whole legal system, as far as I am concerned, for dissecting a witness' statement, for finding hidden contradictions, for cutting through ambiguities or generations to find out actually what was said or actually what happened.

Therefore, I certainly think that it is important that the President's counsel be present at our evidentiary hearings and be given an opportunity to cross-examine our witnesses.

With further response to the criticism of the impeachment inquiry staff, I would like to expand a bit on what has been said.

There has been some criticism of the majority Members for requesting minority memoranda relating to the things which the general impeachment staff was preparing. This was done because we felt that the majority or general staff was coming up with biased prejudicial, and sketchy material. I allude particularly to the memorandum on impeachable offenses and the memorandum on the rights of the Presidents' lawyer to be present at our hearings.

Mr. Speaker, when the gentleman from Illinois (Mr. McClory) yielded to me earlier, I made the point that the memorandum on impeachable offenses was slanted overwhelmingly against the President. I would like also to allude to the so-called factual report which we got on March 1.

Mr. Speaker, aside from the fact that most of us thought that this would be a summation of the evidence on which we could being voting, it turned out to be a mere outline of the areas under investigation.

There were over 50 of these areas. However, included in this memorandum was the statement—and this is almost a direct quote—"Within the next few weeks senior members of the staff will decide which areas of the investigation to pursue."

Mr. Speaker, I repeat, it did not say that the senior members of the staff were going to "recommend" the areas of investigation to be continued. It said they were going to "decide."

I submit that this is not a function of the staff. This is a function of the committee, as the gentleman from Ohio (Mr. Latta) pointed out so well.

Mr. Speaker, I think there is a real serious danger in allowing the staff, rather than the members of the committee itself who have the constitutional responsibility in this matter, to make these important decisions. I might say that 5 weeks later no decision on this narrowing of the gage of the investigation has yet been made.

I alluded during the remarks of the gentleman from Indiana (Mr. Dennis) to the recent report issued by the staff of the Joint Committee on Taxation. Everyone assumes, the general public most certainly assumes, that that was a report from the committee. The media reported it that way. This was not the case. It was a report from the staff, not from the committee. Members of the committee did not even see it until it was made public.

Similarly, anyone who writes to the House Committee on the Judiciary and asks for material on the impeachment matter will receive a printed report on what an impeachable offense is. This material was not approved by the committee members, but was prepared exclusively by the staff. Anyone who reads this memorandum, together with the memorandum from the President, together with the memorandum from the Department of Justice, together with the various books and articles that have been published on this matter of an impeachable offense, can only come to one conclusion: that that is a biased report slanted against the President.

Nonetheless, it is printed as if it were the official committee report with the imprimatur of all the rest of us on the committee because our names appear on the flyleaf, even though we did not approve it, even though we had no opportunity to present minority views or to in any way disagree in the published memorandum of the staff's perception of what constitutes an impeachable offense.

Now I would like to address myself to this question which has come up very frequently in our committee about the matter of partisanship.

It seems to me when gentlemen on the other side of the aisle say certain things it is "statesmanship," but when gentlemen on our side of the aisle say the same kinds of things it is "partisanship." For example, when Republicans do certain things during a campaign they are called "dirty tricks," but when Democrats do the same things they are called "pranks." It is the same thing in both cases but it is a matter of semantics.

Mr. Speaker, I ask what is it when the majority leader of the other body (Mr. Mansfield) says that the President will be impeached and that the votes are here in the House to impeach the President or when the chairman of the House Committee on Ways and Means, the gentleman from Arkansas (Mr. Mills) says the President will be impeached or that the trend is moving toward impeachment?

How do they know this? I do not know this. Presumably no one on the House Committee on the Judiciary knows this, because we have not yet begun hearing any evidence. The American people do not know that we have not yet begun hearing the first word or shred of evidence in this matter of impeachment. They think we are almost finished, but we have not even begun. Yet the majority leader of the other body and the distinguished chairman of the Committee on Ways and Means have already predicted the outcome. If they are not making such predictions on the basis of the evidence, then obviously they are doing it on the basis of partisanship.

So let us call it what it really is. As far as some members of the committee themselves are concerned, we know what their long-standing, partisan prejudice against the President has been. We cannot expect a tree that has spent its entire life as a spruce to at this point in time begin sprouting oak leaves. So when Republicans are accused of partisanship, let us see the pots that are calling the kettles black.

All I suggest is that we look at some of the statements made by many Members on the other side of the aisle. If that is not partisanship, then Webster and I do not know what the word means.

One member of the Judiciary was widely reported in the press as wearing a pin on his lapel which said, "Impeach Nixon." He does not wear it any more because everyone has come to the conclusion that even though we might not actually be fair, at least we must give the appearance that we will be fair. It is distressing. When we talk about partisanship, we ought to recognize that it appears on both sides of the aisle.

Mr. McCLORY. Will the gentleman yield.

Mr. HOGAN. I yield to the gentleman from Illinois.

Mr. McCLORY. I thank the gentleman for yielding.

I wish to commend him on his remarks and for bringing to the attention of the House and the American people the dilemma which we find ourselves in at the present time, particularly because of the failure to have committee meetings at which these important decisions which bear on this important inquiry must be made. It is my hope that the message will get through today and it will be respected for what it is intended to be; namely, a desire to search for impartiality, objectivity, and principally fairness insofar as the conduct of this official inquiry is concerned.

The gentleman's contribution and that of the others here, it seems to me, should back up the desire of the Republican members as well as all members of the committee or a vast majority of them, I believe, to do a responsible and constitutional and objectve job.

I thank the gentleman very much.

Mr. HOGAN. I thank the gentleman for his observations.

I certainly concur with him that the committee should proceed as expeditiously as possible, even to meeting at 8 or 9 o'clock in the morning rather than at 10:30 a.m. and meeting every day in official meetings rather than impotent briefings at which no action can be taken. We need to resolve the procedural question at once and begin assessing of the evidence as quickly as possible so we can get this matter concluded as soon as possible in conformity with fairness and thoroughness.

SENATOR THOMAS McINTYRE: ON THE GROWING TYRANNY OF GOVERNMENT PAPERWORK

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. YATRON) is recognized for 5 minutes.

Mr. YATRON. Mr. Speaker, as many of my colleagues are aware, I have recently sponsored a measure aimed at alleviating or reducing the Federal paperwork burden imposed on American small businessmen. The "Federal Paperwork Burden Relief Act" very simply directs the General Accounting Office to conduct a study into the nature and extent of the Federal reporting requirements, with its findings and recommendations to be reported to the Congress for appropriate action. The bill has been cosponsored by 162 of my House colleagues, is receiving tremendous press and news coverage throughout the country, and is receiving broad support from many organizations and segments.

My own current involvement in the paperwork burden problem was prompted, very simply, by an awareness of the situation and a sincere concern and interest in perhaps spurring interest here in the House. Unfortunately, this body has not involved itself in the paperwork problem. I am hopeful that if my paperwork bill, H.R. 12181, at least results in hearings and a more keen awareness and recognition of the situation, a meaningful achievement in progress will have come about.

There is one in the Congress who has, for a number of years, devoted himself to a sincere and dedicated effort to deal with the paperwork situation—Senator THOMAS MCINTYRE of New Hampshire. The Senator has developed the broad knowledge we now have on the problem and he has led the effort for reduction of the paperwork burden. Senator MCINTYRE's involvement in spearheading the issue has contributed greatly to the public awareness and congressional recognition of the matter.

I noted with much interest the article which the Senator authored, appearing in the April edition of Reader's Digest, entitled "The Growing Tyranny of Government Paperwork." These comments are forceful, enlightening and underscore the Senator's vast knowledge of the problem. I heartily commend his comments to the attention of my congressional colleagues and ask that they appear below.

Mr. Speaker, I am pleased to associate myself with a meaningful effort to seek relief for the American small businessman, by seeking a coordination, revision, and lessening of the Federal paperwork burden. Such an effort, if realized, will be an achievement of progress in this body.

THE GROWING TYRANNY OF GOVERNMENT PAPERWORK

(Citizens everywhere—and especially small businessmen—are being buried under an avalanche of often unnecessary federal forms. Here is what we can do about it.)

(By Senator THOMAS MCINTYRE)

In Franklin County, North Carolina, the owner of a small grocery store-service station picks up his mail and snorts in disgust: "More damn forms for Uncle Sam!" By the end of April, he and his wife will have had to fill out 39 government reports since the first of the year—more than two a week. They include, of course, the federal income-tax return (complete with schedules A, C, F, and SE).

But there are dozens of others. For the Department of Agriculture, a list of prices charged farmers for supplies and services. For the Census Bureau, a detailed breakdown of cash and credit sales. For the Labor Department, an "Occupational Injuries and Illness Survey.' Putting in long hours compiling what he considers useless information, the young businessman is angry. "Who am I working for—me or some bureaucrat?"

Frustrated and embittered, he is not alone. Down the road, a farmer must fill out forms giving the Bureau of Labor Statistics the same data he has already provided to the Internal Revenue Service, Additionally, the Labor Department wants a "Report on Occupational Employment"; Agriculture has to know the price of everything from seed to tractor fuel; and the Census Bureau demands a detailed analysis of his fertilizer. "I'm supposed to be a farmer," he says wearily, "not some kind of professional record-keeper."

As these examples demonstrate, federal paperwork is mushrooming wildly. Each year, Washington generates more than two billion pieces of paper—ten different forms for every man, woman and child in the country and enough to fill Yankee Stadium from the playing field to the top of the stands 51 times. It costs taxpayers $18 billion to print, sort and file those two billion forms. And it costs businessmen another $18 billion to fill out and return them. What we are talking about then is $36 billion.

Over the past two years, the Senate Select Small Business Subcommittee, of which I am chairman, has held extensive hearings on what the Chicago Tribune calls "strangulation in triplicate." Witness after witness echoed the sentiments of Edwin Chertok, president of a Laconia, N.H., furniture store: "Small businessmen are being buried in a landslide of paperwork. For many, paper pollution will spell disaster and force them out of business."

The fact is that needless and duplicative paperwork is diverting small businessmen from their primary function: serving the public, providing jobs, making profits, paying taxes. Thus, a Tennessee contractor writes that his firm must spend "one fourth of its management effort producing mostly worthless documents to further inundate government files." The owners of a small New England restaurant that grossed $30,000 had to pay a certified public accountant $820 last year to fill out 52 federal forms and reports, work that only a professional could hope to complete accurately.

The owner of a small New Hampshire print shop told me: "It's just not worth it. Coming in every Saturday and Sunday to fill out forms for Washington. We're ready to chuck it." And when he does, six more people will be out of work. Subcommittee investigators have heard dozens of similar victims of government paperwork. Frustrated by red tape and petty regulations, an Iowa poultryman tells me that he shut down his $250,000-a-year operation. And the president of a small Midwest feeder airline laid off 80 of his 85 employes.

One does not have to be a professional economist to see that the federal paperwork burden is sapping the strength of our economy. Equally dismaying, however, is the wedge that red tape drives between government and its people.

Consider the case of Al Rock, general manager of a small 5000-watt radio station in Nashua, N.H. Federal Communications Commission regulations place on him the same burden they do on a multi-million-dollar radio outlet in New York or Los Angeles. Thus, when the station's license came up for renewal Rock and another full-time employe had to spend four months filling out a 45-pound application, and personally interviewing 100 people. Rock also had to provide a minute-by-minute analysis of a typical week's programming. "I don't object to reapplying for a license," he says. "But don't you think we could provide better service to the community if we weren't bogged down with trivia like this?" I cannot disagree.

There is hardly a federal department or agency that is not guilty of excessive paperwork demands. But the biggest offender is the Internal Revenue Service—with 13,745 different forms and form letters. The secretary-treasurer of an engineering company in Amesbury, Mass., was typical of dozens of witnesses before our subcommittee: "We find it impossible to keep up with ever-changing rules and regulations concerning taxes and filing requirements. We are by no means unique, but we have to make 70 filings or payments a year—some weekly, some quarterly, some annually."

Year after year, these reports increase. The IRS *Tax Guide for Small Business* takes 24 hours to read and digest. In 1970, it listed 30 forms that most businessmen had to fill out; this year that number reached 85, For millions of businessmen these forms are gobbledygook. As the IRS itself admits, "A taxpayer will probably have to read at the level of the average college graduate to be able to comprehend all the tax instructions." Moreover, there is considerable evidence that not even IRS employees can fathom the instructions. A *Wall Street Journal* reporter, posing as a businessman, visited five different IRS officers to ask advice on his taxes Result: five widely divergent verdicts on what he owed.

We in Congress must share the blame for saddling the nation's small businessmen with onerous forms and reports, however. In our desire to improve the health, education and welfare of our fellow citizens, we pass high-sounding bill after high-sounding bill—from the Truth in Lending Act to the Clean Poultry Act to the Consumer Products Safety Act. Rarely do we pause to consider the ramifications of *our* legislation.

The Occupational Health and Safety Act, enacted with noble purpose, is an example. Few of us who passed that bill realized that we were giving federal bureaucrats the power to hand down sweeping, often unintelligible, regulations. Sample: "Exit is that portion of a means of egress which is separated from all all other spaces of the building or structure by construction or equipment as required in this subpart to provide a protected way of travel to the exit discharge." A Chicago businessman was forced to pay outside consultants $1800 to interpret such regulations, and even they were unsure. And throughout the country thousands of general contractors have learned they will have to spend $6000 for a complete set of government guidelines spelling out their responsibilities under the new act. The accumulated documents stacked one of top of another reach 17 feet high!

No one seriously suggests the elimination of all government paperwork. But we can reduce waste, duplication and complexity. Congress recognized this more than three decades ago. In 1942, it passed the Federal Reports Act, directing the Bureau of the Budget (now the Office of Management and Budget—OMB) to conduct a continuing program to coördinate and eliminate respective and outdated forms.

The Act has simply been ignored. If a contractor works for five different government agencies, he must submit to all five detailed reports demonstrating compliance with the Equal Employment Opportunity statute. That law has been on the books since 1964. But the government has yet to provide businessmen the first system for coordinating reports to these agencies.

After lengthy hearings, I have drafted legislation to deal with the paperwork crisis. One bill, S. 1812, would take away from OMB the job of administering the Federal Reports Act, and give it to the General Accounting Office, the Congressional watchdog that monitors government spending. It would also bring the now-exempt IRS under the Reports Act. This is necessary because the IRS has *adamantly* refused to take steps to cut down on paperwork. IRS Form 941—which employers must fill out quarterly to report their income tax and Social Security withholding—is a case in point. Another bill I have introduced, S. 2445, would replace these quarterly filings with an annual system, eliminating some 12 million unneeded form each year. The simple step would save business and government hundreds of millions of dollars a year.

A third bill, S. 200, would force Congress to take the lead in battling federal red tape. As one businessman told our subcommittee: "Congress should see to it that no bill is reported to the floor for action unless there has been full consideration in committee of the paperwork burden it would cause." S. 200 would do just that—and none too soon. By the OMB's own conservative estimate, the reporting burden that government imposes on its citizens increased 23 percent in one recent nine-month period. At that rate, paperwork will double in less than three years and quadruple in five.

Passage of these bills will do more than hack away at the mountains of government paper. It will, for the first time in three decades, ally Congress *with* the people and *against* the faceless bureaucrats who are making their lives miserable. It's about time.

ADDITIONAL VIEWS OF CONGRESSMAN HARRINGTON ON MILITARY ALERT RESOLUTION OF INQUIRY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. HARRINGTON) is recognized for 5 minutes.

Mr. HARRINGTON. Mr. Speaker, tomorrow the House is scheduled to consider as its first order of business, House Resolution 1002, a privileged resolution of inquiry directing the Secretary of State to furnish the House certain information pertaining to the U.S. military alert called on October 24, 1973, at the height of the Mideast crisis.

Under the rules and practices of the House, a committee to which a resolution of inquiry is referred is given 7 legislative days after referral, excluding the first or last day, in which to act upon the resolution. Thus in the case of House Resolution 1002, which I introduced with Congressman STARK on March 25, the Foreign Affairs Committee was required to file a report on the resolution by no later than Thursday, April 4. To meet this deadline, the committee met in executive session on the morning of Wednesday, April 3, and after consideration of the Department of State response to the information requested by the resolution, decided to report House Resolution 1002 adversely, because a majority of the committee adjudged the Department's response to be adequate.

As the rules of the House require that the report on House Resolution 1002 be filed without the usual 3 days between committee action and filing, it has become necessary that I take this opportunity to comment on the resolution and the committee's action upon it, in lieu of offering additional views to the committee report on House Resolution 1002.

One hundred and sixty-six days have passed since October 24, when the military forces of the United States were ordered onto a global alert, known as "Defense Condition Status 3."

One hundred and sixty-five days have passed since October 24, when in a press conference the Secretary of State promised that "within a week" he would make public the facts surrounding the military alert—an alert which President Nixon on October 26 called "the most difficult crisis we have had since the Cuban confrontation of 1962."

Despite the promises of the Secretary of State, until April 4 of this year, when the State Department response to the resolution of inquiry was made available to the House Foreign Affairs Committee in "top secret" form, neither the public nor the Congress knew why the alert was ordered, or who ordered it, or how close the world came to a major conflict during the crisis. As a result of the State Department's action of April 4, the House Foreign Affairs Committee now knows something—although the information is not conclusive in my judgment—as to why and how a "DEFCON-3" was ordered during the night of October 24. The general public, and the majority of Members of the Congress, however, still have little more than faith to go on.

While perhaps satisfactory when measured against the amount of information previously available to the committee, it is nevertheless my view that the Department's response, when measured against the promises made the Congress and the general populace, is inadequate, and altogether typical of this administration's minimal efforts to inform the Congress and the people of the facts relevant to American foreign policy.

It is unfortunate that the Department of State has chosen not to make the facts publicly available. It is more unfortunate that, in an unclassified statement sent to the committee on April 4, Assistant Secretary of State Linwood Holton promised:

> . . . there is no change in our position that the full facts and full considerations leading to the President's decision should be made public at the appropriate time.

Is it not reasonable to ask, in light of the months that have passed since the first promise, when "the appropriate time" will arrive?

While the classification of the material supplied the Committee by the State Department prevents me from discussing the information contained therein, the few facts now available on the public record testify in themselves to the seriousness of the military alert. But many of the basic facts relevant to this serious international crisis remain obscured from the public eye, and many questions arising from contradictions or ambiguities in the public record remain unanswered.

We are told, for example, that the letter from Secretary General Brezhnev to President Nixon was "unusually tough." As only four members of the Foreign Affairs Committee are given access to this message by the terms of the State Department response to the committee, there is no way for the remaining members of the committee to judge the significance of these messages for themselves. The public, of course, has absolutely no recourse other than to accept on faith the admonition that the message was, in the words of the State Department, "unusually tough."

We know that in response to the Brezhnev messages and Soviet military activities termed "ambiguous" by the Secretary of State on October 25 and the Secretary of Defense on October 26, the United States ordered a comprehensive alert of both strategic and conventional forces. Serious questions have been raised as to whether the American response was in excess of the Soviet provocation. While not passing on the validity of these arguments, there is no way, on the basis of the public record, to answer these questions without, again, recourse to faith—as the Secretary of State put it in his October 25 press conference—"that the senior officials of the American government are not playing with the lives of the American people." When the stakes are so high, one may ask, is "faith" enough?

According to Secretary of Defense Schlesinger on October 26, a comprehensive alerting of Soviet airborne units contributed to the decision to go on DEFCON-3. Curiously, the unclassified statement from the Department of State makes no reference to the alleged alerting of Soviet airborne units. Instead, the State Department version notes that "several key Soviet military units went into alert status" and that "Soviet naval units moved into position in the Mediterannean Sea." On the basis of only this information, it is quite reasonable to suggest that an undisguised nuclear alert of all American forces was out of keeping with its cause, and a very significant initiative—if not a provocation in its own right—by the United States.

I am not suggesting necessarily that the Government acted improperly in calling the alert. Nor is my purpose to suggest criticism of the role of the Secretary of State. My intent is to show that in the absence of publicly available facts, it is impossible to dismiss the widespread apprehension that remains about the motives and cause for the U.S. military alert. Such suspicion of our leaders and our policy seems to me to be undesirable.

It is argued that full public disclosure of the facts of the alert would harm Soviet-American relations. To some extent I can accept the need for a certain level of confidentiality as necessary for the conduct of international relations. Nonetheless, a "détente" that cannot stand the light of the public eye is suspect in my view, and in this case, where the Soviet Union knows what it said and did, and what the United States said and did, it seems obvious that only the Congress as a whole and the citizens of the United States do not know the vital facts of the alert. It seems to me that without any risk to our security that a great deal more information could be, and should be, made available to the public.

It is my view that Congress is entitled to far more comprehensive compliance with the promise of public disclosure offered by the Secretary of State on October 25, 1973. The fact is that until House Resolution 1002 was introduced, the legislative branch had been almost entirely in the dark as to one of the most momentous foreign policy actions taken by our country in the last decade.

In matters where the future existance of the nation is at stake, Congress must be given the facts to make timely and well-informed evaluations and decisions. I believe the need for a more substantive—and public—investigation and disclosure of the facts is a cause that is not peculiar to any one party, or any one side of the ideological spectrum. We have seen, in the infamy of the Gulf of Tonkin, what happens when an uninformed Congress allows itself to be led blindly by the Executive to the brink of war—if not beyond. We should not allow this to happen again. We should insure that the Foreign Affairs Committee conducts broad-scale hearings on the military alert. We should take the opportunity presented by this resolution of inquiry to put the Executive on notice that Congress must be fully and promptly informed on all significant matters of foreign affairs. We should take this opportunity to lay before the public the facts behind the October 24, alert, so that, presumably, the lingering cloud of suspicion can be lifted.

FURTHER ASPECTS OF PRESIDENT NIXON'S TAX PAYMENTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. VANIK) is recognized for 5 minutes.

Mr. VANIK. Mr. Speaker, during the last several days, there have been some people saying, "Is it not nice the President paid his taxes." For the sake of preserving some creditability for the tax system, I too am pleased that the President did his duty, and promptly agreed to the amount that the Internal Revenue Service and the Joint Committee on Internal Revenue Taxation said he owed.

As I have been saying in the House of Representatives for the past 4 months, it was obvious that the President owed nearly half a million dollars in back taxes. While it is good that he made up the underpayment without argument, I fear that he has already inflicted a great deal of harm to the voluntary tax system. The President's moral indifference has rendered a serious blow at our system of "voluntary self-assessed tax collection." I believe that many individuals will follow the pattern of the President. Some will take deductions previously overlooked. Some will stretch their deductions and move into the gray areas of the tax law.

Before the President receives many more compliments on doing his duty, I would like to point out three aspects of his tax settlement.

First, many have pointed out that he did not have to pay the 1969 deficiency of $171,055—for which no interest has been assessed—because the statute of limitations had run. No one is pointing out, however, that the President's 1968 gift was also a restricted gift and therefore nondeductible. Thus the President took an extra $70,552.27 in improper tax deductions. There has been no talk of collecting or paying this 1968 underpayment of tax—for details see the Joint Committee's report, pages 5, 12, and 41.

Second, the interest being paid by President Nixon of $32,409 will be deductible in determining his 1974 taxes. Assuming that the President would normally be in a 50-percent tax bracket, the interest payment could be an out-of-pocket expense of about $16,000.

Third, under section 6511, the President may file for a refund anytime during the next 2 years. It is quite possible that he could wait until the present furor dies down, and then quietly and secretly ask the IRS—over which he is commander-in-chief—for a refund. I do not believe that he has any grounds for a refund—except that he could change his mind on the 1969 payment which he is "voluntarily" making. I am today asking the Commissioner of the Internal Revenue Service whether the President's 1969 payment is a donation to the Treasury, or whether it is a tax payment subject to a refund application under section 6511. And if it is a donation, will it be possible that this payment will be claimed as a charitable contribution for 1974 tax purposes.

Finally, Mr. Speaker, I regret to say that after going over the Joint Committee's report, one must conclude that the President or his tax advisors were not competent in dealing with the problem. I believe that if the same tax returns had been submitted by any other citizen, that citizen would be facing a most serious tax fraud charge.

I would like to conclude with the following quote from the President's press conference of May 3, 1971, when, in response to a question about a Treasury ruling on depreciation, President Nixon said:

> *I, as President, and as I may say, too, formerly one who practiced a good deal of tax law, I consider that I have the responsibility then to decide what the law is* . . . and my view is that while they had expressed a different view, that the correct legal view and the right view from the standpoint of the country was to order the depreciation allowance. [Emphasis added.]

ATTORNEY GENERAL SAXBE'S UNFORTUNATE REMARKS ABOUT JEWS

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New York (Ms. HOLTZMAN) is recognized for 15 minutes.

Ms. HOLTZMAN. Mr. Speaker, at a press conference held on April 3, Attorney General Saxbe made some unfortunate and improper remarks about Jews. Because of his prominent position in the Government, these remarks were widely disseminated in the press.

I am inserting the text of a letter that I wrote to the Attorney General on April 4, 1974 in response to his remarks:

DEAR MR. ATTORNEY GENERAL: I was deeply chagrined to read in *The New York Times* this morning your statement that the "Jewish intellectuals . . . in those days [of McCarthy] were very enamored of the Communist Party." (Your office subsequently confirmed that this remark was in fact made.) Your remark is not only grossly inaccurate but brutally insensitive to the history of anti-semitism throughout the world.

It is genuinely appalling to me that you, as the highest legal officer in this country, could so easily adopt the concept of "Jewish Communists," a catch phrase that has been a chief tool of anti-semites since Nazi Germany. Your thoughtless expression can only encourage the forces of religious bigotry.

It is particularly disturbing that such a statement should be made by an Attorney General who has, among other things, an obligation to uphold the Constitution and spirit of its laws which prohibit religious discrimination and which reflect a commitment to respect all religious groups.

Since I know every decent American objects to anti-semitism, I urge you to retract the statement you made and apologize not only to the Jews of America, but to the American people as a whole.

SERIOUS DISPARITIES IN FARM-RETAIL PRICE SPREADS

The SPEAKER. Under a previous order of the House, the gentleman from Idaho (Mr. HANSEN) is recognized for 5 minutes.

Mr. HANSEN of Idaho. Mr. Speaker, when the administration announced the purchase of $45 million worth of beef last month to prop up sagging beef prices for cattle producers, many American consumers were quite perplexed. Why was such a sale necessary when beef is selling at record high prices in the supermarkets of America? The reason, of course, is the farm-retail spread—a concept not widely understood by the average American consumer. This spread represents the difference between what a farmer-producer is paid for his farm products, and the retail selling price to the consumer. In August of 1973, the average retail price for 1 pound of USDA Choice beef was $1.440, while the farm value of that meat stood at $1.085. In March of 1974, the retail price of comparable beef was $1.440, while the farm value of this beef had dropped to 86.5 cents—a drop of 22 cents.

A similar situation exists for pork and lamb. The price spread for pork has increased 51.4 percent in the last year, while the farm value of this pork has increased only 5.4 percent. Packer margins for lamb have doubled in recent years to compound the many other problems faced by the American lamb producer.

In the grain area, wheat has fallen from a price of $6.50 a bushel to $3.97 a bushel—a 61 percent drop in price. At the same time, bread prices have increased over 3 percent.

I am well aware of several reasons for a slight increase in the farm-retail spread. Increasing energy costs, increasing labor charges, and escalating freight rates have contributed to some increase. But I question that the amount of these increases is accurately reflected in the widening gap between what the farmer receives for his labors and what the consumer must pay to put a decent meal on; the cost of finished food made from those products should also decline accordingly.

The current problems of America's cattle producers will ultimately descend upon the American consumer in the form of even higher prices and reduced supplies. This situation will probably occur a little later this summer or in early fall unless substantial progress can be made in correcting the untenable situation of the farmer-producer.

It would be beneficial to reflect on the circumstances that led to this current state of affairs—in a hope that this knowledge will prevent similar mistakes in the future:

The winter of 1972–73, with unusual conditions of moisture and temperature, saw an overall reduction in daily gain in animals from 25 to 50 percent, and a concomitant reduction in the amount of meat available for market at a time when demand was high. Reduced supplies of cattle and hogs for market resulted in increased prices. Consumer reaction to these higher prices resulted in an announced meat boycott—which in turn resulted in lower order levels from retail establishments. This, of course, resulted in a price drop of $4 to $6 per hundredweight, and animals were withheld from market. The Cost of Living Council entered the picture and imposed meat price ceilings on March 29, 1973. The price ceilings, which were due to expire at the end of July, were extended until September 12. Rather than face losses, stockmen withheld cattle from market in the hope that their investment could be recovered with the lifting of controls. As could be expected, the withholding action of the farmers resulted in an oversupply of cattle—which should have resulted in lower prices for the consumer. The event that precluded this anticipated price reduction was the truckers strike. Farmers could not get their animals to market, and many packers went out of business. The situation has not measurably improved since the end of the strike. Depressed cattle prices and increased costs of production, reflecting higher prices for feed, machinery, interest, et cetera, have resulted in cattle selling at 10 to 15 cents per pound under the farmer's cost of production. Feedlot operators are being devastated by this turn of events, losing an average of $100 a head on cattle they sell to packers. Feedlot placements are down 20 percent from a year ago, while cattle on feedlots are down only 4 percent from last year. This means that there is an oversupply of fat cattle waiting to go to market, but there will be a shortage of marketable cattle this year because young cattle are not entering the feedlots at levels consistent with consumer demand. Add to this problem the fact that many of the cattle that have been slaughtered for market in the last 8 months have been from dairy herds. Narrow milk margins have forced dairy farmers to thin their herds. This means that there will be less hamburger cows and fluid milk for consumers later this year. Prices are bound to go up on these two very important ingredients in the American diet.

Thus, we have a situation where the producer-farmer is fighting for survival, while the consumer is hard pressed to balance his food budget in the face of rapidly rising prices. The only sector that is benefiting in this situation is the packing and distribution area and the retail sales outlets. Records indicate that the sizable portion of the late 1973 increases in farm-retail spreads came in significant increases in the retail margin—as much as 30 to 50 percent.

The growing concern about price spread, especially in meat, has resulted in several grand jury investigations in northeastern cities. It is now apparent that meat price racketeering has been, and is, taking place. A Federal strike force has been formed to aid in these investigations in New York City, but thus far, cooperation has been limited because of fear of reprisals by organized racketeers. The attitude of apprehension in the small operator is easy to understand because of his particular vulnerability, but there is no reason why the large chain-type retail food stores cannot cooperate in this effort. Obviously, everyone would benefit if this unconscionable trade could be abolished once and for all.

I have joined others in asking that the Federal Trade Commission conduct an investigation into the food price situation. All too frequently in the past, investigations of this type have yielded volumes of reports and recommendations, but far too little positive action. It is time to reverse this trend, and I am sure that America's farmers and consumers would share in this sentiment.

There is another area that merits the attention of the Federal Trade Commission—the volatile pricing rules that allow major meatpackers to adjust their prices upward to reflect increasing costs. Federal Trade Commission regulations specify that packing firms granted increases under the volatile pricing rules shall reduce prices to reflect cost decreases in the cost of the raw material or partially processed product upon which the price increase was based. I strongly urge the Trade Commission to undertake a review to determine if violations of this provision have occurred. If the firms are in compliance with the terms of this ruling, they should be willing to cooperate fully with the Federal Trade Commission in demonstrating the validity of their pricing structures.

In line with the previous recommendation, the Agriculture Subcommittee on

Domestic Marketing and Consumer Relations might wish to explore the possibility of standardization of cuts of meat on which to base more accurate cost determinations. A certain amount of confusion now exists because of the numerous terminologies describing essentially the same cut of meat. A standardization program would enable the consumer to become a more discriminating and competitive shopper.

In closing, I wish to once again commend the House Subcommittee on Domestic Marketing and Consumer Relations for its initiative in holding food price hearings. I earnestly hope that the proprietary stumbling block can be overcome in the middleman and retail level of our food distribution scale so that the public can be aware of actual costs on each level from the farm to the table. If profiteering is occurring at any level, it should be made a matter of public information. The American farmer and cattleman works too hard for his dollar, under trying conditions, to have his credibility and economic viability undermined by a handful of pricing racketeers. I am not against a fair profit for anyone; as a matter of fact, I would like to see the cattlemen and farmers of this country make a fair profit on a sustained basis. This is the way we will achieve ample and reasonably priced food for the American consumer. I do want to go on record, however, as being firmly opposed to unconscionable profit-taking at the distribution and marketing level that robs the American farmer of a chance to make a decent living and forces the American consumer to become an economic captive of his food shopping basket.

Mr. Speaker, I include at this point in my remarks a copy of my letter to Chairman Lewis A. Ingman of the Federal Trade Commission on the importance of extending and intensifying the Federal Trade Commission's review of the farm-retail price spread.

HOUSE OF REPRESENTATIVES,
Washington, D.C., April 8, 1974.

Hon. LEWIS A. INGMAN,
Chairman, Federal Trade Commission,
Washington, D.C.

DEAR MR. INGMAN: The House Agriculture Subcommittee on Domestic Marketing and Consumer Relations has recently concluded hearings on the meat price situation in the United States.

The testimony presented at these hearings by representatives of farm organizations, cattlemen, and fellow Congressmen indicates a serious disparity between the price paid for meat by the American consumer and the share of that price that is paid to the farmer-producer. Statistics furnished to me by the Department of Agriculture indicate that in August of 1973, the average retail price of a pound of USDA Choice beef was $1.440, while the farm value of that meat stood at $1.085. In March of 1974, the retail price of comparable beef was $1.440, while the farm value of this beef had dropped to 86.5¢. I question the contention of distributors and marketers that this spread is accounted for by increasing energy and labor costs, at least to the extent claimed by these groups.

This trend in growing price spread is not confined to beef alone. Serious disparities also exist for pork and lamb, as well as for other farm commodities, such as wheat. For example, while the price of wheat has fallen from a high of $6.50 per bushel to as low as $3.97 per bushel in recent weeks—a decrease of 61%—the price of white pan loaf bread has not decreased accordingly. In fact, Agriculture Department figures indicate that bread has actually increased in price while the price of wheat has been declining.

I view the present food price situation with great concern. On the one hand, the farmer-producer, especially the beef producer, is struggling for survival. Feed lot operators are losing an average of $100 a head on sales to packers, and initial esimates indicate that the cattle industry has lost over $1 billion this year to date. On the other hand, the American consumer is fighting what appears to be a losing battle to balance his food budget, and he is understandably hard-pressed to understand the plight of the farmer-producer in light of increasing food prices.

If this situation is not corrected by timely and decisive action, our agricultural sector will suffer economic setbacks that will severely tax our farmers' ability to provide ample, reasonably-priced food for the American consumer. Predictions have already appeared in major publications about impending beef shortages and escalating prices. Added to this disturbing prospect is the threat of milk shortages later this year.

In light of these compelling circumstances, I strongly urge the Federal Trade Commission to extend and intensify its own investigative activities in this very important area. The growing farm-retail price spread merits your immediate attention so that corrective action can be taken in time to help both the farmer-producer and the consumer.

I would appreciate a report on the results of the Federal Trade Commission's pricing investigation to date, together with a projected timetable for further action planned to counteract these serious pricing disparities. Additionally, I would appreciate your comments on proposed standardization of meat cuts that would reduce the confusion that now exists because of the various terminologies used to describe essentially the same cuts of meat. This action, together with the publication of accurate pricing data, might help the American consumer to be a more discriminating and competitive shopper.

I look forward to your reply on this urgent matter.

Best wishes.

Sincerely yours,

ORVAL HANSEN,
Member of Congress.

PERSONAL ANNOUNCEMENT

(Mr. KOCH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, I was not present at the end of the session of April 4 because of a commitment I had previously made to be present at a town hall meeting in New York which I regularly conduct in my district and which was attended by a large number of constituents. Had I been present, I would have voted against the amendment of the gentleman from Louisiana (Mr. HÉBERT) increasing the authorization ceiling on military aid to Vietnam, and against the final passage by voice vote of H.R. 12565, the Department of Defense supplemental authorization.

PUBLIC SUPPORT FOR SURFACE MINING CONTROL AND RECLAMATION ACT

(Mrs. MINK asked and was given permission to extend her remarks at this point in the RECORD and to include extraneous matter.)

Mrs. MINK. Mr. Speaker, the Surface Mining Control and Reclamation Act, H.R. 11500, is currently in markup before the Committee on Interior and Insular Affairs. This legislation is of paramount importance not only to Americans who live in the threatened areas of the Midwest, Applachia, and Northern Great Plains, but also to the rest of the Nation as well.

Over the past 50 years, the local industry has compiled a dismal record in its quest to produce coal as cheaply as possible. As the once lovely hills of Appalachia have been ripped and poisoned beyond belief, the real costs of surface coal mining operations have been imposed upon people living in the hollows of Tennessee, Kentucky, Ohio, and West Virginia. These costs will continue to be borne by future generations of Americans, unless we act decisively now to end this needless carnage.

The fact is that we simply cannot afford to transform thousands of acres of productive farm and forest lands into a wasted or degraded condition. We cannot afford it psychologically. We cannot afford it environmentally. And most of all, we cannot afford it economically.

In the name of all that is good and decent, the destruction caused by coal surface mining must be stopped while the recovery of necessary coal continues. Lest we forget that millions of people, and their homes and communities are involved, I insert the following letters in the RECORD, so that Members of Congress can read for themselves the concerns of those groups which are most familiar with the ravages of strip mining:

MARCH 21, 1974.

Hon. PATSY MINK,
Rayburn House Office Building,
Washington, D.C.

DEAR CONGRESSWOMAN MINK: Your stand on the strip mining bill is applauded by everyone in the conservation movement.

I thought you might find the attached statement of particular interest. It was delivered today (March 21) at The National Press Club by Ray Hubley, our Executive Director.

Cordially,

JACK LORENZ,
Information Director, the Izaak Walton League of America.

STATEMENT BY RAYMOND C. HUBLEY, JR., EXECUTIVE DIRECTOR, THE IZAAK WALTON LEAGUE OF AMERICA

(Presented at Energy and Environmental Press Conference in the National Press Club, Washington, D.C., March 21, 1974)

It has become increasingly clear that for the foreseeable future, this nation must turn to coal to take up the slack in its energy budget. This fact was vividly illustrated by Secretary Morton's recent announcement of an Administration "coal strategy" designed to expand the use of coal from its present 17.1% of the national energy base to the 45% of 10 or 15 years ago.

The question is not whether we will turn to coal, but how and where it will be mined and burned. And with what impact on the natural, social, and economic landscapes?

Right now, the House Interior Committee is marking up a bill to control the abuses of strip mining. This bill is designed to put an end to our rivers being filled with silt or poisoned by acid run-off, homes and communities destroyed by land slides, mountain ranges scarred by thousands of miles of high walls and spoil banks and productive agricultural lands turned to sterile moonscapes. The proposed legislation is not anti-coal, nor is it anti-strip mining. It is simply pro-people.

We are opposed to irresponsible, unregulated, and environmentally destructive strip mining; we are *not* opposed to the increased use of coal. Those who fear effective regulation of stripping have been working overtime to obscure that fundamental distinction. They have argued that with our need for energy, we can not afford to regulate how coal is to be removed from the ground.

Coal interests ignore the fact that deep mining—underground mining—must be the long run answer to our need for coal. This country is blessed with enough recoverable coal to last us for hundreds of years, even at increased rates of consumption. But only 3% of that coal is strippable; the rest—97% of the total—must come from the deep mines. If we talk in terms of low sulfur coal, the picture is essentially unchanged, with a deep to strip ratio ranging from 30:1 to 7:1, depending whose figures are used.

In either case, the ultimate decision is clear, if this nation is going to be dependent on coal over the long term—as the industry and the Administration say we are—we will be dependent on *deep mined* coal. We can not afford to let our underground coal mining industry diminish or die, unable to compete with a wideopen unregulated strip mining industry. We must prepare now for the day when the nation will have to run to its real reserves in the deep mines. In the words of Russell Train: "The sooner we can make underground (mining) more economically attractive, more technologically feasible, and more socially acceptable as a way *of life, the better off* we're going to be."

The "Seiberling Amendment" added to the House version of the strip mining bill is the legislative embodiment of this counsel. It is designed to restore deep mining to a competitive position, encourage immediate expansion of underground coal production, and provide financial incentives to make deep mines safe and healthy places to work. Yet this innovative and forward looking effort has been the subject of unrelenting attack by *the strip mining* industry.

The coal interests and their friends in government have warned that even the modest reclamation requirements in the current House bill (HR 11500) would cause a severe decline in coal production in Appalachia. However, an independent study recently completed by Mathematica, Inc. for the Appalachian Regional Commission and the Kentucky Department of Natural Resources—hardly radical groups—concluded that eliminating high walls, regrading to the original contour and banning down-slope dumping of spoil are highly desirable and is economically feasible with our existing technology. In other words, the techniques are known; they only need to be put into practice.

In a letter from the Department of the Interior, the Administration recently charged that H.R. 11500 would cut coal production by 5 to 15%. Yet their assertion is totally unsubstantiated, and must remain so, because it is based squarely on a gross misreading of the bill. The mischievious prediction of a 100 million ton cut-back was derived from the assumption that the bill's reclamation standards are equivalent to a *ban* on strip mining in the Appalachian coal fields—an assumption that the Mathematica Study and practical experience have shown to be false.

The abuses of strip mining are not confined to the mountains of Appalachia alone; the spectre of the dragline is stalking the high plains of Wyoming and Montana. Partly in response to the threat of effective regulation of contour mining, the energy companies have been pouring money into the Western coal fields with the full blessing of the Administration. This phenomenon is rapidly becoming known as the East-West shift.

Appalachia, which has been bled of its coal for generations, is now about to suffer a massive hemorrhage of investment capital. As coal production shifts westward, billions of dollars in capital and payrolls will go with it, followed promptly by all the secondary investments and businesses that cluster around any major industrial operation. The economy, politics, and way of life of the high plains would be changed forever, and the people of Appalachia would be allowed to sink back into poverty. Perhaps it is another case of "benign neglect," but it seems a peculiar policy for a country that, only a few years ago, was committed to the economic revival of Appalachis.

The argument is that the western coal is low in sulfur content and needed to meet the standards of the Clean Air Act. But the public has not been told that there are vast reserves of low sulfur coal available in West Virginia—enough to satisfy the 1973 level of demand for 100 years according to an estimate by Mr. McManus, Speaker of the West Virginia House. However, most of the West Virginia low sulfur coal must be deep mined and the United Mine Workers is about to renegotiate its contract.

The western coal fields may offer a haven from the industry's labor troubles and an opportunity for high profit, but the coal is also low in BTU value per ton, high in water and ash content—it must be dried before burning and this significantly raises the sulfur content per ton. Because it is located far from its markets, the western coal must be transported great distances, in the process wasting our diminishing supplies of fuel oil. Finally, there are grave doubts whether the arid western coal fields can be reclaimed after strip mining.

Shifting the devastation to the West is *not* a solution to the abuses of strip mining. And it's not necessary to meet our energy needs.

Student Government Association,
Greensboro, N.C., March 14, 1974.

Dear Representative Mink: I want to thank you for your efforts opposing the loophole in the strip mining land reclamation laws. The allowing of companies to mine anywhere without having the equipment to reclaim would be saying let's leave America the beautiful full of open sores in her countryside.

Help the people in North Carolina and other States by continuing to fight against this loophole. Thank you.

Sincerly yours,
Christopher Jones,
President.

Sierra Club,
Washington, D.C., February 28, 1974.

Hon. Patsy T. Mink,
U.S. House of Representatives,
Washington, D.C.

Dear Congresswoman Mink: On behalf of the Sierra Club I want to convey my deep appreciation for your support of sound strip mining legislation by rejecting the attempt within the Interior Committee to substitute H.R. 12898, the "Hosmer Bill," for the Committee Bill H.R. 11500. As you wisely knew the substitution of the industry supported bill would have virtually eleminated strip mine regulation for the west and would have been a major setback to passing meaningful stripmine legislation in this Congress.

We look to your leadership in obtaining a strong stripmine bill in the Interior Committee and to its final passage in the House.

Sincerely yours,
Richard M. Lahn,
Washington Representative.

January 11, 1974.

Hon. Patsy Mink,
House of Representatives,
Rayburn House Office Building,
Washington, D.C.

Dear Representative Mink: For your information, I am enclosing a copy of a recent WNEP-TV editorial on the subject of strip mining and the energy crisis.

While we believe that the role of coal is important in solving the energy crisis and will continue to be even more important, at the same time we believe very strongly that it is possible and most desirable to acquire this coal in a way that does not permanently destroy our land. We at WNEP–TV speak from experience on this matter.

Thank you for your attention.

Sincerely yours,
Thomas P. Shelburne,
President, NEP Communications, Inc.

Strong Strip Mining Laws

The fact that the Nation faces a critical energy shortage should be known by everyone, and steps to conserve fuel and develop other energy sources are extremely important.

Coal will undoubtedly play an ever increasing role as a future energy source. Underground mining will be increased, as well as strip mining. Better safety standards that will adequately protect the miners who work underground should be enacted by Congress. And laws, strong laws, on a federal level that will require the return of strip mined land to original contour are, in our opinion, mandatory.

Our State strip mining laws must remain strong and be strictly enforced. We cannot go back fifty years and allow the strip miners to ravage the Earth. Those who would relax strip mining standards, instead of enforcing stringent ones, should first view the ravaged mountains of Northeastern Pennsylvania.

We at WNEP can look across the Valley and see an abandoned strip mine that hasn't been worked in decades, and there is still no vegetation growing on the lunar-like surface of the mine.

According to Senator Richard S. Schweiker, "When you mine an acre of coal, you get $35,000 income from the sale of that coal. It costs about $500 of that $35,000 to return the land to its approximate original contour. That's about 1½%. I think that is a very small investment."

We agree. In our haste to develop additional energy sources, common sense must prevail. Strong controls must accompany new development of energy resources.

Fishing World,
Floral Park, N.Y., November 30, 1973.
Hon. Mrs. Patsy T. Mink,
U.S. House of Representatives,
Washington, D.C.

Dear Mrs. Mink: I am pleased to learn that H.R. 11500, the Surface Mining Control and Reclamation Act of 1973, contains a strong Reclamation Fee provision that will encourage deep mining and provide for restoration of land ravaged by strip mining.

On behalf of *Fishing World's* 176,140 paid subscribers, I urge you to vote for the $2.50 per ton Reclamation Fee.

We must not allow our national need for energy to waste a beautiful land into an industrial slum comparable to the Ruhr.

Respectfully,
Keith Gardner,
Editor.

National Audubon Society,
New York, N.Y., January 29, 1974.
Hon. Patsy Mink,
House Office Building,
Washington, D.C.

Dear Ms. Mink: At the second meeting of the Environmental Advisory Committee to the Federal Energy Office, held last Friday, January 25th, 1974 in Washington, D.C., the members of the Committee unanimously adopted the enclosed recommendation concerning pending legislation to regulate strip mining.

The recommendation is quite specific with respect to the provisions which members of the Committee feel should be embodied in a federal strip mine law. The Committee urged the Federal Energy Office to support such legislation and work for its passage.

Also enclosed for your information is a list of the members of the Environmental Advisory Committee.

Sincerely,
Charles H. Callison,
Executive Vice President.

Recommendation

It is clear that America must use more coal to meet its energy needs, and increasing amounts will be exported. There are broad and deep deposits sufficient to meet all needs for many decades that can be mined efficiently from the surface in areas where land reclamation after mining is feasible. Less than three per cent (3%) of mapped coal resources in the United States are strippable, but at present surface mining accounts for half of our domestic coal production. Therefore it is imperative that Congress promptly enact and the President sign strip mine legislation adequate to accomplish the following standards and regulations:

1. Require back-filling and regrading to the approximate original contour.
2. Require the elimination of high walls, spoil piles and depressions.
3. Require re-establishment of permanent vegetative cover with the liability of mining companies extended long enough to see this accomplished.
4. Prohibition of strip mining in any area unless the operator can demonstrate that reclamation is possible.
5. Prohibition of strip mining in National Parks, Wildlife Refuges, Wilderness Areas, and National Forests.
6. Bonding of operators to assume performance to the required standards.
7. Authorization of lawsuits by citizen groups in aid of enforcement.
8. Protection for farmers and ranchers when mineral rights to their lands are held by the government.

Further the Federal government must have interim authority to regulate strip mining according to the prescribed standards until states pass conforming laws, and there must be continuing Federal authority to intervene if a state fails to enforce such laws. This committee urges the Federal Energy Administration to support such legislation and to work for its passage in the 1974 session of Congress.

Environmental Committee

Larry Moss, Sierra Club, Washington, D.C.

David D. Dominick, Washington, D.C.

Malcolm Baldwin, The Institute of Ecology, Washington, D.C.

Ed Strohbehn, Natural Resources Defense Council, Washington, D.C.

Eldon Greenberg, Center for Law and Social Policy, Washington, D.C.

Paul Ignatius, President, Concern, Inc., Washington, D.C.

Lois Sharpe, Environmental Quality Staff, Washington, D.C.

Charles H. Callison, Exec. V.P., National Audubon Society, New York, New York.

Grant Thompson, Environmental Law Institute, Washington, D.C.

Douglas M. Costle, Commissioner, Dept. of Environmental Prot., Hartford, Connecticut.

William Reilly, President, Conservation Foundation, Washington, D.C.

Representative Patsy Mink
Washington, D.C.:

Reaffirm support for long-range environmental protective provisions in H.R. 11500 versus short-term minor coal losses. Emphasis should be on deep mining and land heritage that must not be destroyed for sake of present wasteful expediency.

C. Howard Miller.

National Wildlife Federation,
Washington, D.C., March 25, 1974.
Rep. Patsy Mink,
Rayburn House Office Building,
Washington, D.C.

Dear Mrs. Mink: I should like to take this occasion to put in writing what many of us have been saying verbally: you are doing a great job on bringing out of the House Committee on Interior and Insular Affairs a strong and effective proposal to control strip-mining.

We have noted with great interest and admiration your effective efforts to resolve differences without sacrificing what conservationists and environmentalists regard as provisions essential to any effective strip mining controls. And, we fully appreciate that you are taking these positions through conviction and dedication rather than simply in response to pressure from constituents; as a consequence, we place even higher values on your performances.

The National Wildlife Federation prides itself on taking what we consider to be reasonable attitudes to natural resource problems. We feel you are pursuing the same course and commend you for it.

We are taking the liberty of sending a copy of this letter to personnel of our affiliate in your fine State.

Sincerely,
Thomas L. Kimball,
Executive Vice President.

March 22, 1974.
Hon. Patsy Mink,
Chairman, Subcommittee on Mines and Mining, House Interior Committee, Rayburn House Office Building, Washington, D.C.

Dear Mrs. Mink: With the country in a state of alarm over the energy crisis, these are not the easiest of times for environmentalists. You deserve special congratulations for your untiring efforts to forge a responsible and effective strip mining bill.

All too often, we let the actions of our friends pass unrecognized. This time, we want to let you know that the Izaak Walton League of America deeply appreciates your staunch defense of environmental quality.

Thank you.

Sincerely,
Maitland Sharpe,
Environmental Affairs Director.

Rupert, W. Va.,
March 23, 1974.
Mrs. Patsy Mink,
U.S. House of Representatives,
Washington, D.C.

Dear Mrs. Mink: This is just to encourage you in your struggle to get your subcommittee's surface mining bill through the full committee.

The West Virginia Highlands Conservancy, on whose Board I serve, has voted to support the strongest possible environmental safeguards in the bill. As regards the attempt to relax these safeguards in order to return to the age of cheap power, we also resolved "that we are willing to accept the necessary privations as payment for our and our ancestors' squandering and as our pledge to their descendants".

Keep up your good work.

Nicholas Zvegintzov.

ECONOMICS OF SURFACE MINING CONTROLS

(Mrs. MINK asked and was given permission to extend her remarks at this point in the Record and to include extraneous matter.)

Mrs. MINK. Mr. Speaker, the statement of Carl E. Bagge of the National Coal Association in Birmingham, Ala., on March 15, 1974, is a clear example of the attempt by many sectors of industry to use the current energy crisis as an excuse to justify virtually any abuse against the American public.

Mr. Bagge's inflammatory language is replete with self-serving distortions of the dilemma now faced by the coal industry. Such an approach to the gravest issue now facing the Congress is neither in the interest of the public nor of the industry. The issue is simply whether America's vast coal resources are to be ripped willy nilly out of our land, or whether the other precious tangible and intangible resources of our coal-bearing regions are to be preserved for posterity, while we recover the coal we so badly need.

The Surface Mining Control and Reclamation Act, H.R. 11500, which is one of the objects of Mr. Bagge's diatribe, is the result of nearly 3 years of work by the Committee on Interior and Insular Affairs and by the joint Subcommittees on Environment and Mines and Mining. This bill is not an attempt to "harass, kick or bedevil" the coal industry. It arose in response to the widely recognized problem of environmental damage caused by coal surface mining. No one who has seen what is left of the mountains of West Virginia and Eastern Kentucky or who has talked to survivors of the Buffalo Creek Disaster of 1972 can believe that this industry is not in need of regulation. The coal industry has demonstrably left the citizens of these and other states with a legacy of destruction and death.

Beginning in September 1973 the Joint Subcommittees on Environment and Mines and Mining, after having conducted hearings in April and May which amounted to over 1,600 pages of testimony, began markup on the coal surface mining bill. The joint subcommittees labored for over 2 months. They held 29 markup sessions before the bill was finally reported on November 12, 1973. During these markup sessions, several compromises were reached to avoid the undue restraints upon the coal industry. The bill which was reported by the joint subcommittees is a compromise bill which is aimed at allowing the surface mining of coal to continue, while at the same time minimizing the environmental damage caused by those operations.

In referring to H.R. 11500 as "shortsighted, ill-conceived, and downright vindictive," Mr. Bagge is apparently not in agreement with at least one influential segment of the industry. In December 1973 the Continental Oil Co., owner of Consolidation Coal Co., second-ranking coal producer in the Nation, presented a paper entitled "Coal and the Energy Shortage," specially prepared for a group of security analysts. This no-nonsense review of the prospects for the U.S. coal industry paints a glowing picture:

> In summary, application of present and new technology should greatly widen coal's horizons. Demonstration of second generation stack gas scrubbing equipment and development of improved coal conversion processes will permit coal's utilization to generate electricity without excessive pollution. Production of methane will bring in coal as a major source of supply to our existing gas grid. Conversion to liquids will permit use of coal as an ultimate source of fuel for transportation, residential, commercial, and industrial markets. With these expanded opportunities, coupled with programs to increase greatly production, our nation's abundant coal resources should play a dominant role in our objective of combining a high standard of living with a high degree of energy self-sufficiency.

In referring to H.R. 11500, the report specifically endorsed the primary concept underlying the environmental protection performance standards in the bill by commenting that:

> We believe the nation's interests would be served best by legislation that requires the return of surface mined land to its approximate original condition or to a condition that will provide for an equal or higher use.

In a useful analysis of the costs of land reclamation accruing to the surface mine operator, including the costs of returning the topography to the approximate original contour. Consoco has this to say:

> Reclamation in the West might involve expenditures of $1,000 to $4,000 per acre to restore land to its original value. In the hillier terrain in the East, a higher cost in the range of $3,000 to $5,000 per acre can be expected. Because of the thicker coal deposits in West, this reclamation cost can amount to 2¢ to 20¢ per ton, while it can be $1.00 to $3.00 per ton in the East. Although this cost may seem relatively high on a per-ton basis, the cost in terms of cents per KWH to the consumer seems to us to be reasonable when you consider the potential energy contained in our surface reserves. Even taking the largest of these costs would add only 2 to 3 percent to the average residential electric bill.

In other words, our second largest coal producer is quietly passing the word to the financial community that the basic premise underlying H.R. 11500 is sound—that the increased costs of reclamation will not prove onerous for either the industry or the consumer, and that protection of surface values is in the national interest.

As to Mr. Bagge's allegation that synthetic fuels production will be eliminated by congressional action aimed at preserving the environment, it seems to lack factual support. There has been no dearth of activity among the coal and oil companies in recent months in cornering the western coal and water supplies which are necessary ingredients of gasification and liquefaction plants. Over 15 coal gasification plants are contemplated by the oil and gas industry. If, as Mr. Bagge states, this kind of development is in danger of extinction, the industry does not seem to be concerned.

Regarding the price estimates for gas made from coal, there is a wide disparity. On a per million Btu basis, estimates range from $0.4476 to $1.50. This range of uncertainty among the experts in gasification research and development is cause enough to doubt Mr. Bagge's argument that rising costs due to surface mining reclamation expenditures will eliminate gasification as an economic possibility. Gasified coal would be competing primarily with other supplementary gas sources, such as natural gas from Alaska and LNG from Algeria and the U.S.S.R. Estimates for delivery of gas from these sources range from $1.25 per thousand cubic to $2.50 per thousand cubic feet. The American Gas Association has predicted that the price of U.S. natural gas will reach $1 per thousand cubic feet by the end of the century.

The vast majority of the coal gasification plants which are now contemplated will be constructed in the West. These plants will depend upon surface mines for their coal. As the Conoco study points out, reclamation of these lands will amount to only a few cents per ton. This added cost will have virtually no effect on the price of the gasified coal.

Using figures from the National Petroleum Council's report "U.S. Energy Outlook, Coal Availability," let us examine what would happen to the price of gas from coal with a $0.25 rise in the price of a ton of coal—a figure well above the Conoco estimate for reclamation costs.

A 250-million-cubic-foot-per-day plant producing gas with a heating capacity of 900 Btu per cubic foot, would produce 225 billion Btu/day of gas. The plan would use 5.3 million tons per year of bituminous coal, or approximately 14,520 tons per day.

In such a plant, a $0.25 per ton price rise in the price of a ton of coal would add $3,630 to the daily operating cost of gas production. This works out to only 1.6 cents per million Btu of gas, an inconsequential amount.

In fact, the price of coal has almost tripled within the last 12 months. These price increases cannot have been due to any increased reclamation costs. They are, in large part, a reaction to the rising price of oil. If the coal industry is so worried about being priced out of the market by costs incurred as a result of reclamation, their recent pricing behavior is certainly enigmatic.

I think that it is about time that the coal industry accept its responsibility to the rest of our society. Coal can be mined at reasonable profit and the land reclaimed. The cost of reclamation will be passed on the consumer in any case. The land must then be available for alternative productive uses in the future. The present shortages of lumber and lumber products, as well as the skyrocketing prices of food should serve as warning that we will need every inch of productive land we can find before long. H.R. 11500 will insure the strong regulation needed to protect the productivity of our land.

INTRODUCTION OF LEGISLATION TO PROVIDE PUBLICLY FINANCED HOSPITAL CARE TO ALL PERSONS IN THE UNITED STATES

(Mrs. MINK asked and was given permission to extend her remarks at this point in the RECORD and to include extraneous matter.)

Mrs. MINK. Mr. Speaker, as Congress takes up national health legislation, I hope we will take a serious look at the system we create; the burden we may be locking into our health care mechanism forever, with a complicated process which depends upon a "middleman" either in the shape of a new federally subsidized insurance industry or in a new governmental bureaucracy.

Although we know that the cost of any kind of health care can have a significant impact on the average person, we all recognize that it is the expense of extended hospitalization which threatens financial disaster to any family. With hospital costs rising to hundreds of dollars per day, even families covered by health insurance stand to end up with thousands of dollars in debt.

I believe protection against this staggering economic burden of hospital care is the most pressing health concern of our people. Yet the national health insurance proposals now before Congress fail to remedy the existing defects of waste, duplication, and disorganization which have contributed heavily to the increasing cost of hospital care. In addition these proposals merely add patchwork methods of financing to a hospital system already overburdened by enormous expenses of patient bookkeeping and billing that could and should be eliminated.

I call on Congress to face up to not only these burdensome administrative costs but to guard against the superimposition of an insurance company middleman to further complicate the system and contribute further to the ridiculous mountains of forms that must already be filled out by doctors and patients alike. We are all trapped in a system that seems to emphasize paperwork production rather than human care—a system that would be perpetuated if not increased under proposed expansions of the Federal role in health care insurance. It is quite clear that we will all be fighting what is "includable," "excludable," "deductibles," "time limits," and all other eligibility "razzma-dazz" technicalities. Therefore, it seems to me we have no choice if we really want to correct this system. We must drastically revise the structure of our hospital cost payment practices, or else the entire hospital system will topple under the growing weight of its own computer cards and monthly statements at fantastic costs just for mailing. I believe we can do this, very simply and very directly, but it will require a totally new approach and an abandonment of the "insurance" concept.

Also we should be working to reduce hospital costs, not only of new ways to finance them. If we can accomplish this, the most critical part of health care costs will have been brought under control. The remaining health insurance needs of our people, that is, doctor bills could be met with far less effort, largely by relying on existing insurance programs.

I believe the best way to reduce the cost and paperwork of billing every individual patient is to stop billing individual patients. Instead, the costs of operating hospitals should be borne as a public expense, in much the same way as we now pay for countless other national programs. Payment of the overall total cost would be borne by the Federal Government. Individuals would contribute the same or nearly the same payroll deductions they now pay for hospital insurance, but they would never have to cope with confusing and time-consuming hospital bills.

In order to permit Congress to consider this practical way of reducing hospital costs while expanding the availability of service, I will introduce tomorrow legislation to provide publicly financed hospital care to all persons in the United States.

By adoption of such legislation, we can eliminate much of the waste in our hospital system and provide a better quality of care through more efficient organization of our hospital system. The savings resulting from this could enable us to provide hospital care to all who need it, probably with little or no increase beyond the cost we are paying now for inadequate care. Any person, regardless of age, would be able to get hospital care without payment; a doctor's certification of need for hospitalization is all that is needed for admission.

My bill, the National Hospital Act of 1974, would establish a National Hospital Administration—NHA. The NHA would have a Board of Directors appointed by the President, and a high-level Administrator appointed by the President subject to Senate confirmation.

The Board would be directed to investigate the hospital care needs of the people of the United States and determine what new facilities are required in each area of the country to meet those needs. The Board is authorized to enter into agreement with existing hospitals according to an overall coordinated plan, to assume all their operating costs. It could issue $10 billion in capital improvement bonds, guaranteed by the Federal Government, for a 10-year program of new construction, modernization, and consolidation of hospitals throughout the Nation.

The Board would make recommendations to Congress for the financing of the operating costs of all participating hospitals, using existing social security, civil service, and other payroll deductions for hospital insurance to the maximum extent. When fully implemented, all existing programs of Federal assistance to hospitals will terminate and instead a comprehensive fully federally paid hospital program will be inaugurated. Every man, woman, and child regardless of age when in need of hospitalization will be served without paying 1 cent for this care. The total hospital budget will be paid by the NHA. Its liquidity will no longer be dependent upon collecting money from patients.

The Board would be responsible for the direct implementating of policies under which participating hospitals would be managed. The objective would be streamlined and efficient hospital care for all areas of the Nation. We would strive to end the existing practice of hospitals competing for costly but prestigious equipment and facilities with no overall coordination according to area need.

Advisory councils of hospital administrators and consumers are provided for by the bill. A patient advocate system is also established.

It seems to me this legislation offers an opportunity for the Congress to make a badly needed and fundamental change in our hospital care system, so that hospital care would be provided to all as a matter of right rather than merely creating another complicated insurance system of more paperwork of some includable expenses which are covered or are not. My bill will meet all costs of hospitalization, requires no forms, and costs the same.

RESETTLEMENT OF SOVIET REFUGEES

(Mr. BINGHAM asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. BINGHAM. Mr. Speaker, I have today introduced legislation to authorize $50,000,000 in additional assistance for the resettlement of emigrants from the Soviet Union.

Such assistance has been provided by the United States since 1972, when legislation which I proposed with Senator Edmund Muskie was enacted into law. That legislation authorized $85,000,000 to help meet the various needs of Russian emigrants, most of whom were destined for Israel. Services provided with this assistance have included transportation, the construction and operation of transit centers, medical services, housing, job training, and other educational services.

The need for this program continues to exist, even though its authorization is expiring. Since September, 1971, when the stepped up rate of Russian emigration began, 85,000 Russian Jews have reached Israel and about 5,500 have gone elsewhere. Hopefully, the Soviet Government will continue to allow this rate of emigration, or even increase it, under international pressure. It has been impossible to discern any definite trend in emigration in the last few years, and the rate allowed by Soviet authorities may well increase this year, even though it has been down somewhat during the first 3 months of this year.

U.S. assistance is vital to these emigrants, who are unable to leave the U.S.S.R. with enough resources to take care of themselves. United Israel Appeal, which has contracted with the Department of State to administer $74,500,000 of these resettlement funds, has estimated the total expenditure for the close to 90,000 Jews who have come to Israel since 1971 at approximately $40,000 per family or a total of $960,000,000. The Government of Israel and private philanthropy have assumed most of this burden, but U.S. assistance must continue to play an important part, especially as the costs of the October war and spiraling inflation place heavy new demands on Israel.

I plan to offer the substance of this legislation in the form of an amendment to the Department of State authorization bill for fiscal year 1975 which will be considered by the Foreign Affairs Committee in the near future. I hope my colleagues in the House will continue to support this valuable program.

PROPOSED REORGANIZATION OF SELECT COMMITTEE ON COMMITTEES: THE NECESSARY PAIN OF REFORM

(Mr. BROWN of California asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. BROWN of California. Mr. Speaker, the House of Representatives is a living and constantly changing institution. Little of what characterized it in the 1st Congress remains in the 93d. One feature, which has changed as much as anything else, is its committee structure. As their usefulness has ended, our past committees have been eliminated outright or absorbed into other committees. New committees have come into existence as new national problems have developed demanding their share of congressional attention.

But in almost 30 years now there has been hardly any change in the committee structure of this House. Committee jurisdictional lines are so tangled, work loads are so uneven, and responsibility for major policy issues is so scattered among the committees that Congress is unable to perform its responsibilities and is fast losing its constitutional position as the coequal of the Executive.

The proposed reorganization of the Select Committee on Committees provides us with the means to rectify much of what is wrong. It is for this reason that I would like to place in the RECORD the text of an editorial from the prestigious Los Angeles Times supporting the reorganization as a whole. I urge the Members of the California delegation, in particular, to take note of it.

The article follows:

THE NECESSARY PAIN OF REFORM

Slowly if not surely, Congress is coming to grips with the painful job of reforming itself. A bill to reform antiquated budget procedures will be voted on by the Senate any day; a separate version has been passed by the House. A campaign finance reform measure has also made its way halfway through Congress.

Now the House faces one of the most difficult jobs of all: reshuffling the committee structure to eliminate overlapping jurisdictions and built-in inefficiencies—though it means bucking some of Washington's powerful legislators and lobbyists.

Critics in and out of Washington have complained in recent years that the congressional machinery grinds exceedingly slow. One reason is that the House Ways and Means Committee has jurisdiction over so many vital areas of legislation that it can't do justice to any of them. Beyond that, existing committee jurisdictions are not suited to rational handling of such increasingly important subject areas as energy and the environment.

A year ago House Speaker Carl Albert (D-Okla.) appointed a special 10-man panel, headed by Rep. Richard Bolling (D-Mo.), to study ways to modernize the committee setup. The panel announced its recommendations this week.

The Bolling group proposed, among other things, that the Ways and Means Committee keep jurisdiction over tax, Social Security and welfare legislation, but be stripped of much of its jurisdiction over legislation on foreign trade, health insurance and unemployment compensation.

Such a move, or something like it, is badly needed to end the kind of traffic jam within Ways and Means that has blocked action on health insurance, despite broad public support, because the panel has been busy on trade, tax and pension reform bills.

Most of the Bolling group's other recommendations for consolidating and streamlining the committee structure are well taken, too.

Considering that the Public Works Committee has a long history of being excessively beholden to the highway lobby, however, we wonder what would happen to mass transit and Amtrak if all transportation programs were centered in the committee, as recommended.

There is also concern that splitting the Education and Labor Committee would produce a badly polarized labor committee and an education committee with too little political clout.

Finally, it is regrettable that the Bolling panel did not see fit to go beyond the modest reforms of 1971 and challenge the hallowed but outmoded seniority system of selecting committee chairmen.

But, on the whole, the Bolling proposals are on target. Fortunately, when they come up for a House vote in late April or May, they are expected to be supported by the leadership of both parties, by reform-minded younger Democrats and by most Republicans.

However, the reform recommendations face strong opposition from powerful business and labor lobbies and from influential legislators such as Rep. Wilbur D. Mills (D-Ark.), chairman of the Ways and Means Committee, who don't want to lose power.

The public interest clearly lies in approval, with some modification, of the Bolling reform blueprint.

AMENDMENT TO HOUSING BILL

(Mr. BROWN of California asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. BROWN of California. Mr. Speaker, today I am introducing an amendment to title V of the Housing and Urban Development Act of 1970. The purpose of my bill is to encourage local governments to develop subunits of government. Every level of government today has been criticized for being isolated from the people, unresponsive to local needs and overly bureaucratic. My bill would assist cities to conduct demonstration programs to determine the effectiveness of providing certain types of services through subunit or neighborhood structures of local government. I believe we must combat the feelings of alienation that are becoming more prevalent every day in our society. I feel democratic neighborhood government will provide a vehicle for meaningful citizen participation to reverse this trend.

There is a myth that the larger an organization the more efficiently it operates. The fallacy of this idea becomes more apparent daily. Several recent studies indicate that efficient and responsive service delivery systems can be provided in subunits with populations between 10,000 to 40,000 people Howard Hallman, on page 24 of his book, "Government by Neighborhoods," published by the Center for Government Studies, in Washington, D.C., on September 16, 1970, has compiled the following data that shows what functions communities of various sizes can adequately manage. His summary is listed in the following table:

Functions	Activities which can be handled by a neighborhood		Activities which cannot be handled by neighborhood
	10,000 population	25,000 or more	
Police	Patrol, routine investigation, traffic control.	Same	Crime laboratory, special investigation, communications.
Fire	Fire company (minimal).	Fire companies (better).	Training, communications, special investigation.
Streets and highways	Local streets, sidewalks, alleys: Repairs, cleaning, snow removal, lighting, trees.	Same	Expressways, major arteries.
Transportation			Mass transit, airport, port terminals.
Refuse	Collection	Same	Disposal.
Water and sewer	Local mains	do	Treatment plants, trunk lines.
Parks and recreation	Local parks, playgrounds, recreation centers, tot-lots, swimming pool (25 m.).	Same plus community center, skating rink, swimming pool (50 m.).	Large parks, zoo, museum, concert hall, stadium, golf courses.
Libraries	Branch (small)	Branch (larger)	Central reference.
Education	Elementary	Elementary, secondary.	Community colleges, vocational schools.
Welfare	Social services	Same	Assistance payments.
Health		Public health services, health center.	Hospital.
Environmental protection.		Environmental sanitation.	Air pollution control.
Land use and development.	Local planning, zoning, urban renewal.	Same plus housing and building code enforcement.	Broad planning, building and housing standards.
Housing	Public housing management.	Public housing, management and construction.	Housing subsidy allocation.

Other studies have shown that economies of scale tend to disappear for almost all urban government functions at about the level of 100,000 to 200,000 population.

The move to decentralization that I propose is not new. There is considerable experimentation occurring in various cities, counties, and States today. Included in this list would be Dade County, Fla.; Bergen County, N.J.; New York City; Delaware County, Pa.; Montgomery County, Md.; Washington, D.C.; Dayton, Ohio; Oakland, Calif.; Los Angeles; Boston; Seattle; Kansas City; Pittsburgh; and Sto-Rox, Pa.

I would like to ask my fellow Representatives to help me encourage these local communities and others to continue their experimentation, and I would like to involve the Federal Government in this new partnership with local citizens. It is my intention to seek the support of all interested Members in cosponsoring this legislation. I shall also insert in the RECORD from time to time additional material illustrating the significance of this movement toward decentralization in improving the quality, as well as the efficiency, of modern urban life.

CONSTRUCTION OF THE ALASKAN PIPELINE

(Mr. MITCHELL of Maryland asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. MITCHELL of Maryland. Mr.

Speaker, Members of the House on August 2, 1973, approved the construction of the Alaskan pipeline. Strong Equal Opportunity Commission provisions were a part of the bill which was passed. The U.S. Department of the Interior indicated it would draft an effective affirmative-action program to complement the legislation.

What has transpired since that time? The answer is simple. Either there has been no Equal Opportunity Commission action or else there has been abuse of minority contractors insofar as the pipeline is concerned.

We have yet to see any affirmative-action plans from the U.S. Department of the Interior.

Contracts are presently being let by the Alyeska Pipeline Service Co. without any consideration for the involvement of minority contractors.

Minority businessmen/contractors who have sought to get a piece of the action have been curtly and discourteously dismissed for consideration by Alyeska.

My colleagues do not fail to misunderstand why so many black citizens articulate distrust of this Government. Once again, in the case of the Alaskan pipeline construction, equal employment opportunities are being shunted to the side and equal opportunities for minority/black contractors are being systematically denied.

CHOCTAWHATCHEE DISTRICT BOY SCOUTS DESERVE A PLUS

(Mr. SIKES asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. SIKES. Mr. Speaker, I am highly impressed with an unusual plan of action begun by the Choctawhatchee District of Boy Scouts of America. They have undertaken a reforestation program in the half-million-acre Eglin AFB Reservation. This is the kind of program which can provide useful activity for scout troops nationwide. There are 23 Boy Scout troops engaged in the reforestation project.

It was begun 3 months ago when a 150-acre tract was selected for the program. The scouts are planting seedlings after clearing selected areas. They are thinning and pruning trees as needed and they will provide an annual caretaker operation. Their projects may also include erosion control, wildlife, nature trails, pioneering projects, and meeting sites.

The significant thing is that by harnessing the "boy power" of America through scouts and other groups, these lands can become havens for wildlife, a source of timber, and return to our Nation the bounty which so often is stripped from public lands.

Congratulations to the Choctawhatchee District Scouts. We are very proud of this "boy-power" in action and of the fact that Florida scouts are providing leadership in what can be an important national program.

Nat Fields is the Choctawhatchee district executive and Paul L. Gray is unit commissioner. Their leadership deserves commendation.

RESULT OF REOPENING THE SUEZ CANAL

(Mr. SIKES asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. SIKES. Mr. Speaker, Lt. Gen. Ira C. Eaker, well known to the Congress for his great contributions during World War II, has portrayed the effects of the real end of the Suez Canal in his article which appeared in The World Wars Officer Review for March–April 1974. The Review is the official publication of the Military Order of the World Wars. I submit it for reprinting in the Record.

Result of Reopening the Suez Canal

If the Arab-Israeli truce and disengagement proceed on schedule, the Suez Canal will probably be reopened late this year. In fact, this may be the second most important result from the aftermath to that conflict, ranking only after the Arab oil embargo in its long-ranged, world-wide significance.

It is therefore essential to examine the probable results of that event, and its influence upon the power balance between East and West. It is likely to have dramatic international results both economically and militarily.

The Suez Canal, formerly the most important man-made roadway in sea commerce, has been closed since the Six-Day Arab-Israeli War in 1967. The principal former international users of that waterway have adjusted to its non-availability. The economy of the Free World nations have survived and expanded during this period. Larger tankers were built so that the long haul around the Cape of Good Hope did not greatly increase the price of Mid-East oil to the NATO countries. These tankers, due to their size and draft, cannot negotiate the Suez Canal, but most continue to make the longer voyage.

The European nations which had extensive military and economic commitments "East of Suez" prior to World War II, principally Britain, France and Holland, no longer have extensive military and naval forces in those areas and their commerce with Mideast and Far Eastern countries has greatly depreciated.

The nuclear powered, super carriers of the U.S. fleet cannot use the Suez Canal due to their size and draft. The canal is no longer essential or material to the economic well being or application of military influence and power to the Western World.

The USSR, on the other hand, will derive the principal benefit from the reopened Suez Canal. This will permit the growing Soviet Navy to complete its dominance in the Middle East and to extend its naval power into the Indian Ocean.

It is significant that all the ships of the growing Soviet fleet can negotiate the Suez Canal. The Soviet Mediterranean and Black Sea fleets will find their routes to India, for example, decreased by 7,000 miles.

The Russian fleet can now rapidly achieve the superiority in the Middle East and Indian Ocean which it has recently achieved in the Mediterranean Sea.

The few remaining nations in Africa and the Middle East neutral or friendly to the West can be surrounded and isolated and forced for their survival to make an accommodation with the USSR.

Economic gains in these areas for the USSR will quickly follow inevitably. Russia is building a vast merchant marine which can operate more economically than can the merchant fleet of any Western nation, due to lower labor and fuel costs.

Russian influence on the developing nations in Africa and Asia can become dominant. NATO nations, faced with grave economic depression due to the Arab oil embargo and 470% increase in petroleum prices, can scarcely continue to aid these poverty stricken countries. The USSR and her Arab allies will be able and eager to supply this deficit and in dollars, pounds, marks, francs and lira, the result of the increased price of oil to NATO nations, estimated at $25 billion annually. With all or most of their foreign aid coming from nations under Soviet influence, all these new, excolonial nations will reluctantly, be drawn into the communist camp.

The U.S. furnished the technical management and much of the cost of clearing the Suez Canal when it was closed by Egypt's dictator, Gamal Nasser. There have been suggestions that the U.S. again participate financially in reopening it. It is not in our national interest to support or speed its availability

Secretary of State Kissinger has been remarkably successful as the catalyst between the Arabs and Israelis in the cease-fire and peace negotiations to date. It will take equally skillful diplomacy to avoid the disaster to the Western World which could flow from a reopened Suez Canal.

PANAMA CITY CITIZENS SCORE AN OUTSTANDING FIRST

(Mr. SIKES asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. SIKES. Mr. Speaker, the Military Affairs Committee of the Chamber of Commerce of Panama City, Fla., has long been known for its outstanding support of the Air Force and of Tyndall Air Force Base located nearby. The work of this committee has helped to bring about superior base-community relations.

Recently a group of these men scored an outstanding first in orientation tours by demonstrating beyond a doubt their sincere appreciation for the military community which they consider a real part of Panama City and Bay County.

On Tuesday morning, May 26, a group of 25 business leaders, all members of the military affairs committee, departed on commercial airlines for a 4-day tour of North American Air Defense Command facilities at Colorado Springs, Colo. Fuel limitations and economy measures have caused the military to forego goodwill tours frequently scheduled for community leaders. That did not deter the Panama City group. Each member of the tour group paid all his expenses incurred on this visit. This is the first known time a group of civic leaders from any city has purchased commercial tickets and paid all their expenses for such a tour.

A spokesman for the military affairs committee said the visit was planned to demonstrate the community's real interest in ADC and the military and to show community support of the Air Force and especially the local command. He said:

> ADC and NORAD commanders have changed, and mission requirements have been upgraded and also changed. The interest of the people of Panama City in Tyndall and in the Air Force has not diminished. We believe in both and we support the de-

fense of our nation. We feel that the orientation tours have possessed real value for both the citizens of the local community and the military. Consequently, we have sought to continue to show the real desire of this community to be part of the Tyndall community; our desire to encourage the continued growth of Tyndall AFB; and to foster the person-to-person relationship that has existed these many years between the community and Tyndall.

While in Colorado Springs the group visited the NORAD command headquarters complex under Cheyenne Mountain. They toured the Air Force Academy and were given extensive briefings on NORAD and the Aerospace Defense Command missions and plans for the future. They also had the opportunity to visit with Gen. Lucius D. Clay, Jr., NORAD-ADC commander.

As a social part of the visit, the Panama City group hosted a reception in honor of General Clay and approximately 50 members of his staff.

Panama Citians making the trip were met at Colorado Springs by Brig. Gen. Carl D. Peterson, commander of the Air Defense Weapons Center at Tyndall Air Force Base and his director of public affairs, Mr. Hank Basham.

The businessmen and committee members making this trip were M. G. Nelson, Deck Hull, John McMullen, T. Woodie Smith, Pat Patrick, Rowe Sudduth, Jim Rider, Roy Blackburn, R. F. Barnard, Gene Bazemore, James Bradshaw, John Hutt, Sr., John Hutt, Jr., Bill Teets, Joe Alderman, Keith Jordan, Tommy Cooley, Bill Parrish, J. O. Blackburn, Jimmy Hentz, Dr. Horton Lisenby, H. B. James, Richard Neves, L. D. Cowart, and Bobby Kirkland.

It was the feeling of all that this visit was a significant contribution toward making people aware that Panama City truly supports the Air Defense Weapons Center at Tyndall Air Force Base, the U.S. Air Force, and the Department of Defense in carrying out the national defense mission.

THE MINERAL CRISIS

(Mr. MILLER asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. MILLER. Mr. Speaker, the American people have been made more aware in the past 6 months of the hardships we face when we begin to run out of a vital resource or are cut off from our supply. Today I have introduced legislation that will alleviate this problem.

The mineral crisis that is beginning to hit this country is a problem that will become worse with each succeeding generation. At the present time the United States imports 93 percent of its manganese needs, 92 percent of its cobalt, 81 percent of its aluminum, 75 percent for tin and 71 percent of our nickel needs. This is only a partial list of critical raw materials that this country has to import. As we continue to deplete what reserves are left within our boundaries, our dependence on foreign sources will become even more pronounced. While inferior substitutes may be found for some of these minerals, it will take many years of research and huge sums of money before alternative minerals can be used by industry.

In the interim, we must insure that American industry and our national economy are not crippled by lack of the necessary raw materials. Our Nation has been awakened in the past 6 months by the sting of the Middle East oil embargo. Our children and our grandchildren will feel this pain even worse if we allow ourselves to become increasingly dependent on the good will of foreign countries to supply us with vital resources.

At the same time that the United States is running out of these vital raw materials, we continue to send massive amounts of foreign aid to those countries which have these undeveloped minerals. Since the end of World War II, foreign aid has cost the American taxpayer over $250 billion. We have received nothing in return. Foreign aid has not made the rest of the world love us. In fact, some of our major adversaries have been heavily subsidized by the American taxpayer. Our generosity has been returned with ingratitude more often than with thanks. At the same time, these recipients of our aid are sitting on top of very large deposits of unexploited mineral wealth. As more and more countries of the world begin to industrialize, our aid often contributes, directly or indirectly, to subsidizing the competition for these minerals. It is time the American people began to receive something back for their foreign aid. It is time we realized our own resource barrel is not bottomless. It is time other nations of the world realize that our unrewarded generosity has its limits.

The legislation that I have introduced today will help defuse this ticking time-bomb. The bill will allow the United States to barter its foreign aid for strategic or critical raw materials which are depleted, in short supply, or not produced in this country. There is no reason why we should not use this concept today with our foreign aid. America is running out of raw materials. We continue to send millions abroad in aid. It is time to solve our shortages by obtaining minerals in return for our foreign aid. The legislation introduced today will provide the vehicle to achieve that goal.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. Morgan (at the request of Mr. O'Neill), for today, on account of official business.

Mr. Frelinghuysen (at the request of Mr. Rhodes), the week of April 8, on account of official business.

Mr. McEwen (at the request of Mr. Rhodes), for the week of April 18, 1974, on account of official committee business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. Passman, for 30 minutes, on April 9.

Mr. Bafalis and Mr. Armstrong (at the request of Mr. Bafalis) to change the date of special orders for 1 hour each from April 8 to May 8, 1974.

(The following Members (at the request of Mr. Mallary) to revise and extend their remarks and to include extraneous matter:)

Mr. Steelman, for 5 minutes, today.

Mr. Goldwater, for 5 minutes, today.

Mr. Miller, for 30 minutes, today.

Mr Hogan, for 60 minutes, today.

Ms. Hansen of Idaho, for 5 minutes, today.

(The following Members (at the request of Mr. Mezvinsky) to revise and extend their remarks and include extraneous matter:)

Mr. Yatron, for 5 minutes, today.

Mr. Gonzalez, for 5 minutes, today.

Mr. Harrington, for 5 minutes, today.

Mr. Stokes, for 60 minutes, today.

Mr. Conyers, for 60 minutes, today.

Mr. Vanik, for 5 minutes, today.

Ms. Holtzman, for 15 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. Madden to revise and extend his remarks and include extraneous matter.

(The following Members (at the request of Mr. Mallary) and to include extraneous material:)

Mr. Roncallo of New York.

Mr. Conte.

Mr. Don H. Clausen.

Mr. Minshall of Ohio.

Mr. Schneebeli.

Mr. Hosmer in two instances.

Mr. Hogan in two instances.

Mr. Michel in five instances.

Mr. Heinz.

Mr. Spence.

Mrs. Heckler of Massachusetts.

Mr. Pritchard.

Mr. Hudnut.

Mr. Bauman in two instances.

Mr. Hunt.

Mr. Steiger of Wisconsin.

Mr. Whalen.

The following Members (at the request of Mr. Mezvinsky) and to include extraneous material:)

Mr. Annunzio in six instances.

Mr. Teague in 10 instances.

Mr. Sisk.

Mr. Mathis of Georgia.

Mr. Edwards of California.

Mr. Rarick in three instances.

Mr. Gonzalez in three instances.

Mr. Symington.

Mr. Stokes in five instances.

Mr. Hungate.

Mr. Litton.

Mr. Gibbons.

Mr. Jones of Tennessee in 10 instances.

Mr. Rodino in two instances.

Mr. Harrington.

Mr. James V. Stanton.

Mr. Burke of Massachusetts.

Mr. Rees.

Mr. Eilberg in 10 instances.

Mr. Zablocki in two instances.

Mr. Hanna in four instances.

Mr. Bingham in 10 instances.

Mr. Mazzoli.

Mr. Carney of Ohio in two instances.
Mr. Waldie.

ENROLLED BILLS SIGNED

Mr. HAYS, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 12253. An act to make certain appropriations available for obligation and expenditure until June 30, 1975, and for other purposes; and

H.R. 12627. An act to authorize and direct the Secretary of the Department under which the U.S. Coast Guard is operating to cause the vessel *Miss Keku*, owned by Clarence Jackson of Juneau, Alaska, to be documented as a vessel of the United States so as to be entitled to engage in the American fisheries.

BILL PRESENTED TO THE PRESIDENT

Mr. HAYS, from the Committee on House Administration, reported that that committee did on April 5, 1974, present to the President, for his approval a bill of the House of the following title:

H.R. 6186. An act to amend the District of Columbia Revenue Act of 1947 regarding taxability of dividends received by a corporation from insurance companies, banks, and other savings institutions.

ADJOURNMENT

Mr. MEZVINSKY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; whereupon (at 4 o'clock and 45 minutes p.m.), the House adjourned until tomorrow, Tuesday, April 9, 1974, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2151. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements other than treaties entered into by the United States, pursuant to Public Law 92–403; to the Committee on Foreign Affairs.

2152. A letter from the President, American Academy of Arts and Letters, transmitting the annual report of the Academy, pursuant to section 4 of its charter; to the Committee on House Administration.

2153. A letter from the Secretary, National Institute of Arts and Letters, transmitting the annual report of the institute, pursuant to section 4 of its charter; to the Committee on House Administration.

2154. A letter from the Deputy Assistant Secretary of Interior, transmitting a description of a project selected for funding through a grant arrangement with Colorado State University under the Water Resources Research Act of 1964, pursuant to section 200(b) of the act [42 U.S.C. 1961b(b)]; to the Committee on Interior and Insular Affairs.

2155. A letter from the Acting Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation to extend and transfer to the Department of Health, Education, and Welfare, the Native American program established under the Economic Opportunity Act of 1964; to the Committee on Interior and Insular Affairs.

2156. A letter from the Chairman, Federal Power Commission, transmitting a copy of the publication entitled "Typical Electric Bills, 1973"; to the Committee on Interstate and Foreign Commerce.

2157. A letter from the Director, Office of Telecommunications Policy, Executive Office of the President, transmitting a draft of proposed legislation to amend certain provisions of the Communications Satellite Act of 1962, as amended; to the Committee on Interstate and Foreign Commerce.

2158. A letter from the Administrator of General Services, transmitting a prospectus proposing the construction of a Federal Office Building at Pittsfield, Mass., pursuant to 40 U.S.C. 606; to the Committee on Public Works.

2159. A letter from the Administrator of General Services transmitting a prospectus proposing the acquisition by lease of space for the Department of Health, Education, and Welfare in Dallas, Tex., pursuant to 40 U.S.C. 606; to the Committee on Public Works.

2160. A letter from the Administrator of General Services, transmitting a request for the withdrawal of a previously approved prospectus proposing the construction of a Child Research Center for the National Institutes of Health at Bethesda, Md.; to the Committee on Public Works.

2161. A letter from the Chairman, Board of Trustees, John F. Kennedy Center for the Performing Arts, transmitting the annual reports of the Center for fiscal years 1970, 1971, 1972, and 1973, pursuant to 72 Stat. 1700; to the Committee on Public Works.

2162. A letter for the Secretary of Commerce, transmitting a draft of proposed legislation to amend title 5, United States Code, to authorize the withholding of trust territory income taxes of Federal employees; to the Committee on Ways and Means.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BINGHAM:

H.R. 14014. A bill to authorize assistance for the resettlement of refugees from the Union of Soviet Socialist Republics; to the Committee on Foreign Affairs.

By Mr. BROWN of California:

H.R. 14015. A bill to amend title V of the Housing and Urban Development Act of 1970 to establish a demonstration program aimed at developing techniques and structures of neighborhood and district subunits of general local Government which achieve partnership between citizens and public officials; to the Committee on Banking and Currency.

By Mr. BURLESON of Texas:

H.R. 14016. A bill to amend the Internal Revenue Code of 1954 to provide for the treatment of dividends received by a member of an affiliated group from a subsidiary that is excluded from the group solely because such subsidiary is a life insurance company; to the Committee on Ways and Means.

By Mr. BURLESON of Texas (for himself, Mr. Maraziti, and Mr. Roncallo of New York):

H.R. 14017. A bill to amend the Internal Revenue Code of 1954 and the Social Security Act to provide a comprehensive program of health care by strengthening the organization and delivery of health care nationwide and by making comprehensive health care insurance (including coverage for medical catastrophes) available to all Americans, and for other purposes; to the Committee on Ways and Means.

By Mr. FISH:

H.R. 14018. A bill to amend certain provisions of Federal law relating to explosives; to the Committee on the Judiciary.

By Mr. FRENZEL (for himself, Ms. Abzug, Mr. Ashley, Mr. Brown of Michigan, Mr. Cleveland, Mr. Cohen, Mr. Conte, Mr. Cotter, Mr. Coughlin, Mr. Cronin, Mr. Gilman, Mr. Hanley, Mr. Koch, Mr. McKinney, Mr. Moakley, Mr. Roe, Mr. Steiger of Wisconsin, and Mr. Williams):

H.R. 14019. A bill to improve the quality, reliability, and usefulness of data on urban mass transportation systems and on other urban transport operations, systems, and services; to the Committee on Banking and Currency.

By GINN:

H.R. 14020. A bill to amend the Small Business Act to provide loans for making payments on mortgages to small businesses adversely affected by the energy crisis; to the Committee on Banking and Currency.

By Mr. GREEN of Pennsylvania:

H.R. 14021. A bill to raise needed revenues by taxing oil, gas, and mineral producers on the same basis as other taxpayers, thereby simplifying the Internal Revenue Code, increasing tax equity, and allowing free market forces to determine the distribution of investment capital; to the Committee on Ways and Means.

By Mr. HOGAN (for himself, Mr. Brasco, Mr. Broyhill of Virginia, Mr. de Lugo, Mr. Downing, Mr. Fauntroy, Mr. Goldwater, Mrs. Holt, Mr. Parris, Mr. Shoup, Mr. Tiernan, Mr. Van Deerlin, Mr. Whitehurst, and Mr. Won Pat):

H.R. 14022. A bill to direct the Secretary of Transportation to make a comprehensive study of a high-speed ground transportation system between Washington, District of Columbia, and Annapolis, Md., and a high-speed marine vessel transportation system between the Baltimore-Annapolis area in Maryland and the Yorktown-Williamsburg-Norfolk area in Virginia, and to authorize the construction of such system if such study demonstrates their feasibility; to the Committee on Interstate and Foreign Commerce.

By Mr. KOCH (for himself, Mr. Edwards of California, and Mr. Riegle):

H.R. 14023. A bill to provide that members of the Armed Forces may be separated or discharged from active service only by an honorable discharge, a general discharge, or discharge by court martial, and for other purposes; to the Committee on Armed Services.

By Mr. RODINO:

H.R. 14024. A bill to authorize two additional judgeships for the Court of Appeals, for the Ninth Circuit; to the Committee on the Judiciary.

H.R. 14025. A bill to provide an additional permanent district judgeship in Puerto Rico; to the Committee on the Judiciary.

H.R. 14026. A bill to protect Federal mine inspectors in the performance of their official responsibilities; to the Committee on the Judiciary.

H.R. 14027. A bill to amend the Jury Selection and Service Act of 1968, as amended, by revising the section on fees of jurors; to the Committee on the Judiciary.

By Mr. ROYBAL:

H.R. 14028. A bill to terminate the Airlines Mutual Aid Agreement; to the Committee on Interstate and Foreign Commerce.

By Mr. SARASIN:

H.R. 14029. A bill to amend title 38 of the United States Code in order to provide service pension to certain veterans of World War

I and pension to the widows of such veterans; to the Committee on Veterans' Affairs.

By Mrs. SCHROEDER:

H.R. 14030. A bill to terminate the Airlines Mutual Aid Agreement; to the Committee on Interstate and Foreign Commerce.

By Mr. STEELMAN:

H.R. 14031. A bill to amend section 552 of title 5, United States Code (known as the Freedom of Information Act), to provide for the award of court costs and reasonable attorneys' fees to successful complainants that seek certain Federal agency information; to the Committee on Government Operations.

H.R. 14032. A bill to amend section 552 of title 5, United States Code (known as the Freedom of Information Act), to provide for increased public access to certain Federal agency records; to the Committee on Government Operations.

H.R. 14033. A bill to amend section 552 of title 5, United States Code (known as the Freedom of Information Act), to require Federal agencies to respond to requests for certain information no later than 15 days after the receipt of each such request; to the Committee on Government Operations.

H.R. 14034. A bill to amend section 552 of title 5, United States Code (known as the Freedom of Information Act), to provide for an in-camera inspection by the appropriate court of certain agency records; to the Committee on Government Operations.

H.R. 14035. A bill to amend section 552 of title 5, United States Code (known as the Freedom of Information Act) to specify those matters which in the interest of the national defense may be withheld from public disclosure by a Federal agency; to the Committee on Government Operations.

H.R. 14036. A bill to provide standards of fair personal information practices; to the Committee on the Judiciary.

H.R. 14037. A bill to amend the Social Security Act to prohibit the disclosure of an individual's social security number or related records for any purpose without his consent unless specifically required by law, and to provide that (unless so required) no individual may be compelled to disclose or furnish his social security number for any purpose not directly related to the operation of the old-age, survivors, and disability insurance program; to the Committee on Ways and Means.

By Mr. TEAGUE (for himself, Mr. Camp, Mr. Cotter, and Mr. Martin of North Carolina):

H.R. 14038. A bill to authorize appropriations for activities of the National Science Foundation, and for other purposes; to the Committee on Science and Astronautics.

By Mr. TEAGUE (for himself, Mr. Milford, Mr. Thornton, Mr. Gunter, and Mr. Pickle):

H.R. 14039. A bill to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and research and program management, and for other purposes; to the Committee on Science and Astronautics.

By Mr. WINN:

H.R. 14040. A bill to designate the birthday of Susan B. Anthony as a legal public holiday; to the Committee on the Judiciary.

By Mr. MILLER (for himself, Mr. Spence, Mr. Waggonner, Mr. Collins of Texas, Mr. Martin of North Carolina, Mr. Ketchum, Mr. Treen, Mr. Podell, Mr. Fish, Mr. Duncan, Mr. Long of Maryland, Mr. Veysey, Mr. Yatron, Mr. Steiger of Arizona, Mr. Derwinski, Mr. Riegle, Mr. McSpadden, Mr. Gunter, Mr. Ware, Mr. Kemp, Mr. Lott, Mr. Mollohan, Mr. Regula, Mrs. Collins of Illinois, and Mr. Hungate):

H.R. 14041. A bill to authorize the provision of assistance to foreign countries in exchange for strategic or critical raw materials; to the Committee on Foreign Affairs.

By Mr. O'BRIEN (by request):

H.R.14042. A bill to provide for the regulation of oil companies; to the Committee on the Judiciary.

By Mr. PARRIS:

H.R. 14043. A bill to convey to the city of Alexandria, Va., certain lands of the United States, and for other purposes; to the Committee on the District of Columbia.

By Mr. HOWARD (for himself, Mr. Andrews of North Carolina, Mr. Archer, Mr. Brown of Michigan, Mr. Davis of Georgia, Mr. Dent, Mr. Dulski, Mr. Fascell, Mr. Froehlich, Mr. Fulton, Mr. Ginn, Mr. Harrington, Mr. Hicks, Mr. Hogan, Mr. Ichord, Mr. Johnson of California, Mr. Kemp, Mr. McSpadden, Mr. Murphy of New York, Mr. Patten, Mr. Quillen, Mr. Rhodes, Mr. Robinson of Virginia, Mr. Thompson of New Jersey, and Mr. Bob Wilson):

H.J. Res. 969. Joint resolution to authorize the President to issue a proclamation designating the month of May 1974, as National Arthritis Month; to the Committee on the Judiciary.

By Mr. PEYSER:

H.J. Res. 970. Joint resolution to authorize the President to issue a proclamation designating the month of May 1974, as National Arthritis Month; to the Committee on the Judiciary.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

412. By the SPEAKER: Memorial of the Legislature of the Commonwealth of Pennsylvania, relative to continuation of the Department of Agriculture's commodity purchase program; to the Committee on Agriculture.

413. Also, memorial of the Legislature of the Territory of Guam, relative to military housing on Guam; to the Committee on Armed Services.

414. Also, memorial of the House of Representatives of the Commonwealth of Massachusetts, relative to apartheid; to the Committee on Foreign Affairs.

415. Also, memorial of the Legislature of the Trust Territory of the Pacific Islands, relative to funding of the Bikini rehabilitation project; to the Committee on Interior and Insular Affairs.

416. Also, memorial of the Legislature of the State of California, relative to population estimation; to the Committee on Post Office and Civil Service.

417. Also, memorial of the Legislature of the State of Oklahoma, relative to water pollution control; to the Committee on Public Works.

418. Also, a memorial of the Legislature of the Commonwealth of Massachusetts, relative for overseas investment; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause I of rule XXII,

Mr. WHITEHURST introduced a bill (H.R. 14044) for the relief of Comdr. Stanley W. Birch, Jr., to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause I of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

418. By the SPEAKER: Petition of Asuemu U. Fuimaono, Delegate-at-Large of American Samoa, Washington, D.C., relative to an alleged violation of the Hatch Political Activities Act by the Governor of American Samoa; to the Committee on House Administration.

419. Also, petition of the board of supervisors, Sacramento County, Calif., relative to rail passenger service through Sacramento; to the Committee on Interstate and Foreign Commerce.

420. Also, petition of the city Council, Geronimo, Okla., relative to recreation opportunities in the Wichita Mountains; to the Committee on Merchant Marine and Fisheries.

EXTENSIONS OF REMARKS

JUDGE JAMES HARVEY

HON. ROBERT P. GRIFFIN

OF MICHIGAN

IN THE SENATE OF THE UNITED STATES

Monday, April 8, 1974

Mr. GRIFFIN. Mr. President, in Saginaw, Mich., on February 1, 1974, Representative James Harvey, who since 1960 had served Michigan's Eighth Congressional District so ably, took the oath of office was installed as a U.S. district judge for the Eastern District of Michigan.

Following the ceremony there was a luncheon at which Cornelius J. Peck, distinguished professor of law and currently a visiting faculty member at the University of Michigan Law School, was the principal speaker.

Professor Peck, who has known Jim Harvey since boyhood days together in Iron Mountain, Mich., spoke of those qualities of warmth and understanding which Jim brings to the Federal bench. I ask unanimous consent that the text of his remarks be printed in the Extensions of Remarks.

There being no objection, the statement was ordered to be printed in the Record, as follows:

REMARKS BY PROF. CORNELIUS J. PECK

As I began thinking about what I would say at this occasion, I became a little angry—angry with people who have said on much lesser occasions that they were honored, etc. Today I have an opportunity to restore meaning to the phrase as it should be used when I say that I am honored—truly honored—to be able to speak to you on this occasion of the installation of Judge James Harvey in the position of judge of the United States District Court for the Eastern District of Michigan.

It is also a pleasure—and of this I should have no difficulty in convincing you—to be present at and take part in the ceremonies of the installation to a federal judgeship of a close friend with whom I attended high school in Iron Mountain, Michigan, more than thirty years ago.

Indeed, there is a great temptation to amuse you with a series of anecdotes from our youth, not all of which would at first impression seem consistent with the general image of a somber deliberate judge. I said at first impression, because as I thought over events about which I might tell you, it became apparent that they would reveal an appreciation of humor, abundance of energy, and an eagerness to be an involved participant. These qualities ensure us that Jim Harvey will bring to his judgeship a humanity which will benefit those whose cases come before him.

Well, I shall not tell you any anecdotes of of our youth, but I will tell you of my great pleasure in knowing Jim Harvey's parents. The pleasure for me was much enhanced by the fact that they were the first adults to speak to me as though I were, so-to-speak, a real person. By this I mean they were interested in me, in my views, and willing to discuss matters as fellow human beings. I mention this because I think it important to know that a judge comes from a family which by its example taught that respect was due even a young person and his ideas. I could tell you more—about all the wood that was split for the fires which burned so cheerfully in the Harvey fireplace during the winters—or about the old Buick which, when I last knew it, had gone over 110,000 miles in days and on roads on which many automobiles stopped functioning at half that mileage. I mention this because I believe that parents do so much to teach their children by example, and that Jim Harvey's parents were excellent teaching models for their children.

Jim Harvey and I did not go to the same college or the same law school. He went to the University of Michigan, entering in 1940 and receiving an L.L.B. in 1948. As those dates indicate his educational program was interrupted by three years service in the U.S. Air Force during World War II.

Although the paths of our lives separated, we have kept in touch with each other. As many of you probably know, Jim Harvey began the practice of law here in 1949. He served as assistant city attorney until 1953, as city councilman from 1955 to 1957, county supervisor from 1955 to 1957, and as mayor of Saginaw from 1957 to 1959. In 1960 he was elected to Congress from the Eighth District of Michigan, and has been returned to Congress by the people of that district in every election held since then.

One should not neglect the personal part of his life. Jim married June Collins in 1948, and they are the parents of Diane and Tom. I am sure that a rich family life has been a great source of the strength necessary to sustain Jim in the hectic world of politics.

This abbreviated biography should have convinced you that Jim Harvey is a very good man—a wonderful person. But what kind of judge will he be? Some of you may even be wondering whether it would not be better if he had had more trial experience thinking that we should elevate to the bench only the veterans of many courtroom battles. I do not mean to slight his substantial experience as a practitioner of law, but I prefer to give you assurances—indeed to lay the basis for congratulations on your great success by discussing the qualities of a good judge and the responsibilities which he must discharge.

In doing so before this audience in which there are so many practicing members of the bar, I will confess to some lack of confidence. I am after all a professor of law whose courtroom appearances ended almost 20 years ago. However, upon occasions like this I find strength in the reassurances given me a number of years ago by an older faculty colleague when I had some doubts about speaking to the Seattle-King County Bar Association on a very practical subject. He said to me, "Neil, don't worry about it. Just think about Catholic priests and how much advice they give about marriage." Though these reassurances might be weakened by the realization that in recent days some Catholic priests have taken up what we might call field research on this subject, I would like to discuss for you some of the responsibilities of judges—particularly trial judges.

At the outset, we should note the tremendous importance of trial judges in our judicial system. Newspapers, television and the law reviews devote most of their attention to the decisions of the United States Supreme Court. It is easy, particularly for non-lawyers, to assume that it is at the Supreme Court level that the important things happen. What happens elsewhere is by this view unimportant as demonstrated by how little attention the decisions of trial judges generally receive. Yet a moment's reflection will make apparent the obvious—that nothing the Supreme Court does or says can affect the lives of people unless the trial courts faithfully and impartially administer the legal principles announced by the Supreme Court and apply the interpretations which that Court gives to statutes. The most beautiful principle of justice announced by the Supreme Court is nothing unless it is followed and implemented by our trial judges.

Another common view is that trial judges have no significant role to play because they are bound by the rules announced by the appellate courts. According to this view trial judges are little more than unthinking automatons, programed to work in accordance with the rules laid down by their superiors.

Obviously, this is a mistaken view of the trial judge's role. The law is by no means so comprehensively stated that there is an existing answer for every substantive question which may arise—particularly in a society with rapidly changing ways of manufacturing, doing business, and styles of life. Undoubtedly, appellate judges have a larger share of cases of first impression than do trial judges. But such cases do come to trial judges and it is the alert and perceptive trial judge who can point out that there are no controlling precedents for the problem before him. Even when there are controlling precedents they may seem no longer to serve the interests of society. It is the trial judge's power to raise the question for reconsideration by writing an opinion which points out the conflict between the existing precedents and current needs of society. I think in this respect of the concurring opinion of the late Judge Jerome Frank in Roth v. United States in which he said that everything the Supreme Court had said made him believe that obscenity did not enjoy the protection of Free Speech. But he said if the case should go to the Supreme Court the appendix which he attached to his opinion might be of some value. There followed thirty some pages of what I believe is still one of the best analyses of the problem of reconciling control of obscenity with free speech.

The occasional power to make new law is but a small part of what makes the automaton view of a trial judge erroneous. That view is erroneous because so many of the important things which a trial judge does are not controlled by law. They are instead matters governed by the sound discretion of the trial judge.

For example, probably eighty or ninety percent of the criminal cases coming before a federal district judge are cases in which the defendant has pleaded guilty. In those cases the only important thing done by the judge is sentencing. And it may be the most important thing even in those cases in which there was a trial.

There is, of course, very little law and very much discretion in sentencing convicted criminals. To what extent should the sentence reflect the seriousness of the crime, to what extent should it serve to deter others from such conduct, to what extent should it deter the convicted criminal from repeating crime, to what extent should the sentence incapacitate the defendant by confinement, and to what extent is punishment necessary to deter the victim or relatives of the victim from retaliating for the wrong done. As I've said there is no law that governs a judge's decision as to which of these ends should be served, and at present there is no effective appellate review of sentences imposed. The responsibility of the trial judge is an awesome one—and one which makes it so important that a trial judge be a knowledgeable, wise and sensitive man familiar with both the ills and the strengths of our society.

Judge Harvey will have an assistance in sentencing which unfortunately does not exist in all other districts. In the Eastern District of Michigan a sentencing council, consisting of two other judges and probation officers, meets with the sentencing judge to assist him in determining what sentence to impose. The responsibility for decision remains that of the sentencing judge, but at least he does not have to exercise that great power without guidance from others familiar with the process.

The sentencing power, while dramatic, is not the only significant discretionary power exercised by a trial judge. The fact-finding process—which witnesses will be believed and which will not be credited—is a tremendous power not governed by legal rules which a trial judge exercises in those many cases tried without a jury. And as practicing lawyers know so well, it is usually the disputed facts and not the law which control decision.

Even in cases tried to a jury a trial judge has discretionary powers which have great significance in the fact-finding process. Is the expert witness qualified? Does the giving of an expert opinion invade the province of the jury? Has counsel exceeded permissible limits of cross examination? What questions perhaps designed to educate the jury will be permitted on voir dire? His interlocutory rulings do so much to frame the issues and develop the record of a case which may never be appealed, or if appealed found to contain no prejudicial error. And unlike most state court judges, a federal judge may give the jury the benefit of his views of the evidence and testimony of witnesses.

More examples of the vast discretionary powers of a trial judge could be given. But I hope my point has been made that a trial judge is not an automaton, but possesses great discretionary powers and that I may turn to other qualities of a judge.

Judges must avoid entanglement in many of the controversies of contemporary society to ensure impartiality if some aspect of that controversy should come before them judicially. The picture that sometimes takes hold is that of the judge who reads nothing but judicial opinions and statutes, who sees no dramas other than those in his courtroom, and who makes his wife conduct breakfast conversation in accordance with the rules of evidence. But such a man obviously is not fit to be a judge.

I am reminded at this point of the story of the bass player who played in the orchestra for the New York Opera a number of years ago before vacations and holidays were enjoyed by musicians. When he had played in the orchestra for twenty years he was given his first day off. His wife was unable to accompany him, but she waited eagerly for his return. When he did return she asked with excitement what he had done. She was stunned when he said he had gone to the opera. She was even more flabbergasted when she learned he had seen Carmen, noting he had played Carmen as much as twenty times a year or about 400 times during his service in the orchestra. He cut short her criticism and told her it had been a thrilling experience. He said, "You know that part that goes zum-zum, zum-zum? Well it really doesn't. It goes" and then he sang for her the most familiar line of the most familiar aria of the opera.

That story has always had a poignancy for me. There are so many of us who live out our lives playing the zum-zum of the bass player. It is sad to miss so much of this big picture of human existence and human endeavor.

What is sad for the lives of some is a tragedy for both the man and society if a judge has only the limited view of a technician. Our society is pluralistic, to say the least. We have many experts and many specialists. Indeed, it is amazing that an economy and culture with such diversity can function in any coordinated view. Conflict is sure to arise and must be resolved if it is not to destroy us. Law is of course a great unifying force, binding together the diverse elements of society. The judges who administer that law must be generalists who have an overview of the forces working in our society.

So, Judge Harvey, while I do not discourage diligence in the reading of cases and treatises, I urge you to devote a substantial part of your time in exploration of the many fascinating things which exist and are developing in the non-legal world. You need not ignore the great issues of contemporary society, just do not align yourself with a party or partisan in those controversies. In short, though it may seem an overstatement, I think it well for a judge to set for himself the goal of becoming a Renaissance man. Of course, in saying this I do not mean that you should slight what professors write in law reviews. But my advice is probably redundant and totally unnecessary.

Other careers may prepare a man for a federal judgeship, but most certainly the experience gained by a congressman must be among the best of preparations. As a trial judge he will occasionally be called upon to make a resolution for a previously unsolved problem comparable to the political decisions he made as a legislator. More often he will only administer the compromises made by others—by Congress in enacting legislation or by the Supreme Court in giving a harmonizing reading to our Constitution and the fundamental interests it serves. His experiences as a legislator will no doubt assist him in arriving at an understanding of the law which he thus administers.

The office of judge is not an easy one. The tremendous power and the tremendous responsibility weigh heavily on a conscientious man. But I think it has a reward which I have come to appreciate in a comparable way as an academic.

When I first becme a teacher I carried with me some of the attitudes of an advocate. If I had taken a position, I tended to defend it from all challenges. In time, however, I came to recognize that I need not hold to arguments which were better abandoned and that to do so was not in furtherance of academic goals. I learned the great pleasure that comes from holding only for what one thinks is right and admitting error or uncertainty where it exists.

A federal trial judge can do much the same. He has no client to serve. He need not worry about being reelected or of offending powerful persons or interests capable of retaliating. He can in most things do what he believes is just, right and proper. For some things about which he is uncertain he can say so and leave it to the parties and the appellate courts to determine if he was wrong. Even in those matters governed by his discretion and not effectively subject to review, he may do what he believes best unconstrained by forces which make so many of us rationalize a justification for our action.

By this I do not mean to say that a judge or an academic can ever be totally impartial. Our thinking is necessarily affected by the values we hold. There is no scientifically objective way to derive values. They come to us through the many varied experiences of life, both intellectual and emotional. On this point, I find consolation and guidance in one of former Justice Goldberg's favorite sayings. Paraphrased, it is that to be truly impartial is an impossible dream; to be intellectually honest is an indispensible necessity.

Judge Harvey, I congratulate you on your installation as federal district judge, and I wish for you an interesting and rewarding professional life in this very responsible position. To the rest of you, and to the people of Michigan, I give my congratulations on the success and good fortune which has come to you through Judge Harvey's acceptance of this appointment.

BAN THE HANDGUN—XLI

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 8, 1974

Mr. BINGHAM. Mr. Speaker, the gun lobby's continued opposition to sane and sensible gun control legislation centers on three specious arguments. First, that the imposition of stiff jail terms would reduce handgun violence; second, that the States should be left to their own wiles to deal with the problem; and third, that the Constitution guarantees every man the right to turn his home into an arsenal. The reprinted editorial from the April 4 edition of the New York Times explodes these hypotheses and eloquently points out that no civilized society can justify the passivity of U.S. law in the face of the grim record compiled without Federal intervention:

[Editorial from the New York Times, Apr. 4, 1974]

GUNS AND SOCIETY

The appalling statistics of death and injury from illegally used firearms provides convincing support for Governor Wilson's call for stiffening the penalties for illegal possession of handguns and other weapons. The additional proposal that tougher penalties be imposed on any person illegally carrying a firearm on school property is amply justified by the growing threats to the safety of teachers and students.

No unilateral action by this or any other state, however, can turn the tide of violent gun abuse. The continued absence of effective Federal gun controls perpetuates a situation that has long made the United States the most trigger-unhappy Western nation. The 1968 statutes outlawing the import of foreign handguns—the so-called "Saturday night specials"—have been easily circumvented by importers of parts, which subsequently are put together on the assembly lines of domestic shops. Within four years after the 1968 import ban of complete hand guns, well over 4 million of these weapons were produced in the United States from imported parts. In the past decade the nation has suffered more than 95,000 gun-inflicted murders, along with 700,000 injuries and 800,000 cases of gun-armed robberies.

New York already has the strictest gun-control laws in the nation. Yet the lack of Federal regulation and lax law-enforcement stand in the way of any effective inroads against armed mayhem. Urgent appeals by concerned members of Congress and by such experts as the city's former Police Commissioner, Patrick V. Murphy, and the late F.B.I. director, J. Edgar Hoover, have been shouted down by misguided voices echoing the party line of the gun lobby.

Nonsense about "the right to bear arms," making a parody of the Constitution's intent, has beclouded the real issue—the safe, sensible control and registration of firearms. In the absence of such Federal legislation Americans will continue to kill themselves accidentally; they will keep on being murdered by armed criminals or by others who act under the impulse of maddened passion. No civilized society can justify the passivity of Federal law in the face of such a grim record.

DAYLIGHT SAVING TIME: AN APPEAL FOR REPEAL

HON. JERRY LITTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, April 8, 1974

Mr. LITTON. Mr. Speaker, I have introduced a bill to repeal the Emergency Daylight Saving Time Energy Conservation Act of 1973. My proposal, if implemented, would return us to standard time the last Sunday in October 1974.

On November 27, when the House by a vote of 388 to 80 passed H.R. 11324 in response to the President's November 7 energy message, Members of the House voting "yea" were swayed by the White House Office of Energy Policy projections that DST would probably result in a fuel savings of 3 percent. Preliminary reports do not substantiate these projections. Now, it would appear to have been a highly exaggerated estimate. The Federal Power Commission has indicated that there is only about a 0.2 percent saving of energy consumption from DST. This small amount is too negligible to offset the traumas DST during the winter months has created.

In retrospect, I think the House may well have acted hastily in voting a shift to year-round daylight saving time for a 2-year period. One year would be sufficient to determine whether enough energy would actually be conserved. Thus, a 1-year cutoff is what my bill proposes, and it has been introduced in response to a tremendous outcry from my constituents in the Sixth District of Missouri. In the rural areas of my district the consensus all along has been that while Members of Congress are empowered to change the clocks, we cannot change sunrise, sunset, or the tides. They are right, Mr. Speaker, we cannot, and there simply has to be a better way to encourage savings of energy. Daylight saving time during the winter months has served to bring about more hardship than any other proposal to save energy. I think it would be foolhardy to try to live with such an untenable measure throughout the winter of 1974.

Mr. Speaker, many Members of the House supported the emergency daylight saving time concept because they thought it might help convince the American people that the energy crisis was real and more of them would support conservation measures. I think most people now believe we do indeed have an energy crisis. There are differences of opinion on who caused it, how severe it is, and how to solve it, of course. Further, some Members supported the bill because the language of the bill was such that States could get out from under the law by showing that energy was not being saved in their State. However, few Governors have requested that their State be exempt.

Mr. Speaker, I contend that whatever small savings in energy might be achieved by winter daylight savings time, the cost is too high, and the benefits are not commensurate. Many of my colleagues concur in this viewpoint, and feel, as I do, if the Congress has made a mistake, let us admit it and get on with other things.

CONGRESSMAN JEROME R. WALDIE MAKES PUBLIC HIS INCOME TAX RETURNS

HON. JEROME R. WALDIE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 8, 1974

Mr. WALDIE. Mr. Speaker, today, for the fifth time in as many years. I am placing my income tax returns, Federal and State, in the CONGRESSIONAL RECORD.

I do this to reaffirm my total commitment to full disclosure of assets and income by public officials and candidates for public office.

The recent furor engendered by the President's controversial tax returns has served to impress on the public its right to know if elected officials and candidates are paying the taxes they ought to; and, if those officials and candidates are observing the Federal and State tax laws the same as private citizens.

Mr. Speaker, in each of the last 5 years I have coupled making public my tax returns with a call on the Congress to impose regulations on candidates and officeholders, making it mandatory for them to make public not only their income tax returns, but the complete listing of financial assets and liabilities.

The public should know how an official is making his money and with whom he is investing that money so as to prevent any conflicts of interest.

I have complied fully with my own standards of disclosure as have some other Members of Congress and candidates for office.

Some, however, have not—probably because of the embarrassing fact that some candidates pay no income tax at all, despite the fact they are wealthy men.

This may be the hardest test of a candidacy and I encourage the subjecting of this test to all candidates for public office.

Mr. Speaker, for the tax year 1973 I paid a total of $8,684.54 in Federal taxes on an income of $45,815.45.

I paid $2,398.94 in California income taxes for the taxable year 1973.

Mr. Speaker, in February of this year I made public a compilation of my assets and liabilities. I would at this time like to add a summary of this report in the RECORD:

Assets:	
Real estate	$66,000.00
Savings	20,436.76
Insurance	14,739.00
Retirement (Federal and State)	25,092.18
Autos	1,500.00
Stocks	14,223.50
Total	141,991.44
Liabilities:	
Mortgage	24,467.00
Total	24,467.00
Net worth	117,524.44

CONCERN OVER THE PANAMA CANAL

HON. STANFORD E. PARRIS

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 8, 1974

Mr. PARRIS. Mr. Speaker, with the Treaty of 1903, the Republic of Panama granted to the United States sovereignty in perpetuity over the Panama Canal Zone. However, presently we are faced with negotiations which ultimately threaten to relinquish U.S. control over the canal. With this in mind, I urge my fellow Congressmen to take notice of the following senate joint resolution of the Virginia General Assembly:

RESOLUTION

Whereas, in nineteen hundred and three, the United States of America was granted sovereignty over the Panama Canal Zone in perpetuity; and

Whereas, the Panama Canal is essential to the defense and national security of the United States of America; and

Whereas, the Panama Canal is of vital importance to the economy and interoceanic commerce of the United States of America and the remainder of the free world; and

Whereas, valuable exports from Virginia go through the Panama Canal to distant reaches of the globe; and

Whereas, under the sovereign control of the United States of America, the Panama Canal has provided uninterrupted peacetime transit to all nations; and

Whereas, the traditionally unstable nature of Panamanian politics and government poses an implicit threat to the security of the interests of the United States of America served by the Panama Canal; and

Whereas, the Republic of Panama possesses neither the technical and managerial expertise to effectively operate and maintain the Canal nor the capability to meet the growing demands placed upon the Canal; and

Whereas, the Canal represents a five billion dollar investment in the part of the people of the United States of America; now, therefore, be it

Resolved by the Senate, the House of Delegates concurring, That the General Assembly of Virginia requests that the Congress of the United States reject any encroachment upon the sovereignty of the United States of America over the Panama Canal and insist that the terms of the Hay-Bunau-Varilla Treaty of 1903 as subsequently amended be adhered to and retained; and

Be it further resolved, That the Clerk of the Senate send copies of this resolution to Richard M. Nixon, President of the United States; Gerald R. Ford, Vice President of the United States; Henry A. Kissinger, Secretary of State; Carl Albert, Speaker of the House; J. William Fulbright, Chairman, Senate Foreign Relations Committee; and to each member of the Virginia Delegation to the Congress of the United States.

STOP ARMING THE ARABS

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 8, 1974

Mr. LEHMAN. Mr. Speaker, less than 1 month ago, the Arab oil states including Saudi Arabia and Kuwait were waging economic warfare against the United States by their embargo on oil shipments to our Nation.

I had proposed at the time that we should in turn halt U.S. exports of goods, materials, and technology to these countries until they decided to halt their irresponsible and aggressive actions. The adoption of this policy might have proven especially effective against both Saudi Arabia and Kuwait which are 100 percent dependent on imports for wheat and feed grains. Whatever our response was to be, the polls reported that the American people were overwhelmingly opposed to our yielding to Arab oil blackmail.

Within weeks of the ending of the embargo, we now hear that agreement has been reached with Saudi Arabia on a massive agreement for U.S. arms involving hundreds of warplanes and the most sophisticated American tanks.

At the same time we hear that Kuwait will soon send a military delegation to the United States to discuss American offers to sell them modern jet fighters and transport planes.

Were these deals a part of the price our Government agreed to pay for the end of the oil boycott?

Will such a price satisfy the Arabs? The Arab leaders still consider oil to be a useful weapon and have declared that they can lift or impose the embargo at any time they so choose.

How does sending warplanes to Saudi Arabia and Kuwait make sense in light of our Nation's support for Israel? Units of the armed forces in Saudi Arabia and Kuwait are stationed in Syria at this very moment, supporting the Syrian shelling of Israeli positions.

The Arab leaders have repeatedly insisted upon their freedom to use the weapons they purchase at any time and in any place they wish. Are we to send Saudi Arabia and Kuwait warplanes to use against Israel?

The American people made their position clear that December when Congress voted overwhelmingly in favor of emergency security assistance for Israel. The American people do not want us arming the Arabs.

A LESSON TO THE GOVERNMENT—FOR ALL IN THE COMMUNITY

HON. RON DE LUGO

OF THE VIRGIN ISLANDS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 8, 1974

Mr. DE LUGO. Mr. Speaker, in the Record of April 4, I praised a group of Charlotte Amalie High School students for their perseverance in combating the illegal concreting of a historic walk on St. Thomas.

In further acknowledgment of their success, community pride, and cultural sensitivity, I wish to bring to the attention of my colleagues an additional comment on these students:

[From the Virgin Islands Post, Mar. 27, 1974]

A Lesson to the Government—For All in the Community

Several students at the Charlotte Amalie High School have taught the Government an object lesson in civics by forcing it to adhere to the law.

Through their perseverance the students made the Government admit its error and correct its mistake. Certain sections of the Government obviously had no intention of doing so and seemed to view the students' involvement as an intrusion on their prerogatives. But an appeal to the agency of the Government overlooked in the commission of the act contrary to law elicited a response that upheld the students' position.

The intent of the segments of Government originally involved—the Department of Public Works and the Governor's office—was not a malicious or subversive disobeyance of law. Nor we think in the later stages any attempt to antagonize or denigrate the students, but was rather a self-reliant ignoring of the students' legitimate complaint.

At the behest of members of the congregation of the Moravian Church, the Public Works Department proceeded to replace the disintegrating sidewalk on Norre Gade on the assumption that its condition endangered pedestrians. On that point they probably were right.

But art students at C.A.H.S. noted that the Public Works Department had no authority to alter the sidewalk. Concerned about the islands' cultural heritage they were aware that the sidewalk comprised part of the Historic District in Charlotte Amalie and that Planning Board's approval is required before any portion of the district can be changed.

The P.W.D. official responsible admitted to this newspaper that he was unaware of that law.

At the initial protestations of the students, the Administrator of St. Thomas attempted to mediate by explaining the necessity of the work, apparently giving the students' arguments about its illegal nature short shrift. Not yet disillusioned with the government's indifference to their position the students continued to press the issue finally appealing to the Planning Board who, they contended, should have been contacted in the first place. The Planning Board upheld their judgment and ordered P.W.D. to restore the original sidewalk as much as feasible.

The tenacity of the students throughout the episode is to be commended. It is graphic proof that the Government can be influenced by the average citizen if enough effort is applied.

In no society can it be reasonably expected that each citizen will have an equal voice in the determinations of the community, though that is the constant goal of democracy. What we can rationally hope to attain, however, is a society that excludes none from the decision-making process and is responsive to the legitimate aspirations of all.

This experience should illustrate that we all now possess these rights; well, that is, if we are both patient and energetic enough to achieve fulfillment.

The art students from C.A.H.S. were. We hope that indicates that many of their peers also maintain enough faith in the process of public decision-making that will persuade them to participate in its varied exercises.

This year we will tackle the most basic exercise of public decision-making as we elect our leaders. If this incident can be taken as any indication, young people may not fail to exercise their rights and responsibilities and may develop into a force with prodigious influence in the course of events in the Virgin Islands.

We certainly hope so anyway.

A COMMENTARY BY JOSEPH McCAFFREY

HON. LAWRENCE J. HOGAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, April 8, 1974

Mr. HOGAN. Mr. Speaker, now that the House has voted on the issue of racially balanced busing and it now rests before the Senate, I would like to insert a commentary by the veteran Capitol Hill correspondent, Mr. Joseph McCaffrey, pertaining to this issue:

A Commentary by Joseph McCaffrey

A news analysis in the New York Times leads off with the comment that there was considerable irony in the House two weeks ago barring long distance school busing. Inherent in this piece, which appeared last Saturday, is the suggestion that those in the North who oppose busing are hypocrites.

Well, that may be. But let's look at the record and I'll use myself as a witness.

I first saw, with shock and amazement, the use of busing when as a draftee I was stationed in Georgia. Later I saw it up very close in Alabama, Louisiana and Texas: young Negro children being bused past the school nearest them, sometimes taken for miles to a Black only school.

I thought it was wrong, morally and legally. When after World War II, I became a resident of Virginia I deeply felt this injustice and in 1954 I publicly endorsed the Supreme Court decision which ruled against separate but equal schools—a decision which was handed down 20 years ago the 17th of next month.

Today I still oppose young children being bused past the school which is nearest them. If this is hypocrisy, then my position of 30 years ago must have been hypocrisy.

When I was against busing back then I was called, with scorn, "pro-Negro" by many. Today my position, the same as it was 30 years ago, is called "anti-Black."

There is one conclusion to be reached. Either I and those who have always felt the way I do are crazy, or the rest of the world is crazy.

Looking around, I have a feeling the rest of the world has gone stark, raving mad.

CALLS FOR INVESTIGATION

HON. EARL F. LANDGREBE

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 8, 1974

Mr. LANDGREBE. Mr. Speaker, the headline on the following item would lead the general public to think that a majority of the Members of Congress both Senate and House had carefully studied the automobile industry and had found some very serious charges to level at them.

Actually, I was disgusted to find the entire report to be the concoction of one Bradford C. Snell, staff counsel on a Senate subcommittee, headed by no other than Philip A. Hart, Democratic Senator, from the greatest automobile State in the whole world.

It seems to me, Mr. Speaker, that Congress is rapidly abdicating its responsibility more each day as we observe staff members acting individually or collectively to writing and influencing legislation, oftentimes, without the knowledge of the Members. Of course, most glaring, Mr. Speaker, is the behind-the-scenes maneuvering of many staffs and staff members in the persecution of President Nixon. Staff members might be fine dedicated individuals but their major advantage is that they do not have to face the voters every 2 years as you and I have to do.

Perhaps, at some point the voters will "wise up" and hold Members of Congress responsible for all actions of staffers whether directly on the Member's payroll or under his direction on standing committees.

In conclusion, Mr. Speaker, I feel that the following article authored by Jack Thomas is of such serious nature that I hereby call for a full and complete investigation of his charges by a responsible House committee composed of responsible Members of Congress:

Congress Rips U.S. Auto Firms

(By Jack Thomas)

Washington.—A new congressional study says most of the annual style changes in U.S. autos create an illusion of progress.

The industry's Big Three, the report concludes, thus avoid technical improvements that could save lives, reduce injuries and property damage, lower maintenance costs, conserve gasoline and diminish pollution.

The six-month study was prepared by Bradford C. Snell, a staff counsel for the Senate anti-trust and monopoly subcommittee, headed by Sen. Philip A. Hart, D-Mich.

Snell said American auto technology is basically unchanged since 1940 and new ideas have been used only under government madate or pressure from imports.

Snell blames this on lack of competition and a desire to protect billions invested in the production of conventional vehicles.

His report was the most critical testimony in recent hearings on Hart's proposed Industrial Reorganization Act, which would set up a commission to recommend ways to break up giant corporations which dominate industry.

"General Motors, the industry leader, makes most decisions," wrote Snell.

"The Big Three (GM, Ford, Chrysler) interdependently price new cars and parts with the same anti-competitive impact as if they had acted in collusion . . .

"Safety belts, crash absorption bumpers and collapsible steering columns were already standard equipment on foreign cars when, largely at the government's behest, the Big Three began to install them."

Most American innovations were developed prior to 1940 by smaller auto firms or independent automotive suppliers, Snell said.

Duesenberg pioneered four-wheel brakes in 1920. Rubber engine mounts, which reduce noise and vibrations were introduced by Nash.

Reo introduced automatic transmission in 1934 and, in 1939, Packard offered the first auto air-conditioning.

Snell calculated that in 1972 consumers paid $1.6 billion, or $170 per car, for model changes the Big Three claimed were related to improvements in performance.

He cited the difference in expenditures for style changes and for emission control.

"For the five-year period 1967 to 1971, the Big Three spent $7.1 billion for annual restyling" he said.

"Their combined expenditures for emission control to reduce pollution amounted to $832.6 million, or less than 12 per cent of the amount spent on restyling."

"Energy-Conserving, low-emission electric and steam vehicles would help resolve the acute petroleum shortage and help reduce the $6.6 billion in damages annually attributable to motor vehicle pollution," said Snell.

"In addition, there is evidence that electric or steam vehicles can be produced and they would cost half as much to buy and even less to operate than conventional gasoline automobiles.

"The application of a known metallurgical process," he said, "could permit doubling the life of an automobile for an additional cost of $36 per year, resulting in an annual savings to consumers of more than $2 billion."

A recent Environmental Protection Agency (EPA) memorandum indicates catalytic converters may pollute the air with more dangerous poisons than they were supposed to eliminate.

A DISCUSSION OF ARGUMENTS IN FAVOR OF AMNESTY

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, April 8, 1974

Mr. ASHBROOK. Mr. Speaker, debate has been taking place on the subject of amnesty. Young Americans for Freedom—YAF—a nationwide organization, has been opposed to the unconditional granting of amnesty. Recently, Jerry Norton, a Vietnam veteran and a member of the National Board of Directors of YAF, testified before a subcommittee of the House Committee on the Judiciary. In his testimony he refuted the four basic arguments in favor of amnesty and presented a primary argument against amnesty.

At this point, I include in the RECORD the testimony:

Four arguments are most frequently offered in favor of amnesty. We of Young Americans for Freedom would like to refute those four arguments, then offer what we see as the primary argument *against* amnesty.

I. "THE WAR WAS IMMORAL"

While some amnesty proponents claim that the issue of the war's morality is irrelevant to the amnesty question, to others it is a principle consideration. They say all or most Americans now realize that the war was a mistake, that those who fled the country to avoid serving in the war were right, and that those who mistakenly supported the war should thus ask deserters and draft-dodgers for forgiveness, not vice-versa.

We tend to agree that this argument, right or wrong, should not be crucial to the amnesty question, yet we recognize that the public would probably interpret amnesty as an admission that U.S. policy in Vietnam was wrong.

For the record then, we want to note that North Vietnam and its Communist allies were responsible for the war. They attacked South Vietnam. They currently occupy a considerable portion of South Vietnamese territory which they use to continue their military and political campaigns. They have shown that the conflict was not "just a civil war" by their aggression against Laos and Cambodia. Their continued efforts to gain control of Indochina show that their attitude has not changed, and that the much decried "domino theory" was and is valid.

Nor was U.S. conduct of the war immoral. Even the December 1972 bombing of Hanoi, so intensely criticized by the opponents of the war, took only 1,318 lives, military and civilian, by the Communists' own count. That hardly squares with the atrocity charges made against the U.S. but it does match the U.S. description of the bombing as precision aimed at military targets.

In contrast, the Communists have consistently followed a policy of terror against civilians and of execution of political opponents. In one instance alone, the occupation of Hue in the Tet Offensive, they cold-bloodedly executed more than twice as many South Vietnamese civilians as all of the casualties inflicted in the so-called "saturation bombing" of Hanoi.

Thus, any argument that amnesty should be granted because America was on the wrong side in the Vietnam war, or used immoral tactics, should be rejected.

II. "SO MANY YOUNG MEN"

This pro-amnesty argument from numbers asserts that so many men deserted or dodged the draft that America simply cannot get along without them. As substantiation for this, the figure for total desertions during the Vietnam war is given.

Such statistical "evidence," however, fails to mention that more than 90% of that total returned to military control, usually of their own volition. Hence, in late 1972, only 32,557 of the 423,422 men who had deserted since mid-1966 were still at large.

The pro-amnesty people also like to depict all these men as motivated by their consciences and heart-felt objections to the Vietnamese war, when most are motivated by other factors such as family problems, individual difficulties with their units, simple dislike for the military life, or nothing more sinister than a decision to take an extended and unauthorized vacation. Such factors may explain why only 5% of deserters in foreign countries, according to the Department of Defense, have made political or anti-war statements.

It should also be noted that while amnesty propaganda speaks of many thousands of men "in exile" overseas, the Department of Defense knew in late 1972 of only 2,525 deserters abroad and the Department of Justice only 2,760 draft-dodgers abroad—and only another 1,700 draft-dodgers believed to be in the U.S.

Finally, while pro-amnesty propagandists discount the above statistics, saying many draft-dodgers were never indicted and claiming that as many as 40,000 to 100,000 linger in Canada, immigration statistics show that if every American male in the military age bracket who went to Canada to stay between January 1965 and January 1972 were assumed to be a draft-dodger or deserter, the grand total would still be less than 17,000.

III. "BRINGING THE COUNTRY TOGETHER"

A central pro-amnesty argument is that amnesty would heal the divisions left in the country by the Vietnam war. It seems equally plausible that amnesty would polarize the country more, not less.

For example, Americans have made heroes out of the former prisoners-of-war. Would the public, not to mention the P.O.W.'s themselves, greet returning draft-dodgers and deserters with adulation or contempt?

Similarly, there are millions of Vietnam veterans. Though war opponents among them have been vocal, few would argue that such radical groups represent more than a small minority of veterans.

As for the rest, would they not resent the return of those who avoided service while they risked their lives and while many still bear the scars and wounds of war? How will the relatives of those men react, especially the relatives of those who lost their lives? While there are no doubt exceptions in each category, it seems reasonable to assume that most would not willingly accept amnesty.

Polls of the public have consistently shown that Americans at large oppose universal amnesty, and especially oppose amnesty for deserters. Thus, how amnesty would "bring the country together" is hard to understand.

IV. "THE HISTORICAL PRECEDENT"

A favorite argument of pro-amnesty forces is that amnesty is in a great American tradition, that there have been many amnesties after American wars. Such an argument is without foundation; the pro-amnesty forces call for a universal amnesty which was never granted in the history of our nation.

During the Civil War President Lincoln on several occasions offered amnesty to Union deserters, but the amnesty was always conditional. The condition was usually that the deserters had to return to military duty and forfeit a certain amount of pay. That is considerably different from universal amnesty. There was no amnesty for those violating the draft laws.

Amnesty with exceptions was offered by Lincoln to Confederate soldiers, but that obviously has no parallels with the current situation. Confederate soldiers were just that, soldiers, not individuals, who refused to fight. They were part of the army Lincoln was trying to defeat, which made it in his government's interest to encourage them to desert and deplete the enemy's forces. The Confederates also had to take an oath of loyalty to the Union, an explicit admission that they had been wrong.

After the war President Johnson offered amnesty for Union deserters *who returned to their units to serve out their military duty.* There was no amnesty for draft law violators. There were various amnesties for *Confederate soldiers* (again note the lack of parallel with those who want amnesty today), but there was no complete amnesty even for them until 1898.

There was no amnesty after the Spanish American War.

Fifteen years after the end of World War I President Roosevelt pardoned 1,500 individuals who had been convicted, *and served their sentences*, of violations of the draft and espionage laws. President Coolidge granted amnesty to about 100 men who deserted their units *after the armistice*. Again, wartime deserters received neither pardons or amnesty.

After World War II President Truman set up an amnesty review board that looked at individual cases and pardoned 1,523 of 15,803 draft evaders. There was not even this very limited amnesty for deserters.

There was no amnesty after the Korean War. In December of 1952 President Truman granted amnesty for those who deserted between the end of World War II and the outbreak of the Korean War, *peacetime deserters*. Moreover, all had been *convicted* of deserting, which meant they had served some prison time.

V. THE ARGUMENT AGAINST

Having examined the main arguments for amnesty, and the problems with them, we turn to the main argument against it. To permit amnesty for those who refused service in Vietnam is to set a precedent that says, "If you think a law is immoral, break it, because you may very well find that society changes its mind, forgives you and doesn't punish you." More simply it says, "You were completely right to disobey the law."

As conservatives, we in Young Americans for Freedom believe in individual liberty, yet we are also aware that the very concept of government becomes meaningless if individuals are free to pick and choose those laws they will obey and those they will disobey. This is self-evident. While those who have decided that the Vietnam War was totally immoral and indefensible may brush this argument aside, I suggest they ask themselves if they so readily forgive a white racist who follows his conscience and blows up a black church? Or on a more mundane level, excuse those whose consciences told them a given government program was immoral and therefore refused to pay the taxes to support it? (In this case we as conservatives would be paying very few taxes indeed.) To permit this is to create government of whim, not law.

Amnesty would make a mockery of law and government. It is one thing to disobey a law because one feels it is immoral—one can conceive of circumstances where conservatives might do just that—but it is quite another to expect the society that made the law not to punish one for that disobedience. Martin Luther King, Thoreau and Gandhi expected to go to jail when they violated the law; their concept of civil disobedience was not that of those who request amnesty, nor could it be if we have to have an orderly rather than anarchic society. The choice is not between liberty and order, but between having both or neither.

CECIL KING

HON. B. F. SISK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 2, 1974

Mr. SISK. Mr. Speaker, it is with a profound sense of sadness that I join with my colleagues in mourning the passing of our beloved former dean of the California delegation, Cecil King.

As we know, Cecil passed away on March 23 in an Inglewood, Calif., hospital.

While there is little irony in death, there is a special tone of it here because Cecil, of course, was the coauthor of the medicare bill which now provides hospitalization and medical care for all persons over 65 who could not otherwise afford it.

This giant of compassion for others was first elected to the 77th Congress in 1942 and retired in 1968, and during the interim rendered invaluable service, not only to California, but the entire Nation.

As one who served with him during the greater part of his term I can truthfully say there is no one whose passing I shall deplore more greatly.

Mrs. Sisk and I render our heartfelt sympathy to his family and can only counsel that they can be truly proud forever of his achievements.

STUDENT RECORDS: A PROPOSED STRATEGY FOR PREVENTING ABUSES OF THE RIGHT TO PRIVACY

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 8, 1974

Mr. KEMP. Mr. Speaker, at this point in the proceedings, I include the third part of the research paper, entitled, "Students, Parents and the School Record Prison: A Legal Strategy for Preventing Abuses," by Sarah C. Carey, attorney at law:

STUDENTS, PARENTS AND THE SCHOOL RECORD PRISON: A LEGAL STRATEGY FOR PREVENTING ABUSES—III

(c) *The Common Law*: Incorporated into the U.S. legal system are a series of basic traditions and customs dealing with the power of the states and the security of the person that were articulated initially in British legal writings and Court decisions. Unless subsequently modified by statute, these principles remain in effect today; and under rules of judicial interpretation, where a statute conflicts with a common law rule, that statute must be construed narrowly. Since most of the basic common law tests of individual liberty have been incorporated into federal and state constitutional provisions, they are infrequently relied upon in judicial decisions;[30] however, they remain valid bases for the enforcement of personal rights.

A series of lower court decisions articulating parental rights based on common law principles are discussed below; they help to further elaborate the nature of the parent's right to control his child's education. Taken together, these cases suggest that even though the schools act "in loco parentis" they cannot replace the parent where he reserves areas of control.

For example, in *Morrow* v. *Wood* 35 Wis. 59, 17 Am. Rep. 471 (1874), the Court held that the teacher, knowing the father's wishes, could not compel the child to pursue study that was forbidden by the father. The Court found that the parent's desire not to have his child study geography because he wanted his son to pay more attention to arithmetic was possibly within the parent's right as long as it did not interfere with the general efficiency or conduct of the school. *Morrow* upheld the parent's right "to direct what studies, included in the prescribed courses, his child shall take." 35 Wis. at 64. (Based upon the above ruling, the case was reversed and remanded for a new trial.) In *Morrow*, the Court wrote:

"It seems to us a most unreasonable claim on the part of the teacher to say that the parent has not that right. . . . It seems to us it is idle to say the parent, by sending his child to school, impliedly clothes the teacher with that power, in a case where the parent expressly reserves the right to himself." (at 64–65).

Other State Courts have reached similar results, allowing the parent to withdraw his child from required courses, provided his request was reasonable[31] and did not interfere with the interests of other children. In *State ex rel Sheibley* v. *School District No. 1 of Dixon County et al.*, 31 Neb. 552, 48 N.W. 393 (1891) the Nebraska Supreme Court granted a parent the right to overrule high school regulations concerning curriculum on the grounds that a parent has a superior interest in the growth of his child. The Court pointed out that unlike the parent, who has an ongoing interest in the happiness of his child, the teacher has only a temporary interest in the child's welfare. The Court held: "The right of the parent . . . to determine what studies his child shall pursue is paramount to that of the trustees or teachers." at 395. In *Garvin County et al.* v. *Thompson et al.*, 24 Okl. 1, 103 P. 578 (1909) the Oklahoma Supreme Court created a presumption in favor of a parental request, (in that case the parent did not want his child to take singing lessons for religious reasons), relying again on the parent's greater concern for and knowledge of the child.[32]

One final common law-based decision granting a parent veto power over a school regulation deserves mention. In *Hardwick* v. *Board of School Trustees of Fruitridge School District*, 54 Cal. App. 696; 205 P 49 (1921), the District Court of Appeals in California held that a child could not be compelled against the wishes of his parents (based on religious principles) to attend dancing lessons required by school regulations. Touching only briefly on the religious question, the Court stated that the case involved "the right of parents to control their own children—to require them to live up to the teachings and the principles which are inculcated in them at home under the parental authority." 205 P. at 54. It acknowledged the greater interest and right of the parent to prepare the child for his future and concluded that that right must be valued by the school if reasonable and if not harmful to either the student or the society.

In its discussion of the relationship between the parent and child on the one hand and the school and state on the other, the Court raised issues of direct relevance to some of the current practices of educators that attempt to "treat" or counsel children for alleged psychological or other deficiencies where the treatment or its underlying assessment are in conflict with the parent's views. The Court's reasoning suggests that these practices may constitute undue interference with areas of parental prerogative. Specifically, the *Hardwick* Court questioned whether a law that interfered with the well-founded judgment of the parent would be valid, whether the state could take steps that would alienate the child from parental authority and asked, "may the parents thus be eliminated in any measure from consideration in the matter of the discipline and education of their children along lines looking to the building up of the personal character and the advancement of the personal welfare of the latter?" In answering its own questions it concluded that:[33]

"To answer said question in the affirmative would be to give sanction to a power over home life that might result in denying to parents their natural as well as their constitutional right to govern or control, within

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Footnotes at end of article.

the scope of just parental authority, their own progeny. Indeed, it would be distinctly revoluntionary and possibly subversive of that home life so essential to the safety and security of society and the government which regulates it, the very opposite effect of what the public school system is designed to accomplish, to hold that any such overreaching powers exist in the state or any of its agencies." (54 Cal. App. 696 at 701, 205 P. 49 at 54.)[34]

The common law decisions discussed above deal primarily with situations where a parent objects for religious reasons to enrollment of his child in a specific course.[35] In these cases the Courts have attempted to accommodate the interests of the individual parent without disrupting the general operations of the school. They provide strong support for the assertion of other parental preferences, particularly in areas that have to do with the spiritual or cultural[36] development of the child. Given current educational practices with their heavy reliance on behavioral and related assessments, the parents will face a difficult burden in demonstrating that his request is "reasonable" unless he has access to the data collected by the school on his child and an opportunity to present his own point of view. The exercise of his right of oversight becomes more difficult and attenuated when the challenged decision of the school is wrapped in professional jargon.

(2) *The Parent has a Right to Review His Child's Records Generally:* There are strong common law traditions and precedents granting the parent the right to review his child's records, unless the state has a law or formal regulation to the contrary. No state includes a statutory prohibition against the parent's reviewing his child's basic record; some states have restraints in regard to specific aspects of the record such as IQ assessments or results of psychological testing. Where prohibitions do exist it is more common for them to be based on practice (i.e. the discretion of local school officials) rather than law or regulation. These discretionary practices can probably be overcome by the assertion of the common law right of inspection.

The common law creates a strong presumption in favor of access to public records on the part of those who have an interest in or need to review the subject matter of the records. Although an exact definition of what constitutes a public record does not exist, it seems likely that, unless narrowed by statute, records maintained by a school including tests and assessments of academic or related performance are "public". Initially, need to review records was determined by whether the information-seeker needed the information to maintain or defend a lawsuit;[37] however, this has since been broadened to include an interest of the public in determining whether government officials are properly executing their duties.[38] The New York Supreme Court has applied this principle directly to school records, shaping it to fit the special relationship of parents to the schools.

In *Van Allen* v. *McCleary*, 27 Mis.2d 81; 211 NYS 2d 501 (1961), a parent who had been advised by certain school officials that his child was in need of psychological treatment, sought access to the findings of the school psychologist. The Court held that absent constitutional, legislative or administrative permission or prohibition, the parent has a common law right to inspect the school records of his child.

The *McCleary* Court found that despite compulsory school attendance laws, the parent retains the right to direct the overall education of his child, adding that to exercise this right and to discharge this duty the parent has to keep abreast of the child's development and advancement. It stated that the parent's rights "stem . . . from his relationship with school authorities as a parent who under compulsory education has delegated to them the educational authority over his child." The Court analogized the interest of the parent in his child's records to other interests that had already been recognized by the New York Courts under the common law principle: that of a patient to inspect his own hospital records; of a client to be given open and frank information by his attorney as to the state of his business; of a stockholder to inspect the records of his corporation, and of a member of a board of education to inspect records compiled by the superintendent of his own school district.[39]

The more recent common law cases dealing with record inspection suggest that a heavy burden will be placed on any public agency alleging that such review is either burdensome or inappropriate. This presumption of openness should apply to any situation where a parent needs underlying school data to make routine decision concerning his child.[40]

(3) *Where the School Makes a Decision that Threatens Deprivation of the Child's Legal Rights, the Parent is Entitled to Full Review of the Data that Formed the Basis for the Decision:* The cases discussed in sections (1) and (2) *supra* suggest lines of argument to support the right of a parent to obtain school records necessary for him to make or participate in basic decisions about his child's course of education. In addition to these lines of cases, more recent decisions rendered principally by the lower federal courts hold that where the child is denied access to public education altogether or is granted access on terms unequal to those provided other children, his parent has a right to challenge the school's decision. This right includes the opportunity to present the child's side of the story and to obtain full access to the underlying evidence that formed the basis for the school's action. Among the actions that have called forth procedural due process guarantees to date are exclusion or expulsion from school for a variety of reasons; assignment to special schools or special classes for students who are not meeting minimal standards; and tracking.

In 1961 the U.S. Court of Appeals for the Fifth Circuit, in *Dixon* v. *Alabama State Board of Education*, 294 F.2d 150 (5th Cir. 1961), held that students in good standing could not be expelled from a state supported college because of alleged misconduct without a hearing and an opportunity to challenge their accusers. The Court stated:

"Whenever a governmental body acts so as to injure an individual, the Constitution requires that the act be consonant with due process of law. The minimum procedural requirements necessary to satisfy due process depends upon the circumstances and the interests of the parties involved. 294 F. 2d at 155.

For the students in question, the Court found that the minimal requirements included a clear statement by the college of the specific charges against them, a hearing with both sides present, disclosure to the students of the names of the witnesses against them and the nature of their allegations, and an opportunity for the students to present their own witnesses and version of the facts.

Since the *Dixon* decision, the right to a hearing prior to expulsion has been recognized in a number of additional cases dealing with institutions of higher education; it has also been extended to high school students accused of violating various rules of conduct. Some cases premise the student's right to stay in school on state constitutional or statutory provisions that have been interpreted as guaranteeing a right to education; others simply assert the importance or fundamental nature of education without alluding to the source of the right. And others refer to denial of education as a state-imposed stigma.

In *Vought* v. *Van Buren Public Schools*, 306 F. Supp 1388 (E.D. Mich S.D. 1969), for example, the Court held that a student could not be expelled for possessing an obscene publication without having the right to be heard. The Court pointed out that Bellevue High School rarely expelled students and stated:

"It goes without saying, and needs no elaboration, that a record of expulsion from high school constitutes a lifetime stigma. It would seem that in taking an action of such drastic nature, the Board of Education would have been interested in providing plaintiff with the opportunity to offer his explanation of the circumstances *prior* to the actual expulsion by the Board." 306 F.Supp at 1393.

The Court ordered the school to conduct an adversary proceeding with the minimum safeguards enumerated in *Dixon*. Similar results were reached in ***Williams* v. *Dade County School Board***, where the Court held that a conference held by the principal with the student and his parents to announce a decision to suspend did not satisfy due process. Relying on *Dixon* as precedent, the Court stated:

"We feel that a penalty of this magnitude ought not be imposed without proper notice of the charges, and at least an attempt to ascertain accurately the facts involved and to give the student an opportunity to present his side of the case." 441 F.2d 299 (5th Cir. 1971)[41]

FOOTNOTES

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[30] For a discussion of common law and other non-constitutional bases for narrowing asserted school board authority, see *Goldstein*, "The Scope and Sources of School Board Authority to Regulate Student Conduct and Status: "A Non-constitutional Analysis, 177 U.Pa.L.Rev. 373 (1969).

[31] In *Crews* v. *Johnson et al.*, 46 Okl. 164, 148 P. 77 (1915), a parent's request that his child not be required to study grammar was held unreasonable.

[32] The Garvin County decision, like other decisions, quoted from Blackstone, the "Bible" of the Common Law. According to Blackstone parents have a duty "to their children" to give them "an education suitable to their station in life; a duty pointed out by reason, and of far the greatest importance of any. For, as Puffendorf very well observes, it is not easy to imagine or allow, that a parent has conferred any considerable benefit upon his child, by bringing him into the world; if he afterwards entirely neglects his culture and education, and suffers him to grow up like a mere beast, to lead a life useless to others, and shameful to himself." (*Commentaries on the Laws of England*, Sir William Blackstone, KT, Ed. William G. Hammond (Bancroft-Whitney Co., 1980)).

[33] Neither this nor other cases treat the situation where the family is so disintegrated as to preclude effective parental guidance of the child.

[34] Other decisions affirming a parental right of control include *Rulison et al.*, v. *Post* 79 Ill. 567 (1875); *Trustees of Schools* v. *The People ex rel. Markin Van Allen*, 87 Ill. 303 (1877); *State ex rel. Kelly* v. *Ferguson et al.*, 95 Neb. 63; 144 N.W. 1039 (1914). The parent's authority has also been discused (but not relied on) in cases, such as *State* v. *Zobel*, 81 S.D. 260; 134 N.W. 2d 101 (1965) dealing with child neglect and *Shepherd* v. *State*, 306 P.2d 346 (1957) dealing with an alleged violation of the compulsory attendance laws. See also *Consolidated School District, No. 12* v. *Union Graded School District No. 3*, 185 Okl. 485, 94 P.2d 549 (1939) at 550.

[35] In recent years, the sex education cases and resulting legislative enactments have generally established a parental right to provide this type of instruction at home and/or to withdraw his child from the school's course. Many states specifically provide by statute that enrollment of a student in a sex

education class must be with the consent of the parent; others require that the parent must either provide the education himself or let the school. Where the issue has resulted in litigation, the Courts have reached divergent conclusions, with one upholding a required course as within the state's power to protect the public health. *Cornwall* v. *State Board of Education* 314 F. Supp. 340 (1969); and another upholding the parent's right, on the basis of religious beliefs, to keep his children out of the class *Valent* 1. *New Jersey State Board of Education,* 144 N.J. Super. 63, 274 A.2d 832 (1969).

[36] It is entirely possible, for example, following the reasoning of these cases that just as a Baptist can withdraw his child from dancing or singing lessons, so too, a Black or Chicano parent could withdraw his child from courses that inaccurately or negatively portray his race or culture.

[37] *In re Caswell* 18 R.I. 835, 29 A. 259 (1893).

[38] *MacEwan* v. *Holm* 226 Or. 27, 359 P.2d 413 (1961); *Papadoponlos* v. *State Board of Higher Education;* 494 P.2d 260 (Or App. 1972).

[39] For a discussion of the *Van Allen* case see 20 Buffalo L.J. 255, "Comment Parental Right to Inspect School Records."

[40] If the relationship between teacher and student were viewed as a fiduciary relationship, high standards of disclosure of relevant information would apply. No court to date has defined the relationship in this manner; however, at least one has suggested it as a possibility. *Blair* v. *Union Free District,* 67 Misc. 2d 248,324 NYS2d 222 of 228 (1971).

[41] The Florida Department of Education has since promulgated regulations dealing with expulsion hearings.

MICHIGAN POLICE OFFICERS WIVES ASSOCIATION

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, April 8, 1974

Mr. DINGELL. Mr. Speaker, the Michigan Police Officers Wives Association will hold their fourth annual State convention April 27, 1974, in Dearborn, Mich.

Each year, during the fourth week in April, the Michigan Police Officers Wives Association receives proclamations citing that week as "Police Officers Wives Association Week."

This is a fitting tribute I believe to the women who give support to our police officers. Similarly, there is legislation pending in the House of Representatives which I have introduced to provide for the designation of the fourth week of April each year as "Police Officers Wives Association Week." I am referring to House Joint Resolution 530, which I introduced in the 1st session of the 93d Congress and upon which I am anxious to see action taken by the Committee on the Judiciary in the House of Representatives.

Upon the occasion this month of the Michigan Police Officers Wives Association Convention, I believe it appropriate to note that I have learned, in my continuing correspondence with Mrs. Martha Hart, president of the association, that these women work hard to promote good will, create better police-community relations, better their communities, and aid the families of the injured and slain police officers throughout the State of Michigan.

Mrs. Hart has informed me that their organization sends get-well cards to any officer injured in the line of duty in the United States and Canada and a sympathy card to the family of any officer slain in the United States and Canada. Likewise, these women stand ready to assist the families of those police officers who are injured or killed in the line of duty.

Mr. Speaker, these wives are actively engaged in their support of their husbands' work and, in fact, regularly attend scheduled courses at police training academies for new officers' wives.

It is my opinion that their efforts are worthy of the attention of Congress as these women work to secure a better way of life for all.

MILITARY SEEKS NAME AND ADDRESS OF EVERY LICENSED WISCONSIN DRIVER BETWEEN AGES OF 17 AND 26

HON. DAVID R. OBEY

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, April 8, 1974

Mr. OBEY. Mr. Speaker, the driver control bureau of the Wisconsin State Transportation Department does a brisk business supplying confidential information out of its computerized files on the State's motorists.

To obtain your neighbor's name, age, address, and driving record in duplicate, simply send in a notarized statement and $1—unless you are an insurance company, in which case you can obtain the information in triplicate for only 50 cents.

Recently, the four major branches of the service tendered a joint request for the name and address of every licensed Wisconsin driver between the ages of 17 and 26. Fortunately, that request was denied, but only because the driver control bureau lacks the manpower to crank out such a massive list.

According to bureau director Dan Schutz, military authorities never specifically outlined their intentions for the data but indicated it would be used for recruiting.

This information comes from a three-part series by Timothy Harper of the Associated Press. Here is the series as it appeared in the Marshfield News-Herald, April 2–4:

FIRST OF THREE ARTICLES—SOMETHING NOTORIOUS ABOUT THOSE NOTARIZED REQUESTS

(By Timothy Harper)

MILWAUKEE.—A notarized statement and a dollar is all it takes to obtain your neighbor's name, age, address and driving record from Madison.

Of course, on the notarized statement you have to claim that you want the confidential information out of the state's computerized files for a legitimate reason relating to insurance, employment or credit.

But if the reason you give for the prying looks on the up and up, the Driver Control Bureau of the State Transportation Department will send you the data with no questions asked.

"We don't do a great amount of investigating into each statement," said bureau director Dan Schutz. However, he said, officials will ask for more information from persons requesting such information if the reason on the notarized statement isn't clear.

"That's why we ask for the notarized statement," he said. "It pust the burden on the person requesting the information rather than us."

He said most of the requests for information on driving records come from insurance companies, which have to pay only 50 cents for the traffic records of Wisconsin motorists.

"We more than make enough from the insurance companies to break even," said Shutz, referring to the cost of computer printouts.

However, he said his bureau also receives requests from many credit associations and businesses offering credit plans and charge accounts to the public.

"There's really nothing in the driving records about a person's finances," Shutz said, "but I suppose if a person had a bad enough record they (the credit investigators) could associate it with a particular type of lifestyle."

Betty Rayburn, the supervisor of driver records, agreed that no in-depth checks are run on requests for the confidential information to determine whether or not the person making the request has a valid use for it.

"An individual can always get his own records," she said, "but anyone else has to sign a statement explaining a permissable business reason."

She said insurance companies have to pay only half the usual $1 fee and get the records in triplicate rather than the usual duplicate because they often request records in greater volume and sometimes do some of the preparatory work for a computer run.

Despite his agency's admitted lack of probing the reasons behind requests for such data from citizens. Shutz said he is confident there are few if any driving records falling into unauthorized hands.

"We're pretty careful about this sort of thing," he said, "and we turn down a great many requests from mail order companies and that type of thing." He said a list of names and addresses from the drivers license files was once said to private research firm, but said the department banned such sales in 1972.

However, he agreed that it is possible for a person to obtain the record of a friend, neighbor, relative or acquaintance just for curiosity's sake if he was willing to sign a fraudulent notarized statement.

SECOND OF THREE ARTICLES—MILITARY SEEKING DATA ON RESIDENTS

(By Timothy Harper)

MILWAUKEE.—For the past two years, U.S. military officials have been seeking confidential information of hundreds of thousands of Wisconsin residents from computerized state files.

As yet, however, state officials have refused to turn over the data requested—the name and address of every licensed Wisconsin driver between the ages of 17 and 26.

"We have had numerous requests from the military for the names and addresses of everyone between 17 and 26," said Dan Schutz, director of the Driver Control Bureau in the State Transportation Department. "We've gotten inquiries from the Army, the Navy, the Air Force and the Marine Corps."

Schutz, in a telephone interview from his Madison office, said the armed services, which apparently wanted the names and addresses for recruiting purposes, have made numerous individual and joint requests for the data since the Selective Service draft ended.

Schutz, who said the information is readily available in state computer files of driver records, said the main reason the military requests have not been honored is that his office simply does not have the staffing to crank out such a massive list, even though it could be printed out in one computer run.

"We just don't have the time or manpower," he said.

He said the requests for the information from the military had come frequently for several months after the draft was ended two years ago, but a lull followed until several weeks ago when the four major branches of the service entered a joint request for the data.

"They said they would share the information," Schutz said.

Schutz said military authorities never specifically outlined their intentions for the data, but said they indicate it would be used for recruiting.

"I suppose they would use the names and addresses to send recruiting information to young people," he said. "I guess they have to do more of this type of thing since the draft ended."

Ed Waycaster, the chief administrator of the Navy recruiting station in Milwaukee, said the requests for the information come from Washington.

"We just use them to mail out literature," he said. "It's like any big corporation trying to update its mailing lists."

At the Army recruiting office in Milwaukee, Maj. David Phillips said he had heard of the requests for the Wisconsin data, but had no idea what the information would be used for.

"The information serves a purpose to get leads for possible recruiting," he said.

But he added that he didn't know specifically how the recruiters would get "leads" for the potential new recruits from the files.

Last of Three Parts—State Blamed for Some Mailing Lists

(By Timothy Harper)

Milwaukee.—Ever wonder how your name got on the mailing lists of all those junk mail companies whose advertisements often seem to clog your mailbox?

At least some of the firms get all or part of their Wisconsin mailing lists from the state.

Despite vehement criticism from politicians and citizens during the past seven years, the state continues to sell lists of Wisconsin motor vehicle owners to whoever wants them.

"We do it because we have to," said Eldon Schimming, director of administrative services in the State Transportation Department's division of motor vehicles. "The statute specifically says we shall sell them, so it's a mandatory type of thing."

He said the lists, sold primarily to auto dealerships for a maximum of $120 per year, include the license plate number of every vehicle registered in the state, as well as the name and address of the owner.

Schimming, in a telephone interview from his Madison office, said some private mail order firms may also buy the list since the state does not check on who makes the purchases.

"We sell them to anyone who is interested enough and wishes to pay for them," he said.

Schimming said he doesn't know exactly what auto dealerships do with the lists, but said his office has had complaints from citizens getting junk mail from firms which have bought them.

"We have had calls from some people who believe the mailing list is used in surveying parking lots," he said. He added that some vehicle owners believe their cars are checked for their age and condition, and then dealers look up the addresses of the owners on the list and send them brochures for new equipment or new vehicles.

Schimming said about 150 private firms purchase the list each year.

The controversy over the state sale of the lists, which were originally compiled for the convenience of law enforcement agencies erupted in 1967 when Sen. Gaylord Nelson, D-Wis., urged the legislature to outlaw the sales to cut down on junk mailings.

Since then, Govs. Warren Knowles and Patrick Lucey both assailed the practice as an invasion of privacy and joined Nelson in calling for an end to the sales.

No fewer than a dozen legislators, many of them criticizing the "bargain basement" $120 price tag for the lists when other states such as New York charge more than $80,000 for a single list, have introduced bills to prohibit such sales.

But none of the proposals got anywhere, and the law is still on the books.

And, as Schimming says, the state will continue to sell the lists as long as it is.

HOW SENATOR BUCKLEY IS MISUNDERSTOOD

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 8, 1974

Mr. UDALL. Mr. Speaker, a few weeks ago, the junior Senator from New York (Mr. Buckley) startled many people by coming around to the same position I have been taking for months—that President Nixon should resign for the good of the American people and turn the reigns of Government over the Vice President Gerald Ford.

Unfortunately, the Senator's comments have been somewhat misunderstood and he has received quite a bit of criticism. Some critics, both in and out of Congress, say a Presidential resignation would injure both the Presidency and the democratic form of government, because a President should be forced out only by losing an election or by being impeached and convicted by Congress.

However, in his syndicated column last week, Senator Buckley's brother, William F. Buckley, Jr., replied that a resignation would in no way contradict the intent of the authors of our Constitution.

As columnist Buckley pointed out, what Senator Buckley really said is that a Presidential resignation would be "to perform an act of noblesse oblige. That is to say, to put his—Mr. Nixon's—country's interests above his own."

Senator Buckley feels, as I do, that President Nixon has lost his credibility with the American people and is unable to provide the type of leadership the Nation needs. His ability to lead would be even more restricted if we have to go through the lengthy impeachment process.

And, as both Buckleys point out, President Nixon would not be abandoning his electoral mandate if he resigns. The mandate would merely be turned over to Vice President Ford who is, after all, President Nixon's handpicked Vice President and a man who shares his general political philosophy and views on most domestic and foreign issues.

Following is Mr. Buckley's column. I commend it to my colleagues:

How Senator Buckley Is Misunderstood

(By William F. Buckley, Jr.)

Even the water buffalo and the springbok in Africa were talking about the startling recommendation of the tormented junior senator from New York, that Richard Nixon resign the presidency pro bono publico. Returning from abroad and examining the response to his suggestion, one is struck by a number of misunderstandings which appear to have become institutionalized in American thought. Not only among conservatives, but among liberals as well.

Most of them, in my judgment, are explicitly or inexplicitly incorporated in a two-sentence statement by a Republican congressman from Tennessee, Dan Kuykendall. He is quoted as saying: "Senator Buckley's proposal is most dangerous as it would affect the Republic and its operations. His willingness to see a man forced out of office without proof of impeachable conduct shows a lack of understanding as to how this Republic was formed and how it operates."

If Mr. Nixon were to resign, would he in fact have been forced out of office? To answer in the affirmative, it is required that the word "forced" be used metaphorically. Because—obviously—there is no way to "force" Mr. Nixon out of office other than to impeach him, and convict him. Inasmuch as Sen. Buckley looks with horror at that prospect, the first part of which is by all accounts imminent, then the point to make is that Sen. Buckley desires very much that Nixon should not be "forced" out of office.

If Kuykendall is using the word figuratively, then the question to ask is: Are we really committed to the proposition that the people should not express themselves concerning that which they desire? Here again a distinction is necessary. If Sen. Buckley had said that every time the American people desire a president to resign he should do so, he would have thrown in his lot with the plebiscitarians—with whom, as a conservative, he desires no affiliation.

But he is not saying that. Nowhere in his profound statement is there a hint of it. He did not say that Mr. Nixon should resign because the majority of the American people would rather have another president.

He said he should resign because the alternatives—for America—are less desirable. The alternatives being (a) the probability of impeachment and the possibility of conviction; (b) a presumptive suspicion of presidential policies reflecting loss of confidence in Mr. Nixon; and (c) an Executive weakened as an institution by tormentors who, in their anxiety to get Nixon, are likely to move further than is good for the institution of the presidency.

What I understand Sen. Buckley to have done is to have asked President Nixon to spare the United States the ravages of a prolongation of the Watergate torture. I cannot see how, in doing so, he showed any lack of understanding of republican government.

Charles de Gaulle participated in a coup d'etat, in effect, one of the principal purposes of which was to establish a strong presidency. Even so, at a certain point, Gen. de Gaulle, surveying the situation about him—resigned.

He did not do so in order to inaugurate the plebiscitary government he replaced when he overthrew the Fourth Republic and instituted the Fifth. He did it because he saw that the signals suggested France would be better off without him.

Edward VIII, King of England, was not "forced" to resign: He elected to do so, and there are very few Englishmen—conservative as regards the monarchy in a sense unknowable to American republicans—who now believe that he did other than the statesmanlike thing.

Very recently the governor of New York State, elected in a landslide, resigned. His motives were complicated. But even his critics do not believe that he did anything venal by resigning, or that he betrayed his mandate. Any more than Richard Nixon would betray his mandate, if he decided to turn over the reins of government to his own appointed successor, Gerald Ford.

Mr. Nixon has time and again stressed that he was elected in order to carry out certain programs. Does he recognize that he is saying, in effect, that these programs would not be carried out under his successor, Gerald Ford; if that is the case, why did he appoint Mr. Ford? He could have chosen anybody.

I understand Sen. Buckley to have asked the President to perform an act of noblesse oblige. That is to say, to put his country's interests above his own.

That is not, surely, to misunderstand republican government, but to express the highest faith in it. Those who are hellbent to impeach Mr. Nixon rather than to urge his resignation are the blood-lusters, hiding under the skirts of constitutional formalism.

Maybe Sen. Buckley's recommendations are misguided. Certainly they are not outside the spirit of the Constitution, which three times mentions presidential resignation as a possibility.

KING AND POWELL TRIBUTE

HON. JAMES C. CORMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 4, 1974

Mr. CORMAN. Mr. Speaker, I am grateful for this opportunity to participate in the special order commemorating the memory of the Honorable Clayton Powell, Jr. and the Rev. Dr. Martin Luther King, Jr. At a time when Congress and the American people turned a deaf ear to the special needs of blacks, poor people and other minority groups, these remarkable men stepped forward to prod the American conscience. Their goal: to make the American dream of freedom, dignity and equal opportunity a reality for everyone.

Adam Clayton Powell, Jr. was a product of New York's Harlem where he lived and which he represented. His flamboyancy and inconoclasm masked a deep commitment to the other America—the America of poverty, discrimination and unemployment. As chairman of the House Committe on Education and Labor from 1960 to 1967, he was the dominating force in the passage of 48 major pieces of legislation committing more than 14 billion Federal dollars to the task of providing equal opportunity for all Americans.

Some of the chief bills enacted through Chairman Powell's efforts were the 1961 Minimum Wage Act, the Manpower Development and Training Act, the Juvenile Delinquency Act, the Vocational Education Act, the Economic Opportunity Act of 1964 and the National Defense Educational Act.

As committee chairman and elected Representative, Adam Clayton Powell, Jr., was committed to the goodness and sanctity of human life.

The Reverend Dr. Martin Luther King, Jr.—perhaps more than any other person—brought the plight of blacks and poor people to the American conscience. Using the nonviolent tactics of Thoreau and Gandhi, Dr. King successfully challenged patterns of segregation in the North and South. His Montgomery bus boycott in 1955 marked the beginning of the modern civil rights movement.

As head of the Southern Christian Leadership Conference, Dr. King worked tirelessly to build grassroots support for the civil rights cause. His following transcended color, age, and economic class. For Dr. King understood early that no man is free until all men are free. His efforts led to a spate of civil rights legislation in the 1960's, most notably the Civil Rights Act of 1964. In addition, Dr. King's work in mobilizing the masses of poor in American to lobby for needed benefits won him the Nobel Prize for Peace in 1964.

The complementary efforts of Mr. Powell and Dr. King—one leading a legislative movement and the other a moral movement—awakened the conscience of America and set us on the path to freedom and justice for all.

MAKE THE SOCIAL SECURITY LEVY MORE FAIR

HON. JAMES A. BURKE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 8, 1974

Mr. BURKE of Massachusetts. Mr. Speaker, may I take this opportunity to bring to the attention of the Members of the U.S. Congress two articles that appeared in the Sunday editions of the Los Angeles Times and the Boston Globe. The Los Angeles Times article under my byline entitled "Make the Social Security Levy More Fair" and the Boston Globe article written by columnist David B. Wilson entitled "Payroll Taxes Unfair Burden":

MAKE THE SOCIAL SECURITY LEVY MORE FAIR

(By James A. Burke)

For more than half the population, Social Security taxes are larger than federal income taxes. A married couple with two children and an income of $7,000 a year, for example, pays $409.50 a year in Social Security tax—$3.50 more than their $406 income tax.

Moreover, the Social Security tax is regressive, in that low-income persons pay a higher proportion of their earnings than do high-income persons.

If there is to be a tax cut to help the economy, therefore, it should be in the Social Security tax. And there are strong arguments for such a tax reduction.

Americans are being financially crippled by the constant erosion of their buying power caused by skyrocketing inflation and declining employment. Increases in the price of gasoline alone have been equivalent to an $8 to $10 billion tax increase.

While consumer prices increased at annual rate of more than 12% during the first months of 1974, real spendable income of nonfarm workers dropped 4% from a year ago. Battered by runaway food and fuel prices, consumers pulled in their horns and cut down their spending. No quick rebound of spending is in sight.

To give the wage earner more spendable income as soon as possible in order to lubricate the economy and get it rolling smoothly again, there should be a reduction in taxes.

Reductions in taxes for low and middle-income persons, and changes in the regressive Social Security tax system, should be made this year. Easing this tax would increase real spendable income for a majority of Americans and be a big step toward freeing more money for consumer purchases.

With the support of a substantial part of the House membership, I have filed a bill that would cut the Social Security tax from its present 5.85% to 3.9% of income. It also would increase the segment of income to which the tax applies from the first $13,200 each year, as it is now, to the first $25,000. And my bill would provide for a three-way split of the tax burden among employee, employer and general federal revenues.

For the married couple with two children and an income of $7,000 a year, my bill would cut the Social Security tax from the present $409.50 to $273 a year.

For businessmen, reducing the employer's contribution to one-third (instead of the present one-half—the employer now matches the employee's 5.85%) would reduce the employer's cost of business and help make American goods more competitive abroad. And thousands of small businessmen, some of them on the verge of bankruptcy, would be able to invest money in new machinery and production techniques in an attempt to gain a competitive foothold.

A three-way split of the Social Security payroll tax is not an untried idea: Many European countries have used this system for many years. And the use of some general revenues, instead of only the payroll tax, has been recommended at regular intervals since Social Security began in the 1930s, beginning with the first Committee on Economic Security in 1935, and as recently as the Advisory Council on Social Security in 1971.

The changes proposed in my bill would reduce the Social Security tax's regressiveness, which requires low-income persons to pay a larger share of their income than high-income persons do.

SOCIAL SECURITY TAX

Annual income	Withheld from employee	
	Amount	Percent of income
$5,000	$292	5.85
$10,000	585	5.85
$13,200	772	5.85
$15,000	772	5.15
$20,000	772	3.86
$25,000	772	3.09
$30,000	772	2.57

Note: Rate is 5.85 percent on first $13,200 of income.

The reason for this inequity is that the tax of 5.85% applies to only the first $13,200 of income earned each year. Consider these three examples:

A person earning $6,600 a year pays $386 in Social Security tax, or 5.85% of his entire income.

A person earning $13,200 a year pays $772 a year, also 5.85% of his income.

A person earning $26,400 a year pays the maximum of $772 a year, but that is only 2.924% of his income—just half the proportion paid by the person earning $6,600 or $13,200.

There has been some suggestion that my proposal, by changing the base on which the tax is applied, and because it calls for general revenues to finance part of Social Security, represents a tax shift to the more progressive income tax.

I believe there is ample justification for such a move. Social Security is the best structure we have on which to build an income maintenance program, and I think we should shift the burden from the low and middle-income workers who now bear more of the load than other income groups, based on their relative abilities to pay, and spread it more equitably throughout the population.

Many economists endorse the concept of changing the Social Security tax structure to reflect the fact that the program is no longer merely an insurance system.

Joseph A. Pechman, director of economic studies at the Brookings Institution, testified before a Senate committee last month that the Social Security tax "is the most regressive in the federal revenue system; at current rates, it is extremely burdensome on poor and near-poor workers.

"The payroll tax is defended by those who think of Social Security system as an insurance system, but everybody knows that payroll taxes do not pay for an individual's retirement benefits, even with accumulated interest. The insurance myth should no longer be allowed to perpetuate oppressive taxation," Pechman said.

Social Security is this government's major spending program, affecting more people directly than any other government program. It is this nation's major expression of social concern for its citizens. It is high time that the burdens of the program were spread more evenly among the American people.

And at a time when getting more spendable money into the hands of consumers would help combat recession, cutting the Social Security tax and making up that loss from general revenues would be a faster, fairer way of helping the economy than any other.

[From the Boston Globe, Apr. 8, 1974]

Payroll Taxes, Unfair Burden

(By David B. Wilson)

Harold S. Geneen, the fabled chairman of the international conglomerate known to politics and finance as ITT, received $814,299 in compensation in 1973.

If it had all been salary, the New York Times observed, Geneen would have paid his full Social Security payroll tax in the first week of January. Since it was about half bonus, it took two weeks for his F.I.C.A. deduction to be wiped out.

Geneen, under a system that most wage earners and pensioners seem to accept with all the stolidity, docility and sensitivity of stalled oxen, pays, Dear Reader, exactly what you pay if your income equals or exceeds $13,200 a year.

Of course, he did not pay F.I.C.A. on his $411,000 bonus. Nor was any income from interest, dividends, rents, capital gains or government payments subject to payroll tax. Nor did ITT, beyond matching from its gross revenues Geneen's contribution, feel the payroll tax bite on its corporate profits. For ITT, the corporate contribution is a cost of doing business.

No attempt is here being made to single out Geneen or his vast enterprise for criticism. But if your paycheck is presently being nicked for 5.85 percent of $13,200, the contrast may serve to illustrate with some force the injustice of the system.

There is no legal reason why Geneen should pay more. Taxes are exactions, not voluntary contributions. And Geneen quite probably pays a whopping Federal personal income tax.

What is perplexing is the apparent reluctance of Federal policy planners to consider the payroll tax in evaluating alternative strategies against the concurrent evils of inflation and recession.

On the same financial page of the Times, there is a piece by Leonard Silk reporting on various suggestions for jiggering the personal income tax to get more money into the economy.

None of them attempts to deal with the continuing scandal of the payroll tax which, in addition to sparing all kinds of income generally enjoyed by rich people, is outrageously unfair to working wives and imposes its burden (greater than the income tax for about half the nation's wage earners) on heads of families without regard to the size of those families.

Income redistribution has in the last few years become the biggest dollar function of government, bigger than defense by about 30 percent.

The total of transfer payments—of which Social Security checks form the largest single category—is estimated at a current rate of $130 billion annually, equal to a tenth of the Gross National Product.

At a time when inflation is producing a decline in real spending power, when soya flour is being merchandised as a desirable additive to ground beef, when taxes are soaring in response to the organized demands of government employees and dependents, working people with grocery, fuel and tuition bills to meet are being required to assume the same share of this burden as the chief executive officer of ITT.

This is a cynical, socially destructive, morally indefensible public policy which survives only because of the near-unanimous public misunderstanding of the way the Social Security system operates.

But what is even more discouraging than this continued grinding of the working poor by a heedless government is the failure of the economic planners even to consider reform of the payroll tax as a means of putting cash in the pockets of those taxpayers in greatest need of assistance.

US Rep. James A. Burke now has more than 100 congressmen signed up as co-sponsors of his bill to cut the payroll tax rate from 5.85 to 3.9 percent and increase the wage base subject to tax from $13,200 to $25,000.

For the $10,000 wage earner, this would mean an effective annual pay raise of $195, which, even at today's prices, will buy a lot of groceries, heating oil and children's shoes.

And yet the emphasis of the sponsors has been upon repairing the inequity of the payroll tax and upon its burden on business and industry. It would seem as logical and perhaps more politically productive to pass the bill as a means of softening the impact of inflation and stimulating a lagging economy.

TODAY'S STUDENT GUEST EDITORIALS

HON. WILLIAM L. HUNGATE

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, April 8, 1974

Mr. HUNGATE. Mr. Speaker, as part of the University of Missouri's journalism intern program, two young people worked on an outstanding daily in my district, the Mexico Ledger. The following are their editorials on two issues which are much before the country:

Women Aren't All Libbers

(Editor's Note: Miss Kimberly Mills, a journalism student at the University of Missouri, has written the following guest editorial while serving as an intern on The Ledger news staff. The opinions she expresses are, of course, entirely her own. RMWII)

(By Kimberly Mills)

"Harry, it's like I was telling you. Those women's libbers, you just can't figure them out.

"They say they want equality. Didn't they get it, away back, with the right to vote. They are still making a fuss about equality, only now it's about jobs."

Those comments, made by a species of man referred to by some as the male chauvinist pig, are justified. Women are making a fuss about occupational equality.

But some are striving for equalization in careers without earning for themselves and all women the reputation of women's libbers. For not all women are hard, brassy females who obnoxiously declare men their enemies and burn bras at sisterhood meetings. Just as all men are hardly male chauvinist pigs, all women concerned for their sex cannot be fairly labeled women's libbers.

The feminists of the 19th century, women like Elizabeth Cady Stanton and Susan B. Anthony, and the suffragettes of the 20th century, women like Carrie Chapman Catt, strove to better their lives as women. One goal emerged—the right to vote—and women of this period began equating enfranchisement with equality.

With the 19th amendment passed into law, the women's movement lay dormant for decades though women, as individuals, made great strides along with blacks and workers. Women such as Margaret Mead, Eleanor Roosevelt and Margaret Chase Smith demonstrated the individual's will to succeed.

The realization that the vote did not guarantee all kinds of equality to women came as women gradually became more disturbed by inequities in occupation, education and social avenues of life.

Inequities that kept women out of medical schools and law schools . . . inequities that relegated them to clerical positions rather than positions with responsibilities . . . inequities that denied them the same social outlets as men.

Some women spoke up loudly in the 1960's. Perhaps because they dared to speak above a whisper, judgments of "shrill" and "overbearing" were levied. Perhaps they were loud.

But loud in order that closed ears could not avoid listening—listening to women explain that the vote didn't bring true equality in every sense of the word. It brought a law upholding equality, not achieving it.

This is what many of these women, feminists and libbers, struggle for . . . the guarantee of equal pay for equal work . . . the right to executive positions with decision-making responsibilities . . . the chance to choose between botany and motherhood, aerospace engineering and secretarial employment.

Yet the struggle goes past the need for occupational equality. In the words of Betty Friedan, it represents the "chance for woman to fulfill herself, not in relation to man, but as an individual."

Then perhaps, the labels, women's libber and male chauvinist pig, will fall into disuse, to be replaced by a more positive term—humanists.

Too Much Watergate to Forget

(Editor's Note: Jay Silverberg, a journalism student at the University of Missouri, has written the following guest editorial while serving as an intern on The Ledger news staff. The opinions he expresses are, of course, entirely his own. RMWII)

(By Jay Silverberg)

President Nixon would like to see the Watergate controversy ended. He would like to see the myriad of problems, subpoenas, media coverage—the controversy surrounding him—all forgotten. He would like to see Watergate as a thing of the past.

Nixon has mentioned that with Watergate "behind us" his administration can turn to more important matters.

I believe Watergate cannot be pushed out of public view. We cannot allow Watergate to be simply forgotten. Answers to the many Watergate questions must be obtained before they become a part of history.

We are asked to forget by President Nixon that his innocence or guilt is questioned by a large segment of the population—his innocence or guilt regarding income tax payment; his innocence or guilt regarding his knowledge of the Watergate charges now pending.

We are asked to move Watergate aside when Nixon stands suspected of breaking the law before the public which elected him by the largest majority ever given a man running for his office. More than 60 per cent of the people voted for him.

More charges against Nixon include improper use of government funds for improvement to his private homes, authorization of illegal wiretapping and illegal breaking and entering and accepting illegal campaign donations.

We are asked to forget when the president, elected to uphold the law, is now standing before it.

We are asked to forget that the results of Watergate investigations have left more than 30 of the president's associates charged with crimes. Of that number, over 20 have been convicted of their crimes or have pleaded guilty to charges brought against them.

We are asked by the President, though, to forget about Watergate.

We are asked to forget this by the man we elected, yet people ask, "How can we get the same income tax deductions that the President got?" We are asked to forget even the Watergate hearings are televised, when we read of subpoenaed information from the President's office and when senators and representatives call for and are considering Nixon's impeachment from office.

Not since the coverage of Vietnam has the American public been kept aware of one topic like Watergate. And with good reason.

It should be kept before the public until answers to the many Watergate questions are obtained.

Nixon cannot be allowed to leave Watergate behind. We cannot allow him to do it. People must continue to question his usefulness—something 70 per cent of them are doing now according to two national polls—and ask who is right or wrong. Congress must continue its quest for an answer and so should the press.

The discussion of Watergate must be kept before us. The facts must be known and Watergate must continue until a complete answer, if possible, is obtained. No matter how long it takes.

We have waited too long for the Watergate story to go unanswered.

Finally, allowing President Nixon to leave Watergate behind would discredit the democratic process he was chosen to uphold—that of fair and equal treatment to all, including the President.

DOD SUPPLEMENTAL AUTHORIZATION

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 8, 1974

Mr. LEHMAN. Mr. Speaker, due to an important commitment in my district, I was not present for the votes on the DOD supplemental authorization bill on April 4, 1974. Had I been present, I would have voted "no" on rollcall No. 144, the previous question on the rule to the bill.

Adoption of the rule would have prevented points of order against the section which raised the ceiling on appropriations for military aid to South Vietnam by $474 million. Not only do I oppose increased military aid to South Vietnam, but I oppose this backdoor attempt at increasing aid in a supplemental authorization bill after Congress has gone on record to limit such aid.

For these same reasons, I would have voted "no" on rollcall No. 147 to allow a $247 million increase in military aid to South Vietnam.

On rollcall No. 146, the amendment to delete funds for construction of naval support facilities on the Indian Ocean island of Diego Garcia, I would have voted "no." Our limited presence at Diego Garcia serves as an important signal to the Russians that we will not allow them a free hand in the Indian Ocean and the nearby Arabian Sea.

POW/MIA HERO BURIED AT ARLINGTON NATIONAL CEMETERY

HON. CLEMENT J. ZABLOCKI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, April 8, 1974

Mr. ZABLOCKI. Mr. Speaker, it was my honor on last Thursday, April 4, to attend the memorial burial services for Lt. Col. Wilmer Grubb at Arlington National Cemetery.

For Colonel Grubb it was, in fact, a second burial. In that sad knowledge lies a story of anguish for his family as well as a tragic testiment to the inhumane policy of North Vietnam.

Colonel Grubb actually died on February 4, 1966—9 days after he was taken prisoner by the North Vietnamese. Yet, it was not until December of 1970, almost 5 years later, that his family received the first unofficial word that he had died—a fact that was not confirmed officially until January 1973. Thus, for these many bitter years his wife, four sons, and his parents endured the prolonged agony of not knowing his true fate. Indeed, their plight was compounded by the fact that his voice was heard on North Vietnam radio in late February 1966 and a picture of him alive was released in March of that year—all calculated to suggest that he was still alive.

All of these facts and more were outlined in James Wooten's story of the burial service which appeared in the New York Times of April 5. I am privileged to place it in the RECORD at this point and recommend it to the full and careful reading of my colleagues.

EIGHT YEARS AFTER HIS DEATH IN NORTH VIETNAM, AN AMERICAN POW IS LAID TO REST IN ARLINGTON

(By James T. Wooten)

ARLINGTON, VA., April 4—Lieut. Col. Wilmer N. Grubb was buried here today, 2,616 days after his death in a North Vietnamese prison camp.

A misty rain settled softly on his widow, his aging parents and his four young sons as they joined scores of friends and relatives in a final tribute to the Air Force pilot who died a few days after he was shot down in early 1966.

His funeral today, with full military honors, was the first conducted for any of the 23 American prisoners of war whose bodies were released by North Vietnam and returned to this country last month—almost precisely a year after those prisoners who survived their internment were joyously welcomed back.

But the homecoming of Colonel Grubb and the others who died as captives, has gone almost unnoticed, another sign, perhaps, of the country's waning interest in the war, its issues, its anguish and its victims.

It was more than eight years ago that Colonel Grubb's body was interred in a cemetery just outside Hanoi, marked with his name inscribed in Vietnamese symbols. Now it rests beneath silver elms and oaks in Arlington National Cemetery, just down a long, green hill from Gen. John J. Pershing's grave, and within sight of the Washington Monument and the low, buff profile of the Pentagon.

"And so we commit the body of our friend to the earth and his everlasting spirit to the Lord," the Rev. Neil Cline intoned as he concluded his eulogy for his former Lutheran parishioner—and the quiet moment was immediately shattered by the explosive salute of a six-man Air Force firing party.

A SON HE NEVER SAW

With each of their 18 shots, Roy, the seven-year-old son whom Colonel Grubb never saw, trembled and inched closer to his mother. Finally, as the firing died away, he reached up for her hand, and stood motionless except for a trembling chin, staring hard at the silvery-gray coffin a few feet away.

The honor guard folded the American flag that had covered the coffin and Chaplain William G. Boggs, a colonel, presented the tight, cloth triangle to Mrs. Evelyn Grubb.

"On behalf of a grateful nation," he said, "this flag is presented to you—a symbol of freedom and of liberty and of a country your husband served so very well."

Then, as the sound of taps faded, she and her boys and her husband's parents, Mr. and Mrs. Newlan Grubb of Aldan, Pa., turned from grave No. 8–658–F and were driven away in Air Force sedans.

"He was a hell of a guy," Col. James F. Young, one of eight former P.O.W.'s who attended the funeral and Colonel Grubb's roommate in Saigon for the two months before his final mission, recalled, "and he was one of the best reconnaissance pilots in the Air Force."

Colonel Grubb was 33 when he died. He would have been 42 in August.

He had honed that skill over the years since his graduation from Pennsylvania State University in 1955 with Air Force assignments all over the world, including an earlier stint in Vietnam.

"HE DIDN'T VOLUNTEER"

"But he wasn't all that crazy about going back," said Mrs. Grubb before the funeral. "He didn't volunteer, but when they said go, he went."

That was on Nov. 11, 1965—the last time she saw him. She was pregnant when they said good-by.

His first-born, Jeffrey, was nine years old. Ronald, the next child, was four, and Stephen, their third, was one.

"I was never particularly prescient," Mrs. Grubb said today before the funeral, "so I can't really say that I knew or thought I knew he wouldn't make it back. But I worried. If you love a pilot, you worry."

Colonel Grubb took his RF–101 jet screaming out of the Tan Son Nhut air base in Saigon on the morning of Jan. 26, 1966, with its two cameras loaded with film and a flight plan that would take him straight up the eastern coast of Vietnam, past the 17th parallel and then inland over North Vietnam.

His mission was to photograph bombing runs and to record damage inflicted by previous attacks. In the process, his plane was struck by ground fire, and minutes after his parachute floated him to the ground, he was a prisoner of war.

CAUSES OF DEATH GIVEN

On Feb. 4, nine days later, he died. A death certificate provided by the North Vietnamese wher his body was returned last month listed the causes of his death as a ruptured spleen and lung congestion.

Nevertheless, his voice was heard on Radio North Vietnam in late February and a picture of him, alive, was released in early March, leading his family to believe that he was still alive.

It was not until December, 1970, that Mrs. Grubb received the first unofficial notification that her husband had died, a fact that was confirmed officially when the North Vietnamese gave the United States delegation to the Paris peace talks a list of names in January, 1973.

"It was inhuman—what they did to us," Mrs. Grubb said today. "All those years believing one thing or not knowing what to believe."

Mrs. Grubb, an active worker in several prisoner-of-war groups, expressed some bitterness today at what she called the "disgraceful manner" in which Vietnam veterans were being treated and dealt with by the United States Government.

"Everybody is tired of talking about that war," she said. "But there is so much left to say."

That may have been on her mind later when her pastor, Mr. Cline, read from a World War I poem by John McCrea, which said:

"If ye break faith with us who die,
We shall not sleep, though poppies grow in
Flanders fields."

In her only display of emotion, Mrs. Grubb leaned forward toward her husband's coffin and nodded her head affirmatively.

"The things that happened over there have to be talked about so they won't happen again," she said later. "After all, I have four sons."

HOW CAN WE SELL AMERICANISM?

HON. EARL F. LANDGREBE

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 8, 1974

Mr. LANDGREBE. Mr. Speaker, I am pleased to place in our CONGRESSIONAL RECORD the following article "How Can We Sell Americanism?", by Dr. R. R. Spitzer, president of Murphy Products Co.

Not only do I personally endorse every word of this article but am delighted to report that it was called to my attention by none other than Henry C. Schadeberg, former Congressman from the First District of Wisconsin, with whom I have had the pleasure of serving. Mr. Schadeberg is now pastor of the First Congregational Church, Greenville, Mich.

HOW CAN WE SELL AMERICANISM?

1. Be aware of what you have, that you're blessed with needs and luxuries, that you are a free man. Next to life itself freedom is man's most precious possession.

2. Be alert to anarchists and communism . . . those who would destroy us. Understand that freedoms can be misused. As Author Paul Harvey has written: "Take the element nitrogen. It can be used to make fertilizer to enrich the earth, but it can also be used to build explosives to destroy the earth." My own feeling is that too much government soon suppresses the individual.

3. Help your church to grow. William Penn, "People not governed by God will be ruled by tyrants." We need to be on God's side. No man has become great who ignored the teaching of God. Our country was founded by men who recognized God. It's in our Declaration of Independence.

4. Be aware of your power. The tide can be turned and we can provide the sparks needed to make all Americans salesmen of Americanism. With this sales force our children will learn the truth. Your children are the strength of America tomorrow.

Voting on election day, letters, international travel, entertaining foreign visitors in our homes to expose them to the real America will all sell the American way of life to these international neighbors.

As housewives, laborers, professional people, farmers, students, businessmen . . . each of us has many opportunities each day to play the game fair, and to do unto others as we want them to do unto us. Remember Father Keller's words, "It's better to light one candle than to curse the darkness."

A great hope lies in the leadership potential of businessmen. Usually, natural leaders, we have too often neglected the responsibility of involving ourselves. Preoccupied with making the payrolls, meeting competition, complying with government standards or sometimes personal pursuits or responsibilities.

We need to realign priorities, placing concern for our nation, survival of the free enterprise system at the top. For here are the real answers to jobs, material needs and personal freedom.

Employees do look up to their bosses. Do these folks know where you stand?

5. Help with community and government affairs. Let's give thanks to teachers, ministers, priests, community leaders, school boards. Remember here it takes workers, not just planners, so let's work to help these real Americans. Too many of us are free to criticize but slow to help. If the people of this nation would work as hard during peace as we do during war, there would be no need for further wars. It's up to good citizens to take leadership roles in community life and in local, state and national government. Sincere interest in foreign relations is important because our country's foreign policy is shaped not only by key government personnel but also by the sum total of the thinking of American citizens.

6. Let's help bring economic literacy where there is darkness and misinformation regarding jobs, profits and enterprise. Our schools aren't getting this job done. Business can help.

7. Think positively about tomorrow. As we thinketh in our hearts so we are.

8. Be thankful we are citizens of a free country.

THE END OF AN ENERGY ORGY

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 8, 1974

Mr. BROWN of California. Mr. Speaker, the topic of "energy" will be with us for a long time, and the public will undoubtedly become tired of the subject before anything is really done about the past, present, and future shortages. Dr. Kenneth Watt, a distinguished professor from the University of California at Davis, recently wrote a brief but informative article on the nature of American energy usage. Dr. Watt is perhaps an optimist, in that he expects we will wake up in time to change fundamentally our pattern of energy waste. Recent pronouncements from the administration have convinced me that this administration will not face up to the real nature of the "energy crisis." I recommend this article as an introduction to the course of action that we must take:

[From Natural History, February 1974]

THE END OF AN ENERGY ORGY

(By Kenneth E. F. Watt)

By next month, the United States, particularly the northeast, may be in danger of economic strangulation because of the fuel shortage. How could we be so ill-prepared? The answer is that we are the victims of a defective pattern of thinking that originated in a series of historical accidents in the nineteenth century. The ultimate consequence of this erroneous thinking was inevitable; the Arab export embargo merely hastened the arrival of a crisis that would have arrived by 1979 at the latest.

In the nineteenth century we consumed wood, whale oil, and buffalo at astonishingly high rates. This pattern of resource use had profound implications on our later development. By 1850, 91 percent of our energy came from wood, and Americans were consuming fuel wood at an annual rate equivalent to the burning of 7,091 pounds of coal per person. To put this into perspective, in 1969 the total consumption of energy in all forms, in pounds of coal equivalents, was only 6,993 pounds per capita in Switzerland, and 6,235 in Japan. Thus, by the mid-nineteenth century, and perhaps even earlier, the United States—by cutting down the trees that surrounded its population—had attained a level of energy consumption that two of the most technologically sophisticated nations on earth would not reach until about 120 years later.

Wood did not decline significantly as an important source of fuel until 1880. It was replaced by coal and some oil, which had been used for over two decades. Long before wood ran out, other sources of energy became available. This pattern was repeated three times; coal became important before wood ran out: oil become important before coal ran out; and gas became important before oil ran out.

Two other resources, now almost forgotten, led the United States early in its development to a very high level of resources exploitation. By 1847, we were using 313,000 barrels of whale oil per year, or about 0.014 barrels per person per year. This got the United States into early and heavy use of oil for lubrication and illumination and set the stage for heavy use of crude petroleum shortly thereafter. To indicate the magnitude of forward momentum in oil use, by 1928 the United States consumed 7.62 barrels of crude oil per person, while in the rest of the world, average per capita use in the same year was only 0.19 barrels.

The sperm whaling industry collapsed from overexploitation in 1881, but by then crude oil in quantity was available to replace whale oil. As in the case of the shift from fuel wood to coal, the United States never got the chance to learn an important lesson: that the conversion from one energy economy to another takes a long time. Historically this country has taken from forty to sixty years to get a new source of energy to the point where it could supply 10 percent of the national energy needs.

We acquired a taste for meat early. By 1872 we were killing seven million buffalo a year. A meat-eating society requires more land per capita to produce food than a largely plant-eating society. This is because of the lower efficiency in solar energy use, which must pass through one extra trophic level in the food pyramid, from plants to herbivores, before it reaches man. A superabundance of buffalo, combined with a greater availability of space per capita relative to other countries, taught us to ignore land or food as critical limiting resources. The ultimate result has been that farmland has been cheap compared to the same land converted to urban purposes. Even in the last few decades the value of land used for farming has declined relative to the value of that same land used for urban purposes. The consequence has been a trend toward incredibly sprawling cities with no real urban center. Only in Canada and Australia have similar cities developed, and in those countries, too, the temporary superabundance of farmland has deceived the population into thinking it did not matter if cities grew by spreading out, rather than up. In countries where farmland is at a premium, the typical city building is seven or more stories. Indeed, in many old European cities, it is difficult to find a building less than seven stories high, and new buildings on the outskirts of cities are often ten to thirteen stories high.

Unconsciously, we learned several lessons from our experiences with resources in the last century; unfortunately, they were incorrect, the result of temporary situations in which we managed to get by because of extraordinary luck. One conclusion we reached was that resources are limitless, so there is no need to conserve them. This produced an economy characterized by low unit costs for resources relative to the cost of labor. Since there is no historical precedent for high resource prices, politicians today hesitate to permit prices to increase sharply in the interests of conservation. We were also taught that it doesn't matter if anything runs out, because there is always a substitute. This is one basis for the widespread and unshakable belief that atomic energy will arrive in the nick of time. Also important, because there was always a substitute ready in time, we have come to ignore the great importance of time itself as a critical limiting resource. Thus, we are unaware of the enormous time required to get new technologies working.

Our experiences in the nineteenth century led us as a nation to acquire excessive faith in "Yankee ingenuity." Because of our superabundance of resources, our ingenuity never encountered an insoluble problem. Thus, we overemphasize what we can accomplish, and naively believe that nuclear energy, solar energy, wind, or gravitation fields will produce another miracle for us.

Each nation does what it can and what it must. Other countries have the same ingenuity as ours: the airplane, airship, automobile, and many other inventions were developed in several countries almost simultaneously. But lacking our resource base, other countries evolved in the direction of more efficient energy use. This meant trains and buses instead of cars; it also meant compact cities and different diets. Thus, while we instinctively used energy to solve all our problems, always deluding ourselves that high energy use means high technology, many other nations tended to equate high technology with great efficiency of resource use.

For a long time, advertising and our natural instincts to acquire goods have led us to use up much of our resources. Because we came to believe that our wants were insatiable, we never worried much about the possible consequences of market saturation. But wants can be satisfied, and the simultaneous total satisfaction of a wide variety of wants is having a profound effect on our economy. Even without the Arab oil embargo, we would have discovered that economic growth was slowing because we had a glut of cars, planes, luxury resort hotels, upper-class housing, and electronic goods.

Our most serious problem, however, is our selection of an erroneous set of national goals, which were based on our luck in the nineteenth century and which we have advertised with great vigor internationally. Rather than being concerned with the quality of life, we are committed to maximizing gross national product by maximizing the flow of matter and energy through the economic system.

Our current national goals maximize resource depletion, increase pollution, reduce life expectancy, destroy our city centers, and give us a slow, inconvenient, unhealthy form of travel. Shifting our goals to maximizing the quality of life would lead to less resource depletion, less pollution, higher life expectancy, more pleasure (more culture, entertainment, and less haste), and a faster, more convenient, transportation system less detrimental to health.

What happens to us if we don't change? We are in real danger of simply running out of everything while still expecting substitutes for soon-to-be depleted resources to show up, as they did many times before. The authors of Limits to Growth have alerted many people to a series of difficulties that can befall us. This book, however, was based on a highly aggregated model in which much detail was omitted by design (to expose the essential features of the big picture). But an interesting thing happens when we disaggregate to determine the impact of additional mechanisms on limits to growth. We discover that the timetable for troubles resulting from excessive growth is moved close to the present.

A highly aggregated global model tells us that given present trends, a particular resource will be gone in thirty years. A more detailed model that deals with the 175 nations on earth reveals additional difficulties becuse the nations placing the heaviest demands on the resource may not be those with the greatest supply. And a nation with a supply surplus may not allow all of that supply to go to another nation with excessive demand. The Arab oil embargo is the first major example of this phenomenon, but we will undoubtedly see many similar occurrencies involving many critically important minerals.

Less highly aggregated models reveal additional sources of difficulty when we divide the population into age classes. Rapid growth leads to very large imbalances in the age structure of the population, which quickly become so severe that, in reaction, birthrates drop in developed countries. This is currently leading to a situation in which only 69 percent as many children will be born in the United States in 1975 as in 1960.

No comparable decline over a fifteen-year period has ever occurred in U.S. history, not even from 1920 to 1935. What will happen to U.S. economic growth by about the year 2030, when the fifty-five-year-old class of 1975 will be trying to support the seventy-year-old class of 1960? Imbalances in year-class strength alone can bring an end to excessive economic growth.

We have deluded ourselves because of a set of historical accidents that were never perceived as unusual. Now we must quickly unlearn some erroneous lessons so that a future sequence of incidents such as the one that led to the Arab oil embargo will not catch us by surprise.

We should not perceive the energy crisis as a problem, but rather as a glorious opportunity, ripe for exploitation. Our history with wood, sperm whales, buffalo, coal, oil, and gas leaves little doubt about our ability to exploit glorious opportunities. We can do this in two ways: by converting to more efficient use of resources and by shifting a higher proportion of the labor force from manufacturing and transportation into service occupations. The improved efficiency would lead to more sophisticated, convenient technology for everything: transportation, communication, entertainment, and appliances. Shifting the labor force would bring better medical care and a cultural renaissance. Anyone for modern mass transit and community art centers? The more immediate problem is the transition period. The transition can be facilitated by community-organized car pools, dial-a-grocery delivery services, small companies marketing solar-powered home heating and cooling units, and aggressive organization of community theater, dance, music, and art groups. Also, now, when we are in danger of an explosion in unemployment, is the opportune time for massive political pressure to get cradle-to-grave, guaranteed comprehensive health care for everyone. This would certainly take up some of the slack in employment.

The time has come, in a sense, for America to grow up. For some two centuries we have lived luxuriously off the energy-rich land, like a spoiled child off wealthy parents. Now crises are forcing us into a period of maturity, to an awareness of the consequences of high energy consumption. The development of this maturity could bring a style and richness of life that Americans have never known. But it will take all our Yankee ingenuity—and more—to reach such a golden age.

A CLEANER ENVIRONMENT MUST NOT BE A CASUALTY OF OUR ENERGY NEEDS: IN TANDEM PROGRESS OF BOTH IS ATTAINABLE

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 8, 1974

Mr. KEMP. Mr. Speaker, I think each of us is acutely aware of the strains which the fuel shortages have placed on our Nation's environmental policies.

No doubt, we—as a nation and as a Congress which represents that nation—will go through a reeaxamination in the coming months of the interface between our energy demands and our environmental policies.

I think the worst thing which could happen—as an outgrowth of that reexamination—would be the use of an either/or, all-or-nothing attitude—in either direction, energy or environment—as the basis for future policies.

As I indicated in the remarks which follow, I believe strongly that there really is not all that much of a drastic conflict between environmental protection laws and demands for adequate energy.

It is important that those within the environmental field be sensitive to the Nation's energy needs. But, in return, it is equally important that those within the energy field be as sensitive to the Nation's commitment to restoring the quality of our environment.

I do not believe it is too idealistic to insure that we move ahead in tandem in meeting both our environmental and energy goals. In short, to meet either need—environment or energy—we must be sensitive to the other. That is why, in the long run, we will have more progress in both areas if we move in tandem—in concert.

This past weekend I had the honor of keynoting the Buffalo Federal Executive Board Seminar on the Impact of Energy Demands on Environmental Concerns. The Federal Executive Board—FEB—consists exclusively of highranking officials of the Federal agencies which provide services in western New York. In no small measure, the attitudes and positions—harmonious or conflicting—which prevailed among the FEB members at the seminar reflect accurately the attitudes and positions—again, harmonious or conflicting—now characterizing our Nation's debate on this issue.

The purpose of my address was to set forth the criteria which we ought to establish for decisionmaking on this issue. In short, what ought our perspectives to be?

Mr. Speaker, at this point in my remarks, I include the full text of my keynote address at the FEB seminar:

A Cleaner Environment Must Not Be A Casualty of Our Energy Needs

I thank you for giving me this opportunity to participate with you today on this important subject of how our energy and environmental demands interrelate. It is a subject in which I have a most profound interest as do those whom I am privileged to represent in the Congress.

Let me start by giving you the base line for my conclusions. I happen to be one who believes that there really is not a basic conflict between environmental protection laws and demands for adequate energy. It is important that those within the environmental field—in and out of government—be sensitive to the Nation's energy needs; but, in return, it is equally important that those within the energy field—again, in and out of government—be as sensitive to the Nation's commitment to restoring the quality of our environment. I do not believe it is too idealistic to insure that we move ahead in tandem in meeting both our environmental and energy goals. In short, to meet either need—environment or energy—we must be sensitive to the other. That is why, in the long run, we will have more progress in both fields if we move in tandem.

What appears to be coming from the stress of our current energy crunch is a forcing of the discussion on the issues of energy and environment. What we must be careful to guard against is going, once again, too far in any one direction. Environment cannot be the sole criterion, but neither can meeting all energy demands. A balance is not only desirable; it is also essential.

To the extent that this energy crisis has forced us to address ourselves to such matters as interstate and intracity mass transit; greater uses of clean coal; car pooling; voluntary reduction; oil shale research and use; greater exploration on the Continental Shelf; architectural redesign; extension of, but not elimination of, the effective date of auto emission standards; recycling; and smaller cars—all of which I support—et cetera, we can all be thankful. It's just too bad it had to happen this way.

In order to better recommend what it is we ought to do in the future, we had first better understand where we are today.

WHAT DOES THE ENERGY CRISIS REPRESENT?

What does the energy crisis represent?

First and foremost, it represents a gross mismanagement of our laws of supply and demand, a mismanagement which, in my opinion, arose from inadequate long-term planning in *both* the public *and* private sectors of our economy.

There has been much discussion—some of it very heated in Senate hearings—during the past six months on "what created the energy crisis?" Some have even called it a contrived crisis. Like most generalizations, saying that any one entity created the energy crisis is a misstatement of realities.

When demand rises at a steady rate and when supply levels off, it is a statistical inevitability that at some point the lines will first intersect and then demand will steadily exceed supply. This is certainly what happened. We all know that story. But, there is more to the story, if a lesson is to be learned. I speak of the dynamics between government policy and private production during the past fifteen years.

Beginning in the late 1950's, domestic oil and gas production began to level off. Rising costs, as well as disincentives arising from various forms of Federal regulations, moved the companies to seek foreign production where per barrel production costs were lower. The enactment of various foreign investment credits and incentives—now frequently criticized by some who seem to forget they once voted for their enactment—allowed the companies to meet the objective of both the producers and government regulators—keeping the prices the consumers paid down to the lowest levels. Unfortunately, these new, expanded foreign sources took the pressure off both making changes in laws on domestic production on one hand and production and recovery techniques essential to fostering greater domestic production on the other hand. In every aspect of oil and gas production, the price being paid by the end-use consumer was artificially low during the 1960's. We all thought we were using the world's cheapest fuels. That was wrong. We were simply paying the world's cheapest prices, deferring that day of reckoning when prices would have to rise to meet actual exploration, recovery, refinement, and marketing costs to the producer. In short, artificially low prices increased demand and consumption, while simultaneously producing disincentives for exploration and production. We thought we had the best of all worlds—low prices—when, in reality, we had the worst of both—artificially stimulated demand and depressed production.

Thus, while government policies helped to create the crisis, so too did industries' seemingly unquestioned reliance on those policies. Industry should have seen it coming. If it did and yet did nothing about it, it too is culpable. And, so too did the consumers who enjoyed fuels at below real costs and were also unwilling to pay real costs. In summary, I think all—Congress, the Executive, industry, and the consumers—share the guilt.

Has Congress learned its lessons?

I do not think so, at least not yet. Look at the myriad versions of the National Energy Emergency Act. Every version contained one or more provisions which would have kept the end-use prices below real price levels, usually in the form of so-called rollbacks. If we drive down production, we are most certainly going to continue and even worsen our present shortage problems. Increasing production will come only from the creation of incentives to production. You cannot expect industry to invest or reinvest funds, if it either never made a profit, or if the government confiscates it in the form of excessive taxes.

On the other side of the proverbial coin, we failed, as a Nation, to address ourselves to reducing adequately our demands for energy. Even if production had been increased, we were only postponing the inevitable shortages in first one energy source, then another, for all fossil fuels are limited. It is obvious now that there should have been a conscious and positive effort to reduce demand for energy in the United States. But, there was not. Now, more than ever, we must begin a deliberate program to reduce demand. If we do not, we are going to have a serious shortfall. As a matter of public policy, we need to target an attainable goal, something like reducing demand by at least 2.5 percent per annum. We simply cannot go on—as six percent of the world's population—using 30–35 percent of the world's energy consumption.

The lessons here are simple. Government policies should be based on the dual principles of increasing production and decreasing demand. If we do not heed these lessons, we are all going to be hurt further—government, industry, the consumer. Only when the dynamics between government, industry, and the consumer, and those between production and demand, come back into balance will this crisis be genuinely solved.

THE BALANCING OF ENVIRONMENTAL AND ENERGY CONCERNS

Now, what about these two concerns—adequate energy and adequate environmental protection. Too often, as I have indicated, these concerns are portrayed as being diametrically opposed to one another. I think to paint such an either-or, black-or-white picture on this issue is misleading.

Whether in physics or politics, we all know that when one facet of a tandem system gets too far out front of the other, a strong tension develops. And, the stronger the tension, the sharper the snap when they come into alignment. This is the history of energy and environment in our country. For far too many years, concern for energy went forward with little or no regard for the environment. Land was laid waste.

Then, in the late 1960's, demands for a restored environment began to catch up, through the enactment of some very strong Federal statutes. This was the snap which was all too predictable.

Because requirements were thereafter very different from what they had been before, many began to proclaim that environmental protections were about to destroy us. Sure, there were environmental excesses—instances where concerns for the environment were far outweighed by other concerns but where projects were, nonetheless, held up for inordinate periods. But, these instances were few; they were aberrations, not norms. That environmental considerations were outpacing demands for energy, however, was beginning to be reflected in projects which were being held back, making the potential fuel shortage much more of a reality: trans-Alaskan pipeline, offshore exploration and recovery, refinery expansion and construction, deepwater port development, et cetera.

One additional perspective: We must find non-political solutions to the energy crisis. To the extent that political solutions are used, we only postpone the economic realities on both sides of the scales—energy and environment. When the Congress and the government—and the people—have the stamina to use economic criteria, instead of the easy route of politics, we will have taken the biggest single step in resolving this crisis.

PARAMETERS FOR DECISIONMAKING

I am not about to stand up here and give you "answers" to this crisis. I have some ideas on specific solutions—deregulation of natural gas, the elimination of foreign tax credits, etc.—but this is surely the area where nothing I could say would be news to you.

What I prefer to do, in closing, is to recapitulate how we ought to examine proposed solutions:

Does the proposal rely basically upon the laws of supply and demand, with a minimum of interference in the market place? Is it essentially an economic solution?

Will the proposal either contribute to the increasing of supplies necessary to meet reasonably anticipated demands on one hand or reduce consumption and demand on the other?

Will the proposal point towards greater reliance on increased domestic production, while not relinquishing to other world powers other nations' untapped resources?

Will the proposed solution seek a realistic price level for fuel consumption?

Does the proposed solution carry forward, in tandem, the dual concerns of adequate energy and environmental protection?

I think if we use these criteria as the parameters for our decision-making, we will not have allowed a cleaner environment to be the casualty of our energy needs.

Mr. Speaker, this Nation can have both a clean environment and adequate energy, if—and only if—we set as our goal the attainment of both and use a tandem strategy to achieve that goal. To this, I am committed.

AIDING THE VIETNAM VETS

HON. HENRY HELSTOSKI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, April 8, 1974

Mr. HELSTOSKI. Mr. Speaker, one of the major obligations now confronting Congress is the responsibility we have to provide the thousands of young men who served in Vietnam with realistic and comprehensive veterans benefits and training. The Vietnam veteran is tired of empty words and false promises, and rightfully so, for we have failed thus far to provide the kind of assistance necessary to help him begin leading a meaningful life.

Unfortunately, controversy and political differences are already beginning to cloud the fundamental issues. In February, for example, the House unanimously passed legislation which would expand veterans education and training benefits by 13.6 per cent—yet the administration still clings steadfastly to the notion that an increase of 8 percent would be sufficient.

Furthermore, the Veterans' Affairs Subcommittee on Education and Training, of which I am chairman, is presently considering a proposal to provide additional tuition payments to veterans when such payments are justified. This proposal, I firmly believe, is an important step toward achieving our goal of insuring that all veterans have access to a rewarding education. However, on March 28, the day hearings commenced, the Veterans' Administration came forth to oppose this measure.

Mr. Speaker, in view of the importance and complexity of the task now facing Congress, I would like to share a column which appeared April 3 in the Washington Post. The column, written by William Raspberry and entitled "Aiding the Vietnam Vets," provides some additional insight into the problems Vietnam veterans, and particularly those of minority groups, now face. In view of the fact that I found this article extremely interesting. and relevant to legislation now before my subcommittee, I would like to share it with my colleagues. Mr. Raspberry's column follows:

AIDING THE VIETNAM VETS

(By William Raspberry)

> The American people came to hate the war in Vietnam, all right. But it does not follow that they also hate the men who fought in that war.
>
> That fact is slowly seeping through the public consciousness. And the pitiful little Vietnam Veterans Day parade staged here last week—as little and as late as it was—offered some indication that it is also seeping into the consciousness of President Nixon.
>
> In medical care, in education, in job opportunities—in all the "extras" that we customarily heap upon war veterans—the Vietnam veterans are being short changed. The reason, I suppose, is not that they were individually less heroic than any other category of water veterans but that they are not heroes generically, because they didn't save us from anything.
>
> The only Vietnam veterans to be treated as heroes were the returning POWs, and after the initial fanfare, even these men have been pretty much forgotten as far as the administration is concerned.
>
> As inadequate as the country's response to Vietnam vets generally has been, it has been even more inadequate for minority veterans, a point made last week by a task force of the Leadeship Conference on Civil Rights (a conglomeration of some 135 civil rights, labor, social and religious organizations).
>
> "Because of inadequate and poorly managed programs. Vietnam veterans—and particularly minority veterans—have been effectively denied their earned benefits and have suffered grievous problems in trying to resume their civilian lives," said June Willenz, chairman of the Leadership Conference's Task Force on Veterans and Military Affairs.
>
> She pointed out that while blacks comprised only about 12.6 per cent of the armed forces personnel, they accounted for roughly 20 per cent of the combat fatalities.
>
> "Minority veterans who bore the brunt of a discriminatory discharge policy while in military service are now being discriminated against upon their return to civilian life," she said.
>
> That last was in reference to a point made by the National Urban League earlier last month during House hearings on amnesty: that black GIs have received a disproportionately large share of less-than-honorable discharges from the military.
>
> Ronald H. Brown, director of the League's Washington bureau told the hearing:
>
> "The military, like the vast majority of our other institutions, has somehow learned to dispense justice in discriminatory measures. Minority members were drafted in greater numbers, assigned in greater numbers to front-line duty or to unskilled, dead-end jobs, and generally abused by the unfair system of military justice. Finally, those who were called upon to bear the brunt of duty were ejected in greater numbers with less-than-honorable discharges."
>
> The less-than-honorable-discharge represents far more than a blot on a veteran's record. According to those who have studied the problem, such discharges are often used as a basis for denying employment.
>
> Even many discharges that appear to be honorable, are "coded with personal characteristics which may serve to discriminate against millions of men who are not even aware of the presence of such codes," Brown testified.
>
> While the discharge codes can work against any veteran, they work "a special hardship on minority veterans, who already face many hurdles in the American society," Brown said.
>
> He said that there is evidence that many major employers are able to decipher the codes, even though most veterans have no idea what they mean. (The Defense Department announced last week that it would no longer code discharges.)
>
> Unfortunately, the Urban League, the NAACP and other member groups of the Leadership Conference have had little success in getting the government to act on the special complaints of minority GIs—which isn't surprising in view of how little attention has been paid the plight of white GIs.
>
> There is very little reason to be hopeful about the prospects of reinstituting special programs for minority veterans, but it wouldn't be surprising to see a major administration move to upgrade benefits for Vietnam veterans generally.
>
> The President, so desperate for some gesture to improve his ratings that the has dredged up even the old standby of school busing, may find it politically attractive to climb aboard the veterans' bandwagon.

THE FUTURE OF DÉTENTE

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, April 8, 1974

Mr. ASHBROOK. Mr. Speaker, President Nixon has told us in glowing terms that we are approaching a generation of peace. One of the main reasons for his optimism is the current U.S. policy of seeking détente with the Soviet Union. Nixon believes this policy will result in a new accommodation with Kremlin leaders.

Nixon's optimism, however, is premature. No one should know this better than Henry A. Kissinger, who has been the chief architect of détente. After the Soviet invasion of Czechoslovakia in 1968, Kissinger wrote the following:

> There have been at least five periods of peaceful coexistence since the Bolshevik seizure of power, one in each decade of the Soviet state. Each was hailed in the West as ushering in a new era of reconciliation and as signifying the long-awaited final change in Soviet purposes.
>
> Each ended abruptly with a new period of intransigence, which was generally ascribed to a victory of Soviet hardliners rather than to the dynamics of the system.

The United States cannot afford to rely on Nixon's illusory promise of peace. Too many times our hopes have been dashed by a militant Soviet Union.

Kissinger's much heralded yet unsuccessful trip to the Soviet Union demonstrates this point once again. Columnist Milton Viorst, formerly a strong advocate of Nixon's policy of détente, writes:

> Secretary of State Henry Kissinger's empty-handed return from Moscow last week exposes with embarrassing clarity a basic flaw in at least one dearly held tenet of liberal political theology.
>
> The tenet was that if a spirit of friendliness—modishly known these days as "détente"—were established with the Soviet Union, then a process of practical achievement would automatically follow . . .
>
> It's a disappointment that, to the Russians, détente is a strategic device—but it leaves us no choice but to revise our own conceptions accordingly.

Following is the complete text of Mr. Viorst's column:

IT'S TIME FOR A REVISION

(By Milton Viorst)

> Secretary of State Henry Kissinger's empty-handed return from Moscow last

week exposes with embarrassing clarity a basic flaw in at least one dearly held tenet of liberal political theology.

The tenet was that if a spirit of friendliness—modishly known these days as "detente"—were established with the Soviet Union, then a process of practical achievement would automatically follow.

This tenet was based upon the premise that despite the popular American mythology that the Russians have been provoking us, we also have been provoking the Russians—and if we stopped, a new international amity would prevail.

This is the tenet which lay behind the so-called "revisionism" in which liberal as well as radical historians have engaged in recent years.

Depending on how revisionist they were, these historians may or may not have put some of the blame for the Cold War on Josef Stalin. But they argued invariably that the hostility which emanated from Washington made Soviet-American conciliation impossible.

I'm not suggesting that we have reason now to dismiss the lessons of the revisionists. They taught us much that we did not know, by indifference or choice, about the sequences of events of the postwar years. They forced us to rethink our way out of our self-righteousness.

But even revisionism must be subject to its revisionism—and now it's apparent that history, like diplomacy, lends itself poorly to theological verities.

The argument that the Cold War never would have happened but for the designs of the Trumans and Achesons surely is an oversimplification—just as the promise that a new era of amity would follow the purging of our Cold War attitudes has proven terribly naive.

I am willing to accept the sincerity of Richard Nixon and Henry Kissinger in wanting to give Soviet-American relations a new start. It is one of those paradoxes of democratic politics that only the most conservative, most anti-Communist of presidents could have reversed the old hardline course.

I'm not suggesting that this new direction was taken in a void. The administration kept an eye on traditional security requirements, and on the demands of the Pentagon, the business community and the electorate. But it decided that detente was genuinely in its interest, and the country's.

Most liberals applauded this course. Indeed, in the 1972 election, many haters of old Tricky Dick crossed over to cast a Republican vote solely and exclusively because Nixon had, presumably, ended the Cold War.

I shared this feeling of approval and, during the 1972 campaign, extolled Nixon for adopting the liberal tenet. I became suspicious of it only when I visited Moscow, just after the election, and from conversations there acquired some notion of what the Kremlin had in mind.

I wrote of my suspicions after my return, for which the Soviet Embassy, in a letter to the Washington Star-News, denounced me as an "old-fashioned cold warrior."

What Brezhnev and his associates seem to me to have decided is that detent is not an end in itself, which is how Nixon and Kissinger see it—but an alternate channel for achieving certain policy objectives that had previously been blocked.

The principal objectives were (1) neutralization of the United States in the event of a Sino-Soviet war and (2) the acquisition of American technology to make up for the huge lag in the Soviet Union's appalling backward consumer economy.

Since the United States has no interest in involvement in a Sino-Soviet war, objective (1) is no problem. But objective (2) must be considered within the general framework of detente, along with differences over the Middle East, the nuclear arms race and European security.

Indeed, under the old liberal theology, they should all be on their way to resolution. But they're not, and Kissinger came back from Moscow empty-handed. It's a disappointment that, to the Russians, detente is a strategic device—but it leaves us no choice but to revise our own conceptions accordingly.

THE NEED FOR A WORLD FOOD RESERVE

HON. JOEL PRITCHARD

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Monday, April 8, 1974

Mr. PRITCHARD. Mr. Speaker, last October 16 I placed in the RECORD an article by Lester R. Brown, "The Need for a World Food Reserve," and an article by Dr. Roy L. Prosterman, "The Growing Threat of World Famine." It was my purpose at that time to alert my colleagues to the growing severity of a world food shortage, and what such a condition would mean to world stability and peace, not to mention the terrible human suffering involved. Since then the news media has carried the anguish of Ethiopia and the Sahel into the homes of millions of Americans. Seeing people starve to death is a terrible experience, and immediately demands an explanation as to what the United States is doing to relieve the situation. Accordingly, on February 15, I wrote Secretary of Agriculture Earl L. Butz on specifically what the United States food response was to the drought-stricken nations of West Africa. On March 1 I received a reply from Mr. Richard J. Goodman, Acting Administrator, Foreign Agriculture Service, which I would like to insert in the RECORD:

FOREIGN AGRICULTURAL SERVICE,
Washington, D.C., March 1, 1974.

Hon. JOEL PRITCHARD,
House of Representatives.

DEAR MR. PRITCHARD: This is in reply to your letter of February 15 to Secretary Butz concerning the drought situation in West Africa.

The drought in this region has been going on for several years and its cumulative effect is increasing. The countries in this area are among the poorest in the world and therefore receive commodities through the Title II donations program of the United States Food for Peace Program. They also received grants from other donors such as the European Community, United Nations organizations, France, Canada, and Sweden.

Currently, this area is receiving priority consideration in the programming of P.L. 480 commodities. This is being made available despite high domestic prices and the tight supply situation to meet a serious food shortage problem. We have, at present, pledged slightly over 500,000 metric tons of grain for food. About 150,000 tons was pledged in the last six months of Fiscal 1973 and the balance has been pledged this fiscal year. The grain is scheduled to arrive in the needy areas by next September—the start of the traditional rainy season. We will, of course, continue to assess the situation.

Great attention is being given this area by U.S. agencies. In addition to the food aid being provided, the Agency for International Development (A.I.D.) has launched a new rehabilitation and recovery program in the region. The initial allocation for this effort is $20 million. The program will concentrate on four major areas: (1) food storage and transport, (2) range management and irrigation, (3) agricultural production, and (4) public health facilities. This will be a start on the long-range task of halting the ecological and economic deterioration of the area which will require a sustained international effort.

We hope the above information is useful to you and your constituents.

Sincerely,

RICHARD J. GOODMAN,
Acting Administrator.

On March 3, the Carnegie Endowment for International Peace released a detailed study on aid given to the drought-stricken countries of West Africa. This controversial report claims "a pattern of neglect and inertia" in the administration of relief by the United States and the United Nations. It raises many questions which have not yet been adequately answered.

Last December, the Congress passed H.R. 11771 which included $150 million for disaster assistance for the Sahel, Pakistan, and Nicaragua. However, no money was forthcoming since the bill contained a qualifying clause which stated that funds "shall be available only upon enactment into law of authorizing legislation." On March 28, we in the House passed H.R. 12412, the necessary authorizing legislation, which specifically allots $50 million for Sahel disaster assistance.

As a dramatic example of individual concern for the suffering in West Africa, the African Drought Relief Committee has been organized in Seattle, and has been formally endorsed by the Seattle City Council. It will be my great pleasure to participate in a fund raising benefit for this organization on April 20 in Seattle.

LEST WE FORGET

HON. JOHN E. HUNT

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, April 8, 1974

Mr. HUNT. Mr. Speaker, a statement of simple eloquence, and modest size, recently appeared in the April 1, 1974, edition of the Woodbury Times, Woodbury, N.J.

Because so many of us share the views expressed in this message, I wanted to bring it to the attention of all my colleagues. It is so refreshing, to me anyway, that in these complex times, when an overabundance of words is being bandied about, that my dear friend, and outstanding citizen of Pitman, N.J., Mr. William P. O'Halloran, can sum up the feelings of so many with this simple statement.

With thanks to Mr. Halloran, I submit his message to the RECORD:

LEST WE FORGET . . . AMERICAN WAR CASUALTIES

Yesterday—0.
Last week—0.
Last month—0.
Last year—0.
Thank you, Mr. President.
Hang In There.

WILLIAM P. O'HALLORAN.

ARTHUR COLLINS—MAN OF THE YEAR

HON. MARGARET M. HECKLER

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 8, 1974

Mrs. HECKLER of Massachusetts. Mr. Speaker, with public confidence in Government at an all-time low, it is important that we remind ourselves that across this great land thousands upon thousands of men and women continue to serve the public with great dedication, ability, and integrity.

One such "unsung" hero is Arthur Collins, town clerk of Sharon, Mass., in my 10th Congressional District, and a dear personal friend. Arthur, with his years of selfless public service, exemplifies what is good about our public officials, and ultimately, what is good about America.

Recently, the Norfolk County Lodge of B'nai B'rith sponsored a long-overdue recognition of Arthur Collins, naming him their Man of the Year.

Donald P. Farwell, Sharon's witty and competent town treasurer, made some provocative and amusing remarks about Arthur, remarks I would like to share with my colleagues. His speech follows:

SPEECH OF DONALD P. FARWELL

Arthur E. Collins is truly a legend in Sharon. To my knowledge this is the first opportunity that there has been to put to rest some of the embroidered stories that never did occur in this man's history, and to lend credence to those which are appropriately a part of his past.

First, let's dispell the skeletons which have haunted this man's reputation by disputing some of the claims on an item by item basis. For instance:

We do not believe that while placing hay into a hay loft during his youth that Arthur Collins lost his pitch-fork and was stranded in the hay-mow because fellow workers took away the ladder until he found the pitch-fork.

We do not believe that Arthur Collins reproduced the answers he found for a high school economics class test. Nor do we believe that the teacher was so astounded with his test score that she had him go up and down the aisles of the class showing his exemplary paper.

We do not believe that it was the youthful Arthur Collins who pulled in the false alarm from atop Moose Hill—in spite of what the officer in Sharon Square said.

We do not believe that Collins is a tall iced drink with a base of distilled liquor.

We do not believe that in spite of the fact Sharon built a new town hall in 1962 that Arthur Collins is the only remaining relic of the old building not buried in the parking lot.

We do not believe that the drapes in Arthur's office at the new town hall were brought for any other purpose than to keep out the drafts from the extremly cold west winds to which his office is exposed.

We do not believe that all of Sharon's employees were polled before this gathering here tonight to find out what could be said about this man, and that their replies, to a man, when asked about Arthur Collins, said, "Arthur who?"

So much for the un-truths. Now for what we do believe.

We do believe that streaking is not new to Sharon. Its first streaker was King Philip, who streaked by Lake Massapoag on his way to his cave on Mansfield Street. That in itself is significant tonight because the only living person to remember that event is your guest, Arthur E. Collins.

We do believe Arthur, that this night is one which you will long remember. Perhaps not so much for what happens *here* at the high school, but more, because while you've been here with us, it has given the scoundrels time to clean all the valuables out of your house.

We do believe that Arthur is thrilled to see Margaret Heckler here this evening, and every time she comes to Sharon. Perhaps more than she knows, she has helped Arthur to fulfill his life-long ambition and carry out his theme song of—"I Love a Parade".

We do believe that Arthur learned how to do bookkeeping by copying the work of the fire chief when they were together in high school. That's why Arthur has so many "hot" tips.

We do believe that Arthur's handwriting is so bad that the auditors can never disprove his figures. No matter what the figures should be, Arthur's handwriting looks like that is what it could be.

We do believe that this "Marrying Sam's" personal wealth should be a matter of public record. His stock reply, when asked by the groom what his fee will be for the marriage ceremony, is, "what do you think she is worth?"

The previous notwithstanding, we do seriously believe that there is no one who has served in any capacity with Arthur Collins who has not been impressed with his dedication to the task at hand. Employees, townspeople, and all others, young and old, who come in contact with this man are appreciative of his thoughtful and helpful attitude. Arthur is both profound and pleasant, and we who know him are double beneficiaries of the credit and recognition which he brings to public service.

We do believe that Arthur is a dominant force in reconciling differences in Sharon's political life. His persuasive personality and astute analysis have extinguished many fires before they reached major proportions.

For all these reasons, we wanted to arrange for something to serve as an indication of our esteem for Sharon's outstanding town clerk and accountant. Therefore, the employees of the town of Sharon have something for you, Arthur, which we hope will be an aid to you on many occasions in the future.

First, it is a device which will hopefully assist you in counting votes at elections.

Second, it is an instrument for figuring the balances in the town's accounts.

Third, we hope it will be beneficial to you in computing your winnings at Foxboro, should you ever go there.

Lastly, we hope it will serve as a constant reminder to you that you "count high" with us.

Arthur, here is your abacus.

PERSONAL INCOME TAX

HON. CHARLES W. WHALEN, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, April 8, 1974

Mr. WHALEN. Mr. Speaker, today my wife and I mailed to the Cincinnati Office, Internal Revenue Service, our form 1040 for the year 1973. Accompanying this return was a check for $7,939.91, representing the "Balance Due IRS"—line 23—on a total tax liability for 1973 of $26,860.31—line 16.

In submitting our form 1040, Mrs. Whalen and I signed the following statement appearing at the bottom of page 1:

> Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief it is true, correct and complete.

I presume that all other American taxpapers will sign this same statement.

As I did for 1972, within the next few weeks I will provide for the RECORD a complete breakdown of my family's income, including taxes paid, for the year 1973. Also, I will include with this statement a complete listing of my wife's and my assets, liabilities, and net worth along with those of each of my six children.

PUBLIC WORKS SUBCOMMITTEE HOLDS HEARING IN INDUSTRIAL CALUMET REGION OF INDIANA

HON. RAY J. MADDEN

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 8, 1974

Mr. MADDEN. Mr. Speaker, the 93d Congress has passed a number of important pieces of legislation pertaining to our economy, education, health, rural problems, and so forth.

When this Congress, for the first time in history, recognized the catastrophic effects of congestion and other transportation difficulties in our urban areas, it crystallized the necessity of immediate action to clear up this traffic menace to the future progress of metropolitan areas throughout the Nation.

The Public Works Committee of the House, 2 weeks ago, designated several subcommittees to hold hearings in some of our congested cities, in order to prepare a comprehensive and equitable public works bill to carry out the purposes of the Federal Government's mass transit relief program.

The Calumet region of Indiana is probably the No. 1 concentrated industrial area in the Middle West. The cities of Gary, Hammond, East Chicago, Whiting, and other suburban areas are located immediately adjacent to the city limits of the city of Chicago, on the south shore of Lake Michigan and are in the immediate path of all auto, truck, and railroad transportation coming from the East, entering and passing through the city of Chicago, and also similar traffic passing in the opposite direction.

Last Friday, a subcommittee of the Public Works Committee held traffic hearings in the city of Chicago, and on the following day, Saturday, April 6, held hearings in the city of Hammond, Ind. Testimony was taken from the mayors of Hammond, Gary, East Chicago, and Whiting, also from members of the chambers of commerce, representatives of industry, retailers, and so forth.

Mr. Speaker, I submit with my remarks a news item from the Hammond, Ind., Times, setting out some of the facts concerning traffic congestion in the Calumet region.

The news item follows:

THE RAILROAD BLIGHT: AN END IS IN SIGHT

There are 120 rail and roadway grade crossings in Hammond.

Nearing 50 trains roll through the city on an average day.

They threaten life and limb.

They impede police on emergency calls.

They delay firefighters and ambulances.

They frustrate and enrage commuters, shoppers and shippers.

They are increasingly a millstone around the neck of established commerce, they empty storefronts.

Tomorrow, for the first time in more than 60 years, Hammond will be within reach of a solution to its oldest problem; a solution of benefit to every man, woman and child living, working, visiting or traveling within its limits.

The Public Works Committee of the U.S. House of Representatives is coming to town to study railroad crossing tieups, and how to fix 'em.

Rep. Robert Jones, D.-Ala., is chairman. With him will be Rep. John Klucynski, Chicago Democrat, and Rep. Robert Hanrahan, Homewood Republican. Also in town: chief committee counsel Richard Sullivan, and consulting engineer Lloyd Reward.

They're here at the behest of Rep. Ray J. Madden, 1st District Democrat and one of the senior statesmen of the 93d Congress, who has been in the forefront of the assault on the Hammond railroad problem.

At a luncheon-hearing, the committee will hear community sentiment concerning a plan to relocate Hammond railroad traffic over one existing right of way, thereby freeing most of the city from traffic jams, danger, delay and economic strangulation.

Developed by Mayor Joseph Klen's Rail Relocation Committee, the plan is the most positive step ever toward solution.

It would condemn no property, ease the burden in every part of town.

It would add to existing track on right of way already railroad-owned.

It would more fully utilize already-constructed overpasses, add two new overpasses over the Penn-Central at 165th and 173rd and an underground pedestrian crossing at Morton School.

It has the support of six railroads, The Louisville and Nashville, Erie-Lackawanna, Chesapeake and Ohio, and Norfolk and Western would all redirect traffic, the Penn-Central and Indiana Harbor Belt own the tracks over which much of the redirected traffic would roll.

It would make available for public use and commercial development miles of old commerical development, miles of old railroad right of way through much of Hammond, adding to the tax base and easing the real estate tax burden.

It would eliminate 40 per cent of current grade crossing traffic problems, including:

School buses and public conveyances dodging around lowered crossing gates.

Elementary, junior high and high school pupils sneaking through, over and under trains stopped at crossings.

95 persons killed or injured in 70 rail-car accidents in the last six years.

262 ambulance delays for a total of 719 minutes in 1973.

53 fire truck delays for a total 130.5 minutes in 1973.

24 hours, 38 minutes of derailment-delay in 1973; 242 hours, 48 minutes of derailment-tieup already in 1974.

Uncounted hours of commuter, jobholder, shopper tieup daily.

There is support from major Region unions; from the Steelworkers and the Teamsters.

There is support from police and fire officials, from the Chamber of Commerce, from industry, from major civic establishments, from utilities and truckers.

The improved traffic pattern for all of Hammond would be more attractive to new industry and jobs; make more secure the jobs that are already here.

Relocation in Hammond is endorsed by the Northwest Indiana Planning Commission as a "good start" for the 25-year program envisioned necessary to improve railroad traffic patterns throughout the Region. Outlying problems can be solved only after the Hammond hub has been fixed.

A great many citizens—and their collective well-being—are intent this weekend on the deliberations of the House Public Works Committee convening in Hammond.

They are nearer than ever before to solution of the rail crossing tieup that has been a blight on their city, their Region and their lives.

EFFECTS OF THE ENERGY CRISIS

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 8, 1974

Mr. ROSENTHAL. Mr. Speaker, though the so-called energy crisis apparently has eased, its effects are continuing in the form of worsening inflation. A man who has done much original research in the area of "ripple effects" of the energy crisis, Matthew J. Kerbec of Output Systems Corp., in Arlington, Va., is convinced that sudden massive energy price hikes are the single greatest contributor to today's spiraling rate of inflation.

In a letter to President Nixon, Kerbec suggests a number of steps, including a price rollback for crude oil—which the President heretofore has opposed—stabilizing the U.S. economy by subsidizing import costs of energy, and investigating in more detail revelations about the "profits and monopoly practices" of the Arabian American Oil Co.—Aramco. These revelations surfaced during recent Senate hearings.

I insert Mr. Kerbec's letter to the President into the Record:

Output Systems Corp.,
Arlington, Va., April 5, 1974.

The President,
The White House,
Washington, D.C.

Dear Mr. President: This is our second report to the Office of the President directed toward presenting the inflationary effects of the sudden massive energy price hikes which have been implemented in the past six months.

For the first time since the Department of Labor began publishing the Wholesale Price Index, the price of fuels, related products and power have reached all time highs. The March 1974 Wholesale Price Index shows that all fuels (coal, gas, electric power, crude petroleum, refined petroleum products) have climbed 83.3% from March 1973 to March 1974. In the same period crude petroleum went up 75.5% and refined petroleum products spiralled to a new high of 145.7%. Remember these price indices are at the wholesale level and still have to be marked up through the industrial sector before filtering down to the ultimate consumer.

To put this in some meaningful perspective, it is informative to compare the 1973 sales of some of the largest industries as presented in the March 9, 1974 edition of Business Week. Oil led the list with sales of $117.9 billion, automotive was second at $95.174 billion, food processing accounted for $60.350 billion, electrical and electronics $39.959 billion, chemicals $35.501 billion and steel sales amounted to $28.501 billion.

More to the point, conservative estimates for additional refined petroleum product costs to be absorbed in 1974 will be $43.9 billion (see Table 1 for calculations). In accordance with Corollary 3 of the "Kerbec Energy Theory" which states:

"An energy cost is associated with obtaining, producing and/or transporting all raw materials and products and these costs are multipled and accelerated as they ripple through a profit oriented socio-economic society."

This $43.9 billion has the potential of more than doubling before reaching the retail level. It is interesting to note that if one dollar of energy costs in any raw material or product goes through three profit centers and is marked up 30% in each center the total compounded sum will amount to $2.19.

This is of course true for all commodities but Corollary 3 tells us that at each processing or transporting operation (without exception) an additional energy cost is incurred and creates new ripple effects. Thus, energy has more price leverage than any other commodity in that it is present in every product and activity. Contrary to the opinion of many private and government analysts, energy price effects are not a one-shot phenomena but are only the trigger which stimulates the following cumulative inflationary effects:

1. Agriculture and industry has to respond by equivalent massive price hikes. *Price and wage controls become meaningless* because massive increases in the prices of fossil fuel inputs and related raw materials make higher prices mandatory if energy intensive industries such as steel, food, transportation, petrochemical, power generating and other industries are to survive. The impact of current Cost of Living Council manufacturing price decontrol actions are now in the process of being converted into higher consumer prices.

2. Union workers are forced to ask for, at least, equivalent cost of living wage increases to meet the current inflation rate. Labor is the greatest operating production cost in the U.S. and when manufacturers again crank up prices to pay for increased labor costs a new massive price ripple effect is started and will continue even if energy prices are rolled back. The inflation rate was 10.2% for the past twelve months.

Many state and municipal governments are now faced with union demands for cost-of-living escalator clauses in addition to direct wage increases and fringe benefits. The New York Transit Authority, for the first time allowed a cost-of-living clause in addition to a graduated 14% wage increase in its latest labor contract. Other New York unions are on record as seeking similiar concessions for police, firemen, sanitation and other workers.

In addition, skyrocketing fuel costs are driving many local governments toward insolvency and these governments will require large tax increases and/or massive injections of Federal aid to maintain essential services. Private bus companies in New York are asking for a 41% fare increase and there is no reason to believe that this fuel-wage cost spiral will not be experienced by all government entities. Again, energy price hikes were and are the primary *cause*—wage, tax and price increases are *effects*.

3. Reduced buying power caused by massive inflation will effect employment. Greater percentages of income will have to go for necessities, spending patterns will be distorted and savings, investments and interest rates will be affected. In 1973 approximately 63 million of the total 83 million workers in the U.S. were not represented by unions. Depending on how incomes vary for the 63 million nonunionized workers relative to a greater than 10% rate of inflation, it is certain that less goods and services will be purchased. Under these conditions there will be pressure to reduce savings and capital investment.

4. With rising inflation, the demand for luxury products and non-essential items, depending on income distribution, will decrease leading to more layoffs that will affect executives and workers at all income levels and will further impact savings investment and interest rates.

The inflation-recession pressures will primarily be related to what happens to the spectrum of disposable income by the middle 60% of all wage earners. (In 1972 the bottom 20% of all family income resulted in an average annual income of less than $3,500 for more than 10 million families.) As inflation keeps rising more and more people are relentlessly being squeezed between soaring prices and relatively fixed incomes which generates a socio-economic environment that may well lead to violence or other anti-social and anti-governmental actions. Events after Effect 4 are anyone's guess. The U.S. is definitely at Effect 1 with prices continuing to rise at unprecedented rates. Effects 2, 3 and 4 are showing the same type of activity now being felt in Great Britain and Japan. One thing is certain—there will be delayed effects long after the high priced energy is fed into our economic system.

For example, according to a February 15, 1974 Wall Street Journal article, fossil fuel based chemical "feedstocks" such as various styrenes and resins rose 50% in February 1974. These products go to over 300 industries with total sales over $100 billion and are used in the manufacture of items such as phonograph records, vinyl flooring, plastic containers, tires and tubes and electrical appliance parts and other products. Also in the past six months basic steel has increased their prices over 10% with more to come starting another series of rippling price effects. These increases have yet to be felt at the retail level. On the food labor front new precedents were set by the Philadelphia meat-cutters union. In addition to graduated pay increases of 19% they negotiated an "open ended" cost-of-living clause which means that as the cost of living goes up, wages go up and prices increase again to pay for the wage hikes. The United Mine Workers have served notice that they will ask for a similar clause. Again it is strongly emphasized that these wage increases are *effects*—the primary *cause* was the sudden massive energy price increases.

In view of the above considerations I respectfully offer the following suggestions:

1. Reverse your opposition to a price "roll back" for crude oil. The massive percentage price hikes allowed in the past six months have set precedents which are causing coal and natural gas prices to follow crude oil prices and each of these commodities are stimulating additional growing ripple price effects in all basic industries with resulting equivalent wage demands. It is important to remember that almost all of these inflationary effects are due to price increases that have little or nothing to do with changes in production costs and this situation is analogous to the 1929 stock crash in that stock prices at that time were bid up to the point where they had no relationship to the value of the stock.

2. Stabilize the economy of the U.S. by subsidizing import costs of energy. I do not believe that there is anything more unsettling for American businessmen or consumers than to be exposed to a daily barrage of news concerning the probable actions of the oil exporting countries that might result in still higher energy prices and/or shortages. On April 1, 1974 the Wall Street Journal reported that Indonesia had again raised its price for crude oil from $10.80 per barrel to 11.70.

The head of your energy office, William E. Simon, has repeatedly been quoted as saying we have no control over foreign oil prices. A suggested approach is that he reactivate the team that was so successful in implementing the oil import quotas. If the U.S. can be shielded from a drop in foreign oil prices there is no reason it cannot be shielded from a price rise even if subsidies are required, particularly when only 15% of our total energy needs are imported. From any management standpoint there is absolutely no logical reason to allow the entire U.S. economy to be levered by the actions of foreign oil producers and there is no other conclusion except to admit that our management has lost control of our economic system. The stabilization of our economy is a fundamental responsibility and of necessity must be considered as a top priority .

3. Shocking revelations were surfaced by the Senate Subcommittee on Multinational Corporations during their hearings concerning the profits and monopoly practices of the Arabian American Oil Company (ARAMCO). According to a March 28, 1974 front page Washington Post article, ARAMCO Senior Vice President Joseph J. Johnson, was asked repeatedly what incentive ARAMCO and its owners had to press for lower prices—he was unable to suggest one. Also, ARAMCO supplied data showed that in 1973 ARAMCO dividends increased by 350% ($2.59 billion). In the same preiod the royalties and income taxes collected by Saudi Arabia also rose by 350%. If this is true it represents price gouging on a tremendous scale when it is realized that the operating and general expenses associated with producing a barrel of crude oil is about 20 cents. According to the testimony, ARAMCO's profit went from $2 per barrel after the embargo in 1973 to about $4.50 thus far in 1974, and that these profits were made as the result of and during our domestic energy crisis. The testimony also indicates a systematic planned pattern of price fixing, monopolistic practices and controlled production.

Mr. President, I strongly suggest you initiate action to start Grand Jury hearings under a Special Prosecutor such as Leon Jaworski and start examining this testimony and evidence in addition to the Federal Trade Commission's allegations of unlawful monopoly.

For those who believe that our continuously climbing inflation is going to stop or taper off in late 1974, let's look at inflation in other countries who have allowed energy prices to reach cartel levels. Great Britain is now at a 20.4% rate of inflation with Japan runnning a close second at 20%. France, Italy and other European countries are also experiencing climbing inflation rates.

The U.S. is showing the same upward climb in prices and wages and if some rational energy price actions are not taken soon, we will be locked into a price-wage-recession-inflation spiral that no one can stop. It is not necessary to be an economist to realize that the financial health of all industries depends on the financial health of the consuming public and if one gets sick both get sick.

In closing I would like to leave one basic question open: "How Can You Logically Budget or Allocate Resources to Achieve Energy Self Sufficiency at a 20% or Greater Rate of Inflation?' For those who say it can't happen here Great Britain and Japan did not think it could happen either.

Sincerely,

MATTHEW J. KERBEC,
President.

THE TRADE REFORM ACT

HON. SAM GIBBONS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 8, 1974

Mr. GIBBONS. Mr. Speaker, I would like to bring to the attention of my colleagues a statement I made recently on the Trade Reform Act.

The statement follows:

STATEMENT OF HON. SAM M. GIBBONS, DEMOCRAT OF FLORIDA, BEFORE THE SENATE COMMITTEE ON FINANCE ON THE TRADE REFORM ACT, APRIL 1, 1974

Mr. Chairman and Members of the Committee, I appreciate the opportunity to appear before you today to talk briefly about some of the considerations which I believe are very important as you begin to make decisions on the proposed Trade Reform Act.

I notice that the arguments you've been hearing on trade are pretty much the same ones that we on the Ways and Means Committee heard during our five months of deliberations on the trade bill. It was good to see that at least some of your witnesses praised the House-passed version of the bill as an improvement over the Administration's original proposal. I think this is so, and I sincerely hope that the decisions we made and the language we drafted will be helpful to you and may even shorten the time you have to spend marking up the bill.

As you know, the Ways and Means Committee is not known to be a bunch of free traders, and I can certainly vouch for the accuracy of that reputation. It came as a bit of a surprise to many people, I think, that the trade bill finally approved by the Committee—by an overwhelming vote of 20 to 5—was as well balanced and as carefully drawn as it was. I have talked to both supporters and opponents of a continued expansion of world trade who feel that the bill we approved was, all things considered, quite a satisfactory one.

It grants to our negotiators the flexibility and strength they need to strike sound and mutually beneficial bargains with our trading partners, but it introduces a great number of procedural safeguards and consultation requirements—far more than were requested by the Administration. By providing for Congressional review and even possible veto of important trade decisions, it also gives real recognition to the Constitutional grant of power to the Congress to "regulate foreign commerce."

The House-passed bill is a real improvement over present law with regard to providing relief from the effects of unreasonable import competition. All forms of import relief are made easier and quicker to get and adjustment assistance is made more generous.

I didn't come here to pat myself on the back for the House-passed trade bill. Indeed, there are a few provisions in the bill that I would like to see deleted, and there are amendments which I fought for in the Committee that are not included in the bill. However, the decisions on all of these matters are now in your hands.

NOW IS THE TIME TO MOVE FORWARD ON TRADE

The reason I asked to be heard by you is this: I believe strongly that a continued expansion of mutually beneficial trade among the nations of the world is very important to this country, both economically and politically. Therefore, the timely enactment of a good trade bill is deserving of our best efforts. In fact, such fairly recent developments as world-wide energy and food shortfalls and galloping inflation have made it even more urgent that we continue to assume world leadership in finding cooperative solutions to world-wide economic problems. The proposed trade bill is an integral part of our efforts in this area.

You are, of course, familiar with the traditional arguments on why trade is so important to us, so I won't dwell long on these. Many of you have seen in your own states just how important export business has become to many of our factories and farms. In an era of resource shortages, imports have also become important to both consumers and producers. Today, more than 14% of our goods are exported, and about 14% of the goods we consume are imported. Some of our industries, such as aerospace and agricultural chemical industries export 40–50% or more of their production. Moreover, we are dependent on imports for more than 50% of 6 of the 13 major raw materials need by our industries.

It's no longer possible for us, or perhaps any nation, to cut off trade and investment flows and say that we will "go it alone." Trade and investment and the operations of the MNC have simply become an integral part of growing economies here and abroad. Our choice is not whether we will "allow these to exist" or not, but whether or not we will harness and regulate these phenomena for our benefit and that of the rest of the world—and whether this country will reassume the leadership role in this area that we assumed at the end of World War II.

Some of those who testified before the Ways and Means Committee painted trade issues in terms of black and white. All of us know that this is no longer possible, if it ever was. To be sure, the issues involved in trade are complex and politically sensitive ones. They cut right across employment problems, foreign policy attitudes, and the vested interests of numberless economic groups—and they cannot be solved easily. If they could, it would not have taken the Ways and Means Committee five months to report out a trade bill. Literally cutting off trade and investment, as some have suggested, would not have taken the Committee long at all. However, it soon became clear that such a step would have been no solution at all. Also, we realized that we could dismiss these issues, or not act on them, only at our peril.

The Ways and Means Committee soon found that some of those who testified on the trade bill simply did not want a trade bill enacted and had no interest whatsoever in working with the Committee to come up with a balanced bill. This was hard to understand, since some of these people would benefit greatly by the approval of a good, balanced trade bill. Nonetheless, these people continued to cling to their simplistic and illusionary proposals to virtually cut off trade and investment even after these had been rejected by large margins in the Committee.

It couldn't be more clear, it seems to me, that this country has everything to gain from approving a sensible trade bill and maintaining the momentum toward a new round of international trade negotiations designed to reduce the barriers to trade.

It's a puzzle to me that some people feel that this country should not enter into trade negotiations. It's not going to be easy to work out mutually beneficial trade agreements. Obviously, each country has to give up something for what it gets in terms of reducing the trade barriers that have been erected, and each trade agreement will affect economic interests in the various countries. However, the demand for U.S. products is great world-wide and it is growing fast. There are a great number of barriers to the entry of U.S. exports into other countries and we have everything to gain by at least undertaking trade negotiations and making a real start toward reducing trade barriers.

The U.S. economy is becoming ever more dependent on trade for continued growth and the reduction of trade barriers is becoming ever more important to us. Something which we sometimes tend to forget—that our businessmen discovered long ago—is that there's a great wide world beyond our borders which offers tremendous outlets for our products, as well as new sources of raw materials for our industries.

Right now, we can negotiate from a position of strength with our trading partners. Our economy is strong. We have been affected by the Arab oil boycott and the four-fold increase in the price of crude oil this last year far less than countries who are more dependent on imported oil for their energy supplies. The floating of national currencies has provided needed flexibility in the international monetary system, and the strength of our dollar in this new scheme of things reflects the strength of our economy.

It's been the fear of some that our trade negotiators would "sell out" certain American interests. This fear is, I think, baseless, and has been made completely irrelevant by those sections of the House-passed trade bill which require prenegotiation procedural safeguards and continuing close Congressional scrutiny of the negotiations and their results.

If we do not move forward in entering a new round of trade negotiations, we have much to lose besides the opportunity to eliminate or reduce existing barriers to U.S. exports. In the world economy, not to move forward is to drift backward toward the kind of economic stagnation, resurgent nationalism and isolationism which we knew in the 1930s, and even toward war itself. The sudden emergence of food and fuel shortfalls, rampant inflation, and high-cost oil has made this "drift backward" a potential headlong rush toward trade restrictionism and isolationism.

We saw what happened in the '30s, when we imposed the Smoot-Hawley tariffs in an attempt to reduce our depression-level unemployment. We found too late that the only result was trade retaliation by the other countries of the world, a worsening world-wide depression and economic conditions which helped lead up to World War II.

It's perhaps not too far-fetched to say that the economic conditions we face today present the same kind of challenge to a peaceful and continually functioning world economy as those of the 1930s.

The four-fold increase in world crude oil prices in the past year is likely to lead to balance of payments deficits for all of the developed countries. Already we are seeing our $1.7 billion trade surplus of last year pared down by the greatly increased prices we must pay for imported oil—and we are one of the countries of the world least affected by this phenomenon!

Already there are signs that some countries will try to pass their billions of dollars in balance of trade and payments deficits resulting from higher oil prices to other developed countries by import restrictions, unreasonable export subsidies, or competitive devaluations. This simply is not possible. There literally is no place to which these deficits can be passed. They share a common cause and they are shared by all developed countries.

This is to say nothing of the less developed countries. The food, energy and fertilizer shortages and the high prices they face today subject them to the real danger of not only even lower rates of economic growth, but, for some, even famine.

The severity of this problem cannot be overemphasized, for, as we've learned all too vividly in the past, world economic problems which are neglected spread like wildfire. This is more true every day, as countries become even more interdependent.

We must and of course are making all kinds of different efforts on the international scene to resolve the economic conflicts relating to fuel and food shortages and rampant inflation.

Nonetheless, if we do not pass a trade bill and embark on bold international trade negotiations, we will be losing quite an opportunity to resolve what have become urgent and sticky economic issues among nations. Since World War II, we have had a great deal of success in managing trade issues in the institutional framework and under the agreed upon rules of the GATT. The nature of these issues has changed dramatically in recent years. For instance, while import restrictions remain a problem, the management of resource shortages has emerged as a problem of similar importance.

This has not changed the fact that we must look to cooperative undertakings to find real and lasting solutions to these problems. The need for revision of the GATT rules to handle these problems—and for our countries to show the national will to look for multilateral solutions in an institutional framework such as the GATT—is urgent, for the danger of economic warfare and a real confrontation between rich and poor nations is great.

Also, it's clear that near-universal cooperation among nations is the only way for us to break the stranglehold of a supply cartel like OPEC.

In many ways, our economic relations with other nations are at the base of our political relations with them. If we do not negotiate to find solutions to these "pocketbook" issues which divide us, we cannot hope to settle our political differences.

Because of our differences over such things as how to react to the Arab oil embargo, how to treat the Soviet Union, and how to view the Atlantic alliance, we seem to be on a collision course with the Europeans in our political relations. Some wonder if the Europeans care whether they have any relations at all with us any more. However, I've just returned from talking with members of the European Parliament in Europe, and I know that the Europeans still look to us for leadership in settling difficult international economic issues.

They are watching us to see whether we have the political will to do any real negotiating on tough trade issues—whether we are willing to raise our sights from the economic irritations which rub against us day after day to a bold new attempt to not only try to resolve these day-to-day issues but also foster a new climate of cooperation in settling troublesome international economic problems—indeed, they watch to see whether we are even going to pass a trade bill.

It's also my observation from meeting with the European Parliamentarians from time to time over the past three years that the European Community is stronger, more unified, less concerned about internal matters and better prepared to make the decisions necessary for trade negotiations than they have ever been. I also know that the Europeans have finally abandoned their search for additional reverse preferences.

It's my firm personal belief that the continued expansion of mutually beneficial world trade and the increased contacts among nations which it brings not only redound to our economic welfare, but also help to build peace and understanding in the world. Certainly we've seen that the opposite of this is true—trade retaliation and economic warfare can lead to world-wide depression and actual warfare.

It's unfortunate that so much of the attention given to the trade bill has focused on Title IV. All of us are concerned over the conditions under which nondiscriminatory tariff treatment and Export-Import Bank credits should be granted to the Soviet Union. However, the thrust of the Trade Reform Act is to provide an opportunity for the free nations of the world to get together to work out their trade differences. What is most important is that we continue to expand this trade among the free world countries in order to strengthen the U.S. economy and other free world economies.

We should not lose sight of this fact, and the fate of the Trade Reform Act should definitely not rest with the fate of Title IV. Our trade with the communist countries is minimal and unlikely to amount to very much in the foreseeable future. While I believe that trade with these countries in nonmilitary items is desirable as an instrument of ending the isolation of these nonmarket economies and bringing these countries into the community of nations, our economic and political relations with our traditional allies must not be eclipsed by our concerns about East-West trade.

One of the most serious problems we are going to face for years to come is that of severe, world-wide inflation. Trade helps to allocate world resources better and can have a significant effect in keeping consumer prices down and also keeping producer costs down.

Already, nations have begun suspending some of their import restrictions for the stated purpose of combatting domestic inflation. We ourselves have done this, as in the case of our meat import quotas, and Title I of the House-passed trade bill provides a great deal more flexibility for this kind of action.

World-wide inflation makes it even more important that consumers be allowed the chance to purchase less expensive goods from abroad, especially when this does no harm to U.S. workers or industries. We have found that the resources of this world can be quite limited in some ways, and trade helps us to make the best possible use of these resources.

We are a rich country. Our standard of living is half again as great as that of the next richest country. We do indeed have our problems, but even in difficult times we should not forget our responsibilities toward the rest of the world, especially toward the poorest of countries.

Our trade with the less developed countreis (LDCs) is of benefit to both them and us. This trade accounts for one-third of total U.S. trade. Last year alone, our trade surplus with these countries rose by a billion dollars, and much of the LDC foreign exchange earnings from this trade is used to buy goods in the United States. The development of the LDCs is of special interest to us, since it not only promotes peace and world stability but also provides expanded markets for U.S. exports.

The LDCs have been especially hard-hit by the greatly increased cost of petroleum products. It thus has become even more important that their products have access to the markets of developed countries, so that they can earn the foreign exchange they need to pay for their energy needs and also the goods they need to develop their economies.

With the great needs of the LDCs, it only makes sense that the developed countries should try to give the LDCs some kind of break in this trade. In fact, a commitment was made several years ago to do just this, and Europe and Japan have already taken steps to grant tariff preferences to the exports of the LDCs.

Title V of the House-passed trade bill would grant tariff preferences to the LDCs with quite strong safeguards designed to insure that this action does not adversely affect American workers and industries.

THE TRADE REFORM ACT IS A GOOD BILL

Some have criticized the House-passed trade bill as "worse than no bill at all." I think you will find this charge to be baseless. Although I'm somewhat at a loss to understand why the charge is made, I suspect it may be because the bill does not deal with all aspects of our international economic policy. Frankly, the bill was never intended to do this. While a few other subjects might be included in the bill, it would not seem wise to try to do in one bill everything that should be done in this area. The field of trade itself is complex enough.

The House-passed bill does not address the issue of U.S. taxation of foreign source income. I believe that our tax laws do provide some incentive for investment abroad and I have sponsored legislation designed to eliminate this. The Ways and Means Committee's windfall profits bill would tighten up our tax laws as they relate to income earned and losses sustained abroad by our oil companies. Further, the Committee will undoubtedly take further action in this area as we take up general tax reform, which is our next order of business, along with national health insurance.

It is my own view that the over-valuation of the dollar for so many years before the President's action of August 15, 1971, provided a far greater stimulus to investment abroad by U.S. businesses than any provisions of our tax laws have. The current floating of national currencies and the more realistic exchange rate of the U.S. dollar will do much to reduce, if not eliminate, excessive investment abroad by U.S. firms.

The House-passed trade bill does not touch on the very important subject of regulating the activities of the multinational corporation (MNC). A great deal of work needs to be done before we can establish a sound institutional framework and set of rules to guard countries from the excesses of MNC operations across national borders. However, work on this is already under way in the OECD, the United Nations and other agencies.

I've been involved in consultations on this subject with members of the European Parliament and the North Atlantic Assembly. It's clear to all of us that the need for timely multilateral action in this area is great.

Foreign investment and the operations of the MNC have perhaps displaced trade as the most important elements in the world economy. These cannot be neglected by governments, just as the problem of undue resort to export controls cannot be neglected.

The House-passed trade bill does not address the reform of the international monetary system, which is perhaps as important to the health of the world economy as anything else we do. Progress is being made on this front, although the frictions resulting from the actions of the Arab oil countries have impeded this.

Perhaps the most relevant new element which might be included in the Trade Reform Act is some kind of amendment relating to international agreements on the problem of short supplies and export controls. This is a most important area for your consideration. I know several of you have already proposed amendments of this sort.

LET US BEGIN TO MOVE FORWARD

These are some of the points I wanted to make to you because of my strong feelings about the importance of trade to us, economically and politically, and to the prospects for peace and prosperity on this fragile planet.

Besides enacting a good trade bill as soon as possible, I believe that it is also important that we take a more active role in exercising our Constitutional mandate to "regulate commerce with foreign nations."

Our trade and economic relations, as they grow ever more important, are also growing more complex. During the Ways and Means Committee deliberations on trade, it became clear that many of our past trade decisions and policies were not well monitored by either the Executive Branch or by the Congress and some in fact were ill-considered to begin with. More attention to this area, more oversight and more analysis of the facts surrounding specific types of trade are needed.

The Ways and Means Committee worked hard to try to make the House-passed trade bill one which would meet the legitimate grievances of those who might be adversely affected by trade. This was done by specific procedures whereby the facts and all appropriate views on a particular case could be presented in the open and a decision could be made by a set, orderly process. In my view, it is only by this kind of decision-making process that we can (1) restore eroding confidence in government, and (2) convince all affected parties, and the public, that our trade policies are made on the basis of the facts, not rhetoric or political pull, and that they are prudent ones which benefit rather than harm our workers, consumers, industries and farms.

It is my sincere hope that the trade bill which is finally approved will require us to pay more attention to our trade and other economic policies and to make better decisions in these areas. If we are to do a good job on this, we're also going to have to make sure that we have top-flight people staffing the important agencies which deal with trade, including the Tariff Commission.

The timely passage of a good trade bill will, I feel sure, go a long way toward minimizing our economic conflicts with other nations. The economic and political benefits which will flow from this will be enormous.

Thank you for your time.

MEMORIES OF HON. CECIL R. KING

HON. JOHN J. McFALL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 2, 1974

Mr. McFALL. Mr. Speaker, to leave the world a better place by having lived is perhaps the greatest gift a person may bestow on those who remain.

Such a legacy was left by our former colleague in the House, Cecil R. King, whose recent death we mourn.

My memories of Cecil go back to 1957 when I came to the Congress. By that time this fine man already had served in the House for 15 years and had established a reputation as an outstanding legislator and representative of the people. When he retired in 1968, he had become the dean of our California delegation, respected and loved by all of us.

Intellectually and financially honest, Cecil set a high standard by his devotion to the people and the public interest which we could seek to emulate but never hope to surpass. Quiet—not flamboyant—he was just the opposite of the cartoon Congressman.

What was it in the background of this man that prepared him for a distinguished career in the Congress? He did not have the benefit of academic degrees resulting from higher education. He served his country in World War I as a private in the Army during his 19th and 20th years. A dry cleaner by trade, he became interested in politics and was elected to the California Assembly where he served for 10 years from 1932 until he was elected to Congress in a special election in August of 1942.

Perhaps it was in the State legislature that he learned how to be a great public servant. But I think not. I believe it came from something deep inside—a native intelligence, a love of people, a delightful sense of humor, a complete lack of concern for himself—traits that marked him as a remarkable man.

In the House, Cecil demonstrated time and again a rare ability to get to the heart of a matter. In the exhausting and intricate work of the Ways and Means Committee, he was a leader. He became a recognized authority in international trade; he represented our country in

Common Market negotiations and served as a congressional adviser to the United Nations Conference for Trade and Development.

He led an investigation by the committee of wrongdoing within the Bureau of Internal Revenue and the tax division of the Department of Justice which remedied many abuses that occurred in the early fifties.

His crowning achievement may have come from his tenacious efforts to bring better health care for the elderly through establishment of the medicare program.

From his rather humble beginning one would be tempted to say he was an ordinary American. But this was wrong, for Cecil King was an extraordinary American.

He used all of the qualities with which he was graced to their maximum effectiveness, and the Nation was better as a result.

To his wife, Gertrude, his daughter, Mrs. Louise Bonner, and his sister, Gladys Rose, we offer our condolences. We have lost a friend who made being a Member of Congress during his service a rare opportunity. But we can take comfort in knowing that there will be others in future generations who will come forward to meet the needs of our country, for the strength of America is that it produces men like Cecil King.

NORTHERN IRELAND: WHY THE VIOLENCE?

HON. ANGELO D. RONCALLO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 8, 1974

Mr. RONCALLO of New York. Mr. Speaker, I would like to share with my colleagues the following article by Father Denis Faul which appeared in Triumph magazine recently regarding the fate of the Catholic people in Northern Ireland:

A short time ago, Triumph *received a report from Father Denis Faul, a pacifist priest who watches closely the fate of the Catholic people of the North of Ireland, Father Faul condemns all violent acts—whether of the British army, Ulster Protestants or the IRA. But his unswerving dedication to the peace of Christ does not allow him to avert his gaze from the essentially violent and vicious political and social milieu that Britian has maintained in the North's Six Counties in collaboration with her loyalists. The following condensation of the report from Belfast is one case history of such institutionalized violence:*

Newtownabbey was . . . formed in 1958 from seven old villages and a number of post-World War II housing estates on the north side of Belfast. . . .

Up to 1969 there was one Catholic parish covering the whole area. In that year, due to the rapid increase in the number of Catholics in the area, the parish was divided into five new parishes. These were:

Whitehouse, 4,000.
Greencastle, 3,500.
Whiteabbey, 2,400.
Glengormley, 3,200.
St. Gerard's (Antrim Road), 1,600.

At the time of the division these numbers were increasing, especially in Whiteabbey and Glengormley which are developing areas. *In 1969 Catholics formed about 28% of the total population.* The expectations were that this percentage would increase. . . .

The position *in 1974* is:

Whitehouse, 1,800.
Greencastle, 3,100.
Whiteabbey, 1,300.
Glengormley, 5,500.
St. Gerard's (Antrim Road), 1,850.

Catholics now form about 22% of the total population of Newtownabbey.

Why are Catholics leaving?

Catholics are leaving Whiteabbey and [Whitehouse] for two reasons: intimidation and fear of being assassinated.

1. *Intimidation*

Until comparatively recently, most of those who felt they were either actually intimidated, or feared that they would be, due to the general atmosphere of intimidation which prevailed in the area. Protestant extremist groups such as the UVF, UFF, UDA, LAW and Tartans are particularly strong in the district. From time to time members of the UDA in paramilitary dress patrol openly . . . without interference by the security forces [Royal Ulster Constabulary and the British army]. Catholics have sometimes been imprisoned behind UDA barricades. Catholic homes have been petrol-bombed. Young Catholics frequently have been stabbed and beaten. . . .

The following extract from an as yet unpublished report of the Community Relations Commission indicates the attitude of the police in the area:

"Definite sympathies with the UDA have come to light in our investigations. The loyalist outlook of certain members of the RUC at Whiteabbey and York Road colors their perception, judgment and response in dealing with intimidation and its attendant problems."

2. *Assassination*

In recent weeks there is alarming evidence of an organized campaign to assassinate Catholics in the Newtownabbey area. The following [partial] diary of events supports this belief.

December 4, 1973:

Catholic home in Greymount Drive, Greencastle, petrol-bombed. Father escaped through the back door; mother, son, and daughter jumped from an upstairs window. All hospitalized for burns. . . .

January 8 1974:

Two Catholic families in Clonbegg Drive, Rathcoole, petrol-bombed.

January 31, 1974:

Gunmen robbed a group of 13 workers who were playing cards in their hut at lunch time. . . . Two Catholics were shot dead . . .

February 11, 1974:

A carload of five Catholics from the Bawnmore area of Greencastle was ambushed as it arrived at the Abbey Meat factory, Glenville Road, Whiteabbey, at 7:56 A.M. Thomas Donaghy, 16, was killed; Margaret McErlean, 18, is still critically ill in the hospital; Alice Hughes, less seriously injured, is also in the hospital. The UFF . . . claimed responsibility for the shooting. . . .

February 12, 1974:

About midnight, shots were fired into the Poland home at Downpatrick Green, Monkstown. A bullet was found in the mattress on which a young child was sleeping. The Poland family and another Catholic family left the area the next day. . . .

The security forces are not following an impartial line in stamping out terrorism. It is particularly noticeable that in [majority] Protestant areas like Newtownabbey, where the RUC can patrol freely, extremist groups have a free hand to intimidate and assassinate Catholics. On February 15, 1974, a reporter wrote in the [Belfast] *News Letter:*

"Why choose Newtownabbey for the butchery? One theory is that the random attacks on Roman Catholics within the 60,000 population are aimed at driving them out of the area."

Unless the security forces, particularly the RUC, change their present policy, the assassins will succeed in their objective.

RECORD OF DISTINGUISHED SERVICE

HON. RON DE LUGO

OF THE VIRGIN ISLANDS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 8, 1974

Mr. DE LUGO. Mr. Speaker, as I noted in the RECORD of April 4, Miss Enid Baa has retired from her position as Director of Libraries, Museums, and Archives of the Virgin Islands. Although All Virgin Islanders know that she will contribute to the community as a private citizen, we cannot help but regret her departure from an illustrious career of public service.

I wish to share with my colleagues another editorial praising the superlative life and career of Miss Enid Baa:

RECORD OF DISTINGUISHED SERVICE

One of the Virgin Islands' most scholarly citizens, Enid Maria Baa, is retiring from public service this week. When she leaves office on Monday after 20 years as Director of Libraries, Museums and Archives, Miss Baa will be sorely missed, particularly by those who have the preservation of the islands' history and culture at heart, but her accomplishments in over four decades of service to the islands will be a beacon to students and scholars for years to come.

Born in 1911, when these islands were still under the Danish flag, Miss Baa's efforts have done much to preserve the history of those long ago years for the students of today. Her achievements in her chosen field have received the highest recognition throughout the Caribbean, on the mainland and the international library world, as well as in the Virgin Islands.

Miss Baa was attracted to library science at an early age. Being one of the first high school graduates on St. Thomas, she took part in establishing the island's high school library, demonstrating such interest in the field that she was selected for the first Interior Department Scholarship and enrolled at Howard University. After only a year there she was chosen by Governor Pearson and the Carnegie Foundation for a scholarship to the Graduate Library School at Hampton University. When she returned to the islands in 1933 she was named head of the then Department of Public Libraries, becoming the first woman to hold cabinet level office in the Virgin Islands.

In the next decade Miss Baa worked with real zeal to expand and improve the libraries on all three islands, and in 1943 she entered Columbia University to complete the undergraduate work she had cut short to accept the Carnegie scholarship. There she worked in the university library and after graduation became fellow librarian at Queens College and also worked at the United Nations in English, Spanish, Portuguese and French, before becoming a specialist in cataloguing Spanish and Portuguese materials at the New York Public Library.

Miss Baa returned to her home island to become library consultant to Governor Morris de Castro in 1950, and in 1954 was appointed by Governor Archibald Alexander to her present post. In the next two decades her achievements and the honors she was awarded make an impressive list. Among them was the John Hay Whitney Foundation Fellowship for her contribution to the preservation of the Sephardic Jewish records in the Virgin Islands, editing the "Current

Caribbean Bibliography" while acting as librarian in charge of the Caribbean Organization Library, election to the Virgin Islands Academy of Arts and Letters, honorary doctorate in philosophy from Colorado State Christian College, gold medal from the Royal Mint in London, and the publication of numerous papers and dissertations.

Perhaps best known of all her achievements, though, is the Von Scholten Collection, one of the rarest collections of Virgin Islands materials housed in the public libraries. Named for the emancipator of slaves in 1848, it has grown from some 30 books in 1933 to hundreds of rare books, newspapers, periodicals and other material. The collection is still constantly growing and is much used by students from schools and colleges, as well as by scholars in the field of Caribbean studies.

Miss Baa's contributions to these islands are a truly impressive list, and for many years the community will be grateful for her distinguished service in the field of Virgin Islands history and culture.

MEET A JEWISH GRANDMOTHER

HON. EDWARD I. KOCH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 8, 1974

Mr. KOCH. Mr. Speaker, countless words have been used to describe the Jewish mother. One such Jewish grandmother recently won the traditional Jewish chicken soup contest held by Abraham & Straus in Brooklyn, N.Y. The article describing Elsie Zussman, done with great care and insight, will give those who have not had a Jewish grandmother the pleasure of meeting one. The article follows:

HER WAY OF MAKING SOUP: LOOK BACK AND REMEMBER

(By Lisa Hammel)

There was no difficulty telling where the contest was. All you had to do was follow the smell of chicken soup.

It permeated the fifth floor of Abraham & Straus on Saturday where, in its gourmet kitchen in the housewares department, nine finalists in a cooking contest were madly stirring stock, boiling matzoh balls and tossing bits of this and that into steaming pots.

The finalists, whittled down from 47 entrants, were competing in three categories—traditional Jewish chicken soup, nontraditional soup made with chicken, and matzoh balls.

Naturally, a Jewish grandmother won the Jewish soup contest.

The contestants had been asked to show up at about noon (although several were waiting when the store opened) to cook their creations on the spot before an informal audience of onlookers and kibitzers. At 3:30, the four judges—one Catskill hotel owner, two men from A & S's food services division, and the store's resident demonstrator-cook—solemnly sipped and tasted, marked their scorecards, and agreed on the winners.

Elsie Zussman, the chicken soup champion, is a 74-year-old widow with "four gorgeous grandchildren—three in college and one who is 10." Like virtually all the other contestants, she learned to cook by a mysterious process of cultural osmosis.

"When I was young, to me to read a book was important. I wasn't interested in cooking. But my mother, she was a terrific cook. She made all the chicken soup for the weddings where we lived in Russia.

A CARROT FOR COLOR

"One day," Mrs. Zussman continued, "she was visiting relatives in another town and she couldn't get home in time to make the meal for the Shabbes. So I remembered the best I could. That's how I always cooked—I looked back and remembered.

"And when she came home, did she praise me! You see, it's an inheritance. Mine son is a very good cook; mine daughter-in-law, not so good—but some things she makes I could never make that good."

Mrs. Zussman is getting to be an old hand at cooking contests. Last year she was a finalist in A & S's challehbaking competition.

"Before that, I had to work for a living. Who could enter contests!"

As to her prize-winning soup, "maybe it's not better," she said, "but it's different."

What makes it different was the accident, about 20 years ago, of finding herself without soup greens. "So I put in a leek, and it was delicious. Onions are not so good, it gives you a little sour taste. Sometimes, if I want to splurge, I go down and buy a big red carrot, to give it color."

It was not easy for Mrs. Zussman to give the store an exact recipe that they could print for interested customers.

"Who uses a recipe for chicken soup?" she said.

But she tried.

"I start with a chicken," she said. "A good chicken. A cheap chicken wouldn't make a rich soup. And it has to have gray feathers."

Gray feathers? But how did she know if the chicken had had gray feathers?

"They pluck it right in front of me," she said. "You see, the gray-feathered ones are especially fed. They give you a better soup without greens because they're sweet."

And what size pot did she use?

"Enough for the chicken and the water."

How much water?

"About two glaysles a pound."

But what size glasses?

"Whatever size I have."

PRIZE-WINNING RECIPE

Elsie Zussman's chicken soup

1 pullet, no less than 3 pounds (preferably Kosher and with gray feathers).

2 glasses of water (about 8 ounces for each pound of chicken). Salt to taste.

1 parsnip (optional).

1 carrot.

1 large leek.

1. Leave the breast portion of the chicken whole. Cut the rest into pieces. Using a pot large enough for chicken and water, add salt and bring to a boil.
2. Lower flame and simmer over low heat for an hour.
3. Add parsnip, carrot and leek. Continue to simmer for 45 minutes to an hour, but never more than an hour.

IN THE WAKE OF WATERGATE

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 8, 1974

Mr. DRINAN. Mr. Speaker, I am happy to bring to the attention of my colleagues an excellent article by Paul G. O'Friel, the director of the Lincoln Filene Center for Citizenship and Public Affairs at Tufts University in Medford, Mass.

Mr. O'Friel, who has an extensive background in law, broadcasting, and corporate and community public affairs, points out dramatically the urgent necessity for an intensification of training for citizenship. He points out that—

The Lincoln Filene Center for Citizenship and Public Affairs is nationally the one remaining institution specifically chartered for civic education and purposes. . . .

Mr. O'Friel's article is taken from the March 1974 issue of the Common, a journal which describes itself as a "meetingplace for education in New England."

Mr. O'Friel's perceptive and provocative article follows:

IN THE WAKE OF WATERGATE

(By Paul G. O'Friel)

It is 1974 as I write these words, but it is 1973 that is paramount in my thoughts; for 1973 will, beyond any question, enter the annals of American history as a landmark year, one of those dates like 1776, 1789, 1812, 1861, 1918, 1929, 1933, 1941, and 1963, dates that represent events or experiences that radically altered the attitudes of much of our people and the nature of our national life.

In 1973, a seemingly unending series of mind-boggling disclosures about the conduct of our national government began to be made, but it is not, in my opinion, the sickening litany of Watergate and related changes, crimes, and conspiracies for which last year will long be remembered, as much as for what then began to happen to our collective awareness as a people.

For it was in 1973 that Americans reluctantly discovered what their older and more experienced brethren in western society have known and understood for longer: that a democratic government can be taken away from its people, almost without their even realizing the figurative "disenfranchisement" that has occurred.

It was in 1973 that a distracted and hyperactive populace suddenly learned that a government "of, by, and for the people" can, through the manipulations of the mendacious or the misguided, become government "of, by, and for the few."

CITIZEN SHOCK

The initial shock the citizen experienced as a result of these revelations was somewhat dulled by several decades of a conditioning process that had whittled down the significance of the individual as a participant in a system, not only as seen through his or her own eyes, but also as perceived by the blurred vision of the bureaucratic structure itself.

It is now becoming apparent that an initial attitude of resigned or indifferent acceptance, has given way to a mushrooming national mood of rage and righteous indignation that has already thwarted the dangerously near successful plots and programs of a corrupt and arrogant government, and now threatens to sweep it from power.

So 1973 was a year of learning and discovery for our people in the "classroom" of experience and action, a dramatic lesson in civics for all of us as life-long students in the "schoolhouse" of citizenship.

These observations are all by way of setting the stage of timeliness for additional comments on the contemporary crisis in civic education, and an expression of my own opinion that training for citizenship must become (and it is not now) education's priority goal.

That there is a crisis in civic education appears to be beyond doubt; in fact, the newly elected president of the Council of Chief State School Officers has recently said that the principal concern of his administration of that important organization, will be to renew the waning interest of the nation's schools in citizenship training.

For all practical purposes, the Lincoln Filene Center for Citizenship and Public Affairs at Tufts University is nationally the one remaining institution specifically chartered for civic education purposes, and we take our "survivor status" seriously.

We consider it a mandate to keep alive and nourish the original and still valid notion that teaching students to understand, adjust to, and work within the established order of our political, legal, and economic systems, is a vital role for the well-being of any democratic society.

The Center has in the past taken a significant part in the promotion and discharge of that educational function through the traditional methods of curriculum development, teacher training, and the preparation of materials primarily for public elementary and secondary schools, and we currently sponsor and conduct such activities in the topical areas of education in economics, intercultural and intergroup relations, law, and political science.

This concept of civic education has produced much worthwhile effort over the past generation, some from the Center and much from many, many dedicated persons in both the public and private educational systems, and its contributions towards the development of those insights and capacities required for effective citizenship, have been real, although limited.

Much of the limitation, at least in recent times, has resulted from a widespread failure to appreciate that the concept of civic education, like many admirable ideas, needs periodic adjustment, if not an occasional overhaul, in order to be able to continue to play a significant role in the syllabus of learning and confer genuine benefits on those it is designed to assist.

My own view is that the governmental and political events of 1973, the Watergate "fall out" in a sense, have established conclusively that the time is now ripe for such an overhaul in the concept of effective civic education, in order that an informed and alert citizenry may protect itself from such abuse of power and arrogance of authority in the future.

Civic education can and should (now we may say that it must) be restructured to fit the dimensions of citizenship itself, so that it will develop in every segment of society, and at every age, the potential for more effective citizenship, by the training of as many people as possible to participate more fully and more constructively in the obligations and responsibilities of the democratic process.

This is admittedly a huge task and a somewhat intimidating challenge but it can be done by the development of innovative methodologies that will make possible overcoming the obstacles and responding to the opportunity.

EXPAND LIMITS

The repertoire of pedagogic techniques must be expanded beyond the traditional limits to encompass a greater topical variety and a larger range of less structured mechanisms, such as clinical and adjunct teaching and learning experiences, that will complement but not displace the usual classroom approaches.

The focus of these institutes, seminars, colloquia, dialogues, assemblies, lectures, forums (or what have you), should be broad enough to respond to the growing public demand for continuing education, including, most importantly, training for that most important of vocational roles, that of "citizen" itself.

The Board of Education has well stated the objectives of civic education for the established institutions of the public educational system; now that system must work *together* with its private counterparts and other participants, institutional as well as unstructured, to make that objective a reality—and they must all work *hard*.

The alternative to such cooperative and energetic enterprise may be the evolution of a type of citizenship no longer worth training for or educating about: Not a role graced with rights and responsibilities, but a status fashioned of functions and fears.

The Year of Watergate—1973 has sounded the alarm; now the people will come to know and act on the knowledge that training for citizenship *must* be education's priority goal.

HOWARD UNIVERSITY PRESS: A PUBLISHING MILESTONE

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 8, 1974

Mr. RANGEL. Mr. Speaker, today marks the culmination of a great deal of effort by Dr. James Cheek, the president of Howard University and his dedicated faculty to achieve a significant first in the history of black education in America. The Howard University Press has just become the first black university press in the country.

I and the other members of the Congressional Black Caucus commend Dr. Cheek and Howard University for this achievement and we welcome the Howard University Press as an important addition to the distinguished educational efforts which characterize Howard University and the other black institutions of higher learning which have served and continue to serve our people.

I enclose for the information of my colleagues an article which appeared in today's Washington Post on the Howard University Press:

HOWARD UNIVERSITY PRESS: A PUBLISHING MILESTONE

(By Joel Dreyfuss)

Early this afternoon, Dr. James Cheek, the president of Howard University, is scheduled to receive copies of four books that mark a milestone not only for the university but for the publishing industry as well.

The books are the first products of the Howard University Press, which was set up two years ago as the first black university press in the country.

At the top of the list is "A Poetic Equation," a discussion between poets Margaret Walker and Nikki Giovanni.

The other titles are: "Quality Education for All Americans" by William Brazziel, which examines the shortcomings of school systems and makes some proposals for solving them; "Bid the Vassal Soar" consisting of separate interpretative essays on two early American poets, Phillis Wheatley and George Moses Horton; and "Song for Mumu," by Lindsay Barrett, a Jamaican novelist.

Barrett's book, which was hailed by British critics but never released in this country, is an example of one function executive editor Charles Harris sees for the press, providing an outlet for black writers who have no other recourse.

The four books on the first list, of 12 to be published this spring, reflect the press' philosophy of concentrating on the works of black authors.

"We won't just publish blacks," explains Harris, who spent a dozen years in New York at Doubleday and Random House before being lured to Howard, "but we do think that there will be people who will send us manuscripts because they will be aware of and more comfortable with our interest."

Temporarily quartered in century-old Howard Hall, once the residence of the school's founder, the Howard University Press, like most black institutions in this country, finds its mission in making up for inequities that exist under the present system.

"There is a feeling among many publishing houses that blacks don't read," says Harris. However, he points out, the top 10 public school systems in this country are predominantly black and Howard hopes to move into those areas with textbooks and materials.

"When publishers say that black books don't sell," he suggests, "I assume they're talking about novels, and that's a problem with all novels.

"The commercial publishing industry is a fad industry. At one moment it's women liberation, the new left, confrontation politics, Indians or blacks. At many publishing houses you don't have a commitment."

Harris and his staff of 12 are openly committed to black literature and to writers who find little understanding elsewhere.

"Many black writers are influenced by black music, so they have an approach to their art that is not classical," he says. "These things are not compatible with whites who think that Faulkner and William Styron are the living end."

Howard's list of books reflects the intention not to follow the traditions of other university presses. There is "Aiiieee!," an anthology of Asian-American writing, several other novels as well and scholarly works, including books by members of the Howard faculty.

"I like to view the university press simply as a publishing house owned by a university," said Harris. "We won't be in the posture of publishing books that only a thousand people can read. We see the press as a very innovative effort."

So far, Harris calls the response "strongly positive." He hopes to arrange paperback editions and distribution through larger publishing houses and expects to reach an output of 40 books a year by the end of 1975.

The press is funded from the university's private funds and does not expect to make money. "What we do hope is to be self-sufficient in about 5 years."

The first steps toward that goal will be celebrated today at a "Howard University Press Day" luncheon at the National Press Club and a reception on Capitol Hill in the evening sponsored by the Congressional Black Caucus.

END OF THE OIL EMBARGO: WHAT NOW?

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 8, 1974

Mr. BINGHAM. Mr. Speaker, the end of the Arab oil embargo against the United States, announced March 18, forces us to reflect on what the crisis of the last 5 months has taught us, and what effect the ending of the critical shortage will have on our growing energy problem and our resolve to become energy independent.

The energy shortage is not a brand-new phenomenon. According to experts, the worldwide petroleum-based energy shortage has been developing since 1970. U.S. domestic production peaked in that year and shortages in fuel oil and gasoline began showing up in scattered areas on the east coast in 1971. That year a group of us in Congress urged an end to the restrictive oil import quota system, which prevented the Northeast from easing its fuel situation, and replacement of it with a tariff system and the establishment of national defense petroleum reserves in the United States. These measures were designed to counter one of the principal arguments supporting the oil industry-backed quota system which was protection of the United States from a cutoff of oil from insecure foreign sources. At that time the main insecure source we were mentioning was the Middle East supply. Our advice went unheeded. The quotas remained to "protect" the domestic industry and encourage domestic production. Instead production decreased and demand increased at an alarming rate. Under public and congressional pressure the quotas were lifted in 1973, but no national defense petroleum reserves adequate to handle a potential long-term foreign embargo were established. Many officials believed that such an embargo would never happen and looked to increased imports as the way to ease the immediate U.S. supply problem. Other industrialized nations followed the same course. The actions of the Arabs last fall crystallized the existing energy problem and made all of us realize how dependent we had become on Arab oil. Now that Arab imports are to resume, the danger is that we may be lulled into complacency again about the supply of energy and will postpone the hard decisions which must be taken now if we are to retain control over our economic and political destiny.

IMMEDIATE EFFECT

Federal Energy Office officials estimate that it will be early June before the full effect of the lifting of the embargo will be felt at the retail gasoline pumps. While oil industry officials are more optimistic about this timing, they agree with FEO that resumption of Arab oil imports will not end the U.S. oil shortage, and that we can expect continued high prices at the retail level.

It is estimated that by June total U.S. oil imports will be up to the level it was last October before the embargo. This amount—6.6 million barrels a day—is still about 4 percent short of our total oil needs. FEO hopes that conservation measures will take care of this remaining shortfall. However, our import needs are expected to grow as the year progresses. We will require imports of about 7 million barrels a day in the third quarter of 1974, and 7.4 million barrels a day in the fourth quarter. If sufficient foreign oil supplies are not available at that time, then the shortfall will be more severe.

Arab oil currently costs the United States about $14 a barrel when the cost of delivery is included. Foreign oil from Venezuela, Iran, and elsewhere is even more expensive. These prices are almost triple the cost of domestic "old" crude oil from established wells which was set at $5.25 a barrel by the Cost of Living Council last December. Domestic oil from new wells sells at the free U.S. market price of about $10 a barrel.

The U.S. petroleum price situation is further complicated by the rise in imports of refined petroleum products which U.S. companies buy at inflated international prices. Those public utilities and other businesses which do not have access to the lower priced domestic oil, and which depend increasingly on imported oil for their fuel or petroleum-based products, are suffering meteoric cost increases which are being passed on to the consumer in the form of higher prices. The Northeast, which depends on imported oil to a far greater extent than any other section of the country, has been especially hard hit by this price explosion. Illustrative of this are our recent Con Ed electric bills, which are causing intense hardship in many cases. Yet FEO officials and oil industry representatives offer no hope of relief; they have even been warning consumers to expect 60- to 75-cent gasoline in some areas this summer.

The allocation and domestic petroleum price control programs will remain in force until next February under a law passed last year. Fair distribution of oil supplies and price stability will depend on the ability of the Federal Energy Office to remedy the present inequities in the allocating program and to hold the oil companies in line in regard to their refining, distribution, and pricing policies to better meet the changing supply and demand situation. I have been especially critical of the FEO for not adequately dealing with the utility price explosion which has hit the Northeast. Utility rates in this area have increased an average of 44.3 percent since January 1974, while west coast rates have been raised only 5.6 percent in that time. For all-electric home users, the increases are 72 percent in the Northeast, as contrasted with 10.1 percent in the West. The differences of course stem from the degree of utility company dependency on fuel oil from foreign sources, which for west coast companies is only about 10 percent as compared with 85 percent for Con Ed. Those of us who are concerned about this kind of unequal price burden are pressing the FEO to correct the situation administratively by establishing a pooling system in their allocation program so that utilities in each part of the country receive a fair mix of expensive foreign and cheaper domestic crude oil for electrical generation purposes. We estimate that pooling would reduce the consumer's electric bill by as much as one-fourth in the Northeast.

The ending of the embargo has brought an all too quick relaxation, in my opinion, of voluntary conservation measures encouraged by Federal-State, and local governments. The voluntary ban on Sunday gas sales has been lifted by the President, and many jurisdictions have discontinued odd and even gasoline sales. Also the FEO and oil companies have increased gasoline allocations allowing stations to further ease restrictions on hours of operation. In addition the President has promised to increase fuel allocations to industry and agriculture to 100 percent of need for the coming months. However, certain other conservation measures continue to be stressed—lower speed limits, carpooling incentives, as well as encouragement to use private and public mass transit.

My concern is that the President's desire to report good news to the country causes him to belittle the very real possibility that the Arab oil embargo could be reimposed in June and to make light of the long-term energy shortage that faces us. We must bear in mind that the Arabs clearly indicated their intention to continue to use their control over their oil exports as a means of trying to influence U.S. actions and policies in the Middle East. Whether or not we can prevent early reimposition of the embargo by stimulating steps toward peace in the Middle East, our vulnerability to international political blackmail is intolerable and cannot be allowed to continue. Clearly, we must decrease our reliance on foreign oil—now about 35 percent of our domestic needs—by vigorously pursuing energy conservation measures, coupled with a program to provide the United States with alternative sources of energy. However tempting it may be to return to our "fuelish" ways because the short-range picture looks brighter, we must resist the temptation. If we do not, we may well be in worse shape the next time the oil blackmail tool is used.

We must also take into consideration the dangerous implications for our economy and the economies of Europe and Japan, as well as of many developing countries, which the massive outflow of currencies to the oil producing nations represents. Many foresee a worldwide depression as a result. The oil producers may well be in the process of killing the goose that laid the golden egg with their greed. But whatever happens to prices and to the embargo, we must take every step within our power to put an end to our dependence on insecure and possibly unfriendly sources of energy.

THE ENERGY CRISIS CREDIBILITY GAP PROGRAM

The operation of the oil and gas industry is one of the most secret and complex in this country. Government regulation of the industry has also been cloaked in secrecy, and incredibile as it may seem, that regulation has often been based on inadequate information.

A recent poll showed that more than 60 percent of the American people believe that the energy crisis is not real, but was contrived by the major oil companies to push up profits and was aggravated by Government ineptitude. Although in my view the shortage is real, so far as long-range prospects are concerned, there is certainly evidence to support the conspiracy theory. A preliminary Federal Trade Commission report on the oil industry issued last July revealed the anticompetitive nature of the industry. It noted that the major oil firms "have behaved in a similar fashion as would a classical monopolist; they have attempted to increase profits by restricting output." The report concluded that the major oil firms "have used the shortage as an occasion to debilitate, if not eradicate the independent marketing sector." Critics of the "majors" have pointed to capped domestic wells, increasing industry hoarding of supplies, restrictions on crude oil and refined products sales to independent refiners and retailers, monopolistic control of the pipeline distribution system, concentration on production and refining abroad rather than here at home, and an increasing monopolistic tendency toward control over other energy industries from production to retail sale. Current shortages, critics believe, were manufactured by the oil companies, not only to force out the independents, but to maintain favorable tax benefits, and reduce the influence of the environmentalists over energy resource exploitation and energy use.

To resolve the credibility gap problem should be one of the first tasks of any comprehensive attack on the energy problem. This task involves two basic objectives: to fully investigate the factors which led to the energy crisis, particularly the role played by the oil and gas industry; and insure a flow of energy supply, production, price and profit information. Congress has recognized the information gap. We included a provision in the Emergency Energy Act passed in February, enabling FEO to require oil companies to report supply and production data in a manner that could be independently verified by Federal officials. Unfortunately, ths effort failed when the President's veto killed the bill.

Despite the veto, Congress is pressing ahead with a variety of hearings and legislative proposals on the energy credibility and information problem. Even the administration now favors comprehensive energy information legislation and has proposed its own bill.

In addition, there are other steps to be taken. I have proposed legislation that would create a select committee to study the causes of the energy crisis, particularly the oil and gas industry's involvement. Also, I have introduced a bill which would establish a national energy information system open to the public and require the Department of Interior to undertake a complete inventory of all U.S. energy resources on public lands and elsewhere to be monitored by Congress watchdog agency, the General Accounting Office. This last proposal is especially vital if the Federal Government is to make energy policy in the public interest. I am advised that the Senate Interior Committee is marking up a bill similar to mine and I am hopeful for congressional action in the near future.

LOOKING AHEAD

The hardships of the last 5 months have not yet produced a consensus on what our national energy policy should be. There is vague agreement on seeking energy self-sufficiency, but vigorous differences on when and how this goal can be achieved and what human and environmental costs are acceptable to achieve it. The energy information gap, aggravated by the narcotic effect of the ending of the embargo, is a major cause for this lack of consensus. In addition to its efforts to cope with the shortrun problems, Congress is also at work on a variety of legislative measures seeking to increase U.S. energy supplies and our future energy alternatives, but with discouraging slowness, partly because of committee jurisdictional conflicts. We must also try to bring a measure of justice to the energy supply and price distribution system in this country. Hopefully, the day when the oil and gas industry could have things all their own way is over.

RESULTS OF SURVEY ON LAND DISTURBED BY SURFACE MINING

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 8, 1974

Mr. MICHEL. Mr. Speaker, I have just obtained the results of a new survey conducted by the Soil Conservation Service in the Department of Agriculture of the status of land disturbed by surface mining in each of our States.

While similar surveys were made by SCS in 1964 and 1971, the 1973 survey is the first to break down the disturbed acreages into three categories of minerals—specifically, into coal, sand and gravel; and all other surface mined commodities. In light of current national interest in surface mining for coal, this is a most timely and useful breakdown.

In some ways, the result of the latest survey are distressing; in others, they are encouraging.

First, the survey reports that a total of 4.4 million acres of land has been disturbed by surface mining in the United States over the years. Of this total, more than 2.5 million acres are in need of reclamation—an increase of half a million acres since the first survey conducted by SCS in 1965. Almost a million acres needing reclamation were disturbed by coal mining.

At the same time, however, SCS reports that nearly 1.9 million acres of surface mined land no longer require reclamation, either because natural processes have healed the scars or, more significantly, because of the reclamation efforts of thousands of individuals and companies, many of them working in close cooperation with local conservation districts.

The role of soil conservation districts in mined land reclamation is not generally understood or appreciated. Restoring surface mined acres to productive use is as much a part of the day-to-day work of these districts as is healing the gullies in fields eroded by water or keeping the soil from blowing in the Great Plains.

The SCS survey reveals that 1,973 local conservation districts—or about two-thirds of all the districts in the Nation—have been involved in efforts to reclaim more than 1 million acres of surface-mined land. This work is not limited to a few localities, but is being carried on in 49 of our 50 States. The conservation districts, together with the SCS technicians assigned to work with them, have assisted 22,511 district cooperators with mine reclamation projects. It should be remembered that most of these cooperators are not mining companies, but are individual farmers and ranchers. The overwhelming majority of the acres on which reclamation is taking place are privately owned farm and ranchlands.

SCS statistics also reveal that the pace of reclamation work by private landowners is speeding up. Previous surveys by the agency reveal involvement by only 1,337 conservation districts, compared with the nearly 2,000 today. The number of cooperators increased from 10,000 to the present figure of more than 22,000—more than double in less than a decade. And the acres reclaimed have risen from 338,000 to more than a million today. This rapid increase in activity is an indication of a growing recognition of the need for mined land reclamation by both districts and individual farmers and ranchers.

This widespread reclamation work through the country is resulting in significant reductions in soil erosion, sedimentation, and pollution of streams from acid mine waste. It is adding to the scenic beauty of our countryside. And it is helping to transform useless lands into productive lands—useful for forests, for pasture or range, wildlife habitat, recreation, crop production, or even building sites.

Some of the specific contributions of the conservation districts and the Soil Conservation Service to mined land reclamation include providing soils information; guidelines for shaping the damaged land; information on new plant varieties to fight erosion and provide attractive ground cover; and designs for water control structures to prevent further damage to land and waterways.

Many of the plants which are proving most effective in revegetating mined areas were developed by SCS at one of its 20 plant material centers around the country. The SCS center at Quicksand, Ky., was established specifically to locate, study, and increase the supply of plants to reclaim surface mined land. Some of these plants grow well in thin or acid soil; others thrive on steep slopes, where they prevent further erosion and slides. Among the most useful of these plants are cardinal autumn olive, Arnot bristly locust, Rem red amur honeysuckle, emerald crownvetch, Japanese bush lespedeza, and weeping lovegrass. These plants are well adapted to mined areas and provide needed surface cover faster than trees. Several varieties also provide food and cover for wildlife and are most attractive.

But encouraging as this work may be, we should not lose sight of the fact that the acreage of surface mined land requiring reclamation is also going up, and that reclamation of many hundreds of thousands of acres may well be beyond the financial reach of many farmers, ranchers, and small companies. The districts and the SCS technicians have enormous technical competence, but it will take more than competence alone to restore many of the "orphan" mined lands in the United States. It will also take money and leadership.

I include the results of the January 1, 1974, survey by SCS of the "Status of Land Disturbed by Surface Mining, by States," in the Record:

U.S. Department of Agriculture,
Soil Conservation Service,
Washington, D.C., March 26, 1974.

From: Kenneth E. Grant, Administrator.

Re: Status of Land Disturbed by Surface Mining as of January 1, 1974, by States.

The recent estimates made of the status of land disturbed by surface mining in each state is summarized in Table 1. This is the third such estimate. Prior ones were made in 1964 and 1971 by the Soil Conservation Service. This is the first one, however, to show the status of disturbed acreages by the kind of mineral materials removed (coal, sand, and gravel, and all other surface-mined commodities).

Recent federal legislative proposals have focused on surface mining for coal. For this reason, this newest survey is the first one by the Soil Conservation Service to separate surface mining for coal from sand and gravel and all other surface mining.

Some legislative proposals have separated "orphan" surface-mined lands from active and future surface mining activities. "Orphan" lands are ones which have been abandoned. That is, the economically minable materials have been extracted and the mining operation has ceased. There is no evidence that the mining operation will be reopened.

Table 2 shows the nationwide changes in the status of surface-mined lands from 1964 through 1973. In the publication, "Surface Mining and Our Environment—A Special Report to the Nation," by the USDI, it was estimated that "153,000 acres of land were disturbed in 1964 by strip and surface mining. . . . This annual rate of disturbance is expected to increase in future years." Table 2 shows that the total land disturbed annually in the last two years has indeed exceeded the 1964 rate of disturbance by 35 percent. The present concerns about energy combined with the knowledge about our huge coal reserves make it quite likely that the annual rate of land disturbance will be even greater.

We are pleased to see the increasing role of conservation districts and their cooperators in reclaiming surface-mined areas. Tables 3 and 4 summarize their inputs.

These data may be used in news releases, feature stories and other informational activities. They will prove useful, too, in planning program activities and evaluating progress in surface-mined area reclamation.

In connection with using individual statewide figures, we noticed that a number of states showed fewer acres of total land disturbed in this newest survey than is shown in the 1972 survey report. In some instances we know this has been due to more precise information. We believe these kinds of differences do not seriously affect our national figures. However, state conservationists should be aware of any problems which might occur as a result of such differences in figures for their state.

NORMAN A. BORG,
Acting Administrator.

TABLE 1.—STATUS OF LAND DISTURBED BY SURFACE MINING IN THE UNITED STATES AS OF JAN. 1, 1974, BY STATES[1]

State	Land needing reclamation						Land not requiring reclamation	Total land disturbed
	Reclamation not required by any law			Reclamation required by law				
	Coal mines	Sand and gravel	Other mined areas	Coal mines	Sand and gravel	Other mined areas		
Alabama	57,878	17,369	17,747	7,118	1,800	2,816	75,432	180,160
Alaska	2,400	1,900	4,000				4,260	12,560
Arizona	150	3,180	48,700				43,070	95,100
Arkansas	9,451	7,973	10,293	494	3,417	1,515	14,822	47,965
California		62,730	6,970				109,500	179,200
Caribbean area								
Colorado	4,687	20,655	512	641	18,484	417	13,582	58,978
Connecticut		9,930	160		4,675	425	130	15,320
Delaware		2,558	330				1,717	4,605
Florida		11,144	110,402		1,467	71,472	54,694	249,179
Georgia		1,285	14,779		1,125	12,425	8,744	38,358
Hawaii		25	1,000				250	1,275
Idaho		10,635	13,598	175	594	938	3,251	29,191
Illinois	49,748	4,840	3,130	20,891	45	1,284	103,579	183,517
Indiana	2,500	8,500	7,800	6,000		200	123,662	148,662
Iowa	25,650	20,300	2,414					48,364
Kansas	43,700	13,062	19,052	2,500	598	2,068	14,028	95,008
Kentucky	69,000			117,000	2,852	7,083	94,000	289,935
Louisiana		14,820	959				6,925	22,704
Maine		23,030	1,592		1,236	455	13,287	39,600
Maryland	2,250	11,825	3,942	3,851	4,749	966	16,683	44,266
Massachusetts		15,642	1,738		12,798	1,422	23,150	54,750
Michigan	500	43,402	24,769		7,286	880	22,601	99,438
Minnesota		29,789	25,592		9,124	5,288	69,071	138,864
Mississippi		34,529	10,069				873	45,471
Missouri	72,506	6,426	11,850	1,250	75	625	20,596	113,328
Montana	300	9,800	5,090	300	200	660	15,260	31,610
Nebraska		15,138	4,087				6,156	25,386
Nevada		16,474	5,491				13,288	35,253
New Hampshire		7,900					4,400	12,300
New Jersey		16,500	500		600	200	12,200	30,000
New Mexico		6,506	14,150	25,798			1,261	47,715
New York		38,184	17,426		6,123	1,752	18,458	81,943
North Carolina		11,900	4,800		3,700	5,200	7,000	32,600
North Dakota	10,000	9,200	2,500	200	500	100	23,000	45,500
Ohio	23,926	15,557	19,276	45,825			225,664	330,248
Oklahoma	13,858	6,348	5,209	6,350	2,044	2,883	21,211	57,903
Oregon		5,105	1,495		80	20	2,900	9,600
Pennsylvania	159,000	10,500	20,500	33,000	12,500	22,500	220,000	478,000
Rhode Island		2,000	700				1,300	4,000
South Carolina		8,500	12,000				15,000	35,500
South Dakota	790	9,455	5,601		6,012	595	51,084	73,537
Tennessee	20,500	4,850	6,000	5,200	100	600	88,450	125,700
Texas	5,470	126,595	51,927				30,311	214,303
Utah	120	1,480	1,800				2,800	6,200
Vermont		4,350						4,350
Virginia	18,000	1,725	5,475	5,014	775	2,455	38,664	72,108
Washington	471	11,328	6,935	1,010	9,649	1,146	2,494	33,033
West Virginia	25,720	1,000		51,560			197,930	276,210
Wisconsin	234	40,526	5,406	76	7,204	990	23,887	78,323
Wyoming	3,078	400	11,920	2,828	280	7,686	15,398	41,590
Total	621,887	756,870	549,686	337,081	120,092	157,066	1,876,028	4,418,710

[1] Based on information supplied by Soil Conservation Service State conservationists.

TABLE 2.—STATUS OF LAND DISTURBED BY SURFACE MINING IN THE UNITED STATES FROM JAN. 1, 1965 TO JAN. 1, 1974

[Thousand acres]

	1965[1]	1972[2]	1974[3]
Land requiring reclamation	2,040.6	2,181.2	2,542.7
Land not requiring reclamation	1,147.2	1,823.7	1,876.0
Total land disturbed	3,187.8	4,004.9	4,418.7

[1] Surface Mining and Our Environment—A Special Report, app. I, table 2.

[2] Survey made by the Soil Conservation Service and reported in the Congressional Record—Senate, p. 16371, Oct. 29, 1972.

[3] Survey made by the Soil Conservation Service.

TABLE 3.—MINED LAND RECLAMATION WORK IN CONSERVATION DISTRICTS THROUGH JAN. 1, 1974

State	Number of districts involved	Number of district cooperators	Area reclaimed (acres)
Alabama	52	536	48,565
Alaska	1		200
Arizona	8	14	6,400
Arkansas	72	738	9,173
California	42	58	7,500
Caribbean area			
Colorado	12	8	2,348
Connecticut	7	26	1,940
Delaware	3	78	1,211
Florida	46	421	33,823
Georgia	19	170	5,192
Hawaii	2	2	200
Idaho	51	65	2,583
Illinois	60	130	90,000
Indiana	15	224	123,662
Iowa	29	169	3,500
Kansas	102	4,739	7,660
Kentucky	54	152	94,000
Louisiana	24	296	4,155
Maine	16	218	920
Maryland	24	287	7,838
Massachusetts	15	250	23,150
Michigan	85	431	11,484
Minnesota	92	1,527	7,041
Mississippi	80	834	12,263
Missouri	22	57	2,130
Montana	50	105	2,950
Nebraska	24	250	19,225

TABLE 3.—MINED LAND RECLAMATION WORK IN CONSERVATION DISTRICTS THROUGH JAN. 1, 1974—Con.

State	Number of districts involved	Number of district cooperators	Area reclaimed (acres)
Nevada	3	3	265
New Hampshire	10	50	210
New Jersey	7	10	400
New Mexico	52	986	730
New York	39	159	3,674
North Carolina	73	407	6,100
North Dakota	65	1,500	17,000
Ohio	88	400	225,664
Oklahoma	73	849	8,650
Oregon	20	50	250
Pennsylvania	66	800	58,500
Rhode Island	3	6	----------
South Carolina	15	25	1,600
South Dakota	63	1,120	2,140
Tennessee	20	222	10,030
Texas	190	3,226	38,410
Utah	7	8	306
Vermont	----------	----------	----------
Virginia	15	38	23,020
Washington	62	442	2,059
West Virginia	11	2,600	73,000
Wisconsin	72	758	5,593
Wyoming	12	22	6,430
Total	1,973	22,511	1,013,144

TABLE 4.—NATIONAL TRENDS IN MINED-LAND RECLAMATION WORK INVOLVEMENT BY CONSERVATION DISTRICTS, 1965–74[1]

	1965–72	[2]1974
Number of districts involved	1,337	1,973
Number of cooperators	10,218	22,511
Acres reclaimed (thousand acres)	338.0	1,013.1

[1] Based on information from Soil Conservation Service State offices.

[2] Total to Jan. 1, 1974.

ARTICLE CLEARLY DESCRIBES DISPUTE OVER ADEQUACY OF VIETNAM ERA VETS BENEFITS

HON. H. JOHN HEINZ III

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 8, 1974

Mr. HEINZ. Mr. Speaker, there is a pressing need to greatly upgrade and extend educational and rehabilitation benefits for veterans, especially those of the Vietnam era. I hope that with such eventual upgrading will come equalization so that recent veterans will have the same opportunities as those afforded veterans of World War II and Korea.

That is the aim of H.R. 12506, which I introduced on February 4, 1974.

In the Sunday, April 7, edition of the Washington Post, there appeared an article which spells out precisely the problems facing today's young veterans. I think it provides valuable insights into a problem affecting many of our young men and women today and I am having it inserted in the RECORD at this point for the benefit of my colleagues who might not have read it:

[From the Washington Post, Apr. 7, 1974]

ARE VETS' BENEFITS ADEQUATE?

(By William Greider)

There's an established tradition in America that, in between wars, people argue about how the country is treating its old soldiers.

Donald E. Johnson, a World War II vet himself and former national commander of the American Legion, blistered public indifference toward the veterans in typical rhetoric, designed to provoke patriotic guilt.

"They believe they are forgotten men, fighting to halt aggression halfway round the world and receiving little or no recognition for it," Johnson complained.

That speech was in 1953 and the vets were from the Korean War. Now there is a new generation of "forgotten men" from Vietnam. And Donald Johnson, as President Nixon's chief of the Veterans Administration, is catching the flak about how they are treated.

Last week, for instance three national veterans' organizations, an influential congressman and a senator called for Johnson's ouster as head of the VA. They accuse him of crippling both educational and medical programs, and blame him for problems ranging from poor care at the VA's 170 hospitals to late benefit checks for the 1.5 million Vietnam vets who are going to school on the GI bill.

"The present GI bill system," the Vietnam Veterans Center proclaims, "violates the intent of Congress and denies education and training to millions of needy Vietnam era veterans."

Yet Donald Johnson says, in so many words, that U.S. veterans never had it so good. The government is spending $13 billion a year on them now, an enormous increase over the last few years, and they are using the programs—from educational aid to home loans—in record numbers.

The VA asserts: "The average Vietnam veteran attending a four-year public or a two-year public institution has educational benefits slightly higher than his World War II counterpart when adjustments for changes in the Consumer Price Index are made."

So, for veterans, it is either the best of times or the worst of times, depending on whom you listen to. Which one is right?

The answer is complicated because, in some respects, they are both right. For millions of young men home from Vietnam, the GI bill today gives them everything their fathers got when they came home from World War II and maybe even a little extra. Yet for another group of today's veterans—especially the poor, especially the young married men—it's not such a good deal. A lot of them—millions of them—are not going to school because today's GI bill doesn't pay the bills the way it did a generation ago.

To understand the arguments on both sides, you have to go back to the heady fanfare which greeted the homecoming GI's after V-J Day in 1945. In its patriotic fervor, Congress had already enacted the GI bill, an unprecedented plan to help the veterans of World War II—low-interest home loans, temporary housing, cash supplements during their first year of adjustment and most important, an educational aid program which helped to revolutionize higher education in America.

Every veteran could go to school anywhere he chose and the government would pick up the whole tab for books, fees and tuition, up to $500. Even with the postwar inflation, $500 would buy the best education in America. Harvard's enrollment in 1947 was 59 percent veterans. The money went directly to the schools and each veteran, if he was single, received $75 a month for his living expenses, slightly more if he had a family.

The plan worked so well, opening doors for so many young Americans who would never have dreamed of a college education, that it is fondly remembered as an important social equalizer, a chance for millions to raise their economic status.

Yet VA officials had a different memory burned into their collective consciousness—a national scandal. In 1950, congressional investigators discovered that a lot of schools and colleges were getting rich on the vets, jacking up tuition rates to collect more from the government treasury.

One college increased its charge for vets from $25 to $100 per quarter. Anothr raised its rate from $15 to $100 per quarter. Another raised its rate from $15 to $200 though its cost per student averaged $65 after its other federal aid grants were deducted.

One state military school collected from both the state government and the VA and then paid cash bonuses to its students when they graduated. Some colleges built fancy stadiums, thanks in large part to the GI bill.

As it hapepns, that 1950 investigation was led by Rep. Olin Teague (D-Tex.), former chairman of the House Veterans Affairs Committee and still its ranking Democrat. The experience persuaded Teague that university administrators couldn't be trusted with direct tuition grants. It absolutely traumatized the VA bureaucrats. Never again, they said.

The system was changed for the Korean conflict veterans. Instead of direct payments to the schools, each vet would get a monthly allowance which was supposed to be large enough to cover his tuition and his living expenses.

That approach is under attack now as inequitable and terribly inadequate for millions of veterans. Some senators and congressmen (though not Teague) are pushing legislation which would create a tuition supplement, up to $600, depending on the cost of a veteran's particular school.

The Vietnam vet, if he is single with no dependents, receives a monthly check of $220—or $1,980 which has to cover his tuition, books, fees, and nine months of rent, food and so forth. Obviously, that won't get you into Harvard where tuition, room and board will cost $5,700 next fall. Harvard had 1.5 percent veterans in its 1972 enrollment.

But it also won't get you into Slippery Rock State College in Pennsylvania, which will cost $2,350 next fall, or scores of other private and public institutions where the price of higher education has skyrocketed. NYU had 14,359 vets in 1947—last year it had 463.

Congress has raised the education allowance twice in the last five years, both times over objections from the VA and the White House. The House recently passed another increase of 13 percent and Senate leaders are thinking of an even bigger figure, though the Nixon Administration wants to hold it to an 8 percent increase.

Overall, the VA insists that current participation under the GI bill is better than it ever was before. Approximately 51 percent of the Vietnam era's 6.5 million veterans have used the aid for some kind of schooling (24 percent of them went to college). That compares to 42 percent participation after the Korean war and 50 percent for World War II vets (when 15 percent went to college).

The trouble with that comparison, according to the critics, is that Vietnam vets are coming home to a different world—where college education is not so rare. In 1940, only about seven percent of Americans, age 25 to 29, had been to college. By 1970, that group had nearly tripled in size. Thus, the World War II vets were breaking the national pattern and reshaping it. The Vietnam vets are more or less following it.

But the major complaint is that the current system of monthly checks serves veterans in a discriminatory way. If he lives in a state like California where public education is virtually free, the $220 a month is a good deal. Even if he is married with children, he may be able to manage it. Even if he is poor.

But if he lives in a state like New York or Ohio or Indiana or Pennsylvania where even public schools charge some stiff fees, his opportunities go way down, especially when the local job market is so tight he cannot find parttime employment. California, which supports a large system of junior colleges as well as four-year colleges, has the highest college participation rate among its veterans—37 percent. In Indiana, it is 4 percent.

"The GI bill is adequate," said Forrest Lindley, one of the young vets lobbying for improvements, "only if you are a single vet going to a public school in a low-tuition state."

For instance, two-thirds of the Vietnam veterans are married, but only about one of seven of them is using the GI bill. Lindley and others also argue that on a strict dollar-for-dollar comparison the maximum World War II benefits equal about $3,800 in current dollars, compared to the $1,980 in allowances provided today. Vets are also more likely to use the GI bill if they were already in college before the war—suggesting that middle-class vets are cashing in more easily than the poor.

The VA turns the question around, however. By looking only at those who are using the GI bill today, most of whom are going to public low-cost schools, it concludes that a slight majority of them would actually lose if the government returned to the old system. For instance, the old $75 allowance translates into about $166 a month in today's dollars. A Vietnam veteran who is now getting $220 a month (and who attends a tuition-free school) gets a little more cash.

But what about the millions who aren't going to school? Or those who just happen to live in states where public education isn't so cheap? The reformers are pushing a "tuition equalizer" which would help them—a government voucher for tuition costs over the national average of $400 but limited to a ceiling of $1,000.

That still wouldn't get many veterans into Harvard, but it would open up a wide number of public and private colleges, especially in the Midwest and East, which are now too dear for someone trying to live on GI benefits. There are companion proposals too, such as an "accelerator" provision which would allow married vets to use up their entitlement faster and get more cash each month.

The VA opposes those measures. So does Rep. Teague. In terms of choice, they would agree that today's veterans can't afford the more expensive schools which were open to vets after World War II. But then neither can the non-veterans. College enrollment has shifted heavily toward public institutions because of soaring tuition, a trend which the VA doesn't see as especially harmful.

Likewise, they concede that the present system creates some geographical bias. A Pennsylvania vet has money problems which don't confront a California vet.

"There's no pretense," said Meadows, "of the program being designed to meet all the peculiar problems of the individual. It's designed to provide equal benefits for equal service."

The critics argue that the principle is a sham when so many veterans can't buy the same educational services with their "equal benefits." Yet, as Meadows argues, if Congress does provide tuition supplements for states which don't provide low-cost public schools for their young, is that fair to states like California which do?

"You're not going to shovel out 600 to high-cost schools in Pennsylvania or New York without the others wanting the same thing," Meadows warned.

Congress will have to answer that question if it goes for the tuition plan this year. Meanwhile, it will be fighting the Nixon Administration over Donald Johnson's management of the VA as well as on the basic issue of how much benefits should be increased to keep up with inflation. The old soldiers won't be forgotten, at least for a while.

CASE FOR A FEDERAL OIL AND GAS CORPORATION—NO. 18

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 8, 1974

Mr. HARRINGTON. Mr. Speaker, in an extension of remarks I inserted in the RECORD of March 18, I pointed out that the President has recommended that Standard Oil of California be permitted to extract up to 160,000 barrels of oil a day from the Navy oil reserve at Elk Hills, Calif. Such action would ostensibly help relieve the energy crisis; however, as I noted, while Socal would realize $200 million in profits in the first year of production, our energy plight would be unaltered because the amount of oil which could be recovered represents only nine-tenths of 1 percent of our total domestic consumption.

On March 23, the New Republic discussed the consequences of allowing Socal to develop Elk Hills, and suggested that a Federal Oil and Gas Corporation "explore, maintain, and exploit Federal oil lands," if such lands are to be exploited at all. The article illustrates the possible value of a Federal Oil and Gas Corporation in safeguarding resources like Elk Hills, and I wish to call my colleagues' attention to it.

The article follows:

STANDARD OPERATING PROCEDURE

The President and three congressmen from California, Alphonzo Bell, James Corman and William Ketchum, are leading a campaign to open the navy oil reserve at Elk Hills to private—not public—development. Under existing law, written to prevent a repetition of Teapot Dome scandals, it can't be exploited except during a national emergency, and Mr. Nixon tells us the "crisis has passed." The last time anyone opened Elk Hills other than in wartime was during Warren Harding's administration when the reserve was leased fraudulently to oil magnate Edward Doheny. (His leases were subsequently cancelled.) But in 1970 Mr. Nixon began promoting a plan whereby oil companies would give the government certain leases of doubtful value in the Santa Barbara Channel, some of which proved unusable after the famous blow-out that soaked the beaches with oil, and in return the government would give the companies either money or an equivalent in oil to repay their losses in Santa Barbara. Either way, fabulously rich Elk Hills was to be tapped to finance the transaction. Congress was not impressed by the plan and it was set aside. What was not set aside was the President's request for immediate authority to open Elk Hills. The navy was persuaded that an emergency exists, approved the request and passed it on to the Senate, which quickly drafted legislation.

The legislation might have been approved by Christmas if the meddlesome House Armed Services Committee hadn't interfered. Rep. Edward Hébert (D, La.), chairman of the committee, has a literal mind no one would open Elk Hills until Hébert was convinced there *was* a national emergency. He turned over the Elk Hills proposal to a subcommittee "for study," which is to say, for burial. On March 5, however, Rep. Bell, former president of Bell Petroleum in California, and Rep. Ketchum, whose district includes Elk Hills, announced they were filing a "discharge petition" to force Hébert to release the bill. They have since been joined by about 25 cosigners, including Reps. Corman, Drinan and Conte. The petition needs 218 signatures to prevail.

Who would benefit? Consumers would barely feel the effect, for the legislation would allow production of only one percent of the amount of gasoline used each day in the United States. But the effect on California oil companies would be tremendous, the chief beneficiary being Standard Oil of California (Socal), the largest oil company in the state, which owns about 20 percent of the land inside the navy reserve. In 1944 Socal signed a special contract agreeing not to remove oil from its part of Elk Hills without the navy's consent; that is, only in the event of a national emergency. Socal also runs the reserve for the navy, because it owns the only pipeline in the vicinity.

When the administration wanted to trade the Santa Barbara leases for Elk Hills four years ago, Richard Kleindienst, then Deputy Attorney General, advised the White House against it. His confidential memo, released on March 7 by Rep. John Moss, shows that from the beginning both the White House and the Justice Department were aware of the flaws in the Santa Barbara deal and of Socal's monopoly position in Elk Hills. Kleindienst, writing to Robert Mayo in the budget office, pointed out that Socal had large investments in the troubled Santa Barbara Channel, and that an increase in Elk Hills production would probably damage the reserve. He described Socal's monopoly in the clearest terms: ". . . the question is whether the navy can sell the oil on the open market at a fair market price. While the navy could, of course, purport to make the oil available on arms length competitive bids, lack of opportunity for effective competition with respect to oil on the reserve would prevent establishment there of a fair market price. Standard Oil Company of California is in a controlling position with respect to such oil sales. . . . Standard owns the only pipeline connected to the field, which any purchaser of Elk Hills oil must use for the first link in transportation to any refinery. The Standard line, however, is a private carrier, handling only oil owned by the company. Consequently, in order to move the oil, any purchaser must make arrangements for sale to Standard and repurchase from it at the delivery point. These factors constitute a serious limitation of the opportunity of competitors of Standard to bid."

That warning went to the White House in April 1970, but didn't stop the administration from pushing the Santa Barbara trade-off. Nor did it stop the President from approving a special contract with Shell Oil for the sale of excess oil coming out of the reserve. The government only considered two bids for that contract, tendered by Shell and Socal. They were identical.

Rep. Moss has released another batch of confidential memos that give us a glimpse of Socal's inner workings. They reveal that Socal executives in San Francisco have been trying since 1970 to find a way to tap oil pools under its property which run into the reserve. If they were tapped they would cost the navy not only oil, but extra maintenance fees paid to Socal. Most of the discussion in these memos turns on the problem of how to drill close to Elk Hills without alarming the navy or exciting the interest of its legal team. A company recommendation of June 21, 1973 says, "The play [exploratory drilling] should be given further detailed review from an operating standpoint to determine how far away from the boundary of the reserve drilling and production could be kept, and how long a time might go by before evidence of potential drainage of the reserve might become evident." A memo in July written by John Thacher, then assistant to the chairman of the Socal board, warned against drilling too close to the reserve: "I think we should exercise extreme caution before drilling locations to the south of the initial well. . . ." In another memo written just before Socal made up its mind to drill near the reserve, Thacher proposed defending the action, if challenged, by saying that the drill site at "7–R" was chosen because Socal thought it would do the least damage of several sites being considered. Thacher was overruled by the president of the company, Harold J. Haynes, who argued that Socal might want to bite deeper into the reserve later on. Socal wanted to move discreetly; it also wanted to move quickly, as one memo said, because this "could allow considerable production *before* government reacts."

The game plan was a success. With negligible exploratory and legal costs, Socal sank 10 wells next to the reserve last year and removed 1.5 million barrels of excellent crude oil before it was stopped. At the free market rate that oil was worth $15 million. After proving that the company was draining the reserve, the navy went to court and won an injunction against Socal on February 14.

Why does the President believe that Elk Hills must now be opened? As noted the bill in Congress if passed would supply only 70,400 barrels of gasoline a day in a country that demands between six and seven million barrels a day. It wouldn't lower the price of gas, because under present regulations the Elk Hills oil would be sold at the free market rate, about $10 a barrel. But it *would* help the California oil industry and some of the President's friends at Socal. They kicked in about $163,000 for his campaign in 1972.

If the Arab embargo is soon to be lifted, as reported last week, the President's rationale for quick action on Elk Hills may be rendered "inoperative." But basic decisions still have to be made. As panic subsides Congress can more coolly consider whether there are not better ways to dispose of public-owned oil than by dumping it into the tanks of the nearest monopoly. A public corporation of the sort envisioned in Sen. Adlai Stevenson's energy bill (S2506) is the appropriate instrument to explore, maintain and exploit federal oil lands. The bill, now in markup before the Senate Commerce Committee, would set up an oil and gas company that reports to but is independent of the federal government. The FOGC, as it is called, would be entitled to 20 percent of all federal oil and gas leases offered each year, and it would become the prime contractor for all work on the reserves. It would end Socal's stranglehold on Elk Hills and prevent similar monopoly exploitation at other reserves.

WANTS YOUR OPINION

HON. JOSHUA EILBERG

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 8, 1974

Mr. EILBERG. Mr. Speaker, every year I have been in Congress since 1967 I have sent a questionnaire to every home in my district. This is the eighth time I will be sending out this survey. Each of the previous questionnaires have proved invaluable to me as the representative of the people of the Fourth District of Pennsylvania.

At this time I enter into the RECORD the letter to the residents of my district which will accompany the questionnaire and the questionnaire itself:

WANTS YOUR OPINION

APRIL 1974.

DEAR FRIEND: Every year I have been in Congress I have asked for your help in deciding how I should vote on the issues before the country. This year more than ever, it is vital that you speak out. The manner in which we solve the problems now facing us will affect our lives for many years to come.

Henry Clay said, "Government is a trust, and the officers of the government are trustees; and both the trust and the trustees are created for the benefit of the people."

For the first time in this century, the nation has been confronted with the possibility that this trust has been violated, and the question of the impeachment of the President of the United States is under serious consideration.

While my decision on how I shall vote on the matter of impeachment must be based solely on the evidence gathered by the staff of the Judiciary Committee of the House of Representatives, I should know your feelings on questions of policy and the President's conduct.

Additionally, the country is facing the combined problems of a shortage of energy, rapidly rising prices for basic necessities, and increasing unemployment. It is a situation we have never had to deal with before.

If I am to represent your interests in the Congress, I must know how you have been affected by these conditions and what you believe should be done about them.

It will only take a few minutes to answer the questions. Your answers will be confidential. If you have any additional comments, please do not hesitate to add them to the questions.

If you want more than one questionnaire for your family, please contact by district office, 216 First Federal Building, Castor and Cottman Avenues, Philadelphia, Pennsylvania, 19111 (RA 2-1717).

When the answers are tabulated, I shall send the results to every household in the district.

With best wishes.

Sincerely,

JOSHUA EILBERG.

1. Do you believe the President's statement that he had no knowledge of either the planning of the Watergate break-in or the cover-up which followed it? Yes, no, undecided.

2. Should the President be held responsible for the actions of his aides? Yes, no, undecided.

3. Do you believe President Nixon should give the House Judiciary Committee all of the information the Committee requests for its impeachment inquiry? Yes, no, undecided.

4. If the President fails to comply with the Committee's requests, do you believe he should be impeached for withholding this evidence? Yes, no, undecided.

5. Should the United States refuse to grant trade concessions to the Soviet Union until the Russian Jews are permitted to emigrate to Israel? Yes, no, undecided.

6. Do you believe the "energy crisis" has been at least partially manufactured by the oil companies? Yes, no undecided.

7. Are the oil companies using the "energy crisis" to increase their profits? Yes, no, undecided.

8. The eight major petroleum companies control more than 50 percent of the industry. In order to increase competition in the oil industry, should these firms be forced to give up either the production and refining of fuel or the retail selling of gas and oil? Yes, no, undecided.

9. Should environmental regulations be reduced in order to make more fuel available? Yes, no, undecided.

10. If the fuel shortage continues, should the country adopt a system of gas rationing? Yes, no, undecided.

11. Do you believe the experiment with year-round Daylight Savings Time should be continued as a means of conserving energy? Yes, no, undecided.

12. Should grain sales to Russia and other countries continue if these sales continue to cause higher food prices? Yes, no, undecided.

13. Are you buying more or less:

Meat, more, less, same amount.

Poultry, more, less, same amount.

Fish, more, less, same amount.

Fresh fruits and vegetables, more, less, same amount.

Canned, powdered, and frozen foods, more, less, same amount.

14. Have the increases in the prices of basic necessities caused a noticeable change in your style of living? Yes, no, undecided.

15. Will you take a shorten or less expensive vacation this year? Yes, no, undecided.

16. Do you believe the Administration's policies will solve the nation's economic problems? Yes, no, undecided.

17. Do you believe the President is more concerned with helping big business instead of the consumer? Yes, no, undecided.

18. Should the United States reduce the number of troops stationed in Europe? Yes, no, undecided.

19. What do you think are the three most pressing problems facing America today: (Please list in order of urgency)

20. What is the one local problem which troubles you the most?

SUPERIOR JUDGE BOWIE GRAY

HON. DAWSON MATHIS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 8, 1974

Mr. MATHIS of Georgia. Mr. Speaker, recently, in the Georgia Courts Journal there appeared an article written about a distinguished jurist in Georgia, Judge Bowie Gray. Judge Gray is a personal friend and an outstanding judge whose record of service is unsurpassed. A fair man, a learned man, a compassionate man, a tough man, Judge Bowie Gray is also a good man.

The article, written by another distinguished judge, James B. O'Connor of the Oconee Judicial Circuit, was reprinted in the Wiregrass Farmer in Turner County, Ashburn, Ga.

I was so impressed by the article that I include it in the CONGRESSIONAL RECORD for all to see:

SUPERIOR JUDGE BOWIE GRAY

It is a challenge and honor to write a "Profile" on Judge J. Bowie Gray, of Superior Court of the Tifton Judicial Circuit. He was born in Cragford, Alabama, graduated from high school and received the AB and LLB degrees from Mercer. From 1936 to 1940 he taught school, acted as athletic coach and practiced law in Adel. In 1940 he began service as a special agent with the F.B.I. with a variety of work assignments, mostly on the West Coast. In 1947 he began the practice of law in Tifton, a city which he selected solely as a personal choice, and served as Solicitor General of the Tifton Circuit from January 1, 1949, until January 8, 1955. At this time he was appointed to the present judgeship he holds to fill the unexpired term of William Clyde Fourhand. He has been elected to five full terms without opposition, his present term commencing January 1, 1973.

Bowie Gray is a "family" man whose success is based on a team effort with his lovely wife, Julia. She once attended his court and, after observing a lot of apparently idle moments on the bench, suggested that he take to court some Christmas cards and help her with the addressing. Julia recently "retired" as church organist at the First Methodist Church in Tifton after twenty years of service. They have two children, one daughter, Mrs. Gaines P. Wilburn, who lives with her husband, an IBM engineer, and their son, Brent, in Winston-Salem, North Carolina, and one son, J. Bowie Gray, Jr., a Mercer Law School graduate. He plans to begin the practice of law in Tifton and pending results of the Bar examination, he will be associated with a law firm there.

Judge Gray is an exceedingly qualified and popular court judge. First, he competently and efficiently operates the courts of his four-county circuit on a well planned schedule. He is unafraid to experiment and try the innovative to improve his programs and techniques. His humor, patience, fairness and kindness are legend. Yet he knows also how to effectively use the vast authority of a superior court judge with fairness to all interests and he is in full control of his court at all times. He is very likely the least criticized and most liked trial judge in Georgia.

Bowie Gray has probably done more for the advancement of the judiciary in Georgia than any other person. He has missed almost no meetings of the Council of Superior Court Judges and its executive committee for over a decade. Untold hours have been expended by him in planning and participating in programs of enrichment of trial judges and planning agendas and legislation in their interests. He served as president of the Council of Superior Court Judges for the period December, 1968, through June, 1970. He was recently honored by being named a charter member and elected vice chairman of the Judicial Council of Georgia. He developed a jury charge in divorce cases which was presented at a seminar and which has become a standard work-tool for most superior court judges of Georgia.

Everyone should observe Bowie Gray participate in seminars such as the one presented for newer judges at Savannah last year to understand how he teaches others those attributes of an excellent trial judge which we all seek but rarely attain: respect for the other man's opinion and time, patience under all circumstances, often listening to arguments and opinions of others concerning problems in which he is much more well versed, never being critical or short with another judge and using authority only when it is appropriate to the situation. He is truly a man fitted to his role, successful in family life, church and community and a judge's judge, taking life and cases, big or small, in stride and keeping his head when others might lose theirs.

He avers that he is going to retire soon and with Julia do a bit of traveling and taking it easy. Whatever he does, his life and work serve as a model for all the trial judiciary of Georgia.

INSIDE THE MIDDLE EAST

HON. RICHARD T. HANNA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 8, 1974

Mr. HANNA. Mr. Speaker, the following is a report of a visit I made to the Middle East in January of this year. The report was prepared for Chairman HENRY GONZALEZ of the Banking and Currency's International Finance Subcommittee. Because of the growing national interest in relations between the Arab world and this country, I felt that the report might be of interest to all of my colleagues:

INSIDE THE MIDDLE EAST

I. MEETING BETWEEN CONGRESSMAN RICHARD HANNA AND VICE GOVERNOR KHALID AL-GOSAIBI ON JANUARY 29, 1974

On this date, I met with the Vice Governor of the Saudi Arabia Monetary Agency (SAMA). Mr. Al-Gosaibi is about 35 years old and studied in California at the University of California, receiving a Business Administration degree. He is next in line to Anwar *Ali, Governor of* what is in all respects the Central Bank of Saudi. Governor Ali, a Pakastani, is quite advanced in age and is presently not in good health, and it is our opinion that Al-Gosaibi will be the next Governor of SAMA.

In the discussions, the Vice Governor declined to outline plans under SAMA's consideration, stating that only Governor Anwar Ali was in a position to describe specific action being contemplated. He did, however, reveal several key facets of thinking of Saudi financial planners which could affect the direction and velocity of Saudi investments. The following points were those which we think indicate these facets of thinking:

(1) The Vice Governor stated that the Saudi by nature was cautious and from this he drew the implication that any plan now under consideration would have to be subject to a period of careful consideration.

(2) He pointed out that, if foreign businesses or foreign governments are to play an effective role in Saudi developmental planning, a meaningful dialogue must be established prior to the presentation of specific proposals. Al-Gosaibi agreed that such a dialogue was important because the Saudi's are hopeful of seeing an atmosphere of understanding established between themselves and the Western world and are desirous to observe that there are sincere efforts equally to appreciate their particular position and their peculiar problems.

(3) The Vice Governor also emphasized the Saudi preference to receive specific proposals from foreign businesses or foreign governments. He predicted that his country's decision-making process would be based on a thorough review of the proposals submitted. He indicated that, rather than the Saudi's actively developing their own plans for the immediate future, their *modus operandi* would be more that of reacting after a thorough review of proposals submitted by others.

(4) In a rather candid expression of basic Saudi and Arab characteristics, the Vice Governor reminded me that the earliest Western visitor in modern times, Lawrence of Arabia, had observed that the Arab was poor but proud. He expressed the hope that the Western world would not now judge that the Arab was rich and humble. This suggests to me that there has to be some acceptance and understanding by the westerner of the pride that is characteristic of the Arab today, as in other days, and that proposals must be couched in such a manner as to respect the cultural heritage that each Arab reflects and that his aspirations will be based upon the value systems of his own culture.

Finally, although I made efforts to make contact with Governor Anwar Ali before leaving in January, he was ill and, thus, was unavailable to renew our previous longstanding friendship.

II. SUMMARY OF VIEWS FROM KUWAIT

I spent a period from January 19–23, 1974 in Kuwait and I will set herein below an abstract of what appeared to be the principal points relative to Kuwaiti assessment of the economic, financial and monetary picture, both domestically and in the world sense as it affects them domestically.

The persons with whom I had dialogue and conference included Dr. Mohamed Shamali, Director of the Kuwait Institute for Scientific Research; Mr. Hamza Abbas Hussain, Governor of the Central Bank; Mr. Yusuf al-Shayji, Director of the Savings and Credit Bank; Mr. Abdulrahman al-Ghunaim, Undersecretary of the Ministry of Posts, Telephones and Telegraphs; and an important group from the Ministry of Finance and Oil embracing the Undersecretary Abrulwahab Mohamad Abdulwahab, and Mr. Khaled Abu Saud and Mr. Mohedin Farraj. I also spoke with Mr. Ahmad Duaij, Director General of the Kuwait Planning Board and further, had a discussion with a group headed by Abd al-Aziz al-Sagar, Chairman of the Kuwait Chamber of Commerce. After that meeting, I met with three general managers of the major banks, all westerners: Mr. Robert Sinclair, a Scotsman, head of the Gulf Bank; Mr. Philippe Dupardin, a Frenchman, head of the Ahli Bank of Kuwait; and Mr. C. D. Fears, an Englishman, who heads the National Bank of Kuwait. I will discuss my impressions of these meetings under the following headings:

A. Kuwaiti attitudes on oil production and the world monetary situation

The general agreement was that Kuwait sees the pressure for production of oil as a demand for a transfer of assets; a transfer, that is, of oil reserves to western world currencies and such investment as these currencies might make available. The oil reserves in the ground to the Kuwaiti look safe and durable, having an assured, continuing value. They view these reserves as protected from the erosion of inflation and from the gyrations of currency floats and, further, as a firm deposit of wealth for future generations in their country.

Most Kuwaitis contend that, although they would like to respond reasonably to the energy requirements of other nations in the world, they would prefer some assurances that in the transfer of assets they would not lose the desirable characteristics which they now attribute to their actual reserves. The confidence they seek seems to require new ingredients which at the present appear to be as difficult as they are desirable; to wit, they want peace in the Middle East and stability in the international monetary situation, to which we should all issue a solemn Amen.

It was clear that the Kuwaiti in particular, and perhaps the Arab in general, is very unenthusiastic about currency floats which erode his money assets. The bankers with whom I talked indicated that this was one of the greatest problems they face in terms of their relationship with their Arab clients. The Arab adverse attitude towards currency fluctuation plays a very heavy role in making sales subject to letters of credit adjusted to currency changes exceedingly difficult.

The Arab mind finds it impossible to accept that someone can, by an unrelated decision, reduce the return agreed upon between two parties to an oil sales transaction or to his purchase of some commodity from a country whose currency he holds.

The Kuwaiti economic advisors are, on the whole, suggesting a cautious attitude to increased oil production. They prefer to wait until such time as a clear cut relationship between the baskets of currency and some IMF numeraire, such as the SDR, has been more clearly defined. Their concern is that in the basket of currencies the float more often than not adversely affects the values of the very currencies they have received in payment for their oil.

They would prefer at this time an IMF agreement for pegging that would limit this fluctuating effect upon the transactions in which they are involved. (It sounded to me as if they were expressing a hope for a movement to some kind of a fixed ratio such as has been practiced in the snake of the EEC.)

The second major concern the Kuwaitis entertain is evolved around the inflation they see running at 8 to 12% in the advanced countries which are importing their oil. They painfully reminded me that the increases in the price of their oil have been no greater, and in some instances, of less dimension, than the increases in Western and U.S. products, such as wheat, rice, vegetable oils, cement, steel, fibers, paper, and etc., all of which are needed as imports for the oil producing countries.

At the base of these discussions, I gleaned the suggestion that countries like the U.S., Japan and Germany should level or perhaps even decrease slightly the growth of their internal standards of living for at least a modest period in the near future as a requirement for achieving the goal of stabilizing currencies and deterring inflation.

The third concern relative to changing oil into currency assets was the problem of protection for long-term and safe investments which would provide some reasonable parallel future insurance for coming generations of Arabs who could not participate in the benefits of present extraction of the oil reserves.

It was obvious that they felt some deficiency in sophistication in money management and investment expertise which would assure that the majority of their investments would be sound and would provide a predictable downstream return that would justify their decision to make the change of asset which we have originally discussed.

On the whole, we felt their concerns in this total area were reasonable and by-and-large we were surprised and somewhat disappointed to learn that very few overtures for discussion in this realm had been made by any responsible parties in the monetary and banking community of the Western nations.

It would be our recommendation that such discussions be planned and implemented as soon as possible.

B. Arab pricing of oil

The second major area of our discussions revolved around the dynamic changes which have been occurring in the posted prices of oil. In the beginning I pointed out that, in the quest for stability of currencies and a dampening of inflation, the Arabs must accept and appreciate that the pricing of oil in itself has a very dynamic and primary effect and that, without some reasonable discipline on the part of the oil producing countries, the best laid plans of the advanced countries would be difficult to make and impossible to implement. I found the Kuwaiti attitude on pricing of oil to revolve around the following economic facts:

(1) they see their pricing of their oil as a method of equalizing our increases for the commodities which they must import;

(2) they see their pricing as an operating factor in moderating the demand for oil in the advanced countries;

(3) they see the pricing of oil as reflecting reasonably the existing competition in the cost of alternative sources of energy.

I agree with them in the first two points, but, as to the third component, I suggested that they exercise a self-imposed restraint and discipline in the light of empirical evidence.

My point was that for the next five years at least, there are no viable alternatives to the dominance of oil and, therefore, any competitive comparisons relative to alternative sources was not realistic. I also emphasized that this was fairly clear to most people and that, absent their own acceptance of a demanding discipline in this period, world attitudes and world tension might very well run in parallel with the effective presence or absence of such discipline.

I recall that Director Farraj, the economic advisor to Mr. Atiqi, Minister of Finance and Oil, made the point that his country was prepared to be reasonable about the economic requirements of other nations in the world so long as that response did not create unreasonable burdens upon the present and future economy of his own country.

I gained the impression that most responsible Kuwaitis feel that the present price of oil is pushing against a ceiling of tolerance and, even though at this January period they were announcing an oil auction, they were not expecting a substantial increase over the level that was then predominating. However, I must report that, on the whole, pricing in the future will still reflect the Kuwaiti reaction to increased prices in commodities they require and that such pricing will be used as a brake for production where either the demand for extracting oil is set at too great a pace or where it places a strain upon their ability to manage the incoming funds.

Finally, they will be impressed by the presence or absence of their confidence in the currency assets transfer which will be required.

C. Kuwaiti plan for the use of new reserves

The persons with whom I spoke indicated the Kuwaitis see three principle priorities for the Arab oil producing countries:

First, the use of newly generated net funds for development in the producing Arab countries. By that they are referring to infrastructure improvements, including housing and a plan for a petrochemical industrial complex with a vertical expansion for oil related industry.

Regardless of these plans Kuwait, as is true for other oil producing countries, has a very limited ability to absorb capital at a very high rate. This is obvious when one reflects upon the size of the country and the nature of its population. The manpower forces in the Arab oil producing countries is limited in its trained capacity and, therefore, is very unlikely to match the volume of their funds. There is, of course, a limited spectrum of reasonable areas of development, so that one could question the total economic viability.

It should be noted that, particularly in Kuwait, these plans bump up against the evolving culture. First, there is a very restrictive attitude relative to qualification for Kuwaiti citizenship. Second, there is a high paying welfare program for this selective population. Third, there is no willingness on the part of the true Kuwaiti to be involved in either labor or technical manpower activities. They prefer to remain in either the very lucrative welfare posture or to move into a position of excutive for which they are singularly not qualified. I would predict some disjunction of timing between the growth of capital reserves and effective plans for in-country development.

The second priority use for capital was suggested in the application for new funds in projects for non-oil producing Arab neighbors. The Kuwaitis demonstrated an expectation that they would play a primary role in the establishment and management of a new fund institution that would direct the use of these reserves.

They expect, and I believe rightly so, that there are greater needs and more interesting opportunities in supervising and participating in developments in the non-oil producing Arab states, such as Egypt, Sudan, and Syria. Long-range profits are judged to be more predictable. However, here the problems lie in the whole spectrum of challenges for any one who becomes involved in developmental activities.

There is a range of experience and expertise which is noticeably absent in the oil producing Arab countries. It is only now, following some 20 years of experience, that the World Bank and other international banking and investment institutions are developing more effective processing for projects and controls of programs for implementation.

The third use of new money would be a separate fund established for investment and loan to underdeveloped countries, particularly in Africa, but not to exclude other underdeveloped countries who are oil users in other parts of the world.

Again, the Kuwaitis see themselves as being leaders in the establishment and control of this fund. Here, I would reemphasize the point raised as to their second primary use of capital. Even more so in underdeveloped countries is there a challenge in terms of the quality of projects, the assurance of the necessary ingredients for success, and the demand for attentiveness to the implementation of the project. There has to be an available input of technology and technicians, both of which are singularly lacking in underdeveloped countries. None of this is available in the oil producing Arab nations.

On the whole in the area of investment, particularly outside producing countries in the Middle East, the Kuwaitis see their country taking a role substantially larger than their size and their production might suggest. They make this claim on the basis of their superior sophistication and their already developing experience and expertise in finance.

My observation that David Rockefeller came into Kuwait City as I left and the acknowledgement that both the Morgan Guaranty Bank and the National City Bank were then in Kuwait involved in substantial discussions about branch banking and, finally, taking into account the fact that my own State of California's Bank of America had just entered into a joint venture in Kuwait made me believe that there was some creditability in this particular stance.

More important, any reasonable realization of the plans Kuwaitis envision can only come about with the cooperation of the advanced countries who are the largest oil users. From the American position, these countries need U.S. technology, U.S. administrative capabilities, U.S. materials, U.S. machinery and equipment.

It's obvious, of course, that these commodities can also be acquired from countries such as Japan, Germany, France, Netherlands, etc. It suggests that we need to develop an aggressive competitive attitude so that we can recycle a substantial amount of the dollars which will be involved in the purchase of oil. Whether these plans are addressed to in-country development, Arab neighbor development or underdeveloped nation development, the training aspects of technology transfer, some of the materials, and a good deal of the equipment and machinery are all involved.

It would seem that in the enthusiastic presentation of these three priorities, the Arab oil producing countries do not see the recycling of their dollars in the purchase of U.S. or other western stocks or investments in industrial activity as such.

Although some of these would probably occur, it is my firm conclusion that, because of the time lag that is absolutely forced upon these plans because of the lack of preparation and planning and the potential for performance, a considerable amount of the reserves created in this and in the next two years will have to be recycled in some kind of short-term investments in banks and papers such as federal bills.

These are going to be the periods of greatest threat and will require the most care. I am willing to predict that there will be some very unfortunate and in some instances very rewarding uses to which some of this money will be put. To avoid unfortunate uses, I again reiterate my urgings that responsible persons in monetary and fiscal affairs in the Western world initiate discussions and conferences relative to the basic problems involved to help understand and appreciate Arab attitudes and Arab points of reference and to get them to understand and appreciate the perimeters and limitations of the monetary and economic systems that we have evolved.

ACTIVIST GROUPS AND THE FEDERAL JUDICIAL SYSTEM

HON. WILLIAM H. HUDNUT III

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 8, 1974

Mr. HUDNUT. Mr. Speaker, I am not the first to raise my voice to suggest that the Judiciary Committee should take under consideration the proposal to establish a permanent federally subsidized Legal Services Corporation. Traditionally, that is to say, for the past couple years, which is as long as we have had to worry about such Federal legislation, the antipoverty subcommittees have handled this. The rationale for that is twofold: first, the legal services program is an offshoot of the Office of Economic Opportunity, the professional antipoverty agency; and second, the program is supposed to be geared toward the everyday, bread and butter needs of poor folks.

I submit, Mr. Speaker, that, regardless of the origin of this program, the last couple years have demonstrated that the interest taken by legal services attorneys, and legal services activists, focuses on the judicial process and the governmental process, and the reform of society, far more than it focuses on what Indiana's distinguished Attorney General Sendak calls the "bread and butter matters" of the poor. And because of this shift in attention, and interest, the legal profession should take an interest in what the legal services faction of it is bringing to pass upon the whole body of the profession.

In a recent broadcast of the Manion Forum, the radio interview program of Dean Clarence Manion of Notre Dame Law School, with Attorney General Sendak, the implication of legal services-type activities for the legal profession is discussed in some detail. The subtitle given this broadcast is "Activist Groups Goad Federal Judges Into Legislative and Administrative Areas." That title is highly appropriate, because that is exactly what is happening.

By way of evidence, I refer you to the northern district of Alabama, where a Federal judge has himself taken jurisdiction over all the mental institutions in the whole State. He meets daily with the hospital workers, such is the extent of his jurisdiction. A year or so ago, he issued a court order—mind you, a court order with the authority of the Federal Government behind him—ordering the State of Alabama to hire 300 psychiatrists. This is similar to an order commanding the Sun to shine. There are not 300 psychiatrists in the whole State of Alabama—a fact he should have known before trying to litigate the impossible. I add that the suit that prompted all this was brought first by legal services attorneys.

Mr. Speaker, I would like to submit for the RECORD a copy of Manion Forum broadcast No. 1011. It is simultaneously a perceptive examination of the impact of free legal services projects on the legal profession and a tribute to the attorney general of the fine State of Indiana. Once again, I urge that the Judiciary Committee members take an interest in this piece of legislation, if only to examine it with a mind to gaging its future impact on the judicial system of our Nation.

The Manion Forum broadcast No. *1011 follows:*

Out of Balance: Activist Groups Goad Federal Judges Into Legislative and Administrative Areas

(By Theodore L. Sendak)

Dean MANION. At his inauguration as Attorney General of Indiana for his first term in January 1969, Theodore Sendak said this: "If this country is to regain and maintain faith and confidence in its form of government and in its leaders, the first thing we must do is to restore the word 'responsibility' to the working vocabulary of every man and woman and every teen-ager who seeks the rights of manhood and womanhood. This requires holding every individual responsible for his own acts. And if we don't care who gets the credit, we can get that job done."

Now well into his second year of his second term of office, General Sendak is still holding consistently to that vital line of his personal and official duty. He is back here at the Manion Forum now to give us another account of his important stewardship as the top lawyer in the State of Indiana. General Sendak, welcome back to the Manion Forum.

General SENDAK. Thank you very much, Dean Manion, it's a real honor to be here. You've set a pase throughout this country in the field of broadcast journalism which I think is setting a goal for all other radio networks to follow and all the branches of the communications media. I'm delighted to be here.

Dean MANION. General, from the letters I get from all parts of the country, I find that people are more and more troubled and confused about their legal responsibilities. The law seems to have slipped out of the control of the legislature and gone directly into the hands of the judges. Here in Indiana we find judges going into our state prisons and redirecting the control of prisoners, while other judges are telling local school boards where and how to assign and transport the children to various far away schools. Are the judges now "creating" as well as "enforcing" our legal obligations?

General SENDAK. Our system has gotten a little out of balance in that we have a three part system—the legislative, the executive and judiciary—and, I think, in the last few years that the judiciary has become the top branch of the government in terms of power and authority, which it has frankly arrogated unto itself.

Dean MANION. Apparently the courts have jumped over the line that separates them from the legislature. How about that?

General SENDAK. Basically, if you go back to our form of government which sets up three branches of government, the legislative branch is to create the laws, the executive branch is to administer the laws, and the courts—the judicial branch—is to try cases that arise under those laws. In the last few years the Federal courts in particular, and followed by some state courts in their train, have decided that they are to legislate. Instead of just deciding cases—controversies under the law—they have stepped in and are invalidating laws.

By the use of so-called equity powers, the Federal courts are carrying jurisdiction to the point where the Federal courts are all three branches of the government in one. Since they are appointed apparently for life, they have no responsiveness to the people. The executive branch and the legislative branch periodically come up before the people for a vote of confidence, in a sense. They are either voted in or out. Not so with the courts.

The Constitution of the United States does not say that a Federal judge shall serve for life. It says they shall be appointed to serve during good behavior. Congress has never defined good behavior. It seems to me that the problem could be brought back into focus if the Congress would do its job of defining the jurisdiction of the Federal courts. Another angle of approach would also possibly be by constitutional amendment to provide for the reconfirmation of Federal judges every eight or twelve years, say, by the same committees of the Senate that confirms them in the first place.

Dean MANION. Here in Indiana, under our State Constitution, we have a full complement of state judges for all courts—local, appellate and Supreme. These state courts would seem to be the proper tribunals, at least for the original adjudication of state laws. Now, however, these state courts are being ignored and all really important cases are brought directly in the Federal courts. Who or what is responsible for this sudden switch?

General SENDAK. That element of the legal profession supported in part by foundations, and part by Federal funds, and in part by people who perhaps have good intentions but who are impatient, people who cannot succeed in convincing legislatures and the Congress to pass laws. Supported by that element, these people then take their cases into the Federal court. Such outfits as the Civil Liberties Union, the LSO—Legal Services Organizations—are set up under the law to give legal aid to the poor. The Legal Services Organization are supposed to help the poor with their bread and butter matters, like helping them with their contracts and their leases and with their divorce and family problems. But instead of that, they are spending most of their time going into the courts, state and Federal, primarily Federal, because they get a better reception there apparently, and attacking the institutions of government.

They have brought cases against the correctional institutions, against the mental institutions, against the welfare department, against the state police—you name them, and in every State of the Union. It is a nationwide conspiracy, in effect. They try to paralyze the government, knowing that they cannot succeed in getting a majority of the people of the United States to support them by popular vote; knowing they cannot succeed in getting any state legislature or the Congress to support them by legislation under our form of government. They don't believe in the representative form of government, obviously, so they are trying to get legislation enacted through the courts in the manner I have described.

Dean MANION. General, I know that you are involved in some litigation as a result of these suits by these legal activists and that you can't speak specifically on the status of them. But could you just touch on some of the specific issues that are now being tested? Issues that you feel run contrary to the majority opinion of most people in this state. Such things perhaps as abortion or capital punishment or regulation of the prisons or the infamous Communist case?

ACLU SPENDS MILLION

General SENDAK. The American Civil Liberties Union takes credit in its official reports every year—I've just read their last year's report—for funding and fighting for many such causes as Communism and abortion. They take credit for having provided legal counsel and expenses for fighting the Furman case, which decided against capital punishment in the Supreme Court of the United States, for carrying on abortion cases, and a whole train of those. In fact, Ramsey Clark, as you may know, is the National Chairman, and has been for several years, of the American Civil Liberties Union, and it claims such other stellar lights among its board of trustees as William Kuntsler and other activists who are dedicated to fighting the operations of a freely representative government.

They spent, they say, 5½ million dollars in 1972–73 in this litigation. They employ 260 people full-time, many of them lawyers, and they have been litigating something like 4,700 cases each year in the last couple of years. As I mentioned, they sue these institutions. They try to get—and succeed in getting—Federal judges to move into the area of administration and into the area of legislation.

For example, one Federal judge in the northern district of Alabama has taken complete jurisdiction over all the mental institutions in the State of Alabama. He is doing so much in this that he doesn't have time to try his other cases. The cry is out for more judges. He even sits down every day and decides the working conditions of the doctors and the nurses and decides who will handle so many bed pans a day and all that sort of thing. He sets their wage rates, and he even issued an order a year or two ago, under the continuing jurisdiction which he accepted in the case, to the State of Alabama to hire 300 psychiatrists for the mental institutions. But it so happens that there are not 300 psychiatrists in the entire State of Alabama.

This is how unrealistic some of these people are. But what a burden it places on the American people who are paying for both sides of it. They are paying through the Federally funded programs to fight the government, and then they are paying our salaries and the salaries of all other government lawyers to defend the government, and then they are losing many of these cases to boot.

Dean MANION. And may I add General, that the Civil Liberties Union pays its litigation expenses for these destructive lawsuits with tax-exempt donations, if you please. But they piously maintain that they are representing the poor and the oppressed. How true is that?

General SENDAK. Well, this is what they say. Every one of these federally funded programs in that area, or these foundation funded programs, starts out with high ideals and it's always in the name of poverty. I'm reminded of that saying of several hundred years ago at the time of the French Revolution, "What crimes are committed in the name of liberty." I'm paraphrasing a little, and now, "What crimes are committed in the name of poverty and aid to poverty."

One of the areas in which they have entered is the area of busing to enforce racial quotas in the schools. They obviously give no real consideration, although they appear to think they do, to the quality of the schools, the quality of the education, to the convenience of the students, to the convenience of their families, to such things as daylight hours and darkness hours and convenience for other activities or for illness of the pupil.

They have gone so far off the beam that they are really in an act of reaction or retrogression. They have gone back to the theories of medieval days, the Middle Ages when the quota system was imposed through the guilds and other agencies to restrict the employment and the rights and freedoms of many of minority groups. Generations since that time have striven to do away with that sort of prejudice and intolerance which was exemplified by the use of racial and religious quotas even down to forty years ago in American colleges, when only such and such a percentage of Catholics, Jews, Negroes, Mexicans—you name it, Orientals, etc., could even get into Harvard, Yale or Princeton. This has largely been overcome by men and women of good will, and I think the working majority of the people in the United States feel only good will in their hearts toward all these areas.

Now these activists, a small group of activists but very articulate, have set up a quota system again. They have gone back to what broke out again under Hitler. I regard forced busing for racial quota purposes as being a form of Hitlerism on wheels.

Dean MANION. General, the truth that you have just expressed is being heard now on the air for the first time by thousands of people who are listening to you. The activists, the proponents of abortion, the opponents of capital punishment, the soft-on-criminals people, seem to get all the publicity. How can your side of this critical issue be kept before the great majority of our people who know in their hearts that you are right?

CONTROLLED NEWS

General SENDAK. It's very difficult, Dean Manion, but I feel that we have a form of censorship in this country, a worse form of censorship than any government could ever impose. It's a censorship by a very small group of people in control of the late night shows, the talk shows on TV, and certain critical avenues of communication in this country—Network TV, which most people watch, although they don't necessarily agree with what they see all of the time.

The New York Times has a computer bank which supplies hundreds and hundreds of newspapers throughout the United States very economically with all the news that fits what the New York Times wants them to have. So one or two editors working for the New York Times control the thinking, or at least the reading material, that goes out to hundreds and hundreds of daily newspapers throughout the United States.

Even such a conservative paper as the Chicago Tribune has the New York Times Book Supplement. When I asked one of the editors of the Chicago Tribune, a friend of mine, right after they adopted that book section, why they did that, he said it was a matter of economics. You see how these things are controlled through the Book of the Month Club. Check these different book stand lists and see how often you find a book which is even selling well, like Allen Drury's books, even listed on those lists. But you will find a half-dozen books praising Mao Tse-tung and others. America's enemies always get front page. This is amazing.

So you ask what the American people can do. I think the American people have to become individual propaganda analysts, and we just have to start boycotting. If we don't like some scurvy person on a late night talk show, who seems to have the run of the show, we can always boycott him and his product. I think we need to start fighting fire with fire, all within the law. I don't think we are required to go to a movie featuring Jane Fonda when she is working to undermine this country. I don't want to support people like that. Why do we have to do so if we really believe that these people are enemies of this country? Why support them economically? By the same token, why should we give wheat to Russia or rearm Russia or give them IBM machines so their computers can operate the SAM missiles and shoot our people down? I believe in that emphatically.

DEAN MANION. When the British General Cornwallis surrendered his sword at Yorktown to end the Revolutionary War, his British army band played a tune called "The World Turns Upside Down." We know now that the world did really turn then to a new birth of freedom and representative constitutional government. Could it be now that our world is turning back toward a new form of tyranny?

General SENDAK. We've come into an era, Dean, of topsy-turvy thinking, where people in our generation seem to think we're so much better than all the generations that have gone before. We toss aside the lessons of history, the lessons of Biblical history as well as secular history. We forget that Isaiah said when he spoke along these lines, Isaiah 5:20–24, when he said:

"Woe unto them that call evil good, and good evil; that put darkness for light, and light for darkness; that put bitter for sweet, and sweet for bitter! ... Which justify the wicked for reward, and take away the righteousness of the righteous from him! Therefore as the fire devoureth the stubble, and the flame consumeth the chaff, so their root shall be as rottenness, and their blossom shall go up as dust."

That puts it so much better than I could put it. The topsy-turvy thinking, the lack of realism, the straying from the fundamental differences between right and wrong in every area of life—that puts it very nicely.

Dean MANION. Some of this topsy-turvy thinking that you mention, General, has been taking place on the Supreme Court of the United States. During the last 15 years, in my many important instances, a majority of our Supreme Court Justices have deliberately repudiated the sustained constitutional constructions of their predecessors, going all the way back to Chief Justice Marshall. Judges and many other public officials appear to be contemptuous of history. Nothing turns them on "but the here and now."

General SENDAK. That's right, Dean. Just because I am Attorney General of Indiana in 1974, I don't think I am any smarter than any of my predecessors back to the beginning of the state. I think that any realistic, conscientious judge would have to say that he is no smarter than Chief Justice Marshall or any other predecessors on the United States Supreme Court, and that would go for any other governmental official.

I think American idealism is being put to the test. Maybe America will be stronger after all this age of confusion and attacks on our fundamental institutions. I think we have to take counsel of our strength and our ideals and our accomplishments. America is still the goal of people all over the world. People want to come here. They don't want to leave here. We have got to lift up our hearts and our minds accordingly.

I think that free and responsible citizens today in this country and in this state have the greatest opportunity and the greatest challenge in our history. We must not miss that opportunity or even think of letting that challenge go by default. Certainly we don't want it to go by default to those who are not free and not responsible citizens. We've just got to restore majority rule in this country and restore our representative free democracy in place of a propaganda control.

Dean MANION. Thank you, Theodore Sendak, Attorney General for the State of Indiana.

I told you at the outset, my friends, that when he first took office five years ago this extraordinary public servant promised to make "personal responsibility" the hallmark of his administration of Indiana's top law office. His responses today show that he has hewed to that line with complete candor and exemplary courage. In the great field of American law, he is determined not to let freedom and its always attached personal responsibility go by default. Let's all help him win this case. Send the script of this interview to your own Attorney General and ask for his help on this big lawsuit.

WHERE THERE IS NO VISION

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 8, 1974

Mr. CONTE. Mr. Speaker, as an avid amateur photographer, I was tremendously impressed by a presentation of some of the most beautiful and spectacular pictures taken in the U.S. space program, starting with Gemini in May of 1961 to Apollo 17 in December 1972, at a dinner I attended in Washington, D.C. at which the Eastman Kodak Co. honored the National Aeronautics and Space Administration for notable achievements in exploring outer space.

I would like to share with my colleagues the statement of the Kodak Co.'s president, Mr. Walter Fallon, commending that Agency for their achievements in enlarging man's understanding of himself and his world through exploration and photography from outer space. The text of Mr. Fallon's statement, "Where There Is No Vision," honoring NASA follows:

Where There Is No Vision

(By Walter A. Fallon)

In the Book of Proverbs, Chapter 29, Verse 18, we are told: "Where there is no *vision*, the people perish."

The sense of "perish" here can be either figurative or literal, I suppose. The spirit of a people, their morale, deteriorates where there is no vision calling forth the best that is within their capabilities at any given time. Or the perishing could be real and earnest for people who don't know where they are going in a world operating on physical laws that don't amend very easily.

Different times, of course, require different visions. Probably the dominant vision of our times—the one most reproduced anyway—is the image of planet Earth as a fragile ball floating against a black sky. And for that image we have to thank the people of NASA, and the other cooperating agencies represented here this evening.

It's a further commentary on our times that we almost take it for granted that Rusty Schweickart could repeat his experience for us at any time.

Yet man has had the capability to record and display images like this only slightly longer than he has had the capability of powered flight. That is, powered flight with a reasonable expectancy of coming back to the ground safely.

For most of recorded history, the human race has had to depend on the eye-witness word-pictures of the men who had been there. While the word-pictures went on at greater length, many of them did not add up to much more than the single "Wow!" of the astronauts.

The understanding of all men leaps forward when the experience of any one man can be repeated and amplified by means of recorded images. And here I'm referring to images broadly—the visible and invisible spectrum; in electronics as well as photography.

We who make a career working around images of one sort or another like to feel that our own vision is pretty perceptive—particularly in hindsight.

Over the evolution of the recorded image, there are key contributions we would have wanted to call out of the routine events of the day. If we'd been there. If somebody had told us about them. If we had just been smart enough at the time to see them for what they were.

In retrospect, it's amazing how often the real significance of these contributions went unmarked by the general public, by people who should have known better, and sometimes even by the major contributors themselves.

For instance, you know it was Thomas Edison's Kinetoscope that opened the way to the movies, the first genuine mass medium. But, as for Edison, he was convinced that he had come up with a device strictly for viewing by the individual—like the stereopticon. He didn't feel it was even worth spending $150 to get European patent rights.

At the other end of the spectrum, we ought to give a tip of the hat after the fact to the CBS television engineer who tried out instant replay at an Army-Navy game in the early 60's. Out of his experimenting has come mankind's much wider understanding of the critical difference between the slant-in and the zig-out.

And we dare not fail to salute in our survey the first aerial photograph ever taken in this country, back in 1860, elegantly captioned "Boston as the Eagle and the Wild Goose See It." It might be noted that this was the only one of eight exposures taken that came out. So you see how much progress has been made in the technology of the recorded image.

A good share of it was due to the efforts of one man, George Eastman. He has been variously acclaimed for his accomplishments as inventor, business manager, philanthropist, and even marketing innovator.

But there are now those who hold that his greatest single contribution did not lie in any of these. It came in the form of the basic insight that unless picture-taking was separated from the making and processing of the sensitized materials, photography would be strictly for chemists.

And if that were the case, there'd be no reason for our get-together tonight. Of all the excellent chemists that I know, not many would make good astronauts.

It's interesting to note that yesterday was the anniversary of another milestone in the history of the recorded image. Ninety-four years ago, the first reproduction of a newspaper photograph was made, demonstrating a new process called the "halftone." The inventor took it to the leading pubisher of the day, a man famous for his innovations in journalism. But this publisher couldn't see any future in the halftone. So, 17 years went by before halftones were ever run on a power press.

One final example serves to nail down the point that the real meaning of many great achievements often goes unremarked at the time.

Wilhelm Roentgen put an opaque black box around a vacuum tube he was studying. He happened to notice that a fluorscent screen *outside* the box was emitting light also, and he reasoned that the screen was being struck by invisible radiation through the box. He called it the "X"—for the unknown—ray.

The phenomenon was put to work immediately, notably in medical dignosis. And, of course, it has been justly celebrated for that purpose.

Only in retrospect did scientific opinion appreciate that Roentgen's discovery was nothing less than the opening of the era of modern physics. Sir Arthur Eddington summed up this significance with the observation that, before X-ray diffraction, a man could know more about a star than about the table at which he worked.

At Kodak, we happen to think that history will rank the work of the United States space program right up there with the most notable advances in human understanding through the recorded image.

Only we happen to be on the scene of this one.

Furthermore, we think we have some idea of what it can mean in terms of clarifying the vision of the people in this country and the rest of the world in the years ahead.

Van Phillips has already touched on the output of Skylab 3 and its two predecessors.

And with the launching of the *Space Shuttle*—an event that Senator Moss has aptly characterized as "the next logical step in the space age"—man will have a permanent laboratory from which to enlarge on these findings.

From the *Apollo missions* the most dramatic payoff, of course, was the actual samples of the moon's composition, necessarily limited. Of almost equal importance were the electronic and photographic records made there.

The *meteorological satellites* have already recorded and sent back to earth more information about our atmosphere and the complex workings of weather-making systems than all the talk and study since the discovery that the world is round.

The *communication satellites* get publicity mostly during Olympic Games or Royal Weddings. Of much farther-reaching significance is their use for education in the developing countries of Asia, Africa, and Latin America.

But if there had to be one single citation to NASA and its associates for enlarging man's understanding of himself and his world it would certainly have to go to ERTS—the Earth Resources Technology Satellite.

Incidentally, I understand that the Department of Interior employees at the EROS Data Center in Sioux Falls have something they'd like to give a certain Kodak copywriter. An advertisement he put out called the public's attention to the availability of "modestly priced" photographs from ERTS. Overnight, demand for the prints increased in the order of 500 percent.

Our man has asked me to pass the word that he'd just as soon skip what the folks at the Data Center have in mind for him.

The public interest in the ERTS imagery, a particularly promising blending of electronics and photography, reflects the high stakes people everywhere have in this program.

To start with the most obvious example, with the current energy shortage, the ability of ERTS to indicate *petroleum deposits* becomes almost a national resource in itself.

The comprehensive and continuous picture that ERTS gives us of what is happening to our *environment* will improve the basis for decision-making in this area. Probably the most important thing about this information is that it is virtually real-time, making possible action before the damage is irreversibly done.

We can do little about the much-needed planning of *land use* in this country without meaningful data about what the patterns of usage actually are. For the first time we're getting it—in a form that helps make mapping accurate, fast, and economically feasible.

The repetitive nature of the ERTS imagery is indispensable to the effective management of our *life resources:* water, agriculture, forestry, and range.

All in all, it can be said that ERTS is doing more than any other instrument man has ever devised to replace hunch, guesswork, and folklore about the world we live in with the hard facts needed for survival. Just last week it was reported that one of the causes of famine in the Southern Sahara was the underestimating of the population that had to be fed by more than 50 percent.

Here was a case in which the people literally did perish for want of an adequate vision.

Through ERTS and the other related programs administered by NASA, mankind is getting a place to stand for acquiring such a vision.

So, Dr. Low, if you will just come up and stand over here we would like to present you with a small expression of our awareness. When history looks back, we'd like to have it to say: "For once, somebody who should have known better actually did."

FREEDOM OF SPEECH TAKES PRECEDENT OVER HIGHWAY BEAUTIFICATION

HON. JOHN R. RARICK

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 8, 1974

Mr. RARICK. Mr. Speaker, a Virginia circuit court judge ruled last week that freedom of speech takes priority over Federal antibillboard legislation. The ruling came in a case in which State highway authorities removed a sign which had been erected on private property, claiming that it violated an antibillboard law and had evoked some complaints.

The 25-square-foot sign was clearly an expression of personal opinion. The message contained on the roadsign was: "Get US Out! of the United Nations." It is an opinion, I might add, that is held by an increasing number of Americans today. My bill H.R. 1414 would do exactly what the sign suggests.

The judge in the case, Judge Percy Thornton, Jr., ruled that the message "is an expression of personal opinion and does not constitute an advertisement or sign" under State highway regulations. The State regulations, incidentally, were passed to accommodate Federal statutes which allow a State to collect an additional 10 percent in Federal highway money if it enforces the "highway beautification" law. Apparently, some State officials are willing to sacrifice the freedoms of their local citizens, that is, freedom of speech and the rights of private property, for a Federal handout.

It is most appropriate that this case was decided in Virginia, the birthplace of George Washington, Patrick Henry, Thomas Jefferson and so many other great Americans who fought to establish the Bill of Rights.

It is to Judge Thornton's credit that he places constitutionally-secured rights above congressionally passed Federal statutes. Unfortunately, in this age of increasing Federal usurpation of individual rights, many Americans are beginning to believe that acts of Congress can supersede basic rights.

I ask that the related newsclipping follow:

[From the Washington Post, Apr. 5, 1974]

ANTI-U.N. SENTIMENT: REMOVAL OF BILLBOARD ILLEGAL, COURT RULES

(By Ronald Taylor)

A Fairfax County Circuit Court judge has ruled that the Virginia Highway Department may not legally remove a roadside sign saying "Get US Out! of the United Nations" from the property of a Fairfax man and his sister.

The ruling, issued Wednesday by Judge Percy Thornton Jr., established that the 25-square-foot sign facing east-bound traffic on Route 29-211 between Fairlee and Nutley Streets is not an advertisement as defined in State Highway Department regulations.

The ruling was on a suit filed by Mary Lou Curtis and her brother Walton C. Thompson who lives on the 58-acre family property. They contended that the removal of the sign by state highway authorities violated their constitutional right of free speech.

During a court hearing on the matter, highway officials argued that the sign's presence could threaten their funding through a federal antibillboard project.

Thornton ruled, however, that the message "is an expression of personal opinion and does not constitute an advertisement or sign" under state highway regulations.

Mrs. Curtis said she erected the sign last year and that the message represents a long-held position to her. "There was no special event that made me do it," she said, "The sign became available and I finally got around to putting it up."

Following citizens' complaints and citing an antibillboard law, state highway authorities removed the sign last July.

The state receives an additional 10 per cent in highway funds if it enforces a federal antibillboard law.

Assistant Attorney General David T. Walker, who represented the state in the case, said that a decision has not yet been made on whether to appeal the ruling.

LITTON IN TROUBLE

HON. LES ASPIN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, April 8, 1974

Mr. ASPIN. Mr. Speaker, the cost of the Navy's 30 ship DD-963 destroyer could rise as much as $500 million, if all the electronic and special weapons originally planned by the Navy are installed, according to unclassified portions of a GAO report which I am publicly releasing today.

GAO reports in its annual staff study that "we believe that the cost of these subsystems are essentially acquisition costs and, as such, should be reported on the Selected Acquisition Report"—the Pentagon's quarterly report to Congress on major weapons systems.

Mr. Speaker, the GAO report also contains the most detailed analysis available to date on technical and labor problems affecting the Litton Industries new shipyard in Pascagoula, Miss. The GAO outlines various indicators of success of its shipyard construction schedule and concludes "all of these indicators show delinquencies in the actual work performed in relation to current plans."

Mr. Speaker, I believe that this report is new and damaging evidence that serious problems continue to plague the shipyard. We are heading down the same dangerous road of huge cost increases and lengthy delays that have characterized Litton's earlier efforts at shipbuilding in Pascagoula. As many of my colleagues may know the five ship LHA program is now behind schedule by several years and the cost per ship has risen from $153.4 million per ship to $228.2 million per ship.

Mr. Speaker, I am calling upon the Navy today to cancel a sizable number of the 30 DD-963 destroyers.

Careful reading of the GAO's analysis discloses that Litton is trying to build too many ships at one time. The shipyard is crowded, undermanned, and completely fouled up—the shipyard workload must be reduced. The only way to do that is to reduce the number of destroyers to be built. Otherwise, the costs of each ship will skyrocket upward as delays mount.

The GAO reported that if foulups inside the shipyard are not resolved it will cause eventual slippage in delivery schedule and increases in contract costs.

In fact, Mr. Speaker, the Navy concedes in its latest report to Congress that some of the destroyers may be up to 5 months late.

Congress has already approved funds for the ships and the Navy is seeking an additional $463.5 million for the final seven ships in this year's Defense Department's budget. I believe, Mr. Speaker, that at least the last seven ships should be canceled and possibly more. It is interesting to note that the cancellation of the last seven ships would only involve a fee of $152,000 which is much less than the probable cost overruns.

The potential $500 million overrun is based upon estimates of the cost of so-called electronic warfare equipment, a decoy system, special sonar, new helicopters, missile and guns which are not included in the current Navy estimate. These various weapons are listed as "space and weight"—systems that were originally planned for inclusion on the ship but are not in the Navy's budget.

Mr. Speaker, I also believe that the Navy is hoping to cover up these cost overruns by paying for the increased costs from outside regular shipbuilding funds. Eleven months after a ship is delivered to the Navy any additional costs including the installation of new weapons are paid from appropriations other than shipbuilding. After these ships are delivered the needed weapons will be added but not counted as part of the cost of the ships. Frankly, Mr. Speaker, the Navy's action is a cheap trick designed to deceive Congress.

At another point in the report the GAO said that certain parts of the ships, which are theoretically built in large modules, are being completed out of sequence which makes the orderly construction of the ships impossible in Litton's so-called mass production shipyard. In fact, in the case of assembly work the situation has become worse in the past year.

Mr. Speaker, there is now no question that unless we cut the number of DD-963's we are headed for full-scale disaster on this program.

NO AMNESTY WITHOUT EQUITY

HON. LAWRENCE J. HOGAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, April 8, 1974

Mr. HOGAN. Mr. Speaker, on March 10, the House Judiciary's Subcommittee on Courts, Civil Liberties, and the Administration of Justice held hearings on the question of granting amnesty to those who evaded the draft during the Vietnam war.

This question has aroused a great deal of controversy and I would like to insert in the RECORD at this point an editorial by

Mr. Smith Hempstone which expresses the views of the majority of the American people:

[From the Washington Star-News, Mar. 20, 1974]

NO AMNESTY WITHOUT EQUITY

(By Smith Hempstone)

In North Vietnam last week, the United States was dickering for the return of the mortal remains of the last 11 American prisoners of war known to have died under the rigors of Communist captivity. At the same time, half a world away, in obscene juxtaposition, a House subcommittee chaired by Rep. Robert W. Kastenmeier, D-Wis., was holding hearings on amnesty for those who refused to serve in that war.

The arguments of the pro-amnesty lobby remain basically what they have always been: The Vietnam War was an unjust war, hence those who deserted or dodged the draft were justified in so doing; the artful dodgers' self-exile has been punishment enough; amnesty has always been granted after a war and one is needed now to heal society's wounds. To all of which one can only reply: Horsefeathers!

The notion that the thousands who deserted or refused to serve were somehow endowed with a higher morality than the millions who disrupted their lives, obeyed their country's call and risked maiming or death is both impertinent and illogical.

All wars embody a measure of injustice. But the state has a right to insist on the obligation of its citizens to serve it, and no man has the privilege of picking his war. Clearly an individual has the right to refuse to take human life, but there are plenty of stretchers to be carried on the battlefield by those of such sensitivity.

It is even possible to admire those who on principle chose jail or alternative service to donning a uniform. But the gorge rises at the suggestion that men who spent the war comfortably living off remittances from Mom and Pop in Toronto coffee houses are the cream of their generation. It simply isn't so.

As for the argument that the gun-shy streakers have suffered enough by their separation from their native land, their exile was of their own choosing. The penalty does not begin to match that paid in blood by some of those who had to go in their stead. One can only hope, for their sake and for their adopted country, that they make better Canadians than they did Americans.

Although the revisionist historians of the left would have us believe amnesty has followed every American war, this is not the case. There has *never* been a general, unconditional amnesty—which is what the white-feather gang is demanding—after *any* American war.

After World War II, President Truman pardoned slightly less than 10 percent of 15,805 draft dodgers. After the Korean War, scarcely a popular conflict, there was amnesty for neither deserters nor draft-dodgers.

The main point is that the militant evaders are less interested in forgiveness than in vindication. They want America to accept their image of themselves and their version of history, and this no self-respecting nation can grant.

This is not to say that society should be harsh or unforgiving. The case can certainly be made that an immature and perhaps low IQ teen-aged draft-dodger from a home in which obligations to one's country were not stressed is less culpable than the middle-aged radical chic professor, chaplain or polemicist who, knowing the penalty, urged him to switch rather than fight.

So as Sen. Robert Taft Jr., R-Ohio, and former Secretary of the Army Robert F. Froehlke have suggested to the Kastenmeier subcommittee, some form of conditional amnesty, on a case-by-case basis and contingent upon alternative service, would not dishonor the dead or split the country.

Case-by-case treatment by amnesty review boards such as those set up after World War II would be a slow process. But the offense, against their country and their peers, of which the draft-dodgers and deserters stand accused, is a grave one.

They and those who urged them to turn their backs on their country have to understand that America is big enough to give its repentant sons a second chance. But not so craven or misguided as to vindicate them, to say that they were right and those other, braver sons who fought and died were wrong.

THE DEBATE OVER DIEGO GARCIA

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 8, 1974

Mr. BINGHAM. Mr. Speaker, the debate and vote last week in the House on the question of a base on Diego Garcia did not settle the question. It remains to be seen, not only what the Senate and the conference committee will do, but also what the Government of the United Kingdom will do, since no agreement for the expansion has been entered into.

Last Thursday, April 4, the Wall Street Journal carried an article by Richard J. Levine which in my view fairly summarizes the arguments for and against the Diego Garcia base. Perhaps I am prejudiced, but it seems to me that the negative arguments greatly outweigh the positive ones.

The article follows:

THE DEBATE OVER DIEGO GARCIA

(By Richard J. Levine)

WASHINGTON.—Diego Garcia is a tiny coral island in the middle of the Indian Ocean, lying a thousand miles off the southern tip of India and halfway around the world from Washington.

Isolated and uninspiring, the small hunk of British real estate would seem an unlikely candidate for attention in this crisis-oriented capital.

But a Pentagon plan to build a naval support base on Diego Garcia—unveiled in the aftermath of the Middle East war and the Arab oil embargo—has begun to generate a lively though limited foreign policy-national security debate here. Nixon administration officials see the proposed base as a logical and effective means of protecting America's interests in that part of the world, offsetting growing Soviet naval power. But some in Congress fear the base could lead to a U.S.-Soviet naval race in the Indian Ocean, an area that has been largely spared superpower rivalry, and eventually add billions of dollars to Navy shipbuilding budgets without enhancing U.S. security.

While U.S. Senators call for Washington-Moscow talks on naval limitations in the Indian Ocean, many of America's friends and foes denounce the Diego Garcia plan. In the end, the debate could provide important clues to how serious Congress is about playing a larger, more forceful role in foreign policy as America emerges from its painful decade in Vietnam.

"From our experience in Indochina, we know too well the cost of early, easy congressional and State Department acquiescence to Pentagon demands," says Sen. Claiborne Pell (D., R.I.), a leading opponent of the base plan. "We must profit from our past errors. Our handling of this authorization request for Diego Garcia offers such an opportunity."

NARROW ISSUES

Unfortunately, much of the debate thus far has focused on such relatively narrow issues as the comparative number of U.S. and Soviet "ship days" in the Indian Ocean and the length of the runway on the island. Often lost in the din of detail are the basic questions raised by the Pentagon plan—whether the U.S. should be involved in the project at all; whether, or how, U.S. interests are served by increasing the Navy's still limited presence in this far-off ocean; whether, as one former Pentagon planner put it, "we would be willing to let events take their course around the rim of the Indian Ocean."

Specifically, the Defense Department is asking Congress for $32.3 million to expand an existing communications station on Diego Garcia into a base capable of refueling and restocking U.S. warships, including aircraft carriers, operating in the Indian Ocean. The base would be manned by about 600 men and would enable the Navy to increase its Indian Ocean deployments—either routinely or in a crisis—without weakening its forces in the Western Pacific.

Yesterday the Senate Armed Services Committee postponed "without prejudice" a request for $29 million for Diego Garcia construction contained in a supplemental budget bill for the Pentagon—a setback that is likely to be challenged by administration supporters in the full Senate. And today the House is scheduled to vote on a proposal to delete the same $29 million from a companion measure.

To justify the U.S. buildup, the Nixon administration has stressed the expanding operations of the Soviet Navy in the Indian Ocean (which Navy men expect to accelerate with the reopening of the Suez Canal) and the increasing reliance of the U.S. on Persian Gulf oil that must be transported across the Indian Ocean. "Our military presence in the Indian Ocean provides tangible evidence of our concern for security and stability in a region where significant U.S. interests are located," declares James Noyes, Deputy Defense Secretary for Near Eastern, African and South Asian Affairs.

By Pentagon standards, the Diego Garcia request is a mere pittance, less than one-third the price of a modern destroyer. Moreover, Defense Department and State Department officials have sought to downplay the potential long-range significance of the naval base by referring repeatedly to their plans for a "*modest* support facility."

Still, a number of lawmakers and outside experts remain uneasy, fearful that congressional approval of the construction money could prove a fateful step down an unmarked road toward yet another expensive and, conceivably, dangerous security commitment. Adding to their concern is the small-step-by-small-step pattern of U.S. involvement in the Indian Ocean: first a few warships; next a communications station; then a support base. Where, they worry, is it leading?

Despite administration assertions to the contrary, U.S. interest in the Indian Ocean has been rather limited until recently. Only three years ago, Ronald Spiers, then director of the State Department's Bureau of Politico-Military Affairs, could tell Congress: "The Indian Ocean area, unlike Europe and Asia, is one which has been only on the margins of U.S. attention. Never considered of great importance to the central balance of power, it has been on the edges of great-power rivalry."

Since 1948, the U.S. presence in this part of the world has consisted mainly of the Middle East force—a flagship based in the Sheikdom of Bahrain and two destroyers that make periodic port calls. That such a modest force was considered adequate testifies to the low strategic importance Washington attached to the world's third largest ocean.

U.S. interest began building in the early 1960s. One result was the British Indian Ocean territory agreement between the United Kingdom and the U.S. in 1966, under which Washington acquired the basic right to build military facilities on Diego Garcia. Washington's interest quickened in 1968, with the British announcement of plans to withdraw military forces east of Suez and the appearance of the first Soviet warships. Since then, the Soviets have steadily increased their naval forces, and current navy estimates give them a four-to-one advantage over the U.S. in the Indian Ocean.

Soviet ships have also gained increasing access to port facilities. For example, Russian vessels currently use the expanded Iraqi port of Umm Qasr and the former British base at Aden; meanwhile, the Soviets are expanding their naval facilities at the Somali port of Berbera. "The Soviets possess a support system in the (Indian Ocean) arca that is substantially more extensive than that of the U.S.," asserts Adm. Elmo Zumwalt, Chief of Naval Operations.

As the Soviet presence increased, the U.S. responded by sending carrier task forces into the Indian Ocean twice in 1971, in April and again in December, during the Indo-Pakistan war. Last October, a few months after the Diego Garcia communications station opened and as the Mideast ceasefire was taking effect, the Defense Department unexpectedly moved a task force headed by the carrier Hancock into the Indian Ocean.

On Nov. 30, Defense Secretary James Schlesinger, disclosing that the Hancock would be replaced by the Oriskany, announced that in the future the Navy would establish a "pattern of regular visits into the Indian Ocean and we expect that our presence there will be more frequent and more regular than in the past." Since then, major U.S. vessels have been in the ocean without letup.

Why? Administration officials offer a variety of explanations—to counterbalance Soviet "influence" on states around the Indian Ocean; to maintain "continued access" to vital Mideast oil supplies; to insure freedom of the seas; simply to demonstrate our "interest" in that area of the world.

The State Department emphasizes the diplomatic value of the Navy. "A military presence can support effective diplomacy without its ever having to be used," says Seymour Weiss, director of State's politico-military affairs bureau. Privately Pentagon officials, not surprisingly, place greater weight on the military value of warships in the Indian Ocean. The increasing U.S. Navy operations, a Navy man says, are needed "to show we are a credible military power in that part of the world."

But critics of the Diego Garcia proposal are troubled by these explanations, which, they believe, raise more questions than they answer.

GUNBOAT DIPLOMACY

Some critics wonder whether the presence of larger numbers of U.S. warships in the Indian Ocean will, as Naval Chief Zumwalt claims, help preserve "regimes that are friendly to the U.S." in the area. "Gunboat diplomacy doesn't really seem to work" in this age, argues a government analyst. Internal problems and economic assistance, he believes, have a much greater bearing on the political course followed by foreign governments. What is clear is that several states in the area—including Australia, New Zealand, India, Madagascar and Sri Lanka (Ceylon)—have publicly opposed the Diego Garcia support base, arguing that the Indian Ocean should be a "zone of peace."

Furthermore, there are some military experts who doubt that Soviet ships in the Indian Ocean pose a serious threat to Western tankers carrying precious Arab oil. In the opinion of Gene La Rocque, a retired rear admiral who often criticizes Pentagon policies, an attack on, or interference with, such shipping "doesn't appear to be a plausible action on the part of the Soviet Union when one takes into account such important factors as relative military power, time and distance and the alternative means of exerting influence and power at the disposal of the Soviet Union."

Other military analysts have argued that it is highly improbable the Soviets would attack Western ships since such a hostile act would likely trigger the outbreak of a major war between the superpowers. Geoffrey Jukes, an Australian analyst has written: "It is difficult to envisage a situation, short of world nuclear war, in which the Soviet government would be prepared to place the bulk of its merchant fleet at risk by engaging to 'interfere' with Western shipping in the Indian or any other ocean."

Much more likely, critics of the Diego Garcia plan stress, is a repetition of the recent Arab oil embargo, a political act designed to achieve political aims. It is argued that the presence of sizable naval forces can, at best, have only a minimal impact in such a situation.

Finally, there is the unsettling prospect that a base at Diego Garcia, coupled with increased naval deployments in the Indian Ocean, will provide the Navy in years to come with new rationales for an "Indian Ocean fleet" and ever-bigger shipbuilding budgets, especially for carriers and escorts. The Navy, a Pentagon insider notes, "has been panting on the edges of the opportunity" represented by enlarged Indian Ocean commitments.

A CALL FOR NEGOTIATIONS

To prevent a costly U.S.-Soviet naval race, which might not enhance either nation's security, Sen. Pell and Sen. Edward Kennedy (D., Mass.) have jointly introduced a resolution calling for negotiations between the superpowers on limiting naval facilities and warships in the Indian Ocean.

As in the past, the U.S. remains reluctant to agree in writing to any restrictions on its use of the high seas. Moreover, U.S. officials say efforts to follow up a Soviet hint in 1971 of interest in naval limitation talks failed to produce a response from the Kremlin.

Still, in view of the potential long-range costs and dangers involved in an expanded naval presence in the Indian Ocean, it would seem worthwhile to pursue the matter further. For, as Sen. Kennedy has said, "It may in time prove necessary and desirable for the U.S. to compete with the Soviet Union in military and naval force in this distant part of the globe. But before that happens we owe it to ourselves, as well as to all the people of the region, to try preventing yet another arms race."

HOUSE OF REPRESENTATIVES—*Tuesday, April 9, 1974*

The House met at 12 o'clock noon.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

Obey my voice, saith the Lord, and I will be your God and you shall be my people; and walk in all the ways that I command you, that it may be well with you.—Jeremiah 7:23.

Eternal Father of our spirits, we have been elected by the people of our districts and called to lead our Nation in this House of Representatives. May we serve to the best of our abilities. Some of us are beginning to realize that we cannot be the best that we can be nor can we do the best that we can do without Thee. We pray now that Thy spirit may come to new life in us that we may learn to live and to lead our Nation in right paths and along good ways. Help us to work together for peace in our world, for justice among our people, and for good will in the hearts of all.

"We would live ever in the light,
We would work ever for the right,
We would serve Thee with all our might,
Therefore, to Thee we come."

Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate had passed, with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H.R. 6574. An act to amend title 38, United States Code, to encourage persons to join and remain in the Reserves and National Guard by providing full-time coverage under servicemen's group life insurance for such members and certain members of the Retired Reserve, and for other purposes; and

H.R. 9293. An act to amend certain laws affecting the Coast Guard.

The message also announced that the Senate had passed a concurrent resolution of the following title, in which the concurrence of the House is requested:

S. Con. Res. 72. Concurrent resolution extending an invitation to the International Olympic Committee to hold the 1980 winter Olympic games at Lake Placid, N.Y., in the United States, and pledging the cooperation and support of the Congress of the United States.

APPOINTMENT AS MEMBERS OF NATIONAL COMMISSION FOR THE REVIEW OF FEDERAL AND STATE LAWS RELATING TO WIRETAPPING AND ELECTRONIC SURVEILLANCE

The SPEAKER. Pursuant to the provisions of section 804(b), Public Law 90-351, as amended, the Chair appoints as members of the National Commission for the Review of Federal and State Laws Relating to Wiretapping and Electronic Surveillance the following Members on the part of the House: Messrs. KASTENMEIER, EDWARDS of California, RAILSBACK, and STEIGER of Arizona.

HENRY AARON HOME RUN CHAMPION OF ALL TIME

(Mr. FLYNT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FLYNT. Mr. Speaker, I take pleasure in officially announcing at this time that the undisputed home run champion of all time in baseball is Henry Aaron of the Atlanta Braves. Last night before a record crowd this great baseball player and sportsman broke the record of 714 home runs previously held by Babe Ruth when he hit his 715th home run at Atlanta Stadium in the game between the Atlanta Braves and the Los Angeles Dodgers.

This ballplayer, Hank Aaron, has made outstanding contributions to organized baseball and to sportsmanship in general. I take great pleasure in congratulating Hank Aaron on his achievement. Hank Aaron is a fine man, a great athlete, and is a credit to baseball.

Mr. NICHOLS. Mr. Speaker, will the gentleman yield?

Mr. FLYNT. I yield to the gentleman from Alabama.

Mr. NICHOLS. I thank the gentleman from Georgia for yielding.

Mr. Speaker, I want to echo the remarks of the gentleman from Georgia and remind him that Hank Aaron is a native of Mobile, Ala., and also remind him that about a year ago the Alabama House of Representatives in Montgomery, Ala., passed an official resolution commending Hank Aaron for his great athletic ability, and issued him the State of Alabama license plate HA 715. He is a great athlete, and I join with others in congratulating him.

Mr. FLYNT. I thank my friend, the gentleman from Alabama. I know that he joins me in saying that both the States of Alabama and Georgia are proud of Henry Aaron.

Mr. BLACKBURN. Mr. Speaker, will the gentleman yield?

Mr. FLYNT. I yield to the gentleman from Georgia.

Mr. BLACKBURN. I thank the gentleman for yielding.

Mr. Speaker, one need not be a baseball fan to find cause for pride in, and appreciation of, Mr. Henry Aaron.

One need not understand the finer points of baseball to appreciate his tremendous achievement, within the past few days, in tying and in beating the career home run record of the late George Herman "Babe" Ruth.

Truly, Henry Aaron has not replaced, nor displaced the Ruth legend. Quite the contrary, Henry Aaron has become the Aaron legend.

There is, however, in the story of both Mr. Ruth and Mr. Aaron a strong reflection of the spirit upon which this Nation was founded; the spirit upon which this Nation grew to greatness, and with it, the spirit upon which many men grew great and respected in their various fields of endeavor.

Neither Mr. Ruth nor Mr. Aaron was born to affluence. Neither had any unusual benefits except the benefits of the faith in themselves and the determination to achieve success in baseball with the great gifts which God gave them.

Like Mr. Ruth before him, Mr. Aaron is an outstanding example of a man who has overcome much to earn the greatness with which, so properly, he is now credited.

Like Mr. Ruth before him, Mr. Aaron is an outstanding example of the use of the three basic components of our American free enterprise system: Incentive, to compete and, in turn, to contribute much of himself, he is now beginning to achieve his just reward.

There is a lesson here for all of us. There is a lesson, particularly, for those young people who, in recent years, have maintained that, though born of affluence and opportunity, there was no incentive left; there were no new fields to conquer; no recognition, no reward.

For any who may remain in that erroneous frame of mind, let them look to Henry Aaron; let them remember Babe Ruth. Mr. Ruth was born an orphan; Mr. Aaron a black. Both proved great Americans.

Mr. Aaron has proved greatness, not just in baseball prowess. In an infinitely less publicized way, he has proved greatness through his involvement with his community; particularly with the young; especially with the youngsters under circumstances which Henry Aaron can remember well.

It is quite understandable, quite proper, that America have pride in Henry Aaron. It is understandable, too, that the people of Metropolitan Atlanta, including those of the Fourth Congressional District which I am privileged to represent, find cause for special pride, special appreciation, special affection, for this very private man. By doing his job, by keeping his faith, by turning back to the community much of his success, he has earned his way as a national, a world, figure of greatness and strength.

I congratulate him. I congratulate his family. What more, really, can one say?

Mr. MIZELL. Mr. Speaker, last night, Henry Aaron took his place in history as he hit the 715th home run of his major league career. This, as all the world knows, surpasses the 714 that the great Babe Ruth hit in his remarkable career.

With some reluctance, it is my duty to admit that I played a small part in his record, for on September 1, 1956, Hank hit his 61st home run off of me with the Cardinals playing the Braves. It perhaps should also be mentioned that on June 25, 1959, and 100 home runs later, Hank again teed off on a pitch from me for his 161st home run.

It should also be noted that Aaron has the record in the major leagues for most long hits, most extra bases on long hits, and most total bases, and for the National League he has the most runs scored and batted in. He is close to breaking Ty Cobb's record of most games played and most times at bat, Stan Musial's record for most hits in the National League, and Babe Ruth's success of most runs batted in in the National League.

Aaron is a man who knows the value of teamwork, and he has the confidence in his ability to get the job done. He thrives on competition, but he also realizes that there is an honest and fair way to compete.

All of us are pleased with the outstanding success of this superb athlete and a gentleman who retains his humility in the midst of this great achievement.

TRANSFERRING SPECIAL ORDER FROM APRIL 9 TO APRIL 10

Mr. PASSMAN. Mr. Speaker, I ask unanimous consent that the special order approved yesterday for me for today be vacated and that I be permitted to address the House tomorrow, April 10, for 30 minutes, after other special orders, and to revise and extend my remarks and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

SINCERE CONGRATULATIONS TO HANK AARON

(Mr. MATHIS of Georgia asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MATHIS of Georgia. Mr. Speaker, as every Member of the House must know by now, there was a happening in Atlanta last night. Hammering Hank Aaron stepped up to the plate in the fourth inning of the Atlanta-Los Angeles game and further etched his name in the annals of baseball history. There were those who said that no one would ever come close to the long-time record of the 714 home runs set by the legendary Babe Ruth, but Henry Aaron apparently was not listening. The 715 home runs by Hank Aaron will insure that his name will always appear in the baseball record books, but Aaron's name will appear in numerous other ways.

This remarkable man is much more than a baseball player, however, as people all around the world have learned. He is an outstanding gentleman, a humanitarian, and a true ambassador of good will. The world will not soon see another Henry Aaron, and we in Georgia are proud of him. I speak for all Second District Georgians when I offer my sincere congratulations to this remarkable man.

JANE FONDA SHOULD RENOUNCE HER CITIZENSHIP IN THIS COUNTRY

(Mr. HUNT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HUNT. Mr. Speaker, the Philadelphia Bulletin, a very fine newspaper, on April 2, 1974, carried an article indicating that Jane Fonda, an American actress and activist, has gone to North Vietnam to make a film. She is accompanied by her husband, Tom Hayden, and their infant son.

She was invited by an organization affiliated with the political arm of the

Vietcong and the picture reportedly will be about life in South Vietnam.

If I were on speaking terms with Miss Fonda—which I am not nor do I care to be—I would suggest to her that in her picture she include some of the depictions of atrocities which are currently being conducted by the invading North Vietnamese Army and their contemptuous allies, the Vietcong. Obviously that will not be part of her commentary, and I might suggest further to Miss Fonda that she should renounce her citizenship in this country and go to live in North Vietnam.

INTRODUCING LEGISLATION TO EXEMPT FIREFIGHTER PENSIONS FROM FEDERAL INCOME TAX

(Mrs. HOLT asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. HOLT. Mr. Speaker, one of the most hazardous professions in our Nation today is that of the firefighter.

Despite the personal risk of this profession, thousands of Americans engage in it in a volunteer capacity. According to the report of the National Commission on Fire Prevention and Control, about 1 million men serve as volunteer firefighters—five times the number of paid firefighters in the Nation. By one estimate, based on the cost of what it would require to replace volunteers with paid firefighters, the Nation's volunteers are rendering a public service worth at least $4.5 billion annually.

In addition to their firefighting activities, these dedicated volunteers also participate in other public service programs such as ambulance service and search and rescue work. They provide vital services to the community and receive no compensation for their efforts.

In recognition of the performance rendered by these individuals, many local governments now provide them with a lump-sum pension after 20 years or more of servce. Unfortunately, the current tax treatment of these pensions results in significant reductions in their value.

Legislation has been introduced which will exempt pensions paid to volunteers, their dependents, widows, or other survivors from Federal income tax. This measure, which will cost the Government so little, is a small reward for the dedicated years of service provided by volunteer firemen.

I urge my colleagues to seriously consider the prompt passage of this legislation.

INQUIRING INTO THE MILITARY ALERT INVOKED ON OCTOBER 24, 1973

Mr. MORGAN. Mr. Speaker, I call up a privileged resolution (H. Res. 1002) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 1002

Resolved, That the Secretary of State is directed to submit to the House of Representatives within ten days after the adoption of this resolution the following information:

(a) The text of all diplomatic messages in the possession of the Secretary of State or the Department of State received from Leonid Brezhnev, General Secretary of the Presidium of the C.P.S.U. Central Committee of the Union of Soviet Socialist Republics, or from any other official of the Union of Soviet Socialist Republics, to the President of the United States, which were delivered on October 24 or 25, 1973.

(b) The text of diplomatic messages sent by the President of the United States, and in the possession of the Secretary or the Department of State, as replies to any of the diplomatic messages referred to in paragraph (a).

(c) A list of actions, communications, and certain readiness measures taken by the Soviet Union which were referred to in the following statement made by the Secretary of State on October 25, 1974: "And it is the ambiguity of some of the actions and communications and certain readiness measures that were observed that caused the President at a special meeting of the National Security Council last night, at 3 o'clock antemeridian, to order certain precautionary measures to be taken by the United States."

(d) A list of the precautionary measures taken by the United States, including the initiation of a defense condition status numbered 3, which were taken by the United States and referred to by the Secretary of State in the statement of October 25, 1973, referred to in paragraph (c).

(e) A list of all meetings attended by the Secretary of State on October 24 and 25, 1973, at which the conflict in the Middle East, and the actions of the Soviet Union referred to in paragraph (c) were discussed, and the times of all such meetings, the names and positions of all other individuals attending each of such meetings, and the decisions arrived at in the course of each of such meetings.

(f) The date and time of the decision, made in October 1973, to order a defense status numbered 3, and the name of the person or persons making that decision.

Mr. MORGAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, House Resolution 1002 is a privileged resolution of inquiry.

It calls on the Secretary of State to furnish the House certain information on the U.S. military alert which was ordered on October 24, 1973 during the latest Middle East war.

Specifically, the resolution requests:

First. The texts of diplomatic exchanges between the President and General Secretary Brezhnev or any other Soviet official on October 24 or 25, 1973;

Second. A list of Soviet actions which caused the U.S. alert to be ordered;

Third. A list of measures taken by the United States in relation to the alert;

Fourth. A list of meetings on the Middle East conflict attended by Secretary Kissinger on October 24 and 25, 1973, including the times of the meetings, persons attending, and decisions reached; and

Fifth. The date and time of the decision to order the alert and the name of the person or persons making the decision.

Mr. Speaker, I can report that this information has been made available to the Committee on Foreign Affairs.

The material is partly classified and partly unclassified.

Secretary Kissinger's letter to the committee and the unclassified material are contained in the committee report.

Because the classified data is extremely sensitive, the committee agreed with the executive branch that the public release of it would not be in the national interest.

The committee believes, as shown by a bipartisan vote of 26 to 2, that the resolution should not be approved.

Mr. Speaker, it is my intention to move that this resolution be laid on the table.

In the meantime, I will yield, but only for the purpose of debate.

I yield 5 minutes to the gentleman from Michigan (Mr. BROOMFIELD).

Mr. BROOMFIELD. Mr. Speaker, I would like to express my strong support for the position enunciated by Chairman MORGAN.

The committee considered the resolution very carefully and received the full cooperation of the executive branch.

The chairman has reviewed the resolution of inquiry and I agree with him that the information requested has been made available to the committee.

I am sure we all agree that the Congress should be kept advised, in an appropriate manner, of significant developments in the area of foreign affairs and national security. However, if confidential personal correspondence between our President and General Secretary Brezhnev is unilaterally released, it can only discourage the kind of communication that may be urgently needed to resolve a confrontation that could otherwise lead to war. Under the circumstances I believe it would have been unwise to release the exchange between the President and Brezhnev.

I will support the chairman's motion that this resolution be laid upon the table.

Mr. MORGAN. Mr. Speaker, I yield 5 minutes to the gentleman from Massachusetts (Mr. HARRINGTON) for debate only.

Mr. HARRINGTON. Mr. Speaker, I have to confess some puzzlement. I suppose, having had the benefit of a denominational education which placed great reliance on accepting matters strongly premised and on having faith on the part of those that imposed that knowledge, that this education should be a sufficient conditioning process to prepare one for service in the House of Representatives. But to a degree I am inured to the kind of defense that has been made of the effort, somewhat belatedly, on the part of the Secretary of State and the executive branch to inform the Foreign Affairs Committee—whose chief function is to oversee a whole range of foreign policy matters—on the facts relevant to the October 24 military alert.

I might point out to both my chairman and the ranking minority member that we have language that is, I thought, rather unambiguous and that has been attributed to the Secretary of State on Thursday morning, Ocober 25, in which he indicates that, in view of the magnitude of the problems confronting the country and the military alert decision made the preceding evening, the full facts would be made known to the American public within a relatively short time—"within a week," I believe the Secretary said.

Mr. Speaker, I take particular note, having the majority leader of the House present this afternoon, that he was constrained enough about the events that occurred on October 24, and about the demeanor of the House in interpreting these events as having had some political motivation that he took the floor of the House on Thursday of that week to assure his colleagues in the House as a whole that, after having had consultations with the Secretary, the matter was of sufficient gravity that there should not be any implication or any inference that what was at work in the alert was an effort to distract the American public from domestic crises of various kinds.

I refer also for the sake of the historical record to the perhaps most bizarre of press conferences that I have had occasion to be exposed to in 4 years, in which the President of this country referred to the events of October 24 and 25 as the most significant foreign policy crisis that has affected this country's interests since our involvement with the Russians in Cuba in 1962.

After these events, to have grudgingly served up to us, almost 6 months after these statements were made, and after we put in context the events that have occurred since on the domestic scene, the barest skeleton of what went on during that evening of October 24 in which there was not one elected official physically present, and which led to the calling of a mid-level nuclear alert, I find myself, despite the example I may have had from personal experience, still somewhat puzzled. I am puzzled that we should be willing to find ourselves so satisfied and agreeable, and to give the Executive credit for something about which I think the American public today remains grossly uninformed.

Mr. Speaker, I suppose in the priority of things it is only right that we should consider Hank Aaron's hitting his 715th homerun as more important than the events of October 24 that could very well have precipitated something cataclysmic, insofar as the Nation's ability to survive is concerned.

I come here today only to point out that I am hopeful, in view of some dialog that occurred in closed session last Wednesday, that the expressed interest of the chairman in pursuing this event in committee, will be pursued, whether in formal or somewhat less formal circumstances, whether in open or closed sessions. I hope that we can derive from today's exchange some assurance that we will have, on the part of the Committee on Foreign Affairs, a willingness to go beyond what was given to us by the State Department as a "substantive reply" last Wednesday.

So in making these remarks today, I hope I can ask the Members to look back 6 months and decide whether they are satisfied with the information we have by way of the State Department's transmission surrounding the Resolution of Inquiry. Every reasonable effort was made prior to using this extraordinary remedy—this Resolution of Inquiry—to get on a voluntary basis cooperation from the executive branch in attempting to get information on the October 24 alert, but these efforts were not productive.

Now we find ourselves with a minimum degree of compliance, absent any kind of an ability to have an exchange that is effective or meaningful in the course of what transpired last Wednesday for 2 hours and I do remain somewhat expectant, even without a formal vote of the committee that we can expect the help and agreement of the committee to continue the inquiry into the circumstances surrounding the October 24 alert.

House Resolution 1002 has been, it seems to me, a qualified success. After 6 months of trying, we have finally been able to cajole some measure of response from the State Department. Still, much if not most of the information remains hidden from the public, and no thorough effort has yet been made to come to grips with what I view to be the more difficult but ultimately more important aspects of this alert. Was the alert justified? Was it a response in excess of provocation? On the basis of the facts publicly available, we cannot answer these questions. Nor have we reached any conclusions as to what the proper role of the Congress should be in future crises like that of October 24. Surely Congress should not be left in the dark for months and months, as has happened in this instance. Our inquiry should not stop here.

Mr. MORGAN. Mr. Speaker, I yield 3 minutes to the distinguished majority leader, for debate only.

Mr. O'NEILL. Mr. Speaker, I would like to refer to the comment the previous speaker, the gentleman from Massachusetts, made about the day of the alert, when I took the floor to inform my colleagues of the seriousness of the situation.

On that particular day we had been briefed at the White House by President Nixon and Mr. Kissinger, and we were aware of the facts as to what had happened and as to why they had called the alert.

Yes, I have been critical of the alert, and I believe that a nuclear alert was the wrong course of action.

You know, I recall a similar situation during the Arab-Israeli 6-day war, of 1967, when Mr. Johnson was President of the United States. President Johnson, according to his own memoirs, was sitting with the Secretary of Defense and the other defense leaders of the country, as well as the generals and the admirals, when he made the comment, "Where at this particular time is our Mediterranean fleet?"

Although they informed the President that the Mediterranean fleet was merely 50 miles off the coast of Syria, Mr. Johnson was just as perturbed then as Mr. Nixon was last October.

Yet, President Johnson gave orders to move the fleet as quickly as possible to Syria. How long, he asked, would it take for the Russians to learn that we were sending our Mediterranean Fleet into the waters off the coast of Syria? Our admirals responded that it would be a matter of seconds; for we were under constant surveillance and the Russians knew we were serious when we moved our fleet. They would get the message immediately.

Mr. Speaker, what I am driving at is that Mr. Johnson was saying to the Russians when he ordered the fleet moved, if you want war, let it be a conventional war. I am deeply concerned, Mr. Speaker that Mr. Nixon called for an overall nuclear alert. I think the judgment of President Nixon was wrong in choosing that course of action. Perhaps he should have followed a strategy similar to the one Mr. Johnson chose. But I still stand behind the remarks I made that day when I pointed out that we were in a crisis situation.

As majority leader, when I sat with the President of the United States and Mr. Kissinger and received from them the information on the Soviet actions which preceded the alert and the subsequent reasons for the alert, I had no opportunity to be a Monday morning quarterback. Rather, it was necessary for me to take their judgment on good faith. At that time and on that day when I made those remarks, I believed that we should support the President of the United States in his decision.

Now in retrospect, I think that the President overreacted in calling for a nuclear alert; and I believe that he should have ordered instead some conventional type of response.

Mr. MORGAN. Mr. Speaker, I yield 5 minutes to the gentleman from California (Mr. STARK) for debate only.

Mr. STARK. Mr. Speaker, I would like to address the House today on why this resolution was felt to be necessary.

We had heard on CBS television a review of the events that took place—a review, I might add, that the gentleman from Iowa in his dissenting comments to the committee report indicated may have contained classified information which was previously unavailable to those of us here.

I submit that the Russians know the events that took place. Obviously members of CBS television know what took place. The Washington Post seems to know what took place. Yet the State Department still seems to feel that we as Members of Congress are not worthy of knowing what took place.

Admittedly, the information that the State Department grudgingly sent over could be considered a victory for the legislative branch—a Pyrrhic victory, indeed.

While the press says that Secretary Kissinger privately admitted to overreacting, he still finds it more convenient to cavort in Acapulco than to come here and deal with a situation which could have led this country into an atomic holocaust.

The situation brought most forcefully to my attention in a briefing to Members of Congress by Mr. Sisco, who was made Under Secretary of State that day, when he contended that he had seen the letter from the Russians and the U.S. response, and (this is a quote from Mr.

Sisco) he said our reply "left the Russians an out."

Despite my repeated requests, I have never known what they left the Russian an out from, and that statement to me implies that they may have suggested to the Russians that unilateral moves on their part would force us to move unilaterally with the atomic forces we had at the time of the alert.

I would like to know the answer to this because, as far as I know, we are supposed to have a system of checks and balances that protects this country from accidentally getting into wars. It also prohibits the Secretary of State from signing a peace agreement. That indicates to South Vietnam that it commits us to forever provide military support to that corrupt and bankrupt government. We certainly had never known anything about that in the Congress of the United States.

Do we have a system of checks and balances?

It is my understanding that the National Security Council would review any moves that would necessitate an atomic alert. Only the President of our country can order atomic weapons into action. He is the only one with that power, and that power carries with it the power to blow up the world.

Yet when you have a Secretary of State who, by his own admission, overreacted; when we are still denied access to an understanding of the procedures taking place; when we order our troops and our Air Force into worldwide alert, and we arm the silos that could trigger an atomic alert; when we question the very veracity of the Chief Executive when you find you have 30 members of his personal staff and his Cabinet either in jail or under indictment or under investigation; can we then, indeed, treat lightly the procedure that gives this President the power to call forth the forces of this Nation and attack another nation for reasons unbeknownst to an elected official?

This decision was made that night without the presence of even a single elected official. The Security Council consisted at best of Secretary Kissinger and Secretary Schlesinger—admittedly not a procedure which we had intended when we gave the President the power to issue a nuclear alert.

So I hope that this will not be the last time that this House will demand to know the facts leading up to events as serious as this was. I hope that we will not be denied our demands for information, and not only will we ask that the four members of our Committee on Foreign Affairs be permitted to see these types of documents, but we will demand that the respective officials come down here and talk to us, and answer questions prior to implementation of these procedures.

I urge the Members to vote against the motion to table, to protest the actions of the Secretary of State that fateful evening and the ensuing secrecy surrounding those events.

Mr. MORGAN. Mr. Speaker, I yield such time as he may consume to the gentleman from Iowa (Mr. GROSS).

Mr. GROSS. Mr. Speaker, I voted in the Foreign Affairs Committee to table the resolution offered by the gentleman from Massachusetts (Mr. HARRINGTON) because I believe it is not in the best interests of this country to disclose all the information it mandated the executive branch to make available, and because an agreement was reached whereby the Subcommittee on the Near East and South Asia will conduct further hearings on this matter.

However, the Office of the President and the Department of State must be put on notice that henceforth the Members of Congress are entitled to know the contents of communications that are exchanged between the United States and any foreign country or countries—communications which lead to placing on the alert substantial elements of the Armed Forces of the United States.

Never again should Members of Congress permit themselves, for lack of reliable information, to be sucked into a war as they were in Southeast Asia.

Additionally, Members of Congress are entitled to know why information concerning the alert of last October, which was denied to them, was leaked to a Washington newspaper.

Mr. MORGAN. Mr. Speaker, I yield 2 minutes to the gentleman from Alabama (Mr. BUCHANAN).

Mr. BUCHANAN. Mr. Speaker, as the ranking minority member of the Subcommittee on the Near East and Southeast Asia, I was one of the four members privileged to see the exchange of messages between General Secretary Brezhnev and President Nixon, and both from what I have seen in that exchange and in the classified and unclassified material that was provided to our committee in response to the resolution of inquiry, I am convinced that the State Department has been fully responsive. I am further convinced, for my own part, that the President and the Secretary of State acted in the interests of world peace and appropriately in the crisis itself. For our purposes here I believe that the State Department has been unusually and fully responsive, and I will support the motion to lay this resolution on the table.

Mr. MORGAN. Mr. Speaker, I yield 5 minutes to the gentleman from Indiana (Mr. HAMILTON) for debate only.

Mr. HAMILTON. Mr. Speaker, this resolution of inquiry before the House today was reported unfavorably from the Committee on Foreign Affairs last week because the Department of State, in the opinion of members, complied with the provisions of the resolution and supplied the documents and materials requested.

I was privileged to have a chance to review the important exchange of notes between President Nixon and Chairman Brezhnev and several other documents related to events surrounding the October 24, 1973, alert. Without commenting on the contents of these documents and related materials, let me say that I am convinced no useful purpose, no important national interest and no peaceful cause would be served by their release or by extensive debate here over what threats constitute a declaration of a grade 3 alert.

While I voted to report this resolution unfavorably from the committee because of the State Department compliance with the resolution's request, I would like to add three comments:

First, in my view, the executive branch was neither forthcoming nor very candid on this subject until this resolution was introduced. Several letters to the Department of State and other agencies of the Government by myself and other members expressing concern over what happened that night of October 24 and requesting evidence and documentation supporting the grade 3 alert received incomplete replies. The efforts by the sponsors of this resolution to require a fuller account of the events of October 24 have thus served a useful purpose.

Second, whether or not the American people remember or care about the decisions taken that night, the public record on a matter that could have had ramifications for all of us is incomplete and, at places, inconsistent. If this resolution serves no other purpose, I hope it will encourage our Government to make a fuller public explanation of the events of that evening and of the evidence on which a nuclear alert was based.

Third, this discussion today and the consideration by the Committee on Foreign Affairs of the resolution address the rather narrow issue of whether the executive branch furnished documents. The larger, substantive, and subjective issues that still stand over the events of that evening were not considered at all. Was the alert necessary? What indicators did our Government have that the Soviet Union could be on the verge of unilateral intervention in the Middle East to protect the October 22 ceasefire? And what did these indicators mean? These questions and others remain to be debated.

Mr. Speaker, although these three matters continue to concern me, I feel that we can consider resolved the narrow issue regarding the supply of the information this resolution seeks.

Mr. HARRINGTON. Mr. Speaker, will the gentleman yield?

Mr. HAMILTON. I yield to the gentleman from Massachusetts.

Mr. HARRINGTON. I thank the gentleman for yielding.

I would like to, if I could, address a question here to the gentleman, or perhaps to the Chairman. In the discussion that transpired during the course of the committee deliberations last Wednesday, there was an effort made by Congressman WOLFF to attempt to commit the committee to additional hearings dealing with the substance of the resolution and expanding to the questions the gentleman from Indiana posed in his more recent remarks. Is it the gentleman's understanding or intention, as the chairman of the subcommittee concerned with the area most relevant to this inquiry, to conduct such hearings in the immediate future?

Mr. HAMILTON. Yes, it is my understanding that the committee reached that agreement during its discussions. That is certainly my intention, and I assure the gentleman that the subcommittee will proceed with hearings on the substantive question involved here.

Mr. HARRINGTON. One other question, if the gentleman will yield further. In view of the niceties of the relationships between the executive branch and the legislative branch, by which Cabinet officers appear only before the full committee, does this custom, in the gentleman's mind, present any problem of his having access to the kind of witnesses needed to conduct a subsequent inquiry at a substantive level?

Mr. HAMILTON. Obviously, there are only a few men who can testify, because there were only a few involved. It may be an obstacle, but we will do our best to have the pertinent parties present for testimony.

Mr. HARRINGTON. If the gentleman will yield further, could I ask the chairman if he will join in that general expression of interest in having the hearings, whether on a closed or open basis, to the degree that we need the help of the full committee to do what reasonably can be done in assuring the attendance of the relevant Cabinet officers?

Mr. MORGAN. I will assure the gentleman from Massachusetts. The committee's intent is spelled out in the committee report in the next to the last paragraph where it states:

> The committee has addressed that issue in earlier meetings with the Secretary of State and other executive branch officials and expects to pursue it further in the future.

Of course, if the witnesses do not come before the subcommittee, I will assure the gentleman from Massachusetts that we will convene the full committee.

Mr. HARRINGTON. I do not know that I have the tolerance factor to wait that long.

I will ask the subcommittee chairman again to yield if his time is still available.

Mr. HAMILTON. I yield to the gentleman from Massachusetts.

Mr. HARRINGTON. Could the gentleman give me some idea when he would expect his subcommittee to undertake these hearings?

Mr. HAMILTON. The subcommittee will make the request of the appropriate officials of the executive branch immediately. When they appear will depend upon their schedules.

Mr. STARK. Mr. Speaker, will the gentleman yield?

Mr. HAMILTON. I yield to the gentleman from California.

Mr. STARK. I thank the gentleman for yielding.

I would just like to comment at this point to applaud the actions of the committee, of the chairman, and the chairman of the subcommittee, and thank them for their prompt and courteous action, and the help of their staff, during consideration of this resolution.

Mr. ZABLOCKI. Mr. Speaker, during the debate on the resolution of inquiry here today I have been approached by several members asking about the relationship of this matter to the War Powers Act which Congress passed late in the last session.

Because of the importance of the War Powers Act and the necessity of its correct interpretation, I am taking this opportunity to clear up any confusion or misunderstandings about relevance of the Act to the matter at hand.

Our discussion today centers around the military alert invoked by the executive branch on October 24, 1973, as a response to certain actions by the Soviet Union related to the conflict situation in the Middle East.

As described in the report of the Committee on Foreign Affairs adversely reporting House Resolution 1002, the resolution of inquiry, U.S. Armed Forces were put on an alert status known as Defense condition No. 3, or Defcon 3.

According to my understanding, Defcon 3 situations are ones which arise from increased world tensions, but fall short of those occasions in which U.S. forces are about to be introduced into hostilities or situations where hostilities are imminent.

Since there was no direct introduction of U.S. Armed Forces into hostilities nor any imminent danger of such introduction as a result of this alert, the executive branch was not required to report to the Congress under section 4(a)(1) of the War Powers Act, and there was no need for congressional action as provided for in section 5.

Sections 4(a)(2) and 4(a)(3) of the War Powers Act also would not appear to apply to the Defcon 3 situation which existed. Those provisions of the War Powers Act deal with instances of peaceful deployment of U.S. Armed Forces, including:

First, their introduction into the territory, airspace or waters of a foreign nation, while equipped for combat, except for deployments which relate solely to supply, replacement, repair, or training; and

Second, their increase in numbers which substantially enlarges a U.S. military presence already located in a foreign country.

Since neither situation occurred during the Defcon 3 of October 24, according to my information, those reporting provisions were not triggered.

Section 3 of the War Powers Act calls for consultation by the President with Congress in certain crisis situations, but defines those situations as those in which U.S. Armed Forces are to be introduced into hostilities or in which hostilities clearly are imminent. As we have seen, neither condition obtained in the alert situation of October 24, 1973.

Having demonstrated why that alert did not invoke the provisions of the War Powers Act, I believe that an additional word is necessary to prevent possible future misconceptions about the wishes of Congress by the executive branch.

Although the alert of October 24 did not require congressional consultation, the situation would seem to have called for a measure of congressional participation in the decision which was made. To the extent that such participation was missing, the President and his advisers open themselves to criticism.

It is my belief that, if key Members of Congress had been kept abreast of the situation as it developed, much of the suspicion and criticism surrounding the October 24 alert—and this resolution of inquiry—might have been avoided.

It should also be noted that although this particular Defcon 3 alert did not invoke the War Powers Act, future Defcon 3 alerts or other, more critical, defense conditions may well trigger provisions of the War Powers Act and require a response to Congress by the executive branch.

Responsible officials in the executive branch should be fully cognizant of their responsibilities to the Congress under the War Powers Act.

Finally, in closing, I wish to commend the chairman of the Committee on Foreign Affairs for the wise and expeditious way in which he has handled this resolution of inquiry. As all of us know, such privileged resolutions are difficult vehicles of legislative action. Chairman MORGAN has handled this one in a way which casts credit upon himself, the Committee on Foreign Affairs, and the Congress.

I, therefore, urge my colleagues to sustain the committee action by approving a motion to table its adverse report of House Resolution 1002.

MOTION TO TABLE OFFERED BY MR. MORGAN

Mr. MORGAN. Mr. Speaker, I offer a motion to table House Resolution 1002.

The Clerk read as follows:

> Mr. MORGAN moves to table House Resolution 1002.

The SPEAKER. The question is on the motion to table offered by the gentleman from Pennsylvania (Mr. MORGAN).

The motion to table was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. MORGAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the resolution (H. Res. 1002) just considered.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

CALL OF THE HOUSE

Mr. HUNT. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. O'NEILL. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 152]

Ashley
Blatnik
Boggs
Brown, Calif.
Brown, Ohio
Carey, N.Y.
Cederberg
Chamberlain
Chisholm
Clay
Conyers
Danielson
Diggs
Dingell
Dorn
Drinan
Esch
Findley
Ford
Fountain
Frelinghuysen
Giaimo
Goldwater
Gray
Green, Oreg.
Guyer
Hansen, Wash.
Hébert
Holifield
Hosmer
Huber
Ichord
Jones, Ala.
Jones, Tenn.
Kazen
Litton
McEwen
McFall
McKinney
Moss
Murphy, N.Y.
Nelsen
Nichols
Patman
Pickle
Powell, Ohio
Preyer
Rees
Reid
Rhodes
Roncallo, N.Y.
Rooney, N.Y.
Seiberling
Shipley
Shoup
Sikes
Steele
Stokes
Stubblefield
Sullivan
Teague
Walsh
Wilson, Charles H., Calif.
Wyatt
Young, Alaska

The SPEAKER. On this rollcall, 367 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

CAMILLO DeLUCIA RETIRES

(Mr. HAYS asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. HAYS. Mr. Speaker, on January 1, 1974, the tristate area of southeastern Ohio lost one of its most popular and familiar voices. On that day Mr. Camillo DeLucia retired as the voice of the "Neapolitan Serenade" after more than 33 years.

Mr. DeLucia's career in broadcasting has had few parallels. He came to the United States as an immigrant in 1920 with his wife Gilda and settled in Steubenville, Ohio, in 1923. After many years of radio experience in New York, Philadelphia, and Youngstown he joined WSTV, Steubenville in November 1940 to become host of "Neapolitan Serenade." He was a natural for the job and became instantly popular with the large group of Americans of Italian extraction.

He combined many patriotic and charitable services with his duty as radio host. During World War II the Department of the Treasury presented him with a citation for his efforts in behalf of war bond sales. When major floods struck Europe in 1962 he raised several thousand dollars for flood victims in Italy. For years he has raised money for St. John's Villa in Carrollton, Ohio. These are only a few examples of his efforts.

The honors bestowed on Mr. DeLucia are too numerous to list in detail. They include, among others, special commendations from President Franklin D. Roosevelt, Pope John XXIII, and Alcide D. Gasperi, Prime Minister of Italy. He was awarded the Cross of Solidarity Medal, Grand Cavalier of the Order of Merit by the President of Italy.

Even now that he has retired to spend more time with his children and grandchildren he continues to participate in community affairs and to add to the treasury of memories for his family, his friends, and his neighbors.

PERMISSION FOR COMMITTEE ON RULES TO FILE CERTAIN PRIVILEGED REPORTS

Mr. SISK. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file certain privileged reports.

The SPEAKER. Is there objection to the request of the gentleman from California

There was no objection.

HOUSE RESOLUTION 998, CHANGES IN CERTAIN HOUSE PROCEDURES

Mr. SISK. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 1018 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 1018

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the resolution (H. Res. 998) to amend the House rules regarding the making of points of no quorum, consideration of certain Senate amendments in conference agreements or reported in conference disagreement, request for recorded votes and expeditious conduct of quorum calls in Committee of the Whole, and postponement of proceedings on suspension motions, and for other purposes. After general debate, which shall be confined to the resolution and shall continue not to exceed two hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Rules, the resolution shall be considered as having been read for amendment. No amendments shall be in order to said resolution except amendments offered by the direction of the Committee on Rules and germane amendments to section 3 of said resolution, and said amendments shall not be subject to amendment. At the conclusion of the consideration of the resolution for amendment, the Committee shall rise and report the resolution to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the resolution to its adoption or rejection.

The SPEAKER. The gentleman from California, Mr. SISK, is recognized for 1 hour.

Mr. SISK. Mr. Speaker, I yield 30 minutes to the gentleman from Ohio (Mr. LATTA), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 1018 provides for a modified closed rule on House Resolution 998, a resolution to amend the Rules of the House of Representatives regarding the making of points of no quorum, consideration of certain Senate amendments in conference agreements or reported in disagreement, request for recorded votes and expeditious conduct of quorum calls in the Committee on the Whole House on the State of the Union and postponement of proceedings on suspension motions.

House Resolution 1018 provides that after general debate, which shall be confined to the resolution and shall continue not to exceed 2 hours, the resolution shall be considered as having been read for amendment. No amendments shall be in order to the resolution except amendments offered by the direction of the Committee on Rules and germane amendments to section 3 of the resolution, and those amendments shall not be subject to amendment.

House Resolution 998 amends the rules of the House to prohibit the making of a point of order that a quorum is not present in five instances. It also allows the Chairman of the Committee of the Whole to end a quorum call as soon as 100 or more Members appear. Names of Members will not be published when this procedure is invoked. House Resolution 998 also raises the support required for ordering record votes in the Committee of the Whole from 20 to 40 Members when, at the request of any Member, the Chairman determines that more than 200 Members are present.

House Resolution 998 allows the Speaker of the House the discretion to postpone recorded and yea-and-nay votes on motions to suspend the rules and pass bills and resolutions until the completion of debate on all suspension motions offered on that legislative day. House Resolution 998 also extends the present procedure permitting separate debate and votes on nongermane Senate amendments and further extends the procedure to permit separate debate and votes on nongermane matter in Senate amendments reported in disagreement by a conference committee. The present procedure is also extended to nongermane matter that: First, originally appeared in a Senate bill; second, was not included in the House-passed version of the bill; and third, appeared again in the conference report.

Mr. Speaker, I urge the adoption of House Resolution 1018 in order that we may discuss and debate House Resolution 998.

Mr. LATTA. Mr. Speaker, I yield myself such time as I may use.

Mr. Speaker, this is a most important matter. At the outset I must say I agree with the statements made by my friend and colleague from California (Mr. SISK).

I want to point out that this rule provides for 2 hours of general debate. It is a closed rule with the exception of section 3 which deals with the number of Members required to stand up for a record vote. I want it understood that this is not an open rule but, rather, a closed rule with that one exception.

I point this out for the many Members of this House opposed to closed rules per se.

I think the reasoning brought forth for a closed rule is faulty. I do not believe an open rule would make it impossible for us to complete our deliberations on this piece of legislation. I, for one, do not subscribe to such logic.

Mr. FINDLEY. Will the gentleman yield?

Mr. LATTA. I am pleased to yield to the gentleman from Illinois (Mr. FINDLEY).

Mr. FINDLEY. Is my interpretation correct that under the bill which this rule would deal with only one quorum call would be possible during general debate of the bill if the Chair saw fit not to recognize Members for the purpose of quorum calls?

Mr. LATTA. That is not exactly correct, but once a quorum is established a further point of order of no quorum may not be made until the transaction of additional business.

Mr. FINDLEY. Is general debate considered to be business of the House?

Mr. LATTA. Under the rules it is.

Mr. FINDLEY. It is considered to be business. So a point of order could be made in a very short period of time. Am I correct in that? What is the purpose of this language if it does not actually restrict points of order?

Mr. LATTA. The purpose of this language is to prevent dilatory tactics from being used in limited instances. It is to prevent having one point of order of no quorum made right after another. There would have to be the transaction of some business between quorum calls under this proposal.

Mr. FINDLEY. In my experience here I have never observed a point of no quorum being made immediately after the establishment of a quorum. Always there has been some intervening debate or discussion.

Mr. LATTA. I would hasten to disagree with the gentleman.

I certainly can recall many times when they have had one quorum call right after another, and when there has not been any intervening business transacted.

Mr. FINDLEY. I do not recall such an occasion, at least, if one considers the utterance of a few words or discussion in debate a transaction of business.

I thank the gentleman.

Mr. LATTA. I would say this is something which would be within the discretion of the Chair and he would decide whether or not there had been any transaction of business.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. LATTA. I yield to the gentleman from Iowa.

Mr. GROSS. Mr. Speaker, I thank my friend, the gentleman from Ohio, for yielding to me.

I would ask the gentleman from Ohio what was the justification of the Committee on Rules for an almost completely closed rule?

Mr. LATTA. To restate what I stated earlier about the reasoning behind it, it would open up all the rules of the House for amendment, and the majority on the Committee on Rules did not think we wanted to do this at this time.

Mr. GROSS. Here we have some changes in the rules, changes that do violence to, in my opinion, perfectly good rules of the House, and yet there is no way that we can offer amendments to them to rectify the violence that they do or would atempt to do.

Mr. LATTA. I might say that the only way one could do that is to vote down this rule, as the way the rule is written right now, only section 3 would be open for amendment.

Mr. GROSS. I am surprised, and I am shocked that they come in with these rules changes. I do not know the justification. What are the justifications for these proposals to change the rules? What is wrong with the present rules of the House? Is it the rules or is it the Members that need amendment?

Mr. LATTA. It might be a little of both as I am sure some of the Members have taken advantage of the present rules.

Mr. GROSS. Does the gentleman from Ohio realy believe this is a tightening of the rules?

Mr. LATTA. It certainly is, in several instances.

Mr. FINDLEY. Mr. Speaker, will the gentleman from Ohio yield so that I can address a parliamentary inquiry to the Chair?

Mr. LATTA. I will be happy to.

PARLIAMENTARY INQUIRY

Mr. FINDLEY. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state his parliamentary inquiry.

Mr. FINDLEY. Mr. Speaker, I would like to ask the Chair if general debate is considered to be transaction of business of the House?

The SPEAKER. The Chair would respond to the inquiry of the gentleman from Illinois that heretofore, under the present rules of the House, a quorum can be demanded during general debate, or for any other purpose, or for transaction of any other business in the House.

The purpose that this resolution makes in order, as the Chair understands it, is that this is a matter which will be discussed by the gentleman from California and other members of the committee, and the Chair is not prepared to rule on that issue.

Mr. FINDLEY. Mr. Speaker, if I may pursue this with the gentleman from Ohio, that deepens my concern because the character of the rule we are now considering will be and is vitally important, and if we do not really know right now when we are considering the rule what the effect of the resolution will be if it is adopted, then we are certainly going to be disarmed, or at least our ability to talk to the impact of the resolution will be lessened considerably under a closed rule.

So, if we cannot get a more precise ruling from the Chair on this point, I would think it would be highly desirable to reject what is obviously a very closed rule.

Mr. SISK. Mr. Speaker, will the gentleman yield?

Mr. LATTA. I yield to the gentleman from California.

Mr. SISK. I appreciate my colleague's yielding.

I should just like to say to my good friend, the gentleman from Illinois, that I appreciate his interest in this matter. Of course, I would hope that he would permit us to adopt the rule and discuss the very issue which he is talking about. The subcommittee went to considerable length over, frankly, a long period of time, several months, in consideration of these exchanges. Of course, that is the reason we have set aside 2 hours of general debate to discuss it. It may very well be that in the wisdom of the House the Members may feel that we should not make these changes. Then, of course, that will be a matter of voting them down and keeping the situation as it is at the present time.

Certainly we do hope at the time that, if we can get into the Committee of the Whole House, we can discuss specifically the issue which the gentleman has raised.

Mr. FINDLEY. I understand the rule that is before us now. Under that rule a Member will not be permitted to offer an amendment to the resolution to eliminate just this one particular provision regarding points of order of no quorum; am I correct on that?

Mr. SISK. The gentleman is correct. Let me say, very frankly, the matter was discussed. I appreciate the comments of my friend, the gentleman from Iowa. Very frankly, it was our decision, good or bad, that at this particular point in time we question the advisability of opening all of the rules of the House. As the gentleman surely knows, there is a variety of resolutions presently pending before the Committee on Rules to make a change or to modify a whole variety of the rules. Those may all be good, or some of them may be good and some of them may not.

It was our decision that now was not the time and place to bring this up without some kind of committee hearing or some kind of committee action. Those issues that are dealt with in this legislation would tend to expedite procedures to allow more time for Members to do those things that are important and, of course, our only goal is to aid and assist.

Mr. FINDLEY. Is it the opinion of the gentleman from California that if the resolution is adopted, it will have the effect and validity of having no point of order of no quorum during a period of general debate?

Mr. SISK. No, under no circumstances would that be correct.

Mr. FINDLEY. The gentleman would consider, at least in his own opinion, that general debate is a transaction of business by the House?

Mr. SISK. If the gentleman will note, the committee very carefully spelled out those areas which would not be considered business for purposes of making a quorum call. Frankly, we started out with some 10 or 15 specific instances. We reduced those. We changed them to modify until we have reached a point in the legislation where there are only 5 specific instances that, for purposes of making a quorum call, would not be considered to be business, and they are very clearly delineated.

One of them, let me say, has to do with special orders. I realize there may be a difference of opinion, and it is up to the House in their wisdom to determine it. Under this procedure, once the House goes to special orders, and during that period of time that we are on special orders, a point of no quorum would not lie, and a Member could not be recognized.

Mr. FINDLEY. In response to my parliamentary inquiry, our distinguished Speaker really did not clarify whether under this resolution general debate would be considered a transaction of business by the House, so it is up in the air. We do not really know.

Mr. SISK. If the gentleman will yield further, it is not up in the air. I think it is very clear. There again, I think if my good friend, the gentleman from Illinois, would permit us to go into it and certainly discuss this issue, and explain as best we can, it would be very clear exactly what the intent of the committee was. Then, of course, we can act in accordance with our desires on that.

Mr. FINDLEY. May I just make one further observation? Is there anyone on the committee, the gentleman from California or otherwise, who has any doubt on this point? Do the Members all feel that general debate is a transaction of business of the House and, therefore, points of order may be made periodically repeatedly during a single period of general debate?

Mr. SISK. Exactly. There is no question whatsoever on the part of any member of the Committee on Rules or any of our staff people who work with us but that general debate is considered business and therefore a point of no quorum could be made. The only reservation on that point deals with the fact that at least some business must occur between the calling of quorums so that we do not have a constant repetition.

Mr. FINDLEY. Would the utterance of one sentence of general debate suffice as business of the House?

Mr. SISK. Let me say to my friend, the gentleman from Illinois, that he has been here for a number of years and probably has observed this, that the Speaker or the Chairman of the Committee of the Whole always has at his discretion the possibility of making that determination. I can recall instances where we were dealing with a very controversial issue and my friend, the gentleman from Illinois, may remember some several years ago in debate on civil rights when we were engaged in what amounted in essence to a filibuster, and the Speaker or the Chairman ruled that a further point of no quorum was dilatory and ruled it out of order. There are some precedents for this, in other words, constantly calling a point of no quorum.

Basically that is what we see here. I do not want necessarily to define it, but if in the opinion of the Whole House, the Chairman of the Committee wanted to rule one paragraph was business, it is at his discretion to determine whether in fact business had occurred, and general debate in business as we recognize it in this legislation.

Mr. Speaker, if the gentleman will yield, let me say I personally would probably favor more substantial changes. In fact I think there are other areas of the rules and there are other areas not dealt with here that we could very well consider making changes in.

The committee dealt with areas where there was immediate and important concern. For example, there has been a constant beat of agitation and discussion by various Members from the time of the 1970 Reorganization Act with reference to a variety of issues. Some of these are the recorded vote, for example, and the number standing. That was the original resolution on which the subcommittee started consideration last summer, almost a year ago now, and there were those who felt that the number should be decreased and others who felt it should be be kept at that figure. The subcommittee came out with a compromise figure of 33, and later the full committee came out with the compromise which is encompassed in the legislation. There is also the matter of the quorum procedures, and the matter of votes on suspensions, and these were all matters which would permit Members to do their work in their offices or in committee meetings or other work they consider necessary. In other words the changes are for the purpose not in any way to violate good procedure but hopefully to expedite business. This is the whole goal of the committee.

Mr. GROSS. The one explanation I have heard the gentleman suggest is expedition, to expedite the so-called work of the House. I think he is leaning on an awfully frail reed there, that we must go to these rules changes in order to expedite the work of the House.

I can think of other rules that ought to be changed that would expedite the work of the House, such as more compulsion in bringing on legislation on the part of the House committees and the leadership of the House of Representatives. I just do not understand this limitation nor do I understand protecting it with a closed rule.

Mr. SISK. I appreciate the position of the gentleman.

Mr. ARENDS. Mr. Speaker, will the gentleman yield

Mr. LATTA. I yield to the gentleman from Illinois.

Mr. ARENDS. There has been a rumor around here that we might change the requirement of 20 standing up to demand a rollcall vote to the figure of 33. Could the gentleman explain a little more in detail why this change in the general attitude of the Members who were considering this matter?

Mr. SISK. I will be glad to comment on that. We will cover that a little later more thoroughly; but let me explain, there was a resolution introduced in the Committee on Rules last summer calling for a change in the language which would have, in essence, required 44 Members to stand for a recorded vote.

The matter was referred to the subcommittee by our distinguished chairman (Mr. MADDEN). I happened to be selected as the chairman of that subcommittee.

The gentleman from Ohio (Mr. LATTA) was on the committee, along with the gentleman from California (Mr. DEL CLAWSON) the gentleman from Florida (Mr. PEPPER) and my good friend, the gentleman from Louisiana (Mr. LONG). We considered this at considerable length. We had a lot of discussion with Members pro and con. As I am sure my friend, the gentleman from Illinois knows, there was a strong feeling by some Members that 20 was ideal and it should not be changed.

The subcommittee after consideration did come up with a modified version of 33. When the matter was reported to the full Committee on Rules, after further consideration and further discussion with Members of the House who were all concerned about this, we arrived at what we felt, at least, was a reasonable approach, that even at 20, normally when we have say 150 to 170 Members on the floor, that at the same time to provide for those unusual circumstances, such as occurred last December during the debate on the energy bill where we had 300 or 400 Members sitting around waiting at night trying to get out and maybe there was a hard core of 20 people requiring record vote after record vote.

Therefore, if any Member was willing to rise and note the presence of 200 or more, that it would require 20 Members, this is a compromise. Some Members thought 44; others, of course, preferred the 20.

Mr. ARENDS. Mr. Speaker, stating my own opinion, I would say I wish we would have stayed with 33. I think that would be an improvement on the situation.

I hope an amendment will be offered on that number.

Mr. SISK. As my colleague, the gentleman from Illinois, knows, that particular section is open to amendment.

Mr. LATTA. Mr. Speaker, I might say in answer to the gentleman from Illinois, I was one that thought we ought to stay with a firm number. The way it is now, it is 40 if 200 Members are on the floor. This means the Speaker has to count the Members on the floor to make a decision whether it will be 20 or 40.

I might point out that when this matter first came to the attention of the Committee on Rules, that the chairman of the Committee on Rules requested that it be brought up to 44. That was considered by the Committee on Rules and also by the subcommittee.

I was quite surprised by this new formula presently in this bill. It did not come to our attention until after the subcommittee had reported the bill to the full committee, and not before.

Mr. Speaker, I have no further requests for time and reserve the balance of my time.

Mr. SISK. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The question was taken; and the Speaker announced that the noes appeared to have it.

Mr. SISK. Mr. Speaker, I object to the vote on the ground that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 311, nays 84, not voting 37, as follows:

[Roll No. 153]

YEAS—311

Abzug
Adams
Addabbo
Alexander
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Ashley
Aspin
Badillo
Baker
Barrett
Bell
Bennett
Bergland
Bevill
Biaggi
Bingham
Boland
Bolling
Bowen
Brademas
Brasco
Bray
Breaux
Breckinridge
Brinkley
Brooks
Broomfield
Brotzman
Brown, Calif.
Broyhill, N.C.
Broyhill, Va.
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton
Butler
Byron
Carney, Ohio
Carter
Casey, Tex.
Chamberlain
Chappell
Chisholm
Clancy
Clark
Clausen, Don H.
Clawson, Del
Cochran
Collier
Collins, Ill.
Collins, Tex.
Conyers
Corman
Cotter
Daniel, Dan
Daniel, Robert W., Jr.
Daniels, Dominick V.
Davis, Ga.
Davis, Wis.
de la Garza
Delaney
Dellums
Denholm
Dent
Derwinski
Devine
Dickinson
Dingell
Donohue
Downing
Drinan
Dulski
Duncan
du Pont
Eckhardt
Edwards, Ala.
Edwards, Calif.
Eilberg
Erlenborn
Esch
Eshleman
Evans, Colo.
Evins, Tenn.
Fascell
Fish
Fisher
Flood
Flowers
Foley
Forsythe
Fountain
Fraser
Fulton
Fuqua
Gaydos
Gettys
Giaimo
Gibbons
Ginn
Goldwater
Grasso
Gray
Griffiths
Grover
Gubser
Gunter
Hamilton
Hanley
Hanna
Hansen, Wash.
Harrington
Harsha
Hastings
Hawkins
Hays
Hébert
Hechler, W. Va.
Helstoski
Henderson
Hicks
Hinshaw
Hogan
Holifield
Holtzman
Horton
Hosmer
Howard
Hungate
Hutchinson
Jarman
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jordan
Karth
Kastenmeier
Kemp
Kluczynski
Koch
Kuykendall
Kyros
Landrum
Leggett
Lehman
Lent
Long, La.
Long, Md.
Lujan
Luken
McClory
McCollister
McCormack
McFall
McKay
McSpadden
Macdonald
Madden
Madigan
Mahon
Mallary
Mann
Mathias, Calif.
Mathis, Ga.
Matsunaga
Mayne
Mazzoli
Meeds
Melcher
Metcalfe
Mezvinsky
Milford
Mills
Minish
Mink
Minshall, Ohio
Mitchell, Md.
Mitchell, N.Y.
Moakley
Mollohan
Montgomery
Moorhead, Pa.
Morgan
Mosher
Moss
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers
Natcher
Nedzi
Nichols
Nix
Obey
O'Brien
O'Hara
O'Neill
Owens
Parris
Passman
Patten
Pepper
Perkins
Peyser
Pike
Poage
Podell
Powell, Ohio
Price, Ill.
Price, Tex.
Quie
Quillen
Railsback
Randall
Rangel
Rees
Regula
Reuss
Riegle
Rinaldo
Roberts
Robinson, Va.
Robison, N.Y.
Rodino
Roe
Rogers
Roncalio, Wyo.
Rooney, Pa.
Rose
Rosenthal
Rostenkowski
Roush
Roy
Roybal
Runnels
Ruppe
Ruth
Ryan
St Germain
Sandman
Sarasin
Sarbanes
Satterfield
Scherle
Schneebeli
Schroeder
Seiberling
Shriver
Sikes
Sisk
Skubitz
Slack
Smith, Iowa
Smith, N.Y.
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Stephens
Stratton
Stuckey
Studds
Sullivan
Symington
Taylor, N.C.
Thompson, N.J.
Thomson, Wis.
Thone
Thornton
Tiernan
Udall
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Vigorito
Waggonner
Waldie
Wampler
Ware
Whalen
White
Whitehurst
Whitten
Widnall
Wiggins
Williams
Wilson, Bob
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Wolff
Wright
Wyatt
Wydler
Yatron
Young, Alaska
Young, Ga.
Young, Ill.
Young, Tex.
Zablocki
Zion

NAYS—84

Abdnor
Anderson, Calif.
Arends
Armstrong
Ashbrook
Bafalis
Bauman
Beard
Biester
Blackburn
Brown, Mich.
Buchanan
Burgener
Camp
Cleveland
Cohen
Conable
Conlan
Conte
Coughlin
Crane
Cronin
Culver
Davis, S.C.
Dellenback
Dennis
Findley
Flynt
Frenzel
Frey
Froehlich
Gilman
Gonzalez
Goodling
Green, Pa.
Gross
Gude
Haley
Hammerschmidt
Hanrahan
Heckler, Mass.
Heinz
Hillis
Holt
Hudnut
Hunt
Ketchum
King
Lagomarsino
Landgrebe
Latta
Lott
McCloskey
McDade
Maraziti
Martin, Nebr.
Martin, N.C.
Michel
Miller
Mizell
Moorhead, Calif.
Pritchard
Rarick
Rousselot
Sebelius
Shuster
Snyder
Spence
Steelman
Steiger, Ariz.
Steiger, Wis.
Symms
Talcott
Taylor, Mo.
Towell, Nev.
Treen
Veysey
Winn
Wylie
Wyman
Yates
Young, Fla.
Young, S.C.
Zwach

NOT VOTING—37

Blatnik
Boggs
Brown, Ohio
Carey, N.Y.
Cederberg
Clay
Danielson
Diggs
Dorn
Ford
Frelinghuysen
Green, Oreg.
Guyer
Hansen, Idaho
Huber
Ichord
Jones, Tenn.
Kazen
Litton
McEwen
McKinney
Nelsen
Patman
Pettis
Pickle
Preyer
Reid
Rhodes
Roncallo, N.Y.
Rooney, N.Y.
Shipley
Shoup
Steele
Stokes
Stubblefield
Teague
Walsh

So the resolution was agreed to.

The Clerk anounced the following pairs:

Mr. Teague with Mr. Rhodes.
Mr. Rooney of New York with Mr. Steele.
Mr. Stubblefield with Mr. Shoup.
Mrs. Boggs with Mr. Roncallo of New York.
Mr. Carey of New York with Mr. McKinney.
Mr. Shipley with Mr. Cederberg.
Mr. Reid with Mr. Stokes.
Mr. Kazen with Mr. Nelsen.
Mr. Pickle with Mr. Frelinghuysen.
Mr. Preyer with Mr. McEwen.
Mr. Ford with Mr. Brown of Ohio.
Mr. Clay with Mr. Blatnik.
Mr. Jones of Tennessee with Mr. Guyer.
Mrs. Green of Oregon with Mr. Huber.
Mr. Danielson with Mr. Diggs.
Mr. Ichord with Mr. Hansen of Idaho.
Mr. Litton with Mr. Pettis.
Mr. Patman with Mr. Walsh.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. SISK. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the resolution (H. Res. 998) to amend the House rules regarding the making of points of no quorum, consideration of certain Senate amendments in conference agreements or reported in conference disagreement, request for recorded votes and expeditious conduct of quorum calls in Committee of the Whole, and postponement of proceedings on suspension motions, and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from California (Mr. SISK).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the resolution (H. Res. 998), with Mr. MATHIS of Georgia in the chair.

The Clerk read the title of the resolution.

By unanimous consent, the first reading of the resolution was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from California (Mr. SISK) will be recognized for 1 hour, and the gentleman from Ohio (Mr. LATTA) will be recognized for 1 hour.

The Chair recognizes the gentleman from California (Mr. SISK).

Mr. SISK. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, I hope the committee will move along as rapidly as possible. It depends, of course, upon the Members as to whether or not in fact we will use the 2 hours. We will use them, certainly, if there is sufficient interest and questions.

I would like briefly to outline what the Committee on Rules has done in connection with the suggested changes in the rules.

Starting with section 1, this prohibits points of no quorum in certain situations, for the most part when the House is not considering procedural or legislative business, and particularly when Members are addressing the House under special orders.

In view of the fact that there have been some equestions raised during consideration of the rule, I would simply request Members to note section 1 of the resolution, where it outlines very clearly and distinctly those matters which, for purposes of a quorum call, will not be considered to be business.

We start on line 7 of the resolution:

> It shall not be in order to make or entertain a point of order that a quorum is not present—
>
> (1) before or during the offering of prayer;

Let me state at this point that in many of these areas as a matter of precedent individual Members are not recognized for the purpose of making a point of no quorum, and we have outlined them in the rules—

> (2) during the administration of the oath of office to the Speaker or Speaker pro tempore or a Member, Delegate, or Resident Commissioner;

And, for example—

> (3) during the reception of any message from the President of the United States or the United States Senate;

It shall not be in order to make or entertain a point of order that a quorum is not present during the offering, consideration, and disposition of any motion incidental to a call of the House—

> (b) A quorum shall not be required in Committee of the Whole for agreement to a motion that the Committee rise.
>
> (c) After the presence of a quorum is once ascertained on any day on which the House is meeting, a point of order of no quorum may not be made or entertained—

> (1) during the reading of the Journal;
>
> (2) during the period after a Committee of the Whole has risen after completing its consideration of a bill or resolution and before the Chairman of the Committee has reported the bill or resolution back to the House;
>
> (3) during any period of a legislative day when the Speaker is recognizing Members (including a Delegate or Resident Commissioner) to address the House under special orders, with no measure or matter then under consideration for disposition by the House.
>
> When the presence of a quorum is ascertained, a further point of order that a quorum is not present may not thereafter be made or entertained until additional business intervenes—

That, of course, was part of the discussion that occurred earlier in connection with the rule—

> For the purpose of this paragraph, the term 'business' does not include any matter, proceeding, or period referred to in paragraphs (a), (b) or (c) of this clause, for which a quorum is not required or a point of order of no quorum may not be made or entertained.

I have read the entire section, and these, of course, will be incorporated into the rules of the House, assuming the House decides to support this particular resolution. I do think it is important to understand that what we have attempted to do is simply outline those times when a point of order of no quorum would not be in order.

If there are some questions, we shall be glad to attempt to answer such questions as best we can.

Mr. MATSUNAGA. Mr. Chairman, will the gentleman yield?

Mr. SISK. I yield to the gentleman from Hawaii.

Mr. MATSUNAGA. Mr. Chairman, I rise in solid support of House Resolution 998, which would reform a number of House rules to simplify and streamline certain procedures in the House.

House Resolution 998 represents the culmination of more than 9 months of effort on the part of the Rules Committee and an ad hoc Rules Subcommittee, ably chaired by my good friend, the gentleman from California (Mr. SISK), who deserves the highest commendation. A number of Members had suggested ways in which to make the House function more expeditiously while considering legislation, and House Resolution 899 responds in a very real way to the concerns embodied in the various suggestions made to the Rules Committee.

Perhaps the most controversial part of the pending resolution is the proposal to increase from 20 to 40 the number of Members needed to successfully demand a recorded teller vote in the Committee of the Whole House.

The original subcommittee recommendation was to increase the requirement from 20 Members to 33 to prevent inordinate delaying use of the recorded teller device. But a careful examination of the experience under the current requirement indicates that there were relatively few recorded teller votes. Indeed, there were fewer recorded teller votes in the Committee of the Whole House than there were votes demanded under the rules by a single Member in the House—193 recorded votes in the House as compared to 190 recorded teller votes in the Committee of the House. Data compiled for the Sisk subcommittee compared the first 6 months of 1971, when no recorded teller votes was possible, to 1973, after the rules had been changed. While the number of recorded votes in the Committee of the Whole increased 14 percent, from 29 to 72, the number of amendments offered rose by 15 percent.

In light of these facts, there were those of us on the Rules Committee who felt that the requirement that at least 33 Members must demand a recorded teller vote should be made applicable only when there were 200 or more Members on the floor, and that the present requirement of 20 Members should be retained for all other cases. It is a known fact that on many occasions it has been utterly impossible to get the concurrence of 20 Members to demand a recorded teller vote. I myself suffered this frustrating experience twice during the first session of this 93d Congress.

In a true spirit of compromise, the Rules Committee adopted the provision now contained in House Resolution 998, that the existing requirement of 20 Members be retained unless there were 200 or more Members on the floor, in which latter case the requirement would be doubled to 40. I believe, Mr. Chairman, that the compromise proposal deals realistically with the problem of frivolous and dilatory tactics on the floor, without abandoning the right of the American electorate to know how their chosen representatives vote on important amendments in the Committee of the Whole House, where most of the legislative process is conducted.

The other changes in the rules proposed by House Resolution 998 are also directed at expediting the business of the House.

Among these are the following:

Once a quorum of 100 is established in the Committee of the Whole, the quorum call could be discontinued at the discretion of the Chair;

Demands for a quorum during certain nonbusiness periods, such as the offering of the prayer or the swearing in of a new Member, would be prohibited;

Votes on final passage of bills considered under suspension of the rules could be deferred and taken in rapid sequence all at the same time;

Rules for controlling House consideration of nongermane Senate amendments would be tightened.

Mr. Chairman, I believe that these amendments constitute a sensible step toward improving the rules of this body. They also strike a balance between the need for speedy consideration of legislative business and the rights of individual Members to raise important, but perhaps unpopular, issues. I urge the passage of House Resolution 998.

Mr. MONTGOMERY. Mr. Chairman, will the gentleman yield?

Mr. SISK. I yield to the gentleman from Mississippi.

Mr. MONTGOMERY. I thank the gentleman for yielding.

Mr. Chairman, I rise in support of this resolution. As the gentleman in the well recalls, I and Chairman MADDEN introduced House Resolution 476 which called for 44 Members standing to obtain a recorded teller vote. Will the gentleman tell the Committee what the changes are in this resolution, and why the 44 figure was not incorporated?

Mr. SISK. I might say to my colleague, the gentleman from Mississippi, that was the next item I wanted to discuss, if he would bear with me for just a moment. I have one further comment on section 1, and then we will proceed immediately to section 3 and outline what occurred.

I do want to make one matter very clear in connection with the business about no quorum calls.

To avoid any misunderstanding, Mr. Chairman, I should like to clarify one point with respect to section 1 of the resolution. On page 2, lines 6 through 8, of the resolution, it is stated that a quorum shall not be required in the Committee of the Whole for agreement to a motion that the Committee rise. The report on the resolution explains that this provision unconditionally prohibits points of no quorum against a vote in which the Committee of the Whole agrees to rise. The report adds, however, that an appropriate point of order of no quorum would be permitted against a vote that defeats a motion to rise.

I think it is important that Members understand the significance of this. All of this, I might add, merely restates what has long been the practice of the House under the precedents.

While these statements in the report are accurate, I understand some question has been raised about the applicability of rule XV, clause 4, to a situation in which the Committee of the Whole defeats a motion to rise. As Members know, rule XV, clause 4, provides for an automatic yea and nay vote whenever a quorum fails to vote on a question, and a quorum is not present and objection is made for that cause.

Mr. Chairman, under the precedents, rule XV, clause 4, does not apply to proceedings in Committee of the Whole, and it is not the intent of this resolution to change that situation. If there are questions in connection with that, I will be glad to elaborate further, but I did want to make that clear for purposes of the RECORD in connection with this debate.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. SISK. I yield to the gentleman from Iowa.

Mr. GROSS. Mr. Chairman, I thank the gentleman for yielding. Let me ask the gentleman a question.

When was the last time the gentleman can recall that a quorum call was made before or during the offering of a prayer?

Mr. SISK. The gentleman from California has no recollection of such a point having been made.

I might say that this is already a precedent, and we are establishing it as a rule.

Mr. GROSS. When was the last time the gentleman can recall a quorum call was made during the administration of the oath of office to the Speaker or

Speaker pro tempore or a Member, Delegate, or Resident Commissioner?

Mr. SISK. That again is in the precedents at the present time although not a part of the rules, and the committee has seen fit to make that a part of the rules.

Mr. GROSS. Can the gentleman recall when a point of no quorum was made during the reception of any message from the President of the United States?

Mr. SISK. I have no particular recollection, although, of course, it could have occurred. Again this is in the precedents.

Mr. GROSS. Can the gentleman recall recently any quorum call during the reading of the Journal?

Mr. SISK. Yes. I might say we have had extensive calls, as my colleague himself remembers. We have recently pretty well corrected that by changes in procedure connected with the reading of the Journal, but, yes, there have been numerous quorum calls during the reading of the Journal. As the gentleman will remember, I believe it happened during the Civil Rights Act of 1964, I think.

Mr. GROSS. I can recall when they were made, but again I cannot recall a single one since the rule was changed with respect to the reading of the Journal.

Mr. SISK. Let me explain to my colleague, under the procedure at the present time an appeal from the ruling of the Chair can be made and is always in order. In fact, we have had recently a reading of the Journal. There are any number of quorum calls which could be made if that occurs. On appeal from the ruling of the Chair, we are required to read the Journal and we could have numerous quorum calls.

Mr. GROSS. I wonder if the gentleman can give us any indication of how many years have elapsed since there was an appeal from the ruling of the Chair?

Mr. SISK. I might say the Journal was read, I believe, within the last few months.

Mr. GROSS. Not the reading of the Journal, an appeal from a ruling of the Chair?

Mr. SISK. My reply to the gentleman is that there have been several occasions of appeal from the ruling of the Chair. My memory is not that good, I will say to my friend, as to whether and at what time one may have succeeded. The point I am making is that under this procedure which the committee is recommending to the House, there cannot be quorum calls during the reading of the Journal.

Mr. GROSS. My point, as the gentleman well knows and I will not belabor it, is that we are changing the rules to cover abuses that do not exist. I do not know why all of this was dreamed up. That is my point.

Mr. SISK. It was not dreamed up. This has been under consideration now for quite a number of months.

Mr. LONG of Maryland. Mr. Chairman, will the gentleman yield?

Mr. SISK. I yield to the gentleman from Maryland.

Mr. LONG of Maryland. Mr. Chairman, I thank the gentleman for yielding. If I am not mistaken we had a session here that lasted all night and well into the next day and we finally had to have a vote instructing the Sergeant at Arms to close the doors and bring Members in because there was a filibuster which involved quorum calls during the reading of the Journal. Am I not quite correct? And we had twice as many quorum calls as at any time in previous history. Am I confused on that?

Mr. SISK. I think the gentleman is not confused. We have had some unusual circumstances. Those are the reasons why the committee considered these amendments.

Mr. RONCALIO of Wyoming. Mr. Chairman, will the gentleman yield?

Mr. SISK. I yield to the gentleman from Wyoming.

Mr. RONCALIO of Wyoming. The vigilant, as ever, Member from Iowa as the conscience of the House has anticipated precisely the questions I had in mind. I am reluctant to codify now the Sisk rule that says we cannot have a quorum call before or during the offering of the prayer.

I would like once in my life before I die to see Members of the House present before the prayer is offered.

I am not able to vote for this resolution with No. 6 subparagraph (1) in it, because I think there should be a quorum call before the prayer. I think we ought to live by the committee rule that says we are to be here by 5 minutes to 12 to conduct the business of the House.

I think, as the gentleman from Iowa said, it is a little bit reaching out for legislation to codify that now.

Mr. SISK. I appreciate the statement of my colleague from Wyoming. I well need praying over.

The CHAIRMAN. The time of the gentleman has expired.

Mr. SISK. Mr. Chairman, I yield myself 3 additional minutes.

Mr. BAUMAN. Mr. Chairman, will the gentleman yield?

Mr. SISK. Mr. Chairman, I would like to complete summarizing this resolution, then I will yield to the gentleman from Maryland.

Mr. BAUMAN. Mr. Chairman, will the gentleman yield now? I have a question on the first section.

Mr. SISK. Yes, I yield to the gentleman.

Mr. BAUMAN. I have read the first section of the resolution which the gentleman just explained and I would like to ask this question: If section 1 becomes a part of rules of the House, taken together with the so-called "short quorum," is it not conceivable that the Chair would have discretion to avoid any recorded quorum call for up to 3 or 4 hours, other than the short quorum call? With only 10 Members present, once a quorum is established for the day, other absent Members could be assured by the Chairman of the Committee of the Whole: "Don't worry, folks, there won't be any more quorum calls for the rest of the afternoon. In my discretion I will take care of you for the rest of the day. You can go down to the country club or out on the golf course for the next 4 hours. There will be no quorum calls. You can go to the gym, if you like, because there won't be any recorded quorums."

Read together, that would be a distinct possibility, would it not?

Mr. SISK. No, not as I read the resolution, no possible way, because when we are in the Committee of the Whole House on the State of the Union, we are conducting business and a point of no quorum would lie at any point during any business discussions, and certainly at the time we are in the Committee of the Whole we are here for purposes of debate, which is business.

Mr. BAUMAN. Mr. Chairman, if the gentleman will yield further, under the rule change just explained, on page 2, line 23, it says:

> When the presence of a quorum is ascertained, a further point of order that a quorum is not present may not thereafter be made or entertained until additional business intervenes.

But that language, read together with the new "short quorum call" where only 100 Members would be needed and the Chair would have discretion to dispense with further proceedings, which now requires unanimous consent; in effect the Chair could insulate a Member from a recorded quorum call for as long as the Chair liked and the House remained in the Committee of the Whole.

Mr. SISK. I would totally disagree with my colleague, the gentleman from Maryland, in that instance. The short quorum call applies only in the Committee of the Whole and not in the House. We are at all times considered to be discussing business when we are in the Committee of the Whole House. Therefore, a point of order of no quorum would lie at any point.

Mr. WHITE. Mr. Chairman, will the gentleman yield?

Mr. SISK. Yes, I will, briefly.

Mr. WHITE. On page 3, section 2, it states:

> The last two sentences of clause 1 of Rule XX of the Rules of the House of Representatives are repealed.

As I read that portion of the repeal, it would obviate the new procedures that the House has experienced in the last 2 years of being able to vote on nongermane amendments to a bill placed by the Senate.

Mr. SISK. Well, I had hoped to comment briefly on that. That is purely a technical amendment. What we have done is to shift the matters dealing with nongermane amendments in conference reports exclusively to rule XXVIII. We are simply transferring that specific language in rule XX to rule XXVIII, and consolidating all the matters that are of concern in connection with the rules dealing with the handling of nongermane matters.

Mr. Chairman, let me quickly go through section 3, which deals with the matter of raising the number required for a recorded vote. As has been indicated, this is an area in which there is a broad difference of opinion. The present rule sets this at 20. Generally, many Members feel that it has worked quite well. On the other hand, there are many Members who feel that it has created unnecessary record votes, that it has caused a delay in the proceedings of the House.

A resolution was introduced last summer to change the language, in essence, to require 44 Members to rise in order to get a recorded vote in the Committee of the Whole during consideration of legislation.

Mr. DENT. Mr. Chairman, will the gentleman yield?

Mr. SISK. Mr. Chairman, I yield to the gentleman from Pennsylvania.

Mr. DENT. Mr. Chairman, before we get off the point, I think so that we can understand what is going on, there might have been a time when a quorum call was a very essential part of the business of this House. It is not any more. I think there should be an automatic quorum call.

The CHAIRMAN. The time of the gentleman from California has again expired.

Mr. SISK. Mr. Chairman, I yield myself 10 additional minutes.

Mr. Chairman, I yield to the gentleman from Pennsylvania.

Mr. DENT. Mr. Chairman, we know that many times a Member will say, or two Members will get together and say, "Let us have a quorum call so that we can go have something to eat."

Other times, I see 13 or 14 quorum calls because two Members dislike each other or dislike some issue on the floor. I have seen them come back and say, "I was on official business and they called for quorum calls while I was gone. Now, I am going to get even so that my record goes back up." It is being used to balance a Member's voting record, because at one time how a Member voted was important in Congress, but with the on-coming of the new kind of caretakers of the behavior in Congress, it is not how we vote any more, it is how many times.

So, we come in, on the days we are here, and we call quorum calls. No one knows the difference any more. I never saw any kind of a tablet or table sheet on how I voted in Congress. I was attacked during the last campaign because I was missing so many days. Evidently, what I was missing was a day when I missed a quorum call; yet, that same day I answered four roll calls.

In this situation, let us be honest and meet it head on. The required proper parliamentary procedure is to have a quorum call to establish a quorum in order that the House may be able to do business, and after that, a call of the House for the purpose of a vote itself will show the quorum present. Then, immediately a quorum call is called to establish and give an opportunity for Members to get to the floor. If they are not here, we send out the Sergeant at Arms to bring them in, but to have 18 quorum calls and 2 roll calls is not right.

Mr. Chairman, let me say there is not a Member in this room who can tend to the business of his constituents honestly and do it correctly without having some time during the day to meet people. We are now in every man's business all over the United States. We are in every avenue of business; we are in every kind of business. We are fixing sewers, we are fixing streets and everything else.

We are nothing but a glorified town council; that is all we are now. In that case, how can we devote the hours we do to silly quorum calls because somebody wants to have a drink or have lunch or has an appointment in his office and puts us all to disadvantage by calling a quorum call while he is on the floor so that everybody has to leave the work they are doing?

I think there are more important things to do, so let us start counting the votes on this floor instead of calling quorum calls.

Mr. SISK. Mr. Chairman, I thank my colleague for his comments.

Mr. LATTA. Mr. Chairman, will the gentleman yield?

Mr. SISK. Mr. Chairman, I yield to the gentleman from Ohio.

Mr. LATTA. Mr. Chairman, I want to commend the gentleman for yielding to me, and I want to commend the gentleman from Pennsylvania for his speech. However, I do not want him to be misled that this resolution, if it passes, is going to correct the things he has alluded to, because in very few instances spelled out in this bill is he going to be able to do without that quorum call he referred to. By and large, this is not going to correct the situation to which he has alluded.

Mr. DENT. Mr. Chairman, I agree with the gentleman, but this is at least an opening to try to make Members of this Congress recognize that there is something in this world besides our just having a good record of having been here 99 times out of a hundred, and out of the 99 times a Member answered 72 quorum calls. A Member does not have to be elected to answer quorum calls; he can stand out in some backyard someplace and holler, "aye."

Mr. SISK. Mr. Chairman, I shall proceed, because I believe I am running out of time.

Mr. COLLIER. Mr. Chairman, will the gentleman yield?

Mr. SISK. I yield briefly to my colleague, the gentleman from Illinois.

Mr. COLLIER. Mr. Chairman, I thank the gentleman very much for yielding.

I agree wholeheartedly with my friend, the gentleman from Pennsylvania.

Taking my own committee—and I am sure this is true of many—last year we had some 93 meetings of our committees in the afternoon, and I find that it is very senseless to go chasing from a committee meeting to answer a nonsensical quorum call. One has to come back here, leave witnesses who have come to Washington to testify, or perhaps one is in the process of marking up legislation, and we have to simply come over here, push a card in the rack, and then we have to go back to the committee meeting.

If some Member can tell me the sense of that, I will stand corrected.

Mr. SISK. Mr. Chairman, I appreciate the comments of my colleagues from Illinois.

Mr. Chairman, because of the interest of the Members and the comments of my colleague, the gentleman from Mississippi, I want to reiterate the history of the matter of changing the number of Members to stand for a recorded vote.

The proposal for 44 was introduced, and the subcommittee did consider it. After a good deal of give and take, the committee came out with a recommendation for 33.

There was still a substantial number of Members who were not satisfied with this compromise. In fact, it did not satisfy those who sought the figure of 44; it did not make those happy who wanted to stay with the figure of 20.

After a good deal of give and take, and in order to attempt to meet the serious abuses—if "abuses" we might call them—we decided this is a question which rests with each Member. But let me cite, for example, a situation on the energy bill which was considered last December. We were here in the late evening, with some 300 or 400 Members either present on the floor or in the cloakroom or in the lobby, trying to finish our work. We would, in that situation, under the compromise, require 40 Members to demand a recorded vote. In other words, any Member rising and noting the presence of 200 or more Members then would double the number required to demand a recorded vote.

Mr. Chairman, basically what we are seeking to do here is to meet those unusual occurrences that probably represent less than 5 percent of the number of bills that we consider. This is a compromise. I realize, as I will say to my colleague, the gentleman from Mississippi, that it does not satisfy everyone. I was one of those who supported a higher number standing. However, in checking on abuses, if we want to use that term, concerning the number of quorum calls and the number of rollcalls and the number of record votes, in fact the subcommittee came to the conclusion that really there are many more recorded votes brought about by virtue of one Member rising in the House and making a point of order against a vote on the grounds that a quorum is not present than there are brought about under the procedures in the Committee of the Whole by virtue of 20 Members standing.

In trying to evaluate this, as we did in making a study of what the record showed, we came to the conclusion that this would be a reasonable approach to the problem.

This section will be open for amendment, and certainly will be up to the wisdom of the Members of the House to make a determination. I understand that amendments will be offered to this, and certainly as far as I am concerned, I will bow to the will of the House in that connection.

Mr. Chairman, section 4 permits the Chairman of the Committee of the Whole to end a quorum call as soon as 100 or more Members appear. Names would not be published in the RECORD under this procedure.

Our subcommittee, frankly, took a page from the book of the other body. The Members may or may not agree with this. Very frankly, it again is a method of attempting to expedite the work of the House during proceedings in the Committee of the Whole.

I recognize there are differences of opinion, and this is up to the Members, according to their wisdom, whether they wish to try this. I think it basically is a trial program. What we do here today we can undo tomorrow.

Essentially, I want to make it clear that this is up to the discretion of the Chairman of the Committee of the Whole House on the State of the Union. Upon the making of a point of order that no quorum is present, if the Chairman of the Committee of the Whole decides it will be what in essence might be called a short quorum or a notice quorum, the proper signal will be sounded. The minute the number reaches 100 on the recording device, he will dispense with further proceedings and vacate the proceedings so that there will not be a list of the Members in the proceeding and there will not be a matter of the Speaker of the House having to come in and take the notification from the Chairman of the Committee of the Whole and then the Chairman coming back in. We will go right back into debate. That is the intent of the committee leaving it up to the discretion of the Chairman.

Mr. BAUMAN. Will the gentleman yield?

Mr. SISK. I yield to the gentleman.

Mr. BAUMAN. As I understand it, in the other body when a quorum call concludes, the motion is made to rescind or dispense with further proceedings. In this body it is the current practice by unanimous consent to dispense with further proceedings, and any Member can object to that and a motion then can be offered. In the situation that the gentleman from California describes and to which I addressed my earlier questions, I have a fear which I wish to mention. There is nothing to prevent a Chairman of the Committee of the Whole being instructed by the leadership to keep from having recorded quorum calls and then Members could leave for the afternoon and for the rest of that time in the Committee of the Whole during general debate and on amendments the Chairman would exercise that discretion without any limit and there would be no recorded quorum calls for a period of up to 1, 2, 3, or 4 hours or whatever the rule allots in the way of time. During that entire period of time 100 Members can conduct the business of the Committee of the Whole and all of the rest of the Members can have the assurance that they can stay away for that entire period of time.

Mr. SISK. Let me say to my friend from Maryland that that is exactly according to the rules today; 100 Members can conduct the business of the House during the time that we are in the Committee of the Whole. That is why it was provided for a Committee of the Whole originally by our Founding Fathers, and there is a very specific reason for it. The reason why they originally set up using a teller where you were never on record was that they did not want to be on record, because it was a carryover from the House of Commons in England where they wanted to keep the king from knowing what they were doing. In this country it was the practice that you could debate and proceed without the necessity of having 218 Members, because 100 Members provided a quorum. So there is no change in that as far as the rules are concerned.

The CHAIRMAN. The time of the gentleman has expired. The gentleman has consumed 28 minutes.

Mr. SISK. Mr. Chairman, I yield myself 5 additional minutes.

I would appreciate it if I could briefly run through the balance of this, and then we will be glad at a later time to answer any questions. I do not desire to cut off anyone, but I would like briefly to finish up the brief summary of what I have here.

Mr. HOLIFIELD. Will the gentleman yield for just one moment?

Mr. SISK. Just briefly. I do not want to use up all of the time.

Mr. HOLIFIELD. This is not a question with relation to the rule, but I want to know if I will have an opportunity to ask the gentleman a question at a later time?

Mr. SISK. Yes.

Mr. HOLIFIELD. I do not want to take away from other members of the committee if they want to speak.

Mr. SISK. I appreciate that. I have now used up about half of the time that I have, and I do not want to cut off anybody because I realize the interest of Members in this matter. I appreciate it.

Let me run through it briefly, and then I will yield myself such additional time as is necessary to answer any questions.

Mr. Chairman, section 6 extends the present procedure permitting separate debate and votes on nongermane Senate amendments to nongermane matter that first, originally appeared in a Senate bill; or second, was not included in the House-passed version of that bill; or third, appeared again in conference report.

This is, of course, a further attempt to make absolutely certain that with regard to any nongermane material placed on legislation by the other body or developed in a conference the Members of the House will have a right, if they desire to make a point of order on it, to debate it and to vote on it.

We have been through this and have been up and down the hill on it for 4 or 5 years. Hopefully, the new language that the committee adopted will make it absolutely clear.

Section 6 further extends the procedure for dealing with nongermane Senate amendments to permit separate debate and votes on nongermane matter on Senate amendments reported in disagreement by a conference committee.

This will cover motions to recede and concur in Senate amendments, and motions to recede and concur with an amendment.

Finally, assuming the House sees fit to pass this resolution, the provisions of it will become effective within 30 days of its enactment.

Mr. TREEN. Mr. Chairman, will the gentleman yield?

Mr. SISK. I yield to the gentleman from Louisiana.

Mr. TREEN. Mr. Chairman, on the so-called short quorum calls I understand that when 100 Members appear, then the Chairman in his discretion can announce that a quorum is present, and that he is suspending further procedure under the quorum. I would ask the gentleman from California what is the incentive for a Member to come to the floor? The gentleman indicated that there will be a certain signal to indicate what type of a call it is. If a Member is in his office for some reason, or for reasons that the Member considers to be good and valid reasons, then what is the incentive for that Member to come over here if it is not going to be published, or become a part of his record in responding to such a call?

I am not opposed to the rule, and I am inclined to be for it, but I am wondering what is the incentive to come in here. And then, after 15 minutes has expired, and if you still do not have 100, what is the procedure?

Mr. SISK. There would be a further procedure of bells that would be rung, indicating that there would be a recorded quorum.

In fact, let me say very frankly, as I said earlier, that this is experimental. I am not sure how it is going to work. I cannot be the conscience or read the conscience of any single Member.

But generally we felt that at almost any given time there are within a minute or two of this floor 100 Members during the consideration of general debate. They are either in the Speaker's lobby, in the cloakroom, downstairs in the restaurant, and so on. In other words, during the discussion by the committee—and I might say that we had rather lengthy discussions by the subcommittee on this—it was decided to try again, so as to expedite the work of the House, this suggestion. If in fact it does not work, then, of course, I am sure that we will change it. For instance, if it does not work out the way we hope it will, or in the event we find that it is too much of a problem, then the Committee on Rules can come out with another rule to change it. But, as I say, it is an attempt to proceed as expeditiously as possible. It is up to the Members, of course, and it depends on where the Member is. If he has some of his constituents in his office, and he is dealing with a problem, then many times I think it is more important to remain there than to come to a quorum call. I believe that I would do so. I would stay there and work, just as I am sure my colleague would.

These are areas in which we are trying to create more flexibility. I do not know how this will work out, but I hope it will.

Mr. TREEN. I thank the gentleman.

Mr. SISK. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio (Mr. HAYS) for the purpose of speaking out of order.

(By unanimous consent, Mr. HAYS was allowed to speak out of order.)

BUNDESTAG'S NOT STAG AT THE TOP

Mr. HAYS. Mr. Chairman, those Members who have had a chance to see the Washington Star-News today would have perhaps noticed an article on the front page of the B section where the headline says, "Bundestag's Not Stag at the Top."

The reason for that is that the President of the German Bundestag, the House of Representatives, if you will, of Germany, is present here in the United States as a guest of the Speaker of this House, and the President of the Bundestag happens to be a woman.

I am sure that when she saw this headline this morning she was a little puzzled, and could not quite figure it out. I think that somebody has since explained it to her.

As I say, she is here on an official visit, the first of its kind in the history of the two nations. She is here, as I said, at the invitation of the Speaker of the House, and a group of us have been meeting with a group of German parliamentarians at intervals in the past 2 days.

While you are all aware of the rules of the House, as I am, which state that it is forbidden to mention anybody being in the Gallery, but, if it were permitted, I would tell the Members that Mrs. Annamarie Renger and her party of Members of the Bundestag are in the Diplomatic Gallery at the moment, but, of course, I cannot tell you that.

But, Mr. Chairman, we are very pleased to have these distinguished Germans here.

They have asked many questions during the meeting about how we conduct our business here, and they know, at the moment, I am sure, from the interpreter telling them, that we are now in the Committee of the Whole House on the State of the Union, and that was explained to them this morning.

We hope that visits of this kind of members of the German Parliament can become more frequent occasions where they can come here and meet with Members of Congress and discuss important problems that face both of our nations.

One of the things that we have talked about in the meetings that we have had the past 2 days is the energy crisis, and how we can better communicate with each other, how we can better let them understand our position and they can let us understand theirs. The discussions have been rewarding, I think, and very frank and very candid. We have not always agreed, but we can understand our disagreements better, I think, and perhaps work toward some solutions.

I should just like to say in conclusion—and I do not mean to interrupt the work of the House very long—that I took some years ago a Member of this body on a mission to the North Atlantic Assembly as a delegate or as an alternate—I forget which. The gentleman had never before been out of the United States. On the plane on the way back he said, "You know something, it was amazing to me that those people have problems just like we do."

Of course, that is an amazing thing. The Bundestag has its problems, and the Members of the Bundestag have problems exactly as we do. The Members of the British Parliament, the Members of the French Chamber of Deputies face problems as we do. As long as we are in alliance with the free world, I think it behooves us to try to understand each other's problems better and to realize that the members of those bodies are people like us who are elected by their constituents to try to do the best that they can for their constituents, and who have an increasingly heavy burden on the international front.

I am sure all of the Members join with me in welcoming Mrs. Renger and her colleagues here.

I might tell the Members finally that in the German scheme of things, the President of the Bundestag is the second ranking political person in the Federal Republic of Germany. So we are, indeed, honored to have her as a guest.

Mr. SISK. Mr. Chairman, I yield myself 5 minutes, and I yield to the gentleman from California (Mr. HOLIFIELD).

Mr. HOLIFIELD. I thank the gentleman for yielding.

I have studied this matter considerably, and it has been a matter that has concerned me as well as other Members of the House. Many of us have had to deal with parliamentary situations in the House, which in our opinion were dilatory and obstructive in many cases, not by motive necessarily but by the effect upon the business of the House which had been caused by the procedures of the House, which were entirely, of course, in order under the rules of the House.

I believe this whole matter is a matter that moves us toward expedition in the handling of the business of the House. I have been here 32 years, and I have often chafed at the procedures of the House which unnecessarily took time—which was unnecessary—from the Members of the House in the pursuit of their duties either in committees that were meeting at the time or in the work of their own offices where they had important people from their districts and from the Nation, as a matter of fact, to confer with.

I just want to commend the committee, on particularly several points here in this resolution brought before us. The expedition of quorum calls I think is very important. Just recently I handled the Federal energy bill in the House, and there were several quorum calls. Those quorum calls were made under the rules of the House in perfect order, but what happened was every Member of the House was called to the floor regardless of what he was doing, and he immediately stuck his card in the slot and registered his presence here and went back to whatever he was doing.

At the conclusion of the rollcall I counted in one instance 38 people on the floor and in another instance 53 people on the floor. That shows the effectiveness of the quorum call to get people here. The people who come and register do it as a matter of duty to keep their record clear but most of them do not stay on the floor.

The important thing is I think to get people on the floor who will stay here. If they will not stay here there is no use in interrupting their duties in the committees, and some committees do meet while the House is in session, or interrupting them if they have other business to take care of. I think that is a very good point.

I want to pass over the other matters which I am in complete agreement with such as the grouping of votes on suspension days at a certain period of time. This is a matter which gives the Members the right to say "yes" or "no" on any matter that is on suspension but it gives them specific time to do it. I think that is very good.

In particular I want to deal with the nongermane problem. Recently I had a bill on the floor which was a simple amendment to a reorganization plan which was to save the integrity and organization of the border patrol people who are working on both the Canadian border and the Mexican border to keep illegal immigrants out. This particular reorganization plan would have damaged that situation. So with the agreement of the administration we had a simple amendment that would have cured the defect which they admitted and our committee admitted was in the plan. The amendment to the Reorganization Plan No. 2 went over to the Senate where they placed on it the so-called anti-no-knock provision, which stemmed from the incidents that occurred in Collinsville, Ill. When that bill came back to the House, the amendment was nongermane.

I was placed as manager of the bill and chairman of the Committee on Government Operations in an embarrassing position. First I had to take the bill from the desk under unanimous consent. I was informed by several Members I could not get that. Then I conferred with members of the Rules Committee and they were loath to give a rule. I was ideologically in tune with the Rules Committee on it because I too deplored this procedure of placing nongermane amendments on legislation which we send to the other body.

So the Rules Committee was loath to give a rule and I would not press it because I was ideologically in tune with them.

This left me with the only recourse to save the civil servants who were members of the border patrol, of taking the floor. This required of course 40 minutes of debate, with 20 minutes on each side, and a two-thirds vote of the House was required on the matter after such short debate.

The CHAIRMAN. The time of the gentleman has expired.

Mr. SISK. I yield 1 additional minute to the gentleman from California (Mr. HOLIFIELD).

Mr. HOLIFIELD. Mr. Chairman, I took that chance because it was the way I could bring that bill back before the body and get action on it. Fortunately the body acquiesced in the position we took that the border patrol was worth saving. We got about a 4-to-1 vote on the bill in our favor. But I took the chance of getting the two-thirds or of losing a very important piece of legislation. It required a two-thirds majority.

So I think this nongermane solution here is certainly worth a trial. I do not know whether it will work or not, as my friend (Mr. SISK), the gentleman from California has said, but certainly I think we should try it.

Mr. LATTA. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I endorse this resolution even though there are various sections which I do not agree with completely, but rather than plow the same ground that has already been covered and very adequately so by the gentleman from California (Mr. Sisk) I will merely point out a couple of items which I believe have not been sufficiently covered.

I favor this resolution because I believe it will expedite, in some small way the conducting of the business of this House.

I believe that section 1, rather than giving us the changes we all desire, it gives an illusion of change. It has already been alluded to by various Members that we have not had a quorum call during the prayer; but lo and behold, we point this out as one of the changes.

We have not had a quorum call during the administration of any oath.

We have not had a quorum call since I have been here during the reading of a message from the President.

Motions incident to the call of the House, we have not had a quorum call during such motions; so we give an illusion of change and really no change at all.

Also under section 1, a quorum is not required for the Committee of the Whole to rise. Well, that really is not significant. Once a quorum is established, this section would prohibit a quorum call—

> (1) during the reading of the Journal.

As we know, under the procedures that we now follow, the Speaker at the beginning of any session just announces that he has read the Journal and finds it in order and with no objections being entered, it is considered approved.

> (2) during the period after a Committee of the Whole has risen after completing its consideration of a bill or resolution and before the chairman of the committee has reported the bill or resolution back to the House;

No point of no quorum can be offered.

Special orders—I think this is important, that we will have no quorum calls during special orders. I think of all the things I have alluded to, this is the most important change. I think it is absolutely ridiculous for any Member during special orders to call the membership of this House to answer a quorum call.

Once a quorum is established, a further point of order of no quorum may not be made until additional business intervenes. Well, this really is not too significant, as it has already been pointed out that if one Member says one word or refers to anything at all, this is considered business and we could have another quorum call. So much for section 1.

Section 3 has already been alluded to by various Members. It provides that in order to get a recorded vote in the Committee of the Whole, a request for a recorded vote must be supported by 20 Members; however, if the Chair is requested to count and if there are more than 200 Members present on the floor, the request for a recorded vote must be supported by 40 Members. This would be applicable only in the Committee of the Whole, where we need only 100 to constitute a quorum. Here it is proposed if we have double the number needed to constitute a quorum, then, in his discretion the Chairman can rule we need 40 Members. This gives an illusion of change.

I might say, as I indicated when we were discussing the rule, that the chairman of the Committee on Rules offered a resolution early in the session to make it necessary for 44 to stand for a recorded vote.

Well, this proposal was kicked around inside and outside the Congress for some time and finally it was decided the majority should support 33. If we are going to make a change to attempt to end dilatory tactics sometimes used in this House and alluded to by the gentleman from Pennsylvania, we should do so openly and not give the illusion of change. The proposed rule change in this resolution will not bring an end to these attempts to frustrate the will of the House.

Mr. SYMMS. Mr. Chairman, will the gentleman yield?

Mr. LATTA. I yield to the gentleman from Idaho.

Mr. SYMMS. There has been, of course, reference to the energy legislation debate on the eve before Christmas because of the so-called dilatory tactics of some Members of the House that stood up and demanded recorded votes on numerous amendments.

Would the gentleman consider that was a net good or bad?

Mr. LATTA. Certainly whenever dilatory tactics are used, I think they are bad, per se. The question is, When are they dilatory and when are they not dilatory tactics? I think it is a matter of opinion.

Mr. SYMMS. Mr. Chairman, if the gentleman will yield further, I am just saying that somehow we got through without getting this bill signed into law because of additional amendments that were added on before the votes that were required, and now it is over to the first part of April and everybody realizes that somehow we are going to get through the energy crisis without this magnificent piece of legislation. I think had it not been for the number of 20, those tactics would not have been able to have been used, because in many votes we only had 21 Members standing to force the vote on certain amendments. Therefore, the net gain, will the gentleman from Ohio not agree, is that this will make it easier to ram through legislation in this House?

Mr. LATTA. Mr. Chairman, I do not think the changes proposed will make it any easier. What I am attempting to point out is that they are really not significant changes at all. If we are going to make any changes, we ought to make them and not give the illusion. Let's not make rules changes which will serve no useful purpose.

Mr. SYMMS. Mr. Chairman, would the gentleman say that 40 Members standing is twice as significant as having 20 Members standing?

Mr. LATTA. The resolution provides that the Chairman, if he counts 200 Members in the Committee of the Whole, where we need only 100 to constitute a quorum, he can require 40 rather than 20 to stand for a recorded vote.

Mr. BAUMAN. Mr. Chairman, will the gentleman yield?

Mr. LATTA. Mr. Chairman, I yield to the gentleman from Maryland.

Mr. BAUMAN. Mr. Chairman, the gentleman from Ohio knows what will happen in the situation if this new rule is adopted. A quorum call will be put on, more than 200 Members will be assembled; the word will be passed around by the leadership, "Stay on the floor." Then if someone wants a recorded vote on an issue such as a congressional pay raise, for example, everybody will stay on the floor. So, by this rules change a determined majority will be able to avoid votes on particular questions, and that is wrong.

The gentleman from Iowa many times has stood up and made the point of order of no quorum and brought on a rollcall vote. Under this proposed rule, Members who stay on the floor will vote one way by voice vote unless a rollcall comes along, and then they reverse themselves when they have to go on the record.

The rule which the gentleman is supporting, in my opinion, hurts the minority in this situation and will prevent a no rollcall when the American people should have a right to know.

Mr. LATTA. Mr. Chairman, I hope I did not hear the gentleman correctly. Did the gentleman say that I did support it? I was trying to point out that I do not support each and every change proposed by the resolution:

Mr. BAUMAN. Mr. Chairman, I heard the gentleman say he was going to vote for the resolution. If he votes for it, and it passes, this change will occur.

Mr. LATTA. Mr. Chairman, section 3 is open for amendment, and I understand an amendment will be offered to it.

Mr. Chairman, section 4 would permit the Chairman of the Committee of the Whole House to end a quorum call as soon as 100 or more Members show up. The names of absentee Members would not be published in the Record when this procedure is invoked.

I might say there are many Members—I see one of them standing right now—who have perfect attendance records in this House. I do not believe the gentleman from Ohio (Mr. Miller) has missed a single rollcall since he has been here. These Members would not be credited, on the record, for their presence when a quorum is washed out for all practical purposes. Those Members failing to show up would not be penalized on the record for their absences.

Mr. MILLER. Mr. Chairman, will the gentleman yield?

Mr. LATTA. Mr. Chairman, I yield to the gentleman from Ohio.

Mr. MILLER. Mr. Chairman, I understood that during debate on the rule for House Resolution 998, it was stated that under the proposed rules the names of the Members who did not answer a quorum call would not be published in the Record.

My question is whether that ruling is in section 1 and we would disregard completely publishing the names of those who did not answer the quorum call.

Mr. LATTA. Mr. Chairman, this would be under the Committee of the Whole House. It would have to be under the Committee of the Whole House.

Mr. MILLER. Part of the time, Members could be absent and still not have their names published in the Congressional Record as not answering a quorum call; is that correct?

Mr. LATTA. As long as 100 Members show up. As soon as the Chairman of the Committee of the Whole House would establish that 100 Members have answered to their names he could terminate the call.

Mr. MILLER. So the Record would not show who was absent.

Mr. LATTA. Mr. Chairman, the absentees would not be known to their constituents, and a Member, like my colleague, the gentleman from Ohio, would not get credit for being here. I think this is wrong. I think the Members who are here should get credit for being here, and those who are absent should have their names known to their constituents.

Mr. MILLER. Mr. Chairman, will the gentleman yield?

Mr. LATTA. I yield to the gentleman from Ohio.

Mr. MILLER. Mr. Chairman, will the gentleman tell us what the thinking was behind this, as to why the names would not be published, or why, after 100 Members answered the rollcall, it would not be necessary to continue so that the names could be published?

Mr. LATTA. There is only one answer to that question, and that is to expedite the proceedings of the House.

Mr. MILLER. Mr. Chairman, at a time when we have many, many people requesting that we do not close committee meetings and that we give the complete record and the details as to what goes on in the House, it appears to me that we are about-facing if we start to work in secrecy.

Mr. LATTA. Mr Chairman, I thank the gentleman for his comments.

Mr. DEL CLAWSON. Mr. Chairman, will the gentleman yield?

Mr. LATTA. I yield to the gentleman from California.

Mr. DEL CLAWSON. Mr. Chairman, in direct response to the question as to whether or not the names would be put on the record only on the short quorum, it would be only on the short quorum. In the full quorum, where an entire quorum is established in the House, the names of absent Members would be placed in the Record.

Mr. LATTA. The gentleman is correct.

Mr. DEL CLAWSON. So there is no secrecy at all concerning this. It is one way or the other. The names of those Members who attend would not be in the Record either. All that is done is to simply establish whether a quorum is present. That is all that would be established. Once we establish a quorum, then we can go on and conduct our business.

Mr. LATTA. Mr. Chairman, I will have to disagree with my friend, the gentleman from California. There is secrecy involved as the people would not know who is here and who is not.

Mr. MILLER. Mr. Chairman, if the gentleman will yield, that is exactly what I have in mind. As of now, the names of those Members who do not answer the quorum call are published in the Congressional Record. However, after this bill would be approved, if it is, then I am sure the constituents in the 435 districts will never know whether their Congressman was here working or not.

Mr. DEL CLAWSON. Mr. Chairman, will the gentleman yield further?

Mr. LATTA. I yield to the gentleman from California.

Mr. DEL CLAWSON. Mr. Chairman, in connection with what the gentleman has just indicated, how many of the Members stay on the floor after they have answered a quorum? Very few. They walk out of the House, and there is no indication that they have left after answering the call. Their names are not revealed on the record.

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield?

Mr. LATTA. I yield to the gentleman from California.

Mr. HOLIFIELD. Mr. Chairman, I agree with my friend, the gentleman from California.

I just heard recounted a few minutes ago the fact that in handling a piece of legislation last week two quorum calls were called. I think they were useless, because immediately upon reconvening we had 387 Members who answered the quorum call, and they left immediately before the quorum call was finished. There were only, in one instance, 38 Members on the floor, and in another instance, 57 Members.

So, concerning the remarks of the gentleman from Ohio (Mr. Latta) about who is here and who is not here, it is a farce. When we have a quorum call and 387 Members answer the quorum call, it conveys the impression that they are here on the floor doing business, and yet they immediately turn around and go to their offices and there are only 38 Members or 57 Members, for example, who stay on the floor and conduct the business.

So it is a phony evidence of participation in the proceedings of the House.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. LATTA. Mr. Chairman, before I yield to the gentleman, I would just like to comment on what the gentleman from California said.

I do not think it is a phony matter or a farce. I think it lets the people back home know at least which Members are in Washington, and when that quorum call is made, they are answering to their names on the floor as they should be.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. LATTA. I yield to the gentleman from Iowa.

Mr. GROSS. Mr. Chairman, it seems to me that what we are asked to do here today is write the rules and bylaws for the establishment of some kind of a club. I do not know whether we should call this a "Gymnasium Club" or a "Republican Club" or a "Democratic Club." In other words, apparently Members would be able to stay in a sauna bath, steam bath, or on the handball court or in the gymnasium until they find out whether there are a hundred Members on the House floor.

They can stay over in the Republican or Democratic Club or on a nearby golf course, if it is close enough. I do not get a chance to indulge in the game of golf and I do not know the proximity of the nearest golf course, but it seems to me what we are doing here today, in effect, is writing the rules and bylaws for some kind of a club. Are we trying to emulate another body that is close by, or just what are we trying to do with this kind of foolishness?

Mr. LATTA. Let me say to the gentleman I am sure he was listening to the explanation made by the distinguished gentleman from California (Mr. Sisk) when he pointed out that there are some vitally important matters being dealt with, for example, section 6, which permits separate debate on nongermane matters, and so forth. I am sure the gentleman from Iowa is interested in this section, which is a very valuable section.

Mr. BELL. Will the gentleman yield?

Mr. LATTA. I am glad to yield to the gentleman.

Mr. BELL. Mr. Chairman, I want to commend the gentleman from California (Mr. Sisk) and the gentleman in the well (Mr. Latta) for supporting this legislation.

I think what we are doing here today is very, very vital, although I appreciate in the long run we are not accomplishing what we want to do. However, we have some things that we are trying to accomplish here today in order to make this Congress look more responsible and responsive.

We have such things as the budget reform coming up which the Senate and the House passed. Can you imagine the time that we will lose in having quorum calls while we are trying to pass such things as that and other matters that are coming up, with the constant quorum calls that may be facing us in those instances?

I agree that what we are trying to do here will not solve all of the problems, but these are important things and I believe we are moving in the right direction. We are taking a step, perhaps a giant step, in the direction of making this House more responsible by this act.

Mr. LATTA. I thank the gentleman for his comments.

Mr. GROSS. If the gentleman will yield further, does the gentleman think for 1 minute, if we adopt the rules changes which are proposed here today, it will raise the low rating in the polls of Members of Congress.

Mr. BELL. Will the gentleman yield?

Mr. LATTA. I am glad to yield to the gentleman.

Mr. BELL. Of course, I am not saying that it will raise our rating, but let me point out I think I have read in the news media about the criticism of Congress and the fact that there are some dilatory and delaying tactics which have placed us low on the totem pole of popularity. Part of the reason for that is the delay and the waste of time in getting legislation through. To that extent we will be improving our image.

Mr. LATTA. I want to say I could not agree with the gentleman more that we want to get away from these dilatory tactics.

Mr. DENNIS. Will the gentleman yield?

Mr. LATTA. I am happy to yield to the gentleman from Indiana.

Mr. DENNIS. I do not know for sure what the amendment that will be offered to section 3 will be, but I have heard that it may be an amendment to increase the number of those who would have to stand in order to get a recorded vote on an amendment in the Committee of the Whole. If that be true, let me say I sincerely hope that any such amendment will be defeated.

I have been up here now for only 5½ years, but I think, as far as I am concerned, the only meaningful reform I have seen take place since I have been here is the reform which made it possible to get a recorded vote on amendments.

The reason for that, of course, is that many, many times the amendment is far more important than the bill. We all know that. I thought—and I still think—that it was a crying shame we were able to adopt those vital amendments without going on record before our constituents. That change we accomplished, and personally I am sorry to see it go back at all. I wish we could keep it at the 20 Members voting for it. I think that would be a more responsible thing to do. But I certainly do not want to increase it any, and I would oppose such an amendment.

Now, while I am on my feet, Mr. Chairman, if the gentleman will pardon me for another moment, there is another item in this resolution I would like to speak to, with regard to this proposed rule, which gives me considerable reservation, and that is the proposal to enable the Chairman to put all votes on suspensions in one batch at the end of the day.

Suspensions ought to be used, in my humble opinion, for more or less noncontroversial measures, but as a matter of fact we have been using them, in my judgment, more and more for important legislation. I think that the consideration given such measures is going to be materially reduced, and that the "pushing it through" syndrome is going to be materially increased by putting what little debate there is on suspensions down at the end of the list, all in one batch, where those few Members who have bothered to be on the floor at all will have forgotten what the debate brought forth concerning these measures. I think that it is a backward step.

Mr. LATTA. Let me say to the gentleman from Indiana that it is the votes that would be put over. I understood the gentleman to say that they were going to put the debate off, but I think the gentleman means taking the votes.

Mr. DENNIS. The votes, that is right. But I believe that the vote should follow the debate while somebody still remembers what, if anything, was developed concerning the legislation during the debate.

My objections to all these changes, and my objection to the whole procedure which we are going back to, mildly, on the matter of amendments, is that we should have the debate, and we should have people on the floor during that debate. I know that office work, and serving one's constituents, is important, but I still think that I take a certain amount of pride in being a U.S. Congressman, and I think we all ought to be more than just glorified errand boys, and we should spend time here on the floor during debate before we vote.

Mr. LATTA. All we would be doing is putting off the vote until the end of the legislative day, then we would have the votes all at once, and then, at that time, the Speaker could reduce the voting time to 5 minutes, so as to expedite the proceedings of the House.

I would hope that the Members are not so absentminded that they would forget the debate which took place earlier in the day and for that reason, would not be in a position to vote later that same day.

Mr. SYMMS. Mr. Chairman, if the gentleman would yield, are we not going to make it easier for the people who are members of the Tuesday-to-Thursday Club to fly in and make it possible for them to vote on the measures?

Mr. DEL CLAWSON. Mr. Chairman, if the gentleman will yield, all we are doing is saving the vote until after the debate has taken its full course during the consideration of the Suspension Calendar. In my opinion this would not decrease or increase the number of people on the floor at all, but I believe it may make them a little more responsible in their voting at the end of the day, because then they will have to be prepared to know what they are going to do within 5 minutes instead of 15 minutes. They will not be able to take a long time running around to see how some people feel on the measure, or find someone and ask what is in the bill. So I think it will probably result in better attendance rather than smaller attendance.

Mr. BAUMAN. Mr. Chairman, if the gentleman will yield, I would say to my good friend, the gentleman from California (Mr. DEL CLAWSON) that the converse is also possibly true; that with only 5 minutes for a rollcall it may very well be that there will be much more running around, trying to find out, "What's this bill do?" I am sure all of the Members have heard that phrase, "What's this bill do?" So that there may well be a lot more minutes.

Mr. DEL CLAWSON. Mr. Chairman, if the gentleman will yield still further, let me say that I do not believe you would have time in 5 minutes to run all over the House, as you now do in 15 minutes.

Mr. LATTA. Mr. Chairman, I reserve the balance of my time.

Mr. SISK. Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, I appreciate the comments and the views of my colleagues in connection with the matters that are here before us. And, quite frankly, I tried to say in the initial discussion that I realize that these are not perfect amendments, and they may not work perfectly. But, again, it is our hope that we can improve the procedures of the House and enable us to do a better job, and in a shorter period of time.

I do not desire, and I doubt seriously if any member of our committee desires, to be the conscience of any Member of this House. Whether or not a Member shows up on the short quorum is going to be on his own conscience. Very frankly, Members of Congress have diversified duties, and I think there is no higher duty than much of the work that we have to perform in our offices.

I am certain that none of us give any more care to any subject than we do to working on problems, for example, for our constituents, from time to time, when we are in meetings with them. It is because of the increased diversification of our duties and our needs in order to serve this country and to serve our constituents that, frankly, we are considering some of these changes. As I said, certainly they are not perfect. I think we are taking only a very small step, but when we deal with the interests of each of us, it is difficult.

As I say, I would hope that we might be able to proceed and at least try these particular procedures. If they do not work, of course, it is in the discretion of the Speaker or the Chairman of the Committee of the Whole, and they certainly will be dispensed with, or the committee will change the rules.

Mr. Chairman, at this time I should like to yield 2 minutes to the gentleman from Florida (Mr. PEPPER).

Mr. PEPPER. Mr. Chairman, I thank the gentleman for yielding.

I just wanted to observe that, in view of the incident which happened just a bit ago calling attention to the rule which does not permit recognition in the House of anyone who may be in the gallery. By a clever circumvention of the rule, the distinguished gentleman from Ohio (Mr. HAYS) was able to introduce from the gallery the President of the German Bundestag who was in our gallery. I am sorry that I and the members of the Committee on Rules, and the members of the subcommittee, when we were working on the pending amendments for the rules did not think about it. I hope our Committee on Rules will think in the future about varying that rule to permit recognition of distinguished visitors in the gallery on appropriate occasions.

If we want to condition such introductions upon the approval of the Speaker, of course, that would be all right. We ought not to have the rule that we cannot recognize the presence of distinguished visitors in the gallery.

Mr. CONTE. Mr. Chairman, will the gentleman yield?

Mr. SISK. I yield to the gentleman from Massachusetts.

Mr. CONTE. I thank the gentleman for yielding.

Mr. Chairman, I want to join the gentleman from California and others in regard to some of these rule changes. Some accusations have been made here about the short quorum, that it would foster secrecy or whatever they are talking about in secrecy, not knowing who is here or who is not here.

Once a quorum is established in a day, that should be sufficient for the rest of the day. I serve on the Committee on Appropriations. I serve on three subcommittees. I should not be here now, but I am interested in this bill. Most of our hearings are held over in the Rayburn Building, and we get these quorum calls because somebody wants to go to the gym. They want to break up a committee meeting so someone calls a quorum, or they want to get somebody over here on the floor to hear somebody speak, and they call a quorum. All of the time we are over there we have very important witnesses, the Secretary of Defense, the Secretary of State, the other Cabinet members, Under Secretaries, all of these supportive witnesses, heads of agencies and we have to leave them there and say, "We have got a quorum call; we will be right back." It is eating up valuable time of Members of Congress who are dedicated and want to do a job and who want to get that massive budget out here on the floor of the House and eats up valuable time. But yet the work is for the witnesses continually interrupted by asinine quorum calls.

I believe the section dealing with quorums has a great deal of merit and I support it.

Mr. SISK. I thank my colleague, the gentleman from Massachusetts.

Mr. LATTA. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, I appreciate the remarks of the gentleman from Massachusetts very much.

Mr. Chairman, I yield 5 minutes to the gentleman from Illinois (Mr. ANDERSON).

Mr. ANDERSON of Illinois. Mr. Chairman, I rise in support of House Resolution 998 which would make certain changes in the House rules. This legislation had its origin in two identical resolutions introduced back on June 28 of 1973—resolutions which would have changed the seconding requirement for recorded teller votes in the Committee of the Whole from the present one-fifth of a quorum or 20 Members, to one-fifth of a quorum of the House or 44 Members. Our Rules Committee held initial hearings on these resolutions on July 11, 17, and 26 of last year, and, because the proposal involved considerable controversy, we decided to appoint an ad hoc subcommittee, headed by the gentleman from California (Mr. SISK), to further study this and related matters.

I wish to commend the gentleman from California (Mr. SISK) and his subcommittee on the long hours and hard work they put into these difficult and controversial matters, and on their fairness and openness in dealing with various conflicting views which were presented. I think it is a tribute to the work of the subcommittee that the full Rules Committee made only two major changes in the resolution reported by the subcommittee—one to eliminate the ban on cosponsorship of bills, and the other to change the recorded teller vote seconding requirement. I am proud to associate myself with the work of the subcommittee as one of the 12 committee cosponsors of this resolution.

Mr. Chairman, House Resolution 998 essentially makes six changes in the rules of the House, two dealing with nongermane Senate amendments, two dealing with quorum calls, one relating to recorded teller votes, and one relating to deferring votes on suspension bills.

Section 1 of the resolution places limitations on when points of no-quorum can be made. The committee has noted that there has been a 55-percent increase in the number of quorum calls over the last 3 years, some of which have been of a dilatory and frivolous nature. While section 1 does not drastically limit the times when a quorum may be requested, it does help to insure against points of no-quorum at certain times when the House is not considering legislative business. These include: before or during the daily prayer; during administration of the oath of office; during the reception of messages from the President of the Senate; in connection with motions incidental to the House; and against a vote in which a Committee of the Whole agrees to rise. In addition, if a quorum has been established at least once on any day, further points of no-quorum would be prohibited during the reading of the journal, between the time the Committee of the Whole rises and the Chairman reports, and during a special order.

Section 4 of the resolution also deals with quorum calls and would permit the Chairman of the Committee of the Whole to suspend a quorum call once he determines that a bare minimum quorum, or 100 Members, has been established. Under such a short quorum, the Committee would not rise and the names of Members would not be published.

Section 5 of the bill would permit the Speaker the discretion to postpone votes on suspension bills until the end of the day. The deferred votes would be taken after debate is concluded on all suspension motions scheduled for that legislative day, and, after the first vote is taken, the Speaker may reduce to as little as 5 minutes the time to be taken on all subsequent votes.

Sections 6 and 7 are simply designed to plug existing loopholes with regards to separate debate and votes on nongermane Senate amendments. Section 6 does so with respect to nongermane Senate amendments which are contained in conference reports, and section 7 does so with respect to nongermane Senate amendments reported in disagreement.

Finally, Mr. Chairman, section 3 of the resolution makes a change in the number of Members who may require a recorded teller vote in the Committee of the Whole. At present the number is 20 or one-fifth of a quorum in the Committee of the Whole. As I mentioned earlier, the original resolutions introduced and referred to our committee would have raised this to 44. The Sisk subcommittee had recommended a compromise of 33. The full committee offered a further compromise which is contained in this resolution, and that is to retain the present requirement of 20 unless someone asks the Chairman to make a determination as to whether more than 200 Members are present on the floor. In such case, the support of 40 Members would be required for a recorded teller vote.

Mr. Chairman, I think this is a most reasonable and fair compromise. I think the original proposal of 44 was much too high since this in effect meant that it would take 44 percent of a quorum in the Committee of the Whole to force a recorded vote on an amendment. Some have argued that there are far too many recorded teller votes, and that these are often forced on frivolous matters or for dilatory reasons. I do not think the facts support this argument.

Comparing the first 6 months of 1971 and 1973, the number of measures considered in the Committee of the Whole has increased 47 percent while the number of recorded teller votes has increased 148 percent. But, it should also be noted that the total number of amendments offered in the Committee of the Whole in that same comparative period has increased 150 percent.

In conclusion, Mr. Chairman, I think the Rules Committee has reported a provision which is both fair to the minority while at the same time protecting the interests of the majority when a large number of Members are present on the floor. I consider the provision for recorded teller votes in the 1970 Legislative Reorganization Act to be probably the most important reform contained in that act since, for the first time, we were making it possible for the public to know how their representatives voted on important amendments. I do not consider section 3 to be a retreat from that reform because we are still saying that only one-fifth of those present are required to force a recorded vote. While the Rules Committee has provided a rule whereby this section is subject to amendment and the numbers may be changed, I would strongly advise against any amendment to make it more difficult to get a recorded vote on an amendment.

Mr. Chairman, I urge adoption of House Resolution 998 as reported from the Rules Committee.

So again, I think this is a reasonable compromise and I hope very much that this Committee and the House will support the Committee on Rules and vote its approval of House Resolution 998.

Mr. SYMMS. Mr. Chairman, will the gentleman yield?

Mr. ANDERSON of Illinois. I yield to the gentleman from Idaho.

Mr. SYMMS. I know the gentleman from Illinois has a great reputation as the champion of minority rights and minority groups. Does he think this rules change will make it easier or harder to get legislation through this House?

Mr. ANDERSON of Illinois. I would hope very much it would expedite our proceedings and that it would still save the right of the Members, and I think it should be their right, to demand a recorded vote on important amendments by not requiring that more than one-fifth of those that are present at any one time to stand to indicate they want a record vote.

Mr. SYMMS. It is my concern, since I am in that minority that thinks 9 out of 10 bills that go through here should not be passed, I am wondering if the rights of the minority are being protected by liberalizing the House rules.

Mr. ANDERSON of Illinois. I have no doubt, if the gentleman will yield, that his eloquent voice will be raised in opposition to those pieces of legislation that he feels are ill-advised or foolish or not in the public interest. I feel he will not be under any constraint and will not be prevented in his eloquent and able fashion from espousing and giving opposition to those amendments with which he disagrees.

Mr. LATTA. I yield 5 minutes to the gentleman from Maryland (Mr. BAUMAN).

Mr. BAUMAN. Mr. Chairman, I had not really intended to speak on this; but as some of the gentlemen present know, the gentleman from Maryland could be classified as a child of the House. I spent 15 years between the ages of 15 and 30 on the floor of this House in various staff capacities. During that time I was forced to listen to an awful lot of debate and to see the rules used, abused, and misused, in a great many instances that have come back to haunt us.

Today I thought I would just listen to the experts. I want to commend the Committee on Rules and the subcommittee for their work, but not on their end product. The baby was born deformed.

I have looked over the specific sections of this bill. There is a lot to commend the section which deals with germane amendments in conference reports. One of the reasons I suspect we have not heard more discussion on that is that many people do not understand it at all. I am still studying it myself.

There are a few things in this resolution that do commend themselves to understanding. One of them, I think, is going to be addressed by the gentleman from Iowa (Mr. GROSS) with an amendment to section 3. We all love the gentleman from Iowa. It is the custom in the House when a Member plans retirement to eulogize him. I think the essence of our respect for the gentleman from Iowa is that he knows the rules of the House and singlehandedly has been able to accomplish in so many instances the sort of parliamentary miracles that the rest of us ordinary mortals cannot touch. He knows the rules.

The gentleman from Iowa has just fainted from view in response to my solicitous remarks, I notice; but his very presence should underscore something this resolution also entails, and that is the importance of the rules of the House. If we read the first section of Jefferson's Manual, and I address myself to my minority colleagues, who may well be a greater minority after the next election, we find Jefferson describing the rules as the means to protect the minority.

We recently have read about a veto-proof Congress. I went to the trade union label show in my district last week and they gave me a pamphlet on why all Republicans should be defeated. But consider what kind of minority might be in this House in the future, and it might be a very small minority. And consider that these rules should be written to protect any minority of either party, or even a minority within a party.

The requirement of 40 Members that we have now proposed to obtain a rollcall is one thing that disturbs me greatly in this resolution. I hope we will support the gentleman from Iowa when he offers an amendment striking out this change. He is going to try to strike that and leave the requirement at 20 Members to get a vote. I think the 20-Member rule is a valuable right of the minority any minority. When many Members seek to avoid a rollcall vote on a hot issue, such as a congressional pay raise, at least 20 Members can force a rollcall. The gentleman from Iowa has used this weapon with great accuracy in the past, and the taxpayers can be thankful.

Under this new proposal I predict what will happen; a quorum will be established and then the Chair will require 40 Members to get a vote on any given issue, and we will never get a rollcall if it is on a very unpopular matter such as a congressional pay raise.

Mr. DEL CLAWSON. Mr. Chairman, will the gentleman yield?

Mr. BAUMAN. Mr. Chairman, of course I yield to the gentleman from California, whom I respect and look to as my leader.

Mr. DEL CLAWSON. Mr. Chairman, I thank the gentleman from Maryland for his kind remarks.

Mr. Chairman, there are a number of us on the committee who prefer to leave it as it is, at 20. I happen to share that opinion. However, we did not have the votes on the Rules Committee to maintain it at 20, as it is now constituted, so this 20–40 was a compromise. I will be happy to support the gentleman from Iowa when he offers that amendment.

Mr. BAUMAN. Mr. Chairman, I am happy to hear that. The combination of the gentleman from California and the gentleman from Iowa assures the passage of the amendment, I am quite sure.

Mr. Chairman, I would like to mention one or two other points. I want to reiterate what I said to the gentleman from California (Mr. SISK) earlier today about the combined effect of section 1, the provision which says that there will be no more quorum calls once one is established on a given day, used together with section 4 of this resolution, the "short quorum call."

Mr. Chairman, I can see the possibility that once a quorum is established, and we go into the Committee of the Whole, the Chairman in his discretion will not permit anything more that afternoon but unrecorded quorum calls, because the proposed change says "his discretion." Under this new rule, for the rest of the afternoon, it is entirely possible that no Member will ever have to reappear again until the final vote. He can take 2 or 3 hours off and avoid his responsibilities to be here and listen to debate simply by the device of having the bells rung as in the other body. The other body has a procedure whereby they use the long bell and short bell. If it is one bell, a Senator does not come in to answer it. If it is the other set of bells, a Senator does appear. We too will have a dual bell system and the staff will listen and tell the Member, "You do not have to answer on this one because you will not be recorded. No need to go there, stay where you are, sir."

The combination of sections 1 and 4 will permit that long stretch of time without any recording of the presence of the Members. The gentleman from Illinois (Mr. COLLIER) asked why should we have quorum calls in the Committee of the Whole. The gentleman from Massachusetts, (Mr. CONTE) talked about asinine quorum calls. Many times a good amendment gets passed because some parliamentary strategist on the floor asked for a quorum call, gets his friends here to vote and the amendment gets into the bill because a quorum is ascertained and a sufficient number then demand recorded tellers. A Member would not have a chance unless she had a quorum call before that to get his amendment adopted. Again, I question how this short quorum will affect that.

The CHAIRMAN. The time of the gentleman from Maryland has expired.

Mr. LATTA. Mr. Chairman, I yield 1 additional minute to the gentleman from Maryland.

Mr. DEL CLAWSON. Mr. Chairman, will the gentleman yield further?

Mr. BAUMAN. Mr. Chairman, I yield to the gentleman from California.

Mr. DEL CLAWSON. Mr. Chairman, this was one of the changes discussed thoroughly in the subcommittee and also in full committee. I think, as our subcommittee chairman, the very able gentleman from California (Mr. SISK) indicated, this is experimental. It is a pilot program. If we discover it allows such situations as the gentleman described might obtain in the House, then I will join with him to change it back to the way it was, but since it is experimental, why not see if we can live with this.

Mr. BAUMAN. Mr. Chairman, I will say to the gentleman that the gentleman from Illinois (Mr. ANDERSON) said that none of us can qualify as a Hammurabi. That late lawgiver is up here on the wall carved into stone. The authors of these rules changes will not be carved into stone, but my experience in the House is that when anything is written into the rules, it is almost carved into stone and it takes blasting material to change it.

We are departing from that concept. We are frivolously changing things here for the sake of change when there are many other more important things to be changed in the rules.

Mr. Chairman, I hope this entire resolution is voted down. I see no need for it, on balance. Let the Rules Committee bring these proposals out in parts so that we can vote on them separately.

Mr. CONTE. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present. The call will be taken by electronic device.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 154]

Blatnik
Boggs
Broomfield
Brown, Ohio
Buchanan
Carey, N.Y.
Cederberg
Chisholm
Clark
Conyers
Cronin
Danielson
Diggs
Dingell
Dorn
Drinan
Dulski
Eckhardt
Eilberg
Frelinghuysen
Green, Oreg.
Gubser
Hanna
Hansen, Wash.
Henderson
Holifield
Horton

Huber
Kastenmeier
Kazen
Kemp
Litton
McEwen
McKay
Martin, Nebr.
Mink
Patman
Pickle
Reid
Rhodes
Roncallo, N.Y.
Rooney, N.Y.
Rosenthal
Shipley
Shoup
Sikes
Stanton,
James V.
Stubblefield
Tiernan
Udall
Wilson,
Charles H.,
Calif.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. MATHIS of Georgia, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the resolution—House Resolution 998—and finding itself without a quorum, he had directed the Members to record their presence by electronic device, whereupon 381 Members recorded their presence, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

Mr. BROWN of California. Mr. Chairman, I rise in support of this important legislation, House Resolution 998, which would revise the rules and procedures of the House to make for more efficient use of the time of the Members. There is no resource more important to the Members of Congress than their time, and to waste this resource in unnecessary and repetitive quorum calls, in poorly scheduled votes, and in other dilatory tactics, merely takes valuable time away from other vitally important congressional activity.

I know that I can pledge support for this legislation from one substantial group of our most able Members, who habitually use the early hours of the afternoon for vitally important self-improvement activities. These activities have been badly disrupted by the numerous quorum calls, which have become customary, and the Members problem is further accentuated by the electronic voting procedures which drastically reduce the time available to make the transition from his self-improvement activity to the activities of the House floor.

There may be some Members of the House who might question the desirability of adopting procedures which would facilitate the self-improvement activities of the group to which I have referred. As a long-time member of this group, and one who has been substantially disadvantaged by the current pressure of innumerable and frequently unnecessary rollcalls, I wish to offer my personal testimony to the importance of those self-improvement activities to which I refer. I have found that my own knowledge of significant national issues has been greatly enhanced by the seminars conducted by this group in the informal setting of the Rayburn Building basement. The range and depth of information exchanged in this setting would amaze the uninitiated.

All of us recognize also that our effectiveness as legislators is enhanced by the nature of the interpersonal relationships which we are able to develop with our peers. There are few things more helpful in developing effective interpersonal relationships than the understanding of another's strengths and weaknesses under pressure, which result from the intense and competitive interaction which takes place in this self-improvement group. And, of course, the nature of the relationships developed in this group provides for extensive and helpful counseling sessions between those possessed of greater knowledge and ability and their less fortunate comrades.

Lastly, I must acknowledge the importance of the spiritual growth which occurs as we contemplate our own faults and inadequacies under the helpful tutelage of our fellows who are so unselfishly concerned about the improvement of their brothers. None of us are perfect, and the opportunity to have this pointed out frequently and forcefully by our comrades is undoubtedly a great stimulus to personal growth.

For all these reasons, Mr. Chairman, I and the colleagues for whom I speak enthusiastically endorse and welcome this important improvement in the rules and procedures of the House. It may turn out to be the single most significant reform measure undertaken during this year of reform.

Mr. LATTA. Mr. Chairman, I have no further requests for time.

Mr. SISK. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. Under the rule, the resolution shall be considered as having been read for amendment. No amendments shall be in order to said resolution except amendments offered by the direction of the Committee on Rules and germane amendments to section 3 of said resolution, and said amendments shall not be subject to amendment.

The resolution reads as follows:

H. RES. 998

Resolved, That the Rules of the House of Representatives are amended in the following respects:

MAKING AND ENTERTAINMENT OF POINTS OF NO QUORUM

SECTION 1. Rule XV of the Rules of the House of Representatives is amended by adding at the end thereof the following new clause:

"6. (a) It shall not be in order to make or entertain a point of order that a quorum is not present—

"(1) before or during the offering of prayer;

"(2) during the administration of the oath of office to the Speaker or Speaker pro tempore or a Member, Delegate, or Resident Commissioner;

"(3) during the reception of any message from the President of the United States or the United States Senate; and

"(4) during the offering, consideration, and disposition of any motion incidental to a call of the House.

"(b) A quorum shall not be required in Committee of the Whole for agreement to a motion that the Committee rise.

"(c) After the presence of a quorum is once ascertained on any day on which the House is meeting, a point of order of no quorum may not be made or entertained—

"(1) during the reading of the Journal;

"(2) during the period after a Committee of the Whole has risen after completing its consideration of a bill or resolution and before the Chairman of the Committee has reported the bill or resolution back to the House; and

"(3) during any period of a legislative day when the Speaker is recognizing Members (including a Delegate or Resident Commissioner) to address the House under special orders, with no measure or matter then under consideration for disposition by the House.

"(d) When the presence of a quorum is ascertained, a further point of order that a quorum is not present may not thereafter be made or entertained until additional business intervenes. For purposes of this paragraph, the term 'business' does not include any matter, proceeding, or period referred to in paragraph (a), (b), or (c) of this clause for which a quorum is not required or a point of order of no quorum may not be made or entertained.".

REPEAL OF LAST TWO SENTENCES OF CLAUSE 1 OF RULE XX

SEC. 2. The last two sentences of clause 1 of Rule XX of the Rules of the House of Representatives are repealed.

REQUEST OF MEMBERS FOR RECORDED VOTE IN COMMITTEE OF THE WHOLE

SEC. 3. Clause 2 of Rule XXIII of the Rules of the House of Representatives is amended—

(1) by inserting "(a)" immediately after "2."; and

(2) by adding at the end of such clause the following new paragraph:

"(b) In the Committee of the Whole, the Chair shall order a recorded vote on request supported by at least twenty Members, except that support of at least forty Members shall be required to obain a recorded vote whenever the Chair, on request of any Member at the time the recorded vote is requested, determines that more than two hundred Members are present."

EXPEDITIOUS CONDUCT OF QUORUM CALLS IN COMMITTEE OF THE WHOLE HOUSE

SEC. 4. Clause 2 of Rule XXIII of the Rules of the House of Representatives is further amended by adding at the end of such clause the following new paragraph:

"(c) If, at any time during the conduct of any quorum call in the Committee of the Whole, the Chairman determines that a quorum is present, he may, in his discretion, declare that a quorum is constituted. Proceedings under the call then shall be considered as vacated and the Committee shall not rise but shall continue its sitting and resume its business."

DEFERRAL OF TIME OF PUTTING THE QUESTION ON MOTIONS TO SUSPEND THE RULES AND PASS BILLS AND RESOLUTIONS

SEC. 5. Clause 3 of Rule XXVII of the Rules of the House of Representatives is amended—

(1) by inserting "(a)" immediately after "3."; and

(2) by adding at the end of such clause the following new paragraph:

"(b)(1) On any legislative day (other than during the last six days of a session) on which the Speaker is authorized to suspend the Rules and pass bills or resolutions, he may announce to the House, in his discretion, before entertaining the first such motion, that he will postpone further proceedings on each of such motions on which a recorded vote or the yeas and nays is ordered or on which the vote is objected to under clause 4 of Rule XV, until all of such motions on that legislative day have been entertained and any debate thereon concluded, with the question having been put and determined on each such motion on which the taking of the vote will not be postponed.

"(2) When the last of all motions on that legislative day to suspend the Rules and pass bills or resolutions has been entertained and any debate thereon concluded, with the question put and determined on each such motion on which further proceeding were not postponed, the Speaker shall put the question on each motion, on which further proceedings were postponed, in the order in which that motion was entertained.

"(3) At any time after the vote on the question has been taken on the first motion on which the Speaker has postponed further proceedings under this paragraph, the Speaker may, in his discretion, reduce to not less than five minutes the period of time within which a recorded vote on the question may be taken on any or all of the additional motions on which the Speaker has postponed further proceedings under this paragraph.

"(4) If the House adjourns before the question is put and determined on all motions on which further proceedings were postponed under this paragraph, then, on the next following legislative day on which the Speaker is authorized to entertain motions to suspend the Rules and pass bills or resolutions, the first order of legislative business after the call of bills and resolutions on the Private Calendar as provided in clause 6 of Rule XXIV shall be the disposition of all such motions, previously undisposed of, in the order in which those motions were entertained."

APPLICATION OF PROVISIONS OF CLAUSE 4 OF RULE XXVIII RELATING TO NONGERMANE MATTER IN CONFERENCE AGREEMENTS TO CERTAIN MATTER IN CONFERENCE AGREEMENTS NOT PROPOSED TO BE PLACED IN THE MEASURE CONCERNED AS PASSED THE HOUSE

SEC. 6. (a) Paragraph (a) of clause 4 of Rule XXVIII of the Rules of the House of Representatives is amended by adding at the end of such paragraph the following: "For the purposes of this clause, matter which—

"(A) is contained in any substitute agreed to by the conference committee;

"(B) is not proposed by the House to be included in the measure concerned as passed by the House; and

"(C) would be in violation of clause 7 of Rule XVI if such matter had been offered in the House as an amendment to the provisions of that measure as so proposed in the form passed by the House;

shall be considered in violation of such clause 7."

(b) Clause 4(d) of Rule XXVIII of the Rules of the House of Representatives is amended to read as follows:

"(d) If any such motion to reject has been adopted, after final disposition of all points of order and motions to reject under the preceding provisions of this clause, the conference report shall be considered as rejected and the question then pending before the House shall be—

"(1) whether to recede and concur in the Senate amendment with an amendment which shall consist of that portion of the conference report not rejected; or

"(2) if the last sentence of paragraph (a) of this clause applies, whether to insist further on the House amendment.

If all such motions to reject are defeated, then, after the allocation of time for debate on the conference report as provided in clause 2(a) of this Rule, it shall be in order to move the previous question on the adoption of the conference report."

CONSIDERATION IN THE HOUSE OF CERTAIN SENATE AMENDMENTS REPORTED IN DISAGREEMENT BY CONFERENCE COMMITTEES OR IN DISAGREEMENT BETWEEN THE TWO HOUSES

SEC. 7. Rule XXVIII of the Rules of the House of Representatives is amended by adding at the end thereof the following new clause:

"5. (a)(1) With respect to any amendment (including an amendment in the nature of a substitute) which—

"(A) is proposed by the Senate to any measure and thereafter—

"(i) is reported in disagreement between the two Houses by a committee of conference; or

"(ii) is before the House, the stage of disagreement having been reached; and

"(B) contains any matter which would be in violation of the provisions of clause 7 of Rule XVI if such matter had been offered as an amendment in the House;

it shall be in order, immediately after a motion is offered that the House recede from its disagreement to such amendment proposed by the Senate and concur therein and before debate is commenced on such motion, to make a point of order that such nongermane matter, as described above, which shall be specified in the point of order, is contained in such amendment proposed by the Senate.

"(2) If such point of order is sustained, it then shall be in order for the Chair to entertain a motion, which is of high privilege, that the House reject the nongermane matter covered by the point of order. It shall be in order to debate such motion for forty minutes, one-half of such time to be given to debate in favor of, and one-half in opposition to, the motion.

"(3) Notwithstanding the final disposition of any point of order made under subparagraph (1), or of any motion to reject made pursuant to a point of order under subparagraph (2), of this paragraph, it shall be in order to make further points of order on the ground stated in such subparagraph (1), and motions to reject pursuant thereto under such subparagraph (2), with respect to other nongermane matter in the amendment proposed by the Senate not covered by any previous point of order which has been sustained.

"(4) If any such motion to reject has been adopted, after final disposition of all points of order and motions to reject under the preceding provisions of this clause, the motion to recede and concur shall be considered as rejected, and further motions—

"(A) to recede and concur in the Senate amendment with an amendment, where appropriate (but the offering of which is not in order unless copies of the language of the Senate amendment, as proposed to be amended by such motion, are then available on the floor when such motion is offered and is under consideration);

"(B) to insist upon disagreement to the Senate amendment and request a further conference with the Senate; and

"(C) to insist upon disagreement to the Senate amendment;

shall remain of high privilege for consideration by the House. If all such motions to reject are defeated, then, after the allocation of time for debate on the motion to recede and concur as provided in clause 2(b) of this Rule, it shall be in order to move the previous question on such motion.

"(b)(1) With respect to any such amendment proposed by the Senate as described in paragraph (a) of this clause, it shall not be in order to offer any motion that the House recede from its disagreement to such Senate amendment and concur therein with an amendment, unless copies of the language of the Senate amendment, as proposed to be amended by such motion, are then available on the floor when such motion is offered and is under consideration.

"(2) Immediately after any such motion is offered and is in order and before debate is commenced on such motion, it shall be in order to make a point of order that nongermane matter, as described in subparagraph (1) of paragraph (a) of this clause, which shall be specified in the point of order, is contained in the language of the Senate amendment, as proposed to be amended by such motion, copies of which are then available on the floor.

"(3) If such point of order is sustained, it then shall be in order for the Chair to entertain a motion, which is of high privilege, that the House reject the nongermane matter covered by the point of order. It shall be in order to debate such motion by forty minutes, one-half of such time to be given to debate in favor of, and one-half in opposition to, the motion.

"(4) Notwithstanding the final disposition of any point of order under subparagraph (2), or of any motion to reject made pursuant to a point of order under subparagraph (3), of this paragraph, it shall be in order to make further points of order on the ground stated in subparagraph (1) of paragraph (a) of this clause, and motions to reject pursuant thereto under subparagraph (3) of this paragraph, with respect to other nongermane matter in the language of the Senate amendment, as proposed to be amended by the motion described in subparagraph (1) of this paragraph, not covered by any previous point of order which has been sustained.

"(5) If any such motion to reject has been adopted, after final disposition of all points of order and motions to reject under the preceding provisions of this paragraph, the motion to recede and concur in the Senate amendment with an amendment shall be considered as rejected, and further motions—

"(A) to recede and concur in the Senate amendment with an amendment, where appropriate (but the offering of which is not in order unless copies of the language of the Senate amendment, as proposed to be amended by such motion, are then available on the floor when such motion is offered and is under consideration);

"(B) to insist upon disagreement to the Senate amendment and request a further conference with the Senate; and

"(C) to insist upon disagreement to the Senate amendment;

shall remain of high privilege for consideration by the House. If all such motions to reject are defeated, then, after the allocation of time for debate on the motion to recede and concur in the Senate amendment with an amendment as provided in clause 2(b) of this Rule, it shall be in order to move the previous question on such motion.

"(c) If, on a division of a motion that the House recede and concur, with or without amendment, from its disagreement to any such Senate amendment as described in paragraph (a)(1) of this clause, the House agrees to recede, then, before debate is commenced on concurring in such Senate amendment, or on concurring therein with an amendment, it shall be in order to make and dispose of points of order and motions to reject with respect to such Senate amendment in accordance with applicable provisions of this clause and to effect final determination of these matters in accordance with such provisions."

EFFECTIVE DATE

SEC. 8. The amendments made by this resolution to the Rules of the House of Representatives shall become effective at the beginning of the thirtieth day after the date of adoption of this resolution.

The CHAIRMAN. Are there any committee amendments?

COMMITTEE AMENDMENTS OFFERED BY MR. SISK

Mr. SISK. Mr. Chairman, I offer a committee amendment.

The Clerk read as follows:

Committee amendment offered by Mr. SISK: On page 4, line 23, immediately before the words "to suspend the rules" insert the words "to entertain motions".

Mr. SISK. Mr. Chairman, this is simply a technical amendment due to the fact that in the printing of the original resolution there were certain words left out which are needed for purposes of clarification. It makes no substantive change whatsoever.

PARLIAMENTARY INQUIRY

Mr. GROSS. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. GROSS. Can an amendment to an amendment be offered to section 3?

The CHAIRMAN (Mr. MATHIS of Georgia). No.

Mr. GROSS. It is subject to a substitute amendment?

The CHAIRMAN. The Chair will reply it is not.

Mr. GROSS. Is an amendment in order at this time?

The CHAIRMAN. We have an amendment pending before the Committee at this time.

The question is on the committee amendment.

The committee amendment was agreed to.

AMENDMENT OFFERED BY MR. MONTGOMERY

Mr. MONTGOMERY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. MONTGOMERY: On page 3, line 19, strike out the word "twenty" and all that follows down through the word "present" in line 24 and insert in lieu thereof "thirty-three".

Mr. MONTGOMERY. Mr. Chairman, I rise in support of this resolution. I think my amendment is a compromise amendment that will make this resolution a better bill.

Mr. Chairman, I should like briefly to explain what this amendment does. I might say that this amendment that I have offered was voted out by the subcommittee of the Committee on Rules. The amendment was not adopted in the full Committee on Rules, as I understand it, and they came in with a compromise. What my amendment does is it strikes out the word "twenty" and inserts "33" members. It also takes out that part of the resolution which says that 40 persons will have to stand when there are more than 200 Members on the floor to obtain a recorded vote.

Mr. Chairman, I offer this change in the rules because really this is the meat of the whole thing.

We are really getting too many rollcalls, especially unnecessary recorded teller votes. I am really sold on the electronic device but because of the large number of recorded votes ordered through the first 6 months of 1973 in comparison to the first 6 months of 1971—and we have to use those months of comparison—the electronic device is not saving the Members any time. Members of the House do not gain any time by this electronic device unless we adopt this resolution before us plus the amendment I am offering.

Through June 30, 1973, we have had 323 rollcalls and 84 of these have been recorded teller votes. In the 1st session of the 92d Congress, through June 30, 1971, we had 174 rollcalls and only 29 recorded teller votes. This was before we had the electronic device. Through June 1971 we actually had passed 112 House bills as compared to 108 House bills in 1973. So really the workload has not increased from 1971 to 1973, and the electronic device has not increased the number of bills we have passed on this floor. So I offer this amendment in an effort to save time. I think the amendment has a great deal of merit to it. If Members want to update the rules of the House to meet the electronic device, I certainly hope the Members will support this amendment.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. MONTGOMERY. I yield to the gentleman from Iowa.

Mr. GROSS. Mr. Chairman, I thank the gentleman from Mississippi for yielding.

Could this be considered as the amendment of the paddle ball club members?

Mr. MONTGOMERY. No, sir. I am not very familiar with that. The gentleman will have to ask someone else.

Mr. MATSUNAGA. Mr. Chairman, I rise in opposition to the pending amendment and urge that the House reject it in favor of the compromise solution to the recorded teller vote question proposed by the Rules Committee in House Resolution 998 as reported.

The ad hoc subcommittee headed by the distinguished gentleman from California (Mr. SISK) recommended that the requirement for demanding a recorded teller vote be increased from 20 to 33 Members. Many Members argued forcefully for no change at all in present requirements.

What the Rules Committee approved was a retention of the present rule, except when there are more than 200 Members on the floor, when 40, rather than 20, Members would be required.

That is a reasonable compromise, Mr. Chairman, and one that ought to be upheld by the House.

Certainly, the desire by the proponents of the amendment to cut down on excessive House time spent on quorum calls and recorded teller votes is understandable and commendable. But the loss the people would suffer in terms of knowing less about the voting record of their Representatives in Congress would far outweigh, in my judgment, whatever incremental time the amendment would save.

It should be noted that this amendment would affect only about a third of all recorded votes—in 1973, there were only 190 recorded teller votes out of 541 total recorded votes.

The amendment is unnecessary to cover a situation when a great many Members are on the floor since the committee bill itself requires 40 supporters when 200 or more are present.

The abuse of recorded teller vote is not nearly as great as the problem which arises from demands for recorded votes on final passage of bills in the House, when not 20 Members, but a single Member may demand such a vote. An analysis of the first 6 months of 1973 showed that, of the 531 record votes which carried by more than 100 votes, only 29 of them, or about 19 percent, came from recorded teller votes. The rest were all on final passage in the House.

And for this incremental improvement, Mr. Chairman, we would pay a heavy price. On many vital issues, the people we work for, the citizens of the United States, would be deprived of valuable information on which to judge our performance. The major reform accomplished in the Legislative Reorganization Act of 1970 would be partially vitiated.

Because the Rules Committee itself came forth with a reasonable compromise, I urge the House to reject the pending amendment.

The CHAIRMAN. The time of the gentleman has expired.

Mr. DEL CLAWSON. Mr. Chairman, I ask unanimous consent that the gentleman from Hawaii be allowed to proceed for 1 additional minute.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

Mr. LATTA. Mr. Chairman, I reserve the right to object.

The CHAIRMAN. The gentleman from Ohio reserves the right to object.

Mr. LATTA. Mr. Chairman, I shall object to the next request for time because it is in violation of the rule as passed for 5 minutes on each side.

I withdraw my reservation of objection to this request.

Mr. MATSUNAGA. Mr. Chairman, I yield to the gentleman from California.

Mr. DEL CLAWSON. Is it not a fact that what the gentleman has indicated has happened in the House because of dilatory tactics. If this method increasing the required number is adopted we would be moving backward. The condition of secrecy that was talked about during discussion on the rule would improve the conditions of those who wanted to conduct their business in secret, rather than having their votes recorded. Under this amendment does it not seem that it is the purpose of some to continue the secrecy?

Mr. MATSUNAGA. The gentleman has put it very well. The acceptance of the amendment of the gentleman from Mississippi will be a regressive movement.

Mr. DENNIS. Mr. Chairman, I rise in opposition to the amendment.

The CHAIRMAN. Under the rule, there is no further debate permitted on the amendment.

The question is on the amendment offered by the gentleman from Mississippi (Mr. MONTGOMERY).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. LATTA. Mr. Chairman, I demand a recorded vote.

A recorded vote was refused.

So the amendment was rejected.

AMENDMENT OFFERED BY MR. GROSS

Mr. GROSS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. GROSS: On page 3, strike out line 10 through line 24; and renumber the following sections accordingly.

Mr. GROSS. Mr. Chairman, my amendment is a simple one. It simply strikes out all of the language in section 3 of the resolution. It is brief, and I shall read it:

> (b) In the Committee of the Whole, the Chair shall order a recorded vote on request supported by at least twenty Members, except that support of at least forty Members shall be required to obtain a recorded vote whenever the Chair, on request of any Member at the time the recorded vote is requested, determines that more than two hundred Members are present.

I hope Members of the majority understand that there may come a day, however distant, when they may be in the minority, and might well regret having adopted this provision rules change.

With respect to the determination of 200 Members, there is a little-known provision in Cannon's Procedures which I believe the Members ought to be interested in, and which reads as follows:

> It is the duty of the Chair to ascertain the presence of a quorum when the point is raised and to announce the absence of a quorum without unnecessary delay.

Then, this—

> In determining the presence of a quorum, the Chair counts Members not voting, including all Members visible, whether in the lobbies or cloakrooms or within the bar.

I do not know where the bar is supposed to be located, but there may be some 40 or 50 Members occupying the "workbenches" at the rear of the House Chamber. They are usually pretty well occupied. Or, they may be out in the so-called Speaker's Lounge. The Chair can count them, whether a wall intervenes or a door or anything else. Under Cannon's Procedures, they may be counted, so do not think that with those already on the floor it is impossible to count 200 Members.

Let us cure this situation here and now and retain the rule which we have. It is a fair rule and it is adequate. I hope the Members support my amendment to strike this section of the bill.

Mr. LATTA. Mr. Chairman, will the gentleman yield?

Mr. GROSS. Mr. Chairman, I am glad to yield to the gentleman from Ohio.

Mr. LATTA. Mr. Chairman, let me say that I intend to support the gentleman's amendment, but for another reason.

Mr. Chairman, let me say that I intend to support the gentleman's amendment for one reason. I think it would be very difficult to find 200 Members at any time, and I think this is merely window dressing.

I do not agree with the gentleman, but I will support his amendment for that reason. I do not think we ought to put window dressing in this.

Mr. GROSS. For whatever the reason I am glad to have the gentleman's support.

Mr. DENNIS. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Indiana.

Mr. DENNIS. Mr. Chairman, I would like to say that as far as I am concerned, the rule we now have which assures a record vote on important amendments when 20 Members want it is the only significant reform I have seen in my time here, and, therefore, I certainly support the gentleman's amendment.

Mr. GROSS. Mr. Chairman, I suggest to the gentleman that we have invested an awful lot of money in an electronic voting device which was installed for the very purpose of recording record votes on amendments in Committee of the Whole. The provision which I seek to strike would eliminate some of those record votes.

Mr. BAUMAN. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Maryland.

Mr. BAUMAN. Mr. Chairman, I will just say that this amendment is of great importance to any minority group that may some day find itself seeking a vote on an issue, whether they be black or white, whether they be southern conservative or northern liberal. Whoever might be pushed into a corner by the majority needs the amendment offered by the gentleman in order to protect his rights.

Mr. Chairman, I wish to commend the gentleman for offering it.

Mr. DEL CLAWSON. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from California.

Mr. DEL CLAWSON. Mr. Chairman, I am happy to support the gentleman on his amendment for the very reasons which the gentleman has given.

Mr. GROSS. I appreciate very much the support of the gentleman from California, for he is one of the authors of this legislation, although he does not approve the provision which I am trying to eliminate.

Mr. SISK. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I think we have made it very clear as to exactly what is involved in this compromise. Now, some of us, of course, desired higher numbers, some of us desired lower numbers, and what actually the committee finally determined to do was to try to take care of those rare instances where there have, in fact, been what could be considered dilatory tactics.

I am not accusing anyone, because I am not attempting to be the conscience of the House or the conscience of any other Member. However, we all remember last December, in connection with the handling of the energy legislation, when we had some 300 or 400 Members here on the floor and were waiting, of course, rather impatiently sometimes to try to finish up.

Of course, we have had a few instances of that kind over the years.

These instances will, I am sure, develop no more than probably 5 percent of the time in connection with the handling of legislation. Those are the instances where the 40 Members would come into play. In cases where it is obvious that there are 200 Members or more, and during late hours—for example, in this case—the Members will recall that we could not even debate the amendments. The amendments were simply read, and then we went automatically to votes, and we were being forced, of course, to go through a long series of recorded votes by virtue of having sometimes only 20, 21, or 22 Members standing.

Now, in most cases, of course, I believe 20 is all that will be required to rise, because that is all that would be necessary. For example, here today during this discussion, that would be true, because we do not have 200 Members or more present.

Mr. Chairman, the committee gave a great deal of consideration to this point. There was strong support by a number of Members to go to the figure of 44, which was in a resolution on which the subcommittee started its work last July. Because of concern and the efforts by various Members to compromise, some to go up, some to go down, we finally arrived at this compromise which seems to me to be fair. It maintains the number at 20 for all practical purposes except, as I say, on that rare occasion when we find ourselves here in the late waning hours of a session attempting to finish and with a large number of Members on the floor, and it seems to me only reasonable then that we should expect at least to have 40 Members standing if in fact they desire to get a recorded vote.

Mr. ROBERTS. Mr. Chairman, will the gentleman yield?

Mr. SISK. I yield to the gentleman from Texas.

Mr. ROBERTS. Mr. Chairman, I thank the gentleman for yielding.

It seems to me there is just one flaw in what we are trying to do here. Let us say the Presiding Officer decides that we have 195 Members and 20 Members can get a recorded vote, but then if 5 more Members come in and that gives us a total of 200, then 20 Members are required to get a recorded vote, and that, I believe, is an absurdity. If we had 200 Members and 1 of them walked off the floor, then we could not get the recorded vote.

Mr. SISK. Mr. Chairman, there was some discussion about putting it on a percentage basis as against making it a flat number, but because of the difficulties in the actual procedure and in carrying it out and with the problems, of course, of the committee chairman in the chair arriving at a reasonable approach to the subject, it was decided that this was a fair and equitable provision which would require, in essence, that 20 percent would be required to rise—in this case 40, and that would be the maximum.

That would be the maximum. As I said, I recognize this is a compromise; we have made no bones about it. There are strong feelings here that we should have 44 who would be required to stand, in line with the recent resolution. There are some who feel, as I say, we should have to go back to the 20 for all occasions. Frankly, again I think the compromise worked out by the committee is a reasonable and an equitable one and it will take care of those rare instances where we do have a situation where Members desire to leave and get caught in a situation like we were on the energy bill in December.

Mr. KETCHUM. Will the gentleman yield?

Mr. SISK. I am glad to yield to my colleague.

Mr. KETCHUM. I thank my friend from California for yielding to me.

On the point the gentleman in the well made concerning the energy bill at Christmastime, had it not been for the perseverance of 20 individuals who went against the whole House at that particular time because we were tired and impatient of discussing that bill, had it not been for those 20 Members standing and demanding a record vote, no one in this House would have known what we were voting on in those amendments.

For that reason I strongly support the amendment offered by the gentleman from Iowa, and I hope his amendment prevails.

Mr. SISK. For exactly the reasoning the gentleman uses I think he is on the wrong side of the issue.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa (Mr. GROSS).

The question was taken; and on a division (demanded by Mr. SISK) there were—ayes 72, noes 45.

RECORDED VOTE

Mr. SISK. Mr. Chairman, on that I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 252, noes 147, not voting 33, as follows:

[Roll No. 155]

AYES—252

Abdnor
Abzug
Anderson, Calif.
Andrews, N.C.
Archer
Arends
Armstrong
Ashbrook
Ashley
Badillo
Bafalis
Baker
Bauman
Beard
Bennett
Bevill
Biester
Blackburn
Bray
Breaux
Brinkley
Brotzman
Brown, Mich.
Brown, Ohio
Broyhill, Va.
Burgener
Burke, Calif.
Burke, Fla.
Burton
Butler
Byron
Camp
Carter
Chamberlain
Chappell
Clancy
Clausen, Don H.
Clawson, Del
Clay
Cleveland
Cochran
Cohen
Collier
Collins, Ill.
Collins, Tex.
Conable
Conlan
Conte
Conyers
Cotter
Coughlin
Crane
Cronin
Culver
Daniel, Dan
Daniel, Robert W., Jr.
Davis, S.C.
de la Garza
Dellenback
Dellums
Denholm
Dennis
Derwinski
Devine
Dickinson
Donohue
Drinan
Duncan
du Pont
Erlenborn
Esch
Findley
Flowers
Flynt
Forsythe
Fountain
Frenzel
Frey
Froehlich
Gettys
Giaimo
Gilman
Ginn
Goldwater
Gonzalez
Goodling
Grasso
Green, Pa.
Gross
Grover
Gubser
Gude
Gunter
Guyer
Haley
Hamilton
Hammerschmidt
Hanrahan
Hansen, Idaho
Harrington
Harsha
Hastings
Hawkins
Hébert
Hechler, W. Va.
Heckler, Mass.
Heinz
Hillis
Hinshaw
Hogan
Holifield
Holt
Holtzman
Horton
Hudnut
Hunt
Hutchinson
Jarman
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jordan
Kastenmeier
Kemp
Ketchum
King
Koch
Kuykendall
Lagomarsino
Landgrebe
Latta
Leggett
Long, Md.
Lott
Lujan
Luken
McClory
McCloskey
McCollister
McCormack
McDade
McKinney
Macdonald
Madigan
Mann
Maraziti
Martin, N.C.
Mathias, Calif.
Mathis, Ga.
Mayne
Mazzoli
Meeds
Melcher
Metcalfe
Mezvinsky
Miller
Mink
Minshall, Ohio
Mitchell, Md.
Mitchell, N.Y.
Mizell
Moorhead, Calif.
Mosher
Myers
Nelsen
Nichols
O'Brien
O'Neill
Parris
Passman
Pettis
Peyser
Pike
Powell, Ohio
Price, Tex.
Pritchard
Quie
Quillen
Railsback
Randall
Rangel
Rarick
Rees
Regula
Reuss
Riegle
Rinaldo
Roberts
Robinson, Va.
Robison, N.Y.
Roe
Rogers
Roncalio, Wyo.
Rosenthal
Roush
Rousselot
Roy
Roybal
Runnels
Sandman
Sarasin
Satterfield
Scherle
Schneebeli
Sebelius
Shriver
Shuster
Skubitz
Snyder
Spence
Stanton, James V.
Stark
Steele
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Stokes
Stratton
Studds
Symington
Symms
Talcott
Taylor, Mo.
Thomson, Wis.
Thone
Towell, Nev.
Vander Jagt
Vander Veen
Vanik
Veysey
Waggonner
Waldie
Walsh
Wampler
Ware
Whalen
Whitehurst
Widnall
Wiggins
Williams
Wilson, Charles, Tex.
Winn
Wolff
Wylie
Wyman
Yates
Yatron
Young, Alaska
Young, Fla.
Zion
Zwach

NOES—147

Adams
Addabbo
Alexander
Anderson, Ill.
Andrews, N. Dak.
Annunzio
Aspin
Barrett
Bell
Bergland
Biaggi
Bingham
Blatnik
Boland
Bolling
Bowen
Brademas
Brasco
Breckinridge
Brown, Calif.
Broyhill, N.C.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Carney, Ohio
Casey, Tex.
Chisholm
Clark
Corman
Daniels, Dominick V.
Davis, Ga.
Davis, Wis.
Delaney
Dent
Diggs
Dingell
Downing
Dulski
Eckhardt
Edwards, Ala.
Edwards, Calif.
Eshleman
Evans, Colo.
Evins, Tenn.
Fascell
Fish
Fisher
Flood
Foley
Ford
Fraser
Fulton
Fuqua
Gaydos
Gibbons
Gray
Griffiths
Hanley
Hanna
Hansen, Wash.
Hays
Helstoski
Hicks
Hosmer
Howard
Hungate
Ichord
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Karth
Kluczynski
Kyros
Landrum
Lehman
Lent
Long, La.
McKay
McSpadden
Madden
Mahon
Mallary
Martin, Nebr.
Matsunaga
Michel
Milford
Mills
Minish
Moakley
Mollohan
Montgomery
Moorhead, Pa.
Morgan
Moss
Murphy, Ill.
Murphy, N.Y.
Murtha
Natcher
Nedzi
Nix
Obey
O'Hara
Patten
Pepper
Perkins
Poage
Podell
Preyer
Price, Ill.
Rodino
Rooney, Pa.
Rose
Rostenkowski
Ruth
Ryan
St Germain
Sarbanes
Schroeder
Seiberling
Sisk
Slack
Smith, Iowa
Smith, N.Y.
Staggers
Stanton, J. William
Steed
Stuckey
Sullivan
Taylor, N.C.
Teague
Thompson, N.J.
Thornton
Tiernan
Treen
Ullman
Van Deerlin
Vigorito
White
Whitten
Wilson, Bob
Wright
Wyatt
Wydler
Young, Ga.
Young, Tex.
Zablocki

NOT VOTING—33

Boggs
Brooks
Broomfield
Buchanan
Carey, N.Y.
Cederberg
Danielson
Dorn
Eilberg
Frelinghuysen
Green, Oreg.
Henderson
Huber
Kazen
Litton
McEwen
McFall
Owens
Patman
Pickle
Reid
Rhodes
Roncallo, N.Y.
Rooney, N.Y.
Ruppe
Shipley
Shoup
Sikes
Stubblefield
Udall
Wilson, Charles H., Calif.
Young, Ill.
Young, S.C.

So the amendment was agreed to.

The result of the vote was announced as above recorded.

The CHAIRMAN. Are there further amendments? If not, under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. MATHIS of Georgia, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the resolution (H. Res. 998) to amend the House rules regarding the making of points of no quorum, consideration of certain Senate amendments in conference agreements or reported in conference disagreement, request for recorded votes and expeditious conduct of quorum calls in Committee of the Whole, and postponement of proceedings on suspension motions, and for other purposes, pursuant to House Resolution 1018, he reported the resolution back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on the resolution.

Mr. ASHBROOK. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 374, nays 27, not voting 31, as follows:

[Roll No. 156]

YEAS—374

Abdnor
Abzug
Adams
Addabbo
Alexander
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Archer
Arends
Ashley
Aspin
Badillo
Bafalis
Baker
Barrett
Beard
Bell
Bergland
Bevill
Biaggi
Biester
Bingham
Blackburn
Blatnik
Boland
Bolling
Bowen
Brademas
Brasco
Bray
Breaux
Breckinridge
Brinkley
Brooks
Brotzman
Brown, Calif.
Brown, Mich.
Broyhill, N.C.
Broyhill, Va.
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton
Butler
Byron
Camp
Carney, Ohio
Carter
Casey, Tex.
Chamberlain
Chappell
Chisholm
Clancy
Clark
Clausen, Don H.
Clawson, Del
Clay
Cleveland
Cochran
Cohen
Collier
Collins, Ill.
Collins, Tex.
Conable
Conte
Conyers
Corman
Cotter
Coughlin
Cronin
Culver
Daniel, Dan
Daniel, Robert W., Jr.
Daniels, Dominick V.
Davis, Ga.
Davis, Wis.
de la Garza
Delaney
Dellums
Denholm
Dent
Derwinski
Devine
Dickinson
Diggs
Dingell
Donohue
Downing
Drinan
Dulski
Duncan
du Pont
Eckhardt
Edwards, Ala.
Edwards, Calif.
Erlenborn
Esch
Eshleman
Evans, Colo.
Evins, Tenn.
Fascell
Findley
Fish
Fisher
Flood
Flowers
Foley
Ford
Forsythe
Fountain
Fraser
Frenzel
Frey
Froehlich
Fulton
Fuqua
Gaydos
Gettys
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Gonzalez
Goodling
Grasso
Gray
Green, Pa.
Griffiths
Grover
Gubser
Gude
Gunter
Guyer
Haley
Hamilton
Hammerschmidt
Hanley
Hanna
Hanrahan
Hansen, Idaho
Hansen, Wash.
Harrington
Harsha
Hastings
Hawkins
Hays
Hébert
Hechler, W. Va.
Heckler, Mass.
Heinz
Helstoski
Hicks
Hillis
Hinshaw
Hogan
Holifield
Holtzman
Horton
Hosmer
Howard
Hudnut
Hungate
Hunt
Hutchinson
Ichord
Jarman
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kastenmeier
Kemp
King
Kluczynski
Koch
Kuykendall
Kyros
Landrum
Latta
Leggett
Lehman
Lent
Long, La.
Long, Md.
Lott
Lujan
Luken
McClory
McCloskey
McCollister
McCormack
McDade
McFall
McKay
McKinney
McSpadden
Macdonald
Madden
Madigan
Mahon
Mallary
Mann

Martin, Nebr.
Martin, N.C.
Mathias, Calif.
Mathis, Ga.
Matsunaga
Mayne
Mazzoli
Meeds
Melcher
Metcalfe
Mezvinsky
Michel
Milford
Mills
Minish
Mink
Minshall, Ohio
Mitchell, Md.
Mitchell, N.Y.
Mizell
Moakley
Mollohan
Montgomery
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mosher
Moss
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers
Natcher
Nedzi
Nelsen
Nix
Obey
O'Brien
O'Hara
O'Neill
Owens
Parris
Passman
Patten
Pepper
Perkins
Pettis
Peyser
Pike
Podell
Powell, Ohio
Preyer
Price, Ill.
Price, Tex.
Pritchard
Quie
Quillen
Railsback
Rangel
Rees
Regula
Reuss
Riegle
Rinaldo
Roberts
Robinson, Va.
Robison, N.Y.
Rodino
Roe
Rogers
Rooney, Pa.
Rose
Rosenthal
Rostenkowski
Roush
Roy
Roybal
Runnels
Ruppe
Ruth
Ryan
St Germain
Sandman
Sarasin
Sarbanes
Satterfield
Scherle
Schneebeli
Schroeder
Sebelius
Seiberling
Shriver
Shuster
Sikes
Sisk
Skubitz
Slack
Smith, Iowa
Smith, N.Y.
Snyder
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Steele
Steiger, Ariz.
Steiger, Wis.
Stephens
Stokes
Stratton
Stuckey
Studds
Sullivan
Symington
Talcott
Taylor, N.C.
Teague
Thompson, N.J.
Thomson, Wis.
Thone
Thornton
Tiernan
Towell, Nev.
Treen
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Veysey
Vigorito
Waggonner
Waldie
Walsh
Wampler
Ware
Whalen
White
Whitehurst
Whitten
Widnall
Wiggins
Williams
Wilson, Bob
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Winn
Wolff
Wright
Wyatt
Wydler
Wyman
Yates
Yatron
Young, Alaska
Young, Ga.
Young, Tex.
Zablocki
Zion
Zwach

NAYS—27

Annunzio
Ashbrook
Bauman
Bennett
Brown, Ohio
Conlan
Crane
Davis, S.C.
Dennis
Flynt
Gross
Holt
Ketchum
Lagomarsino
Landgrebe
Maraziti
Miller
Randall
Rarick
Roncalio, Wyo.
Rousselot
Spence
Steelman
Symms
Taylor, Mo.
Wylie
Young, Fla.

NOT VOTING—31

Armstrong
Boggs
Broomfield
Buchanan
Carey, N.Y.
Cederberg
Danielson
Dellenback
Dorn
Eilberg
Frelinghuysen
Green, Oreg.
Henderson
Huber
Kazen
Litton
McEwen
Nichols
Patman
Pickle
Poage
Reid
Rhodes
Roncallo, N.Y.
Rooney, N.Y.
Shipley
Shoup
Stubblefield
Udall
Young, Ill.
Young, S.C.

So the resolution was agreed to.

The Clerk announced the following pairs:

Mrs. Boggs with Mr. Rhodes.

Mr. Rooney of New York with Mrs. Green of Oregon.

Mr. Eilberg with Mr. Patman.

Mr. Carey of New York with Mr. Frelinghuysen.

Mr. Stubblefield with Mr. Buchanan.

Mr. Shipley with Mr. Shoup.

Mr. Henderson with Mr. Huber.

Mr. Kazen with Mr. Broomfield.

Mr. Danielson with Mr. McEwen.

Mr. Litton with Mr. Roncallo of New York.

Mr. Udall with Mr. Young of Illinois.

Mr. Pickle with Mr. Cederberg.

Mr. Reid with Mr. Dellenback.

Mr. Nichols with Mr. Young of South Carolina.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. SISK. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the resolution just passed.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

PERSONAL EXPLANATION

Mr. HOLIFIELD. Mr. Speaker, on the previous rollcall I inadvertently made a mistake. I thought it was on the passage of the resolution and voted "aye." I should have voted "nay" and I would have if I had understood the vote.

PERSONAL EXPLANATION

Mr. YOUNG of Illinois. Mr. Speaker, I was unavoidably detained at a meeting where we did not have a buzzer and, therefore, I missed the last vote. I would like the Record to show that I would have voted in favor, "aye," with respect to the resolution on changing the rules.

LEGISLATIVE BRANCH APPROPRIATION BILL, 1975

Mr. CASEY of Texas. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 14012) making appropriations for the legislative branch for the fiscal year ending June 30, 1975, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate on the bill be limited to not to exceed 1 hour, one-half of the time to be controlled by the gentleman from New Hampshire (Mr. Wyman), and one-half of the time to be controlled by myself.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Texas.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 14012, with Mr. Murphy of New York in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the unanimous-consent agreement, the gentleman from Texas (Mr. Casey) will be recognized for 30 minutes, and the gentleman from New Hampshire (Mr. Wyman) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Texas (Mr. Casey).

Mr. CASEY of Texas. Mr. Chairman, I yield myself such time as I may consume.

Mr. ROUSSELOT. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count.

Mr. ROUSSELOT. Mr. Chairman, I ask unanimous consent that I may be permitted to withdraw my point of order that a quorum is not present.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Texas (Mr. Casey).

Mr. CASEY of Texas. Mr. Chairman, we again bring you the annual appropriation bill for the operation of the legislative branch of Government for the next fiscal year. It includes money for the ongoing functions of the House of Representatives, the various joint committees and activities of the House and Senate, the Office of Technology Assessment, the Architect of the Capitol, the Botanic Garden, the Library of Congress, the Government Printing Office, the General Accounting Office and the Cost Accounting Standards Board.

Conforming to long practice, funds exclusively for operations and activities of the Senate—including two items jurisdictionally under the Architect of the Capitol—are left for decision and insertion by that body.

The report accompanying the bill sets out the various items in the bill as recommended by the committee. The details of the requests are in the printed hearings. I will outline briefly the appropriations recommended and try to explain the basis on which we acted.

However, before providing those explanations I want to express my thanks to the members of the subcommittee who have assisted me so ably during the hearings—Mr. Evans of Colorado, Mr. Giaimo of Connecticut, and Mrs. Green of Oregon. I regret to say this is the last year that this gracious lady is going to be with us, though we wish her well in her retirement. I also want to express my appreciation to the other members of the subcommittee, Mr. Flynt of Georgia, Mr. Roybal of California, Mr. Stokes of Ohio, Mr. Wyman of New Hampshire, Mr. Cederberg of Michigan, Mr. Ruth of North Carolina, and our newest member, Mr. Coughlin of Pennsylvania who is ably filling the spot held for so many years by our good friend, John Rhodes of Arizona, who resigned from the committee upon his election as minority leader of the House.

SUMMARY OF THE BILL

The appropriations recommended in the bill total $603,221,280. The requests considered by the committee totaled $609,099,265. There is, as I am sure all Members will recognize, very little that the committee can do other than recommend appropriations to cover the costs of the pay increases and allowances that are authorized by the Congress. This bill covers the housekeeping expenses of our own branch of Government.

REDUCTIONS

The recommendations of the committee result in a net reduction of $5,877,985 in the total budget requests. This reduction reflects a slower growth rate than proposed for the new Office of Technology Assessment, a reduction in the number of new employees requested for the Library of Congress, and provision for 9 months' funding rather than 12 months' funding for most of the new positions allowed throughout the bill.

INCREASES

The total amount recommended is $66,210,055 above 1974 appropriations, including amounts recommended in the pending second supplemental appropriations bill for 1974. Over 38 percent of this increase, $25,452,805, is to cover the cost of Government-wide pay increases and related costs. And 33 percent of the increase—$21,934,805—is to cover increased workload requirements. The third largest category of increase—17.7 percent—which totals $11,756,800, is to meet the requirement of recent legislation that the General Services Administration be reimbursed for space occupied and services rendered in Federal buildings. The other increases allowed are to cover the cost of equipment and to meet the constant increases in costs of materials and supplies necessary for the day-to-day operations of the Congress and its related agencies as well as the care of its various buildings and grounds.

HOUSE OF REPRESENTATIVES

A total of $173,799,140 is recommended for the operation of the House during the next fiscal year. This is an increase of $11,287,745 over 1974, and is attributable in the main to the cost of the recent pay increases and the space rental charges payable to the General Services Administration for Members' district offices in Federal buildings throughout the country.

JOINT ITEMS

The recommended appropriations for the joint committees and other joint activities funded under this heading total $44,889,840, which is an increase of $8,547,960 over 1974 appropriations. This increase is primarily due to the recommended allowance for reimbursement to the U.S. Postal Service for official mail costs of the Congress. The committee has allowed the requested amount of $38,756,015 which is based on the "equivalent" postage concept. A recent ruling by the Comptroller General concurs that there is authorization for the payment of bills on this basis.

OFFICE OF TECHNOLOGY ASSESSMENT

The sum of $3,500,000 is recommended for the first full-year operation of the new Office of Technology Assessment. An appropriation of $2,000,000 was provided in last year's bill for the 8 remaining months in fiscal year 1974. The request for 1975 was $5,000,000. It was the feeling of the committee that this new agency should not grow at the rapid rate anticipated by the Technology Assessment Board.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. CASEY of Texas. I yield to the gentleman from Iowa.

Mr. GROSS. I thank the gentleman for yielding.

Since the gentleman is on the subject of the Office of Technology Assessment, I did have the opportunity to read in part the hearings on this subject, and I was struck by the fact that up to this point and after 8 months of operation of this committee, it shows no particular results of any kind. I was amazed that this new Office could not come up with some demonstration of accomplishment in the 8 months that it has been in existence. It would be my purpose at the proper time to offer an amendment to cut still more off the allowance of the appropriation of $3½ million by the committee, in the absence of any showing that this Office has accomplished anything.

Mr. CASEY of Texas. As to what they have accomplished, I would say to the gentleman that they have been in existence for only 8 months; that is true. But they have not employed all of their personnel. They plan to contract out much of their work rather than putting on permanent employees, which I think is a wise decision. They only recently had office space, other than a room, assigned to them.

Frankly, we are going to watch them very closely to see if they are showing results. They tell us, as the gentleman knows from reading the hearings that they have had a considerable number of requests from various congressional committees. They have not spent all of their money. They asked for and we have language in this bill permitting the carryover of any balance remaining at the end of the fiscal year from appropriations that they received for fiscal year 1974.

Mr. GROSS. I was impressed with the fact that they got all they asked for because they made it quite plain to the gentleman and his subcommittee that they expect to have the money committed before the end of the fiscal year.

Mr. CASEY of Texas. That is true and most of it will be on a contract basis and the obligations incurred. Of course the work will not be completed this fiscal year. I am sure we must watch them carefully because they will be like all new agencies we create: they will want to grow and spread and make their influence felt.

Mr. GROSS. Of course there is no question about the permanency of this.

Mr. CASEY of Texas. No, I would not think there would be.

Mr. GROSS. I thank the gentleman.

Mr. CASEY of Texas. The gentleman is welcome.

ARCHITECT OF THE CAPITOL

Mr. Chairman, a total appropriation of $23,938,900, including reappropriations of $1,136,700 is recommended for the care and operation of the various Capitol buildings and grounds on the Hill under the jurisdiction of the Architect. As I noted earlier, the House traditionally omits those items directly related to Senate operations, such as the Senate Office Buildings and Garage. The recommendation results in a net reduction of $202,900 below 1974 appropriations due to nonrecurring items in the 1974 act not appearing in the 1975 bill. The net increase over the budget requests for 1975 is due to the reappropriation of funds for projects on which obligations cannot be made before the end of the fiscal year, primarily due to the late passage of the 1974 act which was approved on November 1, 1973.

WEST FRONT PROJECT

There are no major construction funds in the bill. There is no money in the bill for the west front project. Mr. Chairman, as the Members of the House will recall, at the time we were considering the conference report on the 1974 bill last year the $58,000,000 for extension, the $18,000,000 for restoration, and the $15,000,000 for an underground building providing additional House facilities were all struck from the bill. No further action with respect to the project has since been directed by the Commission for Extension of the United States Capitol, which by law is in charge of the project, and accordingly no further action has been taken by the Architect of the Capitol who is required by law to perform his duties in connection with this project under the direction of the Commission.

LIBRARY OF CONGRESS

The Committee recommends a total of $96,478,800 for the Library in fiscal year 1975. This allowance is $9,168,350 above 1974 appropriations and $2,912,300 less than requested. The Librarian proposed 244 new positions. The Committee has allowed 131, of which 72 are for the Congressional Research Service. Fiscal year 1975 is the 4th year of the 5-year program to build up the resources of the Research Service to meet the expanded responsibilities given it by the Legislative Reorganization Act of 1970.

GOVERNMENT PRINTING OFFICE

A total appropriation of $136,214,000, as requested, is recommended for the next fiscal year. This allowance provides $88,136,000 for congressional printing and binding, which is an increase of $24,136,000 over 1974 appropriations and covers both anticipated increases for 1975 and deficiencies in 1974 and 1973 which could not be accurately forecast at the time estimates were prepared for those years. The Public Printer estimated $66,294,000 will be required in 1975 for the CONGRESSIONAL RECORD, hearings, bills, resolutions, the Federal Register, and other congressional printing. This is an increase of $10,152,000 over the present estimate of comparable cost for 1974 and is primarily the result of greater labor costs, as well as paper costs and volume increases. The committee in its report has urged the Joint Committee on Printing and other appropriate agencies and officers of the Congress to review the statutes and programs of distribution of documents with the suggestion that distribution be made on specific request rather than on an automatic basis.

GENERAL ACCOUNTING OFFICE

The Committee has substantially approved the requests of the General Accounting Office in making a total of $121,834,000 available for the continuation and expansion of programs in fiscal year 1975. Additional resources are provided to meet known and projected congressional requests for assistance, to meet workload increases in the area of claims settlement, debt collection, bid protests, and other required legal services as well as Federal election activities assigned to the General Accounting Office. The recommended allowance will also provide for a continuation of the responsibilities in the review of financial systems, transactions, accounts, and reports. A slight increase will be available for reviews of new and expanded Federal programs.

CONCLUSION

I have outlined the highlights of the bill and as I stated at the beginning of these remarks, the various items are explained in more detail in the report as well as in the printed hearings.

Mr. GROSS. Mr. Chairman, will the gentleman yield again?

Mr. CASEY of Texas. Surely.

Mr. GROSS. On this sound, light and fury, whatever it is——

Mr. CASEY of Texas. On what?

Mr. GROSS. The sound, light and fury; does sound and light come under this thing?

Mr. CASEY of Texas. Yes.

Mr GROSS. Are they employing French consultants?

Mr. CASEY of Texas. Yes, they are.

Mr. GROSS. For what reason are they employing French consultants?

Mr. CASEY of Texas. Well, I asked that question and the Architect said these consultants have a particular expertise that we do not have in this country.

Mr. GROSS. We do not have experts on sound and light in this country?

Mr. CASEY of Texas. Not in the sense proposed. I am sure the gentleman is familiar with what we are talking about, or is he? The sound and light programs, as I have seen them in Europe and England, are historical portrayals in which there is only sound and a spotlight on the particular sections of the building used to portray a certain point in history. It calls for the use of the imagination. It is quite effective.

Mr. GROSS. And the French are better at portraying imagination than the Americans, or is that possible?

Mr. CASEY of Texas. Well, I will tell the gentleman that I am inclined to follow the recommendations of the Capitol Historical Society in that regard, rather than go out and seek someone myself.

Mr. GROSS. Is there anything in this bill about the improvement of the Capitol?

Mr. CASEY of Texas. No, sir; as the gentleman will recall from my opening statement, we have nothing for the west front in the bill. The only money in the bill is for maintenance and care of the building.

Incidentally, we have the restoration of the old Supreme Court Chamber and the old Senate Chamber underway, which is being done with funds heretofore appropriated. There is carryover language on those projects, because they cannot complete the work during this fiscal year. The old Supreme Court Chamber is almost completed, except for the lighting and the floor covering. I think it is going to be quite a beautiful Chamber that will be seen by visitors during the Bicentennial celebration.

The restoration of the old Senate Chamber is now underway. It cannot be used at the present time, but when it is completed it can be used by joint conference committees as needed; as will also be true of the Supreme Court Chamber. Both Chambers are primarily a restoration to the condition they were in when used by the Supreme Court and Senate in the 1850's, and will be open to the public.

Mr. GROSS. How about the proposal for installing recorded message devices, slide projectors at various positions in the Capitol Building?

Mr. CASEY of Texas. I do not know whose proposal that was, but I told the Architect that as long as I was in Congress, I was going to oppose any efforts trying to make a penny arcade out of the U.S. Capitol. We can have all the films and slides we need or want in the Visitor's Center and there is no money in this bill for that purpose.

Mr. GROSS. I want to commend the gentleman for his position on that.

Mr. CASEY of Texas. Mr. Chairman, I reserve the balance of my time.

Mr. WYMAN. Mr. Chairman, I do not intend to take much time, except to say that the facts are outlined in the report of the committee now before us. There is not very much in this legislative branch program this time that is controversial.

We had some question about the purpose of the Office of Technology Assessment in terms of whether or not it really needed the $5 million requested or whether its overall mission would be capable of assimilation by staff with a reasonable general contract approach which is contemplated.

However, it is worth taking a chance on, and no better example perhaps can be made than to point out that in the field of energy, the Office of Technology Assessment is going to first take a good, hard look at the potential of making oil and gas from coal. We have coal in long supply in America, and if we could develop a commercially feasible process of making oil from coal, it would go a long way toward attaining that degree of self-sufficiency that has been declared to be a national objective by so many people.

Indeed, somewhere along the line in undertaking the functions and responsibility of the Legislative Appropriations Subcommittee, I believe if it worked a little more closely with the Committee on House Administration in an effort to develop some control over the use of the franking privilege by Members of the House where some Members send not very much out under the frank, but others abide by the admonition of, "Use the frank, use the frank," and send out a very great deal. Where each piece now involves 10 cents for first class mailing reimbursement to the Post Office, anyone who sends out two or three hundred thousand pieces of mail under frank each month, multiplied by 12 months or by 24 months over the period of the two sessions of Congress, it can get to be a very expensive burden on the taxpayer.

Mr. Chairman, I would personally feel that somewhere along the line Congress should come up with an allocation system which would allow x number of thousands of franking units to each Member, to be used as and when he or she wishes, but not the unrestricted use of the frank as at the present time which is frequently abused, and I think in some respects is being used contrary to the public interest.

In addition, there are numerous avenues for saving some funding in the field of joint committees, some of which, both staffwise and functionally, could be eliminated. Also the Government Printing Office has enormous printing costs as the cost of paper in America accelerates. Some of that printing is unnecessary.

No better example, perhaps, can be found than the limitation of the House for 25 cosponsors on a bill which, of necessity, involves tremendous duplication in printing and paper costs. Today there are thousands and tens of thousands of bills, some of which go to several pages—which are printed and laid around on some dusty shelf and eventually are thrown away.

Mr. Chairman, I certainly appreciate the cooperation of the members of the subcommittee, particularly the chairman, the gentleman from Texas. We have had an interesting time and for once, an appropriations bill is on this floor well in advance of the beginning of the fiscal year. I think that if the hearings in other fields could be held as expeditiously as the gentleman from Texas has directed that they be held in this instance, we would be way ahead of the game.

Of interest also in connection with the legislative branch appropriation is the fact that although quite a substantial segment of millions are appropriated for the House for Members' clerk hire, yet a great many Members in this body do not use their allowable clerk hire to the full, and others do not use anywhere near the number of positions that are allowed to them. Thus in the long haul, I do not think it can be said that all of the Members of Congress are simply sitting in the House and feeding at the public trough and passing it on, on a patronage basis, to their friends and staff employees. Most Members are conscientious and prudent in their conduct of so-called staff allowances.

One of the things in the field of clerk hire which needs to be improved upon, is the establishment of some kind of mimimum qualification standard for the legislative assistant. The legislative assistant to a Member of Congress should have to have had some experience in drafting legislation. He should have to have had a degree and some educational and experience qualifications before the money that is made available by this House to a Member for his employment should become available to that Member. Too many legislative assistants, who are assistants for that function which represents the most important responsibility that we have as legislators, are on the staffs of Members without any genuine qualification to be a legislative assistant.

Many have never written a bill, have never drafted a bill. Consequently they send it downstairs to be done by the legislative reference service or the office of legislative counsel. It would be most helpful to say to Members, "All right; you may have $25,000 for a legislative assistant" or whatever the figure might be for the salary, "but, by golly, you have to have a legislative assistant who is a trained and qualified person or you are not entitled to have that salary available to you."

Mr. Chairman, I think this would be a great improvement and would improve the legislative product of the House.

Mr. Chairman, I do not have any further requests for time from any Member.

Mr. GROSS. Will the gentleman yield?

Mr. WYMAN. I yield to the gentleman from Iowa.

Mr. GROSS. Mr. Chairman, I thank the gentleman for yielding. I understand that this total bill is $66,210,000 above the bill covering the 1974 fiscal year. For the House of Representatives it is $11,287,000 more than was appropriated for the House of Representatives in the 1974 fiscal year.

That does not seem to me to be practicing very much austerity, either as to the total bill or as to the House of Representatives.

I am delighted that the bill is here. I commend the gentleman from Texas and the gentleman from New Hampshire for getting the bill in early for the consideration of the House. However, we are not going to whip inflation by continuing to increase appropriations for this purpose in the amounts that are here stated, which are above the spending for the same general purposes last year.

I note that for the Joint Committee on Reduction of Federal Expenditures there is included some $80,000 to continue that committee. I wonder what the Joint Committee on Federal Expenditures is doing about the situation in which we find ourselves today, that of ever-growing Federal debt. Are they supposed to just report on our very sad financial situation in this country or are they supposed to do something about it? Why should we continue this committee at the rate we are going?

Mr. WYMAN. If the gentleman will remember, I said in my remarks earlier that I felt there was opportunity for substantial savings, by doing a little pruning and a little organizing, to prevent overlap in the field of joint committees.

It so happens that the chairman of our Committee on Appropriations is a member of that Joint Committee on the Reduction of Federal Expenditures. I note he is here. He might care to tell you what that joint committee is doing.

Mr. GROSS. Mr. Chairman, I would like to at some time have a little information on what the joint committee is accomplishing in view of what is going on in the country today.

I note, too, that the leadership is well taken care of, apparently, in the matter of automobiles. In fact, there are two provisions in this bill dealing with automobiles.

I do not know that they have reduced the Hondas or anything of that kind, have they?

Mr. WYMAN. Mr. Chairman, the gentleman knows that the House is expanding; the House is growing. We have passed pay increases. There have been increases in mail costs, which are subject to reimbursement to the Postal Service. There have been some staff increases. If Members request, they can have a research assistant at an addition of $20,000 to their base by making a request to the clerk for this. These things have been funded in this bill, and together with pay raises they account for the overage.

Mr. MAHON. Will the gentleman yield?

Mr. WYMAN. I yield to the gentleman from Texas.

Mr. MAHON. Mr. Chairman, I thank the gentleman for yielding. I took note of the reference of the able gentleman from Iowa to the Joint Committee on the Reduction of Federal Expenditures.

This committee was adopted, of course, years ago for the purpose of trying to get an overview of Federal expenditures. It was never possible for this joint committee to make any major stride toward reducing Federal expenditures. Of course, the joint committee does not have any legislative authority.

Everybody knows that Federal expenditures have been skyrocketing, and at the end of the fiscal year for which the latest budget was submitted the debt will have increased by one-third during that 5-year period.

This joint committee, though, I think is well worth the money. There is not really a great deal of money involved, because it has a very able though small staff which provides the only authoritative information available to Members and the press and the public generally as to just what the status of congressional actions on the budget may be.

Until about 6 years ago, it was almost impossible to get agreement as to just what the actual facts were. The House might take one position and the other body another position and the executive branch another position. However, since this committee developed a scorekeeping report it has brought some considerable order out of chaos with respect to just what the facts are.

In my judgment, a valuable contribution is being made by this Committee. I think the merits of their undertakings have been especially visible to those Members of the House and Senate who have been trying to hammer out a viable budget control bill. The scorekeeping report, issued on a regular basis by the joint committee, represents the only comprehensive accounting of congressional actions and inactions affecting the Federal budget. This is a complicated task which requires the monitoring of numerous legislative and appropriations measures. The report is completely objective and has gained widespread acceptance in Congress and in and out of Government generally. It is essential that we have some official yardstick with which to measure the many unrelated actions of Congress which impact on the budget.

So I believe this committee is certainly worthwhile; indeed essential. When the new budget control machinery is set up it may be that this group could be merged into another organization but I believe that the essential nature of its work is well recognized.

Mr. WYMAN. I wonder, could the gentleman inform us did the joint committee on the elimination of nonessential expenditures ever undertake to list any expenditures that are nonessential?

Mr. MAHON. There is no effort made to do this. Long ago it was established that the members of this joint committee were to be members of the Committee on Ways and Means and the Committee on Appropriations. Those committees to which the members of the joint committee belong are the committees which have the responsibility because, as I stated earlier, the joint committee has no legislative authority. The very limited staff of the joint committee has largely confined its acivities to providing factual information to the Congress and to the public with respect to action on the budget.

Mr. GROSS. Will the gentleman from New Hampshire yield that I might ask the distinguished gentleman from Texas a question?

Mr. WYMAN. I yield.

Mr. GROSS. The gentleman says that this joint committee provides much valuable information. What happens to that information?

Mr. MAHON. The information is circulated to Members and is used by their staffs and is frequently quoted in business publications and by the press.

Mr. GROSS. But does anyone every pay any attention to it?

Mr. MAHON. I think the work of the joint committee is well received insofar as its information services are concerned. As I indicated there is no effort made to actually cut spending. This is beyond the scope of this organization.

As the gentleman from Iowa well knows, there is the constant tendency on the part of the Federal Government to project itself into the life of the citizen every hour of every day. As long as we have that kind of an atmosphere in this country there seems to be no way to reduce expenditures.

Mr. GROSS. Will the gentleman yield further?

Mr. WYMAN. I yield.

Mr. GROSS. That is one of the reasons why I have to look with something of a jaundiced eye on the creation of a new Office of Technology Assessment, whatever that means. Here we go adding another one to the list, and altogether it seems to me we have too many committees of one kind or another that are not doing us very much good. Either we are not capitalizing on their services or else they are not in the business of doing much for us one way or the other. I think it is about time somebody shook out these various commissions and committees that we have created that seem to be doing us no good, get rid of them, and get rid of that bill of expense.

I thank my friend from New Hampshire for yielding.

Mr. WYMAN. With respect to what the gentleman just said, there are two things I should say at this time.

As the report shows at page 12:

> The Congressional Office of Technology Assessment was created by Public Law 92-484 to equip the Congress with new and effective means for securing competent, unbiased information concerning the physical, biological, economic, social, and political effects of technological applications; * * *

For example, if we are going to try to make oil out of coal, what will this do to the country in those sections that produce coal? What about strip mines? How will this affect the country?

Then it continues:

> * * * and to serve as an aid in the legislative assessment of matters pending before the Congress, particularly in those instances where the Federal Government may be called upon to consider support for, or management or regulation of, technological applications.

What is being done here is very obvious, which is that a legislative branch adjunct has been set up here so the legislative branch can have a look at these things, and to have a report to it from a group that the legislative branch believes in and trusts as it feels that the executive branch has been less than candid, or has given them less than a full disclosure when it comes to giving us information.

This particular office, the Office of Technology Assessment, is going to be a help in a very complicated and substantially important field. We on the subcommittee feel that this is worth trying to see if it will produce meaningful assistance to the Congress and consequently to the national effort.

Mr. GROSS. Mr. Chairman, if the gentleman will yield, but, this is so broadgage, it goes into everything, even into the social aspects of the environment, economic, social, and political effects of, I should say, technology. We are creating something of a pretty good-sized monster, it seems to me, that is going to go into all of these fields, and they will develop expertise in all of these fields.

Mr. WYMAN. If the gentleman from Iowa would turn to page 863 of the committee hearings there appears some of many Congressional requests for technology assessments from members and committees, by subject.

They are set forth in detail on that and succeeding pages. Again, if the gentleman from Iowa will remember, a few years back the Senator from Delaware asked that a study be made to find out how many existing agencies, boards, commissions and what-not are duplicative, and have overlapping functions. I think they came up with something like 1250, but they were not sure that that list of 1250 represented all of them.

The fact of the matter is that apparently no one person in this great Government of ours has knowledge of the exact number and variety of agencies and boards and commissions that exist today. This is regrettable.

I think the gentleman's question was well put when the gentleman asked what the Joint Committee, on reducing the number of nonessential expenditures, and other committees were doing to try to get rid of or to reorganize the Government of this country so as to eliminate certain unneeded bureaucratic establishments. I hope that some day we will have another reorganization of the Government similar to that the Congress enacted in 1946, during the 80th Congress.

Mr. Chairman, I have no further requests for time.

Ms. ABZUG. Mr. Chairman, as the House today considers passage of H.R. 14012, legislative branch appropriations for the fiscal year 1975, there are some disturbing facts my colleagues should know regarding the discriminatory hiring and promotion practices of those agencies we are funding.

This bill asks our approval of appropriations totalling $603,221,280. Discounting funds appropriated for the House of Representatives, a majority of this money will be used to operate the General Accounting Office, the Government Printing Office, and the Library of Congress. However, each of these agencies have been charged with sex or racial discrimination and lawsuits have been filed which, if successful, could cost the taxpayers millions of dollars.

Ten years after this Congress has committed itself to Equal Employment Opportunity, some Federal agencies in our own branch of the Government still have not fully realized that commitment.

Mr. Chairman, some facts are in order. As of November 21, 1973, 38.7 percent of all the fulltime employees at the Library of Congress are black. However, 72 percent of them are at the low civil service GS 1-4 level. Only 7.2 percent are at the high GS 16-18 level.

For grades GS-11 and above:

Blacks comprise 8.9 percent of the total employees at the Library of Congress. This overall figure breaks down as follows—

Seven and one-half percent of the Office of the Librarian positions; 6.8 percent of the Law Library positions; 12.2 percent of the administrative positions; 6.5 percent of the reference positions; 9 percent of the Copyright Office positions; 4.5 percent of the Congressional Research Service positions.

Overall, therefore, only 124 of the 1,392 employees at GS-11 and above are black. And the Spanish surnamed comprise only 1 percent of these employees; Orientals, 5.7 percent; and American Indians, 0.1 percent.

In a statement before the House Committee on Education and Labor, Howard Cook, Executive Director of the Black Employees of the Library of Congress cited individual cases of sex and racial discrimination.

One black woman who had worked at the Library for 27 years started receiving verbal reprimands and vague memos about her performance. A month later she was told she would not be getting her within-grade increase. While her appeal on that matter was still pending she was informed she was being demoted from GS-9 to GS-6 and transferred to a different division. Her appeal was successful but the story is an example of the harassment and intimidation employees suffer.

Then there was Mrs. Chandler who was given a 60-day warning and then separation action was taken the very next day. Mrs. Chandler is an outspoken advocate of employee rights. She was fired but a hearing was ordered and the examiner suggested reinstating Mrs. Chandler but the Library refused to do so.

Ms. Barbara Ringer, Assistant Registrar of the Copyright Office, lost a promotion to an obviously less qualified man. Ms. Ringer was a star witness at American Library Association hearings on discrimination at the Library of Congress. And, she had declared that if she had gotten her new job she would have set forth an enhanced policy of minority hiring.

Mr. Chairman, there have been four separate in-house hearings and four separate examiners on the Library's hiring practices, all have come to the same conclusion: discrimination exists.

Finally, a court suit was initiated on behalf of some 1,500 black employees at the Library of Congress. The suit asks for $15 million. That is $15 million, Mr. Speaker, the taxpayers of this country may have to pay because of foolish and irresponsible actions by an agency which depends on this House for the funds to continue in operation. We cannot and should not allow these agencies to amass a liability of that magnitude because of a lack of commitment or lack of effort.

As for the Government Accounting Office, my colleagues may find it interesting to note that, as of February 1974:

Of all GAO employees, 72.1 percent were in grades GS-9 or above; 82 percent of all whites were in these grades; 12.5 percent blacks were in these grades; 21.3 percent of women were in them.

There are 16 divisions in the Washington office of GAO.

Sixty-six percent of the blacks working there are assigned to only two divisions: Those are Transportation and Claims and Office of Administrative Planning; 50.3 percent of women were in these two divisions.

There are four suits pending in Federal courts against the GAO on racial and sex discrimination.

By the end of May 1974, a class action suit will be filed in Washington District Court against the Government Printing Office.

Five women in the book binding division are alleging sex discrimination in pay scales. Calling men in this division "book binders," and the women "bindery workers," although they often do the same job, the GPO has seen fit to pay the women much less. What if when this suit runs its course these women are awarded the wages they were denied under a discriminatory pay structure? The result will be that Congress will suffer the embarrassment of having appropriated money to carry out such injustices.

Mr. Chairman, may I conclude by saying that, even though the GAO, GPO, and the Library of Congress serve very necessary functions in the legislative branch and deserve appropriations from this

House, we should all recognize that they have a long way to go in fulfilling their commitment to end race and sex discrimination.

Mr. CASEY of Texas. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. The Clerk will read.

The Clerk proceeded to read the bill.

Mr. CASEY of Texas (during the reading). Mr. Chairman, I ask unanimous consent that the bill be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the gentleman from Texas?

There was no objection.

AMENDMENT OFFERED BY MR. YATES

Mr. YATES. Mr. Chairman, I offer an amendment.

(The portion of the bill to which the amendment relates is as follows:)

GENERAL ACCOUNTING OFFICE

SALARIES AND EXPENSES

For necessary expenses of the General Accounting Office, including not to exceed $4,000 to be expended on the certification of the Comptroller General of the United States in connection with special studies of governmental financial practices and procedures; services as authorized by 5 U.S.C. 3109 but at rates for individuals not to exceed the per diem rate equivalent to the rate for grade GS-18; hire of one passenger motor vehicle; advance payments in foreign countries notwithstanding section 3648, Revised Statutes as amended (31 U.S.C. 529); benefits comparable to those payable under section 911(9), 911(11), and 942(a) of the Foreign Service Act of 1946, as amended (22 U.S.C. 1136(9), 1136 (11), and 1157(a), respectively); and under regulations prescribed by the Comptroller General of the United States, rental of living quarters in foreign countries and travel benefits comparable with those which are now or hereafter may be granted single employees of the Agency for International Development, including single Foreign Service personnel assigned to A.I.D. projects, by the Administrator of the Agency for International Development—or his designee—under the authority of section 636(b) of the Foreign Assistance Act of 1961 (Public Law 87-195, 22 U.S.C. 2396(b)), $121,834,000: *Provided*, That this appropriation and appropriations for administrative expenses of any other department or agency which is a member of the Joint Financial Management Improvement Program (JFMIP) shall be available to finance an appropriate share of JFMIP costs as determined by the JFMIP, including but not limited to the salary of the Executive Secretary and secretarial support: *Provided further*, That this appropriation and appropriations for administrative expenses of any other department or agency which is a member of the National Intergovernmental Audit Forum shall be available to finance an appropriate share of Forum costs as determined by the Forum, including necessary travel expenses of non-Federal participants. Payments hereunder to either the Forum or the JFMIP may be credited as reimbursements to any appropriation from which costs involved are initially financed.

The Clerk read as follows:

Amendment offered by Mr. YATES: Page 27, line 17, after the colon and before the word "*Provided*", insert the following:

Provided, That this appropriation shall be available for a study by the General Accounting Office of the means for establishing within the various Federal agencies dealing with energy matters a system of procedures for investigating, collecting and evaluating timely data relating to the location, quantity, quality, probable cost and difficulty of extraction and such other information as will enable such agencies to exercise an independent judgment in connection with the sale, leasing or other disposal of Federally owned petroleum resources.

Mr. GROSS. Mr. Chairman, I reserve a point of order on the amendment.

Mr. YATES. Mr. Chairman, everybody knows that the Government energy agencies depend upon the oil companies for their information about the oil industry respecting critical data that is necessary in connection with the leasing of Government tracts. Everybody says, "Isn't it too bad that the Government has to depend upon the oil industry for its information about oil reserves and the resources of the United States?"

Up to the present time, Mr. Chairman, nothing has been done about it. My amendment proposes that something should be done about it. It says, let the GAO, which is the General Accounting Office, the arm of Congress, an independent agency, do something about it. Let the General Accounting Office make a study, a study of what ought to be done to provide the Government and the American people with information about all the conditions pertaining to the oil reserves in this country.

We have said that we do not want to depend upon foreign sources for our energy. We propose to make ourselves independent. Why should not our agencies also be independent? Why should they have to depend upon the oil companies and the American Petroleum Institute for their information respecting the essential data on Government-owned land underneath the ocean?

My amendment proposes to declare this kind of independence. We are now engaged upon a tremendous leasing program of the people's oil resources on land, under the ocean, and in oil shale. Does it not make sense for the Government of the United States to have available all the information that is necessary to permit its officials to know about the value of those resources so that they can demand proper remuneration in connection with its leasing programs?

Mr. WYMAN. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield to the gentleman from New Hampshire.

Mr. WYMAN. I thank the gentleman for yielding.

I should like to ask two things. Did we not pass legislation in this House quite recently which required that the oil companies disclose information in a mandatory disclosure package?

Mr. YATES. May I say to the gentleman we passed it, and the President vetoed it.

Mr. WYMAN. If the gentleman will yield further, the gentleman is seeking to accomplish this by this amendment to this appropriation bill?

Mr. YATES. What I am seeking to do is to provide ways and means for the agencies of Government to obtain the information that they need in order to properly carry out the leasing program. What I am seeking to do is have the General Accounting Office establish a system of procedures which will enable the agencies of Government to do that.

Mr. WYMAN. If the gentleman will yield further, is the gentleman's amendment irrelevant to the statement, for example, that Mr. Simon has made that on a voluntary basis at the present time adequate information necessary for him to conduct his role as Energy Czar is coming in to him from the oil companies?

Mr. YATES. It is coming in to him from the oil companies? If Mr. Simon has said that—and I assume he has if the gentleman says so—I still think that is insufficient. I would just as soon that the Government of the United States rely not upon the oil companies for its information but upon its own independent sources.

Mr. WYMAN. Information concerning reserves and estimates of what is in the ground comes from seismic studies, geological surveys, and numerous technical applications that often exceedingly reflect confidential information in a competitive field.

Mr. YATES. The gentleman is right. That is not provided by the oil companies. They provide the information they wish to provide, and the Government does not have the information that it needs, for example, to know whether the bids that the oil companies are making in connection with the leasing program are adequate.

Mr. WYMAN. Would the gentleman's amendment require the oil companies to disclose to the Government what they think is under designated parts of the ocean up for bid?

Mr. YATES. No. My amendment does no such thing. My amendment would require the General Accounting Office to initiate or to establish a system of procedures for energy agencies to follow in order to obtain the information that they need in order to undertake the leasing program. It does not make the requirement on the oil companies at all.

Mr. GROSS. Mr. Chairman, if the gentleman will yield, I understand that the Interstate and Foreign Commerce Committee is now working rather long hours to bring out another energy bill Would not the gentleman's amendment be properly offered to that bill, which I am told will be on the floor of the House after the Easter recess?

Mr. YATES. I will tell the gentleman it is quite possible it might be offered to that bill, but if we get into the same situation of trying to pass this energy bill as we did on the last energy bill, there may not be an energy bill. I do not consider this to be legislation because I understand it to be the function of the General Accounting Office to provide procedures which will make operation of Government agencies more economical, and I consider my amendment is doing that.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. YATES was allowed to proceed for 2 additional minutes.)

Mr. CASEY of Texas. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield to the gentleman from Texas.

Mr. CASEY of Texas. Mr. Chairman, the gentleman serves on the Interior Committee and I understand it is working on a procedure to have the General Accounting Office do just this.

Mr. YATES. If it is, I am not aware of it.

Mr. CASEY of Texas. I am advised that is just exactly what they are doing. They are calling on private industry themselves to work out the regulations and private industry in turn has been getting most of their information from the Interior Department as far as federally owned resources are concerned.

Mr. YATES. There are two types of information. The private companies obtain broad general information from the Department. The best example of the fact that the agencies do not know what lies in the Government-owned resources is the great discrepancy in the bids that have taken place. The Department's expectation of what the bids were going to provide was something like 300 percent less than was actually provided.

Mr. CASEY of Texas. Yes.

Mr. YATES. So the point of my amendment is to make sure the Government knows enough to act sensibly with adequate information.

Mr. CASEY of Texas. That is exactly why I am told the Interior Committee is working these procedures up right now that they are going to put into effect on what they consider open leasing, so that they can get the information. All the drilling information and so forth will be public information.

Mr. YATES. Assuming the gentleman is correct, I would just as soon have those agencies work with the General Accounting Office in perfecting such procedures. That is why my amendment is particularly appropriate.

Mr. CASEY of Texas. But is is with respect to Federal lands and Federal resources.

Mr. YATES. It proposes only a system of procedures to provide for the Government agency having a more economic and efficient system for carrying out those leasing programs.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

(By unanimous consent, Mr. YATES was allowed to proceed for 2 additional minutes.)

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield to the distinguished chairman of the Appropriations Committee.

Mr. MAHON. Mr. Chairman, is it not true that the gentleman is objecting to getting information from the oil companies which he feels might not be adequate? Well, the Department of Commerce and the Department of the Interior have adequate facilities to get the information that is desired.

It seems to me to be most unfortunate for the gentleman to submit this amendment—which is apparently subject to a point of order—to an appropriations bill when other committees of the Congress are working on matters involving the proper assessment of the energy situation.

Mr. YATES. How are we taking over the jurisdiction of any other committee? This amendment seeks to have the General Accounting Office establish a system of procedures for Federal agencies to follow. That is not taking over the jurisdiction of any other committee.

The Appropriations Committee frequently calls upon the General Accounting Office to make studies of appropriations of the departments. This is not an invasion of the jurisdiction of any legislative committee. The gentleman from Texas does it himself. He asks help from the General Accounting Office to see what the activities of the executive agencies are. And all this amendment seeks to do is establish a system of procedures for the executive agencies before they get into trouble.

Mr. MAHON. Well, it provides for evaluating data relating to location, quality and quantity, and public cost and difficulty of extraction, and such other information as will enable agencies to exercise proper judgment. This seems to me to be completely outside the scope of appropriations for the legislative branch.

Mr. YATES. On the contrary, this is an appropriation bill from the General Accounting Office.

POINT OF ORDER

The CHAIRMAN. Does the gentleman from Iowa press the point of order?

Mr. GROSS. Yes. I make a point of order against the amendment on the ground it is legislation on an appropriation bill and places additional obligations on the Office of Comptroller General.

The CHAIRMAN. Does the gentleman from Illinois wish to reply to the point of order?

Mr. YATES. Mr. Chairman, I do not think the point of order is supported under title XXXI, section 53-a of the statutes. It is specifically set out in there that the General Accounting Office has the power to make any investigations it may wish to make concerning the expenditure of public funds. It seems to me that my amendment relates specifically to the question of investigations of preparing a system of procedures which will provide for a more economic and efficient operation of the energy agencies and is, therefore, fully within the jurisdiction of the General Accounting Office.

Mr. Chairman, I also call attention of the Chair to section B that says that such investigations may be ordered by the Congress and such an investigation can be ordered by this House of Representatives under that section if the committee votes for it. Therefore, it is within the jurisdiction of this committee to vote for such an action by the General Accounting Office.

The CHAIRMAN. The Chair has examined section 53 of title 31, United States Code, which the gentleman quoted in his argument. Section 53 does state a very broad investigatory authority for the Comptroller General.

The gentleman's argument goes to a specific mandate and under section 1442, volume VII, of the precedents the proposition to establish affirmative directions for an executive officer constitutes legislation and is not in order on a general appropriations bill.

With respect to the second argument of the gentleman, the Chair would state it might be appropriate for Congress to direct this type of study, but not in an appropriation bill.

Therefore, the Chair must sustain the point of order.

Mr. YATES. Before the Chair rules, may I call attention of the Chair to the inapplicability of the section that relates to the General Accounting Office.

The CHAIRMAN. The principle laid down by the precedent relates to any agency where the head is acting in an executive capacity.

Mr. YATES. I respectfully suggest to the Chair before it makes the ruling, it is not that kind of agency. It is not engaged in that kind of executive action.

The CHAIRMAN. The Chair did take into account the gentleman's argument. Therefore, the Chair sustains the point of order.

AMENDMENT OFFERED BY MR. GROSS

Mr. GROSS. Mr. Chairman, I offer an amendment.

(The portion of the bill to which the amendment relates reads as follows:)

OFFICE OF TECHNOLOGY ASSESSMENT

SALARIES AND EXPENSES

For salaries and expenses necessary to carry out the provisions of the Technology Assessment Act of 1972 (Public Law 92-484), $3,500,000, to remain available until expended: *Provided*, That funds remaining unobligated as of June 30, 1974, shall be merged with and also be available for the general purposes of this appropriation.

The Clerk read as follows:

Amendment offered by Mr. GROSS: On page 14, line 5, strike out "$3,500,000" and insert "$2,000,000".

Mr. GROSS. Mr. Chairman, I will be very brief. This simply is an amendment that attempts to cut another million and a half dollars off the committee appropriation for the Office of Technology Assessment.

What business this new Office of Technology Assessment has up to date is apparently something they have gone out and solicited to try to justify the $2,000,000 it got from this committee for this fiscal year.

For instance, the hearings show that they apparently solicited the Senate Committee on Agriculture and Forestry and the House Committee on Foreign Affairs for business. On the subject of food, one item is agricultural information system. I do not know why in the world the Agriculture Department cannot provide all the agricultural information anyone can possibly use.

Another item is food technology, whatever that means. I should think that we already have agencies of the Government that can provide anyone interested with all the information they could possibly need on that subject.

Then the energy situation, solar energy, photothermal collector cells, relating power satellites and so forth and so on. We authorized a brandnew office and several million dollars only recently for an investigation of the solar energy business, energy conservation, and there is also nuclear safety. Surely the Committee on Science and Astronautics and Atomic Energy can provide all kinds of information on nuclear safety.

The Senate Committee on Appropriations and the Subcommittee on Transportation were apparently solicited for business. One of the subjects is automation in federally supported urban transit projects—why go to the Office of Technology Assessment which has no record of accomplishment to find out about automation in a federally supported urban transit project. They can go over to Morgantown, W. Va., where they have spent millions of dollars on just such a project. I am sure the House Committee on Interstate and Foreign Commerce can give them all kinds of information on that subject.

This same Senate committee wants information on the upgrading of railroad tracks. The Office of Technology Assessment, is totally incompetent at this time to provide anyone with information on the upgrading of railroad tracks?

My friend, the chairman of the House Committee on Foreign Affairs, Dr. Morgan, apparently was solicited, and it appears he asked for the Technology of Fertility Regulation. The good doctor could take care of that subject for the benefit of the House Foreign Affairs Committee, without any help from the Office of Technology Assessment, which has been in business only a few months.

Mr. DAVIS of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. GROSS. Mr. Chairman, I am delighted to yield to the gentleman from Wisconsin.

Mr. DAVIS of Wisconsin. Mr. Chairman, I just want to confine my comments to a matter over which I have personal knowledge, and that is with respect to the solar energy situation. I do know from my committee work that NASA and the National Science Foundation and the Atomic Energy Commission are all spending millions of dollars in this particular area. I doubt whether any office that we might set up here would be able to contribute much to that amount.

Mr. GROSS. Mr. Chairman, I thank the gentleman very much.

Mr. WYMAN. Mr. Chairman, will the gentleman yield?

Mr. GROSS. Mr. Chairman, I yield to the gentleman from New Hampshire.

Mr. WYMAN. Mr. Chairman, perhaps the gentleman's understanding of the realities of the existence of this agency will be clearer if he realizes the principal witness who supported it was the junior Senator from Massachusetts.

Mr. GROSS. Mr. Chairman, I thank the gentleman but I am not interested in who is supporting it, who heads it, the board of directors or advisers or anything else. I am interested in putting a stop to the millions upon millions of dollars that are being spent in this Government today by way of duplication of information.

Mr. WYMAN. Mr. Chairman, I could not agree with the gentleman more.

Mr. CASEY of Texas. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I must say for the benefit of the Members of the House that if it were not for our beloved colleague, the gentleman from Iowa (Mr. Gross), this country would be in much worse shape today than it is. I will say to the gentleman that I and many of us—in fact, all of us—will sorely miss him next year, because, as we can tell from the number of Members here on the floor of the House, this bill very seldom attracts any attention. Everyone says, "It is just a legislative appropriation bill. Let it go."

However, the gentleman from Iowa always puts his finger on tender spots, shall we say, in the appropriation bill, and not only in this bill but in all appropriation bills, in an attempt to try to bring fiscal sanity to this country.

Mr. Chairman, I will say for the benefit of the gentleman from Iowa that the items he listed were requested by congressional committees and those requests have been received by the Office of Technology Assessment. That does not mean they are going to make all those studies, so they told us, and I assure the gentleman we are not going to give them enough money to take all those requests on, because I do not think there is that much money around to cover all the items the gentleman listed.

Also I will say for the benefit of the gentleman from Iowa that the Congress, both this House and the Senate, created the Office of Technology Assessment, and there was debate concerning it. I know the gentleman was opposed to the creation of the agency when it was considered on the floor of the House, and the gentleman very ably opposed it. Nevertheless, the House and the Congress, in its wisdom or in its lack of wisdom, whichever one wishes to choose, did create the agency. It is up to this committee to bring forth food for the "baby" that the House and the Congress created.

The gentleman thinks we are offering them too much this year. However, I think, by cutting their request down by a million and a half, we have put it in perspective. I do not say that some of the money will not be wasted. In fact, we cannot say that about any money that is in this bill for any of these various functions. This would be true of any appropriation bill we bring to the floor of the House.

Mr. Chairman, my colleague on the other side recites that the additional money for 1975 was supported by the senior Senator from Massachusetts. I do not have anything to do with the various Senators.

Our very distinguished Member of the House from the State of Ohio will probably be Chairman of the Technology Assessment Board next year, and he was right there in the subcommittee room with the Senator, urging that we appropriate this money.

I think they were acting in all sincerity.

So, Mr. Chairman, I do not think the gentleman should let personalities enter into this at all.

Mr. WYMAN. Mr. Chairman, will the gentleman yield?

Mr. CASEY of Texas. I yield to the gentleman from New Hampshire.

Mr. WYMAN. Mr. Chairman, I offered the comment, not in the spirit of getting into personalities at all. The senior Senator from Massachusetts has long been a champion of this particular organization. There was considerable debate and considerable background material in the Record that tends to show that many people have taken kindly to it, because this appeals to them.

In addition to that, he has solicited most of the Members of the House and many of the committees for recommendations as to how the capabilities of OTA could be put to good use for the House. This is simply a fact, and has stimulated interest in and support for OTA.

Mr. CASEY of Texas. Mr. Chairman, I am glad the gentleman agrees with me that the Chairman of the Board is sincere in trying to make the Office of Technology Assessment work and be responsive to the Congress and perform the functions for which it was created.

Mr. WYMAN. Mr. Chairman, I did not intend to imply that he was not. I simply assigned that as a reason for some of the support for this bill that would not have existed without it.

Mr. CASEY of Texas. It has good support. I think it has good support from both the House and the Senate.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. CASEY of Texas. I yield to the gentleman from Iowa.

Mr. GROSS. Mr. Chairman, I want to thank the gentleman from Texas for his kind personal remarks. I will say to the gentleman that it was upon reading the record of the hearings, and from his close questioning, as well as that of others, including the gentlewoman from Oregon (Mrs. Green), and the close questioning of other members of the subcommittee, and the apparent doubts that they had concerning the accomplishments of this Office of Technology Assessment, that led me to offer the amendment to cut them back to the same amount of money that they had last year. It was because of that that I offered the amendment, I will say to the gentleman from Texas.

Mr. CASEY of Texas. Mr. Chairman, I will say to the gentleman that when he offers this amendment to the bill, of course, I do not want to accept it or want it to be approved. But I will say to the gentleman that he does place this particular agency on notice that they are not free to do what they please nor should they expect all the money they might request.

I can assure the gentleman that this committee is going to watch them closely, and if they do not show some progress next year, our subcommittee is going to be pretty critical and will consider their next year's appropriation requests very carefully.

Mr. BOLAND. Will the gentleman yield?

Mr. CASEY of Texas. I yield to the gentleman.

Mr. BOLAND. As I read the report on page 12 with respect to the Office of Technology Assessment, it was set up in the 92d Congress—

> to equip the Congress with new and effective means for securing competent, unbiased information concerning the physical, biological, economic, social, and political effects of technological applications;

In my judgment, I think this is very important information for the Congress to have.

I may say to the gentleman from New Hampshire and to my distinguished friend from Iowa that today the subcommittee I chair considered the energy-related projects and research efforts of the National Science Foundation and the National Aeronautics and Space Administration and in that interrelated package there are a great number of programs that Members of Congress find terribly difficult to understand. The NASA request in the energy-related appropriation bill, which we will get perhaps a week after we come back from the recess, runs about $4.5 million.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. CASEY of Texas was allowed to proceed for 2 additional minutes.)

Mr. CASEY of Texas. I yield to the gentleman from Massachusetts.

Mr. BOLAND. Mr. Chairman, the request of the National Science Foundation is for $101 million, with all of it spread over new technology, which is difficult for Members to understand. There is an absolute responsibility on the part of those of us in this body to understand what we are appropriating for and what we are authorizing at the very start. I think we can get a better handle on the problems and projects and that we will have a better knowledge of the direction in which we ought to go. This is not to say we are not spending too much money in this area; we probably are in many areas. The money being spent on the Office of Technology Assessment is spread throughout this Government and not alone in NASA or the National Science Foundation but in very many areas. From the point of view of a number of Members of this body, it is a terribly important office, and I hope we will keep the money for it in this budget.

Mr. CASEY of Texas. I appreciate the gentleman's statement.

Mr. Chairman, I hope the House will vote this amendment down and approve the committee's recommendation. We have already cut $1.5 million out of the request, and I assure the House we will keep a very close watch on this agency and if they do not produce, they will not get the money another year.

Mr. WYMAN. Mr. Chairman, I rise in opposition to the amendment and make this observation to the gentleman from Iowa: $2 million is not enough here. When OTA was funded at $2 million last time it was quite late in the year. They requested $5 million this time, and we funded them at $3.5 million. In the course of the discussion on that $3.5 million we took note of the fact that it is likely when it gets over in the other body it will be increased and we will end up in conference with somewhere between $3.5 million and $4 million, perhaps $4 million; but to do the job of which the gentleman from Massachusetts just spoke, namely, to make the contractual obligations and to undertake the assessments in any kind of a meaningful way for the legislative branch, if it is going to have this body in existence—and we have voted to create it—we must give it a chance to live and to do the job. $3.5 million is the bare minimum if it is to be given that chance in this fiscal year, so those who are here next year can look at it again at that time. The figure, though, should not be reduced at this time, with all due respect to the gentleman from Iowa.

Mr. GROSS. Will the gentleman yield?

Mr. WYMAN. I yield to the gentleman from Iowa.

Mr. GROSS. I have the members of this subcommittee in mind. I admire all of them, and I am trying to provide a service in their behalf when they go to conference and give them a low figure to go to conference with. Then perhaps they will compromise a little; they usually do. So I was trying to do you and your colleagues on the committee a favor.

Mr. WYMAN. I appreciate that.

Mr. BROWN of California. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I had not intended to speak on this matter, but I note that I think I am the only one here who was on the Committee on Science and Astronautics at the time this bill was developed.

I thought I should say a word on its behalf, if I may.

It has been noted that the current chairman of the Office of Technology Assessment, or board, is the Senator from Massachusetts. It has also been pointed out that next year that chairman will be our distinguished colleague, the gentleman from Texas (Mr. TEAGUE) and any fear we might have with regard to the pernicious influence the Senator from Massachusetts might have would be allayed by contemplating the chairman for the next year.

Without regard to the chairmanship of the board, or office, or commission, I think all of us should be aware of the fact that this is one of the few bodies in Congress that is absolutely bipartisan in its makeup. It is composed of six Members from the majority party and six Members from the minority party, all distinguished Members, and they are, I think, well capable of policing the expenditures made by this office or board.

The thing I am particularly concerned about is that what seems to me to be a lack of awareness of the importance of the task that we have entrusted to this body. Those Members who have been here for a considerable period of time, much longer than I, will remember and will recall that this body has always had difficulty in anticipating the consequences of some of the things that we do, and some of the developments that take place in our society.

Back in the late 1930's is one example, and one that has been since frequently cited, which was an agency called the National Planning Board, and one of its functions was to anticipate the course of events in this country, and try to develop plans to correct that which they had anticipated.

The word "planning" then, and to some extent still today, is considered a nasty word, not fit in a free society. And as a consequence we have reaped most of the ill effects from our failure to do an adequate job on anticipating things that plague this society.

The particular reference I want to make was to the study that was made, and this was a technology assessment study made 40 years ago which studied the industrialization of agriculture and predicted that with the mechanical cotton reaper and various other things being developed, that we would have a massive displacement of poor farmworkers who would come to the northern cities and might create some problems for us.

Just a year or so ago we finally recognized possibly the only way to have prevented that problem was to have concentrated on the development of our rural communities, and we passed the Rural Development Act. That Rural Development Act should have been passed 40 years ago, which would have made it possible to develop means to provide facilities which would have kept the poor farmworkers in the rural areas instead of bringing them to New York, Los Angeles, and Chicago, where they have created many of the social problems which exist at the present time, and which have existed over the past generation.

Another example which I might cite is the fact that we have allowed our systems of mass transit over the last couple of generations to deteriorate in favor of the automobile. A technology assessment study would have told us that in southern California we should not have gotten rid of the red cars, the mass transit system that we had almost from the turn of the century on. We have ruined southern California with freeways and automobiles over the last 70, 60, or 50 years, whatever period of time one would like to take. A technology assessment study that did a little bit of forward looking would have anticipated some of these problems.

These are merely minor examples of the kind of things which I know the members of the Committee on Science and Astronautics had in mind when they originated this Office of Technology Assessment.

We want to look into the future to see the kind of problems we create by what we do today, by what is happening in this society today. We want every committee of this Congress to be able to call upon this office for this kind of forward looking which may help us to avoid some of these problems in the future.

When one talks of $3.5 million for this sort of assistance, that is a picayune figure when we can save $3.5 billion per year by using the proper kind of insight into what is going to happen.

The CHAIRMAN. The time of the gentleman has expired.

The question is on the amendment offered by the gentleman from Iowa (Mr. offered by the gentleman from Iowa (Mr. GROSS).

The amendment was rejected.

AMENDMENT OFFERED BY MR. YATES

Mr. YATES. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. YATES: Page 27, line 17, after the colon and before the word "*Provided*", insert the following:

Provided, That part of this appropriation may be available for an investigation by the General Accounting Office of the accounts of the various Federal agencies dealing with energy matters for the purpose of establishing a system for procedures for investigating, collecting and evaluating timely data relating to the location, quantity, quality, probable cost of and difficulty of extraction and such other information as will enable such agencies to exercise an independent judgment in correction with the sale, leaving as other disposal of Federally owned petroleum resources.

Mr. GROSS. Mr. Chairman, I reserve a point of order on the amendment.

Mr. YATES. Mr. Chairman, I will not make my argument until we have disposed of the point of order. I should like to hear the gentleman's point of order.

The CHAIRMAN. Does the gentleman from Iowa wish to press his point of order?

Mr. GROSS. Yes, Mr. Chairman.

The CHAIRMAN. The gentleman will state it.

POINT OF ORDER

Mr. GROSS. Mr. Chairman, I make the same point of order against the amendment: that it is legislation on an appropriation bill and imposes new duties upon the General Accounting Office and the Comptroller General not contemplated by law and not authorized by law.

Mr. YATES. Mr. Chairman, if I may respond, this amendment is totally different in form from the amendment I offered previously. This amendment provides that a part of the appropriation may be available to the General Accounting Office for the purpose that is specified there. It does not require any affirmative action on the part of any member of the executive branch or of any executive agency, and is, therefore, totally different from the amendment that was offered previously. Therefore, I suggest, Mr. Chairman, that on that basis the point of order does not apply to this amendment.

The CHAIRMAN (Mr. MURPHY of New York). The Chair will state to the gentleman from Iowa that this is a revised amendment from that offered by the gentleman from Illinois (Mr. YATES) earlier. The amendment in its present form does not contain an affirmative direction and does not interfere with executive discretion or confer new authority. It describes the purpose for which a part of the appropriation in the paragraph may be used, and it is to be implemented at the discretion of the General Accounting Office. Therefore, it is not legislation on an appropriation bill.

The Chair overrules the point of order.

Mr. YATES. Mr. Chairman, I will not take the 5 minutes. As I indicated in my statement earlier this afternoon, I believe that everybody in this House knows how ill-equipped the energy agencies of Government are for participating in the mammoth task that has fallen upon them by direction of the President, and under the requirements of the energy shortage. They have the job of developing a huge leasing program of the Government's petroleum resources, and they just are not equipped at the present time for doing it. They must rely upon information that is furnished to them by the oil companies and by the American Petroleum Institute. I suggest to the House that it would be much better for these agencies to be given the opportunity of making an independent judgment when the time comes for carrying out their duties, rather than having to rely upon information furnished to them by companies that stand to benefit by the leases that the agencies have to make.

My amendment will permit the General Accounting Office to establish a system of procedures under which the energy agencies will be in a position to obtain independent information and, therefore, in a position to bargain more completely and efficiently and adequately on behalf of the people of the United States in making deals for disposing of the people's resources.

Mr. Chairman, I urge that the amendment be agreed to.

Mr. MALLARY. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield to the gentleman from Vermont.

Mr. MALLARY. I thank the gentleman for yielding.

The gentleman presumably is aware of the legislation and the provisions of the Federal Energy Administration Act. I understand in conference it has been agreed upon to provide very substantial procedures and powers to the Federal Energy Administration for the obtaining of information from the private energy companies.

Mr. YATES. I am well aware that that bill is still in conference. It has been in conference for many months. I am aware of the fact that it may not emerge from the conference for many months if, indeed, it does emerge from the conference.

Finally, even if it does emerge from the conference with the provisions that the gentleman cites in part, the amendment I have suggested will merely provide for the General Accounting Office cooperating with the energy agencies in carrying out those requirements, those provisions, and therefore it should be advantageous in supplementing those provisions.

Mr. MALLARY. The gentleman does feel that those provisions in that act as passed by the House, and I understand they have been compromised, are adequate for the purpose?

Mr. YATES. As I indicated in my remarks to the gentleman, we may never have that conference report enacted into law.

Second, again repeating myself and I do not see why I should be repeating myself, the General Accounting Office cooperation as called for under this amendment will in no way compromise that legislation, and I suggest it carries out the functions of those provisions to a much more advantageous extent, so, Mr. Chairman, I call for a vote in favor of the amendment.

Mr. CASEY of Texas. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the amendment as offered by the gentleman from Illinois will actually clutter up the appropriation bill, for this language would indicate that maybe this is an instruction. Frankly, I do not think this language belongs in an appropriation bill, even as a permissive measure, because we have the Federal Energy bill that the gentleman just referred to, and we have the Interior Committee which I believe is holding hearings right now—and the chairman of the committee is here and nodding his head that they are—on the very same thing, establishing proper procedures for the development of Federal natural resources and particularly petroleum. So I see no reason why this should be in a legislative branch appropriation bill. It has no force and effect other than to muddy up the waters, so to speak, and I think it is the prerogative of the legislative committees to set forth what the various agencies such as the Interior Department or Federal Energy Office should do.

The function of the General Accounting Office is then to police the agencies and see that they are handling the matters under the proper procedures, and not to go in and try to take the ball away from the agencies. The General Accounting Office is our arm to police the agencies. We want to keep our policemen going in there. If we start setting up the procedures, we cannot be even critical of them. We should not adopt this amendment which would muddy up the waters.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. CASEY of Texas. I yield to the gentleman from Iowa.

Mr. GROSS. Mr. Chairman, would the gentleman not agree that this subject matter properly belongs before the Committee on the Interior or the Committee on Interstate and Foreign Commerce?

Mr. CASEY of Texas. Yes; and I have been advised by the chairman of the Committee on the Interior, where the matter is being considered right now, that they are holding hearings. I do not see why we should take that prerogative over.

Mr. GROSS. On this short notice I do not know the ramifications of this and I do not think anyone in the House knows the ramifications of this, so we should let it come through the regular legislative committee.

Mr. CASEY of Texas. The gentleman is absolutely right, and I urge the defeat of the amendment.

Mr. MAHON. Mr. Chairman, I move to strike the last word.

Mr. Chairman, a great deal of complaint has been leveled at the Congress and at the administration because there are so many agencies trying to deal with the energy problem. Now the gentleman from Illinois is trying to project the General Accounting Office into this picture, and I think it makes no sense whatever to try to legislate on energy matters in this bill for the legislative branch.

To further fragment the attack on the energy problem by injecting another agency of the Government into the subject in this way it seems to me is very unwise. I just feel that this is no place for the Congress in an appropriation bill to undertake to solve the energy problem and deal with the oil companies.

The facts about the energy problem ought to be made available and they will. I hope they will be made available under the normal procedures of the Government and through the actions of Congress.

Of course, we cannot say we refuse to consider any of the information which is provided by the petroleum companies. When the Department of Agriculture assembles statistics for the public in regard to agricultural production, it gets some of this information from the farmers and the people who work with the farmers. When the Department of Commerce seeks to get information with regard to business, it gets the information from the various business enterprises of the Nation.

So, when we seek information in regard to the energy problem, in regard to petroleum, we necessarily have to get some of that information from the people that work in this field. Certainly that is part of the procedure.

I just regret to see the House adopt an amendment such as this—which I regard as legislative in nature—on an appropriation bill. I think the amendment is not proper.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield to the gentleman.

Mr. YATES. The gentleman totally distorts my amendment. My amendment provides for an appropriation in this appropriation bill which deals with the General Accounting Office for certain duties by the General Accounting Office. The General Accounting Office is not going out and looking at the oil reserves. It is not going out to look at oil fields. The General Accounting Office is dealing with provisions and acts of agencies, the setting of procedures. There is no provision for nationalizing the oil industry. There is no provision for not dealing with oil industries, but what this proposes is for the Government to be in a position where it knows what it is doing.

Mr. MAHON. The amendment says in effect they will be investigating, collecting and evaluating timely data relating to the location of oil and gas, the quantity and quality and the probable cost and the difficulty of extraction.

It is highly improper to have this kind of legislation on an appropriation bill and I quote "and such other information as will enable such agencies to exercise an independent judgment."

Mr. YATES. Right, right; the gentleman is right.

Mr. MAHON. In connection with the sale, leasing or other disposal of federally owned petroleum resources."

It just seems to me this bill is the wrong vehicle for undertaking this and I ask for a vote against it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois (Mr. YATES).

The question was taken; and on a division (demanded by Mr. YATES) there were—ayes 5, noes 44.

So the amendment was rejected.

Mr. CASEY of Texas. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with the recommendation that the bill do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. MURPHY of New York, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H.R. 14012) making appropriations for the legislative branch for the fiscal year ending June 30, 1975, and for other purposes, had directed him to report the bill back to the House with the recommendation that the bill do pass.

The SPEAKER. Without objection, the previous question is ordered.

There was no objection.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. DELLENBACK. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 373, nays 17, not voting 42, as follows:

[Roll No. 157]

YEAS—373

Abdnor
Abzug
Adams
Addabbo
Alexander
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Arends
Armstrong
Ashley
Aspin
Badillo
Bafalis
Baker
Barrett
Beard
Bell
Bergland
Bevill
Biaggi
Biester
Bingham
Blackburn
Blatnik
Boland
Bolling
Bowen
Brasco
Bray
Breaux
Breckinridge
Brinkley
Brooks
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill, N.C.
Broyhill, Va.
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton
Butler
Byron
Camp
Carney, Ohio
Carter
Casey, Tex.
Chamberlain
Chappell
Chisholm
Clark
Clausen, Don H.
Clawson, Del
Clay
Cleveland
Cochran
Cohen
Collier
Collins, Ill.
Conable
Conte
Conyers
Corman
Cotter
Coughlin
Cronin
Culver
Daniel, Dan
Daniel, Robert W., Jr.
Daniels, Dominick V.
Davis, Ga.
Davis, S.C.
Davis, Wis.
de la Garza
Delaney
Dellums
Denholm
Dennis
Dent
Derwinski
Dickinson
Dingell
Donohue
Downing
Drinan
Dulski
Duncan
du Pont
Eckhardt
Edwards, Ala.
Edwards, Calif.
Erlenborn
Esch
Eshleman
Evans, Colo.
Evins, Tenn.
Fascell
Fish
Fisher
Flood
Flowers
Flynt
Foley
Ford
Forsythe
Fountain
Fraser
Frey
Froehlich
Fulton
Fuqua
Gaydos
Gettys
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Gonzalez
Grasso
Gray
Green, Pa.
Grover
Gubser
Gude
Gunter
Guyer
Haley
Hamilton
Hammerschmidt
Hanley
Hanna
Hanrahan
Hansen, Idaho
Harrington
Harsha
Hastings
Hays
Hechler, W. Va.
Heckler, Mass.
Heinz
Helstoski
Hicks
Hillis
Hogan
Holt
Holtzman
Horton
Hosmer
Howard
Hudnut
Hungate
Hunt
Hutchinson
Ichord
Jarman
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kastenmeier
Kemp
Ketchum
King
Kluczynski
Koch
Kyros
Lagomarsino
Landrum
Latta
Leggett
Lehman
Lent
Litton
Long, La.
Long, Md.
Lujan
Luken
McClory
McCloskey
McCollister
McCormack
McDade
McFall
McKay
McKinney
McSpadden
Madden
Madigan
Mahon
Mallary
Mann
Maraziti
Martin, Nebr.
Mathias, Calif.
Mathis, Ga.
Matsunaga
Mayne
Mazzoli
Melcher
Metcalfe
Mezvinsky
Michel
Milford
Mills
Minish
Mink
Minshall, Ohio
Mitchell, Md.
Mitchell, N.Y.
Moakley
Mollohan
Montgomery
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mosher
Moss
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers
Natcher
Nedzi
Nelsen
Nichols
Nix
Obey
O'Brien
O'Hara
O'Neill
Owens
Parris
Passman
Patten
Pepper
Perkins
Pettis
Peyser
Pike
Poage
Podell
Powell, Ohio
Preyer
Price, Ill.
Price, Tex.
Pritchard
Quie
Quillen
Railsback
Randall
Rarick
Rees
Regula
Reuss
Riegle
Rinaldo
Roberts
Robinson, Va.
Robison, N.Y.
Rodino
Roe
Rogers
Roncalio, Wyo.
Roncallo, N.Y.
Rooney, Pa.
Rose
Rosenthal
Rostenkowski
Roush
Rousselot
Roy
Roybal
Runnels
Ruppe
Ruth
Ryan
St Germain
Sandman
Sarasin
Sarbanes
Satterfield
Scherle
Schneebeli
Schroeder
Sebelius
Seiberling
Shriver
Sikes
Sisk
Skubitz
Slack
Smith, Iowa
Smith, N.Y.
Snyder
Spence
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Steele
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Stokes
Stratton
Stubblefield
Stuckey
Studds
Sullivan
Symington
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thompson, N.J.
Thomson, Wis.
Thone
Thornton
Tiernan
Towell, Nev.
Treen
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Veysey
Vigorito
Waggonner
Waldie
Walsh
Wampler
Ware
Whalen
White
Whitehurst
Whitten
Widnall
Wiggins
Wilson, Bob
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Winn
Wolff
Wright
Wyatt
Wydler
Wyman
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Ga.
Young, Ill.
Young, Tex.
Zablocki
Zion

NAYS—17

Bauman
Bennett
Collins, Tex.
Conlan
Crane
Dellenback
Devine
Frenzel
Goodling
Gross
Landgrebe
Lott
Martin, N.C.
Miller
Shuster
Symms
Wylie

NOT VOTING—42

Ashbrook
Boggs
Brademas
Broomfield
Brotzman
Buchanan
Carey, N.Y.
Cederberg
Clancy
Danielson
Diggs
Dorn
Eilberg
Findley
Frelinghuysen
Green, Oreg.
Griffiths
Hansen, Wash.
Hawkins
Hébert
Henderson
Hinshaw
Holifield
Huber
Kazen
Kuykendall
McEwen
Macdonald
Meeds
Mizell
Patman
Pickle
Rangel
Reid
Rhodes
Rooney, N.Y.
Shipley
Shoup
Udall
Williams
Young, S.C.
Zwach

So the bill was passed.

The Clerk announced the following pairs:

Mrs. Boggs with Mr. Rhodes.

Mr. Rooney of New York with Mr. Danielson.

Mr. Reid with Mr. Patman.
Mr. Carey of New York with Mr. Young of South Carolina.
Mr. Shipley with Mr. Frelinghuysen.
Mr. Kazen with Mr. Huber.
Mr. Pickle with Mr. Shoup.
Mr. Brademas with Mr. McEwen.
Mr. Rangel with Mrs. Griffiths.
Mr. Udall with Mr. Diggs.
Mr. Holifield with Mr. Ashbrook.
Mr. Hébert with Mr. Cederberg.
Mr. Hawkins with Mrs. Green of Oregon.
Mr. Eilberg with Mr. Broomfield.
Mrs. Hansen of Washington with Mr. Buchanan.
Mr. Macdonald with Mr. Clancy.
Mr. Meeds with Mr. Brotzman.
Mr. Dorn with Mr. Findley.
Mr. Henderson with Mr. Hinshaw.
Mr. Kuykendall with Mr. Williams.
Mr. Mizell with Mr. Zwach.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. CASEY of Texas. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks in the RECORD on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

SURVIVORSHIP BENEFIT PLAN

(Mr. BRINKLEY asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. BRINKLEY. Mr. Speaker, it is very important that Congress provide survivorship protection for the families of our deceased veterans and for the families of other totally and permanently disabled veterans. As a result of their disabilities, these veterans are unable to build up an estate. Additionally, they are largely dependent on their compensation for support, thus allowing little or nothing for savings, and they have little or no opportunity to build up social security benefits. Life insurance is difficult or impossible for them to obtain and they must generally pay extra premiums if they can obtain it.

The Congress partially recognized the problem by the enactment of Public Law 92–425 which set up a contributory system for survivor benefits for the families of retired military personnel. Since enlisted personnel were not entitled to retire for disability until 1949, there is a glaring gap in this status. It fails to cover thousands of enlisted men disabled by service connected causes in World War II. Therefore, I am today introducing legislation which is designed to provide survivorship benefits for the families of certain severely disabled veterans.

EXPLANATORY STATEMENT

This Bill is designed to remedy a glaring deficiency in recently enacted law which discriminates against thousands of former military enlisted personnel who were permanently and totally disabled due to service-connected causes, primarily during World War II.

By a Public Law 92–425 the Congress enacted the Survivor Benefit Plan which set up a greatly liberalized system of benefits for the survivors of retired military personnel. Under this Act survivors of military retirees are eligible to receive up to 55 percent of the retired pay of their sponsor at the time of his death; these new benefits are essentially the same as, and are patterned after, those provided for survivors of retired civil service personnel.

However, since only the survivors of retired military personnel are eligible for benefits under P.L. 92–425 and since enlisted personnel were not eligible to retire for disability prior to October 1, 1949, the effective date of the Career Compensation Act, all enlisted personnel disabled before and during World War II and up to 1949 are barred from participating in the Survivor Benefit Plan, thereby precluding them from providing adequate survivor benefits available to all other dependents of retired Government personnel, military and civilian alike.

By Public Law 93–82 the Congress recently recognized the inequity which their technical lack of retired status places on pre-1949 enlisted personnel who suffered permanent and total disability from service-connected causes. This Act made such personnel and their dependents eligible to participate in a program similar to the CHAMPUS program, the on-going program which, among other things, pays most of the civilian medical costs incurred by military retirees and their dependents.

The present Bill would conform exactly to the rationale of P.L. 93–82 by permitting former enlisted personnel who are permanently and totally disabled to participate in the Survivor Benefit Plan on the same basis as if they held a retired status: they would make the same monthly contributions to help defray the cost of participation and their survivors would receive the same benefits. Certainly the need to provide such survivorship protection is equal to, and is perhaps even greater than the need to defray medical costs. Almost by definition, permanently and totally disabled personnel are, in the majority of cases, limited to the income they receive from the Veterans Administration disability compensation which ceases on their death, they usually do not hold jobs which enable them to build up an estate or accrue social security benefits and generally are ineligible for insurance or can obtain it only at a prohibitive cost.

DIRTY TRICKS

(Mr. WAGGONNER asked and was given permission to address the House for 1 minute, to revise and extend his remarks, and include extraneous matter.)

Mr. WAGGONNER. Mr. Speaker, perhaps it is not the case or maybe I have misread some of what I have seen in the Post—although I do not think so—but I would have sworn that the Post had advocated on several occasions the need for a strong campaign reform law that would disallow or discourage questionable campaign activities. It was the Post, as you recall, that brought to light the dirty tricks performed by CREEP.

Yet, in yesterday's paper, there was an editorial appropriately titled "Dirty Tricks" in which the Post came out in opposition to a criminal libel amendment to the campaign reform bill designed to put an end to the publishing of "false and defamatory" statements about candidates for Federal office. Let me read the text of the amendment:

No person shall cause to be published a false and defamatory statement about the character or professional ability of a candidate for Federal office with respect to the qualifications of that candidate for that office if such person knows that such statement is false.

Now maybe I do not quite understand their opposition, but it seems to me that such an amendment is in keeping with the Post's overall goal.

Could it be that the Post is again engaging in the old double standard, that it is perfectly all right for them and others in the newsprint media to publish falsehoods under the guise of freedom of the press, that it is in the public's best interest for them to play dirty tricks, but it is wrong for anyone else to do so?

If the Post is anxious to clean up campaigning for Federal office, then let us clean it up. A good start would be the adoption of the Talmadge amendment. After all, it should be a crime to knowingly publish a false statement.

DIRTY TRICKS

Toward the close of the Senate debate on the campaign reform bill on Thursday, Sen. Herman E. Talmadge (D-Ga.) dropped in an amendment which the Senate ought to weigh very carefully. Sen. Talmadge's intent is to discourage "dirty tricks" such as the circulation of false and malicious statements about candidates for federal office. That is a worthy objective, and legislation toward that end might seem, at first, about as unobjectionable as apple pie. But on closer inspection the idea turns out to be full of worms.

The Talmadge amendment would add a new subsection to the federal criminal code, as follows:

"No person shall cause to be published a false and defamatory statement about the character or professional ability of a candidate for Federal office with respect to the qualifications of that candidate for that office if such person knows that such statement is false."

A violation would be a misdemeanor punishable by a fine of up to $10,000, imprisonment for up to six months, or both.

If by some chance this were enacted, it would be the first federal criminal libel statute since the infamous Sedition Act of 1798. That fact alone suggests that any such proposal should be subjected to extensive hearings and long debate—rather than the 30 minutes of floor consideration which the amendment is now scheduled to receive.

Beyond the general—and perhaps insurmountable—difficulty of drafting any language on this subject which might pass constitutional tests, the specific terms of the Talmadge amendment bring several questions to mind. To start with, it is lopsided. It would cover false and defamatory statements about candidates, but would provide no similar protection against equally malicious and baseless attacks by candidates on private citizens, or for that matter on officials who are not running for office at the time. Thus a candidate would still be able to engage in "dirty tricks" as long as the target was his opponent's family or chief contributors.

Second, the amendment has far-reaching implications for the press. It might mean that a newspaper or magazine—but not, apparently, a radio or TV station—would be liable to prosecution for accepting an ad or reporting a candidate's statement which contained false and damaging allegations. Would a news organization have to check out and vouch for every campaign statement before transmitting it? What if a newspaper reported a charge which was aptently false, and in the next paragraph reported the opponent's denial? Or would the press be better off simply not reporting wild accusations at all, and thus not informing the public that a candidate was seeking votes by slinging mud?

Third, making some kind of "dirty tricks" into federal crimes would put the burden—and the option—of prosecution, in the heat of a campaign, on the Justice Department. Given the present concern about partisan influences on law enforcement, this alone should make some senators think twice. All in all, rather than cleaning up political debate, this particular approach would only muddy it much more. To whoop through any such proposal would be, by itself, a "dirty trick" which many senators could come to regret.

MR. JANUSZ KOCHANSKI, MAN WITHOUT A COUNTRY

(Mr. **MILFORD** asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. **MILFORD.** Mr. Speaker, time after time I have seen Members step into the well and praise our American system while denouncing communism. All of us have heard reports of defections, by individuals, who chose freedom and were fortunate enough to escape the bonds of that restrictive society.

I would now like to make all Members aware of the shocking story and unusual circumstances involving Mr. Janusz Kochanski—formerly a citizen of a Communist nation, a member of the Communist Party, and a high-level intelligence officer in that Communist nation.

In his former world, he was considered one of the fair-haired boys. He would be able to advance into the upper ranks of the Communist Party and enjoy the special privileges that are granted only to the elite few.

Before continuing further, I would like for each of my colleagues to know that I have personally investigated the facts and circumstances that I am about to relate. I have, personally, visited with representatives of the Central Intelligence Agency and the State Department to obtain verification.

Mr. Speaker, the story of Janusz Kochanski began in 1966 while he was an active intelligence officer for his native Communist country. At that time, he was outside his country on assignment in Oslo, Norway, with the assigned mission of recruiting spies.

Like many residents of Communist nations, travel to other countries often brings about unexpected revelations. In Mr. Kochanski's case, he became disenchanted with communism and made contact with U.S. sources.

His initial contact with American officials led to contacts with our Central Intelligence Agency. Mr. Kochanski was able to initially provide valuable intelligence information to the CIA and subsequently began to work actively for our intelligence people. He was promised asylum in the United States.

A tragic personal loss occurred late in 1966. Mr. Kochanski risked his own life by surreptiously reentering his native country to extract his wife and young son. To his horror, he learned his wife did not want to leave her family and friends to go to a strange country. His very young son had to also remain behind. His defection would not, now, allow him to remain in his original country.

With neither family nor country, Mr. Kochanski escaped from his native land. With the protection of the CIA, he was sent to the United States for asylum.

In June of 1967, Janusz Kochanski was tried in absentia and sentenced to death as a traitor, by his native country.

Even after gaining asylum and safety in the United States, Mr. Kochanski voluntarily continued to work for the CIA. This work involved personal danger in that he had to return to Europe for a period of time, in connection with his CIA work.

During the course of his association with the CIA, there is considerable circumstantial evidence that an implied promise of citizenship was made by members of our Government agencies.

Certainly Mr. Kochanski could reasonably expect to receive an American citizenship as a minimal award for risking his life to work with the CIA. It must be remembered that he voluntarily gave up the safety and security of his asylum in the United States to return to Europe on a mission for the CIA. Such a mission exposed him to international espionage agents that were under strict orders to destroy him in any way possible.

In my investigation of the Kochanski story, we even uncovered circumstantial evidence of an assassination attempt on his life in the heart of the United States.

Mr. Speaker, this man's background and active efforts for this Nation demand special attention by this body. He has clearly risked his life, lost his family, and suffered other punishment for a cause that is dear to every Member of this House. These deeds alone should qualify him for citizenship status in this country.

However, there is even more evidence that makes this man a desirable candidate for citizenship. During the past several months, he has been a resident of Dallas, Tex.—a city that I proudly represent.

My investigation revealed that Mr. Kochanski has been a model neighbor, community participant, and active civic worker. As a matter of fact, he makes some of our native-born citizens look like fugitives from nowheresville—as opposed to his being a fugitive from a Communist nation.

Therefore, Mr. Speaker, I plead with you and my colleagues in the House to give immediate consideration to passing a private bill that will make Janusz Kochanski a citizen of the United States of America.

I have today introduced such a bill. I ask that the Committee on the Judiciary give immediate consideration to this bill in order for it to come before the full House.

Surely we cannot allow a man with a proven dedication to our system of government to remain in a status of a "man without a country."

Our country needs men with the dedication of Janusz Kochanski—Janusz Kochanski needs our country. Let us mutually enjoy the blessings of each.

ANTI-INFLATION ACT OF 1974

(Mr. **J. WILLIAM STANTON** asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. **J. WILLIAM STANTON.** Mr. Speaker, last Friday our House Banking and Currency Committee decided, by a 21 to 10 vote, to kill all activities of the Cost of Living Council.

As a person who has been long a strong opponent of any type of controls, after April 30, and who is totally opposed to any standby controls on prices and wages, I found myself as being numbered among one of the 10 who voted not to kill this legislation. I would like to express my reasons why.

Under consideration before the committee was a bill that I had personally introduced, H.R. 13922. I thought I had appropriately titled the bill the "Anti-Inflation Act of 1974."

Mr. Speaker, this bill did not contain any provisions for continuing price and wage controls after April 30. It did not contain any provisions for standby controls.

Basically, in this time of extremely high inflation, I thought that H.R. 13922 could be used by the Congress as a vehicle to curb inflation. My bill would allow the Cost of Living Council to exist for two main purposes: First, to monitor the industries in our country that have been decontrolled over the last 9 months; and second, and to me far more important, to provide the mechanism by which Congress could be kept informed on economic matters involving the welfare of our country.

On page 11 of my bill, I stated that the President must report to Congress every quarter. In carrying out this act the President would "study and evaluate the relationship between excess profits, the stabilization of the economy and the creation of new jobs." In addition to this, the Council would report to Congress any adverse affect on supply and demand that would tend to cause increases in prices. By taking away the Cost of Living Council, the Congress has lost a valuable tool in fulfilling its obligations to fight inflation.

Mr. Speaker, after introduction of the bill, I received almost total opposition to it from big business and many hospital personnel and doctors in my district. I do not think they clearly understood the bill.

I had personally envisioned H.R. 13922 as a vehicle with which we could have avoided such issues as the oil crisis. Proper reporting to Congress in the past few years would have forewarned us of the impending crisis. For years I have heard from people in the steel industry complaining about the problems involved with the importing of steel products. I have heard from other sources that the electric utilities will be having problems meeting their demands in the very near future. I know of many facets of our economy where environmental restrictions have prevented them from fulfilling their basic obligations to their customers. H.R. 13922 I envisioned as a vehicle that could have channeled all of this information to the proper committeee in Congress involved in economic matters.

In the very near future I know that Congress will be asked, once again, to vote money for the Council on Productivity. This is an issue on which labor and big business and the administration agree. I had envisioned H.R. 13922 as the ideal vehicle with which to encourage the objectives of the Council on Productivity.

Mr. Speaker, it is hard to believe that the Congress actually turned down the Anti-Inflation Act of 1974. We shall certainly be hearing from the administration in the weeks and months ahead that Congress has abandoned the ship. I, personally, do not believe that the majority of members of our committee wished to turn down the potential objectives of H.R. 13922. We were caught in a tight time schedule in which H.R. 13922 was too closely connected with price and wage controls.

There was sentiment expressed in our committee during the hearings that some of the objectives that I had mentioned above would be taken up again later this year. I would certainly hope that this could be done. Perhaps at a later time the very interests that were against this legislation today will be for it. Without such a vehicle, I can see us once again, in the future, allowing the pressures to build to such a point that totalitarian control of all prices and wages will be legislated into law. With adequate reporting and thorough knowledge of our problems in advance, Congress can go a long way in keeping this dark day from becoming a reality.

Mr. Speaker, in introducing H.R. 13922, I prepared the following statement:

STATEMENT TO ACCOMPANY THE PRESENTATION OF H.R. 13922 TO THE HOUSE COMMITTEE ON BANKING AND CURRENCY

Mr. Chairman: I thank you for the opportunity of presenting the legislation. A couple of weeks ago the chairman of the Cost of Living Council and several of his key people visited my office to inquire into my views concerning the extension of the Economic Stabilization Act and the administration's bill to accomplish this.

I told them at that time that my views were that the extension of the act in its present form was futile. The entire premise of this type legislation depends on the voluntary cooperation of all concerned. Big labor and big business have made it clear to all the members that this voluntary cooperation will not be forthcoming. I further told them that I was against stand-by controls. I personally believe that stand-by controls are inflationary by their very existence. At the same meeting, I told them that I was opposed to the Senate Finance Committee's 11 to 4 vote which completely killed all legislation. This action to me seemed totally irresponsible in light of the high inflationary period that now exists. I do not want to go home to the housewives of my district and meekly admit that Congress has abandoned the entire ship.

I then explained to the chairman what I was for.

1. The Cost of Living Council has received many voluntary concessions from businesses in order to be relieved from Phase 4 over the past months. Many of these commitments remain in effect for many months to come. I felt strongly that the Cost of Living Council should monitor these commitments and, further than that, should have some authority to move against anyone who has violated these commitments.

2. I felt strongly that the Congress, especially in the inflationary period in which we are now existing, cannot totally abandon the mechanisms at its disposal for fighting inflation. Congress needs an organization that will monitor the economy as a whole, which will review industrial capacity, demand and supply in various sectors, and to work with the industrial groups concerned to encourage price restraint. Congress needs someone to keep it fully informed on programs within the Federal and private sectors which may have adverse effects on supply and demand and cause increases in prices.

Mr. Chairman, I don't think that many Members of the House fully realize the number of voluntary decontrol commitments that were obtained from various industries by the Cost of Living Council in order to gain exemption from this act. For example, in seventeen sectors of our economy, the council has obtained voluntary commitments from the leading firms in these industries to take serious and constructive measures to alleviate various problems existing in their industry.

In all but two, fertilizer and zinc, the major firms in each industry committed themselves voluntarily to some degree of price and/or profit restraints.

Commitments to increase production and to expand capacity were agreed upon by the firms producing fertilizer, cement, zinc, semiconductors, petrochemicals, tires and tubes, canned fruits and vegetables, and coal.

Firms in the following industries, fertilizer, petrochemicals, paper and aluminum, made various commitments designed to limit exports or to maintain historic patterns of domestic sales.

Improved price reporting to the Bureau of Labor statistics was agreed upon by firms producing cement, semiconductors, and tires.

Firms in the petrochemical sector committed themselves to preparing customer allocation plans, and to submit these plans to the council.

Mr. Chairman, for Congress to totally abandon these goals by not providing the government machinery to monitor these commitments is to abandon the fight against inflation.

Earlier this week the Cost of Living Council called me to say they had drafted a bill that approached the ideas that I had expressed. In presenting this bill to the committee, it is presenting my personal ideas. It is not my bill. I hope our committee can work its will and it will become a true committee bill. In fact, I personally do not approve of three sections in this bill. I hope that if the committee votes to take this bill up for consideration, we could consider at least three major improvements to it.

1. Section 4 goes far beyond the power that any Federal agency needs. It's almost totalitarian in its approach and I will move to strike it if no one else does.

2. Section 6 could well be deleted. I understand that they have this power now but have only used it once in four years.

3. Section 12 contains open-end authorization. We should put a price tag on this bill.

Mr. Chairman, further close study of this bill will show that the Cost of Living Council is required to report quarterly to Congress on their activities and findings. They will be reviewing for Congress industrial capacity, demand, and supply in various sectors of the economy. They will be working with industrial groups and appropriate governmental agencies to encourage price restraint. They will be conducting public hearings when appropriate to provide for public scrutiny of inflationary problems in various sectors of the economy. They will be reviewing the programs of the Federal Government and the price sector which may have adverse effect on supply and cause increases in prices and make recommendations for changes in such programs and activities to increase supply and restrain prices.

Mr. Chairman, many years ago my father used to say that knowledge is knowing that fire will burn; wisdom is remembering the blisters it will bring.

I think Congress would show great wisdom in at least considering H.R. 13922. I believe this bill to be in the best interest of the American housewife and the taxpayer.

RESTORATION OF DISASTER AID FOR RECENT TORNADO VICTIMS

(Mr. LUKEN asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. LUKEN. Mr. Speaker, I returned yesterday from observing first hand the wide destruction and personal hardship caused by last Wednesday's tornadoes in Cincinnati and Hamilton County, Ohio.

I spent all of Thursday, Friday, and the weekend touring my district, inspecting the aftermath of the storms and talking with the residents, with small businessmen, and local officials. Throughout the district I heard stories of terror, of courage, and of neighbors helping each other. There was shock and numbness on the part of those who were digging out.

The American people have a tradition of standing on their own two feet, of not accepting charity. You would not normally give a meal or offer clothes to a neighbor for he would not accept and would resent the offer.

But, Mr. Speaker, the American people have another tradition of helping each other at certain times when help is needed. Occurrences of death in the family or the loss of a home are times when help is freely offered and gladly accepted.

I can tell my colleagues that the selfless help-giving that I observed in Ohio was an ennobling experience. The Red Cross volunteers seemed to be in all places of need at all times—setting up temporary shelter; administering first aid; providing emergency food rations.

But the most impressive thing I saw was the spontaneous rush of citizens to the aid of their stricken fellows. Neighbors helping neighbors and people from untouched areas giving generously of their labors and goods to those who were hit. They contributed food and clothes and shelter and physical help to a degree, in some cases, greater than was needed. Most of all, Mr. Speaker, they contributed themselves; they shared the anxiety of those whose lives have been permanently altered.

Catastrophes do not fall evenly with fairness to all. There is no progressive schedule which dictates that the rich will lose the most and the poor the least. Nature chooses her victims without reason and tragedy falls irrationally. Some can afford a reasonable recovery; many are covered by insurance. But some are not capable of coping with the enormity of what has befallen them.

In times such as this, society should do no less than those individuals, willing, helpful people of Hamilton County. Government should emulate these generous citizens and share the anxiety; help shoulder the burden. It is necessary that Government should extend a helping hand to those who may be frugal and the most industrious in normal times, but who are dashed down by the random choice of nature.

Last year the Congress enacted and the President signed into law a bill which reduced Federal aid to disaster area victims by raising the interest rate on disaster loans from 1 percent to 5 percent and by eliminating forgiveness of up to $5,000 in loans.

The law was changed because of alleged abuses following the aftermath of Hurricane Agnes in 1972. I do not believe the people of the First District of Ohio or any other of the many areas in the States hit by these storms should suffer because of previous abuses. SBA should monitor the laws effectively to see that funds are available to those who are truly in need. Changing the law instead of improving its administration is an absurd, backwards response, similar to throwing the baby out with the bath water.

I am today introducing a bill to reinstate SBA loans at 1 percent with a forgiveness clause that exempts the borrower from repaying up to $5,000 if he can demonstrate that he is unable to do so. Furthermore, my bill would be retroactive to April 20, 1973, when the new regulations took effect.

Passing this bill quickly, Mr. Speaker, is one of the ways we can insure that Government does its part as a neighbor; that society shares the anxiety and helps lift the awful burden from its neighbors who have experienced misfortune. We must respond in this special time of need.

INTRODUCTION OF LEGISLATION AUTHORIZING RECOMPUTATION OF RETIRED MILITARY PAY

(Mr. BOB WILSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BOB WILSON. Mr. Speaker, I am pleased to introduce today, with 55 cosponsors, legislation authorizing the recomputation of military retired pay. This legislation provides for a one-time recomputation of military retired pay, based on the active duty pay rates in effect on January 1, 1972, and is the House counterpart of the Hartke amendment adopted twice by the Senate.

Eligibility for this "one-shot" recomputation would be as follows:

First. Immediate recomputation for disability retirees with a rating of 30 percent or more.

Second. Immediate recomputation for military retirees who are 60 years of age or older.

Third. Recomputation upon reaching age 60 for present retirees, based on the January 1, 1972, pay scales with any subsequent cost-of-living raises.

Fourth. Pre-1949 disability retirees would have the option to remain under the current retirement laws or to come under the new recomputation legislation, at their actual degree of disability.

Very frankly, this legislation is a compromise forged in the light of the economic realities of the military budget. The Nixon administration requested $360 million for first-year costs for its own "one-shot" recomputation legislation in the fiscal year 1974 budget. The Defense Department's estimate for the Hartke amendment, which I am introducing today, was $343 million for the same period.

The opponents of recomputation have mustered stacks of computer printouts with cost estimates to the year 2000 predicting dire consequences for the Defense budget if recomputation is enacted. However, I feel we must keep any such cost estimates within proper perspective. The cost of any Federal program—regardless of whether it is social security, housing supplements, food stamps, or assistance to the arts—projected to the year 2000 is staggering. I submit that it is unfair to use this type of yardstick to measure recomputation, while we inch along in consideration of the costs of other Federal programs. All such costs must also be weighed against the greatly increased personal income and national productivity which we anticipate in the decades ahead.

Now, let's talk about what is right with recomputation. First and foremost, I believe very strongly that the Government breached faith with military retirees when the method of computing retired pay was changed in 1958 and 1963—not only for future retirees, but retroactively for those already retired. At least since the early years of the 20th century, recomputation was an accepted fact of life. While military pay raises were few and far between, the active duty soldier knew that he had a partial hedge against inflation in his retirement years. Each time active duty pay was increased, his retired pay would go up by the same percentage.

In the prevolunteer Army days, pay was certainly not the drawing card for a military career. Low pay and frequent family separations were a way of life.

Patriotism and dedication to a job well done were the incentives. Yet, in moments of discouragement while miles away from loved ones and certainly at reenlistment time, the promise of recomputation after retirement helped bolster a lagging spirit.

Some will ask: Why this particular compromise? In the past, I have introduced more extensive recomputation bills, but I think it is time for down-to-earth realities. Politics is the art of the possible. What we want is legislation that can possibly pass. Those most directly affected by the Government's retroactive breach of faith in 1958 and 1963 were the men already retired. Most of these pre-1958 retirees are 60 or older and would immediately benefit from this legislation. In addition, many of those who had considerable service in 1958 and were too far along in their military careers to contemplate any change in occupation are now 60 or close to that age. Retirees not yet 60 will receive the benefit of recomputation at the time they will need it most—at the point when they are retiring from any second, civilian career they may have undertaken.

The various military retiree organizations worked for many months to reach a compromise solution acceptable to all. At the time that the House-Senate conference committee was considering the Hartke amendment, leaders of the 16 major military organizations, representing three-quarters of a million military men—active duty and retired, pledged their support for the Hartke amendment. In addition, the proposal received the full endorsement of the American Legion, Veterans of Foreign Wars, Disabled American Veterans, and National Association of Retired Persons/National Retired Teachers Association, comprising a joint membership of more than 10,000,000 people. I am confident that all of these organizations continue to stand four-square behind the legislation I am introducing today.

Recomputation has come of age, and it is time for Congress to enact this legislation this year. When the House Armed Services Committee begins hearings on the present military retirement system later this year, I plan to raise the issue of recomputation again. I would like to sincerely thank my 55 esteemed colleagues who have joined me in cosponsoring this legislation today. Several of these Members had previously introduced their own individual bills, and I am deeply honored that they have joined my bill as well. In addition to those cosponsoring, 40 other recomputation bills have been introduced in the House. All totaled, nearly one-fourth of the House of Representatives has gone on record by introduction or cosponsorship of recomputation legislation. Other Members have indicated their support to me and I am confident that, in the next few months, additional Members will wish to cosponsor. This is not a partisan issue and I urge my House colleagues' acknowledged support for correction of the inequity against retired military personnel this year.

DEBATE ON KEY STRIP MINE AMENDMENTS, GAGGED

(Mr. MELCHER asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. MELCHER. Mr. Speaker, the National Coal Association publication of April 5 has a lead item "Debate on Key Strip Mine Amendments Gagged."

Coal News, as the association publication is called, notes that the House Interior Committee approved 21 to 16 a motion I made to limit committee debate on title II of the bill. The action was taken to bring to a head the portion of the bill which has been pondered and pelleted with amendments recommended by the National Coal Association, various electric utility companies, environmental groups and others. It is not a gag but a move to end paralysis of the committee deluged by last minute amendments.

The joint Environment and Mines and Mining Subcommittees met 16 days in consideration of this title, and 133 amendments were considered and debated.

In addition, the full House Interior Committee has used 10 days for consideration of title II to adopt 38 amendments of sections in title II, and scores of other amendments were debated, considered and found unnecessary.

It is apparent that adequate time has been allowed for consideration of this portion of the bill and that sufficient debate within the committee was allowed for the National Coal Association's viewpoints to be presented and considered. Now final votes are in order for amendments to this part of the bill. Further delay on this title would jeopardize passage of the bill this session.

The National Coal Association and any allied electric power companies that share their position should have consolidated their amendments in both subcommittee and full committee and I trust they have.

There have been 12 months of hearings and public markup sessions of the joint subcommittees and the full committee.

Efforts by members of the National Coal Association or anyone else to encourage delay of the bill by asking committee members not to be present at the meeting to prevent a quorum or by deluging the committee with belated amendments is plain obstruction and thereby makes it mandatory that the committee act responsibly to bring about final consideration of title II of the bill.

To the National Coal Association's charge of "gag," I say, "Deliberate delay be damned—let us get on with the job."

My State and the Nation needs a national coal strip mine reclamation bill this year and so do the companies which are members of the National Coal Association. Without this bill it is doubtful that there will be coal strip mine operations developed on any new Western coal fields involving Federal lands. In addition, without this bill, Western Indian tribes would probably ignore any new developments for coal strip mining on their reservation lands. Federal coal leases should be held in abeyance until the bill is passed to prevent degradation to Federal lands.

Indian tribes have requested prompt passage of their specific title in the bill which has been adopted by the committee and gives the tribe the authority to protect its reservation lands.

The National Coal Association's membership recognizes that reclamation must be completely assured in any area where new permits are issued for strip mining. The time has come to pass a bill that gives the minimum Federal reclamation standards to apply in all the States and the public interest requires that the bill pass in this Congress.

Consideration must also be given to the remaining titles of the bill and so further delay on title II would oppose the best interests of all of us.

The lead item in the April 5 Coal News follows:

DEBATE ON KEY STRIP AMENDMENTS GAGGED

The House Interior Committee voted this week to cut off debate on the most crucial part of the surface mining bill (HR 11500) and push 58 pending amendments to a vote at its next meeting, April 10.

The committee imposed a gag rule by approving, 21 to 16, a motion by Rep. John Melcher (D-Mont.) to end all debate and action on Title II of the bill. The chairman then announced that all 58 pending amendments to Title II will be read and voted upon April 10 with no debate, ending consideration of that part of the bill. Title II, which takes up 80 of the bill's 139 pages, covers interim and permanent reclamation standards, permits, bond posting and release, special provisions for federal and Indian lands, and the designation of lands unsuitable for mining. It also includes almost every other key provision governing how land shall be mined and reclaimed.

NCA President Carl E. Bagge in a telegram to Chairman James A. Haley (D-Fla.) urged that the committee reconsider its gag-rule vote or recommit the bill to subcommittees. He said the committee has not yet considered such vital matters in Title II as areas unsuitable for mining, underground mining, hydrology, original contour requirements in the permanent standards, federal enforcement, or the term of mining permits.

"The amendments considered to date are peripheral," Mr. Bagge said, "We have not sought, nor do we want, to delay consideration of HR 11500, but many significant issues have not been taken up. We believe the committee must revise these prohibitive provisions before reporting the bill."

The only amendment adopted this week would provide that the topsoil need not be segregated in the mining process, as the bill originally required, if the mix is equally suitable for agriculture and approved by the state agriculture department.

ELDERLY AND THE HANDICAPPED

(Mr. WIDNALL asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. WIDNALL. Mr. Speaker, today I have introduced the 1974 Housing Act for the Elderly and the Handicapped. (H.R. 14080) It is my great hope that this legislative proposal will open new initiatives and marshal resources so that housing, planned in conjunction with essentially related service facilities, can be provided in keeping with the needs of low-income persons in these very special groups.

Over the past few years we have seen a growing awareness of the special circumstances surrounding the low-income elderly and handicapped persons in our society. Indeed, there have been numerous conferences, studies and special census publications directed to the problems of our older Americans. National statistics reveal large numbers of elderly persons, mostly of low-income, to be in need of more acceptable and compatible living arrangements—in the over age 60 group, there are: 440,000 families overcrowded—1.6 million families living in substandard housing, lacking plumbing —and 14 million families overhoused. In contrast to our past custom, many elderly persons do not choose or do not have the choice to live in the same household with their children. There are 6.2 million persons over age 60 who live alone, 75 percent of these are women. Obviously, few of them have the means to improve their living arrangements. Fully, 40 percent of the low-income families in need of housing assistance are elderly families.

Moreover, we find that over the next 16 years the population of those age 65 and over will increase by an additional 7.2 million—yielding a total of 27.5 million Americans over age 65 by the year 1990. Understandably, there will be similar growth in the over-75 and over-85 population. These are the ages typified by greatly increased needs for services and care.

Thus, we have a pressing situation in which increased longevity, social change, population characteristics and economic circumstance are combining to demand new concepts of service facilities, and increased support overall for our older Americans. This is a developing situation which is peculiar to this century and unique to our lifestyle. Consequently it must be dealt with now, and with all of the innovative resourcefulness at our command.

In similar regard, there is a very serious urgency before us in the need for housing assistance for the severely handicapped members of our society. Low income is a common consequence of a severely handicapped condition. Not purely because of a reduced capacity on the part of the handicapped individual, but largely because of a society which is unaware of the limited opportunity being extended to handicapped persons. We are slowly awakening to this tragic situation and many good things are being done to enhance life within society for such people. Among the critical needs not properly served is housing; housing made compatible to and supportive of an individual's functional limitations, made accessible to employment opportunity and made available at acceptable cost. With this background and with due regard to extensive support and service needs of the elderly and the handicapped, I have tried, in this bill, to bring the various housing and service resources together into a common channel of planning and delivery.

This is not an expensive new program initiative. Rather, it is an effort to reserve a rightful portion of Federal housing assistance for such persons and to require that it be used in mutual support of other Federal, State, and local programs intended to serve such persons.

Let me illustrate that point.

Recently, Congress has taken action to streamline the delivery processes in social, nutrition, rehabilitation and other programs for the aged and the handicapped by calling upon States and localities to plan and manage all such programs in a comprehensive manner. I refer specifically to the State and area planning requirements established for social services and nutrition for the aged under the 1973 Older Americans Comprehensive Services Act and similarly for the developmentally disabled, under the 1970 amendments to the Developmental Disabilities Services and Facilities Act. In both cases, Federal grants are now being provided to States and localities to assist in their development of continuing plans for the aged and the developmentally disabled. Both acts provide encouragement for identification of existing needs, the full use of available State and local resources, and the coinvolvement of locally identified consumer-oriented nonprofit sponsors and public agencies in support of these special needs. I commend these concepts but I note with regret that housing has not been included as an element of primary planning concern.

Housing is commonly acknowledged to be one of the major elements of concern to these special groups. In most cases, it must be more than a safe and sanitary dwelling. In order to be compatible with need, it must be supportive of many special considerations in accessibility and utility for occupants with reduced physical or sensory capacity. And, in most cases, there simply must be accompanying services to support housing projects designed specifically for the elderly and the handicapped if they are indeed to be considered acceptable living environments. Thus, Federal housing programs must be placed in harness with service programs.

This has not been fully considered in the past where we were authorizing funds on a categorical basis. Thus, when we gave an authorization for subsidized housing, we were properly reluctant to authorize use of that money for social services. This was a reasonable approach. After all, there were other sources of funds for the other categories of need, such as social services, medical care and education.

However, in planning comprehensive service programs for these special groups, a community must consider housing, transportation, social services, medical services, and all other needs across the full spectrum of a so-called living environment.

There is an essential requirement to consider all needs and all resources simultaneously. I hope to facilitate this basic consideration by incorporating federally supported housing projects as an integral part of State and area plans for the aged and the handicapped.

On the one hand, we have the section 23 leased housing program, which is supported by the administration and stands ready, through minor amendments, to provide local housing needs and to serve with State and area plans for the aged and the handicapped.

Finally, as a companion to this federally subsidized housing program, I am proposing an unsubsidized program which can serve in similar fashion. It will invite the participation of nonprofit sponsors and cooperatives in the development of specially designed and exclusively operated housing projects for the elderly and the handicapped—at no added cost to the Federal taxpayer.

Consumer-oriented, voluntary, and nonprofit organizations have long provided the heart and the muscle for helping those in need in this great Nation. Without such mutual assistance among men, this Nation would never have made it through the difficult periods of our past. I have doubts that we could ever meet this present need by dollars alone.

I believe this bill can facilitate and encourage the involvement of such groups in greater service to the elderly and the handicapped, by making available a source of mortgage loan funds for use by nonprofit sponsors in developing housing projects for the elderly and the handicapped.

In brief, my proposal for an unsubsidized housing program is to give Treasury rate borrowing authority, with full repayment of administrative costs, to qualifying nonprofit sponsors so that they can work with communities to develop and operate housing projects for the elderly and the handicapped. I would expect such projects to be made a part of the State and local plan for the aged or the handicapped.

The summary of the bill, which is to follow, will explain my proposal. The objective, of course, is to encourage and assist in the provision of safe and sanitary housing, with comprehensive provisions for essential services, for older Americans and those individuals with enduring handicaps.

The material follows:

THE 1974 HOUSING ACT FOR THE ELDERLY AND THE HANDICAPPED

WHAT THE BILL WOULD DO

1. An estimated *175,000 additional dwelling units* would be authorized in projects specifically designed for the elderly and the handicapped through fiscal year 1975. This includes an estimated 100,000 units under a revised Section 23 Leased Housing program and at least 75,000 units to be provided through a revised Section 202 direct loan program offering below market interest rates.

2. *For the first time,* housing projects for the elderly and the handicapped would be planned and operated in mutual support with the community's comprehensive service plans for such persons. This should encourage and facilitate the efficient provision of the full range of services; preventive, supportive, rehabilitative and shelter care, which are essential to these special groups.

3. *Under the Section 23 Leasing program,* the Secretary of Housing and Urban Development would be required to use at least 25% of the authorizations for projects especially designed for the elderly or the handicapped. For the period ending July 1, 1975, a grand total of 418,000 units have been requested, 25% of these, 104,000 units, would be reserved for projects designed for the elderly or the handicapped.

The program would provide subsidy of rents for low-income elderly and handicapped persons in a wide variety of settings, compatible to specific needs.

Rent scales would continue to be based upon a maximum of twenty five percent of *adjusted income*, and would serve the lowest income level. The Secretary of Housing and Urban Development would be authorized to approve tenant rental charges in excess of 25% of adjusted income, where such excess is directed to the cost of food and central food service delivered on-site. This will facilitate the planning and operation of congregate and central dining facilities which necessarily require advance assurances of economic feasibility in order to be found acceptable.

Specific provision would be made for leasing of units to be occupied as "community residences" or so-called group homes for the developmentally disabled. This is an urgently needed provision which will speed the national effort to deinstitutionalize the developmentally disabled, and return them to useful participation with society.

Existing provisions for the leasing of units in Section 202 projects for the elderly or the handicapped would be continued so that the lower income families could also be accommodated in such projects.

4. Under the revised Section 202 Direct Loan program, consumer-oriented cooperatives and nonprofit sponsors would be assured of a source of loan funds for development of housing projects for the elderly and the handicapped.

To do this, a National Housing Loan Fund for Projects for the Elderly and the Handicapped would be established with Treasury borrowing authority vested in the Secretary of Housing and Urban Development. Initially a $1.5 billion borrowing limit would be authorized, yielding approximately 75,000 dwelling units.

Using such funds, the Secretary of Housing and Urban Development would be authorized to make mortgage loans up to 100% of development costs to eligible cooperative & nonprofit sponsors at interest rates assessed at the Treasury borrowing rate, plus a small fee to cover administrative handling and risks. The shallow subsidy of the previous 3% direct loan would be discontinued. Rents at $40–$50 per month below market rents should be possible.

No costs would be borne by the Federal taxpayer in the new direct loan concept; however, the Section 23 rent subsidy could be applied to selected dwelling units. Such subsidy will be necessary in many cases in order to serve the needs of the very low-income person.

Local approval would be required and projects developed under this revised program would be made a part of and mutually supportive with the community's comprehensive planning for the aged or the handicapped.

5. By amendment to Section 232, Nursing Home Mortgage Insurance program, nonprofit sponsors of nursing homes would be permitted to obtain mortgage insurance on such homes at up to 100% of estimated value, plus cost of certain equipment. This action is urgently needed in support of growing demands and to provide means of replacing many nursing homes which are expected to be unable to meet rigid new standards of the recently instituted Life Safety Code for nursing homes.

6. Finally, the bill would express the sense of the Congress that the elderly and handicapped should be encouraged to participate in governmental affairs of the community so as to enhance understanding and acceptance of their special concerns and appreciation for their potential contributions.

THE ECONOMIC STABILIZATION ACT SHOULD BE EXTENDED

(Mr. KOCH asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. KOCH. Mr. Speaker, last Friday, April 5, the Banking and Currency Committee, of which I am a member, met to discuss the extension of the Economic Stabilization Act of 1970 which expires on April 30 of this year. Prior to that meeting hearings were held by my committee, and the representatives of labor and management opposed not only the existing controls but also any standby controls or even the continued monitoring of the economy by the Cost of Living Council. In the discussion which took place on April 5 many of those who said that they would vote against the extension of the Economic Stabilization Act in any form, said they were doing it with regret and because they had no confidence in President Nixon's carrying out that legislation. They pointed out the failures of the Nixon administration in carrying out the law to date. They said quite correctly that while the administration had severely regulated salary increases, they had failed miserably to hold down price increases.

We are in the midst of a difficult inflationary period. The administration's original proposal was simply to regulate the health care industry, including wages, and the construction industry and nothing else. To be selective in that fashion would have been grossly unfair because, particularly in the case of hospital worker wages, we are dealing primarily with minority workers, blacks and Puerto Ricans, who believe and correctly so, that they are being singled out by an administration which has little sympathy for their needs. I would vote against any legislation which would single out these workers for such discriminatory action. The legislation which was contemplated by a number of us would have provided for standby controls without singling out the health and construction industries and permitting the President to exercise discretion subject to a 30-day congressional override. Mr. Speaker, I agree with my colleagues that the Nixon administration has done a poor job in administering the legislation to date but I also believe that the Congress will be doing a still poorer job if it throws up its hands and says that it will provide no legislation at all. I have no intention of abdicating my responsibility to protect the public at large which will be further squeezed by price increases at the expiration of the Economic Stabilization Act on April 30 as has already happened in those areas where controls were lifted by the administration.

The final vote in the Banking and Currency Committee, Mr. Speaker, on a motion to table all legislation, thereby permitting the Economic Stabilization Act to die, was 21 to 10. I voted against the tabling motion, Mr. Speaker, and I believe that many of those who voted for it will rue the day.

PHASES, FREEZES, PRICES, AND THE NEED TO RESTORE ECONOMIC EQUILIBRIUM IN 1974

(Mr. BINGHAM asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. BINGHAM. Mr. Speaker, the Nixon administration has thrown in the towel on the American economy, abandoning the workingman, the poor, and the elderly to the ravages of inflation and now the Congress appears to be on the brink of doing the same thing.

When Richard Nixon became President of the United States, the Consumer Price Index (CPI) was only rising by an average 4.2 percent a year and unemployment averaged 3.6 percent, or 2.8 million workers. By the end of Richard Nixon's second year in office the CPI was rising at an average rate of 5.9 percent and 5 million workers or 6 percent of the work force was unemployed. After 4 years in office Richard Nixon's economic policies produced an unemployment population of 4.5 million workers, 2 million more than when he was elected.

For the 12 months ended December 21, 1973, the CPI rose by 8.8 percent, the highest 1-year increase in inflation since 1947—despite the President's assertion that his goal for the year was 2.5 percent. In a nutshell, 1973 tells the story of Richard Nixon's handling of the American economy—abysmal.

The trip to the neighborhood grocery or supermarket has turned into a daytime nightmare for all Americans. In urban areas, where in normal times food costs are invariably higher than in rural areas, price rises have been utterly devastating. Food was 11 percent more expensive in January 1974 than in January of 1973. for March it was 12 percent more expensive. A comparative shopping list that appeared in the March 5 edition of the New York Times revealed:

A Comparative Shopping List

Following are the prices charged last week at an A & P supermarket in Whippany, N.J., compared with the prices at the same store one year ago and on Sept. 13, 1971, during Phase 1 of the price freeze. Except as indicated, the current price is for the A & P store brand. In most cases, national brands were higher, and where direct comparison with New York City's market basket was possible, the A & P brands were below the city average, sometimes sharply.

	Sept. 13, 1971	Mar. 1, 1973	Mar. 1, 1974
Dairy:			
Homogenized milk, 1 qt	$0.29	$0.33	$0.42
Cheese (American sliced) 8 oz	.34	.38	.63
Eggs (Grade A-large, white), 1 doz	$0.45	$0.89	$0.93
Bread (white), 22 oz	.25	.33	.39
Cottage cheese (package), 1 lb	.35	.39	.55
Butter (quartered), 1 lb	.71	.83	.91
Canned groceries:			
Beans with pork (Campbell's), 1 lb	.14	.16	.27
Tomato Juice (Sacramento), 46 oz	.33	.39	.45
Tomato Soup (Campbell's), 10 oz	.10	.12	.15
Tuna (white chunk), 7 oz	.37	.57	[1] .59
Beets (sliced), 16-17 oz	.14	.19	.23
Peas (medium), 15–17 oz	.19	.23	[2] .23
Chicken Noodle Soup (Campbell's), 10½ oz	.15	.16	.1
Corned beef, 12 oz	.89	.89	[3] 1.2
Spam, 12 oz	.55	.61	.96
Salmon (pink) 1 lb	.91	1.09	1.79
Dry groceries:			
Rice (Carolina), 1 lb	.22	.23	.43
Oatmeal (Quaker), 18 oz	.31	.37	.45
Cornflakes (Kellogg's), 8 oz	.21	.20	.25
Flour, white (Pillsbury), 5 lb	.52	.83	[4] .99
Sugar (granulated), 5 lb	.61	.67	.89
Raisins (box), 15 oz	.45	.47	.63
Beans (kidney, red), 1 lb	.35	.39	.59
Peas (green, split), 1 lb	.13	.15	.57
Macaroni (plant) 1 lb	.13	.20	.38
Cornmeal (Quaker) 24 oz	.27	.29	.39
Meats:			
Franks (all meat), 1 lb	.65	.89	1.09
Chicken, 2 lb	.50	1.10	1.18
Bacon (sliced, package), 1 lb	.59	.79	1.19
Pork (shoulder chops), 1 lb	.75	.89	1.09
Butt (shoulder, smoked), 1 lb	.95	1.39	1.49
Miscellaneous:			
Shortening (vegetable), 1 lb	.37	.33	.52
Coffee (canned), 1 lb	.79	.99	1.03
Tea bags, 48	.37	.48	.49
Oil (salad), 1 pt	.47	.39	.57
Milk (evaporated), 12 oz	.16	.19	[5] .24
Coca-Cola, six 12 oz cans	.99	1.05	1.05
Total	13.31	19.79	25.47

[1] 6½ oz.

[2] Mixed sizes.

[3] Libby.

[4] Gold Medal.

[5] 13 oz.

Source: The New York Times, Mar. 5, 1974.

When Richard Nixon first took office, we in Congress recognized that a serious economic problem was in the making, and moved to pass legislation enabling the executive branch to deal with it effectively. The President, however, was steadfastly opposed to having or using such powers, and consequently did not take decisive action to help the American consumer for some 16 months thereafter.

Finally, in August 1971 he changed his mind and proceeded to subject America to series of freezes, phases, and other controls with disastrous results. Why? Because they were unevenly applied and were too little, too late. Instead of controlling rampaging prices so that they would not outrun negotiated wage hikes, the administration succeeded in holding a firm lid on consumer income while allowing big business to reap inflated profits. For example, in the food sector, the administration's freeze phase timing was bad because they failed to account for the domestic consequences of the Russian wheat deal and increased worldwide demand for American crops.

The following record of Richard Nixon's freezes, phases, and inflation was compiled by the Morgan Guarantee Survey as of October 1973:

PHASES, FREEZES, AND PRICES

[Percentage changes during periods specified]

	Year before phase I (August 1970 to August 1971)	Phase I, freeze I (August to November 1971)	Phase II, November 1971 to January 1973)	Phase III (January to June 1973)	Phase IV, freeze II (June to October 1973)
Consumer Price Index	4.4	1.6	3.6	9.1	9.8
Food	3.5	−3.3	6.9	22.2	19.6
Cereals and bakeries	4.3	−1.4	1.7	14.4	44.3
Meats, poultry, fish	.8	−2.0	12.9	39.8	29.8
Dairy products	3.5	−.3	2.4	10.4	35.4
Fruits and vegetables	7.6	−17.5	9.2	43.5	−23.4
Housing	4.3	4.2	3.4	4.4	9.7
Rent	4.8	2.8	3.8	4.4	4.7
Homeownership	3.4	7.0	3.7	4.1	14.1
Fuel and utilities	7.5	1.4	4.6	5.6	7.3
Apparel and upkeep	3.1	10.1	.8	7.6	6.8
Men's and boys'	2.7	7.6	1.2	7.1	2.9
Women's and girls'	3.4	18.8	.8	10.0	10.5
Transportation	5.9	−1.7	1.6	7.3	1.0
Automobiles	5.7	−2.4	1.4	8.1	1.2
Gas and oil (automobile use only)	3.3	−1.1	2.8	17.8	4.3
Health and recreation	5.0	2.0	2.8	4.2	4.9
Medical care	6.6	−.9	3.4	3.8	8.1
Personal care	3.3	1.4	2.8	6.2	5.9

Each successive phase with erratic controls resulted in higher rates of inflation. In April of 1973, when the Economic Stabilization Act was up for renewal, I proposed along with others an immediate freeze on the price of all goods and services—including rents—and a gradual rollback of prices equitably administered. The President and the Republicans argued that this was too restrictive and less controls would solve the problem, not more. Our proposal was defeated and instead the President was given one more chance to slow down the inflation by Nixonomics. Since then, the arbitrariness and fluctuation of his control policies have so hurt producers, retailers, and consumers that production has been cut, shortages and rationing has occurred, and cries throughout the country have been raised to end all controls abruptly, immediately, and without recourse. Everyone—including especially organized labor—is fed up, and understandably so.

Some of those who are advocating the abolition of all controls by not renewing the act before April 30 contend that controls have been the primary source of the shortages experienced to date. However, the weight of responsible economic opinion does not support that contention, Dr. John Dunlop, head of the Cost of Living Council, in testimony before the Senate's Banking, Housing and Urban Affairs Committee reported that a survey of purchasing managers and business economists revealed that the primary cause of domestic price increases was domestic and foreign demand for American products and resources. Certainly the Soviet wheat deal was a major factor in food price increases; more recently, the astronomical increases in the cost of imported oil have gravely aggravated the situation.

CONGRESS MUST NOT IGNORE INFLATION

It is discouraging to me that the Congress now appears to be in a mood to let all controls—except over petroleum products—lapse at the end of this month.

For the time being, the Banking and Currency Committee of the House and its counterpart committee of the Senate appear to have killed any prospect for passage of the Nixon administration's proposals for extension of controls beyond the April 30 expiration date.

But for the Congress to take no action now and let inflation run rampant would be to punish the American people for the past misdeeds of the Nixon administration.

What is needed is a new approach.

What I propose—and I will introduce a bill to this effect tomorrow with such cosponsors as may care to join me— is legislation that would do the following:

First. Set targets of not more than 5 percent inflation in 1974 and 4 percent in 1975, and of not more than 4.5 percent unemployment in 1974 and not more than 3.5 percent in 1975;

Second. Create an Economic Stabilization Administration, eliminating the Cost of Living Council and any role for the Internal Revenue Service in administering controls;

Third. Require the President—acting through the ESA—to impose price controls where needed to achieve the targets;

Fourth. Terminate the President's power to impose wage controls except as a last resort when voluntary restraints and the pressure of price controls are insufficient to keep wage increases within reasonable bounds;

Fifth. Give to the Congress the power by concurrent resolution to veto any control regulation issued by the President through ESA—as in the Ashley, Moorhead, Reuss proposals; and

Sixth. Also give to the Congress the power by concurrent resolution to impose controls when the President fails to act to achieve the targets.

The last item is, I fully realize, novel and will no doubt be extremely controversial. Normally, such a procedure would not be necessary. However, where, as in the present situation, the executive branch has proven incapable of administering controls in an equitable manner, the Congress should provide for a backup system of controls of its own.

The Congress can, of course, regulate prices by law, as is now being proposed for the oil industry. But the Congress can also delegate its powers; normally it delegates its powers to the President or an agency of the executive branch. What I am proposing is that, in this instance, the Congress by law delegate the same power on a standby basis to itself; that is, the House and Senate acting by concurrent resolution.

In proposing that the President's power to impose price controls be extended but that his power to impose wage controls be sharply limited, I am not suggesting anything radical or unprecedented. I refer to the early days of the World War II Office of Price Administration—when, as it happens, I was a lawyer in that agency. The OPA ran into difficulties after the victory in Europe, but prior to that time it was remarkably successful in preventing inflation in a time of exceptional stress. From its creation in 1941 and for over a year, neither the OPA nor any other executive agency had the power to impose wage controls; and inflationary increases were very modest: the effect of price controls was to strengthen the hand of management in wage negotiations, so that wage levels did not rise disproportionately. That is what I believe could and should be done now.

As I have said, I believe it would be a disaster for the Congress to allow all anti-inflation controls to expire on April 30. The matter is of such urgency that I believe the Congress should give up its planned Easter recess and stay in town long enough to pass a control measure that would be free of the shortcomings and injustices of the existing legislation. If that is not feasible, then the Congress should extend the existing law for 30 days, so as to allow time for the development of an effective new program.

The tentative text of my bill follows:

H.R. ——

A bill to amend the Economic Stabilization Act, to establish objectives and standards governing imposition of controls after April 30, 1974, to create an Economic Stabilization Administration, to establish a mechanism for Congressional action when the President fails to act, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Economic Stabilization Amendments of 1974".

FINDINGS

Sec. 2. Section 202 of the Economic Stabilization Act of 1970 is amended by deleting the existing language and substituting the following language:

"It is hereby determined that inflation has caused severe hardships, especially on people of fixed incomes, and has been accompanied by widespread unemployment; that these hardships fall inequitably and most heavily on those who are economically least able to bear them; that the economic stabilization program to date has been inequitable and has caused disruptive influences in the marketplace; that the government has the power to control such inflation through equitable stabilization of prices, rents, wages, salaries, dividends and interest and that actual and/or stand-by controls to accomplish such objectives are needed."

Sec. 3. Section 204 of the Economic Stabilization Act of 1970, as amended, is repealed.

Sec. 4. The Economic Stabilization Act of 1970, as amended, is amended by inserting the following new sections after section 202 and by renumbering sections 203 and 205–220 accordingly:

"OBJECTIVES

"Sec. 203. The objectives of this Act are to:

"(A) reduce inflation—

"(1) to an annual rate not to exceed 5 per centum by December 31, 1974;

"(2) to an annual rate not to exceed 4 per centum by December 31, 1975; and

"(B) reduce unemployment—

"(1) to an annual rate not to exceed 4.5 per centum of the eligible work force by December 31, 1974;

"(2) to an annual rate not to exceed 3.5 per centum of the eligible work force by December 31, 1975.

"STANDARDS GOVERNING IMPOSITION OF CONTROLS AFTER APRIL 30, 1974

"Sec. 204 (a). After April 30, 1974, the President shall impose controls if he finds that the absence of controls would result in inflation and unemployment at levels in excess of the objectives stated in section 203.

"(b) In making his determination as to the time frame, scope and level of price controls to be imposed under this section in each sector, the President shall take into account:

"(1) the hardship caused by inflation in such sector;

"(2) the extent to which *inflation in* each such sector can be moderated successfully through voluntary measures and cooperation in the absence of controls over that sector and related sectors;

"(3) the degree to which such control will inhibit the growth of supply in such sector—

"(a) by causing curtailment of production or productivity or,

"(b) by causing *impairment of* capital formation, of expansion of productive capacity, or of resource availability or,

"(c) by so stimulating exports as to create or exacerbate any domestic supply shortage;

"(4) the degree to which wages in such sector have been unduly depressed relative to other sectors.

"(c) The President shall impose wage controls in any sector only if he finds that the required degree of wage stabilization cannot be achieved either through voluntary measures or through the imposition of price controls in that sector resulting in a strengthening of the position of management in collective bargaining negotiations.

"(d) In the event the President finds that the imposition of controls is creating market disruptions or distorting distribution patterns, including but not limited to the stimulation of excessive exports, the President shall take such measures as may be authorized under this or any other law to offset such disruptions or distortions by allocation of available supplies or by export controls or both. If the President finds he lacks adequate authority to take such measures, he shall promptly propose appropriate legislation to the Congress.

"(e) For the purposes of this Act, the term "sector" means any firm or industry or class of firms or industries that possess distinct economic characteristics."

"ECONOMIC STABILIZATION ADMINISTRATION

"SEC. 205. (a) There is hereby established the Economic Stabilization Administration (hereinafter "the Administration") within the Executive Office of the President.

"(b) The President shall delegate such powers as he may deem appropriate under this or any other Act to the Administration. The President shall not delegate powers under this Act to any other agency and shall take steps promptly to transfer to the Administration the functions heretofore exercised by the Internal Revenue Service under the Economic Stabilization Act.

"(c) (reserved for standard provisions appropriate to the creation of a new agency.)

"(d) In addition to its other duties under this Act, the Economic Stabilization Administration shall—

"(1) develop and recommend to the President and the Congress policies, mechanisms and procedures to achieve and maintain the goals established by this Act;

"(2) monitor compliance with commitments made by firms in connection with sector-by-sector decontrol actions;

"(3) review the programs and activities of Federal departments and agencies and the private sector which may have adverse effects on supply and cause increases in prices and make recommendations for changes to increase supply and restrain prices;

"(4) review industrial capacity, demand, and supply in various sectors of the economy, working with the industrial groups concerned and appropriate governmental agencies to encourage price restraint;

"(5) work with labor and management in the various sectors of the economy having special economic problems, as well as with appropriate Government agencies, to improve the structure of collective bargaining and the performance of those sectors in restraining prices;

"(6) improve wage and price data bases for the various sectors of the economy to improve collective bargaining and encourage price restraint;

"(7) conduct public hearings when appropriate to provide for public scrutiny of inflationary problems in various sectors of the economy;

"(8) focus attention on the need to increase productivity in both the public and private sectors of the economy;

"(9) monitor the economy as a whole by requiring, as appropriate, reports on wages, productivity, prices, sales, profits, imports, and exports; and

"(10) conduct a study, along with the Federal Trade Commission and such other agencies or departments of the Government as may be appropriate, on the inflationary effect of economic concentration and anticompetitive practices, including—

"(i) the effect of Government subsidies, price supports and tax policies;

"(ii) the effect of joint ventures and mergers of all kinds, including conglomerate mergers, horizontal and vertical integration and geographic concentration, exclusive franchises, fair trade laws, interlocking directorates, stifling of technological innovation, and barriers to the entry of new competitors such as high advertising expenditures and other startup costs; and

"(iii) the effect of controls on exports and imports and resulting shortages, if any."

"SEC. 206. Whenever the President takes any action under this Title to impose controls he shall, on the date of such action, submit to the Speaker of the House of Representatives and to the President pro tempore of the Senate a report in writing setting forth controls imposed, referring specifically to the factors set forth in section 204. The President shall provide such other information as the Congress may request in the fullfillment of its Constitutional responsibility to regulate interstate and foreign commerce.

"CONGRESSIONAL ACTION

"SEC. 207. (a) Within 60 legislative days after a report required by this Title is submitted, the Congress, by Concurrent Resolution, may disapprove the controls imposed.

"(b) If the President fails to act to achieve the goals set forth in Section 203, the Congress may direct the President to act by Concurrent Resolution. Such Concurrent Resolution shall have the force of law as if included *in extenso* in this Act. To this extent the powers of the Congress acting with the approval of the President are hereby delegated to the Congress acting by Concurrent Resolution.

"(c) (i) Any Concurrent Resolution introduced pursuant to paragraph (a) shall be referred to the Committee on Interstate and Foreign Commerce of the House of Representatives or the Committee on Banking, Housing and Urban Affairs of the Senate, as the case may be, and one such Concurrent Resolution shall be reported out by such committee together with its recommendations within ten calendar days, unless such House shall otherwise determine by the yeas and nays.

"(ii) Any Concurrent Resolution so reported shall become the pending business of the House in question (in the case of the Senate the time for debate shall be equally divided between the proponents and the opponents) and shall be voted on within three calendar days thereafter unless such House shall otherwise determine by yeas and nays.

"(iii) Such a Concurrent Resolution passed by one House shall be referred to the committee of the other House named in subsection (c) (i) and shall be reported out by such committee together with its recommendations within 10 calendar days and shall thereupon become the pending business of such House and shall be voted upon within three calendar days unless such House shall otherwise determine by yeas and nays.

"(iv) In the case of any disagreement between the two Houses of Congress with respect to a concurrent resolution passed by both Houses, conferees shall be promptly appointed and the committee of conference shall make and file a report with respect to such concurrent resolution within six calendar days after the legislation is referred to the committee of conference. Notwithstanding any rule in either House concerning the printing of conference reports in the Record or concerning any delay in the consideration of such reports, such report shall be acted on by both Houses not later than six calendar days after the conference report is filed. In the event the conferees are unable to agree within 48 hours they shall report back to their respective Houses in disagreement.

SEC. 5. Section 218 of the Economic Stabilization Act of 1970 is amended by striking out the words "April 30, 1974" and "May 1, 1974" and inserting in lieu thereof the words "December 31, 1975" and "January 1, 1976", respectively.

SEC. 6. Section 4(f) of the Economic Stabilization Act Amendments of 1971, Public Law 92–210, as amended by Public Law 93–34, is amended by striking out the figure $10,000,000" and inserting in lieu thereof the figure "———" and by striking out the words "June 30, 1973" and inserting in lieu thereof the words "December 31, 1975".

SEC. 7. This Act shall become effective May 1, 1974.

SEC. 8. For purposes of administering and enforcing the Emergency Petroleum Allocation Act of 1973, nothing in this Act alters the Economic Stabilization Act of 1970 as incorporated by reference in the Emergency Petroleum Allocation Act of 1973.

BLACKBURN INTRODUCES THE "ELDERLY HOUSING ACT OF 1974"

The SPEAKER per tempore. Under a previous order of the House, the gentleman from Georgia (Mr. BLACKBURN) is recognized for 5 minutes.

Mr. BLACKBURN. Mr. Speaker, in cosponsorship with my distinguished colleague and fellow Georgian, Representative ROBERT G. STEPHENS, JR., I am today introducing the Elderly Housing Act of 1974.

This bipartisan effort by Mr. STEPHENS and me is made in recognition that the problems of our elderly citizens transcend partisan political lines.

For the past 5 years, Mr. STEPHENS and I have recognized that existing elderly housing programs have failed to provide the flexibility of design required for effective housing of this character, as well as for the specialized needs of our senior citizens. Consequently, BOB STEPHENS and I have been engaged in a search for remedy for these shortcomings.

We have felt, too, that generally speaking, our senior citizens have not been receiving the attention from the Federal Government which they so justly deserve.

They have worked hard during their productive years. They have kept faith in America and in its system. They have served in our wars; and they have sent their sons to others. They have paid their taxes. Yet, all too often, too many of our senior Americans have found themselves largely ignored by the Government in which they have kept faith, and to which they have contributed so much.

The Elderly Housing Act of 1974 is a compromise between proposals offered previously by Mr. STEPHENS and me, and those offered in behalf of the administration by HUD Secretary James T. Lynn.

With introduction of this legislation, Mr. STEPHENS and I, together with experts whom we have consulted, believe the housing needs of the elderly may, at last, receive the impetus and response they deserve.

SALUTE TO HANK AARON

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Alabama (Mr. EDWARDS) is recognized for 5 minutes.

Mr. EDWARDS of Alabama. Mr. Speaker, I take pride in joining my colleagues in a salute to the great Hank Aaron. This baseball giant is a native of Mobile, Ala., one of many outstanding athletes who have come from the largest city in my district.

Hank Aaron's greatness was not given the acclaim it deserved for a long time, largely, I think, because of the consistency with which he exercised his excellence. His accomplishments and successes have followed each other as surely as summer follows spring, and the sheer reliability of his performance has made us almost accustomed to his amazing deeds. His authoritative bat has been accompanied throughout his career by strong fielding and intelligent base running. He is an all-around ball player, a heavy hitter on and off the field.

I was struck during the testimonials given Aaron at the pregame ceremony by the repeated reference to the fact that Henry Aaron is as strong a citizen as he is a baseball player. Certainly he has accorded himself with poise and self-control during the pressurized months when all eyes focused on him and his bat as he pursued Babe Ruth's most famous record.

Henry Aaron hit his first big league home run on April 23, 1954. In the 20 years that followed, he has served as an example and an inspiration for people in Alabama and throughout our country.

Mr. Speaker, I am proud to join in this salute, and I want to express the pride which the people of the First District of Alabama feel today for one of its native sons, Henry Aaron. I am hopeful that this baseball legend will stay in the game for a long time, and I wish him continued success in his assaults on baseball's record book. Hank Aaron deserves the accolades he is receiving as baseball's greatest player.

COMMITTEE ON SCIENCE AND ASTRONAUTICS RECEIVES PUBLICITY IN SCIENCE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. GOLDWATER) is recognized for 5 minutes.

Mr. GOLDWATER. Mr. Speaker, the March 1974 issue of Science carried an excellent article on the expanding role and function of the House Committee on Science and Astronautics. This committee, on which it is my privilege to serve, has developed an outstanding record in the field of astronautics, particularly as it relates to space and space exploration. Clearly, it has been these activities that have received the greatest amount of public attention and the greatest amount of attention from the committee. However, as the committee name indicates, astronautics is only one-half of the assigned responsibility of the committee. With clear need and justification the committee is moving to balance its attention to astronautics with increased legislative attention to governmental scientific research and development activities. Detailed congressional attention to these areas of governmental activity is an important aspect of the committee's function and it can be of great benefit to both the scientific community and the general public.

For the convenience of the Members of the House I insert the Science article, written by Constance Holden, in its entirety:

[From Science Magazine, Mar. 29, 1974]

HOUSE SCIENCE COMMITTEE: STAKING OUT A BROADER CLAIM

The House Committee on Science and Astronautics is industriously seeking to consolidate (or, as some say, groping toward) a new, powerful, and expanded role as overviewer of all government scientific research and development activities.

The image of the committee as "the space committee" has been hard to shake, despite the fact that most of the important legislation originated there in recent years has not been space-related. In fact, the committee has recently been the font of four major bills: a 5-year, $50-million solar energy demonstration bill that swept the House on 13 February; a 6-year, $80-million geothermal demonstration bill due to be reported out of committee soon; a measure to establish a national fire program within the Department of Commerce; and the metric conversion bill.

The fire bill would set up a new research program and data collection system as well as a training academy, all of which would eventually require an annual budget of about $20.5 million (*Science*, 24 August 1973). This is a relatively noncontroversial and, many say, long overdue measure, which is scheduled for House vote this month and is expected to pass with little difficulty.

Passage of the metric conversion bill, which may hit the House floor this month, is more uncertain. Modeled after recommendations of a National Bureau of Standards report completed in 1971, it calls for a 10-year, voluntary effort to go metric nationwide. (The Senate passed a metric bill in the last Congress; a new one is now awaiting action by the Senate Commerce Committee.) The House bill adopts the report's approach, which is to let the costs of conversion fall where they may. A small board set up in the Commerce Department would coordinate public and private efforts. Passage of the bill in this Congress is not at all certain, because some craft unions, representing people who own their tools, will oppose it unless it is amended to reimburse them for the costs of metric instruments.

The committee is by no means abandoning space, as chairman Olin E. ("Tiger") Teague (D-Tex.) would be the first to affirm. But it is according other fields, particularly energy, the kind of scrutiny that was once reserved for space.

The character of leadership in the committee has changed markedly in the past few years. The mild-mannered and elder statesmanly George P. Miller (D-Calif.) was replaced in 1973 by Teague, a shrewd politician with close ties to the Texas power structure and an ardent devotee of the National Aeronautics and Space Administration (NASA). Emilio Q. Daddario, a Connecticut lawyer who moved with ease among the upper echelons of the scientific community, was replaced in 1971 as chairman of the science research and development subcommittee by John W. Davis (D-Ga.), a country judge who is known more for horse sense than an intimidating intellect.

Among the newer members of the committee, Mike McCormack (D-Wash.), a former Battelle Corporation chemist, appears to be carrying out a distinctive role for himself as chairman of the subcommittee on energy, where the solar and geothermal energy demonstration bills originated.

The committee's major preoccupation, as always this time of year, has been authorization hearings on the budgets of the National Science Foundation (NSF) and NASA. It's going to be a tougher job than usual, says one staff member, because of dramatic increases in money requested for energy research. The Administration has asked for a huge hike in the fiscal 1975 budget for NSF's RANN (Research Applied to National Needs) program, from $70 million to $150 million. Some $102 million of this is for energy-related research. Since much of the $102 million is for applied research and pilot projects, the committee may try to transfer some of the requested RANN budget to NASA, which, unlike NSF, is geared to conducting demonstration programs.

The NSF can be counted on to oppose this shift. Its position is that large-scale demonstration projects in solar energy, such as those called for in the solar bill, will not prove economically attractive enough to draw private industry into the field. The RANN solar budget would be devoted to studying all the aspects—economic, marketing, and distributional, as well as technical—of solar energy, the idea being that it will be several years before demonstration projects are feasible.

The NSF also opposes the terms of the geothermal bill, which is designed to explore the feasibility of drawing power from dry hot rocks and geothermal brines. The bill would put NASA in charge of this project: NSF believes that NASA is ill-equipped to deal with geothermal energy, and that the proper agencies are RANN, the Atomic Energy Commission, and the Department of the Interior.

All this would seem to call for a clarification of the respective roles of NSF and NASA in exploration of new energy sources. The Davis subcommittee is attempting to come to grips with the question of NSF's role in the national research and development scene with two staff studies: one is an evaluation of the RANN program as gauged by the responses of users of its research; the other is an evaluation of NSF's basic research program (which still takes up most of the agency's budget), with astronomy selected as a case study for overall trends.

The committee is also trying to engage in the kind of long-term thinking that other committees do not have time for. A study is planned, for example, on materials research and development, a subject that has not received much public attention yet but that promises to be a hot issue in a couple of years. This will cover the development of new materials, new sources for and recycling of old materials, and the problems surrounding the importation of increasingly scarce raw materials.

THE BIG PICTURE

The committee is struggling manfully to get a greater historical, social, and economic perspective on national ills that are susceptible to treatment by science and technology. Davis' committee recently held three mornings of hearings on "science, technology, and the economy," to which such notables as Edward Teller and Margaret Mead were invited.

One morning was largely devoted to historical analogs of the current energy crisis. Davis had read in *Natural History* magazine an article about the 16th-century wood shortage in Europe, so he got his staff to find a man who would talk about that, as well as someone to talk about the whale oil shortage in the 19th century. In both instances, it came out in the hearings, necessity proved the mother of invention. The wood shortage stimulated exploitation of coal and the development of coal extraction technology—all of which hastened the advent of the industrial revolution. In the case of the whale oil shortage, said W. Philip Gramm, economist from Texas A&M University, high prices for whale oil made exploitation of petroleum and gas distilled from coal economically feasible. Gramm extrapolated to the present day, saying that rationing or price controls would only suffocate private enterprise and that all we needed to do to get out of the woods is develop oil shale, natural gas resources, and the abundance in the outer continental shelf. Gramm's prepared testimony dealt wtih fossil fuel alternatives in one sentence: "The breeder reactor will come on and make nuclear energy economically viable, and solar and thermal energy can be developed when they are needed."

With advice such as this, and testimony from Mead, who pointed out that national policies must tread a path between despotism and chaos, it is doubtful the committee came away with much to generate policy alternatives, but it was an imaginative try.

Another set of broad-gauge hearings, on federal science policy and its advisory apparatus, is scheduled for May. Daddario's subcommittee held similar hearings in 1970; the current ones are expected to carry more weight because they are being held by the full committee. Last July, the committee invited Administration representatives to outline their objectives following the abolishment of the Office of Science and Technology and the President's Science Advisory Committee. This time, outsiders will give their assessments of Administration policy (or lack of it) and make their own suggestions.

Another sign of the committee's spreading interests was the creation of a subcommittee on international cooperation in 1971. This committee is planning some hearings on issues such as patent reciprocity and credit terms involved in exchanges of advanced technology with the U.S.S.R.

The committee's prestige cannot help but be enhanced by the existence of the new Office of Technology Assessment headed by its original mastermind, Dadarrio. Three of the 12 members of the office's congressional board are on the committee: Davis, Teague, and Charles A. Mosher (R-Ohio), the ranking minority member.

The committee has not expanded its staff, but it does have science interns for the first time: one from the executive branch (National Bureau of Standards) and one donated by the Institute of Electrical and Electronics Engineers.

If the Bolling committee proposals (*Science*, 22 February) pass the House, the committee, whose new name will be the Committee on Science and Technology, can look forward to becoming one of the major committees of the House, with expanded oversight duties including jurisdiction (if it is created) over the proposed Energy Resources and Development Administration.

Whatever happens to the Bolling proposals, the Science and Astronautics Committee seems clearly intent on becoming the Committee on Science and Technology in spirit if not in name.

EXPROPRIATION OF TEA AND RUBBER PLANTATIONS BY SUKARNO IN 1964

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon (Mr. WYATT) is recognized for 5 minutes.

Mr. WYATT. Mr. Speaker, I rise today in the well of this House to document a case of expropriation of American property, the settlement of which is at once highly important and eminently fair.

This case involves a U.S. corporation whose extensive rubber and tea plantations were taken over by the Sukarno regime in 1964. Forgetting, as the corporation is willing to do, the value of the inventory of produced tea and rubber at the takeover and not accounting for bank deposits for which records were destroyed, the 1953 value plus 10-year modest 6-percent interest comes to $20 million in round numbers.

The settlement of this case of expropriation is highly important because it stands as a blot on the escutcheon of relations between the United States and Indonesia. These relationships, here since the rejection of Sukarno and the advent of the Suharto government, have been wholesome, constructive, and generally supportive of the national interest of both our nations. The unfortunate failure of the technocrats and bureaucrats of Indonesia to bring fair and prompt settlement to this long outstanding claim brings a discordant note in an otherwise harmonious effort for development in Indonesia with mutual advantage to our two countries. It casts a pall of doubt on large programs of financial support flowing from our country to this important island nation, Indonesia.

Our national policy relative to expropriation has been clearly stated by our President as late as 1972 When speaking of Economic Assistance and Investment Security in developing nations, the White House stated:

> A policy of assistance is prompted by a mutuality of interest . . . (and) . . . it is my intention to seek adequate and regular fiscal year appropriations . . . to reform our foreign assistance programs to meet the challenges of the 70's.

The President added:

> I also wish to make it clear the approach of this Administration to the role of private investment in developing countries and in particular to one of the major problems affecting such private investment up-holding accepted principles of international law in the face of expropriation without adequate compensation.
>
> Unfortunately . . . U.S. enterprises, and those of many other nations, operating under valid contracts negotiated in good faith, and within the established legal codes of certain foreign countries, have found contracts revoked and their assets seized with inadequate compensation or no compensation. . . .
>
> Such actions are wasteful from a resource standpoint considering their adverse effects upon the flow of private investment from all sources, and unfair to the legitimate of foreign investors. . . . It seems to me imperative to state the policy of our government in future situations involving expropriation acts . . .
>
> When a country expropriates significant U.S. interests without making reasonable provisions for compensation to all U.S. citizens we will presume that the U.S. will not extend new bilateral economic benefits to that country. We will presume that the U.S. government will withhold its support from loans under consideration in multinational development banks.

The above excerpts are highlighted because the executive expression of policy has the strong and often enunicated support of Congress. Law and machinery of law have been created to implement both executive and legislative will. The importance of this to Indonesia at this time is realized from the following recitation.

U.S. AID TO INDONESIA—GRANT AID AND LOANS

[In millions of dollars]

Fiscal year	Grant aid			Loans
	Military	Economic	Total	
Marshall plan, 1949–52	3.9	90.3	94.2	117.0
Military Security Act, 1953–61	25.6	144.9	170.2	137.2
Foreign Assistance Act, 1962–65	35.9	66.5	102.4	22.5
Fiscal year:				
1966		2.7	2.7	21.1
1967	2.5	2.5	5.0	54.9
1968	4.7	6.1	10.8	96.4
1969	5.2	8.6	13.8	228.8
1970	6.3	29.4	35.7	76.0
1971	33.8	17.6	51.4	162.3
1972	22.9	16.4	39.3	229.2
1973	18.0	10.0	28.0	[1]200.0
1974				

[1] Approximate

OTHER COMMITMENTS

[In millions of dollars]

	World Bank	Asia Development Bank	Export-Import	Other
1967–73	470	140	300	2,700

Source: U.S. State Department.

In addition, it should be noted that:

First. In the last 5 years military aid from the United States to Indonesia in direct assistance has risen from $5 million to $18 million with an average of over $12 million a year for 5 years;

Second. Nonmilitary aid has advanced from $25.7 million, 5 years ago, to $253.2 million with a yearly average for the period near $200 million;

Third. Asian Development Bank loans have increased from $3.39 million in 1969 to $41.22 million in 1973 with a yearly average in the period of roughly $25 million;

Fourth. IDA credits which started at $51 million in 1969 rose to $171.4 million for 1973 for an average of over $100 million per year; and

Fifth. The United States provides about one-third of the dollar credits extended by a consortium called IGGI—International Government Group for Indonesia—formed in 1968 to assist the new Suharto regime with Indonesia debts and for 1973 this consortium made $723.6 million in credit available to Indonesia.

The above recitations are made simply to define the dimensions of dollars Indonesia has involved in the U.S. policy relative to expropriation previously described.

Over the 5-year period there has been almost $1 billion in bilateral economic benefits that could have been questioned in the absence of a reasonable settlement of a just claim. Further, approximately $620 million from multinational development banks under conditions where the expressed policy of our Government suggests we could have withheld our support. Finally, Indonesia has been extended considerable credit concessions of which the United States has provided near $500 million.

All this suggests a serious review of an unsettled and outstanding claim by a U.S. citizen from the Indonesian Government. The importance is clear. What of the fairness and justness of the basis and dimensions of the claim.

BASIS OF THE SEA OIL AND GENERAL CLAIM OF SETTLEMENT

In 1956, Sea Oil & Development Corp., formerly the American Indonesian Corp., a U.S. corporation, incorporated under the laws of New York, acquired the rights and ownership of properties real and personal of an old Dutch plantation firm in Indonesia. The relevant deeds and papers are all of record and authenticated by Indonesian officials and agencies. The properties were in three areas of Java and were principally devoted to rubber and tea production, although some palm oil and quinine had been produced. Total acreage now being asked is:

Tea plantation of 5,839 acres of which

2,713 acres was cultivated and in production;

Rubber plantation No. 1 of 3,375 acres of which 1,555 acres was cultivated and in production; and

Rubber plantation No. 2 of 19,150 acres with 3,995 acres producing. This property is located only 45 miles from Djakarta, the largest city and capitol of the country.

The title on these properties included some held "in fee," a unique and very valuable holding for a foreign entity.

The fairness of this settlement lies in the willingness of the U.S. entity to take the values set by the Indonesians themselves, as early as 1953. It lies in the expressed acceptance of the burden of settlement stated by President Suharto in the meeting in Europe in which the United States and others agreed to extend to all most forgiveness the vast indebtedness of Indonesia contributed mainly by Sukarno and his excesses. This agreement was underscored later by an urging letter from Foreign Minister Malik for a speedy and fair settlement in which he wrote to Minister of State, Dr. Ekuin, in part as follows:

> Considering our good relationship with the United States, it is best that the claims . . . be settled as soon as possible.

Mr. Speaker, in light of all the facts and circumstances we can only heartily echo the sentiments of Minister Malik. This U.S. corporation deserves a settlement now and its efforts should be supported by our Government.

EQUAL HOUSING OPPORTUNITIES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maryland (Mr. HOGAN) is recognized for 10 minutes.

Mr. HOGAN. Mr. Speaker, with the rising demand for housing in our country it is of paramount importance that we provide equal housing opportunities and improve housing conditions for all minorities.

I have for years been saying to realtors and their associations that they have a responsibility to make housing available on a nondiscriminatory basis. I have said that if our neighborhoods were integrated we would not have a problem with busing for racial balance.

I am pleased to report that the Prince Georges County Board of Realtors has recently been cited by James H. Harvey, executive director of the Housing Opportunities Council of Metropolitan Washington, for its efforts in implementing an equal housing opportunities code of practice and an affirmative action plan.

The directors of the Prince Georges County Board of Realtors agreed in the voluntary plan to call upon member realtors to encourage minority real estate brokers and salesmen to become board members, to make available to all members the texts or summaries of Federal, State, and local fair housing laws and regulations, the Joint National Association of Realtors—HUD poster and code practices, and the establishment of a housing opportunities committee that includes persons who are representative of minority and nonindustry alined groups.

In addition, the voluntary affirmative action plan includes a strong new code of equal housing opportunities practices requiring members to refrain from discriminating in real estate activity. Members are requested to conspicuously post the code in all places of business. All members are subject to an investigation by the board's housing opportunities committee. The housing opportunities committee will receive complaints alleging discrimination in housing from the public and will refer violations of the code to the professional standards committee for action.

The Prince Georges County Board of Realtors is the first board of realtors in the country to adopt a voluntary affirmative action plan. This type of initiative in establishing a prototype program is deserving of special commendation and I would like to express my personal appreciation to President John H. Hughes, Vice President Charles Grammer, and Executive Vice President Paul L. Fowler. This type of responsiveness to public need is necessary if we are to fully eliminate the duplicity and remnants of discrimination still existing, particularly in housing.

INTRODUCTION OF BILL TO INCREASE OPPORTUNITIES FOR GOVERNMENT INTERNSHIPS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Idaho (Mr. HANSEN) is recognized for 5 minutes.

Mr. HANSEN of Idaho. Mr. Speaker, I am today introducing legislation to alleviate existing civil service regulations that, although unintended, severely restrict programs that provide unsalaried educational internships in Federal agencies for high school, college, and graduate students. This bill, H.R. 14093, will allow Federal agencies to invite and accept student involvement in challenging apprenticeship roles which can greatly enhance the participants' knowledge about and interest in government. Such student activity is primarily for the educational and intellectual benefit of the intern and there is no reason at all to prohibit this unsalaried service which could create thousands of additional opportunities for young people.

Youth involvement in government is essential, particularly in these troubled times, and programs such as this would allow students to bridge the gap between textbook knowledge of government and practical, firsthand experience. In addition, some young people may be encouraged to embark upon public service careers.

I want to call your attention to one such program, the Executive High School Internships of America, and the role of its national director, Dr. Sharlene Hirsch, who brought this dilemma to my attention. Along with my distinguished colleague, Mr. BRADEMAS, I am privileged to serve as a member of this organization's national advisory board. This program, which annually involves 1,300 high school juniors and seniors across the country, enables young people to serve as special assistants in training to executives in government and related fields. The internship carries a full semester of credit but no pay. Sponsoring executives are required to provide a broadly stimulating educational experience and are specifically prohibited from using students as clerks, messengers, or for other functions for which people would be compensated.

I include as part of my remarks the text of H.R. 14093:

H.R. 14093

A bill to authorize any officer or employee of the United States to accept the voluntary services of certain students for the United States

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding the provisions of section 3679 of the Revised Statutes of the United States (31 U.S.C. 665(b)) or any other provision of law, any officer or employee of the United States may accept voluntary service for the United States if such service is performed by a person who is enrolled as a student, not less than halftime, in an institution of higher education or a secondary school at the time the person makes application to perform such voluntary services.

SEC. 2. As used in this Act, the terms "institution of higher education" and "secondary school" have the same meaning as prescribed for such terms in section 1201 of the Higher Education Act of 1965 (20 U.S.C. 1141).

CONGRESSIONAL COMMITMENT TO PRIVACY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. GUYER) is recognized for 5 minutes.

Mr. GUYER. Mr. Speaker, this Congress would be remiss if the important issues of rights to personal privacy were not given thorough attention and legislation adopted to restore these badly eroded liberties.

The leadership of my colleague from California (Mr. GOLDWATER) is to be commended. He is following the footsteps of my distinguished predecessor Jackson E. Betts who made census reform a national issue. We are building on the concerns of a decade of congressional investigation into invasion of privacy. Regrettably, the record of accomplishment is far behind the rapidly growing advances in information technology. Thus, today's congressional commitment to privacy is a most propitious event.

My concern, Mr. Speaker, goes to the very essence of privacy—the right to be left alone. The right to keep to oneself—the honorable right to participate or withdraw, to speak or elect to be silent. The right to supply personal information to a business or government with the assurance it will be properly maintained. The right to inspect that information, get a copy of it, to give permission before it is disseminated, to require its correction or distribution when errors occur or it is no longer needed. I am the sponsor of legislation to establish a Code of Fair Information Practices to accomplish these information rights for Americans.

Let me speak in *support of* a number of other bills sponsored by many of the 200 Congressmen already committed to restoring privacy. Measures to allow parents to see their children's school records, limit mailing list distribution by Government agencies, reduce the scope of the census, stop requiring the social security number for every purpose, and strictly limit the use of personal income tax reports have my support.

Mr. Speaker, these are trying times for America. Times when public confidence in our institutions, including the Congress, is at a low level. One of the maladies causing such public attitudes is a hostility to the excesses of information collectors. Our American way of life is based on a balance of interest. Justice Samuel H. Hofstadter of the Supreme Court of New York stated this philosophy in a very impressive manner:

> In a democracy, we are concerned primarily with the relation of the individual to his government. And the maintenance of this overall relationship has greater importance than the isolated search for fact—or even justice—in any specific case.

These are my sentiments today.

EULOGY TO ADM. JOEL T. BOONE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. Morgan) is recognized for 5 minutes.

Mr. MORGAN. Mr. Speaker, on April 2, an American of great achievement and character passed away. Adm. Joel T. Boone had a distinguished record as an officer in the Medical Corps, and many of you have long been aware of his humanitarianism. The following biography details the highlights of his productive life, and I commend it to your attention:

Biography of Adm. Joel T. Boone

Joel Thompson Boone was born in St. Clair, Pennsylvania, on August 29, 1899, the son of the late William A. and Annie Thompson Boone. He was graduated from the Mercersburg (Pennsylvania) Academy in 1909 and entered Hahnemann Medical College in Philadelphia, Pennsylvania, where he was graduated in June 1913. Appointed Lieutenant, (junior grade) in the Medical Corps of the U.S. Naval Reserve in April 1914, he was transferred to the Regular Navy in that rank in May 1915. He advanced through all the grades, including Commodore, to Rear Admiral, which rank dated from May 20, 1942, and upon retirement was advanced to the rank of Vice Admiral. He served on continuous active duty from July 1, 1914, until his retirement on December 1, 1950.

Following his appointment in the Medical Corps of the U.S. Naval Reserve in April 1914, he was attached to the Naval Hospital, Portsmouth, New Hampshire, between July and September 1914, after which he received instruction at the Naval Medical School, Washington, D.C., until April 1915. Transferring to the U.S. Navy in May 1915, he served at the Naval Training Station, Norfolk, Virginia, until August of that year, when he was ordered to duty with the Artillery Battalion, U.S. Marine Corps Expeditionary Force. During that assignment, which extended to June 1916, he had combat service ashore in Haiti in 1915 with the Marines.

In September he joined the U.S.S. *Wyoming*, flagship of the United States Fleet, and was serving on that battleship when the United States entered World War I in April 1917. Detached from the *Wyoming* in August of that year, he reported for duty with the Sixth Regiment of Marines, Quantico, Virginia, departing with that organization for overseas duty in September. Arriving in France in early October 1917, he participated in the following major battles and campaigns, as Battalion and Regimental Surgeon. Sixth Marine Regiment, and later as Assistant Division Surgeon of the Second Army Division, American Expeditionary Forces: Defense Sector south of Verdun, Aisne, Aisne-Marne, St. Mihiel, Champagne, and Meuse-Argonne. After the Armistice on November 11, 1918, he participated in the march into Germany with the Army of Occupation for duty on the Rhine bridgeheads.

Following his return from duty in Europe to the United States in February 1919, he served in the Bureau of Medicine and Surgery, Navy Department, Washington, D.C., and as the Director of the Bureau of Naval Affairs, American Red Cross, from March 1919 until May 1922, when he reported for duty as the Medical Officer aboard the presidential yacht, U.S.S. *Mayflower*. During the period of that assignment, which extended to April 1929, he was a physician to the late Presidents Warren G. Harding and Calvin Coolidge. Betwen March 1929 and April 1933 he was the Physician to the White House during the administration of President Herbert Hoover. During his assignment as Physician to the White House, he served in the temporary rank of Captain with the enactment of a Congressional statute pertaining to the legal establishment of that office.

After completing a general postgraduate course at the Naval Medical School, Washington, D.C., in May 1933, he joined the hospital ship, U.S.S. *Relief*, in June of that year, serving as Chief of Medicine of that vessel until June 1935. He then had duty at the Naval Hospital, San Diego, California, until August 1936, when he was transferred to California, where he served until May 1938. In November of that year, he joined the U.S.S. *Saratoga* and served on that aircraft carrier as Senior Medical Officer until July 1939.

He had duty as Executive and Commanding Officer of the Naval Dispensary, Long Beach, California, before reporting in January 1940 for duty as Force Medical Officer on the Staff of Commander, Base Force, U.S. Fleet, on the flagship U.S.S. *Argonne*, and served until August 1940. He had duty as Senior Medical Officer at the Naval Air Station, San Diego, California, from December 1940 until April 1943, and from May of that year until March 1945, he served as Medical Officer-in-Command of the Naval Hospital, Seattle, Washington.

In April 1945, he was promoted to Commodore and ordered to report for duty as Fleet Medical Officer on the staff of Commander, Third Fleet, Admiral William F. Halsey. He was selected by the latter to be one of three officers to liberate Allied Prisoners of War in Japan prior to the military occupation of that country. He was the Naval Medical Corps representative at the surrender ceremonies of the Japanese aboard the U.S.S. *Missouri* in Tokyo Bay on September 2, 1945.

In November 1945, he was ordered to the Bureau of Medicine and Surgery, Navy Department, Washington, D.C., for temporary duty pending further assignment. In January 1946, he was designated District Medical officer, Eleventh Naval District, San Diego, California, and in April of the same year, he became Inspector of Medical Department Activities, Pacific Coast, with additional duty as Medical Officer, Western Sea Frontier. From May 1946 until June 1947 he served also as Medical Advisor to the Federal Coal Mines Administrator and as Director of the Medical Survey of the Coal Industry. Early in 1948, he was assigned and reported to the Secretary of Defense for duty as the Executive Secretary of the Secretary of Defense's Committee on Medical and Hospital Services of the Armed Forces. Simultaneously he served as Secretary of the Committee on Federal Medical Services of the First Commission on Organization of the Executive Branch of the Government, generally known as the Hoover Commission.

He was detached as General Inspector, Medical, on September 1, 1949, having been appointed Chief of Joint Plans and Action Division, Office of Medical Services, Department of Defense. In March 1950, he was ordered detached and reassigned as General Inspector, Medical Department Activities. While on the latter duty assignment, he was ordered on a special mission to Japan and Korea during the Korean War by the Chief of Naval Operations, Admiral Forrest P. Sherman. The Secretary of the Navy on November 30, 1950, determined him unfit to perform the duties of his rank by reason of physical disability and therefore placed his name upon the permanent physical disability retired list on December 1, 1950.

Having been appointed Chief Medical Director of the Veterans Administration, he assumed that office March 1, 1951, serving in that position for a statutory term of four years.

Foremost among the many awards and high honors Admiral Boone has received is the Congressional Medal of Honor; others include the Distinguished Service Cross (Army), the Silver Star Medal with five Oak Leaf Clusters (Army), and the Purple Heart Medal with two Oak Leaf Clusters (two for wounds in action, one a special award made by General John J. Pershing, U.S. Army). In addition to the foregoing during World War I, he received special citations from Major General John A. Lejeune, U.S.M.C., Major General Harry Lee, U.S.M.C., Major General Omar Bundy, U.S. Army, and Major General James G. Harboard, U.S. Amy, under whose commands Admiral Boone served in the American Expeditionary Force, France. Prior to World War I, while serving with the Marines in Haiti, he received a Special Letter of Commendation for his conduct under fire from the Secretary of the Navy, Josephus Daniels. Admiral Boone was awarded the following campaign medals for service prior to and during World War I: Haitian Campaign Medal, the Marine Corps Expeditionary Medal, the Victory Medal with six battle stars, and the Army of Occupation in Germany Medal. For services in World War II, Admiral Boone received a Letter of Commendation from the then Secretary of the Navy, James Forrestal, and was awarded the Secretary of the Navy's Commendation Medal. For meritorious service as Fleet Medical Officer on the staff of Command 3d Fleet, he was awarded the Bronze Star Medal with Combat "V." Other awards he received for services in World War II and later are: the American Defense Service Medal with Fleet Clasp, the Asiatic-Pacific Campaign Medal with two bronze stars, the American Campaign Medal, the World War II Victory Medal, the Navy Occupation Medal (Japan), the Korean Service Medal, the United Nations Service Medal, the National Defense Service Medal, and the Korean Presidential Unit Citation Badge. The following awards were bestowed upon him by the French Government: Officer of the Legion of Honor, Croix de Guerre with two palms, Order of the Fourragere (three awards), and the Gold Medal of Honor. The War Cross with Diploma of Italy was bestowed by that Government on Admiral Boone.

The honorary degree of Master of Arts, Doctor of Laws and Doctor of Science were conferred on Admiral Boone by his college Alma Mater. Among various other non-military awards of distinction, he has received the Distinguished Service Medal of the American Legion and the Veterans Administration's Exceptional Service Award (that Agency's highest award). One of the highest civilian honors received by Vice Admiral Boone was that of "Ambassador", conferred on him by the Pennsylvania State Chamber of Commerce in 1949.

Joel T. Boone Hall at Mercersburg Academy, Mercersburg, Pennsylvania, was named in his honor. The building was dedicated on October 13, 1962. On March 15, 1972, the Joel T. Boone Clinic at the Naval Amphibious Base, Little Creek, Virginia, was dedicated.

Admiral Boone was a Fellow of the American Medical Association; Fellow of the American College of Surgeons; Fellow, American College of Physicians; Fellow, International College of Surgeons; Fellow, American College of Chest Physicians; Alpha Omega Alpha (honorary); former member of the National Board of Medical Examiners; and a former Member of the House of Delegates, American Medical Association (representing the Navy). He served as President of the Mercersburg Academy Alumni Association for fourteen years and was the Alumni Association's Honorary President. Since 1929, he had served on the Board of Regents of Mercersburg Academy and was its President for 4½ years; former Vice President and Acting President of the Congressional Medal of Honor Society (1957); former President of the Association of Military Surgeons of the United States (1949); a member of the Sons of the Revolution, American Legion, Disabled American Veterans, Veterans of Foreign Wars, Military Order of the Purple Heart, Legion of Valor of the United States, Second Division Association, Navy League, and a Trustee of the Naval Foundation.

Admiral Boone is survived by his wife, the former Helen Elizabeth Koch of Pottsville, Pennsylvania, a daughter, Mrs. Milton F. Heller, Jr. of New Canaan, Connecticut, a son-in-law, five grandchildren, and six great-grandchildren. Mrs. Morgan and I extend our sympathies to the family and friends of this noble and humanitarian man.

THE GAS BUBBLE REVISITED

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. GONZALEZ) is recognized for 5 minutes.

Mr. GONZALEZ. Mr. Speaker, last year the Coastal States Gas Co. confessed to its Texas customers that it did not have anything like the gas it needed in order to meet its contracts. Coastal had created a corporate empire based on the sale of energy that never existed.

There have been other corporate dreams built on a glamorous concept. But in the usual course of things, the crash of a paper empire is no great disaster. Innocent stockholders suffer losses, sometimes even ruinous losses; customers are hurt in one degree or another; and occasionally a freebooter is imprisoned or driven off to exile, as Robert Vesco was. But when a utility empire collapses, that is a real tragedy. And unfortunately for the people of Texas, and especially the people of south Texas in general and San Antonio in particular, Coastal's dead hand owns the utility contracts that are the lifeblood of a whole region.

So in this case, Coastal's stockholders have indeed lost untold millions of dollars in paper profits; others have been wiped out by losses created by having bought Coastal stock when its board chairman, Oscar Wyatt, was one of the more believable sellers of snake oil to be found. But far worse, and of far greater consequence, the communities served by Coastal's worthless contracts are laid open to faltering utility service, fantastic increases in their light and fuel bills, and an unknown future.

Every public agency that was intended to protect the rights of the cities and industries served by Coastal, or the rights of investors in the company, has failed.

Coastal was able to file almost simultaneously documents at the Securities and Exchange Commission claiming that the company was in excellent shape, as far as its gas reserves went, and at the Federal Power Commission documents pleading that Coastal was short on gas. Neither regulatory agency seemed to be aware of the conflict, and although nearly a year has passed since I requested the General Accounting Office to look into this failure of communication, no answer has been forthcoming.

The Securities and Exchange Commission was sufficiently concerned about Coastal's behavior that it suspended trading in the company's stock until a consent decree was obtained, making a few changes in the company that theoretically dilute the ability of Mr. Wyatt to manipulate the company as he did in the past.

But the SEC cannot make natural gas materialize that never existed.

The Federal Power Commission has never taken any action that I know of to discipline Coastal, restore some of the losses that it has visited on its customers, or in any way bring the company to account for its many fraudulent practices. In the midst of a great energy crisis, it seems that the Power Commission is much more concerned about finding new gas than it is in getting crooks out of the business, or protecting the public from their rapacious greed.

In Texas, the Railroad Commission is supposed to regulate the oil and gas industry. Historically, this has been done by regulation that is favorable to the industry. For example, the Railroad Commission for decades followed practices designed to hold down oil production, so as to keep oil prices up, in much the same way that the Federal Government limited farm marketing in order to obtain favorable prices for farmers. Faced with the problem of what to do about Coastal's enormous default, the Railroad Commission has elected, first and foremost to protect the company. Nothing good would come of Coastal's outright failure, the Commission chairman says. He thinks that those who have been victimized by Coastal should not sue to find out their contractual rights, or enforce those rights on the company. The upshot is that the Railroad Commission, in order to keep Coastal alive, has allowed the company to charge its customers the full price of finding the gas that it should have had, and was obliged by contract to have had all along. So cities like San Antonio have ended up paying more than twice their contracted price for gas, in the name of keeping Coastal afloat. Still, despite this extraordinary treatment, neither San Antonio nor any other of Coastal's unfortunate customers have had any detectable improvement in service from the company. Indeed, the Railroad Commission now says that things are not going too well in the company, and maybe it should get an even better deal. But what about the contracts and the rights of the company's customers, one asks? The Commission has nothing to say about that.

The Railroad Commission staff has come forward with a plan that would eventually reimburse Coastal's customers for their losses. But the Commission has yet to adopt that plan, and Coastal has said that it would fight any such plan to the utmost limits of its legal resources.

In San Antonio itself, the city council is supposed to regulate utility rates. But even though homeowners have probably had their utility bills increased by 50 percent or more since last year, the council has never set a new, higher rate. The utility simply sends out higher bills and the customers pay, or lose their service. The city council has said, and done nothing about the rate structure, despite their clear obligation to do so, and to assure that the public is not being overcharged any more than the Railroad Commission allows. The possibility of such an overcharge is very great indeed, because recent documents indicate that Coastal tends to play cat-and-mouse games with its fuel cost analyses.

The city council now says that San Antonio should sue, to find out what its rights are under its contract with Coastal. This, after months of begging and pleading, and millions of dollars in losses by the people of the city. Even at that, the Railroad Commission is trying to talk the city council out of acting on its intended lawsuit.

At every level, Coastal has evaded responsibility for its misdeeds. Oh, its stock is down, but its sales remain strong and growing. And Coastal is still in business, joining in ventures of all kinds, even to trying to get Alaskan gas through a new, multibillion dollar pipeline consortium. Investors in the company are probably a little unhappy about the recent slippage in company earnings, but they never got any dividends anyhow; Coastal is strictly a speculators' stock. Those who are really paying the price of governmental failure are the customers who had the bad luck and misjudgment to ever sign a contract with the company in the first place.

What I want to know is, who will protect these people; who will restore their losses? I believe that the Federal Government has some responsibility here.

The courts may never be able to repair the losses suffered by Coastal's victims; many of their losses are irreparable anyway. The city council of San Antonio is not going to be able to act effectively, because the whole net worth of the city itself could be bought up by the value of a Coastal subsidiary or two. The Texas legislature is not likely to act; the Railroad Commission is wholly interested in protecting the perpetrator of the crime instead of bringing relief and justice to the victims; and the Federal Government has failed in its responsibilities as well. It is not enough to lament these failures and shortcomings. Something affirmative has to be done, and I will survey the possibilities as the Coastal gas bubble is revisited.

NEED FOR INDEPENDENT INTERNAL REVENUE COMMISSION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Rhode Island (Mr. TIERNAN) is recognized for 5 minutes.

Mr. TIERNAN. Mr. Speaker, on January 29, 1974, I introduced H.R. 12372, a bill to establish an independent commission to administer the internal revenue laws. The purpose of this legislation is to assure that political interference will not jeopardize the integrity with which these laws are enforced.

In an article in today's Washington Post, several abuses in the enforcement of our tax laws uncovered by Senator LOWELL WEICKER are discussed. I would like to submit this article for the RECORD to show the important need for an independent Internal Revenue Commission:

WEICKER DISCLOSES DATA ON IRS "MISUSE"

White House aides discussed in 1971 an investigation by C. G. (Bebe) Rebozo that a Newsday profile of Rebozo had been financed by the Kennedy Foundation, documents released in the Senate yesterday disclose.

Memoranda from former White House investigator John Caulfield to then presidential counsel John W. Dean III showed that tax and antitrust investigations were proposed in retaliation against what was considered an unflattering article about Rebozo, President Nixon's close friend.

Sen. Lowell P. Weicker (R-Conn.) dropped these documents and a bundle of others with three Senate subcommittees as reminders of Watergate-related abuses by the Nixon administration. He said most of the documents had come from Dean and were released with the permission of the Senate Watergate committee.

The documents admitted into the record without challenge, supplied new details in numerous areas already covered by Watergate investigators. They included:

Records of a special Internal Revenue Service team, disbanded last year, that Weicker said managed to collect tax data on 10,000 Americans in its pursuit of "ideological" opponents of the administration.

Correspondence showing IRS, FBI and White House investigators preparing to release information damaging the reputation of the producers of the 1971 film, "Millhouse," a satire of President Nixon.

A recommendation by former White House aide Charles Colson that Dean intercede with the U.S. Parole Board to hasten the release of Calvin Kovens of Miami, who was convicted in 1973 in connection with alleged kickbacks from the Teamsters union pension fund. The recommendation had come at the request of Former Florida Democratic Sen. George Smathers.

The U.S. Army's 66th Intelligence Group in West Berlin conducted a long-term surveillance of a group of local American civilians known first as "Democrats for McGovern" and later "Concerned Americans in Berlin." Weicker produced documents he said showed the Army penetrated the group's meetings with its agents and opened all mail addressed to it.

Weicker read the subcommittee a sheaf of memos, some of them on White House stationery and bearing dates of the summer and of 1971.

Memos between Caulfield and Dean on the "Millhouse" *movie* advised tax audits if the production became publicly identified with Lawrence F. O'Brien, then chairman of the Democratic National Committee.

In another example of the use of the IRS, Weicker produced another set of Dean-Caulfield memos which indicated that the administration was interested in helping evangelist Billy Graham and movie actor John Wayne, both supporters of the President, with their tax problems.

Weicker produced four pages of confidential tax information relating to a long list of other entertainers including Frank Sinatra, Sammy Davis Jr., Lucille Ball, Jerry Lewis, Richard Boone and others.

"Clearly this is not material that should be in the hands of anyone but the taxpayer and the IRS," Weicker said and added:

"As we can see from all the tax returns that are flooding over this desk, the IRS was acting like a public lending library for the White House."

Weicker's testimony today was at a hearing convened by three Senate subcommittees investigating the extent of political spying by the federal government.

Weicker said the IRS memo on the formation of the special intelligence task force discussed various means by which the tax laws could be used to attack what it described variously as activist, ideological, radical, militant, or subversive groups.

The memo, signed by D. O. Virdin, added: "We do not want the news media to be alerted to what we are attempting to do or how we are operating because disclosure of such information might embarrass the administration. . . ."

Sen. Sam J. Ervin Jr. (D-N.C.), chairman of the Senate Watergate committee, said the surveillance on the Berlin group was conducted many months after the Secretary of the Army promised Congress it had ended all surveillance activities on American civilians and would not renew it without telling Congress first.

"I just don't care to spend one cent of my own taxes to have spies for military intelligence determining if some American citizens has an autographed picture of Sen. George McGovern," Weicker said.

Weicker noted the Army's own analysis of the situation was that the group in Berlin was non-subversive and had modeled its constitution after the U.S. Bill of Rights.

He also said the Commerce Department was used by the White House as a source of material thought to be potentially embarrassing to the political career of Sen. Edmund Muskie (D-Maine)

He said the material concerned Muskie's relationship with executives of the beet sugar industry in Maine.

WHAT ARE WE DOING?

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. PODELL) is recognized for 10 minutes.

Mr. PODELL. Mr. Speaker, on April 30 of this year the authorization of the Cost of Living Council will expire, and with, any semblance of controls on the economy.

We all are aware than during the past year in which phase IV has been in operation, the controls on the economy were honored more in the breach than in the observance. Inflation during 1973 rose at the brisk rate of 10 percent a year; this was, in fact, greater than the rate of inflation in 1971, when controls were imposed and rigidly observed.

Many people blame the existence of controls per se for the galloping rate of inflation. It seems that controls, these people say, cause disruptions in the market, which lead to higher prices due to scarcity. Further, they argue, once controls are removed from a certain sector of the economy, prices will go up in a catch-up spurt. Opponents of controls take both of these events to demonstrate their belief that there should be no controls whatsoever.

However, I do not think that is the wisest thing to abandon controls in disgust. I do not feel that controls on certain sectors of the economy are unworkable per se. Rather, I feel that if properly applied, without favoritism and political wheeling and dealing, controls will slow down the rise in the cost of living.

Last year, the cost of food for a family of four living on a low-income budget, $4,000 to $8,000 a year rose by 23 percent. It cost the poorest people in this country $43.10 a week to feed their families, whereas the year before the same task could have been accomplished for $35.

Food is only one small part of the total picture. Some cost increases cannot be controlled adequately, such as the rise in energy prices due to the quadrupling of oil prices in the world market. And yet, I seriously question how much the American multinational corporations dealing in energy had to do with this devastating price rise, and whether they did all that they could possibly have done either to forestall it, or to minimize it. For these companies last year recorded the highest profits they had ever experienced, in a year in which there were shortages which came close to paralyzing the Nation.

In the next few weeks, the Congress will begin considering a national health insurance program. With the broad-ranging support for such a proposal, I have no doubt that this country will see some sort of national insurance plan before the year's end. However, have the proponents of this legislation ever considered what it will do to health care costs. The lessons of the medicare and medicaid programs ought not to be lost on the Congress. After these two programs were instituted, there was a surge in the prices we had to pay for our health care, and at that, the quality of our health care declined. Will the same thing happen if there is a national health insurance program? I fear it will, for I see no way to prevent it unless there is some means of controlling the costs we pay for our health services and hospitalization.

I feel that it is most unreasonable for this Congress, in the face of the worst inflation this Nation has ever experienced, to simply wash its hands of the problem. There have been inequities, true; particularly in the whole area of wage controls. Prices have been permitted to rise almost unchecked, while most workers have been held to a 5.5 percent limit on their wage increases. I would be the first to say that this is most unfair, particularly when inflation is rising at a rate twice that of wages. The American worker has lost the purchasing power in the dollar he takes home from work. But I am not convinced that ending all wage and price controls would make things any better for him.

We are laboring under a dangerous delusion; namely, that the market in this country is really free. Name any major industry, and it will almost invariably be controlled by a handful of major corporations who dictate pricing and marketing policies. To abandon controls, even in the limited form advocated by the bill that was just defeated in the House Banking and Currency Committee, would be folly. We are facing disaster in this country if something is not done about controlling rising prices.

I am sure that in a year, when the rate of inflation has reached 15 percent, we will look back and say, "What have we done?" And then, we will try to reimpose price controls, but it will be too late, for the damage will already have been done. I ask you now, Mr. Speaker, "What are we doing?" We are running from the whole question of inflation instead of seeking constructive, workable ways of bringing it under control. I believe it can be done, and I am sure that I am not alone in this belief. The Congress will have only itself to blame when the voters demand an end to the ceaseless spiral of prices.

U.S. CANAL ZONE SOVEREIGNTY AND JURISDICTION: STRONGLY SUPPORTED IN BOTH SENATE AND HOUSE OF REPRESENTATIVES

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. Flood) is recognized for 10 minutes.

Mr. **FLOOD**. Mr. Speaker, as stated in my address to the House of Representatives in the Congressional Record of April 3, 1974, page H2574, U.S. Secretary of State Henry A. Kissinger, without the advance authorization of the Congress, signed an 8-point "agreement of principles" with Panama's Minister of Foreign Affairs, Juan A. Tack, to commit the United States to negotiations for a new canal treaty that would surrender to Panama U.S. control over the Canal Zone and Panama Canal. See "Senator Byrd of Virginia Questions Secretary Kissinger" in Congressional Record, March 20, 1974, pages 7468–9.

Such reckless action on the part of responsible U.S. officials, bound by oath to support the Constitution of the United States, was indeed incredible and merits the careful attention of the Congress.

In anticipation of such agreement, on February 4, I introduced House Resolution 804 to express the sense of the House of Representatives in support of sovereignty and jurisdiction over the U.S. owned zone territory and canal. Some 17 additional identical House resolutions have now been introduced, with all referred to the Committee on Foreign Affairs, which has not yet acted.

The public response to the Kissinger-Tack imbroglio has been splendid. Other Members of the Congress and I have received hundreds of letters. Mine have come from 48 States, with all except one strongly opposing the projected surrender. The most heartening consequence, however, was the introduction on March 29 in the Senate under the statesmanlike leadership of Senators Strom Thurmond and John L. McClellan of Senate Resolution 301. with a total of 34 sponsors. Identical with House Resolution 804, the Senate resolution adds great strength to the stand taken by so many House Members that there should be no surrender of U.S. sovereignty at Panama.

As has been stated many times in the Congress there are only two issues in the Panama Canal problem: Continued U.S. sovereignty over the U.S. owned Canal Zone and the major modernization of the existing canal. Of these, the first in importance is sovereignty for without it the United States could not maintain, operate, sanitate, and protect the canal in accordance with its solemn treaty obligations and the people of our country would not stand for expending vast sums in an area not under U.S. control.

The question of sovereignty was admirably discussed in an editorial in a recent issue of the Strategic Review, the professional quarterly publication of the United States Strategic Institute, of which Adm. John S. McCain, Jr., former Commander in Chief, Pacific, is president and Maj. Gen. Thomas A. Lane is editor-in-chief. Both of these officers are experienced strategists with vast backgrounds of experience in important positions.

The editorial condemns the projected surrender of U.S. sovereignty as a "serious abandonment of U.S. authority and responsibility." It also warns that it might place the United States in the position of being "compelled to use force against the Republic of Panama" or to "withdraw and allow the canal to be operated and defended by another lessee."

As to the latter possibility, I know how the people of the United States feel. They are overwhelmingly insisting that our Government retain its undiluted sovereign contract over the Canal Zone and Canal.

In order that all of my colleagues in the House may know what has transpired in the Senate and what responsible professional thinking among our country's leading strategists in the premises is, I quote Senate Resolution 301, 93d Congress with the names of its 35 sponsors and the indicated editorial as part of my remarks:

S. Res. 301

Resolution in support of continued undiluted United States sovereignty and jurisdiction over the United States-owned Canal Zone on the Isthmus of Panama

Whereas United States diplomatic representatives are presently engaged in negotiations with representatives of the de facto Revolutionary Government of Panama, under a declared purpose to surrender to Panama, now or on some future date, United States sovereign rights and treaty obligations, as defined below, to maintain, operate, protect, and otherwise govern the United States-owned canal and its protective frame of the Canal Zone, herein designated as the "canal" and the "zone", respectively, situated within the Isthmus of Panama; and

Whereas title to and ownership of the Canal Zone, under the right "in perpetuity" to exercise sovereign control thereof, were vested absolutely in the United States and recognized to have been so vested in certain solemnly ratified treaties by the United States with Great Britain, Panama, and Colombia, to wit—

(1) The Hay-Pauncefote Treaty of 1901 between the United States and Great Britain, under which the United States adopted the principles of the Convention of Constantinople of 1888 as the rules for operation, regulation, and management of the canal; and

(2) The Hay-Bunau-Varilla Treaty of 1903 between the Republic of Panama and the United States, by the terms of which the Republic of Panama granted full sovereign rights, power, and authority in perpetuity to the United States over the zone for the construction, maintenance, operation, sanitation, and protection of the canal to the entire exclusion of the exercise by the Republic of Panama of any such sovereign rights, power, or authority; and

(3) The Thomson-Urrutia Treaty of April 6, 1914, proclaimed March 30, 1922, between the Republic of Colombia and the United States, under which the Republic of Colombia recognized that the title to the canal and the Panama Railroad is vested "entirely and absolutely" in the United States which treaty granted important rights in the use of the canal and railroad to Colombia; and

Whereas the United States, in addition to having so acquired title to and ownership of the Canal Zone, purchased all privately owned land property in the zone, from individual owners, making the zone the most costly United States territorial possession; and

Whereas the United States since 1903 has continuously occupied and exercised sovereign control over the zone, constructed the canal, and, since 1914, for a period of sixty years, operated the canal in a highly efficient manner without interruption, under the terms of the above mentioned treaties thereby honoring their obligations, at reasonable toll rates to the ships of all nations without discrimination; and

Whereas from 1904 through June 30, 1971, the United States made a total investment in the canal, including defense, at a cost to the taxpayers of the United States of over $5,695,745,000; and

Whereas Panama has, under the terms of the 1903 treaty and the 1936 and 1955 revisions thereof, been adequately compensated for the rights it granted to the United States, in such significantly beneficial manner that said compensation and correlated benefits has constituted the major portion of the economy of Panama giving it the highest per capita income in all of Central America; and

Whereas the canal is of vital and imperative importance to hemispheric defense and to the security of the United States and Panama; and

Whereas approximately seventy per centum of canal traffic either originates or terminates in United States ports, making the continued operation of the canal by the United States vital to its economy; and

Whereas the present negotiations, and a recently disclosed statement of "principles of agreement" by our treaty negotiator, Ambassador Ellsworth Bunker, and Panamanian Foreign Minister Juan Tack, Panama treaty negotiator, constitute a clear and present danger to hemispheric security and the successful operation of the canal by the United States under its treaty obligations and

Whereas the United States House of Representatives, on February 2, 1960, adopted H. Con. Res. 459, Eighty-sixth Congress, reaffirming the sovereignty of the United States over the zone territory by the overwhelming vote of three hundred and eighty-two to twelve, thus demonstrating the firm determination of our people that the United States maintain its indispensable sovereignty and jurisdiction over the canal and the zone; and

Whereas under article IV, section 3, clause 2 of the United States Constitution, the power to dispose of territory or other property of the United States is specifically vested in the Congress, which includes the House of Representatives; Now, therefore, be it

Resolved, That it is the sense of the Senate that—

(1) the Government of the United States should maintain and protect its sovereign rights and jurisdiction over the canal and zone, and should in no way cede, dilute, forfeit, negotiate, or transfer any of these sovereign rights, power, authority, jurisdiction, territory, or property that are indispensably necessary for the protection and security of the United States and the entire Western Hemisphere; and

(2) That there be no relinquishment or surrender of any presently vested United States sovereign right, power, or authority or property, tangible or intangible, except by treaty authorized by the Congress and duly ratified by the United States; and

(3) That there be no recession to Panama, or other divestiture of any United States owned property, tangible or intangible, without prior authorization by the Congress (House and Senate), as provided in article IV, section 3, clause 2 of the United States Constitution.

[From the Strategic Review, Winter 1974]

THE PROBLEM IN PANAMA

Ellsworth Bunker, so-recently our esteemed Ambassador to the Republic of Vietnam, and presently in charge of negotiating an adjustment of treaty arrangements with the Republic of Panama, has announced the conclusion of a broad negotiating agreement committing the United States to surrender its sovereign rights in the Canal Zone. The change would be made through the negotiation of new treaties for operation and defense of the Canal.

The announcement was accompanied by sympathetic propaganda in the press, affecting to reassure our people that Canal Zone sovereignty is a relic of the colonial era which affronts our neighbor, Panama, and must be relinquished to restore good relations. We think such treatment is a serious disservice to an important question of policy.

When the United States became interested in building a canal at Panama, the isthmus was a disease-ridden jungle area in which a French company, in twenty years of effort and at a cost of 20,000 lives, had failed utterly to overcome the problems of sanitation and engineering. In a decade of great investment of money, energy and both medical and engineering skills, the United States transformed the country of Panama, as well as the Zone, and in 1914 opened the waterway.

To protect this investment, which was to be for the ages, the United States, under the terms of the Hay-Bunau-Varilla Treaty of 1903 with Panama, had taken full rights of sovereignty in perpetuity to a zone ten miles wide embracing the Canal route. It had also undertaken, in the Hay-Pauncefote Treaty of 1901 with Great Britain, to operate the Canal for world commerce with no special privileges for U.S. shippers.

It is estimated that the net cost of the Canal to the United States to date, including defense and not including interest on investment, has been about $6 billion.

Until the riots in Panama in January, 1964, the United States had made concessions to Panama on various aspects of the 1903 Treaty but had firmly resisted claims for relinquishment of sovereignty. It is this apparent change of position on the perpetuity of U.S. sovereignty which raises important new questions of policy.

Under the 1903 Treaty, the authority and jurisdiction of the United States in the Canal Zone are legally unchallengable. The Canal, the U.S. investment in it, and the interests of world commerce are secure.

Under the proposed retrocession of sovereign powers to Panama, that Republic would acquire sovereign rights and authority over the operation and defense of the Canal; and the United States would then hold any such rights only by virtue of its treaty with Panama. Against eviction by a hostile government in Panama, the United States would have no more legal standing than Britain had against Egypt in its base at Suez in 1951.

The population of Panama is about the same as that of Detroit, about 1.5 million. The proposition before us is that Panama holds some inherent right of sovereignty which entitles it to take over this high American investment and operate it for its own benefit. It is perfectly clear that Panama has no such right today, and that it will not have such authority over this critical waterway unless the United States now cedes this authority to Panama.

We suggest that to enter such negotiations today is a serious abandonment of U.S. authority and responsibility. To confide this crucial waterway to the nominal control of a small country which is ill-qualified to administer or defend it is an act of Great Power irresponsibility. If Great Britain had, in 1951, asserted the world interest in Suez and committed military forces to defend that interest, the Canal would not have been closed but would today be a lively artery of commerce bringing great tributory benefit to the people of Egypt.

The belief of some officials that U.S. operation and defense of the Canal under treaty provisions, instead of under sovereign authority, would eliminate the friction of recent years is a calamitous misjudgment of the present scene. Marxist-Leninist subversion would be intensified by such a retreat. Friction would mount and the U.S. position would become intolerable. The United States would be compelled to use force against the Republic of Panama, or to withdraw and allow the Canal to be operated and defended by another lessee. That is a prospect which no President should impose on his successors.

If U.S. sovereignty is to be surrendered in two decades or five decades, that decision should be made by Americans who will be in charge of national policy at that time. The only proper consideration for our leaders today is whether the United States should surrender sovereignty here and now. If they will not act affirmatively now, they should not prejudice the right of another generation to act in its time.

REMARKS OF HON. JOHN J. McFALL, OF CALIFORNIA, UPON INTRODUCTION OF BILL TO PROVIDE FOR REPEAL OF PUBLIC LAW 74–796

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. McFALL) is recognized for 5 minutes.

Mr. McFALL. Mr. Speaker, Mono County in California is unique in that another public agency, the city of Los Angeles, has broad authority to acquire whatever Federal lands it needs in the county for municipal purposes for $1.25 per acre, as provided under Public Law 74–769 enacted June 23, 1936.

I am, today, Mr. Speaker, introducing a bill that would repeal that 1936 act and also protect the city of Los Angeles rights to continue its existing water resource operations in Mono County.

My colleague, Representative ROBERT MATHIAS, has joined me in introducing this bill.

I am also glad to announce that California Senator ALAN CRANSTON today is introducing an identical bill in the Senate.

The governments of both Mono County and the city of Los Angeles support the legislative effort. This bill would end a long-time conflict between the two jurisdictions, and in the end, be mutually beneficial to both.

In repealing the 1936 act, the legislation also specifically provides that it will in no way affect property rights or laws of the State of California.

The act would also provide for certain exchanges of lands between the Federal Government and the city of Los Angeles for the mutual benefit of both.

At this point, Mr. Speaker, a section-by-section analysis of the bill follows:

Section I: Repeals P.L. 74–769 of June 23, 1936.

Discussion: P.L. 74–769 grants the City of Los Angeles, subject to certain restrictions of use, the right to purchase Federally owned lands in Mono County for $1.25 per acre. The City has made application for approximately 24,000 acres under provisions of this Act and has deposited $30,000 with the United States.

Section II (a): Grants the City of Los Angeles easements and rights-of-way to opepate, maintain, and reconstruct existing facilities located on Federal lands in Mono County, and provides that within a five-year period, the City of Los Angeles shall submit to appropriate officials maps accurately setting forth the location of such works, structure, or facilities and which are on file with the Secretary of Agriculture and the Secretary of the Interior on the date of enactment of this Act.

Discussion: The City of Los Angeles has numerous facilities relating to its water and power operations located of Federal land in Mono County. Most of these facilities are under use permits or easements granted by the Federal government. There are some, however, that were granted under blanket authority and others of many years standing for which there are no maps on file. This Act would grant rights to the City of Los Angeles for existing facilities provided maps accurately showing the location are filed within five years.

Section II (b): The City is granted the right to affect Federal lands including the level of surface and subsurface waters by its existing water gathering activities.

Discussion: In giving up its right to purchase Federal lands under P.L. 74–769, the City is granted the right to conduct its existing water gathering activities which affect Federal land.

Section II (c): Federal land is transferred to the City.

Discussion: The City of Los Angeles acquires all rights and interest in approximately 165 acres of Federal land.

Section II (d): City Land in Mono County is transferred to the Federal Government.

Discussion: The Federal Government acquires all rights and interest in approximately 440 acres of land in Mono County, with all water and water rights reserved to the City, since the Charter of the City of Los Angeles precludes their disposal.

Section III: Act does not affect laws of the State of California relating to property or water rights nor does it affect the rights of the State of California.

POLITICAL PRISONERS IN SOUTH VIETNAM

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New York (Ms. ABZUG) is recognized for 60 minutes.

Ms. ABZUG. Mr. Speaker, it is not only by the White House scandals that the honor and good name of the United States are being shamed. It is long past time that we all became fully aware of what our country is helping to do to hundreds of thousands of political prisoners in South Vietnam. There is a coverup going on now of atrocious tortures of people whose only crime is that they want true peace for their country. We cannot pretend that we are not deeply implicated in crimes against humanity, crimes against civilization, crimes against common decency.

The regime of President Thieu may be the instrument of repression for its own citizens, but it is our money, our technical aid, our penal know-how, our connivance, which makes it possible for the Thieu administration to use the most savage means imaginable to repress political prisoners of all walks of life in South Vietnam—farmers, physicians, government officials, students, lawyers, businessmen. We must share responsibility equally with the Thieu regime for the crimes against humanity that we are paying for surreptitiously, and have been participating in actively for years.

It is time we acted, swiftly and decisively, to terminate these acts of barbarism which have as their only purpose the preservation in power of the dictatorial and repressive regime of President Thieu.

ARE WE THE GOOD GERMANS OF TODAY?

Mr. Speaker, it was more than 25 years ago that the Nazi leaders stood in the dock at the Nuremberg trials and heard our own Associate Justice Robert H. Jackson excoriate them in his eloquent closing address as prosecutor. With shattering, remorseless detailing of facts, Justice Jackson enumerated their crimes against humanity.

The infamous tiger cages and prisons of the Thieu regime in South Vietnam raise similar moral questions about our responsibility for what is happening there. We must not be the good Germans who pretended that they did not know the obscene things done to other Germans and other human beings in the concentration camps. We must not look the other way. We too must examine with honesty what horrors are being committed daily with the connivance of our own military and civilian officials.

We cannot plead unavailability of the facts. They are readily available. No one can honestly plead ignorance. What is needed now is that we face up to these facts and at long last insist that something be done to terminate once and for all the imprisonments, tortures, and barbarisms inflicted upon South Vietnamese civilians with the full knowledge of our own Government.

Let me, Mr. Speaker, advise my colleagues in the House where they can readily find the facts.

On November 28, 1973, the distinguished Senator from South Dakota (JAMES ABOUREZK) dealt forcefully with the issue of the political prisoners in South Vietnam in an address to the Senate. He detailed the shocking instances of torture and inserted into the RECORD an open letter dated August 8, 1973, from students and intellectuals now being held as political prisoners in South Vietnam. I hope all Members of the House will read his remarks.

A second source for learning details is a report called "Political Prisoners in South Vietnam." It is published by Amnesty International Publications, 53 Theobald's Road London WCIX 8 SP England. This illustrated report, based on painstaking research into the problem and including an appendix with some typical cases, explains who the 100,000 or more political prisoners are, why many who support neither of the warring sides are still detained, the conditions of their imprisonment, and the suffering of many of them under torture. Amnesty International states:

> The aim of this report is to publicize the plight of South Vietnamese civilian prisoners, and to stress the fact that no progress is being made towards their release. Amnesty International wishes to draw this state of affairs to the urgent attention of the International Commission for Control and Supervision of the Ceasefire in South Vietnam; to the participants of the Paris Conference on Vietnam last February; and to all interested Governments and parties, in the hope that they will prevail on the GRVN and the PRG to take concerted action and set free South Vietnamese civilian prisoners.

A third readily available source for learning the truth is an excellent book, "Hostages of War," by Don Luce and Holmes Brown, published in 1972 by the Indochina Mobile Education Project, Box 39013, Washington, D.C. 20016, USA. I recommend that each of my colleagues obtain this valuable survey and read it carefully.

The international community is well aware of the crimes being perpetrated against political prisoners in South Vietnam. On May 9, 1973, I inserted into the CONGRESSIONAL RECORD a summary of an appeal from leading lawyers and clergy in Japan which had appeared in the Reporter, the monthly publication of the Passaic County Bar Association. The summary, written by Daniel Crystal, Associate Editor of the Reporter, called attention to the fact that leading lawyers and clergy in Japan had sent out an urgent appeal advising the international community concerned about human freedom and dignity that there is need for immediate action. Mr. Crystal summarized as follows:

> This country has dirtied its hands with enough blood in South Vietnam, North Vietnam, Laos and Cambodia. We cannot evade responsibility for what is going on in the prisons of South Vietnam. We have supported the Thieu Administration in every possible way. Unless we are to be regarded worldwide as hypocrites, we must make the Ceasefire Agreement work. All prisoners must be released. Our national honor demands no less.
>
> The appeal by those distinguished Japanese lawyers, judges, clergy and scholars should shock the conscience of us all.
>
> They request that an international investigation team, including distinguished personalities of the U.S.A. be sent without delay to Saigon to carry out on-the-spot and thorough-going inquiries to clarify all these matters of such grave and common concern.
>
> A similar appeal fell on deaf ears in the '30s when the slaughter was in Europe.
>
> Where is our conscience these days—some 40 years later?

Mr. Speaker, we can no longer evade an answer to that fundamental question. Where is our conscience today? Are we the good Germans of today? Will we look and see what is there to be seen? Do we have the courage to recognize our national shame and to do what must be done to restore our national honor?

THE RECORD OF TORTURE IN SOUTH VIETNAM

For anyone to maintain that there is no widespread or systematic mistreatment of inmates is contrary to the reports of released prisoners and of U.S. news sources. In March 1973, after 104 prisoners were released from Con Son, the island prison where the presence of the infamous tiger cages were first revealed by two American Congressmen, their condition was described as follows by Time magazine (March 19, 1973):

> It is not really proper to call them men anymore. "Shapes" is a better word—grotesque sculptures of scarred flesh and gnarled limbs. They eat rice, fried pork and bananas, and as their chopsticks dart from bowl to mouth, they seem almost normal—but they are not. When lunch is over, they do not stand up. Years of being shackled in the tiger cages have forced them into a permanent pretzel-like crouch. They move like crabs, skittering across the floor on buttocks and palms.
>
> They are all ages and backgrounds. One arrested in 1966 during Buddhist riots. Another was caught in the 1968 Tet offensive. Now all are united by deformity. "I was arrested one day in the park with my wife and children," one man says as he rubs the shackle sores on his legs. "The police attached electrodes to my genitals, broke my fingers, and hung me from the ceiling by my feet. They did these things to my wife, too, and forced my children to watch. But I never did give in.'
>
> Those who refused to denounce the Communists were carted off to the French-built Con Son . . . Due to a steady diet of beatings as well as sand and pebbles in the rice, dysentery, tuberculosis and chronic stomach disorders were common. Water was limited to three swallows a day, forcing prisoners to drink urine. Those who pleaded for more food were splashed with lye or poked with long bamboo poles.
>
> Things have been especially bad since the ceasefire. When told of the Paris settlement, the prisoners cheered, only to be stopped by doses of lime and bamboo . . . So far the government response to these accounts has been one of complete denial . . .

Mr. Speaker, this sickening account is confirmed by Amnesty International's report, at pages 21 and 22:

> Only a comparatively small proportion of those held on Con Son are *living in cages*. But a number of different reports have suggested that ill-treatment of prisoners in Con Son is almost universal. Amnesty International has received numerous allegations that when prisoners arrive on the island they have to run the gauntlet between "trustee" prisoners (that is, common criminal prisoners) armed with clubs; that beatings and the use of blinding lime are common; and that prisoners protesting against inadequate food or poor conditions are ferociously put down.
>
> Several of those recently released from Con Son, for example, still sustained scars from tear-gas cannisters exploding at very close range.
>
> Generally speaking, the physical condition of prisoners released by the GRVN has been very poor. Prisoners are frequently paralyzed or crippled as a result of tortue during interrogation or shackling during confinement.

> Contagious diseases such as tuberculosis are widespread and exacerbated by the crowded and unhygenic conditions in which prisoners are kept. It is common for prisoners to urinate their blood; liver and kidney diseases resulting from inadequate water supplies (and, as Con Son prisoners have alleged, drinking urine), are widespread.

The Amnesty International report contains the commentary of a film made by a British television team from the Granada company which visited South Vietnam in March 1973, and managed to interview 9 of the 124 prisoners released in February 1973 from Con Son. With shame and anger I remind my colleagues that this is a recitation of what is going on now, not in the thirties in a Nazi concentration camp, but this year in a prison financed in part by the United States and operated by a government which is funded to a unprecedented degree by the United States.

> We tracked down another group of nine prisoners in a police compound, who had been released from Con Son prison island. They were now in a village 70 miles from Saigon. Unfortunately, for the nine released prisoners, they had promptly been imprisoned again by a local police chief, who did not want them talking to his villagers. We told the police chief he was acting contrary to the peace agreement and he reluctantly released the nine prisoners into our custody on condition they were taken to a local Buddhist pagoda away from the villagers. Of the nine prisoners, seven were paralyzed and all alleged they had been tortured on Con Son island. They also complained of a variety of diseases including TB, heart conditions, and malaria that they had contracted in the tiger cages.
>
> We asked the nine prisoners about their personal histories. Lam Hung, farmer, alleged torture with electricity, water forced into his lungs, hung by his arms. In the tiger cages since 1967, legs now paralyzed. He did not say what his politics were.
>
> Huynh Van Chinh, declared communist cadre, alleged that pins were forced under his toe nails, and electrical wires were attached to his penis. In the cages since 1969, legs now paralyzed.
>
> Nguyen Tai, farmer arrested by Phoenix. Never accused of being a communist; has no idea why he was jailed. Alleges beatings. He was not put into the tiger cages. His legs function normally.
>
> Phan Van Co, community cadre. Alleges torture with electricity, hung by his arms for 2 hours. Not put in a tiger cage, so his legs function normally.
>
> Pham Van Mau, non-communist student arrested at a protest demonstration. Alleges torture with electricity, ribs broken. In the tiger cage since 1969. Legs now paralyzed.
>
> Ny Van Than, community cadre. Alleges torture with electricity, hung up by his arms, tied behind his back. In the tiger cages since 1969. Legs now paralyzed.
>
> Son Ut, Cambodian studying in Vietnam. Alleges water forced into his lungs, hung by the arms. Arrested in 1962, held in the tiger cages since 1969. Legs now paralyzed.
>
> My Van Minh, non-communist student-activist, alleges being placed in a barrel of water which was beaten on the outside until he urinated blood. In the cages since 1968. Legs now paralyzed.

Mr. Speaker, these reports of torture and atrocities are not isolated or unique. Senator ABOUREZK in his November 28, 1973, address told the Senate that scores of reports which he had received in the last year described vividly the terrible living conditions in these prisons and the treatment received by an estimated 100,000 or more political prisoners in South Vietnam. He said:

> Crowded cells and daily harassment and torture is not only prevalent—it is now a matter of course.

I, too, have received similar reports. For example, I have received a report by Ho Ngoc Nhuan, which details the tortures and indignities to which political prisoners are subjected. I quote in part:

> *Acupuncture:* The fingertips of the prisoner are pinned with nails or needles. The interrogator uses a ruler to hammer the nails deep into the fingers or lightly taps over the nails to create a painful sensation for the prisoner. Some interrogators use pliers to pull out the prisoner's nail.
>
> *Testicle torture:* The interrogator squeezes the prisoner's testicles and hits it while interrogating.
>
> *Electric shocks:* electrical shocks are put into the ear lobes, the fingers, the nipples, the thighs, testicles, groins of the prisoners, after which they have serious mental breakdowns.
>
> *Sexual torture for women:* the woman is stripped out of her clothes and becomes a subject of odious looks and jokes from the interrogator before she is tortured. In the case where she is arrested with her husband, she is stripped naked in front of him or vice versa, so that the other one is driven by shame to admit all calumnies.
>
> As a result of the inhumane tortures and brutal repression in the prison, many innocent prisoners have become disabled for the rest of their lives if they have not yet died. Many women had to commit suicide to insure their virginity and dignity. Other prisoners, unable to endure such torture, admit everything of which they are accused, and as a consequence lead to the arrest of their relatives and friends.

One could go on detailing these savage tortures of those guilty of the crime of opposing President Thieu. The reports I have received coincide in all respects with those of Amnesty International and with those reported by Senator ABOUREZK.

Mr. Speaker, even these prisoners not beaten and tortured lack the minimum of healthy living conditions. There is not enough space and air. There is insufficient food and drink; insufficient water for washing; insufficient medical care.

In a doctorate thesis "Pathology in a Prison," submitted to the faculty of medicine at Hue on January 29, 1973, Dr. Nguyen Ninh Triet, who was himself jailed by the Saigon government for 40 months at Con Son Island, describes these unbearable living conditions. His thesis makes clear that the food given the political prisoners consists mainly of: rice crumbs, mixed with gravel and worms; rotten dried fish, called "quinine fish" because of its bitter taste; shrimp sauce mixed with sand; spoiled canned fish—a can is given to 10 people at each meal; very seldom fresh fish or meat; vegetables at these isolation prisons are forbidden; it is common for the prisoners to eat grass or tree leaves.

According to Dr. Nguyen Ninh Triet's thesis, each camp has only one well, its water used for drinking and washing, including the dishes and clothing. Consequently, it is putrefied and polluted with bacteria. When it is drunk unboiled, it causes serious cholera epidemics.

U.S. officials have condoned these inhumane conditions for years. The story of the notorious Tiger cages is typical. On October 1, 1963—over 10 years ago—Frank Walton, then Chief of the U.S. Public Safety Division in Saigon, issued a signed report which described the Tiger cages:

> In Con Son II, some of the hard core communists keep preaching the "party" line, so these "Reds" are sent to the Tiger cages in Con Son I where they are isolated from all others for months at a time. This confinement may also include rice without salt and water—the United States prisons' equivalent of bread and water. It may include immobilization—the prisoner is bolted to the floor, handcuffed to a bar or rod, or leg irons with the chain through the eyebolt, or around a bar or rod. (*The Rehabilitation System of Viet Nam,* Public Safety Division, United States Operations Mission to Viet Nam, October, 1963).

Yet, in July 1970, when the existence of the Tiger cages was disclosed, Mr. Walton denied any knowledge of them to two U.S. Congressmen, AUGUSTUS HAWKINS and William Anderson.

In 1971, an employee of the U.S. construction consortium of Raymond, Morrison, Knudsen-Brown, Root & Jones made available the letter of agreement between this firm and the U.S. Department of the Navy to build new isolation cells to replace the Tiger cages. The new cells are two square feet smaller than the former Tiger cages.

On February 22, 1971, Robert McCloskey, State Department briefing officer, said that the $400,000 for the construction of the new, smaller cells came from Government of Vietnam funds. In March 1973, however, Mr. Ray Meyer, Secondary Secretary of the U.S. Embassy in Saigon, made available to the U.S. Senate Subcommittee on Refugees a report entitled "Enquiry on USAID/CORDS Support of GVN Civilian Prison System" which shows that the money for the construction of the new "isolation cells" was indeed part of U.S. economic assistance to Vietnam, in a category called "Assistance-in-Kind." We cannot evade responsibility. We must do something about it now.

WHO ARE THE POLITICAL PRISONERS OF SOUTH VIETNAM?

Mr. Speaker, the apologists for the Thieu regime would have us believe that there are no more than about 25,000 to 30,000 civilian prisoners in South Vietnam, most of them common criminals or Communists. This is an example of the deception that is going on.

Marshall Wright, Acting Assistant Secretary for Congressional Relations, Department of State, wrote in a letter dated March 2, 1973, to Senator ROBERT GRIFFIN.

> It has been alleged that there are hundreds of thousands of political prisoners; however, we have seen no evidence to substantiate any such number. According to our latest information, the civilian prison population is about 25,000 to 30,000.

Compare that figure with what is reported by many other organizations whose figures are readily available to the Department of State:

Amnesty International reports that the minimum number of GRVN civilian detainees is certainly not less than 70,000 to 75,000, while it may well be more than

100,000. They quote other estimates of 200,000 or even more, citing a statement of Father Nguyen Dinh Thi, Vietnamese Catholic leader in Paris, International Herald Tribune, April 13, 1973.

Don Luce has reported these estimates by other groups:

South Vietnamese Committee To Reform the Prison System, June 1973: 181,000.

Anglican News Service—Canadian—December 14, 1972: More than 240,000.

Ngo Cong Duc—who got his figures by adding up the number of prisoners in each prison. As a former Vietnamese National Assemblyman, he had access to this type of information. Reported in the New York Times, September 7, 1972: 200,000.

Buddhist Peace Delegation to Paris of the United Buddhist Church of Vietnam, March 30, 1973: Hundreds of thousands of civilian political prisoners who are not affiliated with a military side.

Amnesty International concludes in its report that—

> We hear nothing about the detention centers administered by the police and army. Only the tip of the iceberg is visible.

Part of the deception being practiced upon the American public and world opinion is the attempt by the Thieu regime and the Nixon administration to allege that the comparatively few civilian prisoners are either common criminals or members of the National Liberation Front.

Who are the people whom President Thieu has had imprisoned? Senator ABOUREZK described them in his address to the Senate on November 28, 1973, putting into the RECORD the open letter from a group of South Vietnamese political prisoners now being held at Chi Hoa Prison:

> They represent almost every walk of life—lawyers, farmers, government officials, businessmen, and students. Aside from their professional diversity, they all have one thing in common—they are all Vietnamese citizens who are now being imprisoned and tortured in the most barbaric and inhumane ways. The repressive regime of President Thieu continues to be bent on the only means it knows to stay in power—the continuous harassment, torture and internment of any Vietnamese citizens who even gives the impression of being an opponent of the government.
>
> By conservative estimates there are over 100,000 political prisoners in the South, where the number of jails exceeds the combined total of schools, churches and pagodas.

They are, Mr. Speaker, the third force in Vietnam who represent a solid threat to President Thieu because they speak for the people who want peace and reconciliation in a troubled, devastated land.

One of the civilian prisoners who was imprisoned in President Thieu's prisons is Mrs. Ngo Ba Thanh, chairman of the Presidium of the Vietnamese Womens Movement for the Right to Live. Mrs. Thanh has been imprisoned four times in 8 years for daring to speak up for peace. I take great pride in the fact that on a trip to Saigon I was of some service in securing her release. She is truly one of the great persons of this world.

Upon her release after 2 years in prison, Mrs. Thanh gave an eloquent speech on October 6, 1973 at a reception to celebrate her return to freedom. I quote from one paragraph of her quietly impassioned words:

> In the intimate atmosphere of our meeting today, we can only put out the appearance of being happy. How can we really celebrate the return to freedom of one individual while the whole population still lacks rice and cloth, still imprisoned by hatred and war, by tyranny and exploitation, injustice and corruption; while the Nation's beloved patriots, the Peace Combatants and Apostles of National Reconciliation, are still being imprisoned and ill treated in the dreadful prisons which are full of 'criminal patriots' of the GVN; while the Forces of Peace and genuine national reconciliation and concord are still being condemned as a 'traitorous Force!'

Let me, Mr. Speaker, quote too from the equally moving open letter from students and intellectuals now being held as political prisoners in South Vietnam which Senator ABOUREZK inserted into the CONGRESSIONAL RECORD on November 28 (S21251):

> AUGUST 8, 1973.—From inside the dark cells of the prisons of South Vietnam—Con Son, Chi Hoa, Thu Duc, Tan Hiep—we high ceells of the prisons of South Vietnam—Con San, Chi Hoa, Thu Duc, Tan Hiep—we high school and university students and university graduates have searched for a way to send you this letter as a protest against injustice.
>
> We prisoners represent a variety of people: there are northerners, people from central Vietnam and those from the Mekong Delta in the south. There are a wide variety of ages among us: Professor Phan Dinh Ly is 72, Lawyer Nguyen Long is 66; Huynh Kim Dung, a medical student is only 20. We come from a number of different social environments and social strata: those whose families are farmers, laborers, civil servants, government officials, businessmen. We have studied in many different schools, and in different countries; there are those who have studied in the U.S., such as Dr. Ngo ba Thanh; in France, such as Ho thi Nhan (Camp 4, Con Son); in the universities of South Vietnam, such as medical student Huynh tan Nam (Chi Hoa Prison), and teacher Cao thi Que Huong (Thu Duc Prison), and in universities in socialist countries, such as Dr. Tan ngoc Ann (Camp 7, Con Son) and economist Tran ngoc Hien (Chi Hoa Prison), etc. In prison there are also writers such as Ton That Binh Minh (Chi Hoa) and Le si Qui (Tan Hiep), and artists such as Bu Chi, and law students. We prisoners are of different faiths; Catholics, such as Nguyen xuan Ham (Camp 8, Con Son) and Doan khac Xuan (Chi Hoa); Buddhists, such as Tran thi Bich Huyen (Thu Duc) and Van Day (Chi Hoa); followers of the Cao Dai faith, such as Professor Nguyen van Me (Tan Niep).
>
> Although we are from different backgrounds we have one characteristic in common: before everything and above all we are Vietnamese; we hail from every corner of Vietnam. . . .

How long, Mr. Speaker, can we continue to avert our eyes from what is plainly visible, and pretend that our part in the tragedy of Vietnam and of all Indochina has ended; that we can forget the tortures and travail of that troubled land because we have received back our own prisoners of war; that what happens to the civilian prisoners in South Vietnam is none of our concern?

It is very much our concern. We cannot escape our responsibility for what is being done with our money, our foreign aid, our knowledge, our connivance and our participation.

THE EXTENT OF U.S. INVOLVEMENT IN THE PRISONS OF SOUTH VIETNAM

Funding for Thieu's prisons comes from both the Department of Defense and the Agency for International Development (AID). Senator ABOUREZK has inserted into the CONGRESSIONAL RECORD the following chart of American funding for South Vietnam prisons provided by U.S. Ambassador William Colby, now Director of the CIA:

Fiscal year:	
1967	$78,000
1968	1,199,700
1969	951,500
1970	315,300
1971	267,000
1972	627,400

In response to congressional inquiry, the then U.S. Ambassador, William Colby, gave a brief history of the American contribution in maintaining the Thieu regime's penal system:

> In 1963, a U.S. program of advice and assistance to the GVN prison system was initiated which was taken over by CORDS (Civil Operations and *Revolutionary* Development Support) in 1967. . . In 1967, the problems of overcrowding because of the war and loss of prisoners to VC attacks became serious. Thus a substantial program of fortification and expansion of prison facilities was undertaken. . . . Advisory attention to these centers has been increased over the years, using both civilian and military personnel, including six members of the United States Federal Bureau of Prisons now in Vietnam.

Senator ABOUREZK advised the Senate on November 28, 1973:

> *While* the program has been 'taken over by CORDS', AID continues to be responsible for providing "technical supervisors to help supervise relocations and to train new recruits." AID also furnishes "supplies for prison security."

After Congressmen William Anderson and AUGUSTUS HAWKINS discovered the existence of the Tiger cages, the Saigon Government began to build new tiger cases—or isolation cells as they are euphemistically called—using prison labor. The *prisoners, however,* refused to participate in this "self-help project." AID then awarded the $400,000 contract to RMK-BRJ, an American company, to build these tiger cages.

Millions of dollars have been budgeted for police activties in South Vietnam for fiscal year 1974. Senator EDWARD KENNEDY said:

> We found that public safety is now called technical support, public administration and public works. . . They total some $15,-217,000 for public safety purposes in South Vietnam—presumably there is more buried elsewhere—including the American piaster support of Saigon's national budget. On February 21, for example, the U.S. Embassy in Saigon obligated piasters valued at more than $100,000 for prisoner support. (CONGRESSIONAL RECORD, June 4, 1973).

Matthew J. Harvey, Director of the Office of Legislative Affairs of AID, wrote to one U.S. Congressman of June 12, 1973 that $9.3 million of this is Department of Defense money *for the* national police to replace worn out equipment I think all my colleagues will agree that is a great deal of replacement—particularly considering that another $6 million is spent on public safety from other U.S. sources.

Concealing U.S. involvement in public safety in South Vietnam is often a matter of omission. The public is advised that the Public Safety Directorate of CORDS—Civil Operations and Revolutionary Support—has been dissolved and has no further role in South Vietnam. The administration conveniently does not mention that many of the activities were just transferred to AID in Saigon.

The deceptions are numerous and deliberate.

They can be uncovered, however, with diligent searching through official documents.

For example, AID's Indochina reconstruction booklet categorically declares:

> AID had terminated its assistance to the National Police and to the Vietnamese Corrections System.

But study of that same booklet discloses some of the places where elements of the old public safety program have been tucked away under new headings:

Public Administration General Support: $256,000 for training 64 members of the national police. This itself, incidentally, is a substantial increase over the 43 Vietnamese policemen trained in the United States in 1973.

Public Works General Support: $520,000 for replacement parts and $350,000 for American advisers to the police telecommunications system.

Technical Support: $869,000 for computer training of 200 personnel of the national police.

Public Works General Support: $520,000 for replacement parts and $350,000 for American advisers to the police telecommunications system.

And this is not all.

In addition to these specific funds, the AID booklet sets out that $3.8 million in "unobligated obligations" is still available for public safety in South Vietnam. Nothing is said as to how these funds are to be used.

It appears further that more money for public safety in South Vietnam is concealed in the seemingly innocuous item, "commodity import program." This program makes it possible for imported commodities paid for by the United States with American dollars to be sold in Vietnam to private businessment for Vietnam piasters. The first priority use for these piasters is general support of the Saigon civil and military budgets. Senator ABOUREZK, testifying on June 27, 1973, before the Senate Foreign Relations Committee, pointed out that in calendar year 1973, over 1.3 billion of the U.S. supported piasters—costing the American taxpayer approximately $3.3 million—would be spent by the Saigon Government for "public safety programs." He added that in view of a 1972 GAO report which points out how little control U.S. AID really exercises over the spending of such American donated piasters, we have little assurance that the amount that Saigon actually spends on police and prisons will not be even higher.

Senator ABOUREZK advised the Senate Foreign Relations Committee that, combining his figures and recognizing that there might well be public safety support funds hidden elsewhere in the budget the Nixon administration intends to spend at least $19.7 million for Saigon's police and prisons in 1974.

I quote from another important section of Senator ABOUREZK's testimony on June 27, 1973, before the Senate Foreign Relations Committee:

> Other confusion and coverup regarding our public safety efforts involve the construction of prison facilities in South Vietnam. I have here a copy of a 1971 "Notice to Proceed" from the Department of Navy directing an American construction firm to spend $400,000 worth of piasters on the building of isolation cells—called by the Vietnamese "the new tiger cages"—on Con Son Island. In response to a recent Congressional inquiry, however, an AID official flatly stated that Department of Defense funds had never been used for the construction of GVN prison or detention facilities. This puzzling and certainly does not explain the whole truth. As it turns out, the funds authorized by the Navy came out of an American-supported "Assistance in kind" piaster fund generated through the "Food for Peace" program and apparently did not come directly from the DOD. Another question is raised by former CORDS Director William Colby's statement in 1971 to the House Government Operations Committee that U.S. funds were used to build Province Interrogation Centers. According to official statements, neither AID nor DOD funded the construction of these centers, so the implication is that some other agency, presumably the CIA, has been pouring additional unknown amounts of money into the secret police system—funds over which Congress has no control.

It is hypocrisy in the extreme for this administration to pretend that the fate of the hundreds of thousands of political prisoners in South Vietnam is not its responsibility.

Congress has the sworn testimony of one American doctor who has examined dozens of people immediately after their release from President Thieu's prisons. Dr. John Champlin testified to the House Foreign Affairs Committee on June 11, 1973 that:

> The prisoners I examined were all partially or completely paralyzed at the knee joint and completely paralyzed below the knees. The patellar reflexes are decreased or absent and Achilles tendon (ankle) reflexes are absent in all cases. Considerable atrophy in muscle contracture was present in the legs of all prisoners, often to the extent that I could encircle the prisoner's leg above the ankle with my thumb and index finger. These facts present an objective medical evidence that the prisoner's paralysis was organic and real.
>
> • • •
>
> Two-thirds of the prisoners I examined had clinical signs of symptoms of tuberculosis. All had symptoms of vitamin deficiency and other serious internal diseases. . . . These prisoners told of being in tiger cages for periods of two and one-half to seven years. During that time they spent months and years without interruption in leg irons while subsisting on a diet of only three handfuls of rice and three swallows of water daily. . . .
>
> *The prisoners with whom I talked said they had all been examined more than once by American military physicians* while in prison but they denied having received so much as an aspirin during their confinement. (Emphasis supplied).

Again, we must remember that our own Government is responsible for these crimes against humanity, as the good Germans were responsible for similar crimes.

Consider the relevance in this regard, Mr. Speaker, of what Associate Justice Robert H. Jackson said in concluding his closing address at the Nuremberg Trial:

> It is against such a background that these defendants now ask this Tribunal to say that they are not guilty of planning, executing or conspiring to commit this long list of crimes and wrongs. They stand before the record of this trial as bloodstained Gloucester stood by the body of his slain King. He begged of the widow, as they beg of you: "Say I slew them not." And the Queen replied, "Then say they were not slain. But dead they are . . ." If you were to say of these men that they are not guilty, it would be as true to say there has been no war, there are no slain, there has been no crime.

RECOMMENDATIONS FOR LEGISLATIVE ACTION

Mr. Speaker, the American Government is fully as guilty of the tortures and the atrocities that are going on today in South Vietnam and have been going on for years as is the Government of South Vietnam. It is our funding that continues to finance his dictatorial regime.

We cannot evade our own responsibility as the legislative body to put an end forthwith to this national shame.

Accordingly, I propose the following legislative action.

First, I ask this House to appoint a special committee to go to South Vietnam and investigate on the spot what is happening. It should carry out thoroughgoing inquiries to clarify all these matters, both in South Vietnam and in this country. It should subpena persons having relevant knowledge. It should summon Government officials to ascertain the extent of this country's involvement. And it should make the truth available to the public. I believe that when the American people become fully aware of what has been done with American funds and American participation, they simply will not tolerate this blot on our national honor. It is up to this Congress to call the administration to account.

Second, this Congress must make it clear both to the Nixon administration and to the Thieu regime which we fund and finance that the civilian prisoners detained in the jails and prison camps of South Vietnam must be released at once; that the Thieu administration must abolish all disguised concentration camps called by such euphemistic names as Strategic Hamlets, Refugee Camps, or the like, and all repressive organizations; that it must abolish all laws used for such repressive measures.

The January 1973 cease-fire and peace agreement stipulated that the two South Vietnamese parties should discuss the issue of civilian detainees and try to come to an agreement by April 27, 1973, 90 days after the cease-fire. This deadline has now long since passed. Next to nothing has happened.

If this country has learned anything from Watergate, it is that Congress must reassert itself firmly and decisively, and that it cannot rely upon this administration for anything except coverup, chicanery, and deception. Congress has a duty to use all its fiscal and legislative powers to force compliance with the letter and the spirit of the cease-fire and peace agreements.

AN OPEN LETTER TO JOHN GARDNER

(Mr. WAGGONNER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. WAGGONNER. Mr. Speaker, in the event you did not know it, Common Cause is out trying to raise money again. This time they attempt to capitalize on the guilt which they try to create by blaming the average American citizen for Watergate. Yep, that is right. Common Cause says that the average American citizen is guilty for Watergate; and as punishment, they must cough up money to Common Cause, the self-professed judge.

The fact is, Common cause still does not understand that their candidate in the last election was rejected overwhelmingly by the American people. Now they are trying to assure that it will not happen again. Unless I miss my guess, the American people are wise to Common Cause and like organizations.

An excellent reply by Alice Widener to the Common Cause letter appeared in Human Events for April 6. I am inserting it in the RECORD at this point:

AN OPEN LETTER TO JOHN GARDNER

(By Alice Widener)

Mr. JOHN GARDNER,
Chairman, Common Cause,
Washington, D.C.

DEAR MR. GARDNER: It certainly was a shock this morning to receive your unsolicited direct mail letter with its ugly accusation against me and every other American accompanied by your request for money from me.

You say: "Dear Fellow American: The identity of one person responsible for Watergate has never been disclosed. That person is you. Yes, you and every other American citizen are to blame."

Going from bad to worse, you refer to the corruption and undercurrent of political treachery that have "become part of our very system itself." You say it takes "clout" and "organized strength" to correct what's wrong in our American system.

You want me to give you money so you can gain clout and organized strength enough for "professional lobbying" of Congress "through lawmakers and the media and through legal battles in the courts." You say you want my money to hire "first-rate legal minds" so you can get more and more clout and organized strength.

As the late Sam Goldwyn used to say, *"Include me out!"*

Your overweaning ambition and that of other political quick-change zealots is too much for me, a democratic, independent American, to swallow. Your readiness to use the cheap trick of trying to make me feel guilty so I'll cough up some money to help finance your own professional lobbying in a subsidized power-grab for influence over the elected representatives of the American people and their judicial system is—to use Cecil Beaton's famous phrase—"too, too vomitous."

You have a colossal nerve to write to me and say I am guilty of Watergate, corruption and political treachery. I don't pretend to be a saint, but I do declare I never have indulged in any financial skulduggery or political treachery.

Your letter is an insult to me, my children and grandchildren, my friends and associates, and to the vast majority of my fellow citizens upon whom you are rendering a verdict of guilty. Talk about corruption and influence peddling! How do you describe your deliberate effort at cultivating a guilt complex in thousands upon thousands of Americans so they'll fork over money to the political outfit you run?

Obviously, you are a guilt-by-association type, like Arthur M. Schlesinger who says Dallas killed President Kennedy because he happened to be assassinated in that city.

Frankly, in my opinion, your method of money extortion through guilt attribution is dangerously un-American and a monumentally hypocritical rip-off. Your idea of helping our country is to vilify it in a sweeping generality, make the innocent responsible, and then exact conscience-money from them so they can give you clout enough to put over your own ideas through professional lobbying.

Mr. Gardner, I believe our system, with all its faults and need for improvement, is a lot better than any system that could be devised by ambitious men such as you and your little cohort of highly paid lawyers.

I don't like "clout" and I don't like "professional lobbying" and I won't give you a cent of my hard-earned money so you can get "clout" to clout me and all Americans with a sense of guilt for Watergate or Patricia Hearst's kidnapping or any other illegal operation by a few people.

I believe that you, the chairman of Common Cause, and all its directors owe me and every decent American a profound apology for your outrageous letter designed to extract money for your very questionable political operation.

Very truly yours,

ALICE WIDENER.

P.S. Your insulting, self-serving letter, in my judgment, merits congressional investigation.

TORNADO TRAGEDY

(Mr. DEVINE asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. DEVINE. Mr. Speaker, in the current FBI Law Enforcement Bulletin, Gerald W. Garner of the Department of Public Safety, Lakewood, Colo., offered an outstanding article entitled "The Police Role in the Severe Weather Alert Plan."

Ohio was devastated in certain areas last week, and this article is most timely:

THE POLICE ROLE IN THE SEVERE WEATHER ALERT PLAN

(By Gerald W. Garner)

Regardless of geographic locale, there is probably no inhabited place in the United States which could accurately be considered immune to the danger of a tornado or severe thunderstorm onslaught. These storms of destruction may occur any time of the year, but are most likely to result during the spring periods featuring the clashing of moisture-laden warm air from the Gulf of Mexico area and cool air masses from the north. And when these storms do occur, some of the first public service agencies to become involved are the law enforcement organizations at State, county, and local government levels.

Many cities situated in regions of the country frequented by tornadoes or other severe storm conditions have given their police departments a key role in weather alert planning. This is particularly true of the "Tornado Alley" States such as Kansas, Oklahoma, and Texas. While these States have a high incidence of tornadoes, this violent storm condition can and has occurred in every State in the Nation. It is, therefore, wise for any police department to have at least a contingency plan for extreme weather conditions which pose a hazard to life and property in the community.

For demonstration purposes, a procedural plan for a typical police department serving a city of approximately 25,000 persons in the Nation's "Tornado Alley" will be used as an example.

TYPES OF INFORMATION

Perhaps the single most vital understanding that must be realized when dealing with a severe weather situation is the considerable difference between the National Weather Service's tornado or thunderstorm *watch* and its toranado or thunderstorm *warning*.

The National Weather Service puts out two types of severe weather information that all public safety personnel must be familiar with.

A severe thunderstorm or tornado watch means that conditions within a large geographic area are such as to favor the development of violent storms.[1] Storms or threatening conditions are not necessarily in sight at the time the watch is announced. Indeed, as the Weather Service's methods of detecting and predicting the conditions favoring the development of these storms improve, it becomes increasingly likely that a specific locale may have very good weather at the time the watch is first announced. These watches usually cover a 6-hour timespan, and just because no storms are noted in the early part of the watch, there is no valid reason to assume that threatening *cumulonimbus* clouds may not form later in the day.

In addition, one hearing a weather watch put out for his locale during apparently peaceful weather should carefully note the position of his town or city within the watch region. It is quite possible that his locale may lie on the eastern edge of the watch area with the thunderclouds still beyond his line of sight over the western horizon. This is not to stay that all severe weather would move in a west-to-east direction, but it should be noted that the majority of severe weather activity within the borders of the continental United States does follow a general west-to-east storm track. Also, the tornado-bearing storm moves most frequently from the southwest to the northeast, but may move from and toward any direction on the compass.

A severe thunderstorm or tornado warning is an even more serious matter and demands the immediate attention of public safety officer and civilian alike. The severe thunderstorm or tornado warning is issued by the National Weather Service when danger is imminent.[2] That is, a threatening storm has been indicated by radar or reported by the public and is bearing down on those inside the limits of the warned area. These persons must seek shelter by the most immediate means possible.

While the severe weather *watch* will normally cover a very large geographic area often containing thousands of square miles, the severe *warning* is much smaller in scope and area. It may be limited to one or two counties, a town or city, or some other relatively small area. If the storm appears to be continuing its wrathful course further, additional warnings can be put out for areas still in its path and the old warnings canceled as it passes through.

ALERTING THE PUBLIC

At this point, it would appear worthwhile to discuss the means by which the severe weather watch, warning, and eventual all-clear is to be communicated to the public. It is vital that civil defense warning sirens and related audible signals should not be activated except for the warning of imminent danger. The existence of a tornado or severe thunderstorm watch should be announced via a more conventional means by utilizing the mass *media*. *The* extremely

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Footnotes at end of article.

high value of commercial radio and television should be taken advantage of here. The benefits offered by community television antenna services and cable television services should not be overlooked.

It should also be noted that the Department of Defense's Defense Civil Preparedness Agency (DCPA) places some restriction on the use of civil defense warning devices. The warning setup exists for three primary purposes: attack warning, fallout warning, and peacetime disaster warning. The use of these horns, sirens, and the like for severe weather warnings would obviously be covered in the latter category. This Federal agency's procedural guidelines for the use of civil defense warning equipment include the following reminder:

"DCPA has authorized the use of the attention or alert signal (a three- to five-minute steady tone on civil defense procured sirens, horns or other devices) in times of peacetime disasters. Such use is at the option of local government officials. The meaning of the attention or alert signal to all persons in the United States is: . . . "Listen for essential emergency information. Local government officials may add additional action meanings at their own discretion."[3]

Appropriate city officials appoint a staff officer of the police department as civil defense coordinator for severe weather emergencies. A second staff officer of the department serves as an alternate. In the rare absence of both coordinator and alternate, the uniformed patrol shift supervisor on duty at the police station would assume the role of acting civil defense coordinator for the duration of the weather emergency.

The first indication of a severe thunderstorm or tornado watch is received at the police department via the National Weather Service weather teletype, which is the same teletype hookup tied into radio stations, TV stations, and newspaper offices around the country. In Kansas, for example, the Weather Service messages are received from a number of offices located throughout the State. This same weather wire is also installed in a local commercial AM–FM radio station, and the police department and station are thus able to doublecheck with one another concerning the reception of the severe weather watch. This is valuable to the police department in that if the police dispatcher missed the clang of the "alert" bell on the weather teletype due to be being preoccupied with other duties, he can be advised by phone to check the machine for the text of the weather-related message.

Meanwhile, the radio station's interests are served. If the weather situation appears to be ominous at the time the initial watch is received and the station is off the air due to the late hour, the police department can advise the station's designated weatherwatch head of the situation so he can have the station put on the air if the situation merits it.

Following the reception of the weather warning, the police dispatcher or communications officer on duty will contact the department's civil defense coordinator and advise him of the text of the message. This is done whether the coordinator is on or off a tour of duty. It is then his job to see to it that the following persons or organizations are contacted and briefed:

1. The patrol shift supervisor then on duty.
2. The county sheriff's office.
3. The local REACT Citizens' Band radio club.

While the necessity of contacting the first two persons or agencies is self-evident, the third one requires some further amplification. The REACT organization is made up of citizens having CB radios in their cars and a common interest in both radio and service to the community. Any law enforcement agency setting up a similar weather alert plan should be aware of the immense benefits offered by linking up with such volunteers to serve as storm-watch lookouts.

STORM-WATCH LOOKOUTS

Upon contact by the police department relative to a severe weather watch, members of REACT take predesignated stations on all sides of the city to view approaching storms. Seven positions are used, each one selected for its good vantage point above surrounding terrain. It should be noted that the heaviest concentration of these lookout stations is to the west and southwest of the city. In the event that lookouts must be sent out during the workday when many of these volunteers are at their jobs, members of the local police reserves or regular officers may be used to man the lookout positions. Inasmuch as the severe storms are normally moving in a direction which can be clearly discerned, if necessary the lookout plan can be quite effective with as few as three or four lookout positions staffed, just so care is taken to post the spotters between the approaching storm and the city area.

Communications liaison between the police department and these civilian observers is maintained by having a CB unit operating as a base station at the police building.

It should be noted that no use of the civil defense sirens has been made in the watch dissemination process. All communication with the public has been via the mass media. Upon switching from a watch to a warning situation, however, the operation changes somewhat. In the case of an approaching severe thunderstorm with hail, strong winds, and/or heavy rain, the news media will still be used to communicate this warning to the public. But in the event of an approaching tornado on the ground, indicated by either weather radar or confirmed observer sightings, the use of the steady *alert* tone of the city's strategically placed civil defense sirens must be employed.

CIVIL DEFENSE SIRENS

Ideally, the civil defense sirens should be activated from a central locale, and access to the controls of these sirens must be tightly restricted. Much confusion, fright, and resultant ill will toward local government can develop in a city that has used its disaster warning equipment without just cause. For this reason, it is important that a mature, rational, cool-thinking individual be entrusted with the decision to sound the warning devices upon the receipt of "hard" evidence that real danger does exist.

At the same time the audible warning devices of an endangered city or town are activated, certain individuals and organizations must be apprised as quickly as possible of the existing danger and the reasons for the warning. Many departments have established a priority list of persons and organizations to be contacted by telephone as the official warning is put out. Again, it is the job of a department's civil defense coordinator and those he has enlisted to assist him to complete these quick notifications. Although different cities will have varying lists dependent upon their particular locale or situation, the average "contacts" lists should probably include at least the following:

1. All news media.
2. Local law enforcement agencies.
3. Fire department.
4. Ambulance service.
5. Public works department.
6. Volunteer emergency agencies.
7. All hospitals.
8. Schools, if in session.
9. National Weather Service.

It should not be assumed that the National Weather Service is listed last due to any low priority. In reality, the law enforcement agency must keep in close touch with the nearest National Weather Service office for the duration of the dangerous weather. Here, trained personnel can make use of weather radar and other instruments to confirm questionable public-reported sightings of severe weather, and can also brief law enforcement on existing or expected developments.

At the same time, the role of the public at large cannot be overemphasized in the severe weather operating plan for a law enforcement agency. Through extensive and successful public education programs, the law enforcement agency can inform the populace through the mass media of what to look for and how to respond in a violent weather situation. Panic and confusion at the time of an actual storm can thus be reduced, and the effectiveness of the whole warning procedure upgraded.

An additional note might be made on the use of a supplemental warning capability possessed by many law enforcement agencies. In cities with large numbers of mobile home parks, some problem arises in residents of these rather densely populated areas being unable to hear the mounted warning sirens. For this reason, a police department should have plans to send patrol cars into these areas to alert the residents of an approaching tornado by means of the car's public address facilities. The siren tone of the electronic siren-PA is used to attract the attention of persons in the area, and the officer can then use his voice microphone to broadcast the warning message that he has just been relayed by the dispatcher. The extremely high mortality rate of persons caught inside unsecured mobile homes in the path of a rampaging tornado would appear to justify the expenditure of police manpower and equipment in the mobile home park warning detail.

Obviously, no proposed readiness outline can cover all eventualities that might be encountered by a given police agency in planning its own severe weather alert plan. Each jurisdiction will have problems and conditions attendant to its own area that cannot be included in any general, overall plan. Nonetheless, a reliance upon planning before-the-fact and a strong assist from volunteer citizen groups should insure the success and reliability of any community's severe weather alert planning.

SEVERE LOCAL STORM DDEFINITIONS

Tornado or Severe Thunderstorm Watch—Issued as an alert when conditions are favorable for development of tornadoes or severe thunderstorms in the specified area.

Tornado or Severe Thunderstorm Warning—Announcement that a tornado or severe thunderstorm has been sighted visually or detected by radar. The location and direction of movement of the storm, if known, are given, and residents of the WARNED area should take immediate safety precautions.

Statement—A Weather Service release concerning actual or potential severe storm developments. Storm progress and followup reports during a *watch* will be termed *statements*.

All-Clear—A release announcing that a threat covered by a previously issued *watch* or *warning* has ended.

Tornado—A violent local storm of short duration with very high-speed winds rotating about a vortex and a funnel extending from the base of the clouds to the ground.

Funnel Aloft—A funnel extending downward from the clouds but not touching the ground.

Severe Thunderstorm—Wind gusts of 50 knots (58 mi/h) or greater and hail three-fourths of an inch in diameter or larger.

Damaging Wind—Sustained or gusty surface winds of 60 mi/h or greater.

A Few—Up to 15-percent storm coverage in an area or along a line.

Scattered—16- to 45-percent coverage in an area or along a line.

Numerous—More than 45-percent coverage in an area or along a line.

Footnotes at end of article.

FOOTNOTES

[1] "Tornado," U.S. Department of Commerce, National Oceanic and Atmospheric Administration, National Weather Service, 1973.

[2] Ibid.

[3] "Region Six Information Bulletin, No. 2120.1," Department of Defense, Defense Civil Preparedness Agency, May 15, 1973, p. 2.

FUEL OIL MARKER-DYE ACT OF 1974

(Mr. McCLORY asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. McCLORY. Mr. Speaker, I am introducing today a bill that is designed to provide for the marking of certain fuel oils to prevent the sale or use of such fuel oils as a means of avoiding the payments of the Federal excise tax on the sale of diesel fuel.

Mr. Speaker, this legislation is necessary because the United States is estimated to be losing hundreds of millions of dollars every year in excise taxes through the illegal use of home heating oil in diesel type internal-combustion engines for vehicle propulsion. The problem in terms of tax collection is that home heating and diesel fuel are both the same oil. The main difference is that there is an excise tax on diesel fuel and there is no tax on home heating oil. For this reason, there is evidence both in this country and abroad of widespread use of home heating oil in diesel motors, to avoid paying the excise tax.

Mr. Speaker, in some States and foreign countries action has been or is being taken to establish a marker-dye program. In Illinois, a report issued earlier this year to the Illinois General Assembly, revealed that if a heating oil marker-dye were used in that State as much as $50 to $100 million in additional fuel tax revenues each year could be collected. As a result of this information, the Illinois House of Representatives adopted a resolution directing the Illinois Department of Revenue to investigate and study the feasibility of establishing a marker-dye program in Illinois. I understand that hearings on such legislation will be held on April 19, 1974, in Chicago.

The information from abroad is very close to our estimates of excise tax losses in this country. A marker-dye program has been established in Quebec, Canada. The Assistant Deputy Minister of Revenue of Quebec, Canada, Mr. Paul Moreau, recently reported that prior to July of 1973, the Province of Quebec was losing about $25 million per year in diesel fuel tax. According to him, since the institution of the marker-dye program in July 1973, much of the lost tax has been recovered. For example, he stated that the increase of excise tax revenue collected in October 1973, over October 1972, was 42.7 percent.

Mr. Speaker, the establishment of a marker-dye program for heating oil is certainly possible from a technical point of view. For example, the American Oil Co.'s Premier diesel fuel is currently dyed with a color additive as a marketing maneuver to keep the "character" of the fuel consistent with its name. Many oil companies voluntarily marker-dye leaded gasoline and certain kinds of jet fuel. The military requires certain dyes in fuels it purchases. The technology needed to add marker-dye to heating oil is similar to that now in use throughout the oil industry. Furthermore, tests have shown that color additives do not detrimentally affect the performance of diesel and jet engines and can be expected to have no adverse consequences when used in heating oil.

Mr. Speaker, an official of the Federal Energy Office—FEO—has indicated to me that he would support such a marker-dye program. He said that although tax evasion and theft are the main problems associated with illegal sales of home heating oil, he thought that the FEO should encourage implementation because: it helps conserve diesel fuel directly and indirectly by preventing underpricing, and it increases the accuracy of fuel flows, statistics which may be helpful for allocation and energy use planning and analysis.

Mr. Speaker, the enforcement of the provisions of this bill should neither be difficult nor require the Internal Revenue Service to enlarge its staff. For example, presently most diesel-powered highway vehicles are required to stop at highway weighing stations. As a part of the weighing procedure, the tanks could be checked very quickly and easily.

Mr. Speaker, I firmly believe that the benefits to be accrued from such a marker-dye program far outweigh any disadvantages. If the increases in revenue in Quebec are any indication, we should expect more than a 40-percent increase in revenue, which will benefit both State and Federal Governments. The enforcement costs would be minimal. While the development of new facilities by the oil companies, in order to accommodate such a program will entail some capital expenditure, this should not present much of a problem since most oil companies have extensive marker-dye experience and existing facilities to accommodate their own marking programs and those required by the laws of several States and foreign countries which the companies supply.

ENERGY CONSERVATION PLANS UNDER SECTION 104 OF H.R. 13834

(Mr. ECKHARDT asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. ECKHARDT. Mr. Speaker, section 104 of H.R. 13834, the Standby Energy Emergency Authorities Act, provides that the Administrator of the Federal Energy Administration may promulgate by regulation any energy conservation plan designed to result in a reduction of energy consumption. "Energy conservation plan" means a plan for transportation controls, such as highway speed limits or any other reasonable restrictions on the public or private use of energy which is necessary to reduce energy consumption. Such may include limitations on energy consumption of business.

In the hearing on the bill, in answer to Mr. DINGELL's questions, Energy Administrator Simon was not helpful in affording examples of what such plans should be. Under the language of the section such could include denial of the use of energy to keep grocery stores open after 8 p.m. or to permit the operation of night-time entertainment. Such plans could deny the use of energy for display advertisement or even to street lighting, so as virtually to require a night-time curfew. They could regulate the heating or cooling level of department stores and other places of business or even prohibit such establishments for remaining open on certain days of the week or certain times of the day if such resulted in what was deemed an excessive use of energy. A plan could even be promulgated to require radio and television stations to go off the air by 10 p.m. and not resume before daylight in order to discourage the use of home lighting at night and in the early morning hours. In short, there is hardly any phase of human activity that does not have a relation to the use of energy and, therefore, plans so broadly defined could include almost every commercial endeavor and many domestic activities. As will appear from the language of the bill, the only limitations are that the plan be "designed . . . to result in a reduction of energy consumption," that it relates "to transportation controls . . . or such other reasonable restrictions on the public or private use of energy," and that it be deemed "necessary to reduce energy consumption."

Therefore, the scope of permissible rulemaking in the nature of an executive proclamation is extremely broad. Would there be any difference in kind if Congress delegated to the President authority to promulgate, by regulation, plans designed to establish justice, insure domestic tranquility, provide for the common defense, and promote the general welfare, provided that such plans were reasonable and, in the opinion of the Administrator, necessary to accomplish these ends?

It will be seen then that section 104 of the act constitutes near complete abdication by the Congress to the executive department of the authority to fashion rules which have the effect of law, if not legislatively vetoed. Thus, the bill would effectually reverse the legislative and executive roles, making the executive department the legislative authority and the Houses of Congress the repository of those executive functions related to the veto. In brief, the Executive can legislate; the Congress can veto.

Before enacting such provision, Congress should carefully view it as a constitutional proposition. It is not necessary to reach the question as to whether or not there would be judicial machinery for the courts to overturn a voluntary abdication by Congress of its essential function to the Executive. In matters related to the division of powers between Congress and the Executive, Congress should, at least initially, decide the constitutional question for itself. This is not like a question where Congress is arguably limited in the exercise of its powers by the Constitution and in which Congress desires to exercise its authority to the full extent constitutionally permissible. In such a case, it is sometimes argued that Congress should act and then let the courts determine the constitutional question. Though I think such a course is not the proper one in even such a case—since we are sworn to uphold the Constitution—such an argument is not apposite here.

When the question relates to a relinquishment of congressional authority to the Executive, the constitutional question is at the threshold. The question is this:

May Congress so reverse its role vis-a-vis the Presidency as to assign to the executive department power to make law upon a general subject matter by proclamation?

Since there is the qualification of the legislative veto, there must be added the question:

Can the bounds of such delegation be deferred to a time and a procedure by which a single House of Congress reviews the propriety of the action by the President and, if it decides that the action is inappropriate, vetoes it?

I think that the answer to both questions must be "No." I shall deal first with the first question.

It is true, of course, that Congress has in the past delegated much authority to administrative agencies. Section 104, however, raises the question of separation of powers in a much more fundamental way than does, for instance, an act purporting to give the FTC substantive rulemaking authority. In the first place, the ordinary delegation to an agency of such rulemaking authority is within a comparatively narrow field, the field covered by that agency. The agency nearly always acts to flesh-out the provisions of the statute or of several statutes. For instance, in the case of the FTC, the Commission's function is: First, to enforce section 5 of the Federal Trade Commission Act with respect to the prevention of unfair or deceptive practices; or second, to enforce the antitrust laws. Similarly, the Product Safety Commission is called upon to deal with largely technical questions relating to the safety aspects of various manufactured products. We could go on listing agencies and the relationship of each to a specific area of expertise.

The authority granted in section 104 is far broader. That section does not purport to define a use of energy deemed wasteful and then grant to the Administrator authority to frame rules prohibiting such waste. It purports to give the Administrator authority to regulate all industry and commerce in any way he sees fit, if such regulation is deemed reasonable and necessary to accomplish the very broadly stated purpose of reducing energy consumption.

So far as I have been able to discover, no such broadly ranging authority has ever been bestowed by a parliamentary body in America, and the last precedent I find for it is the Statute of Proclamations passed by Parliament in 1539 at the behest of Henry VIII.[1]

The immediate occasion for the act was the refusal of the judges to give effect to certain proclamations by which, as an emergency measure, the government had attempted to control dealings in corn in a moment of scarcity.[2]

It should be recalled that at that time there was not a very distinct line between legislative and executive action in England. The concept had been in the time of the two Edwards that the King made laws with the "consent of the peers and the commune," and in 1322 very much the same concept as that here advanced in section 104 was put forward in the Statute of York:

> Matters which are to be determined with regard to the estate of our lord the king and his heirs, or with regard to the estate of his kingdom and the people, shall be considered, granted and established in parliament by our lord the king and with the consent of the prelates, earls and barons and of the community of the kingdom, as has been accustomed in time past.—Statute of York, Edward II, 1322.

Using this language as a model one could paraphrase section 104 to read:

> Matters which are to be determined with respect to energy conservation shall be considered, granted, and established by the President (Administrator), and have the effect of law, with the consent of Congress.

The reason I have gone to some pains to cite the ancient English models of the reversal of roles of the parliamentary body and the monarch is that they illustrate quite clearly what the framers of the American Constitution were rejecting in establishing a separation of powers.

Such was the very first issue that the Constitutional Convention dealt with. On May 30, 1787, on the question, as moved by Mr. Butler, it was resolved in the Committee of the Whole as follows:

> Resolved that it is the opinion of this Committee that a national government ought to be established consisting of a supreme Legislative, Judiciary, and Executive.[3]

On the next day the Convention resolved that the "National Legislature ought to be empowered to enjoy the legislative rights vested in Congress by the confederation; and moreover to legislate in all cases in which the separate States are incompetent."

On the next day the Convention dealt with the powers of the Presidency, and it is at this point that the discussion made it clear that a sharp division was intended to be made between executive and legislative powers. Mr. Wilson—with Madison, perhaps the principal framer of the Constitution—was quoted by Madison as follows:

> Mr. Wilson preferred a single magistrate, as giving most energy dispatch and responsibility to the office. He did not consider the Prerogatives of the British Monarch as a proper guide in defining the Executive powers. Some of these prerogatives were of a Legislative nature. Among others that of war & peace &c. The only powers he conceived strictly Executive were those of executing the laws, and appointing officers, not (appertaining to and) appointed by the Legislature.[4]

The action taken that day concerning the national Executive was substantially as appears in the report of the Committee of Detail as follows:

> Resolved That a national Executive be instituted to consist of a single Person—to be chosen for the Term of six Years—with Power to carry into Execution the national Laws—to appoint to Offices in Cases not otherwise provided for—to be removeable on Impeachment and Conviction of mal Practice or Neglect of Duty—to receive a fixed Compensation for the Devotion of his Time to public Service—to be paid out of the public Treasury.[5]

To further emphasize that the proposed Constitution intended to strictly separate the three departments of Government, the Committee of Detail in its instructions on the form of drafting the proposed Constitution included the following statement:

> 2. First resolution—This resolution involves three particulars
>
> 1. the style of the United States, which may continue as it now is.
>
> 2. a declaration that [a] supreme legislative executive and judiciary shall be established; and
>
> 3. *a declaration, that these departments shall be distinct, and independent of each other, except in specified cases.*[6] [Italics added.]

Thus, the framers of the Constitution clearly did not intend to admix executive and legislative functions in the way that these had been admixed in England. Certainly they did not intend to authorize Congress to use the models of medieval English law that preceded the long struggle for parliamentary supremacy.

Thus, Congress may not reverse its role vis-a-vis the Presidency so as to assign to the executive department power to make law upon a general subject made by proclamation.

Yet, as has been pointed out above, if we should adopt section 104, such is precisely what we would do.

Now we come to the second question:

> Can the bounds of such delegation be deferred to a time and a procedure by which a single House of Congress reviews the propriety of the action by the President and, if it decides that the action is inappropriate, vetoes it?

The fact that H.R. 13834 envisages the necessity of each House of Congress viewing the whole policy matter underlying an administrative energy proclamation ex post facto indicates that the original delegation itself did not take into account—or was not sufficiently precise to address itself to—the policy questions underlying the specific energy conservation proclamation. Therefore, in the entire course of legislation and legislative review under section 104, there would never be a time when Congress, as a body, addressed the specific policy questions involved. It would only address these questions in the same way that the President would address them in contemplation of a veto.

Thus, should Congress pass H.R. 13834 containing section 104, it would defer to a later time a review of the type of policy question that is usually considered when legislation is first enacted. Such later review would not be done by Congress as a whole, would not be performed in such a way as to afford an opportunity for persons affected by the legislation to appear before committees and correspond with or petition Members of Congress, and would be governed by a truncated procedure more appropriate to the executive function of veto than to the legislative function of enactment.

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[1] 31 Henry VIII, CAP, VIII.

[2] Theodore F. T. Plucknett, "A Concise History of the Common Law," pp. 45–46.

[3] Farrand, The Records of the Federal Convention of 1787, Volume 1, p. 30.

[4] Ibid, pp. 65–66.

[5] Farrand, The Records of the Federal Convention of 1787, Volume 2, p. 132.

[6] Ibid, p. 138. Words appearing in parentheses in Farrand have been omitted.

I cannot convince myself that this is constitutionally acceptable. Does it afford due process—under the fifth amendment—to a person affected by the executive proclamation so reviewed to affect his rights without ever having afforded him an opportunity to present his views and to petition government in the ways ordinarily available in the usual processes of legislation?

I am well aware that the process of legislative veto is not a novel one in this bill, but it has never before been presented in such a bad constitutional light.

The most recent examples in enacted legislation touching on this question have been in the Reorganization Act of 1949 and in the War Powers Act of 1973.

But in the first case the major policy decision was decided in the legislation itself: That the President should be permitted to put his administrative house in order, and that he should be given authority within a typically administrative area to perform a kind of executive husbandry. The results of such reorganization has to be detailed and technical within an area of executive expertise.

But since there are overlapping concerns between Congress and the Executive in Government reorganization, Congress wanted a second look at the details. The constitutionality of such a procedure has not been determined, but the factors involved here argue much more strongly for use of the legislative veto than in the case of section 104.

The War Powers Act does not really involve the legislative veto question at all. The provisions of the act specifically denies that there is any additional extension of warmaking authority by virtue of the reporting requirements and the various provisions defining Presidential authority when hostilities, or the imminent threat of hostilities, exist.

Thus, the concurrent resolution procedure calling for disengagement, or for the President to desist from activities deemed outside his authority, is not really a legislative veto of power previously extended. It is merely a declaration that Congress has not exercised the warmaking power and an insistence that the President recognize that fact and desist from trenching upon a congressional prerogative.

I return now to the example I gave earlier: Suppose Congress simply delegated to the President authority to make proclamations for the purpose of establishing justice, insuring domestic tranquillity and promoting the general welfare, reserving the right of legislative veto. Certainly such would go far beyond the legislative veto provisions in the Reorganization Act or the declarations by concurrent resolution in the War Powers Act.

In summary, then, second 104, to a far greater extent than any previous legislation, defers the whole policy question concerning the desirability or the undesirability of the proclamation to a subsequent time, and therefore Congress, by passing the section, would deprive itself of any real legislative address to the question involved.

Therefore, both questions that I have posed must be answered in the negative. The legislation violates principles deeply rooted in the Constitution and should be rejected.

STUDY REVEALING "REVENUE SHARING" IS NEGLECTING OLDER AMERICANS, SHOCKS FEDERAL LAWMAKERS AND OTHER ADVOCATES FOR JUSTICE FOR OVER 20 MILLION SENIOR CITIZENS

(Mr. PEPPER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PEPPER. Mr. Speaker, several months ago, I requested the Comptroller General of the United States to prepare a report for me on the extent to which general revenue-sharing funds are being allocated to programs specifically and exclusively designed to benefit the elderly. I was determined that the nutrition program for the elderly, title VII, Older American Act, which I originally introduced, would not again be delayed by any attempt on the part of the administration to extol the effectiveness of the "New Federalism" for America; and I knew the report would be relevant to the House and Senate committees' consideration of the 3-year extension and expansion of this program.

I believe the Congress should, from time to time, consider new and innovative programs to provide for the social and welfare needs of our Nation and for this reason I supported the revenue-sharing legislation. However, since that time I have been very disappointed in the use made of the revenue-sharing funds by the States and other levels of governments.

My disappointment is shared by the Honorable William R. Hutton, executive director of the National Council of Senior Citizens, Inc., who has provided a commendable analysis of the Comptroller General's report, alongside a report on the House extension of the nutrition program for the elderly.

I commend Mr. Hutton and his organization on their continuing strong and effective advocacy for Federal programs for the elderly, and I agree with their views that the Congress must resume the full responsibility for Federal programs aimed at the poor and the elderly as the only rational national policy.

For my colleagues consideration, I would like at this time to include the text of the front page articles published in the Senior Citizens News for April 1974:

ANALYSIS OF COMPTROLLER GENERAL'S REPORT

(By William R. Hutton)

There is mounting evidence that the Nixon Administration's general revenue sharing policies are doing little or nothing to benefit older Americans.

Some Governors and Mayors are said to be increasingly skeptical about the federal shell game of funding promises but many are also doing little or nothing to utilize their new federal money on the problems of social disorganization among elderly people.

The politicians of the States and the cities have been quick to recognize the visible political benefits of a new fire station, new city hall or a fleet of helicopters. The White House is pushing the political advantage of spreading the benefits to the State Houses where political power is manifest. Programs directed toward the poor reap no such political harvest.

Some of the shocking details of neglect of the elderly in the first year of the Nixon Administration have been revealed in a study undertaken by the office of the Comptroller General of the United States at the request of Congressman Claude Pepper of Dade County, Florida.

About $1.688 billion was available for use 250 governments in the revenue sharing analysis selected by the Comptroller General on the basis of dollar significance and geographical dispersion. Even though the elderly represent over ten per cent of the population and 28 per cent of the poor, authorized expenditures on their behalf amounted only to two-tenths of one per cent of total funds. That is only 20 cents out of every $100 of revenue sharing funds.

The Revenue Sharing Act (Public Law 92-512) provided for the distribution of approximately $30.2 billion to State and local governments for a five-year program period. The office of Revenue Sharing, Department of the Treasury, made initial payments under the Revenue Sharing program in December 1972 and had distributed about $6.6 billion through June 30, 1973 to the 50 States, the District of Columbia and about 38,000 units of local government. Approximately one-third of the funds were distributed to the States and the remaining two-thirds to local governments.

One of the objectives of revenue sharing is to provide State and local governments with flexibility in using the funds. Accordingly, the act provides only general guidance as to how local governments can use the funds by requiring them to be spent within a specified, but quite extensive, list of priority areas. The priority areas are: maintenance and operating expenses for public safety, environmental protection, public transportation, health, recreation, libraries, social services for the poor or aged, and financial administration. In addition, a local government may use the funds for any ordinary and necessary capital expenditure.

The selection of States and local governments included in the analysis made by the U.S. Comptroller General included the 50 cities and 50 counties that received the largest amounts of revenue sharing funds for calendar year 1972.

Including interest *earnings on* the revenue sharing funds through June 30, 1973, about $1.688 billion was available for use by the 250 governments. The necessary legal and procedural steps were taken by 218 of the governments to authorize the expenditure of $1.374 billion of these funds. The remaining 32 governments did not authorize the expenditure of any of the funds.

Of the 218 governments, 28 authorized the expenditure of part of their revenue sharing funds in programs or activities specifically and exclusively for the benefit of the elderly. These authorizations totaled about $2.9 million, or about two-tenths of one per cent of the total funds authorized for expenditure by the 218 governments.

Expenditures designated to benefit the elderly ranged from a low of $1,000 appropriated by Brighton, Vermont, for operating and maintaining a senior citizens center to a high of $785,716 appropriated by Pima County, Arizona, for purchasing a nursing home used primarily for care of the indigent elderly.

The other 26 governments were financing a variety of programs for the elderly. The more significant programs included:

Jersey City appropriated $400,000 to finance a public transportation discount program for senior citizens.

Sacramento County appropriated $104,254 to finance a project being undertaken by the Sacramento County Legal Aid Society to provide legal services to the elderly.

Jefferson County, Alabama authorized use of $450,000 in revenue sharing funds to add an 83-bed wing to the county nursing home for the indigent aged. An additional $150,000 was to be used to acquire equipment for the new wing.

Kansas City earmarked $100,000 for a nutrition program for the elderly that was expected to provide food for 600 persons a day.

Clark County, Nevada appropriated $125,000 to acquire a building for use as a senior citizens center. The center will be jointly operated with the city of Las Vegas which was participating in the initial capital costs.

Federal lawmakers who have seen the Comptroller General's analysis are shocked at the results. They are concerned because if State and local discretion results in the aged getting such a low priority for these early revenue sharing funds, it will be well nigh impossible for the elderly to get anything like a fair shake in the special revenue sharing for manpower training programs, urban and rural development and education which are now being relentlessly pursued by the beleaguered White House.

Some Washington lawmakers—and some of the more responsible politicians in the States and local governments are beginning to believe they may have been taken in by the Nixon Administration's second term planning for a conservative program of redistribution of income, wealth and public services.

The easy rhetoric of controlling inflation by restraining the "runaway" federal budget; of returning "power to the people" and the pleas "not to raise taxes on hard-working middle Americans in order to pay the salaries of inefficient and interfering Washington Bureaucrats" are being exposed as catchword slogans as the first result of the Nixon Administration programs are closely studied.

The special revenue sharing bills allow, but crucially do not compel local governments to continue existing federal programs. Nelson H. Cruikshank, President of the National Council of Senior Citizens, has warned State and Area Council leaders to fight for senior citizen representation on local Manpower Commissions, housing advisory councils, etc. if they hope to win any improvement in the current abysmally low priorities for the elderly.

"The White House is pushing ahead with plans to substitute local goals and program definitions for the painfully evolved universal standards of federal statutes," said Cruikshank.

"Since State and local government political leaders are even more responsive to business and conservative pressures than Congressmen and regulatory agencies, the outlook is desperate for the survival of federal programs aimed at the poor and the elderly."

President Nixon announced early in his first term that he would seek "New Federalism" for America. He contended that federal grant-in-aid programs had proliferated to the point where they had lost their effectiveness.

Instead, he proposed general revenue sharing which would give States and local governments "no-strings attached" money. This would be followed by a series of special revenue sharing packages, each combining all the categorical programs in a given area into a block grant.

The National Council of Senior Citizens and other representatives of the poor opposed revenue sharing and the block grant concept. NCSC argued, for example, that categorical programs were drawn narrowly by design so as to ensure benefit to particular constituencies, groups not strong enough to get their needs met through the powerful hurdles of special interests in State and local politics.

NCSC studies had shown that in youth-oriented America, programs for the elderly were sadly neglected in every area of government. Moreover, this built-in bias against the elderly is so strong it can only be overcome by the government undertaking special corrective measures—such as Congressional earmarking of special funds for elderly programs and appointment of Special Assistant Secretaries to promote these programs from the federal government directly to local groups or by using national contractors to reach them.

House Extends Nutrition Program

Washington, D.C.—The House has passed and sent to the Senate a three-year extension of funding for the Nutrition for the Elderly Program, which is operated under Title VII of the Older Americans Act.

This program, which started providing hot meals for elderly Americans age 60 and over in July 1973 with a funding of nearly $200 million for fiscal years 1973–1974, was given high marks for effectiveness by Congressman John Brademas (D., Ind.), Chairman of the Select Subcommittee on Education of the House Committee on Education and Labor during debate on the bill.

Brademas told his colleagues that "despite numerous stumbling blocks, the nutrition program for the elderly is now serving more than 199,000 hot meals a day to seniors who might otherwise have no balanced diet and we expect to be serving about 212,000 daily meals by June 30."

Brademas also gave high praise to Congressman Claude Pepper (D., Fla.) who had originally sponsored the nutrition bill in the House and was once again working for increased funding for the measure.

The authorization finally passed by the House—by a lopsided 380–6 vote—contains provisions providing a total of $600 million over the next three years for the nutrition for the elderly program.

Of that total, $150 million allotted for 1975 will provide up to 319,277 meals daily. In fiscal year 1976 the dollar figure increases to $200 million for 425,702 hot meals daily. And in fiscal year 1977 the amount rises to $250 million used to provide 532,128 hot meals daily.

Brademas told House members that the increased amounts for the nutrition program were justified in light of the overwhelming support the program has had, both among officials administering the meals program and among recipients.

"This hot meals program," Brademas declared, "has not only provided an invaluable source of nutrition for the elderly, it has also provided a valuable source of contact with other people for many elderly who would otherwise continue to exist in an isolated and lonely world."

Once the nutrition authorization bill passed the House it was sent to the Senate where it now carries the number S–2488.

Senator Edward M. Kennedy (D., Mass.) who, along with Senator Charles Percy (R., Ill.), is sponsoring the Senate bill, sent a note of appreciation to the House of extending the funding for the nutrition program.

The Senate Subcommittee on Aging of the Committee on Labor and Public Welfare is scheduled to hold hearings on the legislation within the next few weeks. A final version of the nutrition for the aged bill must be passed before current authorization runs out this June 30.

THE STATUS OF BILINGUAL EDUCATION

Mrs. CHISHOLM. Mr. Speaker, for the last few weeks the Subcommittee on General Education has been conducting oversight hearings on the functioning of existing bilingual education programs and the need for expanded initiatives in view of the Lau against Nichols decision handed down by the Supreme Court on January 21, 1974. One of the groups which has been in the forefront of the effort to improve our bilingual education programs is RASSA, the Raza Association of Spanish Surnamed Americans. I submit here for insertion into the Record the testimony of Manuel Fierro, president/executive director of RASSA, which was presented to the committee on March 27. The testimony summarizes the status of current legislation, the unmet needs that still remain to be fulfilled, and suggests that action which this Congress should take to fulfill the mandate of the Lau decision.

Statement of Manuel Fierro, President/Executive Director, Raza Association of Spanish Surnamed Americans

SUMMARY OF STATEMENT

Mr. Chairman and members of the committee, my name is Manuel D. Fierro, I am the executive director of Raza Association of Spanish surnamed Americans (RASSA), a national non-partisan citizens lobby for and of the Spanish speaking. With me today are Dr. Jose Cardenas, executive director of Texans for Educational Excellence and a former school superintendent in San Antonio, Texas and Sr. Josue Gonzales from the University of Massachusetts, two of the most renowned Mexican-American bilingual educators in the United States.

On behalf of our board of trustees who represent a cross-section of the Spanish speaking people throughout this Nation, I wish to express their appreciation as well as my own for the opportunity to appear before you today and to commend you for your initiative and foresight in addressing yourselves to one of our Nation's most serious inequalities in education—the education of over five million limited and non-English speaking American children who have been the victims of neglect and misunderstanding.

Since 1967 when Congress first passed title VII of the Elementary and Secondary Education Act—the Bilingual Education Act, there has been a continual effort by our community to create educational programs which would provide these children with a new way to learn in two languages at once and give them the opportunity to read, speak and write in two languages, which is the language of the majority and in their native language, the language of their heritage, their home and community.

I don't believe these efforts were entirely altruistic. There was a need to keep these children in school and teach them enough so that they could become productive and participating members of our society, instead of becoming drop-outs and welfare recipients of the future. The money that was provided for that extra educational effort was not only to provide educational equality for these children, it was also to be an investment in the future well-being of this nation.

Unfortunately, Congress has never provided the money which would accomplish a real breakthrough for these children. Bilingual education in the United States today is still a series of undernourished and limited programs. After more than six years, Title VII is only reaching less than 3% of those children who are suffering educational deprivation and cultural assault. The history of bilingual education in this country is a history of a need not met and commitments not kept.

Additionally the Bilingual Education Act has "unfavored legislation status" with this administration. We have had to fight for every dollar funded to Title VII. Even now after an increase of $15 million last year, the President's budget request for next fiscal year is back to $35 million.

For fiscal year 1973 the Office of Education is funding 217 programs. They have refused 118 others because there was no increase in spending allowed. More than 122 programs were not even considered for funding. Thus only a tiny fraction—147,000—of the millions of children in need were served this year. If the administration's suggested budget cut were to be accepted only 141,000 children could be served next year. Only 211 programs would be funded in fiscal year 1974 under that proposal.

How can the Members of Congress allow that to happen? These children are caught in a budget war they cannot understand or fight for themselves. How can the Members of Congress go on, year after year, allowing a systematic denial of equal educational opportunity to more than five million American children?

Because we face again the real limitations of the budget and a real lack of effort on the part of the administration to either understand or improve the current Federal support program, the Senate has proposed amendments to the bilingual education legislation in order to improve and expand on the original legislation. These amendments provide for a single national comprehensive program in bilingual education.

Specifically the amendments to title VII of the ESEA in the Senate (S. 1539) provide for the following:

It redefines the definition of bilingual education and the term limited English speaking to encompass a broader concept.

Emphasizes training of bilingual teachers, teacher aides, other personnel rather than solely subsidizing bilingual education programs at local schools (although it expands those programs as well).

Upgrades administrative position of bilingual education within OE/HEW hierarchy by making it a Bureau of Bilingual Education, headed by a director at a GS–18 level.

Authorizations: Increases $135 million to $145 million next year and then $10 million increases for each of the next three years.

Amends the vocational education programs by requiring consideration of bilingual needs at every level of vocational education and authorizes $40 million for this purpose.

Provides for carrying out a program of bilingual education for children on reservations.

Establishes a national fund for bilingual education which provides fellowships up to 500 persons for: preparation in bilingual education.

Provides for grants to local school districts for undertaking training programs for bilingual education.

Provides for grants to universities, junior and community colleges in conjunction with local school districts in setting up training centers.

Provides for set aside monies in National Institute of Education of 10% but less than $7.5 million for bilingual education research and development.

Places more specific descriptions on the makeup of actual bilingual education program to insure that it is not merely teaching English as a second language but is actually a comprehensive bilingual education program.

Provides for a National Advisory Council on Bilingual Education.

Mr. Chairman and members of this committee we are urging each and every one of you to assert yourselves and support these amendments that are contained in S. 1539 when H.R. 69 reaches the conference committee.

If these oversight hearings can achieve one thing only, and that being, your understanding of the desperate situation in which millions of American children have been and are being placed in, then you must address yourselves to the commitment that you must make in order to truly provide equality of educational opportunity for them.

HISTORICAL OVERVIEW OF BILINGUAL EDUCATION

A. Federal

The Federal role in bilingual education was initiated late in the 1960's when former Senator Ralph Yarborough (D. Tx.), Senator Joseph M. Montoya (D. N.M.), Congressman Edward Roybal (D. Cal.), Congressman Henry Gonzalez (D. Tx.) and others amended the Elementary and Secondary Education Act of 1965. In 1968, former President of the United States Lyndon B. Johnson signed the legislation providing for the Bilingual Education Act—Title VII of ESEA. This was the culmination of long and hard work sparked by concerned educators and organizations, such as the National Education Association and affiliates. The results of the NEA Conference in Tucson which led to the Federal role in bilingual education centered around the following facts:

The large push out rates of Mexican American children in the schools of the southwest.

The cultural conflict between the school curriculum and the culture of Mexican American students.

The cultural deficiency of educators and their inability to teach culturally and linguistically distinct children.

The initial thrust of the Bilingual Education Act was to establish "demonstration projects" through Federal grants in an effort to deal with the issue of providing a better opportunity for children whose dominate language is Spanish. In FY–69 only $7.5 million were authorized for bilingual education which provided for 70 programs throughout the country. The Federal Government currently funds 217 projects with only $35 million from Title VII.

The Spanish-speaking student population presently in the United States constitutes the largest non-English-speaking population. The United States 1970 census count of school age persons by mother tongue reported a total of 3,110,000 Spanish Americans; 74,000 native Americans; 221,000 Asian Americans and 1,537,000 others, totalling approximately 5 million students in need of bilingual education. Unfortunately, Title VII funding has reached less than 3% of the population in need.

B. State participation

The recent Jimenez Report on State participation on bilingual education updated by the National Education Association and the National Task Force de la Raza for the National Bilingual Bicultural Institute at Albuquerque, New Mexico identified fourteen States with legislation permitting the use of a language other than English for instructional purposes in the schools. Few States have appropriated and authorized State funds for bilingual instruction. A list of States is included for the record.

C. Magnitude of the need for bilingual education

Recently, at the National Bilingual Bicultural Institute at Albuquerque, New Mexico, a statement was delivered by a renowned educator emphasizing the following facts:

The United States is the fifth largest Spanish speaking country in the Western Hemisphere—of the eighteen Spanish American countries, only Mexico, Argentina, Colombia and Peru have populations that exceed the number of Spanish speakers in the United States.

The median age for Chicanos in the U.S. is 18.6 years. For Puerto Ricans, it is 18; and for the white population it is 28.6. In other words, whites are ten years older on the average than the Spanish speaking population.

The birthrate of Spanish speaking groups in the U.S. is nearly *twice as high* as that of English speakers in the U.S.

From 1968 to 1970 the total number of children attending public schools in this country increased by about 3.5 percent. During the same period the number of Spanish speaking children in school increased at a rate almost *four times greater* than the national average.

What these statistics indicate is that *the United States is now one of the major Spanish-American countries in the world.*

The 1972 Office of Civil Rights survey of the elementary and secondary public school enrollment and the 1970 census report clearly point out that the Spanish speaking population *in the United States* tends to be concentrated in several states. Approximately two-thirds of the school age children from Spanish American, Asian American, or native American language speaking families are located in California, New York, Texas, Arizona, Colorado, Florida, Illinois, New Jersey and New Mexico. These states account for 81% of these children. Other states like Connecticut, Louisiana, Massachusetts, Michigan, Ohio, Hawaii, Alaska, Rhode Island, Indiana and Wisconsin also contain large "non-English speaking."

D. Teacher training and availability

Perhaps one of the fundamental problems of bilingual education has been the lack of trained personnel. When the Bilingual Education Act was enacted and projects were funded, the traditional classroom teacher was ill-equipped to teach in a bilingual environment. School administrators, in their efforts to deal with the program, placed teachers of Spanish to teach bilingually or employed a Peace Corps volunteer as the director of the project. Soon they found out that these were mistakes.

Unfortunately, title VII did not provide for teacher training; therefore, it was necessary to look for other sources which at times proved frustrating and futile. The client at the end was the victim.

According to the U.S. Office of Education, approximately $18.0 million *from* title VII funds have been expanded to train a total of 9,292 teachers and 6,800 aides and approximately $6.6 million from EPDA funds to train a total of 1,822 teachers. Unfortunately, virtually all of the training has been in-service rather than pre-service. Very little if any training has been funded by the States or other Federal programs for teacher training.

In a survey conducted by the NEA and the National Education Task Force De La Raza in preparation for the National Bilingual Bicultural Institute, over 80% of the title VII project directors indicated a shortage of bilingual teachers and regarded this shortage as a *major* obstacle in setting up projects and continuing them when Federal funds were withdrawn.

A top official and educator of the National Education Association recently cited some figures based on the 1972 Office of Civil Rights survey of elementary and secondary school enrollment, stating that there was a need to employ 211,000 minority educators. According to that study there is one white teacher for every 22.5 white children. Using that teacher-student ratio, and applying the statistics based on *the 1970 census* reported by mother tongue, we contend there is a need to have 138,222 Spanish speaking bilingual teachers, 3,290 native American bilingual teachers, and 9,822 Asian American bilingual teachers.

The 1972 Office of Civil Rights report states that there are 22,780 Spanish speaking, 7,333 Asian American, and 2,945 native American full-time classroom teachers nationwide. It is estimated that at most 50% of these individuals are fluent in the language associated with the ethnic group. All of these teachers are potential candidates for a strong inservice training bilingual education program and if they were willing to become bilingual teachers and willing to transfer, there would still be a teacher shortage because these teachers constitute only —% of those needed.

MAJOR ISSUES IN BILINGUAL EDUCATION

The following items have been identified as issues in bilingual education that warrant immediate attention.

1. Bilingual education is regarded as a remedial or compensatory program in nature. The opening sentence of title VII, ESEA legislation states "in recognition of the special educational needs of the large number of limited English speaking children . . ." Perhaps it should read "in recognition of the limited ability of educators who have failed to educate large numbers of culturally and linguistically distinct children . . ." The deficiency is not that of the child, but that of the "culturally deficient" educator, and it should be recognized as such.

2. The inability of the Office of Education, Department of Health, Education and Welfare to develop a sound educational philosophy based on a well-articulated statement of goals and purpose for bilingual/bicultural education.

Recently, the Office of Education developed what was intended to be the Federal role in bilingual education. A copy is hereby submitted for the record. Fortunately, this philosophy was never adopted officially due to the Lau vs. Nichols Supreme Court decision. It was regarded as a landmark decision which was perceived by Office of Education officials to affect the Federal role in bilingual education.

In addition, the Office of Civil Rights has never adopted a formal position on what specific special services are required by title VI, even though they have successfully brought suits against several school districts which were found in non-compliance.

RASSA believes that a philosophy on bilingual education must be developed? Based on a well articulated statement of goals and purposes for bilingual bicultural education. It must be developed by the National Advisory Council on Bilingual Education in cooperation with appropriate educators, communities, agencies and external organizations. In addition, a formal position on the specific special services required by title VI of the Civil Rights Act of 1965 for school districts must be developed, based on input from the Office of Civil Rights in conjunction with the Office of Education and the National Advisory Committee on Bilingual Education.

3. Currently, curriculum development and adaptation is generally carried out by individual title VII grantees and usually dissemination is a problem. Two national centers are presently involved in disseminating and publishing materials developed by these title VII projects: The Dissemination Center for Bilingual/Bicultural Education in Austin, Texas and the Materials Acquisition Center in San Diego, California.

It is extremely important that the existing national centers aforementioned be strengthened financially. In addition, a national clearing house for bilingual education materials and information must be established, in an effort to provide teachers, educators and concerned individuals with pertinent resources for classroom use.

4. The NIL coordination of title legislation related to bilingual bicultural education has adversely affected the progress of bilingual education. There are several other programs besides title VII that provide funds for bilingual education, i.e. title I–ESEA, title I Migrant, Head Start, Followthrough, title III of the Higher Education Act, EPDA, the Indian Education Act, and ESAA. Unfortunately, one project director does not know what the other is doing.

We believe that a bureau for bilingual education if organized properly could coordinate the various Federal sources and lead the way for effective and efficient utilization of available Federal resources and would enhance the Federal role in bilingual education.

RECOMMENDATIONS

A philosophy of bilingual bicultural education must be developed, articulating sound objectives and purposes for the office of education. The philosophy must be developed with input from the National Advisory Committee on bilingual education in cooperation with OE, as well as external and internal input from educators, teachers, communities, etc.

The Office of Civil Rights must establish a formal position regarding school districts found in non-compliance with title VI of the Civil Rights Act of 1965. This must be developed in cooperation with the National Advisory Committee for Bilingual Education, the Office of Education, and appropriate input from teachers, educators, and community groups.

It is also recommended that the memorandum identified as the May 25th memorandum, issued by the Office for Civil Rights regarding the "identification of discrimination of services on the basis of national origin," be incorporated into the legislation. A copy of the May 25 memorandum is submitted for the record. This would certainly strengthen the Office of Civil Rights in the enforcement process.

Curriculum development and dissemination must be strengthened by requiring the establishment of a national center for bilingual education. This would require all grantees to submit all curriculum development materials and information into this depository. In addition, all grantees and other interested individuals would have access to pertinent resource information for classroom use. The present national centers (Austin, Texas and San Diego, California), would continue their operation as satellites on a regional basis to the national center.

Teachers training institutions must be eligible for funding in the legislation, in order to generate the resources necessary for bilingual education. School districts must be required to establish strong inservice teacher training programs, in order to adequately prepare teachers for bilingual education. The use of teacher aides in classroom instruction must be encouraged, and a program that would allow teacher aides to receive an education while working (such as the career opportunities program) must be established.

The establishment of a bureau for bilingual education in the Office of Education, if properly organized, would certainly enhance the coordination of the bilingual education Federal resources.

Section 421(c) of the General Education Provisions Act, which states that there shall be no limitation on the use of funds appropriated to carry out any program other than limitations imposed by the authorizing statute, must be continued and strengthened. Presently, the Office of Education, title VII office is planning to discontinue funding of about 70 local and national bilingual education projects based on section 123.13(c) of the Federal regulations published in the Federal Register of October 1, 1973. RASSA contends that the present operation of the title VII office based on the proposed regulations is capricious, since they are in violation of section 421(c) of the General Education Provisions Act (Cranston amendment) and the fact that the proposed regulations published in the Federal Register of October 1, 1973 were printed without consultation with the National Bilingual Advisory Committee, authorized by section 708 of the act. In order to facilitate the process RASSA encourages the committee to guarantee the eligibility of those projects in their fifth year of Federal funding and strike the constraints of the fifth year funding eligibility set forth in the Federal Register of October 1, 1973.

RASSA recognizes the U.S. Supreme Court decision in Lau v. Nichols as a landmark decision for bilingual bicultural education that can be equated to the Brown v. Topeka of 1954. It is further recognized that this decision will have an impact on the Federal role in bilingual education. We believe that since the decisions was based primarily on title VI of the Civil Rights Act, funding for such activities should come from ESAA and not from title VII of ESEA. However, strenuous coordination is suggested.

Bilingual education research is of utmost importance and extremely necessary since few studies have identified successful exemplary educational strategies, methodologies, techniques and assessment instruments for adaptation and/or duplication purposes. This information would certainly comply with congressional intent of maximizing Federal resources in an effort to directly provide for the teachers' professional growth and development as well as the students' opportunity for a better education. Therefore, RASSA strongly urges the committee to earmark Federal funds under this act specifically for bilingual education research.

ASSESSMENT OF NEED FOR BILINGUAL/BICULTURAL PERSONNEL AND TRAINING

NOTE.—The entire value of the data you provide rests on the accuracy of the figures. However, we prefer *reasonably* accurate figures to no answer whatever. Please do *not* answer using percentages unless indicated. We can always convert raw numbers into percentages. Some questions may seem repetitious, but please answer them.

Questions concerning your *district as a whole*.

1. How many teachers are there in your district? 217,209.

2. Of the total, how many teachers should be bilingual/bicultural in order to serve all the students needing such teachers? 35,117.

3. How many teachers do you currently have that are bilingual? 9,448.

4. What is the number of bilingual teachers being annually prepared in *pre-service* programs by local colleges and universities? 2,153 (46 said Don't know).

5. What is the number of students in your district? 4,471,860.

6. What percentage of the students is bilingual, i.e., has need for bilingual teachers? 44.39%.

7. What languages other than English are represented by the bilingual students in your district. Check all that apply.

99 Spanish.
23 Indian.
16 Portuguese.
13 French.
26 Chinese.
18 Japanese.
7 Russian.
24 Other.

8. In the blanks please place the numbers of students representing each language.

845,548 Spanish.
8,811 Indian.
2,172 Portguese.
17,433 French.
36,229 Chinese.
10,202 Japanese.
596 Russian.
100,317 Other.

Questions concerning your program, the school or schools in which the bilingual program is located.

1. How many teachers are there in the school(s) where the bilingual program is located? 9,728.

2. Of the number of teachers in the above answer, how many are bilinqual?[1] 2,414.

3. How many teachers are in the bilingual program? 2,772.

4. Of the number of teachers in your bilingual program, how many are bilingual? 1,951.

5. Of the number of teachers in your bilingual/bicultural program, how many need in-service bilingual/bicultural training? 2,354.

6. Of the number of teachers in the school(s), how many need in-service bilingual/bicultural training? 9,071.

7. What languages other than English are represented by the students in the school(s) where your bilingual program is located.

96 Spanish.
16 Indian.
10 Portuguese.
10 French.
17 Chinese.
14 Japanese.
3 Russian.
20 Other.

8. In the blanks please place the numbers of students representing each language.

119,715 Spanish.
1,982 Indian.
1,133 Portuguese.
3,778 French.
3,230 Chinese.
1,396 Japanese.
261 Russian.
12,088 Other.

Questions concerning types of need for bilingual/bicultural training.

1. What areas of in-service training should be emphasized to prepare bilingual/bicultural teachers? Please rank them, #1 is highest priority.

1.75 Language development.[2]
2.39 Ethnic cultural heritage.
2.73 Methods of teaching English as a second language.
3.21 Methods of teaching[1] as a second language.
3.43 Other areas courses (specify).

2. What types of pre-service courses should be given to prepare bilingual/bicultural teachers. Please rank them, #1 is highest priority.

1.89 Language development.[2]
2.34 Ethnic cultural heritage.
2.76 Methods of teaching English as a second language.
3.10 Methods of teaching[1] as a second language.
3.15 Other areas courses (specify).

3. What do you feel is the greatest need in the area of training teachers for bilingual/bicultural programs? Please rank them, #1 is highest priority. You may want to use #1 more than once.

2.23 Recruitment of bilingual/bicultural teacher trainees.
2.73 Financial aid for teacher trainees.
1.62 More appropriate college course work and trainee programs which relate more directly to the needs of bilingual children.
2.04 More practical experience in a bilingual setting for teacher trainees.
2.83 Other: Describe.

ADDENDUM

States with State Bilingual/Bicultural legislation or other provisions allowing Bilingual/Bicultural education

1. *Alaska*—Bilingual/bicultural legislation includes $200,000 which was appropriated for the school year 1972–73.

2. *California*—The Bilingual Education Act of 1972 was enacted and $5 million was appropriated for its program. Since then, the legislature had passed the Bilingual Teachers Act and appropriated $20,000 for teacher training.

3. *Connecticut*—Although the state has no specific bilingual education, Connecticut has two laws giving sanction which are permissive for bilingual/bicultural education. The State Act for Disadvantaged Children earmarked $7 million.

4. *Illinois*—Provisions for bilingual/bicultural education have been enacted. Money is allocated for this type of program and appears as an in-line, cost item in the budget. ($4.5 million is being proposed for supporting bilingual/bicultural programs with state monies.)

5. *Louisiana*—Extensive legislation for bilingual/bicultural education (predominately French) has been enacted. They established Council on the Development of French in Louisiana, (CODOFIL) with a budget of $1 million, all of which are state monies.

6. *Maine*—Maine's six-year-old statute is in line with the concept of bilingual/bicultural education. The statute is permissive and allows for bilingual education programs "to use BE techniques in preschool through second grade." (They have removed the second grade limitation for teaching in the mother tongue.) Maine is a member of Council on the Development of French in New England (CODFINE). Funds for supporting these programs come out of the general education budget.

7. *Massachusetts*—The state has bilingual/bicultural legislation (Transitional Bilingual Education Act, 1971) which funds over and above per capita cost with a floor of $250 and a ceiling of $500. Funds come out of the general aid to education.

1st year—$1.5 million allocated.
2nd year—$2.5 million allocated.
3rd year—$2.5 million allocated.
4th year—$4 million allocated.

8. *Michigan*—The state appropriated $88,000 for bilingual/bicultural programs. Funds come out of state education budget. There is no specific bill—just authorization to use the money for this purpose.

9. *New Mexico*—The state now has two laws which are permissive of bilingual/bicultural education (House Bill 270, 1971; Senate Bill 155). House Bill 270 allocates no money for bilingual/bicultural education programs. However, it permits the school districts to use part of their appropriation for BE programs if they see a need to do so. * * *

10. *New York*—The state has now passed legislation on bilingual/bicultural education and appropriated $1.5 million. The program is designed to be transitional, but actually the grants are for programs K–12 in automechanics, business skills, cosmetology, math, and reading, and science.

11. *Oregon*—Legislation allows English to be taught as a secoud language in any Oregon school. However, there are no State appropriations.

12. *Pennsylvania*—The state has no specific legislation on bilingual/bicultural education. However, Pennsylvania has some directives applicable to bilingual programs, which were sent to all school districts within the State. They received the School Administrators Memorandum 515, Guidelines for Educational Programs for Children Whose Dominant Language Is Not English. These guidelines make it mandatory to offer bilingual programs using State and local funds.

13. *Texas*—There is now bilingual/bicultural legislation. Earlier this year, $1.2 million was appropriated for bilingual programs.

14. *Washington*—The state has specific bilingual/bicultural legislation and guidelines, and $700,000 was appropriated.

States with pending legislation:

1. Colorado.
2. New Jersey.

States Without Bilingual/Bicultural Legislation:

Alabama, Arizona, Arkansas, Delaware, District of Columbia, Florida, Georgia, Idaho, Indiana, Iowa, Kansas, Kentucky.

Maryland, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Hampshire, North Carolina, North Dakota, Oklahoma.

Ohio, Rhode Island, South Carolina, South Dakota, Tennessee, Utah, Vermont, Virginia, West Virginia, Wisconsin, Wyoming.

NOTE.—Hawaii was not included in survey.

To: Addressees
From: Assistant Commissioner, Officer of Planning, Budgeting, and Evaluation
Subject: Basic Policy on Bilingual Education

All of us have been aware for some time now that we have not had a coherent and consistent policy for our Bilingual Education program. The legislative language is general and leaves room for the program to take different directions and employ different strategies. The issues at stake have been debated vigorously over the past two years within the Office of Education but without resolution. Attached is a brief paper which tries to set forth what the basic federal policy for a Bilingual Education program should be. All of you have at one time or another expressed interest or concern about the Bilingual Education program, so before we take the next step to make the principles expressed in this paper official policy, I would like to receive any comments or suggestions you may have.

In addition to just being clear, consistent, and reasonable about what we are trying to do in our Bilingual Education program, there is an additional urgent matter. The basic position taken in this paper is generally at variance with that expressed in the proposed amendment to the Bilingual Education Act (Title VII, ESEA). I am anxious that the Department (through L) begin some discussions with appropriate people on the Hill to try to persuade them of the wisdom of our view and to apprise them of the manifold and largely undesirable consequences which are likely to flow from changing the legislation in the direction that is now proposed.

Accordingly, I would like to have any comments or suggestions you may have on the attached paper. I would very much appreciate receiving them by COB Tuesday, January 22.

JOHN W. EVANS.

JANUARY 9, 1974.

DEAR REPRESENTATIVE: The primary rationale given for termination of the Education Professions Development Act (EPDA) funding is the national surplus of educational personnel. Although this surplus may be reality for the general population, it is not applicable to the Mexican-American and Native-American populations. There continues to be a critical need for Mexican-American and Native-American educators to eliminate the tragic educational conditions encountered by Mexican-American and Indian children.

We wish to take this opportunity to express our concern to you in reference to the lack of refunding for the University of New Mexico and University of South Dakota EPDA–PPS Center projects for the 1974–75 academic year. The EPDA–PPS projects are bilingual counselor training programs focusing on the Pupil Personnel Services (PPS) needs of the Mexican-American and Indian populations. The projects are centered in Albuquerque, New Mexico which has seven satellites in Lubbock and El Paso, Texas; Albuquerque, New Mexico; Denver, Colorado; Fresno, California; San Diego, California; Phoenix, Arizona. The Center for the Native-American Satellite Program is located at the University of South Dakota, Vermillion, South Dakota. There are five Satellites connected with the South Dakota Center and are located at the University of Wyoming, Laramie, Wyoming; University of Montana at Missoula, Montana; Eastern Washington State, at Cheney Washington; North Dakota University, at Grand Forks, and South Dakota University located at Vermillion, South Dakota.

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[1] That is, capable of teaching with equal facility in both languages.

[2] Please fill in with the name of the language group your project serves.

Enclosed you will find a brief *"outline of the Southwest EPDA-PPS Project"* which contains pertinent information on the needs, objectives and evaluation of this project and support documents. Similar documentation will be forthcoming from the Center for the Native-American Satellite Program.

The tremendous need for such projects is evident in light of the fact that of approximately 700 applicants of Mexican-American descent requesting training there have been resources for training only 70 interns. Similarly, there have been over 300 Indian applicants but only resources for 80 interns.

The Education level of the Spanish-speaking is the lowest of any group. 19.5% of the Spanish-speaking over 25 years of age have had less than five years of school while only 4.1% of the non-Spanish white and 13.5% of the black have less than five years of school. Recent figures show that only 32.6% of the Spanish-speaking complete High School. This is compared to 58.6% for non-spanish whites and 34.7% for blacks.

The educational level of the Native American population is similar to the Spanish-speaking population. The average achievement level of Native Americans is at the fifth grade with many Native American children still entering school without a knowledge of the English language. The drop-out rate among Native American students ranges as high as 90% with an escape to poverty, drugs, alcohol and suicide. It has been documented that only one out of a hundred Native American students enters and completes a graduate level program. It is a tragic fact that the Native American Center Satellite Program has graduated more Native American students with a Masters Degree in Guidance in the past three years than in the history of High Education in the United States.

Despite the short duration of the two EPDA projects (three years) there are numerous successes that may be identified and documented. It is our professional observation that the above projects have demonstrated their effectiveness in relieving some of the educational problems of the Mexican-American and Indian student by providing alternative ways of coping with the educational system. The effectiveness of these alternatives is demonstrated by:

(1) the institutionalization of assessment procedures for identifying high school student needs;

(2) the development of inservice staff training;

(3) the successful placement of EPDA-PPS trained staff in schools and school-related projects;

(4) curriculum and staff development;

(5) the improvement of pupil personnel delivery systems;

(6) the attitude of increased acceptance of the EPDA-PPS training models by the scool administration, staff and students.

Based on the above, we respectfully request that:

1. A letter be sent by your office requesting summary information on: (1) the EPDA programs, funding and number of participants by ethnic category (including Indian and Mexican-American) during the past five years and (2) current and future plans for development of Native-American and Mexican-American educational personnel.

2. Your office provide the authors of this letter with information on pending legislation related to the education of the Mexican-American and Native-American populations.

3. Your office initiate a request for public hearings to be held during the Spring of 1974 on the status of EPDA training programs.

4. Legislation be drafted that will provide for continuation of EPDA programs that focus on Mexican-American and Native-American populations.

Sincerely yours,

SOUTH DAKOTA CENTER SATELLITE PROGRAM

Rick La Pointe, Center Director, Vermillion, S.D.

Maurice Twiss, Center Asst. Director, Vermillion, S.D.

Leonard Bear King, Satellite Director, Grand Forks, N.D.

Donald Forrest, Satellite Director, Laramie, Wyoming.

Robert Gorman, Satellite Director, Missoula, Montana.

Robert Price, Satellite Director, Cheney, Washington.

NEW MEXICO CENTER SATELLITE PROGRAM

John Rinaldi, Program Co-Director, New Mexico.

Guy Trujillo, Program Co-Director, New Mexico.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. BROWN of Ohio (at the request of Mr. ARENDS), until 4 o'clock today, in order that he might accompany the President of the United States on an inspection of the storm devastation in his congressional district.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. BINGHAM, of 60 minutes, on April 10; and to revise and extend his remarks and include extraneous matter.

(The following Members (at the request of Mr. CONLAN) and to revise and extend their remarks and include extraneous matter:)

Mr. BLACKBURN, for 5 minutes, today.

Mr. EDWARDS of Alabama, for 5 minutes, today.

Mr. GOLDWATER, for 5 minutes, today.

Mr. WYATT, for 5 minutes, today.

Mr. HOGAN, for 10 minutes, today.

Mr. WHALEN, for 15 minutes, on April 10.

Mr. LENT, for 5 minutes, today.

Mr. HANSEN of Idaho, for 5 minutes, today.

Mr. GUYER, for 5 minutes, today.

(The following Members (at the request of Mr. MCSPADDEN) and to revise and extend their remarks and include extraneous matter:)

Mr. MORGAN, for 5 minutes, today.

Mr. GONZALEZ, for 5 minutes, today.

Mr. TIERNAN, for 5 minutes, today.

Mr. PODELL, for 10 minutes, today.

Mr. FLOOD, for 10 minutes, today.

Mr. MCFALL, for 5 minutes, today.

Ms. ABZUG, for 60 minutes, today.

Ms. ABZUG, for 60 minutes, on April 11.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. BRINKLEY, and to include extraneous matter, in the body of the RECORD, notwithstanding the fact that it exceeds two pages of the RECORD and is estimated by the Public Printer to cost $783.75.

Mrs. CHISHOLM, and to include extraneous material, notwithstanding the fact that it exceeds two pages of the RECORD and is estimated by the Public Printer to cost $470.25.

(The following Members (at the request of Mr. CONLAN) and to include extraneous material:)

Mr. KEMP in three instances.

Mr. BLACKBURN in three instances.

Mr. ESCH.

Mr. EDWARDS of Alabama.

Mr. WYMAN in two instances.

Mr. LENT.

Mr. BROTZMAN.

Mr. TREEN.

Mr. HOGAN.

Mr. COHEN.

Mr. MALLARY in three instances.

Mr. HOSMER in two instances.

Mr. ASHBROOK in four instances.

Mr. TAYLOR of Missouri.

Mr. FRENZEL.

Mr. DON H. CLAUSEN.

Mr. ZION.

Mr. BROYHILL of Virginia.

(The following Members (at the request of Mr. MCSPADDEN) and to include extraneous matter:)

Mr. HARRINGTON in three instances.

Mr. BRADEMAS in six instances.

Mr. RARICK in three instances.

Mr. GONZALEZ in three instances.

Mr. BREAUX.

Mr. BRINKLEY.

Mr. HUNGATE.

Mr. RUNNELS.

Mr. RANGEL in 15 instances.

Mr. MAZZOLI.

Mr. CAREY of New York.

Mr. CORMAN in five instances.

Mr. MAHON.

Mr. MCSPADDEN.

Mr. VANIK in two instances.

Mr. YOUNG of Georgia.

SENATE CONCURRENT RESOLUTION REFERRED

A concurrent resolution of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. Con. Res. 72. Concurrent resolution extending an invitation to the International Olympic Committee to hold the 1980 winter Olympic games at Lake Placid, N.Y., in the United States, and pledging the cooperation and support of the Congress of the United States; to the Committee on Foreign Affairs.

BILLS PRESENTED TO THE PRESIDENT

Mr. HAYS, from the Committee on House Administration, reported that that committee did April 8, 1974, present to the President, for his approval, bills of the House of the following title:

H.R. 12253. An act to make certain appropriations available for obligation and expenditure until June 30, 1975, and for other purposes; and

H.R. 12627. An act to authorize and direct the Secretary of the Department under which the U.S. Coast Guard is operating to cause the vessel *Miss Keku*, owned by Clarence Jackson of Juneau, Alaska, to be documented as a vessel of the United States so as to be entitled to engage in the American fisheries.

ADJOURNMENT

Mr. McSPADDEN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 26 minutes p.m.), the House adjourned until tomorrow, Wednesday, April 10, 1974, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

2163. Under clause 2 of rule XXIV, a letter from the Secretary of Transportation, transmitting a draft of proposed legislation to amend the Highway Beautification Act of 1965, as amended, referred to the Committee on Public Works.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. HÉBERT: Committee on Armed Services. Report on U.S. military commitments to Europe (Rept. No. 93-978). Referred to the Committee of the Whole House on the State of the Union.

Mr. PEPPER: Committee on Rules. House Resolution 1029. Resolution providing for the consideration of H.R. 13113. A bill to amend the Commodity Exchange Act to strengthen the regulation of futures trading, to bring all agricultural and other commodities traded on exchanges under regulation, and for other purposes (Rept. No. 93-979). Referred to the House Calendar.

Mr. MURPHY of Illinois: Committee on Rules. House Resolution 1030. Resolution providing for the consideration of H.R. 13919. A bill to authorize appropriations to the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes (Rept. No. 93-980). Referred to the House Calendar.

Mr. MATSUNAGA: Committee on Rules. House Resolution 1031. Waiving certain points of order against H.R. 14013. A bill making supplemental appropriations for the fiscal year ending June 30, 1974, and for other purposes (Rept. No. 93-981). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ASHBROOK:

H.R. 14045. A bill to prohibit Soviet energy investments; to the Committee on Banking and Currency.

By Mr. BLATNIK (by request):

H.R. 14046. A bill to conserve energy by providing temporary relief from restrictions on sizes and weights of motor vehicles using the Interstate System; to the Committee on Public Works.

H.R. 14047. A bill to amend the Highway Beautification Act of 1965, as amended; to the Committee on Public Works.

By Mr. BRINKLEY:

H.R. 14048. A bill to amend Public Law 92-425, an act to amend chapter 73 of title 10, United States Code, to establish a survivor benefit plan, and for other purposes; to the Committee on Armed Services.

H.R. 14049. A bill to provide for the establishment of an American Folklife Center in the Library of Congress, and for other purposes; to the Committee on House Administration.

H.R. 14050. A bill to provide survivorship benefits for the families of certain severely disabled veterans; to the Committee on Veterans' Affairs.

H.R. 14051. A bill to amend the Internal Revenue Code of 1954 to increase to $1,200 the personal income tax exemptions of a taxpayer (including the exemption for a spouse, the exemptions for dependents, and the additional exemptions for old age and blindness); to the Committee on Ways and Means.

By Mr. BROTZMAN (for himself, Mr. Pettis, Mr. Duncan, and Mr. Clancy):

H.R. 14052. A bill to amend the Truth in Lending Act to prohibit discrimination on account of age in credit card transactions; to the Committee on Banking and Currency.

H.R. 14053. A bill to amend title II of the Social Security Act so as to remove the limitation upon the amount of outside income which an individual may earn while receiving benefits thereunder; to the Committee on Ways and Means.

H.R. 14054. A bill to provide that future increases in social security benefits shall be disregarded in determining eligibility for benefits or assistance under the supplemental security income program, the program of aid to families with dependent children, the medicaid program, and certain other Federal programs; to the Committee on Ways and Means.

By Mr. CRONIN:

H.R. 14055. A bill to amend title II of the Social Security Act to provide that increases in monthly insurance benefits thereunder (whether occurring by reason of increases in the cost of living or enacted by law) shall not be considered as annual income for purposes of certain other benefit programs; to the Committee on Ways and Means.

By Mr. DENT (for himself, Mr. Rinaldo, Mr. Bafalis, Mr. Bauman, Mr. Blackburn, Mr. Burke of Massachusetts, Mr. Collier, Mr. Cotter, Mr. Davis of South Carolina, Mr. Derwinski, Mr. Eilberg, Mr. Ford, Mrs. Grasso, Mr. Henderson, Mr. Huber, Mr. Hudnut, Mr. Kemp, Mr. Ketchum, Mr. Koch, Mr. Long of Maryland, Mr. Mazzoli, Mr. Minish, Mr. O'Brien, Mr. Podell, and Mr. Rarick):

H.R. 14056. A bill to prohibit Soviet energy investments; to the Committee on Banking and Currency.

By Mr. DENT (for himself, Mr. Rinaldo, Mr. Roe, Mrs. Schroeder, Mr. Shuster, Mr. Sikes, Mr. Steelman, Mr. Tiernan, Mr. Veysey, Mr. Walsh, and Mr. Yatron):

H.R. 14057. A bill to prohibit Soviet energy investments; to the Committee on Banking and Currency.

By Mr. HANSEN of Idaho:

H.R. 14058. A bill to amend the provisions of the Perishable Agricultural Commodities Act, 1930, relating to practices in the marketing of perishable agricultural commodities; to the Committee on Agriculture.

By Mr. HELSTOSKI:

H.R. 14059. A bill to amend the Public Health Service Act to provide for the making of grants to assist in the establishment and initial operation of agencies and expanding the services available in existing agencies which will provide home health services, and to provide grants to public and private agencies to train professional and paraprofessional personnel to provide home health services; to the Committee on Interstate and Foreign Commerce.

H.R. 14060. A bill to amend title XVIII of the Social Security Act to liberalize the conditions under which posthospital home health services may be provided under part A thereof, and home health services may be provided under part B thereof; to the Committee on Ways and Means.

By Mr. HICKS:

H.R. 14061. A bill to terminate the airlines mutual aid agreement; to the Committee on Interstate and Foreign Commerce.

By Mr. HOGAN:

H.R. 14062. A bill to amend the Public Health Service Act to provide assistance for programs for the diagnosis, prevention, and treatment of, and research in, Huntington's disease; to the Committee on Interstate and Foreign Commerce.

By Mr. JOHNSON of Pennsylvania:

H.R. 14063. A bill to amend the Railroad Retirement Act of 1937 so as to increase the amount of the annuities payable thereunder to widows and widowers; to the Committee on Interstate and Foreign Commerce.

H.R. 14064. A bill to amend title 38, United States Code, to provide an annual clothing allowance to certain veterans who, because of service-connected disability wear a prosthetic appliance or appliances which tend to wear out or tear their clothing; to the Committee on Veterans' Affairs.

H.R. 14065. A bill to expand the authority of the Veterans' Administration to make direct loans to veterans where private capital is unavailable at the statutory interest rate; to the Committee on Veterans' Affairs.

H.R. 14066. A bill to amend title 38, United States Code, to authorize the Administrator of Veterans' Affairs to contract with private facilities near the homes of veterans for the medical care and treatment of veterans, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. LUKEN:

H.R. 14067. A bill to amend the Small Business Act to authorize additional loan assistance for disaster victims and for other purposes; to the Committee on Banking and Currency.

By Mr. McCLORY:

H.R. 14068. A bill to provide for the marking of certain fuel oils to prevent the sale or use of such fuel oils as a means of avoiding the payment of the Federal excise tax on the sale or use of diesel fuel; to the Committee on Interstate and Foreign Commerce.

By Mr. McFALL (for himself, and Mr. Mathias of California):

H.R. 14069. A bill to repeal the act of June 23, 1936, to authorize the Secretary of the Interior to exchange certain lands, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. MINSHALL of Ohio:

H.R. 14070. A bill to amend the Public Health Service Act to provide for programs for the diagnosis and treatment of hemophilia; to the Committee on Interstate and Foreign Commerce.

By Mr. O'BRIEN:

H.R. 14071. A bill to amend the Consumer Credit Protection Act to prohibit discrimination by creditors on the basis of sex or marital status in connection with any extension of credit; to the Committee on Banking and Currency.

By Mr. PATMAN:

H.R. 14072. A bill to amend title 38 of the United States Code so as to entitle veterans of World War I and their widows and children to pension on the same basis as veterans of the Spanish-American War and their widows and children, respectively, and to increase pension rates; to the Committee on Veterans' Affairs.

By Mr. PEPPER:

H.R. 14073. A bill to amend section 620, title 38, United States Code, to authorize direct admission to community nursing homes at the expense of the U.S. Government; to the Committee on Veterans' Affairs.

By Mr. PEYSER (for himself and Mrs. Heckler of Massachusetts):

H.R. 14074. A bill to provide educational and business equity for women; to the Committee on Education and Labor.

By Mr. ROSE:

H.R. 14075. A bill to direct the Interstate Commerce Commission to issue regulations prohibiting the use by any private organization transporting certain animals in interstate commerce of arrangement and procedures providing for collection of animal transportation costs on delivery of the animals, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. STAGGERS:

H.R. 14076. A bill to amend the Federal Railroad Safety Act of 1970 and the Hazardous Materials Transportation Control Act of 1970 to authorize additional appropriations, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. STAGGERS (for himself and Mr. Devine):

H.R. 14077. A bill to amend the Federal Railroad Safety Act of 1970 and other related acts to authorize additional appropriations, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. STEPHENS (for himself and Mr. Blackburn):

H.R. 14078. A bill to amend Federal programs so as to encourage and assist in the provision of safe and sanitary housing, with comprehensive provisions for essential services, for older Americans and those individuals with enduring handicaps; to the Committee on Banking and Currency.

By Mr. WAGGONNER:

H.R. 14079. A bill to amend the Social Security Act by adding a new title thereto which will provide insurance against the costs of catastrophic illness, by replacing the medicaid program with a Federal medical assistance plan for low-income people, and by adding a new title XV thereto which will encourage and facilitate the availability, through private insurance carriers, of basic health insurance at reasonable premium charges, and for other purposes; to the Committee on Ways and Means.

By Mr. WIDNALL (for himself, Mr. Rhodes, Mr. Conable, Mr. Frey, Mr. Steele, Mr. Peyser, and Mrs. Heckler of Massachusetts):

H.R. 14080. A bill to establish Federal programs to encourage and assist in the provision of safe and sanitary housing, with comprehensive provisions for essential services for older Americans and those individuals with enduring handicaps; to the Committee on Banking and Currency.

By Mr. BOB WILSON (for himself, Mr. Gubser, Mr. Whitehurst, Mr. Bauman, Mr. Mathias of California, Mr. Cleveland, Mr. Myers, Mr. Williams, Mr. Burgener, Mr. Broyhill of Virginia, Mr. Roy, Mr. Eilberg, Mr. Ginn, Mr. Talcott, Mr. Froehlich, Mr. Sarasin, Mr. Sikes, Mr. Chappell, Mr. Dorn, Mr. Melcher, Mr. Cronin, Mr. Anderson of California, Mr. O'Brien, Mr. Fulton, and Mr. Wampler):

H.R. 14081. A bill to authorize recomputation at age 60 of the retired pay of members and former members of the uniformed services whose retired pay is computed on the basis of pay scales in effect prior to January 1, 1972, and for other purposes; to the Committee on Armed Services.

By Mr. BOB WILSON (for himself, Mr. Howard, Mr. Brinkley, Mr. Johnson of California, Mr. McCloskey, Mr. Hinshaw, Mr. Van Deerlin, Mr. Hansen of Idaho, Mr. Dickinson, Mr. Bell, Mr. Fuqua, Mr. Brown of California, Mr. Young of Florida, Mr. Steed, Mr. Robinson of Virginia, Mr. Hosmer, Mr. Mathis of Georgia, Mr. Stubblefield, Mr. White, Mr. Parris, Mr. Winn, Mr. Hammerschmidt, Mr. Thone, Mr. Ketchum, and Mrs. Holt):

H.R. 14082. A bill to authorize recomputation at age 60 of the retired pay of members and former members of the uniformed services whose retired pay is computed on the basis of pay scales in effect prior to January 1, 1972, and for other purposes; to the Committee on Armed Services.

By BOB WILSON (for himself, Mr. Steiger of Arizona, Mr. Montgomery, Mr. Veysey, Mr. King, Mr. Gude, Mr. Davis of South Carolina, and Mr. Kazen):

H.R. 14083. A bill to authorize recomputation at age 60 of the retired pay of members and former members of the uniformed services whose retired pay is computed on the basis of pay scales in effect prior to January 1, 1972, and for other purposes; to the Committee on Armed Services.

By Mr. WOLFF (for himself, and Ms. Holtzman):

H.R. 14084. A bill to direct the Attorney General to prepare a pamphlet explaining the drug abuse laws of certain foreign countries and to require the distribution of such pamphlet to passengers traveling on an air or water carrier to foreign countries; to the Committee on Interstate and Foreign Commerce.

By Mr. WOLFF (for himself, Mr. Walsh, Mrs. Heckler of Massachusetts, Mr. Helstoski, Mr. Carney of Ohio, Mr. Luken, and Mr. Pritchard):

H.R. 14085. A bill to amend chapter 34 of title 38, United States Code, to authorize additional payments to eligible veterans to partially defray the cost of tuition; to the Committee on Veterans' Affairs.

By Mr. ANNUNZIO:

H.R. 14086. A bill to establish the Federal Savings and Loan Insurance Corporation as an independent corporate instrumentality of the United States; to the Committee on Banking and Currency.

By Mr. CLANCY:

H.R. 14087. A bill to provide standards of fair personal information practices; to the Committee on the Judiciary.

H.R. 14088. A bill to amend the Social Security Act to prohibit the disclosure of an individual's social security number or related records for any purpose without his consent unless specifically required by law, and to provide that (unless so required) no individual may be compelled to disclose or furnish his social security number for any purpose not directly related to the operation of the old-age, survivors, and disability insurance program; to the Committee on Ways and Means.

By Mr. DOWNING (for himself, Mr. Charles H. Wilson of California, Mr. Aspin, and Mr. Whitehurst):

H.R. 14089. A bill to amend title 10, United States Code, to provide severance pay for regular enlisted members of the U.S. Armed Forces; to the Committee on Armed Services.

By Mr. DUNCAN:

H.R. 14090. A bill to amend section 4a, the commodity distribution program of the Agriculture and Consumer Protection Act of 1973; to the Committee on Agriculture.

By Mr. FRENZEL:

H.R. 14091. A bill to reform the conduct and financing of Federal election campaigns, and for other purposes; to the Committee on House Administration.

By Mr. GUDE (by request):

H.R. 14092. A bill to provide for a study and investigation with respect to the adoption by the United States of a reformed calendar; to the Committee on Foreign Affairs.

By Mr. HANSEN of Idaho:

H.R. 14093. A bill to authorize any officer or employee of the United States to accept the voluntary services of certain students for the United States; to the Committee on Post Office and Civil Service.

By Mr. HAWKINS (for himself, Mr. Steiger of Wisconsin, and Mr. Bell):

H.R. 14094. A bill to provide for the mobilization of community development assistance and volunteer services and to create an agency to administer such programs; to the Committee on Education and Labor.

By Mrs. MINK:

H.R. 14095. A bill to establish a National Hospital Administration to provide publicly financed hospital care to all individuals in the United States, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. PATTEN:

H.R. 14096. A bill to amend the Social Security Act to establish a national health insurance program for all Americans within the social security system, to improve the benefits in the medicare program including a new program of long-term care, to improve Federal programs to create the health resources needed to supply health care, to provide for the administration of the national health insurance program and the existing social security programs by a newly established independent Social Security Administration, to provide for the administration of health resource development by a semi-independent board in the Department of Health, Education, and Welfare, and for other purposes; to the Committee on Ways and Means.

By Mr. RODINO:

H.R. 14097. A bill to amend the Social Security Act to establish a national health insurance program for all Americans within the social security system, to improve the benefits in the medicare program including a new program of long-term care, to improve Federal programs to create the health resources needed to supply health care, to provide for the administration of the national health insurance program and the existing social security programs by a newly established independent Social Security Administration, to provide for the administration of health resource development by a semi-independent board in the Department of Health, Education, and Welfare, and for other purposes; to the Committee on Ways and Means.

By Mr. THOMPSON of New Jersey:

H.R. 14098. A bill to extend on an interim basis the jurisdiction of the United States over certain ocean areas and fish in order to protect the domestic fishing industry, and for other purposes; to the Committee on Merchant Marine and Fisheries.

H.R. 14099. A bill to amend title 39, United States Code, to eliminate certain restrictions on the rights of officers and employees of the U.S. Postal Service, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 14100. A bill to amend title 39, United States Code, to apply to the U.S. Postal Service certain provisions of law providing for Federal agency safety programs and responsibilities, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 14101. A bill to amend the Internal Revenue Code of 1954 to provide income tax simplification, reform and relief for small business; to the Committee on Ways and Means.

By Mr. ASHBROOK (for himself, Mr. Zion, Mr. Burke of Florida, and Mr. Guyer):

H.R. 14102. A bill to amend the Internal Security Act of 1950 to control and penalize terrorists, and for other purposes; to the Committee on Internal Security.

By Mr. KYROS (for himself and Mr. Goldwater):

H.R. 14103. A bill to direct the President to take action to assure the availability of adequate supplies of gasoline, diesel fuel and related products for persons engaged in essential and purposeful household moves; to the Committee on Interstate and Foreign Commerce.

By Mr. MURTHA:

H.R. 14104. A bill to amend title 38 of the United States Code in order to provide service pension to certain veterans of World War I and pension to the widows of such veterans; to the Committee on Veterans' Affairs.

By Mr. SYMINGTON:

H.R. 14105. A bill to provide a penalty for the robbery or burglary or attempted robbery or burglary of any narcotic drug from any pharmacy, doctor's office, or warehouse; to the Committee on the Judiciary.

By Mr. BROOMFIELD:

H.J. Res. 971. Joint resolution designating the premises occupied by the Chief of Naval Operations as the official residence of the Vice President, effective upon the termination of service of the incumbent Chief of Naval Operations; to the Committee on Armed Services.

By Mr. DERWINSKI:

H.J. Res. 972. Joint resolution to authorize the President to issue a proclamation designating the month of May 1974, as National Arthritis Month; to the Committee on the Judiciary.

By Mr. DULSKI (for himself and Mr. SMITH of New York):

H.J. Res. 973. Joint resolution requesting the President to issue a proclamation designating the last schoolday in April as National Pledge Allegiance to Our Flag Day; to the Committee on the Judiciary.

By Mr. MITCHELL of New York:

H.J. Res. 974. Joint resolution proposing an amendment to the Constitution of the United States for the protection of unborn children and other purposes; to the Committee on the Judiciary.

By Mr. RONCALIO of Wyoming:

H.J. Res. 975. Joint resolution proposing an amendment to the Constitution of the United States; to the Committee on the Judiciary.

By Mr. BURKE of Florida:

H. Con. Res. 473. Concurrent resolution expressing the sense of the Congress with respect to the imprisonment in the Soviet Union of a Lithuanian seaman who unsuccessfully sought asylum aboard a U.S. Coast Guard ship; to the Committee on Foreign Affairs.

By Mr. FRASER:

H. Con. Res. 474. Concurrent resolution authorizing the printing of additional copies of a report issued by the Committee on Foreign Affairs; to the Committee on House Administration.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

419. By Mr. HANSEN of Idaho: Memorial of the Legislature of the State of Idaho, relative to classification of the St. Joe River under the Wild and Scenic Rivers Act; to the Committee on Interior and Insular Affairs.

420. Also, Memorial of the Legislature of the State of Idaho, relative to retention of the Desert Land Act provisions in the National Resources Lands Management Act; to the Committee on Interior and Insular Affairs.

421. Also, memorial of the Legislature of the State of Idaho, relative to public use of existing airfields within the proposed Salmon River and Idaho wilderness areas; to the Committee on Interior and Insular Affairs.

422. Also, memorial of the Legislature of the State of Idaho, relative to revising the boundary between the Mountain and Pacific Time Zones in Idaho; to the Committee on Interstate and Foreign Commerce.

423. Also, memorial of the Legislature of the State of Idaho, requesting Congress to propose an amendment to the Constitution of the United States providing for the direct election of the President; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ECKHARDT:

H.R. 14106. A bill for the relief of Jose Lozano-Mendez; to the Committee on the Judiciary.

By Mr. MILFORD:

H.R. 14107. A bill for the relief of Janusz Kochanski; to the Committee on the Judiciary.

By Mr. REES:

H.R. 14108. A bill for the relief of Juan and Margarita Pinto; to the Committee on the Judiciary.

By Mr. WINN:

H.R. 14109. A bill for the relief of Vassilios Kanellakis; to the Committe on the Judiciary.

SENATE—*Tuesday, April 9, 1974*

The Senate met at 12 o'clock noon and was called to order by the President pro tempore (Mr. EASTLAND).

PRAYER

The Reverend Dom Bernard Theall, O.S.B., associate professor of library science, Catholic University of America, Washington, D.C., offered the following prayer:

God of nations and of mankind, look with favor on our country and on our people who put their trust in You. Do You, who gave the law to Moses on Mount Sinai, bless our lawmakers in this Chamber, and fill them with the gifts of Your Spirit: wisdom, understanding, knowledge, and counsel? That our country may continue to be great and pleasing to You, grant also to our legislators and the American people whom they serve, gifts in full measure of fortitude, piety, and fear of the Lord. Give us the grace so to use these gifts as to merit the blessings of peace and prosperity with humility for ourselves and for generations yet to come. And give to us all, faith in our country at this time, hope for the future and the will to reach out in love to all peoples of the world.

We ask this through Christ, our Lord. Amen.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Marks, one of his secretaries, and he announced that on April 8, 1974, the President had approved and signed the following act:

S. 2747. An act to amend the Fair Labor Standards Act of 1938 to increase the minimum wage rate under that act, to expand the coverage of the act, and for other purposes.

EXECUTIVE MESSAGES REFERRED

As in executive session, the President pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received today are printed at the end of Senate proceedings.)

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Hackney, one of its reading clerks, announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H.R. 11830. An act to suspend the duty on synthetic rutile until the close of June 30, 1977; and

H.R. 13631. An act to suspend for a temporary period the import duty on certain horses.

HOUSE BILLS REFERRED

The following bills were each read twice by their titles and referred to the Committee on Finance:

H.R. 11830. An act to suspend the duty on synthetic rutile until the close of June 30, 1977; and

H.R. 13631. An act to suspend for a temporary period the import duty on certain horses.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Monday, April 8, 1974, be dispensed with.

The PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The PRESIDENT pro tempore. Without objection, it is so ordered.

FEDERAL ELECTION CAMPAIGN ACT AMENDMENTS OF 1974

Mr. MANSFIELD. Mr. President, I ask unanimous consent that an amendment to be offered by the distinguished Senator from Illinois (Mr. STEVENSON) be called up at the conclusion of the vote on the Allen amendment.

The PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF BUSINESS

The PRESIDENT pro tempore. Under the previous order, the distinguished Senator from Wisconsin (Mr. PROXMIRE) is now recognized for not to exceed 15 minutes.

WHAT'S RIGHT WITH THE FEDERAL GOVERNMENT: "IMPROVEMENTS IN SOCIAL SECURITY"

Mr. PROXMIRE. Mr. President, this is the fifth in a series of speeches I am giving in the Senate on "What's Right With the Federal Government."

Because of the events surrounding the Watergate affair, the resignation of a Vice President of the United States, the indictment of at least two former Cabinet officers, and the indictment of a large number of men closely associated with the center of power in our Government, the public has rightfully questioned the credibility and general purpose of the Government. Both the President and Congress are held in low esteem. The reliability of the press—which in my view is actually higher in general than ever before in our history—is questioned. The method by which campaigns are run and favors given to the wealthy or powerful few has led to great dismay in the country.

GOVERNMENT GOOD, NOT BAD

But Government is good not bad, Government is not going downhill. In four previous speeches I have outlined the vast improvements brought about in large part by actions of the Federal Government in the fields of women's rights, education, civil rights, and health. Today I want to talk about the vast improvement in social security and the social services in general.

BACKGROUND

The United States was, essentially, the last of the major industrialized countries to put into effect a system of social security or social services. The Germans came to it in the last part of the 19th century. The British brought it about at the turn of the century. But in the United States it took a great depression and mass unemployment before we put into place even the rudimentary beginnings of a social security and social services system.

There were some good reasons for this. We had a continent to explore. Both the land and the mineral wealth of the land were available almost as free goods to those who, through effort, were willing to exploit them. Even as late as 1870, half the population lived or worked on farms. The family was still intact, ready to take on the burden of caring for the elderly in the family, or for the blind or disabled or fatherless child. Industrialization had not reached its nadir and the cities were not yet overcrowded and rundown. The spirit of rugged individualism prevailed to a very great extent. The facts were that such a sufficient number of society could make it by effort and struggle and upward mobility that public opinion was by no means ready for the kind of social services and institutions which the northern countries of Europe had initiated and institutionalized.

Until the Great Depression and the Social Security Act of August 14, 1935, at best there were only a few embryonic forms of the social services, or a social service system, to be found. There were some State programs of cash relief for widows and orphans. In the 1920's, a few progressive States initiated aid to the elderly and blind. Some teachers' groups, the military, and the civilian side of the Federal Government did have programs for retirement. I am proud to say that my own State of Wisconsin was considered by everyone to have the most advanced programs of any State in the Union.

But it took a great depression, unemployment at 20 to 25 percent, for year after year, long relief lines, deprivation of the aged, and mass migration of the young and unemployed looking for work, to bring the social security system itself into being.

IMPROVEMENTS BY 1957

When I came to the Senate in 1957—it seems such a short time ago—only a few minor changes had been made in the social security program since its inception. Early on, in 1939, Congress had made the old age insurance program a family program rather than a retired-workers-only program.

In 1950 coverage was extended to regularly employed farmworkers and household workers and the self-employed, except for farmers and professional people themselves.

Qualifications for coverage and the method of computing benefits were also liberalized and provisions were made so that those who reached retirement age in the early years of the program and who, obviously, had not paid in the sums or had the quarters of coverage, could in fact retire and be covered by the program.

EXPLOSION IN THE PROGRAM SINCE MID AND LATE 1950'S

But since 1956, which was only a year before I came to the Senate, the social security and social services programs have exploded. We have put into place in these two decades what can only be called a very comprehensive program of social services. The program includes not only vast improvements in old age social security retirement benefits but also vast coverage for those who are disabled, major improvements in the system of unemployment compensation, the institution of medicare, and the coverage of ill health and sickness through an insurance system for the elderly, a vast program of medicaid for those who cannot afford medical care or who are not covered by medicare, vast changes in the public assistance programs, and widespread improvements in such programs as railroad retirement, free public education, school lunches and school milk programs, survivors benefits, a program for black lung disease, and a vast extension of coverage and vast increases in benefits, as well as increases in costs, for all of these programs. Almost all of this, except for the beginning of the disability program which began in 1956, has been placed on the lawbooks since I came to the Senate in 1957.

Except for three major programs or improvements in them which are still needed, a full blown social services system is now in effect in the United States.

PUBLIC IMPATIENCE

Anyone who has spent much of his life in politics and public affairs knows that the public is both impatient and seldom grateful for what has happened in the past. Instead they are more concerned about improving matters and solving the problems which still exist. That is a welcome spirit and one which has led to vast improvements in our society.

Nevertheless, one should not overlook the really major, comprehensive, forward-looking, and progressive system of social services which has been placed on the books in the last two decades.

COVERAGE INCREASES

Between 1939 and 1971, the number of people covered by the social security system has gone up from 24 million to 68.8 million, far outstripping the rise in population.

Public employment retirement systems now cover almost 5 million as compared with 2 million in 1939.

In both unemployment insurance and workmen's compensation, the numbers covered have almost tripled since 1939, from the area of 22 million then to 60 million now.

BENEFIT INCREASES

Not only has there been a vast increase in coverage but there has also been an explosion in benefits. Benefit payments under all public income-maintenance programs amounted to $94 billion in 1971 compared with $28 billion in 1960, $9.5 billion in 1950, and $4.4 billion in 1940. Think of that, Mr. President. In 30 years, the benefits from social security have increased some sixteenfold or seventeenfold.

On an individual basis the benefits have gone up dramatically too.

For example, in 1960 a retired worker and his aged wife under social security received $124 a month. After June 30, 1974, they will receive $310 a month.

In 1960 an aged widow received $58 a month. After June 30, 1974, she will get $177, more than a threefold increase.

I ask unanimous consent that a table giving the average monthly benefits at the end of 1960 and for different dates in 1974 be printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

AVERAGE MONTHLY BENEFIT AMOUNTS IN CURRENT PAYMENT STATUS FOR SELECTED BENEFICIARY GROUPS

		1974		
	1960 end of year	Before 7-percent increase	After 7-percent increase	After 11-percent increase
1. Average monthly family benefits:				
(a) Retired worker (no dependents)	$70	$162	$174	$181
(b) Retired worker and aged wife both receiving benefits	124	277	297	310
(c) Disabled worker (no dependents receiving aid)	88	179	191	199
(d) Aged widow alone	58	158	170	177
(e) Widowed mother and 2 children	188	391	418	435
2. Average monthly individual benefits:				
(a) All retired workers (with or without dependents)	74	167	179	186
(b) All disabled workers (with or without dependents)	89	184	197	206

Mr. PROXMIRE. It is clear that the coverage increase has far outstripped the rise in population and that the benefit increases, while still insufficient in a number of areas, have risen faster than the rise in the cost of living. There has been a major increase in real terms in these programs.

I ask unanimous consent that two tables from the book "Social Security Programs in the United States," published by the Department of Health, Education, and Welfare and the Social Security Administration in 1973, indicating first the increase in coverage and second, the increase in total benefits, under the various programs since 1939–40, be printed at this point in my remarks.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

EMPLOYMENT AND ESTIMATED WORKERS COVERED UNDER SOCIAL INSURANCE PROGRAMS, UNITED STATES, 1939, 1954, AND 1971

[In millions. Monthly averages for 1939 and 1954; December data for 1971. Except where noted, before 1960, data are for the 48 States and the District of Columbia; beginning 1960, include Alaska and Hawaii]

Employment and coverage status	1939	1954	1971
Paid civilian employment	43.6	59.5	79.3
Wage and salary workers	33.2	49.8	72.2
Self-employed	10.4	9.7	7.1
Covered by:			
Public retirement program	27.2	51.0	75.3
Old-age, survivors, disability, and health insurance [1]	24.0	45.3	68.8
Railroad retirement system [2]	1.2	1.2	.6
Public employee retirement systems [3]	2.0	4.5	4.9
Unemployment insurance [4]	22.4	36.6	57.1
Workmen's compensation	22.0	39.7	60.2
Temporary disability insurance [5]		10.6	14.7
Armed Forces [6]	.4	3.4	2.7

[1] Beginning 1955, includes persons under both a State or local government retirement system and old-age, survivors, disability and health insurance (OASDHI). Excludes those eligible for coverage on an elective or optional basis who have not been brought under OASDHI, mostly employees of State and local governments with their own retirement systems. Also excludes members of Armed Forces and railroad employees shown below.

[2] Covered jointly under OASDHI and the railroad retirement system beginning November 1951.

[3] Excludes State and local government employees covered both by OASDHI and their own retirement programs (counted under OASDHI), and members of Armed Forces.

[4] State, railroad, and, beginning 1955, Federal civilian employee programs. Excludes members of Armed Forces.

[5] Railroad and State programs. Excludes Government employees covered by sick-leave provisions.

[6] Covered under OASDHI, beginning January 1957, and under the Ex-Servicemen's Unemployment Compensation Act, beginning November 1958 (in addition to their entitlement to various military benefits). Includes members of Armed Forces overseas.

BENEFIT PAYMENTS UNDER PUBLIC INCOME-MAINTENANCE PROGRAMS AND INDIVIDUALS RECEIVING CASH PAYMENTS, SELECTED CALENDAR YEARS, 1940–71

Program	1940	1950	1960	1971
	Amount of benefits (millions) [1]			
Total, cash and medical	$4,356	$9,508	$27,719	$94,425
Cash payments [2]	4,191	8,676	25,873	76,331
Social insurance	1,113	4,085	19,134	59,512
Old-age, survivors, disability, and health insurance [3]	35	961	11,245	37,171
Railroad retirement	118	311	962	2,029
Public employee retirement [4]	264	813	2,674	10,902
Unemployment insurance [5]	535	1,468	3,025	6,363
Workmen's compensation: Net of medical [6]	161	415	860	2,322
Temporary disability insurance: Net of medical [7]		117	368	725
Veterans' pensions and compensation	428	2,236	3,476	6,007
Public aid	2,650	2,354	3,263	10,812
Special types of assistance [8]	628	2,062	2,943	10,051
General assistance	392	293	320	761
Work programs [9]	1,630			
Medical services	165	832	1,846	18,094
Old-age, survivors, disability, and health insurance				7,868
Workmen's compensation	95	200	435	1,150
Temporary disability insurance		7	41	71
Veterans' health and medical care	70	573	848	2,087
Public assistance vendor payments		52	522	6,918
	Individuals receiving cash payments [10] (thousands)			
Social insurance:				
Old-age, survivors disability, and health insurance	113	3,012	14,298	26,797
Railroad retirement	144	387	792	980
Public empoyee retirement [4]	249	596	1,448	3,269
Unemployment insurance [5]	1,024	1,414	1,799	2,007
Veterans' pensions and compensation	933	3,359	4,271	5,555
Public aid:				
Special types of assistance [8]	3,183	5,120	5,811	13,552
General assistance	4,038	1,105	969	982
Work programs [9]	2,817			

[1] Includes benefits to dependents where applicable.

Includes lump-sum payments.

[3] Excludes net payments in lieu of benefits (transfers) under financial interchange with railroad retirement system.

[4] Excludes refunds of employee contributions to those leaving the service; includes benefits to retired military personnel and their survivors.

[5] Benefits under State unemployment insurance laws, unemployment compensation for railroad workers, for Federal employees, for ex-servicemen, for veterans under the Servicemen's Readjustment Act of 1944 and the Veterans' Readjustment Assistance Act of 1952, and payments under the extended unemployment insurance programs and the Automotive Products Trade Act of 1965. Includes cash allowances to unemployed workers in training under the Manpower Development and Training Act of 1962.

[6] Benefits paid under Federal workmen's compensation laws and under State laws by private insurance carriers, by State funds, and by self-insurers; 1940 and 1950 data exclude Alaska and Hawaii.

[7] Includes payments under private plans where applicable in the jurisdictions with programs.

[8] Includes primarily the federally aided programs of old-age assistance, aid to families with dependent children, aid to the blind, and aid to the permanently and totally disabled.

[9] Includes work relief earnings and other emergency aid programs. Number of recipients partly estimated.

[10] For OASDHI, average monthly number: for railroad retirement, public employee retirement, public aid, and veterans' programs, number on rolls, June 30; for unemployment insurance, average weekly number. Data for workmen's compensation and temporary disability insurance not available.

Mr. PROXMIRE. The budget for fiscal year 1975, which casts these items in a somewhat different way and which is also more up to date, indicates that outlays for fiscal year 1975 for income security provided by the Federal Government will total more than $100 billion. Medicare and medicaid payments will add another $20.7 billion to this total. I ask unanimous consent that the table entitled income security, found on page 125 of the Budget of the United States for fiscal year 1975 be printed at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

INCOME SECURITY

[In millions of dollars]

Program or agency	Outlays 1973 actual	Outlays 1974 estimate	Outlays 1975 estimate	Recommended budget authority for 1975 [1]
Retirement and disability:				
Old-age survivors, and disability insurance: [2]				
Present programs	48,288	55,258	64,351	65,173
Proposed legislation			−345	11
Federal employees retirement and disability [2] [3]	4,514	5,935	7,230	10,240
Railroac retirement: [2] [3]				
Present programs	2,440	2,679	2,801	2,776
Proposed legislation			198	238
Special benefits for disabled coal miners	952	998	879	876
Subtotal, retirement and disability	56,194	64,871	75,114	79,315
Unemployment insurance [2] [3]	5,362	5,566	7,065	6,655
Public assistance:				
Supplemental security income	41	2,192	4,770	4,774
Grants to States for maintenance payments:				
Present programs	5,922	5,347	4,550	4,601
Proposed legislation			−203	−203
Food stamps	2,208	2,992	3,926	3,985
School lunch and other child nutrition	693	914	1,389	1,468
Assistance to refugees	135	128	72	60
Subtotal, public assistance	8,999	11,573	14,505	14,685
Social services:				
Grants to States for social services	1,614	1,786	2,078	2,079
Rehabilitation services	699	760	788	769
Services for the aging and other special groups	63	224	296	265
Allied services (proposed legislation)				20
Administrative expenses and other [3]	144	217	227	226
Subtotal, social services	2,520	2,987	3,389	3,359
Deductions for offsetting receipts: [4] Proprietary receipts from the public	−1	−1	−2	−2
Total	73,073	84,995	100,071	104,012

[1] Compares with budget authority for 1973 and 1974, as follows: 1973, $79,818,000,000; 1974, $93,015,000,000.

[2] Entries net of offsetting receipts.

[3] Includes both Federal funds and trust funds.

[4] Excludes offsetting receipts which have been deducted by subfunction above: 1973, $1,508,000,000; 1974, $1,761,000,000; 1975, $1,680,000,000.

Mr. PROXMIRE. Thus, we now have in place an income security system plus medicare and medicaid programs with annual outlays or benefits of over $120 billion.

Just yesterday, the President of the United States signed a minimum wage bill which increased the minimum wage to $2.30 an hour over a period of time. I can recall very well when the minimum wage was 25 cents an hour. That means that the minimum wage has increased almost tenfold within the last few decades. Allowing for the enormous inflation we have suffered, allowing for almost any kind of consideration one wishes, this is clearly a massive and substantial increase and improvement in the minimum wages that can be paid to people in interstate commerce. Of course, that definition, too, has expanded, and the coverage of the minimum wage has vastly increased.

CONCLUSION

In a period of less than 2 decades the Federal Government has established a comprehensive social security and social services system which now covers almost all of those who are gainfully employed, their dependents, the elderly, the disabled, the unemployed, veterans, and the poor.

This was a major undertaking which has greatly benefited the citizens of this country. Far from discouraging the system of private insurance, as early opponents claimed, it has provided a nucleus around which a more extensive system of public and private social insurance has been built.

Social security, medicare, medicaid, disability, public assistance, and other income support programs are now universally accepted.

In the last decade alone, since about 1960, the benefits paid out have more than tripled. In the last 2 decades, the annual outlays for benefits have gone up at least 12 times, and they have increased more than 25-fold since 1940. Meanwhile, the coverage has been extended to almost every needy or elderly or disabled person in the country.

While there is room for improvement, the fundamental system has been established, put in place, and greatly broadened and expanded.

At a time when there is so much skepticism and discouragement about the performance of our Federal Government, it seems to me that we should recognize that this is one of a number of achievements—I am going to go on and on in the next few days speaking about many others—of the Federal Government for which all of us can be proud and which should give us confidence that we are making progress in this Government of ours, not retrogressing.

ORDER OF BUSINESS

The **PRESIDENT** pro tempore. Under the previous order, the Senator from Vermont (Mr. AIKEN) is recognized for not to exceed 15 minutes.

FEDERAL ELECTIONS CAMPAIGN ACT AMENDMENTS OF 1974

Mr. AIKEN. Mr. President, the so-called "clean elections" bill now pending before this Senate was laid before the Senate on March 22, 18 days ago.

If this bill had any faint resemblance to a "clean elections" bill at the time it became the pending business, it is hardly deserving of the title any longer.

To be sure, we have had dishonesty, cheating, and law violations in every election campaign since my earliest recollection.

But, at no time has there been so much encouragement to continue such practices as may be found in the bill before us—as it now stands.

I wish we could find some way to eliminate the purchase of high positions in Government by those who are able to pay the price.

I wish we could instill in every voter in this country the necessity for eliminating dishonesty, corrupt practices, and dirty tricks at election time.

I would like to support legislation which would actually take us a step nearer to clean and honest elections than we have now, although I realize that we cannot attain perfection in this field.

The bill before us, as it now stands, only makes matters worse.

I am not going to burden the Senate with a recital of all the things pertaining to this proposed legislation that simply lend more encouragement to the practices which we publicly condemn.

I am not going to waste any time in discussing the merits or demerits of financing political campaigns at taxpayers' expense, which means expense to our Government, since the money authorized by the income taxpayer for political financing simply means that that money does not get into Uncle Sam's coffers.

I just want to point out a few matters pertaining to this bill which, in my opinion, would justify throwing the whole thing down the drain without delay.

The bill has been amended in several ways:

First. One amendment requires polls to open and close across the country at a uniform period of time.

The effect of this amendment on Vermont would require polls to open at 11 a.m. and close at 11 p.m.

It would mean the abolition of each State's right to establish its own voting practices which are most convenient to the voters of the State.

It would mean that our States in New England would have to set the voting hours to satisfy the convenience of the States in the Rocky Mountains region.

Second. Only last Wednesday, the Senate accepted an amendment to exempt congressional campaign committees from contribution and expenditure limitations for Federal candidates.

This was a beautiful loophole in itself, for a contributor, otherwise limited to $3,000 contribution to a candidate, could contribute his whole permissible $25,000 contribution to a congressional campaign committee which could pour the funds into one particular Federal congressional race.

But, word from home was heard so quickly and loudly that on Monday this Senate went into reverse so fast that I am sure some political gears got stripped.

Third. The Senate has accepted an amendment which prohibits the broadcast of any Presidential election returns prior to midnight, eastern standard time.

Even a layman can see the unconstitutionality of this proposal, since Congress can make no law which abridges the freedom of the press.

I agree that certain sections of the news media sometimes become so biased and unfair and get so far away from the facts that there is an urge to restrict them.

But, in spite of this, I still believe that we should stick to the Constitution.

If we think we have leaks in Government now, just imagine what the leakage would be if all the election districts in the East were prohibited from telling the outcome of the voting to their friends and relatives in the West before midnight.

The Senate has also rejected certain proposed amendments which could, perhaps, have made election campaigns a bit more honest.

One of the proposals which was rejected could have deterred Government contractors from making political contributions direct to candidates who, if elected, would be most likely to remember their benefactors.

Another proposed amendment rejected would have prohibited Members of Congress from receiving outside money for making lectures and speeches.

While this amendment may have been open to question, it is common knowledge that the campaigns may be financed not by direct political contributions, but by paying potential candidates several thousand dollars for a 50 speech or lecture.

In stating this, I am not referring to ancient history.

After defeating a proposed amendment which would have made Members of the 93d Congress ineligible for public financing for nominations for the Presidency, the Senate then accepted an amendment to preclude any public financing for elections until January 1, 1976.

The question many will ask is this:

If it is proper to finance opposition to a sitting Member of the Congress running for reelection in 1976, why is it not equally fair to finance opposition to sitting Members of the 93d Congress who are running for reelection in 1974?

It seems to me there is a decided conflict of interest in this amendment.

The bill under consideration proposes to permit Government contractors to make political contributions.

A motion to prohibit such contributors from receiving a noncompetitive Government contract for 2 years after election was defeated by a vote of 62 to 28.

The defeat of this amendment should assure Members of the 93d Congress running for election this fall that contributions from Government contractors to their present campaigns would be perfectly legal and that such contributors would not be denied the right to receive noncompetitive contracts for the next 2 years.

I am not going to point out any more of the loopholes or shortcomings of this bill.

There are other objectionable features.

I am simply going to say that it is a travesty on the supposed intelligence of legislators and it should be consigned to the lower regions as quickly as possible.

I realize, however, that it was laid down before this body 18 days ago and with a number of pending amendments awaiting action and discussion, it could be with us 18 days or, indeed, a much longer time unless action is taken to bring consideration to a close.

I voted against cloture last Thursday.

I usually vote against cloture the first time it is proposed.

Now, I think it is time to bring debate to a close and shall vote accordingly.

I will not vote for passage of the bill.

If it became law, matters would be infinitely worse.

It is too loaded with hypocrisy and loopholes and I fear its adoption would be considered by many as a reflection on this Congress.

I would be greatly surprised if the majority of the House Members would accept this bill and if they did, I would be even more surprised if the President would sign it into law. If he vetoed it, I would support the veto, but I doubt it would come back here.

Right now, I want to say let us get it out of the way one way or the other as soon as we can.

I wish to commend Senators who have taken part on both sides of this debate, the Senator from Alabama (Mr. ALLEN), and Senators who ardently support the proposal to let taxpayers pay the cost of their campaigns in 1976, but not the cost of the campaigns of their opposition in 1974. That is why I shall vote for cloture now. We have been with this bill long enough. We should attend to our authorizations and our appropriation bills and get them out of the way, work which needs to be done, and not let delay and so impede work on the legislation which is absolutely necessary.

TRANSACTION OF ROUTINE MORNING BUSINESS

The PRESIDING OFFICER (Mr. HUDDLESTON). Under the previous order, there will now be a period for the transaction of routine morning business for not to exceed 15 minutes, with statements limited therein to 5 minutes.

HANK AARON BREAKS HOME RUN RECORD WITH NO. 715

Mr. NUNN. Mr. President, last night in Atlanta Stadium, Hank Aaron broke the most revered record in American sports. Following a highly publicized assault on the career home run record of 714 held by the immortal Babe Ruth, Hank took his place in the record books by hitting career home run number 715.

The immortal Babe Ruth hit his last home run as a member of the Braves and it is fitting that Hank Aaron has played his entire career for these same Braves. Georgia can now claim the greatest home run hitter of all times and the greatest base runner, Ty Cobb.

True, Hank Aaron is now the greatest career home run hitter in the history of the game, but he has also contributed in many other ways. Last season, at the age of 40, Hank hit .301, and along with teammates Darrel Evans and Dave Johnson set a record for the only 3 players to hit 40 or more home runs for the same team, in the same season.

Besides being the greatest home run hitter, Hank holds numerous other major league records. He has the most career extra base hits—1,395; the most career total bases—6,432; the most years with 30 or more homers—15 years; and the most consecutive years with 20 or more homers—19 years. Another example of his baseball prowess is that Hank will most likely surpass Babe Ruth's record this year by getting the most career runs batted in.

Hank was born in Alabama and came to us through Wisconsin, but it is with great pride that I point out that the great State of Georgia is now his home. He has become a civic leader in Atlanta and hero to every young boy in the State.

Many athletes have achieved that one great season but Aaron's hallmark has been consistency. He has provided the baseball fans of this Nation with truly outstanding accomplishments, season in and season out, for over 20 years. This consistency should be recognized today, along with the establishment of a career home run mark.

Hank's consistent off-the-field performance should also be noted. Amid all the fame, glory, and persistent attention, Hank has retained the modest, gracious manner that has characterized his entire life. A person of his singular abilities and character—both on and off the playing field—is truly an inspiring example to everyone.

It has been a thrill and a privilege for me, along with thousands of my fellow Georgians and Americans to have had the opportunity to watch an athlete and a man of the caliber of Hank Aaron. For this, I thank No. 44 for passing our way and wish him many future successful seasons in whatever pursuit he chooses. No. 715 was the magic number, Hank, but we Georgians and the baseball fans of the Nation hope there will be many more.

As Hank Aaron himself stated so well:

> We will never forget Babe Ruth but we will also always remember Hank Aaron.

Mr. President, on behalf of myself and Senator TALMADGE, Senator HUMPHREY, Senator ROBERT C. BYRD, Senator GRIFFIN, and Senator MANSFIELD, I send to the desk a Senate resolution and ask for its immediate consideration.

The PRESIDING OFFICER. The resolution will be stated by title.

The assistant legislative clerk read as follows:

> A resolution (S. Res. 305) commemorating Hank Aaron on his historic feat.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. TALMADGE. Mr. President, history was made in American baseball last night in Atlanta Stadium. Henry (Hank) Aaron, left fielder for the Atlanta Braves, slammed his 715th home run.

With that home run, which brought more than 50,000 Atlanta fans roaring to their feet and excited untold millions of television viewers and radio listeners throughout the world, Hank Aaron broke the record set by the immortal Babe Ruth in 1935.

If Aaron continues hitting as hard and as far throughout the remainder of 1974 as he has started out this year's baseball season, he may very well set a home run record that can never be touched.

The City of Atlanta and baseball fans everywhere are very proud of Hank Aaron. He is a credit to baseball and to all athletics.

I join my colleague, the Senator from Georgia (Mr. NUNN) in introducing today a resolution congratulating Hank Aaron on his new world record and outstanding baseball career, and urge its adoption.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 305) was unanimously agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

SENATE RESOLUTION 305

Resolved, Whereas, in Atlanta Stadium, on the night of April 8, 1974, Henry Aaron hit his 715th home run; and

Whereas, this historic feat was recorded in a game between the Atlanta Braves and the Los Angeles Dodgers, which the Braves won 7–4; and

Whereas, Henry Aaron surpassed the home run mark set by the immortal Babe Ruth as a member of the Boston Braves in 1935; and

Whereas, Henry Aaron has now become a legendary sports figure in his own lifetime; and

Whereas, Henry Aaron is an athlete of exemplary caliber and is an inspiration to all Americans;

Therefore, be it resolved that the United States Senate hereby extends its congratulations to Henry Aaron in recognition of this singular accomplishment.

QUORUM CALL

The PRESIDING OFFICER. Is there further morning business?

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ALLEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The PRESIDENT pro tempore laid before the Senate the following communications and letters, which were referred as indicated:

PROPOSED SUPPLEMENTAL APPROPRIATION, 1974, GENERAL SERVICES ADMINISTRATION (S. DOC. NO. 93–70)

A communication from the President of the United States, transmitting a proposed supplemental appropriation for the fiscal year 1974, in the amount of $1,350,000 in budget authority and $50,000 in another proposal which does not increase budget authority (with an accompanying paper). Referred to the Committee on Appropriations and ordered to be printed.

PROPOSED SUPPLEMENTAL INCREASE FOR THE PANAMA CANAL COMPANY (S. DOC. NO. 93–71)

A communication from the President of the United States, transmitting a proposed supplemental increase in the limitation on general and administrative expenses of $352,000 for the Panama Canal Company (with an accompanying *paper*). Referred to the Committee on Appropriations and ordered to be printed.

Report of Indian Claims Commission

A letter from the Chairman, Indian Claims Commission, reporting, pursuant to law, on its final determination with respect to docket No. 84, the Six Nations versus the United States of America and docket No. 300B, the Stockbridge Munsee Community, versus the United States of America (with accompanying papers). Referred to the Committee on Appropriations.

Report on Economic Stabilization Program

A letter from the Chairman, Cost of Living Council, transmitting, pursuant to law, the Economic Stabilization Program Quarterly Report covering the period October 1, 1973, through December 31, 1973 (with an accompanying report). Referred to the Committee on Banking, Housing and Urban Affairs.

Proposed Legislation From Secretary of Commerce

A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to amend title 5, United States Code, to authorize the withholding of Trust Territory income taxes of Federal employees (with accompanying papers). Referred to the Committee on Finance.

Proposed Realinements Relating to Nursing Home Improvement Program

A letter from the Under Secretary of Health, Education, and Welfare, reporting, for the information of the Senate, on proposed realinement of functional responsibilities with respect to the nursing home improvement program (with accompanying papers). Referred to the Committee on Labor and Public Welfare.

Prospectus Relating to Construction of Federal Office Building at Pittsfield, Mass.

A letter from the Administrator, General Services Administration, transmitting, pursuant to law, a prospectus relating to construction of a Federal Office Building at Pittsfield, Mass. (with accompanying papers). Referred to the Committee on Public Works.

Prospectus Relating to Space for Department of Health, Education, and Welfare in Dallas, Tex.

A letter from the Administrator, General Services Administration, transmitting, pursuant to law, a prospectus relating to special purpose space for the Department of Health, Education, and Welfare in Dallas, Tex. (with accompanying papers). Referred to the Committee on Public Works.

PETITIONS

Petitions were laid before the Senate and referred as indicated:

By the PRESIDENT pro tempore:

The petition of David L. Peterson, praying for a redress of grievances. Referred to the Committee on the Judiciary.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. EAGLETON, from the Committee on the District of Columbia, without amendment:

H.R. 12109. An act to amend the District of Columbia Self-Government and Governmental Reorganization Act to clarify the provision relating to the referendum on the issue of the advisory neighborhood councils (Rept. No. 93–774).

By Mr. STEVENSON, from the Committee on Banking, Housing and Urban Affairs, with an amendment:

S. 2986. A bill to authorize appropriations for carrying out the provisions of the International Economic Policy Act of 1972, as amended (Rept. No. 93–775).

By Mr. CRANSTON, from the Committee on Banking, Housing and Urban Affairs:

S. 3331. An original bill to clarify the authority of the Small Business Administration, to increase the authority of the Small Business Administration, and for other purposes (Rept. No. 93–776).

By Mr. NELSON, from the Committee on Labor and Public Welfare, with an amendment:

S. 1647. A bill to extend the Environmental Education Act for three years (Rept. No. 93–777).

By Mr. BURDICK, from the Committee on Public Works, with an amendment:

S. 3032. A bill entitled the "Disaster Relief Act Amendments of 1974" (Rept. No. 93–778).

Mr. BURDICK. Mr. President, I report from the Committee on Public Works S. 3062, a bill entitled "The Disaster Relief Act Amendments of 1974," with an amendment. I ask unanimous consent that the Committee on Public Works have until midnight tonight to file the written report on this legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BURDICK. I ask unanimous consent that the bill as reported and the report of the Committee on Public Works be printed in the RECORD in full following my remarks.

There being no objection, the bill and report were ordered to be printed in the RECORD, as follows:

S. 3062

A bill entitled the "Disaster Relief Act Amendments of 1974"

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Disaster Relief Act Amendments of 1974".

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TITLE I—FINDINGS, DECLARATIONS, AND DEFINITIONS

FINDINGS AND DECLARATIONS

SEC. 101. (a) The Congress hereby finds and declares that—

(1) because disasters often cause loss of life, human suffering, loss of income, and property loss and damage; and

(2) because disasters often disrupt the normal functioning of governments and communities, and adversely affect individuals and families with great severity;

special measures, designed to assist the efforts of the affected States in expediting the rendering of aid, assistance, and emergency services, and the reconstruction and rehabilitation of devastated areas, are necessary.

(b) It is the intent of the Congress, by this Act, to provide an orderly and continuing means of assistance by the Federal Government to State and local governments in carrying out their responsibilities to alleviate the suffering and damage which result from such disasters by—

(1) revising and broadening the scope of existing disaster relief programs;

(2) encouraging the development of comprehensive disaster preparedness and assistance plans, programs, capabilities, and organizations by the States and by local governments;

(3) achieving greater coordination and responsiveness of disaster preparedness and relief programs;

(4) encouraging individuals, States, and local governments to protect themselves by obtaining insurance coverage to supplement or replace governmental assistance;

(5) encouraging hazard mitigation measures to reduce losses from disasters, including development of land use and construction regulations;

(6) providing Federal assistance programs

for both public and private losses sustained in disasters; and

(7) providing a long-range economic recovery program for major disaster areas.

DEFINITIONS

SEC. 102. As used in this Act—

(a) "Emergency" means damage caused by any hurricane, tornado, storm, flood, high water, wind-driven water, tidal wave, tsunami, earthquake, volcanic eruption, landslide, snowstorm, drought, fire, explosion, or other catastrophe in any part of the United States which requires Federal emergency assistance to supplement State and local efforts to save lives and protect public health and safety or to avert or lessen the threat of a major disaster.

(b) "Major disaster" means damage caused by any hurricane, tornado, storm, flood, high water, wind-driven water, tidal wave, tsunami, earthquake, volcanic eruption, landslide, snowstorm, drought, fire, explosion, or other catastrophe in any part of the United States which, in the determination of the President, is of sufficient severity and magnitude to warrant major disaster assistance under this Act, above and beyond emergency services by the Federal Government, to supplement the efforts and available resources of States, local governments and disaster relief organizations in alleviating the damage, loss, hardship, or suffering caused thereby.

(c) "United States" means the fifty States, the District of Columbia, Puerto Rico, the Virgin Islands, Guam, American Samoa, the Canal Zone, and the Trust Territory of the Pacific Islands.

(d) "State" means any State of the United States, the District of Columbia, Puerto Rico, the Virgin Islands, Guam, American Samoa, the Canal Zone, or Trust Territory of the Pacific Islands.

(e) "Governor" means the chief executive of any State.

(f) "Local government" means (1) any county, city, village, town, district, or other political subdivision of any State, or Indian tribe, authorized tribal organization, or Alaska Native village or organization, and (2) includes any rural community or unincorporated town or village or any other public or quasi-public entity for which an application for assistance is made by a State or political subdivision thereof.

(g) "Federal agency" means any department, independent establishment, Government corporation, or other agency of the executive branch of the Federal Government, including the United States Postal Service, but shall not include the American National Red Cross.

TITLE II—DISASTER PREPAREDNESS ASSISTANCE

FEDERAL AND STATE DISASTER PREPAREDNESS PROGRAMS

SEC. 201. (a) The President is authorized to establish a program of disaster preparedness that utilizes services of all appropriate agencies (including the Defense Civil Preparedness Agency) and includes—

(1) preparation of disaster preparedness plans for mitigation, warning, emergency operations, rehabilitation, and recovery;

(2) training and exercises;

(3) postdisaster critiques and evaluations;

(4) annual review of programs;

(5) coordination of Federal, State, and local preparedness programs;

(6) application of science and technology;

(7) research;

(8) assistance in updating disaster legislation.

(b) The President shall provide technical assistance to the States in developing comprehensive plans and practicable programs for preparation against disasters, including hazard reduction, avoidance, and mitigation; for assistance to individuals, businesses, and State and local governments following such disasters; and for recovery of damaged or destroyed public and private facilities.

(c) Upon application by the States, the President is authorized to make grants, not to exceed $250,000, for the development of plans, programs, and capabilities for disaster preparedness. Such grants shall be applied for within one year from the date of enactment. Any State desiring financial assistance under this section shall designate or create an agency to plan and administer such a disaster preparedness program, and shall, through such agency, submit a State plan to the President, which shall—

(1) set forth a comprehensive and detailed State program for preparation against, and assistance following, emergencies and major disasters, including provisions for assistance to individuals, businesses, and local governments; and

(2) include provisions for appointment and training of appropriate staffs, formulation of necessary regulations and procedures, and conduct of required exercises.

(d) The President is authorized to make grants not to exceed 50 per centum of the cost of improving, maintaining and updating State disaster assistance plans, except that no such grant shall exceed $25,000 per annum to any State.

DISASTER WARNINGS

SEC. 202. (a) The President shall insure that all appropriate agencies are prepared to issue warnings of disasters to State and local officials.

(b) The President shall direct Federal agencies to provide technical assistance to State and local governments to insure that timely and effective disaster warning is provided.

(c) The President is further directed to utilize or to make available to Federal, State, and local agencies the facilities of the civil defense communications system established and maintained pursuant to section 201(c) of the Federal Civil Defense Act of 1950, as amended (50 U.S.C. app. 2281(c)), or any other Federal communications system for the purpose of providing warning to governmental authorities and the civilian population in areas endangered by threatened or imminent disasters.

(d) The President is further directed to enter into agreements with the officers or agents of any private or commercial communications systems who volunteer the use of their systems on a reimbursable or nonreimbursable basis for the purpose of providing warning to governmental authorities and the civilian population endangered by threatened or imminent disasters.

TITLE III—DISASTER ASSISTANCE ADMINISTRATION

PROCEDURES

SEC. 301. (a) All requests for emergency assistance from the Federal Government under this Act shall be made by the Governor of the affected State. Such Governor's request shall be based upon a finding that the situation is of such severity and magnitude that effective response is beyond the capabilities of the State and the affected local governments and that Federal assistance is necessary. The Governor's request will furnish information describing State and local efforts and resources which have been or will be used to alleviate the emergency, and will define the type and extent of Federal aid required. Based upon such Governor's request, the President may determine that an emergency exists which warrants Federal assistance.

(b) All requests for major disaster assistance from the Federal Government under this Act shall be made by the Governor of the affected State. Such Governor's request shall be based upon a finding that the disaster is of such severity and magnitude that effective response is beyond the capabilities of the State and the affected local governments and that Federal assistance is necessary. As a part of this request, and as a prerequisite to major disaster assistance under the Act, the Governor shall formally declare an emergency under State statutes and direct execution of the State's emergency plan. He shall furnish information on the extent and nature of State resources which have been or will be used to alleviate the conditions of the disaster, and shall certify that, for the current disaster, State and local government obligations and expenditures (of which State commitments must be a significant proportion) constitute the expenditure of a reasonable amount of the funds of such State and local governments for alleviating the damage, loss, hardship or suffering, resulting from such catastrophe. Based upon such Governor's request, the President may declare that a major disaster exists, or take whatever other action he deems appropriate in accordance with the provisions of this Act.

FEDERAL ASSISTANCE

SEC. 302. (a) In the interest of providing maximum mobilization of Federal assistance under this Act, the President is directed to coordinate, in such manner as he may determine, the activities of all Federal agencies providing disaster assistance. The President shall direct any Federal agency, with or without reimbursement, to utilize its available personnel, equipment, supplies, facilities, and other resources including managerial and technical services in support of State and local disaster assistance efforts. The President may prescribe such rules and regulations as may be necessary and proper to carry out any of the provisions of this Act, and he may exercise any power or authority conferred on him by any section of this Act either directly or through such Federal agency or agencies as he may designate.

(b) Any Federal agency charged with the administration of a Federal assistance program is authorized, if so requested by the applicant State or local authorities, to modify or waive, for the duration of a major disaster, such *administrative* conditions for assistance as would otherwise prevent the giving of assistance under such programs if the inability to meet such conditions is a result of the major disaster.

(c) All assistance rendered under this Act shall be provided pursuant to a Federal-State disaster assistance agreement unless specifically waived by the President.

COORDINATING OFFICERS

SEC. 303. (a) Immediately upon his designation of a major disaster area, the President shall appoint a Federal coordinating officer to operate in such area.

(b) In order to effectuate the purposes of this Act, the Federal coordinating officer, within the designated area, shall—

(1) make an initial appraisal of the types of relief most urgently needed;

(2) establish such field offices as he deems necessary and as are authorized by the President;

(3) coordinate the administration of relief, including activities of the State and local governments, the American National Red Cross, the Salvation *Army*, the Mennonite Disaster Service, and other relief or disaster assistance organizations which agree to *operate* under his advice or direction, except that nothing contained in this Act shall limit or in any way affect the responsibilities of the American National Red Cross under the Act of January 5, 1905, as amended (33 Stat. 599); and

(4) take such other action, consistent with the authority delegated to him by the President, and consistent with the provisions of this Act, as he may deem necessary to assist local citizens and public officials in promptly obtaining assistance to which they are entitled.

(c) When the President determines assistance under this Act is necessary, he shall request that the Governor of the affected State designate a State coordinating officer for the purpose of coordinating State and local disaster assistance efforts with those of the Federal Government.

EMERGENCY SUPPORT TEAMS

Sec. 304. The President shall form emergency support teams of Federal personnel to be deployed in a major disaster or emergency area. Such emergency support teams shall assist the Federal coordinating officer in carrying out his responsibilities pursuant to this Act. Upon request of the President, the head of any Federal department or agency is directed to detail to temtemporary duty with the emergency support teams on either a reimbursable or nonreimbursable basis, as is determined necessary by the President, such personnel within the administrative jurisdiction of the head of the Federal department or agency as the President may need or believe to be useful for carrying out the functions of the emergency support teams, each such detail to be without loss of seniority, pay, or other employee status.

EMERGENCY ASSISTANCE

Sec. 305. (a) In any emergency, the President may provide assistance to save lives and protect public health and safety or to avert or lessen the threat of a major disaster.

(b) The President may provide such emergency assistance by directing Federal agencies to provide technical assistance and advisory personnel to the affected State to assist the State and local governments in

(1) the performance of essential community services; warning of further risks and hazards; public information and assistance in health and safety measures; technical advice on management and control; and reduction of immediate threats to public health and safety; and

(2) the distribution of medicine, food, and other consumable supplies, or emergency assistance.

(c) In addition, in any emergency, the President is authorized to provide assistance in accordance with section 306 of this Act and such other assistance under this Act as the President deems appropriate.

COOPERATION OF FEDERAL AGENCIES IN RENDERING DISASTER ASSISTANCE

Sec. 306. (a) In any major disaster or emergency, Federal agencies are hereby authorized, on direction of the President, to provide assistance by—

(1) utilizing or lending, with or without compensation therefor, to States and local governments, their equipment, supplies, facilities, personnel, and other resources, other than the extension of credit under the authority of any Act;

(2) distributing or rendering, through the American National Red Cross, the Salvation Army, the Mennonite Disaster Service, and other relief and disaster assistance organizations, or otherwise, medicine, food, and other consumable supplies, or emergency assistance;

(3) donating or lending equipment and supplies, including that determined in accordance with applicable laws to be surplus to the needs and responsibilities of the Federal Government, to State and local governments for use or distribution by them for the purposes of this Act; and

(4) performing on public or private lands or waters any emergency work or services essential for the protection and preservation of public health and safety, including but not limited to: search and rescue, emergency medical care, emergency mass care, emergency shelter, and provision of food, water, medicine, and other essential needs, including movement of supplies or persons; clearance of roads and construction of temporary bridges necessary to the performance of emergency tasks and essential community services; provision of temporary facilities for schools and other essential community services; demolition of unsafe structures that endanger the public; warning of further risks and hazards; public information and assistance on health and safety measures; technical advice to State and local governments on disaster management and control; reduction of immediate threats to public health and safety; and making contributions to State or local governments for the purpose of carrying out the provisions of this paragraph.

REIMBURSEMENT

Sec. 307. Federal agencies may be reimbursed for expenditures under this Act from funds appropriated for the purposes of this Act. Any funds received by Federal agencies as reimbursement for services or supplies furnished under the authority of this Act shall be deposited to the credit of the appropriation or appropriations currently available for such services or supplies.

NONLIABILITY

Sec. 308. The Federal Government shall not be liable for any claim based upon the exercise or performance of or the failure to exercise or perform a discretionary function or duty on the part of a Federal agency or an employee of the Federal Government in carrying out the provisions of this Act.

PERFORMANCE OF SERVICES

Sec. 309. (a) In carrying out the purposes of this Act, any Federal agency is authorized to accept and utilize the services or facilities of any State or local government, or of any agency, office, or employee thereof with the consent of such government.

(b) In performing any services under this Act, any Federal agency is authorized—

(1) to appoint and fix the compensation of such temporary personnel as may be necessary, without regard to the provisions of title 5, United States Code, governing appointments in competitive service;

(2) to employ experts and consultants in accordance with the provisions of section 3109 of such title without regard to the provisions of chapter 51 and subchapter III of such title relating to classification and General Schedule pay rates; and

(3) to incur obligations on behalf of the United States by contract or otherwise for the acquisition, rental, or hire of equipment, services, materials, and supplies for shipping, drayage, travel, and communications, and for the supervision and administration of such activities. Such obligations, including obligations arising out of the temporary employment of additional personnel, may be incurred by an agency when directed by the President without regard to the availability of funds.

USE OF LOCAL FIRMS AND INDIVIDUALS

Sec. 310. In the expenditure of Federal funds for debris clearance, distribution of supplies, reconstruction, and other major disaster assistance activities which may be carried out by contract or agreement with private organizations, firms, or individuals, preference shall be given, to the extent feasible and practicable to those organizations, firms, and individuals residing or doing business primarily in the disaster area.

NONDISCRIMINATION IN DISASTER ASSISTANCE

Sec. 311. (a) The President shall issue, and may alter and amend, such regulations as may be necessary for the guidance of personnel carrying out Federal assistance functions at the site of a major disaster or emergency. Such regulations shall include provisions for insuring that the distribution of supplies, the processing of applications, and other relief and assistance activities shall be accomplished in an equitable and impartial manner, without discrimination on the grounds of race, color, religion, nationality, sex, age, or economic status.

(b) As a condition of participation in the distribution of assistance or supplies under this Act or of receiving assistance under section 402 or 404 of this Act, governmental bodies and other organizations shall be required to comply with regulations relating to nondiscrimination promulgated by the Presdent, and such other regulations applicable to activities within a major disaster or emergency area as he deems necessary for the effective coordination of relief efforts.

USE AND COORDINATION OF RELIEF ORGANIZATIONS

Sec. 312. (a) In providing relief and assistance under this Act, the President may utilize, with their consent, the personnel and facilities of the American National Red Cross, the Salvation Army, the Mennonite Disaster Service, and other relief or disaster assistance organizations, in the distribution of medicine, food, supplies, or other items, and in the restoration, rehabilitation, or reconstruction of community services, housing and essential facilities, whenever the President finds that such utilization is necessary.

(b) The President is authorized to enter into agreements with the American National Red Cross, the Salvation Army, the Mennonite Disaster Service, and other relief or disaster assistance organizations under which the disaster relief activities of such organizations may be coordinated by the Federal coordinating officer whenever such organizations are engaged in providing relief during and after a major disaster, emergency. Any such agreement shall include provisions assuring that use of Federal facilities, supplies, and services will be in compliance with regulations prohibiting duplication of benefits and guaranteeeing nondiscrimination promulgated by the President under this Act, and such other regulations as the President may require.

PRIORITY TO CERTAIN APPLICATIONS FOR PUBLIC FACILITY AND PUBLIC HOUSING ASSISTANCE

Sec. 313. (a) In the processing of applications for assistance, priority and immediate consideration shall be given, during such period as the President shall prescribe by proclamation, to applications from public bodies situated in major disaster areas, under the following Acts:

(1) title II of the Housing Amendments of 1955, or any other Act providing assistance for repair, construction, or extension of public facilities;

(2) the United States Housing Act of 1937 for the provision of low-rent housing;

(3) section 702 of the Housing Act of 1954 for assistance in public works planning;

(4) section 702 of the Housing and Urban Development Act of 1965 providing for grants for public facilities;

(5) section 306 of the Consolidated Farmers Home Administration Act;

(6) the Public Works and Economic Development Act of 1965, as amended;

(7) the Appalachian Regional Development Act of 1965, as amended; or

(8) title II of the Federal Water Pollution Control Act, as amended.

(b) In the obligation of discretionary funds or funds which are not allocated among the States or political subdivisons of a State, the Secretary of Housing and Urban Development and the Secretary of Commerce shall give priority to applications for projects in major disaster areas in which a Recovery Planning Council has been designated pursuant to Title V of this Act.

INSURANCE

Sec. 314. (a) An applicant for assistance under this Act shall comply with regulations prescribed by the President to assure that, with respect to any property to be replaced, restored, repaired, or constructed with such assistance, such types and extent of insurance will be obtained and maintained as may be reasonably available, adequate, and necessary to protect against future loss to the property.

(b) No applicant for assistance under this Act shall receive such assistance for any property or part thereof for which he has previously received assistance under the Disaster Relief Act Amendments of 1974 unless all insurance required pursuant to this section has been obtained and maintained with respect to such property.

(c) A State may elect to act as a self-insurer with respect to any or all of the facilities belonging to it. Such an election, declared in writing at the time of accepting assistance under this Act or subsequently, in a manner satisfactory to the President, shall be deemed compliance with subsection (a) of this section. No such self-insurer shall receive assistance under this Act for any property or part thereof for which it has previously received assistance under the Disaster Relief Act Amendments of 1974, to the extent that insurance for such property or part thereof would have been reasonably available.

DUPLICATION OF BENEFITS

SEC. 315. (a) The President, in consultation with the head of each Federal agency administering any program providing financial assistance to persons, business concerns, or other entities suffering losses as the result of a major disaster, shall assure that no such person, business concern, or other entity will receive such assistance with respect to any part of such loss as to which he has received financial assistance under any other program.

(b) The President shall assure that no person, business concern, or other entity receives any Federal assistance for any part of a loss suffered as the result of a major disaster if such person, concern, or entity received compensation from insurance or any other source for that part of such a loss. Partial compensation for a loss or a part of a loss resulting from a major disaster shall not preclude additional Federal assistance for any part of such a loss not compensated otherwise.

(c) Whenever the President determines (1) that a person, business concern, or other entity has received assistance under this Act for a loss and that such person, business concern or other entity received assistance for the same loss from another source, and (2) that the amount received from all sources exceeded the amount of the loss, he shall direct such person, business concern, or other entity to pay to the Treasury an amount, not to exceed the amount of Federal assistance received, sufficient to reimburse the Federal Government for that part of the assistance which he deems excessive.

REVIEWS AND REPORTS

SEC. 316. The President shall conduct annual reviews of the activities of Federal agencies and State and local governments providing disaster preparedness and assistance, in order to assure maximum coordination and effectiveness of such programs, and shall from time to time report thereon to the Congress.

CRIMINAL AND CIVIL PENALTIES

SEC. 317. (a) Any individual who fraudulently or willfully misstates any fact in connection with a request for assistance under this Act shall be fined not more than $10,000 or imprisoned for not more than one year or both for each violation.

(b) Any individual who violates any order or regulation under this Act shall be subject to a civil penalty of not more than $5,000 for each violation.

(c) Whoever wrongfully misapplies the proceeds of a loan or other cash benefit obtained under any section of this Act shall be civilly liable to the Federal Government in an amount equal to one and one-half times the original principal amount of the loan or cash benefit.

AVAILABILITY OF MATERIALS

SEC. 318. The President is directed, at the request of the Governor of an affected State, to provide for a survey of construction materials needed in the disaster area on an emergency basis for replacement housing, farming operations, and business enterprises and to take appropriate action to assure the availability and fair distribution of needed materials, including, where possible, the allocation of such materials for a period of no more than 180 days after such major disaster. Any allocation program shall be implemented by the President to the extent possible, by working with and through those companies which traditionally supply construction materials in the affected area. For the purposes of this section "construction materials" shall include building materials and materials required for construction of replacement housing and for normal farm and business operations.

TITLE IV—FEDERAL DISASTER ASSISTANCE PROGRAMS

FEDERAL FACILITIES

SEC. 401. (a) The President may authorize any Federal agency to repair, reconstruct, restore, or replace any facility owned by the United States and under the jurisdiction of such agency which is damaged or destroyed by any major disaster if he determines that such repair, reconstruction, restoration, or replacement is of such importance and urgency that it cannot reasonably be deferred pending the enactment of specific authorizing legislation or the making of an appropriation for such purposes, or the obtaining of congressional committee approval.

(b) In order to carry out the provisions of this section, such repair, reconstruction, restoration, or replacement may be begun notwithstanding a lack or an insufficiency of funds appropriated for such purpose, where such lack or insufficiency can be remedied by the transfer, in accordance with law, of funds appropriated to that agency for another purpose.

(c) In implementing this section, Federal agencies shall evaluate the natural hazards to which these facilities are exposed and shall take appropriate action to mitigate such hazards, including safe land-use and construction practices, in accordance with standards prescribed by the President.

REPAIR AND RESTORATION OF DAMAGED FACILITIES

SEC. 402. (a) The President is authorized to make contributions to State or local governments to help repair, restore, reconstruct, or replace public facilities belonging to such State or local governments which were damaged or destroyed by a major disaster.

(b) The President is also authorized to make grants to help repair, restore, reconstruct, or replace private nonprofit educational, utility, emergency, medical, and custodial care facilities, including those for the aged or disabled, and facilities on Indian reservations as defined by the President which were damaged or destroyed by a major disaster.

(c) For those facilities eligible under this section which were in the process of construction when damaged or destroyed by a major disaster, the grant shall be based on the net costs of restoring such facilities substantially to their predisaster condition.

(d) For the purposes of this section, "public facility" includes any publicly owned flood control, navigation, irrigation, reclamation, public power, sewage treatment and collection, water supply and distribution, watershed development, park, or airport facility, any non-Federal-aid street, road, or highway, and any other public building, structure, or system, including those used for educational or recreational purposes.

(e) The Federal contribution for grants made under this section shall not exceed 100 per centum of the net cost of repairing, restoring, reconstructing, or replacing any such facility on the basis of the design capacity of such facility as it existed immediately prior to such disaster and in conformity with current applicable codes, specifications, and standards.

(f) In those cases where a State or local government determines that public welfare would not be best served by repairing, restoring, reconstructing, or replacing particular public facilities owned or controlled by that State or that local government which have been damaged or destroyed in a major disaster, it may elect to receive, in lieu of the contribution described in subsection (e) of this section, a contribution based on 90 per centum of the total estimated cost of restoring all damaged public facilities owned by it within its jurisdiction. Funds contributed under this subsection may be expended either to repair or restore certain selected damaged public facilities or, after due consideration of the impact on the environment, to construct new public facilities which the State or local government determines to be necessary to meet its needs for governmental services and functions in the disaster-affected area.

(g) On the application of a State or local government for which the total estimated cost of restoring all damaged public facilities owned by it within its jurisdiction is less than $25,000, the President is authorized to make a contribution to such State or local government based on 100 per centum of such total estimated cost, which may be expended either to repair or restore all such damaged public facilities, to repair or restore certain selected damaged public facilities, or to construct new public facilities which the State or local government determines to be necessary to meet its needs for governmental services and functions in the disaster-affected area.

DEBRIS REMOVAL

SEC. 403. (a) The President, whenever he determines it to be in the public interest, is authorized—

(1) through the use of Federal departments, agencies, and instrumentalities, to clear debris and wreckage resulting from a major disaster from publicly and privately owned lands and waters.

(2) to make grants to any State or local government for the purpose of removing debris or wreckage resulting from a major disaster from publicly or privately owned lands and waters.

(b) No authority under this section shall be exercised unless the affected State or local government shall first arrange an unconditional authorization for removal of such debris or wreckage from public and private property, and, in the case of removal of debris or wreckage from private property, shall first agree to indemnify the Federal Government against any claim arising from such removal.

TEMPORARY HOUSING ASSISTANCE

SEC. 404. (a) The President is authorized to provide, either by purchase or lease, temporary housing, including, but not limited to, unoccupied habitable dwellings, suitable rental housing, mobile homes or other readily fabricated dwellings for those who, as a result of a major disaster, require temporary housing. During the first twelve months of occupancy no rentals shall be established for any such accommodations, and thereafter rentals shall be established, based upon fair market value of the accommodations being furnished, adjusted to take into consideration the financial ability of the occupant. Notwithstanding any other provision of law, any such emergency housing acquired by purchase may be sold directly to individuals and *families who* are occupants thereof at prices that are fair and equitable. Any mobile home or readily fabricated dwelling shall be placed on a site complete with utilities provided either by the State or local government, or by the owner or occupant of the site who was displaced by the major disaster, without charge to the United States. However, the President may elect to provide other more economical or accessible sites or he may authorize installation of essential utilities at such sites at Federal expense when he determines such action to be in the public interest.

(b) The President is authorized to provide assistance on a temporary basis in the form of mortgage or rental payments to or on behalf of individuals and families who, as a result of financial hardship caused by a major disaster, have received written notice of dispossession or eviction from a residence by reason of foreclosure of any mortgage or lien, cancellation of any contract of sale, or termination of any lease, entered into prior to the disaster. Such assistance shall be provided for a period of not to exceed one year or for the duration of the period of financial hardship, whichever is the lesser.

(c) In lieu of providing other types of temporary housing after a major disaster, the President is authorized to make expenditures for the purpose of repairing or restoring to a habitable condition owner-occupied private residential structures made uninhabitable by a major disaster which are capable of being restored quickly to a habitable condition with minimal repairs. No assistance provided under this section may be used for major reconstruction or rehabilitation of damaged property.

(d)(1) Notwithstanding any other provision of law, any such temporary housing acquired by purchase may be sold directly to individuals and families who are occupants of temporary housing at prices that are fair and equitable, as determined by the President.

(2) The President, may sell or otherwise make available temporary housing units directly to States, other governmental entities, and voluntary organizations. The President shall impose as a condition of transfer under this paragraph a covenant to comply with the provisions of section 311 of this Act requiring nondiscrimination in occupancy of such temporary housing units. Such disposition shall be limited to units purchased under the provisions of subsection (a) of this section and to the purposes of providing temporary housing for disaster victims in emergencies or in major disasters.

PROTECTION OF ENVIRONMENT

SEC. 405. No action taken or assistance provided pursuant to section 305, 306, or 403 of this Act, or any assistance provided pursuant to section 402 of this Act that has the effect of restoring facilities substantially as they existed prior to the disaster, shall be deemed a major Federal action significantly affecting the quality of the human environment within the meaning of the National Environmental Policy Act of 1969 (83 Stat. 852).

MINIMUM STANDARDS FOR PUBLIC AND PRIVATE STRUCTURES

SEC. 406. As a condition of any disaster loan or grant made under the provisions of this Act, the recipient shall agree that any repair or construction to be financed therewith shall be in accordance with applicable standards of safety, decency, and sanitation and in conformity with applicable codes, specifications, and standards, and shall furnish such evidence of compliance with this section as may be required by regulation. As a further condition of any loan or grant made under the provision of this Act, the State or local government shall agree that the natural hazards in the areas in which the proceeds of the grants or loans are to be used shall be evaluated and appropriate action shall be taken to mitigate such hazards, including safe-land use and construction practices, in accordance with standards prescribed by the President after adequate consultation with the appropriate elected officials of general purpose local governments, and the State shall furnish such evidence of compliance with this section as may be required by regulation.

UNEMPLOYMENT ASSISTANCE

SEC. 407. (a) The President is authorized to provide to any individual unemployed as a result of a major disaster such assistance as he deems appropriate while such individual is unemployed. Such assistance as the President shall provide shall be available to individuals not otherwise eligible for unemployment compensation and individuals who have otherwise exhausted their eligibility for such unemployment compensation, and shall continue as long as unemployment caused by the major disaster continues or until the individual is reemployed in a suitable position, but no longer than one year after the major disaster is declared. Such assistance shall not exceed the maximum weekly amount authorized under the unemployment compensation program of the State in which the disaster occurred, and the amount of assistance under this section to any such individual shall be reduced by any amount of unemployment compensation or of private income protection insurance compensation available to such individual for such period of unemployment. The President is directed to provide such assistance through agreements with States which, in his judgment, have an adequate system for administering such assistance through existing State agencies.

(b) As used in this section,

(1) the phrase "not otherwise eligible for unemployment compensation" means not eligible for compensation under any State or Federal unemployment compensation law (including the Railroad Unemployment Insurance Act (45 U.S.C. 351 et seq.)) with respect to such week of unemployment; and

(2) the phase "exhausted their eligibility for such unemployment compensation" means exhausted all rights to regular, additional, and extended compensation under all State employment compensation laws and chapter 85 of title 5, United States Code, and has no further rights to regular, additional, or extended compensation under any State or Federal unemployment compensation law (including the Railroad Unemployment Insurance Act (45 U.S.C. 351 et seq.)) with respect to such week of unemployment.

(c) The President is further authorized for the purposes of this Act to provide reemployment assistance services under other laws to individuals who are unemployed as a result of a major disaster.

EXTRAORDINARY DISASTER EXPENSE GRANTS

SEC. 408. (a) The President is authorized to make grants to States to provide financial assistance to persons adversely affected by a major disaster who are unable to meet extraordinary disaster-related expenses or needs. Such grants shall be made for use only in cases where assistance under other provisions of this Act or other appropriate laws, or other means, is insufficient to allow persons to meet such expenses or needs.

(b) The amount of funds to be granted under this section shall not exceed 75 per centum of the actual cost of providing assistance pursuant to subsection (a) of this section.

(c) The Governor or his designated representative shall be responsible for administering the grant program authorized by this section. An initial advance may be provided which shall not exceed 25 per centum of the estimated Federal funds required to implement the purposes of this section.

(d) The President shall promulgate regulations that shall include national criteria, standards, and procedures for the determination of eligibility and the administration of individual assistance grants made under this section. No family shall receive grants under this section which total in excess of $5,000. Grants shall be made only during the period for which the major disaster has been declared.

(e) Not more than 3 per centum of the total grant provided to an affected State shall be utilized for administrative purposes.

(f) Administration of this grant program shall be subject to Federal audit for purposes of determining whether the criteria, standards, and procedures required by subsection (d) have been complied with.

FOOD COUPONS AND DISTRIBUTION

SEC. 409. (a) Whenever the President determines that, as a result of a major disaster, low-income households are unable to purchase adequate amounts or nutritious food, he is authorized, under such terms and conditions as he may prescribe, to distribute through the Secretary of Agriculture or other appropriate agencies coupon allotments to such households pursuant to the provisions of the Food Stamp Act of 1964 and to make surplus commodities available pursuant to the provisions of this Act.

(b) The President, through the Secretary of Agriculture or other appropriate agencies, is authorized to continue to make such coupon allotments and surplus commodities available to such households for so long as he determines necessary, taking into consideration such factors as he deems appropriate, including the consequences of the major disaster on the earning power of the households to which assistance is made available under this section.

(c) Nothing in this section shall be construed as amending or otherwise changing the provisions of the Food Stamp Act of 1964 except as they relate to the availability of food stamps in a major disaster area.

FOOD COMMODITIES

SEC. 410. (a) The President is authorized and directed to assure that adequate stocks of food will be readily and conveniently available for emergency mass feeding or distribution in any area of the United States which suffers a major disaster or emergency.

(b) The Secretary of Agriculture shall utilize funds appropriated under section 32 of the Act of August 24, 1935 (7 U..C. 612c), to purchase food commodities necessary to provide adequate supplies for use in any area of the United States in the event of a major disaster or emergency in such area.

RELOCATION ASSISTANCE

SEC. 411. Notwithstanding any other provision of law, no person otherwise eligible for any kind of replacement housing payment under the "Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970" (Public Law 91–646) shall be denied such eligibility as a result of his being unable, because of a major disaster as determined by the President, to meet the occupancy requirements set by such Act.

LEGAL SERVICES

SEC. 412. Whenever the President determines that low-income individuals are unable to secure legal services adequate to meet their needs as a consequence of a major disaster, he shall assure the availability of such legal services as may be needed by these individuals because of conditions created by a major disaster. Whenever feasible, and consistent with the goals of the program authorized by this section, the President shall assure that the programs are conducted with the advice and assistance of appropriate Federal agencies and State and local bar associations.

CRISIS COUNSELING ASSISTANCE AND TRAINING

SEC. 413. The President is authorized (through the National Institute of Mental Health) to provide professional counseling services, including financial assistance to

State or local agencies or private mental health organizations to provide such services or training of disaster workers, to victims of major disasters in order to relieve mental health problems caused or aggravated by the disaster or its aftermath.

COMMUNITY DISASTER LOANS

SEC. 414. (a) The President is authorized to make disaster loans to any local government which may suffer a substantial loss of tax and other revenues as a result of a major disaster, and has demonstrated a need for financial assistance in order to perform its governmental functions. The amount of any such disaster loan shall be based on need, and shall not exceed 25 per centum of the annual operating budget of that local government for the fiscal year in which the major disaster occurs. The President is authorized to cancel repayment of all or any part of such disaster loan to the extent that revenues of the local government during the three-full fiscal year period following the disaster are insufficient to meet the operating budget of the local government, including additional disaster-related expenses of a municipal operation character.

(b) Any disaster loans made under this section shall not reduce or otherwise affect any grants or other assistance under this Act.

(c)(1) Subtitle C of title I of the State and Local Fiscal Assistance Act of 1972 is amended by adding at the end thereof the following new section:

"SEC. 145. ENTITLEMENT FACTOR AFFECTED BY MAJOR DISASTERS

"In the administration of this title the Secretary shall disregard any change in data in determining the entitlement of a State government or a unit of local government for a period of 60 months if that change—

"(1) results from a major disaster determined by the President under section 102 of the Disaster Relief Act Amendments of 1974, and

"(2) reduces the amount of the entitlement of that State government or unit of local government.".

(2) The amendment made by this section takes effect on April 1, 1974.

EMERGENCY COMMUNICATIONS

SEC. 415. The President is authorized during, or in anticipation of, an emergency or major disaster to establish temporary communications systems and to make such communications available to State and local government officials and other persons as he deems appropriate.

EMERGENCY PUBLIC TRANSPORTATION

SEC. 416. The President is authorized to provide temporary public transportation service in a major disaster area to meet emergency needs and to provide transportation to governmental offices, supply centers, stores, post offices, schools, major employment centers, and such other places as may be necessary in order to enable the community to resume its normal pattern of life as soon as possible.

FIRE SUPPRESSION GRANTS

SEC. 417. The President is authorized to provide assistance, including grants, equipment, supplies, and personnel, to any State for the suppression of any fire on publicly or privately owned forest or grassland which threatens such destruction as would constitute a major disaster.

TIMBER SALE CONTRACTS

SEC. 418. (a) Where an existing timber sale contract between the Secretary of Agriculture or the Secretary of the Interior and a timber purchaser does not provide relief from major physical change not due to negligence of the purchaser prior to approval of construction of any section of specified road or of any other specified development facility and, as a result of a major disaster, a major physical change results in additional construction work in connection with such road or facility by such purchaser with an estimated cost, as determined by the appropriate Secretary, (1) of more than $1,000 for sales under one million board feet, (2) of more than $1 per thousand board feet for sales of one to three million board feet, or (3) of more than $3,000 for sales over three million board feet, such increased construction cost shall be borne by the United States.

(b) If the appropriate Secretary determines that damages are so great that restoration, reconstruction, or construction is not practical under the cost-sharing arrangement authorized by subsection (a) of this section, he may allow cncellation of a contract entered into by his Department notwithstanding contrary provisions therein.

(c) The Secretary of Agriculture is authorized to reduce to seven days the minimum period of advance public notice required by the first section of the Act of June 4, 1897 (16 U.S.C. 476), in connection with the sale of timber from national forests, whenever the Secretary detemines that (1) the sale of such timber will assist in the construction of any area of State damaged by a major disaster, (2) the sale of such timber will assist in sustaining the economy of such area, or (3) the sale of such timber is necessary to salvage the value of timber damaged in such major disaster or to protect undamaged timber.

(d) The President, when he determines it to be in the public interest, is authorized to make grants to any State or local government for the purpose of removing from privately owned lands timber damaged as a result of a major disaster, and such State or local government is authorized upon application, to make payments out of such grants to any person for reimbursement of expenses actually incurred by such person in the removal of damaged timber, not to exceed the amount that such expenses exceed the salvage value of such timber.

TITLE V—ECONOMIC RECOVERY FOR DISASTER AREAS

SEC. 501. The Public Works and Economic Development Act of 1965, as amended, is amended by adding at the end thereof the following new title:

"TITLE VIII—ECONOMIC RECOVERY FOR DISASTER AREAS

"PURPOSES OF TITLE

"SEC. 801. It is the purpose of this title to provide assistance for the economic recovery, after the period of emergency aid and replacement of essential facilities and services, of any major disaster area which has suffered a dislocation of its economy of sufficient severity to require (a) assistance in planning for development to replace that lost in the disaster; (b) continued coordination of assistance available under Federal-aid programs; and (c) continued assistance toward the restoration of the employment base.

"DISASTER RECOVERY PLANNING

"SEC. 802. (a)(1) In the case of any major disaster area which the Governor has determined requires assistance under this title and for which he has requested such assistance, the Governor, within thirty days after authorization of such assistance by the President, shall designate a Recovery Planning Council for such area or for each part thereof.

"(2) Such Council shall be composed of not less than five members, a majority of whom shall be local elected officials of political subdivisions within the affected areas, at least one representative of the State, and a representative of the Federal Government. During the period for which the major disaster is declared, the Federal coordinating officer shall also serve on the Council.

"(3) The Federal representative on such Council may be the Chairman of the Federal Regional Council for the affected area, or a member of the Federal Regional Council designated by the Chairman. The Federal representative on such Council may be the Federal Co-Chairman of the Regional Commission established pursuant to title V of the Public Works and Economic Development Act, or the Appalachian Regional Development Act, or his designee, where all of the affected area is within the boundaries of such Commission.

"(4) The Governor may designate an existing multijurisdictional organization as the Recovery Planning Council where such organization complies with paragraph (2) of this subsection with the addition of State and Federal representatives. Where possible, the organization designated as the Recovery Planing Council shall be or shall be subsequently designated as the clearinghouse required by Office of Management and Budget Circular RA-95.

"(5) The Recovery Planning Council shall include private citizens as members to the extent feasible, and shall provide for and encourage public participation in its deliberations and decisions.

"(b) The Recovery Planning Council (1) shall review existing development, land use and other plans for the affected area; (2) may make such revisions as it determines necessary for the economic recovery of the area, including the development of new plans and the preparation of a recovery investment plan for the five-year period following the declaration of the disaster; and (3) may make recommendations for such revisions and the implemention of such plans to the Governor and responsible local governments. The Council shall accept as one element of the recovery investment plan determinations made under section 402(f) of the Disaster Relief Act Amendments of 1974.

"(c)(1) A recovery investment plan prepared by a Recovery Planning Council may recommend the revision, delegation, reprograming, or additional approval of Federal-aid projects and programs within the area—

"(A) for which application has been made but approval not yet granted;

"(B) funds have been obligated or approval granted but construction not yet begun;

"(C) for which funds have been or are scheduled to be apportioned within the five years after the declaration of the disaster;

"(D) which may otherwise be available to the area under any State schedule or revised State schedule of priorities; or

"(E) which may reasonably be anticipated as becoming available under existing programs.

"(2) Upon the recommendation of the Recovery Planning Council and the request of the Governor, any funds for projects or programs identified pursuant to paragraph (1) of this subsection may be placed in reserve by the responsible Federal agency for use in accordance with such recommendations. Upon the request of the Governor and with the concurrence of affected local governments, such funds may be transferred to the Recovery Planning Council to be expended in the implementation of the recovery investment plan.

"PUBLIC WORKS AND DEVELOPMENT FACILITIES GRANTS AND LOANS

"SEC. 803. (a) The President is authorized to provide funds to any Recovery Planning Council for the implementation of a recovery investment plan by public bodies. Such funds may be used—

"(1) to make loans for the acquisition or development of land and improvement facility usage, including the acquisition or development of parks or open spaces, and the acquisition, construction, rehabilitation, alteration, expansion, or improvement of such facilities, including related machinery and equipment, and

"(2) to make supplementary grants to increase the Federal share for projects for which funds are reserved pursuant to subsection (c) of section 802 of this Act, or other Federal-aid projects in the affected area.

"(b) Grants and loans under this section may be made to any State, local government, or private or public nonprofit organization representing any major disaster area or part thereof.

"(c) No supplementary grant shall increase the Federal share of the cost of any project to greater than 90 per centum, except in the case of a grant for the benefit of Indians or Alaska Natives, or in the case of any State or local government which the President determines has exhausted its effective taxing and borrowing capacity.

"(d) Loans under this section shall bear interest at a rate determined by the Secretary of the Treasury taking into consideration the current average market yield on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the average maturities of such loans, adjusted to the nearest one-eighth of 1 per centum, less 1 per centum per annum.

"(e) Financial assistance under this title shall not be extended to assist establishments relocating from one area to another or to assist subcontractors whose purpose is to divest, or whose economic success is dependent upon divesting, other contractors or subcontractors of contracts therefore customarily performed by them: *Provided however*, That such limitations shall not be construed to prohibit assistance for the expansion of an existing business entity through the establishment of a new branch, affiliate, or subsidiary of such entity if the Secretary of Commerce finds that the establishment of such branch, affiliate, or subsidiary will not result in an increase in unemployment of the area of original location or in any other area where such entity conducts business operations, unless the Secretary has reason to believe that such branch, affiliate, or subsidiary is being established with the intention of closing down the operations of the existing business entity in the area of its original location or in any other area where it conducts such operations.

"LOAN GUARANTEES

"SEC. 804. The President is authorized to provide funds to Recovery Planning Councils to guarantee loans made to private borrowers by private lending institutions (1) to aid in financing any project within a major disaster area for the purchase or development of land and facilities (including machinery and equipment) for industrial or commercial usage including the construction of new buildings, and rehabilitation of abandoned or unoccupied buildings, and the alteration, conversion, or enlargement of existing buildings: and (2) for working capital in connection with projects in major disaster areas assisted under paragraph (1) hereof, upon application of such institution and upon such terms and conditions as the President may prescribe: *Provided, however*, That no such guarantee shall at any time exceed 90 per centum of the amount of the outstanding unpaid balance of such loan.

"TECHNICAL ASSISTANCE

"SEC. 805. (a) In carrying out the purposes of this title the President is authorized to provide technical assistance which would be useful in facilitating economic recovery in major disaster areas. Such assistance shall include project planning and feasibility studies, management and operational assistance, and studies evaluating the needs of, and developing potentialities for, economic recovery of such areas. Such assistance may be provided by the President through members of the staff, through the payment of funds authorized for this title to other departments or agencies of the Federal Government, through the employment of private individuals, partnerships, firms, corporations, or suitable institutions, under contracts entered into for such purposes, or through grants-in-aid to appropriate public or private nonprofit State, area, district, or local organizations.

"(b) The President is authorized to make grants to defray not to exceed 75 per centum of the administrative expenses of Recovery Planning Council's established pursuant to section 802 of this Act. In determining the amount of the non-Federal share of such costs or expenses, the President shall give due consideration to all contributions both in cash and in kind, fairly evaluated, including but not limited to space, equipment, and services. Where practicable, grants-in-aid authorized under this subsection shall be used in conjunction with other available planning grants, authorized under the Housing Act of 1954, as amended, and highway planning and research grants authorized under the Federal-aid Highway Act of 1962, to assure adequate and effective planning and economical use of funds.

"DISASTER RECOVERY REVOLVING FUND

"SEC. 806. Funds obtained by the President to carry out this title and collections and repayments received under this title shall be deposited in a disaster recovery revolving fund (hereunder referred to as the "fund"), which is hereby established in the Treasury of the United States, and which shall be available to the President for the purpose of extending financial assistance under this title, and for the payment of all obligations and expenditures arising in connection therewith. There are authorized to be appropriated to carry out this title not to exceed $200,000,000 to establish such revolving fund and such sums as may be necessary to replenish it on an annual basis. The fund shall pay into miscellaneous receipts of the Treasury, following the close of each fiscal year, interest on the amount of loans outstanding under this title computed in such manner and at such rate as may be determined by the Secretary of the Treasury, taking into consideration the current average market yield on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the average maturities of such loans, adjusted to the nearest one-eighth of 1 per centum, during the month of June preceding the fiscal year in which the loans were made."

TITLE VI—MISCELLANEOUS

TECHNICAL AMENDMENTS

AUTHORITY TO PRESCRIBE RULES

SEC. 601. The President may prescribe such rules and regulations as may be necessary and proper to carry out any of the provisions of this Act, and he may exercise any power or authority conferred on him by any section of this Act either directly or through such Federal agency or agencies as he may designate.

SEC. 602. (a) Section 701(a)(3)(B)(ii) of the Housing Act of 1954 (40 U.S.C. 461(a)(3)(B)(ii)) is amended to read as follows: "(ii) have suffered substantial damage as a result of a major disaster as determined by the President pursuant to the Disaster Relief Act Amendments of 1974".

(b) Section 8(b)(2) of the National Housing Act (12 U.S.C. 1706c(b)(2)) is amended by striking out the last proviso "section 102(1) of the Disaster Relief Act of 1970" and inserting in lieu thereof "section 102(b) and 301 of the Disaster Relief Act Amendments of 1974".

(c) Section 203(h) of the National Housing Act (12 U.S.C. 1709(h)) is amended by striking out "section 102(1) of the Disaster Relief Act of 1970" and inserting in lieu thereof "section 102(b) and 301 of the Disaster Relief Act Amendments of 1974".

(d) Section 221(f) of the National Housing Act (12 U.S.C. 17151(f)) is amended by striking out of the last paragraph "the Disaster Relief Act of 1970" and inserting in lieu thereof "the Disaster Relief Act Amendments of 1974".

(e) Section 7(a)(1)(A) of the Act of September 30, 1950 (Public Law 874, Eighty-first Congress, as amended; 20 U.S.C. 241–1 (a)(1)(A)), is amended by striking out "pursuant to section 102(1) of the Disaster Relief Act of 1970" and inserting in lieu thereof "pursuant to sections 102(b) and 301 of the Disaster Relief Act Amendments of 1974".

(f) Section 16(a) of the Act of September 23, 1950 (79 Stat. 1158; 20 U.S.C. 646(a)) is amended by striking out "section 102(1) of the Disaster Relief Act of 1970" and inserting in lieu thereof "section 102(b) and 301 of the Disaster Relief Act Amendments of 1974".

(g) Section 408(a) of the Higher Education Facilities Act of 1963 (20 U.S.C. 758(a)) is amended by striking out "section 102 (1) of the Disaster Relief Act of 1970" and inserting in lieu thereof "section 102(b) and 301 of the Disaster Relief Act Amendments of 1974".

(h) Section 165(h)(2) of the Internal Revenue Code of 1954, relating to disaster losses (26 U.S.C 165(h)(2)) is amended to read as follows:

"(2) occurring in an area subsequently determined by the President of the United States to warrant assistance by the Federal Government under the Disaster Relief Act Amendments of 1974,".

(i) Section 5064(a) of the Internal Revenue Code of 1954 (26 U.S.C. 5064(a)), relating to losses caused by disaster, is amended by striking out the Disaster Relief Act of 1970" and inserting in lieu thereof "the Disaster Relief Act Amendments of 1974".

(j) Section 5708(a) of the Internal Revenue Code of 1954 (26 U.S.C. 5708(a)), relating to losses caused by disaster, is amended by striking out "the Disaster Relief Act of 1970" and inserting in lieu thereof "the Disaster Relief Act Amendments of 1974".

(k) Section 3 of the Act of June 30, 1954 (68 Stat. 330; 48 U.S.C. 1681.), is amended by striking out of the last sentence "section 102(1) of the Disaster Relief Act of 1970" and inserting in lieu thereof "section 102(b) and 301 of the Disaster Relief Act Amendments of 1974".

(l) Section 1820(f) of title 38, United States Code (80 Stat. 1316, as amended by 84 Stat. 1753), is amended by striking "the Disaster Assistance Act of 1970" and inserting in lieu thereof "The Disaster Relief Act Amendment of 1974".

(m) Whenever reference is made in any provision of law (other than this Act), regulation, rule, record, or document of the United States to the Disaster Relief Act of 1970 (84 Stat. 1744), or any provision of such Act, such reference shall be deemed to be a reference to the Disaster Relief Act Amendments of 1974 or to the appropriate provision of the Disaster Relief Act Amendments of 1974 unless no such provision is included therein.

REPEAL OF EXISTING LAW

SEC. 603. The Disaster Relief Act of 1970, as amended (84 Stat. 1744), is hereby repealed, except sections 231, 232, 233, 234, 235, 236, 237, 301, 302, 303, and 304. Notwithstanding such repeal the provisions of the Disaster Relief Act of 1970 shall continue in effect with respect to any major disaster declared prior to the enactment of this Act.

PRIOR ALLOCATION OF FUNDS

SEC. 604. Funds heretofore appropriated and available under Public Laws 91–606, as amended, and 92–385 shall continue to be available for the purpose of completing commitments made under those Acts as well as for the purposes of this Act. Commitments for disaster assistance and relief made prior to the enactment of this Act shall be fulfilled.

EFFECTIVE DATE

SEC. 605. This Act shall take effect as of April 1, 1974.

AUTHORIZATION

SEC. 606. Such funds as may be necessary are hereby authorized to be appropriated to the President to carry out the purposes of this Act.

DISASTER RELIEF ACT AMENDMENTS OF 1974

(REPT. No. 93-778)

[To accompany S. 3062]

The Committee on Public Works, to which was referred the bill (S. 3062) the Disaster Relief Act Amendments of 1974, having considered the same, reports favorably thereon with an amendment and recommends that the bill (as amended) do pass.

GENERAL STATEMENT

The comprehensive Disaster Relief Act of 1970 has been more frequently and extensively applied during the three years of its existence than any similar previous legislation. The President declared 111 major disasters in 41 different States. In 1973, 46 major disasters covering about one-fourth of all United States counties in 31 States necessitated Federal help of some type to more than 75,000 families.

Although certain features of the 1970 Act have been criticized, the basic pattern of public and private assistance it provided has received wide support. The President's report to Congress on May 14, 1973, and the Administration-sponsored bill (S. 1840), while urging increased responsibility in disaster relief for the States and proposing several significant departures from the present system, recommended retaining many provisions of the 1970 Act with little or no change.

The majority of those who testified before the Disaster Relief Subcommittee during extensive hearings last year favored continuance of many of its programs. At the same time recommendations were made to modify, expand or curtail certain features which have contributed to the formulation of this bill.

Members of the Committee believe that the 1970 Act should be updated and strengthened, certain benefits should be modified, and several new provisions should be added.

The more significant amendments proposed by the Committee in S. 3062 include: (1) redefining "major disaster" to include additional causes for disasters and permitting a distinction between major disasters and those of lesser impact; (2) strengthening provisions for disaster planning, preparedness, and mitigation; (3) requiring acquisition of any available insurance to protect against future disaster losses any property repaired or restored with Federal assistance; (4) imposing civil and criminal penalties for violations of U.S. disaster relief laws; (5) authorizing Presidential assistance in allocating scarce building materials needed in major disaster areas; (6) authorizing 100% grants for repairing or reconstructing public educational and recreational facilities (in addition to other public facilities) and private, non-profit medical and educational facilities and utilities damaged by major disasters, and permitting State and local governments the option of 90% grants with greater administrative flexibility for damaged public facilities; (7) allowing direct expenditures for restoration of damaged homes to habitable condition; (8) creating a grant program to States for financial assistance for the extraordinary needs of disaster victims; (9) directing the procurement of food commodities for distribution in major disasters areas; (10) authorizing loans (subject to later forgiveness in part or whole) not to exceed 25% of annual operating budgets to local governments suffering revenue losses and in financial need because of major disasters; (11) providing professional counseling, training and services for mental health problems caused or aggravated by a disaster; and (12) establishing a new, long-range economic recovery program for major disaster areas.

It was the Committee's intention to legislation on the general subject of disaster relief in the near future. A meeting of the Subcommittee on Disaster Relief had been scheduled for April 9 prior to the terrible events that took place on April 4 when tornadoes struck in the Mid-west and South.

The tragic loss of life and widespread devastation which took place re-emphasized the need for swift action. The Chairman and Ranking Minority Member of the Subcommittee, Senators Burdick and Domenici, together with the Ranking Minority Member of the Committee, Senator Baker, made on-the-scene inspection of the disaster damage and recovery effort in Tennessee, Kentucky, Indiana and Ohio on April 5 and 6. Meetings were held with Senators and staff from affected States and with Secretary James T. Lynn of the Department of Housing and Urban Development on April 8. The legislation was considered and reported by the Committee on April 9.

The speed with which the Committee was able to act is directly attributable to the months of painstaking effort that went into the review of the program. While the Committee was able to act with dispatch, its action was in no way hasty.

To insure that the widest possible benefits and assistance will be made available to the people of the areas damaged by the recent tornadoes, this bill provides for its taking effect as of April 1, 1974.

HEARINGS

At the outset of the 93rd Congress, the Senate Committee on Public Works agreed that a review of the Federal role in providing disaster assistance was justified. Both the number of and loses inflicted by major disasters have risen remarkably in the last few years. It was also expected that recommendations would be made by the Administration for revising some of the programs.

The Subcommittee on Disaster Relief conducted an inquiry during the last nine months on the adequacy, cost, and effectiveness of such assistance. Special attention was devoted to an examination of the benefits provided by the Disaster Relief Act of 1970 (as amended) and the administration of that law in more than 100 major disasters.

Field hearings were held in four cities subjected to severe losses in recent major disasters: Biloxi, Mississippi (March 24, 1973); Rapid City, South Dakota (March 30-31, 1973); Wilkes-Barre, Pennsylvania (May 11-12, 1973); and Elmira, New York (June 1-2, 1973). Testimony on the Administration-sponsored bill (S. 1840) and on other proposed relief measures was received during three days of hearings in Washington (September 11-13, 1973), and a fourth day was devoted to reviewing S. 3062 (March 6, 1974).

More than 300 witnesses testified in person at these hearings and nearly 90 others submitted statements for the record, which totaled over 2,800 pages. Among those appearing before the Subcommittee were members of Congress, State legislators, Federal, State and local officials involved in administering disaster relief, representatives from various private relief organizations and interest groups, and many private citizens. These spokesmen from different sections of the country presented a cross-section of widely diversified groups and opinions and enabled members to raise relevant questions about the quantity and quality of disaster assistance.

MAJOR NEW PROVISIONS OF S. 3062

1. Disasters and Major Disasters Distinguished (Section 102)

Under present law a Presidential declaration of a major disaster at the request of a State Governor automatically "triggers" all benefits authorized by Federal disaster legislation. There are emergency situations, however, in which only limited aid is required.

To make it more practicable to extend help during lesser emergencies, the definition of major disaster is amended to create a new "emergency" category. This will permit such aid as technical assistance, advisory personnel, equipment, food, other supplies, personnel, medical care, and other essentials to be provided.

In accordance with this new definition, various sections of the bill refer only to emergency activities and do not contemplate providing other benefits unless a major disaster is declared by the President.

2. Disaster Preparedness Assistance (Sections 201 and 202)

Both the 1969 and 1970 Disaster Relief Acts authorized 50 percent matching grants not to exceed $250,000 per state to assist them in developing comprehensive plans and programs to combat major disasters. For various reasons, the States have not fully utilized this aid; fourteen States received a total of $217,000 in Federal disaster planning funds during the 15 months the 1969 law was operative, while eleven States have been granted $712,000 under the 1970 law. Only one State (California) has so far used the entire $250,000 apportionment. To encourage greater participation, Title II of the bill authorizes an outright, one-time grant of up to $250,000 for each State without required matching funds.

The President is empowered to establish a Federal disaster preparedness program using the services of all appropriate agencies to develop plans for disaster mitigation, warning systems, emergency operations, rehabilitation, and recovery and to conduct such activities as disaster training, coordination, research, evaluation, and statutory revision. He is also authorized to provide technical assistance to the States in developing their plans (including hazard reduction and mitigation), and for their assistance and recovery programs.

Any State receiving a $250,000 planning grant must submit, through an agency designated for that purpose, a comprehensive disaster preparedness program to the President which sets forth provisions for both emergency and permanent assistance and provides for the appointment and training of appropriate staff and *for the formulation of* necessary regulations and procedures.

The existing statutory provision for continuous revision and updating of disaster assistance plans, authorizing annual 50 percent matching grants not in excess of $25,000 to each State, is retained.

3. Insurance (section 314)

The increased Federal costs of providing disaster assistance in recent years, especially to the private sector, has focused attention on the need for more extensive insurance coverage against losses caused by natural hazards. It seems reasonable to expect property owners to purchase basic protection against such losses through any reasonably available insurance.

The bill stipulates that insurance adequate to protect against future loss must be obtained for any disaster-damaged property which has been replaced, restored, repaired, or constructed with Federal disaster funds. Unless such insurance is secured, no applicant for Federal assistance can receive aid for any damage to his property in future major disasters. State governments may elect to provide self-insurance on their public facilities. States which choose to act as self-insurers will not be eligible for disaster assistance because of damage to property on which they previously received aid.

4. Criminal and Civil Penalties (Section 317)

Previously enacted disaster relief acts have not provided specific penalties for those who wilfully failed to comply with their provisions.

The bill provides for a fine of not more than $10,000 or imprisonment for not more than one year, or both, for persons who wilfully make fraudulent claims. Anyone wrongfully applying the proceeds of any loan or cash benefit would be civilly liable for one and one-half times the original principal of any loan or cash benefit.

5. Availability and Distribution of Materials (Section 318)

At the request of the Governor of a State suffering damage caused by a major disaster, the President is authorized and directed to provide for a survey of the construction materials needed in the major disaster area for housing, farming operations and business enterprises and to take appropriate action to insure the availability and fair distribution of such materials for a period not to exceed 180 days. To the extent possible, the President is directed to implement any allocation program through companies which customarily supply construction materials in the affected area.

6. Repair and Restoration of Damaged Facilities (Section 402)

S. 3062 provides that assistance for damaged or destroyed public facilities can be provided under one of two plans at the option of eligible State or local governments. Grants may be made not to exceed 100 percent of cost for repair or reconstruction on a project-by-project basis, as authorized by current law or a Federal contribution based on 90 percent of the total estimated cost of restoring all damaged public facilities within its jurisdiction could be used to repair or restore selected facilities or to construct new ones. This will permit State or local choice as to reconstruction on a Federally-audited project-by-project basis, or with much greater freedom to construct with a minimum of Federal control the facilities it deems best for government functions in the area. In those jurisdictions incurring public facility damages totaling no more than $25,000, a block grant based on 100 percent of the total cost for repairing or reconstructing those facilities would be made.

Public educational and recreational facilities would also be eligible for grants. Since 1965, public elementary and secondary schools have received Federal funds for this purpose through Office of Education budgets. When such assistance was extended in 1966 (P.L. 89-279) to cover facilities used for public higher education, and in 1972 (P.L. 92-385) to non-profit private educational institutions, administration and funding of the program was given to the Office of Emergency Preparedness (now in FDAA). This bill vests authority in the President and provides funds from the same source—the President's emergency fund. It includes private non-profit educational, emergency, medical custodial care, and utility facilities—the latter being rural electrification and telephone membership cooperatives.

The 1970 Act expressly excluded from the disaster grant program public facilities used solely for park and recreational purposes. Many local officials and other witneses have requested the removal of this restriction. There seems to be no valid reason for treating such facilities differently, and the Committee has, therefore, included for assistance public parks and recreation areas. In the case of these newly eligible facilities, the Committee recognizes that while repair and reasonable reconstruction may always be desirable, complete restoration or replacement may be impractical—as in the case of a mature forest. The Committee expects the FDAA to exercise discretion in committing Federal funds to the restoration of parks, insofar as practical, but within reasonable limits taking into account the value of the investment to the affected area.

7. Temporary housing (section 404)

Temporary housing for disaster relief victims has been authorized for several years. Assistance can now be provided by using available Federal property, renting or purchasing vacant residential units, or employing mobile or other prefabricated homes.

In the summer of 1972 a new program of minimal basic repairs to partially-damaged homes was begun after disastrous flooding in the Wilkes-Barre area. If a damaged home could be made habitable in a relatively short period with limited expenditures, such repairs were performed without charge to the owners as a substitute for other temporary housing which the Federal government might have otherwise provided.

Although this action was taken under a broad interpretation of present law, it is preferable to establish the program specifically by statute. Accordingly, S. 3062 authorizes the President to make expenditures for such "mini-repairs" to restore owner-occupied private residential structures to a habitable condition, but such assistance may not be used for major reconstruction or rehabilitation of damaged property.

S. 3062 also authorizes the President to sell, or otherwise make available for disaster relief purposes, temporary housing units directly to States, other governmental entities and private voluntary organizations. At present such units may be disposed of only through the General Services Administration when declared to be in excess supply.

8. Extraordinary disaster expense grants (section 408)

S. 3062 authorizes the President to make grants to States of 75 percent of the actual cost of providing direct financial assistance to persons adversely affected by a major disaster. These grants are available to meet extraordinary disaster-related expenses or needs which are not provided for under this Act, under other programs, or by private means. Aid is limited to a maximum of $5,000 for each family, and is to be administered by the Governor (or his designated representative) according to national criteria, standards and procedures established by the President. Aid for this purpose should be related to financial need and to actual disaster expenses and losses of disaster victims. An advance payment of 25 percent of the estimated required Federal funds can be made to a State and the Committee expects that this will be done promptly so that States may implement the cash grants to families without delay.

9. Unemployment assistance (section 407)

Federal funds have been available since the Disaster Relief Act of 1969 for assistance to persons not adequately covered by unemployment insurance who are out of work because of a major disaster. Such individuals can now receive payments to the extent such payments do not exceed the maximum amount or the duration of compensation provided by the regular unemployment insurance system of the State in which the disaster occurs. Duplication of benefits is not possible because regular unemployment insurance payments, if any, must be deducted from those made for unemployment resulting from a disaster. It does, however, enable workers whose jobs are not included in the regular compensation system to be protected.

Changes in the administration and in the maximum benefit period of the program are proposed by the new bill. The Disaster Relief Acts of 1969 and 1970 both authorized unemployment assistance payments to be made by the President directly to the disaster victim. In view of the fact that competent agencies exist in every State to administer State unemployment insurance systems, and that payments for disaster purposes are closely connected by law and regulation to those systems, obvious advantages can be gained by using the services and personnel of those established State agencies. The bill authorizes the President to provide disaster unemployment compensation through agreements with States which, in his judgment, have adequate systems for administering the program.

Because unemployment compensation is provided by law in most States for a maximum of 26 weeks, those who lose their jobs because of a major disaster are now restricted to a like period for the duration of such payments. The Congress in recent years has authorized extended payments under certain conditions, and extended payments have been recommended by the Administration for certain purposes. Persons unemployed because of a disaster have not, however, been considered eligible under the Disaster Relief Act for extended compensation beyond the maximum period provided by State law.

In most major disasters a maximum unemployment payment period of one-half year will probably prove to be sufficient. The more than 200,000 beneficiaries under this program during the last four years received compensation for an average of six weeks. Nevertheless, in view of the serious and prolonged dislocations which may be caused by catastrophes of the magnitude of Hurricanes Camille and Agnes, the bill proposes authority to extend unemployment payments for six additional months.

10. Food commodities (section 410)

For at least two decades, general legislation has authorized the President to provide food without charge for use in a major disaster. Distribution of free food commodities and food coupons has proved a significant help in meeting vital human needs following a major disaster. Use of surplus food stuffs for mass feeding in evacuation shelters, mobile canteen units, and "meals on wheels" programs is especially essential during the emergency period after a flood, tornado, earthquake or other catastrophe when thousands may be dislocated and the normal economy has been seriously disrupted. Similarly, the distribution of food coupons without charge has enabled many lower-income families to obtain needed food supplies at a time when their livelihood and income have been adversely affected in recent disasters.

The current lack of surplus commodities, and the decision to replace the USDA family food distribution program by July 1 with food stamps, has raised questions about our ability to provide sufficient supplies for mass feeding and for home use after major disasters. In 1973 the Congress authorized the purchase of commodities by USDA without regard to price to fulfill commitments under other programs—including school lunch, family food, and disaster relief, but that authority is scheduled to expire within a few months.

To help meet these needs, the bill retains provisions of the 1970 Disaster Relief Act authorizing the President to make both food commodities and coupons available to disaster victims. In addition, it directs the Secretary to assure that adequate stocks of food will be readily and conveniently available for emergency mass feeding or use in any area of the United States in the event of a major disaster. The effect is to continue authority to provide agricultural commodities for distribution in major disaster areas, even if the present family and child nutrition commodity procurement programs should be phased out.

11. Crisis counseling assistance (section 413)

Disasters are often the occasion of unforgettable personal crisis. Such sharp mental stress and abrupt hardship may lean, almost as with the shock of war, to persistent psychological disturbances, expecially among the elderly and the children. Expert observers have noted, for example, an increase in mental health problems following recent catastrophes.

In October 1972 the Office of Emergency Preparedness sponsored a conference to explore this problem and to develop proposals for better coping with the emotional and psychological effects of disasters. The conference report suggested three main approaches: Improved education and training of persons involved in disaster relief work, use of professional personnel from nearby community health centers; and reliance on mobile groups of professional people in areas lacking such centers.

Previous Federal disaster relief legislation has not provided specific assistance for "psychological first aid" to disaster victims. Grants totaling over $800,000 were made from regular appropriations by the National Institute of Mental Health, however, for programs to help treat those suffering traumatic exposure in the Rapid City and Wilkes-Barre areas.

The bill authorizes the President to provide professional counseling services and training for disaster workers, either directly or by financial assistance to State or local agencies to help relieve mental health problems caused or aggravated by a disaster or its aftermath.

12. Community disaster grants (section 414)

Section 241 of the 1970 Disaster Relief Act authorized grants for as long as three years to any local government suffering a "substantial" loss of tax property revenue because of damages caused by a major disaster. Only three cities have qualified for these benefits, although seven applications for such grants are still pending.

Application of the phrase "substantial loss," and the dependence of local governments on sources other than the property tax for a sizable portion of their revenues, has made the provision difficult to apply. Also, it is usually a year or more before lowered property assessments for disaster damages are reflected in the loss of tax income. The need of these areas for supplementary funds to carry on normal operations is often more crucial during the first six months or so after the disaster than it is a year or two later.

In order to provide cash flow to local governments at the time of their greatest need after major disasters, S. 3062 substitutes for the present community disaster grant program a new system of loans—a portion of which could be cancelled at a later date under certain conditions. Any local government suffering a substantial loss of tax and other revenues because of a major disaster, and demonstrating need for financial assistance to perform its governmental functions, would be eligible for a loan not exceeding 25 percent of its annual operating budget for the fiscal year in which the disaster occurred. The purpose of the loan is to permit the local governments to continue to provide municipal services, such as the protection of public health and safety and the operation of the public school system.

Part or all of the loan could be cancelled to the extent that local revenues during the following three full fiscal years are not sufficient to meet the operating budget of that government, including municipal disaster-related expenses. The loan, or any cancelled portion, cannot be used as the nonfederal share of any Federal program, including those under this Act.

13. Economic recovery for disaster areas (title V)

Implementation of economic recovery programs in severely damaged disaster areas requires development of unified long-range plans, a ready source of funds, and an area-wide agency to adjust priorities, allocate and schedule use of resources, and provide overall administrative direction.

To help attain these aims, Title V of the bill provides assistance for redevelopment in both public and private sectors. Because the functions of long range economic recovery are so similar to development in economically distressed areas, this program is proposed as a new Title VIII of the Public Works and Economic Development Act of 1965—over which the Committee on Public Works also has legislature jurisdiction. Authority is vested in the President, however, who may choose to delegate these functions either to the Secretary of Commerce or the Secretary of HUD. The Committee recognizes that the planning and coordination of long-range economic recovery are outside the scope of the emergency activities of FDAA, and it is precisely for this reason that it considers that additional specific legislative guidance is appropriate.

Determination of the need for special economic assistance and appointment of a Recovery Planning Council rests with the Governor. A majority of the Council members must be elected local officials. The national and State governments would each have one representative.

The Federal representative could be the Chairman of the Federal Regional Council (or another member designated by him)—or where a Federal Regional Commission has been established, under the Appalachian Regional Development Act or the Public Works and Economic Development Act, the Federal co-Chairman of that Commission. In any area where a multi-jurisdictional organization (such as a Council of Governments) exists and complies with these requirements, the Governor may designate that organization, with the addition of Federal and State representatives, to act as the Recovery Planning Council.

The Recovery Planning Council may revise existing land use, development or other plans, develop new ones, and prepare a five-year Recovery Investment Plan for submission to the Governor and to responsible local governments. The Council also may recommend changes in the programming of available or anticipated Federal funds.

Funds authorized for Federal-aid projects or programs in a major disaster area may be placed in reserve according to such recommendations. If the Governor requests, and affected local governments concur, these funds may be transferred to the Recovery Planning Council to implement the Recovery Investment Plan.

Loans may be made by the Recovery Planning Council to any State or local government, and private or public non-profit organization in a major disaster area to carry out the Recovery Investment Plan. Loans can be made for the acquisition or development of land and improvements for public works, public service or public development facilities (including parks and open spaces), and for acquiring, constructing, rehabilitating, expanding or improving those facilities (including machinery and equipment).

The Federal share of project costs may be increased by supplementary grants to a maximum of 90 percent, but no such limit would apply to grants benefiting Indians and Alaskan natives and to those where the President determines that a State or local government has exhausted its taxing and borrowing capacity. The interest rate for loans made under this section is to be fixed by the Secretary of the Treasury at a rate of one percent less than the current average market yield on outstanding marketable U.S. obligations (adjusted to the nearest one-eighth).

The language of Title V contains an anti-pirating provision. Loan guarantees to help finance industrial and commercial projects in major disaster areas can be made for such purposes as the purchase and development of land, the acquisition of machinery and equipment, and the construction, rehabilitation, alteration, conversion or enlargement of buildings. Loans made by private lending institutions for working capital in connection with such projects may be guaranteed up to a maximum of 90 percent of their unpaid balance.

Both public and private agencies may be provided technical assistance in handling such matters as project planning, feasibility studies, management and operation problems, and the analysis of economic needs and potential. Such assistance can be extended by use of Federal personnel, by reimbursement of other Federal agencies for services by contract with private individuals, firms, and institutions, or by grants-in-aid. Organizations receiving grants for technical assistance may also, subject to certain limitations, be awarded supplementary grants to defray up to 75 percent of their administrative expenses.

A disaster recovery revolving fund, for which no more than $200 million is authorized to be appropriated, is to be established in the United States Treasury. Funds appropriated to carry out this Title, and any collections or repayments received under this Act, are to be deposited in the revolving fund. Payment of all financial assistance, obligations and expenditures for economic recovery under Title V is to be made from the fund. Sums necessary to replenish the funds annually are authorized to be appropriated, and interest on outstanding loans under the Act is to be paid by the fund into the Treasury at the end of each fiscal year.

SECTION-BY-SECTION ANALYSIS

Title I.—Findings, declarations and definitions

Section 101. Findings and Declarations; Because of losses and adverse effects caused by disasters, *this section declares that* special measures are necessary to provide emergency services and assistance and to help reconstruct and rehabilitate devastated areas.

The purpose of the bill is to provide assistance by (1) revising existing disaster relief programs, (2) encouraging development of State and local disaster relief plans and capabilities, (3) improving coordination and responsiveness of disaster relief programs, (4) encouraging acquisition of insurance coverage, *(5) encouraging* hazard mitigation measures to reduce disaster losses, (6) providing Federal assistance programs for both public and private losses sustained in disasters; and (7) providing a long-range economic recovery program for major disaster areas.

Section 102. Definitions: An "emergency" is defined to include damage caused by any hurricane, tornado, storm, flood, high water, wind-driven water, tidal wave, tsunami, explosion, earthquake, volcanic eruption, landslide, snowstorm, drought, fire or other catastrophe which requires emergency assistance.

A "major disaster" is defined as any damage caused by these hazards determined by the President to be of sufficient severity and magnitude to warrant assistance above and beyond emergency services to supplement State and local efforts.

The words "United States", "State", "Governor", "local government", and "Federal agency", are given standard definitions, except that "local government" includes any rural community, unincorporated town or village, or any other public or quasi-public entity for which an application for assistance is made by a State or political subdivision.

"Administrator" is defined for the first time as the Administrator of the Federal Disaster Assistance Administration in the Department of Housing and Urban Development.

Title II.—Disaster preparedness assistance

Section 201. Federal and State Disaster Preparedness Programs: The President is empowered to establish and conduct disaster preparedness programs, using the services of all appropriate agencies, to acomplish the following: (1) preparation of plans for disaster mitigation, warnings, emergency operations, rehabilitation and recovery; (2) disaster training and exercises; (3) post-disaster evaluations; (4) annual reviews; (5) coordination; (6) application of science and technology; (7) disaster research; (8) revision of legislation.

Technical assistance may be provided the States by the President for the development of disaster mitigation, relief, and recovery plans and programs.

Grants to the States not in excess of $250,000 may be made by the President within one year after enactment for the preparation of comprehensive disaster plans and programs, including provisions for aid to individuals, businesses and local governments, for training of staffs, for formulating regulations and procedures, and for conduct of exercise. Anual 50% matching grants not in excess of $25,000 may be made to States for improving, maintaining and updating disaster assistance plans.

Section 202. Disaster Warnings: The President is authorized to insure that agencies are prepared to issue disaster warnings, to use or make available the civil defense or other Federal communications systems for threatened or imminent disasters, to make agreements for the use of private communications systems for disaster warnings, and to assist State and local governments to provide timely and effective disaster warnings.

Title III.—Disaster assistance administration

Section 301. Procedures: Based upon a Governor's request that Federal disaster assistance beyond State and local capabilities is necessary, the President is authorized to declare that a major disaster exists or to take other appropriate action in accordance with this Act.

Section 302. Federal Assistance: In providing Federal disaster assistance, the President may coordinate the activities of all Federal agencies and may direct them to use their available personnel, equipment, supplies, facilities and other resources in support of State and local efforts. The President may also prescribe rules and regulations to carry out any provisions of this Act and may exercise any authority conferred on him either directly or through Federal agencies.

Any Federal agency administering disaster assistance programs is authorized to modify or waive administrative conditions if such conditions cannot be met because of a disaster.

All disaster assistance under this Act must be provided according to a Federal-State agreement unless specifically waived by the President.

Section 303. Coordinating Officers: Upon the declaration of a major disaster, the President shall appoint a Federal coordinating officer to operate in the disaster area under the Federal Disaster Assistance Administration. The Federal coordinating officer shall make an appraisal of the relief needed, establish field offices, coordinate the administration of relief, and take other actions to assist local citizens and public officials in promptly obtaining assistance.

The President shall request the Governor of a disaster affected State to designate a State coordinating officer to coordinate State and local disaster assistance efforts with those of the Federal coordinating officer.

Section 304. Emergency Support Teams: The President is authorized to form emergency support teams of Federal personnel to be deployed in disaster areas to assist the Federal coordinating officer. For this purpose the head of any department or agency may detail personnel to temporary duty with such emergency support teams without loss of seniority, pay or other status.

Section 305. Emergency Assistance: The President is authorized to provide, upon request of an affected State, such emergency services as he deems necessary to save lives and protect public health and safety because a disaster either threatens or is imminent.

Section 306. Cooperation of Federal Agencies in Rendering Disaster Assistance: As directed by the President, Federal agencies are authorized in a disaster to provide assistance in the following ways: (1) using or lending to States and local governments (with or without compensation) their equipment, supplies, facilities, personnel and other resources; (2) distributing medicine, food and other consumable supplies through relief and disaster assistance organizations or by other means; (3) donating or lending surplus Federal equipment and supplies; (4) performing on public or private lands or waters any emergency work or services not within State or local government capability that is essential for protection and preservation of public health and safety.

Section 307. Reimbursement: Federal agencies may be reimbursed from appropriated funds for expenditures under this Act, with such funds deposited to the credit of current appropriations.

Section 308. Nonliability: The Federal government is not liable for any claim based on performance or failure to perform by any Federal agency or employee of any discretionary duty or function under this Act.

Section 309. Performance of Services: Federal agencies carrying out the purposes of this Act may accept and use (with their consent) the services or facilities of State or local governments, may appoint and fix compensation of necessary temporary personnel, may employ experts and consultants without regard to classification and pay rates, and may incur obligations on behalf of the United States for the acquisition, rental, or hire of equipment, services, materials and supplies for shipping, drayage, travel and communications and for supervision and administration of such activities.

When directed by the President, such obligations may be incurred without regard to the availability of funds.

Section 310. Use of Local Firms and Individuals: To the extent feasible and practicable, preference is to be given in the expenditure of Federal disaster assistance funds to those organizations, firms and individuals who reside or do business primarily in a disaster area.

Section 311. Nondiscrimination in Disaster Assistance: The Administrator shall issue regulations insuring the equitable and impartial distribution of supplies and processing of applications and forbidding discrimination on the grounds of race, color, religion, nationality, sex, age, or economic status in the handling of disaster assistance.

Section 312. Use and Coordination of Relief Organizations: The personnel and facilities of such disaster relief or assistance organizations as the American National Red Cross, the Salvation Army, the Mennonite Disaster Service, and others may be used (with their consent) by the Administrator for distributing medicine, food supplies or other items, and in the restoration, rehabilitation or reconstruction of community services, housing and essential facilities after a disaster. Such disaster relief or assistance organizations shall enter into agreements with the Administrator assuring that use of Federal facilities, supplies and services will comply with regulations prohibiting duplication of benefits and guaranteeing nondiscrimination promulgated by the Administrator under this Act as well as such other regulations the Administrator may require.

Section 313. Priority to Certain Applications for Public Facility and Public Housing Assistance: Priority and immediate consideration is to be given, during a period prescribed by the President, to applications for assistance from public bodies situated in major disaster areas under several Housing Acts, the Public Works and Economic Development Act, the Appalachian Regional Development Act, and the Federal Water Pollution Control Act.

Section 314. Insurance: Applicants for assistance under this Act must obtain any reasonably available, adequate and necessary insurance to protect against losses to property which is replaced, restored, repaired or reconstructed with that assistance.

Property for which assistance was previously provided under this Act is not eligible to receive additional assistance in the future unless all insurance required by this section has been obtained and maintained.

Section 315. Duplication of Benefits: The Administrator is required to ascertain that no person, business concern or other entity receives financial assistance from more than one source for the same damage or loss from a disaster.

No person, business or other entity could receive Federal aid for any loss compensated by insurance, but partial compensation for a particular loss would not preclude additional assistance for that part of the loss not compensated for otherwise.

The Administrator is to determine whether any person, business concern or other entity may have received duplicate benefits and, on such a finding, to direct that person, business concern or other entity to reimburse the Federal Government for that part determined to be excessive.

Section 316. Reviews and Reports: The President is to conduct annual reviews of the disaster assistance activities of the Federal, State and local governments to assure maximum coordination and effectiveness of these programs and to report periodically thereon to Congress.

Section 317. Criminal and Civil Penalties: Persons fraudulently or willfully misstating facts in request for assistance under this Act would be subject to a fine of not more than $10,000, imprisonment for not more than one year, or both.

Each violation of any order or regulation under this Act would be subject also to a civil penalty of not more than $5,000.

Any persons wrongfully applying proceeds of a loan or other cash benefit would be civilly liable to the Federal Government for an amount 1½ times the original principal of a loan or cash benefit.

Section 318. Availability of Materials: At the request of the Governor of a State suffering damage caused by a major disaster, the

President is authorized and directed to provide for a survey of the construction materials needed in the major disaster area for housing, farming operations and business enterprises and to take appropriate action to insure the availability and fair distribution of such materials for a period not to exceed 180 days. To the extent possible, the President is directed to implement any allocation program through companies which customarily supply construction materials in the affected area.

Title IV.—Federal disaster assistance programs

Section 401. Federal Facilities: The President may authorize immediate repair, reconstruction, restoration or replacement of any disaster-damaged facility owned by the United States if he determines that such action is so important and urgent that it cannot be deferred until required legislation, appropriations, or Congressional committee approval is obtained.

Section 402. Repair and Restoration of Damaged Facilities: The President is authorized to make grants to help repair, restore, reconstruct or replace the following facilities damaged or destroyed by a major disaster: (1) public facilities belonging to State or local governments, including those used for educational and recreational purposes; (2) private non-profit educational, utility, emergency, medical and custodial care facilities, including those for the aged and disabled; (3) facilities on Indian reservations as defined by the President; and (4) facilities listed above in the process of construction.

Federal grants for these purposes shall not exceed 100% of the net cost of restoring such facilities as they previously existed in conformity with applicable codes, specifications and standards.

If a State or local government determines that public welfare would not be best served by repairing, restoring, reconstructing or replacing particular publicly owned or controlled facilities damaged in a disaster, in lieu of the above grant it may elect to receive a contribution equal to 90% of the total estimated cost of restoring all damaged public facilities within its jurisdiction. Such funds may be used to repair or restore certain selected damaged public facilities or to construct new public facilities which would better meet its needs for governmental services and functions. In those jurisdictions where public facility damages total no more than $25,000, a block grant equal to 100% of the total cost for repairing or reconstructing these facilities would be made.

Section 403. Debris Removal: The President is authorized, either by using Federal departments and agencies or by making grants to States and local governments, to clear debris and wreckage resulting from a disaster from publicly and privately owned lands and waters.

In order for this section to be carried out, a State or local government must first arrange unconditional authorization for removal of debris from public or private property and, in the latter case, must agree to indemnify the Federal Government for any claims resulting from such removal.

Section 404. Temporary Housing Assistance: The Administrator is authorized to provide, either by lease or purchase, temporary housing or other emergency shelter for persons and families displaced by a major disaster. Such housing may include, but not be limited to, unoccupied habitable dwellings, suitable rental housing, mobile homes or other readily fabricated dwellings.

No rental is to be charged during the first twelve months occupancy of such emergency shelter, but thereafter rentals based on fair market value and on financial ability of the occupants are to be established. Emergency housing acquired by purchase may be sold directly to occupants at fair and equitable prices.

Mobile homes or fabricated dwellings are to be installed on sites complete with utilities without charge to the United States provided either by the State or local government or by the owner or occupant of a site displaced by a major disaster. However, the Administrator is authorized to provide other more economical and accessible sites or to authorize installation of essential utilities at Federal expense if it is in the public interest.

The President is authorized to provide, for a period not to exceed one year, grants for mortgage or rental payments for individuals or families who, because of financial loss caused by a major disaster, have received an eviction or dispossession notice resulting from foreclosure of any mortgage or lien, cancellation of any contract of sale, or termination of any lease.

The President is authorized, in lieu of providing other types of temporary housing, to make expenditures to repair or restore to a habitable condition owner-occupied private residential structures made uninhabitable by a disaster which are capable of being restored quickly to a habitable condition with minimum repairs.

Section 405. Protection of Environment: No action taken or assistance provided pursuant to sections 305, 306, or 403 of this Act or any assistance provided pursuant to section 402 of this Act that has the effect of restoring facilities substantially as they existed prior to the disaster, shall be deemed a major Federal action significantly affecting the quality of the human environment within the meaning of the National Environmental Policy Act of 1969 (83 Stat. 852).

Section 406. Minimum Standards for Public and Private Structures: Recipients of disaster loans or grants must agree to comply with applicable standards of safety, decency and sanitation and with applicable codes, specifications and standards in any repair or reconstruction financed by such assistance.

State and local governments must agree that, in areas where disaster loans or grants are to be used, natural hazards will be evaluated and action taken to minimize them, including safe land-use and construction practices according to standards prescribed by the President.

Section 407. Unemployment Assistance: Individuals unemployed as a result of a disaster who are not eligible for or who have exhausted their eligibility for unemployment compensation may be authorized by the President to receive assistance not exceeding the maximum weekly amount authorized under the unemployment compensation program of the State in which the disaster occurred. The amount of such assistance, which cannot be provided for more than one year, is to be reduced by the amount of unemployment compensation or of private income protection insurance payments otherwise available to the unemployed person.

Reemployed services to those unemployed as a result of a major disaster may also be provided by the President under other laws.

Section 408. Extraordinary Disaster Expense Grants: The President is authorized to make grants to States for financial assistance not in excess of $5,000 to families adversely affected by a major disaster who are unable to meet extraordinary disaster related expenses and needs not provided for by this Act or by other means.

Grants to States for this purpose cannot exceed 75% of the actual cost of providing such needs and services and are to be administered by the Governor or his designated representative. As much as 25% of the estimated Federal contribution may be provided as an initial advance, but no more than 3% of the total grant may be used by the State for administrative purposes.

National criteria, standards and procedures for eligibility and administration of individual assistance grants are to be provided in regulations promulgated by the President.

Section 409. Food Coupons and Distribution: The President is authorized to distribute through the Secretary of Agriculture food coupons and surplus commodities to low-income households which, because of a disaster, are not able to purchase adequate amounts of nutritious food.

The distribution of food coupons and surplus commodities may continue as long as the President determines it to be necessary in view of a major disaster's effects on the earning power of recipients.

Section 410. Food Commodities: The Secretary of Agriculture is authorized and directed to provide food commodities which will be readily and conveniently available for mass feeding and distribution purposes in major disaster areas, and to utilize funds appropriated to the Department of Agriculture for the purchase of commodities necessary to provide adequate food supplies in any major disaster area.

Section 411. Relocation Assistance: No person otherwise eligible for replacement housing payments under the Uniform Relocation Assistance Act of 1970 is to be denied that eligibility because he is prevented by a major disaster from meeting the occupancy requirements of that Act.

Section 412. Legal Services: The Administrator is authorized to assure the availability in a disaster area, with the advice and assistance of Federal agencies and State and local bar associations, of legal services to low-income individuals not able to secure such services because of a major disaster.

Section 413. Crisis Counseling Assistance: The President is authorized to provide professional counseling services and training through the National Institute of Mental Health, including financial assistance to State or local agencies or to private mental health organizations, in order to relieve mental health problems caused or aggravated by a major disaster.

Section 414. Community Disaster Loans: Loans not exceeding 25% of annual operating budgets may be made by the President to local governments suffering substantial tax and revenue losses and demonstrating need for financial assistance because of major disasters.

To the extent that revenues of a local government receiving a disaster loan are not sufficient to meet the operating budget of that government during the following three fiscal years, the President is authorized to cancel all or part of the community disaster loan.

Section 415. Emergency Communications: The Administrator is authorized to establish temporary communications systems in any major disaster area to help carry out his functions and to make them available to other government officials and individuals.

Section 416. Emergency Public Transportation: Temporary public transportation service may be provided by the Administrator in a major disaster area to meet emergency needs and to provide transportation to governmental, supply, educational and employment centers in order to restore normal life patterns.

Section 417. Fire Suppression Grants: The President is authorized to provide assistance and grants to States to assist in the suppression on publicly or privately owned lands of any fire which threatens to become a major disaster.

Section 418. Timber Sale Contracts: If damages caused by a major disaster result in additional costs for constructing roads specified in existing timber sale contracts made by the Secretaries of Agriculture and Interior, such additional costs will be borne by the Federal government under the following conditions: (1) if the cost is more than $1,000 for sales under one million board feet; (2) if the cost is more than $1 per thousand board feet for sales of one to three million board feet; or (3) if the cost is more than $3,000 for sales over three million board feet.

The appropriate Secretary may allow cancellation of a contract entered into by his department if he determines that disaster damages are so great that construction, restoration or reconstruction of roads is not practical under the above cost-sharing arrangement.

Whenever the Secretary of Agriculture determines that the sale of timber from national forests in an area damaged by a major disaster will assist in construction of that area, will assist in sustaining the economy of that area, or is necessary to salvage the value of damaged timber, he may reduce to seven days the minimum period of time for advance public notice of such sale required by the Act of June 4, 1897 (16 U.S.C. 476).

The President is authorized to make grants to States or local governments to remove timber damaged by a major disaster from privately owned lands. State or local governments may reimburse any person from these funds for those expenses incurred in removing such damaged timber which exceed the salvage value of the timber.

Title V.—Economic recovery for disaster areas

Section 501. Purposes of Title: The purpose of Title V is to authorize additional recovery assistance for any major disaster area in which economic dislocation is so severe that cooperative planning for development, restoration of employment base, and continued coordination of Federal-aid programs are required for long-range restoration and rehabilitation of normal commercial, industrial and other economic activities in the area.

Section 502. Disaster Recovery Planning: After determining that special assistance is required under this title because of a major disaster in his State, a Governor may designate a Recovery Planning Council of not less than 5 members, a majority of whom are to be local elected public officials from political subdivisions in the disaster area. One appointed member is to represent the State, while the Federal government be represented by the Chairman of the Federal Regional Council (or another member designated by him), or the Cochairman of the Federal Regional Commission (or his designee) in those areas where such a body has been established under the Appalachian Regional Development Act or the Public Works and Economic Development Act. If a qualified multijurisdictional organization already exists in the major disaster area, the Governor may elect to designate that organization, with Federal and State representatives added, to act as the Recovery Planning Council.

The Recovery Planning Council is to review existing development, land use or other plans, revise those plans it determines to be necessary, develop new plans, prepare a 5-year Recovery Investment Plan, and make recommendations to the Governor and to local governments for revising and implementing those plans. It may recommend revising, deleting, reprogramming or further approval of Federal-aid projects in the major disaster area for which applications are pending, funds have been obligated but construction not started, funds have been or may be apportioned during the next five years, State scheduling may become available, or approval might be reasonably anticipated.

If recommended by the Council and requested by the Governor, any funds for Federal-aid projects or programs noted above may be placed in reserve by the responsible Federal agency to be used in accordance with such recommendations of the Council. If affected local governments concur with a request by the Governor for such action, these funds may be transferred to the Recovery Planning Council to be expended according to the Recovery Investment Plan.

Section 503. Public Works and Development Facilities Grants and Loans: The President is authorized to provide funds to Recovery Planning Councils for the implementation of Recovery Investment Plans in major disaster areas. Loans can be made from these funds to any State or local government and to public or private nonprofit organizations representing all or part of any major disaster area. Such loans can be used for the acquisition or development of land and improvements for public works, public service or public development facilities (including parks and open spaces), for acquiring, constructing, rehabilitating, expanding or improving those facilities (includng machinery and equipment). The Federal share for Federal aid projects may be increased by supplementary grants to a maximum of 90% in some cases and without limit for grants benefiting Indians (or Alaskan Natives) or in those cases the President determines that a State or local government has exhausted its taxing and borrowing capacity. The interest rate for loans made under this section is to be fixed at a rate one percent less than the current average market yield on outstanding marketable U.S. obligations.

No grant or loan is to be made which would help establishments relocate from one area to another or would assist subcontractors in divesting other contractors or subcontractors of the contracts they customarily perform. If the Secretary of Commerce finds, however, that the establishment of a branch, affiliate or subsidiary would not increase unemployment in the original location of an existing business, aid for such expansion is not prohibited unless the Secretary believes that it is being done with the intent of closing down operations of the existing business.

Section 504. Loan Guarantees: Loans made by private lending institutions to private borrowers in connection with projects in major disaster areas and for working capital may be guaranteed to a maximum of 90% of the unpaid balance of such loans.

Section 505. Technical Assistance: To help facilitate economic recovery in major disaster areas, technical assistance may be provided to both public and private agencies in accordance with the purposes of Title V. Included among the types of assistance to be provided are project planning, feasibility studies, management and operational assistance, and analyses of economic recovery needs and potential. Technical assistance may be extended through grants-in-aid, contracts, employment of persons, firms, or institutions, reimbursement of other Federal agencies, or direct use of personnel under the Administrator's direction. Not to exceed 75% of the administrative expenses incurred by organizations which receive grants for technical assistance may be authorized as supplementary grants, subject to certain specified limitations.

Section 506. Disaster Recovery Revolving Fund: Not to exceed $200 million is authorized to be appropriated for a disaster recovery revolving fund which is to be established in the Treasury and is to be replenished annually. Funds obtained to carry out Title V and all collections or repayments received from its programs are to be deposited in this special fund. Financial assistance extended under this title and payment of all related obligations and expenditures are to be made from the revolving fund. At the end of each fiscal year interest on the amount of loans outstanding under the act, based on current average yield on outstanding marketable U.S. obligations, is to be paid by the fund into miscellaneous receipts of the Treasury.

Title VI.—Miscellaneous

Section 601. Authority to Prescribe Rules: The President is authorized to prescribe such rules and regulations as may be necessary and proper to carry out this Act and to exercise any power or authority in the Act through such Federal agency or agencies he may designate.

Section 602. Technical Amendments: A number of existing statutes are amended by substituting the title of this Act for that of the Disaster Relief Act of 1970.

Section 603. Repeal of Existing Law: All sections of the Disaster Relief Act of 1970 are repealed except those dealing with disaster loan programs and interest rates (sections 231, 232, 233, 234, 235, 236 and 237), technical amendments (section 301), repeal of prior law (section 302), prior allocation of funds (section 303) and effective date (section 304).

Section 604. Prior Allocation of Funds: Funds previously appropriated under P.L. 91–606 and P.L. 92–385 will continue to be available for purposes of completing commitments made under those acts as well as for purposes of this act, and any prior commitments are to be fulfilled.

Section 605. Effective Date: The effective date of this act is April 1, 1974.

Section 606. Authorization: Funds necessary for the purposes of this act are authorized to be appropriated.

COST OF LEGISLATION

Section 252 (a)(1) of the Legislative Reorganization Act of 1970 requires publication in this report of the Committee's estimate of the reported legislation, together with the estimates prepared by any Federal agency. The Committee believes that it is impossible to determine realistically the cost of activities authorized by this legislation. The timing and extent of disasters is not predictable, and, therefore, the cost of responding to them in any given year cannot be ascertained. Likewise, it was not possible to obtain from any Federal agency an estimate of costs.

ROLLCALL VOTES DURING COMMITTEE CONSIDERATION

Section 133 of the Legislative Reorganization Act of 1970 and the Rules of the Committee on Public Works require that any rollcall votes be announced in this report. During the Committee's consideration of this bill, no rollcall votes were taken.

COMMITTEE VIEWS

Disasters of many types can strike without warning in any location. They vary in frequency and intensity. Major disasters almost inevitably bring with them extensive human suffering and community disruption. The Federal Disaster Relief Act provides the mechanism by which the resources of various agencies of the Federal government can be brought to bear on alleviating these conditions.

Experience with the operation of the program in recent years and new information about the nature of disaster relief needs resulted in this legislation. It refines the existing program, modifying its provisions to make it conform to contemporary conditions and resources. In developing this legislation, the Committee conducted extensive hearings, both in disaster-stricken areas and in Washington; it conducted field investigations and met with disaster victims and public officials at all levels. The bill, as reported, would significantly increase the ability of the Federal government to respond effectively and with dispatch to disasters and to expedite long-range recovery operations. For these reasons the Committee recommends passage of the bill.

CHANGES IN EXISTING LAW

In the opinion of the Committee, it is necessary to dispense with the requirements of subsection (4) of Rule XXIX of the Standing Rules of the Senate in order to expedite the business of the Senate. This legislation re-enacts provisions of the Disaster Relief Act of 1970 (Public Law 91-606) with the exception of sections 231, 232, 233, 234, 235, 236, 237, 301, 302, 303 and 304 of that Act which are not amended by this legislation.

By Mr. SPARKMAN, from the Committee on Foreign Relations, without amendment:

S. 3304. A bill to authorize the Secretary of State or such officer as he may designate to conclude an agreement with the People's Republic of China for indemnification for any loss or damage to objects in the "Exhibition of the Archeological Finds of the People's Republic of China" while in the possession of the Government of the United States (Rept. No. 780).

By Mr. SYMINGTON, from the Committee on Armed Services, with an amendment:

S. 2999. A bill to authorize appropriations during the fiscal year 1974 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, and other weapons and research, development, test and evaluation for the Armed Forces, and to authorize construction at certain installations, and for other purposes (Rept. No. 93-781).

EXECUTIVE REPORTS OF COMMITTEES

As in executive session, the following favorable reports of nominations were submitted:

By Mr. EASTLAND, from the Committee on the Judiciary:

Wendall A. Miles, of Michigan, to be U.S. district judge for the western district of Michigan.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. CURTIS (by request):

S. 3327. A bill to amend Section 208 of the Social Security Act. Referred to the Committee on Finance.

By Mr. YOUNG:

S. 3328. A bill to amend section 501 (c) (12) of the Internal Revenue Code of 1954 (relating to the taxation of telephone cooperatives). Referred to the Committee on Finance.

By Mr. METCALF:

S. 3329. A bill for the relief of Nostratollah Moradi. Referred to the Committee on the Judiciary.

By Mr. HARTKE:

S. 3330. A bill to amend title 10 of the United States Code to provide severance pay for regular enlisted members of the U.S. Armed Services with 5 or more years of continuous active service, who are involuntarily released from active duty, and for other purposes. Referred to the Committee on Armed Services.

By Mr. CRANSTON:

S. 3331. An original bill to clarify the authority of the Small Business Administration, to increase the authority of the Small Business Administration, and for other purposes. Placed on the calendar.

By Mr. CRANSTON (for himself and Mr. TUNNEY):

S. 3332. A bill to repeal the Act of June 23, 1936, to authorize the Secretary of the Interior to exchange certain lands, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

By Mr. BENTSEN:

S. 3333. A bill for the relief of Aurora Rodriguez Ramirez. Referred to the Committee on the Judiciary.

By Mr. MONDALE:

S. 3334. A bill to amend the Interstate Commerce Act in order to improve service in the transportation of household goods by motor common carriers. Referred to the Committee on Commerce.

By Mr. MAGNUSON:

S. 3335. A bill to establish a Marine Fisheries Conservation and Management Fund. Referred to the Committee on Commerce.

By Mr. KENNEDY:

S. 3336. A bill to amend the Fair Labor Contractor Registration Act of 1963 by extending its coverage and effectuating its enforcement. Referred to the Committee on Labor and Public Welfare.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. YOUNG:

S. 3328. A bill to amend section 501 (c) (12) of the Internal Revenue Code of 1954 (relating to the taxation of telephone cooperatives). Referred to the Committee on Finance.

Mr. YOUNG. Mr. President, under present law, mutual or cooperative telephone companies are eligible for income tax exemption under section 501(c) (12) of the Internal Revenue Code, if 85 percent of its income consists of amounts collected from members for the pupose of meeting the cooperative's losses and expenses. Cooperatives unable to meet the 85-percent test have been allowed by the Service to exclude from taxable income all overcollections returned to patrons.

A problem has come to my attention in this area, however. In the telephone industry, cooperatives and other companies complete or terminate calls to their subscribers which are made by individuals who are subscribers of another company. Apparently, the Internal Revenue Service has taken the position, under its accounting rules, that when the cooperative phone company performs this service of terminating a call placed through another company to one of the cooperative's members, the cooperative receives a payment for this service from the other company. This payment rarely, if ever, consists of cash. Instead the payment is usually in the form of having the other company perform similar terminating services for the cooperative.

Since the other phone company is not a member of the cooperative, and since these constructive payments for terminating calls are quite large, according to the Service, this intepretation would probably cause every telephone cooperative in the United States to fail to qualify as tax exempt because it could not meet the income source test. This same reasoning by the Service would also greatly reduce the amount of excludable patronage refunds for the nonexempt cooperatives.

I do not know if the Service's interpretation of the law is correct as a technical reading of the statute. But I am sure that this result cannot have been the intention of Congress. There would be no point to legislating a requirement which no telephone cooperative could meet.

My bill would correct this situation, for all open years in question, by providing that income received by a cooperative from a nonmember telephone company for the performance of services would not be considered in applying the income test.

By Mr. HARTKE:

S. 3330. A bill to amend title 10 of the United States Code to provide severance pay for regular enlisted members of the U.S. armed services with 5 or more years of continuous active service, who are involuntarily released from active duty, and for other purposes. Referred to the Committee on Armed Services.

REDUCTIONS IN FORCE AND ITS EFFECT ON NCO'S

Mr. HARTKE. Mr. President, today I introduce legislation that will correct an injustice that exists in our Nation's military laws, the failure to provide severance pay for noncommissioned officers.

Under title 10, United States Code, almost any and all regular commissioned officers and commissioned warrant officers may be released from the Armed Forces with a certificate of honorable service. If they are ineligible to receive a retirement annuity, the Federal Government provides them with severance pay equal to an amount not to exceed 1 year of their basic pay. In dollars and cents, this could mean from $7,200 to $18,000, depending upon the grade of the officer at the time of *his or her release.*

Other officers, such as those in the Reserves, may be released after serving 5 years of continuous active duty and be entitled to readjustment pay in an amount not to exceed $15,000. Temporary officers and warrant officers may also receive severance pay up to $15,000, yet remain in the services as regular enlisted members—*normally in the* noncommissioned and petty officer grades—and continue on active duty long enough to obtain sufficient service for retirement purposes.

I *might* add that a commissioned officer or warrant officer may be removed from the services for dereliction of duty, or for moral reasons, yet he or she will receive a certificate of honorable service and still be eligible to draw severance or readjustment pay.

It is not my intention to demean the officers corps because they have this advantage. We are all aware *that* these men and women have served their country in war and peace, and deserve the support of a grateful Nation. We hand them their "walking papers," yet our system of government provides them with some financial aid for readjustment in the civilian communities. I believe it is the least we as Members of Congress can do for our officer veterans.

On the other hand, the armed services, because of a congressional edict to reduce its forces, releases thousands of our noncommissioned and petty officers, and gives them not "one red cent" for their service to their country.

I speak of the men and women who are the "backbone of the Armed Forces"—the noncommissioned and petty officers who recruit, train, mold, supervise, and set the example for our junior-enlisted personnel. The NCO's and PO's have more Medals of Honor winners than any other group in our military services. The NCO's and PO's have been as devoted, as dedicated, and as loyal as any of our military patriots.

Nevertheless, we cast many of them out of the Armed Forces for reasons they cannot control. And we have done this following World War II, the Korean war and now the Vietnam conflict, without sympathy, without concern, and without offering them severance allowance for the years of service to our Nation when we needed them, and which would ease their transfer into civilian life.

Mr. President, I ask unanimous consent that a statement from the 146,000-member NCO Association be printed in the RECORD following my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. HARTKE. Mr. President, the bill that I introduce today calls for an amendment to chapter 59 of title 10 of the United States Code. My proposal calls for a severance allowance to be paid to any individual in the U.S. armed services who has served on active duty for at least 5 years, but less than 20 and is therefore ineligible for service connected pension benefits, and who is involuntarily released from the service with an honorable discharge. The individual would be paid a lump sum payment equal to the number of years of service multiplied by one-half the individual's monthly basic pay.

For example, a staff sergeant (E6) with over 8 years' service receives a monthly basic pay of $557. One-half of the basic pay multiplied by 8 years would give the member a lump sum severance payment of $2,228. Likewise, a sergeant first class with over 8 years service would receive a lump sum payment of $2,508 when the individual is involuntarily released from the armed services.

This unequal treatment within the armed services of its members should be removed. My bill would give the backbone of our armed services an even break.

Mr. President, I ask unanimous consent that the text of my bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 3330

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

That chapter 59 of title 10, United States Code, is amended by adding at the end thereof the following new section:

"1173: Regular enlisted members: severance pay:

"(a) A regular enlisted member who has served a minimum of five continuous years, but less than twenty years of active duty for retirement purposes, and who is involuntarily separated from or denied immediate reenlistment in one of the United States armed services, shall if having served honorably, be entitled to a severance pay. Such pay shall be computed by multiplying the enlisted member's years of active service by one-half of one month's basic pay of the grade in which the member is discharged. Total payment, however, shall not exceed $10,000 for any one individual member. A full year shall be credited for any period in excess of six months. Active service as a commissioned officer shall be included in computing severance pay under this section.

"(b) A regular enlisted member of the United States armed services who was a prior recipient of severance pay or readjustment pay under this or any other section of this title, shall not be entitled to a second payment if the member is involuntarily separated subsequent to another enlistment or reenlistment in one of the United States armed services."

SEC. 2. This Act shall be effective as of January 1. 1972.

EXHIBIT 1

REDUCTIONS IN FORCE AND ITS EFFECT ON NONCOMMISSIONED AND PETTY OFFICERS OF THE UNITED STATES ARMED SERVICES

(By Non Commissioned Officers Association of the United States of America)

FOREWORD

For the third time in less than 30 years the U.S. Armed Services are involuntarily separating numerous members for cause.

As it happened in the post-war years of World War II and the Korean war, Congress is again reducing the size of the Armed Forces following the Vietnam conflict.

Congress calls for cut-backs and DOD orders the Services to discharge or release thousands of commissioned officers, noncommissioned and petty officers, and junior-enlisted personnel. Of the three groups, only the NCOs and POs are really affected by these reductions in force.

OFFICERS

Commissioned and warrant officers removed from active duty by these cut-backs are, in the majority, entitled to either severance pay or readjustment pay dependent upon their service component. They may receive an amount equal to one year's pay or $15,000, whichever applies.

In the case of certain temporary and warrant officers, they may receive severance pay then immediately enlist as a regular enlisted member. They may further continue on active duty until they have sufficient service to retire and subsequently receive a monthly retirement annuity for the rest of their natural lives.

JUNIOR-ENLISTED

In order to reduce the numbers of junior-enlisted members the Services may reduce enlistment quotas and/or provide early discharges. In the latter case, the early releases from active duty are voluntary and normally concern only those members who do not desire to remain on active duty.

NCOS AND POS

The "man in the middle" is the one who suffers. As career-oriented military members, the NCOs and POs have anywhere from 6 to 18 years of honorable service and are planning to retire following the attainment of sufficient years of active duty. With normally no more training than received in the military, and with families to support, they are suddenly released from the Armed Services or denied the authority to reenlist.

They receive no "mustering out" payments, no severance pay nor readjustment pay. The Services pay only their normal wages to the date of discharge and provides for their travel and transportation of dependents and household goods to their homes of record.

In most cases the NCO/PO fairs worse than the civil service or civilian employees who are "riffed" in their local communities. The NCO/PO has been away from home for years and does not have the feel of the economy. He may return unknowingly to an area that is suffering from a lack of available employment, housing, schooling, or whatever.

Even if all is well, the NCO/PO must find housing, seek and obtain employment, and accomplish all the normal commitments forced upon a person who moves with a family. All this without a penny in his pocket other than a final pay check!

THE INEQUITY

A commissioned officer may be separated from the service because he has failed in his performance of duty or is morally unfit, yet the law will provide him with the same entitlements of travel and transportation as accorded the NCO/PO plus a payment of severance pay in an amount equal to one month's basic pay in grade multiplied by his years of active service (not to exceed one full year of basic pay).

Further there is no requirement of time for most regular officers to qualify for severance pay, and even Reserve officers may receive up to $15,000 in readjustment pay for serving a minimum of five continuous years on active duty. Yet the NCO/PO receives absolutely nothing regardless of the time involved and the reason for the separation.

HOW HE IS SEPARATED?

Primarily the Services convene certain Boards of officers (and sometimes senior enlisted) to screen the records of NCOs/POs to determine those who shall be separated or denied reenlistment. All things being normal, the boards will recommend separations for the NCOs/POs who fail to maintain satisfactory performances of duty, or whose retention is not in the best interests of the Services because of personal deficiencies.

However, when there is a large-scale reduction of force (as we are experiencing today), the Boards must work extra hard to find enough NCOs/POs to "riff." There just aren't enough "bad cases" to go around so they search until they can find something on which they can base an unfavorable recommendation.

For example, the NCO Association discovered a young married Army Staff Sergeant (E-6) who was being denied reenlistment because of "misconduct." A review of his records, however, indicated that his misconduct occured some years ago when he first entered the service. Meanwhile, in six successive years he received a promotion in every one of those years, had been issued a "Top Secret Clearance," and possessed an exemplary conduct and performance record since his last courts-martial.

In another case (see attached exhibit) a Master Sergeant (E-7), U.S. Army, with five dependent children was denied reenlistment after 16 years of honorable service to his country.

Neither one would receive a "plug-nickel" from the Nation they served in war (both were Vietnam veterans) and in peace.

QUESTION

Why is it that the Services will retain these men (and women) on active duty when they are needed, but suddenly find they are unfit for duty whenever cut-backs are necessary?

Why are these men (and women) promoted to or within the NCO/PO grades with normal time in grade and time in service yet are suddenly "riffed" because the same Service that promoted them is now declaring them "unfit for further duty?"

Why is it that these men (and women), who entered the Services when the pay was insufficient, and remained on active duty beyond their first enlistments, are not entitled to some remuneration for their years of service?

NCOA POSITION

The Non Commissioned Officers Association of the United States of America (NCOA) strongly feels that this "honorable separation with remuneration" is the most unjust and one of the cruelest inequities in our Nation's military laws.

The Noncommissioned or Petty Officer "riffed" involuntarily from, or denied reenlistment in the Armed Services without severance or readjustment pay, is being treated with much more niggardliness by our government than that which is received by some of the Nation's worst enemies.

The NCO/PO involved probably has given no thought to being "riffed" from the service for he believed his government would serve him as he served it. He is normally unprepared and has little if anything to fall back on when the decision arrives for his removal. Many of them were not even aware that they could be "riffed" if they served honorably. They became victims of a seemingly unconcerned government and a Service that no longer cared for their welfare.

Civil service employees as do many other civilian workers, build a vested interest in some type of a retirement plan. If they leave that employ, or are "riffed," they receive a certain amount of money that they may use for readjustment purposes.

The NCO/PO, however, has no vested retirement rights under our military laws. If he (or she) serves 5, 10, 15, or any period of time on active duty that is less than 19½ years, there is no investment. He receives absolutely nothing.

The U.S. Army has already "riffed" more than 2,000 NCOs since the end of the Vietnam conflict and more are promised. No doubt the other Services have contributed or will contribute their fair share. And all of this has come about with little fanfare from the press, or concern to the general public. The military is an unpopular subject today as it has been at other times in this Nation's history.

Yet the recent announcements of base closures with their probable reductions in force of civilian federal workers brought forth a cry at all levels of the Nation's citizenry. Legislators reacted swiftly and new laws were introduced and some passed unhesitantly to aid the federal worker. An early-retirement provision was swiftly added to the civil service retirement laws, and many previously unqualified civilian workers were able to leave the government's employ with a reduced retirement annuity for life.

Congress earlier in this session, swung into action to assist railroad employees, to further aid social security annuitants and to increase benefits for certain veterans, but nothing has been done about the NCOs and POs being thrown out of the service because they are no longer needed by a seemingly ungrateful government. This is nothing new, however, for it has happened before, but it is now time to correct that inequity.

The NCOA respectfully requests that our lawmakers review this unfortunate problem, and to do what they feel is necessary to correct this inequity against these men and women who have honorably served our Nation. They cannot help the fact that their government no longer requires their services.

To release these NCOs and POs without compensation or without some form of readjustment assistance, is one of the cruelest forms of government frugality ever perpetrated on a few of our Nation's veterans.

As President Theodore Roosevelt once said: "No other citizen deserves so well of the Republic as a veteran. They did the one deed which, if left undone, would have meant all else in history went for nothing. But for their steadfast promise, all of our annals would be meaningless, and our great experience in popular freedom and self-government would be a gloomy failure."

Of the greater dedications offered to the Nation by its living veterans, none may be as important to our future defense than that which has been provided by the Noncommissioned and Petty Officers Corps—"the backbone of our Armed Services." It was they who recruited, trained, molded, supervised and set the example for the young men and women who man our Armed Services today and tomorrow.

For those no longer needed in our Nation's shrinking military forces, the NCOA submits that they deserve better than a slap in the face.

(REFERENCES)

(Sections 687, 1167, 3786, 3796, 5864, 5865, 6382, 6383, 6384, 6395, 6396, 6401, 6402, 8786, and 8796 of title 10, United States Code.)

[From the Washington Post, June 18, 1973]

ARMY TRIES TO DROP "DEDICATED SOLDIER"

(By John Saar)

In 1971 Gen. Creighton Abrams commanded U.S. forces in Vietnam and Sgt. 1C James McShane ran the 25-man unit that printed his highly classified battle orders. The two men almost met again one day recently as Abrams, a four-star general promoted to army chief of staff, bustled out of the Pentagon when McShane arrived in a last-ditch effort to save his job, career and pension.

Besides his 32 months of Vietnam service. McShane regularly has earned glowing efficiency reports and is graded "outstanding" in his current job as instructor in offset printing at Ft. Belvoir, Va. Yet he is being dropped from the army—the Pentagon calls it "denial of re-enlistment"—under a screening program designed to weed out nonprogressive and nonproductive soldiers.

Believing the decision unjust, McShane has appealed to President Nixon, Acting Secretary of the Army Howard (Bo) Calloway and Abrams. Unless they intervene, the 35-year-old father of five will end his 16-year army career July 2 without a cent of severance pay and forego, by just more than three years, the right to a lifelong half-pay pension.

The army maintains that under a qualitative management program started in 1971, McShane is one of 40,000 senior noncoms to have his record reviewed by screening boards. With 1,644 others he has been denied reenlistment.

McShane's case was reviewed by a second board, an army spokesman explained, after his record was found to contain omissions and inaccuracies. But the decision again went against him.

Citing McShane's below average scores in skill tests and four "nonjudicial punishments in his record since 1964", the spokesman, Col. William E. Weber said last week: "We demand people abide by our system and our rules. The army is not a free ride."

Weber defended the screening program as a means of producing a post-Vietnam army of high caliber and reduced numbers.

"I know it's hard and I'm sorry for him (McShane), but it's beneficial for the nation because we are going to have a better army."

McShane has been angered and shaken by the Pentagon's handling of his case: "I've always been proud of the army—it's been my whole adult life. And this is the thanks I get? I haven't had a fair shake. It's got me bewildered."

There are others, friends and superiors of McShane's at Fort Belvoir, who support his case. "He's a dedicated professional soldier," said fellow instructor, S. Sgt. Robert Mitchman. "It's a drastic mistake."

Col. Maurice Kurtz, director of the Defense Mapping School at Belvoir, where McShane has been teaching offset printing for the past two years observed:

"I was surprised and supported his appeal for reconsideration because he has done a good job for us. If there's anything else we can do I'd like to be the first to know."

The ouster has been a special shock, McShane says, because security, early retirement and good pension—inducements still offered to army recruits—were strong factors in his decision to join at the age of 18 in Philadelphia.

Officers phased out of the army in similar circumstances are eligible for severance pay of $15,000 after only five years' service. There is no equivalent system for enlisted men.

A law firm McShane considered retaining to fight the case, until it requested an initial deposit of $1,500, told him the lost pension might have amounted to $200,000 over the rest of his life.

He did get the travel and early promotions which were his other reasons for joining the army. Since 1956 McShane has been based in Korea, Hawaii, and Vietnam and has received rapid promotions. The jobs also do not seem to match the notion of a soldier now being dismissed as "less than top-notch."

On his two Vietnam tours he was the printing supervisor at two major headquarters. Satisfied customers ranging in rank from generals on down wrote letters of appreciation and McShane submitted them to the review board with his records.

An efficiency report on McShane's performance in Vietnam in 1970 praised him highly. It stated in part: ". . . *clearly outstanding* . . . supervised printing of five million copies . . . in a flaw-less manner . . . the picture of efficiency . . . technical knowledge is unparalleled . . . recommend his early promotion."

While McShane has never been court-martialed or reduced in rank, he has had four nonjudicial offenses, including misappropriating an army vehicle while intoxicated and requesting an officer to back-date a curfew pass. Calling the latter "a breach of the honor code," Weber said he guessed the offenses must have weighed heavily with the screening board.

"Four days out of 17 years," McShane reflected when he heard that comment. "I've already been punished for them once, it seems very hard."

Asked about McShane's voluntary extension of his first Vietnam tour to 22 months, Weber replied, "He stayed over there because he had it made."

"That's not true," said McShane later. I extended to get the promotion. To my family, to me, it was my future."

One of his last efficiency reports, written late last year, says: "As an instructor . . . this man is exceptional."

By Mr. CRANSTON (for himself and Mr. TUNNEY):

S. 3332. A bill to repeal the act of June 23, 1936, to authorize the Secretary of the Interior to exchange certain lands, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

Mr. CRANSTON. Mr. President, I today introduce a bill to repeal the act of June 23, 1936, which granted special Federal land purchase rights to the city of Los Angeles; to provide for the continuation of existing water gathering operations by the city of Los Angeles; and to facilitate an exchange of lands between the U.S. Forest Service and the city of Los Angeles, within Mono County, Calif.

This measure is introduced in the particular interest of Mono County and is the product of long and careful negotiations among Mono County officials, the city of Los Angeles Department of Water and Power, and the U.S. Forest Service. It is cosponsored by my California colleague, Senator JOHN V. TUNNEY. A companion measure is being introduced today in the House of Representatives by Congressman JOHN MCFALL.

Mr. President, the act this measure would repeal was passed by the Congress in 1936 to facilitate construction of vitally needed water and hydroelectric power supply facilities for the city of Los Angeles. Los Angeles presently receives approximately one-half of its water supply and hydroelectric power—equivalent to more than 1 million barrels of fuel oil per year—from the water originating in Mono County. The act granted to the city of Los Angeles the right to purchase, subject to approval by the Secretary of the Interior, Federal property for $1.25 per acre.

The act, however, has outlived its usefulness. The legislation which served some purpose 32 years ago is now an unnecessary impediment to both Mono County and the Federal Government in the efficient exercise of long-range planning and land-use control. The city of Los Angeles recognizes that necessary easements and rights-of-way across Federal land will be adequate to preserve the city's authority to manage its existing water and power resource facilities.

Therefore, over a 10-year period, the Los Angeles Department of Water and Power has worked with Mono County officials on legislation that removes the burden of the 1936 act while providing easements for such existing water gathering facilities as Crowley Lake Reservoir, Grant Lake Reservoir, Mono Basin Aqueduct, and related facilities. The result of these negotiations is the bill I introduce today.

Maps showing the location of these existing facilities have been prepared by the Los Angeles Department of Water and Power which has agreed to make the maps available for inclusion in the legislative record at the time of hearings on this bill.

Most of the land in Mono County is today in either Federal ownership or city of Los Angeles ownership. More than half of the Federal lands are part of the U.S. Forest System. The proposed legislation will not affect the continued management of these lands by the U.S. Forest Service. The bulk of the remaining Federal lands are Bureau of Land Management lands which were withdrawn from entry to protect the city of Los Angeles' water supply in 1931 and 1932 by act of Congress and Executive order, respectively. This bill does not affect the withdrawn status of Bureau of Land Management lands. City of Los Angeles lands will continue to be managed cooperatively with the Federal lands to maintain the existing open-space environment which is a major recreational resource for the millions of people in southern California.

The bill I introduce today includes an exchange of land of approximately equal value between the U.S. Forest Service and the city of Los Angeles, to facilitate management of the respective land ownerships. The city of Los Angeles would receive 165 acres of U.S. Forest Service lands covered by the existing Grant Lake Dam, the easterly portal of the Mono Craters Tunnel, and property presently leased to the city for the family recreational Camp High Sierra at Mammoth Lakes. The Federal Government would receive 440 acres of city of Los Angeles property adjoining the Lee Vining Ranger Station, shoreline property at Grant Lake Reservoir, and property for expansion of the Sherwin Creek Campground.

In sum, I believe the bill I introduce today contributes greatly to a continuing climate of cooperation among the Federal Government, the city of Los Angeles, and Mono County, in managing the land resources of Mono County.

I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 3332

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act entitled "An Act authorizing and directing the Secretary of the Interior to sell to the City of Los Angeles, California, certain public lands in California, and granting rights-of-way over public lands and reserved lands to the City of Los Angeles in Mono County in the State of California", approved June 23, 1936, is hereby repealed.

SEC. 2. (a) In consideration of the repeal of the Act of June 23, 1936, the Secretary of the Interior and the Secretary of Agriculture, with respect to lands under their jurisdiction or control, are authorized and directed to convey, by appropriate instrument, to the City of Los Angeles, such easements and rights-of-way on, over, under, through, and across such Federal lands in Mono County, California, as may be necessary to enable the City of Los Angeles to operate, maintain, and reconstruct any and all works, structures, or facilities (including communication facilities) which are in existence on the date of the enactment of this Act and which are necessary, convenient, incidental, or appurtenant to, the generation, transformation, transmission, distribution, and utilization of electric energy, or to the collection, extraction, diversion, transportation, storage, and distribution of water. Such conveyance shall be made subject to the condition that the City of Los Angeles shall, within the five year period following the date of the enactment of this Act, submit to the appropriate Secretary maps setting forth the location of such works, structures, and facilities, but maps which accurately set forth location of such works, structures, of facilities and which are on file with the Secretary of Agriculture and the Secretary of the Interior on the date of the enactment of this Act need not be refiled.

(b) In further consideration of the repeal of the Act of June 23, 1936, and notwithstanding any other provision of law. the City of Los Angeles is hereby granted the right through its existing water-gathering operations to affect Federal land in Mono County, California, within the watersheds of the Mono Basin and the Owens River, including but not limited to, the level of surface waters and waters underlying such Federal lands.

(c) Subject to the provisions of subsection (d) of this section, the appropriate Secretary of the department having jurisdiction or control over the following described lands shall convey, by appropriate instrument, all right, title, and interest of the United States in and to such lands to the City of Los Angeles:

(1) Camp High Sierra (5 acres) W ½ of SW ¼ of SW ¼ of SW ¼ of Sec. 34, T3S, R27E, MDB&M.

(2) Grant Lake Dam (80 acres) W½ of NW ¼ of Sec. 15, TIS, R26E, MDB&M.

(3) East Portal (80 acres) E ½ of NE ¼ of SW¼; NW ¼ of SE ¼; and W ½ of NE ¼ of SE ¼ of Sec. 21, T2S, R28E, MDB&M.

(d) The conveyances authorized by subsection (c) of this section shall be made subject to the condition that the City of Los Angeles, California, convey, by appropriate instrument, to the United States, all right, title, and interest of the City of Los Angeles in and to the following described lands excepting and reserving to the City of Los Angeles all water and water rights in accordance with section 219 of the Charter of the City of Los Angeles:

(1) Sherwin Creek (40 acres) NW ¼ of SE ¼ of Sec. 6, T4S, R28E, MDB&M.

(2) Lee Vining Ranger Station (50 acres) SE ¼ of SW ¼; W ½ of W ½ of SW ¼ of SE ¼ of Sec. 17, T1N, R26E, MDB&M.

(3) Upper and Lower Horse Meadow—

(a) Upper (160 acres) NE ¼ of Sec. 30, T1N, R26E, MDB&M.

(b) Lower (160 acres) W ½ of SE ¼; NE ¼ of SE ¼ of Sec. 20 and NW ¼ of SW ¼ of Sec. 21, T1N, R26E, MDB&M.

(4) Grant Lake Shore (30 acres) Portion NW ¼ of NE ¼ of Sec. 28, T1S, R26E, MDB&M above max. H.W. level and portions of SE ¼ of NW ¼; NE ¼ of SW ¼; and Lot 4 of Sec. 21, T1S, R26E, MDB&M which are above max. H.W. level.

SEC. 3. Nothing in this Act shall be construed as modifying, altering, or otherwise affecting, or be construed in any manner which would result in an interference with, the laws of the State of California relating to the ownership of, or rights to the use of, water or land or the control thereof, or with any right, power, or privilege of the State of California.

By Mr. MONDALE:

S. 3334. A bill to amend the Interstate Commerce Act in order to improve service in the transportation of household

goods by motor common carriers. Referred to the Committee on Commerce.

Mr. MONDALE. Mr. President, every year millions of American families change residences. Some merely move from one apartment to another, or one home to another, in the same city. Others move long distances; many across the country. The moving American turns to the moving company—or more properly the household goods carrier—at a time when his life is often in a state of turmoil, whether by virtue of the move itself or by virtue of a significant change in his job or lifestyle. The American family depends upon the moving company to provide an accurate estimate of charges, perform its service on time, take care to avoid damage in the handling of his goods, and to settle any claims speedily and fairly. Yet, the American family is often greatly disappointed.

In 1963, Consumers Union conducted an extensive survey of the problems consumers encounter when they move. The survey revealed that moving could be a "nightmarish experience." As summarized by the group's publication, Consumer Reports, the survey revealed:

> Companies failed to pick up or deliver belongings on time, causing people to violate leases or forcing them to seek makeshift accommodations. Salesmen grossly underestimated costs, frequently causing unexpected financial crises at the point of delivery. And all too often furniture was damaged or lost in transit, and there were frustrating experiences as customers tried to settle claims.

Consumers Union took followup surveys in 1968 and again in 1973. While conditions had improved somewhat, largely as the result of action taken by the Interstate Commerce Commission, Consumer Reports concluded that the problems uncovered in 1963 "still exist to an alarming degree."

The article "Moving? Still Lots of Potholes Along the Way" which appeared in the May 1973 issue of Consumer Reports provides a comprehensive and enlightening survey of the problems encountered by many Americans who turn to moving companies for help and pay well for that help. I ask unanimous consent that the article be printed in the RECORD following my statement.

From the Consumers Union survey and other sources, including information collected by the ICC, it appears that the consumer encounters many problems when he uses a moving company. First ICC records reveal that the 20 largest carriers underestimated charges in 23 percent of their moves in the last half of 1972. The underestimate not only causes a significant disruption of the consumer's financial planning, it also often forces him to come up with additional cash at the destination of the move in order to claim his goods. Some of the underestimates are legitimate errors; others, however, are undoubtedly the result of so-called low balling—a deliberate low quotation by the estimator used to entice the consumer. The practice is encouraged by commission compensation of salesmen. Whether or not a significant percentage of underestimates are deliberate, the problem of underestimates is widespread and results, according to the president of the National Furniture Warehousemen's Association, in "untold hardship among the public—and ill feeling toward the whole industry."

Most people making a long-distance move plan it to coincide with the expiration of a lease, the commencement of a new job, or other important plans. Therefore, it is important that household goods arrive on time. Even if the move is only across town, a consumer may be greatly inconvenienced by delay. The second major problem arises in the area of timeliness. ICC figures reveal that more than 30 percent of the moves are not on time. While in this, as in other areas, the ICC has rules, they are difficult to enforce and appear ineffectual.

Finally, it is natural to expect that, because of the difficulties involved in transporting household goods, damage will occur. However, the prevalence of damage is shocking. The ICC statistics reveal that damage claims are filed in more than 20 percent of shipments. Filing a claim frequently only represents the beginning of a troublesome process. Many moving companies do not accept repair estimates, delay settlements for lengthy periods of time, and ultimately refuse to settle.

Overall, the moving industry has many problems. An ICC Commissioner has described the situation as having reached "a crisis stage." The Department of Transportation has recently proposed new ICC regulations dealing with many of the problems mentioned above. The ICC has agreed to take some preliminary steps. In my opinion, however, the regulatory mechanism has had ample time to act. It is now up to Congress to do something for those Americans who experience the frustrations of dealing with moving companies—to do something for the American consumer.

I am today, Mr. President, introducing a bill which I am confident will represent an important first step toward rectifying the needs of the American consumer who deals with a household goods carrier. The bill amends the Interstate Commerce Act, 49 U.S.C. 320. By the terms of the bill, all motor common carriers of household goods, as defined in other provisions of the act, are required to keep records during each calendar year of several enumerated items:

First. The number of shipments of household goods carried;

Second. The number of shipments which were picked up later than the time specified in the service order and the percentage of that number to the total number of shipments;

Third. The number of shipments which were delivered within the date and time specified in the service order and the percentage of that number to the total number of shipments;

Fourth. The number of shipments which were both picked up and delivered late and the percentage of that number to the total number of shipments;

Fifth. The number of shipments on which there was an underestimation of 10 percent or more and the percentage of such number to the total number of shipments;

Sixth. The number of shipments on which there was an overestimation of 10 percent or more and the percentage of such number to the total number of shipments;

Seventh. The number of shipments on which there was a damage claim and the percentage of such number to the total number of shipments;

Eighth. The number of claims settled during the year, the average percentage which the settlement was of the claim, and the dollar value of the settlements as a percentage of the dollar value of claims filed;

Ninth. The number and percentage of claims settled prior to the institution of judicial process and prior to the completion of judicial process;

Tenth. The dollar value of claims filed as a percentage of gross revenue and the dollar value of claims paid as a percentage of gross revenue;

Eleventh. The length of time between submission of the claim and settlement;

Twelfth. Any other information the Commission determines will assist it in carrying out the purposes of the bill.

The information must be filed with the ICC quarterly. The information will then be compiled by the Commission and made a matter of public record.

Those carriers authorized by the ICC to transport household goods among all 48 contiguous States are required to provide each customer with a copy of the comparative information supplied to it by the ICC about all carriers with cross-country authority. All other carriers must furnish their customers with the latest information they have filed with the ICC. The ICC will make the comparative information and individual information available in a readable and convenient form.

Providing the consumer with this information is intended to serve two purposes. First, armed with accurate and up-to-date comparative information, the consumer can make an informed choice when deciding which moving company to use. He will be able to compare the performance of the companies with cross-country authority in important aspects of service and pick the one with the record that impresses him the most in the services that are important to him. Second, when the records of these companies are not only exposed to general public scrutiny, but also disseminated in a comparative way, performance will naturally improve. Knowing that its record will be exposed to public view, the moving company will have a strong incentive to do better.

One feature of the bill deserves further explanation. Comparative information is required to be furnished to the consumer by the moving companies with authority to transport household goods among the 48 contiguous States, but other companies need only furnish their customers with their own data. There are three reasons for this distinction. First, the 20 companies with cross-country ICC authority account for approximately 80 percent of the household goods moving business in this country. Surely, requiring comparative information to be provided by them will help a significant portion of the moving public. Second, it would be administratively impossible to require the ICC to assemble comparative data as to all 2,500 household goods carriers. Finally, most consumers would have no need for such information. Giving the consumer, who uses these smaller companies, information on their own record should serve the purpose of providing the consumer with sufficient information to make an intelligent choice. He would not need information about all 2,500 carriers.

The Commission is given the authority to require further information to be furnished by the carriers. And the carriers are not prevented by the bill from furnishing the ICC or the consumer with additional information by way of explanation of their record. The ICC is required to make the terms of this bill effective through regulation within 6 months of its enactment.

The American public has been subjected to the deplorable performance of some moving companies for long enough. It is time for Congress to take action. I believe that this bill, which will allow the consumer to make an intelligent choice and which will expose the company's records to comparative, public view, represents an important way to deal with the "crisis" in moving company performance.

I ask unanimous consent that the text of my bill and the article from Consumer Reports be printed in the Record at this point.

There being no objection, the bill and article were ordered to be printed in the Record, as follows:

S. 3334

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 220 of the Interstate Commerce Act (49 U.S.C. 320) is amended by inserting at the end thereof the following:

"(h) (1) The Commission shall require each motor common carrier of household goods to keep records during each calendar year of the following:

"(A) the number of shipments of such goods carried;

"(B) the number of such shipments which were picked up later than the time specified in the order for service and the percentage of such number to the total number of such shipments;

"(C) the number of such shipments which were delivered within the date and time specified in the order for service and the percentage of such number to the total number of such shipments;

"(D) the number of such shipments which were both picked up later than, and not delivered within, the time specified in the order and the percentage of such number to the total number of such shipments;

"(E) the number of such shipments on which there occurred an underestimation of charges of ten percent or more and the percentage of such number to the total number of such shipments;

"(F) the number of such shipments on which there occurred an overestimation of charges of ten percent or more and the percentage of such number to the total number of such shipments;

"(G) the number of such shipments with respect to which a claim for damages was filed and the percentage of such number to the total number of such shipments;

"(H) the number of such claims which were settled during the year, the average percentage which the settled amount was of the claimed amount, the dollar value of claims paid as a percentage of the dollar value of claims filed;

"(I) the number and percentage of such claims settled prior to the institution of judicial process and prior to the completion of judicial process;

"(J) the dollar value of claims filed as a percentage of gross revenue, the dollar value of claims paid as a percentage of gross revenue;

"(K) the length of time between submission of the claim and settlement; and

"(L) such other information as the Commission determines will assist in carrying out the purposes of this subsection.

"(2) The Commission shall require that information kept pursuant to paragraph (1) shall be filed with it, in such form as the Commission prescribes, quarterly. Such information for all motor common carriers shall be compiled by the Commission and made available as a matter of public record.

"(3) Such information for all motor common carriers authorized to transport household goods among all 48 of the contiguous States shall be furnished by the Commission to each such carrier, and the Commission shall require each such carrier to give or deliver such information to each prospective shipper of household goods, to obtain a receipt therefor, and to preserve such receipt as part of the records of shipment.

"(4) The Commission shall require each other motor common carrier transporting household goods to give or deliver to each prospective shipper of household goods the information with respect to such carrier last filed with the Commission pursuant to this subsection, to obtain a receipt therefor, and to preserve such receipt as part of the records of shipment.

"(5) The Commission may require the furnishing of such additional information pursuant to paragraphs (3) and (4) as it determines will assist it in carrying out the purposes of this subsection.

"(6) Nothing in this subsection shall prevent a carrier from furnishing as part of the information required pursuant to paragraph (3) or (4) additional accurate information for the purpose of explaining other information furnished."

Sec. 2. Regulations required by the amendment made by this Act shall be prescribed and made effective with respect to actions of motor common carriers written six months of the date of enactment of this provision.

Moving?—Still Lots of Potholes Along the Way

Ten years ago, when CU conducted its first survey of the problems consumers encounter when they move, a significant percentage of those replying told us how a move could be a nightmarish experience. Companies failed to pick up or deliver belongings on time, causing people to violate leases or forcing them to seek makeshift accommodations. Salesmen grossly underestimated costs, frequently causing unexpected financial crises at the point of delivery. And all too often furniture was damaged or lost in transit, and there were frustrating experiences as customers tried to settle claims.

After our first survey, the Interstate Commerce Commission introduced some mildly consumer-oriented rules and, in 1968, when CU polled its readers again, some improvement was noted. One out of four of our 1968 respondents, however, was seriously dissatisfied with his move. Not too long after our 1968 survey, the ICC and the moving industry did surveys of their own, confirming CU's findings. Then, in 1970, the ICC held a lengthy hearing that resulted in further regulatory changes designed to protect consumers. What has been the result? Here is the opinion of one very knowledgeable observer, Rupert L. Murphy, one of the 11 ICC Commissioners:

"We hoped that the warnings made and regulations promulgated in that proceeding would be a major step towards significant improvements in the moving experience of the public," he said last October at a meeting of the American Movers Conference, a trade group. "But we have now discovered that our job is far from done and that a far greater effort will be required. . . . In fact," he continued, "the Commission is of the opinion that the situation has reached a crisis stage. . . . Complaints continue to be received at an alarming rate. And the number and bitterness of these complaints is, I fear, indicative of the type of service being received by the moving public from many of the household goods carriers."

Indeed, the ICC says it receives from 8,000 to 10,000 letters a year from disgruntled consumers, and such complaints are a steady subject of mail to CU. Public clamor has become so pronounced, in fact, that the ICC has completed special investigations against five carriers—Allied Van Lines, Inc., Aero Mayflower Transit Co., Bekins Van Lines Co., United Van Lines, Inc. and Red Ball Van Lines, of New York—and as of this writing is in the process of investigating four others, North American Van Lines, Inc., Atlas Van Lines, Inc., National Van Lines, Inc. and American Red Ball Transit Co. of Indianapolis.

Furthermore, the Department of Transportation has petitioned the ICC to initiate another rulemaking proceeding to strengthen household-moving regulations again. "As an advocate for the right of the American consumer to safe and dependable moving services," former Transportation Secretary John Volpe wrote to ICC Chairman George Stafford last year, "I feel that every effort should be made to reduce, and hopefully eliminate, unfair and deceptive practices by household goods movers." In light of such evidence that the problems CU uncovered in its surveys in 1963 and 1968 still exist to an alarming degree, we decided this year to forgo a third survey and let the public record speak for itself.

THE GUESSING GAME

Potential problems begin the minute a moving company's salesman walks in your door. Upon request, you must be given an estimated cost of your move by the representative of the moving company who calls on you and checks out your shipment. (Moves paid for by the military and big corporations are often made without estimates; for private moves, estimates are almost always made, even when the customer doesn't request one.)

Most of the cost of getting your belongings from one house to another in an interstate move is based on the weight of your shipment and the distance it must travel. All the big moving companies belong to rate bureaus that, in accordance with ICC regulations, set uniform rates. So among the big companies there is no price competition. That's important to remember, since two widely varying estimates from two companies merely means that one of them—maybe even both—has guessed the weight of your shipment incorrectly. You are obligated to pay on the basis of the actual weight—determined by putting the truck on a scale—no matter what you were told the move would cost.

By the moving companies' own admission, the accuracy of their estimates is not good. Carriers must file quarterly reports with the ICC on the number of estimates that were off by more than 10 per cent. When CU checked those records for the last half of 1972, we found that the 20 biggest carriers underestimated the bill 23 per cent of the time. The chart on page 357 shows the record.

Low guesses can be enormously wide of the mark. "I write to you in hopes of advising others of the pitfalls of moving," Kathie Florsheim told CU in recounting her moving experience. "I moved from Oakland, Calif., to Providence, R.I. . . . The estimate was made on 1000 pounds, and the cost was to be $472.75. The actual weight was 2040 pounds at a cost of $713.55," a money error of 51 per cent.

It used to be that a customer faced with that kind of error had but two choices—either come up with the cash or a certified check (personal checks are rarely accepted) or let the goods be put in storage, incurring storage charges and additional loading, transporting and unloading charges. Fortunately, a 1970 rule change stopped that. Now, you are obligated to pay the driver no more than the amount of the estimate plus 10 per cent at the time of delivery. You then have 15 days, excluding weekends and holidays, to pay the balance. Another ICC rule that enables you to prepare yourself for the unpleasantness of a higher-than-expected bill requires the carrier to notify you of the charge immediately after it determines the weight of your shipment. That's done shortly after the van leaves your home. But to get that service you must ask for it when you place the order and you must provide an address or phone number where you can be contacted between homes.

It's difficult to determine how many gross underestimates are the result of "low-balling"—a deliberate low quotation by the salesman, whose objectives is to entice you into hiring his company. But the practice does exist, resulting in "untold hardship among the public we serve and ill feeling toward the whole industry," as the president of the National Furniture Warehousemen's Association put it recently in that trade group's journal. Many moving companies contend that while low-balling causes some gross underestimates, people who don't show the salesman everything they want to ship cause many more. Many customers don't understand that weight and distance govern most of the cost of the move, and mistakenly think that the estimate is binding. Certainly inexperience on the part of estimators or honest bad guessing accounts for some of the disparities. In fact, the 20 biggest movers in the nation claim that in the last half of 1972, 27 per cent of their salesmen's estimates were *more* than the actual charge. But that's small comfort for the thousands stunned by much higher bills than they expected. The system tends to encourage underestimates, while providing no incentives for accuracy.

One practice of the industry that encourages low-balling is commission-compensation for salesmen; a salesman's income depends on the number of moves he books. The Department of Transportation has suggested that the ICC either require salesmen to be paid fixed salaries with bonuses for accuracy or require that commission-compensation be reduced for underestimates, proportionate to the error. Moving companies might show greater concern about underestimates, the DOT has suggested, if the ICC imposed a ceiling on final charges, limiting them, say, to the estimated cost plus 10 per cent.

HURRY UP AND WAIT

Most people making a long-distance move plan it to coincide with the expiration of a lease, the starting date of school or a new job, and other exigencies of life. So it's important to them that the mover pick up and deliver their goods on time. ICC rules give the mover the option of specifying the exact date of pickup and delivery or specifying a time period, say, a span of three days. The rules also state that as soon as it becomes apparent to the moving company that it cannot honor its commitment, it must notify the shipper of the delay, at the company's expense, by telephone, telegram or in person. The company must give the reason for the delay, the new time of arrival and, in the case of late deliveries, the condition and location of the shipment. Complaints indicate that many carriers not only fail to meet promised dates, but also don't tell customers they'll be tardy. Mr. and Mrs. Donald Weed's experience is typical. The mover picked up their belongings in Amityville, N.Y., late in October, and promised delivery five days later in St. Petersburg, Fla. "We hurried off to St. Petersburg to satisfy our part of the contract," Mrs. Weed wrote the ICC. When the van didn't show up on time, the Weeds contacted the mover's St. Petersburg agent and were told the van was delayed. No reason was given. Later the Weeds were told the van was in Jacksonville and would arrive on November 6. November 6 came and went and still no van. "When we called again we were told the van had not yet left Amityville," Mrs. Weed wrote the ICC on November 15—two weeks after the promised date. Meanwhile, the Weeds were living in a motel, waiting each day for a van that didn't arrive until November 16. "I was just appalled," Mrs. Weed told CU. "We had enough money, but what about people who might not?"

In 1968, from a statistically designed sampling of bills of lading, the ICC's Bureau of Economics determined that moving companies were late on 32 deliveries out of 100. A similar finding was made in a survey conducted with an ICC questionnaire last year (see box on page 358). Delays sometimes result when a company picks up a partial load (a van can hold furniture from as many as six or seven households), then waits to load or even book shipments to fill the rest of the van. Unrealistically tight scheduling—the opposite kind of pressure on the mover-can also cause delays. One agent told CU that some big national companies, trying to book as many moves as possible, often don't allow enough loading time. The agent added that, in his experience, the customer seldom is to blame for holding up the mover.

Although present ICC rules require movers to serve customers with "reasonable dispatch," they're difficult to enforce. Reasonable dispatch means that a company must honor the dates on the bill of lading except for unavoidable occurrences, such as mechanical breakdowns, accidents and other events beyond the mover's control. The rules also state that "no carrier shall knowingly and willfully give false or misleading information as to the reasons for delay" and provide penalties for lying. Enforcing such rules requires a detailed check by the ICC of every tardy delivery to see if the carrier is telling the truth, a formidable task. No wonder, then, that in the first seven months of last year, only five fines were imposed for violations of the late pickup and delivery rules.

In CU's judgment, the situation calls for a tougher, self-enforcing regulation that directly affects the carrier's pocketbook when he's tardy. The DOT has suggested a schedule of alternative rates, with the highest rate applicable only if the goods are picked up and delivered on time, and a progressively lower rate for each day the company is late. A simpler alternative would be to make the carrier deduct a set amount—say, $50 for each day he is late. Either reform, in addition to providing the carrier an economic incentive to be on time, would also directly reimburse the customer who must shell out money for meals, motels and lease violations because of late pickups and deliveries. As the regulations stand now, customers faced with such expenses must file a claim with the carrier, and there's no guarantee of reimbursement.

MAKING GOOD ON DAMAGE AND LOSS

Problems over damage and loss are a third major source of consumer complaints to the ICC. In the sampling of bills of lading done by the ICC's Bureau of Economics, claims were filed in 22 per cent of the shipments. CU's last survey and one done for the American Movers Conference turned up even higher percentages. Judging from the tone of letters received by CU and the ICC, nothing seems more exasperating than the experience of having belongings lost or damaged, followed by one's inability to reach an equitable settlement—or any settlement—with the mover. "I write this letter in desperation," Joan M. McGrath told the claims director of one moving company. "When [the driver] opened the truck, I couldn't believe my eyes—everything was helter-skelter." After inspecting her belongings, Miss McGrath filed a claim, mainly for damage to her bedroom furniture. Next, she related, she had problems with the furniture repairman designated by the moving company. Her letter, dated last October 23, was prompted, she said, by her inability to get the repairman even to look at the damaged furniture.

"Since August 7," she wrote, "I have been deprived of the use of my night stand, which sits in the middle of my living room upside down because the leg is broken. Since August 7, I have been unable to use the dresser to my bedroom suite because the drawers will not open. My mattress is filthy with black handprints, which were not on it. . . .

"I have not been unreasonable in my demands in asking only that my relatively small amount of damages be repaired so that I can forget the entire episode," Miss McGrath summed up, pleading for the company to assign a different repairman.

Many claim problems begin when the mover is presented with a repair estimate. One man complained to the ICC that the moving company simply refused to accept the figure its repairman presented. "I cannot understand why, when it is their man and he estimates how much it would take to repair or replace the furniture, that they, from the distance of approximately 1000 miles . . . adjust same to their own whim and fancy," he wrote of his lengthy and exasperating correspondence with employees at the mover's headquarters.

Worse than a low settlement is no settlement. And that was the result for 17 per cent of those who filed claims with the 20 big moving companies in the final half of last year. The chart on page 357 shows the percentage of claims each carrier refused. It also shows the percentage of claims closed in 30 days or less, and the percentage taking more than 120 days to close, which should give you a guide to how fast various companies act on claims. Allied Van Lines settled a larger proportion of claims than any of the other carriers, refusing only 3 per cent. Burnham Van Service Inc. refused the most, 39 per cent. (Be aware, however, that the chart only indicates how easy it might be to get paid *something* on a claim, not necessarily what the claimant thinks is enough.) Burnham closed the most claims within 30 days—78 per cent—and Trans-American Van Service the least, only 13 per cent. Atlas had the most claims still pending after 120 days—27 per cent. Burnham, Fernstrom Storage and Van Co., King Van Lines and Republic Van and Storage Co. had no claims—or nearly none—pending after 120 days.

Many of the damage claims result from accidents that occur while the furniture is being loaded or unloaded, and the frequency of those accidents relates directly to the experience and training of the men who do the job. Many of the helpers are woefully inexperienced. The pay is low, and there's little opportunity for job advancement, so it's tough to find and retain good men. It's not uncommon for a cross-country driver to arrive alone at a destination and have to make do with whatever help he can find. Drivers for one company told a Wall Street Journal reporter that they sometimes hire hitchhikers and derelicts. The reporter learned first-hand what was behind some consumer complaints about damage by concealing his professional identify and hiring on as a helper with a company in Texas. He warned his employer he had no experience, and was told, "Don't worry, we'll teach you." The reporter received no formal training, however, and what he was "taught" he picked up on the job. Soon after his inexperienced start, he burned a table with a cigarette he was smoking and learned that smoking was against the rules. In his efforts to get rid of the cigarette while carrying the table, he crunched the table against an iron railing, scarring a leg.

THE PROBLEM OF LOCAL AGENTS

To a large degree, big, national moving companies use independent, local movers as their agents on a contractual basis. The big carriers have ICC authority to haul shipments interstate, perhaps nationwide, while local agents may have only intrastate rights, or perhaps limited interstate rights. Thus, representing a national concern enables the local companies to book more moves. Last July, the ICC put into effect new rules requiring national carriers to file detailed reports on the working agreements with their agents. One purpose of those reports is to enable the ICC to monitor the quality of the agents' personnel and equipment, and also to enable the ICC to make the national carriers crack down on agents with poor service records. That's a step in the right direction, if the ICC is able to monitor the agent as closely as it says the new rules will enable it to do. It's too early to evaluate the results.

BIG CARRIERS' PERFORMANCE RECORDS

[This chart shows the 20 biggest household-goods movers' performance records in some important consumer areas for the last 6 months of 1972. The information was obtained from reports the companies themselves prepared and submitted to the ICC in accordance with that agency's regulations. Companies are listed alphabetically]

[In percent]

	Claims refused	Claims closed in 30 days or less	Claims taking over 120 days to close	Frequency of underestimates
Aero Mayflower Transit Co	10	57	13	21
Allied Van Lines	3	43	10	24
American Red Ball Transit Co	15	27	20	23
Atlas Van Lines	13	15	27	24
Bekins Van Lines	6	64	2	25
Burnham Van Service	39	78	0	35
Fernstrom Storage & Van Co	17	58	0	24
Global Van Lines	11	38	26	18
Greyhound Van Lines	14	38	15	29
John F. Ivory Storage Co	12	66	12	22
King Van Lines	8	57	0	15
Lyon Van Lines	11	70	11	29
National Van Lines	20	54	4	35
Neptune World Wide Moving	20	58	3	16
North American Van Lines	28	38	13	23
Republic Van & Storage Co	31	27	0	23
Trans-American Van Service	34	13	24	8
United Van Lines	13	22	17	21
U.S. Van Lines	17	71	2	21
Wheaton Van Lines	7	42	7	23
Average for all 20 carriers	17	47	10	23

Until poor service records are identified and the service can be upgraded, however, a mechanism for arbitrating disputes over claims settlements is badly needed. When the mover won't pay what the customer feels is just, there's no recourse but the courts. That's too time consuming and too costly for any but the largest of claims. For years, CU has urged that the ICC itself provide an arbitration service. The ICC has maintained that it lacks the authority to do that, but it never sought such authority until last year. Then, in a rulemaking procedure in which it tightened regulations for handling commercial shipping claims, the ICC stated: "We are of the view that the unique and specialized problems related to loss and damage claims arising from transportation in interstate commerce, in the clear absence of other effective remedies, literally cry out for their resolution in innovative and simplified proceedings." The ICC went on to say that "the nationwide facilities, and the oganizational structure of this Commission render it uniquely qualified to determine the facts with respect to claims." It foresaw no major problems in setting up the arbitration service, the ICC stated, as long as Congress would give it additional budget and staff for implementation. CU believes Congress should move quickly to grant the ICC arbitration powers.

The ICC's move toward an arbitration service, its investigations into some big companies, its intended closer scrutiny of local agents, and the tough talk of Commissioner Murphy are all positive signs that the ICC is beginning to move from its traditional role of protecting commercial trucking interests toward watching out for the consumer. Still, there is considerable room for more vigorous action.

Take, for example, the resolution of the Aero Mayflower investigation. Following several weeks of testimony about many kinds of problems, the ICC—even before the hearings were conducted—issued a cease-and-desist order that merely prohibited Aero Mayflower from hauling *office and institutional furniture and equipment* for 15 days. Bekins received the same slap on the wrist, as did Allied, the nation's largest household-goods carrier. (Allied, in an action separate from the investigation, did pay $20,000 in civil penalties for household-goods violations.) The only company so far to receive a fairly stiff ICC penalty is Red Ball of New York, a regional carrier. Red Ball had its authority to haul household goods in New England suspended for 45 days.

Of more than 500 civil penalties handed out to all carriers last year for violations of ICC regulations, less than 30 were for violations of household-goods rules. Nearly all the rest were penalties against commercial haulers for invading the territories of other commercial haulers—such as operating outside the geographical areas granted by the ICC or carrying materials for which approval was lacking. CU wishes the ICC would pursue household-goods violations as vigorously as it does violations of commercial rules.

There is another good opportunity for the ICC to prove its interest in helping consumers. It has in its possession a wealth of information on the quality of service carriers are providing—the same kind of information CU has published in the chart accompanying this report. Why couldn't the ICC itself regularly publish data on late pickups and deliveries, underestimates, loss and damage, settlements of claims and the number of complaints received against each carrier? That would give the public a better basis for choosing a company, while at the same time forcing carriers with poor records to improve or lose business. Certainly there is a regulatory agency precedent for publishing that type of information in the Civil Aeronautics Board's monthly list of complaints against airlines (see CONSUMER REPORTS, August 1972). Such information could even be printed in the booklet of rules the ICC now requires carriers to give customers before they can sign them up for a move.

The best way of all, however, for the ICC to demonstrate it's on the consumer's side would be for it to move expeditiously to adopt tougher rules along the lines suggested in this report. The peak moving season (June through September) is here again. It has been nearly one year since the DOT asked the ICC to strengthen its rules to protect consumers. Yet a firm decision by the ICC is not at hand. The crisis in household moving Commissioner Murphy has talked about is still with us and will not be resolved unless the ICC takes more positive steps.

IT IS YOUR MOVE

It is possible to choose a moving company at random, put yourself entirely in the driver's hands, and have the whole experience turn out to your total satisfaction. It's possible, too, to watch all the elements carefully at each step along the way, and have a grossly unpleasant experience. Unfortunately, given all the variables involved, there's no way to guarantee satisfaction. Nevertheless, we think the odds are on your side if you arm yourself with as much information as possible. The chart on page 357 will give you some idea about the overall service records of the biggest companies. Be aware, however, that a carrier's overall record does not necessarily reflect the quality of service given by its agent in a specific locale. The agent could be better or worse. Still, lacking other information, it's a good place to start. We also suggest that you check with friends and neighbors who might have had experience with the agent on a local move.

Have a few companies come to your home and give you an estimate. Be suspicious of an estimate that is significantly lower than others. The salesman may be low-balling you to get the job, and, if so, that may signal a company attitude that will be reflected in other problems. Before you sign an order for service, the mover is required to give you an ICC booklet entitled "Summary of Information for Shippers of Household Goods (BOp 103)." It spells out the rules and offers some advice. Read it and keep it handy. We also recommend consulting page 385 of the 1973 CONSUMER REPORTS Buying Guide Issue for additional advice on planning your move and avoiding potential pitfalls.

THE ICC SURVEYS CONSUMERS

Since August 1971, the Interstate Commerce Commission has distributed more than 100,000 copies of a questionnaire to household-goods carriers, asking the carriers, in turn, to give them to their customers. In 1972, only 1310 questionnaires were returned to the ICC.

The small return, plus the lack of any mechanism to insure that the returns are a representative sample, virtually guarantees that the tabulations reflect biases. But which way? Some industry representatives declare that customers with gripes are more likely to take the trouble to fill out such a questionnaire than those who are satisfied. On the other hand, since distribution of the questionnaire was left to the moving companies, it's possible that some companies didn't place them in the hands of customers they knew to be dissatisfied with their service.

As an indicator of how unrepresentative the tabulations are, consider that a fourth of the total response came from customers of one small Ohio firm. That firm, confident of its good record, mailed a copy of the questionnaire to *everyone* it had moved, accompanied by a letter urging that the form be completed. Only a few of that firm's customers expressed dissatisfaction, and those returns skewed the overall results in favor of the industry. We wish that the ICC had planned its survey more carefully, but despite its methodological flaws the tabulations cannot be ignored.

Forty-six per cent said their move was not satisfactory. Sixteen per cent said their shipment was picked up late, and 33 per cent experienced a late delivery. Of some 440 who reported late delivery, 75 per cent said the carrier did not notify them of the reason for the delay or the location of the shipment. Nearly 30 per cent of the 1310 responding said actual charges exceeded estimates by more than 10 per cent, and more than half of the 1310 filed—or intended to file—a claim for loss or damage. Nearly 40 per cent of those making claims said the mover had not acknowledged receipt of the claim in writing; companies are required to do so within 30 days. About 18 per cent of those replying to the ICC questionnaire said the mover had not given them a copy of the ICC booklet, "Summary of Information for Shippers of Household Goods," as required by ICC regulations.

By Mr. MAGNUSON:

S. 3335. A bill to establish a Marine Fisheries Conservation and Management Fund. Referred to the Committee on the Commerce.

Mr. MAGNUSON. Mr. President, when the Congress unanimously adopted Senate Concurrent Resolution 11 on December 21, 1973, we not only agreed once again that our Nation's fishing industry is in a depressed condition, but we also recognized the incontrovertible evidence demonstrating that the valuable fishery resources off our shores are either in a state of depletion or are seriously threatened, primarily from foreign fishing activity. Further, we agreed that, as national policy, the fisheries and the industry were vital to our national well-being.

Obviously, the adoption of this policy must necessarily bear a price tag. The legislative proposal which I offer today, although admittedly not fully adequate to the total need, will redirect fisheries related funds which are currently being spent elsewhere to fishery improvement purposes. I introduce for appropriate referral a bill to establish a Marine Fisheries Conservation and Management Fund. This "Fund" will be composed of: First, all collected fines and penalties obtained by the Federal Government as a result of violations of Federal fisheries laws; and second, all the gross receipts from duties on foreign-source fish and fish products. The "Fund" is, therefore, not new money, but money which now goes into the general fund in the Treasury for general governmental purposes.

For several years, the United States has been levying fines for violations of fishing laws against both American and foreign fishermen who break the rules. From 1967 through last year, a total of 90 seizures resulted in fines adding up to $2,321,655, a sizable sum. The chart printed below gives a summary breakdown of seizures and fines over that time period:

SUMMARY OF FISHING PENALTIES[1]

Year and country	Number of violations	Total fines
1967:		
U.S.S.R	3	$35,000.00
Japan	1	5,000.00
Canada	4	1,720.51
United States	4	979.95
Total		42,700.46
1968:		
Canada	3	1,105.80
United States	4	1,179.12
Total		2,284.92
1969:		
Japan	3	19,000.00
Canada	1	419.31
United States	5	133,852.63
Total		153,271.94
1970:		
Japan	4	160,000.00
West Germany	1	20,000.00
Canada	4	10,589.53
United States	11	297,896.22
Total		488,485.75
1971:		
U.S.S.R	2	100,000.00
Japan	1	115,000.00
Cuba	4	25,000.00
Canada	5	5,755.14
United States	8	50,063.98
Total		295,819.12
1972:		
U.S.S.R	2	250,000.00
Japan	2	180,000.00
Total		430,000.00
1973:		
Japan	1	230,000.00
Republic of Korea	1	90,000.00
Canada	2	200.00
United States	11	588,893.54
Total		909,093.54

	Amount	Seizures
Total penalties:		
1967	$42,700.46	12
1968	2,284.92	7
1969	153,271.94	9
1970	488,485.75	20
1971	295,819.12	20
1972	430,000.00	4
1973	909,093.54	15
Total	2,321,655.73	90

[1] National Marine Fisheries Service, National Oceanic and Atmospheric Administration, Department of Commerce, Nov. 21, 1973.

I believe this money is best used to manage and protect our offshore fish stocks by research and assistance to the States and the fishermen themselves, rather than applied to general purposes.

Import duties on fish and fish products are assessed under authority contained in subpart A, Tariff Schedules of the United States, section 1202 of title 19 of the United States Code. The total annual amount of these duties has been running about $25 million. Pursuant to the Saltonstall-Kennedy Act, 30 percent of the total gross receipts are now being applied to fishery programs under the aegis of the National Oceanic and Atmospheric Administration Department of Commerce. (15 U.S.C. 713c–3(a)). The bill I am introducing would divert all gross receipts into the "Fund." With this steady supply of moneys, fisheries programs will be at least susceptible to the vicissitudes of the Office of Management and Budget.

The improvement and protection of our fisheries requires steady financial support from our Federal Government. I feel that the creation of a Marine Fisheries Management and Conservation Fund will provide stability in funding. Sums derived from the above mentioned sources would be deposited in a separate account in the Treasury of the United States to be expended for specific "fisheries" purposes. To assist in determining the proper priority needs, the Secretary of Commerce—NOAA—would appoint an advisory committee from Government, State, and Federal, and from the private sector, including the fishermen themselves.

The time is running out on our fisheries. Neither we nor the rest of the fishing nations of the world can afford to dilly-dally on the conservation question. We must begin meeting our commitment to future generations. I hope this fund will add to our *capability* to manage and to expand our knowledge of the fish we seek.

I ask unanimous consent to print the bill at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 3335

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Marine Fisheries Conservation and Management Fund Act of 1974."

DEFINITIONS

SEC. 2. As used in this Act—

(1) "Committee" means the Advisory Committee established under section 4 of this Act.

(2) "Fund" means the Marine Fisheries Conservation and Development Fund established under section 3 of this Act.

(3) "Secretary" means the Secretary of Commerce.

FUND

SEC. 3. (a) ESTABLISHMENT.—There is established a separate account in the Treasury of the United States to be known as the Marine Fisheries Conservation and Development Fund. The Fund shall be used, in accordance with the provisions of this Act, for conservation, management, protection, and development of the marine fisheries of the United States.

(b) ADMINISTRATION.—Amounts made available from the Fund shall be allocated and used by the Secretary for the purposes described in section 5 of this Act in accordance with priorities, standards, and procedures set forth in regulations which shall from time to time be prescribed by him after consultation with the Committee.

ADVISORY COMMITTEE

SEC. 4. The Secretary shall establish an Advisory Committee to assist him in carrying out his functions under this Act. The Committee shall consist of officers and employees of Federal departments and agencies and individuals from State and local governments and the private sector selected by the Secretary, who are determined by the Secretary to have special knowledge and experience in activities relating to the purposes of this Act. Members who are selected from Federal departments and agencies shall serve at the request of the Secretary with the approval of the heads of their departments or agencies and shall receive no additional compensation for their services as members of the Committee. Members of the Committee selected from State and local governments and the private sector, while serving on business of the Committee, shall receive compensation at rates fixed by the Secretary not to exceed $100 per day. All members of the Committee, while serving away from their homes or regular places of business, may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for persons in the Government service employed intermittently. The Secretary shall make available to the Board such office space and facilities, and such secretarial, clerical, technical, and other assistance and such information and data in his possession or under this control, as the Committee may require to carry out its functions.

FUNDING

SEC. 5. (a) DEPOSITS.—Notwithstanding any other provision of law, there shall be deposited in the Fund:

(1) all fines and penalties derived from violations of the Federal fisheries laws or levied by the Federal Government against fishing vessels or their masters or owners; and

(2) an amount equivalent to 100% of the gross receipts from duties collected under the customs laws on fisheries products, including, but not limited to, fish, shellfish, mollusks, crustecea, aquatic plants and animals, and any products thereof, including processed and manufactured products.

(b) EXPENDITURES.—Sums appropriated from the Fund shall be made available until expended to cover the costs, as the Secretary may direct, or conserving, managing, protecting, and developing marine fisheries, including, but not limited to:

(1) activities under the Fish and Wildlife Coordination Act, as amended (16 U.S.C. 661–666c), and with respect to those species for which the Secretary has jurisdiction under Reorganization Plan No. 4 of 1970, effective October 3, 1970;

(2) activities under the Fish and Wildlife Act of 1956 (16 U.S.C. 742(a)–754);

(3) the so-called Lacey Act (18 U.S.C. 43–44);

(4) such other legislation relating to the conservation, management, protection, and development of marine fisheries as may subsequently be enacted.

By Mr. KENNEDY:

S. 3336. A bill to amend the Fair Labor Contractor Registration Act of 1963 by extending its coverage and effectuating its enforcement. Referred to the Committee on Labor and Public Welfare.

Mr. KENNEDY. Mr. President, I am introducing a legislative proposal today to amend the Farm Labor Contractor Registration Act of 1963 to expand its coverage, to provide greater protections for the individual farmworker, to strengthen the penalties for violating the act, and to assure its enforcement.

Since the original law's enactment, the pattern of enforcement has been haphazard and ineffective. The Labor Department's own spokesman acknowledged in testimony that spot checks of some 900 contractors in 1973 disclosed 375 violations for failure to register, 321 violations for failure to post notice, 184 violations for failure to keep records, 289 violations for failure to give earnings statements to workers, and 183 violations for failure to insure vehicles.

Perhaps more compelling evidence of the need to add more teeth to the current law is the estimate by the Labor Department that only 1,855 farm labor contractors—the crew leaders who recruit farmworkers—had registered in 1973, of a total number of more than 5,000 crew leaders subject to the act. Equally revealing is the fact that only two contractors had been prosecuted for any violation of the act since its enactment.

The migrant legal action program, in a rulemaking petition filed with the Department of Labor's Employment Standards Administration, on behalf of 26 low-income farmworkers and 4 migrant organizations, charged that the Department of Labor's policy is to write letters to all law violators as the sum total of the sanctions imposed against law violators.

The migrant legal action program cited examples of a labor contractor using firearms to threaten farmworkers to stay on the job, and of another crew leader carrying more than 40 persons in the back of a truck which was reported to be "mechanically unsafe, overcrowded."

The implications of such charges are evident in the aftermath of the tragedy in Blythe last year when 19 of 47 migrants were killed when the bus they were being transported in ran off the road and into a ditch. The bus was later found to have numerous mechanical failures and to be driven by a driver who had only 4 hours sleep.

In addition, last year the Justice Department informed me of several instances where conditions that fit the legal definition of slavery involving east coast crew leaders had been investigated and prosecuted.

These facts do not reveal the farmworkers who have received false promises from contractors. It does not reveal the farmworkers who had inadequate housing. It does not reveal the farmworkers who had no say over the conditions under which they and their families were forced to work.

The average income of the migrant worker's family, according to a recent Labor Department study remains at the bottom of America's pecking order of labor and they have the most limited legal protections of any American worker.

For these reasons, I am pleased that Senator GAYLORD NELSON, chairman of the Senate Migratory Labor Subcommittee of the U.S. Senate, has undertaken a series of hearings on this subject. His leadership in this area complements the work being put forward in the House of Representatives by Congressman WILLIAM FORD.

I am hopeful that an amalgam of the best provisions of a bill that has been acted upon by the House committee. H.R. 12516, a bill introduced by Senator NELSON, S. 3202, and the legislation I am introducing today can be acted upon by the Congress in this session.

In addition to tightening the registration requirements and increasing the mechanisms available for the enforcement of the law, the bill I am introducing will substantially expand its coverage.

The exemption in current legislation to all intrastate labor contractors and the exemption of day haulers has meant that several thousand crew leaders have been exempt from even the minimal provisions of the previous law from the outset.

My bill would substantially plug those loopholes. Exemptions only would apply for local recruitment transporting workers within a 50-mile radius, and for small farmers who employ less than 10 seasonal farmworkers for the entire year.

Vast numbers of farmworkers have been denied the protections of the law because they were transported by crew leaders within a single State or because they were hauled back and forth—sometimes more than 100 miles—each day. This provision will insure that those workers are protected as well.

The bill also includes for the first time the corporate farmer who usually hires someone to act as his farm labor contractor. And it provides for equal responsibility residing with the grower in assuring adequate conditions for workers.

Perhaps the most flagrant violations of the rights of farmworkers occurs between the time the crew leader offers a worker a job at a specific rate of pay, under specific conditions, and the reality when the farmworker and his family have traveled hundreds of miles, across State lines and have arrived at the fields.

The pay may be less. The housing may be virtually nonexistent. The health conditions may be abysmal. But the reality is that these workers are effectively denied any redress. They do not have the funds to return home or to find other work. They do not have proof to present to a court, since the current law merely requires verbal promises to be made to workers.

My bill will provide for a written agreement between the crew leader and the worker. It will spell out the minimal period of employment, the area of employment, the crops and operations on which he may be employed, transportations, housing and insurance to be provided, wage rates, charges to be made by the contractor for services and whether there is any labor dispute or strike at the place of employment. Recruitment for the purpose of strikebreaking also would be prohibited under the act. The worker will have a firm record upon which to base a complaint against a crew leader.

More important, the crew leader will know this at the outset and he will be required to post a $5,000 bond for any violation. As a result, the violations of individual rights which have occurred not once but thousands of times each season, may be reduced.

For along with the clear delineation of the rights of the farmworkers and the responsibilities of the crew leaders go substantially increased penalties for violation of the law.

First, an initial offense, now punishable by a $500 fine, would also have a 1-year prison sentence attached as a maximum penalty.

Second, each subsequent violation would be punishable by a fine not to exceed $10,000 or a 3-year prison term or both.

The Secretary also is directed to report all information concerning law violations—to the Attorney General for prosecution although he retains the power to suspend the registration of the farm labor contractor.

Retaliation against employees who seek to exercise their rights under the law is prohibited. Farm workers further would have a private right of action under the law to seek a civil remedy for the violation of any of its provisions.

These alterations in the law are designed to insure for the first time that at least some of the protections that most workers take for granted—the right to know what one is being paid, the right to have some say about your working conditions, the right to use the law when those contractual agreements are broken—these rights would be granted to farm workers.

I ask unanimous consent that the full text of this bill be printed in the RECORD at the conclusion of my remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 3336

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Farm Labor Contractor Registration Amendments of 1973".

SEC. 2. (a) Section 2 (b) (relating to the findings of Congress) of the Farm Labor Contractor Registration Act of 1963 (78 Stat. 920) is amended by striking the word "for" the second time it appears, and by inserting in lieu thereof the words "in or affecting".

(b) Section 3 (b) (relating to definition of farm labor contractor) of such Act is amended to read as follows:

"(b) The term 'farm labor contractor' means any person who, for a legal consideration, either for himself or on behalf of another person or business entity, recruits, solicits, hires, furnishes, or transports ten or more seasonal or casual laborers at any one time during any calendar year for agricultural employment, including day-haul agricultural employment. Such term shall also include individuals, corporate farmers, growers, processors, canners, packing shed operators, nursery operators, land owners or associations, where they engage directly in the supply of seasonal agricultural employment solely for their own purposes. Such term shall not incude any person who engages in any such activity for the purpose of obtaining migrant workers of any foreign nation for employment in the United States, if the employment of such workers is subject to (1) an agreement between the United States and such foreign nations, or (2) an arrangement with the Government of any United States territorial possession, commonwealth or foreign nation under which written contracts for the employment of such workers are provided for and the enforcement thereof is provided for in the United States by an instrumentality of such entity. In any case in which an individual or corporate farmer, grower, processor, canner, packing shed operator, nursery operator or land owner or association engages in such activity for the purpose of supplying seasonal farm workers solely for his or its own operation, or in which an employee thereof engages in such activity, the term 'farm labor contractor' means such individual, corporate employer or association to the extent that he or it engages directly in the activities of a farm labor contractor."

(c) Section 3(d) (relating to the definition of agricultural empolyment) of such Act is amended to read as follows:

"(d) The term 'agricultural employment' means employment in any service or activity included within the provisions of section 3(f) of the Fair Labor Standards Act of 1938 (29 U.S.C. 203(f)) or section 3121(g) of the Internal Revenue Code of 1954 (26 U.S.C. 3121(g)) where such service or activity involves employment of ten or more migrant workers (excluding members of the employer's immediate family) at any one time during any calendar year, and where any such service or activity involves the act of soliciting, promising, transporting, or assisting in transporting, any person for the purpose of performing farm labor where any transportation of such person to the job site occurs, or is to occur (1) from one State to another, (2) from any place outside of a State to any place within a State, (3) intrastate, where such person resides more than fifty miles from the job site or (4) in any case where the party conducting recruitment furnishes or bears the cost of transportation of a farm worker from the place of permanent residence of such farm worker to the area of farm labor employment".

(d) Section 5(a)(2) (relating to insurance coverage) of such Act is amended by striking out "$5,000" wherever it appears and inserting in lieu thereof "$25,000", and by striking out "$20,000" and inserting in lieu thereof "$100,000".

(e) Section 5(b) (relating to refusal, suspension, and revocation of a certificate) of such Act is amended by striking "or" at the end of paragraph (9); by striking the period at the end of paragraph (10) and inserting in lieu thereof "; or"; and by adding at the end thereof the following new paragraph:

"(11) is not in fact the real party in interest in holding such certificate of registration and that the real party in interest in any such application or certificate of registration is a person, firm, partnership, association, or corporation who previously has applied for such certification and has been denied such certification, or who previously had been issued a certification of registration which subsequently was revoked, suspended, or not renewed by the Secretary".

(f) Section 5 of such Act is amended by adding at the end thereof the following new subsection:

"(c) The acceptance of a certificate of registration shall constitute an authorization by the person named in such certificate that the Secretary is designated as the agent for such person for the purpose of accepting a summons in any action against such person arising out of the provisions of this Act where such person cannot be served within the jurisdiction where the course of action arose."

(g) Section 6(b) (relating to obligations and prohibitions) of such Act is amended to read as follows:

"(b) provide to each worker or head of each worker's household at the time of recruitment a written contract of employment, either for himself as employer or as designated agent for another employer, stating the terms and conditions of employment in a manner calculated to be understood by the person to be employed in such form and in such manner as the Secretary may prescribe, including—

(1) the area of employment,

(2) the crops and operations in which he may be employed,

(3) the transportation, the housing, and insurance to be provided the worker or workers,

(4) the wage rates to be paid, the period and total hours of employment,

(5) the charges to be made by the contractor for services,

(6) the nature of any strike, slowdown or labor-management dispute occurring at the place of employment, or which is expected to occur during the term of employment solicited, regardless of whether such strike, slowdown or dispute is conducted by a collective bargaining agent recognized by the employer".

(h) Section 6(e) (relating to payroll records) of such Act is amended by striking the word "interstate" wherever it appears.

(i) Section 6 of such Act is further amended by striking "and" at the end of subsection (d) and by striking the period at the end of subsection (e) and inserting in lieu thereof a semicolon and by adding at the end thereof the following new subsections:

"(f) promptly pay or contribute when due to the individuals entitled thereto all moneys or other things of value entrusted to the farm labor contractor by any third person for such purpose, and comply on his part with the terms and provisions of all legal agreements and contracts entered into between himself in his capacity as a farm labor contractor and any third person;

"(g) refrain from recruitment of workers for agricultural employment where such employment is the subject of a strike, slowdown or labor-management dispute where the effect of such recruitment is to interfere with such strike, slowdown or labor-management dispute on behalf of the employer."

(j) Section 7 (relating to information) of such Act is amended by adding at the end thereof the following new sentence: "The Secretary shall in conducting such investigations respect the confidentiality of the identity of any employee who files a complaint or communicates information to the Secretary with respect to which the Secretary commences an investigation. In addition the Secretary shall monitor and investigate the activities and operations of farm labor contractors as described in this Act without respect to specific complaints, at such times and in such manner as is reasonably necessary to assure the enforcement of the provisions of this Act."

(k) Section 9 (relating to penalties) of such Act is amended by inserting before the period at the end thereof a comma and the following: "sentenced to a prison term not to exceed one year, or both, and, upon conviction for each subsequent violation of this Act, shall be punishable by a fine not to exceed $10,000 or a prison term not to exceed three years, or both. Every violation of any provision of any section of this Act shall be considered a subsequent offense for the purposes of this section if the person convicted shall previously have been convicted of a violation of any provision of any section of this Act. Prosecution for the violation of any section of this Act shall not bar prosecution for a violation of any other section of this Act, or of any other law, staute, or ordinance proceeding from any action of the offender."

(l) (1) Section 14 (relating to rules) of such Act is amended by striking the words "Rules and Regulations" in the caption thereto and inserting in lieu thereof the words "Rules, Regulations and Duties of the Secretary".

(2) Such section is further amended by adding at the end thereof the following new sentence: "The Secretary shall report and refer all information concerning such violations or probable violations of section 4 and subsections (b), (e), or (g) of section 6 of this Act to the Attorney General. The Secretary may suspend the registration of the farm labor contractor against whom evidence of a violation of this Act is discovered until such time as he is satisfied that the basis for such suspension no longer exists."

Sec. 3. The Farm Labor Contractor Registration Act of 1963 is amended by adding at the end thereof the following new sections:

"RETALIATORY ACTS

"Sec. 16. (a) It shall be unlawful for any farm labor contractor to terminate, suspend, demote, transfer, or threaten, or take adverse action against any employee in retaliation of the exercise by such employee of any rights secured under this Act or any other provision *of* Federal law.

"(b) In any civil or administrative proceeding, a presumption that an action is retaliatory, shall arise from any action described in subsection (a) on the part of a farm labor contractor, which occurs within a period of sixty days following the exercise by an employee of any right secured under the provisions of this or under any other Federal law which establishes the rights of persons engaged in agricultural employment or which establishes duties of employers of persons engaged in agricultural employment.

"PRIVATE RIGHT OF ACTION

"Sec. 17. (a) Any person claiming to be aggrieved by the violation of any provision of this Act or any regulation prescribed thereunder may file an action in any District Court of the United States having jurisdiction of the parties without respect to the amount in controversy or without regard to the citizenship of the parties. Upon application by the complainant and in such circumstances as the Court may deem just, the Court may appoint an attorney for such complainant and may authorize the commencement of the action without the payment of fees, costs, or security. If the Court finds that the respondent has intentionally violated any provision of this Act or any regulations prescribed thereunder, it may—

"(1) order reinstatement of such employee;

"(2) order payment of wages not paid as a result of the violation in question;

"(3) award damages in an amount equal to three times the amount of the wages determined to be due under clause (2) or $500 for each violation, whichever is greater;

"(4) allow the prevailing party a reasonable sum for attorney's fees and court costs. Any civil action brought under this section or under section 9 of this Act shall be subject to appeal as provided in section 1291 and 1292 of title 28, United State Code.

"(b) Any agreement by an employee purporting to waive or to modify his rights hereunder, shall be void as contrary to public policy, except that a waiver or modification of rights or obligations created under section 6 of this Act shall be valid when contained in a bona fide collective bargaining agreement.

"(c) Nothing in this Act shall limit the rights of any employee to sue directly or through an assignee for any wages or other damages or for the enforcement of any rights secured to him under this Act. It shall not be a defense to any such action that such employee or assignee has failed to exhaust any administrative remedy provided hereunder prior to commencement of such action.

"(d) A respondent in an action brought under this section may be required to post a bond in an amount not less than $5,000 for each alleged violation of this Act.".

"AUTHORIZATION OF APPROPRIATIONS

"Sec. 18. There are authorized to be appropriated to carry out the purposes of this Act $5,000,000 for the fiscal year ending June 30, 1975, and a like amount for each fiscal year thereafter."

ADDITIONAL COSPONSORS OF BILLS

S. 1129

At the request of Mr. Ribicoff, the Senator from Kansas (Mr. Dole) was added as a cosponsor of S. 1129, Retirement Income Tax Credit.

S. 2333

At the request of Mr. Packwood, the Senator from Alaska (Mr. Gravel) was added as a cosponsor of S. 2333, a bill to exempt from duties, under the Tariff Schedules of the United States, specified types of fish netting and fish nets.

S. 2782

At the request of Mr. Nelson, the Senator from Florida (Mr. Gurney) was added as a cosponsor of S. 2782, to establish a National Energy Information System, to authorize the Department of the Interior to undertake an inventory of United States energy resources on public lands and elsewhere, and for other purposes.

S. 2801

At the request of Mr. Proxmire, the Senator from Arkansas (Mr. Fulbright), and the Senator from Maryland (Mr. Mathias) were added as cosponsors of S. 2801, to amend the Food, Drug, and Cosmetic Act with respect to safe vitamins and minerals, and for other purposes.

S. 2814

At the request of Mr. Mondale, the Senator from Arizona (Mr. Goldwater) was added as a cosponsor of S. 2814, to provide for increases in the readjustment allowances paid to Peace Corps volunteers and volunteer leaders, and to provide for the handling of such allowances.

S. 2854

At the request of Mr. Cranston, the Senator from Nevada (Mr. Bible), the Senator from Kentucky (Mr. Cook), the Senator from Louisiana (Mr. Johnston), the Senator from Washington (Mr. Magnuson), and the Senator from Maine (Mr. Muskie) were added as cosponsors of S. 2854, to amend the Public Health Service Act to expand the authority of the National Institute of Arthritis, Metabolic and Digestive Diseases in order to advance a national attack on arthritis.

S. 3045

At the request of Mr. Bellmon, the Senator from Kentucky (Mr. Cook) was added as a cosponsor of S. 3045, the Rural Development Health Care Services Act of 1974.

S. 3181

At the request of Mr. Kennedy, the Senator from West Virginia (Mr. Randolph), and the Senator from New Jersey (Mr. Williams) were added as cosponsors of S. 3181, the National Health Service Corps Amendments of 1974.

S. 3234

At the request of Mr. Humphrey, the Senator from Wyoming (Mr. McGee), the Senator from Oregon (Mr. Packwood), the Senator from New Jersey, (Mr. Case), and the Senator from Iowa (Mr. Clark) were added as cosponsors of S. 3234, a bill to authorize a vigorous Federal program of research and development to assure the utilization of solar energy as a major source for our national energy needs, to provide for the development of suitable incentives for rapid commercial use of solar technology and to establish an Office of Solar Energy Research in the U.S. Government.

S. 3259

At the request of Mr. Taft, the Senator from South Dakota (Mr. McGovern) was added as a cosponsor of S. 3259, to amend the Rail Passenger Service Act of 1970 in order to authorize certain use of rail passenger equipment by the National Railroad Passenger Corporation.

S. 3277

At the request of Mr. Domenici, the Senator from Kentucky (Mr. Cook) was added as cosponsor to S. 3277, a bill to amend the Solid Waste Disposal Act, to encourage full recovery of energy and resources from solid waste, to protect health and the environment from the adverse effects of solid waste disposal, and for other purposes.

SENATE CONCURRENT RESOLUTION 80—SUBMISSION OF A CONCURRENT RESOLUTION EXPRESSING THE SENSE OF CONGRESS REGARDING THE ANNEXATION OF THE BALTIC NATIONS

(Referred to the Committee on Foreign Relations.)

Mr. CURTIS submitted the following concurrent resolution:

Senate Concurrent Resolution 80

Resolved by the Senate (the House of Representatives concurring)

Whereas the three Baltic nations of Estonia, Latvia, and Lithuania have been illegally occupied by the Soviet Union since World War II; and

Whereas the Soviet Union will attempt to obtain the recognition by the European

Security Conference of its annexation of these nations, and

Whereas the United States delegation to the European Security Conference should not agree to the recognition of the forcible conquest of these nations by the Soviet Union: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of the Congress that the United States delegation to the European Security Conference should not agree to the recognition by the European Security Conference of the Soviet Union's annexation of Estonia, Latvia, and Lithuania and it should remain the policy of the United States not to recognize in any way the annexation of the Baltic nations by the Soviet Union.

SENATE CONCURRENT RESOLUTION 81—ORIGINAL CONCURRENT RESOLUTION REPORTED RELATING TO UNACCOUNTED FOR PERSONNEL (S. REPT. NO. 93-779)

(Placed on the calendar.)

Mr. SPARKMAN, from the Committee on Foreign Relations, reported the following original concurrent resolution:

SENATE CONCURRENT RESOLUTION 81

Senate Concurrent Resolution relating to unaccounted for personnel captured, killed, or missing during the Indochina conflict

Whereas the Agreement on Ending the War and Restoring Peace in Vietnam, signed in Paris on January 27, 1973, and the joint communique of the parties signatory to such agreement, signed in Paris on June 13, 1973, provide that such parties shall—

(1) repatriate all captured military and civilian personnel,

(2) assist each other in obtaining information regarding missing personnel and the location of the burial sites of deceased personnel,

(3) facilitate the exhumation and repatriation of the remains of deceased personnel,

(4) take such other steps as may be necessary to determine the fate of personnel still considered to be missing in action; and

Whereas the Government of the Democratic Republic of Vietnam and the Provisional Revolutionary Government of Vietnam have failed to comply with the obligations and objectives of the agreement and joint communique, especially the provisions concerning an accounting of the missing in action; and

Whereas the Lao Patriotic Front has failed to supply information regarding captured and missing personnel or the burial sites of personnel killed in action, as provided in the Laos agreement of February 21, 1973, and the protocol of September 14, 1973; and

Whereas it has not been possible to obtain information from the various Cambodian authorities opposed to the Government of the Khmer Republic concerning Americans and international journalists missing in that country: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of the Congress that new efforts should be made by the Government of the United States through appropriate diplomatic and international channels to persuade the Government of the Democratic Republic of Vietnam, the Provisional Revolutionary Government of Vietnam, and the Lao Patriotic Front to comply with their obligations with respect to personnel captured or killed during the Vietnam conflict and with respect to personnel still in a missing status; that every effort should be made to obtain the cooperation of the various parties to the conflict in Cambodia in providing information with respect to personnel missing in Cambodia; and that further efforts should be made to obtain necessary cooperation for search teams to inspect crash sites and other locations where personnel may have been lost, and be it further

Resolved by the Senate (the House of Representatives concurring), That the Government of the United States should use every effort to bring about such reciprocal actions by the parties to the peace agreements, including the Government of the Republic of Vietnam and the Royal Lao Government, as will be most likely to bring an end to the abhorrent conduct of the Government of the Democratic Republic of Vietnam, the Provisional Revolutionary Government of Vietnam, and the Lao Patriotic Front regarding the missing in action, and be it further

Resolved by the Senate (the House of Representatives concurring), That the Congress declares its support and sympathy for the families and loved ones of the Americans missing in action, who have suffered such deep human anguish for so long due to the undisclosed fate of the missing in action, who have suffered such deep human anguish for so long due to the undisclosed fate of the missing in action.

SEC. 2. Upon agreement to this resolution by both Houses of the Congress, the Secretary of the Senate shall transmit a copy of such resolution to the President of the United States.

ADDITIONAL COSPONSORS OF CONCURRENT RESOLUTIONS

SENATE CONCURRENT RESOLUTION 66

At the request of Mr. PERCY, the Senator from Florida (Mr. GURNEY) was added as a cosponsor of Senate Concurrent Resolution 66, to urge the release from prison of Simas Kudirka, the Lithuanian seaman.

SENATE CONCURRENT RESOLUTION 79

At the request of Mr. GOLDWATER, the Senator from Oregon (Mr. HATFIELD), the Senator from Vermont (Mr. STAFFORD), the Senator from Mississippi (Mr. EASTLAND), the Senators from Iowa (Mr. CLARK and Mr. HUGHES), the Senator from Arkansas (Mr. MCCLELLAN), the Senators from New York (Mr. BUCKLEY and Mr. JAVITS), the Senator from Arizona (Mr. FANNIN), the Senator from Pennsylvania (Mr. HUGH SCOTT), the Senator from Michigan (Mr. GRIFFIN), the Senator from West Virginia (Mr. RANDOLPH), the Senator from Wyoming (Mr. HANSEN), the Senator from New Mexico (Mr. DOMENICI), the Senator from New Hampshire (Mr. COTTON), the Senator from Ohio (Mr. TAFT), the Senator from Kansas (Mr. DOLE), the Senator from Connecticut (Mr. WEICKER), the Senator from New Jersey (Mr. CASE), the Senator from Illinois (Mr. STEVENSON), the Senator from Florida (Mr. GURNEY), the Senator from Colorado (Mr. DOMINICK), the Senator from Utah (Mr. BENNETT), the Senator from Texas (Mr. TOWER), and the Senator from California (Mr. TUNNEY) were added as cosponsors of Senate Concurrent Resolution 79, a concurrent resolution expressing the sense of the Congress with respect to the celebration of the 100th anniversary of the birth of Herbert Hoover.

Mr. HUMPHREY. Mr. President, I am very pleased to respond to the invitation of the distinguished Senator from Arizona (Mr. GOLDWATER) and request that my name be added as a cosponsor of a Senate concurrent resolution which has been held at the desk, Senate Concurrent Resolution 79, relating to the celebration of the 100th anniversary of the birth of Herbert Hoover. I was honored to know President Hoover personally. I believe this resolution, calling upon the Secretary of the Interior and the Administrator of General Services to cause appropriate ceremonies to be conducted at West Branch, Iowa, the birthplace of the 31st President of the United States, on August 10, 1974, is an entirely fitting mark of respect, and merits early approval by Congress.

The PRESIDING OFFICER. Without objection, the name of the Senator from Minnesota (Mr. HUMPHREY) will be added as a cosponsor.

At the request of Mr. MOSS, his name was added as a cosponsor of Senate Concurrent Resolution 79, supra.

SENATE RESOLUTION 306—SUBMISSION OF A RESOLUTION RELATING TO COMPARATIVE PRINTS OF BILLS AND JOINT RESOLUTIONS CONSIDERED BY COMMITTEES AND SUBCOMMITTEES THEREOF

(Referred to the Committee on Rules and Administration.)

Mr. HATHAWAY submitted the following resolution:

SENATE RESOLUTION 306

Resolved, That rule XXIX of the Standing Rules of the Senate is amended by adding at the end thereof the following paragraph:

"5. Whenever a committee or subcommittee thereof considers at committee or subcommittee meetings (including hearings), a bill or joint *resolution repealing* or amending any statute or part thereof, the committee or subcommittee, as the case may be, shall have at hand an accompanying document (to be prepared by the staff of such committee or subcommittee) which includes (1) the text of the statute or part thereof which is proposed to be repealed, and (2) a comparative print of that part of the bill or joint resolution making the amendment and of the statute or part thereof proposed to be amended, showing by stricken-through type and italic, parallel columns, or other appropriate typographical devices the omissions and insertions which *would be made* by the bill or joint resolution if enacted in the form in which it was introduced, or, in the case of such a bill or joint resolution first considered by a subcommittee of a committee, in the form recommended by the subcommittee. The requirements of this subsection may be waived when, in the opinion of the committee or subcommittee chairman, it is necessary to expedite the business of the committee or subcommittee."

SENATE RESOLUTION 307—SUBMISSION OF A RESOLUTION REQUESTING THE CONCLUSION OF A NEW NATIONAL WETLANDS INVENTORY BY THE YEAR 1974

(Referred to the Committee on Commerce.)

Mr. FULBRIGHT submitted the following resolution:

SENATE RESOLUTION 307

Whereas the national wetlands inventory is an essential part of our wetlands preservation effort because it *points* out areas of critical needs;

Whereas the last national wetlands

inventory was conducted in 1956 and is now therefore inadequate;

Whereas the year 1976, the United States Bicentennial, is an appropriate time to reaffirm our efforts to preserve our natural resources; and

Whereas the Bureau of Sport Fisheries and Wildlife currently plans no wetlands inventory until 1980: Now, therefore, be it

Resolved, that it is the sense of the Senate that the Bureau of Sport Fisheries and Wildlife is hereby urged and requested to conclude a new national wetlands inventory by the year 1976.

Mr. FULBRIGHT. Mr. President, among the various efforts of the Federal Government to protect our natural resources, one of the most important is the effort being made by the Bureau of Sport Fisheries and Wildlife to preserve our wetlands. Wetland ecosystems support much of the Nation's fishery resources by supplying nutrient and life history requirements, and provide a wide variety of sport fishing and hunting and other recreational opportunities. Wetland areas also serve as nesting, feeding, and resting areas for migratory birds, furbearers and other birds and mammals, some of which are threatened or endangered species. Unfortunately, a large number of our wetland ecosystems are being threatened by rapid development—development which endangers significant fish and wildlife habitat.

The Bureau of Sport Fisheries and Wildlife preserves wetlands by the acquisition of such lands through the national wildlife refuge program and through the preservation or enhancement of wetlands in conjunction with developments proposed by other Federal agencies or under Federal permit or license.

Additionally, the Department of Agriculture administers the water bank program under which the Secretary of Agriculture is authorized to enter into 10-year agreements with landowners and operators in important migratory waterfowl nesting and breeding areas to preserve, restore, and improve the Nation's wetlands. In 1974, the program is being operated in 62 counties in 15 States, including Prairie County, Ark.

An intergal part of the wetland preservation effort is the national wetlands inventory. This inventory is vital in order to obtain a factual basis for an effective wetlands policy. I therefore find it most disturbing that the last inventory was conducted in 1956. In view of the great changes in our environment that have taken place in the last 18 years, I certainly believe a new wetlands inventory is long overdue. Unfortunately, I have recently been informed by the Bureau of Sport Fisheries and Wildlife that the next wetlands inventory is not set for completion until fiscal year 1980. We simply cannot afford such a delay. Once a valuable wetland has been lost, it can never again be recovered.

The resolution I am introducing today requests that the new national wetlands inventory be concluded by the year 1976. That date is appropriate for three reasons: first, it gives the Bureau of Sport Fisheries and Wildlife sufficient time to complete the inventory; second, it is 20 years after the last inventory was completed; and third, it is the U.S. Bicentennial.

According to the Bureau, additional funds may be necessary to complete the inventory by 1976. Should this be the case, I would hope the Senate would see fit to appropriate sufficient money for this much needed project.

I can think of no more appropriate way to celebrate our Bicentennial than by renewing our dedication to preserve our natural resources. I believe a new national wetlands inventory would be an important step in this direction.

ADDITIONAL COSPONSORS OF SENATE RESOLUTION

SENATE RESOLUTION 67

At the request of Mr. KENNEDY, the Senator from Indiana (Mr. HARTKE) and the Senator from Kansas (Mr. DOLE) were added as cosponsors of Senate Resolution 67, calling on the President to promote negotiations for a comprehensive test ban treaty.

COAL CONVERSION ACT OF 1974—AMENDMENT

(Ordered to be printed and referred to the Committee on Interior and Insular Affairs.)

COAL SLURRY PIPELINES

Mr. JACKSON. Mr. President, I am submitting an amendment to the Coal Convention Act of 1974 (S. 2652). The amendment is designed to facilitate the construction of coal slurry pipelines.

Increased use of coal is widely viewed as an important factor in moving the United States toward energy self-sufficiency. Mixing coal with water and pumping the resulting slurry through an underground pipeline is an economical and reliable way of getting coal where it is most needed without putting additional strains on the present transport system. It is a new method of transportation, but one that has been proven in a variety of applications around the world.

Coal slurry pipeline also have an environmental advantage. They are safe, silent, and virtually invisible in operation.

The first slurry line was built in Ohio in 1957, and the world's longest line has been shipping coal 273 miles from the Black Mesa mine in Arizona to the Mohave powerplant in Nevada since 1970 Several other lines are under construction or planned, including one which would carry Wyoming coal more than a 1,000 miles to a new powerplant complex in Arkansas.

The technology of commercial slurry pipelines is uncomplicated and well established. The raw material is ground fine enough to mix well with water and form a slurry. It then is pumped through a pipeline to its destination, where the water is removed and the material is used in the same way as if it arrived by rail or some other means of transportation. In the case of electric utilities, the water can be used for power production after it has been separated from the coal.

The Ohio pipeline established the reliability of slurry pipeline technology immediately with an availability record of 98 percent during its 6 years of operation. The Black Mesa line has recorded an availability of better than 99 percent in the past 2 years. This kind of reliability is especially important to electric utilities. It stems in large measure from the simplicity of the system, which requires a relatively small work force and thus diminishes the risk of interruption from labor strife. And since coal slurry pipelines generally run underground, they are virtually immune to weather effects. Slurry pipelines also have a very good safety record.

My amendment would do two things. First, it would amend the law governing issuance of rights-of-way over Federal lands for oil and gas pipelines to include coal slurry pipelines. The existing law was recently updated by the Congress in connection with its consideration of the trans-Alaska pipeline and is found in title I of the Act of November 16, 1973. Thus, the most modern and environmentally responsible Federal law would apply to coal slurry pipelines on Federal lands.

Second, my amendment would give a right of eminent domain over private property to the operator of a coal slurry pipeline. This would be similar to the right of eminent domain granted to natural gas pipelines by the Natural Gas Act.

I recognize that the exercise of eminent domain particularly for private individuals is a very sensitive matter which should be permitted only in very unusual circumstances. Thus, my amendment provides that before the right could be exercised, the Secretary of the Interior would have to find that the particular coal slurry pipeline involved would: first, help meet national needs for coal utilization; second, be superior to available alternate means of transportation of coal; third, perhaps be impeded or delayed unless granted the power of eminent domain; and fourth, involve no greater disruption to the environment than other modes of transportation or utilization of the coal resources involved.

Because any major pipeline will cross lands owned by many different people and excessive delay in negotiations could impede transportation of the coal needed to meet national energy needs, I believe that carefully restricted Federal eminent domain authority is probably necessary. This is particularly true in light of the fact that coal slurry lines would frequently have to cross rights-of-way owned by railroads. Since railroads would in many instances be direct competitors of the pipeline in the coal transportation business, they could be unwilling to grant rights-of-way for pipelines. Where the pipeline is in the national interest, we cannot allow private self-interests to prevent its construction.

FEDERAL ELECTION CAMPAIGN ACT AMENDMENTS OF 1974

AMENDMENT NO. 1176

(Ordered to be printed and to lie on the table.)

Mr. BROCK submitted an amendment intended to be proposed by him to the bill (S. 3044) to amend the Federal Election Campaign Act of 1971 to provide for public financing of primary and general election campaigns for Federal elective office, and to amend certain other provisions of law relating to the financing and conduct of such campaigns.

AMENDMENT NO. 1177

(Ordered to be printed and to lie on the table.)

Mr. CRANSTON submitted an amendment intended to be proposed by him to the bill (S. 3044), supra.

AMENDMENT NO. 1180

(Ordered to be printed, and to lie on the table.)

Mr. ALLEN submitted an amendment, intended to be proposed by him, to Senate bill 3044, supra.

AMENDMENT NO. 1181

(Ordered to be printed, and to lie on the table.)

Mr. BROCK submitted amendments, intended to be proposed by him, to Senate bill 3044, supra.

AMENDMENT NO. 1182

(Ordered to be printed, and to lie on the table.)

Mr. CRANSTON submitted an amendment, intended to be proposed by him, to Senate bill 3044, supra.

AMENDMENTS NOS. 1183 THROUGH 1186

(Ordered to be printed, and to lie on the table.)

Mr. JAVITS submitted four amendments, intended to be proposed by him, to Senate bill 3044, supra.

AMENDMENT NO. 1187

(Ordered to be printed, and to lie on the table.)

Mr. KENNEDY (for himself, Mr. Hugh Scott, Mr. Hart, Mr. Schweiker, and Mr. Mathias) submitted amendments, intended to be proposed by them, jointly, to Senate bill 3044, supra.

AMENDMENT NO. 1188

(Ordered to be printed, and to lie on the table.)

Mr. CLARK submitted an amendment, intended to be proposed by him, to Senate bill 3044, supra.

EDUCATION AMENDMENTS OF 1974—AMENDMENTS

AMENDMENT NO. 1178

(Ordered to be printed, and to lie on the table.)

Mr. SPARKMAN submitted amendments, intended to be proposed by him, to the bill (S. 1539) to amend and extend certain acts relating to elementary and secondary education programs, and for other purposes.

DISASTER RELIEF ACT AMENDMENTS OF 1974—AMENDMENT

AMENDMENT NO. 1179

(Ordered to be printed, and to lie on the table.)

Mr. STEVENSON submitted an amendment, intended to be proposed by him, to the bill (S. 3062) entitled the "Disaster Relief Act Amendments of 1974."

ADDITIONAL COSPONSORS OF AMENDMENT

AMENDMENT NO. 1125

At the request of Mr. Cranston, the Senator from Alaska (Mr. Gravel), and the Senator from Wyoming (Mr. McGee) were added as cosponsors of amendment No. 1125, to the bill (S. 3044) to amend the Federal Election Campaign Act of 1971 to provide for public financing of primary and general election campaigns for Federal elective office, and to amend certain other provisions of law relating to the financing and conduct of such campaigns.

NOTICE OF HEARING ON INDIAN HOUSING

Mr. JACKSON. Mr. President, I wish to announce to the Members of the Senate and other interested parties that the Subcommittee on Indian Affairs has scheduled an open hearing for April 11, 1974, on Indian housing.

This week representatives of Indian tribes and housing authorities plan to gather in Washington to discuss common problems concerning the area of housing.

The meeting offers a unique opportunity for the subcommittee to hear a good cross-section of ideas, experience, and suggestions from people from around the country.

Therefore, the Subcommittee on Indian Affairs will hold an open hearing immediately following the completion of the full committee hearing already scheduled for 10 a.m. on S. 2938, the Indian Health Care Improvement Act, for April 11 in room 3110 of the Dirksen Senate Office Building.

ADDITIONAL STATEMENTS

FEAR AND LOATHING IN VERMONT

Mr. AIKEN. Mr. President, last Sunday the New York Times carried an article on the editorial page written by Franklin B. Smith, an editor for the Burlington Free Press, of Burlington, Vt.

This article sets forth the reasons why more people are becoming skeptical of the news media.

I commend the New York Times for printing this article by Mr. Smith and ask now that it be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Fear and Loathing in Vermont

(By Franklin B. Smith)

Burlington, Vt.—As a veteran newspaperman dedicated to the principle of objective and fair reporting without fear or favor, I find repugnant the vast coverage of the Watergate affair. Much of this coverage by the press—and here I include newspapers, television, radio and magazines—has been blatantly abusive both of our traditional American sense of justice and of the First Amendment's guarantee of press freedom.

There have been countless instances of clear distortion or curious neglect on the part of the press in the coverage of this unhappy affair, but for starters I offer the following baker's dozen:

Item 1: For several weeks now the press has carried reports suggesting that President Nixon's tax problems may encourage a great many Americans to take every conceivable tax deduction, thus costing the Treasury untold millions of dollars in revenue. The reports are highly inflammable, intended to "make news" rather than report it.

Item 2: Relatively few Americans had ever heard of the junior United States Senator from New York, James L. Buckley until he recently issued a call for President Nixon's resignation. The press suddenly found him to be a prominent and effective leader and spokesman for Republican conservatives nationally, something which he clearly is not.

Item 3: The press has conducted wide-ranging investigations into allegations that the Nixon Administration provided ambassadorships to well-healed campaign contributors. The American people have been led to believe that this practice, corruptible or not, is peculiar to this Administration, an assumption that is demonstrably erroneous.

Item 4: The press has quoted again and again the comment of Gerald R. Ford, when he was minority leader of the House and was promoting the impeachment of Supreme Court Justice William O. Douglas, that an impeachable offense is "whatever a majority of the House of Representatives considers" it "to be at a given moment in history."

But the press has nearly totally ignored the fact that Mr. Ford also said the following in the 1970 debate: "The President and Vice President can be thrown out of office by the voters at least every four years. To remove them in midterm . . . would indeed require crimes of the magnitude of treason and bribery. . . ."

Item 5: The press has recently carried headline stories on Representative Wilbur D. Mills' prediction that President Nixon would be forced to resign over his tax troubles. But almost completely ignored by the press, during the same period, was a speech in Cleveland on March 10 by the Senate Watergate Committee's chairman, Sam Ervin Jr., in which he declared that no evidence had been produced in the Senate Watergate hearings to support impeachment of Mr. Nixon.

Item 6: The press appears to be vitally interested whenever Archibald Cox, the former special Watergate prosecutor, comments on the culpability of the Nixon Administration. But apparently the national media discerns no "news value" whatever when Mr. Cox criticizes the role of the press itself, as he did recently in New Hampshire when he declared that the media was trying to shape events in the Watergate affair.

Item 7: Last November the Roper organization, in a survey of public reaction to discussion of possible impeachment conducted for 51 subscribers, including the American Civil Liberties Union, found that 79 per cent of the respondents believed one or none of the most serious charges against President Nixon to be justified.

The press exploited the poll for weeks but consistently failed to note that poll had been conducted among a sample of 2,020 people who had been presented with a list of 13 charges or criticisms *against the* President and asked to "go down the list and call off any that you personally are concerned about both *because* you think it is a serious offense and because you think he may be responsible for it."

Surely even the most ardent Nixon supported would agree that some of the 13 were serious offenses and that the President might be responsible for one or more of the 13, and this means that he would be included in the 79 per cent who thought the charges against the President were justified. This is a plain absurdity that the press made no attempt to clarify.

Item 8: The press *has fostered* the notion that President Nixon's huge tax deduction of $576,000 *for* the gift of his Vice-Presidential papers to the National Archives is a unique situation. Yet the General Services Administration has reported that a great many high Government officials have received tax deductions by contributing their private papers to tax-deductible institutions. The press quickly noted this report, and just as quickly forgot it.

Item 9: The involvement of E. Howard Hunt in the Watergate affair is a matter of common knowledge, and rightly so. Yet last December he told the Senate Watergate Committee that he spied on Barry Goldwater for the Democrats during the 1964 Presidential campaign—a vital fact that would provide essential perspective if only the press had not failed to acknowledge it.

Item 10: Much continues to be made of the financial contributions to President Nixon's re-election campaign by various special-interest groups. But the press has studiously avoided more than cursory mention of the fact that the American Federation of Labor and Congress of Industrial Organizations—which is vigorously pro-impeachment—contributed about $191,000 to the 1972 campaigns of members of the House Judiciary Committee, which is considering impeachment charges against the President. The biggest contribution, $30,923, was received by the committee's chairman, Peter W. Rodino Jr. Why has the press failed to report adequately this volatile matter?

Item 11: This year's first special Congressional election, in the Johnstown area of Pennsylvania, was billed weeks in advance as a Watergate referendum of national significance. Yet when the Democrat won by fewer than 300 votes out of more than 120,000 cast, the national press decided it was not so significant after all. But then the Democrats won two more special Congressional elections in Michigan and Ohio, and the Pennsylvania election quickly regained significance as one of the three straight Democratic victories.

It did not seem to matter that a Republican had won more than 50 per cent of the vote against a field of seven Democrats in yet another special Congressional election, in California. The press described the Republican's margin of victory as "slight" although it was larger than the Democratic margins of victory in two of the other three elections. This was advocacy reporting and it was irresponsible.

Item 12: The national press seems determined not to give President Nixon credit for accomplishment. When the accomplishment is undeniable the credit is given to others—as the credit is being given now to Secretary of State Kissinger for the apparent success of America's negotiating posture in the Middle East.

It is profoundly said that Egypt's President, Anwar el-Sadat, through an interview in Newsweek magazine, had to be the one to acknowledge that Mr. Kissinger "under the guidance of President Nixon—and you cannot separate the two"—was doing "the unthinkable in the Mideast." The American press, not Mr. Sadat, bore the obligation to acknowledge as much.

Item 12: Two months ago Robert G. Baker, the long-time aide to Lyndon B. Johnson when he was the Senate Majority Leader, agreed to pay $40,000 into the Treasury in return for the dropping of a Federal suit charging him with influence-peddling. Thus the Bobby Baker case, first reported a decade ago, came to a quiet end—so quiet, in fact, that much of the press completely ignored it. The plain and unvarnished truth is that if the press had handled the Watergate affair in the same manner it handled the Baker case there would be no controversy today over alleged Government corruption.

Nearly a year ago I wrote the *following:* "If the press *continues* in its zealous overkill on this affair, it is not likely to destroy either President Nixon or the Nixon Administration but it will gravely injure something more important: The faith of the people in our system of government and all that it provides and protects—including, most pointedly, freedom of the press."

This has now come to pass, and most certainly this period will be remembered, with more sadness than outrage, as the darkest chapter in the long history of American press freedom. As a veteran newspaperman of principled dedication, I grieve for my profession.

THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, it has been 23 years since the U.S. Senate first considered the Treaty on Genocide. In the years since, 75 other nations have ratified the treaty. Action by this body is long overdue.

As President Harry S. Truman said when he submitted the Genocide Convention to the Senate in June of 1949 for its advice and consent:

> America has long been a symbol of freedom and democratic progress to people less favored than we have been . . . we must maintain their belief in us by our policies and our acts. By the leading part the United States has taken in the United Nations in producing an effective legal instrument outlawing the world-shocking crime of genocide, we have established before the world our firm and clear policy toward that crime. By giving its advice and consent to my ratification of this convention, which I urge, the Senate of the United States will demonstrate that the United States is prepared to take effective action to contribute to the establishment of the principles of law and justice.

Now that statement was made 25 years ago, and still no action has been taken by this body.

President Nixon has urged ratification, as has every President since Harry Truman. The matter is on the Executive Calendar, and all that must happen is that this body must give its support—the support that it has failed to show for so long.

Mr. President, I urge every Member of this body to join with me in speeding the ratification of this most important treaty.

IMPEACHMENT ISSUE SHOULD BE SETTLED BY EVIDENCE ONLY

Mr. FANNIN. Mr. President, recently I received a thought-provoking letter from a gentleman in Indiana. The letter very appropriately points out that some Members of Congress appear to be approaching the impeachment issue as though it were a matter to be settled according to public opinion polls.

Our system of government is in deep trouble indeed if Members of Congress decide the impeachment issue not on the basis of evidence but on the basis of their reading of public opinion within their districts or States.

Mr. President, I believe this letter from a Mr. William Riley Greear presents the danger much more eloquently and forcefully than I could. I ask unanimous consent that the text of Mr. Greears' comments be printed in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

William Riley Greear's Letter

We recently received a letter from our U.S. Congressman. The front featured a picture of the Congressman and stated in large print that he, "——— ——— asks your opinion".

The first question asked was: "1. Do you think that President Nixon should resign from the Presidency, or not?"

The second question was: "2. Do you think President Nixon should be impeached?"

All of my family are registered Democrats who supported Truman, Kennedy and Johnson and so have no party preference on behalf of President Nixon.

The above questions from our Congressman, however, were a distinct shock to us as a matter of principle.

Since when does a duly elected official's right to office rest upon my or anyone else's vagrant opinion. No Way!

The second question about impeachment was particularly offensive. Impeachment amounts to a charge or indictment of guilt.

At the local level within a county—a grand jury brings charges or indicts if evidence of guilt is presented.

At the national level and in regard to the President, the House of Representatives acts as a grand jury.

Upon sufficient hard evidence of guilt a grand jury may indict or the U.S. House may pass a bill of impeachment which also is an indictment.

At the county level a judge or a jury may decide guilt or innocence. Fundamental to justice, however, is the fact that evidence and evidence alone is the first and final proof of guilt or innocence.

If reason, right and the rule of law are to continue in America this basic and vital principle of justice must be observed. Guilt and innocence depend entirely upon hard facts of evidence and not upon opinions and popularity contests. If we forget this we fail as citizens and become the equals of a lynch mob.

For a U.S. Congressman to ask the opinion of the people in his district in such a matter is equal to a grand juror sticking his head out of a court house window and questioning a passing crowd with "Hey, People, do you think that John Smith should be indicted?"

Naturally and properly such a person would be disqualified as a grand juror.

The same simple rule of reason certainly applies to the U.S. House of Representatives. Justice demands that any congressman who has measured right or wrong or justice in terms of popular opinion shall be disqualified from voting upon a related bill of impeachment.

Neither the House nor the Senate are bound by the rules of evidence in their function as legislators. In impeachment, however, they are assuming a judicial role. They are acting as a court to determine guilt or innocence. If they do so without following the basic and fundamental rules of justice—justice is no more in this land.

MORE STRINGENT GUN CONTROLS

Mr. STEVENSON. Mr. President, on March 11, John Cardinal Cody, archbishop of Chicago, addressed a letter to the Roman Catholics in his archdiocese. In that letter he called upon legislators "to reinvestigate the possibility—and indeed, the necessity—of more stringent gun controls." Cardinal Cody suggested that "stringent firearm controls" become "a Federal priority."

What prompted Cardinal Cody's letter was the recent tragic slaying—by handgun—of two Chicago policemen, William Marsek and Bruce Garrison. And although he did not mention it in his letter, Cardinal Cody himself was a recent victim of an armed robbery—across the street from Holy Name Cathedral in Chicago on February 14. Cardinal Cody's concern in this area was not, however, spurred by the attack on him—he has been an active advocate for stronger gun control legislation for many years.

To support his point of view, Cardinal Cody in his letter cited some general—and deplorable—statistics. He noted that in Chicago alone in 1973 there were 864 murders, 71 percent of these involved firearms and 63 percent, handguns. He also noted that in November and December alone in Chicago there were 3,291 crimes of violence reported, and that 91 percent of these involved handguns.

It is, of course, highly ironic that the cardinal's letter was dated just 2 days before the Senate voted to table two handgun control amendments to the capital punishment bill. One amendment which would have required the Federal licensing of all handgun owners, the registration of all handguns, and the banning of "Saturday night specials"—an amendment similar to S. 708, which I introduced early in the first session of this Congress. Another amendment would have banned the future sale and manufacture of "Saturday night specials," a measure the Senate passed in 1972.

Mr. President, I ask unanimous consent that at the end of my remarks Cardinal Cody's letter to the members of his archdiocese be printed in the RECORD. And I would urge that we all pay heed to the cardinal's words, for although sent only to the members of his archdiocese, the letter contains a thoughtful message for anyone who holds a concern for human life and deplores the rising tide of crime and violence, violence made possible to a great extent by the availability of the lethal and easily concealable handgun, the crime gun.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

ARCHDIOCESE OF CHICAGO,
Chicago, Ill., March 11, 1974.

To the Priests, Religious and Faithful of the Archdiocese of Chicago:

During the past week, as Chairman of the Pro-Life Committee of the National Conference of Catholic Bishops, I was called upon to give testimony before the United States Senate Sub-Committee on Constitutional Amendments. Our concern on that day was to speak out clearly and unreservedly in behalf of life. The tragic statistics describing the number of abortions in our country mount so quickly that we barely realize the effect this has on our national conscience. We are becoming a nation that exhibits little concern for life and the rights of the defenseless.

My thoughts turned on that day to another expression of disregard for life. Officers William Marsek and Bruce Garrison had just been buried. Headlines told of new, equally senseless shootings and deaths in Chicago. The concern of the Pro-Life Committee of the National Conference of Catholic Bishops is not only for the defenseless unborn. It is a concern for human life wherever it is under attack or threatened.

As Archbishop of Chicago, I call upon legislators to re-investigate the possibility—and indeed, the necessity—of more stringent gun controls. Statistics from our Chicago Police Department show that in 1973, there were 864 murders, 71% of these by use of firearms and 63% by use of handguns. In the months of November and December alone, there were 3,291 crimes of violence reported; 91% of these were crimes by handguns. In the area of accidental deaths, it is pointed out by the National Safety Council that accidents with firearms are the fifth most common cause. It is estimated that there are more than 170 million guns in America—more than triple the number of families.

There are obvious vested interests which oppose regulation of firearms since this would lead to the drastic curtailment of the manufacturing and sale of such weapons. But there is a greater awareness on the part of all citizens today that the right to arm is an anachronism in the 20th Century. Moreover, the would-be "sportsmanship" of handguns which is a luxury of the few, must give way to the natural rights of all people to safety and public protection from those who misuse such weapons.

Vigorous public support is needed to establish realistic gun controls. To the tearful questions asked after each tragic murder: "Are they ever going to outlaw guns?" we need to answer "Yes," and we need to do it now!

At the recent deaths of Officers Marsek and Garrison, I called upon you for prayers for them and their bereaved families. I now call upon you for action. Write to your Congressmen, urging that stringent firearm controls might become a federal priority. Speak out for life.

Very truly yours in Christ,
JOHN CARDINAL CODY,
Archbishop of Chicago.

UNIONS VERSUS PARLIAMENT

Mr. FANNIN. Mr. President, like most Americans, I have great respect for England.

From our very beginning we have benefited by the English example. Our Founding Fathers took what was good, and came up with new concepts to replace that which was bad, in the English system of government.

It sometimes seem that, by observing the problems of Britain, we see what may happen shortly in the United States—unless we take steps to make corrections.

We saw England fall into an energy crisis before it really struck the United States.

We have seen how England has suffered from socialization of industries.

Now we are seeing how England suffers under the domination of unions. Let me make it clear that I am not condemning the Labour Party; I am talking about the unions themselves and what they are doing to that once proud country.

Here in America we see that the union leaders are plotting to gain the same stranglehold on our Government as the unions hold in England.

If the unions are successful in the campaign financing proposals they now are trying to push through this Congress, if the unions can elect the "veto-proof" Congress they are seeking in the fall elections; if they can force an impeachment trial of President Nixon, then they will have the stranglehold they seek. We as a Nation will find ourselves in the same malaise as the British.

Mr. President, I think there are great parallels between what has happened in England and what could happen here if the unions are successful. For that reason, I request unanimous consent to have printed in the RECORD an article, "Unions Versus Parliament," by the noted British essayist, George Malcom Thomson, as it appeared on April 2, 1974, in the Christian Science Monitor.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

UNIONS VERSUS PARLIAMENT

(By George Malcolm Thomson)

LONDON.—The general election we have just had in Britain is one of the most significant in the long series of British electoral contests. This is not because of the Parliament it has produced; although that is odd enough! The two big parties—Labour and Tory—each holding a minority of seats and the third party, the Liberals, polling six million votes yet only rewarded with 14 places in the new chamber.

Putting it simply, it means that one Tory or Labour voter has the same political power as 10 Liberal voters. So much for the "equality" of which so much is heard in Britain today! So much for democracy in this land which likes to think of itself as the cradle of democracy!

There is, however, an aspect of the election more important and, certainly, more frightening than the mathematics of its result. That is the issue on which it was fought and won. This has been too much forgotten in the euphoria or dismay of the result. Put bluntly, it was this:

Parliament had set up a formula by which wage settlements should be governed. The purpose of this formula, whether right or wrong, was to check inflation. But the miners' trade union, numbering a quarter of a million members, refused to accept the formula. Having wrung concession after concession from the government, it was still dissatisfied. It called a strike in its key industry. And in the ominous shadow of the miners' strike, a general election was called, fought and *lost* by the government.

After this it will not be possible to say, without qualification, that Britain is a parliamentary democracy. In a headlong collision with a well-disciplined, compact trade union, the British electorate as expressed in Parliament has been compelled to back down.

Various comments can be made on this state of affairs. For instance: That the miners deserve to be paid more than some other kinds of labor. That the Prime Minister, Edward Heath, was unwise to get into a situation where he was engaged in an eyeball-to-eyeball confrontation with the miners' leaders. This would only make sense, according to this argument, if the contestants were evenly matched. But they were not. The miners could sit out a long strike, supported by state assistance payments to their wives and families. Meanwhile, Britain would grind to a standstill.

All that is true enough. Edward Heath completely misjudged the nature of the crisis. He trusted implicitly to the power and authority of Parliament and there he was wrong. For, by far the most alarming fact to emerge from this crisis is that the British House of Commons now has a rival which is, in some important respects, stronger than itself, the trade unions, sometimes, cynically, called "industrial democracy." It is a "democracy" in which the real decisions are taken all the way up to the national executive of the unions from the local lodges by a tiny minority (usually about 3 percent) of the members who, being enthusiasts, work and vote and, being enthusiasts, are more extreme in their views than the others.

These are the "militants" we hear so much about. They are a real political power in Britain today, ruling through their union branches as the great Whig lords in the 18th century ruled through the "rotten boroughs."

The election which has just been held showed that the modern British trade unions, having defied and brought down a government, are a power not to be despised.

Now, with a government in office of their own making, it remains to be seen to what extent they will agree to wrap up the crude facts of their power so as to spare the new ministers too much humiliation.

They will certainly want to do so. But will they be able to? Inflation grinds on. The pressure for higher wages is likely to grow more severe. And behind union leaders who may be responsible are mischievous forces.

In the meantime one can only say that the British parliamentary system has suffered a severe jolt. Since the election, two events have underlined the superiority of unions over Parliament.

Michael Foot, Minister of Employment, has outlined a bill which would immeasurably strengthen the legal powers of the unions. And Denis Healey, Chancellor of the Exchequer, has produced a budget specifically designed to meet union demands. Further acts of subservience may be in the pipeline.

GHOSTS OF THE CAVALRY LINGER AT FORT MEADE

Mr. ABOUREZK. Mr. President, while I was a Member of the House of Representatives in 1971, I had the opportunity to take part in the effort to have Fort Meade, near Sturgis, S. Dak., placed in the Federal Registry of Historic Sites. Thanks to this successful effort of preservation, the people of western South Dakota and all of the tens of thousands of visitors from throughout the world now have an opportunity to learn about this part of the romantic past of western South Dakota.

Patty Pearson of the South Dakota Division of Tourism has written a fascinating article about historic Fort Meade. I recommend it to my colleagues and ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

GHOSTS OF THE CAVALRY LINGER AT FORT MEADE

(By Patty Pearson)

STURGIS.—Ft. Meade is misunderstood by most people. The public tends to see it only as a Veterans Hospital with modern brick buildings, paved roads and an antiseptic personality. Yet the old fort one mile east of here on Highway 34 was a cavalry post for 65 years. It is entrenched with history—fascinating tales of court materials, hangings, romance, carousing soldiers and the Little Big Horn aftermath.

Ft. Meade's past is still there. It surrounds the fort, fills her buildings and saturates her visitors—if they take the time to look, to visit the museum, walk across the parade ground, feel the sandstone stables and drive to the old cemetery.

Visitors can imagine the sound of bugles announcing reveille as they view some 20 buildings built between 1878–1890. The oldest buildings at the fort are south of the modern hospital facilities. Visitors entering through the old fort entrance are greeted with antiquity. A walk through the old fort includes homes like the one where the first post commander lived.

The tree-lined road that leads to the post cemetery is located west of the new entrance. It holds surprises for first-time visitors. One timeworn building that baffles historians sits in the valley below the old cemetery. Experts say the government never built the long, narrow structure. Yet there it is, on government property. "It looks like it might have been an old brig," says one visitor. But historian Dick Williams disputes this. "I think it was a stable built by officers for their private horses, but no one really knows. It isn't noted in any of the records," he says.

The cemetery sits atop a lonely hill. "It must have been hard to get up here with a team and wagon," Williams muses. "It's such a sad place. So many children's graves. How hard it must have been for parents to leave their little ones here, so far away from their real home, in the middle of what they considered the wilderness."

The grave markers read: child of civilian refugee; Lucy, child, Sioux Indian. No dates are recorded on the neatly arranged, official white stones. Other larger gravestones have dates and epitaphs. The oldest headstone is dated 1880.

Probably the largest marker in the cemetery is six feet tall. The sandstone obelisk was erected in 1890 by Troop D 8th Cavalry in honor of two soldiers who died from drinking wood alcohol. According to Williams, the story is that the troopers were on duty in Belle Fourche when they bought the "bad stuff" from a woman there. "Thirteen troopers went blind and were mighty sick, but these two must have been hard drinkers," says Williams.

Ft. Meade's cemetery is the only Northern Plains post cemetery at its original site. Moves by government officials to remove the 194 bodies were blocked by local residents in 1947. At the same time the idea for a Black Hills National Cemetery was conceived. The new National Cemetery now sits nearby along Interstate 90 and is often referred to as "The Arlington of the West."

A visit to Ft Meade starts best with a tour of the Old Ft. Meade Museum located in the regimental headquarters building. Funded solely by contributions, the museum literally overflows with memorabilia from Indian wars, cavalry days, settlers' lives and the nearby town's history.

Wandering through the museum is like stepping back into Ft. Meade's past. The old pictures, important documents, interesting keepsakes and countless other articles give visitors some idea what life was like at the post. Old maps point out important buildings, such as the 200-foot long commissary storehouse and office built in 1878, the year the post was established. The oldest surviving structure at the post, the commissary cost $3,477.16. It is still being used for storage.

Some of the old buildings at Ft. Meade are now used as housing by veterans hospital personnel. Others stand idle. But at least they are standing. This fact is due to the foresight of several individuals who worked with the S.D. Preservation Commission in 1971 to have the fort declared an historic site. "We were appalled when the government started razing buildings that were history in themselves," says Williams. 'So we rushed to Washington, D.C., and asked that the National Preservation Act be applied here."

The citizens won. Ft. Meade is now protected under the preservation act. Last year it was listed in the National Parks System's Federal Registry of Historic Sites.

One of the most colorful characters ever to reside at Ft. Meade was Major Marcus Reno, a member of the illustrious Seventh Cavalry. Reno's involvement in the Battle of the Little Big Horn left a damaging mark on him. Although he was acquitted of all charges concerning the infamous battle in which he supported Custer's troops, Reno's reputation was destroyed. He started drinking heavily and was charged with "conduct unbecoming an officer." Reno's famous court-martial was held at Ft. Meade.

Bob Lee, editor of the Sturgis Tribune and an active historical researcher, has written a play about Reno's court-martial. Lee and Williams both have hopes of producing the play at Ft. Meade, if they can raise the money to hire a director.

"We are like all volunteer groups," says Lee. "Money is a problem. We need money to hire a director to make money from the play." Lee and Williams both laugh as they tell about going to the bank each year to sign notes so that the Old Ft. Meade Museum and Historical Research Association has enough money to continue. "We have never gotten stuck," Lee says. "The Fourth Cavalry Association and other contributors always come through for us, but it sure would be nice to have a steady income."

Both men believe the play could offer that steady income. They are certain of one thing. It should be produced at Ft. Meade, the place where it happened. The play will be presented as part of the State Bicentennial program in 1976.

Lee and Williams are both experts on the fort and its history. They talk about Reno, Col. S. D. Sturgis, Custer and other famous fort residents as if they knew them. Lee can tell you exactly where Reno went after he left Ft. Meade, how long he lived, where he died and where his remaining relatives are now. Williams is extremely well versed on all aspects of local history. He taught history in Sturgis for years and now works as an interpretive specialist at Bear Butte State Park, located three miles north of Ft. Meade.

Ft. Meade's first commander, Col. S. D. Sturgis, was one of the founders of the town one mile west of Ft. Meade. He also gave it his name.

Sturgis residents recall one bad incident between Ft. Meade and the town. It occurred in 1885 when a black soldier shot a Sturgis doctor and the townspeople hanged him. Several soldiers retaliated Corporal Hallon's death by shooting up the town, including some innocent people. Cpl. Hallon is interred at the old post cemetery, cause of death reportedly listed as "natural causes."

Although cavalry horses no longer reside at Ft. Meade, several equestrians are working to bring back the once-famous Black Horse Troop. This show group will be ready for performances in 1976.

One famous horse made his home at Ft. Meade for 10 years. The only living thing found at the site of the Battle of the Little Big Horn, a buckskin named Comanche, was returned to Ft. Meade. He lived there until 1888 when he was moved to Ft. Riley, Ks.

Ft. Meade has been a veterans hospital since 1944. The original purpose for establishing the fort has vanished. But several individuals and groups have strived to preserve the captivating history there. Everyone should enjoy absorbing some of the romance of the old fort, learning about her flashing soldiers and sometimes quiet residents. It only takes a little time to step into the romantic past of western South Dakota.

COUNTERFORCE: FACTS AND FANTASIES

Mr. GOLDWATER. Mr. President, for the good of our country it is well that so much discussion is taking place over our strategic positions and options. One of the most penetrating articles on this subject has been written by Col. William C. Moore, USAF, retired, and it appears in the Air Force magazine of April. I ask unanimous consent that this superb article be printed at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

COUNTERFORCE: FACTS AND FANTASIES

(By Col. William C. Moore, USAF (Ret.)

An editorial in the New York Times of January 15, 1974, cautioned that before any changes are made in U.S. nuclear strategy the subject "deserves more national debate than it has yet received."

This admonition was aimed at Secretary of Defense James R. Schlesinger, who five days earlier had announced that U.S. nuclear strategy would include the concept of counterforce. In the lexicon of strategists, counterforce describes military action in which the armed forces of warring nations attempt to destroy each other. This is the traditional objective of warfare, advocated by most military experts. It contrasts with assured destruction—the current official U.S. nuclear strategy—which emphasizes the mass killing of Soviet civilians by destroying Soviet cities. In either case, the U.S. objective is to deter both nuclear war and nuclear blackmail.

The debate called for by the New York Times is in full swing. So far the critics of counterforce either ask a rhetorical question: "Why change a strategy that has worked so well for over two decades?" Or they assert that Mr. Schlesinger's announcement portends the development of a U.S. first-strike capability certain to make Soviet leaders nervous and perhaps irrational. So irrational that they might launch a preemptive, surprise attack against the United States. Finally, say the critics, there is no sense attacking enemy missile silos, because the ICBMs in them will already be whizzing toward the United States.

ERRONEOUS PREMISES

Thus far, the debate has exposed several confusing and erroneous premises about counterforce as well as assured destruction and the role of each in U.S. national security strategy, both now and for the past two decades.

Most harmful to sensible debate is the mistaken belief that assured destruction means that most—if not all—U.S. strategic weapons are aimed at Russian cities, and that such Soviet military forces as ICBMs, nuclear-storage sites, and other military forces are largely excluded from attack. Certainly that is not the case. Many American warheads have for years been assigned to Soviet military targets as well as to cities.

Defense officials confirmed this to newsmen. And, although they did not reveal ratios, the only logical conclusion—given the vast number of US weapons and the small number of major Soviet cities—is that the majority of US bombs and missiles have been and are still aimed at Soviet military forces, installations, and war-supporting industrial facilities.

Another barrier to sensible debate is the tendency to think of strategic nuclear war as a sudden, intense spasm by each side, so devastating, so catastrophic that nothing—except picking up the pieces—happens thereafter. That is not the Soviet concept, as revealed in countless articles by Russian military writers. The spasm scenario eliminates from the debate any discussion beyond first or second strike and makes for convenient logic about overkill and wasting missiles against empty silos.

A scenario in which the US expends all her strategic weapons in a sudden, convulsive reaction to attack by the Soviets is imprudent, perilous, and perhaps fatal to our survival in a nuclear war. Logic and common sense rule out the assumption that neither side would withhold forces in reserve.

Reserve forces are traditional in military thinking, and for good reason. They often have stemmed the tide of defeat or exploited opportunities leading to victory. Reserves correct what went wrong, hit targets that were missed, attack enemy reserve forces, and, most important, hedge the future, ensuring that the balance of forces in the postattack era is not unfavorable.

Reserves, some academic strategists contend, are superfluous in strategic nuclear war. But think a minute. Is this really so? What happens if the US expends all her weapons and the Soviet Union still has some? And also has the command-and-control facilities to use them? How does the postattack scenario then unfold? Not a very reassuring outlook, is it?

So we must look beyond first and second strike. When we do, the validity and legitimate role of the counterforce concept, immediately becomes abundantly clear. And given the numerical limits on missiles set by SALT I, it is equally clear that our counterforce weapons must be accurate and effective against hard targets. We no longer can plan to assign several warheads to one target as we did in the days when the US had overwhelming nuclear superiority.

Another faulty premise underlies the query of pundits who ask, "Why change a strategy that has worked for two decades?" They are saying, in effect, that "massive retaliation"—President Eisenhower's strategy of the 1950s—is the same as "assured destruction" of the 1960s.

To equate the two strategies in the context of the current debate is fundamentally wrong. Massive retaliation relied on the traditional concept of military attacking military—counterforce—not city-busting as called for by assured destruction. Obviously, President Eisenhower's first priority was to destroy what was then an immature Soviet nuclear force, but one that could have seriously injured the US. A collateral priority was the need to destroy Soviet military forces that could have overrun Europe. Any city-busting with attendant mass killing of Soviet citizens would have occurred incidental to attacks against military facilities—the side effects or "bonus" in the vernacular of targeteers.

This is not to say that President Eisenhower ruled out deliberate attacks on cities. That option always was available, but it was looked upon as a last-ditch effort to be used only if the preferred option failed, or if an *in extremis* situation developed.

Massive retaliation, therefore, should be remembered as a strategy that blended a great deal of counterforce with a good bit of assured destruction achieved incidental to attacks against military targets located in or near Soviet cities.

COUNTERFORCE IN THE M'NAMARA ERA

Secretary of Defense McNamara initially accepted President Eisenhower's nuclear strategy. Soon, however, the counterforce portion of the concept ran headlong into Mr. McNamara's cost-effectiveness mentality. Weapon systems, ammunition, other expendable supplies, concepts, tactics—all had to be precisely defined and "quantified" in the vernacular of Mr. McNamara and his Whiz Kids.

They had little trouble determining the number and size of nuclear weapons required to destroy Soviet ctiles. But determining what was needed to destroy Soviet military forces and facilities involved a maze of variables, uncertainties, and targeting techniques, few of which neatly fit cost-effectiveness formulas.

Targeteers, given the facts about a target—its size, location, difficulty to hit, hardness, and the effectiveness of enemy weapons defending it—try to determine how best to destroy the target. Lacking accuracy in his own weapons, the targeteer may decide to smother the area with his less-accurate weapons. He may decide that, because of enemy defenses, more than one type of weapon should be aimed at the target. He has to expect some mechanical trouble (aircraft or missile aborts), so he increases the number of weapons aimed at the target. Then he increases this number again to account for expected losses to enemy defenses. Finally, the entire equation is subject to deletions or additions depending upon whether the targeteer wants to achieve 100 percent assurance of destruction, eighty percent, or sixty percent.

Targeting, moreover, is not static. Requirements change constantly as enemy military forces become more and more difficult to locate and destroy. Targeteers must either increase the number of weapons aimed at the target—again smother the area of the target—or they must increase the accuracy of weapons so targets can be hit precisely.

Clearly, the precision demanded by cost-effectiveness was incompatible with techniques for determining how many weapons were needed to destroy enemy military forces. Moreover, as Mr. McNamara foresaw, President Eisenhower's counterforce concept required periodic expenditure of hard-to-get funds to ensure that US forces kept pace with Soviet improvements. As one consequence of these factors, Mr. McNamara opted to deemphasize counterforce in favor of assured destruction.

Did this decision mean that those US weapons aimed at Soviet military forces and installations were retargeted to attack cities? Certainly not. Perhaps some minor adjustments were made in aiming points, but undoubtedly the majority of US weapons continued to be targeted against Soviet nuclear military forces and facilities—not cities. It is illogical to conclude otherwise, given the vast number of weapons in the US arsenal.

A logical assumption, therefore, is this: During Mr. McNamara's tenure as Secretary of Defense, US nuclear strategy contained—as it did in the Eisenhower years—both the elements of assured destruction and counterforce (referred to in the McNamara years as a damage-limiting capability), with one significant difference: Mr. McNamara placed emphasis on assured destruction.

Thus shunned officially, US counterforce capabilities began a slow, steady decline in their *effectiveness as the* number and hardness of Soviet military targets—especially missile silos—increased.

LAIRD HINTS AT OPTIONS

Melvin Laird chose to continue assured destruction as official policy during his tenure as Secretary of Defense, though he never was comfortable with it. He often complained about relying on one option—the mass killing of civilians. And he occasionally hinted at reemphasizing the traditional military philosophy of counterforce.

The hints never became reality. Instead, they provoked an uproar *among* some members of Congress—notably Sen. Edward W. Brooke (R-Mass.)—and academic strategists who raised their perennial argument that counterforce would incite the Soviets to execute a surprise first strike against the United States. This argument, barely plausible when the Soviets had few nuclear weapons and needed to make each one count, became progressively less valid during Mr. Laird's tenure. As the Soviet nuclear arsenal grew in size, Russian fears of a US first strike lessened, and, by the time of the first round of SALT, each side realized that neither had any hope of achieving a disarming first *strike*.

Nevertheless, Mr. Laird did not pursue the issue. Why not is conjecture. Perhaps because improvements in Soviet military forces and facilities had not seriously outpaced US capabilities to attack them. Most assuredly the probability of destruction had slipped below the level desired by targeteers, but the decline during Mr. Laird's tenure was not sufficient to seriously upset the military balance. Nevertheless, congressional fears that the development of counterforce capabilities might be misread by the Soviets as a move toward a first-strike posture caused the Administration to turn down many of USAF's recommended improvements in accuracy and yield for the Minuteman force.

SCHLESINGER REEMPHASIZES COUNTERFORCE

Mr. Schlesinger is faced with the distinct possibility that the balance is about to shift rapidly, dangerously. Three related factors have combined to bring about this grim outlook:

Counterforce, lacking status as official policy, has been excluded from the lexicon of strategy when the Pentagon takes its case to the Congress for funds to improve old weapons or to buy new ones. As a consequence, few funds have been appropriated to improve accuracy and warhead yield-to-weight ratios, and U.S. counterforce capabilities have steadily lost the effectiveness they once enjoyed vis-a-vis the hardened Soviet targets they are aimed at.

The Soviet Union, having dramatically improved its counterforce capabilities prior to the SALT I agreement, was expected to slacken the pace after the agreement. Instead, Soviet leaders have continued with a program that Mr. Schlesinger says "in depth and breadth has been surprising to us." At the same time, they continue by defensive means—hardening mainly—to make their military forces more and more difficult to locate and destroy. Some Soviet targets are becoming so difficult to destroy that U.S. weapons assigned to attack them are becoming inadequate to the task. Previously, a near miss was adequate; now a precise hit is required.

The SALT I agreement freezing U.S. strategic missiles at 1,710 interrelates with the first two factors and compounds the dilemma facing Pentagon officials. Mr. Schlesinger, denied the option of adding to the U.S. arsenal, must either improve the accuracy of existing weapons or increase the number or power of the nuclear warheads they carry. Otherwise, more and more Soviet military targets will escape destruction in the event of a nuclear war.

What worries Pentagon strategists is this: The obvious loser is mutual deterrence. It could well become one-sided, with the USSR in the driver's seat.

Also obvious is Mr. Schlesinger's determination not to allow this to happen. To prevent it, he intends to reemphasize the concept of counterforce, raising it to the level of official policy, thus ensuring that it gets the attention it deserves.

As history reveals, counterforce has been a vital though sometimes neglected part of U.S. nuclear strategy since the beginning. Mr. Schlesinger's intention is, I believe, simply to strengthen what years of neglect has weakened This does not mean a wholesale reorientation of the target system, as some journalists are reporting, but rather a shift in emphasis and priorities within the existing system.

Military men are already applauding the decision to recognize the legitimate role of counterforce in US nuclear strategy. They have been uncomfortable about the efficacy of city-busting, which to them violates proved axioms of warfare. Instead of protecting the US and her citizens, as the military is supposed to do, assured destruction actually exposes our people and cities to maximum danger and holds them as hostages on a *quid pro quo* basis with Soviet cities and civilians.

Moreover, say military officials, any strategy that relies on city busting and the mass killing of civilians denies the lessons of the history of war. The surest way to success in war, history confirms, is to destroy the armed forces of the enemy; the defeat of one nation's military forces has always signaled the end of the war and victory for the other side.

Nevertheless, some strategists still oppose this military view. Reemphasizing counterforce, they say, will weaken the nuclear deterrent. It will dilute the balance of terror which city busting and the mass killing of civilians guarantees.

If the history of US nuclear strategy is any criterion, the sword of Damocles will not be dulled by counterforce. As in the Eisenhower years, the balance of terror will continue to be stark. Under the numerical constraints of SALT I, it will be a delicate balance, uncomfortable to live with but vastly preferable to a qualitative imbalance in which the Soviets have an extensive counterforce capability and we do not. That is the direction in which the scales have begun to tip, and the more delicate the balance the quicker and more irretrievably it can be upset. That is the disaster that Secretary Schlesinger seems determined to prevent.

In the future, as in the past, the greatest calamity, the most terrifying prospect, the outlook most likely to deter the hand of Soviet aggression is the fear of seeing her armed forces destroyed in a counterforce response. Of being disarmed and helpless. Of having nothing left—or at best only inferior forces—with which to fight or bargain.

A US deterrent strategy incorporating counterforce capabilities is essential to national security in the years ahead. A reemphasis on counterforce is long overdue. It should be welcomed—not opposed.

TRIBUTE TO HENRY AARON

Mr. WILLIAMS. Mr. President, I think it most appropriate today that we salute the man who last night reached the pinnacle of baseball achievement, Henry Aaron.

For those who grew up on baseball and the lore of the immortal "Babe," it is somewhat staggering to realize that his record has been eclipsed. But it has been done and I think that all Americans share the pride which so justifiably belongs to Hank Aaron.

It is a matter of fact that the achievements of Henry Aaron have been underrated until only recently. But his achievement takes on more perspective when we think of the men who had their run at the record and fell perceptibly short—Foxx, Greenberg, Williams, Kiner, Mantle, Mays, and so on and on. In fact, thousands and thousands have had the opportunity and only one man made it.

Ted Williams once said that hitting a baseball is the single most difficult feat in sports. Hank Aaron has mastered that feat to a peerless degree.

But our admiration for Henry Aaron goes beyond his achievements on the playing field. We admire the way he has mastered the even more difficult feat of handling life and fame. He is a true gentleman and a man who emanates the rarified aura of genuine class.

Mr. President, I would just like to note that last night's event took on a somewhat personalized meaning to me because Al Downing, who threw the pitch, is a friend and a native of New Jersey.

To Al, I can only say that anyone who gives up a home run to Hank Aaron is in very good and very crowded company.

RAILROAD POLICY IN THE NORTHEAST

Mr. BROCK. Mr. President, I think it is very important for the Congress and the Nation to be aware of the direction our policy of rail reorganization in the Northeast is taking us. We seem to be moving toward a "rationalized" regional monopoly involving major reduction in trackage as the solution to the Northeast railroad problem. I feel however that the premises underlying our policy are suspect.

Firstly, eased abandonment is by no means the panacea for railroad ills that it is so often portrayed. The assumption is that there exist substantial economies of density in railroad operation, that is, that average costs per unit of traffic are lower, the greater the density of traffic. Hence cut the trackage and profitability will rise. However, as Prof. Alexander Morton of Harvard Business School has pointed out to me, the evidence to support this thesis is quite weak, and indeed the Penn Central, scarcely a model of economic health, already enjoys one of the higher freight densities in the industry. In addition, the Penn Central calculates its losses on unprofitable lines as 10 to 20 percent of total operating deficits of recent years

The second premise of our present policy is that a rationalized monopoly company will put railroads in the Northeast in a new direction. Yet the merger of the Pennsylvania Railroad and the New York Central is widely regarded as a major factor in the collapse of the Penn Central 3 years later, and the present management setup with its complex political as well as economic overtones is probably going to be severely limited in initiative. I have grave doubts whether our policy will work, and whether we are not heading inadvertently toward nationalization. Instead of this route, I believe that before it is too late we should consider restructuring the system to encourage effective competition. This would involve end-to-end mergers to create a number of nationally operating competing systems, as the Railroad Productivity Study and other analyses have recommended.

Mr. John Fishwick, president of the Norfolk & Western Railroad, has recently drawn our attention to some of these questions, and pointed out that the present ideas are not the only form a competitive rail system could take. I ask unanimous consent that the article by William Jones, dealing with Mr. Fishwick and the Northeast Rail Plan published in the Washington Post, March 19, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

NORTHEAST RAIL PLAN SEEN POSSIBLE STEP IN NATIONALIZATION

(By William H. Jones)

Norfolk & Western Railway president John P. Fishwick warned yesterday that if government officials drawing up a new Northeast rail system aren't careful, the nation might be taking a "step toward nationalization."

That could be the outcome he said in a petition to the Interstate Commerce Commission, if planners establish a new railroad that dominates service in the region.

Under a rail reorganization act signed early this year by President Nixon, a new U.S. Railway Association is being established to plan a new rail system that will supplant six major bankrupt lines, in a cooperative venture with existing railroads that remain profitable—mainly the Roanoke-based N&W and the Chessie System, holding company for the Baltimore & Ohio, Chesapeake & Ohio and Western Maryland.

While endorsing the goals of the rail reorganization, Fishwick asserted: "It is no solution to cure the present problems of some railroads by shifting those problems to other railroads or to create a Frankenstein monster capable of survival at the price of destruction of all around it."

To prevent development of this Frankenstein monster—a term used before to describe Penn Central Railroad, the largest bankrupt firm which was formed in a merger of the Pennsylvania and New York Central—Fishwick said planners must give more than "lip service" to the concept of competition in freight services.

In this regard, he said, a Feb. 1 study by the Department of Transportation shouldn't be accepted as the only definition of a competitive rail system. That study suggested possible elimination of 25 per cent of all rail tracks in the Midwest and Northeast, because there was not enough freight business to make the lines profitable.

Other ways of looking at the problem, Fishwick stated, could lead to different solutions, including:

A cost-benefit analysis, which might result in a regional rail monopoly east of Buffalo and Pittsburgh. In a telephone interview, Fishwick said he didn't want to get too specific, but that planners would want to consider if such a monopoly would include New England and the Northeastern lines south of Philadelphia, such as the Washington area.

Breaking up the Penn Central into its major components—the old Pennsy and Central, which he said may be the only way to achieve "a reasonable competitive balance."

In any event, Fishwick emphasized competition cannot be provided by "a so-called railroad patched together with leftovers" from the planned Consolidated Rail Corp.

Nationalization might occur, in Fishwick's view, if the reorganization process hurts currently solvent companies.

In Philadelphia, meanwhile, trustees for the Penn Central said they will demonstrate in a March 25 hearing that the railroad cannot be reorganized under a traditional profit basis, and that the overall rail plan detailed in the new rail act is the path to follow.

The trustees also argued that since challenges to the constitutionality of the rail act are being heard already in several courts, there is no reason to consider that question next week.

U.S. District Court Judge John P. Fullam, who is overseeing the Pennsy bankruptcy case, also ordered yesterday that the Southeastern Pennsylvania Transportation Authority and Penn Central must come to an agreement by March 27 on more than $5 million in back payments owed the railroad, or the trustees must file a plan to discontinue all commuter lines operated for SEPTA—a five county agency that provides or underwrites mass transit in the Philadelphia area.

In Washington, railroads asked the ICC to permit an increase in freight rates to cover fuel costs. In March, a 2.5 per cent fuel "surcharge" took effect; the railroads yesterday said the new rate would be 2.8 per cent, starting April 1.

GRIZZLY BEARS—KILL OR PROTECT?

Mr. CRANSTON. Mr. President, on March 20, 1974, I inserted into the Record a copy of my letter to John R. McGuire, Chief of the U.S. Forest Service. This letter requested that the Forest Service suspend the annual grizzly bear hunt which is held on national forest lands surrounding Yellowstone National Park until a Department of the Interior study on the endangered status of the grizzly bear could be completed.

I am very disappointed in the response I have received from the Forest Service. I have written again to Chief McGuire to emphasize my deep concern that the grizzly bear will be well on its way to extinction before action is taken to protect it.

Mr. President, I ask unanimous consent that the Forest Service response to my letter of March 14, and my letter of March 28, 1974, to Chief McGuire be printed in the Record.

There being no objection, the letters were ordered to be printed in the Record, as follows:

U.S. Department of Agriculture,
Washington, D.C., March 19, 1974.

Hon. Alan Cranston,
U.S. Senate.

Dear Senator Cranston: This is in response to your recent request that the Forest Service suspend all grizzly bear hunting activities on the National Forest lands surrounding Yellowstone National Park.

The Forest Service has been under intense pressure from several national conservation organizations, as well as a large number of individuals, to close the National Forest lands in Wyoming and Montana to hunting of grizzly bears.

According to our attorneys, we have such authority. However, it has been and continues to be our policy to rely on the States to set regulations governing the hunting of resident game species on National Forest administered lands. As you know, the Western States are sensitive to the "State's Rights" question as it relates to the management of resident wildlife species. We have been informed by Director James White of the Wyoming Game and Fish Department, that he would vigorously oppose any attempt by the Forest Service to regulate hunting of grizzly bears on National Forest lands in Wyoming. Also, such an attempt would be counter to our Memorandum of Understanding which is the basis of our cooperative wildlife work with the Wyoming Game and Fish Comimssion.

Grizzly bear hunting in Wyoming is on a very limited basis and hunters have been particularly unsuccessful in the spring hunt. In the past two years, only one bear has been killed in the spring hunt. On March 12, 1974, the Wyoming Game and Fish Commission passed a regulation prohibiting the baiting of grizzly bears in the Yellowstone ecosystem. This restriction should further curtail the opportunity of taking grizzly bears in Wyoming. It is difficult to believe that this level of legalized hunting is a threat to the bears in the Yellowstone ecosystem. If it is, we can only conclude that the grizzly bear certainly needs to be given the protection of the Endangered Species Act, at least in this ecosystem.

We recognize the need for the best and most complete data that is possible to obtain on both the grizzly bears and their habitats. Therefore, the Forest Service is participating in a joint grizzly bear study with the National Park Service, the Bureau of Sport Fisheries and Wildlife, and the involved States. As the study team assembles new data and develops recommendations for management, these data will be considered with the States in improving upon present management of grizzly bears and their habitats. In the meantime, the best data we have supports the States' contention that the few bears taken by legalized sportsmen hunting is not a threat to the continued existence of healthy, viable populations of bears on the National Forests surrounding Yellowstone Park.

Sincerely,

Everett R. Doman,
(For) John R. McGuire,
Chief.

U.S. Senate,
Washington, D.C., March 28, 1974.

John R. McGuire,
Chief, U.S. Forest Service, Washington, D.C.

Dear Mr. McGuire: I have received your letter of March 19, 1974 about the grizzly bear hunt which will begin April 1, 1974 in the National Forests which surround Yellowstone National Park.

I take little comfort in your statement that during the past two years, only one bear has been killed in the spring hunt. You fail to note that during the *fall hunting* season, hunters are much more successful in killing grizzly bears for which hunting permits have been granted. Three more grizzly bears were killed during the fall season last year. In addition, four more bears were killed last fall by people other than sports hunters.

However, at issue is not the success or failure of the grizzly bear hunt during a particular season but the fact that this animal, which is threatened with extinction and for which we have no accurate population count, is the subject of persecution.

The Department of the Interior, under the authority of the Endangered Species Act of 1973, (Public Law 93-205), will initiate a study this week to determine both the population status of the grizzly bear and the extent to which this animal is endangered with extinction. I believe the Forest Service has the responsibility and the obligation both under Section 7 of *P.L. 93-205* and under Forest Service regulations 36 CFR 261.111, to take action to ensure that the grizzly bear's continued existence is not jeopardized in any way until the Interior Department study is completed and the data evaluated.

You state that to close the National Forest lands in Wyoming and Montana to hunting of grizzly bears would be counter to the Memorandum of Understanding between the two states and the Federal government relating to the management of resident wildlife species.

Extinction can be thwarted if we act in time. Therefore, the intent in temporarily halting the grizzly bear hunt is not to interfere with a state's right to manage its own resident wildlife but rather to ensure that an animal species—whose survival is of universal ecological concern—is not extinguished in the course of a jurisdictional dispute.

If the Wyoming Game and Fish Department will not defer the beginning of the spring hunting season, I believe the Forest Service must use its legal authority to do so, *temporarily*, until the Interior Department study is completed.

By not acting, the Forest Service is gambling with the survival of one of America's greatest symbols of native wildlife. I urge the Forest Service to take the temporary action necessary to protect the grizzly bear.

Sincerely,

Alan Cranston.

CONTROL OF MONETARY GROWTH

Mr. BROCK. Mr. President, since introducing S. 3101, the Economic Stability Act of 1974, I have received enthusiastic endorsement for its provisions.

A letter from Prof. Karl Brunner included a statement by the Shadow Open Market Committee which presents the case for moderating the rate of increase in the money supply with clarity and force.

Mr. President, I ask unanimous consent that the letter and the statement be printed in the Record.

There being no objection, the letter and the statement were ordered to be printed in the Record, as follows:

Rochester, N.Y.,
March 20, 1974.

Senator William F. Brock III,
U.S. Senate, Senate Office Building, Washington, D.C.

Dear Senator Brock: I read with great interest your inclusion in the Congressional Record of March 4, 1974 bearing on a bill concerning control of monetary growth. Your bill certainly deserves strong support and I wish to express my appreciation for your initiative.

You may find the recent statement of our Shadow Open Market Committee of some interest. We formed this group last year in order to express our increasing concern about the deterioration in monetary policy making over the past years. The development of monetary policy and the budget can only promise us a permanent inflation with the attendant rise in social conflicts. It is regrettable that Congress has shown thus far little interest to attack the crucial conditions of the problem.

Sincerely,

Karl Brunner, *Professor.*

Policy Recommendation of Shadow Open Market Committee, March 8, 1974

The second meeting of the Shadow Open Market Committee was held on March 8, 1974.

The Committee considered two main questions: (1) appropriate monetary policy in light of the recent inflation, the slowing of the economy, and the consequences for the balance of trade and payments of the changes in world prices and production of petroleum; (2) means of improving Federal Reserve measurement and control of money.

MONETARY POLICY

Attempts to end inflation by expedient policies that ignore basic, well established and widely accepted economic principles have failed. Controls on prices, wages, interest rates, exports, and capital movements have been tried and, as usual, have been counterproductive. The rate of inflation now is much higher than it was four years ago.

The failure of the various price-control programs to slow or stop inflation should not be taken as evidence of an inability to end inflation. Time and resources have been wasted by these programs. Shortages have been created and opportunities to bring inflation down have been lost. Effective policies to do so are no different now than in the past, inflation can be brought under control.

Some favor drastic action to end inflation. Others are willing to accept permanently high, and even accelerating, inflation. We favor a moderate but continuing policy to reduce the rate of inflation.

At our meeting last September, we concluded that the appropriate policy for the following six months was to slow the growth of money—currency and demand deposits. We chose a policy of gradual reduction, in preference to a sharp reduction, because we wished to minimize the loss of employment and waste of resources during the adjustment to lower rates of inflation and, eventually, to stable prices.

Considerable progress has been made in reducing the rate of monetary expansion. From the first quarter of 1972 through the final quarter, the annual rate of expansion in money was 8.6%, a major contribution to the acceleration of inflation in 1973. During the first half of 1973, the rate of monetary growth was moderated somewhat to a 7.4% annual rate, and in the second half, the rate was reduced further to approximately 5%. We recommend that a growth rate of 5% to 5.5% be maintained during the coming six months.

Projections for the balance of the year suggest that recovery will begin by the third quarter if money continues to expand at the recommended rate. Higher rates of monetary expansion will have much greater effect on future inflation than on current employment. In these circumstances, it would be wrong for the Federal Reserve to allow rising unemployment rates, increases in the size of the official government budget, and the larger deficits in prospect to push the money growth rate higher than 5% to 5.5%.

A higher rate of growth of money will do nothing to solve the problems resulting from the petroleum shortfall.

The consequences for the U.S. balance of trade and payments of the changes in world prices and production of petroleum may not be so serious as some have conjectured. The projected deficit in the trade balance in 1974, because of higher prices for imported oil, may well be significantly offset by higher foreign earnings of the major oil companies. In any event, the international sector will not make much difference to domestic developments here because it will not change the stock of money.

We believe that floating exchange rates will continue to make a major contribution to domestic and international economic stability. We strongly recommend, therefore, that the United States maintain floating exchange rates and that the Federal Reserve restrict or eliminate intervention in foreign exchange markets.

CONTROL OF MONEY

The Federal Reserve has recently announced the appointment of a committee to propose changes in the definition and measurement of money. We believe this move is a constructive and long overdue effort that should improve the current statistics on money and thereby improve control of the money supply.

Improving the definition and measurement of money is one important step toward improved control of money. We believe that other steps are needed. We recommend that the Federal Reserve:

(1) Consider operating directly on the monetary base, which the Federal Reserve can control with a high degree of precision, and reduce reliance on money-market conditions.

(2) Simplify the present overly complex arrangements for computing required reserves. This would reduce unintended variability in the money supply.

(3) Eliminate lagged reserve requirements, which have been a cause of increased variability in money.

SENATE SUBCOMMITTEE ACTS TO PRESERVE THE NEW RIVER

Mr. ERVIN. Mr. President, I was delighted to learn that the Senate Subcommittee on Public Lands, chaired by Senator Haskell, of Colorado, on April 5, 1974, reported favorably to the full Interior Committee S. 2439, a bill to designate a segment of the New River, in North Carolina and Virginia, as a potential component of the National Wild and Scenic Rivers System.

Senator Helms and I introduced this legislation to preserve the beautiful and historic New River for the enjoyment of future generations of Americans. It is believed by geologists to be the second oldest river in North America and is truly one of the most treasured natural resources of North Carolina. I believe it qualifies in every way for inclusion in the Wild and Scenic Rivers System. This was documented at a hearing conducted by Senator Haskell's subcommittee on February 7, 1974, at which time many North Carolinians and Virginians expressed their love for this precious handiwork of Almighty God and their determination that it be protected in its natural state for the future.

Mr. President, those who love the New River are indebted to Senator Haskell and to the other members of the Public Lands Subcommittee for their favorable action on S. 2439. I sincerely hope that the Interior Committee and the Senate will also act favorably on this legislation.

INFLATION AND MONEY SUPPLY

Mr. DOMENICI. Mr. President, inflation is an increasing source of concern to all Americans. The paychecks of our workers and the pensions of our retired face constant erosion. During the last 12 months, inflation as measured by the Consumer Price Index is up more than 10 percent. Once, not too long ago, we in this Nation smugly thought that such dramatic increases in costs were reserved for "banana republics" with unstable governments and shaky economies.

The American people feel these pressures. Their concern shows up in newspaper letter columns in each city. The fly in the ointment is that to combat the long-term inflation we have suffered, this Nation will have to go through some harrowing times.

We face a hard set of choices. No one wants rampant unemployment. But no one wants a continued erosion of the dollar's power. A recent letter to the Wall Street Journal expresses some of my thoughts on this predicament. I ask unanimous consent that this letter be printed in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

Inflation and Money Supply

Editor, The Wall Street Journal:

Robert S. Morrison's letter in the March 28 Journal is of unusual interest, in that it is based on a subtle but dangerous fallacy which crops up during every major inflation.

Mr. Morrison says, in effect, that since GNP has been growing as fast as or faster than money supply these last 15 years, one cannot blame our inflation on excess money supply. The increase in money is presumably merely a necessary action by the Federal Reserve "to keep from choking off the economy."

In every runaway inflation in history (and I know of no exception) the point is reached at which GNP starts to expand faster than money supply, even though the government is creating new money at an ever-faster rate. The reason is that people lose confidence in the depreciating currency. They become more and more anxious to pass it on, in exchange for merchandise, capital goods, coins, art or anything of fixed value. That explains the increasing velocity of money in circulation, which Mr. Morrison notes without understanding its significance.

This increasing flight from currency pushes prices up and hence pushes the GNP up. The government then feels forced to generate still larger supplies of money to meet what seems to be a need to prevent a money crunch and perhaps a business collapse. However once this spiral is well under way, the government can never catch up with the accelerating "need" for more money. As Marshall stated, "The total value of an inconvertible paper currency cannot be increased by increasing its quantity; any increase in quantity which seems likely to be repeated will lower the value of each unit more than in proportion to the increase."

Once an inflation has become as virulent as the one we are experiencing, it can be ended only by a deliberate decision of the authorities to restrict drastically the creation of money, and not to keep trying to match a GNP whose acceleration is itself a measure of inflationary expectations. Such a policy of monetary restraint will unfortunately generate a stabilization crisis, with a severe recession, unemployment and numerous bankruptcies. This is unavoidable, because during the inflation many businesses and many individuals adopted policies geared to continuing inflation. They took on heavy debts, overexpanded capital plant, and overcapitalized assets in a way which guaranteed serious trouble if the inflation came to an end. There simply isn't any smooth and painless way to end a severe inflation.

Will our government have the courage and determination to take the necessary steps to check this inflation, and will it accept the explosion of protest and anger which would ensue? To ask this question is to answer it. Presumably our authorities will continue to generate money at an ever-faster rate to keep up with an accelerating price level (and hence an accelerating GNP). And, as the authorities always do in every inflation, they will put the blame on speculators, on greedy corporations, on unreasonable labor unions, on uncontrollable foreign developments—in short on everything and anything except their own mismanagement.

IRVING REICH.

New Hope, Pa.

THE CALIFORNIA COLLEGE OF PODIATRIC MEDICINE

Mr. CRANSTON. Mr. President, on January 13, 1974, a ground-breaking ceremony and reception marked the beginning of construction of the first phase of the Podiatric Medical Center of the West by the California College of Podiatric Medicine in San Francisco.

The center will be built in two phases and will eventually occupy an entire block in the redevelopment area called the western addition.

Participating in the ground-breaking ceremony were the Honorable Willie L. Brown, Jr., assemblyman, 18th District, San Francisco; Mr. Arnold Townsend, chairman of the board, Western Addition Project Area Committee, WAPAC; Charles H. Johnson, D.P.M., president, American Podiatry Association; Frank A. Bruno, D.P.M., president, California Podiatry Association; Pierce B. Nelson, D.P.M., president emeritus of the college; Higgins D. Bailey, Ed.D., president of the college; Leonard A. Levy, D.P.M., dean of the college; Florette White Pomeroy, chairman of the board; and Allen J. Selner, president of the student body.

New facilities will include classrooms, laboratories, lecture theaters, a medical library, and outpatient treatment areas. With the expanded space, student enrollment is expected to increase from 280 to approximately 320. The outpatient treatment capacity will be expanded to treat approximately 60,000 patients a year, compared to the 20,000 who are currently treated each year. Research activities will also be expanded.

The construction of phase 1 is part of a long-range development program for podiatric and other health sciences. Phase 2 calls for expansion of service areas and addition of a research and a group practice facility.

The funding for construction of phase 1 is partially derived from Federal sources. This support, administered through the Department of Health, Education, and Welfare, is in the form of a construction grant of $979,250, plus a Federal guarantee of a $3.5 million loan.

Private funding in support of the project includes a grant of $35,000 from the Arthur Vining Davis Foundations of Miami, Fla., and pledges of over one-half million dollars from podiatrists and other members of the health professions.

The California College of Podiatric Medicine first opened its doors to students in 1914. The college is a nonprofit, independent, fully accredited educational center which offers a program of graduate education leading to the degree of doctor of podiatric medicine.

The college has consistently been an active force in the neighboring community as well as in health concerns on a broader basis.

Under the auspices of the college a mobile clinic has been visiting shopping centers throughout the San Francisco Bay area, providing screening examinations and information on podiatry and good foot care. This same mobile clinic has traveled through the farming areas of California to provide foot care to migrant farmworkers and their families.

Another program which will make a substantial contribution to improved community health is a pilot program established by students at the California College of Podiatric Medicine to give the students practical experience in treating podiatric athletic problems. This unique program has been established for track athletes expressing an interest in better health and physical fitness. Each participant is given an examination to establish a baseline of health under the auspices of a podiatrist and a general practitioner interested in sports medicine.

All these health findings become a part of the runner's permanent record, and all podiatric complaints and subsequent treatment are recorded on the record to provide a common baseline of information for future research. The students at the health center manage most podiatric complaints, with more extensive podiatric care referred to a Saturday clinic at the school where students interested in sports medicine can treat athletes, calling on clinicians for advice as needed.

A third project reaches beyond the local community to the international community. This is the so-called Baja project in which children from Mexico from needy families who have clubfoot deformities are brought to the college, given corrective surgery, followup treatment, and rehabilitation free of charge. These children come from remote areas of Mexico where these medical resources are not available as they are in the United States where deformities such as these are generally detected at birth and treated successfully with a series of plaster casts during the baby's first year.

Mr. President, as a Californian I am very pleased that the California College of Podiatric Medicine is providing leadership to the community in these and many other programs. Its new construction program, made possible by a grant from HEW with the additional support provided by the community, will enable it to continue and expand its service to the community.

PASSENGER RAIL SERVICE

Mr. BROCK. Mr. President, recently I received a digest from the GAO which reported the findings of a study on the reestablishment of satisfactory passenger rail service in the United States. The study was conducted of Amtrak for the House Subcommittee on Transportation and Aeronautics of the Commmittee on Interstate and Foreign Commerce.

Mr. President, we are currently talking much about rail travel and its improvement, but the GAO report shows that we are not improving the system. Instead, in some respects, it seems to be deteriorating. I find it very disturbing that after spending millions of dollars, on-time performance is getting worse and, equally disturbing, the cause seems to be related to freight operations as well as the poor state of track. If we are going to continue to put all this money into the rail system, we of course want to increase ridership and thus long-term financial viability.

In a highly competitive transport market, one does not have to be a railroad expert to seriously doubt the wisdom of slowing or side-tracking express trains to accommodate slow moving freights. This is especially the case for trains such as the New York to Washington Metroliner which is highly publicized as a high-speed service and charges extra fares. From the experiences of my staff, there seems to be evidence also of significant deterioration in some of our suburban rail services serving Washington.

The increased demand, due to the energy problems, instead of providing a financial shot in the arm for railroads and stimulating service, seems only to bring a reduction in standards of comfort. This is just the sort of railroad management which in the past has contributed to the disastrous state of our railroads. Of course, it may indeed be exacerbated by problems of supplying enough passenger cars, or improving the track quickly enough; but all this shows how often one important component of the entire transportation is out of step with another, and thus just how far we are from a complete and comprehensive national transportation policy.

I see no reason whatsoever why my constituents in Tennessee should be taxed to support incompetence and inefficiency. I am sick of excuses, apologies, passing the buck, and similar symptoms of an industry regulated and subsidized in many areas into degeneracy. Perhaps it is time for Congress to tell someone to shape up or ship out.

Mr. President, I ask unanimous consent that the GAO report be printed in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

[Comptroller General's Report to the Subcommittee on Transportation and Aeronautics, Committee on Interstate and Foreign Commerce, House of Representatives]

Fewer and Fewer Amtrak Trains Arrive on Time—Causes of Delays

(National Railroad Passenger Corporation (Amtrak) B–175155)

WHY THE REVIEW WAS MADE

This is the last in a series of four GAO reviews on the National Railroad Passenger Corporation (AMTRAK) operations considered critical to reestablishing satisfactory passenger rail service in the United States. The Subcommittee Chairman asked GAO to make this review.

Basic facts

AMTRAK, a private, for-profit corporation, was created to revitalize intercity passenger service starting May 1, 1971.

Thirteen railroads have contracts with AMTRAK which require them to provide all services requested by AMTRAK for operating the trains.

AMTRAK considers a train on time if it arrives at its final destination within 6 minutes of its scheduled arrival. AMTRAK's objective is for trains to be on time 90 percent of their trips.

Findings and conclusions

The on-time performance of AMTRAK trains has fallen far short of its 90-percent objective. Overall, one of every four trains was late in 1972 and one of every three was late in the first half of 1973 as illustrated below.

This poor performance did not generate public confidence in the reliability of AMTRAK'S trains and tended to discourage riders, decrease revenues, and increase costs.

Causes of delays

Most train delays in 1972 were caused by track conditions and maintenance work, freight trains, AMTRAK locomotive and passenger car malfunctions, waiting arrival of other passenger trains, and servicing at stations.

Time lost because of track conditions and maintenance work increased from 8,700 minutes in January 1972 to 23,700 minutes in December 1972—an increase of 170 percent. During the first half of 1973, one-third of all reported train delays resulted from this cause.

Two railroads (Illinois Central Gulf and Penn Central) accounting for about half the mileage covered by AMTRAK's trains were responsible for three-fourths of all time lost in 1972 because of such conditions. AMTRAK filed arbitration demands against these railroads contending that they permitted sections of their rail lines to deteriorate. As of September 30, 1973, these complaints had not been resolved.

Freight train interference, malfunctions, and derailments have been other major causes of passenger train delays, even though the railroads have assured AMTRAK that every effort would be made to prevent them.

In 1972 time lost because of freight train interference had increased from 2,000 minutes in January to 10,000 minutes in December. In the first 6 months of 1973, the average train interference was 43 percent higher than that in December 1972. Again, Penn Central and Illinois Central Gulf were responsible for over half of these delays.

AMTRAK locomotive and passenger car malfunctions have been increasing. In the first half of 1973, 1,900 more en route malfunctions were reported than for the first half of 1972.

AMTRAK and the railroads disagreed as to who was responsible for delays in this category. Of the 13 railroads, 10 commented on the age and condition of AMTRAK's locomotives and cars. AMTRAK, on the other hand, emphasized that the railroads were responsible for properly maintaining the equipment.

In its June 21, 1973, report to the Subcommittee, GAO discussed AMTRAK's need to improve train conditions through better repair and maintenance. Corrective action outlined in that report should help improve on-time performance.

Discrepancies in reporting performance

An AMTRAK study showed that the number of late trains Penn Central reported to AMTRAK was significantly understated—especially for the metroliners. Other railroads also failed to report all late trains.

AMTRAK told GAO that corrective action toward more accurate reports was being taken.

On-time performance by type of service

Metroliners, AMTRAK premier service operated by Penn Central, were reported late an average of 22 minutes on 24 percent of their trips in 1972. This was worse than the performance of conventional short-distance trains. For the second quarter of 1973, Penn Central reported that metroliners were late 40 percent of the time.

Conventional trains on AMTRAK's 15 short-distance routes (less than 500 miles) had the best overall performance in 1972 (83 percent) and the first half of 1973 (73 percent). However, performance gradually deteriorated during the 18 months.

Trains operating on long-distance routes arrived late on 54 percent of the trips made during the 18 months ended June 1973. Their performance deteriorated to the point that, in the last 3 months, three of every four trains arrived late an average of 1½ hours.

In June and July 1972 GAO representatives made 169 trips on AMTRAK long-distance trains and in most cases these trains arrived late. Examples of the performance of specific trains are presented in this report.

Service contracts need improvement

AMTRAK's contracts do not require the railroads to meet its 90-percent on-time objective, and AMTRAK has not succeeded in obtaining improved performance.

AMTRAK said that its train schedules on all routes were based on those previously used by the railroads and were liberal enough to meet its objectives. Several railroads commented, however, that the performance standard was unrealistic, particularly on long-distance trains. Most of the railroads expressed their awareness of problems in running AMTRAK trains on time and of the need for improvement. They stated that it was their policy to give passenger trains preference over freight trains but stressed AMTRAK's responsibility for improving various factors, such as condition of equipment, and cited other circumstances, such as weather, not fully under their control.

Under a clause permitting the contracting parties to appeal to the Interstate Commerce Commission (ICC) for a redetermination of the basis for compensation, in September 1973 ICC issued principles and concepts for negotiating a new contract between AMTRAK and Penn Central. ICC's order, among other things, requires that the new contract provide for payment awards and penalties based on service quality and that appropriate tolerances for determining the payment penalty be established for different length trips.

The concept of considering quality of service as a major factor in determining the amount of compensation AMTRAK pays to the railroads was included as a provision in legislation introduced in June 1973 by the Chairman of the House Committee on Interstate and Foreign Commerce and was subsequently enacted into law in November 1973 as part of the AMTRAK Improvement Act of 1973.

GAO believes that all of AMTRAK's contracts need to be amended to include reasonable, definitive, and enforceable on-time performance standards and to clearly fix the responsibilities of contracting parties. The AMTRAK Improvement Act of 1973 should provide a basis for accomplishing this goal.

AGENCY COMMENTS AND UNRESOLVED ISSUES

AMTRAK stated that negotiations with the railroads to amend the contracts were underway and that amendments would establish performance standards and provide for incentives and penalties.

The Department of Transportation and ICC stated that they agreed with GAO's findings and conclusions.

FEDERAL COAL LEASING POLICY

Mr. METCALF. Mr. President, the Subcommittee on Minerals, Materials, and Fuels of the Committee on Interior and Insular Affairs has been conducting a series of hearings on the Federal coal leasing policy in the Northern Great Plains. As part of these hearings, the subcommittee asked the Department of Interior to answer 36 questions about current and future coal leasing policies. The subcommittee found many of the answers less than satisfactory, and after the March 13 hearing we requested that the Department resubmit its answers. I believe the Department's initial and follow-up responses will be useful to people interested in Federal coal leasing policy. Therefore, I ask unanimous consent that the statement of Assistant Secretary Jack O. Horton, together with the Department's responses, be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

Introductory Statement of Jack O. Horton, Assistant Secretary—Land and Water Resources, Department of the Interior, Before the Senate Subcommittee on Minerals, Materials, and Fuels, March 13, 1974.

The Department of the Interior is pleased to participate in the oversight hearings of the Senate Subcommittee on Minerals, Materials and Fuels on the proposed Federal coal leasing program in the Northern Great Plains. We have prepared a response to the list of questions submitted by the Subcommittee in your letters of February 15 and March 1, 1974. In addition to discussing this prepared testimony, we will be, of course, pleased to answer any further questions the Committee may have.

Before proceeding to address your specific questions, I would like to provide some general observations that pertain to coal development in the Northern Great Plains area. First, no single government entity—local, State, Federal or private—has sufficient authority to unilaterally control or determine the direction of events that may transpire in that area. Second, a variety of actions have been taken over the past few years, by private individuals, local, State or Federal agencies, which together have already established a degree of development in the Northern Great Plains area.

Our concern about the uncoordinated nature of these actions and about our own respective responsibilities in the Northern Plains coal area led Interior to hold in abeyance actions that would establish future commitments. Two years ago, the Department suspended the processing of coal prospecting permits and the issuance of new coal leases and established an interim policy for short-term leasing and water sales.

In this period the Department undertook several related actions designed to structure a program for orderly development and environmental protection of the Northern Great Plains. These steps include the Northern Great Plains Resource Progam (NGPRP), Energy Minerals Allocation Recommendation System (EMARS), and a programmatic environmental impact statement on the Federal coal leasing program.

Presently, the Department is executing the Secretary's short-term coal leasing policy which defers decisions which entail major new commitments of resources in the region, but allows for some coal leasing to provide continuation of existing mines and to assure conservation of the coal resources. We plan to maintain this posture until these programs above are completed, which we estimate will be September 1. We are also continuing to work with other interested Federal agencies, including the Federal Energy Office, to determine what coal leasing steps need to be taken in order to develop an optimum coal policy for the Nation.

The Administration believes that coal development and environmental protection need not be incompatible and that with intelligent standards and careful execution both goals can be achieved in meeting the energy demands of the Nation.

1. What is the current status of the Northern Great Plains Resource Program (NGPRP)? How much is done and what else needs to be done to provide an adequate basis for decisions? When will it be complete?

An interim report is being prepared which will be available July 1. This report will describe and evaluate the social, economic, and environmental impacts on the Northern Great Plains associated with alternate levels of intensity and mix of coal use, e.g., the relative advantages of various mining techniques for Northern Great Plains coal, the financial and environmental costs of water for coal conversion and electricity generation, and the capabilities of potentially impacted localities to accommodate increased demands for public services.

The principal information gathering and analytical portions of the Program are being carried out by seven work groups in the field. Each of these work groups will be submitting an initial report in April. These seven reports, together with other special analytical efforts will be synthesized into the interim report. Although a great deal of work is underway, and in some instances, preliminary data has been prepared, these reports are not complete. Therefore, we do not have available at this time much of the data and analyses that we expect to assemble in the interim report which will be pertinent to decisions the Department will address.

Throughout FY 1975, the interim report, further work on NGPRP, investigations related to EMARS, and the EIS on Federal coal leasing will be useful in helping the Department examine choices with respect to decisions on matters such as:

New Federal coal leasing policy;

Reclamation stipulation and regulations for surface mining;

The sale of water from Federal reservoirs;

Proposals for Federal water projects to provide water for coal related industrial development;

The requirement for and the scope of environmental appraisals and environmental impact statements in the NGP for energy related development (leasing and mining, highways, railroads, pipelines, plant sites, transmission lines, etc.) that may be proposed.

Additional studies to further illuminate key issues.

2. What is the current status of the Energy Minerals Allocation Recommendation System (EMARS)? Describe the system and indicate when it will be put into operation.

EMARS is a process for implementation of Federal coal policy. It has been proposed by the Bureau of Land Management and is currently under review by the Department. EMARS raises to the level of Secretarial consideration choices pertinent to the balance between maintenance of important surface resource values and the leasing of tracts of Federal coal lands for coal production. The Bureau of Land Management will submit schedules of potential coal lease sales to the Secretary. These schedules, expressed in terms of specific tracts to be leased over a period of time, will present alternative rates of leasing of Federal coal lands. The Secretary's decision, when reached, will be based on the EMARS recommendations, an analysis from the NGPRP, the Coal Programmatic Environmental Impact Statement, the Federal Energy Office coal demands and any other applicable sources.

The allocation process attempts to set BLM planning guidelines for expected alternative levels of Federal coal leasing. National coal consumption forecasts, National Energy Policy, and existing applications and industry nominations serve as the basis for establishing the planning goals. The minimum goals provide assurance that adequate supplies of Federally owned coal will be available to meet the market requirements.

To make his tract selection, the BLM district manager considers important surface value of lands underlain by Federal coal, the rehabilitation potential of lands, and expressions of industry interest in specific tracts as indicated by industry lease applications and nominations. The Bureau of Land Management's resource evaluation is based on its multiple use planning system which provides for full public participation.

The leasing phase of EMARS begins with detailed preplanning of the coordinated mining and rehabilitation factors required for successful rehabilitation and subsequent surface resource management of each proposed lease. Compliance standards and sample stipulations for each site will be made available well ahead of any scheduled lease sales. The leasing phase concludes with:

a. Presale evaluations (including preparation of environmental assessments)

b. Holding lease sales

c. Post-sale evaluation procedures

d. Lease issuance

3. What is the status of other Federal studies or programs which are also looking at the coal resources of the Northern Great Plains such as SEAM, RALI, and the North Central Power Study?

RESOURCE AND LAND INFORMATION (RALI)

This is a Department-wide program, led by the U.S. Geological Survey. During its initial stages, a number of projects were scheduled to demonstrate what could be developed from land and resource data. One of these demonstrations involved illustrating the interrelationships between topographic, geologic, and hydrologic data in the Gillette, Wyoming area. The results of this effort were recently released and are now available for use.

More recently, the RALI program was redefined for FY 75 and will focus on five major methodological studies and reports. These may have value for dealing with coal problems in the Northern Great Plains, but are not focused directly toward that end. They include studies on power plant siting, utility corridor selection, critical environmental area identification, State government land resource inventory methods, and environmental impact assessment.

SURFACE ENVIRONMENT AND MINING (SEAM)

The Department of Agriculture will describe the SEAM program in their prepared testimony, therefore we have not prepared a response for inclusion in our statement.

NORTH CENTRAL POWER STUDY

The North Central Power Study was an assessment of how Northern Great Plains coal could be used to produce electrical power. It included an estimate of the power plants, aqueducts, and other facilities which might be involved in development schemes.

No further work has been accomplished on this study since its release almost two years ago. However, the data that was generated in this study has proven useful in other investigations. The study in no way should be considered any kind of Departmental plan for this area.

MONTANA-WYOMING AQUEDUCT STUDY

The Montana-Wyoming Aqueduct Study was an appraisal of water resources in southeastern Montana and northwestern Wyoming that described various aqueduct configurations that could be used to convey water from sources of supply to projected points of use. Water supply data compiled for the Montana-Wyoming Aqueduct Study is being used, in part, to assess various development alternatives being analyzed in the Northern Great Plains Resource Program.

4. What is the status of the proposed five-year coal leasing schedule and the environmental statement on it? When will a draft environmental impact statement be released? Will the Department allow more than 45 days for public review?

A coal leasing schedule is being prepared through the EMARS process described under question 2. The Secretary will be in a position to consider the first issuance of this schedule this fall based upon a variety of data. We have not made a final decision as to what period such a public schedule should cover. As now conceived, the first schedule would be site-specific for the first year.

The need for an environmental statement will be assessed on the basis of the tracts which may be involved, the degree of public discussion, the controversy evident while the tract proposals are being considered through the multiple use planning process, and the degree to which issues involved are covered in the Coal Programmatic Environmental Impact Statement which should be released in draft form in April 1974.

If an environmental statement is deemed necessary for any combination of tracts, the review period would be established taking into consideration the complexity of the statement and the degree of public interest. At this time we are not aware of a need for departing from the 45-day period allowed for public review.

5. To what extent are all the work items referred to in questions 1–4 coordinated with each other?

The Under Secretary is coordinating the Department's efforts, and to this end, has actively directed the involvement of the Assistant Secretaries for Energy and Minerals, Program Development and Budget, and Land and Water Resources. At the staff level, analysts are comparing their efforts and exchanging data and analyses wherever useful. For example, in the case of the *environmental* impact statement just begun on the Douglas/Gillette, Wyoming corridor, the Bureau of Land Management will draw on some of the preliminary materials from the Northern Great Plains Resource Program.

SEAM has been well coordinated with NGPRP activities. United States Department of Agriculture personnel first involved with the design of SEAM were also part of the early designing and development of NGPRP. SEAM personnel have served on NGPRP work groups and are currently helping to write major parts of the April report on surface resources.

The Secretary's initial coal leasing schedule will be a product of EMARS and its preparation is being fully coordinated at all Departmental levels and with the Federal Energy Office.

6. What is the status of the environmental statement currently being prepared by the Bureau of Land Management, Geological Survey, Forest Service and Interstate Commerce Commission on development of seven coal mines and a railroad line in the Powder River Basin? Are the environmental impact statement and the decisions it is designed to analyze coordinated with the program-

matic environmental impact statement, the Northern Great Plains Resources Program, and all other coal related actions already discussed?

The East Powder River Coal Basin Environmental Impact Statement is being prepared by a team located in Cheyenne, Wyoming, under the lead of BLM's Wyoming State Director. The team is composed of individuals representing various disciplines from the Bureau of Land Management, Geological Survey, and the Forest Service with assistance from the Interstate Commerce Commission. They are working against a target date for a draft environmental statement by June 1, 1974.

Since the action does not involve coal leasing—all the mine plans are for existing leases—EMARS is not involved. The Coal Programmatic Environmental Statement will be referenced to avoid duplication of general material contained in that document. The key interrelationship is with NGPRP. The Cheyenne team has been in direct contact with all NGPRP work groups and is using data directly from these groups. The NGPRP schedule called for the work group data collection to be complete by early 1974 and work group report drafts to be issued by April 1974. As indicated here, the schedules mesh on a tight but fully adequate basis.

7. What is the status of the lawsuit brought against the Department by the Natural Resources Defense Council and others to enjoin further coal development?

There are two major legal actions pending which seek to enjoin the Department from taking action with respect to coal development in the Northern Great Plains.

The action entitled *Sierra Club et al. v. Rogers C. B. Morton et al.*, Civil Action No. 1182–73 was filed in the District Court for the District of Columbia on June 13 1973, and seeks to compel the Department to prepare an environmental statement on coal development in the Northern Great Plains prior to taking any action relating to coal development in that region. On February 14, 1974, the court granted the motions of the Department and other defendants for summary judgment. The court held that there was no Federal regional plan or program for the development of coal in the area and that the National Environmental Policy Act of 1969 did not require the preparation of an environmental statement on coal development in the region. Currently, there is pending before the court the motion of the Sierra Club and other plaintiffs for reconsideration of the judgment. In addition, it is possible that the judgment will be appealed by the Court of Appeals.

The action entitled *Environmental Defense Fund, Inc., et al v. Rogers C. B. Morton, et al.*, Case No. 1220, was filed in the District Court for the District of Montana; Billings Division on October 16, 1973. The Natural Resources Defense Council, Inc., is one of the plaintiffs in that suit. That action relates primarily to the sale and utilization of water in the Northern Great Plains region but also seeks to enjoin the Department from continuing current policies and practices which cause or allow further development or implementation of alleged proposals in the North Central Power Study, the Aqueduct Study and other studies described in the complaint until a detailed environmental statement on the planned development of the Northern Great Plains is prepared. The Department of Justice has filed a motion to dismiss or strike the complaint on behalf of the Department of the Interior and the other defendants which is pending before the court.

8. Is it correct that the basic underlying assumption of the NGPRP is that the strippable reserves of low sulfur coal in the Northern Great Plains will be developed to meet the energy needs of the country? Who is looking at alternatives (other than different levels of coal development) such as energy conservation and efficiency and deep mining of low sulfur coal reserves? To what extent will these alternatives be evaluated and completely investigated?

The NGPRP has no predetermined notion as to how essential Northern Great Plains coal may be in helping to solve the Nation's energy problems. Northern Great Plains coal is only one of several potential sources of energy that the Nation could turn to in time of need. Energy shortages together with our increasing need for clean energy has focused attention on western coals, particularly the extensive lignite and subbituminous deposits in the Northern Great Plains. Since the Federal Government owns approximately 80 percent of the coal reserves in the Northern Great Plains, it seems reasonable that we should investigate the effects that would stem from possible coal development.

As part of an effort to investigate alternative sources of fuel energy, the Department is currently conducting studies in the area of geothermal and oil shale development. Our program efforts will include an assessment of the technical and economic feasibility of deep mining, and we expect to have some information concerning deep mining available for inclusion in the NGPRP interim report. The Federal Energy Office informs me that it is looking at alternatives including energy conservation and efficiency, and deep mining of low sulfur coal reserves. These alternatives are currently being evaluated and completely investigated by the Federal Energy Office.

9. Would northern plains coal be considered essential for the solution of this nation's energy problems if that coal could only be deep mined? Is it perhaps only the fact that this coal can be "cheaply" strip mined that makes it so "essential" for the national energy situation? How would the country solve its energy problems if we didn't have the possibility of strip mined coal from the northern plains?

We have not made a determination as to the extent that coal will be essential to solving the nation's energy problems. Northern Great Plains coal represents an energy resource that could be made available at competitive prices to serve regional and national energy needs. Without the utilization of this coal resource, some energy needs would either be left unsatisfied or the nation would have to turn to alternative fossil-fuel or nonfossil-fuel energy sources.

10. Will large-scale on-site development of northern plains coal have the effect of postponing intensive research and development in the most efficient use of energy and the production of renewable, less disruptive forms of energy?

No. Because of the inherent environmental disadvantages of fossil-fuel energy, we would expect intensive research and development to continue. It should be noted that even with large-scale development, Northern Great Plains coal would satisfy only a part of aggregate energy demand. Consequently, we believe that development of this coal would not affect research and development efforts.

11. Will a major coal development in the West lead to reduction of coal mining in the Midwest and Appalachia? Will there be shifts of industrial plant locations closer to the major sources of energy?

Because of the increasing demand for coal and the unique qualities of eastern coal for coking uses, we do not expect coal production in the Midwest and Appalachia to be reduced by the development of Northern Great Plains coal. However, to the extent Northern Great Plains coal or other alternative energy resources are utilized, new demands for eastern coal will be reduced.

We have not fully examined the secondary impacts of coal development and have not determined the extent of potential shifts of industrial plant locations to Northern Great Plains energy sources. This aspect of potential coal development will be examined.

12. What limitations does the availability of water resources place on coal development in the Northern Great Plains? Is there sufficient water for mined land reclamation, gasification, etc.? Will water have to be diverted from existing uses?

Information regarding the availability of water resources to serve coal conversion activities is not sufficiently complete for use to make a positive statement at this time. Preliminary indications suggest that a large quantity of developable water presently exists in the area. While this aggregate supply is impressive, the environmental and economic problems of making this water available in time and place is of critical concern.

Water requirements for surface mining operations and rehabilitation practices are not particularly large, and it appears that these uses would not seriously deplete aquifers or compete with existing uses in the area.

The availability of water supplies, is, of course, a very important component of our investigations, and we would expect to be in a position to answer this question completely when our program studies are completed.

13. What are the anticipated effects on air and water quality in the Northern Great Plains region of coal development?

Although our information is not sufficiently complete to answer this question at this time, assessing the effects on air and water quality is of very special concern to us and we will try to evaluate these effects for inclusion in the interim NGPRP report. It should be stressed, however, that although we should have some information available concerning air and water quality for inclusion in the interim report, data must be collected and carefully analyzed over a period of time before a meaningful determination regarding these environmental effects can be made.

14. At what point of development will the Northern Plains be committed to full-scale development? At what point are options foreclosed? For example, if an extensive water delivery system is built to shippable areas, will stripmining be halted if reclamation proves unsatisfactory?

There will be no single point of full-scale commitment. Development, if and when it occurs, will be incremental in nature and will be guided by a variety of factors. Our program strategy is to consider very carefully any added level of commitment until we have thoroughly evaluated its effects. The NGPRP effort will provide an assessment of what might occur by evaluating the social, economic, and environmental impacts of several levels of potential coal production. Through EMARS, we can fully consider the commitment related to an individual lease proposal.

In response to the example, there will undoubtedly be degrees of rehabilitation success, based upon a variety of soil, vegetative and climatic factors. The ecosystems are being assessed, and, as knowledge of these systems and rehabilitation technology improves, mine rehabilitation plans can be modified accordingly. We intend to stipulate in all leases rehabilitation requirements that will restore the lands to a productive use. However, we must admit we cannot fully restore total ecosystems with today's technology.

A total aqueduct system would not be committed at any one time. It, too, would be incrementally staged over a period of time, and experience gained in the earlier development phases, along with research and advanced planning, would be considered carefully before committing to subsequent development.

15. If agencies want to make decisions in 1974, what kind of decision can be made based on the information that will be available by that time?

Decisionmaking will be tailored to the need for decisions and the data available. The situation will be changing during 1974 as additional data becomes available. For example, we now have a great deal of the data required for impact mitigation type decisions, such as those related to mine plan approval and transmission line or rail line right-of-way location. Our information in these areas is not complete, but we feel that we have or can readily gather sufficient information to make most decisions of this type which are now facing us.

As to further coal leasing decisions, the data requirement increases. We hope to have enough data by summer or fall, through NGPRP, EMARS and related programs, to make such additional lease commitments as are necessary to prevent serious interruption of any established coal marketing programs of the various energy companies.

The major decisions as to the future long-range direction and nature of coal development in the Northern Great Plains area are not exclusively within the Federal province. They involve decisions by industry, private landowners, local, State, and Federal governments.

No single entity prevails. The interim NGPRP report will help provide both coordination and data for this type of decisionmaking. But it will not provide all the data and coordination needed, and it or some similar cooperative effort will have to continue in order to ensure the best possible long-range decisionmaking.

16. How many acres are under Federal lease in Montana, Wyoming, North Dakota, South Dakota, and Nebraska? Who has leased Federal lands? What about Indian, State, and private leases? How many acres are under lease on these lands? Is there any estimate of the amount of coal reserves presently under Federal lease? Under other lands? How do the reserves relate to anticipated demands and past production?

There are approximately 253,000 acres of Federal coal under lease. There are 200,000 acres in Wyoming, 17,000 acres in North Dakota, 36,000 acres in Montana, and no acres in South Dakota and Nebraska. Federal lands are leased primarily by energy companies, but some leases are held by private individuals.

At this time, there are approximately 91,000 acres of Indian coal land under lease in Montana. There is no Indian coal land under lease in any of the other Northern Great Plains States. These lands are leased entirely by energy companies. Information on State and private acreage under lease is being compiled but is not available at this time.

Recoverable strippable coal reserves presently under Federal lease in Montana, Wyoming and North Dakota total approximately 10.0 billion tons. The Northern Great Plains study will define the Northern Great Plains coal reserves. EMARS will relate anticipated demands to Northern Great Plains coal reserves. Past production of Northern Great Plains coal is not a good measure of the future demand for this coal because of new environmental values and current national energy demands.

17. What reclamation standards and procedures does the Department intend to put into any new coal leases or impose on existing leases? Is reclamation feasible on most of the lands in the Northern Plains?

Reclamation stipulations for new leases will be tailored to each individual lease. The public, through the Bureau of Land Management planning system, will have an opportunity to contribute to the development of reclamation standards for these leases. Existing leases must submit a mining plan to the Geological Survey before any mining operations can begin. The reclamation standards stipulated in new leases must be reflected in those mining plans or the plan will not be approved by Geological Survey.

The Department's regulations concerning the operation of coal mines (30 CFR Part 211) are currently being revised and the revised regulations have been published in the Federal Register as proposed rulemaking. The proposed regulations are designed to give coal lessees a better understanding of their responsibility to protect the land and other natural resources during operations and to provide for adequate planning to reclaim the land concurrently with mining operations whenever feasible. The regulations also strengthen the authority of the mining supervisor who is charged with their enforcement.

The Department presently has adequate regulations applicable to the leasing of coal deposits underlying Federal lands (43 CFR Part 23). These regulations establish a system of technical examinations prior to the issuance of leases to determine whether and under what terms and conditions leases should be issued. They also require that mining plans be submitted prior to the commencement of operations. These same regulations at 25 CFR 177 apply to Indian lands.

An objective of the NGPRP and the Department of Agriculture's Project SEAM is to provide a more quantitative answer as to when reclamation is feasible. The Department of the Interior has taken the position that lands will not be leased unless rehabilitation is feasible.

18. Does the Department intend to require development on the existing coal leases? On new leases? Describe the proposed requirements.

The Department is examining options available under existing authority for encouraging production from both existing leases and from leases to be issued in the future, while not discouraging legitimate and necessary long-term holding of coal reserves. When the Department has defined feasible options that will encourage coal production, that information will be furnished to the Committee.

19. Is new legislation necessary to assure prompt and careful development on existing and future leases?

New legislation is not necessary to assure prompt and careful development on existing or future leases. It should be explained, however, that we are subject to challenge with respect to prompt development on existing leases. Section 7 of the Mineral Leasing Act of 1920 (30 U.S.C. § 207) provides:

"Leases shall be for indeterminate periods upon condition of diligent development and continued operation of the mine or mines. . . . The Secretary of the Interior may, if in his judgment the public interest will be subserved thereby, in lieu of the provision herein contained requiring continuous operations of the mine or mines, provide in the lease for the payment of an annual advance royalty upon a minimum number of tons of coal, which in no case shall aggregate less than the amount of rentals herein provided for."

Leases which have been issued under the Act contain the following provision:

"Beginning with the sixth year of the lease, except where operations are interrupted by strikes, the elements or casualties not attributable to the lessee, or unless on application and showing made, operations shall be suspended when market conditions are such that the lessee cannot operate except at a loss or suspended for other reasons specified in section 39 of the Act to mine the coal each year and pay a royalty thereon to a value of $1 per acre or fraction thereof. Operations under this lease shall be continuous except in circumstances described or unless the lessee shall pay a royalty, less rent, on such minimum amount of lease deposits, for one year in advance, in which case operations may be suspended for that year."

Past practice of the Department has been to accept the advance royalty specified in the above quoted provision in lieu of continuous operations in the leasehold without further administrative action. If the Department should now change its position and refuse to accept advance royalty in lieu of continuous operations, it is possible that lessees will challenge the Department's authority on the basis of a claim that the Department exercised its discretion with respect to allowing payment of advance royalties in lieu of continuous development when it executed the lease. It is the Department's position that the above quoted provision would not support such an argument. That provision merely establishes the annual advance royalty which the Secretary may accept in lieu of continuous operations if in his judgment the public interest will be subserved thereby. In addition, that provision does not dispense with the requirement for diligent development.

With respect to prompt development of future leases, the Department is considering whether to include in those future leases requirements for rental and advance royalties which will make it desirable to develop the leases promptly rather than holding them for speculation or long-term reserves. No new legislative authority is necessary to authorize such provision.

With respect to careful development of both existing and future leases, the Department requires that mining plans be submitted prior to the commencement of operations on all leases. If the mining plans do not indicate that there will be careful development, approval will not be granted.

21. What are the future research needs of the NGPRP? What specific areas need more study? How much time would be required for these future needs?

At this time, the need for future research has not been fully determined; however, a number of areas of consideration have emerged as requiring continuing study in FY 1975. They include air quality, water quality and local community impacts. We should understand the important aspects of these considerations within a year's time.

22. How does the Administration view the northern plains coal in relationship to Project Independence?

The Administration views coal from the Northern Great Plains as a potentially important source of domestic energy supply for Project Independence. Northern Great Plains coal is relatively inexpensive to mine, can be produced in large quantities in a relatively short time, and is a low sulfur fuel source. Nonetheless, we are cognizant of the fact that at the present time Northern Great Plains coal provides less than 1% of the Nation's energy needs and that a major shift in its role is unlikely by 1980. In the longer run, although its potential is great, i.e., providing as much as 7–10% of the Nation's energy needs, the future market demand for Northern Great Plains coal is uncertain because of the relatively low BTU content of this coal, its distance from major consuming centers, and the greater attractiveness from an environmental standpoint of non-fossil fuel alternatives should major breakthroughs on such energy sources occur later in this century.

The analysis developed through the NGPRP will provide us with a better understanding of the role of this coal and how major national and international energy developments might influence the contribution this coal may make to our domestic energy supplies. I should add that the Federal Energy Office is studying the role Northern Great Plains coal can play in Project Independence and it is examining ways of accelerating western coal development.

23. What was the initial time frame for the NGPRP? Has it been shortened? Is this time frame adequate to generate *new field* information?

As originally proposed, the NGPRP was to be a multi-year study culminating in a final report. Our present plan is to release an interim report on July 1, 1974, and at that point a decision will be made as to the scope and type of continuing program needed beyond that date.

We have identified new field studies for FY 75 in order to produce data that will help us address some of the issues encountered in our investigations.

24. What has been the Administration policy for funding of the NGPRP? Has the funding been adequate to reach the objectives of the original program outline?

To date, the Administration has not requested separately identified appropriations for the program. The funding has been adequate and has not been a constraint on our effort to prepare the interim report.

25. To what extent have the States participated in the NGPRP? The citizens of the region? Has the Program afforded maximum input from the States and the citizens of the region?

Initially, a series of public meetings were held in the five Northern Great Plains States of Wyoming, Montana, North Dakota, South Dakota and Nebraska to inform the public about the NGPRP and to actively solicit their knowledgeable input to the program. We have continued to hold these public gatherings and plan to keep the public fully informed of program activities.

The program receives its policy guidance from the Program Review Board (PRB) which has a representative from the Department of the Interior, Department of Agriculture, the Environmental Protection Agency and Governor Hathaway representing the five States of Wyoming, Montana, North Dakota, South Dakota, and Nebraska. The Program Management Team (PMT) which directs the program has members from all five States and the three Federal agencies. The States' participation has been active and is essential if we are to adequately address the objectives of the program.

All of the PMT meetings are open to the public and their participation is actively sought. We notify over 700 individuals and organizations, as well as the press, each time a meeting is held. We believe the NGPRP is effectively receiving maximum input to its programs from all interested parties.

26. Have the Indian tribes of the Northern Plains been involved in the NGPRP? What has been the extent of their involvement? When was their active participation solicited? How is the Program tailored to meet their needs?

The Indians of the Northern Great Plains were advised of the goals of the NGPRP from its beginning and were asked to review the study outline and to participate in the various activities of the program. The request for this participation resulted in some Indians attending work group meetings and, as individuals, they have contributed a portion of our baseline data. As the program progressed, however, it became evident that the 24 tribes in the Northern Great Plains were extremely concerned about possible coal development and the demand for their resources, particularly water, and that these concerns were not being adequately addressed by the Northern Great Plains Program. This occurred because of the diversity of interests among tribes, the unique character of these interests, and the lack of funds on the part of the tribal councils to implement their active participation in the NGPRP.

These problems were recognized by the Program Review Board (PRB) chairman, and on November 7, 1973, he sent to each tribal chairman in the Northern Great Plains a letter offering to work directly with each tribe to ensure that their concerns were expressed in our interim report. Along with this offer went a commitment to fund their participation.

Since that time, the NGPRP Program Manager has spent a significant portion of his time working with the tribal representatives. This effort has resulted in the formation of an ad hoc committee tentatively called the Northern Great Plains Indians Natural Resource Federation which is drafting a report to be submitted to the NGPRP. The main thrust of this report will be Indian water rights. The committee intends to define the Indians' right to claim water in the Northern Great Plains, document the legal basis for this claim, and define programs which should be initiated to quantify this claim. The report will also address other natural resource use questions and the concern Indians have about the impact coal development could have on their tribal integrity and life stlye.

The latest meeting of this committee was held in Mobridge, South Dakota, on February 28 and March 1. At this meeting the committee presented its first draft report to representatives of 16 of the 24 Northern Great Plains tribes. The tone of this meeting indicated that a single report will be agreed upon by all 24 tribes; however, we will accept reports from individual tribes should they decide they cannot be a party to the report prepared by this Federation.

27. Should the NGPRP be continued? Under what structure? How much would it cost to continue the Program?

The future of the NGPRP will depend on the needs identified in the interim report; therefore, we believe it is premature to make any final decisions about the future organization, funding level, and responsibilities.

Specific options for its structure, including a continuation of effort as presently constituted, will be considered by the Program Review Board later this month.

1. To what extent will the uncoordinated leasing of Federal coal land in the past hinder future land use and resources planning under EMARS?

EMARS and NGPRP will identify areas where coal development could result in serious environmental, social and economic problems. To the extent existing coal leases in these areas are developed, adverse environmental, social, and economic impacts may occur.

The Department of the Interior has recognized these potential impacts and we are investigating methods to prevent them. Some can be solved at the time mining and reclamation plans are submitted to the Geological Survey. Others cannot and at this time we do not have solutions for them.

Past leases will not hinder the EMARS program, however these leases may interfere with the Bureau of Land Management's overall planning for the use of recreation, grazing, forest production and watershed resources.

2. The vast majority of Federal coal leases are not producing coal. Will steps be taken by the Department either to bring these leases into production or to cancel them?

The Department is in the process of examining this question. We are examining the leases to determine the quantity of recoverable resources on them and the costs being incurred by the companies holding these leases. We are also considering the possible methods for obtaining increased production on coal leases issued pursuant to the Mineral Leasing Act as amended (30 U.S.C. §§ 181–263), and the Mineral Leasing Act for Acquired Lands (30 U.S.C. §§ 351–359).

3. In view of the billions of tons of coal which have already been leased but which still lie in the ground, does the Department feel it is necessary to lease additional land in the near future to help the nation meet its energy needs?

The Department is in the process of examining the need to lease additional western coal lands. There are approximately 15 billion tons of coal under lease in Colorado, Montana, New Mexico, North Dakota, Utah, and Wyoming. 10 billion tons are recoverable by surface mining and 5 billion by underground mining methods. These figures include quantities of coal that are not economically recoverable because of sizes of leases, their location, and transportation costs. There are also environmental problems associated with some of these leases.

Much of this coal has been committed for use in power generation. It is estimated that within 10 years industry expects production from these leases to reach 150 million tons per year. This estimate does not reflect coal under lease that is being held for onsite gasification. In addition the long lead time required for developing a mine, capital formation, and market contract negotiations necessitates the leasing of coal years before it is actually developed.

Demand for coal is expected to rise substantially within the next ten years and leasing coal from the Northern Great Plains is one alternative that can be considered for supplying this demand. However, the Department will not make a decision on the need to lease additional lands until the NGPRP interim report and the Coal Programmatic Statement are completed and we have thoroughly analyzed the utility of existing leases.

4. What is the working relationship between the Bureau of Land Management, which leases coal, and the Bureau of Reclamation, which constructs the water systems without which coal development cannot occur? Does the Bureau of Reclamation have input to the EMARS program?

I would like to point out that coal is being developed in the Northern Great Plains and increased coal development can occur without Federal water development programs as evidenced by industrial purchase of agricultural water, applications for drilling deep wells, and development of small storage reservoirs.

The NGPRP framework coordinates the functions of the various Federal/State agencies into a productive work effort. As an example of this, the Bureau of Land Management with its expertise in the area of surface and underground resources and the Bureau of Reclamation with its expertise in the construction and maintenance of water delivery systems are working together in NGPRP to achieve the program objectives.

The Bureau of Reclamation and the Bureau of Land Management also are working together on matters related to soil and water data for the purpose of evaluating mining and rehabilitation potentialities in EMARS tract selection procedures. This coordination also closely involves the Geological Survey.

5. To what extent does the economic viability of coal development in the Northern Plains depend on publicly financed water diversion systems and extremely low cost Federal leases?

We are examining this particular question in our work activities. We recognize that it is an important question, but we cannot answer it at this time. In our studies of the economic impact of Federal vs. non-Federal water development, we are also examining the environmental costs associated with the two types of development.

Industry is moving on at least a limited scale to provide their own storage facilities and water delivery systems in some key coal bearing areas. We intend to pursue the principle of industry paying for the cost of development of water supply facilities needed for development of coal resources.

6. How much water is available in the Northern Plains for coal development? How much of this has already been optioned for

coal development? How much more has been applied for?

At this time, the amount of water available for coal development in the Northern Great Plains has not been determined. As addressed in an earlier question, an assessment of water availability is a very important component of our investigations, and we anticipate providing a more positive statement when our studies are completed. Preliminary indications suggest that with average annual surplus river flows exceeding 15 million acre-feet annually at Bismarck, North Dakota, between 8 and 9 million acre-feet of water would be firmed up for use within the region, even in water short years. When considering this 15 million acre-feet of average annual surplus flows together with about 40-million acre-feet of unused conservation capacity that could be made available for use from the mainstream reservoirs on the Missouri River, it becomes readily apparent that a considerable amount of water exists in the area.

This amount of water is quite large relative to the 1.5 million acre-feet of water assumed to be required in the most extensive scenario forecast. However, Indian and State water rights, environmental constraints, conveyance problems, and competing uses will reduce the water that actually can be made available at a specific site is uncertain.

Although we have no way of identifying the intended use of the water, our records indicate that approximately 712,000 acre-feet of water has been optioned and another 1,991,000 acre-feet of water has been applied for. In general, these options and applications are attributable to major energy companies.

7. To what extent is the ranching and farming industry in the Northern Plains threatened by coal development?

The impact of coal development on ranching and farming is directly related to the level of production and possible mix of coal development, both in terms of mining and coal processing. Current levels of development have displaced individual ranches but have not had a signficant effect on the agricultural industry per se.

The impacts of various projected levels of coal development are being assessed through the NGPRP. The interim report should provide an initial indication of possible impacts.

8. What is the status of the coal lease applications on file for land on the Northern Cheyenne and Crow Indian reservations?

The Northern Cheyenne Tribe has petitioned the Secretary to cancel coal lease applications and permits on their reservation. Departmental discussions are being held on the tribe's position and a decision will be made shortly. Action on the lease applications and permits are being held in abeyance pending the outcome of the Secretary's decision on the Tribe's petition.

Westmoreland Resources, Inc. has been issued two coal leases on the Crow Indian Reservation. The validity of these leases are not in question but the Tribe and the coal company are, through mutual agreement, renegotiating some of the lease terms.

9. What are the major defects of the current coal leasing system? What recommendations for a better system can you make?

Leasing any and all coal lands on first-come, first-served basis without concern for environmental factors placed too much of a burden on approval of mining plans. A lease is a contractual relationship which poses legal problems if no environmentally acceptable mining method can be devised.

Presently, we are issuing occasional leases if they meet certain short-term criteria. Those criteria mainly focus on meeting environmental standards and supplying coal to an existing operation. The Department has been vigorously pursuing the development of a new coal leasing program (EMARS) and incorporating that program into the Bureau of Land Management's planning system. Except for the few leases meeting the short-term criteria, no leases have been issued for several years. During this interim, the current coal leasing system has been and is being developed. Until the new leasing system is operational, its defects will not be known.

Followup Answers to Questions Submitted to the Department of Interior

2(a). *Question:* "Describe the EMARS system—"

Answer: The EMARS system consists of an allocation process to determine the rate at which inventoried Federal coal should enter the market, and a tract selection process to relate these demands to optimum sites where the best coal can be equated with the most favorable rehabilitation potential.

This system establishes procedures for selecting the most advantageous rehabilitation objective from among the alternatives available at each site where future Federal coal leasing may take place. It will define a timetable for rehabilitation concurrent with mining operations, and through detailed preplanning will identify the specific rehabilitation specifications which must be accomplished, in order that the chosen objective may be successfully achieved.

It will issue prior to leasing, definite compliance standards for each site category so that potential bidders for future Federal coal leases will be able to compute operational costs requisite for successful rehabilitation, and so that design and approval of mining plans may be facilitated after leases are issued. Such preplanning will clearly indicate the basis on which conditions at proposed coal leasing sites are evaluated, and will provide for active participation by the public and potential bidders in the design and review of preplans, and in the nomination of leasing areas.

EMARS consist of three major program elements:

(1) allocation,
(2) tract selection, and
(3) leasing.

The allocation process relates inventoried Federal coal resources to projections of coal-derived energy needs which are disaggregated into regional demands for coal-derived BTU's. These data, along with any policy directives as to the overall role of Federal coal in the total energy mix, will allocate regional demands for Federal coal resources to specific inventoried coal resource areas by an allocation model.

In the tract selection phase, the coal allocation targets will be distributed to coal-leasing States and BLM Districts via normal budget-cycle procedures. The coal allocation targets identify the amount of coal which should be leased the next fiscal year with projections for the subsequent 4 years. At the District level, Bureau of Land Management minerals personnel, coordinating with the Geological Survey, will "lay out" optimum coal lease sales containing the targeted amount of reserves in areas where effective rehabilitation can be assured, and prepare Mineral Activity Plans according to established procedures of the Bureau of Land Management planning system. After public participation, a final planning system multiple-use recommendation will be made by the Bureau of Land Management's District Manager.

These specific allocation recommendations will be coordinated with other Districts' submissions at the State level, and will include definite rehabilitation objectives chosen from the alternatives available, and financed at optimum levels from coal production. Base resource data will be adequate in all cases. Allocation recommendations from the States will then be combined at Bureau of Land Management Headquarters level (Washington, D.C.) into a site-specific, 1-year leasing schedule and a tentative 4-year leasing schedule, and then submitted to the Secretary for final consideration, adjustment and approval.

Allocation recommendations approved by the Secretary of the Interior will be announced as proposed leasing schedules for which Bureau of Land Management will prepare necessary environmental impact evaluations, taking advantage of previously prepared programmatic statements and the thorough environmental analysis and public review provisions specifically afforded by the Bureau of Land Management land-use planning system.

The leasing phase of EMARS begins with detailed pre-planning of the coordinated mining and rehabilitation factors required for successful rehabilitation and subsequent surface resource management, according to the objectives chosen. Compliance standards and sample stipulations for each site will be made available well ahead of any scheduled lease sales. The leasing phase concludes with:

a. Pre-sale evaluations (including preparation of environmental assessments).
b. Holding lease sales.
c. Post-sale evaluation procedures.
d. Lease issuance.

The Geological Survey is also beginning efforts to accomplish much of the same task for lands already under lease, so that mining plans can be easily approved where the best quality coal coincides with superior rehabilitation potential, and early warning can be provided as to areas where mining plans may be difficult to approve or require special consideration.

To assume orderly consideration of all possible factors and interests, all future EMARS program decisions will be formulated through BLM's formal land-use planning system to reconcile resource conflicts, obtain public viewpoints, coordinate related studies and planning efforts, and to produce adequate an timely allocation recommendations for initial coal leasing schedules in areas which will not intensify existing problems.

The EMARS timetable includes specific tasks, now underway, to develop the data most critical to early assessment of coal allocation requirements, such as current production commitments by companies, which the Geological Survey is obtaining by industry-wide questionnaire. Initial EMARS site selection activities will be directed to areas with the least uncertainties or where the type of uncertainties are those having little effect on necessary decisions. The long-range program is developing, as an integral part of selecting leasing sites, detailed analysis of ownership patterns, as well as studies to examine the complex and subtle interrelationships of price, markets, incentives, fair market value, availability of resources, and competition.

EMARS will also analyze the effect of unplanned patterns of coal ownership (including leases) on future industrial development of these rural regions. Large areas have already been leased *without regard* to the kinds of considerations now generally agreed as being essential. The option to use incentives *or deterrents* toward future production from these areas must weigh the same factors applied to choice of tracts for future leasing, as will approval of mining and rehabilitation plans. At the same time, it is clear that coal reserves already under lease must play a major part, as soon as safely possible, in providing replacement fuels for petroleum supplies which remain unavailable because of physical or political factors, or unacceptable price levels.

The effect of crazy-quilt patterns of private surface *ownership* on availability of underlying Federal coal deposits is also being studied. Resource data must be upgraded to eliminate generalizations.

Regardless of rates and locations of new leasing, baseline studies on rehabilitation potential will continue on lands currently under lease, so that review of mining plans and monitoring of rehabilitation compliance will meet the highest standards. This will include lands coming into lease status from new discoveries of coal on outstanding prospecting permits, as well as when considering deferral of production, assignments, modification of lease terms, renewal actions and the like, on all leases, regardless of when issued. Naturally, all of our efforts are coordinated with other joint efforts by Federal, State and local Government agencies to provide an analytical and informational framework for policy and planning decisions at all levels of Government, such as the Northern Great Plains Resources Study. The end result is intended to be a decisionmaking aid for local, State and Federal interests who together must plan and manage the area's land and resources.

2(b). *Question:* What is the current status of EMARS?

Answer: The EMARS timetable includes specific tasks, now underway. The Geological Survey has obtained an industry-wide questionnaire of current coal lease holders requiring information such as current production commitments. A preliminary analysis of coal leases was completed on January 15, 1974. An analysis of existing coal leases is underway. Studies have begun on a coal multiple regression evaluation model. On February 17, 1974, a contract with IBM was let to study the possibilities in automating ownership and coal resource information. A coal leasing schedule will be prepared after completion of the Northern Great Plains Study, preparation of a coal leasing strategy, and completion of the coal program E.I.S. if the results of reviews and analyses in regard to the E.I.S. indicate that the coal program can be accelerated within acceptable environmental standards. The five year schedule will be site specific for the first year only. It is hoped a wide variety of resource information can be integrated into EMARS allocation model with goal of developing necessary mineral resource needs at the minimum environmental cost.

2(c). *Question:* "Indicate when the (EMARS System) will be put into operation."

Answer: EMARS is a process for rapid and flexible implementation of coal policy; it does not set policy but, as the name implies, *recommends* to policy levels the specific tracts of Federal coal lands best suited for coal production, if and when policy should indicate the need for further leasing. Therefore, it is in operation now insofar as field efforts to identify the first allocation recommendations are concerned. Early this summer, the BLM will review the recommendations of its several State offices participating in initial tract selection efforts, and will submit a schedule of potential coal lease sales to the Secretary, who will have full latitude as to when and to what extent he may direct BLM to proceed with leasing the tracts thus identified.

4(a). *Question:* What is the status of the proposed five-year coal leasing schedule?

Answer: The five-year coal leasing schedule is concurrent with the schedule developed for EMARS; i.e., a leasing schedule will be prepared after completion of the Northern Great Plains Study, preparation of a coal leasing strategy, and completion of the programmatic EIS. The leasing schedule will be site-specific for the first year and with a general schedule for the next four years. However, as EMARS becomes fully operational, the five-year coal leasing schedule will be site-specific for five years, adjusted and updated yearly.

4(b). *Question:* What is the status of the environmental impact statement on the proposed five-year coal leasing schedule?

Answer: The draft EIS for Proposed Federal Coal Leasing in the USA is now under final review by the Office of Environmental Project Review and the Office of the Solicitor prior to publication.

4(c). *Question:* When will a draft EIS be released?

Answer: The draft EIS is expected to be released early in April 1974.

4(d). *Question:* Will the Department allow more than 45 days for public review?

Answer: Only 45 days will be allowed for public review. While this seems to be a short time for comment, several Federal agencies and environmental groups, including the Natural Resource Defense Council have had input to this statement.

5. *Question:* To what extent are all the work items referred to in questions 1–4 coordinated with each other?

Answer: The delegation of authority for local decisions as to new leasing sites remains with the BLM District Managers, and their supervisors, the BLM State Supervisors. They exercise the basic authority of the Secretary in these program areas. The BLM budget and planning procedure includes EMARS which is carried out in BLM District Offices by District staff and supplemental assistance, as required. Policy study results and special program reports, such as NGPRP, are valuable and necessary input to the planning, coordinating and decisionmaking role delegated to field offices which must do the job, and implement policy directives. Their role requires close coordination and timely input of all other Departmental and other entities. The District Offices hold public meetings on all proposed decisions and document the alternatives considered at each step of program planning and decisionmaking. Their contacts with State and local agencies and universities are direct and vital to day-to-day programs.

6(a). *Question:* What is the status of the environmental impact statement currently being prepared by the Bureau of Land Management, Geological Survey, Forest Service, and the Interstate Commerce Commission on development of seven coal mines and a railroad line in the Powder River Basin?

Answer: The East Powder River Coal Basin EIS is being prepared by a team located in Cheyenne, Wyoming under the lead of BLM's Wyoming State Director. The team is composed of 15 individuals representing various disciplines from BLM–GS–ES with coordination from ICC. They are preparing a preliminary working draft due April 15. After an in-house review by the SOL, EPR and the other agencies the draft will be prepared by June 1, 1974.

6(b). *Question:* Are the EIS and the decisions in it designed to analyze coordination with the programmatic EIS, the NGPRP, and all the other coal-related actions already discussed?

Answer: The Programmatic Coal EIS and the NGPRP reports are being used as a data source for the statement. All the actions relating to coal development are being considered in preparing the statement.

9. *Question:* Would northern plains coal be considered essential for the solution of this Nation's energy problems if that coal could only be deep mined? Is it perhaps only the fact that this coal can be "cheaply" stripmined that makes it so "essential" for the national energy situation? How would the country solve its energy problems if we didn't have the possibility of stripmined coal from the northern plains?

Answer: As stated previously, we have not made a determination as to the essentiality of NGP coal and to what extent it could be developed in helping to solve the Nation's energy demands. It is true, however, that coal represents a viable energy resource that can be made relatively quickly available to serve our spiraling energy needs. Without the utilization of the coal resource, energy needs would either be left unsatisfied or the Nation would have to turn to alternative fossil-fuel or nonfossil-fuel energy sources. We can now foresee that the balancing of national energy supply and demand may require prompt utilization of coal from the northern plains. We have the technological and financial capability. The investment of tens or hundreds of billions of dollars in resource development will bring many changes, including permanent jobs, factories, homes and businesses to areas of the northern plains which have long been nearly uninhabited.

At this time, we need the courage to put aside needless fears, and to seek rational solutions which are now within our reach. If the changes involved would prove of vast benefit to the entire Nation, then the national welfare should be the overriding and primary goal.

10. *Question:* Will large-scale on-site development of northern plains coal have the effect of postponing intensive research and development in the most efficient use of energy and the production of renewable, less descriptive forms of energy?

Answer: No. Research and development in all forms of energy is continuing at an unprecedented rate. Energy itself by the laws of thermodynamics is not renewable, although some forms consume less apparent terrestrial resources than others. Different energy alternatives are being considered in the Department's coal Programmatic Environmental Impact Statement. Presently, and for the short-term, the gap between energy supply and demand is expected to place a heavy demand on all forms of energy, especially natural and synthetic gas. It is hoped that the large Federal and industry expenditures into more advanced energy alternatives, particularly fusion, will eventually provide a "backstop technology" although even the most intensive research and development programs do not project this new energy to be available prior to 1995.

11. *Question:* Will a major coal development in the West lead to reduction of coal mining in the Midwest and Appalachia? Will there be shifts of industrial plant locations closer to the major sources of energy?

Answer: (a) No, the difference in coal type and distance to market will prohibit this from happening. One of the major coal uses is metallurgical coal in the form of coke. The west has very little coking coal and at present is just meeting the needs of the western States. The major metallurgical uses will be supplied by the large reserves of coking coal in the East. Mining of steam coal in the east "may" be shifted somewhat since Western coal is more environmentally acceptable. This shift to western coal will be limited mainly to the Midwest area, because high transportation cost to the eastern seaboard will make using western coal uneconomical. (b) We envision no major industrial plant shifts because western coal will supplement eastern coal, not replace it. Many new plants may be built in the West.

12. *Question:* What limitations does the availability of water resources place on coal development in the Northern Great Plains? Is there sufficient water for mined land reclamation, gasification, etc.? Will water have to be diverted from existing uses?

Answer: (a, b) Water requirements for surface mining operations and rehabilitation practices are not large and should not seriously deplete aquifers or compete with existing uses. (c) Water requirement for electrical utilties and coal conversion technology will increase the impact of water requirements. There is enough total water for these uses but requirements within a certain area or basins have as yet to be determined and is presently being studied by a Water Availability Task Force. EMARS will deal with this question as an integral part of the planning system prior to recommending coal allocations.

14(a). *Question:* What point of development will the Northern Plains be committed to full scale development?

Answer: We believe commitment of new major patterns of resource-based industrial development in the West will depend more upon levels of capital investment than upon completion of specific construction items, such as railroads, highways or water transportation systems. Estimates of capital required to utilize western coal in all of the ways it can help achieve domestic energy self-sufficiency, range upwards of 200 billion dollars. In comparison, a recent compilation of appraised values of all improvements in the Denver metropolitan area did not reach 12 billion dollars. At certain levels of investment in energy development, any given locality may find that its economic growth and diversity has become sufficiently self-sustaining to begin to escape from its initial total economic dependence on that development. In addition, the very long expected life of many Western coal deposits, even at high production rates, promises economic stability for localities which remain substantially dependent on energy mineral extraction and processing.

The Department is greatly concerned that its programs to meet essential energy needs do not tend to freeze future industrial development of the West into inappropriate patterns and locations. Our efforts to assure full public participation and local coordination in procedures for selecting leasing areas and approving development proposals, will provide the essential framework within which the proper timing and location of necessary support facilities, such as transportation, water and electrical systems, may be put into the desired social context.

15. *Question:* If agencies want to make decisions in 1974, what kind of decisions can be made based on the information that will be available by that time?

Answer: Decisions on sites most suitable for immediate development will be made on adequate information as to coal quality and quantity, water availability, soil character and groundwater patterns, transportation, etc. Coordination with local agencies, and public participation will bring out further factors for consideration. Essentially the same questions must be answered to approve mining plans as to recommend new coal lands for leasing.

Most important, however, is our determination to "do it right" as we proceed through the steps leading to these decisions. The National Environmental Policy Act will be complied with at each step, with the data and alternatives fully documented prior to each decision point in the process. This will assure that any lack of essential data will be determined at the earliest possible moment, and steps taken to obtain it immediately from the best source. The Northern Great Plains Resource report will provide socio-economic data, gathered and analyzed by all of the Federal, State and local participants in this study. The environmental impact statement on the Department's proposed coal program will have also provided major inputs of information, comment and analysis. Within the clear context of national need, these efforts should provide adequate confidence to proceed with careful and thorough energy program policy implementation.

Question 17(a): "What reclamation standards and procedures does the Department intend to put into any new coal leases or impose on existing leases?"

Answer: These will be determined as a result of EMARS procedures in selecting the optimum tracts for leasing. By fully considering the range of alternatives available for rehabilitation of the better coal tracts, the most advantageous end-use for resource management will be identified, and detailed pre-planning of mining methods and rehabilitation requirements will be coordinated so as to assure achievement of the chosen objective. Each specific requirement which is found necessary to achieve the desired result will be identified prior to leasing, as will the testing and monitoring which will be the basis of judging adequacy of rehabilitation. We believe that only by a "systems" approach can the variations of each site be accommodated, and public views be properly taken into account.

New coal leases will contain effective reclamation standards, the basic elements of which have been pre-planned through the EMARS program. Reclamation stipulations will be modified and tailored to each individual lease. The BLM planning system allows for public meetings, so that all parties will have an input into the proposed reclamation objectives for new leasing areas.

The EMARS program and the BLM planning system should have accumulated enough information by late 1974 to lease coal on an individual site specific basis. Such data as coal occurrence, water availability, transportation network, and probable market sectors, can be analyzed and plugged into the EMARS program. The coal allocation model will not be fully operational until FY 1976.

Existing lessees must submit a mining plan to the USGS before any mining operations can begin. Adequate reclamation standards must be included in the mining plan or it will not be approved by the USGS.

Question 17(b): "Is reclamation feasible on most of the lands in the northern plains?"

Answer: The National Academy of Sciences study entitled *Rehabilitation Potential of Western Coal Lands* indicates that lands "receiving 10 inches or more of annual rainfall can usually be rehabilitated provided that evapo-transpiration is not excessive, if the landscapes are properly shaped, and if techniques that have been demonstrated successful in rehabilitating disturbed rangeland are applied." As lands in the northern plains do in fact receive over 10 inches of annual rainfall, it should be expected that mined areas can be feasibly reclaimed if properly planned.

Question 20: What levels of staffing and appropriations are needed to prepare the necessary environmental impact statements and other information needed to decide whether to issue any lease and to supervise operations under any lease in the manner necessary to assure compliance with the requirements of the law, the regulation and the lease? What are the current staffing and appropriation levels and those proposed for FY 1975?

Answer: BLM coal program.[1]

Current and proposed FY 1975 staffing needs and appropriations approach the desired levels as planned by the Bureau of Land Management for the preparation of environmental impact statements, data development for leasing decisions, and supervision of leases to ensure compliance.

Current expenditures, FY 1974, amount to a base of $270,000 and 10 positions and a Supplemental Appropriation of $500,000 and 20 positions. The base for FY 1975 is, therefore, $770,000 and 30 positions. Coal program increases in FY 1975 amount to $1,050,000 and 35 positions for a total FY 1975 figure of $1,820,000 and 65 positions.

USGS COAL PROGRAM

Total coal program figures for the U.S. Geological Survey in FY 1974 consisted of $1,846,000 and 46 positions in the research category and $1,182,000 and 36 positions in all other coal activities for a total FY 1974 figure of $3,028,000 and 82 positions.

Coal program activities nearly doubled in FY 1975 with the research category totaling $3,596,000 and 92 positions and all other coal activities amounting to $2,177,000 and 66 positions for a FY 1975 coal program budget of $5,773,000 and 158 positions.

USFS COAL PROGRAM

FY 1975 funds and positions total $1,000,000 and 24 positions.

Question 22(a): How does the Administration view the northern plains coal in relationship to Project Independence?

Answer: The vast coal and lignite deposits in the northern plains have tremendous potential for providing domestic energy supplies in the form of both electric power generation and synthetic petroleum products. A realistic policy leading toward domestic self-sufficiency needs to view the northern plains as an important region capable of making a strong contribution to Project Independence.

Question 22(b): What role could northern plains coal play in this Project?

Answer: Northern plains coal is a relatively-inexpensive, low-sulfur fuel source. The coal and lignite deposits can be developed into usable energy forms within 5–8 years using existing technology. In-situ methods might be applicable even sooner. Electric power and synthetic petroleum products generated from the northern plains could ultimately supply 10% of the Nation's energy requirements.

The following chart shows the generalized flow patterns of present and *potential* conversion of coal, oil shale and gas resources now available in the West to relieve energy shortages and to improve domestic self-sufficiency.

Hundreds of major power plants are now burning oil. The conversion to gas would be simple if the gas were available. But the oil burned in power plants is usually the heaviest fraction remaining from petroleum refining, and is expensive to distill and reform into gasoline and fuels, so that freeing even a large part of the demand for heavy fuel oils would not relieve the gasoline shortage. The ability to substitute natural gas for the middle-grade oils burned in homes, stores, factories, etc., would, however, be of major importance, and most of these users would be able to obtain service from nearby gas distribution systems, if the extra gas could be found.

Therefore, if the substantial effort now being mounted to develop outer continental shelf and arctic gas (and oil) were coupled with commitment to a large synthetic coal gasification effort, the following timetable could result:

1. Within three years, an easing of present natural gas shortages.
2. Within five years, expansion of retail and commercial gas sales, with release of substantial medium-grade fuel oil demand.
3. Within six-to-eight years, major expansion of synthetic gas to supply of bulk power plants and industrial uses.
4. Within eight-to-ten years, a substantial decrease of natural gas delivery rates, providing for long-term conservation of natural gas supplies.

The chart does not show the refining of crude oil into petroleum products, but rather the substitution and synthetic production possibilities from *coal and oil* shale, which can ultimately allow petroleum refineries to increase production of gasoline and fuels to the extent necessary for resumption of full civilian and military use. The combination can also provide overall national energy capability to neutralize foreign oil as a political weapon. The full effects of these complex interrelationships and their practical dependence on low-sulfur western coal is still being analyzed.

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[1] While program or commodity budgeting is not widely practiced (activity budgeting methods are utilized by BLM), a good estimate of funds expended or planned for the management of coal resources is derived by summing the contributions to the coal program from the functional areas of Inventory and Planning, Environmental Analysis, and Upland Minerals Leasing.

Natural gas is our most precious energy commodity in terms of its convenience and of our need to maintain future availability for many important applications for which it is indispensable or especially convenient. We do not want to waste it in low-grade applications such as production of bulk electrical power. On the other hand, one of the quickest and easiest ways to ease the fuel shortage (in addition to increasing oil supplies) would be to substitute lower-grade coal derived gas for oil wherever possible.

Extra gas can come from these sources: (a) new discoveries, onshore and offshore, (b) nuclear stimulation of known "tight" gas fields, (c) developing and transporting huge reserves in Arctic Canada and Alaska, (d) in-situ (in place) production of low and medium quality gas from coal, (e) gasification plants for the production of low and medium quality gas from coal, (f) conversion of organic material and wastes.

Surface mined coal can provide increased generation of electricity in conventional power plants (12), or can supply new synthetic gas and oil plants with raw material (11).

It can also be subjected to gasification to produce a medium quality gas (13), which can either be used directly for power plant fuel (13), or upgraded to high quality gas (16), suitable for regular distribution with natural gas (17). Underground coal could be put to the same uses, but at much higher cost.

The flow chart shows that low and medium quality gas from in-situ mining and gasification of coal can be burned directly in power plants (10, 13) (and other industrial burners), as well as providing raw material for up-grading (9, 16) (methanation) to high-quality gas (17), and conversion to a variety of synthetic fuels (19) and chemicals (18) for the manufacture of plastics and the like. In practice, the gasification and subsequent up-grading and refining steps would not usually be separate facilities.

In other words, the "gas house," which left the American scene 30 years ago with the spread of natural gas distribution systems, could indeed return to many areas of the midwest and east to produce low-sulfur, medium BTU gas from local high-sulfur coal, thus easing the oil and natural gas demand from local industrial burners and electrical power plants with minimum transportation costs.

But the real capability for breaking the back of the energy problem lies with the ability of low-sulfur western strippable coals to produce huge amounts of easily transportable high-BTU pipeline gas, and electricity.

The low-sulfur content of western coals means that it will be easier to keep sulfur out of high-quality gas destined for pipeline use, and make its removal easier from medium-grade gas used in new western power plants and industries. The much larger tonnage per acre available from western strippable coal allows easier funding of adequate rehabilitation. The possibility of in-situ gasification may allow major immediate production of low and medium quality gas with only slight surface disturbance. In addition, reasonable development of oil shale potentialities can lift our dependence on imported petroleum.

One current proposal to produce oil directly from oil shale in place, calls for injecting natural gas (4) into underground areas which have been partially mined, thoroughly fractured, and ignited. The result is oil which is recovered through wells (8). If low-grade gas from in-situ burning of coal can be used instead of natural gas (7), the net gain would be substantial in terms of efficiency, cost and reduced environmental degradation.

Question 22(c): Does the Administration view Western coal as the primary new supply?

Answer: Barring any new energy breakthroughs, large reserves of low-sulfur coal will be needed to attain Project Independence. Western coals are expected to provide a major share of the new coal supply.

SHORTAGE OF ASPHALT CEMENT

Mr. BROCK. Mr. President, we see shortages of supplies in every area of our economy today as a result of economic controls. I would like to bring to the attention of my colleagues another area. Recently, I received a letter from the Tennessee Asphalt Pavement Association, and a resolution from the Tennessee House of Representatives. Both documents pointed out the need for action on a shortage of asphalt cement.

Mr. President, I think the letter and the resolution tell their case very well, and I ask unanimous consent that both be printed in the Record, and that my colleague seriously consider working toward helping solve this and similar problems.

There being no objection, the material was ordered to be printed in the Record, as follows:

TENNESSEE ASPHALT PAVEMENT ASSOCIATION,
Nashville, Tenn., March 25, 1974.

Hon. William Brock III,
304 Old Senate Office Building,
Washington, D.C.

Dear Senator Brock: Tennessee has approximately 81,000 miles of existing road surfaces. 71% are paved with asphalt. It's a proven fact there is no other compatible medium for maintaining these surfaces other than asphalt. The commitment in terms of mileage and dollars stands to be jeopardized if adequate supplies of asphalt cement are not forthcoming.

Asphalt cement, as you know, is a product of the petroleum refining process. It is one of the few products from a barrel of crude oil which has a sense of permanence. Once utilized in construction, it will remain for the benefit of future users where properly maintained. However, while asphalt cement itself is not an energy fuel, it has alternative energy uses. Modern refinery methods make it possible to divert that portion of a barrel of crude normally reserved for asphalt to other uses. Furthermore, while there are regulations issued by the Federal Energy Office which cover other refinery products, none exist to cover asphalt. Consequently asphalt may be "burned" as a fuel. This, obviously, diminishes the quantity necessary to construct and maintain roads and streets in Tennessee and across the nation.

While some diversion of asphalt to energy uses may be necessary during this energy shortage, it is imperative that protection be accorded to its status as a product. This is a must in order to prevent supplies of asphalt from diminishing to a point that will not allow proper maintenance of existing roads. Also for supplies in construction of vitally needed new ones. Therefore, we feel it imperative that the Federal Energy Office extend its current refining yield program to include asphalt cement.

Sixty-nine firms of the Tennessee Asphalt Pavement Association represent 6,662 employees, with an annual payroll of $27,957,404.00. As a representative of the citizens of our great state, we felt you would want to know of these specific important points. Not only our Association, its employees and suppliers, but the members of the Tennessee General Assembly are keenly aware of the need and the importance of this matter to the economy of Tennessee. They felt so strongly a resolution has been passed urging the Congress, the President, and F.E.O. Administrator Simon to include asphalt cement in the current refinery yield program. A copy is enclosed for your information.

We ask your personal serious attention to this request.

Yours very truly,

Robert I. Boles,
Executive Director.

House Joint Resolution No. 417

A Resolution to request the United States Congress, the President and the Chief of the Federal Energy Office to consider placing asphalt cement under a mandatory allocation program to insure its continued production and availability for highway maintenance.

Whereas, the highway system of the United States of America is essential to both the economy, through its inter-related network of primary and secondary and farm-to-market roads, and to the national defense of the United States of America, providing access into every state and every section of this nation in time of emergency; and

Whereas, the energy crisis has precipitated a shortage of many petroleum-based materials, especially diesel fuel, gasoline and asphalt cement and a severe burden has been placed upon the highway building industry and all federal and state agencies charged with the responsibility of maintaining our primary, secondary and farm-to-market road system, due to the shortage of asphalt cement; and

Whereas, the federal allocation program has not included asphalt cement liquid under a mandatory allocation by the Federal Energy Office and there has, therefore, been nothing proposed under any federal regulation which would require the continued manufacture of asphalt cement as a product, thereby severely damaging the maintenance of our national defense system of highways and jeopardizing the economy of the United States of America and each state thereof, by allowing a situation to exist which could in due time create a crisis of very severe magnitude because of the fact that our economy is inseparably tied to the road system of this nation; and

Whereas the roadbuilding industry is responsible for the employment of many hundreds of thousands in this country and it is thus essential that some form of protection be afforded the continued future of such industry; now, therefore,

Be it resolved by the House of Representatives of the Eighty-eighth General Assembly of the State of Tennessee, the Senate concurring, That the General Assembly strongly urges the United States Congress, the Federal Energy Office and the President of the United States to take into full consideration the possibility of enacting federal regulations that would place asphalt cement under a mandatory allocation program and insure its continued production at a level that is within reasonable limits so as to insure the continued maintenance of our highway system.

Be it further resolved, That copies of this Resolution be forwarded to the President of the United States of America, to the Chief of the Federal Energy Office and to each United States Senator and Congressman from Tennessee.

EXPLORATION OF THE SOLAR SYSTEM

Mr. MOSS. Mr. President, recently, the American Institute of Aeronautics and Astronautics—AIAA—published a review titled "Exploration of the Solar System." I would at this time like to elaborate on this publication and recommend it to the Members of Congress for reading.

First, the AIAA is a technical society whose 26,000 members represent a major segment of the aerospace profession's engineers, scientists, and students. The institute's purpose, with this and other reviews, is to make available the knowledge to "whoever needs or wants it." "Exploration of the Solar System" was written by various professionals selected from the technical committees of the AIAA. Their time and effort spent on this useful publication was largely without compensation.

The first chapter of the review summarizes the major conclusions of the study. Mr. President, I ask unanimous consent that the first chapter of "Exploration of the Solar System" be printed in the RECORD for the benefit of my colleagues.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

CHAPTER 1—CONCLUSIONS

The purpose of this Review is to outline the potential achievements of solar system exploration and suggest a course of action which will maximize the rewards to mankind. A secondary purpose is to provide, under one cover, a sourcebook of information on the solar system and the technology being brought to bear for its exploration.

We believe that the information presented herein supports the following conclusions:

1. It is appropriate for the United States, as a technological nation, to establish a balanced national research program that assures continuity of scientific research in all areas of human understanding and that provides for an ever-widening horizon of technological opportunity.

2. Solar system exploration is a major scientific frontier that deserves a place of priority in a balanced program of scientific research.

3. The extent to which this nation pursues scientific exploration of the solar system today will significantly affect its ability to pursue these endeavors in the future and to maintain pace with the other technologically advanced nations.

4. Solar system exploration has already provided some significant contributions to the solution of man's problems on Earth, but its principal impact will occur in the future, as a result of the knowledge and understanding which will be gained by exploring the basic phenomena of our Earth's environment.

5. Solar system exploration because of its unique dependence on advanced technology and extremely long-range project planning, requires support on a long-term rather than on a year-to-year basis. Short-period fluctuations in budget allocations; e.g., over periods of half a decade or less, will not only result in serious losses of future potential options, but can also generate substantial waste of the nation's financial and technological resources.

A corollary to this principle of sustained funding is that the investment allocated to long-range research programs, whose impact can be felt only after time periods measured in decades, should not be subject to the same constraints (e.g., social discount rate) as are generally applied to shorter-range development or construction efforts requiring capital investment. Exploration of the solar system qualifies as such a long-range program.

PUBLIC OWNERSHIP OF DOCUMENTS OF PUBLIC OFFICIALS

Mr. BAYH. Mr. President, on February 4, 1974, I introduced S. 2951, the Public Documents Act, which is designed to settle by statute the debate as to who should have proprietary rights to the documents and papers generated by an elected Federal official in the course of performing his official functions. I would like to direct the attention of the Senate to two recent items which bear directly on this problem.

The first is the exhaustive report issued by the staff of the Joint Committee on Internal Revenue Taxation which was approved by that committee last week entitled "Examination of President Nixon's Tax Returns for 1969 Through 1972." In the course of its report the committee discussed the question of "Who Owns Presidential Papers." It concluded:

> In view of these diverse considerations, it may be that the whole question of the ownership of papers of public officials is a matter which the appropriate congressional committees may want to consider.

In light of this recommendation, Mr. President, I would commend this bill to my colleagues for cosponsorship and hope that the Committee on Government Operations to which it has been referred would be able to find the time to hold hearings on the bill during the 93d Congress.

The second matter, Mr. President, which I believe should be of interest to the Senate is admittedly of more specific application. Last Saturday's editions of the Washington Post carried a front page story by Mr. Lou Cannon noting the fact that President Nixon retained his interest in the remainder of his prepresidential papers which alone has been appraised at $1.5 million. In addition, the presumed value of his presidential papers must be assumed to be many times this amount. The philosophy behind my bill, Mr. President, is that no elected public official should be allowed to benefit financially from the historically valuable documents which, but for his official duties, would not exist. This is one specific abuse which has been highlighted in the broad Watergate spotlight, and it is a problem we should do something about. I ask unanimous consent that the relevant paragraphs of the report of the Joint Committee on Internal Revenue Taxation and the Washington Post article by Mr. Cannon be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[Excerpt from Senate Report 93–768, "Examination of President Nixon's Tax Returns for 1969 through 1972" prepared for the Joint Committee on Internal Revenue Taxation by its staff]

E. WHO OWNS PRESIDENTIAL PAPERS

A question that has been raised in connection with President Nixon's gift of his pre-Presidential papers is whether he actually owns the papers generated during his public career. If the papers were considered to be public property rather than personal property, the President would not, of course, be permitted to take a charitable contribution deduction for the donation of any of these papers. The staff has, therefore, examined the question whether the papers of a President are appropriately considered public papers.

Since the time of George Washington it has been customary for Presidents of the United States to treat their papers as their own personal property. In addition, Congress by action in this area has suggested that it agrees with this view. In 1950, Congress enacted the Federal Records Act (64 Stat. 583) which provides for the deposit of personal papers of the Presidents of the United States. The Act specifically provided that the Administrator of GSA may accept for deposit "the personal papers and other personal historical documentary materials of the present President of the United States." This Act is now known as the Presidential Libraries Act (44 U.S.C. 2101 et seq.). As far as the staff can determine, this custom of treating paper generated during a public career as personal property has been followed in the case of public officials generally. As a result, the staff believes that the historical precedents taken together with the provisions set forth in the Presidential Libraries Act, suggest that the papers of President Nixon are considered his personal property rather than public property.

Of course, conditions have changed significantly since George Washington was President. A President's papers now contain not only much that is of historical value but also may contain much that is essential in conducting the national business in subsequent administrations. Questions have also been raised as to whether it is desirable for Presidents of the United States to derive profit from the sale of materials that were produced while they were public servants.

The 1969 Tax Reform Act limited one way in which public officials could profit from their public service (that is, by claiming charitable contribution deductions for donations of their papers). However, officials can still profit by selling their papers or by bequeathing them to somone who can then make tax-deductible gifts. (Gains on the sale of papers are taxed at ordinary income rates, however, and bequests of them are subject to estate tax.)

On the other hand, the fear has been expressed that the 1969 change in the tax laws may cause future Presidents to scatter their papers widely and make future historical work more difficult. There also are problems with limiting public officials' ownership of their papers. They may be tempted to destroy certain sensitive papers, instead of holding them until they become sufficiently less sensitive to be released. Also, it is difficult to draw the line between personal papers, which presumably should remain the property of the official, and official papers.

In view of these diverse considerations, it may be that the whole question of the ownership of papers of public officials is a matter which the appropriate congressional committees may want to consider.

NIXON STILL HAS $1.5 MILLION IN PAPERS

(By Lou Cannon)

Despite the White House claim that President Nixon is "almost virtually wiped out" by an Internal Revenue Service ruling that is costing him $467,000 in back taxes and interest, the President retains pre-presidential papers valued by his appraiser at $1.5 million.

Ralph G. Newman, the Chicago appraiser who was hired by Mr. Nixon's attorneys to evaluate these papers, put a $2,012,000 figure on the worth of the entire collection in 1969. This included the $500,000 worth of material for which the President took the tax deductions that this week were disallowed by the IRS.

Mr. Nixon has far greater assets, though they have never been calculated, in the papers of his presidency. These papers presumably will be his own when he leaves office, to sell or donate as he chooses.

"Since the time of George Washington it has been customary for Presidents of the United States to treat their papers as their own personal property," the staff report to the congressional Joint Committee on Internal Revenue Taxation said this week. "The historical precedents, taken together with the provisions set forth in the Presidential Libraries Act, suggest that the papers of President Nixon are considered his personal property rather than public property."

Presumably, this also would apply to the taped presidential conversations, which the White House originally said were made for historical purposes.

Mr. Nixon himself has given some indications that he regards the Newman appraisal of his papers as somewhat conservative. Last Nov. 17 he told the Associated Press managing editors that if the IRS rules against him "I will be glad to have the papers back and will pay the tax because I think they are worth more than that."

The President did not get back the papers he donated because of the IRS ruling. However, evidence uncovered by the joint committee staff in its investigation of Mr. Nixon's tax deductions suggests that the most valuable of his correspondence remains in the undonated stacks of material that are being stored in the National Archives.

Months after Mr. Nixon supposedly donated his papers to the National Archives, the President at Newman's suggestion set aside letters from such important historical figures as Winston Churchill and John F. Kennedy.

On Nov. 7, 1969, Newman wrote Mr. Nixon saying that the entire collection of papers, memorabilia and books was worth more than the $2 million appraisal he had given.

"It is my recommendation that certain of the more important letters, which are valuable, considered either as historical documents or autograph manuscripts, should be removed" from the general files and stored in a special vault, Newman wrote.

The letters are now held in special storage for the President in a high-security room in the archives.

Mary Livingston, the assistant archivist for presidential libraries, said in a statement to the committee that Newman had "expressed great interest" in the general correspondence file when he visited the archives on Nov. 3, 1969, and "asked particularly to see letters from various important people."

"He said the general correspondence would be a good file to be deeded, but said some letters should be retained by the President and not deeded," Mrs. Livingston recalled. "In particular he wanted to retain . . . communications from President Kennedy, President Johnson, President Hoover, former Vice President Humphrey, J. Edgar Hoover, Chief Justice Warren, and the Honorable Sam Rayburn.

"I suggested that correspondence with Martin Luther King also be retained by the President because there were some very interesting letters and memoranda in the file on King," Mrs. Livingston continued. "Mr. Newman agreed that it would be a good file to retain."

The joint committee report suggests that because of "the hurried way" in which the materials for the 1969 gift were assembled, some of the materials actually donated may not have been as valuable as Newman thought them to be.

The report cites the donation of three boxes of material dealing with then-Soviet Premier Khrushchev's visits to the United States and apparently valued at $15,000. Unknown to Newman, the boxes contained only files of old newspaper clippings.

Despite the White House statement Thursday that the IRS ruling would probably make a borrower out of Mr. Nixon, the White House announced yesterday that any money donated to help pay his income taxes will be returned.

The comment came in response to various campaigns launched to send money to the President, including one by Florida state GOP Chairman L. E. (Tommy) Thomas. He said he wanted a million Floridians to mail $1 to the White House and "let the President know you think he is one in a million."

BUSING OF SCHOOLCHILDREN

Mr. BROCK. Mr. President, in the near future, the Senate will have before it the Aid to Education measure, which has passed the House. Within that legislation is an amendment limiting the forced busing of schoolchildren, a matter which all too long has been ignored by the Senate. With this in mind, I would like to enter into the Record the testimony of M. Stanton Evans, the chairman of the American Conservative Union. His statement was presented before the Subcommittee on Constitutional Rights, Committee on the Judiciary, earlier this year.

Mr. President, I ask unanimous consent that Mr. Evans' remarks be printed in the Record.

There being no objection, the statement was ordered to be printed in the Record, as follows:

Busing: The Final Failure

(By M. Stanton Evans)

February 1974.

It is impossible to understand the practice of busing without first understanding the general history of education in this country and the failure of conventional educationist formulae.

That busing is unpopular with the vast majority of the American people is apparent enough from the usual surveys of public opinion. Less widely known is the fact that busing is a desperate effort to salvage something from the debris of educationist failure—and that it is itself a failure of rather awesome proportions. When we add the fact that busing has laid a groundwork of authoritarian assumptions about the schools and the American family, the case for opposing this disruptive practice becomes conclusive.

For the past few decades, the dominant view on public schooling has equated proper education with increasing outlays of money. We have been told that "quality" is chiefly a matter of money for teachers, facilities, counselors, special aids, smaller pupil-teacher ratios, and the like, and it is for this reason that the traditional system of locally funded schools is alleged to be improper. Under this system, it is said, we have rich schools and poor ones, with suburban whites enjoying luxurious diggings in the good-rich schools and ghetto blacks being downtrodden in the poor ones.

In obedience to such notions we have witnessed a steady campaign to enlarge school expenditures, cut down on pupil-teacher ratios, project compensatory programs for inner city children, and more recently to convert the funding of schools from local property taxes to higher and more equalizing jurisdictions. All of this activity has proceeded on the assumption that educational outputs could be improved by more and better funding for disadvantaged schools.

In the past few years, however, a considerable body of evidence has accumulated suggesting these conventional notions of educational progress are badly in error. The net conclusion emerging from this evidence is that larger infusions of money haven't upgraded the quality of education, and in particular haven't conferred appreciable benefit on Negro children of the inner city. In many jurisdictions, indeed, the trend is just the other way.

The story begins with the so-called Coleman Report of 1966, a survey commissioned by the Department of Health, Education, and Welfare under the Civil Rights Act of 1964 and headed by Prof. James Coleman of Johns Hopkins University. Stated purpose of this analysis was to measure "equality of educational opportunity" in the United States and one supposes, given the auspices, that the sponsors expected the normal run of liberal assumptions about the schools to receive empirical verification. If so, the sponsors must have been astonished at what they had wrought.

Instead of finding huge inequalities of educational product derived from inequalities of inputs, the Coleman analysts discovered, pretty generally, the reverse: To the surprise of all and sundry, their researches suggested differences in expenditure pupil-teacher ratios, and physical facilities had almost no correlation to the quality of educational achievement. In particular, there seemed no observable nexus between physical measures of "quality" schooling and the classroom performance of Negro pupils who entered school with educational deficits and got further behind in succeeding years.

The authors did their best to find some confirmation for liberal educationist views but the results were marginal indeed. When all was said and done, the major findings were that the nation's schools "are remarkably similar in the effect they have on the achievement of their pupils when the socioeconomic background of the students is taken into account . . . When these factors are statistically controlled . . . it appears that differences between schools account for only a small fraction of differences in pupil achievement. . . . It appears that variations in the facilities and curriculums of the schools account for relatively little variation in pupil achievement insofar as this is measured by standard tests."

For those who had been promoting increased and equalized expenditure as the path to quality education, such statements came as an embarrassing bombshell, and for a considerable period the Coleman findings on this subject were allowed to lie there, quietly unattended. By the early 1970s, however, a number of somewhat puzzled liberal scholars had decided to pursue the matter further—and as a result produced some additional studies which turned out to be minor bombshells in their own right. These documents made the point so clearly and explicitly that it could no longer be ignored.

First of these was a compilation of papers derived from a Harvard seminar on the Coleman Report, edited by Frederick Mosteller and Daniel Moynihan (On Equality of Educational Opportunity; Vintage books), in which a group of 16 scholars re-examine the record on inputs (per pupil expenditure, school facilities, textbooks, etc.) and their relation to "outputs" (achievement skills of the students). The net result was to confirm the Coleman findings on essentials and to lay waste in every direction to liberal notions about the schools.

On the question of spending differentials, for example, the study reveals the conventional wisdom has the situation backwards. It is usually assumed that schools attended chiefly by Negroes are less adequately funded than those attended by whites, and that this disparity is most acute in the states of the Old Confederacy. Our scholars find the true particulars are just the reverse—that in many respects the level of spending on Negro schools is higher than that for schools that are chiefly white, and that where discrepancies exist in favor of whites they are less discernible in the South, not more.

Mosteller and Moynihan observe that "there did not turn out to be differences of such magnitude between the schools of Negroes and whites, within regions," and that the "tabulated data do not support the presumption of gross discrimination in the provision of school facilities in the South." Contributor Christopher Jencks puts it that "despite popular impressions to the contrary, the physical facilities, the formal curriculums, and most of the measurable characteristics of teachers in black and white schools were quite similar."

Our scholars confirm as well the general view of the Coleman report that variation in school facilities has little to do with variation in achievement. Mosteller and Moynihan confirm the Coleman view that there was "so little relation as to make it almost possible to say there was none. . . . The variation in these facilities seemed to have astonishingly little effect on educational achievement. One example is the importance to educational achievement of the pupil-teacher ratio"—which the Coleman Report dismissed entirely because "it showed a consistent lack of relation to achievement among all groups under all conditions."

While the emphasis of the different scholars varies on numerous points, the overwhelming conclusion is that paying out money for the schools has no appreciable effect, beyond a certain threshold, on educational quality. A similar view is expounded by Jencks in a second study out of Harvard, conducted with the aid of a numerous team of research associates. This volume, entitled Inequality (Basic Books), is written from a strongly liberal-left perspective with a bias toward egalitarian formulae. Nonetheless, Jencks and Co. are relentlessly honest in assessing the results of such formulae and find the record immensely discouraging.

Their survey encompasses a vast amount of materials gauging just about everything connected to the schools, and reaches the finding that little of what is done by different schools makes much of a difference in educational product. In particular, they note, there is no demonstrable connection between having attended one sort of public school as opposed to another and results computed in terms of cognitive skill, further educational advance, or adult economic status. Among their conclusions on this score:

"No specific school resource has a consistent effect on students' test scores or on students' eventual educational attainment. . . . We can see no evidence that either school administrators or educational experts know how to raise test scores, even when they have vast resources at their disposal. . . . Achievement differences between schools are . . . relatively small compared to achievement differences within the same school. . . . Additional school expenditures are unlikely to increase achievement, and redistributing resources will not reduce test score inequality.

"Our research suggests . . . that the character of a school's output depends largely on a single input, namely the characteristics of the entering children. Everything else—the school budget, its policies, the characteristics of the teachers—is either secondary or completely irrelevant."

This is not the final word on the subject, since research on "outputs" is continuing, and the programs that Jencks and others would premise on such findings are often more distressing than the system they criticize—but that is a topic for another sermon. The relevant point for here and now is that spending millions for "quality" schools, on these researchers, is a complete delusion.

It is from the perspective offered by these researchers that we may best understand the phenomenon of "racial balance" busing—which has stirred such bitter political controversy all over America.

If there were ever an issue on which the American people have spoken as one, busing would appear to be it. Polls have shown the public by votes 70 to 80 per cent is opposed to busing and wants to maintain the neighborhood school. President Nixon has said he is opposed to busing, as have countless members of Congress. All across the land state officials and school boards have vowed their hostility to the practice, and those who waffle may find themselves removed from office. Just about everyone, it seems, is opposed to busing. So the question is this: Why do we have busing?

The standard answer of federal functionaries and liberal interest groups who have promoted busing is that the practice is required to overcome the effects of historic discrimination and to bring about authentic "integration," allegedly mandated by the U.S. Constitution and the nation's civil rights laws. It is in supposed service to these legal requirements that the courts keep ordering "racial balance" mixes, cross-county transfers, and avoidance of racial tipping-points.

Yet in point of fact such racial balance busing is directly contrary to the law of the land as previously stated by the U.S. Congress. The Civil Rights Act of 1964, which allegedly gives federal judges jurisdiction in such cases, says that " 'de-segregation' shall not mean the assignment of students to public schools in order to overcome racial imbalance." And it further states that ". . . nothing herein shall empower an official or court of the United States to issue any order seeking to achieve a racial balance in any school by requiring the transportation of pupils or students from one school to another or one school district to another in order to achieve such racial balance."

Busing forces prefer to ignore this language if possible, but when called upon to recognize it say it was meant to forestall busing only in cases of de facto segregation, not in cases where segregation has been accomplished by law. In the latter instance, it is argued, the courts may order busing or any other remedy to correct the discriminatory evil. This explanation explains little, however, since the author of the language in question, former Rep. William Cramer of Florida, explicitly noted that its goal was to prevent "*any* balancing of school attendance by moving students across school district lines to level off percentages where one race outweighs the other." To prevent, in sum, exactly what has been ordered by federal courts all over America.*

If "the law of the land" does not compel busing, what does? The answer may be discovered, once more, by going back to the Coleman Report—and to a companion study issued by the U.S. Civil Rights Commission entitled Racial Isolation in the Public Schools (1967). Between them, these two documents provide the official rationale for busing—which has almost nothing to do with the legal arguments usually ventilated in its behalf.

The Coleman study, as we have seen, found little relationship between the amount of money spent for schools and the educational product which issued from those schools. In the case of Negro pupils, in particular, it found no consistent correlation between the measure of educational inputs and the performance of children, who, in contrast to the standard expectation, "fall farther behind the white majority" as they proceed through the school system. Whatever the source of Negro educational deficits, the study found, "the fact is the schools have not overcome it."

Conventional integration apparently had minimal impact on the problem, but it suggested, the authors thought, a possible solution. They believed on the one hand that educational deficits were probably owing to a "combination of nonschool factors—poverty, community attitudes, low educational level of parents." They noted on the other that it "appears" pupil achievement is "strongly related to the educational background of the other students in the school." From these two factors it seemed to follow that "if a minority pupil from a home without much educational strength is put with schoolmates with strong educational backgrounds, his achievement is likely to increase."

Thus begins the rationale for busing—with more to follow. Prof. Coleman explained the matter further in a subsequent article, opining that what we needed was a more intense reconstruction of the child's social environment" which goes beyond the matter of nondiscriminatory school assignment. In particular: "For those children whose family and neighborhood are educationally disadvantaged, it is important to replace this family environment as much as possible with an educational environment—by starting school at an early age, and by having a school which begins very early in the day and ends very late."

In the report of the Civil Rights Commission, a further point is added, making it clear that legal segregation is not in fact the issue—that separation of the races by reason of circumstance is just as objectionable as separation created by law. The Commission asserted that both should *be eliminated* because "Negro children suffer serious harm when their education takes place in public schools which are racially segregated, whatever the source of such segregation may be." The commission therefore recommended that no school have higher than 50 per cent black enrollment—to prevent it from becoming predominantly black in character.

In sum, the educationalists became convinced and apparently convinced some of our federal judges that Negro children must be taken out of their homes and neighborhoods and placed in an "artificial environment" created by government, where they will be immersed as fully as possible in an altogether different culture. The object is to break into the Negro family and culture pattern and remold black children according to guidelines preferred by middle-class (and predominantly white) social planners who think they have a commission to tinker around with the psychic makeup of the human species.

Busing is essential to this enterprise. It is needed to immerse the black child in an environment of white classmates. It invokes long periods of transportation which maximize the amount of time a child is away from his home and parents, and it takes him to a distant school where his parents in many cases can have little knowledge of what is occurring, can exert zero influence on the school's official performance, and would feel constrained from doing so even if they could physically reach the school.

At the same time the busing is required to shuffle the students around so that no school will ever become predominantly Negro—which would reimmerse the student in the self-same culture he is supposed to be escaping. Against that background it is apparent that nearly all the discussion which surrounds this issue is off the point. All that argument about de jure and de facto segregation is essentially phony, since the object is to prevent the schools from becoming black in character for whatever reason.

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*Nor is the '64 Civil Rights Act the only such manifestation of congressional intent. Over the past eight years Congress has expressed its wish that the busing cease and desist, that federal funds should not be used to promote busing, and that a moratorium be imposed on court-ordered busing plans. The judicial busers have treated these enactments with indifference, and gone right ahead to force the practice of busing on an unwilling nation.

Unfortunately, busing has been no more successful than the other enthusiasms which preceded it. We now have a dozen or so surveys which weigh the effects of busing in diverse communities across the nation, and the net of the evidence is that busing has not only failed to achieve its stated goals of improving educational skills and racial feeling, but in many instances has actually served to make the situation worse.

A major study on this issue was published in The Public Interest (Summer 1972) by David Armor of Harvard, an associate professor of sociology and a former researcher for the Civil Rights Commission. Armor brought together a series of studies involving some 5,000 school children in grades one through twelve, testing educational results of those who were bused against a control group who were not. Covered in this analysis were schools in Boston, Ann Arbor, Mich., Hartford and New Haven, Conn., Riverside, Calif., and White Plains, N.Y.

Armor found no consistent evidence of educational improvement as a result of busing, but considerable proof of adverse effects upon the students who were bused. In some instances there were slight gains for bused students, but in other instances the control group showed the greater degree of improvement. Moreover, the pupils who were bused developed lower educational aspirations and a higher degree of racial antagonism than did those who weren't—directly contrary to the theory.

"None of the studies," Armor concludes, "were able to demonstrate conclusively that integration has had an effect on academic achievement as measured by standardized tests . . . (In Boston) there was a significant decline for the bused students, from 74 percent wanting a college degree in 1968 to 60 per cent by May 1970 . . . the bused students were 15 percentage points more in favor of attending non-white schools than the controls . . . 80 per cent of the bused group said they were 'very favorable' to the program in 1968, compared to 50 per cent by 1970." Also in the Boston study, pupils in grades three and four showed slight gains in reading achievement over the control group, but in grades five and six students who were not bused did better than those who were. "The results for reading achievement are substantially repeated in a test of arithmetic skills," Armor says. "The bused students showed no significant gains in arithmetic skills, compared to the control group, and there were no particular patterns in evidence."

Half-way across the nation, in Ann Arbor, Mich., the results were much the same. Bused students did not make significant gains when compared to the control group, nor did the bused students cut into the black-white gap on achievement tests: "On the contrary, a follow-up done three years later showed that the integrated black students were even further behind the white students than before the integration project began."

These findings have been updated in an extensive survey of the busing question by Jeffrey Leech of the Indiana University Law School (Indiana Law Review, Summer 1973). To the communities mentioned in the Armor study, Leech adds more recent data concerning busing experiments in Berkeley and Sacramento, Calif., Buffalo and Rochester, N.Y., and Evanston, Ill. On every major point at issue, the findings produced by Leech confirm the lugubrious reading of Armor's original report.

Leech observes that "of the 10 cities which have systematically studied the effects of busing on the achievement levels of school children, one shows moderate gains (Sacramento), two show mixed results (Hartford-New Haven, Rochester), three are inconclusive (Buffalo, Evanston, White Plains) and four show either losses or no significant gains (Ann Arbor, Berkeley, Boston, Riverside). In every city studied, busing failed to reduce the gap between black and white achievement.

"In fact, most cities reported that the achievement gap had grown even larger after busing. Scholars who have reviewed the evidence . . . have concluded that busing has little if any effect on the academic achievement of either black or white children. Thus the most recent sociological evidence fails to confirm a basic premise underlying the rationale of court-ordered busing; i.e., that it will positively affect the academic performance of minority children."

This author also examines data concerning self-esteem, achievement goals and racial harmony, and comes to similar negative conclusions. He finds the result of busing to be psychologically harmful rather than beneficial, and in particular to be a source of racial friction rather than amity. He notes several cases where antagonisms were directly traceable to busing and adds that "in no city did busing appear to increase interracial contact or better interracial understanding.

Leech urges a searching reappraisal of the whole busing enterprise, concluding that "in the light of the tremendous social, political and economic costs being paid for busing, the absence of any consistent educational gains, the deleterious psychological impact of busing upon black children, and the increasing polarization of the races, such a re-examination is long overdue."

Researches of this type will continue, of course, and it may be that sooner or later they will come up with a liberal education program that actually works. For the moment. however, we are left with the impression of total shipwreck: The original formulae having failed, the remedies for those formulae turn out to be failing also. After the expenditure of billions upon billions of dollars for "quality" education and instigation of massive upheaval in American communities though busing, the Federal educationists have little to show in terms of educational advancement.

In summary: Busing is not in fact mandated by the American Constitution, or by the civil rights statutes enacted by Congress. The thrust of legislation touching on this subject, in fact, has been the other way around.

Busing is opposed by an enormous majority of the American people. It is favored by a group of social engineers and planners, and certain congenial members of the judiciary, who believe that only by this drastic method can the failure of liberal educationist formulae be retrieved.

While busing has not attained the educational results projected for it, it has created an ominous precedent in which the state presumes to assert an interest in the psyche of the child which is paramount to the authority of the family.

On every conceivable count, therefore, the practice of busing is a mistaken one and should be halted by the Congress.

ENERGY AND JOBS

Mr. MATHIAS. Mr. President, on December 27, 1973, Senator BEALL and I held hearings in Baltimore to examine the impact that the energy crisis was having in the State of Maryland. One of our witnesses on that day was James N. Phillips, Executive Director of the Employment Security Administration, who spoke for David T. Mason, secretary of the Maryland Department of Employment and Social Services; we found his testimony of enduring interest and increasing timeliness. I would like to bring his comments to the attention of our colleagues, and therefore ask unanimous consent to have his remarks printed in the RECORD.

There being no objection, the testimony was ordered to be printed in the RECORD, as follows:

COMMENTS OF JAMES N. PHILLIPS

DECEMBER 26, 1973.

The Department of Employment and Social Services under the direction of Secretary Mason began in early December to keep special reports on each person whose unemployment was directly or indirectly caused by the energy crisis in order to keep abreast of the impact that the energy crisis is having on employment in Maryland.

The Employment Security Administration has made an initial survey of various employers throughout the State to determine the effect of the energy crisis on business operations. The survey was conducted in the latter part of November. Employers at the time of the survey had not made any plans to terminate employees due to the crisis. Most employers did not have adequate information on how the crisis would affect their fuel allotment or raw material supplies. Basically employers are taking a "wait and see" approach. However, the assumption can be made that employers who were planning to expand their operations may now suspend those plans because of the uncertainty of adequate fuel. No expansion of business operations would result in a decrease of the growth of job opportunities in the state.

The initial survey involving a cross-section of industries in the state revealed a rather positive attitude to the energy crisis as related to most industries. The optimism of the industrial outlook coupled with our reports on the very small percentage of unemployment claims filed because of the energy crisis seems to indicate that the impact on employment in Maryland may not be as severe as initial press reports have stated.

Significant trends on industries and employment affected by the energy crisis can not be projected until more data has been collected.

The overall increase in unemployment during the winter months is a normal occurrence caused by the seasonal shutdowns and lay-offs of many industries and is not related to the energy crisis. Many of the individuals affected by these lay-offs will resume their employment in later months.

To date our special reports on initial claims for unemployment insurance related to the energy crisis are as follows:

Date:	*Initial Claims*
December 3	9
December 10	163
December 17	249
December 24	367
Total	788

Although it is still too early to establish any definite trends, there are still a few significant points worth mentioning. Many of the initial claims to date have been the result of small reductions, 1 or 2 people by numerous employers. As one may imagine many of these have involved transportation related industries, such as, auto dealers, auto repairs, service stations, aviation and trucking.

Initial reports on companies laying off more than twenty-five persons have not shown a definite pattern to date. There have been only a few companies reporting twenty-five or more people being laid off and some companies laying off individuals for approximately two weeks. Since the establishment of the energy reporting system, no company has notified this agency of any anticipated mass lay offs (100 or more persons) due to the energy crisis.

Governor Mandel has taken a leadership role in dealing with the effects of the current energy crisis in the State of Maryland. The Governor has charged the Department of Economic and Community Development to undertake immediately an in-depth study of the economic impact of the fuel shortage within our State.

The Department of Employment and Social Services is presently refining its reporting system to provide more detailed information by jurisdiction, industry and claimant for the purpose of establishing a data base upon which projections can be made. Our agency has been working closely with the Department of Economic and Community Development in devising methodologies to analyze the economic impact in the State.

VIETNAM VETERANS

Mr. MONDALE. Mr. President, I wish to place in the Record today an article which appeared in the New York Times of March 29, 1974. The article is about Vietnam veterans and is thoughtfully and sensitively written by Mr. John P. Rowan and Mr. William J. Simon, both veterans of the Vietnam war.

As pointed out in the article, the Vietnam veterans continue to suffer, not only from the wounds of war, but also from this Government's neglect. We met the returning troops with inadequate hospital care, with inadequate educational benefits, with inadequate employment, and with inadequate housing.

I urge my colleagues not only to read this article, but to proceed to act promptly to aid the disabled veteran in this country by supporting S. 2710, to act quickly and positively on the educational package now pending in the Senate Veterans' Affairs Committee, and to act to see that the health care needs of all the veterans in this Nation are adequately met.

I ask unanimous consent that the article by Mr. Simon and Mr. Rowan be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the New York Times, Mar. 29, 1974]

The Vietnam Veterans Blues

(By John P. Rowan and William J. Simon)

On March 29, 1973—a year ago today—the last American prisoner of war returned from North Vietnam. Recently, President Nixon proclaimed today Vietnam Veterans Day, marking the first anniversary of that homecoming.

In the intervening year some of those men have died, some have dined at the White House, and still others have become spokesmen for what might be called a "remember-that-wonderful-war" campaign.

The war was not wonderful for the prisoners, the Vietnamese on both sides, for the soldiers who made it home in one piece or for those with pieces missing.

Peace for the ordinary serviceman who has not dined at the White House has involved waiting on an unemployment line, a run-around from public agencies while trying to get a job, getting into and paying for school, and avoiding the war news in the newspapers.

Vietnam veterans as a group have the highest unemployment rate of any minority. They suffer from the discriminatory practices of a Government that refuses to offer benefits equaling those given to their fathers who served in World War II and from employers who do not offer meaningful jobs.

Even if a veteran has managed to get a job and hold it for a while, the chances are that he is going to be among the first to be laid off because he lacks seniority on the job. After World War II, the various civil service agencies hired veterans. Today, even with bonus points for veterans there is a hiring freeze for new Federal employes, leaving only the postal service as the last recourse for young veterans, at a low pay rate.

The private sector has not provided meaningful employment for veterans, partly because of the myth that everyone who was in Vietnam ate heroin for breakfast. The young veteran is unwilling to accept menial positions.

Educational benefits today do not begin to approach those received by World War II veterans. There is a bias against those who choose to go to a college. Those who enter trade schools or on-the-job-training programs receive educational and unemployment benefits, but veterans enrolled in college only receive educational benefits. Yet even after finishing a trade school, a veteran finds there are often no jobs.

The $220 a month a single veteran now receives cannot possibly pay for the tuition costs of more than $2,500 a year of many private colleges. The Government paid full tuition benefits after World War II; today full benefits could not only assist veterans but save many private institutions that face serious financial problems.

It is an understatement to say that care at veterans hospitals is not what it could be. Billions are spent on defense but only pennies, by comparison, for providing fully staffed hospitals, physical-rehabilitation programs and vital outpatient facilities for all veterans. The inadequate final physical a G.I. received at the Oakland Army Base hours before being discharged failed to identify mental and physical problems a veteran might have encountered months later.

Not too many people want to talk about the war, what happened to the Vietnamese and what happened to America. And nobody wants to talk about the veteran because he did not win a noble victory over a craven enemy. His only victory was surviving.

Now the veteran has a struggle to gain acceptance from a country that does not want to admit it acquiesced in allowing the war to happen in the first place. Should the veteran have to make himself socially acceptable to the country, or should society try to make up for its rejection of him?

The country cannot undo the damage to servicemen who were in Vietnam, to the families deprived of their son, to those forced to feign psychological disorders to avoid military service, and to still others who remain in self-exile.

The President cannot bring about the proper climate of national acceptance for the Vietnam war by signing a proclamation. A national sense of responsibility can only be achieved at the community level by seeking out young veterans and attempting to reintegrate them into society.

JIM THOMPSON—CHICAGO'S GIANT KILLER

Mr. PERCY. Mr. President, Chicago, Ill., and the Nation are fortunate to have James Thompson as U.S. attorney for the Northern District of Illinois. "Big Jim," as he has come to be known in Chicago, has brought about new respect for the law by very clearly demonstrating that every citizen is bound by the law. By rooting out official corruption, regardless of when it exists, he has given real meaning to the maxim that all men are equal under the law, and that though rank and position may have their privileges, they can offer no immunity for corruption, deceit, or any other activity which degrades the trust that the citizens of this Nation place in their elected officials. I am proud to have recommended his appointment as U.S. attorney to the administration and to have had such strong concurrence from my colleague, Senator Stevenson, from Gov. Richard Ogilvie, and Illinois Attorney General William Scott.

A very comprehensive article on Jim Thompson was printed in the March 3 Chicago Tribune Magazine. Because of the impact that this outstanding man has had and will continue to have on the administration of justice in Illinois, I ask unanimous consent that the article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the Chicago Tribune Magazine, Mar. 3, 1974]

Big Jim

(By Susan Nelson)

"Wait. I want to show you something," Jim Thompson said impulsively as I was about to leave his office one day. Picking up a copy of "Chicago: A Personal History of America's Most American City," he spoke animatedly as he thumbed toward a page. "Finis Farr—who is he?—has a good book here . . . Kroch's got me a couple copies autographed for friends who collect first editions . . . where *is* that page? . . . Good book but he paints this as a bawdy, brawling town," he added with mild disapproval, just as he reached his destination. "Ah, here it is. He says," and Thompson's voice took on a delighted, *boyish tone*, "that the first surveyor of Chicago, the man who laid out the streets back in the 1830s, was *James Thompson*. Isn't that something?" Blue eyes wide, he laughed expansively. "I'll have to work that into my speech tonight!"

Few people outside the legal profession noticed when he was sworn in as United States attorney on Nov. 29, 1971. The governor was there, President Nixon and Sen. Percy had sent letters, and a group of federal judges (including the Hon. Otto Kerner) looked on. But most of us, the 9 million people living in his jurisdiction—the Northern District of Illinois, *from Wisconsin to* Kankakee and west to the Iowa border—were either thinking back to Thanksgiving or ahead to Christmas.

Now, after his denunciation of Spiro Agnew, after front-page stories and his television news conferences about convictions of ex-Gov. Kerner, ex-County Clerk Barrett, ex-suburban politicians too numerous to name, ex-Chicago policemen—after all that, Thompson is skimming along the top of the news and loving it, while the *private* man occasionally admits that he's a little afraid of becoming a prisoner of the public.

Ambitious, confident, irreverent, gregarious, Thompson is the first Republican considered to have a chance to derail the Democratic Chicago machine that has rumbled since the last Republican, Mayor William Hale (Big Bill) Thompson.

James R. (Big Jim) Thompson—no relation—combines disarming enthusiasm with an uncanny sense of what the public is concerned about. And he knows what his first assistant and friend of 10 years, Joel Flaum, calls "one basic secret: You can't go far wrong by just speaking the truth."

As Watergate makes us more suspicious

than ever of all politicians—and desperate for honest ones—Thompson straightens up to his 6-feet-6 and tells us again and again: "Political parties don't commit crimes; people do. Our office goes after *people* who have committed crimes." And, "The philosophy of our office is very simple: Public office belongs to the people. It doesn't belong to the man who holds it; it's not his to use to reward himself or his friends. . . . The least the people are entitled to is faith and truth in their public office-holders."

Just 37, Thompson has climbed the professional ladder three rungs at a time since he graduated from Northwestern law school in 1959. He was given a boost each step, he admits, by powerful men who believed in him. His unshakable self-confidence, Flaum suggests, has perhaps two sources: Altho Thompson was given tremendous responsibilities along the way, he was never overwhelmed. And never in his life has he had to worry about being noticed. "Jim was always recognized for his 'star' potential," Flaum says, without a trace of envy.

As U.S. attorney, Thompson has compiled an impressive record, not only for political-corruption cases but for halting those who would pollute the environment or tamper with civil rights. The local federal prosecutor's office, perhaps once best distinguished by its strong ties to whichever party held the Presidency, now a law office generally considered the best of the 94 branches like it in the country. (In size it is behind only New York and Los Angeles.) Since Thompson and his predecessor, William J. Bauer, took over in mid-1970, the number of lawyers has increased from 23 to 74, a tenth of them women, three of them black, one of them the first Spanish-speaking assistant in the district. Political sponsorship is so ignored that sons of several prominent Democrats are now working for the man whose appointment was approved by ex-Atty. Gen. John Mitchell. Job applicants—there are 50 applications for each opening—must instead show a convincing dedication to public service.

To be fair, the office has come to light at a propitious time. Following the decline of the Presidency in public esteem last year and the reawakening of Congress, it remained only for the Department of Justice to reassert itself. It has done so, certainly spurred on by Judge John Sirica and the grim go-round of Attorneys General.

Thompson is as aware of his time in history as he is careful to recognize his past mentors and the loyal assistants who presently put his plans into action.

Loyalty, in fact, is apparent when those who know Thompson talk about him. "Jim develops the loyalty of the people who work with him," Judge Bauer says. "Without that, he wouldn't be worth a tinker's dam. Everybody who works in that office wears the badge of the U.S. attorney on his sleeve. Assistants can destroy a guy, can make him look like a nincompoop. They have to have a guy they can look up to."

Thompson doesn't seem to ask for loyalty so much as inspire it by his example of being outspokenly loyal to his assistants—and by his forthrightness. The forthrightness, in turn, seems also to inspire a sense of protectiveness toward him, perhaps because of concern that his candor might make him vulnerable to those less loyal.

Underlying his relaxed professional manner is a dedication to hard work and a belief in the system, either of government or of success thru dedication. He has proceeded nonstop, working weekends and nights, to achieve the success he seems almost nonchalant about.

Clearly he thrives on challenges: rooting out corruption where few others even seemed to see it, tracking down antique glass "because it's rare," racing against gas tank and clock to get somewhere on time, pitting his exceptional memory of what he said against news quotes.

As one of his friends and assistants, Anton Valukas, puts it, "The appearance of a relaxed, casual individual is somewhat deceptive."

The same can be said of the U.S. attorney's quarters on the 14th and 15th floors of the Dirksen Federal Building. Riotously bright walls and floors, the sounds of laughter and music from Brahms to James Brown (average age of his assistants is 30), and The Big Guy stopping by to chat hardly suggest that thousands of cases a year are being tried, appealed, or declined. Or the dedication of a staff which also works past 6 p.m. and often on weekends.

Thompson's office itself is his working home-away-from-home, a huge, unexpected room of comfortable chairs and couches, antique glass and scales, paintings and ceramic judges and cats, green plants, lovingly watered by an indulgent secretary, a chess set with Napoleon as king, signed photographs of Lester Maddox (a friend's gag souvenir from Atlanta) and a serious one of Judge Julius J. Hoffman, a letter of praise from the President, snapshots of Thompson romping with children of his assistants.

And he sits at the center of it, his feet on a desk stacked high with prosecution forms to sign, and mail, and perhaps a jack-o-lantern or valentine someone's kids decorated for him. Assistants come and go thru the four open doors, matching wits about seemingly insignificant things and then, suddenly, turning to matters of office strategy. His telephone rings every few minutes, and colleagues or reporters—or even his tailor—wait while he concludes an amiable but brisk conversation.

Not old enough to be a father figure, he seems more of an older brother. With mock gruffness, he calls assistants by their last names, but he asks about wives and children before he asks about work. He delights in his staff's youth, explaining that young lawyers seem enthusiastic and energetic—and less cynical.

Despite growing cries of politicking, he continues to speak to several groups a week about what his office has done, will do, and why. At the conclusion of earnest extemporaneous speeches in which he sometimes apologizes for what may sound like a "corny" remark or an "old fashioned" goal—like integrity—the audience applauds long and loud, asks questions, and receives candid, often humor-tinged answers. And then he's gone, striding away quickly to more applause.

He explains how strongly he feels that a public official must mingle with the public in order to know their concerns. He emphasizes the obvious pride he has in his staff and the work they do, work "which can give people hope things are going to change for the better." He stresses that education as well as prosecution is an obligation of his job. He admits that he enjoys these public appearances and that the speeches compensate in some way for not being able to be in the courtroom or in the classroom. "And I'm one of those people," he says, "who fits within the broad Lyndon Johnson definition of liking to get out and 'press the flesh.' Very frankly, from the standpoint of ego—which all politicians have in enormous quantities—the job is hard enough and the rewards are few enough (his salary is fixed at $36,000) that you like to pick up plaudits wherever you can."

Charges of political grandstanding he dismisses, after admitting to sensitive feelings he's "trying to get over." He says emphatically: "I'm not going to ask anybody to believe that I don't sit at my desk and plot every case in terms of its impact on my political career. I've given up trying to convince anybody that you don't do everything with that in mind. I think the assistants are convinced that I don't, and that's good enough for me."

He is quick to point out that he returns after speeches to relay the audience reaction to his staff. Daniel Weil, who resigned as director of the House of Correction to lead Thompson's Public Protection Unit, mentions one other thing: "Jim takes young assistants with him to the speeches, and we all know that good publicity about the U.S. Attorney's office makes us, as assistants, a little prouder of the job we're doing."

To quell political speculation in the office itself, last October Thompson met with the entire staff and pledged not to leave the office "for another year," mentioning that speculation of his being called to Washington or declaring as a political candidate was nothing more than prophesying by the press.

Perhaps, as anyone who knows him invariably says, "He is just what he seems to be, which is hard for some people to accept."

But on another level, he deserves a closer look. "People really should question such a rapid rise to success." Flaum maintains, explaining that he wouldn't have cast his professional lot with Jim if he hadn't been satisfied with his own answer to just such a question. "We should have a wary eye, for this is a bad time for public servants. I think that marked success in a short period of time leads you to believe Jim may be one of the cleverest devils around. He *is* clever—but I think that's just an ingredient rather than the essential guy. There is a part of him that I think is truly the best in public service. Because he decided to emphasize cases with strong impact on the community, people now realize how powerful the federal prosecutor is. Jim was afraid if he were successful, people would charge that the office is political—maybe because he knew it was going to skyrocket him if it worked out. But he also felt that in this town there wasn't the requisite professionalism in public service, and he said years ago that if he ever got in a position where he could make a dent, he wanted to."

So who is the real Jim Thompson? Where did he come from, and where does he think he's going?

He's a West Side Chicagoan, first of four children born to Agnes and Dr. J. Robert Thompson, of Swedish and English/Scotch by-way-of-Ireland ancestry and from DeKalb and Waterman, respectively. Jim recalls that his father became a doctor late in life and that as one of the first in his rural family to become a professional, he often worked from 6 a.m. to midnight.

Friendly, modest people, the senior Thompsons grew up Republican but are proud of the fact that neither has voted a straight political ticket. They lived first in Garfield Park apartments, then for two years in St. Louis when Dr. Thompson was called into the 1954 "doctors' draft." He worked in the Municipal Tuberculosis Sanitarium for 25 years and now, semi-retired, is a pathologist for two West Side hospitals. Sitting in the living room of their comfortable Oak Park home, his parents remember Jim:

He didn't really grow taller than other boys until after high school, his mother says. He was a self-directed child for whom grammar school held no challenges: Twice he was advanced a semester at Morse elementary school. He read voraciously.

He was an extrovert: "In his piano recitals," his father chuckles, "he always made sure the tape recorder was on." When he was 10 or 11, a radio crew from WGN visited his Presbyterian Sunday school class, asked the children what they wanted to be when they grew up. "And Jim told them, 'A politician'," they recall. A year or so later, he had decided that law, the profession of two neighbors, was the route he would take.

Thompson is remembered by a classmate

from North Park Academy, realtor William Seawall, as "one of the few guys who was in school to *learn*. He wasn't interested in athletics—never pretended to be."

Thompson's senior (1953) yearbook contains some 20 farewells that mention his interest in politics—and a handful that promise to vote for him for President.

He was a Stevenson supporter: His mother produces a high school newspaper clipping in which he says he would vote for Stevenson in 1952 because he was "a man of proven ability . . . character and courage." Once, when the family lived in St. Louis, Dr. Thompson took a picture of his son with the governor; in a letter to Jim, Stevenson told him how important it was for young people to be interested in politics.

In the fall of 1956, after three years of college, Thompson began commuting between Oak Park and Northwestern law school. The impression he made on Marie Christiansen, secretary to criminal law professor Fred E. Inbau, was that of "a shy, tall fellow—he walked in with his head down."

But Inbau, hard-line law-and-order expert who would pursuade Thompson to try prosecution work and still later would urge him back to law school as a professor, remembers no such timidity.

"Jim was one of those students who from the beginning showed the makings of an outstanding lawyer," he says, producing evidence in the form of Thompson's student articles on subjects from education of a jury to law students as lawyers for indigent prisoners. Thompson helped Inbau found Americans for Effective Law Enforcement—"a counterweight to the A.C.L.U.," says a New York Times clip Inbau gave me—and served as its vice president until 1959, when he went into the state's attorney's office. "I'm showing you these because ideas Jim's talking about aren't political; they're like things he's been advocating for years," Inbau says. From here, his career took several significant turns:

The summer of 1959, he went to work for State's Atty. Benjamin Adamowski. He was admitted to the Illinois bar a month early so he could argue his first case before the state Supreme Court. Given the nonspecific title of "wild" assistant, Thompson was free to make speeches to community groups and to lead crackdowns with policemen on pornographic book stores and movie houses.

To Thompson, the speeches were a determining factor in shaping his career, he says now. They "entailed compulsory contact with the public, which was very exciting." It was then, it seems, that the student introvert bloomed into the public extrovert.

While he has an assistant to Adamowski, who still recalls his "brilliant, innovative hard work," Thompson was chosen by the Democratic-appointed Judge Richard B. Austin to serve on the committee that would, during the next four years, revise the state's criminal code. Austin remembers Thompson's contributions as invaluable. When Adamowski lost his 1960 race for reelection, it was Austin who persuaded his successor, Democrat Dan Ward, to keep Thompson on.

In 1964 he returned to Northwestern as professor and as co-director with Inbau of Ford Foundation-funded programs in criminal justice, including—with Flaum—a police legal adviser program. He also argued the government's side before the U.S. Supreme Court in both the Danny Escobedo and Lenny Bruce cases and co-authored with Inbau two casebooks on criminal law that are law school "best sellers." His students remember him as a dynamic teacher; a faculty member recalls that he was offered deanships by several other law schools.

In 1969, Attorney Gen. William G. Scott persuaded him to set up a new criminal division in his office. Flaum also joined Scott, as his first assistant.

The following year, Thompson faced another choice. He had decided to run for sheriff of Cook County. But Du Page County Judge William J. Bauer, who had first noticed Thompson at the state Supreme Court and had served on committees with him, had just been designated by Sen. Percy as the man to succeed Thomas Foran as U.S. attorney. Bauer agreed—if he could still be considered for the next vacant seat on the federal court. To ensure continuity in the prosecutor's office, Attorney Gen. Mitchell stipulated that Bauer's first assistant be a man with the ability to carry out his goals.

Bauer approached Gov. Richard B. Ogilvie, who in turn advised Thompson that there was a better way for him to serve the public than as sheriff. Thompson joined Bauer, and when Bauer became judge two Novembers ago, Thompson took over the reins.

Altho Bauer was the man in charge when changes began, it was Thompson who put the operation in flight—partly because Thompson has an instinct for what makes for a good press. Instead of calling an investigative unit he unleashed in 1971 merely that, he dubbed it "Special Investigations Division," S.I.D. for short. Titles like that show his public-relations flair—they have a ring that makes people remember them.

Thompson is proud of his excellent relationship with the press. "In two years we have never once been criticized for any action this office has taken by any newspaper in town." He jokes that the day may come—but he also points out that maybe it won't. He says his policy of making himself available for comment any time grew out of the rules he learned as a rookie in Adamowski's office. But he also learned by doing, as a high school columnist and as a would-be professional photographer.

He prides himself, as well, for never having lied to a reporter. He is inclined to think—and his staff needles him for this—that he is often *too* candid.

Clearly Thompson the prosecutor is aware of his image. He carefully corrected grammar and punctuation in a court transcript one day—"before it goes to the press room and wire services. I don't want to be misquoted!" He somberly explains how discreet he and his staff must be in choosing only solid cases to prosecute, cases that will stand up in court.

He seems concerned that his tough-prosecutor image be tempered with that of an honest man eager to let the public know what his office does and why. There is room in that image for sensitivity.

One day he admitted that certain cases bother him—"not during trial, not during the indictment, but afterwards." He reached for a letter on his desk and said quietly:

"One of the policemen in the Braasch (police-tavern shakedown) case, they say here, has eight children, a dying wife, neighbors are feeding them. It's just,"—and here he suddenly looked very tired—"I can't cope with that." After a moment, tho, his voice picked up. "That's not to say I'm not in favor of appropriate sentencing, especially in cases where there's to be a penitentiary sentence. And the judge in this case was very fair. But," and his voice fell again, "my personal reaction is different sometimes. I don't have to engage in all of these cases; my assistants do. And I think what we're most careful to do is try and impart a sense of compassion to our young assistants and, even more importantly, a sense of prosecutorial discretion, which is the most important thing a prosecutor possesses."

He would be the last to deny the importance of his capsule comment about Spiro Agnew to his public image, the "he's a crook" statement, which, he explains, he felt goaded into making by a television newsman. He mentions that even when his mail was overwhelmingly negative, people on the street praised him for his honesty. When he mentioned that fact to the news media and they ran the story, his letters did an about-face—"as I suspected they would," he says.

Still, some of the Agnew aftermath wasn't so pleasant for him. And understanding that is a way to begin to understand Thompson.

The afternoon of Oct. 29, he was at his desk when he first heard about Ramsey Clark's call for his disbarment. A radio newsman phoned and asked for a reply. Thompson amiably switched his console telephone to live-hookup position, and we listened while an enraged Clark shouted that Thompson should be disbarred. Then, on the air, Thompson laughed uproariously:

"Disbarrrrrred! Agnew had just pled guilty to income tax invasion! How about that. Last week I was only 'ethically corrupt'; now he wants me disbarred!" The radio man joined his laughter, thanked him, and hung up.

He turned back to the interview and said quietly, "I'm astonished, because not only is Mr. Clark incorrect in his assessment of my conduct (Thompson explains that he read only the documents filed in open court, available to anyone), but it is totally out of character for one who has held the lofty position of Attorney General to make a statement like that."

Still later, after batting the matter around with his staff, he began to talk about how having federal marshals assigned to him for protection a year ago had at first made him feel "like a prisoner."

"I don't want to sound maudlin, but people don't always realize the sacrifices that are involved in public office; I'm not so sure I realized them. Sacrifices of privacy, of always being available for speeches and public appearances, always being on display, having to forgo some of the more natural human reactions.

"You pick up the phone and hear something like Ramsey Clark was saying—if I was in private life, I could fulminate. But I've got to be careful, to moderate my response. I'm not the only one involved; I can't embarrass the Department of Justice. I can't appear to sound like a jerk. And yet that's a terrible thing to say about a person."

One of Thompson's closest friends says, "Jim is really a very private person who gives the impression of being a very public person."

Indeed. But while Thompson the prosecutor is always easy to spot in a crowd, Thompson the person is not so simply characterized. His family, including his sister, Karen, now a first-year law student (one brother is a year ahead of her in law school; the other brother has a Ph.D. in geology and is a college professor in Pennsylvania), of course mentions his human qualities. Top Democrats react in equally predictable ways. They tend to see him solely as a political adversary. When Mayor Daley, speaking of police corruption at a press conference Sept. 6, said that "the public must take the blame for corruption in the police department," Thompson replied that he was "offended" by the mayor's remark. "The *corruption* in the police department is the result of political corruption in Chicago, and the mayor's responsible for that," Thompson said.

On Sept. 20, at a meeting of the Cook County Democratic Central Committee, the mayor, again speaking of the prosecution of Chicago policemen on charges of extortion and perjury, said: "I've never seen such political action on the part of any United States district attorney. If you don't believe it, ask Hanrahan and Foran" (Thompson's two Democratic predecessors in the federal prosecutor's office).

Does Daley believe Thompson will be a mayoral candidate? At a press conference Dec. 7, after Thompson had charged that the mayor knew of attempts to "dig up something" on Thompson and that he might actually have authorized such a move, the mayor denied the allegation.

Reporters asked, "Well, why would he have made these charges?"

And the mayor calmly replied: "Well, they're (his charges) politics. He's running for office and we know that."

A reporter then asked, "Your office?"

And Daley replied, "Undoubtedly."

On the way to wherever he's going. Thompson seems to have nothing in his past that might trip him up. He is a man of considerable self-control, even to having stopped smoking after going thru two or three packs of nonfilters a day when he was in Adamowski's office. ("I'd had asthma as a kid, and it was bad for me.")

He drinks Scotch and is said to hold it well. But the swinging-single image that would have him carousing?

"That's myth," he laughs. "I haven't been to a singles' bar since I was at the law school and went to The Store, where some of my students worked—I went maybe twice. It's the kind of thing one person writes and others pick up when they try to put a little personal-interest stuff into a story about me."

Altho he jokes about his private image and seems even a little surprised that anyone should care about personal details, he also seems increasingly uneasy about his recent celebrity status.

He enjoys walking down a street and being recognized by people, yes. He shares letters that come to him from his "fans"—a little woman who also loves peanut butter for breakfast, as one of his stories said he does; children who responded when they learned that "children and plants love me"; little brothers' requests for his autograph to give to their big sisters.

"I'm not going to complain when I can pick up an article that for my purposes is very good, very flattering," he says. If his assistants razz him, he jokes that they have become hardened to tender feelings.

But he also says: "I've always been, I thought, a private, modest person. And the sudden realization that this is undergoing a jolting blow, or series of blows, is not always so exciting.

"Sometimes you feel a prisoner of the public, and you say to yourself 'What right does the public have to know everything about me?' How can you ask somebody to strip himself completely bare? Everybody has to have some private reservoir in which nobody in the whole world knows what he thinks or feels or does, even in a marriage that's existed for 60 years, let's say.

"And you begin to realize that with every story that's written, a little more of you is chipped away. You're not certain that you can so easily call a halt where you would like to call a halt."

Yet Thompson seemed almost eager to explore his private image, the "myth" that has him only dining in fancy restaurants, wearing flashy clothes, driving a "coffee-brown" Mercedes with license plates "JRT," living in a Victorian townhouse crammed with antiques (and a white baby grand piano in the bedroom), and escaping to a mysterious Wisconsin retreat.

There is certainly some truth in all that.

He does seem to enjoy the idea of fancy restaurants. On a perpetual diet to keep his weight down from 230 to 212 pounds, he probably likes any restaurant. But he seems completely at ease having tuna fish salad at the Flaums' home or saganaki and gyros at Greek Islands, where Leo the owner treats him like any other diner.

His tailor, Abner Ganet of Elmhurst, who watches TV to monitor the results of his work, says Thompson's wardrobe is "half conservative and half flamboyant." Thompson admits to having more shirts, ties, and cufflinks than he needs. But he begins to seem more himself trudging thru Wisconsin woods in a snowmobile suit or around his house in time-seasoned pants, shirt, and sockless Hush Puppies.

He does drive a "coffee-brown" Mercedes, a 1971 280 sedan with close to 70,000 miles on the odometer. The car, tho, is usually disguised by city grime. And the license plates? Well, you see, Secretary of State Mike Howlett is a friend. . . . Judge Bauer recalls Thompson's previous car—"a beatup Cutlass convertible with books piled in the back seat."

There is a white baby grand in his bedroom—the only room big enough in a house with authentic Victorian-size rooms. His former apartment, Thompson says, was on the top floor or a high rise; his furniture then was contemporary, and he found a piano shop that would lacquer a Baldwin any color he wanted. He once had visions of himself playing as he looked out at the stars, even tho he's restricted now, 20 years after his childhood lessons, to "first pages" of anything from "Indian War Chant" to "Claire de Lune."

He does collect antiques, which fill his house and spill over into his office. He chides himself for being a compulsive buyer who should learn instead to sell them; he traces his interest back two or three years to antiques that assistant John Simon and his wife collect. He says that he learned what he knows from books and dealers and that the hobby is an escape from his work.

Thompson has chosen his pleasures deliberately, and he likes to talk about them. But he groans when reports don't tell the story as he has told it.

Several times he mentioned lack of privacy as a reason he might decide, after all, to stay thru his appointment in the U.S. attorney's office (November, 1975) and then, perhaps, see if he would be appointed to the federal bench.

Joel Flaum is convinced that Thompson really doesn't know what direction his career will take. "He has so many options, and it would be silly for him to close off any of them. Remember that what he decides is going to shape the rest of his life."

Sen. Percy, in town during a holiday recess, said he had talked that day to Thompson and had considered the options with him without "perceiving any decision" on Thompson's part. Among the options: continue in his present job, run for mayor in 1975 or for senator or governor in '76, go on the bench, or enter private practice.

Flaum explains that by Justice Department tradition, U.S. attorneys abstain from politics, altho as Presidential appointees they are technically exempt from the Hatch Act, which prohibits other federal appointees from entering politics:

"If for no other reason, I think Jim wouldn't keep secret his plans once he decides because he owes to much to this office. He's not about to cast a shadow on peoples' integrity."

Someone observes that being an undeclared candidate without the burdens of a campaign is a rare advantage. "It's also like something Harry Truman once said: that once a man has been named by the press as a possibility for President or any other office, really, he never gets over it." It has to do, this person explains, with being taken seriously for having made one's mark.

Certainly Thompson is enjoying the political speculation. He permits himself as a Chicagoan (but not, he insists, as U.S. attorney) to talk about what's wrong with the city. He quips about the lack of a suitable residence for the mayor saying that Hugh Hefner seems to be official host for the city, "and I think that's not quite right." He has been heard to ask a friend on the telephone: "Are you going to teach me Polish?" and then laugh puckishly. He delights in telling about his two neighbors, Mrs. Collins and Mrs. Whaley, who call him "Your Honor."

Such playfulness also raises hackles. Of course sometimes, says the wife of one of his assistants, "Jim is just six inches too tall for his own good—and he has been too successful too quickly." There is also the plain fact that he *can* sit back while speculation surrounds him.

One political activist says: "Let him come out and say he's going to run for mayor. I admire him for what he's done to clean up corruption. But we haven't got time in our society to have someone play cat-and-mouse with us. And if he knows about running the city, let him *tell* us."

Thompson makes no bones about political ambitions some time, somewhere in the future. He also admits that several campaign-wise politicos have volunteered to work in his campaign—"whichever one it will be," he says with a smile. Mild reactions like that indicate he's likely to take in stride accusations of political grandstanding. And observers point out that, unlike some other well-known Republicans, Thompson has the ability to surround himself with top-quality people instead of yes-men.

Some say marriage is another aspect of political life he will have to reckon with. While in a serious moment he may admit that he has probably been too preoccupied with work to find a wife and that he is a "late bloomer," in public he revels in the kidding and perhaps, occasionally, even baits the hook. He has told women's groups that they could help him in the search. His offhand remark to Lee Phillip in January that this is the year he's looking for a wife to take care of him is still drawing letters from hopefuls, and he has taken it all in good humor. A friend, tho, mentions: "When Jim decides to do something, he does it. So maybe this is for real."

He does jest about needing a wife, especially if he's running behind schedule or has misplaced his keys.

But he was offended, and told the writer so, when a magazine article several months ago said he would have to marry if he wants to become mayor, even tho it might be true that Chicago's citizens will demand a father image.

"I'm offended, and I think any woman in the city should be insulted, to consider politics a reason for marriage."

One of the seven women he has hired says: "He just doesn't seem as related with us as he does with the men in the office. He could have his choice of any woman in the city, and he just doesn't seem to *realize* it."

Close friends wonder if his eventual choice will be Oak Parker Jayne Carr, an assistant attorney general, a former student of his at Northwestern, and his law clerk in Scott's office.

Tall—"5-11 in my stocking feet"—brunette, 27, serene but wary of reporters, she is noncommittal. "We're good friends and have been for years; we see each other occasionally. But we're both too busy with our work to call each other up and say, 'Hey, let's go shopping!' " She relaxes noticeably when the talk turns to her work, which increasingly is in the trial field.

Whether Thompson can find enough time to get to know someone well enough to marry her is a good question. His associates think perpetual work is for him a way of relaxing. He cites the speeches, even tho they mean a grueling schedule. He mentions the antiques. And then, when asked, he admits he hasn't had time to get to Cubs games and that, at one of the few Bear games he went to last fall, he was paged for a conference. He hasn't any time for billiards, the one sport he once had mastered. His reading now is restricted to a plethora of magazines, newspapers, and escapist novels.

He does say, a bit wistfully, that he periodically drives thru the old neighborhood and mentions that a former family apartment has been razed.

It seems that he draws his inner strength from Wisconsin, but his weekends there are rare.

He was more enthusiastic than usual one morning at 7, pointing out changing landscape as we headed north on I-90, mentioning the history of the areas we passed. In town nearest his 21½ acres, a realtor and his wife invited him to sit and chat a while. He did.

People he talks with on the street there seem to consider him only a big man who feels at home in a tiny town. Possibly this is because he often spent weekends and summers on his father's boyhood farm.

Although he could superficially be described as not particularly introspective, Thompson is indeed a self-analyzer. Walking along a snowy path in his woods to the river nearby, pointing out a salt block for deer, laughing about the time the river overflowed and suddenly he and his dad were catching bass in a pond they'd stocked only with trout and bluegills, he explained, "I'd like to believe that I have a more than usual ability to see into myself and understand."

On his land, his privacy interrupted only by friends and their families and by his own family—his parents have built a house a few hundred yards away from his rectangular wood-and-cedar-sided one—he often walks alone.

He touches the brim of his cloth cap. "I've never felt comfortable in a hat before; never wear one in the city. But this one kind of says to me, 'I'm here.' I put it on when I get here and don't take it off until I leave. Sometimes I get all the way home and realize it's still on, so I toss it in the trunk of the car." And then, characteristically, he laughs. "It drives my mother crazy at meals."

He talks about the luck he has had in being nudged along from job to job. "But I think probably those easy days are gone. From here on, I'll have to make my career decisions alone. There are so many ways to go, and without anyone to push me, that'll be a new experience." His voice, very serious, quickens and lifts. "But it will also be a good experience."

And one gathers the decision may be made with only tall pines and birches as his audience.

What Thompson's Top Assistants Say About Him

Joel M. Flaum, 37, First Assistant U.S. Attorney since 1971.

Diplomatic, concerned; in private practice before he taught at Northwestern law school; former first assistant to Atty. Gen. Scott. Has aspired to federal judgeship since N. U. law school (graduated in 1963). Operating head of office; was acting U.S. attorney while Thompson prosecuted Kerner last year. Low-key, low-profile foil to Thompson.

On Thompson: ""He is a very private person, but I think his antennae to the public are outstanding. And there is more: I think he brings to his reading of the public a genuine commitment, both moral and legal."

Samuel K. Skinner, 35, Chief, Special Investigations Division (22 lawyers); U.S. Attorney's office since 1969.

Fast-talking, hard-driving; put himself thru DePaul law school (graduated in 1969) as an IBM salesman. Initiates long-range, well-publicized investigations—consumer and vote frauds, civil rights, official corruption—instead of awaiting traditional federal agencies' reports (IRS, FBI, etc.) Tried Kerner with Thompson.

On Thompson: "His strongest attribute, besides brains and integrity, is his ability to delegate responsibilities and make everyone feel he belongs. The media made him a folk hero, and he gives them a feeling of being part of his success."

D. Arthur Connelly, 60, Chief, Criminal Division (28 lawyers); with office since 1957.

Gruff, practical; graduated from DePaul law school in 1952 after working for Post Office, serving in Coast Guard. Honored by Department of Justice in '68 as Outstanding Prosecutor; tried Krebiozen case; has twice been chief of civil and criminal units. Now sees job as training young lawyers to become savvy prosecutors of some 1,400 yearly federal crimes—bank robberies, serious narcotics offenses, mail robberies, etc.

On Thompson: "He has more charisma, as they say, than anybody I've worked for except Bill Bauer. He's bright, articulate, practical—even tho he was a law professor."

Gary L. Starkman, 27, Chief, Appellate Division (7 lawyers); with office since 1970.

Intense, soft-spoken; a Thompson student at Northwestern who came to the U.S. attorney's operation first on a Ford Foundation grant, then as law clerk, then full-time after graduation. Tried Chicago 7 Contempt case; co-authored (with attorneys James Zagel and James Haddad) current edition of Thompson-Inbau criminal law casebook. Co-authors articles, book reviews with Thompson; two more books are planned. Responsible for all Court of Appeals briefs and arguments.

On Thompson: "His outstanding trait is integrity, being completely candid in all facets of life. I've had two idols in my life: Bob Dylan and Jim Thompson. Both are the best at what they do."

John B. Simon, 31, Chief, Civil Division (16 lawyers); with office since 1967.

Self-assured, analytical; honor graduate from DePaul law school in '67; was hired by Hanrahan; is the son of Seymour Simon. Heads unit that collects more than $12 million a year in claims, fines, and judgments due the U.S., litigates citizen suits challenging the way the government is run, represents government agency "clients." Had planned to enter private practice by now; stayed because of Thompson.

On Thompson: "He's loyal without making you feel bound. He understands people's problems; lets you do your job your own way even if it isn't his. He has tremendous trust in people."

Anton J. Valukas, 30, Deputy Chief, Official Corruption section of S.I.D.; with office since 1970.

Intense, introspective; came from the Ford Foundation, where he directed the National Defender program. Graduated from N. U. law school in '68; Thompson, his professor, convinced him to do civil rights work for the government. Got first conviction under civil rights law in a police-brutality matter; HUD–FHA investigation continues in long-range suburban official corruption cases.

On Thompson: "He is willing to invest resources in new, untried areas; he hires people who bring political diversity to the office. His teaching experience brings informality; he can sit, listen to both sides, and make a keen decision to resolve matters."

What Leading Democrats Say About Him

Although wags say "Nobody's going to say anything bad about Thompson—they're afraid he might indict them"—people *do* talk.

Here's what three Democratic aldermen—a loyalist, a long-time rebel, and the leader of the Coffee Rebellion—say:

Ald. Vito Marzullo (25th): "He looks on the surface like he is a candid man: I've never talked to him; I've never met him. I don't think he has any more in mind, really, than what's going on with prosecutors all over the country. I do think it's wrong the way he jumps to conclusions before all the facts are out—I think he ought to study information more before he talks about a case. But if you listen to him, he really doesn't talk about *people*. What he says is based on the information he's received. There doesn't seem to be anything arrogant about him, although sometimes on TV he may come across that way."

Ald. Leon Despres (5th): "I've said on the floor of the City Council many times that I think all of us should be deeply grateful to James Thompson and the Department of Justice for rooting out corruption. I think he has a tremendous ambition for public service. Whether he intends to run for mayor only he can tell, but *what he is doing is* consistent with running for mayor. It's also consistent with running for governor, senator, or being a candidate for the United States Supreme Court. He has organized his office well and has attracted able personnel. He's directed them well and is conducting an excellent operation."

Ald. Edward Vrdolyak (10th): "He's apparently very bright; he's proved himself to be that. He's built a reputation and a name for himself not only in the city but the whole state. Being young and bright and able and ambitious—and I don't mean that as a negative word—he'll be a considered candidate for mayor if he so chooses. I think he and probably five or six other fellows could all be mayor of Chicago: They've paid their dues, they're willing to give up practically all their time and to live in the spotlight. Myself and others are not willing to give up so much of their time and their family lives. A Rostenkowski, a Hartigan, a Bill Singer, a Thompson—those men are. Is he persecuting Chicago Democrats? You can't say that. In Cook County, there are mainly Democrats in public office. If there are corrupt politicians, they will most likely be Democrats. He's prosecuting some Republicans as well."

HANK AARON

Mr. SPARKMAN. Mr. President, last night Hank Aaron of Mobile, Ala., in a baseball game played at Atlanta, knocked a pitched ball over the fence for the 715th home run of his career, thus becoming the all-time champion home run hitter replacing Babe Ruth who had held that honor through all these years. Naturally, we are proud of Hank Aaron, the Alabama boy who has achieved this great record.

There was an interesting article in the Birmingham News just a few days ago entitled, "Aaron—It All Began With a *Mop Handle and* Pop Caps." It is a most interesting article as to how a boy with little promise in his early life really made good. I commend it to my colleagues for reading.

I ask unanimous consent that the article be printed in the RECORD:

There being no objection, the article was ordered to be printed in the RECORD, as follows:

AARON—IT ALL BEGAN WITH A MOP HANDLE AND POP CAPS

(NOTE.—This is the first of a three-part series on Atlanta slugger Hank Aaron, tracing him from his childhood days in Mobile to today, where he's on the verge of breaking Babe Ruth's home run record.)

(By Ed Shearer)

ATLANTA.—That skinny kid who was swatting pop bottle caps and with a mop handle some three decades ago has become the biggest name in sports today, soon to eclipse a record once thought secure forever.

Hank Aaron begins his 21st major league season this week, needing only two home runs to break the all-time record of 714 held by the legendary Babe Ruth.

Aaron, one of eight children, spent his childhood in Mobile, developing a love for baseball that has evolved into fame and fortune.

"He was always crazy about playing baseball, but I'd never thought about him becoming a player until the Brooklyn Dodgers came to Mobile for an exhibition game when Henry was about 11," recalls his father, Herbert, a retired boat dock worker.

"I took him to see the game and he told me that night at the ball park, "I'm going to be in the big leagues myself Daddy before Jackie Robinson is through playing.'"

Robinson who broke the color barrier in major league baseball, was Aaron's boyhood idol, much as Aaron has become the idol of millions of young blacks today.

"I saw Babe Ruth play myself when I was a kid in Mobile," the elder Aaron said, "but until a couple of years ago I never dreamed I'd have a son who might break Ruth's record."

Hammerin' Hank says he doesn't recall when he first heard of Ruth, the legendary figure with flamboyant life style, totally unlike that of the quiet 40-year-old Atlanta Braves' superstar.

"I know I never remember hearing the name Babe Ruth as a youngster," Aaron recalled.

"He used to hit pop tops with a mop handle for hours," said Henry's father. "You know the other kids would do the pitching. Henry always wanted to keep the bat. I remember he got in trouble once. In fact, he got a good whipping for cutting his mother's new mop."

Many of Aaron's pop top games took place outside Mitchell Field in Mobile, where he actually launched his career as a teenager with the Mobile Black Bears, a semi-pro outfit.

"We used to soak old rags in kerosene and use them for lights when we played at night," Aaron said. "I started out hitting cross-handed with a broom handle. If I regret anything in baseball, it's that I didn't step across the plate and bat left-handed. It would have been easier, and I would have been a step closer to first base."

Aaron's father played a little amateur baseball and managed the neighborhood team that eventually became the Black Bears.

It was natural that the Aaron sons would play the game, but only two, Hank and Tommie, chose it as a career. Tommie, a younger brother, spent several seasons with the Braves and was the first major leaguer to hit a home run in Atlanta Stadium. It came in an exhibition game. He now manages Atlanta's Class AA farm team at Savannah.

Herbert, an older brother, played baseball before entering military service but didn't continue later. Another younger brother, James, played in high school, a fifth Aaron son died of pneumonia at an early age.

Hank also has three sisters, Sarah Jones, Gloria Robinson and Alfredia Scott.

Hank, not an ideal pupil, attended Mobile's Central High School through his junior year when he desired to begin a baseball career. However, his parents insisted he first get a high school diploma and Hammerin' Hank graduated from the Josephine Allen Institute in 1951.

There have been reports that he was a star halfback in high school, but that actually was Tommie, an outstanding prospect who turned down a football scholarship to attend college in Florida.

Aaron often played hookey from Central, strolling into a pool room where he listened to major league games.

"I went to the pool room because that's the only place they had a radio," he said. "And, I couldn't very well go home if I was playing hookey."

His own school problems undoubtedly explain the intense interest he has in education as an adult. A scholarship fund has been established in his name to provide money for the needy who otherwise might be forced to drop out of high school.

Aaron began playing for the Black Bears during his junior year in high school. In the final game, he was impressive in a battle against the Indianapolis Clowns, who offered him a contract the following spring for $200 a month.

Several years before that, Aaron had drifted onto the field during a Brooklyn Dodger tryout camp at Mobile. Dodger personnel took one look at the skinny youngster and told him to go back home

Ed Scott, a scout, signed Aaron to a contract with the Clowns on Nov. 20, 1951. The slugger's mother had sent him on his way with a battered suitcase, two dollars in his pocket and two sandwiches to eat along the way.

Aaron had hits in his first two appearances with the Clowns and soon drew the attention of Braves' scout Dewey Griggs, who eventually signed Hank for $350 a month plus a $10,000 payoff to Clowns' owner Syd Pollack.

The Braves almost lost him to the then New York Giants. Pollack, a friend of Braves farm director John Mullen, advised the club official early in the 1952 season he had a 17-year-old shortstop hitting over .400. Mullen and Pollack reached a gentlemen's agreement on the purchase of Aaron later in the season.

However, the Braves almost let him slip away as time elapsed. The Giants made an offer one day and Mullen happened to telephone Pollack the same day. When he learned of the Giant offer, Mullen reminded Pollack of the earlier agreement and bettered the New York deal.

Aaron was assigned to Eau Claire, Wis., in June, 1952. He played in 87 games that year, hit .336 and was voted the Northern League's outstanding rookie.

The Braves dispatched Billy Southworth to Eau Claire to scout Aaron and the former big league manager filed a glowing report—"for a baby face kid of 18 years, his playing ability is outstanding."

Aaron moved up to the Class A South Atlantic League in 1953, playing for the Jacksonville Tars where he hit .362 and belted 22 home runs.

He led the team to the league title and was named its most valuable player.

He credits to this day his Jacksonville manager, Ben Geraghty, with having one of the greatest influences on his baseball career. He played second base with the Tars and was converted to the outfield the following off-season.

Aaron reported to the Braves' training camp the next spring, ready to play for the club's Class AA team in Atlanta. But a fractured ankle to Bobby Thomson changed those plans and launched the Hammer on a two-decade era of consistency in the majors.

LADIES' HOME JOURNAL WOMEN OF THE YEAR AWARDS

Mr. JAVITS. Mr. President, last evening seven distinguished Americans—women recognized as leading figures in their fields—were honored as recipients of the second annual Ladies Home Journal Women of the Year Awards.

Selected by a process representing both popular and specialized opinion, these seven women serve as an inspiration to men and women everywhere for their accomplishments and dedication to excellence in their respective fields. They have left a mark for the better on their times and the world.

I ask unanimous consent that the citations presented to these women be printed in the Record.

Miss Katherine Hepburn, who was unable to attend the ceremony, received a symbolic sunburst emblem for her distinguished accomplishments in the creative arts.

There being no objection, the list was ordered to be printed in the Record, as follows:

Citations for the Women of the Year 1974 Award

Martha W. Griffiths—public affairs: For Congressional leadership in the struggle for equal rights for women and comprehensive health-care for all.

Dixie Lee Ray—science and research: For dedication as scientist, communicator, administrator in the application of nuclear energy and general science in serving human needs.

Barbara McDonald—community service: For sensitivity to the unique problems of the Rosebud Sioux Indians in developing a community run belingual, bicultural early childhood education program.

Dorothy I. Height—human rights: For a lifetime of inspiring leadership in developing innovative, meaningful approaches to fight racial and human injustice.

Barbara Walters—communications: For achievements in reporting and broadcast journalism and for concerned investigation of public issues explored on national television.

Billy Jean King—sports: For accomplishments as an outstanding tennis player and effective crusader for equal opportunities for women in sports.

Patricia Roberts Harris—business and professions: For her professional work as a lawyer in dealing with human and civil rights and for pioneering in business at the top board level.

WEEK OF THE YOUNG CHILD

Mr. MONDALE. Mr. President, I am pleased to take this occasion to call attention to the commemoration of the Week of the Young Child last week, March 31 through April 6. Activities and observances were planned by concerned groups, under the leadership of the National Association for the Education of Young Children, to focus public attention and awareness on the rights and needs of the young.

My Subcommittee on Children and Youth has begun a series of hearings on American families and the pressures they face. There is nothing more important to a child than a healthy family, and these hearings have stressed the need for a national commitment to make services available, on a voluntary basis, that will help families enrich and protect the lives of their children.

As author of the Child Abuse Prevention and Treatment Act, which was signed into law this year, and the Sudden Infant Death Syndrome Act passed by the Senate, I am gratified that Congress has shown its concern for the well-being of children. However, the need for quality care and education of our Nation's young is still great, a need which I emphasize as Senate sponsor of the Child Development Act passed by Congress in 1971, and then vetoed by the President.

Mr. President, in recognition of a shared belief that the youth of this Nation constitute its most precious resource, we do well to heed the initiative taken by the National Association for the Education of Young Children in dedicating a week to the young child.

The principles that guide us as a nation in our efforts to provide our children with the best opportunities to grow and prosper have been well delineated by the National Association for the Education of Young Children:

> The birthright of every child born in this nation entitles him: to respect for himself—"as and for what he is"—and wherever he may be; to love, security and encouragement from a stable home; to health and nutritional services which insure his full development; to protection from physical dangers and moral hazards by a community which plans for its children's needs; to places to live and play which are safe and wholesome; to schools and similar group programs which stimulate and facilitate his fullest intellectual development, and to concern, stimulation and guidance for all adults in his life—his parents, his teachers and others competent, sensitive and supporting in their respective roles.

LAWRENCE CARDINAL SHEHAN

Mr. MATHIAS. Mr. President, the archbishop of Baltimore occupies a historic chair and is always an important man for that fact alone. It is fortunate, however, that over the years since John Carroll became the first bishop of Baltimore, priests who have been called upon to lead that diocese have been far more than the shepherds of their own flocks. They have been, in addition, leaders in the entire community and giants among men.

This has been particularly true of Laurence Cardinal Shehan, whose resignation as archbishop of Baltimore has just been accepted by Pope Paul VI. Cardinal Shehan was called to Baltimore on the eve of a turbulent period. There have been challenges to the church, to government, and to virtually every established institution. The cardinal has met these challenges. Where change was obviously in order he had advocated and encouraged it. Where steadfast loyalty was required he has stood with the staunchest. Where humanity and compassion have been called for he has personified the Christian ethic of love and brotherhood. He has been an example of both moral courage among multitudes and of physical courage of the most lonely kind.

Maryland will not say goodby to Cardinal Shehan for he will always be with us. As he lays down his bishop's staff, however, it is appropriate to assess his contribution, and that assessment is a large one. I ask unanimous consent to print in the RECORD the cardinal's message to the people of his archdiocese, which includes his welcome to the archbishop-elect, the Most Reverend William Donald Borders, presently bishop of Orlando, Fla.

There being no objection, the message was ordered to be printed in the RECORD, as follows:

CARDINAL'S MESSAGE TO PRIESTS, PEOPLE

> DEARLY BELOVED IN CHRIST: With Our Holy Father's acceptance of my resignation as Archbishop of Baltimore, and with the appointment of my successor, I wish to take this opportunity to express my profound gratitude to you, the priests and people of God in this archdiocese, for your constant and unfailing cooperation and effective help during all of the period since I became the Ordinary of this metropolitan see.
>
> As you are aware, to succeed me as Archbishop, the Holy See has appointed Most Reverend William Donald Borders, who up to now has been Bishop of the Diocese of Orlando, Florida, and is now Archbishop-elect of Baltimore.
>
> Personally, I am greatly pleased with the choice of Archbishop-elect Borders. It should be the source of great encouragement and promise to both priests and people that his characteristics of mind and heart correspond so closely to the profile of those qualities which the priests of the archdiocese set forth as those desirable in the new Archbishop in view of the special conditions and problems, the strengths and weaknesses, of this metropolitan see.
>
> Archbishop-elect Borders has, from the beginning of his priesthood, shown himself to be a real pastor to his flock. He is a man of deep faith and wide-ranging pastoral experience; this makes him admirably suited to be our leader and shepherd. I ask you to give him a warm and enthusiastic welcome, and I ask you to join me in thanking the Holy Father and the Apostolic Delegate for the favor of his appointment.
>
> Until Archbishop-elect Borders is formally installed, it is the will of the Holy See that I shall remain as Apostolic Administrator, with relatively the same powers as I have exercised as Archbishop.
>
> If you give to the new Archbishop cooperation and loyalty similar to that you have given to me, I know that his years as Archbishop will be both happy and most fruitful.
>
> I believe that both priests and people of this archdiocese know that I have always held them in deep affection. I assure you that this affection will always remain. I seek continued remembrance in your prayers.
>
> With every good wish and a blessing, I am
>
> Sincerely yours in Christ,
>
> LAWRENCE CARDINAL SHEHAN,
> *Apostolic Administrator.*

VETERANS INSURANCE

Mr. HUMPHREY. Mr. President, as a consistent supporter of benefits for our veterans, I was pleased to be able to cast my vote yesterday in support of Senate passage of S. 1835, the Veterans Insurance Act of 1974.

Extending full-time coverage under servicemen's group life insurance to all members of the Ready Reserves, National Guard, and certain members of the Retired Reserves is an important step in assisting these dedicated public servants. This provision will certainly act as an incentive to enlist and remain in the National Guard and Reserve Forces which have recently dropped to 90 percent of their authorized strength.

Automatic conversion of SGLI coverage upon its expiration to a 5-year nonrenewable veterans' group life insurance policy will provide low cost insurance protection during the difficult readjustment period for servicemen discharged in recent years. The financial situation of returning veterans often prohibits their purchase of adequate insurance coverage.

The increase in maximum life insurance coverage by 33 percent, to $20,000, is justified by the general economic environment and the national average insurance coverage. The raised ceiling on protection will not affect the premium rate that veterans must pay.

The provision in this bill to require the return of excess premiums paid by Korean conflict veterans for veterans' special term insurance, in the form of dividends to the insured, will correct a long-standing inequity.

Mr. President, I urge the House to take early, favorable action on the Veterans' Insurance Act of 1974 so that this highly important program can be implemented without delay.

ANNOUNCE APPOINTMENT OF VA MEDICAL CHIEF

Mr. HANSEN. Mr. President, Donald E. Johnson, Administrator of Veterans' Affairs, announced today the appointment of Dr. John D. Chase to become the Veterans' Administration's eighth Chief Medical Director.

Mr. President, I commend Administrator Johnson for his selection of such a distinguished physician and career employee of the Veterans' Administration to such an important position.

To assist Dr. Chase in the management of the agency's 171 veterans hospitals and 206 outpatient clinics, the Administrator has selected Dr. Laurance V. Foye to become the Department of Medicine and Surgery's Deputy Chief Medical Director.

For the past few weeks, the American people have been getting distress signals from Members of this body and our counterparts at the opposite wing of the Capitol Building that the VA hospital system is in deep trouble.

Let me assure my colleagues and the American people that nothing could be further from the truth.

The delivery of health care to our Nation's veterans remains second to none, and I am confident VA medicine will continue to provide excellent service under the capable leadership of Dr. Chase and Dr. Laurance Foye.

The new Chief Medical Director has been Chief of the Medical Service and a senior physician at the Tacoma, Wash., VA Hospital since April 1973.

For nearly 5 years prior to his transfer to Tacoma he held two of the highest positions in VA's Department of Medicine and Surgery in Washington, D.C.

In announcing his appointment of Dr. Chase as the VA Assistant Chief Medical Director for Professional Services in May 1968, Dr. H. Martin Engle, then Chief Medical Director, cited Dr. Chase's "extraordinarily balanced background of clinical experience, academic interest and his demonstrated skills in administration."

Under Dr. Musser in February 1971, Dr. Chase was promoted to Associate Deputy Chief Medical Director, the third ranking position in the medical department, to share with Dr. Musser and Dr. Wells responsibility for administering the Nation's largest organization for health care delivery.

Since joining VA in July 1952, Dr. Chase has been on VA hospital staffs in Vancouver, Wash., Portland, Ore., and Long Beach, Calif., and served as Chief of Staff of the Houston VA Hospital, and then as Director of the VA hospital in Oklahoma City.

After obtaining his A.B. degree at Wabash College in Crawfordsville, Ind., he received his medical degree at Western Reserve Medical School in Cleveland in 1945.

Since serving first as an instructor in internal medicine at the Wayne University Medical School in Detroit from 1950 to 1952, Dr. Chase has been closely associated with academic medicine. He has been on medical school faculties at the University of Oregon, Baylor University, the University of Oklahoma, and George Washington University.

A diplomate of the American Board of Internal Medicine since 1953, he is also a fellow in the American College of Physicians and the American College of Chest Physicians.

He served 2 years on active duty as a physician in the U.S. Naval Medical Corps, and later was active in the U.S. Army Reserve from 1962 to 1967, attaining the rank of lieutenant colonel in the Medical Corps.

The 48-year-old Dr. Foye received both his A.B. and M.D. degrees at the University of California following service with the U.S. Army during World War II. He took his residency training at the VA hospital in San Francisco and Stanford University.

After serving on the medical school faculty at the University of California School of Medicine in San Francisco from 1957 to 1966, he became Chief of the Cancer Therapy Evaluation Branch—Chemotherapy—at the National Cancer Institute, the National Institutes of Health in Bethesda, Md.

Dr. Foye was appointed Deputy Assistant Chief Medical Director for Research and Education in the VA under Dr. Musser in May 1970. He was promoted to his present post as Assistant Chief Medical Director for Academic Affairs on September 30, 1973.

Certified by the American Board of Internal Medicine in September 1962, he is a fellow in the American College of Physicians, and a member of the American Society of Clinical Oncology, the Association of American Medical Colleges, and the Association for Hospital Medical Education.

He has been a longtime member of the San Francisco County Medical Society, the California Medical Association, and the American Medical Association, and holds membership in the Sigma Xi and Phi Beta Kappa honor societies.

THE ENDLESS VIETNAM WAR

Mr. McGOVERN. Mr. President, the United States has been involved militarily either directly or indirectly in the affairs of the people of Indochina for a quarter of a century. With great fanfare the administration pledged an early "peace with honor" in 1972. But the fighting rages on and American taxes, aid, and guns continue to fuel the conflict. The $3 billion in aid we are pouring into the continuing war means that we are spending nearly $10 million daily on this bloody venture.

Mr. Anthony Lewis of the New York Times writes of the tragedy in yesterday's Times. I ask unanimous consent that Mr. Lewis' piece be printed in the RECORD:

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, Sept. 8, 1974]

WAR WITHOUT END, AMEN

(By Anthony Lewis)

Since the United States first intervened in Vietnam, we have had two broad alternatives of policy. One is to try to impose our desired pattern on the area by force of arms. The other is to withdraw, leaving the Vietnam problem to the Vietnamese and doing only what we can to encourge accommodation.

Our leaders long ago chose the first course. In doing so they naturally told us that war would be only a temporary necessity: soon there would be a free government in Saigon with the political legitimacy and effectiveness to govern in peace. In pursuit of that illusion we bombed Vietnam and poisoned vegetation and lost 50,000 American lives.

Then, a year ago, we signed an agreement for "peace." Perhaps only the naive thought that act signaled a decision to choose the second alternative at last and leave Vietnam alone. But how many saw it as nothing more than a device to carry on intervention and war by other means? How many would have predicted that five years hence, or ten, or twenty, the United States would still be trying, by arms and ammunition, to impose a solution on Vietnam?

That vision of perpetual proxy war is not just a grim fantasy. It would be the necessary result of the policy disclosed by Secretary of State Kissinger the other day in a remarkably candid letter to Senator Edward Kennedy.

The Paris agreement and our "long and deep involvement in Vietnam," Mr. Kissinger said, both leave the United States with "commitments" to South Vietnam—though there is nothing written down. He spoke of providing the Saigon Government "the means necessary for its self-defense and for its economic viability.' For how long?

"We have . . . committed ourselves very substantially, both politically and morally. While the South Vietnamese Government and people are demonstrating increasing self-reliance, we believe it is important that we continue our support as long as it is needed."

That saving phrase about Saigon's 'increasing self-reliance"—what a wonderful echo of all those forgotten promises of light at the end of the tunnel! And just as cynical.

The United States last year supplied the resources for more than 80 per cent of South Vietnam's Government budget. We pay for the oil, we give food and we supply the arms.

For the current fiscal year, which ends June 30, the Nixon Administration has requested $2.24 billion in visible appropriations to aid the Saigon Government, and it projects $2.4-billion for the next fiscal year. Actual spending is almost certainly a good deal higher than published, with additional money coming from the secret C.I.A. budget. Senator Kennedy estimates that aid this year totals $3-billion.

It is only this enormous American subvention that enables President Thieu to maintain his garrison state in South Vietnam—to keep one million men under arms, and a huge police force, and jails filled with political prisoners. It is American policy and American money that allow General Thieu to spurn the terms of the peace agreement calling for political accommodation and to carry on a policy of aggressive military action and indiscriminate shelling of areas under the other side's control.

General Thieu is our surrogate in a proxy war. We pretend that he emerged from a democratic process, but the fact is that we helped him to power in the first place and support him now as he pursues American goals for South Vietnam.

Nguyen Van Thieu is a shrewd man, and he understands that he can remain in office only so long as the United States continues to pay for his million-man bodyguard. He understands, therefore, that he can never afford a political compromise or state of peace. He must maintain the atmosphere, and the reality, of war.

Among those who have studied the origins of our intervention in Vietnam, there is disagreement about whether the leaders who took us in believed their own hopeful words about early viability in Saigon. They had plenty of intelligence showing that no Saigon Government could be expected to survive without continuing massive armed support. Did our leaders go on escalating nevertheless, because they knew nothing else to do?

It is a nice argument about the distant past. But Henry Kissinger well knew the truth about Saigon's prospects when we bombed Hanoi over Christmas, 1972, in order to change some commas in the peace agreement. He well knew that there could never be any way to keep General Thieu in power except perpetual war, waged by the United States through surrogates. And he knows it now when he writes about the prospect of "stable peace."

That is why, despite his other accomplishments, some of us believe that Mr. Kissinger will go down in history on his Vietnam policy as a cynical betrayer of American ideals. But those judgments will come, if ever, a long time from now. The task at the moment is for Congress to end the American intervention in Vietnam.

FEDERAL NO-FAULT INSURANCE

Mr. HRUSKA. Mr. President, it now appears likely that floor action on S. 354, a bill to establish a Federal no-fault motor vehicle insurance law, will commence shortly after the upcoming Easter recess.

In the minority views of the report of the Committee on the Judiciary with respect to S. 354, I made known my opposition to the bill in its current form. It is extremely important to note in this respect what is and what is not at issue as the Senate moves to consider S. 354. We are not discussing the virtues of no-fault automobile insurance over the tort system. True, S. 354 proposes a no-fault insurance plan. But, opposing S. 354 is not, I repeat, not the same as opposing no-fault insurance. Indeed, there are many variations of no-fault insurance. Out of 20 States that already have adopted no-fault plans, no two States have the same type of plan.

What I shall oppose and what I shall ask my colleagues to oppose is the variation of no-fault insurance that S. 354 adopts and the manner by which S. 354 bludgeons the States into following suit and adopting the federally prescribed no-fault plan.

There are two primary reasons why the Senate should not adopt S. 354. First and foremost, the bill is unconstitutional and violative of the basic tenets of a sound federalism in suggesting that the States become mere agents of the Federal Government. Secondly, and probably of primary importance to the American consumer, there is every likelihood that

S. 354 will increase, not decrease, the costs of auto insurance.

On April 1, 1974, the Washington Post carried a story concerning the possibility of a change in administration policy that would call for the support of Federal no-fault. Today, the same newspaper accurately reported that the administration has strongly reaffirmed its position in opposition to any Federal no-fault law.

In view of the fact that these articles might have escaped the attention of my interested colleagues, I ask unanimous consent that there be printed in the RECORD copies of the newspaper articles and the White House communication which is referred to in the latter piece.

There being no objection, the articles and letter were ordered to be printed in the RECORD, as follows:

THE WHITE HOUSE,
Washington, D.C., April 5, 1974.

Hon. ROMAN L. HRUSKA,
U.S. Senate,
Washington, D.C.

DEAR SENATOR: In response to your request, the President has asked me to advise you that he has reconsidered the Administration's position concerning the National No-Fault Motor Vehicle Insurance Act, S. 354.

After a thorough review of the bill as reported out of committee and all other factors including the actions of various states on no-fault legislation, the President has concluded that we will continue to support no-fault as a better system of automobile reparations over the so-called "fault" system. However, we strongly oppose any federal legislation in this area. Even though the merits of no-fault have been generally established, the overriding issue concerns the proper federal role. The President continues to object to any federal legislation including the "federal standards approach" of S. 354 and believes that legislative action in this area should be left up to the states who are in a better position to know the specific needs of their people.

I appreciate this opportunity to present the Administration's views on this important issue.

Sincerely,

WILLIAM E. TIMMONS,
Assistant to the President.

[From the Washington Post, Apr. 9, 1974]

NO-FAULT BILL

The White House will "strongly oppose" the controversial no-fault auto insurance bill that is headed for a major floor fight in the Senate, Sen. Roman Hruska (R-Neb.) said yesterday.

Hruska, a leading opponent of the measure, made public a letter he received from presidential assistant William E. Timmons setting forth Mr. Nixon's views.

In it, Timmons said President Nixon had "reconsidered" the bill but still remains adamantly against it.

"After a thorough review of the bill as reported out of committee and all other factors including the actions of various states on no-fault legislation, the President has concluded that we will continue to support no-fault as a better system of automobile reparations over the so-called 'fault' system," Timmons wrote Hruska in a letter dated last Friday.

"However, we strongly oppose any federal legislation in this area. Even though the merits of no-fault have been generally established, the overriding issue concerns the proper federal role.

"The President . . . believes that legislative action in this area should be left up to the states who are in a better position to know the specific needs of their people."

[From the Washington Post, April 1, 1974]

PRESIDENT WEIGHS STANCE ON FEDERAL NO-FAULT BILL

(By Morton Mintz)

President Nixon will decide within "the next few days" whether to support or oppose a pending bill for no-fault auto insurance that would reduce premiums for personal injury coverage an estimated 3 to 28 per cent, a top White House aide has told The Washington Post.

Mr. Nixon's decision could determine the fate of the measure which the Senate is expected to vote upon Wednesday or Thursday.

The President since 1971 has been urging the states to enact no-fault laws of their own. But the pace has been so disappointing that the White House is "in the process of reassessing our position," Kenneth R. Cole Jr., executive director of the Domestic Council, told a reporter.

The stakes are large for consumers, the legal profession, legislators seeking re-election and the insurance industry.

The President said in 1972 that no-fault auto insurance is "one of the most pressing consumer needs," that it is "an idea whose time has come," and that it is "a vast improvement over the present system."

A sizable share of lawyers' total income comes from auto injury liability cases. In 1972 alone, litigation of personal injury claims cost between $1.4 billion and $1.6 billion. Under no-fault accident victims would be promptly compensated, regardless of who or what may have caused an accident.

Lawyers "stand to lose this pot of gold . . . So they are fighting it with every tool at their command," Virginia H. Knauer, the President's special assistant for consumer affairs, said in a speech two years ago.

Trial lawyers have stepped up a long and costly campaign to defeat the bill, which was first introduced almost four years ago by Sens. Warren G. Magnuson (D-Wash.) and Philip A. Hart (D-Mich).

According to a Capitol Hill source, one Democratic senator who is unopposed for re-election this year has been warned by trial lawyers in his state that if he votes for the bill they will raise $200,000 to finance a challenger.

In 1972, when he was the Democratic presidential candidate and no-fault was a plank in the party platform, Sen. George McGovern voted against a move to bury the bill. But this year, when he is seeking re-election to the Senate, he has given a commitment to trial lawyers in his home state of South Dakota to oppose the bill, John D. Holum, his legislative assistant, confirmed recently.

Cole, in a phone interview, said that the bill confronts Mr. Nixon with "very difficult judgment."

The President's consistent philosophy has been to encourage the states to deal with problems in their power to solve, rather than to extend federal authority, Cole emphasized.

Three years ago, the Department of Transportation (DOT) released a major study showing that the existing system pays out in benefits only 50 cents on each dollar paid in and provides no compensation at all to half of the persons injured or killed because they are alleged to be "at fault."

The DOT study also showed that the liability system over-compensated innocent victims with minor injuries while reimbursing the seriously injured for only about one-third of their actual losses.

On the basis of the study, the Nixon administration endorsed the concept of no-fault insurance on a state-by-state basis, Cole recalled.

"I believe that the states—not the federal government—can best respond" to the "urgent" need for reform, Mr. Nixon said in a telegram to the National Governors' Conference in June, 1972.

At that time, the American Trial Lawyers Association was soliciting its 25,000 members for contributions of up to $1,000 each to wage a "nationwide battle for preservation of our system of adversary justice." Now called the Association of Trial Lawyers of America (ATLA), the group earmarked $100,000 for the 1972 operations of its Washington lobbyist, C. Thomas Bendorf.

With the White House opposed to the Hart-Magnuson bill, the Senate in August, 1972, voted 49 to 46 to shelve it by referring it to the Senate Judiciary Committee. A decisive vote for referral was provided by McGovern's running-mate Sen. Thomas F. Eagleton (D-Mo.), who claimed to have cast "a sentimental vote" in honor of his late trial-lawyer father.

Despite the President's plea to the governors, the states moved slowly to adopt no-fault plans that contain minimum acceptable criteria, partly because trial lawyers wielded great influence in many legislatures.

But the White House was optimistic as late as last June, when Under Secretary of Transportation John W. Barnum told the Senate Commerce Committee, "Several states, including some very large ones such as California, Illinois, Ohio and Pennsylvania, now have no-fault reform high on their legislative priorities and are likely to act favorably before the year [1973] is out."

As of now, none of the four states has enacted a no-fault bill that meets DOT standards. Within the past few weeks, moreover, no-fault reform has died in Virginia, West Virginia and Wisconsin. Of the 13 states that have enacted no-fault laws, only two, Michigan and Minnesota, come close to meeting the standards in the Magnuson-Hart bill.

Transportation Secretary Claude S. Brinegar *recently told the White* House that he believed Mr. Nixon should be made aware of the situation in the states, "so he could focus on it," Cole said. Capitol Hill sources said DOT's top echelon of officials generally believes the time has come to support the bill, which is backed by numerous Republican senators. Similar legislation is pending in the House.

Mr. Nixon, who heads the Domestic Council, has not yet had the issue "formally" put before him, Cole said. Meanwhile, he said, the White House has been getting conflicting inputs from Capitol Hill; from the insurance industry, which is split on the issue, and from *trial lawyers.*

On Friday, it was learned, Senate Minority Leader Hugh Scott of Pennsylvania and Sen. Ted Stevens (R-Alaska), a strong supporter of the bill, sent a joint letter to the President urging him to re-consider his position on the measure. Scott had voted in 1972 to refer the bill to the Senate Judiciary Committee.

The committee, by a vote of 8 to 7, reported the bill on March 20. A key witness, former U.S. Solicitor General Erwin N. Griswold, testified that the bill is constitutional "both *overall* and with respect to each of its provisions."

The bill would require motorists to buy liability insurance. The government would lay down broad guidelines, but each state would set its own standards within those guidelines.

In December, Senator Magnuson released a study showing that every state meeting the standards would reap "significant savings," ranging from 3 to 28 per cent and aggregating about $1.3 billion annually.

Had the bill been in effect in 1973, according to the study, the estimated savings would have been 10 per cent ($17.2 million) in Maryland, 5 per cent ($7.8 million) in Virginia, and 20 per cent ($4.2 million) in the District of Columbia.

The study was done, with DOT financing, by an actuarial firm, Milliman & Robertson, of Pasadena, Calif., on the basis of standards slightly exceeding the bill's mandatory minimums: unlimited medical and rehabilitation benefits, protection of up to $15,000 for lost wages, replacement for up to a year of ordinary and necessary services that a victim no longer is able to perform for himself or his family, and up to $5,000 to compensate a survivor for income a deceased victim would have earned.

Mr. HRUSKA. Mr. President, Prof. Philip B. Kurland of the University of Chicago Law School faculty is a well known and authoritative scholar of constitutional law. He has frequently appeared as a witness before our Judiciary Committee.

His opinion is that S. 354 is unconstitutional for reasons spelled out in his April 4 letter to this Senator. I ask unanimous consent that the portions of his letter pertinent thereto be printed at this point in the Record.

There being no objection, the portions of the letter were ordered to be printed in the Record, as follows:

University of Chicago,
Chicago, Ill., April 4, 1974.

Senator Roman L. Hruska,
U.S. Senate, Committee on the Judiciary, Washington, D.C.

Dear Senator Hruska: 1. I write in response to your inquiry about S. 354. I do so without any claim to knowing whether the no-fault bill's substantive provisions are good, bad, or indifferent. I address myself rather to institutional aspects of our American constitutional system which, admittedly, have long been in the process of erosion at a price that we are just beginning to recognize as exorbitant.

There are constitutional principles and constitutional provisions. I address myself first to the former.

2. When the nation was founded and for many years thereafter, it was recognized that one of the basic safeguards against tyranny was the dispersal of power. This was planned by making the national government a government of limited, delegated authority, as well as providing for a system of checks and balances that was intended to avoid the concentration of authority within any one branch of the national government itself.

Federalism, the division of authority between the nation and the states, has been all but destroyed. The result has been that local problems demanding solutions adapted to local conditions have been turned over to the national government, which can only provide a uniform solution for all. Frequently that solution doesn't meet any of the local problems well, and sometimes it does no more than exacerbate them.

I think it incumbent on the national legislature, nevertheless, to ask itself, before it assumes the task of writing nationwide no-fault legislation, whether this is an area in which a uniform, national rule is necessary or even desirable. I know of no evidence that supports the proposition that liability for automobile accidents is that kind of a subject-matter which ought to be removed from the control of the states—and the majority of the people within each state—in order to have the representatives of the majority of the nation impose a single rule on all.

I respectfully submit that if this is to be done in the area of no-fault insurance, there is no local subject matter, whether it be permitting a turn to be made on a red light or a charge for local garbage removal, that is not equally amenable to national legislation.

My point is that even if there were authority in the national legislature to act on this subject matter, it would be the better part of discretion for the Congress to abstain. We are badly in need of returning government to local control, not removing it simply because the national legislators think they know better than do local legislators what is best for the people of the local communities. That is a sort of mistaken paternalism that underlies too much legislation. This legislation, however, is not only undesirable, I think it is unconstitutional.

3. I have no question that Congress could constitutionally enact a uniform statute governing no-fault insurance applicable to the entire nation. The Commerce Clause is now a carte blanche to Congress to enact legislation, subject only to the limitations of the bill of rights. The proposal in question, however, goes beyond this power. It says, in effect, the states shall be free to impose their own laws which shall be controlling, unless those laws are inconsistent with Congress's ideas, in which event, Congress shall make the laws for the states.

This is, to me, a clear invasion of the local legislative power which has no precedent of which I am aware. It is true that Congress has conditioned the grants of moneys on state acquiescence to Congressional standards. And this was sustained by a long line of cases following *Massachusetts* v. *Mellon*. But it should be remembered that the rationale for the decision in *Massachusetts* v. *Mellon* was that the state need not accept the moneys and, therefore, need not abide the conditions ordained by Congress. This legislation, S. 354, gives no such alternative to the states. If they choose not to follow Congressional command, it will nevertheless be imposed upon them. If there is anything at all left of the constitutional concepts of federalism, this bill surely violates them.

* * * * *

With all good wishes,
As always,
Philip B. Kurland.

THE UNIVERSITY'S INVOLVEMENT IN APPLIED RESEARCH FOR LOCAL GOVERNMENT

Mr. MATHIAS. Mr. President, recently Robert L. Crain and Jack C. Fisher of the Center for Metropolitan Planning and Research at the Johns Hopkins University delivered a paper at the Washington Regional Conference of the American Council on Education. This paper deals with the University's involvement in applied research for local government.

Mr. President, I ask unanimous consent that this paper be printed in the Record.

There being no objection, the paper was ordered to be printed in the Record, as follows:

The University's Involvement in Applied Research for Local Government*

(By Robert L. Crain and Jack C. Fisher)

I think we would all agree that universities have traditionally not been involved in applied research helpful to their local communities. We at the Center for Metropolitan Planning and Research of The Johns Hopkins University have been struggling to break down the barrier between Johns Hopkins and the Government of the City of Baltimore and as a consequence have become more aware of the causes of the separation between the two institutions. In this paper we want to point out some ways in which creation of urban study centers at universities and the development of a federal funding program known as the Urban Observatory have attempted to break down some of the barriers.

We have come to believe that the many factors cited as separating the academy from government ultimately go back to two main problems. First, college professors as a group are constitutionally opposed to applied research. It threatens the sacredness of the academy and it is a source of impurity which flaws the beauty of pure research. One cannot underestimate the seriousness of this problem.

Second, we have come to realize that some sectors of local government have little understanding of, and consequently little commitment to, the research and development function. Of course, in some problem areas local government has little freedom of choice; it is the helpless victim of national policies and other dominant political pressures with little need for a highly developed policy planning process. But we would still maintain that many areas of government decisionmaking do not have well developed research and development programs wherein new policy alternatives and new methods of program implementation may be generated.

To some degree the creation of the urban study centers in the 1960's was an effort to solve the first problem. It was a device which brought together researchers with an interest in urban problems in hopes that they could form an institutional base which would enable them to work together within the academy. To some extent it succeeded. It has provided a meeting ground for those faculty members who are interested in applied research. It has provided career opportunities (although not necessarily academic appointments) for those staff who wish their success to be measured by their ability to solve real world problems. It has provided a telephone line between the city and the university where none existed before. Casual contacts between city officials and university people have led to seemingly accidental opportunities for valuable collaborative work.

The Johns Hopkins Center has been more successful than most. No doubt, some of the reasons are unique, and it would be immodest and uninteresting to discuss them. But there are some important structural reasons. First, the Center's Director is a Professor of City Planning, rather than someone from a traditional social science department such as psychology, economics or sociology. This interdisciplinary leadership means that the Center's goals will not be subverted in order to enhance the standing of any single department on the campus. Second, the President of the University has expressed a strong commitment toward serving the city. But the Metro Center, like most centers, has run afoul of two problems. First, it does not control the recruitment and promotion of the faculty members it wishes to work with. A researcher whose work is highly respected at the Metro Center may not be retained by his department. This has happened repeatedly at Hopkins and at other schools. Secondly, it is very difficult to obtain local community funds for applied research.

One of the most interesting ways in which the federal government has acted to provide funds for applied research for local government has been the National Urban Observatory Network. This is a grant program originating in the Department of Housing and Urban Development. An annual grant is made to the National League of Cities. Annually, Baltimore and nine other cities each receive approximately $75,000 through the program. Although this $75,000 is earmarked for the city, its use is partly restricted to research topics which have been agreed upon in advance by the National Urban Observatory system.

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*Paper to be presented at the Washington Regional Conference of the American Council on Education, March 1974.

For example, a research topic might be developed either by the National League of Cities, by a university researcher serving as a consultant to the Urban Observatory or by a city department or researcher in any one of the ten cities. If the research item is agreed upon, each of the cities will then be required to carry out the project.

There are several advantages to the system. The most important is that local government has a certain degree of control over what research is done by local universities. Secondly, the fact that funds are earmarked in advance for a particular city means that the madness of writing proposals to Federal agencies which have only a slim chance of being funded is eliminated. Third, the requirement that local government use universities means that in at least some cases local government will obtain better and more objective research than if it went to its own staff or to consultants. In Baltimore we can see some successes from the program combining Metro Center staff and city agencies: economists have contributed to Baltimore's manpower programs; an engineer has advised the city on its sanitation problems; and a political scientist has prepared an essay on citizen participation, which has resulted in additional allocation of city funds in providing technical assistance to various neighborhoods. The latter study compared the effectiveness of various neighborhood groups, and identified the structural problems encountered by such groups.

The program has probably been more successful in Baltimore than in most of the other Urban Observatory cities. We suspect that this is largely a result of Baltimore's generally good set of middle-level bureaucrats. In part, the program has been successful because it has not had to take time to establish connections between the University and the city—many links had already been developed by the Metro Center. In part, the program succeeded because it was able to draw upon the services of a number of different schools rather than becoming the property of any one university. And in part, Baltimore's success is related to the fortunate City decision of locating control of the Urban Observatory in the Department of Planning, the agency which best understands the significance of research.

Some of the successful work done by Johns Hopkins for the Urban Observatory is attributable to a peculiar characteristic of the university: many faculty have strong, lifelong ties to the Baltimore region and many faculty remain at Hopkins because they have personal commitments to the city. We think it is no accident that two of the successful studies done at Hopkins were done by researchers who were born and raised in Baltimore.

At the same time the Observatory program has several clear disadvantages. The relatively small magnitude of research funding has produced project diseconomies, with many cities leaving the conduct of the program to the universities to do as they please. The City of Baltimore has felt that being compelled to participate in a set of research topics defined nationally is often quite foolish.

The use of a common research agenda in all ten cities provides opportunities for comparative research, that are deemed of slight value to any particular city, and frequently is viewed as a subversion of local goals in favor of national objectives. Urban problems have subtle differences from location to location. When problems are similar, a city still may not wish to tackle a particular problem in conformity with a national time schedule. University faculty feel that the program robs them of their autonomy and turns them into data collectors. In short, the layers of control which may be necessary to prevent either local government, the University, or HUD from subverting the project away from its original intent have tended to prevent the Urban Observatory system from successfully decentralizing. These layers of control create an enormous overhead—not in financial terms, but rather in the removal of policy control from local government and local researchers.

Yet it is not at all obvious how one would reform this structure in order to create more decentralization. The National League of Cities serves a useful function in protecting the program both from the federal government's overcontrol and the potentiality of the program being subverted by the national academic community. The elimination of the national agenda-making process would no doubt help the program to better serve the needs of cities like Baltimore, but we doubt that this would get to the root of the problem.

Ultimately the problems of the Urban Observatory go back to the failure of the city and the university to understand and respect each other. Perhaps the most important action the universities could take would be to create departments of apppllied social research to parallel their social science departments, in much the same manner departments of engineering and medicine parallel their departments in biological sciences and physical sciences. Until universities begin to value applied research, and until cities recognize the need for research with more than a sixty day turn around time, the gulf between what the university *could* do for the city and what it *will* do for the city will remain.

POLICY IMPOUNDMENTS CONTINUE

Mr. HUMPHREY. Mr. President, from recent announcements it appears that the Nixon administration has changed its tune on impoundment. The brusque, truculent manner of last year is no longer in evidence. The style has changed. The fashion this year apparently, is to be low-keyed and moderate.

THE MYTH

For example, when OMB Director Roy L. Ash talked to a New York Times reporter in January, he remarked:

> You can retire that word impoundment from your type. We may even forget how to spell it.

Instead of impounding funds to frustrate congressional goals and priorities, OMB would merely establish budgetary "reserves" for routine and noncontroversial purposes.

When Mr. Ash appeared before the Senate Committee on Rules and Administration on January 15, he announced that he had good news about impoundment:

> When you see the budget that you will have in front of you very soon, probably the last subject that we will find ourselves discussing this coming year, as we did last, will be the question of impoundment.

He assured the committee that the problem of impoundment was all moot in a practical sense. And when he appeared before the House Committee on Appropriations the following month, on February 19, he said that the new impoundment report reflected a change of policy toward normal, routine reserves and apportionment.

THE REALITY

Now let me introduce a note of reality into this discussion. While it is true that the administration has changed its tune on impoundment, it has yet to change its course. Notwithstanding the many conciliatory remarks by executive officials, impoundment is still being used in a substantial way for policy purposes. It is still employed to promote the preferences and priorities of the Nixon administration, despite specific congressional policy and program mandates. Once again we find it advisable to look at what they do rather than what they say.

THE EVIDENCE

Look at the clean-water program. Congress provided $18 billion in contract authority for fiscal year 1973, 1974, and 1975. The administration has released exactly half of that—impounding the astounding total of $9 billion. Congress went on record to establish this national commitment for the fight against water pollution. The administration proceeded to gut this commitment by cutting this program in half. The full financial and human costs of that decision have yet to be calculated.

Impoundment is being used to pressure Congress—holding on to housing money for the purpose of forcing Congress to pass the so-called Better Communities Act. The latest OMB impoundment report shows the following amounts withheld from HUD: $75,012,000 for Model Cities, $55,161,000 for the Open Space Land program, $281,314,000 for urban renewal, and $401,734,000 for basic water and sewer facilities. It has long been the strategy of the Nixon administration to impound those funds as a means of pushing Congress toward passage of its urban special revenue sharing.

The moratorium on subsidized housing, imposed by the administration in January 1973, is still in force. The Nixon administration turned its back on the commitment made by Congress in 1968 to provide assistance to low-income and moderate-income families. The amounts currently withheld include $219,654,000 for homeownership assistance—section 235—and $51,586,000 for rental housing assistance—section 236.

THE PATTERN

The pattern here is unmistakable. Through its constitutional responsibilities to provide for the general welfare, Congress has made national commitments to housing and to clean water. The administration, through its impoundment policy, has undermined and frustrated those commitments. It is also worth noting that at the same time that the administration insists that funds have to be withheld to combat inflation, it proceeds full steam ahead with its own priorities.

How easy it is to discover the values of this administration. It impounds funds for cities, for housing, for rural water and waste disposal, for clean water, and for the progressive social programs of HEW. And yet it comes out with a massive defense budget justified, in part, by the administration as necessary for the purpose of "pump-priming" a sick economy. I find it incredible that this administration is holding back money from essential social programs to combat inflation while at the same time urging expenditures for superfluous defense items in order to stimulate our sluggish economy. Small wonder that this administration has lost its credibility with the American people.

IMPOUNDMENT CONTINUES

Even if you look at OMB's own report on "budgetary reserves," it is clear that policy impoundments remain with us. The report of February 1974 shows a number of programs delayed for such broad policy purposes as combating inflation or keeping spending within the public debt limit.

Those two arguments are used to rationalize obvious policy impoundments for the Appalachian regional development program, Agriculture Research Service construction, the Water Bank Act program, rural electrification, rural water and waste disposal, and grants for rural housing for domestic farm laborers. That is not all. The same two vague arguments show up for impoundments of funds for programs under the National Bureau of Standards and the Maritime Administration. They appear again in the following HUD programs: Nonprofit sponsor assistance, Model Cities, grants for neighborhood facilities, open space, water and sewer facilities, urban renewal, and new community assistance grants. These same two convenient covers for policy decisions, are also applied to impoundments in the Bureau of Prisons, the Coast Guard, the Federal-aid highway program, territorial highways, and public lands highways. Significantly, of the funds withheld from the Defense Department, not 1 penny is impounded for these policy reasons.

IMPOUNDMENT UNDERGROUND

There is additional evidence that the impoundment practice is going underground. Apparently the administration is trying to accomplish by indirect means what it cannot achieve overtly through the constitutionally designed legislative process. Is impoundment going to disappear from our dictionaries only to be replaced by a new form of withholding, a form more subtle and less abrasive, perhaps, but capable of serving the same purpose of frustrating the intent of Congress? We are discovering a vast range of quasi-impoundments: Slow processing of applications, understaffing, personnel ceilings, restrictive agency regulations, apportioning all funds to the fourth quarter, and a stretchout of spending. Is this the new style of impoundment?

Styles may change, new words may emerge, but I see no fundamental shift in the administration's position. The pattern is the same, executive officials are still twisting laws and words to favor their own priorities, despite the clear policy and program decisions made by the Congress in strict accordance with its responsibilities as determined by our Founding Fathers and established by them in the Constitution.

ILLEGAL USE OF UNION FUNDS FOR POLITICAL PURPOSES

Mr. HANSEN. Mr. President, here we are in the midst of debate over campaign and election reform, yet the Congress has failed to give any real consideration to one of the biggest abuses in our system, the illegal use of union funds for political purposes. No legislation can be called comprehensive in this respect unless these abuses by union leaders are stopped.

My distinguished colleague from Arizona, Mr. FANNIN, gave a speech March 29, 1974, to a chamber of commerce group in Litchfield Park, Ariz., and in this talk he discussed the key role the unions play in our political system. I ask unanimous consent to have the text of his remarks printed in the RECORD for the benefit of my colleagues who have not read this speech.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

SPEECH OF SENATOR FANNIN, MARCH 29, 1974

During the next nine months three crucial decisions will be made.

First, there is the question of impeachment.

Second, there is the question of whether unions achieve their proclaimed objective of a veto-proof Congress.

Third, there is the question of whether the Congress adopts public campaign financing proposals which I believe would be devastating to the free enterprise system and the future of our country.

All of these issues have to be of greatest importance to businessmen and to all Americans who believe in our traditional business enterprise system.

Today I will make some observations on these three related issues, and what I think the implications are for the business community.

Just as in the heat of a political campaign, the President's opponents think they have drawn some blood so they are out for the kill.

But one of the strengths of our Government is that it does not allow stampeding as our Constitution provides for due process. This provision can be summed up in two words—"fair play".

The considerations facing this Nation are almost unbelievable.

Impeachment would have a detrimental effect upon the entire Nation and it could be a difficult time for commerce. Congress could be paralyzed for at least three months and it seems logical that the executive branch of Government would be seriously distracted by an impeachment trial. We are a strong Nation and we would survive—but there would be a cost.

It would be a time of international peril because our longtime adversaries and foreign mischiefmakers would be tempted to take advantage of our diversion. Negotiations for needed trade agreement revision, for disarmament, and for settlement of international conflicts could be set-back or even scuttled. It would be a tragedy for the world to undercut President Nixon at such a crucial time in international relations.

In my visit to the Mideast in January I found that foreign leaders have tremendous respect for President Nixon, and it is his prestige that has been a very important factor in keeping the lid from blowing off the powder keg in that part of the world. Much credit is and should be given to Secretary Kissinger but most of the foreign leaders recognize President Nixon as the final decision maker.

It is no secret that I remain strong in my support of President Nixon. He should not resign, and he should not be impeached. I will continue to support him unless someone can show me concrete and irrefutable evidence that the President is guilty of a crime which constitutes an impeachable offense.

As I have said, if there is an impeachment trial, I would approach this with a totally open mind and make my judgment on the evidence presented. To date I have seen nothing which even justifies a trial, let alone a conviction. In my opinion it would be highly detrimental to our national future if he were hounded out of office.

President Nixon has provided outstanding leadership for this Nation.

To cite just one example, President Nixon's appointment of Supreme Court Justices is vital today and will have even more of an impact for many years into the future.

Watergate has to be a great personal tragedy for President Nixon because it is a blight upon what otherwise has been an exceptional record of public service and accomplishment.

The impeachment effort gives us a good picture of just how vicious and how effective the powerful union lobby can be.

When the AFL–CIO established impeachment as one of its goals, it unleashed a heavy barrage upon the President.

Union lobbyists on Capitol Hill received their signals to swing into action.

Union newspapers which pour into congressional offices stepped up their attacks.

But most important, the unions were able to put the heat on the House Judiciary Committee. Public records show unions donated more than $189,000 in 1972 to elect Democrats serving on that committee. Chairman Peter Rodino of New Jersey received almost $31,000 in campaign help from the unions.

Democrats on the Judiciary Committee got the message when Mr. Meany called for impeachment.

It will be interesting to see if the unions can pull off the impeachment effort. If they can, we face the tragedy that future Presidents can well be in the pocket of the labor officials.

The second issue I have raised is whether unions will be able to get a veto-proof Congress.

The Executive Council of the AFL–CIO in its report to the federation's 1973 convention recommended:

"1. Total commitment at all levels of the labor movement to achieve victory at the polls in 1974.

"2. Establishment of a COPE committee in every affiliated local union to do its utmost to assure political participation by every member, to the extent at least of registering, voting and contributing to COPE.

"3. Increased efforts at all levels to communicate on a continuing basis with members on issues and candidates' records."

The implication in this statement is that the unions will do anything necessary to win. The statement uses the words "total commitment at all levels of the labor movement to achieve victory." It does not include any reference, as one would hope, to remaining within legally permitted limits. And what are the legally permitted limits—is it legal to have more than one-half the people on their payroll working in political activities?

The union bosses already are at work and bragging about their great successes in the special elections in Pennsylvania, Michigan, and Ohio.

Union political workers swarmed into Pennsylvania's 12th congressional district. We have reports that at least 23 rooms in hotels and motels in Johnstown were rented for use by these union political workers. The Pennsylvania COPE organization used its non-profit organization bulk postage permit to send out at least two mailers on behalf of the Democratic candidate. So-called "soft money" from the unions was used to contact educators and enlist them to work for the union candidate.

In Michigan, we are told that organized labor manned 300 telephones in Grand Rapids. They made more than 90,000 calls from union headquarters and hiring halls. They admitted contributing $34,000 in cash to the Democratic candidate.

In the first district of Ohio, the unions again went to work and again the Democratic candidate of their choice was elected.

Union bosses already control from 50 to 55 Senators on any issue where they care to pull the strings. If the pattern shown in the special elections so far this year were to hold true in the fall, then the unions will have a total stranglehold on the Senate and the House as well.

When George Meany says he wants a veto-proof Congress, in reality he is saying:

He wants unrealistic price rollbacks

He wants confiscatory taxes on business and industry

He wants to bar most product imports from abroad

He wants to break up multinationals

He wants socialized medicine

He wants ever higher minimum wages

And most damaging, he wants an end to the right to work law and all other legal impediments to a complete unionization of America.

He wants a Congress in which no action is taken until it is approved by big labor chiefs.

This is what George Meany means by a veto-proof Congress.

He has an awesome arsenal at his disposal.

Labor Columnist Victor Riesel has estimated that unions spent $60 million in the 1968 Federal elections and $50 million in 1972.

A recent study by Americans for Constitutional Action found reported union contributions of about $1.7 million to Senate candidates in 1972. All but $123,000 went to Democrats.

But the monetary contributions of the unions really are not the significant factor. What is important is that unions supply numerous valuable services which are paid for—illegally—out of union dues.

Union officials paid out of dues work on the campaign staffs of union-backed candidates.

Expensive union computers are used to compile information and make mailings for the benefit of chosen candidates.

Union secretaries paid through union dues process thousands of letters on dues-purchased stationery.

Union-owned printing presses churn out campaign literature.

Union-owned vehicles are used for campaign activities and to get pro-union voters to the polls.

Unions conduct registration drives which are designed to sign up voters who will do the union bidding.

Union-held credit cards finance travel for certain candidates.

Union-sponsored dinners raise funds to help the selected candidates.

Union phones, as I mentioned earlier, are utilized profusely.

Unions have the leverage to turn out armies of so-called volunteers to work for candidates. We all know the subtle and not-so-subtle persuasion that union bosses can employ to get volunteers.

Recently we had a rare glimpse of just how the unions operate. The glimpse came as a result of a case initiated by a group of members against their union, the International Association of Machinists.

This case forced the union to disclose documents which showed how "political education" funds actually were used to campaign for candidates which had the support of union bosses. These funds help pay for campaign staff members, for use of union computers, for travel, for polls and printing services, for fund raising dinners, and for get-out-the-vote drives.

These documents showed that the machinist union provided at least $9,300 in non-cash assistance in addition to the $5,000 cash it gave to Senator Gale McGee in 1970.

Ralph Yarborough got at least $10,680 in union-financed services in addition to the $8,950 he received in his unsuccessful race for the Senate in Texas in 1970.

When John Gilligan ran for the Senate in Ohio in 1968, he got $15,200 cash from the machinists and another $15,500 indirectly.

Estimates were made that the machinist union officials spent time in political campaigning which was worth more than $42,000 in 1968, more than $58,000 in 1970, and more than $39,000 in 1972. One machinist report showed that in August 1970 at least one field representative was working full time on each of more than 20 congressional campaigns. It also was shown that some machinists who were off their regular jobs to campaign were given union lost time compensation—paid for out of union dues, of course.

Letter in the union files described how democratic workers would go ahead of union voter registration teams to identify residences of unregistered supporters of the union candidate.

This court action only documents what we already knew was happening. Unions are making extensive use of the so-called "soft money" on partisan politics.

The figures in this one case aren't overwhelming until we stop to consider several factors:

First, this undoubtedly still is a vast understatement of the union's involvement in politics. It is not a full accounting.

Secondly, this is only one element of the AFL–CIO, a union with less than 4 percent of union membership in America.

Multiply this by 25 and we have some idea of the tremendous political power the unions can and do muster.

Earlier I mentioned the heavy bombardment that the unions already have unleashed. So we know that this fall's election is going to see the unions pull all the stoppers. They will be going all out, and they will be very difficult to counter.

This brings me to the third point, campaign reform legislation.

One might expect that in the furor over Watergate and the deep concern over political reforms, some significant effort would be made to curb abuses by the unions, but this has not happened.

Section 610 of the Federal Corrupt Practices Act as amended by the Federal Election Campaign Act of 1971 provides that corporations, national banks and labor unions cannot lawfully make a contribution or expenditure in connection with a Federal election.

This section provided criminal penalties. In my opinion, the law as spelled out in both the statute and the Supreme Court decision has been more honored in its breach than in its enforcement against labor organizations.

True, perhaps as many as 20 corporations contributed corporate funds to the re-election campaign of President Nixon. Eight of them have admitted it and have been fined $5,000. If any labor unions have been indicted, I am unaware of it.

In 1970, the Justice Department indicted President Hall of the Seafarers Union and other union officials for violation of the Corrupt Practices Act. The Seafarers' political activity donation fund was one of the richest such funds within the AFL–CIO and Mr. Hall was accused of disbursing nearly $1 million in campaign donations in 1968.

At about the same time, the Justice Department indicted United Mine Workers President Tony Boyle under the same law. The Boyle case ended in prosecution and conviction, but the case against the Seafarers was dismissed by the court on the ground that the prosecution had not pushed it promptly. Justice did not appeal and the case was dropped.

However, as I have indicated, cash contributions are only the tip of the iceberg and it is the in-kind contributions that the unions dole out lavishly to their chosen candidates.

The Corrupt Practices Act and the 1971 amendments have not done the job.

Now, at a time when Common Cause and leading populist politicians are trumpeting the need for campaign reform, we still find that they are blind to the abuses of organized big labor.

When the Senate debated and passed S. 372 last year it totally ignored this problem.

Although the House never acted on S. 372 and that legislation is still in limbo, the Senate now has moved on frenetically to consider another campaign reform bill.

Backers of the current public campaign financing have called it comprehensive reform legislation. Yet, once again, they have conveniently neglected any provisions to restrain the unions from improper election activities.

For that matter, the Senate also is ignoring its own Watergate Investigating Committee which was supposed to give us the complete picture so that we could intelligently decide what campaign reforms are needed.

The Watergate Committee failed miserably to seek out union abuses. To my knowledge the only action taken by this committee was to send out questionnaires to unions asking them about their activities. This is not what I would call aggressive investigation.

Perhaps it doesn't make a lot of difference, but now we have the Senate plunging ahead without even waiting to see what the Watergate Committee has found.

To be quite candid, we don't need a report.

There is not a Member of Congress who is not aware of the abuses that unions commit without fear of prosecution.

There is not one Member of Congress who is unaware of the powerful influence that labor has on the Congress.

In 1969, George Meany was quoted as saying:

"I think frankly we have the most effective lobby in Washington, we don't go bragging about our lobby. We don't brag that we are lobbyists. We don't talk about it. But actually, we are lobbyists."

The only thing that has changed since 1969 is that the union lobby has become even stronger. Recently I was asked by a reporter to rate the oil industry lobby. I said with all sincerity that the oil lobby was about one-tenth as powerful or as effective as the unions.

On several occasions I have attempted to put some brakes on the union bosses. I have tried to ensure that the ideal of the Corrupt Practices Act be enforced.

To do this, I would make it mandatory that the Internal Revenue Service revoke the tax exempt status of any union which used membership dues for political purposes illegally.

Each time I have attempted to get this amendment through, it has been killed by the union lobby.

Any campaign reform bill should contain at least two elements to be comprehensive:

It must strictly control and require the reporting of "in-kind" contributions such as the use of computers, paid campaign aides, telephone canvassing, and the like.

It must provide enforcement against the misuse of union dues for political purposes.

There are many other items that should be included to keep candidates, businessmen and others from committing campaign abuses. But when we ignore the unions, we ignore the most powerful single lobby in Washington.

If our country is to make progress, we must have a system which has balance. It must provide a chance for all the various interests to be heard and to have a just chance in the political process. When any single group becomes too strong, it is detrimental to the Nation. It was true when big business was able to run roughshod over the country; it is true when big labor is able to dictate to the Government.

We should have a system where the same rules apply both to labor and to business. The double standard which we have—with unions free to ignore the law—can no longer be accepted.

I hope that what I have said here today does not lead anyone to believe that the cause is lost, that we might as well all give up and apply for union membership.

It is possible for us to restore balance to our system.

We soon will know one way or the other which way the impeachment process will go.

We can and we must prevent the unions from electing a veto-proof Congress next fall.

We must get across to the public the fact that until we have effective control of union political activities, we do not have the most important element in campaign reform.

In conclusion, I would say that the business community has been badly outgunned by big labor. The past 12 months have been a disaster. The unions are launching an all-out assault. If our economic system is to survive, we can only follow the advice of the French leader Maréchal Foch when he said: "My center is giving way, my right is in retreat; situation excellent, I shall attack."

The businessmen of this country, who are the employers furnishing the jobs in this Nation, must not be forced out of politics by big labor—it is the unions which depend upon business for their very existence. If we lose the influence, the talents, and the judgment of our business and industry leaders, then this country will no longer retain its position of world leadership.

There is only one solution—fight for your rights and the rights of all Americans.

FAIR WITHHOLDING OF INDIVIDUAL INCOME TAXES

Mr. MATHIAS. Mr. President, earlier this year I introduced S. 3111 which would revise our current income tax withholding rates to end the massive overwithholding which occurs each year under the current system. I made this proposal on both economic and equity grounds. The current overwithholding siphons from the economy billions of dollars which should be circulating through the economy, producing goods, services, and jobs. Moreover, the current system deprives millions of Americans of money which they have earned and which they need, particularly in light of the soaring inflation which afflicts us today.

I was pleased at the reaction of the public to this proposal, and the support which it has received among professional economists. I was also pleased when Secretary Shultz endorsed the proposal to adjust withholding rates in testimony before the Senate Finance Committee in late March. I am hopeful that the Congress will enact the needed adjustments in these withholding rates at the earliest possible time.

Recently, the Dispatch, the evening newspaper in Columbus, Ohio, endorsed this proposal in an editorial entitled "Tax Withholding Review Advisable." I ask unanimous consent that this editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

TAX WITHHOLDING REVIEW ADVISABLE

Congress should have no trouble in accepting Treasury Secretary George Shultz' recommendation to revise federal income tax withholding rates which now cause most taxpayers to overpay.

The secretary told the Senate Finance Committee the overpayments amount to $6 billion which must be refunded.

While the federal treasury realizes substantial earnings on this excess revenue, its collection in the long run is not good governmental policy in several respects.

It drains off temporarily the taxpayer's money which he himself can put to better use, either to pay his current bills or to invest as he chooses to enlarge his own income. In principle, too, the government—if it must err—should err in favor of the people.

Governmental withholding of excessive taxes tends also to obscure in the people's own mind how much they really pay for government.

Furthermore, the fact that the taxpayer receives a refund does not mean his government is operating economically in his favor.

The most effective way to remind ourselves of the high cost of government would be not to withhold taxes from the pay envelope and to allow the correct amount to fall due at the end of the year. What a staggering amount most taxpayers would have to come up with!

This proposition's basic merit still is in no way lessened by the nation's choice to do it otherwise.

Secretary Shultz' proposal may have the appearance to some of trimming the tax bite, but it would only turn more of the taxpayer's current disposable income into the economy instead of into deposits in the federal treasury at no interest.

Tax cutting at this time appears to be more a Democratic temptation, what with several Democrats proposing an outright federal income tax reduction or increase in personal exemptions.

Either of the two, withholding rate revision or tax reduction, would give the economy a shot in the arm, but the administration proposal makes more economic sense at this time.

A tax reduction, however welcome to taxpayers at any time, would merely add to the federal budgetary deficit for fiscal 1975 and accelerate inflationary pressures.

Already, the prospective deficit is estimated at $9.2 billion by the administration.

The diversion of $6 billion in overpaid withholding would not only stimulate the economy, but send more bona fide revenue into the treasury to help reduce the impending deficit as well.

Such a course would be fairer to the taxpayer and might even lessen the constant tendency of Congress to spend more and more money it just does not have.

COMMERCE DEPARTMENT FLEET LAUNCHES 1974 OCEAN STUDIES

Mr. HOLLINGS. Mr. President, I was pleased to learn recently of the Commerce Department's decision to expand its personnel and ships for the purpose of investigating the oceans and waters of the United States and foreign lands. This study will include everything from deep-water surveys to studying fisheries resources.

I believe this news release merits our attention, therefore I ask unanimous consent that it be printed in the RECORD.

There being no objection, the news release was ordered to be printed in the RECORD, as follows:

COMMERCE DEPARTMENT FLEET LAUNCHES 1974 OCEAN STUDIES

Approximately 1000 scientists, technicians, officers, and seamen will man 21 Commerce Department ships plus numerous smaller craft in a new season of investigations of the oceans and waters that lap the shores of the United States and foreign lands.

Their activities will take them up and down the coasts of the United States to the Caribbean and the Gulf of Mexico, across the Atlantic to Africa, off both coasts of Latin America, into the vast reaches of the Pacific, the Gulf of Alaska, and elsewhere.

They will probe the oceans, including the land beneath and the air above, the coastal waters and estuaries of the United States, the submerged continental shelves, the wrecks that dot America's shores, the treacherous currents that endanger seamen and their craft, and the water's abundant aquatic life.

Some work will be glamorous; much of it will be routine, but essential. The mysterious internal waves, which undulate below the surface of the sea, will be probed, as will the mountains, ranges, canyons, and massive fractures in the earth at the bottom of the sea. And scientists will seek additional evidence of the movement of the continents and sea floor spreading. Others will conduct investigations necessary for managing fisheries resources.

While the larger seagoing vessels are carrying on deep ocean activities, the smaller ships of the Commerce fleet will be conducting marine charting surveys, measuring the currents along the coasts and in estuaries, bays, and harbors, and scouring coastal sea lanes for submerged wrecks, pilings, abandoned equipment, coral and rock formations, and other dangers to sea commerce and recreational boating.

Still other vessels will be studying fisheries resources, conducting investigations, such as tracking fish migrations, and gathering data for predicting areas of occurrence and levels of abundance, studying environmental parameters that affect survival and fluctuations in population, and assessing and evaluating the potential for use of the various fisheries resources. Various experiments will be conducted to advance man's knowledge of the ocean's living resources and to develop or perfect assessment equipment and techniques, such as remote underwater observation equipment and diving with or without submersibles.

The ships are operated by the Commerce Department's National Oceanic and Atmospheric Administration. The NOAA Fleet supports primarily the activities of three NOAA agencies—the National Ocean Survey, the National Marine Fisheries Service, and the Environmental Research Laboratories. They are based at Norfolk, Va., Miami, Fla., Detroit, Mich., Seattle, Wash., and, for those engaged primarily in fisheries research and studies, at various ports where fisheries laboratories and centers are located.

This year, as during the past few years, NOAA scientists are continuing their research on the interrelated theories of continental drift and sea floor spreading. According to the continental drift theory, the earth at one time had one or two large land masses which began to split some 200 million years ago. The theory postulates that, as the sea floor spreads, the continents are drifting at about one inch or so a year. The drifting resulted in the separation of the supercontinents. According to a related theory, the earth's crust is made up of gigantic, grinding, constantly moving plates or segments.

Deep ocean surveys will be conducted by the NOAA Ships *Oceanographer* and *Researcher*. These and other vessels will be engaged in extensive oceanographic research projects involving studies in such widely-separated areas as the North Atlantic, Puget Sound, the Great Lakes, the New York Bight, Gulf of Mexico, Caribbean, and the central and eastern Pacific.

The studies will seek to extend man's understanding of the ocean and the atmosphere above; to evaluate the living marine resources of waters off the United States and South America; to assess the environmental impact of submerged coastal areas, such as the New York Bight; and to study the behavior of cloud clusters and their role in the larger circulation of the atmosphere. Some studies will involve other U.S. agencies and educational institutions and foreign countries. Various studies are tied in with efforts to obtain data which will help solve the problem of ocean pollution.

A study of tropical atmosphere and oceans and their effect on the earth's weather will be carried out by the Seattle-based *Oceanographer* and the Miami-based *Researcher* off the northwest coast of Africa in conjunction with ships and aircraft of 10 nations.

On the Great Lakes, the *Shenehon* will set current meters on Saginaw Bay, after which she will perform research work on the St. Clair and Detroit Rivers and lower Lake Huron, while the *Laidly*, using a newly-installed hydroplot system, will make hydrographic surveys on Lake Erie. The *Johnson* will conduct a water quality survey of Saginaw Bay early in the season and will then be shifted to chart revisory surveys on Lake Michigan. The *Virginia Key*, operating out of Miami, will conduct near-shore and coastal oceanographic studies.

Much of the work that will be done by NOAA ships in 1974 will be essential to safe navigation. Marine Charting surveys will be carried out by the *Rainier*, *Fairweather*, *Davidson*, *Mt. Mitchell*, *Whiting* and *Peirce* in the waters of the Carolinas, Georgia, Florida, California, Washington, Alaska, and other areas. *McArthur* will conduct tide and current surveys in Washington and Alaskan waters.

Essential also to safe navigation are the wire drag surveys for underwater hazards conducted in the Gulf of Mexico by the *Rude* and *Heck*. Circulatory studies will be performed by the *Ferrel* in the New York Bight, the 15,000-square-mile area of ocean waters and continental shelf that extends from Montauk Point, Long Island, to Cape May, N.J.

While these activities are underway, NOAA vessels will be engaged in important fisheries surveys and research along U.S. coasts, in the Caribbean and Gulf of Mexico, off Nova Scotia, and in the Pacific.

These vessels carry out a wide range of studies as diverse as egg and larval surveys off the east coast to studies of the abundance and distribution of groundfish in the Gulf of Alaska and Bering Sea. They gather biological data vital to international discussions and agreements on fisheries, as well as data for the MARMAP program (Marine Resources Monitoring, Assessment and Prediction), a long-range study of our fishery resources. Essentially, the mission is to estimate periodically the size of stocks in total numbers and weights and their expected yields at given levels of fishing. This is done primarily by fishery catch analysis, egg and larval studies, and juvenile and adult stock surveys.

Major marine resources being studied include shrimp, lobster, tuna, snappers, billfish, pollock, sablefish, and salmon. Included among these vessels will be the *Oregon* and *Oregon II*, *Bowers*, *Albatross IV*, *Murre II*, *Jordan*, *Cobb*, and *Rorqual* and *Delaware II*. Another seagoing vessel, the *Pribilof*, will make four supply trips to communities on the Pribilof Islands in the Bering Sea, where the Alaska fur seal herd is maintained by the National Marine Fisheries Service.

THE ENERGY CRISIS

Mr. HANSEN. Mr. President, I have read the speech of Mr. Herman J. Schmidt, vice chairman, Mobil Oil Corp., which the distinguished Senator from Texas (Mr. Tower) inserted in the Record, April 8, 1974. Mr. Schmidt makes an excellent case for the proper role of Government, the foremost being the need for a comprehensive national energy policy. I certainly agree with the viewpoint expressed and would concur that a Federal oil and gas corporation and regulation of intrastate gas would be counterproductive.

NAACP SUPPORT FOR IDA

Mr. HUMPHREY. Mr. President, Mr. Roy Wilkins, executive director of the NAACP, recently sent me a column he wrote strongly urging Congress to support the fourth IDA replenishment.

Mr. Wilkins has raised several important issues which I believe the Senate should seriously consider before voting on IDA. He correctly states that the continuance of the International Development Association is a life or death issue for many of the poorest states of Africa. Anyone who has read the newspaper accounts of the tremendous suffering in the drought-stricken states of west Africa knows that this is true. These countries have seen their land devastated, their livestock destroyed, and the vast majority of their people forced to live as refugees in conditions of extreme poverty and severe malnutrition. IDA is committed to providing extensive assistance to these countries to enable them to once again support their populations.

The drought in West Africa, which is spreading to other poor African nations, was so devastating partly because these countries were among the least developed in the world. The commitment of IDA to bring such countries into the development process—to provide roads, to develop water resources, and to introduce better agricultural techniques—will enable these countries to better cope with natural disasters in the future. Increasing the agricultural productivity of the world's least developed countries, IDA's first priority is essential in a world where the price of food is skyrocketing—where the poorest nations simply cannot afford a bad harvest.

A second important issue that Mr. Wilkins brings out is the necessity that the United States realize that the world in which we live does not consist only of Europe and the major Communist powers. He states:

> The U.S.A. has been Europe-oriented, not Africa-oriented. We send our dollars to Europe. Lately we have included Japan and soon will include China. We simply do not see our destiny, as yet, in Africa.

Yet our destiny is in Africa—and in the less-developed countries of Asia and Latin America as well. All these countries have vast, untapped natural resources on which we will become increasingly dependent in the future. All have vast human resources which go undeveloped because of a lack of education and health care. IDA is committed to the development of these resources—and to making the entire world richer in the process.

Finally, Mr. Wilkins raises the inescapable moral issue that as we have grown wealthier, we have also grown less generous. He points out that:

> If we go by per capita income, our contribution is only one-tenth of what it was 25 years ago. This is not a proud spot for the richest nation the world has ever seen.

There are sound economic arguments for our participating in the development of natural resources we will soon need. There are sound political arguments for our cooperating in the development of countries whose cooperation we will soon need on a broad range of international political issues. But in weighing the pragmatic arguments, we must not forget the moral implications of the wealthiest nation in the world refusing to participate in the international effort to prevent starvation and relieve suffering in the poorest nations.

In considering the IDA legislation, we must keep in mind the generosity of countless Americans who gave to the victims of the drought in West Africa. Many of these Americans believe, as Mr. Wilkins does:

> The U.S., so fat and rich, must not starve millions of human beings. If our vote denies bread to the black people of Africa, whatever excuses we give to the world, in our heart of hearts we shall don sack cloth and ashes and we shall weep for the brothers we could have helped, but did not.

Mr. President, I ask unanimous consent that Mr. Wilkins' column be printed in the Record.

There being no objection, the column was ordered to be printed in the Record, as follows:

The Roy Wilkins Column

(By Roy Wilkins)

The people who have suffered during the African drought will be starving to death in 1974 because the House of Representatives of the United States of America, the richest nation on earth, failed to enact a bill which would enable the poor African nations to borrow from the World Bank and thus stave off starvation.

Representatives in the House were reacting, it is said, to the strong American feeling that this nation ought not to vote money for any foreigners, especially if they are black. But the vote of January 23 was more than resentment against voting another money bill. It was more than resentment against the actions of the President who has cut off funds for poor Americans, while still asking that American money go to the poor in foreign lands.

American private citizens have leaped to the aid of any people, anywhere, after disaster has struck. We have poured out our dollars and our goods wherever there has been want. It matters not whether the stricken people suffered from a tidal wave, an earthquake, a volcano, a flood, a drought, a tornado or whatever, American hearts went out to them. American pocketbooks were opened. In fact, disaster relief has been so generous and so loosely administered inside our own country that there has been a shaking of heads over some phases of the relief of our own people.

Apparently this has not extended (at least through our elected representatives in the Congress) to the black people of Africa. We have given them, it is true, a million here and a million there to relieve a multimillion-dollar need, but nothing comparable to the millions and hundreds of millions—even the billions—we have made available to nations not predominantly black.

The U.S.A. has been Europe-oriented, not Africa-oriented. We send our dollars to Europe. Lately we have included Japan and soon will include China. We simply do not see our destiny, as yet, in Africa. Color helps our white people in their mistaken righteousness, but it is not the whole answer.

However, it is difficult to convince a hungry black population, as well as millions of American blacks, that skin color is merely incidental. The question now is, "To starve or not to starve?"

The United States ranks 14th among the 16 donor countries. Its per capita income is today 30–40 times that of the people in the poor nations of Africa and Asia. If we go by per capita income, our contribution is only one-tenth of what it was 25 years ago. This is not a proud spot for the richest nation the world has ever seen.

Nor is it an occasion for boasting that the sharing agreement was negotiated at a meeting to all interested parties in Nairobi, Kenya. The House of Representatives seems to be saying that it does not live up to agreements negotiated in Africa. The share of the United States was 1.5 billion dollars spread over four years instead of three. It was the smallest share ever for the U.S.

Mr. McNamara, president of the World Bank, has called the refusal of the House "an unmitigated disaster for hundreds of million of people in the poorest nation of the world."

The U.S., so fat and rich, must not starve millions of human beings. If our vote denies bread to the black people of Africa, whatever excuses we give to the world, in our heart of hearts we shall don sack cloth and ashes and we shall weep for the brothers we could have helped, but did not.

ENERGY STUMBLING BLOCKS

Mr. BARTLETT. Mr. President, there is a great need for the Interior Committee and its ex officio members, pursuant to Senate Resolution 45 passed by the 92d Congress, to have informational hearings to determine now the likely stumbling blocks that will limit the energy producing industries' ability to cope with the current shortage of energy supplies. Already we have seen drilling activity hampered by a lack of readily available oil country tubular goods and drilling rigs. These are just the first of many obstacles that we should plan for well in advance, because generally long leadtimes are required to solve these problems.

We not only need a national commitment for a goal of domestic energy sufficiency, but also the planning necessary to achieve it as soon as possible.

How many oil and gas wells should be drilled in 1974 and succeeding years?

How many oil and gas wells can be drilled in these years?

Mr. President, the Federal Energy Office agrees with me that we need an overall energy program to achieve the objectives of Project Independence. The first goal should be to determine the rate of drilling required domestically to achieve the desired levels of domestic production. I feel that it will be necessary to at least double the current drilling rate.

Several areas of oilfield operations must be discussed in detail to determine if inhibiting shortages are likely to occur, when they will occur, and how best to avoid their occurrence.

Congress should determine in advance if the manufacturers of material goods necessary for oilfield operations will be able to supply greatly expanded material needs of the petroleum industry such as steel casing and other tubular goods, drilling rigs, drill bits, tool joints, compressors, and other critical machinery.

Congress should determine if the oilfield service companies who support the producing and workover activities of the petroleum industry will be able to provide continued expansion in crucial areas such as cementing of wells, logging operations, and perforating of wells.

Congress should determine if qualified personnel will be available to the industry such as trained labor for rig crews and field operations, trained technicians, and professional people such as qualified geologists and engineers.

Congress should determine if the engineering support companies with particular expertise necessary for the design and construction of refineries, pipelines, et cetera, are able to provide the necessary rate of expansion of those facilities.

Congress should determine the ability of the financial community to provide capital for the tremendous investments and the required profitability of the oil industry if the financial community is to justify making those commitments.

Congress should determine the restrictions to rapid expansion of the Federal leasing effort to assure that adequate acreage is available to explore for oil and gas.

All of these areas and others need to be heard now, not when additional shortages occur and we are hampered further in our efforts to increase energy supplies.

No one in Congress knows what needs to be done to go from a situation of shortages to a position of self-sufficiency.

The consumers deserve more than shortages and the hot air of political demagoguery. To date Congress has done very little to provide the consumers with sufficient supplies of energy. Congress seems content with harassing the oil companies to the delusive joy of their people back home.

Instead, we as representatives, have the responsibility to learn for our people back home what needs to be done to increase energy supplies for their welfare.

Otherwise, the people of the United States will be faced with allocations and rationing and in general the frustration of dealing with shortages of energy.

THE ORGANIZATION MEN

Mr. HUGH SCOTT. Mr. President, I commend to my colleagues the following editorial from the Wall Street Journal of Thursday, April 4, 1974. It is an unusually thoughtful analysis of the current political situation. I ask unanimous consent that it be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE ORGANIZATION MEN

Of the many important lessons to be drawn from Watergate, one of the least discussed is the extent to which institutions help restrain excess ambition and zeal. Vice President Ford hinted in that direction in a recent speech criticizing "an arrogant elite guard of political adolescents" which bypassed the regular party organization, made its own rules and ran roughshod over the seasoned political judgment of party regulars. But the Vice President necessarily limited his remarks to the GOP, when in fact it is necessary to look beyond that for an answer.

The national preoccupation with what happened in Watergate has tended to overshadow the equally important question of how it happened. As a result, entirely too many people have chalked up the whole sordid episode to politics as usual. Yet generally it was the amateur playing at politics, rather than the professional politicians themselves, who conceived and carried out the cover-up.

Those who emerged from the episode with their integrity intact tended to be career officials and such institutions as the Internal Revenue Service and the CIA. The explanation seems to be that these officials had an unshakable determination to defend their institutional interests, therefore they couldn't be persuaded to join in the Watergate circus. It's fashionable to ridicule the limited loyalties exhibited by organization men and bureaucratic institutions, and to disparage their preoccupation with minor improvements rather than sweeping reform. Yet while such institutional inhibitions may be frustrating, they are also likely to be prudent.

It's important to remember that the political parties, like the FBI or CIA, are enduring institutions with enduring interests. Critics are forever inveighing against "machine politics" and "political wardheelers," as though they were somehow loathsome. The worst of them may well be; certainly history offers some pretty sordid examples of political machines. But successful political organizations are responsive to the concerns of citizens in a way "reform" politicians rarely are. Perhaps more to the point, if only out of self-interest successful political organizations would not likely try to subvert the very political process of which they're so integral a part.

Vice President Ford implied that ethics aside, professional politicians would not have undertaken a Watergate-type operation because they would not have risked the damage that a bungled operation was likely to inflict. CREEP, on the other hand, had no organizational loyalties beyond the reelection of Richard Nixon, therefore it had no overriding need to worry about the wider GOP fortunes.

Moreover, party pros would not have acted as though the 1972 election were a matter of life or death. Most of them understand that politics is not an abstract goal but an intricate social process. Its weapons are not break-ins and burglary but accommodation and compromise. Opponents are not enemies to be subdued but a political faction to be won over.

All this tends to suggest that the best way to avoid future Watergates is to strengthen the political parties. Unfortunately, though, the trend is in the other direction: The changing role of the media, emerging demographic patterns, and broad economic and social changes have combined to weaken party loyalty. It's still not clear what will arise to take the place of the major party organizations, except that the sorting out process is likely to be drawn out and maybe even painful.

Yet despite the received wisdom about "political hacks," the worst effects of the new political environment may very well be minimized precisely by encouraging the participation of organization men who can be depended upon to respect political and institutional limits.

SUPPORT FOR PSRO

Mr. BENNETT. Mr. President, during the past few days I have made two speeches on the Senate floor concerning the PSRO provision which I sponsored, and which was signed into law as part of Public Law 92–603.

In brief, the PSRO provision was designed to afford practicing physicians at local levels an opportunity, on a voluntary and publicly accountable basis, to undertake medical care review for medicare and medicaid rather than having this review done by the Government itself and its agents, as in the present medicare program.

In the first of these speeches, I reviewed the reasons why the Congress passed and the President signed this important piece of legislation.

In the second speech I rebutted the unfortunate and unseemly propaganda barrage of distortions and half-truths which was recently released by the American Medical Association against the PSRO amendment.

Today, I would like to discuss the strong support for the PSRO amendment, both within organized medicine and from the administration and the Congress. I think it is important for us in Congress to keep in mind that many elements of medicine support the PSRO amendment.

The PSRO amendment was given careful consideration and would never have passed had it not been for the fact that many, many physicians participated in drafting the amendment and many groups of physicians supported passage of the amendment. For example, a number of large State medical societies supported and continue to support the PSRO provision. Among these are the State societies in Pennsylvania, Mississippi, Colorado, New Mexico, and my own State of Utah. In addition, many local medical societies supported and continue to support the provision. In fact, willingness to cooperate with the PSRO provision by large numbers of medical organizations can be documented by the large number of physician groups who have already requested to be designated as potential or conditional PSRO's.

Additionally, the principal medical specialty societies have been supportive of the PSRO concept and have been cooperating in its implementation. Just last week, for example, in New York, the 25,000-member American College of Physicians, one of the largest national medical organizations, composed of specialists in internal medicine, came out in support of the provision.

I think the Senate will also be interested in what I consider to be one of the most significant resolutions in support of PSRO. The House of Delegates of the Student American Medical Association, meeting just recently, passed a resolution strongly supporting the PSRO program. Mr. President, I ask unanimous consent that that resolution be printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

RESOLUTION NO. 11A—PROFESSIONAL STANDARDS REVIEW ORGANIZATIONS, 1974

Resolved, that SAMA reaffirms its policy of endorsement of responsible peer review, and be it further

Resolved, that SAMA recognizes the opportunity provided by Section 249F of Public Law 92–603 to improve the quality and decrease the cost of medical care, and be it further

Resolved, that SAMA urges more effective means be developed for the maintenance of confidentiality, and be it further

Resolved, that SAMA feels that review, and in particular peer review, should be considered educational first before punitive, and be it further

Resolved, that SAMA urges all medical students and the medical profession to work toward implementing Professional Standards Review Organizations and encourages the inclusion of physicians-in-training at all levels of planning and implementation, and be it further

Resolved, that SAMA acknowledges that PSRO is a legislative mandate which enables physicians to maintain control of their profession."

Mr. BENNETT. Mr. President, I think this resolution is most significant because it shows that those many thousands of young men and women in medical school and recently graduated from medical school, who have their whole lives and careers in medicine before them, believe not only that they have nothing to fear from appropriate peer review, as called for in the PSRO provision, but that they see such review as a strong positive force toward assuring high quality medical care.

Mr. President, I think that the last portion of the Student AMA resolution is perhaps the most significant:

> Resolved that SAMA acknowledges that PSRO is a legislative mandate which enables physicians to maintain control of their profession.

These young student doctors realize that Federal health programs are not only here to stay, but will likely expand in the future. These student doctors are intelligent enough to realize that with programs of this magnitude, a quality and utilization review mechanism is necessary and, finally, they understand the PSRO provision for exactly what it is—a mechanism to enable physicians to maintain control of their profession.

Unfortunately, those political physicians who seem to have a disproportionate voice within the AMA, appear to be more concerned with warding off, postponing and otherwise hindering the development of any effective professional and accountable review mechanism at all for a few more years—perhaps until they may be out of practice—rather than supporting the establishment of a lasting and effective review mechanism responsibly operated by practicing physicians rather than Government or its agents.

Mr. President, aside from the support for PSRO from many segments of organized medicine, the PSRO provision is strongly and actively supported by the administration. Those within the administration who are responsible for administering the medicare and medicaid programs recognize that the PSRO provision represents a mechanism under which they can carry out their responsibility for effective administration of the programs, while leaving to physicians medical judgments and determinations.

The administration not only supports the PSRO concept as it relates to the current medicare and medicaid programs, but they have also included in their national health insurance proposal provisions so that the PSRO review units would also review medical services provided under the proposed administration health insurance program.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point an excerpt from President Nixon's health message to the Congress on February 20 of this year. The excerpt concerns the PSRO program.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PROFESSIONAL STANDARDS REVIEW

Under my Comprehensive Health Insurance proposal, the Professional Standards Review Organizations now being established by law would be expanded to improve the quality of health care for all.

As presently contemplated, there will be a nationwide system of locally run physician organizations which will review the quality and effectiveness of medical care delivered to Medicare, Medicaid, and Maternal and Child Health beneficiaries. These new organizations, called PSRO's, provide great potential for bringing about improvements in health care practices by the best possible utilization of health care facilities and services.

This program is a unique Federal effort. It recognizes that physicians at the local and State level are best suited to judge quality and appropriateness of care. Individual PSRO's will be established and operated by local physicians, although the Federal Government will pay the operating costs. A number of PSRO's are expected to be designated and set into operation by the end of this fiscal year.

Mr. BENNETT. Mr. President, it is not just the administration which recognizes the necessity and importance of the PSRO program. I have been pleased to see that the sponsors of most of the major health insurance proposals currently before the Congress have included the PSRO concept as an integral part of their proposals. For example, the proposal of Senators LONG and RIBICOFF includes PSRO review. And, the PSRO approach is incorporated in the bill introduced just the other day by Senator KENNEDY and Chairman MILLS.

Mr. President, in closing, I would urge those Congressmen and Senators who may have concerns about the PSRO provision to review the speeches I made on April 1 and April 2. I urge them to keep in mind the fact that the PSRO provision has strong support from many segments of organized medicine, from those who are currently charged with administering the medicare and medicaid programs, and from the sponsors of major health insurance measures.

ASSISTING SMALL BUSINESS TO COMPLY WITH THE OSHA LAWS

Mr. BIBLE. Mr. President, as chairman of the Select Committee on Small Business, I have consistently tried to make it possible for the small business community to be partners in progress rather than the victims of progress.

It was gratifying that the legislation which I first proposed in 1969, enabling SBA loans for general compliance with consumer, pollution, environmental, health and safety standards, became law on January 2 of this year as Public Law 93–237. Our committee has also worked over the years on other possible legislative and administrative proposals to make it practical for small businesses to live with Government requirements.

One of the notable areas of difficulty in this regard has been the occupational safety and health law. This statute gave rise to a massive 330-page set of regulations that still has many businesses tied up in knots in attempts to comply.

A serious defect in the OSHA statute from the beginning has been the inability of the Federal Government to be helpful to the small firms constituting 97½ percent of the business population who may desire earnestly to meet the requirements of the statute within their available management time and financial means.

We have advanced and supported legislation to provide for on-site consultations to remedy this problem. I was gratified to note the recent introduction of a bill by a member of our committee, the Senator from Iowa (Mr. Clark), proposing that the Small Business Administration be given authority to conduct the on-site advisory inspections.

I have been advised by the Department of Labor that the Department views with approval the authority contained in section (b) of the Small Business Act that:

> It shall be the duty of the Administrator (of the SBA) whenever it determines such action is necessary—(1) to provide technical and managerial aids to small business concerns, by advising and counseling on matters in connection with—accident control.

I ask unanimous consent that the correspondence to this effect from the Labor Department be printed in the Record at the conclusion of my remarks.

It was most encouraging that the 10th Biennial Convention of the American Federation of Labor and Congress of Industrial Organization—AFL–CIO—adopted a policy resolution stating that this great labor organization would accept an on-site consultative program for small employers provided that it was "financed to a separate budgetary request"; that is, separate from the administration of the OSHA law, and also that it "provides the same rights and protection for workers as are set forth in the inspection and enforcement sections of (that) act."

It seems to me that we now have some very welcome developments in this field.

I hope that the committees of Congress concerned will be able to move forward with these suggestions and bring a real measure of relief to the thousands of small firms who wish to comply with occupational safety and health requirements.

There being no objection, the correspondence was ordered to be printed in the Record, as follows:

U.S. Department of Labor,
Washington, D.C., December 20, 1973.

Dear Senator Bible: Because of your recognized interest in helping small businessmen comply with occupational safety and health standards, I felt the enclosed letter from Assistant Secretary Stender would be of interest to you.

If you have any questions or require additional information, please let me know.

Sincerely,

Benjamin L. Brown,
Deputy Under Secretary for Legislative Affairs.

U.S. Department of Labor,
Washington, D.C., December 20, 1973.

Mr. George H. R. Taylor,
Executive Secretary, AFL–CIO Standing Committee on Occupational Safety and Health, Washington, D.C.

Dear Mr. Taylor: Thank you for your recent letter asking for my reaction to your policy resolution agreeing to on-site consultative programs for small employers if those programs are separately financed and administered.

My position is in strong support of on-site consultative service to assist small businesses in complying with safety and health standards. Even before affirming that stand during my confirmation hearings, I took an active role as a Washington State Senator in assuring such a provision would be included in my home state's occupational safety and health plan.

Under present law, the Labor Department is not authorized to offer Federal consultation in an employer's establishment without conducting an inspection at the same time. Where States have sought such authority, we have approved on-site consultation service in their plans, if it is shown to have separation from the mechanisms of enforcement sufficient to protect them against reduced impact.

While I am reluctant to offer an interpretation of laws that govern other agencies, to be fully responsive to your question, I feel I should point out a statutory provision that relates to your resolution. It is the authority found in the Small Business Act (PL 85–536, Section 8(b)) which empowers the Small Business Administration in making available "technical and managerial aids to small-business concerns" to provide advice and counsel on "accident control."

The pertinent provision follows:

"It shall also be the duty of the Administration and it is hereby empowered, whenever it determines such action is necessary—

(1) to provide technical and managerial aids to small-business concerns, by advising and counseling on matters in connection with Government procurement and property disposal and on policies, principles, and practices of good management, including but not limited to cost accounting, methods of financing, business insurance, accident control, wage incentives, and methods engineering, by cooperating and advising with voluntary business insurance, professional, educational, and other nonprofit organizations, associations, and institutions and with other Federal and State agencies, by maintaining a clearinghouse for information concerning the managing, financing, and operation of small-business enterprises, by disseminating such information, and by such other activities as are deemed appropriate by the Administration;" (emphasis supplied)

I hope the foregoing is helpful to you and your colleagues in furthering the common concern of labor, management and government to end injury and illness in the American workplace.

Sincerely,

John H. Stender,
Assistant Secretary of Labor.

AFL–CIO,
Washington, D.C., December 14, 1973.

Mr. John H. Stender,
Assistant Secretary, Occupational Safety and Health Administration, U.S. Department of Labor, Washington, D.C.

Dear John: The 10th Biennial Convention of the AFL–CIO held October 18–24 of this year unanimously adopted a policy resolution dealing with occupational safety and health. Copies of this resolution were given to your Special Assistant, Mr. Maywood Boggs, one of which he told me would be delivered to you. I understand that this was done.

I particularly wish to call to your attention that part of our policy resolution addressed to on-site consultative services. It reads:

"Accept any on-site consultative program for small employers only if it is separately financed and administered by an agency other than the Labor Department, provides the same rights and protections for workers as are set forth in the inspection and enforcement sections of the Act, contains penalties against its misuse to avoid compliance with the standards of the Act, and is financed under a separate budgetary request."

The AFL–CIO, therefore would oppose any legislation proposed, now or in the future, which would be counter to the above. Moreover, it would oppose with equal vigor any administrative proposal to accomplish on-site consultative services within OSHA.

I would appreciate your taking the opportunity to examine our statement dealing with on-site consultative services and giving us the benefit of your reactions at your earliest possible convenience.

Sincerely yours,

George H. R. Taylor,
Executive Secretary, AFL–CIO Standing Commtitee on Occupational Health and Safety.

MARYLAND VOTERS POLL

Mr. MATHIAS. Mr. President, I want to report the results of a poll that I conducted recently among the people of Maryland, because I think it will be of interest throughout the country as an indication of the thinking of a significant body of opinion. In a newsletter that I mailed early in March to approximately 400,000 households in the State of Maryland, I included a poll that asked several specific questions on two issues—"Federal election reform" and "energy and the economy." I also asked recipients of the poll to write-in other matters that they thought should receive top congressional priority this year.

There were approximately 25,000 poll responses to my office. I should emphasize that while the poll provides an insight into the attitudes of residents of the State, there is no way to determine the educational background, ethnic composition or income level of the respondents. There also was no effort made to break down the responses into geographical regions. Thus, the results of this poll can be accurately and usefully interpreted only when bearing in mind these unanswered questions. Nevertheless, the results are highly informative.

In summary, Mr. President, the poll reveals strong support among Marylanders who responded for a number of Federal election reforms—with the notable exception of public financing. Returns also show that slightly fewer than half the respondents think the energy crisis is real. But they express support of various proposals to deal with a shortage of energy. Finally, Mr. President, analysis of the poll results makes it clear that the rising cost of living and the unsettled nature of the Watergate affair head a list of domestic issues that Marylanders think should be given top priority by Congress this year.

I ask that the report on the Maryland poll be printed in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

[Results in percent]

Would you favor—	Yes	No	No opinion
I. FEDERAL ELECTION REFORM			
1. A fixed ceiling on campaign expenditures	89	11	0
2. Public disclosure of personal finances of all elected officials	75	22	3
3. Outlawing cash gifts to campaigns	61	37	2
4. Larger tax deductions for campaign contributors	20	76	4
5. A single 6-year term for President	37	58	5
6. Public (government) financing for: Presidential campaigns	50	48	2
7. Congress and Senate campaigns	46	50	4
8. Party primary campaigns	26	67	7
9. General election campaigns only	26	49	25
10. A law to limit the size of political contributions? (If "yes," what should the limit be?)	77	15	8
Dollar limit as a percentage of those answering "yes": $50 and under—9 percent; $100—25 percent; $500—12 percent; $1,000—21 percent; $5,000—8 percent; $10,000 and over—6 percent; specified no dollar amount—19 percent.			
11. Mandatory retirement of elected officials at a specific age? (If "yes," what should the age be?)	67	27	6
Retirement age as a percentage of those answering "yes": 60 and below—7 percent; 62—3 percent; 65—40 percent; 68—4 percent; 70—36 percent; 72—2 percent; 75 and above—7 percent; specified no age—1 percent.			
II. ENERGY AND THE ECONOMY			
12. Do you believe the energy crisis is real	48	39	13
Would you favor—			
13. Voluntary fuel conservation	66	24	10
14. Gasoline rationing	51	42	7
15. Allowing gas prices to rise	30	64	6
16. Easing environmental restrictions	51	41	8
17. Expanded nuclear power facilities	82	11	7
18. Greater governmental spending on energy research	80	15	5
19. Controls on oil company profits	79	16	5

III. The "write-in" section of the poll was tabulated by selecting twenty key issues (listed below) and recording the responses as a percentage of the total number of "write-in" comments sampled. For example, the 17% figure for inflation means that of all the comments recorded, nearly a fifth (or 17%) dealt with inflation. The relatively low percentage figures for the majority of the issues are a function of the large number and variety of comments received. The percentages should not be interpreted to mean that there are no overriding issues. In fact, seven issue-areas account for 70% of the comments and should be considered significant (in order of importance): inflation, impeachment, tax reform, regulation of oil companies, "put Watergate behind us", mass public transportation, and health care. It should be noted however, that many respondents declined to offer written suggestions, while others held priorities that constituted less than one percent of the comments sampled. For example, the issues of gun control, abortion, unemployment, education, and the media were suggested but are not among the top twenty priorities.

As a percentage of "write-in" comments sampled—

(Percent of twenty key issues recorded)

1. Other energy measures:	
Development of solar energy	4
Regulation of oil companies (includes nationalization, public disclosure of inventories, higher tax on oil companies, etc.)	8
Fuel price rollbacks	1
Development of offshore and shale oil deposits	1
Total	14
Other priorities	
2. Economy:	
Inflation (includes both a general concern about the cost of living and concerns about specific sectors of the economy)	17
Overall reduction in government spending	3
Total	20
3. Public confidence in government:	
Impeachment (includes those favoring resignation and "removal of the President")	15
Put Watergate behind us (includes anti-impeachment and "get on with the country's business")	7
Corruption in government	2
Restore confidence in elected officials	5
Total	29
4. Domestic programs.	
Tax reform (includes lowering property and mid-range income taxes as well as closing loopholes)	11
Mass public transportation	6
Health care (includes both comprehensive and partial federal health insurance)	6
Welfare reform	4
Old age assistance	2
Total	29
5. Military:	
Maintain strong national security	1
Cut military spending (includes general reduction and lowering troop levels abroad)	1
Total	2
6. Crime:	
Crime	2
Restore death penalty	1
Total	3
7. Environmental issues:	
Environment (includes all references to cleaning up the environment and strengthening ecological safeguards)	3
Total	3

CONCLUSION

The open ended nature of the "write-in" section makes it difficult to accurately determine how a percentage of the population feels about a given issue (for example, of those ballots sampled, only 14% contained a reference to inflation). Nevertheless, by considering the relative frequency of comments, it is clear that the rising cost of living and the unsettled nature of the Watergate affair are issues which the sampled population sees as of primary importance. At the other end of the spectrum, some issues are important because of the lack of response which they generated; i.e., there was relatively little interest evinced in the areas of crime and international security. Based on this sample, then, it would seem that domestic issues should be given top priority by Congress this year.

WHY TAXES SHOULD NOT BE CUT NOW

Mr. **FANNIN**. Mr. President, I would like to bring to the attention of my colleagues an article in the April 9 edition of the Wall Street Journal by Prof. Murray L. Weidenbaum entitled "Why Taxes Should Not Be Cut Now." Contrary to the report of the Joint Economic Committee calling for a $10 billion tax reduction, Professor Weidenbaum concludes "that a very substantial amount of fiscal stimulus is already programed and foreseeable in the Federal budget for the coming year."

Mr. President, controlling the rising spiral of inflation should have the highest priority in Congress and it is difficult for me to understand how we control inflation by enlarging a prospective fiscal year 1975 deficit of roughly $26 billion.

As Malcolm Forbes, in the April 15 edition of Forbes, so aptly states:

> Cut Taxes? Yes, sure—that's the way to slow inflation. Don't we always put out fires by dousing them with gasoline?

Mr. President, I ask unanimous consent that the full text of Professor Weidenbaum's article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WHY TAXES SHOULDN'T BE CUT NOW

(By Murray L. Weidenbaum)

Projections of rising unemployment have given rise to pleas for reducing federal taxes to provide more stimulus to the economy. Hence, it is in order to examine how expansionary the federal budget really is going to be in the year ahead.

On the surface, the fiscal outlook appears to be quite moderate. A modest $9.4 billion deficit is projected in the unified budget for the fiscal year beginning July 1. Moreover, on a "full employment" basis, the budget is expected to register a restraining $8 billion surplus for the fiscal year 1975. On this basis, there would appear to be some opporunity for further fiscal stimulus to a soft economy.

However, my examination of the details of the budget indicate that the deficit may be as high as $20 billion for the coming year, and that the "full-employment" budget has become a victim of inflation.

AN OVERSTATEMENT

Revenues for the fiscal year 1975 are officially estimated at $295 billion. But on the basis of the same general economic assumptions (a 1974 gross national product of $1,390 billion and an unemployment rate of 5.5%), the staff of the Joint Committee on Internal Revenue Taxation estimated receipts for the year at $287 billion, or $8 billion lower.

About $3 billion of the discrepancy is due to the tax legislation which the administration has proposed, mainly the so-called tax on windfall oil profits. The present outlook is dim for congressional action raising oil industry taxes by that amount. All in all, federal revenues seem to be overestimated by $6-$8 billion.

On the expenditure side, the estimate for unemployment compensation may turn out to be low, particularly if the unemployment rate exceeds the administration's expectation of 5.5% for the calendar year 1974. Even if the economy turns up in the second half, it is most unlikely that the real rate of growth will be sufficiently rapid to absorb the growing labor force. Thus, it is likely that, from the current level of 5.2%, the rate of unemployment will rise and exceed 5.5% for the year as a whole.

On the basis of past experience, it is likely that the administration and Congress will both take a more liberal attitude toward spending in general as the unemployment rate continues to rise. Hence, an election year may well result in the economic slowdown compelling an increase in government outlays substantially beyond the budget requests. At least in the past, the policy reaction has been "too much, too late." All in all, expenditures are likely to be $2 billion to $4 billion above the fiscal 1975 estimate.

There is one further area that deserves our attention, the fairly new phenomenon of the so-called "off-budget" agencies. The term was introduced for the first time in the 1975 budget. It does not include many items which would seem to fit the title, such as the government-chartered Federal Land Banks and the Federal National Mortgage Association. These enterprises, which have become privately owned in recent years, properly are excluded from the budget.

The new category of "off-budget" agencies is limited to enterprises which are entirely federally owned and controlled—the Export-Import Bank, the Postal Service, the Rural Electrification Administration; they are truly part of the federal government. The only thing that separates them from the agencies that are included in that budget is that Congress has passed laws which arbitrarily move their financial transactions out of the budget. The result is clear: The total of federal expenditures and the resultant budget deficit are both lower than they would be if this arbitrary change had not occurred.

It is noteworthy that when the Treasury reports the federal government's total borrowings from the public, the $3 billion of financial requirements of the off-budget agencies are added back in! Thus, total expenditure overruns and revenue shortfalls could easily convert the anticipated $9.4 billion deficit to a substantial $20 billion net injection of federal purchasing power into the economy's income stream in the year ahead.

There are some of course who would react to this situation by shifting the debate to the so-called full-employment budget. Even after allowing for the $3 billion of federal spending by the off-budget agencies, this measure of federal finance would still show a comfortable and comforting $5 billion surplus in fiscal 1975. But here account must be taken of two key shortcomings of this series: (1) the 4% unemployment assumption and (2) the impace of inflation.

Without rekindling the debate as to whether 4% unemployment is a feasible target, it is important to understand that the choice of unemployment assumption can be critical to determining whether the full-employment budget registers a surplus or a deficit for any given time period. If we take at face value the estimates in the January budget and do nothing more than raise the unemployment assumption, we will lower if not eliminate the projected "full employment" surplus.

As shown in the table below, at 4.5% unemployment, the full employment budget registers a $5 billion deficit rather than an $8 billion surplus. This change occurs because revenues are more than twice as sensitive as expenditures to changes in the level of economic activity. (Technically, the "income" elasticity of federal revenues is 1.1 and of expenditures only 0.5 in the short run.)

TABLE A.—1975 FULL-EMPLOYMENT BUDGET

[Dollars in billions]

Unemployment assumption	Revenues	Expenditures	Surplus (+) or deficit (−)
4.0 percent	$311	$303	+$8
4.5 percent	299	303	−4
4.8 percent	296	304	−8

A similar analysis can be performed to show the impact of inflation. The more rapid the rate of inflation, the smaller the deficit or the larger the surplus that is registered in this budget series. As shown in the table below, shifting from the 7% inflation assumed used in the budget to the more customary 3% reduces the projected full-employment surplus from $8 billion to $2 billion.

TABLE B.—1975 FULL-EMPLOYMENT BUDGET

[Dollars in billions]

Inflation assumption	Revenues	Expenditures	Surplus (+) or deficit (−)
7 percent	$311	$303	+$8
3 percent	299	297	+2
0 percent	290	292	−2

To see what the total effect of inflation on the full-employment budget concept is, we can observe the figures that would result from no change in price levels—a $2 billion deficit in the "real" full employment budget. The purpose of this analysis is not to question the realism of the 7% inflation assumption used in the January budget. Rather, it is to cast grave doubt over the validity of using the full-employment budget numbers as presently computed as an indicator of fiscal restraint during a period of substantial inflation.

A POWERFUL STIMULANT

Contrary to the views of those who are advocating reductions in the federal personal income tax, it can be seen that a very substantial amount of fiscal stimulus is already programed and foreseeable in the federal budget for the coming year.

Reducing federal taxes may be attractive in an election year. Yet, given the inevitable lags in voting and implementing a change in policy, a 1974 tax cut would have little effect on employment this year. But it would likely have a substantial inflationary impact during an economic upturn in 1975.

GUIDE FOR FEDERAL AID TO EDUCATION

Mr. MONDALE. Mr. President, a concise guide to programs administered by the U.S. Office of Education for fiscal year 1974 appears in the March 1974 issue of American Education. The guide clearly and simply outlines the types of assistance available, the amounts appropriated, and basic application information.

Because this table would be helpful to students, teachers, school administrators, and others interested in education in Minnesota and throughout the Nation, I ask unanimous consent that it be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

FEDERAL FUNDS: GUIDE TO OE-ADMINISTERED PROGRAMS, FISCAL YEAR 1974

The Federal Government is a major source of financial support and technical assistance to the Nation's schools and colleges, chiefly through the U.S. Office of Education (OE). As a major component of the Education Division of the U.S. Department of Health, Education, and Welfare, OE administers programs covering virtually every level and aspect of education. These programs and the Fiscal Year 1974 funds appropriated by Congress in support of them are listed on the following pages.

For easy reference, the programs are presented in categories or groupings that indicate whether they serve individuals or institutions and the nature of their support, for example, research or construction. Since the several phases of one program or activity may serve more than one category, a given program may be listed more than once.

It is important to note that under special provisions of the HEW Appropriations Bill, the President is authorized to withhold from obligation and expenditure up to $400 million of the total, with the reservation that funds appropriated for no one program, activity, or project may be reduced by more than five percent. With that withholding option taken into account, the Office of Education's funding level for Fiscal Year 1974 comes to $5,936,944,000. This sum does not include the FY 1974 appropriation of $75 million for the National Institute of Education, the other major component of the HEW Education Division.

It should also be noted that distribution of OE funds for Title I of the Elementary and secondary Education Act is subject to a special "hold harmless" provision. Under this provision allocations will be made in such a manner that no State will receive less than 100 percent and no more than 120 percent of the amounts it received in FY 1973. Within each State, no local education agency will receive less than 90 percent of the amount it received in FY 1973, with no stated ceiling on amounts above that level.

Reprints of the "Guide to OE-Administered Programs, Fiscal Year 1974" are available. A single copy may be obtained free on request to American Education. P.O. Box 9000, Alexandria, VA 22304. Multiple copies may be purchased from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402 at 25 cents each (25 percent discount on orders over 100). When ordering, please specify OE–74–01016.

GROUP I: TO INSTITUTIONS, AGENCIES, AND ORGANIZATIONS

Type of assistance	Authorizing legislation	Purpose	Appropriation (dollars)	Who may apply	Where to apply
PT. A—FOR ELEMENTARY AND SECONDARY EDUCATION PROGRAMS					
1. Bilingual education	Elementary and Secondary Education Act, title VII.	To develop and operate programs for children aged 3–18 who have limited English-speaking ability.	50,350,000	Local education agencies or institutions of higher education applying jointly with local education agencies.	OE Grant Application Control Center.
2. Comprehensive planning and evaluation.	Elementary and Secondary Education Act title V–C.	To improve State and local comprehensive planning and evaluation of education programs.	4,750,000	State and local education agencies	OE Division of State Assstance.
3. Follow Through	Economic Opportunity Act of 1964 (amended by Public Law 90–222).	To extend into primary grades the educational gains made by deprived children in Head Start or similar preschool programs.	41,000,000	Local education or other agencies nominated by State education agencies in accordance with OE and OEO criteria.	OE Division of Follow Through.
4. Incentive grants	Elementary and Secondary Education Act, title I, pt. B (amended by Public Law 91–230).	To encourage greater State and local expenditures for education.	17,855,000	State education agencies that exceed the national effort index.	OE Division of Compensatory Education.
5. Innovative and exemplary programs—supplementary centers.	Elementary and Secondary Education Act, title III.	To support innovative and exemplary projects.	146,168,000	Local education agencies	State education agencies, or OE Division of Supplementary Centers and Services.
6. Indian education	Indian Education Act (Public Law 92-318) title IV, pt. A.	To aid local education agencies and Indian controlled schools on or near reservations meet the special educational needs of Indian children.	25,000,000	Local education agencies and Indian controlled schools on or near reservations.	OE Office of Indian Education.
7. Programs for children in State institutions for the neglected and delinquent.	Elementary and Secondary Education Act, title I (amended by Public Law 89–750).	To improve the education of delinquent and neglected children in State institutions.	25,449,000	State parent agencies	State education agencies.
8. Programs for disadvantaged children.	Elementary and Secondary Education Act, title I (amended by Public Law 89–750).	To meet educational needs of deprived children.	1,446,338,000	Local school districts	State education agencies.
9. Programs for Indian children	Elementary and Secondary Education Act, title I (amended by Public Law 89–750).	To provide additional educational assistance to Indian children in federally operated schools.	15,809,936	Bureau of Indian Affairs schools	Bureau of Indian Affairs, Department of Interior.
10. Programs for migratory children.	Elementary and Secondary Education Act, title I (amended by Public Law 89–750).	To meet educational needs of children of migratory farmworkers.	98,331,000	Local school districts	State education agencies.
11. School library resources and instructional materials.	Elementary and Secondary Education Act, title II.	To help provide school library resources, textbooks, and other instructional materials.	90,250,000	Local education agencies	OE Division of Library programs.
12. Special grants to urban and rural school districts with high concentrations of poor children.	Elementary and Secondary Education Act, title IV, pt. C (amended by Public Law 91–230).	To improve education of disadvantaged children.	47,701,000	Local school districts	State education agencies.
13. Special projects in Indian education.	Indian Education Act (Public Law 92-318), title IV, pts. B and C.	To support planning, pilot, and demonstration projects for the improvement of educational opportunities for Indian children and to develop training programs for educational personnel.	15,000,000	Indian tribes, organizations, and institutions; State and local education agencies and federally supported elementary and secondary schools for Indian children.	OE Office of Indian Education.
14. State administration of ESEA Title I programs.	Elementary and Secondary Education Act, title I (amended by Public Law 89–750).	To strengthen administration of ESEA, title I.	18,048,000	State education agencies	OE Division of Compensatory Education.
15. Strengthening State education agencies.	Elementary and Secondary Education Act, title V–A.	To improve leadership resources of State education agencies.	34,675,000	State education agencies, combinations thereof, and public regional interstate commissions.	OE Division of State Assistance.
PT. B—FOR STRENGTHENING ORGANIZATIONAL RESOURCES					
16. Library services	Library Services and Construction Act, title I.	To extend and improve public library services, institutional library services, and library services to physically handicapped persons.	44,019,000	State library administrative agencies.	OE Division of Library programs.
17. Interlibrary cooperation	Library Services and Construction Act, title III.	To establish and operate cooperative networks of libraries.	2,730,000	State library administrative agencies.	OE Division of Library programs.
18. State administration (of NDEA programs).	National Defense Education Act, title III.	To strengthen administration in in State education agencies for supervisory and related services to elementary and secondary schools.	2,000,000	State education agencies	OE Division of Library programs.
19. Instruction in nonpublic schools	National Defense Education Act, title III, sec. 305.	To provide interest bearing loans to private schools to improve instruction of academic subjects.	250,000	Nonprofit private elementary and secondary schools.	OE Division of Library programs.
20. Instruction in public schools	National Defense Education Act, title III.	To strengthen instruction of academic subjects in public schools.	26,250,000	State education agencies	OE Division of Library programs.
21. Educational personnel training and development.	Education Professions Development Act (Public Law 90–35).	To support, broaden and strengthen training of teachers and other educational personnel.	26,179,000	State and local education agencies, colleges, and universities.	OE Division of Educational Systems Development.
22. Teacher Corps	Education Professions Development Act, pt. B–1.	To improve educational opportunities for children of low-income families and to improve the quality of programs of teacher education for noncertified and inexperienced teacher interns.	37,500,000	Institutions of higher education, local education agencies and State education agencies.	OE Teacher Corps Office.
23. Special programs serving schools in low-income areas.	Education Professions Development Act (Public Law 90–35).	To train or retrain persons for career ladder positions or for staff positions in urban and rural poverty schools; to introduce change in the ways in which teachers are trained and utilized.	46,229,000	State and local education agencies, colleges, and universities.	OE Division of Educational Systems Development.
24. Educational broadcasting facilities.	Public Broadcasting Act of 1967, as amended.	To aid in the acquisition and installation of broadcast equipment for educational radio and TV.	15,675,000	Nonprofit agencies, public colleges, State broadcast agencies, and education agencies.	OE Division of Technology and Environmental Education.
25. Sesame Street—Electric Company.	Cooperative Research Act	To fund children's public television programs.	3,000,000	Children's Television Workshop (only).	OE Division of Technology and Environmental Education.
26. Projects in environmental education.	Environmental Education Act of 1970 (Public Law 91–516).	To develop environmental and ecological awareness and problem-solving skills through education programs conducted by formal and nonformal educational organizations and institutions.	1,900,000	Colleges and universities, postsecondary schools, local and State education agencies and other public and private nonprofit agencies, institutions, and organizations.	OE Division of Technology and Environmental Education.

GROUP 1: TO INSTITUTIONS, AGENCIES, AND ORGANIZATIONS—Continued

Type of assistance	Authorizing legislation	Purpose	Appropriation (dollars)	Who may apply	Where to apply
PT. B—FOR STRENGTHENING ORGANIZATIONAL RESOURCES—Continued					
27. Drug abuse education and related programs and activities.	Drug Abuse Education Act of 1970 (Public Law 91–527).	To organize and train drug education leadership teams at State and local levels; to provide technical assistance to these teams; to develop programs and leadership to combat causes of drug abuse.	5,700,000	Institutions of higher education; State and local education agencies; public and private education or research agencies; institutions and organizations (sec. 3); public or private nonprofit agencies, organizations, and institutions (sec. 4).	OE Division of Drug Education Nutrition, and Health programs.
PT. C—FOR POSTSECONDARY EDUCATION PROGRAMS					
28. Advanced institutional development.	Higher Education Act of 1965, title III, as amended.	To assist selected developing institutions enter the mainstream of higher education.	99,992,000	Developing institutions with demonstrated progress.	OE Division of Institutional Support.
29. College Library Resources	Higher Education Act of 1965, title II–A.	To strengthen library resources of junior colleges, colleges, universities, and postsecondary vocational schools.	9,975,000	Postsecondary institutions	OE Division of Library programs.
30. College Work-Study	Higher Education Act of 1965, title IV-C, as amended.	To stimulate and promote the part-time employment of postsecondary students of great financial need.	270,200,000	Colleges, universities, vocational, and proprietary schools.	OE Office of Student Assistance, Division of Student Support and Special programs.
31. Cooperative education programs	Higher Education Act of 1965, title IV-D, as amended.	To support the planning and implementation of cooperative education programs at higher education institutions.	10,750,000	Colleges and universities	OE Division of Institutional Support.
32. National Direct Student Loan program.	Higher Education Act of 1965, title IV-E, as amended.	To assist in setting up funds at institutions of higher education for the purpose of making low-interest loans to graduate and undergraduate students attending at least half-time.	293,000,000	College and universities	OE Office of Student Assistance, Division of Student Support and Special programs.
33. Cuban student loans	Migration and Refugee Assistance Act.	To provide a loan fund to aid Cuban refugee students.	2,600,000	Colleges and universities	OE Office of Student Assistance, Division of Student Support and Special programs.
34. Endowments to agriculture and mechanic arts colleges.	Bankhead-Jones and Morrill Acts.	To support instruction in agriculture and mechanic arts in land-grant colleges.	12,200,000	The 69 land-grant colleges	OE Division of Institutional Support.
35. State student incentive grants	Higher Education Act, title IV	To encourage States to increase their appropriations for grants to needy students or to develop such grant programs where they do not exist (Grants are on a matching 50–50 basis).	19,000,000	State education agencies	OE Office of Student Assistance.
36. Higher education innovation and reform.	Education Amendments of 1972	To aid higher education in generating reforms in curriculum development, teaching, and administration.	10,000,000	Postsecondary institutions and related organizations.	Fund for the Improvement of Postsecondary Education (ASE).
37. National teaching fellowships and professors emeriti.[2]	Higher Education Act of 1965	To strengthen the teaching resources of developing institutions.	(see 1, 28)	Developing institutions nominating prospective fellows from established institutions and retired scholars.	OE Division of Institutional Support.
38. State Administration of Higher Education Act, titles VI–A and VII–A programs.	Higher Education Act, title XII	To help States administer programs under title VI and VII of Higher Education Act.	3,000,000	State commissions that administer academic facilities instructional equipment programs.	OE Division of Training and Facilities.
39. University community service programs.	Higher Education Act of 1965, title I, as amended.	To strengthen higher education capabilities in helping communities solve their problems.	14,250,000	Colleges and universities	State agencies or institutions designated to administer State plans (information from OE Office of Institutional Support and International Programs).
40. Strengthening developing institutions.	Higher Education Act of 1965, title III.	To provide partial support for cooperative arrangements between developing and established institutions.	(see 1, 28)	Accredited colleges and universities in existence at least 5 years.	OE Division of Institutional Support.
41. Student Special Services	Higher Education Amendments of 1968, title I–A	To assist low-income and handicapped students to complete postsecondary education.	23,000,000	Accredited institutions of higher learning or consortiums.	HEW Regional Offices.
42. Veterans cost-of-instruction	Higher Education Act, Title X	To encourage recruitment and counseling of veterans by postsecondary education institutions.	23,750,000	Postsecondary education institutions.	OE Veterans Program Unit.
43 Supplemental Educational Opportunity Grants.	Education Amendments of 1972	To assist students of exceptional financial need to pursue a postsecondary education.	210,300,000	Participating educational institutions.	OE Division of Student Support and Special Programs.
44. Talent Search	Higher Education Act of 1965, title IV–A, as amended.	To assist in identifying and encouraging promising students to complete high school and pursue postsecondary education.		Institutions of higher education and combinations of such institutions, public and private nonprofit agencies, and public and private organizations.	HEW Regional Offices.
45. Undergraduate instructional equipment.	Higher Education Act of 1965, title VI–A.	To improve undergraduate instruction.	11,875,000	Institutions of higher education, including vocational and technical schools and hospital schools of nursing.	Division of Institutional Support.
46. Upward Bound	Higher Education Act of 1965, title IV–A, as amended.	To generate skills and motivation for young people with low-income backgrounds and inadequate high school preparation.	38,331,000	Accredited institutions of higher education and secondary or postsecondary schools capable of providing residential facilities.	HEW Regional Offices.
47. Fellowships for higher education personnel.	Education Professions Development Act, pt. E.	To train persons to serve as teachers, administrators, or education specialists in higher education.	2,100,000	Institutions of higher education with graduate programs.	OE Division of Training and facilities.

GROUP I: TO INSTITUTIONS, AGENCIES, AND ORGANIZATIONS—Continued

Type of assistance	Authorizing legislation	Purpose	Appropriation (dollars)	Who may apply	Where to apply
PT D—FOR THE EDUCATION OF THE HANDICAPPED					
48. Deaf-blind centers	Education of the Handicapped Act, title VI-C (Public Law 91-230).	To develop centers and services for deaf-blind children and their parents.	14,055,000	State education agencies, universities, medical centers, public or nonprofit agencies.	OE Bureau of Programs for Handicapped, Division of Educational Services.
49. Early education for handicapped children.	Education of the Handicapped Act, title VI-C (Public Law 91-230)	To develop model preschool and early education programs for handicapped children.	12,000,000	Public agencies and private nonprofit agencies.	OE Bureau of Programs for Handicapped, Division of Educational Services.
50. Information and recruitment for handicapped.	Education of the Handicapped Act, title VI-D (Public Law 91-230).	To improve the recruitment of educational personnel and the dissemination of information on educational opportunities for the handicapped.	500,000	Public agencies and private nonprofit agencies and organizations.	OE Bureau of Programs for Handicapped, Division of Educational Services.
51. Media services and captioned film loan program (films).	Education of the Handicapped Act, title VI-F (Public Law 91-230).	To advance the handicapped through film and other media, including a captioned film loan service for cultural and educational enrichment of the deaf.	13,000,000	State or local public agencies, schools, and organizations which serve the handicapped, their parents, employers, or potential employers.	OE Bureau of Programs for Handicapped, Division of Educational Services.
52. Media services and captioned film loan program (centers).	(As above)	To establish and operate a national center on educational media for the handicapped.	(included in 51 above)	Institutions of higher education	OE Bureau of Programs for Handicapped, Division of Educational Services.
53. Media services and captioned film loan program (research).	(As above)	To contract for research in the use of educational and training films and other educational media for the handicapped and/or their production and distribution	(included in 51 above)	By invitation	OE Bureau of Programs for Handicapped, Division of Educational Services.
54. Media services and captioned film loan program (training).	(As above)	To contract for training persons in the use of educational media for the handicapped.	(included in 51 above)	Public or other nonprofit institutions of higher education for teachers, trainees, or other specialists.	OE Bureau of Programs for Handicapped, Division of Educational Services.
55. Programs for children with specific learning disabilities.	Education of the Handicapped Act, title VI-G (Public Law 91-230).	To provide for research, training of personnel and to establish model centers for the improvement of education of children with learning disabilities.	3,250,000	Institutions of higher education, State and local educational agencies, and other public and private nonprofit agencies.	OE Bureau of Programs for Handicapped, Division of Educational Services.
56. Programs for the handicapped (aid to States).	Education of the Handicapped Act, title VI-B (Public Law 91-230).	To strengthen educational and related services for handicapped children.	47,500,000	State education agencies	OE Bureau of Programs for Handicapped, Division of Educational Services.
57. Programs for the handicapped in State-supported schools.	Elementary and Secondary Education Act, title I (Public Law 89-313, as amended).	To strengthen programs for children in State-supported schools.	85,778,000	Eligible State agencies	OE Bureau of Programs for Handicapped, Division of Educational Services.
58. Personnel training for the education of the handicapped.	Education of the Handicapped Act, title VI-D (Public Law 91-230).	To prepare and inform teachers and others who educate handicapped children.	39,615,000	State education agencies, colleges, universities, and other appropriate nonprofit agencies.	OE Bureau of Programs for Handicapped, Division of Training Programs.
59. Training of physical education and recreation personnel for handicapped children.	Education of the Handicapped Act, title VI-D (Public Law 91-230).	To train physical education and recreation personnel for the handicapped.	(included in 58 above)	Institutions of higher education	OE Bureau of Programs for the Handicapped, Division of Training Programs.
PT. E—FOR THE SUPPORT OF OVERSEAS EDUCATIONAL PROGRAMS					
60. Consultant services of foreign curriculum specialists.	Mutual Educational and Cultural Exchange Act and Agricultural Trade Development and Assistance Act (Public Law 83-480) (in excess foreign currency countries).	To support visits by foreign consultants to improve and develop resources for foreign language and area studies.	160,000	Colleges, consortiums, local and State education agencies, nonprofit education organizations.	OE Division of International *Education.*
61. Group projects abroad for language and area studies in non-Western areas.	Mutual Educational and Cultural Exchange Act and Public Law 83-480 (in excess foreign currency countries).	To promote development of international studies.	[2] 2,300,000	Colleges, universities, consortiums, local and State education agencies, nonprofit education organizations.	OE Division of International Education.
62. Institutional cooperative research abroad for comparative and cross-cultural studies.	Agricultural Trade Development and Assistance Act of 1954 (Public Law 83-480).	To promote research on educational problems of mutual concern to American and foreign educators.	(included in 61 above)	Colleges, universities, consortiums, local and State education agencies, nonprofit education organizations.	OE Division of International Education.
PT. F—FOR OCCUPATIONAL, ADULT, AND VOCATIONAL EDUCATION					
63. Adult education	Adult Education Act of 1966, as amended.	To provide literacy programs for adults	63,485,000	State education agencies	OE Division of Adult Education.
64. Occupational training and retraining.	Manpower Development and Training Act of 1962, as amended.	To train persons for work in fields where personnel shortages exist.	145,000,000	Local school authorities (public, private, nonprofit).	State vocational education agency (information from OE Division of Manpower Development and Training).
65. Vocational programs	Vocational Education Act of 1963, as amended.	To maintain, extend, and improve vocational education programs; to develop programs in new occupations.	[3] 494,227,000	Public schools	State boards of vocational education (information from OE Division of Vocational and Technical Education).
PT. G—FOR DESEGREGATION ASSISTANCE AND IMPACT AID					
66. Cuban refugee education	Migration and Refugee Assistance Act.	To help school systems meet the financial impact of Cuban refugee education.	10,000,000 (est.)	School districts with significant numbers of Cuban refugee school-age children.	OE Division of School Assistance in Federally Affected Areas.
67. Desegregation assistance to local education agencies.	Civil Rights Act of 1964, title IV	To aid school districts in hiring advisory specialists to train employees and provide technical assistance in matters related to desegregation.	[4] 21,700,000	School districts	OE Office of School Desegregation Programs.
68. Desegregation assistance to teacher institutes.	Civil Rights Act of 1964, title IV	To improve ability of school personnel to deal with school desegregation problems.	(included in 67 above)	Colleges and universities	OE Office of School Desegregation Programs.
69. Desegregation assistance to general assistance centers and State education agencies.	Civil Rights Act of 1964, title IV	To provide technical assistance for school desegregation activities.	(included in 67 above)	Colleges, universities and State education agencies.	OE Office of School Desegregation Programs.
70. Desegregation assistance (nonprofit organizations).	Emergency School Aid Act, title VII (Public Law 92-318).	To give aid to community based efforts in support of school district E.S.A.A. programs.	19,915,000	Nonprofit organizations and groups of organizations (public or private).	HEW Regional Offices.
71. Desegregation assistance (basic grants).	Emergency School Aid Act, title VII (Public Law 92-318).	To aid school districts to eliminate or reduce minority group isolation.	146,875,000	Local public school districts	HEW Regional Offices.

GROUP I: TO INSTITUTIONS, AGENCIES, AND ORGANIZATIONS—Continued

Type of assistance	Authorizing legislation	Purpose	Appropriation (dollars)	Who may apply	Where to apply
PT. G—FOR DESEGREGATION ASSISTANCE AND IMPACT AID—Continued					
72. Desegregation assistance (pilot projects).	Emergency School Aid Act, title VII (Public Law 92-318).	To help school districts provide special educational assistance in minority group isolated schools.	37,341,000	Local public school districts	HEW Regional Offices.
73. Desegregation assistance (bilingual-bicultural programs).	Emergency School Aid Act, title VII (Public Law 92-318).	To help school districts provide bilingual programs to reduce isolation of minority language groups.	9,958,000	Local public school districts	HEW Regional Offices.
74. Desegregation assistance (educational TV).	Emergency School Aid Act, title VII (Public Law 92-318).	To develop and produce multiethnic TV presentations supporting educational improvements.	7,468,000	Nonprofit organizations, public or private.	OE Office of School Desegregation Programs.
75. Desegregation assistance (special programs).	Emergency School Aid Act, title VII (Public Law 92-318).	To support efforts serving E.S.A.A. aims in areas not included in specified programs.	12,447,000	School districts in U.S. jurisdictions other than States; and nonprofit organizations, public and private.	OE Office of School Desegregation Programs.
76. School maintenance and operation.	School Aid to Federally Impacted and Major Disaster Areas (Public Law 874).	To aid school districts on which Federal activities or major disasters have placed a financial burden.	225,820,000	Local school districts	OE Division of School Assistance in Federally Affected Areas.

GROUP II: INDIVIDUALS—FOR TEACHER AND OTHER PROFESSIONAL TRAINING, AND STUDENT ASSISTANCE

1. Basic educational opportunity grants.	Education Amendments of 1972	To provide financial assistance to postsecondary students at the undergraduate level	475,000,000	Postsecondary education students	P.O. Box G, Iowa City, IA 52240.
2. College work study	Higher Education Act of 1965, title IV-C, as amended.	To stimulate and promote the part-time employment of postsecondary students of great financial need.	(see I, 30)	Graduate, undergraduate, and vocational students enrolled at least half-time in approved educational institutions.	Participating institutions (information from OE Office of Student Assistance).
3. Cuban student loans	Migration and Refugee Assistance Act.	To provide a loan fund to aid Cuban refugee students.	(see I, 33)	Cubans who became refugees after Jan 1, 1959.	Participating institutions (information from OE Office of Student Assistance).
4. Direct student loans	Higher Education Act of 1965, as amended, title IV-E.	To provide low-interest loans to postsecondary students.	(see I, 32)	Graduate and undergraduate students enrolled on at least a half-time basis.	Participating institutions (information from OE Office of Student Assistance).
5. Educational development (for educators from other countries).	Mutual Education and Cultural Exchange Act.	To provide opportunity for educators to observe U.S. methods, curriculum, and organization on elementary, secondary, and education levels.	350,000	Educators from abroad (including administrators, teacher trainers, education ministry officials).	OE Division of International Education.
6. Fellowships abroad for doctoral dissertation research in foreign language and area studies.	Mutual Educational and Cultural Exchange Act.	To promote instruction in international studies through commercial lenders.	750,000	Prospective teachers of language and area studies.	Participating institutions (information from OE Division of International Education).
7. Fellowships for higher education personnel.	Education Professions Development Act, pt. E.	To train persons to serve as teachers, administrators, or education specialists in higher education.	(see I, 47)	Individuals who qualify	Participating institutions (information from OE office of Institutional Support and International Programs, Division of Training and Facilities).
8. Fellowship opportunities abroad	Mutual Educational and Cultural Exchange Act, and Public Law 83-480 (in excess foreign currency countries).	To promote instruction in international studies through grants for graduate and faculty projects.	[5] (see I, 60)	Faculty in foreign languages and area studies.	Institutions of higher education at which applicants are enrolled or employed (information from OE Division of International Education).
9. Guaranteed student loan program.	Higher Education Act of 1965, title IV-B, as amended.	To encourage private commercial institutions and organizations to make loans for educational purposes to postsecondary students.	(6)	Students accepted for enrollment on at least a half-time basis in an eligible postsecondary educational institution.	Private lenders.
10. Interest benefits for higher education loans.	Higher Education Act of 1965, title IV-B, as amended.	To provide interest benefits for student loans through commercial lenders.	310,000,000	Students enrolled in eligible institutions of higher and vocational education.	Participating lenders (information from OE Office of Student Assistance).
11. Media services and captioned films training grants.	Education of the Handicapped Act, title VI-F (Public Law 91-230).	To improve quality of instruction available to deaf persons.	[7] (see I, 51-54)	Persons who will use captioned film equipment.	OE Bureau of Programs for Handicapped, Division of Educational Services.
12. National teaching fellowships and professors emeriti.	Higher Education Act of 1965, title III.	To strengthen the teaching resources of developing institutions.	[8] (see 1, 37)	Highly qualified graduate students or junior faculty members from established institutions and retired scholars.	Participating institutions (information from OE Division of Institutional Support).
13. Personnel training for the education of the handicapped.	Education of the Handicapped Act, title VI-D (Public Law 91-230).	To prepare and inform teachers and others who educate handicapped children.	(see I, 58)	Qualified individuals	Participating institutions (information from OE Bureau of Programs for Handicapped, Division of Training Programs).
14. State student incentive grants	Higher Education Act, title IV	To encourage States to increase their appropriations for student grants to needy students or to develop such grant programs where they do not exist—grants are on a 50-50, matching funds basis.	(see I, 35)	Postsecondary education students	State education agencies.
15. Supplemental educational opportunity Grants.	Education Amendments of 1972	To assist students of exceptional financial need.	(see I, 43)	Postsecondary students	Participating educational institutions (information from OE Office of Student Assistance).
16. Teacher exchange	Mutual Education and Cultural Exchange Act.	To promote international understanding and professional competence by exchange of teachers between the United States and foreign nations.	[9] 1,320,000	Elementary and secondary school teachers, college instructors, and assistant professors.	OE Division of International Education.
17. Training of physical education and recreation personnel for handicapped children.	Education of the Handicapped Act, title VI-D.	To train physical education and recreation personnel for the handicapped.	(see I, 59)	Qualified individuals	Participating institutions (information from OE Bureau of Programs for the Handicapped, Division of Training Programs).
18. Teacher Corps project grants	Education Professions Development Act, pt. B-1.	To improve educational opportunities for children of low-income families and improve the quality of programs of teacher education for both certified and inexperienced teacher interns.	(see I, 22)	Institutions of higher education, local education agencies, and State education agencies.	OE Teacher Corps Office (individuals apply to appropriate institution).

GROUP II: INDIVIDUALS—FOR TEACHER AND OTHER PROFESSIONAL TRAINING, AND STUDENT ASSISTANCE—Continued

Type of assistance	Authorizing legislation	Purpose	Appropriation (dollars)	Who may apply	Where to apply
19. Ellender Fellowships	Public Law 92-506	To assist the Close Up Foundation of Washington, D.C., to carry out its program of increasing the understanding of the Federal Government among secondary school students, and the communities they represent.	500,000	Economically disadvantaged secondary school students and secondary school teachers.	The Close Up Foundation, 1660 L St. NW., Washington, D.C. 20036.
20. College teacher fellowships	Higher Education Act, title IX	To increase the number of well qualified college teachers.	5,806,000	Prospective college teachers working toward doctoral degrees.	Participating institutions (information from OE Office of Institutional Support and International Programs, Division of Training and Facilities).
21. Librarian training	Higher Education Act, title II-B.	To increase opportunities for training in librarianship.	2,850,000	Prospective and/or experienced librarians and information specialists.	Participating institutions (information from OE Division of Library Programs).
GROUP III: FOR RESEARCH					
1. Handicapped research and related activities.	Education of the Handicapped Act, title VI-E (Public Law 91-230).	To promote new knowledge and teaching techniques applicable to the education of the handicapped.	9,566,000	State or local education agencies and private educational organizations or research groups.	OE's Bureau of Programs for Handicapped, Division of Innovation and Development.
2. Physical education and recreation for the handicapped.	Education of the Handicapped Act, title VI-E (Public Law 91-230).	To perform research in areas of physical education and recreation for handicapped children.	350,000	State or local education agencies, public or nonprofit private educational or research agencies and organizations.	OE Bureau of Programs for Innovation and Development.
3. Vocational education curriculum development.	Vocational Education Act of 1963, as amended in pt. "I"	To develop standards for curriculum development in all occupational fields and promote the development and dissemination of materials for use in teaching occupational subjects.	4,000,000	State and local education agencies, private institutions and organizations.	OE Application Control Center, Office of Adult, Vocational, Technical, and Manpower Education.
4. Vocational education research (developing new careers and occupations).	Vocational Education Act of 1963, as amended, part. C.	To develop new vocational education careers and to disseminate information about them.	9,000,000	Education agencies, private institutions, and organizations.	OE Application Control Center, Office of Adult, Vocational, Technical, and Manpower Education.
5. Vocational education research (innovative projects).	Vocational Education Act of 1963, as amended, pt. D.	To develop, establish and operate exemplary and innovative projects to serve as models for vocational education programs.	8,000,000	State boards of education	OE Office of Adult, Vocational, Technical, and Manpower Education, Division of Research and Demonstration.
6. Vocational education research (meeting vocational needs of youth).	Vocational Education Act of 1963, as amended, pt. C.	To develop programs that meet the special vocational needs of youths with academic and socioeconomic handicaps.	9,000,000	Education agencies, private institutions, and organizations.	State boards of education.
7. Vocational education research (relating school curriculums to careers).	Vocational Education Act of 1963, as amended, pt. D.	To stimulate the development of new methods for relating school work to occupational fields and public education to manpower agencies.	8,000,000	State boards of education, local education agencies.	DHEW regional offices.
8. Library demonstrations	Higher Education Act, title II-B	To promote library and information science research and demonstrations.	1,425,000	Institutions of higher education and other public or private nonprofit agencies, institutions, and organizations.	OE Division of Library Programs.
GROUP IV: FOR CONSTRUCTION					
1. Public schools	School Aid to Federally Impacted and Major Disaster Areas (Public Law 815).	Aid school districts in providing minimum school facilities in federally impacted and disaster areas.	19,000,000	Local school districts	DHEW regional offices.
2. Vocational facilities	Appalachian Regional Development Act of 1965.	Construct area vocational education facilities in the Appalachian region.	24,000,000	State education agencies in Appalachian region.	OE Division of Vocational and Technical Education.

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[1] OE (Office of Education).

[2] Includes $2,000,000 in appropriated excess foreign currencies, $300,000 from the Bureau of Postsecondary Education.

[3] At least 10 percent for handicapped.

[4] Represents total funding figure for title IV of Civil Rights Act.

[5] Take from a total $3,000,000 in appropriated excess foreign currencies.

[6] Private capital is used for these loans.

[7] Programs that include educational personnel training.

[8] Appropriated in previous years.

[9] Includes funds contributed by foreign governments on a cost-sharing basis.

DISCRIMINATION PROHIBITED

Title VI of the Civil Rights Act of 1964 states: *"No person in the United States shall, on the ground* of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance, or be so treated on the basis of sex under most education programs or activities receiving Federal assistance." All programs cited in this article, like every other program or activity receiving financial assistance from the Department of Health, Education, and Welfare, operate in compliance with this law.

CONDITIONS IN BRAZIL

Mr. KENNEDY. Mr. President, recent events in Brazil raise new concerns for the preservation of human rights in that nation.

Many of us had hoped that the words of the new President, Gen. Ernesto Geisel during his inauguration presaged a turn toward a more open and free society.

Past events of torture and severe repression had prompted expressions of condemnation of the previous government of Brazil from a number of international and inter-American commissions concerned with violations of human rights. These continuing reports of conditions in Brazil had tainted the economic accomplishments of that regime.

Many of us saw the declarations of the new President as offering some hope for a permanent shift away from the practices of earlier military governments.

However, news reports over the weekend now disclose that a Congressman was arrested for having given a speech in the Congress condemning the excesses of the Chilean military junta.

The arrest itself contradicts the declarations and pronouncements of the new President and raises fresh concern among many observers hopeful that Brazil could move away from political repression. The resources of Brazil are among the most bountiful in the world and the opportunities for economic and social development are broad. It would be tragic if the new administration were to continue a policy of the denial of civil liberties to its citizens.

As one Senator, I would hope that this incident would be brought to a quick close, one which would assert the freedom of speech of Brazilians and their elected representatives.

Mr. President, I ask unanimous consent for two articles on this subject to be printed in the RECORD at this time.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the New York Times, Apr. 5, 1974]

BRAZIL CHARGES A CONGRESSMAN

(By Marvine Howe)

RIO DE JANEIRO, April 4.—An opposition Brazilian Congressman appeared before the

Supreme Court in Brasilia today to be charged under the national security law with public offense to Chile's chief of state.

The charge stemmed from a speech in Congress last month in which the Congressman, Francisco Pinto of the opposition Brazilian Democratic Movement, described the chief of Chile's military junta, Gen. Augusto Pinochet Ugarte, as a "fascist" and "the oppressor of the Chilean people."

If convicted, the Congressman faces two to six years in prison.

FIRST SUCH CHARGE

This is the first time that Brazil's military Government has formally charged a member of Congress with public offense to a chief of state, although other members have used strong language to denounce other leaders, among them President Nixon, President Juan Domingo Peron of Argentina and Premier Fidel Castro of Cuba.

The Pinto case has stirred much comment and concern in opposition circles here in view of widespread hopes that the inauguration last month of Gen. Ernesto Geisel as President of Brazil was a step toward liberalization.

General Geisel has publicly declared that he favors a "gradual but sure" return to democratic rule in Brazil and has promised a new voice in policy making to Congress, which had been made powerless in recent years.

Mr. Pinto himself expressed the view that the Government's action against him was intended to placate not only General Pinochet but also Brazil's hardline military leaders, who have expressed concern over a slight relaxation of censorship.

The Congressman's five-minute speech, which included a warning against what he described as the Chilean leader's plan to create an anti-Communist axis with Brazil, Paraguay and Bolivia, was published in the Congressional record but has not appeared in full in the Government-censored press.

CITES "LEGAL DUTY"

The general public learned of Mr. Pinto's stand when the Minister of Justice announced last week that he would be tried. Considerable press coverage has been given to the Pinto case but most articles in defense of him have been censored.

"I was acting according to my conscience and my constitutional and legal duty," Mr. Pinto declared in an interview here in Rio de Janeiro before taking off for Brasilia. He pointed out that the Brazilian Constitution gives Congress the exclusive right to discuss foreign treaties, conventions or international acts.

"My protest against Pinochet and his plan for an axis was above all made as a democrat and a Christian." Mr. Pinto declared, adding that he felt he was voicing a strong consensus not only of Brazil but also of the world.

His attack coincided with the arrival here of the Chilean leader for the inauguration of General Geisel as Brazil's fourth military President since the army took power 10 years ago.

[From the New York Times, Apr. 7, 1974]

In Brazil All Is Not as It Seems

(By Marvine Howe)

Rio de Janeiro.—As they face endless lines for milk and vegetable oils, shortages of rice and sugar and inaccessible prices for meat, many Brazilians have begun to ask what became of their "Miracle," the economic achievement of a decade of military government: heady industrial development and controlled inflation at the same time.

The questioning is important to the future of Brazil. It is the first serious problem for the nation's new President, Gen. Ernesto Geisel, who assumed office only a month ago. And the economic difficulties are compounded by their inevitable political consequences. For ten years, Brazilians have endured repression of basic democratic liberties in return for economic improvement. Now the situation seems paradoxical: Just as the regime appeared ready to restore some political liberties, many Brazilians have become economically dissatisfied and are making political demands greater than the Government seems willing to grant. The result, for the moment, is both economic and political unrest.

STABILITY FIRST

General Geisel is the most recent legatee of the military takeover in 1964 that was, basically, a middle- and upper-class movement directed against the popularly elected, leftist President João Goulart, soaring inflation and the rising demands of the workers. The military men and their technocrat aides who have governed since have concentrated on two aims: development and security.

Press freedom and legal guarantees have been quashed, the political life of the country truncated and social development often neglected. But the authorities, in defense of their policies, point to the handsome growth statistics. Last year the national product increased at a rate of 11 per cent, one of the highest in the world, and has averaged about 10 per cent over the past five years. Foreign investment was $3.6-billion last year and is expected to double this year. Foreign reserves stand at a high $6.4-billion. At the same time, inflation has come down from a peak of 100 per cent in 1964 to 15.5 per cent last year, according to official statistics.

The country still has all the signs of boom times: construction projects, labor shortages and industrial vitality. An aggressive foreign trade policy has pushed not only the traditional coffee and sugar but also shoes, pharmaceuticals, vehicles and computers, all over the globe. The aid and trade push in Latin America, particularly in Chile, Bolivia, Uruguay and Paraguay, has brought accusations of imperialistic designs. Brazilian authorities shrug off these charges and aspire to world power status as befits the country's size (larger than continental United States), population of 104 million and natural resources.

The new Finance Minister, Mario Henrique Simonsen, has pledged to pursue these growth policies but faces an entirely new situation. Brazil imports 80 per cent of its oil, and expects to have to pay $3-billion for oil imports this year. This means necessarily more exports, new shortages on the local market, continued containment of workers' salaries and a rise in discontent.

THE POLITICAL PROBLEM

President Geisel, former head of the national oil enterprise Petrobras, is fully aware of those possible political effects. For several months, as the Government's presidential candidate, he quietly initiated a policy of "decompression" or a relaxation of the previous authoritarian controls. His aim: to broaden the regime's support and to bring in other sectors to share responsibility for impending problems.

General Geisel and his chief aides met critics of the regime among the press, intellectuals and the Roman Catholic church, and promised to ease censorship, end tortures and other police abuses, and give a greater voice to congressmen, students and workers. In his first major policy speech the week after taking office, without actually criticizing the former Government of Gen. Emilio G. Medici, President Geisel said that corrections and adjustments were needed. He acknowledged that serious regional disparities persist between the "flagrantly underdeveloped north and northeast and the fairly developed south and center." He said the gap between rich and poor was too broad.

Finance Minister Simonsen bears this out in his book "Brazil 2001." In 1960, he says, the lower half of the population held 18 per cent of the wealth and the top five per cent held 27 per cent. By 1970, the bottom 50 per cent held only 14 per cent and the top five per cent held 36 per cent.

Last week, on the tenth anniversary of the military takeover, the Brazilian press published glowing accounts of stability and economic development. There were also grave reports on the state of education, health and the arts.

Infant mortality has increased from a rate of 62.94 per thousand children in São Paulo in 1960 to 88.28 per thousand in 1970. Forty million people were said to be undernourished and nearly half the country's cities without running water and sewers.

"The country has such serious social problems that the regime, no mater how noble Geisel's intentions, won't be able to relax controls for long," a Catholic lay leader declared.

CENSORSHIP, ON AND OFF

"Censorship is worse than ever," Fernando Gasparian, publisher of the main opposition weekly, Opinão, declared. He pointed out that censors had even slashed President Geisel's policy speech—the section on the need for a better distribution of income.

Brazil's leading daily, O Estado de São Paulo, which has led the fight for a free press, continues to publish classical poetry in the censored spaces and its sister afternoon newspaper, Jornal da Tarde, fills its spaces with recipes,

The only improvement in the press was the appearance last week of the newsmagazine Veja without cuts, an indication that its censor had been pulled out of the newsroom.

At the same time, Justice Minister Armando Falcão announced the prosecution of an opposition deputy. His crime: denouncing the presence of Gen. Augusto Pinochet, head of Chile's military junta, at President Geisel's inauguration and attacking General Pinochet's reported plan to create an anti-Communist axis grouping Chile, Brazil, Bolivia and Paraguay. If convicted under the National Security Law, the errant deputy could get from two to six years in prison.

HISTORIC PRESERVATION LEGISLATION NEEDED NOW

Mr. PERCY. Mr. President, few, if any, among us are opposed to the preservation of historic buildings. As the 1976 American Bicentennial approaches, more rhetoric than usual flows forth on the importance of preserving our cultural heritage. But we are not doing enough.

Ada Louise Huxtable recently wrote an article on the tragedies that are occurring in many American cities; despite public outcries, historic structures, buildings whose architectural style and charm will be lost forever, are being demolished to meet the "needs" of a progressive society.

The Senate has already taken a positive step to protect such buildings. We recently approved the Housing and Community Development Act of 1974, which authorized Federal insurance for historic structures preservation loans. These loans will finance the preservation of residential structures that conform with the criteria of the National Register of Historic Places. But more needs to be done. Numerous bills, several of which I cosponsor, that would provide the necessary incentives to encourage the owners of historic properties to preserve and restore them rather than tear them down are still pending before the Congress.

As Ms. Huxtable's article points out, the demolition of structures deserving of preservation is proceeding across the country. The longer Congress delays in taking up the several pending historic preservation bills, the more of our architectural treasures will be destroyed. As my colleagues know, Chicago can boast one of the proudest architectural heritages among American cities; yet each year that maintenance and renovation of historic structures is not economically advantageous, the owners of such buildings will continue to find it necessary to tear them down and replace them with more lucrative investment properties. But Chicago is only one of thousands of American cities that have a lot to lose.

I urge the various Senate committees, before whom historic preservation measures are pending, to act with all possible haste to take action on legislation in this area. I also urge my colleagues to read Ms. Huxtable's article for insight into the true seriousness of the current situation. I ask unanimous consent that the article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the New York Times, Mar. 10, 1974]

In St. Louis, the News Is Better

(By Ada Louise Huxtable)

In New York, Grace Church seems to be going ahead with its plan to demolish its two 19th-century Gothic Revival houses for a new school and community activities building, wringing its hands all the way to the bulldozer.

In St. Louis, the news is considerably better. Adler and Sullivan's Wainwright Building of 1892, a landmark of skyscraper design that was to be torn down for parking, will be saved.

If anything, one would have thought that the Wainwright situation was the more hopeless of the two. Nothing is more obsolete than an old office building, or more relentless than commercial land values, and nothing is harder to save than a sizable and antiquated investment structure in a central business district, with the pressures of redevelopment pushing it deeper and deeper into the red. Talk about odds!

But the Wainwright will be restored and used as a state office building by the State of Missouri, on the unanimous vote of the Board of Public Buildings, and with the hearty endorsement of Governor Christopher Bond. The new user, and happy ending, were found after the National Trust for Historic Preservation had initiated the unprecedented step of taking an option on the building from the present owners, when they decided to demolish.

The Trust's purpose was to find a buyer—with the owner's cooperation. It was a big gamble that worked. It meant taking an activist role, with the obstinate vision of what had to be done.

For Grace Church, the commitment to preservation never seemed to be that great. For one thing, it was being weighed against survival of the congregation and a desperate lack of funds. There was always uncertainties and division among church members on the worth of the old buildings, with some believing that a new one would be better, as well as cheaper. When conversion proved to be the more costly route, the die was cast. And while the Wainwright building, a seminal skyscraper at the top of Louis Sullivan's work, was listed on the National Register, the Grace Church buildings did not even have city landmark designation. Unfortunately, there are no nuances of designation in environmental terms; a building either "makes it" or it doesn't, and although "amenity" factors are increasingly being considered, they raise legal questions. Nor has National Register listing saved a lot of buildings; it has just made more illustrious rubble. But the determining factor for Grace Church was that the obstinate vision that makes things happen against odds was simply never there.

The difference is chiefly one of values perceived. Not long ago, a government agency would have been accused of losing its senses if it proposed to take over an 82-year old, 10-story structure that needed both repair and conversion. Not so today. The State of Missouri is quite aware, and even proud, of its role. Moreover, it is putting its money behind its intent. The State project will restore and "recycle" the Wainwright Building and construct an adjacent "compatible" new structure on the same downtown block. The conscious aim is to aid center city revitalization while preserving the local and national architectural heritage and adding to urban quality. That takes both vision and values, and deserves full credit and applause.

It is a lot more vision than Chicago is demonstrating. Louis Sullivan's home town has already destroyed two fine Adler and Sullivan buildings—Garrick Theater and the Stock Exchange. It piddles around with designations, and just recently refused to list two other early buildings of the historic, and irreplaceable, Chicago School, the 1891 Manhattan Building by William LeBaron Jenney and the 1893–94 Old Colony Building by Holabird and Roche. D. H. Burnham's 1895–96 Fisher Building may get the nod.

Here and there, Chicago is designating a token out of the priceless unity of its early skyscraper heritage, unique in the nation and the world, and permitting developers to destroy the rest. This is particularly deplorable because Chicago has had submitted to it a carefully and professionally researched zoning proposal that would create an air rights transfer bank that could be progressive, practical and profitable. That proposal has been backed officially by the Department of the Interior as a device for making a National Urban Park of Chicago's early skyscraper district—and the Federal government is not given to impulse sponsorship.

But Chicago continues to measure the urban environment almost exclusively by the real estate yardstick and the public interest is being atrociously served while private, speculative interests are served all too well. Other cities move toward broader zoning laws, while Chicago drags its feet.

The vision and values that Chicago lacks are surfacing all over the country. Bulldozer clearance is being replaced by rehabilitation; "recycling" of old buildings in the dual interest of the energy crisis and the quality of environment is being practiced as well as preached. Many cities are tending one or more historic districts. Handsome and profitable conversions of older structures are becoming commonplace.

It has reached the point where it is virtually impossible to list the successful rehabilitations, from entire Main Streets to landmark public buildings, now being transferred from the Federal government (they were formerly sold as real estate or demolished for parking lots) for local reuse. The sale is often remarkable; the city of Galveston is moving on a "recycling" project of a nearly intact 19th-century area called The Strand, aimed not at a stage-set, sentimental enclave, but conceived as a functioning part of the city. A purchase fund is already in operation, and transportation and commercial link studies are being made at the most serious professional level.

But apparently none of this has filtered through to the nation's capital. Washington's General Services Administration—the same agency that is sincerely encouraging the transfer and reuse of those landmark public buildings in other cities—has a project going at home that defies belief. As reported by Wolf Von Eckardt in the Washington Post, the block on 17th Street NW between G and F Streets, a rapidly disappearing type rich in architectural and historical values and with the additional rarity of variety and human scale, is about to be bulldozed for a monolithic new structure for the Federal Home Loan Board Bank.

One of the interesting things about Washington is that eternal vigilance is not enough. It is the nature of bureaucracies everywhere that a lesson demonstrated is a lesson never learned. Government agencies have a kind of built-in circuitry that insures retreading their errors to infinity. That is one kind of "recycling" that is utterly dependable.

The present disaster, therefore, has an awfully familiar ring. About a decade ago, GSA was prepared to commit the same kind of barbarism on Lafayette Square. It was going to demolish the humane and historic houses of two sides of the square for a pair of Federal white elephants. The project was stopped by White House intervention.

Today, Lafayette Square is the Capital's shining example of preservation, rehabilitation and reuse. It is there—not very far from the 17th Street block—as a successful object lesson for all to see, including GSA. What really surpasses belief is that GSA and assorted other official bodies have given their O.K. to the bulldozer even after the Advisory Council on Historic Preservation reported against the plan. One surmises that it must be the same uncontrollable "sinister force" at work that erased that tape. There is no reasonable explanation for such damage. The environmental quality of the block is beyond dispute.

Who is going to turn the bulldozer around this time? It took a President to do the job before. Again, it is a question of values, complicated, no doubt, by the usual assiduous Washington political game-playing, including angle-figuring, status-seeking and skin-saving. It is not the monuments of men, but the less noble politics of power, that are immortal.

Note: As we went to press, one building was suddenly demolished by GSA in spite of an agreement to wait, and a court order had stopped the bulldozers temporarily on the grounds that GSA is in violation of the 1966 Historic Preservation Act.

COMMUNITY DEVELOPMENT CORPORATIONS SHOW SUCCESS IN COMBATING POVERTY

Mr. KENNEDY. Mr. President, the National Congress of Community Development Corporations held their annual meeting in Washington a short time ago.

Representing the vanguard of the Nation's effort to alter *the conditions* of poverty in the ghettoes and rural hollows of America, the CDC's have compiled an impressive record of growing success.

Operating in 36 areas affecting a population of over 5 million, the CDC's have created more than 12,500 jobs and 40 percent of those jobs are filled by men and women who were unemployed before the CDC brought new life to their communities.

Never a narrowly based concept, the CDC's have developed comprehensive designs for economic rebirth including housing, health, manpower training, and social services. They have been active partners in the creation of new small businesses and in the enticement of major corporations into the largely neglected poverty community.

When one looks at the Nation as a whole—at the contrasts between the wealth of a private corporation such as Exxon and at the poverty of millions of our citizens—the distance we have yet to travel to realize our national ideals of social justice is apparent.

The CDC's have been a unique tool, crafted by the poverty community itself and mobilizing all of the resources and power of that community and of the larger society as well, in seeking to diminish the gap between rich and poor America. In Roxbury and East Boston in my own State, in Hough, in Rochester, in Salt Lake City, in southeastern Kentucky, and in Harlem and Bedford-Stuyvesant, men and women are demonstrating that community control and community participation can be more than catchwords.

It was in Bedford-Stuyvesant that these programs first began when Senator Jacob Javits and Senator Robert Kennedy conceived the idea of Government support for community-based corporations whose goal was both social and economic development. The initial special impact program of the Economic Opportunity Act enabled Bedford-Stuyvesant to begin a course of development that continues to this day.

In 1972, I was pleased to join with Senator Javits in sponsoring a new title VII to the Economic Opportunity Act which expanded the special impact program and sought to enlist other Government agencies in behalf of the self-help projects of the poverty community.

This year, we currently are working on legislation to further the independence of this program and to assure continued and expanded Federal support for it.

Senator Javits, in a major address to the Congress of Community Development Corporations at their annual meeting, set forth both the philosophy and the history of this idea and eloquently spoke of its potential for the future.

I ask unanimous consent that this statement by Senator Javits, who was honored by the Congress of CDC's for his leadership in focusing national attention on the needs of the poor, be printed in the Record.

There being no objection, the statement was ordered to be printed in the Record, as follows:

Remarks of Senator Jacob K. Javits

This is a very special occasion for me to address this annual meeting of the National Congress for Community Economic Development, for as you know, it was over six years ago, that the late Senator Robert Kennedy and I added the "Special Impact" title to the Economic Opportunity Act of 1964, generated by our desire to do something about the future of communities such as Bedford-Stuyvesant, New York where the community economic development corporation idea to deal with a major poverty problem was born.

A little over a year has passed since Senator Edward Kennedy and I added to the Act a new expanded authority for community economic development—title VII—as a part of the Economic Opportunity Act Amendments of 1972.

Now, under these authorities, we have currently 34 federally funded community development corporations—split almost evenly between urban and rural areas—a number of rural cooperatives, and 75 like privately funded corporations and similar entities across the Nation which have sprung up to harness the energies of their communities.

However, despite these efforts, the circumstances of poverty which necessitated the original legislation have, if anything, gotten worse rather than better.

This is evident from our own personal observations if one takes time even to walk through our inner city and depressed rural areas, as you do all the time; there is seldom little in sight, except what this program has built, to convince us or those who live in these rural areas, that there has been any significant change in the overall situation, between our initial national recognition of the problem of poverty and the present.

What we see with our own eyes—and hear from the people—in human terms is confirmed by the statistic gatherers:

The basic problems which the special impact program was designed to address are with us today in even greater abundance.

Joblessness. The national unemployment rate in January 1968, the year the "special impact" program fully commenced was 3.7% with 2,879,000 persons unemployed. The figures for February, released just last Friday, show a rate of 5.2% national with 4,753,000 persons unemployed. You know, as do I, that the unemployment rate among minority youth in the areas you serve hits regularly 30 to 40% of that population.

Inadequate Housing. A 1971 study by the Congressional Research Service of the Library of Congress notes that the number of abandoned houses in our central cities steadily increased over the previous five years. The present situation in the face of the energy crisis is depressingly documented by the Washington Center for Metropolitan Studies: of the 8 million single family dwellings occupied by the poor, 4 million have no insulation, and about 5 million have no storm windows or doors. One-fourth, or 2 million, of the homes are in the coldest or moderately cold climate zones where temperatures go below freezing in the winter months.

Lack of Business Opportunity for Minorities. The most recent statistics from the Bureau of the Census show that in the entire nation there are only 321,958 minority owned firms.

Welfare Dependency. In 1968, there were 1,522,000 families receiving AFDC (Aid to Families with Dependent Children) with an aggregate of 6,086,000 recipients; today we have in the Nation, 3,150,762 families in that category with an aggregate of 10,851,000 individuals.

Need I say that these "national" problems remain concentrated in the ghettos, barrios, and rural poverty pockets of the Nation, where—added to the depressing economic situation which afflicts all Americans—there is a dwindling tax base coupled with increasing costs—a "double punch" if there ever was one.

And where are we, as these problems stare us in the face?

To deal with *joblessness*, we have a new Comprehensive Employment and Training Act, signed by the President, establishing a new delivery system of state and local governmental sponsors, but at this point a request by the Administration of only $1.88 billion for this fiscal year for an estimated 359,000 "man years" of training, 709,200 more with summer jobs for youth and 35,700 public service jobs, obviously falls far short of the need.

Incidentally, with respect to summer youth jobs—a matter of key concern to you and your communities—the Department of Labor estimates that the 709,200 nine week opportunites to be provided under the Administration's plans with an aggregate of $300,000,000 would reach less than one-fourth of the number who could benefit. The U.S. Conference of Mayors has certified to me that if they had the funds the cities could effectively provide an aggregate of 1,111,483 ten week slots or 402,283 slots above the number planned by the Administration. This would require an additional $220,174,200. As in the past, I shall urge that the Administration and the Congress respond to these documented needs by adding funds to the Second Supplemental Appropriations bill, soon to be considered in the Senate.

In terms of *housing*, we continue to have essentially a "non-program" as the Administration has abandoned the commitment made during the 1960's and, as it contemplates other approaches, actually has brought most efforts to a standstill.

In terms of *minority enterprise*, we have a number of isolated modest efforts, with new budget authority in this year of $35,693,000, about a tenth of what the Nation expends each year to maintain the Coast Guard, for an aggregate of $53,327,000.

In terms of *welfare*, we are still stuck with the old system, unable to reach agreement on how to meet the challenge made by the President in 1969 in proposing the Family Assistance Act, and worse still, have clamped a $2.5 billion annual ceiling on funds for social services under the Social Security Act.

Obviously, from these facts our general programs can hardly be said to hit the mark to an extent sufficient either to meet general needs or to make unnecessary special focus programs directly from the federal government to the neighborhoods which bear the brunt of these problems.

And yet, the Administration seems to remain resolute in its agenda of dismantling the anti-poverty program, as such, which was designed to provide the framework for established efforts of the kind I just described.

Health programs and child care have already been spun off to the Department of Health, Education and Welfare, manpower training to the Department of Labor, VISTA to the new Action agency, and so forth.

The legal services program will soon be taken over by a new independent legal services corporation; as you know legislation to establish the corporation has been passed by both Houses and conference is expected in the next two weeks.

What does that leave? It leaves, basically, the heart of the program—OEO itself, community action agencies, and your effort of community economic development.

Under the Administration's plans, as of this June 30, OEO is to terminate and community action agencies are to "sink or swim" on the strength of state and local governmental help from general and special revenue sharing—sources which have already exhibited little "buoyancy" for the hopes and needs of the poor.

Community economic development, the last of these elements which the Administration appears to care at all about, is in a sense the last obstacle in the way.

And they propose that it, as you know, be transferred by legislation—since the 1972 amendment precluded its delegation—to the Office of minority Business Enterprise in the Department of Commerce.

Under these circumstances, on the one hand, it would be easy to take the Administration's plans as an accomplished fact, view the community economic development effort as essentially "orphaned" and take out "adoption" papers, pursuant to the Administration's plans with the Department of Commerce at the earliest moment.

On the other hand, it would be just as reasonable for you to stay close to those who continue to support you "parent" agency, OEO, and your "brother" community action effort, and "fight to the death."

But both of these options reflect essentially a reactive—if not negative—philosophy based solely on the objective of mere survival and maintenance of the status quo.

It is a policy which says, at best, only what we have been, and not what we are and what we can be.

And so, I urge that we put aside, for the present the immediate question of where the program should be administered, and resolve that question only after we have had the benefit of defining our long term objectives for community economic development over a ten year period, and determining what we should do in the short-term to advance it toward those objectives.

LONG-TERM OBJECTIVES

Ten years from now, I would hope that we would have a very mature and sophisticated system of community economic development, extending over the entire Nation—if not to all areas which may be considered "special impact"—potentially in the thousands—then to 800 areas—or twenty times what we have today.

At the State and local level, I would envision substantial supporting efforts to community economic development corporations and co-ops coming through the carefully constructed systems of the "new Federalism" in areas such as manpower, child care, social services, and economic development generally; in the new Comprehensive Employment and Training Act, we sought to insure that community based groups would have certain "due process" provisions to insure that they receive a fair share of funds, and these processes should be locked into other legislation.

And at the Federal level, I would hope that we would have, in addition to direct funding services from the "parent" agency and support from other agencies, an entity along the lines of S. 2050, the "Domestic Enterprise Bank", which I proposed in June of last year, based upon the Domestic Development Bank proposal which I offered in 1967.

The Bank would be established as a profit-making corporation authorized to make long-term, low-interest loans and guarantees, to participate in loans with public or private lenders to seek participation in its loans, and to provide supportive managerial and technical assistance. In essence, it would be very much like the World Bank in its purpose, operations, and structure. The World Bank has demonstrated that the provision of attractive credit is a powerful development tool in underdeveloped areas and that such a venture can be economically sound. In fiscal year 1972, the World Bank earned $183 million in net income and made more than $2 billion in loans and has raised over $3.4 billion from private investors for its bank to governments' development activities.

The Domestic Enterprise Bank would provide the leverage for secondary sources of assistance—through existing lending institutions and new lending institutions—to which community development corporations, co-ops, minority enterprise efforts, and similar activities would have access.

SHORT-TERM GOALS

Now, a dream of this kind is not going to spring up automatically "from the soil" overnight, and it's not going to spring up at all unless we move forcefully to build in each of these areas over the next few years.

And thus, for the near future, I urge that we abandon the philosophy of mere survival or "holding our own" and adopt one of "expansionism" and break some new ground toward our long-term objectives.

And to that end, I propose that any legislation dealing with the continuation of the program beyond this June, include at the very least, the following basic elements:

First, a clear statement of the program as an "indigenous" community economic development program, and not as something else, with all the flexibility as a programmatic matter which it has had to date.

Second, in whatever agency it is placed—and I will discuss that shortly—that a separate office be established for community economic development, or if combined with an existing office, then community economic development be given the principal "billing", with the office reporting to the head of the agency.

Third, wherever it is maintained, the program should be buttressed by a special Resources Advisory Board consisting of the heads of the Small Business Administration, the Economic Development Administration, the Department of Housing and Urban Affairs and other agencies, as well as representatives of the private sector, the state and local public sector, and the CDCs themselves, to ensure all appropriate federal, state, local, and private resources are channeled into the community development effort at the local level.

Through this Board—which would replicate the basic structure of the community development corporations at the local level—and through amendment of the laws in question, we hope to ensure a greater availability of federal resources. This would include funds administered through block grants to the states and cities, or directly, for example, the assistance of EDA in public works efforts, and of SBA in permitting CDCs to use their basic funds to a greater extent for leveraging purposes; the provisions in the 1972 Economic Opportunity Act Amendments have prompted some assistance, but as you know, not enough, and further measures are necessary.

Fourth, it must have expanded funding. Under the Administration's fiscal year 1975 budget, the program would receive approximately $39.3 million, about the same amount as fiscal 1974. This amount is inadequate.

This request—and the fact that not one new program has been funded since June 1971—is to overlook the fact, according to OEO itself, that new applications have numbered 75 to 100 per year in recent years, and the reality, documented by Action for Community Economic Development, that existing CDCs could use effectively $62.2 million merely to expand existing commitments to a meaningful level and $86.5 million for a "growth" budget.

I would not want community economic development to fall into the "trap" that other social efforts have fallen into—being short funded and then evaluated out of existence—and I pledge every continued effort to increase funds under the existing authority; in my opinion, the legislation should authorize no less than $90 million in the first new fiscal year 1975 and $120 million in the next so that the program can begin to meet its potential.

Fifth, I recommend that the legislation provide a more specific basis than under the current law for building upon the efforts of the Opportunity Funding Corporation, in testing banking concepts to provide additional resources to CDCs in meeting their long term objectives.

In addition to what OFC is already undertaking, the new authority should direct efforts to provide low interest long term loans and guarantees to service the financial needs of various CDC activities without prime consideration as to the leverage of government funds which OFC has so ably proven as a viable method of operation, thus functioning, in an experimental fashion, like the proposed Domestic Enterprise Bank.

THE ADMINISTERING AGENCY

Now, if we can agree on these wide parameters—or some others which you and your representatives feel are key—then the question is where in the Federal government the program should reside.

To decide let us see what the program really reaches:

Anyone who sees in action the taxi-cab company run by the Racine Wisconsin CDC, the Mississippi Delta Foundation's clothing company, the Job Start program in Kentucky, the Denver CDC's supermarket, the Harlem Commonwealth Council's foundry, the Office Stationery Supply and furniture efforts in Nassau county, New York, the Alaska CDC's fish and food co-ops, or the McDonald franchises in San Antonio or Houston, might well conclude that community economic development is essentially a minority enteprise effort, to be lodged in the Department of Commerce.

On the other hand, a representative of the Department of Housing and Urban Development might view the 800 units of housing now being planned or under construction in Bedford-Stuyvesant, the North Lawndale, Chicago 100 acre Industrial park, the Hough, Cleveland Shopping Center, the 65 units of housing completed by Lummi Indians in the state of Washington, or the modular housing factories in North and South Dakota, as conclusive evidence that community economic development is basically a housing effort, appropriately joined with HUD.

A Department of Labor representative, looking at the efforts in Bedford-Stuyvesant, where 5,000 persons have been placed in jobs or at similar efforts in Salt Lake City, might conclude that it is a manpower program.

The Department of Health, Education, and Welfare might base its interest in the social services effort, for example, in Roanoke, Virginia where a health clinic serves 3,000 people, in East Boston's day care center, or in the East Los Angeles food stamp centers.

Or others might see it as a basic program as the "incubator" of new ideas, expressed in the waterfront development in East Boston, or the Billie Holiday theater in Bedford-Stuyvesant, or in a number of proposals, including one in Harlem, for Cable TV for the community.

Now you and I who know this program well and live with it almost daily know that it is all of these "programmatic things" in general, and none of them in particular.

We know, in fact that these efforts across the country have their commonality more in their indigenous nature, their ties to the business community, and other elements of the establishment" and in their flexibility, than any particular programmatic thrust, except in the larger sense of dealing with the problems of poverty and urban and rural decay.

And it is precisely because community economic development is more of a "mechanism" than a "program"—a "dynamic", if you will—and because it defies "description" in orthodox terms, that it was placed in OEO in the first place.

And therefore, there is a very heavy burden of proof on the Administration to show that under its proposal, or any proposal to put it into one bureaucratic or programmatic "cubby-hole", the effort as we now know it and want to see it expand—will not lose these unique elements through some penchant on the part of the "parent" agency to recreate it in its own terms, or place it under the whims of state and local government as a part of the President's proposals to decentralize economic development generally.

We have and must continue to explore every proposal in good faith and open-mindedly; as you are working at the task force level with the Office of Minority Business

Enterprise, so are we in the Congress getting a measure of their intentions with respect to this program should the Congress decide to transfer it.

But there are now forces combining in the Congress which challenge the assumption that the Office of Economic Opportunity is to die this June and that should also be considered.

This arises from the fact, as is so evident, that the political and economic forces are in flux and that the Congress and the Administration may well, in the end be guided by the fact that to eliminate OEO and community action agencies could mean the eradication of a key delivery system to meet the energy crisis in poverty areas, and at the same time, put on the streets out of work, the over 180,000 persons employed in CAA's across the Nation, at the worst possible of times.

Only time and our own efforts will tell whether an extension of OEO can be locked into law, for another year or two years, but as a note of optimism for those to whom it looks bleak, I recall that last year dismantlement seemed to be all but fulfilled, and then the courts intervened to insist that the program be carried out until last June, and the Congress went even beyond that, appropriating funds for the current fiscal year.

To these existing agencies, may be added the possibility—which I am reviewing—of establishing a new separate entity, patterned after the Farm Home Credit Administration, combining the concept of the bank and a grant making program into one.

I am currently working with your representatives in developing this legislation, and of course, will give much consideration to your views in respect both to the long term and the short term.

In conclusion, I want to take this occasion to urge the Administration to join with us in this effort to expand the community economic development effort, as we consider the question of its future as a bureaucratic matter.

It has always puzzled me that while the Administration certainly has not sought to kill this effort—and has imbued it with increasing budget requests generally over the years—it has never fully embraced it as its basic approach to the problems of the inner city and rural depressed areas, for the program seems to have all of the elements which the President has emphasized in the domestic area since 1969:

It is the embodiment of the two key principles underlying revenue sharing—decategorization and decentralization—the only difference being that the Administration calls an end to the decision-making process at the State House and City Hall—while we believe that the 450,000 people in Bedford-Stuyvesant, for example, deserve a mechanism for decision-making as much as the 332,000 people in the entire state of Wyoming for whom state government provides an immediate outlet.

It is also founded on a key premise of the Republican philosophy—emphasized by this Administration—involvement of the private sector in solving social ills.

The program is further a prime example of the related "business" concept of the "multiplier effect" as shown in Bedford-Stuyvesant where the first $25 million in Federal help yielded $31 million in non-federal loans and investments, increased payrolls of over $25 million per year, private contributions of $8.5 million, and real estate investments of $12 million; ABT Associates of Cambridge's review of our efforts across the country concluded that every dollar of Federal money has generated 80 cents in private and 17 cents in other "public" funds, roughly doubling the return.

It also has played its part in dealing with the Administration's concern with the welfare "mess" and unemployment generally. CDCs now employ 12,000 persons, generating a total in annual salaries of $8,100,000; of the 12,000 persons, 40% were previously unemployed and 15% underemployed.

Perhaps for these very reasons, President Nixon said in 1968, of the Community Self-Determination Act—which would have built upon these elements:

"The program is one for economic development, within the ghetto, for building pride and independence, for enlisting the energies of private enterprise and creating new institutions by which private capital can be made available for ghetto investment. I am glad to see it under Republican sponsorship, and I hope it receives full and careful consideration by the appropriate committees of the Congress."

Let us hope that we can get that message across again to the Administration and the Congress so that this effort, which finds its strength in the community—and is only harnessed by the CDC—and which you have given life and breath, can maintain its integrity and be expanded to other areas and begin to help to transform the blight that is around us today.

DISASTER RELIEF ACT AMENDMENTS OF 1974

Mr. STEVENSON. Mr. President, tomorrow, the Senate may consider S. 3062, the Disaster Relief Act Amendments of 1974. At that time, I propose to offer an amendment which would include erosion in the list of disasters for which Federal assistance is available.

On March 11, 1974, I submitted testimony to the Disaster Relief Subcommittee of the Senate Public Works Committee outlining my reasons for offering that amendment. I ask unanimous consent that my testimony be printed in the RECORD so my colleagues may have a chance to review it before I call up my amendment tomorrow.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR ADLAI E. STEVENSON ON S. 3062, DISASTER RELIEF ACT AMENDMENTS OF 1974

Mr. Chairman, I am pleased to have this opportunity to add to the Subcommittee's deliberations a few words about Section 102 of the Disaster Relief Act Amendments of 1974.

Last March I introduced S. 1267 which would have included "erosion" in the list of natural disasters for which federal assistance is available under P.L. 91-606. On September 13, 1973, I wrote to the Chairman, expressing my hope that the Subcommittee would incorporate that bill into its revision of the disaster relief law.

In the Chairman's recent statement upon introduction of S. 3062, he noted that the substance of S. 1267 was excluded from the proposed Disaster Relief Act of 1974 "because of the extension of the Flood Protection Act of 1973, P.L. 93-234, to cover losses from erosion and approval by the Senate of new demonstration shoreline and streambank erosion programs in S. 2798."

The new demonstration shoreline erosion programs which were enacted in the Water Resources Development Act of 1973 do not address the same problem as S. 1267. Of the four shoreline-related sections, one provides technical and engineering assistance to non-federal public bodies, another directs the feasibility study of an hydraulic model of the Great Lakes, while a third calls for a study of low-cost means of preventing shoreline erosion (and authorizes eight demonstration projects). The only one that considers emergency or disaster situations is Section 27 which gives the Corps of Engineers authority to combat shoreline erosion on an emergency basis in limited areas. This is directly analogous to the Corps' emergency flood control authority. But the word "flood" is not deleted from the definition of "disaster" simply because the Corps can try to fight floods on an emergency basis. Neither should "erosion" be deleted just because the Corps can try to fight erosion on an emergency basis. The streambank erosion provisions of the Water Resources Development Act—like the shoreline erosion provisions—do not address emergency situations, but are more concerned with studying and demonstrating erosion control techniques.

Further, the Corps' emergency erosion control authority is more limited than its flood control authority and extends only to public or nonprofit, quasi-public institutions and thus is less comprehensive than either the protection afforded by the Corps' emergency flood control authority or the assistance provided in the Subcommittee's new bill.

It is true that erosion losses are included in the flood insurance program. But that, I submit, is no more reason for excluding erosion from the disaster assistance law than it would be for excluding floods. Erosion and flood damages are similar and ought to be eligible for similar benefits. Just as the disaster assistance program is necessary in the case of floods, to supplement flood insurance, so too is it necessary in the case of erosion to supplement erosion insurance.

Flood insurance does not eliminate the need for disaster relief. If "erosion" is not included in the definition of "disaster", none of the emergency assistance available under the proposed disaster relief law would be available to the community struck by erosion, including surplus equipment, emergency work necessary to the public safety, emergency shelter, temporary bridges, demolition of unsafe structures, etc. The inclusion of erosion in the flood insurance program does not provide this.

Mr. Chairman, a disaster caused by accelerating erosion can be as serious as a disaster by some other cause. Indeed, the disasters caused by erosion and flooding can be virtually the same. A dismaying string of news stories describes homes, roadways and beaches washed into the waters by the relentless forces of erosion.

In practice, it is often extraordinarily difficult to categorize the cause of a loss as either "erosion" or "storm, flood, high water, or wind-driven water." In many cases the causes are inseparably mingled. Then assistance is denied because losses were subjectively considered to be "more like 'erosion' than like 'flooding' " when, in fact, the losses were caused by both. A rigid adherence to an untenable distinction denies the disaster victims assistance to which they are entitled. No one is happy with such arbitrary decisions. The continued exclusion of "erosion" from the definition of "disaster" will perpetuate them.

The Senate has evidenced its understanding of these problems by passing—on two separate occasions—amendments which would have included "erosion" in the P.L. 91-606 definition of "major disaster". Once, the amendment was deleted in conference by the House conferees on a point of germaneness; once, the House accepted the amendment only to have the entire bill vetoed by the President.

Mr. Chairman, I do not expect that there will be many occasions on which the new disaster relief law will be invoked to provide assistance to areas with severe and unforeseen erosion problems. I think the nature of the problem and the careful tailoring of the disaster assistance mechanism in the proposed legislation will insure that. I do believe that this comprehensive revision of the nation's disaster relief laws should be, in fact, comprehensive. Unless "erosion" is included in the definition of "disaster", the day may come when authorities stand by, helpless, as a community suffers catastrophic losses from such a disaster.

I hope the Subcommittee will include "erosion" in its definition of "disaster".

FINANCING HIGHER EDUCATION

Mr. PERCY. Mr. President, the Chicago Tribune recently carried an excellent series of articles by Peter Gorner on the current situation in this country with regard to financing higher education. In recent months, we have seen numerous reports that higher education is being priced out of range of the middle class and that some colleges are in imminent danger of closing because of declining enrollment. I believe the Tribune articles present a balanced view of the situation.

Higher education is of vital importance to the prosperity and well-being of this country. None of us can afford to be unconcerned about the current problems our society faces in seeking adequate and equitable means of meeting college costs, and I, therefore, urge my colleagues to give careful attention the statistics Mr. Gorner has compiled.

I, myself, after extensive talks with constituents, have long been aware of the mounting problems in higher education financing and have sought solutions to them. In the coming weeks, I intend to introduce in the Senate legislation that will alleviate some difficulties in our current system of financing. For the present, however, I ask that the three parts of Mr. Gorner's series be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

[From the Chicago Tribune, April 1, 1974]

Sheepskin Hill Gets Steeper as College Becomes a Luxury

(By Peter Gorner)

(Note.—The American parents' dream of a college education for their children is fast becoming a financial nightmare for most middle-class families. And when they wake up to the problem, they usually discover that it's worse than they ever dreamed. This first article of a series explores the ramifications of the college cost crunch to middle America.)

Hardpressed middle-income parents in shock over a 9.4 per cent boost in college costs this year—perhaps 80 per cent in the next 10 years—may get another jolt when they assume their offspring can qualify for financial aid.

Illinois students appear luckier than most, thanks to a strong statewide commitment to higher education. However, millions of American families face uphill fights to afford the most costly sheepskins in the world. And the hill keeps getting steeper.

The cost of a college degree across the country has been rising faster than any other item in the family budget, even food. One year at a private school now averages $4,039 and $5,500 is not uncommon. Even state-supported schools, long bastions of economical learning, now average $2,400 a year.

But the United States Office of Education predicts average costs for four years at a state school will increase 33 per cent by 1978, and 80 per cent in 1983. Private schools may jump nearly 43 per cent by 1978, or 86 per cent by 1983. And government figures have tended to be conservative. By 1985, it could cost parents $75,000 to educate three children.

But if the hikes don't slow down as predicted in 10 years dad could be asked to shell out $17,000 to send Johnny to Old Ivy for a year!

Parents look back at their college years with bittersweet nostalgia. In 1938, Harvard's tuition was $420, room and board was $555. Northwestern charged $332, and another $350 to live there. This fall comparable costs for a year at Harvard will be $5,025. Northwestern wants $4,830.

Back in 1942, the average annual fee at public colleges and universities was $91. By 1953, it was $128. By 1973, it was about $686.

As prices increased, the reasons remained stable: Higher operating costs, faculty and administrative salary increases, decreasing enrollment, and capital improvements.

The same reasons are being given today.

The colleges appear in as much trouble as the parents trying to afford them. Currently there are about eight million students on campus, less than expected, and many classrooms aren't being utilized. The Viet Nam War no longer lures students to the campus, and changing lifestyles have made the diploma less desired a passport to prosperity than it once was.

Declines in enrollment were not expected so soon for the decrease in birth rates did not begin until 1957 and the college-age population group is still growing.

The 1,500 private colleges in this country enroll about 25 per cent of the students. By the 1980s, they may have only 15 per cent, at the rate local college systems are growing. The smaller private schools are most vulnerable—last year 45 of them closed, merged, or were absorbed by state schools.

Typical is the letter one young man wrote to Columbia University after being awarded a place in its freshman class this year. He turned down the coveted slot, even tho his parents could have come "within a few hundred dollars" of the $2,750 in costs he could not afford and Columbia could not cover with scholarship aid.

"But at the end of college career," he said, "I would have had no bank account, $4,000 in loans over my head, and exhausted parents."

Who benefits from a college education, the student or society? Who should pay?

These questions may become key issues of the '70s, as beleaguered middle-income families face skyrocketing costs.

Postsecondary institutions definitely are big business with incomes above $30 billion, with 57 per cent of that at public institutions.

Where does the money come from? About 21 per cent comes from students, and parents. Another 31 per cent from state and local governments, 27 per cent from the federal government, and 21 per cent from gifts, endowments, and other activities.

Schools asked for $1.773 billion from the federal government last year. They got $773.5 million, $75.1 million less than they had requested.

The total federal contribution of public funds to student financial aid this year was ⅓ of 1 per cent. [.035 per cent] of the gross national product. College officials term this contribution "insignificant."

"These figures begin to focus on the problem," said Leo Gilchrist, an official with the College Entrance Examination Board. "There is a big gap between what is needed and what is available. Student aid comprises only 14.4 per cent of the total $30 billion budget for higher education."

"But as a taxpayer," said a financial aid officer at a midwestern college, "I'm not enthusiastic about providing my tax money for a student to go to school free."

"If a family making $15,000 a year wants to send a kid to the University of Illinois, it will cost $2,600. I think it's reasonable for the student to earn $600 during the year, and another $600 during the summer. That brings it down to $1,400.

"The kid's benefiting directly from his education. It's the parents' responsibility, and I don't think it's unrealistic. I'm not sure the money is more funds. As a taxpayer, I'm not sure at all."

Said a financial aid officer at a school located at the other end of the state, "If the parents want their child to get an education, the kid will get it. He'll do anything to get there."

At a recent midwestern regional meeting of the College Board, Byron Himelick, assistant director of the Illinois State Scholarship Commission, told his colleagues: "The question of who benefits is more widely debated now than before. The debate will grow because the amount needed for student aid will be increasing in greater proportions as more and more students from low-income families and racial and ethnic minorities appear on campuses."

Himelick outlined the alternatives.

The primary beneficiary is the student, and therefore he and his family should pay all the costs.

Society gets the benefit of an educated citizenry and society should finance nearly all the costs from public funds.

Tuitions should be raised for those who can afford it.

"The average household income for 1972 was $13,500, for the family with a college-age child, whose major wage earner is 45 to 54," Himelick said.

"Thus we're asking families with incomes above $10,000 not only to pay for their own kids, but pay higher taxes to support the American education system, without giving them alternatives to rising costs at private and public institutions."

Caught in the crunch of rising costs, most parents are less concerned about the theories of financing higher education than about how much financial help they can get with their offspring's college bills. Most of them are in for a nasty shock.

[From the Chicago Tribune, April 2, 1974]

Proving Need to a Computer

(By Peter Gorner)

(Note.—American parents who seek college scholarships for their children must show financial need. This second of a series tells how need is determined by the largest "needs analysis" system.)

Scholarships don't go to bright kids anymore, unless they're needy. And middle-income parents who think they're needy may not be, according to current standards.

Parents must prove their need to a computer run by the College Scholarship Service [C. S. S.] of the College Entrance Examination Board, the American College Testing Service, or other so-called "needs analysis" agencies.

The largest of these is the New York-based C. S. S. Its Parents Confidential Statement [P. C. S.] is used to advise more than 4,000 colleges and universities and state-sponsored and other scholarship programs.

The current concept in financial aid circles assumes that since only so much money is available, it should go to the neediest students. There is an estimated $2.5 billion gap between what families can afford and what they're asked to pay for college. But because a student benefits most directly from his education, the educators believe his parents have the responsibility to pay what they can.

At issue is what parents think they can pay.

"Sure, the rich don't need help, the poor can get it, and those of us in the middle are stuck," is the usual lament of the middle-class.

Nonetheless C. S. S. tries hard to oblige the schools that subscribe to its service. "We update our expectations annually on the basis of the consumer price index," said Leo Gilchrist, a C. S. S. official. "This year's update was 4.7 per cent, the highest we've ever gone." [Parents probably would point out the cost of living rose nearly 10 per cent.]

The agency admittedly faces an impossible task—to be fair, impartial, and objectively determine what basically is a highly subjective decision in most families.

The Parents Confidential Statement bears an unpleasant resemblance to an income tax form, and asks similarly searching questions. How much do you make? How much is your house worth? How much do you have in the bank? Owe on your car? Parents also must sign permission for the C. S. S. to examine their income tax returns, should the agency become suspicious. Colleges usually make the same requirement, too.

After gathering the data, the computer digests it, and thru an ever-changing and always complex series of formulae recommends to the colleges of your child's choice how much money you and he should be able to spend on his education. This figure is then subtracted from the school's estimate of its costs.

Once the student is accepted, and if the family is deemed needy, the school usually tries to offer the student a financial aid package composed of grant-loan-job in combination. How much is limited to the funds they have available.

The C. S. S. expects parents to live at a "moderate standard," as defined by the U.S. Bureau of Labor Statistics for the middle-third of the country's population.

Based on the latest consumer price index, used by C. S. S., moderate standard for a family with one child is $8,860 after taxes; $10,310 for two children; $11,650 for three children; $12,670 with four children, and so forth.

On the average it costs families $1,150 to maintain a child for nine months at home, and parents are expected to pay at least that much to send him to college.

Anything above this "moderate standard" is considered "discretionary income" by C. S. S. and should be used to educate your children. Middle-income families are hit harder than poor families because the latter have no discretionary income.

A huge mortgage doesn't impress C. S. S. Neither does a love of traveling. You spend $60 a month on commuter fares? Move closer to work.

Business expenses are taken into account, tho, and medical expenses over $500 not covered by insurance.

If your wife works, C. S. S. allows a deduction up to $1,500 if she earns more than $3,750. This covers on-the-table expenses she incurs. And you're allowed to deduct $600 for each dependent relative.

Families with more than one child in college are expected to contribute something towards the maintenance of each one. Anything above the $1,150 you're already paying to maintain a child at home should be divided among the numbers of offspring in college.

There also is some allowance for repayment of debts.

A student is expected to hold a summer job and contribute toward his own college expenses. Whether he can find work or not, a boy still is supposed to earn $400 the summer before starting college, and a girl is expected to kick in $300.

Next the C. S. S. computer looks at your assets, which include bank accounts, the equity in your home, stocks and bonds, investments, and any business or farm you own wholly or in part.

Assets enhance the economic position of a family. So if two families both have the same income, but one has assets and the other has none, the family with assets is expected to contribute more to education costs.

For example Pat Playboy and Fred Frugal each earn $18,000 a year. Pat loves to party, sail, travel, and enjoy life. But Fred Frugal saves diligently, builds up a little equity, has nest egg for the future. Fred will be expected to liquidate at the average of 10 per cent a year.

C. S. S. recognizes "a certain level of income and assets is necessary to maintain the family." In fact, said a C. S. S. official, "we expect nothing from family assets up to about $10,000." You're also allowed to save a portion for your retirement depending on your age. and whether or not you have a pension plan in addition to social security.

If your child has assets of his own—savings, endowment, trust funds, stocks or bonds—one quarter of these are expected to go towards college each year he's an undergraduate.

Finally, the computer compares the contribution it believes you should make with the total costs submitted by the college. These include tuition, fees, books, supplies, room, board, recreation, miscellaneous and travel expenses. ["Financial aid officers press for realistic budgets," said a C. S. S. official, "admissions officers tend to make them look cheaper in college catalogs. We try and be realistic."]

If the total costs are more than the parents are expected to provide, that amount is considered "need."

This information is sent to the college. It's up to a financial aid officer there to determine its validity, and what type of aid should be granted. It's not necessarily a scholarship; free grants are the most desirable, but they're also often the least available.

"What often happens," said one college official, "is the first aid granted is an automatic $1,000 loan, then an automatic $600–$800 work study. What's left is tacked onto a $200–$300 grant. I find this dependency on loans depressing."

C. S. S. sends more than a million reports a year to college financial aid officers.

"I think the expectation from middle-income parents often is unrealistic," said Laura Grafman, of the National College of Education in Evanston. "But overall, the data is excellent. The final choice belongs to us anyway, and we're geared to help the whole spectrum of students."

They have to be careful, tho. Recently a financial aid officer at a private school in Ohio decided to exempt home equity from needs analysis. Thus, more students showed need.

Rival football coaches charged this was a means of attracting athletes to the school, not benefiting scholars. Such deviation from the conference norm could be considered a recruiting violation. The battle continues.

[From the Chicago Tribune, Apr. 3, 1974]

Do Poor Rate Top Priorities?

(By Peter Gorner)

Many people fear that as more attention is paid to the middle-class in the college cost crunch, the poor will be left out in the cold.

All families, tho, regardless of income should explore every avenue of financial aid open to them. Educators resent so-called scare stories which pit the middle-class against the poor. Too many students, they say, become so discouraged they don't even try to go to school.

Many students from middle-income families can go to less expensive colleges, or families can cut their standards of living, educators point out, but the poor seldom have these options.

"This shift in priorities is disturbing," said Byron Himelick, assistant director, scholarships and grants, Illinois State Scholarship Commission. "If it comes to a question of who should get aid, it may not be the low-income family or racial minority. That student's need may be $3,000, and a school could get two students on campus who only need $1,500.

"Already, we're finding we can offer a high-need student $1,300 [our legal limit], and he finds the college can't offer him anything to go with it," Himelick said. "I think we've slapped him twice, as far as I'm concerned."

But the pendulum needn't swing, according to Laura Grafman, director of financial aid at the National College of Education, in Evanston.

"Everybody can be helped," she said. "A total need student is going to get a basic educational opportunity grant [federal] and Illinois money, and he may get a grant from the college, and certainly he should qualify for a loan. If a student wants to go to college, and I mean self-help and opening every door that's available to him, there is a way. I don't believe there is a family of any income who can't do it."

However, the U.S. Bureau of Census recently reported that a young person who attends college most often is directly related to the parents' level of income, education, and occupation. In 1971, 59 per cent of families with children of college age and incomes of $15,000 or more had a child attending college. While only 14 per cent of families earning under $3,000 had children on campus.

Consequently, a recent committee report by the College Board called for massive aid for low-income students, combined with increased tuition for those who can afford it.

And last year, the Council for Economic Development, a business-oriented research group, issued a controversial report calling for the same things.

It sustained heavy fire.

"It is time to blow the whistle on the growing tendency for the rich to make grandiose gestures to aid the poor with the money of the middle-class," said Rep. James O'Hara [D., Mich.], referring to the corporate executives who lead the council.

These proposals, and another by the Carnegie Commission on Higher Education, also hoped to provide a plan for bailing private colleges out of their current financial crisis by eliminating some of the price advantage enjoyed by competing state schools. [The C. E. D. plan would have called for tuition increases averaging more than $55 a year for most students at public colleges and universities.]

Proponents also hoped that giving grants to students, instead of subsidies to schools, would make educators compete for the tuition money, and therefore pay more attention to students and to teaching.

However, critics charged the concept ran counter to the traditional American idea of state colleges open to all citizens at little cost.

Some schools also are attempting to attract middle-income students unable to qualify for aid by offering scholarship based on merit. This year, New York University started a merit program aimed directly at families earning $12,000 to $20,000 a year. Texas Christian University began a program that sets stipends according to high school grades and test scores.

Critics, though, see these moves as attempts to attract brighter students and fill empty classrooms. Such programs often are viewed as academic clearance sales and a needless squandering of valuable scholarship resources. The entire system of needs analysis was set up to stop just this practice, critics say, to do away with bidding for bodies.

Illinois students are particularly fortunate in having a strong program of state aid to students. Illinois ranks third of all 28 states which have need-based programs, with a $55 million appropriation this year, which is helping 72,000 students get through college.

In his recent budget message, Gov. Walker called for an $8.7 million increase for state-college scholarships for 90 per cent of the students whose families earn $17,000 or less annually. Walker also denied a proposed tuition hike at the University of Illinois.

Of those who apply for state aid, about 78 per cent of Illinois families with incomes above $12,000 are showing need at private schools, according to Illinois State Scholarship Commission, and 34 per cent at public institutions.

The average Illinois State Scholarship is $750, and is limited by law to $1,300 a year, Students must attend approved public or private schools in Illinois. Parents must fill out a financial report similar to the Parents Confidential Statement.

The National College of Education in Evanston is a typical small [600 students] private, expensive [$4,350 a year] school. About 435 students are receiving financial aid, and 290 of them are on Illinois State Scholarships.

Some 75 per cent of the student body at DePaul University is receiving state scholarships.

At Northwestern University, 45.9 per cent of the school's 6,506 undergraduates are receiving financial aid. The average grant is $1,900, supplemented by a $750 loan. These amounts are expected to be increased by 10 per cent next year, in line with Nothwestern's recent price hike.

Parents seeking advice should check with the financial aid officers of their child's college. Many high school guidance counselors aren't always aware of the current practices at different colleges.

Aid officers also administer certain federal programs of financial aid. These include the Supplemental Educational Opportunity Grant program [low-income families may receive up to $1,500 a year]; the College Work/Study Program [$270 million available this year]; and the National Direct Student Loan Program [up to $5,000 a year may be borrowed.]

Most schools also will have students apply directly to the government for help. The new Basic Educational Opportunity Grant Program should be expanded this fall, and do considerably better than last year's average grant of $240.

Many students also may qualify for Social Security Education Benefits, if their natural parent[s] are deceased, disabled, or retired. Annually, $790 million is appropriated nationaly for this program.

Benefits of at least $220 a month are available to veterans, their survivors, or dependents thru Veterans Educational Benefits.

The Illinois Guaranteed Student Loan program is regulated by the Illinois State Scholarship Commission with the cooperation of nearly 1,000 lending institutions. More than 6,000 eligible schools throughout the nation are recognized. Needy freshmen may borrow up to $1,000, sophomores up to $1,500, and upperclassmen, up to $2,500 a year.

"The important thing to remember," said Laura Grafman, "is that there is a way. If the parent really wants his child to have a college education, and if the student wants it badly enough, there are resources available, and professionals who will do everything possible to help.

"Don't forget. There is a way."

RECOGNIZING ARTISTIC GENIUS: ROBERT CHARLES HOWE

Mr. PERCY. Mr. President, when the Saturday Evening Post magazine announced its Norman Rockwell Cover Contest in the summer 1972 edition, the purpose of the competition was stated as follows:

> Who knows where . . . promise may be hidden, waiting to be found? Who knows where genius lies? We only know that it is there, somewhere out there. And we aim to find it.

Find it they did.

Painter Robert Charles Howe, a 19-year-old resident of Mason, Ill., won the contest "hands down." The results were announced in a March/April 1973 Post article. Of Robert the Post wrote:

> Art is his sport, his social life, his life itself.

Personally, I am extremely proud that Robert is one of my constituents.

The young artist is largely self-taught, having had only 1 year of formal training. In the family basement, he labors over his easel from 5 a.m. until suppertime each day. His studio is a converted coalbin that his grandfather built before the furnace was installed next to it. It is quite small, but "large enough for genius to squeeze in," the Post points out.

Robert has studied the work of many painters. But, from the very beginning Norman Rockwell was his idol. At the prodding of his uncle, a Rockwell enthusiast, young Robert poured over the pages of the Post absorbing the Rockwell laughter and tears. It was an art class in itself.

Robert considers Rockwell to be superior to the impressionist—to the Renoirs and Rouaults and Toulouse-Lautrecs. He believes that time will bear his opinion out.

In late November 1972, Robert mailed one of his paintings to Rockwell. The painting was a caricature of Rockwell adapted closely from Rockwell's own.

No word came for 1 month of impatient suspense.

Then, on Christmas Eve, as Robert ascended the steps to his room, he found a package near his door. It was the painting, returned. On it Rockwell had written "Very well done." And, he signed his name.

Inspired by this, Robert desired a meeting with the artist more than ever. Knowing that Rockwell admires Rembrandt above all, Robert wrote to the artist with diplomacy far beyond his then 18 years:

> Perhaps if you had the chance to be with Rembrandt, you could understand how I feel about asking to visit you.

Rockwell consented to see the boy who had sent him the caricature that he so much admired. But only for a very brief visit. He is a very private person. He works every day. Since all the world comes to knock at his door, he parcels out his time sparingly. And, his painting comes first.

But, when Rockwell saw the paintings that the boy from Mason had brought to him, the Post reports:

> The careful time schedule went out the window. The master and the student talked about things only they could feel.

The restrained artist even posed for a photograph with Robert—a Rockwell rarity.

Norman Rockwell personally judged the paintings entered in the contest. The judge was interested in all the submitted work, but he had no doubt about his decision. Robert Howe's work won hands down. With characteristic intensity of character, Rockwell declared to the Post editors:

> Bob is better than I was at 18.

Bob, whose self-portrait appeared on the cover of the March/April 1973 issue of the Post, has begun a most promising career. As a result of the contest, he is now under contract to the Post as an illustrator and cover artist.

Americans can be extremely proud of this Nation's artistic achievements and heritage. American artists have had an indelible and unique influence on the traditions of all forms of human expression. Particularly in these times of stress, art is an essential human therapy.

Mr. President, Robert Howe is an outstanding example of the Nation's continued artistic flourishing. Because I believe his fascinating young career will lead to future greatness, I ask unanimous consent that the March/April 1973 Saturday Evening Post article referred to earlier be printed in the RECORD. I only regret that the RECORD cannot reproduce the Post cover.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Saturday Evening Post, March/April 1973]

THE SATURDAY EVENING POST PROUDLY ANNOUNCES THE WINNERS OF THE NORMAN ROCKWELL COVER CONTEST—THE AMERICAN DREAM REVISITED

Genius is no snob.

Once upon a time an illegitimate son was born to Ser Piero and Caterina, *Donna d'Acchattabrigha di Piero del Vacca,* in a humble hut under the south side of the cliff of the castle of Vinci, facing to the Italian east. The event was so unnoticed that even its date, 1452, is not quite certain. But the time would come when the boy, grown to manhood, would call on the home of a nobleman in Rome and, finding him out, would merely inscribe with a piece of chalk on the front door in a single magnificent flourish a perfectly formed circle—for did not all the world know that such incredible skill could only belong to the greatest artist of the Renaissance, perhaps the greatest of all time, Leonardo da Vinci? Supremacy was his calling card.

A lifetime ago, genius again touched the head of a tiny girl in a farmhouse in upstate New York, as she peeked out of her bedroom window at a shimmering spring morning. One day Grandma Moses would be acclaimed for the primitive poetry she brought to a painting of that scene.

Not quite so long ago, a tousled-haired choirboy in the handcarved stalls of the towering Cathedral of St. John the Divine in Manhattan made sure that no one saw him while he doodled in the margins of his hymnbook during the sermon. Today, bidders in the most exalted art salons fall over each other to possess the tiniest sketch with the signature, "Norman Rockwell."

And now, right now, in the very center of the map of America (give or take a few splinters on your ruler) is the state of Illinois. Smack in the middle of Illinois is a tiny town, and in the depth of its quiet residential streets, right in the middle of the block, is a yellow brick house. And, in the heart of that family residence, downstairs a boy labors over his easel every day from 5 a.m. to suppertime in a converted coal bin his grandfather built before the furnace was installed next to it. That is his studio, hardly big enough to swing a cat in, in Mark Twain's phrase.

But it is large enough. Large enough for genius to squeeze in again and steady those young hands. For they belong to a lad you can see in his self-portrait on the cover of this magazine. Norman Rockwell himself, who has appraised the work of Robert Charles Howe with a characteristic intensity and largeness of spirit, says that Bob "is better than I was at eighteen."

If you will, stop for a second and open your heart to what this really means. The master's works are on tour all over the United States and our greatest museums have had their placid routines joggled and their turnstiles twirled, as unheard-of throngs came to gaze at the paintings of Norman Rockwell. The man who sees things very much with their own eyes, had they only the gift which is his—to look where the small, wonderful things of life are hiding, and then to put it forever on canvas.

And yet Norman Rockwell can praise with such generosity, with an arm across the shoulders of this unknown young student/artist.

Set your fears aside. The American dream still lives, and is in good hands, let cynics say what they will. We shall never know, really, where to look for genius. But rest assured, it will always be there, in the secret places which are part of God's plan.

Our own faith may have faltered a little at the beginning, when SatEve-Post started the Norman Rockwell Cover Contest. We wrote: "Who knows where another such promise may be hidden, waiting to be found? . . . Who knows where genius lies? We only know for sure that it is there, somewhere out there. And we aim to find it."

Then the paintings, the sketches, the charcoals, began to flood in. We could see that some were quite good, some merely competent, others merely an indication that art, no matter how diligently pursued, is not for everyone.

Then, unexpectedly, we got a call from eighteen-year-old Robert Charles Howe. Could the family drive down to our Indianapolis office and submit his work in the competition? We swallowed hard and said yes, of course (one of the burdens of this business is the constant necessity to find a gentle way to turn aside hope, leaving just enough so that, in case we were wrong, all chance of success might not be extinguished).

So the lad you see here walked in with his father, George. Bob is precisely as he paints himself. He's medium size. The hair is red, very *red* in certain lights. He's quiet, but he's easy to talk to. There's plenty of boy still left there; the man is emerging. He had a number of his sketches and paintings with him, and as he and his father began to unwrap them, we hoped against hope that it wouldn't be too hard to respond. The two of them were all eagerness, close to shaking, but it must be confessed that Bob was the cooler of the two.

Then they put out for inspection what you can see here. The self portrait in the mirror—*"Holy Cow! Look, mom, making like Norman Rockwell!"* The beautifully fashioned painting of his father as the eternal salesman—shabby, almost defeated but not quite, gamely coming up with just one more stale joke that might clinch the deal. And there stood his father in person, a well-groomed and confident industrial designer. The likeness was perfect, but the young artist had gone beyond copying the outer image and had added his own inner dimension to the figure. Like Rockwell. *Like Rockwell??!!*

Next we saw the painting of Richard Nixon and Spiro Agnew again in the familiar mood of the Rockwell painting on the U.N. theme. And there, in the background, Bob Howe had painted himself as one of the component figures. Just like Rockwell. *Like Rockwell??!!*

There was a caricature of Norman Rockwell, similar to the one Rockwell had done of himself . . . scout cap askew above a rakish countenance. And the beginnings of a sketch of the street on which Bob lives, Rockwellian in mood, and reminiscent of the hundreds of little streets which have appeared in Post covers and illustrations—real streets and real people, captured in a moment of time, for all time.

Everybody talked at once.

We can't expect you to believe this, but you should, because it is the literal truth. Bob is largely self-taught. He has had only a year of formal training, and that was in the art classes of St. Xavier College, near his home. Great credit must go to those teachers. They knew what they had, and they moulded him wisely without changing him. Art students today are often eager for modern modes and techniques. Here was a lad who had opted for the disciplines and representational techniques of the old masters, but especially of Norman Rockwell. There are those in art circles who are jealous enough of Rockwell's great commercial success to try and deny him the palm of true art. Fortunately, Bob was among wiser counsellors. They taught him, as he says, that "thinking is an important part of painting." They taught him to read deeply into the history of art, to study the work of the masters. They taught him to study anatomy, and today he is seldom far from his book of complicated drawings of bones, muscles, and the human form.

But that was for just a year.

What about the rest?

Bob tells it himself. "When I was in first grade, I remember that while the other kids were doing stick figures I was sketching *them.*"

He drew everything. But from the beginning Norman Rockwell was his idol. Bob's grandfather, the late George Dillon, was a Rockwell fan, and he often summoned the little boy to pore over the pages of the Post for the Rockwell laughter and tears. It was a kind of an art class in itself. And when Bob started to draw the world around him, Grandpa never let the boy take it either too seriously or to lightly, nicknaming him "Mick" for Michelangelo.

The big day in Bob's life came during a visit with his troop of boy scouts to the Chicago Museum of Art. He knows every painting there—the Vermeers, the Van Goghs, the Rembrandts—but Bob thinks for himself, and he had already decided years ago that Rockwell has it all. In modeling himself after Rockwell, he was going for the top. Bob states quietly enough, but firmly, that he considers Rockwell superior to the Impressionists, to the Renoirs and Rouaults and Toulouse-Lautrecs, and he thinks that time will bear him out.

This is not a stubborn loyalty on his part, because until recently, he had no contact with Rockwell the man, and his hero worship was strictly a one-way message. But he had studied Rockwell deeply. Bob knows all of the loosely structured sketches Rockwell brought back from his many trips to Europe—the quickly captured mood of a Paris street, a Carpathian bridge disappearing into evening mists, a peddler hawking next to a Cairo mosque. And Bob Howe boldly speaks right up and claims that Rockwell's complete output equals the Impressionist cadre any day, and that Rockwell's American classics are more meaningful than anything the Frenchmen ever did.

Well, anyway, on that day of the troop's visit to the Museum, Bob caught sight of that big and expensive Rockwell album published only a few years ago, with the most extensive coverage of the artist's work extant. His father said yes he could have it—if he bought it with his own money. So Bob did.

Bob is first an artist, but he is a rugged kid besides. Up in his bedroom, otherwise as austere as a monk's cell, he has three Rockwells on the walls, but next to his bed is a little shelf on which there are three baseball trophies he won in the Little League as a catcher who hit more home runs than anyone else, and who almost made it to the Little League World Series. He can handle himself. So he bought the big book for himself. It lies now close to the shelf outside his studio where he keeps his other treasures—books of the lives and works of the old masters.

Art is his sport, his social life, his life itself.

"I don't mind being a loner," says Bob. "I even like cloudy days. Maybe because I'm not tempted to go out, away from my studio." His light comes from inside.

He has help. Bob's mother and father, Jean and George Howe, have never wavered in their conviction that their youngest son has a special gift. There are two older Howe boys, out in the world on their own now, who are making their way by conventional careers. But the parents discerned at an early date the special attributes of their youngster, and although it is often the way of parents to sacrifice their own comforts and luxuries for the sake of their children, the Howes have managed to do this and more—since Bob, who is indeed something special, obviously doesn't think he is. He has been brought up wisely, ready to use his great talents, with an understanding of his own place in the total picture. Last Father's Day, the Howes bundled into the family car and headed for Stockbridge, Massachusetts, the home of Norman Rockwell. They were inspired by Rockwell's response to a painting Bob Howe had sent him late in November of the previous year. This was the caricature of Rockwell, adapted closely from Rockwell's own—one boy scout to another. Bob had mailed it himself, but when no word came, he concluded that he was getting just what he deserved from the famous man. Indifference. But . . . on Christmas Eve, as the boy went up the stairs to his room, there was a package on the step at the top. It was the little painting, returned: and on it Rockwell had written, "Very well done," and signed it. There'll never be a Christmas like that again in Bob Howe's life, not quite.

So off they went to Stockbridge. Norman Rockwell is a very private person, and he works every day. But all the world comes to knock on his door, so he must parcel out the time he has for others or they will consume him, with so much painting to do, still ahead of him. Rockwell did, of course, consent to say hello to the boy who had sent him the caricature, but only for a moment. Bob confesses to a small bit of diplomacy in asking for the audience. He knew that Rockwell admires Rembrandt above all. So Bob wrote saying that "perhaps if you had the chance to be with Rembrandt in person, you can understand how I feel about asking to visit you." Not bad for an eighteen-year-old.

Bob does not merely copy Rockwell. He idolizes him, as we know, and he has patterned his style after Rockwell. However, "I rank Rockwell as our greatest painter. But I try to learn a little from everybody. I love the Impressionists, but then again I love the Flemish painters too and the Dutch, and I try in some way to put them universally together. I study especially the technique of Vermeer with light—*The Women in The Red Gown*, the little diamonds, the highlights. I want to portray everything as closely as I can to real life, but not to the point where it's mechanically done. I want to give it a personal feeling. I don't want to be Mr. Rockwell, I want to be me. I love the scenes he has portrayed, the type of things he has done, and I sincerely feel that I would like to follow him in portraying the American scene—if possible, as well as he did, but in my own way, for my own time. To see reality with the artist's eye. Reality by itself may not be interesting enough to portray, but then you must move something into it, or trigger some emotion."

When Rockwell saw the boy's paintings, the careful time schedule went out the window. The master and the student talked about things only they could feel. Rockwell is a restrained kind of person, but when George Howe asked if he would pose for a picture with Bob, Norman consented, and they posed as you see them with this article, in the center of the great man's studio. Bob shyly admits that he put an answering arm around the older man, which doesn't show in the picture. "He was hard and muscular," says Bob. The pupil who came to touch the master also found a man.

So now the young student is also a man. Nineteen today, he will have the family garage converted into a new studio. His box of pipes (doesn't Norman Rockwell smoke a pipe?), his library of old masters, and his skeleton and the books on anatomy will all go along, to be at his elbow while he forgets everything else at the easel. The coal bin is no more. But that is where it all started, where "Mick" pursued his particular Rockwellian star.

Where did this American dream start? Who can say? His father pretends to no great artistic talent. Mother Jean likes to sing for fun. Grandfather was in the packing business, and Grandmother likes music and an occasional Highland fling. But there may be a hint in this—the "Howe," according to George, suffered Anglo-Saxon mutations in England, and can be traced back, if you go far enough, to a German forebear who was celebrated in his day for the beauty and delicacy of his woodcarving. That fine discipline may have found its way into Bob's hands, perhaps. No matter. They are there, and they can paint, and that is what matters now.

And what of the future? Well, it began to shape up for Bob Howe when Norman Rockwell graciously consent to judge the entrant paintings in the contest named in his honor, and we journeyed to Stockbridge with a passel of art for his inspection. If you have ever attempted to transport valuable paintings via air, you will understand the dilemma we faced—the tender mercies of airline baggage departments are too well known to seasoned travelers for us to conceive of committing our precious art cargo to such thumps and pitchings, swift as they may be with more study cargo. So it was necessary to work out a way of carrying them. But airlines do not permit luggage aboard larger than will fit under the passenger's seat. And we had some biggies.

Then came the inspiration. Airlines will permit a passenger to carry with him a garment bag which the stewardess usually manages to stow away in a compartment built for the purpose. The inspiration: pack the paintings in garment bags. Well, we managed to fill up a couple of them to the brim, and stoked up our courage to get them aboard. While the Lady Editor diverted the attention of the stewardesses and officials with naive questions concerning whether the wings would stay on the aircraft or not, the Mr. Editor moved swiftly up the aisles, bearing the heavy and rigid bags. It must be confessed that once or twice in his headlong flight he bumped into other passengers, so if you hear any rumors to the effect that a couple of people are traveling by air today who apparently still wear armor, you'll get the message—it was us.

There were four points at which the deception might have been detected, but thanks to the duplicity of the Lady Editor and the muscle of the Mr. Editor, the paintings made it all the way, and the people who were bumped by the garment bags will never be the same again.

Once we were in Stockbridge, Norman Rockwell—who does everything with characteristic care and thoroughness—wanted to view the competing paintings in the proper light, so they were taken over to his studio promptly. The light was just right, and the great painter examined these hopefuls with all the seriousness he might lend to a scrutiny of a new addition to the Louvre. His decisions were positive. Bob Howe's work won hands down. Rockwell stated flatly that he was way out ahead of others. But the judge was interested in the work of all. The second-place winner, by Gene L. Boyer, caused him to remark on the texture and treatment of the leaves, as reminiscent of Wyeth.

But Robert Charles Howe had won. His reward was something he may not have envisioned in his wildest dreams. His self-portrait appears on the cover of this issue of the Post, and now he is under contract to the magazine as one of its cherished illustrators and cover artists, so that his career is actively launched and you will be seeing his work again in the future. He is also wading into a highly challenging project—a contemporary version of that famous graphic concept of American masculinity. The Arrow Collar Man. This is the image which in one case reflected the swooned-over profile of John Barrymore, and adorned the bedroom mirrors of millions of sighing damsels in a more serene age. But it also has its particular challenge artistically to Bob Howe, since it was the creation of that fine artist, J. C. Leyendecker, who in turn was the idol of Norman Rockwell. And so now it is only chronologically appropriate that the baton and the brush should be passed on to Bob for him to have a try at that classic profile. His 1973 Arrow Shirt Man (the detachable collar went out with the klaxon and Billy B. Van's Pine Tree Soap) is scheduled for a debut in our very next issue. Norman Rockwell views the cycle beginning again, reminiscent of his own career, and remarks that while he wishes the young artist well, the boy will succeed very much on the strength of his own talents. Time will show their emerging forms. One thing is sure—his inspiration will not flag, and his growth has already commenced. There will be trials, but Bob will meet them.

Bob Howe has quiet wells deep in him where the real answer lies. When he first decided he was painting well enough to actually merit signing a canvas, he did so with his full name, Robert Charles Howe, the "Charles" being in there for a favorite uncle who had died young. Since signing canvases might well become a lifelong habit, George asked if he had thought over the matter of signing his entire name.

"Yes," said Bob. "I thought that if things worked out for me, this way Uncle Charles might be able to live a little more after all."

So, Uncle Charles, there you are on the cover of The Saturday Evening Post. And the chances are, you're going to be there again.

THE GUARDSMAN AND HIS JOB

Mr. ROTH. Mr. President, in a recent issue of the Wilmington Morning Journal there appeared an article by columnist Bill Frank on the excellent job which Col. Albert A. Poppiti has done in Delaware to promote employer statements of support for the National Guard.

These statements of support are intended to draw the employer's attention to the responsibilities of the guardsman to his country and community and insure that he will not be penalized in any way in his employment for the time which he must take to fulfill his Guard obligations. I am a signatory of one of these statements which Senator Thurmond distributed to Members of the Senate.

As I recently stated in a speech in Milford, Del., I believe that we should give more attention to the National Guard and Reserves as a means of maintaining a high quality defense establishment at a reasonable cost. For this reason, the efforts of Colonel Poppiti and many others to see that the Guardsman will not be discriminated against in terms of career opportunities, promotions in his job, or vacation time are extremely important. These efforts help maintain a strong National Guard and hence a strong United States.

I ask unanimous consent that Bill Frank's article on Colonel Poppiti be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

The Guardsman and His Job

(By Bill Frank)

The volunteer citizen-soldier is a part of the American tradition.

This applies to the citizen volunteers in all segments of the nation's armed forces.

It also is part of the Delaware tradition as symbolized by the rifleman on the state's coat of arms.

But what about the attitude of the citizen-soldier's employer?

This is the crux of the Employers' Support Week which starts next Monday. A week to encourage employers to support employes who participate in the National Guard or other reserve units of the nation's armed forces.

Interestingly enough, the Du Pont Co. in Wilmington was one of the first employers in these parts who gave special consideration to its men in the Delaware National Guard.

50 years ago, the Du Pont Co. established a policy that any employe who signed up with the National Guard would not be deprived of his regular vacation period if he spent two weeks training with the Guard.

In many ways this was advanced thinking and it is now part of the employment practices of hundreds of American corporations and businesses.

But a lot more employers are yet to be enlisted in this cause to insure the establishment of a viable reserve military force as part of the volunteer armed units of the nation.

About a year ago, a national campaign was started by the National Committee for Employers Support of the Guard and Reserve, headed by James M. Roche, former chairman of the board of General Motors.

Here in Delaware, Col. Albert A. Poppitti (Delaware Air National Guard retired) spearheaded the movement.

The aim was to get employers, large and small, to sign a statement of support, recognizing the National Guard and the other reserve units "as essential to the strength of our nation and maintenance of world peace."

But there had always been a problem.

Many employes, although anxious to join the Guard or other *reserves*, were worried about their employment status, vacations and career opportunities.

They asked such questions as: "Suppose I am called away for training and suppose I am summoned into a tour of active duty, what happens to my job? What happens to my chances of promotion?

And until the Roche committee on a national level, and the efforts of Poppitti on the Delaware scale, I don't think too many employers gave those points much consideration.

How, however, many employers, particularly state, county and municipal governments, have come to realize that the military reserves are *vital to* the safety of our communities, as well as that of the nation.

What the Roche committee says is simply this:

"An employer's statement of support does not require any employe to join the National Guard or any reserve.

"But it does mean that an employer says to his employes that they will not suffer any job hardship because of service in the National Guard or reserve."

In other words the Roche committee is not asking employers to become recruiting agents, but rather to treat employes who do join up with consideration and justice.

The response in many parts of the nation has been most unusual. Roche says some employers are even going so far as to make up the pay differentials. Hence, in the event that an employe is called up for Guard training, his company will make good any salary losses he may experience.

In the event that any employers are inclined to give the Roche committee their serious consideration, may I remind them that there is a whale of a difference between a National Guardsman of 50 or 75 years ago and one of today?

The Guardsman of today, at least in Delaware, is no longer the haphazardly trained militiaman of generations ago.

He is trained under rigid federal standards and, if necessary, it would not be too difficult for even an average Guardsman to step into the active military ranks and do the job the active soldier is required to do. This also applies to the Air Guard, the Navy, Coast Guard and Marine reserves.

I witnessed phases of this several years ago when I accompanied the 261st U.S. Strategic Communications unit of the Delaware Army National Guard to Germany.

The regulars there said, "Hey—the Guard is coming."

That was not in derision, but in glee. It meant that the regulars could go off on leave while the Guardsmen took over their jobs.

And in case you didn't know, scores of Delaware Air National Guard personnel are just as qualified right now as regulars in the U.S. Air Force.

To sum it all up, Employer Support Week is intended to establish a strong relationship between the business and industrial community and the volunteer citizen-military.

PUBLIC SERVICE EMPLOYMENT

Mr. KENNEDY. Mr. President, I testified last week before the HEW Appropriations Subcommittee of the Senate Appropriations Committee on the need for an immediate increase in public service employment funds during the current fiscal year.

A cosponsorship letter was circulated by myself and Senators Cranston, Javits, Nelson, Mondale, Hart, and Bayh for our proposal to amend the second supplemental appropriations bill for fiscal year 1974 to include an additional $350 million in public service employment funds for the remainder of the fiscal year. This would raise the level of jobs back to the level during the initial operating period of the Emergency Employment Act.

The amendment would create an additional 197,000 jobs to those now planned by the administration. Other Senators joining us now in recommending this amendment to the Appropriations Committee are Senators Fulbright, Case, Moss, Williams, Metcalf, Hatfield, Stevenson, Hathaway, Clark, Tunney, Humphrey, Burdick, and Gravel.

The AFL–CIO, the League of Cities and U.S. Conference of Mayors, and representatives of the Governors' Conference have endorsed our proposal.

I ask unanimous consent that my testimony be printed in the Record.

There being no objection, the testimony was ordered to be printed in the Record, as follows:

Testimony by Senator Edward M. Kennedy

Mr. Chairman: For myself, for Senator Cranston, Senator Javits, Senator Nelson, Senator Mondale, Senator Percy, Senator Hart and Senator Bayh, let me express our appreciation to you for the opportunity to present our views. We have joined to make a plea to the Committee for an emergency increase of $350 million in the level of appropriations during the next three months for public service jobs.

The situation as it stands today is as follows:

First, there is an unemployment rate of 5.2 percent, representing more than 4.7 million Americans without work. It is an unacceptable level of unemployment that bears witness not only to the crisis in energy but to the crisis in economic policymaking that has characterized this Administration. That figure, I might add, reflects only the official level of unemployment and does not reveal the number of Americans who are able to find only part-time jobs, or those whose full-time jobs do not permit them to live above the poverty line.

Second, we have seen the promise and the success of the public service employment program which operated across the country under the Emergency Employment Act of 1971. Yet today, fewer than 80,000 jobs are filled under this program, a pale reflection of the program at its height, when some 230,000 jobs were being funded in communities throughout the land. The jobs in hospitals and schools, on police forces and fire departments, on highway and transit crews, pollution control, park maintenance and rural development—these jobs dispelled the make-work myth. They were vitually needed by their communities and they represented a wise public investment not only in public needs but in human beings.

In Massachusetts, our experience was overwhelmingly positive. Nearly all of the 339 towns and cities within the state participated in the program, in addition to the state itself. Not only were some 7,300 individuals provided job opportunities, but nearly 40% of that total were subsequently hired as full-time employees. In town after town, they worked in law enforcement, in education, in transportation and public works, in health and hospitals, in parks and recreation and in providing social services.

I cannot conceive of a program which met with such overwhelming public approval and acceptance. I might add that both the Governor's office and the mayor of Boston have informed me that it is their view that funds utilizing the delivery system of EEA could be used immediately.

A still unreleased Labor Department study shows these nation-wide results—Administrative costs were only 1.9 percent, meaning that approximately 98% of all funds went to the jobs themselves. Vietnam-era veterans comprised 37 percent of all participants; 41 percent were minority group members, 14 percent were former welfare recipients.

A still unreleased Labor Department study shows these nationwide results: Administrative costs were only 1.9 percent, meaning that approximately 98% of all funds went to the jobs themselves. Vietnam-era veterans comprised 37 percent of all participants; 41 percent were minority group members, 14 percent were former welfare recipients. One half of all participants went directly to unsubsidized public or private employment. Within a year of leaving the program 82 percent of all participants were employed. Six months after leaving the program, former participants were earning 51% more than they had prior to the EEA experience. For blacks, youths under 22 and welfare recipients those average income increases were 63 percent, 90 percent and over 100 percent respectively.

The EEA represented the Congress putting action in place of the Administration anti-welfare rhetoric. Instead of ordering men and women to leave the welfare rolls when there were no jobs, we provided the jobs so that those who were able to work had a chance to leave the welfare roll and become contributing members of society. In fact, some 23,000 welfare recipients became income earners in the first year of the EEA. I might add that the number of applicants far out-distanced the number of job slots available.

Third, we have a new Comprehensive Employment and Training Act (CETA) which was signed into law on December 28, 1973. Yet, I have here regulations issued on March 19, 1974, which are yet to take effect. These represent the sixth draft, I believe, of proposed regulations and even these are still subject to comment until May 4. Clearly, the prime sponsorship system established under the new law is not going to be in operation from some time. In fact, it is extremely doubtful whether the new delivery system—particularly for Title I—can be operative for at least three months.

Thus, we are faced with a critically high level of unemployment, a proven program in the EEA, and a new, untested and complicated delivery system in which the bugs are still to be discovered—let alone to be removed. In this situation, we are suggesting an emergency relief measure, most properly the subject of a Supplemental Appropriations Bill, and one which the new manpower law itself authorizes.

Under Section 3(a), of CETA, a special transition authority is granted the Secretary to obligate, prior to July 1, 1974, funds appropriated by the Congress to provide continued assistance for public service employment, utilizing the already proven delivery system of the Emergency Employment Act of 1971.

We are proposing that this provision be implemented for the next three-month period so that vitally needed funds are pumped into the hands of the jobless and the economy at the moment when both require help—not months too late.

Calculated on a three-month basis, this would lift the levels of directly funded public service jobs by 197,000; 140,000 new jobs under Section 5 and 57,000 new positions under Section 6. Naturally we hope at least this level would be maintained through continued funding under CETA in Fiscal 1975. By then hopefully, CETA will be fully operational. Our request for funding would in addition to the $250 million for Title II under CETA proposed by the Administration. I would note that the Administration Title II request, besides being limited in its immediate applicability because of the time necessary to establish the appropriate delivery system, also is restricted to communities of over 6½ percent. Yet another 49 areas had unemployment rates between 4.5 percent and 6½ percent. All of those areas would be unable to receive any funds for public service jobs under the Administration request. If one were to look at the Title I request of the Administration, the $1.5 billion requested is sufficient only to maintain the manpower training program level of the previous year, with no additional funds that can be used for public service employment.

If this Committee desires to see funds carried to the states and communities for public service employment immediately upon passage of this Supplemental Appropriations Bill, then our amendment is the best vehicle and perhaps the only vehicle that can do the job.

Mr. Chairman, the level of jobs we are suggesting is not exorbitant. It is a level that represents less than five percent of the total men and women unemployed.

It represents a position that is supported not only by the League of Cities and the Conference of Mayors but by the Governors Conference, as well as the AF–CIO.

Before concluding, I would like to add a brief commentary on the measure we are proposing in the context of the Supplemental Bill and the Administration requests.

As much as in any overall budgetary evaluation, the Supplemental Appropriations Bill represents a decision on priorities. It involves a determination based on the competing demands for federal dollars.

In that determination, I believe that our request can be funded without in any way breaking the budget.

Let me note that the Administration has put forward a $6.2 billion supplemental budget request for the Department of Defense alone. Their request includes permission to spend $474 million more in military aid for South Vietnam.

When I look at the lines stretching through the employment offices throughout my states, where 220,000 persons are unemployed where the unemployment rate is now at 7.7 percent, even under the new Labor Department rules, then I think our request is even conservative. We are requesting only $350 million. The Administration is requesting $474 million for guns for Saigon.

I cannot help but believe that the national interest would be better served if the $350 million we requested were subtracted from the $474 million in the military aid request for South Vietnam. I might add that I doubt the necessity or desirability of approving even the remainder.

We believe the additional funds which would be added under our proposal for this fiscal year can be found within the existing budgetary spending levels. Expenditures for public service employment will result in savings in welfare payments and unemployment insurance and increase tax revenues of 40 cents for every dollar spent. In addition, based upon Bureau of Labor Statistics data, it has been estimated that for every 10 public service jobs created, four private sector jobs will be created immediately and that eventually, over the next 18 to 24 months, another six will be generated from the Gross National Product increase resulting from those 14 jobs. In terms of job creation and economic stimulus, it is a bigger bang for the buck than virtually any other program.

The second concluding point I would urge on my colleagues represents my own view of the direction this nation must move if it is to fulfill a wide range of aspirations awakened in part by our own rhetoric and by the rhetoric of those who have gone before us.

In America today, the 4.7 million unemployed and the more than 25 million poor are being denied the promise of justice. When FDR called forth a vision of this country in which there would be full freedom, his vision included freedom from the chains of economic despotism. He looked out upon a nation in which a third of the people were ill-housed, ill-fed and ill-cared for. And he laid out the challenge to end those conditions.

The goals he set forth still appear in the distance, still all too real for millions of Americans. There must be a major expansion in public services, an expansion in which the federal government plays a continuing role, if we are to achieve those goals.

Enlarging the public services made available to the citizens of this country—in combating a host of public ills, from inadequate housing to inadequate medical care—represents the direction we should be marking out for the future. That direction can be tied through public service employment to helping set a course toward full employment, where those able to work and wanting to work have decent, well-paying and important job opportunities available to them.

The measure we are suggesting today will not miraculously carry us to that goal, or to achieving the liberation Franklin Roosevelt desired; but it will be a step closer to those objectives.

I hope that the Committee will accept our suggested amendment.

WASHINGTON, D.C., *March 26, 1974.*

Hon. EDWARD M. KENNEDY,
U.S. Senate,
Washington, D.C.:

The AFL–CIO strongly supports the emergency public service employment amendment sponsored by a bi-partisan group of Senators. The $350 million provided by this amendment is vitally necessary during the current fiscal year. The growing unemployment crisis makes adoption of this amendment a necessity.

ANDREW J. BIEMILLER,
Director, Department of Legislation, AFL–CIO.

NATIONAL LEAGUE OF CITIES,
U.S. CONFERENCE OF MAYORS,
March 28, 1974.

Hon. EDWARD M. KENNEDY,
U.S. Senate,
Washington, D.C.

DEAR SENATOR KENNEDY: We strongly support your efforts, and those of your colleagues, to increase the supplemental appropriations for public service jobs. As Mayor Uhlman of Seattle, Washington, said in testimony before the Senate Appropriations Subcommittee on Labor and Health, Education and Welfare, "There is little question that the energy crisis is . . . resulting in massive unemployment throughout the country." As the Mayor indicated in that testimony, in Seattle alone some 50,000 persons are unemployed, and this does not even take into account the impact of the energy crisis. St. Louis has reported energy-related unemployment of almost 7,000 persons in the last few months. Flint, Michigan, reports a 14 percent unemployment rate in February, or some 22,000 persons. Los Angeles projects energy-related unemployment will reach 25,000 by this summer.

The Administration's supplemental appropriation request for public service employment is an inadequate response to such increases in unemployment. The jobs, approximately 35,000, created will not even replace the employment opportunities being abolished under the phase out of the Public Employment Program (PEP).

Local and state government demonstrate, in the conduct of PEP, the ability to place over 150,000 unemployed in productive public service jobs—jobs which not only provided needed unemployment but also met critical public service needs of our communities. Every evaluation and study of PEP has documented the constructive results of the program.

In our support of your efforts, we would, however, urge you to consider the fact that an increase in FY 1974 supplemental appropriation in the manner proposed will not be possible in FY 1975. The problem of unemployment will, however, remain. Consequently, we believe the consideration must be given, on a priority basis, to legislation for FY 1975 and the future which would authorize funds to create public service jobs. Such legislation should be independent of Title II of CETA since that Act and Title were not designed to meet unemployment problems such as those created by the energy crisis.

Sincerely,

ALLEN E. PRITCHARD, JR.,
Executive Vice President, National League of Cities.
JOHN J. GUNTHER,
Executive Director, U.S. Conference of Mayors.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER (Mr. HUDDLESTON). Morning business is now closed.

FEDERAL ELECTION CAMPAIGN ACT AMENDMENTS OF 1974

The PRESIDING OFFICER. Under the previous order, the Senate will resume consideration of the unfinished business, S. 3044, which the clerk will state.

The assistant legislative clerk read as follows:

A bill (S. 3044) to amend the Federal Election Campaign Act of 1971 to provide for public financing of primary and general election campaigns for Federal elective office, and to amend certain other provisions of law relating to the financing and conduct of such campaigns.

The PRESIDING OFFICER. The pending question is on agreeing to the amendment (No. 1141, as modified) of the Senator from Alabama (Mr. ALLEN), on which there will be 1 hour of debate.

Mr. ALLEN. Mr. President, I ask unanimous consent to yield 10 minutes to the distinguished senior Senator from Delaware (Mr. ROTH) with the time to be charged equally between the two sides.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. ROTH. Mr. President, I thank the Senator from Alabama for his courtesy.

Mr. President, I had intended to call up an amendment, but have determined not to do so. However, I do wish to discuss the reasons why I do not intend to call up further amendments from my campaign reform package.

Mr. President, the amendment I had intended to call up is an important element of my package of campaign reform proposals. The amendment would require the Federal Communications Commission to develop regulations requiring each television station to make available, without charge, a limited amount of television time to candidates for Federal office. My amendment would permit each candidate to gain exposure through the television medium and it will prohibit most candidates from purchasing any other television time in addition to that provided by the stations without charge.

Although I believe that the adoption of my amendment is crucial to the passage of true campaign reform legislation, I will refrain from calling it up and asking for a vote because, apparently, the Senate will not have the opportunity to seriously consider any campaign reform proposals which are alternatives to "public financing."

This fact is evident because of the results of two Senate votes conducted last week on amendments to the Federal Election Campaign Act. On one vote, my amendment to allow all congressional candidates to send—without postage—two mass mailings to each of their constituents was tabled without a vote being taken on its merits. On the second vote, the Senate defeated the Baker amendment—No. 1134—after objections were made that, as a tax-related amendment, it should not be considered by the Senate, for it would be subject to a point of order in the House of Representtives.

This latter vote—in which the Senate defeated Senator BAKER's amendment to substitute the public financing provisions of the pending bill with a plan to finance future campaigns with a 100-percent tax credit for a contribution up to $50 on a single, or $100 on a joint return—has indicated that supporters of campaign reform who favor the tax credit approach to campaign financing are placed on the horns of a dilemma. Since many constitutional authorities are convinced that any tax-related measure must originate in the House, those of us who support the tax credit approach are barred from presenting the Senate with a viable alternative to public financing until the House has considered this proposal or it can be attached by the Committee on Finance to an appropriate revenue bill from the House.

For this reason, I would prefer that a final vote on the pending bill be deferred until the parliamentary situation is such that the alternative approach can be considered, unless the tax credit approach can receive a serious debate, it will be evident that the Senate is faced with but one alternative. The public financing concept will have been steamrolled through the Senate.

It seems to me, Mr. President, that such a delay would allow the Senate to consider the pros and cons of both approaches to reform in campaign financing. Since the radical changes envisioned by the supporters of public financing bill will not take effect until the 1976 general election, I see no reason why a vote must be taken on this bill before alternative avenues of approach to campaign reform have been fully explored. The Senate has already passed several bills to reduce the influence of big money in political campaigns.

One bill would shorten the campaign period to approximately 8 weeks, thus reducing campaign costs. Another proposal, S. 372, places limits on campaign contributions and expenditures, establishes a Federal Election Commission, and strengthens the disclosure requirements for all candidates and their campaign committees.

I have supported each of these measures and I have urged the Senate to strengthen their provisions by adopting my "package" of reform proposals. Rather than go from one extreme—in which campaigns are financed by unrestricted private contributions—to another extreme—in which the Federal Government becomes directly involved in campaign financing—I would favor the implementation and enforcement of laws designed to shorten campaigns, restrict contributions and expenditures, and force all candidates to disclose the source of their campaign funds. Enforcement of these measures—together with the enactment of my package of reform proposals—should end many of the abuses of our political campaign process without creating any additional problems.

As I have stated on previous occasions, I am opposed to public financing at this time because I am convinced that it tends to emphasize, rather than deemphasize, the use of money in political campaigns. In addition, public financing may separate the candidate from his constituency. For, once a candidate learns that he can tap the Federal Treasury for his campaign funds, he may be encouraged to allow campaign consultants to manage his campaign through use of the latest Madison Avenue techniques, instead of carrying his campaign to the people directly through personal contact with prospective voters.

As an alternative to "public financing" I have sponsored legislation to allow each taxpayer to take a 50 percent tax credit for a political contribution of $150 by a single taxpayer or $300 on a joint return. I am convinced that the "tax credit" approach to campaign financing reform is a better alternative to "public financing" because it encourages every taxpayer to voluntarily contribute to the candidate of his or her choice. An expanded use of the present tax credit for political contributions should broaden the base of campaign contributors and relieve candidates for Federal office from the necessity of soliciting large donations from a few wealthy individuals or organizations.

Mr. President, my proposal (S. 3131) to finance political campaigns through an increase in the maximum tax credit allowed for political contributions is the key element in my "package" of campaign reform proposals. Since this proposal cannot be adequately considered until it has been attached to a House-passed bill, it is obvious that the Senate cannot engage in a serious debate of its provisions at this time. Moreover, the Senate has already tabled the second element of my campaign reform "package" which would have reduced campaign costs by permitting congressional candidates to make two mass mailings at Government expense.

Mr. President, I am committed to the passage of meaningful campaign reform legislation. I am also unwilling to further delay the work of the Senate. For, in addition to campaign reform many other important issues are demanding our attention. I intend, therefore, to vote in favor of closing the debate on S. 3044 in the hope that the Senate can move to a vote on the "public financing" bill.

I remain convinced, however, that my proposals—taken as a whole—would regulate the conduct of future campaigns without injecting an unwarranted infusion of Federal funds into the political campaign process. Until "public financing" becomes the "law of the land," I will continue to fight for enactment of my alternative proposals.

Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. CLARK. Mr. President, I suggest the absence of a quorum and ask unanimous consent that the time not be charged to either side.

The PRESIDING OFFICER (Mr. HATHAWAY). Without objection, it is so ordered, and the clerk will call the roll.

Mr. GOLDWATER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

CELEBRATION OF 100TH ANNIVERSARY OF THE BIRTH OF HERBERT HOOVER

Mr. GOLDWATER. Mr. President, on April 1, I submitted a concurrent resolution calling for the celebration of the 100th anniversary of the birth of Herbert Hoover on August 10 of this year in the town of West Branch, Iowa. I know that many Members of this body, regardless of party affiliation, hold the memory of this great man in high regard; and in testimony of this fact, I am delighted to announce that 25 Senators already have contacted me wishing to cosponsor the resolution. I will ask that a list of these sponsors appear at the end of my remarks.

Mr. President, Herbert Hoover is known for his many careers, as mining engineer, humanitarian, President, statesman, and author. In his lifetime, he has done some very important things for his country and the world. His relief activities are unparalleled.

His humanitarian career began in 1900 when he directed the food relief for victims of the Boxer Rebellion; then in 1914 he organized the American Relief Committee, and, as chairman, expedited the return of 120,000 U.S. citizens who were stranded in Europe at the outbreak of World War I. Later that year, with Belgium and northern France occupied by the Germans, he directed the relief of 10 million persons in the area who had faced starvation. In 4 years of war he got a billion dollars worth of food to those people. Once we entered the war, Hoover was appointed U.S. food administrator by President Wilson and pioneered methods of mobilizing food resources in wartime. After the Armistice he was appointed Director General of Relief and Reconstruction of Europe and supervised the distribution of $3.3 billion of food and clothing to millions of cold and hungry persons in 30 countries.

In 1921, Hoover helped obtain relief to the starving masses in Russia; and in 1927, when the Mississippi Valley had its worst flood in the memory of man, Hoover successfully undertook the job of moving a million and a half Americans to safety.

His humane activities continued in 1946 when he was appointed coordinator of Food Supply for World Famine by President Truman. In that capacity, Hoover traveled 35,000 miles to 22 countries threatened with famine and as a result of his recommendations, the United States shipped more than 6 million tons of bread grains to the people of the hungry nations.

His Government career, after 7 years of service as Secretary of Commerce and 4 years as President of the United States, was capped by distinguished service, while in his seventies, as head of the two Hoover Commissions for organizing the executive branch of government. The two "Hoover Plans" made objective and nonpartisan recommendations, more than half of which were adopted, for economy and efficiency of Government operations.

Mr. President, this brief résumé of events in the life of Herbert Hoover conveys some of the reasons why I feel so deeply that we should honor his memory by providing for appropriate ceremonies commemorating the 100th anniversary of his birth.

Mr. President, I ask unanimous consent that a list of the sponsors of Senate Concurrent Resolution 79 be printed in the RECORD:

There being no objection, the list of sponsors was ordered to be printed in the RECORD, as follows:

SPONSORS OF S. CON. RES. 79

Mr. Goldwater, Mr. Bennett, Mr. Buckley, Mr. Dole, Mr. Domenici, Mr. Dominick, Mr. Eastland, Mr. Fannin, Mr. Griffin, Mr. Gurney, Mr. Hansen, Mr. Hatfield, and Mr. Hughes.

Mr. Case, Mr. Clark, Mr. Cotton, Mr. Javits, Mr. McClellan, Mr. Randolph, Mr. Scott, Mr. Stafford, Mr. Stevenson, Mr. Taft, Mr. Tower, Mr. Tunney, and Mr. Weiker.

FEDERAL ELECTION CAMPAIGN ACT AMENDMENTS OF 1974

The Senate continued with the consideration of the bill (S. 3044) to amend the Federal Election Campaign Act of 1971 to provide for public financing of primary and general election campaigns for Federal elective office, and to amend certain other provisions of law relating to the financing and conduct of such campaigns.

Mr. ALLEN. I yield myself 6 minutes.

Mr. President, this amendment is in truth a campaign reform amendment—certainly, insofar as the pending measure is concerned—because it would accomplish a 20-percent overall cut in the permissible amounts that could be spent by a candidate for the House or the Senate or the presidential nomination or the general election—an overall cut of 20 percent in the permissible amounts that could be expended.

The one exception is where a minimum is provided for a small State. There would be no change in that.

This would be accomplished by changing two figures in the bill, one being a provision that in general elections, there may be spent 15 cents per person of voting age in the political subdivision from which the candidate is running, and 10 cents in primary elections.

This little amendment would save the Federal Treasury, save the taxpayers of the country, upwards of $60 million every 4 years. We talk about campaign reform, cutting down on the amount of expenditures. Public financing does not accomplish that. This amendment is an effort to reduce the overall cost of elections.

The Senator from Alabama has already tried to add amendments cutting the amount of individual contributions. The first amendment was to cut the amount that could be contributed in a Presidential election to $250, and in House and Senate races to $100, the theory being that that is all the Treasury would match and that, therefore, there should not be any contribution over that. That amendment was turned down.

Then the Senator from Alabama offered another amendment which would raise those figures a great deal, to provide a $2,000 contribution permitted in Presidential races, a $1,000 contribution in the House and the Senate. That amendment was voted down by the Senate.

That leads the Senator from Alabama to the inescapable conclusion that the proponents of this bill, this public financing measure, are not interested in campaign reform. What they are interested in, particularly in the primaries, is providing campaign expenses for themselves. They want the best of two worlds. They want contributions permitted up to $3,000 per person, $6,000 per couple. They want those contributions, and then they want a matching system, too. So they do not want reform. They want public subsidy added to the amount garnered from the private sector.

The Senator from Alabama has tried to knock out the campaign subsidy provision, but a majority in the Senate, possibly even a two-thirds majority, wants to see their primary campaigns financed up to one-half, wants to see their general election campaigns financed 100 percent.

This little amendment is just a drop in the bucket. It would save approximately $50 million or $60 million every 4 years. But it would be a step in the right direction. It would cut down on the amount of Federal subsidy to the candidates for Federal offices. In the campaigns for the Presidential nomination, it would accomplish a considerable reduction.

Whereas now, Mr. President, the bill would permit subsidies of up to $7.5 million to the various candidates for the Presidential nomination of the two parties, this amendment would cut those subsidies to approximately $5.7 million. That is a pretty good little subsidy—$5.7 million to subsidize 15 or 20 candidates for the Presidential nomination. I believe they could skimp along on that. I believe that the Senators and the Members of the House who are going to run for the Presidential nomination could get by on a subsidy of $5.7 million.

I see the distinguished Senator from California (Mr. CRANSTON) entering the Chamber. This would not cut the subsidy of the Senator from California, because it does not apply to the upcoming election, but it would cut down on the subsidy allowed a candidate of a major party for the Senate in California from $2,121,000 to a mere $1,697,000. As soon as he got nominated by one of the two major parties, he would go to the Treasury and pick up a check for $1,697,000 to run his senatorial race.

Mr. President, it seems to the Senator from Alabama that this is not hitting the politicians of the country too heavily, to cut down on the overall expenditures on which the subsidy is based—to cut down on overall expenditures.

I am hopeful that the Senate will agree to this amendment. I might say that the amendment was originally reduced to cut the 15 cents per person of voting age to 10 cents, which would have been a one-third reduction from what is provided in the bill; and in the primaries, from 10 cents per person of voting age to 5 cents.

When the Senator from Alabama explained his amendment on the floor, the distinguished manager of the bill stated that if the change was made to 12 cents per person of voting age in general elections and to 8 cents per person of voting age in primaries, he would support the amendment. So I am hopeful that the Senate will follow the lead of the distinguished manager of the bill and accept the amendment.

I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. CANNON. I yield 3 minutes to the Senator from Iowa.

Mr. CLARK. Mr. President, the amendment offered by the distinguished Senator from Alabama (Mr. ALLEN) certainly has the appearance of being an easy answer to the campaign funding abuses of the past 2 years; but in my judgment, it is an answer in appearance only, not in substance.

We all agree on the need to eliminate the influence of "big money" in the political process. So, the argument goes, we simply should drastically curtail campaign expenditures, or at least curtail them beyond the present bill. It is a remedy that everybody can understand, and I think it has great appeal: Just cut the amount a candidate can spend, and everything will be all right.

But while this amendment may be an easy answer to one problem, it only opens up another series of problems. By reducing the spending limits, this amendment would erode what little competition still exists in the political process. As we have seen, incumbent Congressmen and Senators are reelected—95 percent of the time in the past few years—largely because they have been able to outspend their challengers on the average of 2 to 1. S. 3044 with its public financing provisions, will diminish the fund-raising advantage incumbents now enjoy.

But the amendment now before the Senate would make it even more difficult to beat incumbent office holders, despite public financing. With all the advantages inherent in incumbency—the frank, media access, for example—challengers must be able to spend enough money to become known. Senator ALLEN's proposal—8 cents a voter in the primary and 12 cents in the general election—would be totally insufficient.

I think the Committee on Rules and Administration gave careful consideration to this matter and arrived at as equitable a figure as could be found.

Mr. President, I spent $251,000 in my general election campaign against an incumbent Senator. Only two other challengers, my good friend from Colorado (Mr. HASKELL), and the Presiding Officer (Mr. HATHAWAY) spent less money in a successful race against an incumbent.

But my opponent in 1978 would be able to spend even less than that should this amendment be accepted. With only 12 cents a voter, it would be nearly impossible for any challenger to present his case to the people.

The American political system desperately needs more competition for public office, not less. I urge my colleagues to join me in defeating this amendment.

Mr. President, I yield back the remainder of my time.

Mr. CANNON. Mr. President, I have mixed emotions about the amendment. As the Senator from Alabama pointed out earlier, I did say if he changed his figures from 10 cents in the general election to 12 cents and from 5 cents in the primary to 8 cents, I would vote for that and I intend to vote for it. I am not sure where the correct balance is as to the formula. I do know that in some of the larger States under the formula we used it mounts up to a lot of money.

For example, in California, under the 15-cent provision in the general election, $2,122,154 could be spent. In the primary election in California the figure could be $1,414,300 under the bill as we reported it. Under the Senator's amendment those figures would become $1,697,160 in the general election and $1,131,440 in the primary. That still is a substantial amount of money and I am not prepared to say what is needed in the larger States. I know in some elections, as pointed out on the floor the other day, in the ten largest spending States in the last election, all would be reduced somewhat by the limits we had in the bill.

We have in the bill two provisions that would not be affected by the amendment. One of those provisions is that in the primary election a person could use his formula times the voting age population or the sum of $125,000, whichever was greater; and in the general election, the formula times the voting age population or the sum of $175,000, whichever was greater. So he arbitrarily arrives at a figure that the smaller States, that are small in population, but many of them small in area, such as my State, would be able to spend in both elections a sum of $300,000. If this formula that is proposed by the Senator from Alabama were adopted there would be more States that could be affected by that base level. In other words, most of the States would be cut below that base level and more would qualify under that base level formula than now qualify under the present formula that the Committee on Rules and Administration wrote into the bill.

As I say, I have sort of mixed emotions because I am not technically able to speak on this subject for those people who represent the larger States, States which require a lot more money from the standpoint of campaign financing. My distinguished colleague on the committee, the Senator from Kentucky (Mr. COOK) would be able to speak for his State.

The figure for Kentucky under the formula we had in the Senate bill would be $335,250 in the general election and $223,500 in the primary election. Those figures would be changed under the formula of the distinguished Senator from Alabama to $268,200 in the general election and $178,800 in the primary election. So I would have to look to my distinguished colleague from Kentucky on what should be done in his State. As far as I am concerned the floor we have put in for the small States is ample. I believe it perhaps could be cut somewhat. That has been suggested by a number of Senators; that we should go below that amount. I am willing to abide by that and I would support the floor.

So while I intend to vote for the amendment of the Senator from Alabama, I look to my colleagues who would be directly affected on this on what could be done in their particular States.

Mr. COOK. Mr. President, may I say to the Senator from Nevada that this is a situation that really applies itself to the large States in the Union and I am sorry Senators from those States are not here to speak to it.

I can say with all honesty to the Senator from Alabama that in my primary I did not spend $223,500 and did not spend $335,250 in my general election. I know that we probably spent more than $268,200, which is the 12-cent figure, and that was 5½ years ago.

I am not really sure until we get into a campaign whether we are going to get caught in inflation like everyone else.

I know I can speak without any hesitation at all that I was amazed to learn that when the next election came in my State, the cost for each candidate almost doubled the amount I had spent.

I think what does bother me is this: Let us take the 8 cents in the primary. Even if a candidate gets the bulk rate, I am not sure he could make mailings to all of his constituents under an 8-cent figure. We know that it now costs 10 cents for stamps. If one got the bulk rate, could he get envelopes, stamps, and enclosures and make up the difference in the apparent bulk rate of 7 or 7½ cents, with all printing costs or information costs, and make one mailing to constituents?

The answer is that it probably would be next to impossible to do.

I think we also have to be fair and honest and say it is probably impossible that we could make a mailing to all of our eligible voters as it is. I only hope that, if we are not successful with cloture this afternoon, what we are really not seeing is that the Senator from Alabama has decided to change the 15 and 10 to 8 and 12, if cloture is not available, we are going to have a whole series of amendments so that, instead of 8 and 12, it will be 7 and 11, and then 6 and 10, and then 5 and 9, and so on and so forth, in an effort, somehow or other, to keep the debate on this bill going longer and longer and longer, because I think that is really what we are discussing here.

We went over these figures in the Committee on Rules and Administration. We went over them quite extensively. If one believes this is the course to take and believes that we should take a try on this kind of financing, with which I have all kinds of problems in my own mind, I must say to my colleagues that, if in fact we are going to do it, and if it is successful, then I do not think its very import should destroy the system, because the funds expected and the figure allocated to the individual voter will result in an effective campaign not even being able to be waged, and we would find, as a result of our attempts to keep cutting the figures down and down and down, that we would have to repeal a law because, even though it was a good law, it could not accomplish the purpose of it.

Every Senator has to vote based on the population of his State and based on whether he can or cannot agree with respect to the figures as between 10 and 15 and 8 and 12 cents.

I might say for the Senator's benefit that I have just found out, and I think in fairness I should only say, that the bulk rate could be accomplished at 6.1 cents. For those who believe that between 6.1- and the 8-cent rate their entire campaign expenditures can be made in one mailing to all their constituents and nothing more—no radio, no television, no other campaign of any kind that costs funds—that his entire expenditure, all gasoline, all travel, and everything else, can be represented in the difference between 6.1 and 8 cents, if they want to make a mailing to all the constituents that are available in their States, then that is the decision each individual has to make. I do not think, within the framework of the bill, it is possible.

What we are, in effect, saying, is that "We are going to save you money," but in the effort to save them money, we are going to make it impossible to have a campaign which can be financed. In effect, we are going to give the people a campaign financing bill under which the candidates are going to cheat right from the beginning. I think the American people have sounded loud and clear that that is the very thing they want to get rid of.

It would be the Senator from Kentucky's hope that he could conduct a campaign with $335,000, but I think it is going to be very difficult, and one of the reasons it is going to be very difficult is the present status we have in the eyes of the American people. But I do not think we ought to do it in the course of saying, "Here, we are going to save you $60 million in 4 years," because we might find a pet project in Alabama in the form of public works which might be worth over $60 million, and nobody in the United States would know about it except the people of Alabama. Somehow or other, we have a habit of spending all the money the American people contribute in taxes. Unfortunately, we spend more.

The Senator from Kentucky is opposed to deficit spending, and has always voted against deficit spending. But if we put it in the 8 and 12 as opposed to 10 and 15 cents, in the light of the 8-cent cost, if this program is adopted could a candidate make even one general mailing to all of the eligible voters in his State? I think the answer would have to be "No." I do not think he could run a campaign.

So this Senator will vote against the amendment of the Senator from Alabama only with the understanding that it does not change the money on this list for the Commonwealth of Kentucky, and probably it would be difficult for the Senator from Kentucky to raise amounts of this kind, because I think it is going to be very difficult to raise campaign funds.

Mr. ALLEN. Mr. President, how much time remains to the Senator from Alabama?

The **PRESIDING OFFICER.** The Senator from Alabama has 16 minutes remaining.

Mr. **ALLEN.** I yield myself 6 minutes.

The **PRESIDING OFFICER.** The Senator is recognized for 6 minutes.

Mr. **ALLEN.** Mr. President, I have been somewhat mystified by the thrust of the argument of Senators supporting public financing. It does not seem to be part of their theory of what reform is to reduce the overall cost of campaigning. The word "restraint" on the part of candidates does not seem to be part of their vocabulary.

Mr. **COOK.** Mr. President, will the Senator yield for one slight suggestion?

Mr. **ALLEN.** I yield.

Mr. **COOK.** If the Senator takes campaign expenditures for the two Senators running for the last campaign in my State and the maximum on the list, it is about half or a little more than half that each candidate spent in that election.

Mr. **ALLEN.** I thank the Senator for his interruption and his comment.

Mr. **COOK.** I apologize.

Mr. **ALLEN.** I hope that the next time he will use his own time for making a comment.

The idea of restraint on the part of candidates has not seemed to enter into the thinking of those who are supposed to be for campaign reform. I submit that paying bills for campaigns out of the Public Treasury is not the Senator from Alabama's idea of campaign reform. Reducing the overall cost of elections, reducing the amount of individual contributions, and keeping them in the private sector is the idea of the Senator from Alabama as to what campaign reform is.

I want to commend the distinguished Senator from Maryland (Mr. Mathias), who is not here at this time. He has limited his contributions to $100. The Representative from Ohio, Mr. Vanik, states that he is not accepting contributions or making any expenditures.

So one ingredient that has not been mixed into this so-called campaign reform bill is the idea of restraint on the part of candidates.

Mr. President, the amendment offered by the Senator from Alabama would mix a little restraint—restraint in spending taxpayers' money—into the idea of campaign reform. But every time the Senator from Alabama tries to cut down on campaign expenditures, tries to cut down on the amount of individual contributions, he does not get any support from those who cry out for the need of campaign reform. They are opposed to it. They want what they can get out of the private sector in the primaries plus what they can get out of the Government. That is not campaign reform—that is just escalating the cost of campaigns.

Mr. President, the Senator from Kentucky is worried about inflationary costs of campaigns. Well, the drafters of this bill thought of that, too, and they wrote a little provision in here on page 17 of the bill that provides an escalator in the bill. It is reform. It is campaign reform. They wrote a little escalator clause that says that while the cost of campaigning goes up, in effect, the cost of the Government subsidy, the amount of the Government subsidy goes up. There it is in black and white. So the Senator from Kentucky need not worry about that.

Mr. President, apparently the so-called reformers—that is, the spenders of the funds from the Federal Treasury—are not willing to cut down on the amount of the Government contributions. The amount of the campaign contributions.

We passed a bill in July limiting the contributions to $3,000. That is too high. That is a big contribution, in the view of the Senator from Alabama. It permits two contributions, one by the man and one by the wife. That would be $6,000. That is a pretty big contribution. That is all this bill would do. We have already passed a bill such as that.

But it is not campaign reform to say that the American taxpayer has to pay the cost of the general election campaign of every Senator and every Member of the House of Representatives.

Nor is it reform to provide that the American taxpayer has got to pay up to $7.5 million—and this is something that the American public does not realize—for each candidate for the Presidential nomination of the two major parties. Fifteen or 20 or 25 people are going to be running for the Presidential nomination. This will match the contributions of the various candidates provided that they first get a campaign fund of $250,000 in small contributions. That would then match the contributions of all of them, including the $250,000, up to the point where the Government had paid the $7.5 million to each of the various candidates.

Mr. President, there are some 10 or 15 Senators who would not turn down a draft for the presidential nomination; and there are some Senators who would wage an active campaign.

The **PRESIDING OFFICER.** The time of the Senator from Alabama has expired.

Mr. **ALLEN.** Mr. President, I yield myself 2 additional minutes.

The **PRESIDING OFFICER.** The Senator from Alabama is recognized for an additional 2 minutes.

Mr. **ALLEN.** Mr. President, this subsidy program, this welfare program for the benefit of politicians, is not campaign reform. The Senator from Alabama is taking a bad bill and is trying to make the bill 20 percent less bad by reducing the overall campaign expenditures permitted under the law. That is what the amendment does. So we are going to see whether the reformers want reform or whether they want a Federal subsidy. It is as simple as that.

Mr. President, I reserve the remainder of my time. However, before doing so, I ask unanimous consent that a tabulation showing the amounts to the various States under the various formulae be printed in the Record.

There being no objection, the tabulation was ordered to be printed in the Record, as follows:

PROPOSED CANDIDATE EXPENDITURE LIMITATIONS, U.S. POPULATION FIGURES AS OF JULY 1, 1973

Geographical areas	Voting age population—VAP (18 years and over)	S. 3044—10¢ per VAP in primary elections [1]	S. 3044—15¢ per VAP in general elections	5¢ per VAP in primary election [1]	10¢ per VAP in general election	8¢ per VAP in primary election [1]	12¢ per VAP in general election
United States—Primary[2]	143, 403, 000	$14, 340, 300	NA	$7, 170, 150	NA	$11, 472, 240	NA
United States—General[3]	141, 656, 000	NA	$21, 248, 400	NA	$14, 165, 600	NA	$16, 998, 720
Alabama	2, 338, 000	233, 800	350, 700	116, 900	233, 800	187, 040	280, 560
Alaska	200, 000	20, 000	30, 000	10, 000	20, 000	16, 000	24, 000
Arizona	1, 345, 000	134, 500	201, 750	67, 250	134, 500	107, 600	161, 400
Arkansas	1, 374, 000	137, 400	206, 100	68, 700	137, 400	109, 920	164, 880
California	14, 143, 000	1, 414, 300	2, 121, 450	707, 150	1, 414, 300	1, 131, 440	1, 697, 160
Colorado	1, 631, 000	163, 100	244, 650	81, 550	163, 100	130, 480	195, 720
Connecticut	2, 101, 000	210, 100	315, 150	105, 050	210, 100	168, 080	252, 120
Delaware	382, 000	38, 200	57, 300	19, 100	38, 200	30, 560	45, 840
District of Columbia	529, 000	52, 900	79, 350	26, 450	52, 900	42, 320	63, 480
Florida	5, 427, 000	542, 700	814, 050	271, 350	542, 700	434, 160	651, 240
Georgia	3, 140, 000	314, 000	471, 000	157, 000	314, 000	251, 200	376, 800
Hawaii	549, 000	54, 900	82, 350	27, 450	54, 900	43, 920	65, 880
Idaho	501, 000	50, 100	75, 150	25, 050	50, 100	40, 080	60, 120
Illinois	7, 568, 000	756, 800	1, 135, 200	378, 400	756, 800	605, 440	908, 160
Indiana	3, 530, 000	353, 300	529, 500	176, 500	353, 000	282, 400	423, 600
Iowa	1, 957, 000	195, 700	293, 550	97, 850	195, 700	156, 560	234, 840
Kansas	1, 570, 000	157, 000	235, 500	78, 500	157, 000	125, 600	188, 400
Kentucky	2, 235, 000	223, 500	335, 250	111, 750	223, 500	178, 800	268, 200
Louisiana	2, 399, 000	239, 900	359, 850	119, 950	239, 900	191, 920	287, 880
Maine	689, 000	68, 900	103, 350	34, 450	68, 900	55, 120	82, 680
Maryland	2, 720, 000	272, 000	408, 000	136, 000	272, 000	217, 600	326, 400
Massachusetts	4, 006, 000	400, 600	600, 900	200, 300	400, 600	320, 480	480, 720
Michigan	5, 922, 000	592, 200	888, 300	296, 100	592, 200	473, 760	710, 640
Minnesota	2, 575, 000	257, 500	386, 250	128, 750	257, 500	206, 000	309, 000
Mississippi	1, 453, 000	145, 300	217, 950	72, 650	145, 300	116, 240	174, 360
Missouri	3, 251, 000	325, 100	487, 650	162, 550	325, 100	260, 080	390, 120

Footnotes at end of table.

PROPOSED CANDIDATE EXPENDITURE LIMITATIONS, U.S. POPULATION FIGURES AS OF JULY 1, 1973—Continued

Geographical areas	Voting age population—VAP (18 years and over)	S. 3044—10¢ per VAP in primary elections [1]	S. 3044—15¢ per VAP in general elections	5¢ per VAP in primary election [1]	10¢ per VAP in general election	8¢ per VAP in primary election [1]	12¢ per VAP in general election
Montana	$474,000	$47,400	$71,100	$23,700	$47,400	$37,920	$56,880
Nebraska	1,042,000	104,200	156,300	52,100	104,200	83,360	125,040
Nevada	365,000	36,500	54,750	18,250	36,500	29,200	43,800
New Hampshire	531,000	53,100	79,650	26,550	53,100	42,480	63,720
New Jersey	5,030,000	503,000	754,500	251,500	503,000	402,400	603,600
New Mexico	691,000	69,100	103,650	34,550	69,100	55,280	82,920
New York	12,665,000	1,266,500	1,899,750	633,250	1,266,500	1,013,200	1,519,800
North Carolina	3,541,000	345,100	531,150	172,550	345,100	276,080	414,120
North Dakota	421,000	42,100	63,150	21,050	42,100	33,680	50,520
Ohio	7,175,000	717,500	1,076,250	358,750	717,500	574,000	861,000
Oklahoma	1,832,000	183,200	274,800	91,600	183,200	146,560	219,840
Oregon	1,532,000	153,200	229,800	76,600	153,200	122,560	183,840
Pennsylvania	8,240,000	824,000	1,236,000	412,000	824,000	659,200	998,800
Rhode Island	677,000	67,700	101,550	33,850	67,700	54,160	81,240
South Carolina	1,775,000	177,500	266,250	88,750	177,500	142,000	213,000
South Dakota	454,000	45,400	68,100	22,700	45,400	36,320	54,480
Tennessee	2,799,000	279,900	419,850	139,950	279,900	223,920	33-,880
Texas	7,785,000	778,500	1,167,750	389,250	778,500	622,800	934,200
Utah	715,000	71,500	107,250	35,750	71,500	57,200	85,800
Vermont	309,000	30,900	46,350	15,450	30,900	24,720	37,080
Virginia	3,243,000	324,300	486,450	162,150	324,300	259,440	389,160
Washington	2,329,000	232,900	349,350	116,450	232,900	186,320	279,480
West Virginia	1,228,000	122,800	184,200	61,400	122,800	98,240	147,360
Wisconsin	3,033,000	303,300	454,950	151,650	303,300	242,640	363,960
Wyoming	234,000	23,400	35,100	11,700	23,400	18,720	28,080
Outlying areas:							
Puerto Rico	1,651,000	165,100	247,650	82,550	165,100	132,080	198,120
Guam	52,000	5,200	7,800	2,600	5,200	4,160	6,240
Virginia Islands	44,000	4,400	6,600	2,200	4,400	3,520	5,280

[1] Presidential primary candidates may spend in any State twice the amount a candidate for Senate nomination may spend, subject to a national limit of 10¢ times total VAP in connection with campaign for presidential nomination.

[2] VAP for the primary election includes all geographical area populations because the outlying areas could participate in the presidential nominating process to the extent that they are permitted to send delegates to the national nominating conventions.

[3] VAP for the general election includes all geographical area populations except Puerto Rico, Guam, and the Virgin Islands because their residents are not permitted to vote in the presidential general election

Mr. COOK. Mr. President, may I say that I apologize to the Senator from Alabama for taking any of his time.

Mr. President, how much time have we remaining?

The PRESIDING OFFICER. The Senator from Kentucky has 7 minutes remaining.

Mr. COOK. Mr. President, I would be perfectly willing to yield the entire 7 minutes to the Senator from Alabama, if he wishes to use that time along with his time, so that he will not feel that he was interrupted.

Other than that, we would be willing to yield back the time on this side. However, I would be willing to make it available to the Senator from Alabama, if he would wish to use it.

Mr. ALLEN. Mr. President, I would much prefer that the Senator from Kentucky use his time because I feel that the argument he is making on behalf of not reducing this subsidy is certainly having an adverse effect on his position. I hope that he will use the remainder of his 7 minutes.

Mr. President, I reserve the remainder of my time.

Mr. COOK. Mr. President, I think we have made our point. I yield back the remainder of our time.

The PRESIDING OFFICER. Who yields time?

Mr. ALLEN. Mr. President, how much time have I remaining?

The PRESIDING OFFICER. The Senator from Alabama has 8 minutes remaining.

Mr. ALLEN. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendments, en bloc, of the Senator from Alabama. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Texas (Mr. BENTSEN), the Senator from Delaware (Mr. BIDEN), the Senator from Idaho (Mr. CHURCH), the Senator from Arkansas (Mr. FULBRIGHT), the Senator from Iowa (Mr. HUGHES), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Louisiana (Mr. LONG), and the Senator from Wyoming (Mr. MCGEE), are necessarily absent.

Mr. GRIFFIN. I announce that the Senator from Utah (Mr. BENNETT), and the Senator from Hawaii (Mr. FONG), are necessarily absent.

I also announce that the Senator from Virginia (Mr. WILLIAM L. SCOTT), is absent on official business.

The result was announced—yeas 46, nays 43, as follows:

[No. 125 Leg.]

YEAS—46

Aiken
Allen
Baker
Bartlett
Bellmon
Bible
Brock
Burdick
Byrd,
  Harry F., Jr.
Byrd, Robert C.
Cannon
Chiles
Cotton
Curtis
Eagleton
Ervin
Fannin
Griffin
Hansen
Hartke
Helms
Hollings
Hruska
McClellan
McIntyre
Metzenbaum
Moss
Muskie
Nelson
Nunn
Packwood
Pearson
Pell
Proxmire
Randolph
Ribicoff
Roth
Sparkman
Stafford
Stennis
Stevenson
Symington
Taft
Talmadge
Thurmond
Weicker

NAYS—43

Abourezk
Bayh
Beall
Brooke
Buckley
Case
Clark
Cook
Cranston
Dole
Domenici
Dominick
Eastland
Goldwater
Gravel
Gurney
Hart
Haskell
Hatfield
Hathaway
Huddleston
Humphrey
Inouye
Jackson
Javits
Johnston
Magnuson
Mansfield
Mathias
McClure
McGovern
Metcalf
Mondale
Montoya
Pastore
Percy
Schweiker
Scott, Hugh
Stevens
Tower
Tunney
Williams
Young

NOT VOTING—11

Bennett
Bentsen
Biden
Church
Fong
Fulbright
Hughes
Kennedy
Long
McGee
Scott,
  William L.

So Mr. ALLEN's amendment (No. 1141, as modified) was agreed to.

Mr. ALLEN. Mr. President, I move that the vote by which the amendment was agreed to be reconsidered.

Mr. CANNON. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER (Mr. HELMS). Pursuant to the previous order, the Senator from Illinois (Mr. STEVENSON) is now recognized to call up an amendment.

Mr. SPARKMAN. Mr. President, will the Senator from Illinois yield to me briefly?

Mr. STEVENSON. I am glad to yield to the Senator from Alabama, reserving my right to the floor.

VISIT TO THE SENATE BY MEMBERS OF THE GERMAN BUNDESTAG

Mr. SPARKMAN. Mr. President, we are honored today to have visiting us eight members of the German Bundestag, headed by the President of the German Bundestag, Mrs. Annemarie Renger.

I understand that Mrs. Annemarie Renger is the only woman head of a parliament anywhere in the world, so I suppose we can all agree that women's lib has come to Germany first of all.

Will our distinguished guests who are now seated in the rear of the Chamber please rise when I call their names.

Mrs. Annemarie Renger, President of the German Bundestag. Hans Katzer, Hermann Hoecherl, Dr. Herbert Ehrenberg, Uwe Ronneburger, Hans-Jurgen

Wischnewski, Hermann Schmidt, Dr. Richard von Weizsacker. May I also present His Excellency Berndt von Staden, the Ambassador from the Federal Republic of Germany to the United States.

(Applause, Senators rising).

RECESS FOR 2 MINUTES

Mr. MANSFIELD. Mr. President, I ask unanimous consent that there be a 2-minute recess for the purpose of greeting our distinguished visitors, and that the distinguished Senator from Illinois (Mr. STEVENSON) retain his right to the floor.

There being no objection, at 2:06 p.m., the Senate took a recess until 2:08 p.m., whereupon the Senate reassembled when called to order by the Presiding Officer (Mr. HELMS).

Mr. SPARKMAN. Mr. President, I ask unanimous consent to have printed in the RECORD short biographies of each one of our distinguished guests.

There being no objection, the biographies were ordered to be printed in the RECORD, as follows:

RENGER, ANNEMARIE (SPD)

President of the German Bundestag.

Social Democratic Party.

Born October 7, 1919.

Widow.

Employed in publishing business.

From 1945 to 1952, private secretary of Dr. Kurt Schumacher.

Member of Bundestag since 1953.

From 1959 to 1966, member of the Advisory Assembly of the European Council and the Assembly of the Western European Union.

Until April 1973, member of the Executive Committee of the Social Democratic Party and the Presidium.

Since December 13, 1972, President of the German Bundestag.

Member of the Executive Committee of the Party's representation in the Bundestag.

Vice President of the International Council of Social Democratic Women in the Socialist International.

KATZER, HANS (CDU)

Member of the German Bundestag.

Christian Democratic Party.

Born January 31, 1919.

Married.

Technical School (Textile Industry).

1950, Secretary General, since 1963 Chairman of the Social Committee of the Christian Democratic Workmen of Germany.

Deputy Chairman of the Christian Democratic Union of Germany.

Board member of Ruhrkohle AG.

Since 1957, member of the German Bundestag.

From 1965 to 1969, Federal Minister of Labour and Social Affairs.

Deputy Chairman of the Christian Democratic Party/Christian Social Union group in the Bundestag.

Regular member of the Committee for the Preservation of the Rights of the Parliamentary Representation according to Article 45 GG (Constitution) and of the Joint Committee according to Article 53A GG.

HOECHERL, HERMAN (CDU/CSU)

Member of the German Bundestag.

Christian Democratic Party/Christian Social Union.

Born March 31, 1912.

Married.

Lawyer.

Studied law in Berlin, Aix-en-Provence and Munich.

Member of the CSU Bavarian Executive Committee.

Member of the Advisory Council of the Bayerische Vereinsbank and of the Directorate of the Bayerische Treuhand AG.

Member of the German Bundestag since 1953.

1957–1961 Chairman of the CSU group in the Bavarian State Parliament and Deputy Chairman of the CDU/CSU Bundestag group.

1961 to 1965, Federal Minister of the Interior.

1965 to 1969, Federal Minister of Food, Agriculture and Forestry.

1969 to 1972, Deputy Chairman of the CSU group in the Bavarian State Parliament and Chairman of the Mediation Committee.

Since 1970, Chairman of the Committee Budget, Taxes, Money, and Credit of the CDU/CSU group.

Regular member of the Finance Committee.

DR. EHRENBERG, HERBERT (SPD)

Member of the German Bundestag.

Social Democratic Party.

Born December 21, 1926.

Married.

Political Economist, studied Sociology in Wilhelmshaven and Göttingen, Dr. rer. pol.

From 1964 to 1968, political-economic division at the General Board of the Industrial Trade Union (Construction Workers' Union).

Member of the Committee for Political Science with the SPD Executive Committee and member of the expanded Committee of the Society for Social Progress.

From May, 1968 to October 1969, Director of the sub-division Structural Policy in the Federal Ministry of Economics.

October 1969 to April 1971, Director of the Division Economic, Financial, and Social Policy in the Federal Chancellory.

May 1971, to December 1972, State Secretary at the Federal Ministry of Labour and Social Affairs.

Since December 1972, member of the German Bundestag.

Deputy Leader of the Bundestag group of the Party.

Deputy Chairman of the Economics Committee.

RONNEBURGER, UWE (FDP)

Member of the German Bundestag.

Free Democratic Party.

Born November 23, 1920.

Married.

Farmer.

Since 1970, Chairman of the FDP Party Schleswig-Holstein and member of the Executive Committee of the FDP.

1966 to 1972, member of the General Synod of the United Protestant-Lutheran Churches of Germany, since 1972, member of the Synod of the Lutheran Church of Germany.

Member of the German Bundestag since December 1972.

Deputy Chairman of the FDP group of the Bundestag.

Regular member of the Foreign Affairs Committee.

Regular member of the Committee of Food, Agriculture and Forestry.

WISCHENEWSKI, HANS-JÜRGEN (SPD)

Member of the German Bundestag.

Social Democratic Party.

Born July 24, 1922.

Married.

1953 to 1959, secretary at IG Metall.

1959 to 1961, Federal Chairman of the Young Socialists.

1968–1972, member of the Executive Committee of the Party.

Member of the German Society for Foreign Policy.

Since 1957, member of the German Bundestag.

From 1961 to 1965, member of the European Parliament.

From 1966 to 1968, Federal Minister for Economic Cooperation.

Member of the Executive Committee of the Party group in the Bundestag.

Regular member of the Foreign Policy Committee.

Regular member of the 1st Investigation Committee.

Deputy Chairman of Committee I for Foreign and Security Policy, Inter-German relations, Europe and Development Policy.

SCHMIDT (WURGENDORF), HERMANN (SPD)

Member of the German Bundestag.

Social Democratic Party.

Born February 6, 1917.

Married.

Manager, Colonel (res.).

From 1946, business manager of the "Westfälische Rundschau" in Siegen.

From 1948, temporarily municipal, magistrate, and district representative.

Since 1962, district president and in this capacity Chairman of the Board of Directors of the Transport Society South Westfalia.

1950–1961, member of the Parliament of Nordhein-Westfalen

Since 1961, member of the German Bundestag

Member of the European Council, of the Western European Union and of the North Atlantic Assembly.

From 1969–1972, Deputy Chairman of the Defense Committee.

Since February 1, 1973, Chairman of the Defense Committee.

DR. VON WEIZSÄCKER, RICHARD (CDU)

Member of the German Bundestag.

Christian Democratic Party.

Born April 15, 1920.

Married.

Lawyer.

Studied law in Oxford, Grenoble, and Göttingen.

Dr. jur., board member of several corporations.

1964–1970, President of the German Lutheran Convention.

Member of the Synod and the Council of the Lutheran Church in Germany.

Member of the Executive Committee and Chairman of the Commission on Rules of the Christian Democratic Party.

Member of the German Bundestag since 1969.

Deputy Chairman of the Christian Democratic Party/Christian Social Union group in the Bundestag.

FEDERAL ELECTION CAMPAIGN ACT AMENDMENTS OF 1974

The Senate continued with the consideration of the bill (S. 3044) to amend the Federal Election Campaign Act of 1971 to provide for public financing of primary and general election campaigns for Federal elective office, and to amend certain other provisions of law relating to the financing and conduct of such campaigns.

Mr. HART. Mr. President, I ask unanimous consent that during further consideration of the pending bill, Burton Wides of my office, be permitted the privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENSON. Mr. President, I send an unprinted amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. STEVENSON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered, and the amendment will be printed in the RECORD.

The text of the amendment is as follows:

On page 10, beginning with line 17, strike out through line 6 on page 11, and insert in lieu thereof the following:

"(b) (1) Every eligible candidate who is nominated by a major party is entitled to payments for use in his general election campaign in an amount equal to the sum of—

"(A) (i) in the case of a candidate for election to the office of President, 40 percent of the amount of expenditures the candidate may make in connection with that campaign under section 504, and

"(ii) in the case of a candidate for election to the office of Senator or Representative, 25 percent of the amount of expenditures the candidate may make in connection with that campaign under section 504, and

"(B) the amount of contributions he and his authorized committees received for that campaign.

"(2) Every eligible candidate who is nominated by a minor party is entitled to payments for use in his general election campaign in an amount equal to the sum of—

"(A) an amount which bears the same ratio to the amount to which a major party candidate for election to the same office is entitled under paragraph (1) (A) as the total number of popular votes received by the candidate of that minor party for that office in the preceding general election bears to the average number of popular votes received by the candidates of major parties for that office in the preceding election, and

"(B) the amount of contributions he and his authorized committees received for that campaign.

On page 11, beginning with line 19, strike out through line 23 on page 12 and insert in lieu thereof the following: to the sum of—

"(i) an amount which bears the same ratio to the amount to which a major party candidate for election to the same office is entitled under paragraph (1) (A) as the number of popular votes received by that candidate (other than as the candidate of a major or minor party) in the preceding general election for that office bears to the average number of votes cast in the preceding general election for all major party candidates for that office, and

"(ii) the amount of contributions he and his authorized committee received for that campaign.

"(4) An eligible candidate who is the nominee of a minor party or whose eligibility is determined under section 502(d) (2) and who receives 5 percent or more of the total number of votes cast in an election, is entitled to receive payments under section 506 after the election for expenditures made or incurred in connection with his general election campaign in an amount equal to the sum of—

"(A) an amount which bears the same ratio to the amount to which a major party candidate for election to the same office is entitled under parargaph (1) (A) as the number of popular votes received by that candidate in the election bears to the average number of votes cast for all major party candidates for that office in that election, and

"(B) the amount of contributions he and his authorized committees received for that campaign.

"(5) For purposes of this subsection—

"(A) in the case of a candidate for election to the office of President, no contribution from any person shall be taken into account to the extent that it exceeds $250 when added to the amount of all other contributions made by that person to or for the benefit of that candidate for his general election campaign; and

"(B) in the case of any other candidate for election to Federal office, no contribution from any person shall be taken into account to the extent that it exceeds $100 when added to the amount of all other contributions made by that person to or for the benefit of that candidate for his general election campaign.

"(6) No candidate may receive payments under paragraph (2) (B), 3(B) (ii), or (4) (B) in excess of an amount which bears the same ratio to one-half of the difference between the amount to which the candidate is entitled under paragraph (2) (A), (3) (B) (i), or (4) (A) (whichever is applicable) and the amount of expenditures the candidate may make in connection with his general election campaign under section 504 as the amount to which he is entitled under paragraph (2) (A), (3) (B) (i), or (4) (A) (whichever is applicable) bears to the amount to which a candidate for election to the same office is entitled under paragraph (1) (A).

On page 12, line 24, strike out "(5)" and insert in lieu thereof "(7)".

On page 78, after the matter below line 22, insert the following:

EXPENDITURE LIMITATIONS

SEC. 305. Effective on the day after the date of enactment of this act, section 615(a) of title 18, United States Code, is amended to read as follows:

"(a) (1) No individual may make a contribution to or for the benefit of a candidate for use in his primary election campaign, or for use in his general election campaign which, when added to the sum of all other contributions made by that individual for use in that primary or general election campaign, exceeds $3,000.

"(2) Notwithstanding the provisions of subsection (c) (3), no person (not an individual) may make a contribution to or for the benefit of a candidate for use in his campaigns for nomination and for election to Federal office which, when added to the sum of all other contributions made by that person for use in either or both of those campaigns, exceeds $6,000.".

Mr. STEVENSON. Mr. President, I offer this amendment on behalf of myself and Senators TAFT, DOMENICI, MONDALE, CRANSTON, HUMPHREY, and BEALL.

The purpose of public financing is to eliminate the large and potentially corrupting contributions of big money from our politics. This amendment would accomplish that purpose but it would not eliminate the innocent, small contributions which are a healthy form of participation in our political system.

This amendment would limit the campaign contributions of individuals to Federal campaigns to $3,000 in primaries and $3,000 in general election campaigns. In that respect, it does not alter the provisions of the bill reported by the Rules Committee.

It would also limit the contributions of committees to $6,000, which could be allocated between a general election campaign and a primary election campaign as the committee sees fit.

This amendment then establishes a system of partial public financing as opposed to the 100 percent public financing which is established in the bill reported by the Rules Committee. Instead of 100 percent public financing, congressional candidates would receive a front-end subsidy 25 percent of the expenditure limit applicable to congressional campaigns. In addition, private contributions of $100 or less would be matched with public funds on a dollar-for-dollar basis.

Presidential candidates would receive a 40-percent entitlement and matching funds for private contributions of $250 or less, again on a dollar-for-dollar basis. That means that congressional candidates could receive up to 62.5 percent and presidential candidates up to 75 percent of the respective expenditure limits from public sources, instead of 100 percent.

This amendment strikes a fair balance between those who want 100 percent and those who want nothing. It decreases the cost to the Treasury of the financing of campaigns for Federal office. If this amendment prevails, the amounts from the checkoff would be more likely to cover the total cost of public financing. It does not in any way affect the committee bill's treatment financing of primary election campaigns. It preserves the healthy and innocent participation of small contributors. It eliminates the dangerous participation that comes as a result of large contributions to campaigns for Federal office. It would more clearly be constitutional than any measure which effectively prohibited all public funds, no matter how small.

The prospect of waiting for the Treasury to send $950,000 to a candidate for the U.S. Senate in Illinois is offensive. It is offensive to me. It would be offensive, I daresay, to many members of the public, and it is dangerous. A candidate could then literally buy a campaign. Candidates ought to be under some compulsion to seek small contributions from the people, and the people ought to be permitted that form of political participation.

Mr. President, I ask unanimous consent that William Staszak of my staff be permitted the privilege of the floor during the consideration of this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENSON. Mr. President, the distinguished Senator from Ohio (Mr. TAFT) and the distinguished Senator from New Mexico (Mr. DOMENICI) have worked long and hard on this proposal. It is a compromise. It is intended not only to eliminate the corrupt influence of large money in our politics but also is intended to end the debate which has swirled around this bill. It will not make everybody satisfied, but it does give us an opportunity to get an important job done and to get on with the rest of our business in the Senate. Senator DOMENICI and Senator TAFT have been my partners in this endeavor. They have worked at great length on it, and have done so very resourcefully.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. STEVENSON. I yield to the Senator from Ohio (Mr. TAFT).

Mr. TAFT. Mr. President, I commend the Senator from Illinois for his initiative in this matter as well as the Senator from New Mexico (Mr. DOMENICI) and others who have agreed to cosponsor this amendment to the pending campaign reform bill. We hope it will serve as a basis for compromise on public financing and thus move the debate forward considerably.

The pending bill, without our proposed amendment, provides Federal matching payments for all contributions of $100 or less for primary election congressional candidates—$250 or less in the case of Presidential candidates—who collect certain minimum amounts of private funding on their own, and 100 percent public financing for the general election campaigns of major party candidates, up to overall spending limits. Limitations on private contributions would be $3,000 for individuals and $6,000 for any organization such as COPE or BIPAC.

By contrast, our amendment would restructure public financing for general elections, so that major party congressional candidates could receive 25 percent of the campaign spending limit in Federal funds upon their nomination with no matching required, and $1 of additional funding for each dollar collected in private contributions of $100 or less for congressional races. A similar arrangement, with a 40 percent downpayment and matching contributions up to $250, would be applied to Presidential general elections. As under the present bill, minor party candidates would operate under the same system but be eligible for proportionately less Federal funding in general elections, based upon their performance. Limitations on contributions for organizations would be lowered from $6,000 in primary and general elections separately to $6,000 total.

I believe that basic reforms in campaigns financing are essential so that our citizens will be certain that their Government is not being operated to satisfy the interests of the few large contributors, rather than the Nation as a whole. The most important step we can take in this direction is to place strict limitations on the amounts which any single individual or organization can contribute to a candidate. The bill before the Senate attempts to do this, but has been loopholed with an amendment allowing contributions of up to $6,000 form organizations.

The bill before us also provides public financing, in recognition that these limits in themselves will exacerbate the task of raising enough campaign funds for both incumbent and challenger to make their views known to the public. However, I am concerned that the bill will allow private contributions too high to eliminate the abuses it seeks to correct; allow more public financing than necessary for general elections; foster a mushrooming of wasteful campaign expenditures at taxpayers' expense and the proliferation of campaign expert firms which have grown up already to an alarming extent; and unnecessarily eliminate a meaningful role for small private contributions.

The system we are proposing would clamp down on the size of private contributions; provide full public financing for the crucial initial portion of campaign expenses but force heavy reliance upon small private contributions for remaining expenses; continue and increase the importance of the role of grass roots activities, and the small contributors involved, in campaign finance; and reduce Federal costs over the present bill by thousands of dollars for each campaign—in fact, so far as the Presidential and possibly even senatorial races are concerned, by millions of dollars.

I am hopeful that the merits of this particular public financing approach will appeal to both supporters and opponents of full public financing.

Mr. DOMENICI. Mr. President, will the Senator yield?

Mr. STEVENSON. Mr. President, I yield to the Senator from New Mexico.

Mr. DOMENICI. Mr. President, I do wish to commend the Senator from Illinois and the Senator from Ohio for the work they have done on this amendment. I have just a few thoughts to add to theirs.

First of all, I have supported the idea of public financing of Federal elections from the very beginning. But I have looked very carefully at what we were trying to do when we moved in the direction of public financing and found at first we were trying to get of the very large contributions that really or to the American people were having an inordinate effect on the political system. I think public financing would do that, and our amendment would do that, but no one who was a proponent of public financing, to my knowledge, has said there was anything wrong with a candidate for public office taking contributions from small contributors, indeed, in large number. In fact, many of those who have been proponents of public financing have been equally strong proponents for the involvement of the average citizen.

What concerns me about the bill without the amendment of the Senator from Illinois, the Senator from Ohio, me, and others, is that basically it is saying, "We do not want participation by the average citizen: $100, $200, $300, $500." It has been said here with regard to other bills before us that we frequently throw the baby out with the bathwater. In this instance, unless we not only permit small contributions but also encourage and entice them, we will, indeed, be doing that.

In campaigns across the country the average citizen has said, "I like that candidate. I want to give him a small contribution." Instead of that kind of contribution, which is basically at the heart of participation, and putting small money where the mouth is, and letting a citizen's personal endeavors in behalf of the candidate follow, we would eliminate that in the bill before the Senate, where candidates could, if they choose, get private contributions. But as a matter of fact there is no incentive or encouragement because if the candidate does not he will get a check from the Federal Government for 100 percent.

I believe there is nothing wrong with the $100 matching all the way up, with encouragement to get a $1,000 contribution, or up to $3,000. This would narrow and cut back on the effect that Federal tax dollars would have on the total amount to be used.

The same reasoning can be used with respect to Presidential campaigns. There is nothing miraculous about 25 and 40. To encourage the $100 and the $250 for Presidential races, minimizing the $6,000 contributions groups can give, leaving it at $6,000, but not permitting it in primary and general elections, and upping the individual to $3,000 is a significant stroke in the direction of individual citizen participation. But it eliminates the thing we started out to eliminate.

With reference to my campaign for the Senate, indeed, I had large contributors, but I believe my campaign stands in the State of New Mexico as a record for the number of small contributors that contributed to my campaign. For a small State like mine, it would approach 5,000 individual donors. We went out and asked them, and they, in turn, asked others, and from them came the nucleus of those who had a genuine interest, with small amounts of $100 to $150.

I truly do not want to be a part of eliminating that kind of participation which I think is salutory and has a good effect. I hope those who are genuinely interested in public financing will understand this is a genuine effort to start in a new direction where we have not had one, and start in a reasonable way for a reasonable amount of public money, and leave the ingredient of participation that comes from the contribution of many small Americans who still take politics and candidates seriously, and who would prefer to give their money, $100 or whatever, to their candidate and still make them feel it is important, and not say, "You do not have to contribute if you do not want to; we will get it all from the Treasury."

That is the answer we will get from other than those who do not want any public financing. That is what we will be saying to the smaller contributor. We will be saying, "You are not important because if you do not give, we will get it from the Treasury."

Those who favor this approach will understand it is possible to move from zero to 100 percent. The amendment of the Senator from Illinois, the Senator from Ohio, and the Senator from New Mexico would be a good and salutary start toward preservation of that which is good in the present system.

Mr. STEVENSON. Mr. President, I wish to commend the Senator from New Mexico for recognizing that it is possible to eliminate the large contributors from politics without eliminating small contributions. Far from being a source of corruption, the small contribution is a source of involvement by people in their politics.

The purpose of the amendment is to drive the big money, but not the people, out of our politics.

I wish to ask the Senator from New Mexico if he does not agree that to eliminate the $1 or $2 or $3 contributions from campaigns might very well be unconstitutional. It is not only that, but it seems to me there is a constitutional right of people to contribute in small amounts to the candidates of their choice. Without some basis for saying, "No, it is wrong; it is unreasonable to make small contributions."—and—I see no basis for such an assertion—it is possible it could be held to be unconstitution to take that approach.

Mr. DOMENICI. My answer is in the affirmative. I think there are serious constitutional objections to a provision which would prohibit it. I think from a legal and practical point of view, if a citizen cannot contribute, regardless of whether he wants to contribute, small or large, it is both practical and unconstitutional.

There is evidence which would justify drawing the line somewhere, I think $3,000 and $6,000. Those are a matter of proper legislative judgment on the facts that have been developed in the history of this Nation, but to say, "One cannot give; we will take it all from the tax coffers" would place this matter in serious jeopardy.

Mr. STEVENSON. I thank the Senator.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. STEVENSON. I yield to the distinguished senior Senator from Minnesota.

Mr. HUMPHREY. Junior now.

Mr. STEVENSON. Junior.

Mr. HUMPHREY. Mr. President, I have over the past few days been visiting from time to time with the distinguished Senator from Illinois (Mr. STEVENSON) about this amendment. Earlier today I talked with the Senator from New Mexico about it. I have been a strong proponent of what we call public financing of election campaigns, but I have been in this Body long enough to know when we are really trying to get results or whether we are just going to have an issue. I think the question before the Senate is, Do you want an issue or do you want an accomplishment? Do you want to make some progress or do you want to spin your wheels?

I would prefer to have 100-percent financing of Presidential elections particularly. While some say large contributions are a source of corruption, the fact is they are always a source of suspicion, and in the times in which we live, that sense of suspicion has been intensified.

Therefore, it is necessary for the Congress of the United States to reform the campaign election laws, to limit the size of contributions, to establish machinery that will supervise our elections fearlessly and honestly, and at the same time try to make use of our checkoff system, which we have already legislated, a checkoff fund or trust fund to which hundreds of thousands of taxpayers have already made payments, and to use that checkoff fund sensibly and honestly in the election campaign or in the campaign process.

So, Mr. President, I came to the conclusion that if you just want to talk campaign financing, then go the whole way and make Ivory soap seem to be contaminated and float right out of the stream of public life and private sensibility; but if you want to get some reform that will do the job that we need to do, namely, to limit the size of contributions, to have an accounting of every dollar that comes in as well as every dollar that is expended, to set limits on how much we can spend on a campaign per voter, and at the same time assure some private interest on the part of individuals in the campaign and election process, then we have to make some changes along the line of the amendment proposed by the Senator from Illinois and other Senators. I am very proud to be a cosponsor of the amendment.

I have talked with the Senator, as I said, a number of times, and last week indicated my desire to be associated with that amendment. I want to say great pressure has been brought on some of us not to be associated with it. Some people that are associated with what we call good government or clean government do not want me to go along with this proposal, but as I had to tell one of them, "I have to do the voting in the Chamber, and you are the very people who have told me we should not be influenced on the outside." So I am not going to be influenced. The only influence is going to come from the inside—what I know to be right. What I know to be right is what we are attempting to do here. We have to close this debate and get to voting some responsible, sensible campaign reforms that the American people want of us. We have the duty to accomplish it in this session of Congress.

Everyone knows the other body is not going to go along with some of the things we have voted for here, but I have said privately to some colleagues in this body that what we have been doing will not sell. It will not wash. It makes good headlines. It pleases people who say, "You are doing 100 percent. Perfect. You are good and pure." But it will not pass. Do we want to get results that will remedy the infection in our body politic, or do we just want to talk, talk, and talk, and have an issue to try to go out and prove that we were purer than the other fellow?

I think the proposal before us does the job that needs to be done. It will give us some results. It will permit both the sensible use of public financing on the one hand and include private small contributions on the other. If the American political process is going to be corrupted by $100 contributions, then we have already gone down the drain. It is not going to corrupt the American political process.

Further, I think we should know that public financing in other countries has not been on an individual basis. We ought to make the record quite clear on that. Public financing of campaigns in countries like Great Britain, the Federal Republic of Germany, and others, goes to political parties that are highly organized, disciplined party units under the parliamentary system. There are not many Senators who want public financing just coming to the political party. Many of us hope to run independently and hope that people from both parties will join in putting us in office.

So what we have before us, I think, is a reasonable adjustment and compromise. In this day and age anybody who says "compromise" may be condemned, but the whole system of this Government is based on intelligent compromise. That is the way we got our Constitution, and I am not going to be driven to the wall by somebody who says that if one compromises or if he trims down a little bit, somehow or other he has sold out. We are not selling out, but we are not going to permit people to buy in, either.

What we are doing is trying to do a job that needs to be done. We have been up this hill and down this hill a half a dozen times, and we have as yet very little to show for it. The chance is now before us to have something to deliver to the American people.

I would have hoped, as I said to the Senator from Illinois and to the Senator from New Mexico, that we might have had in the Presidential fund 50 percent public financing. I do not think there is anything particularly magical about 40 or 50 percent, but I would have thought it might have been a better figure. Be that as it may, the issue before the U.S. Senate is simply, Do you want to have a continuing issue on which there are no results, or do you want to have results and be able to build on that from practice and experience? I think we have the chance now to get results and to cleanse the stables of American politics and to get away from the demeaning and disgusting business of going out and raising millions of dollars of campaign funds from huge contributions and then having somebody point the finger at you and saying, "You are a crook or can't be trusted."

I think the Senate of the United States ought to face up to the fact that, whether big money is the source of corruption, it is the source of growing suspicion, and a big country like ours cannot live on suspicion and distrust. We have to implant into the system trust and confidence, and remove distrust and cynicism.

The amendment proposed by the Senator from Illinois—and I compliment him for his practicality—will remove doubt and suspicion and cynicism and it will put us on the high road to a cleaner system of politics that will involve both private and public financing and public participation.

Mr. CRANSTON. Mr. President, will the Senator yield

Mr. HUMPHREY. I yield.

Mr. CRANSTON. I want to say that the Senator from Minnesota has stated very, very eloquently the reasons for my supporting this bill and why it should be enacted.

In relation to the pending amendment, I would like to compliment the Senator from Illinois, the Senator from New Mexico, and the Senator from Ohio for coming up with a formula that I think deals with two very important aspects of the measure now before us in ways which I think had not been handled in the most appropriate way in the measure in its present form.

First, I am very concerned about the first amendment's right to express oneself not only by what one says, but by what one does. I fear 100 percent mandatory public financing would deny that right to individuals who wish to speak out by making contributions—hopefully small contributions—which we will be moving to under this measure.

Second, I think it is very important to reduce the overall cost of public financing so that the measure cannot be subject to attacks that it is costing too much or that it is a raid on the Treasury. I do not believe that it is either of those two things, but I do believe that this amendment, by reducing the total cost of public financing, serves a valuable purpose in that respect, as well as contributing in other respects. For these reasons I am glad to join the Senator from Illinois (Mr. STEVENSON).

Mr. ABOUREZK. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. ABOUREZK. By way of information, does the existing legislation require mandatory public financing? Is there not a provision that allows for small contributions to be raised?

Mr. HUMPHREY. Yes; in the congressional.

Mr. ABOUREZK. How about the Presidential?

Mr. HUMPHREY. One hundred percent.

Mr. ABOUREZK. It is optional, as I understand it.

Mr. HUMPHREY. Yes, optional. But this is mandatory. The subject matter of the Stevenson amendment is a mandatory provision. That is the difference.

Mr. ABOUREZK. But existing legislation does not prevent small contributions from being made?

Mr. HUMPHREY. The Senator is right in this instance. But in congressional elections, it is optional.

Mr. ABOUREZK. I wonder what all the fuss is about concerning small contributions being made under existing legislation. It seems to me that this amendment is being sold on the basis that people cannot contribute small amounts, and thereby take part in the public process. If what I read is correct—I wish the Senator from Illinois were in the Chamber—25 percent for congressional elections will be publicly financed and raised, and also be raised with small contributions.

Mr. HUMPHREY. For matching, 25 percent is the immediate amount one is entitled to, and the rest is under a matching formula.

Mr. ABOUREZK. What is it in the Presidential race?

Mr. HUMPHREY. The same thing. Forty percent is immediately public financing under the formula in the bill, and the balance, as I think the Senator from Ohio would tell the Senator, up to $250,000 is matching. In other words, if one gets $250,000 in contributions, he gets $250,000 in matching.

Mr. ABOUREZK. If one is a challenger in a race against an incumbent, he does not have access to the sources of contributions that many incumbents have, such as the various committees around the country—the labor committees, and so on. He has to have a very large mailing list in order to keep up with what the incumbent has already raised. Is that a correct statement?

Mr. HUMPHREY. The formula for the primaries remains the same as it is in the bill.

Mr. ABOUREZK. But it would be very tough for a challenger to raise the money under this provision.

Mr. HUMPHREY. I do not think it would be any tougher than it is now.

Mr. ABOUREZK. It would be a great deal easier if he had a mailing list, because the limit placed on contributions is much stricter than it is now.

Mr. HUMPHREY. I appreciate that the limit is $3,000 for an individual and $6,000 for a group contribution, whether one is an incumbent or a nonincumbent. Matching funds are exactly the same. If one is a challenger in a Senate race, it is $100 matching funds to $100—up to $100—but he gets 25 percent right off the top of the table, so to speak.

Mr. ABOUREZK. But an individual could count on only $200 in a congressional race.

Mr. HUMPHREY. The Senator is correct; whether he is an incumbent or a challenger.

Mr. ABOUREZK. If he is a challenger, he would not have access to those sources of money I have referred to. He would be out of luck, so to speak. If I might just say if I might offer an observation, that this is not an incumbent's amendment. But a challenger would have a difficult time raising money to challenge an incumbent.

Mr. HUMPHREY. Not one bit more.

An incumbent has some advantages, but he also has some disadvantages. There are the yea and nay votes. There are no "maybe" votes. If he is out in the countryside, he can say, "Yes, that is a reasonable position. I am sympathetic to that position." "But I do feel you have merit in your position."

But if one is an incumbent, they say "Thank you very much but you voted 'nay' or you voted 'yea'." There is not a great deal of advantage when in riding off on a white horse with a great big spear. When one is a challenger, he can always say "maybe." Gee, I have always wished that we had a vote, not "yea," or not "nay," but "maybe." Would I not be the happiest Senator?

Mr. ALLEN. Mr. President, I should like to ask the distinguished Senator from Minnesota a question. It looks as though, with the 25-percent financing, even in congressional races, and the matching thereafter to be a maximum there would be a matching of 62.5 percent in Federal funding.

Mr. HUMPHREY. That would be the maximum only.

Mr. ALLEN. Actually, that would be the maximum only, so what the minimum would be would be a sort of bargain basement 37.5 percent discount amendment to the American taxpayer. Is that about the size of the amendment?

Mr. HUMPHREY. That is good. I might say that in this time of inflation, that is a welcome discount.

Mr. ALLEN. The Senator is giving the American taxpayer a 30-percent discount in the bill.

Mr. HUMPHREY. He gets something else. The Senator has a way of capsulizing some of these issues. We are giving the taxpayer something else. We are giving him good, clean politics. We are removing the element of doubt and suspicion.

Mr. ALLEN. Does the Senator feel that candidates would be subject to improper influences during their campaigns?

Mr. HUMPHREY. I have never believed; but I will tell the Senator that a great many folks I know do believe that. I do not happen to believe it, but I believe the Senator from Alabama makes a valid point. But I wish I could convince everybody who writes to me.

Mr. ALLEN. The Senator said that in being for this amendment he had to resist certain entreaties and demands certain pressure groups that were demanding all or nothing, I believe the Senator said. I want to commend the distinguished Senator for not being completely in the pockets of those pressure groups.

Mr. HUMPHREY. I thank the Senator.

Mr. ALLEN. Some Senators are not quite as brave as the distinguished Senator from Minnesota.

Mr. HUMPHREY. Sometimes bravery is only rewarding this body by blows, injuries, and defeats. I have suffered a little of that in my life. One more will not hurt, so long as it is not final.

Mr. ABOUREZK. Mr. President, I think I have the floor.

Mr. HUMPHREY. Mr. President, I have the floor, but I shall yield the floor so that the Senator from South Dakota may continue with his argument in support of the amendment.

Mr. DOMENICI. Mr. President, will the Senator yield for an inquiry?

Mr. DOLE. Mr. President, a parliamentary inquiry. Has any time been set to vote on this amendment?

Mr. MANSFIELD. There is no time limitation on this amendment. I assume there will be plenty of time.

Mr. DOLE. Before the vote on cloture?

Mr. MANSFIELD. Before and after the vote on cloture.

Mr. ABOUREZK. Mr. President, I yield to the distinguished Senator from New Mexico.

Mr. DOMENICI. Mr. President, I should like to take a few moments to explore and to inquire about what the aspects are and whether the Senator from Alabama's 62.5 percent is indeed what would really happen.

First of all, there is an incentive to give some small contributions in the congressional races—$100 for small contributions. However, in congressional races one is entitled to receive contributions up to $3,000. However, of this amount, only $100 is matched, unless someone were to receive his entire campaign contributions in amounts of $100 or less. Then he would have less than 62.5 percent Federal tax dollars involved. If one went out and got $10, $15, or $20 thousand raised in small contributions of $100, only $100 of each would be credited to matching; $900 each would go in the campaign fund would be part of the total in arriving at that which he could spend. But to the extent it was in excess of $100, it would not be matching. So the idea is that 62.5 percent is the absolute maximum. So there will be contributions in addition to the 62.5 percent.

The same reasoning applies to the Presidential campaign, $250 is matched. You can receive $3,000 contributions, but to the extent that you are successful in garnering contributions over $250 from private sources, all of that extra money is charged to your total allowable, but is not matched with Federal dollars.

I would also say to the Senator, who is wondering about incumbents and challengers, that in each of these cases the incumbent and the challenger would start with a 25-percent entitlement. The challenger today would have no certainty—I am speaking of today, without any public money—he would have no money to start his campaign, to do the things the Senator was speaking of, to get ready to go out and solicit contributions from the small contributor; but under this bill, he would start with one-fourth of that which he was entitled to, both to gear up for the campaign and to solicit large and small contributions looking toward his total amount, which is exactly the same for challenger and incumbent.

Mr. TAFT. Mr. President, will the Senator from South Dakota yield?

Mr. ABOUREZK. I yield.

Mr. TAFT. I would like to elaborate a little bit on a point made by the Senator from New Mexico. The Senator from South Dakota has expressed concern that the incumbent would automatically have access to more private financial support than challengers would have.

I point out that the matching factor of the $100 limitation would probably eliminate that. Any challenger who is to have a reasonable chance is going to be able to go out and get those contributions up to $100. That is the kind of contributions he can get. He might not have as much background and resources in getting larger contributions over that amount, and I think the Senator from South Dakota would be more properly concerned if we were matching gifts over $100. But with the $100 limitation or matching, it seems to me that there is not a very serious threat that any challenger with a reasonable chance of success is going to be put at practical disadvantage in relation to the incumbent insofar as that size of contribution is concerned.

Mr. ABOUREZK. Mr. President, I do not think in my State of South Dakota, for example, that there would be any difficulty for a challenger to raise the small amount necessary, but I wonder if the same is true for New York, Ohio, or any of the larger States. It seems to me that it would be extremely difficult to get that many small contributions in such States.

Mr. TAFT. We have all been challengers at times——

Mr. ABOUREZK. I was born an incumbent; I was never a challenger.

Mr. TAFT. I would think that, with the limitations introduced by the Senate, the amounts necessary for a reasonably financed campaign could be provided. In fact, that is about the kind of amount they could come up with.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. ABOUREZK. I yield to the Senator from Iowa.

Mr. CLARK. Mr. President, I rise to oppose this amendment because I think it could mean the total destruction of what we have accomplished in public financing here in the last 10 days.

An amendment such as this ought not be taken lightly. It ought to be discussed at considerable length, because it flies in the face of the Rules Committee bill and the compromise worked out there.

We have heard about the necessity to compromise. That is exactly what this bill is—it is a compromise. No one is totally happy with it. But to compromise it further and further, and above all, not even to allow the option of public financing, really destroys the intent of the Rules Committee bill.

The committee spent a great deal of time considering the need for public financing and the best method to achieve it. The result, S. 3044, is an excellent bill which represents a balanced view and a considered view. This amendment would clearly undo the Rules Committee effort.

By passing this amendment, the Senate would be reversing many of the gains that it has made over these last 10 days. We cannot now suddenly change our minds about the alternative to total public financing—not on a few hours notice with a few minutes debate. The majority of the Members of the Senate clearly support public financing, and they have expressed that sentiment time after time.

Let us adopt cloture. Let us show the people we represent that we are committed to reforming a tired and treacherous system of private financing.

By agreeing to this amendment, we would be going back after we have accomplished so much, and saying, "We want more private money." That is particularly true in the Presidential race. Right now, the law says that the 1976 Presidential election will be totally financed by public funds. If we agree to this amendment, we will go back to a system——

Mr. TAFT. Mr. President, will the Senator yield?

Mr. CLARK. I yield.

Mr. TAFT. I would like to call to the attention of the Senator from Iowa what I think is a misunderstanding on the Senator's part.

The language of this amendment is not such that a candidate for Congress or the Presidency would be foresworn from deciding to take any public funds if he decides to do so. It just sets up a formula if he wishes to take up the public financing. If he desires, he would receive the public funds; there is no difference from the Rules Committee bill in that respect.

Mr. CLARK. No; I do not think there is no misunderstanding. The amendment would forbid any candidate from taking total public financing in any general election.

Mr. TAFT. The Senator is correct if that is his impression. I was afraid that the Senator was under the impression that there was not an alternative, because such an option does exist under the amendment.

Mr. CLARK. No; I understand that, and that a candidate, if he could raise the money on his own, could get up to 62.5 percent in the case of congressional elections or 75 percent in Presidential elections.

But the law already says that in the 1976 election there will be total public financing of the Presidential election. If we pass this amendment, we are going back and saying, "You must have private money, at least to the tune of 30 percent, in Presidential elections."

To insist on having greater private financing in elections is not a step in the right direction, especially not after what has happened in the last 18 months.

Mr. CRANSTON. Mr. President, will the Senator yield to me for a unanimous-consent request?

Mr. CLARK. I yield.

Mr. CRANSTON. Mr. President, I ask unanimous consent, on behalf of the Senator from Minnesota (Mr. MONDALE), that Jim Verdier, of his staff, may have the privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. COOK. Mr. President, will the Senator yield?

Mr. CLARK. I yield to the Senator from Kentucky.

Mr. COOK. My problem is the same as that of the Senator from Iowa and the Senator from South Dakota. I cannot figure out whether this amendment is fish or fowl.

I think we are debating whether we should have public financing. If so, let us vote that issue up or down, and let the country appreciate what we are doing. If Senators will pardon the use of an old country expression, this is like being a little bit pregnant; I cannot figure it out. This seems to be a method of trying to get cloture so that we could consider something like this, and after cloture is obtained, to almost emasculate the bill we have all worked on.

I have many problems about public financing, and the Senator from California says he has some problems with first amendment rights. But, Mr. President, the bill we debated, modified, adopted overwhelmingly, and sent over to the House last year took the first amendment and wrapped it around every tree and every telephone pole from precinct to precinct.

I must say that I agree wholeheartedly with the Senator from Iowa that what we are really saying now is, "Let us give ourselves some kind of mixed bag," and we are holding that mixed bag until after 4 o'clock to see what the result is. The beginning is rather frightening.

We are saying that somehow or other we are putting on a limitation, and a man can only get matching funds on $100 or less, and the President on $250 or less, after he has got so much money. All he has to say to people is, "Don't write me a check of over $250 or over $100; get all the kids and grandchildren to write me checks for $100 each, so that we can get it matched," and the Federal Government can do it.

Several Senators addressed the Chair.

Mr. COOK. I yield to the Senator from Iowa, because we are going to quit at 3 o'clock. But I think when we take this up after the cloture vote at 4, regardless of the outcome of the cloture vote, we ought to decide whether we are going to join the Senator from Alabama (Mr. Allen) and say there shall not be any public financing in the United States, or say with the House of Repersentatives, "Let us try public financing and see whether it works." If it does not work, certainly Congress can change it. But let us not take some crazy amalgamation that no one of us can understand or comprehend and I doubt very seriously whether any American voter will comprehend.

I thank the Senator from Iowa.

CLOTURE

The PRESIDING OFFICER (Mr. Helms). Under the previous order, the hour of 3 o'clock having arrived, the Senate will now proceed to debate the question on invoking cloture on S. 3044, with the time to be equally divided and controlled between the Senator from Alabama (Mr. Allen) and the Senator from Nevada (Mr. Cannon).

Who yields time?

Several Senators addressed the Chair.

Mr. MANSFIELD. Mr. President, I yield myself 1 minute from the time of the Senator from Nevada to ask, what is the parliamentary situation after the vote on cloture is concluded?

The PRESIDING OFFICER. It depends on the vote, but we return to the amendment of the Senator from Illinois (Mr. Stevenson).

Mr. MANSFIELD. Mr. President, I ask unanimous consent that at the conclusion of that vote, the distinguished Senator from Illinois (Mr. Stevenson), the author of the amendment, be recognized.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Massachusetts will state it.

Mr. KENNEDY. Is it in order for me to send an amendment to the desk to the amendment of the Senator from Illinois (Mr. Stevenson)?

The PRESIDING OFFICER. Yes; if someone will yield to the Senator.

Mr. KENNEDY. Further, Mr. President, would the amendment to the amendment of the Senator from Illinois then be the pending business?

Mr. TAFT. Mr. President, a parliamentary inquiry——

Mr. KENNEDY. I send an amendment to the desk——

Mr. TAFT. Mr. President, the hour of 3 o'clock having arrived, not calling for a vote at this time, I would suggest that the action of the Senator from Massachusetts is not in order without a unanimous-consent request being granted.

The PRESIDING OFFICER. There is no order for a vote at this time, but for 1 hour of debate on the cloture motion, to be equally divided between the Senator from Alabama (Mr. Allen) and the Senator from Nevada (Mr. Cannon).

The clerk will state the amendment of the Senator from Massachusetts to the amendment of the Senator from Illinois.

The legislative clerk read as follows:

In the amendment proposed by Mr. Stevenson;

Amend subsection (b)(1), proposed to be inserted on page 10, beginning with line 17, to read as follows:

"(b)(1) Every eligible candidate who is nominated by a major party is entitled to payments for use in his general election campaign in an amount equal to—

"(A) in the case of a candidate for election to the office of President, 100 percent of the amount of expenditures the candidate may make in connection with that campaign under section 504, and

"(B) in the case of a candidate for election to the office of Senator or Representative, the sum of—(i) 25 percent of the amount of expenditures the candidate may make in connection with that campaign under section 504, and

"(ii) the amount of contributions he and his authorized committees received for that campaign."

At the end of paragraph (6) in such subsection, insert "or (B)" before the period.

The PRESIDING OFFICER. Who yields time?

Mr. ALLEN. Mr. President, I yield myself 6 minutes.

The PRESIDING OFFICER. The Senator from Alabama is recognized for 6 minutes.

Mr. ALLEN. Mr. President, it is quite obvious that cloture should not be invoked on this bill. The very pendency of the amendment of the Senator from Illinois (Mr. Stevenson), joined in by the distinguished Senator from Minnesota (Mr. Humphrey), shows clearly that there is no strong unanimity of opinion as to the bill the Senate should agree upon. For the first time, this monolithic bloc of Senators who are determined to get public financing has shown some signs of breaking up, so that the issues can be determined on their merits.

Earlier today, the Senate reduced the amount of permissible contributions in a Federal election—that is, House and Senate, Presidential nomination, or Presidential general election, by 20 percent.

Now, Mr. President, this amendment of the distinguished Senator from Illinois and the distinguished Senator from Minnesota would give a further potential 37.5-percent reduction in the Federal subsidy in congressional races, and a 30-percent potential reduction of the Federal subsidy in Presidential races.

So, Mr. President, for the first time, amendments are coming in that are being considered on their merits and not in the rush pell mell to ram this public subsidy, this taxpayers' subsidy bill, through the Senate.

Well, Mr. President, if the Senate will vote to allow this debate to continue, it may well be that we will end up with a fairly decent campaign reform measure.

The pending bill, S. 3044, is not campaign reform, that is, that aspect of it having to do with the Federal subsidy is not. Is it campaign reform merely to say that we will turn this bill for the campaigns of Members of the House and Senate and the Presidential nomination and the general election campaign over to the American taxpayers?

That is changing the system, Mr. President, but it is hardly reform.

Reform would be to cut down on the amount of the overall expenditures, to cut down on the amount of individual contributions.

Mr. President, the Senator from Alabama has been trying day by day to get the overall permissible expenses reduced. That was accomplished today. The Senator from Alabama has an amendment that he will put in—already filed at the desk—seeking to reduce the amount of individual contributions in the various races.

So, Mr. President, with the discount bill of the distinguished Senators, giving this further reduction in the amount of the Federal subsidy pending, the Senator from Alabama believes that it would be a great mistake to cut off debate when we are now having an exchange of ideas and not just voting by bloc.

One of my distinguished friends in the Senate, in voting for the amendment cutting the permissible expenditures by 20 percent, indicated that possibly that was the first time in 5 years he had voted for an amendment which had been proposed by the Senator from Alabama. But it is indicative of the fact that Senators are beginning, for the first time, to determine these amendments and these measures on their merits.

If we will fail to vote cloture—if we will vote against cloture this time—it is hoped that the distinguished majority leader will set the bill aside.

It would be the better part of wisdom, since dire predictions have been made on the floor of the Senate as to what the House will do, to wait until the House acts on S. 372, which is pending in the House now and does not provide for a single penny of Federal subsidy. The House may want to go along with that.

Why does the Senate want to change its position? It was against a Federal subsidy by a record vote in the Senate back in July when we passed S. 372.

So, let us see what action the House takes on S. 372. Let us see what action they take, if any, on public financing. But financing by the taxpayers of this Nation and paying up to $7.5 million for each candidate for the Presidential nomination of the two major parties—and that is what the bill would permit—that is not campaign reform, in the view of the Senator from Alabama.

So, Mr. President, I hope that upwards of 33, 34, or 35 Senators will vote against invoking cloture so that we can get down to debating *some* of the issues on their merits, which apparently Senators are more willing to do, at this time, than ever before during this debate.

Mr. President, I feel that this statement of mine may not do the amendment a great deal of good, but the amendment offered by the distinguished Senators from Illinois and Minnesota is a good amendment and moves in the right direction of eliminating Federal subsidies. It does not eliminate enough. It eliminates 37.5 percent in congressional races in general elections and 30 percent in Presidential elections, which is a step in the right direction.

If we stay here a few more days and debate this issue we may eliminate public financing altogether.

Mr. President, I reserve the remainder of my time.

Mr. COOK. Mr. President, having been on the floor a good deal in the course of these debates, I would hope that the Senator from Alabama would not take offense if I said that when he says we are now voting on the merits, I think maybe in some instances we are not voting on the merits, but voting on exhaustion.

I stand here, on this side of the aisle, as a member of the Republican Party, and I hear the Senator from Alabama say that it is going to cost the taxpayers of the United States $7.5 million to help finance Presidential campaigns.

We should remind the Senator—and we have all been reminded of it very much—that we in the U.S. Senate have already appropriated almost $6 or $7 million of the taxpayers' funds to the Watergate Special Investigating Committee. The House has given itself a million dollars or more and will give itself more. I suppose the Federal court system will spend a few million dollars in impaneling grand juries and bringing in indictments. That will all be spent, and it will all be taxpayers' money, and it will be done to seek a remedy for what occurred as a result of the Committee to Reelect the President.

Some other cases have been brought up of some gentleman on the other side of the aisle who received funds in that campaign during 1972 who either failed to report them or took some other action—perhaps some paid them back or something or other.

But I have to say to the Senator from Alabama that when we speak of how much money we are going to save the taxpayer, the best analysis we have to make is the analysis of the system as we look at it today. We have seen some remarkable people in the United States, very fine businessmen, who, by reason of some degree of sweet persuasion on the part of some people in the political system, made corporate contributions. They have been fined; their corporations have been fined. Yet, we have not stopped that. Probably, in the long run we have an opportunity to save the American taxpayers much money.

As I say, I am a strange person to stand here and talk this way, because I have very serious reservations about this. But I believe that we can try it; and if it does not work, we can get rid of it. That is the legisaltive process; that is the way we function in this country.

When a few problems occurred with daylight saving time, it did not take very long for enthusiastic supporters of daylight saving time to come to the floor with support for getting rid of daylight saving time. I expect that we will do that in short fashion, and we will realize that we have made mistakes.

So I say to my colleagues that we see here an opportunity to try something different. We see an opportunity that some people in the Nation like and that some dislike. Some people are violently opposed to it.

With all due respect to the Senator from Illinois, the amendment that will be pending at 4:10 or 4:15 is another effort to mollify a proposal that I know some of the supporters do not really enthusiastically feel ought to be a part of the law; but they feel it is a way to compromise. I doubt seriously that those amendments have all the meritorious effect to which the Senator from Alabama alluded.

The Senator from Alabama just said that he was delighted, for example, that the amendment was before the Senate, because it was a way to save money and it was a way to change the basic formula of the bill, which he does not like. But I have a notion that even if the amendment by the distinguished Senator from Illinois (Mr. STEVENSON) and Senator HUMPHREY, Senator DOMENICI, Senator TAFT, Senator CRANSTON, Senator BEALL, and Senator MONDALE is adopted, the Senator from Alabama will not vote for this bill on final passage. So it is slight praise for the amendment, in all fairness.

I am going to vote to end debate, because I think we ought to get on with the legislative schedule. What really bothers me, may I say to the Senator from Alabama, is that we have already sent one bill over to the House of Representatives, and the bill is lifeless; and I am afraid that if we send this bill over, it also will be lifeless. To that extent, I think that the pressure by the people of the United States should not particularly be on us but should be on the Members of the House of Representatives to do something in regard to campaign reform.

We have talked here on many occasions about these elections, and it has been my contention that the first thing we should do and the first thing the House should do is to pass the bill we sent them to reduce the time for campaigning. If, in fact, we established our primaries in August, established our national conventions in the first week in September, we would not bore the American people totally and completely to death by campaigning for a year or two.

When we talk about how much money it costs to run for office in California and New York, I am of the opinion that if we are talking about a million dollars in a primary, there is no way that one could spend a million dollars if his campaign for the primary were 8 weeks long. It would be the last week of August, the 4 weeks of September, and the 4 weeks in October. That would be 9 weeks, basically. I do not see how tremendous sums of money could be spent. I do not see how candidates in my State, for example, could spend $900,000 or more, as they did the last time they ran, if they were campaigning for 9 weeks. It is easy to spend that much when you have a primary in May and all of a sudden you are off and running. Some States have primaries in January.

Part of reform really is to eliminate the necessity for long campaigns. We have that proposal in the House, and we cannot get anywhere with it.

I voted to end debate before. I will vote to end debate again today, because I am afraid that what ultimately will be a result of this continuation, what we will really wind up with, is an emasculation of the matter, something no candidate in the United States will be able to live with, whether incumbent or challenger. We will wind up with an abomination. If a challenger really wants to be a sound challenger, the first thing he will have to do will be to get an office full of lawyers and CPA's and have them on duty at all times. He will have to have somebody who does absolutely nothing but live with a timetable as to when and how much he has to report and to whom he has to report. All this will be mixed in at the same time with whether this is entitled to a Federal matching fund or whether this is not entitled to a Federal matching fund; whether he made his last report so that he can get his next report; so he can get his contribution based on what he has collected in the last month.

In that whole conglomeration, I think the American people will not be able to view a campaign but will be able to view candidates who are spending all their time seeing whether or not they are abiding by the law.

Therefore, I believe we ought to end debate and send some kind of bill to the House, so that the American people can have an understanding that we can bring things to a conclusion; that we do not act on exhaustion but in fact on merit; and I have a notion that exhaustion prevails at this time.

Mr. President, I yield such time to the Senator from Kansas as he may desire.

Mr. DOLE. Mr. President, I thank the distinguished Senator from Kentucky and share his view that it is time the Senate went on to something else. When we consider that we spent a number of days on whether we should have a pay raise and have spent more than 2 weeks on whether the Treasury should finance our campaigns—both of which measures I opposed—I think that it is time we went on to something else.

I am against public financing. But I am also against spending the rest of this month on this legislation, so I intend to vote for cloture as I did previously.

Also I would suggest with reference to the timing of this bill and the proper procedure for considering legislation in the Senate that this bill is before the Senate at the wrong time. I recall the opening statement of the Senator from North Carolina (Mr. ERVIN) and the Senator from Tennessee (Mr. BAKER) on the first day of the Watergate hearings on May 17, 1973. The distinguished Senator from North Carolina said:

> Of necessity the committee's report will reflect the considered judgment of the committee on whatever new legislation is needed to help safeguard the electoral process.

The distinguished Senator from Tennessee said:

> This committee was created by the Senate to—find as many of the facts, the circumstances and the relationships as we could, to assemble those facts into a coherent and intelligible presentation and to make recommendations to the Congress for any changes in statute law or the basic charter document

of the United States that may seem indicated.

The Watergate Committee was charged with the job of advising the Senate on campaign reform legislation. The committee's report is not due until May 28, and the deadline may be extended if there are other areas to investigate. But the thrust of Senate Resolution 60, at least as the Senator from Kansas viewed it, was to delve into the election of 1972, let the chips fall where they may, and then come forward with a report and recommendations for legislation to be passed by Congress based on that report.

It seems to me that the legislation before us is premature. The amendment just offered by a group of distinguished Senators seems to indicate a lack of any strong feeling for public financing. But as much as I oppose the concept I believe it should be disposed of, because there is much more to do in this session. I believe the people in my State would like me to come home during the Easter recess and talk about something other than how much tax money the Senate has been able to get of the public Treasury for its campaign, or if we have been able to procure a pay raise, and things of that kind. They are more concerned about taxes, gasoline, inflation, and the possibility of impeachment than the financing of our campaigns.

Having said that, I shall vote to shut off debate and thereafter offer a substitute to the pending legislation. The junior Senator from Kansas believes that if we give the legislation passed in 1971 a little time, if we make full disclosure of our contributions and expenditures and strengthen other features of the present law there will be great and constructive change in the American political system.

I have great faith in Members of Congress in both parties, in their integrity, honesty, and character, and I do not believe we purify politics by placing it in the public Treasury.

Mr. COOK. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 16 minutes remaining.

Mr. COOK. Mr. President, I yield 5 minutes to the Senator from Iowa.

The PRESIDING OFFICER. The Senator from Iowa is recognized.

Mr. CLARK. Mr. President, on February 1 of this year the distinguished majority leader (Mr. MANSFIELD) said:

> We shall not finally come to grips with the problem except as we are prepared to pay for the public business of elections with public funds.

Mr. President, it has been 18 months, now, since a small group of men broke into the Democratic Party's national headquarters setting in motion what has become the most serious and devastating episode of political scandal and corruption in this country's history. Since that day in June, the revelations and criminal charges have not stopped—bribery, perjury, illegal wiretapping, burglary, and a score of illegal campaign contributions.

Through the efforts of the Special Prosecutors' Office, the Senate Select Committee, Judge Sirica, and the grand juries and now the House Judiciary Committee, everyone knows just how widespread the disease has been. The evidence is not all in, of course, and the investigations and trials will continue. But the people of this country have heard enough and seen enough to expect that something be done to change the political practices that allowed this to flourish. They expect a significant change and they expect the Congress to make it, if only because the administration certainly is not going to lead the reform effort.

A few weeks ago, we listened to the President's reflections on the state of the Union. It was ironic that he would ignore one of this country's most critical problems: the public's widespread, growing distrust for public officials and Government. It is not enough to proclaim: "One year of Watergate is enough," and then to say that we should end the investigations before they are complete; and to "get on with the business of the country" is to say that trying to prevent political corruption is not the country's business. Unfortunately, it is very much a part of it.

Like political corruption, the liabilities of a political system like ours—based on private financing—are not limited to the executive branch. The impact of the private dollar on the legislative process has been pervasive, and there probably is not a single Member of the U.S. Congress who has not felt it or wished that it might be changed.

Many people across this country, feel disillusioned, frustrated, and angry. They are upset about the energy situation and the high profits of the oil companies, but they become even angrier when they learn that oil companies financed a significant part of the President's reelection campaign. As a result, people do not trust the administration—or Congress, for that matter—and they do not believe that the Federal Government can even deal with the energy emergency, the inflationary economy, and any number of problems that face the Nation today.

They strongly suspect that Government's principal interest is not their interest. And that suspicion is gradually becoming disdain and apathy. Already this country has the lowest voter participation of any country. The events of the last year have had their strongest impact upon young people, and I am terribly afraid that unless we move decisively to improve the political process, to make it more responsive, more and more young people are going to stay away from Government and public service. If they do stay, if they do decide that the political process is simply not worth the effort, what is this country going to be like 20 years from now?

At the heart of that public distrust is a fundamental suspicion of the political process that provides for the election of public officials heavily dependent on private contributions. "You don't get something for nothing," as the saying goes, and too many people have applied it to Government.

Mr. President, late in December, the Senate recognized the problems of the present system and came very close to passing a limited public financing proposal, one advanced by Senator KENNEDY and Senator HUGH SCOTT of Pennsylvania, with the support of a number of Senators who have introduced their own public financing legislation.

If the need for public financing was well-established then, it is even more so now. This is a new year, and it presents new opportunities for improving the political process that has been so crippled over the last 18 months. If we do not take advantage of the opportunity, the result may be even more tragic than the legacy of Watergate. In just a few minutes, Mr. President, the Senate will have yet another opportunity to change and improve the political process.

We have been debating S. 3044 and the concept of public financing for Presidential and congressional elections for more than a week now. A majority of the Senate supports the bill and the concept. It is time to end the debate, adopt cloture, and pass this historic legislation.

Mr. COOK. Mr. President, I yield 5 minutes to the Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I am extremely hopeful that the Senate will end this debate and permit the Members of this body to act on the committee bill and the amendments at the desk. A thoughtful, constructive, and imaginative proposal for clean and honest government has come from the Committee on Rules and Administration. It has the substantial support of Members on both sides of the aisle, Democrat and Republican alike, and it deserves to go forward to a final vote.

This issue has been amply debated. The fundamental issue goes back to the discussions and debates which took place here in 1966 and 1967, again in 1970 and 1971, and once again last year as an amendment to the Debt Ceiling Act.

There are no new issues to be discussed. There may be some variations in the formulas or changes in the percentages, and so forth, but there are no new issues to be further debated or discussed. The Committee on Rules and Administration acted in a responsible way in considering all the various alternatives. They provided remarkable flexibility in the construction of this legislation. Those seeking public office may take advantage of the public financing provisions, or they may reject them, rely on private financing for their campaigns.

The bill provides this flexibility. It provides an element of voluntarism for Members of the Senate or the House, and for challengers. The public will understand if candidates choose one form or the other. It does not force anyone to adopt any particular method of financing his campaign.

Above all, the bill provides a significant legislative answer that we in Congress can make to the Watergate tragedy. It has been said of our political system that it is the best system that money can buy. That is a tragic indictment of a system that has served this country well for 200 years. I think any of us who have run for public office understand the sinister forces at work in the field of campaign contributions.

So, Mr. President, I am hopeful that the Senate will act this afternoon. As I mentioned, this issue has been debated. I think it is to the credit of the members of the Committee on Rules and Administration that there is strong support for it by Democrat and Republican alike. It is really the best opportunity we have to try to restore some degree of confidence on the part of the American people in the election system.

The proposal has been criticized on the ground that it is going to cost millions of dollars, $90 million a year and $360 million over a 4-year period. That price tag is a bargain. It is the equivalent of only one-tenth of 1 cent a gallon of gas. That is all the American public pays.

The committee bill makes sense. I believe it would be the soundest investment of taxpayers' funds that Government can make. I think we have the responsibility to act on this proposal this afternoon. The debate has really been completed. It is high time to move ahead and end the debate.

Mr. COOK. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. COOK. How much time do I have remaining?

The PRESIDING OFFICER. The Senator has 6 minutes.

Mr. COOK. I reserve the remainder of my time.

Mr. ALLEN. Mr. President, the Senator from Kentucky, in starting his remarks a moment ago, said that the Senator from Alabama had said this measure would cost the Treasury $7.5 million in the Presidential race. Well, either the Senator has not listened to what the Senator from Alabama has said, or he is not familiar with the contents of the bill, but what the bill will do is provide up to $7.5 million for each person who seeks the Presidential nomination of either of the major parties and who is able to get a starting fund of $250,000 in contributions of $250 or less. Actually, there are some 8 or 10 potential candidates for the Presidency here in the Halls of Congress. So really, to get the figures of what the Presidential nomination contest would run, it could run up to $75 million or $100 million, because Senators can rest assured that there will be a whole lot of special interest groups espousing the candidacies of various people, because it would take just a campaign fund of $250,000 to start getting one's hand in the Public Treasury.

The Senator from Kentucky also talked about a lot of people being in court, convicted, one thing and another, in connection with Watergate, and that this bill is necessary to cure the evils of Watergate. Well, the way to do that is not to put one's hand in the public Treasury, but the way to do that is to cut down on the amount of authorized expenditures and cut down on the amount of permissible contributions. The Senator from Alabama has been trying to do that all along, but without the help of the distinguished Senator from Kentucky, who has been voting against these amendments.

The Senator from Alabama tried to get an amendment adopted that would have cut contributions down to $250 in Presidential races and $100 in House and Senate races, but with little help from those who say they are for reform. I submit it is not reform just to turn the bill for political campaigns over to the American taxpayers. What would constitute reform would be to cut down on the amount of overall contributions, to cut down drastically on the amount of individual contributions, provide for strict disclosure and reporting of all contributions and expenditures, and set up an independent election committee.

We passed such a bill and sent it over to the House last year, without the benefit of any public funds. I would feel that if we would stand firm on that theory of campaign reform, we would eventually get a bill.

I want to appeal now to the distinguished sponsors of the pending Stevenson amendment, Senators STEVENSON, HUMPHREY, DOMENICI, TAFT, CRANSTON, MONDALE, and BEALL. If these Senators expect to get the amendment that they have at the desk given any consideration with any chance of adopting it, then it would serve them in good stead to vote against applying cloture, because once cloture is agreed to, the great steamroller will bowl over this amendment, and they would end up with no amendment whatsoever. If the Senator from Illinois would vote against cloture, he would be in a commanding position to insist on the adoption of his amendment, and I submit that suggestion to the distinguished Senator from Illinois and his colleagues.

I was interested, too, Mr. President, in the remarks of the distinguished Senator from Minnesota (Mr. HUMPHREY), who talked about all this pressure from pressure groups that he was receiving by reason of being for this 37.5 percent discount amendment that he and Mr. STEVENSON have put in, because it would reduce potentially the Federal subsidy in congressional races, House and Senate, by 37.5 percent, and 30 percent in Presidential elections.

So apparently there are great pressure groups at work in behalf of public financing, and I think we know who those groups are. I see them in consultation with Members of the Senate from time to time. They have not consulted with the Senator from Alabama. However, there are great pressure groups involved here, as indicated by the statement of the distinguished Senator from Minnesota.

I would like to see the Stevenson-Humphrey-et al. amendment adopted, but we are not going to get it adopted if cloture is invoked. If cloture is not invoked, I think they can be sure that those who are for Federal subsidies would agree to adding the amendment. I think if the Senator is serious and is not just making a play on this amendment, but wants to get it adopted, he will vote against applying cloture, because before the debate was over, he would be able to get his amendment agreed to.

The distinguished Senator from Kansas says he is against a public subsidy bill, but is for cloture. Well, if there ever was a non sequitur uttered on the floor here, that is it, because if a person is really against public financing, he would vote against cloture, because I have a feeling that the majority leader, if we were able to defeat cloture today, would not bring it up more than one more time. So the way to defeat it, I would say to the distinguished Senator from Kansas (Mr. DOLE), would be to vote against cloture. Then we will get on to something else earlier than if cloture were invoked.

The distinguished Senator from Kansas said—and this is what I really planned to say—that the Senate had spent quite a lot of time in considering pay raises for Senators.

The Senator from Alabama voted against the pay raises for the Senate 5 years ago and also voted against a pay raise for the Senate this year. However, the strong force of public opinion is what caused the Senate to vote against that pay raise. It was a modest pay raise—something like $2,500 a year. It was the first pay raise in more than 5 years. However, the Senate, sensing the wishes and views of their constituents, voted against that pay raise and turned thumbs down on it.

If the people disapprove of a raise of $2,500 for the Senators, what will they think about the provision of the distinguished Senator from California which provides for subsidizing the Senate race in his State, subsidizing each candidate for the Senate in a general election by $2,121,000?

So if the people disapprove of a $2,500 pay raise for the Senate, the distinguished Senator from California (Mr. CRANSTON) would not be covered by that law since it was passed during the term in which he was serving office.

Mr. CANNON. Mr. President, will the Senator yield?

Mr. ALLEN. I yield.

Mr. CANNON. Mr. President, I think the Senator from Alabama ought to recognize that his amendment was adopted. So the figure for California would not be $2,121,000. It would be $1,697,000 for the general election, in light of the Senator's own amendment.

Mr. ALLEN. I thank the Senator. The Senator from Alabama was so surprised that his amendment was adopted that he did not charge his memory with the figures.

So the Senator from California under the amendment of the Senator from Alabama would have to struggle along with a subsidy and a check for $1,697,000 just as soon as he became a nominee. That is what he would have to struggle along with under the amendment offered by the Senator from Alabama.

If the public does not approve of a $2,500 pay raise for the Senate, what is the public going to think of subsidizing a public campaign for the Senate in the amount of $1.697 million. I do not think that they will approve of it.

So if we are going to shake together a bill—and it looks as though there is some chance of getting a better bill, because we have lopped 25 percent off the public expenses earlier, and the distinguished Senator from Illinois has an amendment that would chop off up to 37.5 percent of the Federal subsidy in congressional races, and up to 30 percent in Presidential races—maybe if the debate is allowed to continue a few more days we might be able to get an amendment through to withdraw 100 percent of the Federal subsidy.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. COOK. Mr. President, I yield myself 2 minutes.

The PRESIDING OFFICER. The Senator from Kentucky is recognized for 2 minutes.

Mr. COOK. Mr. President, first let me say that I was aware of the $1.7 million for one candidate. In fact, I used it in terms of one candidate.

The Senator asks about the cost to the public. But what amazes me, when we talk about this, is that the public does not understand what is in the bill. It gives the public the impression that the minute one becomes a candidate they will write a check for $1,700,000, and they will write it automatically.

If the Senator reads the bill, there is quite a procedure that one has to go through. There is quite an accounting to go through. He is not immediately able to put $1,697,000 in his pocket and say, "All right. Now I am a candidate for the general election."

I must say in all fairness that we should at least equate the bill with reality. We did not work in the Rules Committee on the bill and, as a matter of fact, the Senator from Alabama worked hard along with us, hard and arduously along with us. He has worked hard all along.

There is no question about how the Senator feels. And I must say that I respect him for how he does feel. I must say that we have been on the bill now for 2 weeks. And I am rather chagrined that the Senate of the United States must spend that much time on a bill that deals with the electoral process in the United States with regard to presidential candidacies and Senate and House candidacies. However, I do know one thing.

The Senator says that we could chop at this thing, that we are getting closer to it, and that we are getting smaller contributions and trying to get the candidates to get smaller contributions.

May I remind the Senator how we tried to get away from the tremendous subsidies to the great big farms in the United States and said that there would be a limit on the amount of subsidies that a man could get. However, a man could divide up a great big farm, and instead of getting $100,000, for one big farm, he could get subsidies for a lot of little farms.

How many times have we done that in the past? Now, we say that we are trying to help the American taxpayer and see to it that no one can get over $100.

How do we resolve that problem?

Somebody told me one time that he did not have trouble about getting the money for a campaign.

Somebody told me one time that he was never able to find out how many campaign checks he had given. He would say, "How much do you want," and he went through checkbook after checkbook after checkbook writing check after check after check.

The ability to control this is the honesty of the man himself. Is the man going to be an honest candidate for public office, or is he not. That is the determination the individual makes.

Are the people that contribute to him going to be honest about the contributions they give?

I think that is a determination each individual must make for himself. I do not think it can be made in any other way. We have tried. There is over-reaction in this bill but over-reaction is better than no bill at all.

The reason that we have a bill considered in one branch and then in the other branch is so that the over-reactions can be ironed out.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. ALLEN. Mr. President, has all time expired?

The PRESIDING OFFICER. The Senator from Kentucky has 2 minutes remaining.

Mr. COOK. Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. If no time is yielded, time will run equally against each side.

Mr. ALLEN. Mr. President, how much time remains to me?

The PRESIDING OFFICER. The Senator from Alabama has 10 minutes remaining.

Mr. ALLEN. Mr. President, on July 30 of last year, the Senate passed by a vote of 82 to 8 S. 372. That bill provided a $3,000 limitation on contributions. It provided that no contributions in cash could exceed $50. It provided the same limitations that this bill formerly provided on the amount that could be expended; namely, 15 cents per person of voting age in the general election and 10 cents in the primary election.

During the course of the passage of that bill here in the Senate, an amendment was offered providing for public financing, and that amendment was defeated by, I believe, a vote of 52 to 40.

That bill is still pending in the House of Representatives, and before it is even acted on by the House, we have before us now S. 3044, which changes the entire thrust of the so-called campaign reform legislation. Whereas the bill that we passed last year, that is now pending in the House of Representatives, provided for financing in the private sector, the bill before us provides for public financing.

Mr. President public financing, letting the taxpayers pay the bill, requires a taxpayer to support a candidate with whose views and with whose philosophy he disagrees. Mr. President, we already have public financing in a sense. We have the checkoff. That is available for Presidential elections right now, and they say there is enough in the fund, or will be by 1976, to finance the campaigns of the major parties and of the minor parties.

Mr. President, the committee bill does not apply to Members of the House of Representatives and the Senate in the 1974 elections. It does not go into effect until the 1976 elections. So what is the hurry about the bill? Why ram it through the Senate now? Why not lay it aside and get on to other measures?

Mr. President, we have the checkoff. We have a system—and all the taxpayers, I am sure, are familiar with this, having been working on their tax returns in recent days and weeks—of credits or deductions available for campaign contributions, I believe a $12.50 credit for a single person or $25 for a couple, an absolute credit, and this bill originally provided for doubling that amount. That bill will be coming back from the House of Representatives before long. And on the matter of deductions, it provides $50 for a political contribution made by a single person or a $100 deduction for a couple.

So we already have public financing of elections, one big difference being that the taxpayer can make his contribution under those systems, either the credit or the deduction, to a candidate of his choice. But that is not provided for in the 100 percent public financing as provided by the pending bill.

Mr. President, we do not need any more public financing than we already have. I believe it would be the better part of wisdom for us to wait until the House of Representatives passes something, because we have heard time and time again that the House may not approve this measure, or may not take it, that it may get tied up over there.

What is the hurry? It does not apply until the 1976 elections. Let us see what the House does with S. 372. Let us see what the House initiates on its own, and then possibly we will be in less of a legislative jam when such a bill comes to the Senate.

Mr. President, there is no grand rush about passing this legislation. I am hopeful that cloture will not be invoked, so that we can give serious consideration to the Stevenson-Humphrey-Cranston et al. amendment, which does provide for a possible reduction of 37.5 percent in House and Senate races, a reduction in the public subsidy of up to 37.5 percent, or up to 30 percent in Presidential elections.

If we do not invoke cloture, we will have an opportunity to consider that amendment. If cloture is invoked, the amendment will be steamrollered, with no chance of passage whatsoever, and in my judgment some of the sponsors of the amendment possibly might not even vote for it when the pressures that the Senator from Minnesota was talking about are applied to them. Mark the word of the Senator from Alabama that some of the sponsors may well vote against their own amendment.

Mr. President, the fallacy of this bill is that here is a bill providing for paying for elections out of the taxpayers' pockets, and it is posing as reform legislation when in fact it is not. It is just taxpayer-financed elections, pure and simple. It is not campaign reform. It is campaign reform in that it changes the law, but it is not campaign reform, and there is quite a distinction.

Mr. President, those who have sponsored this raid on the taxpayers' pocketbooks have not been interested in cutting down the overall campaign expenditures, save the distinguished Senator from Nevada, who did support that amendment. They have not been interested in reducing the individual contributions, because they had opportunity after opportunity to cut down those figures, and the Senator from Alabama has another amendment pending that will be considered whether cloture is invoked or not, which would cut contributions in Presidential races from a maximum of $3,000 down to $2,500, and in House and Senate races from $3,000 down to $1,250. Perhaps that would suit the tastes of a majority of the Members of the Senate. We have tried cutting them down to $250 in Presidential races and $100 in congressional races, and that failed. We then tried——

The PRESIDING OFFICER. The time of the Senator has expired. Who yields time?

Mr. CANNON. Mr. President, how much time remains?

The PRESIDING OFFICER. Two minutes.

Mr. CANNON. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CANNON. If the remaining time is yielded back now, does the quorum call commence immediately?

The PRESIDING OFFICER. The quorum call is supposed to begin at the hour set.

Mr. CANNON. At the hour set?

The PRESIDING OFFICER. With 1 minute to go.

Mr. CANNON. A further parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CANNON. If time is yielded back, what happens in the interim of 1 minute before the hour stated?

The PRESIDING OFFICER. The rules prescribe that at the set hour, the Chair must instruct the clerk to call the roll.

Mr. CANNON. Mr. President, I hope the cloture motion will be sustained, and that cloture will be invoked. We have been on this bill for a considerable period of time. We have had a test vote on almost every conceivable issue that I can think of in connection with the matter. We certainly have had every opportunity to debate every conceivable issue in connection with this matter.

OTHER PEOPLE'S MONEY

Mr. INOUYE. Mr. President, in my more than 20 years in politics I have learned a thing or two about campaign financing. My knowledge has been acquired in several capacities—as a candidate, a fund raiser, and most recently, a member of an investigating panel looking to campaign finance practices. My knowledge leads to an inescapable conclusion—our present system of financing our elections is unfair, undemocratic and unacceptable.

As a candidate I have run for elective office seven times. By the grace of God and the good graces of the voters of Hawaii, I have been successful in each election. Because I am not a man of independent wealth, in each election I have had to rely on other people's money to finance my campaign efforts. As the chairman of the Democratic Senatorial Campaign Committee in 1970, I learned the importance of other people's money in all senatorial and congressional campaigns. And during the Watergate hearings we all learned that other people's money fueled the campaigns of the various Democratic candidates for the Presidential nomination. It provided the Committee to Re-Elect the President the wherewithal to present Richard Nixon to the American electorate in the manner he wished to be presented. CREEP also used other people's money to create a string of scandals unprecedented in American political history.

The high cost of campaigning has escalated in the last two decades at a more rapid rate than the cost of living. Today a competitive campaign for a House seat can cost each side well over $100,000, while a Senate contest can cost each campaigner a minimum of $250,000 even in a relatively small State. And as the Senate Watergate panel discovered over $100 million was spent in the Presidential campaign of 1972.

Television, radio, direct mail, telephoning, printed pamphlets, newspaper advertising, transportation, and other essential means of modern communication used to present a candidate to the voting public are very expensive. Somebody must pay these campaign bills. The trend throughout the 20th century has been toward other people's money, that is small numbers of large contributors paying these bills. The damage to our democracy that the reliance on large contributors in elections has caused is plain for all to see.

The American people have never been more alienated from their political system than they are today. A smaller percentage of our people go to the polls than in any other industrial democracy. The decline of people willing to identify themselves with either of our major parties has been striking. The majority of American men and women hold politics and politicians in low esteem. Politics is very much a dirty word in today's lexicon and the belief that all politicians are corrupt is dangerously widespread.

We politicians did not need Watergate and the Agnew tragedy to learn that something was rotten in Washington. We have been aware of that for some time, but most of us have preferred to close our eyes to the campaign financing practices which have shamed our once honorable profession and—yes, let us face it—corrupted our system.

Let us look at how the reliance on other people's money to finance our campaigns has—and by its nature must—corrupt our present political process.

Since the Tillman Act of 1907, there have been limitations on the sources of campaign contributions. The Corrupt Practices Act of 1910 first required candidates for Federal office to report on campaign income and expenditures. Yet, in every election year candidates for Federal office have avoided, circumvented, and occasionally evaded just about every State and national law that regulates the political fund-raising process. The techniques of avoidance may be complex, but they are well known. Secret conduits, spurious committees, and other forms of deceit and subterfuge come into existence to assure candidates the money needed to reach the voters. Honest men, with the best intentions, unwittingly take money from sources that are proscribed against giving it. It comes in prohibited quantities and much, if not most, of it goes unreported and even unrecorded.

A recent New York Times editorial succinctly stated the dilemma of our present system.

> Try as they may to conduct these political fund-raising activities at arm's length and to develop multiple sources of support to lessen their dependence on a single interest group, politicians of necessity are constantly enchaining themselves in dependent financial relationships and potential conflicts of interest.

Senator RUSSELL LONG put it more bluntly when he said:

> The distinction between a campaign contribution and a bribe is almost a hairline's difference. You can hardly tell one from the other.

Every elected official should understand the truth in that statement.

In a democracy, the illusion of corruption is as damaging to the fabric of freedom as actual corruption. During the Watergate hearings, I heard witness upon witness testify that donations were made to President Nixon's campaign because the contributor feared governmental reprisals or desired governmental favors. Even if these expectations were unfounded, a system which leads contributors to act in response to such expectations must also lead the public to believe that the relationship between campaign cash and governmental decisions is real.

Before my participation on the Watergate Committee, I was not fully convinced that a shift from reliance on private money to public money was the proper direction for our electoral system. I have spent many long hours reading thousands of pages of committee documents, executive session transcripts, academic treatises on this subject. I sat through days of public hearings listening to the tragic details of the campaign practices of 1972. During these past several months I have become convinced of the wisdom of the call for public financing of elections.

The Select Committee as a whole has not yet considered or expressed itself on legislative recommendations. But full Senate consideration of the Federal Election Campaign Act Amendments of 1973 and 1974 has forced each member of the committee to take a public stand on the questions of election reform. As my votes on these bills have shown, when the full committee writes its report, I will strongly recommend public financing of elections as a necessary element of any new system of campaign regulations. The facts of Watergate as I interpret them and the facts of political life in America today lead to that conclusion.

I cannot accept the argument that public financing will discourage, if not prohibit, the individual exercise of the first amendment right of freedom of political expression. A system of matching small private contributions with public money will, in fact, encourage political expression from the millions of Americans who do not now participate. A tax checkoff system, as proposed in the legislation now before the Senate, will not force any taxpayer to contribute to campaigns. It will, however, encourage the taxpayer to choose to participate in this essential part of the political process.

Further, I do not believe that public financing creates additional advantages for incumbents. The advantages we incumbents have are already overwhelming. We have paid staffs and offices, free use of the mails, frequent access to our constituents through the news media, and entree to the campaign coffers of special-interest groups. The ability of incumbents to retain their seats indicates strongly that challengers often cannot get enough money to finance effective campaigns. Over the past 30 years incumbent Representatives have won reelection in over 90 percent of their campaigns, while incumbent Senators have over an 85-percent reelection rate. In 1972 congressional incumbents were on the average able to raise twice as much campaign money as challengers. Public financing may help to redress that balance by making access to large contributors less of a controlling factor in elections.

The argument that public financing will place an additional burden on the already heavily burdened taxayer does not sway me. The taxpayer is now paying for our system of campaign financing every time he goes to the station, the supermarket, the drugstore, and every year as he fills out his tax form. Tax loopholes were not written into our laws by accident. The special interests have not underwritten campaign costs out of any sense of charity. And each time a change of legislative language, or a preferential amendment, or a pork barrel bill or a "Christmas Tree Act" passes through the Congress, the taxpayer unknowingly and unwillingly contributes to our present system of campaign finance. Public financing will let the taxpayer know what he is paying. With that knowledge he can decide if he is getting his money's worth.

The ideal democratic electoral system is easy to envision. It should be fair, open, competitive, clean, and above board. It should build support for our political institutions and respect for the political process. But the design of laws which will make the ideal into a reality is complex, if not impossible.

Watergate has opened our eyes to the cancer that is growing on our political system. We need drastic surgery to stem that cancer. Watergate has given us the impetus and the opportunity to try a drastic cure. In 1907 President Theodore Roosevelt first called for public financing of campaigns. It is time to heed that call. We may not create a panacea, but we can begin to restore our political health.

Mr. NUNN. Mr. President, the revelations of Watergate and similar political abuses of the recent past have both shocked and angered the American people. They demand reform, and indeed, reform we must have.

In times such as these, however, history has shown that our Nation must avoid making the remedy worse than the disease. I fear that a lasting tragedy of the Watergate era could be the well intentioned but misconceived concept of public financing of Federal elections as contained in S. 3044. It would be a sad irony indeed to see a national disgrace serve as the catalyst for establishing an ill-conceived election process.

I oppose the so-called public financing provisions in the pending bill. This concept, while perhaps having a superficial appeal to some, would be unacceptable to the American taxpayer. It should be noted that public financing will not necessarily end campaign abuses. Funding is only one aspect to the campaign process. Money raised from private sources should not be necessarily suspect. Even under the public financing proposal, private funds will continue to be utilized.

Mr. President, I wish to commend the distinguished Senator from Alabama (Mr. ALLEN) for his wisdom and tenacity in opposing the public financing provisions as contained in S. 3044. His careful analysis of these provisions has been of great benefit to me and other Members in considering this legislation.

What is needed to help correct the abuses of the Watergate era is reform and strengthening of the laws that govern the procedural conduct of campaigns. What is needed is the imposition of reasonable limitations on individual contributions, and greater incentives for voters to voluntarily make such contributions. I cosponsored the amendment offered by Senators ERVIN and BAKER to provide such an incentive through a $100 tax credit on an individual return, or $200 on a joint return. Unfortunately, the Senate rejected this amendment.

The most acceptable form of financing is that which consists of funding campaigns by small voluntary individual contributions from a broad cross section of the public. This, I submit, is what Congress should be working toward. It is public financing in the true and finest sense of the term. The income tax checkoff system for financing Presidential elections is one approach to such grassroots support. Only 3.1 percent of the taxpayers submitting returns in 1972 chose to exercise this procedure. Thus, only $3.9 million was designated for election financing. However, early returns for 1973 indicate that a much higher percentage of tax returns are utilizing the checkoff. If this trend continues, the system will go far to financing Presidential elections in 1976.

Positive reform, together with strict enforcement and full public disclosure, can do much to end the past abuses of fundraising through big contributors and special interests. We have not yet tried such tough regulation.

It should be noted that 1972 was the first year we required public disclosure at the Federal level. Many persons also overlook the fact that most of the campaign abuses in the 1972 election took place prior to the April 7, 1972, effective date for public disclosure.

Furthermore, many of the improprieties such as corporate contributions, were in violation of existing law.

However, last July the Senate passed S. 372 which provides strict limits on campaign expenditures and contributions, while leaving the financing of Federal elections in the private sector.

An individual could give no more than $3,000 to a congressional or Presidential candidate in an election, or more than $25,000 to all candidates and committees in 1 year.

Senate candidates would be limited to 10 cents per eligible voter up to a ceiling of $125,000 in primary elections and 15 cents and a $175,000 ceiling in the general election. House candidates would be subject to similar limitations with a ceiling of $90,000 during primary and general elections.

That measure contained other restrictions such as prohibiting cash contributions over $50 and restricting the use of the frank in mass campaign mailings.

I believe that it would be wise to wait until the House acts on S. 372 before rushing ahead with public financing. If that measure is enacted into law, it will provide meaningful reform. After we have experience under its provisions, then we might find it prudent to tighten the election laws still further. I deem it inappropriate to make such a drastic change in our electoral process as that entailed in public financing without first attempting to correct past abuses through the reasonable procedures contained in S. 372.

Mr. President, it is most enlightening to note that of the seven members of the Watergate Committee, five, including my distinguished colleague from the State of Georgia (Mr. TALMADGE), are opposed to this bill's public financing provisions. This committee has labored long and hard over many months to investigate campaign abuses and to determine how to reform our electoral process to prevent future improprieties. The Watergate report is scheduled to be filed in the near future. However, the proponents of public financing refuse to defer action until after this body has had an opportunity to study the report's recommendations. All too well do they realize that the report will not favor their view; all too glibly do they dismiss the wise counsel of the committee's majority; and all too readily do they seek to expend the taxpayer's dollars.

I want to point out that not one abuse would be prevented in the upcoming 1974 election by the pending bill since its provisions are not effective until the 1976 election.

We have all of 1974 and 1975 to draft additional campaign reform legislation if it is needed. Yet, the proponents of S. 3044 urge that we rush through this proposal. Why? Because they wish to take advantage of the emotional tide that has arisen over Watergate.

Mr. President, meaningful campaign reform should stand or fall on its own merits detached from the emotional sway of Watergate.

I oppose the unnecessary and unwise public financing provisions in this legislation.

Mr. MATHIAS. Mr. President, as we continue to debate the merits of public financing and other proposals to reform our electoral system, I think it is appropriate to note that the General Assembly of Maryland, which just this week completed its 1974 session, enacted a State election reform measure. Although different in its final version than the various individual bills that were introduced, the Maryland legislation does include the concept of public financing for general elections, in addition to a number of other features, many of them similar to the proposals we are considering here. Needless to say, there was extensive debate in the legislature, as well as general public discussion, about election reform. Full hearings were held, at which all shades of opinion were expressed. One of the most succinct statements against public financing of elections was submitted to the Judicial Proceedings Committee of the Maryland Senate by Ray Gill, a columnist for a number of Maryland weekly newspapers, and a long-time observer of government and politics in our State. I disagree with Mr. Gill on the subject of public financing of elections.

But his statement is a clear expression of a point of view that must be taken into account here, as it was in Maryland. Because it is vitally important that all sides of the issue be fully explored, I ask, Mr. President, that Mr. Gill's statement be inserted in the Record.

There being no objection, the statement was ordered to be printed in the Record, as follows:

Statement by Ray Gill

Common Cause and other reform organizations have made a great issue of how special interests influence the course of government by contributing to the election campaigns of candidates for public offices.

And God knows, we have seen enough evidence of abuses of the system within the past year.

The problem is that everybody has become so obsessed with the liabilities of our free political and economic system that nobody seems to remember the assets.

I am convinced that the greatest danger we face arises from the hysterical mania for reform, agitated by many well-meaning people and some whose motives are only dimly perceived.

At the congressional level and here in Annapolis, the craze to perfect the system threatens to strangle political liberty. The worst lunge in that direction would be public financing of election compaigns.

The citizen's right to contribute or not to contribute would be abolished. The cash for electoral candidates would be forcibly taken from him by taxation.

The citizen would also lose any choice in the matter of which candidates get his money. The funds would go to a pool for distribution to candidates according to some formula that would ignore the preferences of the taxpayer.

The dollars would be distributed to candidates hostile to the taxpayer's own political beliefs, as well as those he might favor.

I am convinced that would be unconstitutional and, if it is not, then it surely ought to be.

The courts of our land have repeatedly held that it is unconstitutional to prohibit the expression of any idea.

I daresay it is just as unconstitutional to compel a citizen to support candidates whose ideology is contrary to his own, but that's what would happen under this pernicious legislation.

If public financing of presidential elections ever comes to pass, for example, imagine the chagrin of a black taxpayer when he realizes that some of his tax dollars have been pumped into the campaign of George Wallace.

At the congressional level, I would surely be pained to have even one dime of my hard-earned cash going to Bella Abzug or Parren Mitchell.

And I can think of quite a few state legislators whom I would hate to support, including those who would vote for a bill such as this.

Instead of being obsessed with the scandals that have erupted lately, having been exposed and prosecuted by due process of law, I urge you to consider the cause of individual liberty.

Perhaps we all need reminding that government is the historic enemy of freedom, and its growing power in this nation is something we should not ignore.

Within the past 40 years, laws, rules, regulations, guidelines, plans and bureaucratic decisions of government have increasingly invaded every aspect of life.

The economic power of government has grown to the point at which it consumes nearly 30 percent of the gross national product of the nation.

There are strong political forces that want government to assume more and more power over our lives, to tax more and spend more, to satisfy every human want and need, to plan your neighborhood, to practice sociology on your children, to regulate us all toward some concept of what society ought to be.

These organizations are well-organized and well-financed nationally. Their members relentlessly campaign for more and larger government programs and for candidates who will support their goals. And they are quick to denounce their opposition as "special interests."

But I would hate to think of a government in which those special interests were not represented.

I believe it is fortunate that business and labor contribute money to the election campaigns of candidates of their choice. So do countless individual citizens who perceive certain candidates to be representatives of their interests.

The economic power in elections is currently dispersed, as it ought to be, among a multitude of interests. A government elected thusly will try to balance and accommodate the interests at work in a free society.

The balance of interests checks the power of government, restrains it from committing excesses in any direction, and preserves freedom.

But public financing of election campaigns would eliminate important restraints on government and erode freedom.

I would also ask you to remember that the people are already taxed more than enough to support the galaxy of public services and attendant bureaucracies that have grown so vastly in recent times.

We might argue about the cost and necessity of some of those services, but at least the goal is service.

I wonder how you're going to convince the taxpayer that your election campaigns are public services for which he must be forced to pay.

CLOTURE MOTION

The PRESIDING OFFICER (Mr. Helms). All time for debate having expired and the hour of 4 o'clock having arrived, the clerk will report the cloture motion.

The assistant legislative clerk read the cloture motion, as follows:

We, the undersigned Senators, in accordance with the provisions of Rule XXII of the Standing Rules of the Senate, hereby move to bring to a close the debate upon the pending bill S. 3044, a bill to amend the Federal Election Campaign Act of 1971 to provide for public financing of primary and general election campaigns for Federal elective office, and to amend certain other provisions of law relating to the financing and conduct of such campaigns.

John O. Pastore.
Harrison A. Williams, Jr.
Clifford P. Case.
Abraham Ribicoff.
Thomas F. Eagleton.
Joseph R. Biden.
Alan Cranston.
Birch Bayh.
Dick Clark.
Frank Church.
Quentin N. Burdick.
James Abourezk.
Gale W. McGee.
Edmund S. Muskie.
Philip A. Hart.
Edward M. Kennedy.
Floyd K. Haskell.
Howard M. Metzenbaum.
Jacob K. Javits.
Marlow W. Cook.
Edward W. Brooke.
Ted Stevens.
Joseph M. Montoya.
Hugh Scott.
Richard S. Schweiker.
Henry M. Jackson.
Hubert H. Humphrey.

CALL OF THE ROLL

The PRESIDING OFFICER. Pursuant to rule XXII, the Chair directs that the clerk call the roll to ascertain the presence of a quorum.

The second assistant legislative clerk called the roll, and the following Senators answered to their names:

[No. 126 Leg.]

Abourezk
Aiken
Allen
Baker
Bartlett
Bayh
Beall
Bellmon
Bennett
Bentsen
Bible
Biden
Brock
Brooke
Buckley
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Clark
Cook
Cotton
Cranston
Curtis
Dole
Domenici
Dominick
Eagleton
Eastland
Ervin
Fannin
Fulbright
Goldwater
Gravel
Griffin
Gurney
Hansen
Hart
Hartke
Haskell
Hatfield
Hathaway
Helms
Hollings
Hruska
Huddleston
Hughes
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Magnuson
Mansfield
Mathias
McClellan
McClure
McGovern
McIntyre
Metcalf
Metzenbaum
Mondale
Montoya
Moss
Muskie
Nelson
Nunn
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Sparkman
Stafford
Stennis
Stevens
Stevenson
Symington
Taft
Talmadge
Thurmond
Tower
Tunney
Weicker
Williams
Young

The PRESIDING OFFICER. A quorum is present.

The question before the Senate is: Is it the sense of the Senate that debate on S. 3044, a bill to amend the Federal Election Campaign Act of 1971 to provide for public financing of primary and election campaigns for Federal elective office, and to amend certain other provisions of law relating to the financing and conduct of such campaigns, shall be brought to a close?

The yeas and nays are mandatory under the rule.

The clerk will call the roll.

Mr. ROBERT C. BYRD. Mr. President, may we have order in the Senate, so that Senators who are following the count may hear all the responses?

The PRESIDING OFFICER. The Senator's suggestion is in order. The Senate will be in order. The Chair solicits the cooperation of all Senators.

The clerk will proceed.

Mr. ROBERT C. BYRD. Mr. President, we do not have the kind of order that will allow Senators to hear the responses.

The PRESIDING OFFICER. All Senators will take their seats. The clerk will not proceed until the Senators are in their seats or in the cloakroom.

The clerk will proceed.

The assistant legislative clerk called the roll.

Mr. BIBLE (when his name was called). On this vote I have a pair with the Senator from Wyoming (Mr. McGee) and the Senator from Idaho (Mr. Church). If I were permitted to vote, I would vote "nay." If they were present, they would vote "yea." I withhold my vote.

Mr. ROBERT C. BYRD. I announce that the Senator from Idaho (Mr. Church), the Senator from Louisiana (Mr. Long), and the Senator from Wyoming (Mr. McGee) are necessarily absent.

Mr. GRIFFIN. I announce that the Senator from Hawaii (Mr. Fong) is necessarily absent.

I also announce that the Senator from Virginia (Mr. William L. Scott) is absent on official business.

I further announce that, if present and voting, the Senator from Hawaii (Mr. Fong) would vote "nay."

The yeas and nays resulted—yeas 64, nays 30, as follows:

[No. 127 Leg.]

YEAS—64

Abourezk
Aiken
Bayh
Beall
Bentsen
Biden
Brooke
Burdick
Byrd, Robert C.
Cannon
Case
Chiles
Clark
Cook
Cranston
Dole
Domenici
Eagleton
Fulbright
Gravel
Hart
Hartke
Haskell
Hatfield
Hathaway
Huddleston
Hughes
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Magnuson
Mansfield
Mathias
McGovern
McIntyre
Metcalf
Metzenbaum
Mondale
Montoya
Moss
Muskie
Nelson
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Stafford
Stevens
Stevenson
Symington
Tunney
Weicker
Williams
Young

NAYS—30

Allen
Baker
Bartlett
Bellmon
Bennett
Brock
Buckley
Byrd, Harry F., Jr.
Cotton
Curtis
Dominick
Eastland
Ervin
Fannin
Goldwater
Griffin
Gurney
Hansen
Helms
Hollings
Hruska
McClellan
McClure
Nunn
Sparkman
Stennis
Taft
Talmadge
Thurmond
Tower

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

Bible, against.

NOT VOTING—5

Church
Fong
Long
McGee
Scott, William L.

The PRESIDING OFFICER. On this vote there are 64 yeas and 30 nays. Two-thirds of the Senators present and voting having voted in the affirmative, the cloture motion is agreed to. [Applause.]

Mr. ROBERT C. BYRD. Mr. President, may we have order in the Senate and in the galleries.

The PRESIDING OFFICER. The Senate will be in order.

ORDER OF BUSINESS

Mr. HUGH SCOTT. Mr. President, I rise to ask the distinguished majority leader if he will give us the schedule for the remainder of the day and perhaps he can give us the prognosis from now until the scheduled Easter hiatus.

The PRESIDING OFFICER. The Senate will be in order.

Mr. MANSFIELD. Mr. President, I am very happy to respond to the distinguished Republican leader, and state that we will go as long today as there are amendments available.

ORDER FOR ADJOURNMENT UNTIL 10 A.M.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in adjournment until the hour of 10 o'clock tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. MANSFIELD. Mr. President, it is anticipated that the tornado disaster relief bill, which I understand was reported by the Committee on Public Works, will be taken up tomorrow after the conclusion of the pending business. There will be one or two other items which will be relatively noncontroversial. It is expected that the Senate, in line with the House action, will recess at the end of business Thursday rather than at the end of business Friday, as in the original schedule.

Mr. HUGH SCOTT. I understand a couple of the energy bills are on the way out or are out of committee. If so, I assume they will be brought up as soon as possible after the Easter recess.

Mr. MANSFIELD. After the no-fault insurance bill, which will be the next major item of business, has been disposed of—and it will be very controversial and debate well may be extended—generally speaking, that bill will be followed by the education bill, which likewise will be subject to extended debate.

Mr. HUGH SCOTT. We all hope that debate on the no-fault insurance bill will leave each of us with no fault personally.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. MAGNUSON. Does the majority leader suggest that we lay down the no-fault bill before we quit?

Mr. MANSFIELD. Yes, and that it be the pending business.

Mr. MAGNUSON. And that it be the pending business when we return. Obviously, we could not have votes on it between now and Thursday.

Mr. MANSFIELD. That is correct; and may I say, following the suggestions made by the distinguished Senator from Washington, who is the chairman of the Committee on Commerce and who will be the manager of the bill.

Mr. MAGNUSON. And that would mean that after the recess, no-fault would be the pending order of business?

Mr. MANSFIELD. Yes.

Mr. MAGNUSON. It might be superseded by two or three matters, but it would be the pending order of business.

Mr. MANSFIELD. Yes; and as far as the military authorization bill is concerned, that will not be taken up until sometime after the recess.

FEDERAL ELECTION CAMPAIGN ACT AMENDMENTS OF 1974

The Senate continued with the consideration of the bill (S. 3044) to amend the Federal Election Campaign Act of 1971 to provide for public financing of primary and general election campaigns for Federal elective office, and to amend certain other provisions of law relating to the financing and conduct of such campaigns.

The PRESIDING OFFICER. The Chair inquires as to who yields time.

Mr. STEVENSON. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. STEVENSON. What is the pending business?

The PRESIDING OFFICER. The pending question is on the amendment of the Senator from Massachusetts to the amendment of the Senator from Illinois.

Mr. KENNEDY obtained the floor.

The PRESIDING OFFICER. The Senate will be in order. The Senate will be in order. The Senator cannot be heard.

The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, as I understand the parliamentary situation, I do have an amendment at the desk.

The PRESIDING OFFICER. The Senator is correct.

Mr. KENNEDY. Mr. President, I would like to withdraw that amendment and reintroduce another amendment which is at the desk and which has some technical changes in it to conform more accurately with the legislation before us.

The PRESIDING OFFICER. The amendment will be withdrawn. The clerk will read the amendment now proposed.

The assistant legislative clerk proceeded to read Mr. Kennedy's amendment to Mr. Stevenson's amendment.

Mr. KENNEDY. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

Mr. DOMINICK. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

Mr. MANSFIELD. Mr. President, what was the objection to?

The PRESIDING OFFICER. The Senator from Massachusetts requested unanimous consent that reading of the amendment be dispensed with. Objection was heard.

The clerk will read the amendment.

The assistant legislative clerk read the amendment to the amendment, as follows:

Strike the language proposed by Mr. Stevenson by striking out subsection (b) (1) (A) (i) proposed to be inserted on page 10, beginning with line 17, and insert in lieu thereof the following:

"(b) (1) Every eligible candidate who is nominated by a major party is entitled to payments for use in his general election campaign in an amount equal to—

"(A) in the case of a candidate for election to the office of President, 100 percent of the amount of expenditures the candidate may make in connection with that campaign under section 504, and

Mr. KENNEDY. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. KENNEDY. Mr. President. I will say, for the benefit of Members of the Senate, that this was an amendment which was introduced by myself, the minority leader (Mr. Hugh Scott), and Senators Hart, Schweiker, Mathias, and Javits. I do not intend to take very much time, but as a point of information for the membership, this amendment is to——

The PRESIDING OFFICER. The Senator will suspend. The Senate is not in order.

The Senator may proceed.

Mr. KENNEDY. This amendment would modify the Stevenson amendment to restore the provision in the bill reported out of the Committee on Rules and Administration for 100 percent public financing of general elections for the office of the President. The Stevenson amendment would cut this back to 40 percent public financing. This is an issue which has been debated and discussed since 1966. On many occasions over the past 8 years, the membership has voted on whether we want full public financing of Presidential elections. It is part of present law, the dollar checkoff we created in 1971. The Stevenson amendment would weaken the existing law and change significantly the bill which is before the Senate dealing with Presidential elections.

The issue on the Stevenson amendment is an issue which we have voted on before. We rejected the concept of partial public financing a week ago, and it was also defeated as an amendment that was proposed last fall.

The purpose and the thrust of my amendment is to preserve the features of existing law and the committee bill as they relate to Presidential elections. If this amendment is accepted to the Stevenson amendment, and if the Stevenson amendment is later accepted as amended, the Senate would preserve the provisions of current law which deal with the public funding of Presidential elections.

Financing of Presidential elections has really not been one of the principal issues debated or discussed on the committee bill. There has been general agreement in the Senate that the current law is adequate. It is one of the most essential parts of the whole campaign reform proposal, and I would hope that my amendment, which has the strong bipartisan support of many of those who have been working in this area, will be accepted. Certainly, we should not retreat from existing law.

I reserve the remainder of my time.

Mr. STEVENSON. Mr. President, the subject of this amendment has been fully debated, and I certainly do not intend to prolong the debate. This amendment raises a question which I think can be simply put. It is simply, why pay more when, for less, we can do a better job?

Whatever the formula, Presidential candidates are going to opt for public financing. This amendment would drive out every last nickel and dime of private money for those Presidential campaigns in which the candidate has opted for public financing. No individual could contribute any money to the candidate of his choice. He could not contribute $5. He could not contribute $500.

Many people feel seriously about their politics——

Mr. KENNEDY. Mr. President, may we have order?

The PRESIDING OFFICER. The Senator will suspend until the Senate is in order. Staff members are solicited to cooperate.

The Senator may proceed.

Mr. STEVENSON. They feel very seriously about their election campaigns and feel seriously about their politics. They want to help. They want to be a part of their Government. They want to help candidates of their choice. They want to do so by giving small contributions. The Kennedy amendment says, "No." It says whether one wants to contribute $5 or $10, he cannot do it. It says by implication that the citizen might corrupt a candidate for the Presidency of the United States with a $5 or $10 contribution.

Mr. KENNEDY. Mr. President, will the Senator yield on my time?

Mr. STEVENSON. I yield.

Mr. KENNEDY. There is nothing in this amendment that would prohibit any individual who wanted to spend money on behalf of a candidate from taking out an advertisement or buying time on television or radio or sponsoring a program that would permit people to watch a candidate. He would be able to spend up to $1,000 for such purposes, regardess of the candidate's own spending limit.

My amendment does not eliminate this provision. What it does do is make full public financing available to a candidate. But an individual would be able to spend up to $1,000 of his own money on behalf of a candidate, independent of the candidate's own limit. That provision is preserved, and I think wisely so.

Mr. ABOUREZK. Mr. President, will the Senator yield?

Mr. STEVENSON. I yield.

Mr. ABOUREZK. Did the Senator from Illinois say in his remarks that the bill as it is now written would remove every last nickel of private financing?

Mr. STEVENSON. In the case of every candidate who accepted the public funds made available by the bill, there could be no more private contributions.

As the Senator from Massachusetts has pointed out, a person acting independently of a candidate could spend up to $1,000 of his own money to express his views; he could not contribute $5 to a candidate of his own choice.

Mr. ABOUREZK. But the Presidential candidate could raise private financing for a candidate.

Mr. STEVENSON. That is true. The purpose of public financing is to prevent big, essentially corrupting contributions, not $5 contributions. It is the small contributions which are innocent, and that is a healthy form of political participation.

The amendment I have offered, unamended by the Senator from Massachusetts, would accomplish both objectives. It would eliminate from our politics the large contributions and would preserve the innocent, small contributions. It would decrease the cost to the Treasury of financing campaigns for the Presidency.

If the amendment offered by the Senator from Massachusetts had been in effect in 1972, President Nixon and the Committee to Re-Elect the President would have received $16 million from the U.S. Treasury. There is no necessity for that. It is offensive to the American public. It could be offensive to the Constitution.

Large contributions could be eliminated and small contributions preserved without the amendment of the Senator from Masaschusetts.

Mr. KENNEDY. Mr. President, the genius of the committee bill we are considering this afternoon is its complete flexibility. A candidate is not required to accept any public financing. If he wants to raise his funds from small, private contributions, he can do that. We do not have to change the existing legislation to accomplish the goal of the Senator from Illinois.

Many of the things that the Senator from Illinois advocates in terms of preserving small contributions are true. If an individual wants to go out and raise the money by $5 contributions, nothing in the committee bill would prevent that. But there is also nothing in it that would require him to raise private funds, if he preferred to finance his campaign from public funds.

Let me also point out that under the Senator's amendment, a candidate could still accept large contributions of $3,000 or $6,000. How many candidates relying on private funds will seek out the $250 donor for matching grants, when they can get funds at $6,000 a clip from an individual or a special interest group?

So, on the one hand, the Senator is putting a limit on what can be provided through public financing. On the other hand, he is not requiring a candidate to raise the money by small contributions.

It would still be possible for him to finance his campaign in $3,000 or $6,000 contributions. That is a large loophole. The lower we set the limit on public funds, the higher we make the incentive to rely on unduly large private contributions.

The bill before the Senate has been thought out in a responsible way. It seeks to provide flexibility for a candidate who wants partial public financing. He can say that he will take some public funds or all public funds, or no public funds. He has that flexibility. If he wants to raise his funds in small contributions, he can do that under the committee bill.

So I hope that at least the provision in current law which deals with Presidential elections will be retained and that we would not weaken it in the way suggested by the pending amendment.

Mr. President, I am ready for a vote.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Massachusetts to the amendment of the Senator from Illinois. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Idaho (Mr. CHURCH), the Senator from Louisiana (Mr. LONG), the Senator from Wyoming (Mr. MCGEE), the Senator from Iowa (Mr. HUGHES), and the Senator from Ohio (Mr. METZENBAUM) are necessarily absent.

Mr. HUGH SCOTT. I announce that the Senator from Hawaii (Mr. FONG), the Senator from Arizona (Mr. GOLDWATER), and the Senator from Michigan (Mr. GRIFFIN) are necessarily absent.

I also announce that the Senator from Virginia (Mr. WILLIAM L. SCOTT) is absent on official business.

The result was announced—yeas 46, nays 45, as follows:

[No. 128 Leg.]

YEAS—46

Abourezk
Bayh
Bentsen
Bible
Biden
Brooke
Burdick
Cannon
Case
Chiles
Clark
Cook
Eagleton
Fulbright
Gravel
Hart
Hartke
Haskell
Huddleston
Inouye
Jackson
Javits
Johnston
Kennedy
Magnuson
Mathias
McIntyre
Metcalf
Montoya
Moss
Muskie
Nelson
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Schweiker
Scott, Hugh
Stafford
Symington
Tunney
Williams

NAYS—45

Aiken
Allen
Baker
Bartlett
Beall
Bellmon
Bennett
Brock
Buckley
Byrd,
  Harry F., Jr.
Byrd, Robert C.
Cotton
Cranston
Curtis
Dole
Domenici
Dominick
Eastland
Ervin
Fannin
Gurney
Hansen
Hatfield
Hathaway
Helms
Hollings
Hruska
Humphrey
Mansfield
McClellan
McClure
McGovern
Mondale
Nunn
Roth
Sparkman
Stennis
Stevens
Stevenson
Taft
Talmadge
Thurmond
Tower
Weicker
Young

NOT VOTING—9

Church
Fong
Goldwater
Griffin
Hughes
Long
McGee
Metzenbaum
Scott,
  William L.

So Mr. KENNEDY's amendment was agreed to.

Mr. KENNEDY. Mr. President, I move that the vote by which the amendment was agreed to be reconsidered.

Mr. PASTORE. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Illinois (Mr. STEVENSON), as amended.

Mr. KENNEDY. Mr. President, on behalf of Senators HUGH SCOTT, HART, SCHWEIKER, MATHIAS, and JAVITS, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER (Mr. HASKELL). The amendment will be stated.

The legislative clerk read as follows:

In the matter proposed to be inserted on page 10, strike out proposed subsection (b) (1) (A) (ii) and (b) (1) (B) and insert in lieu thereof the following:

"(B) in the case of a candidate for election to the office of Senator or Representative, the sum of ——

"(i) 50 percent of the amount of expenditures the candidate may make in connection with that campaign under section 504, and

"(ii) the amount of contribution he and his authorized committees received for that campaign."

At the end of paragraph (6) proposed on page 3, strike out "(1) (A)" and insert "(1) (A) or (B)".

Mr. KENNEDY. Mr. President, I yield myself such time as I may need.

The committee bill provides for full public financing for congressional elections. There is a feeling, and rightly so, that what is sauce for the goose is sauce for the gander. If we have full public financing for Presidential elections, as we already do, then we should have full public financing of congressional elections as well.

There has been extensive debate on public financing for congressional elections, both during the past few days as well as last fall, when a similar proposal was before the Senate.

Instead of full public funding for congressional elections, the Stevenson amendment allows only a 25-percent front end subsidy, plus matching grants of public funds for the remainder of a candidate's spending limit. If matching grants are fully used by a candidate, he would receive matching public funds equal to half of the remaining 75 percent of his expenses, or 37.5 percent. Thus, his total public funds would equal the initial 25 percent plus the matching 37.5 percent, or a total of 62.5 percent public funds.

My amendment would raise the initial front end subsidy to 50 percent, and allow matching for the remainder. Thus, my amendment put a substantial limit on public funds. It is a significant retreat compared to the committee, but it is offered in a spirit of compromise to try to reach a middle ground with the Senator from Illinois and others who prefer a mixed system of public funds and matching grants in general elections.

The amendment we are offering would allow a candidate to obtain 75 percent public financing for his campaign—50 percent from the front end subsidy, and 25 percent through matching.

Now, that may not sound very different from the amendment of the Senator from Illinois—75 percent versus 62.5 percent—but there is an important additional point. Those amounts of public funds will be reached, only by candidates who raise all their private money in contributions of $100 or less. Far more likely, many candidates will choose to go to the big contributors for private money, where funds can be raised at $6,000 a clip. So we may wind up with a situation where a candidate under the Stevenson amendment raises only 25 percent public funds, and gets all the rest from wealthy contributors or special interest groups. My amendment would at least raise this level to 50 percent, and that is an important difference.

This is a reasonable adjustment and compromise in this area. The sponsors are reluctant to make this adjustment, but we also recognize that this approach is likely to be more acceptable to the House.

Our amendment is offered as a reasonable compromise to those who believe we should put a limitation on what is available in public funds.

I would hope that the amendment would be accepted by the Senate.

Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. JAVITS. Mr. President, I yield myself 3 minutes.

The PRESIDING OFFICER. The Senator from New York is recognized for 3 minutes.

Mr. JAVITS. Mr. President, as a Senator who is very likely to be a candidate this year, I support and, indeed, I am one of the cosponsors of Senator KENNEDY's amendment, which I think is a fair compromise between the kind of informal vote of those who will support us financially, and Government financing. I was hostile to Government financing for years, as I saw many dangers in it. But in all the problems of legislation, we always have to trade off. We have to accept something we do not agree with in order to get the greater good.

The seamy record we have seen under the general heading of raising campaign funds, with all the very, very shocking immorality which it has engendered, I believe should have convinced us that the public financing route is the right one. I realize that we do not want to go at it all at once but, at the same time, to be practical about it, we have got to give the candidate the opportunity to use public financing effectively and not put him in the position where it does not amount to using it effectively and being able to rely on it.

The virtue of the Kennedy amendment is that it is realistic. The 50-percent figure entitles a candidate to go with it and rely on it, whereas the 25-percent figure is too little and does not give the public financing concept a fair trial.

For all those reasons, Mr. President, I hope very much that the Senate will approve the amendment.

Mr. DOLE. Mr. President, I understood, during the debate we began here several weeks ago, that we were not going to be corrupted by accepting private funds. The prevailing view then was that we could not be trusted with private funds, that we, somehow, might be corrupted.

But now we are saying that if we accept 50 percent private and 50 percent public funds, there will be no problem.

I agree with the distinguished Senator from Alabama (Mr. ALLEN), even though I voted for cloture, that here we are either going to be financed publicly, or we should be financed privately 100 percent.

I do not know what merit there is in saying on the one hand that we are all subject to being corrupted because we accept private funds but, somehow that is all cured if half of it comes from the Public Treasury and half of it comes from someone else.

For the life of me, I cannot understand how this amendment makes anything better. It indicates that what we really want is public money. Fifty percent of public money will be all right if we can only get 50 percent out of the Public Treasury, that we are not concerned about being corrupted any more, that we are not concerned about where the contributions come from. We say, take 50 percent but do not take it all. I cannot understand that if we want to purify our political system we want to let the Federal Government pay for the campaigns.

Well, I hope it never happens. But, if we are going to purify our political system, let us go on as we have been going. Most of the men and women in this country in public office are men and women of integrity. They are not corrupted by private donations. With the law passed in 1971, there will be full disclosure of our contributions and expenditures.

I see no reason for this amendment, or any modification of it, or for any more discussion of the pending bill.

It seems to me that the American people would like us to give a little attention to their problems. We wasted 7 days trying to raise our own pay. Now we waste 3 weeks trying to get back into the public Treasury. We have not concerned ourselves with the American people for 30 days—and we are going to take a recess come this Thursday.

Mr. STEVENSON. Mr. President, there is very little difference between this amendment and the amendment I have proposed. It is a question of degree. The amendment offered by the Senator from Massachusetts would increase the maximum public share to 75 percent, while the amendment which I offered has a 62.5-percent maximum. If candidates can raise 100 percent of their funds privately—as they now do—they should be able to raise 37.5 percent from small contributions.

The amendment which I offered with the Senator from Ohio and the Senator from New Mexico and others would simply increase the degree of participation by citizens in the political process and decrease the burden on the public Treasury.

Mr. KENNEDY. Mr. President, the point remains that under the existing legislation, if an individual candidate finds the public financing sufficiently repugnant, he can go out and say, when he announces for public office, "I am not going to accept anything more than a dollar or more than $5," and run his campaign that way. Nothing requires him to take the public financing.

What we have done with this proposal is to say, with respect to those who feel that some limitation ought to be provided, that we set a 50-percent ceiling on the initial subsidy, and then allow matching up to the amount he is able to spend. I think that is a reasonable compromise.

I remind the Members of the Senate that this bill is going to go through many changes in the House and in the conference. The action by the Senate is going to be the high water mark in terms of the position Congress will take in this area. So I hope that when the bill goes to conference, our conferees will be given the strongest possible position to defend. I am hopeful that we will have a strong bill.

Under the limitation that has been suggested by the Senator from Illinois, you can get only 25 percent front end funding. True, you will be able to match up to 62 percent, if you raise private money in contributions of $100 or less. But you can also go out and raise the rest of your money in $6,000 campaign contributions. There is no requirement in the Stevenson amendment that you get it from the $100 contributor. The 25 percent front end money will become a drop on the bucket, the shadow of reform without the substances. After getting the front end money, you can take $6,000 contributing from special interest committees. You can take $3,000 contributions from wealthy individuals.

How much reform is that? A Senator or Congressman will represent the people 25 percent of the time, and the special interest groups the other 75 percent.

I think we are already achieving what the Senator from Illinois wants to achieve under the committee bill. There is no need for an arbitrary limitation as suggested by his amendment. I know that a number of Members feel strongly about it, however, and I think the 50-percent compromise we have offered is a constructive alternative.

Mr. STEVENSON. Mr. President, will the Senator yield?

Mr. KENNEDY. I yield.

Mr. STEVENSON. A candidate, in both cases, has the option of taking private financing, as opposed to public financing. The only difference is whether it is going to be 62 percent from public sources or 75 percent.

Mr. KENNEDY. That is true only if matching public funds are fully used. If they are not used at all, the difference is 50 percent versus 25 percent. I say to the Senator that I have offered an amendment which I think is a compromise between the committee bill and the position which has been proposed by the Senator from Illinois.

Let me point out that if the Senator from Ilinois or any other Member of Congress or any challenger wants to say, "I am going to run my campaign on $1 contributions or $5 contributions," he can do so. Yet, the Senator says that this is the goal of the Senator from Illinois. Also, if he says, "I will take 25 percent public and raise the rest on $5 campaign contributions," he can do that at the present time, under the committee bill.

The Senator is putting an arbitrary and a mandatory limitation on how much can be used in public funds. Under the goal of the Senator from Illinois, a candidate can say, "I want to take 25 percent public financing, and then I am going to take every bit of money I can get in $1 contributions." He would be able to do that under the Cannon proposal. Why does he want to make that mandatory for all candidates? Why does he want to drive candidates back into the arms of his contrbiutors?

It seems to me that the alternatives in the committee bill achieve the thrust of the Stevenson amendment. The proposal I have offered as a substitute conforms the Stevenson amendment more closely to the committee bill. It does not do it completely, but it does recognize that there are Members who want to put some limitation on public funds. I think it is a constructive middle ground between the Stevenson amendment and the committee bill.

Mr. HUMPHREY. Mr. President, so that we might simplify it, the real argument here is over one thing, and that is whether or not it will be 25 percent maximum that you can get from the public Treasury or 50 percent. There is nothing under the Kennedy amendment that would preclude somebody from taking 25 percent as the maximum amount of the public contribution, but it does leave what I say is a good deal of ambivalence as to what is going to happen. I think there ought to be standard rules.

Candidates ought to run on the basic issues of public policy. What you are going to find is that you are going to have your campaign on whether or not you are the dollar man or the public finance man, or whether or not you take 25 percent from the public Treasury or 50 percent from the public Treasury. In the meantime, the public will have no one talking about inflation or health or education. It will all be on whether or not you can be bought for 25 percent or 50 percent or not bought. All of that is just painting ourselves into a corner.

The real truth is that the problem of private financing is no accusation of corruption, which has been said here. Just because somebody contributes does not prove you are corrupt. But it does lend itself to suspicion, doubt, and skepticism. It is my judgment that we ought to try to remove as much of that doubt as possible. We do that by putting severe limitations on the amount of a contribution. Anyone who can be bought for $3, ought to get out of here and not stand up and call himself a man or herself a woman—at least, at prices these days. [Laughter]

Mr. President, if anybody thinks that a $6,000 group contribution from a national committee or the labor movement or a Senate committee or the doctors, or whoever else it is, is something that will buy you, you ought to be ashamed even at the thought. I do not think that simply because somebody gets a contribution for $3,000 maximum, that proves ipso facto that you ought to spend several years in Sing Sing. We are just fooling around telling the public that is what happens.

What we have here on matching with Federal funds is that if one gets $100 in private money, he can get $100 matched. That is what is in this formula of either the proposal by the Senator from Massachusetts or the Senator from Illinois. The only argument is whether or not one ought to have 50-percent frontline financing. In other words, when one declares his candidacy, he walks over and says, "Give me 50 percent of everything I am entitled to under the formula in the bill." Or he can say, "I don't think I'll take 50 percent, because I hear that my opponent is going to take 50 percent. I'll take 45 percent. That makes me a 5-percent better guy than the other fellow."

The advantage of the Stevenson amendment is that it is 25 percent.

I hope that we will stop kicking the gong around, because that is what is bothering me. I joined in the Stevenson amendment for one reason. I want a bill, and I think we can get a good bill. I believe we ought to approach public financing.

I had very serious doubts about any limitations upon the Presidential campaigns. I felt that was one office where we might have full public financing, and I voted accordingly, except when I came here to try to find out how we can get a bill. The American people have a right to expect results of us and not just an issue—going around here trying to prove some of us are more pure than Ivory soap. There is not a saint in this audience; there has not been before and there will not be one. We have our fallibilities and our weaknesses. We are trying to find an antibiotic to do something about the political infection that has gripped this country. I happen to think Dr. Stevenson has a pretty good pill, a pretty good antibiotic. Now, we have other prescriptions coming to us. Either would suffice and I grant that. The difference is the amount in the public Treasury.

I do think the issue before the Senate is: Do we want performance or do we want rhetoric; do we want an issue or do we want a bill? I think I want a bill. I think it is time for the Congress of the United States to tell the American people we are capable of legislating something around here that will be passed, signed, and become law.

Mr. DOLE. Mr. President, I agree with the Senator from Minnesota. I think he has put his finger on the matter precisely when he said the important thing is disclosure and a limitation on contributions. We can have both without public financing.

The Senator from Minnesota underscored another point. Every Senator will be trotting around saying, "I did not take as much as he did from the Public Treasury. I raised my money." As I stated there will be T-shirts that will have printed on them, "Your tax dollar at work," and on the back there will be printed, "Total public financing."

I offered an amendment yesterday that should have been agreed to and that was that on every bumper sticker, emery board, political advertisement, there would be printed, "Paid for with public funds." We are always happy to say, "Printed at private expense" when we send out a newsletter. If we are going to take it out of the Treasury, why not take all of it out, and why just half? I am waiting for the Watergate Committee to make its recommendations. Those recommendations are due on May 28, and we are trying to find a way to get into the Treasury before the report. I recall what the Senator from North Carolina (Mr. Ervin) and the Senator from Tennessee (Mr. Baker) said when those hearings commenced last May.

One thing that both Senators underscored was the fact that legislative recommendations would be forthcoming. But we are too impatient. I do not believe we would lose much time waiting for the recommendations of that committee. They have heard hundreds of witnesses. They may have many good suggestions. But I think we should decide whether we want to be 100 percent Federal candidates, 50 percent, or 62½ percent, or disclose our contributions and limit expenditures, and let our campaigns be financed as they have been in the past.

Mr. STEVENSON. Mr. President, all I am trying to say in this amendment is that we must do something with respect to big contributions and corrupt contributions, but let us not pay a higher price than necessary.

I am a candidate for reelection in Illinois. Under my proposal I could, if my amendment were in effect, receive up to $550,000 from the U.S. Treasury. Under the Kennedy proposal I could receive up to $675,000. It is a difference of degree. I would not feel very good about accepting any money from the Treasury, but that is the price that has to be paid to get rid of the big contributions.

We do not have to go this high to get rid of the big contributions; certainly, we would not in Illinois. Mr. President, you would not have to pay that high a price at the risk of driving out a healthy form of political participation.

The issue is narrow in the case of this amendment. The issue was wider in the earlier amendment. It is a question of degree. The question has been debated. I think under the Kennedy amendment we would be paying more than is necessary. With all the resentment abroad in this country toward politics and politicians, far from eliminating suspicions and fears, we will increase them if we spend any more than necessary to eliminate the corrupting influence in our politics.

Mr. STEVENS. Mr. President, I have been impressed with the bipartisanship that has come out of the committee and with the way the Senator from Nevada has handled the bill. I have just arrived in the Chamber. Can the chairman of the committee tell us his point of view concerning the Kennedy amendment and the Stevenson amendment and what they would do to the bill that the committee brought to the floor?

Mr. CANNON. Mr. President, I yield myself 3 minutes.

The PRESIDING OFFICER. The Senator from Nevada is recognized.

Mr. CANNON. Mr. President, first, I am sure the distinguished Senator from Illinois inadvertently used the figures as to what he would be entitled to, but he overlooked the fact that the Senator from Alabama had an earlier amendment adopted that reduces the earlier figure, so the Senator from Illinois may want to reduce his figure.

Mr. STEVENSON. I was assuming an expenditure unit of 12 cents per person of voting age.

Mr. CANNON. Mr. President, basically this boils down to the question of whether you desire or do not want private financing involved. I long felt we should go the private financing route. It was only recently that I changed my initial view after seeing the Watergate situation. I thought S. 372 with the amendment in the 1971 act would have been restrictive had they been complied with and we would not have found ourselves in this situation if the House had acted on S. 372.

We were faced with the problem of reporting a bill on the public financing issue. This we did attempt to do. We did leave the matching provision in the primary and if private financing is paid then this system is a little bit bad, because we permitted it in the primary races.

But on the other hand we have been accused of writing provisions here that make this an incumbent's bill. Frankly, I believe the amendment of the distinguished Senator from Massachusetts (Mr. Kennedy) in this instance, if we are to go some other route, is more to the advantage of a challenger than an incumbent because a challenger is relatively unknown, and certainly less known than the incumbent, and in a primary he can go in and say, "I am entitled to up to 50 percent of the authorized limit," which would give him a leg up on the opportunity to start his campaign. Certainly, if a person can raise $1 they will get a matching dollar under the Kennedy amendment and the Stevenson amendment. So I think it is more or less an individual view as to whether one thinks the person who wins in the primary should be able to go and say, "I would like to get 25 percent," or on the other hand, "I would like to get 50 percent." If he is going to get 50 percent, it favors the challenger rather than an incumbent.

My personal view, I think, is that I have a vote for the Kennedy amendment, although the committee has not taken a formal position on this situation.

Mr. KENNEDY. Mr. President, back in 1971, well before Watergate, we enacted 100 percent public financing for Presidential elections.

Then we had Watergate, and now we are being asked to move backward. We have enacted 100 percent public financing for the Executive, and now we are going to enact only 25 percent for Members of the House and the Senate. That is the effect of what the Stevenson amendment will do. How can we accept such a timid reform for Congress, when we already have such a strong reform for the Executive?

What my proposal would do would be to make it 50 percent for the Senate and House. I think we have a responsibility, now that we have taken a position on how we are going to handle national elections, to apply the same system as nearly as we can to Members of the Senate and the House. With the amendment I have offered, it would provide only 50 percent. That is a very significant step back from the committee bill. But I think it is a sound compromise and one which I hope will be accepted.

If we are going to go the route of compromise, I would hope we would be willing to go halfway as far as we have gone for the Presidency. One quarter of the way is too little.

Mr. STEVENS. Mr. President, I would like to ask the Senator from Massachusetts what the substitute does with regard to financing congressional campaigns in the primary. I have not seen the amendment.

Mr. KENNEDY. It has absolutely no effect whatsoever.

Mr. STEVENS. I thank the Senator.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Massachusetts (Mr. Kennedy) to the amendment of the Senator from Illinois (Mr. Stevenson), as amended. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Idaho (Mr. Church), the Senator from Iowa (Mr. Hughes), the Senator from Louisiana (Mr. Long), the Senator from Ohio (Mr. Metzenbaum), the Senator from Arkansas (Mr. Fulbright), and the Senator from Wyoming (Mr. McGee), are necessarily absent.

Mr. HUGH SCOTT. I announce that the Senator from Hawaii (Mr. Fong), the Senator from Arizona (Mr. Goldwater), and the Senator from Michigan (Mr. Griffin) are necessarily absent.

I also announce that the Senator from Virginia (Mr. William L. Scott) is absent on official business.

The result was announced—yeas 44, nays 46, as follows:

[No. 129 Leg.]

YEAS—44

Abourezk
Bayh
Bentsen
Bible
Biden
Brooke
Burdick
Cannon
Case
Clark
Cranston
Eagleton
Gravel
Hart
Hartke
Haskell
Hathaway
Huddleston
Humphrey
Inouye
Jackson
Javits
Kennedy
Magnuson
Mathias
McIntyre
Metcalf
Mondale
Montoya
Moss
Muskie
Nelson
Pastore
Pell
Percy
Proxmire
Ribicoff
Schweiker
Scott, Hugh
Stafford
Stevens
Symington
Tunney
Williams

NAYS—46

Aiken
Allen
Baker
Bartlett
Beall
Bellmon
Bennett
Brock
Buckley
Byrd, Harry F., Jr.
Byrd, Robert C.
Chiles
Cook
Cotton
Curtis
Dole
Domenici
Dominick
Eastland
Ervin
Fannin
Gurney
Hansen
Hatfield
Helms
Hollings
Hruska
Johnston
Mansfield
McClellan
McClure
McGovern
Nunn
Packwood
Pearson
Randolph
Roth
Sparkman
Stennis
Stevenson
Taft
Talmadge
Thurmond
Tower
Weicker
Young

NOT VOTING—10

Church
Fong
Fulbright
Goldwater
Griffin
Hughes
Long
McGee
Metzenbaum
Scott, William L.

So Mr. Kennedy's amendment to Mr. Stevenson's amendment, as amended, was rejected.

Mr. CANNON. Mr. President, I wish to point out briefly to the Senate what we have done. Then I shall move to lay the Stevenson amendment on the table.

The first Kennedy amendment amended the Stevenson amendment so that it went back to exactly the way the provision exists in the bill at present.

The second Kennedy amendment, which was just defeated, is a matter of quibbling over 25 or 50 percent, but would change the bill in that respect with respect to general elections.

In addition, the Stevenson amendment has in it, on the last page, page 4, subparagraph (2), a provision which would again change action that the Senate took the other day by a vote of 46 to 42. This would change the language back to what it was prior to that vote.

With that explanation, I think we have discussed the whole issue completely.

Mr. President, I move to lay the Stevenson amendment on the table, and I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Nevada (Mr. Cannon) to lay on the table the amendment of the Senator from Illinois (Mr. Stevenson) as amended by the amendment of the Senator from Massachusetts (Mr. Kennedy). The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Idaho (Mr. Church), the Senator from Arkansas (Mr. Fulbright), the Senator from Iowa (Mr. Hughes), the Senator from Louisiana (Mr. Long), the Senator from Wyoming (Mr. McGee), and the Senator from Ohio (Mr. Metzenbaum) are necessarily absent.

Mr. HUGH SCOTT. I announce that the Senator from Hawaii (Mr. Fong), the Senator from Arizona (Mr. Goldwater), the Senator from Michigan (Mr. Griffin), and the Senator from Utah (Mr. Bennett) are necessarily absent.

I also announce that the Senator from Virginia (Mr. William L. Scott) is absent on official business.

The result was announced—yeas 66, nays 23, as follows:

[No. 130 Leg.]

YEAS—66

Abourezk
Aiken
Baker
Bartlett
Bayh
Bellmon
Bentsen
Bible
Biden
Brock
Brooke
Buckley
Burdick
Cannon
Case
Clark
Cook
Cotton
Curtis
Dole
Dominick
Eagleton
Fannin
Gravel
Gurney
Hansen
Hart
Hartke
Haskell
Hatfield
Hathaway
Helms
Hruska
Huddleston
Jackson
Javits
Johnston
Kennedy
Magnuson
Mathias
McGovern
McIntyre
Metcalf
Montoya
Moss
Nelson
Nunn
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Schweiker
Scott, Hugh
Stafford
Stennis
Stevens
Symington
Talmadge
Thurmond
Tower
Tunney
Williams
Young

NAYS—23

Allen
Beall
Byrd, Harry F., Jr.
Byrd, Robert C.
Chiles
Cranston
Domenici
Eastland
Ervin
Hollings
Humphrey
Inouye
Mansfield
McClellan
McClure
Mondale
Muskie
Packwood
Roth
Sparkman
Stevenson
Taft
Weicker

NOT VOTING—11

Bennett
Church
Fong
Fulbright
Goldwater
Griffin
Hughes
Long
McGee
Metzenbaum
Scott, William L.

So the motion to lay on the table was agreed to.

FEDERAL ELECTION CAMPAIGN ACT AMENDMENTS OF 1974

The Senate continued with the consideration of the bill (S. 3044) to amend the Federal Election Campaign Act of 1971 to provide for public financing of primary and general election campaigns for Federal elective office, and to amend certain other provisions of law relating to the financing and conduct of such campaigns.

AMENDMENT NO. 1127

Mr. DOLE. Mr. President, I call up my amendment No. 1127 and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

Strike out all after the enacting clause and insert in lieu thereof the following:

That this Act may be cited as the "Federal

Election Campaign Act Amendments of 1974".

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TITLE I—CHANGES IN COMMUNICATIONS ACT OF 1934

CAMPAIGN COMMUNICATIONS

SEC. 101. (a) Section 315(a) of the Communications Act of 1934 (47 U.S.C. 315(a)) is amended by inserting after "public office" in the first sentence thereof the following: ", other than Federal elective office (including the office of Vice President)".

(b) Section 315(b) of such Act (47 U.S.C. 315(b)) is amended by striking out "by any person" and inserting "by or on behalf of any person".

(c) Section 315(d) of such Act (47 U.S.C. 315(d)) is amended to read as follows:

"(d) If a State by law imposes a limitation upon the amount which a legally qualified candidate for nomination for election, or for election, to public office (other than Federal elective office) within that State may spend in connection with his campaign for such nomination or his campaign for election, then no station licensee may make any charge for the use of such station by or on behalf of such candidate unless such candidate (or a person specifically authorized in writing by him to do so) certifies to such licensee in writing that the payment of such charge will not violate that limitation.".

(d) Section 317 of such Act (47 U.S.C. 317), is amended by—

(1) striking out in paragraph (1) of subsection (a) "person: *Provided*, That" and inserting in lieu thereof the following: "person. If such matter is a political advertisement soliciting funds for a candidate or a political committee, there shall be announced at the time of such broadcast a statement that a copy of reports filed by that person with the Federal Election Commission is available from the Federal Election Commission, Washington, D.C., and the licensee shall not make any charge for any part of the costs of making the announcement. The term"; and

(2) by redesignating subsection (e) as (f), and by inserting after subsection (d) the following new subsection:

"(e) Each station licensee shall maintain a record of any political advertisement broadcast, together with the identification of the person who caused it to be broadcast, for a period of two years. The record shall be available for public inspection at reasonable hours.".

TITLE II—CRIMES RELATING TO ELECTIONS AND POLITICAL ACTIVITIES

CHANGES IN DEFINITIONS

SEC. 201. (a) Paragraph (a) of section 591 of title 18, United States Code, is amended by—

(1) inserting "or" before "(4)"; and

(2) striking out "and (5) the election of delegates to a constitutional convention for proposing amendments to the Constitution of the United States".

(b) Such section 591 is amended by striking out paragraph (d) and inserting in lieu thereof the following:

"(d) 'political committee' means—

"(1) any committee, club, association, or other group of persons which receives contributions or makes expenditures during a calendar year in an aggregate amount exceeding $1,000;

"(2) any national committee, association, or organization of a political party, any State affiliate or subsidiary of a national political party, and any State central committee of a political party; and

"(3) any committee, association, or organization engaged in the administration of a separate segregated fund described in section 610;".

(c) Such section 591 is amended by—

(1) inserting in paragraph (c)(1) after "subscription" the following: "(including any assessment, fee, or membership dues)";

(2) striking out in such paragraph "or for the purpose of influencing the election of delegates to a constitutional convention for proposing amendments to the Constitution of the United States" and inserting in lieu thereof the following: "or for the purpose of financing any operations of a political committee, or for the purpose of paying, at any time, any debt or obligation incurred by a candidate or a political committee in connection with any campaign for nomination for election, or for election, to Federal office"; and

(3) striking out subparagraph (2) of paragraph (e), and amending subparagraph (3) of such paragraph to read as follows:

"(2) funds received by a political committee which are transferred to that committee from another political committee;";

(4) redesignating subparagraphs (4) and (5) of paragraph (e) as paragraphs (3) and (4), respectively;

(d) Such section 591 is mended by striking out paragraph (f) and inserting in lieu thereof the following:

"(f) 'expenditure' means—

"(1) a purchase, payment, distribution, loan (except a loan of money by a National or State bank made in accordance with the applicable banking laws and regulations, and in the ordinary course of business), advance, deposit, or gift of money or anything of value, made for the purpose of—

"(A) influencing the nomination for election, or the election, of any person to Federal office, or to the office of Presidential and Vice-Presidential elector;

"(B) influencing the result of a primary election held for the selection of delegates to a national nominating convention of a political party or for the expression of a preference for the nomination of persons for election to the office of President;

"(C) financing any operations of a political committee; or

"(D) paying, at any time, any debt or obligation incurred by a candidate or a political committee in connection with any campaign for nomination for election, or for election, to Federal office; and

"(2) the transfer of funds by a political committee to another political committee; but

"(3) does not include the value of service rendered by individuals who volunteer to work without compensation on behalf of a candidate;".

(e) Such section 591 is amended by striking out "and" at the end of paragraph (g), striking out the "States." in paragraph (h) and inserting in lieu thereof "States;", and by adding at the end thereof the following new paragraphs:

"(i) 'political party' means any association, committee, or organization which nominates a candidate for election to any Federal office whose name appears on the election ballot as the candidate of that association, committee, or organization; and

"(j) 'national committee' means the organization which, by virtue of the bylaws of the political party, is responsible for the day-to-day operation of that political party at the national level as determined by the Federal Election Commission under section 301(k) of the Federal Election Campaign Act of 1971.".

EXPENDITURE OF PERSONAL AND FAMILY FUNDS FOR FEDERAL CAMPAIGNS

SEC. 202. (a)(1) Subsection (a)(1) of section 608 of title 18, United States Code, is amended to read as follows:

"(a)(1) No candidate may make expenditures from his personal funds, or the personal funds of his immediate family, in connection with his campaigns for nomination for election, and for election, to Federal office in excess, in the aggregate during any calendar year, of—

"(A) $50,000, in the case of a candidate for the office of President or Vice President;

"(B) $35,000, in the case of a candidate for the office of Senator; or

"(C) $25,000, in the case of a candidate for the office of Representative, or Delegate or Resident Commissioner to the Congress.".

(2) Subsection (a) of such section is amended by adding at the end thereof the following new paragraphs:

"(3) No candidate or his immediate family may make loans or advances from their personal funds in connection with his campaign for nomination for election, or election, to Federal office unless such loan or advance is evidenced by a written instrument fully disclosing the terms and conditions of such loan or advance.

"(4) For purposes of this subsection, any such loan or advance shall be included in computing the total amount of such expenditures only to the extent of the balance of such loan or advance outstanding and unpaid."

(b) Subsection (c) of such section is amended by striking out "$1,000" and inserting in lieu thereof "$25,000", and by striking out "one year" and inserting in lieu thereof "five years".

(c)(1) The caption of such section 608 is amended by adding at the end thereof the following: "out of candidates' personal and family funds".

(2) The table of sections for chapter 29 of title 18, United States Code, is amended by striking out the item relating to section 608 and inserting in lieu thereof the following:

"608. Limitations on contributions and expenditures out of candidates' personal and family funds.".

(d) Notwithstanding the provisions of section 608 of title 18, United States Code, it shall not be unlawful for any individual who, as of the date of enactment of this Act, has outstanding any debt or obligation incurred on his behalf by any political committee in connection with his campaigns prior to January 1, 1973, for nomination for election, and for election, to Federal office, to satisfy or discharge any such debt or obligation out of his own personal funds or the personal funds of his immediate family (as such term is defined in such section 608).

CONTRIBUTION TO COMMITTEES

Sec. 203. Chapter 29 of title 18, United States Code, is amended by inserting after section 608 the following new section:

"§ 609. Identification of donee

"No political committee, other than an authorized committee, may accept contributions from individual contributors unless such contributors designate in writing the name of the candidate or authorized committee to which the contribution shall be given.".

PROHIBITION OF CONTRIBUTIONS AND EXPENDITURES BY FOREIGN INDIVIDUALS

Sec. 204. Section 613 of title 18, United States Code, is amended—

(a) by adding to the section caption the following: "or drawn on foreign banks";

(b) by inserting immediately before "Whoever" at the beginning of the first paragraph the following: "(a)"; and

(c) by adding at the end thereof the following new subsection:

"(b) No person may make a contribution in the form of a written instrument drawn on a foreign bank. Violation of the provisions of this subsection is punishable by a fine not to exceed $5,000, imprisonment not to exceed five years, or both."

LIMITATIONS ON POLITICAL CONTRIBUTIONS; EMBEZZLEMENT OR CONVERSION OF CAMPAIGN FUNDS

Sec. 205. (a) Chapter 29 of title 18, United States Code, is amended by adding at the end thereof the following new sections:

"§ 614. Limitations on contributions

"(a) During any calendar year—

"(1) no person may make a contribution to, or for the benefit of, a candidate for that candidate's campaign for nomination for election, or election, which, when added to the sum of all other contributions made by that person for that campaign, exceeds $3,000, or

"(2) no candidate may knowingly accept a contribution for his campaign from any person which, when added to the sum of all other contributions received from that person for that campaign, exceeded $3,000.

"(b) No candidate may knowingly accept a contribution for his campaign—

"(A) from any person who—

"(i) is not a citizen of the United States, and

"(ii) is not lawfully admitted for permanent residence, as defined in section 101(a)(20) of the Immigration and Nationality Act; or

"(B) which is made in violation of section 613 of this title.

"(c) No officer or employee of a political committee or of a political party may knowingly accept any contribution made for the benefit or use of a candidate which that candidate could not accept under subsection (a) or (b).

"(d)(1) For purposes of the limitations contained in this section all contributions made by any person directly or indirectly to or for the benefit of a particular candidate, including contributions which are in any way earmarked, encumbered, or otherwise directed through an intermediary or conduit to that candidate, shall be treated as contributions from that person to that candidate.

"(2) Contributions made to, or for the benefit of, a candidate nominated by a political party for election to the office of Vice President shall be considered, for purposes of this section, to be made to, or for the benefit of, a candidate nominated by that party for election to the office of President.

"(e)(1) No individual may make a contribution during any calendar year which, when added to the sum of all other contributions made by that individual during that year, exceeds $25,000.

"(f) Violation of the provisions of this section is punishable by a fine of not to exceed $25,000, imprisonment for not to exceed five years, or both.

"§ 615. Form of contributions

"No person may make a contribution to, or for the benefit of, any candidate or political committee in excess, in the aggregate during any calendar year, of $50 unless such contribution is made by a written instrument identifying the person making the contribution. Violation of the provisions of this section is punishable by a fine of not to exceed $1,000, imprisonment for not to exceed one year, or both.

"§ 616. Embezzlement or conversion of political contributions

"(a) No candidate, officer, employee, or agent of a political committee, or person acting on behalf of any candidate or political committee, shall embezzle, knowingly convert to his own use or the use of another, or deposit in any place or in any manner except as authorized by law, any contributions or campaign funds entrusted to him or under his possession, custody, or control, or use any campaign funds to pay or defray the costs of attorney fees for the defense of any person or persons charged with the commission of a crime; or receive, conceal, or retain the same with intent to convert it to his personal use or gain, knowing it to have been embezzled or converted.

"(b) Violation of the provisions of this section is punishable by a fine of not more than $25,000, imprisonment for not more than ten years, or both; but if the value of such property does not exceed the sum of $100, the fine shall not exceed $1,000 and the imprisonment shall not exceed one year. Notwithstanding the provisions of this section, any surplus or unexpended campaign funds may be contributed to a National or State political party for political purposes, or to educational or charitable organizations, or may be preserved for use in future compaigns for elective office, or for any other lawful purpose.

"§ 617. Voting fraud.

"(a) No person shall in a Federal election—

"(1) cast, or attempt to cast, a ballot in the name of another person,

"(2) cast, or attempt to cast, a ballot if he is not qualified to vote,

"(3) forge or alter a ballot,

"(4) miscount votes,

"(5) tamper with a voting machine, or

"(6) commit any act (or fail to do anything required of him by law), with the intent of causing an inaccurate count of lawfully cast votes in any election.

"(b) A violation of the provisions of subsection (a) is punishable by a fine of not to exceed $100,000, imprisonment for not more than ten years, or both.

"§ 618. Prohibited campaign practices

"Whoever, knowingly, with intent to mislead voters in any primary, special, or general election or disrupt the campaign of a candidate for any political office—

"(1) conveys or causes to be conveyed false instructions to a campaign worker;

"(2) places false advertisements in communications media, as defined in section 102 of the Campaign Communications Reform Act (Public Law 92–225, 86 Stat. 3);

"(3) impedes or substructs the entry of any person lawfully entitled to attend a campaign gathering or event;

"(4) utters any false oral or written statement concerning any material fact about a candidate; or

"(5) orders goods or services on behalf of a candidate;

shall be fined not more than $10,000 or imprisoned not more than ten years, or both.".

(b) Section 591 of title 18, United States Code, is amended by striking out "and 611" and inserting in lieu thereof "611, 613, 614, 615, 616, 617, and 618.".

(c) The table of sections for chapter 29 of title 18, United States Code, is amended by striking out the item relating to section 613 and inserting in lieu thereof the following new items:

"613. Contributions by agents of foreign principals or drawn on foreign banks.
"614. Limitation on contributions.
"615. Form of contributions.
"616. Embezzlement or conversion of political contributions.
"617. Voting fraud.
"618. Prohibited campaign practices.".

TITLE III—CHANGES IN FEDERAL ELECTION CAMPAIGN ACT OF 1971

CHANGES IN DEFINITIONS FOR REPORTING AND DISCLOSURE

Sec. 301. (a) Section 301 of the Federal Election Campaign Act of 1971 (relating to definitions) is amended by—

(1) striking out ", and (5) the election of delegates to a constitutional convention for proposing amendments to the Constitution of the United States" in paragraph (a), and by inserting "and" before "(4)" in such paragraph;

(2) striking out paragraph (d) and inserting in lieu thereof the following:

"(d) 'political committee' means—

"(1) any committee, club, association, or other group of persons which receives contributions or makes expenditures during a calendar year in an aggregate amount exceeding $1,000;

"(2) any national committee, association, or organization of a political party, any State affiliate or subsidiary of a national political party, and any State central committee of a political party; and

"(3) any committee, association, or organization engaged in the administration of a separate segregated fund described in section 610 of title 18, United States Code;";

(3) inserting in paragraph (e)(1) after "subscription" the following: "(including any assessment, fee, or membership dues)";

(4) striking out in paragraph (e)(1) "or for the purpose of influencing the election of delegates to a constitutional convention for proposing amendments to the Constitution of the United States" and inserting in lieu thereof the following: "or for the purpose of financing any operations of a political committee (other than a payment made or an obligation incurred by a corporation or labor organization which, under the provisions of the last paragraph of section 610 of title 18, United States Code, does not constitute a contribution by that corporation or labor organization), or for the purpose of paying, at any time, any debt or obligation incurred by a candidate or a political committee in connection with any campaign for nomination for election, or for election, to Federal office";

(5) striking out subparagraph (2) or paragraph (e), and amending subparagraph (3) of such paragraph to read as follows:

"(3) funds received by a political committee which are transferred to that committee from another political committee;";

(6) redesignating subparagraphs (4) and (5) of paragraph (e) as paragraphs (3) and (4), respectively;

(7) striking out paragraph (f) and inserting in lieu thereof the following:

"(f) 'expenditure'—

"(1) means a purchase, payment, distribution, loan, advance, deposit, or gift of money or anything of value, made for the purpose of—

"(A) influencing the nomination for election, or the election, of any person to Federal office, or to the office of Presidential and Vice-Presidential elector;

"(B) influencing the result of a primary election held for the selection of delegates to a national nominating convention of a political party or for the expression of a preference for the nomination of persons for election to the office of President;

"(C) financing any operations of a political committee; or

"(D) paying, at any time, any debt or obligation incurred by a candidate or a political committee in connection with any campaign for nomination for election, or for election, to Federal office; and

"(2) means the transfer of funds by a political committee to another political committee; but

"(3) does not include the value of services rendered by individuals who volunteer to work without compensation on behalf of a candidate."

(8) striking "and" at the end of paragraph (h);

(9) striking the period at the end of paragraph (i) and inserting in lieu thereof a semicolon; and

(10) adding at the end thereof the following new paragraphs:

"(j) 'identification' means—

"(1) in the case of an individual, his full name and the full address of his principal place of residence; and

"(2) in the case of any other person, the full name and address of that person;

"(k) 'national committee' means the organization which, by virtue of the bylaws of a political party, is responsible for the day-to-day operation of that political party at the national level, as determined by the Commission; and

"(1) 'political party' means an association, committee, or organization which nominates a candidate for election to any Federal office, whose name appears on the election ballot as the candidate of that association, committee, or organization.".

(b)(1) Section 302(b) of such Act (relating to reports of contributions in excess of $10) is amended by striking ", the name and address (occupation and principal place of business, if any)" and inserting "of the contribution and the identification".

(2) Section 302(c) of such Act (relating to detailed accounts) is amended by striking "full name and mailing address (occupation and the principal place of business, if any)" in paragraphs (2) and (4) and inserting in each such paragraph "identification".

(3) Section 302(c) of such Act is further amended by striking the semicolon at the end of paragraph (2) and inserting "and, if a person's contributions aggregate more than $100, the account shall include occupation, and the principal place of business (if any);".

REGISTRATION OF CANDIDATES AND POLITICAL COMMITTEES

SEC. 302. (a) Section 303 of the Federal Election Campaign Act of 1971 (relating to registration of political committees; statements) is amended by redesignating subsections (a) through (d) as (b) through (e), respectively, and by inserting after "SEC. 303." the following new subsection (a):

"(a) Each candidate shall, within ten days after the date on which he has qualified under State law as a candidate, or on which he, or any person authorized by him to do so, has received a contribution or made an expenditure in connection with his campaign or for the purpose of preparing to undertake his campaign, file with the Commission a registration statement in such form as the Commission may prescribe. The statement shall include—

"(1) the identification of the candidate, and any individual, political committee, or other person he has authorized to receive contributions or make expenditures on his behalf in connection with his campaign;

"(2) the identification of his campaign depositories, together with the title and number of each account at each such depository which is to be used in connection with his campaign, any safety deposit box to be used in connection therewith, and the identification of each individual authorized by him to make any expenditure or withdrawal from such account or box; and

"(3) such additional relevant information as the Commission may require.".

(b) The first sentence of subsection (b) of such section (as redesignated by subsection (a) of this section) is amended to read as follows: "The treasurer of each political committee shall file with the Commission a statement of organization within ten days after the date on which the committee is organized.".

(c) The second sentence of such subsection (b) is amended by striking out "this Act" and inserting in lieu thereof the following: "The Federal Election Campaign Act Amendments of 1974".

(d) Subsection (c) of such section (as redesignated by subsection (a) of this section) is amended by—

(1) inserting "be in such form as the Commission shall prescribe, and shall" after "The statement of organization shall";

(2) striking out paragraph (3) and inserting in lieu thereof the following:

"(3) the geographic area or political jurisdiction within which the committee will operate, and a general description of the committee's authority and activities;"; and

(3) striking out paragraph (9) and inserting in lieu thereof the following:

"(9) the name and address of the campaign depositories used by that committee, together with the title and number of each account and safety deposit box used by that committee at each depository, and the identification of each individual authorized to make withdrawals or payments out of such account or box;".

(e) The caption of such section 303 is amended by inserting "CANDIDATES AND" after "REGISTRATION OF".

CHANGES IN REPORTING REQUIREMENTS

SEC. 303. (a) Section 304 of the Federal Election Campaign Act of 1971 (relating to reports by political committees and candidates) is amended by—

(1) inserting "(1)" after "(a)" in subsection (a);

(2) striking out "for election" each place it appears in the first sentence of subsection (a) and inserting in lieu in each such place "for nomination for election, or for election,";

(3) striking out the second sentence of subsection (a) and inserting in lieu thereof the following: "Such reports shall be filed on the tenth day of April, July, and October of each year, on the tenth day preceding an election, and on the last day of January of each year. Notwithstanding the preceding sentence, the reports required by that sentence to be filed during April, July, and October by or relating to a candidate during a year in which no Federal election is held in which he is a candidate, may be filed on the twentieth day of each month.";

(4) striking out everything after "filing" in the third sentence of subsection (a) and inserting in lieu thereof a period and the following: "If the person making any anonymous contribution is subsequently identified, the identification of the contributor shall be reported to the Commission within the reporting period within which he is identified."; and

(5) adding at the end of subsection (a) the following new paragraph:

"(2) Upon a request made by Presidential candidate or a political committee which operates in more than one State, or upon its own motion, the Commission may waive the reporting dates (other than January 31) set forth in paragraph (1), and require instead that such candidates or political committees file reports not less frequently than monthly. The Commission may not require a Presidential candidate or a political committee operating in more than one State to file more than eleven reports (not counting any report to be filed on January 31) during any calendar year. If the Commission acts on its own motion under this paragraph with respect to a candidate or a political committee, that candidate or committee may obtain judicial review in accordance with the provisions of chapter 7 of title 5, United States Code.".

(b)(1) Section 304(b) of such Act (relating to reports by political committees and candidates) is amended by striking "full name and mailing address (occupation and the principal place of business, if any)" in paragraphs (9) and (10) and inserting in lieu thereof in each such paragraph "identification".

(2) Subsection (b)(5) of such section 304 is amended by striking out "lender and endorsers" and inserting in lieu thereof "lender, endorsers, and guarantors".

(c) Subsection (b)(12) of such section is amended by inserting before the semicolon the following: ", together with a statement as to the circumstances and conditions under which any such debt or obligation is extinguished and the consideration therefor".

(d) Subsection (b) of such section is amended by—

(1) striking the "and" at the end of paragraph (12); and

(2) redesignating paragraph (13), as (14), and by inserting after paragraph (12) the following new paragraph:

"(13) such information as the Commission may require for the disclosure of the nature, amount, source, and designated recipient of any earmarked, encumbered, or restricted contribution or other special fund; and".

(e) The first sentence of subsection (c) of such section is amended to read as follows: "The reports required to be filed by subsection (a) shall be cumulative during the calendar year to which they relate, and during such additional periods of time as the Commission may require.".

(f) Such section 304 is amended by adding at the end thereof the following new subsections:

"(d) This section does not require a Member of Congress to report, as contributions received or as expenditures made, the value of photographic, matting, or recording services furnished to him before the first day of January of the year preceding the year in which his term of office expires if those services were furnished to him by the Senate Recording Studio, the House Recording Studio, or by any individual whose pay is disbursed by the Secretary of the Senate or the Clerk of the House of Representatives and who furnishes such services as his primary duty as an employee of the Senate or House of Representatives, or if such services were paid for by the Republican or Democratic Senatorial Campaign Committee, the Democratic National Congressional Committee, or the National Republican Congressional Committee.

"(e) Every person (other than a political committee or candidate) who makes contributions or expenditures, other than by contribution to a political committee or candidate, in an aggregate amount in excess of $100 within a calendar year shall file with the Commission a statement containing the information required by this section. Statements required by this subsection shall be filed on the dates on which reports by political committees are filed but need not be cumulative.".

(g) The caption of such section 304 is amended to read as follows:

"REPORTS".

CAMPAIGN ADVERTISEMENTS

Sec. 304. Section 305 of the Federal Election Campaign Act of 1971 (relating to reports by others than political committees) is amended to read as follows:

"REQUIREMENTS RELATING TO CAMPAIGN ADVERTISING

"Sec. 305. (a) No person shall cause any political advertisement to be published unless he furnishes to the publisher of the advertisement his identification in writing, together with the identification of any person authorizing him to cause such publication.

"(b) Any published political advertisement shall contain a statement, in such form as the Commission may prescribe, of the identification of the person authorizing the publication of that advertisement.

"(c) Any published who publishes any political advertisement shall maintain such records as the Commission may prescribe for a period of two years after the date of publication setting forth such advertisement and any material relating to identification furnished to him in connection therewith, and shall permit the public to inspect and copy those records at reasonable hours.

"(d) To the extent that any person sells space in any newspaper or magazine to a candidate or his agent for Federal office, or nomination thereto, in connection with such candidate's campaign for nomination for, or election to, such office, the charges made for the use of such space in connection with his campaign shall not exceed the charges made for comparable use of such space for other purposes.

"(e) Any political committee shall include on the face or front page of all literature and advertisements soliciting contributions the following notice:

"'A copy of our report filed with the Federal Election Commission is available for purchase from the Federal Election Commission, Washington, D.C.'

"(f) As used in this section, the term—

"(1) 'political advertisement' means any matter advocating the election or defeat of any candidate but does not include any bona fide news story (including interviews, commentaries, or other words prepared for and published by any newspaper, magazine, or other periodical publication the publication of which work is not paid for by any candidate, political committee, or agent thereof); and

"(2) 'published' means publication in a newspaper, magazine, or other periodical publication, distribution of printed leaflets, pamphlets, or other documents, or display through the use of any outdoor advertising facility, and such other use of printed media as the Commission shall prescribe.".

WAIVER OF REPORTING REQUIREMENTS

Sec. 305. Section 306(c) of the Federal Election Campaign Act of 1971 (relating to formal requirements respecting reports and statements) is amended to read as follows:

"(c) The Commission may, by published regulation of general applicability, relieve—

"(1) any category of candidates of the obligation to comply personally with the requirements of subsections (a) through (e) of section 304, if it determines that such action will not have any adverse effect on the purposes of this title, and

"(2) any category of political committees of the obligation to comply with such section if such committees—

"(A) primarily support persons seeking State or local office, and

"(B) do not operate in more than one State or do not operate on a statewide basis.".

CONTRIBUTIONS IN THE NAME OF ANOTHER PERSON

Sec. 306. Section 310 of the Federal Election Campaign Act of 1971 (relating to prohibition of contributions in name of another) is redesignated as section 315 of such Act and amended by inserting after "another person", the first time it appears, the following: "or knowingly permit his name to be used to effect such a contribution".

ROLE OF POLITICAL PARTY ORGANIZATION IN PRESIDENTIAL CAMPAIGNS; USE OF EXCESS CAMPAIGN FUNDS; PENALTIES

Sec. 307. Title III of the Federal Election Campaign Act of 1971 is amended by striking out section 311 and by adding at the end of such title the following new sections:

"APPROVAL OF PRESIDENTIAL CAMPAIGN EXPENDITURES BY NATIONAL COMMITTEE

Sec. 316. (a) No expenditure in excess of $1,000 shall be made by or on behalf of any candidate who has received the nomination of his party for President or Vice President unless such expenditure has been specifically approved by the chairman or treasurer of that political party's national committee or the designated representative of that national committee in the State where the funds are to be expended.

"(b) Each national committee approving expenditures under subsection (a) shall register under section 303 as a political committee and report each expenditure it approves as if it had made that expenditure, together with the identification of the person seeking approval and making the expenditure.

"(c) No political party shall have more than one national committee.

"USE OF CONTRIBUTED AMOUNTS FOR CERTAIN PURPOSES

"Sec. 317. Amounts received by a candidate as contributions that are in excess of any amount necessary to defray his campaign expenses (after the application of section 507(b)(1) of this Act), and any other amounts contributed to an individual for the purpose of supporting his activities as a holder of Federal office, may be used by that candidate or individual, as the case may be, to defray any ordinary and necessary expenses incurred by him in connection with his duties as a holder of Federal office, or may be contributed by him to any organization described in section 170(c) of the Internal Revenue Code of 1954. To the extent any such contribution, amount contributed, or expenditure thereof is not otherwise required to be disclosed under the provisions of this title, such contribution, amount contributed, or expenditure shall be fully disclosed in accordance with regulations promulgated by the Commission. The Commission is authorized to promulgate such regulations as may be necessary to carry out the provisions of this section.

"PENALTY FOR VIOLATIONS

"Sec. 318. (a) Violation of any provision of this title is a misdemeanor punishable by a fine of not more than $10,000, imprisonment for not more than one year, or both.

"(b) Violation of any provision of this title with knowledge or reason to know that the action committed or omitted is a violation of this title is punishable by a fine of not more than $10,000, imprisonment for not more than five years, or both.".

APPLICABLE STATE LAWS

Sec. 308. Section 403 of the Federal Election Campaign Act of 1971 is amended to read as follows:

"EFFECT ON STATE LAW

"Sec. 403. The provisions of this Act, and of regulations promulgated under this Act, preempt any provision of State law with respect to campaigns for nomination for election, or for election, to Federal office (as such term is defined in section 301(c)).".

TITLE IV—FEDERAL ELECTION COMMISSION

ESTABLISHMENT OF FEDERAL ELECTION COMMISSION; CENTRAL CAMPAIGN COMMITTEES; CAMPAIGN DEPOSITORIES

Sec. 401. (a) Title III of the Federal Election Campaign Act of 1971 (relating to disclosure of Federal campaign funds) is amended by redesignating section 308 as section 312, and by inserting after section 307 the following new sections:

"FEDERAL ELECTION COMMISSION

"Sec. 308. (a)(1) There is established, as an independent establishment of the executive branch of the Government of the United States, a commission to be known as the Federal Election Commission.

"(2) The Commission shall be composed of the Comptroller General, who shall serve without the right to vote, and seven members who shall be appointed by the President by and with the advice and consent of the Senate. Of the seven members—

"(A) two shall be chosen from among individuals recommended by the President pro tempore of the Senate, upon the recommendations of the majority leader of the Senate and the minority leader of the Senate; and

"(B) two shall be chosen from among individuals recommended by the Speaker of the House of Representatives, upon the recommendations of the majority leader of the House and the minority leader of the House. The two members appointed under subparagraph (A) shall not be affiliated with the same political party; nor shall the two members appointed under subparagraph (B). Of the members not appointed under such subparagraphs, not more than two shall be affiliated with the same political party.

"(3) Members of the Commission, other than the Comptroller General, shall serve for terms of seven years, except that, of the members first appointed—

"(A) one of the members not appointed under subparagraph (A) or (B) of paragraph (2) shall be appointed for a term ending on the April thirtieth first occurring more than six months after the date on which he is appointed;

"(B) one of the members appointed under paragraph (2) (A) shall be appointed for a term ending one year after the April thirtieth on which the term of the member referred to in subparagraph (A) of this paragraph ends;

"(C) one of the members appointed under paragraph (2) (B) shall be appointed for a term ending two years thereafter;

"(D) one of the members not appointed under subparagraph (A) or (B) of paragraph (2) shall be appointed for a term ending six years thereafter.

"(E) one of the members appointed under paragraph (2) (A) shall be appointed for a term ending four years thereafter;

"(F) one of the members appointed under paragraph (2) (B) shall be appointed for a term ending five years thereafter; and

"(G) one of the members not appointed under subparagraph (A) or (B) of paragraph (2) shall be appointed for a term ending six years thereafter.

"(4) Members shall be chosen on the basis of their maturity, experience, integrity, impartiality, and good judgment. A member may be reappointed to the Commission only once.

"(5) An individual appointed to fill a vacancy occurring other than by the expiration of a term of office shall be appointed only for the unexpired term of the member he succeeds. Any vacancy occurring in the office of member of the Commission shall be filled in the manner in which that office was originally filled.

"(6) The Commission shall elect a Chairman and a Vice Chairman from among its members for a term of two years. The Chairman and the Vice Chairman shall not be affiliated with the same political party. The Vice Chairman shall act as Chairman in the absence or disability of the Chairman, or in the event of a vacancy in that office.

"(b) A vacancy in the Commission shall not impair the right of the remaining members to exercise all the powers of the Commission. Four members of the Commission shall constitute a quorum.

"(c) The Commission shall have an official seal which shall be judicially noticed.

"(d) The Commission shall at the close of each fiscal year report to the Congress and to the President concerning the action it has taken; the names, salaries, and duties of all individuals in its employ and the money it has disbursed; and shall make such further reports on the matters within its jurisdiction and such recommendations for further legislation as may appear desirable.

"(e) The principal office of the Commission shall be in or near the District of Columbia, but it may meet or exercise any or all its powers in any State.

"(f) The Commission shall appoint a General Counsel and an Executive Director to serve at the pleasure of the Commission. The General Counsel shall be the chief legal officer of the Commission. The Executive Director shall be responsible for the administrative operations of the Commission and shall perform such other duties as may be delegated or assigned to him from time to time by regulations or orders of the Commission. However, the Commission shall not delegate the making of regulations regarding elections to the Executive Director.

"(g) The Chairman of the Commission shall appoint and fix the compensation of such personnel as are necessary to fulfill the duties of the Commission in accordance with the provisions of title 5, United States Code.

"(h) The Commission may obtain the services of experts and consultants in accordance with section 3109 of title 5, United States Code.

"(i) In carrying out its responsibilities under this title, the Commission shall, to the fullest extent practicable, avail itself of the assistance, including personnel and facilities, of the General Accounting Office and the Department of Justice. The Comptroller General and the Attorney General may make available to the Commission such personnel, facilities, and other assistance, with or without reimbursement, as the Commission may request.

"(j) The provisions of section 7324 of title 5, United States Code, shall apply to members of the Commission notwithstanding the provisions of subsection (d) (3) of such section.

"(k) (1) Whenever the Commission submits any budget estimate or request to the President or the Office of Management and Budget, it shall concurrently transmit a copy of that estimate or request to the Congress.

"(2) Whenever the Commission submits any legislative recommendations, or testimony, or comments on legislation requested by the Congress or by any Member of Congress to the President or the Office of Management and Budget, it shall concurrently transmit a copy thereof to the Congress or to the Member requesting the same. No officer or agency of the United States shall have any authority to require the Commission to submit its legislative recommendations, or testimony, or comments on legislation, to any office or agency of the United States for approval, comments, or review, prior to the submission of such recommendations, testimony, or comments to the Congress.

"POWERS OF COMMISSION

"SEC. 309. (a) The Commission has the power—

"(1) to require, by special or general orders, any person to submit in writing such reports and answers to questions as the Commission may prescribe; and such submission shall be made within such reasonable period and under oath or otherwise as the Commission may determine;

"(2) to administer oaths;

"(3) to require by subpena, signed by the Chairman or the Vice Chairman, the attendance and testimony of witnesses and the production of all documentary evidence relating to the execution of its duties;

"(4) in any proceeding or investigation to order testimony to be taken by deposition before any person who is designated by the Commission and has the power to administer oaths and, in such instances, to compel testimony and the production of evidence in the same manner as authorized under paragraph (3) of this subsection;

"(5) to pay witnesses the same fees and mileage as are paid in like circumstances in the courts of the United States;

"(6) to initiate (through civil proceedings for injunctive relief and through presentations to Federal grand juries), prosecute, defend, or appeal any civil or criminal action in the name of the Commission for the purpose of enforcing the proviisons of this Act and of sections 602, 608, 610, 611, 612, 613, 614, 615, 616, and 617 of title 18, United States Code, through its General Counsel;

"(7) to delegate any of its functions or powers, other than the power to issue subpenas under paragraph (3), to any officer or employee of the Commission; and

"(8) to make, amend, and repeal such rules, pursuant to the provisions of chapter 5 of title 5, United States Code, as are necessary to carry out the provisions of this Act.

"(b) Any United States district court within the jurisdiction of which any inquiry is carried on, may, upon petition by the Commission, in case of refusal to obey a subpena or order of the Commission issued under subsection (a) of this section, issue an order requiring compliance therewith. Any failure to obey the order of the court may be punished by the court as a contempt thereof.

"(c) No person shall be subject to civil liability to any person (other than the Commission or the United States) for disclosing information at the request of the Commission.

"(d) Notwithstanding any other provision of law, the Commission shall be the primary civil and criminal enforcement agency for violations of the provisions of this Act, and of sections 602, 608, 610, 611, 612, 613, 614, 615, 616, and 617 of title 18, United States Code. Any violation of any such provision shall be prosecuted by the Attorney General or Department of Justice personnel only after consultation with, and with the consent of, the Commission.

"(e) (1) Any person who violates any provision of this Act or of section 602, 608, 610. 611, 612, 613, 614, 615, 616, or 617 of title 18, United States Code, may be assessed a civil penalty by the Commission under paragraph (2) of this subsection of not more than $10,000 for each such violation. Each occurrence of a violation of this Act and each day of noncompliance with a disclosure requirement of this title or an order of the Commission issued under this section shall constitute a separate offense. In determining the amount of the penalty the Commission shall consider the person's history of previous violations, the appropriateness of such penalty to the financial resources of the person charged, the gravity of the violation, and the demonstrated good faith of the person charged in attempting to achieve rapid compliance after notification of a violation.

"(2) A civil penalty shall be assessed by the Commission by order only after the person charged with a violation has been given an opportunity for a hearing and the Commission has determined, by decision incorporating its findings of fact therein, that a violation did occur, and the amount of the penalty. Any hearing under this section shall be of record and shall be held in accordance with chapter 5 of title 5, United States Code.

"(3) If the person against whom a civil penalty is assessed fails to pay the penalty, the Commission shall file a petition for enforcement of its order assessing the penalty in any appropriate district court of the United States. The petition shall designate the person against whom the order is sought to be enforced as the respondent. A copy of the petition shall forthwith be sent by registered or certified mail to the respondent and his attorney of record, and thereupon the Commission shall certify and file in such court the record upon which such order sought to be enforced was issued. The court shall have jurisdiction to enter a judgment enforcing, modifying, and enforcing as so modified, or setting aside in whole or in part the order and decision of the Commission or it may remand the proceedings to the Commission for such further action as it may direct. The court may determine de novo all issues of law but the Commission's findings of fact, if supported by substantial evidence, shall be conclusive.

"(f) Upon application made by any individual holding Federal office, any candidate, or any political committee, the Commission, through its General Counsel, shall provide within a reasonable period of time an advisory opinion, with respect to any specific transaction or activity inquired of, as to whether such transaction or activity would constitute a violation of any provision of this Act or of any provision of title 18, United States Code, over which the Commission has primary jurisdiction under subsection (d).

"CENTRAL CAMPAIGN COMMITTEES

"SEC. 310. (a) Each candidate shall designate one political committee as his central campaign committee. A candidate for nomination for election, or for election, to the office of President, may also designate one political committee in each State in which he is a candidate as his State campaign committee for that State. The designation shall be made in writing, and a copy of the designation, together with such information as the Commission may require, shall be furnished to the Commission upon the designation of any such committee.

"(b) No political committee may be designated as the central campaign committee of more than one candidate. The central campaign committee, and each State campaign committee, designated by a candidate nominated by a political party for election to the office of President shall be the central campaign committee and the State campaign committee of the candidate nominated by that party for election to the office of Vice President.

"(c)(1) Any political committee authorized by a candidate to accept contributions or make expenditures in connection with his campaign for nomination for election, or for election, which is not a central campaign committee or a State campaign committee, shall furnish each report required of it under section 304 (other than reports required under section 311(b)) to that candidate's central campaign committee at the time it would, but for this subsection be required to furnish that report to the Commission. Any report properly furnished to a central campaign committee under this subsection shall be, for purposes of this title, held and considered to have been furnished to the Commission at the time at which it was furnished to such central campaign committee.

"(2) The Commission may, by regulation, require any political committee receiving contributions or making expenditures in a State on behalf of a candidate who, under subsection (a), has designated a State campaign committee for that State to furnish its reports to that State campaign committee instead of furnishing such reports to the central campaign committee of that candidate.

"(3) The Commission may require any political committee to furnish any report directly to the Commission.

"(d) Each political committee which is a central campaign committee or a State campaign committee shall receive all reports filed with or furnished to it by other political committees, and consolidate and furnish the reports to the Commission, together with its own reports and statements, in accordance with the provisions of this title and regulations prescribed by the Commission.

"CAMPAIGN DEPOSITORIES

"SEC. 311. (a)(1) Each candidate shall designate one or more National or State banks as his campaign depositories. The central campaign committee of that candidate, and any other political committee authorized by him to receive contributions or to make expenditures on his behalf, shall maintain a checking account at a depository so designated by the candidate and shall deposit any contributions received by that committee into that account. A candidate shall deposit any payment received by him under section 506 of this Act in the account maintained by his central campaign committee. No expenditure may be made by any such committee on behalf of a candidate or to influence his election except by check drawn on that account, other than petty cash expenditures as provided in subsection (b).

"(2) The treasurer of each political committee (other than a political committee authorized by a candidate to receive contributions or to make expenditures on his behalf) shall designate one or more National or State banks as campaign depositories of that committee, and shall maintain a checking account for that committee at each such depository. All contributions received by that committee shall be deposited in such an account. No expenditure may be made by that committee except by check drawn on that account, other than petty cash expenditures as provided in subsection (b).

"(b) A political committee may maintain a petty cash fund out of which it may make expenditures not in excess of $100 to any person in connection with a single purchase or transaction. A record of petty cash disbursements shall be kept in accordance with requirements established by the Commission, and such statements and reports thereof shall be furnished to the Commission as it may require.

"(c) A candidate for nomination for election, or for election, to the office of President may establish one such depository in each such State, which shall be considered by his State campaign committee for that State and any other political committee authorized by him to receive contributions or to make expenditures on his behalf in that State, under regulations prescribed by the Commission, as his single campaign depository. The campaign depository of the candidate of a political party for election to the office of Vice President shall be the campaign depository designated by the candidate of that party for election to the office of President.".

(b)(1) Section 5314 of title 5, United States Code, is amended by adding at the end thereof the following new paragraph:

"(60) Members (other than the Comptroller General), Federal Election Commission (7)."

(2) Section 5315 of such title is amended by adding at the end thereof the following new paragraphs:

"(98) General Counsel, Federal Election Commission.

"(99) Exectuive Director, Federal Election Commission."

(c) Until the appointment and qualification of all the members of the Federal Election Commission and its General Counsel and until the transfer provided for in this subsection, the Comptroller General, the Secretary of the Senate, and the Clerk of the House of Representatives shall continue to carry out their responsibilities under title I and title III of the Federal Election Campaign Act of 1971 as such titles existed on the day before the date of enactment of this Act. Upon the appointment of all members of the Commission and its General Counsel, the Comptroller General, the Secretary of the Senate, and the Clerk of the House of Representatives shall meet with the Commission and arrange for the transfer, within thirty days after the date on which all such members and the General Counsel are appointed, of all records, documents, memorandums, and other papers associated with carrying out their responsibilities under title I and title III of the Federal Election Campaign Act of 1971.

(d) Title III of the Federal Election Campaign Act of 1971 is amended by—

(1) amending section 301(g) (relating to definitions) to read as follows:

"(g) 'Commission' means the Federal Election Commission;";

(2) striking out "supervisory officer" in section 302(d) and inserting "Commission";

(3) striking out section 302(f) (relating to organization of political committees);

(4) amending section 303 (relating to registration of political committees; statements) by—

(A) striking out "supervisory officer" each time it appears therein and inserting "Commission"; and

(B) striking out "he" in the second sentence of subsection (b) of such section (as redesignated by section 203(a) of this Act) and inserting "it";

(5) amending section 304 (relating to reports by political committees and candidates) by—

(A) striking out "appropriate supervisory officer" and "him" in the first sentence thereof and inserting "Commission" and "it", respectively; and

(B) striking out "supervisory officer" where it appears in the third sentence of subsection (a) and in paragraphs (12) and (14) (as redesignated by section 204(d)(2) of this Act) of subsection (b), and inserting "Commission";

(6) striking out "supervisory officer" each place it appears in section 306 (relating to formal requirements respecting reports and statements) and inserting "Commission";

(7) striking out "Comptroller General of the United States" and "he" in section 307 (relating to reports on convention financing) and inserting "Federal Election Commission" and "it", respectively;

(8) striking out "SUPERVISORY OFFICER" in the caption of section 312 (as redesignated by subsection (a) of this section) (relating to duties of the supervisory officer) and inserting "COMMISSION";

(9) striking out "supervisory officer" in section 312(a) (as redesignated by subsection (a) of this section) the first time it appears and inserting "Commission";

(10) amending section 312(a) (as redesignated by subsection (a) of this section) by—

(A) striking out "him" in paragraph (1) and inserting "it";

(B) striking out "him" in paragraph (4) and inserting "it"; and

(C) striking out "he" each place it appears in paragraphs (7) and (9) and inserting "it";

(11) striking out "supervisory officer" in section 312(b) (as redesignated by subsection (a) of this subsection) and inserting "Commission";

(12) amending subsection (c) of section 312 (as redesignated by subsection (a) of this section) by—

(A) striking out "Comptroller General" each place it appears therein and inserting "Commission", and striking out "his" in the second sentence of such subsection and inserting "its"; and

(B) striking out the last sentence thereof; and

(13) amending subsection (d)(1) of section 312 (as redesignated by subsection (a) of this section) by—

(A) striking out "supervisory officer" each place it appears therein and inserting "Commission";

(B) striking out "he" the first place it appears in the second sentence of such section and inserting "it"; and

(C) striking out "the Attorney General on behalf of the United States" and inserting "the Commission".

INDEXING AND PUBLICATION OF REPORTS

SEC. 402. Section 312(a)(6) (as redesignated by this Act) of the Federal Election Campaign Act of 1971 (relating to duties of the supervisory officer) is amended to read as follows:

"(6) to compile and maintain a cumulative index listing all statements and reports filed with the Commission during each calendar year by political committees and candidates, which the Commission shall cause to be published in the Federal Register no less frequently than monthly during even-numbered years and quarterly in odd-numbered years and which shall be in such form and shall include such information as may be prescribed by the Commission to permit easy identification of each statement, report, candidate, and committee listed, at least as to their names, the dates of the statements and reports, and the number of pages in each, and the Commission shall make copies of statements and reports listed in the index available for sale, direct or by mail, at a price determined by the Commission to be reasonable to the purchaser;".

JUDICIAL REVIEW

SEC. 403. Title III of the Federal Election Campaign Act of 1971 is amended by inserting after section 312 (as redesignated by this Act) the following new section:

"JUDICIAL REVIEW

"Sec. 313. (a) Any agency action by the Commission made under the provisions of this Act shall be subject to review by the United States Court of Appeals for the District of Columbia Circuit upon petition filed in such court by any interested person. Any petition filed pursuant to this section shall be filed within thirty days after the agency action by the Commission for which review is sought.

"(b) The Commisison, the national committee of any political party, and individuals eligible to vote in an election for Federal office, are authorized to institute such actions, including actions for declaratory judgment or injunctive relief, as may be appropriate to implement any provisions of this Act.

"(c) The provisions of chapter 7 of title 5, United States Code, apply to judicial review of any agency action, as defined in section 551 of title 5, United States Code, by the Commission.

FINANCIAL ASSISTANCE TO STATES TO PROMOTE COMPLIANCE

Sec. 404. Section 309 of the Federal Election Campaign Act of 1971 (relating to statements filed with State officers) is redesignated as section 314 of such Act and amended by—

(1) striking out "a supervisory officer" in subsection (a) and inserting in lieu thereof "the Commission";

(2) striking out "in which an expenditure is made by him or on his behalf" in subsection (a) (1) and inserting in lieu thereof the following: "in which he is a candidate or in which substantial expenditures are made by him or on his behalf"; and

(3) adding the following new subsection:

"(c) There is authorized to be appropriated to the Commission in each fiscal year the sum of $500,000, to be made available in such amounts as the Commission deems appropriate to the States for the purpose of assisting them in complying with their duties as set forth in this section.".

AUTHORIZATION OF APPROPRIATIONS

Sec. 405. Title III of the Federal Election Campaign Act of 1971 is amended by adding at the end of such title the following new section:

"AUTHORIZATION OF APPROPRIATIONS

"Sec. 319. There are authorized to be appropriated to the Commission, for purpose of carrying out its functions under this title and under chapter 29 of title 18, United States Code, not to exceed $5,000,000 for the fiscal year ending June 30, 1974, and not to exceed $5,000,000 for each fiscal year thereafter.

TITLE V—DISCLOSURE OF FINANCIAL INTERESTS BY CERTAIN FEDERAL OFFICERS AND EMPLOYEES

FEDERAL EMPLOYEE FINANCIAL DISCLOSURE REQUIREMENTS

Sec. 501. (a) Any candidate of a political party in a general election for the office of a Member of Congress who, at the time he becomes a candidate, does not occupy any such office, shall file within one month after he becomes a candidate for such office, and each Member of Congress, each officer and employee of the United States (including any member of a uniformed service) who is compensated at a rate in excess of $25,000 per annum, any individual occupying the position of an officer or employee of the United States who performs duties of the type generally performed by an individual occupying grade GS–16 of the General Schedule or any higher grade or position (as determined by the Federal Election Commission regardless of the rate of compensation of such individual), the President, and the Vice President shall file annually, with the Commission a report containing a full and complete statement of—

(1) the amount and source of each item of income, each item of reimbursement for any expenditure, and each gift or aggregate of gifts from one source (other than gifts received from his spouse or any member of his immediate family) received by him or by him and his spouse jointly during the preceding calendar year which exceeds $100 in amount or value, including any fee or other honorarium received by him for or in connection with the preparation or delivery of any speech or address, attendance at any convention or other assembly of individuals, or the preparation of any article or other composition for publication, and the monetary value of subsistence, entertainment, travel, and other facilities received by him in kind;

(2) the identity of each asset held by him, or by him and his spouse jointly which has a value in excess of $1,000, and the amount of each liability owed by him or by him and his spouse jointly, which is in excess of $1,000 as of the close of the preceding calendar year;

(3) any transactions in securities of any business entity by him or by him and his spouse jointly, or by any person acting on his behalf or pursuant to his direction during the preceding calendar year if the aggregate amount involved in transactions in the securities of such business entity exceeds $1,000 during such year;

(4) all transactions in commodities by him, or by him and his spouse jointly, or by any person acting on his behalf or pursuant to his direction during the preceding calendar year if the aggregate amount involved in such transactions exceeds $1,000; and

(5) any purchase or sale, other than the purchase or sale of his personal residence, of real property or any interest therein by him, or by him and his spouse jointly, or by any person acting on his behalf or pursuant to his direction, during the preceding calendar year if the value of property involved in such purchase or sale exceeds $1,000.

(b) Reports required by this section (other than reports so required by candidates of political parties) shall be filed not later than May 15 of each year. In the case of any person who ceases, prior to such date in any year, to occupy the office or position the occupancy of which imposes upon him the reporting requirements contained in subsection (a) shall file such report on the last day he occupies such office or position, or on such later date, not more than three months after such last day, as the Commission may prescribe.

(c) Reports required by this section shall be in such form and detail as the Commission may prescribe. The Commission may provide for the grouping of item of income, sources of income, assets, liabilites, dealings in securities or commodities, and purchases and sales of real property, when separate itemization is not feasible or is not necessary for an accurate disclosure of the income, net worth, dealing in securities and commodities, or purchases and sales of real property of any individual.

(d) Any person who willfully fails to file a report required by this section or who knowingly and willfully files a false report under this section, shall be fined $2,000, or imprisoned for not more than five years, or both.

(e) All reports filed under this section shall be maintained by the Commission as public records, which, under such reasonable regulations as it shall prescribe, shall be available for inspection by members of the public.

(f) For the purposes of any report required by this section, an individual shall be considered to have been President, Vice President, a Member of Congress, an officer or employee of the United States, or a member of a uniformed service, during any calendar year if he served in any such position for more than six months during such calendar year.

(g) As used in this section—

(1) The term "income" means gross income as defined in section 61 of the Internal Revenue Code of 1954.

(2) The term "security" means security as defined in section 2 of the Securities Act of 1933, as amended (15 U.S.C. 77b).

(3) The term "commodity" means commodity as defined in section 2 of the Commodity Exchange Act, as amended (7 U.S.C. 2).

(4) The term "transactions in securities or commodities" means any acquisition, holding, withholding, use, transfer, or other disposition involving any security or commodity.

(5) The term "Member of Congress" means a Senator, a Representative, a Resident Commissioner, or a Delegate.

(6) The term "officer" has the same meaning as in section 2104 of title 5, United States Code.

(7) The term "employee" has the same meaning as in section 2105 of such title.

(8) The term "uniformed service" means any of the Armed Forces, the commissioned corps of the Public Health Service, or the commissioned corps of the National Oceanic and Atmospheric Administration.

(9) The term "immediate family" means the child, parent, grandparent, brother, or sister of an individual, and the spouses of such person.

(h) Section 554 of title 5, United States Code, is amended by adding at the end thereof the following new subsection:

"(f) All written communications and memorandums stating the circumstances, source, and substance of all oral communications made to the agency, or any officer or employee thereof, with respect to any case which is subject to the provisions of this section by any person who is not an officer or employee of the agency shall be made a part of the public record of such case. This subsection shall not apply to communications to any officer, employee, or agent of the agency engaged in the performance of investigative or prosecuting functions for the agency with respect to such case."

(i) The first report required under this section shall be due on the fifteenth day of May occurring at least thirty days after the date of enactment.

TITLE VI—RELATED INTERNAL REVENUE CODE AMENDMENTS

INCREASE IN POLITICAL CONTRIBUTIONS CREDIT AND DEDUCTION

Sec. 601. (a) Section 41(b) (1) of the Internal Revenue Code of 1954 (relating to maximum credit for contributions to candidates for public office) is amended to read as follows:

"(1) Maximum credit.—The credit allowed by subsection (a) for a taxable year shall not exceed $25 ($50 in the case of a joint return under section 6013)."

(b) Section 218(b) (1) of the Internal Revenue Code of 1954 (relating to amount of deduction for contributions to candidates for public office) is amended to read as follows:

"(1) Amount.—The deduction under subsection (a) shall not exceed $100 ($200 in the case of a joint return under section 6013)."

(c) The amendments made by subsections (a) and (b) shall apply with respect to any political contribution the payment of which is made after December 31, 1973.

REPEAL OF EXISTING PROVISIONS RELATING TO PRESIDENTIAL CAMPAIGN FINANCING

Sec. 502. (a) Part VIII of subchapter A of chapter 61 of the Internal Revenue Code of 1954 (relating to designation of income tax payments to the Presidential Election Campaign Fund) is repealed. Subtitle II of such Code (relating to financing of Presidential election campaigns) is repealed.

(b) The table of parts for subchapter A

of chapter 61 of such Code is amended to strike out the last item (relating to part VIII).

(c) The amendments made by this section take effect on the date of enactment of this Act.

GIFT TAX TREATMENT OF POLITICAL CONTRIBUTIONS

SEC. 603. (a) Section 2503(b) of the Internal Revenue Code of 1954 (relating to exclusions from gifts) is amended by adding at the end thereof the following new sentence: "Gifts made to different political committees which make expenditures (including transfers of funds and contributions by a committee) for the purpose of influencing the nomination or election of any candidate for elective office shall for purposes of this subsection be deemed to have been made to that candidate unless the donor establishes to the satisfaction of the Secretary or his delegate that—

"(1) at the time he made the gift he could not have been reasonably expected to know which candidate would benefit from his gift, and

"(2) at no time did he direct, request, or suggest to the committee, or to any person associated with that committee, that a particular candidate should receive any benefit from his gift."

(b) The amendment made by subsection (a) shall apply with respect to gifts made on or after the date of enactment.

TITLE VII—MISCELLANEOUS PROVISIONS

PRESIDENTIAL PREFERENCE PRIMARY ELECTIONS

SEC. 701. (a) Each State which conducts a Presidential preference primary election shall conduct that election only on a date occurring after the first day in May during any year in which the electors of the President and Vice President are appointed.

(b) For the purposes of this section, the term—

(1) "Presidential preference primary election" means an election conducted by a State, in whole or in part, for the purpose of—

(A) permitting the voters of that State to express their preferences for the nomination of candidates by political parties for election to the office of President, or

(B) choosing delegates to the national nominating conventions held by political parties for the purpose of nominating such candidates; and

(2) "State" means each of the several States of the United States and the District of Columbia.

CONGRESSIONAL PRIMARIES

SEC. 702. (a) If, under the law of any State, the candidate of a political party for election to the Senate or to the House of Representatives is determined by a primary election or by a convention conducted by that party, the primary election or convention shall not be held before the first Tuesday in August. If a subsequent, additional primary election is necessary to determine the nominee of any political party in a State, that additional election shall be held within thirty days after the date of the first such primary election.

(b) For purposes of this section—

(1) the term "State" means each of the several States of the United States, the Commonwealth of Puerto Rico, the territory of Guam, and the territory of the Virgin Islands; and

(2) a candidate for election as Resident Commissioner to the United States, in the case of the Commonwealth of Puerto Rico, or as Delegate to the House of Representatives, in the case of the territory of Guam or the territory of the Virgin Islands, is considered to be a candidate for election to the House of Representatives.

(c) Section 10(a)(3) of the District of Columbia Election Act (D.C. Code, sec. 1110 (a)(3)) is amended by striking out "the first Tuesday in May" and inserting in lieu thereof "the first Tuesday in August".

SUSPENSION OF FRANK FOR MASS MAILINGS IMMEDIATELY BEFORE ELECTIONS

SEC. 703. Notwithstanding any other provision of law, no Senator, Representative, Resident Commissioner, or Delegate shall make any mass mailing of a newsletter or mailing with a simplified form of address under the frank under section 3210 of title 39, United States Code, during the sixty days immediately preceding the date on which any election is held in which he is a candidate.

PROHIBITION OF FRANKED SOLICITATIONS

SEC. 704. No Senator, Representative, Resident Commissioner, or Delegate shall make any solicitation of funds by a mailing under the frank under section 3210 of title 39, United States Code.

Mr. MANSFIELD. Mr. President, my understanding is that this amendment is in the nature of a substitute to the pending bill; is that correct?

Mr. DOLE. That is correct.

Mr. MANSFIELD. Mr. President, after discussing this matter with the managers of the bill and the sponsor of the amendment, I ask unanimous consent that there be a 5-minute limitation, with time to begin running tomorrow at the hour of 11 a.m., the time to be equally divided between the manager of the bill and the sponsor of the amendment.

Mr. ALLEN. Mr. President, reserving the right to object, may I inquire if this is a complete substitute for the bill?

Mr. DOLE. The Senator from Alabama is correct.

Mr. ALLEN. 5 minutes would be sufficient——

Mr. MANSFIELD. Would the Senator make a suggestion?

Mr. ALLEN. We already have a limitation provided by rule XXII. I should like to make inquiry, does the Senator leave out the public financing in his substitute?

Mr. DOLE. There is no public financing. The limitation is $3,000—cash contributions above $50—no public financing. That is a departure from the pending legislation. I can discuss it tomorrow in 10 minutes to a side.

Mr. MANSFIELD. Mr. President, I will withdraw my request.

Mr. ALLEN. I would not object to 10 minutes.

Mr. MANSFIELD. Fine.

Mr. ALLEN. But we should discuss it for more than 5 minutes.

Mr. COTTON. Mr. President, the Senator from New Hampshire has not taken 1 minute's time on this whole debate yet. I wish that the time on the substitute amendment could be extended long enough so that I could have 5 minutes.

Mr. MANSFIELD. Well, Mr. President, I ask unanimous consent that there be a one-half hour time limitation on the substitute amendment of the Senator from Kansas (Mr. DOLE), the time to be equally divided and controlled between the manager and the sponsor of the bill, with 5 minutes to be allocated specifically to the Senator from New Hampshire (Mr. COTTON).

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. COTTON. I thank the Senator from Montana very much.

Mr. ALLEN. Mr. President, I ask unanimous consent that it may be in order to call for the yeas and nays on the substitute amendment of the Senator from Kansas (Mr. DOLE).

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ALLEN. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. MANSFIELD. Mr. President. I ask unanimous consent that time begin running at the conclusion of morning business tomorrow. My understanding is that we have two special orders and that there will be a period for not to exceed 15 minutes for the conduct of morning business. I make that request.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that following the disposal of the amendment in the nature of a substitute by the distinguished Senator from Kansas (Mr. DOLE), the distinguished Senator from Iowa (Mr. CLARK) be recognized—because it had been his intention to call up one of his amendments tonight—so that it would be the pending business on tomorrow.

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object, perhaps I should say that there was the understanding on the part of several of us that after morning business tomorrow, the disaster relief bill would be taken up, and that there would be a time limitation on it.

I wonder whether the distinguished majority leader would modify his request to provide that, following the disposition of the Dole amendment, the Senate proceed to the consideration of the disaster relief bill, and upon disposition of the bill, that the Senator from Iowa (Mr. CLARK) then be recognized.

Mr. MANSFIELD. That would be perfectly acceptable. I should have remembered that because I was told about it; but, in any event, it will be the next amendment after the Dole amendment in the nature of a substitute.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent—and this request has been cleared with the leadership on the Republican side, and with Senators BAKER and DOMENICI, the two ranking members on the committee and the subcommittee, respectively, and the distinguished chairman of the Public Works Committee, and the distinguished Senator from North Dakota (Mr. BURDICK), who is the chairman of the subcommittee on the majority side—that there be a time limitation on the disaster relief bill of not to exceed 2 hours, to be equally divided between and controlled by Senators BURDICK and DOMENICI; and that time on any amendments thereto be limited to 30 minutes, to be equally divided and controlled in the usual form; and that the agreement be in the usual form.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, I want to take one moment of my time this evening to commend our Senate leadership, the distinguished Senator from Montana (Mr. MANSFIELD) and the distinguished Senator from Pennsylvania

(Mr. Hugh Scott), as well as the distinguished manager of the pending bill, Senator Cannon, for their efforts over the period of the past few days in bringing the importance of this proposal to the attention of the Senate. Their conversations and assistance developed the votes for cloture and demonstrated that two-thirds of the Senate wants campaign reform legislation.

Many thought the battle for cloture could not be won. We know how far we had to come since the vote last week. And Senators Mansfield and Hugh Scott deserve great credit for so effectively turning the tide.

The issues had been debated and discussed extensively. The time had come for decisive action, and thanks to the extraordinary efforts of the leadership, decisive action was taken by the Senate this afternoon. All of us interested in this issue should recognize the strong position our leaders took. Because of their efforts and initiatives, this legislation is now moving toward final passage, and all of us are in their debt. It is a tribute to the Senate's bipartisan leadership that we are about to see final Senate action on a bill that may well become the high-watermark in the legislative record of the 93d Congress, and a landmark reform that can bring honest elections to the people and integrity back to Government.

H.R. 13542—AN ACT TO ABOLISH THE POSITION OF COMMISSIONER OF FISH AND WILDLIFE

Mr. ROBERT C. BYRD. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on H.R. 13542.

The PRESIDNG OFFICER laid before the Senate H.R. 13542, which was read twice by its title, as follows:

> H.R. 13542, an act to abolish the position of Commissioner of Fish and Wildlife, and for other purposes.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent for the immediate consideration of the bill.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which was ordered to a third reading, was read the third time and passed.

QUORUM CALL

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR TRANSACTION OF ROUTINE MORNING BUSINESS TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the orders for the recognition of Senators on tomorrow, there be a period for the transaction of routine morning business of not to exceed 15 minutes, with statements therein limited to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR ROTH ON THURSDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Thursday, after the remarks of Mr. Biden, the distinguished senior Senator from Delaware (Mr. Roth) be recognized for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will convene at 10 a.m. tomorrow.

After the two leaders or their designees have been recognized under the standing order, the following Senators will be recognized, each for not to exceed 15 minutes, and in the order stated: Mr. Metzenbaum, Mr. Robert C. Byrd, Mr. Biden.

At the conclusion of the orders aforementioned, there will be a period for the transaction of routine morning business of not to exceed 15 minutes, with statements therein limited to 5 minutes each.

At the conclusion of the transaction of routine morning business, the Senate will resume consideration of the unfinished business, S. 3044. The question at that time will be on the adoption of the amendment by Mr. Dole, amendment No. 1127, on which there is a time limitation of 30 minutes, with the yeas and nays already having been ordered thereon. Therefore, there will be a yea-and-nay vote on amendment No. 1127 at about 11:30 a.m.

Upon the disposition of the Dole amendment, the unfinished business will be laid aside temporarily, and the Senate will proceed to the consideration of the disaster relief bill, S. 3062, on which there is a time limitation of 2 hours, with a time limitation on any amendment thereto of 30 minutes, and with a time limitation on any debatable motion or appeal of 10 minutes, to be equally divided and controlled in accordance with the usual form. Yea-and-nay votes may occur on amendments to that bill, and undoubtedly there will be a yea-and-nay vote on the final passage thereof.

Upon the disposition of the disaster relief bill, the Senate will resume consideration of the unfinished business, S. 3044, and the pending question at that time will be on the adoption of the amendment by Mr. Clark. Yea-and-nay votes will occur on amendments to S. 3044, beginning with and subsequent to the disposition of the Clark amendment, and hopefully the Senate will complete action on that bill tomorrow.

Mr. President, included in my statement of the program was the statement with regard to debatable motions and appeals, and I ask unanimous consent that the time related thereto as stated in the program be effectuated.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADJOURNMENT TO 10 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until 10 a.m. tomorrow.

The motion was agreed to; and, at 6:15 p.m., the Senate adjourned until tomorrow, Wednesday, April 10, 1974, at 10 a.m.

NOMINATIONS

Executive nominations received by the Senate April 9, 1974.

In the Air Force

The following officer for appointment in the Regular Air Force, in the grade indicated, under the provisions of section 8284, Title 10, United States Code, with a view to designation under the provisions of section 8067, Title 10, United States Code, to perform the duty indicated, and with date of rank to be determined by the Secretary of the Air Force:

To be first lieutenant (medical)

Jones, Bobby M. [redacted].

The following officers for appointment in the Regular Air Force, in the grades indicated, under the provisions of section 8284, Title 10, United States Code, with dates of rank to be determined by the Secretary of the Air Force:

To be lieutenant colonel

Bomar, Jack W., [redacted].
Bossio, Galileo F., [redacted].
Brand, Joseph W., [redacted].
Fisher, Donald E., [redacted].
Frederick, Peter J., [redacted].
Hauer, Leslie J. [redacted].
Kahler, Harold, [redacted].
Lamar, James L., [redacted].
Madison, Thomas M., [redacted].
Newsom, Benjamin B., [redacted].
Pitchford, John J. Jr., [redacted].
Swords, Smith III, [redacted].
Trautman, Konrad W., [redacted].
Underwood, Paul G., [redacted].
Welch, Robert J., [redacted].
Wilburn, Woodrow H., [redacted].

To be major

Abbott, Joseph C. Jr., [redacted].
Alley, Gerald W., [redacted].
Atterberry, Edwin L., [redacted].
Bagley, Bobby R., [redacted].
Barbay, Lawrence, [redacted].
Berg, Kile D., [redacted].
Brunstrom, Alan L., [redacted].
Burer, Arthur W., [redacted].
Condon, James C., [redacted].
Daughtrey, Robert N., [redacted].
Doughty, Daniel J., [redacted].
Downing, Donald W., [redacted].
Duart, David H., [redacted].
Dyczkowski, Robert R., [redacted].
Elliot, Robert M., [redacted].
Gideon, Willard S., [redacted].
Greene, Charles E. Jr., [redacted].
Hatcher, David B., [redacted].
Hildebrand, Leland L., [redacted].
Jayroe, Julius S., [redacted].
Jensen, Jay R., [redacted].
Johnson, Richard E., [redacted]
Kerr, Everett O., [redacted].
Martin, John M., [redacted].
McKnight, George G., [redacted].
Means, William H. Jr., [redacted].
Morgan, Herschel S., [redacted].
Nagahiro, James Y., [redacted].
Odell, Donald E., [redacted].
Pattillo, Ralph N., [redacted].
Perkins, Glendon W., [redacted]

Shattuck, Lewis W., [redacted].
Smith, Richard D., [redacted].
Stirm, Robert L., [redacted].
Vanburen, Gerald G. [redacted].
Waggoner, Robert F. [redacted].
Wenaas, Gordon J., [redacted].
Wright, Thomas T. [redacted].
Yuill, John H., [redacted].

To be captain

Brazelton, Michael L., [redacted].
Brenneman, Richard C., [redacted].
Brodak, John W. [redacted].
Burns, Michael T. [redacted].
Butler, William W., [redacted].
Cooper, Richard W., Jr., [redacted].
Davies, John O., [redacted].
Flom, Fredric R. [redacted].
Ford, David E. [redacted].
Francis, Richard L., [redacted].
Gray, David F., Jr., [redacted].
Hart, Thomas T., III, [redacted].
Hoffson, Arthur T. [redacted].
Hubbard, Edward L., [redacted].
Irwin, Robert H., [redacted].
Jeffrey, Robert D., [redacted].
Kramer, Galand D. [redacted].
Lane, Michael C., [redacted].
Lane, Mitchell S., [redacted].
Lebert, Ronald M., [redacted].
Luna, Jose D. [redacted].
Monlux, Harold D. [redacted].
Myers, Glenn L., [redacted].
O'Donnell, Samuel, Jr., [redacted].
Peel, Robert D., [redacted].
Pollack, Melvin, [redacted].
Sigler, Gary R., [redacted].
Torkelson, Loren H., [redacted].
Venanzi, Gerald S., [redacted].
Wilson, Hal K., III, [redacted].

To be first lieutenant

Acosta, Hector M., [redacted].
Anderson, John W. [redacted].
Baker, David E., [redacted].
Barrows, Henry C., [redacted].
Bates, Richard L., [redacted].
Bednarek, Jonathan B., [redacted].
Beens, Lynn R., [redacted].
Bennett, Thomas W., Jr., [redacted].
Beutel, Robert D., [redacted].
Brunson, Cecil H., [redacted].
Butcher, Jack M. [redacted].
Callaghan, Peter A., [redacted].
Copack, Joseph B., Jr., [redacted].
Craddock, Randall, J., [redacted].
Cressey, Dennis C., [redacted].
Darr, Charles E. [redacted].
Dickens, Delma E., [redacted].
Finn, William R., [redacted].
Fulton, Richard J., [redacted].
Galati, Ralph W., [redacted].
Gatwood, Robin F., Jr., [redacted].
Geloneck, Terry M., [redacted].
Granger, Paul L., [redacted].
Halpin, Richard C. [redacted].
Howell Carter A., [redacted].
Hudson, Robert M., [redacted].
Kennedy, John W., [redacted].
Klomann, Thomas J., [redacted].
Koons, Dale F. [redacted].
Kroboth, Stanley N., [redacted].
Latella, George F., [redacted].
Lewis, Frank D. [redacted].
Logan, Donald K., [redacted].
Martini, Michael R., [redacted].
Mayall, William T. [redacted].
Miller, Curtis D., [redacted].
Morris, George W., Jr., [redacted].
Ostermeyer, William H., [redacted].
Phelps, William, [redacted].
Price, Larry D., [redacted].
Ratzel, Wesley D., [redacted].
Rusch, Stephen A., [redacted].
Seek, Brian J., [redacted].
Seuell, John W., [redacted].
Sienicki, Theodore S., [redacted].
Thomas, Daniel W. [redacted].
Thomas, Robert J., [redacted].
Tucker, Timothy M., [redacted].
Vaughan, Samuel R., [redacted].
Vavroch, Duane P. [redacted].
Walker, Bruce C., [redacted].
Wanzel, Charles J., III, [redacted].
Ward, Brian H., [redacted].
Wells, Kenneth R., [redacted].
Wilson, William W., [redacted].

To be second lieutenant

MacDonald, George D., [redacted].

IN THE NAVY

The following-named Naval Reserve officers for temporary promotion to the grade of commander in the line subject to qualification therefor as provided by law:

Abeyta, Alfredo Lionel
Acquilano, Rocco Donald
Adams, David Arthur
Adams, Stanford M.
Alberse, Peter T., Jr.
All, Kenneth O.
Altsman, Robert James, Jr.
Alvick, Roy Everett
Ammerman, Hugh Turner, Jr.
Anderson, Bert William
Anderson, Charles Daniel
Anderson, Roland B.
Avila, Philip F.
Backer, John M.
Banks, Otis Gordon
Bardel, Donald Lee
Barsanti, Adolph Joseph
Barsness, John G.
Bartholf, Robert G.
Barton, Alexander J.
Bayer, Joseph H.
Beechner, Frank Edward
Beers, Frank Willard
Beishline, Richard R.
Bell, Jerrold Mitchell
Bell, Richard Howard
Benham, James Terry
Bennett, Alfred Allen
Berg, Peter Edwin
Bergquist, John Chester
Bertinot, Benjamin Edward
Best, Walter C.
Biggers, James Collin
Biggs, Robert Stanley
Billings, Henry Cabot W.
Billington, Murray R.
Birkner, Robert Oscar
Biwer, Robert Alexander
Blatus, Richard John
Blume, Arthur Walter, III
Bobrick, Edward Allen
Boughton, Harold Gordon
Boyd, Richard Ronald
Boynton, Robert T.
Bradshaw, John P., Jr.
Braun, John Charles, Jr.
Braunlich, William Everard
Brenner, Marc Alvin
Brooks, Andrew Dewitt, Jr.
Brown, Richard A.
Brown, Thomas R.
Brownlee, James Lawton, Jr.
Bryan, William Edward
Bryant, Leon Delmar
Burridge, George Delmar
Busch, Kenneth Leo
Bush, Gregory Gene
Callan, James Ruud
Carlisle, Sanford Keeler, Jr.
Carr, William Keith
Castor, John Robert
Caton, Robert Luther
Chop, Raymond Ernest
Christopherson, Allen Edward
Churchill, William B.
Churma, John Thomas
Churchill, William B.
Clancy, Robert A.
Clark, George Graff
Clay, Henry George, Jr.
Clarke, Charles Edward, Jr.
Clements, Paul H.
Clement, David Edward
Colvin, John Paul
Clum, Woodworth Bernhardi J.
Combs, Charles Elwood
Colwell, Samuel Campbell, II
Conklin, Dwight Elwood
Compardo, James Robert
Cook, William Compton
Cook, Arthur Grant
Crawford, Forrest Smeed
Costantino, James
Crowther, Douglas A.
Crow, Claron D.
Currie, Robert Emil
Culpepper, William Robert
Daley, Joseph Michael, Jr.
Cutliffe, John N.
Davies, William
Darr, Ralph Martin
Davis, Haines Bonner
Davis, DeWitt, II
Davis, Robert Alvin
Davis, Reeves K.
Denny, Harry James
Debay, Orian
Derr, John Frederick
Depew, John Nelson
DeVincenzi, Ronald D.
DeThomas, Joseph, III
Dickens, John W.
Devon, Thomas, J.
Doak, Wilson Faris, Jr.
Dickey, Robert C.
Dolley, William Lee, III
Donnell, Everett Ellsworth
Donnell, Robert Evans
Douglas, James Guilford
Downard, William Earl
Driver, Donald Everett
Drumm, Thomas Francis, Jr.
Duffield, Don F.
Dutton, William Maurice
Dyer, Garrett Malcolm
Dyer, Gerald Ross
Dykema, Owen W.
Edwards, Warren Elliott
Eizen, Sheldon David
Enderson, Laurence W., Jr.
Ewing, Richard Stuart
Faure, Joseph, Jr.
Ferguson, Charles E.
Ferris, Edward
Finley, Robert Hance
Finney, Robert G.
Fischer, Harry Loeper
Flanagan, Charles Downing, I
Flohr, Robert Brooks
Florio, Anthony William
Floyd, Tate Gabbert, Jr.
Flynn, Robert William
Foley, Robert Joseph
Forslund, Robert Alfred
Fox, Merle T.
Frame, Kenneth George
Franklin, Larry Bruce
Frederick, Paul Edward
Freeley, Edward Donald
Fricke, Hans Werner
Friedman, Ronald Sheldon
Froelich, Bernard John, Jr.
Fuller, Gran Fred
Gallagher, Connell James
Gallagher, Robert John
Gallaher, Edward Joseph, III
Garrido, Donald P.
Garton, Ronald Ray
Gary, Nathan Bennett, Jr.
Gautsch, Terence Joseph
Gerlach, Henry Otto
Gilbert, John Ralph, Jr.
Gilles, Robert Joseph
Gillis, Dana Gerard
Glenn, Robert L.
Goldstein, Robert M.
Goodrich, George Dewitt
Gore, Alfred M.
Gorman, Lanny Randolph
Grapsy, Ronald P.
Gravel, Arthur J.
Gray, Garold Granville
Graymer, Leroy E.
Green, Robert William
Green, William Edward
Grettum, Donald Keyes
Griessel, Rodger Frederick
Griffith, Robert Edward
Groepler, Neil Frederick
Guderian, William, Jr.

Hacala, Martin Joseph
Hackenberg, Richard Bruce
Hackett, Vincent Theodore
Hall, Roy Bruce
Hamilton, John Edward
Handler, Bruce Hunt
Hanks, Jimmie Burton
Hanrahan, Donald Joseph
Harada, Kikuo
Harrel, David Martin
Harris, Henry E., Jr.
Harrod, James William
Hartman, Donald Lawrence
Haslim, Leonard A.
Haueter, Herbert B.
Hays, Russell Orren
Hegner, Casper Frank, II
Heller, Frank A., Jr.
Herbert, Frank Rey
Heyck, Joseph G., Jr.
Heyward, Cabell Carrington
Hilinski, Richard Raymond
Hill, A. Jackson
Hobokan, Andrew
Hodgdon, Arthur Jay
Hodge, Don Wayne
Hoff, Richard Wallace
Hoffler, Marvin Leon
Hogan, William P.
Holly, Russel D.
Holt, Clifford Leon
Horlacher, Stephen Lawrence
Hughes, William Richard
Hults, Thomas Patrick
Hutchinson, David Bruce
Hutchko, Alvan John
Hyman, Theodore Kenneth
Ingram, Houston Glover
Irlacher, Leonard Thomas
Ishol, Lyle Milton
Isquith, David Aba
Jackonis, Michael Joseph
Jackson, Robert William, Jr.
Jaeger, Boi J.
Jarema, Frank Edwin
Jenkins, Wallace Taylor
Johnson, Edward L.
Karlson, Edward Sulo
Kass, Matthew Anthony
Kauffman, William Allan
Keleher, Peter Downs
Kells, Keith E.
Kimball, Warren Forbes
Kitts, Earle Leland, Jr.
Kollath, Newell Elroy
Koonce, William Germann
Krauss, Edwin Howard
Krula, Laudimir W.
Lackey, Marvin Leavern, Jr.
Lamb, William Morgan
Lamer, Wayne Lloyd
Larson, Jay R.
Larson, Lawrence Phillip
Larson, Reuben Richard
Learson, Harold W.
Lee, Gilbert J.
Lee, Kenneth Richard
Lee, Richard Melvin
Leese, John Albert
Leinwohl, Arthur
Lennington, Terrence Ray
Lennon, John Edward
Levit, Bernard E.
Levorchick, Joseph Daniel J.
Lewis, Johnston Charles
Lindquist, Reese Malcolm
Link, Morris Allen
Linsenbard, William Edmund
Lipscomb, Roland David
Lipsey, Edward Spivey
Loughridge, Everett Allen
Lowell, William Alfred, II
Luce, Ralph William, III
Lukens, Reeves A.
Lyon, Russell Edward
Magelssen, Gerald Rodney
Maguire, John Edward
Maher, James Joseph
Mahoney, John
Mahoney, John Francis
Malone, David Bernard
Malone, Jack Howard
Marler, Marvin Ray
Martin, Bruce Gene
Martin, Donald C.
Martin, James Francis
Martin, Ronald C.
Maughlin, Richard Kenneth
May, David Thomas
McConnell, Ronald Lee
McEvoy, Joseph Patrick
McFerron, Jerry Lee
McGovern, John P.
McHugh, Richard Myles
McCloskey, Robert Dickson
McNerney, James Lawrence
McPhee, Bruce Gordon
Metzger, Alan W.
Mezger, Erik Bertram
Michl, Daniel John
Middleton, Clyde W.
Miller, Albert E., III
Miller, Gardner Hartman
Miller, Gerald A.
Miller, Harlan Bingham
Miller, Terry Gene
Mills, Stuart Karl, Jr.
Minnich, Charles Ellsworth
Moll, Herbert
Moody, James Robert
Moore, Edward Roland
Morris, Edward N.
Morrow, Frank Spurgeon, Jr.
Moser, James William
Moyse, James Edward
Mullin, Robert James
Murdock, Clair Nymphas
Murphy, William A.
Newman, Laurence Saunders J.
Nicholson, Daniel Arthur
Nickell, Claude Taylor
Nickerson, Howard C., Jr.
Nix, Carleton Del
Nixon, James J., Jr.
O'Connell, John Richard, Jr.
Odekirk, Theron Glenn
Oechslin, Peter Ernest
O'Hearn, Lawrence S.
Orme, Douglas Lee
Ottaviano, Peter Arnold
Owen, John Frederick
Paige, Charles Jefferson, Jr.
Palisi, Joseph J.
Palmer, Rodney Lee
Pappalardo, Salvatore James
Pardo, Stanley Thomas
Pardoe, George Albert
Parker, Joseph B.
Partlow, James Greider
Pate, Allen Sharkey
Paulmann, Calvin J.
Pellegrino, Daniel Raymond
Penwell, David Wayne
Pepka, Ronald Felix
Pereue, Joseph H., Jr.
Perron, Dean Raymond
Peters, Wayne Ellis
Peterson, Albert E.
Petterson, Norman Field
Peil, Richard A.
Pfotzer, William
Phillips, Charles Larry
Pilch, Edward D.
Piwko, Robert Clemens
Pollack, George H.
Popp, Joseph M.
Porterfield, Denzil Ray
Poulin, Francis Alfred
Pouliot, John Edgar
Powell, Hurley John Thomas
Prescott, Dewitt Clinton, Jr.
Puryear, Harry Hewlette
Quackenbush, Gilbert W.
Ramsey, George Niven
Rausch, Harry Anthony, Jr.
Reeger, Harold Lawrence
Reese, Arthur Howell, Jr.
Reid, William Lloyd
Reinke, Henry S.
Richards, Douglas Monte
Richards, Richard Larimer
Richards, Thomas Arthur, Jr.
Richardson, Jackie
Ricketts, Donald Bee
Riggins, William S.
Rigone, John L.
Riley, James Cooper, Jr.
Robb, Kingsley Allen
Robbins, Clyde Devere
Rodriguez, Ronald Joe
Rogers, William Patrick
Ruesch, Ronald Edward
Runyon, James Carlson
Ryan, Robert Edward
Sager, Theodore Franklin
Sailors, Jack, Jr.
Salisbury, Roger Evans
Salmon, Wayne Smithson
Salter, James Mitchell, Jr.
Samuelson, Ronald Arthur
Sandmann, Robert Edward
Sauers, John F.
Scalo, Richard S.
Schaeffer, Dale Gordon
Schick, Philip Frederick
Schlameus, Alfred B.
Schmidt, Donald Lee
Schmitz, Leonard Herman
Schuyler, Paul George
Schwob, Thomas Nelson
Scichili, Carl J.
Scott, Walter John, Jr.
Scott, Wayne Emery, Jr.
Scruggs, Joseph Marion, Jr.
Self, Luther Eugene
Selvig, Van Marshall
Sheehy, John Lawrence, Jr.
Shiflett, Edward E.
Siegel, Gerald
Silver, Philip Alfred
Sindelar, James Henry
Singer, Lawrence Edward
Sivyer, Donald Earl, Sr.
Skaggs, Glenn E.
Slater, Raymond Clifford
Sluyter, Verlin Clayton
Smallwood, George Everett
Smith, Addison Romaine II
Smith, Marvin Matthews
Smith, Norman Gary
Smith, William Wesley
Snipes, Stephen Gray
Snow, Robert Glen
Snyder, Daniel Robert
Soderholm, Robert V.
Soliwoda, Edmund S.
Sommerhalder, John O.
Spaulding, Ralph Franklin J.
Specht, Malcolm R.
Stanton, Courtney Wilder
Steele, Francis Andrew
Stephenson, Graves Barrett
Stevens, James Thomas, Jr.
Stevens, Richard Gordon
Stilwell, Frederick Lyle
Stoner, William Guy
Strickler, David W.
Stromberg, Jack William
Struble, Glenn Erwin
Sufficool, Allen Elwyn
Swanberg, Paul Maurice
Swenson, John B.
Swift, William Donald
Swisher, John Robinson
Talley, Alfred Frank, Jr.
Taras, Richard Verne
Tassin, Raymond Jean
Tate, John Thomas
Taylor, Charles Anthony
Thomas, John Day
Thomas, John Ralph, Jr.
Thompson, Herbert Giles, Jr.
Thompson, William Henry, Jr.
Thurman, Michael Edward
Thut, Frederick Howell
Tipton, Donald D.
Todd, Frank P.
Turgeon, Charles Frederic
Turk, Frank, Jr.

Urias, Gonzalo Bustamante
Vandriel, Eugene Peter
Vanistendal, Theodore Grant
Veal, John Speed
Volz, Vincent Jerome
Vonderohe, Robert Henry
Walker, David R.
Wall, Richard Lee
Wallace, Charles Simpson, Jr.
Waller, James Wilbert
Walstad, John Orville
Walters, Robert Roy
Watson, Thomas Harold
Weed, John Joseph
Weitfle, Paul Leroy, Jr.
Welch, Michael Francis
White, James Frederick
White, Willis Avery
Whitney, Frank Coole
Whittington, Frederick B., Jr.
Wiklinski, Stanley Ezechiel
Wilfert, Eugene Norman
Will, Gene Roger
Williamson, George, Jr.
Wilson, James Stewart, Jr.
Wilson, William Lee
Wingfield, Charles Gilbert
Winter, William C.
Wirkman, Vincent C.
Wisniewsky, Richard Lee
Wolf, Lee Edward
Womble, Robert Wilson
Woodward, Rodney Madison, Jr.
Wynn, Earl Barthe, Jr.
Wynn, Ralph Haines
Yarber, William John
Yatsko, George J.
Yost, Floyd George
Young, Tarry Richard
Zimmerman, Charles William

IN THE MARINE CORPS

The following-named (Navy Enlisted Scientific Education Program) graduate for permanent appointment to the grade of second lieutenant in the Marine Corps, subject to the qualifications therefor as provided by law:

VanNess, George K.

The following-named (Naval Reserve Officer Training Corps) graduate for permanent appointment to the grade of second lieutenant in the Marine Corps, subject to the qualifications therefor as provided by law:

Wells, Dean E.

The following-named (U.S. Air Force Academy) graduates for permanent appointment to the grade of second lieutenant in the Marine Corps, subject to the qualifications therefor as provided by law:

Heinle, Dennis R.
Motley, William T.

EXTENSIONS OF REMARKS

HANK AARON'S ACHIEVEMENT

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 8, 1974

Mr. MICHEL. Mr. Speaker, a baseball record that for many years was considered to be unassailable is about to be broken. I am speaking, of course, of the immortal Babe Ruth's record of 714 home runs.

It has been tied already by a man who is probably the most underrated player in the history of major league baseball, Hank Aaron, and by the time my remarks are printed in the CONGRESSIONAL RECORD, he may have already set the new mark.

An editorial appearing in the Saturday, April 6, edition of the Washington Post makes some excellent and quite appropriate points with respect to Hank Aaron's career and its impact on not only the baseball scene but on our national life as well. I insert the editorial in the RECORD at this point:

HANK AARON'S ACHIEVEMENT

Hank Aaron's big stick had been smashing baseballs over National League fences for a number of years before many fans began to notice anything awesome, much less count them. And perhaps for good reasons. He hit only 13 home runs in his first season in the majors—1954 with the Milwaukee Braves—27 the next season and down to 26 the next. All those years in the 1950s and 1960s, Aaron was a solid performer, but solidity in the shadows of flashy titans like Willie Mays or Mickey Mantle was not what the public remembered or revered. Aaron's own modesty didn't help. The son of a shipyard boilermaker's helper, Aaron came to the Braves from the sandlots of Mobile, Ala., via bush league stops in Eau Claire, Wisc., and a class A team in Jacksonville. Even the way he broke into the Braves' starting line-up suggests that destiny had other things on its mind; Bobby Thomson (of home run fame himself) broke his ankle in a spring training game and Aaron, a rookie sub, was sent in to replace him. He's been playing since.

Now, of course, having tied Babe Ruth's home run record and standing poised to break it when he next comes to the plate, Aaron is known to his teammates and loyalists as "Hammerin' Hank." His achievement has put him into the hero status, no record in sports being better known or more Olympian than the immortal Babe's 714. But Aaron has given something else to the national life: an emotional relief from the number of tragedies and absurdities that now dominate the news and much of our consciousness. Here is a person who is authentic, whose acclaim is based on the results of his self-confidence and not self-promotion, who has been faithful to his vocation whether noticed or not. At a time when so many national events cast common citizens into doubts and confusions about what has really happened beneath the surface of the news, a profound reassurance is provided by Hank Aaron. Even aside from the positives, the negatives are impressive: he is not a fake, he is not a blowhard, he is not a fad. He has been at the heart of excellence for 20 years, and only a few people—in any line—manage the consistency of that.

Hank Aaron is in the record books for several batting feats, but the aura of home runs has a splendor of its own. Aaron once said that successful hitting is 90 to 95 per cent concentration and thoughts, so he has to be as heavy a thinker as a slugger. We hope he has another amazing season and goes as far as he can beyond the Ruthian record. Someday another player—on what Little League diamond is he now?—will come along and threaten, perhaps break, the immortal Aaron's homeric feat. If he does, let him remember that Hank Aaron did more than pound baseballs better than anyone else. He performs with honor, dedication and modesty, contributions as important to the national life as his contributions to the record books.

DOT PRELIMINARY REPORT ON RAIL REORGANIZATION

HON. RICHARD S. SCHWEIKER

OF PENNSYLVANIA

IN THE SENATE OF THE UNITED STATES

Tuesday, April 9, 1974

Mr. SCHWEIKER. Mr. President, I want to reply to the report of the Secretary of Transportation on Rail Service in the Midwest and Northeast region of the United States pursuant to the provisions of Public Law 93-236, the Regional Rail Reorganization Act of 1973. The report's objective is to provide the initial guidelines for the difficult, but vital task of developing a viable system that meets the rail service needs of our region.

The Secretary's report is a great disappointment. In my judgment, the report speaks only in terms of the status quo. That is, it uses limited criteria and seeks only to preserve financially viable railroads within the existing rail network. It looks only to what exists now without regard to any possible changes or growth in the future. Whatever system emerges from the process which we have begun and are participating in now must be able to accommodate changes which may occur in the future, particularly in regional economic development. The report fails to acknowledge the role of railroads in the development of the areas served by them. The State of Pennsylvania has been, and continues to be, very aggressive in its efforts to sustain its economic development. The rail network in the State is the essential ingredient in this effort.

There are several obvious defects in the Secretary's preliminary report. There is too little recognition of the effects of rates and regulation on the financial viability of railroads. To suggest benefits to be derived from competition between different modes of transportation requires at least an acknowledgment of the disparity in competitive rates and at most a recommendation that changes be made to correct the situation and stimulate such competition.

In analyzing how a nonredundant, streamlined network of rail lines will enhance the financial viability of the railroads, the report should focus to a greater degree on variations of cargo or commodity as a significant factor in the economics of successful rail operations.

Although the report itself acknowledges a weakness as to the data used, it is unfortunate that questions exist regarding the accuracy and timeliness of the data. This problem is all the more significant when one realizes that, in Pennsylvania, the use of 1972 as a data base greatly distorts the value of the recommendations, because 1972 was the year of hurricane Agnes. Agnes, to a major extent, was the latest cause of the problem which we hope to correct by the railroad organization. Pennsylvania will be shortchanged if the 1972 data base for the new rail system does not compensate for the railroad losses caused by Hurricane Agnes, destruction that year.

I recognize that an intent of Congress in enacting the Regional Rail Reorganization Act was to provide a means for States and localities to maintain certain rail lines in the areas they deem important. However, I am concerned over the great weight given this provision in the Secretary's report as the means of supporting essential rail services in a particular area or region. Such a reliance on that means of maintaining rail services requires an analysis of the capacity of the States and local areas to provide non-Federal subsidies. In some areas the magnitude of such an undertaking would completely overwhelm local resources. There will be widespread railroad abandonment in regional areas in Pennsylvania unless greater emphasis is given in the report and the final reorganization plan to providing national resources to sustain regional rail service.

The design of a restructured railroad system in Midwest and Northeastern regions of the Nation requires major consideration of questions of national policy. Inasmuch as a new system in the Midwest and Northeast will have profound implications on the Nation as a whole, national considerations and implications must be evaluated.

It is necessary, it seems to me, that we undertake an assessment of the role of a particular region in the national scheme. That is, what does a particular region provide or contribute to the Nation and what must it receive in order to survive. For example, our recently stated policy of energy self-sufficiency requires that areas of energy resources must be provided more than merely adequate transportation support in order to maximize recovery of these energy resources in an efficient and cost effective manner. In coal producing areas of Pennsylvania such considerations are obvious. While the Congress emphasized such a policy in the act the initial report we are discussing does not satisfactorily respond to it.

Recently, the Senate Agriculture Committee published a report entitled the "Immoveable Feast" in which the transportation of food from areas of production to areas of consumption is discussed. The report examines the adequacy of our national transportation system, both truck—including the adequacy of rural roads—and railroads. Its conclusions are disturbing since it suggests that both systems are near collapse. At a time when we are beginning to experience food shortages we should consider and establish more firmly our national policy regarding food distribution and the access of producers to their markets. The movement of food to the marketplace is a fundamental—and elementary— economic principle. Yet I am not confident we are giving it sufficient emphasis. For many areas of the country, a neglect of this basic idea will restrict and hamper our agribusiness. Not only will agricultural regions suffer, but our customers in the urban areas along the Atlantic Seaboard will suffer as well.

As a matter of national policy, any redesign of our rail system must reflect an awareness of our national defense requirements. It is essential that the Nation's rail system be capable of responding to any contingencies. Obviously we cannot risk creating a system which prevents effective, and rapid mobilization. We pray it may never be necessary. But we must not overlook such a requirement.

A major policy question which must be resolved is the principle of competition. As a nation whose economic system has been sustained and developed through free enterprise, it makes little sense to permit a new rail system to come into being which inhibits competition. Our restructured rail system should stimulate competition between similar modes of transportation as well as competition between different similar modes of transportation as well as competition between different modes of transportation. Railroads which compete in a reasonable regulatory and financial environment will prosper. Competition between the railroads and other forms of transportation can benefit both, and can serve the public interest. A more important aspect of this principle of competition is the role of transportation in maintaining economic competition between areas of the country. Railroads are clearly an essential factor in a region's ability to compete in economic development. If we take away a suitable railroad system from an area we are in effect deciding that it will be permitted to compete. The implications of such a policy decision could be devastating. The next step will be decisions relating to supporting that area in other ways. With its viability in question we will face issues relating to unemployment and all the social issues which accompany the decay of a once prosperous area.

We repeatedly hear of the congestion which generally plagues the eastern area of this country, and we are constantly dealing with ways of relieving this overcrowding. As a national policy consideration, I question the wisdom of not recognizing how our rail system can assist in the sound and workable development of an economic decentralization, moving jobs and people from the crowded urban areas into the developing nonfarm rural areas. There are social policies involved here which must be dealt with. The national policy issues in the restructuring of our rail system require a far broader view than merely designing an economically viable rail system.

In the nonurban areas of Pennsylvania we have with few exceptions an inadequate network of highways capable of supporting greater economic activity. Our roads, though generally good, cannot sustain a significant increase in our dependence on trucks to be the prime mover—in some areas the exclusive mover—of goods and commodities. A policy in that direction will demand an increased allocation of our resources to highway construction and maintenance, more equipment for the industry and excessive use of our petroleum energy resources. Such a tradeoff ought to be examined very carefully. We already have many unmet highway needs in Pennsylvania. To impose an even greater dependence on that mode of travel will create an intolerable situation.

The State of Pennsylvania, not unlike other States, in the Midwestern and Northeastern regions of the country, is a perfect illustration of the absolute requirement for attention to broader considerations. The factors I have mentioned are all in evidence here and I urge that they be examined with far more sensitivity and sophistication than has been shown in this report.

Appropriate structuring of our rail system can create the catalyst for economic development and assure a region's viability. A defective redesign of the current rail system may leave no alternative but economic collapse. Our region cannot be left with such an alternative. The ability to compete is the vital lifeblood of this area.

FEDERAL SUPPORT FOR SOCIAL WORK TRAINING

HON. JOHN B. BREAUX

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 9, 1974

Mr. BREAUX. Mr. Speaker, one of the major sources of information and guidance to which Congress must look when considering legislation is the opinion of experts in the particular field under consideration.

With this in mind, I wish to share with my colleagues in Congress the views of the faculty of the School of Social Welfare, headed by Dean Bernard J. Wiest, of Louisiana State University on the need for continued Federal support for human resource services and social work training.

HUMAN RESOURCE SERVICES AND SOCIAL WORK TRAINING—THE CASE FOR CONTINUED FEDERAL SUPPORT

I. THE PRESIDENT'S BUDGET PROPOSAL

For a number of years, the Federal government has recognized the need to provide a base of support for the training of social workers. This year, however, the President's budget proposes drastic reductions in this support. These cuts are both unexpected and abrupt and can only result in confusion and uncertainty among students and faculty, and, in the long run, serious harm to people and to the nation.

II. THE IMPORTANCE OF SOCIAL WORK EDUCATION

Most people growing up, going to school, working, marrying, raising families and growing old—at some point in their lives—find they need some form of help. They become ill, encounter financial difficulties, or develop family or other personal problems. The need for medical, counseling, rehabilitation and other services is not restricted to persons with little or low incomes.

But, programs need staff to plan, administer and provide services. And the people who do this need to be trained. Without enough trained people, neither existing social services nor future innovations and improvements can be effective or economic. Social work education is the basic source of those people.

Social work staff today requires much knowledge and a great variety of skills to deal with many problems of increasing complexity. Graduate schools of social work and undergraduate programs in social welfare have demonstrated their capacity to adapt to the changing times. By providing training geared to today's problems, they are contributing, together with other professions, to the national objectives of reducing the economic and human costs of a host of social problems, such as drug abuse, alcoholism, discrimination, and poverty. More and more, social workers are integral parts of the professional teams which are attempting to deal with juvenile delinquency, crime, and rehabilitation. Social work is a key element in caring for the disabled, the young and the aged and in programs dealing with family breakdown. The increase in population, its urban concentration, the rise and intensification of social problems, all indicate the need for more people with even better training in the helping professions.

III. HUMAN NEEDS AND SOCIAL WORK MANPOWER

Social services are concerned with the entire spectrum of human needs as experienced both by individuals or families and by communities. Sometimes in collaboration with other professions, sometimes carrying primary responsibility, the social services are directed toward rehabilitation and care of vulnerable population groups, toward prevention or reduction of social problems and toward change and improvement in dysfunctional systems.

Social workers are involved both in the direct delivery of social services and in the planning, administration and coordination of these services. Programs in graduate schools of social work have sharply increased their emphasis upon preparation for administration, supervision, and other leadership roles. The level of education, however, does not necessarily determine the nature of a social worker's job assignment. Direct services can be provided by a technician without an academic degree or by a social worker with a baccalaureate or a master's degree. The latter is, of course, likely to be doing the diagnosing of the problems and providing highly specialized service in complex situations.

Social work education, on all levels, prepares practitioners who can function in a wide variety of settings. Though the examples cited refer to particular programs, social work training is geared to provide social workers with the basic skills necessary to provide the help needed.

Physical illness: social workers, working together with other health personnel participate in developing national and regional policies and programs for the physically ill; administer and plan programs designed to cope with the immediate and long-term problems of the physically ill; help the patient or his family make the kind of plans and obtain the necessary resources to manage while he is hospitalized; help with plans for discharge including specific arrangements for after-care or long-term living arrangements in sheltered settings; supervise direct service personnel in after-care institutions.

Children: social workers plan and administer institutional and community-based programs to cope with immediate and long-term needs of children; design and program a range of services to provide equalization opportunities for disadvantaged children, including pre-natal and post-natal services for their mothers; participate in the development of national and regional policies and programs for children; supervise caretakers in institutions for delinquent and neglected children; provide foster home placements and supervision services; undertake investigations of child abuse and recommendation to courts concerning premoving of abused children; work for rehabilitation of families in order to protect children from serious and irreparable damage; supervise and train a variety of child care personnel.

Mental: illness in addition to the roles described above for the physically ill, social workers head or serve as key staff members for community mental health centers; carry responsibility for working with family members so that they may aid in, or at least not interfere with, treatment efforts; locate and supervise foster homes for patients who are able to live in the community; train and supervise caretaker personnel; develop alternate facilities for the long-term care of those not ready for independent life.

Aged: social workers participate in the development of national, regional and local policies and programs for the aged; assist the aged person or his relatives in defining the problem for which help is needed and in locating or developing suitable resources; recruit, train and supervise personnel to work with the aged, both in the community and in institutions; plan and administer a variety of different programs, both in the community and institutions, to cope with the varied problems of older people who no longer are able to care for themselves.

While the specifics of what the social workers do in relation to any given population group may differ, their responsibilities and tasks follow, in general terms, the examples cited.

The majority of social workers with graduate education are employed in planning and policy development, administration and supervision, teaching and research. It has always been the typical employment found among master's degree holders within a period of three to five years after receiving the degree. Increasingly, however, students, are entering such positions immediately upon receiving their master's degree.

Direct services are provided by social workers from all levels of educational preparation. Broadly speaking, their efforts may be classified along several dimensions. In terms of goal, social workers provide services which are designed (1) to effect a reasonably satisfactory adjustment of the person in the community, thus minimizing the cost and trauma of institutionalization, (2) to rehabilitate the person so that he can lead an independent and productive life, or (3) to provide long-term care in as humane and effective a way as possible for those who cannot be expected to function on a more autonomous level. In terms of target, the efforts of social workers are generally directed at the victim or clients, but frequently their work is primarily with others, such as members of the family, employers, or potential employers, school, police, etc.

Different kinds of preparation and education are needed for workers at different levels of work. For many of the problem areas in which social workers are active, a degree of expertise is needed that requires intensive study and the development of a high degree of skill. Though social workers with a minimum of education or with only agency training can successfully function at an appropriate level of service, all fields require some personnel with a high degree of expertise to plan and administer services. There is a particular and continuing need for social work personnel at the middle management level.

IV. SOCIAL WORK AND PUBLIC ASSISTANCE

One of the most critical issues facing governments in 1974 is the ever growing welfare cost. Many people regard "welfare" or "relief rolls" as synonymous with social work. There is a distinction between provision of social services and provision of income maintenance. No amount of professional service—social work, medical, nursing, or education—can provide the dollars needed to pay rent or buy food or have prescriptions filled or buy the shoes needed for a child to go to school. The necessity of meeting basic economic needs must be distinguished from those needs that require additional care and service and use of a variety of resources to help people who can, to become self maintaining. It must also be recognized that many of the aged, some of the ill, and all of the children (until they grow to adulthood) on public assistance cannot become self-sufficient.

V. SOCIAL WORK EDUCATION PRODUCES NEEDED PERSONNEL

Qualified social work personnel required to plan, administer and provide social services are prepared through various educational programs. The social work education system in the United States consists of: 70 graduate schools of social work in major universities which grant 5,000 master's degrees and about 90 doctoral degrees each year; over 200 undergraduate baccalaureate programs in social welfare with over 7,000 graduates; close to 100 two-year community college programs offering associate degrees which prepare community and social service technicians; and hundreds of continuing education programs conducted by educational institutions and agencies which reach thousands of social workers each year.

There is general agreement in social work and in most other professions that there is need for training programs to prepare professional, paraprofessional and technical personnel. The challenge is to identify and distinguish tasks so that manpower with different levels of education will be effectively used. Social work education has played an active leadership role in this effort. In the past few years, social work education has developed new programs at the baccalaureate and associate degree levels in addition to existing master's and doctoral degree programs.

Innovative curriculum developed to deal with contemporary problems

During the past decade social work training has been making a major shift in the focus and content of its curriculum. Changes were made to respond to new and persistent problems, to the needs of specific population groups and to the shifts that were occurring or were being planned in the organization of services. Schools developed new courses related to certain population or problem groups, the aged, the mentally retarded, the juvenile and adult offender, the physically handicapped. Major changes in social work education also occurred with changes in the organization of services, e.g., the emphasis upon community mental health programs, service to residents in public housing projects, multi-service centers in local neighborhoods, and "grass-roots" community groups. These changes reflected a growing concern for inner city populations, the rural and urban poor, and the major ethnic minorities.

In the past few years there has been a major shift in social work education toward the preparation of generalists as well as planners and administrators. The generalist social worker is equipped to deal with a variety of tasks at the neighborhood and community level. The proportion of graduate students training for administrative and organizing tasks has also increased. Undergraduate programs have begun to prepare their graduates for beginning practice in a variety of settings instead of only serving as aides in specific fields. The preparation of technicians at the community college level is a recent development but already growing rapidly.

People trained in social work are employed by public and voluntary agencies to provide needed social services. About 90 percent of master's degree graduates enter full-time employment, the majority in public agencies and mostly in child welfare and mental health. About two-thirds of the baccalaureate degree social work graduates enter employment mostly in the public social services in their local area. Over 10 percent go on directly to graduate education. It is rare for social workers to leave human services. Women do leave employment for marriage and motherhood but large numbers later return to full-time work.

Social work training offers special opportunities for minority groups

The proportion of minority groups is greater in graduate social work education than in any other discipline or professional education program. Social work education has been in the forefront of efforts to open opportunities for minority groups. In the 1973–74 academic year over 25 percent of master's degree students and 10 percent of doctoral students in graduate schools of social work were from the following five major ethnic minorities: American Indians, Asian Americans, Chicanos (Mexican Americans), Blacks and Puerto Ricans. Also about 20 percent of all faculty in graduate schools of social work are non-white. The social work curriculum, at all levels, is being enriched to help all students to learn more about the life styles, strengths and problems of minority groups and to be able to work more effectively with them.

VI. THE COST OF REDUCING FEDERAL SUPPORT

Continued Federal support for social work education is necessary:

The proposed cuts will cause serious and irretrievable damage. Many graduate schools and undergraduate programs will be forced to reduce radically or to discontinue their educational efforts.

During the past decade the capacity of the social work education system expanded rapidly and decisively at the request of the federal government to meet urgent human needs. Cutting support now will undermine our nation's capability to meet its social goals.

Currently, more than 50 percent of all graduate students in social work receive stipends funded directly or indirectly by the federal government; in awarding these stipends, emphasis is given to the students coming from low socio-economic, disadvantaged and minority groups. Cutting support now will hurt these groups, especially since neither they nor universities they attend have access to alternate support sources.

It has taken the better part of a decade, with the help of federal funds, to build up the kind of quality faculties found in graduate and undergraduate social work programs today. Cutting support now will reduce the schools' ability to maintain quality education and develop innovative educational programs. The consequences will be felt in fewer students less adequately prepared to face the tasks of the future.

Since the alternate support sources for social work education from local and state government and individual or corporate giving are not available, the consequences of reducing federal support will be disastrous. The cost incurred by providing fewer trained social workers will surely be far greater than any economies achieved through the proposed reduction:

—Needs are met best with least expense when they are identified early; unmet and unserved "little" problems soon develop into more expensive "big" problems. Trained social workers, educated at various levels, are needed to identify problems, develop strategies and deliver the intervention services necessary to counteract these problems or reduce their impact.

—Unless those who man direct service positions receive training and on-going supervision, costly mistakes resulting in more expensive service will be made. A reduction in the number of social work students now, predictably will make available fewer, not more trainers and supervisors for the public service in the next decade.

The reduction of federal support for social work education will hinder, not help, the development of new and more effective social service delivery systems necessary to held children, adults, and families to become self-sufficient, healthy, and productive citizens.

THE BEST POLICY

HON. ROBERT P. GRIFFIN

OF MICHIGAN

IN THE SENATE OF THE UNITED STATES

Tuesday, April 9, 1974

Mr. GRIFFIN. Mr. President, in these frenetic times a Detroit woman has demonstrated anew that the proverbial saying, "Honesty is the best policy," has not gone out of style.

I ask that an article from the Detroit News of March 27, 1974, concerning Mrs. Shirley Kiernan and a $1,250 diamond ring she mistakingly received in the mails—and which she promptly returned—be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HER HONESTY IS REWARDED FOR RETURNING $1,250 RING

(By Robert Ankeny)

A Detroit woman who "always believed you have to do the right thing when someone makes a mistake" turned in a diamond ring worth $1,250 that she received by mistake.

Mrs. Shirley Keirnan's honesty paid off with a reward of a $150 star sapphire ring and the somewhat embarrassed thanks of a Toledo jewelry store that almost "gave away" the diamond ring through a mailing error.

Mrs. Keirnan, who assists her father, Sam Solomon, at the cigar and lunch counter in the Federal Building in downtown Detroit, said she is "just thrilled with the gift."

Don Wright Jr., manager of Max Davis Jewelers in the Southwick Mall in Maumee, Ohio, near Toledo, said he was naturally "really happy" over the happy ending to "a weird set of circumstances."

In late February when Mrs. Kiernan was visiting her sister-in-law, Mrs. Francis Lavoie, she made a shopping trip to the Southwick Mall.

"We stopped at Max Davis Jewelers and I bought a zodiac medallion and chain for my son, Gregg," she said.

"When we got home, Gregg said it was the wrong sign, so we wrote to the jewelry store and after a couple of nice letters of apology, they said they would exchange the medallion and send us the right one."

When the package with the right medallion arrived March 11, it had a special surprise with it—an emerald cut diamond with six small stones around it set in white gold.

"Before we got the package, a lady at the store called to say that a diamond ring might have been included by mistake.

"And when the package arrived, there it was. I tried it on and it was beautiful," said Mrs. Keirnan, a former model.

"We packaged it up and sent it back, and someone from the store called again to thank us. They said it was worth $1,250 and that they'd be sending me a gift.

"I guess it was tempting to just keep the ring, but I've always believed that you have to do the right thing when someone has made a mistake."

She received her reward Monday.

"Isn't it beautiful?" she asked, proudly displaying a man-made star sapphire graced with two diamond chips in a heart-shaped setting.

Store manager Wright gratefully acknowledged that "it sure was a wild coincidence" the ring fell into Mrs. Kiernan's package.

"Luckily, it went to her and not someone else.

"If there were more people like that around, we wouldn't have some of the problems we have today."

COUNTDOWN ON CONTROLS

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 9, 1974

Mr. FRENZEL. Mr. Speaker, my remarks today in support of Congressman STEELMAN'S "Countdown on Controls" are especially timely. As Members know, the action last week by the Banking and Currency Committee in tabling all wage/price control legislation has pretty much assured the demise of the economic stabilization program on April 30.

Although the committee expressed its concern over the continued rise in the cost of living, I believe that the overwhelming consensus of opinion was that controls have not worked during the past year and should best be permitted to expire. A similar action, with similar sentiments, by our Senate counterparts 2 weeks ago confirms that Congress as a whole has little taste for continued controls.

Several members of the committee commented on the unusual situation which found both labor and business on the same side of this issue. It is not unusual, because the interests served by both have been hurt by controls, and neither one will morn the passing of the authority. Other members of the committee lamented the fact the consumer was the one who really gets left out of this equation, and is the only group not represented. I do not think the consumer has been benefited by controls which were counterproductive, shrunk supplies, and forced up prices. Consumers may not have had an active part in wooing the anticontrol votes, but their interests were not ignored on the committee.

Several of my colleagues urged some kind of continuation of controls on a standby basis. Dr. Dunlop, who did a fine job under trying conditions as Director of the COLC, struggled mightily at the last moment to retrieve this kind of authority, or at least a monitoring function. Such a proposal would leave the COLC with less authority than is necessary to justify its continued existence and continued cost.

We do need to improve upon our "watchdog" capabilities. But with existing authorities within the Departments of Labor and Commerce, this could be done easily through Executive action. Consideration of ways to improve our economic statistics collection and monitoring functions has already begun, and I think that activities in this area should be speeded up.

If anyone should be improving its "watchdog" activities on the economy, it should be the Banking and Joint Economic Committees of the Congress. Too often, we have gladly relinquished to the Executive oversight responsibilities along with the enforcement duties. Either we could not cope with this area of domestic policy or we did not care to. I think the need to improve Congress' record on the economy is one of our major challenges.

We could start by gaining a tighter grip on our own purse strings. If the new budget legislation works as we hope it will, we might begin to win this battle. In addition, we can pass legislation to continue the Commission on Productivity, which in the absence of the COLC would be a strong advocate for one of the real cures for inflation, greater productivity. There are other new ideas which deal with productivity, such as the employee stock ownership trusts which encourage workers to acquire ownership in their companies, and thereby provide incentives to greater productivity.

So, Congress need not mourn the passing of a control program that turned ineffective and counterproductive. Instead it ought to improve its own record on the economy, and the first priority should be to gain control of our own budgeting and appropriating procedures. That is an area in which Congress can do some real inflation-fighting.

LETTER TO THE EDITOR

HON. WILLIAM L. HUNGATE

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 9, 1974

Mr. HUNGATE. Mr. Speaker, the Kingdom Daily News, a distinguished newspaper in my congressional district, has recently run an article on the continuing question of impeachment, and I believe my colleagues will find it of interest. The article follows:

LETTER TO THE EDITOR

EDITOR,
Kingdom Daily News,
Fulton, Mo.

DEAR SIR: In your editorial of February 20, 1974 you state that the AFL-CIO "bought and paid for the majority of members of the House Judiciary Committee" through campaign contributions and will, you imply, demand a return on their investment through a vote of impeachment.

We do not deny labor's contributions to various members of the House Judiciary Committee; contributions made long before the question of impeachment was raised. We have always endorsed and supported candidates whose past records show a concern for working people.

But to be fair—to put the question in its proper perspective, I urge you to examine the 1972 campaign contribution records of all 37 members of the committee.

Approximately $310,000 in contributions were made by Republican-conservative-business groups to the 17 Republican members of the committee. Another $100,000-plus in contributions was made by these same sources to nine Republican opponents of committee Democrats.

A breakdown of the contributions of Republican members of the committee shows:

$135,085 from business committees or individual donors of $500 or more whose business affiliates can be identified;

$49,700 from national or state committees of the American Medical Association or the American Dental Association;

$125,264 from various Republican and conservative committees, many of which are known to have received business-connected contributions.

These committees included: National Republican Congressional Committee; Republican Booster Club; The Conservative Victory Fund of the American Conservative Union; Republicans 12 Committee; United Congressional Appeal; National Republican Heritage GPS Council; Young Americans Campaign Committee; and the Congressional Victory Committee.

A breakdown of the Republican-conservative-business contributions to nine Republican candidates who lost to Democratic members of the committee showed:

$49,651 from business committees or individual donors of $500 or more whose business affiliations can be identified;

$14,101 from national or state committees of the American Medical Association or the American Dental Association;

$39,914 from various Republican and conservative committees, many of which are known to have received business-connected contributions.

The question of impeachment of the President will not be decided on the basis of campaign contributions. It will be decided on the basis of evidence. We believe the evidence clearly shows that Richard M. Nixon, President of the United States, has committed impeachable offenses.

There is nothing sinister or corrupt about the labor movement's political activities. Under federal law, unions are prohibited from donating dues money to candidates. However, numerous court decisions have affirmed the right of unions to establish separate and voluntary funds to which union members could contribute and from which legal campaign contributions can be made to candidates for federal office. Contributions made by the AFL-CIO Committee on Political Education are reported to the appropriate governmental bodies.

I wish to emphasize, though, that the AFL-CIO would like nothing better than to get out of the business of making campaign contributions. We believe that campaign contributions are inherently evil. We do not like to make campaign contributions; it is an activity forced upon us.

Thus, we urge the Kingdom Daily News to join us and many other groups in America in calling for a total ban on private contributions to political campaigns. Public financing of federal elections would help prevent future Watergates.

Sincerely yours,

ALBERT J. ZACK,
Director, Department of Public Relations, AFL-CIO, Washington, D.C.

VA ADMINISTRATOR'S PRESS CONFERENCE

HON. CLIFFORD P. HANSEN

OF WYOMING

IN THE SENATE OF THE UNITED STATES

Tuesday, April 9, 1974

Mr. HANSEN. Mr. President, Donald E. Johnson, Administrator of the Veterans' Affairs Administration, held a press conference recently to provide information on the Domestic Committee on Veterans Services and other matters.

Because of its importance and timeliness, I ask unanimous consent that a copy of the transcript of the press conference at the White House be printed in the RECORD.

There being no objection, the transcript was ordered to be printed in the RECORD, as follows:

PRESS CONFERENCE OF DONALD E. JOHNSON, ADMINISTRATOR OF VETERANS' AFFAIRS—THE BRIEFING ROOM

Mr. CARLSON. As you know, the President addressed the Nation on radio last Sunday on the subject of veterans. At that time, he announced that he was establishing the Domestic Council Committee on Veterans Services, to be chaired by Don Johnson, the Administrator of the VA.

Other members of this committee are the Secretaries of DoD, HEW, Labor, and the Directors of OMB and ACTION. The Domestic Council Committee on Veterans Services held its first meeting this morning at 10:30 and the President attended the first part of that meeting. Here to bring you up to date on that meeting is Mr. Johnson.

Mr. JOHNSON. Thank you very much, John.

As Mr. Carlson has indicated to you, we did meet this morning for about 45 minutes, with the President meeting with us the first 20 minutes. He again restated and reiterated his strong support for the veterans of America and instructed us to carry forward the objectives which he laid down in that message of last Sunday.

We are moving very rapidly on all fronts—that is the crack management team between OMB and VA—to take a look across the board at all services provided veterans.

The President instructed Secretary Brennan to give him a report very soon on what more possibly could be done, in spite of the excellent record on the matter of unemployment, among Vietnam veterans in particular, and instructed me, of course, to continue my plans to take a look at the hospitals of the VA across the country.

I will take your questions.

Q. Mr. Johnson, about a year go, after a previous flap involving the VA, you told CBS the White House had asked you to resign, and you were going to resign at the end of the year. What happened to that resignation?

Mr. JOHNSON. I think you do not recall the facts correctly. I did not tell CBS or anyone else in the media that I had been asked to resign or would resign.

The question was asked of me whether I planned to leave the Government at that time, and my answer was no, I did not.

Q. What is your reaction, Mr. Johnson, to the current call for your resignation?

Mr. JOHNSON. I intend to stay in this position as Administrator. The President has expressed his confidence in me, and I have made the commitment to stay as long as the President desires.

Q. Do you think you are being made a scapegoat, or being whipsawed? What is happening politically to you?

Mr. JOHNSON. I don't believe I am being made a scapegoat. Certainly those that call for my resignation, or criticize the operation of the Veterans Administration, have every right to do so. I have my right, too, for personal opinion, and I think that the record of this Administration has been excellent over the last five years.

The initiatives that have been taken by the President on a score of fronts, as far as veterans affairs, is unparalleled in the history of the VA, and they could be articulated in the matters of compensation and pensions, the national cemetery system, the increased resources of great magnitude in the hospital system, and the like.

Q. Have you identified where you are dropping the ball now? There must be something wrong if you are having a crack management team running around.

Mr. JOHNSON. Let me just illustrate for a moment some of the problems that we encountered. Of course, the most recent flap has been over the timeliness of delivery of educational checks. Last September, we began a new program which was brought about by legislation to pay the veteran in advance of the month that he attended school, rather than at the end of the month. This was a new program, and it required a great deal of programming changes not only in the mechanics that are handled manually, but certainly in our computer systems.

As I have said before, we acknowledged that there were problems being encountered last fall, and up close to Christmastime, with this program. We do acknowledge that there were problems. At the same time, we have stated time and again that the bulk of the checks did arrive on time. Let me just illustrate to you the problems that we encountered.

In the month of March, we issued 1.4 million educational checks. In the month of March we received from veterans going to school 128,000 changes of address, 19,000 additional changes of address that accompanied the Certificate of Attendance at the school, and in excess of 95,000 changes in such things as changes of course, changes of school, and other things that would amend the award.

Now, when you get those kinds of figures and those kinds of changes in the very short time span in which we must operate, even with a sophisticated computer system you can see that problems are created. That is what the crack management team is looking at.

We have now set, in broad concept at least, some changes in the paperwork administration that is necessary under the law, and we will be announcing some time in the future, after we put this plan before the President—which is due within six weeks now, and we will be making that announcement as to how we are going to handle it in the future.

We think we have come up with at least a basic solution and still maintain the requirements that are required in the statute for the participation of the institution, the veteran and the VA.

Q. Can I ask about the whole concept of training programs for veterans? After World War II, the veterans received an educational benefit which allowed them to attend a private college, it covered their tuition, it covered their books, and it gave them a living allowance on which, with some care, they could live.

The veterans of the Vietnam War don't get anywhere near that kind of benefit. Why is it that this Administration does not give the Vietnamese war veterans the same as the World War II veterans?

Mr. JOHNSON. Bob, I think that our memories tend to fade a little bit, and it is going to take a while to give me a chance to answer your question.

I am a recipient of the World War II G.I. bill, so I know a little bit about being on that end of it. We need to understand that for the seriously disabled veteran—that is, under our standards, 30 percent or more—that that individual, be he World War II, Korea or Vietnam, has a total and complete free ride to go to school, no matter where he goes. If he can be admitted to Harvard Law School, or Kansas State University, we will pay his tuition, his fees, his books, giving a living stipend on top of his compensation. There is absolutely no difference between World War II and Vietnam on that score for the seriously disabled veteran.

For the great bulk of those who are recipients, the non-disabled, the historical perspective of educational assistance allowance has been just that. The Congress has said, each time they have passed a bill, that this is to be an educational assistance allowance. It is to help alleviate the readjustments. It has never been intended that the bulk of veterans who are non-disabled are to receive a total ride to go to school.

The fact of the matter is that using constant dollars, the Vietnam veteran today is receiving about $100 more per school year than did the average veteran of World War II.

Q. But you can't use constant dollars, Mr. Johnson. You have to figure what he can buy with it.

Mr. JOHNSON. That is what I am talking about, is the ability of the purchasing power of the dollar.

Q. Are you trying to tell me a veteran can go to Harvard, if he wants to, that the Government will pay his way to Harvard, as the World War II veteran could do?

Mr. JOHNSON. He could not go to Harvard on what he got in World War II. First of all, the limitation in World War II for tuition was $500 per school year. Harvard tuition for the school year was in excess of that in World War II.

Q. It was $600.

Mr. JOHNSON. The living stipend for the bulk of those who attended was about $75 a month. Today the average tuition cost across the country—and, of course, there has been a major change in the educational plant in these 30 years—is $430. He is receiving today, the fulltime single student, $220 a month.

I submit to you, sir, that using the purchasing power of the dollar, or using constant dollars, that the Vietnam veteran is being treated equally with the World War II.

I also want to point out that the Vietnam bill was first enacted in 1966 under the prior Administration. It called for $100 a month. In 1967, the Congress raised it to $130 a month. I was appointed in June of 1969 and the President said to me at the time of the appointment, "Don, I am concerned about the participation of the Vietnam veteran in the G.I. bill. I am appointing today a commission to make studies and to make recommendations."

That commission did meet, and we recommended an increase, and it went to $175 a month. Subsequently, in 1972, it went to $220 a month, after a Presidential initiative.

The thing I am saying is that the President has approved a 70 percent increase in the educational assistance allowance since he has been in office, and he has since recommended another increase. I want to say here that that recommendation was made last November, and we yet have no action on the part of the Congress except in the House, where they have passed a bill. We have had nearly a full year, school year, of veterans going to school without the benefit of an increased allowance.

Q. The increase that is proposed in that is 8 percent, which falls rather short of the rate of inflation at this point. Is any consideration being given to increase that to something more realistic?

Mr. JOHNSON. At the time that the President made that recommendation, the 8 percent was the correct figure. We are now awaiting the action of the Congress on the total program, and we will make our statement to them at the proper time.

Yes, Sarah?

Q. Mr. Johnson, aren't you forgetting to tell the people that procedurally this is unfair to the Vietnam-era veteran because in World War II he had his tuition paid and he knew it would be paid? This time, out of the $220 a month, he has to pay tuition, fees, books, and living expenses. That is a considerable difference.

Mr. JOHNSON. Let's talk about the difference in procedure. The Congress itself is the one that dictated the difference in procedure. In 1950, there was a special study commission of the Congress to investigate the abuses of tuition payments in the World War II program. There were such things as schools charging tuition to those who were on scholarships. There were inflated prices as far as tuition was concerned, and for the Korean bill the Congress decided that all of the stipend should go to the veteran.

I happen to agree with that proposal, and certainly the indication is that most of those who have been associated with veterans affairs on the Hill, namely, the House of Representatives, like Mr. Teague, Mr. Dorn, Mr. Hammerschmidt and others, that they very much are opposed to a tuition payment. They are, however, for increases, and they indicated that in the bill which they have passed.

Q. Mr. Johnson, your man, Mr. Vaughn, head of benefits, has told the House committee, I believe, that he could not afford this $225 million extra for increasing these payments to veterans. The veterans say they can't live and go to school under the present payment of $220 a month. Mr. Vaughn says he can't pay the $220-something million. Will you discuss that?

Mr. JOHNSON. I am not aware of any such statement, but let me say that in the 1975 budget, which we have recently testified on before the Congress, there is $200 million in there for increased benefits for educational assistance allowances.

Q. Mr. Johnson, since the Vietnam veteran is being treated equally with the World War II veteran, and since the President has approved a 70 percent increase since he has been in office, and recommended another increase, and since some of these procedures have been revised, what is all the complaining about and what is all the excitement about then? Why is there this bitching?

Mr. JOHNSON. As I have indicated, there has been some valid complaint about the time limits. Insofar as the adequacy of the bill, I don't think that it has been properly explained to some of those who come to Washington and elsewhere to make protest about the adequacy of the bill, that it was to be what I described a while ago, the assistance allowance.

I want to point out to you that 51½ percent of all the veterans that are eligible for the Vietnam G.I. bill have taken or are taking advantage of it, and that there are 3½ million men and women who have taken advantage of this G.I. bill. I think that they are doing a responsible job of readjusting, and it is illustrated by those figures, and this exceeds the participation of both World War II and Korea.

Q. You have mentioned computer problems, but people run computers. There have been some reports that you have not radically increased staff to handle the Vietnam load since the great bulk of Vietnam veterans began coming home. Can you possibly operate efficiently without serious additions to your manpower rolls?

Mr. JOHNSON. We have increased some of the staffing in the Department of Veterans Benefits, and I want to isolate that because this is where the payments come from. I have just recently authorized 400 more positions to that department. On the other side of the house—and I want to get this in—on the medical side, in order not only to handle the Vietnam load but the increased load of all veterans, that over these five years we have added about 30,000 people to the medical side.

We have shown more growth than any other department, and this has been because the President has made the resources available to us.

Q. But, Mr. Johnson, they have been writing at the House committee that you said you didn't need these employees, these extra employees, and they forced you to take a thousand nurses, and they forced you to take the 490-something recently that you added, and other people in the Veterans Administration say they are having to work 12 and 16 hours a day and they can't stand it, they can't stay on, that you need more help desperately, and the Congress says they have tried to get you to take more help and you won't take them on.

Mr. JOHNSON. Certainly it is part of my responsibility to make some judgments on this, and let me speak to the first matter of the 400 additional positions which I have authorized.

We were not forced into this by the House committee. It was a judgment that we made that we needed them, and we put them on. Now, so far as the thousand nursing personnel—and I want to emphasize that these are not registered nurses; they are nursing personnel—the Congress did add monies to the last budget to put on an additional thousand nursing personnel. The President signed the appropriation bill and made the proper apportionment to the VA, and we put them on.

This was on top of a rather tremendous increase that we had already had. It was not a matter, in a department of 165,000 people, to make any big noise about it. We took the judgment of the Congress in this matter, and handled it properly.

Q. Do you have any members of the Committee to Re-elect the President on your staff now, and did you have until recently?

Mr. JOHNSON. Yes, I have had. I believe the number is 13, and I want to be able to correct that if it is wrong, but it is in that neighborhood, over half of whom were secretarial or clerical types.

Currently, I have on my staff one supergrade who is in a position of policy, and he has given me notice that he will depart. The rest of those are either clerical or secretarial types in the lower grades, and there are, I believe, four or five, Sarah, that are left.

Q. Mr. Johnson, were you pleased with, and did you agree with the President's statement in his radio speech the other day that Sarah McClendon deserves a great deal of commendation for calling this problem to the public's attention?

Mr. JOHNSON. She is hiding her face. Yes, I agree, and I hope I am not betraying any confidence, Miss McClendon, but after that press conference, I made a telephone call and she very graciously accepted my invitation to breakfast, and I suppose now I am going to have to invite several others of you, and we had, I think, an hour and 45 minutes or so, during which, incidentally, she taped the whole thing. (Laughter) I have had several pieces of correspondence from her since.

Q. Was the microphone visible?

Mr. JOHNSON. Yes.

Q. Mr. Johnson, when a veteran enrolls in college in September, starts attending classes, at what point does he get his first check?

Mr. JOHNSON. If he makes application 30 days before enrollment and asks for advance payment, the check to be there when he matriculates, that is when he will have it. Otherwise, if he waits until the day he goes to school to register, he will have to wait about 45 days. It is a procedure.

First of all, you have to have the application. We have to issue the Certificate of Eligibility to make sure he is, in fact, eligible. The school has to certify to us either enrollment, in the first instance, or attendance in the second instance, so that there is some complexity involved in this process.

Q. What are the vast number of veterans doing? Do they have that check when they start school, or do they have to wait 45 days?

Mr. JOHNSON. Last fall, despite the new program, and rather late announcement about it because of legislation, I believe we issued about 450,000 advance payments, and this would be about 70 percent of those attending institutions of higher learning.

Q. Mr. Johnson, since obviously you have a lot of people matriculating in September, have you given any thought to perhaps taking on additional personnel on a temporary basis then, and sending people out to at least the bigger universities so some of this paperwork can be cut down in time?

Mr. JOHNSON. Certainly this is one of the considerations in the new plan. That detail has not been worked out, but I want to point out that the Office of Education in HEW, under the title of "Cost of Instruction," does make grants to several schools to employ veterans' coordinators, veterans' counselors, or some such title, depending on the school, to do exactly what you have suggested. These are not VA employees, they are not truly employees of HEW, but they are operating under a grant from HEW.

Q. Can I get some clarification on a statement you made earlier? You said, in response to a question I put to you, that you think the programs haven't been adequately explained to some who come to Washington to protest. Are you implying that this is only a small group of troublemakers or rabble-rousers?

Mr. JOHNSON. I am not going to classify them as that.

Q. All right. Aside from the classification, is this only a small group of discontented people?

Mr. JOHNSON. I think they represent a very small minority of Vietnam veterans, as is illustrated by the numbers who have taken advantage of the bill, and certainly by the mail which we receive here in the central office, as well as at several regional offices.

Q. Mr. Johnson, education is one problem the veterans face, but Vietnam-era veteran unemployment has reached staggering heights. Isn't that an indication of a fair amount of callousness for our veterans by the Veterans Administration?

Mr. JOHNSON. Of course, I must disagree with the premise in your question about "staggering heights". The primary and statutory responsibility of employment is with the Department of Labor, but because of the philosophy, not only my own, but the agency, that any problem of the veteran is a problem of ours, we not only have taken an interest in the problem of employment, but have worked closely with the Department of Labor.

I think we need to recognize that, because of the President's effort in winding down the war in Vietnam, that there was in 1970 and 1971 over 1 million men each year put back into civilian life at the same time in which defense contracts were being cut drastically, and there was that temporary loss of jobs.

Recognizing this, the President, in June of 1971, initiated a 6-point program at a time when the unemployment rate among Vietnam veterans was substantially higher than the non-veterans of the same age group. In December of 1972, the program had progressed to the point where the unemployment rate was nearly equal, and since that time the unemployment rate among Vietnam veterans, as compared to non-veterans of that same age group, has been less. Even last month it was three- or four-tenths below the non-veteran in the same age group.

Q. What is the actual figure?

Mr. JOHNSON. 5.3, I believe.

Q. For Vietnam veterans?

Mr. JOHNSON. For the Vietnam veteran, 5.3 percent, but don't hold me to that. We can get it for you very quickly.

K. Sir, now that Secretary Schlesinger has taken off the symbols that go on discharges less than honorable, do you think there will be any improvement in the employment of these thousands of men who got discharges less than honorable?

Mr. JOHNSON. Miss McClendon, I am not fully conversant with this, but I think you are in error about what was done. I think the Secretary has responded to the criticism of having the SPN number on honorable and general discharges, which would illustrate that the man had certain characteristics. That is what is being removed. There is no change other than the regular review process in the character of discharge for the bad conduct, undesirables, and dishonorables.

Here, again, it gives me the opportunity to appeal to the media to put this in perspective. There has been a lot of talk about bad paper out of the Vietnam conflict. In the five fiscal years of '50 to '55, the Korean War, there were about, as I recall, 4.8 million discharges. There were 22,000-plus dishonorable discharges. In the nine fiscal years ending in '73, for the Vietnam conflict, there were 7 million discharges and there were only 3300 dishonorable discharges. It has to be kept in perspective.

Q. How many less-than-honorable?

Mr. JOHNSON. The percentage, Sarah, if you call me I will give it to you. I don't have them with me. The percentage of good discharges—that is, honorable and general—is better for Vietnam than it was for Korea, and slightly less better than World War II.

Q. This means that these men who got less-than-honorable discharges are treated by the Veterans Administration largely as men who cannot get veterans' benefits and, therefore, they can't get jobs and they can't be taken care of, and they come back in society as criminals to live the rest of their lives?

Mr. JOHNSON. The whole matter of benefits historically has been that it is a reward and/or compensation for good service, and I want you to understand, Sarah, that involved in this group are men who have committed murder or rape or larceny, or other felonious acts, as well as some that might, in your opinion, be discharged wrongly, and if they feel that way, there is a process for having a Character of Discharge Review, and I would urge any veteran to do so.

Let me add one other thing: Even though we are prohibited by statute from treating individuals who have a dishonorable discharge or under dishonorable conditions, I have said time and again, and I say it again today, if that veteran, even under those circumstances, will show up at our office, we well help him get into a program where there isn't a statutory prohibition.

Q. What is your view on amnesty for draft dodgers?

Mr. JOHNSON. I concur entirely with the President of the United States. He has made the statement time and again about amnesty, and once again, I think that history would show that there has never been unconditional, blanket amnesty granted in this country, and I want to maintain that posture, and I support the President.

The PRESS. Thank you, Mr. Johnson.

THE ENERGY SHORTAGE

HON. JACK EDWARDS

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 9, 1974

Mr. EDWARDS of Alabama. Mr. Speaker, all of us have felt the pinch of the energy shortage in recent weeks. The people of the First District of Alabama have had their share of problems, as have citizens throughout the Nation.

But the impact of the shortage has been softened in my part of the country by the outstanding, dedicated work of officials at the Federal Energy Office in Atlanta, Ga. These people have worked long, hard hours to construct under stress a smooth-functioning, responsive public service agency. People like Charley Adams, Harold Taylor, Ken Walker, Charlotte McConnell, Larry Zimmerman, Bob Ewing, and Phil Youngberg have dealt with problems fairly, firmly, and promptly and have exerted untiring energy to assist the people of Alabama.

Mr. Speaker, the energy crisis has tested us, and it will be with us for some time to come. But the work of the Federal Energy Office in Atlanta provides encouragement that the crisis can become a manageable problem. As long as there is no "short-fall" in public service of this type, I believe our country can weather this storm with minimal disruption and hardship.

THE GOOD NEWS ABOUT THE VETERANS' ADMINISTRATION

HON. GENE TAYLOR

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 9, 1974

Mr. TAYLOR of Missouri. Mr. Speaker, since being elected to the House of Representatives, a very important part of my duties has been to assist constituents in their dealings with the Federal Government. For the most part, I have received excellent cooperation in my contacts with the various executive agencies and departments.

In particular, I want to single out the Veterans' Administration. I have received a great many letters from former members of our Armed Forces and the responses I have gotten from the VA in their behalf have always been timely and helpful.

It is amazing that an agency that has such a large constituency, 29 million veterans, can administer so many quality programs so well. To quote VA Administrator Don Johnson:

> More has been done for America's veterans in these 5 years than ever before in the history of the Veterans Administration.

Many Missouri veterans have expressed their appreciation to me for the many benefits and excellent service they have received from the VA. We in the Congress, through legislation we have passed, share in the accomplishments of the Veterans' Administration.

According to published reports, this administration is now spending more than $13 billion on veterans' programs—two-thirds again as much as was spent just 4 years ago. The President has twice approved increases in compensation for service disabled veterans, and he asked Congress for further increases less than a month ago. The administration has asked Congress for $3.2 billion to run the VA medical program in fiscal year 1975. This is more than double the medical expenditures in fiscal year 1969. VA hospitals and clinics are providing higher quality care to more veterans than ever before in history. VA's average employment in the medical program has jumped by 30,000 employees since 1969. The staffing ratio in VA's 171 hospitals has grown from only 121 employees for each 100 patients in 1969 to a requested 158 employees per 100 patients for the new fiscal year. VA has asked Congress for $276 million for hospital construction in fiscal year 1975. The GI bill educational program has truly become viable under this administration. All told, more than 4.6 million veterans and servicemen have now trained under the GI bill. The 50.9-percent participation rate of Vietnam era veterans now exceeds the 50.4-percent rate for World War II, and the 42-percent rate for Korea. Increases totaling nearly 70 percent in GI bill allowances have been approved by the President. The administration has three times increased the amount of pension paid to disabled veterans and survivors. The VA is now calling for the first expansion of the national cemetery system in nearly a quarter of a century. Most fair-minded persons would agree that the record of accomplishment is without parallel.

GENERAL RIDGWAY QUESTIONS DÉTENTE

HON. BEN B. BLACKBURN

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 9, 1974

Mr. BLACKBURN. Mr. Speaker, in what our intelligence community defines as "the New Brezhnev Doctrine," the Soviet Communist Party Chairman has emphasized the following official policy line:

His movement toward improved relations with the West is a tactical policy change designed to permit the Soviet bloc to establish superiority over the West in the next 12 to 15 years.

This statement, given by Chairman Brezhnev to the Soviet Politburo as well as to Eastern Europe Communist Party leaders, has been summarized by Defense and State Department officials after careful study of intelligence reports. This U.S. summary follows:

> To the Soviet Union, the policy of accommodation does represent a tactical policy shift. Over the next 15 or so years, the Soviet Union intends to pursue accords with the West and at the same time build up its own economic and military strength.
>
> At the end of this period, in about the middle nineteen-eighties, the strength of the Soviet bloc will have increased to the point at which the Soviet Union, instead of relying on accords, could establish an independent, superior position in its dealings with the West.

In view of this summary, and in view of my own recent statements designed to separate détente fact from euphoria, I call the attention of my colleagues to a most enlightening guest column by Gen. Matthew B. Ridgway which appeared in the New York Times of April 4, 1974.

As my colleagues are aware, General Ridgway, now retired, served as Supreme Commander, Allied Powers in Europe and in the Far East.

Quite obviously, for one of the stature and experience of General Ridgway to question whether détente does, in fact, exist is most significant. I submit the article, herewith, for the consideration of all concerned:

[From the New York Times, Apr. 4, 1974]

DÉTENTE: SOME QUALMS AND HARD QUESTIONS

(By Matthew B. Ridgway)

PITTSBURGH.—"Détente," I believe, poses the potentially gravest danger to our nation of all the problems we face. Whether it is to prove a siren's call to lure us to our destruction, or the first long step toward defusing the terrible threat of nuclear warfare and worldwide holocaust, no man can today predict with any assurance.

But what any reasoning person can clearly perceive is the distinct possibility that treaties can be abrogated or ignored, that solemn undertakings by the Soviet leadership can be deliberately flouted or repudiated and that an overnight reversion to the hard-line policies of a former Soviet Government can take place.

Against these possibilities this country must have ample safeguards, for we are dealing not with the fate of our own nation, though that may well be what we are doing, but with the fate of a civilization, the fate of the fundamentals on which our nation and the free world have built that civilization through two millennia.

What must be done is to critically and coldly examine and analyze every facet of this problem through the widest practicable public debate and then to make basic decisions and formulate policy guidelines.

Fortunately, it appears that an assessment of where we may be going, for what reasons, and for what guarantees of national benefits, is being made, constructively, by highly qualified individuals, in and out of Government, whose intellectual honesty, integrity, competence and devotion to our country command respect.

There can be no real lessening of tensions, except in an atmosphere of mutual trust. Such trust does not exist. Positive action, not mere words, by the Soviet Government will be required over an extended period to create such trust. For America's part, I fail to see how it can exist in view of the unrelieved evidence of the actions taken and the courses pursued by the Soviet Government over the last fifty years, the frequently expressed fundamental objective of spreading its form and concept of government throughout the world—in short, of its aim of world domination.

Would it be in our national interest to extend long-term credits to the Soviet Union for the development and marketing of Siberian oil and gas reserves in exchange for Soviet promises to let us share them at fair prices years hence; to furnish technology that we have developed and that the Russians lack and eagerly seek; to continue to pare our military strength while the Soviet Union continues to augment its own in the nuclear and conventional fields, as it has been doing for the last five years; to consent to the present disparity in nuclear capabilities brought about by our 1972 agreement on limiting strategic weapons; to agree to a common percentage in the reduction of armed forces in Europe, leaving the Soviet Union in its present position of greater strength—another Soviet proposal?

These are hard questions of immense significance to us and to the free world. They demand hard thinking.

Under the vision of those who established our form of government, mankind's fires of imagination were kindled. They burned with an intense flame and spread over much of the world. They have yet to be extinguished. But now in the continuing erosion of morals and ethics, and in the apathy and muddled thinking of many of our own people today, they have been allowed to burn dangerously low.

We now have before us in our greatest hour for two centuries, an opportunity to show the world whether we are determined to keep those fires burning; whether we shall be found too lacking in integrity, too weak in moral courage, too timid in planning, too irresolute in execution to set before Almighty God and mankind an example of those principles, faithfully adhered to, on which our Founding Fathers staked "their lives, their fortunes, and their sacred honor"—whether we will show the world an example of what in our hearts we know is eternally right.

In this Bicentennial era, the choice is ours to make.

CASE FOR A FEDERAL OIL AND GAS CORPORATION—NO. 19

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 9, 1974

Mr. HARRINGTON. Mr. Speaker, the general manager of the American Public Power Association, Mr. Alex Radin, recently joined a growing number of Government officials in calling for the creation of a Federal Oil and Gas Corporation. In a speech before the Washington Journalism Center Conference on the Fuel Shortage, Mr. Radon said that the corporation would increase production, stimulate competition, provide data on actual production costs, provide additional fuel supplies in periods of shortages, and produce revenues for the U.S. Treasury. Mr. Radin's remarks, which appeared in the American Public Power Association's weekly newsletter of March 8, 1974, are another indication of the widespread support for the Federal Oil and Gas Corporation, and I would like to call my colleagues' attention to them:

APPA's RADIN BACKS PROPOSAL FOR FEDERAL OIL, GAS CORPORATION AT CAPITAL CONFERENCE

Legislation now before Congress, that would establish a Federal corporation for the exploration and production of oil and natural gas, has gained new support because of the shortages and sharply-rising prices of these fuels, APPA general manager Alex Radin said this week. He spoke at a Washington Journalism Center conference on the fuel shortage.

Noting that the proposal for an agency similar to the Tennessee Valley Authority was originally made in 1969 by Lee C. White as he was completing a term as chairman of the Federal Power Commission, Mr. Radin said the concept is now contained in S. 2506, introduced by Sen. Adlai Stevenson (D., Ill.) and eight colleagues; and in similar bills sponsored in the House by nearly 100 Congressmen. "The proposal also has attracted the support of Ralph Nader, Leonard Woodcock, president of the United Auto Workers, and a number of other prominent figures," he said.

"APPA supports the concept of a Federal Oil and Gas Corporation because oil and gas are used extensively in the generation of electricity. We believe that the establishment of such a corporation would, among other things, increase the supply, act as a competitive lever on price, and bring about more competition in the oil and gas industry."

Citing the "pluralistic ownership" nature of the electric utility industry and the role provided by Federal, local public power and cooperative systems, Mr. Radin said that "active institutional competition" has developed and contributed to steadily decreasing power costs over the years. He noted that publicly owned systems have been the "pace setters" in this regard.

HOUSE SUBCOMMITTEE REPORT CITED

"In contrast to this situation in the electric industry," he observed, "the oil and gas industry is characterized by domination of a relatively few companies, and by the virtual absence of public or cooperative ownership." He referred to a report by a House Small Business subcommittee indicating that the major oil companies control approximately 84% of U.S. refining capacity; about 72% of natural gas production and reserves ownership; 30% of domestic coal reserves and more than 20% of domestic coal production capacity; over 50% of uranium reserves and 25% of uranium milling capacity.

He said that a Federal oil and gas agency would increase production, stimulate competition, assemble data on actual production costs, provide additional fuel supplies in periods of shortages and produce revenues for the U.S. Treasury. In addition, he said, a Federal corporation would be more responsive to environmental concerns and "would put a representative of the U.S. government at the bargaining table with foreign governments, which increasingly are assuming ownership and control over the oil and gas supplies of their respective countries."

Mr. Radin said that the proposed Federal corporation also should be authorized to develop coal, uranium and geothermal resources because major oil companies "are now becoming energy companies, with large shares in coal, uranium, geothermal, oil shale and other energy resources.

"If the oil companies are successful in monopolizing all sources of energy, there will be no competition between the various fuels, and the price of all fuels will tend to rise to the level of the fuel that commands the highest price. Already, we are being told that the goal of the coal companies is to attempt to obtain a price that is equivalent, on a Btu basis, to that of oil. If its scope is expanded, the Federal Oil and Gas Corporation offers one of the few hopes of retaining some semblance of competition between fuels."

APPA's general manager refuted arguments contending that the proposal would lead to nationalization of the oil and gas industry. "In response, I would point to the fact that the Federal government has been involved in the generation of electricity for almost 70 years but it still accounts for only about 12% of the electric power produced in this country. Nationalization would be contrary to the purposes of the proposal and such attempts could be challenged as contrary to the intent of the act."

DR. JACK LOWNDES HONORED BY SOUTHERN BAPTIST HOME MISSION BOARD

HON. JACK BRINKLEY

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 9, 1974

Mr. BRINKLEY. Mr. Speaker, I was delighted to read in the April 4 edition of the Christian Index that a frequent guest in this Chamber, Dr. Jack Lowndes, was recently presented a plaque in honor of his 2 years of service as president of the Southern Baptist Home Mission Board.

All of us here know Dr. Lowndes for the many times he has so ably served as visiting chaplain, and my family and I know him personally, having attended the Memorial Baptist Church in Arlington, Va., where he is pastor. To know him is to have confidence in him and in his ministry of assurance.

We in Georgia are especially proud of Dr. Lowndes for he is a native son who grew up in Atlanta. His mother, Mrs. Frank Lowndes, and brother, Mr. Frank Lowndes, Jr., still make their homes in Atlanta and I know his family and friends in Georgia are particularly proud of his outstanding work.

Mr. Speaker, I know all of our colleagues join me in expressing our highest congratulations to Dr. Lowndes on his calling and commitment.

COL. C. ROBERT KEMBLE, PRESIDENT OF THE NEW MEXICO MILITARY INSTITUTE, SPEAKS OUT

HON. HAROLD RUNNELS

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 9, 1974

Mr. RUNNELS. Mr. Speaker, I hereby submit in the RECORD excerpts from a speech given by Col. C. Robert Kemble at the 58th annual meeting of the Association of Military Colleges and Schools of the United States on March 4, 1974.

Colonel Kemble is a former soldier, a scholar, an author, and now the president of the New Mexico Military Institute in Roswell, N. Mex. I think my colleagues will be interested in some of the comments made by Colonel Kemble concerning the "Role of the Military School in Today's Society."

Colonel Kemble began his comments by indicating that—

We need to dispel certain hstorical myths and distortions. One persistent legend states that there has been a traditionally American anti-militarism since our founding fathers. Historically, the basic assertion does not hold water. The founding fathers by and large either were officers or aspired to military rank. Washington was not only the Commander-in-Chief of the Revolutionary Army, he also gave considerable time in the service of the British Crown during the French and Indian Wars. Even the more liberal members of the founding fathers had deep admiration for the military service. Jefferson we too often forget founded the United States Military Academy at West Point and once wrote . . . to a friend, William Wirt, to the effect that if Wirt would get elected to Congress he might then have the doors open to some of the other honored professions, such as diplomacy, military service . . . On that occasion, at least, Jefferson saw congressional service as a step to the military.

In truth, there have been in every age strong criticisms of the military, but the picture is far more complex than any simplistic anti-military tradition notions. In short, there are no easy, simple generalizations of the type that are too often espoused by scholars, civil-military analysts, commentators and historians who haven't truly done their homework. There simply is no traditionally American view of the military man. Attitudes and outlooks have fluctuated widely, and continue to do so, depending largely upon the eye of the beholder. . . . One of the critical attitudes towards the military has been based upon socio-economic concerns about power-elites. This viewpoint has concerned itself about wasting government money on the military that ought to be going into needed social and economic reform.

The second major line of criticism has been more pacifist-humanitarian in point of view. It has worried less about inane, shallow military bureaucrats wasting the government's money and more about the authoritarian megalomaniacs who are ruthlessly power mad. There have been supportive views of equal strength in American thought. Again two have been most pronounced. One had tended to view the military men as exemplars of high attributes to whom certain elements of the nation have proudly pointed. A second supportive view has been more utilitarian in outlook. It has seen the military man as a necessary, useful and proficient man of service. That argument has presumed that wars, like crime, are nearly inevitable and that the science of war must be preserved in the United States.

What does all this tell us about where we are today? In general it suggests that what we see in 1974 is in many ways nothing new . . . one lesson from this, I think, states that we should not make overmuch of the continuing influence of anti-militarism. That factor is and has been operational without any doubt. To what degree it continues to affect us, it seems to me is debatable. Certainly it is not the only factor involved in our success or failure. . . . In sum, I am urging us to be pragmatic-idealists or idealistic pragmaticists. We need to keep our vision and standards high while pursuing sound educational management with our feet firmly on the ground. The future of the military schools in the United States are dependent, in my opinion, to a very large extent on the leadership represented in this room. And that is a sobering thought.

GOLDEN ANNIVERSARY OF BOY SCOUT TROOP 3

HON. GUS YATRON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 9, 1974

Mr. YATRON. Mr. Speaker, on Saturday evening, April 20, Boy Scout Troop 3 of Pottsville, Pa., is celebrating its golden anniversary. I would like to congratulate all those who have been associated with the troop for their many outstanding accomplishments.

The Boy Scouts have always attempted to stimulate its members to grasp opportunities for leadership, to set measurable goals, and to prepare themselves to lead and appreciate their citizenship. When I look at the numerous achievements of Troop 3, I would have to say that they have met these objectives. They have many "firsts" in their 50-year history. Troop 3 was the first troop to perform a scout radio broadcast in Pottsville. They were the first Boy Scout troop to man a first-aid station at the old Schuylkill County Fair. Additionally, they hold the distinction of having the first Eagle Scout in Pottsville. Since that time, 47 members of the troop have achieved the Eagle Scout rank.

The troop has also been quite active in community affairs. The members assist their sponsor, the Pottsville Lions Club, with paper drives, Halloween parades, and the ambulance fund drives. They help with the winter carnival parades and have assisted in the Pottsville Elks Flag Day ceremony. They have rendered service to the community by assisting with the painting of fire hydrants and fire boxes. They have also distributed posters and literature for various community action groups.

The current roster of the troop includes: John S. Hill, scoutmaster; Richard Elison as assistant; Paul Florida, senior patrol leader; Benjamin Shollenberger and Ted Jasinski, junior assistant scoutmasters.

The present members of Troop 3 are: Sean Dowd, Charles Gillespie, Patrick Gillespie, William Gillespie, Mark Gottschall, Daniel Heck, Mark Hempel, Brian Lecher, Eddie Leffler, Mark Loy, Robert Lynn, Kevin Muldowney, William O'Brien, Joseph Piccioni, Matthew Ritter, Bobby Roth, Harold Shuma, Kurt Strohecker, and Andrew Walcott.

It is a pleasure for me to bring the accomplishments of Boy Scout Troop 3 to the attention of my colleagues. And, once again, I extend my warmest congratulations on the occasion of their golden anniversary and very best wishes for continued success in all their endeavors.

"AMERICA"

HON. JOEL T. BROYHILL

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 9, 1974

Mr. BROYHILL of Virginia. Mr. Speaker, under leave to extend my remarks, I should like to call to the attention of my colleagues a beautiful explanation to a verse of one of our patriotic songs, "America." The author is Martin Buxbaum, a talented and able communications director and editor of the Marriott Corp.'s publication known as "Table Talk":

AMERICA

(By Bux)

Oh, beautiful . . .
This land that was once a wilderness when other lands were filled with cities, people and history!

For spacious skies . . .
skies that crown a land of unbounded opportunities—where one can live, work, travel and pray—freely, gratefully, and without fear!

For amber waves of grain . . .
grain from the bounty of a land of such abundance that it feeds, not only its own, but millions of others as well!

For purple mountain's majesty . . .
mountains filled with many gifts of God—forests, minerals, water and living things—a land of ten thousand Edens!

Above the fruited plains . . .
vast, rich plains, where men still have room to reach out—even for a star—and then set foot on it!

America . . .
land of people with a hundred national origins and colors—all blending into a single rainbow 3,000 miles wide!

America . . .
mighty in war, gentle in peace, awesome in productivity—a land where *anyone* can be someone if he is willing to share his dreams with others!

God shed His grace on thee . . .
many time over. And because of this communion of God with man and man with God, America has been blessed as no other land has ever been!

And crowned thy good . . .
and America is good—sharing generously with others, yet asking little in return . . . always willing to help the weak, the impoverished, the hungry and the hurt . . . America, whose door and heart have always been open to the poor, the oppressed and the homeless who sought a new life on its shores.

With brotherhood . . .
a brotherhood that is unique in all of man's recorded history—an incomparable fusing of every color on earth, every tongue, and every religion, into one magnificient nation!
From sea to shining sea . . .
America is as it was, and will always be—one nation, under God—*indivisible!*

ANALYSIS OF PAPER SHORTAGE

HON. WILLIAM S. COHEN

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 9, 1974

Mr. COHEN. Mr. Speaker, the paper industry is one whose products touch the lives of all Americans. The industry is especially important in my State, where paper companies are not only suppliers of goods, but employ an important percentage of the work force as well.

In a time when the paper companies are warning of an impending paper shortage, I think it important that we all take a careful look at the status and problems of the paper industry.

The St. Regis Paper Co. has recently completed a study on the present and future outlook of the paper industry in America. While not everyone will agree with all of the conclusions in the report, I believe my colleagues will find it interesting. For this reason, I am inserting it in the RECORD at this point:

YES, THERE IS A PAPER SHORTAGE—AND HERE IS WHY

AN IRONIC TWIST FOR AMERICA

For many months now, demand for paper and all kinds of paper products has been outrunning supply. Paper for magazines and newspapers, folding cartons, corrugated boxes, business stationery, grocery bags, food packages, shipping sacks—all these and more are feeling the pinch.

And things will get worse before getting better.

It's an ironic twist for the U.S., considering that paper-use and prosperity go hand in hand. With the world's highest standard of living, Americans consume more paper products than have any other people in history—over 620 pounds a year for every man, woman, and child.

Their needs are served by a $23-billion industry, several of whose companies span the operating spectrum from forest resource to finished product. For the past year these companies and the industry have been running full tilt—with mills working day and night, seven days a week. Even so, there's a growing paper shortage.

How come?

That's a simple enough question. But, as is the way with many simple questions, the reply can't be equally simple. In fact, to explain why Americans today can't get all the paper they want at anything like the prices they've paid for it in the past, means telling a rather long and complex story. But it's a story that needs telling, because the surest way to get out of the shortage is to have a concerned public that understands how we got into it.

POLLUTION ABATEMENT DRAINS CAPITAL

First off, it comes down to supply and demand. The demand for paper products marches in step with this country's growth rate, which has been averaging 4 percent a year. But in recent years, paper companies haven't been able to expand their productive capacity at a comparable rate. For the four years 1970–73, their expansion averaged 2.8 percent a year. Their plans for 1974 through 1976 call for a capacity growth averaging 2.6 percent a year.

It takes around two years to expand an existing paper mill, and three years or more to build a new one from scratch. So today's paper shortage—with mills running at the top pitch of capacity—results from the fact that two and three years ago the paper companies couldn't afford to expand as much as required. Tomorrow's shortage will similarly result from what they can't afford to do today.

Not that primary producers of pulp, paper and paperboard haven't been spending plenty on total capital investment: almost $2.5 billion in the three years 1970–72. But nearly 30 percent of that money has gone into pollution abatement—a good cause, surely, but one that doesn't really add to the supply.

These producers have been in the front rank of American industry in spending for cleaner air and water. Moreover, during the next several years they'll spend hundreds of millions more. In the case of St. Regis, 31 percent—or $30.5 million—of its capital budget for 1974 alone will go for pollution abatement.

Environmental concerns do more than divert money from capacity expansion. They also mean the closing down of older, marginal facilities that can't be brought up to standard at a cost permitting anything like a reasonable return on the investment. Such closings in 1971, for example, came to an annual loss in paper and paperboard capacity of 789 thousand tons. The total loss for five years ending in 1975 is figured at nearly 1.5 million tons.

INDUSTRY EARNINGS HAVE LAGGED

Even with the heavy financial load of pollution control, the paper industry might have invested more in new capacity in recent years—if it were earning enough money. But that hasn't been the case.

On any list of earnings performance by American industries, it ranks near the bottom. In 1971, for example, when the return on investment for manufacturing industries was 9.6 percent, that for the paper industry was 4.8 percent—less than you'd get from a U.S. savings bond. Earnings have improved since then, but most paper companies would still do much better if they simply put their money to work in commercial banks.

It takes a lot of capital to run a major paper company—capital to buy and develop forest land, capital to build mills and equip them with huge machines for making pulp, paper, and paperboard. When the company isn't earning a fair return, it can't set aside enough to re-invest and it has a hard time attracting funds from outside investors.

Since an adequate and sustained level of earnings is the master key to solving the paper shortage, let's look at the industry's finances more closely.

THE SURGE IN CAPITAL COSTS

The general inflation plaguing America's economy since the latter 1960's has hit paper companies hard.

Consider that even in normal circumstances their capital costs are heavy. They must spend millions on new plant and equipment just to keep pace with the nation's annual growth. They must spend millions on pollution abatement—far more than most industries. And, in the course of technical progress, they are having to spend on mechanizing more of their diverse operations.

Now, multiply all these "normal" capital costs by an abnormally big inflation factor, and you greatly add to the financial burden of expanding productive capacity.

Here's a fairly typical example of what this factor means: St. Regis completed a major linerboard mill in Monticello, Mississippi, in 1968 at a cost of $116 million (excluding the cost of timberlands); to replace it today would cost $180 million.

Or take another example, this one having to do with the industry's basic resource, wood. Major paper companies incur big capital costs by investing in timberlands. Here costs have soared, particularly in the South, which produces 60 percent of the nation's paper.

Land cost: southern pine

Year:	*Cost per acre*
1958	$75
1965	150
1973	340

The overall pattern of higher capital costs helps account for the industry's increasing load of long-term debt. At the start of the 1960's, the average debt-equity ratio for the industry was 25 percent. Today, after many years of heavy borrowing for capital investment, it has gone up to 50 percent. This compares with a figure of 44 percent for all manufacturing industries in the U.S.

More debt for the paper industry has meant that each year it must pay out more in aggregate interest on the borrowed money. And to compound the burden, interest rates have been rising, often to double their levels of a decade ago.

It all adds up to higher fixed costs, exacted in bad years as well as good, and thus to a weightier drag on the industry's earnings.

OPERATING COSTS HAVE MOUNTED

Earnings have been further eroded by the effect of inflation on operating costs, as prices have increased all across the range of what goes into the manufacture of paper products. The following table, based on St. Regis' experience during the five years 1968 to 1973, shows what happened to some major items:

Average price increases, 1968 to 1973

	Percent
Wood fiber:	
Pulp	89
Waste paper	195
Labor	34
Chemicals	15
Transportation	32
Maintenance materials	35
Fuel:	
Oil	165
Natural gas	78
Coal	60
Electricity	10

This does not include the recent rapid escalation in the price of fuel oil, a major industry cost component.

Costs really took off during 1973 for a number of these items, owing to shortages and other special conditions that will be discussed later.

Meanwhile, it should be noted that to its list of operating costs the industry has in recent years added a new and mounting one: the cost of running and maintaining all that pollution-abatement equipment it has been installing. For St. Regis this has risen to almost $3 million a year in 1973 and the cost is headed up as pollution abatement requirements continue to climb. As with the capital cost of such equipment, none of the operating cost goes toward increasing paper supply—and both pull down earnings.

PAPER PRICES FAIL TO HELP

Many industries encountering a long period of higher capital and operating costs will protect their level of earnings by raising prices. But, for a number of reasons, paper companies have not until recently been able to take this avenue of relief. Paper prices during much of 1973 were not significantly higher than in 1960; in fact, when expressed in constant dollars, they had declined over that period by some 31 percent.

To appreciate the situation, three facts must be borne in mind. The first is that from 1966 to 1970 paper companies enlarged their capacity by some 20 percent—or more than 10 million tons. The second is that their operating rate—the degree of production when measured against capacity—has to run over 90 percent in order for them to earn an adequate return. The third is that the general economy suffered a two-year recession beginning in 1969.

The recession hit paper companies hard because, for one thing, it meant a lowering of their operating rate. In 1970 and 1971, profits plummeted in the industry, and new investments were sharply curtailed.

Now, compared with a number of other American industries, paper is intensely competitive: the 20 largest paper and paperboard producers, for example, have only two-thirds of the market. So, as might be expected the overcapacity circumstances of 1970–71 were marked by rampant price-cutting—and shrinking profit margins—throughout the industry.

Enter price controls, in August of 1971. The effect of this national policy, then and all through its subsequent phases, was to congeal industry prices and earnings at abnormally low levels. Interestingly enough, the inflationary impact of, say, a five percent increase in the price of paper would be slight: a government study indicates that this would raise the consumer price index by five one-hundredths of one percent. That would mean about $2 to $3 a year in the average family's budget.

Without going into details, suffice to say that controls clouded the industry's prospects and discouraged still further the idea of investing large sums to build future capacity. Thus, as the economy picked up speed in 1972, the stage was set for today's paper shortage.

OTHER FEATURES IN THE SHORTAGE

Put at its simplest, the shortage—an excess of demand over supply—results because paper companies haven't been able to invest enough in new capacity. But there are other factors that contribute to the present shortage. Some of them—like unusually long spells of wet weather that impeded wood-harvesting in the South, and the Canadian rail strike in 1973 that curtailed U.S. supplies of newsprint—may be given passing mention. Others, however, will repay a closer look—as follows:

Fuel

Well before the Mideast crisis in October 1973, the paper industry had felt the pinch of sporadic fuel shortages, especially in natural gas. Now, of course, the energy situation has worsened for the economy as a whole. This has serious consequences for the paper industry: accounting for about 6 percent of the industrial energy consumed in the U.S., it ranks fourth among industrial consumers—after chemicals and allied products, primary metals, and petroleum and coal products. Although as we will note later, the paper industry provides a big share of its fuel needs from its own waste products, decisions on whether to build new paper mills are now having to take fuel availability into critical account, in the vital fuel oils area, the paper industry ranks #1, whether measured in value or in barrels, by quite a substantial margin.

Wood pulp

An essential ingredient in the making of paper, wood pulp has been in increasingly tight supply—not only in the U.S. but worldwide. Reflecting this, world prices have risen from $162 a ton in 1972 to more than $270. These higher prices have understandably drawn some domestic U.S. pulp to foreign markets, since earnings on exports do not come under price-control strictures. While this development has helped the U.S. balance of payments, it also illustrates how artificial restraints can distort a market. In any event, the pinch in pulp aggravates the paper shortage, particularly for those U.S. companies—more than 100 of 200 in the industry—that must rely wholly on the marketplace for their supplies of pulp.

Woods labor

As a forest-resource industry, whose basic raw material is the tree, the paper business depends on reliable harvests of wood fiber to keep its mills humming. As noted earlier, unusually bad weather has impaired harvest activity. But so has a chronic shortage of woods labor, particularly in the South—where, to complicate the supply picture, a growing lumber and plywood industry competes vigorously for available timber. Meanwhile, the cost of woods labor has risen sharply, without, however, having done much to invigorate what has been called the work ethic.

Transportation

As a major user of America's railroads, the paper industry is sensitive to any development that reduces the availability of freight cars. For the past three years, railroads have been scrapping older cars at a much faster rate than they've been replacing them. This means, for example, that at the same time the volume of pulpwood and wood chips is increasing in the South, the fleet to transport these raw materials is declining. Railroads say that to purchase new equipment they need drastic increases in rates—which could cost the southern paper industry more than $23 million a year. But that as it may, the undersupply and under-utilization of freight cars throughout the nation is, to say the least, aggravating the paper shortage.

Chemicals

To make their diversified products, paper companies use a wide range of chemicals—for instance, caustic soda, chlorine, sodium chlorate, clay, and titanium dioxide—as well as such paper coating as polyethylene and aluminum foil. All are becoming less and less available—and, by the same token, more and more expensive.

INCREASING THE LONG-TERM SUPPLY

In the preceding pages an effort has been made to answer the simple question, Why a paper shortage? We have looked at capacity and investment, earnings, capital costs, operating costs, pricing, and a number of special conditions. And what we have seen certainly justifies concluding that things will get worse before getting better.

But what of the long-term future? Granted that the only way to overcome a shortage is to increase supply—what are the prospects for accomplishing this in the paper industry?

The answer to that hinges on what is done in several policy areas, among which the following are noteworthy:

Capital investment

Paper companies are recovering from the severe financial illness they suffered in 1970–71. But they're a long way from robust health. To expand capacity at anything like the levels required, they'll have to achieve a far better earnings record than they did in the past decade. Without a marked and sustained improvement in earnings, they simply can't raise the needed capital at reasonable cost. The fact that they've already borrowed heavily makes their financial task ahead all the harder.

Of crucial importance to them in their efforts to increase the supply of paper products is just tax climate. Thus, for example, continuance of the investment tax credit offers some incentive to expand facilities. And thus, too, fair treatment on capital gains encourages prudent management of timber resources.

Environmental Quality

The industry's commitment to cleaner air and water needs no more emphatic witness than the enormous sums it has spent and will spend to this end. At the same time, it does expect—and believes it has a right to expect—a rule of reason in environmental affairs.

Absolute environmental purity is out of the question in any industrial society. Thus, trade-offs between what is desirable and what is feasible must be accommodated, in the public interest. To go from, say, 95 percent to 97 percent on a scale of purity can cost as much as achieving 95 percent in the first place; but the extra outlay may be much more than anyone can bear. Surely, a wider public understanding of such cost-benefit realities will go far to confirm the future supply of many consumer products.

Resource management

Unlike such raw materials as petroleum and iron ore, trees, which provide the lumber for construction and the fiber for papermaking, are a uniquely renewable resource. They are a crop and, as such, respond to good husbandry.

Consider the results that forest-resource companies have achieved on the lands they own. Although these lands account for only 13 percent of the nation's total commercial forestland, they produce 26 percent of the raw for forest products. Moreover, they grow new wood each year at twice the average realized on public lands—the 27 percent of commercial forestland owned by government, Federal and state.

Sound forestry practices—which, be it noted, enhance environment values—could greatly increase the timber yield of public lands. The same is true, of course, for the so-called private lands, which make up 60 percent of America's commercial forests.

But before forestry know-how can be extensively applied, a sound national program for forestry development is needed. It so happens that an excellent blueprint for progress lies at hand, in the comprehensive study completed a few years ago by the Public Land Law Review Commission. As first steps, any sound program would aim at:

Reconciling the interests of special groups (admittedly, a difficult task in the case of those people who simply want to lock up more forests as wilderness areas);

Setting standards and priorities for land use; and

Providing funds for more productive management of public lands.

Foreign trade

Largely because of this country's essential need for newsprint, mostly from Canada, the U.S. paper industry had imports in 1973 of an estimated $2 billion. This was heavily offset, however, by its exports of $1.4 billion. Actually, its exports, in terms of tonnage, were down from the year before, despite the fact that profits from exports are exempt from the U.S. price-control program.

The vigorous foreign trade of America's major paper companies strengthens them in two ways: it improves their finances, and it counteracts the cyclical savings that characterize a purely domestic market. All of which helps promote a more orderly growth in paper supply.

But if international trade is to continue thriving, it must operate under rules of fair play all around. Discriminatory measures by one nation or group of nations only invite retaliation. To avoid such backward economic steps, major trading nations must stick fast to the principle that consumers everywhere benefit when world commerce moves freely.

Wise use of materials

A number of paper-company procedures fit in with the adage, "Waste not, want not." For example:

Nearly 40 percent of the industry's fuel needs are provided by its own waste processes (spent pulping liquor and bark).

Half the industry's raw material comes from secondary sources, namely, wood residues and waste paper.

Here it should be specifically noted that, of all fiber used to manufacture paper and paperboard in 1973, more than 22 percent was accounted for by waste paper. This figure could be increased in the years ahead if—and it's a big if—there were a broad, sustained, and governmentally backed program aimed at achieving waste-paper collection on a massive scale.

The public, more than ever conscious that the world's resources are finite, can be expected to support such a program and, indeed, to cooperate generally in stretching out available paper supply. All this would help ease the effects of the current paper shortage.

As for ending the shortage altogether, the key to that lies in letting the free-market mechanism work once more in the industry. Time and again in our society, production miracles have occurred when the complex elements of supply, demand, cost, and price have been permitted to find their true balance in a fair and open marketplace. Given that set of economic circumstances, the paper industry, you can be sure, will work wonders too.

VIETNAM VETS PAID THEIR DUES—WE MUST PAY OURS

HON. NORMAN F. LENT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 9, 1974

Mr. LENT. Mr. Speaker, yesterday I met with the leadership of the Long Island Collegiate Veterans Forum, a group of Vietnam-era veterans concerned about the plight of their counterparts who fought in this Nation's most unpopular war. These thousands of young men are now hard pressed to meet skyrocketing educational costs, particularly in those States with high costs of living such as New York. Further, many of them experience untolerable "redtape" in the bureaucratic morass of the Veterans' Administration when seeking the assistance this country owes them.

While I was pleased that the House unanimously passed the Veterans Readjustment Act this past February, increasing veterans educational benefits by nearly 14 percent, benefits for Vietnam-era veterans still fall embarrassingly short of those benefits extended to World War II veterans.

Vietnam-era veterans attempting to attend college full-time in New York State just cannot meet costs for tuition, books and meals, not to speak of his normal and essential living expenses. Further, Mr. Speaker, veterans are being penalized doubly by not being able to receive, in reality if not on paper, scholarships or additional student loan benefits.

GI bill participation in New York State is a full 10 percent lower than the national average, largely due to the fact that we simply are not alloting our New York veterans a living subsistence on which they can exist.

I have recently introduced legislation which would provide Federal supplements to those veterans from high cost-of-living areas to enable them to meet the skyrocketing educational costs that confront them. I am hopeful that we will move quickly to compensate the thousands of men who this Nation begged to serve—but who are now being asked to beg.

As one who had to call upon the GI bill to complete my own education following my separation from service following the Korean conflict, I know how much an adequate allowance means to those men who are trying to build a civilian career for the years ahead.

DANGERS OF "DÉTENTE"

HON. BEN B. BLACKBURN

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 9, 1974

Mr. BLACKBURN. Mr. Speaker, it is becoming increasingly clear that, were it not for "trade" with the West, the Soviet economic system would fall beneath the self-imposed burden of gross mismanagement.

It is becoming clear, also, that under the thin guise of "détente," such "trade" is the Soviet leaders' only hope for furthering their determined drive for world domination.

In recent weeks I have been pointing to one very serious fact of international life:

Exportation to the Soviet Union of U.S. technology, industrial know-how, and capital equipment has reached such proportions that our Defense and Intelligence Establishments fear for our security.

For example, these highly competent U.S. sources estimate that the sale of U.S. equipment for manufacture of precision miniature ball bearings, together with the sale of United States and British computer technology, have expedited development of Soviet MIRV's by at least 2 to 4 years.

In short, continued export of highly sophisticated U.S. technology to our prime adversary, the Soviet Union, presents beyond doubt, a twofold threat to this country:

First, U.S. technology and capital equipment, provided on easy credit to the U.S.S.R., in concert with Soviet slave or semislave labor, constitutes a direct threat to our economy. Such long-established Soviet economic warfare practices as "dumping" threatens the security of the American worker and the industry which employs him.

Second. A 10-year study by the Hoover Institution at Stanford University has established that the Soviets have yet been unable to develop a technology worthy of the description "advanced." What may be as much as 90 percent of Soviet technology continues imported from the West, or copied from the West, or obtained from the West via military and industrial espionage. Naturally, the primary beneficiary of this has been the Soviet military industrial complex which, as I speak, continues to build a massive ultramodern Red military machine against us.

I have received disturbing reports regarding a continuing and increasing flow of sophisticated American technology to the Soviets and to some of the Warsaw Pact governments. Most of the technology being transferred has a direct military application.

Apparently, we have a Secretary of State who fails, simply, to understand this two-pronged economic and military threat in progress against us in the name of "trade," and in the name of "détente."

It is shocking that, in today's world particulary, a U.S. Secretary of State could fail in such understanding. Yet, in recent testimony before the Senate Finance Committee on the Trade Reform Act of 1973, Mr. Kissinger blithely dismissed this continued Soviet military buildup as of no concern to him. Similarly, he made clear that he finds no cause to worry about this continued outflow of military-relevant U.S. technology into the Soviet Union and its war machine.

That I am not alone in my concern for this problem and, worse, for the Secretary of State's failure to see it as a problem, is an excellent article in the March 28, 1974, issue of the Machinist, published by the National Association of Machinists and Aerospace Workers.

I congratulate the editors of the Machinist and the article's author for their courage and perception in presenting this problem to the union's membership:

TO RUSSIA WITH LOVE—AEROSPACE KNOW-HOW, PRIZE IF SOVIETS RELAX TENSIONS

The Nixon Administration is offering American aerospace technology to the Soviet Union as the reward for relaxing political and military tensions around the world.

Negotiations already are underway between the Soviet government and Boeing, Lockheed and McDonnell Douglas Corps.

Earlier this month, a Lockheed wide-bodied jet transport, the L-1011, was flown into Moscow for a demonstration flight. It was the first time a U.S. wide-bodied aircraft had been permitted inside Russia. A team of 25 technicians and salesmen accompanied the 400-passenger aircraft.

More recently, a six-man delegation from McDonnell Douglas arrived in the Communist capital.

According to a copyrighted report in the current issue of the *Journal of the Armed Forces*, the Soviet Union is seeking U.S. help to build a commerical jet aircraft complex in Russia that would employ more than 80,000 aerospace workers—twice the labor force at Boeing or McDonnell Douglas.

In the article, Editor Benjamin F. Shemmer writes that "export of American know-how to build the multiplant Russian complex is one of the several conditions laid down by Soviet negotiators as a prerequisite for buying up to 30 wide-bodied U.S. jet transports."

The U.S. manufacturers are understandably anxious to make such a sale which could run up to $500 million.

Discussions, Schemmer reports, have been going on between the Russians and the three U.S. manufacturers since last October. He explains:

Russian negotiators have pegged annual output of the proposed new Soviet plant at over 100 planes. This would equal almost half of all commercial transports built by U.S. aerospace workers in 1972 and more than a third of all large U.S. jet transports delivered last year.

According to Schemmer, the Soviets want to pay for a large part of their new manufacturing complex by offset sales of aircraft from the new Russian factory to be sold in the USA.

At the same time, Soviet officials are pressing for an international airworthiness treaty that would permit Soviet planes to operate and be sold in the U.S. "as if they had already been certificated to the FAA's stringent airworthiness standards."

The only comment by the Aerospace Industries Association on the sensational report was that the Administration was encouraging the industry to sell to the Soviets.

The Administration's position was outlined this month in a little-noticed address by William J. Casey, then Under Secretary of State for Economic Affairs. Casey has since been promoted to the Presidency of the Export-Import Bank. Addressing representatives of 70 U.S. corporations, he predicted " a gradual easing of the restrictions on technological exports" to the Soviet Union and other nations of the Communist bloc.

He added that the rate of relaxation "will depend in part on progress in other areas, particularly in the reduction of political and military tensions. We believe increasing technology trade will yield not only increasing ecnomic gains but also political returns," he said.

Casey admitted that some security problems may arise, but expressed confidence in the U.S. Government's ability to surmount them. He summed it up this way:

"There are those who fear any flow of technology to the East on security grounds or on the grounds that selling a share in our technology-base would permit the socialist countries to undermine the U.S. share of the world market.

"Both of these possibilities must be viewed seriously. I have every confidence, however, that our export control procedures will insure us against undue risk to our national security. I am confident also that so long as we continue to invest our resources and our best talents in technological innovation we will retain our world leadership in technology in all those areas vital to our security and to our economic programs.

"In any case, surely we cannot maintain our leadership position by standing pat or by attempting to lock up the benefits of our technology for our exclusive use. . . ."

Reportedly the Pentagon spokesmen on the interdepartmental committee handling this question vote against relaxing restrictions on selling U.S. aerospace technology. Each time they are outvoted by the State and Commerce Departments.

FEDERAL CIVILIAN EMPLOYMENT, FEBRUARY 1973

HON. GEORGE H. MAHON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 9, 1974

Mr. MAHON. Mr. Speaker, I include a release highlighting the February 1974 civilian personnel report of the Joint Committee on Reduction of Federal Expenditures:

FEDERAL CIVILIAN EMPLOYMENT, FEBRUARY 1974

Total civilian employment in the Executive, Legislative and Judicial Branches of the Federal Government in February 1974 was 2,827,156 as compared with 2,802,809 in the preceding month of January—a net increase of 24,347. Total pay for January 1974, the latest month for which actual expenditures are available, was $3,051,674,000.

Employment in the Legislative Branch in February totaled 34,522—an increase of 514, and the Judicial Branch increased 418 during the month to a total of 9,369.

These figures are from reports certified by the agencies as compiled by the Joint Committee on Reduction of Federal Expenditures.

EXECUTIVE BRANCH

Civilian employment in the Executive Branch in February 1974, as compared with the preceding month of January and with February a year ago, follows:

	Full time in permanent positions	Change	Temporary part time, etc.	Change	Total employment	Change
Monthly change:						
January 1974	2, 433, 973		325, 877		2, 759, 850	
February 1974	2, 443, 838	+9, 865	339, 427	+13, 550	2, 783, 265	+23, 415
12-month change:						
February 1973	2, 437, 633		318, 199		2, 755, 832	
February 1974	2, 443, 838	+6, 205	339, 427	+21, 228	2, 783, 265	+27, 433

Some highlights with respect to Executive Branch employment for the month of February 1974 are:

Total employment of executive agencies shows an increase of 23,415 during the month to a total of 2,783,265. Major increases were in Treasury with 9,952, Defense with 5,149, Agriculture with 2,777, Veterans with 1,725 and Health, Education, and Welfare with 1,502.

The full-time permanent employment level of 2,443,838 reported for February reflects a net increase during the month of 9,865. Major increases were in Defense with 3,023 and Postal Service with 2,863.

During the first eight months of fiscal year 1974 there was a net increase ot 22,138 employees in full-time permanent positions. This represents an increase of 24,014 among the civilian agencies and a decrease of 1,876 in Defense agencies.

Temporary and part-time employment in February increased 13,550 to a total of 339,427. Major increases were in Treasury with 9,107, Agriculture with 2,760 and Defense with 2,095. The largest decrease was in Postal Service with 3,219.

Total employment *inside* the United States increased 22,109 in February to a total of 2,638,869. Total employment *outside* the United States increased 1,306 during the month to a total of 144,396.

In addition, Mr. Speaker, I would like to include a tabulation, excerpted from the Joint Committee report, on personnel employed full-time in permanent positions by executive branch agencies during February 1974, showing comparisons with June 1972, June 1973 and the budget estimates for June 1974:

FULL-TIME PERMANENT EMPLOYMENT

Major agencies	June 1972	June 1973	February 1974	Estimated June 30, 1974 [1]
Agriculture	82, 511	81, 715	78, 385	80, 200
Commerce	28, 412	28, 300	28, 104	28, 600
Defense:				
Civil functions	30, 585	29, 971	28, 544	28, 700
Military functions	1, 009, 548	957, 310	956, 861	996, 600
Health, Education, and Welfare	105, 764	114, 307	123, 035	[2] 123, 900
Housing and Urban Development	15, 200	15, 820	15, 088	14, 800
Interior	56, 892	56, 771	56, 952	58, 900
Justice	45, 446	45, 496	46, 857	48, 900
Labor	12, 339	12, 468	12, 217	12, 700
State	22, 699	22, 578	22, 732	23, 400
Agency for International Development	11, 719	10, 108	9, 468	9, 900
Transportation	67, 232	67, 885	67, 410	69, 500
Treasury	95, 728	98, 087	102, 976	104, 700
Atomic Energy Commission	6, 836	7, 145	7, 301	7, 400
Civil Service Commission	5, 260	5, 911	6, 198	6, 100
Environmental Protection Agency	7, 835	8, 270	8, 651	9, 200
General Services Administration	36, 002	35, 721	35, 768	37, 200
National Aeronautics and Space Administration	27, 428	25, 955	25, 531	25, 000
Panama Canal	13, 777	13, 680	13, 553	14, 000
Selective Service System	5, 791	4, 607	3, 387	3, 100
Small Business Administration	3, 916	4, 050	3, 924	4, 100
Tennessee Valley Authority	14, 001	13, 995	13, 486	14, 000
U.S. Information Agency	9, 255	9, 048	8, 854	9, 100
Veterans Administration	163, 179	170, 616	172, 441	173, 400
All other agencies	33, 499	34, 603	35, 037	37, 300
Contingencies				2, 000
Subtotal	1, 910, 854	1, 874, 417	1, 882, 751	1, 942, 700
U.S. Postal Service	594, 834	547, 283	561, 087	537, 900
Total [3]	2, 505, 688	2, 421, 700	2, 443, 838	2, 480, 600

[1] Source: As projected in 1974 budget document submitted by the President on Feb. 4, 1974.

[2] Excludes 4,000 positions involved in proposed transfer of St. Elizabeths Hospital to the District of Columbia.

[3] February figure excludes 1,134 disadvantaged persons in public service careers programs as compared with 1,390 in January.

IS THE AMERICAN PUBLIC RECEIVING A FAIR RETURN FOR THEIR OIL SHALE LANDS?—PART II

HON. CHARLES A. VANIK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 9, 1974

Mr. VANIK. Mr. Speaker, the fourth in the series of six Federal prototype oil shale program leases was put up for bids today. On sale was the second Utah oil shale tract, U-b, that has reserves of 265 million barrels of shale oil.

Only two bids were received on today's offering. A consortium of Phillips, Sun, and Sohio was the high bidder at $45,107,200. Another consortium of five small independents was the only other bid at $11,500,000.

Mr. Speaker, I continue to be very concerned with the results of the bidding on these extraordinarily rich public energy resources. Of the four highest bids, three of them have been within one penny of each other in the amount paid per barrel for shale oil reserves. The U–a tract, however, brought almost twice the per-barrel bonus bid as the others. Why is this?

It is particularly difficult to understand, given some other facts; U–b had more shale oil reserves than U–a and will require the same mining techniques, but still brought $30 million less. The following chart makes the figures somewhat easier to understand:

	Estimated recoverable oil shale reserves (from DOI FEIS, in billions of barrels)	Estimated recoverable oil shale resources (from DOI FEIS, in billions of barrels)	High bonus bid	Bonus bid per barrel reserves (cents)	Bonus bid per barrel resources (cents)
Gulf-Standard (C-a)	1. 326	4. 07	$219, 305, 600	15. 9	5. 2
Arco, Ashland, Tosco, and Shell (C-b)	. 723	. 723	117, 788, 000	16. 3	16. 3
Phillips and Sun (U-a)	. 2444	. 2444	75, 596, 800	30. 9	30. 9
Phillips, Sun and Sohio (U-b)	. 2657	. 2658	45, 107, 200	16. 97	16. 97

Mr. Speaker, the Department of the Interior must explain this disparity to the American public. Why has the U-a tract brought twice what its neighbor, U-b has? Why have per-barrel bids, except for U-a, not varied more than a penny despite a rapidly inflating dollar, the supposed impact of competitive bidding, and a shortage of domestic crude oil supplies? Why is this two-fold disparity being allowed to go unexamined by the Department of the Interior?

Mr. Speaker, if today's oil shale tract leasing had brought what the last had, the American people and the Federal Treasury would be over $37 million richer. If all four tracts brought bonus bids at the 30.9 cents per barrel rate, almost three-quarters of a billion dollars in additional payments would have been received. As it stands now, the sales of these publicly owned energy resources have brought less than $500 million—and up to 40 percent of that amount stands to be dismissed under "incentive" provisions of the oil shale leases. Payments to the public for land rentals—at 50 cents per acre per year—and royalties are a pittance—so low as to be an insult to the American public that will be charged a flat rate for the retail purchase of what was theirs in the first place.

Mr. Speaker, I hope that the Department of the Interior will proceed with an investigation into the return yielded under the prototype program for these lands. Is the public receiving a fair market value? Or are the American people being taken for a ride—once on the sale of their property to a private industry that has just posted unprecedented annual profit levels, and again on the resale of the refined product at the retail level?

Mr. Speaker, the situation presented by the results of the Federal prototype program gives us much food for thought on several areas: how can we act to prevent the majors from controlling energy resources by outbidding capital-poor independents? Will this program, and other Federal energy initiatives, continue to allow majors to get a grip on both resources and technology that independents will never be able to break?

It is time for the Congress to carefully review these potentially reckless giveaways of the public domain.

MINEOLA, N.Y., PUBLIC AND SCHOOL LIBRARIES TO HONOR PORTUGUESE AMERICANS

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 9, 1974

Mr. WOLFF. Mr. Speaker, during the week of April 21 to 27, we will be celebrating National Library Week. During this period, the school libraries and the public library of Mineola, N.Y., located in my congressional district, will be sponsoring a special program to honor Portuguese Americans living in the area. The week's activities will include a series of student presentations, a lecture and a program featuring Portuguese food and drinks. This seems to me a wonderful way to give special recognition to the many Portuguese Americans living in and around Mineola, whose unique culture and traditions have served to enrich American society as a whole.

The Portuguese first came to Mineola from the old country back in 1946. They felt at home in Mineola because of its strong sense of community, and in no time, they began to develop strong and lasting ties with the area. The Portuguese-American population in Mineola has experienced an annual growth rate of approximately 20 to 30 percent, and they are now some 4,500 strong. They are among the most law-abiding, peace-loving people on earth; surely, their presence is an asset to any community.

Many of the Portuguese in Mineola, in fact about 98 percent, are in the construction industry. Dedicated and innovative workers, they have contributed to the growth and development of the area in more ways than one. Their rich culture and enduring virtues as a people have enhanced the quality of life in Mineola; they justly deserve the tribute that will be given to them by the community during National Library Week. For their lasting contributions to the Mineola area, I join in saying "Muito obrigado".

BECOMING AN AMERICAN

HON. JOHN B. CONLAN

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 9, 1974

Mr. CONLAN. Mr. Speaker, thousands of foreign citizens come to America as immigrants each year. Many of them are penniless refugees. All of them seek new opportunities in a land of freedom.

More immigrants eventually become U.S. citizens at naturalization ceremonies held monthly in U.S. District Courts throughout the Nation. In Arizona, such ceremonies are held in Phoenix and Tucson, where scores of new citizens each year freely choose this country as their own, promising to protect and defend the U.S. Constitution and their fellow Americans from all threats at home and abroad.

These naturalization ceremonies afford all Americans a unique opportunity to reflect upon our own good fortunes. They reaffirm our determination that promise, hope, and opportunity are matters of reality, not mere rhetoric, for all who come to our shores. And they allow native Americans the chance to extend a warm, sincere welcome to new citizens, who like them now equally share the freedoms and responsibilities that make America great.

Mr. Speaker, an inspiring commentary on one such naturalization ceremony in Boston was recently published in The Christian Science Monitor. It was written by a new American citizen, and I am sure reflects the feelings of many who have shared this wonderful experience.

The article follows:

BECOMING AN AMERICAN

(By Joy Gerville-Reache)

I'm one of 59 immigrants just sworn in as American citizens here in Boston.

Some of my American friends have asked: Why do you want to join us, particularly now?

It's hard to say, in cut and dried terms. It's a sense of the time being right. Seven years ago, when I came here from Europe, I couldn't have done it. Even two years ago I couldn't.

But now, whatever the turmoil besetting the United States, I want to belong. I want to participate, to vote. I don't want to go on living, working, and paying taxes here as an outsider.

I don't love my country of origin any less because of this, but my affections have broadened. Instead of criticizing America, as I once did, I want to do my part to help, however small my contribution might be. Deep inside I know that this is the thing to do. It's a matter of feeling rather than cold reasoning.

The oath-taking ceremony has strengthened the desire to belong by making me feel wanted.

I had expected a dingy courtroom and a hustle of officialdom, but it wasn't like that. Under a fresh coat of paint District Courtroom No. 2 at Boston's John W. McCormack Building was light and dignified. This was the first sitting in it since the redecorating.

One by one the new citizens filed in: all ages and many different ethnic origins. The youngest was a smiling Asian girl, seven or eight years old, who was accompanied by her adoptive American mother.

Two officials of the Justice Department greeted each of us with patient, gentle courtesy. Sitting on my right was a beautiful Asian woman, next to her an Irishman. A woman behind me patted me on the shoulder: "You British, too?" On my left was a Portuguese girl from the Azores.

Half an hour before the sitting was due to start we signed our citizenship papers on a table in the center of the room. After the signing two women wearing the peaked caps of the American Legion handed each of us a tiny Stars and Stripes.

There was a last-minute arrival—a girl in her 20's with long, dark hair falling over her shoulders. She might have been Italian or Portuguese. The clerks who had helped with the signing had left, but the girl wasn't scolded for being late. As patiently as before the two officials reopened their briefcases and found the documents for her to sign.

Promptly at 10 a.m. the judge was ushered in. He noticed the huddle of friends of the new citizens pressed against the door and invited them to move up the room to a space still awaiting chairs after the recent redecorating. A friend of mine found a seat in the witness box.

All 59 of us stood with right hand raised while the oath of allegiance was administered.

Then the judge spoke, and what he said was warm and moving. He told us that his grandparents were Italian immigrants. I learned afterwards that he was Judge Joseph L. Tauro, whose father is Chief Justice of the Massachusetts Supreme Judicial Court. His grandfather was a shoemaker by trade.

"The great strength of this country," Judge Tauro began, "is caused by occasions such as this when men and women such as yourselves, filled with hope, high expectation and determination, join hands in voluntary association with native Americans in an oath of allegiance to the United States of America."

His grandparents, he said, came to the U.S. with no funds. "But nonetheless they had great wealth: that of health, courage, determination, faith in the American dream and faith in the virtue of hard work and in the satisfaction of doing a job well, both as a matter of personal pride and as a means for elevating the living standard of their family. I remember them well, with great love and, as I get older, increasing respect."

"But occasions such as this," the judge continued, "bring home the point that there really wasn't anything unusual about my grandparents. They were typical of hundreds of thousands of foreign-born men and women who left their home in search of something better and in the process so greatly enriched the quality of life in America.

"They were typical of you, ladies and gentlemen, all of differing backgrounds, different training and different traditions, but, nonetheless, sharing a common purpose: a dedication to the principles and ideas of this great country and a determination to preserve and enhance those principles and ideals for generations to come."

"My fellow Americans, I welcome you," he concluded.

Thank you, Judge Tauro, for making us feel wanted.

Thank you, America.

THE MILWAUKEE SYMPHONY ORCHESTRA

HON. CLEMENT J. ZABLOCKI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 9, 1974

Mr. ZABLOCKI. Mr. Speaker, last Friday evening the Milwaukee Symphony Orchestra under the sponsorship of Mr. Robert A. Uihlein, Jr., chairman and president of Jos. Schlitz Brewing Co., made its Washington debut at the Kennedy Center. This 10th and last program of the orchestra's eastern tour left no doubt to those in attendance that the Milwaukee Symphony Orchestra is among the best of the major American symphony orchestras.

The Milwaukee Symphony Orchestra, organized only 15 years ago is the youngest of the 28 major American symphony orchestras. It has developed into a resourceful, warm, professional and well balanced ensemble orchestra offering Milwaukeeans and now all Americans great symphony music.

In articles which appeared in the April 6 edition of The Milwaukee Journal and The Milwaukee Sentinel respectively, Mr. Walter Monfried reported on the warm and spontaneous acclaim of the capacity audience while Mrs. Jane Berdes captured the beauty and excellence of the Milwaukee Symphony's performance last Friday at the Kennedy Center. I am privileged to place these articles in the RECORD at this point and recommend it to the enjoyable reading of all who appreciate great music.

[From the Milwaukee Journal, Apr. 6, 1974]

D.C. PRAISES SYMPHONY, TOO

By Walter Monfried

WASHINGTON, D.C.—"So shines a good deed in a naughty world," as the bard observed.

The Milwaukee Symphony Orchestra, with Kenneth Schermerhorn conducting and his wife, Carold Neblett, as guest singer, scored so striking a success with Mahler's Fourth Symphony in New York Thursday that word of it reached the national capital immediately.

So, for Friday night's concert in the John F. Kennedy Center for the Performing Arts here, the local management asked that the Mahler be given in place of the scheduled Prokofiev Fifth. Permission was granted.

The response of the capacity audience of 2,700 was a truly remarkable one. Washington, like New York, consistently attracts dozens of the nation's and world's finest orchestras. Yet the people in Friday's audience were heard to say excitedly of the Milwaukee Orchestra: "terrific," "just great" and "as good as any orchestra we've heard."

The spokesman who announced the change in the Friday program also noted that the event was being underwritten by the Jos. Schlitz Brewing Co. and added: Schlitz supports music so much that you might say: When you're out of Schlitz, you're out of money."

After the Mahler symphony, in which Miss Neblett again sang most affectingly, pianist Gary Graffman joined the orchestra in "Rhapsody on a Theme of Paganini," the finest composition ever turned out by the revered Rachmaninoff. Graffman, who has appeared before many Milwaukee and Wisconsin audiences, was utterly brilliant in his beloved, familiar masterpiece.

Again Schermerhorn elected to close his program with a famous overture, this time the "Carnival" of Dvorak. This razzle-dazzle number was applauded so long and so heartily that Schermerhorn graciously granted an encore of the same sensational variety, the "Corsair" of Berlioz.

The two leading music critics of the capital, Paul Hume of the Washington Post and Irving Lowens of the Washington Star-News, had pleasant remarks about the Milwaukee visitors.

"Schermerhorn showed strong gifts as the trainer of an orchestra that responded to his alert direction with admirable results," Hume commented. "The orchestra has a solid sound without the grand sonorities. Precision through the rhythmic changes in the Mahler symphony was notable. Coordination in the Rachmaninoff was not always immaculate. There was some elegant solo playing from all divisions of the orchestra."

Lowens pronounced the orchestra surprisingly good. "With so many fine orchestras active, Milwaukee's can stand comparison with the best," he said. "It made a good impression."

"Schermerhorn conducted Mahler earnestly but not memorably. Mahler doesn't seem his cup of tea. Schermerhorn seemed to be pushing too hard to live up to his advance notices. The next time he and his talented colleagues come to Washington, it would be good if there were less razzle-dazzle and more musical content."

[From the Milwaukee Sentinel, Apr. 6, 1974]

SYMPHONY ADDS LAURELS IN D.C.

(By Jane Berdes)

WASHINGTON, D.C.—When the Milwaukee Symphony Orchestra debuted 15 years ago, I remember listening from one of those Pabst Theater top balcony stilted seats and being thrilled at the opening night spectacle with its promise to Milwaukeeans of future great music.

Friday night, the orchestra, authoritatively directed by a loose limbed and dashing Kenneth Schermerhorn, debuted again, this time on the nation's two year old centerstage, the Kennedy Center.

In its first Washington performance, the symphony apparently had a threefold purpose in choosing the exquisitely integrated and formidable program of romantic and post romantic music.

First, they acknowledged the honor not only of being included in the prestigious international orchestra series sponsored by the Washington Performing Arts Society, but of climaxing the series as well.

They did so by asserting a splendid maturity even though the orchestra is only midway through its second decade and it is the youngest of the 28 major American symphony orchestras.

Secondly, like proper visitors, they performed three particularly appropriate works of endearing dazzle by great European composers who had strong beliefs about America's creative future.

The evening began unconventionally with Gustav Mahler's joyful Fourth Symphony, written in 1901. Nothing demonstrated the appearance of yet another jewel in the American orchestra firmament so well as this innovative self introduction.

The work had been given in New York's Carnegie Hall on Thursday. It replaced another far different musical tribute to the soul soaring spirit of man, Prokofiev's Fifth Symphony.

It was a last minute substitution and gave Washington a glimpse of Schermerhorn's wife, Carol Neblett.

Conductor Schermerhorn, in aqua ruffles and bolero cutaway tail, produced a surfeit of sounds from his well balanced ensemble now grown to 95, one-third women. Their work on the Mahler throughout was more than mature, rather genuinely beautiful.

After the intermission, the joyous explosive feeling continued with the guest soloist, Gary Graffman, in the "Rhapsody on a Theme" of Paganini by Rachmaninoff which the composer premiered himself in Philadelphia in 1934.

The rhapsody with its 24 variations including poignant No. 18, begs for brilliant but keen pianism. Graffman, at 46, is at the height of his virtuoso powers and displayed the utmost of tender and electrifying reaches.

The program was the tenth and last of the orchestra's eastern tour. The tour was made possible by a grant from the Jos. A. Schlitz Brewing Co.

CAPITOL HILL DAY SCHOOL HOLDS OPEN HOUSE

HON. WALTER E. FAUNTROY

OF THE DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 9, 1974

Mr. FAUNTROY. Mr. Speaker, our efforts to bring vitality to urban neighborhoods, if they are to succeed, will depend on a diverse mix of public and private efforts to assure adequate housing, commercial services, medical care, and other services. At the center of this mix are the public, private, and parochial schools, for they determine whether the city can really be a desirable place to raise a family.

Just a few blocks from where we sit today is a school which understands this precept very well. Capitol Hill Day School concentrates on making its urban setting an exciting place for children to grow and learn. First, the school shapes its enrollment to reflect the heterogeneous population, economically and racially, of Capitol Hill and Southwest Washington. Second, it has managed to keep tuition quite low to assure that the school is available to families of average means, and it provides scholarship assistance to children from low-income situations.

Finally, it concentrates on taking advantage of the many educational resources available to the public throughout the Washington metropolitan area. This philosophy is, perhaps, best reflected in the school's field trip program. Each class makes an average of 30 excursions per year—visiting Washington's museums and historical sites, studying nature, and experiencing contact with a wide variety of cultures and lifestyles which are found in our city.

Because it has made the urban environment a positive setting for educating children, Capitol Hill Day School has in its 6 years of existence become an integral part of the urban community that is Capitol Hill and Southeast Washington.

The public will have a chance to view the work of this school firsthand on April 21, when Capitol Hill holds open house at its two campuses. Between 3:30 and 5:30 p.m., interested citizens are invited to visit the school facilities at the Lutheran Church of the Reformation, 212 East Capitol Street, and at Christ Episcolpal Church, 620 G Street SE. Though it is housed in the two churches, the school is nonreligious.

Visitors will have a chance to visit with Capitol Hill parents and teachers, to view students work and visit their classrooms. In addition, a color slide presentation depicting the learning experience at the school will be shown at the East Capitol campus. A school bus will be available to transport visitors between the two campuses.

DEADLINE ON UNLEADED GASOLINE MAY BE DIFFICULT TO MEET

HON. TIM LEE CARTER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 9, 1974

Mr. CARTER. Mr. Speaker, I include for the RECORD a letter from the Kentucky Independent Gasoline Marketers Association which presents problems confronting the independent gasoline marketer as well as some major marketers of gasoline throughout our country.

Let me point out that it is entirely possible that sufficient supplies of nonleaded gasoline will not be available in time to meet the deadline of July 1, 1974. While the purpose behind the regulation is no doubt a good one, the inability of our independent marketers to obtain needed supplies of unleaded gasoline or to install the necessary equipment is a major point of concern. It seems to me that a reasonable extension of this deadline would be a wise move, and one very much needed by our large number of independent marketers.

KENTUCKY INDEPENDENT GASOLINE
MARKETERS ASSOCIATION,
Louisville, Ky., March 27, 1974.

TIM LEE CARTER,
Member of Congress,
Washington, D.C.

DEAR CONGRESSMAN CARTER: As you are aware, the EPA regulations on unleaded gasoline are scheduled to go into effect on July 1, 1974, with very stiff fines proposed for those companies that do not comply with the regulations on that date. Under the EPA guidelines, virtually every marketer in Kentucky will be required to comply with these regulations or be subject to the penalties prescribed.

Most of the independent/private brand marketers in Kentucky are experiencing extreme difficulty in preparing to meet the EPA regulations by the July 1st deadline. Many of them have not been able to obtain a commitment from their suppliers that the unleaded gasoline will be available to them. Those that have received commitments from their suppliers have not been assured of any specific amount nor that the unleaded product would be available prior to July 1st. And virtually all the independents are having difficulty in obtaining the necessary equipment to handle the unleaded gasoline.

Several independents have reported that they have been informed that if current storage facilities are used, the tanks must be purged of leaded gasoline contamination by running several loads of unleaded gasoline through them. They also report that some suppliers are already doing this in their own retail outlets, so as to have them purged by July 1st. If these reports are true, that tanks have to be purged in this manner and that the unleaded gasoline will not be available to independents before July 1st, then it will be impossible for any independent/private brand marketer to comply with the regulations on July 1, 1974.

The Board of Directors and Officers of KIGMA request your assistance in obtaining an extension of time for those marketers that can document their inability to meet the regulations by July 1st due to lack of product and/or equipment. If an extension is not granted to these marketers, most of them will be forced to close down their entire operations, which could result in a Federally assisted monopoly in favor of the major integrated oil companies.

Very truly yours,
KENNETH J. PAPP,
Executive Director.

THREE BILLS FOR SENIOR CITIZENS

HON. DONALD G. BROTZMAN

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 9, 1974

Mr. BROTZMAN. Mr. Speaker, I am today introducing for myself and my distinguished colleagues, Mr. PETTIS, Mr. DUNCAN, and Mr. CLANCY, three pieces of legislation which I believe are necessary to ease the plight of our Nation's senior citizens. Each year I hold a series of senior citizens' forums throughout my district. The three bills I am introducing reflect three of the more frequently mentioned concerns at these gatherings.

The first of the bills would remove the limitation upon the amount of outside income which an individual may earn while receiving social security benefits. One of the great inequities in the social security program centers around the so-called retirement test. Under that test, social security beneficiaries, despite the fact that they may have paid social security taxes all of their lives, have their benefits reduced by $1 for every $2 they earn over $2,400 annually. To make matters even less equitable, only income from wages count in determining the individual's liability to have his benefits reduced. Income and dividend income do not.

The retirement test has a number of unfortunate consequences. First, it denies beneficiaries payments they might reasonably have expected by virtue of having had social security taxes withheld from their salaries down through the years. Second, it operates most harshly on those whose only source of income at retirement is social security. Because social security benefits may not be adequate to assure a comfortable standard of living, many of these people elect to work part time or full time. By so acting, they must continue to pay the social security tax and they must suffer a reduction in their monthly checks. Yet those who achieved sufficient wealth during their working years to invest in income-producing properties can receive full social security benefits despite their not having paid any more in social security taxes and despite their having less need for benefits during retirement.

The second bill deals not so much with an inequity in social security as it does with a gap in coordination between social security and various other federally-funded programs to assist senior citizens and veterans. I am referring to those programs which count social security as outside income in determining levels of assistance. Specifically of concern to me are the supplemental security income program, the program of aid to families with dependent children, the medicaid program, and the veterans pension program.

Under current law, benefits under the programs I have enumerated will be reduced whenever social security benefits are increased. My bill would provide that when social security benefits are increased pursuant to increases in the cost of living, such increases must be disregarded for purposes of determining benefits under the other programs. Without a change like this, many social security beneficiaries are threatened with a net reduction in benefits when cost-of-living increases are implemented.

There are, for this purpose, three classes of social security recipients. Those who have no other benefits receive the full amount of the cost-of-living increase. Those who are well below the income limitation in the other program which pays them benefits have no net improvement in their situation, because the other program will reduce benefits in an amount comparable to the social security cost-of-living increase. Despite the fact that the cost-of-living increase does as much for these people as it does others, they are economically no better off for the increase having been awarded. The third category of recipients actually can suffer a net loss. These are the persons whose cost-of-living increase takes them above the level allowed by the other program for which they receive benefits. Take the case of the medicaid recipient who receives a cost-of-living increase which makes him ineligible to continue receiving medicaid coverage. This individual will have to pay, out of his social security, for whatever medical assistance he needs that had been provided to him under medicaid, but which is not provided by medicare. Similar factual settings can be developed in the cases of each of the other Federal assistance programs mentioned above.

The third bill I am introducing amends the Truth in Lending Act to prohibit discrimination on account of age in credit card transactions. A number of my constituents have told me of their inability to obtain credit cards for no reason other than their age. I have no objection to the withholding of credit cards from persons who are determined to not be credit worthy. However, a person's age is an arbitrary and capricious basis for denying credit.

Senior citizens who are unable to procure credit cards must pay cash for everything. These persons, who are already in the group most vulnerable to muggings and robberies, are thereby faced with the prospect of carrying an amount of cash on their person which makes them an even more attractive target to the would-be assailant.

Mr. Speaker, these three bills would accord to the Nation's senior citizens benefits to which they are fully entitled. The first two bills simply remove artificially imposed limitations on benefits from a program which is supposed to pay out on the basis of lifetime contributions. The third would enable our senior citizens to deal in the marketplace on the same basis as all other individuals and not have the mere fact of their age held against them.

REFORMING OIL TAXES

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 9, 1974

Mr. RANGEL. Mr. Speaker, I would like to bring to the attention of my colleagues a noteworthy editorial which appeared recently in the New York Times.

The editorial, as you will see, raises the questions of tax payments and the tax loopholes that cheat the U.S. Government of about $9 billion. Taxes that the oil companies, I feel can well afford to pay. I agree with the editorial's contention that the oil industries should not be treated specially, but should pay their fair share of taxes. By doing this we will all benefit.

I bring to your attention the editorial that appeared in the New York Times. It is as follows:

Reforming Oil Taxes

Even though oil prices and profits have been climbing almost vertically, Congress appears reluctant to take back any of the tax breaks from the oil industry. If that industry were simply taxed on the same basis as others, it would be unnecessary to consider such emergency expedients as windfall or excess profit taxes.

Such an approach implies, first of all, that oil companies should be entitled to write off only the original cost of an oil well as it is exhausted. They should not be entitled to deduct some arbitrarily determined percentage of gross income as a depletion allowance.

Secondly, oil companies should be required to capitalize their intangible drilling costs—that is, their payments for the engineering services, labor and other costs involved in drilling a well, rather than treating them as current expenses. These outlays for acquiring a long-lasting capital asset should be deducted over the tax life of the oil well, just as the costs of acquiring a factory must be capitalized for tax purposes.

If those two basic steps were taken, the United States Government would collect about $9 billion in additional taxes—taxes that the oil companies can well afford to pay. Putting the oil companies effectively on the same corporate-profit tax basis as manufacturing and other industries would make funds available that could be used to lighten the tax load on the people hardest hit by soaring fuel and other prices. One such use might be to lighten the burden of the regressive Social Security taxes on low-income earners; another, to help launch the kind of income maintenance program Mr. Nixon has said he wants to inaugurate as a replacement for welfare.

It is time for Congress to get rid of the fiction that a large proportion of the revenues collected from American oil companies by foreign governments are taxes on "income," rather than royalties on the number of barrels of oil produced. As royalties, those payments should be treated as costs of doing business overseas, not as credits against United States taxes. In addition, it would be wise to prohibit American companies operating abroad from deducting their foreign branch losses from American taxes, even when their other foreign affiliates are earning profits.

The oil industry, which upholds the free-enterprise system when it comes to freedom from Government regulation, cannot ask to be treated as a special ward of the Government when it comes to paying taxes. There is no reason why, out of its huge and growing income, the oil industry cannot pay equitable taxes and still finance its own capital and drilling expenses. Decisions about domestic or foreign operations should be made in terms of their genuine economic desirability, rather than to take advantage of tax breaks.

SECRETARY BUTZ DISCUSSES AGRICULTURAL OUTLOOK WITH CONGRESSMAN SHRIVER

HON. GARNER E. SHRIVER

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 9, 1974

Mr. SHRIVER. Mr. Speaker, one of the mainstays of the economy of the State of Kansas is agriculture and agribusiness. The Kansas farmer, historically, has done an outstanding job in not only feeding the people of our own Nation but the world. Because of the importance of recent developments, I recently met with Secretary of Agriculture Earl Butz to discuss the agricultural outlook and problems facing Kansas and the Nation. He provided me with frank answers to my questions ranging from falling wheat prices, financial losses of cattle feeders, to fertilizer and baling wire shortages. Under leave to extend my remarks in the Record, I include the text of my interview with Secretary Butz.

Interview With Secretary of Agriculture Earl Butz (March 26, 1974)

Mr. Shriver. In the past six weeks or so wheat prices have moved from an all-time high of around $5 or $6 per bushel to something closer to $3, or at least in that neighborhood. Do you view this as a temporary market reaction or are the goods days for the farmer behind us?

Mr. Butz. No. Garner, the good days for the farmer aren't behind us. You know we've had a lot of talk about $5 wheat and above, but very few farmers sold for $5. They sold before the price went up, so it's been a run up and a run down—now that prices strengthened some in recent days; so I think this rapid decline is passed. This is a matter of fact—you can sell right now in the futures market and lock in a pretty dog-gone good price for your 1974 wheat.

Mr. Shriver. I am told we should expect a lag of about two months before we begin to see oil in the marketplace from the middle east, now that the embargo has been lifted by the Arabs. What does this portend for farmers in terms of fuel availability this spring and fuel price changes?

Mr. Butz. I think we're going to have plenty of fuel this spring. We may have tight spots. From the very start Administrator Simon and the Federal Energy Office has assured that farmers are going to have all the fuel they need to get their jobs done in '74. President Nixon has insisted on that. Only last week in Cabinet he again said we need this full production in 1974. We're going to see that we have the fuel necessary to get the job done.

Mr. Shriver. For years we have been watching the decline of the small farm and the creation of large units. If the world market for our grains softens again, will that accelerate this process?

Mr. Butz. I don't think so. The world market for our grains, I think, is going to continue pretty substantial for the foreseeable future. We're going to come through '74 crop year with a little build up in world stock, but it won't be burdensome. As a matter of fact, I can't see anything that's very dark on the horizon for 1975. We're in a situation with rising levels of affluence around the world—rising levels of eating. Now I know we have some distressed places because of the higher cost of energy, and this means that some of the importing nations, like Japan for example, will have to spend more money for the energy they import. But there's no sign they're going to slacken off in food. You know food's just about as fundamental and about as basic as energy is.

Mr. Shriver. Mr. Secretary, as you know the beef industry—cattle growers, feeders . . . have been in something of a financial bind lately. I have been receiving quite a little mail from constituents about the beef industry.

Mr. Butz. You're not the only one. We've been receiving it too.

Mr. Shriver. I bet. But something has recently happened down in your department and in government. Would you tell us about that?

Mr. Butz. Yes, even though agriculture in aggregate is in pretty good shape, we've tried to get farm income up; it is up, we make no bones about that. But there are soft spots. One of the real soft spots has been the cattle feeding industry. Our feeders are taking cattle out of the lots at an actual loss of $100 to $150 a head. They're doing that in your district in Kansas, too, and this hurts. Believe me it hurts. And placements aren't going back into the feed lots like they should. We don't like that, because that means we may be in trouble on an adequate supply of fed-beef six or eight months down the road.

But just on Tuesday of this week we announced a purchase program for beef up to $45 million to be used for school lunch. This means that we will have to store that this summer because the school is practically over this year now. But beef's a good bargain now. I think it makes sense to buy that now and I hope this puts some strength under the fed-cattle market.

Mr. Shriver. Mr. Secretary, fuel shortages have been blamed for everything lately, but in one area a shortage of crude oil has posed a real threat to Kansas farmers: it is one of the basic source ingredients for fertilizer. The official position is that there is no shortage of fertilizer, but many farmers dispute this. Can you comment on this situation?

Mr. Butz. Well, I certainly can. I don't think the official position is that there's no shortage of fertilizer. We do in fact have a shortage. We're not going to have enough to meet the demands of all our farmers. This is partly because the demand is higher than normal. On the other hand, the total tonnage of fertilizer that will be on hand for the 1974 crop will exceed that available for the 1973 crop. A lot of this was plowed down last fall. We had a good fall for fall plowing and fertilization; I think our critical area is in nitrogen. We make our nitrogen out of natural gas, and natural gas is in short supply.

We've got some problems with phosphate, but only last week the president and the chairman of the Interstate Commerce Commission ordered eleven railroads to make available one hundred hopper cars each to the Atlantic Coast Line to move phosphate out of Florida. I think that will help. And that should reach Kansas out here. I think we'll have enough nitrogen to do the bulk of our fertilization on corn this spring, and top-dressing the wheat, but not all everybody wants. They simply want more than they wanted a year ago.

Mr. SHRIVER. The situation also seems to be worsening for anyone who is in the market for bailing wire. What are the causes of this shortage, and how soon can our farmers expect to see some improvement?

Mr. BUTZ. Well, we used to get a lot of our bailing wire from imported bailing wire, then we had price ceilings on bailing wire in this country until three or months ago which I think were quite unwise. They discouraged domestic producers from producing bailing wire and dropped our imports down to a trickle, and we were running short.

We took the price ceilings off bailing wire and other steel products two or three months ago. I personally telephoned the half-a-dozen or so major manufacturers of bailing wire. They're back in the manufacturing business now, full speed. Again, we're going to have spot shortages of this; some of it has gone into the black market and into the hands of scalpers. It's not going to be easy. But we are producing it as fast as we can produce it in this country, and again, I hope we'll have enough to get by this summer.

Mr. SHRIVER. Well, there's another problem that we have had in Kansas—every year, seems like—and that has to do with railroad boxcars, and they seem to be fewer in Kansas than the farmer would like to see. Is that shortage abating?

Mr. BUTZ. That has been a real problem, Garner, and especially last year it was a real problem, but we've put approximately 16,000 new hopper cars on line in the last year. The railroads have—and they've got another six or 8,000 on order. We've improved our turnaround time in trains; we're using more unit trains. I think the situation's improved. We still don't have enough. There's going to be a shortage this summer, but less than last summer. But last year, remember, we had to move virtually two crops of wheat in one year; this year it's just a matter of moving one crop of wheat.

Mr. SHRIVER. I've heard considerable talk around the Congress—it particularly emanates from the Senate side—concerning wheat reserves, Crop reserves. What's your position on that?

Mr. BUTZ. Well, we need reserves, there's no question about that. There are proposals on the Senate side, as you said, for a huge government-held reserve. I'm opposed to that. I think three or four years ago we had huge government reserves. They weren't set up for that purpose, they were the byproduct of our price support program—they were price-depressing, they clogged the market, they were costly; it was costing us just two years ago—it was costing us $300 million a year just to store the stuff. Now those government-held reserves are gone. I think its great. I think we shouldn't accumulate them again. You can't hide a reserve, even though government owns it; you can't insulate it from the market, it's bound to be price-depressing. And therefore I think our reserves should be helped by the private trade and by the farmers.

Mr. SHRIVER. I was a cosponsor of a Rural Development Act, which contains some federal assistance provisions to help rural communities and small farmers, and that act now has been implemented. Can you assess its results yet?

Mr. BUTZ. Yes, Garner, you were a cosponsor of that, and I congratulate you for it. It was a good Act. We're moving forward on it. We have increased loan authorization for community development, for facilities to help with new business concerns that come into rural America, and I think we're set to move down the tract rapidly.

RIGHT TO PRIVACY

HON. ANGELO D. RONCALLO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 2, 1974

Mr. RONCALLO of New York. Mr. Speaker, in a decision just 73 years ago, Chief Justice Alton B. Parker of the New York Court of Appeals sounded a contemporary note, commending what we have come to call the right to privacy. "A man," wrote Chief Justice Parker, "has a right to pass through this world, if he wills, without having his pictures published, his business enterprises discussed, his successful experiments written up for the benefit of others, or his eccentricities commented upon, whether in handbills, circulars, catalogs, newspapers, or periodicals." Since 1902 the right of the citizen to be alone has been subject to intrusions on a scale which no one could have then predicted or foreseen. Data banks, numerical identifiers, and all kinds of electronic and other means of securing information have flourished, as the psalm says of the wicked, "like a green bay tree."

In his grim novel of Soviet life, "Cancer Ward," Alexander Solzhenitsyn portrayed a society in which the right to individual privacy is subverted and destroyed by the state:

> As every man goes through life, he fills in a number of forms for the record, each containing a number of questions. There are thus hundreds of little threads radiating from each man, millions of threads in all. If these threads were suddenly to become visible, people would lose all ability to move.

It is to prevent anything like this in America that I join with my colleagues today to reflect the growing concern among our people and to demonstrate the congressional commitment to privacy.

There are grave problems in both the private and the public sectors of our Nation. The use and abuse of information gathered by credit organizations, harassment of citizens by telephone and bill collection agencies, and the exchange of personal data among such bodies as banks, hospitals, insurance agencies, credit bureaus, and police are all related to the threat to confidentiality in the private sector. In the public sector there are similar problems, including the gathering and unauthorized distribution of records and other personal data, the use and abuse of national computer data banks, and the collection of information on virtually every aspect of individual life.

In the words of the Massachusetts Special Commission on Privacy and Data:

> This personal information may be collected without the consent of the individual; without provision to check its accuracy; and without control over its dissemination.

Moreover, the growing exchange of such records between governmental and private agencies gives a special urgency to the measures which have been proposed in Congress.

I am proud to be a cosponsor of bills to protect individual privacy in both the public and private sectors. H.R. 6840 would limit the sale or other distribution of mailing lists by Federal agencies. H.R. 8024 provides that individuals on whom Federal records are maintained or augmented be informed of such and have the right of inspecting and correcting the record. Disclosure to other agencies and persons are limited to those cases mandated by law, and the individual must be informed of such disclosure. In the private sphere, H.R. 10440 sets civil penalties for the use of the telephone to threaten or harass an individual in order to collect an alleged debt or to inform the individual's employer of such allegation. I strongly urge the passage of these three bills and their swift implementation.

One area of governmental concern which is always in conflict with the right to privacy is the census. This is a necessary function of the Federal Government which is mandated by the Constitution. Great care must be taken, however, to prevent the Census Bureau from overstepping their bounds. With this in mind I recently testified before the Subcommittee on Census and Statistics of the House Committee on Post Office and Civil Service regarding an abusive aspect of one of the economic census questionnaires. My testimony follows:

ECONOMIC CENSUS QUESTIONNAIRES

(By Angelo D. Roncallo)

Mr. Chairman, I am delighted to be afforded this opportunity to make this statement to the Subcommittee on Census and Statistics on behalf of H.R. 10510 which provides for Congressional approval of the content of Economic Census questionnaires.

Other witnesses, I am sure, will testify in support of the bill in general, telling you how the Bureau of the Census can and has gone beyond Title 13 of the U.S. Code as enacted by Congress and even further beyond the Constitutional requirement for a census. I think it is important that the full committee and its counterpart in the Senate take back the reins of power in this field and see to it that Congressional intent is complied with by exercising direct oversight of the questions and form of the Economic Census.

Instead of discussing the bill in general, therefore, I wish to concentrate my testimony today on an abuse currently being practiced by the Census Bureau—an abuse which I am confident the Committee would not allow, had it the power which H.R. 10510 would grant. I refer to Form MB–2, which is titled the "1972 Survey of Business Ownership" and requires businesses under penalty of law to reveal the principal source of ancestry of owners, partners or shareholders. I am deeply disturbed at the constitutional questions which this questionnaire raises.

Although the Census Bureau is prohibited by law from revealing information regarding individual firms, I believe that the Constitution is concerned with preventing the possibility of abuse at least as much as correcting present or past infringements on the rights of our citizens. Historically, such information has often been used to discriminate against minority groups. Certainly as long as lists of businesses owned by persons of specific ethnic backgrounds can be compiled by Bureau records—and they have admitted to me that this would be a simple task for the computer—there will always be those who will seek to misuse them.

As their justification for including this questionnaire under the Economic Census, the Bureau has written me that "from the point of better management and budgeting" they decided to fund the survey in this manner, thus replacing a former voluntary survey underwritten by SBA, HUD, OEO, Department of Labor and the Economic Development Administration. In doing so, of course, the survey became anything but voluntary. In effect, the Bureau is saying: you are not Americans, you are hyphenated-Americans, and if you don't believe us, you can think about it in jail.

I would not have any violent objections, were this information solicited on a voluntary basis under another census program. If persons do not mind categorizing themselves in this manner, that is fine with me. Nor, at this time, do I want to get into the propriety of collecting ethnic data in the enumerative population census. But there is absolutely no legal or moral justification for this unwarranted invasion of privacy in the name of economics. This is a social, not economic issue.

The Census Bureau says that they need these statistics to provide the above Agencies with the means to evaluate the success of their respective programs in reaching and helping target clients. This monitoring could be done as easily by each Agency using their applicants as a base or through voluntary questionnaires which would enumerate those firms which want to be identified as minority businesses. After all, if they do not want the label, they are not seeking assistance under the various aid programs and are not really a part of the target audience.

There are also procedural problems with Form MB–2, such as forcing a person of mixed origin to identify with only one facet of his heritage. The answer is not to improve the form, however, but to eliminate it entirely.

Mr. Chairman, I feel certain that the Committee would stop this and other unwarranted invasions of privacy if H.R. 10510 were enacted into law. At least every Member would finally be assured of a fair hearing of his concerns on their merits by an objective body looking to protect the public interest, rather than looking to defensively justify previously made bureaucratic decisions. As our oversight committee, you are eminently qualified to represent the House in this area and to see that Congressional intent is complied with.

I respectfully urge the Subcommittee to report H.R. 10510 to the full Post Office and Civil Service Committee so that the bill can reach the Floor of the House at the earliest possible date. Thank you, Mr. Chairman.

Mr. Speaker, ours is the challenge of preserving, protecting, and enhancing the right to privacy which belongs inviolate to every citizen, a task which will reaffirm our commitment to individual liberty and the dignity of every person under God. I commend the gentleman from California (Mr. GOLDWATER) and my colleague from New York (Mr. KOCH) for taking these special orders today. I am pleased to join with them and the other Members who have spoken on behalf of the right to privacy.

OPPOSES SUPPLEMENTAL MILITARY AID TO SOUTH VIETNAM

HON. WAYNE OWENS

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 9, 1974

Mr. OWENS. Mr. Speaker, I strongly oppose the Department of Defense request for a supplemental $474 million increase in military assistance to South Vietnam.

Congress set a ceiling of $1.126 billion on military aid to Saigon for the fiscal year 1974—a $474 million reduction from the administration's request of $1.6 billion. This $474 million increase proposal was clearly an attempt to circumvent and negate congressional efforts to place strictures on the volume of military aid given to South Vietnam. To continually approve the supplemental requests of the Department of Defense will only tend to encourage the Pentagon to take less seriously or disregard entirely the will of Congress as expressed through its annual budget.

Experience of the past decade should have demonstrated the futility of incremental increase. The supplemental $474 million request will only increase U.S. involvement and commitment in South Vietnam as well as Saigon's reliance on the United States. In addition, history has shown that increased military aid will have little effect on the outcome of the conflict in Vietnam. The only result will be an increase in the level of violence—the Vietnamese populace has already experienced 120,000 casualties since the cease-fire—and added support to a dictatorial government.

Congress must once again reaffirm its intention to reduce the level of conflict in Vietnam by deleting the requested increase of $474 million in military aid while, at the same time, maintain a commitment to assist the Vietnamese people rebuild their lives and land which have been ravaged by unending years of war.

DR. GLENN SEABORG SPEAKS ON FUTURE LIFESTYLES

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 9, 1974

Mr. BROWN of California. Mr. Speaker, I recently came across an abridged copy of a speech delivered by Dr. Glenn T. Seaborg, former Chairman of the U.S. Atomic Energy Commission that addressed many of the critical questions facing the Congress and the Nation today. I think that Dr. Seaborg put forth some very interesting ideas, that are worth considering. The speech was reprinted in the March newsletter of the California Council for Environmental and Economic Balance.

The speech follows:

ENVIRONMENT AND THE ECONOMY

TECHNOLOGY CAN PLAY POSITIVE ROLE IN SHAPING FUTURE LIFESTYLE

In our complex twentieth century world we must recognize that the capacity of our earth to sustain certain kinds of growth is limited; so we must recalibrate our traditional vision of a world with an unlimited supply of material resources, at the same time making sure that there is no limit to the growth of knowledge or of beauty in our lives. We are capable of improving our damaged environment if we will face the fact that energy use has finite and definite bounds and if we will look to long-term solutions of our energy and resource problems. Can technology help solve these problems that are crowding in on us? Technology can do it if we use it with proper guidance.

In the United States we need not sacrifice our environment or completely change our standard of living if we develop a viable energy policy. We can begin by realizing that the age of "cheap" energy is over. In fact, energy never really was "cheap"; rather, we as a society were not paying the full costs of removing and burning irreplaceable fuels from the earth, either in terms of the inevitable scarcity that this would cause or in terms of environmental damage to our life-support system on earth; these costs we have only begun to assess.

Now we are ready to make energy conservation a high priority in our everyday lives. What degree of control can a free society exercise over energy demand? We can attack the problem of reducing waste and inefficiency in the energy conversion devices we employ. Our homes are inadequately insulated; we can reduce our space heating load up to 50 percent by use of proper insulation. Progress in this direction can be made by developing insulation codes for new construction, by providing loan incentives and by scheduling adjustments in the rate structure for heating fuels and electricity.

We must examine more closely our growing use of energy-intensive materials in terms of the total cost of society of energy—including the cost of environmental degradation and resource depletion. In the future, advantages of proposed new energy-intensive technologies must be assessed against their impact on the energy situation in the whole nation. Some innovations that might be desirable from other points of view, including environmental considerations, might be an unwise use of energy.

We can, I believe, develop an energy conservation ethic in this country and be the better off for it. The prime requisite to this development is leadership by government in providing legislative, regulatory and tax incentives for conservation in the support of badly needed programs, such as mass transit and urban development and research on new energy-economical technologies, especially in the transportation area. Considerations of energy utilization are fully as important as the search for new resource reserves; in fact, in the short time frame, as great an impact can probably be made by an intensive and determined program of resource conservation as by developing new energy sources. In the long term, however, we must have government leadership in the development of new energy sources, such as solar energy, geothermal energy, gasification and liquefaction of coal, fission and fusion energy.

Let me make a few remarks about nuclear power. There is no doubt that nuclear power has the potential to play a major role in both the short- and long-range time frames. It is possible that by 1980 some 20 percent of the electrical generation in the United States will come from conventional nuclear reactors and that this will rise to more than 50 percent by the year 2000 with breeder reactors beginning to play a role by that time.

The estimates of the time scale for nuclear power development are of course very rough, and the extent to which they are realized will depend on the future electrical requirements of the United States. Another factor will be the extent to which the public has confidence that the environmental and safety problems connected with nuclear power (conventional and breeder reactors) are being solved. These problems, which have been under intense study and public scrutiny, include the disposal of radioactive wastes (which is a soluble problem), the possibility (extremely remote) of a large-scale accident, and the problems of thermal pollution and routine emission of low levels of radioactive effluents, which are much less serious.

There is also the question of competing societal values involving the use of energy; or, stated more broadly, the generic question of fragile values in society. It is clear that there is a juxtaposition and, from time to time, open conflict between, on the one hand an energy-intensive way of life which brought about and undergirds the high standard of living that we enjoy, and on the other hand our growing awareness and appreciation of man's right to a viable environment, with clean air, pure water, open space and wilderness areas. It is not sufficient to observe that such conflict exists—signs of it are everywhere—nor simply to state that they must be resolved. We must devote attention and effort, as part of our national energy policy, to the question of how we should analyze and make choices among competing social values, for it is the outcome of the perpetual contest among these values that determines the future of a society.

Our present energy situation can help insure our future if we give heed to the present warnings and look ahead to the next shortages we are going to be facing—the shortage of metals in the United States. Many of us, who have been making speeches for nearly ten years about an impending energy shortage found our warnings ignored. Now many scientists and engineers are wondering if their warnings about the metals resources shortage will also be disregarded. The Federal Government must look immediately to these problems and plan for the future before we find ourselves in the midst of a "metals crisis."

We must force ourselves to look to the future in a realistic manner and realize the importance of pursuing research and development; we may find new alternatives to modes of living that none of us have even considered.

We need also to get on with the business of recycling. We must reverse our present materials situation. Waste and scrap, which we now call "secondary materials" must become our major resources. Virtually all materials could be reused indefinitely and our natural untapped resources could become the "make-up" materials or back-up supplies to replace amounts lost in use. Here again we must all make changes in our life style, and change from an affluent society to a recycle one.

Let me conclude by a bit of general speculation about the kind of world we will inhabit in the future—not necessarily what I want to happen but what I think will happen—since this latter is what is important. I believe that the energy crisis is a forerunner of many situations which will force us to change our attitudes, behavior and institutions during the remainder of this century and that there will be many social and physical changes in the next couple of decades. We live in a world highly interdependent with other nations, and international cooperation will have to continue to increase. We will move more toward a functional and less of a possessive society, which will make us more inclined to share material things and to take pleasure in doing so. There will be great alterations in the way in which we spend our time and energies. For example, communications may substitute for transportation in business, social and educational activities. In the last decades of the twentieth century we may find ourselves sustaining some difficulties and hardships because we have not given ourselves the necessary lead time to make an orderly transition in new modes of living.

Technology can help us make the transition, however, if it is high technology, well planned and managed, based on continuing scientific advances.

COMPETITION IN THE ENERGY INDUSTRIES

HON. RICHARD W. MALLARY

OF VERMONT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 9, 1974

Mr. MALLARY. Mr. Speaker, on April 2, I rose to announce the completion of a study of competition in the energy industries sponsored by Congressman Fish, Frelinghuysen, Horton, Whitehurst, and myself. At that time, some conclusions and recommendations of the study were presented.

During the conduct of this study a great deal of information was developed concerning the origins of the present energy crisis, the imbalance between supply and demand for energy, and the role which alternative sources of energy might play in solving long-term supply problems.

I present here a summary of information developed on this background which I believe is balanced and useful:

COMPETITION IN THE ENERGY INDUSTRIES

Though the energy problem has recently been the focus of much attention, confusion still exists as to its nature. Data disputes, differing technical judgments and conflicts of interest among industrialists, consumers, environmentalists, economists and scientists, further complicate the already complex question of how energy resources in the United States should be developed and allocated.

Many reasons are advanced to explain the rising prices of fuels and the apparent energy shortage. This paper will explore one possible factor contributing to these conditions—the nature of competition within and between the energy industries.

A discussion of the current state of the energy problem in the United States is included in this paper. The major parts, however, will examine the structure of competition in the energy industries and its relation to the current energy dilemma in the United States.

The forms of energy are so interrelated, with one often substituting for another, that factors affecting one energy form inevitably affect the others. For this reason, this paper will discuss the four major energy industries—natural gas, coal, oil and nuclear energy.

THE ENERGY CRISIS—REAL OR CONTRIVED?

Is there an energy crisis or merely a competition crisis? Some claim that the energy crisis has been contrived by the major petroleum companies with the objective of higher prices, elimination of independent competitors, additional tax loopholes, and relaxed environmental standards. According to this explanation, the petroleum industry is limiting refinery output, withholding crude oil from the independent refiners, and refusing finished products to the independent distributors, hoping to put them out of business.

Others contend that the energy shortage is not artificial, but results from skyrocketing consumer demand for natural gas and petroleum products at a time when industry efforts to increase supplies are being handicapped by factors largely beyond the industry's control and when petroleum is being called upon to make up for substantial shortfalls of other fuels. From all appearances, both of these explanations have partial validity.

Demand vs. supply

A problem in assessing the supply of energy is that most available statistics come from the energy industries themselves. No independent, or government, survey of supplies exists.

Projections of demand have been made by various government agencies and panels. But experience has proven them equally unreliable. As a result, this section must be considered in light of the possible bias in the source of the information.

Though the energy problem may have been aggravated by industry and government practices, a severe problem, if not a crisis, appears to exist in the form of energy shortages. M. King Hubbert, a former Shell oil geologist, has written in *Scientific American* that fossil fuels (petroleum, coal and natural gas) will only last a few centuries longer. Hubbert says that most of the earth's remaining coal will be extracted between 2000 and 2300, that 80% of all petroleum in the United States will be used up by 1999, and that natural gas will near extinction by the end of this century.

The United States, with only 6% of the world's population, consumes 33% of the world's energy. Energy demands in the United States are growing at an annual rate of 4%; by contrast, U.S. population is increasing by slightly over 1% per year. By 1990, U.S. energy needs will be double those of 1970.

World demand for energy is rising even more quickly. During the 1960's, world demand rose by 4.9%, and it is expected to expand at an average annual rate of 5.6% during the present decade.

The U.S. consumption of natural gas from 1951–1969 increased more rapidly than the consumption of other fuels—experiencing about a 6% increase per year. Dwindling supplies have necessitated a curtailment of its use recently, and, therefore, petroleum remains the greatest source of energy. Consumption of crude oil increased at an average rate of 3.5% per year.

In contrast, the consumption of coal has decreased since the 1960's. Figures show that today natural gas supplies approximately 32% of all energy consumed in the United States as compared with 40% supplied by crude oil and 21% supplied by coal.

A closer examination of the supply and demand picture of four major sources of energy shows the role each has played and can hope to play in fulfilling our energy demands. Other sources of energy which may help supply future needs will be looked at briefly.

Petroleum

Today, the proven reserves of crude oil in the United States are the lowest since 1953. Excluding the reserves on the Alaskan North Slope, U.S. proven petroleum reserves were down to 26.7 billion barrels at the end of 1972. The U.S. share of total world proven reserves has dropped from 27% in 1952 to less than 6% in 1972. In 1972, the Middle East and Africa produced more than half of the world's total petroleum supply.

Historically, the United States had been self-sufficient in petroleum production. Domestic petroleum supplies were sufficient until the 1950's when increased needs began to be met by imports from the "friendly" nations of Canada and Venezuela. Because foreign oil was cheaper per barrel than domestic oil, imports rose sharply during the 1950's.

In 1959, the Mandatory Oil Import Program was established, placing strict limits on imports of foreign crude oil and petroleum products; its aim was to maintain a viable domestic oil industry. For a while, the program accomplished that aim; although higher prices resulted, the program protected the domestic suppliers from cheap foreign imported oil. With domestic shortages becoming critical, President Nixon suspended the import quota system in April, 1973.

Several factors have been put forth to help explain the current energy supply situation:

The Oil Import Program has, until recently, curtailed supplies of petroleum. Further, fluctuating quotas—the uncertainty of supply—have deterred the petroleum industry from fully developing refinery capacities for foreign crude. Currently, the petroleum companies are short of refinery capacity; until recently, no new refineries were under construction and the expansion of existing ones had ceased. At present, both major and independent refiners are planning to expand their capacity by a total of 740,000 barrels per day by the end of 1974, acording to FEO figures. By the end of 1977, new refineries and expansion of existing refineries should increase domestic capacity by 2.7 million barrels per day. However, uncertainty regarding future sources of crude oil caused by the Arab embargo has led some refiners to reconsider these expansion plans. In addition, the costs of pollution controls, siting delays, court injunctions, and coastal zone regulations have aggravated further the problem of insufficient refinery capacity.

The petroleum industry claims that exploratory efforts have dropped 50% in the last 16 years, due to high costs, government control of natural gas prices, increased taxes and environmental opposition. U.S. industry has found it more attractive to develop abroad, for tax benefits and other economic incentives are greater.

The Alaskan pipeline has not yet been started, and 10 billion barrels of crude oil discovered there in 1968 are still underground.

Thirty-five leases in the Santa Barbara Channel are still shut down after an oil spill there in 1969, depriving the industry of that potential petroleum production.

As a result of the Arab oil embargo, total imports of crude oil and refined products have decreased from a high of approximately 6.8 million barrels per day before the embargo to 5.2 million barrels per day at the end of January 1974, according to Federal Energy Office figures.

At the same time, an unprecedented growth in demand for gasoline and distillate fuel has occurred, with consumption setting all-time highs during the first 5 months of 1973. Demand for distillate oil, used for home heating oil, diesel fuel and some generation of electricity and industrial heating rose 9.5% from 1971 to 1972. During the first 5 months of 1973, distillate oil demand demonstrated a continued rise of 3% over the corresponding period in 1972. Gasoline demand has risen at a rate of 5% yearly from 1968 to 1971; during the past 2 years, the increase has been about 6%. Meanwhile, the volume of crude oil processed by the refiners has risen only 3%.

Many factors account for the increased demand for gasoline and distillate fuel:

The automobile mania of our society in itself accounts for a large part of the increased demand. The increase in cars on the road, the increased affluence and leisure, increased production of larger, heavier cars, plus the addition of gasoline-consuming power options on autos (air conditioning, automatic transmissions) have contributed to the increased consumption. Air conditioning, for example, when in operation, decreases automobile mileage by as much as 20%.

The growing concern for the environment has resulted in a loss of miles-per-gallon in cars with pollution control devices. According to the Environmental Protection Agency, the controls are estimated to impose a fuel penalty of 7%. The *Oil and Gas Journal* (April, 1973) conducted private tests that show a loss of 11 to 17% on gasoline mileage. Chase Manhattan Bank conducted a study which estimated that half of the expected growth in gasoline demand will be the result of controls on late model cars.

The high price of petroleum and the low natural gas prices caused many companies to switch to natural gas to satisfy their needs. As gas reserves dwindled, however, many users including electric utilities and heavy industries, have switched back to oil, adding to the skyrocketing demand.

The more stringent pollution standards have caused many users of residual oil—a high sulfur content fuel—to use the "cleaner" distillate oil. Electric utilities, for example, have been burning distillate oil to generate electricity at a rate of nearly 25 times as much per day in 1973 as in 1967.

Access to the Alaskan petroleum has been expedited by Congressional action; this petroleum could begin to be available within 3 to 4 years. Though delays have stemmed from uncertainty over leasing procedures and from major oil spills, offshore oil has already become a significant factor; by 1985, it may provide as much as 25% of the nation's petroleum needs.

As the gap between domestic supply and demand has widened, the United States has become increasingly dependent on petroleum imports. In 1960, imports supplied 18% of the nation's petroleum. Before the Arab embargo, the U.S. had been importing over one-third of its 1973 petroleum supplies. As a result of the embargo, imports are unreliable and expensive. Assuming that the embargo ends and imports return to 1973 levels, the State Department estimates that the 1974 U.S. petroleum import bill could reach $12 billion, of which $3 billion would be attributable to the recent price increases posted by Arab exporters.

Natural gas

Natural gas was not widely used and marketed until World War II. The war served as the impetus for the development of interstate pipeline transportation on a major scale. The fact that natural gas requires low capital investment and is relatively free of air pollutants spurred its further post-war growth.

Estimates place proven world reserves of natural gas at 1,144 trillion cubic feet, about 20% of that being located in the United States. Proven reserves are those which are known to exist and which can be economically recovered using known methods. According to the American Gas Association, U.S. proven reserves decreased 4% from the end of 1970 to 1971 and decreased 18% since 1967. The rapid depletion of reserves can be traced to the fact that, over the last 10 years, demand for natural gas has doubled while exploratory drilling has declined.

The uncertainty of the size of potential natural gas reserves is reflected by two conflicting figures. Such differing figures cast doubt on the actual future supply. The Gas Association places potential natural gas reserves at about 1,178 trillion cubic feet. The U.S. Geological Survey, however, estimates the figure to be 2,100 trillion cubic feet. Potential reserves are natural gas believed to exist but not yet directly proven by exploratory drilling.

In 1954, the Supreme Court, deciding against the Phillips Petroleum Company, ruled that the Federal Power Commission (FPC) is charged with regulating the price of natural gas at the wellhead. The Court held that a "natural monopoly" existed which called for such a remedy; this regulatory power proceeds from the 1938 Natural Gas Act by which the FPC was established. Regulation has caused natural gas prices to remain relatively low, causing demand to rise while supply decreased. The low price of natural gas has resulted in electric utilities, industry and home-owners burning gas simply because it is cheap. Further, the low prices have discouraged drillers from even looking for gas.

The U.S. is not running out of natural gas in the immediate future. Proven reserves are low—about a 12 year supply—but, potential reserves would last at least 50 years at present rates of consumption.

For the future, the Interior Department expects much natural gas to come from offshore drilling on the outer continental shelf. The manufacture of synthetic gas from naphtha and coal, and technical advances that make it possible to ship large quantities of liquified natural gas (LNG) from abroad in tankers are all means predicted to help fulfill future gas needs, though at a much higher price.

Coal

In contrast to the threatened depletion of petroleum and natural gas reserves, the United States has a vast coal supply. Possessing 20% of the world's coal resources—the second largest reserves in the world—the U.S. has more than 3 trillion tons of coal. Of this amount, half is considered economically recoverable with existing technology. At today's consumption rates, it will provide a 300 year supply. Air quality regulations prevent the use of the abundant coal supplies because of the high sulfur content. The environmental destruction caused by stripmining of coal has inhibited the use of coal.

The basic problem with the coal supply is that no commercially successful way of burning it cleanly has emerged. The conversion of coal to gas or oil is still inefficient; it is uncertain when technical breakthroughs will permit greater use of such products.

Coal production has dropped slightly in the last couple years. The closing of mines accounts for much of the lower production. Several factors have caused mine closings: their inability to comply with health and safety standards, the mining of high-sulfur coal that could not meet fuel quality standards in their normal marketing area, and the high operation costs. Lower productivity in the operating mines reportedly results from the need to comply with health and safety regulations. The Federal Clean Air Act of 1970 has issued tightened pollution regulations for 1975 and even tougher standards will follow shortly thereafter.

Coal is the most abundant of our fossil fuels. If processing techniques are perfected and if safe and environmentally sound extraction and combustion methods are developed, coal can supply much of our future energy demands.

Nuclear energy

Earlier government surveys were misleading as to the potential of nuclear power as a future energy supplier; in 1968, the Department of the Interior estimated that by 1973 the principal civilian nuclear power reactors in the United States would have a capacity of over 51,000 megawatts of electricity. During 1973, however, nuclear power has been providing only 17,900 megawatts of electricity, accounting for about 1% of the nation's energy and 4% of its electrical generating capacity. Thus far, about 25 nuclear power plants have received operating licenses in the U.S., and another 117 are planned or under construction.

Within the nuclear power plant is a nuclear power reactor; the reactor is the device in which a controlled nuclear chain reaction takes place by the continued self-sustaining splitting of the uranium, plutonium or thorium atoms. This reaction gives off heat. In the power reactor, the heat is used to generate electric power much as the heat from fossil fuels can be used for electrical generation. Nuclear energy is used basically for electricity and processing heat.

The nuclear industry includes all companies contributing to the nuclear field—from uranium-mining to construction of reactors. About half of all uranium mined is now processed into fuel for nuclear power plants.

In 1970, the total world market for uranium was about 30,000 tons, half of which came from the U.S. To make nuclear power economical, uranium must be recovered at $10 or less a pound. Estimated U.S. reserves of the desired uranium recoverable at that price were 840,000 tons as of January 1, 1970.

Most of the present investment is in the power reactor field, mainly by utility companies. Thus while there is actual overproduction of uranium at this time, a joint report of the European Nuclear Energy Agency and the International Atomic Energy Agency anticipates supplies will shrink as nuclear power plants increase in number, and that by 1975 or 1976, there may be a shortage of uranium.

Nuclear energy has advantages over traditional sources of energy. As a domestic energy source, it would assist our balance of payments problem. Further, nuclear power plants do not emit combustion products; plants, however, do dispose of waste heat to nearby bodies of water thus causing thermal pollution.

There is a growing concern that delicate aquatic ecology may be adversely affected by the temperature rise which results from this practice. The development of alternate systems of cooling is being attempted.

Serious technical questions regarding the safety of nuclear power plants and the cost of nuclear power rising rather than declining in comparison with coal and petroleum slowed nuclear energy development. Further delays in the development of nuclear energy are due to siting decisions which often call for approval before a myriad of different local state and federal agencies. The problems relating to licensing have resulted already in a situation in which construction of identical plants takes 5 years in Japan and over 11 years in the United States.

The Atomic Energy Commission projects that nuclear power will increase to 30% of the domestic electric generating capacity by 1985. Nuclear power may provide a long-range answer to our energy problems, but it cannot pick up much of the energy load in the next few years.

Other energy sources

Several potential sources of energy exist—sources which have not yet proven economically and technically feasible. Extensive research and development are required for hopes of using these sources to fulfill future needs:

Shale Oil—Projections indicate that commercial oil will be produced from shale at competitive prices in anywhere from 3 to 10 years. Oil shale faces severe environmental tests, because the processing produces most wasteful disposal problems.

Tar Sands—Some suggest that the tar sands of Canada would provide the fastest, lowest cost, most practical route to increase in the U.S. oil supply.

Geothermal Power—Geothermal power, electricity generated from the earth's underground heat, is now contributing modestly to power needs on the West Coast. According to some projections, it will be providing 20% of what FPC figures electricity demand will be by the end of the century.

Solar Power—Solar power, using the sun's rays to generate heat and electricity, is being explored with the belief that it is among the best prospects for a long-term energy source. Experiments with solar power will be conducted with future orbiting satellites.

Ocean gradients, tides and winds

Ocean gradients, tides and winds may have potential as energy sources if we can learn to harness them effectively.

Nuclear Fusion—Increased funds have been budgeted for developing new technology which would use the energy produced by nuclear fusion to generate electricity. However, even here scarcity is a problem: the fusion process requires the use of scarce "heavy hydrogen" nuclei.

Most studies set 1985 as the target day by which coal, nuclear power, and some of these other more exotic energy sources will be developed to meet significant portions of U.S. energy needs. Only petroleum and natural gas, however, seem to provide solutions within the time-frame and environmental requirements of the immediate U.S. energy problems.

ANISAKIASIS—ONE REASON FOR THE PURE FISH BILL

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 9, 1974

Mr. BINGHAM. Mr. Speaker, anisakiasis, or herring worm disease, is a relatively new addition to the consumers' lexicon. The hazards for man from this disease have not been fully chronicled, but one thing has become certain—eating improperly prepared salt water fish can pose as great a danger to man as consuming undercooked pork or raw salt water fish.

The Food and Drug Administration is seeking authority so that they may better protect the consumer from afflictions such as anisakiasis. In September of last year, I introduced the "Pure Fish and Fishery Products Act of 1973" (H.R. 10150) which would guarantee an improved surveillance and inspection apparatus for seafood similar to that presently in force to inspect meat and poultry destined for the U.S. dinner tables.

I commend the article appearing in the March 19 edition of the New York Times to those of my colleagues and other readers of the RECORD who are concerned with consumer safety:

FDA SEEKS CURB ON FISH PARASITE CAUSING PUZZLING DISEASE

(By Lawrence K. Altman)

Spurred by outbreaks in Europe and Asia of a puzzling, newly discovered disease caused by a fish parasite, the Food and Drug Administration is seeking to protect Americans, whose appetites for raw fish dishes have grown recently.

The parasitic infection, called anisakiasis, or herring worm disease, is relatively new in the annals of medicine. A Dutch physician, Dr. E. L. Straub, is credited with diagnosing the first case in 1955, but it was not until the mid-1960's that it was recognized as a public health problem abroad.

Last week, the first North American medical symposium on anisakiasis was held in New York. Doctors attending the New York Society of Tropical Medicine symposium at Rockefeller University agreed that the disease remained a mystery of the deep blue sea.

The parasite, which thrives in salt water fish, is rapidly destroyed by heat and is killed by freezing. It survives smoking because the temperature in the process is too low. Unless cooked, the parasite can withstand vinegar for up to 51 days. The disease does not spread from one human to another. Only those who eat infected raw or undercooked fish are infected.

EATING HAZARDS KNOWN

Though people have long known about the hazards of eating raw or undercooked pork or fresh water fish, only with the discovery of anisakiasis cases in the Netherlands and Japan have doctors learned that similar hazards can result from marine fish.

"The extent of anisakiasis as a world health problem is still being discovered," Dr. George J. Jackson, an F.D.A. parasitologist and the symposium moderator, said.

During the last decade, several hundred cases have been reported throughout the world. Just six cases have been diagnosed in the United States, all within the year since the F.D.A. set up a unit to study this and other fish-borne parasitic diseases.

The F.D.A.'s concern reflects changing American life-stlyes and the growing taste that people have acquired for raw fish like sashimi, herring or gravlax from foreign travel, growth of international trade, recipes featured in new cookbooks, and a booming interest in natural foods.

The life-cycle of the anisakine parasite is poorly understood. Seals, porpoises and whales are among the marine mammals in which the parasite completes its life cycle.

But because the anisakine parasite cannot mature and reproduce in humans, infections in man are regarded as accidental. However, the parasites can survive long enough to damage the body and confuse physicians about the correct diagnosis.

A SEVERE REACTION

Apparently, just a few small worms—each is an inch at most in length—can produce a severe inflammatory reaction in the bowel wall. This reaction is characterized by the presence of cells called eosinophils from the blood.

"How can such a small worm cause so much damage for such a large area around it in the bowel wall?" asked Dr. John D. Frame, the society's president. Scientists from virtually every laboratory working on the disease were in the audience. None could provide an answer.

"The reaction is out of all proportion to the size of the worm," Dr. Catherine Coolidge of Harvard said.

Discovery of the disease has stimulated landlubbers among these parasitologists to develop sea legs as they join commercial fishermen aboard trawlers in international waters.

Dr. Thomas Cheng of Lehigh University told his colleagues that from such studies he had found the parasite in several varieties of fish like flounder, cod and haddock sold at markets in the United States.

Many participants pointed to the explosive nature of the foreign anisakiasis outbreaks that caught everyone by surprise as a clue to a potentially important health problem rather than an exotic rarity.

Infections developed among those who ate Dutch Green Herring, the raw, lightly salted herring that people bought, for example, as they stopped at a stand at an Amsterdam street corner. Dutch legislation ended that outbreak by requiring that commercial herring be frozen for at least 24 hours before marketing.

"715"

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 9, 1974

Mr. RANGEL. Mr. Speaker, little has been left unsaid of Henry Aaron's Olympian achievement. But I would like to take the opportunity to congratulate Mr. Aaron on hitting his 715th home run last night. Not only has he eclipsed the most coveted record in sports history, but he has also given the people of this Nation a hero, someone to respect and cheer for. In spite of the differences and conflicts of men, he has brought us together through the glory of sports.

Again, I salute Mr. Aaron's achievement, and I am sure my colleagues join me in this salute to a man of supreme stature both on and off the field.

SWISSVALE BOROUGH HONORS VETERANS

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 9, 1974

Mr. GAYDOS. Mr. Speaker, I would like to take the time today to commend the citizens of the borough of Swissvale in the 20th Congressional District of Pennsylvania for their recent public recognition of the men and women who have worn a military uniform in the defense of our Nation and its way of life.

On Sunday, March 30, in a cold and whipping wind the people of this community dedicated a veterans' memorial, which reads:

> Erected by the citizens of Swissvale in honor of those who have served in the armed forces of the United States and in memory of those who made the supreme sacrifice.

The memorial, carved from marble, was surrounded by wreaths presented by various participating organizations, including Bentz-Isles Post 6697, Veterans of Foreign Wars; Swissvale Overseas Veterans, D. W. Brooks Post 63, American Legion and its Women's Auxiliary; Swissvale Ministerial Association; Acorn Club; Lodge 416, Loyal Order of Moose; Primavera Lodge 149, Order of Italian Sons and Daughters of America; Swissvale Democratic and Republican Organizations; Lodge 656, Free and Accepted Masons; Swissvale Police and Volunteer Fire Department; Chapter 62, Women of the Moose, and Lodge 1107, Independent Order of Odd Fellows.

In the principal address of the day, Mr. Samuel Neuman, chairman of the citizens fund-raising committee to erect the memorial and a member of Post 6679, VFW, pointed out it is the duty of Americans today to honor and remember those who go forth in the defense of our Nation "for they are the true guardians of freedom, justice, and equality among men."

Mayor Anthony Vergona formally dedicated the memorial as it was unveiled by Councilmen Raymond Leopold, Martin McTiernan, and Melvin Wach, and Police Chief Michael McGurk. An honor guard fired a salute to those who died as the haunting sounds of "Taps" echoed and re-echoed over the solemn crowd. The ceremonies concluded with the playing of "God Bless America" by the Swissvale area high school band, directed by Mr. Barry Laurnavich with Miss Debbie Harmuth as vocal soloist.

Mr. Speaker, I deem it proper that the Congress of the United States salute the citizens of Swissvale for their display of love for their country and respect for those who fought and died for it. I expressly commend those who participated in the formal program: Mayor Vergona, Mr. Neuman, Comdr. Joseph Giordano, Sgt. Robert Hags, and Chaplain Peter Begg, all of Post 6679, VFW, Rev. Lon Haack of the Swissvale Ministerial Association, and Rabbi Joseph Weiss of the Rabbinical Board of Greater Pittsburgh.

IN WHOSE LIFETIME?

HON. JACK BRINKLEY

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 9, 1974

Mr. BRINKLEY. Mr. Speaker, very shortly, we will be taking up H.R. 13053, the National Cancer Amendments of 1974, to authorize funding for our Nation's cancer research program for the next 3 years. On March 26 of this year I wrote to Dr. Frank J. Rauscher, Jr., director of the National Cancer Program at the National Cancer Institute. The subject of this correspondence was to request a list of scientifically approved cancer research projects for fiscal year 1973 which NCI was not able to fund.

This past week Dr. Rauscher responded to my request noting that the total value of research grants which NCI was not able to fund is approximately $22,244,959. He also added to this information a listing of construction grant applications which have been approved but are currently unfundable. The dollar value of these construction grants is $29,010,800.

The point I would like to emphasize to our colleagues, Mr. Speaker, is that the levels of funding authorized in H.R. 13053 are barely sufficient to fund slightly more than half of the approved projects at NCI. It is significant to note that in 1971 the National Panel of Consultants for the Conquest of Cancer recommended to Congress a $1 billion yearly budget by 1976 with which to fund our Nation's cancer research efforts. This panel was composed of outstanding businessmen, scientists and cancer researchers from around the country and was headed by Mr. Benno C. Schmidt, now the President's top cancer adviser.

In addressing the Interstate and Foreign Commerce Subcommittee on Public Health and Environment concerning the 1974 Cancer Act Amendments, Dr. A. Hamblin Letton—a fellow Georgian and chairman of the Legislative Committee as well as past president of the American Cancer Society—made the following comparison:

> For comparison purposes I would like to cite the NASA budget. We do not oppose it. NASA has provided some important biomedical advances such as extremely delicate heat sensors useful in the detection of breast cancer. But I think that this committee might be interested in the fact that, while we look sharply at a $1 billion budget for the Conquest of Cancer, we are still spending upwards of $3 billion per year on the conquest of space. NASA to date has spent approximately $54 billion.

I wholeheartedly agree with Dr. Letton's logic—and I firmly believe we must provide enough money to adequately fund all approved research projects so that a cure for cancer can be found at the earliest possible moment.

At this time I would like to list for the information and review of our colleagues a complete report as provided to me by Dr. Rauscher on approved but unfunded projects:

UNFUNDED FISCAL YEAR 1973 RESEARCH GRANT APPLICATIONS

Grant No.	Principal investigator	Institution	Direct costs recommended
2 R01 CA01785-21; Characterization of plasma and urinary proteins	Jirgensons, Bruno	University of Texas	$29,934
2 R01 CA01785-21A1: Characterization of plasma and urinary proteins	Jirgensons, Bruno	University of Texas, M. D. Anderson Hospital—Tumor institute	30,299
2 R01 CA03135—16: Steroids in relation to endocrine stimulated cancers	Wotiz, Herbert H	Boston University	40,500
3 R01 CA03641—1651: The coupling o. enzyme-linked oxido-reductions	Hoberman, Henry D	Yeshiva University	10,168
3 R10 CA03888—16S1: Children's cancer study group A	Leikin, Sanford L	Children's Hospital National Medical Center	33,525
2 R01 CA03917—15: Patterns of normal and tumor cells	Post, Joseph	New York University Medical Center	62,688
2 R01 CA04816—14: Histochemistry of pigments and carcinoid tumors	Lillie, Ralph D	Louisiana State University	58,844
2 R01 CA05203—13A1: Immunological studies of malignant transformation in vit.	Rose, Noel R	SUNY—at Buffalo	29,754
2 R01 CA06913—10: Anabolic control in normal and neoplastic tissues	Ives, David H	Ohio State University	28,028
3 R01 CA07110-10S1: Highly strained nitrogen heterocyclics	Gassman, Paul G	do	14,000
3 R01 CA07175-10S1: Cancer research at McArdle Laboratory, supplement.	Rusch, Harold P	University of Wisconsin	161,070
2 R01 CA07202-10: P- and s-azides, and p-aziridines—Anticancer agents	Berlin, Kenneth D	Oklahoma State University	23,071
3 R01 CA07304-10S1: Steroid hormone production and metabolism in cancer.	Gallacher, Thomas F	Montefiore Hospital and medical center	57,435
3 R10 CA07306-09S1: Children s cancer study group A	Nesbit, Mark E., Jr	University of Minnesota	5,830
3 P01 CA07368-10S1: Interrelationships of normal and cancer cells	Sweet, William H	Massachusetts General Hospital	499,397
2 R01 CA07753-08A2: Cortisol inhibition of lymphoma cells and thymocytes.	Gabourel, John D	University of Oregon	22,460
2 R01 CA07955-08A1: Regulation of mitochondria by a cytoplasmic factor	Kun, Ernest	University of California	32,682
2 R01 CA08318-07A1: Radiation effect on protein and nucleic acid metabolism.	Yatvin, Milton B	University of Wisconsin	32,578
3 R01 CA08593-07S1; Immune response to tumor grafts	Gershon, Richard K	Yale University	13,374
2 R01 CA10037-08: Mechanism of tumorigenesis	Burdette, Walter J	University of Texas	63,610
2 R01 CA10166-06A1: Osteolytic phytosteryl esters in man	Gordan, Gilbert S	University of California	36,638
2 R01 CA101 75-06A1: Oytogenetics in leukemia and immunologic deficiency.	Zuelzer, Wolf W	Child Research Center of Michigan	55,186

Grant No.	Principal investigator	Institution	Direct costs recommended
2 R01 CA12063-06: Aging and the anti-cancer defense mechansim	Baillif, Ralph N	Tulane University	$28, 941
2 R01 CA10343-07: C19-Steroid metabolism by canine and human prostate.	Cfner, Peter	Harvard School of Dental Medicine	36, 752
2 R01 CA10399-06: "Biosynthesis of pteridines and polate-like compounds"	Shiota, Tetsud	University of Alabama	29, 010
2 R01 CA10571-04: Synthesis of Di-N-Desmethyl analogs of actinomycin	Mosher, Carol W	Stanford Research Institute	19, 546
2 R01 CA10625-06: Membrane permeability of the ascites tumor cell	Aull, Felice B	New York University	26, 790
2 R01 CA10710-04A2: Nutrition and 1-carbon unit metabolism in neoplasia.	Vitale, Joseph J	Mallory Institute of Pathology Foundation	44, 652
2 R01 CA10723-10: factors controlling glycolysis in cellular systems	Coe, Elmon L	Northwestern University	25, 298
2 R01 CA10884-03: In vitro studies of the human trophoblast	Pattillo, Roland A	Medical College of Wisconsin	19, 000
2 R01 CA10995-06: Serum, urinary, and tissue enzymes in malignant disease.	Rutenburg, Alexander M	Boston University	54, 265
2 R01 CA10996-06: Pyrimidine synthesis and cell division in human cancer.	Smith, Edgar E	do	18, 000
2 R01 CA11003-04A2: Radiation effects on DNA, mechanism of protection	Kollmann, George J	Albert Einstein Medical Center	20, 226
2 R01 CA11036-05A1: Role of indole in urinary bladder carcinogenesis	Oyasu, Ryoichi	Northwestern University	23, 092
2 R01 C 11225-04: Functional status of mammary tumor mast cells	Combs, John W	Pennsylvania State University	25, 265
1 R01 CA11296-01A2: Boron compounds for neutron capture therapy of cancer.	Kaczmarczyk, Alexander	Tufts University	25, 936
2 R01 CA11331-04: Potential carcinogens related to tryptophan	Brown, Raymond R	University of Wisconsin	40, 794
2 R01 CA11465-04: Viral-induced control of host biosynthesis	Iglewski, Wallace J	University of Oregon	28, 230
2 R01 CA11496-04: Purification and biochemistry of tumor TRNA	Taylor, Milton W	Indiana University Foundation	40, 836
2 R01 CA11524-04: The control of replication in human lymphocytes	Loeb, Lawrence A	Institute for Cancer Research	30, 785
2 R01 CA11566-04: Tumor specific antigen and host immune responses	Cusumano, Charles L	University of Florida	21, 304
2 R01 CA11654-04: Melanogenesis in normal and malignant melanocytes	Maul, Gerd G	Temple University School of Medicine	43, 478
2 R01 CA11835-03: The control of DNA synthesis	Loeb, Lawrence A	Institute for Cancer Research	22, 647
3 R01 CA11898-03S1: Brain tumors, virological and immunological studies	Mahaley, M. S., Jr	Duke University	9, 300
2 R01 CA11906-03: Ferritin and iron metabolism in malignant cells	Munro, Hamish N	Massachusetts Institute of Technology	14, 917
2 R01 CA11953-03: Ultraviolet and ionizing radiation damage	Griggs, Henry G	Vanderbilt University	29, 437
2 R01 CA11976-04: Physicochemical studies of viral nucleocapsid assembly	Luftig, Ronald B	Duke University	57, 085
3 R01 CA12026-03S1A1: DNA-cysteamine, DNA-n-ethylmaleimide studies by ESR.	Milvy, Paul	New York University Medical Center	11, 615
2 R01 CA12104-03: Kinetics of epithelial repair after irradiation	Goepp, Robert A	University of Chicago	12, 695
2 R01 CA12188-03: Basic studies in tumor deprivation therapy	Riley, Vernon T	Pacific Northwest Research Foundation	36, 800
2 R01 CA12211-03: Drug and X-ray effects of DNA-RNA-protein metabolism.	Yarbro, John W	Institute for Cancer Research	27, 840
2 R01 CA12241-03: Immunological and hematological reconstitution	Meuwissen, Hilaire J	Albany Medical College	21, 784
2 R01 CA12432-02A1: Isolation of antitumor substances from plants	Fonp, Harry H	University of Illinois	29, 357
3 R01 CA12472-02S1: Molecular mechanisms of viral (SV40) carcinogenesis.	Robb, James A	University of California, San Diego	12, 249
3 R01 CA12560-02S1: Gene expressions of oncogenic viruses	Raskas, Heschel J	St. Louis University	18, 705
2 R01 CA12595-03: Thiol therapy in multiple myeloma	Adams, William S	University of California	26, 595
1 R01 CA12682-01A1: Culture studies of human gastrointestinal cancer	Trier, Jerry S	University Hospital	26, 100
1 R01 CA12698-01A1: Transvascular radiologic ablation of the adrenal glands.	Snow, Harold D	University of California	52, 928
1 R01 CA12706-01A1: Biological studies of the cancer family syndrome	Lynch, Henry I	Creighton University	123, 215
1 R01 CA12713-01A1: RNA-dependent polymerases	Ackermann, W. Wilbur	University of Michigan	34, 099
1 R01 CA12849-01A2: A study of depression in mouse lymphomas	Lumb, Judith R	Atlanta University Center Corporation	49, 560
1 R01 CA12895-01A1: Molecular mechanisms in human neoplasia	Neiman, Paul E	University of Washington	24, 806
1 R01 CA12968-01A1: Relationship between neoplasia and catatoxic steroids.	Selye, Hans	Universite de Montreal	38, 957
1 R01 CA12999-01A1: Alterations of cell membrane in human neoplasia	Krauss, Stephen	University of Tennessee	26, 635
1 R01 CA13002-01A1: Human chromosomal breakages and healing in cancer patients.	Goh, Kong-OO	University of Rochester	49, 406
1 R01 CA13055-01A1: Establishment of a crystallization laboratory	Harker, David	N.Y. State Department of Health—Roswell Park Division	12, 000
1 R01 CA13060-01A1: Secretory immunologic system in cancer patients	Waldman, Robert H	University of Florida	30, 000
1 R01 CA13063-01A1: Nuclear acidic proteins, genome regulation, and cancer.	Kongsvik, John R	Putnam Memorial Hospital	27, 923
1 R01 CA13071-01A1: Astrocytoma cell-surface alteration and host response.	Dohan, Francis C., Jr	Massachusetts General Hospital	41, 340
1 R01 CA13084-01A1: An in vitro study to detect human type-C virus	Chapman, Albert L	University of Kansas	22, 960
1 R01 CA13089-01A1: Cytophilic antibodies in tumor rejection	Mitchell, Malcolm S	Yale University	20, 730
1 R01 CA13132-01A1: Collagen breakdown in basal cell carcinoma	Woessner, J. Frederick, Jr	University of Miami	36, 501
1 R01 CA13135-01A1: Immunological response to cell-linked antigens	Baumgarten, Alexander	Yale University	27, 905
1 R01 CA13160-01A1: Effects of anticancer agents on avian blood development.	Setoc, Frank	University of Oklahoma Research Institute	18, 104
1 R01 CA13183-01A1: Ethnic factors in incidence of cancer	Modan, Baruch	Chaim Sheba Medical Center	12, 685
1 R01 CA13204-01: Fundamental studies of carcinogenesis and chemotherapy.	Haddow, Sir Alexander	University of London	31, 151
1 R01 CA13234-01: Normal and neoplastic postembryonic development	Ruben, Laurens N	Reed College	23, 291
1 R01 CA13235-01A1: Exogenous factors and surface glycoproteins in cells	Ceccarini, Costante	CUNY—Hunter College	24, 372
1 R01 CA13262-01A1: Human lymphocyte-transforming agents	Chang Robert S	University of California	55, 348
1 R01 CA13265-01A1: Modulation of tumor specific antigenic expression	Drewinko, Benjamin	University of Texas M. D. Anderson Hospital and tumor institute.	20, 000
1 R01 CA13267-01A1: A quantum chemical study of some tumor inhibitors	Flurry, Robert L, Jr	Louisiana State University	13, 253
1 R01 CA13275-01: Synthesis of potential carcinostats	Proctor, George R	University of Strathclyde	11, 772
1 R01 CA13295-01A1: Inhibition of large-size carcinogens	Boger, Eliahu	Bio-Research Institute, Inc	25, 000
1 R01 CA13310-01: Experimental therapy of lymphomas	Squire, Robert A	Johns Hopkins University	57, 976
1 R01 CA13338-01A1: Immunological studies on canine transmissible sarcoma.	Yang, Tsu-Ju T	University of Tennessee	48, 375
1 R01 CA13345-01A1: Tumor cure enhancement with heat and x-radiation	Gillette, Edward L	Colorado State University	37, 306
1 R01 CA13378-01A1: Etiology and pathology of guinea pig leukemia	Nayak, Debi P	University of California	34, 731
1 R01 CA13388-01: Radiation and chemotherapeutic studies of leukemia	Witiak, Donald T	Ohio State University Research Foundation	24, 000
1 R01 CA13404-01A1: DNA polymerases of myeloma tumor	Gottlieb, A. Arthur	Rutgers University	30, 099
1 R01 CA13406-01: Regulation of DNA transcription in hepatoma BW 7756	Anthony, Donald D	Case Western Reserve University	19, 871
1 R01 CA13425-01: Oncogenesis to carcinogens in tolerant animals	Pomeranz, Jerome R	do	24, 625
1 R01 CA13445-01A1: Collagen eiosynthesis in fibrous tumors	Henneman, Dorothy H	New England Deaconess Hospital	40, 849
3 R01 CA13453-Q1S1: Study of antigens from human cancer tissue	Turner, Michael D	University of Rochester	20, 200
1 R01 CA13460-01A1: Hepatic carcinogenesis and cholesterol synthesis	Goldfarb, Stanley	University of Wisconsin	32, 975
1 R01 CA13480-01 1: Carcinostatic and carcinogenic heterocyclic compounds.	Abramovitch, Rudolph A	University of Alabama	27, 430
1 R01 CA13519-01A1: Regulation of xanthine oxidase in cancer	Priest, David G	Medical University of South Carolina	24, 725
1 R01 CA13536-01A1: Escape of tumors from immune recognition	Nowctny, Alois H	Temple University	37, 305
1 R01 CA13546-01: Development of experimental tumor vaccines	Plescia, Otto J	Rutgers Medical School	36, 399
2 R01 CA13589-02: Leukemogenesis in the rat	Moloney, William C	Harvard Medical School	40, 545
1 R01 CA13594-01A1: Ketoaldehydes and cancer pharmacology	Szent-Gyorgyi, Albert	Marine Biologica Laboratory	27, 555
1 R01 CA13615-01: Antitumor compounds from synthetic and natural sources.	Lewis, John R	University of Aberdeen	7, 700
1 R01 CA13629-01A1: Anti-tumor chemicals from Montana plants	Shafizadeh, Fred	University of Montana	25, 100
1 R01 CA13634-01: Low molecular weight nuclear RNA in human lymphocytes.	Howard, Eugene F	Medical College of Georgia	19, 219
1 R01 CA13646-01: Investigations on purine and pyrimidine nitroxides	Preston, Peter N	Heriot-Watt University	5, 675
1 R01 CA13647-01: Antitumor agents from native Canadian plants	Bachelor, Frank W	University of Calgary	9, 300
3 R01 CA13664-01S1: Cancer immunotherapy by removing immune limitations	Rose, Sam	Health Research, Inc	60, 912
1 R01 CA13665-01: Peptidase studies aimed at earlier detection of cancer	Behal, Francis J	Texas Tech University School of Medicine	33, 540
1 R01 CA13670-01: Postradiotherapy repair of DNA by human cancer in situ.	Dalrymple, Glenn V	University of Arkansas	10, 681

UNFUNDED FISCAL YEAR 1973 RESEARCH GRANT APPLICATIONS—Continued

Grant No.	Principal investigator	Institution	Direct costs recommended
1 R01 C 13672-01: Study of cancer mortality in Oklahoma	Assal, Nabih R	University of Oklahoma	$6,390
1 R01 CA13675-01: Determinants of fatal skin tumors, United States 1950-67.	Lee, John A	University of Washington	16,660
1 R01 CA13679-01: Repair in ultraviolet-irradiated mammalian cells	Baker, Max L	University of Arkansas	22,558
1 R01 CA13686-01: Anticancer agents related to retine and megag	Paudler, William W	Ohio University	23,785
1 R01 CA13690-01: Potential steroid drugs for neoplastic diseases	Wolff, Manfred E	University of California	16,270
1 R02 CA13693-01: Support for clinical cancer research center	Tarleton, Gadson J	Meharry Medical College	400,000
1 R01 CA13699-01: Study of mammary carcinogenesis	Bresnick, Edward	Medical College of Georgia	227,373
1 R01 CA13707-01: Antitumor activities of nucleic acid-binding compounds.	Holbrook, David J, Jr	University of North Carolina	42,160
1 R01 CA13716-01: Potential mutagens and carcinogens in metabolism	Roger, Eliahu	Bio-Research Institute, Inc	33,920
1 R01 CA13719-01A1: Metabolic and compositional changes in brain neoplasms.	Sun, Grace Y	Cleveland Psychiatric Institute	37,681
1 R01 CA13736-01: Frequency of HLA haplotypes in hematologic malignancies.	Davey, Frederick R	SUNY-at Syracuse	21,799
1 P01 CA13740-01: Exploratory studies for cancer research	McBride, Raymond A	New York Medical College	47,500
1 R01 CA13742-01: Treatment of viral leukemias with mitogens	Lozzio, Bismarck B	University of Tennessee	41,405
1 R01 CA13760-01: Protein breakdown in brain tumors	Marks, Neville	New York State Department of Mental Hygiene	36,500
1 R01 CA13764-01: Polyunsaturated fats and carcinogenesis	Wilson, Robert B	Massachusetts Institute of Technology	24,953
1 P01 CA13782-01: Hemopoiesis, cancer, and bone-marrow failure	DeGowin, Richard L	University of Iowa	249,577
1 R01 CA13785-01: N-cyanotrialkylammonium salts—New alkylating agents.	Paukstelis, Joseph V	Kansas State University	18,254
1 R01 CA13789-01: Potential antineoplastics in plants in British Honduras	Piatak, David M	Northern Illinios University	10,176
1 R01 CA13792-01: Vitamin A and the glycoproteins of skin tumors	Wolf, George D	Massachusetts Institute of Technology	33,590
1 R01 CA13804-01: Synthesis of potential carcinostatic C-nucleosides	El Khadem, Hassan S	Michigan Technological University	27,952
1 R01 CA13807-01: Cancer-cell membrane analysis by Q-function	Akers, Charles K	Health Research, Inc., Roswell Park Division	67,884
1 R01 CA13819-01: Formation of carcinogens from bile acids by gut bacteria.	Abul-Hajj, Yusuf J	University of Minnesota	15,616
1 R01 CA13830-01: Spin-label differentiation of normal and tumor cells	Sancier, Kenneth M	Stanford Research Institute	22,282
1 R01 CA13842-01A1: Typing of murine and human lymphcid cell lines	Ralph, Peter	Salk Institute for Biological Studies	49,300
1 R01 CA13847-01: New transport cancer-chemotherapeutic agents	Leffler, John E	Florida State University	21,255
1 R01 CA13848-01: Potential antitumor agents from apocynaceae	Tashiro, John T	University of Rhode Island	17,897
1 R01 CA13856-01A1: Chemical induction of cell transformation by ammonia.	Visek, Willard J	Cornell University	34,949
1 R01 CA13860-01: 12-mo screening procedure for bladder cancer	Deichmann, William B	University of Miami	19,014
1 R01 CA13860-01A1: 10-mo screening procedure for potent human bladder C.	Deichmann, William B	do	12,716
1 R01 CA13866-01: Immune response of chickens to marek disease infection.	Sevoian, Martin	University of Massachusetts	17,950
1 R01 CA13868-01A1: DNA polymerases: normal and Hodgkin's Disease tissues.	Kallen, Roland G	University of Pennsylvania	20,207
1 R01 1 C 13869-01: Studies on hepatoma RNA polymerases	Jacob, Samson T	Pennsylvania State University	23,995
1 R01 CA13872-01: Asparagine analogs as potential anticancer agents	Stubbins, James F	Medical College of Virginia	18,150
1 R01 CA13875-01: Modulation of anticancer effects in salivary glands	Han, Seong S	University of Michigan	33,965
1 R01 CA13877-01: Differences between neuoblastoma and normal neurons.	Newburgh, Robert W	Oregon State University	24,350
1 R01 C 13878-01: Residual tumor kinetics after biopsy and chemotherapy	Combs, John W	Pennsylvania State University	27,909
1 R01 CA13895-01: Cytokinetic studies of murine prelymphoma	Bryant, Bernard J	University of California	24,804
1 R01 CA13896-01: Use of silastic implants for cancer chemotherapy	Long, David M	Hektoen Institute for Medical Research	35,300
3 R01 CA13899-01 S1: Radiation repair of normal mammalian tissues	Gillette, Edward L	Colorado State University	9,986
1 R01 CA13906-01: Differentiation of functional tumor cells	Wishnow, Rodney M	University of California	22,997
1 R01 CA13910-01: Acenine nucleotide metabolism in malignant cells	Gordon, Edwin E	New York University Medical Center	49,521
1 R01 CA13916-01A1: Clinical immunotherapy of malignant melanoma	Deodhar, Sharad D	Cleveland Clinic Foundation	39,180
1 R01 CA13917-01: Scintigram-processing as an aid to detection of cancer.	Pizer, Stephen M	Duke University	77,510
1 R01 C 13918-01: Hyperthermia in radiotherapy	Agarwal, Suresh K	University of Virginia	38,929
1 R01 CA13919-01: Inoculation of egg cells with tumor viral fractions	Tweedell, Kenyon S	University of Notre Dame	24,505
1 R01 CA13930-01: Studies on the immune system in malignant disease	Stone, Marvin J	University of Texas	31,023
1 R01 CA13931-01: Membrane-mediated control of latent cancer cells	Horton, A. Wesley	University of Oregon	29,913
1 R01 CA13932-01: Nucleoprotein function in the normal and abnormal cell.	Benjamin, William B	University of Pennsylvania	49,985
1 R01 CA13948-01: Exploratory studies for cancer research	Armentrout, Steven A	University of California	41,219
1 R01 CA13950-01: Mechanisms of enzyme degradation in hepatomas	Celler, Arthur M	University of Tennessee Medical Units	23,648
1 R01 CA13954-01: Genetics of susceptibility to induced carcinoma	Burdette, Walter J	University of Texas	57,405
1 R01 CA13956-01: Clinical and experimental studies of tumor antigens	Goldenberg, David M	Temple University, School of Medicine	30,000
1 R01 CA13959-01: A macrophage opsonin and toxin in tumor immunity	Klein, Morton	Temple University	28,320
1 R01 CA13969-01: Action of nitrous acid and maleic hydrazide on chromatin.	Bello, Jake	Health Research, Inc	26,016
1 R01 CA13974-01: Mechanisms of BCG—Mediated tumor rejection in leukemia.	Vogler, William R	Emory University	34,478
1 R01 CA13976-01A1: Biochemical properties of melanosomes in melanoma.	Siakotos, Aristotle N	Indiana University Foundation	42,096
1 R01 CA13995-01A1: Organometallic aziridines	Zuckerman, J. J	SUNY—At Albany	32,436
1 R01 CA13997-01: Antitumor compounds from camptotheca tissue cultures.	Carew, David P	University of Iowa	11,248
1 R01 CA14002-01A2: Cyclic nucleotide control in adrenocortical carcinoma.	Sharma, Rameshwar K	University of Tennessee	35,448
1 R01 CA14009-01A1: Blocking antibodies and tumors caused by polyoma virus.	Price, Winston H	Johns Hopkins University	35,537
1 R01 CA14032-01: Protein synthesis in hormone-dependent tumors	Brooks, Sam C	Michigan Cancer Foundation	17,550
1 R01 CA14033-01: Association of HL-A antigens and childhood tumors	Mahour, Gholam H	Childrens Hospital	12,598
1 R01 CA14039-01: Membrane effects of ionizing radiation	Wallach, Donald F	Tufts University, Boston	30,640
1 R01 CA14041-01: Prevention of bladder damage due to cyclophosphamide.	Harrington, Avery R	University of Wisconsin System	12,844
1 R01 CA14042-01A1: Neutralization of a tumor virus by antibody	Rodriguez, Jose E	University of Iowa	54,862
1 R01 CA14046-01: Humoral factors enhancing tumor growth	Abdelnoor, Alexander M	American University of Beirut	33,875
1 R01 CA14048-01: Effect of selenium on FAA and den cancer in the rat	Weswig, Paul H	Oregon State University	20,335
1 R01 CA14055-01A1: The immune mechanism of regression of papilloma.	Watrach, Adolf M	University of Illinois	30,000
1 R01 CA14057-01A1: RNA transfer of tumor-specific immunity	Davis, Robert C	Boston University	38,471
1 R01 CA14065-19: Studies on tissue heparin in mast cell tumor	Marx, Walter	University of Southern California	31,432
1 P01 CA14067-01: Epidemiology of cancer	Stern, Elizabeth	University of California	149,015
1 R01 CA 14073-01: Selective uptake of estriol by the pancreas and prostate.	Kirdani, Rashad Y	New York State Department of Health, Roswell Park Memorial Institute.	9,700
9 R01 CA14076-16: A study of host-virus relationships	Watanabe, Yasushi	Wistar Institute	57,785
1 P01 C14092-01: Cancer epidemiology	Anderson, Paul S., Jr	University of Oklahoma	94,216
1 P01 C14098-01: Exploratory studs for cancer research	Harrell, George T., Jr	Pennsylvania State University	44,476
1 R01 CA14107-01: Hyperthermia in the chemotherapy of malignant gliomas.	Sutton, Carl H	University of Miami	44,460
1 R01 CA14111-01: Macromolecular exchange between normal and tumor cells.	Kolodny, Gerald M	Massachusetts General Hospital	24,962
1 R01 CA14129-01: Defective genome of adeno-associated virus and oncogenes.	Mayor, Heather D	Baylor College of Medicine	31,162
1 R01 CA14132-01: Iso-accepting TRNA'S in growth and differentiation	Sells, Bruce H	Memorial University	14,200
1 P01 CA14133-01: Exploratory studies in cancer research	Hirschberg, Erich	College of Medicine and Dentistry	70,500

Grant No.	Principal investigator	Institution	Direct costs recommended
1 R10 CA14141-01: Primary breast cancer therapy group	Donegan, William L	Cancer Research Center	$23,435
1 R01 CA14161-01: Effect of anticancer drugs on macrophages	Megirian, Robert	Albany Medical College	23,600
1 R01 CA14164-01: Opsonic and phagocytic activity during tumor growth	Saba, Thomas M	University of Illinois	33,511
1 R01 CA14174-01: Studies on the pathogenesis of pituitary tumors in man.	Lawrence, Ann M	University of Chicago	16,323
1 R01 CA14176-01: Sulfur heterocycles as potential anticancer agents	Foye, William O	Massachusetts College of Pharmacy	10,600
1 R01 CA14179-01: Cellular growth in normal and malignant cells	Hershko, Avram	Technion the Abe Khoushy School of Medicine	35,400
1 R01 CA14181-01: Trace elementsi n malignant cell cultures	Bearse, Robert C	University of Kansas	44,232
1 R01 CA14186-01: Carcinogenic metals and aryl HC hydroxylase	Furst, Arthur	University of San Francisco	26,810
1 R01 CA14187-01: Pharmacodynamics of vincristine	Jusko, William J	SUNY—at Buffalo	35,542
1 R01 CA14195-01: Core grant—Regulation, the cell membrane and cancer.	Holley, Robert W	Salk Institute for Biological Studies	816,200
1 R01 CA14196-01: Enzymatic modification of chemical carcinogens	Shaw, Charles R	University of Texas	29,000
1 R01 CA14197-01: Isopentenyl adenosine and related antitumor analogues.	Rustum, Youcef M	New York State Department of Health	45,168
1 R01 CA14198-01: Galactose and glucose uptake and metabolism in tumor cell.	Kalckar, Herman M	Massachusetts General Hospital	20,000
1 R01 CA14201-01; Host factors in cancer: Genetics of chromosome breaks.	Antley, Ray M	Indiana University Foundation	23,343
1 R01 CA14212-01: Investigation of Drug- and X-ray-sensitivities of cells	Friesen, Benjamin S	University of Kansas	15,551
1 R01 CA14214-01: Tumor virus transmission by bloodsucking insects	Fischer, Robert G	University of North Dakota	28,700
1 R01 CA14220-01: Control of Lipogenic enzymes in tumor cells	Porter, John W	University of Wisconsin	25,241
1 R01 CA14225-01: Leukemia chemotherapy: Improved drugs	Notari, Robert E	Ohio State University	19,750
1 R01 CA14233-01: Anti-cancer thiopurines devoid in immunosuppression.	Fu, S.C. Joseph	Medical College of New Jersey	37,375
1 R01 CA14243-01: Biochemistry of cancerous submaxillary glands	Pigman, W. Ward	New York Medical College	58,634
1 R01 CA14244-01: High resolution electron spectroscopy in cancer research.	Anderson, David W	University of Oklahoma Foundation, Inc	23,940
1 R01 CA14245-01: ESR in radio-labeled cancer related biochemicals	Pullman, Ira	New York Medical College	34,080
1 R01 CA14247-01: DNA-binding proteins and the regulation of DNA synthesis.	Salas, Jose	Instituto Gregorio Maranon	35,430
1 R01 CA14251-01: NMR studies of DNA-bound antitumor drugs	Kuhlmann, Karl F	Stanford University	21,526
1 R01 CA14255-01: Catecholamines in neoplastic and psoriatic lesions	Straile, William E	Temple University	31,144
1 R01 CA14256-01: B and T cell lineage in lymphoid neoplasms	Aisenberg, Alan C	Massachusetts General Hospital	43,172
1 R01 CA14261-01: Chemical modification of tumor specific antigens	Habeeb, Ahmed F	University of Alabama	47,540
1 R01 CA14263-01: Thymus function in spontaneous murine leukemia	Nagaya, Hiroshi	Duke University	22,000
1 R01 CA14285-01: Effect of dose fractionation on hepatic carcinogenesis	Albert, Roy E	New York University	36,700
1 R01 CA14287-01: Microsomal enzymes in carcinogen transformation	Brown, Harry D	Cancer Research Center	24,358
1 R01 CA14292-01: Cancer chemotherapy mathematics: Multiple myelcma.	Aroesty, Jerome	Rand Corp	61,431
1 R01 CA14295-01: Guinea pig histocompatibility and leukemia antigens	De Weck, Alain L	University of Bern	20,900
1 R01 CA14302-01: Immunotherapy of spontaneous leukemia in AKR mice.	Pollard, Morris	University of Notre Dame	41,060
1 R01 CA14306-01: B12 binding proteins in hematologic malignancies	Gilbert, Harriet S	Mount Sinai School of Medicine	24,909
1 R01 CA14309-01: Lactate dehydrogenase inhibitors as anticancer agents.	Bramhall, Ray R	Standford Research Institute	19,714
1 R01 CA14316-01: Side effects of estrogen therapy in prostatic carcinoma.	Albert, David J	New York State Department of Health	24,971
1 R01 CA14317-01: The role of lymphocytic factors in tumor immunity	Blazkovec, Andrew A	University of Wisconsin	40,000
1 R01 CA14318-01: Phospholipid metabolsism of necplasias	Waite, B. Moseley	Wake Forest University	26,329
1 R01 CA14320-01: Anticancer drug effects on in vitro human tumor cells.	Drewinko, Benjamin	University of Texas M. D. Anderson Hospital and tumor Institute.	32,496
1 R01 CA14324-01: Chemical carcinogenesis at the nuclear level	Jungmann, Richard A	Northwestern University	36,124
1 R01 CA14325-01: GTH receptors in normal and cancerous ovarian tissue	Cculson, Patricia B	University of Tennessee	38,900
1 R01 CA14334-01: Oxygen effects on repair of chromosome abberations	Rushton, Priscilla S	Memphis State University	10,425
1 R01 CA14335-01: EPR studies on detection and treatment of cancer	Zimbrick, John D	University of Kansas	72,537
1 R01 CA14339-01: Solid tumor immunotherapy using neuraminidase	Rosato, Francis E	University of Pennsylvania	40,878
1 R01 CA14357-01: Synthesis of azaanalogues of myocphenolic acid	Rac, Kcppaka V	University of Florida	19,876
1 R01 CA14358-01: Synthesis of ornithine decarboxylase inhibitors	Kier, Lemont B	Massachusetts College of Pharmacy	10,900
1 R01 CA14366-01: Comparison of lymphocyte immune responses in cancer.	Hardy, Mark A	Yeshiva University	36,486
1 R01 CA14369-01: Steroid 5—Reductase activity in human brain tumors	Green, Orville C	Children's Memorial Hospital	23,471
1 R01 CA14372-01: Cell repair after exposure to ionizing radiation	Yatvin, Milton B	University of Wisconsin	28,763
1 R01 CA14376-01: Repair in irradiated, synchronized mammalian cells	Leeper, Dennis B	Thomas Jefferson University	27,746
1 R01 CA14379-01: Cancer of the thyroid and cyclic amp	Kalderon, Albert E	Roger Williams General Hospital	10,500
1 R01 CA14381-01: Lymphocytotoxicity against liver and colon carcinoma	Paronetto, Fiorenzo	Mount Sinai School of Medicine—CUNY	29,368
1 R01 CA14389-01: Enhancement of immunological reactivity of immunocytes.	Yonemoto, Robert H	City of Hope National Medical Center	28,376
1 R01 CA14390-01: Lymphocyte function during treatment of cancer	Pauly, John L	Health Research, Inc	33,065
1 R01 CA14393-01: Radiation sensitivity of chromosome replication forks	Grunau, John A	University of Missouri	14,816
1 R01 CA14398-01: Surface properties of normal and neoplastic cells	Stotzky, Guenther	New York University	24,230
1 R01 CA14399-01: Biostable acyl groups in malignant and normal cells	Geyer, Robert P	Harvard School of Public Health	41,389
1 R01 CA14400-01: Open-ring analogs of camptothecin as antitumor agents.	Saggiomo, Andrew J	Germantown Laboratories, Inc	15,830
1 R01 CA14410-01: Studies of the cachexia of malignancy	Glennon, Joseph A	Tufts University	30,163
1 R01 CA14412-01: Benign and malignant proliferation of the B lymphocyte	Lo Buglio, Albert F	Ohio State University	29,272
1 R01 CA14417-01: Scanning electron microscopy of human malignant tumors.	Boyd, Carole B	Wayne State University	11,493
1 R01 CA14421-01: Damage of visual cell DNA by chemicals and radiation	Pautler, Eugene L	Colorado State University	19,324
1 R01 CA14423-01: Chronic irradiation and reverse transcriptase activity.	Henderson, Thomas R	Lovelace Foundation for Medical Education and Research	91,072
1 R01 CA14424-01: Plasma chromosomal breaking factor in irradiated patient.	Goh, Kong-CC	University of Rochester	47,568
1 R01 CA14435-01: Characterization of cytochromes from ascites tumor	Braungart, Dale C	Catholic University of America	18,848
1 R01 CA14437-01: Tumor autonomy	Lippincott, James A	Northwestern University	33,750
1 R01 CA14440-01: Biological inhibitor of transplantable mouse tumors	Kimsey, Letitia S	University of Louisville Foundation, Inc	15,202
1 P01 CA14455-01: Cancer research and clinical center exploratory grant.	Smith, Richard T	University of Florida	115,230
1 R01 CA14467-01: Cancer as related to cel differentiation	Seecof, Robert L	City of Hope National Medical Center	35,735
1 R01 CA14469-01: Genetics of mammalian cells with emphasis on malignancy.	Englesberg, Ellis	University of California	67,568
1 R01 CA14478-01: Cytological studies and in situ localization of MTV	Das, Nirmal K	do	35,705
1 R01 CA14479-01: Viral expression in synchronized transformed cells	Hodge, Lon C	Yale University	17,180
1 R01 CA14480-01A1: The role of chromosome damage in cancer	O'Neill, Frank J	University of Utah	24,848
1 R01 CA14482-01: Studies on CEA-reacting antigens	Rule, Allyn H	Mount Sinai School of Medicine	91,516
1 R01 CA14491-01: Abnormal transport glycoproteins in hepatoma	Waxman, Samuel	CUNY Mount Sinai School of Medicine	32,715
1 R01 CA14493-01: Exploratory studies in cancer research	Brickman, Isadore D	Charity Hospital	92,510
1 R01 CA14494-01: In vitro thymidine uptake in myeloid leukemia	Sokal, Joseph E	New York State Department of Health, Roswell Park Division	12,782
1 R01 CA14508-01: Malignancy and interferon production	Epstein, Lois B	University of California	49,262
1 R01 CA14509-01: Etiology of polyposis coli	Watne, Alvin L	West Virginia University	100,000
1 R01 CA14536-01: Cancer institute core proposal	Murphy, Gerald P	Roswell Park Memorial Institute	1,444,838
1 R01 CA14537-01: Drug interactions during cancer chemotherapy	Klubes, P	George Washington University	28,899
1 R01 CA14539-01: Studies on carcinogenicity of edible plants	Hirono, Iwac	Gifu University	9,690
1 R01 CA14543-01: Influences of isoenzymes on Ehrlich cell glycolysis	McKee, Ralph W	University of California	16,229
9 R01 CA14544-06: Hematopoiesis	Campbell, Ferrell R	Stanford University	22,709
1 R01 CA14545-01: Transformation of lymphoid cells by tumor RNA	Giacomoni, Dario	University of Illinois	32,738
1 R01 CA14561-01: Immunotherapy in patients with melanoma	Seigler, H. F	Duke University	18,140
1 R01 CA14567-01: Surface properties of malignant cells	Doljanski, Fanny	Hebrew University of Jerusalem	26,200
1 R01 CA14570-01: Psychosocial variables and lung cancer	Schwartz, Mark S	Mayo Foundation	5,000

UNFUNDED FISCAL YEAR 1973 RESEARCH GRANT APPLICATIONS—Continued

Grant No.	Principal investigator	Institution	Direct costs recommended
1 R01 CA14583-01: Aziridine and pyrrole derivatives as anticancer agents	Abramovitch, Rudolph A	University of Alabama	$29, 120
1 R01 CA14596-01: New analogs of folic acid for cancer chemotherapy	Baugh, Charles M	do	39, 950
1 R02 CA14599-01: University of Chicago Cancer Research Center	Ultmann, John E	University of Chicago	1, 916, 861
1 R01 CA14602-01: Acidic nuclear proteins and viral infection	Holoubek, Viktor	University of Texas	13, 817
1 R01 CA14612-01: Chelation and cancer	Williams, John R	Temple University	24, 194
1 R01 CA14615-01: Synthesis and evaluation of new folate antagonists	Hynes, John B	Medical University of South Carolina	28, 161
1 R01 CA14616-01: Heterocyclic analogs of lapachol as antitumor agents	Casey, Adria C	New England Institute	18, 536
1 R01 CA14617-01: Thiamine mediated formation of hydroxamic acids	Corbett, Michael D	University of Mississippi	17, 448
1 R01 CA14623-01: Use of labeled antibodies for the detection of tumors	Buchsbaum, Donald J	University of Minnesota	27, 003
1 R01 CA14625-01: HSV-2 antigens and virus from cervical neoplastic cells.	Aurelian, Laure	Johns Hopkins University	42, 190
9 R01 CA14629-07: Structural requirements of cancer-inhibitory processes	Kaplan, Leonard	University of Chicago	41, 460
1 R01 CA14631-01: Regulation of glutamine synthetase activity of hepatcma.	Kulka, Richard G	Hebrew University	25, 550
1 R01 CA14642-01A1: Malignant transformation mediated by H. Sylvilagus.	Pogo, Beatriz G	Public Health Research Institute	31, 875
1 R01 CA14657-01: Alkylation of nucleic acids by pharmacologic agents	Paul, Joseph S	University of Texas Southwestern Medical School	36, 564
1 R01 CA14668-01: Radiation protectors as an adjunct to radiotherapy	Sigdestad, Curtis P	University of Louisville	21, 60
1 R01 CA14671-01: The enzymes associated with Leukemia viruses	Critz, Priscilla J	University of Pennsylvania	37, 781
1 R01 CA14689-01: Repair and replication of liver DNA in chem carcinogenesis.	Sarma, D. S. R	Temple University	25 538
1 R01 CA14695-01: New triazenoimidazoles as potential anticancer agents	Stocker, Fred B	Macalester College	7, 521
1 R01 CA14698-01: "T" and "B" cells in malignancy	Vosika, Gerald J	University of Minnesota	20, 794
1 R01 CA14702-01: Immunological studies of reticulcendotheliosis virus	Levine, Alvin S	Indiana University Foundation	42, 452
1 R01 CA14726-01: A model for differentiation and oncogenesis	Walter, Charles F	University of Texas	34, 340
1 R01 CA14730-01: Study on virus induced leukemic stem cells in mice	Matioli, Gastone	University of Southern California	52, 780
1 R01 CA14740-01A1: A new A-macroglobulin in cancer, pregnancy and trauma.	Berne, Bernard H	Indiana University Foundation	21, 418
1 R01 CA14743-01: DNA replication in mammalian cells: Membrane bound DNA.	Toliver, Adolphus P	University of California	37 470
1 R01 CA14745-01: Immunological studkes of fetal-tumor relationships	Mizejewski, Gerald J	University of South Carolina	30, 000
1 R01 CA14749-01: Multiple drug therapy of transplanted murine tumors	Avery, Thomas L	St. Jude Children's Research Hospital	19, 526
1 R01 CA14753-01: Subcellular compartmentation: Role in carcinogensis	Martin, Arlene P	University of Missouri	22, 295
1 R01 CA14761-01: Tumorigensis and plasmids in grown-gall bacteria	Pootjes, Christine F	Pennsylvania State University	16, 173
1 R01 CA14762-01: Ribosomal RNA maturation in mammalian cells	Wilkinson, David S	University of South Florida	27, 507
1 R01 CA14764-01: Glycolipids metabolism in tumor and transformed cells	Basu, Subhash C	University of Notre Dame	26, 000
1 R01 CA14771-01: Radiation nephritis in a nonhuman primate	Klinger, Eugene L., Jr	University of New Mexico	38, 287
1 R01 CA14776-01: Genes, viruses, and cancer	Fox, Richard R	Jackson Laboratory	40, 000
1 R01 CA14786-01: Oxcogenic activity of herpes simplex virus type 2	Berman, Leonard D	Mallory Institute of Pathology Foundation	29, 586
1 R01 CA14788-01: Characterization of avian leukosis virus proteins	Porter, William H	University of Tennessee	38, 415
1 R01 CA14793-01: Epthelial cell transformation by murine type-C virus	Craighead, John E	University of Vermont	42, 169
1 R01 CA14798—01: Angioarchitecture of C N S tumors	Hilal, Sadek K	Columbia University	30, 059
1 R01 CA14809-01: Computer-aided diagnosis of breast cancer	Gose, Earl E	University of Illinois	106, 640
1 R01 CA14816-01: Molecular characteristics of photocarcinogenicity	Khan, Ahsan U	Michigan State University	16, 550
1 R01 CA14827-01: The thymus in human oncogenesis	Kark, Allan E	Mount Sinai School of Medicine	31, 644
1 R01 CA14830-01: Electron spin resonance studies of carcinogenesis	Trapp, Charles A	University of Louisville	32, 073
1 R01 CA14833-01: Tumorigenesis and nutrition: Effector mechanisms	Ross, Morris H	Institute for Cancer Research	44, 415
1 R01 CA14836-01: Anti neoplastic drugs, DNA metabolism in man	Stein, Thomas P	University of Pennsylvania	34, 300
1 R01 CA14847-01: An in vitro model system for human maglignant melanoma.	Mitchen, Joel R	Roswell Park Memorial Institute	27, 859
1 R01 CA14849-01: 2-adamantylamine analogs as anticancer agents	Spurlock, Langley A	Brown University	22, 205
1 R01 CA14852-01: Further studies on lipid metabolism in Novikoff hepatoma.	Mercuri, Osvaldo F	Institute of Physiology	22, 245
1 R01 CA14853-01: Composition and structure of membrane glycoproteins.	Lyons, Harold	Southwestern at Memphis	27, 654
1 R01 CA14859-01: Regulation of growth in normal and neoplastic tissues	Shambaugh, George E., III	Northwestern University	38, 966
1 R01 CA14867-01A1: DNA interactions with cancer-related alkylating agents.	Chapel, James F	North Texas State University	12, 500
1 R10 CA14869-01: Gynecologic oncology group	Brewer, John I	Northwestern University	9, 382
1 R01 CA14870-01: Hydroxylation of drugs and carcinogens in hepatomas	Stroble, Henry W., Jr	University of Texas	27, 049
1 R01 CA14872-01: Embryonic components in cancer and pathologic tissues.	Klavins, Janis V	Long Island Jewish Hillside Medical Center	36, 381
1 R01 CA14873-01: Studies on surface antigens of tumor cells	Milgrom, Felix	SUNY—at Buffalo	77, 099
1 R01 CA14878-01: Exploratory studies in cancer research	Das Gupta, Tapas K	University of Illinois	27, 951
1 R01 CA14879-01: Lymphocyte antigens and cellular immunity in Marek's.	Lapen, Robert F	Washington State University	25, 420
1 R01 CA14892-01: Transformation of cells by antischistosomal drugs	Hetrick, Frank M	University of Maryland	23, 163
1 R01 CA14893-01: Studies with Simian Sarcoma virus associated agent	Rangan, Setlur R	Tulane University	51, 859
1 R01 CA14895-01: Assembly and maturation of DNA tumor virus, SV40	Rachmeler, Martin	Northwestern University	25, 016
1 R01 CA14903-01: Yeast-A model for studying regulation in cancer cells	Michels, Corinne A	Queens College of CUNY	28, 132
1 R01 CA14914-01: Role of lipids in cancerogenesis	Gilbertson, John R	University of Pittsburgh	17, 442
1 R01 CA15411-01: Cryopreservation of human marrow	O'Grady, Lois F	University of California	22, 169
9 R22 CA15446-05: Primary antigen-antibody reactions in tuberculosis	Minden, Percy	National Jewish Hospital and Research Center	55, 059
9 R01 CA15496-04: Mechanism of immunosuppression by mouse plasmacytomas.	Zolla, Susan B	New York University	26, 760
UNFUNDED CONSTRUCTION APPLICATIONS			
1 C06 CA13706-01	Glanz	Salk Institute for Biological Studies	1, 800, 000
1 C06 CA14202-01	Brady	Hahnemann Medical College and Hospital	225, 000
1 C06 CA14627-01	Potter	Georgetown University	5, 798, 691
1 C06 CA14696-01	Jacobson	Pritzker School of Medicine	4, 291, 352
1 C06 CA14800-01	Hammond	University of Southern California	11, 880, 000
1 C06 CA14911-01	White	Howard University	153, 263
1 C06 CA14628-01	McLoughlin	Memorial Hospital	4, 862, 494

DR. CHARLES K. ALEXANDER AND DR. DUANE F. ROST OF YOUNGSTOWN STATE UNIVERSITY TESTIFY ON SOLAR ENERGY

HON. CHARLES J. CARNEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 9, 1974

Mr. CARNEY of Ohio. Mr. Speaker, on Friday, April 5, 1974, two of my constituents presented testimony before a joint session of the Senate Committee on Interior and Insular Affairs and the Senate Committee on Commerce. Dr. Charles K. Alexander and Dr. Duane F. Rost of Youngstown State University, Youngstown, Ohio, have developed the first area of specialization in solar energy engineering and were invited to present testimony on the "Solar Heating and Cooling Demonstration Act of 1974," H.R. 11864 and S. 2650.

Mr. Speaker, I believe that the testimony of Dr. Alexander and Dr. Rost is of great value. Accordingly, I would like to insert their testimony in the RECORD at this time for the information and consideration of my colleagues. The statement follows:

INTRODUCTORY REMARKS

Both Dr. Rost and I are pleased to be here today. I will begin with some general comments after which Dr. Rost will address more specific topics.

Dr. Rost and I are deeply involved in the educational aspects of solar energy, especially in the areas of engineering and general public education. As far as we can tell, Youngstown State University is the only university in the country that offers an area of specialization in solar energy engineering. We have courses at both the undergraduate level and the graduate level. Now I would like to discuss some general topics.

There are five points we would like to mention as part of solar research and development. The market potential for solar heating and cooling should be studied, analyzed, and evaluated. A strategy for public acceptance should be developed. Dr. Rost will address some of the specific points in this very important area. Design procedures and manuals should be developed. A central authority must establish Federal building codes. We must be aware of the possible impacts of vested interest groups on both sides.

We would also like to mention some general points in the area of education which will be discussed in more detail by Dr. Rost. The successful use of solar energy systems on a wide scale will require the use of many highly qualified engineers and scientists. Therefore,

1. Public education will be needed which could possibly be tied to a general energy program of wise utilization and conservation, and

2. Professional and technical educational programs will be needed for the development of engineers and scientists.

As educators, we feel that this bill and others like it will go a long way toward establishing the viability of the sun as a practical source of energy, and that it will help educate the public as well as establish a mechanism for mass utilization.

I thank you for your attention, and now I would like to allow Dr. Rost to address some specific points.

Testimony Before the Senate Committees on Commerce and Interior and Insular Affairs—April 5, 1974

(By Dr. Charles K. Alexander, Jr. and Dr. Duane F. Rost, Directors, Solar Energy Task Group)

Education, development and demonstration will always go hand in hand, as the express purpose of the demonstration is to educate or show the other party exactly what you have. The general learning process begins in the laboratory, and as new concepts are discovered and perfected, they begin to be used outside the lab. They are taught to more workers and these workers, in using and applying the ideas, refine them. The refinements are studied back in the lab and the whole evolutionary process goes on and on, only rarely reaching a static state. The concepts of using solar power have been around long enough to be out of the pure lab stage for quite some time. But the ideas certainly are not in the final form yet! The increased awareness of energy and its uses and limitations has once again brought solar energy into the spotlight.

We will not approach this testimony from the technical angle only (you have many others to speak on the current feasibilities and details of execution), but we'll stress the relationship between the Solar Heating and Cooling Demonstration Act of 1974 and education.

The actual design and construction of the demonstration units certainly cannot be accomplished by the few researchers now active in solar power utilization. This is not to say they are not capable of the job, but that the magnitude of the project will require a much larger number of workers. The ideas of capture and use of solar energy are really quite simple to grasp, but we must not be lulled into thinking the implementation of those ideas will be as easy. It will require really top, qualified engineers and scientists to bring these concepts to optimal form in realistic systems. The engineers to design, develop and manufacture the units called for in the bill will have to be trained somehow. Previously, all the workers have been educated in other fields and then transferred into solar power. Identical situations have happened many times in history, such as the development of electrical engineering, the evolution of nuclear engineering, and the growth of the computer fields. In each case, the early worker evolved from other areas of interest and expertise into the new field. As the new specialties matured, colleges and universities added courses, then programs, and finally departments to meet the challenges of the new disciplines.

The Solar Energy Task Group has developed two sequence courses for the graduate engineering and science student, and an additional course using solar power problems as major illustrative examples. These courses along with the basic core courses give the student a Master of Science in Engineering, with the specialized area of solar energy engineering. On the undergraduate level, the Electrical Engineering Department now offers courses for the engineering major, to allow him to specialize in solar energy along with his traditional background in electrical engineerng. An additional course is presented for the general undergraduate to study solar power from an "intuitive" approach and see the interaction of the various energy forms, particularly solar, from the societal, environmental, economical and political aspects. We feel these courses, in addition to the thesis work required for both graduates and undergraduates, give the student an excellent background to draw from in his future work. These are the types of students we expect to be a major asset to the country in solving some of the many energy problems in the very near future. These are the students we feel will be very much involved in the implementation of the Solar Heating and Cooling Demonstration Act under discussion today.

The country through the Congress needs to support the efforts of these students. The encouragement of capable and willing workers will facilitate smooth and effective execution of the progressive steps included in the bill. Some specific steps which could be taken to aid them would be special funding earmarked for energy research grants on the graduate level, special programs of research and study for the undergraduate, summer involvement with industrial companies supplemented by partial Federal funding to the company (such grants could be initiated by either the company or the student), a critical skills designation with forgivable loans similar to the teacher programs used so effectively in the past, and most important of all, continued aid to engineering education in general, since all disciplines will be needed to work together for future successes. The opening of a federal research facility for use by qualified graduate students has been discussed with the NASA-Lewis Research Center in Cleveland with excellent results. Such working arrangements with other research complexes across the country would not add materially to the operation cost of the facility, but would be a tremendous asset to the educational programs.

A very fundamental decision needs to be made about the intent of the Act. Is it a controlled research program with the results buried in the archives, or is it in truth a public demonstration of solar heating and cooling? As educators, we feel our responsibility is to spread the word. Educational programs are urgently needed to present the results of the Demonstration Act. Total listing of the possible combinations would take much too long, so only a few proposals will be mentioned.

The college teachers at other universities need to know of the solar advances being made. Summer workshops such as have been so successful run by NSF could effectively bring other faculty members up-to-date on the progress of the demonstrations so they would be able to speak knowledgeably to their students, colleagues and communities. Faculty Fellowships such as sponsored by NASA-ASEE would allow the Fellow to delve deeply into a specific topic, make a contribution to the research work, and return to his school as a state-of-the-art resource person. Further development of courses to teach solar power concepts is urgently needed and should be supported in two very different sectors. The sciences and engineering areas need the details and specifics to allow them to go out and push back the frontiers of science. The education students need to understand the concepts and learn how to present them to their students. The creation of such valuable courses should not be left to be championed only by the concerned faculty member; support and encouragement must come from those who understand the critical nature of our energy dilemma such as yourself.

We must look beyond our borders while attacking the power problems. Many countries are much harder hit and are intensely interested in every piece of information they can find to help themselves. Solar energy solutions offer a fantastic tool for international diplomacy, if only we will use them. We would do well to consider very seriously all inputs from other countries, and maybe even encourage American companies to form contractual arrangements with them to enter foreign designs along with the others to be submitted under this Act. Much as I love and support our country, I want us to find with these demonstration units the best solutions, not just the best American solutions. I feel our technology can stand the threat of competition and acquit itself very well. To maximize the exchange of ideas between countries, we suggest an exchange program or sabbatical to allow educators from here to become involved with other universities and companies abroad. International conferences are good, but they are just too short to allow the interaction and exchange of ideas needed to really understand both the concepts and the people.

High school science teachers will need to be up-to-date on the progress of the demonstration units and the implications of the designs and results. They will be able to reach a sizable sector of our potential work force at a time when those students are deciding on careers. If these teachers understand and are excited about the work underway in energy research, much of that enthusiasm will carry over into these students' goals and lives. Summer workshops and institutes should be presented and stipends available for the high school science teachers to learn of new developments firsthand. Sometime-later, printed results of the data accumulated in the demonstration program just won't have the dynamic impact of face-to-face, personal involvement. These teachers are looked to by their communities as experts in scientific matters. Educational support of them in conjunction with this Solar Heating and Cooling Demonstration Act would be a very positive indication of their recognized value to the community.

Every successful revolution has understood that the ideas must be firmly implanted in the children. And we're talking about a real revolution started by this Act, not in engineering and science (that's just evolutionary in the Act's goals), but a revolution in acceptance. Where we were talking about high school science teachers, we have over ten times as many elementary teachers, and every one of them teaches science! These are not sophisticated, mathematical and scientific types who will plow through pages of statistics to try to figure out what the author meant. These are dedicated teachers who would love to explain just what was going on in these demonstration homes to their students, if only someone would carefully help them to understand it for themselves. Many if not most of the elementary teachers continue to attend university classes some summers. If educational programs were developed to show the concepts and how to demonstrate these ideas to the children, these teachers would join our revolution. We feel each group submitting a design for consideration under this Act should also be required to submit demonstrations which could be used by the elementary teacher in the classroom. A spin-off benefit of solar energy studies by children is a better understanding of energy conservation at home. If you don't think this would have any effect, remember who was the most likely to pick up the gum wrapper after hearing a plea to clean up the environment. Was it you, or was it your child?

The Solar Heating and Cooling Demonstration Act is designed to show the viability of solar power use in our lives. But if the units and results are available to only the scientific community, the potential for public acceptance will be minimized. The Act should require the homes tc be available for tours and inspections regularly, at reasonable intervals. Such organizations as Rotary, Kiwanis, Lions, PTA, Boy Scouts and other local, people-oriented society-caring groups should be encouraged to visit these demonstration homes to fully understand the merits of solar utilization. To this end, as well as maximum value in a complete study, the demonstration units should be specifically required to be spread out over the entire country, not just in the minimum of five areas. The local news media will be excited about stories and articles describing the "solar home" in their immediate area, but would be apathetic about the ones in New York or Arizona. The Act has provisions to protect small business concerns, but we feel serious consideration should be given to requiring a portion, maybe one-third, of these units to be assembled by local companies, possible under the direction and contract of a larger organization testing its design in many localities. Acceptance and understanding are the names of the game, and if the people are involved, the game is half won at the start. And if solar power can't stand careful scrutiny in the close-up light of day, then that better be known, also.

An earlier reference to the impacts of solar energy use in our dealings with other nations neglected to consider the construction of some of these units on foreign bases. The emerging nations don't necessarily want what's best for them, they want what we are using. Here would be a good opportunity to show them what we are going to use in the future, and demonstrate and evaluate the concepts in the foreign climate.

Certainly interaction and exchange of ideas between government and industry and between industries must be carefully cultivated. Programs similar to those that were proposed on the college level would be excellent starting points. Free exchange between companies may be hampered by proprietary considerations. However, the information collected during the period of time covered by this Act should be actively and frequently presented to facilitate the improvements of each company's new designs.

All these educational steps in conjunction with the Act are needed to overcome what we would call in the engineering vernacular, "inertia". Man has habits and he does not readily give them up. Just as a force must be applied to a mass having inertia to move it to a new position, so must the force of education be applied to inertia of habits to get them changed. If the Demonstration Act is to have any effect, it and its results must be fully presented to all segments of the country. The mere publishing of the data and results in a government pamphlet and reports to the President and Congress just will not do the job. We feel the Act must include a commitment to educational ideas such as we have stated here, if not explicitly, at least the attitude and intention must be included.

We would like to take this opportunity to actively solicit opportunities to interact with you and other interested individuals and groups to help to develop these educational ideas into viable realities.

We are quite pleased to see the concept of a Solar Heating and Cooling Information Data Bank included in HR. 11864. We felt the idea had great merit when we submitted a proposal containing several of the elements of the data bank section in response to the NSF call for projects in solar energy last fall. The proposal submitted carried the ideas one step further and also proposed the creation of a design manual for solar heating and cooling designs for buildings. The use of parameters in each facet of the design system allowed for optimization of the design for each set of special requirements. The Solar Heating and Cooling Information Data Bank is the major difference between HR 11864 and S 2650. We feel strongly that it should be included in the final Solar Heating and Cooling Demonstration Act of 1974.

The major obstacle to implementing the Solar Demonstration Act will be the lack of enough qualified engineers to produce careful, complete design of units embodying each of the many different concepts and ideas of solar energy collection. It's one thing to have an idea and an entirely different thing to produce it well. With retraining of experienced engineers, continued support of existing education programs, encouragement of new curricula, and workshops and institutes to exchange ideas and spread the work, we feel the educational community will be able to successfully meet the challenge this Act will place before it.

Support of research and development will get you thoughts; support of education will get you thinkers. While a thought is used but once, the thinker continues to be of new value daily.

Topics included in introductory remarks on general concepts in solar energy research and development and education in areas of solar energy implementation and acceptance as a major energy source.

Solar Research and Development:

Market Potential.

Develop a strategy for the public acceptance of heating and cooling of buildings.

Design procedures and manuals for solar heating and cooling of buildings.

A central authority must establish federal building codes.

Concern about impacts of vested interests.

Solar Education:

Successful solar energy systems on a large scale will require the use of many highly qualified engineers and scientists.

Public education programs will be needed.

Professional and technical education programs will be needed for the development of engineers and scientists.

We as educators feel that this bill and others like it will go a long way toward establishing the viability of the sun as a practical source of energy and that it will help educate the public as well as establish a mechanism for mass utilization.

SOLAR ENERGY TASK GROUP

DIRECTORS

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The Solar Energy Task Gorup wants to help!

The Solar Energy Task Group is very concerned about the way our country is using its extremely valuable energy sources. To help meet the challenge of wise energy utilization, the Task Group has developed an area of specialization in solar energy engineering in the Electrical Engineering Department, Youngstown State University, Youngstown, Ohio. This area of specialization is available in the Master of Science in Engineering and specialized courses are also offered to both the general undergraduate and the engineering student seeking expertise in the critical area of solar energy. Technical facility in the areas being taught is a prime requirement in good education, and our professional activities have assured an up-to-date status in both education and engineering. The Task Group is also working very closely with the Solar Energy Task Force made up of students actively researching and studying topics in solar power.

The Solar Energy Task Group is anxious to assist in any way we can at any time. Please contact us so we may work with you to help our country use its energy resources more wisely than it has in the past.

MEMBERS

Dr. Robert H. Foulkes.
Prof. Raymond E. Kramer.
Dr. Mathew Siman.
Prof. Samuel J. Skarote.
Electrical Enginering Department, Youngstown State University, Youngstown, Ohio 44503, (216) 746-1851.

YOUNGSTOWN STATE UNIVERSITY—DEPARTMENT OF ELECTRICAL ENGINEERING

ANNOUNCEMENT

The Electrical Engineering Department of the William Rayen School of Engineering at Youngstown State University is developing an area of specialization in solar energy engineering.

Some main topics included are analysis of complete solar energy systems from theoretical and practical inputs, development of individual components for energy conversion and storage, and desirable solutions to the energy demand questions including both technical and social criteria.

For further information, please contact: Dr. C. K. Alexander, Jr., Dr. D. F. Rost, Directors, Solar Energy Task Group, Youngstown State University, 410 Wick Avenue, Youngstown, Ohio 44503.

BOB BARKER TO RECEIVE BOB HOPE AWARD

HON. THOMAS M. REES

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 9, 1974

Mr. REES. Mr. Speaker, on April 19, in San Antonio, the Noncommissioned Officers Association of the United States is presenting its third annual Bob Hope Award to a distinguished citizen of the State of California, Bob Barker.

The Noncommissioned Officers Association does not lightly give this award, based as it is on recognition of significant contributions to the morale of our service men and women.

For the past 17 years in his role as master of ceremonies of the popular television show, "Truth or Consequences," Bob Barker has constantly and consistently gone out of his way to show, in concrete fashion, his appreciation of and respect for the daily sacrifices being made by our men and women in military service.

A regular feature of "Truth or Consequences" has been the surprise reuniting of service personnel with their loved ones—reunions which would simply be impossible to bring about were it not for the thoughtfulness and generosity of Bob Barker and the show's creator, Ralph Edwards.

Additionally, Mr. Barker makes a point of using servicemen as contestants on the show as often as possible, and frequently invites large groups of service people from nearby bases to be guests of the show in Hollywood as part of the studio audience.

Bob Barker is a man of both integrity and compassion. On behalf of the people of California, I should like to thank the Noncommissioned Officers Association for their recognition of our fellow citizen and congratulate Bob Barker on this justly deserved award.

STUDENT RECORDS: A PROPOSED STRATEGY FOR PREVENTING ABUSES OF THE RIGHT TO PRIVACY

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 9, 1974

Mr. KEMP. Mr. Speaker, at this point in the proceedings, I include the concluding part of the research paper, "Students, Parents, and the School Record Prison: A Legal Strategy for Preventing Abuses," by Sarah C. Carey, attorney at law:

STUDENTS, PARENTS, AND THE SCHOOL RECORD PRISON: A LEGAL STRATEGY FOR PREVENTING ABUSES—IV

(By Sarah C. Carey)

Due process requirements[42] have recently been extended by the Courts beyond expulsion situations to situations involving exclusion from the school system altogether or denial of mainstream educational opportunities because of assignment to special classes.[43] In *PARC* v. *Pennsylvania*, 334 F. Supp. 1257 (E.D.P. 1971) procedural guarantees were imposed through a consent decree on the Pennsylvania school system in regard to decisions to exclude mentally retarded students from the school system or to shift them among various alternative institutions in an arbitrary manner. And in *Mills* v. *Board of Education of D.C.* 348 F. Supp. 866 (1972), the district court for the District of Columbia imposed similar requirements on school authorities assigning handicapped children and those with special learning problems to special programs. The Court held that regular public school assignments or "equal" education was an entitlement of the children that could not be denied or restricted without a full hearing. The Court outlined the procedures required to protect parental rights as follows:

"Before placing a member of the class in such a program, defendants shall notify his parent or guardian of the proposed educational placement, the reasons therefore, and the right to a hearing before a Hearing Officer if there is an objection to the placement proposed."

The Court also specified that the notice to the parents must "clearly state the specific and complete reasons for the proposed action, including the specification of any tests or reports upon which such action is premised." Further, the notice must inform the parents of the right *"to examine the child's school records before the hearing, including any tests or reports upon which the proposed action may be based."* (emphasis supplied) The Court indicated that the right to examination extends to all public records bearing on the decision about the child.[44]

These decisions represent substantial judicial incursions into areas previously reserved to teachers, counsellors and school administrators. They make it clear that the power exercised by the schools in regard to students is too great and the consequences that flow from adverse decisions in regard to the individual are too significant to permit the schools to act in an arbitrary or unfair fashion. The law requires that where a decision by school authorities does not involve a minor ministerial or disciplinary matter but represents a major change in the opportunities afforded the student that carries with it the potential of real injury, the Courts will require a fair hearing for the child and an opportunity for him to present his own case. This means, as a practical matter, that any important decision with potentially injurious consequences cannot be taken without disclosure of the records, assessments and other data upon which it is based. And if the underlying data or assessments are found to be invalid, the decision of the school officials will be reversed (See, for example, *Larry P.* v. *Riles*, supra p. 2, where an assignment of certain Black students to classes for the educable mentally retarded was reversed because it was based primarily on IQ tests that were found to be racially discriminatory).

What remains unclear is the precise delineation of the kinds of adversary rights assured to the student and the range of situations to which they will apply. This will evolve as different factual situations are presented to the Courts. At a minimum, where the decision is an important one, the student is guaranteed the right to notice as to the specific charges against him, the right to learn the evidence upon which the school's determinations were based and the right to present his own case. In at least one case, *Medera* v. *Board of Education of the City of New York* the question of the student's right to have his attorney participate in a school hearing that could result in his suspension from school was addressed. Although the trial Court upheld the student's right to counsel thereby invalidating a school regulation to the contrary (267 F. Supp. 356 S.D.N.Y. 1967),[45] the Court of appeals reversed the decision, on the grounds that the hearing was preliminary in nature and was designed to plan for the child's educational future, rather than to punish him. (386 F. 2d 778 2nd Cir. 1967; cert. denied 390 U.S. 1029 1968). The appellate ruling bent over backwards to minimize the injurious consequences flowing from the hearing, equating assignment to a school for socially maladjusted children with poor grades or an order to repeat a grade, and characterizing the school as being on the side of the child rather than his adversary, as appeared to be the case.

Most school proceedings that threaten invasions of a child's rights probably do not require the formality of legal counsel, provided the parents and the child are capable of presenting their case. However, in areas where medical or psychological grounds, unintelligible to the layman, are given for a particular decision, the parent should be permitted to consult and present his own expert witnesses.[40]

(4) *The Parent Has a Right to Challenge Inclusion of Certain Information in His Child's File as Well as Its Distribution to Non-School Personnel:* In addition to wanting to gain access to the information that the school has placed in his child's file, a parent may want to restrict the collection of certain kinds of information altogether and/or to prevent its distribution to non-school personnel.

(a) *The Right to Privacy:* Some of the data currently maintained in children's files, particularly anecdotal information about his family or psychological assessments of his background could probably be challenged as invading the child's or the parents right to privacy. This right, as defined in the Supreme Court's decisions in regard to abortion, contraceptives and other matters, is inherent in the first nine amendments to the US Constitution. These amendments guarantee privacy in regard to those personal rights that are deemed fundamental or "implicit in the concept of ordered liberty". As stated in *Roe* v. *Wade* 410 US 43 (1973), this encompasses:

"Activities relating to marriage, *Loving* v. *Virginia* 388 US 1,12 (1967), procreation, *Skinner, Oklahoma*, 316 US 535, 541–542 (1942); contraception, *Eisenstadt* v. *Baird*, 405 US at 435–454 ic, at 460, 463, 465 (White J. Concurring in result); family relationships, *Prince* v. *Massachusetts*, 321 US 158, 166 (1944) and child rearing and education, *Pierce* v. *Society of Sisters*, 268 US 510, 535 (1925), *Meyer* v. *Nebraska*, supra." (at 152–153)

Under these principles, the schools should not be allowed to collect data on students that intrude upon family relationships or the right of the parent to rear his child. At least one federal court has applied this standard to a situation where a public school, as part of a drug prevention program, attempted to collect highly intimate details on the relationship of the child to his parents and of the parents to each other.[47] In *Merriken* v. *Cressman*, supra p. 4 the Court reviewed the questionnaire given to each student and concluded:

"These questions go directly to an individual's family relationship and his rearing. There probably is no more private a relattionship, excepting marriage, which the Constitution safeguards than that between parent and child. The Court can look upon any invasion of that relationship as a direct violation of one's Constitutional right to privacy.

The Court stated that the school had provided insufficient justification for its program and, in addition, had failed to obtain an "informed consent" from the parents involved. So holding, the Court ordered the termination of the program.

(b) *The Right to Procedural Due Process to Prevent "Stigma":* Other data such as assessments of learning disabilities that involve medical or other labels suggesting inadequacy or inferiority can be excluded on the grounds that they stigmatize the child without affording him due process. In addition to the right to challenge exclusionary and other prejudicial decisions flowing from such assessments (see Sec. 3 supra), a parent has the right to exclude the assessment or underlying data itself from his child's file to prevent reliance upon it for other purposes.

A series of Supreme Court decisions have established that the state cannot give an individual a pejorative label that will interfere with his right to life and liberty without guaranteeing him procedural due process. For example, in *Joint Anti-Fascist Refugee Committee* v. *McGrath*, 341 U.S. 123 (1951) the Supreme Court held that the Attorney General could not stigmatize a person by placing him on his subversive list without giving that person a right to be heard.

In the more recent case of *Wisconsin* v. *Constantineau*, 400 U.S. 433 (1971) the Court struck down a Wisconsin law that permitted the police chief to label an individual an habitual drunkard and to so notify local liquor stores, forbidding them to sell her liquor. The Court did not question the state's right to protect itself against public drunkenness; it concluded instead that such a label is a "badge of infamy" that the state may not attach without first providing an opportunity for challenge. "When a person's

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Footnotes at end of article.

good name, reputation, honor or integrity is at stake because of what the government is doing to him, notice and an opportunity to be heard are essential". (at 437). The Court emphasized procedural fairness as a necessary check on governmental power.[48]

Even in regard to records of the criminal justice system, an area where the State has extraordinary powers in regard to the citizen, the Courts have intervened where false or erroneous arrest records have been disseminated about an individual.** In *United States* v. *Kalish*, 271 F. Supp. 968 (D.P.R. 1967), for example, the Court held that an individual who had been erroneously arrested was entitled to have his photographs and fingerprints taken at the time of arrest expunged. The Court noted that maintenance of such records served no "public good" and stated that:

"His privacy and personal dignity is invaded as long as the Justice Department retains 'criminal' identification records, 'criminal' arrest, fingerprints, and a rogues' galley of photographs." 271 F. Supp. at 970.

The *Cressman* Court, *supra*, based part of its decision on a finding that the assessment tools for determining which children might be potential drug users were too unreliable considering the seriousness of the label that would be imposed on the child. The Court stated:

"The ultimate use of this information . . . is the most serious problem that faces the Court. How many children would be labeled as potential drug abusers who in actuality are not? . . . When a program talks about labelling someone as a particular type and such a label could remain with him for the remainder of his life, the margin of error must be almost nil."

The Court pointed out that outside authorities, including the district attorney, hospitals, rehabilitation personnel and others could obtain the information suggesting that a particular student was a drug problem and would treat him accordingly.

Similarly, the federal district court for the Northern District of California, found in *Larry P.* v. *Riles*, 343 F. Supp. 1306 (N.D. Calif. 1972), that a child would be unlawfully labeled by including in his permanent record the results of a racially discriminatory IQ test and a subsequent classification as "educable mentally retarded"; the Court noted that the harmful effects to the child would extend to the Armed Services, employers and others with access to the file.[49]

Taken together, the "stigma" and privacy cases suggest that in school districts where data that imposes a negative label of dubious validity on the child, or data of a highly personal nature are included in the child's file, the parent can seek not only to have the material removed from the file but to bar its collection in the first place.

CONCLUSION

The constitutional and case law principles discussed throughout this article have been raised in a variety of factual and legal contexts. Although many of the situations arising today where parents are concerned that school authorities have interfered with their prerogatives are factually more complex than the situations involved in earlier common law and constitutional decisions, the principles articulated in those cases continue to be valid today. Properly developed and applied, they can be relied upon to correct situations where the schools have exceeded the authority delegated to them by the parent. A key area for such application is the retention by the schools of personal, subjective or unverifiable assessments and records on a student and the withholding of such records from those most concerned—the parent and the child.

FOOTNOTES

[42] In addition to insisting on procedural due process prior to expulsion from schools, a number of decisions have voided school board regulations that by their own terms, exclude certain kinds of children. In *Ordway* v. *Hargraves*, 323 F. Supp. 1155 (D. Mass 1971), for example, the Court declared unconstitutional a rule excluding pregnant students from the school where there was no showing that the plaintiff interfered with the education of other children or in any way endangered her own health. In *Hosier* v. *Evans* 314 F. Supp 316 (D. St. Croix 1970) the Court voided a school regulation that excluded alien children from the public schools in situations where there was overcrowding.

[43] This principle is similarly reflected in recent cases holding that the parent cannot waive his right to meaningful participation in decisions concerning his child or consent to potentially detrimental treatment by the school by his child unless his consent or waiver is an informed one. *Larry P.* v. *Riles* supra p. 5; *Merriken* v. *Cressman*, supra p. 7. (See also *Madera* v. *Board of Education of the City of New York*, 267 F. Supp. 356, at 372 S.D.N.Y. 1967) at p. 372).

[44] The *Mills* decision cited as precedent *Goldberg* v. *Kelly*, 397 U.S. 254 (1969), a case guaranteeing welfare recipients the right to a hearing prior to the termination of benefits. In that case the Supreme Court held that due process principles require "that a recipient have timely and adequate notice detailing the reasons for a proposed termination, and an effective opportunity to defend by confronting any adverse witnesses and by presenting his own arguments and evidence orally." The welfare decisions, and the administrative regulations issued to insure conformity with them, as well as similar decisions dealing with terminations of unemployment insurance, public housing etc. . . shed additional light on the nature of the procedures that are required to meet due process standards. See also, *Hobsen* v. *Hansen*, 269 F. Supp. 401 D.D.C. (1967); *Smuck* v. *Hansen*, 408 F. 2d 175 (D.C. Cir. 1969); *Hobsen* v. *Hansen* 327 F. Supp. 844 (D.D.C. 1971), for the rights of a parent in regard to a decision by the public school system to "track" his child.

[45] The lower court decision includes an illuminating account of the broad distribution of student records in the NYC school system, and of the punitive role often played by psychologists and social workers in an allegedly theraputic context.

[46] For a further elaboration of the need for this approach see Kirp. David L. "Schools as Sorters: The Constitutional and Policy Implications of student classification. "Vol. 121 No. 4 Univ. of Pa. L.R. 705, at 789 (April, 1973).

[47] The questionnaire included such items as the religion of the student, the family composition, including the reason for the absence of one or both parents and whether one or both parents "hugged and kissed me goodnight when I was small," "tell me how much they love me," enjoyed talking about current events with me," and "make me feel unloved."

[48] See also *Board of Regents* v. *Roth*, 408 U.S. 564 (1972) a case brought by a non-tenured faculty member challenging his dismissal because he was not granted a hearing. The Court held that simple dismissal was not enough to stigmatize but suggested that if the State had charged him with behavior that might "seriously damage his standing and associations in his community" he would be entitled to a hearing. * * * In a decision restricting the dissemination of arrest records for non-criminal justice purposes, the court in *Menard* v. *Mitchell*, 328 F. Supp. 718 (D.D.C. 1971) noted: "Systematic recordation and dissemination of information about individual citizens is a form of surveillance and control which may easily inhibit freedom to speak, to work, and to move about in this land." 328 F. Supp. at 726.

[49] Where the classification or label assigned to a child is likely to have profound consequences on employment opportunities, the reasoning of the Supreme Court in *Greene* v. *McElroy*, 369 U.S. 474 (1959), a case where the Secretary of Defense had revoked a security clearance without affording confrontation and cross-examination, would seem to apply. There the Court stated: "Certain principles have remained relatively immutable in our jurisprudence. One of these is that where governmental action seriously injures an individual, and the reasonableness of the action depends on fact findings, the evidence . . . must be disclosed to the individual so that he has an opportunity to show that it is untrue . . . The Court has been zealous to protect these rights from erosion. It has spoken out not only in criminal cases . . . but also in all types of cases where administrative and regulatory actions were under scrutiny". 369 U.S. at 497–8.

A COMMITMENT

As a member of the Committee on Education and Labor—which has legislative jurisdiction over both the Elementary and Secondary Education and Higher Education Acts, as well as other related Federal statutes—I am deeply committed to the enactment of safeguards to protect parents' and students' rights to the privacy of information maintained in student records.

This is not wholly a Federal concern. Responsibility for education rests primarily—as it should—with the State and local governments. A legislative strategy will, therefore, have to necessarily involve the enactment of law at all levels—Federal, State, and local.

This matter is now under intense scrutiny by staff, and I hope to report to the House within the very near future on the courses of action most appropriate to be followed.

SATELLITE MISSIONS TO DOUBLE THIS YEAR

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 9, 1974

Mr. TEAGUE. Mr. Speaker, as our Nation prepares for the Apollo-Soyuz Test Project in 1975 and for the first launch of a low cost space transportation system in 1979, one of the busiest years up for 26 satellites will be launched during 1974. It is the first time in the history of NASA that more of these satellites will be for other organizations than will be launched for NASA purposes. It is an indication of the maturity of our national space program and the importance that space has taken on in serving the needs of our Nation and the world. A recent article in the Miami Herald by Mr. Al Rossiter, Jr. discusses a busy and significant year in our national space program. The article follows:

SATELLITE MISSIONS TO DOUBLE THIS YEAR

(By Al Rossiter, Jr.)

WASHINGTON.—There won't be any manned space shots on the next year and a half, but the space agency plans to double its unmanned satellite missions in 1974 with the heaviest emphasis yet on practical work.

Twenty-six satellites are on NASA's schedule for the New Year, the most since the 28 flights in 1967. Twelve of the upcoming launchings are for communications satellites and five are for weather watchers. Most again will go from Cape Canaveral.

There were 13 civilian shots in 1973, including the launch of the Skylab space station in May and three crews rendezvousing with it in May, July and November. The final three-man team of skylab astronauts is scheduled to return Feb. 8 after spending a record 12 weeks in orbit.

If the current flight in the big orbiting lab goes as long as planned, the nine Skylab crewmen will have logged more than 12,000 man-hours in space—almost double the time spent aloft by the men of America's 27 earlier spaceflights. But Project Skylab is conducting research for the future, while the 1974 unmanned missions will have a more immediate payoff.

Unless a Skylab rescue flight is required, the U.S. flight is required, the U.S. will not be launching astronauts again until July, 1975, when three Apollo pilots will go into orbit to rendezvous and dock with a two-man Russian Soyuz spacecraft.

The new generation space shuttle rocket plane will be making major headway on the drawing boards and in the test labs of many aerospace contractors, but it won't fly in space until 1979 at the earliest.

Besides the ongoing Skylab mission, NASA has three unmanned spaceflights carrying into the New Year. The Pioneer 10 probe is now on its way out of the solar system after an historic flight past Jupiter Dec. 3, and a twin called Pioneer II is cruising to a February rendezvous with Venus and on to a March passby of Mercury.

There are several new scientific missions on the 1974 schedule, including an unprecedented German-American probe close to the sun, but the communications and weather satellites will be the big job of the year.

Three of the radio relay satellites will be the first designed solely to relay messages data and television communications within the United States. The first of these new relay stations, called Westar and owned by Western Union, is to be launched April 11 from Cape Canaveral.

FORT JEFFERSON NATIONAL MONUMENT AND THE FLORIDA KEYS ARE A VERY WORTHWHILE PLACE TO VISIT

HON. DANTE B. FASCELL

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 9, 1974

Mr. FASCELL. Mr. Speaker, one of our Nation's most interesting, but lesser known, national monuments is located in the 15th Congressional District of Florida. I refer to Fort Jefferson National Monument, located on the Dry Tortugas Islands 70 miles west of Key West.

This large, 19th century fort is best known for the fact that Dr. Samuel A. Mudd, who treated John Wilkes Booth's wounds following the assassination of President Lincoln, was imprisoned there. Dr. Mudd was granted a full pardon several years later and in 1959, the Congress passed a Joint Resolution, which I joined in sponsoring, calling for a plaque to be placed at the fort in recognition of Dr. Mudd's services to his fellow prisoners during a yellow fever epidemic.

On Sunday, March 31, 1974, Ms. Jean Wardlow, of the Miami Herald, wrote a most interesting article on Fort Jefferson and I commend it to the attention of our colleagues:

FORT JEFFERSON—CRUMBLING RELIC OF LINCOLN ERA SITS ON "ISLAND OF WOE" NEAR KEY WEST

(By Jean Wardlow)

KEY WEST.—Thirty minutes from here by air, rising like a red-bricked Atlantis from the ocean is a fort which never won a battle, never was completed, is better known for a prisoner who stayed there than any of the hundreds who served there; a wonder of oceanic engineering and architecture.

Wide-arched like a Roman coliseum; stone-floored like a Greek temple and grass courtyard like a European patio, battered by hurricane and marauder, she is better known for her disasters than for her glories. But she rises nobly from the sea as the largest of the American 19th Century coastal forts, the star of the seven Dry Tortugas islands.

Fort Jefferson is difficult to get to—as far as "attractions" go—but worth the effort and expense to get there, either by boat ($25 for adults, children half that; leave at 8:30 a.m., return 5:30 p.m.) or by plane ($32 per person, minimum two to a flight) from Key West.

Or go in your own boat, especially between April and September, when one of the great wildlife spectacles occurs: the nesting season of the sooty tern on nearby Bush Key, to which thousands of terns come from the Caribbean and west-central Atlantic Ocean.

Although Park rangers are there to direct you and fill you in on the beauties of the place—looking for live coral in snorkling or scuba, or fishing (no license required)—remember that since the Dry Tortugas are isolated, you have to provide for your own living—no housing, water, meals or supplies are available. The Tortugas, a cluster of coral keys 70 miles west of Key West, were named Las Tortugas—the turtles—by Ponce de Leon for obvious reasons: many turtles bred there. But the "Dry" came later, when sailors referred to them that way as a warning to mariners that there was no fresh water.

"I find that most people don't really know what to expect," said pilot Ken Kievman, as he smacked the plane down smoothly on the water and spray washed by the windows of the amphibious Cessna 85. "I've taken them in bikinis and I've taken them in high-heeled shoes, but I've never taken anyone that wasn't thrilled out of his mind at the place."

From the sea, the plane gunned its motors and rolled up the ramp to stop outside the eight-foot-thick brick walls. The place seems doubly quiet when the motors stop and you walk across the grass, the planks and inside the fort, built over years by slaves and prisoners and which in 1865 housed the "Lincoln Conspirators."

And, of course, Dr. Samuel A. Mudd, the Maryland physician who, knowing nothing then of Lincoln's assassination, had set the broken leg of John Wilkes Booth and, amid the high feeling running through the country then, was convicted of "conspiracy" and sentenced to life imprisonment at hard labor.

"An island of woe and misery" is the way Dr. Mudd described the prison-island in copies of his letters written from there—copies filed away in the ranger's office at the fort.

"Today one month ago, we arrived here," he wrote his wife, "my dearest," on Aug. 24, 1865. "Time passes very slowly and seems longer than that period—years gone by."

Once, hearing he would shortly be under a new influx of black soldiers, where then they were non-Negro, he feared possible retaliation from them for the death of the man who had said there should be no slaves, that blacks were free. So he tried an escape but was caught before the ship in which he hid had departed.

And, placating his wife's apprehension when news of it was published, he wrote an anguished cry:

"No mortal mind can appreciate the feelings of one who has been so fouly dealt with, and separated suddenly and violently from family and all near and dear and banished hundreds of miles away—no opportunity afforded of being visited, and but imperfect and irregular mail facilities, for no fault, and for having done my duty to God and man. To bear patiently under such circumstances requires more than human strength."

But bear he did, and when a yellow fever epidemic hit the fort, killing its doctor as well as striking 270 of the fort's 300 men, Dr. Mudd, along with Dr. Daniel Whitehurst from Key West, worked day and night to fight the epidemic. For this Dr. Mudd was pardoned two years later.

First, you see an orientation slide program—it's done automatically—just inside the fort's entrance. Then you mount the winding granite steps of the fort.

It had been begun in 1846, as part of a chain of seacoast defenses from Maine to Texas; the U.S. recognized the strategic importance of the Tortugas in controlling navigation of the Gulf. Work went on for 30 years but it was never finished. Federal troops were rushed into the half-completed fort in 1861 to keep it from falling into Florida secessionist hands. After the war, little more work was done on it, for the new rifled cannon had already made the fort obsolete.

It was a prison; was abandoned; and renewed by the Navy as a coaling station. The battleship Maine weighed anchor from here for Cuba, where she was blown up in Havana harbor in 1898. In World War I, it was a seaplane base. Now it's a historic monument, a birdwatcher's paradise, a fisherman's dream, a historian's quiet place to walk its bunkers, halls, prison rooms and see what used to be—arched powder magazine, the "hot shot furnace," where huge tongs would take out white hot cannonballs—"their broadsides would set fires as well as shot damage" and places either side of the grounds where officer's and enlisted men's quarters were, and the 20,000-gallon holding tank for water—the de-sal system was borrowed for Guantanamo in the 1960s crisis and "we're still waiting for its return."

Like walking a battlefield, you wish there would be more time; you know you'll never learn it all in a single visit. The empty fort is crowded with things you want to know.

You want to swim the waters, walk the small white sand beach, see its birds, breathtaking in their simple beauty.

A hard-to-get-to national monument. But one of the most interesting.

Fort Jefferson is but one of the many fascinating attractions of the Key West area. In addition to a perfect climate, fabulous fishing and boating, and some of the finest seafood dinners in the country, Key West boasts a wealth of historical sites.

A companion fort to Fort Jefferson is Fort Zachary Taylor, which played a major role during the Civil War as the only fort held by the North in a southern city. The city was also held by the North. In the last few years, archeological excavations have unearthed what may be the Nation's largest collection of Civil War arms and ammunition, which had been buried in the casemates of the fort.

Other points of historic interest include Mallory Square—the old section of Key West; Earnest Hemingway's home, the Audubon House, the East Martello Battery Tower, the old Coast Guard headquarters site; the old slave market; and a pleasant trip of old Key West on the "Conch Train Tours." Former President Harry S. Truman's Little White House is situated on the Key West Naval Station and I initiated the effort to have this facility placed on the National Register of Historic Places.

There are many individuals in Key West who have been instrumental in searching out, recording, and commemorating the island's colorful history and there are several active historical groups, including the Old Island Restoration Society and the Key West Historical Association. Adm. John Maurer, Mrs. Ida Barron, Howard England, county tax assessor Joe Allen, Mrs. Jessie Porter, and Col. John B. Stokes are but a few of the individuals vitally concerned about and dedicated to the area's historic preservation.

I invite my colleagues to visit south Florida, particularly the Florida Keys, whenever they have the opportunity and see for themselves one of our Nation's most interesting historical areas.

RUSSELL E. TRAIN: SPEAKING OUT AT EPA

HON. JOHN BRADEMAS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 9, 1974

Mr. BRADEMAS. Mr. Speaker, I believe that Members of the House will read with great interest the views of the Honorable Russell E. Train, Administrator of the Environmental Protection Agency, concerning a number of issues affecting Federal environmental policy.

Prior to the interview, which appears in the April 12, 1974, issue of Science magazine, the weekly publication of the American Association for the Advancement of Science, there appears an editorial comment by Luther J. Carter of the staff of the magazine:

RUSSELL E. TRAIN: SPEAKING OUT AT EPA

(In September, Russell E. Train, then chairman of the Council on Environmental Quality (CEQ), was appointed by President Nixon to be administrator of the Environmental Protection Agency. Since then, the energy crisis has tended to eclipse environmental concerns, and, in some matters, to put EPA on the defensive. Train is supporting several proposed amendments to the Clean Air Act which he feels will allow for flexibility to accommodate energy needs. They will also stretch out some compliance deadlines which, quite apart from energy problems, he believes were not only wholly realistic to begin with. Generally these amendments have originated within EPA itself. In the case of certain proposals advanced by the Federal Energy Office (FEO), however, Train has (in his words) dug in his heels in opposition. One such proposal would have exempted energy-related activities from the provisions of the National Environmental Policy Act (NEPA) that require environmental impact studies. Another would have required consideration of economic and social factors in establishng clean air standards.

(What follows is the partial transcript [lightly edited] of an interview of 25 March in which Train was asked about some of the recent conflicts arising within government over environmental issues. Also discussed is Train's decision to allow emergency use of DDT in the Northwest—an action which some environmentalists deplore. As written here, some of the questions have been amplified for the reader's benefit.—L.J.C.)

Question. What is your thinking in regard to the proposal made by FEO to exempt energy activities from the requirements of NEPA?

TRAIN. I strongly oppose any such exemptions. This is an area where we particularly need NEPA because we're talking about outer continental shelf development, shale oil development, matters such as this. Here we need the kind of comprehensive planning and decision-making that the act is really designed to produce, with full analysis of all alternatives. This is what the act is all about.

Aside from that, almost all of the major federal energy proposals, assuming they are undertaken, will be carried out within a time frame of 10 years or so. There is just no way to make any reasonable argument that, under those circumstances, we can't be making effective environmental analysis, or that the task of making the analysis would hold up the project. It just isn't so . . . So far as I'm concerned, the NEPA exemption is a dead issue. There is no such proposal within the Administration now. I think we've succeeded in knocking it over the head. There may be continuing discussions of how to expedite the process (of environmental impact analysis and review) both in terms of the CEQ guidelines and agency compliance.

Question. The President recently withdrew his support from the pending national land use policy legislation. How do you feel about this legislation, and were you consulted before administration support was withdrawn?

TRAIN. CEQ, while I was chairman, took the lead in developing the Administration's position on land use and this led to the President's legislative proposals in 1971 and 1972. These proposals were integrated by the Senate Interior Committee with the Jackson bill and became the legislation that passed the Senate and is now under consideration in the House. . . . I have not been involved in the development of any new thinking in the Administration.

I have said frankly that if we lost this legislation at this late date it would be a tragedy.

The primary thrust of the legislation is to encourage the states themselves to take a more effective role in regulating and controlling land use decisions that are of more than local significance. The bill does not represent a federal intrusion into state matters and it does not involve, as some would charge, confiscation of private property, or any failure of due process. It is, in my view, a very modest but very significant first step in moving this country in the direction of more effective and more rational regulation of major land use decisions.

Question. In your opinion, what is the relevance of the land use bill to energy conservation?

TRAIN. It is very relevant, in many respects. One of the early issues this year in the energy field has been the proposal within the Administration for federal preemption with respect to the siting of oil refineries, nuclear power plants, and other major energy facilities. I have publicly stated that I am opposed to this kind of preemption. But I also have been saying that it is very important that states get on with the job of developing their own effective land use laws because, in the absence of responsible state action, there is a real danger that in due course we might get federal preemption. I think it would be a great mistake.

Obviously, energy facilities of all kinds tend to have significant environmental impacts. They certainly have significant impacts on economic growth and development and the location of that development and the location of that development. For example, any outer continental shelf development, any deepwater port, that results in the bringing ashore at any given point on the Atlantic seaboard of substantial volumes of petroleum would tend to give rise at that point to major petrochemical development and other industrial development. I think the states really must undertake to build the institutional capability to deal with that kind of development effectively. Most of them don't have it now.

On the demand side, it is very important that we as a society move agressively, as a matter of national policy, to reduce the growth in energy demand. As you look for ways to do this, land use leading to or involving more compact ways of organizing urban patterns is a major way of saving energy. We all recognize that suburban society uses an extraordinarily greater amount of energy than a more compact urban society does. This is another very important way energy and land use relate to one another.

Question. Why did EPA withdraw its plans to use parking surcharge fees as one way of reducing automobile traffic and gasoline consumption in urban centers?

TRAIN. Our transportation strategies, which we promulgated for some 38 cities and communities around the country, do represent significant energy savings. They were all directed toward more efficient transportation. Those plans, when fully effective, could involve a savings of about 140,000 barrels of oil a day. It is rather ironical, therefore, that in the energy emergency legislation the Congress approved provisions prohibiting EPA from imposing a parking surcharge as part of any of those plans and requiring the agency to defer for 1 year any parking management plan at all.

These provisions came into the bill on the floor of the House. They were accepted by the joint House-Senate conference committee, I believe without dissent. You have to recall that most of the original authors of the Clean Air Act, including Senator Muskie, Senator Baker, and Congressman Paul Rogers, were members of that conference committee. That conference report passed the Congress; then of course the bill was vetoed, for other reasons.

It was my feeling at that time, in view of the fact that the parking surcharges had proven very controversial around the country, and in view of the clear expression by Congress of its attitude, that it was silly to keep on trying to force the issue. Frankly, I think it is important for the agency to have broad support when moving into areas as untried as parking surcharges. Sometime later this spring we will give Congress a report on parking surcharges as a technique for reducing vehicle usage.

Question. Some environmentalists, although they may give you high marks generally, have felt that in certain of your decisions you have yielded to political pressures that should have been resisted. Your recent decision to allow the Forest Service to use DDT for control of the tussock moth in the Northwest this year has been cited as a case in point. What is your reply to such criticism?

TRAIN. I guess the decision in the tussock moth case was one of the toughest I've had to make, maybe the toughest. Certainly it was an unhappy decision—for anybody who has been in the environmental business as long as I have—to approve a major use of DDT, even though the approval carried strict conditions. I emphasized at the time the decision was made that it should in no way be taken as signaling any pullback from the agency's basic position that DDT is an environmental threat. The issue here is, first, whether there was an emergency, and, second, whether there was any alternative.

I found that there was an emergency. Admittedly, it's hard to determine whether an "emergency" exists because there are no criteria in the statute. There was very widespread destruction, as you know, of Douglas fir forests in the Northwest. There was hope on the part of EPA when we turned down the application for use of DDT in 1973 that an alternative control mechanism, particularly other chemicals such as Zectran and the naturally occurring virus, would control the population. However, this did not happen.

Now, there is no question but what the public in the Northwest perceives this situation as an emergency. It is true everywhere you go out there. The members of Congress from the Northwest, including those who are very environmentally positive in their attitudes, have been very much for using DDT. So are the state governors involved, such as Tom McCall of Oregon. I don't like to put labels on people, but if you had to pick one governor in the country who is the most environmentally oriented, you'd probably say Tom McCall. He is very much in favor of using DDT in this case because there is no real alternative. Governor Evans of Washington also supported it, and so did Governor Andrus of Idaho, who was elected on an environmental plank. I don't think it was a matter, as some would say, of giving way to pressure. Public perceptions of problems such as this are very important in carrying out a regulatory program, particularly when you have mixed scientific evidence.

Question. You think there was no clear-cut preponderance of scientific opinion on one side or the other?

TRAIN. I would say not.

Question. It has been rumored that, during discussions within the Administration over certain of the proposals to amend NEPA and the Clean Air Act, you threatened to resign if those proposals were adopted by the White House. Were these reports true?

TRAIN. I never threatened to resign. What I said was that I couldn't support certain amendments if they became the Administration's position. From that point you can start speculating what happens as of the time the Administration takes positions you can't support. The fact is that none of those positions I dug in my heels against were adopted as administration proposals. We avoided that kind of confrontation.

Question. In the case of two FEO proposals to which you objected—the one to allow acceptance of so-called "intermittent" controls such as "tall stacks" for the dispersion of air pollutants (in lieu of scrubbers) and the one not to draw the line against any "significant deterioration" of air quality—no Administration position is being forwarded to Congress. Instead, Congress will consider both the FEO proposal and EPA's dissenting views, then make up its own mind. Is this right?

TRAIN. Yes. In all other cases, such as the NEPA exemption, the proposals have not gone forward at all. They've been dropped completely. In the two cases you mentioned, I have complete authority to state as strongly as I wish my own independent views. In a way this is a new departure, and I think it's a very important one. I think it is important for EPA, in serving the public interest, to be able to state forthrightly and clearly its position on important issues. This is something I really insisted on. Obviously, good judgment has to be exercised in matters of this sort. You can't have an administration where everybody is running off in different directions. There is such a thing as Presidential policy, and Congress expects the Executive branch to present a Presidential position. But there are times when I think it helps strengthen the credibility of government and public understanding of issues to have agency heads speak up and speak out. That's the way we're going to be.

HOUSING FOR THE ELDERLY - A CRISIS

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 9, 1974

Mr. RANGEL. Mr. Speaker, by impounding the funds appropriated to the public housing program and related projects, Mr. Nixon has dealt a severe blow to the poor and elderly. As usual the population affected is disproportionately black.

Mr. Abraham J. Isserman, who is the Chairman of the Housing Section of the White House Conference on Aging and a member of the Housing Study Panel of the Post-Conference Board, urges the Congress to reinstitute the current housing programs, release impounded funds and provide for such additional funds as may be necessary to carry on the halted programs.

Mr. Isserman believes that these funds are essential to the needs of the black elderly who have been more gravely harmed than other groups. Mr. Isserman also believes that these funds, are necessary to reverse the deterioration of the cities. I share Mr. Isserman's contention that Congress should reassert its prerogatives to alleviate this grave situation. I also commend Mr. Isserman for his efforts to articulate the needs and concerns of the black elderly.

His statement to the Senate Committee on Housing for the Elderly is as follows:

STATEMENT BY ABRAHAM J. ISSERMAN

The subject of the current hearings is the "Adequacy of Federal Response to Housing Needs of the Elderly".

I believe that these hearings should more appropriately be entitled the "Inadequacy of the Federal Response" rather than its "Adequacy".

In my capacity as Chairman of the Housing Section of the White House Conference on Aging and a member of the Housing Study Panel of the Post-Conference Board, I have a full awareness of the recommendations on housing adopted by the 1971 White House Conference on Aging. President Nixon at the closing session of that Conference pledged full support to implementing these and other recommendations of the Conference. But soon thereafter, his response was distressingly negative by impounding the funds appropriated to carry on the existing housing and other programs designed to help the poor and the elderly.

This wholly uncalled for and arbitrary moratorium on our housing programs declared by the President as most of us believe, illegally, struck a devastating blow at all housing programs not sparing the long established, acutely necessary, Public Housing Program hitting directly at the poor and the elderly, as always, most severely affecting the black elderly. The majority of the black elderly being poor, have the greatest need for assistance to obtain the decent housing which has been the promise and alleged goal of our National Administration and embodied in our National Housing Laws.

The effects of the moratorium on which our comment has been requested were fully set forth in my testimony before the Housing Subcommittee at its initial hearing on Housing and Urban Affairs Committee at its initial hearing on Housing held on April 3, 1973. I attach hereto a copy of my statement filed on behalf of the National Ad Hoc Housing Coalition, for which I appeared.

The months since that time have served only to emphasize the destructive blow to housing programs created by the moratorium. Many projects sponsored by community organizations all over the nation have been irrevocably ruined, often after many months and even years of untiring efforts by these organizations.

First and foremost, all of us interested in providing the decent housing promised to all Americans have been urging in every agency and forum and our legislative representatives to reinstitute the current housing programs, to release impounded funds and to provide such additional funds as may be necessary to carry on the halted programs.

New legislation is required as exemplified by the bills introduced by Senator Williams and other legislators. Such legislation should provide for a massive infusion of new funds for additional new construction where required, for large scale revitalization of entire neighborhoods with emphasis on saving the existing stock of housing and creating all the necessary amenities for secure and decent living and utilizing the enormous foreclosed housing stock now held by the FHA. With a war budget approaching $9 billion, allocating funds without restraint for every type of military hardware, often obsolescent before the prototype is completed, with large increases in the Viet Nam budget for military expenditures now that "peace" has been proclaimed, funds must be generated by economies in that budget and elsewhere to provide the necessary financing for adequate housing programs. At some point, the welfare of our people should take precedence over supporting such undemocratic puppet regimes in faraway lands, particularly when these funds are placed in the hands of unscrupulous tyrannical leaders and devoted to destruction or often diverted for their own private aggrandizement.

Need? Without ever having ascertained the outward limits of need we are all in accord that whatever resources we will devote to fulfilling that need in the coming period that it will continue to exist for many years to come. At present, with the constant deterioration of housing stock, we are falling behind. Decent housing for the poor and persons of lower and middle incomes is not obtainable or has been priced out of the market. No need to repeat the statistics here. I refer only to the "Working Paper" prepared by this Committee (April, 1973) on "Housing for the Elderly—A Status Report". Waiting lists of the elderly for public housing, the Report states, are 32,000 for New York City and 12,000 for Chicago—and these lists are by no means complete. The report reiterates its previous recommendation supported also by the 1971 White House Conferenece recommendations; a "minimum annual production rate of 120,000 units" per year as "an integral part of a comprehensive National policy for housing the elderly". Just another example taken from the HUD Newsletter of December 10, 1973: the Metro Planning Commission of Nashville, Tennessee reports that 94,000 Nashvillians live in structurally substandard housing and that 66,000 persons live in over-crowded conditions". Included in these numbers are an unconscionably large percentage of the elderly and even more so of the black elderly. Recently, the AFL-CIO has projected a need for 550,000 units of public housing, alone.

We welcome the proposed extension of Section 202 Housing for the Elderly as provided in S 2185. However, the NCBA has pointed out to HUD and we restate it here that the Section 202 Program has not reached the black elderly. It has been authoritatively established that only 3% of Section 202 Housing is occupied by black elderly and that in the white-sponsored elderly projects, the occupancy by blacks is only 1%. In conferences held with HUD officials it was admitted that there has been no encouragement and no technical assistance offered to black community organizations desirous of sponsoring housing projects under Section 202. In fact, such efforts were discouraged. It needs affirmative action, both legislatively and administratively, to correct this inequity. We have, on occasion, submitted specifics on how this could be done. The NCBA is most willing to confer on these specifics and to develop procedures in connection with Section 202 Housing which would eliminate or minimize these inequities.

It has become abundantly clear that the provisions of the Bill introduced by Senator Williams, i.e. The Housing Security Act of 1973 (S 2180) are most eessential to the well-being of all persons in Federally-assisted housing projects. Most important in the establishment of security provisions is the involvement of the occupants themselves, including the teenagers, in the development of security programs. This has been done with a substantial measure of success by the New York City Public Housing Authority through the establishment of Tenant Patrols and through the use of a number of innovative procedures.

It is the considered opinion of the NCBA that the involvement of the tenants, and of the sponsoring community organizations, together with a paid security force and with close relations with the local police authorities will provide strong motivation and effective action in preventing vandalism, preserving the physical properties of the projects and providing real "collective security" for the occupants.

We agree fully with the spirit and the objectives of the Intermediate Housing for the Elderly and Handicapped Act (S 2181). The conversion of single family dwellings into a partially congregate facility for a number of tenants is most desirable. However, the local zoning ordinance and building code may need amendment to permit such arrangements. However, grouping compatible persons for congregate living in its fullest sense, (including the provisions for common meals, etc.), would create "voluntary" or "simulated" non-blood related families which have received some court recognition as being legal families from the standpoint of local zoning codes. A full development of this concept requires substantial study from the economic, architectural and social aspects. It should be undertaken under the auspices of your Committee. The NCBA is ready, able and willing to organize and to participate in such a study.

An extension of this concept would be the grouping of a number of one-family buildings (or rehabilitated apartment units) in a neighborhood, under one non-profit sponsor. This sponsor would undertake the management and maintenance of these buildings and provide the counselling and guidance necessary to develop the optimum life-style of these "families". One or more of the buildings involved in the group would be converted to provide the offices for the non-profit sponsor and for the neighborhood facilities needed for such a project. The occupants would be brought together through their own organizations. Training courses would be provided to enable the occupants to join in the successful operation of such projects.

A Congressional mandate should be given to HUD requiring that its tremendous stock of foreclosed housing, both one-family and multi-family, be made available for elderly housing (and non-elderly, for that matter) under such auspices as are here suggested. HUD has the power presently to transfer such housing at nominal cost to non-profit organizations. Sufficient mortgage money should be made available for the necessary rehabilitation in the units to be turned over and for the restructuring of some of them for community purposes. With a low rate of interest on such loans, the rentals would be within reach of the elderly poor, black or white.

Adequate regulations with supervision, and substantial participation of the non-profit community Sponsor, would do much to prevent fraudulent practices and exploitation by unscrupulous persons of the opportunities provided under this program.

Coupled with such a program, the Housing Allowance Program might well be used as a form of rent supplement. Absent such organization and absent the necessary rehabilitation, the Housing Allowances would serve only to profit the slum landlords and compel many of the poor (with little bargaining power) to accept apartments in sub-standard houses which perhaps would be given some "cosmetic" treatment by the owners. Community counselling should be provided to guide the recipient of the Housing Allowance in his search for an appropriate appartment, in checking the violations if any, and in dealing with the prospective landlord.

Unless provisions are made for the rehabilitation of the existing deteriorated or deteriorating housing stock, housing allowances will not provide decent housing.

Congressional investigation and study should also be made of the various Urban Homesteading Proposals. Involved in Urban Homesteading are these problems: securing title when housing has been abandoned and not foreclosed; elimination of back taxes and tax relief provisions; the purchase of individual housing and/or apartment units subject to "gut" rehabilitation at approximately $1,000.00 per unit; providing for a "neighborhood" approach in the designation of special "homestead areas"; provide for non-profit community organizations to act as sponsors and supervisors of the "homestead areas"; provide for low interest loans and grants to the non-profit Sponsors for community facilities.

The Homestead proposals, if accompanied by proper safeguards, could provide a partial answer to the urban housing problems. However, without such safeguards, the applicant seeking to use the Homestead provisions might find himself deeply ensnared in a host of problems beyond his capacity to solve.

The NCBA has been deeply interested in a prototype residential center for the elderly with the ancillary facilities, as recommended by the White House Conference on Aging. One such center including research and training capacity is proposed for the City of Tuskegee under the auspices of Tuskegee Institute, the City of Tuskegee and the NCBA. Such a center would be of inestimable value in developing innovative housing for the elderly and the procedures under which residence in such housing could really provide the decent homes to which the elderly are entitled. While under present law and regulation such a center could be financed by HEW and its Department on Aging working in conjunction with HUD, a Congressional direction (with funding provisions) to allow the development of such prototype housing centers would certainly accelerate the progress in getting them underway.

Needless to say that the proposed National Elderly Housing Loan Fund (S. 2179) introduced by Senator Williams would be of greatest help in reaching out for the goal of 120,000 dwelling units annually for the elderly.

We strongly urge that special consideration be given in the Legislation for provisions which would insure the fullest participation by the black national and community organizations in the development of these programs so that the black elderly will not be "left out in the cold".

Housing legislation should be put on the "urgent" calendar in both Houses of Congress and vigorously processed to reach the point of enactment in the coming Spring.

LANDSDALE-NORTH PENN FIRST AID CHAMPIONS

HON. RICHARD S. SCHWEIKER

OF PENNSYLVANIA

IN THE SENATE OF THE UNITED STATES

Tuesday, April 9, 1974

Mr. SCHWEIKER. Mr. President, on May 4 the Volunteer Medical Service Corps of Lansdale, Pa., will honor the members and coaches of its first aid teams who placed first and second in last year's International Rescue and First Aid Associations championships in Omaha, Nebr.

The people of the Lansdale-North Penn area are understandably proud of the young men and women who make up the VMSC teams. Members of the first-place youth division squad are Charles Park, Joseph Sabol, Jr., Ronald Richart, and Thomas Yoder. Sandra Quinn, Penny Sosnin, Fran Gallagher, and Barbara McIntyre compose the second-place all-female division team. Both VMSC teams are coached by Diane Littleton and Earl C. Clemens. The Omaha competition included 40 other first-aid teams from the United States, Canada, and Europe.

Mr. President, as a member of the Senate Health Subcommittee and as a former member of Lansdale's VMSC unit, I am well aware of the important role played by our Nation's first-aid squads. Countless lives are saved each year, because of their dedication and ability to respond in crisis situations. I join with the people of the North Penn area in congratulating these young people for a job well done.

HANK AARON: "A MAN FORGETS HIMSELF INTO IMMORTALITY"

HON. ANDREW YOUNG

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 9, 1974

Mr. YOUNG of Georgia. Mr. Speaker, the late Dr. Martin Luther King, Jr., once observed that in a world filled with people seeking attention and acclaim, once in a while we will find a humble man "who forgets himself into immortality."

Such a man is Henry Aaron, who last night achieved immortality by breaking the greatest record in all of sport. Mr. Aaron's 715th home run surpassed the mark set by Babe Ruth.

Through his long career, Hank Aaron has been a model of humility, dignity, and quiet competence. He did not seek the adoration that is accorded to other national athletic heroes, yet he has now earned it. He did not allow the abuse against him and his fellow black athletes to deter him from his historic purpose.

Henry Aaron is now an authentic national hero. The culmination of his rise to that position came on the night of April 8, 1974—but that ascent began long ago, when Hank Aaron began to "forget himself into immortality."

Mr. Speaker, I submit for the RECORD two articles, by Jesse Outlar and Charlie Roberts, from the Atlanta Constitution of April 9, 1974:

"HAMMER" FLIPS A PAGE IN HISTORY

(By Jesse Outlar)

It was a cool, rainy April night in Atlanta, the kind of weather in which Bowie Kuhn probably would not have ordered Henry Aaron to play, but more than 50,000 in the stadium and millions in TV-land won't ever forget that he did.

News is history shot on the wing, and they saw The Hammer establish the greatest record in sports. At precisely 9:07, Monday night Al Downing of the Dodgers came in with a fast ball and Aaron drove it into the left-field bullpen. It was in the fourth with one on, with a count of one ball, no strikes, none out.

No. 715 is now history. The 21-year race with Babe Ruth that began in St. Louis when The Hammer hit No. 1 off Vic Raschi is over. The Ruth record of 714 had survived since 1935, unchallenged by anyone except Henry Louis Aaron, the 40-year native of Mobile, Ala., and all-time superstar of the Braves.

Since Aaron approached the record, he had reiterated that he wanted to swing for No. 715 in Atlanta. He set the stage for the greatest night in sports history here by unloading No. 714 on his first swing of the season in Cincy.

Commissioner Bowie Kuhn, who had vowed to be the first to congratulate Aaron, wasn't in Cincy when he ordered Aaron to play Saturday. He wasn't here when Aaron made history Monday night. Aide Monte Irvin drew the loudest chorus of boos ever heard in Atlanta when he made Aaron a presentation on behalf of the commissioner after the pulsating clout.

Aaron, Darrell Evans and two uninvited fans circled the bases after the homer heard round the world. The Braves mobbed The Hammer, and he couldn't have generated more excitement if he had the winning homer in a World Series here.

Henry has said that he'd get more thrill out of that feat than he would No. 715, but nobody else would. After a thunderous ovation and special ceremonies of 11 minutes the game was resumed. When Aaron trotted out to left field, fans repeated their serenade.

This was the moment that Aaron and the fans were awaiting. As Aaron had said, No. 714 tied Ruth. No. 715 puts him all alone. They can tell their grandchildren they saw a spectacle unwitnessed before by anyone. There has never been anything like it in more than 100 years of baseball, and it's a crying shame that the commissioner of baseball won't have one of those "I Was There" cards.

For Aaron the Road to 715 has been long, lined with pressure and wealth. Long before anyone realized Henry had a chance to tie Ruth, he had sufficient credentials for a front pew at Cooperstown. But it took the race with a ghost to make the public fully cognizant of what a great baseball player Aaron really is.

You sensed the drama in the stands as the blue seats were filled during a pre-game "This Is Your Life, Henry Aaron" program. Gov. Jimmy Carter, Mayor Maynard Jackson, Rep. Andy Young, Miss Pearl Bailey, Sammy Davis, Jr. and countless others were here, practically, everyone but Bowie.

When Aaron came to bat in the second inning, there was a rousing, standing applause that rocked the house. They shouted disapproval when Downing worked the count to 3–1 and then walked Aaron.

They were unaware and didn't really care that Aaron would establish another major record during the inning. They had come to see No. 715. When Henry eventually scored on an error, it was run No. 2,063, one more than Willie Mays or anyone else in National League History.

No. 44 then did it all in the four-run fourth. With Darrel Evans on first via an error, Aaron became the all-time homer king.

It seemed appropriate that the most considerate of athletes should avert what could have been a riot in the left-field stands by hitting homer into the left-field bullpen. There had been reported offers ranging up to $35,000 for the baseball that was retrieved by pitcher Tom House in the bullpen. What the Braves will pay for the ball promised Hank apparently is up to management and House.

The mass meetings with the media from March until April 8 were beginning to unnerve a guy as calm as Hank. He had said before the game that he hoped this would be the night that all of us can get it over with.

With the same dramatic flair that he demonstrated on opening day, Aaron got it over with! The champagne that had remained uncorked in Cincy was poppin' in the clubhouse.

The race with Ruth and destiny is over. It will be a very long time before they'll have an opportunity to wonder if anyone can break The Hammer's record. No one but Aaron ever came close to The Babe. Will anyone ever come close to The Hammer. Maybe some night, somewhere, there'll be another occasion like April 8, 1974 in Atlanta!

CHEERS—AARON FAMILY RELIEVED, SATISFIED WITH 715

(By Charlie Roberts)

Herbert Aaron sat in a box full of Aarons at Atlanta Stadium Monday, tingled to the marrow, listening to 53,775 baseball fans roar approval of son Henry's record-setting 715th major league home run—and he felt just like that old fox.

"I know just how that old fox felt after that dog ran him all night," said Hammerin' Hank's proud Daddy. "Finally, as the fox ran up on top of a hill and realized he could not get away the sun came up. And he said. 'I just don't care if he do catch me now. I done set the world on fire.' "

Hank's Dad finally wriggled away from a mob of young and old who mobbed him for his own autograph, and he said, "I'll tell you Hank's hitting it tonight made it a big relief for my wife and me.

"It was most satisfying because he hit it here in Atlanta where his people and friends are, and that's the way it should have been. The Good Lord let it work out that way, and I'm thankful."

"I don't really know how I felt," said mother Estella. "But I felt real good and happy that he hit it here in Atlanta. I'm happy it's over. I could have jumped right out of this box all right."

"All of us wanted it to be hit here," said Herbert Aaron Jr. the only one of Hank's brothers who was able to make the momentous occasion. "His three sisters here—Sarah, Alfredia, Gloria—all the in-laws, all of us."

Herbert is more like fun-loving brother Tommie Aaron—who manages the Braves' Savannah club than Hank—and he puts his tongue in cheek and said, "Talk to Gloria (Mrs. Will Robinson of Mobile here). She was great in softball and track, taught Henry all he knows."

"Maybe I did," said Gloria with a laugh. "But I knew he was going to hit it tonight and I made them get in the car and drive over here to see it even if it was storming and raining in Mobile. I just knew it."

"There's nothing I can compare this too," said Alfredia. "There's just nothing—no thrill like it."

"It was the thrill of my life," said Sarah Jones, Hank's eldest sister. "I can't explain or tell how it felt."

Billy, Hanks' TV personality wife, explained how it felt, simply, quietly. "It is a great sense of relief, and we are so thankful Hank hit it tonight—for the Atlanta fans," she said.

That perhaps said it all—except for the feeling Herbert and that fox had. But Atlantan David Scott, Alfredia's husband who is on Governor Jimmy Carter's staff, had one question to ask.

"Where was commissioner Bowie Kuhn, and did the New York press tell him not to come? Hank's a great gentleman and completed a great era here tonight. I feel like Atlanta, the Braves and Hank have been insulted by his absence."

RACIAL PROGRESS IN SOUTH AFRICA

HON. ROGER H. ZION

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 9, 1974

Mr. ZION. Mr. Speaker, continuing Soviet naval activity and growth in the Indian Ocean is a cause for concern by all Americans who are not quite able to embrace the détente siren-song of the Soviet Bear. Our Nation's future strategic military posture may well depend on our own ability to meet and balance this naval challenge. Our relationship with such anti-Communist bastions as South Africa may well need to be reviewed in view of South Africa's strategic geographical position with shores bordering both the Atlantic and Indian Oceans. In the past, our relations with the Republic of South Africa have been hampered by a view of South Africa's racial policies. I have reason to believe that those policies are undergoing a hard revision for the better and I believe the well-being of a black man in South Africa probably exceeds that of a black man in most of the black-run nations to the north of South Africa.

A recent February 1974 issue of the Bantu Homelands Constitutional Advance, a publication which charts black national independence progress in the homelands program summarizes much of what is taking place in South Africa today. I believe my colleagues owe it to themselves and to our own future national military picture to have an accurate knowledge of what is and what is not happening in South Africa today. The article follows:

BANTU HOMELANDS OF SOUTH AFRICA

Important steps have been taken recently in the constitutional sphere in South Africa to advance the various Bantu homelands to self-government and, eventually, to sovereign nationhood. The Bantu Homelands Constitution Act of 1971 is aimed specifically at expediting the pace of constitutional advance and all the homelands have now been given constitutional status that places them firmly on the road to independent development. The 1970–80 decade has been described as the dynamic decade for the development of the Bantu homelands of South Africa.

THE EMBRYONIC STATES

Eight homelands [illegible]al homes of distinctive Bantu peoples, have now been defined officially in South Africa. They are:

The Transkei, a large block and a smaller block of land comprising 3,672,212 hectares in the eastern districts of the Cape Province which is the home of 3,000,000 mainly Xhosa-speaking people.

The Ciskei, adjacent to the Transkei but to the west of the Kei River, totaling 918,547 hectares which is the home of 930,000 mainly Xhosa-speaking people.

Kwa-Zulu, totaling 3,144,321 hectares of land which is the home of 4,026,000 Zulu-speaking people.

Lebowa, totalling 2,214,086 hectares in the central and northern parts of Transvaal and which is the home of 1,604,000 mainly Sotho-speaking people.

Venda in the northern Transvaal totalling 604,355 hectares and which is the homeland of 358,000 people.

Gazankulu, in the central/eastern Transvaal comprising 667,292 hectares which is the home of 737,000 people.

Bophuthatswana in the western Transvaal, the north-western Cape, and the Orange Free State comprising 3,754,018 hectares which is the home of 1,719,000 people.

Basotho-Qwaqwa, of 45,742 hectares immediately north of Lesotho and which is the home of 25,000 South Sotho.

In addition, they are the territories occupied by the Swazi people in South Africa. Plans are under consideration for the consolidation of the Swazi homeland as well as proposals for a homeland for the Southern Ndebele.

The national homelands of the respective Bantu peoples were occupied after they had moved southwards in successive migratory waves. In the course of time they occupied those areas after a turbulent century in Southern Africa in which internecine wars, epidemics and malnutrition devastated, denuded and depopulated vast tracts of the interior of Southern Africa. These national homelands are cleary distinguishable from the land settled and converted into permanent White occupation by pioneers migrating from the south.

As in South Africa, the Native peoples of South-West Africa occupied certain areas which have been accepted as their traditional national homelands, clearly distinguishable from the land settled and occupied by White pioneers. The distinctive territories in South West Africa are those of the Owambo, Kavango, Damara, Herero, and the Kaokoveid. At this stage, the Owambo territory (in the far north, the home of approximately 300,000 Owambo) and the Kavango territory (in the north-east, the home of five tribes who numbered 54,000 in 1970) are more advanced constitutionally than the others. The Owambo and Kavango territories both have legislative councils.

Constitutional Background

The distinctive nature of the various groups in South Africa and their right to develop separately have been acknowledged for many decades.

In 1913, the South African Parliament gave recognition to this for the first time in "modern" South Africa (post 1910) when it passed legislation declaring Bantu tribal land inalienable Bantu territory. In 1936, legislation, the Bantu Trust and Land Act, was passed which provided for the expansion and consolidation of the Bantu areas. This increased the recognized homelands of the Bantu by 6,209,357 to 15,417,576 hectares.

In 1951 and 1959, two important Acts were placed on the statute book and these may be regarded as the constitutional foundation for the implementation of the policy of separate development in the Bantu homelands.

The Bantu Authorities Act of 1951, and other relevant measures such as the Bantu Education Act of 1953, were aimed at consolidating and expanding the Bantu peoples' own essentially democratic system of self-government. This system gives full executive authority to the tribal chief-in-council, but at the same time, it provides all the necessary guarantees to ensure that authority is exercised in accordance with the wishes and aspirations of the community. The latent force of the traditional system of the Bantu was applied in the development program of the Bantu communities. The authorities were Bantu orientated, from the local tribal authorities with their limited responsibilities through the regional authorities to the territorial authorities with their extensive functions and all the office-bearers were Bantu.

The Promotion of Bantu Self-Government Act of 1959 was equally important in that it gave the Bantu peoples of South Africa a categoric assurance that the South African Government had irrevocably set a course that would lead the homelands to meaningful self-government. The Act made provision for gradual constitutional development of the Bantu national units and for direct consultation between the Bantu peoples and the South African Government on matters affecting the interests of the Bantu peoples. The recognition of the respective Bantu national units, the estblishment of a firm link in the form of the office of Commissioner-General, between the Bantu peoples and the Central Government, and the acknowledgment of the right of the Bantu peoples to assume political and administrative control over all aspects of their own communities were enshrined in the Act.

At this stage, the highest organ in a homeland was the territorial authority. The next constitutional step was the establishment of legislative assemblies. Such a legislative assembly has an executive council comprising a chief councillor and councillors, each of whom is responsible for a portifolio. Differences obviously occur from one homeland to another, but in most cases the division of portfolios has been: Authority Affairs and Finance (the Chief Minister), Education and Culture, Works, Community Affairs or Interior Agriculture and Justice. The Executive Council, consisting exclusively of Bantu, is in executive control of a government service which is at present partially assisted by White officials placed at its disposal by the Central Government but which is being converted in each homeland into a fully-fledged, Bantu civil service. Certain responsibilities (such as External Affairs) are at this stage retained by the Central government but as experience is gained additional portfolios are transferred to the respective homeland governments.

Two important Acts which further ensured the constitutional progress of the Bantu peoples were passed by Parliament in 1970 and 1971. The Bantu Homelands Citizenship Act of 1970 provides for all Bantu in South Africa to be given citizenship of one or other homeland and for every Bantu person to be issued with a certificate of citizenship of his particular homeland. He is not regarded as an alien in the Republic by virtue of such citizenship and remains for all purposes a citizen of the Republic enjoying full protection according to international law.

The Bantu Homelands Constitution Act of 1971 provided for the establishment of legislative assemblies with wider legislative powers than those enjoyed by territorial authorities, by proclamation of the State President. The provision for Presidential proclamation meant that the delay that previously existed by virtue of the fact that legislative assembly constitutions had to be approved by the Central Parliament was now obviated. On the establishment of the legislative assembly the territorial authority concerned is dissolved.

At this stage, there is one further constitutional step between the proclamation of a legislative assembly in a homeland and the granting of full independence to a homeland. This is the declaration of a homeland with a legislative assembly as a self-governing territory. The Bantu Homelands Constitution Act provides that the State President may, after the legislative assembly concerned had been consulted by the Minister of Bantu Administration and Development, proclaim a homeland to be a self-governing territory.

A cabinet, constituted from members of the legislative assembly, thereupon supersedes the executive council and the post of chief minister that of chief councillor. The legislative assembly is given wider legislative powers, including the prerogative (not held by a non-self-governing legislative assembly) of amending or repealing any Act of the Republican Parliament in so far as it relates to certain matters within the ambit of the homeland government or to any citizen of the homeland whether he is resident within or outside the homeland. A self-governing legislative assembly is also empowered to design a national flag and to submit proposals to the State President for a national anthem. A self-governing territory is also entitled, with the sanction of the State President, to a High Court to replace any provincial or local division of the Supreme Court of South Africa and any Bantu appeal court or Bantu divorce court having jurisdiction in or over the homeland concerned.

Practical implementation

The Mopeli (Bakwena) and the Batlokwa of Witzieshoek—the only two tribes in the South Sotho homeland—were the first tribes in South Africa to accept the system of tribal authorities under the Bantu Authorities Act of 1951. Tribal authorities were officially established for these two tribes on June 19, 1953.

Since then, tribal authorities have been established in all the Bantu homelands of South Africa and today there are no fewer than 610 of these authorities in addition to 22 community authorities. There are 75 regional authorities in the various homelands.

The Transkei became the first homeland to have a territorial authority, established in 1956. In 1961, the Transkeian Territorial Authority appointed a committee of 27 chiefs and councillors to investigate the financial implications of self-government. The committee's report, published in May 1962, was approved by the Territorial Authority and a draft constitution for the Tarnskei was passed in December 1962. It was approved by the South African Parliament in May 1963 and in December of that year the Transkei was granted a legislative assembly and simultaneously became self-governing. As stated previously, this lengthy procedure will not be necessary in respect of other homelands as the *Bantu Homelands Constitution Act* provides for the establishment of self-governing territories by proclamation.

Territorial Authorities were established in the Ciskei, Tswanaland, Lebowa, Venda, and the Marchangana territory in 1961. In 1968 and 1969 these territorial authorities were reconstituted into organs with limited legislative responsibilities while the South Sothos received their first territorial authority in 1969 and the Zulu theirs on June 11, 1970. The Tswana territory (now Bophuthatswana), where the territorial authority was reconstituted in December 1968, became the second homeland after the Transkei to obtain a legislative assembly (May 1971) but was not granted self-government immediately. The Ciskei and Venda obtained legislative assemblies (without self-government) on June 1, 1971. The North Sotho (Now Lebowa) and Machangana (now Gazankulu) territories were granted legislative assemblies on July 1, 1971. The South Sotho territory was granted a legislative assembly on October 1, 1971. Known as the Basotho-Qwaqwa Legislative Assembly. (The present situation in regard to Bantu legislative bodies is set out on page 20.) There is no clarity yet on the constitutional time-table for the Swazi.

The Development of Self-Government for Native Nations in South-West Africa Act of 1968 provides for the recognition of tribal and community authorities and Legislative Councils for the nations of South-West Africa along the lines of authorities provided for in South Africa in terms of the Bantu Authorities Act of 1951 and the Promotion of Bantu Self-Government Act of 1959. The legislation pertaining to South-West Africa gave firm expression to the various indigenous nations and demarcated their homelands. The legislation provided for the establishment of a Legislative Council, and Executive Council and departmental administrations covering an extensive list of activities with the necessary accompanying machinery.

Two nations in South-West Africa have so far obtained Legislative Councils. The first was the Owambo people (in October 1968) and the other is the Kavango people (in October, 1970). The Eastern Caprivi obtained its legislative assembly on February 2, 1972.

Because each national group in South Africa and South-West Africa has its own indigenous form of government, there has inevitably been differentiation in some respects in the constitution of each individual group. However, in all cases, the constitutions are the product of the wishes of the Bantu peoples themselves and in all cases the constitutions are founded on tribal patterns of government with the further organisation and functioning being cast on modern lines.

In the Transkei, for instance, the traditional system of government formed the cornerstone of the 1963 constitution in that 64 of the members of the Legislative Assembly were, in their capacities as chiefs and headmen, ex-officio members. The Transkei, however, also has a long tradition of local government and semi-Parliamentary institutions such as the old General Council (Bunga) which operated from 1894; accordingly the traditional was wedded to the modern through the provision that in addition to 64 ex-officio members, the legislature would consist of 45 members elected by all citizens above the age of 21 years and all taxpayers above 18 years.

In the neighbouring Ciskei, the Legislative Assembly decided to adopt a federal form of government. The tribes in the Ciskei are autonomous political units and exercise authority over domestic tribal matters. Representation in the Legislative Assembly is on the basis of one tribal or community authority, one vote. Each tribal or community authority is represented by two persons but only one vote per delegation may be cast.

The Ciskei formula is followed by the Lebowa, Gazankulu and Venda nations.

Bopthuthatswana has adopted the union concept. Representatives to the Legislative Assembly are chosen from the regional authorities. Thus the tribes have indirect representation in that the tribal authorities have representation as in the Ciskei. Each of the 58 representatives has a single vote.

In Owambo in South-West Africa, the principle of tribal federalism is extended to the Executive Council in which each of the tribes is represented by a councillor (there being seven portfolios in the Council as against six in the other homelands). In the Legislative Council each of the tribes has six representatives.

The same pattern is to be found in the Executive Council of Basotho-Qwagwa; the two tribes are represented by two councillors each. The Legislative Assembly comprises 14 members, seven from each tribe.

An important aspect of political development in the Bantu homelands is the gradual, but progressive, localisation of the Government departments in preparation for an eventual all-Bantu civil service in each homeland. Good progress has been made in all the Bantu homelands in ensuring localisation of the administration.

In the Transkei, for example, 18.6 per cent of the posts in the civil service was filled by officers of the Republican Government in 1963. By 1969, this figure has dropped to 9.8 per cent. The steady decline in the number of White officers contrasts more than favourably with localisation programmes in other African states. In one of these states, for instance, there were still 3,777 Whites in Government service in 1968—four years after independence—while the number of native officials totalled 4,327. Four years after the independence of another state, only 66 per cent of the senior and middle grade posts in the Government Service were filled by its own people.

In the Transkei and in other homelands in South Africa, localisation has progressed at a steady pace and at a rate far more rapid than in some other African states. In the civil service, for example, only 50 of the 1,150 posts (4.3 per cent) are occupied by Whites while in Kavango, only 25 of the 396 posts (7.2 per cent) are filled by Whites.

In putting the policy of separate development into practice, problems still arise; as for example in the buying of land promised to the Bantu peoples and the amalgamation of the Transkei and the Ciskei. Because this is a practical policy based on realistic principles, time is needed to find practical solutions. Although there are still problems which need to be solved, constitutional development in the Bantu homelands has been phenomenal and this development continues uninterrupted.

TWO MEMORABLE MEN

HON. FRANK J. BRASCO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 9, 1974

Mr. BRASCO. Mr. Speaker, 6 years ago, Dr. Martin Luther King, Jr., was murdered in Memphis, Tenn., bringing a great life and an amazing era to a close. Dr. King's odyssey, however, continues on as the years begin to pass. So it is altogether fitting for us to recall his name, revere his memory, and enshrine his wisdom.

For he came to reawaken America to the obligations of its laws and the moral imperatives of its promises. He came to lead an oppressed people, and lead them he did, to the mountaintop from which he saw his dream. Now the man himself is gone, but the dream is being realized.

Today, the black people of America have come a long way down the road on which Dr. King set their feet on that day in Birmingham when he began the bus boycott. What Rosa Parks started when she refused to move to the back of the bus has become a mighty movement by most Americans, seeking in the end the same equality that our Constitution guarantees.

On college campuses and in other educational institutions, young black students matriculate in places where it once was unthinkable for their forebears to dream of attending. As a result, the level of educational attainment on the part of black Americans is a steadily escalating positive factor in our national life.

In the national media, from news and entertainment to advertisements, black Americans are participating in our national life in ways unthinkable a generation ago. And to the credit of the South, more progress has been made there than in many other parts of the Nation, including much of the North.

On all levels of national existence, the black community is forging ahead, often making progress in spite of organized, bitter end opposition from those who still do not and will not accept them as equals. There is still occasional violence and there is certainly much organized opposition. Nevertheless, progress is taking place daily, and the evidence of advancement is there.

All public facilities, with some few exceptions, have been totally desegregated, ending the stain which for so long marked our national institutions and life.

In all these areas, individually and cumulatively, Martin Luther King, Jr., played the most significant role, standing up to the wrath and violence of a generation of angry people. In every way he set an example worthy of being compared to the finest precedents set by other brave Americans of our past.

Knowing full well that such activities earned him the rage and enmity of a dangerous minority, he hesitated not at all, continuing to stand up and be counted wherever he was needed most. And he walked the land as other brave men and women have done, daring the retaliation and violence that he opposed so eloquently. Inevitably, it came.

It is to the discredit of all men that when such as he come along to preach their noble message that we do not understand them at first. Later, as some comprehension of their impact dawns upon us, we try to cope with the moral burden their words pile upon our consciences. And in the end, as it has always been, we kill them. And after their passing has been marked for a few years, we come to the belated realization that a unique spirit has shared our lives, enriching our existence and our Nation. So it was with Dr. King, and so it shall always be.

His heritage is to be found in every young black person taking advantage of better educational and social opportunities. It is to be found in every white person who has learned the lessons of human dignity he so patiently tried to impart to all of us. May we never forget the lessons he taught us, by his life, death and memory.

Another man we can and should remember at this time is the late Adam Clayton Powell, who served so long and honorably in this House. Controversial in many ways, he played a leading role in passage of that body of educational legislation which has changed the lives for the better of so many millions of Americans. Adam Powell was a New Yorker who loved his city and his people, trying at all times to advance their cause. As chairman of the House Education and Labor Committee, he was an able, active legislator whose monuments are to be found in the form of those bills and acts previously mentioned.

He blazed a trail that was desperately needed at the time. Every young American attaining an education with help provided under provisions of the bills he guided through to passage owes him and his memory a debt of gratitude.

HON. CECIL RHODES KING

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 2, 1974

Mr. EDWARDS of California. Mr. Speaker, I rise to extend my respects and convey my sympathies to the family of the Honorable Cecil Rhodes King, who served in this body so ably and admirably for 26 years and who was to all who knew him a very dear and generous friend.

When I first came to Congress in January 1963, Cecil King was the ranking member of the Ways and Means Committee and therefore California's representative to the Committee on Committees. At that time there were eight new Members in the California delegation, and Mr. King was unusually considerate in consulting with each of us personally about our committee interest and choices. Although Cecil King had many national concerns in the areas of medicare, our tax laws, and international trade, he was never too busy to spend time with me and other new Members in helping us get acquainted with our new jobs.

Upon the retirement of the Honorable Harry Shephard, Cecil King became dean of the California delegation. His concern for California's priorities was outstanding, and he led the delegation in a manner that was both responsible and responsive.

In addition to his outstanding leadership in our official functions, Congressman King and his charming wife, Gertrude, brought great warmth and joy to our more social functions. I remember them both with much affection.

Nothwithstanding Cecil King's courageous leadership in the establishment of medicare—a landmark in health care which makes it possible for us to grapple with the current complex issues of national health insurance—and with due respect to his other valuable legislative accomplishments, my special memories of this fine, generous, and extremely capable colleague are of being privileged to know him personally, to have his considerate advice, and his admirable example to follow.

My heartfelt sympathies and thoughts are with his wife, Gertrude, his daughter, Louise Bonner, and his sister, Gladys Rose.

RARICK REPORTS TO HIS PEOPLE: CABLE TELEVISION, AN INTERVIEW WITH DAVID FOSTER, PRESIDENT OF THE NATIONAL CABLE TELEVISION ASSOCIATION

HON. JOHN R. RARICK

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 9, 1974

Mr. RARICK. Mr. Speaker, recently I interviewed the president of the National Cable Television Association, Mr. David Foster, on various subjects related to the broadcasting industry. Mr. Foster's remarks were most informative, and I ask that the text of that interview follow:

INTERVIEW

RARICK. Cable television and pay TV are in the news today. They have been the subject of numerous legislative proposals, Congressional hearings, as well as Federal Communications Commission proceedings. We will take a look at cable television today and how it relates to you, as a television viewer.

With us today is Mr. David Foster, President of the National Cable Television Association, which represents a large segment of the industry at the national level. Mr. Foster, I want to thank you for joining us today. In mid January a national policy proposal for cable television was issued by the White House Office of Telecommunications Policy. As I understand it, it calls for the virtual removal of government regulations over cable TV, extending to the industry a similar freedom of the press status now enjoyed by books, magazines and newspapers. How do you view this proposal in the development of the cable television industry?

FOSTER. Well, certainly the proposal that comes out of Dr. Whitehead's Office of Telecommunications Policy (it was actually a cabinet committee study) is an interesting proposal. I think that most of us in the cable television industry felt that it had a lot of very creative aspects to it. Certainly, we feel that our infant industry has been overregulated by the Federal government and to a certain extent by the state governments and at the local level. We feel that cable TV has such tremendous potential as a national communications resource that overregulation at an early stage of the CATV industry's life is probably inappropriate.

I think that was the essential ingredient of the cabinet committee study—that there had been too much regulation of this infant industry and that it ought to be allowed to grow for a while. Private enterprise must be able to take this technological resource and develop it. Certainly, the television and radio broadcasting industries, with their tremendous resources, and the telephone company, with its large economic power, does not need any protection against this infant industry. We must let this newcomer in the field grow for a while before we begin to overregulate it. I think, to that degree, I would agree with the cabinet committee's proposal.

RARICK. As I understand it, the presentation of television programs or services for a fee would be permitted on an unrestricted basis under the White House proposal. How big a change is this over the existing regulations and what would it mean to the TV viewer.

FOSTER. A very good question. I think we all ought to understand exactly what cable TV is. Cable TV grew up in the backwoods of Pennsylvania and Oregon, and to a certain degree in parts of your state. The regular television broadcasting systems could not extend their signals there and so some enterprising man, usually a television receiver salesman, put up a tall antenna to receive the over-the-air signals. He then attached a cable to his antenna and brought it down to the households and said, "OK, for three or four or five dollars a month I will bring you all the television I can get off my antenna." That's one part of cable TV service. Of course that's essentially the basic ingredient of cable TV service even today.

But there are more things that can come into the household over the cable. There can be programming on a local basis by the cable TV operator. For a small charge in addition to the monthly fee, an increasing number of cable systems are offering specialized programming such as first-run movies, live sporting events, and cultural shows. This service is known as pay cable. Pay cable offers, for example, first-run films which have completed theatrical exhibition but which are still many years away from being shown on sponsored-TV.

So the cable operator says, "All right, if you would like to pay a dollar extra, I can bring you a first-run film to your home." That is what pay cable is all about. And that is what the controversy is about. The Federal Communications Commission which has jurisdiction over the TV broadcasting industry, cable TV and telephone, has restricted the kinds of programming that can be available to the consumer's choice.

There are differences between pay cable and pay TV, and we will talk about that a little bit. The Federal Communications Commission has protectionist regulations which isolate for the television broadcasters most of the film product that is available. For example, today at the Federal Communications Commission's direction any film that is older than two years and younger than ten years cannot be shown over pay cable. It can, though, be shown over commercially-sponsored television. In other words, the type of programming is restricted by the Federal Communications Commission. The cabinet committee study, the Office of Telecommunications Policy Study, said there should be no restriction as to who can bid for what programming material. They feel that the marketplace should decide who can have what kind of programming.

If, for example, an American consumer would rather pay a dollar or fifty cents or seventy-five cents to watch a first run film at home rather than going to a theater, where you have to pay two, two and a half or sometimes three dollars per person, pay a parking charge, a babysitter charge, plus buy the refreshments—an evening at the theater today can cost the American family 15 to 20 dollars. Why shouldn't that family have the choice of seeing that same first run film in its original form, unedited and uninterrupted at home, for one dollar for the entire family and any friends that they want to bring in? It seems to me in a time of energy crisis, inflation and everything else, this just simply makes good sense. Why should the broadcasters have federal regulations which say: you do not have the choice of watching that film at home; it can only be available to you when some dog food salesman or some laxative salesman decides that he wants to pay to bring that film to you and to interrupt it everytime he has a chance to show you his commercial.

RARICK. Cable TV would actually become a sort of public utility, then?

FOSTER. To a degree that's true. Of course, cable is a communication medium with an infinite capacity. We think of television today in terms of five or six or seven channels. With cable coming into your home, and it's coming into 8 million American homes today, we have a capacity of delivering 60, 70, or 120 channels of communication into the home.

RARICK. Certainly, a greater freedom of choice is offered to the viewer.

FOSTER. Absolutely. Not just entertainment. We are talking about educational resources, banking and credit resources, and security systems. All of these things can be brought into the home over the cable. So to a degree, Congressman, you are correct when you say this should be a public utility. But we should not put public utility constraints on this industry too early in it's life. As I said before, it is still an infant industry.

RARICK. What policies are currently implemented by the FCC with respect to regulation of cable TV.

FOSTER. In March 1972, the Federal Communications Commission issued a very comprehensive and stringent set of regulations governing cable TV. For years there had been a freeze on the granting of cable television franchises, particularly in the top-100 television markets. The broadcasters were concerned that the granting of franchises in these areas would mean the end of commercial broadcasting as we know it today. There was much fear and a lot of emotionalism involved in allowing cable to develop, especially in our large cities. Finally the FCC, after studying the matter for a long time, came out with a set of regulations that said, "Yes we will permit cable to enter these large markets, but we will only do it with very severe constraints; you can only bring in a certain number of signals from distant markets, via microwave or satellite; and you have to provide certain channels for public access, educational access, and governmental access and leased channels; you have to provide two way capability." Many of these regulations I think were sound in their conception. On the other hand, I don't think they were based on an adequate amount of data as to what the industry should really have to provide for its growth. I think too much regulation, too soon, is the way I would describe it, Congressman.

RARICK. Well is there a difference between pay TV and cable TV?

FOSTER. Yes.

RARICK. They are not interchangeable.

FOSTER. No. Pay TV is the word that has been used to describe taking a regular channel of television—an over-the-air or broadcast channel which is part of the radio frequency spectrum—and saying, "Okay, that is not going to be freely available to the public. This is going to scramble or in some way made available only to those who pay for it." I think quite rightly in this country serious questions were raised as to whether this valuable national resource called the frequency spectrum, should be put on the basis that one person can buy it and someone else can't. The cable doesn't use the frequency spectrum, so it doesn't pose the same kind of constraint as far as the use of the frequency spectrum. As I have said, this pencil thin cable can bring an almost infinite number of channels. So to devote some cable channels for pay purposes and others for so-called "free television" doesn't restrict the ultimate amount of communication that comes into the home. Pay TV uses part of the frequency spectrum and thereby deprives the public of the use of that on a freely available basis.

RARICK. Will there be sponsors and advertising on pay TV then?

FOSTER. No. The Federal Communications Commission's subscription cablecasting rules forbid commercial advertising on pay cable channels. On the cablecasting, or local origination channels which I described earlier, advertising is permitted. There are a certain number of cable systems around the country that are providing local programming, local high school basketball games, for example, on a sponsored basis. They can sell to a local sponsor just as the local television station can. I should add, however, that under the rules of the FCC the use of sponsorship on cable is severely limited. We can only run commercials at a logical half-hour break. We can't do what the commercial broadcasters do to a program—chop it up pretty much as they wish, without respect for the dramatic or educational content of the program.

RARICK. Will you also be bound under the fairness doctrine and to program public service spots?

FOSTER. Yes, the fairness doctrine applies to cable television and it should.

RARICK. I have discussed this same subject with a representative of the National Association of Broadcasters on this program. Do you feel that pay TV and cable TV are compatible? Is there room for all of these systems to work together in harmony?

FOSTER. Absolutely. I feel that it has been badly overemphasized that there is some kind of conflict between commercially-sponsored television and cable television. As I indicated earlier, 95 percent of the programming that is on cable TV today comes from the commercially-sponsored programs. I say commercially-sponsored because I don't like to use the word "free television"— the American consumer is paying $10 million a day for so-called free television. That's a lot of money, and it's coming out of the cost of products that he buys. And unless he doesn't ride on tires or he doesn't shave or never sprays himself, he is paying for his "free television," one way or another. The only question is, should he have a wider choice; should he have the choice of watching what a sponsor wants him to see or should he have the choice of paying for something which might be a little bit different in quality—not the kind of mass medium quality.

RARICK. Thank you very much. Our guest today has been Mr. David Foster, president of the National Cable Television Association. I am certain that our viewers have enjoyed your remarks and have a better understanding of pay TV and cable TV.

AMERICANS FOR DEMOCRATIC ACTION ANALYZE THE MILITARY BUDGET

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 9, 1974

Mr. HARRINGTON. Mr. Speaker, it appears that tomorrow the House will consider a supplemental appropriations bill (H.R. 14013) which contains $4.9 billion in additional funds for the Department of Defense to spend in the current fiscal year. This $4.9 billion represents a reduction of nearly $1.3 billion from the Pentagon's request.

Rather than adhere to the illusion that the Congress is getting tough about the military budget—which for years we have treated as somehow sacrosanct—I think it appropriate to urge my colleagues to consider the analysis of the fiscal 1974 supplemental and fiscal 1975 military budget, that has been prepared, quite meticulously, by Americans for Democratic Action.

From this analysis it is quite plain that the Department of Defense is, once again, playing budgetary sleight-of-hand. DOD claims that its budget request this year is only $92.9 billion, a more increase of $6 billion over the fiscal 1974 appropriation of $86.9 billion. The Pentagon would attribute this increase to inflation and pay raises stemming from conversion to all all-volunteer force. Closer scrutiny, however, reveals that the true increase in the military budget is substantially greater than $6 billion, and cannot be justified solely by pay raises and inflation.

When one adds the $6.2 billion supplemental request for the current fiscal year—which the Appropriations Committee has trimmed to $4.9 billion—the total amount of requested moneys to be obligated by this session of Congress soar to $99.1 billion. I for one do not agree with the suggestion of the Pentagon that the procurement items in the fiscal 1974 supplemental are so urgent that they could not bear the closer scrutiny they might have received if included in the fiscal year 1975 budget. It seems to me that the large supplemental request—which has required the first supplemental military procurement authorization since 1967—is just another way of pulling the wool over our eyes.

It is an obvious incongruity that now, in peacetime and after the conclusion of active American participation in the Southeast Asian hostilities, the military budget continues to climb. To me, at, least, this phenomena suggests that the President has lost control over the Joint Chiefs and the mammoth military bureaucracy.

I hope my colleagues will take the opportunity to consider the information contained in the ADA analysis of the military budget. I think they may find the information useful, as tomorrow the House considers appropriating another $5 billion for our armed services:

DEFENSE DEPARTMENT BUDGET: HIGHER AND HIGHER

The Defense Department's proposed $92.9 billion budget for Fiscal Year 1975 calls for the highest level of peacetime military spending ever. Were it not for a series of Pentagon budgetary manipulations worthy of some of our finest oil companies, it would be recognized immediately that the Defense Department's proposed FY 1975 budget actually exceeds $92.9 billion.

Pentagon spending figures have shot up so much that even some of the Congressional patriarchs who keep benign watch on the Pentagon have expressed their concern. House Appropriations Chairman George Mahon (D-Tex.), for example, at February 26, 1974 hearings on the new budget decried the "big leap forward in defense spending." In a February 4 analysis in the Congressional Record of Nixon's overall budget, Mahon labeled DOD's requests as "the most dramatic increase in the budget."

On February 5, Senate Armed Services Chairman John Stennis (D-Miss.) called for a "most stringent review and adequate justification" of the Pentagon's spending request, noting that in terms of outlays, this year's military budget is the largest ever. Even Senate Appropriations Chairman John McClellan (D-Ark.), normally a staunch defender of the Pentagon's budget, has announced his intention to seek a reduction of $3.5 billion in the budget.

THE BUDGET FIGURES

The Pentagon argues that the increase in budget authority it seeks—from $86.9 billion to $92.9 billion—is modest, one which barely keeps pace with inflation and pay increases. In a staff study prepared for his subcommittee on Priorities and Economy in Government of the Joint Economic Committee, however, Sen. William Proxmire (D-Wis.) noted that the Pentagon has juggled its books "to show a leveling off of defense spending." Proxmire pointed out that in fact the military budget "is increasing sharply, far beyond the rate of inflation."[1]

The Proxmire staff study points to two manipulations of DOD figures. First, the Pentagon has used a supplemental appropriation to add money to the FY 1974 rather than the FY 1975 budget. In addition to its request for $92.9 billion in new budget authority, the Administration has submitted to Congress a $6.2 billion supplemental request. Some of the money in the supplemental request is legitimate for FY 1974, including money for pay increases ($3.4 billion), fuel price increases ($.5 billion) and a Middle East-related rise in costs ($.2 billion). The remaining $2.1 billion is a "readiness" supplement, most of which is to be used for the purchase of new weapons and supplies. Normally, a request for funds to be spent in this way would be submitted as part of the regular budget, not as part of a supplemental request. By retroactively increasing its FY 1974 budget, however, the Pentagon has made its FY 1975 budget request appear smaller than it actually is.

The second way in which Pentagon spending figures have been manipulated is through the inclusion of a $2.2 billion appropriation for emergency aid to Israel as a standard military budget item in the FY 1974 budget. This $2.2 billion was used last year during the Mideast war to purchase arms and supplies for Israel—a one-time expenditure which did not enhance U.S. military forces. As Sen. Proxmire has pointed out, the inclusion of this $2.2 billion as a regular military budget item for FY 1974 "exaggerates what was spent on U.S. military forces last year and biases the comparison of the 1974 and 1975 budgets." By this method of calculation, the Pentagon's budget authority requests are going up $12.4 billion from $82.6 billion to $95 billion.

Cutting through this DOD smoke screen by lumping together the Pentagon's new requested budget authority for FY 1975 ($92.9 billion) and the supplemental FY 1974 request ($6.2 billion), Sen. Stennis has come up with a total DOD request for FY 1975 of $99.1 billion. This is $18.4 billion more than the $80.7 billion DOD appropriation thus far for FY 1974.

Last year a group of 13 former Defense, State, NSC and CIA officials headed by Paul Warnke found that some $14 billion could be saved from military spending proposals for FY 1974. ADA is confident that by reducing excess military and civilian manpower, eliminating unnecessary weapons systems, cutting military assistance to Indochina and elsewhere and by other economy moves at least that amount could be cut from the FY 1975 budget.

WHATEVER HAPPENED TO THE VIETNAM PEACE DIVIDEND?

In 1969 the Vietnam war was at its peak. During that year, the high point of "incremental" war costs for Southeast Asia, $21.5 billion, was reached. Southeast Asia war costs in FY 1975 are slated to total only $1.9 billion, yet the military budget grows even larger. Where has the $19.6 billion saved from the reduction in Vietnam costs gone?

The chart below compares defense costs at the height of the Vietnam war to defense costs today:

DOD BUDGET AUTHORITY

[In billions of dollars]

Fiscal year	Non-Indochina costs	Southeast Asia costs	Total
1969	56.0	21.5	77.5
1975 [1]	91.0	1.9	92.9
1975 [2]	93.1	1.9	95.0

[1] Pentagon's figures.

[2] Figures include reallocated fiscal year 1974 supplement as done by Senator Proxmire's JEC staff study, with $2,000,000,000 added to fiscal year 1975.

The figures cited above demonstrate that the Pentagon is transferring money formerly spent in Indochina to other military programs. The increase from FY 1969 to FY 1975 for non-Indochina costs, whether $35.0 billion or $37.1 billion, represents a two-thirds jump in six years. Some of this money has been used for pay increases and to offset inflation, but much of it has been used to develop new strategic weapons such as the Trident submarine and the B–1 bomber. A significant portion of the money also has been used to modernize U.S. forces, despite the fact that a great deal of modernization occurred during the Vietnam war. Examples of previous modernization achievements, cited by Sen. Stennis on February 5, include the Posedion submarine conversion, the MIRVing of Minutemen ICB's, the doubling of the number of Army helicopters between 1965 and 1970, the improved F–4 fighter, a new class of SSN–688 submarines and two nuclear aircraft carriers.

MILITARY SPENDING AS A STIMULUS TO THE ECONOMY

By trying to justify the pumping of billions of dollars into DOD's requests as a move to aid the sagging economy, the Administration has added a new dimension to the Pentagon debate. In a February 26 hearing, Chairman Mahon charged that last year $5 billion was slipped into new *budget authority* requests for what Mahon called "economic aid to our own country." According to Mahon, for example, there "is reason to suspect that some of the defense budget is being used to help out the aircraft industry and take out the slack in the airlines." Defense Secretary James Schlesinger has conceded that $1 billion to $1.5 billion of defense budget *outlays* is being spent to prime the national economy.

The injection of this new "economic stimulus" factor into the debate on defense spending may have been a critical error on the part of the Administration. Both Mahon and the influential Rep. Robert Sikes (D-Fla.) of the Defense Appropriations Subcommittee say it would be difficult for them to defend on the House floor a military budget determined, at least in part, by extraneous considerations.

In fact, there are many more efficient ways to stimulate the U.S. economy and create jobs than through the use of military spending. A Bureau of Labor Statistics study entitled "Projections of the Post-Vietnam Economy, 1975" published in 1972 points out that a $1 billion expenditure by DOD produces 75,812 jobs. A billion dollars spent by state and local governments on health, however, produces 80,041 jobs, the same amount spent on education produces 104,019.[2]

MILITARY MANPOWER

Last year DOD manpower authorizations were a subject of great controversy. Many members of Congress evinced dissatisfaction with high military manpower costs. In the Senate, the Armed Services Committee voted a whopping 156,100 force reduction, although this reduction was substantially modified later. In the House, Reps. Marvin Esch (R–Mich.) and Tim Lee Carter (R–Ky.) led a major effort to reduce military personnel by 200,000, with at least half that number to come from overseas troop deployments; Rep. Ronald Dellums (D–Calif.) tried to cut an even larger amount, 325,000, mostly from U.S. troops abroad. Some reductions in military manpower were achieved. As of September 30, 1973, however, there were still 573,000 U.S. troops stationed outside the United States.

DOD plans further reductions in military personnel in FY 1975. It is asking for a new end-strength manpower level of 2,152,123, a decrease of about 22,000. Yet, despite this reduction in personnel, the military payroll will climb $1.6 billion to $26.563 billion to cover costs of basic pay, special pays and allowances, and family housing.

Skyrocketing military personnel costs can be expected to lead the House and Senate to seek additional reductions in military manpower levels. Particular efforts probably will be launched to reduce the high number of support troops and U.S. troops stationed overseas and cut personnel from the military's overstaffed command headquarters. Secretary Schlesinger did announce some cutbacks in support troops and command headquarters personnel; the money saved from these cutbacks, however, will go to fund another one-third Army division—not to the American taxpayers.

COST OF CONTROVERSIAL FISCAL YEAR 1975 MILITARY PROGRAMS AT A GLANCE

Program	Kind of weapon	Fiscal year 1975 request[1]	Estimate total cost from R. & D. to finish[2]
Trident	Nuclear ballistic missile submarine	$2,043,000,000	[3] $13,500,000,000
B–1	Long-range bomber	499,000,000	13,327,800,000
AWACS (E–3A)	Airborne warning and control system	770,000,000	2,385,000,000
F–14 (with Phoenix missile)	Navy fighter	856,000,000	7,107,500,000
SAM–D	Army surface to air missile	111,000,000	4,481,800,000
Minutemen III	Upgrading, and putting multiple warheads on Minutemen missiles	758,000,000	6,089,900,000
AABNCP	Converting Boeing 747 into advanced airborne national command posts	90,000,000	467,800,000
DD963	Naval destroyer	464,000,000	2,805,100,000
S–3A	Carrier based antisubmarine warfare plane	562,000,000	3,294,400,000
F–15	Air force fighter	1,076,000,000	7,835,200,000

Program	Kind of weapon	Fiscal year 1975 request[1]	Estimate total cost from R. & D. to finish[2]
Site defense	ABM system designed for defense of ICBM's	$160,000,000	(4)
Advanced ballistic missile defense program	Research on new ABM systems	91,000,000	(4)
Cruise missiles	Bomber and submarine launched liquid-fuel missile	125,000,000	(4)
		Fiscal year 1975 request	
Major DOD programs:			
Southeast Asia war costs		1,913,000,000	
Military personnel basic pay, special pays and housing		[5]26,563,000,000	
Civilian personnel payroll		[5]14,929,000,000	
Military retired pay		[5]6,011,000,000	

[1] Statistics in this column from section of Defense James Schlesinger's Annual Defense Department Report (posture statement), fiscal year 1975.

[2] Statistics in this column from GAO report Financial Status of Selected Major Weapons Systems, B-163058, Nov. 13, 1973.

[3] Navy estimates quoted by Senator Stuart Symington (D-Mo.) in floor speech of July 27, 1972.

[4] Uncertain.

[5] Outlay figures.

The Pentagon has been giving contradictory signals as to whether it plans overseas troop cutbacks, particularly in Asia. Schlesinger testified that some cuts are possible, particularly in Korea, but no specific figures have yet been given. As for domestic base closings, budget director Roy Ash announced in testimony before the House Appropriations Committee on February 19, 1974 that, despite previous plans, there will be no further base shutdowns in 1974.

CIVILIAN PERSONNEL

This year for the first time Congress will exercise direct control over the size of Pentagon civilian bureaucracy. Although it was unable to do so when the payroll for civilians was spread out through different parts of the budget, in FY 1975 Congress will authorize a specific manpower level for DOD civilian personnel.

The Pentagon currently employs almost one civilian for every two military personnel. This year it is requesting a sharp increase in the number of civilian jobs for the last six months of FY 1974, and aiming for a civilian end strength of 1,027,327 for FY 1975. As of June 1973, the Pentagon employed 998,000 direct-hire civilians (for military functions only); by December 1973 that number had decreased to 994,000. In the last six months of FY 1974, however, the Pentagon projects a whopping 35,000 increase in DOD civilians to 1,029,000. This figure includes 19,000 civilians covered by the FY 1974 supplemental appropriation. By hiding its growing bureaucracy in a supplemental appropriation to keep the FY 1975 budget from appearing to grow, the Pentagon obviously is playing another shell game.

Personnel costs comprise 55.4 percent of the Pentagon's proposed FY 1975 budget, or $47.5 billion; $14.929 billion of this amount is to be used to pay civilian bureaucrats. The Armed Services and Appropriations committees are going to scrutinize closely this part of the defense budget. Last year the House Appropriations Committee reported that it "was surprised to see such a small reduction planned for civilian personnel during fiscal year 1974." It added that it wanted to see "positive action toward decreases to total civilian employment levels."[3] In spite of this committee's recommendation, though, the Pentagon continues to seek increases in civilian employment levels.

SOUTHEAST ASIA MILITARY LEVELS

Final congressional action last year set a ceiling of $1.126 billion for military aid to Vietnam. In the FY 1974 supplemental request, the Pentagon is asking for a new ceiling of $1.6 billion, which would enable the Administration to increase its FY 1974 spending for Vietnam by up to $476 million.

The new budget authority requested for FY 1975 for Southeast Asia is $1.913 billion, an increase of $314 million over the amount scheduled for FY 1974. Of this total, $1.45 billion is slated for military assistance to Vietnam, and the remaining $463 million is to be spent to support U.S. troops in Thailand. Despite proclamations of peace in Indochina, it is clear that massive American military involvement in the area continues, and in fact is increasing. We are still injecting tremendous amounts of money and equipment into Indochina and into Thailand, where 35,000 U.S. troops remain as a "threat" to North Vietnam.

The U.S. is still heavily involved in propping up various governments in Indochina. Numerous programs are used to funnel aid to the area. In addition to the Defense Department's money for Indochina, $789 million is slated for "Postwar Indochina Reconstruction," and $390 million is earmarked for Cambodia. Congressional attempts to limit U.S. military expenditures in Indochina appear to have very good prospects of success.

U.S. STRATEGIC DOCTRINE: THE DEBATE ABOUT FLEXIBILITY

One of the most controversial debates in Congress this session will center around U.S. strategic doctrine. On January 10, 1974, Secretary Schlesinger proposed a change in the U.S. nuclear strategy: Rather than depend on the previous "assured destruction" doctrine, which he labeled too inflexible, Schlesinger would have the U.S. develop a wide range of "selective" nuclear strike options. The adoption of this new targeting strategy would permit "limited" nuclear war, i.e., war short of an all-out exchange between the two superpowers.

It is generally agreed that the U.S. long has had the ability to destroy most military targets, including hundreds of Soviet missile silos. The FY 1975 budget includes about $200 million for new counterforce weapons. DOD wants accuracies and yields on our nuclear warheads which would give our ICBM's a "silo-killing" or counterforce capacity able to threaten the entire Soviet landbased missile deterrent. The costs of developing this capacity eventually would run into billions of dollars.

One of the problems with the new DOD approach is that the development of counterforce weapons—by making "limited" nuclear exchanges appear feasible—will make nuclear weapons seem more "useable." Furthermore, development of a substantial "silo-killing" capacity may increase crisis instability. Having this capacity is an incentive for both the U.S. and the U.S.S.R. to make a first-strike upon its adversary's missile force rather than await an enemy attack upon its own vulnerable land-based forces. Finally, the new DOD strategy may touch off another strategic arms race. Counterforce strikes require large numbers of very sophisticated nuclear weapons. Any major U.S. counterforce effort will generate Soviet uncertainties and suspicions about our intentions and almost certainly will lead the U.S.S.R. to match our efforts.

DIEGO GARCIA

The Administration's plan to expand port, runway and fuel storage facilities on the remote island of Diego Garcia in the Indian Ocean has touched off controversy both in Congress and overseas. Domestic opponents charge that the Administration has succumbed to military pressure to establish a U.S. presence in the Indian Ocean by expanding the present small communications facility there. Overseas opposition has come from most countries in the region, including India, Australia, New Zealand and Sri Lanka. If the plan is pushed to completion—$32.3 million has been requested so far—there may be an expensive, large-scale naval race in the Indian Ocean. Sen. Clairborne Pell (D-R.I.) and Rep. Lee Hamilton (D-Ind.) have initiated efforts to block implementation of the plan.

TRIDENT NUCLEAR-POWERED SUBMARINE

The Trident nuclear ballistic submarine program is the most costly weapons system in the FY 1975 budget. The Pentagon is asking $2.043 billion for the program, an increase of $608 million over last year's appropriation. An additional $25 million is being requested as part of the FY 1974 supplemental appropriation.

The accelerated development of the Trident submarine barely survived—by 49–47—a tough Senate fight last year with Sen. Thomas McIntyre (D-N.H.) leading the opposition. At that time, serious questions were raised about rushing into development of Trident submarines to replace the Polaris/Poseidon fleet now in use. Of the 41 Polaris submarines, the oldest is only 14 years old and the newest seven. The presently invulnerable fleet, with a life span of 30 years, is serviceable until the 1990's. Conversion efforts to put 10–14 MIRV's on each of 16 Poseidon missiles on 31 of the submarines currently are underway.

The cost of each new Trident will be a staggering $1.3 billion. Though the Pentagon argues that present submarines must be replaced to hedge against possible future antisubmarine warfare (ASW) threats, it is unable to define the nature of such threats. Actually, by concentrating the number of missiles in each submarine (24 in each Trident as opposed to 16 in each Polaris/Poseidon sub), the U.S. may wind up with fewer boats more vulnerable to ASW threats.

Criticisms and suggestions emerging from last year's Trident debate apparently did not go unheeded by the Defense Department. DOD now has plans to place the Trident I missile in ten of our Poseidon submarines. This will vastly extend the range of our present fleet. Also, the FY 1975 military budget includes funds for a new missile submarine smaller than the Trident but able to use the Trident I missile. While the Trident subs would be based in Bangor, Washington, and could operate only in the Pacific, these smaller submarines will be able to operate in the Atlantic as well as the Pacific.

B–1 BOMBER

The B–1 bomber program may be the subject of a major congressional debate this year. Although the production decision originally scheduled for FY 1975 has been delayed until November 1976, there may be a serious attempt to kill the program entirely or to force a search for cheaper alternatives.

DOD is requesting $499 million for the B–1 in FY 1975. Several opposition groups stress that there is little need for the new

B-1 bomber, which has only marginally greater military capacities than the existing B-52's and would be of dubious value in the event of war.

Moreover, the B-1 program is in serious trouble for cost-overruns, delays and bureaucratic mismanagement. The Secretary of the Air Force admitted on February 19, 1974 that the cost for each plane without the supporting systems already has risen to $56 million, making the total program cost approach $14 billion. A recent General Accounting Office report has charged the Pentagon with ignoring safeguards against overruns, long delays and lowered performance standards. There is serious doubt that the U.S. can afford the unnecessary B-1 strategic bomber program.

A PROPOSAL FOR MANAGING MILITARY SPENDING

The Federation of American Scientists has proposed a new strategy for the management of military spending by Congress. In its March 1974 Newsletter, the Federation suggests that, rather than concentrate on cutting specific weapons programs, Congress should try to impose an overall limit on the Pentagon's budget. In the past, Congress has had difficulty reaching a consensus on specific Pentagon programs to be cut. Use of the FAS strategy, however, would eliminate this problem.

Congress would base military spending for any given year on the Pentagon's spending of the previous year—a procedure frequently employed in other instances. It would add to this base a percentage appropriations increase based on the rate of inflation applicable to Defense Department spending, which this year is six percent. This increase would hold the Pentagon's budget constant in terms of purchasing power.

Then Congress would reach a consensus on a percentage of desired economy for DOD or what might be called an "economy dividend." With every other agency being forced to economize substantially, there is no reason the Defense Department should not be asked to do the same. If Congress decides that DOD should economize by say three percent, DOD this year would be given a budget increase equal to the six percent inflation increase minus a three percent economy divided rate or three percent.

For FY 1975, this formula would result in an increase in dollars over last year's budget, but it would achieve a $10 billion reduction in the proposed $95 billion DOD budget. If Congress were to use this process for several years running, it would go a long way toward slimming down the defense establishment that has grown with little restraint for 25 years. Squeezing out the "fat" certainly would not preclude specific cuts of some of our more outrageous weapons programs or manpower cuts. But the great advantage of the proposed strategy is that it offers Congress a means of managing the DOD budget which is politically more feasible than trying to cut specific programs.

SOURCES

1. See "A Comparison of the Fiscal 1974 and 1975 Defense Budgets," staff study of the Subcommittee on Priorities and Economy in Goverment, J.E.C., February 22, 1974.

2. Department of Labor, Bureau of Labor Statistics, Bulletin 1733, "Projections of the Post-Viet Economy, 1975," published in 1972, Table 9.

3. House Committee on Appropriations report on Department of Defense Appropriation Bill, 1974, pp. 97-98.

Most statistics came from Secretary of Defense Schlesinger's Annual Defense Department Report (Posture Statement), FY 1975, or from The Manpower Requirements Report for FY 1975. The Center for Defense Information reviewed this Newsletter.

NEW JERSEY FOOD COUNCIL'S ENERGY CONSERVATION PROGRAM

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 9, 1974

Mr. RODINO. Mr. Speaker, over the past few months, the New Jersey Food Council, based at 110 West State Street in Trenton, has effectively developed and immediately put into action a most impressive voluntary energy conservation program.

As early as December, New Jersey Food Council President Allen I. Bildner stated:

> Supermarket use of heat, illumination and the industry's trucking and transportation practices afford an obvious opportunity for energy savings. We are convinced that a 25% energy cutback goal is not unrealistic.

By March 1, according to a preliminary survey prepared by the council's energy conservation committee, it was announced that New Jersey supermarkets had reduced their energy load upward of 15 percent as a direct result of the new power savings programs. Since a substantial reduction has been attributed to careful application of the energy conservation guidelines, I would like to insert in the RECORD and bring to the attention of all my colleagues an outline of the council's energy program.

Needless to say, the practicality, the effectiveness and the cooperation of all who have taken part in the council's program are to be highly praised. I wish Mr. Bildner continued success in his critical work and it is my hope, in the months to come, his program will serve as an example of what all of us can do to conserve and best utilize our energy supplies.

NJFC ENERGY CONSERVATION PROGRAM

(By New Jersey Food Council)

Following is the suggested *voluntary* program developed by the New Jersey Food Council's Energy Conservation Committee for application throughout the State's food distribution network. It is emphasized that no single industrywide program can be tailored to meet the needs of each component. Therefore, the Committee recommends that individual companies conform to those guidelines which can best help to produce a practical, effective energy-saving plan, without sacrificing the needs of the consumer. Committee members are convinced that considerable power conservation already has been achieved throughout the industry, and by using these guidelines as a foundation substantial additional savings will be developed in the weeks and months ahead. The voluntary program:

GENERAL

A. Establish a companywide energy program to determine priorities, audit usage, develop workable conservation measures, and assure that all levels of personnel understand your energy conservation goals.

B. Develop consumer energy conservation programs through use of advertising and promotional material.

REFRIGERATION

Recognizing that more than 50% of the total energy load in food stores and warehouses is in refrigeration power which cannot be reduced if food is to be kept wholesome, the following is recommended:

A. Adhere to manufacturer directions for cleaning refrigeration units on rotating basis.

B. Train personnel to follow manufacturers' recommended use of equipment, including load line, so there is no cold air spillage.

C. Refrain from unnecessary opening of cooler doors.

LIGHTS

A. Reduce power to 100-foot candles or lower where practical.

B. Review maintenance practices for maximum reductions.

C. Turn off case lights and other lighting during off hours.

D. Eliminate use of lights in all unoccupied areas so long as safety and security are not affected.

E. Consider turning off all exterior logos and signs.

F. Reduce or eliminate parking lot lights where safety and security are not substantially affected.

G. Eliminate all holiday and special occasion lighting.

HEAT

A. In stores without heat reclamation, reduce temperature to 65 degrees and lower if practical.

B. Consider still lower temperatures when store sales area is unoccupied—provided overall load is not increased when higher temperature is restored.

C. Evaluate maintenance schedule, insulation procedures and heat loss sources.

D. Avoid unnecessary use of hot water heaters.

E. Shut down air flow systems when not required.

F. Restrict door openings at store and office entrances, back doors and receiving areas; keep windows closed when heating or air conditioning is in operation.

G. Cover unnecessary non-front end window areas with polyethylene.

H. Turn off all electrical and heating equipment when not in use.

I. Do not block heat ducts or registers with merchandise, cartons or displays.

TRANSPORTATION

A. Switch to radial tires on company-controlled cars and trucks; be sure tires are adequately inflated.

B. Encourage employee car pools.

C. Promote shopper pools.

D. Re-evaluate truck loading procedures.

E. Re-evaluate order, routing and delivery systems.

F. Maximize back-haul opportunities.

G. Work with government to ease truck load weight and other restrictions.

H. Re-evaluate direct store deliveries with an eye toward consolidation.

I. Review supervisory schedules to eliminate unnecessary mileage.

J. Shut off tractor engines when making deliveries unless refrigeration is affected, and install cold weather pre-heating equipment to reduce engine warmup idling time.

K. Schedule deliveries during off-peak traffic periods.

L. De-rate horsepower on new trucking equipment.

M. Step up frequency of engine tuneups.

N. Re-evaluate method of transportation among truck, piggyback and rail for most efficient fuel usage.

O. Where practical, reduce size of company cars.

P. Increase trailer utilization to reduce total number of trips from distribution centers to store(s).

WAREHOUSING

A. Discontinue battery charging material handling equipment when battery reaches 90% of recommended full charge.

B. Reduce foot candle and heat to lowest possible level.

OPERATIONS AND SUPPLIES

A. Eliminate double bagging.

B. Offer boxes where available in place of bags; encourage shoppers to reuse their bags where permissible.

C. Review hours of operation of each unit to detemine whether positive savings can be accomplished while still meeting consumer and company requirements.

D. Eliminate label waste.

E. Standardize company wrapping supplies and procedures.

F. Use polyethelene rather than other types of bags and wrappings where practical.

G. Use bags large enough, but no larger than necessary, to hold merchandise.

H. Limit use of copying machine.

I. Decrease margins on typed letters and memos.

J. Erase neatly rather than retyping.

K. Review all office supply requisitions.

L. Reuse inter-office envelopes and file folders.

M. Use both sides of paper for notes and memos.

COLUMNIST LIN WILLIAMS SUGGESTS CAMPAIGN REFORM

HON. WILLIAM E. MINSHALL

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 9, 1974

Mr. MINSHALL of Ohio. Mr. Speaker, one of the outstanding newspapermen in the Cleveland area is Lindsey Williams, whose Lindsey Press publishes the Bedford Times-Register, Maple Heights Press, Cuyahoga Falls News, and other papers. His weekly column "World at Large" brings to his wide readership his carefully weighed conclusions on a multitude of issues, sometimes light-hearted, sometimes serious, always enlightening and written with an excellence of style and wit.

I am particularly impressed by Lin's recent comments on campaign reform. They are possessed of a commodity of which he has superabundance, that is all too rare in many areas today, and that is commonsense.

As Congress debates the various campaign reform proposals now before us, I hope that my colleagues will give serious thought to the ideas this wise and thoughtful writer puts forth:

[From the Bedford (Ohio) Times Register, Mar. 21, 1974]

A Loser's Suggestions for Campaign Reform

(By Lin Williams)

Everybody these days wants campaign reform—at the expense of the opposition.

The professional politicians, who know where the key control points are, won't take the lead because there is vast economic power at stake.

The voters are anxious to clean up the political processes but don't have enough inside knowledge to apply pressure at the sensitive points.

As a result, we are certain to have some hocus-pocus that will give us only an illusion of reform.

The present, much-publicized approaches to the problem—public financing, elaborate reporting, stiff penalties—are more likely to make the situation worse.

The obvious solution to campaign abuses is to remove temptation—enlist human nature instead of defying it.

Simply shorten the campaign.

It takes time to raise money, plan its use, and convert it into publicity. We now give the professionals six months between primary nominations and general elections—and unlimited opportunity before that—for propagandizing the electorate.

This time scale was necessary two hundred years ago when we did not have instant communication and transportation. Today, prolonged political campaigns are an anachronism—a custom that time has run away from.

Short campaigns have two self-limiting factors.

First—a campaign of, say, six-weeks puts an automatic ceiling on expenditures. The mechanics of preparing and distributing advertising material is time consuming.

Second—even fortunes and computers cannot push ideas through the human brain faster than human nature can absorb them—and that is maddeningly slow. It is useless to pour ten gallons of water into a one gallon bucket.

Thus, many of the abuses of political campaigns would fade away as mountains of cash became unnecessary.

Before we accept either public financing or short campaigns, we should examine the real consequences of each.

With any formula of spending tax money for political purposes we run the risk of a majority party bending the rules to favor its cause.

In addition, there is the constitutional question as to whether it is proper for a tax payer's money to be used for partisan purposes. Why should his taxes be confiscated for a party he believes will ruin the country? Or equally for both parties when one has demonstrated a large majority of acceptance? Or for either party if he is fed up with politics?

Short campaigns would remove the temptations and errors of judgment that go with free and easy dollars.

Yet we also would eliminate the opportunity for relatively unknowns—such as George McGovern or John Glenn—to jump into the arena and challenge the very famous and the very rich.

As a one-time candidate for public office (I lost) I have personal experience with the problems of raising campaign funds and trying to unpress the voters. Both are tough jobs.

In our present dilemma we do not need—in fact, should strenuously resist—any radical change in our political system. The exaggerated abuses now lumped simplisticly under the code word "Watergate" should not stampede us into quicksand.

I suggest some moderate changes in campaign practices that do more to update our system than to out date it.

1. Prohibit presidential nominating conventions earlier than 10 weeks before the general election, and leave local primary elections as they are. This cuts the presidential campaign time in half but gives unknown challengers at the grass roots level an opportunity to make a name.

2. Free use of some public services, but no public money as cash. Every opposed candidate on the ballot would be allowed one free mailing and computer print-outs of registered voters.

3. Free prime-time television totaling five 15-minute segments for presidential candidates, five 10-minute segments for congressional candidates, and five 5-minute segments for state-level candidates. All other, purchased TV time to be not less than two minutes in length in order to downplay "image" slogans. The TV networks are granted use of the highly limited broadcast spectrum—a national resource of enormous value. A few hours of time for a few weeks every two years is a small price for a near monopoly, but if the cost can be proven to be a burden, this much might be financed from the public treasury.

4. Each candidate would be allowed one campaign committee, one treasurer and one bank account. All contributions would be made by check or money order only—no cash.

5. Candidates could receive only contributions from individuals, and those donors could give not more than 10 percent of their personal income to political purposes. Individual contributions would have to be made directly and not collected and forwarded by a third party.

6. Political parties could receive checks or money orders from any source not exceeding 10 percent of that source's stated annual income. A party then could spend no more than 10 cents per registered voter on campaign expenses in any one year.

These proposals would not "equalize" the chances of candidates and parties, but they would give everyone a good basic campaign at minimal cost. Those candidates and parties that try a little harder still could gain an advantage by extra effort and appeal.

The best thing about these six reforms is that they would reduce the one-man personality cults that invite abuse, and they would return the political parity to a greater degree of responsibility.

In any event, the present politicians now in office are not likely to make any significant change in what for them is a winning formula.

So, let's consider a loser's suggestion. He knows first hand the problems and has a greater interest in squaring up the system.

PERSONAL EXPLANATION

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Monday, April 8, 1974

Mr. MAZZOLI. Mr. Speaker, the series of tornadoes which swept over the Southern and Midwestern portions of this country last Wednesday, April 3, killed over 300 persons and caused millions of dollars worth of property damage.

My own State of Kentucky—and my congressional district—which includes Louisville and Shively—were hard hit and suffered loss of life and property.

Because of this disaster, I flew back to Louisville on Thursday and, accordingly, I was not present to vote on those matters which came before the House on April 4.

Had I been present I would have cast my votes as follows:

On rollcall No. 143—a vote on the conference report on the bill H.R. 12553, the General Education Provisions Act—I would have voted aye.

On rollcall No. 144—to order the previous question on House Resolution 1026, providing for consideration of H.R. 12565, the DOD supplemental authorization—I would have voted no.

On rollcall No. 146—to delete from H.R. 12565 $29 million for developing Navy facilities on the island of Diego Garcia—I would have voted aye.

On rollcall No. 147—an amendment to H.R. 12565, authorizing $274 million additional military aid to South Vietnam—I would have voted no.

I would have supported H.R. 12565—

which passed by voice vote—on final passage.

ATTORNEY GENERAL SAXBE AND ANTI-SEMITISM

HON. BELLA S. ABZUG

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 9, 1974

Ms. ABZUG. Mr. Speaker, this past Friday the American Jewish Congress demanded that Attorney General William Saxbe either resign or be removed from office. I concur.

This remarkable demand was sparked by a statement made by Mr. Saxbe last week which can only be characterized as anti-Semitic. That the highest law officer in the land should make such remarks is reprehensible. To quote from the AJC statement, Mr. Saxbe "is guilty of group libel, repeating an old and discredited calumny against the Jewish community."

Mr. Saxbe's supposed clarification does not satisfy my questions nor does it meet the demands of the American Jewish Congress.

I would like to insert into the RECORD an article from the New York Times about this incident:

JEWISH CONGRESS ASKS THAT SAXBE RESIGN FROM POST

WASHINGTON, April 5.—The chairman of the national governing council of the American Jewish Congress said today that Attorney General William B. Saxbe should either resign or be removed from office by the President because of comments Mr. Saxbe made Wednesday regarding "the Jewish intellectual.

"Mr. Saxbe has disqualified himself for public office and particularly for the sensitive post of the Attorney General," Howard M. Squadron, the chairman, said in a statement issued in New York. "He is guilty of group libel, repeating an old and discredited calumny against the Jewish community."

Mr. Saxbe made his comments in the course of discussing Justice Department plans to study the question of revising or perhaps doing away with the Attorney General's list of subversive organizations.

Mr. Saxbe said that in the McCarthy era there was great distrust of the intellectual.

"One of the changes that's come about is because of the Jewish intellectual, who was in those days very enamored of the Communist party," he went on. He said that "Communism has in many ways" lost its attractiveness to them.

Last night, Mr. Saxbe—whose remarks were criticized Wednesday and yesterday by leaders of three other Jewish organizations as well as by two members of Congress, Representatives Robert F. Drinan, Democrat of Massachusetts, and Elizabeth Holtzman, Democrat of Brooklyn—issued what a Justice Department spokesman described as a clarification.

He said that "there was a great deal of anti-Semitism in the Communist witch-hunts" of the nineteen-forties and fifties and that "much of it was directed at some highly visible Jewish intellectuals who were considered sympathetic to Russia.

"Because of the Soviet posture toward issues of importance to Jews," he said, "this is no longer the case today and I believe this change can best be seen by the totally different type of individual involved in the terrorist groups now operating."

Mr. Squadron suggested that he considered the clarification unsatisfactory, saying "Mr. Saxbe's statement and the 'clarification' that followed demonstrate a way of thinking that classifies people by ethnic stereotype."

RIGHT TO PRIVACY

HON. MARVIN L. ESCH

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 9, 1974

Mr. ESCH. Mr. Speaker, many Members of Congress have been looking forward to adoption of legislation to place tight controls on criminal information systems in order to protect individual privacy. House and Senate subcommittees have held public hearings and hopefully within the next several months we will see final committee action on this very complex legislation.

I believe adoption of this much-needed legislation must be accomplished during this session of Congress, especially in view of the many timely warnings about the risk of unwarranted encroachment on individual privacy by unchecked use of computers to compile crime records.

The following article by the Long Island, N.Y., Newsday, provides a wealth of information about the increased use of computers for the collection and dissemination of arrest records. It notes, for example, that the FBI expects to have records of 1 million persons on file by 1984 which could be sent upon request to 40,000 local police departments in a matter of seconds.

Obviously, computerized information systems have enormous potential for increasing the capability of law enforcement. However, we must balance a concerted tough attack on organized crime and street crime with the kinds of safeguards that will protect the right to privacy that all of us should enjoy as citizens of the United States.

For that reason, I hope the Congress will continue to give this matter most thorough consideration so that later this year we can develop the kind of effective legislation that is so much needed.

The article follows:

FBI TO STORE ARREST RECORDS OF 1 MILLION

WASHINGTON.—By 1984, the FBI expects to have stored away in computers the arrest records of 1,000,000 persons. Those records will be available to 40,000 local police departments through a telecommunications network capable of locating a file and sending it across the country in less than five seconds.

More quickly and completely than ever before, the system will send out descriptions of wanted persons, of stolen cars and stolen securities. Law enforcement officials across the nation will have almost instant access to the criminal records of any person they want checked.

There is concern in the Congress and elsewhere that the rapidly growing system, which was started in 1971, be tightly controlled to insure that the information it provides with such efficiency is both accurate and complete.

That concern has grown in the past decade with the hundreds of disturbing stories about the efficiency of the government's information system.

Consider:

The former Marine deserter from Texas who has served his military prison time and been discharged, but who reportedly has been picked up and detained by police three times in the past year alone because the computer still lists him as a "wanted" man.

Paul Cowan, of Boston, who was issued a taxi driver's license in February 1971, only to have it revoked one week later because a check with the FBI showed that he had been arrested for possession of marijuana, but failed to show that the charge had been dismissed.

Sam Ervin of Morganton, N.C., who opened his mail one morning in 1968 and found that the Social Security Administration had sent him a $752 check labeled "death benefits." To all appearances he was not only alive and well but running for re-election to the United States Senate. It was at that moment that he lost any faith he may have had in the infallibility of computers in general and government data banks, in particular.

Ervin also happens to be the chairman of the Senate's subcommittee on Constitutional Rights, and will chair hearings next month on two bills—including one of his own—to limit the uses of information in criminal data banks.

The Ervin bill grew out of four years of investigation by his subcommittee, during which Ervin became an increasingly vocal critic of government intelligence-gathering and the proliferation of data banks. The senator warned of the erosion of the right to privacy, a right not specifically mentioned in the Constitution but clearly implied.

The concern about criminal data banks has grown as the FBI and local police have begun converting from file-drawer record systems to an interlocking network of computerized data banks.

The FBI, which has arrest records on about 20 million persons in its manual files has computerized about 500,000 arrest records, and expects to have computerized 8 million of them within a decade.

To Ervin, the "benign inefficiency" of the file-drawer systems has prevented them from becoming "an intolerable threat to personal privacy or reputations."

But now that information is being computerized and exchanged with thousands of other state and federal agencies, he fears that neither the citizen nor the government will be able to control "who can see the information . . . or the accuracy of what is broadcast."

It is not just criminals and accused criminals who wind up in government data banks.

John Shattuck, an American Civil Liberties Union attorney, told a federal panel that many ordinary citizens become the subjects of government files as agencies increase the collection and dissemination of "dossiers on citizens engaged in exercising their rights of free speech . . . Medical and welfare records of the disadvantaged (and) the aging . . . Bank records of persons depositing funds in federally insured banks; (and) anecdotal records about children and young adults at every stage of the school system . . ."

No one knows for sure just how many government data banks exist, but they include the Defense Department's dossiers on 1,600,000 civilian employees of defense contractors, the Secret Service's files on 69,000 Americans considered potentially dangerous to the President, and the National Institute of Mental Health's files on persons who have taken part in federal drug treatment programs.

Ervin, who was concerned about privacy long before Watergate, had hoped to author a bill regulating all types of government data banks before retiring from the Senate at the end of this year.

He decided to focus only on criminal data banks after his staff—which identified 750 federal data banks before it stopped counting—found itself unable to draft a bill comprehensive enough to cover them all.

Ervin's subcommittee will consider both his new bill and one originally proposed by Elliot Richardson when he was attorney general. It is being sponsored in the Senate by Sen. Roman Hruska (R-Nebr.) and cosponsored by Ervin. (The Nixon Administration has allowed the bill to be introduced, but has not formally endorsed it.)

Both bills would cover virtually every criminal data system in the country. They would give citizens the right to inspect their own files and to correct any inaccuracies; forbid non-police agencies access to the files, unless a specific state or federal law were passed to permit it, and drastically limit the use of arrest records that do not tell the disposition of the case.

THE BROOKLYN BUREAU OF COMMUNITY SERVICE

HON. HUGH L. CAREY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 9, 1974

Mr. CAREY of New York. Mr. Speaker, on April 25, 1974, the Brooklyn Bureau of Community Service now in its 108th year, will honor at a dinner 14 men and women who have been foster parents for 20 years or longer, and who have served this vital cause with total dedication.

They are: Mr. and Mrs. Raleigh Baker, Woodhaven, N.Y., Mr. and Mrs. Charles Dowd, North Bellmore, N.Y., Mr. and Mrs. Alexander Ifill, Brooklyn, N.Y., Mr. and Mrs. Columbus McCombs, Brooklyn, N.Y., Mrs. Martha Overton, Springfield Gardens, N.Y., Mr. and Mrs. Richard Reid, Flushing, N.Y., Mr. and Mrs. Marshall Stukes, Sr., Jamaica, N.Y., and Mrs Eunice Williams, Hollis, N.Y.

Assuredly these 14 citizens and all foster parents deserve our thanks for their devotion to the children in their care and for helping to insure that these children receive the love, trust, and confidence they need to develop into healthy adults.

In the words of Frank A. Barrera, President of the Brooklyn Bureau of Community Service:

> The Brooklyn Bureau's services to children are extensive. But the foundation for everything we do, and without which we could do very little, is the devotion and dedication of our foster parents.

The Brooklyn Bureau of Community Service has been caring for homeless children since 1866, when it was organized to provide food, clothing, shelter, and educational facilities for children who were roaming the streets in the aftermath of the Civil War.

Today, the agency's children's division gives total care to children whose families are unable to care for them, providing them with continuing supervision in their growth and development, and contributing to the emotional and physical well-being of both the children and their families.

The Brooklyn Bureau believes every child's development is best nourished when he is with his own parents or relatives. Therefore the agency also focuses its service on the child's own family and attempts to help the family reorganize itself so that the child can return to it. When this is not possible, the agency, together with the foster parents, try to find ways to give children love, understanding and opportunity to develop normally.

The Brooklyn Bureau of Community Service provides many special services to help children when they are required—remedial reading, individual and group counseling, psychological and psychiatric consultation, and medical services.

In addition, the agency has a comprehensive program to enrich each child's life. Recreation programs provide opportunities for the children to explore their environment and develop appreciation and knowledge of music, art, literature, and nature. Summer recreation programs take the children to parks, beaches, and provide summer and day camp experiences. Children are given the opportunity to develop their special skills.

The bureau also operates a special foster care program for children who live in the pediatric wards of Kings County Hospital—children who do not need hospital care anymore, but who cannot be sent home because they need continuing medical care from the hospital's outpatient departments and their parents are either unable to bring them in regularly or they have no parents or home to return to.

Foster parents provide these children, and so many others with the love, security, and care they so desperately need. Moreover, they work closely with the agency in helping to meet each child's emotional and physical needs.

In order to increase the effectiveness of their service to children, the bureau's foster parents have organized a foster parents advisory council which is composed of all agency foster parents. The council participates in planning for childrens' needs, offers workshops for parents to help them meet each child's needs, and also helps to recruit new foster parents.

Because it is not possible for most foster children to return to their own families, the agency also provides long-term home care. This means that children are put into foster homes at an early age, generally up to 8 years of age, and remain until they reach 21 and are ready to live independently. Where possible, moreover, brothers and sisters are placed in the same foster home.

The relationship between foster parents and the children they have cared for over so many years does not end when the children reach maturity. For many of the children, their foster parents are the only parents they have ever known and the closeness of the foster parents and their foster children continues throughout their lives.

Today, the Brooklyn Bureau of Community Service needs homes for children whose own families have been broken by illness and other misfortunes. These children lack homes through no fault of their own. Because they have no place to go they must wait—sometimes for long periods of time—in hospitals, institutions, and shelters.

Thousands of men and women throughout the country have gained deep satisfaction by serving as parents of homeless children. They have not only made contributions to the children, but they have helped their communities and the Nation by making it possible for children to become strong, healthy, industrious, and productive adults.

The foster parents being honored by the Brooklyn Bureau of Community Service for their years of devoted service to children are acting in the finest tradition of our country. They are extending their hands and their hearts to the most helpless among us.

The Brooklyn Bureau of Community Service, located at 285 Schermerhorn Street, is a voluntary, nonsectarian family and children's social services agency. In addition to its foster care service, it offers individual and family counseling, and operates a comprehensive program for the blind and handicapped including sheltered workshops, job evaluation, vocational counseling, recreation, a work-at-home program for the severely handicapped, homemaking training, budget counseling, and a job-finding service.

It is a comprehensive program which certainly deserves recognition for its contributions to the welfare of so many.

MRS. HEBERT RETIRES AFTER 28 YEARS

HON. DAVID C. TREEN

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 9, 1974

Mr. TREEN. Mr. Speaker, I want to take this opportunity to praise the fine work of one of my constituents, Mrs. Mayor Jane Hebert, who is retiring after 28 years as the secretary for the Iberia Crippled Children's Association and the Iberia Tuberculosis Association. In her many years of service to Iberia Parish, Mrs. Hebert has given of herself in an untiring way and greatly merits the attention of my colleagues.

I include an article from the Daily Iberian of New Iberia, La., which describes the accomplishments of Mrs. Hebert, in the RECORD at this point:

[From the New Iberia (La.) Daily Iberian]

RETIRING AFTER 28 YEARS

"This was the biggest full time part time job I ever had in my life," remarked Mayor Jane Hebert.

She was referring to her job as secretary for the Iberia Crippled Children's Association and the Iberia Tuberculosis Association.

In acting as the secretary for the past 28 years, she worked in the capacity of social worker, public relations, nurse and even sometimes a chauffeur.

When she first went into this area of social work, the nurse who was in charge of the program at that time approached Mrs. Hebert to do some part time work for the people who were handicapped in Iberia Parish. It turned out to be a more demanding job.

Orthopedic patients were the only patients who were given any kind of public health aid during the first years of the program. Now, all the handicapped may receive assistance financially as well as physically through the revised program.

"The program has expanded considerably

in the past 28 years," said Mrs. Hebert. All areas of being handicapped including vision, speech, retardation and even cancer patients can be aided.

When first started the annual budget was two to three thousand dollars. Now they are operating on a budget of $15,000.

"Funds are derived from the United Givers Fund," which Mrs. Hebert said, "is very little." The rest of the monies derived come from voluntary contributions.

Iberia Parish had the first Crippled Children's Association organized in the state. It also had the first rural clinic for tuberculosis.

When first started, the Tuberculosis Clinic was third in the state for the active number of cases existing . . . now there are only 67 reported cases.

Mrs. Hebert related one of her most memorable experiences during the past 28 years. It was a little boy who came to the clinic with his only means of getting around was to crawl on his hands and knees. He had webbed hands and feet. His posterial thigh was connected to his calf with webbing. He had a cleft palate and numerous other things wrong with him.

After 26 surgical operations for correcting the abnormalities, this little boy, now a 34 year old man, can talk, walk and function as any normal human being.

All of this would not have been possible if it would not have been for the services offered by the organization and people like Mayor Jane Hebert.

Mrs. Hebert, better known as Mrs. George Hebert, plans to work only part time from now on with the associations.

She will do a little gardening and plans to do a lot of traveling with her husband.

MELVIN F. "DUTCH" FLOHR, SANTA ROSA POLICE CHIEF, RETIRES

HON. DON H. CLAUSEN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 9, 1974

Mr. DON H. CLAUSEN. Mr. Speaker, on March 29, 1974, I had the honor of attending a community tribute from the citizens of Santa Rosa, Calif., in behalf of their retiring chief of police, Melvin F. "Dutch" Flohr. It was the finest testimonial I've attended in Sonoma County.

Dutch is one of those remarkable men whose leadership in his professional life and whose strength in his private life allow them to influence everyone they come in contact with and to set the example for the conduct of others.

Santa Rosa has been enriched by "Dutch" Flohr and the community recognition of its good fortune could be easily seen in the faces of those who attended the tribute for Dutch.

The eloquent remarks of Judge Joseph Murphy at the occasion both captured the mood of the moment and expressed superbly the feeling we all have for this extraordinary public official.

Because of Dutch Flohr's outstanding accomplishments, I am taking the liberty of inserting Judge Murphy's remarks in the CONGRESSIONAL RECORD to bring them to the attention of my colleagues in the Congress and to all those who are interested in good government and in human achievement:

SPEECH BY JUDGE JOSEPH P. MURPHY, JR., ON THE OCCASION OF RETIREMENT DINNER FOR MELVIN F. FLOHR, SANTA ROSA, CALIF., MARCH 29, 1974

We come together tonight—an evening of community tribute—to salute our honored guest for forty years of dedicated public service. We meet tonight to express our collective thanks to Dutch Flohr for all that he has done for the City of Santa Rosa and for those of us who call Santa Rosa our home. And indeed we are all in his debt—for in one way or another, he has touched our lives—and the lives of our families. For his career in law enforcement has been both his profession and his vocation, a high calling which has resulted in the protection of our homes and our children—the fair and fearless enforcement of our laws—the constant giving of service—and, most importantly the peace of mind enjoyed by a community with confidence in its law enforcement officers and in their commander. In short, we acknowledge that Santa Rosa has indeed been blessed—by the administration of an office of the highest possible trust—that of Chief of Police—and by its occupant for the last thirty-three years—Melvin F. Flohr.

In the Book of Common Prayer, each of us is enjoined to do our duty in that state of life unto which it shall please God to call us. Tonight, we single out Dutch Flohr not only for performance of duty and for discharge of his obligations, but also for his concept of those duties and responsibilities. Most of us go through life doing what others expect of us. The highest type of service is given by him who does what he expects of himself.

> "For Not in the clamor of the crowded street,
> "Not in the shouts and plaudts of the throng,
> "But in ourselves, are triumph and defeat."

And surely, in that context, Dutch has experienced triumph. And because of him, and because of what he is, and because of what he stands for, we are all the richer.

Just as our first panel this evening introduced us to the proud parents of a fine family, so too does this—our final photograph. And indeed we have saved the best until last. For in Wilma and Dutch, we see personified the qualities of mutual strength and love which have seen them through the early, difficult years, the hazards of a career in law enforcement, the vivid memories of many a phone call at three o'clock in the morning, the growth and education of an active, talented trio of young men, and finally—the inexpressible satisfaction of knowing that it was all worthwhile, and tonight—the visible proof that indeed it was—for who among us could gaze upon that family table and not be envious of Wilma and Dutch, surrounded as they are by everyone—and by everything—that really matters in life.

And in honoring Dutch this evening, we honor Wilma as well—for together they have shared both happiness and disappointment, achievement and frustration. They have indeed been partners—and I might add that Wilma has never been accused of being the silent partner.

And many a partnership memory has been awakened this evening—of growing up together in Petaluma, where they were high school sweethearts—of their marriage at St. Vincent's Church forty-one years ago, come June 24th of this year. This was shortly after Dutch had graduated from Santa Clara and obtained his teaching credential. But in those days, job opportunities for a young prospective teacher were no better than they are today. So, with a new bride to support, Dutch returned to a milk route which he and a famous horse named Queenie had shared during his high schol days. There was one difference now—it is reputed that Dutch delivered milk out of one side of the truck and peddled beer out of the other. However, fate intervened, ending this curious blend of bovine and barley, so we'll never know what might have happened had this neighborhood milkman delivered the wrong product to the wrong customer.

We have already heard how the tragic circumstance of Sheriff Mike Flohr's death resulted in his nephew's entry into a career in law enforcement. But it was interrupted briefly by, of all things, the election returns. A new Sheriff was elected, and in the time-honored tradition of those pre-Civil Service days, the new broom swept out the entire office. However, the County Coroner at that time, Fred Young, a Healdsburg mortician, offered Dutch a job, and one of the lesser known facts about the life of Melvin Flohr is that he actually learned the trade of the embalmer. Within months, a vacancy occurred in the office of the Healdsburg Chief of Police and in the summer of 1939, Dutch was appointed to that position.

We should pause at this point to pay tribute to a man named Joseph Berry. As Santa Rosa's City Manager in 1940, he found himself without a Police Chief. Gazing northward through the prune orchards, he beckoned Dutch back to Santa Rosa, his biggest selling point no doubt being the $225 monthly salary which he was authorized to offer. And Joseph Berry became the first of ten city managers under whom Dutch was to serve. Longevity has always been a trademark of the Flohr family.

The years went by. Dutch's family grew in size and fortunately so did his salary, although at a much slower pace. And it soon became obvious that here was a Chief of Police who not only was concerned professionally with what was happening in Santa Rosa, but who helped see to it himself that what was happening was good. For Dutch became involved as a Kiwanian, an Elk, a Knight of Columbus and a Christmas Seal Chairman, but always and everywhere, he became involved with kids. No Little League season ever opened without the Chief of Police on hand to throw out the first ball. No football awards dinner was complete without Dutch's presence.

Andy Wallstrum has already told us about the pioneering efforts which carried the message to a whole generation of youngsters: "Santa Rosa's policemen are your friends—they're not too busy or too cynical; they're here to help you and not to hurt you." And I know our favorite family memory of our Chief of Police is that of the man at the end of the Pet and Doll parade—in what other city in California—indeed, where else on the face of the globe would the Chief of Police turn up to serve as a one-man reviewing stand for a procession of little pony-tailed girls, pet hamsters, Raggedy Annes', freckle-faced boys with snakes coiled around their arms, harried mothers, doll buggies, St. Bernards, and even, infrequently, an occasional incredulous father. But there at the end of the line, at Fourth and Mendocino, would be that towering, smiling, authoritative figure—a man whom kids could look up to in every sense of the word.

Time does not permit us to do more than make mention of fascinating sidelights—of early football playing days with the Olympic Club in San Francisco and with the Santa Rosa Blue Eagles; of time volunteered to coach basketball at St. Vincents and as line coach at the Junior College; of that memorable spring day in 1942 when Tony Gambogi became Chief of Police for two hours, in between the time when Dutch left to join the FBI and his decision that he didn't want to become an FBI agent after all; as far as I know, that was the last indecisive moment in his adult life; and by the way, there are still a few people in Santa Rosa who are waiting for him to return the going away presents he received the night before at a farewell party at the Occidental Hotel.

As a law enforcement officer, he was alert to the need for professional improvement. He was one of the first Chiefs of Police in Northern California to be accepted for summer training at the FBI Academy; he was on the founding committees which planned the In-Service and Pre-Service Police training programs at the Santa Rosa Junior College, and he was quick to see the value of establishing a community relations unit in the police department, and again, was the pioneer in Northern California in bringing such a program to Santa Rosa.

I would conclude with a few words addressed to nine very important people—the grandchildren of Wilma and Dutch—ranging from Michelle, the oldest—to Kim, right in the middle at the age of nine—and on down to four-year-old Mike.

You boys and girls this evening have been part, along with all of us, of one of the most wonderful evenings which you will ever experience. It's been wonderful because you've witnessed and have experienced an outpouring of respect and admiration and affection for a man who has worked hard, who has done his job well, and who is beloved by those among whom he has worked. And the most wonderful thing of all is: This man is your grandfather. Indeed, in him you see the personification of those words which Shakespeare placed on the lips of Polonius:

"This above all
To thine ownself be true
And it must follow
As the night the day
Thou can'st not then be false to any man."

THE TWO KOREAS: A CRISIS BREWING

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 9, 1974

Mr. HARRINGTON. Mr. Speaker, the situation between North and South Korea giving the world such hope for a lasting peace in July of 1972 when the two sides were negotiating for reunification, has apparently turned sour again and threatens the stability of Asia.

Barely 2 years ago, after several secret meetings between high level emissaries, the north and south issued a joint statement that they would seek to achieve reunification through independent Korean efforts without being subject to external imposition or interference. At the same time, the two Korean Red Crosses began discussing the possibilities of reuniting some 10 million families that had been separated during the Korean war.

The hopes for a Korean settlement, however, have apparently dwindled. The talks broke down within a very short time when the two sides were unable to agree on the direction they should take. The north has insisted on a prompt peace treaty, the withdrawal of all U.S. forces from the south and mutual troop reductions, while the south had wanted economic and cultural exchanges between the two areas before reaching a political settlement. Each was wary that the other's proposals might significantly affect their internal status quo, and the south was particularly worried that the withdrawal of American troops—and U.N. troops—might leave it vulnerable.

North Korea in late 1972 took the issue to the General Assembly of the United Nations where it had been granted observer status, in an attempt to obtain a U.N. resolution withdrawing all U.N. Command Forces from the area, a move that caused considerable controversy. The issue was temporarily settled when Henry Kissinger, then Advisor for National Security Affairs met with Premier Chou En-lai and both agreed that the two Koreas should resume discussions concerning eventual reunification.

By the end of 1972, however, it appeared that the problem-ridden discussions had again broken down, this time over the kidnaping of a South Korean political dissenter named Kim Dae Jung from his exile in Japan, and the tightening of President Park's control over the south by the imposition of martial law.

The present situation between the two governments in very near open hostility. The Los Angeles Times reported on March 28 of this year that tensions are now at their highest point since 1968 and the capture of the U.S.S. *Pueblo*. On February 15, the north attacked two South Korean fishing vessels, sunk one, and captured the other. Just recently, the north began threatening to take over five small islands off the west coast of the Korean peninsula, and earlier this year its delegates to a routine Military Armistice Commission meeting declared the north's claims to territorial water surrounding the five islands, and demanded the Park government seek permission each time its ferry boats enter the area.

The chances of renewed fighting appear serious. The north has improved the capabilities of its navy and air force since the discussions broke down, and South Korean Premier Kim has said rather ominously that his Government will defend those islands at all costs.

To further complicate the situation, the United States maintains some 43,000 troops in South Korea and effectively controls the South Korean armed forces through the U.N. Command. The islands are legally the responsibility of the U.N. according to the 1953 Armistice Agreement, and therefore the possibility of U.S. involvement if the islands are attacked appears imminent. I have inserted below a copy of a Los Angeles Times article that gives further detail on the state of tension in the area.

Very significantly, amid the latest developments in Korea, a letter from the North Korean Supreme People's Assembly address to the U.S. Congress was broadcast from North Korea in English. The letter has not received much notice in the United States, but it is nevertheless important because it signals a dramatic change in the North's position on peace talks. It formally proposes direct negotiations with the United States for a peace agreement, instead of the "independently" Korean" efforts it was advocating 2 years ago. A copy of the text appears below.

It seems to me that in view of the potential explosiveness of the situation on the Korean peninsula, both the executive and legislative branches of our Government should look into the letter. It is certainly in our interest to stop any further aggressive activities and put both sides back on the road to peace.

The articles follow:

TENSIONS RISE AGAIN BETWEEN TWO KOREAS AFTER ENTENTE MOVES FAIL

(By Sam Jameson)

SEOUL.—Less than two years ago North and South Korea surprised the world by announcing they would stop hostile acts against each other, cease propaganda and seek to negotiate their differences in an attempt to reunify the Korean nation.

Today, hostility and propaganda have returned and governmental talks have fallen into a stalemate.

Tensions have risen, if not yet to a fever, at least to the highest point since the 1968–69 period when North Korea staged an unsuccessful raid on President Park Chung Hee's Blue House in Seoul, seized the U.S.S. Pueblo and shot down a U.S. Navy reconnaisance plane over open seas.

An unprecedented call made by North Korean Foreign Minister Ho Dam Monday for direct negotiations with the United States—excluding Seoul—to revise the 1953 Korean Armistice Agreement into a peace treaty was hardly calculated to please Park.

Indeed the proposal appeared to wipe out the July 4, 1972, agreement with the south that the two halves of Korea would seek to achieve reunification "through independent Korean efforts without being subject to external imposition or interference."

Even before the March 25 proposal, South Koreans professed outright alarm over the new tensions.

Park issued what he called "a serious warning" to the north March 1, saying the south "would never tolerate" another provocation such as the north's Feb. 15 attack on two South Korean fishing boats, in which one of the boats was sunk and the other seized.

Premier Kim Chong Pil declared March 7, that "we have been patient (for the last 21 years) but there is a limit to one's patience.

Foreign Minister Kim Dong Jo said the possibility of hostilities had risen "to some extent."

While some of the south's expressed concern undoubtedly was being used to justify imposition of Park's authoritarian rule at home, American officials shared at least a sense of mounting tension with their allies.

"With tensions this high, it's very easy to have military incidents," one of them said not for attribution.

Even before North Korea last October began menacing five small islands off the west coast, William P. Clements, U.S. deputy secretary of defense, declared that a North Korean military buildup had increased the "threat of war" on the Korean Peninsula.

American experts say Clements went too far in using the word "threat."

One fact does stand out, however.

"Kim Il Sung (North Korea's President) has increased his options in the last year," one military official said.

The North Koreans now appear to have begun testing at least one of those options. Beginning last October, North Korean patrol boats started crossing for the first time an unofficial patrol limit that had been set by the American commander of U.N. forces after the 1953 Korean war armistice.

The patrol boundary was fixed as the northern limit for operations by South Korean boats, not as a restriction on North Korean boats coming south—"but they accepted it when they didn't have the power to challenge it," one military official said.

In November, for the first time, North Koreans patrolled into the three-mile territorial waters of the islands themselves. Then, on Dec. 1, in a Military Armistice Commission meeting, North Korea declared its claim to territorial waters around the islands themselves.

The north also demanded that South Korea seek permission each time it wished to send military craft or ferry boats to the islands populated by 16,000 farmers and fishermen—but so far has not acted to enforce the demand. The American armistice commission delegate rejected it outright.

Should the north cut the islands off or seize them outright, chances of major fighting appear strong.

Premier Kim told this reporter the south would "defend those islands at all costs."

The United States, which maintains an allocated 43,000 troops in Korea and holds operational control of the Korean armed forces through the U.N. command, would then come into the picture directly.

The danger is a real one, an American military official said, because the North Koreans now have the military might to pull off a seizure of the islands.

Adding to the potential of the islands becoming a focal point for conflict is the fact that the only legal status they have was gained in the 1953 armistice agreement, which assigned their control to the U.N. forces. South Korea itself never signed the armistice agreement and a vote in the United Nations to abolish the American-operated U.N. command in Korea could leave the south without a legal claim.

North Korea's proposal Monday for direct peace treaty negotiations with the United States appeared to heighten the South's concern over this legalistic formality in as much as Pyongyang included a demand for abolition of the U.N. command in its bid to Washington.

Although the south has controlled the islands—Paengyong, Taechong, Sochong, Yonpyong and U island—since Korea was divided by American and Soviet forces in 1945, North Korea has claimed a 12-mile limit for all of its territorial waters.

All of the islands fall at least partly within 12 miles of the North Korean coast.

A year ago, when the north reverted to a policy of hostility and propaganda toward the south after Park set himself up as an authoritarian leader during a period of martial law, the north's western navy didn't exist.

Since then, the north has received at least five submarines, 19 missile-carrying vessels and unspecified numbers of torpedo boats and destroyers from the Soviet Union, Gen. Han Shinn, chairman of Korea's joint chiefs of staff, said in an interview.

A buildup of North Korea's air force also has alarmed the south and at least attracted the attention of U.S. military officials.

Whereas the north had for years been forced to rely on the Korean war-vintage MIG–15 and MIG–17 aircraft as the mainstay of its air force, the numbers of the modern MIG–19 and MIG–21 jets in operation now constitute about a third of the north's total planes, Gen. Han said. About three squadrons of Soviet IL 20–A bombers also have joined the North Korean air force, he added.

Neither Han nor American officials would disclose how many modern F5–E Freedom fighters the south has, but Americans conceded that the now ancient F–86 remained the mainstay of the south's air force.

The Freedom Fighter is considered roughly the equivalent of a MIG–21.

Overall, the north was believed to have a 2-to-1 superiority in the air over the south, even with U.S. air forces stationed in Korea itself thrown in.

Kim Il Sung also has upset the uneasy air picture by building a host of new air bases, most of them located just north of the demilitarized zone. The moves not only give the north's air force a longer range of potential operation over the south's territory but virtually wipe out the chance of any warning in case of an attack.

"With a pattern of North Korean aircraft landing and taking off 20 miles from the demilitarized zone having been established as a daily routine, we would have no warning until an aircraft actually enters the DMZ," an American source said.

U.S. military aid to modernize the South Korean air force is being given "top priority," one American said.

A five-year $1.5 billion modernization program the United States promised to complete by June, 1975, however, has not been given top priority by Congress. At the moment, it is only slightly more than half completed—or about two years behind schedule, an American source conceded.

"The modernization program was to have been implemented without fail but it has not progressed as scheduled," Han said. "This is the most important problem now."

On the ground, the south has maintained its relative strength vis-a-vis the north despite new weaponry provided the Pyongyang government by both China and the Soviet Union.

Gen. Han, however, said the north has been beefing up its 1.4 million-man Red Guard "people's militia" and is capable of mobilizing overnight 23 divisions to augment its 47,000-man standing armed forces.

The south, by comparison, maintains 600,000 troops in all of its armed forces and has a poorly trained militia of more than a million:

Americans say the south needs no help from the United States on the ground. Yet the U.S. Army still maintains some 33,000 soldiers here. The other 10,000 Americans are in the Air Force.

U.S. officials say that the question of removing the last American Army division from Korea has not been linked to completion of the modernization program. Withdrawal of the ground troops, while retaining a significant American force presence, has been debated since at least 1970.

Each year since then, the Pentagon has announced that the 43,000-man allocation for troop strength in Korea would be retained at least for the coming fiscal year. The "annual announcement" covering the period through June, 1975, was made early this month.

The ground troops—certain to be among the first to come under an attack from the north—are regarded largely as a political symbol of the American commitment to South Korea by the United States itself, as well as by both the north and the south. The actual U.S. strength is believed to be below the allocation.

Why, after the seeming breakthrough toward peace announced by the north and south July 4, 1972, the situation has deteriorated so badly is hard to say.

Some observers believe that Kim Il Sung agreed to open contacts with the Seoul government to improve his image internationally and deal the south setbacks through a diplomatic route.

Others see Park as having agreed to it to create a pretext for declaring martial law and rewriting the Korean constitution to give him an indefinite term in office.

Whatever the reasons for the new tensions, one top American here insisted that no indication existed that the north was preparing for an attack.

"The north's buildup has been going on over a period of time—not just in the last year—and there is no fundamental change in the military situation," this source said.

This official said he thought the north, looking at the political discontent that was rising against Park last fall until he outlawed all dissent Jan. 8, was going through its own "testing period" of the south's stability.

That period, he said, probably would last until the end of May—coinciding with what was regarded as a "testing period" of Park's strength versus possible student uprisings.

This official admitted that his view of the north testing Park was based on theory, not intelligence reports.

Ho Tam Proposes Peace Agreement With United States

Pyongyang, Mar. 25.—We formally propose the United States of America to discuss the question of replacing the existing military armistice agreement with a peace agreement.

Deputy Ho Tam, vice-premier of the Administration Council and foreign minister, declared this in his report "On the creation of perrequisites for the removal of tension in Korea and promotion of the country's independent and peaceful reunification," the third item on the agenda, at the fourth day meeting of the third session of the Fifth Supreme People's Assembly. He said that to create prerequisites for the clearance of tension in Korea, the removal of external factors obstructive to the independent reunification of Korea and the independent solution of the reunification of Korea and the independent solution of the reunification question between the Koreans, the question of signing a peace agreement must be solved directly with the United States, the party concerned which has its troops stationed in South Korea, holds the whole supreme command of the armed forces and signed the armistice agreement.

He pointed out that the following points must be included in a peace agreement:

First, both sides shall pledge to each other not to invade the other side and shall remove all the danger of direct armed conflict; the United States shall be obliged not to instigate the South Korean authorities to the war provocation maneuvers and fascist repression of the South Korean people or patronize them, not to obstruct the north and the south of Korea in reunifying the country independently and peacefully in accordance with the north-south joint statement and not to interfere in any form in the internal affairs of Korea.

Secondly, the two sides shall discontinue arms reinforcement and arms race and stop introducing any weapons, combat equipment and war supplies into Korea.

Thirdly, the berets of the "United Nations Forces" shall be taken off the foreign troops stationed in South Korea and they all be withdrawn at the earliest possible date along with all their weapons.

Fourthly, Korea shall not be made a military base or operational base of any foreign country after the withdrawal of all foreign troops from South Korea.

If a peace agreement containing these points is concluded betwen our republic and the United States of America and the existing military armistic agreement is replaced with it, the basic factor fraught with the danger of new war in our country will be eradicated, the military confrontation be removed and the tension between the north and the south be practically eased. To sign a peace agreement between us and the United States and replace the Korean Armistice Agreement with it will be an important measure in creating favourable conditions for the attainment of a durable peace in Korea and the independent and peaceful resolution of the Korean question and, furthermore, will make a great contribution to guaranteeing peace and security in Asia and the rest of the world. This fully conforms with the interests of the American people, too.

In the report Vice-Premier and Foreign Minister Ho Tam said: Ever since the very day the country was disected our party and the government of our republic, acting upon the basic line of national reunification laid down by the respected and beloved leader Comrade Kim Il-song, have made every effort for the achievement of the independent and peaceful reunification. Especially, they have striven hard to remove the state of military confrontation and ease the tension—a problem of primary importance in creating favourable conditions for the peaceful reunification of the country.

Vice-Premier Ho Tam pointed to the fact that the South Korean authorities have turned down all the proposals put forward by the government of the republic and intensified war preparations, persisting in their splitting maneuvres. He went on: The whole course of the dialogue between the north and the south showed that tension cannot be removed nor can peace be consolidated in Korea as long as the U.S. troops remain in South Korea and that the South Korean authorities have neither intention nor capacity to solve this question.

If the armistice agreement is to be replaced with a peace agreement under the present condition, it is right and proper to settle the question between the parties concerned which hold real power to guarantee it with certainty, that is, between the Democratic People's Republic of Korea and the United States of America.

The Korean Armistice Agreement signed in July 1953, to all intents and purposes, is an agreement on military armistice. It cannot guarantee a durable peace. Today when a long period has passed since its signing, the armistice agreement itself has already become outdated and it is unsuited to the reality in many respects. Accordingly, it stands out as a matured requirement that brooks no longer delay today to replace the Korean Armistice Agreement with a peace agreement.

We consider that Panmunjom, where the contacts between the two sides take place now, is proper for the venue to discuss the question and a third country will also do, if the two sides agree.

In light of the importance of the question to be solved, it is advisable to form the delegations of the two sides to participate in the discussion of the question with delegation of a rank higher than those of the Korean Military Armistice Commission.

If the present authorities of the United States truly want peace in Korea and the peaceful solution of the Korean question, not in empty talk, they should accept our realistic proposal for replacing the Korean Armistice Agreement with a peace agreement and come out to the discussion of the question with sincerity.

LETTER TO U.S. CONGRESS

PYONGYANG, Mar. 25.—"Letter to the Congress of the United States of America" was adopted at the fourth-day sitting of the third session of the Fifth Supreme People's Assembly held today. Follows the full text of the letter:

Letter to the Congress of the United States of America:

The third session of the Fifth Supreme People's Assembly of the Democratic People's Republic of Korea, having discussed the question of creating prerequisites to the removal of tension in Korea and the acceleration of the country's independent and peaceful reunification, sends this letter to both the Senate and House of Representatives of the United States of America.

All the Korean people and the peace-loving people the world over were greatly stirred up by the bright prospects for the preservation of peace in Korea and the settlement of her reunification problem, when the north-south joint statement was made public in July 1972. But today, after the lapse of almost two years since then, developments in Korea have been quite the opposite to what the people had expected.

Tension seemed to be relaxed temporarily, but it has been aggravated again. Only military confrontation and war danger have daily been increasing, instead of prospects for peaceful reunification.

The prevailing situation naturally causes apprehension of the people of the world and urgently demands that we adopt proper measures for meeting the situation. The Supreme People's Assembly of the Democratic People's Republic of Korea still firmly believes that for the prevention of a war danger and removal of tension in Korea and the promotion of her peaceful reunification, it is necessary, first of all, to eliminate the military confrontation between the north and the south. In fact, under the condition of huge armed forces standing opposed to each other as it is today, it is impossible to successfully solve any problems, big and small, which are related to the peaceful reunification of Korea.

Ever since the armistice in Korea the Government of the Democratic People's Republic of Korea has put forward time and again various reasonable proposals such as proposals for the reduction of armaments and the conclusion of a peace agreement, as a step for converting the armistice into a durable peace. Even after the start of the dialogue between the north and the south of Korea, we presented the elimination of the north-south military confrontation as a question to be settled before everything else.

If any of our peaceful proposals had been put into practice, a durable peace would have been ensured in Korea and tension as we see today would have not been aggravated again. The South Korean authorities, however, have not responded to our proposals for the stoppage of the reinforcement of armed forces and arms drive, the reduction of the armies and armaments, the withdrawal of foreign troops and the conclusion of a peace agreement, but have pushed forward war preparations.

Backed by the United States, the South Korean authorities have only implored the prolonged presence of the U.S. troops in South Korea and deliberately aggravated the relations between the north and the south, incessantly clamoring about the fictitious "threat of southward aggression" in an attempt to oppose the country's reunification and repress the South Korean people.

With a view to cloaking such acts of theirs, recently the South Korean authorities came out with what they call a "non-aggression pact." But it is well known to the world that it is not the South Korean authorities but the U.S. commander who holds the prerogative of supreme command of the army in South Korea today. The South Korean authorities who do not have the prerogative of supreme command of the army propose to conclude a "nonaggression pact" while leaving the U.S. troops to stay on in South Korea. This is an empty talk without any guarantee of peace and accordingly, is not worth discussing at all.

It is the United States that has encouraged the South Korean authorities in all their acts to turn down our independent and peace-loving proposals unconditionally. Even after the dialogue started between the north and south of Korea, the United States has increased the military aid and armed support to South Korea, saying that the dialogue should be backed up by the armed forces, and has frequently committed provocations against the northern half of the republic, staged war exercises and perpetrated espionage acts by sending high-speed, high-altitude reconnaissance planes and thus has intensified tension ceaselessly.

We, therefore, consider that the responsibility for the failure in Korea's reunification and for the current tension and danger of war in Korea rests chiefly with the U.S. Government authorities.

It is becoming increasingly evident that as long as the U.S. troops remain in South Korea it is impossible to remove tension and consolidate peace in Korea and that the South Korean authorities have no intention and ability at all to solve this problem. The reality calls for concluding a peace agreement directly with the United States which stations its troops in South Korea and holds the prerogative of supreme command of all the forces, in order to create prerequisites for removing tension in Korea, eliminating the external factors obstructing Korea's independent and peaceful reunification and for enabling the Korean people to solve the reunification problem independently by themselves.

The Chinese People's Volunteers withdrew from Korea long ago, and not the troops of the "UN Forces" but the U.S. troops remain there. Under this condition, the Democratic People's Republic of Korea and the United States, the signatories to the Korean Armistice Agreement, are the virtual parties concerned. At present the armistice agreement itself has become already outdated and does not conform to the reality in many respects. To replace the armistice agreement with a peace agreement brooks no further delay.

The Supreme People's Assembly of the Democratic People's Republic of Korea consider that a peace agreement to be concluded with the United States of America may include the following points:

Firstly, both sides shall pledge to each other not to invade the other side and shall remove all the danger of direct armed conflict; the United States shall be obliged not to instigate the South Korean authorities to the war provocation manoeuvres and fascist repression of the South Korean people or patronize them, not to obstruct the north and the south of Korea in reunifying the country independently and peacefully in accordance with the north-south joint statement and not to interfere in any form in the internal affairs of Korea.

Secondly, the two sides shall discontinue arms reinforcement and arms race and stop introducing any weapons, combat equipment and war supplies into Korea.

Thirdly, the berets of the "United Nations Forces" shall be taken off the foreign troops stationed in South Korea and they all be withdrawn at the earliest possible date along with all their weapons.

Fourthly, Korea shall not be made a military base or operational base of any foreign country after the withdrawal of all foreign troops from South Korea.

The Supreme People's Assembly of the Democratic People's Republic of Korea formally proposes that talks be held for the conclusion of a peace agreement between the Democratic People's Republic of Korea and the United States of America, with the above-mentioned points as a premise. The talks may be held at Panmunjom or in a third country by delegates of a higher level than those to the Military Armistice Commission now functioning at Panmunjom.

The relations will be improved between the north and south of Korea and an atmosphere favorable to the independent and peaceful solution of the reunification problem be created, when the question of replacing the armistice agreement with a peace agreement in Korea is settled successfully. Our new proposal fully accords with the interests of the people of the United States and of world peace as well.

The Supreme People's Assembly of the Democratic Republic of Korea expects that the Congress of the United States of America and the U.S. Government authorities will direct serious attention to our new peaceful proposal and make an affirmative response to this.

11500 BANANAS ON PIKE'S PEAK

HON. CRAIG HOSMER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 9, 1974

Mr. HOSMER. Mr. Speaker, the anti-surface coal mining bill passed by the

Senate would deprive the American consumer of 38 billion tons of coal. Its counterpart in the House, H.R. 11500, is being marked up by the Interior Committee, seemingly with the same objective in mind.

Now, how much is 38 billion tons of coal? An awful lot. Its energy equivalent equals all of the proved oil reserves of Saudi Arabia.

For the Saudi Government seriously to entertain the idea of capping every oil well in its kingdom to avoid the clutter of drilling rigs would be as ludicrous as hauling Antarctic icebergs to its deserts by jet freighters.

Similarly, for H.R. 11500 to throw away 38 billion tons of coal make as much sense as trying to grow bananas on Pike's Peak.

If we blow the whistle on environmental extremists we can, at one and the same time, have this energy and sensibly reclaim strip mined lands, too.

SENATE—*Wednesday, April 10, 1974*

The Senate met at 10 a.m. and was called to order by Hon. JAMES B. ALLEN, a Senator from the State of Alabama.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Let us pray today in the words of St. Francis of Assisi:

"Lord make us instruments of Thy peace; where there is hatred, let us sow love; where there is injury, pardon; where there is doubt, faith; where there is despair, hope; where there is darkness, light; and where there is sadness, joy.

"O Divine Master, grant that we may not so much seek to be consoled as to console; to be understood, as to understand; to be loved, as to love; for it is in giving that we receive, it is in pardoning that we are pardoned, and it is in dying that we are born to eternal life."

St. Francis of Assisi, Adapted.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The **PRESIDING OFFICER.** The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., April 10, 1974.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. JAMES B. ALLEN, a Senator from the State of Alabama, to perform the duties of the Chair during my absence.

JAMES O. EASTLAND,
President pro tempore.

Mr. ALLEN thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Tuesday, April 9, 1974, be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider the nomination of Wendell A. Miles, of Michigan.

There being no objection, the Senate proceeded to the consideration of executive business.

The ACTING PRESIDENT pro tempore. The nomination on the Executive Calendar, under the Judiciary, will be stated.

THE JUDICIARY

The second assistant legislative clerk read the nomination of Wendell A. Miles, of Michigan, to be U.S. district judge for the western district of Michigan.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the President be notified of the confirmation of this nomination.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate resume the consideration of legislative business.

There being no objection, the Senate resumed the consideration of legislative business.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. The Chair recognizes the distinguished Republican leader, the Senator from Pennsylvania (Mr. HUGH SCOTT).

THOUGHTS ON HOLY WEEK

Mr. HUGH SCOTT. Mr. President, this is Holy Week and by one of those strange concatenations of the calendar, I am informed—although I am not certain of this—that for the first time in about 500 years the celebration of Easter by the Greek Orthodox Rite and by the Christian churches of other faiths coincide this year on the same date. So that Holy Thursday, Good Friday, and Easter Sunday are celebrated by the entire Christian world at the same time.

This causes one to hope that the efforts of peoples around the world for peace may meet with some success and that we may, somehow, find the way that leads to peace, that we may come to understand what are the common aspirations of all mankind.

Like most Members of Congress, I have visited many countries and I have found that the peoples of those countries share three common aspirations and this is without differentiation as to ideology, geography, or race.

First, the peoples of the world generally dislike their government, because it is of the nature of man to be free and to resist restraints, however benevolent.

Second, the peoples of the world do not like to pay taxes, because it is a trait of humankind to wish to retain the fruits of one's labors.

Third, the peoples of the world—all around the world—wherever parents are, wherever children are, it is the hope of the parents that their children will enjoy a better way of life than did they themselves.

I believe that if people can share common aspirations, common surgings, common desires, and a commonality of essential human reaction, then it would seem to me that, somehow, we can find a way to bring together these aspirations into a common searching for peace and understanding, for tolerance, and for love.

I hope that this Holy Week will be an occasion for us to think upon these things and be hopeful.

Mr. MANSFIELD. Amen.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. At this time, in accordance with the previous order, the Chair recognizes the distinguished Senator from Ohio (Mr. METZENBAUM) for not to exceed 15 minutes.

Mr. MANSFIELD. Before the Senator starts, may I ask unanimous consent to transfer to the Senator from Ohio (Mr. METZENBAUM) the time allotted to the distinguished assistant majority leader, the Senator from West Virginia (Mr. ROBERT C. BYRD).

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ECONOMIC PREPAREDNESS ACT OF 1974

Mr. METZENBAUM. Mr. President, as the newest Member of the U.S. Senate, it is an honor for me to deliver my maiden speech.

There are, believe me, some major disadvantages to being the Senate's most freshman Member. But there is one most important asset.

The freshman comes to Congress with a clear eye and an open mind. He views the Nation's Capital not yet as an insider looking out, but still as a back-home citizen looking in. From this perspective, this is what I see.

Washington has become an aloof sanctuary that contemplates rather than creates, that ponders rather than produces, that agonizes rather than acts.

The people back home feel their national leaders no longer understand their problems, no longer care about their needs, no longer are willing to take bold action in their behalf.

More than any scandal, this feeling of neglect is the underlying cause of the loss of confidence in Government that pervades the country today. And, I believe, there is merit to this citizen frustration.

In the 3 months that I have been a Member of the U.S. Senate, I have felt frustration build up inside me. Something is lacking in these hallowed Halls. The part of me that remains a back-home citizen looking in fails to detect a sense of purpose, a sense of urgency in our deliberations over major national issues. The pace is leisurely—inappropriately so.

We have become an elephantine government that moves clumsily to set policy by reacting to crises. We do not step swiftly to seize the initiatives of leadership. If a fuel shortage develops, policy is formed after the fact. If a food shortage develops, again policy comes afterward. If unemployment starts to climb, the lines must grow long before action comes.

The people pay a terrible price. While we discuss what to do, the citizen wastes hours in line waiting for gas that is too expensive, he must pay exorbitant prices for basic foods he needs to keep his family from going hungry; he must walk the streets looking for work.

No wonder the people are angry. They have a right to be.

I believe that we, their representatives in Washington, have an irrevocable obligation to provide a much improved brand of public service—one that brings to the task of policymaking a greater commitment to imperative action. Only then can we rightfully call ourselves "leaders."

It is in this context that I am introducing the Economic Preparedness Act of 1974.

The proposals I offer are the first steps in what must be a continuing effort to find effective answers to the worsening economic conditions both in my home State of Ohio and throughout the Nation.

If enacted by Congress and carried out by the executive branch, my economic preparedness program would once again put Government on the side of the people in ways that people can understand lower food and gas prices, lower taxes for the middle-income wage earner, more jobs, increased industrial production, and a mechanism for insuring that the Nation will never be caught unprepared again.

At the outset, it is essential that we recognize the gravity of our present economic situation.

Although the American economy remains fundamentally strong and resilient, its ability to function has been seriously undermined by an incredible series of policy errors by the Nixon administration.

Freezes and phases, we have learned, benefit the corporations at the expense of the wage earner. Soaring fuel prices benefit the oil companies at the expense of the homeowner and the motorist. Extravagant exports benefit foreign governments at the expense of the family market basket. High interest rates benefit the bankers at the expense of the home buyer. Budget cutbacks benefit the Treasury at the expense of the needy and unemployed.

Yet, what do we get from the President? A sense of urgency? No. A new economic program? No. Just bland reassurance. "There will be no recession" in 1974, Mr. Nixon declared in his state of the Union message.

We need only survey the economic landscape to see ample evidence to the contrary. The truth is the economy is in deepening trouble. The unemployed worker knows it. The wage earner knows it. The consumer knows it. The homeowner knows it. The motorist knows it. Only the President, mired in Watergate, refuses to recognize reality.

My home State of Ohio is a case in point:

Thirteen labor markets in Ohio, including the city of Cleveland, are currently designated by the Labor Department as areas of substantial or persistent unemployment.

In February, the performance of insured workers drawing unemployment checks jumped to 3.4 percent from less than 1 percent last fall.

In March, 114,058 people filed continuing unemployment claims, a 60-percent increase over a year earlier.

In the greater Cleveland area, new unemployment claims were being filed at the rate of 3,000 a week in February, twice the rate of a year earlier.

In northeast Ohio, a factory worker with a wife and two children lost 4.5 percent of his real spendable earnings in the past 12 months.

In Cleveland, the price of a pound of hot dogs climbed to $1.25 in January 1974, from 84 cents a year earlier. The price of a half gallon of milk in Cincinnati reached 81 cents in March. A half dozen eggs in Akron cost 93 cents in February, up from 53 cents in mid-1973.

Unfortunately, Ohio is merely reflective of the Nation as a whole.

Today there are 2 million more people out of work than when the Nixon administration took office in 1969. There are now 4.8 million unemployed.

The latest report of the Joint Economic Committee predicts that, unless antirecession measures are taken quickly, unemployment could easily exceed 6 percent in the second half of this year.

During the Nixon administration's 5 years, the cost of living has soared nearly 30 percent, the fastest rate of increase in a quarter of a century.

During 1973 alone, consumer prices jumped 8.8 percent and continued upward at annual rates of 12 percent in January and 15.6 percent in February.

Mr. Nixon's own economists now expect a 6-percent decline in the Nation's first quarter growth rate, in contrast to the Council of Economic Advisers' forecast, just a few months ago, of a modest decline for this period.

And, in direct contradiction of the President's optimism, the University of Pennsylvania's prestigious Wharton Econometric Forecast, on March 1, declared that "the U.S. economy is now in recession."

Obviously, much more than bland reassurance is needed.

What, then, should be done?

Above all, we must provide greater economic security for the average working family. We must take immediate steps to slow down the inflationary spiral in the cost of food and petroleum products—the chief sources of the near recordbreaking inflation of the past year. We must work toward achieving a more equitable tax structure. Finally, we must reexamine the relationship between government policy and national economic performance to offer our citizens a lifestyle other than a rollercoaster ride they have been experiencing from one economic crisis to another.

In short, we must rebuild national confidence.

I propose the following program:

FOOD

Exports must be curtailed until we take care of our at-home needs first.

In an era of recurring shortages, the American consumer must be given first claim to the products of our farms, rather than having to pay higher prices because of shortages stemming from our swelling shipments of food overseas.

Last year America shipped a record $9.9 billion of foodstuffs abroad—a 92-percent increase over 1972. This includes the massive wheat deal with the Russians approved by the Nixon administration that increased wheat exports by 200 percent and left America facing a possible wheat shortage this summer.

Right now, more of our wheat and rice is shipped abroad than is kept for our own tables. Of the 1973–74 wheat crop, 61 percent has been sold for foreign consumption. Of the rice crop, 59 percent is for foreign use, including 25 percent being given to Vietnamese soldiers under the food-for-peace program.

The impact of such huge foreign shipments on the American market basket has been devastating. The price of wheat has soared, driving the consumer price of cereal and bakery products up 26 percent through the end of 1973. The price of rice climbed more than 110 percent over the past 13 months. And, the price of dry beans, another large export item, is 162 percent higher than in January 1973.

In all, food prices jumped 22 percent for the average family last year. This year the price spiral continues, with a 30-percent rise—at an annual rate—recorded in February. If this trend continues, food will take an increasingly burdensome share of the American family's income.

For example, a family of four earning $10,000 a year that paid 25 percent of its income for food as recently as 1972 may be forced to pay at least 35 percent by the end of 1974.

There is one other alternative. The American family could eat less. Last year many families did just that. Food consumption fell 2 percent, and the consumption of meats dropped by 7 percent.

I believe the American family deserves a more reasonable choice. Food prices can be brought down, if exports are controlled. Therefore, I propose:

First. Creation of a national food reserve over the next 5 years to build up a 1-year supply of grains and dry beans through a variety of methods, including direct Government purchases at market prices;

Second. A licensing procedure for all exports of foodstuffs both to control overseas shipments and to prevent grain dealers from hoarding to reap exorbitant profits; and

Third. An automatic ban on further exports when the total supply of a given grain or bean falls to within 5 percent of the required national reserve levels for that commodity.

The Secretary of Agriculture would be required to supply the new National Commodities Survey Office that I am proposing to be created in the General Accounting Office with a weekly report on the status of the U.S. food supply, including a listing of all export licenses granted during the previous 7-day period.

To insure equity of access to the U.S. market, no foreign country would be allowed to purchase more than 120 percent of the previous years' purchase without a public hearing by the Department of Agriculture.

The new National Commodities Survey Office that I propose to be established in the General Accounting Office is designed to provide accurate and timely statistics and reports on strategic commodities and resources, such as food, petroleum, aluminum, copper, tin, zinc, and so forth. Authoritative supply forecasts do not presently exist, and the lack of such information in food and petroleum was a prime factor in the inflation and shortages that developed in the past 2 years. This country must not be caught unprepared again.

OIL

The oil companies must bear their fair share of the cost of the energy shortage they helped to create, with the consent and approval of the Government.

Now, the oil corporations are profiteering enormously—at the expense of the consumer. Industry profits last year doubled, to $20 billion, while consumer prices of gasoline, home heating oil, and liquid propane skyrocketed.

Every 1-cent increase in the price of gasoline means another $1 billion for the oil company treasuries. The petroleum industry possesses such enormous wealth that it has the power to wreak havoc on the American economy at will. And, with its octopus-like multinational affiliations, the power extends worldwide.

This awesome might must be contained. The Emergency Energy Act that I cosponsored along with others would have rolled back fuel prices and fixed ceilings on them. But President Nixon denied consumers this relief by exercising his veto.

We in the Senate cannot accept this decision docilely. From my own inquiry, I am convinced that a major reason the oil companies are profiteering so handsomely is that they are paying excessively high prices to their own foreign affiliates and passing on the extra costs to the American consumer—the practice of self-dealing.

Under the present law, oil companies are permitted to pass through to the consumer, on a dollar-for-dollar basis, the higher prices they pay for crude oil they import. The Federal Energy Office claims it has sufficient regulatory authority over the oil companies to control the self-dealing aspects of oil company profits. But while, it and its predecessor, the Cost of Living Council, have studied the oil company figures, the price of gasoline continues to rise, and oil company profits hit alltime highs.

The distinguished chairman of the Senate Interior Committee, Senator HENRY M. JACKSON, has introduced legislation and commenced hearings into self-dealing practices, and I am pleased to join him in this legislative effort.

I know this. Unless something is done about this outrageous practice, the American consumer will continue to be gouged—I mean gouged—by the oil industry and the worst part of this gouging practice is the overall inflation of the economy. The economy is having enough problems of its own without the oil companies of this country skimming $10 billion to $15 billion off the top. I have, therefore, included in this act the language of S. 3267 which would, if enacted, strike directly at this self-dealing practice.

TAXES

I propose a tax credit in the amount of $250 per dependent to bolster the purchasing power of low- and middle-income Americans.

It is time to move forcefully to redistribute the tax burden from those crippled by inflation to those who have basked in unjustified benefits. A $250 tax credit for low- and middle-income families would also provide a direct stimulus to today's recessionary economy.

Taxpayers would be given a choice between the present $750 personal exemption that is deducted from taxable income and the new $250 tax credit that would be deducted from taxes due. This would be the effect.

For a family of four earning $5,000 a year, the credit would eliminate the $98 income tax that is currently due. A family of four earning $10,000 would save $415 in taxes. And a family earning $15,000 would save $310. As the family's income increases, the amount of tax saving would decline. At the level of $30,000, the taxpayer would be better off choosing the $750 exemption than the $250 credit.

The tax credit approach focuses its benefits where they are most needed—the low- and middle-income family. If corporations are allowed tax credits, why not the individual wage earner? It is the right tax reform at the right time, and in the right amount.

I estimate the cost of this tax reduction at $12.6 billion—a revenue loss the Treasury cannot afford. Therefore, I propose a number of revenue-raising measures.

Some $5.5 billion of additional revenue could be recovered by withdrawing from the oil industry the special tax advantages it holds over the rest of American industry. I favor:

Ending the foreign tax credit now allowed the oil industry for investment overseas; this would save an estimated $2 billion.

Eliminating the depletion allowance on both foreign and domestic oil beyond the point of the original cost of the investment.

Capitalizing intangible drilling costs on the same basis as the rest of American industry; with the depletion allowance reforms, this would save an estimated $3.5 billion.

There is no reason whatever—logically or economically—to continue these massive writeoffs to oil producers on an exclusive basis. Their continuance—at a time when the middle-income family is afflicted by both inflation and recession—can only poison the social climate in which other wage and pricing decisions are made.

In addition, I propose repeal of the asset depreciation range—ADR—provisions of 1971, which gave businessmen the right to increase depreciation 20 percent across the board. It had no logic then. It has even less now. This would save an estimated $1.7 billion.

I propose to repeal the right of builders to take accelerated depreciation except for construction of low and moderate income federally subsidized housing. This would save an estimated $1 billion. Some of the special tax legislation that was passed at a time of need is no longer necessary nor right. All too often special tax legislation remains on the statute books, providing unnecessary and unfair tax windfalls, when it is no longer needed. Today we need to increase the purchasing power of the average consumer. By eliminating some of these special tax breaks, we can more equitably distribute the tax burden.

This package of tax credits and reforms would produce a mild fiscal stimulus of around $4 billion, less whatever savings can be achieved in the Pentagon budget. This is sound policy at a time of declining economic growth and shrinking consumer purchasing power.

JOBS

Because 5.1 percent of the labor force is out of work, the public service employment program should be extended, and a more flexible system of unemployment compensation should be adopted.

We must recognize that a tax cut, in itself, is not a sufficient answer to the Nation's economic problems. Pockets of unemployment are growing in Ohio. Conditions are likely to become worse before they get better.

Since 1971 public service employment has given persons who otherwise would be out of work a badly needed paycheck while accomplishing many useful services for State, county, and local governments. Its successful operation is a matter of record. In approximately 3 years, 300,000 jobs have been created at a cost of $7,500 a job—not a very high price to pay under the circumstances.

For the short run, I support full funding of $250 million of the public service employment sections of 1973 Comprehensive Employment and Training Act, plus the supplemental funding of $250 million advocated by members of the

Subcommittee on Employment of the Labor and Public Welfare Committee.

In the longer run, I propose creation of a permanent public service employment program that would be activated whenever the level of unemployment reached a trigger of 5.5 percent, either nationally or in local labor areas. Funding would increase automatically as unemployment climbed. The program could also be activated when economic forecasts predicted a decline in economic growth, or a rise in unemployment, would reach the trigger figure in the near future. This concept of taking action before the fact is at the heart of my economic preparedness program.

Creation of a $5 billion public service employment fund would guarantee that money would be available when needed. Activated by a Presidential decision or a joint resolution of Congress—to avoid the danger of a Presidential veto—such a fund would provide a "letter of credit" for States and local governments without waiting for the lengthy congressional appropriations process. This approach is contained in a proposed amendment to the Comprehensive Employment and Training Act of 1973 by the Senator from New York (Mr. JAVITS).

Congress must also adopt permanently a more flexible system of unemployment compensation, as initially passed by the Senate last November. This legislation, as proposed by the senior Senator from Connecticut (Mr. RIBICOFF), gives the States far greater flexibility in providing an additional 13 weeks of unemployment compensation coverage above the basic 26-week period.

I also urge that Congress approve an additional 13 weeks coverage for areas of high local unemployment to be financed out of general revenues to avoid undue burden on the States. This would give especially hard-hit workers a full year of coverage.

INTEREST RATES

I believe the Federal Reserve Board should act to lower interest rates.

Interest rates are again approaching record levels, imposing an additional economic burden on those least able to bear it. The Federal Reserve Board would be well advised to lower the Federal funds and Treasury bill rate to the neighborhood of 6 percent by late summer.

NATIONAL DEFENSE

To help pay for the tax reduction and job creation programs I have proposed, I believe the Pentagon budget can be reduced without jeopardizing national security.

President Nixon's plan to increase defense spending by more than $6 billion in the coming budget year is more habit than wisdom. It fails to take into account our changing relationship with European allies, the peace that has come to Southeast Asia, the extravagance of Pentagon contracting, and the top-heavy command structure of our Armed Forces.

Rather than add billions to the Pentagon budget, I would pare billions so that more money would be available for the tax reduction and job creation programs I have discussed. This could be accomplished by—

Gradually bringing home most of the 319,000 American soldiers and their quarter of a million dependents now stationed in Europe—while leaving our nuclear forces intact—as well as those troops no longer needed in Southeast Asia;

Requiring the Pentagon to make greater use of competitive bidding in its procurement, a policy that congressional committees have concluded would save as much as 79 percent in the purchase of some weapons systems;

Eliminating sloppy contracting practices that have bloated the final cost of some major weapons systems by 50 percent or more; and

Streamlining a military command structure that has more sergeants than recruits, more captains than lieutenants, more generals now than at the end of World War II when our military force was four times its present size.

Such reforms not only would gain control of the inflated Pentagon budget, but would also match this country's military might with present-day realities—and make America stronger.

These proposals, taken together, would forestall the most serious effects of a second Nixon recession. The bulk of the Federal assistance I have proposed flows directly to the people in the form of tax reductions, public service jobs, extra unemployment benefits and actions to contain prices. It is a program that makes excellent sense in human, as well as economic, terms.

With the economic preparedness program, we can begin the long process of digging ourselves out of the wreckage left by the Nixon administration's 5½ years of economic mismanagement.

But I am frank to admit that our experiences of the past half decade have raised a host of unresolved questions about how the American economy actually operates today.

Our country, our economy, and the world have changed greatly since the passage of the Full Employment Act of 1946. This historic legislation committed the National Government to maintaining a full employment economy and it created the basic institutional tools for the Government to carry out this mandate.

For most of the period since 1946, the national economy has prospered. As a nation, we are far stronger today than we were in 1946. But this fact must not blind us to our uncertainty over the longrun steps that are now required to tap the potential economic strength and vitality of the United States for the balance of the 20th century.

It is time for a searching reexamination of our national economic objectives. It is especially time to find better ways of taking preventive action before economic crisis hits our country full force.

We must be willing to reevaluate the country's institutions of economic management, particularly those of the Federal Government. How can we design our Government structure to make it more responsive to the needs of people? How can we achieve more vitality and a greater sense of urgency in managing our economy? How can we achieve this country's true potential for sustained prosperity and economic growth?

Other questions must be answered, as well.

How can we solve the special employment problems that afflict certain segments of our national economy, women, young people and minorities, in particular?

How can we achieve the efficiency, competitiveness, and pride in our work that all too often disappear in our mammoth corporations and economic institutions?

How can we measure more accurately the social costs and benefits of inflation, unemployment, leisure time and such activities as running a family, raising children, and volunteer work?

How can we most usefully participate in building a more effective system of international economics? What steps must be taken to stabilize the international monetary markets and achieve a workable system of international trade?

The harsh truth is that today we lack the knowledge to answer these questions. But we surely do not lack the commonsense to begin looking for those answers.

I propose, therefore, that Congress establish a National Economic Preparedness Council to reexamine all aspects of American economic life and the role the United States should play in the international economic community.

The President of the United States would appoint four members of the Council, the Speaker of the House four members, and the President pro tempore of the Senate four members. At least half of each group of appointees would be private citizens. We should strive for the participation of persons with backgrounds in business, labor, consumerism, banking, international trade, the academic pursuit of economics, and the like. The term of the council would expire at the end of 5 years unless renewed by Congress.

Within 1 year of its appointment, the council would release its initial report to the President, the Congress, and the general public. The report would encompass a broad range of subjects, including new national economic goals for the balance of this century, as well as the institutions and policies that can achieve these goals. The council would be empowered to submit draft legislation where necessary. Following its initial report, the council would thereafter report on an annual basis, updating and perfecting its initial recommendations, as necessary.

The council would have authority to organize a staff of the finest experts in the country in all phases of economic activity. It would have authority to conduct hearings, organize special task forces, and commission special studies. All meetings of the council and its various subgroups would be public.

We are, in essence, talking about a fundamental rewriting of the Full Employment Act of 1946. But we are now at the point in American history where such a basic reexamination is needed. No longer can we limp along from crisis to crisis, relying on economic machinery designed in the aftermath of World War II.

As I stated at the outset, the American people are quite correct in demanding a higher grade of leadership than they are now receiving from their elected public officials—in the executive branch and in Congress. In terms of economic decisions and leadership, the National Economic Preparedness Council that I propose would begin to provide our elected leaders with the new insight, the new information, and the new knowledge that is lacking today.

The true test of political leadership has always been its capacity to seize moments of opportunity and turn them to maximum advantage. Today we stand at such a moment in terms of achieving the full potential of our economic system.

This is an historic opportunity.

I propose we seize it.

The **ACTING PRESIDENT** pro tempore. Does the Senator offer his bill at this time?

Mr. **METZENBAUM**. No; it will be submitted later.

ORDER OF BUSINESS

The **ACTING PRESIDENT** pro tempore. At this time, in accordance with the previous order, the Chair recognizes the Senator from Delaware (Mr. BIDEN) for not to exceed 15 minutes.

FAIRNESS TO THE PRESIDENT

Mr. **BIDEN**. Mr. President, there is reason to believe that the President is on the threshold of being impeached. If this momentous event should occur, he would become the 12th Federal officer, and the second President, to be impeached during the 185 years of our nationhood.

The consequences of an impeachment and the presumed subsequent trial before this legislative assembly, the Senate, are now not known—aside from the fact that there will be a verdict one way or the other, guilty or not guilty.

The sophisticated network of communications did not exist at the time of the impeachment trial of President Andrew Johnson. In the case of an impeachment trial, the emotions of the American people would be strummed, as a guitar, with every newscast and each edition of the daily paper in communities throughout the country. The incessant demand for news or rumors of news—whatever its basis of legitamacy—would be overwhelming. The consequential impact by the Federal institutions of government would be intense—and not necessarily beneficial.

This is why my plea today is for restraint on the part of all parties involved in the affair.

We have been told time and again, not just by members of this particular body, but by the media and people across the Nation, that the American people cannot stand an impeachment proceeding. I have great faith in the American people's ability to stand a fair and impartial trial of anyone, including the President of the United States, but what begins to worry me, and the reason why I rose to my feet today, is that I am beginning to worry about the ability of our institutions—the U.S. Senate, the Congress, the prosecutors, and the press—to be able to stand a fair and impartial trial of the highest office holder in our land.

Mr. President, the American people have a right to expect that members of the judicial and legislative branches of the Federal Government conduct themselves circumspectly under whatever duress they may labor. The press, too, should be expected to perform with restraint at this looming critical period in our history. Impeachment is too important a matter to be left to the press, legitimate as its objectives may be.

This sentiment of mine is one, I know, that others of my colleagues share. Our distinguished majority leader, Senator MANSFIELD, this week appealed for restraint on the part of all in dealing with Watergate scandals.

Whatever he may or may not have denied us Americans during the course of his Presidency, now in its sixth year, there is no reason for us to deny President Nixon the utmost presumption of innocence and the right to privacy that each of us would desire were we in his position.

The first amendment, which affords the press the right to comment, fair or unfair, is easy to read; it is not easy to put into practice. The fourth amendment with its guarantee of privacy is also in play.

What faces us as a nation is not a Lindberg kidnapping trial or a Shepherd murder trial or a trial of the Chicago 7 or the Gainesville 8 or whatever trial of numbers the press has an interest in. On trial will be the principal elective officer of the Nation, the sitting President, the Presidency itself and, yes, even ourselves in the form of our political judgment.

Somewhere in Alice-in-Wonderland, someone talks about "sentence first, verdict afterwards."

Joseph Kraft, the syndicated columnist, may have had this in mind when he wrote the other day that restraint should be exercised by the press. He warned the press to curb "the spirit of rivalrous competition and self-important narcissism now so rampant in the fourth estate." I agree with Mr. Kraft.

This proposal is not easily greeted in this windy, gossipy town. It is not one to be taken easily by newspapers quick to quote Peter Zenger at the slightest provocation—or, even without provocation.

The late Mr. Justice Holmes wrote an admonition in Patterson Versus Colorado in 1907 that we should heed today—

> The theory of our system is that the conclusions to be reached in a case will be induced only by evidence and argument in open court, and not by any outside influence, whether of private talk or public printer.

Thus far that trial has not been held, and we are not even sure it will be held until and unless the U.S. House of Representatives brings articles of impeachment.

The shabby, criminal doings of the Watergate affair have been laid before us. Two reporters have disclosed scandalous conduct among the President's men during and after the 1972 Presidential campaign. The newspaper, the Washington Post, deservedly won a Pulitzer Prize as a result of their reporters' enterprise.

Admittedly, the skullduggery so far revealed rivals that of unrestrained monarchies of 16th century England and Europe.

This is why the events of the Watergate have brought our Nation to the awesome doorway of the "grand inquest of the Nation,"—impeachment, a constitutional procedure brought only once before in our history against a sitting President—and that unsuccessfully, we should remind ourselves.

The House Judiciary Committee is assembling evidence designed to sustain articles of impeachment. Concomitantly, a grand jury—a familiar organ of the Anglo-Saxon judicial process that some political liberals assert has outlived its usefulness—has handed down criminal indictments against men who had daily entered the oval room, the working office of the President in the White House.

Newspapers, radio, and television have reported these actions loudly and boldly and repeatedly. I, myself, who practiced criminal law in Delaware before my election to the Senate, read enough about the matter to contend last year that the President should be impeached—that is, that the evidence should be brought before the House Judiciary Committee and the House of Representatives should decide whether or not articles of impeachment were in order.

And, having been a critic of the President, both as to his policies and the arbitrary, almost monarchial cast of his Presidency, I now suggest that we all stand aside—and let the duly constituted organs of justice—whether at Federal District Court on John Marshall Place, at the foot of Capitol Hill, and here within the Congress itself—work themselves out, as designed by our constitutional process.

The constitutional guarantee of a fair proceeding, as well as the right to privacy and civil liberties, are designed not so much for those who agree with us as for those who disagree with us. This is the final test. The Founding Fathers, sweltering in Philadelphia, at the Constitutional Convention, understood this. Thomas Jefferson articulated this feeling. Some assemblies in the Thirteen Original States insisted that a "Bill of Rights," the first 10 amendments to the Constitution, be adopted as a condition of ratifying the basic document of our Nation.

In a day when equality is on everyone's lips, I suggest that in practice, in extraordinary times involving our highest office of Government, some people may be, in fact, more equal than others. And in this case I refer to the President. His official derelictions, if proved, and his subsequent ouster, should it occur, will have an impact on our institutions and upon ourselves as Americans, beyond that which it would have for any of us who are involved in such a proceeding.

Americans elected him not once, but twice; his downfall, should it occur, will not be some event unrelated to our national condition, should the affair end even as is the potential consequence—will be great.

Whatever he may or may not have denied us Americans, in the course of his Presidency, there is no reason for us to deny him in this late state of the "grand inquest" of the Nation, to which I have earlier referred, the utmost presumption of innocence and the right to privacy that each of us would wish were we in his position.

I suggest, too, that those involved in marshaling evidence against the President, either in the House of Representatives or in the Office of Special Prosecutor have been somewhat less than discreet in the way in which they have conducted themselves.

Whatever our opinions, it is incumbent, particularly upon those in charge of both prosecution and defense, to address themselves to the courts and to the House Judiciary Committee. This includes Special Prosecutor Leon Jaworski and members of the Judiciary Committee. It is particularly a duty for the prosecuting organs to cease public statements. It is time for the newspapers and the television and radio reporters to cease their "pack" journalism. It is time for the "informed" sources and the "reliable sources," and all other "reliable sources," to be stilled—to shut up. And the newspapers, and radio and television stations should stop quoting their "informed" sources that have no names. I am pleased that recently, Judge Sirica has ordered parties in the Watergate case to keep silent, something that was long overdue and that should have been said from the very beginning of the proceedings.

To be clear about it, I am suggesting that reporting be restrained in a sensible way—not stilled, so that this holocaust that has occurred recently within our constitutional system would not have occurred.

All I am saying is that now is a critical time and it is time that we remember we are dealing with the constitutional procedure. It is a question of whether our system can function in the year 1974.

There are those who say that impeachment cannot work. There are those who say that our society is too complicated. If they are correct that our society is too complicated today to withstand impeachment proceedings, then they are indicting the procedure system itself, for they are saying that this mechanism by which we are expected to deal with malfeasance in high public office is not capable of functioning. It is sort of like my giving the Acting President pro tempore a new automobile without a driveshaft and saying that it is a car that functions.

If an impeachment proceeding cannot be conducted in the year 1974, then we should look at whether or not our system can function not only in 1974, but also in the remainder of this century.

There is a tradition that grand jury proceedings are secret. These restraints have been repeatedly violated by the press.

To those who still reach for verdicts in April 1974, I suggest that at best—or at worst, depending on one's point of view—the verdict is the "Scotch one"—"not proven." And, at least to me as Senator, qua lawyer, there is at this moment, only one verdict: "Not guilty."

The President has not been proven guilty beyond a reasonable doubt in the one forum which has been provided to try Presidents for their misdeeds—the U.S. Senate. He has not been proven guilty of any crime. Consequently, the presumption of being innocent until proven guilty beyond a reasonable doubt as proscribed within the prescribed forum should hold for the man who sits in that office now. Therefore, I cannot see how anyone can say that the President is guilty before the trial is held.

Earlier, I quoted Mr. Justice Holmes. I conclude by quoting another passage of his—from an address of his to the 50th anniversary reunion of the Harvard College Class of 1861:

> The best service that we can do for our country and for ourselves to see so far as one may and to feel the great forces that are behind every detail . . . to hammer out a compact and solid piece of work as one can, to try to make it first rate, and to leave it unadvertised.

Mr. President, I think that is what we must do in the U.S. Senate. I think that is what the judiciary must do. I think we must give our constitutional system a chance to work to see whether it is viable in the year 1974.

At this point in my remarks, I ask unanimous consent that a news article appearing in the Washington, D.C. Evening Star on April 8, 1974, relating to Senator MANSFIELD's remarks which I alluded to earlier, be printed in the RECORD at this point in my remarks.

I also ask that an editorial appearing in the Boston Globe of March 12, 1974, also calling for fairness, be printed in the RECORD at this point in my remarks along with a third from the March 5, 1974, Washington Post on the same subject.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Boston Globe, Mar. 12, 1974]

PRESERVING THE PEOPLE'S CASE

For more than a year, the President of the United States has been engaged in a massive operation to ward off events which would force him to leave office.

There have been resignations, firings, and indictments involving persons closest to the President on an unprecedented scale. Through grandiose assertions of executive privilege, the umbrella claim of national security, and presidential pressure, the White House has tried to undermine efforts initiated by the Congress, by the system of justice, and by the executive branch itself to get at the truth.

To a considerable degree, after faltering, each of those great institutions of our government has responded to the challenge so as to justify confidence in its independence and its resiliency in such a weighty matter as the wrongdoing of a President. As a result, and perhaps for the first time in this long process, we can hope that the truth will out and justice will be done.

But the resurrection of the integrity of these institutions is now threatened from within themselves. In the zealousness to restore damage to pride and reputation, there is a great temptation for public breast-beating. The precipitous release of information and the drawing of conclusions before they have fully matured from the facts will undercut the credibility of the impeachment process and shake the confidence of those in the country and in the Congress who have been wary and fearful from the start.

Thus we were concerned to see the widespread comment about the alleged contents of the sealed information given by the grand jury to Judge Sirica. There is now a strong suspicion that the material contains no conclusions by the grand jury about presidential culpability. Even if it did, it is the constitutional responsibility of individual congressmen to make that judgment for themselves.

Equally distressing were the gratuitous comments over the weekend from Rep. Wilbur Mills (D-Ark.), vice chairman of the Joint Committee on Internal Revenue Taxation which is now studying Mr. Nixon's tax returns. Mr. Mills suggested that the committee's conclusions will give Mr. Nixon reason to resign. But the report is not due for a month. And Mr. Mills is still recuperating in a hospital from a back ailment. His interview is certain to provide fodder for those who believe that the cards are stacked against the President.

There can be no greater challenge to the constitutional government than this grave inquiry which is now occupying the attention of so many of our leaders. For the system to meet the test, there must be not a scintilla of doubt that the probe has been conducted with due process, with fundamental fairness, and by minds open to the facts. Anything less will not only endanger the case for impeachment itself, but will plunge the country deeper into the miasma of insecurity and despair which will make the road back from Watergate a longer and even more agonizing path than it promises to be.

[From the Washington Post, Mar. 5, 1974]

TIME FOR THE PRESS TO SHOW RESTRAINT

(By Joseph Kraft)

When the Watergate cover-up was in full swing, it was noble and courageous for journalists to try to expose the facts, undeterred by the petty niceties of judicial procedure. But that time is over.

Judicial procedures are working with a vengeance to bring out the truth. So those of us in the press need to be wary about breaching traditional restraints—far more wary, I believe, than many have been in reporting over the past few days on the supposedly secret work of the Watergate grand jury.

The best evidence of how the judicial processes are working comes from the indictment handed down last week against seven former Nixon aides in the case of the Watergate cover-up the terms of the indictment were severe. They show, not a lack of zeal on the part of the prosecutor, but a disposition to be extremely tough with balky witnesses.

John Ehrlichman, the former chief domestic aide to Mr. Nixon, is a case very much in point. According to his attorneys, he refused an offer by the prosecution whereby he would provide evidence in return for leniency.

Last week he was indicted on four different counts which could land him in prison for as much as 20 years. Among the charges against Ehrlichman are obstruction of justice, lying to the FBI and perjury in testimony to the grand jury. Here are five of the responses to the grand jury which brought the perjury indictment:

"I can't say specifically one way or another."

"I have no present recollection of that having happened."

"I'm sorry but I just don't remember."

"I'm sorry but I just don't know."

"I'm sorry, I just don't remember. It probably was, but I just don't recall."

That such obviously vague and weasely answers would elicit perjury charges provides an unfailing measure that the fix is out. There is no pulling of punches. The full force of the law is how being mobilized against the guilty parties.

In these conditions, the traditional inhibition on reporting acquire again their normal force. Few if any of these limitations are as well established as the tradition that grand jury proceedings are secret. But that restraint was violated by several publications over last weekend in stories purporting to report secret material given by the Watergate grand jury to Judge John Sirica.

The trouble which can flow from these

violations is obvious. In a populist democracy such as ours, respect for judicial process, and particularly those aspects of its protecting the rights of individuals, is a fragile thing at best. Journalists, who enjoy special protection under the First Amendment, have a special responsibility to respect due process. We can hardly expect other Americans to take fair play seriously when we ourselves show scant respect for the rights of others.

Then, there are the Watergate cases presently being tried. Defendants and their attorneys have made it abundantly plain they are prepared to use pre-trial publicity and every possible procedural issue to try to discredit the prosecution. Judges are, not without reason, edgy. It is at least possible that over-aggressive reporting could blow some of the cases, and even the whole impeachment proceeding.

If nothing else, more irresponsible reporting could make of the Special Watergate prosecution a hapless wreck. Like the Senate Watergate committee which lost so much prestige because of leaks, the prosecution could become, in the public eye, a bunch of nice guys who finish last deservedly.

Finally, there is at stake the quality of journalism with its not negligible impact on the tone of American life. Marked progress has been made, it seems to me, in extending the reach and seriousness of news coverage in recent years. The exposure of the Watergate cover-up was, itself, a press triumph—notably for this newspaper.

To lose those gains at just this time would be a terrible pity. But they will be lost unless we show more self-discipline—unless there is a curbing in the spirit of rivalrous competition and self-important narcissism now so rampant in the fourth estate.

[From the Evening Star-News, Apr. 8, 1974]

MANSFIELD ASKS RESTRAINT IN HANDLING IMPEACHMENT

(By Shirley Elder)

Senate Democratic leader Mike Mansfield today appealed for a dispassionate approach to the scandals of Watergate by Congress and the press.

Mansfield suggested that everyone concerned with Watergate and the possible impeachment of the president had become too "emotionally involved." He conceded that there is no way to avoid being involved, but suggested that everyone seek to avoid emotions.

All involved must ask themselves, he said in a Senate speech, whether they are being fair to the President. "Are we shunting aside the basic principle of law which presumes the innocence of the accused until found guilty?"

The Montana senator appeared upset at recent news stories quoting him as saying "the votes are there" for impeachment in the House. What he said, Mansfield recalled, was that he had been told the votes are there.

But, he emphasized, he does not know, and no one will know, whether the House will vote to impeach the President until the vote is taken.

Until then, Mansfield suggested that everyone avoid speculation.

"One year of Watergate is too much; one day of Watergate is too much," he commented. "But the issue will have to run its course."

He commended the special Watergate prosecutor and the House Judiciary Committee for doing their jobs well and particularly for the lack of "leaks" of impeachment evidence.

But he said he noticed with some concern that news media polls have been taken measuring how the Judiciary Committee stands and even how senators stand before any evidence is presented.

"There have also been editorials and commentaries on the issue of impeachment by the House and a trial by the Senate which, I think, anticipates the question," Mansfield said.

On related matters, Mansfield also said:

1. "If and when" impeachment should reach the Senate for trial, he would favor televising Senate sessions.

2. "If and when" that time comes, he will suggest an executive session of all senators to discuss procedures.

3. He hopes the Senate Watergate committee will wrap up its work by May 28, report legislative recommendations to the Senate, and turn over all evidence to the House Judiciary Committee and the special prosecutor.

Mr. BIDEN. Mr. President, in conclusion, as the Acting President pro tempore well knows, I have been on occasion a harsh critic of the President. There is no great love lost for him on my part. I had no hesitation in criticizing him when I thought he was wrong, which I often thought.

I have not hesitated to criticize his policies, with which I disagreed more than I agreed. But I have a feeling that my children and my grandchildren will be looking back on what I said or did not say in April of 1974 with respect to what seems to be inevitable, that we must have an impeachment trial of the sitting President. I think that all of our grandchildren are going to look back on us to determine whether or not we meant what we said when we said that our constitutional system should be adhered to and that all men and women are innocent until proven guilty beyond a reasonable doubt.

I hope that if the trial occurs—which is not a certainty—that we will let that trial proceed as we would were we attorneys sitting back in the county courts of our own districts and not be fettered by outside influences and let those outside influences affect our verdict were we to be put in that position later in this calendar year.

Mr. DOLE. Mr. President, I wish to comment briefly. I listened to the distinguished Senator from Delaware (Mr. BIDEN) and I am pleased to know that he is going to listen to the evidence before he reaches a verdict. I would hope the Senator's attitude will prevail throughout the Senate. There should not be any need to call that to the attention of the Senate. I would trust that every Senator will recognize his duty and responsibility under the Constitution.

Aside from that, as far as fairness to the President or fairness to any defendant is concerned, we should also agree that the President of the United States is entitled to the degree of fairness and restraint by the distinguished Senator from Delaware.

As one who supported President Nixon and who supports many of his policies, I think we have to separate that from the considerations that would prevail at an impeachment trial. The Constitution is clear there, as indicated by one effort at impeachment, that of a Democrat, Andrew Johnson. He was at that time, as I recall, saved by the votes of six Republicans.

One of the Republicans was a Senator from Kansas named Edmund Ross. He did not return to the Senate. He died later in New Mexico, in a state of some poverty.

In any event, I do not think that was a dispassionate trial, conducted in fairness. At that time, the Republicans then controlled the Senate and were very partisan. It was a partisan trial. There was not any great clamor around the country for the impeachment of Andrew Johnson, a Democrat; but there was a great clamor among the Republicans, because they wanted that office back.

History has indicated that probably it was a good thing that impeachment failed by one vote.

I think, as John F. Kennedy indicated in his book, "Profiles in Courage," that Edmund Ross and, I assume, the other five Republicans who failed to fall in line with the partisans, did themselves great credit as history was written.

That is the spirit we ought to observe in the event that an impeachment is presented to the Senate. I do not have any way of knowing if it will come to pass, of course.

Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will please call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. BIDEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. ABOUREZK). Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. At this time, in accordance with the previous order, there will be a period for the transaction of routine morning business of not to exceed 15 minutes, with speeches limited to 5 minutes each.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The ACTING PRESIDENT pro tempore (Mr. ALLEN) laid before the Senate the following communication, which was referred as indicated:

PROPOSED SUPPLEMENTAL AND INDEFINITE APPROPRIATION, 1973 AND 1974 (S. DOC. 93-72)

A communication from the President of the United States proposing a supplemental and indefinite appropriation for the fiscal years 1973 and 1974 to cover costs arising out of retroactive pay increases for the period from October 1 through December 31, 1972 (with accompanying papers). Referred to the Committee on Appropriations, and ordered to be printed as a Senate document.

PRESENTATION OF A PETITION

By Mr. PASTORE (for himself and Mr. PELL):

A resolution of the House of Representatives of the State of Rhode Island. Referred to the Committee on Commerce:

74-H7961

House resolution memorializing the Congress to enact legislation requiring the Federal Government to subsidize all electric companies on the cost of their fuel adjustment

Resolved, That the house of representatives of the state of Rhode Island and Providence Planations hereby memorializes congress to require the federal government to subsidize all electric companies on the cost of their fuel adjustment; and be it further

Resolved, That the secretary of the state be and he hereby is authorized and directed to transmit a duly certified copy of this resolution to the Rhode Island delegation in Congress.

AUTHORIZATION FOR COMMITTEE ON INTERIOR AND INSULAR AFFAIRS TO FILE A REPORT ON S. 3267 BY MIDNIGHT, APRIL 19, 1974

Mr. JACKSON. Mr. President, I ask unanimous consent that the Committee on Interior and Insular Affairs may have until midnight, Friday, April 19, to file a report on S. 3267, the Standby Energy Emergency Authorities Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

The following favorable reports of the nominations were submitted:

By Mr. HARRY F. BYRD, JR., from the Committee on Armed Services:

John M. Maury, of Virginia, to be an Assistant Secretary of Defense.

(The above nomination as reported with the recommendation that the nomination be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

Mr. HARRY F. BYRD, JR. Mr. President, from the Committee on Armed Services, I report favorably the nomination of Vice Adm. Frederick J. Harlfinger II for appointment to the grade of vice admiral, when retired; 10 Naval Reserve temporary promotions to the grade of rear admiral—Colwell through Paulsen; and 6 temporary appointments in the Marine Corps to the grade of major general—Armstrong through Nichols. I ask that these names be placed on the Executive Calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HARRY F. BYRD, JR. Mr. President, in addition, there are 646 appointments in the Army in the grade of captain and below; in the Navy there are 1,610 for permanent promotion to the grade of commander; and in the Naval Reserve there are 586 for temporary promotion to the grade of captain and below. Since these names have already appeared in the CONGRESSIONAL RECORD and to save the expense of printing on the Executive Calendar, I ask that these names be placed on the Secretary's desk for the information of any Senator.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The nominations ordered to be placed on the Secretary's desk were printed at the end of the Senate proceedings of March 26, 1974.)

By Mr. SPARKMAN, from the Committee on Foreign Relations:

John A. Scali, of the District of Columbia, William E. Schaufele, Jr., of Ohio, John H. Buchanan, Jr., U.S. Representative from the State of Alabama, Robert N. C. Nix, U.S. Representative from the State of Pennsylvania, and Clarence Clyde Ferguson, Jr., of New Jersey, to be Representatives of the United States of America to the Sixth Special Session of the General Assembly of the United Nations; and

Barbara M. White, of Massachusetts, to be the Alternate Representative of the United States of America to the Sixth Special Session of the General Assembly of the United Nations.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. JAVITS (for himself, Mr. PERCY, Mr. GRAVEL, Mr. MCGOVERN, and Mr. WILLIAMS):

S. 3337. A bill to provide Federal assistance to cities, combinations of cities, public agencies, and nonprofit private organizations for the purpose of improving police-community relations, encouraging citizen involvement in crime prevention programs, volunteer service programs, and in other cooperative efforts in the criminal justice system. Referred to the Committee on the Judiciary.

By Mr. FANNIN (for himself and Mr. GOLDWATER):

S. 3338. A bill for the relief of Evaristo Laborin, his wife, Amparo Laborin, and their children, Evaristo Laborin, Junior, Francisco Laborin, Catalina Laborin, Jesus Laborin, and Benito Laborin. Referred to the Committee on the Judiciary.

By Mr. HUMPHREY:

S. 3339. A bill to amend the program of supplemental security income for the aged, blind, and disabled (established by title XVI of the Social Security Act) to provide for cost-of-living increases in the benefits provided thereunder. Referred to the Committee on Finance.

By Mr. HUGH SCOTT:

S. 3340. A bill for the relief of Francisco Carpio and his wife, Zenaida T. Carpio. Referred to the Committee on the Judiciary.

By Mr. METCALF:

S. 3341. A bill to revise certain provisions of title 5, United States Code, relating to per diem and mileage expenses of employees and other individuals traveling on official business, and for other purposes. Referred to the Committee on Government Operations.

By Mr. HRUSKA:

S. 3342. A bill to establish a National Institute of Corrections, and for other purposes. Referred to the Committee on the Judiciary.

By Mr. WEICKER (for himself, Mr. HATHAWAY, Mr. HARTKE, and Mr. RIBICOFF):

S. 3343. A bill to designate a national network of essential rail lines; to require minimum standards of maintenance on rail lines; to provide Federal financial aid for rail rehabilitation; to establish rights of access by rail carriers to rail lines and facilities, and for other purposes. Referred to the Committee on Commerce.

By Mr. KENNEDY:

S. 3344. A bill to authorize appropriations for activities of the National Science Foundation, and for other purposes. Referred to the Committee on Labor and Public Welfare.

By Mr. MOSS:

S. 3345. A bill for the relief of John Okason and H. F. Mulholland. Referred to the Committee on Interior and Insular Affairs.

By Mr. TUNNEY:

S.J. Res. 205. Joint resolution authorizing the President to proclaim the last week of June of each year as "National Autistic Children's Week". Referred to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. JAVITS (for himself, Mr. PERCY, Mr. GRAVEL, Mr. MCGOVERN, and Mr. WILLIAMS):

S. 3337. A bill to provide Federal assistance to cities, combinations of cities, public agencies, and nonprofit private organizations for the purpose of improving police-community relations, encouraging citizen involvement in crime prevention programs, volunteer service programs, and in other cooperative efforts in the criminal justice system. Referred to the Committee on the Judiciary.

THE COMMUNITY ANTICRIME ASSISTANCE ACT

Mr. JAVITS. Mr. President, 10 years ago a woman named Kitty Genovese was brutally murdered in New York City. Thirty-eight local residents heard her scream for help. But none moved to help her. The incident was cited throughout the Nation as evidence that New York City was callous, cold, and indifferent.

While I did not think it fair to indict my city as a whole for apathy in that tragic murder, that incident pointed up a dual reality: The paralyzing fear of crime which has been so much a part of the urban landscape during the last decade, and the total helplessness felt by many people as they struggled to deal with a phenomenon which intruded with enormous impact into their daily lives, and in some ways dramatically affected the way they related to one and other.

Today, 10 years later there is evidence that we have made important progress against crime—and that the tremendous increase in the allocation of Federal resources to crime control and crime prevention programs has materially furthered that progress.

Recent statistics from the Uniform Crime Index of the FBI show that serious crime is increasing at the rate of only about 1 percent per year—the lowest reported rate increase since 1960. Several major cities—including New York City have reported an actual reduction in certain categories of violent crime. Nevertheless, there is no question that America still carrys too heavy a burden in the cost of crime and its related problems. We cannot take any comfort in the fact that our smaller cities and suburban areas are feeling new and increased crime pressures.

Today, also, there is impressive evidence that New Yorkers and other urban dwellers are more willing than ever to take a personal role in fighting crime and the fear of crime. Throughout the Nation, the great potential of the private sector—not only as represented by our citizens, but also by business, labor and civic organizations—is being harnessed by law enforcement and criminal justice agencies in most constructive and unprecedented programs to prevent crime. These should be fully utilized and expanded and are a major anticrime factor.

Mr. President, it is in the light of these efforts—some of which I shall describe in a few moments that I introduce the Community Anticrime Assistance Act of 1974 on behalf of myself and Senators PERCY, GRAVEL, McGOVERN, and WILLIAMS. We act to facilitate a greater involvement of the American people—working together in their own communities—in anticrime projects that work.

This bill would authorize the Director of the Community Relations Service of the Department of Justice to make grants to cities, combinations of cities, public agencies, and nonprofit, private agencies to establish community crime prevention programs and volunteer service programs throughout the criminal justice system. Conditions for grants under title I of the bill which sets forth the kinds of programs which may be funded, include contributions of money, facilities, or services not to exceed 25 percent of the cost of the program when the Director deems feasible, coordination of programs with local citizens and their establishment in high crime areas of a city. In order to qualify for a grant a city or combination of cities must have a population of at least 100,000. The bill recommends a 2-year appropriation of $50 million, divided evenly between public and private sector grantees.

As the Senate knows, the Community Relations Service of the Department of Justice was created by the Civil Rights Act of 1964 to promote community-race relations and mediate racial conflicts in a variety of areas. In recent years it has brought its important experience and in some respect unique resources to bear on the problems of improved relations between communities and the criminal justice agencies which serve them. Its role in this latter area was noted by former Attorney General John Mitchell in his 1971 annual report which cited the work of CRS in establishing local criminal justice coordinating councils, composed of private business, labor, education, religious, and citizen groups to manage specific crime control projects.

National surveys, including one by the National Institute of Law Enforcement and Criminal Justice, have found many citizens, anticrime programs functioning under the direct supervision of local criminal justice agencies throughout the country. In only one area of activity, that of civilian patrolling, programs are now operating in New York City, Boston, Tampa, Los Angeles, Washington, D.C., Cleveland, Newark, Minneapolis, Detroit, and Oakland.

Mr. President, under the administration of former Mayor John V. Lindsay and Police Commissioners Patrick Murphy and Donalf F. Cawley, New York City has demonstrated the potential success of a wide range of such programs involving the use of civilian volunteers and private sector organizations. Indeed, in early 1971, I introduced legislation: The Emergency Urban Crime Reduction Act—reintroduced in this Congress as S. 1644—one of the purposes of which was to provide Federal funding for activities of this kind.

In the New York City program one set of activities is designed to increase patrol coverage of neighborhoods and buildings:

Auxiliary police: The Auxiliary Police was established by law to allow volunteers trained by the police to perform patrol and other support services. For many years, participation ranged between 1,000 and 3,000 members. In the last 2 years, with a major recruitment effort it has reached a force of 5,600 active members with a goal of 10,000 by the end of this year. Auxiliaries spend an average of one night a week on patrol, providing increased visibility and protection along heavily traveled streets and shopping areas, and 50 auxiliaries are performing mounted duty in parks and beaches. To strengthen their work, the city is now providing a $75 uniform allowance to all new members, purchasing 1,100 walkie talkie radios to supply each team on patrol, and providing an annual uniform maintenance allotment of $75 a year for those who serve a minimum number of hours annually.

Citizen patrols: There are an estimated 75 groups with over 3,000 members in civilian patrols, often using their own automobiles and communications equipment. For some years, the police department was wary of these efforts, but it now works closely with them, encouraging discipline and professionalism, and coordination with local police.

Tenant patrols: The city's housing authority with 500,000 residents, itself constitutes one of the Nation's largest cities, with its own police force of 1,600 men. The housing authority has done pioneering work in development of tenants patrols to guard lobbies and hallways and tour project areas. In a few short years, the authority recruited 11,000 residents in this program, providing them with jackets for identification and communications equipment.

Blockwatchers: The Blockwatchers program is an attempt to formalize a relationship with citizens to serve as eyes and ears for the police. Blockwatchers are trained in basic identification and crime reporting procedures and agree to notify the police of any suspicious conditions they observe. There are now more than 6,000 Blockwatchers who have completed training and are registered with their local precinct.

Private patrols: The business community has also organized similar programs to intensify patrol coverage. The most ambitious effort has been sponsored by the Association for a Better New York under which 33 private building owners in midtown have supplemented their night-time security forces, linked together with the police by a communications network, and moved private guards out of the buildings and onto the streets. Sixty doormen and building superintendents have also been trained by the police as Blockwatchers.

A second range of activities is aimed at improving security systems:

Street lighting: In the past 2 years, the city government has committed almost $40 million to relight 3,700 miles of streets—more than half the city's streets—with high intensity lighting that deters crime and encourages people to go out at night. This program, the largest of its kind in the Nation, has been extraordinarily popular and successful.

High-rise security: Using $157,000 in Federal funds, the city is conducting an experiment is the Bronxdale public housing project with various security systems, including closed circuit television in playgrounds and parking lots outdoors, and hallways and elevators indoors, bell-buzzer intercoms, audio monitoring and alarm systems in hallways and elevators. Also available is $1 million in city funds for basic security improvements in city housing of such items as stronger locks, brighter lighting, window gates and bell-buzzer intercoms systems.

Operation identifications: Along with many other cities, New York City is participating in this experimental program under which citizens use engraving tools to mark valuable property with identifying numbers so that the property can be identified if stolen. Decals notifying of participation in the program are placed on doors and windows to deter break-ins. To date, the experiment has involved 4,500 citizens, who have participated and registered with a central file system. Before the end of this year it will be expanded citywide under a Federal grant.

Merchants security: Using a Federal grant of $250,000, the city is sponsoring a program to provide sophisticated, high-quality alarm and camera surveillance systems of the type usually used by banks and jewelers for 700 local merchants like cleaners, grocers, candy stores, taverns and hardware stores, at substantially reduced rates. The program should deter crime and help stabilize commercial areas. The alarm systems are connected to the central station of a private alarm company, which screens calls and then contacts the police, and the cameras take pictures of everyone in the premises every 30 seconds, aiding the police in identifying robbers, and deterring shop-lifting, bad-check passing, and robbery. The alarms will cost $6 a month, and the camera $8 a month.

Block security: This year, New York City began a new crime fighting program that is unique in the Nation. The block security program provides matching grants to local associations—block associations, tenants organizations, merchants civic and neighborhood groups—to help finance locally designed and managed security programs. With $7 million in city funds, responsible local groups will be assisted in financing a widerange of security systems and equipment, though none of the funds can be used for salaries or weapons.

In the block security program the city provides most of the funds, but neighborhood organization applicants are also required to provide some matching funds. The program is predicated upon the idea that public money can stimulate private investment and concern for community security. Together people determine what they can do—in consultation with their own police officials—to provide for their common protection. It is one of the few programs in the Nation to encourage and support block, tenant, civic, and merchant associations to develop self-help community security programs. More than 1,200 local groups across the city have received training and begun programs to patrol their neighborhoods, to upgrade lighting and to install locks, gates, and alarm systems.

A critically important byproduct of these programs is greatly improved channels of communication between the police and the community. Scores of persons participating in these activities have testified as to the renewed sense of community which accompanies concerted action on behalf of the public interest.

Another example of a successful citizen program is the Chicago police community service aide program.

The goals of this project in Chicago were to fight crime by saturating specially designated areas with foot patrol teams to improve community relations using trained community aides. These aides helped interpret the roles of the police to the community and vice versa. They increased the effectiveness of uniformed officers by freeing them from nonarrest functions and by developing greater community responsibility toward combating crime. These aides were recruited in the areas they served and they were familiar with the people and the problems.

The idea of involving citizens in crime prevention was proposed by President Johnson's 1967 Crime Commission and by President Nixon in his first inaugural address. In 1969, the National Commission on the Causes and Prevention of Violence, in 1971, the Advisory Commission on Intergovernmental Relations, and in 1973, the National Council on Criminal Justice all supported this concept as fundamental to any comprehensive strategy for the reduction of crime.

LEAA has the authority under the Safe Streets Act to give Federal financial support both directly and indirectly to several community action programs related to the reduction of crime. The block grant funds can be used for this purpose and LEAA can make discretionary grant funds available directly to communities for the development and maintenance of these community programs.

Unfortunately, community involvement programs have been given relatively low priorities both by the criminal justice coordinating groups in the States which are responsible for developing and implementing the State plans and by the dispensers of the discretionary funds here in Washington. This is so because the coordinating boards in the States and LEAA are staffed principally by criminal justice professionals who have concentrated funding the kids of programs with which they are familiar.

Mr. President, the bill we introduce today is substantially in keeping with comparison bills, H.R. 9175, H.R. 9805, and H.R. 10933, introduced by Congressman John Conyers, Hamilton Fish, Peter Rodino, Claude Pepper, and several others. I commend their leadership—and particularly that of Chairman Conyers and ranking minority member Fish of the House Judiciary Subcommittee on Crime. In separate hearings on the Community Anti-Crime Assistance Act, the subcommittee has already made an impressive case for the bill. The work in this field of Congressman Jonathan B. Bingham and former Congressman James H. Schener, both New York colleagues of mine also deserve special notice.

Our instant Senate bill does contain four amendments to the House bill, three of which are designed to insure close interaction with the Law Enforcement Assistance Administration. The changes are as follows:

(1) In section 102(a) after the word "Director", add the words: "in consultation and

"(C) The Director shall utilize, to the Law Enforcement Assistance Administration".

Purpose: The purpose of this change is to require the Director of C.R.S. to exercise his authority in close cooperation and consultation with LEAA. It is hoped that this will assist in establishing a smoother interface between the two programs and eliminate duplication in funding.

(2) In section 301 add a new subparagraph "C" as follows:

"(C)" The Director shall utilize, to the maximum extent practicable, and the Administrator of the Law Enforcement Assistance Administration shall make available under such reasonable procedures as they shall both determine the personnel, equipment and administrative systems of the Administration in the management, evaluation, monitoring and auditing programs funded pursuant to this Act. If the Director determines in writing that the manner in which the Administration is conducting its functions under this subsection substantially impairs the effectiveness of any program under this Act or is inconsistent with the purposes of this Act, he shall submit in writing his findings and determinations to the Attorney General, who shall require the Administration to conduct the function thereafter under such policy guidelines as the Attorney General may specify to eliminate the impairment."

Purpose: The purpose of this change is to require the Director of C.R.S. to utilize the administrative machinery of LEAA to carry out the day to day administration of the new program. The idea here is to answer a concern about the bill, i.e. that it will create a whole new superstructure.

(3) In section 303 after the word "with", add the following words: "the Administrator of the Law Enforcement Assistance Administration".

Purpose: Same as (1) above.

(4) At the end of the bill add a new Title as follows:

"TITLE IV—PROHIBITION ON USE OF WEAPONS

"Sec. 401. No part of any appropriation made available under this Act may be expended in connection with any program or activity authorizing or condoning the possession or use of firearms, knives, explosives and other weapons by non-law-enforcement, civilian personnel participating in such programs or activities".

Purpose: Widespread concern has been expressed about voluntary citizen anticrime activities taking on an extra legal, police role. There should be a clear strict prohibition against such weapons and this is totally consistent with your position on gun control.

Mr. President, there has been objection that legislation of this type might encourage vigilante type operations, in which citizens wrongfully—intentionally or by inadvertance—take the law into their own hands in their efforts to eliminate criminal activity from their neighborhoods. There can be no substitute for a highly professional, well disciplined police department. Any supplementary, citizen programs should only be authorized and carried out under the direct supervision of duly constituted criminal justice and law enforcement agencies. In general, our experience in New York has shown that the police insist and our citizens agree that such supervision and coordination makes clear to those involved in the program the difference between their roles as private citizens and the functions and powers of the police.

Mr. President, the National Advisory Commission on Criminal Justice Standards and Goals last year found that much of the citizen alienation in America results from the lack of power citizens feel in relation to the institutions which run their lives. There is a growing consensus that the kinds of private sector programs which are contemplated in this proposed legislation can confront that alienation and turn it into constructive action.

I believe that the potential of private sector industry, business and labor commitment in the crime prevention field has never been adequately assessed. The Alliance for a Safer New York is only one such organization of businessmen which has had a most positive impact in the area of manpower training and job placement for ex-offenders and drug abusers.

The problem of crime in our society is one of the most complex social problems we have ever faced. We can have no illusions about it. So we must continue also, to press for comprehensive reform of our criminal justice system—police, courts and corrections.

And, perhaps above all else, the Congress must exercise strong leadership in one critically important area—it must pass strong, national gun control legislation. The lack of such controls—which Senator Edward Kennedy and I and others have repeatedly urged upon the Senate—has the most devastating impact upon the safety of our police and our private citizens. It is a disgrace that we have not acted to stop the carnage flowing from the unrestricted access to handguns in our society.

Mr. President, I ask unanimous consent that the text of the bill and a statement of the program guidelines for the New York City block security program be printed in the Record.

There being no objection, the bill and statement were ordered to be printed in the Record, as follows:

S. 3337

Be it enacted by the Senate and House of Representatives of the United States of American in Congress assembled, That this Act may be cited as the "Community Anti-crime Assistance Act of 1974".

FINDINGS AND PURPOSE

Sec. 2. (a) Congress hereby finds and declares that the high incidence of crime in our Nation has reduced the spirit and community pride of our citizens; that crime breeds in the streets and corruption in government when citizens are apathetic toward their community and institutions; that one of the most effective methods of reducing crime is to involve citizens and the private sector in cooperative anticrime programs with local governments; that crime prevention programs instituted by citizens over the past several years have had a measurable effect on reducing crime and improving citizen cooperation with local law enforcement agencies; and that there is no coordinated Federal program to assist citizens in cooperative anticrime programs with local governments.

(b) Congress further finds that crime is a national problem that must be dealt with by linking the total resources of the Federal, State, and local governments with the efforts of citizens and the private sector at the neighborhood level.

(c) It is therefore the declared policy of Congress to provide anticrime assistance grants to cities, combinations of cities, public agencies and nonprofit private agencies for the purpose of involving citizens and the private sector in cooperative anticrime programs with local governments.

TITLE I—GRANTS TO CITIES AND PUBLIC AGENCIES

STATEMENT OF PURPOSE

SEC. 101. The purpose of this title is to assist cities, combinations of cities, and public agencies to establish community relations programs and volunteer service programs in the criminal justice system.

GRANTS

SEC. 102. (a) The Director of the Community Relations Service in the Department of Justice (hereinafter in this Act referred to as the "Director") in consultation and cooperation with the Administrator of the Law Enforcement Assistance Administration is authorized to make grants to, or cooperative arrangements with, cities and combinations of cities with a population of not less than one hundred thousand and public agencies thereof, including regional planning organizations, to meet all or part of the cost of establishing or operating, including the cost of planning, programs designed to carry out the purposes of this title.

(b) Grants and cooperative arrangements made under this title may be made to carry out programs including—

(1) programs to encourage the participation of industry, businesses, labor unions, and other private enterprises in crime prevention efforts of the city and the neighborhood in which they are located;

(2) the recruiting and training of police-community relations officers, which includes the development of programs of police training and education to sensitive police to the needs of the community;

(3) the recruiting and training of community service officers to serve with and assist police departments in the discharge of their duties through such activities as recruiting police officers, improvement of police community relations, and grievance resolution mechanisms;

(4) the recruiting, organization, and training of citizen preventive patrols for the purpose of patrolling apartment buildings, neighborhoods, and schools;

(5) the recruiting and training of police aides (paid or volunteer) including minority aides and youth aides;

(6) the recruiting of minority police officers;

(7) programs to encourage the reporting of crime and the marking and identification of personal property;

(8) the establishment of community structures to coordinate all citizen programs; and

(9) to improve police procedures in effecting arrests and to improve arrest procedures, including programs to issue summons in lieu of arrest to reduce unnecessary arrests for nonviolent crimes.

CONDITIONS OF GRANTS

SEC. 103. (a) The Director shall require, whenever feasible, as a condition of approval of a grant under this title, that the applicant contribute money, facilities, or services, to carry out the purpose for which the grant is requested. The contribution required under this subsection shall not exceed 25 per centum of the cost of each program assisted under this title.

(b) Grants and cooperative arrangements under this title may be made only upon an application to the Director, which contains—

(1) satisfactory assurances that such applicant will place special emphasis upon programs, which involve disadvantaged persons and minority groups in the criminal justice system;

(2) satisfactory assurances that such applicant will make special efforts to assure that programs established under this title are directed to the areas of the city with the highest incidence of crime;

(3) satisfactory assurance that such applicant has consulted on its application with local public agencies and nonprofit private agencies located in the geographic area of the city to be served and has adopted procedures to coordinate its program with related efforts being made by such other agencies;

(4) satisfactory assurances that maximum use will be made under the program of other Federal, State, or local resources available for the provision of services requested under this Act;

(5) satisfactory assurances that in developing programs, the applicant will give public agencies and non-profit private agencies providing services within the geographic area to be served opportunity to present their views to such applicant with respect to such programs;

(6) satisfactory assurances that such applicant will institute procedures for evaluating the operation of each program operated by it under this title, including the maintenance of records on the disbursement of grants, and will report in full to the Director annually during the period such program is assisted under this title on the functions and services performed by such program, the disbursement of grant funds, and any innovations made to meet the needs of the geographic area where such program is in operation;

(7) a description of all community relations programs and citizen volunteer programs in the criminal justice system established by the applicant city, or combination of cities including public agencies thereof, or applicant public agency which shall be current to the date of each subsequent application for grants; and

(8) a statement of the method or methods of linking the resources of public agencies and nonprofit private agencies providing services relating to the purpose of the grant application.

TITLE II—GRANTS TO NONPROFIT PRIVATE AGENCIES

STATEMENT OF PURPOSE

SEC. 201. The purpose of this title is to assist nonprofit private agencies in efforts to establish crime prevention programs and volunteer service programs in the criminal justice system.

GRANTS

SEC. 202. (a) The Director is authorized to make grants to, or cooperative arrangements with, nonprofit private agencies to meet all or part of the cost of establishing or operating, including the cost of planning, programs designed to carry out the purposes of this title.

(b) Grants and contracts under this title may be made to carry out programs including—

(1) programs to encourage the reporting of crime and the marking and identification of personal property;

(2) programs to enhance the delivery of social services into neighborhoods such as the removal of waste, street cleaning, building inspection, recreational facilities, and improved street lighting;

(3) programs to provide volunteer escorts for elderly citizens and other persons requiring assistance to and from their residences in high crime areas;

(4) programs to provide counseling to ex-offenders, narcotics addicts, and persons on probation;

(5) programs to improve communications between the community and police departments;

(6) programs to provide alternatives to incarceration (including release to the custody of community programs) for persons convicted of minor or victimless crimes; and

(7) programs of citizen crime commissions established for the purpose of combating the influences of organized crime.

CONDITIONS OF GRANTS

SEC. 203. (a) To qualify for grants under this title a nonprofit private agency shall have been in continuous operation for a period of at least one year before the date of application and shall demonstrate that it can satisfactorily administer the program for which a grant is requested.

(b) Grants and contracts under this title may be made only upon application to the Director, which contains satisfactory assurances that—

(1) the applicant will maintain adequate records on the disbursement of grants under the Act which will be made available upon request to the Director; and

(2) the applicant will make available to the entire community that it normally serves and where it is geographically located, on a nondiscriminatory basis, the benefits of any program instituted by it under this title.

TITLE III—ADMINISTRATION

APPLICATIONS FOR GRANTS

SEC. 301. (a) In addition to the requirements for applications set forth in sections 103(b) and 203(b), the Director shall require each application for a grant under this Act to include

(1) a description of the purpose of the program;

(2) a description of the anticipated use of funds under the grant;

(3) a description of the geographic area of the community in which the program will be carried out and the incidence of crime in such area;

(4) a description of the extent that the program anticipates assistance, financial or otherwise, from departments or agencies of the Federal, State, or local governments; and

(5) a description of the anticipated number of citizens who will participate in the program or be benefited by its operation.

(b) The Director shall provide assistance in filing an application under this Act to any applicant requesting such assistance.

(c) The Director shall utilize, to the maximum extent practicable, and the Administrator of the Law Enforcement Assistance Administration shall make available under such reasonable procedures as they shall both determine the personnel, equipment and administrative systems of the Administration in the management, evaluation, monitoring and auditing of programs funded pursuant to this Act. If the Director determines in writing that the manner in which the Administration is conducting its functions under this subsection substantially impairs the effectiveness of any program under this Act or is inconsistent with the purposes of this Act, he shall submit in writing his findings and determinations to the Attorney General, who shall require the Administration to conduct the function thereafter under such policy guidelines as the Attorney General may specify to eliminate the impairment.

TECHNICAL ASSISTANCE

SEC. 302. The Director shall provide technical assistance to cities, combinations of cities, public agencies, and nonprofit private agencies either directly or through contracts with other Federal departments or agencies to enable such recipients to fully participate in all programs available under this Act.

COOPERATION BETWEEN AGENCIES

SEC. 303. The Director in the Administration of this Act shall consult and cooperate with the Administrator of the Law Enforcement Assistance Administration, the Secretary of Health, Education, and Welfare, the Secretary of Housing and Urban Development, the Director of ACTION, and any other department or agency of the United States which performs functions related to the purposes of this Act.

HEARINGS

SEC. 304. The Director shall, on the application of any person claiming to be aggrieved by the denial of assistance under this Act, give such person a public hearing to determine if such person was so aggrieved. If the Director determines if such person was so aggrieved, he shall grant, in whole or in part, the assistance with respect to which such hearing was held.

RESTRICTIONS ON USE OF FUNDS

SEC. 305. Not more than one-third of any grant made under this Act shall be used for the lease or rental of any building or space therein. No part of any grant may be used to purchase buildings or land or for research, except to the extent such research is incidental to the carrying out of programs under this Act.

DEFINITIONS

SEC. 306. For purposes of this Act—

(1) The term "city" means any city in any State, or in the Commonwealth of Puerto Rico, the Virgin Islands, Guam, or American Samoa, and included the District of Columbia.

(2) The term "combination of cities" means two or more cities, towns, or other units of general local government and includes county, parish, or any other equivalent governmental subdivisions of a State or territory of the United States with a population of not less than one hundred thousand.

(3) The term "public agency" means any department, agency, or instrumentality of any city or combination of cities with a population of not less than one hundred thousand. This would include regional planning organizations established for the purpose of developing comprehensive planning and coordinating efforts to meet common problems.

(4) The term "criminal justice system" means the police, criminal courts, prosecutors, and correctional departments of the Federal, State, and local governments.

(5) The term "community relations program" means any activity established by a city, combination of cities, or public agency thereof that incorporates the participation of citizens for the purpose of improving the delivery of services relating to the criminal justice system of such city, combination, or public agency to the community.

(6) The term "crime prevention program" means any activity using the services of citizens established and regulated by a nonprofit private agency for the purpose of performing cooperative functions relating to any component of the criminal justice system.

(7) The term "volunteer service program" means any activity using the volunteer services of citizens established by a city, combination of cities, public agency thereof, or nonprofit private agency and regulated by a component of the criminal justice system for the purpose of providing assistance to such component.

DURATION OF PROGRAMS

SEC. 307. The Director shall carry out the programs provided for in this Act during the fiscal years ending June 30, 1974, and June 30, 1975.

AUTHORIZATIONS

SEC. 308. There is authorized to be appropriated for grants and cooperative arrangements under title I of this Act $25,000,000 for each of the fiscal years ending June 30, 1974, and June 30, 1975. There is authorized to be appropriated for grants and cooperative arrangements under title 11 of this Act $25,000,000 for each of the fiscal years ending June 30, 1974, and June 30, 1975.

TITLE IV—PROHIBITION ON USE OF WEAPONS

SEC. 401. No part of any appropriation made available under this Act may be expended in connection with any program or activity authorizing or condoning the possession or use of firearms, knives, explosives and dangerous weapons by non law enforcement, civilian personnel participating in such programs or activities.

Block Security Program

Mayor John V. Lindsay established the Block Security Program within the Police Department by Executive Order No. 79 issued on April 9, 1973. The Program is financed by $5 million authorized in the 1973–74 Capital Budget. The Mayor appointed the Block Security Guidelines Board to promulgate policy guidelines for this Program. The Board adopted the following guidelines for the program's first phase operations, which involved the acceptance by the Police Department of applications for initial funding from eligible groups between June 4 and June 29, 1973.

I. ELIGIBLE GROUPS

Applications can be filed by block, civic, neighborhood, tenant and business associations who meet the following requirements:

1. *Block and Neighborhood Associations*: There must be at least 35 adult members (18 years of age or over) representing different households in the same geographic area. Membership in the association must be open to all residents of the geographical area. The association must have a written set of by-laws, at least three elected officers, collect dues on at least an annual basis, and hold regular open meetings for all residents of the area.

2. *Tenant Associations*: The same organizational requirements are required. Only residential tenants, and not commercial tenants, are eligible. A tenant association can represent a single building or a group of buildings, in public or private housing, so long as there are at least 35 adult members from different households.

3. *Business Associations*: The association must include at least 24 business establishments at street level or on the second floor, with an entrance leading directly from the street. The same organizational requirements of by-laws, officers, dues, and open meetings are required.

4. *Geographical Area*: The minimum geographical area that must be covered by an association is both sides of one city block. Only one block, neighborhood or tenant association representing an area can qualify for funds under this program. A business association can overlap with an association of residents, but only one business association can qualify for a single geographical area. Where a tenant association in a multiple dwelling and a block association on the same block both apply, they can only qualify for a single contract. The local precinct Commanding Officer has the discretion to accept an application from a tenant association in a single building if there is no other applicant from the block.

5. *Special Purpose Security Functions*: Where an organization performs special purpose security functions, such as patrol or escort services, it can be funded in addition to other associations in the same geographical area if there is no conflict in the programs.

6. *Organization Date*: Any association is eligible for first phasing funding under this program so long as it is organized before July 1, 1973.

7. *Disputes*: Any disputes between two or more associations over the representation of a single geographical area, or any questions regarding compliance by an association with the organizational requirements for eligibility, can be referred to the Office of Neighborhood Government. The Office of Neighborhood Government will select an appropriate mechanism to resolve each dispute or rule on any such question.

II. PERMISSIBLE PURPOSES

Block Security Program funds can only be used for specific purposes that improve the overall security of the geographical area involved.

1. *Outdoor Areas*: Funds can be used for improvements in outdoor areas which are publicly accessible, such as lighting, gates and fences.

2. *Multiple Dwellings*: Funds can be used to increase security in the common areas of multiple dwellings with four or more units. This includes measures to safeguard building entrances and exits, lobbies, hallways, elevators, and service areas, as well as apartment doors that open onto hallways and public areas, and exterior windows.

3. *Business Associations*: Funds can be used to safeguard outdoor areas and exterior doors and windows of individual stores, including the financing of alarm systems for stores.

4. *Patrol Programs*: Funds can be used for equipment for patrol and escort programs that operate in outdoor public areas or the common areas of multiple dwellings.

5. *Prohibited Purposes*: No program funds can be expended for the following purposes:

(a) *Compensation of Personnel*: No compensation of any kind will be allowed;

(b) *Overhead Costs*: The overhead costs of the association (postage, stationery, rent) will not be funded;

(c) *Private Residences*: No security improvements in private residences of up to three units will be funded;

(d) *Street Lighting*: The installation of high-intensity street lighting in City-owned lamp-posts will not be funded under this program. The 1973–74 Capital Budget includes a separate $10 million program under which each Community Board can allocate funds for such lighting improvements within its planning district;

(e) *Weapons*: No weapons of any kind will be funded;

(f) *Watchdogs*: Funds cannot be used for watchdogs.

III. MATCHING REQUIREMENTS

1. *Matching Formula*: Program funds of up to $10,000 are available to eligible associations according to the amount of matching funds committed by the association. The City will match association funds on a:

(a) 9-to-1 basis for the first $500 of approved costs ($450 City to $50 association);

(b) 4-to-1 basis for the next $5,000 ($4,000 City to $1,000 association);

(c) 2-to-1 basis for funds above $5,500 up to maximum City contribution of $10,000 in any single year ($5,550 City to $2,775 association).

To qualify for the maximum $10,000 contract, the association must provide $3,825.

2. *Minimum*: There is no minimum program amount. The 9-to-1 ratio applies to any amount under $50 committed by an association.

3. *Eligible Payments:* The association's share must also be spent only for the permissible purposes listed under Section II, except that funds spent by the association according to an approved Security Plan for compensation of personnel and for improvements in private residences including one, two and three unit dwellings will be accepted as part of the required match. Only actual documented cash expenditures by the association during the fiscal year be-

ginning July 1, 1973 will be accepted as the required match.

4. *Timing:* City funds will only be made available to the association for expenditure on a pro rata basis as the required match is actually produced by the association. No funds will be advanced based on the association's commitment to raise the matching funds.

5. *Deadline:* After an association's program is accepted for funding, six months will be allowed for the required match to be raised. If the match is not produced, the association's program will be cancelled. However, where the association's match consists of regularly scheduled payments throughout the year for an ongoing service (such as a guard or alarm system), the association's program will not be cancelled if it continues to meet the regular payments according to schedule.

6. *Withdrawal:* The Police Department is authorized to withdraw its approval of an application if, within a reasonable period, the association does not initiate steps to fulfill its commitments under the program.

IV. BLOCK SECURITY OFFICER

Any association that seeks to participate in the program must designate a Block Security Officer.

1. *Eligibility:* The Block Security Officer must be a resident of the geographical area represented by the association, or the owner or employee of a business in the area covered by a business association. The Block Security Officer must be at least 18 years of age, and of good moral character as determined by the Police Department.

2. *Employment:* No member of the Police Department, or civilian employee of the Police Department, or member of any other police force, can serve as a Block Security Officer. Auxiliary Police, Blockwatchers and employees of other City agencies are eligible.

3. *Authority:* The Block Security Officer has no legal authority on behalf of the City or the Police Department. The Block Security Officer will have responsibility to design the Block Security Plan, monitor its implementation, and serve as the association's liaison with the local police precinct and the precinct Crime Prevention Officer.

4. *Training:* The Block Security Officer must successfully complete the training program conducted by the Police Department.

V. TRAINING

The Police Department will conduct a training program for applicants who wish to serve as Block Security Officers.

1. *Eligibility:* To participate in the training program, an individual does not need to represent an existing association. However, if the training program in the first phase is over-subscribed, priority will be given to representatives of existing associations.

2. *Representation:* An association can only send one representative to the training program as its designated Block Security Officer.

VI. BLOCK SECURITY PLAN

1. *Preparation:* Following completion of the training program, the Block Security Officer will prepare a Block Security Plan for the area represented. The Crime Prevention Officer from the local police precinct will be available to provide technical assistance.

2. *Budget:* The Block Security Plan will include a detailed budget for the security program, with the estimated cost of all items, and the source of all cost estimates. The budget will also detail the purposes for which both program and association matching funds will be spent.

3. *Maintenance:* If the security plan includes purchase or installation of any equipment that requires maintenance, the plan must specify what provision will be made for maintenance over a two-year period. Such maintenance costs are a permissible use of block security funds.

4. *Block Security Officer:* Only associations whose Block Security Officer has successfully completed the training program and takes responsibility for implementation of the plan will be eligible.

5. *Approval:* The Block Security Plan must be reviewed and approved by the association according to the procedures provided for in its by-laws, and copies made available to all interested residents.

6. *Submission:* The Block Security Plan will be submitted to the local Precinct Commander who will have primary responsibility for its review and evaluation. The Precinct Commander will recommend approval of plans to the Commanding Officer of the Police Department's Crime Prevention Squad, who will make the final decision or approval.

7. *Amendments:* After approval of a Block Security Plan, the Block Security Officer can request that the plan be amended to reflect changes in estimated costs, additional local participants in the association's security program, or additional security measures consistent with the approved plan. The Precinct Commander, with the concurrence of the Commanding Officer of the Crime Prevention Squad, can approve reasonable amendments of the plan.

VII. ALLOCATION OF FUNDS

The 1973–74 Capital Budget includes $5 million to initiate this program, including all administratve costs. For the first round of applications, $4 million will be allocated city-wide for Block Security programs.

1. *Formula:* Each police precinct with residential buildings will receive an allocation based solely on population, according to the 1970 census. Each precinct will have a minimum allocation of $20,000.)Attachment A gives the precinct allocations).

2. *Precinct Allocation:* Each precinct commander will recommend to the Commanding Officer of the Crime Prevention Squad how the funds available should be allocated among the applications he receives.

3. *Reallocation:* The Block Security Guidelines Board can reallocate funds from precincts that do not use their entire authorization in the first round, and will also allocate uncommitted funds after administrative costs have been calculated.

VIII. SECURITY EQUIPMENT

1. *Minimum Standards:* The Police Department's Crime Prevention Squad will set minimum standards for security equipment to be purchased and used under this program. Equipment not meeting those standards will not be funded by the City and will not be accepted as match if purchased by the association.

IX. TIMETABLE

The first phase of the Block Security Program involved the submission of Block Security Plans for funding to local police precincts from June 4 to June 29, 1973. Following the submission of plans, reviews will be conducted by the precinct commander and then the Commanding Officer of the Crime Prevention Squad.

X. FISCAL PROCEDURES

The Police Department will contract with a private fiscal institution to handle the disbursement of funds under the program. The Police Department will issue an RFP and accept proposals from various institutions. After the Police Department selects an institution to perform this function, it will submit a contract to the Board of Estimate for approval. The institution selected will fund only those Block Security Programs certified to it by the Commanding Officer of the Crime Prevention Squad in the Police Department.

The institution will sign a written contract with each association sponsoring a certified plan. No funds will be disbursed directly to associations. The fiscal institution will make payments directly to vendors upon the receipt of vouchers, certified by the local precinct, for the delivery or installation of equipment pursuant to an approved plan. The institution will provide the Police Department with monthly statements on the expenditures and balance remaining of each association.

BLOCK SECURITY GUIDELINES BOARD

David Grossman, Chairman, Budget Director.
Patrick V. Murphy, Police Commissioner.
John Mudd, Director, Office of Neighborhood Government.
D. Kenneth Patton, Economic Development Administrator.
Henry Ruth, Director, Criminal Justice Coordinating Council.
John Zuccotti, Chairman, City Planning Commission.

Mr. PERCY. Mr. President, I am pleased to join my distinguished colleague from New York (Mr. JAVITS), as principal cosponsor of this legislation.

It has become increasingly clear that crime and the immobilizing fear it engenders victimize all Americans, and especially our poor and minority citizens. The magnitude of the crime problem demands a total response. Only by combining Federal and State resources with the efforts of community organizations and ordinary citizens can we hope to mount an effective campaign against crime.

Observers of the urban scene have long advised that the greatest single anticrime resource is the community of law-abiding citizens upon whom criminals prey. To be sure, alienation and mistrust present serious obstacles to citizen participation in the task of crime reduction. To overcome these factors and enlist our communities in the struggle against crime, we today introduce "The Community Anti-Crime Assistance Act."

The bill would authorize the Community Relations Service of the Justice Department in cooperation with the Law Enforcement Assistance Administration to make grants to cities and public agencies to establish programs to involve local institutions and citizens in crime reduction. Such programs would include improving the hiring of minority police, establishing citizen patrols, improving police-community relations, encouraging the reporting of crime, improving arrest procedures and alternatives, enhancing the delivery of social services, and providing alternatives to incarceration for less serious offenses.

Our prior efforts in the area of crime reduction constitute an impressive beginning. In particular, I would commend the work of the Law Enforcement Assistance Administration. Nevertheless, we have too often overlooked, both in our thinking and in our funding, the primary resource of community participation. By opening this new front in the struggle against crime, we can go a long way toward making our neighborhoods safer and our citizens more secure.

By Mr. HUMPHREY:

S. 3339. A bill to amend the program of supplemental security income for the aged, blind, and disabled—established by title XVI of the Social Security Act—to provide for cost-of-living increases in the benefits provided thereunder. Referred to the Committee on Finance.

SUPPLEMENTAL SECURITY INCOME ADJUSTMENTS ACT OF 1974

Mr. HUMPHREY. Mr. President, in the budget message of the President last February 4, President Nixon said:

> I propose . . . automatic cost of living increases for the aged, blind, and disabled beneficiaries of the Supplemental Security Income program . . .

And he promised that "legislation will be proposed" to provide this automatic adjustment.

I was very pleased to hear the administration make this proposal. In fact, it was one of only a very few bright spots in an otherwise depressing budget. There can be no doubt about it; the elderly poor, the blind, and the disabled, have been particularly hard hit by recent extremely high levels of inflation.

As chairman of the Consumer Economics Subcommittee of the Joint Economic Committee, I have closely followed the staggering increases in the cost of living and have seen how it has affected these people. They have seen the prices they pay for food explode 40 percent, their rents rise by 18 percent, and vital medical care costs jump by 22.5 percent, all during the last 4 years. And these, the most inflationary items in the American market basket, take a much larger portion of the income of the supplemental security income—SSI—beneficiary than of the average American family.

Unfortunately, the President's promise of submitting legislation to provide an automatic cost-of-living escalator provision for SSI payments has yet to be fulfilled. I have seen no sign of action on this proposal since it was announced by the President.

Therefore, today I am introducing legislation to accomplish this important purpose of protecting the purchasing power of SSI recipients from the income-reducing effects of inflation.

Mr. President, the "Supplemental Security Income Adjustments Act of 1974," which I offer today, does exactly what President Nixon proposed be done for our elderly poor, blind, and disabled—it automatically adjusts the income of SSI recipients to account for inflation. It in no way precludes Congress from raising the basic SSI levels, a move I believe is also necessary.

The protection of the real buying power of benefits received under the SSI program which would result from adopting the proposed escalator is certainly necessary. Congress endorsed this principle when it provided such an automatic cost-of-living adjuster to social security benefits. It is time we extended this income security feature to the estimated 5.1 million Americans who are expected to receive SSI benefits when the program is in full operation. Certainly the 3.8 million elderly poor and the 1.3 million blind and disabled citizens participating in this program require the same protection from inflation as the regular social security recipient. If the commitment made by Congress, that these people would be guaranteed a certain minimum standard of living in their adversity, is to have any meaning at all, protection of the buying power of their benefits from a shrinking dollar must also be assured. As I see it, the automatic cost of living escalator for SSI, a concept endorsed by the President, is the proper way to accomplish this objective.

Mr. President, the cost-of-living escalator I propose would be fully consistent with the escalator already in place for social security. In fact, it would assure SSI recipients, who also receive SS benefits, that their total benefits from these two sources would increase by the amount of the cost-of-living escalator.

The procedures, data, and timing for determining the level of adjustment, and when it would be applicable, are identical. And, the cost of administering the proposed SSI escalator, given the existence of the same feature for social security, should be minimal. Also, as with social security, the automatic cost-of-living adjustments would not be provided in any year in which Congress passed legislation providing for a specific increase in the SSI benefits, such as this year.

The administration has projected the cost of the SSI escalator for the next 5 years in the appendix to the fiscal year 1975 budget. According to the Office of Management and Budget estimates, it would have no cost in fiscal year 1975, since a legislated increase was enacted, $360 million in fiscal year 1976, $750 million in fiscal year 1977, and the same in fiscal year 1978, and $1,450 million in fiscal year 1979. Of course, estimates of this kind are very tentative, since they are tied so directly to the rate of inflation. But regardless of the exact cost, the estimated first year spending increase of $360 million would be substantially less than 7 percent of the total cost of SSI in that year. The data in the fiscal year 1975 budget indicate to me that not only is the provision of the cost-of-living escalator for SSI benefits desirable, but it is something that our Nation surely can afford to do.

Mr. President, the winter promises of this administration have often melted away with the warm winds of spring. The bill I am introducing today is intended to indicate to the President that the Congress definitely expects him to deliver on this commitment to our Nation's elderly poor, blind, and disabled citizens. If he fails to act very soon, Congress must take the initiative to pass this needed legislation itself.

And, Mr. President, given the existence of the automatic escalator for social security, unless we pass the legislation I am proposing in this Congress, we could end up next year providing increases in social security checks that are, for millions of people, completely offset by a parallel reduction in the value of their SSI check.

Therefore, I believe that in order to truly fulfill our obligation to those in the SSI program, and to prevent an unpardonable hardship on individuals who are provided with SSI in addition to regular social security benefits, the Supplemental Security Income Adjustments Act of 1974 needs to be enacted as soon as possible.

Mr. President, I ask unanimous consent that the text of the bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 3339

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 1611 of the Social Security Act (as enacted by section 301 of Public Law 92–603 and as in effect on July 1, 1974) is amended—

(1) In subsection (a)(1)(A), by inserting "(or, if greater, the amount determined under section 1617)" immediately after "$1,752";

(2) in subsection (a)(2)(A), by inserting "(or, if greater, the amount determined under section 1617)" immediately after "$2,628";

(3) in subsection (b)(1), by inserting "(or, if greater, the amount determined under section 1617)" immediately after "$1,752"; and

(4) in subsection (b)(2), by inserting "(or, if greater, the amount determined under section 1617)" immediately after "$2,628".

(b) Part A of title XVI of the Social Security Act (as enacted by section 301 of Public Law 92–603) is amended by adding at the end thereof the following new section:

"COST-OF-LIVING ADJUSTMENTS IN BENEFITS

"SEC. 1617. (a) Whenever the Secretary, pursuant to section 215(i) makes a determination that a base quarter in a calendar year is also a cost-of-living computation quarter, he shall determine and publish in the Federal Register (together with, and at the same time, as the material required by section 215(i)(2)(D) to be published therein by reason of such determination) the supplemental security benefit rate (as determined under subsection (b)) which shall be effective for the period beginning with the month following the first month that the increase (if any) in benefits payable under title II becomes effective under section 215(i) by reason of such determination by the Secretary.

"(b)(1) As used in this section, the term 'supplemental security benefit rate' means whichever of the following is the greater—

"(A) the dollar amounts (viz, $1,752 and $2,628, referred to in section 1611(a)(1)(A), 1611(a)(2)(A), 1611(b)(1), and 1611(b)(2)), or

"(B) the dollar amounts (referred to in such sections which were in effect immediately prior to the most recent increase under this section.

"(2) The supplemental security benefit rate which shall be effective by reason of an increase brought about by the application of subsection (a) shall be such rate, as in effect immediately prior to such increase, plus a per centum thereof equal to the per centum of increase in benefits payable under title II brought about pursuant to section 215(i).

"(c) Notwithstanding the preceding provisions of this section, no increase shall be made in the supplemental security benefit rate, if, during the calendar year in which the determination (under subsection (a)) is made for an increase in such rate, there is enacted a law providing an increase in such rate."

(c) Section 211(a)(1)(A) of Public Law 93–66 (as in effect on July 1, 1974) is amended by striking "$876" and inserting in lieu thereof "50 per centum".

SEC. 2. The amendments made by the first section of this Act shall become effective on July 1, 1974, or (if later) on the first day of the first calendar month which begins after the date of enactment of this Act.

By Mr. METCALF:

S. 3341. A bill to revise certain provisions of title 5, United States Code, relating to per diem and mileage expenses of employees and other individuals traveling on official business, and for other purposes. Referred to the Committee on Government Operations.

MILEAGE AND PER DIEM ALLOWANCES

Mr. METCALF. Mr. President, I send to the desk for appropriate rereference a bill to amend title V of the United States Code to provide for an equitable method of computing vehicle mileage costs to be reimbursed to U.S. Government employees for the use of their private automobiles while on official duties. The bill would also raise the per diem allowance from $25 to $35.

Pursuant to regulations issued in May 1973, the mileage allowance for a privately owned vehicle used on official business was set at 11 cents per mile. A General Services Administration report prepared in early 1974, entitled "Present Cost of Operating Privately Owned Automobiles," concluded that:

(1) the approximate cost of operating a standard size automobile is currently 14.4 cents per mile;

(2) the cost of operating a compact size automobile is approximately 75% of the cost of operating a standard size automobile; and

(3) the maximum mileage allowance of 12 cents per mile is inadequate when a standard size automobile is used for official business.

This imbalance was called to my attention by the 60,000-member National Treasury Employees Union. The legislation I introduce today is designed to correct the inequality that currently exists for those individuals who must use their own cars for official business. I recognize that opponents may say that this increase would tend to increase the number of individuals who will seek to use their private cars for work, rather than use public transportation. However, the bill provides that no employee may use a private automobile unless he is specifically assigned to do so by an appropriate official.

The bill also would increase the per diem allowance from the current $25 to $35. The rationale for this needed amendment is quite clear. The allowance has been limited to $25 since 1969, when it was increased from $16 to $25. The cost-of-living increases since that 1969 amendment makes the necessity of this increase obvious.

Mr. President, I ask unanimous consent that the text of the bill and the GSA report to which I have referred be printed in the Record.

There being no objection, the bill and report were ordered to be printed in the Record, as follows:

S. 3341

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 5702(a) of title 5, United States Code, relating to the per diem allowance of employees traveling on official business within the continental United States, is amended by deleting "$25" and inserting in place thereof "$35".

(b) Section 5702(c)(1) of title 5, United States Code, relating to reimbursement for actual and necessary travel expenses of employees under unusual circumstances in excess of the maximum per diem allowance, is amended by deleting "$40" and inserting in place thereof "$50".

(c) Section 5703(c)(1) of title 5, United States Code, relating to the per diem allowance of individuals serving without pay or at $1 a year for travel inside the continental United States, is amended by deleting "$25" and inserting "$35" in place thereof.

(d) Section 5703(d)(1) of title 5, United States Code, relating to reimbursement for actual and necessary travel expenses of individuals serving without pay or at $1 a year under unusual circumstances in excess of the maximum per diem allowance, is amended by deleting "$40" and inserting in place thereof "$50".

Sec. 2. (a) Section 5704 of title 5, United States Code, relating to mileage and related allowances of employees and other individuals performing services on official business inside or outside the designated post of duty or place of service, is amended to read as follows:

"§ 5704. Mileage and related allowances

"(a) Except to the extent otherwise provided under this section, and under regulations prescribed under section 5707 of this title, an employee or other individual performing service for the Government, who is engaged on official business inside or outside his designated post of duty or place of service, is entitled to—

"(1) 9 cents a mile for the use of a privately owned motorcycle;

"(2) 14.5 cents a mile for the use of a privately owned automobile; or

"(3) 12 cents a mile for the use of a privately owned airplane.

"(b) The Comptroller General of the United States shall conduct a continuous study on the average, actual cost a mile, to an employee or other individual performing service for the Government who is engaged on official business inside or outside the designated post of duty or place of service, for the use of a privately owned motorcycle, automobile, or airplane.

Not later than January 15, April 15, July 15, and October 15 of each year, the Comptroller General shall submit to the President or his designee the results of the study for the three-month period preceding the month in which the report is to be submitted, including specific figures, each rounded to the nearest one-tenth of a cent, of the average, actual cost a mile during that period for the use of a privately owned motorcycle, automobile, and airplane. The cent figures contained in paragraphs (1), (2), and (3) of subsection (a) of this section shall be adjusted, as of the first day of the first month following the date of submission of the report, to the figures so reported by the Comptrolle General, and those reported figures shall also be included as of such day in the regulations prescribed under section 5707 of this title.

"(c) An employee or individual described in subsection (a) of this section shall not use a privately owned motorcycle, automobile, or airplane under the circumstances described in subsection (a) of this section unless specifically authorized in writing to do so in the travel authorization. The written authorization for the use of a privately owned motorcycle, automobile, or airplane shall be made only in the interests of the efficient and effective conduct of official business of the Government and only if the use of public transportation by the employee or individual concerned would be a personal hardship or against the public interest.

"(d) In addition to the mileage allowance provided in accordance with the other provisions of this section, the employee or other individual performing service for the Government may be reimbursed for—

"(1) parking fees;

"(2) ferry fares; and

"(3) bridge, road, and tunnel tolls."

(b) The amendment made by subsection (a) of this section shall become effective on July 1, 1974.

Present Cost of Operating Privately Owned Automobiles

[Prepared by the Transportation Management Division of the Federal Supply Service, General Services Administration, 1-18-74]

I. OBJECTIVE

Calculate the current cost of operating privately owned automobiles in order to determine the adequacy of the present mileage allowance.

II. BACKGROUND

Under 5 U.S.C. 5704(a)(2), an employee is entitled to a mileage allowance of not more than 12 cents per mile when he uses a privately owned vehicle while on official business. The Office of Management and Budget, in the Standardize Government Travel Regulations (OMB Circular No. A-7, Revised) prescribed a rate of 11 cents per mile when the use of a privately owned vehicle is advantageous to the Government.

Pursuant to Executive Order 11609, dated July 22, 1971, the General Services Administration published the Federal Travel Regulations (41 CFR 101-7) in May 1973. The mileage allowances promulgated in the Federal Travel Regulations (FTR) are the same as those prescribed by the OMB. Since assuming the responsibility for administering the travel regulations, GSA has received several inquiries questioning the adequacy of the present mileage allowances. In response, this study was conducted to determine the cost of operating a privately owned automobile. The study techniques and results are discussed below.

III. DISCUSSION

It is a fact that the costs, both fixed and variable, are lower for compact cars than for standard size automobiles. It is the intent of this study, therefore, to present the per mile costs for both standard and compact size automobiles.

a. Standard size automobiles

The automobile operating costs for 1971 were taken from the U.S. Department of Transportation (DOT) report "Cost of Operating an Automobile" (Annex 1), which was published in April 1972. The costs used in this study were those for a standard size 4-door sedan equipped with: V-8 engine, automatic transmission, power steering and brakes, air conditioning, tinted glass, radio, clock, whitewall tires and body protective molding. It is felt that this car and equipment is representative of standard size 4-door sedans sold during model year 1972.

Although the DOT study computed the costs of operating a vehicle over a period of 10 years (100,000 miles), we have assumed for the purpose of this study, that a privately owned vehicle is not likely to be used for business purposes beyond the fifth year. Consequently, the costs presented in this study are the average annual costs for the first five years of operation as shown in Annex 1.

In computing the 1973 costs shown in Annex 2, the changes in the Consumer Price Index (CPI) from 1971 to December 1973 for each cost component (tires, gasoline, etc.) were first converted to percentages. These percentages were then applied to the individual cost components presented in the DOT study in order to convert the 1971 cost per mile to a cost per mile for 1973. This method of computation was applied to each cost element except depreciation. The methodology used in developing 1973 depreciation costs will be explained below.

It should be emphasized that the DOT study was conducted in suburban Baltimore, and, therefore, reflects the prices, taxes, and road and driving conditions of suburban Baltimore. City driving would be most costly (3% higher as reported in the CPI), while driving costs in rural Maryland should be lower. In addition to the urban and rural cost differences, there are also geographic variations in the cost of living. For example, the residents of Baltimore experience a cost level which is different from that in Chicago, Los Angeles or Atlanta. The 1972 average annual CPI indicates that the cost of operating an automobile in Baltimore was at an index level of 117.3. Of the 12 cities reported in the index, Los Angeles experienced the highest prices with an index level of 125.2 (6.7% higher than Baltimore). However, since the average U.S. city index level of 117.5 is only 0.2% higher than the Baltimore level, it appears that the cost of operating an automobile in Baltimore is representative of the national urban area average costs.

In order to develop and project the over-all cost of operating a standard size automobile, the following individual cost elements were evaluated:

1. Depreciation

The cost per mile for depreciation is influenced primarily by the purchase price (and price changes) and the number of miles the automobile is driven each year. The 1971 costs were based on a standard size 1972 4-door sedan as described above (finance charges were not included). It was assumed by DOT that this car would be driven a decreasing number of miles from 14,500 in the first year to 9,900 in the fifth year. In this respect, it should be noted that extensive use of a private automobile for official travel could easily increase the annual mileage, which would, in turn, lower the cost per mile for all costs, including depreciation.

In estimating the depreciation costs for 1973, it was determined that the application of CPI projections (for new automobiles) to 1971 DOT depreciation costs would not provide acceptable cost data. The CPI, insofar as new automobiles are concerned, is adjusted to eliminate the effect of price increases attributed to "quality improvements" such as hydraulic safety bumpers, power brakes and steering, structural improvements, etc. As a result, the cost of new automobiles, as reflected in the CPI, increased only 0.6% per annum between 1963 and 1971, and has remained unchanged since 1971. Since in many instances, these quality improvements become standard equipment or are required by law, a consumer must bear the additional cost of these items. Consequently, while the CPI is adjusted downward to compensate for these improvements, the consumer actually pays more and more each year for his automobile. It was felt that a more accurate estimate of future depreciation costs could be obtained by applying the average CPI change for all goods and services (13.8%) to the 1971 depreciation cost per mile. Although the use of the general index introduces some distortions, it is considered to be a better representation of automobile price trends than an index which has been quality adjusted.

2. Maintenance and Repair

This cost element includes routine maintenance, such as lubrications and flushing the cooling system; replacement of minor parts, such as sparkplugs, fan belts, and radiator hoses; minor repairs, such as brake jobs, water pump, carburetor overhaul, and universal joints; and some major repairs. Repairs for collision damage were excluded, but the purchase of minor accessories such as floor mats and miscellaneous items totaling $2.00 per year was assumed. The CPI for these goods and services includes few, if any, quality adjustments.

3. Tires

Because the cost of the original five tires is included in the vehicle depreciation cost, this cost category includes only replacement tires. It was assumed that seven new regular tires and four new snow tires would be purchased during the 10 year, 100,000 mile life of the automobile. Radial tires were not introduced into this study, and although a car fitted with such tires would require fewer tire changes, the higher cost of radial tires would at least partly offset the effects of greater tire mileage. The CPI reflects a steady increase in retail tire prices from 1963 to 1971, and then a decrease in 1972 and 1973. The Bureau of Labor Statistics attributes this reversal to actual price reductions and to a one time CPI adjustment necessitated by the decision of many tire manufacturers to discontinue the practice of quoting, recommending, or publishing "suggested retail" or "list" prices. Prior to this decision, the CPI was based essentially on these published retail prices which were somewhat higher than the actual final selling price of a tire. After the effects of the index adjustment and price reductions have subsided, the price of tires is expected to increase at approximately the same rate as in the past. These factors account for the reduction in the tire cost per mile in 1973.

4. Gasoline

Although gasoline costs represented only 15.4% of the total automobile operation cost per mile in 1971, it has become perhaps the most controversial of all the costs due, primarily, to recent alleged shortages and attendant rising prices. Between 1963 and 1972, the price of gasoline increased 1.7% per annum. However, by December 1973 the price of gasoline was 22.6% higher than the average level in 1972. It was determined in the DOT study that a standard car would average 13.6 miles per gallon of gasoline. Obviously, several factors, including the driving environment, engine size, speed, and pollution devices, influence the mileage which in turn influences the gasoline cost per mile.

5. Motor Oil

In the DOT study, oil consumption was associated with gasoline consumption at a rate of one gallon of oil for every 186 gallons of gasoline. Although the CPI for motor oil increased approximately 10% from 1972 to December 1973, motor oil constitutes only a small part of the total cost per mile; as a result, the cost per mile for oil has remained constant.

6. Insurance

Insurance coverage, as applied to this study, includes $50,000 combined public liability ($15,000/$30,000 bodily injury, and $5,000 property damage), $1,000 medical payments, uninsured motorist coverage, and full comprehensive coverage. Deductible collision was assumed for the first five years ($100). The introduction of "no fault" insurance in some states has resulted in a reduction of rates. As a result, the overall cost of insurance dropped during 1972 and 1973.

7. Taxes

It is difficult to estimate the behavior of taxes from an analysis of the CPI because the prices of all commodities and services include taxes. As a result, taxes have been held constant at the 1971 level of .83 cents per mile, assuming that any increase or decrease would be reflected in the CPI statistics for the other cost elements.

8. Registration

Although the cost of registering and titling an automobile increased slightly in 1973, the increase was not sufficient to raise the cost per mile for this element of cost.

The overall effect of the price changes for the cost elements described above was an increase in the total cost of operating a privately owned automobile. In 1971, the U.S. Department of Transportation determined that the cost of operating a standard size automobile (less garage, parking, and toll costs) was 12.9 cents per mile. Based on the December 1973 CPI, the cost of operating a private automobile is currently estimated at 14.4 cents per mile (Annex 2).

b. Compact size automobiles

These automobile operating costs were also taken from the DOT study "Cost of Operating an Automobile," April 1972, and are found in Annex 3. The vehicle selected to represent this category is a 1972 model 2-door sedan equipped with: 6 cylinder engine, automatic transmission, power steering, radio, and protective molding. With two exceptions, the cost elements and assumptions applied to the standard size vehicle were also used in determining the cost of operating a compact car. These exceptions were that a gasoline consumption rate of 15.97 mile per gallon and an oil consumption rate of one gallon of oil for every 166 gallons of gasoline were applied to the compact car.

The average cost per mile for the first five years of operation was 9.37 cents, which is approximately 75% (72.7%) of the cost of operating a standard size car.

By applying this factor of 75% to the standard size automobile operating costs, the cost of operating a compact car is estimated at 10.8 cents in 1973.

Because of the substantial economies which accrue through the use of smaller automobiles, it is felt that a separate and lower rate of reimbursement should be paid to an employee who utilizes a compact or subcompact size vehicle while on official business. In this respect, a rate equal to 75% of the "standard rate" (rounded to the next highest cent) and appears reasonable and compensatory.

IV. CONCLUSIONS

Several important conclusions can be drawn from the above discussion.

a. The approximate cost of operating a standard size automobile is currently 14.4 cents per mile.

b. The cost of operating a compact size automobile is approximately 75% of the cost of operating a standard size automobile.

c. The maximum mileage allowance of 12 cents per mile, provided under 5 U.S.C. 5704(a)(2) is inadequate when a standard size automobile is used for official business.

V. RECOMMENDATIONS

a. Legislation should be sought to increase the maximum mileage allowances for use of privately owned automobiles on official business.

b. The Federal Travel Regulations should be amended to increase the mileage allowance from 11 cents to the statutory maximum of 12 cents per mile, when the use of a privately owned automobile is advantageous to the Government.

c. The Federal Travel Regulations should be amended to provide for separate rates of reimbursement for compact (including subcompact) and standard size automobiles.

ANNEX 1

TABLE 1.—ESTIMATED COST OF OPERATING A STANDARD SIZE 1972 MODEL AUTOMOBILE [1]

[Total costs in dollars; costs per mile in cents]

Item	1st yr (14,500 mi)		2d yr (13,000 mi)		3d yr (11,500 mi)		4th yr (10,000 mi)		5th yr (9,500 mi)	
	Total cost	Cost per mile	Total cost	Cost per mile	Total cost	Cost per mile	Total cost	Cost per mile	Total cost	Cost per mile
Costs excluding taxes:										
Depreciation	1,226.00	8.46	900.00	6.92	675.00	5.87	500.00	5.00	376.00	3.80
Repairs and maintenance	81.84	.56	115.37	.89	242.65	2.11	296.09	2.96	275.54	2.78
Replacement tires	17.90	.12	16.05	.12	23.72	.21	44.40	.44	43.95	.44
Accessories	3.21	.02	3.08	.02	2.96	.02	2.83	.03	2.82	.03
Gasoline	286.75	1.98	257.16	1.98	227.58	1.98	197.72	1.98	195.83	1.98
Oil	11.25	.08	11.25	.09	12.00	10	12.00	.12	12.75	.13
Insurance [2]	164.00	1.13	156.00	1.20	156.00	1.36	147.00	1.47	147.00	1.49
Garaging, parking, tolls, etc	208.36	1.44	199.22	1.53	190.72	1.65	180.94	1.81	180.33	1.82
Total	1,999.31	13.79	1,658.13	12.75	1,529.00	13.30	1,380.98	13.81	1,234.22	12.47
Taxes and fees:										
State:										
Gasoline	74.62	.51	66.92	.52	59.22	.52	51.45	.51	50.96	.52
Registration	30.00	.21	30.00	.23	30.00	.26	30.00	.30	30.00	.30
Titling	177.15	1.22	—	—	—	—	—	—	—	—
Subtotal	281.77	1.94	96.92	.75	89.22	.78	81.45	.81	80.96	.82
Federal:										
Gasoline	42.64	.30	38.24	.30	33.84	.29	29.40	.30	29.12	.30
Oil [3]	.22	—	.22	—	.28	—	.24	—	.26	—
Tires	1.38	.01	1.24	.01	1.82	.02	3.42	.03	3.39	.03
Subtotal	44.24	.31	39.70	.31	35.90	.31	33.06	.33	32.77	.33
Total taxes	326.01	2.25	136.62	1.06	125.12	1.09	114.51	1.14	113.73	1.15
Total of all costs	2,325.32	16.04	1,794.75	13.81	1,655.11	14.39	1,495.49	14.95	1,347.95	13.62

Item	6th yr (9,900 mi)		7th yr (9,500 mi)		8th yr (8,500 mi)		9th yr (7,500 mi)		10th yr (5,700 mi)		Totals and averages for 10 yr (100,000 mi)	
	Total cost	Cost per mile	Total cost	Cost per mile	Total cost	Cost per mile	Total cost	Cost per mile	Total cost	Cost per mile	Total cost	Cost per mile
Costs excluding taxes:												
Depreciation	259.00	2.61	189.00	1.99	121.00	1.42	85.00	1.13	48.00	0.84	4,379.00	4.38
Repairs and maintenance	292.54	2.95	397.56	4.19	171.82	2.02	244.33	3.26	29.17	.51	2,146.91	2.14
Replacement tires	45.44	.46	50.69	.53	62.79	.74	52.30	.70	42.11	.74	399.85	.40
Accessories	8.57	.09	8.30	.09	7.65	.09	6.97	.09	5.79	.10	52.18	.05
Gasoline	195.83	1.98	188.03	1.93	168.13	1.98	148.22	1.98	112.71	1.98	1,977.96	1.98
Oil	13.50	.14	13.50	.14	13.50	.16	12.00	.16	6.75	.12	118.50	.12
Insurance [2]	116.00	1.17	116.00	1.22	116.00	1.37	116.00	1.55	116.00	2.04	1,350.00	1.35
Garaging, parking, tolls, etc	180.33	1.82	177.89	1.87	171.80	2.02	165.71	2.21	154.74	2.71	1,809.40	1.81
Total	1,111.21	11.22	1,140.97	12.01	532.69	9.80	831.03	11.03	515.27	9.04	12,233.80	12.23
Taxes and fees:												
State:												
Gasoline	50.96	.52	48.93	.51	43.75	.52	38.57	.52	29.33	.51	514.71	.51
Registration	30.00	.30	30.00	.32	30.00	.35	30.00	.40	30.00	.53	300.00	.30
Titling	—	—	—	—	—	—	—	—	—	—	177.15	.18
Subtotal	80.96	.82	78.93	.83	73.75	.87	68.57	.92	59.33	1.04	991.86	.99
Federal:												
Gasoline	29.12	.29	27.96	.30	25.00	.29	22.04	.29	16.76	.29	294.12	.30
Oil [3]	.27	—	.27	—	.27	—	.24	—	.14	—	2.37	—
Tires	3.50	.04	3.90	.04	4.84	.06	4.07	.06	3.24	.06	30.80	.03
Subtotal	32.89	.33	32.13	.34	30.11	.35	26.35	.35	20.14	.35	327.29	.33
Total taxes	113.85	1.15	111.06	1.17	103.86	1.22	94.92	1.27	79.47	1.39	1,319.15	1.32
Total of all costs	1,225.06	12.37	1,252.03	13.18	936.55	11.02	925.95	12.35	594.74	10.43	13,552.95	13.55

[1] This estimate covers the total costs of a fully equipped, medium priced, standard size, 4-door sedan, purchased for $4,379, operated 100,000 miles over a 10-yr-period, then scrapped. Baltimore area prices, considered to be in the middle range, were used.

[2] Previous editions of this study used insurance rates designated for Baltimore City. The rates shown above are for the Baltimore suburbs, and consequently are less than the rates presented in the previous study. If the Baltimore City rates had been used in this study, the insurance costs would have been higher. (For example, the 1st yr would have been $232.)

[3] Where costs per mile were computed to be less than 1/20 cent, a dash (—) appears in the column.

ANNEX 2

AUTOMOBILE OPERATING COSTS (STANDARD SIZE 1972 MODEL)

Item	Cents per mile		Item	Cents per mile	
	1971 [1]	1973 [2]		1971 [1]	1973 [2]
Vehicle depreciation	6.01	6.84	Insurance	1.33	1.29
Maintenance/repair	1.88	2.12	Taxes	.88	.83
Tires	.27	.26	Registration	.50	.50
Gasoline	1.98	2.46			
Motor oil	.10	.11	Total	12.90	14.41

[1] 1971 costs were computed from U.S. Department of Transportation Report "Cost of Operating an Automobile," April 1972. The costs shown are average costs (excluding garage, parking, and tolls) for the first 5 years of operation.

[2] 1973 costs were calculated by applying Consumer Price Index changes (1971–December 1973) to the 1971 data.

ANNEX 3

TABLE 2.—ESTIMATED COST OF OPERATING A COMPACT SIZE 1972 MODEL AUTOMOBILE[1]

[Total costs in dollars; costs per mile in cents]

Item	1st yr (14,500 mi)		2d yr (13,000 mi)		3d yr (11,500 mi)		4th yr (10,000 mi)		5th yr (9,900 mi)	
	Total cost	Cost per mile	Total cost	Cost per mile	Total cost	Cost per mile	Total cost	Cost per mile	Total cost	Cost per mile
Costs excluding taxes:										
Depreciation	674.00	4.65	519.00	3.99	394.00	3.42	305.00	3.05	243.00	2.46
Repairs and maintenance	79.41	.55	107.14	.83	170 61	1.48	318.90	2.19	240.27	2.43
Replacement tires	15.30	.11	13.71	.11	12.13	.11	34.27	.34	33.93	.34
Accessories	3.21	.02	3.08	.02	2.96	.03	2.83	.03	2.82	.03
Gasoline	244.25	1.68	218.97	1.69	193.68	1.69	168.39	1.68	166.78	1.69
Oil	10.50	.07	10.50	.08	11.25	.10	11.25	.11	12.75	.13
Insurance	155.00	1.07	147.00	1.13	147.00	1.28	140.00	1.40	140.00	1.43
Garaging, parking, tolls, etc.	208.36	1.44	190.22	1.53	190.08	1.65	180.94	1.81	190.13	1.82
Total	1,390.03	9.59	1,218.62	9.38	1,121.71	9.76	1,061.56	10.61	1,019.86	10.30
Taxes and fees:										
State:										
Gasoline	63.56	.44	56.98	.44	50.40	.44	43.82	.44	43.40	.44
Registration	20.00	.14	20.00	.15	20.00	.17	20.00	.20	20.00	.20
Titling	109.86	.75	—	—	—	—	—	—	—	—
Subtotal	193.42	1.33	76.98	.59	70.40	.61	63.82	.64	63.40	.64
Federal:										
Gasoline	36.32	.25	32.56	.25	28.80	.25	25.04	.25	24.80	.25
Oil [2]	.21	—	.21	—	.22	—	.22	—	.26	—
Tires	1.17	.01	1.05	.01	.92	.01	2.61	.03	2.59	.03
Subtotal	37.70	.26	33.82	.26	29.94	.26	27.87	.28	27.65	.28
Total taxes	231.12	1.59	110.80	.85	100.34	.87	91.69	.92	91.05	.92
Total of all costs	1,621.15	11.18	1,329.42	10.23	1,235.05	10.63	1,153.27	11.53	1,110.93	11.22

Item	6th yr (9,900 mi)		7th yr (9,500 mi)		8th yr (8,500 mi)		9th yr (7,500 mi)		10th yr (5,700 mi)		Totals and averages for 10 yr (100,000 mi)	
	Total cost	Cost per mile	Total cost	Cost per mile	Total cost	Cost per mile	Total cost	Cost per mile	Total cost	Cost per mile	Total cost	Cost per mile
Costs excluding taxes:												
Depreciation	194.00	1.96	152.00	1.60	103.00	1.21	73.00	.97	39.00	.63	2,000.00	2.73
Repairs and maintenance	268.81	2.72	412.04	4.34	177.27	2.09	78.95	1.05	31.10	.55	1,784.56	1.79
Replacement tires	38.45	.39	36.89	.39	61.53	.72	54.29	.73	41.27	.72	141.77	.34
Accessories	8.57	.09	8.30	.09	7.65	.09	6.97	.09	5.79	.10	52.14	.05
Gasoline	166.78	1.68	160.06	1.69	143.11	1.69	126.43	1.69	96.03	1.68	1,682.00	1.61
Oil	12.75	.13	12.75	.13	12.75	.15	12.00	.16	6.75	.12	113.25	.11
Insurance	114.00	1.15	114.00	1.20	114.00	1.34	114.00	1.52	114.00	2.00	1,299.00	1.10
Garaging, parking, tolls, etc.	180.33	1.82	177.89	1.87	171.80	2.02	165.71	2.21	154.74	2.72	1,604.40	1.01
Total	983,69	9.94	1,073.93	11.31	761.11	9.31	631.35	6.42	488.68	8.57	9,150.50	9.72
Taxes and fees:												
State:												
Gasoline	43.40	.44	41.65	.44	37.24	.44	32.90	.44	24.99	.44	43.34	.44
Registration	20.00	.20	20.00	.21	20.00	.23	20.00	.26	20.00	.35	200.00	.20
Titling	—	—	—	—	—	—	—	—	—	—	104.56	.11
Subtotal	63.40	.64	61.65	.65	57.24	.67	52.90	.70	44.99	.79	746.20	.75
Federal:												
Gasoline	24.80	.25	23.80	.25	21.28	.25	18.80	.25	14.28	.25	250.45	.25
Oil [2]	.26	—	.26	—	.26	—	.24	—	.31	—	2.27	—
Tires	2.93	.03	2.81	.03	4.69	.06	4.15	.06	3.15	.06	26.07	.03
Subtotal	27.99	.28	26.87	.23	26.23	.31	23.19	.31	17.55	.31	275.52	.28
Total taxes	91.39	.92	88.52	.93	83.47	.98	76.09	1.01	62.55	1.10	1,027.02	1.06
Total of all costs	1,075.08	10.86	1,162.45	12.25	874.58	10.22	707.44	9.43	551.23	9.67	19,897,60	16.81

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[1] This estimate covers the total costs of a medium priced, compact size, 2-door sedan, purchased for $2,696, operated 100,000 miles over a 10-yr period, then scrapped. Baltimore area prices, considered to be in the middle range, were used.

[2] Where costs per mile were computed to be less than 1/20 cent, a dash (—) appears in the column.

By Mr. HRUSKA:

S. 3342. A bill to establish a National Institute of Corrections, and for other purposes. Referred to the Committee on the Judiciary.

Mr. HRUSKA. Mr. President, today I introduce a bill to establish a National Institute of Corrections. The origins behind the National Institute of Corrections may be traced to the first National Conference on Corrections held in Williamsburg, Va., in December 1971. The enthusiasm for the concept of a National Institute of Corrections is exemplified by the following remarks of Chief Justice Warren E. Burger delivered at that conference:

You are well aware, but the public is not, that well-trained personnel is far more important than the bricks and mortar. "Just anybody" cannot make a sound correctional institution any more than "just anybody" can make a good parent or a good teacher. We have yet to understand that the people who operate prisons, from the lowest guard to the highest administrators, are as important in the whole scheme of an organized society as the people who teach in the schools, colleges and universities. I suspect some experts would say that is an understatement in the sense that the reasonably normal people who go to schools can overcome the handicap of poor teaching. We know that most prison inmates are not mentally and emotionally healthy and therefore need something more than normal people require. Guards and guns are not enough.

As we are now slowly awakening to the need for more intensive training for policemen on the beat and in the patrol cars, we must sense that the guards, the attendants, the teachers, and the management of prisons must be specially selected for their temperament and attitudes and then specially trained for their crucial part in the task of helping prisoners to help themselves.

I am sure that every person here must be elated over the Attorney General's proposal to establish a National Corrections Academy patterned after the great training program of the FBI Police Academy. The management and operation of penal institutions has desperately needed such a nationally coordinated program to train every level of prison

> personnel from guards to wardens, as the Department of Justice has done with police administrators.
>
> This decision on the part of the President and the Attorney General could be one of the milestones in correctional history.

Early in 1972 representatives of the Law Enforcement Assistance Administration and the Federal Bureau of Prisons, together with other individuals concerned with corrections outside of the Federal Government, met in Dallas, Tex., to formulate plans to implement the concept of a National Institute of Corrections. Recognizing that the task of creating the institute would be, in the words of Chief Justice Burger, a "milestone in correctional history," it was agreed at the meeting that one of the first essentials would be the preparation of a comprehensive and detailed concept paper describing the functions and objectives of such an institute.

Prof. Norval Morris, director of the Center for Studies in Criminal Justice at the University of Chicago Law School was requested to prepare the concept paper. His paper, titled "Towards a National Institute of Corrections," set forth the following objective:

> The mission of the National Institute of Corrections (NIC) is to provide national leadership in correctional education and research. To achieve this, NIC will itself undertake training, research, evaluation, standard setting, publication and clearing-house functions in corrections. NIC will also apply its funds and developing expertise and influence to support other agencies and organizations, national, state, local and voluntary engaged in correctional education and research.

The Morris concept paper cogently presented the collective views of those who participated in the discussions at the Williamsburg conference and the Dallas meeting. It produced a convincing case for the establishment of the institute.

On September 5, 1972, I introduced S. 3948, which would create a National Institute of Corrections. Similar bills containing substantially the same concept for a national institute were introduced by Senator Brooke (S. 3313) and Senator Humphrey (S. 1422). In short, the concept of a National Institute of Corrections has wide-based support, not only among correctional administrators and researchers, but in the Congress and the executive branch as well.

The recent report published by the Corrections Task Force of the National Advisory Commission on Criminal Justice Standards and Goals recommends that a National Institute of Corrections be established. It is worthwhile to quote the statement of the Corrections Task Force in focusing upon the background, functions, and authority of a National Institute of Corrections:

> A national academy of corrections has been proposed for many years. In December, 1971, at the first national conference on corrections, the Attorney General directed the Law Enforcement Assistance Administration and the U.S. Bureau of Prisons to work with the States in the establishment of the academy. An interim steering committee was appointed and pilot seminars have been conducted. The project has now been entitled the National Institute of Corrections.
>
> The precise functions to be fulfilled by the institute have not yet been formally determined. Those proposed include:
>
> 1. Service as a clearinghouse for information on crime and corrections.
> 2. Provision of consultant services to Federal, State, and local agencies on all aspects of corrections.
> 3. Development of corrections programs.
> 4. Development and presentation of seminars, workshops, and training programs for all types of criminal justice personnel associated with corrections.
> 5. Technical training teams to assist the States in development of seminars, workshops, and training programs.
> 6. Funding of training programs.
> 7. Coordination and funding of correctional research.
> 8. Formulation and dissemination of policy, goals, and standards recommended for corrections.
>
> A national institute with the authority and funds for this wide range of activities could serve as a powerful force in the coordination and implementation of a national corrections reform effort, and the Commission urges immediate action to make it a reality. At the present time, the expertise and information available to corrections is both limited and thinly dispersed. The institute could provide a center and a pooling of resources from which all States and correctional systems could draw.
>
> At present none of the proposed functions of the institute are being fulfilled effectively elsewhere on a national basis. Technical expertise in corrections is simply not available in any organized form. The wide scope of the proposed functions would remedy this severe deficiency and give the institute the stature and presumably the prestige, to gain acceptance and a highly influential role in correctional reform.
>
> It is also the view of the Commission that the institute when established should be given the responsibility for updating and revising the standards of this report periodically, in keeping with technical developments and advances in correctional knowledge.

Mr. President, I am pleased to reintroduce today a bill to establish a National Institute of Corrections. This bill seeks to establish that "milestone in correctional history" that was predicted in the 1971 Williamsburg Conference. In the years that have passed since the Williamsburg Conference the concept of National Institute of Corrections has developed beyond an abstract idea. The bill which is being introduced today contains the appropriate structure, functions, and powers to accomplish the ends of providing more adequate data about crime and delinquency, changing the role of corrections from incarceration to one of sharing in the responsibility for the reintegration of offenders, identifying and implementing correctional policies, goals and standards, and continuing education for corrections personnel.

The present bill proposes to establish within the Department of Justice a National Institute of Corrections. The institute will be under the supervision of a board. The board will be composed of 15 individuals, including members qualified as practitioners and experts in corrections, probation or parole. The institute will be under the supervision of a director appointed by the Attorney General after consultation with the Board.

The institute has the power to contract and make grants with governmental departments or private organizations; to serve as a clearinghouse and information center; to act as a consultant to the courts, departments, and agencies; to devise and conduct seminars, workshops, and training programs for individuals involved in corrections; to develop technical training teams to aid in the development of seminars, workshops, and training programs; to conduct, encourage, and coordinate research in corrections; to formulate correction policies, goals and standards recommendations, and to conduct evaluation programs to study the effectiveness of new approaches, techniques and programs.

It is my firm belief, Mr. President, that the establishment of such an institute will one day be viewed by all those concerned with corrections as truly a monumental step by government in restructuring not only the means, but the ends, of reintegrating offenders into society.

I ask unanimous consent, Mr. President, that the text of the bill be printed in the Record at the conclusion of my remarks.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 3342

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act shall be known as the "National Institute of Corrections Act".

Sec. 102. The Congress finds and declares:

(1) That there is a lack of adequate data about crime and delinquency, the consequences of sentencing practices, and the outcome of correctional programs;

(2) That there is a need to change the role of corrections from one of incarcerating society's offenders to one of sharing responsibility for their reintegration;

(3) That there is a need to identify, develop, and implement uniform correctional policies, goals, and standards;

(4) That there is a need to establish a means of providing correctional personnel with continuing education and guidance on methods of treatment and reintegration of offenders;

(5) That to foster the achievement of these ends, a National Institute of Corrections should be created (i) to provide assistance to State and local departments and agencies, private organizations, and individuals performing correctional services or duties; (ii) to conduct its own programs or projects for the enhancement of correctional training, research, information collection and dissemination; and (iii) to formulate recommendations concerning correctional policies, goals, and standards.

Sec. 103. There is authorized to be established in the Department of Justice an institute to be known as the National Institute of Corrections (hereinafter referred to as the "Institute".).

Sec. 104. (a) The overall policy and operations of the Institute shall be under the general supervision and direction of a Board.

(b) The Board shall consist of fifteer members.

(1) The following five individuals shall serve as members of the Board ex officio: The Director of the Federal Bureau of Prisons or his designee, the Administrator of the Law Enforcement Assistance Administration, or his designee, the Chairman of the United States Parole Board, or his designee, the Director of the Federal Judiciary Center, or his designee, and the Assistant Secretary for Human Development of the Department of Health, Education, and Welfare, or his designee.

(2) The remaining ten members of the Board shall be selected as follows:

(i) Five shall be appointed initially by the Attorney General of the United States for staggered terms; one member shall serve for one year, one member for two years, and three members for three years. Upon the expiration of each member's term, the Attorney General shall appoint successors who will each serve for a term of three years. Each member selected shall be qualified as a practitioner in corrections, probation, or parole.

(ii) Five shall be appointed initially by the Attorney General of the United States for staggered terms; one member shall serve for one year, three members for two years, and one member for three years. Upon the expiration of each member's term the Attorney General shall appoint successors who will each serve for a term of three years. Each member selected shall be from the private sector having demonstrated an active interest in corrections, probation, or parole.

(3) The members of the Board shall not, by reason of such membership, be deemed officers or employees of the United States. Members of the Board who are fulltime officers or employees of the United States shall serve without additional compensation, but shall be reimbursed for travel, subsistence, and other necessary expenses incurred in the performance of the duties vested in the Board. Other members of the Board shall, while attending meetings of the Board or while engaged in duties related to such meetings or in other activities of the Board pursuant to this Act, be entitled to receive compensation at the rate not to exceed the daily equivalent of the rate authorized for level V by section 5316 of title 5, United States Code, including travel time, and while away from their homes or regular places of business may be allowed travel expenses, including per diem in lieu of subsistence equal to that authorized by section 5703 of title 5, United States Code, for persons in the Government service employed intermittently.

(4) The Board shall elect from among its members a Chairman and a Vice Chairman. The Board shall establish its governing rules of procedure.

SEC. 105. The Institute shall be under the supervision of an officer to be known as the Director, who shall be appointed by the Attorney General after consultation with the Board. The Director shall receive basic pay at the rate provided for level V of the Executive Schedule under section 5316 of title 5, United States Code. The Director shall have authority to supervise the organization, employees, enrollees, financial affairs, and all other operations of the Institute and may employ such staff, faculty, and administrative personnel, subject to the civil service and classification laws, as are necessary to the functioning of the Institute. The Director shall have the power to acquire and hold real and personal property for the Institute and may receive gifts, donations, and trusts on behalf of the Institute. The Director shall also have the power to appoint such technical or other councils comprised of consultants to guide and advise the Institute. The Director is authorized to delegate his powers under this Act to such persons as he deems appropriate.

SEC. 106. The Institute is authorized: (1) to receive from or make grants to and enter into contracts with Federal, State, and local departments and agencies, private organizations, and individuals to carry out the purposes of this Act;

(2) to serve as a clearinghouse and information center for the collection, preparation, and dissemination of information on corrections, probation and parole, including, but not limited to, programs for prevention of crime and recidivism, training of correctional personnel, and treatment and reintegration of criminal and juvenile offenders;

(3) to assist and serve in a consulting capacity to Federal, State, and local courts, departments, and agencies in the development, maintenance, and coordination of programs, facilities, and services, training, treatment, and reintegration with respect to criminal and juvenile offenders;

(4) to encourage and assist Federal, State, and local government programs and services, and programs and services of other public and private agencies, institutions, and organizations in their efforts to develop and implement corrections, probation, and parole programs:

(5) to devise and conduct in various geographical locations, seminars, workshops, and training programs for law enforcement officers, judges and judicial personnel, corrections, probation and parole personnel welfare workers, and other persons, including ex-offenders and paraprofessional personnel, connected with the treatment and reintegration of criminal and juvenile offenders;

(6) to develop technical training teams to aid in the development of seminars, workshops, and training programs within the several States and with the State and local departments and agencies which work with prisoners, probationers, parolees, and other offenders;

(7) to conduct, encourage, and coordinate research relating to corrections, probation and parole, including the causes, prevention, diagnosis, treatment and reintegration of criminal and juvenile offenders;

(8) to formulate and disseminate correctional policies, goals, and standards recommendations for Federal, State, and local departments and agencies, private organizations, and individuals; and

(9) to conduct evaluation programs which study the effectiveness of new approaches, techniques, systems and programs, employed to improve corrections, probation and parole.

SEC. 107. In addition to the other powers and duties specified in this Act, the Institute is authorized:

(1) to receive from any Federal department or agency such statistics, data, program reports, and other material as the Institute deems necessary to carry out its functions. Each such department or agency is authorized to cooperate with the Institute and shall, to the maximum extent practicable, consult with and furnish information to the Institute;

(2) to arrange with and reimburse the heads of Federal department and agencies for the use of personnel, facilities, or equipment of such departments and agencies;

(3) to confer with and avail itself of the assistance, services, records, and facilities of State and local departments or agencies, private organizations, or individuals;

(4) to enter into contracts with State and local departments and agencies, private organizations, or individuals for the performance of any of the duties of the Institute; and

(5) to procure the services of experts and consultants in accordance with section 3109 of title 5 of the United States Code, at rates of compensation not to exceed the daily equivalent of the rate authorized for level V by section 5316 of title 5 of the United States Code.

SEC. 108. The Institute shall, on or before the 31st day of December of each year, submit an annual report for the preceding fiscal year to the President and to the Congress. The report shall include an account of the Institute's operations, activities, financial condition, and accomplishments under this Act and may include such recommendations related to corrections, probation and parole as the Institute deems appropriate.

SEC. 109. (a) Each recipient of assistance under this Act shall keep such records as the Institute shall prescribe, including records which fully disclose the amount and disposition by such recipient of the proceeds of such assistance, the total cost of the project or undertaking in connection with which such assistance is given or used, and the amount of that portion of the cost of the project or undertaking supplied by other sources; and such other records as will facilitate an effective audit.

(b) The Institute, and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access for purposes of audit and examinations to any books, documents, papers, and records of the recipients that are pertinent to the grants received under this chapter.

(c) The provisions of this section shall apply to all recipients of assistance under this Act, whether by direct grant or contract from the Institute or by subgrant or subcontract from primary grantees or contractors of the Institute.

SEC. 110. Section 5316 of title 5 of the United States Code is amended by adding at the end thereof:

"(131) Director of the National Institute of Corrections."

SEC. 111. There are authorized to be appropriated out of the Treasury of the United States such sums as may be necessary to carry out the activities of the Institute. Such sums shall remain available for obligation until expended.

By Mr. WEICKER (for himself, Mr. HATHAWAY, Mr. HARTKE, and Mr. RIBICOFF):

S. 3343. A bill to designate a national network of essential rail lines; to require minimum standards of maintenance on rail lines; to provide Federal financial aid for rail rehabilitation; to establish rights of access by rail carriers to rail lines and facilities, and for other purposes. Referred to the Committee on Commerce.

INTERSTATE RAILROAD ACT OF 1974

Mr. WEICKER. Mr. President, I am today introducing, along with my distinguished colleagues, Messrs. HATHAWAY, HARTKE, and RIBICOFF, comprehensive legislation directing the rehabilitation of all mainline railroad tracks throughout the United States. Entitled the Interstate Railroad Act of 1974, this bill is a substantially improved version of similar legislation introduced by Senator HARTKE and myself in 1972.

Following my introductory remarks on the critical problem of deteriorating railtrack and roadbed, Senator HATHAWAY will discuss the important provisions of our legislative solution. Senator HARTKE, chairman of the Surface Transportation Subcommittee, will then examine the Federal commitment to a safe, efficient, viable national rail transportation system.

To begin with the problem, allow me to refer to Federal Railroad Administration data on train accidents. The latest year for which detailed train accident data is available, broken down by railroad company and by cause, is 1972. The following table compares for principal railroads the number of derailments on account of defects in, or improper maintenance of, track and roadbed for the years 1963 and 1972:

	1963	1972	1972 accidents per million locomotive miles
All U.S. railroads	691	2,477	3.2
Baltimore & Ohio	45	101	4.4
Boston & Maine	6	22	4.2
Chesapeake & Ohio	15	97	4.7
Delaware & Hudson	6	8	3.6
Erie-Lackawanna	9	42	2.6
Lehigh Valley	1	26	9.3
Central of New Jersey	5	27	10.0
Norfolk & Western	7	33	1.0

	1963	1972	1972 accidents per million locomotive miles
Penn Central (system)	171	236	2.3
Reading	12	44	4.7
Illinois Central Gulf	15	87	3.0
Louisville & Nashville	23	186	6.9
Seaboard Coast Line	13	91	2.9
Southern (system)	43	110	3.2
Santa Fe	17	47	.9
Chicago & North Western	36	221	9.5
Burlington Northern (system)	33	131	2.0
Milwaukee Road	12	78	4.0
Rock Island Lines	10	280	14.4
Rio Grande	1	7	1.1
Kansas City Southern (system)	7	40	12.5
Missouri-Kansas-Texas	52	64	14.2
Missouri Pacific (system)	19	50	1.6
Frisco	12	43	2.9
Soo Line	1	33	4.2
Southern Pacific (system)	30	42	.7
Union Pacific	5	15	.4
Western Pacific	4	10	2.1

Preliminary reports from FRA indicate that during 1973 there were 9396 train accidents from all causes, a 25 percent jump from the 1972 total of 7532. Derailments alone increased about 30 percent. It is reasonable to assume that track-related derailments increased in at least the same proportion.

I should note here that FRA accident reporting system is based on accidents in which property damage exceeds $750 each. Hence inflation alone causes some increase each year in the number of accidents which must be reported. Nevertheless, it is clear that the rate of increase since 1963 has considerably outstripped the pace of inflation, especially in 1973 and 1972.

One alarming indication of deteriorating track maintenance is the declining rate of rail and tie insertions. From 1959–1968, the number of crossties installed was only half of the normal requirements of a 35 year life cycle. In that same period, new rail was installed at about one-third the rate dictated by the accepted 60-year life cycle for rails. These deficiencies are recognized by the Department of Transportation, the Interstate Commerce Commission, and the railroads themselves.

The relatively good record of the Penn Central through 1972 is due almost entirely to reductions in allowable train speeds, which in some instances were quite drastic. While Mr. Moore and his associates are to be commended in dealing with the problem in the only way open to them, the national interest in modern and efficient rail transport will not be served by converting our railroads into railroads. Now it appears that Penn Central's string has about run out, even with speed reductions.

Despite almost 8,200 miles of track—almost half the system—operated under "slow orders", derailments from all causes during February 1974 were up by 137 percent over February 1973. Much of the increase resulted from bad track problems. Other railroads which have imposed significant speed reductions in recent years include the Rock Island, Illinois Central Gulf, Milwaukee Road, Boston and Maine, Soo Line, and Erie-Lackawanna.

A principal victim of deteriorating track and roadbed has been Amtrak passenger service. Schedules of most Amtrak passenger trains are slower than in 1941 and 1953. Yet Amtrak ontime performance keeps getting worse:

[In percent]

	1971	1972	1973
All trains	75	75	60
Corridors	82	82	70
Long distance	56	53	30

By far the largest single cause of delay to Amtrak trains in 1973 was slow orders on account of track problems. Amtrak is presently engaged in litigation in an attempt to force Penn Central, Illinois Central Gulf, and Louisville & Nashville to fix up their track and improve ontime performance. In addition to slow schedules and undependable performance, bad track is giving Amtrak passengers on some routes an unacceptably rough ride.

Bad track has a detrimental effect on freight service as well as passenger service. The consequences of derailments in terms of property damage, loss and damage to freight, delay to shipments in the derailed train, and delay to shipments in other trains blocked by the derailment need no further elaboration. Even short of derailments, rough track causes an increase in freight damage claims and in equipment repair costs. Total payments for freight loss and damage from all causes have about doubled over the past 10 years.

It is sometimes argued that over-the-road speed for freight trains is unimportant because too much time is lost in yards, terminals, and so forth. The answer is that both areas are important and both should be improved. Slow over-the-road train operation leads to increased payments of overtime to train crews on top of the mileage rate. The recent revision of the hours of service law reducing permissible continuous time on duty to 12 hours provides additional incentive for expeditious over-the-road movement of freight trains. Over-the-road speed is of critical importance to "piggyback" and container traffic, which spends a far smaller proportion of total transit time in yards and terminals than does carload freight. If railroads are to retain and increase their volume of this business, they must offer a service which will match the door-to-door time of highway movement.

The importance of adequate track and roadbed maintenance for good freight service as well as good passenger service was stressed by the Department of Transportation in its report to the Congress on Amtrak in March 1973.

> Railroad operational problems stemming from poor track maintenance are not confined to either passenger or to freight services. Almost a third of Amtrak's delays are attributable to "slow orders"—areas in which temporary speed restrictions have been placed due to track conditions. But inadequate track maintenance has an even greater impact on freight operations; slow speeds and delays cause increase costs due to poor utilization of crews and equipment. Quality of service is adversely affected. Freight is the railroad industry's primary source of revenue. To move it efficiently requires a well-maintained plant. Therefore, adequate track and roadbed maintenance is essential.

In November 1968, William H. Moore, then vice president of operations of the Southern Railway System, told a group of railroad executives:

> I say to you now, the American railroads must increase their spending on track maintenance.
>
> This year, we (Southern) have already spent $3 million more on M/W than was spent last year. The heavier cars and locomotives are demanding better track. The maintenance program we have used in the past—and it was a rather healthy one—would not do the job. In the final analysis this stepped-up program will cost no more than we have spent in the past. Savings generated through fewer derailments and less loss and damage will pick up the tab. We are already three-quarters of a million dollars better off in this respect this year than last year.
>
> The sooner your managements decide to take this step the better off you will be. Trains will move faster, per diem on equipment will be less, derailments will diminish and, best of all, you will have more business to handle. I cannot think of a healthier situation.

Southern continues to follow Mr. Moore's prescription. The company's expenditures on maintenance of way in proportion to total expenses is among the highest in the industry. The results have been outstanding—both for freight shippers and Southern shareholders. Southern has about the lowest ratio of freight loss and damage expense of all U.S. railroads. At the same time, its profits are at record high levels, having increased each year since 1968.

Unfortunately, a number of other railroads apparently reject Southern's philosophy. In recent years, the Louisville and Nashville, the Illinois Central Gulf, the Burlington Northern, the Kansas City Southern, and the Chicago and North Western have not been adequately maintaining their track and roadbed, while at the same time they have paid out substantial amounts in dividends and for nontransportation investments. The inevitable consequences have been a decline in service quality and/or a soaring train accident rate. Of even greater concern is what will happen to their operations 2, 3, and 5 years from now when the remaining maintenance "fat" they are now living off of is completely used up. Sooner or later track and roadbed must be restored if a railroad is to continue to function, but the governing theory seems to be, "In the long run we'll all be dead." Now there are indications that even such affluent companies as the Chesapeake & Ohio and the Southern Pacific are deferring maintenance.

Of course some railroads have simply been unable to afford adequate track maintenance, the Penn Central and other bankrupts being the most obvious examples. Whatever the reasons, the crisis has been building for a long time and is truly national in scope. While scattered deferred maintenance began accumulating in some areas almost as soon as post World War II plant refurbishing was completed, the origins of the present situation date back to the recession of 1958. A 1971 study by the railroad industry's labor and management committee indicates that between 1958 and 1970, railroads replaced only 60 percent of the annual number of crossties that should have been replaced, and laid only

60 percent of the amount of new rail that should have been installed. Beginning in 1958, there was a sharp drop in the ratio of maintenance of way spending to gross revenue, a situation that persisted through the relative railroad prosperity of the mid-1960's.

Estimates of the total dollar amount of deferred maintenance, and hence of the dollar needs for track and roadbed rehabilitation, are somewhat sketchy, but indications are that the national total is at least $3 billion. The railroad industry estimated in 1971 that implementation of the original draft of track standards formulated under the Rail Safety Act would cost $2.2 billion. The modified standards that were adopted were priced by the industry at $1.6 billion. Last year Penn Central claimed that it had almost $3 billion of deferred maintenance, including yards, terminals, and rolling stock. While the Department of Transportation thought the figure was closer to $1.5 billion, that amount is a great plenty for just a single company. In its February 1974 report on the Northeast, the Department estimated that rehabilitation of substantially all track and roadbed in the Northeast would cost over $3 billion.

In the absence of a Government guarantee, it is extremely difficult for any but the most profitable railroads to borrow money for fixed plant improvement because, unlike equipment borrowings, there is no readily marketable collateral which can be repossessed and sold to others. Property now owned by most railroads is mortgaged to the hilt. Moreover, new additions to fixed plant cannot be mortgaged to secure new borrowing because of "hereafter acquired" clauses in existing mortgages, which require such additions to be available as increased security for the benefit of present creditors.

Mr. HATHAWAY. Mr. President, my distinguished colleague from Connecticut (Mr. WEICKER) has graphically outlined the grave situation currently facing the American railroad system. The material he has presented on the incidence and effect of the decline of track and roadbed maintenance is dramatic evidence of the need for a strong national effort in this area. Three basic conclusions for the direction of public policy toward railroads are suggested by the available data:

First. The Federal Government should establish and enforce minimum standards of track and roadbed maintenance designed to allow fast and dependable passenger and freight service, as distinct from minimum requirements for safety. The regulations promulgated under the Rail Safety Act of 1970 do not achieve this objective, if for no other reason than railroads are free to reduce train speeds as low as they wish, thus reducing the level of maintenance required for reasons of safety.

Second. The Federal Government must provide financial assistance for rehabilitation of track and roadbed to those railroad companies which do not have either sufficient resources of their own and/or adequate access to credit.

Third. The Federal Government must encourage the concentration of through rail traffic over a minimum number of selected routes maintained to high standards. The result would be improved overall service plus reduced maintenance costs on those lines restricted to local service.

It is with these points in mind that we have drafted the Interstate Railroad Act of 1974.

The bill calls first for designation of an Interstate Railroad System of selected main lines maintained to high standards. The final system would be formulated by a procedure involving public hearings before the Rail Services Planning Office of the Interstate Commerce Commission, somewhat analogous to the activity now underway under the Regional Rail Reorganization Act.

An important feature of this part of the bill requires all railroad companies to disclose information pertaining to the current state of maintenance of their track and roadbed in terms of speed restrictions, slow orders, etc.

All main track in the Interstate Railroad System would have to be maintained for smooth and dependable operation of freight trains at speeds up to 60 miles an hour. Past and present practices on well-managed, adequately financed railroads in all parts of the country indicate that there are definite operating and financial benefits from expeditious movements of freight trains—that is, at speeds of 50 miles an hour or over. Prior to the Penn Central merger, the New York Central allowed 60 miles an hour for freights on its important main lines. For many years 60 was standard top speed for fast freights on the Nickel Plate Road, now part of the Norfolk & Western. Southern Pacific, Cotton Belt, and Santa Fe are now running freights at 70. The Santa Fe is reported to be running its Super C at 80. The Union Pacific is planning its track maintenance to allow for 85-mile-an-hour freight operation. So it appears that maintenance of main lines for 60-mile-an-hour freight service is the appropriate minimum standard for high density main lines.

Current FRA safety regulations allow passengers trains to run 80 miles an hour on any track maintained for freight train operation at speeds of 41 to 60 miles an hour inclusive. If research and development progress results in locomotives with a "feather" touch on the track, passenger train speeds on such track might be increased to 90 or 100.

In formulating the track standards, the bill requires the Secretary of Transportation to be guided by "preferred or recommended practices from an engineering and economic standpoint as distinct from minimum requirements for safety." This language was used by the Federal Railroad Administration to describe a preliminary draft of track standards issued in June 1971 to be applicable under the Rail Safety Act. The safety standards adopted in October 1971 represent a significant modification of the June 1971 draft; they were characterized by the Federal Railroad Administrator as "minimum standards required for safe operation rather than recommended practice." Since the thrust of this legislation is to promote modern and efficient rail service as distinct from minimum requirements for safety, I believe that the Secretary should be guided by the higher standards.

Adoption of the higher standards should have a beneficial effect on safe operation as well as quality operation. It seems that the best way to assure against derailments is to keep track as smooth as possible at all times. According to W. W. Hay, professor of railway civil engineering at the University of Illinois:

> Track deterioration feeds on the dynamic effects of even slight irregularities. Therefore, the highest standards of surface, line, and guage must be maintained.

In other words, while the high standards required by this bill may not of themselves be necessary for prevent derailments, adherence to them in the first instance is the most economic way of preventing the deterioration of track to the point that derailments become a likely possibility.

Lines other than those in the Interstate Railroad System would have to be maintained for the highest freight train speeds operated at any previous time, unless the Secretary found that lower speeds would not downgrade service to shippers. All rail lines would have to be in compliance with applicable standards within 3 years of enactment. Deferred maintenance would be prohibited.

The bill provides financial assistance for rehabilitation of rail lines in accordance with the required standards—$1.5 billion over a 3-year period in Federal grants, and $1 billion in loan guarantees. Grants would be available only to those railroads which could not repay a loan. Recipients of grants would have to spend at least as much of their own money on maintenance activities as they had been spending previously, and could not pay any dividends nor make nontransportation investments until the required rehabilitation work was completed and track was being kept up to standards. Recipients of guaranteed loans could not increase dividends or make nontransportation investments until the loan was repaid.

Mr. President, I am well aware that the financial assistance provisions of this legislation are quite substantial. But for at least 40 years, Government has turned its back on railroads while they have fallen into disrepair and decay. Now it is clear that we need railroads more than ever before, for both passenger and freight service. The bill for rehabilitation is long past due, and can no longer be evaded.

As I have already indicated, at least $3 billion is needed to rehabilitate track and roadbed. Between $650 million and $1 billion will be available to the Consolidated Rail Corporation under the Regional Rail Reorganization Act, but much of that money will have to go for yards, terminals, and rolling stock. Accordingly, I believe that the $2½ billion this bill authorizes is a reasonable estimate of what is needed in view of information presently available. When the bill is called for hearings, I am confident that more precise data will be developed in this regard.

Senator Hartke, the distinguished chairman of the Surface Transportation Subcommittee of the Committee on Commerce, shortly will discuss the justification for providing these funds to the railroad industry. I feel that such a step is not only justified, but is demanded by the past neglect and present state of our tracks and roadbeds. The bill we have introduced provides reasonable standards necessary for the creation of a first-class nationwide rail system and the funds necessary to assist in meeting those standards. Failure to respond in the present situation would be a betrayal of our responsibility to the railroads, the businesses which are dependent upon them and ultimately the American people.

Mr. HARTKE. Mr. President, I am pleased to cosponsor, along with my distinguished colleagues, the Interstate Railroad Act of 1974. Senator Weicker has pointed out the tremendous need to improve roadbed and trackage. I believe that it is fair to say that the deterioration of roadbed and trackage is the single most important problem facing the rail industry in the United States today. The increasingly drastic need to do something about the condition of our rail right-of-ways has already reached a crisis in vast areas of the Nation; the recent passage of the Regional Rail Reorganization Act of 1973 will hopefully lead to the upgrading of essential trackage in the area that has been most severely affected by the lack of proper maintenance—the Midwest and Northeast. This legislation represents the next step, and will not only build on whatever has been accomplished in the 17-State region covered by the recently enacted Regional Rail Reorganization Act, but also will address the problem of lack of adequate maintenance in the rest of the United States.

Senator Hathaway has pointed out that the track standards that have been promulgated by the Federal Railroad Administration are really little more than speed limits, and that they have not lead to either improved rights of ways or improved safety. I also concur in Senator Hathaway's conclusion that the Federal Government must become more involved in the rehabilitation of roadbed and track. The drastic consequences of a rail shutdown in the Northeast and Midwest were repeatedly pointed out during consideration of the Regional Rail Reorganization Act, and it illustrates the tremendous importance to the entire Nation of having an adequate rail system. The inadequate service that is all too frequently rendered by the railroads today involves tremendous costs to society.

Shippers tend to use more expensive, less energy-efficient modes of transportation in order to get adequate service. Consumers pay for these inefficiencies in higher prices. The environment may suffer because of increased deterioration of ambient air standards. Shortages of energy sources, particularly refined petroleum products, are aggravated. More highways are needed. Increasing numbers of railroad employees are injured or even killed. In short, inadequate rail freight services has dramatic and pervasive effects throughout society, and we cannot afford to allow what has already happened in the Midwest and Northeast to occur elsewhere.

As my distinguished colleagues have observed, the deterioration of roadbed and track not only affects freight service—it has a direct and immediate effect on passenger service as well. As chairman of the Surface Transportation Subcommittee, I have watched the ontime performance of Amtrak's intercity passenger trains go steadily downhill ever since 1970 when the Rail Passenger Service Act was passed. While many reasons have been alleged to account for this record of ever-worsening performance, without doubt one of the most important is the deteriorating state of our right-of-ways.

Senator Hathaway has already mentioned the size of the undertaking contemplated in this legislation. Most estimates of the expenditures needed to effect the rehabilitation and upgrading that would be required placed the cost at approximately $3 billion. Some of these costs can be met through the Regional Rail Reorganization Act, and much of the rest will be accomplished through the use of loans guaranteed by the United States. Some direct Federal expenditures will be necessary, and there are adequate provisions in the legislation in order to safeguard the interests of the public. More importantly, the expenditure of public moneys for the improvement of rail transportation must be viewed in the context of public involvement in and support for other modes of transportation. Especially in light of the absolutely critical necessity of a healthy rail transportation system to the needs of the United States, the required expenditures to produce that needed system are relatively minimal.

The financial requirement needed to improve rail transportation are very modest compared to what has been and is continuing to be spent on other modes of transportation by all levels of Government. The following is taken from statistics developed by the Association of American Railroads, which I presume are reasonably accurate:

STATISTICS

1921 THROUGH 1971

Highways: $326 billion.
Air Transport: $25 billion.[1]
Waterways: $15 billion.[2]
Railroads: $200 million.
Total, $368 billion.

1971 ONLY

Highways: $21 billion.
Air Transport: $2.3 billion.
Waterways: $920 million.
Railroads: $75 million.
Total, $25 billion.

For the Federal Government alone the figures are large enough:

1921 THROUGH 1971

Highways: $72.4 billion.
Air Transport: $16.2 billion.
Waterways: $9.1 billion.
Railroads: $65 billion.
Total, $98 billion.

1971 ONLY

Highways: $5.5 billion.
Air Transport: $1.6 billion.[1]
Waterways: $440 million.[2]
Railroads: $65 million.
Total, $7.6 billion.

On March 5, 1974, the Secretary of Transportation presented to the House Appropriations Committee the following actual and projected figures for transportation funding by the Federal Government, which indicate no significant change in the present imbalance:

OBLIGATIONS

[In millions of dollars]

	Fiscal year—		
	1973	1974	1975
Ground transportation:			
Highway improvement:			
Interstate/rural/safety/other	4,107	3,820	3,925
Urban	508	800	875
Mass transit	989	986	1,351
Traffic and highway safety	156	160	220
Railroads	160	318	267
Subtotal, ground transportation	5,920	6,084	6,638
Water transportation:			
Coast Guard (maritime safety, environmental protection, and facilitation)	808	833	903
Ocean shipping	710	573	549
Waterway/harbor improvement (Corps of Engineers)	490	541	538
Other	4	6	6
Subtotal, water transportation	2,012	1,953	1,996
Air transportation:			
Airways and airports	1,681	1,990	2,120
Air carrier subsidies	66	67	66
Subtotal, air transportation	1,747	2,057	2,186
Total for all modes	9,679	10,094	10,820
Percentage proposed for rail	(1.7)	(3.1)	(2.4)

If the first $500 million authorized by this bill is included in the projected total for fiscal year 1975, the railroad share of total transportation spending would rise from 2.4 to 6.7 percent—a modest share indeed in relation to the transportation job that modern railroads can do.

The fact that highway spending is covered in substantial part by user charges does not alter the force of these comparisons. User charges are not voluntary contributions by persons who want better highways; they are for the most part gasoline and other automotive excise taxes, the payment of which is a mandatory condition precedent to the operation of a motor vehicle. Thus the construction of highways is dependent upon the forcible collection of taxes by Federal and State Governments. Were it not for the exercise of Government tax powers, very few highways would be built.

Even if that portion of government transportation expenditures accounted for by user charges is completely disregarded, the amounts that have been and are continuing to be spent from general funds are enormous. Of the $368 billion spent since 1921, at least $100 billion came from general funds. Available figures indicate that in 1968, $3 billion of the total $17.8 billion spent on highways came from general funds. All of the waterway expenditures have come and will continue to come from general funds. While Congress has enacted an airport-airways user tax, it is estimated that for the period 1970–79 some $3.2 billion will continue to be spent from general funds for these purposes.

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[1] Includes direct subsidy and airway control.

[2] Excludes Merchant Marine, Coast Guard, and Intercoastal costs.

As my colleagues are well aware, there has been an outpouring of protest throughout the Northeast and Midwest against the Department of Transportation's recommendations for discontinuance of rail lines in the territory covered by the act. The major economic problem of branch lines is that they have deteriorated so badly on account of deferred maintenance that the cost of rehabilitation relative to potential revenues is prohibitive for any private company. This legislation would provide funds for rehabilitation of many of these lines, thus enabling continuation of rail freight service that is vital to the future of smaller communities and rural areas.

An additional public benefit of a track and roadway rehabilitation program which should not be overlooked is the provision of employment opportunity for unskilled and semiskilled workers, the labor category in which unemployment has been the most acute for a number of years.

For all these reasons, it seems most appropriate that Government assistance be expended to rehabilitate the railroads. The Federal Government must now begin to right the imbalance in transportation which its past taxing and spending policies have helped to create.

In addition to financing for rehabilitation, the bill provides funds for emergency reconstruction following natural disasters, and for research and development on track and roadbed. The bill requires the Secretary of Transportation and the Army Engineers to make a 2-year study of the long-term capital needs of the interstate railroad system, including line relocation, signal systems, grade crossing elimination, and electrification.

Title IV of the bill is intended to encourage rationalization of the railroad plant by means of joint trackage and facility arrangements. Under present law, trackage rights arrangements can come about only as a result of voluntary agreement. Railroad corporations have been historically reluctant to enter into such arrangements on a voluntary basis for fear that a competitor might get slightly the better part of the bargain. The bill gives the ICC authority to break the impasse when one railroad wants to economize by use of tracks or facilities of another which is not agreeable thereto.

This part of the bill is consistent with the philosophy that railroads are in some respects equivalent to public highways. For over a century, this principle has been recognized by the Supreme Court of the United States:

> That railroads, though constructed by private corporations and owned by them, are public highways has been the doctrine of nearly all the courts since such conveniences for passage and transportation have had any existence.
>
> Whether the use of a railroad is a public or private one depends in no measure upon the question of who constructed it or who owns it. It has never been questioned as a matter of any importance that the road was built by the agency of a private corporation. No matter who is the agent, the function performed is that of the state. Though the ownership is private, the use is public. So turnpikes, bridges, ferries, and canals, although made by individuals under public grants, or by companies, are regarded as *publici juris*. The right to exact tolls or charge freights is granted for a service to the public. The owners may be private companies, but they are compellable to permit the public to use their works in the manner in which such works can be used. That all persons may not put their own cars upon the road, and use their own motive power, has no bearing upon the question whether the road is a public highway. It bears only upon the mode of use, of which the legislature is the exclusive judge." *Olcutt* v. *The Supervisors,* 83 U.S. 678 at 694, 695 (1872).
>
> A railroad is a public highway, and none-the-less so because constructed and maintained through the agency of a corporation deriving its existence and powers from the State. Such a corporation was created for public purposes. It performs a function of the State. *Smyth* v. *Ames,* 169 U.S. 466 at 544 (1898).

To encourage maximum usage of this provision, the bill requires the ICC to take into consideration the extent to which railroads have availed themselves of it when passing on applications for freight rate increases and other financial relief.

The bill contains provisions for the protection of affected employees, both with regard to track and roadway rehabilitation work and with regard to trackage rights arrangements. Furthermore, the Secretary of Transportation is empowered to ascertain that the track standards are in fact complied with; and that rehabilitation work is done in an efficient and economic manner.

I am under no illusion that this bill is the total answer to the ailments affecting rail transportation. Other aspects, including freight car utilization, abandonments, and rate-making, are dealt with in bills in various stages of consideration by the Commerce Committee. However, in my opinion, none of the pending bills address the problem which the Interstate Railroad Act is aimed at—the deterioration and decay of track and roadbeds.

I look forward to the consideration of this legislation by the Senate Commerce Committee. There is no question regarding the need that the bill addresses itself to. Nor are any of its provisions set in concrete; as chairman of the Surface Transportation Subcommittee, I will be more than happy to entertain any comments or suggested changes in the bill which are designed to better effectuate the legislative intent.

Mr. President, I ask unanimous consent that the full text of the Interstate Railroad Act of 1974 be printed at the conclusion of my remarks along with a section-by-section analysis of the bill.

There being no objection, the bill and analysis were ordered to be printed in the RECORD, as follows:

S. 3343

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Interstate Railroad Act of 1974".

TITLE I—FINDINGS, PURPOSES, AND DEFINITIONS

CONGRESSIONAL FINDINGS AND DECLARATION OF PURPOSE

SEC. 101. The Congress finds that modern, efficient rail service is essential to interstate commerce and to national defense; that the international energy crisis requires more intensive use of fuel-economic freight and passenger trains; that better utilization of existing rail rights-of-way is more compatible with the environment in terms of land use, air pollution, and noise levels, than is expansion of facilities for other modes of transportation; that many railroad tracks and roadbeds have greatly deteriorated in recent years; that such deterioration has resulted in inferior railroad transportation for both freight and passengers, together with a sharp increase in train derailments; that rehabilitation of such tracks and roadbeds will provide substantial public benefits through improved rail freight and passenger service; that the efficiency and quality of railroad service and the economic utilization of the railroad plant can be improved by freer access by rail carriers to portions of rail lines they do not own; and that to obtain modern and efficient rail service it is necessary to designate a national network of essential rail lines, to require minimum standards of maintenance for rail lines, to provide Federal financial aid for rehabilitation, maintenance and modernization of rail lines, and to establish rights of access by rail carriers to rail lines they do not own.

DEFINITIONS

SEC. 102. For the purposes of this Act the term—

(1) "Commission" means the Interstate Commerce Commission;

(2) "Office" means the Rail Services Planning Office of the Interstate Commerce Commission established by the Regional Rail Reorganization Act of 1973, P.L. 93–236;

(3) "rail carrier" includes railroad companies; mail, express, or less-than-carload rail freight carriers; State, regional, or local transportation agencies; the National Railroad Passenger Corporation; and other private rail passenger carriers;

(4) "rail line" includes main track or tracks; side tracks and yard tracks adjacent to such main tracks; the roadbed supporting such tracks; bridges, culverts, fills, tunnels, and other structures occupied by such tracks and roadbed; real estate occupied by such tracks and roadbed; and real estate adjacent to such tracks and roadbed needed for drainage of, maintenance of, access to and protection of such tracks and roadbed;

(5) "railroad company" means a class I or class II railroad, including switching and terminal companies, as designated by the Interstate Commerce Commission and subject to part I of the Interstate Commerce Act;

(6) "Secretary" means the Secretary of Transportation; and

(7) "System" means the Interstate Railroad System established by this Act.

TITLE II—INTERSTATE RAILROAD SYSTEM

INVENTORY OF RAIL LINES

SEC. 201. (a) Within thirty days after the date of enactment of this Act, all rail carriers shall provide the Secretary and the Office with one copy each of the latest edition of all employees operating timetables, with related special instructions; all temporary and semipermanent "slow Orders" currently in effect; all other current restrictions on train operation not included in the preceding items; and a verified statement indicating the highest speeds authorized at any time in the past on each given rail line for freight and passenger trains, including the dates between which such speeds were authorized.

(b) Additions, deletions, and changes in the information required to be provided by subsection (a) shall be promptly forwarded to the respective parties on a continuing basis.

INITIAL DESIGNATION OF SYSTEM

SEC. 202. (a) The initial Interstate Railroad System shall consist of all rail lines operated by domestic railroad companies which as of the date of enactment of this Act are subject to traffic usage of at least twenty million gross ton-miles per year.

(b) Within thirty days after the date of enactment of this Act, the Secretary shall release a concise descriptive summary, together with a map, of all rail lines included within the initial System.

HEARINGS BY COMMISSION

SEC. 203. Commencing thirty days after release of the designation of the initial System, the Office shall hold public hearings both in the District of Columbia, and in other parts of the country. Notice of the dates, times, and places of such hearings shall be given in a manner as to assure a full and fair opportunity to be heard for consumers, shippers, industry, labor, and State and local governments.

RECOMMENDATIONS OF COMMISSION

SEC. 204. Within one hundred and twenty days after release of the designation of the initial System by the Secretary, the Office shall release and report to the Secretary its recommendations for additions and deletions thereto. In making its recommendations, the Office shall use the information developed during the hearings, and shall take into consideration the interests of persons, communities, States, and regions affected thereby; the existing pattern of service by rail carriers and alternative modes; present and future economic and population patterns; and the public interest in a balanced, integrated, competitive, and economical transportation system responsive to the needs of the users of such Systems. Such report shall include findings in support of each recommended addition to or deletion from the initial System.

FINAL DESIGNATION OF SYSTEM

SEC. 205. (a) Upon receiving the recommendations of the Office, the Secretary shall within thirty days, after giving all consideration to such recommendations, and with the cooperation and assistance of the Office, prepare, and transmit to the Congress the final Interstate Railroad System. The report of the Secretary shall include findings in support of each addition to or deletion from the initial System. To the extent consistent with the purposes of this Act, the Secretary shall not designate as part of the System rail lines which are parallel to, and duplicative of, other lines included in the System. The report shall identify all short-to-medium distance corridors in densely populated areas in which major upgrading of rail lines for passenger operations at speeds of one hundred and twenty miles an hour or over would return substantial public benefits in relation to the cost of such upgrading.

(b) The System as designated by the Secretary shall be deemed approved at the end of the first period of sixty calendar days of continuous session of Congress after transmittal unless either the House of Representatives or the Senate passes a resolution during such period stating that it does not approve the System. If either body passes a resolution of disapproval, the Secretary with the cooperation and assistance of the Office shall prepare and adopt a revised System. Each such revision shall be submitted to Congress for review pursuant to this subsection. For purposes of this subsection, continuity of Congress is broken only by an adjournment sine die, and the days on which either House is not in session because of an adjournment of more than three days to a day certain are excluded in the computation of the sixty-day period. Upon becoming effective after review by the Congress, the System shall not be subject to review by any court.

MODIFICATION OF SYSTEM

SEC. 206. (a) At any time after the expiration of five years following the designation of the System under section 205 of this title, any party having an interest may request the Secretary to add or delete rail lines to or from such System. The Secretary shall make the addition or deletion if consistent with the public interest. Approval of a deletion shall not be considered by the Commission as evidence in an abandonment proceeding that service on the line deleted is no longer required by public convenience and necessity.

(b) Requests for deletions from the System on account of an agreement for joint use of rail lines, or an application for such joint use filed under section 301 of this Act, may be made at any time.

ACCESS TO INFORMATION

SEC. 207. All rail carriers shall provide such information as may be requested by the Secretary or by the Office in connection with the performance of their respective functions under this Act. The Secretary or the Office may obtain any such information by subpoena. In case of contumacy by, or a refusal to obey a subpoena served on, a rail carrier under this section, the district courts of the United States, upon application by the Attorney General upon request of the Secretary or the Office, shall have jurisdiction to issue an order requiring production of the information, and any failure to obey such order of the court may be punished by the court as a contempt thereof. Nothing in this section shall authorize the withholding by the Secretary, the Office, or any rail carrier of any information from the duly authorized committees of the Congress.

ADMINISTRATIVE EXPENSES

SEC. 208. There is hereby authorized to be appropriated, to remain available until expended for purposes of this Title—

(a) For the Secretary, $1,000,000, and

(b) For the Office, $1,000,000.

TITLE III—REHABILITATION, MAINTENANCE, AND MODERNIZATION OF RAIL LINES

MAINTENANCE STANDARDS

SEC. 301. (a) Within one hundred and twenty days after the date of enactment of this Act, the Secretary shall prescribe standards for maintenance of all rail lines. In formulating such standards, the Secretary shall be guided by preferred or recommended practices from an engineering and economic standpoint as distinct from minimum requirements for safety.

(b) Rail lines included within the System shall be maintained for smooth and dependable operation of freight trains at speeds up to sixty miles an hour. Upon application and for good cause shown, the Secretary may require a standard of maintenance on any given System rail line which will allow higher speeds.

(c) All other rail lines shall be maintained for smooth and dependable operation of freight trains at the highest speeds operated at any previous time on each given rail line. Upon application and proof that service to freight shippers will not be adversely affected, the Secretary may allow a standard of maintenance on any given non-System rail line that is sufficient for lower speeds than were previously operated.

PERFORMANCE OF WORK

SEC. 302. (a) All rail lines shall be in compliance with standards prescribed in accordance with this title on or before the expiration of three years following the date of enactment of this Act.

(b) Within one hundred eighty days after the date of enactment of this Act, all owners and possessors of rail lines shall file with the Secretary a detailed schedule of proposed short term and long term maintenance activities to be performed on each rail line on a regular basis to assure that all rail lines are kept maintained in accordance with the applicable standards. If the Secretary does not believe that the proposed maintenance activities will be adequate, he may require an appropriate revision of the schedule. Deferral of any scheduled maintenance activity is hereby prohibited.

PROTECTION OF EMPLOYEES

SEC. 303. (a) No owner or possessor of rail lines shall contract out any project for rehabilitation or maintenance work required by this Act of a value of over $450 per month in labor and materials which is normally performed by employees in any bargaining unit covered by a labor agreement between such owner or possessor and any labor organization.

(b) Owners and possessors of rail lines shall take such action as may be necessary to insure that all laborers and mechanics employed by contractors and subcontractors in the performance of construction work financed with the assistance of funds received under this Act shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act. No one shall enter into any construction contract or agreement without first obtaining adequate assurance that required labor standards will be maintained on the construction work. Health and safety standards promulgated by the Secretary of Labor pursuant to section 107 of the Contract Work Hours and Safety Standards Act (40 U.S.C. 333) shall be applicable to all construction work performed under such contracts or agreements, except any construction work performed by an employee of a railroad company. Wage rates provided for in collective bargaining agreements negotiated under and pursuant to the Railway Labor Act shall be considered as being in compliance with the Davis-Bacon Act.

REHABILITATION ASSISTANCE GRANTS

SEC. 304. (a) The Secretary is authorized, upon application of a railroad company which he finds—

(1) is unable to finance from its own resources the rehabilitation work required by this Act; and

(2) does not qualify for loan guarantees under section 305 of this title on account of an uncertain ability to repay a guaranteed loan,

to make rehabilitation assistance grants for the purpose of enabling such railroad company to comply with the provisions of this title, upon such terms and conditions as are just and reasonable and consistent with the public interest. Applications shall specify the estimated itemized cost of rehabilitation work to be performed with the proceeds of grants. Not more than ten per centum of the total grants made within any twelve-month period shall be made to any single railroad company, including controlled affiliates and subsidiaries.

(b) Upon receipt of an application for a rehabilitation assistance grant, the Secretary shall cause a notice of such application to be published in the Federal Register and shall invite and afford interested persons an opportunity to submit comments on such application at a proceeding to commence within twenty-one days of the date of the publication of such application. General notice of such proceedings shall be published in the Federal Register. Such notices shall include—

(1) a statement of the time, place, and nature of the proceedings; and

(2) a description of the subjects and issues involved.

(c) No railroad company which receives a grant under this section shall pay any dividend on any class of stock or make any investments in nontransportation enterprises thereafter unless and until the Secretary certifies—

(1) that the work to be performed with the proceeds of such grant has been satisfactorily completed; and

(2) that the railroad company is in compliance with section 302(b) of this title regarding ongoing maintenance activities.

(d) A recipient of a grant shall be obligated to spend during each calendar year so long as the required rehabilitation work is not completed, at least as much of its own funds for rehabilitation and maintenance of rail lines as it spent during calendar year 1973. The required amounts for succeeding years shall be adjusted upward to reflect changes in the appropriate price and wage indices.

(e) The Secretary shall ascertain that recipients of such grants accomplish the required rehabilitation work in an economic and efficient manner.

(f) The Secretary shall not commit funds under this section beyond those available during the fiscal year in which the applications are made. During succeeding fiscal years the Secretary may consider additional applications in accordance with availability of funds.

(g) There is hereby authorized to be appropriated to the Secretary to remain available until expended for purposes of this section $500,000,000 in each of the three fiscal years ending June 30, 1975, 1976, and 1977.

REHABILITATION ASSISTANCE LOAN GUARANTEES

SEC. 305. (a) The Secretary is authorized, after application from an owner or possessor of rail lines, to guarantee any lender against loss of principal and interest on securities, obligations, or loans (including refinancings thereof) issued to finance rehabilitation work required by this Act upon such terms and conditions as are just and reasonable and consistent with the public interest. Applications shall specify the estimated itemized cost of rehabilitation work to be performed with the proceeds of guaranteed loans. In passing upon applications, the Secretary shall consider the ability of the applicant to repay the loan and the relative ability of applicants to pay for the required rehabilitation work from their own resources or from non-guaranteed commercial loans.

(b) Upon receipt of an application for a loan guarantee, the Secretary shall cause a notice of such application to be published in the Federal Register and shall invite and afford interested persons an opportunity to submit comments on such application at a proceeding to commence within twenty-one days of the date of the publication of such application. General notice of such proceedings shall be published in the Federal Register. Such notice shall include—

(1) a statement of the time, place, and nature of the proceedings; and

(2) a description of the subjects and issues involved.

(c) (1) The rate of interest payable on any loan guaranteed by the Secretary under this section shall not exceed the per centum per annum rate on the unpaid principal of such loan determined by the Secretary to be reasonable upon consideration of the range of interest rates currently prevailing in the private market for similar loans.

(2) The maturity date of such loans, including all extensions and renewals thereof, shall not be more than twenty years from the date of issuance.

(3) The aggregate unpaid principal amount of such loans outstanding at any one time may not exceed $1,000,000,000.

(4) The Secretary shall prescribe and collect a reasonable annual fee for guarantees made under this section.

(d) No railroad company which receives such a loan guarantee shall thereafter increase any dividend disbursement on any class of stock or make any investment in nontransportation enterprises unless and until the principal and interest of the loan is fully repaid.

(e) The Secretary shall ascertain that recipients of such loan guarantees accomplish the required rehabilitation work in an economic and efficient manner.

(f) All guarantees entered into by the Secretary under this section shall constitute general obligations of the United States of America backed by the full faith and credit of the Government of the United States of America. Any such guarantee shall not be terminated, canceled, or otherwise revoked; shall be conclusive evidence that such guarantee complies fully with the provisions of this Act and of the approval and legality of the principal amount, interest rate, and all other terms of the securities, obligations, or loans and of the guarantee; and shall be valid and incontestable in the hands of a holder of a guaranteed security, obligation, or loan, except for fraud or material misrepresentation on the part of such holder.

(g) There are authorized to be appropriated to the Secretary such amounts, to remain available until expended, as are necessary to discharge his obligations to honor loan guarantees made under this section.

(h) Upon default of any payment of principal or interest on any loan guaranteed by the Secretary under this section, the Secretary shall issue to the Secretary of the Treasury notes or other obligations in such forms and denomination, bearing such maturities and subject to such terms and conditions, as may be prescribed by the Secretary of the Treasury. Redemption of such notes or obligations shall be made by the Secretary from appropriations available under subsection (g) of this section. Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average market yield on outstanding marketable obligations of the United States of comparable maturities during the month preceding the issuance of such notes or other obligations. The Secretary of the Treasury shall purchase any notes or other obligations issued hereunder and for that purpose he is authorized to use a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under that Act, as amended, are extended to include any purchase of such notes or obligations. The Secretary of the Treasury may at any time sell any of the notes or other obligations as acquired by him under this subsection. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or other obligations shall be treated as public debt transactions of the United States.

EMERGENCY RECONSTRUCTION GRANTS

SEC. 306. Any railroad company may apply to the Secretary for a grant to reconstruct railroad lines which have been damaged or destroyed by flood, washout, windstorm, earthquake, or other unforeseeable disaster outside the control of the applicant. Such assistance shall not be extended to applicants which are able to finance reconstruction with their own resources. There is hereby authorized to be appropriated to the Secretary such sums as are necessary to carry out this section, not to exceed $10,000,000 in any one fiscal year.

RESEARCH AND DEVELOPMENT

SEC. 307. The Secretary shall undertake a continuing program of research and development, including demonstration projects, into improving the stability, ride quality, longevity, and maintenance economics of railroad track and roadbed. There is hereby authorized to be appropriated to the Secretary for purposes of this section to remain available until expended $10,000,000 in each of the three fiscal years ending June 30, 1975, 1976, and 1977.

LONG-TERM CAPITAL IMPROVEMENT NEEDS

SEC. 308. (a) Within two years after enactment of this Act, the Secretary and the Corps of Engineers, United States Army shall jointly undertake and carry out a study of the long-term capital needs for modernization of signal systems, line relocation, tunneling, highway grade crossing elimination, electrification, and other major upgrading of the Interstate Railroad System, including the high density corridors identified by the report required by section 205 of this Act. The study shall include recomendations for investment priorities among the various possible upgrading projects. The study shall evaluate the form and extent to which the Federal Government should assist with the financing of such upgrading.

(b) Upon completion of the study, the Secretary and the Corps of Engineers shall submit to the President and to the Congress, and shall release to the public, a full report thereon together with their recommendations for such legislative, administrative, and other actions as they deem appropriate for implementing the report.

(c) There is hereby authorized to be appropriated to the Secretary and to the Corps of Engineers for purposes of this section $1,000,000 each.

TITLE IV—ACCESS TO RAIL LINES AND FACILITIES AUTHORITY TO ORDER ACCESS

SEC. 401. (a) Upon application of any rail carrier for the use of any rail line or other facility, the Commission shall by order, if it finds that such will not substantially impair the ability of the owner or possessor of such rail line or other facility to handle its own business, require such owner or possessor to permit the applicant to use such rail line or other facility upon such terms and conditions and for such compensation as is just and reasonable under the circumstances: *Provided*, That compensation for such use by passenger carriers shall not exceed the incremental expenses incurred by the owner or possessor as a result of such use.

(b) Applications by passenger carriers under this section shall be acted upon by the Commission within ninety days after such application is filed.

MODIFICATION OF EXISTING ARRANGEMENTS

SEC. 402. If under any arrangement for the use of a rail line or other facility which is in effect at the time of enactment of this Act, or which is entered into subsequently, a party desires modification in the terms or conditions, including compensation, such party may apply to the Commission for an order fixing revised terms or conditions as may be consistent with section 401.

PROTECTION OF EMPLOYEES

SEC. 403. (a) In connection with any transaction under this title for access to rail lines or other facilities, the rail carrier whose employees will be affected by such action shall be required to protect the interests of its respective employees. Such protective arrangements shall be those agreed to by the rail carrier and the representatives of its employees, or in the absence of such agreement, as the Commission may determine.

Such protective arrangements shall be included in any order which authorizes such transaction.

(b) The protective arrangements required by paragraph (a) shall protect individual employees from the date first affected against a worsening of their positions with respect to their employment and shall include, without being limited to, such provisions as may be necessary (A) to provide for notice and negotiation and execution of implementing agreements prior to the interests of employees being affected: *Provided, however,* That where such implementing agreement has not been executed within thirty days after the date on which the action became effective either party may submit for binding arbitration any unresolved questions in connection therewith, the arbitration decision to be rendered if possible within thirty days thereafter, but if such decision is for any reason delayed beyond said thirty days, the rights of the parties to such arbitration shall not be affected; (B) for the preservation of compensation (including subseqeunt wage increases), rights, privileges, and benefits (including fringe benefits such as pensions, hospitalization, vacations, and the like, under the same conditions and so long as such benefits continue to be accorded to other employees of the rail carrier in active service or on furlough as the case may be) to such employees under existing collective-bargaining agreements or otherwise; and (C) to provide for the arbitration of disputes arising out of the protective arrangements which cannot be settled by the parties. In such arbitrations the burden shall be upon the rail carrier to prove that the employee was not affected by the action taken. In no event shall said arrangements provide benefits less than those established pursuant to section 5(2)(f) of the Interstate Commerce Act.

EFFECT ON OTHER APPLICATIONS TO COMMISSION

SEC. 404. In passing upon any application by a rail carrier for increased freight rates, increased division of revenues, or other financial relief, the Commission shall consider and determine the extent to which such carrier has availed itself of the provisions of this title to effect economies and efficiencies in its operations. Upon granting such application in whole or in part, the Commission may condition such relief on the filing of an appropriate application under this title.

TITLE V— RECORDS, REPORTS, ADMINISTRATION, AND ENFORCEMENT BOOKS AND RECORDS

SEC. 501. All books, records, papers and documents of the Secretary relating to this Act, including material supplied to the Secretary in accordance with sections 201 and 207 of this Act, shall at all times be open to public inspection. Any person desiring to inspect such material shall reimburse the Secretary for the time of his employees required to assist with such inspection. Any person requesting reproduction of any material shall reimburse the Secretary for the cost of such reproduction.

QUARTERLY AND ANNUAL REPORTS

SEC. 502. (a) Within thirty days following the end of each quarter of the year, the Secretary shall submit to the Congress and release to the public a complete report of his activities and finances under this Act for the previous quarter. Such report shall include, but not be limited to, the amount and location of new and relay rail laid; ties installed or replaced; and miles of track surfaced. The report shall set forth the number, nature, and location of inspections of rail lines made by the Secretary's personnel, and the extent to which each and every rail line falls short of compliance with the standards promulgated under this Act.

(b) On or before October 31 of each year, the Secretary shall submit to the President and to the Congress, and release to the public, a comprehensive and detailed report of his activities and accomplishments pursuant to this Act during the preceding fiscal year, including a balance sheet and statement of receipts and expenditures. The report shall include a projection of receipts and expenditures for the current fiscal year, and a proposed budget for the forthcoming fiscal year, which shall provide specific justification for each and every proposed expenditure.

ADVISORY COMMITTEE

SEC. 503. (a) The following organizations are requested to each appoint, within thirty days after the date of the enactment of this Act, a representative to form an advisory committee for the purpose of this section:

(1) National Association of Regulatory Utility Commissioners;

(2) National Governors Conference;

(3) Association of American Railroads;

(4) National Railroad Passenger Corporation;

(5) Congress of Railway Unions;

(6) Railway Labor Executives Association;

(7) National Industrial Traffic League; and

(8) National Association of Railroad Passengers.

(b) Such committee is requested to (1) monitor the activities of the Secretary pursuant to this Act, and (2) upon the expiration of one year after the date of enactment of this Act, and after each following year, submit to the Secretary and to the Congress and release to the public a report evaluating the effectiveness of this Act in achieving the objectives thereof declared by the Congress.

INSPECTION AND INVESTIGATION

SEC. 504. The Secretary is authorized to perform such acts, including, but not limited to, conducting investigations, holding hearings, making reports, prescribing recordkeeping and reporting requirements, promulgating rules and regulations, and delegating to any public bodies or qualified persons functions respecting examination, inspecting, and testing of railroad facilities as he deems necessary to carry out the provisions of this Act. Officers, employees, or agents of the Secretary are authorized to enter upon, inspect, and examine railroad facilities and pertinent books, papers, and records. Such officers, employees, and agents shall display proper credentials when requested.

RIGHT TO COURT ORDERS

SEC. 505. The United States district courts shall, at the request of the Secretary and upon petition by the Attorney General on behalf of the United States, have jurisdiction, subject to the provisions of rules 65 (a) and (b) of the Federal Rules of Civil Procedure, to enforce the provisions of this Act and the rules, regulations and standards of the Secretary issued thereunder, by the issuance of injunctions or restraining orders or by the granting of such other relief as may be appropriate.

PENALTIES

SEC. 506. (a) It shall be unlawful for any railroad company to disobey, disregard, or fail to adhere to the provisions of this Act or to any rule, regulation, standard, or condition prescribed by the Secretary under this Act.

(b) Any railroad company violating any rule, regulation, standard, or condition referred to in subsection (a) shall be assessed by the Secretary a civil penalty for violation thereof in such amount, not less than $250 nor more than $10,000, as he deems reasonable. Each day of such violation shall constitute a separate offense.

(c) Such civil penalty is to be recovered in a suit or suits to be brought by the Attorney General on behalf of the United States in the district court of the United States having jurisdiction in the locality where such violation occurred. Civil penalties may, however, be comprised by the Secretary for any amount, but in no event for an amount less than the minimum provided in this section, prior to referral to the Attorney General. The amount of any such penalty when finally determined, or the amount agreed upon in compromise, may be deducted from any sums owing by the United States to the person charged. All penalties collected under this Act shall be covered into the Treasury as miscellaneous receipts.

SUBPENAS IN COURT ACTIONS

SEC. 507. In any action brought under this Act, subpenas for witnesses who are required to attend a United States district court may run into any other district.

OTHER RIGHTS AND LIABILITIES RESERVED

SEC. 508. Nothing contained in this Act shall be construed as depriving any person of any right of action which he may have otherwise than under this Act, or of relieving any person of any punishment, liability, or sanction which may be imposed otherwise than under this Act.

ADMINISTRATIVE EXPENSES

SEC. 509. There is hereby authorized to be appropriated to the Secretary such sums as are necessary for administration and enforcement of this Act, not to exceed $10,000,000 in any one fiscal year. Wherever feasible, the Secretary shall make use of personnel and facilities employed under the Rail Safety Act of 1970 (45 U.S.C. 421 et seq.) in carrying out his responsibilities under this Act.

TITLE VI—MISCELLANEOUS PROVISIONS

ANTITRUST EXEMPTION

SEC. 601. Persons contracting for the joint use of railroad tracks and facilities shall be and hereby are relieved from all prohibitions of existing law, including the antitrust laws of the United States, with respect to such contracts, agreements, or leases insofar as may be necessary to enable them to enter into such contracts and to perform their obligations thereunder.

EVIDENCE IN DIVISIONS CONTROVERSIES

SEC. 602. For a period of five years following the date of enactment of this Act, evidence that the operating expenses of any rail carrier were reduced as a consequence of any direct or indirect assistance provided by this Act shall not be admissible as evidence before the Commission in any controversy involving the division of revenues.

SEPARABILITY

SEC. 603. If any provision of this Act or the application thereof to any person or circumstances is held invalid, the remainder of the Act and the application of such provision to other persons or circumstances shall not be affected thereby.

AMENDMENT OF OTHER LAWS

SEC. 604. (a) Section 3(5) of the Interstate Commerce Act (49 U.S.C. 3(5)) is hereby repealed.

(b) Section 5(2)(a) of such Act is amended by striking out the semicolon and "or" at the end of clause (i) and inserting in lieu thereof a period and by striking out clause (ii).

SECTION-BY-SECTION ANALYSIS OF "INTERSTATE RAILROAD ACT OF 1974"

TITLE I—FINDINGS, PURPOSES, AND DEFINITIONS

Section 101. Congressional Findings and Declaration of Purpose—Sets forth the reasons why modern rail service is needed; the problems afflicting rail service on account of deteriorated track and roadbed; and declares that "to obtain modern and efficient rail service it is necessary to designate a national network of essential rail lines, to require minimum standards of maintenance for rail lines, to provide Federal financial aid for rehabilitation of rail lines, and to establish rights of access by rail carriers to rail lines they do not own."

Section 102. Definitions—Self-explanatory.

TITLE II—INTERSTATE RAILROAD SYSTEM

Section 201. Inventory of Rail Lines—Requires railroads to supply basic information on signaling, speed limits, etc. on all rail lines to the Secretary of Transportation and the Interstate Commerce Commission.

Section 202. Initial Designation of System—Requires the Secretary of Transportation to provide a map of high-density rail lines throughout the United States, which lines are declared to be the "initial" Interstate Railroad System.

Section 203. Hearings by Commission—Requires the Rail Services Planning Office of the ICC to hold public hearings on the "initial" System.

Section 204. Recommendations of Commission—Calls on the RSPO to submit to the Secretary its recommendations for additions and deletions to and from the "initial" System.

Section 205. Final Designation of System—Calls on the Secretary to prepare and submit to the Congress a report setting forth the final Interstate Railroad System, which becomes effective in sixty days unless the Congress passes a resolution of disapproval, in which case the report must be revised and resubmitted.

Section 206. Modification of System—Allows for additions to and deletions from the System on or after five years after it is designated, with the exception of requests for deletions arising out of trackage rights arrangements, which may be made at any time.

Section 207. Access to Information—Empowers the Secretary and the ICC to obtain necessary information relating to their respective functions from railroad companies.

Section 208. Administrative Expenses—Authorizes $1,000,000 each to the Secretary and to the ICC for expenses in connection with the process of designation of the System.

TITLE III—REHABILITATION AND MAINTENANCE OF RAIL LINES

Section 301. Maintenance Standards—Requires the Secretary to set maintenance standards for rail lines in accordance with "preferred or recommended practices from an engineering and economic standpoint as distinct from minimum requirements for safety." Interstate System lines must be maintained for smooth and dependable 60 MPH freight operation; other lines for smooth and dependable freight operation at the highest speeds previously authorized.

Section 302. Performance of Work—Requires compliance with standards within three years of enactment; prohibits deferred maintenance.

Section 303. Protection of Employees—Limits "contracting out" of maintenance or rehabilitation work; applies Davis-Bacon Act to contracted work.

Section 304. Rehabilitation Assistance Grants—Provides Federal grants of $500 million per year for three years for performance of required rehabilitation work by railroads which have insufficient resources of their own and are unable to repay a guaranteed loan. The payment of dividends and the making of non-transportation investments would be prohibited until the work was completed. Recipients of grants would be required to spend at least as much in successive years on maintenance from their own resources as they had spent during 1973.

Section 305. Rehabilitation Assistance Loan Guarantees—Authorizes $1 billion in Federal loan guarantees for performance of required rehabilitation work. Recipients of loan guarantees could not increase dividends nor make non-transportation investments until the loans were repaid.

Section 306. Emergency Reconstruction Grants—Provides Federal grants of up to $10 million a year for reconstruction of rail lines destroyed by natural disasters such as floods.

Section 307. Research and Development—Provides $10 million per year for three years to the Secretary for research and development on improved track and roadbed.

Section 308. Long Term Capital Improvement Needs—Calls on the Secretary and the Army Engineers to make a two year study of long term capital needs for modernization of signal systems, line relocation, tunneling, grade crossing elimination, and electrification; authorizes appropriation for this purpose of $2 million.

TITLE IV—ACCESS TO RAIL LINES AND FACILITIES

Section 401. Authority to Order Access—Empowers the ICC to order a railroad to allow another rail carrier to use its tacks and facilities upon payment of fair compensation, which in the case of passenger carriers shall not exceed incremental costs.

Section 402. Modification of existing Agreements—Allows parties to existing track and facility agreements to apply to ICC for a modification of the terms and conditions thereof.

Section 403. Protection of Employees—Provides severance pay and other benefits for employees who may be adversely affected by joint track and facility arrangements.

Section 404. Effect on Other Applications to Commission—Requires the ICC to consider the extent to which railroads have availed themselves of the potential economies of joint track and facility arrangements when they apply for higher freight rates, etc.

TITLE V—BOOKS, RECORDS, ADMINISTRATION, AND ENFORCEMENT

Section 501. Books and Records—Requires that all records of the Secretary relating to this Act be open to public inspection.

Section 502. Quarterly and Annual Reports—Requires the Secretary to make comprehensive reports on his activiites under the Act and on the maintenance activities and state of compliance of the railroads.

Section 503. Advisory Committee—Sets up an Advisory Committee to report to the Secretary and to the Congress on the effectiveness of the Act in achieving its objectives.

Section 504. Inspection and Investigation—Empowers the Secretary to inspect and investigate railroad facilities in furtherance of his duties under the Act.

Section 505. Right to Court Orders—Authorizes Federal courts to issue orders enforcing the provisions of the Act.

Section 506. Penalties—Provides civil penalties of up to $10,000 a day against railroads violating the Act.

Section 507. Subpoenas in Court Actions—Allows subpoenas to run into any Federal court district.

Section 508. Other Rights and Liabilities Reserved—Preserves whatever legal relief is available under other Acts.

Section 509. Administrative Expenses—Authorizes $10 million a year for the Secretary's expenses under the Act.

TITLE VI—MISCELLANEOUS PROVISIONS

Section 601. Anti-Trust Exemption—Relieves parties to joint track and facility arrangements from the provisions of the antitrust laws.

Section 602. Evidence in Divisions Controversies—Protects rail carriers who achieve economies by virtue of this Act from being adversely affected on that account in division of revenue controversies.

Section 603. Seperability—Self-explanatory.

Section 604. Amendment of Other Laws—Eliminates provisions of the Interstate Commerce Act prohibiting voluntary track and facility joint use agreements, and giving the ICC power to order joint terminal arrangements on its own motion.

By Mr. KENNEDY:

S. 3344. A bill to authorize appropriations for activities of the National Science Foundation, and for other purposes. Referred to the Committee on Labor and Public Welfare.

Mr. KENNEDY. Mr. President, today I am introducing legislation authorizing appropriations for the National Science Foundation for fiscal 1975.

This authorization reflects the testimony heard by the Special Subcommittee on the National Science Foundation during hearings last week on the Foundation's proposed programs for the coming year. During those hearings, concern was expressed that, despite significant increases in the funding for energy research programs, insufficient funds were budgeted for other aspects of the Foundation's work. We also had the opportunity to examine the budget request submitted by the Foundation to the Office of Management and Budget, and to compare those figures with the authorization as sent to the Congress by the administration.

Based on the hearing record, I am today sending to the desk an authorization in the amount of $850.3 million for the Foundation for fiscal 1975. The programs funded by the Foundation are an investment in discovery and innovation. They may lead us to new sources of energy, to advances which will create new industries and transform old ones, and to increased understanding of the principles which govern the physical, life, and social sciences—understanding which is essential if we are to enhance the quality of life.

It is the responsibility of the National Science Foundation to see that our scientists receive the financial support they need to carry forward promising research. As the only Federal agency with a direct mandate to strengthen science and education in science, it is called on to perform a critically important and unique function.

The funds authorized in the legislation I am sending to the desk today will insure that the Foundation is able to meet those responsibilities.

By Mr. TUNNEY:

S.J. Res. 205. Joint resolution authorizing the President to proclaim the last week of June each year as "National Autistic Children's Week." Referred to the Commitee on the Judiciary.

NATIONAL AUTISTIC CHILDREN'S WEEK

Mr. TUNNEY. Mr. President, last year, Congress successfully passed a bill declaring the last week of June of each year as "National Autistic Children's Week". I am introducing that resolution again today with the hope that this June, through the observance of National Autistic Children's Week, we can once more gain awareness and support.

As a result of National Autistic Children's Week last year, tremendous strides were made in increasing public awareness. Contributions for materials for publicity allowed the National Society for Autistic Children to distribute 30,000 posters and 8,000 canisters. Over 500 newspaper and magazine articles were printed, 2,612 radio spots were broadcast as were 150 television spots. Many of the radio and television spots are still being used. Consequently, the National Society for Autistic Children Information and Referral Service has received thousands of requests for information.

If the above statistics are the result of an initial effort, I can only believe that National Autistic Children's Week this year will be many more times as effective.

There are over 80,000 children diagnosed as autistic in the United States today. A great deal has been accomplished in the last few years, but even more needs to be done. We must continue to provide the care and treatment for those individuals who unfortunately cannot care for themselves. Through time, education and understanding and a considerable amount of support by the community, we may one day be able to strike autism from the long list of mental disorders.

An interesting article relating to autism recently appeared in the April 8, 1974, issue of Newsweek Magazine, "Troubled Children: The Quest for Help," by Matt Clark. I ask unanimous consent that the article be printed in the Record at this time. I also ask unanimous consent that the joint resolution be printed in the Record.

There being no objection, the joint resolution and articles were ordered to be printed in the Record, as follows:

S.J. Res. 205

Joint resolution authorizing the President to proclaim the last week of June of each year as "National Autistic Children's Week"

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is authorized and requested to issue a proclamation each year designating the week which begins on June 24 as "National Autistic Children's Week," and calling the attention of the people of the United States to the plight of the autistic child, and the services which are available to help such children and their families.

Troubled Children: The Quest for Help

(By Matt Clark)

The control of the often deadly diseases of childhood is the proudest achievement of medical progress in this century. Thanks to vaccines and antibiotics, the average American child no longer must run a gauntlet of physical threats such as the crippling effects of polio, the heart damage of rheumatic fever or diphtheria's death by slow strangulation. Thanks to better nutrition, today's children grow inches taller and pounds heavier than their forebears did. In short, the American youngster has never had better prospects for a long and healthy life.

But for all that modern medicine has done to protect and nourish the child's body, surprisingly little has been done to assure him of an equally healthy mind. Despite all the talk about American's child-centered society and all the best sellers purporting to tell parents how to raise happy, well-adjusted youngsters, the number of emotionally troubled children is appallingly high.

By the most conservative estimate, at least 1.4 million children under the age of 18 have emotional problems of sufficient severity to warrant urgent attention. As many as 10 million more require psychiatric help of some kind if they are ever to achieve the potential that medical progress on other fronts has made possible. "If we used really careful screening devices," says Dr. Joseph D. Noshpitz, president of the American Academy of Child Psychiatry, "we would probably double and maybe treble the official statistics."

The hard core of these children are those who are autistic or schizophrenic. They are helplessly withdrawn from reality and exist in an inner world that is seldom penetrated by outsiders. More than 1 million other children are hyperkinetic. They turn both living rooms and classrooms into shambles by their frenetic and uncontrollable physical activity. Millions more troubled children are plagued by neurotic symptoms. They are haunted by monster-ridden nightmares, frightened of going to school, held in the grip of strange compulsive rituals or lost in the loneliness of depression. Harder to pinpoint but just as troubled are those who simply don't function in society. They fail in school, they run away, they fight, they steal. Eventually, they fill reform schools and prisons.

Until recently, childhood emotional disorders have been tragically neglected as a national health problem of dramatic proportions. Because of his bizarre and often repellent behavior, the emotionally disturbed youngster has never made an appealing poster child for mothers' marches and annual fund-raising drives. While most of the nation's 7.6 million physically handicapped children receive educational and medical services through a variety of public and private channels, fewer than 1 million of the emotionally handicapped are receiving the help they need. All too often, the disturbed child has been expelled from public school as unteachable, or shunted into special classes for retarded children with brain damage. "We are in the Year One in care and treatment of these children," declares Josh Greenfeld, a 46-year-old writer whose 1972 book, "A Child Called Noah," vividly described his own agonizing search to find help for his autistic son. "We are going to have to shock ourselves into the fact that we are killing these children as well as destroying the lives of the families the kids are part of."

But within the past few years, parents like the Greenfelds have made some important gains in winning better care for their troubled children through the legislators and the courts. In one of the most far-reaching decisions of all, a District of Columbia Federal judge ruled in 1972 that all handicapped youngsters—including the emotionally disturbed—are entitled to public education under the Fourteenth Amendment. Thanks to the relentless lobbying of the National Society for Autistic Children in Albany, N.Y.—composed largely of parents—more than 30 states have passed laws providing special education for autistics in the last four years.

One reason for the increasing recognition of the needs of the troubled child is the strong evidence that his ranks are growing. The number of children receiving treatment for emotional problems in institutions and outpatient facilities has risen nearly 60 per cent in the last seven years—from 486,000 to 770,000. "The drift," says Noshpitz, "is toward seeing more and more very disturbed children, youngsters who need residential treatment." And psychiatrists in private practice note similar trends. "There is now a widening scope of patients with childhood disturbances," says one veteran New York psychoanalyst, "and it is not just because more people are deciding to put their children in therapy."

Freud, who preached that the root causes of emotional disorders were to be found largely in a disturbed relationship between parent and child in early life, is no longer quite so predominant an influence on child-care professionals. The more eclectic psychologists and psychiatrists hold that childhood mental ills seem to arise from three intertwining influences: predisposing physical and hereditary factors, forces within the family—including the Freudian traumas—and stresses imposed by contemporary life. "The fortunate child," says Ner Littner of Chicago's Institute of Psychoanalysis, "is the one with good heredity and adequate care provided by two parents who are able to recognize and meet the child's needs in early life, and a minimum of chronic, overwhelming stress situations as the child grows up."

But now more than ever before, the triad of forces seems to conspire against the emotional well-being of the American child. First, there is a growing recognition that children born prematurely or as a result of difficult labor, those suffering from complications of measles and other viral infections and those raised by parents who are themselves victims of mental disorders run a high risk of emotional disturbance. Boys, for reasons perhaps attributable to hormonal differences, are up to five times more vulnerable than girls.

Second, today's mobile society has all but abolished the extended family. Parents can no longer count on grandparents, aunts and uncles to act as authority figures in the raising of their children. "I'm personally convinced that no two parents can rear a child entirely alone," says Dr. Sally Provence of Yale's Child Study Center. "Yet young parents have fewer supports for parenting than ever before—it's either drag the kids along or get a sitter." With the increasing number of young women carving cut careers for themselves, some experts see a threat even to the integrity of the nuclear family. "I'd much rather see people not have children at all than leave infants in a day-care center," says Dr. Lee Salk, chief child psychologist at New York Hospital-Cornell Medical Center and author of the best seller "What Every Child Would Like His Parents to Know."

Third, in today's push-button society children tend to learn about the world around them vicariously by television. "Many of our children and young people have been everywhere by eye and ear," notes a recent report of the Joint Commission on Mental Health of Children, "and almost nowhere in the realities of their self-initiated experiences." And much of what the children see is the vivid depiction of war, violence and social upheaval; aggression has become one of the most pervasive childhood experiences of all, says Dr. Ebbe Ebbesen of the University of California at San Diego. "Children learn abnormal behavior from observing other people," the California psychologist contends. "The more aggression a child is exposed to, the more likely that he himself will be aggressive."

Because there is no one cause of childhood emotional problems, many methods of treatment have evolved in recent years. Since a young child can hardly be expected to lie still for long, deep-probing sessions of analysis on the couch, psychiatrists have developed other ways to get at the source of his troubles. One involves watching how he plays with his toys or interpreting the pictures he draws. Other therapists ignore the deep-rooted sources of a child's problem and use reward-and-punishment conditioning techniques to modify the child's abnormal behavior. In many cases, the children with the overactivity syndrome of hyperkinesis can be helped with drugs. Unfortunately, no truly effective treatment has yet been found for the child afflicted with the most devastating of all the disorders—autism.

AUTISM

The term "early infantile autism," from the Greek for "self," was coined 30 years ago by Dr. Leo Kanner of Johns Hopkins to describe a group of disturbed schizophrenic children who showed a uniform pattern of disabilities in responding to their environment. As an infant, the autistic child may go limp or rigid when his mother picks him up. He may seem deaf to some sounds but not to others. He may show no sensitivity to pain, even to the extent that he can blister his fingers on a hot stove without flinching. For long periods, he may rock monotonously back and forth, flap his hands in front of his face, walk on the tips of his toes or whirl about like a dervish.

Autistics show unusual deviations in reaching the milestones of development. They may never sit up by themselves or crawl, but instead suddenly start walking. Some start to talk, but then abruptly stop using language altogether, or only echo words and phrases they have overheard. They reverse personal pronouns, such as saying "you" for "me." They seldom look anyone in the eye. When an autistic child wants something, he may, without looking at his mother, steer her hand toward the object as if manipulating a pair of pliers. Because many autistic children show certain "splinter skills" above and beyond their otherwise poor level of functioning—such as the ability to rattle off strings of numbers—they have traditionally not been classified as retarded or brain-damaged.

After Kanner's description of autism was published, some psychiatrists observed that the parents of such children tended to be intellectual, emotionally detached and with a tendency to think in abstractions. With the prevailing influence of Freud on child psychiatry at the time, it was hardly surprising that the condition should be blamed on these "refrigerator parents." Autism was supposed to result from rejection of the child by the mother at an early stage in infancy. Dr. Bruno Bettelheim, a distinguished psychoanalyst who recently retired after 30 years of dealing with autistic children at the University of Chicago's Orthogenic School, is a forceful exponent of the Freudian view.

The autistic child has an inherited predisposition to emotional trauma, Bettelheim says, but unconscious rejection by the mother is the major traumatizing event. The parents, he says, tend to deal with the child in a mechanistic way, out of a sense of obligation rather than genuine affection. "This is interpreted by the child as a feeling he shouldn't be alive," says Bettelheim. "When animals are threatened, they either play possum or fight back. Some children fight back, but the autistic child plays dead."

But the current trend is away from the Freudian view. Recent studies show that the parents of autistic children display no emotional traits that set them apart. "The only differences these parents show from other parents," notes Dr. Eric Schopler of the University of North Carolina School of Medicine, "is that they are all under stress themselves because they have a difficult child."

Moreover, researchers have made a number of observations that suggest that autism is more of a neurologic problem than an emotional one. A number of autistics, for example, show so-called "soft signs" of neurologic impairment, such as poor muscle tone, uncoordination and exaggerated knee-jerk responses. Drs. Edward Ornitz and Edward Ritvo of the UCLA School of Medicine have studied the eye reactions of normal and autistic children placed in a spinning chair. If the chair spins to the left, a normal person's eyes will move to the right, snap back and wander right again; when the chair stops, the eyes will reverse their movement. Autistic children show the same pattern of eye movement, but for a much shorter period. This suggests that the disorder involves a maturational lag in neural development. "The overwhelming evidence,' says Ornitz, "is that this is an organic condition."

Because of the evidence suggesting that a physical abnormality is involved, there is a tendency among experts today to regard autism as a form of mental retardation rather than an emotional illness. "Autistic children both will not and cannot perform many tasks," says Ornitz. About 75 per cent of autistics remain retarded through life, he notes, and more than half eventually are institutionalized.

It is the parents of an autistic child who suffer the most. Many of them spend years going from specialist to specialist in a fruitless search for cures. At first, a pediatrician may tell them their child is deaf or simply "spoiled." Psychoanalysts may suggest that they, the parents, need treatment as much as their child does, only adding to an already unbearable burden of guilt. Psychiatrists may give the child tranquilizers, stimulants or even electroshock therapy. But the child remains his autistic self. Recently, some physicians have prescribed massive doses of such B vitamins as niacinamide, pyridoxine and panthothenic acid for both autistic and schizophrenic children. But most experts insist that the so-called megavitamin therapy has no scientific basis. "This is the false-hopes business," says one researcher, "and it causes a lot of anguish." Every time you go to someone you're desperate," says Connie Lapin, a Los Angeles mother of an autistic son (box). "They say they'll treat him. But then they can't reach him and they give up."

But while there is no specific treatment for autism, a number of centers now offer special training that has produced promising results in some children. One of them is TEACCH (Treatment and Education of Autistic and related Communications handicapped Children), begun by Drs. Eric Schopler and Robert J. Reichler eight years ago and now funded by the State of North Carolina. One of the outstanding features of the program, according to Schopler, is the participation of parents as co-therapists in training their own children.

Basically, the parents are instructed how to use reward-and-punishment behavior modification to train their children during daily half-hour sessions in their homes. Through a one-way glass, therapists show parents how to reward the child with hugs, or candy, when he performs an expected task. The early exercises focus on such basics as looking the parent in the eye, learning concepts such as "same" and "different" by sorting knives, forks or other objects, and learning to identify objects with words. Parents are taught to distract their children from psychotic movement, such as rocking. When a child fails to respond, the parent is assured that it is correct to show displeasure.

The road to advancement is painfully arduous, but many children *do* improve. Michael, a brown-haired 5-year-old, couldn't talk and was unmanageable when he entered TEACCH a year and a half ago. Now he has a vocabulary of 750 words and behaves well enough to attend a special school. David, who had an IQ of 70 when treatment began nine years ago, now scores 30 points higher and is getting average grades at a regular private school. "By getting to them early," says Schopler, "some children can be salvaged."

SCHIZOPHRENIA

Schizophrenia in children bears some resemblance to autism and many psychiatrists consider them related. The child may be withdrawn and fail to use words. He may also be overactive and aggressive. Unlike schizophrenic adults, children affected by the disorder don't usually hear voices or otherwise hallucinate. But they do fantasize, according to psychiatrists, and they often can't distinguish between the real and the imaginary.

In the past, psychoanalysts tended to ascribe schizophrenia largely to the influence of a castrating "schizophrenogenic" mother. Many psychiatrists today believe the emotional environment of the home may play a greater part in the disorder than is the case with autism. But a growing number of the experts are now persuaded that a genetic defect, coupled with neurologic impairment of some kind, constitutes the underlying cause of the disorder.

The influence of genetics in childhood schizophrenia has been demonstrated by Dr. David Rosenthal of the National Institute of Mental Health. Rosenthal compared children with a schizophrenic mother or father who were raised by normal adoptive parents with adopted children of normal parents. In this way, the possible environmental influence of parenting was equalized. It turned out that the children of psychotic parents in the study had about twice the incidence of schizophrenic disorders as did those of normal parents.

The outlook for the schizophrenic child is considerably brighter than it is for the autistic. Many of these children are educable and never have to be institutionalized. Brooklyn's League School is typical of centers across the country that use a "phycho-educational" approach to treating schizophrenic children while the child lives at home.

Children are usually accepted at the school between the ages of 3 and 5 and most stay several years. Tommy Harper of Brooklyn began when he was in second grade. Throughout his childhood he had displayed a vicious temper. He threw blocks at his teachers when he couldn't get his way, and once pounced on a little girl and broke one of her teeth. Consigned to the cloakroom, he was later found sitting on a shelf, beating himself over the head with a toy gun and crying, "I want to die."

With the structured environment and intensive individual attention he received at the League School, Tommy settled down and learned to read, do math and function in groups. He was bright, a fast learner and in four years he was back in regular school. Today, at 15, Tommy is still a bit of a loner. But he can play sports such as football and not lose his temper in defeat; more important, he is an honor student. Dr. Carl Fenichel, director of the school, estimates that about 80 per cent of the children at the school had been destined for state institutions. Now, the majority go on to satisfactory jobs, regular schools and some even to college.

HYPERKINESIS

Of the more serious childhood behavior disorders, hyperkinesis has become the most widely publicized of late because it is being diagnosed in an increasing number of schoolchildren. The symptoms may be discernible in infancy, when the mother finds that her baby is unusually restless and difficut to soothe. They become more obvious when he reaches school age. Typically, hyperkinetic children are highly excitable, easily distracted and impulsive. They have trouble concentrating and therefore become disruptive in the classroom. Because they are failures in their work, they develop the emotional side effect of low self-esteem and frequently compensate by delinquent acting-out. "These youngsters consider themselves worthless," says Dr. Lawrence Taft of the College of Medicine and Dentistry of New Jersey, "because everyone is telling them they're no good."

Hyperkinesis seems to run in families, but there is also evidence that the disorder may be related to minimal brain damage, possibly occurring at the time of birth or after a viral infection such as measles. There is also evidence that lead intoxication may produce hyperkinesis among ghetto children who habitually put pieces of peeling lead-based paint into their mouths.

At least a third of hyperkinetic children show marked improvement on daily doses of stimulants such as amphetamines and even coffee (NEWSWEEK, Oct. 8, 1973). Just how the stimulants have this paradoxical calming effect isn't known, but they seem to improve the child's ability to concentrate.

Dosing large numbers of schoolchildren with the very drugs that constitute a major abuse problem in the U.S. has stirred controversy among many parents and even some psychiatrists. Some charge that the stimulants are prescribed as "conformity pills" for rebellious children. The drugs may produce side effects, including loss of appetite and sleeping difficulties. As a result, children who take them for several years may not grow as tall as they might have otherwise. But the effect of the drugs can be so dramatic, says Taft, "that you wonder whether an extra bit of height is all that important."

DEPRESSION

Among the childhood emotional disorders in which the relationship with the parents is of unquestioned importance, the outstanding example is depression. Some experts estimate that depression accounts for at least a quarter of the troubled children they see. The so-called "endogenous" form of depression, which seems to arise without any evidence of a traumatic life experience to account for it, is rarely diagnosed in youngsters. In nearly all cases, childhood depression is "reactive," associated with an event in the child's life, usually involving the parents. "The child-psychiatry books of twenty years ago may not have even mentioned it," says Dr. Leon Cytryn of the George Washington University School of Medicine. "But we're beginning to realize that there are many depressed children and we suspect a lot of them become depressed adolescents and depressed adults."

Its most pathetic form is the "anaclitic" (from the Greek, "leaning on") depression that is observed in infants separated from their mothers in the first six months of life and raised in institutions where they get little attention and neural stimulation. These babies, starved for warmth, withdraw and display some of the signs of autism, such as monotonous rocking and, as they grow older, difficulties with language. They will improve with regard to language and motor skills if moved to a favorable environment, but the profound emotional impact of their early experience may be devastating.

Beyond the age of 6, the depressed child may show signs of sadness, social withdrawal and apathy similar to the symptoms of adult depression. But usually it is masked. In young children it may be expressed in psychosomatic headaches or vomiting; in older children it may show up in aggressive behavior, truancy, vandalism and, particularly among girls, sexual promiscuity. The periodic episodes of sadness that are the tip-off, notes Dr. Donald H. McKnew Jr. of the Children's Hospital of the District of Columbia, may be overlooked by the parents for months, but psychological testing may bring out the true extent of the child's depression quite quickly.

Asked to draw a picture and then tell a story about it, an 8-year-old boy brought to McKnew recently drew a picture of a small whale. Then he told how the whale was lost and was trying to get home. He tried to hitch a ride with another whale, but slipped off its back. Then he joined a school of whales, but they swam too fast for him to keep up. So the whale in the picture was lying with another whale, also lost, waiting to be found. "If an adult told you a story like that," notes McKnew, "you'd immediately give him antidepressants."

Depression in children almost always follows a sense of loss. Acute reactions occur, understandably enough, after the death of a parent or close relative, divorce or a move to a new community. Often, they are more like grief reactions and disappear with time. But many depressions occur because the child senses a withdrawal of interest and affection through frequent separations from, say, a father who travels a lot; or because a parent conveys an attitude of rejection or deprecation. In most instances, one or another of the parents has a depressed personality, McKnew observes.

Antidepressant medication is seldom prescribed for children. Most often, psychiatric counseling, involving both parent and child, is required. Fortunately, psychotherapy usually is effective. Here psychiatrists have devised methods that sidestep the completely verbal methods of communication used in more adult forms of psychotherapy. One of the most widely used is play therapy, in which the child uses a variety of types to expose, under the therapist's watchful eye, the situations that may be at the bottom of his problem. The play-therapy concept is based on the common-sense notion that play is a more natural mode of expression for a child than verbalizing dreams.

One of the most common problems that call for psychiatric attention in children is school phobia. It may be a symptom of depression, but may also have a far more readily treated cause. Dr. Lee Salk recalls the case of Stephen, age 5, who lived on the twelfth floor of a New York apartment with his parents and grandparents, who continually expressed their fear of burglars. His mother warned him constantly of the evils that could befall him when he went out to play and often warned him not to let the elevator doors close on him. Soon, he had developed a fear of both burglars and elevators, and was afraid to go out alone.

Not surprisingly, his anxieties continued at school; his mother would drop him off at the door but could count on his coming out again minutes later. The problem, as Salk explained, was that the child had become totally helpless outside his mother's purview and dependent on her attention—a common source of school phobias. Salk explained to the overanxious mother that Stephen should hear fewer dire predictions about the world outside and be allowed more independence. In weeks, he was spending full days in school.

The relief of the most serious problems of troubled children—autism, schizophrenia and hyperkinesis—must await much further research into the physical and biochemical mysteries of the brain. What is required is the same sort of commitment on the part of private agencies and the government that has lately been mounted in the war against cancer and heart disease. At the same time, the children who are already victims of these tragic disabilities must be afforded the special training that will give them the best chance of finding a useful life. In view of the fact that 10 per cent of the nation's children are now destined to develop some form of emotional disability, the effort would seem a small price to pay.

Meanwhile, in the view of child experts, there is a good deal that parents can do to protect their children from many kinds of serious emotional damage. First, says Salk, is to recognize the child's dependency during the first year of life and respond unstintingly to his need for warmth and affection. Once the child has learned to trust his parents, it is time to set limits that prepare him for his encounters with the world. To contend with the child's impulse to explore his environment, knocking over countless glasses of milk as he goes, may be a frustrating and seemingly endless task, Salk concedes. "But," he adds, "for the parent who loves his child, has patience and can still see the world through a child's eyes, the rewards are beyond measure."

ADDITIONAL COSPONSORS OF BILLS

S. 1665

At the request of Mr. Gravel, the Senator from Ohio (Mr. Metzenbaum) was added as a cosponsor of S. 1665, a bill to terminate the Airlines' Mutual Aid Agreement.

S. 2801

At the request of Mr. Proxmire, the Senator from Pennsylvania (Mr. Hugh Scott) was added as a cosponsor of S. 2801, a bill to amend the Food, Drug, and Cosmetic Act with respect to safe vitamins and minerals, and for other purposes.

S. 2868

At the request of Mr. Robert C. Byrd (for Mr. Church), the Senator from Kentucky (Mr. Cook) and the Senator from Illinois (Mr. Percy) were added as cosponsors of S. 2868, a bill to provide for tax counseling to the elderly in the preparation of their Federal income tax returns.

S. 2906

At the request of Mr. Mondale, the Senator from Nevada (Mr. Cannon) was added as a cosponsor of S. 2906, a bill to amend the Internal Revenue Code of 1954 to permit taxpayers to utilize the deduction for personal exemptions as under present law or to claim a credit against tax of $200 for each such exemption.

S. 2940

At the request of Mr. Fannin, the Senator from Colorado (Mr. Dominick) was added as a cosponsor of S. 2940, the Colorado River Basin Salinity Control Act.

S. 2941

At the request of Mr. Bayh, the Senator from California (Mr. Cranston) was added as a cosponsor of S. 2941, to amend title XVIII of the Social Security Act to provide for coverage under part B of medicare for routine Papanicolaou tests for the diagnosis of uterine cancer.

S. 3044

At the request of Mr. Robert C. Byrd, the Senator from Ohio (Mr. Metzenbaum) was added as a cosponsor of S. 3044, the Federal Election Campaign Act Amendments of 1974.

S. 3062

At the request of Mr. Domenici, the Senator from Ohio (Mr. Taft), and the Senator from Indiana (Mr. Hartke) were added as cosponsors of S. 3062, the Disaster Relief Act Amendments of 1974.

At the request of Mr. Hugh Scott, his name was added as a cosponsor of S. 3062, supra.

S. 3259

At the request of Mr. Taft, the Senator from Florida (Mr. Gurney) was added as a cosponsor of S. 3259, to amend the Rail Passenger Service Act of 1970 in order to authorize certain use of rail passenger equipment by the National Railroad Passenger Corporation.

S. 3267

At the request of Mr. Eagleton (for Mr. Jackson), the Senator from Colorado (Mr. Haskell) was added as a cosponsor of S. 3267, the Standby Energy Emergency Authorities Act.

S. 3274

At the request of Mr. Gurney, the Senator from Nevada (Mr. Cannon) was added as a cosponsor of S. 3274, a bill to establish a Tourist Advisory Board within the Federal Energy Office.

ADDITIONAL COSPONSOR OF A CONCURRENT RESOLUTION

SENATE CONCURRENT RESOLUTION 68

At the request of Mr. JAVITS, the Senator from Nevada (Mr. CANNON) was added as a cosponsor of Senate Concurrent Resolution 68, to express the sense of the Congress regarding Americans missing in action in Indochina.

ADDITIONAL COSPONSORS OF A RESOLUTION

SENATE RESOLUTION 302

At the request of Mr. BROOKE, the Senator from Oregon (Mr. HATFIELD), the Senator from Washington (Mr. JACKSON), and the Senator from Utah (Mr. MOSS) were added as cosponsors of Senate Resolution 302, a resolution on the River Blindness Rehabilitation Program for the Sahelian Countries of Africa.

ESTABLISHMENT OF A NATIONAL ENERGY INFORMATION SYSTEM—AMENDMENT

AMENDMENT NO. 1189

(Ordered to be printed, and referred to the Committee on Interior and Insular Affairs.)

Mr. HARTKE submitted an amendment, intended to be proposed by him, to the bill (S. 2782) to establish a National Energy Information System, to authorize the Department of the Interior to undertake an inventory of U.S. energy resources on public lands and elsewhere, and for other purposes.

EMERGENCY ASSISTANCE PROGRAM—AMENDMENT

AMENDMENT NO. 1190

(Ordered to be printed and referred to the Committee on Agriculture and Forestry.)

Mr. BELLMON submitted an amendment intended to be proposed by him to the bill (S. 3313) to authorize the Administrator of the Environmental Protection Agency to carry out an emergency assistance program to assist States in relieving severe drought conditions that threaten to destroy livestock or crops.

INDEMNITY PAYMENTS TO POULTRY AND EGG PRODUCERS—AMENDMENTS

AMENDMENTS NOS. 1191, 1192, AND 1193

(Ordered to be printed and to lie on the table.)

Mr. CLARK submitted three amendments intended to be proposed by him to the bill (S. 3231) to provide indemnity payments to poultry and egg producers and processors.

ASSEMBLY OF THE WORLD HEALTH ORGANIZATION — APPOINTMENT BY THE VICE PRESIDENT

The PRESIDING OFFICER (Mr. BROCK). The Chair, on behalf of the Vice President, appoints the Senator from New Jersey (Mr. WILLIAMS) and the Senator from New York (Mr. JAVITS) to attend the Assembly of the World Health Organization, to be held in Geneva, Switzerland, May 7-25, 1974.

ADDITIONAL STATEMENTS

TO RUSSIA—WITH LAW

Mr. ROBERT C. BYRD. Mr. President, an article entitled, "To Russia—With Law" by Charles Jules Rose recently appeared in the November-December issue of the lawyer's magazine. Case and Comment.

The article details the journey of 50 members of the Bar Association of the District of Columbia to Russia on a State Department approved good will trip undertaken to examine the legal system of the Soviet Union.

Mr. Rose endeavors to convey the impressions which he experienced and expresses the hope that the time and efforts expended by American lawyers seeking better understanding with their Russian counterparts will prove rewarding.

In addition to being a member of the bar of the Supreme Court of the United States, the author is a member of the bars of the U.S. Court of Appeals for the District of Columbia, the U.S. District Court for the District of Columbia, the District of Columbia Court of Appeals, the Superior Court of the District of Columbia, the Court of Claims and the U.S. Court of Military Appeals.

I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

TO RUSSIA—WITH LAW

(By Charles Jules Rose)

"It is highly appropriate that your tour of Russia begin here at the Russian Embassy in Washington, for this is, after all, Russian soil."

So said Valarian Nestorov, Counselor of the Russian Embassy when he addressed a gathering of members of the Bar Association of the District of Columbia and their wives who had come to the former Pullman mansion—two blocks from the White House, which is now Russian headquarters in the United States, to attend a briefing and reception prior to their trip to the Soviet Union to study the workings of the Soviet legal system.

SOVIET BAR STATISTICS

Nestorov was well qualified to speak to attorneys regarding legal practices and procedures having been a lawyer before entering the diplomatic service. Not all who aspire to the law in Russia attain their goal. After a brief apprenticeship Nestorov confided that applicants are told one of three things. Either:

1) "You are a fine person and we are happy to admit you to our profession," or

2) "You are a fine person but we believe you would be better qualified to practice with a bit more study," or

3) "You are a fine person and we are sure that you will be both happy and successful in some career other than the law."

According to Nestorov about 90% of all Russian litigation is handled by the Peoples' Courts. These are presided over by one judge who had judicial and legal training and two "lay judges" without any formal legal education. All three are elected—and all three have equal say and vote in the decision making process.

Quickly, in concluding, Nestorov ticked off such varied and fascinating items as: Women constitute about one-third of the Russian bar. Clients are assigned to those lawyers believed to possess particular competence in the field of law at issue. As a fringe benefit, Russian lawyers may send their children to free summer camps.

VISITOR ORIENTATION

A few weeks later the audience was the same but the setting and speaker different when the members of the D.C. Bar met in the West Auditorium of the Department of State to hear John D. Scanlan, Officer-in-Charge Bilateral Political Relations of the Office of Soviet Union Affairs.

It was at the close of a long hard day and Mr. Scanlan revealed that he had just finished negotiating "on a rather low level" with his Russian counterparts. While he found the general atmosphere for negotiations had eased since President Nixon's visit, results in matters of substance were still hard to come by.

Nevertheless, Mr. Scanlan stated his belief that this was a "historic point of time" and an extremely "good moment" for American attorneys to go forth to meet their brethern in the Soviet Union.

Yet, he was restrained to observe that whenever Russian ties with the West relax externally, there is a "tightening up" within.

As far as Scanlan knew, the District of Columbia Bar was one of the first organized groups of attorneys to ever visit the Soviet Union.

Despite a few "political trials" staged for a world wide audience, this would mark the first time that Russian court procedure would be revealed to visiting foreigners. He predicted wryly not to be too surprised if we found the Court exhibiting "the wisdom of Solomon."

Quite surprisingly Scanlan suggested that members of the bar speak with candor in their philosophical discussions with the Russians feeling that nothing would be gained by either side if members of the American bar either stood mute or restrained their impulses to make legitimate points on the vital differences existing between our systems.

Scanlan concluded his remarks with the plea that we go forth and "really sell them on law as a system."

Before the meeting at the State Department concluded, Bar Association President Bernard I. Nordlinger who had made a comprehensive study of Soviet law rose to caution that it must be remembered that under the Czars there was no legal system other than that of royal fiat and what law is now in existence dates only from the Revolution. In short, the Anglo-Saxon common law tradition of centuries is in no way paralleled in Russian legal development and any attempt to do so would prove unproductive.

During the flight many discussions were held as to what lay ahead. Prior to our departure, Professor Samuel Dash of the Institute of Criminal Law and Procedure of the Georgetown University Law Center, now Special Counsel to the Senate Select Committee investigating the Watergate matter (who had visited Russia himself on a private mission), had sent out letters wishing the group well but predicting, "It is doubtful that you will be permitted to see Soviet courts or any part of the Soviet legal system in action. I was unable to accomplish this even with the most earnest efforts of our Embassy. I met a number of American lawyers and judges traveling in the Soviet Union who complained of the same 'closed door.' "

THE RUSSIAN SCENE

Once our plane landed in Moscow we were whisked through customs without a single bag being opened and inspected. Accommodations were provided us not in the customary Intourist Hotel reserved for foreigners, but in the Rossia, a recently built, 6,000 capacity structure across from the Kremlin, Red Square and Gums department store, where Russian functionaries and businessmen on trade missions abound. It seemed apparent that our visit had been accorded a rather high priority rating.

Our first day in Moscow was a full one. In the morning, sessions were scheduled at both the Legal Advice Office and the College of Barristers. In Russia, the term "lawyer" is misleading, for it includes both legal advisors and advocates. Where possible, legal advisors attempt to avoid litigation, but when litigation is inevitable the legal advisors refer clients to the College of Barristers where advocates are assigned to represent them. Only advocates participate in trial work. Clients are discouraged from pleading their own cases. There being a Russian proverb proclaiming, "As it is better to have butter with porridge it is better to have a lawyer with a case."

The 950 advocates who compose the College of Barristers in Moscow are headed by Chairman Konstatin Apraksin and Deputy Chairmen Isaac Sklylansky and Mikhail Kozin all of whom met with our group. This is the 50th Anniversary Year of the College and badges commemorating this milestone were proudly distributed to the attorneys attending the session. Chairman Apraksin said, "We meet possibly for the second time for we may have met previously at the Elbe. Thoughts of great people always meet even though distance separates them. Let us have your questions . . ."

COURT STRUCTURE

Responding to a question, Apraksin outlined Russia's four-tier court structure:

1) Peoples' Courts—These are courts of the first instance handling minor cases.

2) Regional Courts—These are courts of the seecond instance handling appeals from Peoples' Courts and more serious cases.

3) Supreme Court of the Republic—Russia is composed of 15 Republics as we are of 50 states. Each Republic has its Supreme Court.

4) Supreme Court of the Soviet Union—Highest judicial authority in the country. It is supreme over all other tribunals but its jurisdiction is limited in that it cannot rule on the constitutionality of legislation or administrative decrees.

The administrative officers of the College of Barristers that we met with who assign causes to advocates for trial are elected for two year terms by secret vote of their peers. If not re-elected they return to the bar as advocates. The next election is scheduled shortly. When asked what he thought that his chances of re-election were, Chairman Apraksin with great candor and good humor confided: "Maybe the members will say, 'What we have now is not so wonderful, but if we change we may have worse,' Still there are nights before an election when you don't sleep so well. You keep recalling those haunting lines from an opera by Pushkin beseeching, 'What is in store for us? What will the next day bring for us?"

CRIME AND PUNISHMENT

That afternoon a jammed conference room of Moscow's House of Friendship featured a session with Russian judges, advocates and judicial administrators. Here the subject of "punishment" for crimes was first broached. Among several approaches unused and unknown in the West were:

(1) Suspension: A temporary exile. The offender is sent to another part of the Soviet Union away from friends and family as a punishment until he has proved himself.

(2) Corrective labor camps: Offender is paid normal wages less a 20% reduction as punishment.

(3) Confiscation of personal property: Taking an offender's home and/or car, savings, etc.

Earlier in the day Chairman Apraksin had declared, "Once a criminal has served his sentence he is not penalized further. He enjoys equal rights with all other citizens."

THE LENINGRAD BAR

Leaving Moscow the party journeyed to Leningrad where they learned that the Leningrad Bar consists of 524 advocates of which approximately 370 including the Chairman are members of the Communist Party. The advocates elect a governing Presidium of 11 members who in turn elect a Chairman.

When Chairman Lev Slitenko was asked what were the most pressing problems facing the Leningrad Bar he listed: improving the qualifications of advocates, to "advertise" lawyers, and to improve the discipline of the bar. ("Advertising" we gathered meant improving the public image of the bar.)

LEGAL EDUCATION

The group received an excellent insight into legal education in Russia from Chairman Slitenko whose 17-year-old son is a student at the University of Leningrad studying law.

Slitenko was obviously proud of his son and the choice that he had made to become an advocate. For a while Slitenko was concerned, "After all the judiciary and the state administrative offices have so much more glamour," he confided.

Each year, by competitive examinations, 100 students are chosen to attend the University of Leningrad Law School for the five year course. Subjects include: criminal law, criminal trials, administrative law, international law, psychology, public and private law, labor law—in all a successful candidate must pass 53 law school examinations.

Upon graduation, the advocate repays the state for his education—including a monthly living stipend given him while attending law school, by practicing for three years at a place assigned him by the state—usually in a community lacking adequate legal services at the moment. Later, the graduate is free to practice where he pleases.

ATTENDING A TRIAL

President Bernard Nordlinger of the District of Columbia Bar Association and Past President George Monk, together with 6 other members of the delegation chosen by lot, attended a Regional Area Appellate Trial in Leningrad.

The size of the delegation was limited by the size of the austere courtroom. The three robeless judges, one a woman (70% of Leningrad judges are women), did not sit on an elevated dais of any sort but at a table flanked by the tables of the opposing parties and a few feet from the table of the procuracy.

The procuracy is a distinctive Russian appendage to the judicial system. Acting on the premise that the state has an interest in all litigation, an advocate representing the state is present and actively participates in all trials. The function of this advocate is to inform the Court what decision is in the best interest of the state and presumably to report any impropriety in the trial proceedings to the appropriate authorities.

The appeal involved custody of a child residing with maternal grandparents. The mother had died in childbirth and her parents had looked after the infant until the father, who won in the court below, brought action to recover custody. The representatives of all parties, including the procuracy were women. All counsel argued at length in non-fearful well modulated tones. The maternal grandparents argued that the father should not have custody as being an engineer he was away a great deal and his parents could not look after the child better than could they in the father's absence. (Contrary to the American practice, a Russian appellate court may and did question and take testimony from the parties as well as their counsel.) While there is no body of common law in Russia the rather well settled principle that in custody matters a parent prevails over a grandparent proved decisive. The child was awarded to the father. Those attending felt that the case was well handled and that all parties had done their best in a case involving the greatest of human stress and passions.

Meeting with the Washington attorney in his chambers after the trial, one of the judges reported with pride that in Leningrad, a city of some seven million, there had been only 9 murder trials last year and to that date this year not a single armed robbery trial. (There is a three year penalty for having unlicensed firearms. This, he believed, served as a most effective deterrent.)

SOME FRUSTRATIONS

In Kiev the group held an intensive seminar during which all that had been read and studied prior to the trip was compared with all that had been observed during the trip, and it was concluded that, as in many countries, there was a tremendous gap between Russian legal theory and practice.

Particularly frustrating were variances between what we had been told in various places and by various officials. One authority, for instance, assured us that an accused could not be held for more than 48 hours before charges were brought. Another said 72 hours. When a member of the group in questioning a third mentioned, "holding an accused, say for six months, before charges" no exception was taken to his assertion. While much confusion can be blamed on translation difficulties and differing conceptual frames some discrepancies were too blatant to merit such easy rationalization.

Frequently one pair of hands in the Russian bureaucracy does not know what the other 248 million are up to. For instance, the Intourist Office in Moscow informed the Washington attorneys that they would be able to observe trials at length in Sochi—a Black Sea resort frequented by Stalin, having a population of 225,000. Alas, upon arrival we were informed, "There have been no courts held in Sochi since the Revolution."

SUMMARY

What was gained from the trip?

Those who participated felt that a beginning for achieving a greater understanding of the Russians and their system of justice was made. They believe that invitations for return visits extended to those whom we met, with proper governmental encouragement, stand a good likelihood of being accepted. When we show our Russian colleagues our courts—and tell them our problems: crowded dockets, submarginal facilities in many instances, shortage of judges and all the rest, they may feel freer to discuss with us their system and their problems. When this occurs it is not unreasonable to believe greater understanding and rapport between us will follow.

One thing is certain.

Those lawyers of the District of Columbia who expended their time, money and efforts on this project will never regret taking the initiative in a cause larger than they.

THE BUDGET

Mr. TOWER. Mr. President, I ask unanimous consent to have printed in the RECORD a statement by the distinguished Senator from Arizona (Mr. GOLDWATER).

The PRESIDING OFFICER. Without objection, it is so ordered.

STATEMENT BY SENATOR GOLDWATER—THE INTOLERABLE FEDERAL BUDGET

Inflation is the insatiable marauder, stealthily stealing away the savings of the American people.

Inflation is also the great masquerader, wearing the garments of friendship—increasing equity values to inspire a false sense of security and well-being. Inflation erodes the purchasing power of the workers' wage dollar, fueling an escalating demand for pay increases.

Even the Keynesian economists who embrace the notion that in small amounts inflation contribute to the health of the economy, are appalled and frightened by what is now taking place. Their good genie has become an uncontrollable ogre.

And what is the cause of this inflationary spiral?

Labor has contributed to the wage-push effect.

Big business has contributed through its monopolistic combines.

Federal spending in unlimited amounts has greatly increased inflationary pressure.

The balance of payments picture . . . the rapid emergence of Japan and West Germany as industrialized nations claiming an ever-increasing share of the world's markets are blamed.

The finger of guilt is pointed in a hunderd different directions. But we cannot escape the fact that inflation is irrefutable evidence of imprudent fiscal policies on the part of the Federal government.

When I came to Congress in 1953, the Federal budget was slightly less than $77 million. The budget for fiscal 1975 is now estimated at $304 billion.

In only four of the last twenty-two years has government income exceeded government expenditures. Our national debt has risen from $266 billion to an estimated $486.4 billion for the fiscal year 1974, and to that figure we must add the anticipated $20 billion deficit in the budget figure now before us.

I have publicly questioned the wisdom of the budget sent to this Congress by the Republican administration. I have said it is intolerable to contemplate a $20 billion deficit in 1975.

The federal deficit, stripped of all its respectable camouflage, is printing press money—it is money created by the federal government and the central bank. Government has removed the gold support and now forbids the citizen to own gold. Government has taken the silver from our coinage, and substituted base metal tokens. The paper dollars of commerce today are no more than the I.O.U. of the federal government—a government which is in debt for $479 billions of dollars.

How did we arrive at this present deplorable state? It is true the executive proposes a budget, but it is the Congress which appropriates and spends the money. It is the Congress which initiates on-going programs which become increasingly expensive with each passing year.

Mr. President, since 1950 the Democrats have controlled Congress twenty-three of the twenty-five years. During this period Congress has increased budget outlays over $272 billion, an average of $11.8 billion dollars per year.

It is the Congress which has abdicated its responsibility. More than 70 per cent of the present budget is committed to functions and agencies of the Government over which the Congress can exercise no control in any given budget year. The funding has been committed by past Congresses.

Like the nose of the camel under the tent, a new program is authorized with limited funding. But the authorization carries a commitment for annual increases and each agency has a life of its own, and each new experiment in social welfare becomes autonomous and self-expanding.

For the past twenty-five years our fiscal policies have been controlled by men in Congress who believe that any problem can be solved through the application of lavish amounts of federal funds. We have done this, and the problems are still with us.

The Congress, following the lead of President Lyndon Johnson, established a host of new social agencies. The objective was laudable, and we must believe that some good has been accomplished. But now we must consider—are the benefits received worth the price we have paid?

Twenty-five years of reckless deficit spending have brought us to the brink of financial disaster. Our chickens have come home to roost.

I know, Mr. President, that spending is popular, that every member of Congress is subjected to extreme pressure from the supporters of particular programs.

When I came to the Senate I believed that most thoughtful citizens were eager to see efficiency in government, wanted wasteful spending ended, would support a member of Congress who worked to that end. Before I had been here a year I discovered the painful truth—that it is quite all right to cut the other fellow's program, but don't touch our particular area.

This type of citizen thinking was brought home to me quite forcefully when it was decided to close a military base in my state. This training base was no longer needed, and continued expenditure of public funds there could not be justified. I was in favor of closing the base.

A delegation of good, solid citizens from the community nearest that base descended upon me in Washington. They didn't want to lose the payroll; they didn't want to lose the federal purchases; they didn't want to lose the population. I pointed out that the base was no longer needed, that to keep it was unnecessary and wasteful. I didn't impress them. They wanted that federal payroll and that federal money, and they made it plain they believed it was my duty as one of their Senators to help them preserve that small island of privilege.

We closed the base, and I think by now the members of that delegation have forgiven me. I recite this history only because it is necessary for all of us to understand the realities of our responsibility to all the citizens of this nation. Now is the time for the members of Congress and for the policy-making leaders of this administration to recognize that our resources are not inexhaustible.

We once had a President who turned out the lights in the White House to save pennies on the electrical bill. I suggest now it is time for us to turn the floodlight of public disclosure on the fiscal policies of the federal government in order that we may lead our countrymen to recognize the danger of present policies.

Will the Congress continue to spend at an ever-accelerating rate? Will we continue to indulge our whims and desires, placing a mortgage on the earnings of our children and their children?

Will we continue and condone those practices which have made it impossible for any Congress to truly control the expenditures of government? Will we hide our head in the sands like the ostrich? Will we refuse to face the present reality, and like Scarlet O'Hara put off thinking about that until tomorrow?

Now is the time for the Members of this Congress to examine their own conscience, to recognize the errors of the past, to put aside profligate policies, to tell it like it is.

Mr. President, the American people are not little children. Today they are uneasy, frightened, prisoners of multiplying uncertainties, and the evil genius of our current malaise is inflation.

The American people deserve to be told the truth. They have demonstrated their courage to accept bad news, their willingness to sacrifice now for the sake of a brighter tomorrow. This Congress holds in its hands the future of every American, and perhaps the future of the world. The house of freedom and opportunity, the monuments to individual dignity which have been erected on these shores, are now in jeopardy.

The institutions created by almost two centuries of labor can be destroyed the moment public confidence in our currency is destroyed. The memory of the misery of the Germans following World War I shouts a warning. Mr. President, the Administration's proposed budget for fiscal '75 must be reduced.

Like the prudent householder dedicated to remaining solvent, we must limit the federal expenditure to the federal income. We must commence reducing the federal debt.

No single member of this Congress, Mr. President, would attempt to handle his personal finances as we have in concert—handled the finances of government entrusted to us by our constituents.

If we refuse to act, if we pursue the easier path, the holocaust may not descend upon us this year or next year. But inevitably, the day will come when the people, distrusting their country's currency, will lose all reason to believe in the integrity of their government, and that most noble of experiments in the freedom of man will be dragged down into the dust. The government of the United States of America will either disappear or be so distorted as to no longer be recognizable.

Only the Congress of the United States has the power to implement the necessary reforms. May God grant that the Congress has the courage to act now.

COLLEGE COSTS ON THE RISE

Mr. HARTKE. Mr. President, there is no more important set of institutions in our society than those which comprise our educational system. I place greater importance on them than governmental institutions because, in a democracy, Government does not function properly with a population which is uninformed and insensitive to society's needs and goals.

It should be our purpose to assure that every American is educated to his or her fullest potential. Twelve years of basic education is necessary for everyone, with the opportunity for postsecondary education for those who desire it and whose interests and potential make it feasible.

Unfortunately, the costs of postsecondary education have been rising steeply during the past several years. Even if colleges do not expand every year, their costs rise. With rising costs must come rising tuition, putting postsecondary education out of the economic reach of more and more students each year.

Mr. President, the middle income family is suffering the most from this rise in postsecondary education costs. I ask unanimous consent that an article describing new cost increases which appeared recently in the New York Times be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

College Costs Will Rise by 9.4 Percent in Fall

(By Gene I. Maeroff)

The cost of a college education, which has been causing growing anxiety among American families, will rise again next fall, making it 9.4 per cent more expensive than this year and 35.8 per cent more than it was four years ago.

A report released yesterday by the College Entrance Examination Board, based on a survey of 2,200 institutions of higher education, shows that in the coming academic year a student living on campus at an average four-year private college will have to pay $4,039, which is $346 more than this year.

Beset by mounting costs in an economy squeezed by inflation, few colleges and universities seem to be winning the battle to hold down expenses. The effect of inflation is such, according to the report, that by next fall a family will find it almost as costly to maintain a commuting student living at home as to send a student away to live at college.

"Meeting the costs of a college education is a problem more and more American families face every year," the college board says in its report. "Not only the lower-income family, but also middle-income and upper-income families are finding it increasingly difficult to meet these costs."

The report makes the following findings:

Community colleges, traditionally the least expensive type of higher educational institution, will have a larger percentage increase in tuition next year than private or public four-year colleges and universities.

Despite the fact that tuition is increasing at a faster rate at public four-year institutions than at private ones, it will still be far cheaper next fall for resident students at public colleges and universities—total cost: $2,400—than for those at private institutions—total cost: $4,039.

The cost of room and board for students living away at college, which requires the largest outlay after tuition, will be fairly similar next fall at public ($1,116) and private ($1,207) institutions.

While averages give a general indication of what the costs will be at colleges and universities, there is a wide range of individual differences.

Among the most expensive four-year private institutions, Harvard will cost $5,700 and Princeton $5,825, according to the college board report. By comparison, the State University of New York College at Brockport will cost $2,800 and Slippery Rock State College in Pennsylvania will cost $2,350.

All of the costs computed by the board, on the basis of figures it says it received from financial aid officers at the various institutions, include tuition, room and board, transportation and miscellaneous expenses, including books and toiletries.

There is apparently little hope for financial relief for middle-income and upper-income families that have been complaining this year about soaring college costs and the scarcity of grants and loans. The state of Ohio has put a moratorium on tuition increases at its public institutions and the University of Michigan has reduced its tuition, but these actions do not seem to be harbingers of a trend.

The tuition-free City University of New York will remain one of the best bargains in higher education next year. Student fees at the various C.U.N.Y. units will average $100 a year. The university estimates the total annual costs of its average commuter student next fall will be $1,040.

Copies of the report, entitled "Student Expenses at Postsecondary Institutions 1974–75," are available for $2.50 each from Publications Order Office, College Entrance Examination Board, Box 592, Princeton, N.J. 08540.

The report was prepared under the auspices of the board's college scholarship service, which helps institutions of higher education analyze the financial needs of students applying for grants and loans.

Here is a sampling of the costs, subject to change between now and the fall, that resident students at institutions around the country can expect to pay during the 1974–75 academic year:

	Tuition and fees	Room and board	Total
California:			
Claremont	$3,044	$1,456	$5,100
University of California at Berkeley	640	1,830	3,290
Florida: Miami	2,640	1,320	4,920
Georgia: Georgia Tech	530	1,120	2,350
Illinois: Northwestern	3,180	1,400	5,280
Kansas: University of Kansas	560	1,290	2,540
Maryland: Johns Hopkins	3,100	1,580	5,480
Massachusetts:			
Boston University	2,990	1,557	5,100
Brandeis	3,100	1,400	5,100
Mount Holyoke	2,950	1,550	5,100
Radcliffe	3,200	1,875	5,750
Smith	3,030	1,550	5,250
Wellesley	3,050	1,600	5,250
Minnesota: Macalester	2,550	1,110	4,200
New Hampshire: Dartmouth	3 570	1,545	5,900
New Jersey:			
Bloomfield	2,080	1,260	4,000
Fairleigh Dickinson	2,150	1,300	4,050
Stockton State	666	1,320	2,700
Rutgers	725	1,300	2,700
New York:			
Adelphi	2,650	1,337	4,537
Barnard	3,100	1,520	5,120
New Rochelle	2,300	1,400	4,400
Columbia	3,430	1,700	5,900
Hamilton	2,900	1,330	4,730
Hofstra	2,570	1,550	5,270
Post	2,460	1,300	4,610
Pace	2,200	1,775	4,395
Pratt Insititute	2,600	1,600	5,500
Skidmore	3,390	1,510	5,550
S.U.N.Y. Fredonia	785	1,280	2,825
Vassar	3,165	1,350	5,065
Pennsylvania:			
Haverford	3,045	1,700	5,245
University of Pennslyvania	3,165	1,535	5,350
Tennessee: Fisk	1,950	1,285	3,835
Texas: University of Texas	366	1,300	2,400
Wisconsin: Marquette	2,250	1,300	4,200

SPRING BRINGS GOOD NEWS

Mr. HARTKE. Mr. President, it was at the beginning of spring 3 years ago that I testified before a Senate subcommittee considering the fate of some of Washington's historic buildings. The weather outside the hearing room was filled with sunshine, but the future of those buildings looked rather bleak.

Since that day, we have gone through periods of desolation when it appeared that the bulldozer would be ready to begin its destructive work at any moment, but we have emerged into a new springtime when people are more intent upon rejoicing in that which is around us.

Not too long ago, I read that there was a new move afoot to preserve the Old Post Office here in Washington. And, more recently, I learned that the Pennsylvania Avenue Development Commission had proposed the retention of the Willard Hotel and the Washington Hotel as part of a revitalized Pennsylvania Avenue.

We must refurbish much of downtown Washington, not just the area seen by tourists; but, as we refurbish, not all of the past should be wiped away by the shovel and the bulldozer. I trust that the approach taken by the Pennsylvania Avenue Commission will be approved by Congress and emulated by other renewal groups throughout the Nation.

Mr. President, I ask unanimous consent that an article on this subject which appeared on March 23 in the Washington Post be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

A New Humility for an Old National Avenue

(By Wolf Von Eckardt)

The Willard has been pardoned—conditionally.

Ten years ago, the President's Council on Pennsylvania Avenue condemned the handsome, historic hotel to death by demolition. The sentence was pronounced in an expensively printed and beautifully illustrated cloth-bound book proposing the total and somewhat totalitarian redevelopment of the avenue.

The Queen's messenger came quietly last week in a 50-page, typewritten plan for the avenue proposed by the new Pennsylvania Avenue Development Corporation. It doesn't even have a cover on it.

The corporation says saving the Willard is its "first and preferred alternative" if the money can be found for its rehabilitation.

The old council of august architects and urbanists wanted to demolish the Willard and a good many other fine buildings around it to create a large "National Square" that would have been the crowning abstraction of a "grand avenue" of abstract monumentality.

The scheme was conceived in the spirit of the time, a time of national affluence and arrogance.

The new plan by the new corporation, directed by citizens and officials and only one architect, reflects a new humility—a fundamental change in the nation's approach to its history and its cities.

The corporation says that as it drew up its plan, its staff consulted community, business and professional groups in more than a hundred meetings. The most thoughtful of these groups, perhaps, was the new planning division of the District of Columbia government.

In a discussion paper put together by John Fondersmith, the city's planners acknowledge that Pennsylvania Avenue "is the great symbolic street of the nation." The link between the Capitol and the White House, however, is only symbolic. In reality, the avenue does not touch either center of power directly. The fact is that you cannot even see the White House from the avenue. The symbolic importance comes to the fore only once every four years, when the inaugural parade is held.

The city's planners want to give the avenue importance on the 1,459 days in-between. They want to make it a lively part of a lively downtown.

"We should ask ourselves," the city's discussion paper says, "whether our children and grandchildren would rather have a Pennsylvania Avenue with eight more buildings like the new FBI headquarters along its north side, or whether they would rather have an avenue reflecting the development of the nation. We believe the answer is clear."

It became clear to the corporation's small planning staff, headed by John Woodbridge, a newly elected fellow of the American Institute of Architects.

Instead of cataclysmically seeking to redevelop the avenue, the corporation proposes to develop the many unique assets the avenue already has. It would give importance, not to the abstract symbolism, but to the real potential for life on the avenue.

Pennsylvania Avenue has width, sweep and grandeur. It is the most dramatic urban setting in the nation. This asset is to be enhanced by wide sidewalks paved with material that will be pleasant to walk on, more shade trees and other planting and amenities that will invite people to visit.

And to give the visitors comfort and company at all hours, this asset is further to be enhanced by housing and hotels.

Pennsylvania Avenue has history. Its history is not just contained in books, but manifest in many of the avenue's buildings—the Willard and Washington hotels, Rhodes

Tavern, the Evening Star Building, the Old Post Office, the Apex Building, the National Bank of Washington branch, the Gilman's Drugstore building which once housed the studios of Civil War photographer Matthew Brady, and several others. The corporation would save and recycle them for new uses and enjoyment along with the many diverse statutes and monuments that have, over the years, mushroomed along the avenue.

And Pennsylvania Avenue, which is now a Berlin Wall between our seedy downtown business district and tourist attractions on the Mall, could be the place where the two become one. Most tourists don't even know there is a downtown beyond the avenue. It isn't a downtown worth knowing.

The corporation's designers have set out to meet these objectives with ingenuity. Their plan has three major features.

Between 6th and 7th Street, around the Apex Building, originally built in 1859 and endowed with its picturesque towers in 1886, they propose what they call a "gaslight district," a tightly clustered complex of old and new buildings full of shops and eateries of all kinds. With or without actual gaslights, the old buildings, plazas and arcades should give the place atmosphere and warmth.

The next two blocks, between 7th and 9th Streets, would be the site of a housing development designed by Hugh Newell Jacobsen. The corporation's economic consultants, Gladstone Associates, assert that there would be a strong market for small, middle-income households.

Jacobsen has come up with a design that maintains the downtown city scale on the exterior of the block but has an intimate townhouse scale in the interior.

Seen from the avenue, the structure would rise 85 to 90 feet. It is to have an arcade with shops on the ground level. The next three stories would contain offices and above them would be four stories of apartments.

Within the block, however, you stand inside a huge cup, as it were. The housing units are designed like townhouses along tiers, or risers, that serve as landscaped walkways. The "houses" step down to an interior plaza. The structure is pierced by the proposed 8th Street pedestrian mall leading from the Archives to the Portrait Gallery. Clever.

This "hilltown-in-town" is to contain 1,500 housing units, parking on various levels, lots of shops, the Woodrow Wilson Center with its offices, meeting rooms and apartments for visiting scholars. The corporation hopes that the Archives, which needs space to expand, will expand into the basement of the Jacobsen village and thus defray some of its cost.

The third prominent design feature is on the block between 14th and 15th Streets. The Willard and Washington hotels are to be retained—at least under the preferred alternative—and between them is to be an open plaza, backed by a new office building that would front on F Street. The office is to help defray the cost of rehabilitating the Willard, which has been closed since 1968 and has fared no better than a man in a death cell awaiting his execution.

Between 10th and 14th Streets, that is between the beautiful Willard and the beastly FBI, commercial development is to take its course.

In the months to come, there will be a great deal of discussion about the wisdom and cost of all this. The corporation's report has been sent to the mayor and the Secretary of the Interior who, under the legislation which set up the corporation, now have 90 days to mull it all over before it goes to the Hill.

There will be public hearings and outcries but also, I should hope, public praise for the intents of this plan and its basic features. The corporation has probably made a greater effort than anyone in this town ever made to arrive at a community consensus, at a plan that makes sense not just for the federal interests, but for the city.

It will cost money to bring people and life back to the city, but once the investment is made, the people and life will generate the income to make the investment pay.

In the end, the problem of Pennsylvania Avenue is not a problem of architecture or public money, but of public confidence. If the public and the investors can be brought to believe that something will happen at last, something will happen at last.

Confidence, however, is not very high in a city where an agency of the federal government brings in its bulldozers early on a Sunday morning to tear down cherished old buildings while their fate is still being publicly discussed.

ATTACKS ON THE PRESIDENT

Mr. CURTIS. Mr. President, I do not want to belabor the point that people in high public places make mistakes the same as other human beings.

We all know this to be true, and it is no defense except as to the mitigating effect if it was a decision made and carried out by someone down the line to whom the top person had delegated the responsibility. And, of course, we sometimes weigh the question as to whether it was "an honest mistake."

We have heard much discussion in the press and in the Congress in recent months, and the impression has been given that all the mistakes reflecting poorly on the United States and its mores and its governmental system have been mistakes made by Richard M. Nixon or his appointees and close associates.

I do not defend wrongdoing. I think it should be exposed and prosecuted when law violations have occurred and can be proved. Likewise I do not defend slandering. I think it should be exposed and the record set straight. And just plain misinforming of the public, honestly done, should be exposed and corrected in the public record.

It is a serious mistake, honest or not, that prompts me to speak now. I think a gross disservice has been done to the President of the United States and to the people of the United States by some of the attacks that have been made on the President—attacks that can in no way be substantiated by facts and hardly even can claim partial hearsay as a basis.

I refer again to a matter I brought before the Senate on March 4, involving certain charges that were made by a distinguished Member of the House of Representatives, the Honorable Thomas P. O'Neill, of Massachusetts, the majority leader of the House.

Speaking at a seminar at the Kennedy Institute of Politics in Cambridge, Mass., Representative O'Neill stated that he has seen the evidence that the grand jury has taken in the Watergate case, and that it is so "damaging" that Special Prosecutor Jaworski could have indicted the President.

Representative O'Neill further declared:

> Rather than see the evidence made public, I think the President will resign.

Those statements were carried nationwide by the Associated Press after they were broadcast on radio station WHRB in Cambridge.

They constitute not only very serious unfounded charges but a breach of the confidentiality of grand jury proceedings, a matter of highest concern to the judicial officers in charge of the courts of the land. They warrant thorough investigation to determine the source of the breach of confidence which in itself is the basis for a contempt proceeding if facts supporting such a charge against one or more individuals can be developed.

I told the Senate about this problem on March 4 and placed in the Record of that date a copy of a letter which Rabbi Baruch Korff, general chairman of the National Citizens' Committee for Fairness to the Presidency, had sent to Attorney General William B. Saxbe requesting an investigation to try to establish the facts.

Rabbi Korff phrased the problem thusly:

> The two direct quotations attributed to Majority Leader O'Neill at the very least, strongly imply that he has either had access to and read minutes of the grand juries sitting on Watergate matters or he has discussed in detail evidence presented to these grand juries with Mr. Jaworski or informed members of the Jaworski staff.

He stated further:

> If indeed Majority Leader O'Neill made such statements, protection of the Presidency, the integrity of the separation of Congessional (O'Neill), and Judicial (Grand Juries), and Executive (the President and the Special Prosecutor) powers has been seriously violated by making available either directly or indirectly to Representative O'Neill the evidenced presented to the grand juries. Either Mr. Jaworski or the members of his staff and Representative O'Neill should be brought before the courts at least to be reprimanded and perhaps to be more severely punished for what would be such a serious violation of the laws and rules of court if these facts are correct.

I believe Rabbi Korff has a good point. I was, therefore, disappointed when he informed me yesterday that the Attorney General had turned down his request. He made available to me a copy of the reply that was sent to him from the Department of Justice, a letter dated March 19 signed by the Assistant Attorney General in charge of the Criminal Division, Mr. Henry E. Petersen.

Mr. President, I ask unanimous consent to have printed in the Record a copy of the letter received by Rabbi Korff from Mr. Petersen.

There being no objection, the letter was ordered to be printed in the Record, as follows:

Department of Justice,
Washington, D.C., March 19, 1974.

Rabbi Baruch Korff,
General Chairman, National Citizens' Committee for Fairness to the Presidency, Providence, R.I.

Dear Rabbi Korff: The Attorney General has referred to me your letter of February 28, 1974, regarding remarks attributed to Representative Thomas P. O'Neill by WHRB radio and the Boston Globe at a seminar at the Kennedy Institute of Politics, Cambridge, Massachusetts on February 25, 1974.

As a member of the House Judiciary Committee, which is currently conducting an inquiry to determine whether impeachment proceedings should be instituted against President Nixon, Congressman O'Neill is privy to all of the evidence which the Committee has obtained to date. Accordingly, I believe it is reasonable to assume that the remarks attributed to him regarding the damaging nature of the evidence against the President were based on his knowledge of evidence in the Committee's possession, rather than access to grand jury minutes or

> discussions of grand jury evidence with Special Prosecutor Leon Jaworski or members of his staff.
>
> Under these circumstances, therefore, I do not believe that any investigation of this matter is warranted.
>
> Sincerely,
>
> HENRY E. PETERSEN,
> *Assistant Attorney General.*

Mr. CURTIS. Now, Mr. President, you will recall I began by mentioning how people in high public places sometimes make mistakes. I am sure Mr. Petersen will agree with me on that. He has been prominent in pointing out the mistakes made by others during his brilliant career at the Justice Department. I specifically recall he has been quoted extensively in the public media as having recommended early to President Nixon that he dismiss certain of the President's top staff members for alleged mistakes they had made.

Against that backdrop, Mr. President, I challenge Mr. Petersen to explain the statement that—

> As a member of the House Judiciary Committee, which is currently conducting an inquiry to determine whether impeachment proceedings should be instituted against President Nixon, Congressman O'Neill is privy to all of the evidence which the Committee has obtained to date.

As a matter of fact, Congressman O'NEILL is not a member of the House Judiciary Committee. He is not a member of any committee or body that is privy to the information gathered by the Judiciary Committee or any other committee or any grand jury as to any possible criminal actions by the President. Neither he nor Mr. Petersen has any basis in fact for claiming that he, Congressman O'NEILL, is in some kind of special position which entitled him to view any evidence in the case and proclaim it "damaging" enough to force the President to resign or be impeached.

I further challenge Mr. Petersen's followup assertion that—

> Accordingly, I believe it is reasonable to assume that the remarks attributed to him regarding the damaging nature of the evidence against the President were based on his knowledge of evidence in the Committee's possession, rather than access to grand jury minutes or discussions of grand jury evidence with Special Prosecutor Leon Jaworski or members of his staff.

Congressman O'NEILL made his remarks on February 25.

As a matter of fact, the House Judiciary Committee did not really complete its staff organization for purposes of conducting its impeachment inquiry until the first week in February. The first staff report was not presented to the Judiciary Committee until February 21. As of February 25, the Judiciary Committee had not received any tapes of Presidential conversations nor had it received any information from the Special Prosecutor or the grand jury. As a matter of fact, the tapes from the White House did not begin reaching the committee until after March 6 and the secret report of the grand jury was not delivered to the committee by court order until March 26.

How did Congressman O'NEILL see evidence that was "very damaging" upon which he based a statement that Special Prosecutor Jaworski could have indicted the President, all by or before February 25?

I submit, Mr. President, there is only one way Congressman O'NEILL could have made such a claim and meant it, and that is by having access to the records of the Special Prosecutor's office or conversations with members of the Special Prosecutor's staff in which confidential information was conveyed to him orally. His exact statement was that "From what I have seen" the evidence was damaging to the point that the Prosecutor could have indicted the President.

By February 25?

Impossible, except by leaks of highly confidential information.

I am sincerely disappointed and indeed astounded that Mr. Petersen concluded his letter to Rabbi Korff by saying:

> Under these circumstances, therefore, I do not believe that any investigation of this matter is warranted.

As a matter of fact, this apparent breach of executive or judicial confidence cries out for investigation.

I am today contacting the court and turning over the information I have compiled, together with a request that the court conduct an investigation into the leaks of confidential information to Congressman O'NEILL in this specific instance involving public statements he made at the Kennedy Institute of Politics in Cambridge, Mass., on February 25. I hope the court will see it in a different and more serious and more accurate light than did Mr. Petersen speaking for Attorney General Saxbe.

THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, one of the most common complaints leveled against lawmakers and politicians is that they do not pay enough attention to the human side of political issues. Sometimes it is not difficult for us to get caught up in a seemingly all-inclusive net of statistics, technicalities, facts, and figures that tend to upstage the actual issues at stake.

The United States did not come out of World War II without having learned something about man's capacity to occasionally commit infamous crimes such as genocide. Now in that struggle our forces were able to defeat our opponents; but today, when military strength is measured in how many times it can destroy the Earth, we must find other ways to check this human capacity for inhumanity. This is why I feel it is important to view the issues with which we deal from the human standpoint.

The International Convention on Genocide is just such an issue. It was designed with human rights and human concerns in mind. It was drafted over a quarter century ago. And it still awaits action in this Chamber. In an age where we must find alternative methods of protecting human rights to avoid reliance on our military might, it is imperative that we build up a system of international law to protect rights of all. The Genocide Convention is a vital step in establishing this type of law. It has been ratified by 76 other nations already. We are one of only two charter members of the United Nations who have not yet ratified the treaty.

The only action necessary in this country is the advice and consent of this body. No action is needed in the House. The President has already endorsed it. Mr. President, we must act with all possible speed to ratify this treaty in the interests of human rights and safety.

DISCLOSURE OF INCOME, INCOME TAXES PAID, FINANCIAL HOLDINGS, AND OUTSIDE SOURCES OF INCOME

Mr. SCHWEIKER. Mr. President, as a U.S. Senator, I believe it is in the public interest to make a disclosure periodically of my income, Federal income taxes paid, financial holdings, and outside sources of income.

Therefore, today, Mr. President, I am voluntarily disclosing my 1973 income, Federal income taxes paid in 1973, financial holdings and outside sources of income. My honoraria are publicly disclosed in accordance with Senate rules.

For the calendar year 1973, my wife and I had an adjusted gross income of $63,814.22—line 15 of our Federal return—and we paid $15,767.65 in Federal income taxes. In addition, we have paid the Pennsylvania State income tax since its inception, and I have also paid the Worcester Township, Montgomery County, Pa., wage tax since its inception.

The only stocks which my wife and I own are Harleysville Life Insurance Co., Merrill Lynch & Co., and National Gypsum Co. My wife and I receive dividend income from these stocks.

We hold no real estate other than that at Worcester, Pa., and McLean, Va. Our other holdings are life insurance policies for the protection of our family, two automobiles and household furnishings.

I hold no business directorship, business position or partnership, and receive no director's fees, consultant's fees, or salary aside from my U.S. Senate salary. When I was first elected to Congress in 1960, I resigned all such business positions.

SOLAR ENERGY

Mr. BIDEN. Mr. President, solar energy has been demonstrated to be a usable source of energy, both here in the United States and in other countries. In this country, solar houses have been with us for many years—one of them right here in the Washington area. In an article which was printed in the New York Times Magazine, Mr. Wilson Clark analyzed the economic feasibility of solar home heating and cooling by examining a Connecticut house built to utilize the Sun as an energy source. The economic potential of the house appears to be good:

> The solar energy system in the three-bedroom, $60,000 house will probably supply about half the heat for the house, thereby cutting annual fuel costs in half—from $600 to $300 (based on current fuel costs). The solar heating system is costing an estimated $3,500 more than a conventional heating system, and represents about 6% of the overall cost of the house. Mr. Barber estimates that with increasing fuel costs the system will pay for itself in about seven years.

The article also describes the various research programs begun in Delaware, Washington, D.C., California, and Massachusetts.

Mr. President, I ask unanimous consent that the text of this informative and interesting article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SOLAR ENERGY

On the Connecticut coast of Long Island Sound, workmen are putting the finishing touches on a new house of contemporary design sandwiched between other resort cottages. From the street, the house looks no different from its neighbors. Viewing it from the south, along the shore, however, one observes three long slanted rows of glass-covered panels mounted on the roof. The panels contain blackened copper plates which absorb sunlight and transfer heat to blackened copper pipes carrying water for use in the home's space-heating and water-heating systems.

The house is the first solar-heated home in the state of Connecticut. Many persons in science and government believe that houses like this one, utilizing the sun as an energy source, offer one exciting solution to the energy crisis, both today and in years to come. The heating and cooling of new houses and buildings with solar energy could save the nation $180-million in fuel costs in 10 years, according to the recent report of a panel of scientists organized by the National Aeronautics and Space Administration and the National Science Foundation. Furthermore, solar-energy technology is not complicated, and could be used in most areas of the United States.

The Connecticut house was designed by two Yale faculty members, architect Donald I. Watson and engineer Everett M. Barber Jr., who teach courses on energy conservation in buildings, and the use of solar energy. Mr. Barber has devoted most of the past five years to research and experimentation on ways to use solar energy economically in homes.

Last winter, Mr. Barber established a small company, Sunworks, Inc., of Guilford, Conn., to market solar-energy collectors. The first client was the owner of the Connecticut house (who prefers not to be identified), who was attracted by the possibility of saving both energy and money by using the sun's radiation. The solar-energy system in the three-bedroom, $60,000 house will probably supply about half the heat for the house, thereby cutting annual fuel oil costs in half—from $600 to $300 (based on current fuel costs). The solar heating system is costing an estimated $3,500 more than a conventional heating system, and represents about 6 per cent of the over-all cost of the house. Mr. Barber calculates with increasing fuel costs the system will pay for itself in about seven years.

There are no moving parts in the solar heating system in the Connecticut home. On the roof of the house are 36 collector "modules"—each about 2 feet wide—arranged in three rows of panels about 6 feet high. The collectors are simple in design: a single sheet of glass stretches over a copper plate coated with a "selective surface" black finish to maximize the absorption of sunlight and minimize reradiation of heat from the black surface. To trap as much heat as possible, even the back of the collector is lined with 3 inches of Fiberglas insulation. Temperatures as high as 350 degrees Fahrenheit are expected to be reached in the solar collector on clear days.

A solution of ethylene glycol (antifreeze, to prevent freezing during the winter) and water is circulated through blackened copper pipes built into the collector surface and down into the basement of the house to heat an enormous 2,000-gallon water tank. The tank is designed to store heat from the collectors at night, and for as long as four to five days of cloudy weather. Mr. Barber calculates that the average temperature of water in the storage tank will be between 120 and 140 degrees Fahrenheit in the winter. A hot-water coil moves the heat to a coil in a hot-air duct that blows heat into the house as in a conventional hot-air heating system. Auxiliary heating for the house is provided by an oversized oil-fired water heater, which is connected to the house air-duty system.

Mr. Barber estimates that, ideally, the solar collecting panels should equal about 40 per cent of the heated space inside the house. Unfortunately, local zoning requirements on height limited the area of the panels on the Connecticut house to only 20 per cent of the home's 1,900-square-feet living area. Nonetheless, the solar collectors will still provide half the house heating requirements.

Next summer, the architects will test an air-conditioner designed to use solar heat as its primary energy source. The solar air-conditioning principle is the same as that employed in air-conditioners prowered by natural gas, where heat, instead of the more common electricity-driven compressor, is used to power the cooling process.

Although the idea of using solar energy is thought to be a relatively new concept, the principle of solar heating is an old tenet of architectural science. The Greek historian Xenophon noted about 400 B.C. that "we should build the south side of [houses] loftier, to get the winter sun and the north side lower to keep out the cold winds." The Roman architectural historian Vitruvius devoted much of his "Ten Books on Architecture" to suggestions on building design for various climates and locales.

Though these principles were obvious to the Greeks and Romans, the lesson of climate design and the architectural use of solar energy has largely been lost in modern American architecture. Modern climate design depends of mechanical control—the use of heating and air-conditioning, which in turn are dependent on limited supplies of fossil fuels—rather than the utilization of sunlight and wind. In the nineteen-forties, national attention was directed to several solar houses which were built with extensive south-facing walls of glass. These facades were usually built with wide eaves, or overhangs, to encourage the penetration of sunlight into the house in winter, when the sun is low in the sky, while shading the windows in summer when the sun is more directly overhead. An essential design feature of the houses was the use of double-walled insulating glass.

A major research program was conducted between 1939 and 1958 at the Massachusetts Institute of Technology (M.I.T.) to develop solar energy collectors for the home. Test houses were built, the last one in 1958 at Lexington, Mass. The two-story house was equipped with 640 square feet of metal and glass solar collector panels on a south-sloping roof. The system, which employed forced-air heating derived from the warmth stored in a 1,500-gallon water tank, supplied about half the heating demand.

More than two dozen houses have been constructed using this basic type of heating system. One leading solar engineer, Dr. George Löf of Denver, Colo., has built two houses using solar heating, and is now constructing a third under a grant from the National Science Foundation. Another pioneer, former Army patent attorney Harry Thomason of Washington, D.C., has constructed three solar houses in the Washington area. Mr. Thomason reported that during the first year of operation, the heating system in his first solar house provided more than 90 per cent of the heating needs of the home, requiring the expenditure of only $4.65 for oil for a supplementary heater. The following winter, 1960–61, proved to be the coldest in Washington in 43 years, yet the family spent only $6.30 for supplementary oil. Mr. Thomason, now living in a spacious house equipped with a rooftop collector, reports continued satisfaction with solar heating technology. (Plans for the Thomason home solar-energy system are available from the Edmund Scientific Co. of Barrington, N.J.)

An unusual experimental solar house has been built at the University of Delaware's Institute of Energy Conversion. The house utilizes solar-electric cells, similar to those used on satellites for space power systems, to provide electricity by converting the sun's energy to electric current. The solar cells are far too expensive for commercial use, although researchers hope that production costs can be brought down.

Solar heated houses need not be expensive, however. In cooperation with architects and engineers at California State Polytechnic, solar scientist Harold Hay recently built a "Sky-therm" house at Atascadero, Calif. The roof of the house is covered with clear plastic bags filled with water, similar in design to water beds. In winter, they gather and store heat for the home. An insulated panel covers the "water beds" at night preventing heat from escaping. During the summer, the process is reversed: The "water beds" are covered during the daytime, and the insulating panels are removed at night to allow the bags filled with water, similar the house during the day. Near Albuquerque, N.M., Steve Baer of the Zomeworks Corporation has built several houses using solar heating and cooling techniques similar in principle to the "Skytherm" system. Mr. Baer's houses incorporate such low-cost features as the use of ordinary 55-gallon drums for heat storage, and the use of skylights with insulating panels for additional heat.

At the Massachusetts Institute of Technology, architect/engineer Sean Wellesley-Miller and physicist Day Chahroudi are testing news methods of fabricating solar collectors from inexpensive plastic materials. Mr. Chahroudi has designed an inexpensive solar-heated structure that he calls a "biosphere," which would contain a greenhouse for growing vegetables and plants. The biosphere would be constructed with a south-facing wall of a transparent plastic membrane that turns opaque in certain temperature ranges. In winter, the plastic surface would remain transparent only when the sun was shining, and would turn opaque at other times to reduce the loss of heat; the process would be reversed during the summer.

Professor Wellesley-Miller emphasizes that the idea of incorporating a greenhouse with solar heating is nothing new. The native Briton says that "in the past, houses of the [English] middle class always had conservatories—greenhouses off the side of the house." The two scientists contend that more than 80 percent of a typical home's heating needs could be supplied by using the plastic collectors, and that an 800-square-foot greenhouse could provide almost all of a family's fruit and vegetable needs in the Northeastern United States. They believe that a combination solar heating/greenhouse system can be mass-produced for about $5,000, and that it would pay for itself in about three years in reduced food and heating costs.

A study completed last year by Dr. George Löf and Ohio State University economist Richard Tybout concluded that the use of solar energy for heating houses would be cheaper than heating with electricity in such geographically various cities as Albuquerque, N.M.; Phoenix, Ariz.; Santa Maria, Calif.; Charleston, S.C.; Omaha, Neb., and Boston, Mass. The Löf-Tybout study emphasized that "life-cycle" costs of house heating would be cheaper with the use of solar equipment; that is, the over-all energy costs, amortized over the lifetime of the house would be less. Were the study updated today, the use of solar energy would appear to be even more economic, given the increased electricity costs in the nation and escalating oil prices.

Significant institutional obstacles prevent the widespread use of solar energy for home heating because most of today's homes are built with low initial costs, not with "life cycle" costs in mind. This means that energy-conserving equipment and materials are often beyond the reach of homebuyers.

Architect Donald Watson, codesigner of the Connecticut solar home, is convinced that more people would build such houses today if lower mortgage rates were made available for energy-conserving features. "Banks don't figure life-cycle costs in today's house loans," he says, adding that the additional initial costs of a solar-heating system would raise the tax assessment of a home.

Addressing this very problem, the state of Indiana recently acted to permit all residents to deduct the added value of solar heating and cooling systems from the assessed value of their real estate. In addition, Congressman Charles Vanik, Democrat of Ohio, introduced legislation in the Congress to grant a tax credit to homeowners of up to $1,500 for the installation of solar heating equipment and other energy-conserving features such as insulation and storm windows.

Both Congress and the Nixon Administration appear to have a long-range commitment to solar-energy development. The Solar Heating and Cooling Demonstration Act of 1974, sponsored by Congressman Mike McCormack, Democrat of Washington, passed the House of Representatives by an overwhelming vote of 253–2 in February. The legislation, if passed by the Senate, would fund a $50-million solar-energy project under the auspices of the National Aeronautics and Space Administration. While the Nixon Administration does not support Mr. McCormack's proposal, it has requested $17-million in fiscal year 1975 for the development of solar heating and cooling equipment.

According to Charles Hauer of the National Science Foundation's Public Technology Projects office, about $6-million will be spent by the Federal Government this year to develop solar heating and cooling systems for buildings. Several schools have recently been equipped with solar collectors for heating under contracts to large industries by the N.S.F. To date, however, these Federal efforts to encourage solar-energy utilization have concentrated on large-scale, long-range schemes to implement solar energy on a national scale. Mr. Hauer says that little information is available from the N.S.F. for an individual who wishes to use solar energy for his own home. "We're trying to develop an industry," he says. "The 'do-it-yourself' approach will not affect the mass market."

In fact, many corporations have become interested in the potential market for residential solar devices. Last year, the Boston consulting firm, Arthur D. Little, Inc., initiated an industry-sponsored project to ascertain potential future markets for solar housing and building equipment. Arthur D. Little spokesmen say that the market for solar-energy equipment will reach $1-billion in national sales in 10 years. "If solar energy provided 1 per cent of the nation's energy needs by 1983, this would conserve approximately 100 million barrels of oil per year," the consulting firm predicts.

The use of solar energy for household heating is not a new technology, and stems more from the tradition of architecture than the history of engineering. Solar engineer Dr. Jerome Weingart, formerly of the California Institute of Technology, points out, "It's the most trivial kind of technology imaginable." In fact, the use of solar collectors and heat-storage systems is more of a plumbing problem than an engineering problem.

The nation need not wait years for a scientific validation of solar energy for heating. What is needed is recognition by architects and builders that housing design can incorporate solar-energy technology as an integral part of the house. Economic incentives, such as Government subsidies, tax credits or progressive low-interest loans by the nation's banks and lending institutions, should immediately be developed to encourage the widespread use of this old and promising technology. At present, aside from the Indiana property-tax breakthrough, there are no real economic incentives for the use of solar energy by homeowners, or by those who wish to develop and market equipment for the use of solar energy.

Efforts to remedy this situation will help to fill a major national need. Dr. Peter Glaser of Arthur D. Little, Inc., believes that widespread use of solar energy will reduce the demand for oil in the United States within 15 years "equal to the total of all the oil that will ever flow through the Alaska pipeline." The way to attain that goal is to overcome the current obstacles to the widespread use of the sun's energy.

INCREASED DUES FOR THE ICRC

Mr. PELL. Mr. President, I am particularly pleased by the recent Senate action authorizing an increase in the U.S. annual contribution to the International Committee of the Red Cross from its present level of $50,000 to $500,000 per annum. This authorization, contained in section 8 of H.R. 12466, incorporated the original proposal for this increase that I made in S. 2258.

As I have stated on previous occasions, this increase in our ICRC contribution is long overdue. The current level of $50,000 was authorized by the Congress on October 1, 1965, and has stayed at that level ever since. This level is far too low in view of the ICRC major responsibilities in the areas of prisoners of war and protection of war victims.

In Vietnam, for example, ICRC delegates and doctors visited over 37,000 Communist prisoners of war. During a 7-year period, more than 60 ICRC representatives carried out more than 450 separate inspections of prisoner of war facilities in South Vietnam.

All of us know that North Vietnam stubbornly refused to allow the ICRC to visit U.S. prisoners of war under their control. Quietly and resourcefully the ICRC tried through the years to gain access to our men held by Hanoi. Even though they were denied access, I believe that the moral pressure symbolized by the ICRC's presence in Indochina was a factor of which the North Vietnamese were aware and to which they responded.

Today, the ICRC is continuing its efforts on behalf of Americans missing and still unaccounted for in Indochina. Representatives of the ICRC's Central Tracing Agency are at work in the area in support of our efforts to obtain information about our missing men.

In the Middle East, the ICRC played a vital role in the repatriation of the prisoners of war between Israel and Egypt. ICRC delegates have now visited the remaining POW's in Syria, and stand prepared to assist in the return of these men as well.

Throughout the world—wherever there is need for an impartial, humanitarian organization to come to the aid to the victims of armed conflict, the ICRC is there. They have played a key role in the movement of refugees and prisoners between India, Pakistan, and Bangladesh. Delegates are presently visiting political detainees in Chile, where their efforts have helped ameliorate the conditions of detention.

In the executive branch comment on my original bill, the State Department expressed full endorsement of this proposed increase. The Department wrote:

> It is our judgment that it would be entirely appropriate, and commensurate with our continuing interest in supporting the work of the I.C.R.C., for the United States to contribute $500,000 annually to that organization.

Speaking for the executive branch, the State Department reaffirmed that position in its letter supporting this provision when it was enacted by the House Committee on Foreign Affairs.

The provision will take effect with respect to our contribution to the ICRC commencing in the current year, and it is my hope that an appropriation for the full increased amount will be provided. This is what the bill would authorize, and that is what should be done.

FUTURE HOMEMAKERS OF AMERICA WEEK

Mr. HRUSKA. Mr. President, the week of March 31–April 6 was designated as "Future Homemakers of America-Home Economics and Related Occupations Week." I should like to take this opportunity to express my support for the FHA–HERO chapters located throughout the country.

Future Homemakers of America has a national membership of 500,000 young men and women. There are currently some 12,000 chapters located throughout this country. Any student who has taken a course in home economics or its related fields is eligible for membership in one of the chapters.

FHA chapters place major emphasis on consumer education, homemaking, and family life education along with exploring career opportunities. HERO chapters place emphasis on job preparation with recognition that workers also fill multiple roles as homemakers and consumer leaders.

One of the things that has impressed me most about the FHA organization is the emphasis it places on developing the leadership skills of young Americans. We have a very good example of this in my State. Currently serving as the national vice president of the Central Division of the Future Homemakers of America is a very lovely young lady from Murray, Nebr.: Miss Lori Schlichtemeier.

Miss Schlichtemeier has assumed her duties in this post with vigor and dedication. She makes a point to keep me advised of FHA activities both in Nebraska and nationwide. She is a credit to our State and represents us well at the national level.

All of us recognize that the home and family are the most important institutions of American society. Both men and women must contribute to the strength of these institutions. The theme of FHA–HERO Week is simple. Men and women must work together to emphasize the importance of consumer education, homemaking, family life, and job preparation.

SEX DISCRIMINATION IN EDUCATION

Mr. MONDALE. Mr. President, in recent months the Congress has become increasingly aware of the problem of widespread sex discrimination in education.

Across the country, women's groups and education organizations have been demonstrating that sex discrimination is found in the administration and operation of our educational institutions and in the curriculum. Two recent newspaper articles demonstrate that encouraging action is being taken on the local and State levels to eliminate sex discrimination in education.

On April 2, the Minneapolis Tribune published an article entitled "End of School Sex Stereotyping Urged." The story explains that the Minnesota State Department of Education is insisting that local school districts comply with guidelines making home economics and industrial arts courses equally available to boys and girls.

On April 5, the Washington Post published an article entitled "Fairfax Panel Finds School Sex Bias." This story reports on the findings of the Fairfax, Va., county government commission on women. This group contends that the county school administration "acts with overt and tacit sex discrimination in areas involving equal pay, sick leave and job advancement opportunities."

I ask unanimous consent that these two articles be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

FAIRFAX PANEL FINDS SCHOOL SEX BIAS

(By Donald Nunes)

The Fairfax County government commission on women has reported that the county school administration acts with overt and tacit sex discrimination in areas involving equal pay, sick leave, and job advancement opportunities.

The report also says that school administration hiring practices are "in effect" discriminatory and that girls interested in team sports such as basketball and track feel that a "systematic pattern of discrimination" militates against their use of school sports facilities.

The commission's report, to be presented to the County Board of Supervisors Monday and the school board on April 18, concludes that most sex discrimination within the school system is the result of tradition and habit rather than active policy. But it also notes that in many cases there is an apparent lack of commitment to the eradication of sex discrimination.

The report, a copy of which was obtained by the Washington Post from sources outside the commission, charges that a majority of textbooks used in the county schools are "overwhelmingly sexist," depicting females in illustrations as ironing, cooking, and doll-playing, for example.

Other commission findings include:

Frequently, girls wishing to take industrial arts courses which have limited space must wait until all the boys who want to take the course are assigned.

Despite the fact that nearly 73 per cent of all teachers in the county system are women, they earn an average of $1,474.54 less than their male counterparts.

For every $1 spent on girls' athletics programs, the county spends $9 on boys sports.

There is only one woman principal in the county's 36 intermediate and high schools.

Sick leave for childbirth, which is restricted to five days, is "unrealistic and harsh."

In order to correct what it called sex bias within the school system, the report recommends among other things that the school board hire a human relations specialist to coordinate antidiscriminatory programs. In addition, the report urges the Board of Supervisors to begin a close monitoring of the school system equal opportunity programs.

As of yesterday, few senior county officials had read the 135-page report, which was distributed quietly earlier this week. Most of them had no comment.

"I don't hear any real surprises there," said school board Chairwoman Mary Anne Lecos, who said she had not read the report. "'The superintendent (John Davis) has already moved in several areas to correct sex discrimination problems where he can." she said.

She mentioned as examples training programs for guidance counselors encouraging them to examine wider fields of job opportunity for girls, and a revamping of the girls' athletics programs. But she admitted that, in many areas "we're nowhere near equal with the boys."

"I hope the school board and the administration will take this not as criticism for criticism's sake," said Glenda B. Surovell, the commission's study coordinator, yesterday. "We meant it just as a description of some problems . . . do help."

Chairwoman Lecos said that following the April 18 presentation, the school board will ask the administration to return with recommendations on what should be done to implement the report by mid- or late-May.

END OF SCHOOL SEX STEREOTYPING UNIT

(By Sam Newlund)

The State Department of Education is pressuring Minnesota school principals to end sex stereotyping by making home economics and industrial arts available equally to boys and girls.

A department administrator made a "good ballpark guess" Monday that nine out of 10 of the state's junior high schools still discourage or forbid boys from taking home economics and girls from taking industrial arts.

Such schools are in violation of a departmental position paper adopted in September 1972, and other directives. This January the State Board of Education voted to revise old regulations linking girls to homemaking courses and boys to shop classes and ordered that a "strong letter" be sent to the schools with instruments to eliminate such groupings by gender.

The board, composed of seven men and two women, called for the letter after some members expressed dismay that the no-bias directive was being widely ignored.

The letter, signed by Education Commissioner Howard B. Casmey and sent last week to superintendents and principals reminded the administrators of the 1972 policy and gently urged compliance.

Even when homemaking-industrial arts "crossovers" by sex are allowed, Casmey's letter indicated, the courses generally "have been planned to be of interest to only one sex."

To carry out the no-bias policy, Casmey said, "it is necessary not only to encourage students of both sexes to enroll in non-traditional courses, but to examine the content of these courses to ensure that they meet the needs of both sexes."

Although the department has no figures on how many schools allow home economics-industrial arts crossovers, Audrey Grote, a department vocational supervisor, estimated that only about 10 percent do.

Most Minneapolis junior high schools, Ms. Grote said, are among those not in compliance. But she said that Minneapolis schools are cooperating fully to correct the situation and that "Minneapolis teachers really are trying to move with the challenge."

The former regulation language, which the board ordered changed at the January meeting, had included statements such as:

"All girls shall be required to take one full school year of home economics instruction in the 7th, 8th or 9th grade . . ." "Industrial arts shall be required for all 7th and 8th grade boys . . ."

That language, said Joleen Durken, department secondary vocational coordinator, "was good for the old days, but those days have long since passed."

KING COAL AND ITS IMPLICATIONS FOR THE MIDWEST

Mr. HRUSKA. Mr. President, the energy shortage has increased the interest of both American and foreign industry in the millions of tons of strippable coal lying close to the surface of several northern plains States.

Industrial activity—notably by the power industry—is accelerating rapidly in the States of Montana, Wyoming, and North Dakota. This activity brings with it many complex problems for State and local governments. It probably will mean sharply increased population, new towns, greatly expanded requirements for State and local government services, water problems, as well as other socioeconomic problems. As this development grows during this decade and into the next, it may mean wrenching changes in customary lifestyles, not only in the States I have mentioned but in many surrounding States as well.

The prospect of planning to meet and cope with these changes places a considerable planning burden on these States which are experiencing the relatively new phenomenon of large concentrations of industrial interest. This burden stretches the States' already limited resources to the breaking point.

Fortunately, much of the burden of this planning and much of the responsibility for subsequent action is being absorbed by the Old West Regional Commission, authorized under title V of the Public Works and Economic Development Act of 1965.

Last year the Congress gave this Commission which comprises a Federal-State partnership involving the States of Montana, Nebraska, North Dakota, South Dakota, and Wyoming specific responsibility for development of a program to help States and localities absorb the impact of industrial development and to assume that the development brings a broad and lasting prosperity to the region rather than a sudden coal boom followed by a collapse when the coal runs out.

Although the Old West Regional Commission is relatively new, it is moving aggressively forward to fulfill its congressional mandate. Because it is occupying an increasingly important role in the entire economic development progress of its constituent States, the Commission is beginning to come to the attention of important business and industrial elements in the region.

Last week the Professional Engineers of Nebraska, an association representative of the best of Nebraska's engineering talent, invited Warren C. Wood, Jr., the Old West Commission's able Federal Cochairman, to discuss the Commission's role in the resource development program and its other responsibilities.

In the thought that Mr. Wood's talk will be helpful to this body in achieving a better understanding of the problems which coal development are bringing to the Old West region, and likewise a clearer knowledge of the Commission's important role in future economic planning in the region. I ask unanimous consent that the text of Mr. Wood's remarks be printed in the RECORD.

Also, Mr. President, I ask unanimous consent to have printed in the RECORD a related story that appeared in the Omaha World Herald.

There being no objection, the address and article were ordered to be printed in the RECORD, as follows:

ADDRESS BY WARREN C. WOOD, FEDERAL COCHAIRMAN, OLD WEST REGIONAL COMMISSION, TO THE PROFESSIONAL ENGINEERS OF NEBRASKA

It is good to be back in Nebraska, the land of the quick "fill-er-up." The gas lines have largely disappeared in Washington now, but for several weeks the transportation problem there was really tough. The only way to get gas was to look for a line of occupied cars. You didn't care where it was headed; you simply hoped they were still pumping when you got there.

While there are differing theories behind the cause and scope of the current energy shortage, it is unanimously agreed the boycott performed a valuable and overdue national service. It brought home to us clearly and dramatically that our days of oil abundance may be gone forever, and at best uncomfortably short-lived.

Almost overnight, it seems, we have discovered that our horn of plenty was just an ordinary barrel—with a bottom which we are dangerously near to scraping, not only in the matter of energy but other resources as well.

No longer can we squander these resources. We must begin to think conservation and recycling. We must reconcile ourselves to the prospect that from time to time we will face shortages of natural resources and consequently many consumer items.

The theme of your meeting therefore is most appropriate—engineering in an age of shortage.

If we had read the signs and heeded them, we would not have been surprised at this disturbing phenomenon. Any nation with six percent of the world's population consuming 33 percent of the world's energy supply—and increasing its requirement by six percent a year—was heading straight for trouble. We're in the same boat as the fellow who designed his own epitaph to read: "I expected this, but not quite so soon."

We are responding to our problems with typical American ingenuity, however. We are perfecting a variety of recycling processes; we are making inroads into both disposal and energy problems by converting trash and garbage to energy; and we are launching billion-dollar programs to unlock the world's great untapped energy sources—nuclear, solar and geothermal.

Meantime we are piping oil in from Alaska; we are bringing it up from the ocean bottoms. We are making the search for new sources economically more attractive.

But with all these measures designed to improve our oil self-sufficiency, we still must face the fact that the world's supply of oil will soon be gone. And until our technology makes it feasible to tap nuclear, solar and geothermal sources, we must turn back the clock to a bygone era and depend upon coal. It is—in the words of Secretary of Interior Rogers Morton—"our ace in the hole."

Coal is not only the most versatile of all fuels. It is our most abundant fuel. The United States has some three trillion tons of coal, more than enough to serve all our energy needs for generations. And as most of you know, the greatest supply of that coal lies right in your backyard—in eastern Montana and Wyoming and southwestern North Dakota.

The sudden necessity to develop the vast coal resources of the northern plains has profound implications for residents of the three states in question, and also for neighboring states such as Nebraska and South Dakota. The entire area is facing in the next decade a variety of socio-economic changes—some pleasant and some perhaps not so pleasant—as energy-hungry industries move in upon this coal-rich area.

Since my organization, the Old West Regional Commission, is intimately involved in this coal development program, let me tell you at this point a little about the Commission, its history and its objectives.

The concept of a regional economic development commission is a relatively new one and our Commission is one of the newest. It is understandable that many in the audience will not have a clear picture of why we are here and what we do.

The Old West Regional Commission is a Federal-State organization funded by the Congress to help improve the economy and welfare of citizens of the five Old West states. As the Federal government goes, we are pikers. We do not have much money to spend. We use our limited resources to help the states in our region make more effective use of existing Federal programs; we serve as a catalyst to encourage and support state and local programs, and we serve a coordinating function in sponsoring region-wide programs beyond the scope and means of the individual states.

The Commission—one of seven in the nation—was authorized by the Secretary of Commerce about 19 months ago on the strength of a 1965 Public Works Act which permitted organization of such commissions whenever economic conditions in a given region fell substantially below the national average. The program was patterned after the Appalachia program begun in the early 60's.

A number of disturbing conditions in the Old West region led the governors of the five states to request establishment of a commission. Chief among these conditions was the out-migration of the labor force—caused primarily by sweeping technological changes in the agriculture industry; also a dispartiy in per capita income compared with the national average, and rising unemployment.

As Federal Cochairman, with a small staff in Washington, I represent the Federal interest in the program. State membership is composed of the governors of the five states. They have a staff and an executive director in Rapid City, South Dakota. A sub-regional office in Billings, Montana, has both Federal and state staff representation.

Our funds, appropriated annually by the Congress, are expended upon a vote of Federal and state members. They are used for a five-phase program of regional economic development aimed at the following objectives:

First, additional development and exploitation of natural resources such as agricultural and forestry products. We seek this objective by helping to expand processing facilities within the region, by helping to resolve water rights problems, and by expanding marketing opportunities. This latter aspect of our program will become especially important in view of interest in our coal, cattle and forestry products. The Japanese for instance are seeking greatly expanded trade in these items.

Secondly, we seek to help the states make improvements in the area of human resources, which in government parlance means improved educational opportunities, better housing, better health care. We view the health care problem as one of the most critical in view of the scarcity of adequate medical care and facilities in rural areas within the region.

Third, we want to improve capital resources, by providing regional economic data to financial institutions, by assisting in product development, by attracting new industries to the area, by expanding international trade, by accelerating the growth of our tourism industry, and similar measures.

Fourth, we want to improve transportation in the region by seeking better facilities and service among all forms of transportation. The area has long suffered from what many feel are discriminatory freight rates. In an effort to alleviate this problem, we represent regional interests in the Interstate Commerce Commission deliberations on freight rates. We are funding an investigation of the entire motor freight rate structure. In air transportation, where our growth has been lagging, we have undetaken an exciting step in consideration of a regional airport. The airport, envisioned as a large international facility with direct, worldwide connections, would be tied to all parts of the region by feeder lines. A feasibility study is underway now. If the results are favorable, we will proceed in a few months to study possible sites for the airport.

Now I am back where I started. The fifth phase of our program is development of the region's energy resources. Congress gave us $2 million this year to help the states and localities in the region soften the potential impact of coal development. We anticipate additional funds next year to carry on the work.

The Commission was organized about the time widespread industry and governmental interest began to focus on northern great plains coal. The arrival of our energy problems moved the timetable up sharply.

Now, with eastern industry looking avidly toward western coal; with more than a dozen federal agencies pursuing various federal interests—this is particularly important since much of the coal lies under federal property—and with state governments and legislatures besieged by intricate proposals and complex decisions, our role in the energy drama becomes more confused by the day.

At first glance, the states should welcome the additional income which coal will mean. Unfortunately it is not that simple. How will the coal be processed and transported? What of the environmental impact? What will happen to agriculture and grazing? How will the land be reclaimed? What will happen to our cities and towns as thousands of workers suddenly move in? Who will finance streets, schools, sewers—whole new towns? Where will the water come from? Coal conversion processes consume tremendous amounts of water; what will this mean to agriculture and the cattle industry?

Having all this coal suddenly become economically attractive is like discovering the girl next door has turned sixteen. While you have always been able to resist her charms, the eager intentions of all those new suitors force you to take another look.

The central difficulty in studying potential coal development is that there are a bewildering number of valid perspectives which demand attention. The paramount problems may range from the influx of an entirely alien class of people into a close-knit small town, to a broad consideration of whether the region may become another Appalachia for the sake of national energy considerations. Behind every decision is the nagging question of whether the area is heading into a gold-rush cycle which builds into a big boom—and then in a few decades, a bust, leaving unemployment, expanding welfare rolls and a land populated primarily by ghost towns.

Since there are practically as many decision-makers involved as there are perspectives, the Old West Commission views its role as providing guidance whereby decision-makers can make judgments serving the best long-range interests of their constituencies.

Let me cite a handful of typical problems which are arising like thistle in this garden of proposed prosperity.

The Michigan Wisconsin Pipeline Company has sited four gasification complexes in southwestern North Dakota, which has only a small portion of the coal. The state has approved a water allocation for only one complex, however. This complex, to be constructed near Beulah—a town of 1300 people—will create more than 1,000 new jobs and probably will mean an additional 1,000 jobs in supporting or service capacities. You can readily visualize the impact on this one small town—consider the effect if this one company is permitted to build 22 gasification plants in North Dakota, which is what it would like to do.

Reclamation is a paramount problem, and the companies seeking state permission to move in promise to return the stripped coal land to whatever condition the state requests. Since this business is new to North Dakota, however, the state does not yet know exactly how it wants the land reclaimed; thus Governor Link is in the process of establishing a task force which will establish reclamation criteria to apply in future cases.

Air pollution will be an inevitable byproduct of coal development. South Dakota officials recently expressed concern that a proposed facility in eastern Wyoming could pollute the air so severely that vegetation will be severely damaged in western South Dakota.

Availability of water is the biggest problem. Montana has just enacted a law placing a moratorium on industrial water appropriations from the Yellowstone River Basin, which runs like veins through Montana coal fields. Demands for industrial water already have exceeded one-third the mean annual flow of the river.

These are the questions and decisions which state and local governments are being required to face as they deal with conflicting hopes and dreams of their constituents. The answers unfortunately are more complex than that given by one small town old-timer who was asked his view of impending coal development: "Well," he said, "at least I hope the town gets a good restaurant out of it."

Old West's role in all these developments is expressed in a six-point program:

First, with industry endeavoring to move in at an increasing pace, we are attempting to establish criteria by which states can assess proposed development projects and weigh the advantages and disadvantages in practical long-range terms.

Second, we are attempting to develop further criteria by which states and communities can determine which type of generating, processing or extraction technologies would bring the greatest benefits to the area in terms of support facilities, water use, ambient air impact and similar matters.

Third, we are attempting to put the legal and regulatory framework into a digestible form so that the public or decision-makers can more wisely assess the alternatives. For instance, the gold rush of the 1850's proved to be the formative period for much of our present water and mineral law—likewise with the oil boom of the 1880's; dry farming and land reclamation around 1900 and reclamation of abandoned lands in the 30's. Questions of taxation, economic protection, population, corporate law, shipping and routing, are compacts and financial incentives now must be considered in an entirely new light.

Fourth, we are endeavoring to help the states determine water requirements of the various processes and projects. Both demand and supply sides of the water equation have been studied in geographically piecemeal fashion, but the demands for water under the new conditions will require closer analysis of water requirements for various extraction or processing alternatives. More importantly, they will require analysis of the trade-offs with regard to agricultural uses, other forms of industrialization, and population growth.

Fifth, we will be evaluating the capabilities of the region's educational systems to determine that they are capable of supplying skilled manpower necessary to staff the industries moving in.

Finally, we have added to our program a contingency phase in which we will undertake related or complementary efforts dictated by findings in the other phases of the work.

If the foregoing sounds like an extremely complicated program, it was meant to sound that way. But it is generally viewed as one of the most important programs in the history of the Old West states because it may have such an extensive effect on their future.

At the same time, we must guard against becoming oversensitive about energy development. The prospect of such development must not be allowed to distort our priorities and perceptions, for lurking beneath all of this planning is the outside possibility that coal development will be short-lived and smaller than anticipated. At least one forecast for our national energy needs suggests oil prices are presently artificially high and that within a few years, oil will again become the predominant energy source for several more decades.

At this point, you could not be blamed for wondering whether all of this activity—especially with regard to coal development—is really of importance to Nebraska. Again we would have to say we don't know for sure how important it will be to Nebraska, for we are dealing with many imponderables.

There is a school of thought that coal development will bring industry flocking to nearby states to facilitate quick and easy transportation of the fuel. There are equally convincing arguments that nearby states such as Nebraska will be bypassed industrially.

There are some areas in which Nebraskans will be vitally interested in widespread coal development, however. As you have noted in my earlier comments, the effects of heavy industrialization will be felt in downstream states with regard to both the quantity and quality of water. Since Nebraska's water supply comes directly from the affected area, this will be a prime concern for the state. Air quality is an equally important consideration. It is entirely conceivable that concerns such as these in nearby states will have an important effect on developmental decisions which are made in the coal-rich states themselves.

Thus the Commission and its five states face many uncertainties in the years ahead. We must do our best to be prepared to cope with a variety of contingencies which our energy situation may bring down upon us. The difficult task is not to plan to meet the impact of coal development. Rest assured more planning will be devoted to that than any of us can imagine before this is over.

Our underlying job rather is to help create an awareness of the common attributes, interests and problems which our states share, and to determine how the region can best resolve them and capitalize upon them for the benefit of all. We must do this without falling prey to an overcentralized approach which will serve ultimately to dilute the element of uniqueness which the states prize so dearly.

By building a mutual trust, awareness and cooperative effort among the states—no matter how the coal boom develops—we will still have forged a set of tools which will help achieve a better economy in the region.

OPPORTUNITY, UNCERTAINTY ARE FACED

(By Darwin Olofson)

There are experts in Washington and in the northern Great Plains states who feel that Murry was not overstating his case.

And what applied to North Dakota also could apply to other areas in the five-state region that includes Nebraska, in their view, with the unhooking of the wealth and energy in the vast coal deposits in Wyoming, Montana and North Dakota.

The fuel crunch and the national drive for self-sufficiency in energy have given coal a royal new title—King Coal.

For coal-rich regions, they also have created economic opportunities and not a few uncertainties.

Interior Secretary Rogers Morton said in West Virginia Friday that U.S. coal production might more than triple by 1985, rising from 600 million tons a year to as much as two billion tons.

TENFOLD INCREASE

A more than tenfold increase in the northern Great Plains is likely by the year 2000, according to some production projections.

It has been estimated that the coal output of Wyoming, Montana and North Dakota will jump from the 30 million tons mined last year to about 350 million tons by the end of the century.

Warren Wood, federal cochairman of the Old West Regional Commission, regards that estimate as reasonable.

"Our region has 40 per cent of the nation's coal reserves," he said.

His commission was created in 1972 to help advance the economic development of Nebraska, Wyoming, Montana and the Dakotas, but its thrust has been altered by the sudden new attractiveness of coal as an energy source.

ADJUSTMENT

"We really feel now that we are more concerned with economic adjustment than economic development," Wood said, adding:

"We are doing everything possible to assist the states in planning for the potential impact of large-scale coal development.

"Of our total budget of $3.9 million this year, $2 million is specifically earmarked for that purpose."

The commission was concerned a couple of years ago about the possibility of unemployment in the region, Wood said, but now wonders whether future manpower shortages might be a problem.

Even the modest development of coal resources will have "a significant impact" on the areas involved, he said.

With large scale development, he added the impact could be "phenomenal."

GERING NATIVE

Wood, who is a native of Gering, Nebr., said much is going to depend on the extent to which conversion plants are built in the region.

Gasification plants, in which a number of major oil companies and other firms are showing an interest, would convert coal to synthetic gas. Another conversion process, liquefacation, converts coal to petroleum.

Wood cited the activities in North Dakota of the Michigan-Wisconsin Pipeline Co. as an example of the economic promises—and problems—involved in coal development.

The firm asked the State of North Dakota to approve the withdrawal of 375,000 acre-feet of water a year from the Missouri River and Lake Sakakawea for 22 gasification plants it planned.

It later amended its request to 68,000 acre-feet for four plants, which it tentatively sited in the western part of the state near Beulah.

The four-county area involved has a population of about 25,000.

2,800 EMPLOYMENT

Each of the four plants would employ about 700 persons, with additional workers required to mine the coal and provide support services, according to Wood.

He estimates that the population of the four counties could increase by as much as 20,000 or 80 per cent, if all the plants are built.

Michigan-Wisconsin's water requirements, however, brought protests from ranchers and other agricultural interests and made North Dakota officials wary.

The state tentatively has approved 17,000 acre-feet of water for just one plant.

"There are water quality and water quantity issues," Wood said, in discussing coal conversion plants.

"There undoubtedly will be environmental and agricultural impacts," he said.

NEBRASKA ROLE

He said Wyoming does not have a great amount of water for use in conversion processes, then added:

"It is not inconceivable that coal could be shipped relatively short distances from Wyoming into areas in Nebraska where there is water available.

"I have not been able to in any way to verify reports. I have heard that sites for conversion plants in Nebraska are being considered."

The water issue appears likely to be a hot one in many areas. Montana has imposed a moratorium on the use of water from the Yellowstone River Basin for coal development.

Wood said he has been informed that at least seven major firms, not including Michigan-Wisconsin, have announced or are exploring plans for gasification plants in the Northern Great Plains.

The Northern Natural Gas Co. of Omaha announced last year that it and another firm would spend more than $10 million looking into the possibility of building such plants.

GRAIN RESERVES—THE CURRENT DEBATE

Mr. HUMPHREY. Mr. President, the issue of grain reserves is important to all of us. I have introduced S. 2005 which supports a modest program of Government-held reserves as well as larger amounts maintained privately.

Hearings were held by the Senate Subcommittee on Agricultural Production, Marketing, and Stabilization of Prices, on March 21 and 22, on S. 2005, as amended, as well as Senator CLARK's bill, S. 2831, which also supports Government-held reserves.

In attempting to sort out the testimony, it appears that there are presently two basic positions and little middle ground. One side favors reserves which are publicly and privately held, and the other supports reserves which are exclusively owned and held by private interests. We will be attempting to find ways of bridging these two positions.

Those in favor of having the Government hold at least part of the reserves, base their case on three main principles:

First. There is a need to maintain adequate supplies for domestic requirements. This includes American urban consumers and also American farmers who use vast quantities of feed grains to produce livestock. Exporting without regard to our own requirements is seen as encouraging the wild gyrations in prices that we have had during the past year.

To give the farmers some measure of protection, the Government should share in the production risks it has called upon the farmers to take in order to maximize production for domestic and export requirements. This would appear to be no more than fair in terms of recognizing the investment required by the farmers and the vulnerability of relying on the export market.

Second. A sound reserve program is needed for the United States to remain a reliable supplier of exports. It is felt that a program of publicly owned reserves will be important in maintaining our export market which everyone agrees must be maintained. S. 2005 also attempts to encourage buyers to purchase regularly rather than jumping in and out of the market.

Three. A grain reserve which is held by the Government would be available to meet disaster requirements throughout the world. This need is generally agreed to although there are questions on the arrangements and the methods of sharing this responsibility. We must face the fact that this is a real need and particularly so since world food reserves will be under 1 month by June, and famine, particularly in Southeast Asia, is a likely prospect.

My bill attempts to address these three basic issues, and it also includes a number of triggering devices which come into play when anticipated total reserves—those held by the Commodity Credit Corporation and in private hands—go below the quantities set forth in the bill. These devices are designed to protect the American consumer against food supply raiding by any country and also to give the Department of Agriculture better information on actual sales in order to project more accurate the supplies on hand.

In addition, I suggested at the subcommittee hearings that both the target and loan prices needed to be revised upward in 1974 to recognize the fact that production costs have increased considerably during the past year. As a suggestion, target prices for wheat might be raised to $3 a bushel, corn to $2 a bushel, and cotton to $0.50 a pound. The loan prices would be raised correspondingly so that approximately the present spread between target and loan prices would be maintained.

The opponents of a publicly held grain reserve maintain that the absence of such a reserve bill will serve to stimulate both production and prices.

These people expect the large-scale exports to countries such as China and the Soviet Union will automatically continue. They choose to ignore the fact that the export market can fluctuate sharply as other countries have bumper harvests or make purchase decisions on political grounds.

We need to remember that greatly increased exports were responsible for the rapid increase in prices this past year. This burst in demand ate up the Government-held reserves, and the existing stocks did not hold the prices down.

Secretary Butz points with great pride to the fact that the American farmer and the consumer are now in the commercial market, but he does not choose to point out that they are competing with other governments, not other consumers. This is not what I consider to be fair competition.

The National Planning Association in its document, "Feast or Famine: The Uncertain World of Food and Agriculture and Its Policy Implications for the United States," points out that we are at a point where American agriculture exports could go either way. Despite the longrun trend toward food scarcity in the world, we could have excess crops this fall if our export markets begin to diminish. On the other hand, we could have continued scarcity because of high exports to the Soviet Union and China.

The opponents of a Government-held reserve program base their hopes on a reserve program held by private farmers and traders. The problem with this position is that private companies and farmers are in business to make a profit. That is understandable; however, they would not necessarily give the public interest foremost consideration in their purchase and sale decisions.

We have seen the same problem arise in allowing the oil companies to look out for the public interest. Putting our agriculture on a completely commercial basis will mean that companies could sell grain overseas leaving American consumers high and dry without adequate supplies.

We need to learn as much as possible from our past experience, but, as former Secretary of Agriculture Orville Freeman so eloquently stated at the hearings, we need to realize that this is a new ball game. We will likely be facing the future, according to Mr. Freeman, from a position of world food scarcity. The opposition, like generals victorious in a past war, looks to the past rather than the future.

I would suggest that we consider the question of Government-held reserves in terms of the three principles I outlined earlier. My position is flexible, and, as I have stated many times before, I would be delighted to receive suggestions on ways of improving the bill.

I strongly believe that the issue is one we cannot and should not avoid. Contrary to the testimony of Secretary Butz, I do not view reducing the numbers of our livestock in a grain shortage situation as either a satisfactory or a desirable solution. The Soviet Union has clearly decided against such a course, and it is not one that we should seriously entertain.

I am also opposed to export embargoes. In the long run this would work to the detriment of American agriculture by restricting rather than expanding its export markets.

At the same time, being mesmerized with the high prices of today's grain market and the notion that the presently strong prices will automatically continue ignores the boom and bust potential of our present situation.

I hope that a fuller discussion of these issues will bring forth the need for such a grain reserve program and the importance of it. I and my staff will be working on further improvements on my bill, particularly relating to the target and loan prices.

FINANCIAL DISCLOSURE STATEMENT BY SENATOR CASE

Mr. CASE. Mr. President, I ask unanimous consent to print in the RECORD a combined statement for my wife and myself of our assets and liabilities at the end of 1973 and our income for that year. This is the 12th such report.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

FINANCIAL STATEMENT

ASSETS

Cash in checking and savings accounts (after provision for Federal income tax for 1973), approximately, $84,000.

Life insurance policies with the following insurers (currently providing for death benefits totaling $138,500):

U.S. Group Life Insurance, Aetna Life Ins. Co., Conn. General Life Ins. Co., Conn. Mutual Life Ins. Co., Travelers Insurance Co., Continental Assurance Co., Equitable Life Assurance Soc., and Provident Mutual Life Ins. Co. of Phila.

Cash surrender value, $53,188.

Retirement contract with Federal Employees Retirement System (providing for single life annuity effective January 3, 1979 of $33,996 per annum). Senator Case's own contribution to the Fund total, without interest, $47,872.

Annuity contracts with Teachers Insurance and Annuity Association and College Retirement Equities Fund. As at 12/31/73 these contracts (estimated to provide a life annuity—10-Year Guaranteed Period—effective January 1979 of $2,097) had an accumulated value of $14,280.

Securities as listed in Schedule A, $405,723.

House in Washington, D.C. (original cost plus capital expenditures), $65,900.

Tangible personal property in Rahway and Washington, estimated, $15,000.

LIABILITIES

None.

INCOME IN 1973

Senate salary and allowances, $42,582, less estimated expenses allowable as income tax deductions of $5,245 (actual expenses considerably exceed this figure), $37,337.

Dividends and interest on above securities and accounts, $19,488.

Net gains on sales of property $9,304.

SCHEDULE A—SECURITIES

Bonds and Debentures of the following, at cost (aggregate market value somewhat lower): $65, 244.

	Principal amount
American Telephone & Telegraph Co	$12, 000
Cincinnati Gas & Electric Co	4, 000
Consolidated Edison Co. of New York	5, 000
Consumers Power Co	5, 000
General Motors Acceptance Corp	5, 000
Mountain States Tel. & Tel. Co	5, 000
South Western Bell Tel. Co	5, 000
Toledo Edison Co	5, 000
U.S. Treasury Bills	20, 000

Stocks (Common, unless otherwise noted) at market: $340,479.

Corporation	*No. of shares*
American Natural Gas Co	200
Chubb Corp	1, 000
Consolidated Edison Co. of New York, $5 Pfd	50
DuPont	40
General Electric Co	340
General Motors Corp	420
Household Finance Corp	750
International Business Machines Corp.	169
Investors Mutual, Inc	2, 760
Kenilworth State Bank	30
Marine Midland Corp	563
Merck & Company, Inc	400
Morgan, J. P	44
National Community Bank, Rutherford	600
Reynolds Industries	100
Tri-Continental Corp	1, 705
United Counties Trust Co	1, 254
Warner-Lambert Pharmaceutical Co	600

REQUESTING THE FEDERAL GOVERNMENT TO CONTINUE TO FUND COMMUNITY ACTION OF GREATER WILMINGTON, INC.

Mr. BIDEN. Mr. President, on March 28, 1974, the Delaware State Senate passed a resolution requesting the President and the Congress to support legislation that would continue Federal funding of Community Action programs.

Mr. President, I ask unanimous consent that the text of Senate Resolution 182 be printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

SENATE RESOLUTION 182: REQUESTING THE FEDERAL GOVERNMENT TO CONTINUE TO FUND COMMUNITY ACTION OF GREATER WILMINGTON, INC.

Whereas, for the past eight years, Community Action of Greater Wilmington, Inc. has mobilized the forces against poverty in New Castle County; and

Whereas, during this period the Federal Government has funded Community Action of Greater Wilmington, Inc., under the Economic Opportunity Act of 1964; and

Whereas, through such funding CAGW, Inc., has planned, coordinated and carried out such programs as credit unions, neighborhood service centers and Head Start, helping to meet the human needs of 15,000 low- and no-income residents of New Castle County; and

Whereas, the Federal Government has not requested funds for its 1975 fiscal-year budget for CAGW, Inc., and, instead, would place this burden on State and local governments; and

Whereas, these governmental units do not have the revenue resources to assume federal responsibility for these programs.

Now therefore, be it resolved that the Senate of the 127th General Assembly of the State of Delaware requests the President and the Congress to support legislation to continue federal funding of the Community Action Programs, retaining the intent of the Economic Opportunity Act of 1964.

Be it further resolved that copies of this resolution be made available to his excellency, Sherman W. Tribbitt, Governor of Delaware, and to U.S. Senator William V. Roth, Jr., U.S. Senator Joseph R. Biden, Jr., and U.S. Representative Pierre S. duPont, IV for their consideration.

SURFACE MINING RECLAMATION

Mr. ALLEN. Mr. President, the featured speaker at the recent annual meeting of the Alabama Surface Mining Reclamation Council was the president of the National Coal Association, Mr. Carl E. Bagge.

The council was honored to have Mr. Bagge travel from Washington to Birmingham to address the delegates to the meeting. Parenthetically, I might add that I was privileged to attend the meeting and to hear the remarks of Mr. Bagge.

In view of the energy shortage now confronting our Nation, I feel the remarks of Mr. Bagge to be both timely and thought-provoking. I commend Mr. Bagge's speech to the Senate and ask unanimous consent that it be printed in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

SAVE US FROM THE ZEALOTS

(By Carl E. Bagge)

Gentlemen, I normally enjoy these opportunities to get away from Washington, which is now defined as a town with empty, echoing marble halls and heads. But these days we can't get away from our country's energy crisis. About the only change in leaving Washington and coming to Birmingham is that here is where some of the crisis is happening, and Washington is where most of it is being caused.

I can't say that Washington has escaped the energy crisis. Our gasoline lines have been among the longest in the country. The Washington Post had a column about a man who had waited 45 minutes in line at the service station. He finally got up to the pumps, and saw that the line still extended two blocks behind him. The owner and the other attendants were rushing around and frantically pumping gas as fast as they could. In a loud cheerful voice, he asked, "How's business?"

Let me report for one corner of the energy business—coal. Our segment of business is harassed, bedeviled and increasingly kicked around by a mixed-up government that tells us to produce coal and then tries to prevent production, a government that says, "Use more coal," and at the same time says, "But don't burn it."

The coal industry should be able to take some sort of grim satisfaction over the arrival of the energy crisis. We have been forecasting it for more than a decade. The national policies—or lack of policies—which the United States has been pursuing made its arrival inevitable.

There is no point in dwelling at length on the familiar litany of how we got here. You all know that we have been using oil and gas faster than we have been finding them—and have not pursued policies which encouraged domestic discovery and development of our fluid fuels. Neither has our government paid more than lip service, and a very few dollars, to the prospect of converting coal, the only energy resource we have in true abundance, into oil and gas. Thus we turned to imported oil and gas—and we didn't even make that turn very smartly. To a very uncomfortable, if not crippling, extent we find ourselves at the mercy of the Arabs. And mercy is not the Arabs' long suit. Regardless of whether they allow oil to flow again, we must take some large, definitive steps not to get into this kind of mess once more.

At least that is what our government is saying. What it is doing about it is another matter. The government is proposing to spend large amounts for energy research, including coal research. We welcome this. The point is that it should have been done long ago. If we had an adequately financed and well planned coal research program in the 1950's and 1960's, on the scale which the size of our coal resource obviously deserves, we would not now today be turning back our thermostats and waiting in gasoline lines.

However, research would not then do all the job of assuring adequate energy supply, and it will not in the future. Research is one component of the complex pattern of energy supply. It is nice—indeed, it is necessary—to develop marvelous new things to do with coal. But these research results will be nothing but an interesting addition to our technical libraries unless we are able to mine the coal, transport it and use it. And in all these workaday activities of the coal industry—and for that matter, much of the energy industries—we face ill-conceived restraints which we as a nation simply no longer can afford to indulge in.

High among these constraints is the absolute tyranny over our nation's energy supply wielded by the starry-eyed environmentalists, their often cynical and self-serving professional leaders, and the politicians who cower before them. The tunnel vision of the zealots has brought us to the tragedy of energy poverty.

I find it hard to understand their thought processes. I like green hills, clean air, sparkling streams and undisturbed nature. But I also believe that man was put on the planet with a mission of surviving, not of starving to death in undisturbed woods.

It seems to me that the persons who most publicly profess their love for Mother Nature are those sufficiently insulated from her. It is only from a position of relative affluence and isolation that we can look at the pines and forget the poison ivy, admire the moss and ignore the mosquitoes. In the Walt Disney world of the theoretical environmentalists, there are no rattle snakes or sheep eating coyotes, and the polecats all have long eyelashes and never commit social indiscretions. The trees are all majestic oaks and the land is fertile beyond belief. There are no pine barrens, worked out farms and hardscrabble hillsides.

In the real world, however, man cannot walk the earth without leaving tracks, and his environment is not always beneficient. Man has for centuries been forced to wrest a living from the earth as best he could; we have finally obtained a state of technology where we can do this without wrecking the earth in the process, but nevertheless our food and fuel, our minerals and metals, must still come from the thin skin of the planet, a few hundred feet of the surface of the earth we walk on. And it must be done where those minerals are found.

I know that there are sincerely concerned people who say, "Why disturb my neighborhood to produce coal for New York, Chicago or Detroit?" They would like for the world to go away and leave them in their private isolation. But they are still eager for—in fact, they demand—the clothing from New York's garment district, the beef from Chicago, and the automobiles made in Detroit.

We do not live any longer in scattered, self-sufficient pioneer settlements—we are a whole, united nation. In fact, we call it the United States.

I sometimes think these people are advocating no growth. If that is what they mean, let us examine the proposition. I think to approach it honestly, they should start with the idea of zero population. That is a moral and ethical question on which I do not intend to pass judgment, but I think that is where they have to start. Without that, you are telling people already born, already living, all ready to start their families and their homes, that they can't have it as good as you have—they can't have your standard of living. You have your automobiles and your air conditioning, but they can't aspire to that any longer. And when you say that then I believe you have the beginnings of real class conflict.

Or to put it more personally, are you willing to tell your own children that no matter how hard they work, no matter what success they may achieve, they can never attain your standard of living? Unless you are willing to do that, then the answer is not to prohibit growth but to find a way to accommodate orderly growth within the ground rules of maintaining the environment as best you can—you have to be clear in your priorities as to which comes first, man or nature.

Though a few environmentalists seem to be willing to return to the woods and live like Thoreau, I dispute their right to take the rest of us back to Walden Pond with them. And I notice that they manage to forget that even the worn-out blue jeans they wear were somewhere made by a factory that used energy.

But mostly they don't go back to the woods. They sit in their air-conditioned homes, warm and well-lighted, watching color TV on which their spokesmen appear on talk shows and advocate measures which would stop the production of the energy they are using.

I hope they have found comfort in their recent hours in the gasoline lines by the thought that it is largely the objections of environmentalists which have blocked the building of additional refineries in the United States which could have been producing the gasoline we have been missing.

If we are to have adequate fuel supplies, we need more refineries along the East coast. For example, there is an application pending to build a $500 million refinery at the economically depressed town of Eastport, Maine, on the Canadian border. It has run into stringent opposition from the environmentalists, and is subject to a ruling expected shortly by the State Environmental Board. Logic would indicate that this application, and others for refineries in New England, would be speedily approved. I hope logic prevails. On the record so far, this is by no means certain. Just a week ago, residents of a New Hampshire town voted against allowing a similar refinery to locate there.

And that brings me at last to our most abundant source of energy, coal. The coal industry's relations with the environmentalists resemble those of a bull in a ring with four toreadors. We are continually getting stuck, on grounds of air pollution, water pollution, subsidence in underground mines, and most particularly, and most acutely at present, on grounds of surface mining.

Let me give you a little irony. A quarter a century ago, Congress had its working quarters remodeled. Workmen took out the old skylights over the House and Senate chambers, and roofed them over completely. Now the House and Senate get no daylight at all. Their workings are illuminated, if that's the word, by electricity. As it happens, this supply of current from the Potomac Electric Power Company is generated almost entirely by surface mined coal from western Maryland, Pennsylvania and West Virginia. And the Congress is busily engaged in trying to put its own lights out.

As this audience well knows, the Senate last fall passed a bill which we estimate would prohibit the mining of 37 billion tons of our most readily accessible coal reserves. It is hard to conceive how much coal is represented by 37 billion tons. That is more than we would mine in 60 years at the current production rate. It also represents more energy than all the proved recoverable oil reserves of Saudi Arabia. The Senate has fumed and fulminated over our loss of access to the Arabian oil supply, but as for our loss of access to an equal amount of secure, reliable energy within our own borders—well, the Senate did it to us. I might say that the Senate acted in spite of valiant efforts by Senator Allen of Alabama and a small—alas, a too small—band of logical Senators like John Sparkman who warned of the consequences of such foolhardy action. They were too few to make the difference.

And now the House is moving toward a vote on legislation which in its present form is different from the Senate bill but has the same objective—to prohibit surface mining rather than regulate it, and to force mining underground. At the same time it would even impose new restrictions on underground mining.

It is obvious to any student of the energy situation, and we have lately acquired a lot of late-blooming experts in this field, that the United States is going to need in the years ahead all the coal it can produce, by whatever means it can be mined. The government tells us that by 1985 we will need to double, triple, or perhaps even quadruple our coal production to meet the demands it foresees by then. It may be possible, given every break, to achieve that goal by mining every ton we can in both underground and surface operations. But if Congress hampers and handcuffs surface mining, which now produces almost half our coal output, there is simply no way we can meet that challenge. The advocates of such a course are living in a dream world, if they think it is possible to acquire the manpower, machines and dollars, in time to meet the coal demands of the 1980's from underground mines alone. We can try until hell freezes—but we will all freeze first.

Perhaps the most ham-handed attempt to abolish surface mining in H.R. 11500 is in Section 3, an amendment sponsored by Congressman Seiberling of Ohio. It imposes a so-called fee of $2.50 on every ton of coal mined. This fee or tax—which is actually a fine for having the temerity to mine coal—can be 90 per cent offset by the operator's expenses for reclamation necessary under the Act, for mine health and safety equipment, and for black lung benefits under the Coal Mine Health and Safety Act. Proceeds of the fund would be used to acquire and reclaim orphan banks or other lands mined in the past and not adequately restored, and for which no operator can now be held accountable.

The proposition has a superficial logic. It supposedly would make the coal industry pay for its past sins, and would destroy any price advantage which surface mined coal would have over deep mining. Actually it is a mischievous and ill-conceived example of over-kill. It will impose a heavy additional cost on consumers. The underground operators it purports to help will be compelled to pay at least another $.25 a ton, and probably much more. The relief they are offered in the form of a writeoff of the expense of safety equipment is largely a phony—most of the cost of complying with the Coal Mine Health and Safety Act is not in equipment but in lost productivity. The equipment expenses have mostly been already incurred by existing mines, and cannot be recouped under this measure, which allows a writeoff only of expenses incurred in the preceeding 4 month period.

Its heaviest impact, as intended, will be on surface mining. It takes no account of the Btu content of the coal—it would impose $2.50 a ton on high Btu coal in the East and the same amount on lignite in the West with half the heat content. In fact, according to the published prices that some western utilities are paying for lignite under long-term contracts, this would more than double their fuel costs.

I could go on about the economic illogic of the Seiberling amendment, but other follies are crying for attention. The bill also requires that mined land be returned to the approximate original contour. On slopes over 20 degrees, the operator may not place spoil on the downslope below the bench or cut, except for a very limited linear area necessary to gain access to the seam for use of the block cut method. The land must be returned to original contour even on such steep slopes, and the stability of the soil must be maintained. That's what Congress says, ignoring such fundamentals as the law of gravity, which says that every mountain is on the way to the sea, and rainfall on a steep slope induces erosion.

The regulatory authority under this bill may grant exceptions to the requirement to return steep slopes to original contour only if the land is to be used for industrial, commercial, residential, or public facility development. It does not allow the land to be shaped to other contours for agriculture. Thus a farmer who has a steep, unproductive, rocky slope may lease it for surface mining, but he cannot ask the operator to flatten it out so that it can be farmed or used for anything but pasture and pulpwood. He is supposed to get it back in the same shape he leased it—even if that shape is bad.

The environmental zealots who drafted this bill ignored farmers in another way also. It requires that the operator, before getting all his bond back, must maintain on the mined land a diverse and permanent vegetative cover capable of self-regeneration and plant succession. That has to be done for five years on all land, and ten years in areas, such as the West where rainfall is less than 26 inches a year. Again, it sounds great, but it knocks out any use of the land for grain crops, for example. They obviously can't be permanent and self-regenerating when you harvest them every year. Even alfalfa couldn't qualify under this language, for it gradually thins out and needs to be reseeded about every three years.

The intent of the authors to remove surface mining from the face of the earth is nowhere more apparent than in the section which requires each state to set up a process for reviewing all its land and declaring areas unsuitable for mining. The Senate Interior Committee, which wrote a similar provision into its bill, said in its report frankly that it wanted the authority to have the power to prohibit surface mining throughout any state. The House committee has not written its report, so it has not yet been so frank, but its intent is evident in the language which is broad enough to apply to any acre in the United States.

In fact, the bill lays a positive requirement on the state to declare land unsuitable for mining if the operator does not demonstrate it to be economically possible. This is sheer regulatory effrontery. I don't see how the licensing authority can decide whether the reclamation is economically possible until he examines the operator's books, including the price for which he intends to sell his coal, and decides whether perhaps the price should be increased. I would hope that the government would still leave a little freedom in this country, including the right to make an economic judgment on whether to undertake a job—or, for that matter, the right to go broke if you want to.

The foremost folly of this bill, however, is that it allows the state to make a judgment in advance about declaring an area unsuitable for mining before the operator has had a chance to show how he plans to mine and reclaim the land. This is a classic example of verdict first, evidence later. Or rather, under this system, the operator never gets a chance to present his evidence at all. This is a clear denial of due process. This whole section epitomizes the determination of the sponsors of this bill to prohibit coal mining wherever it may present the slightest problem, instead of effectively regulating it so that good reclamation can be attained. This bill does not solve problems, it ducks them.

The process of citizen intervention and the process of declaring an area unsuitable for mining combine in Section 205(c), which allows any citizen petition to have any area declared unsuitable for surface coal mining. The regulatory authority must respond in writing within 30 days, and then the petitioner may get a hearing within a reasonable time thereafter. Now couple that with Section 208(d), which provides that no one can get a permit for an area which is under study for designation as unsuitable for surface coal mining. This amounts to an open invitation to delay and obstruction, and it is designed for just that.

Even the procedural requirements of the bill present an administrative mare's nest. Consider what hearings an operator must go through in order to produce coal by surface mining. The law would allow a public hearing when he applies for a permit and again when his permit comes up for renewal. On slopes over 20 degrees, he must apply for a new permit each year. On the lower slopes, he has to apply every five years. He may also face a hearing if he tries to amend his permit, seeks exceptions to the original contour requirements for commercial or industrial use, and finally, he faces a hearing, or the prospect of one, when he seeks the release of his bond on completion of the job.

All these things can happen to him if he obeys the law completely and never incurs a violation. Consider further the fact that the results of these hearings can be appealed to courts. You can understand why when one operator said, "I see where I will be hiring more lawyers than miners."

Requiring a permit renewal application every year on steep slopes is nothing but pure harassment. Elsewhere the bill sets the standards for reclaiming land, and sets them with particular stringency on steep slopes. There are penalties for violating these standards. To go further and require that the operator come for a new permit every year simply attempts to drive him out of business, regardless of whether he is doing a good job.

Almost every page of the bill has similar examples of short-sighted, ill-conceived, and downright vindictive provisions. In short, H.R. 11500 is a disaster, not simply for the surface coal mining industry, but for the country which relies on coal for its main domestic fuel supply in the future. Unless the Interior Committee or the House itself makes major changes in this bill, it should be defeated.

Gentlemen, I think it is time that all sides of this debate back off and take a new look at where we are today. The Congress has been considering this issue of surface mining for more than three years now. In that time we have passed from a period of warnings of energy shortage to a real and present danger that the shortage now upon us will continue. Whether it lunges us into a prolonged period of energy poverty or whether it can be abated to an era of relative abundance depends on the sort of surface mining legislation that is in effect.

For our part, we cannot deny that surface mining in the past has all too often resulted in abuses of the environment. But we can and must deny that the bad old days of rip and run mining will recur. Responsible operators have developed methods of effective reclamation. A rising market for coal will sustain the cost of procedures which operators often could not afford in the past, even if they knew how to do them. States have revised and strengthened their reclamation laws and upgraded their enforcement. The bad old days are past. Their practices are not those of today, nor will they be those of tomorrow. We can and must do an effective job of restoring the land to useful purposes after mining. We can, and we will.

On the other hand, Congress and the public must judge the surface mining industry by today's accomplishments, not by yesterday's mistakes. To hamstring the vital segment of the coal industry which produces coal by surface mining because of its past mistakes is a cheap vindictiveness that in the long run will not be cheap but very expensive to the nation.

The stakes are enormous. If we are to have a synthetic gas industry to supplement our fading natural gas supply, we must convert coal from the rich reserves of the West. And if this is to be done at a reasonable price, it must be done from the billions of tons of western coal which can be recovered only by surface methods. If we are to have a dependable supply of synthetic petroleum instead of being mobile or immobile according to the whims of the Arab world, we must produce millions and billions of tons by surface mining. And if we are to meet the future demands of coal in its conventional uses, we must rely heavily on surface mining methods.

The advocates of a prohibitory surface mining bill have argued that it really does not matter much, because—so they say—the strippable coal reserves are only 3 per cent of the nation's total coal. This is a false argument, and they have repeated it knowing it to be false. With uninformed members of Congress, it has proved an effective point.

The fact is that in the real world where real miners produce real coal, a significant portion of our deep reserves cannot be recovered with existing technology. To be meaningful, any comparison must be based on what can be physically recovered. Thus, while the known coal resources of the nation are 1.5 trillion tons, the amount that we can recover with present mining methods is 417 billion tons. And of this total, 142 billion tons lies within the reach of present surface mining methods. Thus, 34 per cent of our total recoverable resources can be mined by surface methods.

Furthermore, when you take into account the rate of recovery of underground reserves in contrast to the higher, more efficient recovery in surface mining, the amount of strippable coal reserves increases to some 42 per cent. Oddly enough, I do not hear the conservationists—which is what the environmental faddist sometimes mislabel themselves—argue that we should mine coal by the method which recovers the highest percentage of the deposit.

There is another important factor overlooked in the debate on this bill. While it is true that there are large reserves of underground coal in the West which can only be mined by deep methods, we do not have the technology to recover more than the top 20 to 25 feet of a thick underground seam. I have letters from the deans of nearly every mining engineering school in the United States attesting to the fact that in very thick seams, the weight of the overburden causes the walls of entries to collapse after a certain amount of coal is removed—the pillars crumble. In short, we need improved mining technology, but I do not know whether we will ever obtain it for mining under those conditions. Until we do, we had better count this coal as a future asset, and not one which is presently accessible. It is not grounds for lightly deciding that we will rely on deep-mined coal entirely, and forget about surface mining.

Our opponents also use the West and its prospective growth of surface mining as an argument against that time of mining in all parts of the country. They say Congress should make it tough, or impossible, to do surface mining anywhere, because otherwise the whole West is going to be converted to one big spoil bank, irretrievably and forever. To put it kindly, that is a myth. It ignores the fact that Western surface mine coal comes in seams as thick as 90 feet, and 50-foot seams are common. That means a tremendous amount of coal per acre.

In fact, the National Science Foundation laid that myth to rest in a recent report which said that if the anticipated demand for Western coal is met by surface mining, the amount of land disturbed in the West will be a total of 92,000 acres. I don't say that amount of land is insignificant, but it is a long way from overturning all of Marlboro Country. Put in Alabama terms, it is about the size of the city limits of Mobile. I suspect there are single ranches larger than that.

And if that land is mined, it will be reclaimed. That is already assured under state law or federal agreement.

More importantly, if it is not mined, you can say goodbye to the idea of a synthetic fuels industry based on coal. And that is a price we should not have to pay. It is, in fact, a price that the nation cannot afford to pay if we are to remain strong and prosperous. It is not a reasonable answer.

Reasonable men can reach reasonable agreements. The coal industry, I believe, has worked long and hard for reasonable compromise. Many members of Congress have attempted to write reasonable legislation—many, but so far not enough. A larger number, out of lack of knowledge, out of hysteria, or out of fear of the professional spokesmen who organize environmental movements, have yielded to the popular slogans instead of considering the facts. I hope that in the weeks and months ahead, members of Congress and the Administration will consider the consequences of crippling the American coal industry. If continued surface mining of coal is curtailed as the pending legislation proposes, I suggest that these members of Congress and the Administration also consider the consequences of having to answer whose fault it is when the lights finally go out. The culprit will not be the coal industry—it will be the zealots.

God save us from them.

THE BEEF INDUSTRY

Mr. **HRUSKA.** Mr. President, as I have upon many other occasions, I rise to bring this body's attention to the distressing situation facing this country's beef industry.

While the price of meat at the retail level continues to climb, the price being paid to the farmer for producing this beef is falling drastically. Some beef producers in my State are losing as much as $100 or $200 a head on their cattle.

Because of some false impressions about the retail price of beef, it appears that the consumer is not buying as much meat as before and is turning to substitutes. This is very distressing to farmers in my State as witnessed by an editorial and petition appearing in the April 4 edition of the Oakland, (Nebr.), Independent.

The petition signed by several hundred concerned Nebraskans urges that foreign beef imports be curtailed "until such time that the price situation is conducive to domestic beef production."

The editorial said:

> As any housewife knows, the price of groceries and beef have gone up. What she, and her husband when she complains to him about the food bills, tend not to emphasize is that all things that are purchased have also risen.

It is a point well taken. Although average beef price increase over the last 10 years is 39 percent, as the editorial points out, over the same period, car repairs have gone up 45 percent, home maintenance costs are up 56 percent, and mailing costs are up 73 percent.

The only way to get the farmer's prices back up to a reasonable level is for the consumer to start purchasing beef in the supermarket. According to a Wall Street Journal article on April 8, this is not happening. The paper says that per capita beef eating slumped from 116 pounds in 1972 to 109 pounds last year. I am concerned about this trend and so are many people of my State who depend a great deal on beef to make a living.

To bring their plight to your attention I ask unanimous consent to have the Oakland Independent editorial and accompanying petition printed in the RECORD.

There being no objection, the editorial and petition were ordered to be printed in the RECORD, as follows:

BEEF COUNTRY SPEAKS UP

Hand in hand, the members of the agribusiness community are pitching in this weekend with a "The Beef Country Speaks Up" program. Businesses in Oakland the Burt County Feeders Association are making a big combined effort to tell the story of the most important industry of this area—the raising of feeder beef into meat for the nation's table.

As any housewife knows, the price of groeries and beef have gone up. What she, and her husband when she complains to him about the food bills, contend is not emphasized is that all things that are purchased have also risen.

Perhaps a comparison of a few basic items will put the matter in perspective. In the case of beef prices, the average raise over the last 10-year period is 39 percent. Since beef is indeed one of very favorite foods of the family, it is natural that this should receive major attention. After all, the consumer looks to beef as a highly desirable staple item as well as a delectable delicacy. It's the story of the popularity of everything from hamburger to porterhouse steaks.

What the housewife might not be thinking about when she budgets her household expenses is the way other basic items have increased. For instance, in the same 10-year period, repairs for the family auto have gone up an average of 45 percent and home maintenance expenses 56 percent. The item of health care is somewhat indicated by the adjustment in doctors' fees to rounded out 64 percent. Such a prosaic item as mailing costs—remember this affects items coming in as well as those going out of the home—is increased 73 percent.

There are, of course, many other things that have increased—some more and some less than the ones quoted here. These are typical ones that affect the largest number of people. The inflationary spiral is a critical one. The figures used here, in all cases, are from the U.S. Department of Agriculture.

The aim of the current promotion radiating out of the Oakland community is to get quantities of beef moving into the home for consumption. It is also to get the whole story of the important local segment of the beef industry on people's minds. Quite simply put—"The Beef Country Speaks Up . . ." is as timely as it will be effective.

BEEF PETITION

LIST THAT WENT TO WASHINGTON

We the undersigned are seriously concerned about the livestock feeding industry, and in particular, the impact of beef imports on the price of domestic beef when the price of these products is below the cost of production.

We urge you to reconsider and curtail the impact of foreign beef until such time that the price situation is conducive to domestic beef production:

Carroll E. Pearson, James E. Peterson, L. Gordon Nelson, Harold A. Nelson, Keith Potadle, Henry T. Olsen, Auga M. Svendsen, Gene H. Hansen, Vernolt Moseman, Galen D. Sailors, Elden Ahrens, Theo Eriksen, Jr., C. Gordon Nelson, Arnold Magnusson, Carl Magnusson, and Dale Magnusson.

Roger A. Nelson, Glenn M. Cull, H. L. Baldwin, Shirley Bromm, Ronald Carlson, Art Grenier, Dean Brudigam, Stephen L. Stalling, Ray Simpson, Iver Beckstrom, Erwin Muller, Donald Bromm, Glen Rosenboom, and Iver Beckstrom.

Robert Loftis, Ray Simpson, Emmet Connealy, Larry L. Hennig, Robert Richards, Dwayne Huffman, Mrs. Larry French, Joe Walter, Harold H. Swanson, R. O. Terwilliger, Patrick Bacon, Johnie Beard, Don L. Worley, Ben Erway, and George Busse.

Velma Cooper, Clinton Blevins, Don Worley, Sr., Rex Morgan, H. C. Larson, Dick Larson, Archie Pond, Arthur Mussack, Edward Smith, Ken Phelps, Jim Smith, Pat. J. Knutson, Gerald Bacon, Lyle E. Farrens, Harold Hale, Russell Claussen, Donald Walter, Linda Wortman, Mrs. H. W. Anderson, Kelsa McKain, and Bill Whee.

Franklin W. Johnson, Robert J. Brodersen, Pearl A. Broadersen, Harvey Walker, Wayne Hansen, Orville Hansen, Kenneth H. Miller, Ernest Rojem, Robert E. Coffman, Maurice B. Connealy, Eugene Chamberlain, Lawrence V. Johnson, Joe Roh, Jr., Robert H. Anderson, and Elden Ahrens.

Arnold Rieken, James W. Anderson, Robert Aicken, Roger Peterson, Delmar Anderson, Norman Wallerstedt, Ivan McKenzie, Fred Fager, Sherman Hultquist, Dwain R. Anderson, Jon Ronnfeldt, Vern Hansen, Howard E. Anderson, Johnie M. Beard, and Donald Drummond.

Richard Feyerherm, Mrs. Delwin Swanson, Willard Drummond, Lawrence Holmberg, Raymond Webster, Lawrence Stromquist, Harold C. Myers, Gerald Wacker, Robert Kiester, Roy Pounds, Leonard I. Anderson, Kathy Drummond, Bernard Noordhoek, Thelma Brink, William Stanek, and Kenneth L. Larsen.

Llye Redding, Larry L. Larsen, Phillip Cooper, Bruce Peterson, Lloyd Hurrell, Dwight Long, Maurice Moderow, Gerald Wallerstedt, Norman Petersen, Carrol Hall, Gene A. Meyer, Meryln D. Nelson, Mrs. Jon A. Johnson, Mrs. Melvin Meyer, Jon A. Johnson, Kenneth Stromquist, Sidney Lindstrom, Jim Severson, and Mrs. Garland Erickson.

Paul Haeffner, Darrell Anderson, Randy Andersen, Tim Huffman, Maynard Y. Deen, Earl V. Hightree, Neal Forrester, Lee Deman, Don C. Johnson, Dorothy Winingham, Mary Gallup, Lyle Tippery, Helen L. Tippery, Mrs. Larry Tippery, and Roy G. Tippery.

Myrtle E. Tippery, Joan Tippery, Anna L. Malloy, Joe Malloy, Dan L. Smith, Elaine Smith, Clark Beck, Larry Kellogg, Robert Baker, Larry Mussack, Alden E. Engdahl, Daryl Bromm, Harry L. Hansen, Frances D. Larson, and Arnold Peterson.

Sidney Lindstrom, Harlan C. Swanson, Emory Wickstrom, Ed J. Nelson, Bob Bogue, Gilbert Isaacson, Art Schlichting, Hilma Hall, Judith Olsen, Kent Johnson, Gerry Hill, Loren Bundy, Ronald D. Nelson, Everette Powell, Randy Johnson, and Darl Beck.

Jim Frahm, Carl T. Anderson, Dan Whitted, Mrs. Harlan Nelson, George I. Nelson, Bob Hogan, Bill Johnson, Donald L. Johanson, Cameron Nelson, John W. Ahrens, Nels Christoffersen, Willis Ahrens, Larry Feyerherm, Marvin Johnson, L. L. Chudomelka, R. K. Robertson, Leonard C. Johnson, Mrs. Larry English, and Mrs. Phillip Hall.

Clay Reppert, Bob Reppert, Leonard Neesen, Lavern Neesen, Lyle D. Larsen, Rex Morgan, Gale D. Peterson, John Yowell, Gerald Wortman, Merlin Topp, Roland Ulrick, Willard Zvacek, Merrill Larson, Richard Johnson, and Cy Grosserhode.

Marlowe Tipton, Bob Ruzicka, Allen Reimers, H. L. Weeks, Wallace Oerfelt, Dennis Jahnke, Richard Bammert, Carol Schuetze, Victor H. Bracht, Margaret Fenske, Lenore Feyerherm, Anton Wiese, Harold Swanson Jr., Lewis L. Beard, and Carl Swanson.

Joe McGill, Steve Juva, Clark Sorensen, James Smatt, Leo Feyerherm, Marvin Benne, Paul Herman, Martin Weiler, LeRoy Enstrom, H. H. Hensel, Norman Abrahams, John Kindschuh, Vincent Lindstrom, Leroy Villwok, Arthur Linden, Raymond Satree, and Arnold L. Nelson.

Garfield Monson, Floyd Monson, Harold Lindstrom, Tom Mallette, Melvin Von Seggern, Larry English, Vernon K. Johnson, David Greenwood, Gary Johnson, Dale Greenwood, Mrs. Herbert Young, Delwin Swanson, Willis Rabe, Roger Enstrom, Barry Rabe, Gust Von Essen, Russell Peterson, Bodolf Nissen, and Carl Wahlstrom.

Harvey Peters, Robert Miller, Bill Ahrens, Marlin Smith, Donald Dyson, Scott Smith, Dean Charling, Larry Anderson, Phillip Hall, Ben Erway, Clinton Bevins, Don Worley, Lyle Farrens, Donald Walters, and Ralph Neesen.

Bruce Schlecht, Ervin F. Smith, Ronald Rogers, George Guill, Clifford Saf, Lee Saf, Ralph Johnson, Ray Sebberson, Sid Wallerstedt, L. Johnson, Charley Cull, Dayton Benne, Keith A. Cook, Alfred Carlson, and Homer Francis.

Alva Beck, Dale Ruppert, Delbert Mahnke, Bud Douglas, James L. Nelson, Richard Grothe, L. C. Faudel, Walter Horn, Larry Larson, R. L. Peters, Mel Swenson, F. H. Darling, James A. Maly, Gerald Ludwig, Ralph Webster, Lyle Webster, and Jim Webster.

Mike McKenzie, Lumer Tichota, Jackie Cooper, Myron Rogers, Arlen Kempcke, Leon Olson, Kenny Frost, Mary Ahrens, Richard Dreyer, George Ray, Gene Kurz, Tom Johnson, Wesley Jacobs, Robin Newill, Bonita Going, Roland Slagle, C. W. Mailler, and Jim Weiler.

WORLD AVAILABILITY AND DISTRIBUTION OF FOOD

Mr. **BIDEN**. Mr. President, recently I had occasion to read an article regarding the world availability and distribution of food. I must admit that I was very surprised by some of the statistics that were offered. For example, the article said that by the end of fiscal year 1972 the total value of American agricultural exports was $8 billion. This contrasts with the figure for fiscal year 1974 which was 2½ times as much or $20 bilion. This indicates an almost overwhelming increase. It would be unfair though not to put it in its proper perspective. American agricultural production has almost consistently in the 20th century been marked by vast surpluses. What we have done with these surpluses is store them or channel them into our food for peace or Public Law 480 programs.

The picture that now faces us is a little different. Due to large-scale increases in basic commodity exports, our surpluses and reserves have diminished to the point where a trip to the neighborhood grocery store means spending a sizable chunk of money. Some even predict that we might experience certain food item shortages this year. The United States now finds itself in competition for basic foodstuffs with the world at large.

> Now, the upsurge in American exports has produced a whole new set of influences on the domestic market.

The above quote from Douglas Kneeland's article raises some interesting questions and deserves close scrutiny and study.

Mr. President, I ask unanimous consent that an article from the New York Times of March 11, 1974, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CONSUMERS IN UNITED STATES FACE COMPETITION FOR NATION'S FOOD—AGRICULTURAL EXPORT VALUE RISES 150 PERCENT IN 2 YEARS TO MEET WORLD DEMAND

(By Douglas E. Kneeland)

When Americans push shopping carts through their supermarkets, not many of them are aware that they are now competing for much of the food they buy with people in Japan, Western Europe, the Soviet Union, China and most of the rest of the world. But they are.

Agricultural and economics experts agreed in interviews over the last three weeks that a major reason for some of the sharp increases in food prices in recent years had been the sudden and vast expansion of agricultural exports from the United States.

In the fiscal year ending June 30, 1972, the total value of American agricultural exports was $8-billion. For the year ending this June 30, the Government is estimating total agricultural sales abroad of $20-billion, 2½ times as much.

"We had a hellish big increase in quantity, but a lot of it was in price," said Kennard O. Stephens, deputy assistant sales manager in the Department of Agriculture's foreign agriculture service. "Maybe 50 per cent of this was price."

END NOT IN SIGHT

That is what happens when a lot of people are bidding for the existing products on an international market.

Discussions across the country with representatives of the food industry, officials of the Department of Agriculture, exporters, consulting agricultural economists and farmers themselves provided a consensus that the end of the expansion in foreign agricultural trade is not in sight.

Most Americans are familiar with the Soviet purchases of 350 million bushels of wheat in the late summer of 1972. That marked the beginning of the end of the huge surpluses that had occurred for decades in the United States. But most of those interviewed during the last few weeks agreed that the Soviet grain deal was only the tip of the iceberg.

RISING EXPECTATIONS

The law of supply and demand is at work, they emphasize, but it is no longer limited to the domestic level. It is the demand of a hungry world, whose ever-increasing population has rising expectations and somewhat more affluence, for food supplies that are having trouble keeping up.

For most of their lifetimes, Americans have been accustomed to relatively cheap basic foodstuffs made possible by an agriculture that regularly produced vast surpluses. The government, in turn, has spent billions to buy and store the leftovers and to pay farmers to hold acreages out of production.

Now, the upsurge in American exports has produced a whole new set of influences on the domestic market.

For instance, Japan has an insatiable appetite for soybeans, of which the United States is the world's biggest exporter. The demand may keep the price at a level that, in a side effect, adds considerably to the expense of feeding soybean products to poultry in this country and eventually to the cost of chickens to consumers. Likewise, a developing desire for more meat abroad may lead to a drastic increase in exports of American corn and other feed grains, pushing up their prices in making the cost of beef and pork much higher in the United States.

ANCHOVIES AND SALESMANSHIP

The change was spurred by a number of things, such as the easing of restrictions on trade with Communist countries, disappointing grain crops in many parts of the world, a poor catch of anchovies (used for protein in feed) off Peru two years ago, rising world demand for wheat and meat, rice crop failures in Asia and aggressive salesmanship over the last few years by many American growers' associations and export companies.

But it has come about so fast, rapidly draining off the traditional surpluses in this country, that it has caught many by surprise.

Little public notice was paid to the shifting situation until the American Bakers Association recently began badgering the Department of Agriculture to slow the record exports of wheat. The bakers sought the imposition of some sort of licensing controls, in effect, an embargo on new sales, lest the United States run out of wheat by the June 30 end of the crop year.

The bakers have insisted that the country could run so low on wheat that prices would soar and a family-size loaf of bread might cost $1.

The department, which has welcomed and encouraged an upward trend in sales, has resisted any type of embargo. The United States ended the last calendar year $9.3-billion ahead in agricultural exports over imports and $1.7-billion in the black in total balance of payments.

Secretary of Agriculture Earl L. Butz and his assistants are convinced that the credibility of the United States as a world trading partner was severely damaged in the summer of 1973 by a temporary embargo on soybean exports.

They insist that despite the bakers' predictions, the country will have a carryover of about 150 million bushels of wheat on July 1.

PUBLIC UNPREPARED

Most of those questioned were convinced that the bakers—like much of the American public—had become so used to prices dictated by surpluses that they were unprepared when wheat broke the historic $3-a-bushel barrier and rose to as much as $6 a bushel.

But the philosophy of Dr. Butz and many in the grain industry is that if Americans are to trade in a free world market they must pay the going price for products, even those that are raised in great surplus at home. In the case of wheat, the United States consumes only about a third of its annual crop, there are some obvious political risks in telling the people at home in a time of rising prices that they must bid against the rest of the world for their own grain.

Ray Davis, president of the National Association of Wheat Growers, does not believe the country is going to run out of wheat, but he enthusiastically embraces the new philosophy that American consumers are going to have to pay the world price if they want their share.

Cargill, Inc., in Minneapolis, is generally acknowledged as one of the largest, if not the leading, processor and handlers of United States farm products. Men like Walter B. Saunders, vice president for the company's marketing and transportation group, and Melvin H. Middents, vice president for the commodity marketing division, are dealing with the new world situation with relish. It's their business and it's booming.

IN 38 COUNTRIES

Cargill, which has annual sales in the billions, buys and sells grain (it accounts for more than 22 per cent of United States wheat exports). It also processes soybeans and other products, produces feeds and raises poultry, leases a fleet of 1,500 hopper cars, owns barges, towboats and ships, makes chemical products and operates salt mines and fishing fleets. It has more than 300 plants and offices in 38 countries.

But Mr. Saunders and Mr. Middents, dressed in conservative gray suits and rep ties, make it all sound simpler than that.

"Our economic function really two functions," Mr. Saunders said in company headquarters in a secluded brick chalet at Lake Minnetonka, "is to get grain from surplus area to deficit areas. That can be from Kansas City to Buffalo or to the U.S.S.R. The other is to take grain when it is in surplus and then distribute it when it is no longer in surplus. That's the grain business."

Mr. Saunders, slender, with dark wavy hair and horn-rimmed glasses, paused to smile across the table at Mr. Middents, a broad-faced friendly man.

"We store grain for other people," he went on. "Since World War II our biggest customer has been Uncle Sam, but we don't do much of that any more."

Both agreed that the world grain stocks were tight, but insisted that the United States would not run out of wheat.

"It's really been a shock to us," Mr. Saunders said. "Mel and I have been with Cargill a number of years and nobody paid any attention to our business. Now we've been on radio and television and people complain to us at cocktail parties. 'You're the guys who sold all that wheat to the Russians.' "

"That Russian grain deal is the most misunderstood thing," said Mr. Middents, "but it was just the timing more than anything. Nobody predicted the dramatic turnaround."

"We thought it would happen," Mr. Saunders interjected, "but we thought it would be gradual. Nobody expected the explosive nature of it."

"One of the things, as with energy," Mr. Middents said, "I think we'll still have reasonably priced food. But we can't take either energy or food for granted as something we'll have extremely cheaply."

THE AGE OF DOUBLESPEAK

Mr. McINTYRE. Mr. President, much to my chagrin, we seem to have entered the age of misuse and abuse of the English language for political purposes. Each day we are confronted with a new example of what has been variously referred to as "doublespeak," "Pentagonese," "bureaucratese," "linguistic pollution" and "Zieglerrata."

I refer, of course, to the all too common practice of distorting the true meaning of words in order to place a more favorable meaning of what might otherwise be an unthinkable or unspeakable concept. Thus, the Pentagon would have us believe that we do not bomb anymore—we provide "air support." False statements about Cambodian air raids are not "lies"—they are merely "erroneous reports."

Clearly, however, this art was not invented by the Pentagon, nor do they have a monopoly on its use. Who could forget the momentous day when some unidentified bureaucrat single-handedly eliminated poverty in this Nation—simply by ending the use of the word "poverty" in all official reports.

Perhaps it is my Yankee background, but I yearn for the days of simplicity, when words were straightforward, and your neighbor would look you in the eye when he spoke. Nothing was "inoperative" then—it was either broken or untrue.

This may seem to be a trivial complaint, Mr. President, but I am in earnest. We realize more and more every day that information is power, and that those who have control over our sources of information must be held accountable for misleading us.

I would commend to my colleagues attention an article in the April 13, 1974, issue of The New Republic. It is entitled "Zieglerrata," and I ask unanimous consent that it be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Wafflers of the world, beware! An implacable enemy, versed in the ways of language, plots your destruction. For three years now the National Council of Teachers of English—130,000 members who live by the word—has been stockpiling invective to hurl at the specter it calls Doublespeak. The council has a Committee on Public Doublespeak—26 determinedly true-speaking, true-writing teachers of high school and college English, whose aim is to "combat semantic distortion by public officials, candidates for office, political commentators, and all those who transmit through the mass media."

Last November the Doublespeak Committee dispatched a daring suicide mission—under the cover name "Insider's Tour"—to the heart of enemy territory, Washington, DC. Four leaders found that the Federal Trade Commission representative had been unable to define "public interest," the Federal Communications Commision official had difficulties with "controversial," and the Department of Defense man struggled unavailingly with "national security"—though he had no trouble when asked if the Pentagon had lied to the Senate about the bombing of Cambodia. Spokesman Jerry W. Friedheim replied that the Pentagon hadn't lied, it had merely submited an erroneous report. This is pure Pentagon Doublespeak.

Back in World War I Maury Maverick defined Gobbledygook as "talk or writing which is long, pompous, vague, involved, usually with Latinized words." Others have contributed State Departmentese, Pentagonese, Strangeloveisms, Bureaucrat, bureaucrack, bureauquack, bureaucratic, indirect, bureaucratic amorphous, linguistic pollution, officialees, Nixonese, Ovaloid, Zieglerrata, marshmallow prose, Prosa Nostra, and of course Doublespeak's half-brother—Doubletalk. Rep. Robert F. Drinan (D, Mass.) calls it unlanguage. He once had such trouble understanding an untext of navy unlanguage that he arranged for navy officials to visit his office and debrief themselves.

To doublespeak is to polish up the handles on reality. "Things are seldom what they seem/Skim milk masquerades as cream," sang Gilbert and Sullivan. But the past master who damned unlanguage *a capella* was George Orwell. In "Politics and Language," he wrote: "In our time political speech and writing are largely the defense of the indefensible. . . . Defenseless villages are bombarded from the air, the inhabitants driven out into the countryside, the cattle machine-gunned, the huts set on fire with incendiary bullets: this is called *pacification*."

Orwell suggested dealing with political chaos by verbal purification. "If you simplify your English, you are freed from the worst follies of orthodoxy," he wrote. "Political language—and with variations this is true of all political parties, from Conservatives to Anarchists—is designed to make lies sound truthful and murder respectable."

In *1984* Orwell foresaw the triumph of Newspeak, completely replacing Oldspeak (Standard English) by about 2050. Newspeak would make all forbidden beliefs unthinkable by stripping Oldspeak words of unorthodox meanings and diminishing the range of thought: "The word *free* still existed in Newspeak, but it could only be used in such statements as 'This dog is free from lice' or "This field is free from weeds.' " And: "Ultimately it was hoped to make articulate speech issue from the larynx without involving the higher brain centers at all. This aim was frankly admitted in the Newspeak word *duckspeak*, meaning 'to quack like a duck.' "

James Thurber wrote: "The brain of our species is, as we know, made up largely of potassium, phosphorus, propaganda, and politics, with the result that how not to understand what should be clearer is becoming easier and easier for all of us." As usual his seals were barking up the right tree. Where but in the pea soup of our brain was there a culture for the Doublespeak of Vietnam, where troops were "advisors," where men were not murdered but "wasted," and where the CIA shunned assassination in favor of "termination with prejudice"? Jonathan Schell, who chronicled the terrors of US air warfare in Vietnam, noted that people bombed from their homes began as "hostile civilians" and—in camps—became "refugees." When the burden of empiricism became oppressive, one US official asked for outside help in thinking up derogatory names for the enemy.

"You always write it's bombing, bombing, bombing," Col. David H. E. Opfer, air attaché at the US Embassy in Pnompenh, complained to reporters. "It's not bombing. It's air support." What might have seemed an old-fashioned invasion of Cambodia turned out to be a simple "incursion."

"It gets worse and worse," said Henry Steele Commager in an interview. "Did you hear Caspar Weinberger, the Secretary of HEW, explain that we have enough medical schools—they are just 'overapplied for'? The Lincolns and Jeffersons and Washingtons and Wilsons didn't use jargon: they found ways of eloquence. 'Make the world safe for democracy.' People can understand it. That doesn't turn the Franco regime into a democratic regime, as this crowd would."

Edward S. Herman, a professor of finance at the Wharton School, put together *The Great Society Dictionary* and *The Great Imperial Dictionary*, and translated Doublespeak into Singlespeak. "Urban renewal" was "Negro removal," "infiltration was their movement of troops into the battle zone." Vietnam talk led straight to Watergate language, and to all-time Orwellian award winner Ronald Ziegler, distinguished for his proclamation that "all previous White House statements about the Watergate case are inoperative." After the President's State of the Union address this year, Daniel Schorr of CBS reported that Mr. Nixon had avoided mentioning the negative income tax because his phrasemakers had not come up with a less negative name for it.

With scholarly discernment H. W. Fowler, in *Modern English Usage*, long ago identified a virus called Sociologese. Daniel Bell, professor of sociology at Harvard, sounded the tocsin for "sociological glossolalia" in an erudite study entitled "Sociodicy: A Guide to Modern Usage." Noam Chomsky sounded the anti-tocsin: "I sometimes think the whole function of the social sciences is to mystify trivial things by putting them into quasi-technical language." Henry A. Barnes, who served as transportation commissioner of New York City, produced a glossary of bureaucratic Western, including "doubtless" (unverified), "interesting fact" (drivel) and "universally recognized principle" (risky proposition).

"A society that cannot speak or understand sense is condemned to live nonsensically," says Prof. Richard Gambino, of Queens College and a member of the Doublespeak Committee. The committee believes in the curative powers of simplicity. To enforce Singlespeak it wields the instrument known as Occam's Razor, the rule in philosophy that entities must not be multiplied needlessly. H. L. Mencken pointed out that the American believes in raising the grandeur of his trade by elevating its name—landscape artist for gardener, podiatrist for chiropodist, which was earlier corn doctor. Evelyn Waugh in *The Loved One* and Jessica Mitford in *The American Way of Death* memorialized the verbal grandeur founded on corpses, and S. I. Hayakawa analyzed a word's "affective connotations"—"finest quality filet mignon" was another way of saying "first-class piece of dead cow."

Wesleyan's Richard M. Ohmann, a leading member of the Doublespeak Committee, has analyzed a language he calls Liberal. Speakers of Liberal keep their values tacit and remember that the indispensable word is "problem." "In Liberal," Prof. Ohmann noted, "one refers to the undesirable consequences of anything—selling arms to dictators, imprisoning dissenters, burning villages—as a problem."

Since he knows 25 languages, Prof. Roman Jakobson, who taught at Harvard, has isolated Doublespeaks all over the place. Talleyrand, he noted, said language exists to conceal true thought. Stanislavski passed out promptbooks with the dramatist's words at right—and at left what the dramatist meant. In *Kultura Yazyka* (*The Culture of Language*), Grigory Vinokur analyzed what the Russians call "paper language" and what English teachers recognize as false phraseology, as in the sacred phrase "Our Great October Socialist Revolution." Why waste paper and ink? asked Vinokur. Was there really such a revolution that was not ours? Not great? Not socialist? What's left is "October Revolution," and—as Professor Jakobson noted—it wasn't even in October.

The Doublespeak Committee has not yet devised an infallible guide to the perplexed, or a weapon that would cut the enemy to the quick, simple word, but Prof. Neil Postman of New York University hopes to wound the enemy nonetheless. He proposes a kind of Watergate hearing every month—focusing on public language. Postman also suggests a number of crucial questions that anyone in danger of victimization should ask: 1) What does this mean in plain language? 2) What interests or causes are served by this statement? 3) What avenues do I have to verify the truth content of the statement? 4) Is it a religious statement to be taken on faith?

"A taste of truth is like a taste of blood," said Dwight Bolinger in his 1972 presidential address to the Linguistic Society of America. Noam Chomsky prescribed "honesty" as the antidote to Doublespeak and warned of an enemy—even more insidious than Doublespeak—which cloaks itself in silence and muffles its aims in secrecy. Nospeak does not yet have the English teachers aroused, but their silence may conceal the worst.—ISRAEL SHENKER.

ABORTION

Mr. PERCY. Mr. President, the 1973 Supreme Court ruling on the issue of abortion has brought forth a momentous national response. I have listened to the points of view of people who support that ruling and of people who denounce that ruling. Recognizing and respecting strong arguments on both sides of this highly controversial issue, I believe that the Supreme Court ruling on abortion is correct and proper under existing circumstances.

The Supreme Court based its decision on the individual's right to privacy, which is founded primarily in the 14th amendment's concept of personal liberty and restrictions upon State action. The Justices determined that:

> The right of privacy is broad enough to encompass a woman's decision whether or not to terminate her pregnancy.

Many with whom I have talked even recently still do not understand that the Court decision prohibits State regulation of abortions only during the first 3 months of pregnancy. Beyond the first trimester, the State may regulate abortion procedures to preserve and protect maternal health; and beyond the second trimester, the State may prohibit abortion in all cases except those where the life or health of the mother is endangered.

The question as I view it is not an absolute one of pro-Court decision versus anti-Court decision, or of concern for human life versus lack of concern. The fact that women do desire abortions and will seek them out even under illegal and dangerous circumstances cannot be ignored or denied. Whether individuals, groups, or governments approve or not, this is the nature of the real world we live in. Rather, the question is whether the Government will force those women who desire abortions, and whose personal moral and religious views do not prohibit them, to seek abortions under illegal and potentially abominable surgical conditions.

Furthermore, legalized abortion allows for a far greater amount of personal counseling than was possible before the Supreme Court ruling. We know that prior to that decision, about 1 million abortions were performed annually in the United States. We also know that an illegal abortionist will seldom counsel a woman against abortion. If an expectant mother feels free to consult her family physician, however, that doctor might well counsel against abortion although the abortion would be legal.

The Court's ruling does not require any woman to undergo an abortion if she does not so choose; the ruling allows a woman a personal choice. The same cannot be said of laws prohibiting abortion; such laws deny freedom of choice. Although I view abortion as the least desirable means of birth or population control, and although I wish that no abortions were ever desired or performed, I cannot in good conscience work to overturn the Supreme Court ruling.

I am well aware that many people are in strong disagreement with me on this issue, and I believe that the individual rights of those people should be protected as well. Consequently, I have supported and will continue to support legislation to protect the rights of those who because of religious belief or moral conviction oppose abortion. I do not believe that any medical personnel should be required to perform abortions if personal or religious beliefs are in conflict.

The decision to terminate a pregnancy, at least in its earliest stages, should remain between a woman and her physician, and the Government should interfere as little as possible. This has been my position consistently during my years of public office, and it remains my position now.

Although I personally view the central issue in the abortion controversy to be the right of each woman to control her own reproductive life, there are a number of peripheral issues which indicate that the Supreme Court ruling of January 1973 has resulted in other types of social benefits. Improvements to our society with respect to health, child welfare, equal rights, and economy are evidenced by available information.

Because abortion has been legal nationally for only 1 year and information on the national impact of the new law is not yet available, existing statistics are mainly from New York and California, where new abortion laws took effect in 1968 and 1970 respectively. Although we cannot assume that the experiences of two States will be duplicated nationally, changing trends are apparent.

The number of women admitted to hospitals for post-abortion treatment has declined. In one San Francisco hospital, such cases decreased by 68 percent in 2 years following abortion reform. Abortion complication cases in one Los Angeles facility declined by 88 percent in 1 year. And statistics from 10 New York City hospitals indicate a 52-percent drop in abortion complications in the first 3 years of legalized abortion.

In my home State, the Illinois General Assembly 1969 Family Study Commission Report showed that the Cook County Hospital alone admitted approximately 4,000 women annually from 1962 to 1968 for medical care following criminal abortions; in April and May of 1973, however, the Chicago Board of Health found less than five such cases per month at the same facility.

Abortion-caused maternal deaths have declined as a result of legalized abortion. In California in 1967, there were 20 such deaths per 100,000 live births. In 1971, after liberalization of the law, there were only 2 abortion-caused maternal deaths per 100,000 live births. In New York City, only 4 maternal deaths from abortion were reported in 1972 to 1973, while 22 had been reported in 1970.

Although abortion has been a major cause of maternal mortality, many women, who in the past did not have the alternative of legal abortion, were actually endangered because of their pregnancies. Young teenage girls, women nearing menopause, women who have had many or problematic pregnancies, and women with medical handicaps all are at risk during pregnancy and childbirth. The number of women who die from all of these causes has also dropped since the liberalization of abortion laws. The New York City Department of Health reports a 51-percent decline in maternal deaths from 1969 to 1972, and in California, a 45 percent decline has been reported in the 4 years following abortion reform.

The rate of infant mortality has also decreased markedly. The New York City Department of Health reports a drop of approximately 20 percent in this figure from 1969 to 1972.

The number of babies born out of wedlock has dropped. In the first year of new abortion laws in California and New York, the out-of-wedlock birthrate declined 16 percent and 12 percent respectively, completely reversing the trend of earlier years of ever-increasing numbers of illegitimate births.

Fewer babies have been abandoned or given up for adoption. In one New York institution, there was a 56-percent decline in such cases the year following abortion reform. And the number of New York City children placed in foster homes dropped 41 percent in 2 years after the law was changed.

The Supreme Court decision has increased equality of opportunity between the rich and the poor. It has long been an alternative of those women who can afford to travel to countries or States— or the Nation's Capital in Washington, D.C., for that matter—with less restrictive laws. Legal abortion was thus available to the wealthy although it was a financial impossibility for the poor. The Supreme Court ruling has to a great extent eliminated this discrimination based on economic status.

Millions of tax dollars have been saved by providing availability of abortion to women on welfare. In 1971 in California, the State medical welfare program paid $17.9 million for abortions for women on welfare. If none of those abortions had been performed, the cost to taxpayers would have been $59 million for health care during pregnancy and immediately after birth alone, beyond which would have been the continuing payments for the additional children on welfare rolls that could have run into hundreds of millions of dollars.

From 1970 to 1972, the national fertility rate for welfare mothers declined by 2.1 percent. In New York City, however, where abortion reform had taken effect, the fertility rate for welfare mothers declined more than three times as much.

I bring these statistics to the attention of my colleagues because they are worthy of careful consideration. The abortion issue is a controversial and highly charged one: I believe it is imperative for us to be as fully aware of available data as possible and to keep our minds open to the moral, physiological, psychological, and economic issues involved, in that order. Only in this manner will we be able to view the abortion issue rationally and responsibly. As we debate what is "right" and what is "wrong" we must also be understanding and respectful of opposing views earnestly held by others.

TROUBLED CHILDREN

Mr. MONDALE. Mr. President, the April 8 issue of Newsweek contains an excellent article entiled "Troubled Children: The Quest for Help."

According to the article:

> By the most conservative estimate, at least 1.4 million children under the age of 18 have emotional problems of sufficient severity to warrant urgent attention. As many as 10 million more require psychiatric help of some kind if they are ever to achieve the potential that medical progress on other fronts had made possible.

As chairman of the Subcommittee on Children and Youth, and a member of the Subcommittee on the Handicapped, I have a deep concern for the many children who do not receive the services they require.

Some of the witnesses who testified at my subcommittee's hearings on "The American Family: Trends and Pressures" have pointed out the tremendous strain faced by families with emotionally disturbed or otherwise handicapped children.

I commend Newsweek for calling attention to this problem and I ask unanimous consent that a copy of the article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Troubled Children: The Quest for Help

(By Matt Clark)

The control of the often deadly diseases of childhood is the proudest achievement of medical progress in this century. Thanks to vaccines and antibiotics, the average American child no longer must run a gauntlet of physical threats such as the crippling effects of polio, the heart damage of rheumatic fever or diphtheria's death by slow strangulation. Thanks to better nutrition, today's children grow inches taller and pounds heavier than their forebears did. In short, the American youngster has never had better prospects for a long and healthy life.

But for all that modern medicine has done to protect and nourish the child's body, surprisingly little has been done to assure him of an equally healthy mind. Despite all the talk about America's child-centered society and all the best sellers purporting to tell parents how to raise happy, well-adjusted youngsters, the number of emotionally troubled children is appallingly high.

By the most conservative estimate, at least 1.4 million children under the age of 18 have emotional problems of sufficient severity to warrant urgent attention. As many as 10 million more require psychiatric help of some kind if they are ever to achieve the potential that medical progress on other fronts has made possible. "If we used really careful screening devices," says Dr. Joseph D. Noshpitz, president of the American Academy of Child Psychiatry, "we would probably double and maybe treble the official statistics."

The hard core of these children are those who are autistic or schizophrenic. They are helplessly withdrawn from reality and exist in an inner world that is seldom penetrated by outsiders. More than 1 million other children are hyperkinetic. They turn both living rooms and classrooms into shambles by their frenetic and uncontrollable physical activity. Millions more troubled children are plagued by neurotic symptoms. They are haunted by monster-ridden nightmares, frightened of going to school, held in the grip of strange compulsive rituals or lost in the loneliness of depression. Harder to pinpoint but just as troubled are those who simply don't function in society. They fail in school, they run away, they fight, they steal. Eventually, they fill reform schools and prisons.

Until recently, childhood emotional disorders have been tragically neglected as a national health problem of dramatic proportions. Because of his bizarre and often repellent behavior, the emotionally disturbed youngster has never made an appealing poster child for mothers' marches and annual fund-raising drives. While most of the nation's 17.6 million physically handicapped children receive educational and medical services through a variety of public and private channels, fewer than 1 million of the emotionally handicapped are receiving the help they need. All too often, the disturbed child has been expelled from public school as unteachable, or shunted into special classes for retarded children with brain damage. "We are in the Year One in care and treatment of these children," declares Josh Greenfeld, a 46-year-old writer whose 1972 book, "A Child Called Noah," vividly described his own agonizing search to find help for his autistic son. "We are going to have to shock ourselves into the fact that we are killing these children as well as destroying the lives of the families the kids are part of."

But within the past few years, parents like the Greenfelds have made some important gains in winning better care for their troubled children through the legislators and the courts. In one of the most far-reaching decisions of all, a District of Columbia Federal judge ruled in 1972 that all handicapped youngsters—including the emotionally disturbed—are entitled to public education under the Fourteenth Amendment. Thanks to the relentless lobbying of the National Society for Autistic Children in Albany, N.Y.— composed largely of parents—more than 30 states have passed laws providing special education for autistics in the last four years.

One reason for the increasing recognition of the needs of the troubled child is the strong evidence that his ranks are growing. The number of children receiving treatment for emotional problems in institutions and outpatient facilities has risen nearly 60 per cent in the last seven years—from 486,000 to 770,000. "The drift," says Noshpitz, "is toward seeing more and more very disturbed children, youngsters who need residential treatment." And psychiatrists in private practice note similar trends. "There is now a widening scope of patients with childhood disturbances," says one veteran New York psychoanalyst, "and it is not just because more people are deciding to put their children in therapy."

Freud, who preached that the root causes of emotional disorders were to be found largely in a disturbed relationship between parent and child in early life, is no longer quite so predominant an influence on child-care professionals. The more eclectic psychologists and psychiatrists hold that childhood mental ills seem to arise from three interwining influences: predisposing physical and hereditary factors, forces within the family—including the Freudian traumas—and stresses imposed by contemporary life. "The fortunate child," says Ner Littner of Chicago's Institute of Psychoanalysis, "is the one with good heredity and adequate care provided by two parents who are able to recognize and meet the child's needs in early life, and a minimum of chronic, overwhelming stress situations as the child grows up."

But now more than ever before, the triad of forces seems to conspire against the emotional well-being of the American child. First, there is a growing recognition that children born prematurely or as a result of difficult labor, those suffering from complications of measles and other viral infections and those raised by parents who are themselves victims of mental disorders run a high risk of emotional disturbance. Boys, for reasons perhaps attributable to hormonal differences, are up to five times more vulnerable than girls.

Second, today's mobile society has all but abolished the extended family. Parents can no longer count on grandparents, aunts and uncles to act as authority figures in the raising of their children. "I'm personally convinced that no two parents can rear a child entirely alone," says Dr. Sally Provence of Yale's Child Study Center. "Yet young parents have fewer supports for parenting than ever before—it's either drag the kids along or get a sitter." With the increasing number of young women carving out careers for themselves, some experts see a threat even to the integrity of the nuclear family. "I'd much rather see people not have children at all than leave infants in a day-care center," says Dr. Lee Salk, chief child psychologist at New York Hospital-Cornell Medical Center and author of the best seller "What Every Child Would Like His Parents to Know."

Third, in today's push-button society children tend to learn about the world around them vicariously by television. "Many of our children and young people have been everywhere by eye and ear," notes a recent report of the Joint Commission on Mental Health of Children, "and almost nowhere in the realities of their self-initiated experiences." And much of what the children see is the vivid depiction of war, violence and social upheaval; aggression has become one of the most pervasive childhood experiences of all, says Dr. Ebbe Ebbesen of the University of California at San Diego. "Children learn abnormal behavior from observing other people," the California psychologist contends. "The more aggression a child is exposed to, the more likely that he himself will be aggressive."

Because there is no one cause of childhood emotional problems, many methods of treatment have evolved in recent years. Since a young child can hardly be expected to lie still for long, deep-probing sessions of analysis on the couch, psychiatrists have developed other ways to get at the source of his troubles. One involves watching how he plays with his toys or interpreting the pictures he draws. Other therapists ignore the deep-rooted sources of a child's problem and use reward-and-punishment conditioning techniques to modify the child's abnormal behavior. In many cases, the children with the overactivity syndrome of hyperkinesis can be helped with drugs. Unfortunately, no truly effective treatment has yet been found for the child afflicted with the most devastating of all the disorders—autism.

AUTISM

The term "early infantile autism," from the Greek for "self," was coined 30 years ago by Dr. Leo Kanner of Johns Hopkins to describe a group of disturbed schizophrenic children who showed a uniform pattern of disabilities in responding to their environment. As an infant, the autistic child may go limp or rigid when his mother picks him up. He may seem deaf to some sounds but not to others. He may show no sensitivity to pain, even to the extent that he can blister his fingers on a hot stove without flinching. For long periods, he may rock monotonously back and forth, flap his hands in front of his face, walk on the tips of his toes or whirl about like a dervish.

Autistics show unusual deviations in reaching the milestones of development. They may never sit up by themselves or crawl, but instead suddenly start walking. Some start to talk, but then abruptly stop using language altogether, or only echo words and phrases they have overheard. They reverse personal pronouns, such as saying "you" for "me." They seldom look anyone in the eye. When an autistic child wants something, he may, without looking at his mother, steer her hand toward the object as if manipulating a pair of pliers. Because many autistic children show certain "splinter skills" above and beyond their otherwise poor level of functioning—such at the ability to rattle off strings of numbers—they have traditionally not been classified as retarded or brain-damaged.

After Kanner's description of autism was published, some psychiatrists observed that the parents of such children tended to be intellectual, emotionally detached and with a tendency to think in abstractions. With the prevailing influence of Freud on child psychiatry at the time, it was hardly surprising that the condition should be blamed on these "refrigerator parents." Autism was supposed to result from rejection of the child by the mother at an early stage in infancy. Dr. Bruno Bettelheim, a distinguished psychoanalyst who recently retired after 30 years of dealing with autistic children at the University of Chicago's Orthogenic School, is a forceful exponent of the Freudian view.

The autistic child has an inherited predisposition to emotional trauma, Bettelheim says, but unconscious rejection by the mother is the major traumatizing event. The parents, he says, tend to deal with the child in a mechanistic way, out of a sense of obligation rather than genuine affection. "This is interpreted by the child as a feeling he shouldn't be alive," says Bettelheim. "When animals are threatened, they either play possum or fight back. Some children fight back, but the autistic child plays dead."

But the current trend is away from the Freudian view. Recent studies show that the parents of autistic children display no emotional traits that set them apart. "The only differences these parents show from other parents," notes Dr. Eric Schopler of the University of North Carolina School of Medicine, "is that they are all under stress themselves because they have a difficult child."

Moreover, researchers have made a number of observations that suggest that autism is more of a neurologic problem than an emotional one. A number of autistics, for example, show so-called "soft signs" of neurologic impairment, such as poor muscle tone, uncoordination and exaggerated knee-jerk responses. Drs. Edward Ornitz and Edward Ritvo of the UCLA School of Medicine have studied the eye reactions of normal and autistic children placed in a spinning chair. If the chair spins to the left, a normal person's eyes will move to the right, snap back and wander right again; when the chair stops, the eyes will reverse their movement. Autistic children show the same pattern of eye movement, but for a much shorter period. This suggests that the disorder involves a maturational lag in neural development. "The overwhelming evidence," says Ornitz, "is that this is an organic condition."

Because of the evidence suggesting that a physical abnormality is involved, there is a tendency among experts today to regard autism as a form of mental retardation rather than an emotional illness. "Autistic children both will not and cannot perform many tasks," says Ornitz. About 75 per cent of autistics remain retarded through life, he notes, and more than half eventually are institutionalized.

It is the parents of an autistic child who suffer the most. Many of them spend years going from specialist to specialist in a fruitless search for cures. At first, a pediatrician may tell them their child is deaf or simply "spoiled." Psychoanalysts may suggest that they, the parents, need treatment as much as their child does, only adding to an already unbearable burden of guilt. Psychiatrists may give the child tranquilizers, stimulants or even electroshock therapy. But the child remains his autistic self. Recently, some physicians have prescribed massive doses of such B vitamins as niacinamide, pyridoxine and pantothenic acid for both autistic and schizophrenic children. But most experts insist that the so-called megavitamin therapy has no scientific basis. "This is the false-hopes business," says one researcher, "and it causes a lot of anguish." Every time you go to someone you're desperate," says Connie Lapin, a Los Angeles mother of an autistic son. "They say they'll treat him. But then they can't reach him and they give up."

But while there is no specific treatment for autism, a number of centers now offer special training that has produced promising results in some children. One of them is TEACCH (Treatment and Education of Autistic and related Communications handicapped Children), begun by Drs. Eric Schopler and Robert J. Reichler eight years ago and now funded by the State of North Carolina. One of the outstanding features of the program, according to Schopler, is the participation of parents as co-therapists in training their own children.

Basically, the parents are instructed how to use reward-and-punishment behavior modification to train their children during daily half-hour sessions in their homes. Through a one-way glass, therapists show parents how to reward the child with hugs, or candy, when he performs an expected task. The early exercises focus on such basics as looking the parent in the eye, learning concepts such as "same" and "different" by sorting knives, forks or other objects, and Parents are taught to distract their children from psychotic movement, such as rocking. When a child fails to respond, the parent is assured that it is correct to show displeasure.

The road to advancement is painfully arduous, but many children *do* improve. Michael, a brown-haired 5-year-old, couldn't talk and was unmanageable when he entered TEACCH a year and a half ago. Now he has a vocabulary of 750 words and behaves well enough to attend a special school. David, who had an IQ of 70 when treatment began nine years ago, now scores 30 points higher and is getting average grades at a regular private school. "By getting to them early," says Schopler, "some children can be salvaged."

SCHIZOPHRENIA

Schizophrenia in children bears some resemblance to autism and many psychiatrists consider them related. The child may be withdrawn and fail to use words. He may also be overactive and aggressive. Unlike schizophrenic adults, children affected by the disorder don't usually hear voices or otherwise hallucinate. But they do fantasize, according to psychiatrists, and they often can't distinguish between the real and the imaginary.

In the past, psychoanalysts tended to ascribe schizophrenia largely to the influence of a castrating "schizophrenogenic" mother. Many psychiatrists today believe the emotional environment of the home may play a greater part in the disorder than is the case with autism. But a growing number of the experts are now persuaded that a genetic defect, coupled with neurologic impairment of some kind, constitutes the underlying cause of the disorder.

The influence of genetics in childhood schizophrenia has been demonstrated by Dr. David Rosenthal of the National Institute of Mental Health. Rosenthal compared children with a schizophrenic mother or father who were raised by normal adoptive parents with adopted children of normal parents. In this way, the possible environmental influence of parenting was equalized. It turned out that the children of psychotic parents in the study had about twice the incidence of schizophrenic disorders as did those of normal parents.

The outlook for the schizophrenic child is considerably brighter than it is for the autistic. Many of these children are educable and never have to be institutionalized. Brooklyn's League School is typical of centers across the country that use a "psychoeducational" approach to treating schizophrenic children while the child lives at home.

Children are usually accepted at the school between the ages of 3 and 5 and most stay several years. Tommy Harper of Brooklyn began when he was in second grade. Throughout his childhood he had displayed a vicious temper. He threw blocks at his teachers when he couldn't get his way, and once pounced on a little girl and broke one of her teeth. Consigned to the cloakroom, he was later found sitting on a shelf, beating himself over the head with a toy gun and crying, "I want to die."

With the structured environment and intensive individual attention he received at the League School, Tommy settled down and learned to read, do math and function in groups. He was bright, a fast learner and in four years he was back in regular school. Today, at 15, Tommy is still a bit of a loner. But he can play sports such as football and not lose his temper in defeat; more important, he is an honor student. Dr. Carl Fenichel, director of the school, estimates that about 80 per cent of the children at the school had been destined for state institutions. Now, the majority go on to satisfactory jobs, regular schools and some even to college.

HYPERKINESIS

Of the more serious childhood behavior disorders, hyperkinesis has become the most widely publicized of late because it is being diagnosed in an increasing number of schoolchildren. The symptoms may be discernible in infancy, when the mother finds that her baby is unusually restless and difficult to soothe. They become more obvious when he reaches school age. Typically, hyperkinetic children are highly excitable, easily distracted and impulsive. They have trouble concentrating and therefore become disruptive in the classroom. Because they are failures in their work, they develop the emotional side effect of low self-esteem and frequently compensate by delinquent acting-out. "These youngsters consider themselves worthless," says Dr. Lawrence Taft of the College of Medicine and Dentistry of New Jersey, "because everyone is telling them they're no good."

Hyperkinesis seems to run in families, but there is also evidence that the disorder may be related to minimal brain damage, possibly occurring at the time of birth or after a viral infection such as measles. There is also evidence that lead intoxication may produce hyperkinesis among ghetto children who habitually put pieces of peeling lead-based paint into their mouths.

At least a third of hyperkinetic children show marked improvement on daily doses of stimulants such as amphetamines and even coffee (NEWSWEEK, Oct. 8, 1973). Just how the stimulants have this paradoxical calming effect isn't known, but they seem to improve the child's ability to concentrate.

Dosing large numbers of schoolchildren with the very drugs that constitute a major abuse problem in the U.S. has stirred controversy among many parents and even some psychiatrists. Some charge that the stimulants are prescribed as "conformity pills" for rebellious children. The drugs may produce side effects, including loss of appetite and sleeping difficulties. As a result, children who take them for several years may not grow as tall as they might have otherwise. But the effect of the drugs can be so dramatic, says Taft, "that you wonder whether an extra bit of height is all that important."

DEPRESSION

Among the childhood emotional disorders in which the relationship with the parents is of unquestioned importance, the outstanding example is depression. Some experts estimate that depression accounts for at least a quarter of the troubled children they see. The so-called "endogenous" form of depression, which seems to arise without any evidence of a traumatic life experience to account for it, is rarely diagnosed in youngsters. In nearly all cases, childhood depression is "reactive," associated with an event in the child's life, usually involving the parents. "The child-psychiatry books of twenty years ago may not have even mentioned it," says Dr. Leon Cytryn of the George Washington University School of Medicine. "But we're beginning to realize that there are many depressed children and we suspect a lot of them become depressed adolescents and depressed adults."

Its most pathetic form is the "anaclitic" (from the Greek, "leaning on") depression that is observed in infants separated from their mothers in the first six months of life and raised in institutions where they get little attention and neural stimulation. These babies, starved for warmth, withdraw and display some of the signs of autism, such as monotonous rocking and, as they grow older, difficulties with language. They will improve with regard to language and motor skills if moved to a favorable environment, but the profound emotional impact of their early experience may be devastating.

Beyond the age of 6, the depressed child may show signs of sadness, social withdrawal and apathy similar to the symptoms of adult depression. But usually it is masked. In young children it may be expressed in psychosomatic headaches or vomiting; in older children it may show up in aggressive behavior, truancy, vandalism and, particularly among girls, sexual promiscuity. The periodic episodes of sadness that are the tip-off, notes Dr. Donald H. McKnew, Jr. of the Children's Hospital of the District of Columbia, may be overlooked by the parents for months, but psychological testing may bring out the true extent of the child's depression quite quickly.

Asked to draw a picture and then tell a story about it, an 8-year-old boy brought to McKnew recently drew a picture of a small whale. Then he told how the whale was lost and was trying to get home. He tried to hitch a ride with another whale, but slipped off its back. Then he joined a school of whales, but they swam too fast for him to keep up. So the whale in the picture was lying with another whale, also lost, waiting to be found. "If an adult told you a story like that," notes McKnew, "you'd immediately give him antidepressants."

Depression in children almost always follows a sense of loss. Acute reactions occur, understandably enough, after the death of a parent or close relative, divorce or a move to a new community. Often, they are more like grief reactions and disappear with time. But many depressions occur because the child senses a withdrawal of interest and affection through frequent separations from, say, a father who travels a lot; or because a parent conveys an attitude of rejection or deprecation. In most instances, one or another of the parents has a depressed personality, McKnew observes.

Antidepressant medication is seldom prescribed for children. Most often, psychiatric counseling, involving both parent and child, is required. Fortunately, psychotherapy usually is effective. Here psychiatrists have devised methods that sidestep the completely verbal methods of communication used in more adult forms of psychotherapy. One of the most widely used is play therapy, in which the child uses a variety of toys to expose, under the therapist's watchful eye, the situations that may be at the bottom of his problem. The play-therapy concept is based on the common-sense notion that play is a more natural mode of expression for a child than verbalizing dreams.

One of the most common problems that call for psychiatric attention in children is school phobia. It may be a symptom of depression, but may also have a far more readily treated cause. Dr. Lee Salk recalls the case of Stephen, age 5, who lived on the twelfth floor of a New York apartment with his parents and grandparents, who continually expressed their fear of burglars. His mother warned him constantly of the evils that could befall him when he went out to play and often warned him not to let the elevator doors close on him. Soon, he had developed a fear of both burglars and elevators, and was afraid to go out alone.

Not surprisingly, his anxieties continued at school; his mother would drop him off at the door but could count on his coming out again minutes later. The problem, as Salk explained, was that the child had become totally helpless outside his mother's purview and dependent on her attention—a common source of school phobias. Salk explained to the overanxious mother that Stephen should hear fewer dire predictions about the world outside and be allowed more independence. In weeks, he was spending full days in school.

The relief of the most serious problems of troubled children—autism, schizophrenia and hyperkinesis—must wait much further research into the physical and biochemical mysteries of the brain. What is required is the same sort of commitment on the part of private agencies and the government that has lately been mounted in the war against cancer and heart disease. At the same time, the children who are already victims of these tragic disabilities must be afforded the special training that will give them the best chance of finding a useful life. In view of the fact that 10 percent of the nation's children are now destined to develop some form of emotional disability, the effort would seem a small price to pay.

Meanwhile, in the view of child experts, there is a good deal that parents can do to protect their children from many kinds of serious emotional damage. First, say Salk, is to recognize the child's dependence during the first year of life and respond unstintingly to his need for warmth and affection. Once the child has learned to trust his parents, it is time to set limits that prepare him for his encounters with the world. To contend with the child's impulse to explore his environment, knocking over countless glasses of milk as he goes, may be a frustrating and seemingly endless task, Salk concedes. "But," he adds, "for the parent who loves his child, has patience and can still see the world through a child's eyes, the rewards are beyond measure."

THE SILENT STRUGGLE OF SHAWN LAPIN

At the age of 1, Shawn Lapin seemed to be a healthy, normal child. He never could hold onto his bottle, recalls Connie Lapin, 34. But on the other hand, Shawn had begun to walk even before his older brother and could say three or four words. So there seemed to be no reason for concern. Then a sudden change in Shawn occurred. "One day he tuned everything out," his mother says. "He didn't respond to his name any more. He didn't talk any more."

Soon, Shawn's behavior was growing worse. He cried all night, and Connie and her husband, Harvey, a Los Angeles dentist, split four-hour shifts to quiet him. But every time one of them picked him up, his body became rigid and he pushed his parent away.

Connie and Harvey then began the tormenting, purgatorial ritual that most parents of troubled youngsters seem to follow—making the rounds of experts. After several false leads, the Neuropsychiatric Institute at UCLA finally diagnosed Shawn as an autistic child.

The last stop for the Lapins in their search for help was the office of Dr. Ivar Lovaas of UCLA. A Norwegian-born psychologist, Lovaas has specialized for the past twelve years in changing the behavior of autistic children through reward-and-punishment "operant conditioning." Lovaas was kind but blunt about Shawn's prognosis. "This is not going to cure Shawn," he told the Lapins. "All it will do is modify his behavior, and probably get him into a better institution."

"It was Ivar who brought me down to earth," says Harvey. "All that work and that's all it would do—get him into a better institution. It blew my mind. But as a parent, what are you going to do? The kid didn't ask to be born, and he certainly didn't ask to be autistic. I thought I had to do what I could."

Lovaas and his assistants, usually UCLA undergraduates, spent several sessions a week with the child and his parents, both at the clinic and in the home. After six months, they turned the job over to the parents, consulting occasionally to see how they were doing. But Connie found she couldn't work with Shawn. "Every time I tried, it just hurt," she says. "Some parents can't do it." Connie, in fact, felt the need to see a psychiatrist herself—and it was a wrenching experience. "The first thing he asked me," she recalls, "was 'How do you feel about Shawn?' I couldn't answer."

Finally, thanks to two consultants to the Los Angeles County Autism Project, Alan Insul and Danielle Berger, who have worked with Shawn for the past year and a half, the child is slowly improving. Danielle demonstrated the conditioning technique one afternoon recently in the Lapin home. Holding a package of sliced cheese, Shawn's favorite food, she knelt on the floor and instructed the child to say, "I love mommy." Shawn mumbled unintelligibly and Danielle withdrew the cheese and frowned. Then she repeated the command, with similar results. Finally, after half an hour, Shawn formed the right words and earned his piece of cheese.

Shawn has learned his tiny repertoire of skills: he can now look his parents in the eye, he is toilet-trained, he can dress himself in three minutes instead of the 45 it used to take and he can say about fifteen words. It is a pathetically small set of achievements for a normal 5-year-old, but according to the standards by which the autistic child is judged, it represents dramatic progress. And the Lapins haven't given up.

FOOD FOR MOTHERS AND CHILDREN—HEARING PROVIDES MORE REASONS FOR BIGGER, BETTER "WIC" PROGRAM

Mr. HUMPHREY. Mr. President, on April 5, I was privileged to chair a hearing of the Senate Select Committee on Nutrition and Human Needs, to gather testimony from workers and specialists in the infant and maternal nutrition filed on the WIC—women, infants, and children—nutrition intervention program.

The aim of the program is to provide dietary supplementation to pregnant and nursing mothers and to infants and children in low-income families, as a means of preventing mental and physical disabilities resulting from malnourishment.

As I pointed out in my opening remarks at the hearing, the program had a very unsteady start. Delays and excessive administrative complications marked early activities of the U.S. Department of Agriculture in launching the program. Indeed, it required the prodding of a court order, which I was instrumental in obtaining, to get USDA to begin the program.

Problems reportedly have persisted. Our hearing involved listening to witnesses from USDA and from organizations and agencies in different parts of the country, and attempting to get both sides of the story.

This we accomplished, I believe, in a very productive hearing.

Our purpose was, first, to look into the recent past and see how the program has functioned during the few months of its operation. This is part of the legislative oversight function of Congress—a function which has become of increasingly vital importance in recent years.

The second part of our purpose was to look into the future, to see what steps should be taken to improve the program. This, too, is a basic job of the national legislature.

I believe we received some very valuable advice, and some highly significant comments, from all the witnesses who testified. I wish at this point, Mr. President, to publicly commend each of them for their excellent contributions, and for the time and effort they invested in coming to Washington to tell their stories.

The witnesses, in their order of appearance, were:

Edward C. Hekman, Administrator, Food and Nutrition Service, U.S. Department of Agriculture;

Rosalyn Rubin, Ph. D., associate professor and project director, Department of Special Education, University of Minnesota;

George Cunningham, M.D., M.P.H., president, Association of State and Territorial Maternal and Child Health and Crippled Children's Directors, Piedmont, Calif.;

Miss Patricia Fitzgerald, WIC administrator, Illinois Department of Public Health, Springfield, Ill., accompanied by Dr. Mani Sashankar, administrator, East Side Health District, east St. Louis, Ill.; and

Robert Waln, chairman, Tribal Health Board, Rosebud Reservation, Rosebud, S. Dak.

Mr. President, I ask unanimous consent that the text of the prepared statement of each witness be printed in the RECORD at the end of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. HUMPHREY. Mr. President, I would like to stress what I consider to be some of the most significant contents of the testimony, including some major points that were made in the oral responses of some of the witnesses to questions by other members of the committee and myself. The distinguished Senator from South Dakota (Mr. McGOVERN), the chairman of the committee, and the distinguished Senator from Kansas (Mr. DOLE) posed excellent questions and prompted some of the most informative responses from the witnesses.

First, the representative of the Department of Agriculture, Mr. Hekman, was most cooperative. I was especially pleased with his promise to have the Department and its food and nutrition service produce, by early next month at the latest a new and improved set of regulations for the administration of this vital program.

Mr. President, I was pleased to learn today that the Department has fulfilled this promise, and on this date sent the newly rewritten regulations to the Federal Register for publication. I look forward to examining the new regulations, with the sincere hope that they will prove to contain the necessary remedies to the administrative problems that have accompanied the first regulations. I wish to publicly thank Mr. Hekman and his agency for their cooperation.

It appeared to me, and I am sure to other participants and observers at the hearing, that Mr. Hekman agreed that the hastily written regulations currently in effect have been subject to vagueness and differences of interpretation, leading to confusion and unnecessary complication in the field. I hope that the new regulations will eliminate these weaknesses. They should permit this vital program to go ahead smoothly and to serve the needs and interests of its intended beneficiaries, rather than posing frustration and uncertainty for them.

Second, I wish to commend Rosalyn A. Rubin, Ph. D., from my home State of Minnesota, a dedicated and gifted researcher. Her testimony, concerning her studies of the relationships between low birth weight in infants and learning disability as those infants grow older, provided us with the first solid, scientific evidence to demonstrate this connection, though it has long been suspected to exist and indeed was among the factors that motivated Congress in establishing the WIC program.

Aside from Dr. Rubin's prepared testimony, she offered a highly valuable endorsement of the WIC program in responding to a set of questions I presented to her.

To summarize her response, she said she was unable at this time to state as a scientist that nutrition intervention programs like WIC are guaranteed to prevent learning disabilities associated with low birth weight.

She stated that there simply has not been enough research, following a sufficient number of individuals through a long enough period of their lives, to demonstrate what effect nutrition intervention has on learning disabilities.

However, she gave the WIC program her hearty endorsement. She said, first, that she believes that nutrition intervention probably is at least part of the answer to the low birth weight-learning disability syndrome and, second—and more importantly—that the WIC program offers the opportunity for the type of long-term continual research that is needed to answer the questions remaining in this field.

I thank Dr. Rubin for her candor and integrity. I hope her advice carries as much weight with my colleagues in the Senate and our counterparts in the House as it does with me, when the matters of funds and further legislation for this and related programs come before us.

Finally, I wish to thank the other witnesses, who stated repeatedly their full support for the program, coupled with their strong pleas to rid it of unnecessary administrative and bureaucratic stumbling blocks and to provide sufficient funds for this program to be operated at a magnitude equal to its popularity.

I believe that the most important underlying theme of our hearing was that this is a popular program—meaning that it is a program that has won far-reaching support and enthusiasm among sponsoring agencies and organizations and among its beneficiaries.

This can only be taken, Mr. President, as a strong appeal for its continuation, improvement and expansion. It is not merely that we, the Congress, have created something that is wanted. It is a program that is needed, and needed badly by so many persons that large numbers have been turned away because the program at present is not large enough to include them.

We began modestly, and we seriously underestimated the need. We must face this need, and must do all in our power to meet it.

Exhibit 1

Statement by Edward J. Hekman

Mr. Chairman and Members of the Select Committee:

We appreciate the opportunity to meet with you today to discuss development of the new Special Supplemental Food Program for Women, Infants and Children (WIC).

The new pilot program (WIC)—designed to provide special nutritional help to pregnant and lactating women and children up to four—joins an established network of food assistance activities which the Department of Agriculture administers cooperatively with State governments and local private and public agencies.

Children of needy families receive assistance through an array of Child Nutrition Programs which provide Federal grants for meal service in day care centers, summer recreation programs, along with the over 86,000 schools taking part in the National School Lunch Program.

The major thrust in assistance to families—currently reaching some 14.6 million low-income Americans—is toward a nationwide Food Stamp Program. With only a few exceptions—all remaining food distribution programs will change over to food stamps by June 30, in accord with the mandates of the Agriculture and Consumer Protection Act of 1973.

With a built in escalator clause—the food stamp program becomes an increasingly viable, responsive program of food aid for the whole family, including of course mothers, their infants and young children. This group, however, comes in for special attention and concern because of their vulnerability to the effects of poor nutrition.

My testimony today reports our progress in launching an extensive and thorough evaluation of a new pilot project, the Special Supplemental Food Program for Women, Infants and Children (WIC) according to the outlines Congress specified in P.L. 92–433. Assistant Secretary of Agriculture Clayton Yeutter met with this committee last June, to discuss plans for implementing the program . . . plans which have been carefully developed to produce the full scientific evaluation Congress wants.

Since then much has been accomplished toward two prime objectives: first to get the program into full operation as promptly as possible, and secondly, to build in a sound evaluation mechanism.

Looking first at progress in program operations:

Last July the Department issued program rules and regulations developed with the advice and counsel of experts from the Department of Health, Education and Welfare, as well as outside medical consultants. Immediate notification to States invited them to submit proposals for pilot projects.

By September, we had announced the selection of the first 20 project areas, that were slated to take part in the medical evaluation phase of the program. In December, we announced 196 more projects. And on March 6 we named 39 more—making a total of 255 WIC project areas named so far, expected to serve an estimated caseload of 387,000 mothers and young children.

On January 15, the first WIC project opened in Pineville, Ky. Assistant Secretary Yeutter joined State and local officials and 20 program recipients in launching WIC. Since then, projects have been opening up in rapid succession; at last count 123 were in business serving an estimated 168,000 participants.

We are closely monitoring the openings of WIC projects and particularly their timing so that we can make a running assessment of the use of WIC funds in the current fiscal year. Our aim is, of course, to make full use of the $40 million available this year.

Where there were delays in project openings or projects otherwise failed to begin full operations on schedule, we calculated the impact in terms of funding and determined that we could reallocate available funds to other areas wanting to start a WIC project. Thus, we were able to select the 39 new projects announced in early March, without constraint to existing or proposed projects.

Selection of all 255 projects we've named so far has been done with great care, considering first such nutritional risk factors as the incidence of nutritional anemia, rates of infant mortality, data on pregnancies and miscarriages. Other important considerations are the general economic level of the area, availability of other supplemental food assistance for mothers and children, and medical facilities and staffing.

Taking these factors into account—we have approved WIC projects according to three major priority categories, in order to make maximum use of program funds.

First priority went to those 20 areas selected for the full medical evaluation phase of the study. In addition to high need and risk factors, these areas had no existing supplemental program reaching the same target group, and provided a broad sample for evaluation purposes. They represent a wide cross section of racial, ethnic, urban and rural characteristics in diverse locations of the country.

Second priority goes to those areas showing evidence of need for supplemental assistance, and which do not presently have such a program for mothers, infants and children. We have been able to approve nearly all applications in this category.

Third priority includes requests from those areas already having a supplemental food program and which we will consider after the second category needs have been met.

Meantime we have moved to achieve the soundest possible evaluation of WIC program operations and to measure the extent of the medical and nutritional benefits to program participants.

As part of the evaluation, we will study the various systems used by local WIC projects to deliver supplemental food aid to participating women and children. Using cash grants, which FNS makes available to participating State health agencies, they may elect to distribute food at health clinics, issue food vouchers redeemable at retail stores, or a combination of the two, or some other system. Most have chosen the voucher route and we want to study and learn from their experience.

But whatever the delivery system, the selection of foods remains consistent—including milk, cheese, vitamin-C fortified fruit or vegetable juice, eggs, iron-fortified cereal and prescribed infant formula. Nutritionists made these particular food selections in order to provide the nutrients specified in the legislation and at the same time include widely acceptable food choices that are readily available and reasonably priced. These foods will in fact supply from 60 to 100 percent of the women's needs for protein, calcium, iron, vitamins A and C and from 90 to 100 percent of the infants' and children's needs for these nutrients.

Those eligible to get these foods at no charge include pregnant and lactating women, infants and children up to four years of age. To take part, they need to live in an approved project area and be eligible for reduced-price medical treatment at a participating clinic or health agency. Health authorities at local clinics will determine their patients' needs for supplemental food help.

A major thrust of our evaluation of WIC will be a thorough appraisal of the program's nutritional and health benefits to the participants. Plans for this aspect have proceeded as an integral part of program development.

Shortly after issuing program regulations, the Food and Nutrition Service circulated a request for proposals to conduct the medical evaluation to prospective bidders, mainly medical and public health schools. Two resulting proposals were then thoroughly reviewed by a technical panel of physicians and nutrition experts both from within and from outside the Department of Agriculture. Passage of legislation in early November extending the WIC program for another year, called for significant changes in evaluation contract plans. By the end of the month, we had announced an 18-month contract with the University of North Carolina School of Public Health to conduct and oversee all phases of the medical evaluation including the training of workers, the collection of data and the analysis and evaluation of findings.

The University of North Carolina researchers have moved into operation as rapidly as possible, standardizing laboratory and testing procedures, and training local medical technicians to collect needed data.

While all projects will submit available medical and nutritional data for the evaluation phase of the program, primary target for the full medical study of program benefits will be the 20 sites we selected first for participation in WIC. Four of those sites are already in operation and the rest will open soon.

Measurements and evaluation in these primary test sites will cover such basic data as height, weight, head circumference, blood hemoglobin and hematocrit, serum protein, serum iron and transferrin. Baseline data on the family, including dietary records, will be collected as the participants enter the program and updated as they are checked periodically thereafter. Tests will be conducted as part of regular visits to the health clinic, with a minimum of deviation from their normal health care routines. We have been guided in all this by two distinguished panels of physicians and nutritionists providing needed expertise in epidemiology, pediatrics, obstetrics, and neurology as well as in nutrition.

Our objective is to come up with a sound evaluation that will be useful to us and to you in Congress in shaping the future direction of nutrition policies and programs concerning mothers, infants, and young children.

Thank you very much.

STATEMENT OF ROSALYN A. RUBIN, PH. D.

I am pleased to respond to your invitation to present testimony regarding the results of our research investigation into the relationship between low birth weight and later problems of school learning.

In describing the background of our present involvement in this topic, let me first explain that the study of the long-term correlates of low birth weight actually represents but one aspect of a much broader ongoing longitudinal investigation of the educational and behavioral consequences of a wide range of prenatal, perinatal and early childhood conditions and events. This larger project, "The Educational Follow-Up Study," is based upon an unequaled pool of perinatal medical data on over 1,500 children which was gathered for research purposes at the University of Minnesota Hospital during the early 1960's as part of the nationwide Collaborative Perinatal Study supported by the National Institute of Neurological Diseases and Stroke.

The Educational Follow-Up Study was begun at the University of Minnesota in the mid-1960's through the joint efforts of Drs. Bruce Balow and Maynard C. Reynolds of the Department of Special Education and Dr. John A. Anderson, Head of the Department of Pediatrics, in order to capitalize upon the availability of the vast amount of information already collected under the auspices of the Collaborative Project and apply it to the exploration of the antecedents of school-related learning and behavior disorders. Financial support came initially from the U.S. Office of Education, Bureau of Education for the Handicapped. Since September of 1972, the activities of the Educational Follow-Up Study have been supported by the National Institute of Education.

Thus, it is apparent that our current findings are the result not only of the efforts of my colleagues, Dr. Bruce Balow and Ms. Cynthia Rosenblatt, and myself who were directly involved in the low birth weight report, but also represent the partial outcomes of an extensive collaborative effort involving a number of University research teams and agencies of the federal government working cooperatively over an extended period of time.

The objective of the total Follow-Up Study research effort is to assess the relationship of prenatal and perinatal conditions to later school achievement and behavior in order to: (1) determine the limiting effects, if any, of early physical anomalies on later acquisition of school skills; (2) determine early predictors of such problems as mental deficiency, learning disability, speech handicap, behavior disorders and other categories of handicap; (3) obtain information regarding the prevalence of various educational handicaps and assignments to special services and programs provided by the schools; and (4) ultimately determine specific focal points for the development of early intervention strategies to prevent or remediate educational impairment to such early conditions.

Since low birth weight is the single most prevalent abnormality of birth and is frequently associated with the presence of other major reproductive disturbances, it was selected as the focus of the first in a series of analyses of the developmental repercussions of specific birth problems. Previous research had tentatively identified premature birth as a contributing factor to later impairment of intellectual and educational performance. However, such findings tended to be confounded either by the ambiguous use of the term "prematurity" to refer to short gestation period as well as low birth weight, by methodological problems in the case of studies based on retrospective analysis of child development or by the use of subjects who were primarily of lower socioeconomic status or from racial minority groups. Our present sample of children is drawn from a study population which is essentially representative of the white urban population of the upper midwest.

At this point I would like to briefly summarize the kinds of information which were collected and the types of comparisons which were made in our study of low birth weight. We first reviewed the birth records of the total Follow-Up Study population of over 1,500 children and identified all those who were "premature" either on the basis of low birth weight (less than 2,500 grams) or abbreviated period of gestation (less than 37 weeks). Subjects thus identified were divided into three groups: (1) pre-term low birth weight children, (2) full-term low birth weight children, and (3) pre-term children of normal birth weight. We then randomly drew a sample of full-term normal birth weight youngsters from our remaining population to serve as a control group for comparison purposes.

For all of the 241 children thus selected we analyzed socioeconomic information, birth data, standardized measures of mental and motor development administered at 8 months of age, individual IQ tests administered at four and at seven years of age, school readiness and language development at age five, prior to school entrance, and a widely used test of academic achievement in the basic subject matter areas of reading, spelling and arithmetic computation which was administered at age seven. In addition, in our annual survey of the classroom teachers of all study children we obtained information regarding retentions, remedial reading instruction, placement in special classes for the mentally retarded and receipt of special services from the school psychologist, school social worker or speech therapist.

On each measure comparisons were made between children of low birth weight and those of normal birth weight and between children born pre-term and those who were born after a normal period of gestation. Since boys are considered by some to be more vulnerable than girls to the stresses attendant upon premature birth, we also compared the performance of boys and girls within each birth weight group.

STUDY FINDINGS

1. Low birth weight was associated with a higher proportion of neurological abnormalities at birth as well as with a number of medical indicators of abnormal conditions during the neonatal period.

2. By eight months of age the low birth weight infants, on the average, lagged one month behind the normally developing full birth weight comparison group on measures of both mental and motor development.

3. On Stanford-Binet and Wechsler intelligence tests administered at ages four and seven respectively, the low birth weight children averaged five to nine points lower than did those of normal birth weight.

4. At age five low birth weight children scored below children of normal birth weight on the school readiness test, and they averaged six months behind the normal birth weight group on a standardized measure of language development.

5. At age seven there were significant differences in reading, spelling and arithmetic, all of which favored the normal over the low birth weight children.

6. Teacher reports of school progress revealed that a far higher proportion of the low birth weight group had been retained in grade, placed in special class or received special school services with almost two-thirds of the boys in the low birth weight group having received some form of special treatment beyond that of regular classroom instruction during their early elementary school years.

7. No differences were found between children who were born preterm and those who were born at full-term on any study variable when the effects of birth weight were held constant. It was therefore evident that all of the differences in later performance were related to initial differences in birth weight but not to differences in length of gestation period.

8. No differences were found between boys and girls with the exception of special school placement and services which were more frequently instituted for boys than for girls.

9. The most conclusive of the previously available research evidence had demonstrated a link between very low birth weight (1500 grams or less) and later school prob-

lems. A unique contribution of the present study was the finding that there was a surprisingly strong association between moderately low birth weight (80% of our LBW subjects weighed between 2000 and 2500 grams) and later manifestations of intellectual and educational deficits.

REMAINING QUESTIONS

In summary, our results show that low birth weight is associated with impaired performance on measures of mental development, language development, school readiness and academic achievement through age seven. However, there remain a number of significant questions on this topic, the answers to many of which lie beyond the scope of our present data. For example:

1. Whether the disadvantages observed through age seven will continue through the remaining school years and perhaps even influence adjustment in early adult life.
2. Whether appropriate early intervention programs could have prevented or alleviated some of the observed impairment of psychological and educational functioning.
3. Whether the condition of low birth weight could have been prevented.
4. Whether interventions designed to increase birth weight to within the normal range would also forestall the development of all of the problems now found to be associated with low birth weight.

Some of these questions, such as the persistence of learning problems over time, may yet be answered through the continued pursuit of the course of inquiry projected for the Educational Follow-Up Study. Other questions, including those regarding outcomes of intervention programs, await the implementation of such programs and the application of experimental research procedures in their evaluation as distinguished from the present investigation of the natural history of the development of "at risk" children.

PLANS FOR CONTINUED RESEARCH

The Educational Follow-Up Study currently has a commitment from the National Institute of Education for support of research activities through December of 1976. During this period of time we anticipate the collection and analysis of further information pertaining to the development of our low birth weight subjects as well as broad analyses of outcomes associated with other perinatal abnormalities, singly and in combination.

A. *Low birth weight.* We plan a continuing assessment of the school progress of these children as they move through the elementary grades and into the junior and senior high schools. Periodic analyses and reports of their developmental status and of the prevalence of school learning and behavior disorders will contribute to our knowledge of the magnitude and duration of such disabilities.

B. *Total Educational Follow-Up Study.* While the primary focus of the total project is upon relationships between perinatal data and educational and behavioral outcomes, the extensive data base on a large representative sample of children enables the exploration of additional significant educational, psychological and child development concerns such as the establishment of prevalence rates for disorders of school learning and behavior; and assessment of the influence of socioeconomic and family conditions interacting with the perinatal factors on the course of child development and eventual educational progress.

We anticipate that these research activities will assist in the early identification of those children most likely to experience developmental deficits and will eventually contribute to the development of early intervention programs designed to prevent or reduce the emergence of later learning and behavior problems in such "at risk" populations.

Thank you.

ROSALYN A. RUBIN.

TESTIMONY OF GEORGE C. CUNNINGHAM, M.D., M.P.H.

For the record my name is Doctor George Cunningham. I have been Chief of the Maternal and Child Health Unit of the State of California for the past eight years and am presently serving as President of the Association of State and Territorial Maternal and Child Health and Crippled Children's Directors. In spite of a succession of three Secretaries of Health, Education, and Welfare, and a variety of changing federal and state programs and administrative reorganizations, our program has managed to provide some prenatal services to approximately 1 out of every 10 mothers and health supervision to 1 out of every 4 infants. Our infant mortality rate has declined significantly for each of the past 10 years, and is the lowest of any of the large states at 15.9 infant deaths per 1,000 live births. I therefore hope to represent the perspective of an experienced state health professional who is currently implementing the largest WIC program in the country's largest state.

California has 27 local projects approved with a total authorized maximum monthly participation of 38,822 mothers, infants and children at a cost of $1,025,332.

I will not review the scientific evidence which has established the critical relationship of prenatal nutrition to maternal and infant health except to say that it has convinced me and most other health professionals that we can no longer delay translating this information into meaningful effective programs.

The Congress has recognized this fact and attempted to provide legislative authority and funds in a series of bills, Food Stamps, Supplemental Foods, and most recently in September 1972 by WIC. I was privileged to have an opportunity to address the Select Committee at a hearing on December 6, 1973, pointing out some problem areas and making a few suggestions. After additional experience and consideration, I would like to update that report.

There has been progress. The Department of Agriculture did finally publish regulations March 11, 1974, defining clinical costs separately from administrative costs which will help improve local implementation. A draft manual, *Food and Nutrition Service Instructions WIC Program Accounting Procedures,* has been developed and distributed which is helpful in spelling out some of the fiscal details of the program. The special medical evaluation has been detailed. Nevertheless the program continues to be hampered by poor and fragmented administrative direction.

The fragmentation of responsibility is especially difficult for state administrators. We are frequently faced with a policy question such as: Are babies who are breast-fed eligible for supplemental food? The Food and Nutrition Service Regional Office may render a decision or refer the question to Washington. The state may develop its own interpretations. There may be at one time several different interpretations in different areas of the nation on this one point. It is even debatable under present regulations who has authority to make some of these decisions. This is only one example. Many more could be cited.

The selection of the letter of credit system as the method of disbursing funds to the states is administratively cumbersome, and puts the states in a position of not knowing the details and total for the program budget. Authorization to draw $3,000,000 for a three-month period is reduced to $2,000,000 if the program is delayed one month. Changes in program result in changing entitlement both up and down, forcing the federal and state fiscal agents to keep constantly recalculating new budgets and remaining available funds.

As reported previously, this results in continuing changes in details of program. The Dept. of Agriculture announced 7 additional projects in California as recently as March 6, 1974. This means the State has to prepare a new budget detailing how the clinical and administrative funds will be used at both the State and local levels, estimates of vouchers to be printed must be changed, and contracts and arrangements with banks need to be modified.

There are additional problems in the funding area. We have been unable to obtain commitments from the Food and Nutrition Service beyond this fiscal year. We have been given orally from central and regional office of the Food and Nutrition Service conflicting information on whether unexpended funds of fiscal 74 approved for projects can be carried over into fiscal 75. To continue presently authorized WIC programs in California for the next fiscal year, will require $12,304,000 without any program expansion. Translated on a national basis, the figure is close to $100 million as compared to an appropriation of $40 million. Unless this situation is corrected, there will be a major closure of operating programs in mid-year.

Administrative costs of voucher systems handled through banks could be substantially reduced by advancing state allocations and allowing the interest to be used only for specific WIC activities. This is not permitted under current regulations.

With regard to the regulations, I would offer these comments:

(1) The program should be required to cover pregnant and lactating women as well as infants because the earlier in life the malnutrition the more damaging and permanent are its effects. While it is a simpler procedure to develop an infant formula distribution program—the excellent programs in Baltimore and Detroit are good examples—I believe that such expertise can and should be expanded to meet the challenge of setting up the more difficult but more significant prenatal portion. [Ref. 246.2]

(2) The program should be limited to age 4 or under. Facing the practical reality that federal funds for these purposes will not be unlimited, priorities must be established. At the proposed level of $40 million only 375,000 women, infants and children, a small fraction of the population at risk, will be able to participate. Therefore, I would not recommend extension of age limit at this time. [Ref. 246.2]

(3) Postpartum women should be eligible for at least one year after delivery so as to make this definition consistent with existing supplemental feeding programs and serve as an inducement to keep infants in the program.

(4) The state should be responsible for details of local project budgets and acceptance of administrative clinical and food costs requested, working within broad and flexible federal guidelines. [Ref. 246.3]

(5) Eligibility should be restricted to agencies that can provide directly or under negotiated agreement, quality prenatal and well child health care. Public and private non-profit agencies should be eligible but an IRS tax exempt status should not be required. [Ref. 246.5]

(6) The specific nutritional data required in applications does not exist even in a sophisticated state like California that has

participated in two national nutritional surveys. Medical data is not available in small geographic areas served in a manner to be immediately applicable. Ref. [2246.6(i)]

(7) The state should select projects to be funded from whatever monies are made available under competitive contract or allocation using federally developed criteria. [Ref. 246.8]

(8) Reports which Food and Nutrition Service insists be used have still not been provided to the State. [Ref. 246.11]

(9) The specific food list should be expanded to give clinics more flexibility and include foods acceptable to their own particular clientele. Eggs should be increased to 3 dozen as 2½ dozen is difficult to work out. Cereal should be defined only in terms of total quantity, 32 to 36 ounces, not 4–8 oz. boxes since most iron-fortified cereals are not available in 8-oz. boxes. In addition, peanut butter, tuna fish, and frankfurters should be added as alternate high protein sources. [Ref. 246.13]

(10) Vitamins including folic acid and iron supplementation should be provided pregnant women as sufficient iron cannot be provided by the diet alone.

Having commented on the implementing regulations which are in the purview of the Department of Agriculture, let me briefly reinforce a comment directed to the legislation which is the prerogative of the Congress.

The legislation, PL 92–433, was assigned to the Department of Agriculture for implementation. There is much evidence supporting the position that supplemental programs, whose primary purpose is health promotion, are not within the area of expertise or interest of the Department of Agriculture. I can sympathize with the Department of Agriculture's apparent desire to be rid of these troublesome programs, and suggest that this dilemma might be constructively resolved by merging the current Supplemental Feeding Program and the WIC Program into one authority under a new section of the Social Security Act, Title V, Maternal and Child Health section, requiring each state health agency to provide for a program of projects in maternal and infant feeding. In my opinion, this new section should incorporate the best features of both programs and should provide as a minimum that populations currently served by either a WIC or Supplemental Food Program would continue to be served, that the funds available shall not be less than the total appropriation for the existing programs and state plans which should include local input and meet specific requirements that would be reviewed and accepted by HEW. Wherever the state plan fails to qualify, or if no state plan is submitted, HEW should be authorized to contract directly with local community groups. This approach has worked well in the past and can be made to work well again.

This concludes my prepared remarks. I will be pleased to try and answer any questions you may have.

Statement of the Illinois Department of Public Health on Administration of the Special Supplemental Food Program for Women, Infants and Children (WIC)

The Illinois Department of Public Health was notified on July 19, 1973, by the United States Department of Agriculture, Food Nutrition Service, of the availability of funds for a Special Supplemental Food Program for Women, Infants and Children (WIC). The availability of this program provided a significant potential for coordinating nutrition education and the distribution of food with existing Maternal and Child Health services in Illinois.

Upon receipt of the Federal Regulations on July 23, 1973, and with the support and cooperation of Comprehensive Health Planning B Agencies, our office notified two hundred fifty (250) agencies in the State of Illinois, including local health departments, Model Cities and O.E.O. health centers, and private not-for-profit health agencies, of their eligibility to make application for these funds. The requirement of USDA that all applications be submitted to them no later than August 15, 1973, automatically eliminated the possibility of many of these agencies applying. (See attached Rejection Letters). However, by the deadline of August 15, we submitted to USDA fifteen (15) applications for WIC funding. Between August 15, 1973 and December 28, 1973, our office and the fifteen (15) agencies applying for WIC funds went through a nightmare process of submitting, on almost a daily basis, additional information on each of these applications; information not initially requested by USDA.

During this process several agencies withdrew their applications because it was, for all practical purposes, impossible for them to rewrite their grant applications five and six times. During the period July 23 through December 28, one public health pediatrician and myself at the State level, and staff of the local agencies spent more than fifty percent (50%) of our time writing and rewriting grant applications, redoing budget, gathering statistics and complying with requests for immediate transmittal of information that was not readily available to either local health agencies or the State Health Department. For example, we were asked for rates of nutritional anemias in pregnant and lactating women and numbers of pregnant teenagers. This information is not available in the form requested. (See attached Request for Additional Information)

Our staff and that of local health agencies took untold hours from their regular daily responsibilities to meet these demands to the best of our ability. I cannot adequately express the cooperation and commitment of local health agencies to making this program work on an efficient, effective, accountable and meaningful basis. All of the persons involved were convinced of the importance of this program to their local clientele and recognized the value of being able to integrate the distribution of nutritious food with the delivery of comprehensive health services. I have attached to this statement some available statistics on racial breakdown, low income, rates of prematurity, and rates of infant and maternal mortality in these program areas.

From the beginning it was unclear to us on what criteria and according to what priorities USDA was making decisions for approval of applications; what was clear to us was that USDA was not sure, from one day to the next, what information they wanted.

On December 28, 1973, we were notified of the approval of four (4) WIC programs: Quadri County Health Department, Tri-County Health Department, Mile Square Health Center, Inc., Chicago, and one Station of the Chicago Board of Health (see attached map). A total budget was approved for $562,000 to serve 6,540 eligible women, infants and children. These programs were approved for a starting date of February 1, 1974, and were expected by USDA to start distribution on that day.

Mile Square Health Center, Quadri County Health Department and Tri-County Health Department began certifying participants on February 1. Mile Square, who chose the direct distribution system, began distributing food to eligible participants on February 11. Because of mechanical and human delays in having coupons printed, Quadri County began distributing coupons on March 11, and Tri-County distributed their first coupons on March 18. Due to delays in the bureaucratic process, the Chicago Board of Health began coupon distribution this week.

On March 7, 1974, five (5) more programs were approved to begin operation on April 1, 1974, with a budget of $663,000 to serve 7,931 persons. Because there was no assurance of continuation of program funding beyond June 30, 1974, the Tazewell County Health Department did not accept funding. The other newly funded projects are: Winnebago County Health Department, Logan County Health Department, Fulton County Health Department and the East Side Health District (see attached map).

Due to the outstanding efforts of all persons involved, all eight programs funded for Illinois are now distributing food and/or coupons for food to 14,341 eligible mothers and children, at a cost of approximately $361,300 per month. Our total budget for the period February 1 through June 30, 1974 is $1,216,000.

To date we are functioning under vague, uncommitted, verbal communications and directives from USDA. Local agencies are reporting to the Illinois Department of Public Health on "unapproved", "draft" monthly report forms, and collecting medical data on "unapproved" forms from USDA. (See attached report forms)

I have been told that USDA presently plans to allocate $40,000,000 for FY 75 nationally; the same amount that was allocated for FY 74. This means, for example, that East Side Health District, if refunded, would receive the same amount of money for a twelve (12) month period that they are now receiving for a three (3) month period. This program is presently serving 6,400 people in the East St. Louis area. If they are held to a budget of $550,000 for FY 75, 4,800 or 75% of the present participants would have to be dropped from the program. Doctor Sashankar can tell you better than I what this would mean socially and politically, but most importantly, the severe repercussions of denying participation to 75% of the eligible participants.

The Illinois Department of Public Health has, to date, received no information from USDA defining specific requirements for continued funding of our eight (8) programs for FY 75. To our knowledge, no decision has been made allowing for the continuation of existing programs without a break in service between FY 74 and FY 75. It is extremely difficult for a State agency and for offices of local government to plan programs, anticipate budgets and personnel needs this late in the fiscal year without specific commitments for future required funding.

Early in March I requested that the Midwest Regional Office of USDA coordinate a meeting for the nine State WIC administrators in our Region, so that we could share our experiences with the program, our successes and our problems, and to plan for the provision of meaningful WIC program services in FY 75. Through correspondence and conversations, a number of State WIC administrators have expressed their desire to participate in such a meeting. On March 27 I was told verbally that, although USDA in Washington agreed that it was a good idea, they were not ready nor did they have the time to sit down with State administrators. It would be extremely helpful to me and to other State coordinators if such a meeting could be arranged.

The Illinois Department of Public Health has serious concerns about the risks involved in continuing as the responsible agent for providing a meaningful and accountable service to participants in the WIC program. The Department sincerely requests the cooperation of this Committee in securing a commitment from USDA that programs will be refunded and that administrative changes will be made.

I am here today because of my Department's commitment to this program and because of the response received from our governmental representatives at the Federal level supporting the continuation of the WIC program in Illinois. I sincerely appreciate the opportunity to share our concerns with this Committee.

I respectfully submit the following recommendation for this Committee's consideration and request that our concerns and recommendations be transmitted to the proper authorities in the United States Department of Agriculture.

RECOMMENDATIONS

1. Priority consideration for continuation should be given to all presently funded programs based on the evaluations of their present efforts; not in competition with new Nationwide applications for FY 75.

2. Assurance in writing should be transmitted to each participating State and local agency insuring that acceptable programs will be continued through FY 75 *without a break in service*.

Our past experience with the application process convinces me that if these programs are considered in a nationwide Review Process, it is entirely possible that present programs could discontinue on June 30, 1974, only to start up again in the fall after FY 75 program approvals are made.

3. Planning funds should be made available immediately to allow for adequate preparation for FY 75.

Upon receipt of the Conference Report on Child Nutrition accompanying HR 14896 issued September 13, 1974, the Illinois Department of Public Health made preliminary plans establishing a statewide network for the provision of WIC services with special attention given to persons potentially eligible but not permanently residing within the jurisdiction of official health departments. One of our special concerns was providing WIC services to migrant workers. As you see from the attached map there are many areas in the State not covered by official public health agencies. We had also planned to utilize the University of Illinois Cooperative Extension Service for providing nutrition education. However, neither planning time nor funds were available.

4. Funding of the WIC program for FY 75 should be at the same rate as the present funding and not for the same dollar amount funded for FY 74.

Present programs cannot function for 12 months on a 3 or 4 months budget, as noted earlier with regard to East Side Health District.

5. Allocation of administrative monies to State and local agencies should not be dependent on the expenditure of food monies.

There was a period of up to one month before any of the Illinois programs were able to begin distribution of food and/or coupons, because of time required to provide for necessary administrative functions, i.e., rewriting budgets, duplication of forms, preparation and signing of agreements, printing of coupons, draw down on the letter of credit, certification of participants, etc. The expenditure of administrative funds is presently based on 10% of the expenditure of food monies. Because administrative funds were spent in preparation for expending food monies, it is possible that the Illinois Department of Public Health could be in financial debt to USDA on July 1.

6. Supplemental food should be supplied to an entire family where mothers and/or children are eligible.

If this program is to have any meaningful effect on the target population there must be some guarantee that these individuals will receive the total amount of allowed food items. It is not realistic to believe, in low income families where there are fathers and older children, that food will be reserved for "eligible" members of the family.

7. Consideration should be given to transferring the administration of the WIC program to the Department of Health, Education, and Welfare.

East Side Health District,
East St. Louis, Ill., April 1, 1974.

Hon. Chairman and Members,
Select Senate Committee on Nutrition and Human Needs, Senate Annex, Washington, D.C.

Honorable Chairman and Members of the Select Senate Committee: On behalf of the residents of Southern Illinois, representing over three million people; and, on behalf of the local health agencies in Southern Illinois, which are presently involved in the WIC Program, may I respectfully submit the following for your kind consideration.

1. That a large proportion of the residents of Southern Illinois, particularly the metropolitan St. Louis area and the tristate area of Illinois, Kentucky, and Kansas have a very low income.

2. That the health and nutrition status of vulnerable groups of population, particularly the mothers and small children, in these areas is very low.

3. That the metropolitan St. Louis and Southern-most part of the State of Illinois have poor health indices; for example, East St. Louis area has the highest infant mortality rate in the State of Illinois, including Chicago, and is one of the highest in the whole country.

4. We were happy to note that Congress had considered providing some means to supplement food to the needy people. We hurried and applied for a grant sometime in August, 1973. However, the department concerned, namely, the U.S.D.A., took an unusually long time to make a decision, but ultimately approved our request for a period of 3-4 months only. Some of our applications were approved effective March 1974, and some effective April, 1974.

In spite of the fact that we did not have any planning time and had a very short notice to actually implement the program, we are pleased with the action of the U.S.D.A.

5. We have received no assurance that the WIC Program is going to continue beyond June 30, 1974. We feel rather uncomfortable. In the first place, we would not have involved ourselves in this program if we had known it was only for three months. The program is supposed to be medically oriented and is supposed to improve the nutritional status of small children even to a small extent. That cannot be achieved in a three month period and requires at least a couple of years to do so.

We have also been hearing rumors that there is a possibility that the U.S.D.A. may grant the same amount of money which they granted for three months to be used for the entire year of 1974–75. If that is true, we feel that it is just impossible for us to operate such a program. How can we cut 75% of our budget on the program? What shall we do with 75 out of every 100 eligible persons in the area. We will be simply mobbed by these needy people.

6. Under the circumstances, may we most humbly and respectfully urge the Select Senate Committee to kindly see that the WIC Program is continued and provides adequate funds to operate the program successfully.

7. One extra plea from the agency I represent; namely, the East Side Health District, in particular. The East St. Louis area is the poorest area in the State of Illinois as revealed by the census. Copies of census and State data are enclosed. Our local economy has gone down considerably within the last 10–12 years. Our per capita income is about $2,000 as opposed to approximately $3,000 in most other cities in the State. Approximately 29% of all residents and approximately 40% of city core residents are on public assistance. The nutritional status of our low-income mothers and children is really low as recognized by the U.S.D.A. May we respectfully urge your Committee and the U.S.D.A. administration to give some consideration to this area please.

I remain,
Respectfully yours,
Mani K. Sashankar, M.D., Dr., P.H.,
Director.

Statement to: Senate Select Committee on Nutrition and Human Needs.

Regarding: Continuation of Special Supplementary Food Program for Women, Infants, and Children (WIC).

On behalf of: Rosebud Sioux Tribe Health and Welfare Committee.

Prepared by: Sonny Wain, chairman of the Rosebud Sioux Tribe Health and Welfare Committee, Henry H. Kaldenbaugh, M.D., general medical officer USDHS, medical consultant to Rosebud Sioux Tribe.

Members of the Senate Select Committee on Nutrition and Human Needs, this testimony is prepared for the purpose of supporting the Special Supplementary Food Program for Women, Infants and Children (WIC), that has currently been introduced on the Rosebud Sioux Reservation in South Central South Dakota. Today's testimony is intended to supplement that given in Pine Ridge, South Dakota before this Committee on August 28, 1973.

Current nutritional problems: The Nutritional Problems of disadvantaged people in the United States are well known to this Committee. Unfortunately the Native Americans living in a traditional manner on reservations have to be included. Our experience on the Rosebud Reservation has been that an inadequate diet has contributed to the health problems afflicting many of our people.

The present census of the Rosebud Reservation inhabitants is 7143 Native Americans. The vast majority of these people receive their Health Care at the USPHS Hospital in Rosebud, South Dakota and the statistics kept by the USPHS for that hospital in fact represent the Health Statistics of the Rosebud Sioux Tribe. To amplify the need for aid in the area of Nutrition, we would like to present a few of our statistics in Nutritionally related areas.

OUTPATIENT VISITS BY DIAGNOSIS

	Fiscal year ending		
	June 1971	June 1972	June 1973
Diabetes mellitus	1,022 (92)	1,205 (47)	1,336 (92)
Obesity	43 (27)	72 (43)	12 (10)
Vitamin deficiency	8 (2)	3 (2)	3 (1)
Other nutritional problems	5 (2)	7 (6)	6 (6)
Protein malnutrition	1 (1)	0 (0)	1 (1)
Iron deficiency			
Anemia	25 (11)	53 (29)	70 (31)
Other anemias	13 (4)	16 (2)	14 (5)

NEWLY DIAGNOSED CASES

As can be seen the incidence of Nutritionally Related Medical Problems is frightfully large and not abating at this time, in addition the infant death rate is alarmingly high and probably at least indirectly a result of the nutritional status of our people.

	Mortality rates	Population July 1973 to February 1974
Stillbirths	9	6
Infant deaths (less than 1 yr)	3	3
Childhood deaths (1 to 12 yr)	1	1
Stillbirth	83	44
Infant 0 to 1 yr	18	22
Childhood (K to 18 yr)	1	1

Problems with (WIC) program: Prior to February, 1974 pregnant women, infants, and children were eligible to receive Supplementary Commodity Food Distribution Program. Almost all families with pregnant women, infants, and children depended on these foods for a major part of their diet. In 1972 when a shortage of canned milk occurred during several months a severe hardship was imposed upon many infants and families for there were no resources with which to purchase these foods.

The Rosebud Sioux Tribe was invited by the USDA and the South Dakota Department of Health to participate in the Special Supplementary Food Program for women, infants, and children (WIC) in August, 1973.

With less than two (2) weeks notice the Rosebud Sioux Tribe prepared and submitted an application for this program on August 14, 1973 and received an invitation to testify on its behalf on August 23, 1974, before this committee in Pine Ridge, South Dakota. At that time the program was scheduled to commence on October 1, 1973.

The Rosebud Sioux Tribe and the USPHS Hospital at Rosebud qualified for this pilot program and in fact would have been an ideal setting in which to achieve the original goals of this program. However, through numerous delays and significant hesitancy on the part of the USDA and the USPHS Aberdeen Area Office. The Rosebud Sioux Tribe received no notification of acceptance until February 20, 1974.

This acceptance was contingent upon discontinuance of the Supplemental Commodity Food Program on the Reservation. Since the Rosebud Sioux Tribe was informally notified that the Supplemental Commodity Food Program was to soon be discontinued anyway they notified the USDA on February 20, 1974 that they were agreeable. This letter was sent to Mr. Juan De Castillo, Director, Food Distribution Division FNS, USDA, via his Subordinate Mr. Richard Dowling and the South Dakota State Department of Health.

Presently the enrollment phase of the WIC Program is commencing on the Rosebud Reservation and there remains no alternative source of nutrition if this program discontinues in June 1974.

It is the sincere hope of the Rosebud Sioux Tribe as the representative of the Rosebud Sioux people that this program continue.

OIL PROFITS

Mr. HANSEN. Mr. President, I can think of no better introduction to an article in the May issue of the Alternative on oil profits than an Edmund Burke quotation the author used:

> It is no excuse for presumptuous ignorance that it be directed by insolent passion.

The article by Alan Reynolds, "Should Oil Be Profitable," answers many of the charges of "windfall, unconscionable," and "obscene" profit charges leveled against the industry.

As I have said so many times, it is discouraging to see and hear the continuing outpouring of vindictiveness against the petroleum industry as the villain in the Energy Act.

It is even more discouraging to learn that we must now throw more Government regulations at a situation brought on by Government regulations.

In the long run, the American consumer will benefit more from higher industry profits than from Federal taxes to attempt development of our energy resources.

The proponents of price rollbacks, windfall profits taxes, further regulation of producer price of natural gas and oil apparently have forgotten the monumental contribution of free enterprise to the workability of this governmental system of ours and the enviable U.S. standard of living that is based on that foundation.

Before we drive another nail or two in the coffin of free enterprise or add more obscenity to the word "profit," I hope a few Senators will read what Alan Reynolds has said about oil profits.

Mr. President, I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SHOULD OIL BE PROFITABLE?

(By Alan Reynolds)

"It is no excuse for presumptuous ignorance that it be directed by insolent passion."
—Edmund Burke (1777).

You already know the story. Oil companies created the shortage to drive up prices, push the Alaskan pipeline through, soften environmental roadblocks, and weed-out those pesky independents. That is, big oil cut supplies to increase supplies, and raised prices to squeeze competitors. "There are some," wrote Brit Hume (Jack Anderson's Sancho Panza), "who believe the major oil companies conspired to bring about these results." The oil majors wallowed in profits," added Time, "after-tax earnings at Exxon in the third quarter, for example, soared 80 per cent." Such profit increases, reports the National Observer, "set off a wave of criticism from lawmakers concerned that the industry may be reaping a windfall from the hardships of millions of citizens."

But third quarter profits obviously had no bearing on the oil crunch, which wasn't even announced until the fourth quarter. To imply that third quarter profits resulted from scarcity ignores the fact that unit sales of the big seven oil companies were up 6 percent in the first three quarters of 1973. Exxon's 80 percent gain in the third quarter was well above the 46 percent average for the "seven sisters." Taking the first nine months of 1973 as a whole, Exxon's profits rose 59 percent above the level of a year before, and sales were up 40 percent. Note that this compares with a 93 percent profit increase for the New York Times during the same period, and 57 percent for the Washington Post. The brokerage house of Wagenseller & Durst compared the return on stockholder equity of eleven oil majors with the combined return of ABC, CBS, the New York Times, Time, Times Mirror, and the Washington Post. The result: 14.7 percent for oil, 22 percent for the oil critics.

The percentage increase game was played again in the fourth quarter, but one had to be even more selective. I don't recall any headlines about the fact that Standard of Ohio's profits were down 40 percent. Significantly, Sohio ranks first among oil companies in domestic reserves per dollar of common stock. So much for self-sufficiency.

Many oil companies continued to do well, however, and Exxon's profits maintained that 59 percent lead. Booming profits were common in 1973, partly because everything expressed in dollars went up (dollars expressed in terms of everything went down). The Department of Commerce attributes 42 percent of the increase in pretax profits of nonfinancial corporations in the first nine months of 1973 to "inventory profit"—i.e., the effect of inflation in raising the value of inventories. Profits last year were generally exaggerated and overtaxed because of temporary inventory profits, depreciation being allowed only on the preinflation costs of machinery, and the general erosion of the purchasing power of a buck. George Terborgh has adjusted accordingly, and found that after-taxprofits of nonfinancial corporations, expressed in 1965 dollars, fell from $36.1 billion in 1965 to $18.6 billion in 1973. Adjusted retained earnings, after paying dividends, fell from $19.2 billion to $2.1 billion—which is surely a major explanation for the widespread "failure" of industries to invest enough to eliminate shortages.

With this in mind, it is not as easy to be upset because Del Monte's profits were up 82.5 percent in the fourth quarter, or because U.S. Steel's profits were up 91.1 percent, not to mention MGM (profits up 289 percent—I told you not to mention it).

But percentage increases convey no information whatsoever. My weight is up 25 percent—am I fat or thin? My income rose 100 percent in two years—am I rich or poor? In the New York Times (January 13, 1974) Tom Wicker reported that Occidental Petroleum had a 417 percent increase in net profits in the first nine months of 1973. What wasn't mentioned is the fact that Occidental's 1972 profits were only four-tenths of one percent of sales, and that Occidental's petroleum operations are almost entirely overseas. Gulf's 1972 profits were a modest 3.2 percent of sales, so they too showed a sizable (79 percent) increase. Tom Wicker even managed to get a column out of being outraged about Gulf's best quarter.

If oil is so profitable, one would expect critics to put their money where their mouths are. There are more than enough critics to drive the stock prices sky-high. But Exxon's stock rose only 8 percent last year, Mobil's fell 28 percent, and Texaco's fell 22 percent. These are the oil companies with the highest profit gains in the fourth quarter. The apparent paradox is explained by the fact that stock purchases are geared to future earnings, not to the recent past.

Before we get into the prospects for oil profits, several complications should be mentioned. First, most multinationals sell more abroad than they do here. A sizeable part of last year's "windfall" (about 30 percent of the increase in Texaco's foreign earnings) was due to the effect of dollar devaluation on foreign currencies held by foreign subsidiaries. Exxon's 59 percent profit gain translates into an 83 percent gain in earnings from over 100 foreign countries, and a 16 percent gain in the United States. Only 16 percent of Exxon's production and 32 percent of its sales are from the United States. Texaco earned 65 percent of its profits abroad, and had only a 3.6 percent gain in profits from U.S. operations. Most European governments attracted ample supplies, and cut demand, by letting gasoline prices rise by about as much as the total price here (the U.S.

price, if you subtract excise taxes, is still about the same as for distilled water). The "socialist" government of West Germany relied completely on a free-market solution, and now faces the highest growth and lowest inflation in Europe. Italy, like the United States, tried "tough" (stupid) price controls, and thus drained the blood from its economy. No other country has matched our insanity in allocating fuel according to "priorities" (favoritism) and 1972 use.

Second, with all the loose talk about big fish swallowing little fish, it isn't widely noticed that the big fish are foreign: Burmah Oil (London Exchange) acquired Signal, the half-nationalized British Petroleum company will soon have a controlling chunk of Sohio. "I don't think that we should be unnecessarily pressuring multinational corporations that are based here," warns Attorney General William Saxbe, "they'll just base someplace else. They'll have to." With huge national oil companies developing in most of the oil-rich nations, current congressional proposals could help translate the names of the biggest companies into Arabic or Spanish. If we levy stiff U.S. taxes on oil produced and sold abroad, that would put U.S. multinationals at an enormous disadvantage in competition with foreign-based giants like British Petroleum and Royal Dutch Shell. If we keep domestic crude at half the price of foreign crude (Henry Jackson's brainstorm), foreign producers will be able to attract the lion's share of equipment and expertise.

Third, the oil companies don't just sell oil. Cities Service and Continental Oil are definitely conglomerates; Sohio, Continental, and Occidental own very sizable U.S. coal companies; Gulf operates the new town of Reston, Virginia, and is considering buying Ringling Brothers-Barnum & Bailey Circus. In view of the threats of nationalization, even here, there is every reason to expect more and more oil companies to move out of oil and into other fields. That would certainly be my advice to the oil majors—if they must stay in countries where they aren't welcome, like the United States. There's enough risk in the oil business without adding political caprice.

Fourth, the enormous size of the industry simply means that people choose to buy a lot of their products. *U.S. News & World Report* says, "The oil business is huge . . . its total profits are larger than for any other industry." Tom Wicker complains that "Exxon recently announced the largest annual profit ever earned by any industrial company." These statements have no economic significance whatsoever: both are logically compatible with inadequate profits, or with the absence of a dominant firm within this large international market.

These caveats aside, the oil companies definitely *did* earn "windfall" and "excess" profits in 1973. When inventories have been purchased at a low price, and rising demand allows these inventories to be sold at a high price, the result is an unanticipated "windfall." If the outcome had been widely anticipated, it would not have been possible to purchase the inventories at a low price. This is why windfalls are, by definition, ephemeral. When the oil companies go to replenish their inventories, all concerned—from foreign governments to domestic laborers—will get a piece of the action. Costs will rise to eliminate the windfall. Yet those who are talking about taxing-away the windfall profits (windfalls to governments are apparently o.k.) are not talking about 1973 profits, but about 1974 and beyond.

Few investment advisers are confident that oil company profits are secure, and most are suggesting investing in companies that supply the oil companies (e.g., by building refineries). This indicates that costs are expected to rise more than revenues. About a fourth of the cost of operating a refinery, for example, is fuel to run its boilers: Ironically, this fuel is usually imported from Venezuela, and the cost has soared. I seriously doubt that 1974 oil industry profits on U.S. operations will be as high, as a percentage of sales or equity, as in 1973. Total dollar profits will drop sharply if federal allocation and price controls keep U.S. refineries from drawing foreign oil away from Europe's relatively free markets. Contrary to the prevailing demonology, it is very hard to make as much money on a much smaller volume.

"Excess" profits seems to mean above the average for either the industry or nation. George Shultz, my favorite treasury secretary, figures that the rate of return for twenty-two large oil companies averaged 15.1 perrent in 1973. That compares with 10.9 percent for those companies in the previous decade, and about 13 percent for all manufacturing in 1973. Thus, oil profits, at least for these twenty-two firms, were clearly "excessive." Of course, it isn't too hard to beat the industry's own average return on equity, which fell each year from 12.5 percent in 1967 to 8.7 percent in 1972, and was usually below the average for manufacturing.

Now while windfall profits from devaluation or inflation are just a lucky break, excess profits are the stuff that spark, fuel, and lubricate our economy. Even in a hypothetical stationary equilibrium, some profits must be above average to compensate for risk. Excess *losses* also serve the vital function of telling capital and labor to switch to new techniques or products.

Yet Congress would, on a dare, tax away excess profits and subsidize excess losses (e.g., Lockheed, Penn Central). "We should consider taxing excessive profits wherever they occur," says Senator Jennings Randolph of West Virginia, "not only petroleum or energy companies, but across the board and throughout industry." The underlying notion is to level every firm up or down to a "fair return"—a variant of the "just price." To the degree that this is tried, and it has been, resources are immobilized and entrepreneurship is stifled (congressmen should be required to read Israel Kirzner's *Competition & Entrepreneurship*). Profits must be free to deviate from the norm, because such deviations are signals for capital to move from losers to winners.

Resources can be devoted to current consumption (making food or fuel) or to expanding capacity for future production (making fertilizer plants or refineries). Land, labor, and machinery can't be doing two things at the same time. Tax and monetary policies encourage consumption and indebtedness, while many government policies discourage or even penalize saving and private investment. Banks, for example, aren't allowed to offer more than about 6 percent interest to small savers—even during a 9 percent inflation. The flood of government bonds is a drain on the private capital market—not a "fiscal stimulus." The result of this sort of thing is that people have the dollars and desire to buy more than can be produced.

Given this shortage of capital, which investment adviser T. J. Holt estimates at $75 billion, we should nonetheless want to see a sizable chunk being attracted to oil and other goods that are getting scarce and therefore profitable. John Winegar of Chase Manhattan's Energy Economics Division estimates that even the 1973 oil profits will fall short "by more than a billion dollars" of meeting capital needs. Between 1970 and 1985, says Winegar, the petroleum industry will need $1.35 trillion to keep up with demand—which implies an annual earnings growth of 18 percent. Banks turn out some pretty scholarly research, as a service to their customers (banks, like all industries where competitiion is banned, compete in frills). But "asking Chase's view of oil company profits," according to John Lee of the *New York Times*, "is like asking Herbert Stein's opinion of President Nixon's budget message." *Time* said something equally cute, and equally libelous, implying that it's all a matter of opinion and bank opinions are too biased to deserve serious consideration. If one must reduce matters so, it should be noted that when the oil companies can't finance operations out of profits, they borrow from banks. Banks do control a lot of oil stock (through pension funds and the like), but it is a simple matter to switch to something more profitable, like soft drinks.

The other side of keeping some profits down, as we noted, is keeping others up Federal Energy Office favoritism for industries that use a lot of energy is a serious obstruction to necessary adjustments. The rationale, as always, is to "save jobs." But industries that use a lot of energy don't use a lot of labor. Energy-intensive industries should not be artificially insulated, through "priority" allocations, from resource scarcity. If they can't bid oil away from competing uses, that means consumers prefer the other uses—including driving their cars. This isn't an either or decision, but a matter of marginal adjustments: a decline in the use of plastic containers and aluminum beer cans, an increase in the use of cotton textiles instead of polyester.

Ecologist Barry Commoner wrote a column entitled, "Profit Motive is Root of Our Crises." He reasons that "as power has been increasingly introduced there has been a comparable decrease in labor needed . . . Thus, as power productivity declined (sic), labor productivity increased. . . . Profits depend on labor productivity." The conclusion is absolutely wrong, of course. Profits depend on the difference between how much money you take in and how much you spend. Low labor productivity can be very profitable if wages are also low (e.g., Hong Kong). Firms substituted energy for labor partly because energy has been cheaper (not that one can make paint out of labor alone). Labor has been relatively costly because "labor" productivity rose, which in turn is largely due to the use of energy-using machines. Commoner's theory would lead one to believe that labor productivity (and real wages) should fall, and that we should substitute human for nonhuman energy—a strange conclusion indeed. As energy costs rise, events may follow Commoner's prescription. But it is incredible to claim that only profits would be affected. The real motivation behind the use of energy is the desire to have more goodies with less work. That's the definition of an increase in the real wage.

As an illustration of his theory, Commoner complains that "we now use . . . high-compression smog-generating engines instead of low-compression smog-free engines." Commoner must own a very old car. Since the Clean Air Act of 1970, cars have had inefficient low-compression engines with elaborate smog devices, and these changes have increased gasoline consumption by some 300,000 barrels a day. That may be a necessary cost of reasonable air quality, though even Congress is having doubts, but it is hardly a result of the "profit motive." New models are carrying an extra couple of hundred pounds of costly bumpers, which few would voluntarily pay for, and this too cuts mileage. More than half the new cars sold are compact or mini, but they don't get better mileage than a 1954 Cadillac.

I have been accused of simply making "a concise summary of the oil industry's arguments," and favoring "artificial devices which interfere with the free-market mechanisms" (Brit Hume, the *New York Times Magazine*, January 6, 1974). So, I will now demonstrate the proper way to attack the oil industry. First, I have always openly opposed oil import quotas, and would have few objections to eliminating depletion allowances on new wells. But it seems silly to blame special-interest legislation on the special interests rather than on (a) the mixed economy which allows such things, and (b) corrupt and foolish legislators. Second, the oil industry wrongly blames high consumption on naughty consumers rather than on low prices. Most industry spokesmen have also supported government allocation (with favoritism to big business) and rationing, which is hardly the essence of my position. I have seen few things that I disagreed with more strongly than an obnoxious speech by the president of the American Petroleum Institute in Los Angeles, December 4, 1973: "We are all going to have to really tighten our energy belts," said Frank Ikard. "This will mean . . . fuels allocation, and it probably will mean fuel rationing . . . But any rationing program must be predicated on a sound priorities system. . . . Personal comfort and convenience must—of necessity—rank below the priority classes. . . ." Ugh. It wouldn't surprise me a bit if the scoundrels were behind all this talk about federal regulation, since everyone (except Tom Wicker) knows that's the road to minimum price enforcement and taxpayer underwriting of losses (e.g., airlines, trucks, railroads, telephones, stock brokers . . .). Have you ever heard of a regulated industry asking to be deregulated? Okay, one—natural gas—but no others.

Third, the Wall Street Journal (February 7, 1974) notes that after-tax profits in oil have not been quite as high as elsewhere, despite supposedly preferential tax treatment. "So far as we can see," says the Journal, "the only possible interpretation of this is that profit margins in the oil industry have been under competitive pressure, and because of the same pressure the effect of tax breaks has been passed along in lower prices to the consumer." Well, if we knew for sure that the corporate tax was completely shifted to consumers, rather than also coming out of stockholder income and funds available for growth, then we might be able to say that reductions in the corporate tax only benefit consumers. But tax subsidies, and direct subsidies, are usually at least partly capitalized within the price of the favored commodity.

Thus, tax advantages for homeowners drive up the price of houses and residential property. Those who are buying at this late date get no net advantage. Making municipal bonds tax-free drives up their prices and lowers the yield. Similarly, when the depletion allowance was introduced in 1926 it presumably increased the price of oil stock, and attracted producers who would otherwise be unable to cut the mustard. The latter, after all, was the intended effect. Among stockholders, however, only those who got in before the tax break would stand to benefit from it. Conversely, reducing the depletion allowance in 1969 imposed a rather unfair windfall loss on those who had purchased stock at a price reflecting any tax advantage. This surely contributed to the paucity of investment capital in the industry, which is sometimes (e.g., by Tom Wicker) called a "failure" to build sufficient capacity. Thus, while many tax breaks may have been a mistake from the start, they are not easy to get rid of.

Finally, the monopoly issue is as irrelevant as it is implausible. "In theory," says S. David Freeman, director of the Ford Foundation Energy Policy Project, "higher prices will not only dampen demand but provide the incentive for increased supply. This is true if an industry behaves in a competitive manner. But is there competition in the American energy industry?" Freeman doesn't bother to answer the question, but it's a red herring anyway. Once a monopoly has found the wealth-maximizing combination of price and output, it responds to changing supply and demand conditions exactly as a competitive firm would. If that sounds strange, you have been listening to the Big Lie too often, instead of browsing through any good economics text. Try Alchian & Allen's *University Economics* or Roger Miller's *Economics Today*. A hint: If the oil industry could increase profits by cutting supply, why did it wait until 1972–1973 to do so?

Well, these are complex matters. And people are talking economics even when they don't realize it. The trouble is that the discussion is so uniformly poor, especially when conducted by natural scientists and journalists. These people simply don't understand the significance of statistics, the role of profit, or the nature of taxes and monopolies. So why don't they have the decency and humility to just shut up?

THE COMPARISON OF PROFITS TO INVESTMENT FOR TEXACO

[Millions of dollars]

Year	Net income	Capital and exploratory expenditures
1973	1,292.4	1,333.9
1972	889.0	1,192.9
1971	903.9	1,162.2
1970	822.0	906.1
1969	769.8	791.9
1968	819.6	1,065.3
1967	750.5	893.7
1966	671.8	737.4
1965	590.9	718.9
1964	540.7	604.8

Note: Direct taxes (foreign and domestic) exceeded net income in every year since 1967. About 55 percent of capital and exploratory expenditures were in the United States in 1973.

COVERAGE OF THE SENATE AND HOUSE PROCEEDINGS BY TELEVISION

Mr. METCALF. Mr. President, yesterday, in hearings of the Joint Committee on Congressional Operations, Fred W. Friendly of the Columbia Guaduate School of Journalism made a compelling argument for a plan of action—a "bold, decisive act of Government"—to open proceedings of the Senate and House on television coverage.

Senators will recall that Mr. Friendly is a former president of CBS News, a pioneer in television and broadcast journalism. Now serving as the Edward R. Murrow Professor of Broadcast Journalism at Columbia University and adviser to the Ford Foundation on telecommunications, Mr. Friendly pointedly questioned the unwillingness of Congress to utilize the advancing technology of communications.

Whose fault is it, he asked—and I am paraphrasing his most eloquent and persuasive testimony—that technology and the natural inclination and motivation of Presidents have resulted in a move of "the great commanding theater of this Nation" to the other end of Pennsylvania Avenue? And he answered:

> You closed your eyes and ears to a miracle permitting your gallery to be filled by three or four sightseers and lobbyists from each of your constituencies while the Executive Branch transformed its "Bully Pulpit" into an electronic throne. Presidents have used broadcasting as a magic political carpet transporting the citizenry to the Oval Office, to the ancient wall of China, ironically even to the floor of your joint sessions while you, with few exceptions, have relegated these miracles to the status of a kind of over-the-transom, Peeping Tom, too theatrical or "too dangerous" to be allowed in. So what happens—Presidents in solemn regal splendor and living color dominate center stage while Senators and Congressmen content themselves with a few frenetic, fleeting moments in interviews in corridors and cloak rooms. Perhaps unwittingly you have forced the television camera to become a kind of stage-door Johnny.

Urging more than just a rules change to facilitate access for the broadcast media, Mr. Friendly called for action now to bring the television camera front and center. He said:

> What is needed is the affirmative statement of serious, imaginative men and women of state, conscious of their responsibilities as teachers of the art of government, as much as of their obligation as legislators of wisdom and deliberation. Instead of the final paragraph to your constituents at home, "Drop in and see me the next time you are in Washington," your act of faith would be to communicate with them in their living rooms.

Mr. President, the joint committee has heard from a large number of outstanding witnesses during 6 days of hearings on Congress and mass communications, including the leaders of the commercial networks and public television, distinguished Members of the Senate and House, and prominent print and broadcast journalists. A printed RECORD will be available in due course. Meanwhile, because of the timeliness of the subject—and because of the wide range of carefully conceived suggestions continued in his testimony—I want to call attention to Mr. Friendly's comments and to make them available to all Senators now. I therefore ask unanimous consent that Mr. Friendly's prepared statement of April 9 before the Joint Committee on Congressional Operations be printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY FRED W. FRIENDLY

APRIL 9, 1974.

My name is Fred W. Friendly. I am Edward R. Murrow Professor of Broadcast Journalism at the Columbia Graduate School of Journalism and Advisor to the Ford Foundation on Telecommunications. For 16 years I was Executive Producer of C.B.S. News and for two years President of that organization.

Permit me to use two small exhibits, this quill pen and this vidicon tube, and to begin with quotations from two distinguished colleagues, one who practiced my profession, the other yours.

"When a man is really important the worst adviser he can have is a flatterer." That's the scripture from Gerald Johnson, the Baltimore editor and historian, and I hope it applies to our dialogue here today.

The second quote, in 1808, is from a lame duck President, Thomas Jefferson, who, in an attempt to recruit barrister William Wirth of Virginia into running for office, wrote:

"The object of this letter is to propose to you to come into Congress. That is the great commanding theatre of this nation. . ."

My unflattering question to this committee and your colleagues is—have you let Mr. Jefferson down, have you permitted technology and the natural inclination and central motivation of Presidents to move "the great commanding theatre of this nation" to the other end of Pennsylvania Avenue?

And whose fault is that—not Marconi's, or Murrow's, or Cronkite's or Chancellor's, not even Coolidge's, or Kennedy's or Nixon's. They merely invented or exploited new forms of communications which the Senate and the House chose to ignore or to regard as a howling sideshow instead of an electronic extension of the spectators' galleries of 426 seats in the Senate and 732 seats in the House. You closed your eyes and ears to a miracle permitting your gallery to be filled by three or four sightseers and lobbyists from each of your constituencies while the Executive Branch transformed its "Bully Pulpit" into an electronic throne. Presidents have used broadcasting as a magic political carpet, transporting the citizenry to the Oval Office, to the ancient wall of China, ironically even to the floor of your joint sessions while you, with few exceptions, have relegated these miracles to the status of a kind of over-the-transom, Peeping Tom, too theatrical or "too dangerous" to be allowed in. So what happens—Presidents in solemn regal splendor and living color dominate center stage while Senators and Congressmen content themselves with a few frenetic, fleeting moments in interviews in corridors and cloak rooms. Perhaps unwittingly you have forced the television camera to become a kind of stage-door Johnny.

I wonder if you and your colleagues are aware of what's going on in other republics? Let's take West Germany, where my wife and I have recently been. Later this month the Bundestag will be conducting a historic debate on proposed reforms of the abortion laws. It is an inflamed issue, but there is no controversy over the reality that Germans from the North Sea to Bavaria will be watching every minute of it on television. Indeed, nations which were not even born when television was a political fact of life in the United States, now permit and provide live coverage of their legislative process. Because the Security Council of the United Nations provides live coverage of its debates, many Americans understand more about the voting and deliberative process of that body than they do of their own nation's.

The founding fathers deserved better of you. Even in Article I, Section 4, of the Constitution, you have not kept pace.

"Each House shall keep a journal of its proceedings and from time to time publish a journal." As Mr. Jefferson later explained, the Constitution "must go hand in hand with the progress of the human mind . . . as new discoveries are made, new truths disclosed, institutions must . . . keep pace with the times."

Even as the keeper of the Congressional Record, you have not kept pace—what would the grand giants of the Congress say if they knew that in an age when virtually every smile and grimace, oration and voyage of Presidents are preserved on videotape and film, all that history has to show students of Dirksen and Barkley, Humphrey and Goldwater are the musty transcripts of disembodied words without the splendor and sweat of the process we call democratic government. That the epic debates on the Civil Rights Bill of 1964, and the Vietnam War are lost to history, except on corrected stenotype notes is to shortchange history. That there is a better record of Joseph McCarthy's method of interrogation and Frank Costello's hands than there is of Walter George or Sam Rayburn in action is a bitter commentary which will confound scholars of future generations.

But the hobbling of history is comparatively minor when measured against the blackout of Congressional debate and hearings at a crucial time in the American experiment when we are rediscovering that, "what we don't know could kill us." If your colleagues in the Senate and the House would act with scome of the dispatch it demonstrated on the blackout of the Washington Redskin home games, they would give renewed affirmation to what the founding fathers identified as "a decent respect for the opinions of mankind."

Gentlemen, it is within your power to provide a season ticket to all your deliberations to every constituent if you can manage our miracles with the vigor and skill with which you manage your floor fights.

These hearings are a step in the right direction, but frankly I find the study prepared for the Joint Committee far more analytical and creative than much of the testimony. Let me warn you that if the exhortations of the legions of broadcast executives who pleaded with you to allow unlimited coverage were granted, you would cause broadcast stocks to tumble. Perhaps my battle scars show, but I should not be optimistic about any increase in the quality of Congressional coverage in network prime time, nor do I believe that the commercial daytime schedule will permit much Congressional coverage to interfere with the schedule of soap operas and game shows. Watergate and the prospects of impeachment proceedings are a different matter. The spectacle will always be in demand; what is required is the substance and content, the unspectacular and sometimes dull ebb and flow of parliamentary dialogue by which free men govern themselves.

What you need is a plan of action, not just a removal of restrictions. Of all the more than 30 resolutions over the past 30 years from Senator Pepper to Representative Pepper, the most stimulating and potentially productive plan is S.R. 136, proposed by Senator Byrd of West Virginia. Simply stated, it suggests "a full and complete study and investigation with respect to the broadcasting and telecasting (including closed-circuit telecasting) of the proceedings of the Senate." I trust that the Senator will consider it a friendly if unofficial amendment if I add the phrase—the House of Representatives.

The decision before you now is not just a journalism or telecommunications opportunity, although those interests are certainly implicit. It is a bold, decisive act of government that is required, far more vital than laying the cornerstone of a new office building or renovating the west facade of the Capitol.

It is not just the lifting of a restriction against microphones and cameras, or altering the rules about access, it is the affirmative statement of serious, imaginative men and women of state, conscious of their responsibilities as teachers of the art of government, as much as of their obligation as legislators of wisdom and deliberation. Instead of the final paragraph to your constituents at home, "Drop in and see me the next time you are in Washington," your act of faith would be to communicate with them in their living rooms.

As I have said—just lifting embargoes is not the solution. You need to take S.R. 136 quite literally and determine to wire the Senate and the House. Costs and regard for technique and procedure are essential, but let me assure you that the miniaturization of equipment, not just this small vidicon tube which is the heart of the television camera, but soon, charged coupler image sensor cameras will make obsolete all arguments that bulky gear will disturb procedure decorum.

New technology has already reduced required light levels to thresholds well within normal chamber levels. Automated cameras will make live coverage practical with three automated cameras and one manned position. The little red light which so many of your colleagues fear will "turn on" the demagogues and grand-standers could have been eliminated years ago, and have been, by sensitive producers.

I do not share the view of those who are worried about the temptation for abuse of the medium by Senators and Representatives. It is my conviction, although I cannot prove it, that the presence of cameras discourages egocentric excesses. Television is a cool meduim, and the "hot" characters of the Dies-McCarthy era have been replaced by a new breed of politicians who understand the cool grammar of broadcasting. Indeed, I believe that it was Senator McCarthy's outrageous performance during the Senate hearings 20 years ago this May which turned public opinion against him. Contrary to common belief, television, more than all the rules of conduct, will censor the browbeating investigator and even Claghorn orator, if he still exists.

The wired Congress, if I may use that as shorthand for putting cameras and microphones in both chambers, and all hearing rooms, and connecting them by coaxial cable to every office, dining room, lobby and a videotape center will be expensive but will cost far less than building a modern destroyer or celebrating the bicentennial. Operating it will be less expensive than running a destroyer or an atomic submarine per year. Senator Byrd's resolution needs to be costed out and studied—now. Such a survey could be accomplished with an economy of time and funds.

As your staff study by John Stewart suggests—"Congress could create a quasi-public cooperative to manage the television and radio service; members of Congress, the communications industry and private citizens would be appointed to serve as directors of the corporation . . . Congress could establish a special unit to manage such a . . . service." The archives of history and "the first draft of history" which is the journalist's role would be served by this continuing library service. As at the United Nations, the subscribing broadcasters and other users would help defray the cost on a participating basis.

Now, Mr. Chairman, you will ask, "but how does wiring the Congress ultimately reach the Nation? Live or delayed coverage will stil be subject to the gatekeeper function of the commercial networks and even of public broadcasting." That is true although the performance of public television and radio during the Watergate hearings was a major breakthrough in prime time coverage.

My proposal is not only to make the wired Congress available to all networks, but to leap over all those gatekeepers with their varied values and priorities and deliver the signal direct to 200 American communities. If telephone company long line and microwave distribution is too expensive, synchronous satellites made possible by this nation's maximum, costly effort in the space program will this year and in the next three years make it possible to spray television signals into every time zone simultaneously. N.A.S.A. will have a special purpose experimental bird available later this spring. Hughes, Western Union, R.C.A. have plans for all kinds of launches for 10 and 12 channel satellites with much unassigned capacity.

Much study would be required, but it would be possible to deliver a Congressional Daily Service to the electronic switching center in every major community, available then to broadcast stations and cable television operators. As the new phenomenon of C.A.T.V. develops, it will have a massive need and capacity for relevant program material. Ground stations and antennas which at the time of Telstar and Early Bird were almost the dimensions of this building and then cost millions are now reduced to 25 feet and cost less than a hundred thousand dollars. Local and regional cooperatives of commercial and public broadcasters, cable operators, university and newspaper interests could erect and operate these ground stations, and make the daily feeds from Congress, the United Nations and other sources available to all who choose to broadcast or view them on closed-circuit. It would be a new service organization, something between the current wire services and the Congressional Quarterly.

One may ask why will these local broadcasters relay them to regional audiences if the networks won't? My response is—for the same series of reasons that cause some 500 different newspapers to send correspondents to Washington. These editors know that political reporting from the nation's Capitol is like regional accents and customs—different for various communities.

Debates on farm subsidies will find their audiences in Kansas, Iowa and Louisiana, while New York and Massachusetts would be more attentive to the hearings on mass transportation and urban blight. A station in Seattle might elect to take gavel-to-gavel coverage on the S.S.T. debate, while Arizona and Colorado broadcasters would give extensive coverage to the debates on the Colorado River controversy. Incidentally, broadcast news organizations, with the exceptions of the networks, have less than 30 full correspondents in Washington, although their profits far exceed most newspapers. One way for these broadcasters to serve their communities is by relaying to their audiences the issue and national legislators that involve their own regional communities.

It might not work. I cannot guarantee you that these local stations and cable systems will utilize such a Congressional service, but you'll never know until you try, and making the service available is part of the experiment that the democratic process deserves. I believe that decentralized options with all the pressures of negional involvement in the open marketplace of ideas will stimulate a new level of enterprise and responsibility.

To sum up, take Senator Byrd's proposal of June 1973 seriously, combining it with Senator Pastore's proposal to commemorate our 200th birthday by opening Congress to the nation. A study on costs and feasibility would take less than six months, a decision to go could be possible in time for 1976.

I began my testimony by saying this committee and its work is too important to be subject to flattery. I am afraid that all the work of your staff and these hearings will join those 30 other dreams in the graveyard of proposals to open up this 19th century institution to the miracles of the 20th century.

Share this opportunity and decision with your colleagues, not just by distributing the musty notes of these hearings to members already suffering from information overload, try something innovative—schedule a series of informal seminars at night or some weekend at Williamsburg.

Make these deliberations on the broadcasting and the electronic emancipation of Congress part of the preamble to the very act of proclaiming that constitutional government still works and, with all its warts and blemishes, is a miracle we can still manage.

ALEXANDER SOLZHENITSYN

Mr. BIDEN. Mr. President, once again the Soviet Government has perpetrated an act, the forcible expulsion of Alexander Solzhenitsyn, that must be defined as socially and politically unacceptable. Once again, the Soviet system shows itself to be in a position of flagrant disregard for the personal rights of the individual. But this is hardly new. Communism nor socialism pretends to be the protector of individual rights, however, it still comes as a shock and painful reminder of the harshness and injustices suffered by Soviet citizens daily. Once again, Mr. Solzhenitsyn is the victim. This time the Soviets have managed to successfully and completely ostracize him from his beloved homeland, friends, and family. Effectively, he has been deprived of his citizenship and any chance to return or live in his birthplace and homeland.

A recent editorial places Mr. Solzhenitsyn's plight in the historical perspective of political tyranny first practiced under Russia's czars, then revolutionary Bolsheviks and now Soviet leaders. "The uneasy masters of modern Russia and their vast cadre of brutish spies, interrogators and jailers cannot tolerate the documented accusations of a Solzhenitsyn. They worry because his voice reaches the Western World. They tremble that it may ring through the minds and consciences of 250 million Russians."

Mr. President, I ask unanimous consent that an editorial from the New York Times of February 13, 1974, be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

DEAD SOULS

The knocking at the door, so long expected, has finally come. The misnamed "security agents," whose mission is to spread fear and insecurity throughout the populace, have knocked on the door of Aleksandr Solzhenitsyn's apartment in Moscow. They have dragged him away as his wife and her mother cried out in protest, desperately, hopelessly. The knocking and the cries can be heard around the world.

"Ah, what a cad country Russia is!" exclaimed one critic upon reading Gogol's masterpiece, "Dead Souls," when it was published in 1842. In that respect, Russia despite the revolution and 130 years of history has changed little since Czar Nicholas I—except perhaps for the worse. Gogol, like Solzhenitsyn, could probably not be published in his own country were he alive today.

The Bolsheviks, like the Romanovs, fear ideas, dread creativity, stamp out dissent with the policeman's boot. The prosecutors ask much the same inane and cynical questions; the servile judges mete out the same harsh sentences; those who will not or cannot conform are condemned to the same dreary round of exile in remote Siberian towns or imprisonment in labor camps.

It was perhaps inevitable that Mr. Solzhenitsyn would be once more caught up in the toils of this repression machine after he permitted the publication in Paris last December of "The Gulag Archipelago, 1918–1956." That book is his ambitious attempt to gather into one volume a comprehensive yet detailed account of the development from the first year of the Bolshevik revolution of a police system. Modelled upon the Czarist system but more efficient and more ruthless, the Soviet apparatus for control and conformity has become one of the most powerful onslaughts on the integrity of the human spirit in recorded history.

The uneasy masters of modern Russia and their vast cadre of brutish spies, interrogators and jailers cannot tolerate the documented accusations of a Solzhenitsyn. They worry because his voice reaches the Western world. They tremble that it may ring through the minds and consciences of 250 million Russians.

To borrow the phrase of Gogol's contemporary Mikhail Lermontov, Solzhenitsyn is "a hero of our times." Only a hero would challenge such a system. Only a hero would pit his lone voice rallying the conscience of the world against the massed material power of the tyrannical state and hope to prevail.

A master of literature such as Solzhenitsyn seized and bullied. Brilliant dancers such as Valery and Galina Panov confined and unable to dance. Outstanding scientists, historians, and writers silenced or imprisoned. The genius of the Russian people sacrificed to a politics of mendacity and fear. How long will the dead souls tyrannize over life and the living?

DÉTENTE

Mr. THURMOND. Mr. President, in the April 4, 1974, issue of the Aiken Standard newspaper, Aiken, S.C. there appears an editorial entitled "A Reminder for Americans: Détente Holds Dangers."

All of us favor détente but we must have a true détente and not permit a screen behind which the Soviets would attempt to gain a military advantage.

The Congress should remember the Soviets have broken agreements throughout the history of the Communist regime and there is nothing in the record to indicate they will not continue to do so if it would serve their purposes.

Mr. President, I ask unanimous consent that this editorial be printed in the Record at the conclusion of my remarks.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

A REMINDER FOR AMERICANS: DÉTENTE HOLDS DANGERS

Detente, Secretary of State Henry Kissinger told members of Congress recently "is not rooted in an agreement on values. It becomes above all necessary because each side recognizes that the other is a potential adversary in a nuclear war."

Americans, who are friendly and trusting by nature, need to be reminded of that definition from time to time. That the Soviet Union has no illusions about the adversary role has been all-too-apparent in recent weeks.

Item: Recently the Soviet Union bluntly accused the United States of trying to poison the atmosphere of European security talks and also discussions on mutual and balanced reduction of arms by timing North Atlantic Treaty Organization maneuvers in Norway and Denmark while discussions are in progress. Never mind that just a month ago the USSR had pointedly resumed its testing of missiles with multiple, separately targetable warheads just when the Strategic Arms Limitation Talks resumed in Geneva.

Item: At a crucial time in Arab discussions over whether the oil embargo which was irritating the U.S. economy should be removed, Russia began an intensive radio offensive in the Middle East to urge the Arabs to continue their sanctions. At the same time, Russia sent one of its most persausive statesmen to the Middle East to persuade Arabs that they should discontinue the two-party, face to face negotiations with Israel, so successfully staged by Mr. Kissinger, and return to Geneva meetings—which the Syrians won't even attend. Since relaxation of the embargo deepened upon success in the Kissinger negotiations, the intentions of the Soviet Union were plain.

Item: Sensing a rift in U.S.-European relations, the Soviet Union invited French President Pompidou to Moscow to persuade him to take the leadership in arranging an immediate European summit conference—

which would further exacerbate Atlantic problems as well as freeze the present European boundaries.

Item: Apparently believing that an internal upheaval in Communist China may be tilting toward the moderate forces led by Premier Chou En-lai, which favor detente with the United States, Moscow is taunting the Communist Chinese for "abandoning" their efforts to acquire the island of Taiwan and destroy the Republic of China. It was a deliberate, direct aim at one of Peking's most sensitive spots and a calculated effort to tip the balance back in favor of anti-U.S. forces.

Detente, as Mr. Kissinger reminded Congress, rests on a frank recognition of basic differences and dangers. The Russians apparently believe that too much detente also is a dangerous thing, a stark fact that Americans also should remember from time to time.

DAYTON NEWSPAPER COMMENDS SENATOR METCALF

Mr. METZENBAUM. Mr. President, I would like to call the attention of the Senate to an extraordinary and timely editorial about the distinguished junior Senator from Montana (Mr. METCALF). On Tuesday, April 2, the Dayton Daily News, a leading Ohio newspaper, recognized Senator Metcalf's abilities and his character in an editorial piece headlined "Quiet Honesty."

The editorial succinctly and precisely describes Lee Metcalf in these opening lines:

> Politicians have a bad name these days, and a lot of them deserve it. But there are a few who actually are what civics textbooks say they're supposed to be: honest people who work hard for the public interest. One of them is Lee Metcalf, a Democratic Senator from Montana who most Ohioans never hear of.

Mr. President, I am delighted that a newspaper from my home State chose to commend our colleague. The piece expresses my own views better than I could myself. I ask unanimous consent that the full text of the editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

QUIET HONESTY

Politicians have a bad name these days, and a lot of them deserve it. But there are a few who actually are what civics textbooks say they're supposed to be: honest people who work hard for the public interest.

One of them is Lee Metcalf, a Democratic Senator from Montana who most Ohioans never heard of. Mr. Metcalf is one of those peculiar Senators who isn't running for President. You rarely see his name in the headlines or before a TV camera.

That might change. The issues Mr. Metcalf has been pushing tirelessly for years—closer regulation of utilities and the breakup of monopolies—are suddenly fashionable. The energy crisis and growing public awareness of corporate shenanigans have made them so. Until recently, other politicians could look on Mr. Metcalf as a harmless reformer.

Now he looks like a prophet.

COMPREHENSIVE EMPLOYMENT AND TRAINING ACT OF 1973

Mr. HARTKE. Mr. President, I am concerned about the fate of numerous programs under the Manpower Development and Training Act during their transitional phase into the Comprehensive Employment and Training Act passed by Congress last December.

Certain actions of the Department of Labor in implementing the Comprehensive Employment and Training Act are of concern to me. On December 20, 1973, I addressed remarks to the Senate which underscored the conference agreement on the Comprehensive Employment and Training Act. My remarks indicated that there should be no decrease in the present level of the manpower effort, and that training courses funded under the Manpower Development and Training Act prior to June 30, 1974, be allowed to run their full and formal course. I further noted that, with the language in section 3 of the bill, the committee meant to protect the Federal investment made in programs under the old manpower authority by assuring that there will be adequate staff in appropriate agencies including the State departments of education, which have manpower authority under the MDTA. My interpretation of the committee's intent was not challenged, but agreed with.

I further call to your attention the remarks of my distinguished colleague, Senator GAYLORD NELSON, in presenting the conference committee report to the Senate. Senator NELSON stated:

> Let me point out that, under section 3 of the conference agreement, the Secretary of Labor is expected to continue financial assistance with no lessening of manpower support while the new prime sponsorship system is being set up.

Mr. President, it has come to my attention that the State departments of education, including that of my own State of Indiana, are having a financial squeeze put on them by the Department of Labor. Many institutional training programs funded under MDTA authority will run into fiscal year 1975. Yet, the Department of Labor is not setting aside funds for fiscal year 1975 for the support of the staffs that may oversee the remaining Federal investment. Instead, there appears to be discrimination in the Department's handling of the transition provisions of the Comprehensive Employment and Training Act.

For example, a March 8 field memorandum 54–74 to the Assistant Regional Directors for Manpower assures them that:

> . . . each regional office will be provided additional funds to continue necessary employment service staff to support contracts or agreements extending into FY 1975.

I point out that no such assurance is forthcoming for the manpower staffs in the State education agencies. In fact, the Office of Education has been informed they should use nonobligated training funds for this purpose; that is an unreliable source, at best, to oversee the considerable Federal investment remaining in the hands of State departments of education in fiscal year 1975. Using training funds for administrative purposes further reduces the amounts available to the States for training during the transition period.

The State departments of education need funds set aside for fiscal year 1975 that will permit them to complete in an efficient manner the excellent job they have accomplished during the past 11 years under the Manpower Development and Training Act. I trust the Department of Labor will correct this oversight in their interpretation of congressional intention.

Mr. President, I ask unanimous consent that the text of a letter I have sent to Secretary of Labor, Peter J. Brennan, be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C., April 3, 1974.

The Honorable PETER J. BRENNAN,
Secretary, Department of Labor,
Washington, D.C.

DEAR SECRETARY BRENNAN: It has recently come to my attention that implementation of the Comprehensive Employment and Training Act of 1973 is taking on a different approach than that envisioned by the Congress.

I made reference on the floor of the Senate on December 20, 1973 (*Congressional Record*—Senate, page 42812) to the transitional phase from the Manpower Development and Training Act to the Comprehensive Employment and Training Act, and that there should be no decrease in the level of manpower effort, and that training courses funded under the MDTA prior to June 30, 1974, be allowed to run their full and normal course.

I further noted that, with the language of Section 3, the Committee meant to protect the Federal investment made in programs under the old manpower authority by assuring that there will be adequate staff in appropriate agencies for the transition. My interpretation was not challenged by the floor manager of the bill, Senator Gaylord Nelson. Senator Nelson did state in the Record that: "the Secretary of Labor is expected to continue financial assistance with no lessening of manpower support while the new prime sponsorship system is being set up."

I now find that the state departments of education, including my State of Indiana, are having the monetary squeeze addressed to them by the Department of Labor. What the departments of education need are funds set aside for fiscal year 1975 to permit them to complete in an efficient manner the excellent job they have done over the past eleven years under the MDTA.

I trust that the Department of Labor will see that this is promptly arranged.

With my best wishes, I am
Sincerely,
VANCE HARTKE,
U.S. Senator.

A BREAKTHROUGH FOR PEACE IN SOUTH ASIA

Mr. KENNEDY. Mr. President, a giant step toward a more stable peace in South Asia was taken yesterday in New Delhi with the announcement of a new diplomatic agreement signed by the Foreign Ministers of India, Pakistan, and Bangladesh. To Americans who have closely followed developments in South Asia, this break in a diplomatic logjam comes as welcome news, and it reaffirms the faith that a bright and peaceful future in South Asia rested on the courage and good will of the leaders and people of the area. That courage and leadership has now been demonstrated and deserves the praise and support of the international community.

Although the full text of the new agreement will not be released until today, reports from New Delhi indicate that the three governments have agreed to continue the repatriation to Pakistan of non-Bengalis in Bangladesh, as well as to complete the return of all Pakistani prisoners of war, including the last 195. This agreement paves the way for a further normalization of relations on the subcontinent—both domestically and economically.

Mr. President, the United States, along with other members of the international community, have joined over the past year in support of humanitarian programs to bring peace and relief to the peoples of South Asia.

In Bangladesh, the United Nations Relief Operation in Dacca—UNROD—has wound up its work after more than 2 years of effective programs to help in the rehabilitation and reconstruction of Bangladesh after the disastrous civil war in 1971. And, under the creative leadership of the United Nations High Commissioner for Refugees, Sadruddin Aga Khan, the international community has also helped in the massive repatriation effort that has been underway between the countries of South Asia this past year. To date, well over 200,000 people have been moved in one of the largest repatriation programs the world has witnessed in modern times.

Under the aegis of the U.N. High Commissioner, some 120,674 Bengalis from Pakistan have been airlifted or moved by sea to Bangladesh; 71,580 non-Bengalis in Bangladesh have been repatriated to Pakistan; and some 10,000 non-Bengalis in Nepal have been airlifted to Pakistan. Also, an orderly repatriation of prisoners of war has been undertaken from India to Pakistan.

The United States has, I am pleased to say, effectively supported the work of the U.N. High Commissioner. Our Government has taken the leadership in supporting up to one-third of the High Commissioner's costs, contributing $4.15 million for a total program of some $14 million.

If some additional funds are needed to support a further repatriation effort in light of the new agreement signed in New Delhi, I have been assured by the Department of State that such funds are available—some $800,000 remaining from our commitment of last year. This should be sufficient to provide for the final program needs of the High Commissioner.

Mr. President, for all those who have supported and worked in behalf of the peaceful evolution of relations in South Asia, the announcement of further diplomatic progress in New Delhi comes as welcome news and as a tribute to the leaders of India, Pakistan, and Bangladesh.

For those international agencies which have undertaken humanitarian programs in Bangladesh and Pakistan, such as UNROD and the U.N. High Commissioner for Refugees, yesterday's announcement serves as a further tribute to their effective effort in behalf of peace in South Asia.

Mr. President, I ask unanimous consent that the text of a news dispatch from New Delhi in this morning's New York Times be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the New York Times, Apr. 10, 1974]

India, Bangladesh and Pakistan End Prisoner Dispute

(By Bernard Weinraub)

New Delhi, April 9.—India, Pakistan and Bangladesh reached a major breakthrough tonight and signed an agreement to repatriate 195 Pakistani prisoners of war.

Details of the agreement, not made public tonight, are scheduled to be announced tomorrow. It was learned however, that the war-crimes trial planned for the Pakistani prisoners by Bangladesh, the former eastern wing of Pakistan, would be dropped.

The pact, reached after five days of tough negotiations, opened the way for normal diplomatic and economic relations between the three nations and the easing of tensions and hostilities that resulted from the 1971 Bangladesh war.

PLAN FOR BIHARIS

At the same time, the agreement seeks to work out a partial solution to what is expected to be a lingering problem—the fate of the so-called Bihari minority in Bangladesh seeking to go to Pakistan.

It is believed that Pakistan will accept an increasing number of Biharis and will be required to give clear reasons for rejecting any applications for repatriation. Until now, applications had been rejected without reason.

"The trials, tribulations, tensions, and conflicts of the subcontinent will become a thing of the past, something of a bad dream that is best forgotten," said India's Foreign Minister, Swaran Singh, moments after the signing of the agreement here.

MOMENT FOR SATISFACTION

The Bangladesh Foreign Minister, Dr. Kamal Hossain, said quietly, "This is a moment for satisfaction. The efforts for enduring peace in the subcontinent will put an end to conflict and confrontation, and the 700 million people of the subcontinent will be able to live as good neighbors."

With the agreement—which followed the first meeting of the three nations—India and Pakistan decided to exchange delegations and work out plans to resume postal, plane, and other links, to restore travel between the two nations, as well as trade and economic ties and cultural exchanges.

A joint communiqué did not, however, mention full diplomatic relations, which Pakistan has sought. Relations were severed at the time of the three-week Bangladesh war in which India crushed Pakistan.

The mood of tonight's signing, following days of tension, was relaxed and extraordinarily friendly. The Foreign Ministers who led the talks and their delegations seemed relieved, exhausted and emotional.

Aziz Ahmed, Pakistan's Minister of State for Defense and Foreign Affairs, had great praise for Bangladesh's Prime Minister, Sheik Mujibur Rahman, a figure who remains an object of scorn and anger in Pakistan.

Mr. Ahmed said, "Everything had depended on what he had proposed to do, on how far he was prepared to go. His magnanimity and farsightedness helped in concluding satisfactorily the task assigned."

Later, at the airport, Mr. Ahmed said: "The credit for having been able to resolve the problems successfully goes primarily to the Bangladesh Prime Minister.

"The agreement has brought to an end the painful chapter of the war of 1971. We have today taken a big step forward. It clears the way, clears the decks for the task that lies ahead of us."

The agreement on the 195 prisoners seemed a triumph for Pakistan's Prime Minister, Zulfikar Ali Bhutto. He has insisted that no war crimes trials take place in Bangladesh, partly because they would generate unrest in Pakistan.

AGREEMENT FORMALIZED

In February, Bangladesh tacitly agreed to drop war-crimes trials and thus gained Pakistan's diplomatic recognition. But the agreement, made during the meeting of Moslem nations in Lahore, was left cloudy and undefined. It was only at the current meeting that the issue was formally resolved.

Mr. Ahmed said: "All three of us are extremely happy that we have been able to reach a successful conclusion, particularly to the issue concerning prisoners of war, which is a very difficult one."

How Pakistan and Bangladesh will fully resolve the Bihari question seems unclear. The plight of the Biharis has been compared to the Palestinian Arabs, except they have no political leverage and are essentially without a country.

The Biharis are Moslems originally from the Indian state of Bihar who fled to what was East Pakistan in 1947 after the subcontinent was carved up between India, which is mostly Hindu, and Moslem Pakistan.

These non-Bengali Moslems largely sided with Pakistan during the army's 1971 efforts to repress the Bengali independence movement. With the emerging of Bangladesh, virtually all the Biharis were shifted to squalid emergency camps and colonies near Dacca and other cities. Their number is estimated at 600,000 to 900,000.

Although more than 500,000 Biharis have said they want to leave Bangladesh for Pakistan, Mr. Bhutto's government has said privately that only 140,000 would be accepted. The Pakistanis say that a big influx of Biharis would dislocate the economy, create refugee camps in Pakistan and spur political tensions. Nevertheless, it is now reported that Pakistan has agreed to accept more Biharis, although the figure has not been specified.

After today's meeting Foreign Minister Hossain of Bangladesh reflected the buoyant mood of the diplomats here when he said: "May we all live as good neighbors, may we all look forward to striving together for a better and happier future for all our peoples."

FEDERAL SPENDING

Mr. GURNEY. Mr. President, the budget reform bill (S. 1541) which the Senate approved as H.R. 7130 2 weeks ago, and which is now before a conference committee, is without question the most encouraging indication in decades of a congressional willingness to adopt the discipline necessary to control skyrocketing Federal spending.

This spending, which has resulted in a deficit budget in 36 of the last 43 years, and has multiplied the Federal budget 100 times since 1925, has been a primary cause of the serious inflation which is the grave personal problem facing many American families today. By avoiding the imposition of realistic controls on "back door spending" and ignoring the need for an enforceable ceiling on the Federal budget, the Congress has not taken positive actions to cure the spiraling inflation which has deprived the elderly of their hard-earned retirement funds, the young of their economic opportunity, and the middle-aged of their deserved standard of living.

The bill which we passed 2 weeks ago was not, however, an absolute cure-all for costly Federal Government consumption of the American tax dollar. Its success will depend upon the final form in which it emerges from the conference committee, and—more importantly—the dedication with which we, as individual members of the Congress, insist upon the fullest use of the new budgetary procedures which the bill now makes possible, but does not require.

All fiscal conservatives such as myself would have preferred this legislation in its stronger form, as it was originally reported from the Committee on Government Operations, where my colleagues and I had worked for months to achieve a piece of legislation which included three particularly strong provisions—an enforceable overall ceiling on the budget, the setting of priorities in allocating expenditures between various governmental functions, and true control over "back door spending."

Without these three safeguards, Congress will be unable to maintain control over the budget, and it will continue its excessive spending, pushing living costs and inflation up.

As finally passed by the Senate, this legislation makes each of these safeguards possible, but does not make them mandatory. Accordingly, I call on each of my colleagues to join me in a dedication to insure that the true goals of this legislation are not subverted, leaving the public to continue to marvel at continuing congressional inability to apply the brakes to Federal spending.

I pledge myself to such a dedication.

RAPID TRANSIT FOR COMMUTERS

Mr. BIDEN. Mr. President, the energy crisis is affecting our habits and practices. It has had an obvious impact upon the manner in which we move ourselves around.

The rising price of gasoline, along with its relative scarcity at a retail level, has led many of us to seek alternative transportation to the single-rider automobile—car pools, buses, trains, and bicycles, to name a few.

An innovative program, designed to encourage a greater use of mass transit, is now underway in Boston as a cooperative venture by the Metropolitan Boston Transit Authority—MBTA—in the business community.

Arthur Jaehnig, manager of procedure and special projects for MBTA, has described the test program to a member of my staff. As I understand it, the program works in this way:

It is currently being tested in cooperation with the John Hancock Life Insurance Co. Approximately 2,000 employees of the estimated 5,500 were offered the program. The 2,000 employees were selected on the basis of a survey taken by the company as to who regularly commuted to work on the MBTA. Of the 2,000 employees to whom the program was offered, 900—or 45 percent—accepted. The program is basically restricted to urban routes with the exception of one route to the "South Shore," a suburban coastal area south of Boston.

The program involves a payroll deduction plan. Eligible John Hancock employees are billed monthly based on the type of transportation they commute on. There is one deduction occurring on the first of each month. The number of working days in each month is set at 20, regardless of the actual variation in each of the 12 months. The entire sum deducted from an employee's salary check is turned over to the MBTA. The pass itself is valid for 4 months. However, an employee is only obligated to utilize it for 1 month. Should he or she choose to withdraw from the program, it would be only necessary to surrender the pass to John Hancock at the beginning of the new months. The pass is visually verified as the commuter enters the bus or passes through the turnstile of the subway station. The pass is all an employee needs. There is no additional cost.

Currently, a one-way fare is 20 cents for surface buses, 25 cents for underground rapid transit, 45 cents for a combination of the two and 50 cents for the South Shore route. Thus, a working commuter, who uses a combination of a bus and underground rapid transit facility, spends 90 cents a day to get to work and return home—45 cents each way.

Employees who use a combination of a surface bus and underground rapid transit facility to go to and from work would be given a 45-cent pass and $15.75 deducted each month. If he paid each day he would pay $18 based on a 20-working day month. Those who ride only the underground transit system would receive a 25-cent pass and would have $8.75 deducted each month—compared to paying $10 a month if paying each of 20-working days. Those using the South Shore route would receive a 50-cent pass and would have $17.50 deducted monthly—compared to paying $20 if paying daily during a 20-day working month.

Consequently, by signing up for the payroll deduction plan, an employee saves a little money. It is an additional saving because an employee utilizing this plan is entitled to unlimited use of the transit system for which he pays, whether it be a Sunday, a holiday, or a working day.

Mr. Jaehnig informed my staff member that the program, in that it is implemented by means of payroll deduction, is a new one to the best of his knowledge. Obviously, he says, the objective of the plan is to increase the use of mass transit. MBTA would benefit by being able to rely upon an assured level of patronage for each month. Should the test program be successful, Mr. Jaehnig said, employees of other firms would be offered the opportunity to participate. Moreover, I understand that there is a possibility that ultimately the program might be offered to the general riding public.

In my opinion, Mr. President, this payroll deduction program has tremendous potential for use in other cities—for example, in Washington, D.C., where the basic intracity fare is now 40 cents, in New York City where it is now 35 cents and in Wilmington, Del., my home community, where the fare is also now 35 cents. Although the fares are somewhat cheaper under this program, the resulting increase in patronage would offset this disadvantage by more revenues.

Obviously, there are many benefits to be derived from this program. The obvious one is fewer cars on the road to cause pollution and a greater reliance of mass transportation services.

This also is the view of Jack Hidinger, Delaware State Director of Transportation. He has expressed to a member of my staff his support for some variation of the Boston program. Incidentally, Mr. Hidinger noted that the Delaware Area Rapid Transit—DART—has recorded a 25-percent increase in the use of its buses since the energy crisis and that later this month services will be increased by 30 percent overall as a result of purchasing additional used buses.

As a member of the Public Works Committee, and a prime sponsor of a successful effort to divert some funds from the highway trust fund for mass transit facilities, I am obviously pleased to learn about this imaginative effort in Boston. I hope that the Federal and District governments here in Washington, D.C., in conjunction with the Washington Area Transit Authority—Metro—would undertake to implement such a program here in this metropolitan area of approximately 2.7 million persons.

Mass transit surely must become more of a part of our way of moving about. It seems to me, Mr. President, that this MBTA program is one alternative that will encourage such public transportation.

JAYCEES FIGHT DRUG ABUSE

Mr. BAYH. Mr. President, the national problem of drug abuse—especially among our young people—remains a high priority issue of persistent concern to the American people.

As chairman of the Subcommittee To Investigate Juvenile Delinquency, I have spent as much time in the past 3 years on efforts to deal more effectively with the problem of drug abuse as I have on any other single issue. I have learned much about its causes and effects and have worked with many of my colleagues in Congress to pass legislation to combat this national dilemma.

It is no secret, however, that there must be a commitment from the citizens of this country to fight drug abuse, if we wish to control its terrible consequences. Much is said about the drug problem. In reality we have a collection of local problems. Nor do we have the solution. An approach that is successful in Washington, D.C., or New York is not necessarily appropriate elsewhere. I am happy to report that many local civic organizations in Indiana have picked up the challenge and are determined to do their part in this fight. On Sunday, April 7, 1974, the Jaycee chapters of Hammond and Gary sponsored an Olympic invitational karate tournament at Bishop Noll High School in Hammond for the purpose of raising funds to purchase and distribute antidrug literature in their cities, as well as exposing the community to one of the fastest growing forms of sport in the country. The tournament was very successful, and I wish to congratulate the

Jaycees and commend them for striking a blow in the battle against drug abuse.

CLASSIFICATION OF INFORMATION IN THE EXECUTIVE BRANCH

Mr. ROTH. Mr. President, in today's Washington Post there appeared an article by Morton H. Halperin once again pointing to the urgent need to reform and properly enforce our laws relating to the classification of information in the executive branch bureaucracy.

Much too much information which should be in the public domain is improperly classified by overused labels such as "national security," while some information which is properly classified is leaked to advance personal bureaucratic interests.

I very much welcome the bipartisan approach which has characterized much of Congress effort to deal with the problem of executive branch overclassification. On March 14, the House of Representatives passed legislation amending the Freedom of Information Act by an overwhelming 383 to 8 vote. In December, the Senate adopted without dissent the Congressional Right to Information Act which Senators Ervin, Muskie and I devoted so much attention to. While I believed that the bill could have been strengthened by a congressional definition of executive privilege, rather than leaving the definition entirely to the courts, I supported the bill as an important first step in increasing the flow of information to the Congress. I hope each of these bills will receive early consideration in the other body.

Unfortunately, however, no action has yet been taken on important legislation directly affecting our classification systems. In 1971, I first offered a bill to establish a National Commission on Executive Secrecy to recommend reforms. This bill was revised and reintroduced last year by myself and Senator Ervin with the cosponsorship of 20 Senators: Senators Abourezk, Baker, Bayh, Bible, Brock, Clark, Cranston, Fulbright, Hart, Mathias, McIntyre, Mondale, Montoya, Pastore, Pell, Percy, Sparkman, Stevenson, Symington, and Williams. If Congress is unable to take any further action on secrecy in this session, it should at least pass this legislation so that the Commission can get to work and have recommendations for us to act on in the 94th Congress.

I ask unanimous consent that Dr. Halperin's article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Reviewing "National Security"

(By Morton H. Halpern)

In a convincing demonstration that it has learned at least something about the abuse of the "national security" label, the House has overwhelmingly approved a revision of the Freedom of Information Act. But the Justice Department is opposed to the bill and is gearing up an effort to defeat the measure in the Senate Judiciary Committee or on the Senate floor.

The major substantive change in the legislation is in the provision relating to the "national security" exemption.

To understand what the change would do—and why it is needed—it is necessary to review briefly the history of the Freedom of Information Act and the Supreme Court's interpretation of it.

In 1966 after long debate and over strenuous objections of the Johnson administration, Congress passed the Freedom of Information Act which, for the first time in the nation's history, established the right of the people to have access to information held by the executive branch. The Act provided that information must be released unless it fits within eight relatively narrow "exceptions," and enabled any citizen to go into court to request information denied by the executive.

Despite the obstructionist tactics of much of the bureaucracy, the act has, in most areas, worked reasonably well. However, in the field of national defense and foreign policy, the act has turned out to be of relatively little value. The first exemption [known as b(1)] excludes from the reqirements of public release information "specifically required by Executive Order to be kept secret in the interest of the national defense or foreign policy."

In the definitive case interpreting this exemption to the Freedom of Information Act, the Supreme Court held in 1973 in the Mink case that the Act exempted from release any information classified under the provisions of the Executive Order on Classification.

In a concurring opinion Justice Stewart noted that the exemption as written "provides no means to question an Executive decision to stamp a document 'secret,' however cynical, myopic, or even corrupt that decision might have been." He noted, as did the opinion of the court that Congress could establish a different standard.

It is in response to the invitation in the Mink opinion that the House acted. The revised legislation provides for in camera inspection by the Court when the executive invokes exemption b(1) and amends the exemption to read as follows:

"authorized under criteria established by an Executive Order to be kept secret in the interest of the national defense or foreign policy."

Thus the bill (and a nearly identical bill sponsored by Senator Kennedy) is far from radical. The Court would simply be asked to judge whether, in the words of the Executive Order "disclosure could reasonably be expected to cause damage to the national security." This is a task which the courts have taken on themselves in civil litigation (when the government seeks to withhold information on national security grounds) and which the Supreme Court clearly indicated in the Mink case a willingness to accept.

What it would do is simply to enable the Court to go beyond a stamp to determine if a classification was in fact cynical, myopic or corrupt.

In this regard, it is worth reminding ourselves of some recent examples of the use of the classification stamp to hide bureaucratic or political embarrassment:

Before it released its copy of the Huston Plan, the Watergate Committee submitted it for security review. Among the information deleted as "classified" was the fact that electronic surveillance and penetration of "new left groups" was "grossly inadequate."

In its initial review of the censored book, The Cult of Intelligence by Victor Marchetti and John Marks, the CIA deleted as classified 399 items, including the fact that CIA Director Helms had mispronounced "Malagasy" at an NSC meeting and a reference to Air America, a well known CIA airline.

The Administration sought to keep the military spying on the NSC classified only to have it label the episode as insignificant once it came out.

Even if Congress succeeds in passing the revised language, the courts are likely to give great weight to an executive branch determination that information should be classified. But at least there would be some oversight by the courts. It is perhaps not too much to hope that the Justice Department will respond to the public mood and withdraw its opposition. If not, the Congress will have to show whether it is prepared to take on some responsibility for moderating the influence of the overused, abused and, therefore, now discredited incantation: "national security."

SOUL CITY

Mr. BIDEN. Mr. President, the decision to propose the creation of a "soul city" was greeted with derision by some, and with skepticism by others. Recently, the National Association of Home Builders printed an article in its newspaper, the Journal-Scope, which describes the continuing efforts of a minority group to realize their concept of what a city is. Soul City, envisioned by Floyd McKissick as a planned community including schools, industry, housing, shopping areas, and other urban amenities, will be the first community in the country not relying on a nearby urban area. It is also the largest project ever undertaken by a minority firm, the Soul City Co.

Mr. President, I ask unanimous consent that the article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Five Million Dollars in Government-Backed Bonds Launches Carolina New Town

The sale of $5 million in government backed bonds has released more than $27 million to finance Soul City, a new community in rural North Carolina. Floyd B. McKissick, president of the Soul City Company, announced the bond sale on March 19 in Washington, D.C.

The $5 million, from the sale of bonds guaranteed by HUD under the Urban Growth and New Communities Act of 1970, will be used for roads, utilities, and other basic developments. The $27 million in released funds will be used in developing a regional water system, a health clinic, and extensive industrial facilities.

Construction on the new town can begin in 60 to 90 days, said McKissick. "After five long years of dreaming, planning, and hoping, Soul City is on its way."

McKissick, former Durham attorney and national director of the Congress of Racial Equality (CORE), formed McKissick Enterprises, Inc., nearly six years ago to begin Soul City and to undertake other economic development projects to be owned and operated by blacks and other minorities.

McKissick Enterprises formed the Soul City Company on Feb. 22, 1974, with the National Housing Partnership of Washington, DC, and MMI, Inc., of Cleveland, OH, the development arm of Madison-Madison International, a minority owned architectural firm.

Soul City will be the first new community in the country not relying on a nearby urban area. It is situated in an economically depressed rural area and is the largest project ever undertaken by a minority owned firm, the Soul City Company.

Soul City eventually will have a population of nearly 40,000. The planned community will include schools, industry, a wide variety of housing, shopping, and other urban amenities. For every acre of residential land, one acre of open space or parks is being provided.

Soul City is located on a 5,700 acre tract near the community of Manson in Warren County, North Carolina (about 10 miles south of the Virginia state line). The region has no major metropolitan area, and Soul City is about 50 miles north of the so-called Research Triangle (Raleigh, Durham, and Chapel Hill).

It is connected with the major metropolitan markets of Industrial Piedmont and the Eastern Seaboard by interstate highways I 85 and I 95, with U.S. 1 and 158 running along the northern periphery of the site.

THREE YEAR PLAN UNDERWAY

During the initial three year development period, 265 acres will undergo intensive improvement. While the three year plan has two distinct divisions (an industrial park and a residential neighborhood), the projected pace of land usage will favor the industrial segment.

The estimated goals for acreage absorption during the first three years are: 1) industrial, 112 acres; 2) residential, 36 acres; 3) parks and recreational, 78 acres; 4) institutional, 13 acres; and 5) commercial, 6 acres.

The emphasis on industrial development through the sale of land to industrial users is consistent with Soul City's goal of first creating a market for goods and services. Presently there is no substantial market for housing and other services because of the relatively low income in the region.

By providing better paying jobs, with training programs and facilities, Soul City Company is expecting to increase local buying power.

The industrial park is located north of a 60 acre lake, and extends to U.S. I 158. Its southern boundary is a community park (adjacent to the lake) which allows public access to the lake's northern shore, and at the same time, acts as a buffer between the industrial and residential districts.

The first residential neighborhood is located south of the lake area. This section can accommodate 300 dwelling units, two thirds of which would be multi-family townhouses and garden apartments. All single family detached dwellings are grouped in clusters of from 18 to 40 units and are developed around cul de sacs. These residential clusters are connected by walkways to the activity center.

The Soul City area is a strong market for single family dwellings, said McKissick. Existing housing in the area is predominantly single family, and there is evidence of a growing mobile home market.

Soul City is envisioned, in a density sense, as a "city," and a conscious effort will be made to educate the local residents about the amenities of apartments, townhouses, and other housing types in addition to the single family detached house.

During the first year of the three year development phase, housing will be constructed primarily for Soul City staff. This is because of the projected 18 month lag between industrial commitment to locate and the beginning of actual operation of that industry, which would generate housing need.

HOUSING ABANDONMENT

Mr. CRANSTON. Mr. President, on March 6, Senator Hart, Senator Mondale, and I introduced S. 3115, the Abandonment Disaster Demonstration Relief Act. The primary emphasis of our legislation is to assist in the recovery of neighborhoods whose vitality has been drained by large-scale housing abandonment. A second and essential purpose of the bill is preventive and is aimed at halting abandonment in its early stages.

An excellent article by Ms. Mary K. Nenno entitled "Coping With Abandonment" in the 1972–73 Housing Yearbook traces the role the Federal Government has played in assisting communities to rebuild neighborhoods and in helping localities to prevent neighborhood decline. Ms. Nenno, the Associate Director for Policy and Research with the National Association of Housing and Redevelopment Officials—NAHRO—ably sets out the substance of past Federal programs and the earmarks of future neighborhood preservation strategies. In this regard, I am pleased to note that the National Committee on Conservation and Rehabilitation of NAHRO has reviewed and endorsed the principles of S. 3115.

Mr. President, I ask unanimous consent that the text of Ms. Nenno's article, "Coping With Abandonment," be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Coping With Abandonment

(By Mary K. Nenno)

Widespread abandonment of existing housing in our larger cities has become the highly visible symbol of our failure to understand and cope with change in residential neighborhoods. The phenomenon of boarded-up, vandalized, and burnt-out structures on our urban landscape is perhaps most dismaying because it came with such suddenness. Nothing in our housing statistics prepared us for it, or fully recorded it, including the 1970 Census of Housing. The abandonment process worked so fast that it swamped any attempt to counter its impact through housing rehabilitation programs. There is still an air of mystery and contradiction about its symptoms and its causes.

THE MYSTERY AND CONTRADICTION OF HOUSING ABANDONMENT

There is now underway a national effort to probe the reasons for housing abandonment—a re-examination of seemingly contradictory 1970 housing census data on improvements in housing condition; a series of research studies and demonstrations; and a soul-searching by housing professionals concerned with neighborhood improvement and stability. There is a major task in unraveling the tangled and interrelated economic and social factors which produce such a massive physical shift. Hopefully, this probing of housing abandonment will lead not only to new understandings of the elements which cause neighborhood change, but also to new ways to anticipate change, and new responses to deal with it. Certainly, there is a great deal at stake: the preservation of one of the nation's most valuable assets—its existing housing supply.

As this probing proceeds, there are additional "danger signals" about the status of our national housing inventory. The Fourth Annual Report of National Housing Goals sent by the President to the Congress on June 29, 1972, points out a "possible danger of under maintenance of the nation's housing stock." The warning is based on a review of the eight-year trend (1962–1970) in the volume of expenditures by residential property owners for maintenance, repairs and improvements of their property. While the total of such expenditures increased almost 30 percent in the eight-year period, from $6.6 billion to $8.5 billion, if the increasing number of housing units and the rising costs of maintenance are taken into account, it appears that these expenditures (in constant dollars) have dropped from $127 to $102 per housing unit. Based on generally accepted norms of annual expenditures for maintenance, repairs and major replacements, the recent average of $124 per unit (before adjustment for changes in dollar value) would be appropriate for a housing unit valued at about $7,400 or slightly more than half of the average value of occupied housing units in the 1970 census. This is not encouraging news about the trend in quality in our housing stock.

RESPONSE TO "DANGER SIGNALS"

The question of the moment is whether the response to housing abandonment and other "danger signals" in the quality of our national housing inventory will be resignation and a paralysis in neighborhood improvement efforts; or whether it will be an affirmative response based on an interim program of emergency actions and a longer-term strengthening of the local structure of neighborhood improvement and housing services. The reaction of the Federal government will likely make the difference.

An affirmative response is a required course, unless we are to let the tide of abandonment further erode not only our changing urban neighborhoods, but our central cities as well—and increasingly, the changing areas of our urbanized metropolitan complex. Such a response of necessity involves a probing of our past national effort in housing and neighborhood rehabilitation. While this past effort is one of some frustration for both public and private interests, it also has yielded some progress, along with important lessons and insights. It is an appropriate and propitious time to take stock of this experience.

Whatever the shortfalls of local and Federally-assisted housing and neighborhood rehabilitation programs of the past, there is an emerging consensus about the essential elements of an effective program. Such a program should:

Deal with neighborhood improvement and neighborhood services, as well as rehabilitation of individual structures.

Include a neighborhood organization which can counsel and coordinate the decisions and voluntary actions of many individual property owners and tenants.

Cover the rehabilitation of properties which remain in private ownership while being rehabilitated, as well as properties acquired by public and non-profit agencies and rehabilitated for resale.

Provide the incentive rehabilitation assistance necessary to retain ownership and occupancy by moderate and middle income, as well as low-income residents.

Provide a method for the refinancing of existing mortgages in rehabilitation neighborhoods, including provisions for necessary rehabilitation of the structures covered by the mortgages.

Have access to the housing subsidies necessary to enable lower income neighborhood residents to live in rehabilitated housing.

Include the capacity to demolish adverse uses, to spot clear buildings which cannot be rehabilitated, and to make shifts in neighborhood use patterns to reflect new needs.

Provide for skilled and well trained personnel, particularly to insure the quality of housing rehabilitation.

Provide for continuity of effort, and a capacity to respond in an on-going way to neighborhood change.

Our past program efforts have had individual pieces of these essential elements, but these pieces have not been pulled together into a coordinated and continuing local neighborhood effort. The earliest approach to Federally-assisted housing rehabilitation (the FHA Title I Home Improvement Loans, adopted in 1934) as well as the complementary extension of the program (the Section 302(k) program adopted in 1961) deal largely with improvements and modernization of single family homes utilizing loan amounts and credit terms not usually applicable to changing urban neighborhoods. A further extension of this approach, the 220(h) loan insurance program adopted in 1951 for urban renewal areas, has seen only minimal use since it has generally been more advantageous to refinance existing mortgages to cover the cost of major repairs.

REHABILITATION UNDER ASSISTED PROGRAMS

Another basic approach to the rehabilitation of housing has been tested under the Federally-assisted housing programs for low and moderate income families. In the year ending June 30, 1972, rehabilitation under these programs is estimated to total 31,700 housing units, with 18,700 under programs administered by the Department of Housing and Urban Development, and 13,000 units under the administration of the Department of Agriculture. These units represent only a minimal proportion (seven percent) of the total of 436,300 housing units estimated to be assisted under these programs in the 1972 fiscal year. Significantly, the proportion of units to be rehabilitated under the assisted housing programs as part of the 10-year national housing goals adopted by the Congress in 1968 was reduced as a result of the administrative revision in these goals made in 1969: from 2 million units to one million units, representing less than four percent of the 10-year production goal. An additional factor which may well reduce the future number of rehabilitations under the homeownership assisted housing programs is the difficulty experienced by lower income purchasers of existing housing—some of the units purchased involved units of inadequate quality which low income families were unable to maintain and defaulted back to the Federal government. A major point to be made about the rehabilitation of housing under subsidized housing programs, particularly relevant to the question of housing abandonment, is that they were individual transactions; it is unlikely that any significant number of housing units rehabilitated under these programs were part of an organized neighborhood rehabilitation effort. This lack of linkage between rehabilitation under the assisted housing programs and area-wide rehabilitation efforts is one of the major deficiencies of our past experience.

EXPERIENCE WITH NEIGHBORHOOD REHABILITATION

Beginning in the mid 1960's a new series of Federally-assisted approaches to housing rehabilitation involving a neighborhood dimension were adopted. These programs included the Section 117 Concentrated Code Enforcement program adopted in 1965, encompassing not only intensive neighborhood enforcement of the housing code related to individual structures, but also provision of essential public facilities such as street improvement, lighting, tree planting, sidewalks, curbs and gutters. Companion tools often utilized in conjunction with the 117 program were the 312 rehabilitation loan program, a direct Federal loan at 3 percent interest for individual property owners, adopted by the Congress in 1964; and Section 115 direct rehabilitation grants for low-income home owners. The combination of these three resources has gradually evolved into a popular and potential rehabilitation approach in local communities.

In the fiscal year ending in June 1972, some 12,600 housing units were estimated to be rehabilitated utilizing Section 312 rehabilitation loans and Section 115 rehabilitation grants. However, demand for these loans and grants by local communities far exceeds an administratively-imposed annual funding level of $50 million per program.

Another neighborhood-wide rehabilitation approach was adopted by the Congress in 1966—Section 221(h)—a program of FHA-insured 3 percent interest rate mortgages to permit non-profit organizations to finance the purchase and rehabilitation of deteriorating or substandard housing for resale to low-income purchasers. While successful in some local experiences, this approach has not been stimulated by Federal encouragement nor has it generated a significant volume of rehabilitation activity; in fiscal 1972 only 14 dwelling units were rehabilitated under this program. Two of the difficulties involve the uneven capacities and long-term stability of non-profit organizations, and the fact that structures to be rehabilitated cannot remain in individual property ownership, but must be sold to the non-profit organization before rehabilitation.

REHABILITATION AND URBAN RENEWAL

The Federally-assisted effort with the broadest capacity to deal with the elements of changes in a neighborhood's physical environment—including the capacity to demolish adverse uses, to spot clear buildings, to work with non-residential as well as residential properties and to make shifts in use of property to accommodate new needs—is the urban renewal program. The Housing Act of 1954 expanded Title I of the 1949 Housing Act to cover actions designed to prevent the spread of slums and blight through the rehabilitation and conservation of blighted and deteriorating areas. There has been significant accomplishment, and an increasing number of communities undertaking urban renewal rehabilitation, particularly since 1961. Through fiscal 1972, a cumulative total of 832 urban renewal projects have involved major rehabilitation of properties, including some 264,000 rehabilitated dwelling units.

While rehabilitation progress under urban renewal has been significant, experience indicated that a number of basic elements must be strengthened if a really massive volume of rehabilitation activity is to be achieved; a more effective neighborhood reorganization; a more integrated and coordinated administration of all rehabilitation tools on a community-wide basis; more effective coordination of city improvement and services with neighborhood rehabilitation efforts; more flexible to program rehabilitation activity on a short-range as well as longer-range basis; a capacity to sustain an on-going neighborhood improvement effort. The Neighborhood Development Program (NDP), adopted by the Congress in 1968, gives the urban renewal program new flexibility to cover areas of rehabilitation need on a community-wide basis, rather than within constricted project boundaries; it also permits actions to meet short-term rehabilitation needs without waiting for the full development of a long-term project plan.

"SERVICES" FUNCTION NEEDED

Looking at the Federally-assisted rehabilitation experience in the light of the current "danger signals" in our national housing supply, including housing abandonment, the time appears ripe to take firm steps toward establishing the effective neighborhood improvement program which emerges as a consensus from this experience. Such a program would include the basic elements for an effective program previously enumerated. It would be built upon the concept of the comprehensive community-wide development program which is contained in the "block grant" community development legislation adopted by the Senate (S. 3248, passed on March 2, 1972) but not finally approved in 1972. Specifically, it would encompass the approach set forth in the NAHRO Program Policy Resolution for 1971–73:

"NAHRO believes that it is time to recognize fully a major function in the local housing and community development process . . . "Management of Housing and Neighborhood Services" . . . with two basic components:

"A 'Neighborhood Improvement Program,' including all of the present elements of the Federally-aided rehabilitation and code enforcement programs, but not limited to areas of a community already in decline. Such a program to housing code enforcement with sufficient technical and financial resources to finance housing rehabilitation and to provide new public facilities and services. To expedite this effort, consideration should be given to a single coordinated, municipal housing services agency at the local level, to speed up the process of housing rehabilitation and supervise the process of neighborhood improvement.

"New and innovative approaches to management of existing housing, including tenant management and tenant ownership of large, multi-family dwellings. Whenever possible, the user of the building should have the opportunity to own his building or unit. Serious consideration should be given to grant and low-cost loan programs that would stimulate the growth and development of private or neighborhood management organizations to provide housing management services with more economy and efficiency than can be done by individual owners."

Such a new municipal function, as an integral part of a comprehensive community development program, could provide on-going capacity not only to carry out neighborhood improvement activities, but also to respond quickly and effectively to neighborhood change—even a traumatic crisis of housing abandonment.

HEMOPHILIA

Mr. JAVITS. Mr. President, hemophilia is a chronic blood disease which results in execessive and sometimes fatal bleeding as well as painful and crippling of the joints, elbows, knees, and ankles. During the past year a great deal of national attention has been focused on the economic and incredible hardships faced by hemophiliacs and their families.

Medical research recently discovered a new anticlotting substance which can be injected—much like a diabetic injects insulin—and which has given hemophiliacs new hope for a longer and more normal life. It is estimated that 25,000 of the 100,000 individuals afflicted with the disease have the severe forms of hemophilia which could be substantially eased with the administration of the anticlotting factor. Unfortunately, this treatment is enormously expensive with costs ranging from $6,000 to $20,000 per year per patient.

In order to assist hemophiliacs who cannot otherwise afford this expensive treatment, Senator Harrison Williams, my friend and distinguished colleague from New Jersey, and the chairman of the Labor and Public Welfare Committee, of which I am ranking minority member, introduced legislation which would provide financial aid for the Nation's hemophiliacs. His bill has won the praise of millions of people throughout the country and I have publicly announced that I am very sympathetic to this measure and that I will do my utmost to help in the matter.

Most recently, it has been the subject of an excellent article in the Washington Post and a radio commentary on the CBS network. I would like to commend Senator Williams for his deep commitment to solving this terrible problem and ask unanimous consent that the text of the Washington Post article and the transcript of the Nick Thimmesch "Spectrum" commentary be printed in the Record.

There being no objection, the article and transcript were ordered to be printed in the RECORD, as follows:

[From the Washington Post, Mar. 3, 1974]

The High Cost of Treating Hemophilia

By Joseph D. Whitaker)

When Donald (Corky) Depfer was born 16 years ago, his parents, the Rev. George and Elta Depfer of Leesburg bought a new, 1957 Chevrolet to celebrate. Three months later, the Depfers discovered that Corky had hemophelia, widely known as bleeder's disease—a chronic blood disorder that results in uncontrolled bleeding. They sold the new car to pay Corky's mounting hospital bills.

Over the years since, the Depfers have kept on paying about $75,000 in family earnings has been spent to pay for the dozens of blood transfusions Corky needed to halt his frequent bleeding.

"We've sold out everything we owned three times trying to keep our boy alive," said Mr. Depfer, 41, who earns about $9,000 a year as a minister of the Pentecostal Church of Christ and administrator of a church-run home for the elderly.

Although the birth of a hemophiliac has traditionally forecast a lifetime of misery for the child and often financial ruin for his family, medical relief is now available.

Unfortunately, the help comes with a high price tag, and it is estimated that most hemophilia sufferers will still not have enough money to buy the blood derivative that would enable them to live and bleed like normal people.

In 1964, doctors first demonstrated a new substance that restores the clotting factors to a hemophiliac's blood. The availability of the blood component, called Factor VIII, has given hemophiliacs new hope for both a longer and more comfortable life.

But the National Hemophilia Foundation estimates that the clotting factor can cost between $10,000 and $22,000 a year, depending on the severity of the case. Because of this high cost, Sen. Harrison A. Williams (D-N.J.) chairman of the Senate Labor and Public Welfare Committee, introduced a bill last March to provide massive financial aid for the nation's estimated 100,000 hemophiliacs and to develop treatment and research facilities across the country.

Under the bill, called the Hemophilia Act of 1973, the federal government would spend between $125 million and $150 million a year to pay 100 per cent of the cost of blood, blood products and associated treatment and services for all hemophiliacs.

Legislators withheld action on the bill until President Nixon's national health care plan was completed.

President Nixon's bill, recently sent to Congress, would provide some assistance for hemophiliacs. An aide to Sen. Williams said the President's measure is thought to provide coverage for blood and blood products and some medical services. Precisely what the coverage under the bill would be, however, remains unclear, the aide said.

"In the United States today, there are 100,000 individuals suffering from hemophilia," Sen. Williams said at a hearing on his bill last November, "Of these, 25,000 have severe or moderately severe forms of this disease, and almost 90 per cent of these individuals are below the age of 25.

"Hemophiliacs are unique among chronic disease victims because they are not born crippled," the senator added. "They can be treated if financial conditions permit them to take advantage of newly developed forms of therapy."

The most prevalent and severe form of hemophilia occurs when the part of plasma responsible for blood coagulation (Factor VIII) is missing. The absence of a similar factor, Factor IX, results in Hemophilia B, also known as Christmas Disease.

Hemophilia is an inherited blood disorder occurring most often in males. The mother is always the genetic carrier and transmits the disorder to 50 per cent of the sons she bears.

Although two-thirds of all hemophiliacs inherit the disease, the remaining one-third—or 1 out of every 100,000 live births—are born with hemophilia attributable solely to genetic mutation.

For most of his life, Cork Depfer—who has a severe form of hemophilia—periodically has had to wear leg braces, ride in a wheelchair or walk on crutches following bleeding episodes to relieve pressure on swollen weight-bearing joints such as knees, elbows and ankles.

Although he was not a cripple at birth, Corky's right knee and ankle have been gradually stiffening over the years from an accumulation of crystalized blood lodged in the joints.

The problem of frequent bleeding into the joints, bone and soft tissue is common among hemophiliacs and often leads to the severe crippling of the hemophilia victim by early adulthood.

Corky received his first injection of Factor VIII (also known as cryoprecipitate) six years ago. He is given injections of the clotting factor on what is called a symtomatic basis, meaning that he is already bleeding before the substance is administered.

Corky now enjoys a new measure of freedom and security, knowing that his bleeding can be stopped quickly. But he still runs the risk of a dangerous loss of blood before he can travel from his home to Fairfax Hospital, 40 miles away, for treatment.

It costs about $4,600 a year to treat Corky with Factor VIII on a symptomatic basis. He, like other hemophiliacs, benefit most by the preventive use of Factor VIII, when the substance is infused into the blood regularly to prevent bleeding rather than stopping it. But this type of treatments costs as much as ———money the Depfers do not have.

Because of the extremely high cost, only about 1,100 of the 25,000 severely or moderately affected hemophiliacs are now using the clotting factor to maintain a specific coagulation level in the blood and prevent bleeding.

Peter Schmeisser, 9, is one of those 1,100. And because he has used Factor VIII regularly as a preventive for a year and a half, Peter will be able to escape many of the painful experiences Corky had.

"It's been revolutionary," said Peter's father, William C. Schmeisser Jr., of Potomac, Md. "Peter can now be a regular member of the family. Thank God. No more midnight trips to the hospitals, no more holidays in the hospital.

"In the last year and a half, Peter hasn't been out of school except for a cold—and that's pretty normal," Schmeisser said in praise of the life-saving clotting factor.

Before Peter began using Factor VIII, he was being treated under the old method of repeated transfusions of whole blood when he suffered bleedings. At age 7, Peter was already using crutches and had a plaster cast on one leg.

Now Peter leads a relatively normal, active life. He plays with friends at school. He goes bike riding with his father. Three times a week he goes swimming.

He also goes three times a week at the Suburban Hospital Hemophilia Treatment Center in Bethesda for his injections of Factor VIII. After the 30-minute transfusion, Peter has enough clotting factor in his system to protect him against bleeding for nearly two days.

"If Peter continues this kind of treatment for the rest of his life, he can expect to live a practically normal life without the characteristic crippling," said Dr. Eugene P. Libre, one of the directors of the clinic, which treats 42 hemophiliacs and is the area's largest hemophilia treatment center.

Each time Peter is infused with Factor VIII, his parents are charged $129. Over the course of a year, the treatment costs $20,124.

"I couldn't possibly pay for this treatment if I didn't have an excellent insurance company," said Schmeisser, an employee of the federal Agency for International Development. Schmeisser said he pays 20 per cent of the cost and his insurance company 80 per cent.

"The question that always haunts me is, 'What's going by my policy? Or what happens if I die?' " he added.

Under Sen. Williams' hemophilia bill, Peter would be entitled to complete care at the expense of the federal government for the rest of his life.

* * * * *

Christian can avoid much of the agonizing pain associated with hemophilia if he is infused regularly with doses of Factor VIII. But so far, he has been given only symptomatic treatment (twice so far at $50 each) because his father earns $7,300 a year as a laborer for the Fairfax County Park Authority and cannot afford better treatment.

"We thought we were going to get some help from our insurance company," Alexander said. "But the first hospital bill ($100) we sent to them was returned because it wasn't for an accidental injury."

Mr. Depfer said he signed up two years ago with an insurance company that agreed to pay at least part of the crushing cost of Corky's treatment, which has averaged $4,600 a year. (The amount covered by his insurance varies but sometimes the policy covers none of the treatment.)

Meanwhile, Mr. Depfer said he still is paying off old hospital bills totalling more than $10,000 for treatment Corky received years ago at the University Hospital in Baltimore and at Fairfax Hospital.

Mr. Depfer's memory of his son's struggle with hemophilia includes many horror tales of how a small bruise or scratch can erupt into major bleeding problems for Corky.

Eight years ago, Corky was playing with friends when he fell on a broken bottle and cut his leg. The impact of the fall also ruptured a kidney. Corky was rushed to the hospital to be treated for external and internal bleeding.

Two weeks later, after Corky had been given 103 pints of blood plasma in transfusions, his bleeding was brought under control. The hospital bill was $5,600. Mr. Depfer said he is still paying for that.

Between November, 1972, and June, 1973, Corky was hospitalized six weeks. On one trip, he required 180 bottles of Factor VIII, at a cost of $37.50 each, before his bleeding was stopped.

While Mr. Depfer calculates the financial cost of hemophilia to the family, Corky—whose right leg has been crippled by the disease—adds up the more intangible costs.

"The biggest gripe I have about being a hemophiliac is that I can't go out and play like other guys," Corky said. "I used to sneak outside and rough it up with my friends. But almost every time I'd end up in the hospital with transfusion tubes sticking out of my arm and my leg in a cast."

"I guess I've learned my lesson now," he continued. "I bowl and swim a little. I play bass guitar in church. But that's about it. I still have the horrifying thought of going somewhere by myself, getting hurt and bleeding to death before anyone finds me."

Commentary by Nick Thimmesch

Every so often, a bill appears in Congress which just asks for support. We've got one like called the Hemophilia Act of 1973, authored by Senator Harrison Williams of New Jersey. This bill seeks to make sure that the 25,000 people, most of them children or youths, who suffer from moderate to severe forms of this disease, can avoid becoming crippled, and also live fairly normal lives.

Hemophilia is a dramatic disease, largely because we've heard how its victims can bleed to death. Less known are other consequences—the crippling effects caused by internal bleeding, particularly in the joints, elbows, knees and ankles.

Hemophiliacs are not born crippled. They become crippled because when they are children they try to play like children. My twin sons have a good friend Andres, who is a hemophiliac. Andres likes baseball, basketball and all the rest. But sometimes after playing vigorously with other small boys he has to drag himself home. If Andres gets bumped, he bleeds, internally. Frequent bleeding episodes cause his joints to swell and eventually stiffen from the accumulation of crystalized blood.

And so many times, my boys tell me that Andres, their good friend, is in the hospital again.

Well, boys like Andres could be kept healthy through preventive maintenance and a new anticlotting substance, which hemophiliacs can inject like diabetics do. But to put a hemophiliac on a good preventive maintenance program costs anywhere from $6,000 to $20,000 a year. Families who can afford that kind of money are rare, so most children with hemophilia either go without treatment or are treated sporadically.

Altogether there are 100,000 hemophiliacs in the United States, but it is the 25,000 afflicted like Andres who really need help. Senator Williams' bill would entitle every hemophiliac to medical care consistent with available technology and with the person's ability to pay. The program would cost about $150 million a year.

The Nixon Administration doesn't favor this bill and says hemophilia victims would get better treatment under a National Health Insurance plan.

Maybe so. But the health insurance legislation has a way of getting kicked around for months or years, and in the meantime, youngsters like Andres often don't get treated, simply because it's too expensive.

Senator Williams' bill should be passed for humanitarian reasons and also because it might diminish the trend toward that school of thought which says some treatments are just too expensive. I don't think Andres and others should have to wait until we find the exact amount of money.

ATLANTIC COUNCIL REPORT ON TRADE REFORM

Mr. PELL. Mr. President, today the open societies of the West are engaged in decisive competition with the closed societies of the East. Unlike the days of the cold war, however, this rivalry is occurring primarily in the marketplace, rather than in the military arena. In an age of potential nuclear annihilation, that shift is as it should be, unless human beings, like the lemmings sometimes, are bent on mass suicide.

But because the competition is more economic—between different systems of production, distribution, and consumption—does not make the outcome less crucial for members of both societies.

On this outcome can also depend the victory or defeat of a free or totalitarian way of life—the ideals of our Founding Fathers or the diktats of Communist Party chairmen. We are fast approaching 1984. Let us hope Big Brother will not be there to greet us with an all-seeing eye.

In this light, today's headlines are troubling to people of open societies:

"U.S.S.R. Counts on Western Rifts."

"Year of Europe Ends Not With a Bang, But a Whimper."

"NATO Celebrates 25th Birthday Sick."

"Japan Faces Economic Strangulation."

"Autarchy Gains on Trade and Monetary Reform."

Whether exaggerated or not, the tenor of current headlines leaves little doubt that the trilateral world of industrial nations—Japan, North America, and Western Europe—is at the crossroads of critical decision.

As a cohesive whole, will this world follow the road of collaboration in seeking solutions to transnational problems—shortages in energy and raw materials, monetary and trade reform, limitations of growth, environmental protection—or will individual members of this world try to snatch at short-term, national advantages at the expense of the others?

The decision on these basic questions can well determine the outcome of the competition between open and closed societies.

In the open world, governments alone cannot produce the answers. There must be a joint effort with private groups of informed, concerned citizens. These are a precious asset of open societies. They cannot take seed in the sterile soil of conformity and suppression in the closed ones.

The United States is particularly rich in this respect—in our great foundations and other creative, vigorous, nongovernmental organizations running the circle from left to right.

One of the newest of these groups is the Trilateral Commission, a private North American, European, and Japanese initiative on matters of common concern. The North American chairman is Gerald Smith, our SALT I negotiator and a moving force in the establishment of the International Atomic Energy Agency, a dedicated public servant and public-spirited private citizen.

Although they are too long for insertion in the RECORD, I commend to your study some of the Commission's initial publications: "Toward a Renovated World Monetary System" and "The Crisis of International Cooperation."

A longer established organization with a record of accomplishment in helping create and strengthen the Atlantic Community is the Atlantic Council. Long chaired by Ambassador Randolph Burgess, a NATO founder, he has been succeeded by the equally capable former Secretary of the Treasury, Henry Fowler. This succession by a financier and economist is perhaps indicative of the shift of emphasis in the world today from military to economic concerns.

Nor is it surprising that the latest study of the Atlantic Council is entitled "Reform of the International Trade System—a Proposal." Prepared by an impressive panel of experts chaired by still another outstanding public servant, John M. Leddy, a former Assistant Secretary at both State and Treasury, the study is in the form of an interim report calling for the establishment of a Code of Trade Liberalization to govern the trading relations again of the countries of the trilateral industrialized world in the GATT—general agreement on tariffs and trade.

The findings of both these groups are based on the recognition of economic interdependency as a new reality of international life and the necessity for cooperative, transnational solution to global problems.

These findings are particularly relevant and timely to the Senate's consideration of the trade reform bill.

Mr. President, I ask unanimous consent that Council's "Interim Report on Reform of the International Trade System," be printed in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

REFORM OF THE INTERNATIONAL TRADE SYSTEM—A PROPOSAL

The Trade Committee of the Atlantic Council, in a statement on international trade policy of February 14, 1973, called for urgent efforts to reform the international trading system to accompany the negotiations already under way to reform the monetary system. It called for a consensus, at least among the governments of the principal trading nations, on the general nature of the negotiations to be conducted. This policy statement was endorsed by the Atlantic Council on April 19, 1973. The trade bill now before the Congress is in general accord with the principles agreed upon by the Committee and opens the way to progress if it is enacted into law.

The Trade Committee also established an advisory panel which has been studying practical steps to achieve the reforms advocated by the Council and to bring them into relationship with the monetary reforms. The purpose of this report is to sketch in preliminary form the outline of a proposal which the advisory panel believes may prove to be the most promising method for achieving needed reform of the international trade system.

The essence of the Panel's conclusion is that the principal trading nations should initiate a plan to agree among themselves on new rules and measures of trade liberalization aimed at achieving an improved and fairer trading system.

The Panel believes that this could be accomplished by an agreement in the form of what might be called a Code of Trade Liberalization, supplemental to and supportive of GATT, the essentials of which are set forth below. It may be recalled that in the early post-war period the countries of Western Europe, with United States support, established among themselves a code of liberalization under which substantial progress was made in liberalizing intra-European trade, thus helping to pave the way for general currency convertibility. The time has come when the principal trading nations might well revive this concept of a trade liberalization code on a broader and fully nondiscriminatory basis.

The Panel has also recommended steps for coordinating more effectively the work of the International Monetary Fund and the GATT (General Agreement on Trade and Tariffs) and for reinforcing the authority of the Fund in dealing with trade measures taken for balance of payments reasons.

Shortages of foodstuffs in 1973 and restrictive measures taken by exporting countries high-lighted what may be a recurrent problem of managing supplies of, and international trade in, scarce materials. An addition dimension has ben added to this problem by recent actions of the oil-exporting countries. Concern has been expressed that producers of other basic materials may restrict access to them or take action sharply to increase prices. The Panel has some preliminary recommendations regarding the commercial policy aspects of restrictions imposed on grounds of short supply. The subject of export controls raises other important questions which the Panel is continuing to study.

I. GENERAL SCOPE

Since its establishment over a quarter-century ago the General Agreement on Tariffs and Trade has become the central forum for world trade policy, the trade counterpart of the International Monetary Fund in the field of monetary affairs. Like the Fund, the GATT has contributed greatly to the expansion of world trade. It has brought about a gradual but substantial reduction of tariffs and disputes and has contributed to economic prosperity and the high degree of international economic interdependence which has now been reached.

But, also like the Fund, the GATT's trade rules and machinery are no longer adequate to meet the changed world economic scene. We have witnessed the creation and enlargement of the European Community; the spread of free-trade arrangements; the emergence of Japan as a world trading power; the growing requirements of the developing countries for wider market outlets for their export industries; persisting difficulties in agricultural trade accompanied by concerns for food shortages; the growing importance of non-tariff trade barriers; far-reaching changes in the international monetary system.

Moreover, governments in highly industrialized societies are intervening more and more in domestic economic processes for social purposes—for example, improving the environment, assisting low income areas, and consequential effects on international trade. While these ends are desirable in themselves, the measures taken to achieve them will increasingly require a degree of international reconciliation if the benefits of an open trading system are to be maintained and improved.

All these developments call for fresh action to adopt and direct GATT's trade rules and machinery to the problems of today and the future.

The forthcoming trade negotiations will provide an opportunity to take the action required if the new trade legislation now being considered by Congress accords to the President authority sufficiently broad and sufficiently flexible—broad enough to enable the United States to play its part along with other industralized countries and flexible enough to provide the necessary leeway to deal with the negotiating problems that will inevitably arise.

The basic trade principles of the GATT continue to have validity, and GATT should remain the primary forum for world trade policy. What is required is not so much the application of policies or even radical surgery to GATT itself, but the undertaking of concerted action by those member countries capable of doing so to apply its rules in improved form with greater vigor, to adopt additional rules suited to modern needs, and to supply more effective means of international enforcement.

For many reasons it is improbable that such concerted action can be brought about by amendment of the GATT itself. More than 80 governments are members of GATT, most of them in such a stage of development that they are not expected to assume the full obligations of GATT as it now exists, much less more far-reaching obligations. Each GATT member has one vote in all GATT matters, even in commercial policy questions arising among the industrialized members with regard to matters on which all GATT members do not have full obligations. Amendment of the GATT to adapt the rules among the industrialized countries and to alter GATT's voting system and enforcement machinery to provide better economic balance would be a formidable undertaking of doubtful success. Under the existing GATT some amendments would have to have the formal approval of all eighty or more governments. Others would require at least two-thirds.

Fortunately, amendment of the GATT is not essential to enable some of its signatories to undertake, in concert, more far-reaching trade commitments than those presently provided for in GATT and assure balanced institutional machinery for their enforcement. This could be accomplished through a new Code of Trade Liberalization, supplementary to GATT and supportive of it, open to participation by the GATT members economically capable of assuming all the new responsibilities involved. At the outset, these would be industrialized countries who now account for the largest part of total world trade.

GATT would continue as the leading international trade forum on a world scale and the central framework for handling trade policy questions arising between the industrialized countries on the one hand and the developing countries on the other. The Code of Trade Liberalization would create the setting for handling major policy questions arising in commercial relations among the industrialized members. All GATT countries would, of course, benefit from the new reductions of trade barriers undertaken by the industrialized countries in the Code by virtue of GATT's most-favored-nation clause. Additionally, in the implementation of the Code, the closest consultation would be necessary with GATT signatories which are not Code members on matters directly concerning them and which would, of course, continue to have all their legal rights under GATT.

There is need also for principles to govern restrictions on materials in short supply, for which GATT now contains no international guide rules or enforcement provisions. It is therefore proposed that the Code should require a signatory applying export restrictions for short-supply reasons both to consult with other Code members and to apply any such restrictions on an equitable basis in the light of their essential requirements as well as its own.

II. OUTLINE OF A NEW CODE OF TRADE LIBERALIZATION

There are set forth below what appear to be the essential elements which should be incorporated in such a new Code of Trade Liberalization. These will require considerable fleshing out, which will be done in a final report by this panel. However, our studies to date suggest that the general concept is a practical one.

1. *Membership.* Participation in the Code by the European Community, Japan and the United States as a minimum would be essential for its effectiveness. Other countries capable of assuming the obligations of the Code by virtue of their having achieved an economic position which would enable them to do so would include Austria, Australia, Canada, Norway, Sweden and Switzerland. Countries moving from the category of less developed to industrialized countries could join at that time and would be encouraged to do so. All members of the Code would be required to be members of GATT and the Fund.

2. *General Application of GATT Trade Rules.* Code members would agree to apply GATT's trade rules in commercial relations among themselves only in accordance with, and subject to, the provisions of the Code.

3. *Reduction of Tariff Levels.* All Code members would agree to reduce their tariffs in accordance with a common pattern and time schedule. For example, using the pattern suggested in the tariff section of the trade bill just passed by the House of Representatives and awaiting Senate action, all tariffs now amounting to five percent ad valorem or less might be eliminated, those between five and twenty-five percent ad valorem might be reduced by sixty percent and those over twenty-five percent ad valorem might be reduced by seventy-five percent but not below ten percent ad valorem. Reductions would be scheduled over a period of years. Necessary exceptions to the common tariff-reduction pattern would undoubtedly be required (in the United States probably as a result of the Tariff Commission hearings and analysis called for by pending trade legislation). The tariffs on these exceptional products could be established separately, in an annex to the Code. Exceptional treatment should, of course, be avoided to the extent practicable.

While all GATT countries would benefit from the Code tariff reductions, members of the Code would reserve to themselves the right to suspend tariff reductions on products principally supplied by an industrialized country which, although able to do so, refused to accept the obligations of the Code. This is essential to assure adequate reciprocity.

4. *The Use of Trade Restrictions.* Import restrictions for protective purposes would continue to be outlawed, as under GATT. In addition, export restrictions for short-supply reasons, now permitted by GATT unilaterally and without qualification, would be made subject to processes of international consultation among Code members and to the requirement that export quotas for short-supply reasons provide for a fair sharing of the product in scarce supply in the light of the essential requirements of importing as well as exporting countries.

5. *Nondiscrimination.* The GATT rules for equality of trade treatment (the most-favored-nation clause) would be tightened up in several ways:

Future free-trade areas and customs unions entered into by a Code member would be made subject to prior approval by other Code members to be sure that the free-trade area or customs union concerned truly meets established criteria and is not simply a preferential commercial arrangement in disguise.

Code members would be required to give up their legal claims to preferential trade treatment in less developed countries (for example those now extended by some African countries to the European Community).

Preferences by Code members to the developing countries would be permitted, but should be granted on a non-discriminatory basis and in accordance with standards roughly comparable among the various Code members (see below under "Trade Assistance to Developing Countries").

6. *Agriculture.* Major agricultural products for which existing GATT trade rules have proven clearly inadequate—mainly because domestic farm programs have made impossible adherence to conventional trade-agreement obligations—should be given special treatment in the Code to accomplish five main purposes:

Increased market access and expanded trade;

Equitable sharing of scarce supplies;

Adequate and more stable farm income;

International consultation on structural adjustments in agriculture on products for which domestic farm program exist or may be established; and

Where practicable, the establishment of agreed stockpiles of food to meet shortages and provide greater price stability.

The Code would, in an initial period of perhaps three years, establish specific arrangements for certain major commodities (for example wheat, feed grains, certain oilseeds, dairy products).

These arrangements could include the setting of agreed margins of protection (or montants de soutien) which would limit the total amount of effective protection extended in any form (whether through border measures such as tariffs and quotas, price supports, income payments or other means) by importing and exporting countries. For certain products agreed stockpile goals, perhaps jointly financed, could be specified, and agreed levels of food aid to be provided less developed countries by Code members on concessional terms. Non-Code countries should participate in undertakings regarding specific agricultural products whenever their participation might prove necessary or desirable.

The Code should recognize the importance of helping farm communities to achieve an adequate level of income for their effort and invested capital, the need for continued structural adjustment in agriculture and for international consultation about such adjustments, and the principle that agricultural measures taken by a Code member should not entail a transfer of costs of adjustments to farmers and traders of other nations except on an agreed basis. Export restrictions on agricultural products in short supply should be subject to international consultation and the principle of equitable sharing among importing and exporting countries.

The Code would create an agricultural Committee to administer the commitments and further the principles of the agricultural section of the Code. In order to assure effective intergovernmental consultation, the Agricultural Committee should consist of senior officials having important policy-making responsibilities in the field of agriculture.

7. *Balance of Payments Adjustments.* Code members would agree not to use the right which GATT gives them to apply import quotas unilaterally and without prior consultation to safeguard the balance of payments. Rather, they would agree not to apply any trade measure for this purpose without the prior approval of the International Monetary Fund, but would have the right to apply any trade measure (for example import surcharges) which the Fund has approved. In addition, the Code members would agree that trade measures against exports of surplus countries would be permissible when the Fund considered them appropriate for international monetary reasons. Thus, the Fund would decide what trade measures would be suitable for monetary purposes in particular circumstances and the present overlapping jurisdiction of the GATT and the Fund on this subject would be ended so far as Code members are concerned. Code members would, however, continue to observe certain commercial policy principles of equity established in the GATT for the administration of trade measures once the measures had been approved by the Fund.

These proposed changes would regularize and bring within the scope of international surveillance such trade measures as import surcharges. In making these proposals, the panel does not mean to suggest that such surcharges are desirable in a reformed system. Indeed, in a monetary system in which par values are adjusted frequently, there should be diminished need for such measures.

Some amendments to the Articles of Agreement of the IMF may well be required to give the Fund necessary powers to carry out these added responsibilities; but amendments to the Fund Agreement in which both industrialized and developing countries participate on the basis of weighted voting should not present a serious problem.

8. *Protective Safeguard Provisions—The "Escape Clause".* The GATT "escape clause" (Article XIX of GATT) would apply to trade obligations assumed in the Code. Further study is needed to determine whether any changes in the international aspects of this clause, or possibly additional provisions, would be needed.

9. *Non-Tariff Barriers.* Provisions for dealing with certain non-tariff barriers, for example limits on the use of governmental "buy national" requirements or the international reconciliation of domestic environmental controls, might be the subject of specific commitments in the Code itself. Other non-tariff trade barriers would be the subject of later additions to the Code by means of supplementary agreements as they are negotiated. In the case of the United States, some of these supplementary agreements might be effective through the new Congressional-veto technique proposed in the trade bill recently approved by the House Ways and Means Committee.

10. *Trade Assistance to Developing Countries.* Code members would agree on a system, comparable in scope and degree among the several Code members, or tariff preferences to the less developed countries which would be extended to them without reciprocity other than the promise of nondiscriminatory treatment in return. They would also agree that these preferences would not be allowed to stand in the way of further reduction of the general (non-preferential) tariffs of Code members, which some developing countries might seek to prevent. They would also agree that the trade preferences they give to developing countries would not, in general, discriminate among the developing countries so as to create exclusive, or preferential "blocs". Finally, the Code members would agree to give up their existing legal claims to reciprocal or "reverse" preferences from the less developed countries and to seek no new reserve preferences. Through these measures the industrialized countries would help to widen the export opportunities of the less developed countries on an equitable basis while furthering equality of treatment as a governing principle in world trade.

Code members could not avail themselves of the special trade privileges allowed less developed countries under GATT (GATT Article XVIII and Part IV of GATT).

Code members would consult fully with the less developed countries in the GATT and through UNCTAD in administering these provisions of the Code and in exploring further means of helping the less developed countries through trade measures.

11. *Institutions, etc.* No new international secretariat or budget would be needed to help administer the Code. Instead, staff and financing should be provided by the GATT, or, alternatively, by the Organization for Economic Cooperation and Development of which all prospective Code members are now members.

The Code members would form a Trade Council at the ministerial level to meet at least once annually and an Executive Committee or senior trade policy-making officials from capitals to meet as required for purposes of administering and enforcing the Code. The Directors General of GATT and the OECD should sit in on the Trade Council and Executive Committee meetings without vote and one of them should chair the Executive Committee with the right to initiate proposals. Panels of Experts of independent, non-governmental personalities could be selected to help settle trade disputes.

Provision should be made for the interests of labor, agriculture, industry and consumers in member countries, to have their views considered by the Trade Council and its subordinate bodies.

Voting by Code members should reflect a better economic balance among them than the one-country-one-vote system prevailing in the GATT. In the context of such a balanced arrangement, the European Community taken as a whole and the United States should have substantial equality in the voting system, although the substantive importance of formal voting in a Code among industrialized countries should not be exaggerated.

Amending the Code from time to time should be made much more flexible than the present GATT system.

Members of the Code should be required, as in the Fund Agreement, to certify that they have taken all legal steps necessary to enable them to fulfill their Code obligations before signing. Any member should be free to withdraw from the Code at any time.

III. OBSERVATIONS ON THE PROBLEM OF SCARCE RESOURCES—FOOD, FUEL, AND BASIC MATERIALS

In the Code of Liberalization suggested in Parts I and II of our Interim Report, we have proposed the introduction of two principles relating to scarce resources, neither of which are to be found in the present GATT arrangements. The first would require members of the Code applying for export restrictions for short-supply reasons both to consult with other Code members and to apply any such restrictions in accordance with the principle of a fair sharing of the scarce product in the light of the essential requirements of importing as well as exporting countries. The second, relating to agriculture, would call for Code members and other countries which may be important suppliers or consumers of a specific agricultural product to create jointly-financed stockpiles where this seems desirable both to assure against future shortages and create greater price stability. Additional provisions relating to scarce resources may be recommended as the panel continues its work on the proposed Code of Trade Liberalization.

But it should be recognized at the outset that the contribution which any set of international rules on commercial policy can make to the problem of scarce resources is necessarily limited. Well-designed trade agreement arrangements can require the equitable sharing of scarce resources. They can also be drawn to permit countervailing economic action if one or a few governments deliberately create artificial scarcities in pursuit of political ends or monopoly profits. But they cannot deal with the most important problem of all, which is the scarcity arising from the impingement of increased consumption on limited natural resources. This problem can be alleviated only by a combination of positive measures to alter consumption patterns of major consumers, or enlarge supplies through new discoveries, technological advances, diversification of sources and substitution.

The OECD is the logical place to center beginning international efforts to foresee and forestall future resource scarcities. The members of the OECD are at once the primary cause of rapidly rising consumption of basic materials and the primary source of the technology and investment capital that would have to be devoted to enlarging supply. The OECD has already launched a broad study of long-term energy problems going well beyond its earlier work in this field. Its organization and resources should permit it to undertake studies of other materials as may be required.

In the coming weeks the Panel will review the possibilities for suggesting further international action regarding basic materials, whether through strengthened trade agreement institutions or the OECD.

FROM WEST VIRGINIA TO THE BOLSHOI

Mr. ROBERT C. BYRD. Mr. President, the current issue of the magazine Steel Labor contains a story about a talented daughter of West Virginia, Miss Rosalie Olinski.

Miss Olinski bids fair to follow in the famous footsteps of another West Virginian from Wheeling, Eleanor Steber, whose glorious voice thrilled music lovers all over the world.

This is proof that the West Virginia panhandle is more than a crucible of steel, chemicals, and coal—it is also a cradle of culture and artistry.

I ask unanimous consent that the article from Steel Labor be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

From West Virginia to the Bolshoi

Wheeling, W. Va.—It's a long way from Wheeling to the Bolshoi Opera auditions at Moscow but pretty Soprano Rosalie Olinski will be singing all the way.

Miss Olinski is the daughter of Mr. and Mrs. Stanley Olinski of Wheeling. Her father is a retired member of USWA Local 1238, Wheeling-Pittsburgh Steel Corp. Mom and Poppa Olinski will have the best seats in the Capitol Music Hall April 21 when Rosalie will be the featured soloist at the first Slavic concert ever performed in the Wheeling area.

Her musical career began at Sacred Heart School here and she continued until her graduation from St. Joseph Academy. A voice scholarship took her to Cincinnati Conservatory of Music. Since that time, she has made her home in Cincinnati where she sang for six seasons with the Cincinnati Summer Opera. She also has had concerts in Southern Ohio, Indiana and Kentucky. In recent years, she has been combining a full time music teaching career in the Sycamore public schools' system. She is founder and director of the Cincinnati-based Melodja Slavic Song and Dance Co.

Miss Olinski, because of her Slavic background, specialized in Slavic operatic, art song and folk songs. A chance meeting at Cincinnati's May Festival last year with Warsaw Opera Baritone Andjej Hiolski led to a successful audition for the Warsaw Poland Opera where she plans to sing next year.

She will audition for the Bolshoi Opera at Moscow in October. This month's Slavic Concert at Wheeling is being promoted by "Friends of Rosalie Olinski"—a committee comprised of Wheeling College professors, priests from Slavic ethnic parishes at Weirton, Steubenville and Wheeling and representatives from Slavic fraternal and cultural organizations.

ANALYSIS OF PRESS COVERAGE OF RESPONSE OF U.S. AMBASSADOR TO SOUTH VIETNAM, GRAHAM A. MARTIN, TO NEW YORK TIMES ARTICLE ON U.S. AID TO SOUTH VIETNAM

Mr. HELMS. Mr. President, a recent article in the respected British journal, the Economist, pointed out that the North Vietnamese presently are conducting an ongoing campaign to persuade the Congress of the United States to cut back on economic aid to the Republic of Vietnam. This campaign of so-called persuasion centers around contrived outrage on the part of critics of any continuing support of freedom in South Vietnam.

A typical example of this campaign is a recent article which appeared in the New York Times. Under the guise of investigative reporting, this article pretended to portray a picture of unceasing U.S. support of immoral and unjust activities on the part of the Government of South Vietnam. The article and its contents were given wide play in the press.

In response to what he considered to be obvious distortions, innuendo, and half-truths in the article, U.S. Ambassador to South Vietnam, Graham A. Martin, sent a telegram to the Secretary of State in which he analyzed, point by point, paragraph by paragraph, the assertions of the New York Times article. And what sort of press coverage did Ambassador Martin's side of the dispute receive, Mr. President? As is so painfully typical, only coverage which roundly denounced the Ambassador for attempting to point out what he felt were obvious errors in the Times article.

In short, Ambassador Martin was denounced for attempting to put the truth before the American people. All he sought was to let the American people know as many of the facts as possible before their representatives in Congress decided whether to continue to aid South Vietnam in its fight for freedom.

One would think that such information would be received by the press as being a significant contribution in the ongoing dialog on this matter. Such, however, was not the case. In an analysis made public recently by Accuracy in Media, Inc., a national organization dedicated to assuring that only the facts appear on the news pages of our newspapers, with opinions left for the editorial page, AIM analysts supply some interesting statistical data concerning the coverage of contents of the Martin telegram by the New York Times and the Washington Post, newspapers which are read locally in Washington. In order that Senators may have the benefit of this analysis—they are not likely to receive it otherwise—I ask unanimous consent, Mr. President, that a recent letter to the Washington Post from AIM Chairman Reid Irvine, and a table specifying the extent of the Times and Post coverage of the Martin telegram's contents be printed in the Record at the conclusion of my remarks.

There being no objection, the letter and table were ordered to be printed in the Record, as follows:

Accuracy in Media, Inc.,
Washington, D.C., March 17, 1974.

The Editor,
The Washington Post, Washington, D.C.

Sir: Ambassador Graham Martin concluded his detailed, paragraph-by-paragraph critique of a recent *New York Times* story from Vietnam by saying that the story was "a case study of propaganda under the guise of 'investigative reporting' rather than a responsible journalistic effort."

Accuracy in Media has analyzed The Times' story and the Martin critique, and we find that the Ambassador's criticism is fully justified. The Times' reporter, David Shipler, liberally larded his news story with his personal opinions and judgments. He used the well-known device of making other points that he wanted made through the words of others, unfortunately selecting individuals with no obvious qualifications as authorities in the areas in which he employed them. In a lengthy story laden with criticism of the United States and the Government of South Vietnam for violations of the Paris accords, Shipler barely mentions the well-known fact that the Communists have been flagrantly violating the accords, and in the one paragraph in which he alludes to this, he does so in a way that suggests that he is skeptical of the charges of Communist violations. He even implied that Communist artillery and rocket attacks were justified, failing to mention that children and unarmed civilians are often the main target of these attacks. Ignoring the continued North Vietnamese and Viet Cong attacks and military buildup in South Vietnam which require defensive reactions from the South Vietnamese Government, Shipler charged that it was U.S. military aid, not the behavior of the Communists, that sets the course of the war.

The Shipler article, according to Ambassador Martin's commentary, is replete with factual inaccuracies, innuendo and bald assertions not backed by any evidence or proof. Shipler tries very hard to make the point that American aid to the national police of Vietnam is continuing despite a recently passed legislative ban on such aid. Ambassador Martin states that the legislative mandate is being scrupulously complied with, contrary to Shipler's assertions. He also points out the American people should understand why the Communists are so anxious to see support of the police by U.S. aid eliminated. He states that an effective police force is the most effective deterrent to terror and subversion and is therefore a bar to the achievement of the Communist goals. The Ambassador charged that Shipler's article closely fitted the propaganda line of the Communists.

For having the temerity to criticize a "newsman," Ambassador Martin has been subjected to a vicious attack in the news columns and in an editorial in The Washington Post. Murray Marder's article on Ambassador Martin's critique of Shipler's story covered only 8 of some 69 points made by the Ambassador. Twenty per cent of the space was used to attack Ambassador Martin rather than to report what he had said about Shipler.

This attack was placed at the beginning of the story, apparently to make sure that no reader of *The Post* would give any credence to the ambassador's criticisms. To make doubly sure the readers knew how to react, Mr. Marder called the ambassador's critique an "outburst." The news story omitted virtually all of the facts presented by Ambassador Martin to show how biased, distorted and inaccurate the Shipler article was. Notably, Marder said nothing whatever about the very important point that Shipler had neglected to discuss the thousands of flagrant violations of the cease fire by the Communists while focusing entirely on South Vietnamese violations and charging that it was American aid, not the requirements of self-defense, that was responsible for them.

If the Shipler article is a good case study of propaganda, as Ambassador Martin charged, Marder's news story is a classic example of advocacy journalism. It was designed not to tell the reader what the Ambassador had said and why he was provoked into saying it, but rather to develop reader antagonism against this ogre who dared criticize the press.

The Post next put its editorial writers to work to finish off the ambassador. The editorialist had nothing whatsoever to say about Ambassador Martin's devastating demonstration that *The Times* had printed a grossly inaccurate, distorted article. Instead of analyzing the ambassador's critique to see whether his points were justified or accurate, The Post indulged in another *ad hominem* attack on the ambassador. It characterized his critique as "a throwback to the bad old days of one-sided, self-serving, over-simplified reporting on Vietnam. . ." Ambassador Martin demonstrated in great detail that Shipler's reporting had been one-sided, oversimplified and inaccurate. He did not charge that it was "self-serving," but he did charge that it served the ends of the Communists, who have mounted a very intensive campaign to terminate American aid to Vietnam.

This outraged the editorial writer. It was not clear whether he did not believe that the Communists had launched such a campaign or whether he did not believe that The Times' article fitted in with that campaign, wittingly or unwittingly. The existence of the campaign can be easily ascertained merely from an examination of the Communist press. It is not necessary to know Mr. Shipler's motives to determine whether or not his article supported the objectives of that campaign. However, it can be said that if Mr. Shipler had set out to write an objective article, presenting all the facts that were available to him in a balanced manner, he would have produced a very different article and one that would not have supported the objectives of the campaign nearly as well. His duty as a journalist was for some reason forgotten.

Aleksandr Solzhenitsyn noted this peculiarity of many of our journalists in his letter to *Aftenposten* nominating Andrei Sakharov for the Nobel Peace Prize. He said:

"The bestial mass killings in Hue, though reliably proved, were only lightly noticed and almost immediately forgiven because the sympathy of society was on the other side, and the inertia could not be disturbed. It was just too bad that the information did seep into the free press and for a time (very briefly) cause embarrassment (just a tiny bit) to the passionate defenders of that other social system."

Whatever it was that caused the news media to virtually ignore the bestial mass killings in Hue in 1968 by the Communists could also explain the appearance of one-sided, inaccurate, distorted articles such as Mr. Shipler's that build support for termination of American aid to South Vietnam.

Perhaps The Washington Post, with its demonstrated capacity for investigative journalism, could assign a few ace reporters to discover just what this peculiar force that produces such journalistic deformities might be.

Sincerely yours,

REED J. IRVINE.

Ambassador Graham Martin's Analysis of David Shipler Story and How the Post and Times Reported It

(NOTE.—Points made by Ambassador Martin are indicated in numbered paragraphs. Points reported in the press are noted in parenthesis following paragraphs and by footnotes.)

I. HANOI'S PLAN

1. Embassy long aware of Hanoi decision to mount campaign to persuade Congress to cut economic and military aid to Vietnam. (Reported by both the Washington Post and New York Times.)

2. The Stockholm Conference was the main coordination mechanism of this campaign and the PRG delegation in Paris was to be the principal channel. (Reported by the Washington Post.)

3. Using remnants of American peace movement, influence was to be brought to bear on susceptible, influential elements of American communications media and Congressional staffers. (Reported by both the Washington Post and New York Times.)

4. Plan was to begin with heavy insertion of material into Congressional Record and hopefully to secure condemnation of Government of Vietnam by Congressional subcommittees.

5. This would be given wide dissemination and distortions would be expanded upon by media "investigative reporting."

II. COMMENTS ON SHIPLER ARTICLE OF FEBRUARY 25, 1974

6. Ray Harris, described by Shipler as a jet engine mechanic, is employed at Bien Hoa airbase as a cleaner of parts and equipment.

7. Harris is one of about 2800 civilian employees in Vietnam, as Shipler stated, down from about 5000 a year ago.

8. Shipler neglects to say that Harris is part of a civilian group whose mission is to teach Vietnamese how to service and maintain military equipment, as well as to maintain it until training completed.

9. Shipler did not report that these contract personnel are withdrawn when training is finished, though he knew this.

10. Shipler was wrong in saying that our military aid sets the course of the war. The course is set by the communist buildup and attacks and the need of the Vietnamese Government to protect its people.[1]

11. Charges that Shipler postulates So. Vietnam violations of Paris accords without presenting a shred of evidence and alleges that U.S. aid directly supports such violations and thus breaks spirit of accords. (Reported by both the Washington Post and New York Times.)

12. The "spirit of the accords" according to Hanoi, was that the Americans would deliver So. Vietnam into their hands. Only a few Americans agree with that interpretation. (Reported by both the Washington Post and New York Times.)

13. Shipler is incorrect in saying that large numbers of Americans have become "integral parts" of So. Vietnam supply, transport and intelligence systems. They provide limited and temporary technical aid only to help Vietnamese achieve self-sufficiency.

14. American generals who tour Vietnamese airfields observe use being made of our aid, as is required by law, and they do the same in other Southeast Asian countries. They are not "integral part" of Vietnamese forces as Shipler charged.

15. Liaison officers are actually civilians with little or no battle training, and they do not give advice to Vietnamese forces as Shipler charged.

16. Shipler stated a falsehood in saying CIA gives advice to national police.

17. Shipler said military aid budget for So. Vietnam would rise from $813 million in FY 1974 to $1.45 billion next year. This is wrong. The FY 1974 figure is $1.06 billion.

18. Shipler said most of the increase in military aid was probably going for ammunition. The actual increase in cost of ammunition is about $130 m.

19. Shipler said Vietnamese expending ammunition at "high rate," but rate is 30 to 50 per cent of rate during last year of war.

20. U.S. does not "dump millions in cash" into Saigon defense budget. Aid financed goods are sold for local currency is then allocated to support mutually agreed programs.

21. Shipler says U.S. aid supports So. Vietnam's resistance to accommodation with Communists. That is Hanoi's position, no doubt.

22. Shipler said aid enabled So. Vietnam to launch attacks on Viet Cong, but he did not mention that these were in retaliation for serious Viet Cong attacks.

23. Shipler does not mention thousands of communist ceasefire violations.

24. Shipler's description of Pres. Thieu's approach to elections is complete reversal of facts.

25. Steps required for election under Paris agreement not carried out because communists have not observed ceasefire, delineated areas under control.

26. Communists do not want internationally supervised elections because they could not win more than 10 per cent of vote.

27. Thieu has repeatedly offered dates for election, and they could be agreed upon immediately if communists would accept international supervision.

28. Shipler implies that communist artillery and rocket attacks are justified, and he fails to report that children and unarmed civilians are often the main target of these attacks.

29. Shipler implied skepticism of charge that North Vietnam had sent thousands of tanks and artillery pieces south in violation of Paris accords.

30. Best intelligence estimates actually are that the North has sent to the South at least 450 tanks and about 265 120 mm. guns since cease fire.

31. Shipler suggests communists are expending ammunition sparingly, but military experts believe any restraint is a matter of tactics, not ammunition shortages. Use hit and run tactics against known So. Vietnamese positions.

32. The F–5 fighter is not the mainstay of the Vietnamese airforce as Shipler stated. The main planes are the A–1 and A–37.

33. Shipler makes much of presence of GE technicians to work on aircraft engines, but this is normal. GE provides same service to U.S. airforce. It is true that this is mainly an American work situation with less training of Vietnamese, but GE does do considerable training.

34. Denies Shipler's implication that Vietnamese not interested in learning or incapable of learning.

35. Expert opinion does not support Shipler view that American presence will have to continue indefinitely if Vietnamese to have continued use of complex weapons. American instructors think they can and will be phased out. Hanoi wants immediate withdrawal.

36. As Shipler reports, South Vietnamese are "peaceminded," but they do not want the "peace of the grave or communist dictatorship."

37. Shipler found people to express personal opinions of the type desired to help him slant his article. Many uninformed Americans do think that the Vietnamese don't care what kind of government they have, but the facts show that the vast majority prefer the Thieu government to the communists.

38. Only 3 to 5 per cent of So. Vietnamese live in PRG-controlled areas, and 10 million have fled communist areas.

39. American contract personnel are instructed to work "with," not "in" Vietnamese military units. No American has authority in the Vietnamese military. The Vietnamese may still use the term "adviser" but this is force of habit and does not mean personnel are doing same job as old advisers.

40. Shipler alleges but does not show that Americans working with Vietnamese occasionally do things prohibited by Paris agreement.

41. Shipler confused about number of civilian employees and date when civilian operations supposed to be phased out. When cease fired agreed, U.S. had hoped most of the training work could be completed in a year, but this not yet possible.

42. U.S. has no military advisers in So. Vietnam giving advice in contravention of Paris agreement, contrary to Shipler's expressed opinion.

43. Contrary to Shipler statement, Vietnam does not get all the equipment and ammunition it asks for. More than 200 aircraft to which Vietnam entitled under one-for-one replacement program not supplied.

44. Shipler thought there was something sinister about the presence of an American

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[1] Both papers gave Shipler's charge but not Amb. Martin's response that the communist buildup and attacks set the course of the war, not U.S. aid.

regional Liaison Officer in the Paracel Islands when they were taken by China. He was simply unwilling to accept explanation that liaison officers frequently make inspections to report on Vietnamese efficiency and use made of U.S. military equipment and supplies.

45. Shipler erred in saying that Americans are stationed in every province.

46. True that six air force generals visited Vietnam in fall and again in recent months. Came to advise ambassador who wanted to be sure our military aid was adequate but frugal. Were helpful and ambassador hopes they will visit again after a similar interval.

47. Shipler statement that Vietnamese national police continue to receive regular advice from Americans is false and Shipler knows it is false.

48. CIA officers attached to embassy do meet with police officials in order to keep well-informed, as they do in other countries.

49. Americans in provinces who maintain contact with police may still be called by the Vietnamese term for "advisers," out of habit, but they do not perform an advisory role.

50. True that Amb. Martin ordered U.S. Aid officials in Saigon not to discuss these matters with Shipler, because it soon became apparent that he had no intention of writing a reasonably balanced story, but was intent on indicting the U.S.[2] (Reported by the Washington Post.)

51. It was not desired to "give a platform and inferred credibility to deliberate and gross distortions calculated to deceive the American Congress and the American people." (Reported by the New York Times.)

52. Contract personnel not told to refuse to talk to Shipler as he asserts.

53. Embassy cannot say how much AID and Defense Dept. have spent over many years on police and prisons programs, and figure given in Shipler article may be correct, but the legislative ban on such programs imposed last December is being scrupulously complied with, contrary to Shipler's assertion that this kind of aid is continuing.

54. American public should be told why Hanoi is so anxious to see aid to police terminated. Effective police force most effective deterrent to subversion and terror.

55. Communists making every effort to undermine support for an effective police force in So. Vietnam, including constant reiteration of charges of repression, brutality and corruption.

56. This is reflected in Shipler statement that police engage in infiltration, arrest, interrogation and torture of communists and dissidents. Police certainly engage in infiltration, arrest and interrogation, as do police the world over. Shipler presents no evidence that police torture or that they arrest "political dissidents."

57. There is no creditable proof of these allegations by Shipler nor does he refer to any possible truce violations on other side that may necessitate police action against communists.

58. Ambassador Martin denies statement Shipler attributes to him that So. Vietnam is in a crucial period and that he sees his role as unyielding support to build up and preserve non-Communist regime.

59. It is true, and no secret, that U.S. plans to replace some F-5A fighters with more maneuverable F-5Es. This is not a violation of the truce agreement, since the F-5E is a newer version of a jet no longer available.

60. Shipler quotes an International Commission of Control and Supervision as saying U.S. was not faithfully observing one-for-one rule governing replacement of weapons. This is true, but not in the way Shipler implies. U.S. has not been able to provide one-for-one replacements of all material So. Vietnam has lost defending itself against continuing communist aggression.

61. The ICCS has not been able to properly supervise truce provisions governing introduction of weapons and troops because of inability to reach agreement on the designated points of entry to be supervised or the "modalities" of control and supervision.

62. Government of So. Vietnam has designated the additional points of entry as required, but the communists have refused to do so and have tried to prevent deployment of ICCS teams.

63. For example, an ICCS helicopter taking a supervision team to the entry point of Lao Bao in communist territory was shot down in April 1973.

64. Shipler said the So. Vietnamese Gov't. was unlikely to give permission to investigate replacement of weapons, but the Gov't. has repeatedly indicated its willingness to cooperate if the other side shows cooperative attitude. Shipler is unjust in blaming frustration of point of entry teams on So. Vietnam Gov't. rather than on the communists.

65. So. Vietnam Gov't. did not object to Canadians and Indonesians involving themselves in supervision and control of military weapon shipments into its territory.

66. Shipler does not point out that ICCS has no supervision whatever of military shipments from the North, nor does he mention infiltration of combat troops from No. Vietnam since the cease fire, though he knew of this.

67. Shipler distorts words of former Amb. Elbridge Durbrow, leaving impression that Durbrow said that no American officials were trying to prevent So. Vietnam from violating cease fire agreements, when Durbrow's point was that no one could ask So. Vietnam to unilaterally observe the cease fire while the other side was completely ignoring it.

68. Shipler article not written to inform readers, but rather to give slanted impression that U.S. and So. Vietnam are grossly violating the cease fire and blocking any political accommodation with the communists. It deliberately omits mention or treats skeptically communist violations of Paris accords, all of which have been pointed out to Shipler and others at N.Y. Times repeatedly. (Reported by the New York Times.)

69. This message may be released to Congress and Press, and Embassy feels it might well be made available to Columbia School of Journalism as "case study of propaganda" under the guise of "investigative reporting" rather than a responsible journalistic effort.[3] (Reported by the New York Times.)

BUDGET CONFERENCE COMMITTEE OPENED TO PUBLIC

Mr. ROTH. Mr. President, I would like to commend the action taken yesterday by my fellow conferees in unanimously agreeing to a motion offered by the distinguished Senator from Illinois (Mr. Percy) to open to the public the conference committee's consideration of the budget reform legislation.

The budget reform legislation has been hailed by many as the single most important piece of legislation in some time. While I am not that optimistic as to its importance, I do believe that the legislation will be the first step in forcing Congress to come to grips with the budget problem.

However, I do believe that one of the most impressive accomplishments of this legislation is its opening up to the public of virtually the entire budget process.

The markup of the bill in the Government Operations Committee, which I have the privilege of sitting on, was open to the public.

The Senate on March 20 agreed to an amendment offered by the distinguished Senator from Florida (Mr. Chiles), which I cosponsored, to require that the newly-created budget committee's markup sessions be open to the public.

And, yesterday's action by the budget conferees will assure that the entire congressional effort to reform the budget process will have been opened up to public scrutiny.

We are experiencing a time when approximately three-fourths of the citizens of this country have little faith or respect for both the President and the Congress.

I am convinced that a large part of the public's distrust of the Congress stems from our policy of formulating legislation in closed, "smoke-filled" rooms.

The importance of the budget reform bill has been hailed by newspapers and television.

But, most of the media has not recognized the fact that virtually all of this legislation has not been formulated in "smoke-filled" rooms, but out in the "sunshine."

Again, I would like to commend my fellow budget conferees, Members of the Senate, as well as the House, for deciding to continue this open-door policy.

SPACE EXPLORATION

Mr. MOSS. Mr. President, as is the case with most programs of large scope and size, the space exploration program requires long-range planning and foresight. In a recent publication of the American Institute of Aeronautics and Astronautics, "Exploration of the Solar System," a story is cited that aptly depicts the need for taking the long view—especially in today's complex society. The story comes from a letter, written by Dr. Ernst Stuhlinger, to a nun working with starving people in Zambia.

Mr. President, as chairman of the Aeronautical and Space Sciences Committee, and as sponsor of Senate bill 2955, I am interested in and committed to the use of long-range planning in the space program. In our overall decisions on national priorities, we must remember to invest a little in the future while we wrestle with the problems of the present. Because of its applicability to the problems facing us in the space age, I therefore commend this story to your reading. I request unanimous consent to have the story printed in the Record.

There being no obligation, the article was ordered to be printed in the Record, as follows:

"About 400 years ago, there lived a count in a small town in Germany. He was one of the benign counts, and he gave a large part of his income to the poor in his town. This was much appreciated because poverty was abundant during medieval times and there were epidemics of the plague which ravaged the country frequently.

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[2] *The Times* did not report that the Ambassador said it was apparent that Shipler did not intend to write a reasonably balanced story.

[3] The Washington Post said only that Amb. Martin had urged State Department to "make public his latest charge of slanted reporting."

"One day, the count met a strange man. He had a workbench and a little laboratory in his house, and he labored hard during the daytime so that he could afford a few hours every evening to work in his laboratory.

"He ground small lenses from pieces of glass; he mounted the lenses in tubes, and he used these gadgets to look at very small objects. The count was particularly fascinated by the tiny creatures that could be observed with the strong magnification and which nobody had ever seen before.

"He invited the man to move with his laboratory to the castle, to become a member of the count's household and to devote henceforth all his time to the development and perfection of his optical gadgets as a special employee of the count.

"The townspeople, however, became angry when they realized that the count was wasting his money, as they thought, on a stunt without purpose. 'We are suffering from this plague,' they said, 'while he is paying that man for a useless hobby!'

"But the count remained firm. 'I give you as much as I can afford,' he said, 'but I will also support this man and his work, because I know that some day something will come out of it.'

"Indeed, something very good came out of this work, and also out of similar work done by others at other places: the microscope. It is well known that the microscope has contributed more than any other invention to the progress of medicine, and that the elimination of the plague and many other contagious diseases from most parts of the world is largely a result of studies which the microscope made possible.

"The count, by retaining some of his spending money for research and discovery, contributed far more to the relief of human suffering than he could have contributed by giving all he could possibly spare to his plague-ridden community."

THE ENERGY CRISIS

Mr. FANNIN. Mr. President, the energy crisis has produced a number of instant experts in the Congress. It seems like almost daily someone comes up with a new scheme which somehow is supposed to drive gasoline prices down, increase production, and make life more beautiful for everyone involved.

It is my belief that too many Members of Congress have been shooting from the hip—proposing new controls and new programs without any thorough understanding of what would happen if they were successful in passing their legislation.

In recent months I have had many conversations with industry officials and experts in the production of oil. Much of my inquiry has been aimed at the small, independent oilmen—the wildcatters. They are the ones who historically have located the relatively small pools of oil scattered across this continent. Unfortunately, our oil resources are not in large fields as they are in the Mideast. So we need literally an army of men who are willing to work ceaselessly and risk sizable amounts of money to hunt for oil. If we kill off these men and their small companies, we will destroy the hope we have for ever achieving some degree of energy sufficiency. Certainly we will see much higher prices for gas and all petroleum products if we discourage the independents.

Some efforts are being made at this very time to repeal one of the few constructive steps Congress has taken to resolve the energy crisis. I am talking about the incentives we provided for stripper wells. We also see proposals by which the Government would skim off the very money that the oil industry must have to expand its exploration for new oil.

Mr. President, last week I received a very informative letter from Patrick J. F. Gratton, an independent geologist in Dallas, Tex. He is editor of the Newsletter of the Society of Independent Professional Earth Scientists, and I had requested that he help in gathering information we need to determine what progress is being made to increase production.

His letter is highly informative, and it demonstrates how price incentives have been effective.

There is no doubt in my mind that price incentives have revived our domestic oil industry, but it will take a while to start forward after the regressive pattern we have had for many years.

Mr. President, I believe that each and every Member of the Senate and the House of Representatives would benefit by reading Mr. Gratton's letter. I therefore ask unanimous consent that it be printed in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

American Association of
Petroleum Geologists,
Dallas, Tex., March 26, 1974.

Subject: Petroleum Industry Activity.

Hon. Paul J. Fannin,
Senate, Washington, D.C.

Dear Mr. Fannin: In your letter of 21 Mar. 74 you commented "it is essential that we obtain more information regarding the progress being made, especially in the increased production of petroleum from new exploration and stripper wells." Although I am just one individual responsible for about 4,000 barrels production per month, I can attest to the fact that until recently I had great difficulty obtaining investor support for my exploration and production ventures. The turnabout came with increases in domestic new, released and stripper oil prices. Although these increases were late in coming and much of my production (still price controlled) sells for approximately one-third (⅓) of foreign crude, the higher prices have greatly stimulated my exploration and development activities. I am now putting every dime of the higher price into expanding my production. One case does not prove the point, however, so let us move now away from my personal situation to that of the industry in general.

Mr. Fannin, it has taken years of attrition (since 1956) to cut domestic production. This was because old wells continued to produce, waterfloods came on stream and remedial work progressed even as drilling declined. Eventually, the lower rates of drilling (from 58,160 wells in 1956 to 28,755 wells in 1972) resulted in less oil being found which in turn caused less oil to be produced.

Reversing this trend in drilling is the first step toward increasing production. Indeed we have a major job in just keeping production from declining as a "hangover" from 15 years of declining drilling activity. Thus production can not be turned around overnight. But again the first step is increased drilling.

In support of my contention that better prices have produced more drilling (which in turn will cause more oil to be produced) I offer the following attached items:

1) "Active Rig Count"—from Hughes Tool Co. and Int. Asso. of Drilling Contractors and

2) "Statistics" showing total wells drilled for oil & gas in parts of NM & TX.

Both of these items were published by Petroleum Information, an industry news source in Denver, CO.

You will note that the total U.S. drilling rig count (ie., active rigs) was 1373 for 11 Mar 74 vs. 1063 for 12 Mar 73. This is a 29% increase in one year. I believe this 1373 number is very close to the total currently available from the decimated drilling industry (which has many rigs on order—orders placed within the last several months and orders which can not be filled for ½ year or more due to limited manufacturing capacity).

The "Statistics" illustrate the growth in well completions in East, North and West-Central TX, the Texas Panhandle and the Permian Basin of W. TX and SE NM. Not only is there a significant growth in number of completions from Jan 73 to Jan 74 (432 to 624—an increase of 45% in one year) but note also the apparent jump in completions from the 3rd quarter of 73 to the 4th quarter of 73 coinciding with increased prices. This may be in part seasonal and certainly all the evidence isn't in, but I am confident we will see a high level of drilling activity throughout 1974 UNLESS the federal government acts to effectively rollback oil prices OR to regulate intrastate gas producers.

I know that it is important to bring the story of the producer and what is happening under free enterprise to the consumer and his elected representatives. It is my fervent hope that we can re-establish communication with our fellow citizens and elected officials and review the situation in a spirit of cooperation.

I am not one of those who holds for special privilege. I support changes in our laws which will most likely produce a climate encouraging production and conservation of energy.

As Editor of the Newsletter of the Society of Independent Professional Earth Scientists, I will urge our readers to respond to your basic charge. I believe we can publish something meaningful in our next issue this summer.

Sincerely,

Patrick J. F. Gratton.

ACTIVE RIG COUNT, SOUTHERN REGION (HUGHES TOOL—IADC) (THIS WEEK)

State or district	Latest data, Mar. 11, 1974	Week ago, Mar. 4, 1974	Month ago, Feb. 11, 1974	Year ago, Mar. 12, 1973
Alabama	17	16	12	13
Arkansas	20	19	18	19
Florida	8	8	9	9
Georgia	1	1	2	0
North Louisiana	28	25	23	20
South Louisiana (inland waters)	57	57	61	46
South Louisiana (land)	54	49	56	61
Offshore Louisiana	71	71	61	74
Mississippi	25	30	31	29
New Mexico (southern townships)	66	65	72	38
Offshore Texas	21	20	19	6
South Texas (1, 2, and 4)	75	75	77	--------
Texas Gulf Coast (3)	47	53	43	--------
East Texas (5 and 6)	38	37	31	--------
West-central Texas (7B)	29	26	30	--------
West Texas (7C, 8, 8A)	184	186	175	--------
North Texas (9)	30	30	27	--------
Texas Panhandle (10)	29	33	31	--------
Texas—total	453	460	433	351
Region total	800	801	778	660
Total United States	1,373	1,360	1,351	1,063

MEETINGS UPCOMING

(Listing events of current interest in the Southern Region and major industry meetings scheduled in the region and elsewhere).

March 27–28

North Texas Oil & Gas Association, annual meeting, Wichita Falls.

April 1–3

AAPG–SEPM, annual meeting, Convention Center, Hilton Palacios del Rio Hotel, San Antonio.

April 4–5

15th annual Institute for Petroleum Landman, Ramada Inn Central, Dallas.

April 11

Permain Basin Petroleum Association, annual meeting, Inn of the Golden West, Odessa.

April 26

Annual meeting of Society of Independent Professional Earth Scientists, Hyatt Regency Hotel, Houston.

May 6–8

6th annual Offshore Technology Conference, Astrohall, Houston.

WEEKLY COMPLETION SUMMARY

State or district	New field wildcats					Other exploratory wells (including new-pool, deeper-pool, shallower-pool, outpost or extension tests)					All exploratory wells	
	Oil	Gas	Dry	Total	Footage	Oil	Gas	Dry	Total	Footage	Year to date	Year ago
Northern Texas 9	0	0	6	6	26, 859	1	0	0	1	6, 000	39	33
Eastern Texas (5 and 6)	0	0	2	2	10, 941	0	1	2	3	26, 440	42	19
West coast Texas 7B	1	1	9	11	41, 010	0	0	0	0		88	50
Texas Panhandle 10	0	0	1	1	10, 979	0	0	0	0		17	14
West Texas 7C, 8, 8A	1	5	4	10	46, 983	0	1	0	1	8, 958	84	57
New Mexico (southern townships)	0	0	2	2	5, 232	0	0	0	0		30	20
Division total	2	6	24	32	142, 004	1	2	2	5	41, 398	300	193

State or district	All wells drilled for oil or gas							Strat and service—Year to date	All wells—Year to date
	Oil	Gas	Dry	Total	Footage	Year to date	Year ago		
Northern Texas 9	14	1	10	25	71, 106	159	119	19	178
Eastern Texas (5 and 6)	1	1	5	7	32, 607	74	159		74
West coast Texas 7B	7	2	15	24	71, 551	218	159	15	233
Texas Panhandle 10	4	2	3	9	61, 231	96	57	1	97
West Texas 7C, 8, 8A	41	13	7	61	345, 105	593	459	23	616
New Mexico (southern townships)	5	0	2	7	24, 706	115	100	4	119
Division total	72	19	42	133	606, 306	1, 255	1, 053	62	1, 317

TRIBUTE TO BOB ALLISON, SPORTS WRITER

Mr. FANNIN. Mr. President, it was with great sorrow that I learned of the death of one of America's finest sports writers, Bob Allison of the Phoenix Gazette.

He died last Friday, April 5, after a year-long fight against leukemia.

Bob Allison joined the Gazette in 1937, and he had been sports editor for the past quarter century. Tens of thousands of Arizonans followed his columns as our area was transformed from a State in which high school football was the biggest sports event into a center of major sports activity comparable with almost any place in this Nation.

His skill was recognized nationally in 1964 when he was named "Sportswriter of the Year" by the National Association of Sportswriters and Sportcasters.

Mr. President, I know that Bob Allison had many fans and admirers all over America. I ask unanimous consent that articles from the Gazette and The Arizona Republic paying tribute to the great newsman be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Phoenix Gazette, Apr. 6, 1974]

BOB ALLISON, GAZETTE SPORTS EDITOR, DIES

Robert B. "Bob" Allison, who joined The Phoenix Gazette in 1937 as a combination news and sports writer, and served the newspaper more than 25 years as sports editor, died yesterday at Good Samaritan Hospital.

Allison, a Mesa native, had been suffering from leukemia since last spring. He was 57.

He was perhaps best known through his column, "Along The Way," the last edition of which appeared in Tuesday's Gazette.

He was named sports editor of The Gazette in 1947, and earned a reputation for fairness and clarity of expression which made "Along The Way" one of the most respected columns in the state.

The direct cause of death was listed as a cerebral hemorrhage.

Eugene C. Pulliam, publisher of The Gazette and The Arizona Republic, said of Allison: "Bob was one of the most beloved men in the Gazette and Republic family.

"Almost any good thing that could be said about a man could be said about Bob Allison.

"He was a sweet man whose companionship always was enjoyed by his fellow employes. He knew sports as few writers did and loved to write about them. And the readers of The Gazette loved and appreciated what he wrote.

"Bob Allison was a man of great courage. He battled his fatal illness with the same great spirit he showed as a combat soldier in World War II, and a strongly competitive sports editor.

"It is a heart breaking experience to have to say good-bye to such a great friend and loyal associate."

Allison was named "Sportswriter of the Year" in 1964 by the National Association of Sportswriters and Sportscasters.

His Gazette assignments, wide-ranging and varied, included such major sports assignments as the Indianapolis 500, the U.S. Open and U.S. Amateur Gold Championships, the World Series, heavyweight championship boxing, and major baseball, basketball and football events.

Allison was graduated from Mesa High School in 1933 and attended Arizona State Teachers College (now Arizona State University) where he became editor of the college newspaper, the predecessor of the State Press.

In 1938, Allison became editor of the Flagstaff Journal. The following year, he returned to the Phoenix area, and joined The Gazette as a combination all-purpose newswriter and sportswriter under sports editor Larry Grill.

World War II interrupted his sports career. Allison joined the U.S. Army in January 1944 and served in combat with the 86th Infantry Division in Europe until the Germans surrendered. His unit was then reassigned as occupational troops in the Philippines. He was discharged honorably as a staff sergeant in 1946.

He returned to The Gazette and was named sports editor the following year.

He was also a charter member and past president of the Phoenix Press Box Association, a member of the journalism fraternity, Sigma Delta Chi; a charter member of the Phoenix Press Club, a director of Golf Writers of America, a member of the Football Writers Association and a charter member of the Arizona Golf Hall of Fame.

He resided with his family at 2341 W. Kein Drive. Survivors include his wife, Mary; a daughter, Judy Samuels; stepchildren, John Wilson and Mary Ann Emmons; a brother, Lewis, and three grandchildren.

[From the Phoenix Gazette]

(By Joe Gilmartin)

ON SECOND THOUGHT

Everybody always said Bob Allison was such a nice guy.

If I heard it once, I heard it a thousand times.

And every time, it seemed to irritate me a little bit more, until finally I almost wanted to scream.

"He's not a nice man, dammit! He's a great man. One of the greatest newspapermen I ever met."

But I never did.

Of course, I meant to tell him. In fact, as he fought the unfightable fight the last few months, I even picked out the exact day I was going to tell him what I thought. It was called tomorrow.

WHERE ELSE?

Friday evening when managing editor Alan Moyer called to tell me tomorrow has been canceled, I cried. I cried hard.

I can't ever remember a time when I've felt sorrier for myself.

Today, as I sit here in what has to be the emptiest roomfull of desks, typewriters, telephones, file cabinets, waste baskets, and junk that ever there was, I'm still feeling sorry for myself.

Where else am I going to find someone with his ability to judge news and people . . . his knowledge of writing . . . his patience with my peculiarities . . . his willingness to do the office drudgery so that I and others would be free to concentrate on the "glamor". . . .

Where else?

A SLOW STUDY

Technically, Bob was the boss, but in truth, he wasn't terribly good at bossing.

Yet, in a field where unselfishness and loyalty often are smothered by instincts of self preservation, he built the most loyal and unselfish sports staff I've ever seen.

In the 13 years I've been here, nobody ever went away mad. All this he did not by being boss, but by being Bob.

He didn't use his knowledge and expertise like a club. Rather than hit you over the head with it, he just kept it handy for whenever you needed it.

And he had the patience to wait until you got smart enough to realize you did need it.

We had perhaps four or five major disagreements in 13 years, and, in each case, he was right and I was wrong.

In each case, he gave me all the time I needed to find it out. (And in one case, it took me almost two years.)

AN EPITAPH

For a piece about Bob, this column seems to have an awful lot about me, but I'm just hoping that in sharing some of the things he meant to me, I can make you understand that he was so much more than just a nice man.

Bob left so much of himself with each member of the staff that the casual reader may not realize he's gone.

But we will.

If I could have one day of my own life back, it would be the tomorrow that Moyer's call canceled.

If I could give one piece of advice, it would be: If you have something important you've been meaning to tell somebody important, don't wait.

And if I were asked to write an epitaph for Bob Allison, it would be:

He Gave At The Office.

And gave, and gave, and gave . . .

[From the Arizona Republic, Apr. 7, 1974]

Bob Allison's Legacy

It was no secret to Bob Allison, his colleagues, friends and most of the sports community that death was near every precious day.

But to read his column, to see him at the Phoenix Gazette's sports desk dashing off headlines and bantering with his young staff, Bob Allison's terrible personal burden never showed.

Death came Friday, ending a year-long fight against leukemia.

If Bob Allison could have dictated a eulogy, he would have asked to be remembered for the personal and professional pride he instilled in young craftsmen who learned their journalistic trade from him.

When other men might have given up, Bob Allison found the strength and courage to be at his typewriter producing breezy, newsy sports columns which made him a reading favorite for over 25 years in Phoenix.

Colleagues and readers in Arizona were only part of a large legion of admirers. Sports editors around the country voted him "Sportswriter of the Year" in 1964.

Those who worked around Bob in a business made more grueling by deadlines knew him as a gentle leader who pitched in to handle his share of the drudgery of a copy desk. A spanking new private office away from the hurried pace was not where Bob Allison hung his hat. He chose to be at a typewriter near his team.

Bob Allison the man, the friend, the craftsman—will be grievously missed. But the mark of excellence he gave to a generation of sportswriters will endure in the memories and skills of journalists for years to come.

SPECIAL CONFERENCE ON THE EFFECTS OF THE ENERGY CRISIS ON TOURISM

Mr. GURNEY. Mr. President, I would like to report to the Congress concerning final arrangements for the Special Conference on the Effects of the Energy Crisis on Tourism which has been arranged in conjunction with the tourism hearings held by the Senate Commerce Committee Subcommittee on Foreign Commerce and Tourism on March 29 and April 1.

Tourism is as important to the American economy and the American people as any other industry. Because of this, as I announced at the Tourism Subcommittee hearings, this major Conference on Tourism was called to take place on May 3, 1974, in Orlando, Fla. Tourist-oriented industries throughout Florida and other interested States, as well as representatives of the executive and legislative branches of Government, will participate in the Conference.

The purpose of this special Conference is to delineate actions which can be taken by Government at the national level to diminish the critical effects of the energy crisis on the tourism industry, with special emphasis given to States such as Florida, which have highly developed tourist industries.

The Conference will be composed of seven tourist-related industry groups which will be charged with the responsibility of developing specific recommendations and suggestions to be delivered to Federal and State officials for subsequent implementation.

The urgent need for this Conference can be readily underscored by taking a brief look at the tourism industry:

In 1972 the tourism industry contributed approximately $61 billion to the U.S. economy and provided direct employment to approximately 1.6 million Americans.

In Florida, tourism is one of the largest single industries, accounting for 15 percent of the State's total gross State product—GSP—in 1973. The energy crisis has hit this industry harder than any other. The tourism decline directly attributable to the energy crisis was 15 percent for Florida during the month of March alone.

The lifting of the Middle East oil embargo does not represent a solution to this crisis. We should indeed take advantage of the qualified relief due to the lifting of the embargo to plan now for future emergencies.

Anyone desiring to participate in the Special Conference on the Effects of the Energy Crisis on Tourism should contact my office, 5107 Dirksen Senate Office Building, Washington, D.C. 20510.

Without objection, I ask that the program for the Conference be printed in the Record following this statement.

There being no objection, the program was ordered to be printed in the Record, as follows:

Program: Special Conference on the Effects of the Energy Crisis on Tourism

(Friday, May 3, 1974—Gold Key Inn, Orlando, Fla.)

9:30 a.m. Coffee, Foyer of Inn.

10:15 a.m. Welcome, U.S. Senator Ed Gurney, Main Conference Room.

10:25 a.m. Welcome, Federal Energy Office Deputy Administrator John Sawhill.

10:30 a.m. Group Discussions: Hotels and Motel; Restaurant; Attractions; Camping; Chambers of Commerce. Transportation: Carriers and Agents; Retail and Wholesale Sales.

12:00 noon. Luncheon Break.

1:30 p.m. Discussion Group Work Sessions (Finalization of Recommendations).

3:00 p.m. Oral Presentations of Group Chairmen to Senator Gurney and Deputy Administrator Sawhill.

4:00 p.m. Remarks, FEO Deputy Administrator John Sawhill.

4:30 p.m. Remarks, United States Senator Ed Gurney.

5:00 p.m. End of Conference.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER (Mr. Abourezk). The period for the transaction of routine morning business is now concluded.

FEDERAL ELECTION CAMPAIGN ACT AMENDMENTS OF 1974

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of the unfinished business, S. 3044, which the clerk wll state.

The legislative clerk read as follows:

> S. 3044, to amend the Federal Election Campaign Act of 1971 to provide for public financing of primary and general election campaigns for Federal elective office, and to amend certain other provisions of law relating to the financing and conduct of such campaigns.

The Senate resumed the consideration of the bill.

The PRESIDING OFFICER. The pending question is on agreeing to the amendment of the Senator from Kansas (Mr. Dole) No. 1127 which the clerk will state.

The legislative clerk read as follows:

> Amendment No. 1127, proposed by the Senator from Kansas (Mr. Dole), in the nature of a substitute.

The PRESIDING OFFICER. Time on this amendment is limited to 30 minutes, to be equally divided and controlled by the Senator from Kansas (Mr. Dole) and the Senator from Nevada (Mr. CANNON), with the Senator from New Hampshire (Mr. COTTON) being guaranteed 5 minutes of that time.

Who yields time?

Mr. DOLE. Mr. President, I yield such time as I may require.

As I indicated yesterday afternoon, we have gone full circle with public financing. At the outset, the promotors and the sponsors of public financing were, in effect, suggesting that we had to go to public financing to purify the poltical process, that those of us in politics must accept public funds in order to purify the political process, that for some reason, private contributions—even though they would require disclosure, even though we might set a spending ceiling, even though we would have strict reporting requirements—would lead to the suspicion that those who accepted private contributions, from whatever sources, were suspect, perhaps corruptible, or corrupt.

However, in the course of debate, we have seen a transformation. We now are asked to vote on the measure, unless there is significant change, to provide a mix—that is, some public financing and some private financing.

As I stated yesterday, it does appear that the original intent of the sponsors has been forgotten. We now hear speeches and statements from the sponsors of public financing suggesting that perhaps partly private and partly public money is all right, for some reason.

Mr. President, if, in fact, there is this great concern about the need for purifying the political process for those of us in politics, those who contribute, those who work in campaigns, or those who make contributions in kind, then in my opinion it should be one way or the other. There should be either total public financing, or there should be total private financing with adequate safeguards to make certain—as certain as we can—that there will not be these abuses which have been referred to over and over and over again, based on Watergate and based on elections before 1972.

My substitute campaign reform proposal would omit public financing, but it does provide reform. It does provide, in essence, what the Senate provided last year in passing S. 372 which is still awaiting action on the House side.

In addition, it has new provisions. It has an annual limitation on contributions of $3,000 for individuals and organizations. It has a limit on cash contributions of $50.

It addresses itself to the problem of so-called campaign "dirty tricks." There is a prohibition and penalty for violating the provisions of that section. It does, as the other bills do, provide for certain changes in the Federal Election Campaign Act of 1971 with reference to reporting, disclosure, and registration of candidates and committees. It establishes a nonpartisan Federal Election Commission and provides assistance to the States to promote compliance with the work of that Commission.

It deals with disclosure of financial interests—disclosure by Federal employees, and it covers the President, the Vice President, Members of Congress, candidates for Federal office, and anyone in GS-16 or above, or anyone paid over $25,000 a year.

It provides additional incentives for small contributors by doubling the tax credit for contributions to $25 and the deduction to $100; and of course that would be doubled to $50 and $200 for a joint return. It deals with gift tax treatment of political contributions. It deals with the length of Presidential and congressional campaigns by requiring that Presidential primaries should not be held before May 1 and that congressional primaries not take place before the first Tuesday in August. In essence it provides the reform we have been discussing since last year.

It seems to the Senator from Kansas that since we have created the Watergate Committee and the taxpayers have poured out millions and millions of dollars in expenditures for the Watergate Committee that we are acting prematurely in the case of the bill before us. The hearings started on May 12, 1972, as I recall; and we were told at that time by the distinguished Senator from North Carolina (Mr. ERVIN) and the distinguished Senator from Tennessee (Mr. BAKER) that after the hearings were conducted, certain legislative recommendations would be made, if necessary to clean up the political process. That report is not due to be filed until late May of this year. There have been no recommendations at all from the Watergate Committee.

Now, there appears to be some rush toward a judgment in the Senate of the United States. We all voted to create this committee, to look into political excesses and abuses and to recommend what we might do to correct those excesses and abuses. Now we find ourselves, perhaps based on the emotion of the moment, trying to pass legislation which permits the Members of Congress to dip into the Federal Treasury for the total cost or partial cost of their campaigns.

It is my belief that the American people have yet to fully understand the implications of "public financing." I suggest that this is just a foot in the door. I suggest that the last-minute efforts yesterday by sponsors of total public financing to water it down, to reduce the size of public financing, really demonstrated their lack of commitment to public financing—or perhaps their awareness that the American people are beginning to understand the impact of public financing because of publicity it may have received during the past 2 or 3 weeks. It occurs to the junior Senator from Kansas that the American people are concerned about a great many things and the financial concerns of politicians are not high on their list. We addressed ourselves for about 7 days this year to whether or not we should have a pay raise. Now we are in the third week of addressing ourselves—and taking almost every minute of every day—to whether or not the Senator from Kansas and others should have their campaigns paid for out of the Public Treasury. I do not believe this is of any great interest to the American people. They want to purify the political process; but in doing that, I do not believe they ever expected the Federal Government to give every candidate for public office, for the House of Representatives or for the Senate, a blank check on the Federal Treasury.

Mr. President, a historian of America's legislative process might have foreseen a fairly sizable reaction to the spectacular political revelations of the past year or so. After all, the Sherman Act, the National Labor Relations Act, the Social Security Act, and a number of other important laws were sparked by major events or trends in our Nation's 200 years of development.

But I question whether anyone could have predicted the direction that has been taken by many in Congress and numerous other observers in reaction to the bizarre and disturbing scandals which have recently swept Washington.

WATERGATE COMMITTEE CREATED

As the Senate will remember, its first response—and I believe an appropriate one—to the initial revelations of Watergate was the passage of Senate Resolution 60 establishing the Select Committee on Presidential Campaign Activities. This committee was clearly and specifically charged "to conduct an investigation" and "to determine whether in its judgment any occurrences which may be revealed by the investigation and study indicate the necessity or desirability of the enactment of new congressional legislation to safeguard the electoral process."

As every Senator knows, this committee has devoted hundreds, perhaps thousands, of hours and several million dollars to fulfilling its mandate, and as every Senator should know, the leadership of the select committee has been mindful of this legislative aspect of its responsibilities from the outset.

The opening statements of Senators ERVIN and BAKER on the committee's first day of hearings on May 17, 1973, are explicit in this regard.

> Senator ERVIN. Of necessity the committee's report will reflect the considered judgment of the committee on whatever new legislation is needed to help safeguard the electoral process . . .
>
> Senator BAKER. This committee was created by the Senate to . . . find as many of the facts, the circumstances and the relationships as we could, to assemble those facts into a coherent and intelligible presentation and to make recommendations to the Congress for any changes in statute law or the basic charter document of the United States that may seem indicated.

When Senate Resolution 60 was considered, there were many strong and ringing statements in the Senate to the effect that a deliberate, thorough and unemotional investigation of Watergate was the appropriate and proper response for Congress to make in the face of the apparent abuses and illegalities which had been revealed to that point. The resolution was passed, the committee was created, and substantial sums have been provided for its work.

Of course, the date for submission of the committee's report has been extended beyond the original February 28, 1974, date. But the reason for this extension is the massive job of the committee, not procrastination or unreasonable delay on its part. And the Senator from Kansas has heard no suggestion that delay in submission of this report would in any way detract from the value of its legislative recommendations.

ACTION WITHOUT EXPERTS' RECOMMENDATIONS

So why should the Senate—after chartering a new committee and expending millions of the taxpayers' dollars to make its legislative recommendations as thorough and complete as possible—now pass a bill to deal with these matters before the select committee even has an opportunity to file its report? This is clearly illogical, it makes no sense as a matter of sound legislative procedure, and increases the danger that we will take mistaken or ineffective action.

If we are going to pass legislation without the benefit of our committees' recommendations, why bother having committees at all? Why not just save a lot of money and have the Senate sit as a Committee of the Whole and hold hearings and mark up bills and perform all the other jobs of our committee system?

URGE TO "DO SOMETHING"

Of course, the immediate American reaction to any spectacular development is to "do something." Whether that development is Sputnik, a missile gap, an energy crisis or whatever, the American people and especially Congress seem to consider immediate action the necessary and essential response.

That such action is not always required is a secondary consideration. And this point was clearly illustrated by the fact that the energy crisis came and went without any help from Congress a month or two back.

But that is another whole story that we do not want to become tied down to today. I cite it, though, as evidence that pure "action" is not always necessary to solve a crisis.

Sometimes, however, events do point to clear requirements for consented efforts. The abuses engaged in by monopolies cried out for the responses of the Sherman Act. Violence, disruption, and death in disputes between labor and industry were unavoidable signals for enactment of the NRLA. There are countless examples of this uniquely American propensity and capability for responding to situations with sound, sensible, and highly beneficial legislation being placed on the statute books. And these political scandals may eventually prove to be such a case.

WHERE ARE WE GOING AFTER WATERGATE?

But a look at the current trend of events in the Senate today gives rise to a real concern as to whether we will see such a result in the wake of what has become known by the shorthand term "Watergate."

If this mass of unfortunate and deplorable happenings is held up against the "action" that is being generated in response to it, the American people must begin to wonder what is going on.

Of course, "Watergate" has come to mean many things to many people. But looking beyond the emotions, rhetoric, and other trappings that have been hung on it, it boils down to basic elements that can be described primarily in terms of the substantive criminal law. This is what the indictments, trials, and grand jury proceedings are all about. And as far as I can tell, the prosecutors have had no trouble in matching title 18's provisions to the conduct that has come under their scrutiny.

MILLIONS IN TAXES FOR BUMPER STICKERS

But what has been done? Without waiting for the recommendations of its own expert committee and in the face of criminal conduct which had no real relation to campaign finances, an apparent majority in the Senate is proposing to spend millions upon millions of the American people's tax dollars on campaign bumper stickers, buttons, television spots, newspaper ads, and billboards.

These expenditures of tax dollars would be made on behalf of candidates who seek 435 seats in Congress, 100 seats in the Senate and the offices of President and Vice President.

Multiply that by two or more parties in every race, primaries, runoffs and general elections, and you are talking about a lot of bumper stickers. And it mounts up to a sizable sum of those tax dollars that are so important to every citizen as April 15 approaches each year.

For example, in Kansas alone a Senate race with Democratic and Republican primaries could have a taxpayers' pricetag of more than $1 million. And adding the cost of five congressional races, you quickly reach a cost of more than $2 million for a non-Presidential election year.

PUBLIC FINANCING IS NOT REFORM

The pending legislation is the so-called public financing bill.

A better name might be the Politicians Subsidy Act. It has been the subject of long and heated debate both in and out of the Senate, on and off of the "Today" show. And the end is not yet in sight, since a motion to close debate failed on Thursday.

I supported enactment of the landmark 1971 Federal Election Campaign Act and the amendments to it which passed the Senate last year, so I feel that I speak as one who is committed to campaign reform. But I cannot give my support to a proposal merely because some would label it as "reform." And this is my position on public financing.

Basically, my objections fall into two general areas: Concerns as to public policy and the requirements of the Constitution.

In the area of public policy, I am forced to the conclusion that public financing is unnecessary, ineffective, and fundamentally dangerous.

UNNECESSARY STEPS

Public financing is unnecessary because, regardless of all the crocodile tears on Capitol Hill, there is money to support the political system—cleanly, honestly and sufficiently—without milking the Federal Treasury. The campaigns of BARRY GOLDWATER in 1968 and GEORGE MCGOVERN in 1972 are the best evidence available that small contributors can be tapped—even against hopeless odds—to support major campaigns.

As far as I know we still subscribe to the free enterprise system in this country. And a basic element of this system is the old saying that if you build a better mousetrap the world will beat a path to your door. I do not recall anything in the free enterprise ethic that mentions Government beating a path to your door with handouts merely if you want to build a better mousetrap. So why should there be any difference between mousetrap makers, shoe salesmen, lawyers—or politicians?

With a few notable exceptions, we have gotten along pretty well with this philosophy in America. Newcomers have entered their chosen fields and found success or failure on the strength or weakness of what they had to offer. I see no reason for changing now. So far, no one has made even a convincing case to me that giving away Federal tax dollars to help politicians buy bumper stickers will accomplish anything for the general good.

It might make it easier for lazy people to get into politics. After all, if you did not have to seek out financial support, it would make campaigning a lot less strenuous. And it would save a lot of political stomachs from fundraiser overdoses of cold roast chicken and creamed peas.

But politics does not need lazy people. It needs men and women who will go to the public, sell their ideas and programs and who will work to attract public support of all kinds for their campaigns. And politics needs commitment and participation by the people—with their time, with their efforts and with their finances given to the candidates who earn their support.

There is much that can be done to encourage more people to give to the candidates and parties of their choice. Tax deductions and credits for small contributions are particularly appropriate and a sensible means of accomplishing this most desirable goal.

INEFFECTIVE REMEDY

Public financing is also objectionable, because it is an ineffective remedy for the ills of Watergate. In fact every public financing feature that is before the Senate today could have been in force for 5 years, and still the Democrats' headquarters would have been bugged, Ellsburg's psychiatrist's office would have been burglarized, coverups would have been attempted, lies would have been told—and GERALD FORD would still be Vice President of the United States.

Public financing is simply not a solution for human stupidity, individual criminality, or personal greed. Perhaps some might have felt better about the Watergate mess if the hundred dollar bills that were floating around had come from the U.S. Treasury instead of a Mexican bank. But I do not see how it would have made much difference to the overall outcome of the affair or to the criminal charges in question.

Other proposals have been made with regard to specific criminal code changes, and I support many of them and believe they are responsive to some of the problems which do exist in politics.

DANGEROUS IMPLICATIONS

A third point of objection I have to the policy of public financing is the danger it poses to the political system.

Admittedly, there are inequities in the present state of affairs. Incumbents may have excessive advantages—both official and unofficial. Wealthy individuals and their families may be able to unfairly outspend an opponent in a campaign. Big business, labor and any number of special interest groups may be able to pump too much cash into the campaigns of their friends, and television, news magazines, and syndicated columnists may have too much influence over the information conveyed about candidates and their activities.

But is an artificial one-candidate, one-dollar formula of equality among candidates really an improvement over what we have today? I do not believe so.

When everybody gets the same amount of money, when everybody can only spend the same—what stresses will be put on the system as people jockey for new advantages?

Will it mean that the wealthy individual will quit his job 2 or 3 years ahead of the election, so an elaborate "nonpolitical" publicity campaign can gain the exposure required for a successful race? If so, where does this leave an equally or better qualified man, say a young lawyer with a wife and family to support, who also might want to throw his hat in the ring? How could he hope to compete against such an opponent on an equal-dollar basis after a headstart like that?

As financial equality was imposed would we see more newscasters, astronauts, football players, and TV stars suddenly cashing in on their fame to become politicians?

And what about incumbents under such a system? How are you possibly going to give some unknown first-time candidate equality with an incumbent Senator or Congressman—or an incumbent President. I suppose you could lock every Member of the Senate and House in his office from June to November every election year, but then what would prevent NBC from broadcasting the sounds they made trying to get out?

I do not mean to be facetious, but this whole concept of forced equality in the political arena is a source of grave concern to me.

FORCED POLITICAL ACTIVITY

Looking at the constitutional side, is public financing not a form of forced political activity which treads upon the first amendment's rights?

It is one thing to require a person to pay—through his taxes—for anything, the paraphernalia and frivolities of politics, which many men and women believe are wasteful and stupid.

But what of using a Catholic's tax dollars to support a candidate who calls for unlimited abortion? What of taking a black man's taxes to support an advocate of racial persecution? How many wheat farmers want their taxes spent to elect a proponent of export quotas? How many parents would like to see their tax dollars put a probusing candidate in the Senate?

I do not believe these questions can be ignored as public financing is viewed in a constitutional perspective.

Of course, the entire area of campaign reform treads on some very thin ice in regard to the Bill of Rights. Contribution limits, spending restrictions, even disclosure requirements, call in to play some basic principles of our Constitution which should be examined closely. But foremost among all of these concerns I would rank public financing, for how can the Government force a person to support the advocacy of views in the political arena which may be contrary to his economic and social interests or totally abhorrent to his most basic religious, ethical, or personal beliefs?

REFORM SHOULD BE PRESSED

Let me say, however, that, as I have indicated, there are areas of campaign reform that should be pressed.

Tax incentives for small contributors is one point. Stiffer criminal sanctions for voting fraud and so-called dirty tricks is another.

Overall, though, I believe the basic premises of the 1971 Campaign Act are still valid and should be maintained. Full and detailed financial disclosure is the cornerstone of this approach. And coupled with effective contribution limits—which you will recall we have not really had yet—and with incentives for shorter and less costly campaigns, I believe the American people can be provided with a much stronger and better political system. And this can be accomplished without adding millions of dollars to the taxload of the American people or tampering with our basic rights as free citizens.

In this regard, I invite the Senate's attention to a recent Reader's Digest article by one of our most distinguished and respected former colleagues, Senator John Williams of Delaware. In a few brief pages Senator Williams, in the manner which characterized his great service to the Senate, sets forth the basic requirements for constructive and effective campaign reform.

I ask unanimous consent that the text of his article be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

AFTER WATERGATE A PLAN TO CONTROL CAMPAIGN BANKROLLING

(By John J. Williams)

It will probably be a long time before we can fully assess the impact of Watergate and related scandals on American life. Indeed, at this point we cannot foresee what more may yet emerge from continuing investigations. But from the squalid evidence already visible, it is clear that political corruption in this country is not just a moral problem. It is one that imperils the very survival of our democracy.

There is, of course, no magic solution to the problem of corruption, and we should be wary of any political nostrum that purports to offer one. But the recent scandals do illuminate one area where reforms are both essential and possible. For the reprehensible, clandestine political acts connected with Watergate were financed and made possible by an excess of campaign donations, many of them secretly and illicitly obtained. Equally important, the flow of massive contributions into both parties has created the impression among millions of Americans that the government of the United States can be bought.

To restore public confidence in the integrity of government, we need to end the dependency of our candidates on special-interest contributions. This we can do to a significant extent by reducing the costs and changing the methods of campaign financing. I believe there are a number of reasonable steps that can be taken toward this goal.

1. *Shorten the campaign.* Political campaigns cost so much, in part, because they last so long. The custom of prolonged campaigning originated at a time when much of the country was sparsely populated and a candidate had to travel by train or even on horseback for many months to communicate with the electorate. This tradition has been made obsolete by the jet airplane, television and other mass media. Yet our campaigns still drag on needlessly, consuming vast amounts of money and providing endless repetition.

I recall that after President Eisenhower once spoke in my state of Delaware, I complimented him on his speech. "Well, Senator," he replied, "the first time I made that speech. I thought it was pretty good. The next ten times I made it, I thought it was okay. Now I've made it so many times I think it's terrible."

I doubt that there is a politician alive who has not felt that way or who could not tell the people all he knows and thinks in two or three months. Thus, I believe that Congress should fix a uniform, nationwide date for the primaries and nominating conventions affecting all federal offices. By commencing the primary campaigns in early August, and the general-election campaigns in early October, we would at once sharply lower the cost of politics. At the same time, we would improve the quality of political discourse and heighten public interest in it.

2. *Grant free television time and mailing rights.* Candidates in the seven Congressional districts in and around Detroit usually pay about $2000 for one minute of prime network television time. With costs in other metropolitan areas—New York, Los Angeles, Chicago, Philadelphia—even higher, it is not surprising that candidates for federal posts had to spend $32 million for TV and $28 million for radio in 1972.

In urging free time for legitimate candidates, it is important to recognize that television and radio stations exist and make handsome profits because they have been given public property—namely, transmission channels, of which there are a limited number. So it seems to me only fair that the stations partially repay the public at election time by providing bona-fide candidates with the means of free communication of their political views. At the same time, the present law, which requires stations to give equal time to anyone claiming to be a candidate, whether he has any serious credentials or not, should be repealed.

Congress should then promulgate criteria by which state-election officials can certify bona-fide candidates for national office. It should also stipulate how much time stations must allot to them. This free access to broadcast media would greatly diminish what is often the largest item in a campaign budget.

The dependency of candidates on outside contributions could be further lessened by allowing them to mail one or two political statements to all voters free of charge. Presently prevailing printing and mailing costs make such mailings prohibitive. A

Senate candidate running in California would most likely need to spend at least $1.1 million to reach every registered voter in the state. In Ohio, the total would be more than $500,000; in New Jersey, $400,000; in Georgia, $250,000.

Incumbent Congressmen and Senators are already permitted to make mass mailings of "non-political" material that promotes their re-election efforts. By giving challengers limited mailing privileges, we would level the political scales now tipped in favor of those in office. In Great Britain, the practice of awarding candidates mailing privileges—and free television time—has proved both workable and effective.

3. *Get Big Business and Big Labor out of political bankrolling.* The law has long recognized, in theory at least, that it is wrong to allow corporations and unions to try to buy votes through political donations. As far back as 1907, Congress prohibited business contributions and unsecured loans by banks for political purposes, a ban that was reaffirmed by laws enacted in 1925 and 1971. Congress applied the same prohibition to unions in 1943 and 1947. But corporations and unions—as well as both major political parties—have flouted the intent of these prohibitions with virtual impunity.

As of last December, for example, at least eight executives had publicly admitted that their corporations made illegal contributions to the 1972 Nixon campaign. But Democrats as well as Republicans have shared in such political largess. Dairy lobbyists who gave $100,000 to the Republicans in 1969 also passed out hefty contributions to prominent Democrats in a position to influence Congressional legislation affecting dairy interests.

As for the unions, many, by a variety of measures, extract "voluntary contributions" from their members. These fixed "contributions," regularly deducted from each member's paycheck along with his dues, go into political funds controlled by union bosses. In the 1968 and 1972 elections, millions of rank-and-filers disagreed with the political candidates subsidized by their dollars. But they had no voice in the matter. Unions further aid favored candidates by financing "political education" and "voter registration" drives. Although nonpartisan in name, such campaigns are actually ultra-partisan because they are conducted only in those areas and among those voters known to favor the union leaders' candidates. Author Theodore H. White notes that in 1968 unions registered 4.6 million voters, distributed 115 million political leaflets, supplied 72,225 house-to-house canvassers, and on Election Day deployed 94,500 volunteers for political purposes.

To be sure, political activity—including genuinely voluntary contributions—should be encouraged among all citizens. But Congress should enact stringent new laws which effectively bar corporate and union contributions in any form.

4. *Make small contributors the backbone of political financing.* While reducing the costs of campaigns, we should endeavor to spread the legitimate costs that do remain among as many citizens as possible. Technically, present law makes it illegal for anyone to give a candidate more than $5000. However, a donor may contribute to unlimited numbers of local committees established solely to funnel money to a candidate. Thus, big contributors continue to supply a disproportionate share of campaign funds.

Recognizing that candidates should not become beholden to a comparatively few large donors, Congress is currently considering a proposal to have the federal government finance campaigns for national office. Worthy as the *aims* of this proposal are, I think such a plan is both undesirable and impractical. For one thing, federal financing would make political parties unresponsive to the people. Guaranteed millions of dollars from the public treasury, a party could pursue extremist or outworn aims year after year simply because it would not have to go to the people for financial support. In areas that are predominantly Democratic or Republican, candidates of the less-favored party would receive tax funds vastly disproportionate to their popular support.

The federal-financing proposal also seeks to impose a ceiling on overall campaign expenditures by limiting the amount a candidate may spend and by restricting individual donations to $100. In reality, this subsidy scheme could easily lead to even costlier campaigns, with the federal treasury simply adding on another layer of money. While candidates themselves could not exceed specified limits, nothing would prevent so-called "public interest" organizations from using their own money to promote politicians of their choice. Nor could a wealthy office-seeker be kept from promoting himself before he officially became a candidate.

As an alternative to straight federal financing, I think we should adopt an idea first advocated by President Kennedy. Its objective is to stimulate myriad small contributions, which would leave candidates unobligated to a few big donors. Such stimulus could be provided by allowing taxpayers a 50-percent tax credit on donations up to, say, $300. Thus, if a man earning $10,000 and a man earning $100,000 a year each contributed $300, the two of them would be treated equally—each would receive a tax rebate of $150.

Simultaneously, to discourage large contributions, Congress should bar a candidate from receiving money through more than one committee and prohibit anyone from giving a candidate more than $3000—with stiff tax penalties and jail terms for those caught cheating. Candidacies founded upon the spontaneous, truly voluntary support of many small contributors would be the most likely to produce the best political representation for all the people.

5. *Enforce the campaign-funding laws.* If properly enforced, existing statutes are, by and large, adequate to deal with the individual instances of dishonesty that will always be with us. Thus, no new laws were necessary during the past two years to successfully prosecute former Vice President Spiro T. Agnew; Sen. Daniel Brewster of Maryland; Representatives Cornelius Gallagher of New Jersey and John Dowdy of Texas; and former Illinois Governor Otto Kerner. However, too often existing laws *have not been enforced.*

To provide for enforcement of the reforms that inevitably will be enacted, Congress should establish a federal-election commission composed equally of Democrats and Republicans. The assurance that future scandals will not be covered up, no matter who is involved, will of itself help revive public confidence.

Watergate has damaged the country, and it would be foolish to pretend otherwise. And beyond Watergate we see flaws, inadequacies and multiplying problems in many sectors of our society. But, for all its defects, our democracy is still worth preserving and improving. Thus, it is vital that the Congress begin now to cleanse our politics and thereby to revitalize our faith in the democratic process. If the men presently in Congress do not act convincingly and effectively in the coming months, then at the polls next November all of us can exercise the old-fashioned American recourse of replacing them with men who will.

DOLE SUBSTITUTE PROPOSAL

Mr. DOLE. The substitute campaign reform measure which I have authored and which has been cosponsored by the Senator from Colorado (Mr. DOMINICK) embodies my views on the proper direction for the work started in 1971 to be continued. And in most respects it accords with Senator Williams' recommendations.

It would in part:

Allow broadcast of debates between major party candidates for all Federal offices;

Place a $3,000 annual limit on all individual and organization contributions;

Restrict the amounts a wealthy candidate or his family could spend on a campaign;

Forbid cash contributions above $50;

Establish a Federal Election Commission to supervise all congressional and Presidential campaigns;

Require full disclosure of every candidate's, officeholder's, and high Federal official's finances;

Expand tax credits and deductions for small contributions;

Shorten the campaigns for Congress and the Presidency;

Limit the use of the congressional franking privilege; and

Establish strict penalties for voting fraud and campaign "dirty tricks."

This gives a broad outline of the features of amendment No. 1127; but for a more detailed picture, I ask unanimous consent that its table of contents be printed in the RECORD at this point.

There being no objection, the table of contents was ordered to be printed in the RECORD, as follows:

TITLE I—CHANGES IN COMMUNICATIONS ACT OF 1934

Sec. 101. Campaign communications.

TITLE II—CRIMES RELATING TO ELECTIONS AND POLITICAL ACTIVITIES

Sec. 201. Changes in definitions.
Sec. 202. Expenditure of personal and family funds for Federal campaigns.
Sec. 203. Contributions to committees.
Sec. 204. Prohibition of contributions and expenditures by foreign individuals.
Sec. 205. Limitations on political contributions; embezzlement or conversion of campaign funds; prohibited acts.

TITLE III—CHANGES IN FEDERAL ELECTION CAMPAIGN ACT OF 1971

Sec. 301. Changes in definitions for reporting and disclosure.
Sec. 302. Registration of candidates and political committees.
Sec. 303. Changes in reporting requirements.
Sec. 304. Campaign advertisements.
Sec. 305. Waiver of reporting requirements.
Sec. 306. Contributions in the name of another.
Sec. 307. Role of political party organization in Presidential campaigns; use of excess campaign funds; penalties.
Sec. 308. Applicable State laws.

TITLE IV—FEDERAL ELECTION COMMISSION

Sec. 401. Establishment of Federal Election Commission; central campaign committees; campaign depositories; authorization of appropriations.
Sec. 402. Indexing and publication of reports.
Sec. 403. Judicial review.
Sec. 404. Financial assistance to States to promote compliance.
Sec. 405. Authorization of appropriations.

TITLE V—DISCLOSURE OF FINANCIAL INTERESTS

Sec. 501. Federal employee financial disclosure requirements.

TITLE VI—RELATED INTERNAL REVENUE CODE AMENDMENTS

Sec. 601. Increase in political contributions credit and deduction.

Sec. 602. Repeal of existing provisions relating to Presidential campaign financing.

Sec. 603. Gift tax treatment of political contributions.

TITLE VII—MISCELLANEOUS PROVISIONS

Sec. 701. Presidential preference primary elections.

Sec. 702. Congressional primaries.

Sec. 703. Suspension of frank for mass mailings immediately before elections.

Sec. 704. Prohibition of franked solicitations.

Mr. DOLE. Mr. President, I believe my amendment embodies a responsible and constructive approach to the job of campaign reform. Personally, I would prefer that the Senate consider the Watergate Committee's report before acting in this area at all. However, if we must have action at this time, I feel we should build upon the basis of full disclosure and campaign costs limitations that was established in the 1971 act.

My amendment is consistent with that act. It responds to the abuses and problems which were disclosed in the 1972 campaign and it avoids the pitfalls, uncertainties and dangers of such a radical experiment as tax-supported political campaigns.

I am not putting it forward as a complete answer or the only possible answer to the problems we are facing. The comments, criticisms, and suggestions for improvement from any Senator would be welcome. There may be oversights in its provisions and other Senators may feel it goes too far in some areas. But I believe my proposal would provide a basis for discussion and hopefully for agreement on the proper approach to be taken. It is offered in that spirit, and I would urge its favorable consideration by my colleagues.

Mr. President, my proposal, the substitute, contains the repeal of the existing tax return checkoff with respect to presidential campaigns. However, during the debate and discussion, it occurred to the Senator from Kansas that there is widespread acceptance for this idea of providing voluntary, national support for a truly national office. Therefore, I ask unanimous consent that my amendment No. 1127 be modified by striking section 602, or 502 as it was erroneously printed, on page 60, and renumbering the present section 603 as 602.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. This does retain the voluntary checkoff system, and I believe it is appropriate.

The PRESIDING OFFICER. Will the Senator send the modification to the desk?

Mr. DOLE. Yes.

The modification is as follows:

Strike section 602 on page 60 and renumber the present section 603 as "602."

Mr. DOLE. This substitute eliminates public financing and is campaign reform. We have a clear choice, when the vote comes on this substitute, as to which way we wish to proceed.

Mr. President, I reserve the remainder of my time.

I ask unanimous consent that the name of the distinguished Senator from Colorado (Mr. DOMINICK) be added as a cosponsor of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. COTTON. Mr. President, will the Senator yield?

Mr. DOLE. The Senator from New Hampshire is allotted 5 minutes.

Mr. COTTON. Mr. President, I should like to ask the Senator from Kansas to add my name as a cosponsor of the amendment.

Mr. DOLE. Mr. President, I ask unanimous consent that the name of the Senator from New Hampshire be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. COTTON. Mr. President, I will try to crowd into 5 minutes a few comments on this bill. I felt it appropriate to do so when the substitute measure of the Senator from Kansas was before the Senate.

During the time I served in the State legislature of my State, we worked long and hard to devise a corrupt practices act that would be as effective and as airtight as we could bring about in the matter of keeping campaigns clean and above board and in protecting the rights of those who are not heavily endowed with this world's goods to have an opportunity to run for office. During those years, I learned some practical lessons I have never forgotten.

There is no question whatever that we want to do anything that is practical and reasonable and effective and in our power to satisfy the people of this country and to keep our elective process as clean as possible. But the matter of public financing of political campaigns, in the opinion of this Senator, who has completed 50 years of service—in the State legislature and various State offices, including 28 years of service in Congress—is a very impractical and ineffective approach; and it is a wasteful and dangerous approach. Despite the very obvious sincerity of others—and I respect the opinions of every Senator on this matter—I am steadfastly against it.

I commend the Rules Committee, under the leadership of the distinguished Senator from Nevada and the distinguished Senator from Kentucky and others, for a job well done, considering what they had to work with and what many Members of the Senate seem to be demanding. They have come up with as reasonable a bill as possible. However, in the last analysis, the only way to effectively purify and keep elections clean is exposure. It cannot be done effectively any other way, in the opinion of this Senator.

We are hearing on every side—and we are justly hearing on every side—about opening up so that the people may know. Everybody wants to televise the proceedings on the floor of the Senate and in the various committees, and they want the people to know.

The way to achieve pure elections is to have the people know. That is provided in this substitute and I shall support the substitute.

The PRESIDING OFFICER. The Senator's 5 minutes have expired.

Mr. COTTON. The 5 minutes I had went by quickly. May I have a little more time?

Mr. DOLE. I have a minute and a half. The Senator may have 1 minute of it.

The PRESIDING OFFICER. Under the rules, once cloture has been voted a Senator cannot yield his time to some other Senator.

Mr. COTTON. I have an hour of my own. I ask that it be taken out of that time. I do not want to crowd anyone else in the debate.

Mr. President, I ask unanimous consent that I may be allowed to use 5 minutes out of my hour, beyond the time that was ordered by unanimous consent.

The PRESIDING OFFICER. Is there objection?

Mr. CANNON. Mr. President, I would permit that 5 minutes to be charged against my time on this particular amendment.

The PRESIDING OFFICER. The ruling of the Chair is, if there is no objection to the use of 5 minutes of the Senator's own hour on this amendment, that will be ordered. However, it cannot be charged against any other Senator's time, except by unanimous consent.

Mr. CANNON. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CANNON. What I am trying to do is this. We have a time limitation. I have so much time under the time limitation and the Senator from Kansas has the other half of the time. I do not care if the time is charged to me or not, but I do have control of one-half of the time in opposition to the amendment and I desire to let the Senator have 5 minutes out of that time.

The PRESIDING OFFICER. The Chair would advise the Senator that the parliamentary situation is that although the Senator from Nevada has charge of 12.5 minutes on this amendment, that comes out of the Senator's 1 hour under the cloture rule. Five minutes of that 12.5 minutes could be transferred by unanimous consent to the Senator from New Hampshire and that additional 5 minutes would then be charged to the Senator from New Hampshire's 1 hour under cloture.

Mr. COTTON. Mr. President, is it not proper for me to ask unanimous consent for 5 minutes or even 10 minutes from my own hour, and that it not be charged to the time allotted to this measure?

The PRESIDING OFFICER. Yes, it can be done by unanimous consent.

Mr. COTTON. Then I ask unanimous consent.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. COTTON. Not more than 10 minutes to be taken out of my hour and not charged to either the Senator from Nevada or the Senator from Kansas.

The PRESIDING OFFICER. The Chair would ask: Does that mean an additional 10 minutes beyond the 5 minutes?

Mr. COTTON. Yes, 10 additional minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. COTTON. Mr. President, this is all I intend to say on this bill and I would like to have this time.

Now, as I was saying when we got into this time situation, the only effective way to control elections is exposure. It is useless to put limits on contributions and limits on expenditures. Those limits are not needed if periodically during the campaign, not after the campaign is over, after someone has been nominated or elected, but periodically during the campaign, twice a month or once a month over the preceding period, and certainly 10 days before the primary or election, there shall be reported by the candidates every expenditure made by him on his behalf, every cent that has been contributed and its source, every cent that has been promised and the source, every cent that has been spent and how it was spent, and every promise or contract made to expend money in the future. This would make public what we all know—that is, for instance, that if someone has a million dollars and I have only $50,000, and we sit down at the poker table, it does not make any difference what stakes we play for, he has the advantage because he can spare whatever he needs to use.

There is no way on earth campaign expenditures really can be limited because expenditures are simply driven underground. But if we could have the kind of law that provides for rigid, complete disclosure, periodically during the campaign of every candidate, then contributions could not be passed around among various people, divided up, or driven underground.

I would set a penalty for falsifying in any way the receipts and expenditures of the candidate, and provided for an immediate appeal to the court of highest jurisdiction in the State. If he were found guilty, his name would be removed from the ballot and he would be held to be ineligible to hold public office for 5 years. That would put teeth in it. From the experience of this Senator, in all the years he has been here, that is the way to do it.

This matter of digging into the public Treasury and taking the taxpayers' money to finance campaigns makes me very sad. For many years I have served, as Senators know, as the ranking minority member of the Subcommittee on Health, Education, and Welfare of the Committee on Appropriations in the Senate. When I think of the needs we have, when I think of the taxpayers' money we could use in our campaign against cancer, when I think of the people who are dying in remote areas of this country because they cannot get a kidney dialysis, when I think of the need, whether it is called the Kennedy bill, the administration bill, or something in between for taxpayers' dollars to bring down the cost of hospitalization and health in this country, and when I think of the needs in education, it just grates on my nerves to be talking about digging into taxpayers' money to finance political campaigns, because if we have strong laws that permit people to finance their own campaigns, maintaining the bar against labor unions contributing and various other safeguards, there is no need to use one single precious taxpayers' dollar in politics when there are so many crying human needs we must satisfy.

We will soon be working on the situation of people facing the tremendous cost of catastrophic illness, of people who desperately need medical care, and every dollar we take is taken from places where dollars are desperately needed. We can place limits from now to kingdom come, we can say that there shall not be a multiplicity of committees, and we can put all these restrictions in, but there is always a way around every one of them. It just drives campaigns underground. The keynote today is exposure—let the public know. If they know—not after the elections, but periodically—then they can know what is going on and they can take precautions to prevent certain happenings.

Those are the reasons why I shall support the substitute, even though I would like to go further than it goes. Those are the reasons why I shall be compelled to vote against the bill, although I am as anxious as any Senator to restore the confidence of the American public in our elective process and in our public servants.

I should mention, Mr. President, that in discussing my own feelings about this bill, one Senator here objected on the ground that periodic accountings all through the campaign by a candidate for the Senate or the House of Representatives would force the candidate to have a full-time or almost full-time accountant to handle the work. My answer is that the events of recent years have been such that any man running as a candidate on a statewide basis or from any congressional district, with the population we now have, should have the constant assistance of an expert in accounting, and I would not want to run for office myself without such an accountant.

Another reason in favor of frequent accountings rather than limits on expenditures is that the accountings are the fairest and most effective method, since in some States television is an important and effective way of campaigning while in other States it is entirely impractical—sometimes because no station reaches the entire State—and consequently direct mailings or some other methods have to be resorted to by the candidate.

All measures that have been advocated over the last few years have tended to present various new difficulties for some candidates in certain sections. But any way you slice it, artificial limitations encourage evasion of the law, while rigid requirements of disclosure to the people under penalty of being declared ineligible for office would, although not perfect, in my opinion be the best way, and I think the only way, to accomplish our purpose.

Mr. President, I hope the substitute will be adopted, although I again commend the Rules Committee and the leadership of the Senator from Nevada for a constructive job well done; but I cannot vote for the bill and I cannot vote to waste taxpayers' money in politics when it cannot be done effectively. That, in a nutshell, is what I wanted to say on the whole bill. I thank both Senators for their cooperation.

The PRESIDING OFFICER. Who yields time?

Mr. CANNON. Mr. President, how much time remains?

The PRESIDING OFFICER. The Senator from Nevada has 12½ minutes on this amendment; the Senator from Kansas has 1½ minutes.

Mr. CANNON. Mr. President, I am prepared to yield back my time.

Mr. DOLE. Mr. President, I am prepared to yield back the remainder of my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment of the Senator from Kansas, as modified. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Idaho (Mr. Church), the Senator from Arkansas (Mr. Fulbright), the Senator from Maine (Mr. Hathaway), the Senator from Iowa (Mr. Hughes), the Senator from Hawaii (Mr. Inouye), the Senator from Massachusetts (Mr. Kennedy), the Senator from Louisiana (Mr. Long), the Senator from Wyoming (Mr. McGee), and the Senator from Mississippi (Mr. Stennis) are necessarily absent.

Mr. HUGH SCOTT. I annonuce that the Senator from Hawaii (Mr. Fong), the Senator from Arizona (Mr. Goldwater), the Senator from Michigan (Mr. Griffin), and the Senator from Maryland (Mr. Mathias) are necessarily absent.

I also announce that the Senator from Virginia (Mr. William L. Scott) is absent on official business.

The result was announced—yeas 31, nays 55, as follows:

[No. 131 Leg.]

YEAS—31

Aiken
Allen
Baker
Bartlett
Bellmon
Bennett
Brock
Buckley
Byrd,
  Harry F., Jr.
Cotton
Curtis
Dole
Dominick
Eastland
Ervin
Fannin
Gurney
Hansen
Hatfield
Helms
Hollings
Hruska
McClellan
McClure
Nunn
Roth
Taft
Talmadge
Thurmond
Tower
Weicker

NAYS—55

Abourezk
Bayh
Beall
Bentsen
Bible
Biden
Brooke
Burdick
Byrd, Robert C.
Cannon
Case
Chiles
Clark
Cook
Cranston
Domenici
Eagleton
Gravel
Hart
Hartke
Haskell
Huddleston
Humphrey
Jackson
Javits
Johnston
Magnuson
Mansfield
McGovern
McIntyre
Metcalf
Metzenbaum
Mondale
Montoya
Moss
Muskie
Nelson
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Schweiker
Scott, Hugh
Sparkman
Stafford
Stevens
Stevenson
Symington
Tunney
Williams
Young

NOT VOTING—14

Church
Fong
Fulbright
Goldwater
Griffin
Hathaway
Hughes
Inouye
Kennedy
Long
Mathias
McGee
Scott,
William L.
Stennis

So, Mr. Dole's amendment (No. 1126), as modified, was rejected.

LEGISLATIVE PROGRAM—UNANIMOUS-CONSENT AGREEMENT

Mr. HUGH SCOTT. Mr. President, I rise for the purpose of inquiring of our distinguished majority leader as to what is the pending business, and what he expects will be the business for the remainder of today and the remainder of the session before the recess.

The PRESIDING OFFICER (Mr. Abourezk). Will the majority leader refrain from responding until order is restored? The Senate will come to order. Senators are entitled to hear the majority leader announce the program for the remainder of the week. Senators having conversations will please remove themselves from the Chamber.

The majority leader may proceed.

Mr. MANSFIELD. Mr. President, in response to the question raised, first, I would appreciate it if there would be a show of hands of those Senators who still intend to offer amendments to the campaign practices proposal. (Counting) 1, 2, 3, 4, 5, 6, 7—it looks like 10 or 12. Not more than 15, anyway, and maybe not that many.

Mr. President, if the Senate will agree that it be in order at this time, I ask unanimous consent that there be a time limitation of 30 minutes on all amendments to be offered from now on, the time to be equally divided between the sponsor of the amendment and the manager of the bill.

Mr. HUGH SCOTT. And amendments thereto.

Mr. MANSFIELD. And amendments thereto.

Mr. HUGH SCOTT. I have no objection, except as to the——

Mr. MANSFIELD. This would be all amendments excepting that of the Senator from New York (Mr. Buckley), who may or may not agree, but if he does not agree, he still has the hour which is allocated to each Senator.

Mr. HUGH SCOTT. As long as he is protected, that is fine.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana?

Mr. TAFT. Mr. President, reserving the right to object——

The PRESIDING OFFICER. First, the Chair would advise the majority leader as to the parliamentary situation with regard to the 1-hour time limit. There is a time limit of 1 hour for each Senator under cloture. That also includes any time on amendments. If there is a separate time limit placed on an amendment, and it is used, the time any Senator speaks on that amendment, irrespective of what the time limit on the amendment is, is taken from his hour of total debate, and time is not transferrable.

Mr. MANSFIELD. That is the intention of the joint leadership, that it be taken out of the 1 hour allotted to each Senator. If any Senator wishes to object, I will be glad to withdraw the request.

Mr. TAFT. Reserving the right to object——

Mr. MANSFIELD. If the Senator will withhold that, may I say the purpose is——

Mr. PASTORE. May we have order, please, Mr. President?

The PRESIDING OFFICER. Yes, the point is well taken. The Senate will come to order. Senators are entitled to hear this colloquy. Senators and staff members conversing will remove themselves from the Chamber.

The Senator from Montana may proceed.

Mr. MANSFIELD. The purpose in making this request at this time is that now we will proceed to the tornado disaster relief bill. There will be a number of amendments applied to that measure, and we will stay with it until it is concluded, even though there happens to be a time limitation. Then we will go back on the pending business.

Under the recess resolution, the Senate goes out at the conclusion of business Friday. I am not offering a carrot or a stick, but if it would be possible to get the Senate out on Thursday, I would appreciate it just as much as any other Member.

With that explanation, the Senator from Ohio may reserve his right to object.

Mr. TAFT. I thank the majority leader for his explanation. Do I understand correctly that, should this unanimous consent request be agreed to, each Senator would be limited to 15 minutes in discussing any amendment?

Mr. MANSFIELD. That is correct, but he would have the rest of his time under the cloture rule to discuss the amendment, and the amendment would not be voted upon until he has completed his time under the cloture rule. He may apply it to just the amendment.

Mr. TAFT. Well, when would the vote on the amendment occur? If the amendment is called up, and the Senator talks for 15 minutes, and then desires to take his additional 45 minutes, would he be able to take his additional 45 minutes before the vote occurs?

Mr. MANSFIELD. No, because in accordance with the agreement the time on the amendment would be limited.

Mr. TAFT. That is my understanding. I have an amendment pending on which I would like to have an hour reserved.

Mr. MANSFIELD. I would be willing to make an exception on the same basis as in the case of the Senator from New York, who is unavoidably absent.

Mr. HUGH SCOTT. Mr. President, I think that could be taken care of by the Senator discussing generally what he intends to do for the 45 minutes, and then going into the half-hour on the amendment. He does not need to call it up, in other words, until the end of the 45 minutes.

Mr. TAFT. The Senator from Ohio does not believe that would be appropriate with regard to the procedures that might arise.

Mr. HUGH SCOTT. Then I would be willing to make an exception on behalf of the Senator from Ohio as well as the Senator from New York (Mr. Buckley).

The PRESIDING OFFICER. Is there objection?

Mr. BROCK. Mr. President, reserving the right to object, the Senator from Montana is not saying that an exception is made to the 1 hour under the cloture rule?

Mr. MANSFIELD. No.

Mr. BROCK. If the Senator from Ohio wants to spend his entire 1 hour on one amendment, that would be his privilege, but that would be all.

Mr. MANSFIELD. That is right. In his case that is true, yes.

Mr. BROCK. I thank the Senator.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered, that there be a 30-minute time limitation on each amendment except for the amendments of the Senator from New York and the Senator from Ohio.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield to the Senator from Rhode Island.

Mr. PASTORE. I would assume that the votes on these amendments would occur with some rapidity. I wonder if we could have a unanimous-consent agreement to confine the voting period to 10 minutes on each of these amendments. I think sometimes we just sit here for 5 minutes waiting for the 15-minute time to run out for the call of the roll.

Mr. HUGH SCOTT. Mr. President, if the Senator will defer that request until we can get the Senator from Oregon (Mr. Packwood) to the floor, who has asked that he be present when such a request is made, I would have no objection.

I would like, if the majority leader will yield, to clarify something else. Am I correct that the time taken for the votes on amendments is not taken from the time of any Senator?

The PRESIDING OFFICER. The Senator is correct.

Mr. HUGH SCOTT. And upon any Senator noting the absence of a quorum, the time for the quorum call would come from the time of the Senator who makes the point of order, is that correct?

Mr. MANSFIELD. No, a quorum call under this circumstance, or a vote, would not be charged to any Senator.

Mr. HUGH SCOTT. Then it is understood that the quorum calls in no event are charged to any Senator; is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. STEVENSON. Mr. President, reserving the right to object——

The PRESIDING OFFICER. There is no unanimous consent request pending at this time.

Mr. MANSFIELD. I yield to the Senator from Illinois.

Mr. STEVENSON. Does the order limit the time on a motion to recommit?

The PRESIDING OFFICER. No, the request was as to amendments only, and not as to motions to recommit.

Mr. MANSFIELD. But if there is a motion to recommit, I would ask that there be a time limitation on the same basis.

Mr. STEVENSON. I would have to object to that limitation, and would hope an exception would be made if such a motion is made.

Mr. MANSFIELD. I said I would agree to a time limitation on a motion to recommit, and I ask unanimous consent that that be done, a time limitation of one-half hour, with the time to be equally divided between the mover and the sponsor of the bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

SENATE RESOLUTION 308—RESOLUTION TO PERMIT SENATOR BELLMON TO APPEAR AS A WITNESS IN U.S. DISTRICT COURT IN OKLAHOMA

Mr. HUGH SCOTT. Mr. President, I sent to the desk a resolution and ask for its immediate consideration, notwithstanding the previous order.

The PRESIDING OFFICER. The clerk will state the resolution.

The assistant legislative clerk read the resolution.

The PRESIDING OFFICER. Is there objection?

There being no objection, the resolution (S. Res. 308) was considered and agreed to.

With its preamble, the resolution reads as follows:

> Whereas, Honorable Henry L. Bellmon, a member of this body, has been served with a Subpoena to appear as a witness before the District Court of the United States for the Western District of Oklahoma, to testify at 9:30 o'clock a.m. on the Sixteenth day of April, 1974, in the Case of United States v. Leo Winters, et al; and
>
> Whereas, under the Standing Rules of the Senate, no Senator may absent himself from the service of the Senate without leave of the Senate: Therefore be it
>
> Resolved, that Honorable Henry L. Bellmon is granted leave to appear as a witness before the District Court of the United States in the Case of the United States v. Leo Winters, et al at a time when the Senate is not sitting in Session; and be it further
>
> Resolved, that a copy of this Resolution be submitted to the said Court.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Berry, one of its reading clerks, informed the Senate that, pursuant to the provisions of section 804 (b), Public Law 90–351, as amended, the Speaker had appointed Mr. Kastenmeier, Mr. Edwards of California, Mr. Railsback, and Mr. Steiger of Arizona as members of the National Commission for the Review of Federal and States Laws Relating to Wiretapping and Electronic Surveillance, on the part of the House.

The message announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

> H.R. 421. An act to amend the Tariff Schedules of the United States to permit the importation of upholstery regulators, upholsterer's regulating needles, and upholsterer's pins free of duty; and
>
> H.R. 14012. An act making appropriations for the Legislative Branch for the fiscal year ending June 30, 1975, and for other purposes.

HOUSE BILLS REFERRED

The following bills were each read twice by their titles and referred, as indicated:

> H.R. 421. An act to amend the Tariff Schedules of the United States to permit the importation of upholstery regulators, upholsterer's regulating needles, and upholsterer's pins free of duty. Referred to the Committee on Finance.
>
> H.R. 14012. An act making appropriations for the legislative branch for the fiscal year ending June 30, 1975, and for other purposes. Referred to the Committee on Appropriations.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills:

> S. 1866. An act to provide increases in certain annuities payable under chapter 83 of title 5, United States Code, and for other purposes; and
>
> H.R. 13542. An act to abolish the position of Commissioner of Fish and Wildlife, and for other purposes.

The enrolled bills were subsequently signed by the Acting President pro tempore (Mr. Allen).

EXECUTIVE SESSION

Mr. HARRY F. BYRD, JR. Mr. President, I ask unanimous consent that the Senate go into executive session for not to exceed 2 minutes, to consider a nomination now at the desk, and which was reported earlier today.

There being no objection, the Senate proceeded to the consideration of executive business.

The PRESIDING OFFICER (Mr. Biden). The nomination will be stated.

DEPARTMENT OF DEFENSE

The second assistant legislative clerk read the nomination of John M. Maury, of Virginia, to be an Assistant Secretary of Defense.

Mr. HARRY F. BYRD, JR. Mr. President, I might say that the action of the Senate is now taking has been cleared with the majority and minority leaders, the chairman of the Armed Services Committee, and the ranking minority member of the Armed Services Committee. It was reported unanimously this morning by the Armed Services Committee.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

Mr. HARRY F. BYRD, JR. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of this nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. HARRY F. BYRD, JR. Mr. President, I move that the Senate resume consideration of legislative business.

The motion was agreed to, and the Senate resumed the consideration of legislative business.

DISASTER RELIEF ACT AMENDMENTS OF 1974

The PRESIDING OFFICER (Mr. Abourezk). Under the previous order, the Senate will now proceed to the consideration of Calendar No. 751, S. 3062, which the clerk will state.

The assistant legislative clerk read as follows:

> S. 3062, a bill entitled the "Disaster Relief Act Amendments of 1974."

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

The PRESIDING OFFICER. Debate on the pending bill is limited to 2 hours to be equally divided and controlled between the Senator from North Dakota (Mr. Burdick) and the Senator from New Mexico (Mr. Domenici), with 30 minutes on any amendment in the first and second degree, and 10 minutes on any debatable motion or appeal.

Mr. BURDICK. Mr. President, I ask unanimous consent during consideration of and voting on S. 3062 the following staff members of the Committee on Public Works be granted privilege of access to the Senate floor:

Clark Norton, John Yago, Philip T. Cummings, M. Barry Meyer, Bailey Guard, Judy Parente, Steve Swain, Paul Ebeltoft of my staff, Grady Smith of Senator Domenici's staff, and George Shanks of the staff of Senator Harry F. Byrd, Jr.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BURDICK. Mr. President, the Disaster Relief Act Amendments of 1974 come before the Senate in the tragic shadow cast by the tornadoes that afflicted five states in mid-United States last week. The destruction and hardship that followed in the wake of these storms has aroused the sympathy of the Nation and I know that the hearts of each one of us go out to the people who have been so sorely tried. Indeed, the realization that the bill before us is of profound significance not simply in legal terms, but in human terms, must weigh heavily in our considerations today. Yet, I request the indulgence of my colleagues in permitting me to bring to their attention considerations that otherwise may be forgotten in today's debate.

The law which forms the cornerstone of S. 3062, the legislation now before us, is the Disaster Relief Act of 1970—Public Law 91-606. I will not outline the genesis of this law except to say that it was the first of its kind. Never, before its enactment, had State and local governments, or those individuals affected by natural disasters, been able to rely upon a comprehensive Federal law for immediate relief as well as satisfaction of longer range needs. The law was a landmark insofar as it spelled an end to piecemeal disaster relief and made the provision of emergency disaster services and the reconstruction and rehabilitation of devastated areas a national priority.

But the act of 1970 was landmark in another respect. Never before has a law, drafted to meet emergencies that each of us pray will never come to pass, been called upon to perform so frequently and so extensively. Under the provisions of Public Law 91-606, the President declared 111 major disasters in 41 different States. Disregarding the expenditures which will be required to meet the nine disasters that have already been declared this year, payments from the President's emergency fund total in excess of $1.102 billion. Direct Federal expenditures for disaster assistance through the Small Business Administration, the Farmers Home Administration, and other agencies have been equally substantial. This level of expenditures is understandable when it is considered that, in 1973 alone, 46 major disasters were declared, affecting 31 States, and necessitating Federal help to more than 75,000 families.

As tragic as are the circumstances in which the act of 1970 has operated, it is fair to say that the law has been tested and retested under a variety of circumstances and those portions which may have been inadequate to effectively accomplish the objectives of relief and recovery have tended to become apparent.

In recognition of the broad scope of the act and understanding its effective operation is vital to the health, safety, and general well being of so many Americans, the Senate Public Works Committee established the Subcommittee on Disaster Relief. I was to become its chairman, and was joined by Senators DOMENICI, CLARK, BIDEN, and BUCKLEY. The charge given us by the chairman of the full committee, Senator JENNINGS RANDOLPH, was to evaluate the adequacy, cost and effectiveness of the Disaster Relief Act of 1970, and to recommend such changes as were found to be important to the improved operation of the law.

In early 1973, the subcommittee began the regimen that has led us to the Senate floor today. I hope that it will be obvious to my colleagues that the subcommittee has not come here in haste, nor have we used the last year wastefully.

In March of 1973 field hearings were begun in Biloxi, Miss., in the heart of the area devastated by Hurricane Camille and one of the first areas to receive help under the 1970 law. Shortly thereafter, the subcommittee met in Rapid City, S. Dak., the scene of tragic flooding. Finally, field hearings were conducted in May and in June in two of the areas hardest hit by Hurricane Agnes—Wilkes-Barre, Pa., and Corning-Elmira, N.Y. In September, the subcommittee met in Washington to review, with national officials, the data we gathered during the 7 days of field hearings. The comments and suggestions of more than 300 witneses who testified in person before the subcommittee, many of whom were former disaster victims, and the statements of 90 others submitted for the record were culled and reviewed by the subcommittee members and their staffs. Our preliminary findings were embodied in S. 3062, which I introduced on February 26 of this year for Senators RANDOLPH, DOMENICI, BIDEN, CLARK, and myself. The new concepts broached in this bill were discussed in another day of open hearings on March 6, 1974, and plans were then laid to meet with representatives of the FDAA to try to find accord between our language and that of S. 1840, the administration's major proposal. Subcomittee markup was to begin on April 9. In the interim, the States of Ohio, Kentucky, Tennessee, Indiana, and Alabama were ravaged by brutal storms.

Thus it was, that on April 5 and 6 my tireless companion, Senator DOMENICI, and I made an on-the-scene inspection of the disaster damage and recovery effort in the stricken areas. Meetings were held with Senators and staff from affected States and with Secretary James T. Lynn of the Department of Housing and Urban Development on April 8. The legislation was considered and favorably reported by the committee yesterday, April 9, by unanimous vote.

The following is a detailed synopsis of the major new provisions of the bill:

MAJOR NEW PROVISIONS OF S. 3062

1. DISASTERS AND MAJOR DISASTERS DISTINGUISHED

Under present law a Presidential declaration of a major disaster at the request of a State Governor automatically "triggers" all benefits authorized by Federal disaster legislation.

To make it more practicable to extend help during lesser emergencies, the definition of major disaster is amended to create a new "emergency" category. This will permit such aid as technical assistance equipment, advisory personnel, equipment, food, other supplies, medical care, and other essentials to be provided.

2. DISASTER PREPAREDNESS ASSISTANCE

Both 1969 and 1970 Disaster Relief Acts authorized 50 percent matching grants not to exceed $250,000 per state to assist them in developing comprehensive plans and programs to combat major disasters. For various reasons, the States have not fully utilized this aid. To encourage greater participation, Title II of the bill authorizes an outright, one-time grant of up to $250,000 for each State without required matching funds.

Any State receiving a $250,000 planning grant must submit, through an agency designated for that purpose, a comprehensive disaster preparedness program to the President which sets forth provisions for both emergency and permanent assistance and provides for the appointment and training of appropriate staff and for the formulation of necessary regulations and procedures.

The existing statutory provision for continuous revision and updating of disaster assistance plans, authorizing annual 50 percent matching grants not in excess of $25,000 to each State, is retained.

3. INSURANCE

The increased Federal costs of providing disaster assistance in recent years, especially to the private sector, has focused attention on the need for more extensive insurance coverage against losses caused by natural hazards.

The bill stipulates that insurance adequate to protect against future loss must be obtained for any disaster-damaged property which has been replaced, restored, repaired, or constructed with Federal disaster funds. Unless such insurance is secured, no applicant for Federal assistance can receive aid for any damage to his property in future major disasters. State governments may elect to provide self-insurance on their public facilities.

4. CRIMINAL AND CIVIL PENALTIES

Previously enacted disaster relief acts have not provided specific penalties for those who willfully failed to comply with their provisions.

The bill provides for a fine of not more than $10,000 or imprisonment for not more than one year, or both, for persons who willfully make fraudulent claims.

Anyone wrongfully applying the, proceeds of any loan or cash benefit would be civilly liable for one and one-half times the original principal of any loan or cash benefit.

5. AVAILABILITY AND DISTRIBUTION OF MATERIALS

At the request of the Governor of a State suffering damage caused by a major disaster, the President is authorized and directed to provide for a survey of the construction materials needed in the major disaster area for housing, farming operations and business enterprises and to take appropriate action to insure the availability and fair distribution of such materials for a period not to exceed 180 days. To the extent possible, the President is directed to implement any allocation program through companies which customarily supply construction materials in the affected area.

6. REPAIR AND RESTORATION OF DAMAGED FACILITIES

S. 3062 provides that assistance for damaged or destroyed public facilities can be provided under one of two plans at the option of eligible State or local governments. Grants may be made not to exceed 100 percent of cost for repair or reconstruction on a project-by-project basis, as authorized by current law or a Federal contribution based on 90 percent of the total estimated cost of restoring all damaged public facilities within its jurisdiction could be used to repair or restore selected facilities or to construct new ones. This will permit State or local choice as to reconstruction on a Federally-audited project-by-project basis, or with much greater freedom to construct with a minimum of Federal control the facilities it deems best for government functions in the area. In those jurisdictions incurring public facility damages totaling no more than $25,000, a block grant based on 100 percent of the total cost for repairing or reconstructing those facilities would be made.

Public recreational facilities, public educational facilities, private non-profit educational, emergency medical, custodial care and utility facilities are also eligible for grants from the President's emergency fund.

The 1970 Act expressly excluded from the disaster grant program public facilities used solely for park and recreational purposes. Many local officials and other witnesses have requested the removal of this restriction. There seems to be no valid reason for treating such facilities differently, and the Committee has, therefore, included for assistance public parks and recreation areas. The Committee expects the FDAA to exercise discretion in committing Federal funds to the restoration of parks, insofar as practical, but within reasonable limits taking into account the value of the investment to the affected area.

7. TEMPORARY HOUSING

Temporary housing assistance can now be provided by using available Federal property, renting or purchasing vacant residential units, or employing mobile or other prefabricated homes.

But if a damaged home could be made habitable in a relatively short period with limited expenditures, such repairs should be performed without charge to the owners as a substitute for other temporary housing which the Federal government might have otherwise provided. Accordingly, S. 3062 authorizes the President to make expenditures for such "mini-repairs."

S. 3062 also authorizes the President to sell, or otherwise make available for disaster relief purposes, temporary housing units directly to States, other governmental entities and private voluntary organizations. At present such units may be disposed of only through the General Services Administration when declared to be in excess supply.

8. EXTRAORDINARY DISASTER EXPENSE GRANTS

S. 3062 authorizes the President to make grants to States of 75 percent of the actual cost of providing direct financial assistance to persons adversely affected by a major disaster. These grants are available to meet extraordinary disaster-related expenses or needs which are not provided for under this Act, under other programs, or by private means. Aid is limited to a maximum of $5,000 for each family, and is to be administered by the Governor (or his designated representative) according to national criteria, standards and procedures established by the President. Aid for this purpose should be related to financial need and to actual disaster expenses and losses of disaster victims. An advance payment of 25 percent of the estimated required Federal funds can be made to a State and the Committee expects that this will be done promptly so that States may implement the cash grants to families without delay.

9. UNEMPLOYMENT ASSISTANCE

Federal funds have been available since the Disaster Relief Act of 1969 for assistance to persons not adequately covered by unemployment insurance who are out of work because of a major disaster. Such individuals can now receive payments to the extent such payments do not exceed the maximum amount or the duration of compensation provided by the regular unemployment insurance system of the State in which the disaster occurs. Duplication of benefits is not possible because regular unemployment insurance payments, if any, must be deducted from those made for unemployment resulting from a disaster. It does, however, enable workers whose jobs are not included in the regular compensation system to be protected.

In view of the fact that competent agencies exist in every State to administer State unemployment insurance systems, and that payments for disaster purposes are closely connected by law and regulation to those systems, obvious advantages can be gained by using the services and personnel of those established State agencies. The bill authorizes the President to provide disaster unemployment compensation through agreements with States which, in his judgment, have adequate systems for administering the program.

Because unemployment compensation is provided by law in most States for a maximum of 26 weeks, those who lose their jobs because of a major disaster are now restricted to a like period for the duration of such payments. The Congress in recent years has authorized extended payments under certain conditions, and extended payments have been recommended by the Administration for certain purposes. Persons unemployed because of a disaster have not, however, been considered eligible under the Disaster Relief Act for extended compensation beyond the maximum period provided by State law.

In view of the serious and prolonged dislocations which may be caused by catastrophes of the magnitude of Hurricanes Camille and Agnes, the bill proposes authority to extend unemployment payments for six additional months.

10. FOOD COMMODITIES

Use of surplus food stuffs for mass feeding in evacuation shelters, mobile canteen units, and "Meals on Wheels" programs is especially essential during the emergency period after a flood, tornado, earthquake or other catastrophe when thousands may be dislocated and the normal economy has seriously disrupted. Similarly, the distribution of food coupons without charge has enabled many lower-income families to obtain needed food supplies at a time when their livelihood and income have been adversely affected in recent disasters.

The current lack of surplus commodities, and the decision to replace the USDA family food distribution program by July 1 with food stamps, has raised questions about our ability to provide sufficient supplies for mass feeding and for home use after major disasters.

To help meet these needs, the bill retains provisions of the 1970 Disaster Relief Act authorizing the President to make both food commodities and coupons available to disaster victims. In addition, it directs the Secretary to assure that adequate stocks of food will be readily and conveniently available for emergency mass feeding or use in any area of the United States in the event of a major disaster. The effect is to continue authority to provide agricultural commodities for distribution in major disaster areas, even if the present family and child nutrition commodity procurement programs should be phased out.

11. CRISIS COUNSELING ASSISTANCE

Disasters are often the occasion of unforgettable personal crisis. Such sharp mental stress and abrupt hardship may lend, almost as with the shock of war, to persistent psychological disturbances, especially among the elderly and the children. Expert observers have noted for example, an increase in mental health problems following recent catastrophes.

Previous Federal disaster relief legislation has not provided specific assistance for "psychological first aid" to disaster victims. The bill authorizes the President to provide professional counseling services and training for disaster workers, either directly or by financial assistance to State or local agencies to help relieve mental health problems caused or aggravated by a disaster or its aftermath.

12. COMMUNITY DISASTER LOANS AND GRANTS

Section 241 of the 1970 Disaster Relief Act authorized grants for as long as three years to any local government suffering a "substantial" loss of tax property revenue because of damages caused by a major disaster. Only three cities have qualified for these benefits, although seven applications for such grants are still pending.

Application of the phrase "substantial loss," and the dependence of local governments on sources other than the property tax for a sizable portion of their revenues, has made the provision difficult to apply. Also, it is usually a year or more before lowered property assessments for disaster damages are reflected in the loss of tax income. The need of these areas for supplementary funds to carry on normal operations is often more crucial during the first six months or so after the disaster than it is a year or two later.

In order to provide cash flow to local governments at the time of their greatest need after major disasters, S. 3062 substitutes for the present community disaster grant program a new system of loans—a portion of which could be cancelled at a later date under certain conditions.

Any local government suffering a substantial loss of tax and other revenues because of a major disaster, and demonstrating need for financial assistance to perform its governmental functions, would be eligible for a loan not exceeding 25 percent of its annual operating budget for the fiscal year in which the disaster occurred. The purpose of the loan is to permit the local governments to continue to provide municipal services, such as the protection of public health and safety and the operation of the public school system.

Part or all of the loan could be cancelled to the extent that local revenues during the following three full fiscal years are not sufficient to meet the operating budget of that government, including municipal disaster-related expenses. The loan, or any cancelled portion, cannot be used as the non-federal share of any Federal program, including those under this Act.

13. ECONOMIC RECOVERY FOR DISASTER AREAS

Implementation of economic recovery programs in severely damaged disaster areas requires development of unified long-range plans, a ready source of funds, and an area-wide agency to adjust priorities, allocate and schedule use of resources, and provide overall administrative direction.

To help attain these aims, Title V of the bill provides assistance for redevelopment in both public and private sectors. Because the functions of long range economic recovery are so similar to development in economically distressed areas, this program is changed in the programming of available or anticipated Federal funds.

Funds authorized for Federal-aid projects or programs in a major disaster area may be placed in reserve according to such recommendations. If the Governor requests, and affected local governments concur, these funds may be transferred to the Recovery Planning Council to implement the Recovery Investment Plan.

Loans may be made by the Recovery Planning Council to any State or local government, and private or public non-profit organization in a major disaster area to carry out the Recovery Investment Plan. Loans can be made for the acquisition or development of land and improvements for public works, public service or public development facilities (including parks and open spaces), and for acquiring, constructing, rehabilitating, expanding or improving those facilities (including machinery and equipment).

The Federal share of project costs may be increased by supplementary grants to a maximum of 90 percent, but no such limit would apply to grants benefiting Indians and Alaskan natives and to those where the President determines that a State or local government has exhausted its taxing and borrowing capacity. The interest rate for loans made under this section is to be fixed by the Secretary of the Treasury at a rate of one percent less than the current average proposed as a new Title VIII of the Public Works and Economic Development Act of 1965—over which the Committee on Public Works also has legislative jurisdiction. Authority is vested in the President, however, who may choose to delegate these functions either to the Secretary of Commerce or the Secretary of HUD.

Determination of the need for special economic assistance and appointment of a Recovery Planning Council rests with the Governor. A majority of the Council members must be elected officials. The national and State governments would each have one representative.

The Federal representative could be the Chairman of the Federal Regional Council (or another member designated by him)—or where a Federal Regional Commission has been established under the Appalachian Regional Development Act or the Public Works and Economic Development Act, the Federal cochairman of that Commission. In any area where a multi-jurisdictional organization (such as a Council of Governments) exists and complies with these requirements, the Governor may designate that organization, with the addition of Federal and State representatives, to act as the Recovery Planning Council.

The Recovery Planning Council may revise existing land use, development or other plans, develop new ones, and prepare a five-year Recovery Investment Plan for submission to the Governor and to responsible local governments. The Council also may recommend market yield on outstanding marketable U.S. obligations (adjusted to the nearest one-eighth).

The language of Title V contains an anti-pirating provision. Loan guarantees to help industrial and commercial projects in major disaster areas can be made for such purposes as the purchase and development of land, the acquisition of machinery and equipment, and the construction, rehabilitation, alteration, conversion or enlargement of buildings. Loans made by private lending institutions for working capital in connection with such projects may be guaranteed up to a maximum of 90 percent of their unpaid balance.

Both public and private agencies may be provided technical assistance in handling such matters as projects planning, feasibility studies, management and operation problems, and the analysis of economic needs and potential. Such assistance can be extended by use of Federal personnel, by reimbursement of other Federal agencies for services by contract with private individuals, firms, and institutions, or by grants-in-aid. Organizations receiving grants for technical assistance may also, subject to certain limitations, be awarded supplementary grants to defray up to 75 percent of their administrative expenses.

A disaster recovery revolving fund, for which no more than $200 million is authorized to be appropriated, is to be established in the United States Treasury. Funds appropriated to carry out this Title, and any collections or repayments received under this Act, are to be deposited in the revolving fund. Payment of all financial assistance, obligations and expenditures for economic recovery under Title V is to be made from the fund. Sums necessary to replenish the fund annually are authorized to be appropriated, and interest on outstanding loans under the Act is to be paid by the fund into the Treasury at the end of each fiscal year.

Finally, to insure that the widest possible benefits and assistance will be made available to the people of the areas damaged by the recent tornadoes, the bill provides for its taking effect as of April 1, 1974.

Mr. BURDICK. Mr. President, I want to emphasize that the summary I have just given touches upon the major changes in the law proposed by the bill before us. It is not intended to be an outline of available relief to disaster victims and areas. All of us are aware of the contributions, especially during the emergency phase of any disaster, that are provided by the Red Cross and the private relief organizations. In many ways, these groups have been the vanguards in the field of disaster relief and their role continues, undiminished by S. 3062.

Further, to replace the homes or other property damaged or destroyed by natural disasters, present law provides through the Small Business Administration and Farmers Home Administration, loans to cover the amount of loss for damage not compensated by insurance. These loans would bear interest at 5 percent per annum. Regulations limit loans for homes to $50,000 for any damage to the home itself, $10,000 for damage to personal effects, and a combined home loan of $55,000. Businesses are limited to $500,000.

Debris and wreckage removal, emergency medical care, search and rescue, clearance of roads and bridges and demolition of unsafe structures are just a few of the additional aids in the panoply of Federal assistance that I have not addressed. I would be happy to try to explain any of these procedures that may not be clear to my colleagues.

In closing, let me reiterate the feelings of the members of the Senate Public Works Committee that the Disaster Relief Act of 1970 should be strengthened and updated, and new levels of local, State, and Federal participation should be established. I feel that S. 3062 accomplishes this, and I urge my colleagues to accept it.

Mr. DOMENICI. Mr. President, I yield myself as much time as I need for my opening statement.

The PRESIDING OFFICER. The Senator from New Mexico is recognized.

Mr. DOMENICI. Mr. President, first, I ask unanimous consent that Tom Brookes of the Committee on Banking, Housing and Urban Affairs be accorded the privilege of the floor during the debate on this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. COOK. Mr. President, will the Senator yield?

Mr. DOMENICI. I yield.

Mr. COOK. Mr. President, I ask unanimous consent that Richard Scanlan of my staff may have the privilege of the floor during the debate and votes on this matter.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, as ranking Republican member of the Public Works Disaster Relief Subcommittee, I am pleased to join with Senator BURDICK, chairman of the subcommittee, Senator RANDOLPH, chairman of the full committee, and Senator BAKER, the ranking minority member of the committee, and other members of the committee in supporting the Disaster Relief Act Amendments of 1974.

This bill will continue and build upon the basic programs and mechanism established in the Disaster Relief Act of 1970, Public Law 91–606. The 1970 Disaster Relief Act was the first effort by the Congress to establish a permanent comprehensive program for Federal disaster assistance, culminating many years of experience and activity in this legislative area.

The Disaster Relief Act authorizes the President to declare major disasters, to provide specific kinds of assistance, including lifesaving and emergency measures, shelter, food, loans to homeowners and businesses, and grants for repair and reconstruction of public facilities. Besides the programs specifically authorized in the law, the Federal Coordinating Officer for the disaster, appointed by the President, is charged with administering and coordinating all Federal relief activities in the disaster area. Federal disaster aid has grown in a fragmented, ad hoc fashion and today there are over 30 Federal agencies, bureaus, and offices providing some form of disaster assistance either under Public Law 606 or their own statutory authority.

Last year the Public Works Committee reinstated the Disaster Relief Subcommittee to evaluate the adequacy and effectiveness of the 1970 act and to make recommendations, as may be necessary, to improve the law. Public Law 606 has been utilized in over 104 disasters since 1970 giving us extensive experience with the program in a wide variety of disasters, and it is being utilized right now for tornado devastated areas in the South and Midwest.

The amendments being proposed are based on the extensive hearing record compiled by the Disaster Subcommittee. The subcommittee held 7 days of field hearings last year, receiving testimony from over 200 witnesses in Biloxi, Miss., Rapid City, S. Dak., Wilkes-Barre, Pa., and Elmira-Corning, N.Y. All of these in recent years have been ravaged by natural calamities. Biloxi was struck by Hurricane Camille in 1969 and represented the most costly natural disaster up to that time. Rapid City was devastated by floods in 1972 with serious loss of life. Wilkes-Barre and Elmira-Corning were among the worst hit areas during tropical storm Agnes. Agnes is now considered the most destructive natural disaster in the history of this country.

In addition to field hearings, the subcommittee held several days of hearings in Washington on specific proposals to amend the 1970 Disaster Act, including S. 1840, the Disaster Preparedness and Assistance Act of 1973, proposed by the administration.

Just this last week Senator BURDICK and I viewed firsthand the disaster relief efforts taking place in the wake of the terrible tornadoes which struck in Indiana, Kentucky, Ohio, and Tennessee. We received suggestions from the distinguished Senators from these States and those suggestions were considered in this week's committee markup of the bill.

Since the language of this bill is contained in today's RECORD, I will not go through the bill section by section. Rather, I will confine my remarks to those sections of the bill which I consider most significant.

Section 408 of the bill would authorize a new program of direct grants to individuals who may, as a result of the disaster, need cash assistance to meet extraordinary disaster-related needs or to obtain immediate human needs and services. This section has been most carefully examined by the members of the subcommittee. Administration comment was solicited and carefully evaluated.

The grant program proposed in this section would be supplemental to all other forms of aid under the act and would be extended only in those cases where those programs are not adequate. The Disaster Relief Act authorizes several programs to help individuals and families recover from the disaster including shelter, food commodities and food stamps, home loans, and unemployment compensation. There are, however, individuals who, after receiving assistance under these sections, may still be in need of cash to meet their disaster related needs.

"Need" as used in this section refers to need created by the disaster and is not tied to a "means" test or an individual's income before the disaster. The approach proposed in this bill is to permit those victims most in need to obtain the most relief. Rather than the artificial structure of forgiveness which formerly was a feature of the disaster loan program, we must determine which families require extra assistance and satisfy that need with a grant.

As proposed, the President would develop national eligibility criteria and regulations for the program which the individual States would administer in the disaster area.

In our recent hearings, we received the views of Governors who will administer this section. While they had some concerns about the matching requirements, they expressed confidence in their States' ability to administer these grants.

Sections 409 and 410 clearly delineate Federal responsibilities in the areas of food assistance and mass feeding. These are areas in which the impending lapse of certain legislative authorities could have resulted in insurmountable administrative problems.

Section 414 establishes a community disaster loan procedure related directly to loss of local tax revenues and additional disaster related expenses. The purpose of this section is to enable communities to continue performing vital municipal services such as police and fire protection, trash collection, and the operation of public schools.

Finally, I would like to commend the subcommittee for the inclusion of title V, economic recovery for disaster areas, a section for which I feel some pride of authorship. Title V presents a new approach to long-range disaster recovery—an opportunity for area economic redevelopment and renewal without the normal accompanying costs of initial destruction.

Title V would authorize a long-range disaster recovery program under a Disaster Recovery Planning Council of locally elected officials and representatives of the State and Federal governments. The council would pull together and implement an overall recovery plan for an area.

One purpose of the recovery investment plan prepared by the council is to identify and mobilize Federal programs either operating in the disaster area being proposed or which could be tapped for the rebuilding effort.

Federal agencies, following council recommendation and the request of the Governor, would place funds for previously planned or eligible projects in reserve. These funds would go to the Recovery Planning Council to implement the recovery investment plan if local public bodies concurred and the Governor requested this action.

Section 503 authorizes grants, loans, and loan guarantees for implementation of the recovery plan.

In addition, grants for administrative expenses of the councils and technical assistance would be available.

Many questions could be raised regarding this title—not the least of which is to define the objective of Federal long-range recovery and the extent of our commitment. Long-range recovery is a completely new, very significant program equal in scope and importance to the Disaster Relief Act. The proposal in this bill is only one way to meet the very real need for coordinated long-range recovery in communities devastated by a disaster.

Mr. President, I want to again acknowledge the attention and hard work that Senator Burdick and the other members of the subcommittee have given this legislation. Additionally, the staff of the Public Works Committee has performed admirably in the drafting of the Disaster Relief Act Amendments of 1974. I want to encourage each Member of the Senate to join with us today in the passage of this legislation. I join with the other members of the subcommittee in pledging continuing oversight of this legislation after its enactment. I trust that the Disaster Relief Act Amendments of 1974 will be recorded as a major legislative step forward in the implementation and coordination of Federal, State, and local disaster relief efforts.

Mr. President, the Committee report on S. 3062, which necessarily was filed last night under the pressure of time, does not contain agency views which the Senate Committee on Public Works customarily includes in its reports. Therefore, I ask for unanimous consent that there be printed in the Record at this point or following the debate at any appropriate point the letters addressed to the committee on March 29 by FDAA Administrator Thomas P. Dunne; on April 2 from the general counsel of the Department of Commerce, Karl E. Bakke; and of yesterday, April 9, from Secretary James T. Lynn.

There being no objection, the letters were ordered to be printed in the Record, as follows:

March 29, 1974.

Hon. Quentin N. Burdick,
Chairman, Subcommittee on Disaster Relief, Public Works Committee, U.S. Senate, Washington, D.C.

Dear Mr. Chairman: In my statement before the Disaster Relief Subcommittee on March 6, 1974, setting forth the Administration's views on S. 3062, I expressed our appreciation for the considerable effort by the Subcommittee in developing this bill and stressed our gratification that many features of S. 1840, the Disaster Preparedness and Assistance Act of 1973, were incorporated in the proposed amendments.

At the same time, however, I stated a number of concerns which we have both with the general philosophy underlying this bill and with certain specific provisions that, we believe, should be modified to enhance the equity and effectiveness of this revision of Public Law 91–606.

The Subcommittee was kind enough to offer me the opportunity to supplement my oral statement with a paper amplifying our views on some features of the bill which we find most difficult to accept in their present form. This letter and its attachments respond to that invitation. By way of introduction, I shall summarize the points at issue. The attachments set out in more detail the reasons for our problems with these points and suggest either alternative language for clarifying them or, in a few instances, our reasons for urging that they be deleted in their entirety.

Our overriding concern is that the supplementary character of Federal disaster assistance be emphasized in this bill as it was in its predecessors, PL 81–875 and PL 91–606. This Administration is convinced, as others before it have been, that disaster relief is properly a shared responsibility among private citizens, volunteer relief organizations, local and State authorities, and the Federal Government. To ensure that Federal aid remains a back-up to, not a substitute for, self-help efforts by other levels of government and the general public, we urge the Committee to write into the bill a requirement that the Governor of a State requesting emergency assistance take certain actions to alleviate the suffering and damage caused by the disaster. In the case of a request for a Presidential declaration of a "major disaster," he would, in addition, be required to certify to the commitment of State and local obligations and expenditures as a prerequisite to Federal supplemental assistance. A suggested way of accomplishing this result is set forth in Attachment A.

We are suggesting a modification of the definitions contained in Sections 102 (a) and (b) of S. 3062 better to distinguish between an "emergency" which is severe enough to require immediate Federal assistance and a "major disaster." If this distinction is accepted by the Committee, certain other sections of the bill will require conforming changes to differentiate between the kinds of assistance that are available in an "emergency" and those which are available as the result of a "major disaster." (See Attachment B.)

S. 3062 would place some responsibilities for administration of the Federal Disaster Assistance Program in the President and others in the Administrator, FDAA, or other officials of the Executive Branch. For reasons set forth in our comments on Section 102 (Attachment C), it is recommended that all authorities in the proposed Act be vested in the President.

Section 314(c), dealing with self-insurance by State and local governments, is incompatible with the more desirable self-insurance provisions of the Flood Disaster Protection Act of 1973 (PL 93–234) and could result in inconsistent application of the two statutes. Our recommendations for conforming this section of S. 3062 with PL 93–234 are set forth in Attachment D to this letter.

We urge deletion of Section 318, Emergency Wage, Rent, and Price Controls, on the grounds that there is no Federal restriction against the State and local governments' imposing such measures so long as they do not conflict with Federal controls. We believe it is more appropriate for States and localities to impose and enforce such controls if they deem them necessary to cope with local inflationary trends occasioned by the disaster. (See Attachment E.)

One of the major improvements proposed by the Administration in S. 1840 was the use of flexible funding, or block grants, to replace the categorical grants under PL 91–606. The advantages of this approach are particularly evident in Section 402, Repair and Restoration of Damaged Facilities. Accordingly, we are proposing language changes for this section which, by eliminating categorical grants for the restoration of facilities, would allow the applicant to use Federal funds provided for this purpose in a manner which it determines to be best suited to its needs. We are urging that the Federal share be 75% of the estimated cost of facility restoration. If the Committee accepts the concept of total flexible funding, we would like to discuss with you further the percentage of the Federal grant. (See Attachment F.)

As I testified in my March 6 statement to the Subcommittee, we believe that Federal funding of temporary housing assistance is appropriate only when the number of families affected exceeds the normal capacity of the community to absorb those who are temporarily displaced, and where the time and effort required to restore family dwellings will be extensive. Where only a few houses have been damaged or destroyed in a less-than-major disaster, that housing responsibility should remain with the State or local government. When the exigencies of a "major disaster" do warrant Federal assistance, we feel that the temporary housing effort should be managed by those closest to the people, the local and State official who best understand the needs of their citizens. Further Section 404 of S. 3062 should contain all provisions that relate directly to temporary housing. The mini-repair program, described in Section 405, should be only a means of providing temporary housing and should be moved to Section 404. By contrast, emergency shelter is provided for under Section 306(a) (4) as a form of emergency service available with or without a "major disaster" declaration and does not properly belong in the section dealing with temporary housing assistance. (See Attachment G.)

The disaster unemployment assistance program authorized by Section 240, PL 91–606, has in our experience adequately served the needs of those temporarily unemployed as a result of the disaster. For this reason, we see no need for changing the legislative authority for this program. The section dealing with discretionary authority to increase the length of the benefit period is not sufficient to warrant amendment of the entire section. We recommend that the language contained in Section 240, PL 91–606, be substituted for subsection (a), Section 407 of S. 3062, and that the section be retitled "Unemployment and Reemployment Assistance." (See Attachment H.)

Section 408, Disaster Grants for Needy Persons, has a number of desirable features: it establishes an acceptable system to identify and indemnify the truly needy; it assuras a State role supplemented by Federal assistance; it establishes a maximum benefit; and it ensures assistance to those who have exhausted other sources of aid. One of the major problems with S. 3062 is that no one is able to clearly establish whether these grants are intended to be similar to loan forgiveness or to provide assistance supplementary to other resources. The lack of statutory restrictions and specific definitions could allow Section 408 to be interpreted to closely resemble the forgiveness features of the vetoed amendments to SBA and FHA disaster loans. The Administration's position on inequitable, across-the-board, grants to everyone with disaster damage has not changed from the position expressed in the veto of S. 1672. However, if the intent is to aid only those still in genuine need after obtaining other disaster assistance, then the section must be reworded to avoid any possibility of unwarranted grants. The Administration strongly prefers the latter intent of confining eligibility to those who require aid to meet their disaster related expenses, but those needs cannot be met under this bill's other provisions, other laws, or other sources. Specific language revisions that fulfill this latter intent and meet Administration objections to Section 408 are set out in Attachment I.

We favor eliminating Section 413, Crisis Counseling Assistance, because there is ample authority elsewhere in this bill, as in PL 91–606, to permit this action in those few large-scale disasters in which it may be required. This authority would be used only in exceptional cases.

Our experience under PL 91–606 indicates that few local governments suffer a "substantial loss of tax and other revenues as a result of a major disaster," and we anticipate that local governments could rarely demonstrate such a loss under Section 414 of S. 3062 and therefore could not qualify for a grant. We believe the urgent cash needs of a stricken community would be better met through loans which would provide immediate funds for day-to-day operations than they would through grants which, because of the time required to establish "loss" and "need," could not be processed quickly enough to satisfy immediate cash-flow requirements. The basis for loans may be less specifically stated than for grants, since the borrower must repay loans. For these reasons, we favor substitution of loans for grants in this section. (See Attachment J.)

With respect to Title V of the bill, the Administration believes that the proposed Economic Adjustment Act will provide an effective mechanism for delivering financial assistance for long-range economic recovery of disaster areas, and that it would be most inappropriate to include such provisions in a disaster relief act. We, therefore, strongly urge that this title be removed completely from S. 3062.

The attachments to this letter expand on the issues I have summarized above. Other specific language changes will be discussed with the Subcommittee.

We have summarized our recommendations for revisions to S. 3062 and have expressed our particular concern about the need for emphasis on the supplementary nature of the Federal role, the clarification of Section 408, and the deletion of Title V. The Office of Management and Budget has advised us there is no objection to the presentation of this report from the standpoint of the program of the President.

Sincerely,

THOMAS P. DUNNE,
Administrator.

ATTACHMENTS TO VIEWS LETTER ON S. 3062

ATTACHMENT A

SECTION 301—PROCEDURES

Discussion

Federal disaster assistance should supplement the efforts and resources of State and local governments when disaster emergencies exceed their capabilities. The procedural requirements for "emergency" or "major disaster" declarations should provide for appropriate information and assurances that State and local resources are utilized, and commitments are significant, before Federal aid is made available.

Section 201, S. 3062, provides for technical assistance and funding for the States to develop or improve disaster emergency plans. These efforts should promote greater preparedness and reduce the wide variances in the readiness of local and State governments to respond to emergencies. The Federal Disaster Assistance Administration is working with interested Federal agencies and the Council of State Governments on model disaster legislation which would tend to standardize State emergency funds, organization, and actions to improve State and local readiness. These would tend to make the declaration of an emergency by the Governor meaningful as to State participation.

Although past certification experience leaves something to be desired, this requirement has caused many Governors to consider carefully before requesting Federal assistance. If the present certification procedures were updated, they could be an effective means of obtaining firm commitments from the States before a major disaster is declared. This certification would be accompanied by a breakdown of the nature and cost of State and local disaster work. It could also include a statement of the Governor's declaration of an emergency and the extent and nature of State resources' utilization.

It is recommended that Section 301 language be amended as follows to provide for the appropriate information and assurances:

Suggested language change

Section 301. (a) All requests for emergency assistance from the Federal Government under this Act shall be made by the Governor of the affected State. Such Governor's request shall be based upon a finding that the situation is of such severity and magnitude that effective response is beyond the capabilities of the State and the affected local governments and that Federal assistance is necessary. The Governor's request will furnish information describing State and local efforts and resources which have been or will be used to alleviate the emergency, and will define the type and extent of Federal aid required. Based upon such Governor's request, the President may determine that an emergency exists which warrants Federal supplemental assistance.

(b) All requests for major disaster assistance from the Federal Government under this Act shall be made by the Governor of the affected State. Such Governor's request shall be based upon a finding that the disaster is of such severity and magnitude that effective response is beyond the capabilities of the State and the affected local governments and that Federal assistance is necessary. As a part of this request, and as a prerequisite to major disaster assistance under the Act, the Governor will formally declare an emergency under State statutes and will direct execution of the State's emergency plan. He will furnish information on the extent and nature of State resources which have been or will be used to alleviate the conditions of the incident disaster, and will define requirements for Federal supplemental assistance. He will certify that, for the current disaster, State and local obligations and expenditures (of which State commitments must be significant) exceed minimums established by the President. Based upon such Governor's request, the President may declare that a major disaster exists, or take whatever other action he deems appropriate in accordance with the provisions of this Act.

ATTACHMENT B

SECTION 102—DEFINITIONS

Discussion (sections 102 (a) and (b))

The definitions of "disaster" and "major disaster" in S. 3062, together with use of the two terms interchangeably throughout the bill would cause confusion in administering its provisions and add to the dimensions of Federal assistance in less-than-major disaster situations.

We recognize that emergency situations can occur in which Federal assistance is necessary and appropriate to save lives and protect public health and safety. In such cases, action by the Federal Government should not be inhibited by requirements necessary for the declaration of a major disaster by the President.

For maximum clarity it might be better to put less-than-major disaster assistance in a separate section. The separation of the two would eliminate confusion as to the extent and nature of assistance in less-than-major disasters. It would, however, require major changes in the bill.

A second approach is to give a title—"emergency"—to those situations in which Federal assistance would be made available without a major disaster declaration.

Throughout the Act, the terms "emergency" and "major disaster" should be used wherever assistance under either or both conditions is intended. We recommend this approach and suggest the following changes in Section 102—Definitions:

Suggested language change

Section 102. (a) "Emergency" means any hurricane, tornado, storm, flood, high water, wind-driven water, tidal wave, tsunami, earthquake, volcanic eruption, landslide, snowstorm, drought, fire or other catastrophe in any part of the United States which, in the determination of the President, is of sufficient severity and magnitude to warrant Federal assistance under this Act to supplement State and local efforts to cope with the situation or to avert or lessen the threat of a major disaster.

(b) "Major disaster" means any hurricane, tornado, storm, flood, high water, wind-driven water, tidal wave, tsunami, earthquake, volcanic eruption, landslide snowstorm, drought, fire, or other catastrophe in any part of the United States which, in the determination of the President, is of sufficient severity and magnitude to warrant major disaster assistance under this Act, above and beyond emergency services by the Federal Government to supplement the efforts and available resources of States, local governments, and disaster assistance organizations in alleviating the damage, loss, hardship, or suffering caused thereby.

SECTION 102—DEFINITIONS

Discussion (section 102(h))

Federal disaster assistance under PL 91–606 is a Presidential program funded by the President's Disaster Relief Fund. Responsibility for its administration has been assigned by Executive Order to the Secretary of Housing and Urban Development, and through him, to the Federal Disaster Assistance Administrator. We believe it is desirable to retain this Presidential option to delegate authority for program administration as he deems appropriate. S. 3062 should assign all responsibilities to the President so as not to restrict his option of delegating program administration to the agency or agencies who he deems most capable of carrying out the program.

For these reasons, we recommend that all authorities in the proposed Act be vested in the President, and that Section 102(h) be deleted from the bill. Similar references scattered throughout the bill to other Federal agencies should also be deleted, except where legislative authority for the program activity is specifically set forth in other statutes.

ATTACHMENT D

SECTION 314—INSURANCE

Discussion

Self-insurance can be a viable vehicle for providing insurance protection for well capitalized entities. However, "self-insurance" is not synonymous with "no insurance." For self-insurance to be effective, it must be designed to comply with established insurance concepts and must be funded on an actuarily sound basis.

Very few State and local governments have the capability to become self-insurers against disaster losses for several reasons: First, since the risk exposure of government facilities is generally concentrated in one geographic locality, a spread of risk to minimize the loss from any single occurrence is impossible. Secondly, most State or local governments don't have the fiscal resources to fund a self-insurance program on an actuarily sound basis. Finally, many State or local governments lack personnel with sufficient expertise in insurance to competently administer a self-insurance program.

The Flood Disaster Protection Act of 1973, in Section 102(c), permits policies of self-insurance in lieu of Federal Flood Insurance in some cases. This provision, however, differs markedly from the proposed Section 314(c) of the Disaster Relief Act Amendments of 1974. The Flood Disaster Protection Act provision limits self-insurance programs to State governments and requires that the self-insurance be "an adequate policy of self-insurance satisfactory to the Secretary." Under this provision, therefore, the hazards of local government self-insurance are avoided, and States are prevented from using the self-insurance provision as a loophole through which to escape the requirement that they purchase insurance to protect State-owned property.

Even this limited self-insurance provision has not functioned smoothly. The Congress should be aware that on the basis of the programs of so-called "self-insurance" submitted to the Department of Housing and Urban Development by the several States to meet the requirements of the 1973 Act, only a handful could possibly qualify in terms of underlying funding.

Nevertheless, if the Congress decides to continue the principle of "self-insurance" for State governments in the Disaster Relief Act Amendments, there is no justification for extending it to local governments. From a practical standpoint, Congress should recognize that to permit "self-insurance" for local governments would be a delusion. It would mean that when a disaster struck, no local community would have specific funds to cover the losses and each community would exert whatever pressures it could to obtain disaster relief, even if this entailed seeking statutory amendment to provisions which on their face barred such a community from disaster relief.

Should Congress decide that it is advisable to retain a self-insurance provision in the Disaster Relief Act Amendments of 1974, I suggest that it be modeled after the self-insurance provision of the Flood Disaster Protection Act of 1973. Since the insurance requirements of both these acts are analogous and both are administered by the Department of Housing and Urban Development, the content of the requirements should be as uniform as possible to allow for maximum administrative cooperation between FDAA and FIA. Therefore, we suggest that, in the event that self-insurance is necessary to the proposed legislation, the following language be substituted to conform the proposed Section 314(c) to PL 93–234:

Suggested language change

Section 314. (c) Notwithstanding the other provisions of this section, insurance shall not be required on any State-owned property that is covered under an adequate State policy of self-insurance satisfactory to the Secretary. The Secretary shall publish and periodically revise the list of States to which this subsection applies. No such self-insurer shall receive assistance under the Disaster Relief Act Amendments of 1974, for any property covered by such a policy of self-insurance.

ATTACHMENT E

SECTION 318—EMERGENCY WAGE, RENT, AND PRICE CONTROLS

Discussion

Section 318 of S. 3062 should be deleted in its entirety. Other appropriate measures by Federal, State, and local authorities have proved adequate in past major disasters to cope with emergency inflationary trends. In the event that emergency wage, rent, or price controls are thought to be helpful or necessary by State or local government authorities, it would be more appropriate for those authorities to impose the controls and to enforce them. There is no Federal restriction against imposition of such controls by State and local governments so long as they do not conflict with, or are not preempted by, Federal controls.

ATTACHMENT F

SECTION 402—REPAIR AND RESTORATION OF DAMAGED FACILITIES

Discussion (section 402(e) and (f))

One of the major improvements proposed by the Administration was that flexible funding, frequently called block grants, be used in the future to replace categorical grants under PL 91–606.

This proposed change would eliminate categorical grants for restoration of facilities and would provide definite advantages to the applicant, State or local government, as well as to the Federal Government. It would allow the applicant to use Federal assistance for restoration of public facilities in a manner which it determined best suited its needs. It would relieve much of the administrative workload at the local, State, and Federal levels required for categorical grants. Under the flexible funding approach, it is anticipated that, once Federal approval by project application is given, Federal administration would be limited to a minimal inspection and audit to determine primarily that the funds were spent in accordance with broad Federal guidelines stated in the Act, or other statutory requirements, or by implementing Federal regulations or handbooks.

We urge that subsections (e) and (f) be deleted in their entirety and a new subsection (e) be added as follows:

Suggested language changes

Section 402. (e) The Federal contribution made under this section shall be based on 75 per centum of the total estimated cost of repairing, restoring, reconstructing, or replacing all facilities within the jurisdiction of an affected State or local government on the basis of the design capacity of each facility as it existed immediately prior to such major disaster and in conformity with applicable codes, specifications, and standards. Funds contributed under this section may be expended either to repair or restore certain selected damaged public facilities or to construct new public facilities which the applicant determines to be necessary to meet its needs for governmental services and functions in the disaster affected area, except that funds granted on the basis of repair, restoration, reconstruction, or replacement of private nonprofit facilities or facilities on Indian reservations specified in subsection 402(b) shall be utilized specifically for those facilities.

ATTACHMENT G

SECTIONS 404 AND 405—TEMPORARY HOUSING ASSISTANCE AND RESTORATION OF PRIVATE HOMES TO HABITABLE CONDITION

Discussion

Temporary housing, because of the many variables that are of a local nature, should be managed by the local and State governments. These governments can readily assess these variables and mesh the temporary housing program with the development planning of the community. If State and local management of the program is unacceptable, then we recommend that temporary housing authorities similar to those in PL 91–606 be retained.

The Federal Government should provide temporary housing only in major disasters. State and local governments, along with the various voluntary organizations, should continue to have the responsibility for providing temporary housing in other than major disasters.

Section 404 should contain all those provisions that relate directly to temporary housing. The reference to emergency shelter should be deleted since it is a form of emergency service, as recognized in Section 306 (a)(4).

Section 405 should be deleted, and the provisions it contains for the mini-repair program should be included in Section 404. This program is a form of temporary housing and should be made available only in major disasters.

Section 404 should have an additional provision that would allow the President to transfer, at the end of disaster occupancy or the statutory free-rent period, mobile homes and other forms of temporary housing to other governmental entities and to volunteer organizations for the purpose of providing temporary housing assistance to disaster victims. Similar provisions should be included to allow the sale of federally owner mobile homes to States and local governments or voluntary agencies in emergencies where minimal temporary housing may be required.

We suggest that the following language be substituted for the provisions of Sections 404 and 405 of S. 3062:

Suggested language changes

Section 404. (a) The President is authorized to provide temporary housing for those who, as the result of a major disaster, require such accommodations, by using property held by the Federal Government and by acquiring, either by lease or purchase, rental housing, mobile homes, or other readily fabricated dwellings. Any mobile home or readily fabricated dwelling shall be placed on suitable land provided, at no cost to the Federal Government, either by the State or local government, or by the owner or occupant who was displaced by the major disaster. However, the President may elect to provide other more economical or accessible sites at Federal expense when he determines such action to be in the public interest.

(b) During the first twelve months of occupancy, no rentals shall be established for any such accommodations; provided that an occupant may be required to pay the usual and reasonable utility service charges attributable to such accommodations. Thereafter, rentals shall be established, based upon fair market value of the accommodations being furnished, adjusted to take into consideration the financial ability of the occupant. The State or local government shall provide necessary management of all temporary housing occupied beyond the free-rental period. The President is authorized to make grants to State and local governments for such management purposes, except that no such grant shall extend beyond six months.

(c) At the election of the eligible applicant and in lieu of providing other types of temporary housing after a major disaster, the President is authorized to make expenditures for the purpose of repairing or restoring to a habitable condition owner-occupied private residential structures made uninhabitable by a major disaster which are capable of being restored quickly to a habitable condition with minimal repairs. No assistance provided under this section may be used for major reconstruction or rehabilitation or alteration of damaged property.

(d) The President is authorized to provide assistance on a temporary basis in the form of mortgage or rental payments to or on behalf of individuals and families who, as a result of financial hardship caused by a major disaster, have received notice of dispossession or eviction from a resident by reason of foreclosure of any mortgage or lien, cancellation of any contract of sale, or termination of any lease, entered into prior to the disaster. Such assistance shall be provided for a period of not to exceed one year or for the duration of the period of financial hardship, whichever is the lesser.

(e) Notwithstanding any other provision of law, any such temporary housing acquired by purchase may be sold directly to individuals and families who are occupants of temporary housing at prices that are fair and equitable, as determined by the President. The President, may sell or otherwise make available temporary housing units directly to States, other governmental entities, and voluntary organizations. Such disposition shall be limited to units purchased under the provisions of subsection (a) of this section and to the purposes of providing temporary housing for disaster victims in emergencies or in major disasters.

(f) The President is authorized to make contributions to State and local governments for the purpose of carrying out the provisions of this section.

SECTION 407—UNEMPLOYMENT ASSISTANCE

Discussion

The title of Section 407 should be changed to "Unemployment and Reemployment Assistance."

The portion of Section 407(a) dealing with discretionary authority to increase the benefit period to one year should be deleted because:

1. It would add a provision for which there has been no historically demonstrated requirement.
2. It would extend to 52 the number of weeks for which benefits may be paid, thus making DUA the longest continuous unemployment compensation program, whereas in the past the goal had been to provide assistance to those ineligible for regular unemployment compensation.

Subsection 407(b) should be retained.

Subsection 407(a) should be deleted and the provisions of Section 240, PL 91-606, should be inserted in lieu thereof, as follows:

Suggested language change

Section 407. (a) The President is authorized to provide to any individual unemployed as a result of a major disaster such assistance as he deems appropriate while such individual is unemployed. Such assistance as the President shall provide shall not exceed the maximum amount and the maximum duration of payment under the unemployment compensation program of the State in which the disaster occurred, and the amount of assistance under this section to any such individual shall be reduced by any amount of unemployment compensation or of private income protection insurance compensation available to such individual for such period of unemployment.

ATTACHMENT I

SECTION 408—DISASTER GRANTS FOR NEEDY PERSONS

Discussion

Section 408 provides financial assistance to families or individuals affected by a disaster who are unable to meet extraordinary disaster-related expenses or needs. The language of the section would require that grants be made only where assistance made available under the other sections of this Act or through other sources is inadequate to enable families or individuals to meet such extraordinary expenses or needs. The term "needy" applies to any family or individual who qualifies for such assistance.

The following substitute language is suggested for Sections 408(a), (b), and (d):

Suggested language changes

Section 408. (a) The President is authorized to make grants to States to provide financial assistance to families or individuals adversely affected by a major disaster who are unable to meet disaster-related expenses, needs, or services such as food, communications, water, clothing, utility services, and public transportation. Such grants shall be made for use only in cases where assistance under other provisions of this Act, or other appropriate laws, or other means is insufficient to allow persons to meet such expenses or needs.

(b) The amount of funds to be granted under this section shall not exceed 75 per centum of the actual cost of providing assistance pursuant to subsection (a) of this section.

(d) The President shall promulgate regulations that shall include national criteria, standards, and procedures for the determination of eligibility and the administration of grants made under this section. No family shall receive grants under this section which total in excess of $2,500.

SECTION 414—COMMUNITY DISASTER GRANTS

Discussion

We recommend revision of Section 414 to provide a more workable program for providing ready cash flow to local governments promptly when needed after a disaster. Our experience under PL 91-606 indicates few local governments suffer "a substantial loss of tax or other revenues as the result of a major disaster." Property tax losses are usually more than offset by increased sales taxes, grants from State or Federal agencies, and other community revenues. We anticipate that local governments could rarely demonstrate a "substantial loss" under the proposed Section 414 and therefore could not qualify for a grant. With no requirement to verify "substantial loss", loans would provide a ready cash flow, which would be used conservatively, since the local government must pay interest and make repayment. Under guidelines similar to those for loans, a grant may be projected but must await Federal audit at the end of the year for accurate determination.

APRIL 2, 1974.

Hon. JENNINGS RANDOLPH,
Chairman, Committee on Public Works, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This is in reply to your request for the views of this Department concerning S. 3062, a bill "Entitled the 'Disaster Relief Act Amendment of 1974.'"

The Department of Commerce has the following comments with respect to Title V of S. 3062 which establishes a new, long-range economic recovery program for major disaster areas. The Department has no comment concerning the other Titles of S. 3062.

The stated purpose of Title V is to provide assistance for the economic recovery, after the period of emergency aid and replacement of essential facilities and services, of any major disaster area which has suffered a dislocation of its economy of sufficient severity to require, (a) continued assistance for the restoration of an employment base less vulnerable to disruption by disaster, (b) assistance in planning for development to replace that lost in the disaster, and (c) continued coordination of assistance available under federal-aid programs.

Under the bill the term "major disaster" means any disaster determined by the President to be of sufficient severity and magnitude to warrant disaster assistance above and beyond emergency services provided for lesser disasters.

If the impact of a disaster to an areas is of severe magnitude, the State Governor may apply for assistance under Title V. Within thirty days after authorization by the President for Title V assistance, the Governor is to appoint a Recovery Planning Council of not less than five members, a majority of whom are to be local elected officials from the disaster area, a representative of the State, and a representative of the Federal Government. The latter is to be the Federal Cochairman of the Regional Commission established under Title V of the Public Works and Economic Development Act or the Appalachian Regional Development Act, or his designee, if all or part of the affected area is within the boundaries of the Commission. In all other cases, the Federal representative is to be the Chairman of the Federal Regional Council for the affected area, or a member thereof designated by the Chairman.

The Recovery Planning Council is to: (1) review existing development, land use and other plans for the affected area; (2) make such revisions as it determines necessary for the economic recovery of the area, including the development of new plans and the preparation of a five year recovery investment plan; and (3) make recommendations for such revisions and the implementation of such plans to the Governor and local governments.

Section 503 of S. 3062 authorizes a program to provide grants for public development facilities up to 80% of project cost, and in certain cases, the Federal share may be increased by supplementary grants to a maximum of 90%. Grants for Indians, Alaskan Natives, and States or local governments who have exhausted their taxing and borrowing capacities could be 100%.

Section 504 authorizes a loan program to help finance projects for the purchase or development of land and facilities for industrial and commercial use. Loans made by private lending institutions to private borrowers for working capital in connection with projects in major disaster areas assisted by direct loans may be guaranteed up to 90% of the unpaid balance.

Section 505 authorizes a broad scope of technical assistance activities including the provisions of 75% of the administrative costs of organizations receiving Title V grants for technical assistance. Section 506 authorizes a $200 million disaster recovery revolving fund to carry out Title V and such sums as may be necessary to replenish it on an annual basis.

This Department supports the objectives of Title V of S. 3062. The widespread devastation caused by Hurricane Agnes in 1972 revealed problems in Federal efforts, including the efforts of this Department's Economic Development Administration, in attempting to deliver both timely and coordinated redevelopment relief to devastated areas.

However, we oppose the program provided in Title V of S. 3062 on the grounds that, as a categorical assistance program, it is too narrow and inflexible for efficient and effective use by the States when a disaster occurs. Instead, we believe that section 204(a)(2) of the Administration's Economic Adjustment Act of 1974 (S. 3041 and H.R. 12942) offers a better means for disaster area economic recovery in the States through establishment of a discretionary fund which may be used for special needs, such as disasters.

We have been advised by the Office of Management and Budget that there would be no objection to the submission of our report to the Congress from the standpoint of the Administration's program.

Sincerely,

KARL E. BAKKE,
General Counsel.

APRIL 9, 1974.

Hon. QUENTIN N. BURDICK,
Chairman, Subcommittee on Disaster Relief, Public Works Committee, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: On March 29, 1974, Mr. Thomas P. Dunne, Administrator of the Federal Disaster Assistance Administration (FDAA), Department of Housing and Urban Development, forwarded to you comments on S. 3062, the Disaster Relief Act Amendments of 1974. I endorse Mr. Dunne's views.

I believe that S. 3062, with the modifications suggested by Mr. Dunne, will strengthen the existing disaster legislation. In particular, I believe that Section 408, Disaster Grants for Needy Persons, is an important addition to the present law.

The President's legislative proposals, which were introduced in the Senate as S. 1840, recognized this very important need. S. 3062 has retained and clarified the essential feature's of the President's proposal: that these grants are to meet extraordinary disaster related needs which cannot be met under other assistance authorities, and that the States will administer and participate in the grants.

There can be no doubt that the use of existing State administrative mechanisms is the only effective and efficient way to approach the problem. I commend and support the Committee's wisdom in selecting the State to administer the grants. The Committee has also made the State a participant by limiting the Federal share to 75 per cent of the actual cost. It is this responsibility for participation which I believe is most critical, without which administration by the State would be of questionable value.

State participation in these grants is entirely consistent with the basic concept of Federal disaster assistance legislation from its beginning in Public Law 81–875. Federal assistance is intended to supplement State and local government efforts, not substitute for them. It is particularly appropriate that the States share in the grants to needy persons, since one of the tests for eligibility is that the essential needs cannot be met by other State or local assistance programs. There is also ample evidence to support the proposition that States will be more careful managers of programs which are financed, at least in part, from their own revenues. Accordingly, I strongly urge that Federal and State sharing of these grant costs be retained.

As I indicated in our discussions yesterday, the Administration is strongly opposed to the concept of disaster loan forgiveness. Loan forgiveness features are indiscriminate, inequitable, and apply without regard to whether the purpose of the loan is for essential or non-essential disaster relief and without regard to the economic position of the recipient. As the President said in his September 22, 1972, message on this point: "The net result would be greater Federal assistance for the well-to-do than the needy, and an even larger bill for the general taxpayer. That is not my idea of good government." Forgiveness would reopen a tap in the Federal treasury which the Congress itself closed last April.

With all best wishes.

Sincerely,

JAMES T. LYNN.

Mr. HUDDLESTON. Mr. President, may I inquire whether or not the bill is now subject to amendment?

The PRESIDING OFFICER. The bill is open to amendment.

Mr. HUDDLESTON. I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will state the amendment.

Mr. TAFT. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. TAFT. Are we under controlled time?

The PRESIDING OFFICER. We are under controlled time.

Mr. TAFT. Who is granted time?

Mr. AIKEN. Mr. President, I would like 5 minutes.

Mr. BURDICK. Mr. President, this time will be taken out of time on the amendment.

The PRESIDING OFFICER. The Senator from Kentucky has 15 minutes on this amendment. There is a half hour to each side on amendments.

Mr. RANDOLPH. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. RANDOLPH. I did not understand the Senator from Kentucky wants to take the whole time.

Mr. HUDDLESTON. I do not intend to use my entire 15 minutes. My own remarks will be very brief.

The PRESIDING OFFICER. The amendment of the Senator from Kentucky will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. HUDDLESTON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in the bill, insert the following:

"INTEREST RATES AND CANCELLATION

"SEC. ——. (a) Notwithstanding any other provision of law, in the case of any disaster loan made in connection with a major disaster determined pursuant to the Disaster Relief Act of 1970 or this Act or in connection with a natural disaster or disaster determined under the Consolidated Farm and Rural Development Act or the Small Business Act, the Secretary of Agriculture or the Small Business Administration, as the case may be, shall cancel the principal amount of the loan, but not to exceed $5,000 shall be so canceled, and the interest on the balance of the loan shall be at a rate of 1 per centum per annum.

"(b) The provisions of subsection (a) apply with respect to any loan made in connection with a disaster which occurs on or after April 1, 1974, but prior to October 1, 1974."

Mr. DOMENICI. Mr. President, will the Senator yield?

Mr. HUDDLESTON. I yield.

Mr. DOMENICI. I failed to recognize, in my comments, the ranking Republican member of the committee (Mr. BAKER). I wonder if the Senator would allow me to yield to the Senator from Tennessee on my time so the Senator could make opening remarks on this measure.

Mr. HUDDLESTON. Mr. President, I yield under those conditions.

Mr. BAKER. Mr. President, I am very pleased that the Public Works Committee has acted swiftly to report to the Senate a comprehensive disaster relief assistance measure following the tornado tragedies just a week ago. And I am equally pleased that the Senate is acting so promptly to consider this important bill.

While this bill was reported from subcommittee and full committee yesterday—exemplifying the speed with which the Congress can act when speed is warranted—it is not an act of haste. The Disaster Relief Subcommittee has been considering disaster relief proposals for more than a year. Last year, the subcommittee conducted field hearings in Biloxi, Miss.; Rapid City, S. Dak.;

Wilkes-Barre, Pa.; and Elmira-Corning, N.Y., to examine effectiveness of the Federal response to past disasters. We also conducted 3 days of Washington hearings, held on an administration bill, S. 1840, and additional hearings were held this year on the bill that has been reported, S. 3062.

The chairman of the Disaster Relief Subcommittee, Senator BURDICK, and the ranking Republican member, Senator DOMENICI, are to be commended highly for their long hours of hard work and attention to the details of this legislation. I would also commend their decision to fly to the devastated areas of Tennessee and the Midwest within hours of last week's tragedy for an on-the-spot inspection. The chairman of the full committee, Senator RANDOLPH, as always provided valuable leadership and work to the committee.

I also want to mention the fine working relationship that the committee has had with the administration. The committee has paid close attention to the suggestions of the administration and, while there are some differences, I am pleased that the committee has adopted a number of provisions recommended by the administration. This includes the block grants for restoration of public facilities and 75 percent Federal funds for grants to families.

I want to express my deep thanks to Senator BURDICK and Senator DOMENICI for making the tour of Tennessee, Kentucky, Indiana, and Ohio last week to see the devastation and suffering inflicted by vagaries of nature.

Mr. President, the consensus that came from our hearings was that the Disaster Relief Act of 1970—Public Law 91–606—is a good and sound law. In general, it has worked well. While it has been effective for only 3 years, it has been tested again and again—in times of some of the worst disasters in our Nation's history, such as Hurricane Agnes.

This bill does not alter greatly the provisions of Public Law 91–606. It builds upon that law—improving it and adding to it. This bill continues the existing Federal disaster relief program, perfecting and improving with added assistance where that has proved necessary.

Mr. President, I am especially pleased that, upon my motion, the committee made the effective date of this legislation April 1, 1974. The series of about 100 tornados which struck many Southern and Midwestern States on the night of April 3–4 left vast damage and suffering. It killed more than 300 men, women, and children. More than 4,500 persons were injured. Many more thousands were left homeless, and property damage is estimated to exceed more than $500 million. These statistics show how imperative it is that the provisions of this bill be made law as quickly as possible to aid the recovery from this disaster.

The reported bill provides grants to States to help them meet extraordinary disaster-related expenses and the needs of families that are not covered by other programs, insurance, or aid. This is an important provision. It will provide valuable assistance to many families stricken by disasters but which, for one reason or another, are unable to obtain needed assistance from another source. This is a new provision, not currently provided. In the past, some disaster victims were provided $5,000 forgiveness on home or business loans. The provision in this bill provides grants up to $5,000 per family for extraordinary disaster-related expenses and needs over and above any other source. As introduced, the bill provided up to $2,500 per family. However, on my motion the committee raised the grant to $5,000 per family. And while the bill provides national criteria, standards, and procedures, this program would be administered by the States.

The bill also provides—for the first time—funds for the repair and restoration of private, nonprofit utilities, such as REA membership co-ops, plus public and private nonprofit schools and public recreational facilities and hospitals. This provision should prove invaluable to several States that were damaged by the recent tornados. For example, in my State of Tennessee, extensive damages were inflicted on many REA facilities.

Another new provision of the bill provides special assistance for long-range economic recovery of especially hard-hit communities—after the period of emergency aid and the essential facilities and services are replaced. I believe it has been shown that assistance of this type has been needed in the past and, I believe, this provision is an imaginative response toward meeting this need.

Under current law, funds for the repair and restoration of public facilities are provided on a project-by-project basis. This has led to burdensome redtape, auditing, and administrative difficulties. This reported bill provides new flexibility by allowing a community to choose either the present method, or a block grant representing 90 percent of the cost of rebuilding its public facilities in lieu of project-by-project restoration.

The recent tornados have focused our attention on the great need for massive Federal assistance necessary in major disasters. In many other situations there is a need for emergency assistance which does not call for the declaration of a major disaster. In the past, emergencies have arisen which did not warrant a major disaster declaration, but did warrant limited or specialized Federal assistance.

For the first time, this bill would establish a distinction between major disasters and emergencies of a lesser magnitude. This would enable the President to respond with a response scaled to need. This distinction will enable the President to respond to such situations, without opening the full range of assistance that would be mobilized by a major disaster declaration.

The bill writes into law the so-called "mini-repair" program to rehabilitate damaged homes in lieu of providing temporary housing. This program was first tried following Hurricane Agnes, and it worked well.

The bill also expands the scope of the present program of unemployment assistance; and it provides up to 25 percent of annual operating budgets to local governments suffering revenue losses and in financial need. Such loans may be canceled to the extent that revenues during the following 3-year period are insufficient to meet the operating budget including disaster expenses of the local government.

Mr. President, in the most recent disaster, the response of Federal, State, and local agencies—and especially of the local people—has been excellent. I believe that as the recovery effort proceeds—and in future disasters—the measures provided under this bill may prove of additional help by creating a more flexible approach without in any way lessening the program's scope.

I recommend that the Senate pass this bill, and I hope it will become law expeditiously.

Mr. HUDDLESTON. Mr. President, before explaining my amendment, I would like to take this opportunity to commend the distinguished Senator from North Dakota (Mr. BURDICK), chairman of the Subcommittee on Disaster Relief; the distinguished ranking Republican member, the Senator from New Mexico (Mr. DOMENICI); and other members of the subcommittee for moving with such dispatch last week after the devastation from the tornadoes that struck several Midwestern States. The subcommittee went immediately to the scene of the disaster to obtain firsthand information for themselves.

The legislation that we are considering here today has been altered to some extent from the bill as introduced. New features have been added, as a direct result of the firsthand information that members of the subcommittee received in making that trip through the affected areas. I think it was very commendable of them to move with such rapidity and to bring this legislation to bear on conditions which actually now exist.

What I am proposing, in my amendment, Mr. President, is that we reinstate for the next 6 months the $5,000 forgiveness feature and the 1 percent loan rate for disaster loans made through the Farmers Home Administration and Small Business Administration. These are the same conditions which were in effect under Public Law 92–24.

Under existing law, the most favorable loan program available to a disaster victim is a 5-percent loan, with no forgiveness. That is really not a great deal of assistance for persons who have lost all or even most of their life possessions in a disaster.

I am well aware of the arguments which have been made against this proposal. The principal one is cost to the Federal Government. I suggest that if we can have a $300 billion-plus budget in this country, if we can spend $92.6 billion for defense, then we can afford to help restore extensive damage from natural disasters.

I agree wholeheartedly with the proposals which have been made for greater insurance coverage and for new preparedness programs, but it is a fact that these do not now exist to the extent that they should. Even the committee report on the pending disaster relief legislation noted that the States had not fully utilized aid to develop programs to combat major disasters and that greater incentive was needed.

I am also aware of the extraordinary disaster grant program contained in the bill as reported. I requested that the committee increase the ceiling on this program and I commend them for raising the limit, on the basis of the information developed during the recent trip, from $2,500 to $5,000.

We do not, however, yet know the guidelines of that particular grant program or just how it will apply to individuals or how many will benefit. I think, therefore, that the reinstatement of the 1 percent and the $5,000 forgiveness feature for a limited period of time is a logical way to proceed. That will give the victims of the recent disasters the same grants, the same opportunities, and the same benefits that were given just over a year ago to victims of other disasters that occurred in the country.

I hope that in the future we will be better prepared, will have better plans and more extensive insurance coverage, and that this type of program may not be necessary. But I believe, due to the nature of the destruction and the individual losses in the various communities, including buildings, homes, and other property, it would be appropriate to reinstate these features for a limited time and give to these citizens the benefits of programs and qualifications that were available to persons in similar situations in the past.

Mr. RANDOLPH. Mr. President, may I commend the distinguished Senator from Kentucky (Mr. HUDDLESTON) and also, at the same time, indicate to the Senate that the Senator who has just spoken was one of several Senators who met with the Subcommittee on Disaster Relief of the Committee on Public Works in an effort to counsel and constructively work for bringing this important proposed legislation to the floor of the Senate today.

I trust that the amendment which has been offered and has been discussed might, frankly, be tabled or withdrawn. We are attempting to stay with the measure before us, which we believe covers the points the Senator seeks to cover. Of course, I respect the judgment of the individual Senator who presented the amendment, and I thank him for his contribution.

Mr. BURDICK. Mr. President, the amendment offered by the Senator from Kentucky has a considerable amount of appeal and, of course, was used in the disaster in Pennsylvania sometime ago, but we must bear in mind the history of this legislation.

It was a year ago that we had quite a round of discussions between the White House and Congress. It will be recalled that a proposition similar to this was defeated by the President. We attempted to get low-interest loans, but we did not succeed. The only interest we succeeded in getting was on the 5-percent loans.

Bear in mind that in addition to all the help extended under this act—and I enumerated many of the provisions in my opening statement—we have provided for a $5,000 extraordinary grant to the needy victims. This is in addition to all the other specific programs.

The theory behind the $5,000 grant is that there will be joint participation between the Federal Government and the State governments or local governments, or branches thereof, whereby the Federal Government will contribute a 75-percent supply to a $5,000 grant to the local government and the administration of the grant will be placed in the hands of the local government. The reason is that there were abuses in the program of several years ago. Many people who received forgiveness loans were not entitled to receive them. This program is put on a sound basis. It puts the grant on a local basis with the people who know the citizens, and will provide extraordinary assistance up to $5,000.

We have the unanimous agreement of the committee, and have cleared it with the administration. We have solid support for the bill. If we are going to depart from our present position and add a great many appealing amendments we may not get a bill. The people in the five-State area need the bill, and if we add extraneous amendments, we may not get a bill at all.

For these reasons, I oppose the amendment offered by the Senator from Kentucky.

Mr. DOMENICI. Mr. President, I commend the distinguished junior Senator from Kentucky (Mr. HUDDLESTON) for his diligent work on behalf of his constituents. I met with him for the better part of a day in some of the most devastated communities in his State, including Louisville, which has suffered rather substantial losses of property, although not totally.

I do suggest, however, that several provisions in the bill before the Senate, including the $5,000 grant for extraordinary disaster expenses, can be administered by the State. Seventy-five percent of the cost will be funded by the Federal Government. Each application will be evaluated, on an individual basis, to determine the extraordinary disaster related needs of individuals who have been affected, taking into consideration all the other assistance programs which are available under this act or other appropriate acts such as the SBA disaster loan. Taken together with their insurance coverage and the like, individuals are more apt to get basic justice in the wake of the catastrophe.

Congress, by a rather substantial margin, denied the further use of the $5,000 forgiveness provision when it passed Public Law 93–24 last April. I think it was obvious why the program was refused. I should like to quote briefly from a letter addressed to Senator BURDICK by Mr. James T. Lynn, Secretary of the Department of Housing and Urban Development, dated April 9, 1974, and referring to S. 3062. Before doing so, I should say that Secretary Lynn has spent a great deal of time—in fact, the greater part of an afternoon—with members of the subcommittee, discussing in detail the provisions of the bill and I believe the bill has, basically, the support of the administration. I think Secretary Lynn quite accurately described the differences between proposals to reinstate loan forgiveness and the provisions of S. 3062 as it now stands. I shall quote from the Secretary's letter:

> As I indicated in our discussions yesterday, the Administration is strongly opposed to the concept of disaster loan forgiveness. Loan forgiveness features are indiscriminate, inequitable, and apply without regard to whether the purpose of the loan is for essential or non-essential disaster relief and without regard to the economic position of the recipient. As the President said in his September 22, 1972, Message on this point: "The net result would be greater Federal assistance for the well-to-do than the needy, and an even larger bill for the general taxpayer. That is not my idea of good government." Forgiveness would reopen a tap in the Federal treasury which the Congress itself closed last April.

I may say to the junior Senator from Kentucky that the $5,000 grant program is supported in the Senate in terms of what it can do for the individual citizen. For instance, he need not apply the grant solely to the repair of his home; he can use the money for any other extraordinary needs or expenses which occur as a result of the catastrophe. Individual needs are so varied that to go back to the $5,000 restrictive forgiveness would be a step backward.

I, therefore, reluctantly indicate to the Senator that I cannot support his amendment. I join with the chairman of the full committee and the chairman of the subcommittee in asking the Senator to let us proceed with dispatch and pass the bill as proposed by the full Committee on Public Works.

Mr. BAKER. Mr. President, will the Senator yield?

Mr. DOMENICI. I yield.

Mr. BAKER. Mr. President, I have great admiration for both Senators from Kentucky. I am entirely sympathetic to the purposes they are trying to accomplish. However, the subcommittee under the leadership of the chairman, the Senator from North Dakota (Mr. BURDICK) and the Senator from New Mexico (Mr. DOMENICI) have worked long and hard on a bill that is not only comprehensive but also really helpful and effective.

If we proceed with amendments, even though they are meritorious in their own rights—as certainly this amendment is—I think it would not serve the general purpose of disaster relief. So it is with great reluctance that I cannot support the amendment of the Senator from Kentucky.

I hope that we will preserve intact a passable bill and that the Senator will consider withdrawing his amendment so that we can proceed to pass the bill.

So I suggest, in the interest of trying to get a bill, that the Senator from Kentucky withdraw his amendment.

Mr. DOMENICI. Mr. President, I thank the Senator from Tennessee.

The senior Senator (Mr. COOK) and the junior Senator from Kentucky (Mr. HUDDLESTON) and other Senators whose States were involved, met with the committee and expressed their concern about the inadequacy of the $2,500 originally in the committee proposal and requested we raise the amount. The full committee did increase the grant from $2,500 to $5,000, because of their concerns expressed on behalf of their constituents.

Mr. ALLEN. Mr. President, will the Senator from North Dakota yield?

Mr. BURDICK. I yield.

Mr. ALLEN. I commend the chairman of the Public Works Committee (Mr. Randolph), the chairman of the subcommittee (Mr. Burdick), the Senator from New Mexico (Mr. Domenici), and the other members of the subcommittee for the fine work they have put into this bill, and for the deep concern and compassion that they have exhibited in connection with the tragedy that struck Alabama and a number of other States of the Union. They went immediately to the disaster area and saw the conditions firsthand, and other Senators have come back and reported on the needs of their States and the citizens of their States.

Alabama was perhaps the hardest hit of any of the States. At least 76 of our people lost their lives. Actually, representing the people of Alabama, it would be very pleasing to me if the amendment offered by the Senator from Kentucky might become the law of the land. But the committee is recommending the $5,000 grant to those in need, to be shared by the States on a 3-to-1 matching basis, and to be administered by the States.

It would seem to me that this is going to eliminate a lot of redtape and a lot of unjustified claims, and is going to cause the grants to be made on the basis of the needs of our people. It seems to me that it is equitable indeed; and I appreciate the willingness of the subcommittee and the full committee to go along with the increase from $2,500 up to $5,000. I think this will serve a great purpose in alleviating the hardships of the people of our area and the people of the country who have been struck by this disaster.

I commend the majority leader and all of the Senators for allowing this matter to come up at this time, in the midst of the debate on the campaign bill under the cloture proceedings. I feel that it deserves the support of the Senate; and we hope that the House of Representatives will quickly go along with the Senate bill.

I would hope that the distinguished Senator from Kentucky would be satisfied with the grant provision of the bill. It has a better chance of becoming law, it seems to me, than does the amendment of the Senator from Kentucky, because while the President has shown great interest and concern about the plight of so many of our people, it is doubtful if he would go along with the concept of the forgiveness feature not based on need.

We want to alleviate the pain and suffering and the needs of our people, and not necessarily to provide forgiveness of the $5,000 loans to the people who do not need that forgiveness. So the subcommittee bill, it seems to the Senator from Alabama, is very fair and generous indeed, and that is the proposal which I shall support.

Mr. HUDDLESTON. Mr. President, will the Chair advise the Senator from Kentucky how much time remains on his portion?

The PRESIDING OFFICER. The Senator from Kentucky has 6 minutes remaining, and the opposition to the amendment has 5 minutes remaining.

Mr. HUDDLESTON. Will the distinguished floor manager of the bill yield on my time for some clarification as to what kind of "national criteria or standards" might be expected for the $5,000 grant provision of the committee bill?

Mr. BURDICK. Mr. President, as the Senator knows, other provisions of the bill go a long way toward taking care of housing needs, debris clearance, business losses, and so forth. This is more or less of a catch-all, where other matters are not covered.

For example, a family might lose an automobile, or they need some small repairs, or even burial expenses. There are so many things that happen in a catastrophe like this that are not covered by specific categories under the law, that there really is no limit. The only limit is what is directly attributable to and connected with the disaster. It could be clothing, medical supplies—there is no limit at all.

Mr. HUDDLESTON. Would it, for a median income family that lost its home and all that is in it, cover expenses beyond the insurance coverage and whatever costs are otherwise covered?

Mr. BURDICK. That is correct. This is not confined to the poverty level by any means. It is based on the objective appraisal of the need.

Mr. HUDDLESTON. Does the Senator have any suggestion as to how long it might take, assuming that we have legislative success with this feature, to get a grant program in operation at the local level?

Mr. BURDICK. We are advised that the administration believes this can be put into operation within a few weeks. Of course, it depends upon the cooperation of the Governors of the various States. The Governors assure us they can act promptly and speedily.

Mr. HUDDLESTON. Mr. President, I offered my original amendment because of the dire situation in which many who have suffered so greatly from this recent disaster find themselves. Just over a year ago, the victims of another disaster, primarily flooding at that time, received the benefit of the particular features I am requesting now.

Most of the damage in that case was done by flood water. A flood is a terrible thing to have happen; but flood waters do recede, and as a rule they leave buildings standing, which can be cleaned up and reoccupied again. Tornadoes often destroy entire buildings.

In this case, the situation in my State and most of the other States involved is that most of the homes that have been in the paths of these tornadoes are totally destroyed. Even what is left standing will have to be torn down and rebuilt. This is true for residences, business places, public buildings, and all types of buildings.

It seems to me that under those conditions, even though a person may have what he considers to be an adequate insurance program, it is highly unlikely that it would be sufficient to pay for tearing down, clearing away, and rebuilding to anywhere near the standards prior to the disaster.

It seemed to me that the people suffering this kind of misfortune should be entitled to whatever was available to those who, some 2 years ago, were victimized by another natural disaster. However, I try to be a practical person, and I want to do whatever is the very best I can do, not just for my people in Kentucky, but for all the people in this country who have suffered from this natural disaster or any other natural disaster.

I am well aware of the Senate action and the action of Congress a year ago that eliminated the features that I am asking now. I am well aware of the very adamant and strong opposition of the White House to these amendments, and I recognize that should they be enacted there is a possibility that the entire bill would be vetoed, thus delaying aid to those victims that we might provide now.

I recognize the highly desirable action of the committee in providing for the $5,000 grant program, but I am still hopeful that we can do something about the loan programs. I know that there may be offered here today other amendments that would adjust downward the interest rate to perhaps the 2 percent level, and I will support them. That would be some improvement.

So, recognizing these things, knowing the diligence of the committee, knowing the position of the administration, being anxious to move as quickly as we can on this legislation and to place no stumbling block, no barrier, to adequate legislation that will provide in the quickest possible time all the help possible to those who have suffered from this disaster, I ask unanimous consent, Mr. President, at this time, to withdraw my amendment, with the understanding that before final action is taken on the bill, it or one similar to it might well be reintroduced.

The PRESIDING OFFICER (Mr. Hathaway). Without objection, it is so ordered, and the amendment is withdrawn.

Several Senators addressed the Chair.

Mr. RANDOLPH. Mr. President, the able Senator from Tennessee, the ranking minority member of the Committee on Public Works, has determined that in the interest of expediting consideration of the amendment, rather than the speeches that would be given, the Record will show the documentation. Therefore, I ask unanimous consent that my remarks be printed in the Record as if given.

The PRESIDING OFFICER. Without objection, it is so ordered.

SENATE EMERGENCY LEGISLATION PROVIDES FOR DISASTER RELIEF

Mr. RANDOLPH. Mr. President, this legislation is considered by the Senate only a week after a series of tornadoes struck a wide area of our country.

The bill, however, is not a hurried response to the events of the past week. It is a measure that has been in preparation for more than 2 years and was introduced on February 26. Refinements were made in the past week and were based to a large degree on the experience of responding to the ravage of the tornadoes.

The measure before us is a comprehensive revision of the Disaster Relief Act of 1970 which established the first permanent, standing mechanism for an immediate Federal reaction to disasters.

For more than a year our Subcommittee on Disaster Relief, under the vigorous chairmanship of the Senator from North Dakota (Mr. BURDICK) worked to develop the provisions of S. 3062. Last Thursday and Friday, Senator BURDICK, Senator DOMENICI, the ranking minority member of the subcommittee, and Senator BAKER, the ranking minority member of the full committee, visited tornado damaged areas of Tennessee, Kentucky, Indiana, and Ohio. They returned from this inspection determined to see enactment of this bill as soon as possible.

The subcommittee previously had scheduled a meeting for yesterday to consider the bill. At the morning session it was approved, and yesterday afternoon the Committee on Public Works ordered it reported to the Senate.

Earlier this week we met with Senators from States where the tornadoes struck and others, including Secretary of Housing and Urban Development, James T. Lynn, to receive comments and recommendations on the bill. Among those who contributed to our efforts was Senator BAYH, a former member of the committee. It was through his concern and leadership that the initial work of our committee in the field of disaster relief was conducted and the 1970 statute developed.

The other members of the Disaster Relief Subcommittee—Senators CLARK, BIDEN, and BUCKLEY—were conscientious in their work and made valuable contributions.

Enactment of the 1970 disaster relief law brought a significant improvement in the ability of the Federal Government to aid those individuals and communities stricken by disasters. No longer must we introduce new bills each time a disaster strikes. A wide variety of Federal assistance programs, and the administrative machinery to deliver them, is available when the President issues a disaster declaration.

Nearly 4 years of experience with the act have permitted us to see its provisions applied in various kinds of disasters—floods, fires, tornadoes, and earthquakes. This experience has shown us where improvements can be made so that the right kind of assistance is delivered where it is needed without undue delay or complications.

This bill, S. 3062, is built on the base of the earlier legislation. I believe its provisions will greatly improve our ability to serve those who suffer hardship resulting from disaster.

Response to disasters consists of two phases: The rescue and relief that must take place immediately to alleviate human suffering and hold communities together and the long-range recovery to rebuild communities.

Title V of the bill contains new tools to carry out the reconstruction necessary in the aftermath of a disaster. This portion of S. 3062 establishes a new, long-range recovery program and authorizes a revolving fund of $200 million for grants and loans to disaster areas. An important feature of this program is that it maintains a Federal presence in the disaster area during rebuilding activities. While emphasis is placed on reconstruction decisionmaking at the local level, the Federal Government will be on hand to coordinate the many aspects of rebuilding disaster-ravaged areas.

The need for a coordinated approach to recovery has been evident in the 2 years since the Buffalo Creek flood in West Virginia in which 125 people died and whole communities were wiped out. Rebuilding the Buffalo Creek Valley has not been carried out as smoothly as it should have for the benefit of the people who live there.

This is not the fault of any individual or group, but results, I believe, from the absence of a unified approach to building such things as housing, water and sewer systems, roads, and schools.

The difficult problem of repairing or rebuilding certain community facilities also is dealt with in this measure. Section 402 offers restoration for public educational and recreational facilities and private, nonprofit medical and educational facilities, as well as other types of public facilities. They may receive 100-percent grants to repair and reconstruct facilities damaged by major disasters. State and local governments may elect to be awarded grants with greater flexibility as to rebuilding or consolidation of facilities with funding based on 90 percent of rebuilding everything.

In some instances the regular disaster relief available to individuals may be inadequate. This can occur because of the extent of the loss or, more frequently, because some people simply do not have or have lost the personal resources to pay their share of extraordinary costs.

To alleviate these situations, section 408 of the bill authorizes extraordinary disaster expense grants. This program is administered by the States to provide financial assistance to disaster victims in need.

In addition to the physical and financial consequences of disasters, the mental health of many victims is often impaired. This can be one of the most tragic and lingering results. It is likewise one of the most difficult to resolve.

Again, I turn to the Buffalo Creek flood in West Virginia where many people are still undergoing psychological counseling more than 2 years after the tragic day when the waters roared down that narrow valley.

If we restore homes and jobs we have still done an incomplete job if we fail to relieve the fears and anxieties that can affect the lives of victims for years. To provide a full range of services during and after disasters, the bill provides for professional crisis counseling services. Financial aid for this work is authorized for State or local agencies or private mental health organizations. The bill also makes possible the training of disaster workers so that they can deal immediately with problems they encounter in the pursuit of their other duties.

There are circumstances in which the full disaster relief effort is not needed. These could be, for instance, floods in which there must be rescue or relief operations of short duration but which do not require long-term rehabilitation.

To provide the assistance needed in these cases, the bill for the first time differentiates between major disasters and emergencies of lesser impact.

Disasters often bring with them the loss of the employment sources. This can place severe hardship on indviduals or entire communities for extended periods of time. Regular assistance for the unemployed can be inadequate to meet this need.

The bill recognizes this condition by expanding the scope of aid to those whose jobs have been terminated, either temporarily or permanently, by a disaster. When they have exhausted their eligibility for regular unemployment benefits, they can continue to receive payments as long as disaster unemployment lasts or until they are reemployed.

Mr. President, this is legislation that has been carefully considered at both the subcommittee and committee levels. I have discussed only a few of its major provisions to supplement the detailed description of the bill by Senator BURDICK.

As a total package it represents what we of the Committee on Public Works believe to be a well-reasoned refinement of the Federal disaster relief program. Members of the Senate are fully cognizant of last week's tornadoes and the personal hardship and community disruption they caused.

Many communities in many States, therefore, could make immediate use of the expanded assistance authorized in this legislation. The bill addresses itself to the full range of disaster relief in a realistic manner. There must be, then, no protracted delay in bringing this measure into law. For this reason, members of the committee believe that the Senate should pass S. 3062 as reported, without amendments.

I have already called attention to the contributions to this legislation by members of the Subcommittee on Disaster Relief. The remaining members of the Committee on Public Works have been equally diligent in their attention to this bill and the program it is intended to strenghen. I am appreciative of the interest and participation of Senators MUSKIE, MONTOYA, GRAVEL, BENTSEN, STAFFORD, WILLIAM L. SCOTT of Virginia, and MCCLURE.

We are also indebted to the committee staff for the excellent support it has given us in developing this legislation on a complex subject and in bringing it to the Senate expeditiously.

Particular mention must be made of the experience and knowledge of Clark F. Norton who has been deeply concerned with disaster relief legislation for 9 years. He was a member of Senator

BAYH's staff when tornadoes struck in Indiana on Palm Sunday of 1965 and has carried the major Senate staff responsibility for disaster relief since that time.

Important staff contributions to this measure also were made by Philip T. Cummings, Judy Parente, M. Barry Meyer, Bailey Guard, John W. Yago, Paul Ebeltoft, E. Steven Swain, and Margie Powell.

Mr. President, this is legislation that is needed immediately to help relieve conditions that came about just a few days ago. I strongly urge the Senate to approve S. 3062.

Mr. AIKEN. Mr. President, I send to the desk an amendment and ask that it be stated. It is cosponsored by Senators DOLE, JOHNSTON, and my colleague, Mr. STAFFORD.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

> On page 102, line 16, strike out the period and insert in lieu thereof a comma and the following: "except that section 408 shall take effect as of April 20, 1973."

Mr. AIKEN. Mr. President, I can certainly understand the desire of the managers of S. 3062, the Disaster Relief Act Amendments of 1974, to expedite this legislation. I am in favor of giving relief to the victims of tornadoes as fast as we possibly can.

I note that section 408 establishes an extraordinary disaster expense program.

As I understand it, the President is authorized to make grants to States for financial assistance not in excess of $5,000 to families adversely affected by a major disaster who are unable to meet the extraordinary disaster expenses.

Further, I understand that the grants to the States cannot exceed 75 percent of the actual cost and that the States will put up the remaining 25 percent.

I further note that the effective date of S. 3062 is April 1, 1974.

I would like to call to the attention of the managers of the bill a serious inequity that this causes not only for the State of Vermont, but for people living in some 46 other major Presidential disaster areas.

The problem is this:

On April 20, 1973, Public Law 93–24 was enacted.

This repealed the authority for $5,000 forgiveness for Small Business Administration loans and Farmers Home Administration emergency loans, and the 1-percent interest rate for those loans that were not forgiven.

The new law provided that for disasters occurring after April 20, 1973, there would be no SBA or FHA grants, but only loans at a 5-percent interest rate.

I would call to the attention of the managers of the bill that between April 20, 1973, and April 1, 1974, there were 47 presidentially declared disaster areas, including almost all of the States in the Union—as I say, some 38 States, where people lost their homes, where they lost everything, where they did not have the money to recover those losses and be able to set up their homes again.

I fully understand that the new extraordinary disaster expense grants are much more limited than the old law which allowed the SBA and FHA to make grants up to $5,000.

I do not feel that at this time it would be wise to try to reinstate the old $5,000 FHA–SBA disaster grant program. That is what the President vetoed. The President did not veto that proposal to be unfair to the people who lived over the State boundaries from those who lost their homes to tornado damage.

However, it is only fair that since the Committee on Public Works saw fit to make the extraordinary disaster expense grants retroactive to April 1 of this year to cover the victims of the recent tornadoes, that we should make section 408 retroactive to April 20, 1973, to make them available to those qualified people who were victims of disasters occurring between April 20, 1973 and April 1, 1974.

I would further call to the attention of this body that the Governor of Vermont just last week signed into law a bill creating a $650,000 State fund to be available for hardship cases resulting from the Vermont flood disaster.

The State of Vermont was declared a Presidential disaster area after the July 1, 1973 flood, with the total damage estimated at $75 million. Some people lost their homes and all their belongings in that flood, and they have not been able to recover since. They have been waiting for this Congress to be fair, for the Federal Government to do what they expected the Federal Government would do last year.

Therefore, I have called up my amendment and will ask for the yeas and nays on it.

The amendment would make retroactive to April 20, 1973, only section 408 of the pending legislation.

For the sake of elementary fairness to all concerned, I urge its approval.

I might point out that the States this bill would discriminate against includes all the New England States and New York, New Jersey, Pennsylvania, West Virginia, Kentucky, Tennessee, Florida, Alabama, Georgia, North Carolina, Illinois, Wisconsin, Louisiana, Arkansas, New Mexico, Texas, Oklahoma—Oklahoma has been declared a disaster area four times and Louisiana twice, the last one being declared in February of this year.

The list goes on to Kansas, Iowa, Nebraska, Missouri, Colorado—three times for Colorado—Montana, Hawaii, California, Alaska, Oregon, Washington, and Idaho—and others where people lost their homes as completely as if they had been swept away by the recent wave of tornadoes.

I am going to ask for the yeas and nays, but if I have some time left, I yield now to the Senator from Louisiana (Mr. JOHNSTON).

Mr. JOHNSTON. Mr. President, I thank the Senator from Vermont for yielding me this time. The Senator referred to the disasters in Louisiana having occurred in February. On March 20, 1974, just 10 days before the effective date of this act, a tornado struck Natchitoches, La., and inflicted over $2 million worth of damage and rendered some 65 families homeless. It struck the poorest section of the town and damaged 100 additional homes. It is incredible that only one death could be attributed to that tornado. But the point is, and I ask this in the form of a question both to the distinguished Senator from Vermont (Mr. AIKEN) and the distinguished floor manager of this bill, how can we distinguish between two tornadoes that struck 10 days apart and both of which did total damage to homes, and say that one is covered and one is not? I think that the amendment of the Senator from Vermont addresses itself to that problem.

Mr. AIKEN. I could not distinguish between tornadoes, one of which struck on the last week of March and another the first week in April, but apparently the committee can.

Mr. JOHNSTON. I understand the problem of the committee. It had to draw an arbitrary line, but the line drawn by the Senator from Vermont is a better line and more fairly drawn and at a more appropriate time, April 1—which happens to be April Fools' Day.

Mr. AIKEN. Mr. President, I ask for the yeas and nays on my amendment.

The yeas and nays were ordered.

Mr. AIKEN. Mr. President, if I have any time left, I should like to yield briefly to the distinguished Senator from Vermont (Mr. STAFFORD).

Mr. BURDICK. Mr. President, one thing seems to be overlooked in the fine statement just made by the distinguished Senator from Vermont and others who preceded me, and that they seem to believe there is no legislation on the books. We are operating now under the Disaster Relief Act of 1970. It is in full force and effect. We were told, so to speak, to update and revise that act. We were acting prospectively. We were not acting in any manner different from that. So when we introduced this bill on February 28, we were dealing prospectively.

I can see now that we can get into all sorts of trouble by trying to fix a retroactive date. I am certain there are some dates that might go beyond those mentioned by the speakers a few minutes ago.

Bear in mind that we have a Disaster Relief Act on the books now. It gives all sorts of remedies to various people. We are trying to upgrade this and act prospectively. We had to start with some date. As a matter of fact, our executive hearing was set for April 2. We could have used April 2 if we had wished. We have to start with some date. I am afraid we are going to face all sorts of troubles if we are going to date this legislation backward.

Mr. STAFFORD. Mr. President, will the Senator yield?

Mr. AIKEN. I yield 2 minutes to the Senator.

Mr. STAFFORD. I thank my distinguished senior colleague for yielding.

Mr. President, I have joined as a sponsor of the amendment with the distinguished senior Senator from Vermont (Mr. AIKEN) because I am convinced of the merit of the amendment. I am in complete sympathy with the view of my fellow members of the Committee on Public Works that there is a danger that this bill may become a Christmas tree proposal if amendments are accepted from the floor. However, I am convinced this amendment deserves to be the exception to the rule. Indeed, I am convinced that the full Committee on Public Works could have been persuaded to accept this amendment had it been presented to the committee before it gave its favorable report to the bill. The bill was moved out of committee with speed—and deservedly so—in response to the recent tornado disasters. As my senior colleague (Mr. AIKEN) has noted, 35 States will lose appropriate and deserved assistance unless this amendment is approved.

I hope the amendment will be adopted by the Senate.

Mr. DOLE. Mr. President, will the Senator yield?

Mr. AIKEN. I yield 3 minutes to the Senator.

Mr. DOLE. Mr. President, I thank the distinguished senior Senator from Vermont not only for yielding but also for permitting me to cosponsor the amendment.

I would say at the outset, as a former member of the Committee on Public Works, that I understand the great constraints the committee is under. I have great respect for the distinguished chairman, the Senator from West Virginia, and the members of the subcommittee.

The same problem arose when I was a member of that committee and a member of the Disaster Subcommittee. It does appear that now we have reached some agreement based on need. I think that the fault with the provision after Hurricane Agnes and the experience in Pennsylvania, which cost in excess of $1 billion—based not on need but on the indiscriminate handing out of $5,000 at a time—has been corrected by the committee, and I applaud that action.

I share the view, however, expressed by the distinguished Senator from Vermont. There is a gap existing of about 12 months. That gap happened to affect the State of Kansas, as it did many other States. All the Senator from Vermont wishes to have is equity, fairness, and justice. If there are those in need in Vermont, Maine, West Virginia, North Dakota, New Mexico, Kansas, or any other State, they should have a chance to participate under the new provision.

Therefore, I am pleased to cosponsor the amendment, and I trust that it will be adopted.

Mr. AIKEN. Mr. President, may I add, finally, that among the States that would be discriminated against which have recently been declared disaster areas are Oregon, Washington, Idaho, California, Montana, and West Virginia, where disaster areas were declared on January 29 of this year; then there was Louisiana this year, and a few weeks ago, on March 22, Oklahoma.

I ask unanimous consent to have printed in the RECORD this list of the States which would be discriminated against by the passage of this bill without the amendment I offer. It includes Maine and New Hampshire, which have had disaster areas declared this year and cannot get the extraordinary disaster expense grants assistance which is provided in this bill for those who had unfortunate disasters after April 1.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

RECORD OF DISASTERS AND DATES DECLARED BETWEEN APRIL 24, 1973, AND APRIL 1, 1974

REGION I

Maine, May 23, 1973.
Vermont, July 6, 1973.
New Hampshire, July 11, 1973.
Massachusetts, October 16, 1973.
Maine, January 18, 1974.
New Hampshire, January 21, 1974.

REGION II

New York, July 20, 1973.
New Jersey, August 7, 1973.

REGION III

Pennsylvania, July 17, 1973.
West Virginia, January 29, 1974.

REGION IV

Kentucky, May 11, 1973.
Tennessee, May 11, 1973.
Florida, May 26, 1973.
Alabama, May 29, 1973.
Georgia, June 11, 1973.
North Carolina, June 25, 1973.
Tennessee, June 28, 1973.

REGION V

Illinois, April 26, 1973.
Wisconsin, April 27, 1973.
Ohio, April 27, 1973.
Ohio, June 4, 1973.

REGION VI

Louisiana, April 27, 1973.
Arkansas, April 27, 1973.
New Mexico, May 11, 1973.
Arkansas, May 29, 1973.
Oklahoma, June 13, 1973.
Texas, June 25, 1973.
Texas, July 11, 1973.
Oklahoma, October 13, 1973.
Oklahoma, December 10, 1973.
Louisiana, February 23, 1974.
Oklahoma, March 22, 1974.

REGION VII

Kansas, May 2, 1973.
Iowa, May 23, 1973.
Kansas, September 28, 1973.
Nebraska, October 20, 1973.
Missouri, November 1, 1973.

REGION VIII

Colorado, May 8, 1973.
Colorado, May 23, 1973.
Colorado, July 6, 1973.
Montana, January 29, 1974.

REGION IX

Hawaii, May 16, 1973.
California, January 25, 1974.

REGION X

Alaska, November 7, 1973.
Oregon, January 25, 1974.
Washington, January 25, 1974.
Idaho, January 25, 1974.

Total of 47 Presidential Disaster Areas.

Total number of SBA home loans expected for these disasters, 27,463.

Mr. DOMENICI. Mr. President, as ranking member of this subcommittee, I rise in opposition to the amendment.

The Senator from Kansas, as he looked over the list of States experiencing disasters since April 1973 did notice the State of New Mexico and quite aptly reminded me of that.

I would say, however, that we have a bill that, first of all, demands some urgency. Second, without question, it demands, in my opinion, that the President of the United States sign it.

There is another consideration. All these disasters have occurred at a point in time. I am not familiar with everyone's legislative proposals, but it seems to me that until this bill came to the floor with this particular proposal, there has been little or no effort to reinstate the $5,000 or other grant provisions to take its place.

I say this because I think it is true, but in no way because I do not want to be fair to people who have been victimized by disasters. I believe that my conduct and support of this bill for the year that we have investigated improvements in disaster relief laws indicates to the contrary. Every time we pass legislation such as this, we have to draw a line. Historically in our country, when we pass social legislation dealing with anything from welfare to social security, we always have the problem of drawing the line. "If it were not age 60, I could qualify for social security." I believe the same is true in criminal law.

I think there is danger with a new provision, which is as yet untried, on which we are asking expeditious implementation by the administration. There is some danger in trying to go back and figure out how to apply it to cases occuring 9 or 10 months ago.

I believe the decision to make the bill effective April 1 and apply prospectively is a good one. I do not say that this amendment is not meritorious, but I believe that we take real risks when we start with one part of this bill and make it retroactive. Why not all the other provisions? Why not title V and all the other provisions we have added? I submit that it is not because we do not have sympathy, not because we do not want to be fair; but we were charged with improving the existing law and I believe we have.

I respect the opinions of those Senators who support this amendment, but I must oppose this amendment, based upon the efforts of the Public Works Committee to this point and my understanding of what might be the result of opening a Pandora's box.

Mr. AIKEN. Mr. President, I have one question to ask of the committee members.

Is the family of Maine or Montana or West Virginia or Vermont or New York or Ohio who lost their home and belongings last summer—perhaps October, November, January, or March of this year—any less in need than the family who lost all their belongings after April 1? I think the vote on this amendment is going to be as complete a vote on the fairness of the Senate as we could ask for.

Mr. BURDICK. Mr. President, the able Senator from Vermont has asked a question.

Bear in mind that the present law takes care of homes, takes care of businesses, and takes care of public facilities and other things. The section that the Senator from Vermont is attempting to amend is section 408. That deals with extraordinary expenses, based on need. How is it possible, after 12 or 13 months has gone by, to assess what those extraordinary expenses are?

The victims to whom the Senator from Vermont refers have all the benefits of the Disaster Relief Act of 1970. This is a new section dealing with the extraordinary expenses. How does one determine after the fact what those extraordinary expenses were at the time of the disaster?

Mr. AIKEN. Mr. President, the victims in the States that the committee now proposes not to include were supposedly covered last year by the bill which was vetoed by the President in November because it went too far. The provisions which the President vetoed are not included in this bill. I am sure if President Nixon feels that this bill is fair to the people who lost everything after April 1, that it is also fair to those who lost everything in March or in previous months when they were depending upon Federal assistance that did not materialize because of the veto, and that the President probably had far better reason to veto that measure than this measure.

Mr. BURDICK. I am pointing out that from a practical approach it would be difficult to go back 12 months.

Mr. AIKEN. It is not difficult. The records are there. I shall vote for the bill. I am for the victims of the tornado disaster probably as much as any Member of Congress, but I am also for being fair.

Mr. BURDICK. I am trying to get a bill through that will do some good for these people and that will become law.

Mr. President, I move to lay on the table the amendment of the Senator from Vermont.

The PRESIDING OFFICER. The motion is not in order until all time has expired or been yielded back.

Mr. AIKEN. Mr. President, I ask Members of the Senate to vote no if they believe in fairness.

The PRESIDING OFFICER. The distinguished Senator from Vermont has 2 minutes remaining.

Mr. AIKEN. I yield back my time. Let us start finding out now.

Mr. BURDICK. I move to lay on the table the amendment of the Senator from Vermont.

Mr. BAKER. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the amendment of the Senator from Vermont. The yeas and nays have been ordered, the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Idaho (Mr. Church), the Senator from Iowa (Mr. Hughes), the Senator from Hawaii (Mr. Inouye), the Senator from Louisiana (Mr. Long), the Senator from Wyoming (Mr. McGee), and the Senator from Ohio (Mr. Metzenbaum) are necessarily absent.

Mr. HUGH SCOTT. I announce that the Senator from Hawaii (Mr. Fong), the Senator from Arizona (Mr. Goldwater), the Senator from Michigan (Mr. Griffin), and the Senator from Maryland (Mr. Mathias) are necessarily absent.

I also announce that the Senator from Virginia (Mr. William L. Scott) is absent on official business.

The result was announced—yeas 49, nays 40, as follows:

[No. 132 Leg.]

YEAS—49

Abourezk
Baker
Bayh
Bentsen
Bible
Biden
Brock
Buckley
Burdick
Byrd, Harry F., Jr.
Cannon
Chiles
Clark
Cook
Cranston
Domenici
Eastland
Ervin
Fannin
Fulbright
Gravel
Gurney
Hart
Hartke
Haskell
Helms
Hruska
Humphrey
Magnuson
McClure
McGovern
Mondale
Montoya
Moss
Muskie
Nelson
Pell
Percy
Proxmire
Randolph
Roth
Sparkman
Stennis
Stevens
Symington
Taft
Tower
Tunney
Weicker

NAYS—40

Aiken
Allen
Bartlett
Beall
Bellmon
Bennett
Brooke
Byrd, Robert C.
Case
Cotton
Curtis
Dole
Dominick
Eagleton
Hansen
Hatfield
Hathaway
Hollings
Huddleston
Jackson
Javits
Johnston
Kennedy
Mansfield
McClellan
McIntyre
Metcalf
Nunn
Packwood
Pastore
Pearson
Ribicoff
Schweiker
Scott, Hugh
Stafford
Stevenson
Talmadge
Thurmond
Williams
Young

NOT VOTING—11

Church
Fong
Goldwater
Griffin
Hughes
Inouye
Long
Mathias
McGee
Metzenbaum
Scott, William L.

So the motion to lay on the table the amendment of the Senator from Vermont (Mr. Aiken) was agreed to.

Mr. BURDICK. Mr. President, I move to reconsider the vote by which the motion to lay on the table was agreed to.

Mr. DOMENICI moved to lay the motion on the table.

The motion to lay on the table was agreed to.

Mr. HUGH SCOTT. Mr. President, I ask unanimous consent that, notwithstanding the order of business, I may speak for 1 minute.

The PRESIDING OFFICER. Without objection, it is so ordered.

SWEARING IN TOMORROW OF JOHN WARNER AS NEW CHAIRMAN OF THE BICENTENNIAL COMMISSION

Mr. HUGH SCOTT. Mr. President, I would like to announce that at 11:45 a.m. tomorrow the new Chairman of the Bicentennial Commission, the retiring Secretary of the Navy, Mr. John Warner, will be sworn in on the House steps of the Capitol by the Vice President, and this is being done at the request of the chairman, in order to evidence his objective and the objective of the administration of the commission to work closely and jointly with the legislative and executive branches of the Government in the planning and execution of the bicentennial program.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Hackney, one of its reading clerks, announced that the House had agreed to the concurrent resolution (H. Con. Res. 475) providing for a conditional adjournment of the House from April 11 until April 22, 1974, in which it requests the concurrence of the Senate.

The message also announced that the House had agreed to the amendment of the Senate to the amendment of the House to the bill (S. 1745) to provide financial assistance for research activities for the study of sudden infant death syndrome, and for other purposes.

DISASTER RELIEF ACT AMENDMENTS OF 1974

The Senate continued with the consideration of the bill (S. 3062) entitled the "Disaster Relief Act Amendments of 1974."

Mr. EAGLETON. Mr. President, I have an amendment at the desk. I ask that it be stated.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk proceeded to state the amendment.

Mr. EAGLETON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill, add the following:

TITLE VII—TEMPORARY EMERGENCY PROGRAM DISASTER LOAN INTEREST RATES

Sec. 701. Notwithstanding any other provision of law, any disaster loan made in connection with a major flood disaster determined pursuant to the Disaster Relief Act of 1970 or this Act to which this title applies shall bear interest at a rate of 1 per centum per annum.

APPLICABILITY

Sec. 702. The provisions of this title apply only if—

(1) the major disaster results from a flood which occurs after the date of enactment of this title, but prior to the date on which flood insurance under the National Flood Insurance Act of 1968 is made available to the community in which the property with respect to which the loan is made is located;

(2) the property with respect to which the loan is made was situated in an area determined to have special flood hazards; and

(3) the property is located in a community which the Secretary of Housing and Urban Development determines is making a good faith effort toward participation in the flood insurance program under the National Flood Insurance Act of 1968.

TERMINATION

Sec. 703. The provisions of this title shall be effective until July 1, 1975.

Mr. EAGLETON. Mr. President, I fully support the bill now pending before the Senate. I fully recognize that it provides disaster relief for all disasters, not only for floods.

Nevertheless, there remains an urgent flood disaster program, which I should like to bring to the attention of the floor manager of the bill, and which is the subject of an amendment which I have sent to the desk.

My amendment is analogous to the

amendment of the distinguished Senator from Kentucky (Mr. HUDDLESTON) but is distinguishable in two very important and specific details.

My amendment would provide a transitional low-interest loan program for communities that have been unable to qualify for Federal flood insurance for reasons beyond their immediate control. In many cases, that reason is the lack of statutory authority to make the zoning changes required as a condition for qualifying under the flood insurance program. As an example of this problem, I want to read into the RECORD a letter from the County Court of Ste. Genevieve County, Mo. We have received dozens of additional letters of a similar type. This letter reads:

CLERK OF THE COUNTY COURT,
Ste. Genevieve, Mo., February 20, 1974.
Senator THOMAS F. EAGLETON,
U.S. Senate,
Washington, D.C.

DEAR SENATOR EAGLETON: With memories of last spring's devastating floods still fresh in the minds of Ste. Genevieve County residents, the victims of that disaster are again hearing forecasts of possible similar flooding this spring.

While the cities of Ste. Genevieve and St. Marys are already qualified for the Flood Insurance Program, and the federally-subsidized insurance is available to those city residents who want it, the County Court has been, thus far, unable to make such insurance available to rural residents in flood prone areas.

The County Court, through the Southeast Missouri Regional Planning Commission, submitted an application for the insurance on December 31st, 1973, but has been informed by various sources that the county cannot qualify since it does not have the authority to adopt a Land Use Plan as required by the Department of Housing and Urban Development. Meanwhile, the spring flood season draws closer and closer and those persons whose property is subject to flooding are justifiably calling for the Federal Flood Insurance protection.

We trust you understand the plight of our county, and the many others like ours, which cannot qualify for this much needed program. The County Court respectfully asks any assistance you might be able to provide through your office.

House Bill 1366, introduced in the Missouri General Assembly, which provides for the establishment of minimum planning and zoning requirements, is the authority needed by the counties for the flood insurance qualification; however, we understand its fate is uncertain.

The Ste. Genevieve County Court thanks you for your consideration in this very important matter.

RAYMOND B. DONZE,
Presiding Judge.
ART SCHWENT,
Associate Judge, 1st District.
WILLIAM GRAVES,
Associate Judge, 2nd District.

I have before me a State-by-State breakdown of the number of communities eligible for flood insurance and the number of those that have in fact been accepted into the program. Nationwide, the number of eligible communities is approximately 16,000 As of April 10, according to the Federal Insurance Administration, only about 3,400 had actually been accepted into the flood insurance program. I ask unanimous consent that this listing be printed in the RECORD.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

COMMUNITIES PARTICIPATING IN THE NATIONAL FLOOD INSURANCE PROGRAM AS OF APR. 10, 1974

State	Number of flood-prone areas	Communities accepted
Alabama	300	32
Alaska	122	6
Arizona	74	14
Arkansas	290	15
California	432	149
Colorado	199	38
Connecticut	134	71
Delaware	53	10
Florida	322	137
Georgia	234	71
Hawaii	4	4
Idaho	141	7
Illinois	786	144
Indiana	317	35
Iowa	297	26
Kansas	370	20
Kentucky	230	27
Louisiana	252	122
Maine	189	8
Maryland	126	40
Massachusetts	351	99
Michigan	246	162
Minnesota	591	107
Mississippi	236	89
Missouri	456	103
Montana	84	3
Nebraska	241	17
Nevada	27	3
New Hampshire	167	6
New Jersey	507	252
New Mexico	85	6
New York	1,024	209
North Carolina	287	81
North Dakota	148	16
Ohio	66	65
Oklahoma	252	22
Oregon	272	41
Pennsylvania	2,109	636
Puerto Rico	1	1
Rhode Island	38	26
South Carolina	198	42
South Dakota	90	11
Tennessee	205	48
Texas	1,041	158
Utah	192	2
Vermont	307	19
Virginia	228	37
Washington	244	37
West Virginia	225	11
Wisconsin	528	130
Wyoming	57	5
Total	15,971	3,488

Source: Department of Housing and Urban Development, Federal Insurance Administration.

Mr. EAGLETON. Mr. President, I am certain that many reasons are involved in the disappointing participation of communities in flood insurance programs thus far. I am sure some communities are simply reluctant to make the required zoning changes. Others, while they could today be accepted into the program have simply not gotten around to it.

None of the communities in these categories would qualify under my amendment for low-interest loans. Only those communities which are making a good faith effort to become qualified but for some reason beyond their control—lack of legal authority to make zoning changes, as an example—would be qualified for the transitional low-interest loans.

The clear advantages of the flood insurance program over any loan program make it highly unlikely that my amendment would act in any way as a disincentive for communities to apply for flood insurance.

What my amendment will do is to insure the equitable treatment of communities which want to apply but cannot qualify for flood insurance prior to the advent of floods this spring or fall.

I take note of the administration's opposition to my amendment on the general philosophical grounds that flood insurance protection is more equitable than a disaster loan program. I do not disagree with that view and I supported passage of the Flood Insurance Act.

My amendment has nothing at all to do with the decision to move from dependence on disaster assistance loans to subsidized flood insurance. It merely seeks to meet an unanticipated problem which arose after enactment of the flood insurance legislation. It provides a decent interval so that communities which want to make the transfer to flood insurance but cannot are provided with some relief.

Mr. President, let me summarize. There is no $5,000 forgiveness provision in the amendment now pending before the Senate. It is a low-interest, 1-percent loan program completely. It would not apply to every area that might be affected by disaster, be it wind, tornado, flood, or other disaster. The only areas that would qualify under my amendment would be those areas which have made a good-faith, sincere effort to obtain flood insurance, but because of some good reason beyond their control are prevented from obtaining such insurance.

I should like to point out some figures from a statistical tabulation. For instance, in my own State of Missouri, there are 456 flood-prone areas, and only 103, thus far, have been able to qualify for flood insurance—about one-fifth of them are basically unprotected.

I notice that the State of Kansas has 370 flood-prone areas, but only 20 areas in Kansas have been able to qualify, thus far, for flood insurance.

Colorado has 199 flood-prone areas, but only 38 of those communities have applied for and been accepted into the program.

In West Virginia, here are 225 flood-prone areas; yet only 11 communities out of West Virginia's 225 have flood insurance.

So far as North Dakota is concerned, there are 148 flood-prone areas; yet only 16, at present, have flood insurance.

New Mexico—and New Mexico is a dry area—has only 85 flood-prone areas, and six of New Mexico's communities have qualified at the present time for insurance.

So what I am saying in essence is that there is a gap, even if communities decide flood insurance is the way to go. I wish that every flood-prone area in the country had flood insurance today. If they had it, they would be in excellent shape. There would be no need for an amendment such as mine, and they would be in as good shape as they could be under potentially disastrous circumstances. In the meantime, there has to be some type of intermediate relief to afford some protection for those communities which want the insurance but which, for some of the reasons I have stated, cannot qualify.

That type of interim relief is provided by this amendment, which would, as I said, provide low-interest loans with no forgiveness provision. There also would be a terminal time on my amendment, it would expire on July 1, 1975.

Mr. President, I reserve the remainder of my time.

Mr. BURDICK. Mr. President, I rise in opposition to the amendment of the Senator from Missouri.

First of all, it actually adds a new section to the bill. It does not amend any particular section, and it deals only with losses through floods.

It is a proposal to provide for 1 percent interest disaster loans, which of course runs counter to the theory of the bill before us today.

The proposal has the firm opposition of the administration. I shall read a portion of the letter that was sent to the chairman of the Committee on Banking, Housing, and Urban Affairs by Robert R. Elliott, Acting General Counsel of Housing and Urban Development. Quoting from the letter:

> This bill would make 1% interest disaster loans available to victims of flood disasters in communities where their property was located in an identified special flood hazard area.
>
> The Administration continues to be opposed to the concept of Federally subsidized, low-interest disaster loans. Such loans are indiscriminate, inequitable, and apply without regard to economic need. Indeed, they benefit the well-to-do more than the needy.

Mr. President, I ask unanimous consent that the letter from Acting General Counsel Robert R. Elliott of the Department of Housing and Urban Development, from which I have quoted, be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

GENERAL COUNSEL OF HOUSING
AND URBAN DEVELOPMENT,
Washington, D.C., April 9, 1974.

Hon. JOHN SPARKMAN,
Chairman, Committee on Banking, Housing and Urban Affairs, U.S. Senate, Washington, D.C.

DEAR CHAIRMAN SPARKMAN: This replies to your request for our views on S. 3005, a bill "To provide for a transitional disaster relief program in connection with floods in areas having special flood hazards prior to the time when flood insurance under the National Flood Insurance Act of 1968, as amended, is available."

This bill would make 1% interest disaster loans available to victims of flood disasters in communities where their property was located in an identified special flood hazard area.

The Administration continues to be opposed to the concept of Federally subsidized, low-interest disaster loans. Such loans are indiscriminate, inequitable, and apply without regard to economic need. Indeed, they benefit the well-to-do more than the needy.

Moreover, this Department believes that low-interest loans have proved ineffectual and counterproductive in that they discourage property owners and communities from protecting themselves against the ravages of natural disasters. The Congress, in enacting the Flood Disaster Protection Act of 1973, Public Law 92-234, which was favorably reported by your Committee only last fall and signed into law by the President on December 31, 1973, recognized that insurance protection offers a more desirable approach to the protection of property than such loans do. Flood and other insurance offer property owners rapid indemnification for their losses, with a minimum of red-tape. Further, the National Flood Insurance Program requires, as a condition to the availability of flood insurance protection in a community, that the community take action to protect against and reduce future losses. It would be most unfortunate if the Committee were at this point to undercut the sound approach of the Flood Disaster Protection Act of 1973 by favorably considering a proposal which would be extremely damaging to the accomplishment of the purposes of that Act.

The Office of Management and Budget has advised it has no objection to the presentation of this report from the standpoint of the program of the President.

Sincerely,

ROBERT R. ELLIOTT,
Acting General Counsel.

Mr. BURDICK. Based on the history of the legislation particularly a year ago, we know that we faced strong opposition then from the administration. But I might add that even flood control victims will have the benefit of the present act. The $5,000 grant that has been referred to in S. 3062 will apply to any type of victim of wind, flood, tornado, or whatever it is. Flood victims will also share in the benefits of the bill.

For those reasons, I oppose the amendment.

The PRESIDING OFFICER. Who yield time?

Mr. TAFT. Mr. President, will the Senator from New Mexico yield me 10 minutes?

Mr. DOMENICI. I will be delighted.

The PRESIDING OFFICER. On the bill, or on the amendment?

Mr. TAFT. Is there an amendment before the Senate?

Mr. DOMENICI. Yes.

Mr. TAFT. I do not desire recognition at this time.

Mr. EAGLETON. Mr. President, does anyone else wish to speak on the amendment?

If not, in the light of the opposition of the floor manager of the bill—and I take it that tacitly the ranking Republican member of the committee is likewise opposed—and in the light of the debate on the previous amendment, I shall withdraw my amendment with considerable reluctance. However, before doing so officially, I wish to state that I think we are making a mistake in not facing up to the fact that there is this significant gap between where communities want to be and where we are.

Where we want to be is completely covered by flood insurance, but we are not at that point. We are only about 20 percent, or perhaps 25 percent, at the most, of the way along that road. And while trying to arrive at the very desirable and attractive ultimate goal, so that every flood-prone community would have flood insurance, I think we should have an interim disaster assistance program of the type I have envisioned.

It is not new or novel. Up until April 20, 1973, not only was a 1 percent loan available, but it also had a $5,000 forgiveness provision. That was the law in effect as of that time, almost exactly a year ago today, April 20, 1973. So there is nothing new, fantastic, or innovative insofar as this proposal is concerned.

Nevertheless, I know it is opposed as an amendment to this particular bill by the administration and by the manager of the bill and the ranking Republican member. Thus I can see, as one would say, the handwriting on the wall. But that will be of small comfort, this spring in Missouri, Iowa, Kansas, Mississippi, and all up and down the Missouri-Mississippi River system, where just a year ago at this time there was enormous flooding, causing millions of dollars in damage. It will be of small comfort to 80 percent of those communities when they are told, on the arrival of the bad floods, if they have them again this spring—and it is about a 50-50 proposition—"You know, you should have been working your way toward flood insurance."

We know of communities such as Sainte Genevieve County which wanted to get flood insurance but were unable to get it because of no fault of their own.

How can we say to these communities: "Well, we are sorry about that, fellows. We are sorry about the law, and that Congress did not see fit to give you relief according to what had been the law up until April 20, 1973. We hope that by the time you are flooded out for the third time, perhaps in 1975, HUD will work something out with you and you can have insurance. We hope this is of great relief to you as you sit in your rowboat above your house."

But that apparently is the current viewpoint and the current concern, which distresses me very much.

So, Mr. President, it is with concern and reluctance that I will not press the pending amendment at this time, but will continue to work for its enactment as a separate bill.

The PRESIDING OFFICER. Who yields time?

Mr. BURDICK. Mr. President, I just want to say to my distinguished friend from Missouri that I appreciate his withdrawing the amendment. I do not say that his position is without merit. However, he should know, as he does, that the jurisdiction for his proposal is in the Committee on Banking, Housing, and Urban Affairs, and I for one hope that he will raise this question again in the proper committee. I think that something should be done in this flood control area.

Mr. DOMENICI. Mr. President, the Senator from Missouri was correct in assuming that I oppose his amendment. However, I certainly do not oppose it in principle. As the ranking Republican member of the Disaster Subcommittee, I would welcome the opportunity to encourage our entire committee to support the Senator's proposal, by way of asking that the appropriate committee of the Senate consider expeditiously the vacuum that does exist.

There is no question but that whenever we move from the national policy of a few years ago toward the present one of trying to get to a position of maximum coverability in areas of flood proneness, we are going to run into some problems. Personally, I would say to the Senator that I would be delighted to assist in encouraging the Banking, Housing and Urban Development Committee to consider the substance of his proposal immediately, as an urgent matter, in order to take care of a very serious problem. I compliment the Senator on the substance of his proposal, and I regret that I have to indicate I cannot support it as a part of this major improvement in Public Law 91-606.

Mr. BAKER. Mr. President, will the Senator yield briefly?

Mr. DOMENICI. I yield to the Senator from Tennessee.

Mr. BAKER. Mr. President, the Senator from Missouri has already been amply thanked for offering his amendment, and my thanks would be superfluous, but with reference to his illustration about that rowboat above the house, I can see that he has correctly perceived the problem. I regret that we cannot solve that problem in this measure.

I am happy, I state to the Senator, to the extent that our committee has jurisdiction, that he has seen fit to withdraw the amendment, so that we can get on with passing this bill as soon as possible.

The PRESIDING OFFICER. The amendment is withdrawn.

Mr. STEVENSON. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

> On page 52, line 22, insert "erosion directly related to floods, high water and tidal waves," immediately after "fire,".

Mr. STEVENSON. The Federal Disaster Assistance Administration makes an artificial distinction between damage caused by flooding and other damage classified as erosion when the damage is, in fact, the same. In many areas, particularly around the Great Lakes, roads are collapsing into the lakes, houses are collapsing into the lakes. The damage is caused, as a practical matter, by a combination of floods, high water, and wave action. Because that kind of damage is treated as "erosion," the sufferer is unfairly denied any disaster relief assistance.

I recognize that the managers of the bill are very reluctant to accept amendments and I respect their wishes. In the past, on two occasions in the Senate, I have offered an amendment which would make the intent of Congress clear. This amendment has been twice approved by the Senate and once approved by the House.

Clearly, we should make it plain that the intent of Congress is to include erosion as damage for which disaster assistance is available. I would hope that we might resolve this question now not with an amendment but by making the intent of Congress clear. I would hope that the managers of the bill might be willing to state that the reference in the bill to floods is intended to include erosion directly related to floods, high water, and tidal waves. That would make the legislative history clear—that there should be no discrimination against those who suffer as a result of natural disasters from causes which are arbitrarily and unfairly, I think, described as "erosion"; that in the future those people will be able to get the same benefits as those who suffer virtually the same kind of damage. So perhaps in the legislative history we could eliminate this unfair discrimination against some people who suffer, and suffer grievously, from erosion directly related to floods, high waters, and tidal waves.

Mr. BURDICK. Mr. President, I believe that the language of the present bill will take care of the Senator's problem.

Under the present act, 91-606, the definition of a disaster is as follows:

> "Major disaster" means any hurricane, tornado, storm, flood, high water, wind-driven water, tidal wave, earthquake, drought, fire, or other catastrophe in any part of the United States, which, in the determination of the President, is or threatens to be of sufficient severity and magnitude to warrant disaster assistance by the Federal Government to supplement the efforts and available resources of States, local governments, and relief organizations in alleviating the damage, loss, hardship, or suffering caused thereby, and with respect to which the Governor of any State in which such catastrophe occurs or threatens to occur certifies the need for Federal disaster assistance under this Act and gives assurance of the expenditure of a reasonable amount of the funds of such State, its local governments, or other agencies for alleviating the damage, loss, hardship or suffering resulting from such catastrophe;

Bear in mind that on page 53 of the proposed legislation, section (d) of section 102, it reads as follows:

> "Major disaster" means damage caused by any hurricane, tornado, storm, flood, high water, wind-driven water, tidal wave, tsunami, earthquake, volcanic eruption, landslide, snowstorm, drought, fire, explosion, or other catastrophe in any part of the United States which, in the determination of the President, is of sufficient severity and magnitude to warrant major disaster assistance under this Act, above and beyond emergency services by the Federal Government, to supplement the efforts and available resources of States, local governments and disaster relief organizations in alleviating the damage, loss, hardship, or suffering caused thereby.

Mr. STEVENSON. I thank the distinguished Senator from North Dakota for that helpful clarification. My understanding is, based on what he has just said, that erosion which is caused by high waters and wave action would be included and people would be able to receive assistance. That was my purpose in bringing up the amendment. I thank the Senator from North Dakota very much.

Mr. President, I withdraw the amendment.

The PRESIDING OFFICER (Mr. STEVENS). The amendment is withdrawn.

Mr. TAFT. Mr. President, will the Senator from New Mexico yield me some time?

Mr. DOMENICI. I yield to the Senator from Ohio as much time as he desires.

The PRESIDING OFFICER. The Senator from Ohio is recognized.

Mr. TAFT. Mr. President, I thank the Senator from New Mexico very much for his courtesy in yielding me this time.

First of all, I should like to commend the committee for doing such an excellent job in bringing out this piece of legislation so promptly after the tornadoes which occurred in the middle part of the country last week.

Last Friday, I went there, and by helicopter visited almost every area of southwestern Ohio which was hit by this disaster.

I shall not take the time of the Senate to describe in great detail the extent of that disaster but it is absolutely enormous in its impact.

The course of the tornado was a narrow one, perhaps as much as a mile wide, but the devastation was complete within that area. The loss of life, the injury to people, the loss of life savings and investments, are enormous. It will take considerable time for the people of that part of the country to recover from it.

It seems to me that if any help is appropriate to any individuals from the government at all levels, certainly these are the circumstances under which that aid is called for.

The American people are a magnanimous people. They have been very generous in their gifts to people all over the globe in cases of disaster. I commend that sentiment and in no way resent the extent to which our Federal Government may have participated in helping out victims of such disasters.

But as I have said, Mr. President, if ever there were a case for helping in a disaster situation, this one certainly is it. We must help our own people. We must help them not out of charity, but in order to help ourselves by helping them to get back on their feet so that they will be self-sustaining again and can return to a normal and productive life for themselves, the areas of the country that were hit, and for the entire country.

I recognize that the committee had some major problems in bringing out this piece of legislation in such a hurry. As I say, it is well to bring it out as a general piece of legislation, rather than designing a bill just for this specific disaster.

Since almost a year ago, I have had pending a measure on disaster relief which attempts to make some sense out of the patchwork treatment of the disasters we have had in the past by the various pieces of legislation we have had on the books.

The legislation which was left on the books, partly in response to some of the action taken by Congress in the past 2 years, is wholly inadequate, amounting to 5-percent, 30-year loans. That just never seemed enough to me. Apparently, the committee agrees.

I do not totally share with the committee the approach taken with regard to how disasters should be handled and how they should be financed. I am going to comment on that soon and perhaps in a few minutes will introduce an amendment to indicate my feelings in this regard. But I do have my own bill pending, which has been considered by the committee. They have come out with a somewhat different conclusion. While I may differ with them on certain provisions that they have in the bill, and also feel that the bill needs clarification as to exactly what is intended in some instances, I intend to support the bill. I concur strongly with the committee that we should try to complete action on this measure with great dispatch. It is my hope that the House will follow suit and do so also.

I should like to discuss several specific provisions in the measure. I do so not so much to prolong this debate or to ask that the questions I raise be answered, but knowing that the bill will go to the House for consideration and knowing that in all probability it will be in conference, I hope that these provisions can be considered and raised at that time even though we may not carry them to a vote on the floor today.

Under the community disaster section 414, on page 86 of the bill, there is a provision that

> The President is authorized to make disaster loans to any local government which may suffer a substantial loss of tax and other revenues as a result of a major disaster, and has demonstrated a need for financial assistance in order to perform its governmental functions. The amount of any such disaster loan shall be based on need, and shall not exceed 25 per centum of the annual operating budget of that local government for the fiscal year in which the major disaster occurs.

Having visited Xenia in my State, the extent of the devastation seems to require clearly an amount greater than the 25 percent figure. The community is not a rich community. I do not know what other source they may be able to draw on for funds to meet their needs. Certainly many people will need to postpone payment of their real estate taxes or their State income taxes. I am not sure exactly where the revenues will come from to support the budget, and thus assistance under this provision may be crucial for them.

I also would call attention to what seems to me to be an unresolved question with regard to the annual operating budget. It is perfectly clear that the annual operating budget of Xenia, if it can receive assistance funds to spend within the fiscal year, will include vast expenditures over and above what a regular operating budget would be because of the nature of the disaster that occurred.

I hope that some clarification may be forthcoming with regard to treatment of that problem.

I think that perhaps the strain on the definition question might be relieved by going up from the 25 percent to a figure of 50 percent or more, insofar as the operating budget determination of a percentage the Federal Government might give is concerned.

Turning to another area on which I have a number of questions, I call the Senate's attention to the extraordinary disaster-related expense grant. I am disturbed by the fact that a State administered program is set up here. Considering the nature of disasters, crossing State lines as they do, existing often in one State and not at all in other States over a long period of time, I have serious question whether the State is really an appropriate unit insofar as the handling of many disasters—indeed, perhaps most disasters—is concerned.

It is easy to pass the buck in this way and perhaps take some of the onus off the Federal Government for the administration involved; but I know of no reason to think that there is any necessity, from the point of view of preserving State and local government and building and strengthening it as we have tried to do under the revenue sharing program, to go the same way insofar as disaster assistance is concerned. In the circumstances where a disaster exists, disaster relief is a temporary governmental function and one that is set up immediately, or should be set up immediately, and should be terminated as soon as the obligations or the problems calling for its creation do not exist. So that I see no particular reason for going the route of the State at all. But that is the choice of the committee, and I am not going to try to change it today.

I do think, however, that there is one very major consideration to which the committee ought to give some attention, insofar as going the route of the State administration is concerned, and that is that I do not think the States are going to be ready to proceed within a reasonable period of time to meet the needs of either the present disaster victims or victims of any new disasters in the upcoming days.

The first reaction of people I met and talked with in this tornado-stricken area was one of relief that they were alive at all. It was also one of great empathy and sympathy for others who had been affected, and perhaps affected worse than they had been. Then, too, there was a great feeling of camaraderie and getting together of the American people, in the way they do in the face of crisis. So that there was almost a wave of what one would call a positive emotion on the part of the people with whom I talked.

I think all of us who have been through any such experience know that within a very short period of time, the spirits turn downward.

When you need the help and you need the kind of assistance that this emergency disaster grant could give within a very short period of time, so that you can start making plans, so that you do not have a long time in limbo with the government unresponsive to the demands of individual cases, you need the organization already set up. That is why I have been pushing for a general standing disaster relief program with reasonable benefit levels in this country.

I hope that the committee, in proceeding further with this bill and as it goes to the House and to conference, will consider the fact that the States are not set up, in my opinion, to respond within the time frame in which I think it is necessary to respond.

What I am going to suggest with regard to that is that there at least be a transitional period of perhaps from now to September 1 or October 1, or something of that sort, in which the Federal Government would administer the program. The program could then be turned over at the termination of that period to the States, if that is the decision of Congress in working out this legislation.

I see a crying need for an immediate effort, under the disaster relief operation of the Federal Government that is already set up, to proceed with a grant program. I see no reason why the grant program should be singled out for this State approach—at least, in the first few months of this program—when I think it is bound to result in considerable delay. In that regard, Mr. President, I do have an amendment which I expect to submit to the Senate in a moment. Before doing that, however, let me point out two or three other questions that come to my mind in looking at the wording of the bill.

First, apparently there is a requirement of 25 percent matching, which is an overall requirement against the total Federal funds that are expended. But there are in my mind many unanswered questions as to its actual operation.

For example, if no State contribution is made or if no local governmental contribution is made or no contribution is made by a private charitable organization to meet that 25 percent requirement, is it the intention of the committee that that requirement could be made up by individuals? I realize that this is not the usual situation, but it is one that, in my opinion, may well come up, and I see no reason why the private contributions should not be made. Why should you discriminate against people simply because the local units of government may not be willing to come forward or private charity may not be available to make the kind of contributions that is desired? I think that ought to be clarified at some point in the discussion of the language.

Also, some further clarification of what a family is, under line 8 on page 83, might well be helpful, because I think that inevitably this is going to cause many arguments. Some sharpening up of that definition seems to me to be desirable.

In section 408(e) is a provision that not more than 3 percent of the total grant provided to an affected State shall be utilized for administrative purposes. What does the committee mean by that? This raises one of the kinds of questions that must be addressed, really unnecessarily, when you get into the matter of State administration. It seems to me pretty clear that for a long period during the initial part of this program there may well be necessary administrative expenses that exceed the 3 percent limitation that is put on here. I do not know how long the exception should last but it seems to me that some reasonable period—a 2-year period or something of that sort—ought to be provided in the law.

Mr. President, I send an amendment to the desk, for myself and the Senator from New Hampshire (Mr. McINTYRE).

The **PRESIDING OFFICER**. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. **TAFT**. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The **PRESIDING OFFICER**. Without objection, it is so ordered; and, without objection, the amendment will be printed in the RECORD.

The amendment is as follows:

On page 102, line 16, change the period to a comma and insert thereafter the following: "except that section 408 shall take effect as of September 1, 1974."

At the end of the bill add the following new section:

TEMPORARY PROGRAM OF EXTRAORDINARY DISASTER EXPENSE GRANTS

SEC. (a) The President is authorized to make grants to provide financial assistance to persons adversely affected by a major disaster who are unable to meet extraordinary disaster-related expenses or needs. Such grants shall be made for use only in cases where assistance under other provisions of this Act or other appropriate laws, or other means, is insufficient to allow persons to meet such expenses or needs.

(b) The President shall promulgate regulations that shall include national criteria, standards, and procedures for the determination of eligibility and the administration of individual assistance grants made under this section. No family shall receive grants under this section which total in excess of $5,000. Grants shall be made only during the period for which the major disaster has been declared.

Mr. TAFT. Mr. President, this amendment, which I have already discussed somewhat, would have the effect of setting up a temporary federally administered, 100 percent federally financed emergency grant program for extraordinary disaster-related needs, for the period between the effective date of the act, April 1, and September 1 of this year. Other than Federal administration and funding the provisions of the temporary program would be the same as provisions in the committee's State-administered program.

It seems to me that this would be a way of assuring people of far more immediate and far more direct responsibility for administering this program than the sharing provision we have.

I have no desire to push this amendment. I know that the committee has discussed adopting some type of transitional arrangement. The form of this amendment may not be ideal. I believe it presents a method, a way of going. It would, of course, cost somewhat more, because we would be providing the full 100 percent rather than providing only the 75 percent of the actual cost of the grants made. But this slight additional cost for this outset period would be justified and would be a more workable way than trying to go back and pick up the State money which is not likely to be available immediately in some cases.

It just seems to me a great deal simpler to go 100 percent Federal as far as financing is concerned. Obviously, there is a sort of check rein within the Federal Government itself on the total amount expended in the program, because the grants under the amendment would be discretionary with the particular officers involved. Within the 5-month period involved, I do not think there would be any great abuse, or that the amount of the expense to the Federal Government would be so great that the benefits of immediate relief should be sacrificed.

Mr. President, that completes my remarks on this portion of the bill. I would be glad to have any comments on the amendment. If the committee feels strongly about it, I am willing to withdraw it.

Mr. DOMENICI. Mr. President, before I comment on the Senator's amendment, and I shall defer on that to the chairman of the committee, I would like to respond by way of explanation and comment to three or four very serious questions raised by the Senator from Ohio regarding the bill.

Might I first state that the Senator from Ohio started with an observation about the people in the affected areas and how well they responded. He commented on the fact that there is a great willingness on the part of everyone in the community to do his share to alleviate the circumstances in which fellow citizens found themselves.

Not only do I agree with that statement, but I would like to cite an example that was rather extraordinary in one of the Senator's cities. I was in Xenia, Ohio, only 2½ days after the disaster We picked up a copy of the local newspaper. It was not very large. I was amazed to find an announcement on the front page of that newspaper that the newspaper had contributed $10,000 to a local community fund to aid those in need. Sometime before we left the community, the other newspaper in that very small town of 30,000, as I recall, had followed suit and put into this fund $10,000.

I wish to speak in reference to two or three of the Senator's comments. Indeed, the Senator raises an appropriate question on community disasters and the provision in the bill whereby the Federal Government will provide financial assistance to communities that have suffered a substantial loss. We saw two communities that had suffered very substantial loss. The town of Brandenburg, Kentucky is in very serious condition. It is almost totally destroyed. The senior Senator from Kentucky (Mr. Cook) discussed the adequacy of the community disaster loan provision when he met with the chairman of the subcommittee (Mr. Burdick) and myself on Monday. We claim no pride of authorship in connection with the 25 percent but it is an improvement over current law.

Mr. COOK. Mr. President, will the Senator yield?

Mr. DOMENICI. I am delighted to yield to the senior Senator from Kentucky.

Mr. COOK. I am sure the Senator from Ohio is aware of this, but I shall submit an amendment, now that section 414 has been changed from a grant section to a loan section, to increase the 25 percent to a 100-percent loan and then a forgiveness of any part of it that the President may wish to forgive.

The reason I do this, I hope the Senator does not mind, is if a loan were made to the community of Brandenburg, even based on the 25 percent, and it was 10 percent in the beginning, their budget is $34,000 a year. So under the previous 10 percent you are going to give them $3,400; now you are going to give them an additional 15 percent, which is meaningless.

The entire budget for Xenia, Ohio, is interesting. It raises an interesting question because all of a sudden we think we are spending a great deal of money in a disaster loan program, and we are not because you are not lending them the entire city budget, but less than the amount of the disaster that occurred. But their entire budget, for revenue-sharing purposes, is $1.117 million.

For instance, the entire community of Stamping Ground in Kentucky is almost wiped out. Their budget is $6,640. Are we being gracious in allowing them to have a loan from the Federal Government for 25 percent? My answer is that all of a sudden we are concerned about figures but not looking at budgets, and the budgets reflect that these communities have very small budgets.

For instance, Hardin County has an entire county budget for the fiscal year of $619,235. Now, if they are 20-percent destroyed as a result of a tornado, is there any reason why we cannot allow them to have a 20-percent loan of $619,000? I just do not believe we are being realistic about the true approach when we talk about 25 percent.

A great deal of damage was done in Meade County, as we know. Their entire budget is $177,000. I must say I think we are not being realistic. I know the procedure is to lay all these amendments on the table, but when I submit my amendment I shall ask for a vote simply because instead of asking for a 25-percent loan we are asking for up to 100 percent and allowing forgiveness for such part of that loan as the President may deem is forgivable. So we are not saying we are going to give it all to them. I think the problem is that we think in such tremendous terms in Congress that we do not really realize the small budgets that local communities function on.

I think I can make a substantial argument and I am so sorry that all Senators will not be in the Chamber when it is made because I think we could succeed.

The 25 percent really puts me in a position where I am saying, "25 percent of what?" I do not think anyone has a realization as to what it amounts to, as it results in such an insignificant figure.

Mr. DOMENICI. I thank the Senator from Kentucky.

Mr. President, I wish to continue briefly to explain the provision for loans to communities. When the Senator from Kentucky introduces his amendment I am certain that the chairman of the subcommittee and I will have some remarks directed specifically to it. First, I wish to make several observations.

In Xenia, Ohio, we found that their school system was rather substantially destroyed. Senators will find in the report on page 9 a specific reference that loans to communities can be used for the operation of the public school system. We had in mind that there might be exceptional costs for a school district when it goes through a transition from the disaster to permanent replacement. We also indicate in the language of the bill itself that if the operational budget of a city or local jurisdiction is increased by disaster-related expenses that these additional disaster-related expenses can be considered in cancelling part of the loan.

I will talk for just a moment about the next comment concerning extraordinary grants. Certainly I agree with the Senator from Ohio that we are involving ourselves in a brandnew program. However, I believe I am correct in telling the Senator that we had testimony on at least three occasions from a number of Governors and also from the National Governors Conference that they support the idea of grants to the needy program.

They thought since they were already operating individual assistance programs, since they have that kind of administrative ability available to them, and if they were given advance funding such as this section provides, that they could perhaps administer the grant and do a better job than the Federal agencies.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. DOMENICI. I yield.

Mr. TAFT. I would be interested in knowing whether the governors, when they commented on the ability to deal with this program, existing had machinery to handle it or whether some need for a transitional program might have been indicated.

Mr. DOMENICI. To the best of my recollection, there was no specific discussion of a transitional implementation. Such as we are faced with now in applying this provision immediately to the recent disasters, I would say, the point is that we should have had the law on the books 6 months so the States could get ready for it. I would suggest, however, that with all the emphasis on the need to get ready and to prepare for a disaster, the States really have not done it. Even with the law on the books for months, many States would be building this organization, just as they will be in a week from now, after the disaster.

Mr. TAFT. If the Senator will yield further, that was really the point I was attempting to make. Under HUD, a disaster relief agency would and should be set up permanently, ready on a moment's notice to go into action—something which a State would not have any justification for creating. States would not maintain the personnel and readiness that the Federal Government, having the concern of the entire 50 States, would and should have.

Mr. DOMENICI. The Senator makes a good argument, although when we are talking about this particular program, we can look back historically and find that the U.S. Government has maintained a very small group of disaster relief experts. The Federal agencies are looked upon as if they bring in an army. Really, they usually are only utilizing local or State people. For example, the Small Business Administration has few experts in a disaster area and relies on local people they train on the spot. In most instances the Corps of Engineers comes in with five men and contract with local contractors to do the work.

I think the committee received ample testimony to justify the assumption that the States could do the job, especially if they had a little money invested in the program. That is why the 25 percent matching provision.

One last comment. The Senator asked a question: "What about the 25 percent match?" Does it include funds from individuals? Let me say that the matching may come from the State. It could be provided by a philanthropic organization. It could also mean a local unit of Government, but we did not have in mind a program by which an individual would match on a 75–25 basis. I think I speak for the chairman when I say that was not our intention.

I have responded in a very general way to the Senator's concerns but I hope this has been of some assistance.

I would remind the Senator of one other matter. He is concerned about the time lag on the extraordinary need grants. There is private insurance claims that would be handled expeditiously by the companies. There is the food program. There is workmen's compensation.

There are the SBA and FHA disaster loans. These are all ongoing programs. I believe that if the extraordinary grants become effective in a reasonable period of time, it would be enacted in time to meet the needs we have intended to meet—extraordinary needs which cannot be met by assistance under this Act, other appropriate acts or other means.

Mr. BAKER. Mr. President, will the Senator yield briefly?

Mr. DOMENICI. I am delighted to yield to the distinguished Senator from Tennessee.

Mr. BAKER. I express my apology to the distinguished Senataor from Ohio (Mr. TAFT) and to the managers of the bill for digressing for a moment, but at 2:30—and it is now 2:35—I had a meeting in executive session of the Commerce Committee to consider, among other things, whether to report to the Senate two nominations to the Federal Communications Commission. I am the ranking minority member of that subcommittee, as well as of this full committee, and I find myself in an uncharacteristic conflict.

Before I go to that meeting, I would like to ask the managers of the bill if they could verify for me their understanding of the reference, on page 74 of the bill, to financial assistance to repair, restore, reconstruct, or replace facilities for private nonprofit educational, utility, emergency, medical, and custodial care facilities. I would like to know whether or not that does, in fact, include, in their judgment, rural electric and telephone membership cooperatives, as they are known in my State and other States.

I might state, before the distinguished managers of the bill answer, that I took the liberty to inquire of the REA, U.S. Department of Agriculture on their understanding of that language, and they responded that private nonprofit utilities would include, in their judgment, electric and telephone membership cooperatives which borrow from REA.

Mr. President, I ask unanimous consent that a copy of that reply from REA may be inserted in the RECORD appropriately in reference to this matter.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. DEPARTMENT OF AGRICULTURE,
OFFICE OF THE GENERAL COUNSEL,
Washington, D.C., April 10, 1974.

BAILEY GUARD,
Minority Clerk, Senate Public Works Committee, Dirksen Senate Office Building, Washington, D.C.

DEAR MR. GUARD: Pursuant to your request in our telephone conversation of April 9, 1974 this will confirm that I consider that, for purposes of a Federal Disaster Relief Bill (S. 3062, § 402 or S. 1840) the phrase "private non-profit utilities" would include the electric and telephone membership corporations and cooperatives which borrow from the Rural Electrification Administration.

Sincerely,
NORMAN L. PLOTKA,
Director, Electric and Telephone Division.

Mr. BURDICK. Mr. President, is that the letter written by Mr. Plotka to the committee?

Mr. BAKER. Yes.

Could I solicit from the manager of the bill information as to whether this provision for repair and restoration of facilities would include electric and telephone membership co-ops?

Mr. BURDICK. My understanding is that it would include electric and telephone co-ops. I agree completely with the explanation given by Mr. Plotka. I believe the committee proceeded on that assumption, too.

Mr. BAKER. I thank the Senator.

Does the distinguished ranking minority member of the subcommittee and the minority manager of the bill (Mr. DOMENICI) agree with that interpretation?

Mr. DOMENICI. Mr. President, I concur unequivocally in the response of our chairman. I would phrase it this way for the Senator from Tennessee: In Public Law 91–606, public owned utility facilities of the type the Senator has been inquiring about were covered. To that same extent, such Federal financial resources are now made available to the REA cooperatives which the Senator has described.

Mr. BAKER. I thank the Senator very much.

I thank the Senator from Ohio for permitting this interruption.

HOUSING AND URBAN DEVELOPMENT

Mr. TAFT. Mr. President, I do not have a great deal more to say about this. I would point out, with regard to the question of Federal administration, that while the Governors may have competence—and I know they are competent and have the ability to implement this program once it is set up—they are bound not to have anything set up today. By contrast, I think the Department of Housing and Urban Development, considering the new responsibilities it has had, has at least gotten off to a pretty good start in Ohio. This indicates that we should and can have immediate responsibility for the program in the Federal disaster agency.

I would also point out that in hearings last year, when I was on the Banking, Housing and Urban Affairs Committee, it is my recollection that there was considerable testimony, from charitable organizations and others that have been involved in disaster relief matters, as to the questionable feasibility of State administration of this particular type of program.

So the opinions on the question are certainly not unanimous and are something which I hope we will continue to review, just as I hope we will continue to review this piece of legislation and every piece of disaster relief legislation that may be pending, with the idea of trying to perfect this legislation if it is passed with its shortcomings.

Realizing, as I said in the beginning, that there is an urgent and immediate need for legislation of some kind or type, and that this is the legislation upon which the committee has labored so hard, even though I am extremely concerned about the shortcomings as of this time I ask to withdraw my amendment.

The PRESIDING OFFICER. The amendment is withdrawn.

Mr. BURDICK. Mr. President, I thank the distinguished Senator from Ohio. I think he will see that the provisions of the bill will do a great deal for his State.

Mr. DOMENICI. Mr. President, I thank the distinguished Senator from Ohio for his consideration in withdrawing the amendment and also for the excellent observations he has made during the past discussions on the floor of the Senate. I think many of his questions have been answered, and I think that by the time the legislation goes to the President, following a conference with the House, it will contribute greatly to clarifying the legislation.

Mr. COOK. Mr. President, I submit an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. COOK. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered. The amendment will be printed in the RECORD.

The amendment ordered to be printed in the RECORD is as follows:

> On page 86, line 14, insert the following: In Section 414(a), strike "25" and insert in lieu thereof "100", and on page 86, line 16 in section 414(a), strike all after the word "President" down to and including "character" on line 22 and insert the following: "is authorized to make such loans for a period not to exceed three fiscal years from the year in which the major disaster occurred and to cancel repayment of all or any part of such disaster loans to the extent that revenue of the local government during the three-full fiscal year period following the last loan are insufficient to meet the operating budget of the local government, including additional disaster related expenses of a municipal operation character".

Mr. COOK. Mr. President, in my previous remarks I pretty well laid out to the Senate what I should like to do in this amendment. In section 414 at present the President is authorized to make disaster loans to any local government which may suffer a substantial loss of tax and other revenues as a result of a major disaster and has demonstrated a need for financial assistance in order to perform its governmental functions. The amount of any such disaster loan shall be based on need, and shall not exceed 25 percent of the annual operating budget of that local government for the fiscal year in which the major disaster occurs.

We propose to change that 25 percent to 100 percent in the annual operating budget of a local government. The amendment reads:

> The President is authorized . . . to cancel repayment of all or any part of such disaster loan to the extent that revenues of the local government during the three full fiscal year period following the last loan are insufficient to meet the operating budget of the local government, including additional disaster-related expenses of a municipal operation character.

That is up to 100 percent, and the reason for this is very simple, and I merely have some figures to place in the RECORD.

The best example I could give—and I could give the regulations and the figures in the communities—is the community of Brandenburg, Ky., which is suffering substantially a 40 percent loss. The operating budget now is $34,000. The loss would be $620 under this bill, and the President could give whatever part of that amount he wanted to. Suppose that community retains 40 percent. A 40-percent loss of revenues would be $13,710. Based on that, they say, "We will lend you 25 percent of that loss, which is 20, and which means 25 percent of that would be met. The disaster loss to the community of Brandenburg, Ky., would be $3,490. The officials of the city of Brandenburg could bring $3,490 back and say, "We really do not want to deprive you of it. Take it back."

Let us take the community of Stamping Ground, which is almost totally eliminated. It is a small community. It has an operating budget of $6,640. That means that with a 25-percent loan they could get a loan of $660, but if there is any part of it left, they could reduce that by up to the percentage of the amount that is left.

Hardin County had an operating budget for the year of $619,000. A 25-percent loan would mean that the community, which is the entire county, would be wiped out. They could get a loan of 25 percent of their operating budget. If 25 percent of that figure were wiped out, they could get a loan of $39,000. I am not sure they could electric power back on the line if they owned their own system. I am not sure they could get their schools open. I do not think Brandenberg could get its schools open after a tornado.

We are talking about loans on which I would not be proposing a 100-percent figure if they had not changed section 414 from grants to loans. This is important, because this does not call for grants. It calls for loans for communities. It calls for the President of the United States to forgive any part of that loan.

I have made it conform to my amendment, which will be for not to exceed 3 fiscal years, and the revenue for 3 fiscal years may be insufficient to meet the operating conditions.

I feel that we are talking about cold, hard-headed realities. We are talking about loan programs that I am not sure really mean anything.

If we are going to offer loans to communities, then let us offer disaster loans. We are not giving it to them. The President is authorized to forgive any or all of it, but he may not forgive any of it. All of us have seen pictures of Xenia, Ohio, whose operating budget is $1,312,000. What percentage of that, may I inquire of the Senator from Ohio—50 percent or 40 percent of the community—would be the disaster loan to be authorized—$600,000? Is that what we are going to do for that community? Will it do that community any good? Right now the operating funds to keep that community going are insufficient to keep the community going any longer. No surplus is left in that community any longer. These communities have had to hire everything and bring in everything, and everybody, in every way they can. They say, "Maybe the Red Cross, maybe some community agency, will help."

We are talking about governmental agencies. My only point is that I would not have submitted this amendment, I say to the manager of the bill and ranking minority member of the committee, had it not been for the fact that section 414 was changed from grants to loans. When that was changed from grants to loans, it was said that the Government is not really in jeopardy in handing out money and not getting it back. It can get all of it back, or it can get whatever part of it back that it feels it is entitled to in relation to the situation in which it finds itself in evaluating a community. I only say that the figures I have given—and I plead with the managers of the bill to consider these figures—that we are not talking about tremendous sums.

We stood on the floor of the Senate last year and granted a guranteed loan to Lockheed for $250 million. We could take the budgets of every county plus all the disaster loans in my State, and they would not amount to $250 million. They would not amount to $100 milion. They would not amount to $30 million.

All I am saying is that we are making a loan to them because of a disaster. I hope that we will consider this proposal. I do not think we are going to fail to get a bill because of this amendment. As a matter of fact, I think this amendment makes it a much, much better bill, because we are saying to the local communities that are trying to fight out from under this disaster that there is at least sufficient money for them to do something. We all are aware of the paperwork that the Government goes through. I do not think that any community at this stage of the game could spend the time to fill out the paper forms and go through all the redtape that would be required.

Mr. President, how much time have I remaining?

The PRESIDING OFFICER. The Senator from Kentucky has 6 minutes remaining.

Mr. COOK. I reserve the remainder of my time.

Mr. BURDICK. Mr. President, the distinguished Senator, from Kentucky makes a very persuasive argument. One has to keep in mind that we have hammered out a bill that we think is far superior to the present legislation. We have the unanimous support of the committee. We have the support of the administration. We do not desire and cannot make any major departures in the bill, if we want a bill, and the situation in the stricken areas demands it.

This is just a part of our bill. This budget support is only a part of the bill. The Senator from Kentucky referred to the powerplants, and so forth. They will all be taken care of under another section. We can pay up to 100-percent replacement for all public facilities, buildings, streets, bridges, and everything under the sun, owned by the public and only when the city wants to opt for 90 percent to take an immediate settlement, that is the only time it drops below the 100-percent figure.

We have provided for low-interest loans for businesses and individuals. We have provided for cleaning up the streets and cleaning up the thoroughfares. We have done all those things.

Moreover, this section is so far superior to the sections we have had in the past that there is no comparison. Under the 1970 act, you would be eligible for nothing unless you had a substantial loss, which was interpreted to be over 25 percent. So this is a tremendous gain over and above what we have had in the past.

When you consider the total bill, all the provisions and all the sections, I believe the Senator will find it would do a great deal of good for these stricken communities. So, although the amendment has some appeal, I regret to say that I must oppose it.

Mr. DOMENICI. Mr. President, let me first say to the distinguished Senator from Kentucky——

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from New Mexico?

Mr. BURDICK. I yield.

Mr. DOMENICI. Let me first say that the Senator from Kentucky has raised an issue that is somewhat related to the problems he discussed previously concerning a community which has lost part of its tax base and with reference to that part of our law which deals with general revenue sharing.

I am pleased to say to the Senator from Kentucky that the protection of general revenue sharing entitlements is incorporated in the bill as the Senator proposed.

I compliment him for calling the matter to our attention.

I want to address the Senator's concerns about the community disaster loan section. First of all it is my understanding, and I could be mistaken, that most local units of government that use the ad valorem property tax as a substantial portion of their operating budgets have collected their taxes, are operating from funds on deposit, and, in fact, will not suffer a substantial loss in their operational capacity for another 6 months to a year. I am not suggesting that this will be the situation for the communities the Senator has mentioned, but I am just suggesting that historically we have found that to be the case.

Mr. COOK. Mr. President, will the Senator yield?

Mr. DOMENICI. I yield.

Mr. COOK. Let me say to the Senator in all fairness that whatever funds they have on hand after what has occurred as of last Wednesday night and what they found on Thursday morning, they had to expend funds that ordinarily they never anticipated they would have to expend. Obviously, the immediate requirements have had to come out of whatever general fund revenues they had.

Mr. DOMENICI. Many of the expenses the Senator is referring to are the kind of expenses that will be reimbursed under other provisions of this Act, and the community will probably get that money as soon as they could effect a loan.

These are expenditures of the kind they receive general revenue sharing for, or are covered in their budget. And, as I stated, many will be covered when they apply for assistance for debris removal services or other programs under this Act.

I would also say, in repeating this, that their crunch will probably come in 6 months to a year. It is my understanding that the committee and the Federal Disaster Assistance Administration will be in contact with these communities and, if it appears that more than 25 percent is required, I am sure we would consider changing it.

I would like to point out that the 25 percent is not 25 percent of the loss; it is 25 percent of the budget.

Mr. COOK. Up to.

Mr. DOMENICI. Up to 25 percent of the budget. So if it is a $10,000 budget, the loan can be $2,500, regardless of whether there is a 40 or 50 percent destruction in the city. We are talking about a percentage of the operational budget, not a percentage of the loss.

I believe we should recede from this proposal and proceed with the bill which has received the unanimous concurrence of the Public Works Committee. I regret to have to propose that, but I believe it is in the best interests of the overall bill.

The PRESIDING OFFICER. Who yields time?

Mr. COOK. Mr. President, may I say, in all fairness, that this Senator honestly believes this is a deficiency in the bill.

I know how the membership feels. I voted to table the proposed amendment of the Senator from Vermont, purely and simply because in that regard I do not know that anyone would have his records together back 12 months, to document for the purpose of the Federal Government that he would be entitled to individual relief.

But this is a question where I feel that some communities, for instance certainly the community in Ohio and several communities in my State, will be 2 or 3 years getting out from underneath this thing. There is no question about the fact that they have lost their tax base.

I appreciate tremendously that the members of the committee accepted my amendment, and made it a part of the bill in the markup, that required that there by no backing off of figures that have been established for revenue sharing, that if an area had been declared a disaster area, the Government could not, in its evaluation of tax base figures for next year's revenue sharing, decrease it by 25 or 30 percent; that if in fact a disaster had occurred, they could go no lower than the figures they had used for last year on revenue-sharing funds.

I appreciate that. The committee increased the figure from 10 percent to 25 percent; we have discussed that. But when we went from grants to loans, we, in essence, had a new ball game.

Mr. President, it has been some 72 hours since the Disaster Relief Subcommittee has returned from an inspection of the tornado damage heaped upon several Midwestern States, including the Commonwealth of Kentucky. Within this short period of time, representatives of the affected States have met with the subcommittee to recommend changes to S. 3062, the Disaster Relief Amendments of 1974. The subcommittee has reported S. 3062 to the full committee, and the full committee has reported out the legislation we are considering today. For this unbelievably speedy action on this vital piece of legislation, the Public Works Committee is to be commended.

The Disaster Relief Act Amendments propose some 13 changes in Public Law 91-606. In addition, the committee has accommodated the requests made by myself and several of my colleagues to make other changes in the legislation. The committee has agreed to amend section 408, subsection (d) to increase the maximum assistance grant to affected needy families to $5,000 from the original grant of $2,500. At this time I would like to place into the record a copy of a letter to the chairman of the Public Works Committee sent by myself and six of my colleagues which will explain our reasoning for requesting that the amount of grant assistance to needy families be increased.

The Public Works Committee also agreed to accept my recommendation that an area declared a disaster would not have its—for the purpose of distribution of revenue sharing—funds evaluated downward for a period of not to exceed 5 years. The purpose of this amendment is to offer protection from a loss of vitally needed revenue sharing funds for those areas struck by a disaster such as accurred in the State of Kentucky, among others, when tornadoes hit.

Revenue sharing funds, now totaling an annual allocation of $16,061 to the city of Brandenburg, which was almost totally destroyed, and $138,664 to Meade County in which Brandenburg lies, will provide very necessary assistance to the area in rebuilding and restoring public services. We are all aware of the priority categories for which revenue sharing money must be spent: public safety, environmental protection, public transportation, health, recreation, libraries, social services for the poor or aged, financial administration, and capital expenditures. This language placed in S. 3062 will assure that the areas affected by the disaster will not be penalized by withdrawing Federal funds already granted them.

In a special session of the Disaster Relief Subcommittee Monday afternoon, I also suggested an amendment to section 414 of the bill with regard to community disaster grants. I felt that a community such as Brandenburg, Ky., which was almost totally destroyed, should not be limited to a grant of 10 percent of its operating budget as it would be unreasonably low when some 50 percent of the city's tax base was wiped out by the disaster. The Public Works Committee has agreed to increase the amount that the cities may receive. However, any money received is now a loan rather than a grant.

I have no objection to this change to community loans as the language of the bill authorizes the President to cancel repayment of all or any part of the loan to the extent that the revenues are insufficient to meet the operating budget of the local government. However, I do object to the amount of the loan the city can receive when a need is proven. I am, therefore, sending to the desk an amendment to section 414(a) which provides that a city, when it has demonstrated a need for financial assistance in order to perform its governmental functions, can receive a disaster loan not to exceed 100 percent of the annual operating budget for the fiscal year in which the major disaster occurs. The amendment would also provide that loans could be made for 5 fiscal years following the year in which the disaster occurred.

I submit this amendment for the consideration of my colleagues as I believe the local government should be allowed to obtain loans to meet the expense of vital services which would equal the amount the city would normally have expected to receive had the disaster not occurred. It is crucial that a city, in this time of greatest need, have the funds it will not realize because the tax base has been wiped out because of a natural disaster. As these funds will now be on a loan basis, rather than grants, I can see no reasons for not providing the funds which the city would have received prior to the disaster.

I say to Senators that I just feel if we add all this up, in all of the areas involved, we are not talking about a great deal of money, and we are talking about loans, we are not talking about grants. We are talking about the Federal Government having the ability to be repaid.

So I do feel that, of all the amendments I have listened to, this one has a tremendous amount of merit in regard to the ability of these communities to resolve their problems.

May I say to the Senator from New Mexico, in relation to what happened in Hardin County, if they had a 25-percent loss and were entitled to a loan of $154,340, we have given that community, I suspect, grants in the last 2 or 3 years to build a swimming pool, and it has probably cost $154,000, or maybe even more. Yet here we are talking about giving to that community a loan to meet a disaster.

Let me summarize by saying that I understand the situation I am in, and I do not quite know what to do. I do feel this is something that should be done, and should be done fast.

I do not know; perhaps I shall ask for a voice vote on the amendment. But I will say to the committee that I am really going to stay with them on this. I just feel, and I agree with the Senator from New Mexico, there is no question about the fact that it is next year. That is when the real crunch will come.

Mr. RANDOLPH. Mr. President, I presume it would be several days before we would go to conference. The attitude of Senators BURDICK and DOMENICI and all the members of the committee is such that we would counsel with the Senator, as we did on his amendment we accepted in committee, because we thought he had a valid argument. We would like to have the Senator from Kentucky know, as I am sure all the Members of this body would, that there is not only realism in the committee, there is also compassion in the committee.

I hope that the Senator, in his judgment of course, which I will respect, would permit a voice vote, keeping in mind the fact that we can come back to this matter if it proves to be a problem in the next year.

Mr. COOK. I thank the Senator from West Virginia and tell the President of the Senate that while it will not be my desire to ask for a rollcall vote, as there are not enough Senators here, this amendment has tremendous merit, if I could have the opportunity to explain it. I would not want it defeated on a rollcall vote because of the merit of the amendment.

Therefore, I can only say that maybe someone would say that politically it would be better to ask for a voice vote and say I went down swinging. It is not good to lose when one does not think he should lose. There is no merit in losing when you should not lose. Therefore, I do not want to submit it to that kind of confrontation.

I think I have made my point. I will ask for a voice vote. I hope I have convinced more than myself on the floor of the Senate that this is a good amendment.

Mr. DOMENICI. Mr. President, I am certain that all those on the committee who have worked on this bill have a concern for any community that truly could not meet its operational expenses even with a 25-percent loan, subsequently cancelled.

I think it only appropriate that we assure the Senator from Kentucky that if in the interim, between now and conference or even between now and the passage of a year—which is what I think it will take for the real impact to be felt—if he will give us any evidence that the 25-percent loan is inadequate, we will ask our staff to make inquiry of the communities that have been partially or totally destroyed. We understand that this is a loan not a grant. We have no intention of not providing sufficient funds to communities that have suffered a substantial loss of their taxes and other revenues.

I think the feeling on the committee is that we will modify the percentage to whatever figure is needed to do the job adequately.

Mr. COOK. I would be more than delighted to give the Senator that information, if I am here a year from now, either by election or otherwise.

I yield back whatever time remains to me.

Mr. BURDICK. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER (Mr. BROCK). All time on the amendment has now expired.

The question is on agreeing to the amendment of the Senator from Kentucky (Mr. COOK).

The amendment was rejected.

The PRESIDING OFFICER. Who yields time?

The bill is open to further amendment.

The question is on agreeing to the committee amendment in the nature of a substitute.

The committee amendment in the nature of a substitute was agreed to.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

Mr. BURDICK. Mr. President, I send to the desk a series of technical amendments to correct errors made in the printing of the bill and ask unanimous consent that they be considered and agreed to en bloc.

The PRESIDING OFFICER. Without objection, the amendments are considered and agreed to en bloc.

The question is on final passage of the bill (S. 3062).

Mr. MANSFIELD. Mr. President, I ask for the yeas and nays.

There was not a sufficient second.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. DOMENICI. Mr. President, after our return from the tornado struck area, Senators RANDOLPH, BAKER, BURDICK, and I met on Monday afternoon with Senators and staff of the affected States, to advise them of the action and proposals we were considering; and following that meeting with HUD Secretary James T. Lynn to determine more precisely the position of the administration and receive its recommendations.

We were very glad to receive later that same day and on yesterday, recommendations from several Senators representing the affected States. A number did urge that the amount for family grants be increased some $2,500 to $5,000, and the full committee on Senator BAKER's motion so modified the bill.

In order to complete the record, I ask unanimous consent to have printed in the RECORD the letter confirming this recommendation addressed to the chairman by Senators COOK, BAYH, TAFT, STEVENSON, HUDDLESTON, NUNN, and ALLEN.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

COMMITTEE ON THE JUDICIARY,
Washington, D.C., April 9, 1974.

Hon. JENNINGS RANDOLPH,
Chairman, Committee on Public Works, Dirksen Office Building, Washington, D.C.

DEAR MR. CHAIRMAN: We, the undersigned, representing the States ripped apart by the tornadoes last week, commend the Committee on Public Works for your desire to take immediate action on the Disaster Relief Act Amendments of 1974, S. 3062, for which you have our support.

However, there is one provision in the legislation which we believe to be far too insufficient to meet the requirements of a disaster such as the one last week. This is the provision in Section 408(d) which provides a maximum assistance grant of $2500 to affected families. Because of the broad and extensive damage that occurred as a result of the rash of tornadoes last week almost every aspect of a person's life was affected. Many of these people are left homeless without clothing, food, employment and other basic human needs. There will be burial expenses and the essential expenses of putting a household back together again. We believe that the $2500 ceiling on family assistance is unreasonably low and respectfully request the Committee to raise this amount to $5000 when it considers this legislation in executive session today.

This is perhaps the most important and helpful provision contained in this bill, and we believe that it ought to be strengthened. You will have our support in encouraging the rest of our colleagues in the Senate to accept the new provision.

We sincerely hope that the Committee will see fit to accept this proposal.

Very truly yours,

MARLOW W. COOK.
ROBERT TAFT, Jr.
SAM NUNN.
WALTER D. HUDDLESTON.
BIRCH BAYH.
ADLAI STEVENSON III.
JAMES B. ALLEN.

Mr. BAYH. Mr. President, I should like to compliment all those who have had an active role in revising and strengthening our disaster relief laws.

Having spent the entire day last Friday with a National Guard helicopter crew, looking over many of the tragic areas in Indiana, I was reminded again as I first was during that period immediately following the tragic Palm Sunday tornadoes which hit Indiana in 1965, of just what a natural disaster really means in terms of pain and suffering, economic loss and hardship, not only to the individual but to entire communities.

Based on my visits to a dozen communities throughout Indiana, I can assure my colleagues that the measure before us enables the Federal Government to be substantially more responsive in meeting the needs of the individuals and communities affected by natural disasters. It initiates vital and obviously timely improvements in the scope of aid available and, of equal importance, increases the speed and efficiency with which the help can be delivered.

It was my privilege to serve previously as chairman of the Senate Subcommittee on Disaster Relief. Those of us who have dealt so long with the many difficult problems facing homeowners, farmers, businessmen, and community leaders in the wake of a natural disaster, such as the recent tornadoes, note that several provisions of S. 3062 will provide crucial help at this time.

The 1970 Disaster Relief Act established a comprehensive program of assistance of governmental units and private citizens incurring serious losses in major disasters. In addition to emergency relief for food, clothing, temporary housing, medicine, and other supplies, the President was authorized to make available funds for debris clearance, public transportation, communications, and other services. For the first time damaged or destroyed public facilities were made eligible for grants equal to 100 percent of the cost for repairing or reconstructing those facilities, and communities which suffered a severe loss of property tax revenue were eligible for additional funds.

Displaced families were to be provided without charge living quarters for as long as 12 months, and persons threatened with eviction because of defaults caused by a major disaster could receive supplementary rental or mortgage payments. Homeowners and businessmen could secure SBA and FHA disaster loans at favorable interest rates and with a portion of the loan forgiven, while mortgages on damaged or destroyed property could be refinanced. Other benefits provided disaster victims included unemployment compensation for those not eligible for regular compensation payments, free food coupons and surplus commodities, and legal guidance and assistance.

The new bill, however, will provide additional aid not now available under the 1970 act. The citizens of Monticello, Ind., for example, will benefit from title V, establishing a disaster recovery revolving fund of up to $200 million. The tornado that struck Monticello went through the center of town, more or less following the bed of the Tippecanoe River. It damaged or destroyed structures as diverse as a railroad bridge, a manufacturing plant, a hardware store, a bank, the county courthouse, a new hospital wing, and a public school. We must be prepared to assist in the restoration of every one of these facilities, and we must do so on a basis dictated by commonsense, not artificial guidelines.

We must reconstruct communities such as Monticello not piece by piece, but on a systematic all-encompassing basis. Title V establishes a five-member recovery planning council, appointed by the Governor. A majority of the members must be elected local officials, with the State and National Government having one representative each. I fully support this coordinated, locally based approach to the reconstruction of Monticello and other communities in a similar predicament, because I believe it can lead to the sensible reconstruction of vital cities and towns and enable them to meet the needs of their citizens for many decades to come.

In a similar vein, I note an additional provision of this measure which may substantially benefit the citizens of communities such as Kennard, Ind. S. 3062 provides that, rather than receiving Federal grants on an audited project-by-project basis, a community may be able to obtain 90 percent of its total repair and reconstruction cost for public facilities in the form of a block grant, to be administered at the local level with a great deal of flexibility. This would permit the citizens of Kennard to decide for themselves exactly how they wish to reconstruct their relatively small, close-knit community. In nearby Grant City, Ind., which appeared from the air to be totally leveled, the residents might also wish to take advantage of this substantial flexibility afforded by S. 3062.

Section 318 of the bill authorizes and directs the President to insure the availability and fair distribution of scarce building materials needed in major disaster areas. This winter the residents of Indiana faced shortages of a great many products that all Americans had taken for granted. It is imperative that this body do everything in our power to insure that any future material shortages not be permitted to compound the tragedy wrought by nature. The family without a home, the businessman without a business, the teacher or student without a school clearly must come first in the allocation of construction materials.

During my helicopter flight from town to town I saw, from the air, a great many houses and mobile homes that had been totally destroyed. But I also saw many that were repairable and I am pleased to note that section 404 of this measure establishes by law a program begun in the summer of 1972. It will permit the residents of communities such as Depauw, Palmyra, or Martinsburg to have minimal repairs done to their homes without charge, in instances where they can be made habitable in a short period with limited expenditures. This program minimizes the duration and nature of the interruption of many lives affected by the disasters, and is most appropriate to complement the existing availability for up to 1 year of no-cost temporary housing in cases where a home is destroyed.

This bill will also help institutions such as Hanover College in Hanover, Ind., by extending the availability of repair and reconstruction grants to private nonprofit educational, emergency, medical custodial care, and utility facilities. S. 3026, of course, does much more. Among other things it creates a grant program which provides up to $5,000 per family to meet the extraordinary needs of individual victims of the disasters; directs the procurement of food commodities for distribution in major disaster areas; authorizes loans to local governments suffering revenue losses and in financial need because of a major disaster, and provides a method of dealing with mental health problems caused or aggravated by disaster.

It is my belief that several years hence the action we take today will be viewed as a vital step forward in the provision of speedy and adequate relief to the victims of natural disasters. At this moment, however, some 150 families in Fulton County, Ind., have lost their homes, 200 must repair their houses or mobile homes, and 45 have lost their barns. The citizens of towns such as Talma and Atwood are wondering where to begin the enormous task of rebuilding their entire communities. Mayor Carl Capper of Monticello is seeking ways to provide vital public services and employment to his city until it is back on its feet.

Every one of these Hoosiers needs and deserves our help. Prompt enactment of S. 3062 will provide valuable and immediate assistance to these unfortunate, but proud and hard-working victims of disaster as they begin the lengthy process of rebuilding their entire lives. I commend the Senate for its speedy action today and urge the House and the President to act with dispatch so that the relief provided by S. 3062 may be implemented at once. I am also seeking immediate action on my request for an additional $100 million to be appropriated for the President's disaster relief fund and trust this immediate relief will be available soon.

I am glad to be associated with this legislation and again I want to offer my deep appreciation—not only my personal appreciation but also the appreciation of the citizens I represent who have been afflicted by this disaster.

Mr. RANDOLPH. Mr. President, I am sure that those of us on the Public Works Committee appreciate the statement just made by the able Senator from Indiana (Mr. BAYH). It is important for us working now under the leadership of the Senators who have managed this bill, Senators BURDICK and DOMENICI, to recall that in 1965 Senator BAYH really began the pioneering work on disaster relief legislation when he was a member of the Public Works Committee.

I recall the tragic Palm Sunday disaster when tornadoes swept through Indiana and 141 persons lost their lives in that State. His expertise and his attention to this problem we remember now. We appreciate his joining us in the passage of the bill. This vote will endorse not so much the work of the committee, although it has been diligent work and we think well-reasoned work that will benefit the people of the country. It will also show the American people that during this short period of time since the tornadoes, with the destruction of property and the loss of 355 lives, we responded and responded with care and deliberation with legislation that we could bring to the floor.

The Senator from Indiana (Mr. BAYH), as I have observed, has had extensive experience with disaster relief legislation. Although he is no longer a member of the Committee on Public Works, his most recent committee assignment places him in a position to help speed the implementation of this legislation once it becomes law. I know that his continuing concern for victims of disasters will enable us to look to him as a member of the Appropriations Committee to help expedite funding for programs authorized in this bill.

Indeed, the Senator from Indiana has already proposed an amendment to the second supplemental appropriations bill which would add $100 million to the funds available for disaster relief this fiscal year. It is the efficient and compassionate response such as that exhibited by Senator BAYH that enables us to deal effectively with the problems of major disasters.

As we approach a vote on this bill, I must express my appreciation for the spirit of concern which prompted Senators to offer amendments to this measure.

The Members of this body, including the Senator from West Virginia now speaking, consider very carefully any proposal put forth by the Senator from Vermont (Mr. AIKEN). I have always given his recommendations my sympathetic attention. I regret that this was an occasion when I could not be with him.

The amendment offered by Senator AIKEN and those put forward by Senators HUDDLESTON, EAGLETON, TAFT, STEVENSON, and COOK were well reasoned and contained a number of good ideas. The recommendations offered by our colleagues are all worthy of consideration. The circumstances under which we consider this bill, however, militate against including them in this particular measure. I believe the approach taken by the committee in this bill was, on balance, the correct one to properly revise the disaster relief program.

I commend the Senators who proposed amendments for their action demonstrating a deep concern for this problem and their desire to be of service to their constituents.

Mr. DOLE. Mr. President, I would like to ask one question concerning this bill. Does this legislation affect in any way the current emergency or disaster loan programs of the Farmers Home Administration and the ASCS in the Department of Agriculture?

Mr. RANDOLPH. The question posed by the distinguished Senator from Kansas (Mr. DOLE) is a very valid one particularly since the legislation under consideration contains extensive revisions of the disaster relief program. The Senator from Kansas is a former member of the Committee on Public Works and was involved in our earlier activities in this field. In answer to his query, the provisions of this bill in no way affect the emergency or disaster loan programs in the Department of Agriculture to which he refers.

Mr. BAYH. Mr. President, I should like to express my personal appreciation to the distinguished chairman of the Public Works Committee who made it possible for me to be the first chairman of the Disaster Relief Subcommittee, now so ably chaired by Senator BURDICK. It was because of his efforts and those of other members of the committee that we were able to get legislation on the books before the disaster. It seemed to me to be unwise, as we began in 1965, to provide aid for each disaster after its occurrence. This legislation continues the practice which was implemented in past disaster relief bills which I introduced, of having disaster relief legislation on the books to apply in the field immediately without having to wait for further action.

I am deeply grateful that I was able to play a small role in this important endeavor.

Mr. BURDICK. Mr. President, I ask unanimous consent that the names of the Senator from Ohio (Mr. METZENBAUM) and the Senator from Alabama (Mr. ALLEN) be added as cosponsors of the bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, as we approach the final passage of the pending bill, I want to express my gratitude to the chairman of the full committee and the distinguished managers of the bill, Senators BURDICK and DOMENICI, for the outstanding job they have done in bringing us what I consider to be a good piece of legislation.

I also express my appreciation to the staff members, both majority and minority staffs who worked so laboriously and so well on his bill for such a length of time. Barry Meyer, chief counsel and staff director for the committee, and Bailey Guard, staff director for the minority, have always worked long and hard and provided valuable assistance.

Judy Parente worked very diligently for us, and even suffered a personal hardship when she became airsick during part of her visit to the disaster-stricken area last weekend. In addition, Clark Norton, Phil Cummings, Steve Swain, Paul Ebeltoft, and Grady Smithey contributed of their time, their resources, and their energy to bring us to this point.

I also thank our colleagues in the Senate for permitting us to move forward with this bill intact, without engrafting a number of amendments which would make it more difficult to pass and be signed by the President.

My congratulations to all who worked on this bill for a job well done.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the names of the Senator from Kentucky (Mr. COOK), the Senator from Ohio (Mr. TAFT), the Senator from Indiana (Mr. HARTKE), and the Senator from Tennessee (Mr. BROCK) be added as cosponsors of the bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUDDLESTON. Mr. President, I am pleased to support S. 3062, the Disaster Relief Act Amendments of 1974.

Last week, a number of areas in our Nation, including my State of Kentucky, learned at firsthand that the forces of nature can be brutal and devastating. With little warning, tornadoes ripped through the State, leaving 72 of our people dead, 746 injured, and 219 hospitalized. Many were left homeless as over 1,200 houses were destroyed, 1,200 damaged in a major way, and over 1,300 damaged in a minor manner. Businesses and farm property were wrecked, in some cases beyond repair. Parks were ruined, trees uprooted. The damage from wind and water was widespread.

This most recent disaster, together with the fact that we have had some 104 major disaster declarations in the past 36 months, dramatically demonstrate the need for a consistent, comprehensive, and humane disaster relief program.

Many of the problems we encounter in our lives are of our own making. Many could, with a little common sense and planning, be foreseen and avoided. But, calamities of nature are generally another thing. They come without warning. The protections which have thus far been developed against them remain far from complete. In these cases, we are truly at the mercy of forces beyond our control.

This is not to deny that there are some actions which can be taken as a guard against such events. Insurance is, of course, a major one of these. But natural calamities can result in destruction far beyond what one man, one woman, one family, one community, one insurance company, or even one State can be expected to cope with on its own.

Perhaps next to peace and security, the greatest obligation of a Federal Government to its people is assistance in times when homes, businesses, farms, normal possessions are severely damaged, rendered useless, or even destroyed.

We often hear people talking about starting from scratch, but it is hard to understand what this really means until one sees a man look at a pile of boards which was once his home and its furnishings, until one sees a man seek for blocks to find a heap of rubble that was once his car, until one sees a man begin to reseed his acres, replace his barn or restore his business to the point where it can reopen.

Man at the mercy of nature is man in need.

The legislation before us is legislation designed to assist man at the mercy of nature, and it should be legislation which will meet man's needs.

I am pleased that the proposed bill contains authority for grants for the repair of public education and recreation facilities and private nonprofit medical and educational facilities, for restoration of private homes to habitable condition, for unemployment assistance, for food commodities storage, and crisis counseling.

The section relating to recreation facilities should be of special value in returning Cherokee Park, in the city of Louisville, to a place of natural beauty within a busy metropolitan area. While Federal funds will not be available to restore Cherokee Park completely, they should go far in assisting the area to reassume some semblance of the notable municipal park Cherokee has been since the 19th century.

The community disaster loan program under which localities may borrow up to one-fourth of their operating budget for the year in which the disaster occurred and the longer range economic recovery program should also be helpful.

I am particularly pleased, however, that the committee adopted language which I proposed relating to materials allocations. In the aftermath of any disaster, an affected area's need for building and construction materials is great. Furthermore, local suppliers are often either unable to operate or unable to secure all the needed goods. In a situation such as the present one, where materials shortages unrelated to the disaster are already a problem, the situation will be particularly difficult. Under this provision, I envision a prompt survey of the construction materials needed for repair and replacement of homes, farms and businesses, followed by efforts to bring needed materials into the affected area.

The latter might involve contacting manufacturers and distributors, arranging for transportation and other activities involved in locating, obtaining and moving materials. In those areas which are in particularly severe straits, an allocation program could be implemented for up to 6 months in order to insure that priority needs were met and that available supplies were distributed in a fair manner. In the event that an allocation program were implemented, however, those operating it would be directed to work, to the extent possible, with and through those companies which normally supply the area. It is not the intention here to deprive any supplier of business, only to facilitate the obtaining and distribution of materials which will be needed by so many persons for so many various purposes.

I was also among those who joined in a request that the committee increase the extraordinary disaster expense grant limitation from $2,500 to $5,000 per family. These grants are to be made to those with a special need not covered by other programs. I believe this increase was needed and is entirely justified. I am pleased the committee adopted it. I do, however, have some concerns over the implementation of this program. We do not have the guidelines under which the program will operate; we do not know precisely how it will work; we do not know exactly who will benefit—or how many. And, while it sounds good at the moment, I hope it will not prove to be an over-promise which will eventually provide little benefit to the people of Kentucky and other disaster areas.

My own preference is a return to the low-interest loan program, with a forgiveness feature. That program could have been made available immediately, through established mechanisms and experienced agencies. For that reason, I offered an amendment, which was later withdrawn, to reinstate the 1 percent, $5,000 forgiveness features for Farmers Home Administration and Small Business Administration loans.

Despite my concerns about possible omissions in the reported bill, I believe it has many valuable features. It is the work of a subcommittee which came at once to the affected areas to obtain information on the extent and type of damage and to discuss needs with those affected. It is the work of a subcommittee and committee which tackled promptly the legislative problems, consulting consistently with Senators from affected areas, and moved a bill as speedily as possible toward floor consideration. I appreciate the efforts and the actions of the members of the committee and the staff, as I am sure all those in the Commonwealth of Kentucky who have been touched by the disaster do.

Mr. BUCKLEY. Mr. President, at the outset, I should like again to call the attention of my colleagues to the outstanding job that the distinguished Chairman (Mr. BURDICK) and the ranking Republican member of the subcommittee (Mr. DOMENICI) have accomplished in bringing this bill to us for consideration. As a member of the subcommittee and a participant in many of its deliberations, I speak from first-hand knowledge when I point to the nearly 2 years of effort which have gone into the writing of this bill, most of which burden has been carried by the two gentlemen just mentioned.

Mr. President, I want to emphasize the fact that this bill has been in preparation for many months, for I am sure some will say that we are again acting hastily only in reaction to the latest in a seemingly never-ending series of natural disasters. That simply is not the case. While we have admittedly moved rapidly in the past few days that his bill might be considered by the Senate prior to our Easter recess, our markup session had been scheduled long before the occurrence of the tragic tornadoes of the past week. The timing, then, is coincidental.

There is no question but that action by the Congress in the field of disaster legislation is both necessary and proper. In the past we have reacted rather than acted, and often emotionally, and not altogether wisely.

Mandated by the Congress to do so in the aftermath of "Agnes," the President submitted his recommendations for permanent disaster legislation nearly a year ago. Senators who have had a special interest in or a special concern with this kind of legislation have also introduced bills expressing their particular points of view. All of these have been thoroughly discussed and adequately considered.

Several days of hearings, both in the field to gather the expertise of those who had experienced several different types of disaster, and in Washington to consider the viewpoint of those who must cope from that vantage point, have been held. Repeated discussions have been conducted by the staffs involved and lengthy deliberations by the members of the committee have brought us the legislation we now have before us.

As has been said, this bill comes to us having been reported unanimously by the Committee on Public Works to the Senate, and having been reported unanimously by the subcommittee before that.

Such unanimity, however, should not be construed as an indication that this is perfect legislation, or that all members of the committee are completely happy with every section and detail of the bill. I, for example, have some serious reservations about title V of this bill and the appropriateness of its inclusion in this kind of legislation. Rather, it seems to me, the provisions of title V might better be dealt with in legislation amending the Economic Development Act, if, indeed, they should be dealt with at all.

In a spirit of cooperation, however, and with the goal in mind of averting the possibility of this bill becoming a "Christmas tree" to be adorned with the pet ideas of one and all, I have acceded to the strong feelings of my colleagues on the committee and have accepted certain provisions of this bill with which I am less than enthusiastic. In all fairness, though, I must point out that my colleagues have acquiesced in kind to certain of my firmly held beliefs with regard to other portions of the bill we had before us.

Mr. President, this bill, then, is on balance a good bill and one which I fully support. I am particularly pleased by its emphasis on State action and responsibility. I believe that this bill, together with the flood insurance legislation we have already enacted, will be adequate to meet all conceivable needs for current and future natural disasters. It is far superior to the legislation now on the books, and far better than anything that would be likely to emerge if the line is not held on floor amendments. I shall vote for it, and I urge my colleagues to do likewise.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the Senator from New York (Mr. JAVITS) and the Senator from Pennsylvania (Mr. HUGH SCOTT) be added as cosponsors of the bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill having been read the third time, the question is, Shall it pass? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Idaho (Mr. CHURCH), the Senator from Iowa (Mr. HUGHES), the Senator from Hawaii (Mr. INOUYE), the Senator from Louisiana (Mr. LONG), and the Senator from Wyoming (Mr. MCGEE) are necessarily absent.

I further announce that, if present and voting, the Senator from Wyoming (Mr. MCGEE) would vote "yea."

Mr. HUGH SCOTT. I announce that the Senator from Hawaii (Mr. FONG), the Senator from Arizona (Mr. GOLDWATER), and the Senator from Michigan (Mr. GRIFFIN) are necessarily absent.

I also announce that the Senator from Virginia (Mr. WILLIAM L. SCOTT) is absent on official business.

I further announce that, if present and voting, the Senator from Hawaii (Mr. FONG) would vote "yes."

The result was announced—yeas 91, nays 0, as follows:

[No. 133 Leg.]

YEAS—91

Abourezk
Aiken
Allen
Baker
Bartlett
Bayh
Beall
Bellmon
Bennett
Bentsen
Bible
Biden
Brock
Brooke
Buckley
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Clark
Cook
Cotton
Cranston
Curtis
Dole
Domenici
Dominick
Eagleton
Eastland
Ervin
Fannin
Fulbright
Gravel
Gurney
Hansen
Hart
Hartke
Haskell
Hatfield
Hathaway
Helms
Hollings
Hruska
Huddleston
Humphrey
Jackson
Javits
Johnston
Kennedy
Magnuson
Mansfield
Mathias
McClellan
McClure
McGovern
McIntyre
Metcalf
Metzenbaum
Mondale
Montoya
Moss
Muskie
Nelson
Nunn
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Sparkman
Stafford
Stennis
Stevens
Stevenson
Symington
Taft
Talmadge
Thurmond
Tower
Tunney
Weicker
Williams
Young

NAYS—0

NOT VOTING—9

Church
Fong
Goldwater
Griffin
Hughes
Inouye
Long
McGee
Scott, William L.

So the bill (S. 3062) was passed, as follows:

S. 3062

An act entitled the "Disaster Relief Act Amendments of 1974".

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Disaster Relief Act Amendments of 1974".

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Sec. 606. Authorization.

TITLE I—FINDINGS, DECLARATIONS, AND DEFINITIONS

FINDINGS AND DECLARATIONS

SEC. 101. (a) The Congress hereby finds and declares that—

(1) because disasters often cause loss of life, human suffering, loss of income, and property loss and damage; and

(2) because disasters often disrupt the normal functioning of governments and communities, and adversely affect individuals and families with great severity;

special measures, designed to assist the efforts of the affected States in expediting the rendering of aid, assistance, and emergency services, and the reconstruction and rehabilitation of devastated areas, are necessary.

(b) It is the intent of the Congress, by this Act, to provide an orderly and continuing means of assistance by the Federal Government to State and local governments in carrying out their responsibilities to alleviate the suffering and damage which result from such disasters by—

(1) revising and broadening the scope of existing disaster relief programs;

(2) encouraging the development of comprehensive disaster preparedness and assistance plans, programs, capabilities, and organizations by the States and by local governments;

(3) achieving greater coordination and responsiveness of disaster preparedness and relief programs;

(4) encouraging individuals, States, and local governments to protect themselves by obtaining insurance coverage to supplement or replace governmental assistance;

(5) encouraging hazard mitigation measures to reduce losses from disasters, including development of land use and construction regulations;

(6) providing Federal assistance programs for both public and private losses sustained in disasters; and

(7) providing a long-range economic recovery program for major disaster areas.

DEFINITIONS

SEC. 102. As used in this Act—

(a) "Emergency" means damage caused by any hurricane, tornado, storm, flood, high water, wind-driven water, tidal wave, tsunami, earthquake, volcanic eruption, landslide, snowstorm, drought, fire, explosion, or other catastrophe in any part of the United States which requires Federal emergency assistance to supplement State and local efforts to save lives and protect public health and safety or to avert or lessen the threat of a major disaster.

(b) "Major disaster" means damage caused by any hurricane, tornado, storm, flood, high water, wind-driven water, tidal wave, tsunami, earthquake, volcanic eruption, landslide, snowstorm, drought, fire, explosion, or other catastrophe in any part of the United States, in the determination of the President, is of sufficient severity and magnitude to warrant major disaster assistance under this Act, above and beyond emergency services by the Federal Government, to supplement the efforts and available resources of

States, local governments and disaster relief organizations in alleviating the damage, loss, hardship, or suffering caused thereby.

(c) "United States" means the fifty States, the District of Columbia, Puerto Rico, the Virgin Islands, Guam, American Samoa, the Canal Zone, and the Trust Territory of the Pacific Islands.

(d) "State" means any State of the United States, the District of Columbia, Puerto Rico, the Virgin Islands, Guam, American Samoa, the Canal Zone, or the Trust Territory of the Pacific Islands.

(e) "Governor" means the chief executive of any State.

(f) "Local government" means (1) any county, city, village, town, district, or other political subdivision of any State, or Indian tribe, authorized tribal organization, or Alaska Native village or organization, and (2) includes any rural community or unincorporated town or village or any other public or quasi-public entity for which an application for assistance is made by a State or political subdivision thereof.

(g) "Federal agency" means any department, independent establishment, Government corporation, or other agency of the executive branch of the Federal Government, including the United States Postal Service, but shall not include the American National Red Cross.

TITLE II—DISASTER PREPAREDNESS ASSISTANCE

FEDERAL AND STATE DISASTER PREPAREDNESS PROGRAMS

SEC. 201. (a) The President is authorized to establish a program of disaster preparedness that utilizes services of all appropriate agencies (including the Defense Civil Preparedness Agency) and includes—

(1) preparation of disaster preparedness plans for mitigation, warning, emergency operations, rehabilitation, and recovery;

(2) training and exercises;

(3) postdisaster critiques and evaluations;

(4) annual review of programs;

(5) coordination of Federal, State, and local preparedness programs;

(6) application of science and technology;

(7) research;

(8) assistance in updating disaster legislation.

(b) The President shall provide technical assistance to the States in developing comprehensive plans and practicable programs for preparation against disasters, including hazard reduction, avoidance, and mitigation; for assistance to individuals, businesses, and State and local governments following such disasters; and for recovery of damaged or destroyed public and private facilities.

(c) Upon application by the States, the President is authorized to make grants, not to exceed $250,000, for the development of plans, programs, and capabilities for disaster preparedness. Such grants shall be applied for within one year from the date of enactment. Any State desiring financial assistance under this section shall designate or create an agency to plan and administer such a disaster preparedness program, and shall, through such agency, submit a State plan to the President, which shall—

(1) set forth a comprehensive and detailed State program for preparation against, and assistance following, emergencies and major disasters, including provisions for assistance to individuals, businesses, and local governments; and

(2) include provisions for appointment and training of appropriate staffs, formulation of necessary regulations and procedures, and conduct of required exercises.

(d) The President is authorized to make grants not to exceed 50 per centum of the cost of improving, maintaining and updating State disaster assistance plans, except that no such grant shall exceed $25,000 per annum to any State.

DISASTER WARNINGS

SEC. 202. (a) The President shall insure that all appropriate agencies are prepared to issue warnings of disasters to State and local officials.

(b) The President shall direct Federal agencies to provide technical assistance to State and local governments to insure that timely and effective disaster warning is provided.

(c) The President is further directed to utilize or to make available to Federal, State, and local agencies the facilities of the civil defense communications system established and maintained pursuant to section 201(c) of the Federal Civil Defense Act of 1950, as amended (50 U.S.C. app. 2281(c)), or any other Federal communications system for the purpose of providing warning to governmental authorities and the civilian population in areas endangered by threatened or imminent disasters.

(d) The President is further directed to enter into agreements with the officers or agents of any private or commercial communications systems who volunteer the use of their systems on a reimbursable or nonreimbursable basis for the purpose of providing warning to governmental authorities and the civilian population endangered by threatened or imminent disasters.

TITLE III—DISASTER ASSISTANCE ADMINISTRATION

PROCEDURES

SEC. 301. (a) All requests for emergency assistance from the Federal Government under this Act shall be made by the Governor of the affected State. Such Governor's request shall be based upon a finding that the situation is of such severity and magnitude that effective response is beyond the capabilities of the State and the affected local governments and that Federal assistance is necessary. The Governor's request will furnish information describing State and local efforts and resources which have been or will be used to alleviate the emergency, and will define the type and extent of Federal aid required. Based upon such Governor's request, the President may determine that an emergency exists which warrants Federal assistance.

(b) All requests for major disaster assistance from the Federal Government under this Act shall be made by the Governor of the affected State. Such Governor's request shall be based upon a finding that the disaster is of such severity and magnitude that effective response is beyond the capabilities of the State and the affected local governments and that Federal assistance is necessary. As a part of this request, and as a prerequisite to major disaster assistance under the Act, the Governor shall formally declare an emergency under State statutes and direct execution of the State's emergency plan. He shall furnish information on the extent and nature of State resources which have been or will be used to alleviate the conditions of the disaster, and shall certify that, for the current disaster, State and local government obligations and expenditures (of which State commitments must be a significant proportion) constitute the expenditure of a reasonable amount of the funds of such State and local governments for alleviating the damage, loss, hardship, or suffering resulting from such catastrophe. Based upon such Governor's request, the President may declare that a major disaster exists, or take whatever other action he deems appropriate in accordance with the provisions of this Act.

FEDERAL ASSISTANCE

SEC. 302. (a) In the interest of providing maximum mobilization of Federal assistance under this Act, the President is directed to coordinate, in such manner as he may determine, the activities of all Federal agencies providing disaster assistance. The President shall direct any Federal agency, with or without reimbursement, to utilize its available personnel, equipment, supplies, facilities, and other resources including managerial and technical services in support of State and local disaster assistance efforts. The President may prescribe such rules and regulations as may be necessary and proper to carry out any of the provisions of this Act, and he may exercise any power or authority conferred on him by any action of this Act either directly or through such Federal agency or agencies as he may designate.

(b) Any Federal agency charged with the administration of a Federal assistance program is authorized, if so requested by the applicant State or local authorities, to modify or waive, for the duration of a major disaster, such administrative conditions for assistance as would otherwise prevent the giving of assistance under such programs if the inability to meet such conditions is a result of the major disaster.

(c) All assistance rendered under this Act shall be provided pursuant to a Federal-State disaster assistance agreement unless specifically waived by the President.

COORDINATING OFFICERS

SEC. 303. (a) Immediately upon his designation of a major disaster area, the President shall appoint a Federal coordinating officer to operate in such area.

(b) In order to effectuate the purposes of this Act, the Federal coordinating officer, within the designated area, shall—

(1) make an initial appraisal of the types of relief most urgently needed;

(2) establish such field offices as he deems necessary and as are authorized by the President;

(3) coordinate the administration of relief, including activities of the State and local governments, the American National Red Cross, the Salvation Army, the Mennonite Disaster Service, and other relief or disaster assistance organizations which agree to operate under his advice or direction, except that nothing contained in this Act shall limit or in any way affect the responsibilities of the American National Red Cross under the Act of January 5, 1905, as amended (33 Stat. 599); and

(4) take such other action, consistent with authority delegated to him by the President, and consistent with the provisions of this Act, as he may deem necessary to assist local citizens and public officials in promptly obtaining assistance to which they are entitled.

(c) When the President determines assistance under this Act is necessary, he shall request that the Governor of the affected State designate a State coordinating officer for the purpose of coordinating State and local disaster assistance efforts with those of the Federal Government.

EMERGENCY SUPPORT TEAMS

SEC. 304. The President shall form emergency support teams of Federal personnel to be deployed in a major disaster or emergency area. Such emergency support teams shall assist the Federal coordinating officer in carrying out his responsibilities pursuant to this Act. Upon request of the President, the head of any Federal department or agency is directed to detail to temporary duty with the emergency support teams on either a reimbursable or nonreimbursable basis, as is determined necessary by the President, such personnel within the administrative jurisdiction of the head of the Federal department or agency as the President may need or believe to be useful for carrying out the functions of the emergency support teams, each such detail to be without loss of seniority, pay, or other employee status.

EMERGENCY ASSISTANCE

SEC. 305. (a) In any emergency, the President may provide assistance to save lives and protect public health and safety or to avert or lessen the threat of a major disaster.

(b) The President may provide such emergency assistance by directing Federal agencies to provide technical assistance and advisory personnel to the affected State to assist the State and local governments in—

(1) the performance of essential community services; warning of further risks and hazards; public information and assistance in health and safety measures; technical advice on management and control; and reduction of immediate threats to public health and safety; and

(2) the distribution of medicine, food, and other consumable supplies, or emergency assistance.

(c) In addition, in any emergency, the President is authorized to provide assistance in accordance with section 306 of this Act and such other assistance under this Act as the President deems appropriate.

COOPERATION OF FEDERAL AGENCIES IN RENDERING DISASTER ASSISTANCE

SEC. 306. (a) In any major disaster or emergency, Federal agencies are hereby authorized, on the direction of the President, to provide assistance by—

(1) utilizing or lending, with or without compensation therefor, to States and local governments, their equipment, supplies, facilities, personnel, and other resources, other than the extension of credit under the authority of any Act;

(2) distributing or rendering, through the American National Red Cross, the Salvation Army, the Mennonite Disaster Service, and other relief and disaster assistance organizations, or otherwise, medicine, food, and other consumable supplies, or emergency assistance;

(3) donating or lending equipment and supplies, including that determined in accordance with applicable laws to be surplus to the needs and responsibilities of the Federal Government, to State and local governments for use or distribution by them for the purposes of this Act; and

(4) performing on public or private lands or waters any emergency work or services essential for the protection and preservation of public health and safety, including but not limited to: search and rescue, emergency medical care, emergency mass care, emergency shelter, and provision of food, water, medicine, and other essential needs, including movement of supplies or persons; clearance of roads and construction of temporary bridges necessary to the performance of emergency tasks and essential community services; provision of temporary facilities for schools and other essential community services; demolition of unsafe structures that endanger the public; warning of further risks and hazards; public information and assistance on health and safety measures; technical advice to State and local governments on disaster management and control; reduction of immediate threats to public health and safety; and making contributions to State or local governments for the purpose of carrying out the provisions of this paragraph.

REIMBURSEMENT

SEC. 307. Federal agencies may be reimbursed for expenditures under this Act from funds appropriated for the purposes of this Act. Any funds received by Federal agencies as reimbursement for services or supplies furnished under the authority of this Act shall be deposited to the credit of the appropriation or appropriations currently available for such services or supplies.

NONLIABILITY

SEC. 308. The Federal Government shall not be liable for any claim based upon the exercise or performance of or the failure to exercise or perform a discretionary function or duty on the part of a Federal agency or an employee of the Federal Government in carrying out the provisions of this Act.

PERFORMANCE OF SERVICES

SEC. 309. (a) In carrying out the purposes of this Act, any Federal agency is authorized to accept and utilize the services or facilities of any State or local government, or of any agency, office, or employee thereof, with the consent of such government.

(b) In performing any services under this Act, any Federal agency is authorized—

(1) to appoint and fix the compensation of such temporary personnel as may be necessary, without regard to the provisions of title 5, United States Code, governing appointments in competitive service;

(2) to employ experts and consultants in accordance with the provisions of section 3109 of such title, without regard to the provisions of chapter 51 and subchapter III of such title relating to classification and General Schedule pay rates; and

(3) to incur obligations on behalf of the United States by contract or otherwise for the acquisition, rental, or hire of equipment, services, materials, and supplies for shipping, drayage, travel, and communications, and for the supervision and administration of such activities. Such obligations, including obligations arising out of the temporary employment of additional personnel, may be incurred by an agency when directed by the President without regard to the availability of funds.

USE OF LOCAL FIRMS AND INDIVIDUALS

SEC. 310. In the expenditure of Federal funds for debris clearance, distribution of supplies, reconstruction, and other major disaster assistance activities which may be carried out by contract or agreement with private organizations, firms, or individuals, preference shall be given, to the extent feasible and practicable, to those organizations, firms, and individuals residing or doing business primarily in the disaster area.

NONDISCRIMINATION IN DISASTER ASSISTANCE

SEC. 311. (a) The President shall issue, and may alter and amend, such regulations as may be necessary for the guidance of personnel carrying out Federal assistance functions at the site of a major disaster or emergency. Such regulations shall include provisions for insuring that the distribution of supplies, the processing of applications, and other relief and assistance activities shall be accomplished in an equitable and impartial manner, without discrimination on the grounds of race, color, religion, nationality, sex, age, or economic status.

(b) As a condition of participation in the distribution of assistance or supplies under this Act or of receiving assistance under section 402 or 404 of this Act, governmental bodies and other organizations shall be required to comply with regulations relating to nondiscrimination promulgated by the President, and such other regulations applicable to activities within a major disaster or emergency area as he deems necessary for the effective coordination of relief efforts.

USE AND COORDINATION OF RELIEF ORGANIZATIONS

SEC. 312. (a) In providing relief and assistance under this Act, the President may utilize, with their consent, the personnel and facilities of the American National Red Cross, the Salvation Army, the Mennonite Disaster Service, and other relief or disaster assistance organizations, in the distribution of medicine, food, supplies, or other items, and in the restoration, rehabilitation, or reconstruction of community services, housing and essential facilities, whenever the President finds that such utilization is necessary.

(b) The President is authorized to enter into agreements with the American National Red Cross, the Salvation Army, the Mennonite Disaster Service, and other relief or disaster assistance organizations under which the disaster relief activities of such organizations may be coordinated by the Federal coordinating officer whenever such organizations are engaged in providing relief during and after a major disaster or emergency. Any such agreement shall include provisions assuring that use of Federal facilities, supplies, and services will be in compliance with regulations prohibiting duplication of benefits and guaranteeing nondiscrimination promulgated by the President under this Act, and such other regulations as the President may require.

PRIORITY TO CERTAIN APPLICATIONS FOR PUBLIC FACILITY AND PUBLIC HOUSING ASSISTANCE

SEC. 313. (a) In the processing of applications for assistance, priority and immediate consideration shall be given, during such period as the President shall prescribe by proclamation, to applications from public bodies situated in major disaster areas, under the following Acts:

(1) title II of the Housing Amendments of 1955, or any other Act providing assistance for repair, construction, or extension of public facilities;

(2) the United States Housing Act of 1937 for the provision of low-rent housing;

(3) section 702 of the Housing Act of 1954 for assistance in public works planning;

(4) section 702 of the Housing and Urban Development Act of 1965 providing for grants for public facilities;

(5) section 306 of the Consolidated Farmers Home Administration Act;

(6) the Public Works and Economic Development Act of 1965, as amended;

(7) the Appalachian Regional Development Act of 1965, as amended; or

(8) title II of the Federal Water Pollution Control Act, as amended.

(b) In the obligation of discretionary funds or funds which are not allocated among the States or political subdivisions of a State, the Secretary of Housing and Urban Development and the Secretary of Commerce shall give priority to applications for projects in major disaster areas in which a Recovery Planning Council has been designated pursuant to title V of this Act.

INSURANCE

SEC. 314. (a) An applicant for assistance under this Act shall comply with regulations prescribed by the President to assure that, with respect to any property to be replaced, restored, repaired, or constructed with such assistance, such types and extent of insurance will be obtained and maintained as may be reasonably available, adequate, and necessary to protect against future loss to the property.

(b) No applicant for assistance under this Act shall receive such assistance for any property or part thereof for which he has previously received assistance under the Disaster Relief Act Amendments of 1974 unless all insurance required pursuant to this section has been obtained and maintained with respect to such property.

(c) A State may elect to act as a self-insurer with respect to any or all of the facilities belonging to it. Such an election, declared in writing at the time of accepting assistance under this Act or subsequently, in a manner satisfactory, to the President shall be deemed compliance with subsection (a) of this section. No such self-insurer shall receive assistance under this Act for any property or part thereof for which it has previously received assistance under the Disaster Relief Act Amendments of 1974, to the extent that insurance for such property or part thereof would have been reasonably available.

DUPLICATION OF BENEFITS

SEC. 315. (a) The President, in consultation with the head of each Federal agency administering any program providing financial assistance to persons, business concerns, or other entities suffering losses as the result of a major disaster, shall assure that no such person, business concern, or other entity will receive such assistance with respect to any part of such loss as to which he has received financial assistance under any other program.

(b) The President shall assure that no person, business concern, or other entity receives any Federal assistance for any part of a loss suffered as the result of a major disaster if such person, concern, or entity received compensation from insurance or any other source for that part of such a loss. Partial compensation for a loss or a part of a loss resulting from a major disaster shall not preclude additional Federal assistance for any part of such a loss not compensated otherwise.

(c) Whenever the President determines (1) that a person, business concern, or other entity has received assistance under this Act for a loss and that such person, business concern or other entity received assistance for the same loss from another source, and (2) that the amount received from all sources exceeded the amount of the loss, he shall direct such person, business concern, or other entity to pay to the Treasury an amount, not to exceed the amount of Federal assistance received, sufficient to reimburse the Federal Government for that part of the assistance which he deems excessive.

REVIEWS AND REPORTS

SEC. 316. The President shall conduct annual reviews of the activities of Federal agencies and State and local governments providing disaster preparedness and assistance, in order to assure maximum coordination and effectiveness of such programs, and shall from time to time report thereon to the Congress.

CRIMINAL AND CIVIL PENALTIES

SEC. 317. (a) Any individual who fraudulently or willfully misstates any fact in connection with a request for assistance under this Act shall be fined not more than $10,000 or imprisoned for not more than one year or both for each violation.

(b) Any individual who willfully violates any order or regulation under this Act shall be subject to a civil penalty of not more than $5,000 for each violation.

(c) Whoever wrongfully misapplies the proceeds of a loan or other cash benefit obtained under any section of this Act shall be civilly liable to the Federal Government in an amount equal to one and one-half times the original principal amount of the loan or cash benefit.

AVAILABILITY OF MATERIALS

SEC. 318. The President is authorized, at the request of the Governor of an affected State, to provide for a survey of construction materials needed in the disaster area on an emergency basis for replacement housing, farming operations, and business enterprises and to take appropriate action to assure the availability and fair distribution of needed materials, including, where possible, the allocation of such materials for a period of no more than one hundred and eighty days after such major disaster. Any allocation program shall be implemented by the President to the extent possible, by working with and through those companies which traditionally supply construction materials in the affected area. For the purposes of this section "construction materials" shall include building materials and materials required for construction of replacement housing and for normal farm and business operations.

TITLE IV—FEDERAL DISASTER ASSISTANCE PROGRAMS

FEDERAL FACILITIES

SEC. 401. (a) The President may authorize any Federal agency to repair, reconstruct, restore, or replace any facility owned by the United States and under the jurisdiction of such agency which is damaged or destroyed by any major disaster if he determines that such repair, reconstruction, restoration, or replacement is of such importance and urgency that it cannot reasonably be deferred pending the enactment of specific authorizing legislation or the making of an appropriation for such purposes, or the obtaining of congressional committee approval.

(b) In order to carry out the provisions of this section, such repair, reconstruction, restoration, or replacement may be begun notwithstanding a lack or an insufficiency of funds appropriated for such purpose, where such lack or insufficiency can be remedied by the transfer, in accordance with law, of funds appropriated to that agency for another purpose.

(c) In implementing this section, Federal agencies shall evaluate the natural hazards to which these facilities are exposed and shall take appropriate action to mitigate such hazards, including safe land-use and construction practices, in accordance with standards prescribed by the President.

REPAIR AND RESTORATION OF DAMAGED FACILITIES

SEC. 402. (a) The President is authorized to make contributions to State or local governments to help repair, restore, reconstruct, or replace public facilities belonging to such State or local governments which were damaged or destroyed by a major disaster.

(b) The President is also authorized to make grants to help repair, restore, reconstruct, or replace private nonprofit educational, utility, emergency, medical, and custodial care facilities, including those for the aged or disabled, and facilities on Indian reservations as defined by the President, which were damaged or destroyed by a major disaster.

(c) For those facilities eligible under this section which were in the process of construction when damaged or destroyed by a major disaster, the grant shall be based on the net costs of restoring such facilities substantially to their predisaster condition.

(d) For the purposes of this section, "public facility" includes any publicly owned flood control, navigation, irrigation, reclamation, public power, sewage treatment and collection, water supply and distribution, watershed development, park, or airport facility, any non-Federal-aid street, road, or highway, and any other public building, structure, or system, including those used for educational or recreational purposes.

(e) The Federal contribution for grants made under this section shall not exceed 100 per centum of the net cost of repairing, restoring, reconstructing, or replacing any such facility on the basis of the design capacity of such facility as it existed immediately prior to such disaster and in conformity with current applicable codes, specifications, and standards.

(f) In those cases where a State or local government determines that public welfare would not be best served by repairing, restoring, reconstructing, or replacing particular public facilities owned or controlled by that State or that local government which have been damaged or destroyed in a major disaster, it may elect to receive, in lieu of the contribution described in subsection (e) of this section, a contribution based on 90 per centum of the total estimated cost of restoring all damaged public facilities owned by it within its jurisdiction. Funds contributed under this subsection may be expended either to repair or restore certain selected damaged public facilities or, after due consideration of the impact on the environment, to construct new public facilities which the State or local government determines to be necessary to meet its needs for governmental services and functions in the disaster-affected area.

(g) On the application of a State or local government for which the total estimated cost of restoring all damaged public facilities owned by it within its jurisdiction is less than $25,000, the President is authorized to make a contribution to such State or local government based on 100 per centum of such total estimated cost, which may be expended either to repair or restore all such damaged public facilities, to repair or restore certain selected damaged public facilities, or to construct new public facilities which the State or local government determines to be necessary to meet its needs for governmental services and functions in the disaster-affected area.

DEBRIS REMOVAL

SEC. 403. (a) The President, whenever he determines it to be in the public interest, is authorized—

(1) through the use of Federal departments, agencies, and instrumentalities, to clear debris and wreckage resulting from a major disaster from publicly and privately owned lands and waters.

(2) to make grants to any State or local government for the purpose of removing debris or wreckage resulting from a major disaster from publicly or privately owned lands and waters.

(b) No authority under this section shall be exercised unless the affected State or local government shall first arrange an unconditional authorization for removal of such debris or wreckage from public and private property, and, in the case of removal of debris or wreckage from private property, shall first agree to indemnify the Federal Government against any claim arising from such removal.

TEMPORARY HOUSING ASSISTANCE

SEC. 404. (a) The President is authorized to provide, either by purchase or lease, temporary housing, including, but not limited to, unoccupied habitable dwellings, suitable rental housing, mobile homes or other readily fabricated dwellings for those who, as a result of a major disaster, require temporary housing. During the first twelve months of occupancy no rentals shall be established for any such accommodations, and thereafter rentals shall be established, based upon fair market value of the accommodations being furnished, adjusted to take into consideration the financial ability of the occupant. Notwithstanding any other provision of law, any such emergency housing acquired by purchase may be sold directly to individuals and families who are occupants thereof at prices that are fair and equitable. Any mobile home or readily fabricated dwelling shall be placed on a site complete with utilities provided either by the State or local government, or by the owner or occupant of the site who was displaced by the major disaster, without charge to the United States. However, the President may elect to provide other more economical or accessible sites or he may authorize installation of essential utilities at such sites at Federal expense when he determines such action to be in the public interest.

(b) The President is authorized to provide assistance on a temporary basis in the form of mortgage or rental payments to or on behalf of individuals and families who, as a result of financial hardship caused by a major disaster, have received written notice of dispossession or eviction from a residence by reason of foreclosure of any mortgage or lien, cancellation of any contract of sale, or termination of any lease, entered into prior to the disaster. Such assistance shall be provided for a period of not to exceed one year or for the duration of the period of financial hardship, whichever is the lesser.

(c) In lieu of providing other types of temporary housing after a major disaster, the President is authorized to make expenditures for the purpose of repairing or restoring to a habitable condition owner-occupied private residential structures made uninhabitable by a major disaster which are capable of being restored quickly to a habitable condition with minimal repairs. No assistance provided under this section may be used for major reconstruction or rehabilitation of damaged property.

(d) (1) Notwithstanding any other provision of law, any such temporary housing acquired by purchase may be sold directly to individuals and families who are occupants of temporary housing at prices that are fair and equitable, as determined by the President.

(2) The President may sell or otherwise make available temporary housing units directly to States, other governmental entities, and voluntary organizations. The President shall impose as a condition of transfer under this paragraph a covenant to comply with the provisions of section 311 of this Act requiring nondiscrimination in occupancy of such temporary housing units. Such disposition shall be limited to units purchased under the provisions of subsection (a) of this section and to the purposes of providing temporary housing for disaster victims in emergencies or in major disasters.

PROTECTION OF ENVIRONMENT

SEC. 405. No action taken or assistance provided pursuant to sections 305, 306, or 403 of this Act, or any assistance provided pursuant to section 402 of this Act that has the effect of restoring facilities substantially as they existed prior to the disaster, shall be deemed a major Federal action significantly affecting the quality of the human environment within the meaning of the National Environmental Policy Act of 1969 (83 Stat. 852).

MINIMUM STANDARDS FOR PUBLIC AND PRIVATE STRUCTURES

SEC. 406. As a condition of a disaster loan or grant made under the provisions of this Act, the recipient shall agree that any repair or construction to be financed therewith shall be in accordance with applicable standards of safety, decency, and sanitation and in conformity with applicable codes, specifications, and standards, and shall furnish such evidence of compliance with this section as may be required by regulation. As a further condition of any loan or grant made under the provision of this Act, the State or local government shall agree that the natural hazards in the areas in which the proceeds of the grants or loans are to be used shall be evaluated and appropriate action shall be taken to mitigate such hazards, including safe land-use and construction practices, in accordance with standards prescribed by the President after adequate consultation with the appropriate elected officials of general purpose local governments, and the State shall furnish such evidence of compliance with this section as may be required by regulation.

UNEMPLOYMENT ASSISTANCE

SEC. 407. (a) The President is authorized to provide to any individual unemployed as a result of a major disaster such assistance as he deems appropriate while such individual is unemployed. Such assistance as the President shall provide shall be available to individuals not otherwise eligible for unemployment compensation and individuals who have otherwise exhausted their eligibility for such unemployment compensation, and shall continue as long as unemployment caused by the major disaster continues or until the individual is reemployed in a suitable position, but no longer than one year after the major disaster is declared. Such assistance shall not exceed the maximum weekly amount authorized under the unemployment compensation program of the State in which the disaster occurred, and the amount of assistance under this section to any such individual shall be reduced by any amount of unemployment compensation or of private income protection insurance compensation available to such individual for such period of unemployment. The President is directed to provide such assistance through agreements with States which, in his judgment, have an adequate system for administering such assistance through existing State agencies.

(b) As used in this section—

(1) the phrase "not otherwise eligible for unemployment compensation" means not eligible for compensation under any State or Federal unemployment compensation law (including the Railroad Unemployment Insurance Act (45 U.S.C. 351 et seq.)) with respect to such week of unemployment; and

(2) the phrase "exhausted their eligibility for such unemployment compensation" means exhausted all rights to regular, additional, and extended compensation under all State employment compensation laws and chapter 85 of title 5, United States Code, and has no further rights to regular, additional, or extended compensation under any State or Federal unemployment compensation law (including the Railroad Unemployment Insurance Act (45 U.S.C. et seq.)) with respect to such week of unemployment.

(c) The President is further authorized for the purposes of this Act to provide reemployment assistance services under other laws to individuals who are unemployed as a result of a major disaster.

EXTRAORDINARY DISASTER EXPENSE GRANTS

SEC. 408. (a) The President is authorized to make grants to States to provide financial assistance to persons adversely affected by a major disaster who are unable to meet extraordinary disaster-related expenses or needs. Such grants shall be made for use only in cases where assistance under other provisions of this Act or other appropriate laws, or other means, is insufficient to allow persons to meet such expenses or needs.

(b) The amount of funds to be granted under this section shall not exceed 75 per centum of the actual cost of providing assistance pursuant to subsection (a) of this section.

(c) The Governor or his designated representative shall be responsible for administering the grant program authorized by this section. An initial advance may be provided which shall not exceed 25 per centum of the estimated Federal funds required to implement the purposes of this section.

(d) The President shall promulgate regulations that shall include national criteria, standards, and procedures for the determination of eligibility and the administration of individual assistance grants made under this section. No family shall receive grants under this section which total in excess of $5,000. Grants shall be made only during the period for which the major disaster has been declared.

(e) Not more than 3 per centum of the total grant provided to an affected State shall be utilized for administrative purposes.

(f) Administration of this grant program shall be subject to Federal audit for purposes of determining whether the criteria, standards, and procedures required by subsection (d) have been complied with.

FOOD COUPONS AND DISTRIBUTION

SEC. 409. (a) Whenever the President determines that, as a result of a major disaster, low-income households are unable to purchase adequate amounts of nutritious food, he is authorized, under such terms and conditions as he may prescribe, to distribute through the Secretary of Agriculture or other appropriate agencies coupon allotments to such households pursuant to the provisions of the Food Stamp Act of 1964 and to make surplus commodities available pursuant to the provisions of this Act.

(b) The President, through the Secretary of Agriculture or other appropriate agencies, is authorized to continue to make such coupon allotments and surplus commodities available to such households for so long as he determines necessary, taking into consideration such factors as he deems appropriate, including the consequences of the major disaster on the earning power of the households to which assistance is made available under this section.

(c) Nothing in this section shall be construed as amending or otherwise changing the provisions of the Food Stamp Act of 1964 except as they relate to the availability of food stamps in a major disaster area.

FOOD COMMODITIES

SEC. 410. (a) The President is authorized and directed to assure that adequate stocks of food will be readily and conveniently available for emergency mass feeding or distribution in any area of the United States which suffers a major disaster or emergency.

(b) The Secretary of Agriculture shall utilize funds appropriated under section 32 of the Act of August 24, 1935 (7 U.S.C. 612c), to purchase food commodities necessary to provide adequate supplies for use in any area of the United States in the event of a major disaster or emergency in such area.

RELOCATION ASSISTANCE

SEC. 411. Notwithstanding any other provision of law, no person otherwise eligible for any kind of replacement housing payment under the "Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970" (Public Law 91–646) shall be denied such eligibility as a result of his being unable, because of a major disaster as determined by the President, to meet the occupancy requirements set by such Act.

LEGAL SERVICES

SEC. 412. Whenever the President determines that low-income individuals are unable to secure legal services adequate to meet their needs as a consequence of a major disaster, he shall assure the availability of such legal services as may be needed by these individuals because of conditions created by a major disaster. Whenever feasible, and consistent with the goals of the program authorized by this section, the President shall assure that the programs are conducted with the advice and assistance of appropriate Federal agenceis and State and local bar associations.

CRISIS COUNSELING ASSISTANCE AND TRAINING

SEC. 413. The President is authorized (through the National Institute of Mental Health) to provide professional counseling services, including financial assistance to State or local agencies or private mental health organizations to provide such services or training of disaster workers, to victims of major disasters in order to relieve mental health problems caused or aggravated by the disaster or its aftermath.

COMMUNITY DISASTER LOANS

SEC. 414. (a) The President is authorized to make disaster loans to any local government which may suffer a substantial loss of tax and other revenues as a result of a major disaster, and has demonstrated a need for financial assistance in order to perform its governmental functions. The amount of any such disaster loan shall be based on need, and shall not exceed 25 per centum of the annual operating budget of that local government for the fiscal year in which the major disaster occurs. The President is authorized to cancel repayment of all or any part of such disaster loan to the extent that revenues of the local government during the three full fiscal year period following the disaster are insufficient to meet the operating budget of the local government, including additional disaster-related expenses of a municipal operation character.

(b) Any disaster loans made under this section shall not reduce or otherwise affect any grants or other assistance under this Act.

(c)(1) Subtitle C of title I of the State and Local Fiscal Assistance Act of 1972 is amended by adding at the end thereof the following new section:

"SEC. 145. ENTITLEMENT FACTORS AFFECTED BY MAJOR DISASTERS.

"In the administration of this title the Secretary shall disregard any change in data used in determining the entitlement of a State government or a unit of local government for a period of 60 months if that change—

"(1) results from a major disaster determined by the President under section 301 of the Disaster Relief Act Amendments of 1974, and

"(2) reduces the amount of the entitlement of that State government or unit of local government.".

(2) The amendment made by this section takes effect on April 1, 1974.

EMERGENCY COMMUNICATIONS

SEC. 415. The President is authorized during, or in anticipation of, an emergency or major disaster to establish temporary communications systems and to make such communications available to State and local government officials and other persons as he deems appropriate.

EMERGENCY PUBLIC TRANSPORTATION

SEC. 416. The President is authorized to provide temporary public transportation service in a major disaster area to meet emergency needs and to provide transportation to governmental offices, supply centers, stores, post offices, schools, major employment centers, and such other places as may be necessary in order to enable the community to resume its normal pattern of life as soon as possible.

FIRE SUPPRESSION GRANTS

SEC. 417. The President is authorized to provide assistance, including grants, equipment, supplies, and personnel, to any State for the suppression of any fire on publicly or privately owned forest or grassland which threatens such destruction as would constitute a major disaster.

TIMBER SALE CONTRACTS

SEC. 418. (a) Where an existing timber sale contract between the Secretary of Agriculture or the Secretary of the Interior and a timber purchaser does not provide relief from major physical change not due to negligence of the purchaser prior to approval of construction of any section of specified road or of any other specified development facility and, as a result of a major disaster, a major physical change results in additional construction work in connection with such road or facility by such purchaser with an estimated cost, as determined by the appropriate Secretary, (1) of more than $1,000 for sales under one million board feet, (2) of more than $1 per thousand board feet for sales of one to three million board feet, or (3) of more than $3,000 for sales over three million board feet, such increased construction cost shall be borne by the United States.

(b) If the appropriate Secretary determines that damages are so great that restoration, reconstruction, or construction is not practical under the cost-sharing arrangement authorized by subsection (a) of this section, he may allow cancellation of a contract entered into by his Department notwithstanding contrary provisions therein.

(c) The Secretary of Agriculture is authorized to reduce to seven days the minimum period of advance public notice required by the first section of the Act of June 4, 1897 (16 U.S.C. 476), in connection with the sale of timber from national forests, whenever the Secretary determines that (1) the sale of such timber will assist in the construction of any area of a State damaged by a major disaster, (2) the sale of such timber will assist in sustaining the economy of such area, or (3) the sale of such timber is necessary to salvage the value of timber damaged in such major disaster or to protect undamaged timber.

(d) The President, when he determines it to be in the public interest, is authorized to make grants to any State or local government for the purpose of removing from privately owned lands timber damaged as a result of a major disaster, and such State or local government is authorized upon application, to make payments out of such grants to any person for reimbursement of expenses actually incurred by such person in the removal of damaged timber, not to exceed the amount that such expenses exceed the salvage value of such timber.

TITLE V—ECONOMIC RECOVERY FOR DISASTER AREAS

SEC. 501. The Public Works and Economic Development Act of 1965, as amended, is amended by adding at the end thereof the following new title:

"TITLE VIII—ECONOMIC RECOVERY FOR DISASTER AREAS

"PURPOSES OF TITLE

"SEC. 801. It is the purpose of this title to provide assistance for the economic recovery, after the period of emergency aid and replacement of essential facilities and services, of any major disaster area which has suffered a dislocation of its economy of sufficient severity to require (a) assistance in planning for development to replace that lost in the disaster; (b) continued coordination of assistance available under Federal-aid programs; and (c) continued assistance toward the restoration of the employment base.

"DISASTER RECOVERY PLANNING

"SEC. 802. (a)(1) In the case of any major disaster area which the Governor has determined requires assistance under this title and for which he has requested such assistance, the Governor, within thirty days after authorization of such assistance by the President, shall designate a Recovery Planning Council for such area or for each part thereof.

"(2) Such Council shall be composed of not less than five members, a majority of whom shall be local elected officials of political subdivisions within the affected areas, at least one representative of the State, and a representative of the Federal Government. During the period for which the major disaster is declared, the Federal coordinating officer shall also serve on the Council.

"(3) The Federal representative on such Council may be the Chairman of the Federal Regional Council for the affected area, or a member of the Federal Regional Council designated by the Chairman. The Federal representative on such Council may be the Federal Cochairman of the Regional Commission established pursuant to title V of the Public Works and Economic Development Act, or the Appalachian Regional Development Act, or his designee, where all of the affected area is within the boundaries of such Commission.

"(4) The Governor may designate an existing multijurisdictional organization as the Recovery Planning Council where such organization complies with paragraph (2) of this subsection with the addition of State and Federal representatives. Where possible, the organization designated as the Recovery Planning Council shall be or shall be subsequently designated as the clearinghouse required by the Office of Management and Budget circular A–95.

"(5) The Recovery Planning Council shall include private citizens as members to the extent feasible, and shall provide for and encourage public participation in its deliberations and decisions.

"(b) The Recovery Planning Council (1) shall review existing development, land use and other plans for the affected area; (2) may make such revisions as it determines necessary for the economic recovery of the area, including the development of new plans and the preparation of a recovery investment plan for the five-year period following the declaration of the disaster; and (3) may make recommendations for such revisions and the implementation of such plans to the Governor and responsible local governments. The Council shall accept as one element of the recovery investment plan determinations made under section 402(f) of the Disaster Relief Act Amendments of 1974.

"(c)(1) A recovery investment plan prepared by a Recovery Planning Council may recommend the revision, deletion, reprograming, or additional approval of Federal-aid projects and programs within the area—

"(A) for which application has been made but approval not yet granted;

"(B) for which funds have been obligated or approval granted but construction not yet begun;

"(C) for which funds have been or are scheduled to be apportioned within the five years after the declaration of the disaster;

"(D) which may otherwise be available to the area under any State schedule or revised State schedule of priorities; or

"(E) which may reasonably be anticipated as becoming available under existing programs.

"(2) Upon the recommendation of the Recovery Planning Council and the request of the Governor, any funds for projects or programs identified pursuant to paragraph (1) of this subsection may be placed in reserve by the responsible Federal agency for use in accordance with such recommendations. Upon the request of the Governor and with the concurrence of affected local governments, such funds may be transferred to the Recovery Planning Council to be *expended in the implementation of the* recovery investment plan.

"PUBLIC WORKS AND DEVELOPMENT FACILITIES GRANTS AND LOANS

"SEC. 803. (a) The President is authorized to provide funds to any Recovery Planning Council for the implementation of a recovery investment plan by public bodies. Such funds may be used—

"(1) to make loans for the acquisition or development of land and improvements for public works, public service, or development facility usage, including the acquisition or development of parks or open spaces, and the acquisition, construction, rehabilitation, alteration, expansion, or improvement of such facilities, including related machinery and equipment, and

"(2) to make supplementary grants to increase the Federal share for projects for which funds are reserved pursuant to subsection (c) of section 802 of this Act, or other Federal-aid projects in the affected area.

"(b) Grants and loans under this section may be made to any State, local government, or private or public non-profit organization representing any major disaster area or part thereof.

"(c) No supplementary grant shall increase the Federal share of the cost of any project to greater than 90 per centum, except in the case of a grant for the benefit of Indians or Alaska Natives, or in the case of any State or local government which the President determines has exhausted its effective taxing and borrowing capacity.

"(d) Loans under this section shall bear interest at a rate determined by the Secretary of the Treasury taking into consideration the current average market yield on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the average maturities of such loans, adjusted to the nearest one-eighth of 1 per centum, less 1 per centum per annum.

"(e) Financial assistance under this title shall not be extended to assist establishments relocating from one area to another or to assist subcontractors whose purpose is to divest, or whose economic success is dependent upon divesting, other contractors or subcontractors of contracts therefore customarily performed by them: *Provided, however,* That such limitations shall not be construed to prohibit assistance for the expansion of an existing business entity through the establishment of a new branch, affiliate, or subsidiary of such entity if the Secretary of Commerce finds that the establishment of such branch, affiliate, or subsidiary will not result in an increase in unemployment of the area of original location or in any other area where such entity conducts business operations, unless the Secretary has reason to believe that such branch, affiliate, or subsidiary is being established with the intention of closing down the operations of the existing business entity in the area of its original location or in any other area where it conducts such operations.

"LOAN GUARANTEES

"Sec. 804. The President is authorized to provide funds to Recovery Planning Councils to guarantee loans made to private borrowers by private lending institutions (1) to aid in financing any project within a major disaster area for the purchase or development of land and facilities (including machinery and equipment) for industrial or commercial usage including the construction of new buildings, and rehabilitation of abandoned or unoccupied buildings, and the alteration, conversion, or enlargement of existing buildings; and (2) for working capital in connection with projects in major disaster areas assisted under paragraph (1) hereof, upon application of such institution and upon such terms and conditions as the President may prescribe: *Provided, however,* That no such guarantee shall at any time exceed 90 per centum of the amount of the outstanding unpaid balance of such loan.

"TECHNICAL ASSISTANCE

"Sec. 805. (a) In carrying out the purposes of this title the President is authorized to provide technical assistance which would be useful in facilitating economic recovery in major disaster areas. Such assistance shall include project planning and feasibility studies, management and operational assistance, and studies evaluating the needs of, and developing potentialities for, economic recovery of such areas. Such assistance may be provided by the President through members of the staff, through the payment of funds authorized for this title to other departments or agencies of the Federal Government, through the employment of private individuals, partnerships, firms, corporations, or suitable institutions, under contracts entered into for such purposes, or through grants-in-aid to appropriate public or private nonprofit State, area, district, or local organizations.

"(b) The President is authorized to make grants to defray not to exceed 75 per centum of the administrative expenses of Recovery Planning Councils established pursuant to section 802 of this Act. In determining the amount of the non-Federal share of such costs or expenses, the President shall give due consideration to all contributions both in cash and in kind, fairly evaluated, including but not limited to space, equipment, and services. Where practicable, grants-in-aid authorized under this subsection shall be used in conjunction with other available planning grants, authorized under the Housing Act of 1954, as amended, and highway planning and research grants authorized under the Federal-Aid Highway Act of 1962, to assure adequate and effective planning and economical use of funds.

"DISASTER RECOVERY REVOLVING FUND

"Sec. 806. Funds obtained by the President to carry out this title and collections and repayments received under this title shall be deposited in a disaster recovery revolving fund (hereunder referred to as the 'fund'), which is hereby established in the Treasury of the United States, and which shall be available to the President for the purpose of extending financial assistance under this title, and for the payment of all obligations and expenditures arising in connection herewith. There are authorized to be appropriated to carry out this title not to exceed $200,000,000 to establish such revolving fund and such sums as may be necessary to replenish it on an annual basis. The fund shall pay into miscellaneous receipts of the Treasury, following the close of each fiscal year, interest on the amount of loans outstanding under this title computed in such manner and at such rate as may be determined by the Secretary of the Treasury, taking into consideration the current average market yield on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the average maturities of such loans, adjusted to the nearest one-eighth of 1 per centum, during the month of June preceding the fiscal year in which the loans were made."

TITLE VI—MISCELLANEOUS

AUTHORITY TO PRESCRIBE RULES

Sec. 601. The President may prescribe such rules and regulations as may be necessary and proper to carry out any of the provisions of this Act, and he may exercise any power or authority conferred on him by any section of this Act either directly or through such Federal agency or agencies as he may designate.

TECHNICAL AMENDMENTS

Sec. 602. (a) Section 701(a)(3)(B)(ii) of the Housing Act of 1954 (40 U.S.C. 461(a)(3)(B)(ii)) is amended to read as follows: "(ii) have suffered substantial damage as a result of a major disaster as determined by the President pursuant to the Disaster Relief Act Amendments of 1974".

(b) Section 8(b)(2) of the National Housing Act (12 U.S.C. 1706c(b)(2)) is amended by striking out of the last proviso "section 102(1) of the Disaster Relief Act of 1970" and inserting in lieu thereof "section 102(b) and 301 of the Disaster Relief Act Amendments of 1974".

(c) Section 203(h) of the National Housing Act (12 U.S.C. 1709(h)) is amended by striking out "section 102(1) of the Disaster Relief Act of 1970" and inserting in lieu thereof "section 102(b) and 301 of the Disaster Relief Act Amendments of 1974".

(d) Section 221(f) of the National Housing Act (12 U.S.C. 17151(f)) is amended by striking out of the last paragraph "the Disaster Relief Act of 1970" and inserting in lieu thereof "the Disaster Relief Act Amendments of 1974".

(e) Section 7(a)(1)(A) of the Act of September 30, 1950) Public Law 874, Eighty-first Congress, as amended (20 U.S.C. 241–1(a)(1)(A)) is amended by striking out "pursuant to section 102(1) of the Disaster Relief Act of 1970" and inserting in lieu thereof "pursuant to sections 102(b) and 301 of the Disaster Relief Act Amendments of 1974".

(f) Section 16(a) of the Act of September 23, 1950 (79 Stat. 1158; 20 U.S.C. 646(a)) is amended by striking out "section 102(1) of the Disaster Relief Act of 1970" and inserting in lieu thereof "section 102(b) and 301 of the Disaster Relief Act Amendments of 1974".

(g) Section 408(a) of the Higher Education Facilities Act of 1963 (20 U.S.C. 758(a)) is amended by striking out "section 102(1) of the Disaster Relief Act of 1970" and inserting in lieu thereof "section 102(b) and 301 of the Disaster Relief Act Amendments of 1974".

(h) Section 165(h)(2) of the Internal Revenue Code of 1954, relating to disaster losses (26 U.S.C. 165(h)(2)) is amended to read as follows:

"(2) occurring in an area subsequently determined by the President of the United States to warrant assistance by the Federal Government under the Disaster Relief Act Amendments of 1974,".

(i) Section 5064(a) of the Internal Revenue Code of 1954 (26 U.S.C. 5064(a)), relating to losses caused by disaster, is amended by striking out "the Disaster Relief Act of 1970" and inserting in lieu thereof "the Disaster Relief Act Amendments of 1974".

(j) Section 5708(a) of the Internal Revenue Code of 1954 (2 U.S.C. 5708(a)), relating to losses caused by disaster, is amended by striking out "the Disaster Relief Act of 1970" and inserting in lieu thereof "the Disaster Relief Act Amendments of 1974".

(k) Section 3 of the Act of June 30, 1954 (68 Stat. 330; 48 U.S.C. 1681 nt.), is amended by striking out of the last sentence "section 102(1) of the Disaster Relief Act of 1970" and inserting in lieu thereof "section 102(b) and 301 of the Disaster Relief Act Amendments of 1974".

(l) Section 1820(f) of title 38, United States Code (80 Stat. 1316, as amended by 84 Stat. 1753), is amended by striking "the Disaster Assistance Act of 1970" and inserting in lieu thereof "The Disaster Relief Act Amendments of 1974".

(m) Whenever reference is made in any provision of law (other than this Act), regulation, rule, record, or document of the United States to the Disaster Relief Act of 1970 (84 Stat. 1744), or any provision of such Act, such reference shall be deemed to be a reference to the Disaster Relief Act Amendments of 1974 or to the appropriate provision of the Disaster Relief Act Amendments of 1974 unless no such provision is included therein.

REPEAL OF EXISTING LAW

Sec. 603. The Disaster Relief Act of 1970, as amended (84 Stat. 1744), is hereby repealed, except sections 231, 232, 233, 234, 235, 236, 237, 301, 302, 303, and 304. Notwithstanding such repeal the provisions of the Disaster Relief Act of 1970 shall continue in effect with respect to any major disaster declared prior to the enactment of this Act.

PRIOR ALLOCATION OF FUNDS

Sec. 604. Funds heretofore appropriated and available under Public Laws 91–606, as amended, and 92–385 shall continue to be available for the purpose of completing commitments made under those Acts as well as for the purposes of this Act. Commitments for disaster assistance and relief made prior to the enactment of this Act shall be fulfilled.

EFFECTIVE DATE

Sec. 605. This Act shall take effect as of April 1, 1974.

AUTHORIZATION

Sec. 606. Such funds as may be necessary are hereby authorized to be appropriated to the President to carry out the purposes of this Act.

Mr. BURDICK. Mr. President, I ask unanimous consent that the Senator from Alabama (Mr. Sparkman) may be made a cosponsor of S. 3062.

The PRESIDING OFFICER. Without objection, it is so ordered.

FEDERAL ELECTION CAMPAIGN ACT AMENDMENTS OF 1974

The Senate continued with the consideration of the bill (S. 3044) to amend the Federal Election Campaign Act of

1971 to provide for public financing of primary and general election campaigns for Federal elective office, and to amend certain other provisions of law relating to the financing and conduct of such campaigns.

The PRESIDING OFFICER. Under the previous order, the Senator from Iowa (Mr. Clark) is recognized to call up an amendment.

Mr. MANSFIELD. Mr. President, will the Senator yield to me for 1 minute?

Mr. CLARK. I yield.

MEDIA POLLS

Mr. MANSFIELD. Mr. President, I have been informed that at least one Senator—and perhaps others—has been contacted by a media organization as to what his position would be if an event of an extraordinary nature occurred in the Senate. That Senator raised some question about such a procedure. I want to join that Senator and to express the hope that, although under the first amendment of the Constitution the media has that right, there would be no polls taken of Senators so that we could be as open-minded as possible and as free from pressures of this kind as necessary.

Mr. HUGH SCOTT. Mr. President, will the distinguished majority leader yield?

Mr. MANSFIELD. I yield.

Mr. HUGH SCOTT. I think it was nearly a year ago that I expressed much the same sentiment at a conference of members of my party. I would join in what the distinguished majority leader has said—that it is the request of the leadership, subject to a Senator's own right to say what he thinks on any subject. I request that they would defer expressing an opinion as to what they may or may not have in mind when, as, and if we might be confronted by those situations, and I would hope that they would resist poll seeking information, in their own interest as well as in the interest of the dignity of the Senate, because this is not a ball game; as the Senator has said, it is not a circus; it is not a contest; it is not something on which ideas should be wagered. It is an extremely serious matter, and it is of a nature on which it would be well to avoid any challenge or question in the future based on what some Senator has said. Having said that, I realize that Senators may say what they wish, but I feel obliged to say what I said a year ago.

Mr. MANSFIELD. The Senator is correct. The media can do what they wish under the first amendment, but the Senate has an obligation if and when certain extraordinary situations arise. So far, I am very proud of the way the Senate has conducted itself, and that includes each and every single Member of the Senate.

Mr. HUGH SCOTT. I am, too.

ORDER FOR ADJOURNMENT UNTIL 9:30 A.M.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until the hour of 9:30 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATORS TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that immediately after the two leaders or their designees have been recognized under the standing order tomorrow, the following Senators be recognized, each for not to exceed 15 minutes and in the order stated: Senators Biden, Roth, Muskie, Hathaway, Clark, Biden again, Stevens, Nelson, Javits, Hartke, Ervin, Mondale, Mathias, Stennis, and Robert C. Byrd.

The PRESIDING OFFICER. Without objection, it is so ordered.

FEDERAL ELECTION CAMPAIGN ACT AMENDMENTS OF 1974

The Senate continued with the consideration of the bill (S. 3044) to amend the Federal Election Campaign Act of 1971 to provide for public financing of primary and general election campaigns for Federal elective office, and to amend certain other provisions of law relating to the financing and conduct of such campaigns.

Mr. FANNIN. Mr. President, the Senate apparently is on the brink of passing a campaign financing bill designed to fool the American people into thinking that it solves the major problems in our political system. Nothing could be further from the truth.

In addition to its many other shortcomings, this bill fails completely to advance any remedy for the illegal and undesirable activities of unions in the campaign process.

Unions make their greatest impact by providing services for their chosen candidates for office. These services are provided by union staff, union supplies, and union equipment paid for out of union dues.

The great concern we have heard in the debate over campaign reform involves the amount of money donated to candidates, and the money these candidates spend on their campaign.

This money simply is used to purchase campaign services on behalf of the candidate.

If we are going to prevent people or organizations from donating money to candidates, then it follows that we also must prevent the donation of services which are the equivalent of money.

Unions simply short circuit the system by providing campaign workers who are on union payrolls, union computers, union presses, union vehicles, union phones, and other such services. These services are the same as money to the candidate.

If it is illegal for someone to donate money to candidates to purchase these services, why then is it not illegal for anyone or any organization to donate equivalent services. We are talking about services that are worth tens and hundreds of thousands of dollars—even millions in some national campaigns.

Mr. President, I am deeply concerned about what is happening here. Union leaders are seeking a "veto-proof" Congress, and they are going to great lengths to accomplish this goal.

As a Republican, I have a vested interest and you would expect me to be concerned. What worries me is that most Democrats apparently fail to see the great danger here. We face the situation where neither the Democrats nor the Republicans will be in charge of the Congress—it will be a few union leaders who will be able to call all the shots if they are successful in winning the strong control of Congress which they seek.

Our Government has functioned well over the decades and centuries because we have sought to provide a balance of all the interests in our society. Today we are in great danger of providing the unions—which represent only about 10 percent of the American people—a stranglehold on our Government. This legislation would aid them in gaining this stranglehold.

Mr. President, the union leaders have bragged that they have the most powerful political machine in the Nation, and I for one believe them. They are very powerful because Congress has not only failed to restrain them, but seems to encourage them to exercise an influence far in excess what is good for the country. An article in today's Wall Street Journal demonstrates very clearly how far the unions are going.

We have heard arguments that when a candidate accepts $1,000 or $5,000 from a contributor there is a danger that he becomes indebted to that contributor and thus loses independence and objectivity once in office.

What then, happens when a candidate gets $27,000 or about 44 percent of his funds from a union, plus union services that probably are worth double or triple the cash? How objective can he be, if elected, when it comes to considering legislation which has the stamp of approval of COPE, AFL–CIO, or the like.

Mr. President, I ask unanimous consent that the article from the Wall Street Journal be reprinted in the Record:

There being no objection, the article was ordered to be printed in the Record, as follows:

Politics and Labor—Unions Make Big Bid To Elect a Congress That Is Veto-Proof

(By James C. Hyatt)

Saginaw, Mich.—Bob Traxler had only five minutes to make his pitch when he appeared before AFL–CIO political leaders early this year to promote his race for Congress. So he kept his message short.

"I told them I had come with a tin cup, a white cane and dark glasses," he recalls. I said. " 'Send money.' "

They have. Unions have provided over $27,000 so far. And lots of help besides.

For scores of pro-labor candidates such as Mr. Traxler, labor's goal of electing a "veto-proof Congress" this year means getting generous amounts of money, manpower, organizational talent and the other aid that can make the difference in a close race.

Mr. Traxler does have to wrestle with many worries as he strives for victory in a special House election next Tuesday. For one thing, he is seeking to become the first Democrat elected from Michigan's Eighth Congressional District since the Depression. For another, he is running in a district that gave the last Congressman, Republican James Harvey, a 59% victory in 1972. But winning labor's active help isn't something he must worry about.

The list of unions whose political arms are supporting his campaign reads like a labor Who's Who: the United Auto Workers, the Machinists, the United Transportation Union, the Amalgamated Clothing Workers, the Retail Clerks, the National Education Association, the International Brotherhood of Electrical Workers, the Firefighters, the Meatcutters and the Communication Workers.

THE MEMBERS PITCH IN

Individual union members are pitching in hard for the Democrat. Wallace "Butch" Warner, a cable splicer who is president of a Communications Workers local, has taken leave from his job in Saginaw to help coordinate labor's efforts in the Traxler campaign; a telephone hot line from the political to the union headquarters speeds appeals for campaign manpower.

Jim Chalou, a tool and die maker, is assigned full-time by the Allied Industrial Workers to drum up Traxler support; he figures he has "probably been in at least 25 or 26 plants" making his pitch. Several hundred UAW members have helped out, putting up yard signs, licking envelopes and distributing literature.

Of the $61,000 contributed to the Traxler cause through last Thursday, about 44% came from labor groups. The largest single donation, $12,000, was made by the UAW, and one high official of that union says it might cough up another $10,000 or so if necessary.

Labor's activity here, however effective in this campaign, is certainly a springtime warm-up for the heavy politicking that unions are planning for next fall. Union strategists figure that more than 70 House elections will be close enough for labor to influence the results. Already, labor's war chests are bulging, and union men are intent on electing a "veto-proof" Democratic Congress.

REAPING DIVIDENDS

The unions' intensive participation in three other special House elections this year has reaped dividends. Winning Democrats in Johnstown, Pa., Cincinnati and Grand Rapids all benefited from heavy union aid.

Labor's efforts have Republicans worried, and they are trying to turn union politicking into an issue. Thus, Vice President Gerald Ford has attacked union "outsiders" for taking over Democrats' campaigns and injecting "massive out-of-state money" into the special House campaigns. James Sparling, the GOP candidate here, charges: "The AFL–CIO and the UAW bosses want this Eighth District seat. Cost is no object; money is no object."

Without question, labor's involvement is crucial if Mr. Traxler is to win the election. And for all concerned, this is no ordinary political event.

President Nixon will appear in the Saginaw district today, a development that dismays some Republicans and delights many Democrats. Certainly the contest here will be widely interpreted as a referendum on the Nixon presidency, and the result will be seen as a harbinger of autumn election sentiment.

THE WATERGATE WEAKNESS

Labor analysts believe that Mr. Nixon's Watergate weakness gives them a real chance of electing enough Democrats to make the next Congress "veto-proof." Such a Congress, union men say, would override the President and enact bills closing many tax "loopholes" and imposing tighter controls on multinational corporations and energy-producing companies. Enactment of a liberal program of national health insurance also is a top labor goal.

While Democrats would need to elect nine more Senators and 44 more House members to gain a two-thirds edge in Congress, labor isn't setting its goal quite that high; it can usually count on some Republican support for overriding vetos. "We need to elect 23 more friends in the House and seven in the Senate," an AFL–CIO spokesman says. He adds that George Meany, the federation president says that "it is a tough job but one we think we can do." (Most politicians believe that labor's goal is achievable in the House; in the Senate, however, the consensus guess is that Democrats probably will make a net gain of only three seats or so.)

Electing a "veto-proof Congress," of course, doesn't mean supporting Democrats only. Republican Sens. Richard Schweiker and Jacob Javits have labor's backing, and so do several GOP House members. In a speech last week to a building-trades rally, AFL–CIO lobbyist Andrew Biemiller warned against "knocking off good friends of ours on the Republican side of the aisle."

But Democrats are the big beneficiaries of labor's aid, and the unions have a lot to spread around. By Feb. 28, union political-action groups had $5,032,584 on hand, reports Common Cause, the self-styled people's lobbying group, which monitors campaign contributions. The sum is about equal to unions' reported political spending in the presidential year 1972.

This year's early war chest includes $1 million amassed by several maritime unions ("We're going to reward our friends and punish our enemies," vows Jesse Calhoun, president of the Marine Engineers' Beneficial Association) and $717,000 gathered by the UAW.

And the push is on for more political cash. COPE, the AFL–CIO's Committee on Political Education, the political action arm of the federation, has renewed its usual request for a $2 voluntary contribution from each union member. While the federation usually hits about 25% of that goal, "there are indications that COPE fund raising is more successful this year," one AFL–CIO official says.

The Machinists Union, which raised $246,209.47 last year, is planning a "special $2-per-member drive" to aid the objective of a "veto-proof Congress." The Brotherhood of Railway Clerks, proposing to seek $10 a member for this year's congressional races, finds contributions so far running about twice as high as usual.

Union political money has already shown up impressively in the earlier special elections this year. The Democratic winners in the first three races spent $75,000 to $90,000 each; labor contributions ranged from $18,000 to $25,000.

Most political forecasters figure that the total outlay here will top the sum spent in any of the earlier special elections and will set a high for the district as well. But money alone won't win. The key must be voter turnout, and that's where labor's activity could be crucial.

Indeed, the union-backed campaigns organization in this congressional district provides an example of how labor will operate in many campaigns next fall. The full-time and part-time manpower that unions are pumping into the Traxler campaign is giving the Democrat much higher visibility among union members than he otherwise could achieve.

To help rouse potential supporters, Mr. Traxler has laid out $9,239 for a campaign film and film-showing equipment. In the hands of his labor backers, that may turn out to be his most valuable investment.

The film, carried by campaigners to union halls and other rallies, is a 14-minute account of "Bob Traxler's Journey for Change," a piece larded with references to a childhood "Tom Sawyer existence" and shots of a pipe-smoking candidate looking thoughtfully at Michigan farmland. His 11 years in the Michigan Legislature are recalled, including his sponsorship of a law letting charitable organizations run bingo games. The working people in the audience are told of employes "losing their jobs because of wrong decisions by the administration" and by the auto companies. (Of 24,400 workers normally employed by General Motors in Saginaw and nearby Bay City, about 2,480 were laid off at last count. The local jobless rate is about 10%.)

Mr. Chalou, who is president of an Allied Industrial Workers local, finds the film effective as he campaigns for Mr. Traxler. "When the candidate can't be there," he says, "the film does the job." It was probably shown 200 times before the primary, which was held March 19.

Mr. Chalou has also distributed 22-by-28-inch lawn signs to union members—"the ones that live on main roads"—and on primary day, he called other union leaders and reminded them to turn out voters. He personally handed out 800 sample ballots in the town of Bad Axe, placing them on car windshields. Of the 309 members in his local, Mr. Chalou figures that a dozen or so have worked in the campaign up to now.

(Why is he involved? "A fellow can only take so much," he says. "I've seen enough of my fellow workers get batted around by high prices, by inflation, and by Presidents paying $750 in taxes on a $250,000 income.")

To enlist additional union manpower, his fellow coordinator, Mr. Warner, can not only call on his own Communications Workers local but also can tap some of the 240 other union locals in this congressional district.

And he can always call Frank Garrison, a third local union man who started early and full-time on the Traxler campaign. Mr. Garrison is permanently assigned to the UAW's Saginaw Community Action Program—its political- and social-action arm. His union has perhaps the biggest single union interest in the Traxler race; the UAW has 43,000 active members in the district, plus 5,0000 to 6,000 retirees.

"Our members have been calling and asking, 'Can we help?'" Mr. Garrison says. "They've put up yard signs, licked envelopes, distributed literature door to door." Night workers have volunteered to help during the day, and others promise to "lose a day of work on election day to help." Laid off auto workers provide other help. "Richard Nixon made it possible for them to volunteer in our campaign," says Jim Goff, Mr. Traxler's campaign organizer.

Some labor groups that haven't been particularly active politically in other years are fired up for Mr. Traxler. The Michigan Education Association's Eighth District teacher members have campaigned actively for him. Some helped arrange voter-registration drives in high schools to line up 18-year-old voters. The drive registered perhaps 2,000 young voters in the district, potentially 3% or 4% of the expected Traxler turnout and certainly enough to win a close election.

Despite this congregation of labor help for Democrat Traxler, not all Republicans are alarmed. State GOP Chairman William McLaughlin says, "You take labor's involvement for granted in Michigan. I don't get ulcers over it."

Moreover, Mr. Sparling, the GOP candidate, isn't exactly campaigning by himself. Five or six staff members from the Republican National Committee have been to Saginaw to help map his election strategy. A big-name Republican, Sen. Charles Percy, has appeared on Mr. Sparling's behalf. Last weekend, Sparling campaigners put on a "door-to-door blitz"; several hundred volunteers came from outside the district to help.

Mr. HART. Mr. President, now that the Senate has invoked cloture on the campaign reform bill, S. 3044, and turned back repeated efforts to weaken its provisions, I am hopeful we can send a strong bill to the House of Representatives and provide the country with at least one constructive effort to remedy the disastrous effect of Watergate on our body politics.

In these brief remarks, I wish not only to urge support for the committee bill, but also to respond to several disturbing themes which I have heard during the past few weeks of debate.

For several months the American people and the Congress have been told to "stop wallowing in Watergate" and to get on with "the Nation's business"—as if the problems of inflation, the energy crisis and our other dilemmas were unrelated to the preoccupations of the White House, or were unrelated to the corrosion of public confidence in their elected leaders.

Now, during debate on this bill, a companion theme has emerged: "Lets stop wallowing in campaign reform" we are told, "and lets get on with the Nation's business."

Mr. President, I am confident that tactic will meet with as singular a lack of success in diverting the American people as has its predecessor. For the public understands full well that the election of a representative Government—free from both the actual danger and the appearance of undue influence—is very much their business.

It is not necessarily true that he who pays the political piper will always call the tune. Nevertheless, it is hardly reassuring to the average citizen to know that big donors at least have access to go backstage before the performance and request a few favorite melodies.

Sure, I can go to bed at night with a fair degree of confidence that my votes have not been improperly influenced by a contribution. But try to tell that to some of my constituents who disagree strongly with my views. And particularly after the revelations of the past 18 months, who can really blame them.

It is surprising, however, that after all the scandals which have emerged—and the obvious repercussions this has had on public trust of elected leaders—some still seek to portray this bill as a greedy grab by those in office, as a private raid on the Public Treasury.

Yet the President and Congress act on an annual budget in the hundreds of billions of dollars. What wiser investment could a democracy make than a few dollars per voter each year—the best estimate of what this proposal would cost—to restore confidence that public spending decisions are made with the public interest in mind, and not the private interests of those who underwrite our campaigns. We are willing to pay for clean air, clean lakes and clean streets—at least I hope we are. We should also be willing to pay for clean elections.

Moreover, a moment's reflection also reminds us that perpetuation of the present system of campaign financing is far more advantageous to we who are incumbents, than would be a fair system of adequate funding insured for both incumbent and challenger alike.

We need not worry about the cry that the only reason for the low rating of politicians in the polls is a cynicism generated by our debate on this measure, itself. Clearly that claim presumes an exaggerated view of the impact our debate here has on millions of citizens who already have formed strong opinions about the trust their Government deserves. And it most seriously underestimates the devastating effect the past 2 years' revelations have had on the public's view of honesty and responsiveness in Washington.

Of course, campaign finance reform is not a panacea for all the ills of Watergate. No one has suggested that. It will not provide a safeguard against perversion of the processes of justice to cover up scandal, or curb the potential for invoking "national security" to cloak constitutional abuses.

But it is the single most constructive step we can take right now to minimize the pressures for illegal actions, to reduce the potential for financial manipulations which generate their own corruptive momentum, and to help restore the essential public confidence in Government.

As Senator MANSFIELD observed in his state of the Congress address:

> We shall not finally come to grips with the problems except as we are prepared to pay for the public business of elections with public funds.

Now let us look at the bill before us. Under the leadership of the distinguished chairman of the Rules Committee (Mr. CANNON) and the chairman of the Subcommittee on Privileges and Elections (Mr. PELL) the committee has provided a comprehensive, fair yet far-reaching bill. The committee report indicates great sensitivity to the issues of policy such as the impact of its proposal on our party system, the constitutionality of schemes to screen candidates and distinguish between major and minor parties, the problem of Federal control of campaigns, and other important questions. The report, and the hearings of the committee, belie the claim that the bill is based on hasty, ill-considered action, without adequate attention to the underlying issues involved in campaign finance.

S. 3044 incorporates the provisions for spending and contribution limits and a strong independent commission to enforce the Federal elections laws, all of which the Senate passed last summer as part of S. 372 which now awaits action in the House.

It provides for Federal assistance to qualified candidates in primary elections for nomination in congressional and Presidential races. After raising a threshold fund to demonstrate some significant base of support, primary candidates would be eligible to receive Federal assistance on a matching basis for every $100 per contributor.

In the general elections, once having received their party's nomination, all major party House, Senate, and Presidential candidates are entitled to Federal payments equal to their overall spending limit. However, they may take as much or little of this available fund as they wish, and raise the rest of their campaign funds in allowable private contributions.

Minor party candidates would receive a proportionate share of the assistance available to major party candidates in general elections.

Without discussing all of the bill's provisions, I do wish to comment on four major criticisms which have been leveled against the committee bill. First, the question of why any public financing is necessary; second, the argument that private financing should play the dominant role; third, the opposition to including primaries in any financing scheme; and finally, questions about the proposal's constitutionality.

WHY IS THE PUBLIC FINANCING NECESSARY?

The most fundamental objection to S. 3044 is the claim that low contribution limits will take care of the "corruption image." If you eliminate the potential influence of large gifts that takes care of Watergate, the argument goes, so why get bogged down in the tricky problems of devising a fair, workable public funding scheme?

This is a myopic view of meaningful campaign reform. We should not deal with the Watergate horrors in a way which will perpetuate and intensify the pervasive advantage enjoyed by incumbents in their bid for reelection.

In large States such as my own, California, or New York, Senate campaigns are costly. The funds for an adequately informative, competitive race will be difficult to raise, even for a well-known incumbent, in the small amounts we seek to impose as contribution limits for any one donor.

Without substantial public financing, the great danger is that nonincumbent challengers will have even more difficulty raising adequate resources.

This crucial point has been obscured by repeated reference to the wonderful involvement of thousands of citizens contributing a few dollars from their cookie jar for the candidate of their choice. That is indeed an appealing image and of course I encourage and endorse the desirability of full citizen involvement in politics. But that does not mean that truly small contributions will be an adequate source of funds for large, expensive campaigns.

The committee report focused this issue sharply, at page 5:

> The only way in which Congress can eliminate reliance on large private contributions and still ensure adequate presentation to the electorate of opposing viewpoints of competing candidates is through comprehensive public financing.
>
> Modern campaigns are increasingly expensive and the necessary fundraising is a great drain on the time and energies of the candidate. Low contribution limits alone will compound the problem. . . . Drastically reducing the amounts which may be expended by the candidate would ease this burden, but at the cost of increasing the present disadvantage for non-incumbent challengers and endangering the whole process of political competition.

That, Mr. President, is why we must pass a bill with both contribution limits and comprehensive public financing for Federal elections.

PRIMARY RELIANCE ON PUBLIC FINANCING

Some of my colleagues who favor a modest amount of public assistance, oppose the availability of full public funding. They argue that the availability of substantial public funds should turn on the candidate's ability to raise first an equally large amount of private donations.

At bottom, this reflects the view that if a candidate has less support at the outset of a campaign—perhaps because he is not as well known as his incumbent opponent—it is appropriate that he has less resources with which to campaign. I would prefer a fairer approach to competitive elections.

The danger of primary reliance on a matching fund approach is the self-perpetuating advantage for the candidate who is initially better known. He would usually be able to raise more private contributions of small denomination than could his opponent. This would bring larger sums of Federal matching funds, and he could then mount a more elaborate campaign than his challenger to raise even more private funds, which would then be matched with more Federal money, and so on.

The use of matching funds to provide an ongoing test of support may be a valid screening technique in the primaries. But once a major party has chosen a candidate, we are no longer concerned with screening frivolous candidacies. Both candidates in the general election should have adequate resources to seek support from the voters during the campaign, including the support of those initially inclined to favor their opponent.

With primary reliance on matching small contributions, a less well-known challenger must bootstrap his campaign by winning additional support before he can get enough Federal assistance to mount a fully competitive campaign. The Federal Government would be interposing a pre-election popularity contest before the voters have had an opportunity to hear a full debate of the issues. Instead, the voters choice should be tested in November at the end of the campaign, and not at its outset.

SHOULD PRIMARY ELECTIONS BE INCLUDED

Unfortunately, I am sure that the same intense pressure to eliminate primary elections from the public financing feature of S. 3044 exerted during the Senate's deliberation will also be felt in the House.

The logic in favor of including all elections is simple, but compelling. It is impossible to justify the expenditure of substantial public funds in order to help purify the political process, if the candidates receiving that assistance must still raise the full costs of expensive primary campaigns from private contributors in order to win their party's nomination in the first place. Meaningful reform of campaign financing practices requires inclusion of primary as well as general election.

CONSTITUTIONAL ISSUES RAISED REGARDING S. 3044

Finally, Mr. President, a few words are in order in response to the continued suggestions, although often vague, that this bill would be found unconstitutional.

First, some suggest it is unconstitutional to limit the amount which a person can contribute to my campaign, or to limit the total amount I can spend.

However, the Senate has already faced that issue twice, in 1971 and again last summer. Each time, we decisively found that the power to preserve the integrity of the electoral process, as well as the underlying purpose of the first amendment to prevent oligopoly in the political marketplace by a powerful few, provides ample basis for reasonable regulation.

Next it was suggested that the threshold fund used to screen out frivolous candidates in primary elections imposes an unconstitutional burden on some political aspirants. But as the committee report notes, the Supreme Court has upheld the use of filing fees and other charges as a means of preventing a proliferation of candidates. Similarly, the Court has approved differential treatment of major and minor parties, based on past performance at the polls, if the difference is reasonably related to a state interest such as the desire to avoid splintering a coherent party system. See *Bullock* v. *Carter* 405 U.S. 134 (1971); *Jeness* v. *Fortson* 403 U.S. 431 (1971).

The committee bill would not freeze the status quo; it does not prevent any political party from getting its candidate on the ballot, nor from organizing resources to support them.

As the Supreme Court recognized in the Jeness case:

> Sometimes the grossest discrimination can lie in treating things that are different as though they were exactly alike. 403 U.S. at 442.

Only a few weeks ago, the Supreme Court reaffirmed these principles in two decisions, Storer against Brown—March 26, 1974—and American Party against White—March 26, 1974.

On the basis of these decisions and other cases dealing with the regulation of elections and the treatment of major, minor, and independent candidates, I am convinced the measure would be upheld as a reasonable, fair, and workable scheme to promote the integrity of elections, to insure the influence of many diverse points of view in the political marketplace, and to balance these goals against the other first amendment and equally protection interests which are involved.

To end where I began, Mr. President, this proposal for public financing would not guarantee the election of wise and honest men and women. But it would remove the major cause of cynicism and distrust in our system. Now is the time to act to remove the distorting effect of reliance on private fundraising both from the campaign and from the operation of Government.

Mr. HUGH SCOTT. Mr. President, I ask unanimous consent, with the consent of the distinguished Senator from Iowa (Mr. CLARK), that his pending amendment, No. 1013, be temporarily laid aside in order that I may call up my amendment No. 988, and I do this with the understanding that the Senator from Iowa (Mr. CLARK) not lose his right to the floor following disposition of my amendment.

The PRESIDING OFFICER (Mr. DOMENICI). Without objection, it is so ordered.

Mr. HUGH SCOTT. Mr. President, this is a very minor amendment.

The PRESIDING OFFICER. The clerk will read amendment No. 988.

The legislative clerk read the amendment offered by Mr. HUGH SCOTT for himself and Mr. KENNEDY (No. 988) as follows:

> On page 19, after the period in line 19, insert the following: "The Secretary of the Treasury may accept and credit to the fund money received in the form of a donation, gift, legacy, or bequest, or otherwise contributed to the fund.".

Mr. HUGH SCOTT. Mr. President, this is a very minor matter which is proposed on behalf of the distinguished Senator from Massachusetts (Mr. KENNEDY) and myself. It has to do with the fact that under present law individuals may make tax-deductible contributions to candidates.

The Presidential election campaign fund at the Treasury Department is financed solely from dollars checked off on income tax returns, and therefore the Treasury Department advises us it will not accept small contributions earmarked for this fund.

Amendment No. 988 simply authorizes the Secretary of the Treasury to receive private contributions and earmark them for the fund is so requested. These contributions would be tax deductible, as is the case under present law, with respect to direct contributions to candidates.

This has to do with a contribution of the Senator from Massachusetts and myself of $75 each, representing payment for two newspaper articles, which was accepted by the Treasury as a gift to the Treasury but which could not be earmarked. Therefore, the purpose of the amendment is to permit earmarking. It is not ex post facto at all.

Mr. President, I understand the amendment has been cleared with the Senator from Kentucky (Mr. COOK) and with the manager of the bill on the majority side of the aisle, and I ask for its immediate consideration.

The PRESIDING OFFICER. Who yields time?

Mr. CANNON. Mr. President, I yield myself 1 minute.

I would like to ask a question. The Senator said this amendment would permit earmarking for tax credit purposes. I do not think it would permit earmarking other than insofar as its being deposited to go to this special account.

Mr. HUGH SCOTT. That is right.

Mr. CANNON. So it could not be earmarked for any other purpose.

Mr. HUGH SCOTT. Oh, no, not for any purpose except being channeled to this fund instead of being channeled to the general Treasury, as it is now.

Mr. CANNON. The Senator also mentioned that a tax deduction could be taken. I do not think it could be taken without another change elsewhere in the law.

Mr. HUGH SCOTT. I am advised by the Treasury that a tax deduction can be taken, but only as a charitable contribution.

This may be a surprise to the Senator, but the U.S. Treasury is considered a charity in this regard.

Mr. CANNON. I did not think it was a charity, but a tax credit could be taken as a charitable contribution.

With that explanation, I am willing to accept the amendment.

Mr. KENNEDY. Mr. President, I am pleased to join the distinguished minority leader, Senator HUGH SCOTT, in proposing the pending amendment. By authorizing the Secretary of the Treasury to accept tax-deductible gifts earmarked for the Federal election campaign fund, the amendment will establish a constructive supplement to the dollar checkoff under existing law.

As we know, the preliminary results under the dollar checkoff for the 1973 tax year are highly encouraging. Approximately 15 percent of the returns being filed are using the checkoff. At the present rate, the campaign fund in the Treasury will contain upwards of $50 million by 1976, or more than enough to make the 1976 Presidential election a historic first—paid for entirely out of public funds.

But more is necessary, especially if the dollar checkoff is to be adequate for financing other Federal elections out of public funds. My hope is that, as the checkoff becomes more familiar to taxpayers, its use will continue to increase, so that the Federal election campaign fund will be sufficient to pay for all Federal elections.

In the interim, the pending amendment is a useful method to supplement the dollar checkoff fund. Under current law, taxpayers are entitled to a charitable deduction for gifts made to the Treasury. However, unless there is a specific authorization in the law allowing gifts to be made for a specified program, the gifts simply go into the general fund of the Treasury. The pending amendment would enable taxpayers to earmark their gifts for the Federal election campaign fund, and I am pleased that the managers are willing to accept it.

Mr. CANNON. I yield back my time.

Mr. HUGH SCOTT. I yield back my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment offered by the Senator from Pennsylvania for himself and the Senator from Massachusetts (Mr. KENNEDY), No. 988.

The amendment was agreed to.

Mr. CLARK. Mr. President, on behalf of myself and Senators BELLMON, CRANSTON, HART, GRAVEL, MATHIAS, and SCHWEIKER, I call up my amendment No. 1013. I ask unanimous consent to modify the amendment to make technical corrections.

The PRESIDING OFFICER. Is there objection?

Mr. CANNON. Mr. President, what was the request?

The PRESIDING OFFICER. Will the Senator restate the request?

Mr. CLARK. I ask unanimous consent to make a technical correction in amendment No. 1013.

Mr. CANNON. Mr. President, reserving the right to object, may I ask the Senator to state the nature of the technical correct? I would like to know whether it is going to change in essence some important provision of the amendment.

Mr. CLARK. It would not change any important provision of the amendment. It is my understanding it would not be in order if it did. We had talked with the Parliamentarian previously to make sure it was not a substantial change.

I send a copy of the technical correction to the manager to look at. It simply clarifies a definition somewhat, we felt.

Mr. CANNON. Mr. President, I have no objection.

The PRESIDING OFFICER. Without objection, the amendment is so modified.

The amendments, as modified, are as follows:

On page 75, line 21, strike out "nomination for election, or".

On page 76, strike out line 19 through line 22 and insert in lieu thereof the following:

"(3) For purposes of this section, the term 'campaign' includes all primary, primary runoff, and general election campaigns related to a specific general election, and all primary, primary runoff, and special election campaigns related to a specific special election.".

Mr. CLARK. Mr. President, I ask unanimous consent that following the disposal of this amendment my Amendment No. 1118 be the next order of business.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CLARK. Mr. President, as it now stands, S. 3044 sets a contribution limitation of $3,000 for individuals and $6,000 for organizations, applied separately to primary, primary run-off, and general elections.

Our amendment has one simple effect: it would eliminate the bill's distinction between primaries, primary run-offs, and general elections, setting a true contribution limit of $3,000 for individuals and $6,000 for organizations, applied to a candidate's entire campaign for public office.

Throughout the debate on S. 3044, many Senators have referred to the $3,000 contribution limitation in the bill. But, in fact, the limitation now in effect in S. 3044 sets a much higher limit. In any given campaign, an individual might actually be able to contribute $6,000 altogether—$3,000 in the primary and $3,000 in the general election—or even $9,000 if there were a primary runoff. For organizations, the limit could be as much as $18,000.

The Rules Committee has incorporated the contribution limits set in S. 372 in the present bill. But S. 372 had no provisions for public financing—it was merely an attempt to limit campaign expenditures and private contributions.

However, with the comprehensive public financing system in the bill now, there is no need to allow such excessive contributions—up to $9,000 for individuals and $18,000 for organizations. This amendment would put those limits at $3,000 and $6,000 respectively.

Three thousand dollars is a large chunk of money in any campaign. No individual contributed more than $3,000 to my campaign, and I am sure that many of my colleagues had the same experience. Clearly, a $3,000 limitation, with $6,000 for groups, is not going to cause any hardship for anyone, whether or not they decide to use public financing.

Even the $3,000 and $6,000 limitations this amendment proposes are excessive—a person or organization contributing this much would obviously enjoy more access than the average voter, and I think everyone is aware of that.

But more important than the actual effect of these large donations is the question of how they will be viewed by the public. To the average American, $9,000 or $18,000 is an incredibly large amount for a candidate for public office to accept from any single individual or group. But the present legislation would permit just such contributions.

The limits proposed in this amendment still represent big money, but a contribution limit of this kind would at least be a step in the right direction. And the American people would know it.

The Rules Committee bill represents a truly significant reform of the American political process. I think all of us have been continually impressed by Chairman CANNON's skillful handling of the legislation, and by the commitment to meaningful campaign reform demonstrated by a majority of the Senate. I believe this amendment is fully consistent with the scope and intent of S. 3044, and I urge its adoption.

Mr. CANNON. Mr. President, I yield myself 5 minutes.

We have gone up the hill and down again on this particular issue. We have seen before, in the course of debate on the bill, amendments to change the limits on contributions. The Senator from Iowa has pointed out that the amounts ought to be cut in half from what we have in the bill now, because of the matching portion of public financing. But we do not authorize a candidate to go to public financing. If we were to adopt this amendment, it is quite likely we would force every candidate to go to public financing, whereas some of them if they were given reasonable enough limits, might desire to go the private financing route. But if they did, they would then be still more unduly restricted, as under S. 372, and much more unduly restricted than we have desired to restrict them.

I urge that the Senate stand fast on the position it has already taken by voting to reject this amendment.

Mr. President, I reserve the remainder of my time.

Mr. CLARK. Mr. President, in answer to the distinguished Senator from Nevada on his particular point, I think it is still possible and very practical for a candidate to run a campaign on private financing and keep within the $3,000 or $6,000 limitation. I say that out of personal experience, because, as the RECORD will show, in the 1972 campaign I accepted no contributions in excess of

$3,000. There are many Senators who have committed themelves to accept no more than that in the coming campaign of 1974. Some have a limitation as strict as $1,000; some $2,000; others, $3,000. They will not receive any public financing in the 1974 campaign. So although some restrictions are imposed, a candidate cannot take $18,000, in the case of groups, and he cannot take in excess of $3,000, in the case of individuals. He can take only $3,000. That is the intent of the amendment. It seems to me that when we talk about taking amounts such as $7,000, $8,000, $9,000, or $10,000, from individuals, we are talking about a very, very heavy influence on the person who receives such a large contribution.

Mr. President, I ask for the yeas and nays on this amendment.

The yeas and nays were not ordered.

Mr. CLARK. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I ask for the yeas and nays on the Clark amendment.

The yeas and nays were ordered.

Mr. CANNON. Mr. President, I move to lay the amendment on the table, and I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Nevada (Mr. CANNON) to lay the amendment of the Senator from Iowa (Mr. CLARK) on the table. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Idaho (Mr. CHURCH), the Senator from Iowa (Mr. HUGHES), the Senator from Hawaii (Mr. INOUYE), the Senator from Louisiana (Mr. LONG), and the Senator from Wyoming (Mr. MCGEE) are necessarily absent.

Mr. HUGH SCOTT. I announce that the Senator from Hawaii (Mr. FONG), the Senator from Arizona (Mr. GOLDWATER), and the Senator from Michigan (Mr. GRIFFIN) are necessarily absent.

I also announce that the Senator from Virginia (Mr. WILLIAM L. SCOTT) is absent on official business.

The result was announced—yeas 37, nays 54, as follows:

[No. 134 Leg.]

YEAS—37

Baker
Bennett
Bentsen
Bible
Brock
Buckley
Byrd, Harry F., Jr.
Cannon
Cook
Curtis
Dominick
Eastland
Ervin
Fannin
Hansen
Hartke
Hatfield
Hathaway
Hruska
Huddleston
Magnuson
McGovern
Metzenbaum
Montoya
Moss
Pastore
Pell
Percy
Ribicoff
Scott, Hugh
Stennis
Stevens
Talmadge
Tower
Tunney
Weicker
Williams

NAYS—54

Abourezk
Aiken
Allen
Bartlett
Bayh
Beall
Bellmon
Biden
Brooke
Burdick
Byrd, Robert C.
Case
Chiles
Clark
Cotton
Cranston
Dole
Domenici
Eagleton
Fulbright
Gravel
Gurney
Hart
Haskell
Helms
Hollings
Humphrey
Jackson
Javits
Johnston
Kennedy
Mansfield
Mathias
McClellan
McClure
McIntyre
Metcalf
Mondale
Muskie
Nelson
Nunn
Packwood
Pearson
Proxmire
Randolph
Roth
Schweiker
Sparkman
Stafford
Stevenson
Symington
Taft
Thurmond
Young

NOT VOTING—9

Church
Fong
Goldwater
Griffin
Hughes
Inouye
Long
McGee
Scott, William L.

So the motion to lay on the table was rejected.

The PRESIDING OFFICER. The question recurs on agreeing to the amendment of the Senator from Iowa (Mr. CLARK).

On this question the yeas and nays have been ordered.

Mr. CANNON. Mr. President, I yield myself 2 minutes to explain to my colleagues what this amendment will do, because I think many of them do not understand what the amendment would do.

The PRESIDING OFFICER. Time on the amendment has expired.

Mr. CANNON. Mr. President, this Senator has not used all of his time on the amendment. He used only 2 minutes on the amendment. No one else has used the time.

The PRESIDING OFFICER. The Senator is correct.

The Senator from Nevada is recognized.

Mr. CANNON. Mr. President, under the——

Mr. CHILES. Mr. President, would a motion to table be in order after the time has been yielded back?

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senator from Nevada may proceed for 2 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered, and the Senator from Nevada is recognized for 2 minutes.

Mr. CANNON. Mr. President, the bill's provisions with relation to private contributions is such that a person can receive a contribution of not to exceed $3,000 from another person for any one election—a primary, a runoff, or a general election.

If this amendment is adopted, it would limit the $3,000 in contributions to a one-time contribution for any election—for the total election. So that in a year, if a person had a primary election, a runoff election, and a general election, the maximum private contribution that could be received from one person would be $3,000 rather than $3,000 per election as it is under the bill.

This would automatically have the effect of driving a candidate toward public financing, because of his inability to raise adequate amounts.

I yield back the remainder of my time.

Mr. CLARK. Mr. President, I would simply like to add to the statement of the distinguished Senator from Nevada by saying that he states the amendment very accurately and very exactly. That is the intent of the amendment, to prevent any individual from contributing more than $3,000 in that campaign—in other words, in the primary, in the runoff, and in the general. Otherwise, we do not have a $3,000 limitation but a $9,000 limitation from any individual, and $9,000 from that individual's spouse if they so desire; or an $18,000 limitation in the case of organizations.

That is the purpose of this amendment, to restrict it to $3,000 for individuals and $6,000 for groups.

The PRESIDING OFFICER. All time having been yielded back on this amendment, the question is on agreeing to the amendment of the Senator from Iowa (Mr. CLARK).

On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Idaho (Mr. CHURCH), the Senator from Iowa (Mr. HUGHES), the Senator from Hawaii (Mr. INOUYE), the Senator from Louisiana (Mr. LONG), and the Senator from Wyoming (Mr. MCGEE) are necessarily absent.

Mr. HUGH SCOTT. I announce that the Senator from Hawaii (Mr. FONG), the Senator from Arizona (Mr. GOLDWATER), the Senator from Michigan (Mr. GRIFFIN), the Senator from Illinois (Mr. PERCY), and the Senator from North Dakota (Mr. YOUNG) are necessarily absent.

I also announce that the Senator from Virginia (Mr. WILLIAM L. SCOTT) is absent on official business.

The result was announced—yeas 65, nays 24, as follows:

[No. 135 Leg.]

YEAS—65

Abourezk
Aiken
Allen
Bartlett
Bayh
Beall
Bellmon
Bennett
Bentsen
Bible
Biden
Brooke
Buckley
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Case
Chiles
Clark
Cotton
Cranston
Dole
Domenici
Eagleton
Ervin
Fulbright
Gravel
Gurney
Hart
Hartke
Haskell
Hatfield
Helms
Hollings
Humphrey
Jackson
Johnston
Kennedy
Magnuson
Mansfield
Mathias
McClure
McIntyre
Metcalf
Metzenbaum
Mondale
Moss
Muskie
Nelson
Nunn
Packwood
Pastore
Pearson
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Stafford
Stevens
Stevenson
Symington
Taft
Thurmond
Williams

NAYS—24

Baker
Brock
Cannon
Cook
Curtis
Dominick
Eastland
Fannin
Hansen
Hathaway
Hruska
Huddleston
Javits
McClellan
McGovern
Montoya
Pell
Scott, Hugh
Sparkman
Stennis
Talmadge
Tower
Tunney
Weicker

NOT VOTING—11

Church
Fong
Goldwater
Griffin
Hughes
Inouye
Long
McGee
Percy
Scott,
William L.
Young

So Mr. CLARK's amendment was agreed to.

Mr. CLARK. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. CHILES. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of amendment No. 1118 proposed by the Senator from Iowa (Mr. CLARK).

The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

The amendment is as follows:

> On page 7, line 9, strike out "$10,000;" and insert in lieu thereof "$5,000;".
>
> On page 7, line 14, strike out "20 percent" and insert in lieu thereof "10 percent".

Mr. CLARK. Mr. President, I offer this amendment on behalf of myself and Senators BEALL and MATHIAS.

Mr. President, I ask unanimous consent to modify my amendment.

The PRESIDING OFFICER. Is there objection?

Mr. CANNON. Mr. President, reserving the right to object, I would like to know the nature of the perfecting amendment first.

The PRESIDING OFFICER. The modification will be stated.

The assistant legislative clerk read as follows:

> After line 4, insert the following:
>
> On page 7, line 17, strike out "$125,000;" and insert in lieu thereof "$75,000;"

The PRESIDING OFFICER. Is there objection to the modification? Without objection, the amendment is so modified.

Mr. CLARK. Mr. President, this amendment would reduce the threshold amounts required under the bill to qualify for matching public payments in congressional and senatorial primary elections. It cuts in half the levels set in the committee bill.

Although these limits are intended to prevent frivolous candidates from receiving public financing, the threshold amounts set by the committee are so high that they will almost certainly preclude public financing for many serious candidates as well.

Some of the opponents of S. 3044 have called the bill an "incumbency protection bill," charging that public financing will inevitably favor incumbent office holders. Chairman CANNON and the Rules Committee have very scrupulously maintained the rights of challengers in this legislation, and it should be done here as well.

But the primary threshold amounts—set as high as they are—represent an exception. Incumbents could reach the threshold easily—a single hundred-dollar-a-plate dinner might be enough. But for challengers, it would be an overwhelming task. As Senator BEALL said during debate on March 27:

> Sometimes there is a difference between demonstrating public support and collecting money. Sometimes one can get the votes but not the dollars to back up the votes.
>
> It seems to me that by using this formula, a terrible burden is placed upon those people who might want to challenge an incumbent in a primary, and I do not think that is in keeping with the purpose of the legislation.
>
> I started out by saying that I am not opposed to public financing combined with private financing. But I am opposed to public financing that discriminates against people who want to challenge the incumbents.

The best example I can offer of the dangers inherent in this section of the committee bill is the Democratic races for the House and Senate in Iowa in 1972. Altogether, there were nine Democrats competing for the nominations for six House seats and one Senate seat. Mr. President, not a single one of us would have qualified for public financing under the committee formula.

And I am not talking about frivolous candidates. Of the seven who were nominated, not one candidate received less than 45 percent of the vote in the general election. Four of us were elected to the Congress, and three of us defeated incumbents in the process. But again, not a single one of us would have been able to get public financing in the primary under the committee bill.

It is also very interesting to examine the 1972 campaigns of the 13 freshman Senators.

According to reports filed 5 days before the primary, at least 7 of the 13 would not have qualified for public financing in the primary under the present formula. Of the six others, of course, there were three incumbent Congressmen, an incumbent Governor, and an incumbent mayor of the State's largest city. The seven of us were not frivolous candidates—after all, we won. But under the committee's requirements we would not have been able to demonstrate enough public support to qualify for matching public funds.

Mr. President, we are not dealing with a threshold which must be raised to receive a flat subsidy. We are only talking about a level which must be met before the Government will match small contributions on a dollar for dollar basis. The Rules Committee correctly states in its report that one of our primary goals must be to—

> Ensure adequate presentation to the electorate of opposing viewpoints of competing candidates through comprehensive public financing.

We can take a step toward achieving that goal by passing this amendment and cutting the threshold amount for public financing in the primaries.

Mr. President, I reserve the remainder of my time.

Mr. CANNON. Mr. President, I yield myself 2 minutes.

The PRESIDING OFFICER. The Senator from Nevada is recognized.

Mr. CANNON. Mr. President, I do not have any strong feelings one way or the other about the amendment. For people who oppose public financing this means it is easier to get public financing. It lowers the threshold amount in the case of Representatives from $10,000 to $5,000 and in the case of a candidate for the Senate from $25,000 to $12,500.

Now it was the feeling of the committee we should have some reasonable threshold amount to demonstrate that a man had some sort of public appeal before he could go the public financing route.

As far as I am concerned, if the Senate wants to, it can take away all the threshold and just say everybody is eligible. We did not think it was a good idea.

I reserve the remainder of my time.

Mr. CLARK. Mr. President, I yield to the Senator from Maryland (Mr. BEALL).

Mr. BEALL. Mr. President, I rise in support of the amendment offered by the Senator from Iowa. As he pointed out, both Senator MATHIAS and I are cosponsors of the amendment. He also alluded to the colloquy I had, on the first day of the debate, with the distinguished chairman of the Rules Committee on this subject matter. I used the Republican Party of Maryland as an example of an unfair advantage that would be given to an incumbent if we allowed the 20 percent threshold to remain in the bill before a candidate would become eligible for his share of public financing.

In the State of Maryland, unfortunately, there are only 480,000 Republicans, but 1.5 million Democrats. We would be allowed under the bill, because we have a voting-age population of 2.7 million, at the rate of 10 cents per voting age population, $270,000 in primary elections. If we take 20 percent of that, it comes to $54,000.

I think it is absurd to expect that someone can raise $54,000 in a primary when only 480,000 voters are registered in his party. This is excessive. I think that it is impossible for any challenger to raise $54,000 when he is running against an incumbent, especially when he has only 480,000 voters registered in his party, because we have a limit on contributions, and it would be very, very difficult for anybody to challenge an incumbent.

I think if we are going to move in the direction of public financing, then we had better make sure that we are not making the Congress of the United States a self-perpetuating body. It seems to me that is just what we are doing if we are creating the high thresholds where challengers will not be able to get the kind of money they need to participate in public funds.

I think it should go further, but I think it is extremely reasonable to lower the threshold from 20 to 10 percent. Therefore, I hope the Senate will adopt the amendment in order to make it fair to those who are going to be involved in future primaries.

The PRESIDING OFFICER. Who yields time?

Do Senators yield back their time?

Mr. CLARK. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. CLARK. Mr. President, I yield back my remaining time on the amendment.

Mr. CANNON. Mr. President, I yield back my time.

The PRESIDING OFFICER. All time having been yielded back on the amendment, the question is on agreeing to the amendment of the Senator from Iowa (Mr. Clark), as modified. The yeas and nays have been ordered, and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Idaho (Mr. Church), the Senator from Iowa (Mr. Hughes), the Senator from Hawaii (Mr. Inouye), the Senator from Louisiana (Mr. Long), the Senator from Wyoming (Mr. McGee), the Senator from Arkansas (Mr. Fulbright), and the Senator from Mississippi (Mr. Stennis) are necessarily absent.

Mr. HUGH SCOTT. I announce that the Senator from Hawaii (Mr. Fong), the Senator from Arizona (Mr. Goldwater), the Senator from Michigan (Mr. Griffin), and the Senator from Illinois (Mr. Percy), are necessarily absent.

I also announce that the Senator from Virginia (Mr. William L. Scott) is absent on official business.

The result was announced—yeas 34, nays 54, as follows:

[No. 136 Leg.]

YEAS—34

Abourezk
Aiken
Beall
Bible
Biden
Brooke
Buckley
Burdick
Case
Chiles
Clark
Cook
Cranston
Hart
Hartke
Haskell
Hatfield
Hathaway
Humphrey
Johnston
Mathias
McIntyre
Metcalf
Metzenbaum
Mondale
Montoya
Nelson
Packwood
Proxmire
Randolph
Ribicoff
Schweiker
Weicker
Williams

NAYS—54

Allen
Baker
Bartlett
Bayh
Bellmon
Bennett
Bentsen
Brock
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Cotton
Curtis
Dole
Domenici
Dominick
Eagleton
Eastland
Ervin
Fannin
Gravel
Gurney
Hansen
Helms
Hollings
Hruska
Huddleston
Jackson
Javits
Kennedy
Magnuson
Mansfield
McClellan
McClure
McGovern
Moss
Muskie
Nunn
Pastore
Pearson
Pell
Roth
Scott, Hugh
Sparkman
Stafford
Stevens
Stevenson
Symington
Taft
Talmadge
Thurmond
Tower
Tunney
Young

NOT VOTING—12

Church
Fong
Fulbright
Goldwater
Griffin
Hughes
Inouye
Long
McGee
Percy
Scott, William L.
Stennis

So the Clark amendment, as modified, was rejected.

Mr. CRANSTON obtained the floor.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. CRANSTON. Mr. President, I yield to the distinguished Senator from New York.

Mr. JAVITS. Mr. President, I shall use my own time, of course, but I intend to limit my remarks on the amendment to 5 minutes.

I call up my amendment No. 1185 and ask that it be read.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

> **On page 15, line 11, after the word "held" insert the following: "(except that if the office sought is President or Senator the amount shall be 14 cents)".**

Mr. JAVITS. Mr. President, this amendment proposes to restore, for the offices of President and Senator, the amount of 14 cents per voter instead of 12 cents which resulted from the Allen amendment, which was successful here by a vote of 46 to 43.

The reason for limiting it to President and Senator is twofold. First, not to reargue the Allen amendment, which would not be fair to Senator Allen nor to the Senate, I omit the Members of the House of Representatives; and second, because it really is not necessary to include the Members of the House of Representatives, as they have a limit of $90,000, which, considering the general population of congressional districts, which is under one-half million, is not out of line with either the 12-cent figure or the 14-cent figure.

The amendment applies only to elections, not to primaries. I am not seeking to change that at all. But the fact is that this is a qualified amendment; and the reason I give the Senate this opportunity is the fact that really the amounts are getting down to the point where, with any kind of big State, and small States are even more affected, where a Senator like myself or any other Senator who has had considerable time in the Senate has to go to the people with so many issues—it is simple, after all, to take a Senator apart when we vote here 400 or 500 times a year, and when votes are connected in philosophy or have a historical relationship, or you have strategic or tactical situations that face you—and you try to run around in a State with 15 million people, even 15 cents speedily fails.

I do not mind telling the Senate I ran, with the aid of my State committee, a campaign in 1968 that cost me, aside from the help they might give, about $1,250,000. That same campaign would cost about $2 million today, and if you subtract the State—and many State organizations now do not want to get involved with Federal law—you run into a campaign that may cost $2,500,000 to $3,000,000.

I cannot raise that. I cannot afford it. But if the committee thought 15 cents was a reasonable figure, I think we ought to have an opportunity to vote on a figure larger than that now set, which I consider too low.

All you have to do is deduct one-fifteenth from the column 15 cents for the Presidency; that results in roughly $19 million for the Presidency, rather than the figures which are set up here, $21 million-something for the 15-cent fund, and similarly down that column.

I simply lay this question before the Senate: Under these conditions, the only chance we have to somewhat raise the figures, for purposes of negotiation with the other body, is in an amendment that is qualified. This is qualified.

I ask unanimous consent that the names of Senators Mondale and Dole be added as cosponsors of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered. Who yields time?

Mr. CANNON. Mr. President, I yield myself 2 minutes.

I would hope that the Senate would not change the position it has already taken on this particular issue. It is true that the committee reported the 15 cents in the general election and the 10 cents in the primary, but that issue has been debated on the Senate floor, and we did reduce it by a vote to 12 cents and 8 cents. I voted for that amendment; I think it was a good amendment.

I will say to my colleague that while he indicates that in a State such as his he may be limited, the limit applies both ways; it also applies on whoever the opponent or challenger may be.

One of the purposes of the overall bill is to try to contain or restrain the cost of campaigns. We are not going to restrain them if we fix the limit that can be spent at higher than is normally spent.

With the exception of a few races in the last election—I do not recall the exact number, but there were not many races that did exceed, though some of them exceeded very materially, the limit we have set in the bill.

I would point out that under the limited bill now, for the State of New York, a candidate there could spend, in the primary, $1,213,000 and could again spend $1,508,000 in the general election under the bill as it now stands. If the Senate should adopt this amendment, it would increase that amount for the general election by roughly $126,000, it would appear.

So I say to my colleague that I believe we have settled this matter in a reasonable fashion. I think if we are going to try to contain the cost of the campaign, we have got to fix limits, not just fix a figure far above that which we have expended.

I reserve the remainder of my time.

Mr. JAVITS. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. JAVITS. I will yield myself 1 more minute to reply, and that is all. We have very completely argued these questions before.

All that I say is this: It is as tough for the challenger as for the challenged, in view of the enormous increase in costs, and I do not see any disposition on the part of the American people not to want a campaign which reveals the positions of both sides. That costs money, unfortunately, in this particular society.

When you realize that there are city campaigns which cost $2 and $3 million for a candidate for mayor, I do not think these sums, at a 14-cent level, are at all out of line. I have given the Senate my own figures. These I know. I sweated blood raising them, so I know them only too well.

I am not anxious to make them more, but it is simply, in my judgment, the necessities of the situation.

Finally, we always talk a lot about committee deliberations, with the committee hearing evidence, thinking it over, and debating it in committee, so that they come to the right conclusion. Here we have a committee, and the manager of the bill says they did not come to the right conclusion, that he voted against it. So, since he voted against it, he has got to vote against it again.

I hope very much that will not be the logic of the Senate. The committee came up with 15 cents. The Senate, by a majority of 46 to 43, reduced it to 12 cents. Here is an opportunity to again come closer to the amount the committee, which deliberated, provided.

The **PRESIDING OFFICER.** Who yields time?

Mr. **DOMINICK.** Mr. President, I think I have an hour, if I wanted to talk that long.

The **PRESIDING OFFICER.** The Senator is correct.

Mr. **DOMINICK.** I yield myself 2 minutes, in order to back up my distinguished friend from New York. I am sure everyone will say that if he and I are on the same side on this issue, one of us is obviously wrong, but we will find out pretty quickly.

I will say to the Senate as a whole that I think, to begin with, this whole bill is unconstitutional. I do not think you can put a limit on the right of any individual to support in any legal way that he wants to the candidate of his choice. I think that is what we have attempted to do. One three-judge Federal court has already so ruled, in connection with the bill that is now part of the law. The ruling has not been appealed. They ruled on that ground, that this is a violation of the first amendment, and I think that is exactly what it is.

Second. I think we have sought to do indirectly, by what my distinguished friend from Alabama did and as a matter of fact what this bill does, what we cannot do directly; namely, limit the amount you can expend; and you have to include whatever anyone expends, no matter whether they have any connection with you or not, as an overall limitation; thus we are denying them the right to support the candidates of their choice.

Third. As I think everyone has known from the beginning, I am and always have been totally opposed to public financing. I think it is a real rip-off of the taxpayer. That is not a part of this amendment, which would seem to me only sensible, that if we are going to have an unconstitutional bill, which I think is a disaster from beginning to end, and I think we are all acting as masochists, if I may say so, to the detriment of the taxpayer, then we ought to have a limit which is high enough. So I am happy to support it and will support the amendment but I am going to vote against the whole bill no matter what happens.

Mr. **ALLEN.** Mr. President, I yield myself 4 minutes.

The **PRESIDING OFFICER.** The Senator from Alabama is recognized for 4 minutes.

Mr. **ALLEN.** What this amendment seeks to do is to go over ground that the Senate went over yesterday. It seeks, in effect, to reconsider the vote which was taken on yesterday, and one motion to reconsider has already been made and tabled. So actually this is a method of doing indirectly what the Senator is prevented from doing under the rules directly; that is, reconsidering that vote and offering his own amendment. The distinguished Senator had the opportunity yesterday. If he thought there was some magic to the 14-cent figure, he could have offered that as an amendment when the Senator from Alabama put in the amendment calling for a 12-cent per person of voting age limitation on the general election. He saw fit not to do that.

After the Senate has acted and a motion to reconsider has been made and tabled, the distinguished Senator from New York comes in and says that a subsidy of $1,519,000 in a Senate race in New York is insufficient unless they recapture two-thirds of the reduction that was made on yesterday in order that the 100-percent Government subsidy for general election campaigns in New York and other States can be increased.

The 2-cent increase does not sound like a great deal, but it amounts to millions of dollars throughout the entire Nation and, of course, the amount is several hundred thousand dollars in New York.

As the distinguished chairman of the committee stated, this would provide for primary and general elections expenditures for the Senate seat. The 12 cents and the 8-cent figures would provide for a campaign fund in the primary and in the general election.

If there were to be a run-off, it would be another million dollars, but just the primary and general election is $2½ million. So I believe a candidate could struggle along on $2½ million in a campaign. If the Senate thinks it should be increased, of course, it can do so; but I want to stress that what the Senator seeks to do is to reconsider the action of the Senate, which has already been sought to be reconsidered, and the Senate refused to do so. The Senator limits it to President and Senator. As he stated, the House is already 14 cents above, anyhow. So actually there is a full reconsideration of the action of the Senate yesterday and a substitution of another figure which the Senator was at liberty to offer yesterday, had he seen fit so to do.

So I hope that the amendment will be rejected and that we will be able to go on to other matters that the Senate has not yet considered about this bill.

Mr. President, I reserve the remainder of my time.

Mr. **JAVITS.** Mr. President, I yield myself 1 minute to make a point which I think, is pretty interesting. I thought my friend from Alabama was a real expert on the rules of the Senate although he has served here a lot less than others have. I regret to say I must call this to his attention, that I could not move to reconsider yesterday because I was on the losing side. I thought that 15 cents was right, so I could not move to reconsider. I am not going to reconsider today. I am just saying that we have another chance, before we lock up the bill, to take another look at this, because of the expertise of the committee, and get closer to their figure.

Mr. **ALLEN.** Mr. President, I did not say that the Senator should have moved to reconsider, because the Senator from Alabama made that motion yesterday. I said that the effect of what the Senator is doing here is to seek to reconsider. That action was sought to be taken yesterday and the Senate refused to reconsider it because it favored it. What the Senator is trying to do now is to do indirectly what the rules forbid him from doing directly, since the motion to reconsider has already been tabled and another motion is not in order.

Several Senators addressed the Chair.

Mr. **TOWER.** Mr. President, I should like to support the amendment offered by the Senator from New York. To begin with, to place an arbitrary limit on campaign expenditures based on a per capita figure is foolish, because campaign costs vary from State to State.

The Senator of New York can reach a great many of his constituents, perhaps half of them, via the subway. But in my State, to get to the various major population centers, because of population dispersal, I have to lease an aircraft because many cities in Texas are not served by the commercial airlines. Of course, no one is served by trains any more and the bus service is not all that good. So campaign costs vary from State to State.

To place an arbitrary limit on this is stupid and foolish, in my opinion, in the first place, because it takes none of these things into consideration.

The reason we have 50 sovereign States and different ways of exercising the police power in those States, is that situations, people, geography, and everything else, differ from various regions of the country to others.

But if we are going to place an arbitrary limit, let us err on the side of giving too much rather than too little, because it is unfair to many people who are campaigning to be expected to get by with 12 cents a voter. We cannot do it. The figure of 12 cents is unrealistic, as has been pointed out eloquently and ably and precisely by my friend from New York.

So I hope the Senate will follow his urgings, that we raise the limit to 14 cents.

Mr. **DOLE.** Mr. President, I yield myself 1 minute to ask a question of the distinguished chairman. I think I understand it, but do these limitations—I am addressing my question to the distinguished Senator from Nevada—if one is unopposed or at least one is certain he is unopposed, he does not know it until filing deadline. What happens to the limitation so far as the primary is concerned?

Mr. **CANNON.** The provisions in the bill limit the amount spent to not more than 10 cents. If a person has no opponent in the primary, that is in addition to the amount permitted in the general.

Mr. **DOLE.** That is the primary reason I am supporting the Senator from New York. Perhaps some of the one-party States, where we do not have any opponent, we are not worried about it. Perhaps the Senator from Alabama may be unopposed—he probably is—but it does not make much difference at this point whether it is 10 cents, 12 cents, 30 cents, or whatever. But in a two-party State, where we have a primary and a general election, it makes a great deal of difference.

It makes a great deal of difference whether the opponent may have a primary and you have no primary. He can spend up to the limit in the primary and the general, even though the primary opponent may be a token opponent. Some are getting resourceful and they are talking about setting up a token opponent in a primary in order to bypass certain provisions of the law, which indicates the foolishness of this. So, to set up a strawman in the primary he can spend more money in the primary and get ready for the general election.

As the Senator from Texas has stated, perhaps on this question, where the committee initially recommended 15 cents per voter, the compromise should be at 14 cents because those States are there and everything depends on our own situation from time to time. For instance, in Kansas, which is a small State bordered by the State of Missouri, where television costs are high, we start our campaign early and try to play it straight and we have already spent 4 or 5 cents per voter and we are still far from the general election. We find many other things like that entering into the situation, so that we have been hiring people with contributions that have been coming in to our campaign, and every expense has been registered and every expenditure has been disclosed, but when we do that you soon learn, if you have an opponent, that 14 cents is not unrealistic.

The PRESIDING OFFICER (Mr. NUNN). The question is on agreeing to the amendment of the Senator from New York.

On this question the yeas and nays have been ordered, and the clerk will call the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Idaho (Mr. CHURCH), the Senator from Hawaii (Mr. INOUYE), the Senator from Louisiana (Mr. LONG), the Senator from Wyoming (Mr. MCGEE), the Senator from Arkansas (Mr. FULBRIGHT), the Senator from Ohio (Mr. METZENBAUM), and the Senator from Mississippi (Mr. STENNIS) are necessarily absent.

Mr. HUGH SCOTT. I announce that the Senator from Hawaii (Mr. FONG), the Senator from Arizona (Mr. GOLDWATER), the Senator from Michigan (Mr. GRIFFIN), and the Senator from Illinois (Mr. PERCY) are necessarily absent.

I also announce that the Senator from Virginia (Mr. WILLIAM L. SCOTT) is absent on official business.

The result was announced—yeas 37, nays 51, as follows:

[No. 137 Leg.]

YEAS—37

Abourezk
Baker
Bayh
Beall
Biden
Brock
Brooke
Buckley
Case
Clark
Cranston
Dole
Domenici
Dominick
Hart
Hartke
Haskell
Hatfield
Hathaway
Huddleston
Hughes
Humphrey
Javits
Johnston
Kennedy
Mansfield
Mondale
Pastore
Pearson
Pell
Schweiker
Scott, Hugh
Stevens
Tower
Tunney
Williams
Young

NAYS—51

Aiken
Allen
Bartlett
Bellmon
Bennett
Bentsen
Bible
Burdick
Byrd,
Harry F., Jr.
Byrd, Robert C.
Cannon
Chiles
Cook
Cotton
Curtis
Eagleton
Eastland
Ervin
Fannin
Gravel
Gurney
Hansen
Helms
Hollings
Hruska
Jackson
Magnuson
Mathias
McClellan
McClure
McGovern
McIntyre
Metcalf
Montoya
Moss
Muskie
Nelson
Nunn
Packwood
Proxmire
Randolph
Ribicoff
Roth
Sparkman
Stafford
Stevenson
Symington
Taft
Talmadge
Thurmond
Weicker

NOT VOTING—12

Church
Fong
Fulbright
Goldwater
Griffin
Inouye
Long
McGee
Metzenbaum
Percy
Scott,
William L.
Stennis

So Mr. JAVITS' amendment was rejected.

Mr. ALLEN. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from California is recognized.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield to me?

Mr. CRANSTON. I am delighted to yield.

Mr. ROBERT C. BYRD. Mr. President, may we have order in the Senate?

The PRESIDING OFFICER. The Senate will be in order.

UNANIMOUS-CONSENT REQUEST

Mr. ROBERT C. BYRD. Mr. President, I take the floor at this time, through the courtesy of the distinguished Senator from California, to inquire as to how many amendments remain to be called up at this time. One, three, five, seven, nine—

Mr. ALLEN. I have two amendments that will require only 5 minutes each.

Mr. ROBERT C. BYRD. Very well. We have 11 amendments remaining.

Mr. President, I have not discussed this request with the leadership on the other side of the aisle nor have I discussed it with anyone on this side of the aisle.

Mr. President, I ask unanimous consent that the time on any remaining amendment be limited to 15 minutes, with 5 minutes to the manager of the bill and 10 minutes to the mover of the amendment.

Mr. PACKWOOD. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

Mr. ROBERT C. BYRD. Does the Senator have an amendment?

Mr. PACKWOOD. Yes.

Mr. ROBERT C. BYRD. Would the Senator object if an exception were made for his amendment?

Mr. PACKWOOD. Yes, I would.

Mr. ROBERT C. BYRD. Mr. President, would the Senator object if the request were modified to limit the time to 20 minutes on any amendment, to be equally divided?

Mr. PACKWOOD. Let me ask the Senator's intention in terms of attempting to finish tonight or going over until tomorrow.

Mr. ROBERT C. BYRD. Well, it would suit me either way, frankly. I will stay here as long as Senators want to stay or go over until tomorrow. But my thought was that if time could be cut down on amendments, then it might be that we could go until 7 or 7:30 this evening; or we could go over until tomorrow and finish tomorrow—or later tonight—whatever Senators prefer.

Mr. PACKWOOD. If we could reach a unanimous-consent agreement to adjourn tonight at 7:30 and come back tomorrow I would have no objection to the limitation proposed.

Mr. PASTORE. Mr. President, I came to my office this morning at 8 o'clock. I have been busy today with a half dozen conferences, I have gone to every meeting it was my responsibility to attend, and I have been on the floor. Here it is 5:30 and it looks as if these amendments are still coming forth. We have had cloture imposed.

I say there should be a sense of fairness in the Senate. When we get to the hour of 6 o'clock we should quit and come back tomorrow. We have not had notice that we were going to stay tonight. Most of us have family obligations. I think that should be taken into consideration. I think this matter has gotten completely out of hand and the time should come to put a stop to it.

If it becomes necessary to stay late tomorrow night we should have notice so that we can advise our families that we will not be home for dinner tomorrow evening.

We have been considering this bill since the latter part of March. I wonder what will happen to the bill anyway when it goes to the House, and here we are straining ourselves and keeping ourselves from our families, which I think is a great injustice. I hope we can reach an agreement. Now there has been a request for a yea and nay vote.

It takes 20 minutes. I have heard about 11 amendments, and then some other Senator came along and put up his fingers. I do not think it was the "V" sign—it was two more amendments. That makes 13. That is 4 hours and 20 minutes alone on rollcalls.

Now, when are we going to go home and when are we going to finish the bill? I say the time has come when we ought to have an agreement to quit at 6:30 tonight and come in tomorrow morning, at 9 o'clock, 8 o'clock, 5 o'clock——

SEVERAL SENATORS. Five o'clock.

Mr. PASTORE. Five o'clock, and finish the bill, but please do not let that dinner get cold tonight.

Mr. HUGH SCOTT. Mr. President, will the Senator yield for an interjection?

Mr. PASTORE. I will yield for anything.

Mr. HUGH SCOTT. Mr. President, if the Senator will yield for an interjection, I would like to note, for the Senator's scheduling table, that I believe there are about 15 Senators who are scheduled to speak for 15 minutes each tomorrow, and that will chew into the Senators' travel schedule like crazy if we cannot figure out some way to get out of here by 3 o'clock tomorrow. We have about 25 Senators who want to get out of here.

Mr. PASTORE. Mr. President, I would ask unanimous consent at this time that those 15 Senators who have 15-minute speeches begin to talk after passage of this bill and let them stay here until midnight tomorrow night.

Mr. ROBERT C. BYRD. Mr. President, may we have order in the Senate?

The PRESIDING OFFICER. There will be order in the Senate.

Mr. ROBERT C. BYRD. Mr. President, I will revise my unanimous-consent request in this fashion: That time on any amendment be limited to 20 minutes; that time on any debatable motion or appeal, with the exception of a motion to recommit, which Senator Stevenson was interested in earlier today, be limited to 10 minutes, to be equally divided; that the time on any motion to recommit be limited to 30 minutes; and that the vote on final passage occur at no later than 3 p.m. tomorrow.

Mr. BUCKLEY. Mr. President, reserving the right to object——

Mr. ROBERT C. BYRD. With this further proviso: that time on any rollcall, with the exception of the first rollcall tomorrow, be limited to 10 minutes, the warning bells to be sounded after the first 2½ minutes.

Mr. BUCKLEY. Mr. President, reserving the right to object, I do have an important constitutional point that I intend to raise, and although I do not believe I would use my full hour, I do not want to give up my full hour.

Mr. ROBERT C. BYRD. Would the Senator wish to speak tonight? I will be happy to remain, and he can make his speech tonight.

Mr. PASTORE. It will be in the Record. We will read it.

Mr. BUCKLEY. I would hope to get the ears of more than one or two Senators on that important constitutional question.

Mr. ROBERT C. BYRD. I hope the Senator will make his speech this evening, because Senators are on notice that he is going to make the speech, and before the final vote they would look at the Record tomorrow and read it.

Mr. BUCKLEY. With all due respect, I doubt that they will.

Mr. ROBERT C. BYRD. I am afraid that they would not stay to listen at this hour of the day, or even tomorrow, may I say to the Senator. I have been here 16 years and I have not seen anyone capture their attention in that way.

Mr. TOWER. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. I yield.

Mr. TOWER. If the consent agreement is not agreed to, that would mean we could stay here tonight and Senators could bring up their amendments, and have votes on them, unless there were a motion to adjourn, which would be debatable.

Mr. PASTORE. No, there is no debate on such a motion.

Mr. ROBERT C. BYRD. A motion to adjourn is not debatable.

Mr. President, I repeat my request that there be a limitation of 20 minutes——

Mr. PACKWOOD. Mr. President, if the Senator will yield, if we are including in that proposed agreement a vote at 3 o'clock tomorrow, can we have assurances of leaving here at 7 o'clock this evening instead of 10 o'clock?

Mr. PASTORE. I will buy 6:30.

Mr. PACKWOOD. Six-thirty—fine.

Mr. BAYH. Mr. President, reserving the right to object, perhaps this is inappropriate, and I seldom find myself on the opposite of an issue with my distinguished friend from Rhode Island, but, you know, Mr. President, we have been kicking this bill around for a long, long time. Some people have expressed strong reservations about it. I do not deny that every Senator has his parliamentary right to prolong the debate, but I will tell you, Mr. President, the people of Indiana would be glad to let Senators remain here so their suppers will get cold. It would be a pretty good precedent if we stayed here until we finished this bill for campaign reform. We have debated it at length. Two-thirds of the Senate have exercised their will to limit debate on it, and now we ought to be willing to give up our conveniences and work until we finish action on the bill.

Mr. PASTORE. Come, come, come, Mr. Bayh. This is getting to be a little ridiculous. This Senator can sustain any inconvenience that is necessary to do his job. All I am saying is that it has been the custom and the habit of this body that when we are going to stay here beyond 7 o'clock, we receive notice of it the day before.

I do not know the obligations of the Senator from Indiana for his own family, but I have my family waiting for me tonight. When he talks about inconvenience, all I am saying is that we have been here for a month, and we are not going to finish this bill tonight. All I am saying is, let us come in early tomorrow morning and let us get started early and do our job.

Mr. BAYH. Mr. President——

Mr. PASTORE. I do not want to be a tinhorn hero, but I am a little surprised at my colleague from Indiana. He is not more conscious of his responsibility than the Senator from Rhode Island, and when he says we are going to give up our conveniences because this is important, whom are we kidding? [Laughter.]

Mr. ROBERT C. BYRD. Mr. President, may we have order?

The PRESIDING OFFICER. Senators will please take their seats.

Mr. BAYH. Mr. President——

Mr. ROBERT C. BYRD. Mr. President, who has the floor?

The PRESIDING OFFICER. The Senator from Indiana.

Mr. ROBERT C. BYRD. How did the Senator from Indiana get the floor?

The PRESIDING OFFICER. Because he addressed the Chair for the last 5 minutes while the Senator from Rhode Island was speaking.

Mr. ROBERT C. BYRD. Very well.

Mr. BAYH. Mr. President, I hope my friend from Rhode Island will read what I said, and if he can point to anything which, either by direction or indirection, implied or suggested that my friend from Rhode Island was not one of the most dedicated Members of this body, willing to sacrifice his own conveniences, then I will stand corrected. I think he knows of my great respect for him. My statement goes not to any degree of piosity, but it seems to be clear to me that a lot of people are looking for us to stand up and get this thing behind us. I think we have a great opportunity to do so. I am not asking for any merit badges, but I am telling you, Mr. President, a lot of people think this is important. This might give us an opportunity to do something a little exceptional and get it behind us, and what it does to my family is not going to be different from what it does to anybody else's.

Mr. ROBERT C. BYRD. Mr. President, we could argue this point ad infinitum. I would hope we would try to reach an agreement. Let me try again.

I ask unanimous consent that time on any amendment be limited to 15 minutes, with 10 minutes to the mover of such amendment and 5 minutes to the manager of the bill; that time on any debatable motion or appeal be limited to 10 minutes, to be equally divided in accordance with the usual form, with the exception of a motion to recommit, on which the Senator from Illinois (Mr. Stevenson) wanted 30 minutes today and was assured of that by the majority leader; and that time on any rollcall vote be limited to 10 minutes, with the warning bells to be sounded after the first 2½ minutes; with the time allotted under the cloture rule to be vitiated; with a waiver of paragraph 3 of rule XII; and that the vote on final passage occur at no later than 3 tomorrow afternoon.

Mr. HUGH SCOTT. Mr. President, will the Senator accept an amendment to his request—that the Senator from New York (Mr. Buckley) be recognized first tomorrow at the end of the special orders and be allowed to use not more than 30 minutes of his time at that time and may then proceed on his amendment in the time limited?

Mr. ROBERT C. BYRD. With that modification.

Mr. AIKEN. Mr. President, will the Senator yield for a question?

Mr. ROBERT C. BYRD. Yes.

Mr. AIKEN. I should like to say that for more than a week I have had six amendments to improve this bill very much. But in the interest of bringing consideration of this bill to an early conclusion, I have refrained from offering the amendments. However, if we come in tomorrow, I should like to offer the six amendments. I assume that they will be permitted if we come in tomorrow. If we can finish tonight, I shall be glad to bring this unhealthy situation to an earlier close.

Mr. BAKER. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. I yield.

Mr. BAKER. Mr. President, the purpose of my rising at this time is to ask the Senator from West Virginia if I fully understand his remarks. Is the time on these amendments from this point forward to be limited to 15 minutes, 10 minutes for the proponents and 5 minutes for the manager of the bill?

Mr. ROBERT C. BYRD. The time allotted under the cloture rule would be vitiated.

Mr. BAKER. That is what I wanted to bring up. Is the Senator asking that the cloture vote be vitiated?

Mr. ROBERT C. BYRD. No. I would ask only that the time limitation under the cloture rule be vitiated, because otherwise the 15 minute agreement on any amendment would be worthless.

Mr. BAKER. Do I understand that we are going to run for any very great length of time tonight?

Mr. ROBERT C. BYRD. No, I did not say that. I would have to leave that up to the Senate.

Mr. BAKER. I am perfectly agreeable to any time limitation. I was wondering what the leadership had in mind.

Mr. ROBERT C. BYRD. With the number of amendments that have been adopted, and with the number of Senators who want to speak tomorrow morning, it would be necessary to go for a while yet tonight.

Mr. BAKER. Well, would the Senator say 7 or 7:30?

Mr. ROBERT C. BYRD. Yes, in order to finish tomorrow at 3 o'clock, but even then, Senators may be shut off from debate on their amendments at 3 p.m.

Mr. BAKER. My final concern is with reference to the statement by my friend from Rhode Island (Mr. PASTORE), that we would receive notice the day before if we were going to run beyond 7 o'clock. If that is so, I should like to be put on that list.

Mr. ROBERT C. BYRD. I know of no such list.

Mr. PASTORE. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that time on any amendment be limited, to instead of 30 minutes, to 20 minutes, the time to be equally divided.

The PRESIDING OFFICER. Is there objection?

Mr. DOMINICK. Mr. President, reserving the right to object—and this is a point I wanted to make before—the Senator from West Virginia indicated to the Senator from Tennessee that this vitiated the 1-hour cloture rule.

Mr. ROBERT C. BYRD. Only if we were able to get unanimous consent to the package agreement earlier proposed.

Mr. DOMINICK. I happen to be one of those who do not have amendments, but I may want to talk on an amendment or talk on the bill, and I would hate to give up my hour without any agreement.

Mr. ROBERT C. BYRD. Without an agreement, the Senator will not lose his right.

Mr. DOMINICK. That is correct. Without an agreement, I would not be losing my right. But if we got a unanimous-consent agreement, I would, as I understand.

Mr. ROBERT C. BYRD. But the request I now propose is only with respect to time on amendments.

Mr. DOMINICK. But objection has already been made to that.

Mr. ROBERT C. BYRD. But I am now proposing a different consent request.

Mr. AIKEN. If the Senator believes that we can postpone completing this work tonight and come in tomorrow, would it be possible to complete the bill and get a final vote on it before the adjournment for Easter?

Mr. ROBERT C. BYRD. Yes, I think so. The idea, in trying to get a definite time limitation, is to accommodate Senators who wish to make plane reservations to go afar. Some of them want to get away by 3 o'clock p.m. tomorrow.

Mr. AIKEN. I would be willing to agree to a time limitation for tonight. If we are to come in tomorrow, we might just as well strike this proposal.

Mr. ROBERT C. BYRD. I will be glad to try again.

Mr. President, I ask unanimous consent that time on any amendment be limited to 15 minutes, 10 minutes to the proposer of the amendment and 5 minutes to the manager of the bill, with time on any amendment to an amendment, motion, or appeal limited to 10 minutes, to be divided in accordance with the usual form, with section 3 of rule XII being waived, with time under the cloture rule being vitiated, and that the vote on final passage of the bill occur at no later than 10 o'clock tonight.

The PRESIDING OFFICER. Is there objection?

Mr. PACKWOOD and several other Senators objected.

The PRESIDING OFFICER. Objection is heard.

Mr. ROBERT C. BYRD. Mr. President, I will make a final effort. I renew my request that time on any amendment be limited to 15 minutes, to be divided 10 minutes to the mover of the amendment and 5 minutes to the manager of the bill, with 10 minutes on any rollcall votes for the remainder of the bill; and that the warning bells be sounded after 2½ minutes. I shall make no further request.

Mr. PASTORE. Mr. President, how long will we be going tonight?

Mr. ROBERT C. BYRD. I am not going to attempt to answer that question. When Senators are ready to quit, I shall be glad to move to adjourn. As long as Senators want to stay, I will stay.

Mr. PASTORE. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. ROBERT C. BYRD. Mr. President, I ask that the time that has been utilized be charged to me under the rule and that no time be charged to the able Senator from California (Mr. CRANSTON).

Mr. METCALF. Mr. President, under section 3 of rule XII, to whom is the debate that is taking place being charged?

The PRESIDING OFFICER. It has been assigned to the Senator from West Virginia.

Mr. ALLEN. Mr. President, I yield myself 1 minute. I have used only 1 minute, so the parliamentarian has advised me; and I certainly do not intend to use the whole hour.

I believe there is only one way out of the situation, and that is to move to table the bill. I move that the bill be laid on the table, and I call for the yeas and nays.

Mr. ROBERT C. BYRD. Mr. President, the Senator from California had the floor before yielding to me.

The PRESIDING OFFICER. Does the Senator from California yield for the purpose of allowing the Senator from Alabama to make his motion?

Mr. CRANSTON. No, I do not.

Mr. ALLEN. I thought the Chair had recognized the Senator from Alabama.

The PRESIDING OFFICER. The Senator from California has the floor. The Senator from California yielded to the Senator from West Virginia for a unanimous-consent request.

AMENDMENT NO. 1177

Mr. CRANSTON. Mr. President, I call up my amendment No. 1177 and ask that it be stated.

Mr. HUGH SCOTT. Mr. President, my congratulations to the Senator from California.

Mr. CRANSTON. I thank the Senator from Pennsylvania.

Mr. President, this is mainly a technical amendment.

Mr. STEVENS. Mr. President, will the Senator yield for a question?

Mr. CRANSTON. I yield.

Mr. STEVENS. Mr. President, as I understand, there is no time limitation.

The PRESIDING OFFICER. There is an existing agreement of a half-hour on each amendment.

Mr. STEVENS. I thank the Chair.

The PRESIDING OFFICER. This is superimposed on the 1 hour that each Senator has under the cloture rule.

The amendment will be stated.

The legislative clerk read as follows:

S. 3044

On page 5, line 19, following the word "office", insert the words ", and if, in a State which registers voters by party, that said party's registration in such State or district is equal to 15 per centum or more of the total voter registration in said State or district".

Mr. CRANSTON. Mr. President, this is largely a technical amendment which will, I believe, improve on the committee's intent in section 501(8) of S. 3044. As written, the bill provides that if only one political party qualifies as a major party entitled to full funding, a political party whose candidate received in the last election less than 25 percent of the total votes cast in that election but more than 15 percent would qualify as a major party. I believe that that provision was included because of concern expressed by several Senators, including myself, that occasionally in a two-party State an incumbent may be sufficiently popular as to receive more than 75 percent of the vote in a given election.

I support section 501(8) of the bill, but I wish to suggest that it be modified to take into account the following situation which has arisen this year in California.

There are five incumbent Democratic Congressmen who are facing no Republican opponents this fall. However, in two of these districts there are candidates seeking the nomination of the Peace and Freedom Party and of the American Independent Party. It therefore appears likely that on the November ballot these two Democratic Congressmen will find themselves opposed by nominees of these minor parties. It is entirely possible that Republicans or Democrats wishing to vote against the Democratic incumbent for whatever reason would vote for a minor party candidate. Thus, a minor party candidate will become the recipient of such protest votes and could conceivably receive 15 percent of the total vote cast. As a result in the 1976 election, under the provision of the bill as it is before us, either of the minor parties might be entitled to receive full funding as a major party. The fact is that in neither district does either party have as much as 1 percent of the total voter registration in the district.

Therefore, Mr. President, I would like to suggest that in addition to receiving 15 percent of the votes cast in the previous election, a party, in order to qualify as a major party, should also have voters in the district equal to at least 15 percent of the total registered voters.

That is what my amendment would do. It adds the language:

> and if, in a State which registers voters by party, that said party's registration in such State or district is equal to 15 percent or more of the total voter registration in said State or district.

This would prevent the unjust enrichment of the political coffers of minor parties who have no basis for being treated as major parties.

Mr. CANNON. Mr. President, I yield myself 20 seconds. The eloquence of the Senator from California has convinced me of the merits of his amendment, and I am prepared to accept it. I yield back the remainder of my time.

Mr. CRANSTON. I yield back the remainder of my time.

The PRESIDING OFFICER. All remaining time having been yielded back, the question is on agreeing to the amendment (No. 1177) of the Senator from California.

The amendment was agreed to.

Mr. JOHNSTON. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. CRANSTON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 1125

Mr. CRANSTON. Mr. President, I call up my Amendment No. 1125, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. CRANSTON's amendment (No. 1125) is as follows:

> On page 15, line 18, strike the words "primary or".
>
> On page 15, line 20, strike the words "primary or".
>
> On page 15, line 21, strike the words "(a) or".

Mr. CRANSTON. Mr. President, this amendment, incidentally, is cosponsored by the Senator from Kansas (Mr. DOLE).

As presently written, S. 3044 provides that a candidate unopposed in a primary or general election can spend only 10 percent of what he would be able to spend if he had opposition. I have no objection to this restricted spending limit for a candidate unopposed in a general election. The primary, however, is a totally different matter.

Let me give two examples of what might happen if the bill is enacted in its present form:

The most likely situation would involve an incumbent unopposed in his own primary, while two—or more—individuals seek the nomination of the other party. The two challengers might well decide that the best way to win their party's nomination is to campaign against the incumbent—with each challenger ignoring the other. Thus the incumbent would be subject for a period of several weeks or months to a campaign against him by two opponents, both of whom would be permitted to outspend him 10 to 1.

A second example involves a primary election where the incumbent has nominal opposition and the person seeking the nomination of the other major party is unopposed. The incumbent would ignore the opponent within his own party and campaign on his record for a period of weeks or months during which time he would be able to outspend his real challenger in the other party by 10 to 1.

Both situations are obviously inequitable and unfair.

Let me point out the situation which I face this year, and what might happen under a public financing system with this limitation on primary spending.

As it happens, I have two virtually unknown opponents in my own Democratic primary in June. Neither man is conducting a visible campaign, to the best of my knowledge. It is for all practical purposes, then, that I am unopposed, and it could well have been that neither man filed and thus I would have been actually unopposed.

There are four highly visible, active candidates seeking the Republican nomination for the U.S. Senate. All four are raising money and all four have to be classed as serious candidates for the Republican nomination.

As the bill is written, these four candidates would be entitled to spend $4½ million campaigning against me during a period of at least 4 months, while I would be able to spend only a hundred thousand dollars defending myself against their attacks. Now it is true, under the bill the situation would be equalized under the general, with each candidate able to spend the same amount. But the huge disadvantage of being outspent better than 40 to 1 in the primary might well create an insurmountable disadvantage from which a candidate could not recover.

There has been some suggestion that the 10-percent figure might be changed, allowing an unopposed candidate in a primary to spend 20 percent. At 20 percent, I would be able to spend only 5 percent of what my opponents could spend. At 50 percent I would be able to spend only 12½ percent of what my opponents could spend.

Even if my amendment is accepted, with four opponents all of whom may be conducting their primary campaigns by running against me, I would be outspent 4 to 1. But at least no one candidate would be able to spend more than I would be permitted to spend.

There is an additional disadvantage for an unopposed candidate of such a limitation in the primary. Much of the groundwork for the general election must be laid in the primary. The candidate's campaign organization must be put together, for if the candidate waits until the general election, he will find that both staff and workers have been preempted by other candidates and campaigns. He must travel, he must speak, he must make public appearances—even though he may decide not to put on a substantial media campaign. All of these activities cost money.

Finally, he may wish to begin his direct mailing solicitation of small contributions during the primary—the cost of which, in a State like California, could quickly eat up the total amount a candidate would be allowed to spend.

I suspect—and this is another very serious objection, I believe, to the present language of the bill—that if the bill is enacted in its present form, no candidate of either party would ever allow himself to be unchallenged. This could lead to nonserious candidates put up by serious candidates of either party—or by the parties themselves—to assure that the serious candidate receives full funding. Such a situation would be unhealthy, unwise, and might well lead to a greater need for Federal funding than would be the case if an unopposed primary candidate were allowed to spend as much as an opposed primary candidate—and if he chose to. Under a matching system, I doubt that an unopposed primary candidate would, under normal circumstances, raise or spend as much as a candidate with opposition.

My amendment, No. 1125, would simply strike any reference to the primary from section 504(c) of the bill. I urge Senators to support the amendment.

I am delighted to yield to my distinguished cosponsor of the amendment, the Senator from Kansas (Mr. DOLE), on his time.

Mr. DOLE. I will use my time, but I would like to ask the Senator a question.

Mr. COOK. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. COOK. What does the Senator mean, on his time?

Mr. DOLE. I have 48 minutes left, or 43.

Mr. COOK. Well, there are 30 minutes on an amendment. Is the Senator utilizing time on the amendment, or on his hour?

Mr. DOLE. Both.

Mr. COOK. All right. That makes sense.

Mr. DOLE. As I understand it, the Senator from California would strike section 504(c)?

Mr. CRANSTON. We would strike the

provision that makes it impossible to spend more than 10 per cent in a primary.

Mr. DOLE. All right. As a cosponsor of the amendment, I should know what it does, but I wanted to make certain.

I agree with the Senator from California. As discussed with him earlier, I believe the present provisions will lead to the serious primary candidate having a non-serious primary opponent, if he is faced with a tough general election to permit him to spend a greater total amount.

We are going to see more and more efforts to evade or avoid the law if this restriction remains. I support the amendment and am pleased to cosponsor it with the Senator from California.

I also raise the question, How do we know when we are going to be opposed in a primary? In Kansas, the filing deadline is June 20. I started campaigning a year ago. In the process, I have spent a great deal of money—for a small State like Kansas—making preparations for a primary, if I have one, and if not, then for the general election.

I may yet have a primary because we have several months before June 20. Seems to me this is one of the restrictions in the bill which makes the entire proposition at least appear to be unworkable. I have made expenditures based on the supposition that I could have a primary. If unopposed then I can only spend 10 percent and the rest must be charged, I guess, against what I might have spent in the general election. This is not fair so I believe the amendment would be helpful.

Mr. CRANSTON. I think the Senator from Kansas very much.

Mr. CANNON. Mr. President, I think the Senator from Kansas has made a very good point about the fact that a person may be campaigning long before he finds out that they are not going to have a primary and he might well have spent more than the 10-percent limit we have in the bill. It is a valid point and I am willing to accept the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from California.

The amendment was agreed to.

Mr. BUCKLEY. Mr. President, during the course of the past 2 weeks we have examined and debated many facets of S. 3044. Many of us have questioned specific provisions of the legislation on conceptual and practical grounds. We have questioned the effect such legislation might have on our two-party system, on challengers seeking to unseat incumbent officeholders and on the faith of the American people in their elected leaders.

In addition, several Senators have questioned the wisdom of spending millions of tax dollars to pay for political campaigns. Others have introduced amendments designed to tamper with the mechanics of the legislation; to raise this limit or lower that spending ceiling.

I have supported many of these amendments and I have joined in raising practical and theoretical questions concerning the wisdom of this approach to campaign reform. The voting on the various amendments we have considered convinces me that there is a majority in this body willing to go along with S. 3044 regardless of the consequences.

It is clear that the pressure for reform is enough to force many Senators to go along with a proposal that might easily create more problems than it will ever solve. The argument has been cast in a way that allows those in favor of S. 3044 to appear as heroes in the press while those of us who oppose it are made to look like the villains of the piece.

In fact, however, the legislation under discussion is far too important and far too complicated to be decided on the basis of slogan and lobbyist pressure. We have an obligation to look at the facts, to analyze the specifics of the legislation before us and at least to guess at the consequences that might follow its passage.

That, in my view, is what those who question the wisdom of the bill have been trying to do for some time now.

It would be unfortunate if we were to move to a vote on this legislation without a thorough discussion of the constitutional implications of some of its provisions. As I indicated when I inintroduced my amendment No. 1140, I hoped thereby to stimulate a discussion of these implications.

Briefly, my amendment would eliminate the expenditure ceilings imposed by section 504 of S. 3044 on Federal candidates, retaining them only as ceilings on the maximum amount of Federal money a candidate might receive. Thus while every major candidate would be assured of adequate funds to wage a campaign, there would be no overall ceiling on campaign expenditures on behalf of a given candidate.

I have introduced the amendment in this form because most constitutional experts who have analyzed campaign reform proposals of the kind we are debating today have concluded that limits on total expenditures raise the most serious constitutional questions. It is their belief that such limits are necessarily violative of the first amendment and would be found unconstitutional if a proper case were brought before the Supreme Court.[1]

In a moment, I will analyze the reasoning that leads so many scholars to this conclusion. At this point, however, I would simply like to note that some who are supporting overall limits today were not at all sure of their constitutionality when we were debating the 1971 Federal Election Campaign Act.

The senior Senator from Massachusetts (Mr. KENNEDY), for example, who now seems so certain that S. 3044 deserves our support, evidently felt at the time of our earlier debate of this issue that a limit on total expenditures would raise grave constitutional questions.

He said at that time that a ceiling on total expenditures "is a step that cannot be justified except under the most stringent circumstances, in accord with the standard of 'clear and present danger', established long ago by the Supreme Court as the test by which denials of free speech under the first amendment must be measured. To me, no ceiling on total campaign spending in present circumstances can meet this test."[2]

As we get into the discussion on this question I hope the Senator from Massachusetts and others who like to consider themselves civil libertarians will try to square their views on the first amendment with their support of this legislation. It is my feeling that try as they might they will not be able to do so because I am convinced that S. 3044 directly infringes on the freedom of speech and association guaranteed to all Americans by that amendment.

I realize that there has been popular pressure for reform in the wake of Watergate and believe that most of those who are supporting S. 3044 are doing so because they want to respond to the perceived need for some sort of reform, and because they have not really thought about the constitutional questions that troubled the Senator from Massachusetts only 3 years ago.

But good intentions are not enough; good intentions alone will neither guarantee good laws nor protect the laws we do pass from a stringent, critical examination by the courts. This is especially true when we pass legislation that limits freedom of speech—and that is exactly what we are going to be doing if we pass S. 3044 as presently written.

Thus, as Prof. Martin Redish pointed out in a New York University Law Review article:

> To argue that campaign spending limitations . . . may violate the First Amendments is in no way to contend that the problems with which these measures deal are not serious difficulties, nor, for that matter, that they would be ineffective in solving them. But the courts have felt compelled to invalidate laws intended to foster legitimate societal interests because of their conflict with the First Amendment in many situations.[3]

Redish's point is, of course, precisely the point that I have made: The fact that S. 3044 was drawn up by well-meaning men to solve a problem they perceived as important will not get it past a court interested in defending the right of free speech as defined by the first amendment.

Thus in 1971, with the best of intentions, we passed the Federal Election Campaign Act, portions of which have already been struck down as unconstitutional by a three-judge panel here in the District of Columbia.

Just last fall, Judge Bazelon ruled for the panel that title I of that act is unconstitutional. In the case of ACLU against Jennings, the Court avoided a general decision on spending limits per se, but did conclude that our attempt to close spending loopholes violated free speech guarantees.

And in an amicus brief, filed in that case, the New York Times described our work as "shot through with constitutional deficiencies" and "patently inconsistent with basic first amendment freedoms." If we do not examine the constitutional problems inherent in the legislation now before us we are liable to

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Footnotes at end of article.

have our handiwork described in even harsher terms by higher courts in the future.

It is at least possible that the limited discussion of the constitutional problems inherent in this bill is a direct result of Common Cause's attempts to assure would-be supporters of the legislation that it does not present a constitutional problem. To this end, Common Cause's lobbyists have circulated a legal memorandum that discounts the constitutional questions. I have referred this memorandum to Prof. Ralph Winter of the Yale Law School, for his analysis.

Based on what Professor Winter tells me, the Common Cause memorandum may be charitably described as slovenly, professionally incompetent, and in its use or misuse of citations, grossly misleading. I ask unanimous consent to have printed at the conclusion of my remarks his analysis of some of the more obvious flaws in this memorandum.

The PRESIDING OFFICER (Mr. McINTYRE). Without objection, it is so ordered.

(See exhibit 1.)

Mr. BUCKLEY. Mr. President, we should realize that in spite of Mr. Gardner's assurances to the contrary, constitutional experts feel spending limits do raise serious and probably fatal constitutional questions. Thus, a number of constitutional scholars have argued that the first amendment has as a primary objective the encouraging of the dissemination of information to voters so as to aid them in the performance of their electoral functions.[4]

The Supreme Court gave voice to this aspect of the first amendment in New York Times against Sullivan.[5] In that decision the Court gave firm support to the view that self-government requires that the public be able to be exposed to a full range of opinion about matters of public concern. The case itself did not involve an election, but it did involve an elected official about whom allegedly libelous statements had been published. The Court held that the first amendment precluded an award of damages in the absence of a showing of "actual malice."

The Court's reluctance to countenance actions that might limit the public's right of access to political information was also a deciding factor in Mills against Alabama,[6] a case involving a law passed for admirable purposes by well-meaning men.

The Mills case impresses me as interesting in that it dealt with an Alabama law prohibiting the solicitation of votes on election day. The legislature enacted the law as a campaign reform measure to prevent emotional or slanted last-minute appeals to which an opposition candidate could not reply. The case arose when the publisher of the Birmingham Post-Herald was convicted of running an editorial on election day that urged voters to vote in a certain way.

In overturning the publisher's conviction, Mr. Justice Black wrote:

> Whatever differences may exist about interpretations of the First Amendment, there is practically universal agreement that a major purpose of that Amendment was to protect the discussion of governmental affairs. This, of course, includes discussions of candidates, structures and forms of government, the manner in which government is operated or should be operated, and all such matters relating to the political processes.[7]

In commenting on the Mills decision, Professor Redish observes that:

> Once it is recognized that a significant purpose of the First Amednment is to insure that the public will be provided with information necessary to the performance of its self-governing function, it follows that information disseminated in the course of an election campaign must rank high in terms of First Amendment values.[8]

A thorough reading of these cases demonstrates rather clearly that the Court views with suspicion any regulations or laws having the effect of reducing the total amount of discourse or discussion on public questions. If this is so, it is difficult to see how the Court could uphold spending limitations of the kind included in S. 3044.

Still, those who support spending limits and have considered the constitutional problems seem to believe that the power and, indeed, the duty of the Congress to regulate Federal elections must be balanced against first amendment considerations and that in such a balance considerations of free speech must give way to the perceived need for such limits to guarantee a "clean" electoral system.

No one denies that Congress has the right to regulate Federal elections, but this does not automatically mean that laws designed to accomplish this will not be struck down if in conflict with the first amendment.

The problem has been summarized clearly in a 1972 article by the editors of the Columbia Journal of Law and Social Problems:

> Any limit on a candidate's right to purchase the use of communications media limits his ability to speak effectively to his fellow citizens, and may limit their right to be informed of his identity and positions on political issues.[9]

It goes without saying that the same reasoning applies with equal or even greater force to any citizen not a candidate who is prevented from publishing his views of a candidate by virtue of limitations on spending.

The question then is whether the restrictions on free speech contemplated by the authors of this legislation can be justified constitutionally. Though the majority of the Court has generally rejected what might be termed the absolutist view of the first amendment championed by the late Justice Black, it has nevertheless been extremely reluctant to allow laws that limit freedom of speech to stand.

Thus, as the Court stated in Konigsberg against State Bar in 1961, valid restrictions on freedom of speech must fall within one of two categories:

> On the one hand, certain forms of speech, or speech in certain contexts, have been considered outside the scope of constitutional protection . . . On the other hand, general regulatory statutes, not intended to control the content of speech, but incidentally limiting its unfettered exercise, have not been regarded as the type of law the First . . . Amendment forbade Congress . . . to pass, when they have been found justified by subordinating valid government interests, a prerequisite to constitutionality which has necessarily involved a weighing of the government interest involved.[10]

The first category here includes cases involving advocacy of overthrow of the government, obscenity, and other cases where the speech itself is offensive to the public safety or to morals. I do not know of anyone who seriously contends that campaign rhetoric resulting from present spending levels falls within this category.

The second category includes a number of cases involving situations in which the government while in pursuit of some legitimate goal, restricts or curtails freedom of speech as a means of achieving that goal. To validate a law in this category the Court conducts a sort of "balancing test" of the kind alluded to in the Konigsberg language I quoted a moment ago.

Some experts, such as Profs. Ralph Winter and Alexander Bickel, also of the Yale Law School, take the position that the balancing test would be inapplicable in a case involving expenditure limitations. As Winter has testified before the Senate Commerce Committee:

> There is no countervailing interest . . . to "balance" against a campaign restriction on speech inasmuch as the restriction is imposed not to preserve some other legitimate interest of society but solely for the sake of restricting the speech itself . . .[11]

Thus, Professor Winter would find himself in agreement with Mr. Justice Black's opinion in Barenblatt against United States:

> There are, of course, cases suggesting that a law which primarily regulates conduct but which might also indirectly affect speech can be upheld if the effect on speech is minor in relation to the need for control of the conduct. With these cases I agree . . . But (they did not) even remotely suggest that a law directly aimed at curtailing speech and political persuasion could be saved through a balancing process.[12]

The question then is whether a limit on political spending is, in fact, a law "directly aimed at curtailing speech."

Winter's position on the question seems most in line with recent constitutional thought, though I recognize that some would disagree. The Senator from Iowa (Mr. CLARK) quoted Prof. Archibald Cox on the floor of the Senate a few days ago to the effect that limitations on spending are not really limitations on speech because they are limitations "once removed." [13]

I have great respect for Professor Cox and for his opinions, but I am afraid this contention strikes me as a bit farfetched.

Prof. Joel Fleishman of Duke University considered this question in a 1971 study of campaign reform legislation that is worth reading and quoting:

> It is exceedingly unlikely that the Court would create a new category of unprotected speech particularly for political speech and association, since it has been continually shrinking the vitality of the pre-existing categories of obscenity, libel, "fighting words" and "speech plus". With the possible exception of the last, those categories would

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See footnotes at end of speech.

> indeed be strange bedfellows for an activity that the Court has called "the essence of self-government" and to argue that the presence of money converts political speech into "speech plus" would . . . deny protection entirely to most forms of political campaigning.[14]

Mr. Justice Douglas would no doubt agree with Professor Winter and have trouble with Professor Cox's reasoning if he still stands by what he wrote in United States against United Auto Workers some years ago:

> The making of a political speech up to now has always been one of the preferred rights protected by the First Amendment. It usually costs money to communicate an idea to a large audience. But no one would seriously contend that the expenditure of money to print a newspaper deprives the publisher of freedom of the press. Nor can the fact that it costs money to make a speech—whether it be hiring a hall or purchasing time on the air—make the speech any the less an exercise of First Amendment rights.[15]

Thus, Mr. Justice Douglas, like Professor Fleishman and Professor Winter, would be forced to class a limit on expenditures with a limit on speech. By so classifying it, he would also be forced to rule it an unconstitutional infringement of a vital freedom.

To sum up this point, let me return again to Professor Winter:

> A limit on what a candidate may spend is a limit on his political speech as well as on the political speech of those who can no longer effectively contribute money to his campaign. In all the debate surrounding the First Amendment, one point is agreed upon by everyone: no matter what else the rights of free speech and association do, they protect explicit political activity. But limitations on campaign spending and contributing expressly set a maximum on the political activity in which persons may engage . . . The First Amendment prohibits the setting of a legal maximum on the political activity in which an individual may engage. This is the case whether or not the maximum is imposed in the name of equalizing or whether an actual discriminatory effect can be shown. Even under a "balancing" test, such regulation is invalid because there is no countervailing interest (for example, preserving public peace) to "balance" against the restriction on speech.[16]

But even if we assume for the sake of argument that Professor Cox and his friends at Common Cause could convince a court that spending limits are indirect or incidental as opposed to direct limits on political speech, it is still not at all clear that a court would find them constitutional.

Mr. Justice Rutledge described the burden supporters of laws incidentally affecting the publicizing of citizens' views must bear in the 1948 Supreme Court case of United States against Congress of Industrial Organizations:

> The loss inherent in restrictions upon expenditures for publicizing views . . . forces upon its authors the burden of justifying the contraction by demonstrating indubitable public advantage arising from the restriction outweighing all disadvantages, thus reversing the direction of presumptive weight in other cases.[17]

This is a difficult test and a heavy burden; a test and a burden, I submit, that the limits in this bill cannot pass and its authors are not able to bear.

The supporters of limits of the kind included in S. 3044 evidently believe they can meet this test by arguing that only by imposing such limits can we purify our electoral process. By turning the concept of free speech on its head, they are forced to argue that the imposition of restrictions will have the effect of expanding rather than contracting First Amendment rights.

Mr. President, I find this second argument novel and worthy of examination. But first I must point out that many experts disagree with the first argument.

Indeed, after an examination of the evidence, the majority of those who have written on campaign reform in general have rejected spending limitations as unwise, unneeded and probably unconstitutional. Given this fact, the authors and supporters of S. 3044 will undoubtedly have an extremely difficult time demonstrating the "indubitable public advantage" the courts would be looking for as evidence that such a law should be sustained.

But let me return now to the argument that by limiting speech we would be expanding it. This argument was summarized in the 1972 issue of Harvard Civil Rights—Civil Liberties Law Review which argued that a limitation would prevent "either side from flooding the media with a single point of view . . . (and) prevent one candidate from destroying, by sheer volume rather than by reason, the effectiveness of informational advertising presented by opposing candidates."[18]

This is an interesting view, but one that Professor Fleishman notes—

> Assumes that someone—presumably Congress—knows how much information is the right amount and reflects a basic distrust in the capacity of individual citizens to discount the greater volume of political advertising in reaching their decisions.[19]

Professor Redish also rejects this rather novel argument saying that while:

> It is generally argued that a wealthy candidate should not be permitted to "buy an election" with his finances and that legislated limits on campaign spending are therefore necessary. The reasoning implicit in this argument seems to be that, when one candidate's financial resources are limited, the only equitable solution is to require the wealthier candidate to reduce his spending to a level approximating that of his opponent. In other words, if a portion of the voting public is to be generally unfamiliar with one candidate's view and records because of his financial inability to become well known, it is only fair that the public be almost as uninformed about the other candidate. Such reasoning presents at the very least a prima facie conflict with the first amendment policy of encouraging as much communication in the political realm as possible.[20]

I state that if my amendment is adopted we will retain Federal financing at the stipulated levels, thereby assuring all candidates of adequate money with which to bring their own platforms into the view of the public without venturing into the unconstitutional realm of stating that no more than legislative limits may be spent.

I have to agree with Redish, Winter, and Fleishman on these points. It seems to me beyond question that spending limitations of the kind under consideration are in violation of the first amendment.

I recognize that the Supreme Court has never faced a case involving these limitations, but in analogous cases a majority has always followed a line of reasoning that if applied to expenditures limitations would force a finding of unconstitutionality.

Let us not forget that portions of the 1971 act have already been declared unconstitutional and that we have an affirmative obligation to square our actions with the dictates of the Founding Fathers. There is no way we can do that and still support S. 3044 as written.

Before I conclude, I would like to return to the statement by the Senator from Massachusetts (Mr. KENNEDY) 3 years ago. I have read the memorandum Common Cause has prepared supporting the constitutionality of spending limits and I have read as much of the literature on the subject as time has permitted.

The fact that strikes me is that to argue in support of the constitutionality of these limits requires one to accept a theory of the first amendment that civil libertarians have uniformly rejected as antithetical to the concept of free speech in a democratic society.[21]

I only hope that those who, like the Senator from Massachusetts, have reversed field and have either accepted the argument that such limits on political discourse can be justified or are ignoring the question, realize that they are promoting a view of the Constitution that might prove dangerous to the very concept of a free society.

It is a view that I, for one, cannot accept and I, therefore, urge the adoption of this amendment.

Mr. President, I ask unanimous consent to have printed in the RECORD the footnotes referred to in my prepared text.

There being no objection, the footnotes were ordered to be printed in the RECORD, as follows:

FOOTNOTES

[1] See A. Rosenthal, *Federal Regulation of Campaign Finance: Some Constitutional Questions* (Princeton, N.J.: Citizens' Research Foundation (ed.), 1972); H. Alexander, *Money in Politics*, (Washington, D.C., Public Affairs Press, 1972); A. Rosenthal, *Campaign Financing and the Constitution* (Cambridge, Mass., 8 Harvard Journal on Legislation 359, 1972); J. Fleishman, *Freedom of Speech and Equality of Political Opportunity: The Constitutionality of the Federal Election Campaign Act of 1971* (51 North Carolina Law Review 389, 1973); M. H. Redish, *Campaign Spending Laws and the First Amendment* (46 N.Y. University Law Review 900, 1971); H. R. Penniman and R. Winter, *Campaign Finances: Two Views of the Political and Constitutional Implications*, (American Enterprise Institute, Washington, D.C. 1971); Ralph Winter, *Campaign Financing and Political Freedom*, (American Enterprise Institute, Washington, D.C., 1973); T. Emerson, *The System of Freedom of Expression*, 1970.

[2] Press release of Senator Kennedy cited in 8 Harvard Journal on Legislation 640, 665 (1971).

[3] Redish, *supra*, at 903.

[4] See especially Redish, *supra*, at 900 and Fleishman, *supra*, generally.

[5] 376 U.S. 254 (1964).

[6] 384 U.S. 214 (1966).

[7] 384 U.S. at 218–19.

[8] Redish, *supra*, at 910.

[9] *Campaign Spending Controls Under the*

Federal Election Campaign Act of 1971, 8 Columbia Journal of Law and Social Problems 285, 299 (1972).

[10] 366 U.S. 36, 50–1, (1961).

[11] From Winter's testimony before the Subcommittee on Communications, Senate Comm. on Commerce Hearings on S. 382, 92nd. Congress, 1st Secs. 576 (1971).

[12] 360 U.S. 109, 141–42 (1959) (dissenting opinion).

[13] Congressional Record for April 5, 1974 at page 9980.

[14] Fleishman, *supra,* at 441.

[15] 352 U.S. 567, 544 (1957).

[16] Winter, *supra, Money, Politics and the First Amendment,* in *Campaign Finances* 45, 60.

[17] U.S. v. CIO, 355 U.S. 106, 140–45 (1948).

[18] 7 Harvard Civil Rights, Civ. Lib. L. Review 351 at 228 (1972).

[19] Fleishman, *supra,* at 455.

[20] Redish, *supra,* at 912.

[21] Emerson, *supra.*

EXHIBIT 1

MEMORANDUM ON THE CONSTITUTIONALITY OF S. 3044 AND DEFECTS IN THE COMMON CAUSE MEMORANDUM ON THE SUBJECT

This memorandum is in response to your inquiry concerning the legal memorandum submitted by Mr. John Gardner of Common Cause during Senate hearings on campaign reform last fall. I am familiar with that memorandum, and in my judgment it misrepresents the state of present case law by misstating the importance of relevant Supreme Court decisions and by relying on precedents which most scholars agree have lost their vitality. This analysis is not as detailed and specific as I would like betime to prepare, but I do herein attempt to cause such an analysis will require more point out some weaknesses in the Common Cause argument.

Ironically the Common Cause memorandum relies on a number of decisions that have long been the target of much criticism from many of those who now vigorously support S. 3044. Common Cause's position incorporates what can only be described as a horse and buggy view of the first Amendment.

The Common Cause memorandum makes several arguments to which I shall respond seriatem.

I. CAMPAIGN SPENDING IS AN ASPECT OF FREEDOM OF SPEECH AND RESTRICTIONS THEREON RAISE CONSTITUTIONAL PROBLEMS

Common Cause argues that Campaign Financing is more action than speech and thus more regulatable by Congress. According to the memorandum, private Campaign Financing should be viewed as essentially analogous to picketing and demonstrations. Even if this is the case, however, the power of Congress to impose restrictions must be very, very limited, for it is quite clear from relevant Supreme Court decisions that peaceful picketing and demonstrations which merely advocate certain ideas of public interest are not subject to governmental restriction. If Common Cause is in fact right in the argument it makes, then presumably Congress could pass a law restricting the number of demonstrators that could come to Washington on behalf of a cause. If the law, as the quotation from Professor Freund suggests, restricts the protection to acts of verbal communication, only then Congress might declare that being a part of a large peaceful demonstration is not protected by the First Amendment.

Common Cause also argues that private Campaign Financing is "all too often only an attenuated form of bribery: the donation of money is likely to communicate to the candidate the information that the donor seeks either a direct *quid pro quo* . . . or, more usually, an indirect form of influence, such as access or consultation". This sweeping charge alleges too much; for all kinds of political activity create an indistinguishably analagous situation. For example, Common Cause's willingness to spend large amounts of money to purchase advertising attacking Congressmen who disagree with the group's views creates precisely the same indirect form of "influence" and also guarantee Mr. Gardner's lobbyists access to those Congressmen who fear Common Cause's well-financed wrath.

One may also question whether Common Cause is willing to make such a sweeping statement when directed at Congressmen and Senators with whom it is in sympathy rather than with whom it disagrees. The logic of Common Cause's statement strongly suggests, for example, that Chairman Rodino is unable to exercise independent judgment during the present impeachment inquiry because of the large contributions he receives from organized labor which strongly and vigorously supports impeachment of the President. Such implications should be rejected.

In the event that the Common Cause assertions are true, it is truly a case of overkill to call for a widespread attack on private financing rather than more precise legislation aimed at bribery.

Private campaign financing does, contrary to Common Cause assertions, perform valuable functions in the political process and must be viewed as an aspect of political freedom.

"All political activities make claims on society's resources. Speeches, advertisements, broadcasts, canvassing, volunteer work—all consume resources. Money is the medium of exchange by which individuals employ resources owned by others. If political activities are left to private financing, individuals are free to choose which activities to engage in, on behalf of which causes, or whether to do so at all. When the individual is deprived of this choice, either because government limits or prohibits his using money for political purposes or takes his money in taxes and subsidizes the political activities it chooses, his freedom is impaired.

Money is fungible with other resources suitable for political use and, distributional questions apart, the individual who contributes a resource directly, for example, time and labor, is in many ways indistinguishable from the individual who contributes money which in turn purchases time and labor. Money, it must be conceded, though, is the most "fungible" resource.

Campaign contributions, therefore, perform honorable and important functions. The contribution of money allows citizens to participate in the political process. Persons without much free time have few alternatives to monetary contributions other than inaction.

Campaign contributions are also vehicles of expression for donors seeking to persuade other citizens on public issues. Contributing to a candidate permits individuals to pool resources and voice their message far more effectively than if each spoke singly. This is critically important because it permits citizens to join a potent organization and propagate their views *beyond their voting districts.* Persons who feel strongly about appointments to the Supreme Court, for example, can demonstrate their convictions by contributing to the campaigns of sympathetic senators.

Nor is there anything inherently wrong with contributing to candidates who agree with one's views on social an economic policies, even where those policies may benefit the donor. Obviously, groups pursue their self-interests and seek support from others. *This is a salient characteristic of a free political system.* Those who seek to regulate that kind of contribution can stand with those who would deny the vote to welfare recipients to prevent that vote from being "bought" by promises of higher benefits. So long as we accept the bestowal of economic favor as a proper function of government, potential recipients will tend to exchange this support for such favors.

Contributions of this sort may represent broad interests that might otherwise be underrepresented. Suppose land developers mount a campaign against proposals to restrict the use of large undeveloped areas. Certainly they represent their own economic interests, but they also functionally represent potential purchasers, an "interested" group that would otherwise go unnoticed since few persons would consider themselves future purchasers at the critical moment.

These functions of campaign contributions are often ignored because critics of the present system mistake cause and effect. A senator may support union causes because he receives large union contributions but in fact it may be more likely that he receives contributions because he supports the causes.

Contributions also serve as a barometer of the intensity of voter feeling. In a majoritarian system, voters who feel exceptionally strongly about particular issues may be unable to reflect their feelings adequately in periodic votes. As members of the anti-war movement often pointed out, the strength of their feelings as well as their numbers should have been taken into account. If a substantial group feels intensely about an issue, a system which does not allow that feeling to be heard effectively may well be endangered. Campaign contributions are perhaps the most important, and least offensive, means by which the intensity of feeling can be expressed. People who feel strongly about United States support for Israel, for example, are able to voice that conviction with greater effect through carefully directed campaign donations than in periodic elections in which the stance of the available candidates does not permit a clear signal to be given.

This function might be discounted if large contributions reflected only intense but idiosyncratic views. For the most part, however, intense feelings will not generate substantial funds unless large numbers of citizens without great wealth also share those convictions. Campaign contributors in these circumstances serve as representatives or surrogates for the entire group. That Mr. X, who favors free trade, can make larger contributions than Mr. Y, who does not, really matters little, if Mr. Z agrees with Mr. Y and gives heavily.

Candidates seeking change, moreover, may have far greater need for, and make better use of, campaign money than those with established images or those defending the existing system. Money is, after all, subject to the law of diminishing returns and thus generally of less use to the well-known politician than to the newcomer. The existence of "seed money" may be an important agent of change.

The challenge to the arguments that private campaign financing enlarges political freedom and contributes stability to the system is essentially distributional: because money is maldistributed throughout the society, its use in political campaigns undesirably skews the political process by allowing wealthy individuals too much power. As noted present evidence does not demonstrate that monetary support is available only for certain ideas. Quite the contrary, it strongly suggests that a wide array of causes and movements on the right and left can attract money. Still, individuals can increase their personal political power through contributions, and even if they functionally represent like-thinking but poorer people, it might be argued that wealth nevertheless is skewing the process.

This argument rests on the assumption that by reducing the personal political power of the large contributor, political influence will be spread more evenly through the society. Such an assumption seems almost surely wrong, for limitations on the use of money may aggravate rather than diminish any distortion. Direct access to the resources most useful for political purposes may be even more unevenly distributed than wealth.

For example, restrictions on private campaign financing may well enhance the power of those who control the media, particularly if public subsidies are modest in size and thus increase candidate dependence on the goodwill of the media. Limitations on the use of money must also increase the relative power of individuals with large amounts of free time and the ability to attract public attention. Finally, groups with the ability to take their money "underground" and operate independent "issue" (rather than "political") campaigns will have their power increased. It has been reported, for example, that unions favor a ban on contributions because their own power would be relatively increased as a result of the host of "indirect contributions" they can provide.

What emerges is the likelihood that restrictions on private campaign financing will not increase the political power of the people generally but will further concentrate it in already powerful segments of the community. Ironically, the increment will largely fall to various sectors of the well-to-do, because direct access to resources useful for political purposes (free time, control of the media, ability to operate "issue" campaigns) is concentrated not in the poor but in the wealthy. Private campaign financing in short may in fact be a means of spreading political power and expanding the range of discourse.

The call for regulation of campaign financing can be extended to other kinds of resources and could easily become a call for substantial limitations on political freedom. The allegations about the influence of money reflect a basic and disturbing mistrust of the people.

If campaign financing really "distorts" legislative or executive behavior, candidates can raise its effect as an issue and the voters can respond at election time. The call for legislation must be based on the belief that the voters cannot be relied upon to perceive their own best interests. If one really believes the people are this easily fooled and in need of this protection, however, there may be no end to the campaign tactics eligible for regulation and no end to calls for increases in the power of those "protecting" the public.

II. LIMITATIONS ON PURCHASES OF POLITICAL ADVERTISING ARE UNCONSTITUTIONAL

Common Cause argues that it is permissible for Congress to place a limitation of $1,000 on any individual or committee expenditure on behalf of a candidate. It is ironic that the limit supported is a fraction of what Common Cause has spent on newspaper advertising attacking Congressman Hays for opposing this very kind of legislation under S. 3044. No one individual or committee would be able even to purchase a full page ad in the New York Times stating its views on the election of a particular candidate under the terms of S. 3044. That calls for such legislation come from organizations which have been wielding such financial power in purchasing advertising is both ironic and instructive.

The Supreme Court has held explicitly that paid advertising which comments on matters of public interest is protected by the First Amendment. This was the explicit holding in the *New York Times v. Sullivan*. Two other decisions of the Court made clear that such advertising doesn't lose constitutional protection because the advertisers are seeking "action on laws in the hope that they may bring about an advantage to themselves and a disadvantage to their competitors . . . to disqualify people from seeking a public position in matters which they are financially interested would itself deprive the government of a valuable source of information and . . . deprive the people of their right to petition in the very instances in which that right might be of the most important to them". *Eastern Rail Road Presidents conference* V. *Noerr Motor Freight*, 365 U.S. 126, 127 (1961).

Common Cause attempts to escape the conclusions in these cases by distinguishing between organizations which address themselves to public issues and do not endorse or support candidates and organizations which do endorse candidates. The distinction, however, is totally irrational. Consider Common Cause's own advertisements referring to representative Hays. The legal distinction Common Cause would make discriminates between that kind of advertisement and the very same advertisement which concludes by advising Hays' constituents to vote against him.

Common Cause would add to the advertisements now prohibited by statute communications by an organization to its members. But why should one's statements to members be covered, while one's statements to one's neighbors are not, simply because they appear in the form of a newspaper advertisement.

Beyond that, what Common Cause suggests creates a huge loophole in the act. All special interest organizations need do now is use their money to purchase advertising supporting candidates on the issues but stopping short of explicit endorsement. Indeed, the statute for that reason probably increases the power of special interests over the electoral process and thereby further limits the influence of the individual citizen.

Finally, the distinction Common Cause makes is not explicitly set out in S. 3044. Indeed, it is not at all clear from the language of that statute whether Common Cause's advertisement about Representative Hays would not in fact be prohibited if made during an election campaign.

III. S. 3044 IS NOT SAVED FROM CONSTITUTIONAL CHALLENGE ON THE GROUNDS THAT IT PRESERVES THE INTEGRITY OF THE ELECTORAL PROCESS

Common Cause argues in its memorandum that ceilings on campaign contributions and expenditures are constitutional because they are designed to preserve the integrity of the electoral process. This claim is an example of the group's gross misrepresentation of the effect this legislation might have. Limitations on expenditures necessarily assist incumbent officeholders. This is particularly true when the incumbent is setting the level. The incumbent has the advantage of being well-known as well as the in kind benefits the Government provides such as offices, a staff, access to mailing privileges, access to media facilities, etc. All of these can be turned to political advantage and give incumbents an advantage that can be overcome only if a challenger can raise and spend an amount of money sufficient to off-set it. S. 3044 includes extremely low limits and is therefore essentially an incumbent's bill. For example, the average spent by challengers who unseated incumbents in House races in 1972 amounted to $125,000. No limit even suggested in the Congress approaches that figure. If the legislation passes no challenger will be able to spend close to that amount.

The idea proposed by Common Cause that "this is an area in which the Court should properly refer to the expertise of Congress . . . might be considered ludicrous were it not so seriously made. The expertise of incumbents is in maintaining their incumbency. Any legislation and particularly legislation which can be turned to the advantage of incumbency so easily should be scrutinized with the greatest of care.

IV. S. 3044 CANNOT BE JUSTIFIED ON THE GROUNDS THAT IT EFFECTUATES FIRST AMENDMENT RIGHTS OF LESS AFFLUENT CITIZENS

Common Cause has argued that legislation such as S. 3044 is justified on the grounds that it protects first amendment rights of less affluent citizens by:

(1) "protecting the ability of even poor candidates to run for office,

(2) by preventing the drowning out of other political viewpoints by the best financed voices,

(3) by assuring the equality of the voting rights of the less affluent citizens by limiting the influence on candidates of affluent contributions."

Even if these goals might justify the severe restrictions included in S. 3044, there is no basis to believe the legislation will effectuate them. Quite the contrary, it is likely to be counter-productive in that respect.

Candidates and causes which begin without substantial sums have traditionally relied on large contributors or patrons. What they need has been called by some "seed money"—and is likely to come only from a small number of large contributors. S. 3044 does not give money to candidates that do not already have substantial support.

There is no reason, moreover, to anticipate that less affluent persons would be better off under S. 3044. As I have already indicated above, the greater advantage of the wealthy is the free time they can devote to politics as well as their ability to get into the public eye through "non-political" activities. S. 3044 maximizes rather than minimizing many of the advantages of the relatively more affluent.

For many of the same reasons S. 3044 will not prevent the "drowning out of contrary viewpoints or insure the equality of voting rights of less affluent citizens." S. 3044 will not spread political power throughout the society. What it will do is give an advantage to those with direct access to resources which are easily put to political purposes. Those with free time (students and the wealthy), those who control the media (the wealthy), and those organizations which can run "issue" campaigns (wealthy organizations) will all have their power increased. The poor and the powerless will be helped not at all.

The whole point of the exercise now going on in Congress is not the cleansing of the political process but the skewing of it. Those in power are seeking to maximize that power instead a number of special interest groups which attempt to wield influence to the use of money in forms of money other than campaign contributions are seeking to increase their power.

Mr. BUCKLEY. Mr. President, I call up my amendment No. 1140.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

The amendment is as follows:

On page 6, beginning with "that—" on line 20, strike out through "contributions" on line 24, and insert in lieu thereof "that no contributions".

On page 7, line 15, strike out "spend" and insert in lieu thereof "receive".

On page 10, lines 19 and 20, strike out "the amount of expenditures the candidate may make" and insert in lieu thereof "the maximum amount of payments the candidate may receive".

On page 13, beginning with the comma on line 9, strike out through line 14 and insert in lieu thereof "exceeds the maximum amount of payments he may receive in connection with that campaign under section 504.".

On page 13, line 15, strike out "EXPENDITURE" and insert in lieu thereof "PAYMENT".

On page 13, line 17, strike out "(f)" and insert in lieu thereof "(d)".

On page 13, beginning with "who" on line 19, strike out through line 21 and insert in lieu thereof "may receive payments under section 506 in connection with his primary election campaign in excess of".

On page 13, line 24, strike out "(g)" and insert in lieu thereof "(e)".

On page 14, line 9, strike out "(A)".

On page 14, line 10, strike out "make expenditures in any" and insert in lieu thereof "receive payments under section 506 in connection with his campaign in any".

On page 14, line 17, strike out "expend in that State" and insert in lieu thereof "receive under section 506".

On page 14, beginning with line 19, strike out through line 3 on page 15.

On page 49, lines 16 and 17, strike out "616, and 617" and insert in lieu thereof "and 616".

On page 49, line 23, strike out "616, or 617" and insert in lieu thereof "or 616".

On page 71, lines 13 and 14, strike out "AND EXPENDITURES".

On page 71, beginning with line 19, strike out through line 17 on page 75.

On page 75, line 18, strike out "615." and insert in lieu thereof "614.".

On page 77, line 9, strike out "616." and insert in lieu thereof "615.".

On page 77, line 17, strike out "617." and insert in lieu thereof "616.".

On page 78, line 19, strike out "616, and 617" and insert in lieu thereof "and 616".

On page 78, in the matter below line 22, strike out the item relating to section 614 and redesignate the items relating to sections 615, 616, and 617 as 614, 615, and 616, respectively.

On page 15, line 5, strike out "(f)" and insert in lieu thereof "(d)".

On page 15, beginning with "who" on line 5, strike out through line 8 and insert in lieu thereof "may receive payments under section 506 in connection with his general election campaign in excess of the greater of—".

On page 15, line 10, strike out "(g)" and insert in lieu thereof "(e)".

On page 15, line 19, strike out "make expenditures" and insert in lieu thereof "receive payments".

On page 15, beginning with line 22, strike out through line 3 on page 17.

On page 17, line 4, strike out "(f)" and insert in lieu thereof "(d)".

On page 17, line 21, strike out "(g)" and insert in lieu thereof "(e)".

On page 18, line 4, strike out "(h)" and insert in lieu thereof "(f)".

On page 18, lines 6 and 7, strike out "expenditure" and insert in lieu thereof "payment".

On page 18, line 10, strike out "(h)" and insert in lieu thereof "(g)".

On page 48, lines 18 and 19, strike out "616, and 617" and insert in lieu thereof "and 616".

The PRESIDING OFFICER. Who yields time?

Mr. BUCKLEY. Mr. President, I yield myself such time as I may require.

Mr. President, are we under a time limitation?

The PRESIDING OFFICER. There are 15 minutes on each side. The Senator has 15 minutes plus the time remaining from his 1 hour.

Mr. BUCKLEY. Mr. President, I call up the amendment and ask unanimous consent that the reading of the amendment be dispensed with. It reads like gobbledygook, but its effect is to remove the ceiling on overall expenditures. In other words, all those portions of the bill that would place a total limit on campaign expenditures would be excised. As I explained earlier, however, it would preserve the Federal financing aspects of the bill.

Mr. President, I would also like to send to the desk a modification of my amendment and ask unanimous consent that it be accepted.

The PRESIDING OFFICER. Without objection, the modification is made.

The modification is as follows:

On page 4 of the amendment, after line 20, insert the following:

On page 65, between lines 6 and 7, insert the following:

EXPEDITIOUS REVIEW OF CONSTITUTIONAL QUESTIONS

SEC. 214. Title IV of the Federal Election Campaign Act of 1971 is amended by adding at the end thereof the following new section:

JUDICIAL REVIEW

"SEC. 407. (a) The Federal Election Commission, the national committee of any political party, and individuals eligible to vote for President are authorized to institute such actions, including actions for declaratory judgment or injunctive relief, as may be appropriate to implement or construe any provision of this Act or of Chapter 29 of title 18, United States Code. The district court shall immediately certify all questions of constitutionality of this Act to the United States court of appeals for that circuit, which shall hear the matter sitting en banc.

"(b) Notwithstanding any other provision of law or rule any decision on a matter certified under subsection (a) shall be reviewable by appeal directly to the Supreme Court of the United States. Such appeal must be brought within 20 days of the court of appeals decision.

"(c) It shall be the duty of the court of appeals and of the Supreme Court of the United States to advance on the docket and to expedite to the greatest possible extent the disposition of any question certified under subsection (a)."

Mr. BUCKLEY. Mr. President, it is a modification that I am sure will prove acceptable to the managers of the bill. It merely provides for the expeditious review of the constitutional questions I have raised. I am sure we will all agree that if, in fact, there is a serious question as to the constitutionality of this legislation, it is in the interest of everyone to have the question determined by the Supreme Court at the earliest possible time.

Mr. President, I ask for a division and that the various provisions of my original amendment be considered en bloc.

The PRESIDING OFFICER. Is there objection? There is none, and it is agreed to.

Mr. BUCKLEY. Mr. President, I suggest the absence of a quorum.

Mr. DOMINICK. Mr. President, will the Senator withhold that request and yield to me?

Mr. BUCKLEY. I yield.

Mr. DOMINICK. Mr. President, I want to congratulate the Senator on what was a very forceful, thoughtful, and erudite speech. I was not so erudite, but I got on my feet and said, first, that we were being masochistic and we were being unconstitutional and we were dealing with public funds that I thought was a travesty on the taxpayers; but the Senator brought up a number of cases, over and beyond the three-judge-court case that I referred to, which has already ruled, in effect, that a limitation on expenditures is unconstitutional. This is in connection with S. 372.

So I congratulate the distinguished Senator. I suspect he is not going to win on a vote, but I think this may be very good history for the country and for the courts in determining what we are voting for when this bill finally goes down.

Mr. BUCKLEY. I thank the Senator from Colorado. I think that the constitutional aspects of the legislation before us have been almost totally ignored by the press, the Congress, and in most of the discussions we have seen in columns and editorials. Yet, the importance of protecting the first amendment in all its aspects, especially in its political aspects, is so essential to a free society that I urge this body not to be swept into enacting legislation that we will all live to regret; legislation that will most assuredly be found to be unconstitutional once its key provisions are tested.

It is for these reasons that I have offered my amendment. I understand it may be an exercise in futility; yet I think the effort must be made.

Mr. NUNN. Mr. President, will the Senator yield for a question?

Mr. BUCKLEY. I yield.

Mr. NUNN. I understand the Senator's constitutional question, and I think he has performed a real service in bringing it out in clear fashion. I would like to ask, however, what his amendment does.

Mr. BUCKLEY. Its effect is to eliminate limitations on total expenditures by or on behalf of a candidate. It does not affect the public financing aspects of this bill. It assures that, within the limitations set, all candidates for Federal office will be provided with public campaign funds. My intent is as I indicated in my formal remarks to raise the important constitutional questions that I feel should be answered before we vote on final passage.

Mr. NUNN. But it would eliminate the overall limitation on what a candidate could spend in a campaign?

Mr. BUCKLEY. Yes, and on what may be contributed, though not on the limits on what an individual could legally contribute.

Mr. NUNN. It simply affects what a candidate could spend.

Mr. BUCKLEY. Yes.

Mr. NUNN. Does it affect the subceilings on advertising and media expenses?

Mr. BUCKLEY. No, my concern is with the problems raised by a ceiling on total spending.

Mr. NUNN. I thank the Senator.

The PRESIDING OFFICER. Who yields time?

Mr. ALLEN. Mr. President, I yield myself 1 minute.

I certainly would like to support the amendment of the distinguished Senator from New York, but without taking a position on that or having a vote on it, I would like to direct a motion to the bill as a whole, and if that fails, then the Senator's amendment would still be in order.

Mr. President, I move that the bill and pending amendment be now laid on the table, and I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Alabama. The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Idaho (Mr. CHURCH), the Senator from Hawaii (Mr. INOUYE), the Senator from Louisiana (Mr. LONG), the Senator from Wyoming (Mr. MCGEE), the Senator from Arkansas (Mr. FULBRIGHT), the Senator from Ohio (Mr. METZENBAUM), and the Senator from Mississippi (Mr. STENNIS), are necessarily absent.

Mr. GRIFFIN. I announce that the Senator from Hawaii (Mr. FONG), the Senator from Arizona (Mr. GOLDWATER), the Senator from Illinois (Mr. PERCY), and the Senator from North Dakota (Mr. YOUNG), are necessarily absent.

I also announce that the Senator from Virginia (Mr. WILLIAM L. SCOTT), is absent on official business.

The result was announced—yeas 31, nays 57, as follows:

[No. 138 Leg.]

YEAS—31

Aiken
Allen
Baker
Bartlett
Bellmon
Bennett
Brock
Buckley
Byrd, Harry F., Jr.
Cotton
Curtis
Dole
Dominick
Eastland
Ervin
Fannin
Griffin
Gurney
Hansen
Helms
Hollings
Hruska
Johnston
McClellan
McClure
Nunn
Roth
Talmadge
Thurmond
Tower
Weicker

NAYS—57

Abourezk
Bayh
Beall
Bentsen
Bible
Biden
Brooke
Burdick
Byrd, Robert C.
Cannon
Case
Chiles
Clark
Cook
Cranston
Domenici
Eagleton
Gravel
Hart
Hartke
Haskell
Hatfield
Hathaway
Huddleston
Hughes
Humphrey
Jackson
Javits
Kennedy
Magnuson
Mansfield
Mathias
McGovern
McIntyre
Metcalf
Mondale
Montoya
Moss
Muskie
Nelson
Packwood
Pastore
Pearson
Pell
Proxmire
Randolph
Ribicoff
Schweiker
Scott, Hugh
Sparkman
Stafford
Stevens
Stevenson
Symington
Taft
Tunney
Williams

NOT VOTING—12

Church
Fong
Fulbright
Goldwater
Inouye
Long
McGee
Metzenbaum
Percy
Scott, William L.
Stennis
Young

So the motion to table the bill (S. 3044) was rejected.

Mr. MANSFIELD. Mr. President, will the Senator from New York yield briefly to me?

Mr. BUCKLEY. I yield to the majority leader.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that on the pending amendment, which I understand is divided into two parts—and I understand that if need be he intends to ask for a rollcall vote on both—there be a limitation of 10 minutes. This meets with the distinguished Senator's approval and that of the leadership and the managers of the bill on each of the two parts, if there is a rollcall, the time to be equally divided between the Senator from New York (Mr. BUCKLEY) and the manager of the bill, the Senator from Nevada (Mr. CANNON), and that the votes on each, if any, be limited to 10 minutes. That would include, may I say, before the final judgment is made, a motion to table as well.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from New York is recognized.

Mr. BUCKLEY. Mr. President, as the distinguished majority leader has stated, my amendment is divided into two parts. I shall ask for the yeas and nays on the first part.

The PRESIDING OFFICER. The Senate will be in order. The Senator will suspend until order is restored.

The Senator may proceed.

Mr. CANNON. Mr. President, will the Senator yield to me on my time?

Mr. BUCKLEY. Gladly.

Mr. CANNON. Mr. President, the second part of the division of the amendment of the Senator from New York relating to judicial review is acceptable to me, and I would like to propose, if he wishes me to, that I would accept that part of the division. That is, as I understand, agreeable to the Senator.

Mr. BUCKLEY. Mr. President, I am delighted. I had hoped that the managers would accept it.

Mr. CANNON. The Senator will, then, ask for the yeas and nays on the first part?

Mr. BUCKLEY. Therefore, I ask for the yeas and nays only on the first part.

The yeas and nays were ordered.

The PRESIDING OFFICER (Mr. MCINTYRE). The question is on agreeing to the second part of the amendment of the Senator from New York.

The amendment was agreed to.

The PRESIDING OFFICER. The Senator from New York may proceed.

Mr. BUCKLEY, Mr. President, I reserve the remainder of my time.

Mr. CANNON. Mr. President, I yield myself 2 minutes on the amendment.

The PRESIDING OFFICER. The Senate will be in order.

The Senator from Nevada may proceed.

Mr. CANNON. For the benefit of my colleagues who were not here during the discussion, the distinguished Senator from New York raised the constitutional question as to a limitation on contributions and expenditures. Basically, that is what this amendment does: It just removes all limitations on contributions and expenditures. Accordingly, I am opposed to the amendment, and I hope it will be defeated.

Mr. President, I reserve the remainder of my time.

Mr. BUCKLEY. Mr. President, I just want to clarify one point. My amendment does not affect limits on individual contributions. The limitations written in the bill remain. What my amendment does do is lift the ceilings on total expenditures.

In other words, as I understand it, at a certain time the total contributions received by a candidate reach the statutory limit now written into this bill, and then no one can come along and choose to express his support of that candidate by contributing additional money to him.

In my remarks, I cited the opinion of any number of constitutional lawyers to the effect that such a limitation is clearly violative of first amendment freedom of speech and association.

Mr. President, if the distinguished Senator from Nevada has yielded back his time, I yield back the remainder of mine.

The PRESIDING OFFICER. All remaining time has been yielded back.

Mr. PASTORE. Mr. President, I move to lay the amendment on the table.

Mr. COOK. I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER (Mr. MCINTYRE). The question is on agreeing to the motion of the Senator from Rhode Island (Mr. PASTORE) to lay on the table part 1 of the amendment of the Senator from New York (Mr. BUCKLEY). On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Idaho (Mr. CHURCH), the Senator from Arkansas (Mr. FULBRIGHT), the Senator from Hawaii (Mr. INOUYE), the Senator from Louisiana (Mr. LONG), the Senator from Wyoming (Mr. MCGEE), the Senator from Ohio (Mr. METZENBAUM), the Senator from Rhode Island (Mr. PELL), and the Senator from Mississippi (Mr. STENNIS), are necessarily absent.

Mr. GRIFFIN. I announce that the Senator from Utah (Mr. BENNETT), the Senator from Hawaii (Mr. FONG), the Senator from Arizona (Mr. GOLDWATER), the Senator from Maryland (Mr. MATHIAS), the Senator from Illinois (Mr. PERCY), and the Senator from North Dakota (Mr. YOUNG), are necessarily absent.

I also announce that the Senator from Virginia (Mr. WILLIAM L. SCOTT), is absent on official business.

The result was announced—yeas 64, nays 21, as follows:

[No. 139 Leg.]

YEAS—64

Abourezk
Allen
Baker
Bartlett
Bayh
Beall
Bellmon
Bentsen
Bible
Biden
Brooke
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Clark
Cranston
Dole
Eagleton
Eastland
Ervin
Gravel
Hart
Hartke
Haskell
Hatfield
Hathaway
Hollings
Huddleston
Hughes
Humphrey
Jackson
Javits
Johnston
Kennedy
Magnuson
Mansfield
McGovern
McIntyre
Mondale
Montoya
Moss
Muskie
Nelson
Nunn
Pastore
Pearson
Proxmire
Randolph
Ribicoff
Schweiker
Scott, Hugh
Sparkman
Stafford
Stevens
Stevenson
Symington
Taft
Talmadge
Tunney
Weicker
Williams

NAYS—21

Aiken
Brock
Buckley
Cook
Cotton
Curtis
Domenici
Dominick
Fannin
Griffin
Gurney
Hansen
Helms
Hruska
McClellan
McClure
Metcalf
Packwood
Roth
Thurmond
Tower

NOT VOTING—15

Bennett
Church
Fong
Fulbright
Goldwater
Inouye
Long
Mathias
McGee
Metzenbaum
Pell
Percy
Scott, William L.
Stennis
Young

So Mr. PASTORE's motion to lay the first part of Mr. BUCKLEY's amendment on the table was agreed to.

Mr. MANSFIELD. Mr. President, the Senate is quite tired. It has been a long day. It has been a hard day. We will have another long day tomorrow, I am afraid.

It is my understanding that the distinguished assistant majority leader, the Senator from West Virginia (Mr. ROBERT C. BYRD), has already gotten permission for the Senate to come in at 9:30 a.m. tomorrow.

It is my further understanding that a number of Senators have special orders for the purpose of conducting two colloquies.

It is anticipated that sometime around 12 o'clock or shortly thereafter, the next amendment, whichever it may be, will be pending. I would hope that some Member of the Senate who is going to offer an amendment will lay it before the Senate so that it will be the pending business at the conclusion of morning business.

Mr. TOWER. Mr. President, if the Senator will yield, I would be delighted to call up my amendment now.

Mr. MANSFIELD. Offer it right now.

AMENDMENT NO. 1153

Mr. TOWER. Mr. President, I call up my amendment No. 1153 and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

TITLE VI—REVIEW OF MEMBERS OF CONGRESS INCOME TAX RETURNS

On or before July 1 of each and every year year hereafter, the Joint Committee on Internal Revenue Taxation shall obtain from the Internal Revenue Service all returns of income filed by each Member of Congress for the five previous years. Upon receipt of such returns, the committee staff shall submit such income returns to an intensive inspection and audit for the purpose of determining the correctness with respect to the Member's tax liability.

Upon completion of its inspection and audit, the Joint Committee on Internal Revenue Taxation shall prepare and file a report of the results of its inspection and audit with the committee chairman who shall thereupon forward a copy to the Member concerned and to the appropriate officer of the Internal Revenue Service for such further action with respect to such return as the Internal Revenue Service shall deem proper.

Mr. MANSFIELD. Mr. President, will the Senator from Texas be here sometime shortly after 12 o'clock tomorrow to begin debate on his amendment?

Mr. TOWER. I will be glad to come in, as the Senator from Rhode Island (Mr. PASTORE) has already suggested, at 5 o'clock in the morning. (Laughter.)

Mr. MANSFIELD. We have special orders.

Mr. TOWER. Mr. President, I ask for the yeas and nays on my amendment.

The yeas and nays were ordered.

Mr. MANSFIELD. Mr. President, will the Senator from Texas consider a reduction of the time on his amendment from 30 to 20 minutes?

Mr. TOWER. Mr. President, perhaps it could be dispensed within 15 minutes, if I may have 10 minutes and the manager of the bill 5. [Laughter.]

Mr. MANSFIELD. The manager of the bill says that will be fine with him. So, Mr. President, I ask unanimous consent that there be a time limitation on the Tower amendment now pending of 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, there will be no further votes tonight. This will conclude the consideration of the pending business at the moment.

Mr. TOWER. Mr. President, is there something which precludes me from speaking for 5 minutes tonight?

Mr. MANSFIELD. Well, we wanted to start it tomorrow. Too many Senators are tired right now.

Mr. President, I ask unanimous consent that Calendar No. 744, S. 3231, a bill to provide indemnity payments to poultry and egg producers and processors be limited to not to exceed 1 hour when it is called up tomorrow.

The PRESIDING OFFICER. The Chair would inquire, does that time include the bill and the amendments?

Mr. MANSFIELD. There are no amendments, I understand. Not to exceed 1 hour on the bill.

The PRESIDING OFFICER. The Chair is informed that there are three amendments at the desk.

Mr. MANSFIELD. All right. Within that, I ask unanimous consent that there be 10 minutes on each amendment, to be equally divided and controlled between the manager of the bill and the sponsor of the amendment.

Mr. GRIFFIN. Mr. President, reserving the right to object—assuming that the amendments are germane to the bill?

Mr. MANSFIELD. They have to be germane to the bill.

Mr. GRIFFIN. I thank the Senator.

Mr. JAVITS. Mr. President, I am a cosponsor of one of the amendments. How much time was allocated to the amendment, 10 minutes?

Mr. MANSFIELD. 10 minutes.

Mr. JAVITS. That is only 5 minutes to a side. Will you give us 10 minutes on the amendment we are interested in?

Mr. MANSFIELD. Not to exceed—well, the one that Senator JAVITS is interested in, let that time limitation be 20 minutes, with 10 minutes to a side.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, now there are some nominations which were reported from the Foreign Relations Committee today unanimously, relative to appointments in the United Nations.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider those nominations, which were reported earlier today.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNITED NATIONS

The second assistant legislative clerk read the names of the following persons to be Representatives of the United States of America to the Sixth Special Session of the General Assembly of the United Nations:

John A. Scali, of the District of Columbia.

William E. Schaufele, Jr., of Ohio.

John H. Buchanan, Jr., U.S. Representative from the State of Alabama.

Robert N. C. Nix, U.S. Representative from the State of Pennsylvania.

Clarence Clyde Ferguson, Jr., of New Jersey.

Barbara M. White, of Massachusetts, to be the Alternate Representative of the United States of America to the Sixth Special Session of the General Assembly of the United Nations.

The PRESIDING OFFICER. Without objection, the nominations are considered and confirmed.

Mr. MANSFIELD. Mr. President, may I ask the clerk whether there are any further nominations reported by the Committee on Foreign Relations today?

The PRESIDING OFFICER. There are no other nominations.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the President be notified of the confirmation of the nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate resume the consideration of legislative business.

There being no objection, the Senate resumed the consideration of legislative business.

CALENDAR CALL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 750, Senate Concurrent Resolution 81, and Calendar No. 752, S. 3304.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMERICANS MISSING IN SOUTHEAST ASIA

The Senate proceeded to consider the concurrent resolution (S. Con. Res. 81) relating to unaccounted-for personnel captured, killed, or missing during the Indochina conflict, which had been reported from the Committee on Foreign Relations with amendments.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that it be in order at this time that the technical amendments be considered en bloc and approved.

The amendments were agreed to.

The concurrent resolution (S. Con. Res. 81), as amended, was agreed to.

Mr. MANSFIELD. Mr. President, I move to reconsider the vote by which the concurrent resolution was agreed to.

Mr. GRIFFIN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The preamble was agreed to.

The concurrent resolution, as amended, with its preamble, reads as follows:

Whereas the Agreement on Ending the War and Restoring Peace in Vietnam, signed in Paris on January 27, 1973, and the joint communique of the parties signatory to such agreement, signed in Paris on June 13, 1973, provide that such parties shall—

(1) repatriate all captured military and civilian personnel,

(2) assist each other in obtaining information regarding missing personnel and the location of the burial sites of deceased personnel,

(3) facilitate the exhumation and repatriation of the remains of deceased personnel,

(4) take such other steps as may be necessary to determine the fate of personnel still considered to be missing in action; and

Whereas the Government of the Democratic Republic of Vietnam and the Provisional Revolutionary Government of Vietnam have failed to comply with the obligations and objectives of the agreement and joint communique, especially the provisions concerning an accounting of the missing in action; and

Whereas the Lao Patriotic Front has failed to supply information regarding captured and missing personnel or the burial sites of personnel killed in action, as provided in the Laos agreement of February 21, 1973, and the protocol of September 14, 1973; and

Whereas it has not been possible to obtain information from the various Cambodian authorities opposed to the Government of the Khmer Republic concerning Americans and international journalists missing in that country: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of the Congress that new efforts should be made by the Government of the United States through appropriate diplomatic and international channels to persuade the Government of the Democratic Republic of Vietnam, the Provisional Revolutionary Government of Vietnam, and the Lao Patriotic Front to comply with their obligations with respect to personnel captured or killed during the Vietnam conflict and with respect to personnel still in a missing status; that every effort should be made to obtain the cooperation of the various parties to the conflict in Cambodia in providing information with respect to personnel missing in Cambodia; and that further efforts should be made to obtain necessary cooperation for search teams to inspect crash sites and other locations where personnel may have been lost.

SEC. 2. The Government of the United States should use every effort to bring about such reciprocal actions by the parties to the peace agreements, including the Government of the Republic of Vietnam and the Royal Lao Government, as will be most likely to bring an end to the abhorrent conduct of the Government of the Democratic Republic of Vietnam, the Provisional Revolutionary Government of Vietnam, and the Lao Patriotic Front regarding the missing in action.

SEC. 3. The Congress declares its support and sympathy for the families and loved ones of the Americans missing in action, who have suffered such deep human anguish for so long due to the undisclosed fate of the missing in action.

SEC. 4. Upon agreement to this resolution by both Houses of the Congress, the Secretary of the Senate shall transmit a copy of such resolution to the President of the United States.

INDEMNIFICATION FOR LOSS OR DAMAGE TO ARCHEOLOGICAL FINDS OF PEOPLE'S REPUBLIC OF CHINA

The bill (S. 3304) to authorize the Secretary of State or such officer as he may designate to conclude an agreement with the People's Republic of China for indemnification for any loss or damage to objects in the "Exhibition of the Archeological Finds of the People's Republic of China" while in the possession of the Government of the United States was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of State or such officer as he may designate is authorized to conclude an agreement with the Government of the People's Republic of China for indemnification of such Government, in accordance with the terms of the agreement, for any loss or damage suffered by objects in the exhibition of the archeological finds of the People's Republic of China from the time such objects are handed over in Toronto, Canada, to a representative of the Government of the United States to the time they are handed over in Peking, China, to a representative of the Government of the People's Republic of China.

Mr. MANSFIELD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. GRIFFIN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

QUORUM CALL

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. GRIFFIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

PERMISSION FOR SENATOR BARTLETT TO APPEAR AS A WITNESS

Mr. GRIFFIN. Mr. President, on behalf of the minority leader, the Senator from Pennsylvania (Mr. HUGH SCOTT), I send a resolution (S. Res. 309) to the desk and ask that it be stated.

The PRESIDING OFFICER. The clerk will read the resolution.

The legislative clerk read as follows:

Whereas Senator Dewey F. Bartlett, a Member of this body, has been served with a subpoena to appear as a witness before the District Court of the United States for the Western District of Oklahoma, to testify at 9:30 o'clock A.M. on the sixteenth day of April, 1974, in the case of United States v. Leo Winters et al; and

Whereas it is the sense of the Senate that by virtue of the provisions of the Constitution of the United States said court has no authority to compel the attendance of any Member of the Senate as a witness before said court during his attendance at any session of the Senate; and

Whereas, under the Standing Rules of the Senate, no Senator may absent himself from the service of the Senate without leave of the Senate: Therefore be it

Resolved, That Senator Dewey F. Bartlett is granted leave to appear as a witness before the district court of the United States in the case of the *United States v. Leo Winters* et al, at a time when the Senate is not in session or at a time when Senator Bartlett determines that such appearance will not interfere with his duties in the Senate.

Resolved, That a copy of this resolution be submitted to the said court.

Mr. GRIFFIN. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of the resolution.

There being no objection, the resolution, S. Res. 309, was considered and agreed to.

QUORUM CALL

Mr. GRIFFIN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR CONSIDERATION OF THE UNFINISHED BUSINESS, S. 3044, TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the orders for the recognition of Senators tomorrows are concluded, the Senate resume consideration of the unfinished business, S. 3044.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR ADJOURNMENT FROM TOMORROW UNTIL 10 A.M. FRIDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business tomorrow, it stand in adjournment until 10 a.m. Friday. I ask this merely for insurance purposes.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the program for tomorrow is as follows:

The Senate will convene at 9:30 a.m.

After the two leaders or their designees have been recognized under the standing order, the following Senators will be recognized, each for not to exceed 15 minutes, and in the order stated: Messrs. BIDEN, ROTH, MUSKIE, HATHAWAY, CLARK, BIDEN again, STEVENS, NELSON, JAVITS, HARTKE, ERVIN, MONDALE, MATHIAS, STENNIS, and ROBERT C. BYRD.

After the orders for the recognition of Senators have been concluded, the Senate will resume consideration of the unfinished business, S. 3044. The pending question at that time will be on the adoption of the amendment by Mr. TOWER, amendment No. 1153. The yeas and nays have already been ordered thereon, and there is a time limitation on that amendment of 15 minutes.

ADJOURNMENT TO 9:30 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until 9:30 a.m. tomorrow.

The motion was agreed to; and at 7:16 p.m., the Senate adjourned until tomorrow, Thursday, April 11, 1974, at 9:30 a.m.

CONFIRMATIONS

Executive nominations confirmed by the Senate on April 10, 1974:

DEPARTMENT OF DEFENSE

John M. Maury, of Virginia, to be an Assistant Secretary of Defense.

(The above nomination was approved subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

THE JUDICIARY

Wendell A. Miles, of Michigan, to be U.S. district judge for the western district of Michigan.

UNITED NATIONS

The following-named persons to be Representatives of the United States of America to the Sixth Special Session of the General Assembly of the United Nations:

John A. Scali, of the District of Columbia.

William E. Schaufele, Jr., of Ohio.

John H. Buchanan, Jr., U.S. Representative from the State of Alabama.

Robert N. C. Nix, U.S. Representative from the State of Pennsylvania.

Clarence Clyde Ferguson, Jr., of New Jersey.

Barbara M. White, of Massachusetts, to be the Alternate Representative of the United States of America to the Sixth Special Session of the General Assembly of the United Nations.

HOUSE OF REPRESENTATIVES—*Wednesday, April 10, 1974*

The House met at 12 o'clock noon.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

My meat is to do the will of Him who sent me and to finish His work.—John 4: 34.

Our Father God, whose loving kindness is over all Thy works and whose truth endureth forever may Thy blessing rest upon the Members of this House of Representatives who are called to serve our Nation and our world in these trying times. Grant unto them strength to endure, faith to keep them steady, and wisdom to interpret rightly the signs of this age in which we live.

May they serve with integrity and fidelity helping to build an order of life in this divided and discordant world in which men and women can learn to live together in peace and harmony with good will in their hearts.

"To serve the present age,
My calling to fulfill,
O may it all my powers engage
To do my Master's will."

Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H.R. 13542. An act to abolish the position of Commissioner of Fish and Wildlife, and for other purposes.

The message also announced that the Senate agrees to the amendment of the House to a bill of the Senate of the following title:

S. 1866. An act to provide increases in certain annuities payable under chapter 83 of title 5, United States Code, and for other purposes.

COMPREHENSIVE PRIVACY LEGISLATION

(Mr. KOCH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KOCH. Mr. Speaker, today my colleague, BARRY GOLDWATER, JR., and I are introducing a bill intended to regulate the collection of personal information by both governmental agencies and the commercial private sector. We will circulate the bill to interested persons, both individuals and organizations, for comment. We know that refinements of its provisions will be necessary and we solicit constructive criticism of any of those provisions.

The Koch-Goldwater bill—thus called because of the toss of a coin—is the product of our joint efforts and is being introduced today by my colleague, BARRY GOLDWATER, JR., as the first sponsor. The bill will be circulated after the recess for cosponsorship by our colleagues.

The time is long overdue for this Congress to address itself to the invasion of personal privacy through the collection of personal data by the Government and the private sector heretofore left practically unregulated. The legislation takes into consideration the legitimate needs of both the Government and private sector in collecting and using data and provides safeguards for the privacy of individuals. The bill does not inhibit the collection of material needed for national defense considerations or for the pursuit of active criminal prosecutions but it does provide legitimate protections against the invasion of personal privacy. The sponsorship by BARRY GOLDWATER, JR., a Republican, and myself, a Democrat, with our differences in other fields, demonstrates that on the issue of personal privacy there is a common bond between conservatives and liberals. That is why I have high hopes that this legislation can be enacted this year.

PERMISSION FOR SUBCOMMITTEE ON CENSUS AND STATISTICS TO SIT DURING DEBATE TODAY

Mr. WHITE. Mr. Speaker, I ask unanimous consent that the Subcommittee on Census and Statistics of the House Post Office and Civil Service Committee be permitted to sit during the debate under the 5-minute rule today.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

CONGRESS NEEDS TO RECAPTURE LEADERSHIP

(Mr. CONABLE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CONABLE. Mr. Speaker, I am one of those who believes that it is within the capacity of Congress to recapture some of the leadership it has so casually abdicated during the past 10 years. With some of the examples of congressional economic leadership to which we have been treated this week, however, perhaps we had better just forget it. Is proposing a massive tax cut really the best we can do at this point? Tired rhetoric about millions of workers losing their jobs when the unemployment rate has been stable for 3 months now, and simplistic solutions which insult the intelligence of the American people are not leadership but evidence of why we have lost leadership.

Three months ago the same voices were predicting an 8-percent unemployment rate and widespread factory closings. Even Leonard Woodcock, scarcely an administration puppet, now says that our troubled economy has held up surprisingly well and that we are in fact on the verge of a capital goods boom.

Cynical election year pressure for a tax cut is most disturbing at this time when our Ways and Means Committee is just about to begin working on tax reform. Unless governments spend less money, a fond hope and a faint prospect, when you cut back on the progressive income tax you inevitably encourage higher regressive taxes or inflation. Both of these hurt the poor and are the opposite of tax reform. Tax reform and tax relief are not the same thing, and I hope we will keep that in mind as we consider reform this time, and not drop the ball at the last minute as in 1969.

Mr. Speaker, inflation remains our No. 1 economic problem. It is not going to get better until the country's leadership in Congress, as well as elsewhere, starts pressing for economic understanding rather than short-term political advantage.

HIGH REGARD FOR PRESIDENT

(Mr. DERWINSKI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DERWINSKI. Mr. Speaker, it is clear from the reception world leaders accorded President Nixon in Paris that our President and our Nation are held in high regard around the globe.

President Nixon turned a sad occasion into triumph for American diplomacy. His actions in Paris will most certainly result in better international understanding.

The President met with leaders of more than 35 nations, including the major powers of Europe, Latin America, Southeast Asia. In addition, he laid the groundwork for his Moscow trip in June.

It is clear for his 3 days abroad that President Nixon is regarded as the leader among leaders of the world. American cooperation and advice is sought and heeded by all nations.

All of this comes amid the constant criticism from those who oppose the President here at home. There are those who say that the President is unable to govern because of the so-called Watergate affair; some have even gone so far as to say he was unable to conduct foreign policy.

The trip to Paris has proved them wrong. The President is governing—he is conducting foreign policy. He is doing all of this—and doing it well—despite the constant criticism.

I firmly believe his meetings with world leaders will have a lasting benefit for this Nation. I think it is firm proof that we have a strong President who is adding still new triumphs to his foreign policy efforts.

ELECTION CAMPAIGN FINANCE NONREFORM

(Mr. FROEHLICH asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. FROEHLICH. Mr. Speaker, after a number of markup sessions of the Committee on House Administration, it appears quite clearly that the committee action will amount to election campaign finance nonreform and a cozy system of election funding that will provide excessive power to special interest groups through the functioning of the special interests' heavily bankrolled political action committees.

To date, the committee has agreed to limit individual contributions to $1,000 for any candidate for Congress, Senate, or President. Clearly, this takes the large contributor's influence out of the election system.

But today, when amendments were offered to prohibit campaign contributions by special interest groups, the committee promptly turned them down.

I offered an amendment to the present draft bill providing that—

> No candidate or authorized committee may accept contributions from other than individuals or political party organizations.

This amendment was rejected, 7 ayes, 15 nays.

Mr. BUTLER then offered an amendment that:

> No principal campaign committee may accept contributions from other than individuals or political party organizations, except that it may accept contributions from other committees acting as agents for individual contributors, providing the individual so designates and the contribution is identified with respect to the original donor.

This excellent amendment was defeated, 12 ayes, 14 nays.

If campaign contributions have ever been used for leverage in the political system, then surely the political action funds of special interest groups top the list for influencing political officials. If we are truly to reform the political system, then special interest campaign money should be outlawed.

ADJOURNMENT FROM THURSDAY, APRIL 11, TO MONDAY, APRIL 22, 1974, OR AFTER NOTIFICATION BY SPEAKER

Mr. O'NEILL. Mr. Speaker, I offer a privileged concurrent resolution (H. Con. Res. 475), and ask for its immediate consideration.

The Clerk read the concurrent resolution, as follows:

H. CON. RES. 475

Resolved by the House of Representatives (the Senate concurring), That when the House adjourns on Thursday, April 11, 1974, it stand adjourned until 12 o'clock noon on Monday, April 22, 1974, or until 12 o'clock noon on the second day after its Members are notified to reassemble in accordance with section 2 of this resolution, whichever event first occurs.

SEC. 2. The Speaker of the House of Representatives shall notify the Members of the House to reassemble whenever in his opinion the public interest shall warrant it or whenever the majority leader of the House and the minority leader of the House, acting jointly, file a written request with the Clerk of the House that the House reassemble for the consideration of legislation.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

AUTHORIZING SPEAKER TO ACCEPT RESIGNATIONS, AND APPOINT COMMISSIONS, BOARDS, AND COMMITTEES

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent that notwithstanding any adjournment of the House until April 22, 1974, the Speaker be authorized to accept resignations and to appoint commissions, boards, and committees authorized by law or by the House.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

AUTHORIZING CLERK TO RECEIVE MESSAGES FROM THE SENATE AND THE SPEAKER TO SIGN ENROLLED BILLS AND JOINT RESOLUTIONS

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent that notwithstanding any adjournment of the House from April 11 to April 22, 1974, the Clerk be authorized to receive messages from the Senate and that the Speaker be authorized to sign any enrolled bills and joint resolutions duly passed by the two Houses and found truly enrolled.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

AUTHORIZING ALL MEMBERS TO HAVE THE PRIVILEGE OF EXTENDING AND REVISING REMARKS NOTWITHSTANDING ADJOURNMENT OF THE HOUSE

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent that notwithstanding the adjournment of the House until April 22, 1974, all Members of the House shall have the privilege to extend and revise their own remarks in the CONGRESSIONAL RECORD on more than one subject, if they so desire, and may also include therein such short quotations as may be necessary to explain or complete such extension of remarks; but this order shall not apply to any subject matter which may have occurred or to any speech delivered subsequent to the said adjournment.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

DISPENSING WITH BUSINESS IN ORDER UNDER THE CALENDAR WEDNESDAY RULE ON WEDNESDAY, APRIL 24, 1974

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday, April 24, 1974.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

REQUEST TO CONSIDER S. 1745, SUDDEN INFANT DEATH SYNDROME ACT OF 1974

Mr. STAGGERS. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the Senate bill (S. 1745), an act to provide financial assistance for research activities for the study of sudden death syndrome, and for other purposes, with a Senate amendment to the House amendment thereto, and concur in the Senate amendment to the House amendment.

The Clerk read the title of the Senate bill.

The Clerk read the Senate amendment to the House amendment, as follows:

In lieu of the matter proposed to be inserted by the House engrossed amendment insert:

SHORT TITLE

SECTION 1. This Act may be cited as the "Sudden Infant Death Syndrome Act of 1974".

SUDDEN INFANT DEATH SYNDROME RESEARCH

SEC. 2. (a) Section 441 of the Public Health Service Act is amended by striking out "an institute" and inserting in lieu thereof "the National Institute of Child Health and Human Development".

(b) (1) Such section 441 is further amended by inserting "(a)" after "SEC. 441." and by adding at the end thereof the following:

"(b) The Secretary shall carry out through the National Institute of Child Health and Human Development the purposes of section 301 with respect to the conduct and support of research which specifically relates to sudden infant death syndrome."

(2) Section 444 of such Act is amended (1) by striking out "The Surgeon General" each place it occurs and inserting in lieu thereof "The Secretary", and (2) by striking out "the Surgeon General shall, with the approval of the Secretary" in the first sentence and inserting in lieu thereof "the Secretary shall, in accordance with section 441(b),".

(c) (1) Within ninety days following the close of the fiscal year ending June 30, 1975, and the close of each of the next two fiscal years, the Secretary shall report to the Committees on Appropriations of the Senate and the House of Representatives and to the Committee on Labor and Public Welfare of the Senate and the Committee on Interstate and Foreign Commerce of the House of Representatives the following information for such fiscal year:

(A) The (i) number of applications approved by the Secretary in the fiscal year reported on for grants and contracts under the Public Health Service Act for research which relates specifically to sudden infant death syndrome, (ii) total amount requested under such applications, (iii) number of such applications for which funds were provided in such fiscal year, and (iv) total amount of such funds.

(B) The (i) number of applications approved by the Secretary in such fiscal year for grants and contracts under the Public Health Service Act for research which relates generally to sudden infant death syndrome, (ii) total amount requested under such applications, (iii) number of such applications for which funds were provided in such fiscal year, and (iv) total amount of such funds.

Each such report shall contain an estimate of the need for additional funds for grants or contracts under the Public Health Service Act for research which relates specifically to sudden infant death syndrome.

(2) Within five days after the Budget is transmitted by the President to the Congress for the fiscal year ending June 30, 1976, and for each of the next two fiscal years, the Secretary shall transmit to the Committees on Appropriations of the House of Representatives and the Senate, the Committee on Labor and Public Welfare of the Senate, and the Committee on Interstate and Foreign Commerce of the House of Representatives an estimate of the amount requested for the National Institutes of Health for research relating to sudden infant death syndrome and a comparison of that amount with the amount requested for the preceding fiscal year.

COUNSELING, INFORMATION, EDUCATIONAL, AND STATISTICAL PROGRAMS

SEC. 3. (a) Title XI of the Public Health Service Act is amended by adding at the end thereof the following new part:

"PART C—SUDDEN INFANT DEATH SYNDROME

"SUDDEN INFANT DEATH SYNDROME COUNSELING, INFORMATION, EDUCATIONAL, AND STATISTICAL PROGRAMS

"SEC. 1121. (a) The Secretary, through the Assistant Secretary for Health, shall carry out a program to develop public information and professional educational materials relating to sudden infant death syndrome and to disseminate such information and materials to persons providing health care, to public safety officials, and to the public generally.

"(b) (1) The Secretary may make grants to public and nonprofit private entities, and enter into contracts with public and private entities, for projects which include both—

"(A) the collection, analysis, and furnishing of information (derived from post mortem examinations and other means) relating to the causes of sudden infant death syndrome; and

"(B) the provision of information and counseling to families affected by sudden infant death syndrome.

"(2) No grant may be made or contract entered into under this subsection unless an application therefor has been submitted to and approved by the Secretary. Such application shall be in such form, submitted in such manner, and contain such information as the Secretary shall by regulation prescribe. Each applicant shall—

"(A) provide that the project for which assistance under this subsection is sought will be administered by or under supervision of the applicant;

"(B) provide for appropriate community representation in the development and operation of such project;

"(C) set forth such fiscal controls and fund accounting procedures as may be necessary to assure proper disbursement of and accounting for Federal funds paid to the applicant under this subsection; and

"(D) provide for making such reports in such form and containing such information as the Secretary may reasonably require.

"(3) Payments under grants under this subsection may be made in advance or by way of reimbursement, and at such intervals and on such conditions, as the Secretary finds necessary.

"(4) Contracts under this subsection may be entered into without regard to sections 3648 through 3709 of the Revised Statutes (31 U.S.C. 529; 44 U.S.C. 5).

"(5) For the purpose of making payments pursuant to grants and contracts under this subsection, there are authorized to be appropriated $2,000,000 for the fiscal year ending June 30, 1975, $3,000,000 for the fiscal year ending June 30, 1976, and $4,000,000 for the fiscal year ending June 30, 1977.

"(c) The Secretary shall submit, not later than January 1, 1976, a comprehensive report to the Committee on Labor and Public Welfare of the Senate and the Committee on Interstate and Foreign Commerce of the House of Representatives respecting the administration of this section and the results obtained from the programs authorized by it."

(b) The title of such title XI is amended by adding at the end thereof "AND SUDDEN INFANT DEATH SYNDROME".

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

PARLIAMENTARY INQUIRY

Mr. GROSS. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. GROSS. Mr. Speaker, did the gentleman ask unanimous consent to call up this conference report?

The SPEAKER. It is not a conference report. The gentleman from West Virginia is asking to agree to a Senate amendment to a House amendment.

Mr. GROSS. By unanimous consent. Mr. Speaker, I reserve the right to object.

Mr. STAGGERS. Mr. Speaker, will the gentleman yield?

Mr. GROSS. Mr. Speaker, I yield to the gentleman from West Virginia.

Mr. STAGGERS. Mr. Speaker, I will be very happy to explain.

Mr. GROSS. Mr. Speaker, what is the bill, in the first place?

Mr. STAGGERS. There is a $24 million difference in the Senate bill which the House did not have. The Senate took up its renewed bill after we passed our bill and deleted the $24 million they had in their original bill.

Mr. GROSS. Mr. Speaker, the gentleman says there is $24 million difference, which the House did not have in its bill. What does that mean?

Does it mean that this bill is $24 million above or below the original House version?

Mr. STAGGERS. Mr. Speaker, if the gentleman will yield, I will explain it to him.

Mr. GROSS. I yield to the gentleman.

Mr. STAGGERS. When the Senate took the bill up again, they removed the $24 million from the bill completely. We did not have it in our bill.

There was another authorization in the bill, the Senate had the figure of $36 million in that portion. We had $6 million in ours, and when the Senate repassed the bill, they knocked out the $24 million to start with, which was for research. Then they came along with the other figure to carry out the purposes of the bill. They had $36 million in theirs; we had $6 million in ours. When they repassed the bill, they repassed it with the figure of $9 million.

Mr. GROSS. Mr. Speaker, let me ask the gentleman this:

Where could I find something in print that would tell me what occurred in conference as between the House and the Senate?

Mr. STAGGERS. Mr. Speaker, the only thing that I can say is that referring to the Senate bill, this is the bill they have repassed. It is our original bill with Senate amendments thereto, we wish to concur in the Senate amendment and pass the bill.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

Mr. GROSS. Mr. Speaker, I object.

The SPEAKER. Objection is heard.

EXPLANATION IN REFERENCE TO SENATE AMENDMENT TO HOUSE AMENDMENT ON SUDDEN INFANT DEATH SYNDROME ACT OF 1974

(Mr. STAGGERS asked and was given permission to address the House for 1 minute.)

Mr. STAGGERS. We have cut this bill down to bare bones, and if this is delayed now, it will not be passed until sometime after Easter, and that will mean hundreds of deaths.

Mr. Speaker, I would like to yield to the gentleman from Kentucky (Mr. CARTER) if I may, for a brief reply.

Mr. CARTER. Mr. Speaker, will the gentleman yield?

Mr. STAGGERS. I yield to the gentleman from Kentucky.

Mr. CARTER. Mr. Speaker, I thank the distinguished gentleman for yielding.

Any differences which were apparent between the two sides of the aisle have now been resolved, and certainly we on this side on the committee support the legislation as it is.

Mr. Speaker, I agree with the gentleman from West Virginia that the bill should become law, and the bill should be passed.

CALL OF THE HOUSE

Mr. SCHERLE. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. O'NEILL. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 158]

Aspin
Blatnik
Bolling
Bowen
Broomfield
Buchanan
Carey, N.Y.
Cederberg
Chisholm
Clark
Collier
Conte
Conyers
Coughlin
Danielson
Dellums
Dennis
Diggs
Dingell
Dorn
Downing
Drinan
Esch
Fish
Fraser
Frelinghuysen
Gray
Griffiths
Gubser
Harrington
Hogan
Huber
Hutchinson
Kazen
Landrum
Litton
McEwen
Macdonald
Maraziti
Martin, Nebr.
Mayne
Minshall, Ohio
Murphy, N.Y.
Nichols
Patman
Pickle
Rooney, N.Y.
Shipley
Shuster
Smith, N.Y.
Steiger, Wis.
Stuckey
Symington
Teague
Thompson, N.J.
Tiernan
Udall
Van Deerlin
Wiggins

The SPEAKER. On this rollcall 373 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

S. 1745, SUDDEN INFANT DEATH SYNDROME ACT OF 1974

Mr. STAGGERS. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (S. 1745) to provide financial assistance for research activities for the study of sudden infant death syndrome, and for other purposes, with a Senate amendment to the House amendment thereto, and concur in the Senate amendment to the House amendment.

The Clerk read the title of the Senate bill.

The Clerk read the Senate amendment to the House amendment, as follows:

In lieu of the matter proposed to be inserted by the House engrossed amendment insert:

SHORT TITLE

SECTION 1. This Act may be cited as the "Sudden Infant Death Syndrome Act of 1974".

SUDDEN INFANT DEATH SYNDROME RESEARCH

SEC. 2. (a) Section 441 of the Public Health Service Act is amended by striking out "an institute" and inserting in lieu thereof "the National Institute of Child Health and Human Development."

(b) (1) Such section 441 is further amended by inserting "(a)" after "SEC. 441." and by adding at the end thereof the following:

"(b) The Secretary shall carry out through the National Institute of Child Health and Human Development the purposes of section 301 with respect to the conduct and support of research which specifically relates to sudden infant death syndrome."

(2) Section 444 of such Act is amended (1) by striking out "The Surgeon General" each place it occurs and inserting in lieu thereof "The Secretary", and (2) by striking out "the Surgeon General shall, with the approval of the Secretary" in the first sentence and inserting in lieu thereof "the Secretary shall, in accordance with section 441(b),".

(c) (1) Within ninety days following the close of the fiscal year ending June 30, 1975, and the close of each of the next two fiscal years, the Secretary shall report to the Committees on Appropriations of the Senate and the House of Representatives and to the Committee on Labor and Public Welfare of the Senate and the Committee on Interstate and Foreign Commerce of the House of Representatives the following information for such fiscal year:

(A) The (i) number of applications approved by the Secretary in the fiscal year reported on for grants and contracts under the Public Health Service Act for research which relates specifically to sudden infant death syndrome, (ii) total amount requested under such applications, (iii) number of such applications for which funds were provided in such fiscal year, and (iv) total amount of such funds.

(B) The (i) number of applications approved by the Secretary in such fiscal year for grants and contract under the Public Health Service Act for research which relates generally to sudden infant death syndrome, (ii) total amount requested under such applications, (iii) number of such applications for which funds were provided in such fiscal year, and (iv) total amount of such funds. Each such report shall contain an estimate of the need for additional funds for grants or contracts under the Public Health Service Act for research which relates specifically to sudden infant death syndrome.

(2) Within five days after the Budget is transmitted by the President to the Congress for the fiscal year ending June 30, 1976, and for each of the next two fiscal years, the Secretary shall transmit to the Committees on Appropriations of the House of Representatives and the Senate, the Committee on Labor and Public Welfare of the Senate, and the Committee on Interstate and Foreign Commerce of the House of Representatives an estimate of the amount requested for the National Institutes of Health for research relating to sudden infant death syndrome and a comparison of that amount with the amount requested for the preceding fiscal year.

COUNSELING, INFORMATION, EDUCATIONAL, AND STATISTICAL PROGRAMS

SEC. 3. (a) Title XI of the Public Health Service Act is amended by adding at the end thereof the following new part:

"PART C—SUDDEN INFANT DEATH SYNDROME

"SUDDEN INFANT DEATH SYNDROME COUNSELING, INFORMATION, EDUCATIONAL, AND STATISTICAL PROGRAMS

"SEC. 1121. (a) The Secretary, through the Assistant Secretary for Health, shall carry out a program to develop public information and professional educational materials relating to sudden infant death syndrome and to disseminate such information and materials to persons providing health care, to public safety officials, and to the public generally.

"(b) (1) The Secretary may make grants to public and nonprofit entities, and enter into contracts with public and private entities, for projects which include both—

"(A) the collection, analysis, and furnishing of information (derived from post mortem examinations and other means) relating to the causes of sudden infant death syndrome; and

"(B) the provision of information and counseling to families affected by sudden infant death syndrome.

"(2) No grant may be made or contract entered into under this subsection unless an application therefor has been submitted to and approved by the Secretary. Such application shall be in such form, submitted in such manner, and contain such information as the Secretary shall by regulation prescribe. Each applicant shall—

"(A) provide that the project for which assistance under this subsection is sought will be administered by or under supervision of the applicant;

"(B) provide for appropriate community representation in the development and operation of such project;

"(C) set forth fiscal controls and fund accounting procedures as may be necessary to assure proper disbursement of and accounting for Federal funds paid to the applicant under this subsection; and

"(D) provide for making such reports in such form and containing such information as the Secretary may reasonably require.

"(3) Payments under grants under this subsection may be made in advance or by way of reimbursement, and at such intervals and on such conditions, as the Secretary finds necessary.

"(4) Contracts under this subsection may be entered into without regard to sections 3648 through 3709 of the Revised Statutes (31 U.S.C. 529; 44 U.S.C. 5).

"(5) For the purpose of making payments pursuant to grants and contracts under this subsection, there are authorized to be appropriated $2,000,000 for the fiscal year ending June 30, 1975, $3,000,000 for the fiscal year ending June 30, 1976, and $4,000,000 for the fiscal year ending June 30, 1977.

"(c) The Secretary shall submit, not later than January 1, 1976, a comprehensive report to the Committee on Labor and Public Welfare of the Senate and the Committee on Interstate and Foreign Commerce of the House of Representatives respecting the administration of this section and the results obtained from the programs authorized by it."

(b) The title of such title XI is amended by adding at the end thereof "AND SUDDEN INFANT DEATH SYNDROME".

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

The Senate amendment to the House amendment was concurred in.

A motion to reconsider was laid on the table.

SENATE AMENDMENT TO H.R. 9492, WILD AND SCENIC RIVERS ACT AMENDMENTS

Mr. TAYLOR of North Carolina. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill

(H.R. 9492) to amend the Wild and Scenic Rivers Act by designating the Chattooga River, N.C., S.C., and Ga., as a component of the national wild and scenic rivers system, and for other purposes, with a Senate amendment thereto, and concur in the Senate amendment with an amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Strike out all after the enacting clause and insert: "That the Wild and Scenic Rivers Act (82 Stat. 906; 16 U.S.C. 1274 et seq.), as amended, is further amended as follows:

"(a) In section 3(a) after paragraph (9) insert the following new paragraph:

"'(10) Chattooga, North Carolina, South Carolina, Georgia.—The Segment from 0.8 mile below Cashiers Lake in North Carolina to Tugaloo Reservoir, and the West Fork Chattooga River from its junction with Chattooga upstream 7.3 miles, as generally depicted on the boundary map entitled "Proposed Wild and Scenic Chattooga River and Corridor Boundary", dated August 1973; to be administered by the Secretary of Agriculture: *Provided*, That the Secretary of Agriculture shall take such action as is provided for under subsection (b) of this section within one year from the date of enactment of this paragraph (10); *Provided further*, That for the purposes of this river, there are authorized to be appropriated not more than $2,000,000 for the acquisition of lands and interests in lands and not more than $809,000 for development'."

(b) In section 7(b)(i) delete "five-year" and insert in lieu thereof "ten-year".

(c) In section 16 delete "$17,000,000" and insert in lieu thereof "$37,600,000".

(d)(1) In section 4 delete subsection (a) and insert in lieu thereof the following:

"Sec. 4. (a) The Secretary of the Interior or, where national forest lands are involved, the Secretary of Agriculture or, in appropriate cases, the two Secretaries jointly shall study and submit to the President reports on the suitability or nonsuitability for addition to the national wild and scenic rivers system of rivers which are designated herein or hereafter by the Congress as potential additions to such system. The President shall report to the Congress his recommendations and proposals with respect to the designation of each such river or section thereof under this Act. Such studies shall be completed and such reports shall be made to the Congress with respect to all rivers named in subparagraphs 5(a)(1) through (27) of this Act within three complete fiscal years after the date of enactment of this amendment: *Provided, however*, That with respect to the Suwannee River, Georgia and Florida, and the Upper Iowa River, Iowa, such study shall be completed and reports made thereon to the Congress prior to October 2, 1970. With respect to any river designated for potential addition to the national wild and scenic rivers system by Act of Congress subsequent to this Act, the study of such river shall be completed and reports made thereon by the President to the Congress within three complete fiscal years from the date of enactment of such Act. In conducting these studies the Secretary of the Interior and the Secretary of Agriculture shall give priority to those rivers with respect to which there is the greatest likelihood of developments which, if undertaken, would render the rivers unsuitable for inclusion in the national wild and scenic rivers system. Every such study and plan shall be coordinated with any water resources planning involving the same river which is being conducted pursuant to the Water Resources Planning Act (79 Stat. 244; 42 U.S.C. 1962 et seq.).

"Each report, including maps and illustrations, shall show among other things the area included within the report; the characteristics which do or do not make the area a worthy addition to the system; the current status of land ownership and use in the area; the reasonably foreseeable potential uses of the land and water which would be enhanced, foreclosed, or curtailed, if the area were included in the national wild and scenic rivers system; the Federal agency (which in the case of a river which is wholly or substantially within a national forest, shall be the Department of Agriculture) by which it is proposed the area, should it be added to the system, be administered; the extent to which it is proposed that such administration, including the costs thereof, be shared by State and local agencies; and the estimated cost to the United States of acquiring necessary lands and interests in land and of administering the area, should it be added to the system. Each such report shall be printed as a Senate or House document."

(2) In section 5 delete subsection (b) and reletter subsections (c) and (d) as (b) and (c), respectively.

(3) In section 7(b)(i) delete all after "Act" and insert in lieu thereof "or the three complete fiscal year period following any Act of Congress designating any river for potential addition to the national wild and scenic river system, whichever is later, and".

(4) In section 7(b)(ii) delete "which is recommended", insert in lieu thereof "the report for which is submitted", and delete "for inclusion in the national wild and scenic rivers system".

The Clerk read the amendment to the Senate amendment, as follows:

Delete paragraphs (b), (c) and (d) of the Senate amendment and insert in lieu thereof:

"(b) In section 4 delete subsection (a) and insert in lieu thereof the following:

"'Sec. 4. (a) The Secretary of the Interior or, where national forest lands are involved, the Secretary of Agriculture or, in appropriate cases, the two Secretaries jointly shall study and submit to the President reports on the suitability or nonsuitability for addition to the national wild and scenic rivers system of rivers which are designated herein or hereafter by the Congress as potential additions to such system. The President shall report to the Congress his recommendations and proposals with respect to the designation of each such river or section thereof under this Act. Such studies shall be completed and such reports shall be made to the Congress with respect to all rivers named in subparagraphs 5(a) (1) through (27) of this Act no later than October 2, 1978. In conducting these studies the Secretary of the Interior and the Secretary of Agriculture shall give priority to those rivers with respect to which there is the greatest likelihood of developments which, if undertaken, would render the rivers unsuitable for inclusion in the national wild and scenic rivers system. Every such study and plan shall be coordinated with any water resources planning involving the same river which is being conducted pursuant to the Water Resources Planning Act (79 Stat. 244; 42 U.S.C. 1962 et seq.).

Each report, including maps and illustrations, shall show among other things the area included within the report; the characteristics which do or do not make the area a worthy addition to the system; the current status of land ownership and use in the area; the reasonably foreseeable potential uses of the land and water which would be enhanced, foreclosed, or curtailed if the area were included in the national wild and scenic rivers system; the Federal agency (which in the case of a river which is wholly or substantially within a national forest, shall be the Department of Agriculture) by which it is proposed the area, should it be added to the system, be administered; the extent to which it is proposed that such administration, including the costs thereof, be shared by State and local agencies; and the estimated cost to the United States of acquiring necessary lands and interests in land and of administering the area, should it be added to the system. Each such report shall be printed as a Senate or House document.

"'(2) In section 5 delete subsection (b) and reletter subsections (c) and (d) as (b) and (c), respectively.

"'(3) In section 7(b)(i) delete all after "Act" and insert in lieu thereof "or for three complete fiscal years following any Act of Congress designating any river for potential addition to the national wild and scenic river system, whichever is later, and".

"'(4) In section 7(b)(ii) delete "which is recommended", insert in lieu thereof "the report for which is submitted", and delete "for inclusion in the national wild and scenic rivers system".'

"(c) In section 7(b)(i) delete 'five-year' and insert in lieu thereof 'ten-year' and delete 'publish' and insert in lieu thereof 'notify the Committees on Interior and Insular Affairs of the United States Congress in writing, including a copy of the study upon which his determination was made, at least 180 days while Congress is in session, prior to publishing'.

"(d) In section 15(c) delete 'for the purpose of protecting the scenic view from the river,' and insert in lieu thereof 'within the authorized boundaries of a component of the wild and scenic rivers system, including the protection of the natural qualities of a designated wild, scenic or recreational river area,'

"(e) Delete section 16 and insert in lieu thereof:

"'Sec. 16. (a) There are hereby authorized to be appropriated, including such sums as have heretofore been appropriated, the following amounts for land acquisition for each of the rivers described in section 3(a) of this Act:

"'Clearwater, Middle Fork, Idaho, $2,909,800;

"'Eleven Point, Missouri, $4,906,500;

"'Feather, Middle Fork, California, $3,935,700;

"'Rio Grande, New Mexico, $253,000;

"'Rogue, Oregon, $12,447,200;

"'St. Croix, Minnesota and Wisconsin, $11,768,550;

"'Salmon, Middle Fork, Idaho, $1,237,100; and

"'Wolf, Wisconsin, $142,150.

"'(b) The authority to make the appropriations authorized in this section shall expire on June 30, 1979.'"

Mr. TAYLOR of North Carolina (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the amendment to the Senate amendment be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

Mr. SKUBITZ. Mr. Speaker, reserving the right to object, and I shall not object, I ask the gentleman from North Carolina to explain the amendment.

Mr. TAYLOR of North Carolina. Mr. Speaker, I agree with the gentleman from Kansas that an explanation is in order.

Mr. Speaker, H.R. 9492 was a bill to amend the Wild and Scenic Rivers Act to include the Chattooga River of North Carolina, South Carolina, and Georgia in the wild and scenic rivers system. This bill passed the House last December without opposition.

A second bill, S. 921, made some needed amendments to the Wild and Scenic Rivers Act and it, too, passed the House last December 2 without opposition. The other body chose this second bill as a vehicle to attach as an amendment the so-called Energy Emergency Act which the House rejected during the waning hours of the last session.

Later the House agreed to a unanimous-consent request which I made to take S. 921 from the Speaker's table and disagree to the Senate amendment.

Of course, this sent the bill back to the Senate but by that time the Senate had boxed itself into a corner so that it could not amend S. 921 which contained the House approved language.

The Senate then amended H.R. 9492, the Chattooga River bill, so as to include the provisions of S. 921 with some minor changes. This amendment was germane because both bills were in the nature of amendments to the Wild and Scenic Rivers Act of 1968.

In the main, the language before us includes the two House bills. The Senate did change the language somewhat in regard to the inclusion of the Chattooga into the system but there is no substantive difference. The Senate added a paragraph which would extend the moratorium on water development projects for three complete fiscal years as it relates to future river areas which Congress may include in the study section of the bill.

The present House amendment strikes some obsolete language copied from the original act and tightens up the spending restrictions.

Mr. Speaker, the approval of this amendment will, I believe, lead to a conclusion of this relatively long, complicated legislative history. It is consistent with action which the House has already taken. I wholeheartedly endorse the legislation and recommend that the House concur in the Senate amendment with the amendment which I have offered.

Mr. SKUBITZ. Mr. Speaker, I thank the gentleman from North Carolina and withdraw my reservation of objection.

The SPEAKER. Is there objection to request of the gentleman from North Carolina?

Mr. WAMPLER. Mr. Speaker, I reserve the right to object.

The SPEAKER. The gentleman from Virginia reserves the right to object.

Mr. WAMPLER. Mr. Speaker, may I inquire of the distinguished gentleman from North Carolina, is the New River involved in this legislation, or any amendments thereto?

Mr. TAYLOR of North Carolina. The answer is "No." This legislation and the amendment does not affect the New River.

Mr. WAMPLER. I thank the gentleman, and I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The Senate amendment, as amended, was concurred in.

SECOND SUPPLEMENTAL APPROPRIATIONS BILL, 1974

Mr. MATSUNAGA. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 1031 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 1031

Resolved, That during the consideration of the bill (H.R. 14013) making supplemental appropriations for the fiscal year ending June 30, 1974, and for other purposes, all points of order against said bill for failure to comply with the provisions of clauses 2 and 5 of rule XXI, except against sections 101 and 102 and the provisions contained under the heading "Payment to the Postal Service Fund" on page 27, lines 12 and 13, are hereby waived.

The SPEAKER. The gentleman from Hawaii is recognized for 1 hour.

Mr. MATSUNAGA. Mr. Speaker, I yield 30 minutes to the gentleman from California, pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 1031 provides that during the consideration of the bill H.R. 14013, making supplemental appropriations for the fiscal year ending June 30, 1974, all points of order against the bill for failure to comply with the provisions of clauses 2 and 5 of rule XXI of the Rules of the House of Representatives, which prohibit unauthorized appropriations and reappropriations, are waived. Sections 101 and 102 and the provisions contained under the heading "Payment to the Postal Service Fund" on page 27, lines 12 and 13, however, are excepted from this waiver.

H.R. 14013 includes supplemental appropriations for the following departments: Agriculture; Defense; Housing and Urban Development; Interior; Labor; Health, Education, and Welfare; State; Justice; Commerce; Treasury; and Transportation. Supplemental appropriations are also included in the bill for the judiciary; the District of Columbia; the Atomic Energy Commission; and for foreign operations, military construction, and claims and judgments against the Federal Government.

The grant total of new budget—obligational—authority recommended in the bill is $8,657,162,043 which represents a net decrease of $1,855,573,900 from the estimates presented to the Congress.

Mr. Speaker, I urge the adoption of House Resolution 1031 in order that we may discuss and debate H.R. 14013.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. MATSUNAGA. I yield to the gentleman from Iowa.

Mr. GROSS. I do not understand why we must have a rule waiving all points of order with one exception on this bill. This is a supplemental appropriations bill applying, I should think, exclusively, to fiscal year 1974.

If the authorizations have not been approved by this time, they never will be approved for this fiscal year. Why is this a rule here waiving points of order with one exception?

Mr. MATSUNAGA. Mr. Speaker, the points of order have been waived at the request of the Committee on Appropriations. As I understand it, most of the requests as they pertain to appropriations have already been approved by the House, though not yet approved by the Senate or signed by the President. The appropriations which are provided for in H.R. 14013 are within the authorized amounts.

Mr. GROSS. Mr. Speaker, would the gentleman be good enough to yield to the gentleman from Texas (Mr. MAHON), the chairman of the Appropriations Committee, to provide an answer to the question of why this waiver of points of order on a supplemental appropriation bill?

Mr. MATSUNAGA. Mr. Speaker, I yield to the gentleman from Texas.

Mr. MAHON. Mr. Speaker, I would say to my friend from Iowa that there are many points in this bill which would be subject to technical points of order unless points of order were waived.

For example, in many pay increases which were provided by Congress for civilian workers, instead of authorizing new money, we have authorized transfers from other appropriations in order to meet the requirement for pay increases. These transfers technically would be subject to a point of order.

We are also proposing the rescission of $1 billion in the Labor-HEW chapter for public assistance grants to the States, a 1-billion-dollar recovery of funds which were previously provided under erroneous estimates from the Office of Management and Budget. We cannot rescind this $1 billion unless a point of order is granted, because technically the Appropriations Committee does not have this right.

In certain other cases authorizing legislation has not been signed by the President; yet has passed either the House or Senate or both.

For example, in the Defense chapter, a request was made by the administration for large additional funds to improve our defense posture. The House has passed a bill approving these increases. It has not been acted on by the Senate and has not been enacted into law, so we would have to strike out much of the Defense chapter if we did not have this rule.

So, generally these are the points involved here and these are the reasons why we need a rule waiving points of order.

Mr. GROSS. Mr. Speaker, would the gentleman from Hawaii permit me to ask the gentleman from Texas a question?

Mr. MATSUNAGA. Mr. Speaker, I yield to the gentleman from Iowa.

Mr. GROSS. Mr. Speaker, why was the exception made with respect to a $230 million payment to the Postal Service?

Mr. MATSUNAGA. Mr. Speaker, I yield to the gentleman from Texas to answer the question.

Mr. MAHON. Mr. Speaker, this is a controversial matter in which the gentleman from Iowa had expressed an interest. The Appropriations Committee does not wish to trample on the authority of other committees. It has been argued, I think, by the gentleman from Iowa, that this appropriation is subject to a point of order. Therefore, we did not make the request that the point of order be waived.

Mr. GROSS. So that I would be able to make a point of order to that section of the bill. I am just a little surprised.

Mr. MAHON. Mr. Speaker, we do not agree that the postal section is subject to a point of order. We disagree with the gentleman from Iowa as to whether it is subject to a point of order, but we did not want to deny our distinguished friend, who is so diligent and so effective on the floor, an opportunity to make a point of order if he saw fit.

Mr. GROSS. Mr. Speaker, the gentleman is more than kind; more than generous on this day. I hope this sort of consideration continues.

Mr. Speaker, I thank the gentleman from Hawaii for yielding.

Mr. DEL CLAWSON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I support this rule on H.R. 14013, supplemental appropriations. This rule is a compromise satisfactory to the major parties involved. The rule provides a waiver of points of order for failure to comply with clause 2 and 5 of rule XXI, except against sections 101 and 102, and the provisions contained under the heading "Payment to the Postal Service Fund" on page 27, lines 12 and 13.

In the Rules Committee hearing, the chairman of the Appropriations Committee indicated that the waiver of clauses 2 and 5 of rule XXI was necessary because there are numerous points in this bill which violate these clauses. Clause 2 prohibits both unauthorized appropriations and legislation on general appropriation bills. Clause 5 prohibits reappropriations. Among the items in this bill which require a waiver of these provisions are some items in the defense chapter, for which the authorization has not yet been signed into law. There is language in title I providing additional funds for the Department of State, for which authorizations have passed the House, but have not yet been signed into law.

Throughout title I of the bill there are a number of instances where provision is made for funds to remain available until expended. Many are in accordance with existing authorization but some are not. It is not uncommon to carry such language which is designed to accommodate orderly administration of the relevant programs but for technical reasons some of these paragraphs are subject to a point of order.

In addition, scattered throughout title II, which provides for increased pay costs, there are many instances of the customary transfer language. Transfer language is provided in order to minimize the granting of additional new obligational authority and to facilitate to the maximum extent the absorption of increased pay costs within current appropriations. Technically, these provisions are subject to a point of order.

In addition to its request from the Appropriations Committee, the Rules Committee had a request from the chairman of the Committee on Armed Services, that no waiver be granted on sections 101 and 102. Section 101 deals with the military assistance services funded program for South Vietnam. Section 102 establishes legislative restrictions on the enlistment standards for new entrants into the Armed Forces. The Rules Committee complied with this request.

In addition, no waiver was requested to cover a section dealing with payments to the postal services fund, and no waiver was granted on this section.

Mr. Speaker, in summary, this rule represents a compromise which attempts to meet the requests of the major parties involved, and I support its passage.

Mr. MATSUNAGA. Mr. Speaker, I yield 5 minutes to the gentleman from Florida (Mr. SIKES).

Mr. SIKES. Mr. Speaker, the Committee on Appropriations recommended new availability of $200 million for South Vietnam. Subsequently authorization was refused by the House. Consequently, the funding approval will be lost through a point of order. In substance, the House of Representatives is turning its back on a commitment to help South Vietnam in its fight for survival entered into in good faith by our Government and supported heretofore by the Congress. This does not help the American reputation abroad and is not something that I think we can be proud of at home.

An effort is in progress to resolve the problem in the Senate by a new interpretation on the availability of funds. It is very important that this be accomplished and that the House support any sound plan which can de devised. This may be the difference between success or failure by the South Vietnamese in staving off the continuing drive by the Communist forces to overrun that country or to force acceptance of a coalition government which, in substance, is the same as overrunning the country.

I think the records must show that South Vietnam has made a valiant fight for survival and they have done it without the participation of U.S. military personnel. It hasn't been easy, and their problems are becoming more and more severe. They are under heavy military pressure and they continue to suffer economic strains. A premature cutoff of help from the United States, which had been promised them, could be a blow they cannot survive.

It is very encouraging that South Vietnam's morale has continued high. The nation is holding its own against continuing Communist pressure. The North Vietnamese have violated the peace agreement time and again. They have continued a massive infiltration of forces—130,000 troops, 600 tanks, long-range artillery, and antiaircraft batteries. Within South Vietnam, they have built 12 airfields, an oil pipeline, and a road system. It would be interesting to compute the cost of the North Vietnamese invasion effort. I question that a billion dollars would suffice to pay for it. They are not playing games. They mean to conquer Southeast Asia.

Despite all the odds, the South Vietnamese appear fully determined to defend their country and they are demonstrating their ability to do so. It is because of continued pressure by North Vietnam that additional funds are required. Available funds have had to be expended faster than anticipated. Now, the South Vietnamese are running out of supplies. Remember, the South Vietnamese have inflation problems too. Congress has required that fuel be obtained outside U.S.-produced sources. This has cost more. Inflation in South Vietnam is 65 percent. The sharp increase in equipment prices in the United States has reduced the purchasing power of available funds. That is why additional funding is required.

The South Vietnamese have shown that they are a strong and self-reliant people with a responsible government. I do not think America wants to see North Vietnam take over the country and its 18 million brave people and to watch the blood bath and persecutions which will follow.

Mr. HÉBERT. Will the gentleman yield?

Mr. SIKES. I yield to the distinguished gentleman from Louisiana.

Mr. HÉBERT. I thank the gentleman from Florida for yielding, because I want to associate myself with the expressions he has just made.

I do hope during the development and consideration of this legislation we can work out something which will rectify the error of the House the other day where by a 23-vote margin they denied these funds to South Vietnam. The chairman of the House Committee on Armed Services strongly urges a favorable response to the presentation made by the gentleman from Florida.

I understand later on the chairman of the Committee on Appropriations, the gentleman from Texas, will also express his views on this subject.

Mr. SIKES. I appreciate the comments of the distinguished gentleman from Louisiana.

The House well recalls the valiant fight which he and the distinguished gentleman from Texas made in order to keep this section in the authorization bill in order to include the availability of funds for South Vietnam.

Mr. DAVIS of Wisconsin. Will the gentleman yield?

Mr. SIKES. I am pleased to yield to my distinguished friend from Wisconsin.

Mr. DAVIS of Wisconsin. Mr. Speaker, I simply want to say to my friend from Florida that I think he has performed a very valuable service in bringing this matter to the attention of the House and pinpointing the necessity for our resolving this matter in some fashion that will permit us to keep the commitments and to reflect certainly a failure of a change in circumstances in South Vietnam which everyone anticipated at the time the so-called peace treaty was agreed to there. I think the gentleman will have to agree in light of the circumstances as in our appearance before the Committee on Rules and in light of the fact that the Committee on Rules had before it a letter from the chairman of the Committee on Armed Services in which he voiced his objections to waiving a rule with respect to this matter, that our distinguished chairman of the committee, the gentleman from Texas, did use proper judgment in this matter in not requesting that there be a waiver on this point.

Mr. SIKES. I very much appreciate the contribution of my distinguished friend from Wisconsin.

Mr. MATSUNAGA. Mr. Speaker, having no further requests for time, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

Mr. MAHON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 14013) making supplemental appropriations for the fiscal year ending June 30, 1974, and for other purposes, and pending that motion, Mr. Speaker, I ask unanimous consent that general debate be limited to not to exceed 2 hours and that the time be divided equally between the gentleman from Illinois (Mr. MICHEL) and myself.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Texas.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 14013, with Mr. O'HARA in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. The gentleman from Texas (Mr. MAHON) will be recognized for 1 hour, and the gentleman from Illinois (Mr. MICHEL) will be recognized for 1 hour.

The Chair now recognizes the gentleman from Texas.

Mr. MAHON. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I would say to the Members of the House that I believe this bill, although it provides for a large amount of expenditure, will not be very controversial except for two or three items that will be presented at a later time.

FUNDS FOR SOUTHEAST ASIA

At the outset I would like to make reference to the remarks of the gentleman from Florida (Mr. SIKES) and the gentleman from Louisiana (Mr. HÉBERT) the chairman of the House Committee on Armed Services. They expressed regret that the House had not approved the request of the administration for certain additional funding authority for the South Vietnamese. I supported the additional amounts in the authorization bill which was before us last week. But in an up-and-down rollcall vote the House declined to provide any additional funds for South Vietnam.

I continue to favor additional funds for South Vietnam, but I would not support any effort by a roundabout method to provide these funds and deny the House the opportunity to be considered with respect to the decision which is made. In other words, if the House is willing to provide additional funds for South Vietnam and will so indicate that interest, then I will support that effort and I believe the Committee on Appropriations will certainly support that effort, but we will not be a party, I hope, to any legerdemain in order to provide additional funds.

Mr. Chairman, the bill before us today affects almost every department and agency of the Government as well as the District of Columbia.

This is the last large general appropriation bill planned for the fiscal year ending June 30, 1974. There are over 400 appropriation items in the bill. The various subcommittees of the Committee on Appropriations have held detailed hearings on the budget requests submitted by the President. Extensive testimony and other material is available to Members in the printed hearings which total some 2,600 pages in three volumes, and the report explaining the committee recommendations is available in the Chamber.

GRAND TOTAL OF THE BILL

The grand total of the bill is some $8.7 billion, which represents a net decrease of some $1.9 billion below the budget estimates considered by the committee. The committee also recommends transfers between appropriations in the amount of $69 million. In some cases, the committee has recommended transfers instead of providing new appropriations where it has been determined that availability is in excess of needs. The authority to transfer funds between amounts contained in the bill is $14 million, net, less than requested.

BILL HIGHLIGHTS

Major items in the bill include the following: $3,399,274,095 for increased pay costs for military and civilian personnel carried in title II; $1,970,346,000 for manpower programs of which $350,000,000 is for public service employment; $208,584,000 for summer youth employment; and $1,411,762,000 for ongoing programs including administration; $1,858,612,000 for the Department of Defense for military programs including $1,096,400,000 for procurement; $637,012,000 for operation and maintenance; $119,400,000 for military personnel; and $5,800,000 for research, development, test and evaluation; $797,707,000 for retired pay costs for Federal, Foreign Service, and military personnel and for annuitant payments to the employees health benefits fund; $536,500,000 for food stamps and child nutrition programs; $230,000,000 for payment to the Postal Service fund; $177,335,000 for the Veterans' Administration for compensation and pensions and medical care; $113,220,000 for firefighting costs on Federal lands; $100,000,000 for emergency flood control measures; $94,004,000 for various transportation programs; $60,700,000 for initial funding for the Health Maintenance Organization Act of 1973; $20,000,000 for additional grants to States for basic vocational rehabilitation services; $20,977,448 for claims and judgments rendered against the United States.

DEFENSE SUPPLEMENTALS

The committee considered supplemental requests for Department of Defense functions totaling approximately $6,200,000,000. The total amount provided in the bill for the Department of Defense is $4,922,000,000, or a reduction of about $1,278,000,000 for the Department's request.

The largest single portion of the request for the Department of Defense is to provide pay raises for military and civilian personnel. This portion of the request which is included in title II of the bill has been reduced by $192,729,000 from the $2.6 billion requested.

The committee recommends the appropriation of approximately $1,100,000,000 for the procurement of military equipment and hardware. This represents a reduction of about $675 million from the request. In those cases where procurement reductions were made by the committee they were made because development and test programs were not completed, or inventory stockage levels were not low enough to warrant a special supplemental request. In fact, in a few cases the Department of Defense attempted to recover congressional reductions made in the original fiscal year 1974 request. In these instances, and in programs where new production starts were requested in the supplemental appropriations bill, the committee has denied the request.

The bill also contains large sums of money for increased readiness and modernization of defense forces, for fuel price increases and increased operating cost incurred by the DOD during the Middle East war. Despite very significant reductions in fuel consumption by the Department of Defense the committee found it necessary to include $352 million for fuel price increases. This compares with a request of $458 million for fuel price increases. The committee has also included approximately $133 million in the bill as a payback to the Department of Defense to replace weapons and other military hardware provided to Israel during the October Mideast war.

Finally, the committee has deleted from the bill a request of $24.8 million to accelerate Trident submarine construction from one per year as recommended and approved by the Congress last December to two per year. The committee finds that nothing has happened which should cause a change in the decision made by Congress last December. In fact, there appears to be more reason than ever to hold Trident construction to one per year.

BUDGET REDUCTIONS

Net budget reductions recommended in the bill aggregate $1,855,573,900. The largest reduction—$1,085 million—is in the Defense chapter to which I just referred and is composed of the following reductions: $9.5 million in military personnel; $297.3 million in operation and maintenance; $675.7 million in procurement, and $102.8 million in research and development.

Other significant reductions recommended by the committee in the bill include: $215.7 million for military and civilian pay costs—some 13 percent of pay increases in fiscal year had been absorbed by the departments and agencies, and this further reduction is based on more recent determinations; $278.8 million requested for the special assistance functions fund under HUD for federally insured and guaranteed mortgages—it should be noted, however, that this reduction does not alter the outstanding liability of the Government; $217,000,000 additional rescission in grants to States for public assistance based upon overestimation of welfare needs—this action will not reduce welfare benefits or services to eligible recipients; $77 million in various programs in the transportation chapter; and $50 million in the food stamp program based on a smaller than anticipated rate of growth in participants.

BUDGET INCREASES

The bill includes two significant increases over the budget estimates, both of which are in the Labor-HEW chapter. The committee is recommending an additional $100 million above the $250 million requested for public service employment. Also included in the bill is $20,000,000 not budgeted for vocational rehabilitation, bringing the total amount available to $650 million, the full amount authorized for fiscal year 1974.

CONGRESSIONAL ACTION ON APPROPRIATION BILLS FOR 1974

As I indicated earlier, the accompanying bill is the last general appropriation bill now scheduled for consideration by the Congress for fiscal year 1974.

Excluding amounts in the accompanying bill, the Congress has to date considered budget requests for appropriation bill items for fiscal year 1974 totaling about $171,392,000,000. In its action on such appropriation bills, the House has reduced requests for new budget (obligational) authority by about $3,407,000,000. Senate action on the appropriation bills it has considered thus far has resulted in decreases amounting to about $2,621,000,000 in budget authority. In final actions in connection with these appropriation bills, the Congress has reduced requests by an amount aggregating some $3,020,000,000.

With the adoption of reductions in the amount of $1,856,000,000 recommended in the accompanying bill, the Congress will have reduced appropriation requests for the fiscal year 1974 by some $4,876,000,000. However, in nonappropriation bills—that is, legislative measures otherwise—the Congress has taken action—or inaction—which has the net effect of increasing new budget (obligational) authority by some $5,045,000,000 for the fiscal year 1974.

In connection with the figures which I have just cited, I again recommend for Members' attention the so-called scorekeeping report published periodically by the Joint Committee on Reduction of Federal Expenditures. This report represents the only comprehensive accounting of congressional actions and inactions affecting the Federal budget. The report is objective and has gained widespread acceptance in Congress and in and out of Government generally. Efforts are being continued to make the reports more informative and understandable.

Mr. Chairman, at this point, I offer for the RECORD a summary table by chapter reflecting the budget estimates and amounts contained in the second supplemental appropriation bill, 1974.

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL—SUMMARY

Department or activity	Budget estimates	Recommended in the bill	Bill compared with estimates
TITLE I—GENERAL SUPPLEMENTALS			
Agriculture—Environmental and Consumer Protection:			
New budget (obligational) authority	$575,650,000	$560,230,000	−$15,420,000
By transfer	(15,000,000)		(−15,000,000)
Defense: New budget (obligational) authority	3,412,741,000	2,327,412,000	−1,085,329,000
District of Columbia:			
Federal funds: New budget (obligational) authority	2,550,000		−2,550,000
District of Columbia funds: New budget (obligational) authority	(12,134,400)	(12,092,400)	(−42,000)
Foreign Operations: New budget (obligational) authority	54,000,000	49,000,000	−5,000,000
Housing and Urban Development, Space, Science, and Veterans: New budget (obligational) authority	460,974,000	179,345,000	−281,629,000
Interior and related agencies: New budget (obligational) authority	162,955,000	159,749,000	−3,206,000
Labor, and Health, Education, and Welfare:			
New budget (obligational) authority	1,265,335,000	1,134,702,000	−130,633,000
Increase in limitation	(111,766,000)	(111,766,000)	
Legislative branch:			
New budget (obligational) authority:			
1974	2,474,000	2,516,500	+42,500
1973	300,000	300,000	
Total	2,774,000	2,816,500	+42,500
Military Construction: New budget (obligational) authority	29,000,000	29,000,000	
Public Works: New budget (obligational) authority	107,700,000	87,000,000	−20,700,000
State, Justice, Commerce, and Judiciary:			
New budget (obligational) authority	48,556,000	38,938,000	−9,618,000
By transfer	(5,000,000)	(5,000,000)	
Liquidation of contract authority	(23,000,000)	(23,000,000)	
Transportation: New budget (obligational) authority	176,782,000	99,754,000	−77,028,000
By transfer		(7,500,000)	(+7,500,000)
Treasury, Postal Service, and General Government: New budget (obligational) authority	$577,807,000	$568,964,000	−$8,843,000
Claims and judgments: New budget (obligational) authority	20,977,448	20,977,448	
Total, title I—General Supplementals:			
New budget (obligational) authority:			
1974	6,897,501,448	5,257,587,948	−1,639,913,500
1973	300,000	300,000	
Total	6,897,801,448	5,257,887,948	−1,639,913,500
By transfer	(20,000,000)	(12,500,000)	(−7,500,000)
Increase in limitation	(111,766,000	(111,766,000)	
Liquidation of contract authority	(23,000,000)	(23,000,000)	
District of Columbia Funds (NOA)	(12,134,400)	(12,092,400	(−42,000)
TITLE II—INCREASED PAY COSTS			
New budget (obligational) authority	3,614,934,495	3,399,274,095	−215,660,400
By transfer	(62,963,600)	(56,397,800)	(−6,565,800)
Increase in limitation	(19,250,000)	(15,021,000)	(−4,229,000)
Liquidation of contract authority	(6,000,000)	(5,500,000)	(−500,000)
GRAND TOTAL—TITLES I AND II			
New budget (obligational) authority:			
1974	10,512,435,943	8,656,862,043	−1,855,573,900
1973	300,000	300,000	
Total	10,512,735,943	8,657,162,043	−1,855,573,900
By transfer	(82,963,600)	(68,897,800)	(−14,065,800)
Increase in limitation	(131,016,000)	(126,787,000)	(−4,229,000)
Liquidation of contract authority	(29,000,000)	(28,500,000)	(−500,000)

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Iowa.

Mr. GROSS. Mr. Chairman, I thank the gentleman from Texas for yielding.

This bill calls for $8.5 billion approximately. Is that not correct?

Mr. MAHON. The gentleman is correct; $8.657 billion.

Mr. GROSS. That makes it one of the largest supplementals ever considered by the House of Representatives. Is it not?

Mr. MAHON. It is quite large, but there have been a number of larger ones involved, especially in wartime, but this is a very large supplemental.

I would point out it does not contain the restoration, generally speaking, of funds which were eliminated in budget reductions in appropriation bills in the first session of the Congress, in calendar year 1973. It is not a restoration generally of items that were disapproved last year. It is for new types of items. For example a large part of it, over $3.4 billion is for pay increases over which the Committee on Appropriations has virtually no control. There is also about $2 billion for manpower programs which were deferred due to the lack of legislative authorization.

Mr. GROSS. If the gentleman will yield further, we have had pay increases in previous years. They are coming much more frequently nowadays. Even so, with a supplemental of this magnitude it seems to me that it is some kind of reflection upon the regular appropriation bills that were previously passed. It does not reflect very well insofar as I am concerned on those regular appropriation bills because this is a tremendous add-on and we are not going to win any war against inflation with supplemental appropriation bills of $8.5 billion coming along only 2½ months before the end of the fiscal year to which the money applies.

I am sorry to have to be confronted as one Member of the House of Representatives with a supplemental appropriation bill of this magnitude at this time in the fiscal year. It seems to me that this is unconscionable.

Mr. MAHON. Mr. Chairman, let me say the fact that we have this huge supplemental does not reflect upon the judgment of the Congress. Congress last year acted upon the requests which were made by the President through the Office of Management and Budget. We did not consider most of the items that are in this supplemental bill. So if we want to say that the requests from the President ought to have been greater last year and we should have considered these items last year, that is a different matter. But it would have ill behooved the Congress to exceed the budget by several billion dollars in order to add funds which we thought would be of doubtful value and which had not been requested.

Mr. GROSS. But here we are on the day of accounting. Last year, in considering some of the regular appropriation bills we were told how closely we had kept to the spending of the previous year or how we had undercut the budget. Now we are faced with a supplemental of $8.5 billion, to be added to the regular bills which changes, adversely, the complexion of what we did last year.

Mr. MAHON. This matter requires closer examination. We knew there would be pay act costs. That was obvious. We knew there would be additional requests submitted because the funds were not included in the individual budget estimates of the agencies. An effort was made in the executive branch to absorb pay costs to the extent possible and we supported that effort. In total some 13 percent of the pay act costs were absorbed and then the appropriations committee recommended the absorption of another $200 million. We also knew there would be additional costs for the veterans programs and for food stamps and so forth.

Mr. GROSS. If the gentleman will indulge me one more question, I find on page 26 of the bill at the bottom of the page the heading "Bureau of the Public Debt," and of course it is very much involved these days and I am sure they are expanding and they will have to expand if we adopt an $8.5 billion supplemental appropriation bill.

I am sure they are expanding and will continue to expand if we adopt this $8.5 billion supplemental appropriation. In other words, we are spending $2¼ million to beef up the Bureau of Public Debt.

Going over to page 50, we find the Bureau of Public Debt getting another $1,850,000.

I cannot help but wonder why in two places in this bill we are beefing up the Bureau of Public Debt. Why were the two items not consolidated?

Mr. MAHON. The hearing on administering the public debt was held by Treasury-Postal Service subcommittee and the report reflects the action of the committee. I know my friend is concerned, as I am, with the growing Federal debt.

Mr. GROSS. There can be no question about the growing Federal debt.

Mr. MAHON. There is no question. It is a very regrettable situation. This Congress, as do all Congresses, has been getting deeper and deeper into the everyday-life decisions with respect to Government programs. There is hardly any aspect of life today that is not touched by some Federal program. Those who dance must pay the fiddler. Since we enacted certain legislation, we have to pay the bill.

Much of that legislation the gentleman from Iowa did not support and much of that legislation I did not support; but the Congress did support it and it is on the books.

Mr. MICHEL. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Illinois, who I think had a question.

Mr. MICHEL. Well, it was not a question, Mr. Chairman, other than to make an observation in support of what the gentleman said in response to Mr. Gross. That is, in the manpower training field, the gentleman will recall last year when we had the regular bill, we had no authorization; so here we have in the supplemental nearly $1,900,000,000 for the entire gambit of the manpower training program, most or all of which would be normally carried in a regular bill, in the absence of authorizing legislation and it finds itself in the supplemental. That is no small amount, nearly $2 billion. Of course, the military and civilian pay costs, as the gentleman pointed out, is $3.4 billion; and the retirement pay costs are nearly $800 million. There is half a billion dollars in here for additional food stamps; so it is sizable supplemental.

Mr. MAHON. The situation is bleak, but not quite as bleak as the gentleman from Iowa characterized it. I would like to make that point.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Iowa.

Mr. GROSS. The gentleman is not that kind of an optimist, is he, that he thinks the financial situation of this country is any less than bleak?

Mr. MAHON. Our fiscal situation is bleak.

Mr. GROSS. All right.

Mr. MAHON. But there are different degrees of bleakness, perhaps. I hope that we will not provide funds above the budget. I hope we can continue to reduce expenditures below the budget and restrain ourselves in new authorizations and try to strengthen the fiscal integrity of the Nation.

Mr. Chairman, I reserve the balance of my time.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois (Mr. Michel).

Mr. MICHEL. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, to date the Congress has approved approximately $168.4 billion in appropriations for Federal programs in the fiscal year 1974. This figure is $3 billion below the administration request of $171.4 billion; however, the staff of our committee estimates that an additional $5 billion has been approved through other means for the current fiscal year, bringing the total new budget authority to $173.4 billion thus far, or $2 billion—1.2 percent above the administration request.

Now, in fiscal year 1975, the budget document and in various supplemental messages to the Congress, the administration requested approximately $10.5 billion in additional appropriations for the fiscal year 1974 program.

The largest portion of this request, as I indicated a few moments ago, is for pay costs resulting from the Government-wide salary increases which became effective in 1973 and which the Congress itself has authorized and voted for. Our committee has reduced the administration request overall so that we are now down to $8.7 billion of supplemental appropriations. This new amount will bring the total appropriations for fiscal 1974 to $182.1 billion, including the back door spending.

Mr. Chairman, our committee also recommended rescission of $1 billion in the fiscal year 1974 appropriation for HEW's public assistance program in response to the administration's request for a $783 million rescission. I made the point in the full committee that we might be treading on a little dangerous ground in increasing this rescission to a rounded $1 billion in view of some of the increased costs that might result later on this year in the medicaid and medicare programs, when all wage and price controls are eliminated and some of those costs are allowed to increase. They will obviously reflect themselves in public assistance costs around the country.

However, I think it is notable that we are in a position today to have a rescission in the neighborhood of a billion dollars in public assistance because it shows closer monitoring on the part of the administration in many cases and getting that information out to the States where investigations have disclosed 40 percent error in some cases, of overpayments—yes, some underpayments—but the job is being done administratively and we are grateful that there are these savings to be realized by that close monitoring of public assistance programs.

Mr. Chairman, earlier we made mention of those more significant items of increase here in response to the request of the gentleman from Iowa (Mr. Gross) and more specifically the $3.4 billion for increased pay costs for military and civilian personnel is involved in this bill. Again, that is action taken by the Congress which has to be supported by money to back up an authorization.

Mr. Chairman, I mentioned $1,970 million for manpower programs, of which $350 million is for public service employment.

The original request here was for $250 million for the balance of this fiscal year, and we know in the 1975 budget request for public service, we have a $350 million item.

There will be, as I understand it, some agitation later on while reading the bill, the possible offering of an amendment. We will have more to say at that time, and would defer anything further until then rather than take up the time of the House during general debate.

The gentleman from Texas, the chairman, has made mention of $1.8 billion for Department of Defense for military programs, including $1 billion for procurement, and retired pay costs are in here for $797 million. As I indicated, $536 million is for food stamps and child nutrition programs. Here again, we should make mention that as the cost of living goes up and the cost of food goes up, that is automatically reflected in computation of what we have to ante up to support the food stamp program.

Mr. Chairman, I would like to yield at this time 10 minutes to my colleague, the gentleman from Wisconsin (Mr. DAVIS).

Mr. DAVIS of Wisconsin. Mr. Chairman, I just want to deal with a few matters here in relation to two of the subcommittees which are concerned in connection with this supplemental bill. One of them is chapter II relating to the Department of Defense. Rather than taking up the time of my colleagues in reviewing that subject matter here, I would like particularly to bring to their attention pages 16, 17, 18, and 20 of the committee report which deals with the problems of military pay and of retirement pay in the Department of Defense.

I think much—well, in fact, there is not any doubt about it—much of the increase in this bill that we have before us in the way of a supplemental bill includes increased pay costs for personnel, and that permeates all agencies of the Government.

However, Members, is it accentuated as much as it is in the Department of Defense?

Mr. Chairman, of course, in order that we not break faith with those who have performed services in this department on the basis of legislation which the Congress has enacted, there was nothing that we could do except to provide these ever-increasing amounts of money.

Yet, I do think that it is important that we carefully understand the gist of the remarks that are made in the committee report that this House and particularly the Committee on Armed Services give some timely consideration to the problems that are there discussed. Not only through the so-called Rivers amendment have we found pay raises with the accompanying increases in subsistence and other payments to which these people are entitled, increasing at a rate higher than that of any other people in the Government, but that same factor explains the increase of a substantial part of the nearly half a billion dollars in supplemental funds for retirement pay in the Department of Defense, because these incomparable—and incomparable because they are higher—increases in military pay, have transformed themselves into greater retirement entitlement.

Mr. Chairman, this is something that must be dealt with by substantive legislation because, as a matter of practicality, we simply have not been able to deal with it in this appropriation bill.

Mr. HÉBERT. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Wisconsin. I am happy to yield to the gentleman from Louisiana.

Mr. HÉBERT. Mr. Chairman, the gentleman is making some very valid observations and very constructive criticisms in the areas to which he is addressing himself.

I inform the gentleman that the subject matter now before the Committee on Armed Services is before a subcommittee which is making a complete study and a complete revision of the entire system. We hope to resolve some of these problems which are so evident and which we do recognize.

Mr. DAVIS of Wisconsin. Mr. Chairman, I thank the distinguished chairman of the Committee on Armed Services for that statement. I think it does indicate a willingness and a desire to respond to a problem that has grown up in this area, of which we have become painfully aware, when we deal with dollars of this magnitude in this supplemental appropriation bill.

Mr. SIKES. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Wisconsin. I am happy to yield to the gentleman from Florida.

Mr. SIKES. Mr. Chairman, the gentleman is making an important contribution to the deliberation of the House. We know this is a big bill. It carries an enormous amount of money. But what is not generally known is that most of it is for pay of people, personnel costs. We need a lot of equipment that we cannot afford, because it is felt that we cannot have both.

Mr. Chairman, we shall have to start taking a more careful look at the situation. Personnel, however well qualified, cannot cope with great superiority in numbers of weapons. We must find a way to have both. Again I applaud the gentleman's statement.

Mr. DAVIS of Wisconsin. I thank the gentleman from Florida for his statement.

Mr. ZWACH. Will the gentleman yield?

Mr. DAVIS of Wisconsin. I am happy to yield to the gentleman from Minnesota.

Mr. ZWACH. Mr. Chairman, this is an appalling amount in this supplemental bill. There is now floating through the Congress some budget control legislation. Would that give us enough discipline so that this type of thing perhaps could be prevented? The gentleman from Wisconsin has had long experience in this area and I wonder, if we can get that budgetary control legislation through, would that prevent this tremendously large supplemental appropriation?

Mr. DAVIS of Wisconsin. I am not sure it would completely. I think it will require the changes in the basic law to which the distinguished chairman of the Committee on Armed Services referred. However, as a cosponsor of that budget control measure and one who is enthusiastic about its potential in permitting us to get a handle on the overall appropriation and spending of our Federal Government, I do believe that it would have the effect of bringing these problems to the attention of the House before we begin to act on these individual appropriation bills. Therefore it would have a beneficial effect.

Mr. ZWACH. I appreciate those comments, and I thank the gentleman.

Mr. DAVIS of Wisconsin. If I might continue briefly, Mr. Chairman, the main thrust of the defense portion, title II, of this bill has been based upon the theory—outside of personnel costs now—of reacting to the lessons of the Yom Kippur war where our equipment admittedly played a prominent role. In that sense it is rather ironic that the so-called development, test, and evaluation funds where the Defense Department would be expected to deal with inadequacies and shortcomings in our equipment that may have been revealed there have failed of authorization and therefore have failed of funding in this measure.

There is one other matter I wish to touch upon briefly. That comes in another subcommittee which is so ably presided over by the gentleman from Florida (Mr. SIKES) and that is the item in this bill for the development of Diego Garcia. I have been told an amendment will be offered later to strike out these funds in this bill, as I understand it, on the basis that this item does not belong in a supplemental bill, and second, because of expressions of reticence on the part of some other nations in that area.

I can sympathize with those who believe that this does not belong here, since it is primarily a new development in the military construction appropriation supplemental bill. If it were not for our experience with the lateness in each calendar year when we do finally get approval of military construction appropriation bills, I would adopt that point of view myself. However, we do know of that record of lateness. I do not believe there can be any doubt of the merits—I think the House was convinced of that when the authorization bill was before us last week—the essential merits of proceeding in Diego Garcia.

So, because of the probable lateness of the 1975 appropriation bill again this year, we are buying some time, which I believe we should do.

With respect to the reticence of some of the nations in that area, personally I have to doubt the true sincerity of some of the public expressions that have been made there. I have to believe a good part of it is for domestic political consumption, as happened in the case of our taking up the cause of freedom in our generation in Korea and in South Vietnam and in the Middle East. I have to believe that while most of them were publicly clicking their teeth, in their private thoughts they are thankful that the United States is in a position to take the initiative in this area, as it did in other areas of the world.

Mr. WHITTEN. Mr. Chairman, I yield 5 minutes to the gentleman from Louisiana (Mr. RARICK).

Mr. RARICK. Mr. Chairman, I would like to commend the gentlelady from Washington (Mrs. HANSEN) and her Subcommittee on Interior and Related Agencies for bringing out this supplemental funding necessary programs of the Forest Service.

I am particularly pleased with the inclusion of $6,213,000 for insect and disease control.

Mr. Chairman, forest insects and diseases in an average year kill an estimated 2.4 billion cubic feet of timber and, additionally, cause an equal amount of growth to be lost. This represents approximately 40 percent of the total volume of timber harvested, with 9 billion board feet of this average loss in the sawlog class. The total economic loss from forest insects and disease is greater than $500 million annually in terms of stumpage values. Insect and disease pests are the greatest single factor in reducing the potentially available timber resource.

The proper combination of mild weather coupled with numerous other contributing factors has enabled insect populations to expand to record levels this year in most geographic regions of the country. The resulting losses of merchantable timber and the impact on forest resources will also be at record highs.

An aggressive suppression program—which the bill before us funds—can help keep these insects under control.

Primary targets of this suppression program are four of the major forest pests—the southern pine beetle, gypsy moth, spruce budworm, and Douglas-fir tussock moth. In the South and Southeastern United States, southern pine beetle populations have been higher than at any time in the past for which records are available. The outbreak area now involves 58 percent of the 85.2 million acres of susceptible pine forests in the South. The current level of infestation is expected to continue and, if unchecked, will greatly increase.

The gypsy moth continues to infest stands in the Northeast with 1.4 million acres of hardwood defoliated during 1973. Significant increases in defoliation have occurred in Pennsylvania as the moth continues to spread to the South and West along the periphery of the outbreak area.

The spruce budworm remains in outbreak status across the northern half of the country with 2.5 million acres in Maine, 1.5 million acres in the Lake States, and 4.6 million acres in the Northern Rocky Mountains having been defoliated. Populations are on the increase, particularly in the Western States.

The Douglas-fir tussock moth has increased into outbreak status during the past 2 years. Over 800,000 acres of Douglas-fir and true fir on Federal, State, and private lands in Oregon, Washington, Idaho, and Montana were defoliated during June and July of 1973. The current outbreak has caused approximately a billion board feet of mortality and growth loss valued at $54.8.

At the present time, no chemical is registered for use in suppressing the Douglas-fir tussock moth. The only known control for the moth is DDT. The Forests Subcommittee and the full Committee on Agriculture have approved legislation authorizing and directing the Administrator of the Environmental Protection Agency to issue permits for the use of DDT on forests and other agricultural lands whenever the Secretary of Agriculture deems it necessary. Further action on this legislation was postponed when EPA issued a conditional order allowing the use of DDT to control the tussock moth in the States of Washington, Oregon, and Idaho.

One of the conditions laid down in the EPA order was that the Forest Service continue testing in an effort to find an alternative to DDT in the control of the tussock moth. The Forest Service is continuing accelerated research programs and pilot projects to extend promising research results. The funds contained in this supplemental are essential if the Forest Service is to continue these efforts. It is unfortunate that these funds will be available only until June 30, 1974.

Mr. Chairman, I would like to again commend the gentlelady and her subcommittee for their efforts in this regard. I fully expect to support the legislation before us.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield?

Mr. RARICK. I yield to the gentleman from Louisiana.

Mr. PASSMAN. I want to associate myself with the views of the distinguished gentleman from Louisiana and commend him for his endless fight to place before the House the tremendous damage being done by the pine tree beetle to the American forests. I also want to commend the Committee on Appropriations for providing supplemental funds to fight this destructive pest.

Mr. RARICK. I thank the gentleman very much.

Mr. MAHON. Mr. Chairman, I yield to the gentleman from Florida (Mr. SIKES) such time as he may consume.

Mr. SIKES. Mr. Chairman, I wish to commend the gentleman from Louisiana (Mr. RARICK) on his statement. The subject of forestry in all of its aspects is one which concerns many of us and is very important. Forestry in our country is a major industry. In this connection in particular, Mr. Chairman, I want to call attention to the work of the distinguished gentlewoman from Washington (Mrs. HANSEN) whose subcommittee has dealt so effectively in this bill with the need for certain additional appropriations required in forestry. I compliment Mrs. HANSON and her subcommittee for a very fine job, one that is of great importance to the future of the Nation's forests.

Mr. TEAGUE. Mr. Chairman, H.R. 14013 contains supplemental funding to operate the Veterans' Administration for fiscal year 1974 of almost $1.1 billion. None of the funding requested by the administration in this supplemental will assist the Veterans' Administration in providing additional personnel assistance which is so vitally needed by the 58 regional offices which process veterans claims. There is a pressing need in these offices to provide decent service to veterans throughout this country, particularly Vietnam veterans, in processing their claims on a timely basis for education and training benefits and for more prompt action on claims for service-connected compensation, pensions, and other readjustment benefits.

Mr. Chairman, the Members of this body, I am sure, are aware of the serious problems which developed over the past few years in the veterans education and training program. While the problem had been festering for some time, its serious magnitude surfaced at Christmastime in the VA regional office at Los Angeles when it was learned that between 6,000 and 8,000 long-overdue checks for GI education and training allowances had not been delivered. When this situation came to light, the President ordered the VA Administrator, Donald Johnson, to take necessary action to pay these veterans immediately. Johnson and other VA officials had repeatedly denied for over a year that any major problem existed at Los Angeles, or elsewhere, in the VA education program.

Mr. Chairman, during the period between Christmas and New Year, I am told the Veterans' Administration in Los Angeles distributed almost a million dollars in cash in a frantic effort to comply with the President's order and in an attempt to cover their past bungling.

Mr. Chairman, as a result of this very serious problem in Los Angeles, the House Veterans Affairs Committee undertook a comprehensive national survey and contacted the presidents of more than 600 educational institutions located in all 50 States. A variety of institutions were chosen at random. These institutions were asked to relate their experiences with the advance pay system, to give a report on delayed checks and to describe their contacts with the Veterans' Administration. The responses to that survey are now in. A sample of some of the problems encountered by schools in working with the Veterans' Administration in the GI education and training program will be detailed at the end of my statement.

Mr. Chairman, at the recommendation of the Veterans' Administration, the Congress authorized a system of advance payments so that the veteran would have a check waiting for him when he enrolled. In certain areas serious problems have developed with the advance payments system. For reasons never adequately explained, all those applying for advance payment did not receive their checks on time. There have been reports of checks sent out without names; checks sent out with only part of the names; bundles of checks for veterans sent to the wrong school; and the method of addressing the check using the veteran's name in care of the school resulted in the post office sending back many checks. Once the veteran fails to receive his advance check on time, it has proven almost impossible in many cases to get his checks back in sequence.

The Veterans' Affairs Committee uncovered many cases reported where veterans received no money from September 1973 until January or February 1974. The favorite alibi used by the Veterans' Administration is that the veteran did not return his enrollment certification card. This is undoubtedly true in some cases; but there is ample documentation where schools have returned certificates as many as three times, yet these cards did not seem to release the checks. Many schools report that they, in their advice to veterans, are afraid to try the advance payment again because of its poor performance.

The breakdown of the advance pay system did not occur in all areas. The regional offices located in the less populated areas seem to have generally been able to make it work. The problems developed in populated States such as New York, Pennsylvania, Illinois, Florida, California, et cetera. In those States there were many serious failures reported. Despite this, schools are still supporting the advance pay system and recommend that it be retained if the VA can straighten out the problems.

Mr. Chairman, the schools responding to the survey are complaining that veterans are not receiving effective service by calling VA telephone assistance numbers. Veterans complain that they are treated rudely, that they are shuffled from one clerk to another and never get a call back even though this is promised. Again, this is not reported in all areas. Some regional offices receive very high marks for cooperation, while those in the more populous areas are the subject of constant complaints because they did not deal with the veteran in a courteous and effective fashion.

Mr. Chairman, as the President indicated, press representative Sara McClendon had no difficulty determining that the education program was in trouble, but at this point, there is no indication that Administrator Johnson either perceives the nature of his problems or knows what to do about it. He has been directed by the President to make a self-investigation and report on his own failure to properly organize and administer his Agency. Obviously, very little can be expected from such a self-investigation.

A vivid example of the Administrator's incompetence to deal with this issue is dramatically illustrated by his response to an invitation from the Veteran's Affairs Committee to help cope with this problem.

Mr. Chairman, the House Veterans' Affairs Committee asked the Veterans' Administrator to provide an estimate of additional personnel that would be needed to improve the advance pay system and respond to veterans in an effective way. On March 1, 1974, the Administrator of Veterans' Affairs responded by saying:

> We do not believe more people at this time would solve our problem. Additional staffing requires a minimum of six to eight months training before they become effective—therefore, it is our opinion that a request for more people in the proposed area is not warranted.

Yet, just 19 days later the Administrator directed his chief subordinates to conduct a survey on a crash basis to determine what additional personnel and equipment were needed to "cure their problems in terms of manpower and equipment" for the remaining months of fiscal year 1974 and also in 1975. He had stated just a few days prior to that time before the Subcommittee on Appropriations that no additional personnel or funding were needed to meet his workload demands.

The regional office directors' response to Mr. Johnson's request indicated a need for over 1,500 additional personnel and in many offices there were additional space and equipment requests as well as a need for additional telephone service to serve veterans on a timely basis.

Apparently Administrator Johnson felt that these additional needs were excessive and new guidelines were devised. The regional office directors were told to submit their requirements based along sharply narrowed guidelines. On April 3, 1974, approximately 1 month after stating that he needed no additional personnel, Administrator Johnson advised the Veterans' Affairs Committee that almost 500 additional personnel would be needed, but no request has been forthcoming for additional funding from the administration.

Mr. Chairman, this abrupt change of heart by Administrator Johnson clearly indicates a lack of administrative capability on his part, and the President's directive that a "crack management team"—headed by Johnson—be established, will only add further chaos to an already unsatisfactory situation.

Mr. Chairman, it is clear that the Administrator of Veterans' Affairs is misleading and misinforming the Congress. He appears to be a very hard man to help; however, Mr. Chairman, I feel that all of my colleagues in this Chamber agree that the Congress stands ready to assist the Veterans' Administration in solving their problems by providing whatever resources are needed. However, the duty of the administration is to promptly identify these problem areas and propose to the Congress what they need to carry out the mission of the Veterans' Administration.

Mr. Chairman, the Administrator has failed to do this in connection with this supplemental appropriations request. This could cause even more chaotic conditions during the upcoming fall enrollment period.

Mr. Chairman, it is my opinion that the Veterans' Administration has failed in its responsibility to properly and promptly serve the needs of veterans in general—and Vietnam era veterans in particular—by failing to properly administer its present resources and to request from the Congress what else it needs to do the job.

Mr. Chairman, I want veterans of this country to know Congress stands ready to meet the needs of the men and women who have served our country in time of war—and I have called upon the administration to find competent administration for VA and to insist that the agency meet its responsibilities to the veterans of America.

Mr. Chairman, I insert in the Record at this point relevant documents and other material pertinent to the above remarks:

February 22, 1974.

Hon. Donald E. Johnson,
Administrator of Veterans' Affairs,
Washington, D.C.

Dear Mr. Administrator: This confirms a telephone conversation of yesterday with Mr. Odell Vaughn, Chief Benefits Director, regarding staffing of the Veterans' Benefits Office, with particular regards to operation of the education and training program.

It is becoming increasingly apparent that there is not sufficient staff available in the field offices to handle the administration of the education program. If relief is to be obtained, the supplemental appropriation being considered by Congress March 5 appears to be the proper avenue.

I would appreciate being advised at the earliest possible time, and no later than March 1, as to your estimates of needed additional personnel for the improvement of this program. I would appreciate knowing, also, whether you expect to make a formal request of the Appropriations Committee for additional funds for this purpose.

It is our desire to cooperate in the improvement of this program. Therefore, I look forward to your early response.

Sincerely,
Wm. Jennings Bryan Dorn,
Chairman.

Veterans' Administration,
Washington, D.C., March 1, 1974.

Hon. W. J. Bryan Dorn,
Chairman, Committee on Veterans' Affairs, House of Representatives, Washington, D.C.

Dear Mr. Chairman: We sincerely appreciate your interest in the veterans of this country and we share in your concern that they promptly receive the benefits to which they are entitled.

We are aware of operating problems that cause delays in veterans receiving their checks and you can be assured we are doing everything possible to alleviate the problem.

We do not believe more people at this time would solve our problem. Additional staffing requires a minimum of six to eight months training before they become productive.

In addition, we have opened an office in San Diego to relieve Los Angeles of a portion of their workload. We are in the process of realigning the stations into a unit concept for processing awards which will, in our opinion, expedite handling. Six stations have converted and four more are due by April 1, 1974, with the balance converted in FY 1975.

New procedures, such as advanced pay and prepay, should operate with a minimum of error now that we have experience. Workload projections for next year indicate a reduction in the majority of items and particularly in the number of trainees we expect to have in training.

Therefore, it is our opinion that a request for more people in the benefits area is not warranted.

Sincerely,
Donald E. Johnson,
Administrator.

March 20, 1974.

Hon. Don E. Johnson,
Administrator of Veterans' Affairs,
Washington, D.C.

Dear Mr. Administrator: This has reference to my letter of February 22, 1974, and your reply of March 1.

In response to my request for information as to additional personnel needed to administer the education and training program on an efficient, timely basis, you responded that you did not believe more people at this time would solve your problem, and you stated it was your opinion that a request for more people in the benefits area is not warranted. In your letter you made reference to the process of realigning the stations into the unit concept for processing awards which will, in your opinion, expedite handling.

Tentative inquiries which we have made do not confirm this opinion. There is an indication that some of the stations' current experiences with the unit concept are that they are actually losing their productivity levels, probably because Central Office has dictated a totally rigid concept and given the station directors no latitude in making adjustments. Unless some changes are made, we cannot agree that the present approach to the unit concept will be any answer to expediting the handling of education and other claims.

In your letter you stated that the workload projections for next year indicate a reduction in a majority of items and particularly in the number of trainees you expect to have in training. Training loads have risen substantially in the last year, and we have no information which would indicate that there will be a reduction. In fact, with rates increased and the eight year limitation on training time removed, there may be an increase. If there is a further decline in employment opportunities, there certainly will be an increase.

Reiterating the opinion expressed in my letter of February 22, we do not believe that the field offices of the Veterans Administration have adequate personnel to handle their workloads. The current use of overtime is excessive, and many offices seem to be in trouble in handling the routine operations such as incoming mail, filing, etc. It is apparent that many offices are not able to handle their telephone calls in an effective, courteous way.

We undertsand that a request has now been made of the field stations to submit information as to the numbers and types of personnel needed to deal with their workloads effectively. We would like to have a copy of the responses of the stations at the earliest possible time, and if at all possible, by Friday afternoon, March 22.

Our appropriations committees are still considering VA appropriations. If something is to be done about this situation, it must be done immediately. Your cooperation in furnishing the information requested would be very much appreciated and, of course, as indicated in my letter of February 22, if you have changed your opinion as to the needs of the Agency, we would like to have your own estimates as to the additional personnel and funds which may be needed to operate on a current and efficient basis.

Very truly yours,

WM. JENNINGS BRYAN DORN,
Chairman.

VETERANS' ADMINISTRATION,
Washington, D.C., March 26, 1974.

Hon. W. J. BRYAN DORN,
Chairman, Committee on Veterans' Affairs, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: This is in response to your letter of March 20, 1974, concerning the possible need for additional staffing in the Department of Veterans Benefits to administer the education and training program. Mr. Odell W. Vaughn, Chief Benefits Director, has also discussed this matter with Mr. Oliver Meadows, your Committee Staff Director.

With the national publicity and attention toward our difficulty in delivering many GI education checks promptly or regularly, we launched an all-out effort to do whatever we possibly could to identify the magnitude and causes of the problem, and correct it prior to the next fall enrollment. In exploring the problem, the Chief Benefits Director, on March 19, 1974, canvassed our Regional Office Directors through the four Area Field Directors, as to whether they felt additional staffing was needed. The question was directed to the administration of the education and training program. However, replies came back covering all other programs and areas, including Personnel, Director's office, Loan Guaranty, Finance, etc., totalling 1,586 additional people. Copies of these replies are enclosed, as you requested. The Chief Benefits Director, believing that these replies are generally not responsive, again requested another Regional Office canvass with the focus to be placed on the education and training program alone, and whether it was felt additional staffing was needed in adjudication, school liaison, telephone units, and other activities of this program. When we have received this later data we will be happy to share it with you.

Sincerely,

DONALD E. JOHNSON,
Administrator.

VETERANS' ADMINISTRATION,
Washington, D.C., April 3, 1974.

Hon. W. J. BRYAN DORN,
Chairman, Committee on Veterans' Affairs, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: This is a follow-up to my letter of March 26, 1974, and yours of March 20, 1974, concerning staffing needs in the Department of Veterans Benefits to administer the GI education and training program.

In a second round of discussions with our Regional Offices and the Area Field Directors, we have agreed that immediate additional staffing is necessary at some offices, to improve the operation of this program due to workload increases, backlogs affecting case processing, and present difficulties in check delivery. I have already allocated 200 more positions to those offices which need them most, and we plan to authorize 250 to 300 more within the next week. This will cover our needs as established in the foregoing discussions. It will not be necessary to request comparable staffing increases in the Fiscal Year 1975 appropriation at this time. We can reprogram Fiscal Year 1974 funds for the present need, but we cannot predict at this point how long the need will continue through Fiscal Year 1975. Should tuition allowance or extension of entitlement legislation be enacted, we will definitely need a supplemental appropriation, including additional staffing, and it is clear that we will have to maintain *some* of the higher staffing level into Fiscal Year 1975.

Sincerely,

DONALD E. JOHNSON,
Administrator.

-DISTRIBUTION OF 494 POSITIONS

Station	1st 200 (Mar. 29, 1974)	2d 294 (Apr. 1, 1974)	Total
Area I:			
New York	10	16	26
VBO	7	13	20
Baltimore	2		2
Buffalo	2		2
Boston	2		2
Manchester		2	2
Newark		10	10
Pittsburgh		8	8
Providence		2	2
San Juan		4	4
Togus		2	2
Total	23	57	80
Area II:			
St. Petersburg	23	15	38
Houston	20	9	29
Atlanta	17	4	21
Columbia	12	7	19
Winston Salem	7	5	12
Huntington		4	4
Jackson		6	6
Little Rock		10	10
Louisville		2	2
Montgomery		10	10
Nashville		7	7
New Orleans		8	8
Roanoke		6	6
Waco		10	10
Total	79	103	182
Area III:			
Cleveland	19	2	21
Detroit	9	3	12
Chicago	7	5	12
Indianapolis	3	4	7
Muskogee	2	3	5
Wichita	2	4	6
Fargo		1	1
Lincoln		2	2
Milwaukee		3	3
Philadelphia		6	6
St. Louis		4	4
St. Paul		2	2
Total	42	39	81
Area IV:			
San Diego	16	2	18
San Francisco	20	15	35
Honolulu	6	2	8
Phoenix	6	6	12
Los Angeles	8	25	33
Juneau		1	1
Denver		9	9
Boise			0
Ft. Harrison		2	2
Reno		2	2
Albuquerque		5	5
Portland		9	9
Manila			0
Salt Lake City			0
Seattle		16	16
Cheyenne		1	1
Total	56	95	151

HOUSE VETERANS' AFFAIRS COMMITTEE SURVEY OF PROBLEMS WITH ADVANCE PAYMENTS FOR GI EDUCATION AND TRAINING BENEFITS

At the recommendation of the Veterans Administration, the Congress authorized a system of advance payments so that the veteran would have a check waiting for him when he enrolls. In certain areas serious problems have developed with the advance payments system. For reasons never adequately explained, all those applying for advance payment did not receive their checks on time. There have been reports of checks sent out without names; checks sent out with only part of the names; bundles of checks for veterans sent to the wrong school; and the method of addressing the check using the veteran's name in care of the school resulted in the Post Office sending back many checks. Once the veteran fails to receive his advance pay check on time, it has proven almost impossible in many cases to get his checks back in sequence.

There are many cases reported where veterans received no money from September 1973 until January or February 1974. The favorite alibi used by the Veterans Administration is that the veteran did not return his enrollment certification card. This is undoubtedly true in some cases; but there is ample documentation where schools have returned certifications as many as three times, yet these cards did not seem to release the checks. Many schools report that they, in their advice to veterans, are afraid to try the advance payment again because of its poor performance.

Here are what some schools have said about the advance pay system:

THE CITY UNIVERSITY OF NEW YORK, NEW YORK CITY

"This past school term revealed that only 16%, or 2,600 of our veteran population, applied for or received their first check. Of the 16%, 25% or 760 of our students who requested advance payment never received them. Of the 2,600 who applied for advance payment, only approximately 12% received their payments on time."

NEW YORK COMMUNITY COLLEGE, BROOKLYN, N.Y.

"Out of approximately 1,100 requests, the school received some 800 checks. Of those who received the initial check on time, some 40% did *not* receive the second check without repeated verification of attendance by the college. The VA contended that the colleges were not sending back the first check payment confirmation card (1999V), but we know that this was not the case at our institution. . . . Unfortunately, those who asked for advance payment and did not receive their first check, waited months before the situation was resolved. In most instances, this was due to a wrong facility code number being listed for the colleges. To date, we estimate that 40 veterans have not yet been paid by the VA for the Fall '73 semester."

ALLAN HANCOCK COLLEGE, SANTA MARIA, CALIF.

"The problems of delayed payments were the worst of any previous years. Out of 1,057 veterans certified for advance pay, 307 did not arrive in time for registration, or 29%. Out of a total of 2,434 veterans certified for the fall semester, 732 had problems with a delayed check, or 30%. As of the meeting with the Veterans Administration on December 17, there were still approximately 50 to 60 hard-core problems still unpaid."

BAKERSFIELD COLLEGE, BAKERSFIELD, CALIF.

"220 veterans signed up for advance pay. As of January 14, 1974, the first day of class, we had received 30 checks."

CALIFORNIA INSTITUTE OF TECHNOLOGY, PASADENA, CALIF.

"The new advanced pay procedures used this year were a total failure."

CALIFORNIA STATE UNIVERSITY, CHICO, CALIF.

"In the fall of 1973, CSU, Chico had approximately 900 requests for advance payments. Of this number, only 300 checks were actually received; a dismal 33%."

BREVARD COMMUNITY COLLEGE, CAMPUS IN COCOA, MELBOURNE AND TITUSVILLE, FLA.

"Our experience with the Advance Pay Procedure initiated last Fall semester by the Veterans Administration did show difficulties. Specifically, the major problems were that veteran students' checks did not arrive at the times promised, leaving great numbers of veterans who had depended on the checks financially destitute."

MIAMI-DADE COMMUNITY COLLEGE, MIAMI, FLA.

"The idea of advance pay is an excellent one and should be continued. However, as implemented for the past Fall Term, the overall result of the advanced pay procedures was a major disaster."

HARRISBURG AREA COMMUNITY COLLEGE, HARRISBURG, PA.

"To say the least, it was a fiasco. This system allows both veterans and institutions to request advanced payments. This causes problems in controlling checks since the institution does not know which students are doing what."

Secondly, only about fifty of our six hundred eligible veterans applied for advanced payments, yet some *three hundred* checks were sent to our institution. To say the least, this caused some confusion between our office and students. This problem was magnified when the Veterans Administration failed to notify the recipients that their checks had arrived at the school. I might also add that most of those advanced pay checks arrived after classes began and after the deadline for tuition had passed. Some arrived as late as November 1, 1973. We began classes on August 22, 1973."

THE PENNSYLVANIA STATE UNIVERSITY, UNIVERSITY PARK, PA.

"One thousand (1,000) student veterans participated in the program at the University Park campus for the fall term, 1973. Of these 1,000 veterans only 43% received their check in advance of the beginning of that term; 25% of the remaining 57% received their advance pay check at least 2 weeks after the beginning of the fall term. The remaining 32% received their check later than those veterans who did not elect to participate in the pre-payment program. We appreciate the concept of the advance payment, and are confident it will operate more efficiently in the future with the intervention of your committee."

WEST CHESTER STATE COLLEGE, WEST CHESTER, PA.

"Our experiences with the new advance pay procedures have been less than satisfactory. In order for the veteran to get the full benefit of the advance pay program, it has proved necessary for him to apply a minimum of thirty days in advance. The majority of the advance pay applications at West Chester State College were submitted five to seven weeks prior to the start of the fall semester. In spite of our following the proper procedure, many veterans were still not paid in September."

CALIFORNIA STATE UNIVERSITY, LOS ANGELES, CALIF.

"Of the approximately 2700 veterans, at California State University, Los Angeles, submitted for Advance pay, about one-half of 1500 received their money when they were scheduled to. This was about a 50% success rating. Pretty poor in our opinion."

House Veterans Affairs Committee Survey of Problems Relating To Service to Veterans by Veterans Administration Assistance Offices

In many areas of the country, veterans in schools are complaining that veterans can receive no effective service by calling VA telephone assistance units. Veterans complain that they are treated rudely, that they are shuffled from one clerk to another, and that they never get a call-back, even though this is promised.

Here are some typical reports by schools regarding telephone calls by veterans:

BRONX COMMUNITY COLLEGE OF THE CITY UNIVERSITY OF NEW YORK, NEW YORK CITY:

"My major criticism of the administration of our regional VA office is that many of the counselors who work with the veterans give them misinformation. My staff and I were trained by the VA about its rules, regulations, and procedures by department chiefs. It seems to me that the counselors who are working in contact should have extensive training. I have spoken to several people on the phone and received the same misinformation given to veterans."

CALIFORNIA STATE UNIVERSITY, FRESNO, CALIF.

"The Contact Division, which was the division set up at the Veterans Administration Regional Office for the purpose of taking inquiries for nonreceipt of the veteran's check, has been nonresponsive."

CALIFORNIA STATE UNIVERSITY, LOS ANGELES, CALIF.

"A great majority of our inquiries, and those made personally by veterans, do not receive this type of attention. On desperate problems (e.g. no money for two months) we suggest and encourage the veteran to contact his local congressman and/or Senator to provide assistance. While this will usually work during normal periods in the year, these legislators find that they receive less than speedy and effective response during peak problem periods (like the Fall of 1973). Our local Senators and Congressmen can probably verify this statement."

CALIFORNIA INSTITUTE OF TECHNOLOGY, PASADENA, CALIF.

"Our experience with the people in the West Los Angeles Office of the VA has been rather poor. It used to be exceedingly difficult to get answers by the telephone; this year it is impossible because they are not even answering the phone. If we write letters, it requires 1½ to 2 months to get a reply, or to get some needed forms. Our veterans tell us that they feel they get a run-around when they have to go to the VA office, being shuffled from one person to another."

CALIFORNIA STATE UNIVERSITY, SAN DIEGO, CALIF.

"In the majority of cases our experience with the Veterans Administration has been one of complete frustration and confusion. They have been insensitive to the veterans needs as well as to our repeated attempts to rectify the many problems encountered. We could never develop a workable method of handling problem cases with the Veterans Administration due to their inflexibility and lack of willingness to make exceptions to standard procedures. We do not, the veterans do not, receive effective or timely responses from the Veterans Administration. As a matter of fact, there are many times when there is no response at all."

CENTRAL YMCA COMMUNITY COLLEGE, CHICAGO, ILL.

"We have *not* been able to develop a workable *method* for handling problem cases because, not only is each problem case different, but when contact is made with the VA, the person there always seems to be different. Different counselors and adjudication officials at the VA have different methods for dealing with cases, and resolution always seems to depend on their own place in the structure, their current case load, and one's personal relationship with them. Our staff tries to establish a good personal working relationship with one or two different officials in order to get action of problem cases. Establishing a consistent method, however, is difficult. Adjudicators do not have the same information; we confirm this by having the same staff person call a different adjudicator to describe the same problem, and we get different answers. It also happens that students, when they call personally, either get *no* answer or a different one than that given our staff."

ILLINOIS STATE UNIVERSITY BLOOMINGTON-NORMAL, ILL.

"The VARO Chicago is making efforts to provide universities with efficient channels to handle problem cases as they are presented by the certifying officials. However, there seems to be a breakdown in these procedures when the problem inquiry originates with the veteran rather than the institution. This university has been making efforts to encourage veterans to contact the Regional Office through the use of the toll-free telephone lines established by the VA. While most veterans express a willingness to take actions to resolve their own problems, and most have positive responses to initiating their own inquiries as the need arises, they report frustration at dealing with the VA. Although the contact workers who take the inquiry from the veteran inform him that he may expect either a telephonic or written response from the Regional Office within ten to fourteen working days, veterans report that it is the exception rather than the rule when they are recontacted at all."

UNIVERSITY OF ILLINOIS AT URBANA-CHAMPAIGN, ILL.

"The toll free telephone numbers to the Contact Division or VARO, Chicago, which a veteran can use to check his records, have proven rather ineffective. The most common complaints received from veterans are "no reply" or no resolution of problems."

WESTERN ILLINOIS UNIVERSITY, MACOMB, ILL.

"According to Western's veterans, one area that has not been successful is the toll free phone referral bank. Even though calls are now channeled to various respective adjudicators, the general experience has been very institutional and non-committed. Replies to inquiries if made at all, have a time lag of 4 to 6 weeks."

BREVARD COMMUNITY COLLEGE, CAMPUS IN COCOA, MELBOURNE, TITUSVILLE, FLA.

"Specifically, many veterans complained that their telephone inquiries were not being answered. We suggest that VA telephone service be extended and enlarged . . . and that institutions be allowed to use the toll-free lines to contact adjudication officials when necessary."

FLORIDA JUNIOR COLLEGE AT JACKSONVILLE, FLA.

"We are also not in complete agreement that the toll-free lines for veterans are of any real assistance. Most of the time, the veteran was bounced back and forth between whomever he could get to in St. Petersburg and the College, with instructions to ask the College such things as, "Is my enrollment certificate in". Or, "Has my monthly attendance card gone out?" The veteran would be given one question at a time. In retrospect, one can only assume that this was a delaying action which would keep the veteran occupied while the pay procedure finally caught up with him. In almost every instance, we had provided the necessary paperwork, but the veteran was not receiving a check."

MIAMI-DADE COMMUNITY COLLEGE, MIAMI, FLA.

"Prior to the current academic year, responses by the VA's Adjudication Section in St. Petersburg were efficient and almost immediate. However, during the past Fall Term everything fell apart. Responses were either slow or unsatisfactory."

UNIVERSITY OF FLORIDA, GAINESVILLE, FLA.

"The toll free telephone number which they developed has not proven to be of the kind of assistance that it was intended to be. Rarely has a veteran received an answer to a question placed on the toll free number in less than two weeks. The average in these cases has been around three weeks."

HARRISBURG AREA COMMUNITY COLLEGE, HARRISBURG, PA.

"Most veterans who needed to call the regional office's toll-free line to alleviate problems were often greeted with hostility from the people at the other end. Also, the turn-around period for problem solving often took more than a week, and often the office never notified the veterans of the subsequent changes."

WEST CHESTER STATE COLLEGE, WEST CHESTER, PA.

"In regard to our experiences in contacts with the VA, there are two basic methods for a veteran to contact the VA headquarters in his area. The first method involves the veteran's direct call to the "Benefits Section". If he is ever able to get through with the telephone number used by thousands of veterans, his problems really begin. Unidentified workers barely listen. They take your name and number and promise to return the call. Several days later, the veteran repeats the process. After frustration sets in, the veteran can accept the alternative or bring his problem to my office. If you wish to experience his frustration, I strongly suggest an experiment—Call GE8-5225.

Mr. FAUNTROY. Mr. Chairman, in reading the report on this second supplemental appropriations bill for 1974, I regret to find that the committee has failed to recommend a supplemental appropriation for representation by court-appointed counsel of indigent defendants for that aspect of the Criminal Justice Act which is applicable to the District of Columbia.

This oversight is extremely regretful, and while I have no formal amendment to this House bill, I did not believe that the record on this issue should be completely silent. I realize that this matter is considerably more involved than appears on its face; but, I would have hoped that some action could have been taken to ameliorate the difficulties that the District of Columbia Superior Court is now experiencing in attempting to comply with the Supreme Court rulings on the right of counsel.

I can assure you that the District of Columbia is doing everything that is possible to meet with the legislative intent as was contained in the House report on the appropriations for State, Justice, and Commerce, dated June 22, 1973—House Report 93-321, 16. The difficulties, however, lie not in what actions the city has taken, but in the restrictions placed upon the CJA moneys by this committee and the committee of conference in its amendment No. 42—House Report 93-625, 10.

As a minimum, I would hope that the conferees of this House will be amenable to some suggestion that will permit the District to continue to comply with the court's ruling in *Argersinger* v. *Hamlin* (407 U.S. 25, 1972) without having to dismiss the cases for lack of available counsel.

Mr. MICHEL. Mr. Chairman, the mayor of Cleveland, the Honorable Ralph Perk, has discussed with my staff the question of whether funds provided under title II of the Comprehensive Employment and Training Act could be used to cover the costs of public employment between April 1, 1974, and the enactment of the second supplemental appropriations bill for 1974.

I have an opinion from the Solicitor of the Department of Labor which suggests that those funds could be so used. I would like to enter the text of that opinion at this point in the RECORD:

U.S. DEPARTMENT OF LABOR,
OFFICE OF THE SOLICITOR,
Washington, D.C., April 10, 1974.

Memorandum for: William H. Kolberg, Assistant Secretary for Manpower.

Subject: Authority Under the Proposed CETA Appropriations Language to Provide Funds to Communities to Carry Out Public Employment Programs After April 1, 1974.

You have asked for my view as to whether funds under the proposed CETA appropriations language (attached) may be used by a community to cover the costs of a public employment program after April 1, 1974. As I understand the situation, some communities have, since April 1, spent all the funds available to them under the Emergency Employment Act. These communities anticipated having funds available to them under Title II of CETA by April 1 to continue employment for those hired under the EEA program. As such funds are not yet available, you would like to know whether these communities may, when they do receive CETA funds, use those funds for PEP program costs occurring after April 1.

I believe such funds may be so utilized by the communities involved, as CETA contemplates a transitional period in which funds under it may be used to carry out programs initiated under the Manpower Development and Training Act, the Economic Opportunity Act, and the Emergency Employment Act. Section 3(a) of CETA states specifically that CETA funds may be used toward this end; it reads as follows:

SEC. (3. (a) To the extent necessary to provide for the orderly transition of supporting job training programs, and to provide continued financial assistance for such programs prior to July 1, 1974, the Secretary is authorized to provide financial assistance in the same manner and on the same conditions as provided in the Manpower Development and Training Act of 1962, as in effect prior to June 30, 1973, title I of the Economic Opportunity Act of 1964, and the Emergency Employment Act of 1971, as in effect prior to June 30, 1973, from funds appropriated pursuant to this Act.

Thus, section 3(a) makes clear that there shall be an orderly transition from EEA programs to CETA programs, and it authorizes the Secretary to provide CETA funds for EEA programs during this transitional period.

The funds made available for CETA under the proposed appropriations language would, therefore, be available to finance EEA programs during the transitional period, unless the appropriations language provided otherwise—which is not the case. Indeed, the proposed appropriations language specifically appropriates $100,000,000 "for activities of the type provided in the Emergency Employment Act of 1971 as authorized in Section 3(a) of the Comprehensive Employment and Training Act of 1973. . . ."

It is my view, therefore, that funds under the proposed appropriations language may be used by a community during the CETA transitional period to cover the costs of a public employment program after April 1, 1974, including costs incurred prior to the enactment of the CETA Appropriations Act.

WILLIAM J. KILBERG,
Solicitor of Labor.

COMPREHENSIVE MANPOWER ASSISTANCE

For expenses necessary to carry into effect the Comprehensive Employment and Training Act of 1973, and sections 326 and 328 of the Trade Expansion Act of 1962 (19 U.S.C. 1951 and 1961), $1,898,584,000, including $250,000,000 for activities authorized under title II of said Comprehensive Employment and Training Act and $100,000,000 for activities of the type provided in the Emergency Employment Act of 1971 as authorized in section 3(a) of the Comprehensive Employment and Training Act of 1973, plus reimbursements, to remain available until June 30, 1975: *Provided*, That this appropriation shall be available for the purchase and hire of passenger motor vehicles, and for construction, alteration, and repair of buildings and other facilities and for the purchase of real property for training centers as authorized by the Comprehensive Employment and Training Act of 1973.

Mr. LEGGETT. Mr. Chairman, although I do not plan to offer amendments to the supplemental appropriation bill, I have a few very brief comments I would like to make regarding the defense section.

First, I want to commend the Appropriations Committee for its frequently effective scrutiny of the request, and for its deletion of much of the more obvious padding, particularly in those funds requested under the heading of "Readiness." At the same time, I wish the committee had been more rigid in deciding what funds are really urgently needed on a supplemental basis and what funds can reasonably wait for the regular fiscal year 1975 appropriation. One effect of this supplemental is to decrease the apparent magnitude of the major increase in defense spending we are asked to provide for fiscal year 1975.

Second, I feel it is a serious mistake and entirely unwarranted to rush into the Diego Garcia construction without proper consideration. The need for haste is not apparent, and the possible pitfalls are most consequential.

Gentlemen, the purpose of the Diego Garcia request is to create a major American naval commitment in the Indian Ocean before Congress has time to consider its implications. The question before us is not whether we can afford the relatively trivial sum needed for construction of the facilities. The question is whether we want to station a major naval force in the Indian Ocean on a permanent basis.

I for one am skeptical. On very short notice we can now send a carrier task group or two into that part of the world. I am not impressed by talk of how many bases and how many rowboats the Soviets have in that part of the world. Their cruisers and destroyers are limited by the 20- to 50-mile effective range of their ship-to-ship missiles; their two carriers, half the size of our big ones, can only operate low-performance small-payload vertical-takeoff aircraft with combat radii not much longer than that of their missiles. In contrast, any American carrier carries high-performance F-4's, A-7's, and 9-6's, that can carry large payloads on combat radii well over 500 miles, and soon will have the F-14 with even longer range. In short, a single American carrier could wipe out the entire Soviet surface fleet before the Soviets could get close enough to scratch the carrier.

Now it may be that Soviet submarines could put our carriers out of action. But if this is the case, a refueling base would not help us; it will only create a choke point and tell the Soviet subs where to look for us.

The only advantage Diego Garcia would give us is it would let us have a carrier in the area today rather than the day after tomorrow, and I have a great deal of difficulty in conceiving of a realistic situation in which we would need this.

In addition to acting as a naval base, Diego Garcia will have a runway capable of handling our largest transport aircraft. I have heard it said that in another Middle East crisis in which we were denied the use of European airfields, we could supply Israel through the back door by using Diego Garcia as a refueling stop. Would the British risk an Arab oil embargo by letting us use Diego Garcia in such a crisis? Would the Arabs allow us to overfly their territorial waters? Would our transports be able to fly safely across the Sinai Desert during hostilities?

At this time, my answer to all these questions would be "No." Perhaps I am wrong. Perhaps the Pentagon has good answers to my questions. But we have not had time to hear them. That is why I think we have to insist on taking up Diego Garcia as part of the regular fiscal year 1975 budget. There is no reason why we cannot wait, and every reason why we should.

Mr. WHITTEN. Mr. Chairman, the pending supplemental appropriation bill carries two provisions which I offered as amendments in committee, which are vital to the people of my State and to other areas of the lower central South.

The first amendment provides $20,000,000 to the Soil Conservation Service to expedite projects under its control and particularly for restoration of areas damaged by flooding and severe storms during past year. These funds, together with $80,000,000 for similar repairs and works on Corps of Engineers projects are within the $100,000,000 budget estimate submitted by the President on March 26, 1974, in Senate Document 93-67.

Emergency measures are urgently needed to correct hazardous conditions which could result in loss of life and damage to property. The longer restoration is delayed, the greater the damage to land and water resources will be.

The second provision is for $80,000,000 to accelerate the levee raising and for other essential projects to meet present needs along the Mississippi River and tributaries. This fund, together with $20,000,000 for similar repairs and works on Soil Conservation Service projects are within the $100,000,000 budget estimate submitted by the President on March 26, 1974 in Senate Document 93-67.

While the Corps of Engineers did a fine job of trying to contain the disastrous floods of 1973, a detailed analysis by the Corps indicates that an adjustment is necessary in project design in flowlines in several reaches of the river and that the height of the flowline would have to be raised as much as 5½ feet in order to pass a potential project design flood. With the approach of the spring flood season along the Mississippi River, all available data on current hydrologic conditions indicate a strong possibility of a recurrence of the 1973 flood conditions. The committee believes it urgent to expedite the raising of levees and to meet other problems in the most critical areas in order to help prevent a repeat of last year's floods and a continuation of existing problems.

Mr. Chairman, these items were recommended by the President and by the Office of Management and Budget and must be retained.

Mr. Chairman, the regular appropriation's bill for public works will be reported by our subcommittee some time in May, when we will provide funds to meet the many problems of my district and of the Nation.

Mr. DONOHUE. Mr. Chairman, in our continuing consideration of this Supplemental Appropiration bill. I most earnestly urge and hope that the House will speedily and overwhelmingly approve the amendment that is designed to provide adequate funding for the tragically increasing number of unemployed.

Workers and their families, Mr. Chairman, who are already beseiged by rising costs that are in excess of 10 percent, and who are now the victims of unemployment resulting from the energy crisis, urgently need personal and family income protection. In the automobile industry alone, for example, there are 200,000 workers unemployed.

Funds from the new Comprehensive Employment and Training Act, which are meant for help in such emergencies, will not be available until the beginning of the new fiscal year next July 1. For this "gap period," the Appropriations Committee has approved $100 million, but Mr. Chairman, this amount falls far short of the actual requirement. And the funds from the Supplemental Appropriations bill, which provide $250 million for public service employment under CETA title II, can only be utilized in areas with unemployment of 6.5 percent or more.

Mr. Chairman, regardless of the level of unemployment, the displaced workers must still provide for themselves and their families; and they must provide for them now. For those in desperate financial straits food, clothing, and warm and adequate shelter are immediate human concerns and they do not wait for levels of employment to rise or fall.

Furthermore, Mr. Chairman, communities throughout the country are now using the last of the PEP funds. Adoption of this amendment, before us, providing the necessary transitional funds, will also help curb greater unemployment and rising welfare rolls in those areas where the jobless rate is still at a level below 6.5 percent.

It is for these unemployed workers, whose efforts in the past have done so much to promote the economic stability of this country and who now, for reasons over which they have no control, are without adequate unemployment income protection, that I urge the House to resoundingly approve the amendment without further delay. By this legislative action, Mr. Chairman, I also truly believe we will be making a prudent national investment in the best interest of all our citizens.

Mr. ROSTENKOWSKI. Mr. Chairman, I rise in support of the additional budget requests in the second supplemental appropriations bill for 1974 for summer youth jobs.

Under the new Comprehensive Employment and Training Act, the administration is requesting $208.6 million for summer jobs for youths. This amount together with $91.4 million in unobligated funds from fiscal year 1973 would provide a total summer youth program of $300 million or about the same level as 1973.

These funds would provide a total of 709,200 job opportunities at an average cost of $423 per job.

It is imperative that these young people are given the opportunity to work this year. For many young persons, these jobs help break the poverty cycle. They increase the availability of jobs by finding new work opportunities and by encouraging the development of part-time employment arrangements which improve the young workers' employability.

I strongly urge the House to concur with this additional appropriation request.

In addition, the committee strongly recommends, and I quote from page 61 of the report—

> The continued support of the summer youth recreation programs, including the hiring of recreation aides and cost of youth transportation, similar to the way this program has operated in the past.

Ninety percent of our population resides in metropolitan areas. Twenty-five percent of my city of Chicago's population is between the ages of 8 and 21 years of age.

Recreational opportunities which are commonplace to most of our nation's youth are not available to the economically disadvantaged and underprivileged children locked in the inner city.

Recreation is not just sports, but art, drama, music—in essence all leisure time pursuits. Without Federal funds for recreation support, city administrators will have to curtail or eliminate many programs essential to these youths. The prospect of a long, bleak summer awaits thousands of American youngsters if we fail them.

Mr. Chairman, and my distinguished colleagues, I earnestly hope that these committee recommendations will be passed by this body. If our Nation's future is deemed to be truly in the hands of our youth, then I urge your support on these vital issues.

Mr. DELLUMS. Mr. Chairman, in this supplemental appropriation the American taxpayer once again is being asked to hand over millions of tax dollars to support the Thieu regime in South Vietnam.

Just as last week when the House refused to give the Saigon Government increased military aid, I hope that my colleagues will take a serious look at how these economic assistance funds are to be used.

I, for one, am opposed to American tax dollars being utilized by the Thieu regime for political and military objectives—objectives generally in direct violation of the Paris Peace Agreement.

We must not be mistaken about what these funds will be used for; although the stated purpose for this $49 million is for "refugee relief assistance," the actual way they will be used will probably be very different.

I am inserting a series of articles at this point which deal directly with current refugee relief programs, and I think these articles point out how Thieu has distorted these programs for his own political and military gains:

[From the American Report, Feb. 11, 1974]

THIEU'S RELOCATION PROGRAM: PAPER FARCE, HUMAN TRAGEDY

(By Deborah Wiley)

After the pollution of Saigon and the tension of clandestine meetings with former political prisoners, riding in a bus down the highway north of Danang was a relief. I had almost forgotten that Viet Nam could have fertile rice fields dotted with mounds of ancestral graves and children tending water buffalo. Green mountains leveled off into seashore.

The relief was short-lived. A close look revealed craters pitting the fields, barbed wire marking off sections where mines were known to be. Across the mountainside stood defoliated trees.

A little later we reached a Return to Village site.

As we approached the entrance to the village it was clear that, for some reason, the people were held there. Held captive? Barbed wire surrounded the settlement of one-and-a quarter-room bamboo houses that stood in the shadow of a tower for ARVN troops who kept all coming and going in clear view.

There were no trees, no grass. The houses were in rows, about a yard apart. Standard policy for refugee families returned to village is the provision of rice allotments for six months, a small amount of money and tin to rebuild a home. The people of this village had received only promises.

Some villagers pointed to a line of trees in the distance—the actual site of their village and fields. Again and again we heard, "All we want is to farm our land."

But the area is "insecure," some of it actually controlled by the other side. And the troops—the Saigon army—won't allow them to venture out.

No rice allotments, no farming. A few plants were miraculously growing in the sandy soil. An old woman lay in her bed starving. Two houses away a little boy ate a watery rice soup. Down the way a woman and child gulped finely chopped banana stalks; the mother explained that they once considered it pig food, and handed us some to taste. I could hardly swallow.

A few miles away, we visited another Return to Village site on the sandy banks of the seashore. Some of the people could go to their land during the day—from 7 A.M. to 5 P.M.—by checking out and reporting in. Then the barbed wire gates are closed for the all-night curfew.

They explained that the fish nets stretched above the water are next to useless since they cannot use them at night. During the day the fish can see the nets and avoid them.

We talked with a young mother of four about the lack of food. She showed us a small basket of withered greens—discarded by other villagers—that was all her family's food supply. The tiny kitchen had two bare pots and one empty shelf. Her field is too far away to get there and back with any time for farming before curfew.

Later, in another village, a young woman explained to me that *normally* one family would not starve while neighbors had manioc roots to make soup. But the situation now is not normal.

A young man talked with us about his duties as a Rural Defense Force cadre. He explained that he lives close to the people so he knows what they are thinking, although he isn't originally from their village.

"I keep tight control over these people," he said, then took us to his office to demonstrate how. It was in his home that I saw the only meal being eaten.

Out came stacks and stacks of photos, one for each family. Above their heads, within the photo, hung a picture of President Nguyen Van Thieu. The man explained the multi-purpose photos. First he checks the houses every day. Every member of the family must be in the photo and each person in the photo must be accounted for. Secondly, if the NLF comes into the village, they will see from the duplicate print each family has that they are loyal to Thieu. And if a person or family disappears, he has "proof" that they were loyal to Thieu and, therefore, that the Front must have kidnapped them.

Finally, he explained, if a person wants to move to another city, permission must be obtained from the village officials. A picture of the person is then forwarded to his or her destination; if the traveler doesn't arrive, remaining family members are arrested.

The man went on to explain that he had copies of the Phoenix list of suspected communists from past years. In fact, he boasted of arresting three infrastructure the previous week. (Asked what he meant, he explained that the infrastructure were three women accused of trading with the NLF.)

There was no relief from the hot mid-day sun glaring on the sand. As we walked away, I thought of the hopes these people must have had when they were leaving the refugee camp "to be returned to their village." The crushed hopes must have hurt more than long, unfulfilled hopes.

From a distance I looked back at the outposts and barbed wire surrounding the village and remembered reading that the movement of refugees was for strategic, not humanitarian purposes—placing "loyal Thieu supporters" in an area, raising a flag and calling it GVN territory.

On down the road we stopped to read a sign hammered into the ground at the side of the road. "Refugee settlement will begin here at edge of road and go back 800 meters. 150 square meters per person." There was nothing but sand in the area—no buildings, no grass.

More pain for refugees. Or perhaps the word has gotten back that they'll "return to village" where no village ever stood.

A USAID (U.S. Agency for International Development) official in Saigon working in Relief and Rehabilitation, gave us a document purporting to explain the Return to Village and Resettlement program:

". . . With the ceasefire—and despite continuing military activity which generated additional refugees—the GVN has succeeded in turning refugee emphasis once again to Return to Village and Resettlement programs. About 235,000 people have already been returned home this year, while another 170,000 have been resettled in new homes. At least half of the remaining 300,000 refugees are expected to be able to participate in one of the two programs by the end of the year, and all are planned to be out of the camps sometime within the first six months of 1974.

"A number of special allowances provided to refugees when they return home or resettle give them a much-needed first step toward becoming self-sufficient. They receive funds to construct new houses, food allowances to help them survive while new crops are being planted, and development benefits (such as the construction of schools, dispensaries, roads, markets or wells) to assist in the formation of a viable community.

"These long-range programs of return and resettlement—both strongly supported by the U.S. Government—offer major humanitarian and economic benefits to South Viet Nam as a whole as well as to the individual refugees. The programs offer the country an efficient, effective and popular method of increasing agricultural production. Abandonment and virgin land is put to use; so is excess manpower, which might otherwise require continued welfare assistance."

Welfare assistance? A viable community? Major humanitarian and economic benefits? Surely the American officials in Saigon know their claims are farcical. Do members of Congress who voted $75 million in Fiscal Year 1974 to benefit refugees and other victims of war have any idea of the travesty? Does Henry Kissinger know the results of Article II of the Paris Agreement?

Does anyone care?

[From the Washington Post]

SAIGON PLANS TO RESTRICT REFUGEE MOVES

(By Peter Osnos)

DANANG.—The South Vietnamese government will not permit hundreds of thousands of refugees from Communist-held areas to return to their homes after the cease-fire takes effect and will punish them if they try, according to U.S. officials here.

South Vietnamese troops and police have been ordered to restrain the refugees, forcibly if necessary, American sources say, and even refugees from government-held areas will be allowed to go back to their villages only a few thousand at a time.

As an example of the government's position, an elderly man at a refugee camp just outside Danang said police had warned him that if any member of his large family disappears, the rest will be stricken from food distribution rolls.

If peace comes, the old man said, he will return to his village in a Communist-occupied portion of Quangtri Province "at any cost." He is too old, he complained, to endure the sufferings of the crowded, barbed wire-enclosed camp.

President Thieu is said to consider strict control of the South Vietnamese people to be the most important task of his government in the uncertain cease-fire period. To allow a gradual slipping away of refugees anxious to return to their native villages, Thieu evidently believes, would loosen his control over the rest of the population.

Predictably, U.S. intelligence sources say, the Vietcong regard getting people to move back to Communist-held districts as their top priority. So the conflicting pressures on the refugees seem certain to continue.

In all, American figures show that there are now 641,000 people living in refugee camps throughout the country and an untold number, certainly in the millions, who left their homes at some point in the war and may soon wish to return. Many of these fled to Saigon and other major cities, others merely went from one village to another.

On paper, the South Vietnamese government controls about 90 per cent of the population and between half and two-thirds of the land, including most of the inhabited territory of the country. In fact, a sizable percentage of the people are in marginal or contested areas where Communist influence is as great as the government's.

American officials here and in Saigon say that for the foreseeable future every effort will be made to keep all refugees in place, ostensibly so that resettlement can be "orderly." A propaganda campaign to that effect has been mounted, and families that wait their turn will be rewarded with building materials and a small sum of money to help them rebuild.

It is acknowledged, however, that once people begin to understand the meaning of the cease-fire—that the day of United States and South Vietnamese bombers and heavy artillery from both sides is past—they will begin to move and it will be next to impossible to stop them: The draw of the ancestral homeland is far stronger, regardless of its political complexion, than government promises of tin and piastres.

The only people over whom Saigon has direct authority are the 641,000 living in camps. They left their villages in the midst of last spring and summer's heavy fighting and depend on the government for food and shelter. Few if any have substantial resources of their own.

Of the total number in the camps, about 75 per cent—some 400,000 people—are from Quangtri, Binhdinh, Kontun and Binhlong, the provinces that are wholly or very largely in Communist hands. These are the people most directly affected by the government's restrictive orders.

The largest concentration of these refugees is in the Danang area, where 258,000 people are crammed into 34 sites fashioned from abandoned U.S. installations and barren sandflats. Virtually all are from Quangtri.

The South Vietnamese government "has made it clear all around," said one U.S. official, "that anyone from the Communist areas is going to have to relocate elsewhere."

The government has announced its first resettlement program for Quangtri, involving about 17,000 people who are scheduled to be returned in mid-February to their villages in the one district firmly in government hands. The over-all plan calls for moving 50,000 people in the next few months.

At that rate, and given the inevitable delays, it would take years for the refugee camps to be emptied, and it is unlikely that many of the people living there would be willing to wait. At Camp Brooks, one of the biggest camps, 11 families are jammed into each barracks with no privacy or sanitary facilities.

Schools and dispensaries are rudimentary, and the refugees say there is not enough food and what is available is of poor quality.

The old man who said he would go home at any cost was one of the few at the camp who would speak out, emboldened by his great age. Why should he stay there, he demanded. In his village, he said, he had seven acres, three water buffalos and 35 pigs.

Other refugees said they did not wish to return home until the Communists had left, but it was not clear whether this attitude stemmed from anti-communism or a continuing fear of the consequences of living where bombs and artillery so frequently fell in the past.

Last year, a group of several thousand Quangtri residents were moved south to Phuoctuy and Longkhanh provinces shortly before the offensive began. The move was complicated by Communist attacks on the resettlement sites.

American advisers say that besides the security problems, the relocations have been hampered by the desire of many of the resettlers to go home after a few months, even if home is the sterile sandy dunes of the coastal Quangtri plain.

Refugees and officials agree that the government has been unusually efficient in curbing whatever organized activity there has been in the camps for a return to Communist-held areas. U.S. intelligence sources said that systematic sweeps of the enclosures have been made by troops and special police to arrest Communist agents and sympathizers identified by informers.

The word has been passed that anyone inciting the refugees will be locked up. "If they resist," Saigon newspapers quoted official sources as saying, "they will be shot."

[From the Christian Science Monitor, Dec. 24, 1973]

United States-Saigon Refugee Program Criticized

(By Daniel Southerland)

There are signs of disillusionment among American aid officials here over the way the U.S. and Saigon governments are handling the Vietnam refugee problem.

Among the criticisms voiced are these:

Refugees are being "resettled" on land which is too poor to lead to economic self-sufficiency. In cases where forests are available, they are often denied to the refugees because (it is alleged) government officials can reap sizable profits by letting private contractors sell the timber.

The Saigon government, with U.S. support, is moving refugees to insecure areas in an effort to consolidate and expand its territorial control.

These were two of the main objections voiced by one of two former assistant relief and rehabilitation officers of the U.S. Agency for the International Development (AID), Edward L. Block, who recently resigned because of their misgivings over the handling of the refugee program. The other is Leon J. Van Wagoner. Both have considerable background and experience in Southeast Asia.

Mr. Block indicates there are others who share their criticism and have either quit or decided against another tour of duty here.

For the past five or six months, Mr. Block's job has been to work with the Saigon officials responsible for land development and for drawing up resettlement guidelines. His work has taken him on number of trips to the provinces.

Mr. Block described Dr. Phan Quang Dan, the Minister of State for Land Development and Hamlet Building, as a hard-working official. But he said that Dr. Dan had taken so much responsibility into his own hands that he could not possibly provide careful coordination and planning.

Dr. Dan had made an effort to cut down on the thousands of nonexistent refugees, called "ghost refugees," who had swollen the aid rolls. But much too little was done too late, said Mr. Block.

He said he was convinced that very high-level Vietnamese officials were profiting from the aid supposedly going to "ghost refugees."

LARGELY FUNDED BY UNITED STATES

The refugee relief and rehabilitation program is a big one, involving close to a million refugees. It is almost entirely U.S. funded.

But according to Mr. Block, U.S. officials refused to use the leverage which they possessed to bring significant changes in Saigon's handling of the refugee problem. Higher-level U.S. officials routinely suppressed critical reports coming from Americans working in the field, he said.

Mr. Block explained that he had not made known his views to U.S. aid investigators who questioned him about his resignation because he feared that they might distort what he had to say in their reports.

He believes that the channelling of American aid to refugees through private voluntary or international agencies would be more effective than continuing to pump it through AID and the Saigon government.

LABELED "AN INSULT"

In a recent letter to a staff member of the U.S. Senate subcommittee investigating refugee problems, Mr. Block described the U.S. aid-funded relief and rehabilitation program here as a "massive bonanza for the government of Vietnam, a disaster for the refugees, and an insult" to the American people.

"Many of the new refugees sites (even the highly praised Suoi Nghe project) are in danger of eventually collapsing or are already collapsing due to insufficient land and lack of required support from the government of Vietnam," wrote Mr. Block.

"We have come to discover in South Vietnam that if an area had good soil, plentiful water, and is safe, there is inevitably somebody farming or claiming it," Mr. Block said in his letter.

"If an area has poor soil, few water resources, and the government of Vietnam would like to make it a buffer zone, then the land is available for refugee resettlement," he said.

"Return-to-village and resettlement site-development projects are usually bogged down in 'administrative delays' while the 'administrators' decide on their own cut. . . . To make matters worse, controls over the expenditure of AID-provided funds are practically nonexistent, and this has led to inexcusable fiscal irresponsibility.

"AID-provided refugee relief funds are being spent for such unauthorized items as government of Vietnam social events, additional allowances to military dependents, the installation of telephones, land rentals, and even roofing for churches."

[From the Washington Post, Jan. 12, 1974]

Saigon Resettling 150,000 Peasants in Devastated Quangtri

(By Philip A. McCombs)

QUANGTRI.—More than a year after fleeing their homes, 150,000 peasants are returning to this bleak and devastated landscape 400 miles north of Saigon in an ambitious government resettlement project.

Most appear happy to have left the squalid refugee camps where they have been living, but some said the government had forced them to return home against their will.

They said they were frightened at moving in along an uneasy ceasefire line under the guns of a large Communist army that the Saigon government says could invade at any time.

Most are afraid of hitting unexploded bombs and grenades while recultivating their fields, and complain that government bulldozers that were supposed to clear the fields did not do a thorough job.

Many also complain that the government does not give them all the money and building materials they had been promised and they say they suspect that the aid has been embezzled.

Government officials say, however, that the return-to-village project here is going smoothly. They concede that a shortage of bulldozers, money and materials has made things difficult, but say that the resettlement is vastly superior to letting the refugees languish unproductively in camps at government expense.

They also concede that the return-to-village project, mosty funded by U.S. aid, like other refugee programs in this country, has been tainted by widespread official corruption.

But they said that guilty officials have been arrested, and American sources confirmed that administration of the program has been considerably cleaned up in recent months.

The government has come under strong attack in the past for resettling refugees in areas far from their original homes, a policy it still follows and defends on the ground that refugees cannot be returned to dangerous or insecure areas.

You can see the returnees by the thousands living in tin shacks sprawled along the highway as you drive to this northernmost city in South Vietnam.

The government-controlled area here—a 15 mile-wide strip between the mountains and the sea south of this city—still seems scarred and empty more than a year after the raging battles and massive B–52 airstrikes of the 1972 Communist spring offensive ravaged it.

Quangtri City itself, from which you can look across the cease-fire line marked by a river at the camps and waving flags of the Vietcong's Provisionary Revolution Government, still lies in ruins.

None of the refugees is returning to live in the city itself. Of the more than 300,000 persons who fled this province in 1972, about half will return to live in the countryside around Quangtri City and on the coastal strip to the south.

The rest, whose home areas the government no longer controls because the Communist occupy most of the province, will be resettled in other areas of South Vietnam, mostly in provinces near Saigon.

Eighty thousand refugees have returned here in the past eight months, and thousands more are coming all the time.

Nguyen Dac, 54, a stonemason working on a pagoda along the highway south of here, said all the people in his village were evacuated to camps in Danang in 1972.

"When we received the government order to return a few months ago," he said, "only two of the seven hamlets in the village wanted to return." He said the villagers were fearful of recent floods in the area and also because they knew their hamlets were located near the Communist zone.

Negotiations with the government lasted a month, said Dac, at the end of which "The government sent trucks and forced the people to get on them. The government cadres told the peolpe if they wanted to stay in the camps they would no longer provide food for them."

Actually, he said, people from only one hamlet could return to their original lands. Those from the other six hamlets had to move down the road a way since their old area is now held by the Communists.

Mrs. Nguyen Thi Ngon, who was also working on the pagoda, told a different story. "Almost all the people in my village wanted to go back home," she said, "and when they received the order they all went happily." She said this was because her village is not located near the Communist lines.

But there was another problem, one that Dac's village did not suffer. "There are 333 families in my village," said Mrs. Ngon, "but only 200 of them received corrugated steel sheets and lumber to reconstruct their houses."

Northeast of Quangtri, on a rutted dirt road that later becomes the "Street Without Joy" of French times, a big red banner over the road says, "Welcome to the People Who Are Returning to their Native Villages."

The other side of the banner has another sign: "We Accuse the Vietcong of Violating the Cease-Fire and Destroying Peace."

A short distance beyond this is a small school made of grass, where scores of children flocked around me crying out, Mr. American, Mr. American."

The area is considered the most dangerous for resettlement, and a school teacher was asked what plans there are to save the children in the event of an attack.

"If there's an attack," he said, "we'll ask the children to hide temporarily in a bunker, and then their fathers and mothers will come to pick them up immediately because their homes are situated nearby."

The teacher said that the cease-fire line is located less than a mile to the northwest of the school across flat land, and one could only wonder if there would be sufficient time for the parents to get away safely with their children.

Ngoxadong hamlet is located about a mile beyond the school, and there the Nguyen Chon Chau family invited me into their small house for tea.

"I'd leave here if I could," said Chau, 50. "If I had money and could live somewhere else I'd get out of my native village immediately."

His wife, Nguyen Thi Thiu, 52, held her two-year-old granddaughter in her arms and said, "I am constantly afraid of an attack, night and day. All the children would be killed and wounded."

She also said, "The government let us come back here, so if an attack occurs and the people are all killed, then the government will be responsible."

Her husband said the family had been happy to return, but Thiu disagreed with this, saying, "Because the government ordered us back, we had to come back. If we did not obey, we would not have received any more relief food."

Chau said that he had received a rice allowance and some tin roofing and lumber from the government, but was still waiting for the cash grant amounting to $60 that had been promised him.

The family said they remembered seeing U.S. fighter planes destroy their home and hamlet as they watched from a distance. That was in 1972. They said they felt no anger at the U.S. because as Chau said, "The Vietcong had moved in and occupied the hamlet."

They remembered the Communist tanks that moved down the dirt road in front of the house at 8 a.m. one morning, and the infantry that accompanied the tanks.

"Will they attack again?" asked Chau.

"I don't know," I said, "but if they do you had better run fast."

"Which way?" asked Thiu.

[From The Washington Post, Jan. 19, 1974]

(By Philip A. McCombs)

Quangtri; An Eerie Silence

Quangtri.—The northermost city in South Vietnam, Quangtri remains nothing but rubble more than a year after it was destroyed in the Communist spring offensive of 1972.

Unlike the situation in the populous plains around Saigon, where fighting continues daily, there seems to be a real cease-fire here.

An eerie silence hangs over the area. You can look northwest a few hundred yards across the Thachhan River at a Communist encampment with its large blue, red and gold flag atop a tall pole.

Trucks and jeeps can be seen moving on the Communist side of the river. Five or six persons stand on a boat loading there, in line, their hands behind their backs, as if waiting for someone from this side to come over.

Then they turn and leave. Whoever they are, they are on their own land now, their own country, 20 miles south of the old Demilitarized Zone.

You drive up here across a beautiful, lonely shattered landscape. A cold wind howls over the scrubby piedmont. Majestic mountains rise to the west, and the land slopes away eastward to the white sand beaches of the South China Sea.

Refugees are everywhere, having returned here to begin again. They live in tin shacks that line the roads.

This entire area was devastated by shelling from both sides and by American B–52s. Even now there are vast quantities of rubble, shell casings, and destroyed, rusted vehicles full of bullet holes beside the highway.

Children rummage in the litter, collecting the round, heavy cardboard containers that once held artillery shells.

They haul the containers to their tin shacks where the containers are stacked and then burned like firewood, a new kind of natural resource in seemingly endless supply.

There is a seven-mile stretch of Route 1 south of here that the peasants have named "Street of Terror," in memory of the thousands of soldiers and civilians who died there in 1972.

The stretch of road lies not far west of the road that the French called the "Street Without Joy" because of the death and horror there almost two decades ago.

A lovely new pagoda is under construction along the Street of Terror to memorialize those who died. On a pillar in front of the pagoda, red lettering chipped into concrete proclaims:

"In the new year of 1972 this province suffered a war and was destroyed. In the spring, the grass and the land suffered a typhoon of war . . . The people fell down and died here. Innocent women lost their legs. Even small children who were born only a few days earlier died in their bamboo baskets."

Everyone, the memorial goes on to say, lost someone.

The South Vietnamese soldier who is aiming his .45 semiautomatic Colt pistol at my head is drunk. But his hand is steady, his arm stiff and straight.

I am very polite, and exceedingly apologetic for having rolled through his checkpoint without having come to a full stop.

He relents and lowers the pistol after a few moments. I drive on, carefully. No other checkpoint had required such a stop.

In the flatlands around Saigon and in the Mekong Delta, one fears mainly that a stray Vietcong will forget the neutrality of newsmen. Here in the far north, where there are few Vietcong among the sparse population, one fears mainly the South Vietnamese army.

The soldiers often menace approaching vehicles with their weapons when they want rides. Since there are scores of them who want rides on any given stretch of highway, this becomes a problem.

You can either pick up a carload and thereafter plead that there is no more room, or cross your fingers and ignore them.

The Americans have gone, but there are traces of them everywhere.

The sheets and blankets in the hotels in Danang and Hue, for example, are official military issue for the most part and bear the "U.S." imprints.

The maps in various South Vietnamese military headquarters bear the old American names for places as well as new Vietnamese names.

The 101st Airborne Division's famous fire support base Bastogne 15 miles southwest of Hue, for example, has now been renamed Phuxuan by the South Vietnamese who occupy it.

Landing Zone Jane, Landing Zone Stud . . . Checkmate . . . Anzio . . . Betty . . . Sharon Arsenal—these have also received Vietnamese names.

But a Vietnamese captain said that most government soldiers still use the old American names.

"If you ask the soldiers where they are stationed, they will say Bastogne," he said.

For some reason a U.S. Cobra helicopter gunship that was shot down in a field just northeast of here in government-controlled territory in 1972 has been left where it fell.

It appears to be in fairly good condition, and is startling in appearance because of a large red mouth with white fangs that the Americans painted on the front to make it look fearsome. The paint still seems harsh and bright.

Theories differ on why it is there. Some say it was left in memory of its pilot, one of the last Americans to die in Vietnam.

Others say the rockets in its pods are still active and it is too dangerous to remove it.

Whatever the reason, it remains a horrible, grinning monument to the war that ravaged this land.

[From the New York Times, Jan. 14, 1974]

Some Tracts in Vietnam Revert to Old Landlords

(By David K. Shipler)

Saigon, South Vietnam, January 13.—The Government has begun to slip back after having reached the brink of success in dissolving large land holdings, distributing them to poor tenant farmers and thus eliminating one of the Vietcong's most potent political issues.

Here and there in secure areas around the country, Vietnamese plantation owners are coming back to reclaim land they abandoned because of the war. Some local officials are demanding that peasants relinquish land titles they were given just a few years ago.

The recent developments have partly eroded what had been one of the most ambitious land-reform programs in Asia, financed largely by American aid and undertaken in 1970 as a frankly political effort to woo peasants from allegiance to the Vietcong.

In its three and a half years the program has clearly diminished grievances over land ownership by transferring 2.5 million acres to farmers, relieving them of onerous rents that frequently ran to a third of the crop or more.

The main target of the reform and the main area of its success was the rice-rich Meong Delta, where tenancy has been virtually eliminated. The current backsliding—affecting provinces adjacent to Saigon and parts of the Central Highlands—does not yet appear to have revived the land issue for the Communists, but some legislators and Government officials are worried that it will.

"It has been one of the most important strategic national policies in this nation's struggle, but now a reverse process seems to be taking place," declared Vu Cong Minh, a member of the National Assembly's Agriculture Committee.

"Thousands of farmers are still tenants and others who have got their land titles under the Government's Land to the Tiller program are again becoming tenants," he said in an interview. "Former landowners and corrupt officials are trying by all means to steal away their land. The situation is becoming quite serious. National policies are being undermined. The process must be stopped."

His views are shared by other legislators on the committee, one of whom said in exasperation, "The land-reform situation is now in a complete mess!"

Fifteen miles northeast of Saigon, in the village of Binh An, a young farmer named Lan walked slowly among his banana trees and pea plants and pig pens, perhaps for almost the last time.

FINALLY SETTLED ON 5 ACRES

He had come from North Vietnam as a boy, when the Communists defeated the French in 1954. After years of moving from place to place, he and his parents and brothers and sisters finally found these five acres to rent, and in 1968 they began farming. Three years ago, under the land-reform program, the family was awarded title.

Then late in October, Mr. Lan recalls, three Vietnamese, all speaking French, appeared in the village. They showed a paper identifying them as representatives of a French planter, André Farinol.

"They said that the French had set up an embassy here," Mr. Lan reported. "They said they do not care if there are now Vietnamese or Americans living on this land. The French are coming back, so Mr. Farinol is reclaiming his land."

Less than a month later Mr. Lan and hundreds of farmers in Binh An and nearby villages received pieces of brown paper on which were printed formal notices from the village committees:

"It is kindly requested that you come to the office of Binh An village at 8 A.M., Nov. 24, for withdrawal of your land title. Do not forget to bring your land title with you. Absence is not permitted."

Convinced that village officials were merely acting on behalf of former landlords, the farmers appeared but refused to relinquish their titles. That is where the matter stands.

"If the land is taken, we would have to move out again and find some other piece of land, but it would be very hard—we have put our money here," said Mr. Lan, who was afraid to allow his full name to be used. "Right now we are very fearful."

According to sources in the central Government, such efforts by local authorities to retake land have been made in various parts of the country, most seriously in the provinces of Bien Hoa, Long Khanh and Gia Dinh, which are near Saigon.

The officials say that one device being employed is an old so-called urbanization program originally designed to take land for the development of industry, housing and other projects.

A knowledgeable official reported that even though the Government had virtually no money for such development, some farmland was being designated for urbanization—including a third of Bien Hoa Province—with the result that titles were being withdrawn and restored to former landlords, who either charge the farmers rent or throw them off the land.

Asked about this, Bui Huu Tiem, Director General of Land Reform, replied: "We must respect the law and we must also respect the interests of the landowners. Now, a landowner comes back and says, 'My land is within the urbanization program. You have wrongly distributed it. Now you must give it back to me.' So we have to give it back to them. Of course, in most cases these farmers can stay on and continue to till the land, provided they pay some rent to the landowners."

SIGNIFICANT GAIN REPORTED

Even with these difficulties, the current land-reform effort has achieved a more significant shift of ownership patterns than any previous Government attempt.

For years the Vietcong, and the Vietminh before them, had made land reform a central theme of their revolution. "Cadres were instructed to turn every issue into land terms," Douglas Pike wrote in his book, "Viet Cong."

In the early nineteen-sixties Vietcong land reform meant assassinating some landowners and driving others from their villages. Tenants were ordered not to leave the villages to pay rents. Landlords or agents who came to collect were killed, according to Robert L. Sansom in his study, "The Economics of Insurgency in the Mekong Delta of Vietnam."

The South Vietnamese Government responded by arresting farmers who had accepted land titles from the Vietcong, Mr. Sansom reported. In fact, he added, the Government so strongly identified with landlord interests that the village tax-collecting mechanism became a first step to the Government's assumption of a rent-collection role on behalf of absentee landlords. In many cases the Government itself served as landlord.

Though the late President Ngo Dinh Diem initiated a land-reform program in 1956, it remained weak and ineffective well into the sixties, partly because the Americans were uninterested.

LAND ISSUE SLIGHTED

Even as the United States slid deeply into the war, "United States officials did not believe that land-based grievances were important," Mr. Sansom wrote.

A 1967 report for the United States Government by the Rand Corporation concluded: "From the point of view of Government control, the ideal province in South Vietnam would be one in which few peasants farm their own land, the distribution of landholdings is unequal, no land redistribution has taken place, large French holdings existed in the past."

By 1970 the American view had changed and so had that of the Government. The new Land to the Tiller program required the award of title, free of charge, to any farmer who was tilling land and paying rent. Some land was exempt, including property owned by religious sects and up to 12.5 acres of an individual landlord's land for a cemetery or for ancestor worship. Each farmer received up to 7.5 acres and each landlord could keep no more than 37 acres to farm himself or with wage labor.

POCKETS OF CORRUPTION

Landlords were compensated by the Government at a rate of 2.5 times the value of a year's crop, with 20 per cent in cash and the rest in Government bonds. Officials estimate that the program will cost $400-million.

Despite its sweeping nature, the program has left pockets of exploitation and corruption. Some officials report that a number of landlords distributed land among members of their families and obtained the compensation, but continued to benefit from the crops.

In other cases tenant farmers simply continue to pay exorbitant rents, either because they have not heard about the program or because they are unwilling to change traditional relationships with landlords.

Mrs. Pham Thi Ut has five children, and she cannot feed them all on the rice she has left after paying nearly a third of her crop in rent for the land she farms in Dong Hoa, 12 miles northeast of Saigon.

Why did she never try to get the land title? "I never thought of it," she said. "I have known the family for so long. They are very rich. They do not have to till the land themselves. They own a car and a shop and do business in town. I just feel uneasy about acquiring their land."

In the nearby village of Hoa An, 60-year-old Bui Van Bay is farming a patch of a rubber plantation, but the owner plans to replant rubber trees next year.

"I heard about Land to the Tiller," he said. "I did not like to get land from other people that way so I did not fill out any paper, so I still do not have any land and I do not know what will happen next when the rubber trees are replanted.

"Of course, I certainly regretted not having asked for some land before," he added, "but I still feel it would not have been honest to get land from other people."

The program's exemption of sect-owned land has been criticized since both the Roman Catholics and the Buddhists have considerable holdings.

Vo Van Tieu of Dong Hoa, who has tilled pagoda-owned land for a decade, says he would have enough rice to feed his three children and 17 grandchildren if he did not have to pay a third of his crop to the head monk.

But Mr. Tieu is not resentful. "It is for the pagoda," he explained, "so it is for the purchase of incense and the cult of Buddha, so I feel it is like a service to Buddha."

Mao Tse-tung: "The first part of our struggle was a peasant revolt. The aim was to free the farmer from his overlord, to win not freedom of speech, voting or assembly, but the freedom to survive."

[From the Washington Post, Nov. 23, 1973]

"LET US GO HOME," VIET VILLAGERS ASK

(By Thomas W. Lippman)

THANTHUY, SOUTH VIETNAM.—As if on cue, the inhabitants of Thanthuy's moldering shanties come out to plead with their unexpected visitors: We are hungry. This land is poor. We want to go back to our village. Please ask the government to let us go home.

If this is not the bleakest, poorest village in South Vietnam, it must be close to it. The 2,267 people live in tin and plywood huts clustered on a treeless sandspit, unrelieved by greenery or commercial enterprise. There is no school, pagoda or market, but there is a barbed-wire enclosed compound.

TV's, bicycles, soft-drink stands, radios and photographs of President Thieu that have proliferated elsewhere are not to be seen. The villagers bear the scarred, unsmiling faces and tattered clothes of the downtrodden. The commercial bustle of Danang, less than 10 miles to the north, seems as remote as the moon, and Thanthuy's residents can only go there with special permission, anyway.

Thanthuy was once a prosperous village, the inhabitants say, with houses of brick and tile and fruit trees sprouting from the fertile soil. But that was four years ago and two thirds of a mile away toward the seacoast, where the village used to be until the Americans burned it down and the South Vietnamese government forced the villagers to move.

They have not been allowed to return, because the government wants them near the road where they can be kept under control. So they stay where they are, surviving under an all-night curfew.

"The authorities have told us many times that we can go home in the near future," said a gnarled old farmer, "but the near future doesn't come." His daughter, shifting on her seat to conceal a crude wooden substitute for her own foot, said nothing. She lost the foot in a mine explosion a month after the cease-fire.

As the old man spoke, the steady rumble of artillery fire could be heard in the background. Thanthuy is one of the uncountable places in South Vietnam where it looks as if it will be a long war.

"These people all have relatives in the Vietcong, so the government has no confidence in them," said Maj. Doan Phuoc Hue, the chief of Dien Ban district, which includes Thanthuy. "That is one of four villages where we have to have special security measures. We have to arrest people from time to time because we suspect they are providing food to the enemy."

On the pacification charts, this is listed as a village that the government controls, but it is the kind of control that jailers have over prisoners, as local officials admit, and not altogether effective. The village chief was not available to be interviewed because he was in Danang to be treated for wounds suffered in a recent skirmish, and troops from the militia outpost were repairing a road intersection that had been mined the night before.

Thanthuy is in Quangnam Province, about a mile south of the former U.S. base at Marble Mountain, on the southern outskirts of Danang, and about 2.5 miles in from the South China sea. This part of Vietnam has been under Communist influence, if not domination, for more than 20 years, and some of the bitterest battles fought by American troops involved the attempt to control the insurgency in southern Quangnam.

The residents of the village say the Vietcong took it in 1966 and held it for three years, although government officials say it was never officially acknowledged to be Communist-controlled.

Because of its location, it posed a threat both to Marble Mountain and to the Danang province capital of Hoian a few miles south. So in 1969, after combined air and ground attack, the Americans and South Vietnamese cleared the village, burned the houses, and herded the villagers westward, across the dunes, to a resettlement site near the Danang-Hoian road.

"I don't know where the Vietcong are now," said a 60-year-old farmer. "But we cannot go back because the government won't let us. I have enough land here to grow rice."

"They said we were spread out too thinly for security," another man said.

The Marble Mountain base, which was protected while Thanthuy was burned, is deserted, the last of the G.I. signs fading in the rain. And the direct road from Danang to Hoian is still usable only by military vehicles traveling in convoy. If the destruction of the village achieved anything beyond the embitterment of its people, there is no sign of it.

[From the Baltimore Sun, Dec. 12, 1973]

REFUGEE MASSES RETURNING TO QUANGTRI

(By Matthew J. Seiden)

QUANGTRI, SOUTH VIETNAM.—In the biggest resettlement project in the history of the Vietnam war, hundreds of thousands of refugees are being moved back into this flat—and dangerous—landscape of sand dunes, barbed wire and rubble.

Leaving the squalid refugee camps of Danang, nearly 80,000 persons have already returned to the ruins of their villages within a few miles of the front lines in this northernmost border province.

The rest are being settled on new sites in this and other provinces, since their original villages remained in Communist control after the furious fighting that leveled Quangtri city last year.

The battle for Quangtri drove at least 300,000—and according to some estimates as many as 600,000 persons—from the province last year.

To get these people out of the government refugee camps and the makeshift slums of Danang and Hue, the United States has funded a controversial $2 million resettlement plan administered by the South Vietnamese government.

Critics of the plan say the refugees are being sent back into this dangerous border province for military and economic, rather than humanitarian, purposes.

According to these critics, the refugees, who are armed and trained as "local defense forces," are sent home at great risk, to strengthen the government's control of otherwise "insecure" areas.

In addition, the critics point out that after the first six months, resettled refugees are usually no longer eligible for food rations that cost the government millions of dollars in the temporary refugee camps.

While government supporters do not deny the military and economic advantages of the resettlement project, they insist that humanitarian motives come first.

To the people who are taking the risk, the move home is an occasion for both great joy and fear.

"We are afraid of being so close to the front line, and we are afraid of digging up old explosives in our fields," one old man said. "But it is good to be home again."

Although there have been no reported military incidents, at least 3 persons have been killed and 20 wounded by explosives left buried in the rubble after last year's fighting.

According to Americans who work closely with the project, the success of the 24 resettled hamlets varies widely from place to place.

Where the land was good, the destruction light and enough men survived to do the heavy work, the villagers hope soon to be self-sufficient again.

But some of the hamlets, especially those hit hardest by recent floods, required an extension of the six-month free rice supply to avert starvation and collapse.

Taken all together, the picture painted by these articles shows that Thieu is taking funds earmarked for humanitarian objectives and using them to keep himself in office. And so I ask: To whom have we made a commitment in Vietnam? Is it to Thieu and the repressive and corrupt administration he fronts? Or is it instead to the citizens of Vietnam, the real victims of over three decades of war and unrest?

Did we spend billions of our tax dollars, did we lose 50,000 American lives for this? I hope not.

Mr. Chairman, despite President Nixon's empty rhetoric, there is no "peace" in Vietnam, and there is certainly no "honor" for America if we continue to pour resources and men into a futile effort to prop up Thieu and his friends. We must give serious consideration to how our tax dollars are being spent in Vietnam. Today, we may only be talking about a relatively small amount of some $49 million, but remember that Thieu's buddy, American Ambassador Martin, has already said that he thinks that Thieu needs "a large infusion of American aid over the next 2 years" and Martin has specifically mentioned a total of $850 million.

Yet, of the State Department requests for aid to Thieu, only about $70 million has been asked for humanitarian assistance. Where, then, will the remaining $780 million go? It is not clear to me and, therefore, I assume that it will be used to keep Thieu in power—and that is all.

Finally, I would like to refer to an article I have here from the Saigon Post of March 9 describing a new economic assistance commitment to Thieu from the Japanese Government.

I find this to be an interesting situation, because on one hand the committee report justifying this increase in supplemental aid imparts a sense of urgency in the need for these funds and an indication that only this Nation's urgent help can keep the refugee programs going. Yet, at the same time, Thieu has been negotiating for at least 8 months for substantial Japanese assistance in this same area. And so I wonder if the members of the committee knew of these negotiations, and if we would be making this so-called urgent appropriation if they had known that these funds were forthcoming from Japan.

Mr. Chairman, the American people cannot afford to support Thieu and his corrupt, repressive regime. It is time we gave serious consideration to the assistance commitments we have given—and will be asked to give in the future—with Saigon, and that we in Congress begin to realize that such commitments are not in the best interests of peace or of the people of Vietnam.

The article follows:

FIFTY MILLION DOLLARS: JAPAN AID ACCORD SET FOR SIGNING

(By Le Lien)

> The US$50 million aid pledged by Japan to the RVN will be made available immediately after the signing of an agreement scheduled to take place here within this month by Foreign Minister Vuong Van Bac and the Japanese Ambassador to Saigon, it was learned Thursday.
>
> The US$50 million aid broken down into 30 million as loan proper and 20 million as humanitarian aid, was approved by the Japanese Diet last year following a meeting between Japanese Prime Minister Tanaka and President Nixon who proposed that Japan assume the role of leading contributor to post-war rehabilitation and development in the whole Indochina.
>
> The US$20 million gift is contingent on the obligation by the RVN government to buy building equipment and farm machines and tools from Japan for war refugees. The US$30 million loan will enable this country to buy whatever it wants but only from Japan. The loan calls for an interest rate of 2.75 per cent per annum and a term of 30 years with a 10-year period of grace.
>
> The credit was negotiated in eight months with the RVN government bargaining for more favorable terms.

Mr. VANIK. Mr. Chairman, in the section of this supplemental relating to the Department of Defense, there is an item providing an additional $116,147,000 for the operation and maintenance of the Army. Some of this increase is due to the increase in fuel costs. In the committee report, on page 22, there is reference to the committee's concern that the Department of the Army may have overstated its need for fuel. From the committee report, it sounds like the Army may have been trying to hoard fuel. I hope the committee will continue to urge the Army—and the other services—to save fuel. I hope that the committee will be able to provide estimates on the amount of fuel which will be used in fiscal year 1975 as compared to fiscal year 1974 or 1973.

I am particularly worried about the unnecessary use of fuel by the Army Reserves in northern Ohio. Recently, the Reserve units in Ohio were switched from 1st Army Command at Fort Meade to 5th Army Command out of Texas. As a result, the units will now be training in camps in the West instead of the East. The result could be an enormous increase in the amount of fuel used by some Ohio units. I have called this situation to the attention of the Army. The unit involved was the 428th Supply and Service Co. Last year it went to a camp in upstate New York. This summer it is going to a camp in upstate Wisconsin—several hundred miles further. As a result, the unit was originally assigned nearly twice the amount of fuel it used last year. When I pointed this out to the Army, they apparently made some changes. By reducing the number of vehicles which this company will take to camp from 44 to 31, the company will cut down on the amount of gasoline used and actually use less than last year. Assuming that this does not result in a significant cut in the unit's effectiveness, the Army is to be commended for this action.

However, there are other units that are in the same situation. For example, the 682d Heavy Equipment Maintenance Co. will be making the same switch. I have not received any comments from the Army on whether a way will be found to save on the amount of fuel used by this unit.

I am concerned that there may be a large number of other units using additional fuel. I asked the Army whether the Reserves would be using more or less fuel in 1974 than in 1973. They told me that they planned a 10-percent fuel savings. But when I asked how much fuel was used by the Reserves in 1973, no one could tell me. If the Army has no total record on 1973 fuel usage—how will they be able to tell if they really are saving fuel?

I hope the committee will provide oversight to insure that the maximum fuel efficiency is obtained.

Mr. HARRINGTON. Mr. Chairman, while I support H.R. 14013, the fiscal 1974 supplemental appropriations measure, I have some reservations about the section of this bill that provides $49 million in aid to the South Vietnamese Government, to finance, according to the committee report, "commodity imports," and for use in other "humanitarian programs" including refugee relief assistance.

I am concerned that a portion of these funds might be diverted to other uses which I would consider unacceptable—for example, support of the prison system or police operations of the Thieu government. Because there is no prohibition in this legislation specifically preventing the expenditure of a portion of the $49 million for such purposes, I urge my colleagues, for purposes of clarification of legislative intent, to record their views that none of the moneys contained in this bill are to be used to finance the prison-related or police-related activities of the Thieu regime.

A more serious problem—and one which I strongly urge my colleagues to consider as we debate H.R. 14013, concerns the nature of the "refugee relief" programs for which funds appropriated by this bill are to be used. Considerable evidence has emerged to indicate that very few benefits from these U.S.-financed programs actually reach the people for whom we intend aid. There is substantial evidence of corruption and mismanagement of these programs all down the line of Vietnamese officials involved. Two programs particularly suspect are those labeled "Return to Village" and "Resettlement."

Both programs are intended to help victims of bombed-out and destroyed villages by offering relocation facilities and temporary shelters as well as special food distribution programs and assorted services. In actuality, the facilities created by these programs are little more than government-run concentration camps where entry and exit are controlled by armed guards. Villagers are not free to leave at will, and necessary functions—such as crop growing—are next to impossible. There have been reports of people nearly starving in the camps for lack of arable land, while government officials take what relief food managed to make its way through the levels of corruption into the barbed-wire compound.

These activities, I note, suggest violations of article 11 of the Peace Accords, which guarantee refugees "freedom of movement, freedom of residence, and freedom of work."

Two American AID officials recently resigned in protest to the way in which the United States and Saigon governments are handling the refugee problem. As indicated in an article by Daniel Southerland that appeared in the Christian Science Monitor in December, the text of which I request be printed at the conclusion of my remarks, the Saigon government is deliberately resettling refugees into areas too poor to lead to economic self-sufficiency, and is using refugees as political pawns in an effort to consolidate and expand its control over territories "insecure" or disputed. These refugee programs are almost entirely funded by U.S. taxpayers. In the words of one of the former AID officials, the programs are "a massive bonanza for the Government of Vietnam, a disaster for the refugees, and an insult" to the American people.

Senator KENNEDY's Subcommittee on Refugees of the Senate Judiciary Committee has also turned up disturbing evidence of corruption in the refugee program and its failure to be of any real benefit to the refugees. A subcommittee "Study Mission Report," entitled, "Relief and Rehabilitation of War Victims in Indochina: 1 Year After the Cease-Fire," released on January 1, 1974, contained memoranda from AID officials in Vietnam sharply critical of the refugee program. One such AID memorandum, dated July 9, 1973, contained the following:

> Although the Tu Chung hamlet population has been reported RTV'd for two months (and have not been receiving in-camp food distribution for this period) very little has been accomplished this far to develop a viable village. Only temporary shacks have been constructed and most people are not living in them. One or two wells have been dug but other than this no infrastructure development . . . is even in sight.

The same AID memorandum said of the Duc Luong village:

> According to U.S. advisors, the Duc Luong people have been given no land . . . and are required to pay rent on land occupied for their living area. However, the district chief informed us this is only a temporary holding area where people are being placed until a proper resettlement can be found. He has a few locations in mind, but has not definitely decided where to put them. In the meantime the Duc Luong people have not received any allowances . . . He has received funds

to pay their resettlement allowances, but is awaiting a final decision . . .

Of the Binh Duc village in the Binh Son district:

> The people from Chau Binh and Phu Quy hamlets were not allowed to return to their original hamlets because of insecurity. They have been placed in Chau Thuan hamlet which, in a number of cases, is a considerable distance from their fields.

Another memorandum from U.S. AID officials, dealing with the "Return to Village"—RTV—program, surveys the results in Pleiku Province in October of 1973. The memorandum, dated October 31, 1973, reads in part:

> The ARVN troopers in Plei M'Rong area apparently went plundering again. The recently returned Plei Towanly villagers . . . allegedly lost half their anticipated rice crop to the ARVN soldiers and their dependents. The people complained the soldiers of a yet unspecified mechanized and artillery unit with some dependents helped themselves in harvesting the rice crop despite pleas from the people. It was further alleged the soldiers held the people, who complained, at bay with the use of tear-gas grenades and threats of booby traps. . . .

From the evidence of these memorandums, it appears that the refugee programs are near-total shambles. The refugees are being herded around, because the Saigon government wants to establish control over one area or another. Sometimes the peasants are allowed to return to their villages, only to find that the fields have not been cleared of mines and booby traps, and that such assistance is not forthcoming from the Saigon government. Other refugees have found that even after planting their crops—as in the case above—ARVN troops loot the harvest, allegedly to prevent its falling prey to the PRG.

I believe that the United States has a responsibility to the refugees and other victims of the Indochina war. I am not convinced, however, that the current programs are a satisfactory response to these obligations. It seems to me, on the basis of evidence such as that I have offered on this occasion, that the Congress should initiate a full-scale, broadly based investigation of the refugee programs, and the use of American funds which are intended to be of assistance to refugees, but more often than not, it seems, are not. We as Members of Congress should not allow the continuing, and tragic, scandal of U.S.-financed "refugee programs" to continue without far closer supervision and substantial reform.

The article follows:

[From the Christian Science Monitor, Dec. 24, 1973]

United States-Saigon Refugee Program Criticized

(By Daniel Southerland)

There are signs of disillusionment among American AID officials here over the way the U.S. and Saigon governments are handling the Vietnam refugee problem.

Among the criticisms voiced are these:

Refugees are being "resettled" on land which is too poor to lead to economic self-sufficiency. In cases where forests are available, they are often denied to the refugees because (it is alleged) government officials can reap sizable profits by letting private contractors sell the timber.

The Saigon government, with U.S. support, is moving refugees to insecure areas in an effort to consolidate and expand its territorial control.

These were two of the main objections voiced by one of two former assistant relief and rehabilitation officers of the U.S. Agency for International Development (AID), Edward L. Block, who recently resigned because of their misgivings over the handling of the refugee program. The other is Leon J. Van Wagoner. Both have considerable background and experience in Southeast Asia.

Mr. Block indicates there are others who share their criticism and have either quit or decided against another tour of duty here.

For the past five or six months, Mr. Block's job has been to work with the Saigon officials responsible for land development and for drawing up resettlement guidelines. His work has taken him on a number of trips to the provinces.

Mr. Block described Dr. Phan Quang Dan, the Minister of State for Land Development and Hamlet Building, as a hard-working official. But he said that Dr. Dan had taken so much responsibility into his own hands that he could not possibly provide careful coordination and planning.

Dr. Dan had made an effort to cut down on the thousands of nonexistent refugees, called "ghost refugees," who had swollen the AID rolls. But much too little was done too late, said Mr. Block.

He said he was convinced that very high-level Vietnamese officials were profiting from the aid supposedly going to "ghost refugees."

LARGELY FUNDED BY UNITED STATES

The refugee relief and rehabilitation program is a big one, involving close to a million refugees. It is almost entirely U.S. funded.

But according to Mr. Block, U.S. officials refused to use the leverage which they possessed to bring significant changes in Saigon's handling of the refugee problem. Higher-level U.S. officials routinely suppressed critical reports coming from Americans working in the field, he said.

Mr. Block explained that he had not made known his views to U.S. AID investigators who questioned him about his resignation because he feared that they might distort what he had to say in their reports.

He believes that the channelling of American aid to refugees through private voluntary or international agencies would be more effective than continuing to pump it through AID and the Saigon government.

LABELED "AN INSULT"

In a recent letter to a staff member of the U.S. Senate subcommittee investigating refugee problems, Mr. Block described the U.S. AID-funded relief and rehabilitation program here as a "massive bonanza for the government of Vietnam, a disaster for the refugees, and an insult" to the American people.

"Many of the new refugees sites (even the highly praised Suoi Nghe project) are in danger of eventually collapsing or are already collapsing due to insufficient land and lack of required support from the government of Vietnam," wrote Mr. Block.

"We have come to discover in South Vietnam that if an area had good soil, plentiful water, and is safe, there is inevitably somebody farming or claiming it," Mr. Block said in his letter.

"If an area has poor soil, few water resources, and the government of Vietnam would like to make it a buffer zone, then the land is available for refugee resettlement," he said.

"Return-to-village and resettlement site-development projects are usually bogged down in 'administrative delays' while the 'administrators' decide on their own cut. . . . To make matters worse, controls over the expenditure of AID-provided funds are practically nonexistent, and this has led to inexcusable fiscal irresponsibility.

"AID-provided refugee relief funds are being spent for such unauthorized items as government of Vietnam social events, additional allowances to military dependents, the installation of telephones, land rentals, and roofing for churches."

Mr. STOKES. Mr. Speaker, I move to strike the requisite number of words on page 9, line 6, of H.R. 14013.

In my opinion, it is extremely important that we realize just who and what we are aiding if we vote to give $49 million in supplemental economic aid to South Vietnam.

This aid is earmarked for war refugees. But there is mounting evidence that the aid is not reaching the refugees. According to many accounts, a huge portion, perhaps even the major portion of our aid to refugees goes into the already well-lined pockets of corrupt military and civilian officials of the Thieu regime.

Where aid does reach the refugees, it is often meager and the "villages" and "resettlements" appear to be very thinly disguised concentration camps. The village chief of at least one camp at Cam Thanh in Quang Nam province has reportedly admitted quite openly that the reasons for setting up his camp were more military and strategic, than humanitarian.

As we consider further aid to Vietnamese war refugees, both in fiscal year 1974 supplemental appropriations and in the upcoming fiscal year 1975 budget, I feel it is incumbent on the House to inspect very closely how that aid money is being used, and to take whatever action is necessary to be certain that American tax dollars are actually helping to heal the wounds of war in Vietnam—not to dig them deeper.

I submit for my colleagues' consideration the following eyewitness testimony regarding the misuse of refugee aid by the Thieu regime:

Testimony of Diane M. Jones on Behalf of the Friends Committee on National Legislation Before the Senate Appropriations Subcommittee on Foreign Operations on South Vietnam Economic Aid, March 28, 1974

My name is Diane M. Jones. I am testifying today on behalf of the Friends Committee on National Legislation, whose policies are made by Friends appointed from twenty-two Friends' Yearly Meetings and ten other Friends' organizations, but which does not purport to speak for all Friends.

I wish to thank the Subcommittee for this opportunity to share my experiences and views as you consider the Administration's request for supplemental funds of $54 million for economic aid to South Vietnam for fiscal year 1974.

Along with my husband, Michael Jones, I have spent 2½ years in South Vietnam, serving as Saigon representative for the American Friends Service Committee, associated with the Quaker rehabilitation project in Quang Ngai in central Vietnam. We have lived in Vietnam for two periods: first, from August 1970 through October 1972, and more recently from October 1973 until early February 1974. While in Vietnam I learned to speak Vietnamese, which I believe helped me immensely in understanding the people and the extremely complex situation there.

As a result of my experiences in Vietnam, in particular my most recent post-"ceasefire" experience, I wish to testify to this committee against an increase or even a continued high level of American economic aid to the Saigon government.

The principle of substantial economic aid for South Vietnam is supported by many well-intentioned Americans as a way of helping to repair a society which has suffered the ravages of twenty-five years of bloody warfare. However, my own observations and my conversations with Vietnamese people during my recent visit have led me to conclude that, for the most part, American aid is not humanitarian, that it does not reach the people, and furthermore that no economic aid administered solely through the government in Saigon can have the effect of healing the wounds of war in Vietnam.

Today I will limit my remarks solely to the largest portion of aid that USAID labels as strictly "humanitarian," namely, aid to refugees. I will attempt to relate to the subcommittee only my direct personal experiences in this regard.

The American-supported program for refugees in South Vietnam now has basically two major components, both aimed at removing refugees from refugee camps: (1) moving them back to their home areas, under the "Return to Village" program, and (2) moving them to new areas under the "Resettlement" program. Last December and January I was able to visit a number of both "Return to Village" and "Resettlement" sites in a number of provinces.

'"Return to Village." The conditions I found in the Return to Village camps I visited were appalling. In the first place, despite the name, these camps looked nothing like villages, but like concentration camps, some of them totally surrounded by barbed wire or bamboo stake fences, with tall military watchtowers on the perimeters. In camps in Quang Tri, Quang Nam, and Quang Ngai provinces, I learned that people were not allowed beyond the camp boundaries, except during certain hours of the day, for example, between 7 a.m. and 5 p.m. The inhabitants of these camps had to register with camp officials when they left and when they returned.

In Xuyen Phuoc camp in Quang Nam province, I talked extensively with a government official, who told me his job was political control of the population. This official was a member of the "Rural Development" Corps, which is also an American-funded and -advised program. He showed me stacks of pictures, one picture of each family in the camp, posing in front of an anti-communist slogan and a portrait of President Thieu. He said that he had to check daily each family against their family portrait to see if anyone had entered or left the camp without registering with the camp officials. He told me that any resident who desired to move away from the camp must have written permission from the camp authorities and must report again to the local police upon reaching his or her destination. If anyone disappeared without asking permission, he said, the person's family could be arrested.

The political control in the Return to Village camps I visited has a strong impact on living standards. Because inhabitants were allowed outside the camp only between fixed hours of the day, because in some cases they had to walk a long way to reach their farm land, or in other cases had no farm land available to them, they could not support themselves adequately. For example, at Cam Thanh Return to Village camp in Quang Nam province, villagers told me that they could not grow anything because all of their farmland was on the other side of the "ceasefire" line, and that the Saigon government troops guarding the camp would not allow them to go back and farm their land, even during the daytime. At the time I visited, people in that camp were eating chopped banana tree stalk and were fearful of starvation in the coming weeks. We interviewed the village chief of that camp and he acknowledged that the camp residents all wished to go back to their original farm land, but "They cannot," he told us, "because the communists are out there." We asked him why the villagers were brought to such a miserable camp in the first place. His straightforward answer surprised me: "The reasons for setting up this camp were more strategic than humanitarian," he said.

"Strategic" seemed to me a very apt description for the "Return to Village" campsites I saw. A close friend of mine described to me a "Return to Village" camp on the Batagnan peninsula in Quang Ngai province, where his elderly parents now live. When the Paris peace agreement was signed, his parents were living in their home village area, which was at the time under the control of the Provisional Revolutionary Government. Two months later Saigon government troops shelled the area, moved in, rounded up the people into a barbed-wire enclosure, and called it a "Return to Village" camp. A Saigon government outpost was established concurrently with the camp.

The Resettlement Program. The second thrust of the U. S.-aided Saigon government program to deal with refugees is the "Resettlement" program. Refugees from areas which are contested or controlled by the Provisional Revolutionary Government are being encouraged by the Saigon government to resettle in new areas, in camps or new villages which are controlled by Saigon. Under this program large numbers of refugees are now being moved from central Vietnam to provinces in the South, including Binh Tuy and Long Khanh. Governmental promises to the new settlers are many but they often fall short of fulfillment. We met settlers in Binh Tuy province who had been waiting seven months for the government to dig the wells it had promised to dig and clear the farmland it had promised to clear. We met women settlers in Dong Den camp, also in Binh Tuy, who, despite government promises, had had to clear by hand the plots of land for their own houses. Like the government's representative at the camp, they had no idea when their future farmland would be cleared out of the thick jungle.

Stories of large-scale corruption in the system are widespread and believable when one sees the conditions in those camps and talks with the inhabitants. The American adviser in Binh Tuy, whose main duty was to advise the resettlement program, told me, for example, that corruption was one reason why land was not being cleared for the settlers. He said the Saigon Resettlement office was paying out 110 thousand piastres per hectare to VECCO Corporation, a U.S.A.I.D.-supported organization, for clearing. They were then subcontracting the job to someone else, who was in turn subcontracting the job again. When the contract got down to the actual people who were clearing the land, there was only 45,000 piastres per hectare left, and the bulldozer operators did not feel it was worth their while. The same American adviser reported finding corruption in rice distribution. The Saigon headquarters was paying top market prices for good rice, but the people were receiving the lowest quality—that which is usually used as animal feed. A Catholic priest who has worked with new settlers told me that in a well-digging operation with which he was familiar, fully 90% of the funds from Saigon were raked off the top before they reached the diggers. One of the women we spoke with in Dong Den camp, sitting sadly on the dirt floor of her half-finished bamboo house, said, "You foreigners send a lot of money to Vietnam for programs like this one, but we people get only what trickles through the fingers of the government officials."

In the Resettlement plan, as in the Return to Village program, questions of military strategy often seem to take priority over consideration for the welfare of the refugees. The American adviser in Binh Tuy told me in January 1974, that the area for the Dong Den resettlement camp was taken over from the "V.C." after the Peace Agreement was signed. Saigon government troops newly encamped near the resettlement site confirmed his statement. He added that he hoped for the settlers' sake there wouldn't be any fighting but he wouldn't be surprised if the "V.C." tried to retake the area, which they considered theirs.

I would like to bring to the attention of the Committee a report dated January 27, 1974, to the Senate Subcommittee on Refugee Affairs. On page 16 is reprinted a letter by a U.S. embassy officer describing the "Resettlement" program in the area which I have just been referring to. He writes: "The people will move into areas that were previously considered marginal, thus secure the area, improve movement and security along major routes of communication, develop the agriculture and economic situation in the province and bring economic viability to the country as a whole." This letter clearly indicates the importance which strategic considerations are given in the administering of our "humanitarian" aid programs for refugees.

In summary, I would like to emphasize to this subcommittee the overwhelming weight of opinion among Vietnamese people, including religious and political leaders with whom we spoke, that American economic aid is doing very little to help the common people, but is doing much towards maintaining a politically intransigent and domestically unresponsive government in Saigon. I would like to share with you what was to me an extremely impressive conversation I had with a Buddhist monk in January. I had just been on a visit with two American friends to two of the Return to Village campsites I mentioned above, places where people were living in conditions of near starvation. Returning that evening to the pagoda, which was a center for gathering emergency food supplies for the camps, I said to the head monk: "If these two friends of mine were members of the U.S. Congress and saw the conditions in those camps they would probably go back to Washington and recommend an increase in U.S. economic aid." The monk became visibly agitated when I said this. He glared at me and asked: "Are you planning to go back to American and ask for more American aid for Vietnam?" I threw the question back to him and asked what he would recommend. "I am a Buddhist monk," he said, "and my first concern must be for the welfare of my followers—the people who live in those camps. If American aid is continued, they will continue to live in those camps. If it is stopped, eventually the government will be forced to allow them to go back to their homes. They will be hungry for a few months until their first rice crop comes in, then they will be all right. The only truly humanitarian thing the U.S. Congress can do is to stop the support that keeps those camps in operation."

I acknowledge, and I am sure that most members of this subcommittee share the concern, that the United States has a responsibility to offer help to millions of Vietnamese civilians who have suffered so much through the endless years of war. However, I believe that most Vietnamese would agree with me that our highest priority at this point should be in committing ourselves to making a working peace in Vietnam, that is, committing ourselves to use the only tool for peace at our disposal, the Paris Peace Agreement. As long as we continue pouring vast amounts of economic and military into the South (up to 86% of total Saigon costs), thereby maintaining one of the two South Vietnamese parties to the complete exclusion of the other, we are, by any reasonable interpretation, violating Article 4 of the Peace Agreement, which prohibits U.S. intervention in the internal affairs of South Vietnam. We are also making it much harder for the two South Vietnamese parties to come to any understanding with each other.

I urge this committee to consider all aid requests—this supplemental request as well as the $474 million increased ceiling for South Vietnam military aid and the upcoming and very large Fiscal Year 1975 military and economic aid requests—in the light of what should be our principal objective in South Vietnam, namely, implementing the Paris Peace Agreement.

[From the New York Times, March 8, 1973]

Continuing Refugee Problems

HORDE OF GHOST REFUGEES GET U.S. FOOD IN VIETNAM

(By Henry Kamm)

Da Nang, South Vietnam, March 7.—Many tens of thousands of nonexistent refugees from Quang Tri Province are being fed at American expense. American and Vietnamese officials close to the problem agree that cheating and corruption at all levels of involvement—from refugees getting an extra pound or two of rice a day to high Government officials in the upper reaches of a kickback pyramid—exceed previous experience, however rich.

In a departure from Vietnamese custom, refugees are not being cheated in the first instance by officials appointed to dole out American assistance to them. They themselves cheat, by declaring nonexistent members of their families or registering their families in more than one camp.

Kickbacks prevalent

Because low-level officials know of this petty cheating, they make the refugees kick back to them part of the meager proceeds. On the next echelon, the small kickbacks make a more considerable sum, and so on up the line.

When, for instance, a camp chief has made enough for a motor scooter for himself and a television set for his family, he is replaced. At succeeding levels of the bureaucracy the gains are bigger, and the officials are less likely to lose their jobs.

The Vietnamese officials are in the main unwilling or, in exceptional cases, unable to stop the cheating, and Americans feel powerless to act against it without at the same time endangering relief for the real refugees from Quang Tri, who may total well above 200,000.

In the opinion of qualified experts, the Quang Tri refugee problem, now nearly a year old but not publicly discussed, illustrates the costly pitfalls of American financial assistance.

When Quang Tri, the northernmost province of South Vietnam, was nearly overrun in the Communist offensive last spring, its population was 317,000. Today, after large numbers remained behind under Communist control and many others were killed in the fighting and sustained bombing that followed the offensive, 327,000 people are listed as Quang Tri refugees and food for that many is issued at American expense.

Officials and others involved agree on the practices by which the relief rolls are swollen but differ on the degree of swelling.

A South Vietnamese official close to the problem before the offensive believes that only half the refugees exist. A foreigner with years of first-hand experience with the people of Quang Tri puts the number at 180,000 to 190,000, while American officials put it at 200,000 to 250,000. All this makes for a range of 75,000 to 160,000 phantom refugees.

Close to 2 billion piasters, or more than $4 million, has been spent for the Quang Tri refugees since Oct. 1, and spending since last May, when the refugees began to pour southward, is estimated at $1-million, a month.

The American and South Vietnamese officials have been ready to accept refugee figures suspected of exaggeration because they lend credence to contentions that while the Communists can capture territory they cannot win control of the people. The idea that almost all the people of the province escaped southward also overcame qualms about the heavy bonding and shelling of Quang Tri after its fall, since the areas under attack could be depicted as depopulated.

Provincial officials, at the Quang Tri headquarters that has been moved down to this city in Quang Nam Province, believe that many more people than the Government acknowledges—and American advisers accept—remained behind. Many did so because two densely populated areas, Cam Lo and Gio Linh, were overrun before they could escape. Others sympathized with the Communists. Still others tried to assemble their families but were cut off.

Original reports that most of the population had escaped were implicitly abandoned when tens of thousands of people were said to have been liberated in the Government counteroffensive that led to the recapture of Quang Tri City.

Well-placed Vietnamese sources put the number of people who remained behind or were killed at perhaps as many as half the population. A senior American official believes the total to be a quarter to a third.

Atmosphere of catastrophe

The tens of thousands who streamed southward moved in a chaotic flow, under heavy enemy pressure and in an atmosphere of catastrophe that threatened to engulf the country. Most washed up here at Da Nang, where deserted American military camps provided shelter.

Faced with strangers and drawing on experiences that had taught them that distributing officials would deprive them of some of the benefits due them, the Quang Tri people began to cheat.

Insisting that personal and family documents were lost, they declared children, parents and brothers and sisters who did not exist. Because new camps were opened as the flow of refugees required it and the urgency of the situation precluded verification of claims, many refugees found it expedient to register in several camps.

Since no attempt could be made to group people by hamlet and village with officials who knew them, substitute officials—interfamily chiefs in place of hamlet chiefs and zone chiefs in place of village chiefs—were named.

As the lower-level chiefs began to know their families and discover the inflation of the claims for the rations of rice, condensed milk, fish sauce and salt, they demanded kickbacks to keep things quiet. A family that had claimed, say, seven members instead of four was obliged to surrender one "ghost" to the interfamily chief.

Two sources of tribute

At the next level, that of the zone chief, tribute is collected both from individual refugees and from interfamily chiefs. But, authoritative sources said, the highest rate of kickbacks is at the level of the camp chief.

He is the key person in the 34 camps in the Da Nang area, where 259,000 recorded refugees live. It is he who certifies the numbers in his camp, determining the food that is delivered.

Most of the camp chiefs has been chosen from among arriving Quang Tri provincial public servants since Oct. 1, when the provincial authorities took over refugee administration from the Da Nang municipality. Shortly afterward the Mayor and Deputy Mayor of Da Nang and three of their principal assistants were removed upon the disclosure of extensive profiteering on rice for the refugees.

A Vietnamese source familiar with the situation said that corruption had been so general that most of the camps had had to change chiefs more than once in the five months since Quang Tri officials began to run them. He estimated that about 100 civil servants and army officers had served in that period.

"They make enough money, and when it becomes obvious, they are returned to their previous duties," the source said. "No one has ever been punished."

Avoiding difficulties

Camp chiefs are named by the province chief, Col. Phan Ba Hoa, but since Colonel Hoa was preoccupied with military matters, his deputy, Bui Hoanh, was the principal official dealing with population matters.

Recently Mr. Hoanh returned to the Interior Ministry in Saigon. Ministry officials tell inquirers that he was dismissed from his Quang Tri job, but informed sources here said he had arranged the transfer to avoid difficulties.

Vietnamese officials said that the Americans were hampered by their status as advisers. When they press hard in a particular situation, one said, the corrupt officials give a little without abandoning the opportunities for further gain.

At American urging, a series of night checks have been run in camps to verify the existence of the people listed as residents. They have resulted in a gradual cutback in inflated lists, but a senior American official in Saigon conceded that he had no confidence in the policemen making the checks.

A Vietnamese official said that no one was to blame—that the entire system was based on corruption. Anyone who comes to inspect is merely invited to share in the pot and usually accepts, he explained.

The social welfare chief of Quang Tri, Ngo Van Vinh, had been active in pressing for the dismissal of dishonest camp officials and urging the reorganization of the camps along former village lines, the aim being to make it possible to reduce cheating to the 10 per cent considered normal in such operations.

Told not to make waves

As a consequence he was warned by provincial and Saigon officials that if he continued to stir up trouble the Americans might become difficult. Mr. Vinh asked for a transfer, but he was recently relieved, and an inquiry into alleged misfeasance on his part has begun. The inquiry, according to senior officials in Saigon, concerns administrative shortcomings at the time of evacuation of Quang Tri City, when Mr. Vinh was one of only two top aides to the province chief who remained to organize the population's escape as much as possible.

A senior official in the Ministry of Social Welfare expressed full confidence in Mr. Vinh and said he should be decorated rather than investigated. American officials who know him share the ministry's confidence.

The American officials here and their superiors in Saigon, aware of the low-level cheating and high-level corruption, find themselves in a dilemma. They consider their prime task to be the housing and feeding of the refugees, and they must work through the Vietnamese authorities to perform it.

The Americans find it difficult to get upset over refugees who declare "ghosts" to get one more pound of rice a day. "At their level of poverty," one said, "all they get is enough extra rice to sell so that they can eat a few vegetables or dried fish with their rice."

As for the corruption among officials, the Americans are concerned but see no solution except to maintain pressure on the authorities or to bring over more Americans. "To be realistic," a senior American said, "it costs much more to import Americans than to let the Vietnamese do it the present way."

A tribute to the care

The most important thing, he continued, is that the Quang Tri refugees receive sufficient food and are as well housed as possible—which is poor by Western standards—and that outbreaks of disease are prevented despite great crowding.

Visits to several camps and conversations with refugees and those taking care of them confirmed that, in fact, some of the cheating is a tribute to the care.

In addition to phantom refugees, a sizable number of real people who live in the camps and receive rations are not the Quang Tri refugees they say they are.

They may be people who left Quang Tri before the offensive, having found life difficult in the overpopulated, insecure and unproductive region. They may be from Thua Thien, the province south of Quang Tri, where a living is difficult to make, or soldiers who were stationed in Quang Tri but whose families lived elsewhere.

They are in the camps here because they are fed regularly and because the former American installations, though crowded, often have electricity and fresh water—luxuries to the peasants of this region.

"People around me cheat, people under me cheat and people over me cheat," a saddened Vietnamese official said, apologizing for speaking badly of his country.

"My biggest worry is that one day America will say that now it will wash its hands of Vietnam," said the Social Welfare Minister, Tran Nguon Phieu.

American and Vietnamese officials involved in refugee affairs fear that the principal harm done by the corruption and the cheating may be to hasten that day.

Mr. BOLAND. Mr. Chairman, I intend to support the amendment offered by the gentleman from Wisconsin (Mr. OBEY) to increase by $150 million the amount of funds appropriated to be spent under the transitional provisions of the Comprehensive Employment and Training Act of 1973 for public service employment jobs in communities which experience less than 6.5 percent unemployment. As he and other members of the committee have pointed out, the $100 million figure by which the full committee has recommended that the administration's request be increased would result in a funding level 17 percent below that of the October 1973 level—when unemployment was 4.6 percent. Unemployment now seems sure to stand at 6 percent before the fast approaching termination of this fiscal year. It seems to me only good commonsense to continue to fund the public employment programs in the States at at least the October 1973 level while the unemployment rate remains so high.

No less an economic authority than Mr. Arthur Burns, the respected Chairman of the Federal Reserve Bank Board, has recommended the PEP programs as one good way to meet the dual problems of high inflation and unemployment nationwide. He would favor higher levels of PEP funding to offset these trends. Furthermore, similar proposals have been endorsed by the League of Cities and Towns and the National Conference of Mayors. They recognize, as do those of us from areas which do not meet the 6.5-percent unemployment mark, that this next year will be fraught with real difficulties for large parts of this country if increased transitional funding is not appropriated.

Mr. Chairman, I am convinced that this Congress does not share a reduced commitment to offset unemployment with public spending. If anything, the economic vicissitudes of the past 5 months—with accompanying, ever-higher unemployment—should have strengthened both the commitment and the beneficence of the Congress. I make no secret that I favor a strong public sector role in the national economy as a balancing and stimulative tool for high employment and economic development. But, regardless of how Members view this proposition, they ought, I believe, to support this one time only $150 million increase for decidedly human reasons.

This Congress has a basic, unaltering, and oft-repeated commitment to provide viable employment opportunities instead of a welfare state which discourages employment. Keeping PEP funding on a par with existing funding will help insure a decent amount of public service job turnover and will help to keep our unemployment rolls down.

In closing, I can only repeat that this amendment does not commit any new increases in public service employment funding. It merely maintains that which is presently provided. Moreover, these funds are transitional funds. With the onset of manpower revenue sharing, the program will largely be phased out, because of the high unemployment qualification cutoff. This is the last opportunity that we will have to help cushion the effect that this major abandonment will have on many cities and towns. I sincerely trust that my colleagues will not neglect to provide at least the funding that they have hitherto been receiving.

Ms. ABZUG. Mr. Chairman, we can point with pride to the success of the summer youth employment programs, the recreation support program, and the youth transportation program. The dual purposes of providing gainful employment and a source of income to our poverty youth and, at the same time, keeping these young people occupied and out of trouble during the long summer months are of signal importance to our whole society.

The appropriation level set by the administration will not only decrease the number of summer jobs, but will completely eliminate the recreation support program and youth transportation program. These two programs are not luxurious extras and are absolutely necessary to the continued maintenance of the summer jobs program.

In New York City, the recreation program supplements Neighborhood Youth Corps projects in 160 community locations, and will require $2.83 million to just duplicate the summer 1973 level of effort. Last year the city received $149,130 to offset the costs to our youth of getting to and from their summer jobs and recreation programs. Without this money for transportation, there is little reason to even have the summer jobs program, because these children just simply will not be able to get to their jobs.

I wholeheartedly support my colleague, Mr. ROYBAL's amendment, which will provide an additional $81 million for the summer jobs program, $3 million for the recreation program, and $2 million for the transportation program.

Mr. DELLENBACK. Mr. Chairman, in mid-January of this year southern Oregon suffered its second very serious flood in a decade. The damage was tremendous—in loss of property and most tragically in the loss of life. On January 25, President Nixon declared 17 Oregon counties a disaster area. Although Federal assistance cannot undo the damage to life and property, Federal programs have begun to help, and are needed to continue to help, Oregon recover from this calamity.

Federal programs provide different kinds of assistance to alleviate the many kinds of problems created by a flood disaster. The Federal Disaster Assistance Administration has done a great deal in providing emergency assistance by opening public roads, providing food and emergency assistance to individuals whose homes suffered damage from the flood, directing indivduals to the appropriate assistance, and coordinating other Government flood relief projects in the area.The Army Corps of Engineers has done a highly commendable job of providing emergency aid during the actual flood—controlling the overflowing rivers, protecting people and land—and has since begun the authorized necessary repair work on flood control structures damaged in the flood.

On March 23, following Agriculture Secretary Butz' declaration of the Oregon counties as a disaster area, the Department of Agriculture, through the Agriculture Stabilization and Conservation Service, released an initial allocation of $1 million, with more to be made available as needed, for cost-sharing assistance to farmers for removing debris from farmland, and for grading, shaping and releveling eroded land areas. The Farmers' Home Administration has further provided needed loans for rebuilding and repair. These Federal disaster assistance programs have been made available to the Oregon flood area.

There is still, however, one type of assistance which is not available through any of these channels and which is urgently needed. The Soil Conservation Service, with adequate funding, could provide assistance to communities and groups of individuals who are still in need of assistance to correct hazardous conditions resulting from the flood which could further jeopardize life and property if not quickly corrected.

Section 216 of the Flood Control Act of 1950 authorizes the Soil Conservation Service to provide assistance for safeguarding lives and property in areas damaged by flood and resulting from conditions remnant from a disaster. The assistance includes establishment of vegetation on denuded areas, streambank stabilization, control of eroding areas, repair of water control structures, and removal of sediment and debris from clogged streams where these conditions create a hazard to lives and property.

Each year the Soil Conservation Service may use $300,000 of the watershed and flood prevention operations appropriation for emergency measure assistance. This year these funds have already been used, as has also the carryover from 1973 supplemental funds, for assistance in the Hurricane Agnes and the Black Hills disasters as well as in the Mississippi River Valley flood area.

As a result, no additional funds are left to be allocated for repairing flood damage in Oregon and other areas in need of emergency assistance from the Soil Conservation Service. The House Appropriations Committee has included in its request for supplemental appropriations for the fiscal year ending June 30, 1974, $20 million to supplement the Soil Conservation Service disaster funds. This need is based upon estimates for assistance in areas which have been surveyed and where repairs have been estimated by the local and State Soil Conservation Service personnel. Included in the $20 million, $1.5 million of which is slated for Oregon, is an estimated $700,000 needed for repair work along the Applegate River in Josephine and Jackson Counties in my congressional district.

I urge my colleagues in the strongest possible terms to vote in favor of the second supplemental appropriations bill, H.R. 14013.

Mr. MICHEL. Mr. Chairman, I have no further requests for time.

Mr. MAHON. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

MILITARY PERSONNEL, AIR FORCE

For an additional amount for "Military personnel, Air Force", $50,800,000.

Mr. SIKES. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the committee position to limit the number of high school dropouts who can be enlisted into the Armed Forces in fiscal year 1974, even though it will be lost through a point of order. The provision deals with the numbers of non-high-school graduates, who can be brought into the military services during fiscal year 1974. After careful consideration, last year the Committee on Appropriations recommended and the Congress adopted a limitation which stated that not to exceed 45 percent of the total persons enlisted into the military services could be non-high-school graduates. The provision also limited the availability of funds for the enlistment of mental category IV personnel to not more than 18 percent. We feel that fully qualified personnel are essential for the operation and maintenance of modern sophisticated military equipment and to defend themselves against such equipment.

In looking into this matter we found that non-high-school graduates taken into the military services have four times the failure rate of high school graduates. We found that the percentage of personnel in the brig or in the stockades who are non-high-school graduates far exceeds their proportion of the force. A proportionately higher number of non-high-school graduates desert.

We have had experience in recent years with lowering the standards of enlistments. The Navy was not getting into the service the numbers of people the Navy wanted so they lowered the standards and took in greater numbers of non-high-school graduates and mental category IV personnel. The result was riots on the aircraft carriers *Kitty Hawk* and *Constellation* in October of 1972. The Navy was forced to eliminate from the service 5,200 marginal performers, the vast majority of whom were non-high-school graduates during fiscal year 1973.

Mr. Chairman, the question here is of the quality of the personnel in the military services under the all-volunteer force concept. Two of the military services are having difficulty in attracting the numbers of persons which had been budgeted for. The services want to keep their budgets high, and they want to keep the numbers of personnel high even though there is no clear evidence as to what the appropriate number is.

Those who want to eliminate this provision are either so committed to the all-volunteer force that they refuse to critically analyze it or those who feel that the strength of the Armed Forces should be maintained at budgeted levels regardless of the extra cost of doing so.

The Marines feel that they cannot, without taking in additional numbers of non-high-school graduates, meet their enlistment goals in this fiscal year. I say that meeting the enlistment goals is far less important than maintaining the quality of the military force. It is rather ironic that the Marine Corps which has been going throughout the land with the slogan "We need a few good men" has now reversed itself and wants greater numbers of men who are not so good.

The Marine Corps did not request in a budget amendment that section 718 be waived. At the time they made their supplemental request they could have done so. We have nothing from the President, nothing from the Secretary of Defense, and nothing from the Office of Management and Budget indicating that the administration is in favor of such a waiver.

The Air Force enlists 95 percent high school graduates. The Air Force has almost no drug, a.w.o.l., or desertion problem when compared to the rates experienced by the other services. The Chief of Staff of the Air Force told us last week that he attributes that to the fact that he has a very low percentage of non-high-school graduates in the Air Force. With a high percentage of high school graduates he has avoided discipline problems.

The Army is not pressing for a waiver of section 718. The Secretary of the Army has stated that he would prefer having greater flexibility, but that the Army can live with section 718. So can the Navy. The only problem is that of the Marine Corps. The Marine Corps problem may not be real when the high school term ends this year. The Marine Corps may then obtain the numbers of recruits which they desire, but they are behind schedule now. In my opinion, they have overreacted and the Committee on Armed Services has overreacted in this matter.

I say the law of the land should remain the law of the land for the remaining 3 months of this fiscal year. The Armed Services Committee and the Appropriations Committee should address this matter in the hearings now being conducted and can prepare whatever action necessary for fiscal year 1975. We should not act in haste. We should not panic because of a letter from one of the military services. We should be certain that we maintain the military force capable of defending the country, not just a lot of people on the payroll. We should keep quality controls on the all-volunteer force at least through the completion of fiscal year 1974.

Mr. FLYNT. Mr. Chairman, the Committee on Appropriations was instrumental in having inserted into the Defense Appropriation Act for fiscal year 1974 a provision which limited the numbers of non-high-school graduates—dropouts—who could be brought into each military service during fiscal year 1974 to not more than 45 percent of the total persons enlisted. It was felt that the time has come to "draw the line" with respect to the all-volunteer force and thus make a serious attempt to judge if the concept will work.

As you know, the all-volunteer force is not new. In fact, as early as 1967 there was considerable talk of moving toward the all-volunteer force. In that year the House Armed Services Committee passed legislation to make military pay comparable to the pay of other Government employees. In 1969, the administration adopted the all-volunteer force concept and in 1971 the Congress passed the necessary legislation to increase pay rates in the lower grades, both officer and enlisted, to make them comparable with rates paid by private industry for similar skill levels. Each year as we moved toward the all-volunteer force, necessary, but costly, steps were taken to insure that it would succeed. These steps have resulted in increased cost of manning a smaller defense force.

I refer to such items as the combat arms enlistment bonus which was added in 1971 and will cost nearly $70 million in fiscal year 1975. Recruit advertising costs have increased nearly twentyfold in 4 years—from about $5.4 million in 1970 to $95 million this fiscal year. During the past 10 years the percentage of the Defense budget devoted to manpower, civilian and military, has increased from about 40 to 45 percent to over 56 percent today. Recruiting costs are up about sixfold and will break thresholds established by the committee for fiscal year 1974.

There has also been a downturn in the overall quality of enlisted force as measured by high school graduates and the Armed Forces qualification test.

Less than 1 year ago all of the services validated on their own volition certain goals with respect to the percentage of high school graduates that they would enlist during fiscal year 1974. The Army said that it would obtain about 70 percent of its force requirements from high school graduates and the Marine Corps about 65 percent. Last summer before this committee reported the fiscal year 1974 defense appropriation bill, the Army ran into some recruiting difficulties and announced a lowering of standards and still another increase in the size of the recruiting force.

Under these circumstances, the committee decided that it was time to "draw the line" for at least 1 year and see what the Department of Defense could do with respect to meeting its manpower requirements under a given set of conditions. It became obvious that if the Congress were willing to continually increase the ante—the dollars which would be pumped into the all-volunteer force—and if the Department of Defense continues to decrease its personnel requirements from the standpoint of moral, mental and physical qualifications the all-volunteer force would succeed at least on paper. However, the resulting force could represent a total failure with respect to the Defense needs of this Nation.

Thus, the Congress said, let us have no more degradation in manpower quality at least for the remainder of fiscal year 1974. Standards were established using the two key factors employed by all of the military departments in accepting enlistments; namely, high school graduation and mental category. Because one of the services may run as much as 12,000 to 15,000 short in its recruiting goals for fiscal year 1974 because of the requirement to limit high school dropouts to 45 percent of the force, the Congress is being pressured into taking ill-conceived, short-run action to help this service out, while failing to address the much larger question of "can the all-volunteer force succeed under a reasonable set of quality standards?"

Certainly, the all-volunteer force can succeed, and we all want it to succeed, but there has to be some limit with respect to the amount of resources that the program should consume and the quality of the force to be employed. Otherwise, there will be no valid check made of the success or failure of the concept.

I say that the Congress should first direct the Department of Defense to live with its quality standards for the remainder of this year.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

> SEC. 101. Section 737(a) of Public Law 93-238 (87 Stat. 1044), is amended by deleting "$1,126,000,000" and inserting "$1,326,000,000" in lieu thereof.

POINT OF ORDER

Mr. MAHON. Mr. Chairman, I make a point of order against section 101.

The CHAIRMAN. The gentleman will state his point of order.

Mr. MAHON. Mr. Chairman, if I may elaborate a bit, when this bill was written by the Appropriations Committee, the Committee on Armed Services had reported a bill providing a $1.6 billion ceiling for aid to South Vietnam, so the Committee on Appropriations, in recognition of what appeared to be an authorization which was on the way, provided an additional $200 million in this bill, making the figure $1.3 billion. In the action by the House last week the additional funds for aid to South Vietnam were stricken by the action of the House. Therefore, the authorization which the Committee on Appropriations had expected was not approved and so these funds in excess of $1.26 billion are not authorized. We did not ask for a rule waiving points of order and should not have under the circumstances and, therefore, Mr. Chairman, I point out that this section increases the obligational authority for the support of the South Vietnamese forces in excess of the amount currently authorized and, therefore, is not in accordance with clause 2 of rule XXI which provides that:

> No appropriation shall be reported in any general appropriation bill, or be in order as an amendment thereto, for any expenditure not previously authorized by law . . .

So, Mr. Chairman, I make a point of order against section 101, but I would like to state that the distinguished chairman of the Armed Forces Committee, the gentleman from Louisiana (Mr. HÉBERT), is very much interested in this matter and I am sure he wishes to be heard on it and to join in this point of order which I urge.

The CHAIRMAN. Is the gentleman from Louisiana seeking to be recognized on the point of order?

Mr. HÉBERT. Yes, Mr. Chairman, and I appreciate the gentleman from Texas indicating my interest in this matter, since the Armed Services Committee raised the question before the Rules Committee on this item.

If the gentleman from Texas had not raised the point of order against his own bill, I was on my feet to raise it at that time. I certainly do join him in raising the point of order but with a great deal of reluctance because it indicates and involves again the serious situation in which we find ourselves as related to Vietnam.

Section 101 of the "General Provisions—Department of Defense," appearing on page 7, lines 13 through 15, is subject to a point of order.

The language of that section would increase the expenditure ceiling of $1,126,000,000 in existing law, and increase it to $1,326,000,000.

This provision in H.R. 14013 is subject to a point of order since it violates clause 5 of rule XXI, which provides that—

> No general appropriation bill or amendment thereto shall be received or considered if it contains a provision reappropriating unexpended balances of appropriations. . . .

Also, the section is subject to a point of order since there is no legislative authorization for this increase in appropriations.

Public Law 89-367, as amended, provides the basic legislative authorization for the Military Assistance Service Funded—MASF—program. That statute presently establishes the spending limitation for fiscal year 1974 at $1,126,000,000. Therefore, section 101 is also in violation of clause 2 of rule XXI.

I shall not delay the Committee any longer except to concede the point of order raised by the gentleman from Texas and to concur in it.

The CHAIRMAN (Mr. O'HARA). For the reasons stated by the gentleman from Texas, the chairman of the committee, and the gentleman from Louisiana, the provision is not in order and the point of order will be sustained.

The Clerk will read.

Mr. GIAIMO. Mr. Chairman, I move to strike the last word.

The CHAIRMAN. The point of order has been sustained in that section. Section 101 is now out of the bill.

Mr. GIAIMO. I understand.

The CHAIRMAN. It would be appropriate now for the Clerk to read.

The Clerk read as follows:

> SEC. 102. None of the funds available to the Department of Defense shall be used for the enlistment or pay of non-prior service personnel during fiscal year 1974 when the enlistment will cause the percentage of non-high school graduate enlistments of the service concerned to exceed 45 per centum or the mental category IV enlistments to exceed 18 per centum of the total non-prior service enlistments for the entire fiscal year.

POINT OF ORDER

Mr. HÉBERT. Mr. Chairman, I raise a point of order against section 102, page 7, lines 16 through 23.

Section 102 is subject to a point of order since it is in violation of clause 2 of rule XXI.

The language of section 102 places a limitation on "the funds available to the Department of Defense" and prohibits their use for the enlistment or pay of non-prior-service personnel during fiscal year 1974 when the enlistment of such personnel will, among other things, cause the percentage of non-high-school-graduate enlistments of the service concerned to exceed 45 percent.

This restriction on the use of funds previously appropriated is in violation of clause 2 of rule XXI since it goes beyond the subject matter of the bill. Under the rules, the limitation must apply solely to the money of the appropriation under consideration and may not be made applicable to money appropriated in other acts.

Furthermore, under the guise of an appropriate "funding limitation," it is actually a clear-cut effort to establish legislative restrictions on the enlistment standards for new entrants into the Armed Forces, and is, therefore, also in violation of clause 2 of rule XXI as legislation in an appropriation bill.

The CHAIRMAN. Does the gentleman from Texas wish to be heard on the point of order?

Mr. MAHON. Yes, Mr. Chairman, I wish to be heard on the point of order.

Now, section 102 states:

> SEC. 102. None of the funds available to the Department of Defense shall be used for the enlistment or pay of non-prior service personnel during fiscal year 1974 when the enlistment will cause the percentage of non-high school graduate enlistments of the service concerned to exceed 45 per centum or the mental category IV enlistments to exceed 18 per centum of the total non-prior service enlistments for the entire fiscal year.

Mr. Chairman, in my judgment this section is subject to a point of order for one specific reason; namely, the section says that none of the funds available to the Department of Defense shall be used, and so forth. So the fact is that this language covers not only the funds in this bill, but the funds provided in other bills. I think for this specific reason, the section is subject to a point of order.

Of course, it would be possible to offer an amendment stating that none of the funds made available in this bill shall be used for these purposes. In that case, I think the language would not be subject to a point of order; but as to the point of order which the gentleman from Louisiana has raised and for the reason which I have stated, I concede the point of order.

I strongly support the language in the bill as provided, but I recognize the situation which comes before the House at this time.

The CHAIRMAN. Is the gentleman from Louisiana seeking to be heard further on the point of order?

Mr. HÉBERT. Yes, I do, Mr. Chairman.

I certainly concur in the acceptance of the gentleman from Texas, as it now stands; however, I must take cognizance of the situation that maybe other language will alter or subvert this language. In that event, I make a point of order against this language, because I submit this language cannot be subverted.

The CHAIRMAN. The Chair is prepared to rule. For the reasons set forth by the gentleman from Louisiana with respect to the scope of limitation, that is, that it applies not only to funds appropriated by this bill, but applies to all funds available to the Department of Defense, the point of order of the gentleman from Louisiana, as conceded by the gentleman from Texas, will be sustained. The Chair will not undertake to speculate on whether or not a point of order would lie as to the possible amendment the gentleman from Texas mentioned. If such an amendment is offered, of course, it would be the privilege of the gentleman from Louisiana to make a point of order and at that time the Chair would listen to arguments on any such point of order and rule.

But with respect to the point of order made by the gentleman from Louisiana to this section, the point of order is sustained.

Does the gentleman from Texas have an amendment?

Mr. MAHON. No, Mr. Chairman.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Page 8, line 1:

CHAPTER III

DISTRICT OF COLUMBIA

District of Columbia Funds

GENERAL OPERATING EXPENSES

For an additional amount for "General operating expenses", $5,859,000, of which $1,097,000 shall be available for fiscal year 1973.

Mr. MAHON. Mr. Chairman, I move to strike out the last word.

PARLIAMENTARY INQUIRY

Mr. HÉBERT. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HÉBERT. Mr. Chairman, may I inquire if this is the amendment of the gentleman from Texas?

The CHAIRMAN. The gentleman from Texas has offered a pro forma amendment to strike out the last word.

Mr. MAHON. Mr. Chairman, with respect to the measure before us, in the consideration last week of the authorization bill certain language was approved with respect to the number of high school graduates that could be enlisted into the services. I do not have the language before me at this time, but it intended to prohibit anyone from being barred as an enlistee who was not a high school graduate.

Mr. Chairman, in view of the fact that the issue is somewhat cloudy, I have hesitated to offer a perfecting amendment to the language which appears in the bill here today, but I do wish to say frankly that I am of the opinion that the language, when we delete the provision to which reference has been made, is not subject to a point of order, and in my opinion it is valid language. In my opinion, it is a prohibition, it is a restriction, it is a limitation on an appropriation bill. However, there will be time and opportunity to consider this matter further. In view of that situation, I have not pursued the matter further at this time, but when we get back into the House, I shall ask permission to revise and extend my remarks and insert certain material in regard to this matter.

Mr. Chairman, we need to have the most trainable people possible in the Armed Services. We need that for several purposes. Those who serve in the Armed Services need to have pride in their service, and people who enter the Armed Services need to be qualified and capable and trainable. Military service today is not just a matter, as in the old days, of carrying a musket. One has to be able to learn to operate and maintain highly technical devices. So, I do think it important that we not take into the Armed Services more people who are probably not sufficiently trainable than the percent provided in the provision of law which governs today; that is, not more than 45 percent of enlistees can be non-high-school graduates.

Mr. Chairman, I think this is a sound position, and I do not wish to yield my views or the views of others in the House with respect to this matter. Therefore, I felt that for clarification of the record comment should be made at this time.

Under permission granted, I include a list of reasons for the retention of the limitations on the enlistment of non-high-school graduates:

1. Non-high school graduates (dropouts) have four times the failure rate of high school graduates.

2. The brig/stockade population of all of the services is composed of far higher percentages of non-high school graduates than high school graduates. The Marine Corps, which is the principal service affected by the limitation, has the worst record. The Marine corps brig population averages about 2,000 at any one time. About two thirds are non-high school graduates.

3. Last year, General Jaskilka, U.S. Marine Corps, testified that "We know that the non-high school graduates contribute a disproportionate share of the desertion and absentee rates."

4. The Committee asked the Marine Corps to screen some records at random in order to come up with more definite data. The Marine Corps examined the files of 69,911 non-prior service males who enlisted between June 1972 and April 1973. Only 2.5 percent of high school graduates were involved in one or more incidents of desertion, while 9.0 percent of the non-high school (dropouts) were deserters (absent for over 30 days) at least one time.

(Reference—Part 4 of hearings on the FY 1974 Department of Defense Appropriation Bill, pages 983 and 984.)

5. Secretary of the Army Callaway stated the following during this year's posture hearing:

"First of all, on the limitation imposed by this committee of 55 percent high school graduates, the Army, as you may recall, has never complained about that. If I could have my preference, I would prefer not to have any limitation, because, of course, I would prefer more flexibility. Flexibility is always an advantage from our viewpont.

"Again, I want to say that the Army has never complained about that. As a matter of fact, we applaud the careful attention of this committee to quality. We think it is very important that this committee be as interested in quality as we are. We applaud that."

6. The Navy lowered its recruiting standards in late 1971-early 1972 with drastic results. Serious riots took place on the carriers Constellation and Kitty Hawk in October 1972. This resulted in an early release of 5,200 for poor performance.

7. The Marine Corps which is pressing the hardest to have Section 718 eliminated has by far the worst desertion and AWOL record of any of the other services. The rates are twice as high as those of the Army. The Marine corps has about 7,000 deserters at large at any one time.

8. Section 718 does not have racial implications. Data available to date show that more whites have been affected by the high school limitation than have blacks.

9. The 55 percent high school graduates required by section 718 is a full 10 percent lower than the Marine Corps' own established goal.

10. The Services have all rapidly increased the enlistment of women and all women are required to be high school graduates. This has the effect of increasing the percentage of male non-high school graduates.

11. Use of low enlistment standards will risk loss of broad based support of American citizens needed to make the all-volunteer force a success.

12. The Air Force maintains 95 percent high school graduate enlistments. The Chief of Staff of the Air Force states that this is the major reason for the low number of drug and discipline problems.

13. The taxpayer is paying reasonably adequate wages for military manpower. The Congress has a responsibility to see that this manpower is motivated and trainable to do the job.

The following is the statement included in the House report on the Department of Defense appropriation bill for 1974 with regard to non-high-school graduate personnel:

Recruitment of Mental Category IV and Non-High-School Graduate Personnel (Sec. 718 of Public Law 93–238)

The Committee expressed its concern in its report on the fiscal year 1974 Defense Appropriations Act with respect to what appeared to be an overall deterioration in the quality of military personnel recruited under the all-volunteer force concept. During 1973 enlistment standards were lowered. Many personnel enlisted who were subsequently discharged as undesirable even though a most elementary check of their background would have indicated that they would not meet the standards. The Committee was instrumental in placing a limitation on the percentage of non-high school graduates and mental category IV personnel who could be recruited during fiscal year 1974 made a part of Public Law 93–238.

This provision limited the number of non-high school graduates who could be enlisted to not more than 45 percent and limited mental category IV personnel to 18 percent. The limitation is well below the goals and objectives of all of the services with respect to the enlistment of high school graduates. The Marine Corps which had the lowest goal hoped to recruit 65 percent high school graduates. The congressional guideline allowed the Marine Corps to miss its own goal by 10 percent without incurring any penalty in total strength.

Precisely what the Committee feared might occur has now occurred. The Army and the Marine Corps are having difficulties recruiting the numbers of high school graduates which they require and are requesting the repeal of Section 718. The Committee believes that the standards of our military forces should not be further reduced.

This shortfall in high school graduates has occurred despite the recruitment of far more women this year than in past years. Each female recruit must be a high school graduate, and thus, her enlistment will permit another male high school dropout to enlist. Also, the Committee understands that the numbers of personnel enlisted with GED (General Educational Development) certificates in lieu of a high school diploma has increased substantially. These personnel are counted as high school graduates for purpose of Section 718.

The American taxpayer is paying adequate wages for military manpower and expects to receive a well-motivated and trainable force in return. Thus, the Committee believes that the limitation of Section 718 should remain in effect and, therefore, has restated it in this bill as Section 102. The Committee is adamant that fiscal year 1974 be completed and a full assessment made before another degradation in overall enlistment standards is permitted. We feel that it would be a serious mistake for the Congress to be rushed into this simply because one or two services are currently experiencing some recruiting difficulty. However, the Committee is most willing to discuss with the services alternative limitations which may be more acceptable to them, which will insure that a quality force is recruited and that the taxpayer receives a fair return on his dollars spent during review of the fiscal year 1975 budget.

The Department of Defense has been busying itself in recent months with the release of a lot of data to include public relation briefs, film documentaries, etc., all of which conclude that the all-volunteer concept is a great success. This may be another case of only releasing the "optimistic" statistics in order to convince the public that a program is successful. In the end this approach may only serve to mislead those who are demanding a "positive attitude" toward the all-volunteer force and who should be the most concerned that this new system will really work over the long run. The Committee is concerned that data being circulated by the Department understates the cost, overstates the quality of the personnel, and appears to disregard such apparent problems as recruiting additional personnel to make even small increases in the size of the armed forces during periods of tension; the effect of low-quality standards "turning off" more qualified personnel who may otherwise have enlisted; the effect on Reserve Forces; the higher enlistments and re-enlistment rates of non-high school graduates with its cumulative effect on quality; the maintenance of a reasonable racial and social/economic balance over the long run, etc. These and other aspects of the all-volunteer force will be discussed in more detail in conjunction with the fiscal year 1975 Defense Appropriation Bill.

Mr. HÉBERT. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I do not intend to discuss the remarks of the gentleman from Texas. I understand he has very properly said that further discussion of the matter will come at the proper time. We can then dispose of that matter. However, in view of his explanation of that particular section which was held out of order, I think it is best at this time to also offer for clarification of the RECORD the situation in which we now find ourselves in respect to the Vietamese situation. This letter addressed to me is from the Secretary of Defense and discusses the problem.

I think the House should have the privilege of knowing what it says. The letter follows:

THE SECRETARY OF DEFENSE,
Washington, D.C., April 3, 1974.

Hon. F. EDWARD HÉBERT,
Chairman, Committee on Armed Services,
House of Representatives.

DEAR MR. CHAIRMAN: As a part of its FY 1974 supplemental submission, the Department of Defense requested an increase from $1.126 billion to $1.600 billion in the Congressional limitation for support to MASF programs. This did not involve a request for additional appropriations, but rather an increase in the authorization in order to permit the Department to reflect obligations of $1.395 billion against the limitation from available FY 1974 and prior year funds and to provide flexibility for reprogramming of up to $205 million, as might be required.

As was indicated in our justification to the Congressional Committees, we were recording obligations against the limitation applicable to both the $907.5 million of new FY 1974 funds as well as approximately $487.5 million of carryover balances. Included in these carryover balances was an amount of $266 million which represented a statistical charge of estimated obligations to the limitation on the basis of Army ammunition delivered from stock in prior years. This was consistent with our interpretation of the MASF authority and past practices in which the value of such "pay back" has been charged to the ceiling to represent the replacement on the value of such deliveries.

In its action on our FY 1974 MASF limitation, the Senate Armed Services Committee directed that a planned "pay back" charge relating to certain helicopters which had been delivered earlier from Service stocks was not required. In expressing its opinion to the Conferees, the Department of Defense indicated that it could accept this position provided that it were generally understood as a governing groundrule. Subsequent determinations by Counsel indicated that this Congressional decision should be viewed as a specific exception to the interpretation of the MASF authority and with the past practice that such "pay back" request to the Congress does, in fact, reflect the inclusion of the $266 million ammunition item as a charge to this year's ceiling.

It must be emphasized that the Department has presented this year's program on the basis of the understandings which had been reached with respect to past practices. Should the Congress make a specific determination that the $266 million need not be charged to the ceiling, then this would, of course, be acceptable to the Department of Defense. However, in our view an increase in ceiling represents a more straight-forward presentation of the authority requested.

Sincerely,

J. R. SCHLESINGER.

Mr. Chairman, I share this letter with the Members in order that we may proceed to resolve the very difficult situation to which the gentleman from Texas had previously referred. The gentleman concurs that we may have a basis and a background and an understanding and another avenue of approach on which we can walk in order to come ultimately to the conclusion which I am sure a majority of the Members of this House desires.

Mr. ADDABBO. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I will ask the gentleman from Louisiana, the chairman of the Committee on Armed Services, that if the Defense Department were allowed to change the form of their accounting system, which I understand is a deobligation of already reported obligated funds, and now reobligating them in this year, would that not be subverting the wishes of the House as expressed in the Congress last week on the armed services supplemental bill?

Mr. HÉBERT. Mr. Chairman, in reply to that, it could possibly be argued that this action would be subverting the action taken by the House last week, particularly on the vote. However, I do not agree with that statement.

This is a statistical bookkeeping job, and as a matter of fact, I do not believe the vote which was taken last week reflects the view of the House. Nearly 100 Members were absent that day.

When we check the list of those Members and check how they voted, we understand and anticipate that if those 100 Members were here and heard the amendment, it would not have been accepted and we would not be in the spot in which we find ourselves.

Mr. ADDABBO. Mr. Chairman, I do not agree with the gentleman one iota, because we must remember that the House voted clearly and loudly last year as well as last week relative to all military funds, to stop the bombing, and the Members certainly expressed their desire to cease our expanded commitment in South Vietnam.

Mr. SIKES. Will the gentleman yield?

Mr. ADDABBO. I yield to the gentleman.

Mr. SIKES. I would like to call attention to the fact that the committee in the other body in approving a new approach to this problem certainly does not consider what they are doing to be a subterfuge, and I would be reluctant to join in calling it a subterfuge. They are seeking what appears to be the best approach that is left to help a beleaguered people following the House action.

Mr. ADDABBO. I agree with the gentleman from Florida. It is an approach for the Pentagon to subvert the wishes of the House by reobligating and spending more than the $1.126 billion which the House authorized and appropriated last year. By reobligating it and changing the bookkeeping systems they have achieved their goal of $1.4 billion plus.

Mr. SIKES. If the gentleman will yield further, it is not an effort for the Pentagon to preserve their position but, rather, an effort to preserve the sovereignty of South Vietnam and to keep that nation alive.

We are committed to help South Vietnam. We are not doing it with manpower; only with funds. If we fail to do that, they may go down the drain, and I do not think the American people want that. The limited amount of money that may be required to help maintain their existence is well worth the expenditure called for. I would hope the question does come back to the House. I believe the vote will be different.

After all, the distinguished gentleman from Louisiana has pointed to the fact that 100 Members were absent at the time of the last vote on assistance for South Vietnam. I am inclined to think that if there were a test vote today, there would be a change in the position of some of those who voted against this action last week.

Mr. ADDABBO. All I can do to answer the gentleman from Florida is to state that if the South Vietnamese were so intent on preserving themselves, they would not be reducing their own military budget and asking us to increase our contribution to it.

I yield back the balance of my time.

Mr. GIAIMO. Mr. Chairman, I move to strike the last word.

Mr. Chairman, many of us are wondering both at home and in the Congress why there is a loss of faith in Government on the part of the American people. This is a classic example of "why" right here. We have to be honest and level with the people. Let me refresh your recollection on what we are doing here today and what we did last week.

Last week, this Congress strongly voted to hold the Department of Defense and its military assistance money for Vietnam authorization under a limitation. It voted and insisted as the will of the Congress and the American people that the Defense Department should not expend more than $1.126 billion. They wanted $1.6 billion in the authorization bill last week. Our Committee on Appropriations was ready to give them not $1.6 billion but $1.326 billion. That is an addition of $200 million, for whatever reason, justified or not. The fact of the matter is that this House last week made it eminently clear that the American people were tired of throwing money down the drain in whatever amounts the administration or the Department of Defense asked for in Southeast Asia and Vietnam. The House by its action said very clearly "You shall not spend more than $1.126 billion." Therefore, the gentleman from Texas quite properly today withdrew the section which was subject to a point of order and which would have elevated the amount in the appropriation to $1.3 billion.

It is clear, then, that the Congress has spoken or, at the very least, the House of Representatives has spoken. $1.126 billion is the amount that shall be spent in Vietnam.

The people are watching, and Members both in this chamber and in the other chamber are watching to see that there is no hanky-panky and that there are no attempts or efforts made to circumvent the will of the Congress.

I submit that the letter which was just read today by the distinguished chairman of the Committee on Armed Services, which is a letter from the Secretary of Defense, is an attempt to do by executive fiat, mind you, what Congress has said you shall not do. This letter is establishing a record to, in effect, authorize the Department of Defense and the administration to spend an additional $266 million over and above the $1.126 billion authorized by the Congress both today and last week.

Now, what are we doing? Do we speak for the people, or do we not? Do we enact laws, or do we not? Indeed, I remind you of the statements which are attributable and chargeable to our Ambassador in Saigon several weeks ago saying that the executive agencies should withhold vital information from the Congress. The Members know the battle that is raging over that statement. We cannot tolerate this kind of action any longer. We have tolerated it too long.

Congress and the people are saying that $1.126 billion is the authorized amount. But you know how this order can be circumvented. There are many kinds of bookkeeping methods. They can deobligate funds which have already been obligated. They can remove them from the obligation items in this year's budget. And I submit that if we lie supinely and let them do that they will find the additional $266 million and, I suspect, they already have found it. It will not show up in the bottom line figure. The bottom line figure will still show $1.126 billion. But in fact—in fact, I submit—they will be spending the $1.126 billion and an additional $266 million—the very thing that this Congress last week said, "you shall not do."

Naturally, the people lose confidence in you and in me, and all of us in Government, when this type of activity goes on.

Why are we saying this? We are saying this because after 10 long years we are tired of these endless expenditures for a lost cause.

The CHAIRMAN. The time of the gentleman has expired.

Mr. GIAIMO. Mr. Chairman, I ask unanimous consent that I may be permitted to speak for an additional 3 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Connecticut?

Mr. SEBELIUS. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. YATES. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Illinois is recognized for 5 minutes.

Mr. YATES. Mr. Chairman, I yield to the gentleman from Connecticut (Mr. GIAIMO).

Mr. GIAIMO. Mr. Chairman, I thank the gentleman from Illinois for yielding to me.

Mr. Chairman, as I was saying, the American people have made it crystal clear that we are tired of this endless involvement in Southeast Asia. I think this Congress has also made it clear that neither South Vietnam, nor our own Defense Department can continue to come to Congress and to the American people, and particularly to the American taxpayers who, God knows, are harried enough these days, and say, "We want a blank check from you for whatever amount we decide is necessary either in Saigon or in the Department of Defense."

That is what is happening here today.

I think that we have an obligation to make the record clear that we intend for the Department of Defense to abide by the will of this House and of this Congress when this legislation is finally enacted into law.

And when this legislation goes to the other body, and if the $1.126 billion remains in the bill, as I suspect and hope that it will, then I do not want to see any fancy bookkeeping by the Department of Defense which, in fact, is going to find an additional $266 million for which they are already preparing the record, as is suggested by this letter submitted to the chairman of the Committee on Armed Services by the Secretary of Defense.

I for one do not intend to tolerate this, and I shall hold those in the agencies responsible. I urge my colleagues to do likewise; to restore the confidence of the people, in Congress, to compel the executive agencies, and particularly the Department of Defense, to abide by the will of the people as reflected by their elected representatives, and to stop these evasions of the people's will once and for all. Ten years is too long a time, and the time is now to put an end to this practice.

Mr. YATES. Mr. Chairman, I agree with the statement of the gentleman from Connecticut, and I yield back the balance of my time.

Mr. LONG of Maryland. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, would not the gentleman from Connecticut agree that the committee—our own Committee on Appropriations—has found that the Pentagon could have lived within the original $1,126,000,000 ceiling if it had tried to?

Mr. GIAIMO. I suspect they could have. I do not know what their situation is at the moment.

Mr. LONG of Maryland. Was that not stated in our own committee report?

Mr. GIAIMO. My impression is that they can live within the $1,126,000,000 limitation.

Mr. LONG of Maryland. Would the gentleman also agree if there should be a new offensive, or if for some other reason the South Vietnamese should need additional money, the Congress could probably appropriate it in a very quick time?

Mr. GIAIMO. Will the gentleman yield further?

Mr. LONG of Maryland. I yield to the gentleman from Connecticut.

Mr. GIAIMO. I think if the Department of Defense and the administration feel that they need this additional $266 million, they should come in with an immediate request for it, justify it, and ask Congress to vote it, but not play bookkeeping games.

Mr. LONG of Maryland. Would the gentleman also agree that what we need very much are special hearings on the sloppy accounting by the Pentagon of these MASF expenditures in the past, so that we will know just why these overruns happen? Is it not true that the chairman has agreed to hold such hearings this summer?

Mr. GIAIMO. If the gentleman will yield further, I do not know whether the chairman has agreed to that or not.

Mr. LONG of Maryland. Could I ask

the chairman, the gentleman from Texas (Mr. MAHON)?

Mr. MAHON. If the gentleman will yield, I will say to the gentleman from Maryland we, of course, are at this time and have been for a few months holding hearings, and will hold hearings for additional weeks. We will explore the handling of funds in South Vietnam, as we have before. At the time the war was going on and American troops were over there fighting in great strength, the accounting problem was quite different. It seems to me to be quite a different problem at this time. Congress is entitled to the most accurate and correct accounting as to the funds which are being expended and as to the programs which the U.S. taxpayer shall support.

Mr. LONG of Maryland. I want to praise the Chairman for his position on this matter. I will ask the Chairman if he will agree that it does not do us any good to hold hearings and issue pronouncements if we do not hold the lid on the administration and make it live within the moneys appropriated by this Congress.

Mr. MAHON. If the gentleman will yield further. Of course, it is the obligation of all agencies of the Federal Government to live within the funds provided, and we would certainly make no exception in this case or in any other cases, so far as I am concerned. I think that we must maintain our power over the purse as provided to us under our system of government. I would say that in my opinion additional funds are required beyond the $1,126,000,000, but if Congress does not in a forthright way provide those funds, then those funds cannot be made available by legerdemain. So I am not in favor of taking any action which tends to bypass the regular appropriation process and the regular authorizing process of the Government.

Mr. LONG of Maryland. Would the chairman agree with the announcement in the committee's report and say that the reason for the request to raise the spending ceiling was because someone did not make an attempt to live within the original $1,126,000,000?

Mr. MAHON. If the gentleman will yield, there are many reasons for the problem which the Department of Defense has gotten itself into in regard to support in South Vietnam. The Department of Defense spent funds made available at too rapid a rate in the early part of the fiscal year.

Mr. LONG of Maryland. Were they not warned, as a matter of fact, that they were spending funds too rapidly?

Mr. MAHON. Of course, they knew what funds were available, $1,126,000,000. They have explained to some extent the problem which confronted them, and they did have to spend the money week-by-week and day-by-day on a pro rata basis. But the Pentagon does have some merit in its position. As I see it, we did provide $1,126,000,000, and unless we provide more, the Pentagon will just have to live within it, for good or ill.

Mr. Chairman, at a later time I will ask for permission to revise and extend my remarks, and I will have an additional statement.

Mr. GROSS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I have listened attentively to the colloquies that have taken place in the last half hour. I wonder if someone can give us a quick rundown on the amount of money in this bill to pay for our participation in the war in the Middle East. If there is to be argument over the what and why in Vietnam, how about the Middle East? How much money in this bill for the Middle East, can someone tell me, as a consequence of U.S. involvement in the Middle East war?

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I am glad to yield to the gentleman from Texas.

Mr. MAHON. Mr. Chairman, on page 15 of the report, with which the gentleman I know is somewhat familiar, this language appears:

> The supplemental request includes approximately $231,000,000 for costs related to the recent war in the Middle East. Of that amount, some $90,000,000 is related to the cost to the Army, Navy, and Air Force of the increased tempo of operations during the Middle East war.
>
> A total of approximately $140,500,000 is related to additional costs of the replacement of material furnished or to be furnished to Israel.

The gentleman knows and has participated in discussions of this type of matter previously on the floor, and as the gentleman will remember this Congress provided $2.2 billion for aid to Israel in connection with the recent war.

Mr. GROSS. And the money in this bill is in addition to the $2.2 billion previously appropriated?

Mr. MAHON. The funds are for part of the cost of replacing equipment which was provided to Israel. This Congress over a long period of years has provided funds totaling many hundreds of millions of dollars to Israel, as my friend knows.

Mr. GROSS. And there will be more money poured out in that area I am sure because we are now becoming involved in the reopening of the Suez Canal. I do not know how far down the road that is going to take us from a financial standpoint, but does the gentleman think we have reached the climax of our involvement in the Middle East financially speaking?

Mr. MAHON. I would hope so. Our Government has evidently made an agreement that we will undertake to participate in the task of clearing mines out of the Suez Canal. Whether this is good or bad I would not venture an opinion at this time, but this would cost a great deal of money. How that money will be provided is not quite clear to the Appropriations Committee. We discussed this with the Defense Department officials, but how the Defense Department proposes to provide the funds for clearing the canal is not clear and has not yet been determined.

Of course, we have provided large sums to Israel and what may happen in the future we do not know. If the able Secretary of State is able to bring about an accommodation and a settlement of this issue, which we all pray may be accomplished, then the spending for aid to Israel would certainly be dramatically reduced.

Mr. GROSS. This Government does not expect to see any of this money repaid to the United States, including the $2.2 billion that went to Israel? Does it?

Mr. MAHON. Much of that money was given as a grant and some of it was a matter of loan. I would not think a small country such as Israel would be able to raise the funds in the foreseeable future or in the long-range future to meet fully this obligation.

Mr. GROSS. And when we made that contribution of $2.2 billion, Israel already owed us $1 billion. Is that not true?

Mr. MAHON. Well, I am not sure of the exact figure, but there was a considerable amount owed by Israel to the United States. Of the debts owed to the United States by Israel, a certain amount of interest payments have been made, some millions of dollars; but I do not have the exact figure at the moment.

Mr. GROSS. I say to the gentleman that when the President of the United States unilaterally intervened in the Middle East war, it was my privilege to take the floor of the House a few days after the fighting started to say that I did not know who would win the war in the Middle East, but I did know one thing for sure and certain, that Mr. and Mrs. Average American would pay the bills. Little did I know the extent of the bills they would pay, not only to finance Israel, but the additional billions of dollars it would cost Americans due to the increased costs of petroleum products as a result of slapping the Arab leaders in the face, and their immediate closing of their oil valves, precipitating a fuel crisis.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

The Clerk will read.

The Clerk read as follows:

Page 8, line 8:

PUBLIC SAFETY

For an additional amount for "Public safety", $2,434,000, of which $300,000 shall be available for fiscal year 1972 and $1,000,000 shall be available for fiscal year 1973.

Mr. MAHON. Mr. Chairman, I move to strike the last word, for the purpose of discussing matters here which relate to Vietnam.

Mr. Chairman, I want to make my position with regard to additional funds for South Vietnam very clear. I strongly support the provision of additional funds in this fiscal year for military assistance for South Vietnam. I voted for the authorization of additional funds on the floor last week. I voted for the appropriation of additional funds in the appropriation bill during the consideration by the committee. I believe that in spite of the problems and inadequacies which have been discussed, there is a need for some additional money, not necessarily the full amount requested.

However, I believe that the provision of additional funds for assistance to South Vietnam as well as funds for any other purpose must be provided by law and with the full participation of the elected representatives of the people.

I will support the provision of additional funds but if Congress does not see fit to provide additional funds in a forthright way, then I am not in favor of making funds available by changing accounting procedures or by changing reports, or by any other legerdemain, and I will oppose any attempts to accomplish in committee reports what cannot be accomplished by law.

I believe that the people of South Vietnam by and large continue to fight for their freedom and that they are worthy of our support. I believe that the Government of North Vietnam continues to invade the territory of South Vietnam. But I believe that this case must be presented in a straightforward way and that if Congress does not see fit to provide additional funds the South Vietnamese must use those supplies and equipments which have already been furnished until additional authorizations and appropriations can be made.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Page 12, line 11:

COMPREHENSIVE MANPOWER ASSISTANCE

For expenses necessary to carry into effect the Comprehensive Employment and Training Act of 1973, and sections 326 and 328 of the Trade Expansion Act of 1962 (19 U.S.C. 1951 and 1961), $1,898,584,000, including $250,000,000 for activities authorized under Title II of said Comprehensive Employment and Training Act and $100,000,000 for activities of the type provided in the Emergency Employment Act of 1971 as authorized in Section 3(a) of the Comprehensive Employment and Training Act of 1973, plus reimbursements, to remain available until June 30, 1975: *Provided*, That this appropriation shall be available for the purchase and hire of passenger motor vehicles, and for construction, alteration, and repair of buildings and other facilities and for the purchase of real property for training centers as authorized by the Comprehensive Employment and Training Act of 1973.

AMENDMENT OFFERED BY MR. OBEY

Mr. OBEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. OBEY: Page 12, line 15, strike out "$1,898,584,000" and insert "$2,048,584,000", and on line 17 strike out "$100,000,000" and insert "$250,000,000".

Mr. OBEY. Mr. Chairman, this amendment is offered jointly by myself, the gentleman from Massachusetts (Mr. CONTE), the gentlewoman from Oregon (Mrs. GREEN), and the gentleman from New Jersey (Mr. PATTEN).

It is a very simple thing. It involves jobs. A year ago Congress was funding about 140,000 public service jobs from the PEP programs. Last October we were funding 102,000 jobs. The bill before us today will fund approximately 85,000 jobs when considered in conjunction with the next fiscal year's appropriations.

That decrease in jobs funded under this bill comes despite the fact that unemployment today is 5.1 percent, one-half percent higher than it was in October; 534,000 more people are out of work now than were out of work last October.

Very briefly, the administration asks for $250 million to fund title II of the new Manpower Act we passed several months ago to make money available only to areas which have 6½ percent unemployment or more. It will create together with next year's budget about 76,000 jobs.

The committee added to that amount $100 million and specified that it be spent under the old PEP program, which means every area of the country will be eligible. The catch to that is that only about 8,500 jobs will actually be created in the areas which have less than 6½ percent unemployment. In my judgment, that is simply too few jobs to do much good.

Mr. Chairman, my amendment is very simple. To the $100 million the committee added, we would add $150 million in additional money, which would be available to all areas of the country; both areas above 6½ percent unemployment and areas which have less than 6½ percent. That would, in short, bring the number of public service jobs funded to about the same level as were funded last October before the energy crisis began.

Mr. Chairman, I think that is the very least we could do. The committee bill would actually cut the number of jobs from last year's level in the face of higher unemployment. I simply do not think that can be justified. I do not think that is going to impress anybody if we come from areas which have less than 6½ percent unemployment and tell them we provided a piddling 8,500 new jobs for that portion of the country which contains the majority of the people in this country who are presently unemployed.

The committee will probably say that we ought to wait until the regular bill is handled. I think there are two problems with that approach. One, we will have at least a 2- or 3-month gap between the expiration of the PEP programs and start up of the new program. Most importantly, the Labor Department is estimating that unemployment will peak well above the present level and will average 5.7 percent over the year. Mr. Stein was quoted as estimating that as late as last Friday. That means this program should be on board, on line now and not after the crisis is over and the economy is already on the upswing. If we wait for the regular bill, we will be waiting about 6 months too long.

Mr. Chairman, I have letters here from the Conference of Mayors, the National Association of Counties, the UAW, the AFL–CIO, the National League of Cities. All of them support the amendment, and I think they do so for good reason.

Mr. Chairman, I should like to call the attention of the Members to page 62 of the committee report. They will notice that the committee appropriates $85 million, which the committee says is necessary to provide for the increased costs of administration in State unemployment security offices resulting from increases in the number of unemployment insurance claims filed and paid in fiscal year 1974. It seems to me it is inherently inconsistent to agree on the one hand in this bill that there is a much higher rate of unemployment compensation claims, and yet not provide for increasing public service jobs to take care of the problem.

Let me also quote, if I may, from the hearings on the fiscal 1975 budget. Mr. NATCHER of Kentucky asked Dr. Burns of the Federal Reserve who is not known as an economic and fiscal liberal, whether he thought the amount budgeted for public service jobs was adequate. Mr. NATCHER said this:

> Now, based on the past, based on the predictions you made this morning, I certainly agree with you and I want to commend you on the fine statement you have made. . . . I concur in your statement that the $250 million that is now before the committee certainly is not adequate and the amount which is in the budget for fiscal year 1975, $350 million, is certainly not adequate. Would you agree with that, Dr. Burns?

Mr. Burns responded:

> Yes, I would be inclined to agree.

Mr. Chairman, it just seems to me that in the interests of equity, we ought to be funding more public service jobs than we are funding in this bill.

If Members think they can go back home and explain to their mayors, their county boards, their city councils, and their police departments why they thought that the public service jobs should be funded at a level of 17 percent less than that of last October, they will stick with the committee and vote against the amendment. If they think we need more jobs they should support the amendment.

The CHAIRMAN pro tempore (Mr. O'HARA). The time of the gentleman from Wisconsin (Mr. OBEY) has expired.

(By unanimous consent, Mr. OBEY was allowed to proceed for 1 additional minute.)

Mr. BRADEMAS. Mr. Chairman, will the gentleman yield?

Mr. OBEY. I yield to the gentleman from Indiana.

Mr. BRADEMAS. Mr. Chairman, I rise to lend my strong support to the amendment offered by the gentleman from Wisconsin (Mr. OBEY).

The amendment, which would provide an additional $150 million for public service jobs this fiscal year, is vitally needed.

In its request for public service job funding, the Nixon administration requested only $250 million. And that money was sought under the new title II program of the Comprehensive Employment and Training Act. No request was made to fund the transitional public employment program authorized under section 3(a) of that same law.

Mr. Chairman, if Congress had followed the administration budget, only three-quarters of the public service jobs—about 73,500—available last October would be available in the last quarter of this fiscal year.

And we should remember that 6 months ago the unemployment rate was only 5.1 percent and it is up over 5.6 percent today with little sign it will abate.

So we can see that the $250 million administration request is clearly inadequate.

Mr. Chairman, we must commend the House Committee on Appropriations for adding $100 million to the administration request, and for providing the money where it will do the most good, under section 3(a), which provides support for jobs in all areas now hard pressed with high unemployment not just those areas which qualify for title II aid.

The authors of the CETA saw the need to provide this transitional assistance for areas which could not immediately meet the 6.5 percent unemployment requirement which triggers title II.

So the additional $100 million provided by the committee under title 3(a) will provide an additional 8,500 jobs.

But, Mr. Chairman, I must agree with the gentleman from Wisconsin (Mr. OBEY) that Congress should provide $150 million more for 3(a) programs. For these funds, bringing the total for public service jobs up to $500 million, will mean that 100,000 vitally needed jobs will be available for the remainder of this year.

And I can speak from personal observation of the necessity of these funds, and for the support of public service jobs utilizing both title II and the transitional 3(a) programs.

For in one county which I represent, unemployment shot up to almost 9 percent in January after holding steady below 2 percent for months. The jobless rate there now fluctuates between 7 and 8 percent.

But tragically, Mr. Chairman, this abrupt rise in unemployment, not expected to subside soon, does not make the area eligible for title II assistance this year. There are other examples in northern Indiana where section 3(a) programs will help hard hit areas.

So I completely concur with this amendment to provide fully 100,000 public service jobs in the most flexible way possible, and I commend the gentleman from Wisconsin for offering it.

Mr. OBEY. Mr. Chairman, I believe that if the Members on this floor think that we should be providing at least the same number of public service jobs which we provided in October, before the energy crisis began they will support this amendment.

Mr. ESCH. Mr. Chairman, will the gentleman yield?

Mr. OBEY. I yield to the gentleman from Michigan.

Mr. ESCH. Mr. Chairman, I rise today in support of the Obey amendment which will provide for an additional $150 million in emergency employment funds under section 5 of the current Emergency Employment Act. I do so with mixed feelings, however, first of all as one of the original architects of the CETA, I personally believe that the funds would have been better allocated to title II of the new act. This would have channeled the dollars into the areas of highest unemployment. The unemployment rate in the State of Michigan today is 10.2 percent for example, which is totally unacceptable and double that of the national average.

By placing funds into title II of the Comprehensive Employment and Training Act we would have been able to place those funds where the need is greatest. However, I do recognize that while unemployment is not as rampant as in Michigan, we do need to provide for transfer of funds from the unemployment act to the new CETA. In addition, a large portion of the $150 million will go into relieving job displacement in Michigan.

It is my hope that these funds will be utilized immediately. It would be improper to speak on this amendment without giving proper credit to both the administration and the Appropriations Committee for recognizing the problem at hand. Over 6 months ago the administration proposed an additional $250 million for public employment and at long last the Appropriations Committee has acted on this request. Because of the job plight in Michigan I requested both the White House and the Appropriations Committee last February to add $500 million to title II for public employment programs. The Appropriations Committee has moved to add another $100 million to the $250 million requested, and with the additional $150 million we will have $500 million available to fight unemployment. I am hopeful that the appropriations bill will receive immediate attention in the other body and the President will sign the measure so we can get on with the problem of helping the unemployed.

Mr. CONTE. Mr. Chairman, I rise in support of the amendment offered by my distinguished colleague, the gentleman from Wisconsin.

That amendment provides the fairest solution to the dual problem of finding a decent alternative to unemployment compensation for the jobless and making the transition to our new comprehensive manpower programs without placing additional burdens on the unemployed.

I speak with special fervor on this issue. Unemployment in Massachusetts is close to double the national average. In January, initial claims for unemployment compensation were running 24 percent above the same month a year ago. The jobless figure for the State rose from 180,200 in November to 197,600 in January. In western Massachusetts labor market areas, the unemployment rate runs from 6.8 percent to over 9 percent. One town has a 20.2 unemployment rate.

It makes no sense at all to cut the number of public employment jobs below the level we had last fall before we began to feel the impact of the energy crisis. It makes even less sense to make the cuts at the same time we have to increase funds to handle rising unemployment compensation claims.

The initial administration request for funds to implement the new title II public service employment programs was $250,000,000. That would have provided about 73,500 jobs, compared to 100,000 last October and 140,000 in fiscal year 1973. That was completely inadequate.

The committee's addition of $100 million under the transitional provision of the Comprehensive Employment and Training Act raises the number of public employment jobs to over 85,000 and makes the additional ones available also in areas that do not qualify for title II programs.

I feel strongly that at a minimum another $150 million should be provided to bring us back to last fall's job level. The most equitable way to do this is through the transitional provision.

Title II is a new program. Even in areas with consistently high unemployment rates, there are problems to be worked out before it is in place. The title II machinery is new, and like all new machinery takes some breaking in.

Some areas would not qualify under title II. Unless we provide additional transitional funds, those areas will have to wait for substantial relief until a regular 1975 appropriation funds the title I programs. Recent experience shows that that may be well into the fall. In the meantime, PEP programs expire in many places at the end of this month. Being without a job at a time when prices are the highest in our history is tough enough. We cannot make it tougher because we are changing program horses.

I strongly support the amendment offered by my distinguished colleague, and I urge others to support it.

Mr. FRASER. Will the gentleman yield?

Mr. CONTE. I am glad to yield to the gentleman.

Mr. FRASER. Mr. Chairman, I want to express my agreement with what the gentleman said and say that I strongly urge support of this amendment.

Mr. CONTE. I thank the gentleman.

Mr. DOMINICK V. DANIELS. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Wisconsin, Mr. OBEY.

If this amendment is adopted you will be providing a total of $500 million for public service employment in this bill and that is a very modest amount in the context of the current unemployment situation. In the summer of 1972 when the unemployment rate was the same as it is now we set aside $1.25 billion for public service employment. With this amendment we will be providing approximately 40 percent of the amount of money Congress provided 2 years ago and yet the unemployment prospects are worse now than they were.

Under the Comprehensive Employment and Training Act, which I authored, we provided for public employment programs not only in areas of very high unemployment—the so-called title II program—but also in all areas under title I. This amendment will provide additional public employment funds for all areas at a time when all areas are suffering job displacement due to the energy crunch.

Unemployment is a problem everywhere and the unemployed worker who cannot find a job is just as badly off, no matter how many others there are like him in the area. With this amendment we will be able to make a modest contribution to the plight of the unemployed in all areas of the country as was contemplated by the Comprehensive Employment and Training Act.

Mr. PATTEN. Mr. Chairman, will the gentleman yield?

Mr. DOMINICK V. DANIELS. I am happy to yield to the gentleman from New Jersey.

Mr. PATTEN. Mr. Chairman, I would like to join with my colleague in stating that we are getting hit twice in losing out on this money, because the department changed the method of computing the unemployed. It comes just as this new bill will be funded at a time when in my district I have three assembly plants of the automobile industry that have laid off thousands of workers who do not appear in these figures. So this is a hard blow for us.

I hope if you have any feeling or compassion for the thousands who have been laid off at our Cadillac plant in Linden, our Ford plant in Edison, and the General Motors plant in Clark, you will please help us with adding this money to this bill so that we can get a few more dollars to help these wonderful people who have been thrown out of work.

I hope Members will go along with us, because if you do not, you will hear a great deal more about this unemployment problem.

I believe this bill should have $3 billion in it to do the job when you consider the whole country.

Mr. Chairman, I am a depression mayor. I well remember when two of three people were out of work. If you believe in holding your finger in the dike, at least come up with this amount of money. Otherwise we will have another depression and go through another cycle. So please vote for the amendment to help some of these poor people who are laid off by the energy crisis.

Mr. PERKINS. Will the gentleman yield?

Mr. DOMINICK V. DANIELS. I am pleased to yield to the distinguished gentleman from Kentucky, the chairman of the Committee on Education and Labor.

Mr. PERKINS. Mr. Chairman, will the gentleman yield?

Mr. DOMINICK V. DANIELS. I yield to the gentleman from Kentucky.

Mr. PERKINS. Mr. Chairman, all during this year the local governments have been required to phase out this program; thousands of PEP employees have been laid off from their jobs, and unless this additional money is added we are going to see many more thousands laid off. The money that is being asked for here, an extra $150 million in addition to the $350 million for PEP programs already in the committee bill, will prevent further deterioration of this excellent program during the current fiscal year. It will not, however, come anywhere near to bringing us back to where this program was as recently as a year ago. At that time we were spending at a rate of $1.25 billion under the Emergency Employment Act. It does not make any sense to me during a time when unemployment is rising and will continue to rise to go from a billion and a quarter dollars down to $500 million. This may be the best we can get today, but I want to serve notice that we need to do much better when the regular 1975 appropriation bill comes along. We ought to at least get even with where we were and, if possible, do even better.

In one of my poorest counties only a third of the people they had hired under the PEP program are still employed, and unless we adopt this amendment even those few that remain will have to be terminated. I have talked to many people down my way and I can say without question that public service employment is about the most popular Federal program in my area. My local officials like it, the people support it 100 percent, and I think it is one of the best things we have done in a long time.

So I congratulate the gentleman from New Jersey (Mr. Dominick V. Daniels), who was the chief author of PEP, and the gentleman from Wisconsin (Mr. Obey), the author of this amendment. They are performing a great service to this House. I earnestly hope that the amendment will be adopted.

Mr. FORD. Mr. Chairman, will the gentleman yield?

Mr. DOMINICK V. DANIELS. I yield to the gentleman from Michigan.

Mr. FORD. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Wisconsin (Mr. Obey), which provides for an additional $150 million for public service employment programs for communities having less than 6.5 percent unemployment.

No one knows better than the Chairman of the Committee of the Whole House on the State of the Union, the gentleman from Michigan (Mr. O'Hara), the need that we have in our own State for more jobs. With respect to unemployment, Michigan is one of the hardest hit States in the Nation. I am supporting the additional $150 million for public service employment provided by the amendment now before us, but I am doing so only after cautioning this body that what we should really be doing today is adding $1 billion to provide more jobs for the thousands of unemployed victims of the Nixon administration's mismanagement of our economy and mismanagement of our natural resources. We shall be adding $1 billion to their legislation today just to show these people that even though the Nixon administration is unable to respond to their problem, the U.S. Congress can—and will.

Mr. Chairman, this is a time of great national crisis—and our own State of Michigan is bearing the brunt of it. Unemployment is on the rise in Michigan, and it is rising at a terrifying and unprecedented rate.

The most recent figures I have available to me indicate that during the first month of this year the rate of unemployment in Michigan soared from 5.4 percent to 8.2 percent. Over the 2 month period ending in January, the number of claims for unemployment compensation increased by over 157 percent.

We experienced in Michigan during the month of January the second highest number of initial unemployment insurance claims in the Nation, and the problem threatens to get worse, and worse and worse. It is now predicted that by June—only 2 short months away—our unemployment rate will range from 9.5 percent to 12 percent.

Yet this year, despite the predictions of its own Labor Department with respect to rising unemployment, the Nixon administration would cut the public service employment program to 73,500 jobs. The committee partially restored some of these by adding an additional $100 million, but the additional $150 million which we propose today would do nothing more than bring the number of jobs back up to the level it was last October—before we felt the impact of the energy crisis.

Mr. Chairman, the additional $150 million provided for by this amendment is a mere drop in the bucket. It is typical of the band-aid approach the Nixon administration takes to unemployment problems when what is really necessary is major surgery. I deeply regret that because of the President's opposition to more funds to provide jobs for unemployed Americans this is probably the most we can realistically hope to provide—but nevertheless I will support this amendment, and I urge my colleagues from both sides of the aisle to do the same.

The CHAIRMAN. The time of the gentleman from New Jersey has expired.

Mr. O'NEILL. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in strong support of the amendment offered by the gentleman from Wisconsin (Mr. Obey) to increase by $150 million the appropriation for public service employment programs.

All this amendment seeks to accomplish is to maintain the 100,000 jobs under this program which was the level last October when the unemployment rate was only 4.6 percent.

Is that asking too much when the unemployment rate today is 5.2 percent and Manpower Administration predictions indicate a 6-percent unemployment rate by July 1?

It seems to me counterproductive, for us to allow the major Federal program which creates jobs for the unemployed to be reduced from the funding level it was 6 months ago.

Title II provides funds for public service employment in areas which have at least 6.5-percent unemployment. This amendment provides additional moneys to the $100 million already added by the committee in the transitional provisions of the act for communities which have less than 6.5-percent unemployment.

Six and one-half percent is an excessively high unemployment rate. But so is 5.5 and 5 percent. If this amendment is not adopted sizable areas within my own State of Massachusetts as well as in large areas of your own States which have unemployment of 6.2, 6, and 5.9 percent will be ineligible for severely needed Federal aid to provide jobs. The $100 million added by the committee will have minimal effect on the unemployment problem in this country. It means an increase nationally of merely 8,500 jobs for areas of unemployment under 6.5 percent. The Obey amendment provides an additional 12,000 jobs for these areas, thus the total number of jobs which would be created under the transitional provision of the act would be 20,500 for areas of unemployment under 6.5 percent. The Obey amendment would also add an extra 8,000 jobs for areas which have an unemployment rate of at least 6.5 percent.

If this amendment is adopted the State of Massachusetts would get an additional $7.13 million for jobs. This means nearly 1,000 more jobs would be available to citizens of my State.

We all know that most of the funds for public employment programs will expire in many communities by the end of April, thus leaving a large number of communities totally dependent upon the transitional provisions of the Manpower Act to continue their programs. These communities which contain nearly 60 percent of the Nation's unemployed desperately need this money now. They cannot wait until the regular appropriations bill is approved late this summer.

It is clear that if the Obey amendment is not adopted the future of the Emergency Employment Act is in grave jeopardy. I want to point out that in this act we have a program of proven value, one that works successfully and that is crucial to our Nation's welfare. The statistics on those who benefited from the program speak for themselves. For instance, more than 20 percent of those who participated in the public employment programs were teenagers, 27 percent were Vietnam era veterans, and 85 percent of all those who participated were not receiving any unemployment compensation. If it were not for this program, those 85 percent would have been on welfare.

I firmly believe that this country ought to make at least the same effort to fight unemployment during the next 14 months that we were making last year, and that is what the additional $150 million would accomplish.

Mrs. GREEN of Oregon. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the amendment. The need for more jobs persuaded me to cosponsor this amendment with Mr. Conte, Mr. Patten, and the gentleman from Wisconsin (Mr. Obey). I congratulate Mr. Obey for offering it.

This amendment should be considered, not on the basis that it is going to add $150 million to this particular appropriation bill, but that it is going to save money—yes, save money and incidentally save the pride and dignity of American citizens who want jobs not relief funds.

I really believe that this is true, because if we have increased unemployment, if people go without jobs, we are going to pay out of Federal and State revenues the welfare costs, and the costs of all of the dozen other programs that go to people on welfare: Food stamps, free medical care, public housing subsidies, and all of the others, too numerous to mention.

Also it has already been mentioned that a lot of this money will go to young people who might otherwise be without jobs this summer. There is an old saying about idle hands. I suggest that if there are jobs available for teenagers during the summertime, we could probably measure the reduced juvenile delinquency, and the reduced cost in detention home costs for kids who have nothing to do except roam the streets.

So, Mr. Chairman, I think that this is literally a good investment. I think that these kinds of programs ought to be considered on the same basis that we consider reclamation programs, and that is on a cost-benefit ratio. The benefits in ratio to the cost, I think, argue for its support.

Mr. Chairman, I would urge the Members of the House to add this $150 million to title I.

Mr. GAYDOS. Mr. Chairman, will the gentlewoman yield?

Mrs. GREEN of Oregon. I yield to the gentleman from Pennsylvania.

Mr. GAYDOS. I thank my colleague, the gentlewoman from Oregon, for yielding.

I served on the committee at one time with the Chairman, the gentleman from New Jersey (Mr. Dominick V. Daniels), when this legislation was put together. I want to call attention to and remind my colleagues of just one very fundamental observation. This is the only Federal program which answers a citizen's request when he wants to exercise his right to work. This is the only Federal program where a man or woman can ask for a job, a right to work, and a right to pay taxes. It is that simple; it is that fundamental. The very modest increase should be doubled and tripled.

I support the gentlewoman from Oregon (Mrs. Green) in her position, and also the original sponsor of the amendment.

Mrs. GREEN of Oregon. I thank my colleague for his comments.

Mr. Chairman, to summarize, I have always preferred a guaranteed job program to a guaranteed income program. The best possible welfare reform would be to actually make jobs available and remove the individuals from the welfare rolls. Unemployment robs the individual of his dignity. Unemployment contributes to the destruction of the family unit; unemployment increases welfare costs. Jobs, employment, restore dignity to individuals. Meaningful jobs bring about pride in the family relationship. Jobs, employment transform tax consumers into taxpayers.

We have spent millions and millions on studies of the unemployed, inventories of the poor. Let us save that money—and provide jobs for those who want employment—who seek jobs to support their families.

Mr. MICHEL. Mr. Chairman, I rise in opposition to the amendment.

Mr. MICHEL. Mr. Chairman, I am not here this afternoon to argue against the proposition of public employment but rather against the amendment that proposes to add another $150 million to what we already have in the bill, $350 million for public support employment.

The distinguished majority leader, the gentleman from Massachusetts (Mr. O'Neill), made a claim here that he has got pockets of unemployment of 6—running up to 20 percent—and he proposes to put the money in title I, which does not meet the problem at all. The $250 million that we have got here in title II is the way that we get at these pockets of unemployment in excess of 6½ percent.

Let me address myself to these levels of unemployment as against last October when the rate was 4.6 percent. We had 102,000 people employed in public service employment. While unemployment has increased to 5.1 percent now, let us not forget we have got 214,000 more people working today than we had last October. Moreover, what these folks fail to recognize is that we have $140 million of carryover here in the Emergency Employment Act which is unexpended 1973 funds that will provide 40,000 jobs within the next 6 months between April 1 and September of this year. Add to that title II of the Comprehensive Employment and Training Act in the supplemental at $250 million. That is 70,000 jobs, and then the $100 million that came as a result of Mr. Obey's amendment in the committee adds 28,000.

If we add the 40,000 to the 70,000 to the 28,000, we have 138,000 jobs at a time when we have 5.1 percent unemployed. I say that is a pretty good match up against 102,000 people who were employed in public service jobs when we had an unemployment rate of 4.6 percent.

The proponents of the amendment are under the impression that the emergency employment program would terminate at the end of April. This however is not true, since the $140 million of unexpended funds I have alluded to are available for use, and the Department of Labor has informed sponsors that they may continue to spend their unused funds until they are all spent. Thus for the next 6 months, under the presently available EEA funds and the funds in the supplemental, almost 140,000 jobs can be provided.

I think we also have got to look at this thing in overall perspective. In 1973 we had obligations for manpower training programs and enrollment opportunities of $1.432 billion for 1,038,400 enrollment opportunities. In the 1974 appropriation bill including this supplemental we have obligations of $1.9 billion providing for enrollments in jobs of 1,300,000. So on that count we are well ahead of last year.

The gentleman from Wisconsin (Mr. Obey) cited the testimony of Mr. Burns before the full committee when we were having the overall budget hearings. I would make reference to the testimony of Mr. Burns in another section of that hearing in which he says in answer to a question about public service employment:

> That would be a direction in which I would move in the event unemployment rises to a dangerous level. I would make contingency plans now but I would not move in that direction just yet.

I think earlier in the year when public service employment was first being talked about in our hearings as an antidote for growing unemployment there were dire predictions that the 5-percent rate would grow to 5.5 percent and 6 percent. Members will recall we had all kinds of talk about the snowballing recession and how soon we were going to be in the throes of a depression. I would say the decline from 5.2 percent in January and February to 5.1 percent in March indicates to some degree how we are snapping out of this thing.

In the regular bill we have a budget request for $350 million for public service employment. We have $350 million already in this supplemental which gives us a total of $700 million for public service employment. That is sufficient.

We have in the aggregate $8.7 billion in this supplemental. I listened to Members decrying how we are going over the budget and how we just cannot continue to do this without an increase in taxes, if we want to be that responsible. But here again we see Members falling all over themselves to support another increase of $150,000,000 to this bill. You cannot have it both ways.

Mrs. GREEN of Oregon. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I yield to the gentlewoman from Oregon (Mrs. GREEN).

Mrs. GREEN of Oregon. Mr. Chairman, I thank the gentleman for yielding. I share his concern about the overall budget.

I must say if an amendment were offered to transfer the $150 million from various other studies, evaluations, programs into public service employment jobs I would support it. Also, it makes absolutely no sense to me to spend a major part of title I and II on the manpower training programs; an individual will go through one manpower training program, into another, and into a third training program, and then still be an applicant for welfare. What we need are jobs that provide income and dignity for the individual. I would hope most all the funds in title I would be spent on public service jobs—not training programs for jobs which do not exist because of lack of funds.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

(On request of Mrs. GREEN of Oregon, and by unanimous consent, Mr. MICHEL was allowed to proceed for 2 additional minutes.)

Mrs. GREEN of Oregon. Mr. Chairman, a second point, in terms of last year's budget that there was $1.250 billion for the public service employment jobs. As I recall $1.250 billion.

Mr. MICHEL. Yes, and in part that accounts for our carryover.

Mrs. GREEN of Oregon. With the Obey amendment we would have only $500 million, less than half the budget last year, for jobs. With the energy crisis and related problems the unemployment especially in certain areas has increased, so it seems to me the money for jobs is a better investment than either the training programs or putting people on the welfare rolls.

Mr. MICHEL. As I indicated in my earlier remarks, it was not my intention to decry the program as such although in the new manpower legislation we recognized our errors of the past and made changes in the percentage of what was considered to be a critical area of unemployment.

Mr. PATTEN. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from New Jersey.

Mr. PATTEN. Mr. Chairman, I would ask the gentleman, is it not true even if that amendment had all the appropriations, as we see it at the end of this year, the way we are going, we are still hundreds of millions under the President's budget request? We will be hundreds of millions of dollars in total appropriations under the President's request for the year?

Mr. MICHEL. Well, that depends on precisely what the gentleman is talking about for in the Department of HEW for fiscal year 1974, we are way over the budget as a result of add ons by this Congress.

Mr. PATTEN. The committee has added that if we go through with this, we would go over the President's budget.

Mr. MICHEL. I will be very glad when we finally get budget reform so we in the Congress will share this responsibility with the executive. Then in the future when we get to the point of considering $7 billion or $8 billion in supplementals, we will also have to go to the Committee on Ways and Means and say, "Boys, where are we going to get the money?"

Mr. GAYDOS. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from Pennsylvania.

Mr. GAYDOS. Is there not some inconsistency, when I interpret the position of the gentleman as being one where we have no adequate program providing for full employment by the administration, yet we expend all the money in our budget based upon the presumption that everybody is working? I cannot follow the argument of the gentleman at all.

Mr. MICHEL. There are all kinds of different views with respect to what full employment is. My own personal view is that a rate of 4 percent will seldom if ever be achieved in peacetime. If any one individual is unemployed, that is a tragedy for that family, but the historical record shows during the last 25 years we have only achieved full employment—4 percent or less—in wartime.

President Truman said 5 percent unemployment was "tolerable." During the 3 Kennedy years unemployment was 6.7 percent in 1961, 5.5 percent in 1962, and 5.7 percent in 1963.

I should say in conclusion I did not hear the Democratic majority clamoring for public service jobs in those days or even raising a critical voice against that rate of unemployment.

The CHAIRMAN. The Chair recognizes the gentleman from Texas (Mr. MAHON).

Mr. MAHON. Mr. Chairman, I would like to state that when we go back into the House, I shall ask unanimous consent for all Members to have permission to revise and extend their remarks in the RECORD in connection with the Obey amendment which is now pending.

Mr. DENT. Mr. Chairman, I move to strike the necessary number of words. I hope I do not need the whole 5 minutes.

Mr. Chairman, Pennsylvania is not a small State. It is a rather large State. We have discovered upon investigation that almost every employment office jurisdiction in the State computes its unemployment percentages and figures from different schedules. In one office we find that if a worker fails to report for 2 weeks in a row for employment, he is counted as being unemployed. If he takes a vacation, if he goes somewhere to live with somebody else, his daughter or somebody else, for a couple of weeks, he is counted as not being employed.

There is not anybody in this room that can take an oath and be anywhere near right in stating that any figures we get from day to day, week to week, or month to month, on the unemployment figure in this country is anywhere near right at the point of time of giving it. We cannot measure from 1 week to another and get anywhere near an accurate figure.

For instance, during the shortage of oil we had plants laying off as many as 3,000 persons. They were off for 4, 5, and 6 weeks. That particular community would come under this particular 6½-percent figure for that long.

As we know, when our neighbor is out of work, we call it a recession. When I am out of work, it is a depression. When a person is unemployed in a community that has 6½ percent unemployment, that man is unemployed. He ought to be entitled to the same consideration.

We should not measure a person's unemployment status on the basis of the number of unemployed in an area, because it cannot be done that way. Take a small community, take a little community that has 4 percent or 4½ or 5 percent unemployment in a single industry, that community is injured a lot more than the city of New York with 7½ percent unemployment. Why? Because they have an unemployment built into their system. They have a large unemployment and the only community that will get any money under this, and here it is.

In the figures for the State of Pennsylvania as they work out, 32.4 percent of the unemployed of Pennsylvania will not be eligible for any kind of public service jobs under this 6½-percent cutout; 66.6 percent of my people, mostly in about 59 of the 67 counties of the State of Pennsylvania, will be absolutely barred from participation in this particular program.

I do not know what exactly we are hitting at. Is it the money I heard the Members talking about? We responsible persons in this Congress voted down $200 million for Vietnam the other day. We will have $50 million for this program over the program if we stay with this position.

Let me tell the Members something else. I just picked up the paper the other day and saw where we gave the Export-Import Bank, on borrowed money—not on assets, money this country has in the bank—on borrowed money, and loaned Italy $11,600,000 so that they can buy two aircraft from MacDonald. We are going to call that an export this year. We borrowed the money at about 7 to 10 percent, the Government; we turn around and give it to the Export-Import Bank; it loans it to Italy and Italy gets it for somewhere less than 4 percent, and they turn around and buy a couple of airplanes in the United States which they would not have bought otherwise. If they had the money, they would buy it from England or France or somebody.

We gave the Dow Chemical subsidiary in Brazil $17 million to add an addition to their chemical plant down there so that they can have a surplus of chemical made in Brazil, which is now supplied by American made chemicals. They can have a surplus so that they can send it back to the parent company in the

United States because they can get it made cheaper in Brazil.

We are talking about money. Why did not someone complain about that? Two hundred and twenty of us signed a resolution in this Congress of the United States to stop that kind of skulduggery. I do not believe it is fair to take two-thirds of the people in my State and say, "You are not going to participate in an unemployment program because you are less than six and a half-feet tall." I think that is wrong.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

(At the request of Mr. Gaydos and by unanimous consent, Mr. Dent was allowed to proceed for 1 additional minute.)

Mr. GAYDOS. Mr. Chairman, will the gentleman yield?

Mr. DENT. Mr. Chairman, I am happy to yield.

Mr GAYDOS. Mr. Chairman, along those points the gentleman has made, can the gentleman reconcile or explain the fact that this has now degenerated into a money argument when we are talking about jobs? It is too much money. How does the gentleman reconcile the fact that we have very little debate when we are talking about international development funds, the Asian Development Bank and other foreign spending agencies? Can the gentleman reconcile that, or is that his point?

Mr. DENT. Mr. Chairman, I am making that point. I thought I made it. I want to say now that there will be no question about it at all—if this Congress decides these people cannot have the money, this is one Member of the Congress who is not going to vote for 1 red cent going out of this country under any kind of situation.

Mr. GAYDOS. Mr. Chairman, does the gentleman know of any program to which he, as a Congressman, can refer when a constituent asks him where he can get a job? Is there any other program other than this that can supply a job?

Mr. DENT. Mr. Chairman, yes, it is very simple. Give him the names of all the countries getting foreign aid. There are a lot of jobs over there.

Mr. BADILLO. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I want to say first in answer to the gentleman from Illinois, that the fact is that the public employment program funds have already expired for many areas of the country, and that I have been advised that workers in New York City will have to be laid off at the end of this month. Thus, there is no surplus available to be transferred in this particular program in many parts of the country.

I think the fact is, too, that the majority of the Government economists as well as private economists fully anticipate that there will be a rise in the jobless rate this year as a result of the persistent decline in the economy.

Mr. Chairman, already this country's minorities, in particular the blacks, Spanish-speaking groups, women, and youth have been bearing the brunt of the unemployment crisis. As we hear from our colleagues today, the crisis is now getting to the point where it is beginning to affect more and more people.

Mr. Chairman, I think it should be clear to all of us that private enterprise cannot provide jobs for all who need them and that we must step in with a public service employment program. For a long time the argument has been used that one cannot provide a public employment program, because under the so-called Phillips curve, when there is full employment, there is going to be a rise in inflation. And the justification for allowing a high degree of unemployment was that inflation would affect the majority, and that in order to protect the majority from the problem of inflation, we had to permit what private enterprise normally brings about, and that is a degree of unemployment.

Mr. Chairman, we are now at a point in 1974 at which it is clear to all that the so-called Phillips curve does not work, because we now have both inflation and unemployment. It is obvious that if the relationship ever existed—I do not think it ever did—it does not exist now. It is clear now that the question of inflation does not have anything to do with the question of unemployment, and therefore, there is no longer even a theoretical justification left not to begin to use funds under the public employment program.

Therefore, Mr. Chairman, it is important that we begin now to allocate additional funds, because when we were debating this bill—I was a member of the committee and a member of the conference committee as well—the argument was used that we could not go beyond $250 million because of the fact that it would bring about an increase in the rate of inflation.

Mr. Chairman, since the bill was passed, there has been an even greater increase in inflation as well as an increase in unemployment. We must go back to the original arguments that were used in committee, and that is to fund this program at the level that we originally wanted to in committee, which includes not only the amount recommended by the gentleman from Wisconsin, but even greater amounts as well.

Mr. MICHEL. Mr. Chairman, will the gentleman yield?

Mr. BADILLO. I am delighted to yield to the gentleman from Illinois.

Mr. MICHEL. Mr. Chairman, the gentleman made reference to public service employees in the city of New York who might lose their jobs. Would those be persons who would be employed under title II in PSEA?

Mr. BADILLO. These are persons who will lose their jobs.

Mr. MICHEL. Mr. Chairman, if there are those who qualify under title II, they will not lose their jobs, and I will place in the Record the text of a letter from the Assistant Secretary of Labor that will indicate that those funds that ran out as of April 1, on the passage of this bill, will have used under title II the $250 million requested to assist those persons who are currently employed. I think that is perfectly legitimate and in keeping with the intent and purpose of the transition in the law.

Mr. Chairman, for that reason, there is no need to have this additional amount of money. That is what I have been saying in my argument all along for the benefit of those individuals who might be concerned. As a matter of fact, I happened to address a communication directly to the mayor of Cleveland, who had some 500 public service employees in the same category.

Mr. BADILLO. Mr. Chairman, there have been allocations of funds for specific cities, but many cities used up their quotas 3 months after the bill was passed. For example, the city of New York used up its quota 4 months after the bill was passed. Many cities in Puerto Rico used up their quotas 3 months after the bill was passed.

Mr. Chairman, there may be specific areas in which given cities may not have used their quotas, but in the cities which I am talking about the funds have been fully utilized and no additional funds are available.

Mr. Chairman, for that reason I urge support of the amendment.

Mr. YOUNG of Georgia. Mr. Chairman, I would like to commend my associates and colleagues, Congressman Obey and Congresswoman Edith Green and Congressmen Conte and Patten, for considering this amendment which I feel to be extremely important not just to the big cities of the North but certainly to those of us in the South who at best have a hard time keeping up with the unemployment statistics.

In the State of Georgia it is hard to record the damage done to the mobile homes industry by the energy crisis or the difficulties caused by fuel allocation to the petrochemical industry and to the carpet and textile industry of that State. These are industries at which people usually work on a part-time basis and do a little farming on the side in order to meet the high cost of living. They are doing double duty, in other words, trying to make ends meet and are now caught at both ends of the spectrum with layoffs in the industry but also at home with the high cost of fertilizer and the inability to get the fertilizer that they need in order to keep their small farms going.

It is a difficult period for some of the rural areas of this Nation where we find ourselves making a transition from a former domestic economy to an international economy. We in the Congress and the administration are saying that they do not want wage and price controls any more. We are saying that we want a free market for goods. We are saying to the American worker and consumer, in effect, "We want you to pay the bill and do the suffering for this transition period."

Mr. Chairman, this amendment offers just a minimal stop-gap to provide employment through what we know to be difficult times when food prices have already gone up 20 percent and, given the agricultural markets of the world, we can anticipate almost another 20 percent increase. At the same time we find our people down South without jobs or the opportunity to get jobs.

I would like to say that in the city of Atlanta we consider ourselves very lucky. We brag or at least the Chamber of Commerce does that we have the lowest unemployment rate of any major city in America. However, I have come not to believe them very much. I have my own indicators of the unemployment rate in my city and my district. In 1970 and 1971 there was breaking and entering going on all over my neighborhood. In 1972 and 1973 we had an enormous absence of that kind of petty crime in part because of an economic boom. In the last few months we find that kind of crime coming back again. I see this as a kind of insurance for our young people who are in the mainstream of the economy in our American way of life which keeps them from having to enter the countereconomy of organized crime. If you do not know that there is a countereconomy, let me tell you that there is. You can go into almost any city in the country and place your order for whatever you want and somebody will steal it for you on consignment. That was our contribution to the Nation through the drug traffic.

Well, we have done a good job in cutting down the drug traffic, but whenever unemployment begins to rise, long before the statistics show it, crime begins to crop up again.

Mr. DRINAN. Mr. Chairman, will the gentleman yield?

Mr. YOUNG of Georgia. I am glad to yield to the gentleman.

Mr. DRINAN. Mr. Chairman, I rise in support of this amendment to increase the appropriation of funds to provide for public service jobs to combat rising unemployment.

Two hundred and fifty million dollars were requested by the administration to fund title II of the Comprehensive Employment Training Act of 1973. These funds are earmarked for communities with severe unemployment rates of 6.5 percent or more. The Committee on Appropriations acted wisely, I believe, in adding $100 million to be available to communities which have been fortunate enough not to have reached the horrendously high unemployment rate of 6.5 percent.

But even this is not enough. Another $100 million would only provide for 8,500 jobs in communities which contain nearly 60 percent of the Nation's unemployed. This does not even match the level of jobs provided by this program last October. Despite the Labor Department forecast of reaching a 6 percent unemployment rate this year, the administration would cut back on this public service employment program. The committee's recommended increase of $100 million is a step in the right direction, but total funding is still 17 percent below last October's level.

I will not burden you with repetition of the complex statistics and comparisons which have already been discussed here today. The point is that, in the face of rising unemployment, it would be negligence on the part of this body to back down from a commitment to a public service employment program adequate to meet expanding joblessness.

Passage of this amendment to add another $150 million for public service employment is but one more plug in the riddled dam that is our present economic management program. Public service employment is not and cannot be considered a cure-all. Through prudent administration, and by creating real positions with potentials for the future, this public service approach can play a significant role in ameliorating our present and future employment problems. But we must remember that it is only one part of the comprehensive approach to economic planning that is urgently needed.

Nine communities in the western part of my district were listed officially as having substantial unemployment as of February 1, 1974; these areas have had this problem for the past 6 years. This means that 6 percent or more of the work force in these communities remains unemployed and it is estimated that joblessness will remain at 6 percent or more for at least the next 2 months. There has been some improvement in these communities of Fitchburg, Leominster, Gardner, Shirley, Westminister, Lunenburg, Maynard, Stow, and Bolton, but the persistent employment problem remains.

It is essential that we take the step advocated by this amendment today. We must act now, while we have the opportunity, to make a significant contribution to the solution to rising unemployment, and the spectacle of unemployed Americans.

But, after taking this step today, we cannot be complacent until all men and women who seek work can find satisfactory employment. Tax reform, appropriate tax cuts, and counterinflationary measures are but a few of the components of the sound fiscal management program we must adopt.

Mr. Chairman, the approach we consider here today is a valuable tool designed to help those persistent pockets of unemployment. It will send our dollars into areas where they are most badly needed. I urge you to support this amendment, but not alone for itself. I urge you to support it as a part of a sound fiscal plan to improve our employment picture.

Mr. FLOOD. Mr. Chairman, I rise for the purpose of opposing the amendment.

Mr. Chairman, well, well, well. So some of the Members have found out at this late date about unemployment, have they? Well, well, well. And they have their bowels all upset about unemployment at this late date, eh? Well, well, well.

Do you know where I come from? Yes, sure you do; sure you do. Thirty years ago when I came here the unemployment rate in my district was 19.7 percent. Put that in your pipe and smoke it, as my grandfather would say when he was there, God rest his soul.

Down through the years you have heard of the Flood-Douglas bill; you have heard of Appalachia; you have heard of EDA, all during the succession of these unemployment problems.

Now these people are going to cry about unemployment.

They were riding high, then, and eating high on the hog, and riding fancy in the areas you have heard from, oh, sure. Too bad about the rest.

You are taking the wrong forum, the wrong place, and the wrong time.

Let me remind the Members of the Committee that this is an appropriation bill, this a supplemental appropriation bill. Do you know what that is? Now, you are Members of the House, you are Members of the Committee. You are talking about regular procedure all over the country, and let us not abuse the law. This House must do things right. Congress must maintain its integrity with the Nation. We must not be held up to scorn. We must do what is right.

Then, do what is right.

This is a supplemental appropriation bill, that is what this is. Less than 3 months remain in the fiscal year.

Now, to do what you want to do, I am for it. Where do we go? When do we do it? I will be with you and the committee, what hour, what day? Against unemployment? Against unemployment? Why, certainly. I will be there with you, with or without the mustache. I know about it.

But, let us get back to earth.

They did not tell you what you are here for, a regular Congress performing as it should on a supplemental bill, making their speeches in the RECORD. "Look at what I said, here is a copy of the RECORD, look at what I said on such and such a day. I pleaded for you back home. Yes, sir, I am for my people, God, country, and Yale."

Now, watch this: As soon as this budget request came to this subcommittee I had my doubts, the budget request was for $250 million. Who would know better than I to have doubts? I proposed: Let us raise this $100 million. If there is any doubt, let us resolve it in favor—now, watch this—in a supplemental bill, in a supplemental bill. So we did. The committee raised it $100 million unanimously. That is what we did for reasons you know, the reasons you heard.

What date is this? Let me tell you this: in 2 months—in 2 months—I will be right here where I am right now, with the help of God, in this well, on the 1975 appropriation bill. We are now holding hearings this very week; $350 million more is requested in the 1975 budget.

Do you hear me over here? Three hundred and fifty million dollars more.

So we are against the unemployed? Somebody is out of their cotton-pickin' minds if you rebels believe that. If you believe that we are against the unemployed. That is outrageous. Let me tell you that if there is any sign, I pledge you my word, if there is any indication that this economic condition is going to be such that there will be a rise in the unemployment caseload—and, by the way, it was 6.1 percent when the Emergency Employment Act became law, and it is now 5.1 percent, do not forget that. It has gone down now.

If there is any change in economic conditions by the time the regular bill comes to the floor, the 1975 bill, let me tell the Members they will not have to say anything about it; I will; and so will this committee.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent Mr. FLOOD was allowed to proceed for 2 additional minutes.)

Mr. FLOOD. Mr Chairman, we talk about the 6.5 percent unemployment rate that we heard some of my friends mention here—the 6.5 percent. That is the law. The Congress made the law—6.5 percent. If we do not like that, change the law. I will be with the Members. I will be the first one to be with them. That is the law, but do not forget this. Under the transition provision in this act—the Members may not know this—there is provision to use this $100 million to help those people who might be unemployed in areas where unemployment is below 6.5 percent.

In addition to that, as my friend said, using any town one wants to—Cleveland, all right—I know what the situation is in Cleveland because I met with Members from that area. If the Emergency Employment Act funds run out, they can help employees on the payroll because the funds in this bill can be used to cover the cost of the public employment program after the Emergency Employment Act funds run out. Nobody will be hurt by this thing.

I know this is Easter and that tomorrow is Holy Thursday. I know all about that, but do not get this mixed up with Christmas. We do not have a problem. This is a supplemental appropriation. This is not the time. The Members would be wrong. They want to be right.

Oh, boy, especially over here they do not want to make any mistakes. Oh, boy, be careful. Be careful.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MAHON. Mr. Chairman, I ask unanimous consent that all debate on this amendment and any amendments thereto close at 3:40 o'clock.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from New Jersey (Mr. Patten).

(By unanimous consent, Mr. Conte yielded his time to Mr. Patten.)

Mr. PATTEN. Mr. Chairman, it is terrible when we see a fellow put an act on like my chairman, the gentleman from Pennsylvania (Mr. Flood) did, because his heart was not in it at all. He did his duty as chairman. We could all tell it; right?

If he were talking about black lung, one could not hold him. Let me tell the Members the truth. This is not a supplemental appropriation, which he said 10 times. We passed an Employment Act last December and this is the original funding. I resent it being called a supplemental.

The other thing I want to say to the Members of the House is I will stand with my chairman, the gentleman from Texas (Mr. Mahon), that this Congress does not appropriate more money than the President asks for in his budget. The gentleman told us in the committee, that after this supplemental was passed we will still be under the amount of money the President asked for this year, and that is the position I want to maintain.

Mr. CONTE. Mr. Chairman, will the gentleman yield?

Mr. PATTEN. I yield to the gentleman from Massachusetts.

Mr. CONTE. On a point of order we knocked out $200 million for Vietnam, so that brings it down, and there is a $1 billion recession for welfare.

Mr. PATTEN. The gentleman from Massachusetts (Mr. Conte) knows this is the last step. There is no more for 1974 authorization and we will be under the President's budget. This is not a supplemental. I just want to tell the Members that if they saw the unemployment lines I have seen we would make this for a larger amount.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois (Mr. Michel).

(By unanimous consent, Mr. Frenzel yielded his time to Mr. Michel).

Mr. MICHEL. Mr. Chairman, it was said earlier that only through Public Service Employment could one get a job, if he becomes unemployed. The truth is there are a number of places: In the private sector, on-the-job training; in the public sector, on the job training; institutional training; in school work support; youth training service; in school work support; special target service; computerized job employment. There are a number of areas which we have financed with $1.9 billion in this area of manpower training and employment.

We are not going to be able to employ every individual unemployed today through public service employment. If we did that, with an average of $7,000 per public service employee and with 4.6 million unemployed, we would have to appropriate $32.2 billion to take care of everybody.

We just cannot take care of every unemployed person throughout the medium of public service.

When we initially conceived this program it was not intended to be a broad scale program to run indefinitely but only targeted on those areas with critical unemployment. That is why, as the Chairman pointed out, we changed the law to 6.5 percent.

Who can we criticize but ourselves for drawing that distinction? We did that because we said we are not going to have a self-perpetuating program where every time we come up with a bill every mayor and city council is going to come down and tell us how many people we have to fund on the city payroll in Peoria or Podunk or wherever it is. I thought we had general revenue sharing for that. How many of the Members will vote for that program the next time around?

This program is targeted for a critical area. We ought to keep it on target. I urge the Members to stay with the committee on this.

We will have a regular bill coming up, where $350 million has been requested for public employment. Do we really need more? We will have another opportunity at that time to look at this item. I say in this supplemental we have enough and we can talk about these amounts back home in good conscience.

The CHAIRMAN. The Chair recognizes the gentlewoman from Oregon (Mrs. Green).

Mrs. GREEN of Oregon. Mr. Chairman, the gentleman from New Jersey (Mr. Patten) made a most important point; this is not really a supplemental request. This is the initial request the initial funding for the comprehensive employment and manpower training program passed last December. It does not supplement what was in the fiscal year 1974 budget.

We can talk about the regular budget bill and that is fine. That budget bill is not going to get here for months.

In the meantime and these are the latest figures from the Conference of Mayors: In Seattle alone, 50,000 people are unemployed. This is not taking into account the energy crisis.

In St. Louis, energy related unemployment is 7,000.

Flint, Mich., 14-percent unemployment rate in February for 22,000 persons.

Los Angeles, jobs energy related, unemployment reached 25,000.

By summer, the regular budget bill that is going to come before this House will not even be out of the committee. When it comes before this House, it is too late for these people who need jobs now. It is too late for summer employment jobs for teenagers. Let us put this additional $150 million in jobs and save $150 million in welfare costs and related miseries.

The CHAIRMAN. The Chair recognizes the gentlewoman from New York (Ms. Holtzman).

Ms. HOLTZMAN. Mr. Chairman, I strongly support this amendment to provide an additional $150 million for public service jobs. I feel it is crucial to do something about unemployment—and to do it now.

We are witnessing in this country today critical economic ills—rampant inflation, shortages of vital natural resources, increasing unemployment—all resulting from mismanagement of the economy by an administration which is blind to the needs of the average citizen.

The elderly and others living on fixed incomes have been victims of this economic downturn for some time. We are all familiar with the pathetic stories of destitute elderly people desperately shoplifting basic food staples from supermarkets as their only means of survival. In fact, every family has felt the crushing burden of inflation.

More recently, the working man and woman have fallen victim to our continuing economic crisis. Layoffs and unemployment are increasing to intolerable proportions. The Manpower Administration has projected a 6-percent unemployment rate before the end of this fiscal year—and that is a conservative estimate. Nixon and his economic advisers—who have carried the notion of benign neglect into the economic sphere—may consider such an unemployment rate "acceptable." But surely we in Congress, who represent the large numbers of working people in this country, cannot allow the present unemployment rate to accelerate unchecked.

Without this amendment, the funding of public service programs would be cut below last October's level when the unemployment rate was only 4.2 percent. The reason for the skimpy appropriation in this bill is the administration's insistence at pennypinching at the expense of those unemployed—essentially persons put out of work by the administration's policies to begin with. Furthermore, without this amendment State and local governments may have to lay off additional workers.

Given the billions of dollars we are spending on subsidies to the defense industry, the farmers, and the oil industry—through tax breaks—we can certainly afford $150 million to create jobs for able-bodied men and women who are willing and anxious to work.

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin (Mr. OBEY).

Mr. OBEY. Mr. Chairman, let me point out a few things. First of all, the administration witnesses at our hearings pointed out that the figure in this bill which we are trying to change was prepared last December. A few things have changed since then.

Second, Mr. Stein himself projected unemployment would average 5.7 percent across the entire year, which means it will hit substantially above 6 percent in a number of months to come.

In fact, in response to Mr. MICHEL's assertion that unemployment is not all that bad, the fact is that people employed last month in nonfarm jobs increased by 125,000. We are coming into the agricultural season, which is temporarily slowing down the rise in unemployment, but that will not continue. Let me also point out, the administration itself indicated that under their proposal, the peaking of the public service jobs will come next January. That is a little late for people that do not have jobs now.

Let me point out further, the energy crisis did not take jobs away only in areas that had 6½ percent unemployment or more. The energy crisis hit every area.

We have the power to do something about that by this amendment and I hope we do.

The CHAIRMAN. The Chair recognizes the gentleman from Texas (Mr. MAHON) to close the debate.

Mr. MAHON. Mr. Chairman, I would hope that the House would follow the urging of the best qualified men to speak on this subject, the chairman of the Appropriations Subcommittee on Labor-HEW and the ranking minority member. They have urged that this amendment be defeated. I wish to join with them in urging the defeat of this amendment.

In the bill we are already providing $350 million for public service employment. We provided $100 million over the budget in this bill. We will have an opportunity in the regular Labor-HEW bill to provide additional funds for the following year, which begins on July 1.

With respect to the budget, let me say that in the Labor-HEW appropriation bill for the current fiscal year, we are already more than $1 billion over the budget for this current fiscal year; so let us not go further above the budget. The committee on this particular item is recommending $100 million above the budget.

Now, the gentleman from New Jersey looks with some considerable concern upon my statement. I say that in the overall on all appropriation bills for the current fiscal year we are below the budget, but not in the field of Labor-HEW. We are above by over $1 billion on the Labor-HEW measure.

Mr. PATTEN. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from New Jersey.

Mr. PATTEN. Why does the gentleman not tell me about the $8.5 billion collected in taxes to finance HEW? In the national debt they are going to have $15 billion over and above what they spend because of new social security taxes.

Mr. MAHON. The national debt is estimated to increase over $17 billion in fiscal year 1975, according to the President's budget request.

Mr. Chairman, there is another matter directly related to public service employment which I would like to insert in the RECORD at this point. On April 3, 1974, the Comptroller General sent a letter to a Member of the Senate in which he stated that section 502 of the first supplemental appropriation for 1974, providing continuing appropriations for activities of the manpower administration of the Department of Labor, authorized the continuation of activities under the Emergency Employment Act which had expired on June 30, 1973.

The Comptroller General's opinion is based upon a finding that language added in the conference could only be applicable to continuation of emergency employment activities. The affected language refers to "necessary expenses for the activities of the manpower administration."

As we understand it, the Comptroller General's opinion would permit obligation of funds for public service jobs at an annual rate of $1,250,000,000. We also understand that the $350,000,000 we are now recommending for public service jobs would not substitute for any amounts used under the Comptroller General's opinion. Since the basic authority is different in the two cases, both amounts would be separately available.

Mr. Chairman, I have reluctantly concluded that in this instance I do not believe the facts support the Comptroller General's finding. I do not believe that it was the intention of the conferees on last year's supplemental appropriations bill to have section 502 cover extension of the Emergency Employment Act, nor do I believe that it was the intention of this body to continue activities under the Emergency Employment Act when it voted on that supplemental appropriation. The information I placed in the RECORD of December 19, 1973, summarized a number of the activities of the Manpower Administration which were specifically covered by language in the continuing appropriation. That summary made no reference to emergency employment activities. It did not do so because this House had specifically rejected an attempt to bring the Emergency Employment Act to the floor for extension in the preceding April. Further, the regular continuing resolution for 1974 specifically identified other programs of the Manpower Administration, including manpower development and training, and a provision of the Economic Opportunity Act. But that regular continuing resolution did not specify Emergency Employment Act activities. The language we added relating to "necessary expenses" was in our judgment needed to cover the range of activities in the Manpower Administration's salaries and expenses account.

Mr. Chairman, I am concerned about the possible long-range impact of the Comptroller General's ruling. Traditionally, we have used the continuing resolution to cover situations where the Congress has not enacted authorizing legislation but is expected to do so within a relatively short period. In the present case, there is no indication that the Congress desired to reinstitute the emergency employment assistance program. In fact, this House had determined that it would not act on that program in favor of a comprehensive employment and training program which was later enacted and which is covered by provisions of the continuing appropriation. The Comptroller General's ruling might be interpreted as a precedent which could be used to bypass the regular legislative and appropriations procedures of the Congress in a way that seems to me to be undesirable.

I wish to make it clear for the record that the Supplemental Appropriations Act for 1974 was not intended to revive the Emergency Employment Act nor to make the $1.25 billion available for the Department of Labor to spend.

Mr. MURTHA. Mr. Chairman, the PEP program has been extremely beneficial to Cambria County and I would add my support to this amendment which would allow all the counties in the 12th Congressional District to continue to participate in this vital program.

The Emergency Employment Act of 1971, under the guidelines of the Department of Labor with the Cambria County Commissioners as prime sponsors, has successfully executed a PEP program in Cambria County during the fiscal years of 1973 and 1974.

The prime purpose of the public employment program is to make financial assistance available to public employers which will be used in providing unemployed or underemployed persons with transitional jobs, providing needed public services, and developing new career opportunities in Cambria County.

Cambria County as a prime sponsor under the supervision of Joseph P. Roberts, president of the county commissioners, was declared an eligible applicant and received a grant funding under section 5 and section 6 of the Emergency Employment Act.

Cambria County was allocated a funding level of $397,298 in Federal costs. These moneys include both regular and discretionary funds for summer employment. The county's share being $45,891. This was paid in a percentage of in-kind contributions, meaning the supervisors wages and fringe benefits were used in training of the participants under his employment.

The Federal grants also allowed for the county's share of the FICA and workmen's compensation charges to be paid out of the program.

Section 5 has a total enrollment of 224 participants, which includes a regular and a summer program for the fiscal years of 1973 and 1974.

SECTION 5 REGULAR PROGRAM

Federal cost of $313,894: 109 participants placed in training, projected as of June 30, 1974; 43 hired by employing agencies; 7 hired by public employers; 27 hired by private employers; 14 entered other programs, school, or armed services; 18 terminated for other reasons; cost per placement in unsubsidized jobs, $4,076; percent of placement, 70.64 percent; and rate of veteran hiring, 56.88 percent.

SECTION 5 SUMMER PROGRAM

The 1973 summer program with discretionary funds, $83,404: 115 summer program participants; 2 hired by agency; 4 hired by public employers; 6 hired by private employers; 103 returned to college; cost per placement for summer students, $734.

Mr. GILMAN. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Wisconsin (Mr. Obey) providing additional funds for manpower programs.

The manpower program was initially established to combat the persistently high levels of unemployment prevailing in our Nation during the late 1950's. As unemployment rises once again, primarily as a result of our energy shortages, we need to renew our efforts in taking our citizens off the welfare rolls and bringing them into the mainstream of the gainfully employed. To do this, we must provide the funds and knowhow for training and educating those depressed groups of citizens who have such difficulty in procuring employment.

In November of last year, the House passed the Comprehensive Manpower Act of 1973, providing a new charter for those manpower programs operating under previous directives. This bill was an effort to decentralize and decategorize existing programs making them more responsive to local needs. In order to effectively implement this new charter, and to provide for the wise, locally controlled spending of our tax dollars, we must now provide full funding for the program's operations, giving the program an opportunity to prove itself.

The cost benefit of this program is perhaps its worthiest note, manpower programs will take our unemployed off of the welfare roles and make him a productive wage earner.

Accordingly, Mr. Chairman, I intend to support the gentleman's amendment when the vote is called for, and urge my colleagues to vote yea.

Ms. ABZUG. Mr. Chairman, I rise in support of the amendment offered by my colleague from Wisconsin (Mr. Obey).

The facts of unemployment are clear. The national unemployment figure is 5.2 percent, representing 4.7 million Americans. This figure does not take into account those people who, out of frustration and despair, have stopped looking for work. It does not count those people working part time who would like to work full time, nor does it count those people working full time but earning less than adequate wages.

The current funding of the PEP program will expire in April. Most communities will simply lose out because of the restrictive eligibility requirements of the Comprehensive Education and Training Act—CETA—title II. What will they lose?

They will lose a program whose administrative costs were less than 2 percent. Thus 98 percent of the funds expended went right to the jobs themselves. Vietnam-era veterans comprised 37 percent of all participants; 41 percent were minority group members; 14 percent were former welfare recipients. The communities will lose all the benefits of a program that sent half of its participants directly into jobs—jobs that produce much needed tax revenues.

The Congress passed and the President signed into law on December 28, 1973, the Comprehensive Education and Training Act—CETA. Yet the regulations implementing this program have gone through six revisions and are still out for comments. The deadline for the last set of comments in the Federal Register is not until May 4.

The transitional authority given to the Secretary of Labor under CETA is much needed. But the amount of money asked for by the administration and the amount approved by the Appropriations Committee will not keep us at the level of jobs needed or authorized in the past by this Congress.

In CETA, Congress clearly mandated that the public employment program was to continue. This was not a transitional provision. In the Emergency Employment Act, Congress clearly mandated PEP. We cannot allow this program to fold because of the recalcitrance of the Nixon administration. I urge adoption of the Obey amendment.

Mr. PRICE of Illinois. Mr. Chairman, I support the amendment offered by the gentleman from Wisconsin (Mr. Obey) which would provide an additional $150 million for public service employment under H.R. 14013, second supplemental appropriation.

Our public service employment programs have been of real value in combating the severe unemployment in areas such as my congressional district. The $350 million provided in the committee bill would only be sufficient for 85,000 jobs, yet last October 102,000 public service jobs were being funded. We should maintain adequate funding for this necessary program, for unemployment is still rising and we must maintain our efforts to slow this trend.

Under the committee bill the State of Illinois will receive $14,801,000. The proposed amendment would raise this sum to $21,701,000 and permit more jobs to exist under the program.

Mr. Chairman, I urge my colleagues to vote favorably on this amendment and then pass H.R. 14013.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin (Mr. Obey).

The question was taken and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. CONTE. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device; and there were—ayes 236, noes 168, not voting 28, as follows:

[Roll No. 159]

AYES—236

Abdnor
Abzug
Adams
Addabbo
Alexander
Anderson, Calif.
Anderson, Ill.
Andrews, N. Dak.
Annunzio
Ashley
Aspin
Badillo
Barrett
Bell
Bergland
Biaggi
Biester
Bingham
Blatnik
Boggs
Boland
Brademas
Brasco
Bray
Breaux
Breckinridge
Brinkley
Brooks
Broomfield
Brotzman
Brown, Calif.
Brown, Mich.
Burke, Calif.
Burke, Mass.
Burton
Carney, Ohio
Chisholm
Clark
Clay
Cohen
Collins, Ill.
Conte
Corman
Cotter
Cronin
Culver
Daniels, Dominick V.
Davis, Ga.
Davis, S.C.
de la Garza
Delaney
Dellenback
Denholm
Dent
Diggs
Dingell
Donohue
Drinan
Dulski
du Pont
Eckhardt
Edwards, Calif.
Eilberg
Esch
Evans, Colo.
Fascell
Fish
Foley
Ford
Forsythe
Fraser
Frenzel
Froehlich
Fulton
Gaydos
Giaimo
Gibbons
Gilman
Ginn
Gonzalez
Grasso
Green, Oreg.
Green, Pa.
Gude
Hamilton
Hammerschmidt
Hanley
Hanna
Hansen, Wash.
Harrington
Hawkins
Hays
Hechler, W. Va.
Heckler, Mass.
Heinz
Helstoski
Hicks
Hillis
Holifield
Holtzman
Horton
Howard
Huber
Hungate
Hunt
Hutchinson
Johnson, Calif.
Johnson, Pa.
Jones, N.C.
Jones, Okla.
Jordan
Karth
Kluczynski
Koch
Kyros
Leggett
Lehman
Long, La.
Long, Md.
Lujan
Luken
McCloskey
McCormack
McDade
McFall
McKay
McKinney
McSpadden
Macdonald
Madigan
Mallary
Maraziti
Mathias, Calif.
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Mezvinsky
Mills
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Mollohan
Moorhead, Pa.
Morgan
Mosher
Moss
Murphy, Ill.
Murtha
Natcher
Nedzi
Nix
Obey
O'Hara
O'Neill
Owens
Passman
Patten
Pepper
Perkins
Peyser
Pike
Podell
Preyer
Price, Ill.
Pritchard
Railsback
Randall
Rangel
Rees
Regula
Reid
Reuss
Riegle
Rinaldo
Rodino
Roe
Roncalio, Wyo.
Roncallo, N.Y.
Rooney, Pa.
Rosenthal
Rostenkowski
Roush
Roy
Roybal
Ruppe
Ryan
St Germain
Sarasin
Sarbanes
Schroeder
Seiberling
Sisk
Slack
Smith, Iowa
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steele
Stephens
Stokes
Stratton
Stubblefield
Stuckey
Studds
Sullivan
Symington
Talcott
Thompson, N.J.
Thomson, Wis.
Thone
Thornton
Tiernan
Udall
Ullman
Vander Jagt
Vander Veen
Vanik
Vigorito
Waldie
Walsh
Whalen
Widnall
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Wolff
Wright
Yates
Yatron
Young, Ga.
Young, Tex.
Zablocki

NOES—168

Andrews, N.C.
Archer
Arends
Armstrong
Ashbrook
Bafalis
Baker
Bauman
Beard
Bennett
Bevill
Blackburn
Brown, Ohio
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burgener
Burke, Fla.
Burleson, Tex.
Burlison, Mo.
Butler
Byron
Camp
Carter
Casey, Tex.
Chamberlain
Chappell
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Cochran
Collins, Tex.
Conable
Conlan
Coughlin
Crane
Daniel, Dan
Daniel, Robert W., Jr.
Davis, Wis.
Dennis
Derwinski
Devine
Dickinson
Downing
Duncan

Edwards, Ala.
Erlenborn
Eshleman
Evins, Tenn.
Findley
Fisher
Flood
Flowers
Flynt
Fountain
Frey
Fuqua
Gettys
Goldwater
Goodling
Gross
Grover
Gubser
Gunter
Guyer
Haley
Hanrahan
Hansen, Idaho
Harsha
Hastings
Hébert
Henderson
Hinshaw
Hogan
Holt
Hosmer
Hudnut
Ichord
Jarman
Johnson, Colo.
Jones, Ala.
Jones, Tenn.
Kemp
Ketchum
King
Kuykendall
Lagomarsino
Landgrebe
Latta
Lent
Lott
McClory
McCollister
Mahon
Mann
Martin, N.C.
Mathis, Ga.
Mayne
Michel
Milford
Miller
Mizell
Montgomery
Moorhead, Calif.
Myers
Nelsen
O'Brien
Parris
Pettis
Poage
Powell, Ohio
Price, Tex.
Quie
Quillen
Rarick
Rhodes
Roberts
Robinson, Va.
Robison, N.Y.
Rogers
Rousselot
Runnels
Ruth
Sandman
Satterfield
Scherle
Schneebeli
Sebelius
Shoup
Shriver
Shuster
Sikes
Skubitz
Smith, N.Y.
Snyder
Spence
Steed
Steelman
Steiger, Ariz.
Steiger, Wis.
Symms
Taylor, Mo.
Taylor, N.C.
Teague
Towell, Nev.
Treen
Veysey
Waggonner
Wampler
Ware
White
Whitehurst
Whitten
Wiggins
Williams
Wilson, Bob
Winn
Wyatt
Wydler
Wylie
Wyman
Young, Alaska
Young, Fla.
Young, Ill.
Young, S.C.
Zion
Zwach

NOT VOTING—28

Bolling
Bowen
Carey, N.Y.
Cederberg
Collier
Conyers
Danielson
Dellums
Dorn
Frelinghuysen
Gray
Griffiths
Kastenmeier
Kazen
Landrum
Litton
McEwen
Madden
Martin, Nebr.
Minshall, Ohio
Murphy, N.Y.
Nichols
Patman
Pickle
Rooney, N.Y.
Rose
Shipley
Van Deerlin

So the amendment was agreed to.

The result of the vote was announced as above recorded.

The Clerk will read.

The Clerk read as follows:

HOWARD UNIVERSITY

For an additional amount for "Howard University", $3,362,000.

AMENDMENT OFFERED BY MR. ADDABBO

Mr. ADDABBO. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ADDABBO: Page 15, after line 13, insert:

"OFFICE OF CHILD DEVELOPMENT"

CHILD DEVELOPMENT

For an additional amount for "Child Development" for carrying out the Child Abuse Preventive and Treatment Act (P.L. 93-247), $4,500,000.

Mr. ADDABBO. Mr. Chairman and Members of the Committee, for a change, I am not offering an antiwar amendment, but I am offering one to assist in carrying out the war against child abuse.

Mr. Chairman, I do not normally advocate legislating out of regular order. Particularly in relation to appropriations. I prefer to see the subcommittees conduct extensive hearings to accumulate the justifications and necessary evaluations before they recommend a funding level.

But I am today offering an amendment to fund the Child Abuse Prevention and Treatment Act in this supplemental appropriations bill for the last quarter of this fiscal year by $4.5 million because I am convinced that this program is so desperately needed throughout the States and that it carries with it the potential for eliminating so much needless suffering, that I plead with the House to forgo this time the regular process.

Last December, by the overwhelming vote of 354 to 36, the House passed the authorization bill for this program. The Senate concurred and the President signed the bill into law.

But months have passed since we took that vote in the House and if we wait for the regular appropriations process, it may well take another 6 months before the money becomes available to even begin putting the program together.

Let me say that I have all the confidence in the world that the gentleman from Pennsylvania (Mr. FLOOD) the chairman of the subcommittee on HEW appropriations, will adequately fund the Center for Child Abuse in the 1975 fiscal budget. Mr. FLOOD was 1 of the original 114 House cosponsors of the bill, and he and his subcommittee are uniquely qualified to determine how well this act can help us rid ourselves of this national shame, child abuse.

But what I seek from the membership today is approval to provide the seed money now so that the administration can begin to organize the program, hire the necessary staff, and prepare its initial operations.

By doing that, the program will be functional by the time that the Congress concludes its regular appropriations process for the Department of Health, Education, and Welfare. If we believe that child abuse is prevalent and that we must seek to determine how it happens, why it happens, what effect it has and hopefully, how to avoid its incidence as often as possible, then we must act quickly to implement the program. I believe the 354-to-36 vote indicates clearly that the House is on record that it believes the problems are real and that the House of Representatives wants to resolve them as best it can.

We have all learned the heartbreaking stories of child abuse, hundreds of hundreds of horror stories that result in maimed or murdered children. We have seen how early detection not only would save lives but would save families from utter and complete destruction from a senseless act of cruelty.

I will not take time to document these cases here in my limited time, for every day's newspaper documents the continuous problem of child abuse. Over 20 States have specific laws requiring teachers to report suspected cases of child abuse. I believe you feel as I that these needless acts of child abuse can, with help, be prevented.

I would hope you would support this amendment. It is for an excellent cause.

Mr. BIAGGI. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise to urge the House to support the amendment offered by my distinguished colleague from New York, Representative ADDABBO, to appropriate $4.5 million for child abuse for fiscal 1974.

We have come a long way in dealing with the child abuse problem, first, in its recognition; second, in the enactment of legislation which was, to the President's credit, signed by him in the latter part of January. But we are left without the tools. The tools in this instance represent the dollars that are so essential in enforcing the program.

I should like to congratulate my colleague from New York (Mr. ADDABBO) for introducing this amendment. We are talking about an abuse that required recognition—an abuse that has existed on the American scene since the beginning of time and which has now become an epidemic, with victims running into the thousands. I am confident that this legislation which was recently enacted by the House can end that abuse if it is funded.

Today we are talking about funding that should be immediately provided. The sums involved in this amendment are meager, but, as the gentleman said who introduced it, it is an interim amount to implement a very important law. I might add, it is also the essential first step we have delayed so long in taking.

Until last year I felt like a lone voice crying in the wilderness, but through the efforts of many in this country such as Dr. Vincent Fontana, director of the founding home in New York and others, who made me aware of the acuteness of this problem as far back as 15 years ago, the public and the Congress finally responded. Finally, after I, alone, had been introducing child abuse legislation ever since I came to Congress in 1969, we got some action and passed a bill.

We must not forget for a moment that we are faced with a terribly serious problem, which is rapidly getting worse. Last year over 700 children died in the United States from abuse and neglect, over 200 of them in New York City alone. Child abuse is the leading cause of death among infants and young children in this country. The passage of this amendment is essential if we are to successfully attack this problem.

I would like, also, to congratulate the gentleman from Indiana (Mr. BRADEMAS), chairman of the Select Subcommittee on Education of the Committee on Education and Labor, for his vital help on this matter.

Mr. BRADEMAS. Mr. Chairman, will the gentleman yield?

Mr. BIAGGI. I yield to the gentleman from Indiana (Mr. BRADEMAS).

Mr. BRADEMAS. Mr. Chairman, I congratulate the gentleman from New York (Mr. ADDABBO) for offering this amendment and the gentleman from New York (Mr. BIAGGI) who first drew this matter to the attention of our committee, that is the need for special legislation. It was supported by the gentlewoman from Colorado (Mrs. SCHROEDER) and the gentleman from New York (Mr. PEYSER) as well. We produced a bill that is aimed at coping with what has been described as the tragic events by high officials of the Department of Health, Education, and Welfare. There appeared before our subcommittee the Assistant Secretary for Human Development of the Department of Health, Education, and Welfare, Stanley B. Thomas, who said:

> In the face of apparently growing numbers of children neglected, maimed and even killed, we realize that we need to place in-

creased emphasis on our efforts in this area and that high priority must be given by the Department in assuming a leadership role in assisting and supporting the efforts of States and localities.

The amendment offered by the gentleman from New York (Mr. ADDABBO), supported by the gentleman from New York (Mr. BIAGGI), who introduced the original legislation, is for the purpose of implementing that judgment precisely.

I hope the amendment will be supported.

Mr. BIAGGI. Mr. Chairman, I thank the gentleman from Indiana for his comments.

Mr. FLOOD. Mr. Chairman, I rise to close the debate on the amendment. Wait until the Members hear this. I must reluctantly but very definitely oppose this kind of amendment. Wait until the Members see why. As the gentleman from New York said, yes, I voted for this bill. So did nearly everybody else. But that is not what we are talking about.

We are talking about appropriating the money. Wait until the Members hear this. This is dull, but may we have a little order, Mr. Chairman?

Members know why we are here. Nobody is talking here about the merits of the bill. Let me tell the Members, there has been no budget request for this program.

Let me tell the Members something else. We have had no hearings on this. Nobody in either body has had hearings. We have not had time to have any hearings. This became law on January 31 of this year, a few months ago. Nobody knows how this money would be used. We have not had the hearings and nobody can say.

Now, I have no idea and I am chairman of the Appropriations Committee handling this thing, and the gentleman from New York who introduced the amendment has no idea—no more idea than his grandmother. Nobody else has any idea what can be done and why. Nobody knows how much can be used. Nobody knows when. Nobody has proposed a thing.

For heaven's sake, in view of those things, I ask Members not to forget that we will be back here in a couple of months, we will hold hearings after the recess on this program, and we will be back in a few weeks with the 1975 appropriation bill dealing with this subject. We have not considered this matter.

Under all the circumstances I cannot imagine the Members would want to support the amendment.

Mr. HOSMER. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I am not noted around this Chamber for being a big spender. I am not noted for being a liberal bleeding heart. But we are dealing with a subject here that has only recently been identified and the prospective measures to cope with it determined. We are also dealing in an area where small children and babies are being maimed and abused. By means of this expenditure we have the opportunity to stop it. The sooner we stop it, the better.

Now, this $4.5 million is a small enough fund. For the gentleman from Pennsylvania (Mr. FLOOD) to plead in this Chamber that because the Committee on Appropriations has not yet got around to fine tuning just exactly how much ought to be spent in this area when the regular appropriation will eventually come up is a pretty poor excuse, in my mind, for delaying the money and thereby tolerating longer the kind of killing and abuse that is going on.

That money is going to have to be spent sooner or later. It is inhumane that it be later.

The Committee on Appropriations can well take into account the $4.5 million if it is appropriated now when it gets around finally to its regular appropriation bill. So let us get this program started in the meantime. Let us stop this killing and let us stop this maiming. In the interest of humanity and to protect large numbers of helpless babies and young children, let us vote for this amendment.

Mr. PEYSER. Mr. Chairman, I deliberately was not going to take the floor after I heard my good friend, the gentleman from New York (Mr. ADDABBO) offer his amendment and the gentleman from New York (Mr. BIAGGI) speaking further in favor of it, because I was convinced there would be no opposition to this amendment.

I am amazed to find that the chairman of the subcommittee try to plead a case of not appropriating $4.5 million to help hundreds of thousands of children who are abused in this country today.

He stated that there were no hearings held, the chairman of the subcommittee, the gentleman from Indiana (Mr. BRADEMAS) held numerous hearings in different parts of this country and what we found was just unbelievable. To think that this Congress might oppose in any way or speak of a delay of 3 to 6 months when we could be offering some protection to our children is unbelievable. I do not believe this Congress is going to do it.

I think an example that would be of importance to all of us would be to know the results of the States that have gone ahead with this legislation and have made it possible for people to report child abuse. I will give you one State specifically where in 2 months of this year because of the change in laws allowing child abuse to be reported without making the people responsible in a legal sense and being obligated in a legal sense to defend themselves, there have been more cases of child abuse reported in 2 months than in the previous 2 years.

I just hope that this House will act firmly and it will stand behind the amendment of the gentleman from New York (Mr. ADDABBO).

Mr. ADDABBO. Mr. Chairman, will the gentleman yield?

Mr. PEYSER. I yield to my colleague, the gentleman from New York.

Mr. ADDABBO. I commend the gentleman from New York for his statement and commend him for his work on the bill. The act as passed calls for an authorization for the fiscal year ending June 30, 1974, of $15 million.

The act also provides the Secretary shall within 60 days after date of enactment of the act appoint an advisory board on child abuse and that advisory board is to report back to this Congress within 18 months. If we wait for the regular appropriation, almost a year will have gone by and we still will not have the appointment of an advisory board, which this Congress said should be apponted within 60 days after enactment of this bill.

Mr. PEYSER. Mr. Chairman, I thank the gentleman and I hope that we will put aside some of the technicalities involved that the Appropriations Committee is considering now. We are talking about $4.5 million, when generally we talk about billions; when we get down to a figure like this when we are dealing with children's lives, let us act and do it positively.

I hope we do not even need a vote. I hope we can pass this bill that I helped sponsor by acclamation.

Mr. MICHEL. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, and Members of the Committee, I hesitate somewhat to take the floor this afternoon for fear that some of these self-professed analyzers of our voting records will characterize me as being a child abuser or a child beater in opposing this amendment.

The father of four real fine children, all of whom we are mighty proud of and all of whom received their fair share of spankings, I still think there are good reasons for opposing this amendment.

The administration has already indicated in testimony before the Congress that it has identified $4 million in new program activity for child protection. Under the law that we passed and which was signed into law just January 31 of this year.

Implementation of the demonstration project the grant program and the State grant program will require issuance of regulations specifying the terms and conditions governing applications and grant awards. In the case of State grant activity, the distribution formula must be defined by regulations. HEW is currently in the process of developing these regulations. It will not be possible to issue proposed regulations, get back the comments from interested parties and incorporate those comments into final regulations before June 30 of this year.

In order to qualify for State grant funds, a State must meet a number of related criteria at State and local government level. In the case of many States, these criteria include changes that must be effected by the State legislatures. These changes in State child abuse laws and programs will require at least several months of preparation before they can be achieved. What I am saying is that we need not have this money added here in a supplemental bill because, as I said in testimony before the committee, they have already allocated some $4 million in new program activity for child protection. The Department should have a period for issuing regulations, allowing time for comment, then setting forth a positive program so that all of us know where we are going.

Mr. Chairman, I submit the Department is moving expeditiously, as we required them to do under the act. There will be plenty of time, with the regular bill coming along, to specifically earmark money for this program.

Mr. MAHON. Mr. Chairman, I move to strike the last word.

Mr. Chairman, the Congress has passed legislation which has been approved by the President, to try to cope with the problem of child abuse. It is the law of the land. Insofar as I know every Member of the House proposes to support the law and do what he can.

The American people seem to be inclined to complain at Congress, charging Congress with a harum-scarum performance in financing some Federal programs. Certainly a better job can and should be done in the operation of Federal programs. Of course, the executive branch, not the legislative administers the laws.

Plans are not sufficiently mature for the funding of this program. Here is a program in which the Department is trying to get off on the right foot in order to prevent abuses and criticism and ill will. Yet it is proposed that we rush in with an amendment to provide funds before they are ready.

Mr. Chairman, I hope the Members of the House will stay by the committee. Let us insist that a program be presented to us which will do justice to the law which has been enacted. At the proper time let us provide the funds that may be required in order that we may achieve the objectives of the legislation. This can best be done in the regular bill which is now under consideration by the Appropriations Committee.

Mrs. SCHROEDER. Mr. Chairman, I want to express my support for the amendment to H.R. 14013 offered by my colleague from New York to provide $4.5 million in supplemental funding for the Child Abuse Prevention and Treatment Act.

As the House sponsor of this legislation, I feel strongly that the Congress must live up to the commitment we made in the act to apply Federal resources in combating the immense and pervasive problem of child abuse. It is essential that we give HEW the funding necessary to begin implementation of this program immediately. Although the legislation was passed in December and approved in January, the administration has refused to request any supplemental funding for fiscal year 1974 and has as yet made no request for fiscal year 1975.

Although I fully support this amendment, I recognize that the amount it appropriates is minimal in view of the many groups throughout the country, both public and private, which are currently seeking funds to implement or expand prevention and treatment programs. The Congress recognized the pressing need for the demonstration programs authorized in the act by setting authorization levels at $15 million for this fiscal year and $20 million for fiscal year 1975. I understand the Senate is moving toward a $10 million figure for this fiscal year. I feel that $10 million comes much closer to meeting the actual need, and hope the final figure approaches this amount. We cannot let the child abuse bill, by underfunding, become yet another empty promise to our Nation's children.

As an example of the type of efforts that could be assisted under this act, I am attaching a report made to the mayor of Denver by a child abuse task force appointed to look into the tragic beating death of a 4½-year-old boy. This boy's death was the second case in less than a year where a child, known by the authorities to be in danger from abusing parents, was returned to a lethal home environment because of inadequate followthrough procedures. It is clear that a program of this magnitude requires Federal, as well as State and local assistance.

The report follows:

MARCH 20, 1974.

DEAR MR. MAYOR: The Select Committee you appointed on January 22, 1974 has met weekly to review the circumstances of the death of Roy Aragon who died on January 6, 1974 at age four and a half years. The record of events as available to the Committee and our findings in this matter, are included in the confidential supplement to this report.

Our further concern has been to encourage and support cooperation among the agencies and professions involved in the protection of children in Denver. The Committee has met with representatives of many of these agencies. We have found them dedicated and concerned, trying to do the best job they can, often under impossible odds.

We do find, however, that there has been a lack of clarity in procedures within these agencies as to the actions to be taken when an incident of child abuse arises. We also find the need for closer cooperation among these agencies in pursuit of their respective responsibilities in regard to an abused child.

We find a need for more knowledge and education among these agencies as to the family dynamics of child abuse as well as to the awareness of the need for immediate response when abuse does occur.

We also find a lack of adequate staff, services and resources among these agencies if the children of Denver are to be protected and if child abuse is to be reduced.

As a result of the current concern for the protection of children from neglect and abuse, several important developments have occurred in Denver recently. For example, the Inter-Agency Child Abuse Review Committee established through the cooperation of the Juvenile Court and the Welfare Department, now reviews all reports of alleged child abuse to assure that necessary actions are taken to protect endangered children; the Court now issues ex parte orders where children are found to be in imminent danger, but the parents are uncooperative; the Interdisciplinary Treatment Team of the Welfare Department has been expanded so as to provide guidance of services for families in distress and children in danger; several agencies, including the Police, Head Start, the Juvenile Court, and County Departments of Social Services throughout the State are availing themselves of the training offered by the National Center on Child Abuse.

Among the substantive recommendations of the Committee are:

a. A Family Crisis Center to respond to all reports of child abuse or requests for help for distressed families.

b. A team response of police and social workers to reports of child abuse or neglect.

c. Expanded provisions for emergency shelter when children are removed from the home.

d. A Residential Family Treatment Center for families in distress.

e. A full-time pediatrician assigned to the Welfare Department.

f. The location of a Protective Services Team on Capitol Hill where most child abuse fatalities occur.

The Committee also recommends a program for developing community awareness of the responsibility for reporting instances of suspected child abuse and for supporting and funding the services needed to protect children and prevent abuse and neglect.

Furthermore, each agency is asked to appoint a Child Abuse Coordinator to assure appropriate internal procedures for responding to incidents of child abuse and to provide liaison with other agencies and professions concerned with child protection.

And, finally, we recommend that a Mayor's Citizens' Committee on Child Protection be appointed to foster and monitor the development and operation of the child protection system in Denver.

At this time, the Committee is submitting its report on the child protection system in Denver, along with its recommendations for a continued effort toward its improvement.

The Committee would like to express its admiration for Dr. Henry C. Kempe for his concern and courage in calling the plight of the abused child to the attention of the people of Denver. The Committee would also like to thank Mr. Fred Gillies of the Denver Post for his reporting on the events and actions that have occurred in these last few weeks for improving the protection of children in Denver.

Respectfully,
THE MAYOR'S SELECT COMMITTEE ON CHILD ABUSE.

Ms. ABZUG. Mr. Chairman, I was pleased last December when the Congress passed the Child Abuse Treatment and Prevention Act. However, I am extremely distressed that the Office of Child Development, which is responsible for the implementation of this act, has forestalled its activities by not immediately requesting the funds to adequately staff their office, much less to begin those activities necessary to implement the treatment and prevention programs authorized under this act.

The children of this country cannot wait for fiscal year 1975 for these programs; they desperately need funding in the current fiscal year. This program is vital to the health and safety of many of our Nation's children—child abuse is a much-masked, though seldom discussed, national problem which must be faced now. The congressional mandate was quite clear and the act was passed with an overwhelming majority of both Houses of Congress. Any further delay in funding renders this clear expression of the will of Congress a nullity.

As one of the cosponsors of this act, I urge support of Mr. ADDABBO's amendment to provide immediate funding and implementation of the Child Abuse Treatment and Prevention Act.

Mr. MAHON. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment do now close.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from New York (Mr. ADDABBO).

The question was taken; and the Chairman pro tempore announced that the noes appeared to have it.

RECORDED VOTE

Mr. ADDABBO. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device; and there were—ayes 254, noes 149, not voting 29, as follows:

[Roll No. 160]

AYES—254

Abdnor
Abzug
Adams
Addabbo
Anderson, Calif.
Anderson, Ill.
Annunzio
Ashley
Aspin
Badillo
Bafalis
Baker
Barrett
Bell
Bennett
Bergland
Biaggi
Biester
Bingham
Blatnik
Boggs
Boland
Brademas
Brasco
Bray
Breckinridge
Brinkley
Brooks
Broomfield
Brotzman
Brown, Calif.
Brown, Mich.
Buchanan
Burke, Calif.
Burke, Mass.
Burton
Carney, Ohio
Chisholm
Clark
Clausen, Don H.
Clay
Cleveland
Cohen
Collins, Ill.
Conte
Corman
Cotter
Cronin
Culver
Daniels, Dominick V.
Davis, S.C.
de la Garza
Delaney
Denholm
Dent
Derwinski
Diggs
Donohue
Drinan
Dulski
Eckhardt
Edwards, Calif.
Eilberg
Esch
Eshleman
Fascell
Findley
Fish
Flowers
Foley
Ford
Forsythe
Fraser
Frenzel
Frey
Froehlich
Fulton
Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Ginn
Gonzalez
Grasso
Gray
Green, Pa.
Grover
Gude
Guyer
Haley
Hamilton
Hanley
Hanna
Hanrahan
Hansen, Idaho
Hansen, Wash.
Harrington
Harsha
Hawkins
Hays
Hechler, W. Va.
Heckler, Mass.
Heinz
Helstoski
Hicks
Hillis
Hogan
Holifield
Holtzman
Horton
Hosmer
Howard
Hudnut
Hungate
Johnson, Calif.
Johnson, Pa.
Jones, Ala.
Jordan
Karth
Kemp
King
Kluczynski
Koch
Kuykendall
Kyros
Latta
Leggett
Lehman
Lent
Long, La.
Long, Md.
Luken
McClory
McCloskey
McCollister
McCormack
McDade
McFall
McKinney
Macdonald
Madden
Madigan
Maraziti
Mathias, Calif.
Matsunaga
Mayne
Mazzoli
Meeds
Melcher
Metcalfe
Mezvinsky
Milford
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Mollohan
Moorhead, Calif.
Moorhead, Pa.
Morgan
Moss
Murphy, Ill.
Murphy, N.Y.
Murtha
Nedzi
Nix
Obey
O'Brien
O'Hara
O'Neill
Owens
Parris
Pepper
Perkins
Pettis
Peyser
Pike
Podell
Price, Ill.
Pritchard
Railsback
Randall
Rangel
Rees
Regula
Reuss
Riegle
Rinaldo
Roberts
Rodino
Roe
Rogers
Roncalio, Wyo.
Roncallo, N.Y.
Rooney, Pa.
Rosenthal
Rostenkowski
Roush
Rousselot
Roy
Roybal
Ryan
St Germain
Sandman
Sarasin
Sarbanes
Schroeder
Seiberling
Shriver
Sisk
Skubitz
Slack
Smith, Iowa
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steele
Stokes
Stratton
Studds
Sullivan
Symington
Thompson, N.J.
Thone
Thornton
Tiernan
Towell, Nev.
Udall
Ullman
Vander Jagt
Vander Veen
Vanik
Vigorito
Waldie
Walsh
Whalen
White
Widnall
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Winn
Wolff
Wright
Wydler
Yates
Yatron
Young, Alaska
Young, Ga.
Young, Ill.
Young, Tex.
Zablocki

NOES—149

Alexander
Andrews, N.C.
Andrews, N. Dak.
Archer
Arends
Armstrong
Bauman
Beard
Bevill
Blackburn
Breaux
Brown, Ohio
Broyhill, N.C.
Broyhill, Va.
Burgener
Burke, Fla.
Burleson, Tex.
Burlison, Mo.
Butler
Byron
Camp
Carter
Casey, Tex.
Chamberlain
Chappell
Clancy
Clawson, Del
Cochran
Collins, Tex.
Conable
Conlan
Coughlin
Crane
Daniel, Dan
Daniel, Robert W., Jr.
Davis, Ga.
Davis, Wis.
Dellenback
Dennis
Devine
Dickinson
Dingell
Downing
Duncan
Edwards, Ala.
Erlenborn
Evans, Colo.
Evins, Tenn.
Fisher
Flood
Flynt
Fountain
Gettys
Goldwater
Goodling
Green, Oreg.
Gross
Gubser
Gunter
Hammerschmidt
Hastings
Hébert
Henderson
Hinshaw
Holt
Huber
Hunt
Hutchinson
Ichord
Jarman
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Ketchum
Lagomarsino
Landgrebe
Lott
Lujan
McKay
McSpadden
Mahon
Mallary
Mann
Martin, N.C.
Mathis, Ga.
Michel
Miller
Mills
Mizell
Montgomery
Mosher
Myers
Natcher
Nelsen
Passman
Patten
Poage
Powell, Ohio
Preyer
Price, Tex.
Quie
Quillen
Rarick
Robinson, Va.
Robison, N.Y.
Rose
Runnels
Ruppe
Ruth
Satterfield
Scherle
Schneebeli
Sebelius
Shoup
Shuster
Sikes
Smith, N.Y.
Snyder
Spence
Steed
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Stubblefield
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thomson, Wis.
Treen
Veysey
Waggonner
Wampler
Ware
Whitehurst
Whitten
Wiggins
Williams
Wilson, Bob
Wyatt
Wylie
Wyman
Young, Fla.
Young, S.C.
Zion
Zwach

NOT VOTING—29

Ashbrook
Bolling
Bowen
Carey, N.Y.
Cederberg
Collier
Conyers
Danielson
Dellums
Dorn
du Pont
Frelinghuysen
Griffiths
Kastenmeier
Kazen
Landrum
Litton
McEwen
Martin, Nebr.
Minshall, Ohio
Nichols
Patman
Pickle
Reid
Rhodes
Rooney, N.Y.
Shipley
Stuckey
Van Deerlin

So the amendment was agreed to.

The result of the vote was announced as above recorded.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

MILITARY CONSTRUCTION, NAVY

For an additional amount for "Military construction, Navy", $29,000,000, to remain available until expended.

Mr. OBEY. Mr. Chairman, I move to strike the last word.

Mr. Chairman, originally I had intended to offer an amendment striking the funds being made available for Diego Garcia. Under the circumstances, because of the lateness of the hour and because we still have another bill scheduled, I will not offer it. But I would like to make a few points about Diego Garcia.

Mr. Chairman, as those who have read the committee report on this bill know, I oppose the $29 million contained in this bill for the Department of Naval Facilities on the British-owned island of Diego Garcia, in the middle of the Indian Ocean.

I oppose that appropriation for two basic reasons.

First, it is simply not necessary to appropriate money for this purpose in a supplemental appropriation bill. All you have to do is read the committee report to be convinced of that. It says, for example, that the Soviet naval presence in the Indian Ocean "could" expand dramatically, and "could" threaten our supplies of raw materials. From those two "coulds" the report concludes that a supplemental appropriation is "urgent."

Well, I do not know how two "coulds" make an emergency which necessitates the appropriation of money in a supplemental budget bill just a few months before the regular appropriation bill is acted on.

The purpose of supplemental appropriation bills is—and should be—to deal with situations which are of a special or emergency nature.

No one has even suggested that there is any kind of emergency here.

The only reason given for asking for this money in a supplemental appropriation bill is that construction of a runway can be advanced a few months. In my judgment the convenience of a construction schedule should be minor in comparison with some of the other considerations which have hardly been debated by this Congress.

Rather than confining our attention to narrow issues such as ship-days and the like, we should be giving a decent amount of attention to other larger questions:

Will this contribute to renewed naval activity by the Russians? Congress has scarcely considered that question.

What will it cost us if we do build up Diego Garcia and use it to support increased naval activity in the Indian Ocean?

Do we really want to thin out the 7th Fleet to do that? If we do not, will we be willing to pay the cost of new carriers which Admiral Zumwalt has testified would be necessary if we spent more than 6 months a year in the Indian Ocean each year.

Will India continue to resist Russian requests for base rights in India if we move into the Indian Ocean?

The Congress has scarcely considered these questions and our claim to partnership with the executive branch in foreign policy considerations is shown to be so much wind every time we blindly accept programs of this type without the serious consideration of broader questions that our rhetoric and our salaries would seem to require.

We are told that an expansion at Diego Garcia is needed to protect the sealanes in the Indian Ocean through which we get oil and other raw materials.

But if we do expand facilities on Diego Garcia, is that any guarantee that our supplies of oil will not again be cut off—not in the seas—but at the well-head?

The presence of a U.S. carrier task force in the Indian Ocean during the October war did not stop the Arabs from doing just that.

We are told that an expansion at Diego Garcia is needed because with the opening of the Suez Canal the Soviets will be able to increase their presence in the Indian Ocean.

If we are so worried about that, why are we putting out large sums of money to help open that canal.

And, in any event, how much will the Russians rely on the Suez Canal if, as everyone seems to agree, the canal is vulnerable in a crisis and would leave Soviet ships far from their support facilities.

We are told that we need to expand our facilities at Diego Garcia to balance an increased Soviet force which is already there.

But exactly what does the Soviet Union have in the Indian Ocean? The number of major surface combat ships in the Indian Ocean has never been substantial and, by far, the greatest portion of their increased activity in recent years is accounted for by minesweepers and other auxiliary ships.

We are told that an expansion of facilities at Diego Garcia will make it less costly for the United States to deploy ships and aircraft in the Indian Ocean. But Admiral Zumwalt has testified that there is a real possibility that an expansion of our forces in the Indian Ocean will require two or three additional aircraft carriers.

What about the cost? It is in the billions of dollars.

Mr. Chairman, a permanent naval base on Diego Garcia may well be desirable. But we really have not thought about it, and we should. There is no emergency. There may be a need for this base, but it is not pressing, and we should use the time between now and the regular appropriation bill to assess other considerations and to obtain opinions besides those of the Navy.

Mr. SIKES. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, we are seeking a limited expansion of the present naval communications station at Diego Garcia. It has been approved by the Committee on Appropriations. It is located on one of the British Indian Ocean territories where we have fully satisfactory base rights and where there are no ecological problems. There are not many places in the world where that can be said. Let me stress the fact that there is no problem with the present Labor government of Britain on base rights. As recently as March 19, 1974, the Labor government labeled as untrue the press reports that the Government has reversed the position of the Conservative Party regarding Diego Garcia. All they are doing is reviewing treaties. They have given no indication to our Government that they have any reservations about base rights on Diego Garcia.

Diego Garcia will have to be counted a bargain by all comparisons. This applies to costs of military construction and importance to America's security, and it helps in our ability to show the flag whenever and wherever this is needed.

For costs of $29 million, it is planned to extend the airport, in order that all American aircraft can use it; to add fuel storage facilities, personnel and general support facilities. Some dredging will be necessary, but this would be provided from previously appropriated funds. Seabees will do the construction work. They are available and this saves money.

Diego Garcia is now only a communications station, a listening post. It is planned, basically, to provide also a filling station for U.S. ships which may be deployed to the area. It is very explicit that Diego Garcia is not planned to be a major U.S. naval or air base. It is not to be a storehouse for vast quantities of military equipment nor a staging area from which to launch an attack on other countries. There is no room for such additional facilities. It is simply a filling station which is required to insure the U.S. presence in the Indan Ocean. As such, Diego Garcia will provide guaranteed access for our ships and aircraft to U.S.-owned fuel supplies.

During the recent Mideast war, we sent a carrier task force to the Indian Ocean. It had to rely on makeshift supply efforts, and primarily on supplies 4,000 miles away, at U.S. bases in the Philippines. Had a more substantial effort been required of the Navy at that time, only a major, costly effort could have made our presence possible in the Indian Ocean.

Since that time, our situation has worsened. The very small force we have maintained in Bahrain has been told to get out. Our dependence upon Arab or African ports for supplies is very uncertain. Sometimes they will sell us fuel and sometimes they will not.

The claim has been made that providing these minimum facilities will, somehow, escalate the armament race with the Russians in the Indian Ocean. The obvious fact is that the Russians have escalated their efforts to gain influence over nations bordering the Indian Ocean and to obtain naval bases and airfields in these states, and they are doing very well. They have definitely obtained use of ports in South Yemen, Somalia, and Iraq. They are expanding naval facilities and, in some cases, airfields in these areas. They are in Chittagong in Bangladesh, presumably on a port-clearing operation, which seems to continue indefinitely. They built, for India, under a foreign aid program, a naval base at Visakhapnam. Some think the Russians have an accommodation there when they need it. The Indians deny giving Russia base rights but they have objected to our presence. That is not new. India, through the years, has consistently taken our money and voted against us. In short, Russian support for their fleet from ports and facilities in the Indian Ocean littoral is already far greater than our planned expansion at Diego Garcia. By contrast, we would provide our ships only with minimum fuel supply facilities.

The Soviet Union has the geographical advantage in the terms of aircraft operations in the region. The almost certain opening of the Suez Canal will benefit the Russians by shortening their supply lines from Black Sea ports and give them the option of relatively short deployment routes to the Indian Ocean for their Black Sea or Mediterranean Fleets. So in benefits to naval power, Russia will gain much more than any other nation.

Thus, it is clearly the Soviet Union which has gained a major advantage in the Indian Ocean and is pursuing that advantage. We need the additional facilities at Diego Garcia now to preserve our ability to maintain any semblance of a balance of power should future developments prove this to be necessary. Diego Garcia will provide only a minimal presence for the United States but at least, the American flag can show there. No additional ships would be required. We would be making more efficient use of those we have.

There is now a virtual power vacuum in the Indian Ocean, except for the presence of the Russians. The British are out; our presence is minimal. To abandon this base or its expansion is to surrender the right to an American presence in the Indian Ocean.

There are very important American interests all around the Indian Ocean littoral—they need the flag, too.

One final point. Some say we should wait for a treaty of nonescalation for the Indian Ocean area. When and how do you get such a treaty with the Russians? They do not want a treaty—they do not need it; they are already there in force. We are not. A treaty would only lock in the existing disparity. Do not forget SALT I and the wheat deals. The United States does not win when we negotiate with Communists. It is time to protect our own interests. I want the American flag to be able to fly anywhere it needs to fly.

Mr. Chairman, the committee also has approved a request to approve pay increases for military family housing for $3,866,000. This is an item which comes under the jurisdiction of the Subcommittee on Military Construction. We have looked carefully into this request. We do not feel that it is possible for the military services to absorb the additional pay cost in the family housing maintenance area this year. There are a number of reasons. The required increases are much larger than usual due to dollar devaluation and increased cost of fuel and electricity. To defer the funds which are requested would merely increase the already nearly unmanageable backlog of maintenance for family housing. This would not be either good management or cost effective. The cost would be greater if the work were not done now. Buildings require maintenance and everyone knows what happens when maintenance is postponed too long. The building goes to pot.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

CHAPTER X.—DEPARTMENT OF DEFENSE—CIVIL

DEPARTMENT OF THE ARMY: CORPS OF ENGINEERS—CIVIL

FLOOD CONTROL, MISSISSIPPI RIVER AND TRIBUTARIES

For an additional amount for "Flood Control, Mississippi River and Tributaries", $80,000,000, to remain available until expended.

Mr. EVINS of Tennessee. Mr. Chairman, I move to strike the requisite number of words. Mr. Chairman, concerning chapter X of this report—there are two items in this bill recommended by the Subcommittee on Public Works Appropriations and both are budgeted.

The first item is $100 million for flood control along the Mississippi River and its tributaries.

This additional funding is required because of disastrous and continuing flooding of the Mississippi Basin.

Of the $100 million, $80 million will be used to accelerate the raising of levees and other works, and for other essential projects necessary to meet present needs in this area.

A total of $20 million will be utilized for projects by Soil Conservation Service, Department of Agriculture, to complement the work by the Corps of Engineers in flood prevention and control.

Our subcommittee has determined that since available information indicates a recurrence of the 1973 floods as a strong possibility, the raising of the levees is a vital and important flood prevention precaution and should be carried out, and the committee so recommends for certain areas.

The President recommended this $100 million for this item on March 26, 1974, in a budget estimate submitted at that time.

The second item is a supplemental appropriation of $7 million for operation and maintenance costs of the Bureau of Reclamation.

Specifically, these additional funds are required to finance the purchase of needed power and wheeling from the Centralia thermal project in the State of Washington.

The additional funds are essential to pay for increased power costs, during the energy crisis.

The committee feels that this appropriation is justified and needed, especially in view of the energy crisis.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

POSTAL SERVICE

PAYMENT TO THE POSTAL SERVICE FUND

For an additional amount for "Payment to the Postal Service Fund", $230,000,000.

POINT OF ORDER

Mr. GROSS. Mr. Chairman, I have a point of order.

The CHAIRMAN. The gentleman will state his point of order.

Mr. GROSS. Mr. Chairman, I make a point of order to the subject matter contained in chapter XIII of the bill H.R. 14013.

Mr. Chairman, I make a point of order that the matter contained in chapter XIII of the bill H.R. 14013, dealing with the U.S. Postal Service, lines 10 through 13 on page 27 is in violation of rule XXI, clause 2, of the Rules of the House of Representatives.

The cited rule states:

> No appropriation shall be reported in any general appropriation bill, or be in order as an amendment thereto, for any expenditure not previously authorized by law.

Mr. Chairman, based on my earlier experience with the first supplemental appropriation which came to the floor last November, I am under no illusion that I can singlehandedly persuade the Appropriations Committee to mend its ways and stop pumping unauthorized appropriations into the bottomless Postal Service well. But I believe it is important to make the effort for the purpose of protecting the legislative jurisdiction of the Committee on Post Office and Civil Service.

Anticipating that it might be challenged, the Appropriations Committee includes in its report an argument which purports to justify this appropriation of $230 million to the Postal Service.

The committee report cites section 2004 of title 39, United States Code, that section of the Postal Reorganization Act which authorizes transitional appropriations.

In support of its position the committee quotes an opinion of the Comptroller General, which in reality is no opinion one way or the other. The Comptroller General admits that:

> The legislative history does not provide any specific guidelines as to what transitional appropriations the Congress intended to authorize by 39 U.S.C. 2004 nor as to the duration of the transitional period.

Mr. Chairman, I notice in the hearings on this appropriation that the Postal Service counsel, Mr. Louis Cox, makes it a point to disparage the Committee on Post Office and Civil Service, or at least its three senior members, on their knowledge of the Postal Reorganization Act. I find it unfortunate that Mr. Cox did not come before our committee with his comments, for had he done so, he might have been treated to some lessons in the legislative history of that act.

While the Postal Service counsel contends that section 2004 of the act existed in essentially the same form from the very first draft of legislation—and he is correct in this contention—he conveniently overlooks the fact that the language of that section—until the final compromise version emerged—was tied to a special set of conditions which are not carried over to the existing law.

I refer to language in the rate policy sections of the earlier postal reorganization bills which spelled out a specific use of the authorization contained in what is now section 2004. House Report 91-1104 on the bill H.R. 17070 on page 40 under section 1201(d) specifies the use of this authorization as follows:

> During the transitional period mentioned in subsection (b) (that is until January 1, 1978) the Commission on Postal Costs and Revenues is enjoined to take into account the financial impact of rate changes on the users of the mail. To the extent that such impact requires, in the view of the Commission, less than full cost coverage overall, the President is authorized to seek transitional appropriations mentioned in section 1004.

As you see, Mr. Chairman, that authorization had a very specific purpose in the earlier versions of postal reorganization. Through actions overt or covert that language was carried into the present law, but it no longer has the meaning it originally had, and certainly does not apply to the $230 million appropriation before us.

The appropriation of $230 million which this bill seeks to make to the Postal Service is not authorized by law. The Comptroller General's opinion does not say it is authorized. In fact the Comptroller General recommends clarifying legislation be enacted since, he says:

> The question of authorization of appropriations could well arise in the future.

This, to me, suggests that a specific authorization for this appropriation does not exist in law.

Mr. Chairman, I will take no more time with my point of order because I am convinced there is nothing in the Postal Reorganization Act, nor in the legislative history of that act, authorizing this appropriation. Under the precedents of the House, in the administration of rule XXI, it is the practice that those upholding an item of appropriation have the burden of showing the law authorizing it. I trust that the Chair will insist on those precedents.

Mr. STEED. Mr. Chairman, I rise in opposition to the point of order.

Mr. Chairman, paragraph 2004 of the Postal Service Reorganization Act very clearly gives the authority for this appropriation, and I quote:

> Such sums as are necessary to insure a sound financial transition for the postal service and a rate policy consistent with Chapter 36 of this Title are hereby authorized.

Now, the transitional period has still a long time to go, and all the history of the enactment of this legislation bears that out. We are now in the third year of the corporation's being in existence. Some provisions in the law of revenue have been provided for a 5-year phase. There was in the House version a 7-year transition period, and then a 10-year. The other body wanted to make it permanent for a subsidy to be paid to the Postal Service. The conferees agreed on the 13-year extension.

So, I say that the transition period still has 10 years to run. Therefore, an appropriation under this act is very apropos and very legal. The reason for this need to come here is beyond the control of the Postal Service managers, because when the last contract with the postal workers was made and approved by the Cost of Living Council last year, it necessitated a request for a rate increase. Under the law, the postal managers invoked a temporary rate increase and filed necessary papers for the permanent rate increase with the rate commission that is created in this Act.

The Cost of Living Council decided that they would delay the effective date of these rates going into effect, which caused a $230 million deficiency in the operating revenues for the Postal Service this year. The efforts to get the Cost of Living Council to be as consistent in legislating the rates become effective as they were in letting the wages become effective, are going on.

We were not able to get them to do that. They had authority to deny and they did deny that and created this deficit.

Therefore, in order to have a sound transition, this appropriation becomes necessary as provided for in this act.

Mr. UDALL. Mr. Chairman, will the gentleman yield?

Mr. STEED. Mr. Chairman, I yield to the gentleman from Arizona.

Mr. UDALL. Mr. Chairman, I would like to support the gentleman from Oklahoma in his opposition to the point of order. The gentleman from Iowa has sometimes given me credit for being one of the fathers of this operation.

I think in the debate, particularly of the conference report, we made it clear, just as the gentleman from Oklahoma has stated, that the transition period was to run for 13 years, the compromise between 7 suggested by the House and a permanent period which the Senate wanted.

Therefore, I think the point of order is not well taken, and the gentleman from Oklahoma has carefully given us the history, the legislative history of this particular provision.

Mr. DERWINSKI. Mr. Chairman, I wish to be heard in opposition to the point of order.

Mr. Chairman, the proposed appropriation of $230,000,000 is to reimburse the Postal Service for revenue lost as a result of the Cost of Living Council's interference with the orderly operation of the postal ratemaking machinery. I believe that this appropriation to the Postal Service is clearly authorized under 39 U.S.C. 2004, which authorizes the appropriation of "such sums as are necessary to insure a sound financial transition for the Postal Service and a rate policy consistent with chapter 36 of title 39."

The gentleman from Iowa glossed over this authorization in his remarks, and apparently would have us believe that it serves only the rather narrow purpose of meeting the "transitional expenses" of the Postal Service. However, I think the gentleman's analysis shortchanges not one, but two provisions of law.

First, he has chosen to ignore section 12 of the Postal Reorganization Act, which was specifically enacted to deal with "transitional expenses" of the Postal Service by enabling them to be met out of the Post Office Department appropriation under section 2201 of former title 39.

Second, the gentleman has presented a stilted view of section 2004 of present title 39. This section was not enacted to cover "transitional expenses" of the Postal Service, but to "insure a sound financial transition" for the Postal Service. Section 2004 was intended to serve as a multipurpose authorization for appropriations to maintain the fiscal stability of the Postal Service and the rate policies of the Postal Reorganization Act during the transition to postal self-sufficiency. Congress recognized that the gradual transition toward a user-supported Postal Service with a pay-as-you-go rate structure might be imperiled by unexpected postal liabilities or sudden emergencies. Section 2004 allows Congress to assist the Postal Service in any of the multitude of situations in which a financial emergency might otherwise force the Postal Service to borrow imprudently or to burden postal customers with sudden rate increases or service cutbacks.

In the present context, the Postal Service has been presented with a financial emergency of notable proportions. By intruding into the postal ratemaking process, the Cost of Living Council has cost the Postal Service nearly $236 million in lost revenue. There is no method, other than an appropriation, by which the Postal Service can responsibly recoup this loss.

It is difficult to conceive of an appropriation that would fit more squarely within the precise words of section 2004 than does the appropriation requested under the present circumstances. Such an appropriation would have the effect of insuring a "sound financial transition for the Postal Service" and maintaining "a rate policy consistent with chapter 36," notwithstanding the action of the Cost of Living Council.

The CHAIRMAN (Mr. O'HARA). The Chair is prepared to rule.

The gentleman from Iowa (Mr. GROSS) has pointed out that when a point of order is made against a provision of an appropriation bill on the ground that the appropriation is not authorized by law, the burden of establishing the authorization is on those who propose the appropriation. So the question before us is whether or not those proposing the appropriation have sustained that burden.

The Chair was aware that this point of order might be made and has had an opportunity to examine the committee report accompanying the bill which sets forth the legal basis for the proposed appropriation, the hearings relative to this particular item, and the law itself.

As the gentleman from Oklahoma (Mr. STEED) has indicated, the committee proposing the appropriation relies on section 2004, transitional appropriations.

Transitional appropriations, according to the law, are "such sums as are necessary to insure a sound financial transition for the Postal Service and a rate policy consistent with chapter 36" of this title.

The Chair examined chapter 36 of the title and finds that chapter 36 deals with the setting of rates.

Chapter 36 provides for the setting of permanent and temporary rates and instructs that in section 3622 the rates and fees be set in consideration of the following factors—and it goes through a list of eight factors, including a requirement with respect to direct or indirect postal costs attributable to that class or type, and so forth.

According to the committee report and the statement of the gentleman from Oklahoma, the appropriation is occasioned by the failure of the Cost of Living Council to approve a temporary rate increase proposed by the Postal Service, and, therefore, it seems to the Chair that the appropriation falls within the authorization of section 2004 inasmuch as it would be a transitional expense having to do with the setting of postal rates.

The Chair, therefore, overrules the point of order.

AMENDMENT OFFERED BY MR. GROSS

Mr. GROSS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. GROSS: On page 27, strike out lines 10 through 13.

Mr. GROSS. Mr. Chairman, the amendment I offer strikes from the bill the $230 million appropriation to the U.S. Postal Service.

There are two points I wish to make in support of the amendment.

First, the Appropriations Committee report on this second supplemental appropriation announces a major change in postal policy with regard to subsidies, a change which should be decided by the legislative committee responsible for oversight of the Postal Service.

And second, while the legislative authority for this appropriation is doubtful at best, its justification is nonexistent.

The Appropriations Committee report, on page 99, says:

> The committee feels that the Congress must continue to subsidize the Postal Service in relatively substantial amounts until such time as the ratemaking process can generate sufficient revenues to achieve a self-sufficient status for the Postal Service.

Mr. Chairman, there is not one word in the Postal Reorganization Act to support that policy declaration of the Appropriations Committee. It is a policy statement so far-reaching that it amounts to a retraction of the break-even concept of postal operations that was so forcefully laid upon us by the proponents of so-called postal reform.

If such a decision is to be made, then the committee responsible for postal legislation should make it.

The Postal Reorganization Act laid the foundation for what was proclaimed to be an efficient, business type of operation, performing its service within its revenues and leaning on the taxpayers only for those funds necessary to provide public services.

The act also provided a cushion to the mail users so that rate increases to the self-sufficiency level would be absorbed gradually, and it authorized appropriations for such revenue foregone.

Those who followed the development of the Reorganization Act know that even these narrowly defined appropriations were written into law over the protests of the then Postmaster General who was arrogantly convinced that if the Congress got itself out of the picture he could "turn the Post Office around" and make it operate efficiently on its own revenues.

Now we have the spectacle of these self-annointed, highly efficient postal managers claiming that Congress gave them a key to the back door of the Treasury and that they can get unlimited amounts of money from the taxpayers whenever they feel they need it.

Mr. Chairman, I am more than a little concerned that if this appropriation is made and if a pending request for $284 million to pay the Postal Service debt to the Civil Service Retirement Fund is made, we will have, in this fiscal year, appropriated more than $1,992 million to the U.S. Postal Service.

This is money over and above the billions in Postal Service revenues and in prereorganization days represented the "postal deficit" which was so loudly denounced.

Why is no one today denouncing the postal deficit?

When are we going to take off the kid gloves and make these postal managers accountable to Congress and the taxpayers for the money they are draining from the Treasury?

Why was there not a single peep of protest in the Appropriations Committee when, in spite of the appropriations already made or pending, Mr. Ralph Nicholson declared there was "an anticipated operating loss of between $300 and $400 million in 1974" for the Postal Service.

Mr. Chairman, the fiscal year 1975 budget is a little more precise on this figure. The budget of the Postal Service, shown on page 1046 of the Appendix to the Budget, shows a net operating loss for the Postal Service of $385,048,000 for fiscal year 1974.

And, I repeat, this operating loss takes into account all of the Postal Service revenues plus all of the appropriations.

Mr. Chairman, I think it is also important to examine the background of this request by the Postal Service for $236 million, of which the Appropriations Committee recommends we give them $230 million.

The reason why we are asked to bail out the Postal Service to the tune of $230 million is two-pronged, and each prong points right at the heart of postal management. First, in June of 1973 the Postmaster General negotiated a contract with the postal employee unions which contained some of the most generous provisions ever handed across the negotiating table, and second, postal management ran afoul of the Cost of Living Council.

In his annual report to Congress, Postmaster General Klassen reported that the annual costs of the 2-year labor contract "are projected at $1.4 billion for fiscal year 1975 and later years," so I have no doubt the cost is at least this much. In an article appearing in Dun's magazine of March of this year, Mr. Klassen is quoted as saying,

> We had no choice but to give the unions what they wanted, otherwise they would have gone on strike.

So with this financial burden to carry, there was no alternative but to increase postal rates, which the Postal Service proposed to the Postal Rate Commission on September 25, 1973. That rate request is still pending before the Commission.

When the Postal Service sought to implement temporary rate increases, the Cost of Living Council ordered a $236 million reduction of their temporary rate schedule, which the Postal Service accomplished by delaying the temporary rate increase by 2 months.

I have heard no argument that the Cost of Living Council acted illegally or that its order to the Postal Service was not within its authority.

If the Cost of Living Council action was legal, then I see no reason why the Postal Service should not live with it.

By appropriating this money to the Postal Service, Congress will, in fact, be overturning a decision of the Cost of Living Council, which opens the door to a petition by any other entity similarly affected by a Cost of Living Council order.

Mr. Chairman, the Appropriations Committee report states that the only alternative to subsidy would be the reduction of service to an unacceptable level or the increase of postage rates to an unreasonable level.

I submit there is a more obvious alternative—efficiency and sound postal management. This, after all, was the whole purpose of the Postal Reorganization Act. While we have not seen much of either since passage of that act, we cannot solve the problems of the Postal Service with unrestricted, unauthorized, and unjustified appropriations.

Mr. Chairman, I urge the adoption of my amendment.

Mr. DULSKI. Mr. Chairman, I move to strike the last word, and I rise in support of the amendment offered by the gentleman from Iowa (Mr. Gross).

(Mr. DULSKI asked and was given permission to revise and extend his remarks.)

Mr. DULSKI. Mr. Chairman, I think that my colleague, the gentleman from Iowa (Mr. Gross) has explained in full detail the purpose of the amendment the gentleman has offered. I would like to remind my colleagues that a few years ago when we passed H.R. 17070, I had the bill H.R. 4, which would have taken care of the situation.

I think the gist of the entire argument lies in the statement that says:

> The Committee feels that the Congress must continue to subsidize the Postal Service in relatively substantial amounts until such time as the ratemaking process can generate sufficient revenues to achieve a self-sufficient status for the Postal Service.

If we adopt this language it will be setting a precedent.

Mr. Chairman, I urge the adoption of the amendment.

Mr. ROUSSELOT. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment offered by my distinguished colleague, the gentleman from Iowa (Mr. Gross), who has spent a great deal of time trying to understand what the Postal Service is doing is right and correct in offering this amendment to reduce this unnecessary deficit financing. I would like to refer all of the Members to the report of the Committee on Appropriations to page 98, where the committee quotes the Cost of Living Council's analysis of what the additional revenues will be received by the Postal Service as a result of the substantial increase in postage that all of our constituents are now bearing. It is a $1.3 billion increase per year in revenues. That has been produced by the postal rate increases.

They are now asking for additional money from our Committee on Appropriations in this supplemental bill. There is no excuse for this request.

I urge my colleagues, if they really want to save money in a responsible and noticeable place on behalf of their constituents, who have just been badgered by a substantial increase in postage rates, over which we in the Congress have no control, that they should vote for this very simple amendment that has been offered by my good colleague, the gentleman from Iowa (Mr. Gross). It is a reasonable request. As stated the Postal Service is going to receive over $1.3 billion in increased revenue in this coming year as a result of that substantial postal increase.

All the gentleman from Iowa is asking is that we delete this $230 million on the basis that it is not needed, and represents only a 2-percent cut.

Mr. HANLEY. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, let us not overlook today that we imposed a mandate upon the U.S. Postal Service when we approved the Postal Reorganization Act of 1970.

To give the devil his due, so to speak, and whether we like it or not, the Postmaster General is trying as best he can to concur with the mandate that we imposed, and that is to move steadily in the direction of a self-sustaining operation as of 1984. If we support the amendment offered by the gentleman from Iowa, we can look forward—and I do not mean this as a threat but this is fact, because the money is not there—to responding to our constituents when they are critical of further reductions in Postal Service, where rural routes may be combined, post offices closed, and a number of other things can happen, including the curtailment of Saturday service.

This dilemma does not happen to be the fault of the Postmaster General, but it happens to be the fault of an entity that we could not envision back in 1970 when we wrote this measure into law known as the Cost of Living Council. The administrators of the Postal Service, whether they be good or bad—and that is arbitrary—are doing what we told them to do.

They determined that the most recent postal rate increase was necessary if they were to concur with the law that we imposed upon them. When the Postmaster General sent this up to the Cost of Living Council, they played with it, so to speak, for a long period of time and then finally on a temporary basis disapproved the action, and they shelved the rate increase for a period of 2 months so that, as opposed to becoming effective in January, it would not become effective until March.

In the meantime, the Postmaster General and his team have some very fixed overhead obligations that have to be met.

As a result of that 2-month delay, they find themselves short by $236 million from the standpoint of their ability to meet this fixed overhead.

We have problems here. To support the amendment offered by the gentleman from Iowa is no way to correct these problems. We have a long-range program which I think is going to put this matter in a far better perspective than it is today, and very shortly we will be introducing the amendments to the Postal Reorganization Act which are very substantive and far reaching.

For what it is worth, the conclusion made by myself and other Members who are intimately familiar with this problem, is that in effect the Congress really did not mean what it said back in 1970 that this entity had to become self-sustaining, because if we really meant it that way, Mr. Chairman, if the American public thinks that 10 cents is a lot of money to pay for a first-class stamp, to use the vernacular of the street, "they ain't seen nothing yet."

Under this mandate there is but one place to go and get it, and that is from the user of the mail. On a day-to-day basis, the overhead of this gigantic entity continues to increase, the energy shortage, for instance, the cost of gasoline increase, for every penny-per-gallon increase in the cost is reflected in an addition to the overhead of the USPS by $1½ million. So we add this to a bag of other unforeseen problems, and they all then relate to the temporary dilemma that those who are attempting to administer the mandate that we imposed upon them find themselves in right now.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. HANLEY. I yield to the gentleman from California.

Mr. ROUSSELOT. I thank the gentleman for yielding.

Is it not true that the post office service, this new, efficient service we are talking about, has $11 billion on which to operate? And does the gentleman mean to tell me that, costing $230 million you, as an administrator could not find a way to cut back about 2 percent of a $11 million budget?

Mr. HANLEY. I will say to my friend, the operation as he knows was set up over a 12-month period.

Mr. ROUSSELOT. I am very well aware how this thing was set up. That is why I did not vote for it then, because I knew these kinds of problems would occur, just as the gentleman from Iowa did. I know the gentleman from New York is sorry he voted for some of the sorry parts of the Postal Reorganization Act.

Mr. HANLEY. There is no question about it that hindsight is always better.

Mr. ROUSSELOT. Does the gentleman mean to stand there and say that this Postal Service cannot cut $230 million out of $11 billion revenues?

Mr. HANLEY. That happens to be the case because all of these moneys were obligated and accounted for. If they did not have to contend with the Cost of Living Council the rate would have been effected on a temporary basis while the Postal Rate Commission determined whether it was going to become permanent.

Mr. ROBISON of New York. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I am going to try to speak for only a few moments. I know the hour is late and that there is another bill supposedly behind this.

I think this debate has deteriorated, fairly much, into a discussion of the question of whether or not we ought to repeal the Postal Reorganization Act. I respect the attitudes and opinions of my friends, the gentlemen from Iowa and California, but I think, basically, that is what they are seeking to do.

The question here, though, is not that question. It is a question of whether or not the $230 million that the Steed subcommittee in this instance has put in this bill is needed. The subcommittee is not very happy about this item, but we are unanimous in our opinion that this amount of money is needed by the Postal Service Corporation.

Let me tell the Members what the alternatives are.

The gentleman from Iowa (Mr. GROSS) said, a moment ago, that the alternatives are "efficiency" and "sound management." We would like some more of that, too, if we knew how to get it, and I am sure General Klassen is making his best effort to try to produce that, but the only alternative we could find, if the $230 million item is not given to the Postal Service Corporation in this supplemental bill, is that we have to cut postal service further than it has already been cut.

How do we do that, in a labor-oriented or a wage-oriented enterprise such as the Postal Service Corporation, where approximately 85 percent of their costs are in wages?

We do it by eliminating jobs. We had a great deal of discussion earlier this afternoon, on another issue, about unemployment. If we take the $230 million we recommend to the Members here out of this bill, that is equivalent to the salaries of approximately 23,000 postal employees. I do not know that their elimination would be the result, I do not say it would, but that was the only alternative we could see on our Appropriations Committee.

So, Mr. Chairman, I hope the amendment is defeated.

Mr. STEED. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, first, before the poor old Appropriations Committee gets the blame for everything, let me say that the dilemma, the problem we have today was created by the Cost of Living Council which was in turn created by the legislative committees and not by the Appropriations Committee.

The act that created the Postal Service Corporation certainly was not done by the Appropriations Committee. We are just trying to live within the act as the Congress saw fit to pass it.

I know some of the Members could have a good time beating the poor old Postal Service, but before we go too far with that, I think there are about three or four pertinent facts we ought to know.

The amount we have here is the amount we believe is going to be needed to keep the Postal Service going from now until July 1. If this amendment carries and this amount is taken out of the bill, I think we can get ready for the fact that 23,000 postal workers would have to leave their jobs.

The Postal Service is delivering at the rate of 91 billion pieces of mail a year. They are delivering this mail to 62 million homes, offices, and stores, gaining at the rate of 1 million new ones every year. They have to employ approximately 700,000 people to do this one job. Seventy-five percent of all these people are crowded into 100 post offices. The others are scattered into 31,000 post offices. Eighty-five percent of their budget is wages, so 85 percent of this amount needed today is for wages. If it is not made available, they will have to lay off 23,000 people.

I think most of us are familiar with the fact there are some postal employee organizations and if this amendment carries today, I would suspect that somebody will be hearing from them about what they think about this, because whatever else they want, I think they want an adequate Postal Service. I think the American people do, too.

If there was a better answer to this problem, I assure the Members we would have brought it to them. We have wrestled with this thing. We are not happy about it. We do not know any other sensible or realistic way to move with it; so we urge Members to support the committee and make sure we have an adequate Postal Service for the rest of this year.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. STEED. I yield to the gentleman from Iowa.

Mr. GROSS. In response to the gentleman from New York (Mr. ROBISON) who declined to yield, I would say if I was in the business of running the Postal Corporation, I think if I were going in the hole, as this Postal Corporation is doing, I would not have left the headquarters on Pennsylvania Avenue and opened a brandnew set of offices on the L'Enfant Plaza with all the expensive trappings that went into it.

I think the taxpayers and mail users could have been spared that kind of operation and also building mail centers all over this country, some of which have been abandoned at a loss of millions of dollars.

Mr. STEED. I will say this, if I were in the Post Office Department, I would have less to complain about, and if the gentleman from Iowa were in the Post Office Department, he would have less to complain about.

We are facing, I think, a very urgent need. I do not know any other answer to it. I do not think the House wants to adopt an amendment to wreck the Postal Service.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. STEED. I yield to the gentleman from California.

Mr. ROUSSELOT. I thank the gentleman for yielding. I am sure the gentleman is aware that the present postal union contract provides there can be no layoffs. So I want to assure the House that under the present union contracts, there can be no layoffs, and there clearly is enough funding in an $11 billion revenue to pay present employees.

Mr. STEED. I do not believe we can have mail employees working without getting paid.

Mr. ROUSSELOT. Does the gentleman mean that in an $11 billion budget, it cannot be reduced just $230 million?

Mr. STEED. Before they found out they would have this shortage, they had already spent half their year's authorization.

Mr. DERWINSKI. Mr. Chairman, this appropriation for the Postal Service is clearly authorized by the Postal Reorganization Act as a "transitional expense" under 39 United States Code, section 2004. At the time Congress created the Postal Service and mandated that it become self-sufficient by 1984, it was realized that there would be occasions when emergency financial assistance would be necessary to insure a smooth transition over that 13-year period from a deficit-ridden Post Office Department to a break-even operation. The decision by the Cost of Living Council to delay for 2 months implementation of the January postal rate increase has created just such a financial emergency—revenues will shortfall costs by some $230 million. Unless that critical shortfall can be eliminated, mail service throughout the country will suffer. The Postal Service must recoup this loss of revenue from some source. With the clear authorization provided by section 2004 of the Postal Reorganization Act I believe that that source is this Congress. Therefore, I urge my colleagues to meet this emergency and support the full recommendation for a $230 million supplemental appropriation.

Mr. Chairman, I hear the cries of "Vote, vote". I appreciate that we should have a vote, but I am fearful that in addition to wanting a quick vote, many Members will use this amendment as a means of striking at the Postal Service.

I would like to emphasize a few reasons why we should not. The Postal Service does not have much of a constituency these days; but we can well remember when they had too much of a congressional constituency. We in the Congress were over-involved with the Post Office. That is the reason we needed postal reform. We cannot expect the new operators of the Postal Service to perform a miracle, when we turned over to them a near-collapsed organization.

With all due respect to the gentleman from Iowa and the gentleman from California, they both sound so absolutely intent in support of this amendment, I would remind the Members that the two of them have been less than friendly to the Postal Service. Their normal attitude is one of belligerence against the Post Office Service exceeded only by their belligerence against the foreign aid program. I do not think I have to remind the Members of the House of the strong feelings of the gentleman from Ohio against foreign aid; but the facts of life are that under the procedure of the Cost of Living Council, the Post Office has a shortfall of $236 million.

If these funds are denied, then the responsibility for the cutbacks in service, the cuts in personnel, the steps that would have to be taken in lieu of the failure of Congress to provide $236 million, would fall on us.

Mr. Chairman, I am sure the gentleman from Iowa does not intend that anyone suffer from a reduction in postal service because of an arbitrary action by the Congress at this point. This is a necessary figure. I urge its support, and I urge that the amendment be rejected.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. DERWINSKI. Mr. Chairman, I yield to my friend from Iowa.

Mr. GROSS. Mr. Chairman, unlike the gentleman, I do not vacillate from one position to another with the greatest of ease. I opposed the Postal Corporation; the gentleman supported it. The gentleman apparently is willing to raid the taxpayers now to take care of the inefficiencies he promised the House would be ended, and all the other wonderful things the Corporation would accomplish.

Mr. DERWINSKI. Mr. Chairman, the gentleman from Iowa has one great virtue, and that is consistency. Having opposed postal reform, he wants to make it not work. I suggest that to permit the postal reform we should follow the committee. These funds are absolutely needed. If they are arbitrarily cut, I do not see how we can expect the mail to be delivered when we tell the Postal Service that they have to operate under a shortfall.

Mr. SISK. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I am just as anxious to go home as the rest of the Members, but this is a subject which is rather close to my heart. I am somewhat inclined to support the amendment of the gentleman from Iowa if in fact that would shake up and wake up the Postal Service.

Mr. Chairman, I would like to ask a couple of questions of the gentleman from Oklahoma. I recognize the problem he is faced with, and nothing I am saying is in criticism of his efforts. However, as I understand it, this will raise the amount to $2 billion we have poured into the Postal Service this year in subsidies, is that correct?

Mr. STEED. Mr. Chairman, it is not quite $2 billion, but it is the largest amount we have had to put in.

Mr. SISK. Mr. Chairman, let me ask the gentleman, we of course went through all this great reform around here. I was not very happy with it at the time, but I went along like some of the rest of us and voted for it.

What was our subsidy to the U.S. Post Office in, for example, 1970? Does the gentleman have figures to give us some comparison of what this new fancy-dandy management is doing for us financially? It has already destroyed our service; it has gotten the whole American people aroused. I introduced a bill to repeal the whole act, and I have been swamped in support of my legislation.

Mr. STEED. Mr. Chairman, the only way I can answer the question realistically is on a specific percentage basis, because the amount of cost of the postal service we were providing under the old law for the 18 years I have been connected with it was between 10 and 14 percent a year. We were running a shortfall of about that size. This amount we have provided in here is in the neighborhood of 12 percent, so on a percentage basis we are about in the same situation now as we were before.

However, we have to remember that we are here today because of something beyond our control. The Cost of Living Council deliberately created this problem.

Mr. SISK. Mr. Chairman, I recognize the problem the gentleman is faced with. As I said to my good friend from New York (Mr. HANLEY), I appreciate the problem he has. I think we need to use a sledge hammer to get the attention of these people downtown in connection with doing some things many of us are concerned with. That is why I am somewhat inclined to be sympathetic and to support my colleague from Iowa.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. SISK. Mr. Chairman, I yield to my friend from Iowa.

Mr. GROSS. Mr. Chairman, the gentleman asked what the contribution was from the Treasury to the old Post Office Department in 1970. It was approximately $700 million, as compared with a prospective $1,900,000,000 now.

Mr. STEED. Mr. Chairman, it is about the same percentage of the total then as it is now.

Mr. SISK. In other words, the subsidy in total is going to be a doubling, apparently.

I understand the gentleman's position, of course, with the increased costs, increased wages, and so on. Actually so far we have not saved a dime and we probably are in worse shape financially than we would have been had we kept the old system. Is that not correct, probably, on the dollars-and-cents basis?

I am simply trying to be fair.

Mr. STEED. Mr. Chairman, if the gentleman will yield further, I would inform the gentleman fully if I had the time. We are making a little headway, but it is not dramatic. It is true that for all practical purposes we are in as bad shape now as when we started, but we do think it is going to improve.

Mr. BUCHANAN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, we have listened to the gentleman who preceded me in the well and some of us are tempted to support the amendment offered by the gentleman from Iowa. I am here ready to acknowledge that the gentleman from Iowa was right and many of us were wrong when he warned us against the creation of the Postal Service. I think it is a record of failure, and a scandalous record.

My city of Birmingham is one of 26 cities arbitrarily picked by the Postal Service as a "guinea pig" city in which there would be implemented a new experiment in postal service in which dedicated postal employees would be replaced by machines in many instances and services to the people, I am quite convinced, would further decline. Prior to the creation of the Postal Service I had almost no complaint about postal service in my congressional district. We have had a record of excellence that has gone on for many years in our area until now.

The story has been one of declining services and increasing costs ever since the establishment of the Postal Service. Just last week the Postal Service in my area announced that it was changing from a full service branch to an automated facility, one of its highest revenue-producing branches in a city that is growing and that has a growing office complex within it. This change would constitute a radical decline in services in one of the best revenue-producing branches in the Birmingham area.

Mr. Chairman, this is the first phase of a whole series of changes that they propose in my district, which I predict will worsen service even more and constitute a disservice to people in metropolitan Birmingham.

I warn the Members of this: We are only one of 26 "guinea pig" cities that have been picked out for this experiment. and I do not know that our fellow-sufferers yet know who they are or what Big Brother has in store for them. I want to remind the Members further that the Postal Service is the only unregulated monopoly in the United States.

The private monopolies are regulated at both State and Federal levels. No one in private business could curtail services and up prices without hearing from and probably losing his customers unless he has a complete monopoly.

All the monopolies are regulated except that of the Postal Service.

I will say to my colleagues that they ought to look with a sharp eye at what the Postal Service is now doing, and we might listen very attentively to what the gentleman from Iowa has been saying to us about it in the months since it was created.

In the Birmingham case, which is part of a national pilot project, radical changes were made based on a computer recommendation, based in turn, on an inadequate and superficial survey conducted within 1 day 2 years ago. No one who is a permanent resident of Birmingham was a party to this drastic decision. No one who has any knowledge of or sensitivity to the postal consumers in Birmingham had any part in it. A long tradition of excellence by our neighbors who have served us well is being brushed aside by outsiders with arrogant disdain for postal patrons and postal employees alike. This plan may, and I emphasize may, bring higher profits to the Postal Service, but except for some improvements in location or service which commonsense dictates should be implemented, the master plan for this pilot project could prove a major disaster for the people affected thereby.

Mr. HANLEY. Mr. Chairman, will the gentleman yield?

Mr. BUCHANAN. I yield to the gentleman from New York.

Mr. HANLEY. Mr. Chairman, I thank the gentleman for yielding.

May I say this: If the gentleman is unhappy with postal reform per se, I would ask him to please not relate his vengeance today in this manner, because it in no degree is going to correct the problems which the gentleman has referred to.

Several months hence we will have the opportunity to vote on the amendments to the Postal Reorganization Act of 1970 which, as I said in the well, are very substantive. In fact, we invite all Members' contributions to our efforts. We hope very much as a result of this overture that we are going to be able to effect some changes to relieve many of our present problems.

I will ask the gentleman to please not deny these dollars because, although the gentleman mentioned that service in his area has been curtailed, I believe he can anticipate that it will be curtailed, not only in his area but in other areas throughout the country. We will have forced reductions because of the inability of the entity to meet its payroll, if this amendment prevails.

Again, Mr. Chairman, as I said in the well, the Postal Service is only doing what we imposed as a mandate. So let us not take it out in this manner today. Let us wait for several months, and then the gentleman can do his thing when it comes to debating and deliberating on the amendments per se.

Mr. BUCHANAN. Mr. Chairman, since the gentleman pledges that he will take action to make this unregulated monopoly more responsive to the people's representatives, I will accept that judgment, and vote against the amendment. He may be sure I will play an active role toward bringing this unregulated monopoly under firm control through the legislation he will bring to the floor, and toward replacing arrogance with excellence in the Postal Service.

Mr. MAHON. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close at this time.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa (Mr. GROSS).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. GROSS. Mr. Chairman, on that I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 97, noes 302, not voting 33, as follows:

[Roll No. 161]

AYES—97

Alexander
Andrews, N.C.
Archer
Ashbrook
Baker
Bauman
Bennett
Biaggi
Brasco
Breaux
Brooks
Broomfield
Broyhill, N.C.
Burgener
Burke, Fla.
Burleson, Tex.
Byron
Chamberlain
Clancy
Clawson, Del
Cochran
Collins, Tex.
Crane
Cronin
Davis, S.C.
de la Garza
Devine
Dickinson
Dingell
Dulski
Duncan
Evins, Tenn.
Flynt
Fountain
Fuqua
Ginn
Goldwater
Goodling
Gross
Haley
Hammerschmidt
Hanrahan
Harsha
Hays
Hébert
Hechler, W. Va.
Henderson
Holt
Huber
Hungate
Ichord
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Karth
Ketchum
King
Lagomarsino
Landgrebe
Leggett
Lott
Lujan
Mathis, Ga.
Montgomery
Moss
Poage
Quillen
Randall
Rarick
Roberts
Robinson, Va.
Roncalio, Wyo.
Rose
Rousselot
Runnels
Ruth
St Germain
Satterfield
Scherle
Shoup
Shuster
Sisk
Skubitz
Snyder
Steiger, Ariz.
Symms
Taylor, Mo.
Thone
Tiernan
Veysey
Waggonner
Wampler
Ware
Wiggins
Wright
Wylie
Zwach

NOES—302

Abdnor
Abzug
Adams
Addabbo
Anderson, Calif.
Andrews, N. Dak.
Annunzio
Arends
Armstrong
Ashley
Aspin
Badillo
Bafalis
Barrett
Beard
Bell
Bergland
Bevill
Biester
Bingham
Blackburn
Blatnik
Boggs
Boland
Brademas
Bray
Breckinridge
Brinkley
Brotzman
Brown, Calif.
Brown, Mich.
Brown, Ohio
Buchanan
Burke, Calif.
Burke, Mass.
Burlison, Mo.
Burton
Butler
Camp
Carney, Ohio
Carter
Casey, Tex.
Chappell
Chisholm
Clark
Clausen, Don H.
Clay
Cleveland
Cohen
Collins, Ill.
Conable
Conlan
Conte
Cotter
Coughlin
Culver
Daniel, Dan
Daniel, Robert W., Jr.
Daniels, Dominick V.
Davis, Ga.
Davis, Wis.
Delaney
Dellenback
Denholm
Dennis
Dent
Derwinski
Diggs
Donohue
Downing
Drinan
Eckhardt
Edwards, Ala.
Edwards, Calif.
Eilberg
Erlenborn
Eshleman
Evans, Colo.
Fascell
Findley
Fish
Fisher
Flood
Flowers
Foley
Ford
Forsythe
Fraser
Frenzel
Frey
Froehlich
Gaydos
Gettys
Giaimo
Gibbons
Gilman
Gonzalez
Grasso
Gray
Green, Oreg.
Green, Pa.
Grover
Gubser
Gude
Gunter
Guyer
Hamilton
Hanley
Hanna
Hansen, Idaho
Hansen, Wash.
Harrington
Hastings
Hawkins
Heckler, Mass.
Heinz
Helstoski
Hicks
Hillis
Hinshaw
Hogan
Holifield
Holtzman
Horton
Hosmer
Howard
Hudnut
Hunt
Hutchinson
Jarman
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jordan
Kemp
Kluczynski
Koch
Kuykendall
Kyros
Latta
Lent
Long, La.
Long, Md.
Luken
McClory
McCloskey
McCollister
McCormack
McDade
McFall
McKay
McKinney
McSpadden
Macdonald
Madden
Madigan
Mahon
Mallary
Mann
Maraziti
Martin, N.C.
Mathias, Calif.
Matsunaga
Mayne
Mazzoli
Meeds
Melcher
Metcalfe
Mezvinsky
Michel
Milford
Miller
Mills
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Mizell
Moakley
Mollohan
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mosher
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers
Natcher
Nedzi
Nelsen

Nix
Obey
O'Brien
O'Hara
O'Neill
Owens
Parris
Passman
Patten
Pepper
Perkins
Pettis
Peyser
Pike
Podell
Powell, Ohio
Preyer
Price, Ill.
Price, Tex.
Pritchard
Quie
Railsback
Rangel
Rees
Regula
Reuss
Rhodes
Riegle
Rinaldo
Robison, N.Y.
Rodino
Roe
Rogers
Roncallo, N.Y.
Rooney, Pa.
Rosenthal
Rostenkowski
Roush
Roy

Roybal
Ruppe
Ryan
Sandman
Sarasin
Sarbanes
Schneebeli
Schroeder
Sebelius
Seiberling
Shriver
Sikes
Slack
Smith, Iowa
Smith, N.Y.
Spence
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Steele
Steelman
Steiger, Wis.
Stephens
Stokes
Stratton
Stubblefield
Studds
Sullivan
Symington
Talcott
Taylor, N.C.
Thompson, N.J.
Thomson, Wis.
Thornton
Towell, Nev.

Treen
Udall
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Vigorito
Waldie
Walsh
Whalen
White
Whitehurst
Whitten
Widnall
Williams
Wilson, Bob
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Winn
Wolff
Wyatt
Wydler
Wyman
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Ga.
Young, Ill.
Young, S.C.
Young, Tex.
Zablocki
Zion

NOT VOTING—33

Anderson, Ill.
Bolling
Bowen
Broyhill, Va.
Carey, N.Y.
Cederberg
Collier
Conyers
Corman
Danielson
Dellums

Dorn
du Pont
Esch
Frelinghuysen
Fulton
Griffiths
Kastenmeier
Kazen
Landrum
Lehman
Litton

McEwen
Martin, Nebr.
Minshall, Ohio
Nichols
Patman
Pickle
Reid
Rooney, N.Y.
Shipley
Stuckey
Teague

So the amendment was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. The Clerk will read.

The Clerk proceeded to read the bill.

Mr. MAHON (during the reading). Mr. Chairman, I ask unanimous consent that the remainder of the bill be considered as read, printed in the RECORD, and the remainder of the bill be open to amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

Mr. GROSS. Mr. Chairman, reserving the right to object, does that mean the gentleman is waiving points of order on the rest of the bill?

Mr. MAHON. I am not waiving points of order.

Mr. GROSS. Opening it up to points of order?

Mr. MAHON. I am not waiving any points of order.

Mr. GROSS. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The CHAIRMAN. Are there any amendments then to the remainder of the bill?

AMENDMENT OFFERED BY MR. SYMMS

Mr. SYMMS. Mr. Chairman, I offer an amendment.

(The portion of the bill to which the amendment refers is as follows:)

SEC. 305. None of the funds herein appropriated may be obligated or expended to finance directly or indirectly combat activities by United States military forces in or over or from off the shores of North Vietnam, South Vietnam, Laos, or Cambodia.

The Clerk read as follows:

Amendment offered by Mr. SYMMS: Page 57, line 22, after line 21, add:

SEC. 306. All funds appropriated in this bill be reduced by 5 per centum.

The CHAIRMAN. The gentleman from Idaho (Mr. SYMMS) is recognized for 5 minutes in support of this amendment.

Mr. SYMMS. Mr. Chairman, I will be very brief. Most of the Members of this body remember the old Bow amendments. This amendment is no more than the Bow amendment that was made famous by Frank Bow of Ohio. I think it was a good idea. It would cut 5 percent from every appropriation funded in this bill, 5 percent across the board, everything from the military to HEW.

It is high time that we start really taking a concern for the taxpayers of this country.

I read a poll the other day where the choice on the questionnaire read, "Do you want to raise taxes, raise the debt, or cut spending?"

Eighty-five percent of the people wanted to cut spending. Here is the opportunity to cut spending by 5 percent, a very minor, meager cut. Members cannot tell me that out of $8 billion that we cannot get by by cutting out $400 million.

I urge support of this amendment, and the taxpayers will appreciate such support.

Mr. MAHON. Mr. Chairman, I move to strike the last word.

Mr. Chairman, in this bill the Committee on Appropriations is recommending a net reduction of $1.9 billion. These reductions have been carefully made by the committee and these reductions are far in excess of the 5-percent reduction proposed in the amendment of the gentleman from Idaho (Mr. SYMMS). The committee has tried to discriminate with respect to various items but the amendment offered proposes a meat-ax approach.

The amendment says that all funds appropriated in this bill shall be reduced by 5 percent. The gentleman, in his explanation, advocates that each item be reduced 5 percent. This would be a sharp additional reduction in many items already reduced by the committee and would have disastrous effects in such areas as veterans' benefits, vocational rehabilitation, emergency flood control measures, firefighting costs, and many other programs which most Members feel to be quite essential.

Mr. Chairman, under all the circumstances, I believe the amendment is ill advised and I ask the House to disapprove it. I ask for a vote.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Idaho (Mr. SYMMS).

The question was taken; and the Chair announced that the noes appeared to have it.

RECORDED VOTE

Mr. SYMMS. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 145, noes 249, not voting 38, as follows:

[Roll No. 162]

AYES—145

Abdnor
Alexander
Anderson, Calif.
Andrews, N.C.
Archer
Arends
Armstrong
Ashbrook
Bafalis
Baker
Bauman
Beard
Bennett
Biaggi
Biester
Blackburn
Bray
Brinkley
Broomfield
Brown, Mich.
Broyhill, N.C.
Buchanan
Burgener
Burke, Fla.
Camp
Carter
Clancy
Clawson, Del
Cleveland
Collins, Tex.
Conable
Conlan
Crane
Daniel, Robert W., Jr.
Dellenback
Denholm
Dennis
Derwinski
Devine
Dickinson
Duncan
Eshleman
Fish
Flynt
Ford
Fountain
Frenzel
Frey

Gaydos
Gilman
Goodling
Gross
Grover
Gubser
Haley
Hammerschmidt
Hanrahan
Harrington
Harsha
Hastings
Heinz
Henderson
Hogan
Huber
Hudnut
Hunt
Hutchinson
Ichord
Jarman
Johnson, Colo.
Johnson, Pa.
Jones, N.C.
Jones, Okla.
Karth
Kemp
Ketchum
King
Kuykendall
Lagomarsino
Landgrebe
Leggett
Lent
Lott
Lujan
McCollister
McSpadden
Mann
Martin, N.C.
Mathis, Ga.
Mayne
Melcher
Miller
Mizell
Moorhead, Calif.
Murtha
Nedzi

O'Brien
Pike
Powell, Ohio
Quillen
Randall
Rarick
Riegle
Robinson, Va.
Rogers
Roncalio, Wyo.
Roncallo, N.Y.
Rousselot
Roy
Runnels
Ruppe
Ruth
Satterfield
Schneebeli
Schroeder
Sebelius
Shoup
Shriver
Shuster
Skubitz
Snyder
Spence
Steelman
Steiger, Ariz.
Symms
Taylor, Mo.
Taylor, N.C.
Thomson, Wis.
Thone
Thornton
Towell, Nev.
Treen
Vander Jagt
Vigorito
Wampler
Wiggins
Williams
Wilson, Bob
Winn
Wylie
Wyman
Young, Fla.
Young, S.C.
Zion
Zwach

NOES—249

Abzug
Adams
Addabbo
Andrews, N. Dak.
Annunzio
Ashley
Aspin
Barrett
Bell
Bergland
Bevill
Bingham
Blatnik
Boggs
Boland
Brademas
Brasco
Breaux
Breckinridge
Brooks
Brotzman
Brown, Calif.
Brown, Ohio
Burke, Calif.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton
Butler
Byron
Carney, Ohio
Casey, Tex.
Chamberlain
Chappell
Chisholm
Clark
Clausen, Don H.
Clay
Cochran
Cohen
Collins, Ill.
Conte
Cotter
Coughlin
Cronin
Culver

Daniel, Dan
Daniels, Dominick V.
Davis, Ga.
Davis, S.C.
Davis, Wis.
de la Garza
Delaney
Dent
Dingell
Donohue
Downing
Drinan
Dulski
Eckhardt
Edwards, Ala.
Edwards, Calif.
Eilberg
Erlenborn
Evans, Colo.
Evins, Tenn.
Fascell
Findley
Fisher
Flood
Flowers
Foley
Forsythe
Fraser
Froehlich
Fuqua
Gettys
Giaimo
Gibbons
Ginn
Goldwater
Gonzalez
Grasso
Gray
Green, Oreg.
Green, Pa.
Gude
Gunter
Guyer
Hamilton
Hanley
Hanna
Hansen, Idaho

Hansen, Wash.
Hawkins
Hays
Hébert
Hechler, W. Va.
Heckler, Mass.
Helstoski
Hicks
Hillis
Hinshaw
Holifield
Holt
Holtzman
Horton
Hosmer
Howard
Hungate
Johnson, Calif.
Jones, Ala.
Jones, Tenn.
Jordan
Kluczynski
Koch
Kyros
Latta
Long, La.
Long, Md.
Luken
McClory
McCormack
McDade
McFall
McKay
McKinney
Macdonald
Madden
Madigan
Mahon
Mallary
Maraziti
Mathias, Calif.
Matsunaga
Mazzoli
Meeds
Metcalfe
Mezvinsky
Michel
Milford

Mills
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Mollohan
Montgomery
Moorhead, Pa.
Morgan
Mosher
Moss
Murphy, Ill.
Murphy, N.Y.
Myers
Natcher
Nelsen
Nix
Obey
O'Hara
O'Neill
Owens
Parris
Passman
Patten
Pepper
Perkins
Pettis
Peyser
Poage
Podell
Preyer
Price, Ill.
Price, Tex.
Pritchard
Quie
Railsback
Rangel
Rees
Regula
Reuss
Rhodes
Rinaldo
Roberts
Robison, N.Y.
Rodino
Roe
Rooney, Pa.
Rose
Rosenthal
Rostenkowski
Roush
Roybal
Ryan
St Germain
Sandman
Sarasin
Sarbanes
Scherle
Seiberling
Sikes
Sisk
Slack
Smith, Iowa
Smith, N.Y.
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Steele
Steiger, Wis.
Stephens
Stokes
Stratton
Stubblefield
Studds
Sullivan
Symington
Talcott
Thompson, N.J.
Tiernan
Udall
Ullman
Van Deerlin
Vander Veen
Vanik
Veysey
Waggonner
Waldie
Walsh
Ware
Whalen
White
Whitehurst
Whitten
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Wolff
Wright
Wyatt
Yates
Yatron
Young, Alaska
Young, Ga.
Young, Ill.
Young, Tex.
Zablocki

NOT VOTING—38

Anderson, Ill.
Badillo
Bolling
Bowen
Broyhill, Va.
Carey, N.Y.
Cederberg
Collier
Conyers
Corman
Danielson
Dellums
Diggs
Dorn
du Pont
Esch
Frelinghuysen
Fulton
Griffiths
Kastenmeier
Kazen
Landrum
Lehman
Litton
McCloskey
McEwen
Martin, Nebr.
Minshall, Ohio
Nichols
Patman
Pickle
Reid
Rooney, N.Y.
Shipley
Stuckey
Teague
Widnall
Wydler

So the amendment was rejected.

The result of the vote was announced as above recorded.

Mr. MAHON. Mr. Chairman, I move that the committee do now rise and report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. O'HARA, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 14013) making supplemental appropriations for the fiscal year ending June 30, 1974, and for other purposes, had directed him to report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The SPEAKER. Without objection, the previous question is ordered.

There was no objection.

The SPEAKER. Is a second demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. DELLENBACK. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 375, nays 22, not voting 35, as follows:

[Roll No. 163]

YEAS—375

Abdnor
Abzug
Adams
Addabbo
Alexander
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Arends
Armstrong
Ashley
Aspin
Baker
Barrett
Beard
Bell
Bennett
Bergland
Bevill
Biaggi
Biester
Bingham
Blatnik
Boggs
Boland
Brademas
Brasco
Bray
Breaux
Breckinridge
Brinkley
Brooks
Broomfield
Brotzman
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill, N.C.
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton
Butler
Byron
Camp
Carney, Ohio
Carter
Casey, Tex.
Chamberlain
Chappell
Chisholm
Clancy
Clark
Clausen, Don H.
Clawson, Del
Clay
Cleveland
Cochran
Cohen
Collins, Ill.
Conable
Conte
Cotter
Coughlin
Cronin
Culver
Daniel, Dan
Daniel, Robert W., Jr.
Daniels, Dominick V.
Davis, Ga.
Davis, S.C.
Davis, Wis.
de la Garza
Delaney
Dellenback
Denholm
Dennis
Dent
Derwinski
Devine
Dickinson
Dingell
Donohue
Downing
Drinan
Dulski
Duncan
Eckhardt
Edwards, Ala.
Edwards, Calif.
Eilberg
Erlenborn
Eshleman
Evans, Colo.
Evins, Tenn.
Fascell
Findley
Fish
Flood
Flowers
Flynt
Foley
Ford
Forsythe
Fountain
Fraser
Frenzel
Frey
Froehlich
Fulton
Fuqua
Gaydos
Gettys
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Gonzalez
Grasso
Gray
Green, Oreg.
Green, Pa.
Grover
Gubser
Gude
Gunter
Guyer
Hamilton
Hammerschmidt
Hanley
Hanna
Hanrahan
Hansen, Idaho
Hansen, Wash.
Harrington
Harsha
Hastings
Hawkins
Hays
Hébert
Hechler, W. Va.
Heckler, Mass.
Heinz
Helstoski
Henderson
Hicks
Hillis
Hinshaw
Hogan
Holifield
Holt
Holtzman
Horton
Hosmer
Howard
Huber
Hudnut
Hungate
Hunt
Hutchinson
Ichord
Jarman
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kemp
Ketchum
King
Kluczynski
Koch
Kuykendall
Kyros
Lagomarsino
Latta
Leggett
Lent
Long, La.
Long, Md.
Lott
Lujan
Luken
McClory
McCollister
McCormack
McDade
McFall
McKay
McKinney
McSpadden
Macdonald
Madden
Madigan
Mahon
Mallary
Mann
Maraziti
Mathias, Calif.
Matsunaga
Mayne
Mazzoli
Meeds
Melcher
Metcalfe
Mezvinsky
Michel
Milford
Miller
Mills
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Mollohan
Montgomery
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mosher
Moss
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers
Natcher
Nedzi
Nelsen
Nix
Obey
O'Brien
O'Hara
O'Neill
Owens
Parris
Passman
Patten
Pepper
Perkins
Pettis
Peyser
Pike
Poage
Podell
Powell, Ohio
Preyer
Price, Ill.
Price, Tex.
Pritchard
Quie
Quillen
Railsback
Randall
Rangel
Rarick
Rees
Regula
Reuss
Rhodes
Riegle
Rinaldo
Roberts
Robinson, Va.
Robison, N.Y.
Rodino
Roe
Rogers
Roncalio, Wyo.
Roncallo, N.Y.
Rooney, Pa.
Rose
Rosenthal
Rostenkowski
Roush
Roy
Roybal
Runnels
Ruppe
Ruth
Ryan
St Germain
Sandman
Sarasin
Sarbanes
Satterfield
Scherle
Schneebeli
Sebelius
Seiberling
Shoup
Shriver
Sikes
Sisk
Slack
Smith, Iowa
Smith, N.Y.
Snyder
Spence
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Steele
Steelman
Steiger, Wis.
Stephens
Stokes
Stratton
Stubblefield
Studds
Sullivan
Symington
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thompson, N.J.
Thomson, Wis.
Thone
Thornton
Tiernan
Towell, Nev.
Treen
Udall
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Veysey
Vigorito
Waggonner
Waldie
Walsh
Wampler
Ware
Whalen
White
Whitehurst
Whitten
Widnall
Wiggins
Williams
Wilson, Bob
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Winn
Wolff
Wright
Wyatt
Wydler
Wylie
Wyman
Yates
Yatron
Young, Alaska
Young, Ga.
Young, Ill.
Young, S.C.
Young, Tex.
Zablocki
Zion
Zwach

NAYS—22

Archer
Ashbrook
Bafalis
Bauman
Blackburn
Collins, Tex.
Conlan
Crane
Goodling
Gross
Haley
Landgrebe
Martin, N.C.
Mathis, Ga.
Mizell
Rousselot
Schroeder
Shuster
Skubitz
Steiger, Ariz.
Symms
Young, Fla.

NOT VOTING—35

Anderson, Ill.
Badillo
Bolling
Bowen
Broyhill, Va.
Carey, N.Y.
Cederberg
Collier
Conyers
Corman
Danielson
Dellums
Diggs
Dorn
du Pont
Esch
Fisher
Frelinghuysen
Griffiths
Kastenmeier
Kazen
Landrum
Lehman
Litton
McCloskey
McEwen
Martin, Nebr.
Minshall, Ohio
Nichols
Patman
Pickle
Reid
Rooney, N.Y.
Shipley
Stuckey

So the bill was passed.

The Clerk announced the following pairs:

Mr. Kastenmeier with Mr. Patman.
Mr. Kazen with Mr. Fisher.
Mr. Rooney of New York with Mr. Dorn.
Mr. Pickle with Mr. Broyhill of Virginia.
Mr. Diggs with Mr. Carey of New York.
Mr. Shipley with Mr. Cederberg.
Mr. Conyers with Mr. Reid.
Mr. Nichols with Mr. Collier.
Mr. Badillo with Mr. McCloskey.
Mrs. Griffiths with Mr. Dellums.
Mr. Corman with Mr. Anderson of Illinois.
Mr. Stuckey with Mr. du Pont.
Mr. Lehman with Mr. Esch.
Mr. Litton with Mr. Frelinghuysen.
Mr. Bowen with Mr. Martin of Nebraska.
Mr. Landrum with Mr. McEwen.
Mr. Danielson with Mr. Minshall of Ohio.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. MAHON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks in the RECORD and include tables and extraneous material on the second supplemental appropriation bill, 1974 (H.R. 14013) just passed. Also, I ask that all Members may have permission to revise and extend their remarks on the amendment to the manpower section of the bill offered by the gentleman from Wisconsin (Mr. OBEY).

The SPEAKER. Is there objection to the requests of the gentleman from Texas?

There was no objection.

CONFERENCE REPORT ON S. 2770, REVISING SPECIAL PAY STRUCTURE FOR MEDICAL OFFICERS OF THE UNIFORMED SERVICES

Mr. STRATTON submitted the following conference report and statement on the bill (S. 2770) to amend chapter 5 of title 37, United States Code, to revise the special pay structure relating to medical officers of the uniformed services:

CONFERENCE REPORT (H. REPT. NO. 93–984)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 2770) to amend chapter 5 of title 37, United States Code, to revise the special pay structure relating to medical officers of the uniformed services, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House to the text of the bill, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following:

That chapter 5 of title 37, United States Code, is amended as follows:

(1) Section 302 is amended to read as follows and the item in the chapter analysis is amended to correspond with the revised catchline:

"§ 302. Special pay: physicians

"An officer of the Army or Navy in the Medical Corps, an officer of the Air Force who is designated as a medical officer, or a medical officer of the Public Health Service, who is on active duty for a period of at least one year is entitled, in addition to any other pay or allowances to which he is entitled, to special pay at the following rates—

"(1) $100 a month for each month of active duty if he has not completed two years of active duty in a category named in this section; or

"(2) $350 a month for each month of active duty if he has completed at least two years of active duty in a category named in this section.

The amounts set forth in this section may not be included in computing the amount of an increase in pay authorized by any other provision of this title or in computing retired pay or severance pay.".

(2) The following new section is added after section 302a and a corresponding item is inserted in the chapter analysis:

"§ 302b. Special pay: dentists

"An officer of the Army or Navy in the Dental Corps, an officer of the Air Force who is designated as a dental officer, or a dental officer of the Public Health Service, who is on active duty for a period of at least one year is entitled, in addition to any other pay or allowances to which he is entitled, to special pay at the following rates—

"(1) $100 a month for each month of active duty if he has not completed two years of active duty in the Dental Corps or as a dental officer;

"(2) $150 a month for each month of active duty if he has completed at least two years of active duty in the Dental Corps or as a dental officer;

"(3) $250 a month for each month of active duty if he has completed at least six years of active duty in the Dental Corps or as a dental officer; or

"(4) $350 a month for each month of active duty if he has completed at least ten years of active duty in the Dental Corps or as a dental officer.

The amounts set forth in this section may not be included in computing the amount of an increase in pay authorized by any other provision of this title or in computing retired pay or severance pay.".

(3) That portion of the first sentence of section 311(a) preceding clause (1) is amended to read as follows:

"(a) Under regulations to be prescribed by the Secretary of Defense or by the Secretary of Health, Education, and Welfare, as appropriate, an officer of the Army or Navy in the Medical Corps above the pay grade of O–6, an officer of the Air Force who is designated as a medical officer and is above the pay grade of O–6, a medical officer of the Public Health Service above the pay grade of O–6, an officer of the Army or Navy in the Dental Corps, an officer of the Air Force who is designated as a dental officer, or a dental officer of the Public Health Service who—".

(4) By adding the following new section after section 312a and by inserting a corresponding item in the chapter analysis:

"§ 313. Special pay: medical officers who execute active duty agreements

"(a) Under regulations prescribed by the Secretary of Defense or by the Secretary of Health, Education, and Welfare, as appropriate, and approved by the President, an officer of the Army or Navy in the Medical Corps, an officer of the Air Force who is designated as a medical officer, or a medical officer of the Public Health Service, who—

"(1) is below the pay grade of O–7;

"(2) is designated as being qualified in a critical specialty by the Secretary concerned;

"(3) is determined by a board composed of officers in the medical profession under criteria prescribed by the Secretary concerned to be qualified to enter into an active duty agreement for a specified number of years;

"(4) is not serving an initial active duty obligation of four years or less or is not serving the first four years of an initial active duty obligation of more than four years;

"(5) is not undergoing intern or initial residency training; and

"(6) executes a written active duty agreement under which he will receive incentive pay for completing a specified number of years of continuous active duty subsequent to executing such an agreement;

may, upon acceptance of the written agreement by the Secretary concerned, or his designee, and in addition to any other pay or allowances to which he is entitled, be paid an amount not to exceed $13,500 for each year of the active duty agreement. Upon acceptance of the agreement by the Secretary concerned, or his designee, and subject to subsections (b) and (c) of this section, the total amount payable becomes fixed and may be paid in annual, semiannual, or monthly installments, or in a lump sum after completion of the period of active duty specified in the agreement, as prescribed by the Secretary concerned.

"(b) Under regulations prescribed by the Secretary of Defense, the Secretary concerned, or his designee, may terminate, at any time, an officer's entitlement to the special pay authorized by this section. In that event, the officer is entitled to be paid only for the fractional part of the period of active duty that he served, and he may be required to refund any amount he received in excess of that entitlement.

"(c) Under regulations prescribed by the Secretary of Defense or by the Secretary of Health, Education, and Welfare, as appropriate, an officer who has received payment under this section and who voluntarily, or because of his misconduct, fails to complete the total number of years of active duty specified in the written agreement shall be required to refund the amount received that exceeds his entitlement under those regulations. If an officer has received less incentive pay than he is entitled to under those regulations at the time of his separation from active duty, he shall be entitled to receive the additional amount due him.

"(d) This section does not alter or modify any other service obligation of an officer. Completion of the agreed period of active duty, or other termination of an agreement, under this section does not entitle an officer to be separated from the service, if he has any other service obligation.

"(e) The Secretary of Defense and the Secretary of Health, Education, and Welfare shall each submit a written report each year to the Committees on Armed Services of the Senate and House of Representatives regarding the operation of the special pay program authorized by this section. The report shall be on a fiscal year basis and shall contain—

"(1) a review of the program for the fiscal year in which the report is submitted; and

"(2) the plan for the program for the succeeding fiscal year.

This report shall be submitted not later than April 30 of each year, beginning in 1975.".

SEC. 2. The amendments made by this Act become effective on the first day of the first calendar month following the date of enactment. Except for the provisions of section 313 of title 37, United States Code, as added by section 1(4) of this Act, which will expire on June 30, 1976, the authority for the special pay provided by this Act shall, unless otherwise extended by Congress, expire on June 30, 1977.

And the House agree to the same.

That the House recede from its amendment to the title of the Senate bill.

SAMUEL STRATTON,
BILL NICHOLS,
F. EDW. HÉBERT,
JOHN E. HUNT,
WILLIAM G. BRAY,
Managers on the Part of the House.

JOHN C. STENNIS,
STUART SYMINGTON,
HENRY M. JACKSON,
STROM THURMOND,
JOHN TOWER,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and Senate at the conference on the disagreeing votes of the two houses on the amendments of the House to the bill (S. 2770), to amend chapter 5 of title 37, United States Code, to revise the special pay structure relating to medical officers of the uniformed services, submit the following joint statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report.

The House amended the Senate bill to strike all after the enacting clause and insert new language and to amend the title. As a result of the House action, there existed a number of differences between the House and Senate versions of the bill. The differences are identified below, together with an explanation of the action thereon agreed to in the conference report.

DENTISTS, OPTOMETRISTS AND VETERINARIANS

The Senate bill limited the increased monthly special pay and new bonus-payment authority to physicians. The House added the professions of dentistry, veterinary medicine and optometry to both the special-pay and new bonus-payment authority provisions of the bill.

The House conferees strenuously defended the inclusion of the other health professions, pointing out that this was consistent with action of the House in passing legislation in the 92d Congress and that the Department of Defense had previously sought legislation in the 93d Congress to authorize bonus payments for any critical health profession used by the military.

The Senate conferees, however, stated that they had had no hearings on the other health professions and pointed out that both the Deputy Secretary of Defense and the Assistant Secretary of Defense for Health and Environment had recently advised the Senate Armed Services Committee that the most immediate and critical problem involves physicians, and there is no need for special pay legislation for other than physicians. These officials indicated that the possible need for additional compensation for other categories of officers in the health fields would be kept under close and continuing review and that appropriate recommendations would be submitted to the Congress at a later date if found essential. More specifically, they further indicated that there is no need at this time for special-pay legislation covering any of the other health professions. The Senate conferees also pointed out that the increased monthly special-pay provisions of the bill were mandatory and that if the other professions remained in the bill the Secretary of Defense would have to authorize the pay increases on the bill's effective date regardless of whether a critical shortage existed in those professions.

Notwithstanding the strong representation made by the House conferees, the Senate conferees were adamant in their position of limiting the bill to physicians. The House, therefore, reluctantly recedes.

BONUS ELIGIBILITY FOR SENIOR OFFICERS

The Senate bill limited the eligibility for the new bonuses authorized in the bill to officers in the pay grade of 0–5 (lieutenant colonel/commander) and below and provided that those medical officers serving in pay grade 0–6 (colonel/captain) and above would remain in the present continuation-pay system.

The House amendment included language adding officers in pay grade 0–6 to those eligible for the new bonus-pay system.

The House conferees pointed out testimony from the surgeons general indicated individuals in the 0–6 grade are at a critical point in service where they are in important department head and teaching positions and failure to include these officers in the bill would seriously hamper the ability of the military medical services to retain these experienced senior officers. There may be other examples for the 0–6 medical officer.

The Senate, therefore, recedes.

MAXIMUM BONUS

The Senate bill limited the maximum bonus for physicians to $10,000 per year.

The House amendment increased the maximum bonus to $15,000 per year, the amount requested by the Department of Defense.

After extensive discussion, the conferees agreed on the maximum bonus of $13,500.

RESTRICTION ON PAYMENT OF BONUS

The House amendment contained language which had the effect of excluding from the eligibility for the bonus officers serving their initial active-duty obligation and officers undergoing intern or residency training.

The Senate bill was silent on these provisions, leaving the matter to administrative determination of the Secreary of Defense. The Department of Defense had indicated its intention not to pay bonuses to interns or those undergoing initial obligated service. The Senate conferees, while supporting the intent of the House amendment, pointed out that difficulties might arise with the language of the bill as passed by the House with respect to residency and initial obligated service.

The exclusion of all residents from the new pay bonus system could seriously impact on the Defense Department's ability to obtain physicians qualified in various subspecialties, the Senate conferees stated, since many military physicians do not enter subspecialty training until several years following the completion of their initial residency training. In the future, volunteers for such subspecialty training would be seriously limited if such training would result in a substantial pay cut for the highly qualified specialists concerned. The conferees, therefore, agreed on compromise language which would provide that exclusion from bonus eligibility would be limited to those undergoing initial residency training.

An additional problem pointed out by the Senate conferees had to do with possible inequities or adverse retention effect which could occur as a result of extended initial obligated service which some physicians have. Under the various procurement programs where a physician's education is sponsored by the service, physicians take on obligation in some cases as long as nine years. The Uniformed Services University of Health Sciences will require of its graduates a seven-year obligation. In some cases the obligated service varies by a number of years from service to service for the same period of training.

The conferees recognize that a student who gets medical training at government expense is getting some of the most expensive and most marketable training available and should be required to undertake a reasonable payback in service without a bonus. However, to avoid inequities or avoid adverse retention impact, the conferees agreed to language in the conference report which provides that the exclusion from new bonuses for those in initial obligated active-duty shall apply only for up to the first four years of such active-duty obligation. Nothing in this language shall operate to reduce the period of obligation of the individual concerned. The Department of Defense has the authority under the bill to provide, if it so determined, bonuses at a reduced rate for periods of obligated service beyond four years.

INCLUSION OF THE COMMISSIONED CORPS OF THE PUBLIC HEALTH SERVICE

The Senate bill contained no provision for payment of bonuses to members of the Commissioned Corps of the Public Health Service since they were not covered in the Administration proposal. The House amendment contained language authorizing the payment of bonuses to members of the Commissioned Corps of the Public Health Service on the same basis as such benefits are authorized for their military counterparts. Traditionally these officers have always been included in pay legislation affecting their military counterparts. Moreover, officials of the Department of Health, Education and Welfare appeared before the House Armed Services Committee and testified that such officers should be included and that their inclusion was now in accord with the Administration's program. The Armed Services Committee also received testimony expressing concern for the future of the Indian Health Service if the Public Health Service physicians were excluded from the bonus pay provisions of the bill.

The conferees agreed that only physicians of the Public Health service should be included in the bill.

The Senate, therefore, recedes.

EFFECTIVE DATE

The Senate bill contained an effective date of January 1, 1974. The House amendment contained language setting an effective date of April 1, 1974. Both the Senate bill and the House version passed their respective houses in the months prior to the effective date contained therein. The conferees, therefore, consistent with the intention of both houses, provided in the conference report that the effective date should be the first of the month following enactment.

TITLE OF THE BILL

The House had amended the title of the bill consistent with its inclusion of other health professions. Since these other health professions were deleted in the conference report, the House recedes from its amendment and accepts the title of the Senate bill.

SAMUEL STRATTON,
BILL NICHOLS,
F. EDW. HÉBERT,
JOHN E. HUNT,
WILLIAM G. BRAY,
Managers on the Part of the House.

JOHN C. STENNIS,
STUART SYMINGTON,
HENRY M. JACKSON,
STROM THURMOND,
JOHN TOWER,
Managers on the Part of the Senate.

CONFERENCE REPORT ON S. 2771, REVISING SPECIAL PAY BONUS STRUCTURE TO MEMBERS OF THE ARMED FORCES

Mr. STRATTON submitted the following conference report and statement on the bill (S. 2771) to amend chapter 5 of title 37, United States Code, to revise the special pay bonus structure relating to members of the Armed Forces, and for other purposes:

CONFERENCE REPORT (H. REPT. NO. 93–985)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 2771) to amend chapter 5 of title 37, United States Code, to revise the special pay bonus structure relating to members of the armed forces, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its amendment numbered 2.

That the Senate recede from its disagreement to the amendments of the House numbered 1, 3, 4, 5, and 6, and agree to the same.

SAMUEL STRATTON,
BILL NICHOLS,
F. EDW. HÉBERT,
JOHN E. HUNT,
WILLIAM G. BRAY,
Managers on the Part of the House.

JOHN C. STENNIS,
STUART SYMINGTON,
HENRY M. JACKSON,
STROM THURMOND,
JOHN TOWER,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and Senate at the conference on the disagreeing votes of the two houses on the amendments of the House to the Senate bill (S. 2771), to amend chapter 5 of title 37, United States Code, to revise the special pay bonus structure relating to members of the armed forces, and for other purposes, submit the following joint statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report.

As a consequence of the House action, there existed five substantive differences in the House and Senate versions of S. 2771. The differences are identified below, together with an explanation of the action taken thereon in the conference report.

MAXIMUM REENLISTMENT BONUS

Under the Senate bill the maximum bonus authorized would have been $12,000. The House amended the bill to authorize a maximum of $15,000. Present law provides authority to pay a bonus of up to $15,000 for personnel in the Navy nuclear-power program and that authority expires in June 1975. The Department of Defense testified that its present plans call for using the $15,000 bonus only for personnel in the nuclear-power field when the present authority for that amount expires. The Senate conferees, therefore, receded from their position and the conferees agreed to a maximum figure in the bill of $15,000, with the understanding that the use of the maximum be limited to the nuclear field.

MULTIPLE-BONUS RESTRICTION

The House amended the bill to provide that bonuses should be administered in such a manner that a member's total reenlistment bonus for two or more reenlistments not exceed the amount to which he would have been entitled had he initially reenlisted for a total period of additional obligated service equal to the two or more reenlistments. The intent of the House amendment was to preclude service members from receiving more money for several short periods of reenlistment than for a single maximum reenlistment and to achieve thereby the personnel stability generally associated with longer reenlistments.

The Senate conferees recognized the worthwhile intent of the House amendment but insisted that the amendment would limit the ability of the Armed Forces to provide a meaningful bonus to highly trained individuals in a critical skill in the six to ten years of service timeframe. This is often a critical reenlistment period for personnel who have been given extensive and expensive training in technical skills. The Senate conferees pointed out that the Department of Defense expressed serious concern that the House amendment would greatly limit more effective use of the bonus in high skill areas.

The House, therefore, recedes.

EXPIRATION DATE

The Senate bill provided that the new Selective Reenlistment Bonus (SRB) contained in the legislation would become permanent law. The House provided an expiration date of June 30, 1977 for the SRB authority. The House conferees stated that it would be advisable to have the SRB authority reviewed by Congress after a reasonable period of operation.

The Senate recedes.

ADMISSION OF WOMEN TO SERVICE ACADEMIES

The bill as passed by the Senate contained a Senate floor amendment which would have authorized the attendance of women at the service academies. The House deleted the provision from the bill because the Senate language was technically defective and because neither body had an opportunity for hearings on the provision.

The Senate conferees strenuously maintained their position. However, the House conferees pointed out that the leadership of the House Armed Services Committee has indicated its intention to hold hearings on this legislation and such would be the most appropriate way of dealing with the matter. The Senate, therefore, reluctantly recedes.

EFFECTIVE DATE

The Senate bill has an effective date of January 1, 1974. The House amended the bill to provide an effective date of the first day of the month following the date of enactment. The House effective date is consistent with the intention of the Senate bill since the Senate passed the bill in December. The conferees agreed that there would be no purpose served by a retroactive date. The Senate, therefore, recedes.

CLARIFICATION OF INTERPRETATION OF BILL LANGUAGE

The House committee in reporting the bill indicated its intention that bonuses not be authorized for personnel for existing obligated service. There was brought to the attention of the conferees a problem that would exist, particularly in the Navy nuclear-power field, under the House interpretation of the language of the bill. In cases where commitment has been made to a man with a four-year enlistment and a two-year extension that he can cancel the two-year extension and reenlist for four years and receive a reenlistment bonus for the four-year reenlistment. The Navy expressed great concern that the language of the bill might be interpreted to require it to abrogate an understanding it had with enlistees and would operate in such a way as to cause serious retention problems in its most critical career field. The conferees, therefore, want it understood that while it normally does not expect bonuses to be paid for services for which there was an existing obligation, it is consistent with the conferees' understanding that full entitlement to SRB will be authorized for personnel who have already agreed to an extension period prior to the enactment of the legislation if they subsequently cancel this extension prior to its becoming operative and reenlist for a period of at least two years beyond the period of the canceled extension. Nothing in the bill should operate to deny the Chief of Naval Operations the authority to extend SRB entitlement to nuclear-power operators if they subsequently can cancel any outstanding extension period prior to its becoming operative and reenlist for a period of at least two years beyond the period of the canceled extension.

Samuel Stratton,
Bill Nichols,
F. Edw. Hébert,
John E. Hunt,
William G. Bray,
Managers on the Part of the Hause.
John C. Stennis,
Stuart Symington,
Henry M. Jackson,
Strom Thurmond,
John Tower,
Managers on the Part of the Senate.

PERMISSION FOR COMMITTEE ON PUBLIC WORKS TO HAVE UNTIL MIDNIGHT, THURSDAY, APRIL 11, TO FILE CERTAIN REPORTS

Mr. BREAUX. Mr. Speaker, I ask unanimous consent that the Committee on Public Works may have until midnight tomorrow, Thursday, April 11, to file certain reports.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

PROVIDING FOR CONSIDERATION OF H.R. 13113, COMMODITY FUTURES TRADING COMMISSION ACT OF 1974

Mr. PEPPER. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 1029 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 1029

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 13113) to amend the Commodity Exchange Act to strengthen the regulation of futures trading, to bring all agricultural and other commodities traded on exchanges under regulation, and for other purposes, and all points of order against section 103 of said bill for failure to comply with the provisions of clause 4, rule XXI are hereby waived. After general debate, which shall be confined to the bill and shall continue not to exceed two hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture, the bill shall be read for amendment under the five-minute rule by titles instead of by sections. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

CALL OF THE HOUSE

Mr. GROSS. Mr. Speaker, I make a point of order that a quorum is not present.

The SPEAKER. Evidentaly a quorum is not present.

Mr. McFALL. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 164]

Addabbo
Alexander
Arends
Ashbrook
Badillo
Bolling
Bowen
Brooks
Broomfield
Broyhill, Va.
Burke, Calif.
Burton
Carey, N.Y.
Cederberg
Clark
Clay
Cochran
Collier
Conyers
Corman
Danielson
Davis, Ga.
Dellums
Diggs
Dingell
Dorn
Drinan
du Pont
Esch
Evans, Colo.
Evins, Tenn.
Fisher
Flood
Flynt
Fraser
Frelinghuysen
Gettys
Giaimo
Gibbons
Griffiths
Gubser
Hanna
Hansen, Wash.
Harsha
Hébert
Holifield
Kastenmeier
Kazen
King
Landrum
Lehman
Litton
Long, Md.
McCloskey
McEwen
Macdonald
Martin, Nebr.
Mathis, Ga.
Meeds
Minshall, Ohio
Mosher
Murphy, N.Y.
Nichols
Patman
Pickle
Powell, Ohio
Quillen
Railsback
Rees
Reid
Reuss
Rooney, N.Y.
Ryan
Shipley
Sikes
Stanton, J. William
Stephens
Stuckey
Teague
Thompson, N.J.
Tiernan
Udall
Wilson, Charles H., Calif.
Wyatt

The SPEAKER. On this rollcall 348 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

PROVIDING FOR CONSIDERATION OF H.R. 13113, COMMODITIES FUTURES TRADING COMMISSION ACT OF 1974

The SPEAKER. The gentleman from Florida. (Mr. Pepper) is recognized for 1 hour.

Mr. PEPPER. Mr. Speaker, I yield 30 minutes to the distinguished gentleman from Ohio (Mr. LATTA), pending which I yield myself such time as I may consume.

Mr. Speaker, I yield such time as he may consume to the distinguished majority leader, the gentleman from Massachusetts (Mr. O'NEILL).

(By unanimous consent, Mr. O'NEILL was allowed to speak out of order.)

LEGISLATIVE PROGRAM FOR TODAY AND TOMORROW

Mr. O'NEILL. Mr. Speaker, it had been the intent of the leadership earlier in the day—and I might add that at that time we did not anticipate that the second supplemental appropriation bill was going to take the time that it did—and because there had been requests by so many Members to do so, we had thought that we could finish up this evening. However, it is obvious that a filibuster is taking place, and will take place, and there have been Members who have asked that we bring this matter up tomorrow at 10 o'clock. To do that would take unanimous consent, and I doubt that that would be possible but, in view of the fact that the Committee on the Judiciary is meeting tomorrow, that is impossible to do.

So, consequently, we would like to adopt the rule this evening, and when the rule is adopted then the motion will be made to adjourn, and the House will meet at its usual time of 12 o'clock tomorrow to complete the legislation.

Mr. Speaker, I thank the gentleman from Florida for yielding to me.

Mr. PEPPER. Mr. Speaker, House Resolution 1029 provides for an open rule with 2 hours of general debate on H.R. 13113, a bill to amend the Commodity Exchange Act to strengthen the regulation of futures trading.

House Resolution 1029 provides that all points of order against section 103 of the bill are waived for failure to comply with the provisions of clause 4, rule XXI of the Rules of the House of Representatives—prohibiting appropriations in a legislative bill.

House Resolution 1029 also provides that the bill shall be read for amendment by titles instead of by sections.

H.R. 13113 creates a new five-person regulatory commission to be called the "Commodity Futures Trading Commission." It will consist of four public members and the Secretary of Agriculture or his designee. All existing authority under the Commodity Exchange Act presently delegated to the Secretary of Agriculture and the Commodity Exchange Commission will be transferred to the new "Commodity Futures Trading Commission."

H.R. 13113 provides that all commodities trading in futures will be brought within Federal regulation under the auspices of the new Commission. However, provision is made for preservation of Securities and Exchange Commission jurisdiction in those areas traditionally regulated by the SEC.

Mr. Speaker, I urge the adoption of House Resolution 1029 in order that we may discuss and debate H.R. 13113.

Mr. PEPPER. Mr. Speaker, at this time I yield such time as he may consume to the gentleman from Texas (Mr. POAGE).

Mr. POAGE. Mr. Speaker, I think that the majority leader, the gentleman from (Massachusetts (Mr. O'NEILL) has already made it plain as to how we will proceed. I would, however, feel that I should point out that the Committee on Agriculture has had nothing to do with bringing this up at this late hour. The only reason for asking that it be brought up tonight was that we had understood that many of the Members wanted to go home and had hoped to go tonight or tomorrow morning. In an effort to try to cooperate, the Committee on Agriculture tried to expedite this matter so that Members could go home tonight or in the morning. But since there are those who felt that we should not take it up at this time but that we should take more time, we are, of course, acquiescing, and we will be here tomorrow, and we will be sitting here probably at the same time tomorrow night.

I think we all had better forget about going home. The Committee on Agriculture is going to try to expedite this tomorrow. I do not know what others are going to do, but speaking for the majority, it is my intention not to yield more than 2 minutes to anybody to speak on general debate tomorrow in an effort to try to enable those who want to get away from here and be able to get to their homes, if at all possible. I simply want to make it clear, because on so many occasions in some way, agriculture bills have been brought up—and it is not within the province of the chairman of the Committee on Agriculture to determine what time they are brought up—after 6 o'clock at night. We cannot help that.

The Members did not hear me take any time this afternoon. They did not hear members of the Committee on Agriculture take up their time this afternoon. It was not this committee that brought about this long delay, and I think in all fairness the membership of this House should recognize that we have not occasioned this delay and we are not causing the delay that is going to inconvenience some of the Members tomorrow. But we are going to try to expedite the business. We are going to move it along as fast as we can, and we will be here tomorrow ready to do business.

Mr. LATTA. Mr. Speaker, House Resolution 1029 provides for the consideration of H.R. 13113, the Commodity Futures Trading Commission Act of 1974. This is an open rule with 2 hours of general debate, and provides that the bill be read by titles instead of by sections. In addition, House Resolution 1029 contains a waiver of points of order against section 103 for failure to comply with clause 4 of rule XXI, which deals with appropriations on a legislative bill.

In recent years the commodity futures trading industry has grown to the point where it now has a $400 billion annual trading volume.

H.R. 13113 consists of four titles. Title I creates a new regulatory commission, the Commodity Futures Trading Commission. The five-member commission will consist of the Secretary of Agriculture or his designee and four public members appointed by the President and approved by the Senate. No more than two of the public members may be of the same political party. All existing authority under the present Commodity Exchange Act presently delegated to the Secretary of Agriculture and the Commodity Exchange Commission will be transferred to the new Commodity Futures Trading Commission. The Commission may hire additional staff, and will have its own general counsel and legal staff instead of relying on the Department of Agriculture general counsel. Provision is made for GAO access to the records of the Commission. Customer complaints initially will be considered by an administrative law judge and then reviewed by the Commission before a final order is entered. Appeals would be to the U.S. district court.

Title II provides broad new authority to the Commission over futures trading. All commodities trading in futures will be brought under Federal regulation. At present many commodities are not regulated. Contract markets will be required to establish their own customer claims settlement procedures complementing the Commission's procedures. The Commission will have authority through the Attorney General to seek injunctions to stop any person from violating the act. The Commission will have authority to impose penalties up to $100,000 in both administrative and criminal proceedings for violations of the act.

Title III provides enabling authority for persons in the commodity trading business to establish a voluntary futures association or associations which would regulate the practices of its members in the public interest.

Title IV makes it a felony for Commissioners, employees or agents of the Commission to deal in commodity futures or to give out confidential information to others.

The Committee on Agriculture estimates the cost of this bill to be $25,593,000 over the next 5 years.

Mr. Speaker, I yield 10 minutes to the gentleman from Texas (Mr. PRICE).

Mr. PRICE of Texas. Mr. Speaker, I, too, hate to take up the Members' time, but I think when we are talking about a bill and a business that amount to approximately $400 billion in commodity markets, we either should take time to discuss it this evening or take time when it is appropriate to take time, because very seldom do we have a bill amounting to approximately $400 billion.

Mr. Speaker, I oppose H.R. 13113 because it represents a total lack of faith, I think, in our market-oriented free market enterprise system involving a $380- to $400-billion commodity market, the primary purpose of which is to provide stability to producers and an adequate supply for consumers. It also represents a lack of evidence that a new and far-reaching range of authorities proposed by the bill are either necessary or desirable. It also, Mr. Speaker, calls for the creation of a new and greatly expanded bureaucracy to perform the duties that the present agency could more effectively and efficiently do if given ample authority and staff.

Certainly a new commission with a staff of another 1,000 people is not needed. As now written, the bill before us, H.R. 13113, could destroy the futures industry in this country.

The bill gives sweeping Government control over nearly every aspect of futures trading. If this legislation is passed, bureaucrats in Washington will run the market that heretofore has been an accurate reflector of economic conditions.

Mr. Speaker, here we have a futures market in this country that has gone from about $150 billion 2 years ago to around $380 billion, and it has been done by people who are experts in this business. Now we are attempting to write legislation that will take over one of the greatest free enterprise examples I have ever seen in this country.

Section 215 of this bill is particularly dangerous for it gives the newly created 5-member Commodity Futures Commission the power to decide when it should take control of the futures industry. The new Commission could take over the market if it decides trading is fluctuating too greatly. Under this section the newly created Commission could also take over the market during times of wide market fluctuations. We would point out that price fluctuations have existed for years and are likely to continue indefinitely. These fluctuations will continue to be a fact of everyday life in the United States for some time to come. The moment the new 5-member Commission is voted into existence, it will have immediate jurisdiction for assuming direction of the commodity futures industry.

Widescale injunctive powers are also vested in the Commission under Section 211. It can halt the transactions of any market or person who "has engaged, is engaging, or is about to engage" in any act constituting a violation of the law. This power of preventive injunction raises serious constitutional questions. It is a particularly ominous threat against the right to conduct business.

Injunctions could also be issued when an individual or market is thought to be in a position to "effectuate a squeeze or corner or otherwise restrain trading." Here there need be no suspicion of intended wrongdoing. Adequate protection already exists in the CEA and the exchange rules now. The mere possession of the power to do wrong potentially will suffice to justify an injunction. This power to enjoin even in the absence of suspicion of dishonest intention is most questionable. The power is compounded by the failure of the legislation to stipulate what is meant by the phrase "squeeze, corner, or otherwise restrain trading."

All contract markets will need Commission "licensure." To obtain it, each must prove it served an "economic purpose," otherwise the "license" can be denied.

Mr. SYMMS. Mr. Speaker, will the gentleman yield?

Mr. PRICE of Texas. I yield to the gentleman from Idaho.

Mr. SYMMS. Mr. Speaker, I thank the gentleman for yielding.

I associate myself with the remarks of the gentleman.

I ask the gentleman from Texas, if these broad sweeping powers could be as destructive to the futures industry as the gentleman suggests, is it possible this $400 billion business might move over to the West Indies, to Grand Cayman or one of the other islands where they would not have to live under the rules and regulations of this Commission?

Mr. PRICE of Texas. The gentleman is possibly correct in that anyone who has any business in the commodities on these transactions knows if these traders are not allowed to trade on the floor they will take their commodity trade and go to Canada or to some other country where they can invest their money.

Mr. YOUNG of South Carolina. Mr. Speaker, will the gentleman yield?

Mr. PRICE of Texas. I yield to the gentleman from South Carolina.

Mr. YOUNG of South Carolina. Mr. Speaker, I would like to ask the gentleman from Texas if he believes this Commission that would be appointed would be of a nonpolitical nature?

Mr. PRICE of Texas. It is supposed to be of a nonpolitical nature. I understand it can be from either political party.

Mr. YOUNG of South Carolina. Mr. Speaker, I associate myself with the remarks of the gentleman.

Mr. BAKER. Mr. Speaker, will the gentleman yield?

Mr. SYMMS. I yield to the gentleman from Tennessee.

Mr. BAKER. Mr. Speaker, I would like to associate myself with the remarks of the gentleman in the well. I feel he probably has studied as hard as anyone on the committee this legislation and has first-hand knowledge of his own activities of the futures market and the practical aspects of the futures market. I believe we should follow his guidance. I want to associate myself with his remarks.

Mr. MAYNE. Mr. Speaker, will the gentleman yield?

Mr. PRICE of Texas. I yield to the gentleman from Iowa.

Mr. MAYNE. I was curious about the gentleman's prediction that many traders would leave this country in order to trade in commodities in other countries if this legislation were to pass.

I will ask the gentleman if that is so, why is it that the Chicago Board of Trade and the Chicago Mercantile Exchange are not opposing this legislation? As I understand, it would be beneficial, not only to traders, but to the producers of this country. Is that not a rather curious position for them to take if the predictions of the gentleman of a mass emigration of American industry is true?

Mr. PRICE of Texas. I might say to the gentleman that I have seen businessmen come down to the committees of this House and say, "We might as well lay dead, because it will pass anyway." This is what a lot of industry people said, that the committee is going to take action; we do not like it, but we are going to make suggestions and live with it. This is the best they feel they can live with and just because they came down and laid before the committee, I am not going to.

Mr. MAYNE. I thank the gentleman for yielding and commend him for his zeal; but I would point out this is supported by the Members of the Exchange.

Mr. PRICE of Texas. Mr. Speaker, I would like to refer to section 203 at this point, which states:

> Under Section 203, the Commission will be able to put limitations on brokers and floor traders buying for their own accounts as well as for their customers. This provision is not necessary to keep brokers honest—market considerations are much more forceful—and its only effect will be to hurt the liquidity of the futures market.
>
> We believe that the bill's premise displays both a lack of faith in as well as a lack of understanding of the mechanism of futures trading, and particularly the importance of speculators to the smooth functioning of the market. Speculation is the heart of the market and provides from 60 percent to 80 percent of the liquidity for futures transactions. Speculators help producers who want the highest price for their products and the consumers who want the lowest price for these same products. The speculator provides liquidity to the market place, and he levels the many peaks and valleys that would otherwise occur in the price structure in the price structure in the absence of the speculator.
>
> The new Commission will also have the power under Section 208 to finally determine the location and number of delivery points of commodities. While we feel additional delivery points are desirable, the users of the market and the exchange themselves should be the ones to determine where delivery points should be located, not the new Commission whose decision is more likely to be based on political pressures rather than economic factors. This provision alone could destroy futures trading.
>
> Over a period of many years, futures markets have developed under a system where buyer and seller were free to carry out mutually beneficial and voluntary transactions. This free enterprise system has served superbly the farmer, the merchandiser, and the consumer.
>
> It is especially discerning to note that those who have pushed this legislation admit that they have no real evidence of serious wrongdoing taking place on futures markets. Some have called for stricter controls on futures trading based on the premise that food price increases *may* have been caused at least in part by manipulation and speculation, but this view was totally unsupported by the testimony presented at Committee hearings.
>
> Thus, if this bill is passed, we will have yet another unfortunate example of Congress throwing reason out the window and the takeover of yet another great example of our free enterprise system functioning without government control and interference. Liberty and economic opportunity will again be trampled under foot by big government if this bill is passed and enacted into law.

I might say to the gentleman from Iowa, if this Commission is allowed to take over and tell who is going to trade on the floor and these people want to take their commission firms and move out and if they destroy the right of a man to go into the market, then certainly they will be moving out and will not provide the liquidity for a person who wants to sell his cattle or sell his corn.

The SPEAKER. The time of the gentleman has expired.

Mr. LATTA. Mr. Speaker, I yield the gentleman 1 additional minute.

Mr. SYMMS. Mr. Speaker, in answer to the gentleman from Iowa, Mr. MAYNE's question to the gentleman from Texas, there are several people in the industry and the Chicago Mercantile Exchange does not necessarily overwhelmingly approve this bill; but they were afraid to fight it because they might get something worse out of a future Congress.

I might refer to the March 4 issue of Barron's magazine in which they are very much opposed to this.

Mr. MAYNE. Mr. Speaker, will the gentleman yield?

Mr. SYMMS. I yield to the gentleman from Iowa.

Mr. MAYNE. I am very familiar with the excellent article in Barron's and the help it gives to the premise of the gentleman. I am very happy for him to receive this long overdue recommendation; but I do not think it should influence this House to vote against this rule.

Mr. LATTA. Mr. Speaker, I yield 1 minute to the gentleman from Illinois.

Mr. FINDLEY. Mr. Speaker, I take this moment just to inform my colleagues not to react, in this rather restive attitude we have tonight, against the rule. In the 14 years I have been here I have had the opportunity to observe the work of the Committee on Agriculture. This is the finest product this committee has brought to the floor of the House.

It is a result of long, careful deliberations. We have consulted with leaders of the futures industry all over the country, and I can say that in talking with the individuals who are the leaders of the trading centers, the Board of Trade in Chicago, the Mercantile Exchange, the leading agricultural and trading economists in the Nation, I cannot find one of these individuals who has not volunteered a highly favorable report on the final product of the Committee on Agriculture.

Therefore, I implore the Members to vote "yes," when the time comes on the rule.

Mr. LATTA. Mr. Speaker, I reserve the balance of my time.

Mr. PEPPER. Mr. Speaker, I yield to the gentlewoman from Missouri (Mrs. SULLIVAN).

Mrs. SULLIVAN. Mr. Speaker, I rise in support of the rule and the bill.

Mr. Speaker, if it is true that every cloud has a silver lining, then the long overdue reforms contained in H.R. 13113 in the operation of commodity futures markets can be regarded as one worthwhile outcome of the incredible mismanagement by the Nixon administration of the economy of this country. The inflation we have experienced has been much more serious than a cloud, or even a cloudburst—it has been a sustained deluge which has seriously eroded the economic stability of this country and created havoc for the American people. And nowhere has inflation's consequences been felt more strikingly than in the prices of commodities which are traded in this country in futures exchanges.

The incredible increases which have occurred in food prices since August of 1971, when the price control authority of the Economic Stabilization Act was first put into effect, can be attributed only in part to the excessive speculation in commodity futures trading, but excessive speculation in futures has been a significant part of the problem of food price inflation. Basically, the soaring food price index reflected the failure of the administration from the very beginning of the controls program to impose price ceilings on any raw agricultural commodities. Coupled with an unrestricted export program, including the manner in which the Russian wheat deal was negotiated and allowed to take effect, the lack of controls over farmers' prices and the inadequate controls over commodity futures speculation in farm commodities have resulted in price increases at the retail level which have hurt the American family grievously, and particularly the lower income families and those on fixed incomes. Speculation in nonfood futures has contributed significantly to increases in other living costs.

If price controls had been imposed on raw agricultural and other primary commodities at levels reflecting a fair rate of return to the farmer or producer, any gyrations of prices in the commodities markets would have had minimal effect on retail prices. But because there were no controls on primary commodities prices, trading in commodity futures went wild, and we have all suffered as a consequence.

WIDE AND ERRATIC FLUCTUATIONS

As Congressman NEAL SMITH's Subcommittee on Special Small Business Problems of the House Permanent Select Committee on Small Business pointed out in its recent report to the House, fluctuations in the futures markets have been "so wide and erratic" as to disrupt orderly marketing procedures and make the futures markets unreliable devices for producers and processors to protect themselves against cost increases or price declines. As for the consumer, although there is always a raging argument as to how much of an impact increases in futures prices have in pulling up spot prices, I think it is clear to anyone who has followed the futures markets over the years that sharp price increases in the futures contracts during periods of frantic speculation prompt those with supplies on hand of a traded commodity to hold out for higher cash prices. When the futures market is going up fast there is little incentive to sell at today's cash price if, on the basis of rising futures prices, you think that tomorrow's or the next day's cash price is going to be much higher.

So, inevitably excessive speculation in futures leading to sharp increases in the futures prices does pull up the cash prices, but when a downturn sets in on the futures market the cash prices are slow to follow.

Commodity futures trading is an old and legitimate mechanism for enabling producers and processors of basic commodities to set the terms today of the prices at which one will sell and the other will buy a set quantity of a certain product many months in the future. Even if there are sharp changes in the actual prices of those commodities in the intervening months, both the seller and buyer know that the price they have previously agreed upon will be firm, and they can both plan accordingly. But the futures exchanges are more than one-to-one relationships between a producer and a processor; they provide a daily market in which one party or the other can liquidate his futures position to a third party, who then shares the risk of rising or falling cash prices. Under normal circumstances, these markets are operated for, and participated in by, knowledgeable specialists in the commodities traded.

But a phenomenon has occurred in the commodities exchanges in the last 20 years or so by attracting to these volatile markets outsiders with little or no knowledge about the individual commodities but with loose money with which to gamble. These are people looking for fast action on which large amounts of money can be made overnight with modest investments based on the exchanges' traditionally low margins, often as low as 5 percent, or even less, of the value of the contracts traded.

COVERS COFFEE, SUGAR, AND OTHER COMMODITIES NOW NOT REGULATED

Twenty years ago, Mr. Speaker, during my first term in the House, rumors of a crop disaster for coffee producers in Brazil set off an orgy of futures trading in coffee in this country which in turn doubled and tripled the cost of a pound of coffee to the American consumer. When I called to the attention of the Eisenhower administration that the alleged coffee shortage appeared to be a hoax, the Federal Trade Commission undertook an investigation which confirmed that suspicion and pointed to excessive speculation and irregularities in coffee futures trading as a major factor in the incredible rise in actual coffee prices in the United States.

That bubble burst when the FTC issued its report, leaving in its debris many lost fortunes and millions of dollars of lost consumer purchasing power from 6 months of artificially high retail coffee prices. Nevertheless, up to now futures trading in coffee has never been brought under any form of Federal regulation.

A somewhat similar situation occurred in 1963 when sugar prices doubled—again accentuated by excessive futures speculation. But sugar futures also have continued to lie outside the regulatory scope of the Commodity Exchange Authority. As a matter of fact, many of the sugar futures speculators who got into this market in 1963 said they did so because it was not regulated.

H.R. 13113 will finally bring coffee and sugar, and a lot of other nonregulated commodities traded on futures exchanges, under Federal regulation for the first time, such as copper, lumber, silver, aluminum, lead, nickel, plywood, and many others. If this bill did nothing more than bring those vital and volatile commodities under regulation, it would serve a highly useful purpose.

But it does far more than that, by strengthening the Government's power to deal with a variety of highly questionable trading practices on all of the futures exchanges, and I will support it as far as it goes Unfortunately, it took a major upheaval in the economy of this country to bring about these long overdue reforms in futures trading.

However, H.R. 13113 ignores completely the one aspect of commodity futures gambling—and I use that word advisedly—which has made possible the worst excesses in futures trading. I am referring to the need for effective regulation of the downpayments—the earnest money, or "margin"—established by the exchanges themselves in connection with a futures transaction.

Margins in stock exchange transactions are regulated by the Federal Reserve Board in order to dampen down excessive speculation on borrowed money during inflationary periods. To buy stock valued at $18,000, for instance, the purchaser has to put down at least $9,000, and from time to time the Federal Reserve has set margin requirements for higher than 50 percent; at one time I believe it was as high as 90 percent.

ATTEMPT TO BRING MARGINS UNDER FEDERAL SUPERVISION

A year ago, when the House Committee on Banking and Currency reported out a bill to extend the Economic Stabilization Act, we included a provision giving the Secretary of Agriculture authority to set margins on commodities futures trading—as part of our 1973 anti-inflation and mandatory price rollback bill which was defeated on the House floor. At that time, in order to speculate on an $18,000 futures contract for 40,000 pounds of cattle on the Chicago Mercantile Exchange, the margin required was only $700. On what was at that time a $15,000 contract at the Chicago Board of Trade for 100,000 board feet of stud lumber, the margin set by the exchange was only $500. On the New York Commodity Exchange, a speculator on what was then a $16,500 contract for 25,000 pounds of copper had to put down only $750.

Incidentally, a copper futures contract for which a speculator had to put down only $750 in April 1973 is today worth approximately $33,000 because the price of copper has doubled in the meantime. And that is a pretty good return of $16,500 on an original investment of only $750. It is because such truly phenomenal profits can be, and have been, made in commodity futures trading with so little money down that the phenomenon of widespread public speculation has occurred in these markets, particularly during the past year when the stock market has been in the doldrums and commodity prices seemed for a long time to be going only in one direction. But, of course, for every winner on these commodity exchanges, there is also a loser and the losses can be extremely heavy, too.

Leaving the setting of margins strictly up to the managers and directors of the private commodity futures exchanges, with absolutely no power within the Federal Government to influence or supervise the margin-setting decisions, as H.R. 13113 would do, continues those exchanges in a clear conflict-of-interest situation. Their only interest in setting a particular margin level on a futures contract is to protect the exchange and its members against customer defaults. They have little or no interest in dampening down speculation during an inflationary situation because the more speculators who move into commodities in order to gamble, the more the exchanges and its members make in commissions.

EFFECT OF FRANTIC SPECULATION ON LEGITIMATE HEDGERS

It is the same as giving the New York Stock Exchange the power to set margins on stocks, rather than having the Federal Reserve Board make these decisions from the standpoint of the overall economic situation. If the New York Stock Exchange had the opportunity today to set minimum margins on common stocks, as the commodity exchanges do on futures contracts, it is probable that the margin on stocks would also now be only 5 percent instead of 50 percent, in order to stimulate more trading. But we learned in the 1929 stock market crash that when margin setting is left to the exchanges themselves and to individual brokers, margins are not based on any consideration of national interest. That has been the case in commodities.

And the result has been a chaotic invasion of the commodity markets by gamblers and amateur dabblers looking for quick riches. And, as my good friend L. C. "Clell" Carpenter, vice president of the Midcontinent Farmers Association, headquartered at Columbia, Mo., pointed out in his testimony before Congressman SMITH's Small Business Subcommittee last year, speaking also for the Missouri Farmers Association, the frantic trading encouraged by the exchanges placed legitimate hedgers in a serious financial squeeze in maintaining their positions, and he attributed this to excessive paper trading.

NEW COMMISSION SHOULD BE ABLE TO SUPERVISE MARGIN SETTING

If the new Commodity Futures Trading Commission created by H.R. 13113 is to be able to bring order out of chaos in these markets, and prevent chaos from excessive speculation, it should not be denied the power to supervise margin setting. I note that the Smith Small Business Subcommittee recommended that the Commission be given such powers.

This would not mean that legitimate hedgers would have to post the same margins as doctors, dentists, lawyers, secretaries, housewives, and others who come into these markets at the suggestion of stockbrokers looking for extra commissions. But the margin-setting power would not be left with the exchanges themselves, without supervision or regulation of any kind on this important aspect of the markets' operations. The margin setting should reflect national economic conditions rather than just the self-interest of the exchanges, for it is to the exchanges' interest, usually, to set the margins at levels which will attract as many new customers as possible, and those are levels which are often far too low for national economic stability.

Mr. PEPPER. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. PRICE of Texas. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 347, nays 15, answered "present" 1, not voting 69, as follows:

[Roll No. 165]

YEAS—347

Abdnor
Abzug
Adams
Addabbo
Alexander
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Arends
Armstrong
Ashley
Aspin
Bafalis
Barrett
Bauman
Beard
Bell
Bennett
Bergland
Bevill
Biaggi
Bingham
Blackburn
Boggs
Boland
Brademas
Brasco
Bray
Breaux
Breckinridge
Brinkley
Brotzman
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill, N.C.
Buchanan
Burgener
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton
Butler
Byron
Carney, Ohio
Carter
Casey, Tex.
Chamberlain
Chappell
Clancy
Clark
Clausen, Don H.
Clay
Cleveland
Cochran
Cohen
Collins, Ill.
Collins, Tex.
Conable
Conlan
Conte
Cotter
Coughlin
Cronin
Culver
Daniel, Dan
Daniel, Robert W., Jr.
Daniels, Dominick V.
Davis, Ga.
Davis, S.C.
Davis, Wis.
de la Garza
Delaney
Dellenback
Denholm
Dent
Derwinski
Dickinson
Dingell
Donohue
Downing
Drinan
Dulski
Duncan
Eckhardt
Edwards, Ala.
Eilberg
Erlenborn
Eshleman
Evins, Tenn.
Fascell
Findley
Fish
Flood
Flowers
Foley
Ford
Forsythe
Fountain
Fraser
Frenzel
Frey
Froehlich
Fulton
Fuqua
Gaydos
Gettys
Gilman
Goldwater
Gonzalez
Goodling
Grasso
Gray
Green, Oreg.
Green, Pa.
Gross
Gude
Gunter
Guyer
Haley
Hamilton
Hammerschmidt
Hanley
Hanna
Hansen, Idaho
Harrington
Harsha
Hastings
Hays
Hechler, W. Va.
Heckler, Mass.
Heinz
Helstoski
Henderson
Hicks
Hillis
Hinshaw
Hogan
Holifield
Holt
Holtzman
Horton
Howard
Hudnut
Hungate
Hunt
Hutchinson
Ichord
Jarman
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Kemp
Ketchum
Kluczynski
Kuykendall
Kyros
Lagomarsino
Latta
Leggett
Lent
Long, Md.
Lott
Lujan
Luken
McClory
McCollister
McCormack
McDade
McFall
McKay
McKinney
McSpadden
Madden
Madigan
Mahon
Mallary
Mann
Maraziti
Martin, N.C.
Mathias, Calif.
Mathis, Ga.
Matsunaga
Mayne
Mazzoli
Meeds
Melcher
Metcalfe
Mezvinsky
Michel
Milford
Miller
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Mizell
Moakley
Mollohan
Montgomery
Moorhead, Calif.

Moorhead, Pa.
Morgan
Mosher
Moss
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers
Natcher
Nedzi
Nelsen
Nix
Obey
O'Brien
O'Hara
O'Neill
Owens
Passman
Patten
Pepper
Perkins
Pettis
Peyser
Poage
Podell
Preyer
Price, Ill.
Pritchard
Quie
Railsback
Randall
Rarick
Rees
Regula
Reuss
Riegle
Rinaldo
Roberts
Robinson, Va.
Robison, N.Y.
Rodino
Roe
Rogers
Roncalio, Wyo.
Roncallo, N.Y.
Rooney, Pa.
Rose
Rosenthal
Rostenkowski
Roush
Rousselot
Roy
Roybal
Runnels
Ruppe
Ryan
St Germain
Sandman
Sarasin
Sarbanes
Satterfield
Scherle
Schneebeli
Schroeder
Sebelius
Seiberling
Shoup
Shriver
Shuster
Sikes
Sisk
Skubitz
Slack
Smith, Iowa
Smith, N.Y.
Snyder
Spence
Staggers
Stanton, James V.
Stark
Steed
Steele
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Stokes
Stratton
Stubblefield
Studds
Sullivan
Symington
Talcott
Taylor, Mo.
Taylor, N.C.
Thomson, Wis.
Thone
Thornton
Towell, Nev.
Treen
Udall
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Veysey
Vigorito
Waggonner
Waldie
Walsh
Wampler
Ware
Whalen
White
Whitehurst
Whitten
Widnall
Wiggins
Williams
Wilson, Bob
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Winn
Wolff
Wright
Wydler
Wylie
Wyman
Yates
Yatron
Young, Alaska
Young, Ga.
Young, Ill.
Young, Tex.
Zablocki
Zion
Zwach

NAYS—15

Ashbrook
Baker
Camp
Clawson, Del
Crane
Dennis
Devine
Hanrahan
Hosmer
Landgrebe
Pike
Price, Tex.
Symms
Young, Fla.
Young, S.C.

ANSWERED "PRESENT"—1

Grover

NOT VOTING—69

Badillo
Biester
Blatnik
Bolling
Bowen
Brooks
Broomfield
Broyhill, Va.
Burke, Calif.
Carey, N.Y.
Cederberg
Chisholm
Collier
Conyers
Corman
Danielson
Dellums
Diggs
Dorn
du Pont
Edwards, Calif.
Esch
Evans, Colo.
Fisher
Flynt
Frelinghuysen
Giaimo
Gibbons
Ginn
Griffiths
Gubser
Hansen, Wash.
Hawkins
Hébert
Huber
Jones, Ala.
Karth
Kastenmeier
Kazen
King
Koch
Landrum
Lehman
Litton
Long, La.
McCloskey
McEwen
Macdonald
Martin, Nebr.
Mills
Minshall, Ohio
Nichols
Parris
Patman
Pickle
Powell, Ohio
Quillen
Rangel
Reid
Rhodes
Rooney, N.Y.
Ruth
Shipley
Stanton, J. William
Stuckey
Teague
Thompson, N.J.
Tiernan
Wyatt

So the resolution was agreed to.

The Clerk announced the following pairs:

Mr. Kastenmeier with Mr. Fisher.
Mr. Kazen with Mr. Dellums.
Mr. Rooney of New York with Mr. Rhodes.
Mr. Pickle with Mr. Broyhill of Virginia.
Mr. Diggs wih Mr. Carey of New York.
Mr. Shipley with Mr. Cederberg.
Mr. Conyers with Mr. Reid.
Mr. Teague with Mr. Collier.
Mr. Badillo with Mr. Edwards of California.
Mr. Nichols with Mr. McCloskey.
Mrs. Griffiths with Mr. Biester.
Mr. Thompson of New Jersey with Mr. du Pont.
Mr. Danielson with Mr. Esch.
Mr. Tiernan with Mr. Frelinghuysen.
Mr. Litton with Mr. Minshall of Ohio.
Mr. Stuckey with Mr. Martin of Nebraska.
Mr. Macdonald with Mr. McEwen.
Mr. Brooks with Mr. Gubser.
Mrs. Chisholm with Mr. Blatnik.
Mr. Giaimo with Mrs. Hansen of Washington.
Mr. Flynt with Mr. Huber.
Mr. Rangel with Mr. Dorn.
Mr. Koch with Mr. Corman.
Mr. J. William Stanton with Mr. King.
Mr. Bowen with Mr. Landrum.
Mrs. Burke of California with Mr. Karth.
Mr. Lehman with Mr. Long of Louisiana.
Mr. Hébert with Mr. Parris.
Mr. Jones of Alabama with Mr. Broomfield.
Mr. Hawkins with Mr. Evans of Colorado.
Mr. Ginn with Mr. Mills.
Mr. Gibbons with Mr. Patman.
Mr. Powell of Ohio with Mr. Quillen.
Mr. Ruth with Mr. Wyatt.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

LEGISLATION TO REDUCE REGRESSIVE SOCIAL SECURITY TAX

(Mr. BURKE of Massachusetts asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. BURKE of Massachusetts. Mr. Speaker, I am filing today with 20 additional cosponsors legislation to reduce the regressive social security tax.

This bill's cosponsors now number 120, and I ask permission to have placed in the CONGRESSIONAL RECORD the "Honor Roll" listing these Members names.

Mr. Speaker, these Members are to be commended for their foresight and for their attention to the tax problems of millions of American workers. For over half the population, social security taxes are greater than the Federal income tax, and something obviously has to be done to redress this situation.

In addition, under permission granted above I include in the RECORD the excellent article by the nationally famous reporter David Nyhan of the Boston Globe's Washington bureau, entitled "Burke Gains Support for Shift in SS Tax Load."

Also under permission granted above I include a resolution recently enacted by the Massachusetts House of Representatives memorializing the Congress to act swiftly on the legislation I have introduced to reduce the payroll tax:

SOCIAL SECURITY HONOR ROLL

Bella Abzug (NY).
Joseph P. Addabbo (NY).
Frank Annunzio (Ill).
Herman Badillo (NY).
Jonathan B. Bingham (NY).
Edward P. Boland (Mass).
Frank J. Brasco (NY).
George F. Brown, Jr. (Calif).
James A. Burke (Mass).
Yvonne Brathwaite Burke (Calif.)
Phillip Burton (Calif.)
Charles J. Carney (Ohio).
Shirley Chisholm (NY).
Frank M. Clark (Pa).
William Clay (Mo).
Cardiss Collins (Ill).
Silvio O. Conte (Mass).
John Conyers, Jr. (Mich).
James C. Corman (Calif).
William R. Cotter (Conn).
Paul W. Cronin (Mass).
Dominick V. Daniels (NJ).
James J. Delaney (NY).
Ronald V. Dellums (Calif.).
Ron de Lugo (VI).
Frank E. Denholm (S. Dak).
John H. Dent (Pa).
Charles C. Diggs (Mich).
Harold D. Donohue (Mass).
Robert F. Drinan (Mass).
Don Edwards (Calif).
Joshua Eilberg (Pa).
Walter E. Fauntroy (DC).
Daniel J. Flood (Pa).
William D. Ford (Mich).
Donald M. Fraser (Minn).
Joseph M. Gaydos (Pa).
Benjamin A. Gilman (NY).
Kenneth J. Gray (Ill).
William J. Green (Pa).
Bill Gunter (Fla).
Michael Harrington (Mass).
Augustus F. Hawkins (Calif).
Wayne L. Hays (Ohio).
Ken Hechler (W. Va).
Margaret M. Heckler (Mass).
Henry Helstoski (NJ).
Floyd V. Hicks (Wash).
Elizabeth Holtzman (NY).
Harold T. Johnson (Calif).
Barbara Jordan (Tex).
Joseph E. Karth (Minn).
John C. Kluczynski (Ill).
Peter N. Kyros (Maine).
William Lehman (Fla).
Mike McCormack (Wash).
Stewart B. McKinney (Conn).
Torbert H. Macdonald (Mass).
Ralph H. Metcalfe (Ill).
Parren J. Mitchell (Md).
Joe Moakley (Mass).
William S. Moorhead (Pa).
Thomas E. Morgan (Pa).
Morgan F. Murphy (Ill).
Robert N. C. Nix (Pa).
James G. O'Hara (Mich).
Claude Pepper (Fla).
Carl D. Perkins (Ky).
Bertram L. Podell (NY).
Melvin Price (Ill).
William J. Randall (Mo).
Charles B. Rangel (NY).
Ogden R. Reid (NY).
Henry S. Reuss (Wis).
Donald W. Riegle, Jr. (Wis).
Peter W. Rodino, Jr. (NJ)
Robert A. Roe (NJ).
Fred B. Rooney (Pa).
Charles Rose (NC).
Benjamin S. Rosenthal (NY).
Fernand J. St Germain (RI).
Charles W. Sandman, Jr. (NJ).
Paul S. Sarbanes (Md).
Patricia Schroeder (Colo).
John F. Seiberling (Ohio).
James V. Stanton (Ohio).
Fortney H. Stark (Calif).
Louis Stokes (Ohio).
Frank A. Stubblefield (Ky).
Gerry E. Studds (Mass).
Robert O. Tiernan (RI).
Richard Vander Veen (Mich).
Charles A. Vanik (Ohio).
Jerome R. Waldie (Calif).
Charles H. Wilson (Calif).
Lester L. Wolff (NY).
Antonio Borja Won Pat (Guam).
Gus Yatron (Pa).
Andrew Young (Ga).
Clement J. Zablocki (Wis).
Thomas L. Ashley (Ohio).
Les Aspin (Wis).
William A. Barrett (Pa).
Mario Biaggi (NY).
Mendel Davis (SC).
Joe L. Evins (Tenn).
Louis Frey, Jr. (Fla).
Ella T. Grasso (Conn).
Robert Hanrahan (Ill).
William Hungate (Mo).

Norman F. Lent (NY).
Paul N. McCloskey, Jr. (Calif).
Ray J. Madden (Ind).
Joseph G. Minish (NJ).
Lucien N. Nedzi (Mich).
Edward J. Patten (NJ).
Frank Thompson, Jr. (NJ).
Joseph P. Vigorito (Pa).
Bill C. W. Young (Fla).
Edward I. Koch (NY).

[From the Boston Globe, Apr. 17, 1974]

Burke Gains Support for Shift in Social Security Tax Load

(By David Nyhan)

Washington.—Jimmy Burke's Social Security re-shuffle started slowly.

It got nowhere last year. By Feb. 26 of this year there were 65 congressmen who'd signed on as cosponsors. By March 3, there were 90. As of last week, 120 members had signed on.

And now US Rep. James A. Burke (D-Mass.), the 64-year-old self-styled "bread and butter congressman," is almost ready to go into the House Ways and Means Committee to argue for a tax cut for the little guy.

Burke is out to reform the Social Security system. Those little letters on your paycheck stub FICA (standing for the Federal Insurance Corporation of America), represent what you and millions of Americans pay each week into the fund that keeps widows, orphans and the elderly out of the poorhouse.

The recently increased Social Security tax is now at 5.85 percent of the first $13,200 of earned income. For more than half the population, Social Security taxes are greater than the Federal income tax, which is computed on a sliding scale.

Burke calls Social Security "the most regressive tax" because poor workers pay a higher share of their income than do the better-off. The Social Security tax currently peaks at $772 a year for every worker. Each employer has to match that amount for each employee.

Burke's proposal would reduce the Social Security tax from its present 5.85 percent to 3.9 percent, and raise the income cutoff level from $13,200 to $25,000.

"For the married couple with two children and an income of $7000 a year," says Burke. "My bill would cut the Social Security tax from the present $409.50 to $273 a year."

His proposal also calls for the US Treasury to pay one-third of the Social Security tab from general revenues, so that instead of the present system where the worker pays half and the employer pays half, the new system would have the worker, the employer and the government each paying one-third.

A dogged plodder on "little guy" legislation in his No. 3 position on the House Ways and Means Committee and his post on the 10-member Joint Committee on Internal Revenue Service Taxation. Burke has convinced more than a quarter of the 435 congressmen that his proposal is the best way to cut taxes for the average man this year.

All House members are up for re-election this fall, and they are at a near-fever pitch over Watergate and polls showing that all incumbents are down in the esteem of the voters. So what could be nicer for a campaigning congressman than to go to the polls on the heels of a tax cut?

"The reason I'm pushing now, Burke said in an interview last week, "is that we (Ways and Means) are going into tax reform after we get the hearings on unemployment compensation out of the way. I want all these co-sponsors to show we've got some strength.

"If we're going to have any tax reform this year, the way to do it is in the Social Security area, and further to close some of the tax loopholes."

Nowhere on Burke's list of cosponsors is the most important name of all, US Rep. Wilbur D. Mills, chairman of Ways and Means. The Arkansas Democrat, says Burke of his mentor, "is watching me like a cat watches a mouse."

Mills controls the traffic light on tax reform. Burke sees his opposition as "a lot of fat cats," particularly multinational corporations, whose tax havens would be assaulted to make up the Federal revenue that Burke's bill would cost.

But his scheme, Burke insists, "is the only chance working people will get for a tax break—Social Security is where he is getting slugged."

Coming as it does upon the heels of President Nixon's tax troubles Burke hopes the time is ripe to correct a tax system "that's punishing the fellow who works for a living and follows him to his grave."

Commonwealth of Massachusetts Resolution

Resolutions memorializing the Congress of the United States to enact legislation amending the Social Security Act and the Internal Revenue Code of 1954 to provide for federal participation in the costs of the Social Security Program, with a substantial increase in the contribution and benefit base and with appropriate reductions in Social Security taxes to reflect the Federal Government's participation in such costs

Whereas, there is pending before the Congress of the United States a bill H.R. 12489 which if enacted into law would amend the Social Security Act and the Internal Revenue Code of 1954 to provide for federal participation in the costs of the Social Security Program, with a substantial increase in the contribution and benefit base and with appropriate reductions in Social Security taxes to reflect the Federal Government's participation in such costs; and

Whereas, said bill would grant tax relief to every wage earner with an income of $20,000 or less; and

Whereas, it is the sense of the Massachusetts House of Representatives that, in these times of severe inflation, every means should be employed to increase the spendable income of working people; and

Whereas, said bill, in addition to aiding the workers, would lower the cost of doing business for employers; therefore be it

Resolved, that the Massachusetts House of Representatives urges the Congress of the United States to enact into law H.R. 12489; and be it further

Resolved, that copies of these resolutions be forwarded by the Clerk of the House of Representatives to the President of the United States, to the Secretary of State, to the presiding officer of each branch of Congress and to each member thereof from the Commonwealth.

IMPEACHMENT

(Mr. DEVINE asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. DEVINE. Mr. Speaker, at the outset let me state that I intend to vote for impeachment of the President if the Judiciary Committee comes up with positive evidence of direct involvement by the President in "impeachable offenses." If they fail to do so, I, of course, will vote against impeachment.

It seems odd to me as a lawyer that a committee of the Congress, composed of 37 lawyers, that has hired about 50 more lawyers and spent nearly a million dollars in the last 5 months, still has not defined an impeachable offense nor has it charged the President with anything.

I can understand the reluctance of the White House to permit this committee staff to rummage through the files of the White House, helter-skelter, to see if they can find anything with which to charge the President.

With the Special Prosecutor's investigation, coupled with the vast Watergate hearings, added to the million dollar investigation thus far conducted by the Judiciary Committee, it seems to me they are on a desperate fishing expedition in the hope of finding something to justify their existence and vast expenditures of public funds.

I am shocked and dismayed at news accounts which indicate that the House of Representatives Judiciary Committee is now going to investigate the possibility of fraud in the handling of President Nixon's income taxes.

This is further proof that the staff of the Judiciary Committee is out to get the President in any way it can.

I say this because the announcement by the committee's counsel, Mr. Doar, comes on the heels of a very explicit pronouncement from the Internal Revenue Service saying it found no fraud.

The IRS on last Thursday said it has closed the audit on the President's returns and it added that no assertion of fraud was warranted. This is as plain as can be—yet now comes the judiciary staff saying it will look into the matter.

It seems to me that all of these public announcements—coupled with a flood of news leaks—are designed for one purpose: to convict the President in the public mind before he has his day in court. This is not the first time this has happened, and I presume we can be certain it will not be the last.

Nevertheless, I am simply at a loss to explain why the judiciary staff would try to revive a dead issue such as the possibility of fraud on the President's taxes.

The tax returns of the President and Mrs. Nixon have been subjected to perhaps the most thorough and exhaustive public investigation in the history of the Nation. The Joint Committee on Internal Revenue Taxation looked over the forms for weeks on end and published a 2-inch thick book on its findings. The Internal Revenue Service did likewise.

These investigators looked into every angle of the President's taxes for the last 5 years. And when they completed the investigation, the joint committee said nothing of fraud. The IRS completed a similar investigation and stated very plainly that there was no fraud.

It seems as if these people on the committee staff are bent on destroying the Presidency. They are determined to make charges—whether there is reason or proof behind them—and paint an unfavorable public picture of the President.

I, for one, think it is high time the Judiciary Committee determines the scope of its investigation and bring these issues to a conclusion—one way or the other. I believe the American people are tired of seeing their President tried and convicted in the media.

GOVERNMENT GIVES—GOVERNMENT TAKES

(Mr. BOB WILSON asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. BOB WILSON. Mr. Speaker, "Why does the Government give with one hand and take away with the other? I just don't understand how this could happen." How many times have you heard that question from elderly constituents who cannot fathom the incomprehensible logic of the Federal Government in raising social security benefits, while cutting Veterans' Administration pensions.

Most directly affected by the Federal Government's inability to hold the line on inflation are the elderly and others on fixed incomes. We increase their social security benefits, to help keep abreast of rising prices, but the Veterans' Administration is required by law to reduce their VA pensions. The net result is that the VA pensioner not only receives no increase in overall income, but may be much worse off financially, since his rent and other costs often increase as a result of the new "windfall" from social security. This certainly was not the intent of Congress.

Last year when Congress increased VA nonservice-connected pensions, we did not raise the earnings ceiling. Many pensioners received reduction or loss of their pensions early this year and the same situation will arise again in 1975, due to the two social security raises scheduled this year, unless Congress acts promptly.

I am today introducing legislation which would give the veteran and his widow the benefit of the social security raises enacted by Congress during 1973. In addition, this legislation provides that the pensioner would be able to receive future social security cost-of-living increases without penalty to his VA pension.

I was very disappointed that the VA pension bill enacted by Congress late last year did not increase the earnings ceiling, and it is imperative that we act promptly this year on legislation to prevent any further erosion of the already limited income of our Nation's elderly veterans. I respectfully urge the House Veterans' Affairs Committee to schedule early hearings and take favorable action on the measure I am introducing today.

It is time for Congress to stop playing sleight of hand with the pensions of our Nation's veterans and their widows.

THE COUNTDOWN CONTINUES TOWARD THE ELIMINATION OF STAGNATING WAGE AND PRICE CONTROLS

(Mr. KEMP asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. KEMP. Mr. Speaker, the countdown continues toward the April 30 automatic expiration of mandatory wage and price controls—the stagnating controls which have helped to produce shortages on the one hand and higher prices on the other, doubly impairing the livelihood of the American people. I am happy to join my able colleague from Texas, Mr. STEELMAN, in this countdown exercise in the hope that our Nation will never again make the same mistake with regard to controls.

The principal question facing the Congress is: Should these controls be extended beyond April 30? The answer is, "No." That is also the answer from groups as diverse as the U.S. Chamber of Commerce and the AFL-CIO. And, the consumers—the people—echo the chorus.

These controls should not be extended. Look at what they have done to our economy—weakened it. Look at what they have done to our society—disrupted it. Look at what they have done to our people—disspirited them. Inflation is the issue, fiscal and monetary restraint are the solution and controls only divert attention of the people from the reality of immutable economic laws.

The problem of inflation—which wage and price controls were intended to lessen—is an economic problem. We compound it when we rely on political answers. The yielding to this temptation would demonstrate to the Nation the Congress reliance on political solutions to solve economic problems, and the people know that does not work. Phase I, and phase II, and phase III, and phase IV have proved that.

What are we to expect when controls do expire on April 30? Let us look to the postwar era following the removal of controls after the Second World War.

After price controls were lifted in 1947 there was a rise in prices. Why? Because the laws of supply and demand, which had been artificially regulated during the Second World War, began to return to normalized relationships. Prices thereafter, as the laws of supply and demand took effect, however, started to decline, and they steadily declined. And, production started upward, giving rise to more jobs and greater income. The lesson is this: We must not panic when prices start to rise, for if we keep our hands off the situation, they will decline, sometimes substantially. If we yield to the temptation, we are only postponing the day in which we must lift controls or risk the destruction of our economic system.

Let us resolve to make mandatory wage and price controls a thing of the past, an episode never to be repeated.

TRIBUTE TO THE LATE SENATOR B. EVERETT JORDAN

The SPEAKER pro tempore (Mr. MAZZOLI). Under a previous order of the House, the gentleman from North Carolina (Mr. FOUNTAIN), is recognized for 60 minutes.

Mr. FOUNTAIN. Mr. Speaker, I rise to pay tribute today to the late B. Everett Jordan of Saxapahaw, N.C., who served with such great distinction in the Senate of the United States from 1958 through 1972.

With the passing of Senator B. Everett Jordan on March 15, 1974, the State of North Carolina lost one of its most distinguished citizens and our Nation lost one of its most capable, dedicated leaders.

I had the great privilege of serving with Senator Jordan in the North Carolina delegation in Washington throughout his purposeful years of service here, and I knew him as a tireless worker for the good of all of our people, as a man who could and did get things done, as a man deeply and genuinely interested in people and as a man always willing to listen to new ideas and to consider new approaches to solving old problems.

But, long before either of us came to serve in the Congress, I knew Senator Jordan as a public-spirited leader of our State. He was a successful businessman who spent the greater part of his life working for progress in his State and Nation.

He was one of the friendliest, most down-to-earth people you could ever meet, and this instinctive trait of his surely stemmed from a sincere interest in everyone with whom he came in contact—high and low alike.

All those who knew him mourned his passing, and no one could count the many people who knew him and could call him friend. There were countless thousands.

Senator Jordan was born on September 8, 1896 at Ramseur, N.C. His parents were the Rev. and Mrs. Henry Harrison Jordan. He attended Trinity College—now Duke University—in Durham, N.C. Elon College conferred an honorary LL. D. degree upon him in 1960.

During World War I, Senator Jordan served with the U.S. Army Tank Corps in France. After the war, he went with the U.S. Army of Occupation into defeated Germany.

Following the war, he married the former Katherine McLean of Gastonia, N.C., and they had three children: Benjamin Everett, Rose Ann Gant, and John McLean.

An extremely successful textile manufacturer, Senator Jordan long was active in the political life of North Carolina. From 1949–54, he served as chairman of the North Carolina Democratic Executive Committee. He followed that up between 1954 and 1958 as Democratic National Committeeman from North Carolina.

In 1958, Senator Jordan was appointed to the U.S. Senate to fill an unexpired term, and new fields of service opened to him. He was reelected in 1960 and in 1966, and rendered great service to the people of this Nation.

A Methodist Bible class teacher from 1927 on, Senator Jordan was active throughout his life in many areas of civic endeavors. He was chairman of the Alamance County Hospital Board of Trustees; a trustee of Duke University, American University, and Elon College; a Rotarian; and a Shriner.

At the time of his departure from the Senate, Senator Jordan was an influential and senior Member of the Senate and held the chairmanship of the Senate Committee on Rules and Administration. He was also chairman of the Senate Subcommittees on Printing, on the Library and on Computer Services.

In addition, Senator Jordan served as chairman or vice-chairman in alternate years of the Joint Committee on the Library of Congress.

He served in the same capacity—alternately as chairman or vice-chairman—of the Joint Committee on Printing.

In 1964–65 and 1968, Senator Jordan was chairman of the Joint Congressional Committee on Inaugural Ceremonies.

Senator Jordan was a member of the Senate Committee on Agriculture and Forestry and chairman of the Subcommittee on Agricultural Production, Marketing and Stabilization; a member of the Senate Committee on Public Works and chairman of the Subcommittee on Flood Control, Rivers and Harbors; a member of the Senate Office Building Commission; chairman of the Coordinating Committee for the Construction of the Library of Congress—James Madison Memorial; a member of the Commission on Arts and Antiquities of the Senate; Vice President of the American Group, Interparliamentary Union; and a trustee of the U.S. Capitol Historical Society.

Mr. Speaker, my friend and colleague in the Congress, B. Everett Jordan of North Carolina, was an accomplished and dedicated public servant, as can be seen from these brief highlights of his life and Senate career.

His service here—his record of accomplishment—will not be forgotten. He played a key role in guiding the destiny of America during an extremely critical time in our history—a time span beginning in the cold war days of the 1950's and ending in the vastly changed atmosphere of the 1970's.

His wise counsel, his sound judgments, and his progressive temperment are sorely missed in the halls of Congress.

Mr. Speaker, in conclusion I would like to include in the RECORD several newspaper articles about Senator Jordan. The first is an editorial, which appeared in the Durham, N.C. Sun on March 16, 1974. Typical of comments which appeared in newspapers all across North Carolina following the Senator's death, are the following:

LEFT HIS MARK IN STATE AND NATION

Seldom, if ever, has North Carolina had a more respected and effective United States senator than B. Everett Jordan, who died at his home at Saxapahaw yesterday after long years of service to the state and its people.

Although active in Democratic party politics, he never had held an elective office until he was appointed to the Senate in 1958. But he moved up rapidly in seniority, prestige and influence. And when he left the Senate he was one of its most highly regarded members.

Amiable, easy-going, soft-spoken and mild, he rarely raised his voice; but he could get things done. He was a folksy and friendly man—a man who liked to be liked by everyone, and who usually was.

He started out in life by sweeping floors in textile mills and ended up by owning them. A friend of education, he gave away much of his money to schools; but almost never would talk about it. In whatever job he set out to do—in the Senate or out—he sought results, not recognition. He usually got them.

During his political career, he always kept foremost in his mind the needs of North Carolina, as well as those of the nation. His influence in Congress, the White House and various government agencies brought to his state many benefits, and his role in quietly obtaining them sometimes has gone unsung.

He was a diligent senator. He also, in his quiet way, was an effective politician—one who shook hands and kept up with his friends and acquaintances, not just as a means of getting votes but because he was a man of warmth and one who had a real interest in his fellow man.

A true statesman has passed. So also has a friend.

[From the Greensboro (N.C.) Daily News, Mar. 16, 1974]

DELEGATION MOURNS DEATH OF JORDAN

(By Jack Betts)

WASHINGTON.—The death of former U.S. Sen. B. Everett Jordan, D-N.C., Friday caught many of his old Capitol Hill colleagues en route to their home states, but North Carolina's congressional delegation paused to mourn the loss of the gentleman from Saxapahaw.

Sen. Sam J. Ervin Jr., D-N.C., said, "I am distressed by the passing of my long time friend and former Senate colleague, B. Everett Jordan. We have been friends since we were teen-agers in my home town of Morganton, where his father was a Methodist minister. We played baseball and went swimming together.

"I had the rare privilege of serving with him for 14 years in the Senate and we never had a disagreement of any kind in respect to matters relating to North Carolina."

Ervin said Jordan had rendered "great service" to the state, especially in agriculture, industry and the development of rivers and harbors.

"Everett deserves the thanks of North Carolina and the nation for his public services and I shall never cease to miss him," the senior senator said.

Sen. Jesse Helms, Republican from Raleigh who claimed Jordan's seat after former Rep. Nick Galifianakis won the Democratic primary in 1972, said, "Senator Jordan was first, last and always a gentleman. He was a beloved member of the Senate, always cheerful, always helpful, always ready with an anecdote."

Recalling their friendship of more than three decades, Helms said, "He was a great American. He loved his country and he understood the principles that made America great.

"Mrs. Helms and I extend our deepest sympathy to his wonderful family and assure them that their loss is shared by countless thousands of their other friends everywhere," Helms said.

The dean of the delegation, Rep. L. H. Fountain, D-N.C. of Tarboro, said, "We in the North Carolina delegation have lost a close personal friend, and the state and the nation have lost an able, faithful and dedicated public servant and one of its finest citizens."

In North Carolina, Gov. James Holshouser, the first Republican elected to the state's top executive post this century sent a telegram to Mrs. Jordan: "We are deeply saddened by the loss of Sen. Jordan," it read. "He will be long remembered and appreciated by the people of North Carolina for his able and distinguished service and his many contributions to our state. Our thoughts are with you and your family in this time of sorrow."

North Carolina Democratic Party Chairman James Sugg said Friday, "He made an outstanding contribution to North Carolina and the nation in political, civic and religious life. The Democratic party will always be grateful to him because when he was chairman, the first permanent party headquarters were opened."

North Carolina Secretary of State Thad Eure, a longtime close friend of Jordan's said, "His services as chairman of his political party and as U.S. Senator will be appreciated and remembered for a long time."

Former Gov. Terry Sanford, who is now president of Duke University, said, "Sen. Jordan believed in North Carolina and its people and he had the rare ability to translate that belief into legislation and a way of life. He once said his greatest satisfaction was in "doing the little things many would think about for people.

"As a successful businessman and public servant, Sen. Jordan lived what he believed and added distinction to an already distinguished family. Duke University, particularly, is in his debt and is proud and grateful for the opportunity it had to be associated with him as trustee and benefactor."

North Carolina Att. Gen. Robert Morgan, now a senatorial candidate, said, "Sen. Jordan had a distinguished record of service to North Carolina as a business leader, Democratic party figure and United States Senator."

Jordan's career was distinguished by integrity and dedicated service to his constituents. Morgan contained "He certainly left his mark on the state and his friends will miss him."

Lt. Gov. Jim Hunt said Jordan's personal character and long life as a public leader in the state "have been matched by few persons in our history.

"In the U.S. Senate he was an effective spokesman for North Carolina agriculture and industry. Our state is a better place because he was our Senator and worked so diligently for North Carolina," Hunt said.

Republican Rep. James T. Broyhill of Lenoir, reached at his offices there, remembered Jordan as "a good friend of mine. He was most helpful to me during our joint service in the Congress. He served his state in many ways, and though he was a loyal Democrat he always stood up in a bipartisan way in what he believed was right for North Carolina."

Sixth District Democrat Richardson Preyer of Greensboro recalled Jordan as "a great gentleman and a fine legislator."

Preyer said, "He did not seek the headlines but he was very effective. Some people are boxers and some are sluggers. The sluggers get the headlines but the boxers get more results.

"Senator Jordan was a boxer. He got results by the force of his integrity and character and by the respect in which he was held by his fellow senators, rather than by the headlines he created."

Preyer said his contributions to the state in improvements to the rivers and harbors "will probably never be equalled . . . we will all miss him very much."

Rep. Wilmer (Vinegar Bend) Mizell, Republican of Midway, said, "Mrs. Mizell and I deeply mourn the death of Sen. B. Everett Jordan. When I first came to Congress, the senator was one of the first to offer his assistance to me. He was a man who could be considered exemplary in the life he led of honesty, courage and integrity. These values, along with his strong Christian beliefs served him well, especially in the last period of his life."

First District Democrat Walter B. Jones of Farmville said, "I want to express my sorrow to Senator Jordan's family and to remember with deep appreciation his contributions to the state of North Carolina. His death is a tragic blow and he will be sorely missed by the people of North Carolina."

Rep. Charlie Rose, Fayetteville Democrat, said, "North Carolina has lost a great friend. Everett Jordan gave his life to trying to make our state and our country a better place to live. I think he did.

Mr. MIZELL. Mr. Speaker, I join with my colleagues in mourning the death of Senator B. Everett Jordan.

When I first came to Congress, the Senator was one of the first to offer his assistance to me. He was a man who could be considered exemplary in the life he led of honesty, courage and integrity. These values, along with his strong Christian belief, served him well, especially in the last period of his life.

He was a man of conscience, a man of conviction, and a dedicated public servant. Senator Jordan will be missed by all of us.

At this time, I would like to insert in the Record an article by Mr. Charles Oslin of the Winston-Salem Journal on the death of Senator Jordan.

[From the Winston Salem Journal, Mar. 16, 1974]

Jordan Was a Personal Senator

(By Charles Osolis)

Washington.—Once on one of his frequent trips to Europe, Sen. B. Everett Jordan of North Carolina was invited to inspect some Polish meat that has been prepared for export to the United States.

As a member of the Senate Agriculture Committee, Jordan had been instrumental in establishing tough inspection procedures on foreign meat.

Jordan could have given the meat a cursory inspection and let it go at that. Instead, he insisted on a guided tour of the slaughterhouse where the meat was prepared, so he could evaluate the conditions firsthand.

"That was not a pleasure trip. I can assure you," Jordan later recalled.

Jordan's habit of dealing with legislative matters on a personal, firsthand basis was one of the traits that characterized his 14 years in the U.S. Senate. He rarely made a speech on the Senate floor, but few senators could match him in the art of gentle persuasion in the aisles and cloakrooms.

"He made it clear at the outset," said Wes Hayden, one of Jordan's closest aides, "that he considered himself a service senator rather than an oratorical one, and that he would work in the way he considered most likely to achieve the things he felt the state needed.

"His main attribute," said Hayden, who was Jordan's press assistant and executive secretary from 1967 until he left the Senate early last year, "was that he was so warm, and so human and so unpretentious. He could get along with anybody."

That Jordan was one of the best-liked members of the Senate was illustrated by the dozens of tributes that filled the pages of the Congressional Record during the last month before he left office.

Former Sen. Margaret Chase Smith of Maine said Jordan was "more than just a good senator. He's a wonderful human being and I've never known a kinder man."

Although Jordan's longtime friend and colleague, Sen. Sam J. Ervin Jr., has earned a national reputation as a spinner of country stories and anecdotes to make his points, Jordan's colleagues say the junior Senator from North Carolina was no slouch at story telling either.

Sen. Jesse Helms, who replaced Jordan in the Senate, said yesterday that Jordan was always ready with an anecdote when he attended the weekly Senate prayer breakfasts.

"People would just beam when he came in the room," Helms said. "They'd all be ready for him to tell a story. His stories were always clean, but they were always funny."

Helms said Jordan was "first, last and always a gentleman. He was a beloved member of the Senate, always cheerful, always helpful. He was a great American who loved his country and who understood the principle that made America great."

Ervin, who had known Jordan since the two were teenagers in Morganton, N.C., said he and Jordan "never had a disagreement of any kind with respect to matters relating to North Carolina. Everett deserves the thanks of North Carolina and the Nation for his public service, and I shall never cease to miss him."

Rep. Wilmer Mizell of the 5th District said Jordan was one of the first members of Congress to offer assistance when Mizell was a freshman congressman in 1969. Mizell said Jordan led a life of honesty, courage and integrity, and "these values, along with his strong Christian belief, served him well."

Jordan left office in January of last year with few regrets, and with a sincere sense of accomplishment.

"I look back over my period in the Senate with a good deal of satisfaction," he said at the time. "I've enjoyed being here, and I feel I've done something for the people. I just hope North Carolina and the world will be better off for the years I've spent here."

Mr. HENDERSON. Mr. Speaker, the recent death of Senator B. Everett Jordan marks the loss of a great North Carolinian. It was my pleasure to sponsor here in the House a bill which changed the name of the New Hope Dam and Reservoir on the Cape Fear River to the B. Everett Jordan Dam and Reservoir, and I am gratified he lived to see this accomplished.

During much of our contemporary service here, Senator Jordan served on the Senate Committee on Public Works and I served on the House Public Works Committee, with the result that we worked very closely together on many projects and programs of vital interest to our State. Hard working, conscientious, and dedicated, the Senator could somehow always find time to inform himself on even small details about projects, and on many occasions, I am sure he amazed the engineers and others with the knowledge he had.

The death of the Senator has served as a reminder to me that our State has been blessed by having had a number of distinguished men from both political parties to serve in Washington. Just a few years ago, we held four major committee chairmanships here in the House. Today, we have none, although a number of our Representatives rank high in committee seniority. Much has changed, the people and the issues; but the challenge faced by elected officials is the same—to represent their constituents as honestly and effectively as possible.

Mr. TAYLOR of North Carolina, Mr. Speaker, the late Senator B. Everett Jordan of North Carolina was one of my closest friends and one of the best friends North Carolina has ever sent to Washington. For many years until they left Washington, the Jordans had an apartment in the same building where Mrs. Taylor and I reside. This provided an opportunity for us to see each other often.

Senator Jordan was at home with everyone. Whether on the Senate floor or just chatting with a stranger in the hall he had a warmth and sincerity of personality which will long be remembered. He was loyal to his friends, listened to young people as well as old, was genuine, unceremonious, optimistic, down-to-earth, straight as an arrow, and made a great contribution to good government in our Nation.

Senator Jordan and his lovely and gracious wife, Katherine, will always be a source of strength and inspiration to my wife, Evelyn, and me. We miss them in Washington. We miss their positive personalities based on faith in the people of this country and in God.

Mr. BROYHILL of North Carolina. It was with great sadness that I learned of the recent death of Senator B. Everett Jordan of North Carolina, who served our State so well in the U.S. Senate from 1958 to 1973.

Senator Jordan was a good friend and adviser during the years we served together representing the State of North Carolina in the Congress. Senator Jordan always kept the interests and the welfare of North Carolina foremost in his work in Washington, and he never lost his close contact with the people who sent him to represent them in the Nation's Capital.

He was a conscientious legislator and paid close attention to his legislative duties and his committee work. He will be well remembered for his able chairmanship of the Senate Committee on Rules and Administration, among other achievements.

Senator Jordan's family can be proud of his distinguished career as a legislator and of his record as a great North Carolinian. Mrs. Broyhill and I extend our heartfelt sympathies to his widow and his family at this sad time for them.

GENERAL LEAVE

Mr. YOUNG of Georgia. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and to include extraneous matter, on the subject of the special order today of the gentleman from North Carolina (Mr. Fountain).

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia?

There was no objection.

PRESIDENT NIXON IS OFFERED $1 MILLION FOR VICE-PRESIDENTIAL PAPERS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Louisiana (Mr. Passman) is recognized for 30 minutes.

Mr. PASSMAN. Mr. Speaker, President Richard M. Nixon now has in his possession a firm offer of $1 million cash for his Vice Presidential papers. Several businessmen, and incidentally a majority of them are Democrats, have made the offer and if their offer is accepted, then the papers will be publicized through a syndicate and books. One of the anxious purchasers is a former Governor of the State of Louisiana and at one time a very large contributor to the Democratic Party.

Many of Mr. Nixon's friends, and I am one of them, would hope that the same committee that said Mr. Nixon should not take a tax deduction on his Vice Presidential papers on account of a technicality should now be just as persistent in helping to establish that Mr. Nixon's Vice Presidential papers are again his own property.

Mr. Speaker, the American people are not being fooled as much as some would think. Sound thinking Americans know very well that a double standard has been set. Mr. Nixon's predecessors were given hundreds of thousands of dollars in tax credits for their personal papers delivered to the Government, but President Nixon was deprived of the same privilege on a technicality. Why should President Nixon be treated differently than his predecessors? How many Members of Congress are willing to expose their income tax returns and financial records as freely and completely as did President Nixon?

Principle demands that we make it abundantly clear to the American people that Mr. Nixon's 8-year tenure as Vice President was the most active of any Vice President in the history of America. He suffered abuse and humiliation in many parts of the world, including Russia. His life was in danger many times because of his efforts to espouse the great American principle. Hundreds of incidents in his 8-year tenure as Vice President made his personal papers much more valuable than those of any of his predecessors. Any fair-minded person should admit that Mr. Nixon's Vice Presidential papers may well be worth in excess of a million dollars. Mr. Nixon is now being offered a million dollars for his Vice Presidential papers.

We will have to wait and see whether the President will accept the $1 million for something that is morally his, based upon history, or whether he will insist on giving that $1 million gift to the Government. I say "morally his," because the Democratic-controlled auditors of a Democratic-controlled committee have said he should not be allowed a tax credit in any amount for his Vice Presidential papers.

Mr. Speaker, we must inform the American people that President Nixon is now going to pay an additional $148,000 in income tax to the U.S. Treasury that other taxpayers would decline to pay because the law does not require it.

Those who would continue trying to embarrass our President by applying a standard to his tax liabilities not applied to other public officials may live to regret their action. It is now appropriate to ask that all elected public officials in America have their tax returns audited on the same basis and as thoroughly as President Nixon's returns have been. It would be proper, so as to get a balance, to turn these files over to a committee of the House and Senate for the audit, insisting that Democratic auditors check the returns of the Republican public officials, and the Republican committee be given the privilege of auditing the returns of the Democratic public officials. This system might generate sufficient revenue to balance the budget and create a surplus, that is, provided the same procedures are followed that were followed in auditing President Nixon's tax returns.

Of course, Mr. Speaker, for such an audit to be successful, the news media would have to give it the same amount of publicity that they gave to the audit of President Nixon's tax returns.

How many Members of Congress are willing to publicize their tax returns on the same basis as President Nixon? How many potential Presidential candidates in the Congress are willing to publicize their tax returns on the same basis as President Nixon?

Mr. Speaker, I want no part of this double standard. I believe in the integrity of President Richard M. Nixon. We were sworn in together as Members of the House 28 years ago. I know the kind of stuff he is made of. I know that the haters, the Communists, the extreme left-wingers along with some misguided, good Americans have been trying to destroy Mr. Nixon ever since he put that Communist, Alger Hiss, in jail. This effort goes back many years, back to the first Eisenhower-Nixon campaign, some 22 years ago. You may recall the Eisenhower-Nixon campaign had to be suspended because the haters and Communists made false and derogatory charges against Mr. Nixon, necessitating his going before the public with the facts which, incidentally, set the record straight and greatly enhanced the prestige of Mr. Nixon.

As a bookkeeper, I learned many years ago that for every entry you make on one side of the ledger, you have to make an offsetting entry on the other side of the ledger. The single entry system is being applied to Mr. Nixon. In other words, we are hearing only one side of the story. Many are trying to make perfectly honest mistakes appear as gross corruption and dishonesty. I contend that if this kind of political practice is carried too far by too many for too long, it will destroy our form of government.

Is it not strange that many members of my party, some selfish members of the Republican Party and the radical segment of the news media are constantly condemning and charging our President with crimes he has not committed and wholly without foundation. They play with words, deal in innuendo, quarter-truths and, yes, misrepresentation. Mr. Speaker, such a policy is not conducive to the principles of democracy that made our Nation so great, free, strong and wealthy so quickly. Unless many of our leaders with good intentions, and doubtless unknowingly backed by the haters, Communists and left-wing fringe of the news media, straighten up and fly right and cover both sides of important issues, then our form of government will be so changed that it will restrict the freedoms of all Americans.

By any fair analysis, Richard Nixon has made a great President. His foreign policy is superb and if we are to survive with the form of government that means so much to so many, it will be largely because of President Nixon's foreign policy. We are living in a dangerous world. If we fall under the domination of some foreign dictator, then domestic problems will no longer be considered too important.

Mr. Speaker, President Nixon has brought peace to the world, and if our President is left alone to advance his final plans for world peace, no doubt his efforts will bring enduring peace to the world. President Nixon is looked upon by leaders of practically every nation of the world as the greatest and most effective President America ever had, and most of them look to him for leadership.

Mr. Speaker, returning to the tax issue, I wonder if the auditors of Mr. Nixon's tax returns can justify in their consciences treating Mr. Nixon differently than his predecessors have been treated. It would appear that the investigators were on one side of the fence. I am of the opinion that the time is here when the American people are going to recognize this truism.

Mr. Speaker, it is my understanding that when the income tax law was placed on the statute books, it was conceded that all Presidents of the United States would be subjected to unfair criticism and misrepresentations if their tax returns were made public. Mr. Nixon had to make his returns public because of a leak worse than Watergate. It is my understanding that it was the policy of the IRS to protect all Presidents from blackmail and harassment.

It has always been the policy for the President of the United States to send his Federal income tax returns directly to the Commissioner of Revenue by a White House messenger, and then the IRS would place the returns under lock and key. However, last year, some ambitious sneak in the IRS bureau maneuvered his way into the locked room containing many Presidents' tax returns and stole information from President Nixon's returns and leaked the information to certain segments of the news media.

Mr. Speaker, where are the investigators? Of course, Mr. Nixon's returns were perfectly legal and, no doubt, proper, and it was never expected that the Democratic auditing committee would do any less than try to embarrass him.

If the news media would publicize as freely and completely the good deeds and great accomplishments of President Richard M. Nixon for the same length of time they have publicized some of the imaginary wrongs of President Nixon and honest mistakes of President Nixon, then hold another Presidential election, in all probability, Mr. Nixon would carry all 50 States with a greater landslide than in the last Presidential election.

Since last November, through April 10, I have received 7,096 letters supporting President Nixon and only 289 opposing him. My files are available for any Member to see.

Let me say again that the haters, the Communists and the uninformed as well as some misinformed Americans supporting a formula that was created 25 years ago that Richard M. Nixon must be destroyed in the minds of the American people and made ineffective. No doubt, the formula was created shortly after he put Alger Hiss in jail. This drive has not abated and the haters and Communists who are the nucleus of this group will certainly continue harassing President Nixon for the remainder of his 3 years in the White House, and chances are the same group of haters and Communists who have been after him for 25 years will stay after him as long as he lives.

Mr. Speaker, on my knees with my hands on the Holy Bible, I took several solemn obligations, firm and direct, that I would defend any member of the human family whom I considered worthy of my defense, and certainly that included the President of the United States. Furthermore, my belief in the integrity of Richard M. Nixon makes it more important that I speak my mind and express myself freely as I understand the record. Unless I arose to the occasion and offered some defense of this great man, I would by obligation be compelled to take demits from nine character-building and principle-supporting organizations that I belong to. I wish that others who are familiar with obligations they took would likewise, based upon principle and established facts, put aside selfish political position and rally behind our President.

Mr. Speaker, of course, the Vice-Presidential papers of President Nixon have a real cash value of $1 million or more. The President is being made a firm offer of $1 million for them. Several of the group of men desiring to purchase them are citizens and taxpayers of Louisiana. They have instructed me to tender to the President an offer of $1 million for his Vice-Presidential papers, with $200,000 to be paid immediately and the remainder to be paid within 15 days after the acceptance of the offer.

The group will organize a distribution syndicate that will publish the contents and write a book. Nothing will be published by the syndicate dealing with the papers until approved by the President or his designated agent. Morally, the papers belong to Mr. Nixon. He must now decide whether to sell the papers for $1 million or whether to give them to our Government.

Many people believe that since the double standard applied to Mr. Nixon deprives him of a tax deduction for his Vice Presidential papers, that they are again morally his. If the President should sell them, the income would help shore up the shattered, financial structure heaped upon him by the double standard formula.

Mr. Speaker, one of the truisms of life is that standards are set by people in order that they can believe in something. But double standards are set in order that people can deceive. On countless occasions in the last several months we have seen the application of the double standard to the President of the United States—a double standard which fuels and feeds deception. And one of the worst examples of the double standard is the way the critics of the President treated him regarding the gift of his Vice-Presidential papers to the U.S. Archives with a true value of over $1 million.

Certainly the impression has been created that Mr. Nixon has not paid his fair share of taxes because of an immoral deduction for the gift of his papers. Even worse, the impression has been created that President Nixon is the first public official who ever took this type of tax deduction which was perfectly legal.

That is why I want to take this opportunity today to set the record straight—to let the American people know that a double standard has been created and that the President of the United States is taking a bum rap because the complete story has not been told. The issue I am talking about is not whether or not the deduction was taken in time, I am talking about whether or not what the President did was unusual. A technicality did not change the value of the papers.

It is time for the reporters and other know-it-alls to let the American people know, with the same kind of massive coverage, the names of other people who took similar deductions from their income taxes. For anyone who wants to know the truth, it is hard to find unless you spend a good deal of time in the back pages of your newspaper.

If you have looked over the record, you will find that President Nixon is only one of many names on a list of distinguished public leaders who have taken tax deductions after giving their public papers. That list includes President Lyndon Johnson, former Vice President HUBERT HUMPHREY, former California Gov. Edmund Brown, former Kennedy aides, John Kenneth Galbraith and Theodore Sorensen, and many others. I would like to note that many of these men have been persistent critics of President Nixon's conduct while in office.

Let me start with Senator HUMPHREY. It turns out that Mr. HUMPHREY has donated papers to the Minnesota State Historical Society valued at $309,475. So far, according to the record, Mr. HUMPHREY has taken tax deductions on those papers in the amount of $199,153. Of course, these deductions taken by Mr. HUMPHREY were completely ethical, proper, and legal. My point deals with the double standard that is being practiced. Mr. HUMPHREY used the same appraiser, Mr. Ralph Newman, of Chicago, that Mr. Nixon used. Repeating, Mr. Speaker, a technicality does not change the value of President Nixon's papers.

Mr. Johnson took deductions on some of his papers which were donated in 1967 and 1968.

Who were some of the others who deducted their papers? Well, it turns out that Mr. Nixon's opponent in the 1962 California gubernatorial election took deductions in the amount of $105,000 from 1967–71. I wonder if Governor Brown is willing to pay his tax savings back to the Treasury?

Then there are the former Kennedy assistants—the men of Camelot who would never do anything for personal gain. It turns out that John Kenneth Galbraith took a $4,500 deduction for personal papers donated to the Kennedy Library. Roger Hilsman, Assistant Secretary of State under Presidents Kennedy and Johnson, took a $12,000 deduction for papers donated to the Kennedy Library.

Then there is the case which I think best exemplifies the double standard. I refer to Mr. Theodore Sorensen, former top aide to President Kennedy. Last November, Mr. Sorensen wrote an article in the New York Times. His thesis, of course, was that the Nixon administration was terrible, that the President had not paid his fair share of taxes, and that scandals would never have been tolerated in the Kennedy administration. Then, Mr. Sorensen wrote that President Kennedy—

> Paid his taxes in full—and expected the same from us.

It turns out that Mr. Sorensen did not live up to those standards because Mr. Sorensen, in 1968, claimed a $75,000 deduction for donation of his papers to the Kennedy Library. It is time for the media to ask Mr. Sorensen about the double standard.

Mr. Speaker, not all of the news media, but the radical element of the media can, when they so determine, take the greatest public official in America, put him in the gutter and convince a majority of the people that he is a crook. The same segment of the news media can take the biggest phony in America and make him appear superior to a combination of Einstein and Solomon. We are seeing this happen in America today.

Mr. Speaker, in summary, when the dust clears on President Nixon's taxes, the public may have a much more positive picture of their President. Consider:

Mr. Nixon was the first President in our history to disclose his tax returns voluntarily. Almost no other public figure has done that.

He also paid more than $25,000 of his own money to have an independent auditor review his personal finances to insure they were correct.

The President voluntarily asked a congressional committee to review his returns, and he promised he would pay whatever was found to be due.

Within hours of receiving bills from the IRS and the staff of the congressional committee, Mr. Nixon announced that he would pay the full bill even though his lawyers advised him that the law was on his side.

By paying without a legal fight, Mr. Nixon decided not to exercise the right of every American taxpayer to challenge the IRS in the courts.

The accountant who prepared the President's tax returns has said that 90 percent of the back taxes assessed against Mr. Nixon were unwarranted. Even the chairman of the congressional committee, Democratic Senator RUSSELL LONG, has said that the congressional report was "too tough" on the President.

Of the $467,000 that Mr. Nixon has agreed to pay the IRS in back taxes, over 30 percent of them—$148,000—were not even legally required. Those taxes are from the year 1969, for which the 3-year statute of limitations has expired, but Mr. Nixon has nonetheless voluntarily agreed to pay that extra amount. The congressional committee also made it clear that those funds were not legally required.

By paying the $467,000 and making a gift of the San Clemente property, Mr. Nixon is actually a much poorer man than when he came into office 5 years ago. His assets then were over $300,000. The loss on the taxes and the gift of San Clemente totally wipe out the earnings of a lifetime.

Many of the decisions of the IRS and the congressional committee raise basic questions of fairness. It is worth asking whether the President and his family have been fairly treated when:

It is decided that Mr. Nixon is the only taxpayer in the United States not entitled to a special capital gains treatment when he sells his home and buys another that same year.

It is decided that Mr. Nixon is the first President—and probably the first public official—who must pay taxes in order to have his family members ride on Government aircraft.

It is decided that Mr. Nixon needs a deed in order to make a gift of his papers, even though Franklin Roosevelt needed neither a deed nor even delivery of his papers in order to make a gift and even though the Presidential Libraries Act requires no such deed.

It is decided that property appraisals made by firms employed by the President should be completely ignored in favor of IRS and congressional appraisals.

It is decided that Mr. Nixon should be the first President in our history to pay for security work done on his property, even though he never ordered it and even though previous Presidents have had work of a similar nature done on their property.

It is decided that the tax decisions themselves are to be made without advance consultations with the President's own attorneys and without giving them a reasonable opportunity to present a case for the President.

For months, there have been stories of personal wrongdoing on the part of the President and his family regarding their taxes. Throughout that time, no evidence—not a single shred of it—has been produced to prove those charges. The IRS has now formally stated that there was no fraud in the preparation of the President's tax returns.

The IRS books are now officially closed on Mr. Nixon.

It is to be wondered if the Members of the Congress, who now want to sit in judgment on Mr. Nixon, are willing to undergo the same public scrutiny as President Nixon. It is to be wondered if they will apply the same standards to themselves when they ride in governmental or corporate aircraft. And it is to be wondered if they too, when faced with a staggering tax bill, would stand so tall.

LEGISLATION TO EXTEND PRICE CONTROLS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. Bingham) is recognized for 60 minutes.

Mr. BINGHAM. Mr. Speaker, the remarks that I will make today supplement the remarks I made yesterday beginning at page 10216 of the Congressional Record. As I indicated yesterday, I am introducing today a bill that would provide for an extension of price controls. I will include the text of the bill at the end of my remarks. It is revised, but only slightly, from the bill that accompanied my remarks yesterday.

I am proud to say that the following Members of the House are cosponsors of this legislation: Mr. Brasco, Mrs. Burke of California, Messrs. Drinan, Foley, Fraser, Helstosky, Ms. Holtzman, Messrs. Minish, Mitchell of Maryland, Podell, Rees, Reuss, Rosenthal, Roybal, Stratton, and Vander Veen.

Mr. Speaker, this bill was admittedly prepared in something of a rush and I would have to concede that in some respects it is sketchy and certainly it could be improved and amended by the appropriate committee. But I think it provides the general outline of the course we should take, and that course, as I indicated yesterday, is to extend controls at least as far as prices are concerned and not to allow inflation to run rampant.

It has been said that no witnesses appeared before the Banking and Currency Committee in favor of extending the controls provided for in the Economic Stabilization Act. I wonder just how carefully potential witnesses were canvassed because I know of a number of economists who strongly believe that some controls, apparently over prices, must be maintained; who strongly believe that we should set targets for the control of inflation; who strongly believe, as I do, that the failure, the utter failure of the administration's control program to date is no reason for abandoning controls altogether.

In proposing the extension of price controls I am very mindful of the fact that the AFL–CIO has taken a strong position against the extension of my controls. Mr. George Meany, as well as others, have been eloquent on the subject and I do not blame organized labor in the slightest for being totally fed up with the way in which the controls have been exercised to date.

Controls have been relatively effective holding labor in check, almost totally ineffective as far as prices are concerned, and completely ineffective as far as profits are concerned. However, I would respectfully submit to my labor friends that they are thinking of the past—they are concentrating on what has happened in recent years and they are not thinking of what we really should be doing from here on out.

The bill I have introduced today with these distinguished cosponsors suggests a course of action. I outlined it yesterday and I will not repeat that today. I hope that other Members who feel as I do that the threat of inflation is a horrendous one; that if something is not done we may see the cost of living rising not at a 10-percent rate as it has in the past year but at a rate of 15, 20, or even 25 percent as it has in other industrialized countries in recent years, will join with me.

I urge the Members of this body and my friends in organized labor to seriously consider whether it is not now imperative that we rethink the question of economic controls and pass as quickly as possible a bill that would prevent the enormous damage that inflation will impose on those least able to bear it.

Mr. Speaker, under unanimous consent, I append to my remarks a copy of the bill I am introducing.

The bill is as follows:

H.R. 14189

A bill to amend the Economic Stabilization Act, to establish objectives and standards governing imposition of controls after April 30, 1974, to create an Economic Stabilization Administration, to establish a mechanism for Congressional action when the President fails to act, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Economic Stabilization Amendments of 1974".

FINDINGS

Sec. 2. Section 202 of the Economic Stabilization Act of 1970, as amended, is amended by deleting the existing language and substituting the following language:

"It is hereby determined that inflation has caused severe hardships, especially on people of fixed incomes, and has been accompanied by widespread unemployment; that these hardships fall inequitably and most heavily on those who are economically least able to bear them; that the economic stabilization program to date has been inequitable and has caused disruptive influence in the marketplace; that the government has the power to control such inflation through equitable stabilization of prices, rents, wages, salaries, dividends and interest and that actual and/or stand-by controls to accomplish such objectives are needed."

Sec. 3. Sections 203 and 204 of the Economic Stabilization Act of 1970, as amended, are repealed.

Sec. 4. The Economic Stabilization Act of 1970, as amended, is amended by inserting the following new sections after section 202 and by renumbering sections 205–220 accordingly:

"OBJECTIVES

"Sec. 203. The objectives of this Act are to:

"(A) reduce inflation—

"(1) to an annual rate not to exceed 5 per centum by December 31, 1974;

"(2) to an annual rate not to exceed 4 per centum by December 31, 1975; and

"(B) reduce unemployment—

"(1) to an annual rate not to exceed 4.5 per centum of the eligible work force by December 31, 1974;

"(2) to an annual rate not to exceed 3.5 per centum of the eligible work force by December 31, 1975."

"STANDARDS GOVERNING IMPOSITION OF CONTROLS AFTER APRIL 30, 1974

"Sec. 204 (a). After April 30, 1974, the President shall impose controls if he finds that the absence of controls would result in inflation and unemployment at levels in excess of the objectives stated in section 203.

"(b) In making his determination as to the time frame, scope and level of price controls to be imposed under this section in each sector, the President shall take into account:

"(1) the hardship caused by inflation in such sector;

"(2) the extent to which inflation in each such sector can be moderated successfully through voluntary measures and cooperation in the absence of controls over that sector and related sectors;

"(3) the degree to which such control will inhibit the growth of supply in such sector.

"(a) by causing curtailment of production or productivity or,

"(b) by causing impairment of capital formation, of expansion of productive capacity, or of resource availability or,

"(c) by so stimulating exports as to create or exacerbate any domestic supply shortage;

"(4) the degree to which wages in such sector have been unduly depressed relative to other sectors.

"(c) The President shall impose wage controls in any sector only if he finds that the required degree of wage stabilization cannot be achieved either through voluntary measures or through the imposition of price controls in that sector resulting in a strengthening of the position of management in collective bargaining negotiations.

"(d) In the event the President finds that the imposition of controls is creating market disruptions or distorting distribution patterns, including but not limited to the stimulation of excessive exports, the President shall take such measures as may be authorized under this or any other law to offset such disruptions or distortions by allocation of available supplies or by export controls or both. If the President finds he lacks adequate authority to take such measures, he shall promptly propose appropriate legislation to the Congress.

"(e) For the purposes of this Act, the term 'sector' means any firm or industry or class of firms or industries that possess distinct economic characteristics.

"ECONOMIC STABILIZATION ADMINISTRATION

"Sec. 205 (a). There is hereby established the Economic Stabilization Administration (hereinafter "the Administration") within the Executive Office of the President.

"(b) The President shall delegate such powers as he may deem appropriate under this or any other Act to the Administration. The President shall not delegate powers under this Act to any other agency and shall take steps promptly to transfer to the Administration the functions heretofore exercised by the Internal Revenue Service under the Economic Stabilization Act.

"(c) (reserved for standard provisions appropriate to the creation of a new agency.)

"(d) In addition to its other duties under this Act, the Economic Stabilization Administration shall—

"(1) develop and recommend to the President and the Congress policies, mechanisms and procedures to achieve and maintain the goals established by this Act;

(2) monitor compliance with commitments made by firms in connection with sector-by-sector decontrol actions;

"(3) review the programs and activities of Federal departments and agencies and the private sector which may have adverse effects on supply and cause increases in prices and make recommendations for changes to increase supply and restrain prices;

"(4) review industrial capacity, demand, and supply in various sectors of the economy, working with the industrial groups concerned and appropriate governmental agencies to encourage price restraint;

"(5) work with labor and management in the various sectors of the economy having special economic problems, as well as with appropriate Government agencies, to improve the structure of collective bargaining and the performance of those sectors in restraining prices;

"(6) improve wage and price data bases for the various sectors of the economy to improve collective bargaining and encourage price restraint;

"(7) conduct public hearings when appropriate to provide for public scrutiny of inflationary problems in various sectors of the economy;

"(8) focus attention on the need to increase productivity in both the public and private sectors of the economy; and

"(9) monitor the economy as a whole by requiring, as appropriate, reports on wages, productivity, prices, sales, profits, imports, and exports.

"(10) conduct a study, along with the Federal Trade Commission and such other agencies or departments of the Government as may be appropriate, on the inflationary effect of economic concentration and anti-competitive practices including—

"(i) the effect of Government subsidies, price supports and tax policies;

"(ii) the effect of joint ventures and mergers of all kinds, including conglomerate mergers, horizontal and vertical integration and geographic concentration, exclusive franchises, 'fair trade laws', interlocking directorates, stifling of technological innovation, and barriers to the entry of new competitors such as high advertising expenditures and other startup costs; and

"(iii) the effect of controls on exports and imports and resulting shortages, if any."

"Sec. 206. Whenever the President takes any action under this title to impose controls he shall, on the date of such action, submit to the Speaker of the House of Representatives and to the President pro tempore of the Senate a report in writing setting forth controls imposed, referring specifically to the factors set forth in section 204. The President shall provide such other information as the Congress may request in the fulfillment of its Constitutional responsibility to regulate interstate and foreign commerce."

"CONGRESSIONAL ACTION

"Sec. 207 (a). Within 60 legislative days after a report required by this title is submitted, the Congress, by concurrent resolution, may disapprove the controls imposed.

"(b) If the President fails to act to achieve the goals set forth in Section 203, the Congress may direct the President to act by concurrent resolution. Such concurrent resolution shall have the force of law as if included in extenso in this Act. To this extent the powers of the Congress acting with the approval of the President are hereby delegated to the Congress acting by concurrent resolution.

"(c) (i) Any concurrent resolution introduced pursuant to paragraph (a) shall be referred to the Committee on Interstate and Foreign Commerce of the House of Representatives or the Committee on Banking, Housing and Urban Affairs of the Senate, as the case may be, and one such concurrent resolution shall be reported out by such committee together with its recommendations within ten calendar days, unless such House shall otherwise determine by the yeas and nays.

"(ii) Any concurrent resolution so reported shall become the pending business of the House in question (in the case of the Senate the time for debate shall be equally divided between the proponents and the opponents) and shall be voted on within three calendar days thereafter unless such House shall otherwise determine by yeas and nays.

"(iii) Such concurrent resolution passed by one House shall be referred to the committee of the other House named in subsection (c) (i) and shall be reported out by such committee together with its recommendations within 10 calendar days and shall thereupon become the pending business of such House and shall be voted upon within three calendar days unless such House shall otherwise determine by yeas and nays.

"(IV) In the case of any disagreement between the two Houses of Congress with respect to a concurrent resolution passed by both Houses, conferees shall be promptly appointed and the committee of conference shall make and file a report with respect to such concurrent resolution within six calendar days after the legislation is referred to the committee of conference. Notwithstanding any rule in either House concerning the printing of conference reports in the Record or concerning any delay in the consideration of such reports, such report shall be acted on by both Houses not later than six calendar days after the conference report is filed. In the event the conferees are unable to agree within 48 hours, they shall report back to their respective Houses in disagreement."

Sec. 5. Section 218 of the Economic Stabilization Act of 1970 is amended by striking out the words "April 30, 1974" and "May 1, 1974" and inserting in lieu thereof the words "December 31, 1975" and "January 1, 1976", respectively.

Sec. 6. Section 4(f) of the Economic Stabilization Act Amendments of 1971, Public Law 92–210, as amended by Public Law 93–34, is amended by striking out the figure "$10,000,000" and inserting in lieu thereof the figure "———" and by striking out the words "June 30, 1973" and inserting in lieu thereof the words "December 31, 1975".

Sec. 7. This Act shall become effective May 1, 1974.

Sec. 8. For purposes of administering and enforcing the Emergency Petroleum Allocation Act of 1973, nothing in this Act alters the Economic Stabilization Act of 1970 as incorporated by reference in the Emergency Petroleum Allocation Act of 1973.

Mr. DRINAN. Mr. Speaker, to shoppers who go regularly to the supermarket, to senior citizens who must live on fixed incomes, and to wage earners who find it increasingly difficult to make ends meet, the consequences of inflation are well known. They do not have to be shown statistics which indicate that the Consumer Price Index rose almost 9 percent last year. They do not have to be told that the price of eggs and chicken have more than doubled in the past 30 months. You do not have to prove to them that housing costs have increased significantly. They know also that the unemployment rate is too high for the public good.

Americans are fully aware of the economic situation in the country for they are its victims. They are aware also that the negative trends in the economy have accelerated during the Nixon administration. In the years preceding Richard Nixon, the Consumer Price Index rose annually a little more than 4 percent, and the unemployment rate averaged under 4 percent. Those days are gone.

The Nixon administration bears a large measure of the responsibility for the spiraling rates of inflation and unemployment. When the need for regulation became apparent, Congress enacted the Economic Stabilization Act of 1970, a law which gave the President authority to control wages and prices. He refused to exercise that authority until August 1971. We went through four phases of uneven, and in some instances, arbitrary and capricious controls. The result: a steady rise in the Consumer Price Index, and a steady decline in consumer purchasing power.

Considering the manner in which Richard Nixon has administered the economic stabilization authority given him by Congress, it is not surprising that there is widespread discontent with prices and wages, and disenchantment with the concept of controls. From quarters which should favor such regulations, we hear calls for their abolition.

But now is not the time for throwing up our hands in despair. If wages have been controlled more stringently than prices, it is the fault of the Nixon administration, not the economic stabilization law. If blue-collar wage earners and persons on fixed incomes have been more seriously affected than others, it is the result of deficient and inequitable enforcement by Nixon appointees, not the controls themselves.

There would be no need for regulation if the price-wage mechanisms were operating in the way textbooks describe them. But we have come to realize, at least since the Sherman Anti-trust Act of 1887, that the real world is quite different from the model. The failures of the system have required governmental intervention from time to time when the machinery has faltered. We are again confronted with the need for congressional action.

Economists are now predicting that, if price-wage regulation is abandoned altogether on April 30, 1974, we will experience a great rise in the consumer price index. No one, except the captains of industry, will benefit. While wage-price controls are not the perfect solution, they promise to provide temporary relief until long range strategies can be devised. The alternative—a total abandonment of regulation—promises to bring greater hardships and dislocations than we would experience under controls.

For these reasons, the bill introduced by Congressman Bingham, of which I am a cosponsor, is a serious proposal for remedying these difficulties. First, the bill sets percentage goals for inflation and unemployment for 1974 and 1975. Second, it directs the President, operating through a newly established Economic Stabilization Administration, to regulate prices as the first line attack on inflation and unemployment. It also provides guidelines for controlling the exercise of administrative discretion in regulating prices. The bill requires the president to take account of particular hardship in the sector controlled, wage levels relative to other sectors, inadequate supplies of goods and services in that sector, and other relevant factors.

The Bingham proposal recognizes the inseparable relationship between prices and wages. It goes without saying that some wages control will inevitably result from price control. However direct wage control would not be authorized unless voluntary wage or mandatory price controls fail. In my judgment that is a sound way of achieving wage-price parity, and also correcting the wage inequities created by Nixon's four phases.

The Bingham bill also incorporates an important legislative monitoring device: reserving to the Congress the power to veto unnecessary executive controls, or to impose required controls which the executive fails to promulgate. Together with vigorous and constant congressional oversight, these mechanisms would give us the ultimate check on wage-price regulation. In this way, we could insure that the congressional mandate is faithfully executed.

There are, to be sure, different approaches to the problem of regulating prices and wages. Economists and congressional representatives disagree. In my judgment, the proposal by Congressman Bingham holds the promise of rectifying the inequities in the previous program, and merits our serious consideration.

Mr. ROSENTHAL. Mr. Speaker, the administration's unfulfilled promise to the American consumer of relief from skyrocketing prices, is now into its 6th year. Food and fuel prices have led the inflationary spiral, but housing, health services and transportation cost increases have contributed significantly to the money pinch felt by millions of Americans.

I find it regrettable, Mr. Speaker, that the administration's inability or unwillingness to fairly and effectively administer the Economic Stabilization Act and its decision to abandon all controls, have been blithely accepted by some in Congress.

I believe it was a great mistake for the House Banking and Currency Committee to vote recently, to allow the Economic Stabilization Act authority to expire at the end of April. That is why I have agreed to sponsor legislation, first proposed by Mr. Bingham, to continue price controls through 1975. This legislation recognizes that the economic stabilization authority has in the past been used primarily as a bar to wage increases but very little to prevent price increases; and it thus terminates the President's power to impose wage controls except as a last resort and even then subject to a congressional veto.

Mr. Speaker, unless some price control authority is voted by the Congress, the American consumer faces another year of inflation that could make 1973 look tame by comparison. In fact, the last time controls were ended—in August 1973 when Mr. Nixon removed the food price freeze on all items except beef—the composite consumer price index rose 7.7 percent during this month—an annual rate of 92 percent.

Mr. Speaker, the administration, in its determination to play down the importance of or its role in, the inflationary spiral often points to the fact that the rate of inflation in other industrialized nations approaches or exceeds that in the United States. But as the Senate Select Committee on Nutrition has pointed out, this argument overlooks the fact that wages overseas have often kept pace with prices, while in the United States during 1973, they did not.

For example, food prices in France rose 9.5 percent in the 12-month period ending in September 1973, but wages were up 13.5 percent; in Italy food prices rose 12.5 percent but wages were up 21 percent; in Belgium food prices rose 9 percent, but wages rose 15 percent; even in Japan, where food prices are high and rose another 11 percent through September 1973, wages rose 18.5 percent. In the United States, wages rose only half as fast as food prices and real spendable earnings for working Americans actually dropped 3.3 percent through November 1973 from a year before.

The year 1973 was one of the worst inflationary periods in American history: All food prices were up 20 percent; meat, poultry, and fish were up 26 percent; cereals and bakery products 28 percent; fuel oil and coal 44.7 percent; dairy products 22.5 percent; gasoline and motor oil 18.6 percent; and, household services other than rent were up almost 9 percent.

Mr. Speaker, there is little or no let-up in sight; and things will almost certainly get worse for the average hard-working American family if price limits are set by the captains of industry and not by the Federal Government.

There is no question that in the past, the economic stabilization authority was used unwisely and inequitably. But in the hands of more thoughtful and even-handed administrators, price controls can be made to work for the benefit of the hard-pressed consumers of this Nation. It is our responsibility in Congress to continue price controls. Otherwise, the future looks extremely bleak for the buying public.

GENERAL LEAVE

Mr. BINGHAM. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the subject of my special order.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

DEATH OF PHILIP WILLKIE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. Seiberling) is recognized for 5 minutes.

Mr. SEIBERLING. Mr. Speaker, it was with great sadness that I learned today of the death this morning of Philip Willkie, an outstanding American and only son of a very famous American, the Republican nominee for President in 1940, the Honorable Wendell Willkie.

Members may wonder why someone from Ohio would be speaking about Philip Willkie. Well, the Willkie family lived in Akron, Ohio, during the 1920's and 1930's and were close friends of my family. Wendell Willkie once remarked that the years he lived in Akron were the happiest years of his life. I got to know Phil Willkie well when we were in law school together at Columbia. He was a man of honesty, brains, character, and courage, with a broad understanding of the political process and of American history.

I remember after we graduated from law school and I was practicing law in New York, I ran into a very prominent Republican black politician. He said he just had been out in Indiana helping to campaign for Philip Willkie for the State legislature.

He said:

> You know, that man really has courage. It takes courage to go out in some of those areas that were once strongholds of the Ku Klux Klan and talk about equal rights for black people.

Phil got elected to the State legislature and had a distinguished career there. He also had a distinguished career as a lawyer and banker in Indiana. Yet he always managed to be warm and human, not only to his family and friends, but to everyone who knew him.

Philip combined these qualities with a delightful sense of humor. One day he said to me:

> You know, you speak with an Akron accent.

I replied:

> I am sorry to learn that. I have been trying to lose my regional accent.

He responded:

> I'm hanging onto mine—best political asset I got.

He brought credit on the profession of politics. He brought new credit to his illustrious family name. His passing brings a great sense of loss.

To his mother, wife, and children, I extend my deepest sympathy, and I am sure the same is true for others here.

Mr. DENNIS. Mr. Speaker, will the gentleman yield?

Mr. SEIBERLING. I yield to the gentleman from Indiana.

Mr. DENNIS. Mr. Speaker, I am glad the gentleman took this time so that we would all have an opportunity to join with him in his remarks about Phil Willkie. Phil Willkie was also a friend of mine. He also happens to be or had been a constituent of mine in Rushville, Ind. We also were colleagues in the Indiana General Assembly and also colleagues in the Indiana bar; so I have known him in various capacities quite well over a period of years.

Phil was, as the gentleman from Ohio has said, one of the most engaging, likeable, intelligent persons who practiced law in Rushville.

He was also president of a bank. He was involved in industry. He owned some of the best farmland in Indiana, a good many acres of it.

He was a very public spirited citizen. His untimely passing is a loss to the community and his friends and his family, to whom I extend my sympathy.

I join with the gentleman from Ohio and his other friends in regretting his untimely passing.

Mr. BRAY. Mr. Speaker, will the gentleman yield?

Mr. SEIBERLING. I yield to the gentleman from Indiana.

Mr. BRAY. Mr. Speaker, I thank the gentleman for bringing this matter up. I was very saddened today to hear of the death of Philip Willkie. I knew him for a long time. He was a constituent of mine when I represented Rush County. He was a friend of mine for many years. I knew his father, Wendell Willkie, and his wife and children quite well.

He was a capable lawyer. He spent most of his time in recent years in business.

He became an outstanding banker, very interested in banking and law in the State of Indiana. He was a capable businessman and farmer; a very public spirited citizen.

Mr. Speaker, we will all miss Phil. I certainly want to extend my deepest sympathy to his mother, his wife and their children.

LEGAL RIGHTS LOBBYING

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia (Mr. BLACKBURN) is recognized for 5 minutes.

Mr. BLACKBURN. Mr. Speaker, previously, I have called my colleagues' attention to the questionable sources of funds of the organization known as Action for Legal Rights, a lobbying organization for the Legal Services Corp.

As I have noted previously, this is an active lobbying organization on behalf of a Federal program for which many of us harbor considerable misgivings.

Grantees of Federal funds have been contributing to the lobbying activities of the Action for Legal Rights organization.

If anyone has the slightest doubt about the intensive, well-orchestrated lobbying activities of Action for Legal Rights, I invite my colleagues' most serious attention to documents which have come into my possession and which I hereby submit for the RECORD.

In short, Action for Legal Rights has become so bold as to prepare for the use of all ALR coordinators telegrams to be sent to the President from Governors and mayors, to House and Senate conferees from State and local bar Presidents as well as from church, labor, and civil rights leaders.

This program, spearheaded by ALR executive director Mickey Bennett makes clear that the Washington-based ALR organization under his directorship is prepared to "place the official's name and title on the appropriate joint telegram."

All of this action, as Mickey Bennett makes clear, is simply because "it is imperative, of course, that Representatives continue to receive mass constituency mail."

I continue to feel, quite strongly, that there is an urgent need for a most serious organization of this entire questionable activity.

The documents follow:

ACTION FOR LEGAL RIGHTS,
Washington, D.C., March 11, 1974.

To: ALR Coordinators.
From: Mickey Bennett.

If I haven't already spoken with you about the enclosed, please call me.

Enclosed are the following items:

(1) fact sheet on H.R. 7824 (note the primary point: the Senate-Administration bill already incorporates House concerns and should therefore not be further compromised with the House bill);

(2) comparative print of the House and Senate versions of H.R. 7824;

(3) text of a joint telegram to the President from governors and mayors;

(4) text of a joint telegram to House and Senate conferees from State and local bar presidents;

(5) text of a joint telegram to House and Senate conferees from church, labor, and civil rights leaders.

Each of the telegram texts is to be approved (not sent) by the appropriate official, with said approval reported (by you) to this office so we can place the official's name and title on the appropriate joint telegram. As of this date, Governors Ford (D.-Kentucky), Salmon (D.-Vermont), and Curtis (D.-Maine) have approved the Governor's telegram.

The House-Senate conference has been delayed again. The Rules Committee adopted a rule today that will keep the Elementary and Secondary Education Act on the House floor two weeks, starting March 12. (Chairman Perkins will not go to conference on the corporation bill until the education bill has cleared the floor). House conferees may be appointed as early March 21, but conference will not start until the week of March 25. The Senate last week appointed Senator Nelson's Poverty Subcommittee as its conferees.

It is imperative, of course, that Representatives continue to receive mass constituency mail as well as to be encouraged by public and organizational officials to express support for the Senate-Administration bill to House Conference Chairman Perkins (if the Representative is a Democrat) or Ranking Minority Member Quie (if the Representative is a Republican). Perkins and Quie will be on the floor managing the education bill for the next two weeks. Representatives should drop by their desks and give them the message. Also, get your State Democratic delegation to write or go to Perkins collectively. And get all the supporting Republicans in your delegation to take collective action regarding Quie.

ACTION FOR LEGAL RIGHTS,
Washington, D.C.

THE LEGAL SERVICES CORPORATION (H.R. 7824)

In 1971 and again in 1972, the President proposed and the House and Senate adopted legislation transferring the national legal services program from the Office of Economic Opportunity (OEO) to a legal services corporation. The legislation was vetoed in 1971, and in 1972 it died in conference over the same issue: the Administration's insistence that the President have full power to appoint all of the corporation's board vs. Congressional insistence—especially by the Senate Labor and Public Welfare Committee—that the board include nominees of various national legal organizations like the American Bar Association and the Association of American Law Schools.

On May 11, 1973, President Nixon again proposed a legal services corporation bill. The bill was adapted by the House on June 21, but only after a coalition of conservative members organized by former OEO Director Howard Phillips added twenty-four amendments prohibiting vital attorney services. The House bill, for instance, prohibits legislative representation (7(a)(5)), sharply curtails all affirmative actions (6(e)), group representation (7(b) (5)), community education (7(b)(4)), and legal advice regarding picketing, boycotts, strikes (6(b)(5)), and ballot measures (6(d)(4)). It also eliminates back-up centers (6(a)(3)), prohibits the handling of many kinds of civil cases, including most juvenile (7(b)(6)), all habeas corpus (7(b)(1)), selective service (7(b) (8)), and non-therapeutic abortion (7(b) (8)), imposes restrictions far beyond the Hatch Act on attorneys' private and professional lives (7(a)(6)), etc., etc. In short, the House bill prohibits attorneys from offering traditionally recognized attorney services. Any "lawyer" working within such a structure would have to choose regularly between violation of the statute and violation of the Code and Canons of the legal profession.

During the summer and fall of 1973, the Senate Committee on Labor and Public Welfare (Senators Williams, Nelson, Randolph, Kennedy, Mondale, Cranston, Hughes, Hathaway, Pell, Eagleton, Javits, Dominick, Schweiker, Taft, Beall, and Stafford) and White House staff jointly drafted a bill that 1) reconciled past Committee-White House differences regarding board composition, and 2) recognized House concerns without eliminating functioning lawyers from the program. Regarding the board, the Committee simply acceded to the Administration position (1004(a)), and also provided for fifty state advisory councils appointed by the governor of each state (1004(f)). Regarding House concerns, the Committee expressly prohibited all selective service (1007(b)(8)) and non-life saving abortion cases (1007(b)(7)); it circumscribed attorneys' political activities (1006(e)(1)–(3); 1007(a)(6)); and it circumscribed (but not in violation of the Code and Canons) many professional activities: legislative representation (1007(a)(5)), group representation (1007(b)(6)), community education (1007(b)(5)), class actions (1006(d)(5)), and cases related to juveniles (1007(b)(4)), picketing, boycotts, strikes, demonstrations (1006(b)(5)), and ballot measures (1006(d)(4)).

The compromise bill was approved in writing by Melvin Laird (*Cong. Rec.* 12/10/73, S. 22403), by the American Bar Association (*Cong. Rec.* 12/10/73, S. 22408), by conservative columnist James J. Kilpatrick (*Los Angeles Times,* October 26, 1973), and by numerous other organizations and editorial writers. On January 31, 1974, after voting cloture against a Phillips-organized filibuster, the Senate adopted the compromise bill 69–17. Prior to passage, a small group of Senators forced roll call votes on twelve restrictive amendments. The full Senate, however, voted down seven by over two-thirds majorities, and decisively defeated all but one of the others.

The House version and the Senate-Administration version of the corporation bill will be considered in conference about March 20. It is important that conferees recognize that the Senate-Administration bill not only represents the culmination of a three year effort by the Administration and the Senate to compromise their differences on the legal services corporation, it also incorporates the concerns expressed by House members in their version of the legislation. The conferees should adopt the Senate-Administration bill as the conference report.

Joint Telegram to the President From Governors and Mayors

We have long supported the national legal services program as an instrument which moves our nation toward its ideal of "equal justice under law." We therefore applaud the constructive efforts made during the last few months by representatives of your Administration and the Senate Committee on Labor and Public Welfare to fashion a workable compromise on the legal services corporation bill. The Senate-Administration compromise not only eliminates Senate and Administration differences regarding the composition of the Board, it also incorporates the concerns expressed by House members when they considered similar legislation last June. The Senate-Administration compromise is the culmination of a three year legislative process which now deserves enactment.

We understand that the legislation goes to conference shortly, and we urge your support of the Senate-Administration version of that legislation.

Joint Telegram to House and Senate Conferees From State and Local Bar Presidents

We support the legal services program and endorse the concept of an independent and professional legal services corporation. Thus we were disturbed when the corporation bill reported by the Education and Labor Committee was so destructively amended on the House floor last June. The constructive compromise of the Senate Committee on Labor and Public Welfare and the Administration recognizes the concerns of House members, yet restores to the bill the balance which the House Committee worked so hard to achieve. The Senate-Administration bill provides a framework for the delivery of services in accordance with the Code and Canons of our profession. We therefore urge its prompt adoption by the Conference Committee meeting later this month.

Joint Telegram to House and Senate Conferees From Church, Labor, Civil Rights, and Other Civic Leaders

We strongly support the national legal services program and endorse the concept of a legal services corporation. While the compromise bill worked out by the Administration and the Senate Committee on Labor and Public Welfare establishes a corporation which is less independent and more restricted than we had hoped, it still provides the framework for a viable program. Since the Senate-Administration bill already reflects the concerns expressed by House members, we trust it will be adopted by the Conference Committee without further restrictive changes.

THE EMPIRE-STATE OF U.S.S.R.—CHIEF OBJECT OF POLTRADE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. DERWINSKI) is recognized for 15 minutes.

Mr. DERWINSKI. Mr. Speaker, the testimony presented on April 4 by Dr. Lev E. Dobriansky before the Senate Finance Committee on the Trade Reform Act deserves the attention of every Member of Congress who is concerned with the issue of freedom and our trade with the Soviet Union. The testimony refutes what the author maintains are mythical points on the U.S.S.R. presented earlier by our Secretary of State. Also, as an original advocate of the poltrade policy, the witness urges a redirection of our economic leverage toward the empire-state of the U.S.S.R. and its numerous nations within. In terms of this basic direction the testimony concludes with specifics of an initial package deal with Moscow as poltrade concessions proportionate to the granting of the MFN status and measured credits. I urge our citizenry as well to read carefully the close argumentation contained in this testimony:

The Empire-State of U.S.S.R.—Chief Object of Poltrade

(By Dr. Lev E. Dobriansky)

Mr. Chairman and Members, I gratefully appreciate this opportunity to advance fundamental views and facts basing our complete opposition to the extension at this time of the most-favored-nation status and credits, both public and private, to the Soviet Union. As longtime advocates of a realistic poltrade policy toward the Soviet Union and other totalitarian communist states, we urge also that no short-sighted compromises be made with regard to the necessary concatenation of human rights and political obligations with the trade medium. In fact, considering the incalculable values of this medium, I shall endeavor here to justify a realistically extended linkage so that we wouldn't be fleeced as, in miniature, we were on the celebrated wheat deal.

Within the allotted time and having dealt with this issue several times in Congress,[1] I should like to essentialize and itemize specifically the salient points supporting our position and also, in particular, to address this testimony to some of the myths that have already been officially expressed before this committee. As my testimony before the Mills Committee last year stressed, while we're considering more liberalized trade with the Soviet Union almost two decades after the first push in the post-World War II period, substantially nothing really has changed in the broad politico-economic context except our increasing comparative disadvantage in this context and, apart from the superficialities of PR diplomacy, no concrete evidence provided by Government or private sources has been offered to disprove this emperical generalization. Here, let me emphasize, too, that trade with the USSR or any communist-dominated state cannot be evaluated in a vacuum of political and social considerations. The typical American business man may have his P&L blinders on, but this crucial issue has full life-and-death meaning in the total politico-economic context of global strife today.

TRADE AND PEACE

First, as concerns tiresome trade/peace utterances regarding totalitarian powers, the lessons of history alone explode such rhetoric. The climate of peace fosters trade, not the other way around. Just as in the cases of persons, if a nation cannot profit from the lessons of its past experiences, it foolishly exposes itself to disaster, particularly one that is an open society, highly resourceful, and still respected worldwide for its standards of freedom and human rights. One incontestable lesson is that our trade with totalitarian powers, such as Imperial Japan, Nazi Germany, and Fascist Italy, did not serve the interests of world peace but rather contributed by the real aid given to the furtherance of their aggressive designs which led to World War II. If acute caution is not exercised today, this lesson can well apply to the militaristic USSR whose bid for global supremacy remains undiminished. Mr. Chairman, for documentation on this point, I respectfully request that the short chapter on "The Russian Trade Trap" in my recent book be printed as part of my testimony.[2]

BEEFING-UP TOTALITARIAN COMMUNIST POWER

A second historical lesson applies notably today to the USSR, i.e., the prime politico-economic utility of trade for the entrenchment of the regime, the suppression of internal pressures, and assisted implementation of its ultimate political goals. This applies to Brezhnev's policy as it did to Khrushchev's and Stalin's, with trade as a sieve to technologically bolster the USSR economy, overcome its planned deficiencies, and indirectly facilitate its top priorities of expansive military strength, a deepened dependence of the other COMECON economies, and the progressive flexing of political muscle in targeted areas of the Free World.[3] Over 90% of Soviet technology is ascribable to Western sources: as Stalin, Khrushchev and others have attested, we helped to lay the foundations of this totalitarian, imperialist economy; now

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Footnotes at end of article.

Moscow seeks American technology in particular to beef up its composite totalitarian power while it pursues a course of tyrannical consolidation within its empire and one of global influence without.

ILLUSIONS OF SOVIET NATION, NONINTERFERENCE AND INTERDEPENDENCE

Of late, certain illusions have crept into this discussion of U.S.–USSR trade, such that cause one to seriously question the proponents' framework of understanding the USSR. Trade or any other matter cannot be accurately assessed within a defective, conceptual framework. Some of these illusions on the part of our leaders contributed heavily to the very formation of the USSR, to its economic growth, and to its dominance in Eastern Europe and Asia following World War II and the price we have been paying for all this is incalculable. The illusions of a Soviet "nation", a Soviet "people", and a Soviet "domestic structure" play havoc with existential facts and cannot but produce misleading policy proposals.[4] Given the different nations in the USSR, the various national republics, and the essentially international environment in the USSR, the prevalence of such illusions at this late stage really demands an official conceptual breakthrough regarding the very imperial nature of the USSR. The structure is far from being "domestic", and the concession made in the Moscow Declaration of '72, equating the USSR and U.S.A., was both contrary to objective reality and needless in fact. To underscore these points, Mr. Chairman, I request that the recent New York Times exposure of the latest Solzhenitsyn letter to the Kremlin be printed as part of my testimony.[5]

Logically, a nation-state concept and existence support non-interference in its truly domestic affairs; an empire-state concept, which is accurately conformable to the USSR, does not. With a long tradition in imperialist practice, Moscow has always insisted on non-interference in its imperial domain, and as a conceptual obverse to the Brezhnev Doctrine, it is applied also to the satellites in Central Europe. If Moscow's domain were extended to the Atlantic, the same cry of non-interference would be encountered. Moreover, the current illusion about a growing economic interdependence with the USSR indicate a miscomprehension of both the nature of the USSR economy and this empire texture of the state as a whole. The dominant economic trends in the USSR, with unremitting emphasis on heavy goods production and the military, the repressive consolidating process engineered by Moscow among the numerous non-Russian nations in this imperial complex, and the unrelenting push for some forms of "integration" of the satellite economies with that of the USSR point to a relative self-sufficiency that leaves little room for any meaningful interdependence with the West. To obtain grains when needed, to acquire the best of technology free of R&D costs, and for some period have all this paid with loans guaranteed by taxpayers of adversary states is a neat formula for the operation of the trade sieve, especially when strategicity, as reflected in the Kama River truck works, becomes increasingly blurred.

A NEEDED REDIRECTION OF THE POLTRADE CONCEPT

Perfectly consistent with this necessary overall view is the poltrade concept which I advocated several years ago in hearings before the Senate Foreign Relations Committee[6] and which Senator Dirksen later advanced.[7] Briefly, the concept calls for trade in return for politico-social concessions. It must be emphasized that this linkage concept always pointed to peoples, situations and factors in the communist-dominated states. As this copy of a letter released by the American Federation for Soviet Jews shows—and which I request to have appended as part of this testimony—the concept was first applied to the Soviet Jews and their emigration.[8] On this point of emigration, my testimony last year in the House stressed the need to expand this to all the different nationals in this imperium in imperio.

But there is now the greater need to redirect the poltrade concept from the course it apparently has taken in the conduct of our foreign policy. Instead of the concept being applied to the peoples, situations and factors in the USSR, it appears to be increasingly employed to cover our weaknesses outside the Communist orbit; in short, our economic promises and pay-offs to Moscow and Peking for their twisting the arms of clients and proxies in Vietnam, Syria and elsewhere for temporary compromises and partial surcease of ideological assaults. This was never the intended objective of the concept, and the best way to correct its present misuse is to redirect it to its original objective. The empire-state of USSR—its many nations and peoples—is the chief object of poltrade.

When one reduces all this to basic perspectives and analysis, the question of how much Moscow, our chief enemy, will gain in technological and economic returns to strengthen both its empire reins and bid for global supremacy becomes a very fundamental one. The present course of exchanging economic benefits for momentary relief, compromises and abeyances in Free World areas is a definitely self-defeating one. The additional question is how tall a price will we be caused to pay as Moscow bolsters its sagging economy at little cost to its continued military build-up, now the largest in the world, and all sorts of intrigues, entanglements, and systemic warfare in the Free World? This real politico-economic price can be measured by having its economy shored up, indirectly facilitating its current consolidation process within, inadvertently discouraging opposition forces of freedom within its empire, and providing for much greater access for its operatives and agents in our environment than we could possibly have in its totalitarianized arena.

PROPORTIONATE POLTRADE CONCESSIONS

The external policy of any nation-state or of an Empire-state is reflective of its internal policies, institutions, and traditions. Changes in the latter will show in the former. The institutional nexus between the USSR's external and internal policies is almost ironclad. For the real economic aid Moscow hungers, especially our advanced technology, we as a nation, and in terms of our traditions of freedom and humanism, should strive to exact proportionate poltrade concessions in the internal policies of what is essentially a state of many different nations. In the current phase, the free and unlimited emigration of Soviet Jews is hardly enough for the billions of credits and investments planned.

As a signatory of the Universal Declaration of Human Rights, the Genocide Convention and other treaties, Moscow should be caused to observe its obligations under these treaties through the poltrade process. As this point and under these treaties, Moscow itself is discriminatory and thus justifies discriminatory treatment in the form of a denied MFN status and check credits. The poltrade concessions we should seek for its qualifying for the status and credits are:

(a) open and free emigration not only for Soviet Jews but all the different nationals in the USSR, as Khrushchev himself suggested;[9]

(b) the reunion of families and the elimination of extortionate Soviet duty taxes on relief packages sent by Americans to the USSR;

(c) in the spirit of religious freedom, the resurrection of the major Ukranian Orthodox and Catholic Churches, which were genocided by Stalian;

(d) as advanced by many prominent American scholars, the beginning of direct diplomatic relations with the national republics since possible investments would be in their areas, two of the republics (Ukraine and Byelorussia) are in the U.N., and the USSR Constitution provides for this; and

(e) surcease of psychiatric and labor camp incarceration of dissidents.

In conclusion, among many other things, detente may be "a process of managing relations with a potentially hostile country in order to preserve peace", but the process has also to be founded on an appreciative understanding of that Empire-state, its tyrannical institutions, and moves toward global supremacy. Fall-back arguments on nuclear war, in themselves reflective of rational desperation, cannot obscure the instrumentalism of trade in the broader politico-economic framework that involves fundamental issues of national security, human rights, and the freedom of nations. It is not because of detente that Jews have been permitted to emigrate; rather Jewish agitation in the Free World and Moscow's technological hunger account for it. It is also not because of detente that Solzhenitsyn is in Switzerland, but again because of this hunger and the Russian's towering stature.

FOOTNOTES

[1] See *Trade Agreements Extension*, Hearings, H.R. 1 Part 2, 1955, pp. 2333–2356; *Trade Reform*, Hearings, Committee on Ways and Means, Part 11, pp. 3550–3591; "The Question of Expanded U.S. Trade Relations With the Soviet Union", *Congressional Digest*, Nov. 1973, pp. 285–287.

[2] "The Russian Trade Trap", *ch. 9, U.S.A. and The Soviet Myth*. The Devin-Adair Co., 1971, pp. 206–239.

[3] Keith Bush. "Soviet Economic Growth: Past, Present and Projected", *Radio Liberty Dispatch*, February 11, 1974.

[4] E.g., "Text of President Nixon's Press Conference", *The Washington Post*, Feb. 26, 1974, p. A12; Kissinger, "Detente", *Washington Star-News*, p. A–6; "U.S., Soviets Call Detente 'Irreversible'", *The Washington Post*, March 26, 1974, p. 1.

[5] Theodore Shabad, "Solzhenitsyn Asks Kremlin to Abandon Communism . . .", *The New York Times*, March 3, 1974, pp. 1, 26.

[6] *East-West Trade*, Hearings. Part II. 1965, pp. 94–104.

[7] Senator Everett M. Dirksen. "Needed: A Realistic East-West Trade Policy", *The Reader's Digest*, June, 1969, pp. 129–133.

[8] Letter to Mr. J. K. Jamieson, Standard Oil Company of New Jersey, June 14, 1972, p. 2.

[9] *Khrushchev Remembers*, 1970, p. 522–525.

NO AMNESTY FOR DESERTERS AND EVADERS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Alabama (Mr. EDWARDS) is recognized for 5 minutes.

Mr. EDWARDS of Alabama. Mr. Speaker, the subject of amnesty for Vietnam draft evaders and deserters has once again bobbed to the surface of national debate.

I have made my position on amnesty clear before, and I must say that the passage of time has not changed my opinion. I am still opposed to amnesty, not so much out of vindictiveness toward deserters and evaders, but out of respect and admiration for those who chose to serve their country and its ideals. To grant amnesty would tarnish the esteem in which we hold those men who answered the call.

Mr. Speaker, there is no way to forget the over 50,000 Americans who died in this war. There is no way to forget the 300,000 Americans who were wounded in Vietnam or the 2½ million Americans who served there. There is no way to forget the sight of American prisoners of war returning home after years of hardship, with "God bless America" still their creed.

And as long as we remember the sacrifices of these brave men, we cannot look kindly on a draft evader or deserter coming home without paying some penalty for his actions. Those men who served had at some point the same option taken by the deserters and evaders. But they rejected it and elected instead to fulfill their military obligation.

One of the arguments most often advanced in favor of amnesty is that granting forgiveness will somehow help bind up the wounds of division brought on by the Vietnam war. But holding this argument up in the light reveals its transparency. Rather than having a healing effect, granting amnesty would reopen thousands of wounds suffered by those who served in Vietnam. The families and loved ones of those who maintained their loyalty and went to Vietnam, some to die there, would certainly experience no healing sensation by seeing those who refused to serve welcomed back with open arms.

There is bound to be a feeling of relief and charity following such a long and painful war, and well there should be. But I believe we should reserve our charity and our expressions of good will for those Americans who remained loyal to their country. Granting amnesty to Americans who turned their backs in a time of national need would write a very unhappy ending to this long, unhappy war and set a dangerous precedent in the event that a draft might be needed in the future.

MAXIMUM USE OF COAL RESERVES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. McDADE) is recognized for 30 minutes.

Mr. McDADE. Mr. Speaker, for many years this Nation has lacked a policy aimed at gaining maximum use of our Nation's huge coal reserves while protecting our environment. It has been said that the United States is the Saudi Arabia of the world in terms of the size of our fossil fuel reserves. We have enough coal in the ground now to last for approximately 500 years. Yet, while coal makes up about nine-tenths of our fossil fuel reserves, it represents only 18 percent of our Nation's energy consumption.

One of the side effects of the energy crisis is a renewed concern on the part of all of us that the United States become energy self-sufficient as soon as possible. A key to any national energy self-sufficiency is the development of our coal reserves.

Recently, our distinguished Secretary of the Interior, the Honorable Rogers C. B. Morton, discussed the need for a national coal strategy before an audience at the West Virginia School of Mines in Morgantown. I am including a copy of the Secretary's remarks for the RECORD, and I commend them to any Member of Congress who is interested in an expert analysis of the potential of coal to meet our energy needs:

REMARKS OF THE HONORABLE ROGERS C. B. MORTON

If I were asked to name the energy source that has the greatest potential over the next twenty-five years, I would automatically say "coal." And if I were asked to say which energy sources has the greatest problems ahead of it, I would have to give the same answer.

This is a pretty fair arrangement. The potential is as given, in any situation, and you have to work with it as it is. We can do something about the problems, and we will. Tonight I would like to talk about both the potential and the problems of coal, and what we see to be some approaches to the problems.

One of the ironies of our energy problem is that we use so little of our most abundant energy source. Our current economically recoverable reserves of coal come to a little under 200 billion tons which is enough to last us for hundreds of years. This is about nine-tenths of our total fossil fuel reserve, yet coal supplied less than 18 percent of our energy needs last year. Our need, and our intention, is to increase coal's contribution to the fuel economy dramatically. We would like to see coal take over as much of the stationary heat and power load as is practicable, so that oil and gas can be conserved for use as specialty fuels and chemical building blocks.

The enlarged role we envision for coal will require greatly increased coal production—perhaps as much as 2 billion tons annually by 1985. This as you will recognize, is better than three times the 600 million tons that we produced in 1973.

This is a tall order, and two things will have to take place. First, we will need to make a market for this much coal, which is mainly a function of its environmental acceptability. Second, we will have to find ways of producing enough coal at acceptable social and economic cost, to satisfy the market we have created. The requirement here is for a coal industry capable of delivering the coal that will be needed.

Most of the verbiage and money coming out of government recently has been directed to the downstream end of the chain of coal problems; that is, how to clean up coal, either by changing it to low-sulfur fuels, or by removing the sulfur oxides during or following the combustion process. Under the President's energy program, the Department of the Interior is requesting $343 million for work in these areas during fiscal year 1975, with $2.7 billion more projected for the next four years, for a total of $3 billion over the five-year life of the program.

This is a vast commitment and a rousing vote of confidence in our ability to solve the problems connected with using coal. But we need to remember that at a time when we are talking about the great need for coal, making its use one of the prime objectives of our drive to restore our energy self-sufficiency, and spending billions of dollars to promote its utilization, coal production is declining, and has been for the past 3 years.

Let me hypothesize a bit. Assume that we really do triple coal production over the next 11 years. To get to this level of 2 billion tons we would need to open 280 new mines, each averaging 5 million tons a year, just to take care of the increase, let alone compensate for depleted mines and sections in the existing infrastructure. This figures out to opening one new mine every two weeks, starting next Monday. It would mean a capital requirement of between $20 billion and $30 billion, depending on the balance between surface and underground production. It will mean the recruitment and training of perhaps 200,000 to 300,000 miners, depending on productivity rates, retirements, and the surface underground balance. It will require a quota of mining engineers that will be a multiple of anything we are now producing or ever have produced in the past.

The problems are even tougher than I have outlined, because we won't be able to start the scale-up next Monday. The lead time on getting mines into production is at least 2 to 3 years for surface and 4 to 6 years for underground. It takes 1 to 2 years to train a miner and four academic years to get a mining engineer. The available time for expansion is telescoped by the net drag of these assorted lead times.

There are other problems. To date, most of the government's concern with coal production has focused upon the urgent requirement to improve health and safety conditions in the mines. We are proud of our record in this field, and we are determined to do even better in the future. But this has been one of the factors in the decline in productivity and loss of production we have witnessed since 1969.

Between 1969 and 1971 production per man-day in underground mines fell from an average of 15 tons per man-day to 12 tons. This is a decline of 25 percent and the price of coal has doubled. Most of us are aware of this fact. But it is also true that productivity in surface mining has also slipped badly over the same period—by about 20 percent, and the price of surface mined coal has risen by half since 1969. Stricter requirements for environmental protection and reclamation of surface-mined areas will, I expect, further cut into mining productivity and raise mining costs.

Now does this mean that we must compromise the gains we have made in environmental protection and worker health and safety for the sake of greater mine production? It does not. What it does mean is that we must now redouble our efforts to raise productivity by more efficient mining. There is much to do in the way of solving the problems that now limit the productivity of the extraction phase of coal operations, both underground and surface. The Department of the Interior has requested $47 million in research and development funds this year to assist the coal industry in solving these problems, and over the next five fiscal years the total may exceed $300 million. We are aiming not only at upgrading present mining methods, but developing new technology and new systems, and we're not shooting for peanuts. Our hope and objective is to double the productivity rate of 12 tons per man-day in underground mines, and do it between now and 1985.

One of our major efforts is to develop and demonstrate the technology needed to make longwall mining more generally suitable for use in the United States. Longwall got off to a pretentious start in the 1960's, but the bloom was off by the end of the decade and it currently contributes less than 3 percent of total production. We think it has great possibilities, particularly if it can ultimately be automated.

We feel that a lot can be done to improve haulage, and we are aiming at a system that will provide a continuous flow from the mine face to the preparation plant. This would do away with one of the major bottlenecks in underground production and allow productivity and safety increases all along the line.

Roof support is another major area we are concentrating on, since roof falls kill more men and the inability to provide continuous roof support is the limiting factor in more mines than any other single thing.

Methane as always been a problem and it is going to get worse as mines go deeper and production rates increase. If we can develop an effective de-gasing and recovery system we can contribute to solving two problems, not just one.

The list is a long one. There is a bonanza waiting for us if we can learn how to mine the thick seams in the West, and we have money committed to this objective. Underground gasification could make productive use of resources now unrecoverable. We shall investigate systems for rapid restoration of overburden behind the extraction process in surface mining. These and many other programs are evidence of our active interest in improving the technology of coal mining.

But there are other problems that must be solved, and none is more important than to remove the uncertainty over government policy that has demoralized the coal mining industry for years. We simply must have some long-range, reliable ground rules on what will be permitted in the way of surface mining and under what conditions. The Administration has proposed an approach which will get to this objective in ways which are compatible with the special economic and environmental requirements of each of the principal coal mining States. The proposal has been before the Congress for three years. Meanwhile, numerous other legislative proposals have been introduced. Many; unsound, others openly punitive, still others completely prohibitive of surface mining operations. Is it any wonder that coal companies and their banks are unwilling to risk capital to open new mines in such a climate of uncertainty and abuse?

Let me cite another example. The sulfur emission standards developed by the various States under the Clean Air Act Amendments of 1970 are due to go into effect on July 1, 1975. The Bureau of Mines has recently completed an exhaustive study which will shortly be published as a Mineral Industry Survey which analyzes the standards set by State Implementation Plans for each Air Quality Control Region. It then compares the sulfur content of the coals that are available to each of these AQCR's with the established emission standards, region by region. The conclusion of the study, backed by detailed analysis, is that under the best of presently foreseeable conditions a minimum of 200 million tons of coal a year cannot be burned after June 30, 1975, under the law which takes effect fifteen months from now. The study further concludes that this unusable fraction could range as high as 250 to 295 million tons a year between 1975 and 1980.

I want to emphasize that the stock mumbo-jumbo about whether these amounts are identified with the so-called "primary" or "secondary" standards does not apply here. The figures I have given represent the amounts of coal which may not, under penalty of fine or imprisonment, be burned after June 30, 1975 under the existing law. These are the amounts that will have to be foregone under the State Implementation Plans that are now effective.

Strict enforcement of the clean air law would result in shutting down half of our coal-fired electric generating capacity and a good part of our industry. Obviously, relief will have to be granted. But where, under what conditions, for how long, and applicable to what classes of users? Coal mines can be financed only through some sort of assurance that a market will exist long enough to amortize the investment. The uncertainty as to what we *will* do meantime paralyzes the investment decisions not only of the coal companies but of the railroads and utilities as well. Suspense is literally killing the coal industry. Banks and bondholders are going to demand something besides sporadic short-term variances as a condition for financing new coal mining ventures. We are never going to get the investment required even to maintain coal production at its present levels—let alone a 200 percent increase—in the present environment of confusion and uncertainty over the long-term outlook for capital committed to coal mining ventures. Something has got to give, and soon.

Last week the Administration transmitted to the Congress a number of proposals designed to correct the defects of the Clean Air Act without sacrificing its commendable objectives. Among the proposals are measures designed to give stationary sources additional time to comply with the established standards, but only when these sources are on a fixed schedule for full compliance, and to permit the use of tall stacks and fuel-switching to meet ambient air quality standards, providing all requirements for the protection of public health can be met. These measures are essential to avert the impending collision between the irresistible force and the immovable object fifteen months from now, and to give the coal industry, the railroads, and the utilities some consistent realistic guidelines as to what to expect from the Federal government in the way of air quality controls.

I have mentioned two basic requirements for meeting the demands for added production in the years ahead—realistic, coherent, long-range government policy and improved mining technology. There are many others: labor stability, access to capital, improvement of the transport linkage between producer and consumer, and perhaps most important of all, the development of a large group of engineers.

We need what I have termed a "national coal strategy" to get it all together. A task force comprised of representatives from a number of government departments and agencies is now being assembled to develop such a strategy; assess what will be needed to get from where we are now to where we want to be; and to develop specific goals and means of achieving them.

The group will be chaired by Dr. Thomas Falkie, who has just assumed his new duties as Director of the Bureau of Mines, and its charter will cover everything from the working face in the mine to the precipitators and scrubbers in the stack. I envision the task force as a gadfly—to be the constant witness for coal to labor, to the industry, and to Federal and State agencies concerned with coal in any way. You will be hearing more from this group in the future.

There is one more thing. The coal industry has been suffering the general troubles of an industry long in decline: lagging technology, an aging labor force, a lack of capital, and a general reluctance of up-and-coming young people to have much to do with it. Now, its hour has struck. The turnaround is here, and all of a sudden there isn't enough of anything. This will place a tremendous responsibility on the corps of professionals who comprise the technological leadership for the mining industry—not only those actively working in the mines, but those in mining equipment companies, in laboratories, classrooms, and in the regulating agencies of State and Federal governments. It is these people who must separate the dreams from the realities, who know what is do-able and what is not, and who must devise the ways of getting to the objectives that must be met.

And they will be well paid for their services. Beyond the money, which is always welcome, there is the satisfaction in knowing that there is no occupation where you could contribute more to the solving of the Nation's most pressing problem: that of providing itself with an adequate, reliable supply of energy. The problem will be around for a long time, and so will the demand for the services of those who can contribute to its solution. You couldn't be in a better spot.

After years of long-suffering and neglect, the mineral science colleges are also being challenged as never before. Last June, 260 baccalaureate degrees in mining engineering were awarded—a small number when compared to the number of lawyers the colleges turned out, but it was two and a half times the number of mining engineers that were graduated in 1970. And they all had well-paying jobs waiting for them when they got out—which couldn't be said of the lawyers. West Virginia University has long been a leading contributor to the ranks of mining engineers, particularly those who enter the business of coal mining. Moreover we maintain a close and valued relationship with the University's School of Mines through our Morgantown Energy Research Center operated by the Bureau of Mines. You have helped us greatly in the past; we hope that you will continue to do so in the future, and that in turn we may be of some assistance to you as we work together to solve the tough problems which now limit our ability to use our greatest fuel resource.

I am confident that the problems will be solved, by the professionalism, the imagination, and the dedicated hard work of the far-reaching fraternity of mining—particularly coal mining—as a vital, constructive, essential occupation which has deserved far more credit than it has received in recent years. But the long-overdue recognition is on its way. The only direction things can go is up, because the Nation, at long last, has finally begun to Dig Coal.

ABORTION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maryland (Mr. HOGAN) is recognized for 60 minutes.

Mr. HOGAN. Mr. Speaker, as my colleagues know, I have introduced an amendment to the Constitution to overturn the Supreme Court on abortion. While the House Subcommittee on Civil Rights and Constitutional Rights has refused to hold hearings on this important issue, the Senate's counterpart, the Subcommittee on Constitutional Amendments, has held 3 days of hearings.

I testified before the Senate subcommittee today and I would like my testimony before that subcommittee inserted in the RECORD for the benefit of all my colleagues in the House.

STATEMENT ON ABORTION BY LAWRENCE J. HOGAN

I am Lawrence J. Hogan, Member of Congress representing the 5th District of Maryland.

I introduced a human life amendment in the House of Representatives (H.J. Res. 261) on January 30, 1973. Senator Helms' proposed amendment (S.J. Res. 130) is identical to mine.

It seems to me these hearings should address themselves to two questions: "When does life begin?" and "once it has begun, what legal rights does it have?"

It is my position that human life begins at conception and destroying that life through abortion is killing a baby, that is the crux of my opposition to abortion.

An argument often raised to support legal abortion is that restrictive laws are broken. This argument is inconsistent, and is not based on logic or jurisprudence. Virtually all our laws are broken, but that is hardly a legitimate reason for repealing them.

Twenty years ago few would have questioned that abortion is killing a baby. Now one is called upon to defend that statement. The public has been led to believe that there is some doubt as to whether or not human life exists before birth. Assuming for purposes of argument that there is some doubt, the moral course, it seems to me, should be to err on the side of protecting that life.

If you are a hunter and you see something move, and think there's a 50% chance of its being a wild boar and a 50% chance of its being a child, shouldn't you refrain from shooting? If society, buttressed by law, upholds the right of the child behind the bush to be safe from the assault of the hunter, why doesn't the law give a similar benefit of the doubt to the child in the womb?

Until fifteen years ago our laws did give this benefit of the doubt and there was less medical proof then than there is now that the unborn child is a human being. If it is not a human being, what is it? The woman seeks an abortion because she does not want to have a baby. If what's in her body is not a baby, then what could it possibly be?

Let's take a look at what it is. Physicians tell me that in the first month of life growth and development are rapid and dynamic, with the central nervous system (the brain) seeing its most important growth spurt, and the rhythmic contractions of the heart beginning. The primitive skeletal system has completely developed by the end of the eighth week, and the electroencephalogram has detected brain waves as early as 43 days. During the sixth and seventh weeks, the nerves and muscles begin working together for the first time, and the lips become sensitive to touch and, when gently stroked, the child responds. By the seventh week of life, the child's shape and form is unmistakably human. He now has all the internal organs of the adult. The stomach produces digestive juices, the liver manufactures red blood cells and the kidney is eliminating uric acid from the blood. His arms are still very short, but hands with fingers and thumbs are recognizable, and the legs have knees, ankles, and toes. From this point in development, until age 25–27 years, when full growth and development is complete, the only major changes will be in the size and sophistication of the functioning parts.

Fingerprints, which will never change throughout his life, develop at 8 weeks. The eyelids and palms of the hands become sensitive to touch about 8½ weeks. At this point, if the eyelids are touched, the child squints; if the palm is touched, the fingers close into a small fist.

The sex hormones—estrogens and androgens—have been identified as early as 9 weeks. At 10 weeks hormone growth is detectable and at 10½ weeks, the thyroid and adrenal glands have begun to function. Also at 10 weeks, the obstetrician can detect the child's heart beat.

By the end of the third month, or first trimester, the unborn child has become very active. He can now kick his legs, turn his feet, curl and fan his toes, make a fist, move his thumb, bend his wrists, turn his head, squint, frown, open his mouth, and press his lips tightly together. He can swallow and drink the amniotic fluid that surrounds him. Inhaling and exhaling respiratory movements begin to move fluid in and out of his lungs. And thumb sucking is first noted at this age. He has vocal cords, but cannot cry because he is not strong enough. The fingernails appear and he starts to urinate. By this time, every child shows a distinct individuality in his behavior and the words of noted behavioral psychologist Dr. Arnold Gesell become significant:

"By the end of the first trimester (twelfth week), the fetus is a sentient moving being. We need not pause to speculate as to the nature of his psychic attributes but we may assume that the organization of psychosomatic self is now well underway".

The child grows very rapidly during the fourth month of life. His weight increases six times and he grows 8 to 10 inches in length.

In the fifth month (16–20 weeks), the unborn child will become one foot tall, and weigh approximately one pound. Hair begins to grow on his head and eyebrows, and a fringe of eyelashes appear. The child sleeps and wakes, just as he will after birth, and he may even be aroused from sleep by external vibrations. The skeleton hardens and the muscles become stronger. Fnally, his mother notices his activities.

Dr. Gesell notes that:

"Our own repeated observation of fetal infants (an individual born and living at any time prior to 40 weeks gestation) left us with no doubt that psychologically they were individuals. Just as no two looked alike, so no two behaved alike. One was passive, when another was alert. Even among the youngest, there were discernable differences in vividness, reactivity and responsiveness. These were genuinely individual differences, already prophetic of the diversity which distinguishes the human family."

The reason I went into the detail, Mr. Chairman, is because it is important to know what unmistakably human characteristics this unborn child has even in the early stages of pregnancy.

I am not asserting that it is the function of the law to proclaim medical truths. That should be done by the medical profession, acting responsibly and in consideration of its tradition. The law, however, acts improperly when it pretends to assert medical fact or *ignores* medical fact. This the Supreme Court did on January 22, 1973. It pretended to assert as fact a lack of sufficent knowledge of the unborn condition as a basis for its later pronouncements, one of which was a new definition of "meaningful life."

Who of us is competent to say that one life is meaningful and another is not? The law is supposed to portion out justice, to mediate differences, to protect those unable to protect themselves, to defend the interests of the weak and to limit the forces of the strong. The law is *not* supposed to decide that one's life is not meaningful.

The one thing all human beings have in common is the existence of our life, along with the consensus that we are human. Philosophies may differ as to what attributes of this universal human life the law is bound to *protect*, but when there is serious disagreement whether or not life *itself* should be protected, the existence of *all* humanity is in peril.

Until a few years ago the law in America gave the benefit of every doubt to the existence and continuation of human life. Comment on a 1941 case before the New York Supreme Court summarized the legal tradition in these words: "It has been the uniform and unvarying decision of all common law courts in respect to estate matters for at least the past two hundred years that a child en ventre sa mere is 'born' and 'alive' for all purposes for his benefit." (175 Misc. 1022, 1024, 26 N.Y.S. 2d 140, 143 Sur. Ct. 1941).

The unborn child clearly could inherit by will or intestacy. If a decedent left a will stating that his estate should be divided among his children at the time of his death, unborn children have inherited on an equal basis with born children. Under the January 22 decision of the Supreme Court, a woman can enrich her *own* inheritance by aborting the unborn heir.

The unborn child can also be the beneficiary of a trust.

Historically, too, common law has acknowledged the rights of unborn children by granting stay of execution to pregnant women so that the child could live.

If the law has always afforded these legal rights to the unborn child, how can the law now deny the most basic of all human rights, the right to life itself?

The Governor of California, Ronald Reagan, recently stated that the California Criminal Code holds a man who strikes a pregnant woman, killing her unborn child accountable for murder, but if the woman herself kills her child that is now legal.

The nineteenth century saw the large-scale adoption of anti-abortion statutes at the state level. The pro-abortionists assert that the motive of such laws was the protection of the health of the woman involved. But there was nothing that suddenly made abortion more dangerous in 19th century America than it had been in 17th or 18th century America. An expert study of medical and legal journals of the period compels another conclusion. An 1887 article in the *Journal of the American Medical Association* criticized the increase of abortion "especially among the higher classes." The article continued, "This fallacious idea that there is no life until quickening takes place has been the foundation of, and formed the basis of, and has been the excuse to ease or appease the guilty conscience which has led to the destruction of thousands of human lives."

In the 19th century, more women were having abortions than previously, and society didn't approve, so laws were passed to prohibit it. Clearly, too, there was a growing medical objection to arbitrary distinctions among the different stages of pregnancy as scientific advances demonstrated the absolute humanity of the unborn child.

Has there been some new medical discovery in recent years proving that the unborn child is not human to justify abortion? No, gentlemen, the contrary is true.

Another area of law which is clearly prejudiced in favor of the unborn child is the law of torts. When advances in science were able to pinpoint damages, to clarify stages of development, to assign responsibility for harm, the law began supporting actions in tort for injuries done to unborn children. It is worthy of note that up *until the 1970s*, the response to the growing medical knowledge regarding unborn babies was a greater reverence for life, a stronger desire to protect it, a resolution by the legal profession to guard the beginning of life, increasingly recognized as delicate and vulnerable . . . and real.

There have been numerous examples in our judicial history where the law has gone to great lengths to protect the lives of unborn children. In several cases, women of the Jehovah's Witnesses faith who refused to have blood transfusions to save the lives of their unborn children were forced by the courts to do so. The courts placed the life of the child above the mothers' religious beliefs.

The law has also allowed guardians to be appointed to represent unborn humans and to have suits brought against their fathers for financial support.

Now, Mr. Chairman, and members of the Committee, allow me to speak as a politician. Until a few years ago abortion didn't mean very much to me. I didn't think very much about it. I somehow equated it with birth control. My brother, Dr. William J. Hogan, an obstetrician, had been trying to discuss abortion with me, but I kept putting him off, telling him it was not a "popular political issue." Finally, one day he came to my house and showed me color pictures of what unborn babies look like. I saw what some people call a "chemical reaction", sucking its thumb. I saw perfectly formed human babies just a few weeks from conception. I saw the pictures of a twenty-one week old "fetus", a little girl who survived. I saw other little babies who didn't survive, some scalded red from a saline solution which flushed them from the womb. I saw others torn apart by a suction machine, but in the material taken from the machine I could see a little foot and a little hand.

I was stunned. I was shocked and I was ashamed. I don't know what I thought abortion really was. I didn't think that much about it. But I *certainly* didn't think we were killing babies. How could I have been so stupid? If we're not killing babies, what *are* we doing?

Mr. Chairman and members of the Subcommittee, I urge you to look at those picture. You don't have to be a medical scientist to conclude overwhelming, as I did, that what we euphemistically refer to as a "fetus" is really a human baby, and what we euphemistically refer to as "termination of pregnancy" is really the killing of that unborn baby.

If those pictures don't show human babies, what do they show?

I was changed instantly from one who considered abortion as "not a popular political issue" to one who feels that it is the most important issue facing our society. It may not be a popular political issue, but it is, literally, a matter of life and death.

In 1857, the United States Supreme Court handed down a decision saying that it is lawful for one human being to own another human being as a chattel. That was the Dred Scott Decision that was a horrifying decision, but it took 11 years to overturn it.

On January 22, 1973, the United States Supreme Court handed down a decision saying that it is lawful for one human being to destroy another human being for convenience. Since then millions of human beings have been legally slain. We must, as soon as we possibly can, overturn that decision.

In its January 22 decision the Supreme Court declared that it "need not resolve the difficult question of when life begins." That was the most important of all the questions to resolve. The answer to the question of when life begins is not difficult at all. The answer has been established beyond any possibility of doubt by modern science. The Supreme Court is quite simply in error in its belief that experts have been unable to arrive at any consensus about this.

The fact is that both pro-abortionists and anti-abortionists agree on the answer to the question of when human life begins. Their disagreements raise, not on the scientific, factual question, but on the question of what moral value embryonic life, once begun, possesses, and what legal rights should be accorded it, and what should be regarded as appropriate ethical responses.

In 1967, the first International Conference on Abortion reached agreement by a 19-to-1 vote about the life of the unborn:

"The majority of our group could find no point in time between the union of sperm and egg, or at least the blastocyst stage, and the birth of the infant at which point we could say that this was not a human life. The changes occurring between implantation, a six-week embryo, a six months fetus, a one-week-old child, or a mature adult are merely stages of development and maturation."

Once the humanity of the unborn child is recognized, it follows that it is only good medicine to protect and foster the life of the child, just as one protects and fosters the life of the mother.

As Dr. H. M. I. Liley, who with her husband, Dr. Albert William Liley, helped pioneer the medical treatment of babies before birth, has well said: "... Modern obstetrics discards . . . the idea that the pregnant woman can be treated as a patient alone. No problem in fetal health or disease can any longer be considered in isolation. At the very least, two people are involved, the mother and her child."

There are those who assert that abortion is simply a medical procedure, isolated from the rest of reality, and the ethics governing it are no different from, say, an appendectomy. Today it is especially necessary to realize that abortion, as such, is not really a medical problem. Doctors who are doing abortions are not doing them for strictly medical reasons, but for social, economic, population-limitation, and other reasons, and to satisfy demand. The progress of modern medicine has, in fact, rendered what used to be called therapeutic abortions superfluous.

Essentially, what I am saying is that abortion is a medical procedure for which the patient, not the doctor, indicates a need, and, in this case, a demand. This is a profound shift in the ethical disposition of the medical profession, and in my view not a desirable shift.

Let me cite an example of this new medical ethic.

There is a case in the California courts now of a 4½ pound baby born through a saline abortion when the doctor was not present. The nurses put the baby into care equipment. The doctor ordered the care to cease. The mother, reportedly, indicated disagreement with the doctor, and, in any event, the nurses refused to kill the child, as ceasing oxygen would have done. As I recall from reading about it in the papers, a nurse asked the doctor, "What do you want to do, kill the baby?" To which the reply was, "Wasn't that the original idea?"

To those who argue that with abortion we are avoiding a generation of unwanted children, I might say that the years-long wait for adoption of babies indicates that these children are "wanted" by many would-be parents.

Let's be clear, Mr. Chairman: abortion is not birth control. Birth control prevents life from starting; abortion destroys life after it has started.

It is widely asserted that abortion is a perfectly safe procedure—more safe than childbirth, it usually goes. I might say it's highly unsafe for the unborn child.

Mr. Chairman, we have an obligation to not ignore the lessons of history. I remind the committee of the Germany of the 1930's. The medical profession at the time gave in on one point to being with ... and then on another ... and then another ... until pretty soon it had no principles left. "I had no idea it would come to this," lamented one of the men condemned at the Nurenberg trials.

To which a perceptive Judge replied, "It came to this the minute you first condemned an innocent life to death."

Those first innocent lives were the unborn children killed through abortions. They were followed by the mental parents, the incurables, the aged, the dependent, and eventually six million Jews.

The October 22, 1971, Baltimore *News American* headlined a story "aborting unfit suggested." It quoted the President of the National Academy of Sciences arguing for the upgrading of the human gene pool, through the means of aborting the genetically undesirable. It was glaringly implicit that this "upgrading" would have to be involuntary at some point or other. That is the suppressed premise of almost all these eugenic schemes. It is a premise—namely, the inevitability for one reason or another, of abortion.

Mr. Chairman, I would now like to refer to Section 2 of the Constitutional amendment sponsored by Senator Helms and me. It relates to euthanasia.

Many predicted that, if abortion were allowed, euthanasia would follow. They were pooh-poohed by the pro-abortionists. I don't think anyone can deny that that is the trend of our Nation today. A cursory glance across any well-stocked current periodical shelf in a magazine shop or a library gives ample testimony to the plethora of material being written on euthanasia, stirring up the public consciousness and attention, creating the impression of a major issue. "Death with Dignity" it's called. It has a ring to it like "Termination of Pregnancy."

They are both part of the deterioration of our respect for life.

I think, gentlemen, our basic problem is the definition of health we all seem to have taken for granted. Formerly, health was defined as the "absence of discernible illness." That worked well, because such things as pregnancy and old age were not discernible illnesses. They were conditions. The World Health Organization came along, however, and restructured the definition of health. They say it's a "feeling of well-being." What, I ask you, is a "feeling of well-being?" And, even if I know what it is for me, it's probably something different for you. How can the medical profession deal objectively and consistently with something so subjectively determined? Obviously, if you're "sick" when you don't have a "feeling of well-being" and you don't have a feeling of "well-being" over being pregnant, you are therefore ill, and should be given an abortion to restore your "feeling of well-being".

Similarly, if you're aged and suffering some chronic disease, your "feeling of well-being" might be missing. Naturally, the next step is to say that you're not leading a "meaningful" life. The Supreme Court has told us that lives which are not "meaningful" do not have the protection of the law so what could legally prevent euthanasia?

As long as abortions are allowed for the "health" of the mother, and the World Health Organization definition of "health" is accepted by the United States officially, abortions will not be prevented.

Permitting abortion to save the life of the mother is an entirely different position, one which I accept, but not for her health, not for her feeling of well-being.

Mr. Chairman, I think it is important to understand precisely what the Supreme Court's abortion decisions held. There are few Americans who realize that a woman can get an abortion up to the moment of natural birth.

During the first trimester, the Supreme

Court said no abortion can be prevented by law. It is a decision for the woman and her physician.

During the next trimester the court may regulate abortion, but not prohibit it.

During the final trimester the State may prohibit abortion except where necessary "for the preservation of the life or health of the mother." The Supreme Court then went on to say that "the medical judgment may be exercised in the light of all factors—physical, emotional, psychological, familial, and the womans age—relevant to the well-being of the patient. All these factors may relate to health." (Doe V. Bolton)

When you allow abortions subsequent to what the Supreme Court refers to as "viability" for reasons of "health" and you define "health" as a "feeling of well-being" a woman can have an abortion for any reason up to the moment of birth.

Mr. Chairman and members of the Subcommittee, I urge you to approve a Constitutional amendment promptly to reverse the Supreme Court decision which, in effect, allows the destruction of human life up until the moment of natural birth.

RIGHT TO PRIVACY ACT

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from California (Mr. Goldwater), is recognized for 10 minutes.

Mr. **GOLDWATER**. Mr. Speaker, I wish to take this opportunity, on behalf of my colleague Congressman Ed Koch and myself, to announce that today we have jointly introduced an Omnibus Right to Privacy Act.

There can be no doubt that the time has come for the Congress to move to restore the personal privacy of Americans. The erosion of personal privacy has often been seen as an incidental and necessary part of the growth and application of technology. Nothing could be farther from the truth. Further, the rapid advance of technological applications of science has served to encourage thoughtless application and occasional deliberate misuse. Personal privacy is a basic element of the inalienable rights of all individuals. It is an essential element of a free, healthy society. The Congress of the United States is dedicated to the preservation of individual rights and freedom. Thus, it is logical and necessary that Congress address itself to this important issue, and it is in the spirit of assisting in that effort that we have introduced this legislation.

For the convenience of the Members, I am including a brief of the bill:

Right to Privacy Act: Summary of the Legislation

FINDINGS AND DECLARATION OF PURPOSE

An individual's personal privacy is affected by the extensiveness of collection, use and disclosure of information about him.

Organizations keeping personal information should allow individuals the right to know files exist, to inspect them, and correct inaccurate statements.

The increasing use of computers and sophisticated information technology has greatly magnified the harm that can occur from misuse of personal information.

Personal information includes anything that describes an individual, such as his education, financial transactions, medical or employment records, and life-style.

SAFEGUARD REQUIREMENTS FOR PERSONAL INFORMATION SYSTEMS

All Federal, State and local governments and business organizations must comply with these requirements, whether having manual or computer based information systems.

Information collected should be appropriate to needs of the organization seeking it, maintained completely and competently, and personal information must not be given to third parties without the individual's consent.

When information is collected, the individual must be told if the request is mandatory or voluntary and what penalty or loss of benefit will result for non-compliance.

Several categories of privileged, sensitive information should be established by organizations and particular requirements set before the information is disseminated.

Information about Americans cannot be transferred to a foreign country unless the provisions of the Act are extended by any receiving country.

Persons involved in handling personal information must act under a code of professional secrecy and be subject to penalties for any breaches.

Anyone wishing to stop receiving mail because his name is on a mailing list can do so.

Individuals cannot be required to give their social security number for any purpose not related to their social security account.

PUBLIC NOTICE AND INDIVIDUAL RIGHTS

Organizations using personal information must give annual public notice describing their information systems.

An individual may receive at reasonable cost a copy of his file including investigative reports, which must contain its uses and transfers to third parties, be able to challenge inaccurate or undocumented information and have his position in a dispute added to his file.

Individuals must be notified that information is being maintained about them.

EXCEPTIONS

Criminal law enforcement, national security, press files and certain administrative information systems are excluded if specifically exempted by statute or Executive order where Congress is duly informed.

FEDERAL PRIVACY BOARD

Establish a five member Federal Privacy Board serving on a full-time basis, appointed by the President with Senate confirmation, having three year terms.

The Board will collect and publish information on personal information systems, issue regulations, conduct research on improving standards, inspect systems when non-compliance is suspected, hear requests for exceptions, and transmit annual reports to Congress and the President.

Only Congress can grant exemptions or exclusions from this Act. States and Federal Departments will be encouraged to establish privacy authorities to have the same duties as the Federal Board.

PENALTIES

There are civil and criminal penalties to be assessed by the courts, at the request of individuals or the Board.

Injunctions can be sought by the Attorney General to stop practices violating the Act.

CONGRESS SHOULD ACT NOW TO BREAK THE TAX-AND-SPEND-AND-TAX CYCLE

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from New York (Mr. Kemp) is recognized for 60 minutes.

Mr. **KEMP**. Mr. Speaker, I have taken time this afternoon to permit Members an opportunity to discuss the budget and issues associated with taxes and spending, authorizations, and appropriations, revenues and deficits—and the inescapable inflation which arises from misdirected and ill-conceived Government spending programs which lead to further attacks on the integrity of the dollar.

Yet, this is indeed a time when this subject ought to be fully aired. As I said in an address to this House on February 5:

> In my opinion, the President's budget message has to be the worst conceived of any on record—at least of any Republican President on record. It embodies the worst of Keynesian economic principles—planned deficits, the use of the Government's spending power to compensate for declines in other segments of the economy—all at the taxpayers' expense. It fosters inflation by spending a full $30 billion over this year's budget and by encouraging the Federal Reserve to print ever-increasing amounts of paper money—without increasing what stands behind it—to help pay the bills for which tax revenues are not enough.
>
> It is hard, in all candor, to realize that a budget proposal resting on such misguided principles and proposing such outrageous levels of expenditures came from a President whose political party has historically, been known for the advocacy of fiscal integrity, less taxes and less spending, reducing the size of government and the number of its employees, balanced budgets and paying our own way now—rather than passing on our national debt to our children.

Few issues could be of greater importance to the discharge of responsibilities laid by the Constitution at the door of the Congress. Few issues could be of greater importance to the strength and vitality of our economy and of the economic and political freedoms which buttress it.

The importance of this issue is why we should move prudently but decisively toward the enactment of measures to reform the processes Congress uses in addressing itself to the budget and spending priorities, as well as emergency anti-inflation legislation, zero-base budgeting requirements, revenue limitation and expenditure control devices, the requirement of price tag fiscal notes on all bills and resolutions, and other related measures. I have sponsored and cosponsored bills to achieve these objectives, as have my colleagues participating in this special order, and we are proud to report that on some there is considerable progress being made.

I have risen on a number of occasions to address this House on issues associated with taxation and spending. I have probably spoken out on this particular subject more than on any other since I first came to the Congress. And, I have reinforced these statements, these words, with action—the introduction of congressional budget reform legislation, the sponsorship of a revenue and expenditure control proposal, and an emergency anti-inflation bill, and votes against budget-busting spending and a higher cost of living. There is, therefore, no need for me to restate matters today which I have already made the subject of discussion and debate.

I do wish, however, to address myself to a few key aspects of the discussion: the process in which Government is contributing to inflation, and the extent of our spending during the past several decades.

THE POLITICS OF INFLATION

As I have said on several other occasions, inflation is not an act of God; it is an act of politicians. And, as such, it is subject to remedial action by those same politicians. If inflation was started and fueled by politicians, it can be slowed and halted by those same politicians.

Inflation is, essentially, a political, rather than solely an economic, problem. And, unless we reverse sharply the way in which economic policy has become politicized, there is little hope of resolving these economic problems in the foreseeable future.

Political decisions on economic policy are characterized by a focus on short-term benefits at the expense of long-term costs. The abortive wage and price control program is a good example of such an error. This leads inevitably to crisis solutions that come to grips only with the immediate manifestations of a problem, not the problem itself. Because such a process fights the results of problems, and not their true causes, additional problems simply keep arising. Secondary crises thus arise as a consequence. And advanced market economy simply cannot function effectively under such policies because the crises ultimately undermine savings and capital investments and, as a consequence, economic growth itself. Greater use of economic regimentation will result in greater dependency and reliance on that regimentation. The process is called, history tells us, "the road to serfdom."

How does this relate to our discussion today?

The ever-increasing political focus on short-term benefits at the expense of long-term costs has been particularly evident in the budgetary process as too many candidates for political office—election or reelection—have vied with each other to capture supposed votes by proposing new or bigger expenditure programs. As a consequence, new spending programs now threaten to far outstrip the revenue generating capacity of the economy. Thus, as expenditures have increased, taxes to sustain those expenditures have risen less sharply, creating greater reliance upon deficit financing. Thus, we have a tax-then-spend-then-tax-some-more phenomenon, while simultaneously we have a pass-on-much-of-the-cost-to-our-children philosophy permeating ever-increasing rises in the national public debt ceiling. Both can seriously disrupt our economic strength. Yet, both continue virtually unabated.

Furthermore, inasmuch as deficits which are not accompanied by an expansion in the money supply induce sharply rising interest rates which thereby retard growth within the housing industry, there is a further tendency for the money supply also to expand. The result is a standard fiscal-monetary inflation such as we are now experiencing.

The underlying strength of the American economy has been its ability, until recently, to absorb much of these inflationary pressures without any significant evidence of slowed economic growth. However, the process cannot go on indefinitely, largely because of the difficulty of sustaining adequate capital expenditures in our current economic climate.

The question can be asked, "Just how much are we spending and taxing"? I have some answers.

HOW MUCH ARE WE SPENDING AND TAXING?

It always dismays me when I hear or read debate on taxes and spending, if that debate is couched principally in subjective terms or borne forward solely by philosophical persuasion. Our attitudes on taxes and spending arise naturally from philosophical orientation, as they should, but what I am saying is that we must never forget the vast storehouse of factual information from which there is no escape into subjectivity, irrespective of philosophical disposition. The facts are the facts, and they tell us a most certain story during these times.

First, the Federal Government's gross annual revenue has risen from $7 billion in fiscal year 1940—just 34 years ago—to $232.2 billion in fiscal year 1973, and upwards ever since to a projected annual revenue of $295 billion for fiscal year 1975.

The statistics are as follows:

TABLE 1[1].—SUMMARY OF FEDERAL GOVERNMENT REVENUE, EXPENDITURES, AND DEBT, SELECTED FISCAL YEARS 1940–71

[In billions of dollars]

Item	1940	1948	1960	1971	1973
FEDERAL					
Revenue	7.0	47.3	99.8	202.5	232.2
General	6.2	44.3	87.1	156.9	161.4
Expenditures	10.1	35.6	97.3	226.2	246.5
Direct	9.2	33.8	90.3	198.7	NA
General	8.9	32.4	76.7	150.4	NA
Debt outstanding	43.0	252.3	28.3	398.1	468.4

[1] Excerpted from table 3, "Summary of Total Government Revenue, Expenditures, and Debt," "Facts and figures on Government Finance," Tax Foundation, Inc., 1973, at p. 15.

Second, the growth of the Federal Government's spending has outpaced those of other sectors of the economy. Between fiscal years 1960 and 1972, while per capita disposable income in constant dollars increased by 42 percent, Government purchases of goods and services increased by 134 percent—over three times as much. Private purchases of goods and services increased by 102 percent, markedly less—almost a fourth less—than those by the Federal Government.

During this same period, budget receipts increased by 126 percent, but actual budget expenditures increased by a startling 151 percent—26 percent over receipts—necessitating a rise in the public debt—the indebtedness of the Government of the United States borne by each and every one of us, and even by the unborn—by no less than 49 percent.

What are the statistics on this? They are as follows:

TABLE 2[1].—*Government and the changing economy*

[Percentage change in selected indicators]

I. The Federal Government:	*1960–72*
Budget receipts	126
Budget expenditures	151
Public debt	49
Expenditures for national defense and international affairs and finance	67
Domestic-civilian expenditures	246
Federal tax receipts (including social insurance taxes)	126
II. The economy:	
Gross national product	109
Government purchases of goods and services	134
Private purchases of goods and services	102
Per capita disposable income in constant dollars	42

[1] Excerpted from Table 1, "Government and the Changing Economy," Facts and Figures on Government Finance, Tax Foundation, Inc., 1973, at page 13.

Let us look further, for one moment, at the debt implications of those statistics.

The Federal debt outstanding during the period from fiscal year 1940 to fiscal year 1971 rose from $43 billion to $398.1 billion an 828-percent increase; and then rose, through November 30, 1974, to a total ceiling of $477 billion—a 1,010-percent increase over 1940.

The implications of those statistics upon the livelihood of every American cannot be missed; they are obvious.

To illustrate the waste of tax dollars which could be better spent in carrying the debt service, just consider that the estimated total interest payments on the outstanding debt of the Federal Government during this fiscal year of 1974 is $29 billion.

Third, the per capita growth in Federal expenditures, again from the period of 1940 through 1972, has been upward by 1,452 percent, from $77 in 1940 to $1,195 at the end of fiscal year 1972. That is $1,195 per person—every man, woman, and child—and it is going up even further for fiscal years 1973, 1974, and 1975. All the figures are not yet in, but we know the direction—up.

The statistics are as follows:

TABLE 3[1].—*Federal expenditures: Per capita*

[Selected fiscal years: 1940–72]

Fiscal year:	
1940	77
1942	266
1944	751
1946	485
1948	246
1950	298
1952	463
1953	509
1954	486
1955	451
1956	458
1957	484
1958	500
1959	534
1960	546
1961	577
1962	614
1963	634
1964	662
1965	675
1966	734
1967	847
1968	927
1969	978
1970	1,027
1971	1,102
1972	1,195

[1] Excerpted from Table 6, "Federal, State, and Local Expenditures: Per Capita and Percentage Distribution," Facts and Figures on Government Finance, Tax Foundation, Inc., 1973, at page 18.

Coextensively, the per capita gross debt of the United States increased from $326 in 1940 to $2,052 in 1972—a 528-percent jump, as borne out by these figures:

TABLE 4[1].—*Gross debt of Federal Government: per capita*

[End of selected fiscal years, 1940–72]

Fiscal year:	
1940	326
1942	541
1944	1,513
1946	1,924
1948	1,727
1950	1,702
1952	1,664
1953	1,681
1954	1,683
1955	1,670
1956	1,630
1957	1,588
1958	1,594
1959	1,613
1960	1,591
1961	1,579
1962	1,604
1963	1,621
1964	1,629
1965	1,637
1966	1,633
1967	1,649
1968	1,739
1969	1,756
1970	1,820
1971	1,931
1972	2,052

[1] Excerpted from table 11, "Gross Debt of Federal, State, and Local Governments: Per Capita and Percentage Distribution," "Facts and Figures on Government Finance," Tax Foundation, Inc., 1973, at 23.

Fourth, we should look at the rate of increase in Federal expenditures according to an absolute standard. "If Federal spending has gone up," it is argued by some, "we should not be too concerned, for all spending has gone up. You pay more for everything now." One way to examine the validity—invalidity—of this assertion is to judge the growth in Federal expenditures in terms relative to a fixed standard—typically our gross national product. The question is simple, "Have Federal expenditures increased as a percentage of the gross national product?"

The answer speaks for itself. Not only have those expenditures increased in relation to the GNP, but they have doubled since 1940.

The statistics buttress this conclusion:

TABLE 5[1].—FEDERAL GOVERNMENT EXPENDITURES AND GROSS NATIONAL PRODUCT, CALENDAR YEARS 1940–71

Year	Federal Government expenditures[2]	Gross national product	As a percentage of GNP
1940	10.0	99.7	10.0
1941	20.5	124.5	16.5
1942	56.1	157.9	35.5
1943	85.8	191.6	44.8
1944	95.5	210.1	45.4
1945	84.6	211.9	39.9
1946	35.6	208.5	17.1
1947	29.8	231.3	12.9
1948	34.9	257.6	13.5
1949	41.3	256.5	16.1
1950	40.8	284.8	14.3
1951	57.8	328.4	17.6
1952	71.0	345.5	20.5
1953	77.0	364.6	21.1
1954	69.7	364.8	19.1
1955	68.1	398.0	17.1
1956	71.9	419.2	17.2
1957	79.6	441.1	18.0
1958	88.9	447.3	19.9
1959	91.0	483.7	18.8
1960	93.0	503.7	18.4
1961	102.1	520.1	19.6
1962	110.3	560.3	19.7
1963	113.9	590.5	19.3
1964	118.1	631.7	18.7
1965	123.4	681.2	18.1
1966	142.8	749.9	19.0
1967	163.6	793.9	20.6
1968	181.5	864.2	21.0
1969	189.2	930.3	20.3
1970	204.5	976.4	20.9
1971	220.8	1,050.4	21.0

[1] Excerpted from table 20, "Government Expenditures and Gross National Product," "Facts and Figures on Government Finance," Tax Foundation, Inc., 1973, at p. 33.

[2] Includes expenditures for grants-in-aid to State and local governments.

Last, we should look at how our Government's growth rate compares to that of other countries. In this measure, we can determine several things, not the least of which is the degree to which we are moving toward a government-provides-everything psychology in our Nation and in these Halls.

The rate of direct taxation as a percentage of gross domestic product in the United States was by 1969 superceded by only three of the 26 principal free world nations—Sweden, New Zealand, and Denmark—all predominantly socialist societies. The figures since 1969 have served only to reinforce that 1969 level:

TABLE 6[1].—*Tax revenues in relation to gross domestic product in selected countries*

[Calendar Year 1969]

Direct taxes as a percentage of GDP

Country:	
Australia	13.6
Belgium	10.8
Canada	13.8
Chile	6.7
China (Taiwan)	2.1
Colombia	4.3
Denmark	16.6
Finland	13.5
France	6.8
Germany, Federal Republic of	10.6
Ireland	7.6
Israel	11.0
Italy	6.9
Jamaica	5.7
Japan	8.3
Korea, Republic of	5.7
Netherlands	13.3
New Zealand	17.8
Norway	14.6
Philippines	2.7
Portugal	5.7
South Africa, Union of	10.5
Sweden	20.7
Switzerland	11.0
United Kingdom	15.1
United States	15.1

[1] Excerpted from Table 22, "Tax Revenues in Relation to Gross Domestic Product in Selected Countries," facts and figures on Government Finance, Tax Foundation, Inc., 1973, at page 35.

What do the statistics I have cited today tell us?

GOVERNMENT SPENDING MUST HAVE A CEILING

Government spending—and the raising of revenue requisite to that spending—must have a ceiling beyond which it invites both the collapse of the economic strength of the Nation and political freedom. Because Government works with numbers which are beyond normal human comprehension—who amongst us can really contemplate the size of 1 billion of anything; because it sees a broad scope of real or imagined issues; and, because it has not yet reached "the breaking point," the Congress finds it hard to impose self-restraints on the levels of its own authorizations and appropriations.

Yet everyone, even the most casual of observers, knows that Government has a never-ending appetite for the people's earnings which can be controlled only through the use of mechanisms which limit—by direction of the people—that appetite, such measures as budget reform, revenue limitation, and so forth.

The statistics which I have cited today prove the tendencies of Government to siphon off ever greater shares of the people's income for itself, yet that casual observer to whom I have alluded knows that all—I repeat, all—income of government must ultimately come from the people themselves, through personal income taxes, through corporate income taxes passed on to the consumers in the form of higher costs, through excises, posts, duties, and so forth.

Government must realize that it cannot indefinitely tax the people at constantly increasing levels without destroying the people's ability to support themselves and their families. Government's share of the wealth must not interfere with the ability of the people to produce wealth.

In the end, they will wind up defenseless, at the mercy of a vast special-interest-oriented Government bureaucracy they unwittingly helped to create, a bureaucracy which perpetuates itself through the consumption of the people's livelihood.

When one ponders over the marked rise in tax collections, as a percentage of income, the question posed is really twofold: Where will it stop? How can we make it stop—get a handle on it?

In my opinion, upon extensive observations of political and economic history, the answer to the former lies in getting that handle on the latter. In other words, it will not stop until mechanisms are devised to, first, stabilize, then eventually reduce—systematically—the ratio between Federal spending and gross national income.

No matter how hard this body must "bite the bullet" in determining that the present level of spending must be the maximum at which we must stop, we simply must arrive at agreement on an absolute standard against which priorities for Federal expenditures can be established by this, the first branch of Government. As long as we adhere to the ever-flexible, no-ceiling way in which the Congress authorizes and appropriates moneys today, we will continue to feed, at the expense of the people, the insatiable appetite of Government for dollars, giving credence to that classic Thomas Nast cartoon, "Taxes are politicians food."

We cannot urge remedial action on this urgent problem without first realizing that its ultimate resolution lies not only in the will of the Congress to assume its proper and full constitutional roles with respect to the purpose, but also in the issue being joined head on through a comprehensive, fully interrelated program effort. Piecemeal efforts to first attack spending here, taxes there, are inherently doomed to failure or frustration.

Only through a unified and unidirected effort will we be able to adequately meet this problem and to resolve it. It will require a great degree of personal courage of convictions among the Members and a solid commitment to the institution of procedural devices to get us out of this tax-and-spend-and-tax morass.

What then is to be done?

This effort to get a firmer grip on the handles with which to control spending is not a hopeless task. There are many things which can be done—by both the Executive and the Congress.

I was—and am still—deeply concerned over the recent budget submitted by the President, proposing Federal outlays for fiscal year 1975 in excess of $304 billion—an increase of about $30 billion over fiscal year 1974. Together with 34 other Congressmen and Senators, we transmitted a joint communication to the President, expressing our concern and our intent to hold down spending.

Out of this exchange of correspondence on the fiscal year 1975 budget has come some interesting observations, and I wish to share them with my colleagues.

The debate over the nature of the spending surge has boiled down to an argument over which institution is most responsible for this spending surge: the Executive or the Congress? The Executive says, to paraphrase, "It's not my fault; you fellows in Congress mandated this level of spending." And the Congress says, to paraphrase again, "It is not our fault; if the Executive did not make proposals for so much spending, we could be better able to hold the line and to establish better priorities." Like most such exchanges, both—the Executive and the Congress—are somewhat right, and both are somewhat wrong. It is one of those gray areas again.

What can the Executive do? Several things, all important.

First, it can begin by submitting to the Congress only balanced budgets. If revenues are not going to be sufficient to sustain proposed spending, then that spending should be cut back. To do otherwise is to incur further deficits, pushing up further the size of the national debt and the amount which we and our children and grandchildren will have to pay back someday.

Second, it can begin reestablishing its spending priorities in such a manner as not to try to do everything, to please everyone who wants a share of the taxpayers' money. Some hard decisions must be made, between competing demands on the people's money, and the place where that should at least start is at the executive in making its budget recommendations.

Third, it can begin standing firm against the ever-rising demands from within the agencies for more and larger programs and more and larger bureaucracies to support them. This is, beyond question, an appropriate role for the Executive, for it is within the executive branch of Government that those agencies carry out the laws. Internal demands have added measurably to the size of the Federal budget over the past years. It is time to hold the line here, too.

What can the Congress do? A number of things, too.

First, it can proceed with the enactment of congressional budget reform proposals. The House and Senate have passed such a measure; it is now pending in the conference committee. These measures would give the Congress a greater voice in determining the initial size of the Federal budget proposal, establishing at the beginning of consideration of the overall budget request for a fiscal year the goal it wants to meet in keeping down spending. The Congress will establish a figure certain and try to keep the total of all appropriations bills at a level not to exceed that amount. This will certainly put added internal pressures on the Congress to better determine its priorities. Otherwise, the Congress too often acts as if the Treasury were an endless bank of money.

Second, we can implement the zero-base budgeting concept. This concept would require the Congress to begin the consideration of each budget request on a de novo basis. In other words, no program is taken for granted. Just because a program was funded during the previous fiscal year does not mean, if this concept is used, that it will be automatically funded the next year. If a program is of questionable utility, its advocates are really going to have to prove to the Congress that it should be funded further.

The use of the zero-base budgeting concept is intended to shift the burden of debate for the funding of programs away from those who question the success of a program to those who advocate its utility. This could be a major shift in the institutional dynamics of budgeting Federal programs.

Third, we should consider the enactment of a revenue control and expenditure determination requirement. Too often the Congress has tried to come to grips with these problems by simply trying to hold the line on spending. In all candor, this has never worked.

As Parkinson's Law states, "Spending always rises to meet income," or as the corollary to that Law states, "Spending always slightly exceeds present income in expectation of future growth in income." If these laws are true, can there be any wonder why we have not been able to hold the line on spending?

Recognizing these realities, about the only way in which we can truly remedy this endless cycle of tax-and-spend-and-tax is to enact a requirement that limits revenue—that limits government income. Such a proposal would fix a percentage certain beyond which the Federal Government could not go. Government's share of national income could not exceed a certain percentage of that income. As the economy grew, government would have more actual dollars with which to meet commitments, but it would not have a greater percentage of the people's income. Thus, there would be room for growth but the freedom of the people—the freedom which is lost or endangered when government takes ever-increasing shares of the people's livelihood—would be better protected.

I am working on such a proposal and have introduced, for discussion purposes, a first draft of such a measure, House Joint Resolution 816. I will have more to say on this as I approach the introduction of a revised measure.

As I indicated earlier in my remarks today, the Congress simply must come to grips with this matter. If we do not, we invite the collapse of our monetary and economic systems, and, ultimately, the ability of the Government to discharge its responsibilities.

Mr. FROEHLICH. Mr. Speaker, why should we not be able to balance the budget when receipts continue to increase year after year?

Why should we not be able to create surpluses instead of deficits?

Why should we not begin to reduce the national debt instead of increasing it annually?

Why should we not do each of these things and also cut taxes?

Unbalanced budgets, annual deficits, increases in debt, and ever-increasing tax loads are negative influences that do great harm to our people, while balanced budgets, annual surpluses, systematic debt retirement and tax relief would be positive influences that would greatly benefit our fellow citizens.

The reason we cannot balance the budget, create surpluses, reduce the debt, and cut taxes is that we have permitted spending outlays to get out of control. If we do not bring irresponsible spending under control, there will be more and more regimentation by more and more bureaucrats, an ever-increasing concentration of political and economic power as more and more new governmental activities are superimposed on existing programs, and of course an ever-lengthening string of budgetary deficits that will create inflation even worse than that which already plagues us.

Future budgets can be balanced if we simply hold the line on spending. Why continue to fritter away the annual increases in revenue that our amazing system of free enterprise generates? Instead of passing more and more spending proposals, let us use the extra revenue for debt reduction and an eventual easing of the tax burden.

The following table demonstrates that receipts are behind outlays by 1 year. Why not make it the other way around?

[In millions of dollars]

	Receipts	Outlays
Fiscal year—		
1972	208,649	231,876
1973	232,225	246,526
1974 estimate	270,000	274,660
1975 estimate	295,000	304,445

Our economic health would improve and more people would be able to meet their own needs from their own incomes if we would only let our growing economy's fiscal fruits go toward reducing the debt rather than let them be wasted by more riotous spending.

In the list below are some more of the spending proposals that my colleague mentioned during his remarks. Each of them would cost at least half a billion dollars but less than a billion dollars during the period from fiscal 1974 through fiscal 1977. The total for the 4 years would be $22,703,875,000, considerably less than the totals mentioned by the two gentlemen who preceded me in the well, but still a tidy sum of money.

BILLS THAT WOULD COST AT LEAST HALF A BILLION DOLLARS BUT UNDER $1,000,000,000 EACH DURING 4 YEARS

[Costs in thousands of dollars]

Title or description	Fiscal 1974	Fiscal 1975	Fiscal 1976	Fiscal 1977	Total
Juvenile and Adult Correctional Facilities Improvement Act	100,000	200,000	300,000	300,000	900,000
Automotive Transport Research and Development Act	300,000	300,000	300,000		900,000
Emergency Urban Crime Reduction Act	300,000	[1] 300,000	[1] 300,000		900,000
National Reading Improvement Act	207,500	312,500	367,500		887,500
Rural Drinking Water Assistance Act	220,000	220,000	220,000	220,000	880,000
Senior Citizens Community Centers and Services Act	170,000	280,000	390,000		840,000
Narcotics Addict Treatment and Rehabilitation Act	200,000	[1] 200,000	[1] 200,000	[1] 200,000	800,000
Urban Transportation Emergency Relief Act	200,000	200,000	200,000	200,000	800,000
Urban Mass Transportation Assistance Act	400,000	400,000			800,000
Rural Development Act Amendments	200,000	200,000	200,000	200,000	800,000
Energy Emergency Act	633,500	150,000			783,500
Neighborhood Conservation Act	150,000	250,000	370,000		770,000
National Health Planning and Development Act	18,000	198,000	268,000	268,000	752,000
Correctional Manpower and Employment Act	150,000	200,000	[1] 200,000	[1] 200,000	750,000
Middle and Low Income Housing Act	750,000				750,000
Pollution Control Facility Loan Act	750,000				750,000
Establish State automobile emission control systems inspection programs	300,000	400,000			700,000
Physicians' community service program	175,000	175,000	175,000	175,000	700,000
Housing for the Elderly Act	230,000	155,000	155,000	155,000	695,000
Indian Health Care Improvement Act		189,250	252,050	234,075	675,375
Amend Federal Water Pollution Control Act	225,000	225,000	225,000		675,000
Community Child Care Act		150,000	250,000	250,000	650,000
National Health Research Fellowship and Traineeship Act	204,000	214,500	225,000		643,500
Programs for unemployed scientists and engineers	300,000	300,000			600,000
Indian Economic Development and Employment Act	150,000	150,000	150,000	150,000	600,000
Federal Energy Administration Act	116,000	277,000	179,000	4,000	576,000
Omnibus Correctional Reform Act	93,000	145,000	145,000	190,000	573,000
Land Use Policy and Planning Assistance Act	137,000	137,000	137,000	137,000	548,000
National Fuels and Energy Conservation Act	281,000	104,000	116,000	4,000	505,000
National Environmental Financing Act	500,000				500,000
Community Economic Adjustment Assistance Act	500,000				500,000
Congressional Election Finance Act	500,000				500,000
Total	8,460,000	6,032,250	5,324,550	2,887,075	22,703,870

[1] Projections.

Mr. DEVINE. Mr. Speaker, let us take a look at some statistics.

Personal consumption expenditures during 1971 totaled $664,900 million, including the following items:

	Billions
Food	$117.3
Housing	99.2
Transportation	90.1
Clothing, shoes, etc	57.3
Medical care expenses	51.4
Household furniture, equipment, and supplies	47.3
Recreation	42.5
Personal business	37.1
Electricity, gas, telephone, and telegraph	27.4
Alcoholic beverages	19.1
Tobacco	11.7
Private education and research	11.1
Personal care	10.6
Religious and welfare activities	9.1
Foreign travel and other, net	5.2
Domestic service	5.0
Jewelry and watches	4.3
Miscellaneous	19.2
Total consumption	664.9

The above figures represent the market value of goods and services purchased by individuals and nonprofit institutions, and the value of food, clothing, housing, and financial services received by them as income in kind. They include the rental value of owner-occupied houses, but not purchases of dwellings.

That is a lot of money—$664,900,000,000, but if all of the bills that the gentleman from Illinois mentioned in his remarks were enacted into law, a great deal more than that, $871,363,307,000, would have to be produced by the taxpayers during the next 4 years. Of that huge sum, $680,567,812,000 would have to be paid out during fiscals 1974, 1975, and 1976. That 3-year total exceeds what is being spent in a single year for food, housing, clothing, medical care, and a good many other things.

The preceding speakers have listed a good many of the bills that we have been discussing, but the list is by no means complete. The tabulation that I will insert at the conclusion of my remarks includes those that would cost at least $25 million but under $50 million each during the next 4 years, or a total of $1,870,203,000 for the period 1974 through 1977—fiscal years. That sounds like peanuts, but added to the other tables it helps to make a truly frightening figure.

The tabulation follows:

BILLS THAT WOULD COST AT LEAST $25,000,000 BUT UNDER $50,000,000 EACH DURING 4 YEARS

[Costs in thousands of dollars]

Title or description	Fiscal 1974	Fiscal 1975	Fiscal 1976	Fiscal 1977	Totals
Construct, operate, and maintain Nueces River project (Texas)	49,600				49,600
Earthquake Prediction Act	12,200	12,200	12,200	12,200	48,800
Construct, operate, and maintain Santa Margarita project (California)	48,700				48,700
National Agency for Transportation Safety Act	14,000	16,000	18,000		48,000
Federal Animal Damage Control Act	9,600	13,000	13,000	12,000	47,600
Mobile Health Unit Act	10,000	15,000	20,000		45,000
National Workers' Compensation Standards Act	15,000	15,000	15,000		45,000
Construct Fourmile Run project (Virginia)	42,800				42,800
Establish Big Thicket National Biological Reserve (Texas)	16,119	11,484	12,845	2,312	42,760
Federal Fisheries Environmental Disaster and Assistance Act	33,000	9,000			42,000
Drug Abuse Education Act	7,000	10,000	12,000	12,000	41,000
Construct, operate, and maintain Cibolo project (Texas)	40,151				40,151
Secondary schools' interscholastic athletic programs	10,000	10,000	10,000	10,000	40,000
Prisoner Treatment Act	10,000	10,000	10,000	10,000	40,000
Control streambank erosion	10,000	10,000	10,000	10,000	40,000
Develop community facilities on Guam	40,000				40,000
Elderly and Handicapped Americans Transportation Services Act	15,000	25,000			40,000
Shoreline Erosion Control Demonstration Act	10,000	10,000	10,000	10,000	40,000
Rolling stock scheduling and control systems	40,000				40,000
Nutritional Medical Education Act	10,000	10,000	10,000	10,000	40,000
Establish New Energy Source Corporation	10,000	10,000	[1] 10,000	[1] 10,000	40,000
Train physicians' assistants	10,000	10,000	10,000	10,000	40,000
National Summer Youth Sports Program Act	7,000	10,000	10,000	10,000	37,000
Runaway Youth Act	13,000	12,000	12,000		37,000
Resettle Soviet Jewish refugees in Israel	36,500				36,500
Solar Heating and Cooling Demonstration Act	4,500	8,000	11,500	12,500	36,500

Title or description	Fiscal 1974	Fiscal 1975	Fiscal 1976	Fiscal 1977	Totals
High Seas Oil Port Act	500	10,500	13,000	12,500	36,500
Children with Specific Learning Disabilities Act	6,000	12,000	18,000		36,000
Sudden Infant Death Syndrome Act	10,000	12,000	14,000		36,000
Grants to Deganawidah-Quetzalcoatl University (California)	8,750	8,750	8,750	8,750	35,000
National Professions Foundation Act	5,000	10,000	10,000	10,000	35,000
Rehabilitate aged inpatients of long-term health care facilities	5,000	10,000	10,000	10,000	35,000
Authorize emergency erosion control projects	35,000				35,000
Create position of ombudsman for Congress	8,025	8,025	8,025	8,025	32,100
Urban Transport Data Act	8,000	8,000	8,000	8,000	32,000
Japan-United States Friendship Act	32,000				32,000
Establish National Institute of Building Sciences	10,000	10,000	6,000	6,000	32,000
Toxic Substances Control Act	9,240	11,100	10,100		30,440
National Blood Bank Act	10,000	10,000	10,000		30,000
Designate marine sanctuaries in areas of ocean, coastal, and other waters	10,000	10,000	10,000		30,000
Authorize research and develop ground propulsion systems	7,500	7,500	7,500	7,500	30,000
Respiratory Disease Benefits Act	10,000	10,000	10,000		30,000
Youth Programs Act	10,000	10,000	10,000		30,000
Waterway transportation to Gateway National Recreation Area (New Jersey-New York)	30,000				30,000
Employees Comprehensive Respiratory Disease Compensation and Registration Act	10,000	10,000	10,000		30,000
Construct, operate, and maintain replacement dam for American Falls Dam of Upper Snake River Basin project (Idaho)	29,000				29,000
Establish California Desert National Conservation Area	28,600				28,600
Weather Modification and Precipitation Management Act	7,000	7,000	7,000	7,000	28,000
Acquire Vermejo Ranch (New Mexico-Colorado) lands for forests	26,788	288	288	288	27,652
Institute for the Social Sciences Act	10,000	5,500	5,500	5,500	26,500
Establish Nantucket Sound Islands Trust	8,334	8,333	8,333		25,000
Total	858,907	405,680	391,041	214,575	1,870,203

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[1] Projections.

Mr. DERWINSKI. Mr. Speaker, if all of the 450-plus bills that my able colleague has referred to became law, the taxpayers, bond purchasers, and money lenders would have to produce almost $875 billion during the next 4 years for Uncle Sam's pockets. Such a sum is almost too much for the human mind to comprehend.

This vast sum is only a part of the fiscal picture. If even a few of the more costly bills, such as the Health Security Act, were passed, inflation would be accelerated to dangerous heights. Inflation is the most vicious of all taxes—there are no escapes from it. Young, old, and middle-aged alike pay the costs of inflation by the erosion of their purchasing power.

To make matters even worse, the increases in tax burdens and inflation loads will be accompanied by vast increases in the number of bureaucrats who would be hired to administer the many new programs created by the bills. The vastly larger bureaucracy would wield more and more power as the executive monstrosity grew and grew, but its individual members would become more powerful politically as their numbers increased.

Eight States have approximately 1,260,000 Federal civilian employees, each of them having at least 100,000, except Ohio, which has had 100,000 but now has just over 95,000. These States, California, Illinois, Maryland, New York, Ohio, Pennsylvania, Texas, and Virginia, also have 212 of the 538 votes in the electoral college, thus constituting a powerful force that could be a determining factor in a close Presidential election.

The table below includes some more of the bills that my colleague mentioned. Each of them would cost at least $1 billion but less than $10 billion during the 4-year period, or $208,729,058,000 for all of them for fiscal years 1974 through 1977.

The table follows:

BILLS THAT WOULD COST AT LEAST $1,000,000,000 EACH BUT UNDER $10,000,000,000 EACH DURING 4 YEARS

[Costs in thousands of dollars]

Title or description	Fiscal 1974	Fiscal 1975	Fiscal 1976	Fiscal 1977	Totals
Adequate Nutrition Act	2,500,000	3,500,000	3,500,000		9,500,000
Comprehensive Child Development Act	2,050,000	3,050,000	4,050,000	50,000	9,200,000
Public and Private Education Assistance Act	2,250,000	2,250,000	2,250,000	2,250,000	9,000,000
Regional Development Act	3,000,000	2,500,000	3,000,000		8,500,000
Public Works Development Act	2,278,334	2,803,833	3,328,333		8,410,500
Home Owners Mortgage Loan Corporation Act	2,000,000	2,000,000	2,000,000	2,000,000	8,000,000
Police Manpower Act	2,000,000	2,000,000	2,000,000	2,000,000	8,000,000
Create National Zoological and Aquarium Corporation	2,000,000	2,000,000	2,000,000	2,000,000	8,000,000
Energy sources and technologies research	2,000,000	2,000,000	2,000,000	2,000,000	8,000,000
Energy Research, Development, and Demonstration Administration Act	2,000,000	2,000,000	2,000,000	2,000,000	8,000,000
Comprehensive Manpower Act	2,500,000	2,500,000	2,500,000		7,500,000
Community Development Assistance Act	4,200,000	3,200,000			7,400,000
Emergency Rural Housing Act	2,500,000	1,500,000	1,500,000	1,500,000	7,000,000
State Education Finance Assistance Act		2,000,000	[1] 2,000,000	[1] 2,000,000	6,000,000
Economic Disaster Area Assistance Act	1,252,500	1,252,500	1,252,500	1,252,500	5,010,000
Community Land Grant Act	5,007,500				5,007,500
Full Employment and Job Development Act	1,003,000	3,000 [1] 1,000,000	3,000 [1] 1,000,000	3,000 [1] 1,000,000	4,012,000
Small Business Pollution Abatement Loan Assistance and Workers' Readjustment Assistance Act	4,000,000				4,000,000
Establish Urban Parkland Heritage Corporation	1,000,000	1,000,000	1,000,000	1,000,000	4,000,000
Emergency Energy Employment Assistance Act	2,000,000	2,000,000			4,000,000
National Refinery Facilities Expansion Act	3,000,000				3,000,000
Domestic Enterprise Bank Act	3,000,000				3,000,000
Comprehensive Youth Opportunities Act	700,000	700,000	700,000	700,000	2,800,000
National Energy Research and Development Policy Act	847,000	855,000	55,000 800,000		2,557,000
Family planning and population research	429,000	516,000	623,000	629,000	2,197,000
Manpower Training and Employment Act	[1] 75,000	[1] 75,000	942,000 [1] 75,000	[1] 1,017,000	2,184,000
Comprehensive Child Nutrition Act	543,088	543,088	543,088	543,088	2,172,352
Older Americans Comprehensive Services Amendments	757,000	677,150	18,700 [1] 658,450	5,000	2,116,300
Juvenile Justice and Delinquency Prevention Act	320,000	475,000	630,000	[1] 630,000	2,055,000
Surface Transportation Act	2,035,000				2,035,000
Equal Educational Opportunities Act	500,000	500,000	500,000	500,000	2,000,000
Police Assistance Act	500,000	500,000	500,000	500,000	2,000,000
Urban Employment Act	500,000	500,000	500,000	500,000	2,000,000
Elementary and Secondary Drug Abuse Eradication Act	500,000	500,000	500,000	500,000	2,000,000
National Landlord-Tenant Act	500,000	500,000	[1] 500,000	[1] 500,000	2,000,000
National Credit Union Bank Act	500,000	500,000	500,000	500,000	2,000,000
Public Employment Act	500,000	500,000	500,000	500,000	2,000,000
Law Enforcement and Criminal Justice Act (new programs)			937,125	983,981	1,921,106
Federal-Aid Railroad Act	455,000	455,000	455,000	455,000	1,820,000
National Science Policy and Priorities Act	362,000	618,000	830,000		1,810,000

BILLS THAT WOULD COST AT LEAST $1,000,000,000 EACH BUT UNDER $10,000,000,000 EACH DURING 4 YEARS—Continued

[Costs in thousands of dollars]

Title or description	Fiscal 1974	Fiscal 1975	Fiscal 1976	Fiscal 1977	Totals
Rail Services Act	1, 658, 500	100, 000			1, 758, 500
Solar, Hydrogen, and Geothermal Energy Act	110, 050	545, 000	545, 000	545, 000	1, 745, 050
Emergency Mass Transit Passenger Act	400, 000	400, 000	400, 000	400, 000	1, 600, 000
Comprehensive Child Care and Child Development Act	100, 000	1, 500, 000			1, 600, 000
National Domestic Development Bank Act	610, 500	300, 000	300, 000	300, 000	1, 510, 500
Establish special employment assistance program	1, 000, 000	[1] 500, 000			1, 500, 000
Energy Conservation Research and Development Act	200, 000	300, 000	500, 000	500, 000	1, 500, 000
Increased participation in International Development Association	1, 500, 000				1, 500, 000
Community Services Act	329, 000	[1] 329, 000	[1] 329, 000	[1] 329, 000	1, 316, 000
Public Works and Economic Development Act Amendments of 1973	700, 000	[1] 600, 000			1, 300, 000
National Educational Opportunities Act		100, 000	500, 000	500, 000	1, 100, 000
Urban Hospitals Emergency Assistance Act		200, 000	335, 000	525, 000	1, 060, 000
Rolling Stock Utilization and Financing Act	1, 020, 000				1, 020, 000
Essential Rail Services Act	471, 250	420, 000	120, 000		1, 011, 250
National Cooperative Housing Act	1, 000, 000				1, 000, 000
Federal Disaster Insurance Act	1, 000, 000				1, 000, 000
National Energy Development Bank Act	1, 000, 000				1, 000, 000
National Coal Gasification and Liquefaction Act	1, 030, 000				1, 000, 000
Natural and Human Resources Restoration and Conservation Act	250, 000	250, 000	250, 000	250, 000	1, 000, 000
National Catastrophic Disaster Insurance Act	1, 000, 000				1, 000, 000
National Growth Policy Employment Act	250, 000	250, 000	250, 000	250, 000	1, 000, 000
Total	75, 163, 722	52, 767, 571	49, 680, 196	31, 117, 569	208, 729, 058

[1] Projections.

Mr. DEL CLAWSON. Mr. Speaker, before we require constituents to assume new financial burdens, we ought to determine whether the new programs with expensive price tags are necessary. If they are necessary, we should determine whether such new activities are constitutional. If they are both necessary and constitutional, we should determine whether we can afford them.

We cannot take comfort with a moratorium on new programs that we can do without. We cannot be content with elimination of waste, ending of duplication, and consolidation of similar activities. Outdated programs that have outlived their public purpose and usefulness should be terminated. Programs should be shifted from the national to State and local levels, especially where such activities are not constitutional responsibilities of the Federal Government. A switch to the private sector of programs that are not proper functions of any Government, local, State, or national, is urgently needed.

The wholehearted cooperation of the Congress, the President, State and local officials, and private individuals, businesses, and organizations will be required if we are to accomplish these goals.

The following data, which is inserted to supplement that provided by the previous participants in this special order, includes bills that would cost at least $50 million but less than $100 million during the fiscal years 1974, 1975, 1976, and 1977. The total cost of these bills for 4 years would be $2,988,843,000.

The data follows:

BILLS THAT WOULD COST AT LEAST $50,000,000 BUT UNDER $100,000,000 EACH DURING 4 YEARS

[Costs in thousands of dollars]

Title or description	Fiscal 1974	Fiscal 1975	Fiscal 1976	Fiscal 1977	Total
Criminal Justice Professions Development Act	35, 250	40, 250	[1] 22, 650		98, 150
Senior Citizens Job Corps Act	35, 000	60, 000			95, 000
Military reservation conservation and rehabilitation programs	23, 500	23, 500	23, 500	23, 500	94, 000
Wholesome Fish and Fishery Products Act	12, 947	[1] 26, 884	[1] 27, 000	[1] 27, 000	93, 831
Bill of rights for the mentally retarded	30, 000	30, 000	30, 000		90, 000
Federal Drug Abuse Enforcement Reorganization Act	30, 000	30, 000	30, 000		90, 000
Construct, operate, and maintain Marias-Milk unit, Pick-Sloan Missouri basin program (Montana)	89, 530				89, 530
Mining and Mineral Resources Research Act	17, 500	19, 500	21, 500	23, 500	82, 000
Establish Hells Canyon National Recreation Area (Idaho, Oregon, Washington)	81, 500				81, 500
Public and Allied Health Personnel Act	80, 500				80, 500
Women's Educational Equity Act		15, 000	25, 000	40, 000	80, 000
Child Advocacy Act	20, 000	20, 000	20, 000	20, 000	80, 000
New England Regional Development Act	20, 000	20, 000	20, 000	20, 000	80, 000
Earthquake Prevention and Prediction Research Act	20, 000	20, 000	20, 000	20, 000	80, 000
Neighborhood Service Centers Act	20, 000	25, 000	35, 000		80, 000
Offender Employment and Training Act	20, 000	20, 000	20, 000	20, 000	80, 000
District of Columbia Urban Development Corporation Act	77, 000				77, 000
National Arthritis Act	500	15, 500	25, 000	35, 000	76, 000
Export Expansion Act	37, 700	37, 700			75, 400
Establish Asian Studies Institute	15, 000	15, 000	20, 000	25, 000	75, 000
Property Tax Relief and Reform Act	20, 000	25, 000	30, 000		75, 000
Federal Child Support Security Act	75, 000				75, 000
Establish Big Thicket National Preserve (Texas)	70, 812				70, 812
Construct, operate, and maintain certain divisions of Central Valley project (California)		1, 000	19, 000	47, 000	67, 000
Federal Election Campaign Act amendments	20, 500	20, 500	20, 500	5, 500	67, 000
Make Washington metropolitan area rail system available to handicapped	65, 000				65, 000
National Diabetes Research and Education Act	500	12, 500	20, 000	30, 000	63, 000
Establish Chattahoochee River National Recreation Area (Georgia)	62, 000				62, 000
International Commerce Service Act	31, 000	31, 000			62, 000
Campuses for the Elderly Act	15, 070	15, 000	15, 000	15, 000	60, 070
Develop national scenic and recreational highway program	30, 000	30, 000			60, 000
Natural Game Fish Stream Preservation Act	30, 000	30, 000			60, 000
Establish Santa Monica Mountain and Seashore National Urban Park (California)	30, 000	30, 000			60, 000
Hemophilia Act	10, 000	20, 000	30, 000		60, 000
Amateur Athletic Act	51, 850	1, 100	1, 100		54, 050
Heroin addiction treatment and prevention	50, 000				50, 000
Ethnic Heritage Studies Act	20, 000	30, 000			50, 000
Regional Seed-Money Corporation Act	18, 800	31, 200			50, 000
Establish Trust Fund for the Supervision of Private Foundations	12, 500	12, 500	12, 500	12, 500	50, 000
Home Preservation Act	50, 000				50, 000
Demonstration program to provide direct financing of housing for elderly	50, 000				50, 000
Increased contributions to Special Funds of Asian Development Bank	50, 000				50, 000
Total	1, 428, 959	708, 134	487, 750	364, 000	2, 988, 843

[1] Projections.

Mr. CRANE. Mr. Speaker, we who are participating in this special order hope that the data about spending measures will be of benefit to our colleagues in this body as well as the one at the other end of the Capitol. There are also two other groups—actually they are one, because they have the same membership—taxpayers and voters, who will be interested in such information.

Sooner or later there will be a day of fiscal reckoning, when the taxpayers will have to put up the money to pay for such extravagant new programs as become law. Sooner or later there will be a day of political reckoning, when the voters will replace irresponsible spenders with men who will show a greater concern for the fiscal well-being of their constituents.

Fortunately, most of the expensive bills that we have been discussing this afternoon will expire in committee pigeonholes as far as the present Congress is concerned, but many of them, as well as some newcomers, will be deposited in the hoppers when the next Congress enters upon its labors. All too many of them will be put on the statute books and the taxpayers will find their burdens heavier than ever.

At this point in my remarks I would like to insert another listing of the spending proposals that have been mentioned. Each of the measures in the list would cost at least $100 million but less than $500 million during the next 4 fiscal years, 1974 through 1977. The total cost would be $23,345,755,000 for that period.

The listing follows:

BILLS THAT WOULD COST A LEAST $100,000,000 BUT UNDER $500,000,000 EACH DURING 4 YEARS

[Costs in thousands of dollars]

Title or description	Fiscal 1974	Fiscal 1975	Fiscal 1976	Fiscal 1977	Totals
Correctional Services Improvement Act	340,000	40,000	40,000	40,000	460,000
Amend Public Works and Economic Development Act (new programs)	150,000	150,000	[1] 150,000		450,000
Conversion Research and Education Act		100,000	150,000	200,000	450,000
Urban Recreational Opportunities Act	150,000	200,000	[1] 100,000		450,000
Establish Fire Protection Assistance Administration	100,000	150,000	200,000		450,000
Opportunities Industrialization Assistance Act	100,000	150,000	200,000		450,000
Fare-Free Mass Transportation Demonstration Act	150,000	150,000	150,000		450,000
Public Broadcasting Financing Act	80,000	100,000	120,000	140,000	440,000
National Environmental Center Act	148,750	72,500 [1] 40,000	72,500	22,500 [1] 50,000	405,250
Police Compensation Act	100,000	[1] 100,000	[1] 100,000	[1] 100,000	400,000
Make Martin L. King, Jr.'s, birthday legal public holiday	100,000	100,000	100,000	100,000	400,000
Department of Education Act	200,000	200,000			400,000
Teachers' Sabbatical Leave Act	100,000	[1] 100,000	[1] 100,000	[1] 100,000	400,000
Make John F. Kennedy's birthday legal holiday	100,000	100,000	100,000	100,000	400,000
Make United States Flag Day legal public holiday	100,000	100,000	100,000	100,000	400,000
Spirit of '76 High Speed Rail Act	400,000				400,000
National Institute of Health Care Delivery Act	115,000	130,000	145,000		390,000
Eliminate railway-highway crossing hazards	150,000	225,000			375,000
Food Distribution Act	75,000	100,000	100,000	100,000	375,000
National Multiple Sclerosis and Epilepsy Act	100,000	125,000	150,000		375,000
Middle-Aged and Older Workers Employment and Community Service Act	140,000	210,000			350,000
Basic Commodities and Energy Resources Mass Transportation Assistance Act	100,000	125,000	125,000		350,000
State Court Assistance Act	50,500	73,500	93,500	132,000	349,500
Panama Canal Modernization Act	45,000	[1] 100,556	[1] 100,556	[1] 100,556	346,668
Low rent housing projects crime prevention	80,000	80,000	80,000	80,000	320,000
Develop training in family medicine	110,000	160,000	[1] 50,000		320,000
Surface Mining Reclamation Act	130,100	78,650	61,200	43,750	313,700
Smogless Vehicle Development Act	100,000	100,000	100,000		300,000
Loans to small businesses to help them comply with certain laws	75,000	100,000	125,000		300,000
Rural Health Care Delivery Improvement Act	75,000	100,000	125,000		300,000
Federal Election Campaign Financing Act	120,000		170,000		290,000
Child Development Personnel Training Act	60,000	75,000	75,000	75,000	285,000
Gifted and Talented Children's Educational Assistance Act	80,000	97,000	104,000		281,000
Trade Improvement Act	280,000				280,000
Olders Workers Conservation Corps Act	130,000	150,000			280,000
Colorado River Basin Salinity Control Act	274,700				274,700
Automobile Driver Education and Highway Safety Act	85,000	85,000	85,000		255,000
Senior Citizens Skill and Talent Utilization Act	75,000	125,000	[1] 50,000		250,000
Older Americans Community Service Employment Act	100,000	150,000			250,000
American Forestry Act	100,000	150,000			250,000
Rail Passenger Service Development Act	50,000	100,000	100,000		250,000
Federal Election Campaign Fund Act			150,000	100,000	250,000
Light on crime program	60,000	60,000	60,000	60,000	240,000
Accelerated Indian reservation road program	75,000	75,000	75,000		225,000
Technology Resources Survey and Applications Act	10,000	210,000			220,000
National Research Service Award Act	215,947	3,000			218,947
Emergency Rail Services Act Amendments	210,000				210,000
Air Transportation Security Act	55,500	50,000	50,000	50,000	205,500
Resource Conservation and Recycling Incentives Act	76,500	50,000	75,000		201,500
National Resource and Energy Conservation Act	51,500	25,000	50,000	75,000	201,500
Coal Mine Surface Area Protection Act	125,000	25,000	25 000	25,000	200,000
Federal Oil and Gas Corporation Act	50,000	50,000	50,000	50,000	200,000
Appalachian Regional Development Act Amendment of 1973	200,000				200,000
Make Election Day legal public holiday	100,000		100,000		200,000
Minority Business Assistance and Community Economic Development Act	95,000	[1] 95,000			190,000
Animal Health Research Act	45,000	45,000	45,000	45,000	180,000
Indian Self-Determination and Educational Reform Act	40,000	62,750	133,000	128,000	363,750
Elementary School Reading Emphasis Act	61,010	55,010	60,010	10	176,040
Public Health Act	80,000	90,000			170,000
Safe Drinking Water Act	33,000	56,000	76,300		165,300
Tutorial services for homebound children	55,000	[1] 55,000	[1] 55,000		165,000
Kidney Disease Treatment and Prevention Act	27,000	45,000	45,000	45,000	162,000
National Oil Recycling Act	40,000	40,000	40,000	40,000	160,000
Federal Election Finance Act	40,000	[1] 40,000	[1] 40,000	[1] 40,000	160,000
Establish abandoned automobile removal programs	38,000	38,000	38,000	[1] 38,000	152,000
Juvenile Delinquency Prevention Act	75,000	[1] 75,000			150,000
Pacific South-West Water Yield Improvement Act	150,000				150,000
Financial Institutions Act	150,000				150,000
National Islands Conservation and Recreation Act			75,000	75,000	150,000
Service, Employment, and Redevelopment Assistance Act	30,000	35,000	40,000	40,000	145,000
Hospital services for domestic agricultural migrant workers (new program)	25,000	35,000	40,000	45,000	145,000
Children's Dental Health Act	48,000	69,000	[1] 25,000		142,000
Voter Registration Assistance Act	45,000	45,000	45,000		135,000
Fire Prevention and Control Act	42,500	40,000	45,000		127,500
Consumer Protection Organization Act	36,500	61,500	25,000		123,000
Museum Services Act	40,000	40,000	40,000		120,000
Speedy Trial Act	30,000	30,000	30,000	30,000	120,000
Federal Grain Insurance Act	105,000	5,000	5,000	5,000	120,000
Bilingual Job Training Act	20,000	40,000	60,000		120,000
Petroleum Reserves and Import Policy Act	20,000	50,000	50,000		120,000
Establish Big Cypress National Preserve (Florida)	116,900				116,900
Establish Congressional Center for the Study of Domestic and International Policy	115,000				115,000
National Chronicare Demonstration Center Act	45,500	37,500	32,000		115,000
Supplementary Education Services for the Handicapped Act	30,000	37,500	45,000		112,500

Footnote at end of table.

BILLS THAT WOULD COST AT LEAST $100,000,000 BUT UNDER $500,000,000 EACH DURING 4 YEARS—Continued

[Costs in thousands of dollars]

Title or description	Fiscal 1974	Fiscal 1975	Fiscal 1976	Fiscal 1977	Totals
Noise Abatement and Control Act	17,000	25,000	32,000	37,000	111,000
Indian Financing Act	70,000	20,000	20,000		110,000
Gold Mines Assistance Act	15,000	15,000	25,000	50,000	105,000
Retirement Income Security for Employees Act	35,000	35,000	35,000		105,000
Fisheries Development Act	27,000	33,500 [1] 1,000	41,000 [1] 1,000		103,500
Advance transportation technology	101,000				101,000
National Centers for Spinal Cord Injuries	15,000	25,000	30,000	[1] 30,000	100,000
International Health Agency Act	25,000	25,000	25,000	25,000	100,000
Small Business Crime Insurance Act	100,000				100,000
Great Lakes Basin Conservation Act	25,000	25,000	25,000	25,000	100,000
Disaster Preparedness and Assistance Act	100,000				100,000
Community Anticrime Assistance Act	50,000	50,000			100,000
Environmental Protection and Enhancement Act	100,000				100,000
Forestry Incentives Act	25,000	25,000	25,000	25,000	100,000
Motor Vehicle Disposal Assistance Act	25,000	25,000	25,000	25,000	100,000
Total	8,656,907	6,566,966	5,530,066	2,591,816	23,345,755

[1] Projections.

Mr. BLACKBURN. Mr. Speaker, the ability of some of my colleagues in both Houses of the Congress to keep thinking up new spending programs never ceases to astonish me. Such measures overflow the hopper year after year. The hard-earned money of our fellow Americans would be showered from coast to coast, from border to border—and even throughout the world—if but a few of these massive spending bills become law.

No matter how much money taxpayers must send to the Nation's Capital, the spenders will dream up new and more ways of getting rid of it. Not only will they add to current authorizations and appropriations, but they will also mortgage the future by creating new programs that will become built-in guarantees for increases in future budgets. Federal tax payments must be supplemented by other payments to statehouses and city halls because of matching requirements imposed on State and local governments by Washington.

A study that has been prepared at my request demonstrates convincingly that balanced budgets in the foreseeable future are a fiscal mirage. Deficit will follow deficit, there will be more and greater borrowing at presumably higher and higher interest rates, more and worse inflation, and ever escalating prices. When and where will it all end?

The study, which is necessarily incomplete because the flow of bills never ceases, covers more than 450 measures which would, if all became law, necessitate spending a grand total of $871,363,307,000 during fiscal years 1974, 1975, 1976, and 1977.

Considerable restraint was exercised during the compilation, or the total would have become even more frightening—close to the trillion-dollar mark. Where measures set up programs for less than 4 years, no projections were made for the balance of the period unless it was self-evident that, once established, such activities would continue indefinitely.

For instance, a program may require an authorization of $50,000,000 for fiscal year 1974 and "such sums as may be necessary" for fiscal years 1975 and 1976. If the bill creates a 3-year program, $50,000,000 has been projected for each of the second and third years.

Another example of what justifies a projection would be a bill calling for the establishment of a program for assisting victims of a crippling disease. The bill may call for authorizations of $25 million for each of the next 3 years. Inasmuch as there will probably be victims of such a disease during the fourth year, an additional $25 million has been projected.

While a good many measures use the phrase "such sums as may be necessary" or similar expressions, little attempt has been made to ascertain how much such bills would cost during the years covered by such language. A good many billions could probably be added to the already astronomical total.

A researcher encounters many difficulties when he attempts to attach price-tags to pending legislation. While some bills authorize definite amounts for definite fiscal years, others that authorize definite appropriations fail to mention fiscal year periods. Yet other measures include only an authorization for "such sums as may be necessary to carry out the purposes of the act."

To make matters even more complicated, some authorizations are for 2 or 3 fiscal years, while others are for 9 or 10 years, and still others authorize the appropriation of specific amounts to continue year after year, ad infinitum. It would obviously be rather difficult to come up with a single meaningful cost total.

The study necessitated a review of more than 17,000 bills and joint resolutions, but new ones are being offered every day that one or both bodies are in session. In order to make the resulting data usable, certain guidelines were drawn up. Dollar totals were developed for each of the fiscal years 1974, 1975, 1976, and 1977 as well as a grand total. These totals take account of the projections that I mentioned earlier.

Where the same or similar bills have been introduced in both bodies, or more than once in the same body, the authorization figures were included only once, using, in most instances, the highest funding level where variations in cost occurred. Because the study covers only newly established programs or legislation that vastly expands or changes the direction of existing ones, it excludes—I repeat, excludes—such important categories as the following:

First. Bills authorizing appropriations for the simple extension of existing programs.

Second. Bills relating to defense and military spending.

Third. Bills authorizing appropriations for established public works programs.

Fourth. Bills establishing repayable loan operations similar to the rural telephone bank.

Fifth. Bills providing income tax deductions, exclusions, credits, or incentives.

Sixth. Bills increasing benefits or modifying coverage under social security, veterans, civil service, and railroad retirement pension programs.

Seventh. Bills costing less than $1 million for at least one of the 4 years.

Eighth. Bills where no specific dollar figures were included in the authorizing language and no cost estimates are available.

Let us now proceed to analyze a few of the study's results and implications.

The more than 450 measures included in the study represent proposed expenditures for fiscals 1974, 1975, 1976, and 1977 of $228,606,895,000, $214,163,678,000, $237,797,239,000, and $190,795,495,000, respectively. The grand total for 4 years—fasten your seatbelts—is $871,363,307,000.

The proposed expenditures for fiscal 1975 of $214,163,678,000 amount to 70.35 percent of the $304,445,000,000 outlays proposed by the President for that year.

The budget outlook to 1979, which appears in the President's budget for fiscal 1975, estimates that outlays for fiscal 1976 will total $329,000,000,000. This is the figure that would result if restraint is exercised. If all the bills included in the study were enacted into law, they would add $237,797,239,000 to the fiscal 1976 total, an addition of 72.28 percent.

The following tabulation contains just a few of the more than 450 bills that I have been discussing. Each of the bills in the tabulation would cost at least $10 billion during the 4-year period, or $610,374,000,000 for the entire package for fiscals 1974 through 1977.

The tabulation follows:

BILLS THAT WOULD COST AT LEAST $10,000,000,000 EACH DURING 4 YEARS

[Costs in thousands of dollars]

Title or description	Fiscal 1974	Fiscal 1975	Fiscal 1976	Fiscal 1977	Totals
Health Security Act		50, 100, 000	100, 200, 000	100, 200, 000	250, 500, 000
Children's Allowances Act	6, 600, 000	9, 350, 000	12, 100, 000	14, 850, 000	42, 900, 000
Public Service Employment Act	10, 000, 000	10, 000, 000	10, 000, 000	10, 000, 000	40, 000, 000
Housing and Community Development Act	14, 043, 000	7, 944, 000	7, 945, 000		29, 932, 000
National Growth Policy Planning Act	8, 086, 000	8, 585, 000	9, 065, 000	565, 000	26, 301, 000
National Education Investment Act	12, 500, 000	12, 500, 000			25, 000, 000
Small Communities Planning, Development, and Training Act	8, 001, 000	8, 500, 000	[1] 7, 500, 000		24, 001, 000
Energy Conservation and Development Trust Fund Act	5, 900, 000	5, 900, 000	5, 900, 000	5, 900, 000	23, 600, 000
Multifamily Housing Rehabilitation Act	20, 000, 000				20, 000, 000
Public School Improvement and Desegregation Act	5, 000, 000	5, 000, 000	5, 000, 000	5, 000, 000	20, 000, 000
Community Preschool Opportunity Act	2, 000, 000	3, 000, 000	4, 000, 000	7, 000, 000	16, 000, 000
Water Pollution Control Trust Fund Act	4, 000, 000	4, 000, 000	4, 000, 000	4, 000, 000	16, 000, 000
National Energy Resources Improvement Act	15, 250, 000	250, 000	250, 000	250, 000	16, 000, 000
Employment Opportunities Act	7, 000, 000	7, 000, 000			14, 000, 000
Elementary and Secondary Education Assistance Act	4, 500, 000	4, 500, 000	4, 500, 000		13, 500, 000
Highways and Related Transportation Systems Improvement Act	2, 750, 000	3, 250, 000	3, 250, 000	3, 250, 000	12, 500, 000
Schoolchildren's Assistance Act	5, 070, 000	[1] 5, 070, 000			10, 140, 000
General Education Assistance Act	2, 500, 000	2, 500, 000	2, 500, 000	2, 500, 000	10, 000, 000
Total	133, 200, 000	147, 449, 000	176, 210, 000	153, 515, 000	610, 374, 000

[1] Projections.

GENERAL LEAVE

Mr. MALLARY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks in connection with a special order taken today by the gentleman from New York (Mr. KEMP).

The SPEAKER pro tempore (Mr. MAZZOLI). Is there objection to the request of the gentleman from Vermont?

There was no objection.

THE FEDERAL PAPERWORK BURDEN: TWO ADDITIONAL WORTHWHILE PIECES OF LEGISLATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. YATRON) is recognized for 5 minutes.

Mr. YATRON. Mr. Speaker, Senator THOMAS MCINTYRE is the sponsor of two pieces of legislation in the other body, relating to the Federal paperwork burden, which have been the objects of hearings before the Senate Government Operations Committee. Each represents a desirable and sensible proposal.

Unfortunately, these measures have not been introduced in the House and I feel that their inclusion in the overall consideration of the paperwork problem here in the House is vital and imperative. I am, therefore, sponsoring these bills today, as part of my legislative program relating to the matter and in conjunction with the Federal Paperwork Burden Relief Act, H.R. 12181.

One of the pieces of legislation seeks to lessen, to the greatest possible extent, the onerous reporting requirements from the very beginning—at the development and reporting of legislation by the various congressional committees. This strikes at one of the seed causes of the establishment of reporting requirements.

The second measure I am introducing would bring the Internal Revenue Service under the jurisdiction of the Federal Reports Act and would transfer authority for administration of the law from the OMB to the Comptroller General of the United States. This is where I feel such authority belongs.

Excellent testimony in behalf of the two proposals has been presented by the National Federation of Independent Business, before the Senate committee. I submit the statement of Mr. Frederick L. Williford, NFIB Director of Government Affairs, for the consideration of my House colleagues. I fully support and endorse the objectives of the two bills in question which I today submit.

They relate to further avenues we might explore in dealing with the very serious and increasingly difficult paperwork problem.

STATEMENT OF FREDERICK L. WILLIFORD

Before: Committee on Government Operations.

Subject: S. 1812 and S. 200.

Date: September 12, 1973.

Mr. Chairman, distinguished Members of the Committee, I am Frederick L. Williford, Director of Government Affairs, for the National Federation of Independent Business.

The National Federation of Independent Business is the largest single member business organization in the United States. And, on behalf of its more than 350,000 member firms, I wish to thank you for this opportunity to testify on these two worthwhile pieces of legislation—S. 1812 and S. 200.

NFIB's member firms range across a broad spectrum of the Nation's economy and represent a true and accurate cross-section of the American small business community. The majority of them are proprietorships and partnerships. More than 85% of these firms employ less than twenty people and over 35% have gross sales under $200,000 per year.

Because so many of these firms are relatively small, their total economic impact is often overlooked. This is distressing to the small businessman. The following analysis demonstrates the important role played by the Federation's members in the everyday economic life of the States represented by the Members of this Committee.

In your fifteen States, NFIB has 115,251 member firms. They employ almost 851,000 of your constituents and have gross annual sales of approximately $15.9 billion.

Because of NFIB's diverse composition and its unique practices of regularly polling its membership on important legislative issues, we are convinced that NFIB accurately portrays the beliefs and attitudes of the vast majority of the small, independent businessmen of America.

GOVERNMENT PAPERWORK: ITS IMPACT ON SMALL BUSINESS

Earlier this year in a speech before the Senate, Senator Alan Bible of Nevada, the Chairman of the Select Committee on Small Business, stated quite bluntly that, "the cold, hard fact is that the Federal Government is burying the small businessman under an avalanche of paper." Unfortunately, a sampling of the attitudes of Federation members on this subject shows the accuracy of the Senator's assessment.

The burdensome and suffocating impact of bureaucratic red tape and paperwork is one of the most common and continuous complaints voiced by NFIB's member firms. Government inspired paperwork, whether it be for data collection, legislative enforcement or other purposes, seems to openly clash with their beliefs about the nature of small business and the free enterprise system. It tends to contradict their image of the aggressive and independent spirit of the Nation's small entrepreneurs.

Most small businessmen complain that Government paperwork is both time-consuming and costly. And, according to recent studies, their statements are accurate. *The Federal Paperwork Burden*, a 1973 Report of the Small Business Committee's Subcommittee on Government Regulation stated that the Office of Management and Budget estimated that the Federal Government requires about 130.5 million man-hours of work per year from those who fill out and file its forms. The reporting burden for small business alone, between the end of 1966 and the end of 1971, increased by over 10 million man hours. This "Federal Forms Pollution," as Senator McIntyre aptly describes this appalling phenomenon, costs the small business community over $18 billion dollars per year.

The familiar adage that time is money in business can be applied even more aptly to small business. Most small businessmen are deeply involved in the day to day operations of their firms. Their time is a valuable commodity and the researching of the accounting and statistical records needed to fill out Government forms is non-productive work. This time must be taken from normal income-producing activities and can have a critical impact upon a small, struggling enterprise.

Some time ago NFIB tried to gauge the degree of involvement of its members in this time-consuming activity. It was startled to discover that in almost a quarter of the firms examined (24%), the owner completed the required Federal forms. Only 6% of the small businesses surveyed contracted this work out to accountants, while in the remaining 70% both the owner and his staff were involved. In other words, in 94% of the firms examined, both the owner and his staff were engaged in considerable non-productive work.

As previously noted, non-productive work can have a critical impact upon a struggling small business. It is extremely difficult for small firms to absorb these non-essential costs. They simply do not have the resources to support non-productive employees. Nor do they have a labor force large enough to spread out the per unit cost of this paperwork. This places them at an immediate competitive disadvantage. Big business does have the sales volume to distribute these costs, plus the resources to seek out and employ the experts capable of cutting or offsetting them entirely.

Congress has long recognized the adverse impact of Federal paperwork requirements upon small, independent business. In 1942 it passed the Federal Reports Act, which declared it "the policy of the Congress that information which may be needed by various Federal agencies should be obtained with a minimum burden upon business enterprises (especially small business enterprises) and other persons required to furnish such information."

In a recent speech before his colleagues, Senator McIntyre, the Chairman of the Subcommittee on Government Regulation and the author of S. 200 and S. 1812, detailed his opinion of how the Reports Act was intended to redress this competitive disadvantage. He said that:

"It recognized the disparity of resources between small businesses and large firms which have staffs of accountants and lawyers to undertand and fill out extensive paperwork forms. It sought to protect small business from the competitive disadvantages of having to spend precious resources just to comply with Federal paperwork demands."

In addition to this early interest, several Committees in both Houses of Congress have studied the inordinate burden Federal paperwork places upon small business. Chief among these is the Senate Select Committee on Small Business, which has conducted a very valuable and comprehensive study of this problem. Its 1968 and 1973 Reports are just the first fruits of its continuing probe, but they provide the foundation for the legislation that you are considering today.

Despite this Congressional interest and the vigilance of the Select Committee, "Federal Forms Pollution" continues unchecked. In fact, Federal forms are proliferating faster today than ever before.

The total paperwork burden of a typical small business has more than doubled over the past ten years. A small firm with about fifty employees is required to complete and file between 75 and 80 forms a year. During a recent three year period, from 1965 to 1968, approximately 1,200 new Federal forms were approved by OMB, while the reporting burden for small business alone increased by over 10 million man-hours between the end of 1966 and 1971.

A depressing and somewhat frightening example of this proliferation was recently provided to Congressman Tom Railsback of Illinois by one of his small business constituents—the Moline Tool Company. Its President supplied the Congressman with a list of the Government reports and forms that it filled out between January 1st and April 30th, 1972. The list contained a total of 49 entries—23 Federal and 26 State forms. (See Appendix A.)

Tax forms are the largest single source of small business paperwork. It is estimated that the Internal Revenue Service, which is not subject to the Federal Reports Act of 1942, is responsible for about 35% of all the Federal forms in use today. Over the past four years, the number of tax forms listed in the IRS's *Tax Guide for Small Business* has more than paperwork to eliminate unnecessary duplication and to simplify required forms. According to Senator McIntyre, the 1942 law "contained the potential for holding in check the tendency of the executive bureaucracy to demand even more data from small business."

From the small business viewpoint, this well-intentioned law has failed miserably.

Judging solely upon the facts presented previously, the National Federation of Independent Business concurs completely and wholeheartedly with the conclusions reached by Senator McIntyre's Subcommittee on Government Regulation. It found that "the Office of Management and Budget is not adequately administering the Federal Reports Act of 1942," and that "OMB has also shown a consistent lack of initiative in rigorously pursuing the directives" of the Act. The Subcommittee also noted that the 1942 law had been "ineffective in controlling the proliferation of Federal paperwork due to lack of authority over IRS and the ineffective administration of the Act by OMB." It concluded further that "if the paperwork burden is to be brought under control, Congress must look elsewhere than to OMB for any real and effective improvement."

Based upon these findings, the Subcommittee recommended the consideration and adoption of legislation to bring the Internal Revenue Service under the jurisdiction of the Federal Reports Act and to transfer authority for administration of the law from OMB to the Comptroller General of the United States. These recommendations are embodied in Senator McIntyre's bill—S. 1812—which you are considering today.

The Federation feels this legislation is long overdue and urges you to report it as soon as possible. OMB has had 32 years to make the Federal Reports Act work and it has failed. NFIB feels that it is time to let someone else carry the ball before it is too late for small business.

S. 200—AN INTERESTING SUGGESTION

During its detailed explanation of the small business paperwork burden the Subcommittee stated that many small businessmen "feel that Government seems geared to the needs of big business." Upon reading further it becomes clear that the Subcommittee is referring to the Agencies and Departments of the Executive Branch. Yet, these sentiments could be just as easily applied to the Congress, and especially to those Committees that must deal with politically powerful interest groups.

Hearings and debates on legislation that is vital to the future of small business are often conducted with absolutely no interest in their impact upon this sector of the economy. Big government, big labor and big business are all consulted and listened to attentively, while small business is either not taken seriously or intentionally ignored. This is what happened with tax reform in 1969 and with OSHA a year later.

Often, Congressional enactments will have an unintentional but devastating impact upon small business. This is especially true of the bureaucratic red tape and paperwork connected with their implementation and enforcement.

The Federation realizes that the collection of information and the posting of complicated regulations is absolutely necessary in some instances. But, it is also very much aware that these forms and regulations can have a critical impact upon small business. Consequently, NFIB feels that everything humanly possible should be done to make the Members of Congress cognizant of any additional burden their actions may place upon the Nation's small business community.

Senator McIntyre's Subcommittee, in addition to S. 1812, recommends the adoption of S. 200—a bill that would, in effect, require each Senate Committee to issue a small business paperwork impact statement along with any legislation it reported for Senate action. This would be accomplished by amending the Legislative Reorganization Act of 1970.

The Federation realizes that adoption of this legislation would place an added burden upon an already overworked Senate staff. It can accept this as a valid reason for inaction in this area, yet, at the same time, it must stress that S. 200 is a unique and interesting solution to a very real problem and, as such, merits your sincere attention. Awareness that the problem exists is the key—it is also the solution.

The National Federation of Independent Business considers it a privilege to have had this opportunity to testify before this distinguished Committee. We hope our testimony is useful to you in your deliberations and we stand ready to be of assistance at any time in our mutual efforts in behalf of small and independent business.

Mr. Chairman, should the Members of the Committee have any questions regarding my testimony, I shall be happy to try and answer them.

Thank you.

APPENDIX A: GOVERNMENT REPORTS AND FORMS FILED BY MOLINE TOOL CO. FROM JANUARY 1, 1972 THROUGH APRIL 30, 1972

FEDERAL FORMS

Federal Unemployment Fourth Quarter 1971.

F.I.C.A. Wages Paid Fourth Quarter 1971.

Withholding Taxes 12-31-71.

Withholding Taxes 1-15-72.

Withholding Taxes 1-31-72.

Withholding Taxes 2-15-72.

Bureau of Commerce Annual Report Form MA100.

O.S.H.A. Report.

W-2's for 1971.

1099's for Dividend.

1096—Summary of 1099's.

Federal Income Tax Extension.

Federal Trade Commission Form MG-3 (P&L).

F.I.C.A. 3-15-72.

F.I.C.A. 3-31-72.

First Quarter F.I.C.A.

First Quarter Federal Unemployment.

MQ35-W Survey of Business on Hand and Shipments.

MQ35-W Supplement.

F.I.C.A. 4-15-72.

F.I.C.A. 4-30-72.

STATE FORMS

State Unemployment Fourth Quarter 1971.

State Unemployment Report Form DL 1219.

State Income Taxes Withheld 1-15-72.

State W-3 Report of Wages.

State Income Taxes Withheld 2-15-72.

State Income Tax Extension.

Illinois Sales Tax Report 1-31-72.

Illinois Sales Tax Report 2-28-72.

Illinois Local Unemployment Office Report—Expected Employment.

Illinois Form DL 1219—State Unemployment.

State—Statement of Products BLS 790 Illinois Department of Labor.

State of Illinois Annual Report.

Illinois Local Unemployment Office Report—Expected Employment.

State DL 1219 Job Openings and Labor Turnover.

Illinois Unemployment Investigation.

State Income Taxes Withheld 3-15-72.

State DL 1219.

State Annual Sales Tax Report.

State Annual Income Tax Payment.

Illinois First Quarter State Unemployment.

4/21 Illinois Form 1219.

4/28 Illinois Sales Tax.

3/31 Illinois Sales Tax.

4/28 Illinois ISES-8/1—Department of Labor.

DL 1219 for May.

4/15 State Income Taxes Withheld.

APPENDIX B: TAX FORMS FILED BY MR. VOSEN FOR HIS SMALL BUSINESS CLIENTS

FEDERAL FORMS

940: Federal Unemployment Tax Return, January 31st.

941: Employer's Quarterly Federal Tax Return, January 31st.

W-2: Wage and Tax Statement (one for each employee), January 31st.

W-3: Transmittal of Wage and Tax Statements, January 31st.

1099: U.S. Information Return on Commissions, Dividends, and Interests, January 31st.

1096: Transmittal Return for Form 1099, February 28th.

1120, 1120S: Corporation Income Tax Return, March 15th.

1165: Partnership Income Tax Return, April 15th.

1040: Individual Income Tax Return, April 15th.

STATE FORMS

IT-941: State Return of Income Tax Withheld, January 31st.

IT-3: Reconciliation of Ohio Income Tax; Withheld and Transmittal of Wage and Tax Statement, January 31st.

UCO2: Employer's Contribution Report (State Unemployment Tax Report), January 31st.

DP21: State Workmen's Compensation Report, January 31st.

FT-1120: Corporation Franchise Tax Report ,January 31st.

IT-1040: Ohio Individual Income Tax Return, April 15th.

938-939: Security Valuation and Investor's List, March 31st.

ST-10: Semi-Annual Sales Tax Return, February 28th.

COUNTY FORMS

Tangible and Intangible Personal Property Tax Returns for Individuals; Proprietorships, and Corporations, April 30th.

CITY FORMS

Employer's Quarterly Withheld Municipal Tax Return, January 31st.

Reconciliation of Municipal Income Tax Withheld and Transmittal of Wage and Tax Statement, January 31st.

City Business Returns and City Individual Income Tax Returns, April 30th.

THE SKY IS THE LIMIT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. GONZALEZ) is recognized for 5 minutes.

Mr. GONZALEZ. Mr. Speaker, the House Banking and Currency Committee, of which I am a member, voted last week to table a bill to extend the Economic Stabilization Act. Unfortunately, at the same time the committee also tabled bills that would have created new standby authority to deal with our chronic and growing inflation problem.

I opposed the Economic Stabilization Act from the beginning, because it handed the President unprecedented powers over the national economy—powers such as no other President had ever held before, in time of peace or war. Moreover, these dictatorial powers were granted without requiring any accountability for their use. Congress did not require detailed reports from the President on his administration of the Stabilization Act. The Congress, let alone the people of this country, have never been told who violated the wage and price regulations, let alone the penalties, if any, that were exacted from major violators. I have a feeling that if the President had been required to explain and justify his actions, as I advocated, the wage and price control program could certainly have been administered more fairly than it was, and it probably would have been more effective.

Congress was mistaken in granting the President excessive powers in the first place. Last year the error was compounded when Congress extended the Economic Stabilization Act in the face of clear evidence that its vast powers were being abused, and that the wage and price control program was largely ineffective. The people were disappointed, and growing disillusioned, but Congress decided to give the President another chance.

This year, with the wage and price control program in a shambles, and with the public clearly disillusioned, Congress is not offering any leadership, as it should. The action of the Banking and Currency Committee was in effect a joint throwing up of hands, giving up on any effort at all to control inflation.

Yet inflation is about the most serious problem confronting our country today. The majority of people can no longer afford to buy, or even rent, decent housing. The cost of food has gone up by astounding amounts, and there is no end in sight. People are literally unable to afford decent food for themselves. Utility bills, clothing, gasoline and every other essential of life is being priced out of the reach of all but the luckiest among us. In the face of this, Congress can hardly afford to throw up its hands and do nothing.

I believed last year, and still believe, that Congress should create an economic controls program that is effective, just, and responsive to the needs and desires of the American people. Obviously, making the President into an economic dictator did not work last year, and it will not work now.

I recommended to my colleagues that the Committee vote down an extension of the Economic Stabilization Act, which clearly has not worked. But I also called for creation of a standby authority that would monitor events, find out what the real causes of inflation are, and recommend a program to deal with it. In this way, Congress could act on a positive program, rather than merely sign another blank check of Presidential authority. Moreover, such an approach would, as I pointed out last year, enable Congress to keep its eye and hand on the economic reins, so that we could be sure that whatever program is created works and responds to the real needs of the American people.

It will be a while before the results of the failure of Congress to act are felt. The existing controls program will last until April 30. After that there will be no wage and price control of any kind. I expect that very large price increases will soon follow, and of course many wage demands will increase likewise. But it is unlikely that wages will ever catch up to the price spiral.

AFRICAN SAFARI

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. STOKES) is recognized for 60 minutes.

Mr. STOKES. Mr. Speaker, last December I visited Africa to participate as Cochairman at the Fourth African-American Dialogue Conference. Accompanying me to the conference and throughout my subsequent tour of several African countries, was Mr. W. O. Walker, editor and publisher of the Call and Post of Cleveland.

Mr. Walker has written a series of illuminating articles, full of his notes and observations as a black American. He has entitled the series, "African Safari: An Odyssey into an Awakening Continent." I take the liberty of reprinting the entire series here.

African Safari: An Odyssey Into an Awakening Continent

(By William O. Walker)

Safari is a Swahali word from the mother tongue meaning journey.

When you travel almost half way around the world, meeting old, staid European (Paris) culture and dialoguing with awakening and challenging Africans you can truthfully say you have been on a safari.

Modern travel with its fast flying planes, is hard on your physical body. When, within six hours you ask your body to move that far ahead in time and adjust to the change, don't be surprised at what happens.

The six hour flight from New York to Paris via Air France was nothing unusual. The service and cuisine was mediocre.

The first shock of the trip was arriving in Paris and finding out that your baggage didn't make it. Imagine how it feels to contemplate three weeks in strange places without your clothes that you so meticulously packed lost somewhere between Paris and New York. When several hours later your baggage catches up with you, what a relief. This is one of the hazards of modern, fast traveling.

Paris, with its eternal buildings and seemingly indestructible Eiffel Tower, is the same in appearance as I last saw it 28 years ago. Hustlers and sharpies are the same the world over. There are plenty of them in Paris.

The war, one, two and all the other skirmishes, have introduced Negroes to many places. Paris is no different. Former war correspondent Ollie Ollie Steward of the Afro-American newspapers, who refused to return to jim-crow America, is a landmark here and a welcome sight for those of us who can't speak French.

Another American, has traded his United States uniform for French citizenship. Attired in his chef's outfit, he welcomes you to his Paris soul food cafe. It's jampacked and we regret that we had eaten dinner before getting to his place.

Hayes is a Morehouse College graduate where he played football. He takes time out from his many hungry customers to reminisce about old times in the states.

The brother is seen in many places in Paris but not in the meaningful jobs. We are still the marginal worker. Perhaps the fact that we don't have to endure public segregation, has dulled our sensitiveness to economic ostracism.

Paris with its thousand year history, the depredations of its ruthless kings, the avariciousness of Napoleon and, now the loss of its fabled colonial empire, is a city with a doubtful future. It lives in its memories that rattle the granite buildings and trod its memorable streets. It seems that all of this past grandeur is locked up in the stone walls and cobblestone patios of Versailles. We thought about this as we trudged through the many rooms and halls of this historic palace.

The Paris airport LeBourget is where our flight to Africa begins. Once in the airport concourse, Africa shows.

Our flight is on Air Afrique. The service crew is mixed. African men, a colored hostess and two French hostesses. The pilots are French.

This crew took us as far as Dakar, Senegal. From here, the service crew is all African, mixed between men and women. The pilots are still French.

At Dakar, an American joined us. A brother. He is in charge of administering programs covering five countries, including all of those in the African drought area. He is an expert who has spent many years in African countries. I realized that he could give us lots of the kind of information we wanted. So we talked. I asked him many questions and got some real background information. He went to Conakry, Guinea with us and then on to Bamaco, Mali.

GUINEA

We were met at the Conakry, Guinea airport by American Ambassador Todeman and several of his staff and officials of the Guinean government. Our processing through customs was handled by Mrs. Camara Sans, chief of protocol of the Guinea Foreign ministry.

We are now in the hot weather belt. Temperatures are in the eighties. When we left Paris that morning it was cold. This leg of the trip with stops at Marsielles and Dakar, has taken eight hours.

In the VIP lounge, where we waited for baggage and clearance, there was a delegation of Japanese. They are here we were told, to work out with the Guinean government, the building of a railroad to the bauxite and iron ore deposits in the mountains adjacent to the Liberian border.

Another delegation leaving, was officials from Zaire (formerly the Congo) who were in Conakry for official ceremonies.

The Ambassador and his staff, escorted us to Camayenne Guest House where we were to spend the two nights in Guinea.

Guinea is not as yet a rich country. However, the hospitality is most generous. We are guests of the Guinean government. Everything for our comfort was arranged. Our guest cottage faces the Atlantic ocean. We have a full two-day schedule.

"Guinea," Sekou Toure said to French general Charles DeGaul: "Would rather be poor and free than happy as a slave." The French thereupon pulled up stakes, taking everything they could, damaging valuable machinery and destroyed important records. Merchants closed up shops and most of them are still closed.

The people of Guinea are poor but proud. There is no begging or any effort to harass visitors for money or to buy something. In fact, we had trouble getting the men who served us at the guest cottage to accept any gratuity.

Why does a country rich in soil, minerals, climate and water, have to be poor. With all its natural resources, Guinea should have a much higher standard of living. Isolated by the French, it is having a difficult time getting capital to develop its resources.

We had about an hour and a half conference with President Sekou Toure in his office. He is more idealistic than practical. He wants the basis of his economy to be socialism. On his reception wall, is a large picture of Fidel Castro and another one of some Russians. When he gets his railroad built, he can start selling his minerals on the world market. At the present time, American firms are the developers.

Ambassador and Mrs. Todman gave an official reception for us. Among the many guests attending, was Stokley Carmichael. As you know he is making Guinea his home. His wife did not accompany him. There is some mystery as to why he selected Guinea and what he is doing to make a living.

MALI

We left Conakry early in the morning for Bamaka, Mali. This is the beginning of the drought area. Arriving we were surprised to see everything so green and plenty of water. At 7:00 A.M., the temperature was 74 degrees. This city is at the beginning of the navigable part of the Niger river. Since this was just the beginning of the dry season, the river was still navigable.

Bamako has its outlet to the sea via a railroad that runs to Dakar. Over this line comes much of the relief supplies the world is contributing to African family relief.

We were met by the American charge de affairs and went to his home for breakfast.

There is a world of difference between Conakry and Bamako. The streets are bustling with people and traffic is going in every direction. With so many people in the streets, you wonder who is working. However, there are many small shops tended mostly by Africans.

We called upon Captain Doukara, member of the ruling Supreme Council of the Government of Mali and in addition, is Minister of Defense in the cabinet.

He is responsible for the coordination of all emergency drought relief. We talked about drought conditions and the help he was getting from the United States. He had just visited America and was promised considerable help. In fiscal 1973–74, the U.S. has contributed a total of $11,872,900.

Our next stop was at the so-called gold market. This is part of a local market where there are many small shops that make jewelry. The market place was very colorful and crowded.

We are back on Air Afrique for the trip to Lagos via Abidjan in Ivory Coast. We make a much too short 2½ hour stop over the Abidjan. Met by an American Embassy official, we make a quick tour of the city, and then back on the plane for Lagos, Nigeria.

In Abidjan there seems to be more white at the economic core than African. The French are helping those who cowtow and fighting those who show independence.

NIGERIA

We made a brief stop in Accra, Ghana. Here we saw plans of the Ghanaian Air Line. This was the first African owned line. Kawame Nkruma started it. Now several African countries have their own airlines.

Arriving in Lagos, we are now in the largest and richest of Black African ruled nations. The key ingredient is oil. Americans have more invested in Nigeria than in any other African nation. In fact, South Africa is third in investments by U.S. firms.

The drive from the airport to our hotel took us through the main part of the city. Teeming with people and traffic, the streets are a drivers' nigthmare. Since there are no sidewalks, all traffic is in the streets.

The white man is where the money is in all of these African countries. Our hotel is white owned. The hotel restaurant is Chinese.

When we got to Lagos on Wednesday, we found ourselves in the middle of census taking. The government had decided that everybody had to be counted. Therefore, a three day holiday was declared. Government buildings and all stores and offices were closed. Nobody was supposed to leave home until they had been counted by the census taker. Evidence that you had been counted, was an indelible ink that was put on your thumb. You could be arrested if you had not been counted. So everybody was practically under house arrest.

The people as well as the government took this census taking serious.

We were guests of the Nigerian government and they spared no effort to make our stay enjoyable. Our schedule was so crowded that we had to cancel some of the appointments.

Our visit was capped off with an interview with the Head of State, General Yakubu Gowon. Ambassador J. T. F. Iyalla, Permanent Secretary set the interview up for us. We also talked with most of the top cabinet officials.

Lagos is a messed up city so far as planning is concerned. It has evidently grown so fast that no thought was given as to how and where it grew. The business district is crowded into an area too small. The streets are narrow and cannot accommodate the traffic.

Most of the clubs and houses formerly occupied by the English, are now in the hands of the Nigerians.

In West Africa, the women are subordinated. The men do all the work women do in other countries: maid work, laundry, cleaning, etc. In the hotels, all the waiters are men. Women in this part of Africa are shy and backward. Even when you encounter those who are wives of top officials, they are reticent and less talkative.

Nigeria is anxious to have Black Americans come over and invest in businesses. Officials told me that there are many opportunities for those with experience.

We met Lloyd LaBeach, former Olympic champion from California. He is head of Krimo Dairy Products. They control most of the distribution of milk in Lagos. Milk is imported in powdered form and reconverted. He has a very successful business. He has been here for 12 years. His wife is from Canton, Ohio.

William R. Ford, director of the United States Aid Mission to Nigeria, who is from a Detroit suburb, is one of the most dynamic and informed officials we met in all of Africa. He was the key man in making our stay in Lagos so profitable and enjoyable.

We were entertained on our last day in Lagos by Mr. & Mrs. Robert Fleming. They are white. He operates a flour mill and has good connections with Nigerian and American officials.

Other people we met in Lagos were: Dr. K. O. Mbadiwe, who is chairman of African Insurance Co. He received his education in America. J. J. Simmons, III of Muskogee, Okla., and New York City. He is a black who has made it good in the oil business. I first met Simmons in Columbus, Ohio when he was speculating in oil in the Mt. Gilead area. He now works for Amerada Hess Corp. of New York. The company is interested in Nigerian oil.

We met Thelma Robuck Ailer. She is a Clevelander. A relative of the late Rev. Ailer of Zion Baptist Church. Met Thomas A. Jonson, West African bureau chief of The New York Times.

Another American we met was Edgar Van Blake. He is an Agricultural specialist. The American government sent him to Nigeria to help develop a good strain of milk cattle. His sister is Mrs. Thomas Rush, who lives on E. 123 St. in Cleveland.

G. A. Adefioye & Sons are Nigerian importers and exporters. Mr. Adefioye is anxious to make connections with American Blacks who are interested in business. His firm deals in iron, cement and other commodities.

I visited the plant of The Daily Times in Lagos. I met the chairman and managing director Alhaji Babatunde Jose. This newspaper plant was formerly owned by Englishmen. Nigerians have bought all but 10% and Mr. Jose told me they would purchase all of this in March. The plant is modern and is operated entirely now by Nigerians. It is a daily paper.

Although some kind of a bug hit me during the last hours of our stay in Lagos, after treatment at the hospital I was able to board the Ethiopian Airlines plane Saturday night for Addis Ababa, Ethiopia.

Our first week visiting the West coast countries had been interesting. When we landed in Addis Ababa Sunday morning, we were in a different climate. It was cold. Addis Ababa is eight thousand feet above sea level, and this makes a big difference in climate.

Upon landing, we met several members of the American delegation to the Dialogue conference, who had just arrived from New York. I must say that the Ethiopian Airline is as good as any in America. The service was excellent. All the crew, pilots, etc., are Ethiopians.

Our week in Addis Ababa was one to remember. We stayed at the Hilton Hotel. The Dialogue meetings were held in the

New African Hall which is part of a new convention complex which is not yet fully finished.

We are now in the oldest black governed nation in the world. They date their history back to before Christ. The people here look different from those in West Africa. The women are more beautiful.

The streets of Addis Ababa are wide. The traffic moves smoothly. And, the streets are clean. There seemed to be less Asian and European involvement in retail business. This means that the profits from the retail trade are going largely into the pockets of Ethiopians. This is one of the big problems in most of the African countries we visited.

Sunday was an open day. I rested and tried to overcome the attack I had in Lagos. Monday and Tuesday were meetings of the Dialogue. On Wednesday, we took a bus and went some 60 miles into the hinterland. Here we got to see the country and how the people outside the cities live. We saw living and farming conditions that haven't changed much in the last century.

Most of Ethiopia is semi-arid. Water, therefore, is the great need. We visited Wonji Sugar Estates. Here some 6000 acres have been irrigated and sugar cane is grown. It is a veritable oasis in contrast to the surrounding land.

About 30,000 people live and work here. The cane is grown, harvested, processed into sugar right here. In addition, there is a candy manufacturing plant, as modern as anything in the USA and, all the production is done by Ethiopians. The management is under the direction of Belgians.

On this trip, we visited the National Malaria Eradication Training Centre at Nazareth. Malaria is a big health problem. This center, with U.S. government help, trains field workers, fumigates homes; sprays water holes and does research work.

Automobile traffic must share the roads with herds of cattle and scores of people walking. At one point, we shared the road with a camel caravan.

FOURTH DIALOGUE

The African-American Dialogue is sponsored by the African American Institute of New York. This was the fourth conference. All held in Africa.

Delegates are limited to Africans and Americans; biracial. The purpose is to promote better and closer social and commercial relations between Africa and America.

The meetings were held in the beautiful African Hall, set in the center of a new convention complex. His Imperial Majesty Emperor Haile Selassie delivered the opening address. Cong. Louis Stokes, a co-chairman, was on the committee to escort the Emperor.

The sessions of the Dialogue are not open to the public. This is to enable a much freer discussion of problems by the delegates, many of whom do not always express the views of their governments. Many of these delegates from Africa have been participants in the political revolutions that have and are changing the form and shape of many governments.

The main subjects on the agenda were: Economic Issues in African-American Relations; Southern African Issues in African-American Relations.

The discussions were frank, open and exploratory. The U.S. came in for much criticism for its policies with Portugal, South Africa and Rhodesia. Aid to Israel vs aid to Africa came in for much discussion.

The caliber of delegates insured a high degree of factual information and sound views on the related problems. These were the heart of the Dialogue because it enabled each delegate to take back to his country information that could be most helpful in formulating programs and policies. The Dialogue closed on a strong note for a more active role of America in African development.

African countries represented were: Ethiopia, Nigeria, Ghana, KwaZulu Legislative Assembly, South Africa, Liberia, Senegal, Sierra Leone, Sudan, Lesotho, Simbabwe, Kenya, Zambia, Tunisia, Botswana.

Americans attending: Samuel C. Adams, Jr., Assistant Administrator Bureau of Africa; Julian Bond, Atlanta; Ronald H. Brown, National Urban League; Mrs. Goler T. Butcher, House Comm. on Foreign Affairs; Carter, U.S. Ambassador to Tanzania; William R. Cotter, president African-American Institute; Cong. Charles C. Diggs, Jr.; Robert H. Edwards, Ford Foundation; Louis B. Fleming, Los Angeles; J. Wayne Fredericks, Chase Manhattan Bank; Walter H. Gussenhoven, General Motors African Area; Dr. Vivian M. Henderson, Clark Univ., Atlanta; John Lewis, Voter Education Project, Atlanta; William Lucy, AFL–CIO, Memphis; Edward N. Ney, Young & Rubicam International, Inc., New York; Rev. Randolph Nugent, United Methodist Church, New York; William Reid, Riegal Textile Corp., South Carolina; Cong. Louis Stokes, Cleveland, and myself.

At the closing session, I was delegated to give the American summary. Dr. Vivian Henderson requested that the next session of the Dialogue be held in the United States, with Atlanta as the first choice. This will be taken into consideration.

There were many social affairs given for us in Addis Ababa. L. M. Marshall, U.S. Dept. of State was very helpful to us. He is stationed in Ethiopia. Topping them was a reception at the Imperial Palace as guests of Emperor Haile Selassie.

Another one was the invitation to have dinner in the home of an Ethiopian businessman. Here we enjoyed the hospitality of a middle upper class Ethiopian family. My hosts were Mr. and Mrs. Ato Dereje Deressa. He is general manager of Alem Public Relations. Also invited to share dinner with us, were two other Ethiopian businessmen and their wives.

Since these Ethiopians spoke English, conversation was easy. One of the Ethiopian guests, a businessman, owned a glass manufacturing plant. He purchases much equipment in America. The other guest was the Singer Sewing Machine agent for all of Ethiopia. He too does a big business.

The service was buffet. The table was laden with many Ethiopian foods. They were all very tasty. Some were not unlike many of our American foods. After all, chicken, beef and lamb are still the same no matter how it is fixed. This was a most delightful evening for it was our opportunity to get really close to a typical Ethiopian businessman's family and home. While the home was not as elaborately furnished as a similar American home, it was approximate with the same general style furniture.

The shops, stores and markets that sell food to the masses, are very interesting. They line the streets and roads. They are small with most of the wares openly displayed. Here as in most other African cities we visited, meats are not refrigerated. They are openly displayed and the meat is cut up as customers request certain pieces. Fruits are sold everywhere, even from small stands along the country roads.

Addis Ababa is exceptional for its many fine municipal and governmental buildings. Its city hall would put Cleveland's to shame. There are three exceptionally large and modern hospitals. Again, I must emphasize that Addis Ababa is the cleanest African city we visited.

MAU MAU LAND

After a week in Ethiopia, it was time to take off for Mau Mau land. We left Addis Ababa and flew over miles and miles of desolate, semi-arid land. Few houses or settlements were seen. The whole week we were in Addis Ababa, we didn't see a cloud. Now as we head South, as we near Nairobi, Kenya we see clouds.

Nairobi is about five thousand feet above sea level so the climate here is not sultry. In fact, the evenings are cool enough for sweaters and topcoats. Although only fifteen percent of the land in Kenya is tillable, the area around Nairobi is green and beautiful.

Arriving at the modern Nairobi airport, we were met by top Kenyan and American officials. Some of the Dialogue delegates came on to Nairobi for the country was celebrating its tenth anniversary. Although you don't see or hear now anything about the Mau Mau, I remember that it was this movement that finally brought independence to Kenya.

Nairobi is bedecked for the anniversary. As the Special Ambassador of President Richard Nixon for the tenth celebration, I am joined here by my two associates: Dr. Michael P. Balzano, Jr., Director of Action, and Wendell B. Coote, Country Director for East African Affairs, Department of State.

We arrived in Nairobi Saturday afternoon. That night we attended the "Miss Tenth Anniversary Beauty Competition." This was the first big event of the Tenth Anniversary celebration. It was cocktails, dinner and entertainment. The contestants were all very attractive.

Sunday, we had lunch at the country home of Mr. & Mrs. Jaffe. He is the African correspondent of Newsweek. Most of Dialogue's delegates who came on to Kenya, were there, plus several top Kenyan officials. The beautiful flowers and the country surroundings, plus the lovely people, made this a most enjoyable affair.

From the luncheon, Cong. Stokes and I were guests of an American embassy official on a tour of one of several game parks. In a Land Rover, we spent three hours seeing the wild animals as they roamed the land. We got some good photographs. Over 70,000 tourists visit Kenya every year to see its natural beauty and attractions.

Everything in Nairobi was Tenth Anniversary and, everything about the anniversary was Mzee Jomo Kenyatta. Mzee is a Swahili term for Elder. Educated at London University and London School of Economics, Kenyatta returned to Kenya in 1946 and became active in the Mau Mau struggle. He was sent to jail in 1952. Released in 1961, he was named president of Kenya African National Union. When Kenya became a Republic, he was president. His daughter, Margaret, is mayor of Nairobi.

Every day and night were crowded with official and semi-official events. However, Cong. Stokes and I did take enough time out to make a motor tour of the Masai country in the Rift Valley.

One of the gifts of the American government to the Tenth Anniversary program, was the appearance of Dizzie Gillespie and his quartette. In Nairobi, I ran into Rev. and Mrs. Sandy Ray. He formerly pastored Shiloh Baptist Church in Columbus, and was a member of the Ohio Legislature. He now lives in Brooklyn.

Nairobi was a hectic place because of the many functions. Our delegation finally gave up trying to attend everything. There were many top African officials paying their respect to Jomo Kenyatta. The most popular from the masses response was General Amin, head of Uganda. His popularity is due to the fact that he expelled all Asians from his country. Every time he left or returned to the Hilton Hotel, he was greeted by big crowds and given the clenched fist salute. We were supposed to visit Uganda but General Amin's coming to Kenya for the celebration, forced us to change our itinerary.

Kenya has come a long ways from the Mau

Mau days. The whites and Asians still figure large in the economy. However, most of the Kenyan masses arehopeful that the influence of both will be greatly reduced. Until this is accomplished, as I see it, the Kenyans will not have full possession of their country or its economy.

BEAUTIFUL TANZANIA

We decided that we had seen and done all we could in Nairobi so, on Wednesday, we left for Dar es Salaam, the capital of Tanzania. Here, we were the guests of the government headed by Julius Nyerre and, of the American Ambassador Beverly Carter, the former editor of The Pittsburgh Courier.

We are now in real tropical climate as Dar es Salaam is near the equator on the Indian Ocean. This is a beautiful city with a profusion of flowers, and the most beautiful red flowering fire trees which seem to be everywhere.

Here we rejoined Councilman Charles V. Carr and Virgil Ogletree and the Dialogue members. We are staying in Hotel Kilimanjaro overlooking the Indian Ocean. While the mid-day sun is hot, the nights are pleasant.

We had lunch at Ambassador Carter's lovely home. That evening top Tanzanian government officials tendered us a reception. President Julius K. Nyerere was busy convening the legislature to get passage of a tax bill that had previously been defeated.

We were now at the furthermost distance from home. The weather was so good and the people so hospitable, it made you want to stay on. However, it was time to plan for returning.

The visit to the railroad the Chinese are building, was enjoyable. I did not go, but Cong. Stokes did. He was greatly impressed. When finished, it will be a commercial link between the central African nations and the seaport of Dar es Salaam.

I was always intrigued by the exotic name of Zanzibar, the spice island. As Zanzibar was only 20 minutes air flying time from Dar es Salaam, we asked our host to set up a trip for us.

Friday morning we got the word go. A private plane carried us over to Zanzibar. The floral beauty of the island is great. Coconut tres cover it. We visited many of the old ruins and remains of the Old Arab, Sultan regimes. Zanzibar is now a part of Tanzania. This island has been a prize since the Portuguese came here in the 1500's.

The narrow streets and the architecture are the remains of the old Arab-slave days. Cloves and other spices provide a big export market. The local island government provided us with guides and treated us royally. Some of the buildings we saw, were three and four hundred years old. The market place with all kinds of foods and vegetables, was colorful. The theater was showing an American film.

Our tour carried us by some imposing apartment buildings. Our guide stated that these were built by the government to house low-income people. The buildings were three and four stories with balconies. They looked as good as any we have in America.

The unusual part of this story is that the residents pay $6.00 a month for utilities. The rent is free and they can live there for life under these conditions. The money for the construction of these apartments comes from the profits on the sale of cloves and other spices that grow on the island and are sold through the government monopoly.

The Tanzanian government has built several lovely resort facilities on the Indian Ocean about 12 miles out from Dar es Salaam. Saturday we motored out to Bahari Beach Hotel. The main building and the some 22 individual cabanas are all in African motif; thatched roofs and round buildings. Most of the cabanas are two stories, beautifully furnished with baths and water. The main building houses the bar, dance floor and dining areas. There is dancing and entertainment. There is a private pool as well as a fine sandy ocean beach. Fishing is excellent. The cabanas rent for $50 a day, including three meals.

Friday night we had dinner with the leaders of the freedom fighters in Mozambique. Saturday morning, we had a conference with Foreign Minister John Macela. He delineated the policy of the Tanzanian government on the colonial rule of Portugal over Mozambique, Angola and Guinea-Bissau. This interesting story I will tell about next week.

COLONIALISM'S CHALLENGER

There are millions of Africans still living under colonial rule. Portugal controls the largest colonial territory. Guinea-Bissau on the West Coast and Mozambique on the East Coast are the two main centers of opposition to Portugal's rule.

In Dar es Salaam, we visited with the heads of FRELIMO. (Front for the Liberation of Mozambique). They have their main headquarters here. On our first day here, we made contact with FRELIMO officials and a conference was set up at their headquarters in downtown near the waterfront. Most of the delegates from the Dialogue who came here, attended. We were briefed on the problems these freedom fighters face in their revolution against Portugal.

On Friday night, Cong. Louis Stokes and I had dinner with Marcelius Dos Santos and another official. We talked rather intimately about the problems they face.

On Saturday, our last day in Dar es Salaam, FRELIMO officials had Cong. Stokes and me to lunch at the home of one of their members. Here we met many of the field workers, some who had just returned from the fighting front in Mozambique.

We had a most delicious meal which included mangos and cashews. To my surprise, I found out that cashews are a delicious fruit as well as a nut.

These people are serious for they are about a serious business. Much of their operation must be secret for the Portuguese have a price on the heads of many of them. Two American white women were part of the luncheon guests. One was the wife of one of the officials and the other (a graduate of Miami Univ. Ohio) was one of the workers.

A growing number of African states have established bilateral relations with FRELIMO, in line with their recognition of the movement as the sole representative of the Mozambican people.

In a talk with Foreign Minister John Malecela of Tanzania Saturday morning before our luncheon, he told us that his country permitted FRELIMO to have headquarters here and, that Tanzania will continue to aid all freedom fighters even more aggressively until Africa has become free.

He told us that the freedom fighters were now receiving new and modern weapons from Russia and China. He said they will accept weapons and aid from any source opened to them. He said this did not make them communist.

The FRELIMO people were bitter over the United States support of Portugal. Napalm bombs and other destructive weapons have been supplied to the Portuguese fighters in Mozambique.

The position of the government of Tanzania was expressed in a statement in 1971, "Africans," the statement said, "do not and cannot disagree on the need to eradicate racialism and colonialism from Africa. While some of us may wish to adopt, and others to reject, the cultural, social, political or economic patterns of Europe, and while there may thus be disagreement on the domestic purpose of social and political activity, there is one fundamental purpose that we share. We are all resolved to work against the racialism and colonialism which still oppress Africa, and to do this until these evils have been eradicated from the face of our continent."

The FRELIMO officials are anxious to establish relations with Negroes in America. They feel that we should help them like the American Jews are helping Israel.

We agreed that there should be closer relations between the Africa people and American Blacks. We are going to try to bring one or two FRELIMO officials to the United States this year for a tour.

Another interesting fighter against racial oppression is Chief Gatsna Buthelezi, leader of the Zulu nation in South Africa. There is some disagreement between Buthelezi and other Africans over his effort to work with the South Africans for some degree of freedom for the Zulu people.

We first met Buthelezi in Ethiopia. He addressed the Dialogue. We next saw him in Nairobi and, then in Dar es Salaam. He is a very sensitive man and dedicated. His life is constantly in danger (1) from the whites who hate him, and (2) the Africans who disagree with him. He is the only Black leader that the South African government will permit to leave to attend conferences.

Saturday was our last day and our busiest. The more we talked with the Africans the more interested we became in their problems. Racially, topographically and geographically Africa is a vast and complex country. The so-called African movement in America by Blacks, is so far from reality that it is tragic. We have hold of the wrong handle completely.

Next week I will reproduce a letter from an African woman which I think will be most interesting.

AFRICAN WOMEN

In a previous installment, I referred to the position of African women in these emerging countries. Here and there you find African women holding high government positions.

In Guinea, we were greeted by a very attractive woman who was a member of the Senegal. In Nairobi, the daughter of Mzee, Caroline Diop, of Dakar, was a delegate. She is a member of the National Assembly of Senegal. In Nairobi, the daughter of Mzee Jomo Kenyatta is mayor of that capital city.

In traveling through Africa, you don't see many women driving automobiles, clerking in stores. Housework and hotel cleaning is largely done by men. We did have a woman driver of our car while in Zanzibar.

Generally the women do the hard work. They tend the many roadside stands; carry what seems like tremendous burdens on their backs and heads. The African society does not as yet accord women full rights.

While in Nairobi I came across evidence that African women are not completely satisfied with their role. In the Sunday issue of the daily paper under the caption: "We Women Won't Accept It," in a letter to the editor, a Mrs. Beldina A. Owuor gave full vent to her feelings about the treatment of African women.

Here is her letter:

WE WOMEN WON'T ACCEPT IT

As Kenya celebrates its 10th anniversary, I would like, as a woman, to inform those men (Kenyans) who still subject their wives to oppression, dictatorship and human indignity that such thing has no place in the independent Kenya.

Kenya women were liberated years back and a man who thinks that women are to be beaten, dictated, kicked around and be answerable to every member of the husband's family should know that it won't work that way in the present Kenya.

Our attention as a nation should be drawn to the fact that though we sent away "wabeberu," we still have some under our roofs. Though we are a nation free from colonialism, depression and human injustice, we still have private oppressions and human injustices under our roofs.

Kenya Police should join hands in ensuring the security and the safety of women in some homes in Kenya. We still have men in this independent country who beat, cut and strangle their wives. Some even break the limbs of their wives. A man tired of his wife should divorce her rather than committing the crime of breaking her limbs.

Several women who have had their arms broken say that they are tired of telling lies to their bosses when they go back to office that they fell from stair-cases or baths.

Another reason why some women stay is because of the children. The fact is that children brought up in a fighting family will never make decent people in the society and therefore it is no point staying with a fighting husband for the sake of the children.

We should, as a nation, be ashamed of such things as are happening to some women in this country yet we got our independence years back. We should not only sympathise with those people who are oppressed in Guinea-Bissau, Angola, Mozambique, Rhodesia and South Africa but we should also sympathise with the women who suffer this kind of thing in this very independent country. And they suffer these oppressions in the hands of their black husbands.

Anybody who wants to argue it out that these are traditions should know that there is no tradition which allows a man to kick, cut, strangle, break his wife's bones or even kill her. These are unlawful and if that was the case then our grandmothers would not have lived. On the other hand, if some people maintain that it is a tradition then I would say that such traditions have no place in the present society.

We are not going to have deformed limping women in our Independent Kenya and therefore such traditions should be buried deep and be forgotten for ever.

Mrs. Beldina A. Owuor, Nairobi.

AFRICA IS MANY COUNTRIES

In this series on my visit to the six African countries, I have summarized much of what I saw and learned about this mother country.

Africa is many countries. Its people are varied, alike and unlike. Some places are as modern as Cleveland and far more beautiful. Others are still in the primitive area.

However, in the past ten years, which is about the average age of Black Africa's independence, with little experience, these African countries have made remarkable progress.

In the technical and intricate processes of government, our African brothers have outdistanced us. They are rapidly learning how to govern themselves and adjust to the world of the atom and the computer. It is out of these countries and people that real Black pride and power are going to be implemented.

In checking back on some random notes, here are some concluding opinions.

TOO MANY COUNTRIES

Present day Africa is too fragmented. On the West Coast, there are 17 independent countries. This is far too many for the resources these countries have. Some are far too small to be able to support their independence. Each has its own currency, postal-telecommunications and, all the other accoutrements of government. The nuisance of currency exchange is exasperating to travelers. In most African countries, it is a crime to take currency outside their borders.

Two languages dominate these West Coast countries, French and English. These are the commercial languages. The tribal language differs almost from tribe to tribe. Language then should not be a barrier to a federation like the European Common Market Countries or the United States of America.

This would cut the cost of government, improve currency values and, make international trade easier. This would also help in opening up for development, vast natural resources found in many of these countries.

On the East Coast, the countries are much larger in area, Burundi, Rwanda, and Uganda being the smallest.

The East Coast nations of Uganda, Kenya and Tanzania have initiated some form of federation. While it is not as yet fully functional, it is a beginning. In these countries, English is the commercial language. Tanzania and Zanzibar have united into one common country.

Coalition governments, if not outright merger, must be in the future of African countries if they are to overcome the problems of industrial development, education and poverty.

Ethiopia is taking the leadership in developing African airlines. Their school in Addis Ababa is training Africans from many countries. This is the kind of mutual cooperation African countries need if they are to become self-sufficient.

THE MASAI

One of the least developed tribes in Africa, especially on the East Coast, is the Masai. These people range over parts of Kenya and Tanzania, grazing their cattle, which to them represents their wealth. Since this part of Africa has two wet and two dry seasons, these people are more or less constantly on the move. I visited one of their outposts in the Rift Valley. They are rather aloof. The Kenyan government recently issued an order for the Masai men to wear pants under their flowing blankets.

Two American farm specialists told me that these Masai have hypnotic power over cattle. They told me two amazing stories of their prowess in subduing cattle from Texas.

NEGRO AMBASSADORS

African nationalism is opening the doors for Negro Ambassadors from the United States. Terence A. Todman in Guinea and Beverly Carter in Tanzania, both of whom I talked with, are doing a good job. Both Nigeria and Kenya are ripe for Black ambassadors from the U.S. The American Negro is acceptable to top African officials, most of whom were themselves trained in American colleges.

VISIT AFRICA

Black Americans should visit Africa. Tourism is Kenya's biggest foreign exchange producer. Over 70,000 tourists visit Kenya every year. Other African countries are now bidding for their share of this tourist trade. The hotels in most of the cities are from good to excellent. The beach facilities at Dar es Salaam on the Indian Ocean are as fine as anyone could desire.

There is much to see and enjoy in Africa. The winter months are the best time to visit. There are two wet and two dry seasons in many of the countries. Bus and private car and plane tours are obtainable at reasonable cost. The people are friendly if you are. English speaking guides are available.

PRIORITIES

The first priority in Africa as I see it, is stable, responsible government. The second is education. African secondary schools are way behind the needs of the masses. Third is agriculture. There are enough natural fruits and fertile land for the people of Africa not to be hungry. They must raise enough food for their needs and, some to export. This cannot be done by the present outmoded methods of farming and cattle raising. We were told by top Nigerian officials that they were determined to improve their agriculture. Other countries must also do this.

MISCONCEPTIONS

The American Negro has some misconceptions about Africa. This goes for style of clothes, hair styles, dancing, etc. What we think and what is, is more than often miles from the truth.

The Africans feel that the Black brothers across the sea, are not interested in them. There is a great need for closing this gap. Both the American Negro and the Africans can profit from such a move.

HEARINGS ON WIRETAPPING AND ELECTRONIC SURVEILLANCE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. Kastenmeier) is recognized for 5 minutes.

Mr. KASTENMEIER. Mr. Speaker, in 1968, Congress enacted the first comprehensive statute governing wiretapping and electronic surveillance. That statute, a part of the Omnibus Crime Control and Safe Streets Act, specifically outlawed such eavesdropping unless it fell within certain specified exceptions. In the 6 years since the passage of the act, alleged abuses of its wiretapping exceptions have caused many Members of Congress and private citizens to wonder whether the act provides sufficient safeguards to assure that the privacy of individual Americans is not invaded.

That Americans are concerned is apparent from a recent national survey in which three out of four persons interviewed indicated that "wiretapping and spying under the excuse of national security are a serious threat to people's privacy." This public concern over privacy of communications has been reflected in Congress by the fact that over 30 Members have sponsored legislation which would restrict currently authorized eavesdropping.

The Supreme Court, as well, has recognized the dangers inherent in governmental abuse of wiretapping and electronic surveillance. Justice Powell, in expressing the unanimous view of the Court, wrote in 1971:

> "The price of lawful public dissent must not be a dread of subjection to an unchecked surveillance power. Nor must the fear of unauthorized official eavesdropping deter vigorous citizen dissent and discussion of Government action in private conversation. For private dissent, no less than open public discourse, is essential to our free society." *U.S.* v. *U.S. District Court,* 407 U.S. 297 (1972).

In view of the concern on the part of the people, the Court, and Members of Congress, the Subcommittee on Courts, Civil Liberties, and the Administration of Justice of the House Judiciary Committee has scheduled hearings on April 24, 26, and 29 on wiretapping and electronic surveillance. These hearings will not focus on specific legislation but will elicit testimony regarding past and present practices in eavesdropping with a view to developing legislation which will prevent future threats to individual privacy from wiretapping and electronic surveillance.

THE 76TH MILITARY AIRLIFT COMMAND

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from South Carolina (Mr. Davis) is recognized for 10 minutes.

Mr. DAVIS of South Carolina. Mr. Speaker, coming as I do from an area of the country where there are several military bases and where there is outstanding pride in the community in the accomplishments of our military forces. I take special notice today of the achievement recently of the 76th Military Airlift Squadron at Charleston Air Force Base in Charleston, S.C.

The 76th Military Airlift Squadron was selected as the outstanding airlift squadron for the Military Airlift Command for 1973. The officers and men of the 76th MAS won this high accolade in competition between 17 squadrons in the Military Airlift Command.

Criteria used to determine the winner included safety records, current safety programs, mission accomplishment, training programs, operational readiness inspection results, civic activities, resource management, and athletic competition.

The 76th MAS was the nominee of the 437th Military Airlift Wing, which is stationed at Charleston Air Force Base under the command of Brig. Gen. Thomas M. Sadler. It was then selected as the best squadron in the 21st Air Force before winning the commandwide honor.

This award is certainly a fine tribute to everyone associated with the 76th Military Airlift Squadron, to the 437th Military Airlift Wing, and to the entire Air Force.

So that my colleagues may appreciate the accomplishments of my hometown squadron, I am inserting in the RECORD the citation which accompanied the award to the 76th Airlift Squadron.

CITATION TO ACCOMPANY THE AWARD OF THE OUTSTANDING AIRLIFT SQUADRON OF THE YEAR TO THE 76TH MILITARY AIRLIFT SQUADRON

The 76th Military Airlift Squadron, 437 Military Airlift Wing, Charleston Air Force Base, South Carolina, has distinguished itself as the outstanding airlift squadron in the Military Airlift Command for the year 1973. During this period, the 76th Military Airlift Squadron has made positive and significant efforts to conduct its operations in an efficient and professional manner, and has realized tangible benefits as a direct result of these efforts.

In addition to adding another accident-free year to the 21 year, 592,000 hour safety record, the 76th Military Airlift Squadron has been the Charleston Air Force Base leader in making substantial and significant improvements to the living and working quarters of the assigned personnel. These efforts were recognized by General Carlton, Commander, Military Airlift Command, when he recognized Charleston Air Force Base as having the best facilities in the Military Airlift Command.

But more importantly, the 76th Military Airlift Squadron has continued its proud tradition of successfully performing every type of mission flown by the Military Airlift Command, ranging from Presidential Support, joint Army-Air Force paratrooper training and deployments, overseas cargo and passenger support, to the flights to Israel to support our ally during the Middle East Crisis of 1973. Professionalism, "esprit de corps", and a personal individual commitment to a high degree of sustained performance, combined with the 76th motto of "Safety, Spirit, Service" have been the guiding principles which have made the 76th Military Airlift Squadron the Outstanding Airlift Squadron in the Military Airlift Command for the year 1973.

CONGRESSMAN DOMINICK V. DANIELS URGES FREEDOM FOR KURDISTAN—INTRODUCES A RESOLUTION CALLING FOR SELF-DETERMINATION FOR KURDS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. DOMINICK V. DANIELS) is recognized for 5 minutes.

Mr. DOMINICK V. DANIELS. Mr. Speaker, I have repeatedly taken the House floor to speak for freedom for nationality groups which have been denied the right of self-determination.

Mr. Speaker, more than 50 years ago Woodrow Wilson, a great New Jerseyan, put the United States publicly on record in support of the principle of self-determination.

I rise in support of a people with a history of 4,000 years, the people of Kurdistan who have been denied the right to exist as a nation despite their ancient heritage.

Today, I have introduced a concurrent resolution urging this Nation to use all its good offices in behalf of independence for the people of Kurdistan.

For the benefit of all Members, I would like to outline some of the background to the present sticky situation in the Middle East.

When the Allies Conference at San Remo in 1920 placed Iraq under British mandate, the boundaries of Iraq were not yet defined. Turkey still laid claims to Iraqi Kurdistan, on the grounds that it was in full control of that region when the cease-fire became effective at the end of the First World War. Kurds refused to have their land become a part of either Turkey or Iraq on the grounds that the Sevres Treaty had entitled them to full independence. However, Britain, being aware of the rich oilfields in Kurdistan—Kirkuk and Ayn Zala—did its utmost to retain the region as a part of Iraq, in order to come under its mandate.

Shaykh Mahmood Barzanji, a Kurdish leader, took advantage of the situation by leading a Kurdish revolt against the government of Iraq and the British Mandate, and in 1920 declared himself "King of Kurdistan." Both British and Iraqi forces joined in fighting against the Kurds. To pacify Kurdish demands Britain and Iraq jointly declared their recognition of the "rights of Kurds living within the boundaries of Iraq to form a Kurdish government within its borders." Furthermore, the League of Nations in the mandate document for Iraq specifically recommended that Kurds should administer their own area, speak their own language and have Kurdish taught in schools.

However, hardly any part of the joint British-Iraqi declaration, or the League's recommendations were ever implemented and as a result Kurdish uprisings continued under the leadership of Mahmood Barzanji, and Ahmad Barzani. Since 1940 and to the present day leadership of the Kurdish liberation movement has been under Mustafa Barzani.

In 1959, the Kurdish Democratic Party—KDP—was granted a license to openly function as a political party. The party's program called upon Kurds to "struggle peacefully for the right of the Kurdish nation to self-determination." The Iraqi Government soon stamped Barzani and the KDP as recessionists and agents of "imperialism." Consequently, members of the KDP Central Committee in Baghdad were arrested, the party's newspaper was closed and the Kurdish revolt against the Iraqi Government started again in 1961. Kurds insisted on autonomy for Iraqi Kurdistan and fighting lasted for 10 years, contributing significantly to the downfall of three successive Iraqi regimes.

During 1963 negotiations started between Iraq, Syria and Egypt, aiming at a union between the three countries. Meanwhile, negotiations began between the Government of Iraq and the Kurds for a peaceful settlement of Kurdish problems.

The following were the main Kurdish demands:

First, Kurds would be satisfied with autonomy if Iraq remains an independent state.

Second, if Iraq joins any other Arab country in federation, Kurds will seek wider autonomy.

Third, if Iraq is fused in union with any Arab country, Kurds will accept joining the union as a regional Kurdish entity.

However, neither union between Iraq and any Arab country, nor peace between the Iraqi Government and the Kurds was accomplished.

In 1966 the Government of Iraq, in a 12-point program, declared recognition of Kurdish nationality, and promised a decentralized administration for Iraqi Kurdistan. However, such programs had already been rejected by the Kurds in 1963, 1965 and early 1966.

THE MARCH 11, 1970, AGREEMENT

After 10 years of bitter fighting between the Iraqi Kurds and various Iraqi regimes, the present Iraqi Baath rulers reiterated, at the beginning of 1970, that "the question of Kurdish national ambitions in Iraq is one of the foremost issues facing the Arab revolution," and that in order to put an end to the exploitation of this question by "the forces of imperialism and reaction" the Iraqi Government has decided to take the "initiative in restoring peace to all parts of Northern Iraq."

Barzani was asked to send a Kurdish delegation to Baghdad to negotiate a peace agreement with the Government. An agreement between the two sides was reached. Kurds were to be granted autonomy; but prior to that, the boundaries of Kurdistan were to be determined and a general census of Iraq was to be conducted in order to determine the percentage of Kurds, upon which basis the Kurdish share of Iraqi revenues will be determined. Kurds insisted that the agreement be guaranteed by a foreign government. As a compromise, reached during a visit to Barzani by the Iraqi Vice President Saddam Hussein, it was agreed that Kurds would be satisfied by registering the agreement with the United Nations; publishing said agreement in the Iraqi Government's official Gazette—Register—and broadcasting the agreement on Government radio and television stations.

Three years have passed since this agreement was signed; yet the boundaries of Kurdistan have not yet been defined, and a census in Iraq has not been conducted. There has been instead several Government-sponsored attempts against the life of Barzani. Major Iraqi oilfields are in the Kurdish area of Kirkuk and Ain Zala, and the present Iraqi regime is not willing to officially recognize that. Instead it is trying to force Kurds out of the oilfield areas and replace them with Arabs. Consequently, clashes have already begun between Kurdish and Iraqi Government forces. Kurds have sufficient fighting manpower, but, in order to maintain their control over cities and oilfields, they need antiaircraft and antitank equipment. As recently as 2 months ago, Barzani called for U.S. assistance in arms, in return for an oil deal—statement published in Washington Post, August 1973.

One can hardly disagree with the conclusions reached by the Rand Corp., that Iraqi might ultimately cease to exist as a state; that is, Kurds controlling their land in the northern part, Iran, a Shia Muslim country, taking over the overwhelming Shia majority in the southeastern area, and Kuwait, an arid state, enjoying the abundance of water in the southern part of Iraq.

REPEAL OF THE TRADE EMBARGO ON CUBA

The SPEAKER pro tempore. Under a previous order of the House the gentleman from Massachusetts (Mr. HARRINGTON) is recognized for 5 minutes.

Mr. HARRINGTON. Mr. Speaker, on March 28, 1974, in an attempt to bring U.S. policy toward Cuba into alinement with the realities of today, I introduced H.R. 13821, a bill to repeal the various acts of Congress which have imposed economic sanctions against the government of Cuba. The series of legislative and executive branch decrees and directives, based on previous congressional authority and decisions taken in the Organization of American States—OAS—comprise the legal framework for the longstanding policy of the U.S. embargo on Cuba.

The embargo on trade with Cuba was officially declared as a Presidential proclamation by President Kennedy on February 3, 1962, after the OAS foreign minister, in a January 1962 meeting, declared the government of Cuba incompatible with the principles of the Inter-American system, and, taking note of Cuba's subversion of Latin America, urged member states to take steps for their self-defense. The President cited section 620(a) of the Foreign Assistance Act of 1961 as authorization to establish and maintain an embargo on all trade between the United States and Cuba. In 1964, the OAS directed all member states to sever diplomatic and trade relations with Cuba. In this period of the first part of the 1960's, the U.S. Government attempted to strengthen its isolation of Cuba by various provisions in legislation along with directives from the Departments of Treasury, Commerce, and State.

The United States and OAS embargo of Cuba was a reaction to the revolutionary tactics of Fidel Castro, characterized by his attempts to subvert Latin American governments, especially those in the Caribbean. Officially, United States policy has been directed toward the isolation of Cuba in order to cause economic and eventual political chaos. This attempt to isolate Cuba through the tactic of the economic embargo has failed miserably and has even proven to be counterproductive.

The United States embargo on Cuba has contributed to the strengthening of the Russian economic yoke around the island-nation. The Russians adequately filled the gap left by the United States and now support Cuba to the tune of $1.5 to $2 million per day. The Russians and the other Socialist countries of Eastern Europe provide Cuba with industrial machinery and a multitude of technical advisors.

Ironically, the United States embargo of Cuba has helped improve the balance of payments of our friends at our expense. In 1972, the last year for which official figures have been tabulated, countries that are considered our closest friends and allies were doing vigorous business with "isolated" Cuba. For example, Great Britain exported almost $43 million in goods to Cuba; France exported just under $26 million; Germany exported just under $20 million; and Spain over $18 million. In 1971, Canada exported $56 million in goods to Cuba. These nations are providing Cuba with such goods as trucks, buses, railroad cars, heavy machinery, and agricultural machinery, commodities which should be coming from this country but cannot because it has been against the law to trade with Cuba.

Consternation over this particular aspect of our embargo policy has been expressed by some prominent Americans in the past few weeks. Cyrus Eaton, well-known industrialist, said that the only accomplishment of the trade embargo has been to deprive the American farmers and industry of business. Leonard Woodcock, president of the United Auto Workers, vented his frustration over the embargo when news was published that Cuba had contracted to purchase millions of dollars worth of automobiles and trucks from Argentine subsidiaries of the U.S.-based multinational firms of General Motors, Ford, and Chrysler. Reuther urged that the U.S. Government lift the trade embargo so that Cuba can deal directly with U.S. automobile manufacturers rather than the Argentine subsidiaries. He pointed out that this would help restore some of the 100,000 jobs lost in the U.S. automobile industry because of the depressed job market. Similarly, many Americans are upset over the recently announced deal whereby a Canadian subsidiary of a U.S. firm is going to sell $12 to $18 million in locomotives to Cuba. People are beginning to wonder who is being isolated, Cuba or the United States?

In the context of U.S.-Latin American relations, the embargo on Cuba, as well as this country's overall policy toward that nation, is beginning to place the United States in a position of isolation. Aside from the 7 Latin American nations that now maintain diplomatic relations with Cuba, in spite of the OAS ban, 3 more, thus a total of 10, have a trade relationship. Ironically, one of these is Venezuela, the nation that brought charges against Cuba at the 1964 OAS meeting which created the final pillar of the institutionalized U.S.-OAS isolation of Cuba. There are indications that other Latin American states want to change their policy toward Cuba.

The United States embargo has not isolated Cuba. It has not destroyed the Cuban economy, although it has created some hardship for the Cuban people. It has served to unite Cubans behind Fidel Castro, and has enabled the Cuban leader to use the United States as a scapegoat for which he can blame all his nation's ills.

The trade embargo on Cuba is outdated, unrealistic, and not in concert with today's trend toward normalization of relationships with former foes. If for no other reason than our own self-interest, the embargo on Cuba must be replaced.

THE MODEL CRIMINAL JUSTICE SYSTEM ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Utah (Mr. OWENS) is recognized for 30 minutes.

Mr. OWENS. Mr. Speaker, I am today introducing the Model Criminal Justice System Act.

Crime in America continues to threaten the stability and security of our citizens. No amount of rhetoric—and no single piece of legislation—will eliminate crime. But the measure I am introducing today, if enacted, will be a major step toward reducing crime.

The purpose of this legislation is to create model criminal justice systems in several States. Those States voluntarily choosing to participate in the program would undertake comprehensive reform of their entire criminal justice system—reform aimed at producing stronger and more efficient law enforcement, fairer and faster court systems, and a more modern and flexible corrections program. The Federal Government would pay most of the costs of such reform, but the principle of local control over criminal justice administration would be maintained.

Reducing crime is still the primary responsibility of State and local governments. I believe it should stay that way. However, the Federal Government can play a significant role in encouraging and financing the type of reforms needed to combat crime effectively.

In 1968, the Republican candidate for President of the United States told us that by changing the Attorney General he would dramatically reduce the rate of crime. Five men have held that office since that promise was made, and crime still continues to threaten every section of our country.

Indeed, the situation is no better today than it was in 1967, when the President's Commission on Law Enforcement and Administration of Justice observed that—

> There is much crime in America, more than ever is reported, far more than ever is solved, far too much for the health of the Nation. Every American knows that. Every American is, in a sense, a victim of crime. Violence and theft have not only injured often irreparably, hundreds of thousands of citizens, but have directly affected everyone. Some people have been impelled to uproot themselves and find new homes. Some have been made afraid to use public streets and parks. Some have come to doubt the worth of a society in which so many people behave so badly. Some have become distrustful of the Government's ability, or even desire, to protect them.

In my own State, the statistics tell an equally alarming story. Since 1968, the rate of violent crime has increased by over 50 percent in Utah. And over 2 out of 100 Utah citizens were victims of some type of crime in 1972.

In Salt Lake and Tooele Counties, seriout felonies such as homicide, rape, aggravated assault, burglary and robbery, increased 74 percent in just a few short years between 1967 and 1971.

There are a litany of reasons underlying these grim statistics. But, unlike other difficult problems which face our country we know how to reduce crime.

We know that more professional and better paid law enforcement personnel, an efficient and well-run judicial system, and corrections programs which rehabilitate, rather than breed more crime, are the keys to reducing crime substantially.

The failures and inadequacies of the criminal justice system in our States have been well documented. The 1967 finding of the President's Commission on Law Enforcement and Administration of Justice still holds true today:

> The increasing volume of crime in America establishes conclusively that many of the old ways are not good enough. Innovation and experimentation in all parts of the criminal justice system are clearly imperative. They are imperative with respect both to entire agencies and to specific procedures. Court systems need reorganization and case-docketing methods need improvement; police-community relations programs are needed and so are ways of relieving detectives from the duty of typing their own reports; community-based correctional programs must be organized and the pay of prison guards must be raised. Recruitment and training, organization and management, research and development all require re-examination and reform.

We also know that simply pouring money into one part of a criminal justice system—while neglecting or ignoring other parts of that system—will, in the long run, prove ineffective in reducing crime.

The world's best police force will be hamstrung in reducing crime if there are indefinite delays in bringing a defendant to trial; and a judicial system operating at maximum efficiency will be meaningless if those convicted in the courts are placed in prisons which produce only hardened criminals.

As the Utah State Law Enforcement Planning Agency—ULEPA—pointed out in its 1973 report, "A Case Against Crime"—

> The concept of curtailing crime has become synonymous with the concept of funding bigger, better, and more expensive police forces and police-related items. ULEPA's past and current budget allocations appear to be aimed at decreasing unemployment rather than attacking specific aspects of crime. There is little question that an effective and efficiently alert police force aids in both preventing crime and apprehending individuals engaged in crime, but as the output of one segment of the criminal justice system increases, the work load in other segments of that system increases proportionately. The more arrests made, the more complaints issued, which yields more cases for prosecution through the courts, increased caseloads develop and backlogs enlarge. The net result is the defeat of the essence of a fair and speedy trial, which is an integral part of our criminal justice system.

In 1969, a staff report to the National Commission on the Causes and Prevention of Violence presented this gloomy description of the criminal justice process in most States:

> A system implies some unity of purpose and organized interrelationship among component parts. In the typical American city and state, and under federal jurisdiction as well, no such relationship exists. There is, instead, a reasonably well-defined criminal process, a continuum through which each accused offender may pass: from the hands of the police, to the jurisdiction of the courts, behind the walls of a prison, then back into the street. The inefficiency, fallout, and failure of purpose during this process is notorious . . .

In 1973, the ULEPA report reached the same conclusion about Utah's criminal justice system:

> There is a constant plethora of disgrumblings from both the police and the general public about our "system," which is really a non-system, but the impediments to the efficient coordination and operation of the criminal justice system are still ignored. Police are only a part of the system, through an indispensable and integral part; however, the police alone cannot insure that justice is served. The total system has to equate that justice.

The ULEPA report concluded that we can no longer afford "to plan and fund token projects that affect only part of the criminal justice system."

But Utah—and almost every other State—cannot alone accomplish comprehensive reform of an entire criminal justice system. Our States and local government, which are faced with a variety of difficult problems, need substantial financial assistance to achieve this reform, and the Federal Government can provide such assistance.

The passage of the Omnibus Crime Control and Safe Streets Act of 1968 recognized this principle. But under that legislation, funds have been distributed on a piecemeal basis; and there has been a failure to encourage the type of comprehensive reform of a State's criminal justice system which those who originally proposed this legislation anticipated.

I believe that we need a new program of Federal financial assistance to combat crime—a program which offers substantial assistance as an incentive for sweeping and comprehensive reform of a State's entire criminal justice system. That is the basic purpose of the legislation I am introducing today. It is designed to establish model and experimental programs in several States.

It should be emphasized that this is a completely voluntary program, which will not replace the existing authority under the Safe Streets Act. Those States which do not enter this program will continue to be eligible for funding under that act. It offers a bonus of Federal help for those States willing to reform their entire criminal justice systems.

The bill I am introducing establishes flexible standards for reform of each part of a State's criminal justice system. States interested in participating under this program will submit plans designed to meet the standards contained in the bill. And those States whose plans are selected can immediately begin to implement their plans.

Senators MONDALE, BROOKE, EAGLETON, and former Senator, now Attorney General Saxbe have introduced essentially the same bill in the Senate. Unfortunately, this measure has languished there, and a similar proposal has never been considered in the House. The bill consists of two major titles. Title I contains a comprehensive program for reform with emphasis on law enforcement, the criminal courts and corrections. States desiring to participate in the program will, with Federal financial assistance, develop and submit a State agenda for the specific implementation of these reforms within their States.

Reforms which a State can implement without new legislative authority are classified as phase I, and those requiring new legislation are classified as phase II. A State will be given more time to implement phase II reforms, but in no event will a State be given more than 4 years to implement its total plan. The Federal Government will pay 75 percent of the costs of implementing phase I and 90 percent of the cost of implementing phase II.

The State plans will be administered by the chief executive of each State, or by a public agency designated or created for that purpose. At the discretion of participating States, State advisory councils may be appointed to advise the chief executive on the preparation and administration of the State plans, and to evaluate programs assisted under this legislation.

Title II establishes an independent agency within the executive branch—the Criminal Justice Reform Administration—to be headed by a single administrator. This agency will provide technical assistance as needed to the States and localities regarding all aspects of the program. It will also provide for the wisest possible dissemination of information obtained under the program—including an annual report to the President on the activities of the Criminal Justice Reform Act. I am not committed to creation of a new agency. In fact, I believe this program can be effectively integrated into the LEAA framework.

The most crucial part of this bill are the standards it establishes for measuring the acceptability of a State's plan for reform. These standards are derived from the recommendations of various commissions and other groups which have carefully examined the problem of crime in America, such as the President's Commission on Law Enforcement and Administration of Justice and various State crime commissions and planning agencies. For example, many of the recommendations of the Utah State Law Enforcement Planning Agency's most recent State plan are embodied in these standards.

Obviously, some of these standards may need revision before this legislation is ever enacted. But for the most part, I think these standards reflect the best thinking of most of those who are involved in the criminal justice system on a day-to-day basis.

These standards can be classified into three basic parts: law enforcement, improving the fairness and efficiency of the criminal court system, and corrections. Since these standards are the heart of this bill, it would be useful to discuss each basic category of standards and the problems they are designed to solve.

First, under the broad category of law enforcement, the bill would require the following:

Standards for recruitment of law enforcement officers which are uniform throughout the States;

Appropriate educational requirements for advancement of policies which are uniform throughout the State;

Beginning compensation and increases in compensation which are appropriate for a professional, considering the size of the community and the cost of living in the community in which such personnel serve;

A retirement system that is uniform throughout the State, and a statewide pension plan for such personnel;

To the extent possible, uniform promotional policies for such pesonnel throughout the State;

To the extent appropriate, standard operational procedures for such personnel throughout the State;

Lateral entry between law enforcement agencies of each locality within the State and between Federal, State, and local law enforcement agencies located within the State, with appropriate conditions on the period of initial service for such personnel; and

Facilities offering short-term mandatory training for all such personnel within the State.

I want to stress that uniform standards will be consistent with the principle of community control of law enforcement agencies in States which prefer to follow that pattern.

The second category of standards under this bill is aimed at improving the fairness and efficiency of the criminal court system. To accomplish the expeditious disposition of criminal cases in those States participating under this program, the bill requires that a State and its localities implement whatever reforms necessary to insure that the trial of all criminal cases will be commenced no later than 60 days from the date of a defendant's arrest or the initiation of prosecution—whichever occurs first. Failure to meet this standard will result in dismissal with prejudice of the charges against the defendant.

Administrator of this program shall, by regulation, specify those periods of delay to be excluded from this 60-day period for commencing a trial. For example, delay because a defendant has fled the jurisdiction would obviously be excluded from the 60-day limitation period.

This 60-day standard allows States and their localities great flexibility in overhauling their criminal judicial system. The bill specified that such reforms may include, without limitation—

Increasing the number of judges trying criminal offenses;

Improving the efficiency of criminal court procedures;

Appointing professional court administrators; and

Increasing personnel engaged in prosecuting and defending criminal cases.

The Federal Government would not dictate a particular scheme for reform. Rather, the determination would be made as to whether a State's reform proposals were adequate to meet the 60-day limitation in the bill, thereby insuring a speedy trial. I must point out that I am not committed at this point to the remedy of dismissal with prejudice now provided in 102(2)B of the bill.

In Utah, as in almost every other State, many of the reforms called for under this section of the bill are needed. As the ULEPA's recent report pointed out—

> The gross number of police officers available, their training, educational achievements, and salary levels are generally cited as recurring problems to be solved.

In particular, this report noted that the wide variance in salary levels for law enforcement personnel throughout the State creates manpower and recruitment problems. According to the report, "there is little incentive for the college-educated to seek a law enforcement career" given the pay scales for most police officers in Utah.

That is why an important standard in this bill would require beginning compensation and increases in compensation which are appropriate or a professional—considering the size of the community for law enforcement personnel and the cost of living in the community in which such individuals serve.

In 1967, the President's Crime Commission revealed statistics which showed that the median annual salary for a patrolman in a large city was $5,300. Typically, the maximum salary was less than $1,000 more than the starting salary. This was contrasted with the starting salary for nonsupervisory FBI agents of $8,421, with a high of $16,905.

While salaries of the Nation's police have increased since 1967, they are still inadequate.

Because of their present inadequate level of pay, many policemen in Utah and throughout the country are forced to "moonlight" with other jobs in order to support their families. If we want full-time policemen who can concentrate on their law enforcement duties, we must pay a decent wage for such demanding work.

I believe that the speedy disposition of criminal cases is one of the most vital reforms called for in this bill.

Several years ago, a survey by the U.S. Census Bureau revealed that more than one-half of 160,000 inmates in city and county jails throughout the country were being held for reasons other than conviction of a crime. Almost all of the inmates in this category were awaiting trial.

But far more than unfairness to individual defendants results from long delays in disposing of criminal cases. It is clear that such delays are a major cause of our increasing crime rate.

Such delays in bringing a defendant to trial often make it more difficult for the Government to obtain a conviction. Witnesses tend to be less reliable, and some witnesses are no longer available. Unfortunately, it is the repeat criminal offender who is usually aware of the advantages of a long delay between arrest and trial.

Studies have shown that the longer it takes to bring to trial a defendant out on bail, the more likely it is he will commit a crime while awaiting trial.

Finally, the surest deterrent to crime is the knowledge that its commission will be followed by swift and appropriate punishment. The delays in most judicial systems have obviously negated the impact of this important type of deterrence.

Chief Justice Burger, recognizing the link between increasing crime and court delays, has also recommended a 60-day limit for the commencement of all criminal trials. In an interview, the Chief Justice was asked whether delay has been a major factor underlying the rise of crime over the last decade; he responded as follows:

> I cannot think of any judicial factor more important than delay and uncertainty. It's always difficult to assign priorities in this sort of thing, but I know of none I can think of more important than the absence of the sure knowledge that a criminal act will be followed by a speedy trial and punishment.
>
> And that's why I have said that if we

> could have every criminal trial ready to be presented within 60 days after the arrest or the charge, I think you'd see a very, very sharp drop in the crime rate. It would surely put an end to the large number of crimes committed by men out on bail waiting six months to 18 months to be brought to trial.

As the Chief Justice pointed out—

> We cannot blindly cling to methods and forms designed for the 17th and 18th centuries.

In Utah, unlike other States, we are not yet faced with the extreme delay in bringing criminal defendants to trial. But given the increasing workload which is inevitable in the face of a rising crime rate, there is a real potential for excessive delay unless we reform our system.

The handwriting is on the wall. In its 1973 report, the ULEPA concluded that—

> Our current court system is a non-system, without unified scope or direction. The caseload is increasing at a faster rate than manpower training and new personnel positions.

In addition to the urgent need for improving judicial administration, the ULEPA report also called for increasing the personnel involved in both the prosecution and defense of criminal cases and for reforms in the manner in which cases are now prosecuted and defended.

The final category of standards under this legislation deals with the critical problem of corrections.

Almost all the authorities agree that the weakest link in the criminal justice system is what passes for a program of corrections in most States. As the President's Commission on Law Enforcement and Administration of Justice observed—

> For a great many offenders . . . corrections does not correct. Indeed, experts are increasingly coming to feel that the conditions under which many offenders are handled, particularly in institutions are often a positive detriment to rehabilitation.

There are a variety of reforms which are needed. To begin with, most corrections programs do not have the capacity for dealing flexibly with a broad range of offenders.

The President's Crime Commission and other authorities have called for the development of a far broader range of alternatives for dealing with offenders. As the Commission pointed out:

> While there are some who must be completely segregated from society, there are many instances in which segregation does more harm than good.

For the incorrigible offender who poses a clear danger to society, maximum security prisons are necessary. But it makes no sense to build an entire prison system designed to serve only the most hardened criminals—thereby forcing all other classes of inmates to adapt to such an institution. Petty offenders are often forced to live and to learn with major felons.

The importance of properly classifying offenders was underlined by the disturbing finding of the President's Crime Commission that—

> Approximately one-fourth of the 400,000 children detailed in 1965—for a variety of causes but including truancy, smoking, and running away from home—were held in adult jails and lockups, often with hardened criminals.

Utah, like other States, lacks proper facilities for dealing with juvenile offenders. According to the ULEPA report—

> Adequate juvenile detention facilities are inaccessible on a statewide geographical basis. There are only six approved detention facilities in the State. The majority of counties in the State do not have adequate facilities, and children are often placed in jails. Detention practices and standards are not uniformly or consistently followed nor very frequently enforced. Intake services at detention centers outside of Salt Lake City are not available on a 24-hour basis. The result is that children are placed in detention inappropriately.

As the President's Commission and others have emphasized, a variety of penal institutions and programs are required to meet the special needs of various types of offenders. In particular, the development of community-based correctional facilities—designed to avoid the use of far-removed and isolated institutions—is considered an extremely valuable rehabilitation tool.

Another serious problem is the fact that many jails, prisons, and other corrections facilities are woefully overcrowded, understaffed and badly equipped—and they are thus unable to offer even the most minimal rehabilitation programs such as job training or schooling. Several years ago, a study of over 3,000 jails by the U.S. Census Bureau found that about 85 percent had no recreational or educational facilities of any kind; about 50 percent had no medical facilities; and about 25 percent had no visiting facilities.

The condition of Utah's jails mirrors the national situation. The ULEPA reached the following conclusion about jails in Utah in its 1973 report:

> In 1972, 34 jails in Utah were visited as a part of the updating of a Utah jail study performed in 1968. The findings and conclusions are consistent with many of the conclusions of the President's Task Force on Corrections.
>
> Utah has a total of 49 jails in operation that hold individuals for 48 hours or more. Only 11 of these jails have 24-hour coverage by personnel. Matrons are not available when females are detained. In most of the jails, prisoners are served only two meals a day; three meals are served only when prisoners are assigned to work details. In 21 of the 48 jails, there are no facilities for the preparation of meals. Where these facilities are lacking, food is either brought in or prisoners are taken to local restaurants. The feeding of prisoners is definitely a problem in most Utah jails. In many jails, plumbing facilities required for sanitation and personal hygiene are generally old, in poor condition, and not adequate. It is felt that improvements could be made by issuing jail uniforms, providing clean bedding, laundry facilities and more supervision . . .
>
> It has already been noted that the physical conditions of many of the jails in the State of Utah are unacceptable by LEAA standards. Many of the physical plants are in need of repair and remodeling. Many of the county and local jails have been condemned by one of several agencies . . .

Another serious deficiency in most corrections programs is the inadequacy of existing parole and probation services—particularly for juveniles and misdemeanants. These services perform the most fundamental needs: to provide a man a job, a house, keep him out of trouble and away from crime. The President's Crime Commission found that to meet the requirements of both correctional agencies and the courts, there was an immediate need to double the Nation's pool of juvenile probation officers, triple the number of probation officers working with adult felons, and increase sevenfold the number of officers working with misdemeanants.

According to the Commission—

> These inadequacies can have serious consequences. Lack of community treatment facilities for misdemeanants and juveniles means the neglect of one of the most important lines of defense against serious crimes, since many persons with juvenile or misdemeanant records graduate to graver offenses. Lack of probation facilities also may mean that many minor and first-time offenders, who would be more suitably and economically dealt with within the community, are instead institutionalized. And lack of supervision, particularly through parole, means that the community is being exposed to unnecessary risks and that offenders are going without assistance in reestablishing themsleves in jobs and schools.

This is also a serious problem in Utah. In its 1973 report, the ULEPA found that—

Correctional agencies in Utah face acute shortages of qualified manpower, especially in positions charged with responsibility for treatment and rehabilitation;

Rehabilitation is nonexistent in Utah's jails;

Probation services away from Salt Lake, Weber, and Utah Counties are "nonexistent";

Parole services are limited, comprised of not much more than limited supervision.

Finally, related to the issue of corrections reform is the need to find effective methods for the treatment and rehabilitation of alcoholics and drug addicts.

In 1965, according to the President's Crime Commission, public drunkenness accounted for one out of every three arrests in America. Since these arrests burden the police, clog the lower courts, and crowd penal institutions, the Commission recommended that communities develop civil detoxification units and comprehensive aftercare programs.

In regard to drug addiction, the President's Crime Commission found that—

> Drug addicts, to support their habits, were stealing millions of dollars worth of property every year and contributing to the public's fear of robbery and burglary. The police, the courts, the jails and prisons and social-service agencies of all kinds were devoting great amounts of time, money and manpower to attempt to control drug abuse. Worst of all thousands of human lives were being wasted.

The old methods for dealing with narcotics addicts simply do not work. Whether an addict is assigned to a prison or to a special treatment facility, he will more often than not return to addiction—and crime to support it—after release.

Some programs—such as methadone maintenance—have proved relatively successful in treating drug addicts. However, a great deal of research must be done before we will know the best methods of eliminating this terrible problem.

It is clear that States and local governments—with Federal assistance—must put more emphasis on programs for treatment and rehabilitation of drug addicts and alcoholics. Such programs should be available both to inmates in institutions and as alternatives to incarceration.

In the final analysis, excellent law enforcement and an efficient court system will do little to reduce the crime rate so long as the prevailing problems in the area of corrections remain unsolved. If a State wants to achieve the comprehensive criminal justice reform called for under this legislation, it must therefore establish or provide:

A system for classifying persons charged with, or convicted of, criminal offenses so as to permit individualized treatment and security standards appropriate to the individual;

A range of correctional facilities that are adequately equipped and staffed to treat the particular classifications of inmates assigned there, including small-unit, community-based correctional institutions;

Comprehensive vocational and educational programs designed for the special needs of rehabilitating each class of persons charged with or convicted of criminal offenses;

Separate detention facilities for juveniles, including shelter facilities outside the correctional system for abandoned, neglected, or runaway children;

Standards applicable throughout the State for local jails and misdemeanants institutions to be enforced by the appropriate State corrections agency;

Parole and probation services for felons, for juveniles, for adult misdemeanants who need or can profit from community treatment and supervisory services for offenders who are released from correctional institutions without parole;

Caseload standards for parole and probation officers that vary in size and in type and intensity of treatment according to the needs and problems of the offender;

Statewide job qualifications and compensation schedules for correctional officers, including probation and parole officers, along with a mandatory system of inservice training; and

Programs of treatment and rehabilitation for persons suffering from alcoholism and drug abuse, available both to inmates and as an alternative to incarceration.

These standards—and the other standards in the bill concerned with law enforcement and the criminal court system—are not novel ideas. They represent the consensus of the best thinking of those who have worked in and studied the system of criminal justice as it exists in this country today.

Indeed, it is depressing that 7 years after the report of the President's Commission on Law Enforcement and Administration of Justice, so many of that Commission's recommendations have either been ignored or only partially implemented.

That Commssion—and the commissions and studies that came before it—told us a very simple truth: Crime can be reduced, but only if we are willing to invest in excellent law enforcement, an efficient court system, and a flexible corrections program with the skilled people necessary to offer meaningful treatment and rehabilitation.

Unfortunately, it is very difficult to dramatize the importance of such reforms and to mobilize opinion on this issue. When an Attica or some other prison riots, there is a temporary call for prison reform. But once the riot is over and forgotten, the demands for reform cease.

I do not think we can continue to ignore the relationship between a rising crime rate and an outmoded, inefficient criminal justice system.

And I do not think we can continue to act as if a rising crime rate is a fact of life in the years ahead.

With the type of comprehensive reform outlined in the bill I am introducing today, I am convinced we can turn that crime rate around—and make our society a more decent and safer place for us and our children.

DEMOCRATIC RIGHTS OF GREEK PEOPLE SUPPRESSED

The **SPEAKER** pro tempore. Under a previous order of the House, the gentlewoman from New York (Ms. ABZUG) is recognized for 60 minutes.

Ms. ABZUG. Mr. Speaker, I am introducing today a bill that declares it to be the policy of the U.S. Government to provide no military assistance, or military sales, credit sales, and guaranties to or for the Government of Greece until that Government lives up to its political obligations under the North Atlantic Treaty to observe the principles of democracy and provide individual liberty within Greece and its military obligations to perform common defense functions assigned under the current NATO plans.

The bill, which would also require the President to make a comprehensive review of U.S. relations with Greece and report his findings to Congress, is similar to one that was passed by the Senate in January.

Its text follows:

A bill to prohibit all military assistance to Greece until it is determined that Greece is fulfilling its obligations under the North Atlantic Treaty

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Congress declares that it is the policy of the United States Government to provide military assistance and military sales, credit sales, and guaranties to or for the Government of Greece only when that Government fulfills its obligations under the North Atlantic Treaty, including both adherence to the political principles stated in the preamble to the treaty and the maintenance of its capability to perform common defense functions assigned under the current North Atlantic Treaty Organization defense plans. Therefore, no military assistance and no sales, credit sales, or guarantees shall be provided to or for the Government of Greece under this or any other Act after the date of enactment of this Act until the President (1) undertakes a comprehensive review, after such date, of United States policy toward Greece, (2) has made a full report with respect to such review to Congress, and (3) finds and reports to Congress that, as a result of such review, the Government of Greece is in full compliance with its political and military obligations under the North Atlantic Treaty.

Recent events in Greece and the instability of the military regime there underscore the need for a review of American policy toward that nation, particularly in view of alarming reports of an almost total suppression of democratic rights, mass arrests, and the reopening of concentration camps there.

I call attention to the findings of a House Foreign Affairs Committee study mission to Greece, headed by Rep. DONALD M. FRASER, which said in its report, February 22, 1974, that American policy toward Greece is wrong. Among its findings were these significant points:

> The unity of NATO is seriously disrupted when the United States insists that NATO continue to support a dictatorial regime in Greece when the original purpose of NATO membership for Greece was to preserve its democratic government. The United States stands alone in NATO in insisting on this close relationship with a military Greek Government.
>
> American self-interest in projecting abroad its commitment to a democratic society as part of its foreign policy is seriously damaged when we continue to support a government which has been under military rule for 7 years.
>
> Whether or not there is justice in the charge that the United States condoned the execution of the 1967 military (coup), there is a widespread perception in Greece today that our continued support of the military government contributed to its continuation. The United States has become, in the eyes of an increasing number of Greek democrats, an instrument of their repression.

A report prepared for me by the American Committee for Democracy and Freedom in Greece points out that the American record of collaboration with the Greek juntas is so bad that—

> Among the Greek people our name has become synonymous with the poverty and oppression of the past seven years. Every act of resistance to the despots in Greece has been linked to the demands to "get the CIA out of Greece" and to "stop U.S. intervention and support" of the fascists.

The 200 years of our own American history should teach us that people will resist injustice, and yet we continue to support regimes that repress the democratic rights of their own people. The growing discontent in Greece against the dictatorial government of Col. George Papadopoulos did not slow our official support for his regime. Not until that discontent rose to such a pitch that the people threatened to oust the junta did Papadopoulos offer even the pretense of an election. He excluded any opposition parties from his "democratic elections" and the Greek people were not fooled. In fact, his fraudulent promises precipitated the strongest, most organized opposition in the 7 years of the colonels' rule. This led to mass arrests, jailings and bloodshed and replacement of the Papadopoulos government by an even more reactionary military-led regime that continues to repress democratic rights and has reopened hated concentration camps.

While the press was full of stories about the uprising of the students demanding academic and political freedom at the Athens Polytechnic Institute on November 15, 1973, most newspapers failed to report the depth and extent of that uprising and the fact that it was not limited to students, but included the participation of people from all walks of life. Of the 866 arrests to which the government admitted, more than half were workers. The New York Times on Nov. 19, 1973, in a dispatch from Athens reported:

> Knowledgeable Greeks said that up to 2,000 people had been detained during the clashes or picked up by the police at their homes.

In a later report that appeared in its December 28, 1973, edition, the New York Times said:

> What began as student protests erupted into an anti-Government explosion encompassing such usually disparate elements of Greek society as trade unionists, businessmen, professionals and artists. The clear message was that a broad cross-section of Greeks—not just a few "anarchists" as the Government contended—is demanding more, not less freedom than President Papadopoulos had grudgingly begun to yield.

According to the junta, only 13 students were killed in the antigovernment protests, but other accounts report much larger casualties. The International Committee of Human Rights, after three of its lawyers spent 15 days in Greece, reported on December 20, 1973, that the number of dead greatly exceeds 50. The Committee for Solidarity with Greece, based in London, reported the following deaths: two women died of wounds in Evangelismos hospital; one child in a children's hospital, 20 in the reformatory center; 9 in KAT hospital; 43 in the streets of Athens; 30 in private hospitals; 29 in first aid stations. Letters from Greece, published in Greek language papers in Europe, placed the number of dead at more than 200, often giving the names of the dead and wounded.

The inability of the colonels to contain the growing opposition made it necessary to substitute a more repressive military dictatorship. Necessary to whom? What part did the United States play in the November 25 coup? In little more than a week after the Papadopoulos regime was ousted, our Government rushed to resume full diplomatic contacts with the new army-backed Government of Greece. Ambassador Henry J. Tasca called on the new foreign minister and planned meetings with other top officials in the regime.

The New York Times reported December 4, 1973, that Brig. Gen. Dimitrios Ioannidis, chief of the Greek military police, played a key role in the November 25 coup and was regarded by Western embassies "as the regime's No. 1 strongman. He is known as a staunch anti-Communist and a fiery nationalist."

The same article noted that the state-controlled media was giving prominence to a warning that—

> Greece had been too often and too sharply criticized in NATO for failing to restore democracy, and that Greeks wanted no more of such interference in their internal affairs. . . .

The Times report continued:

> The United States opened diplomatic dealings with the new Government at a time when local disillusion with it was growing after early hopes that the downfall of Mr. Papadopoulos would be a step toward democratic normality.
>
> The changed mood was fed by the arbitrary closing of an Athens rightist daily, Vradyni, last Saturday for disobeying military police guidance of what it should not print.

The full text of the December 4 New York Times report follows:

Athens Contacts Renewed by U.S.—But New Rulers Installed by Coup Warn on Pressure

> Athens, Dec. 4.—The United States today resumed full diplomatic contacts with Greece's new army-backed Government, which took power in a bloodless coup Nov. 25.
>
> Ambassador Henry J. Tasca called on Spyros Tetenes, a career diplomat who was given the post of Foreign Minister in the Cabinet of Premier Adamantios Androutsopoulos. Applications for meetings with other Greek leaders, presumably including the new President, Gen. Phaidon Gizikis, are pending.
>
> Mr. Tasca's meeting with the Foreign Minister followed assurances by members of the new Cabinet to Embassy officials that the new Government would remain in the North Atlantic Treaty Organization, and adhere to its links with the United States and respect the agreement with the United States Sixth Fleet on a home port.
>
> There is no evidence yet here that these pledges reflect the consensus in the Government's entire power structure, whose composition and outlook are unknown.
>
> What seems certain is the Brig. Gen. Dimitrios Ioannidis, chief of the Greek military police, who played a key role in the Nov. 25 coup, is regarded by Western embassies here as the regime's No. 1 strongman. He is known as a stanch anti-Communist and a fiery nationalist.

MISGIVINGS PRODUCED

> The broad publicity given by the state-controlled news media to a warning to the West that Greece's new leaders might be less tolerant to Western efforts to encourage democracy here has increased misgivings in Western embassies.
>
> The warning was made Sunday in a front-page article in the Athens daily Eleftheros Kosmos and signed by Christian Xanthopoulos-Palamas, Foreign Minister of the Papadopoulos Government under the headline: "The Political Change in Greece and the Atlantic Alliance."
>
> The article asserted that Greece had been too often and too sharply criticized in NATO for failing to restore democracy, and that Greeks wanted no more of such interference in their internal affairs, adding that such interference caused "a pointless and absurd cold war within the NATO Council" and undermined Western unity.
>
> The United States opened diplomatic dealings with the new Government at a time when local disillusion with it was growing after early hopes that the downfall of Mr. Papadopoulos would be a step toward democratic normality.
>
> The changed mood was fed by the arbitrary closing of an Athens rightist daily, Vradyni, last Saturday for disobeying military police guidance on what it should not print.

PROTEST TO GOVERNMENT

> Unions of journalists, printers and other newspaper employes, in a joint protest to the Government, called the action "unjustified and inexplicable" and "contrary to official assurance that there is no censorship."
>
> Thirty-four students and one journalist in Salonika, in northern Greece, are to appear before a court-martial magistrate tomorrow on charges related to a sit-in at Salonika University three weeks ago.
>
> Between 200 and 300 persons are still being held here after the mid-November student revolt in Athens Polytechnic University that ended in riots and at least 12 civilian deaths.
>
> Today, security forces rearrested Prof. Dionysios Karageorgas, who was given amnesty last August from a life sentence for sedition imposed on him in 1970 by an Athens court-martial.
>
> The law professor, who had lost half a hand and one ear in an accidental bomb blast that betrayed apparent underground activities, was reported to have been under medical treatment for head injuries since his release.

General Ioannidis, the new "strong man" in the military regime, operates the military police, the ESA, like Hitler's Gestapo, according to reports gathered by the American Committee for Democracy and Freedom in Greece. It quotes the Greek News Agency in London as saying that—

> ESA men in plain clothes when they are on special missions, enter where they will without warning, without warrants of arrest, or the approval of the government authorities. They arrest those whom the "Chief" orders them to. The police vans come and go ceaselessly.

A communique issued by the ESA on December 12, 1973, in its role as a super-government, attempted to justify its ruthless activities by leveling charges against the police for "unsuccessful confrontation of the mob in the demonstrations" of November; against the judicial authorities for their "lukewarm and lenient behavior during the trial of those charged as being responsible for the demonstrations;" against the professors and senate of the Polytechnic for "having talked about the sanctity of the institute's premises and promising to send medicines and clothing to the students;" and against the university authorities for "their inexplicable conception of the asylum of education foundations," et cetera.

On January 3, 1974, the junta prevented a threatened strike by the printers union of Athens by arresting 12 of its leaders. The next day the British Committee for Democracy in Greece issued a list of names of trade unionists and former members of Parliament arrested in the previous days. The Manchester Guardian reported on January 4, 1974, that—

> The extent of the Government's reaction to the proposed strike reflects its concern at the spread of labor unrest. The Greek

Confederation of Labor has called for increases of 25 to 40% in rates of pay to meet recent inflation here (Athens), the highest in the Organization for European Economic Cooperation and Development, and the Government is disturbed lest unrest over wages, combined with the wide anger at the bloodshed after the occupation of the Athens Polytechnic and the demand for an alternative to military rule might manifest itself in a general strike.

On January 18, 47 of those arrested during the November uprising were brought to court in Athens where, without written accusations, briefs or attorneys, without the right of appeal, they all received jail sentences of 1 to 6 years. The students were all between the ages of 16 and 18. Meanwhile, accounts of tortures in the jails are filtering out more and more frequently.

The New York Times reported December 31, 1973:

Officials refused to discuss the question of political prisoners. No one knows who they are, how many there are, or where they are held. A delegation from the (West Europe) Socialist International that came to look into this question was turned back at Athens airport last week.

The December 31 New York Times article follows:

Greece Reportedly Reopening a Prison

Athens, Dec. 30.—Families of Greek political prisoners contended today that the new Government had reopened the concentration camp on Gyaros, a waterless, uninhabited island of seven square miles in the Aegean Sea.

Officials refused to confirm the report. Nor would they confirm reports that a first group of 25 or 30 Greeks was sent to the camp yesterday, and 25 more today.

But the family of Ioannis Haralambopoulous, a former Liberal member of Parliament, said it had been told by the Athens security police that he had been shipped to the camp with other political prisoners.

RED CROSS PROTESTED

The mother of Nikolaos Klaos, a journalist and former student leader, appealed to the Greek President, Lieut. Gen. Phaidon Gizikis, to find out where her son was kept. The family was allowed to visit him and learned from him that he expected to be shipped to Gyaros.

Gyaros, 65 miles southeast of Athens, was used as a prison camp immediately after the military coup in 1967, when 6,500 Greeks were rounded up in one night.

The prison population of the camp diminished as a result of releases as well as transfers to other camps. It was shut down in 1969 after repeated protests by the International Red Cross that the camp was unfit for human occupation.

The present Government, which five weeks ago toppled the dictatorship of President George Papadopoulos, had promised to free all those arrested by the deposed Government after the Athens student revolt was crushed in November. Panayotis Kanellopoulos, a former conservative Premier, said in a statement distributed to the press that he did not know how many were still detained despite the pledge. He said he was particularly grieved by the case of Mr. Haralambopoulos, who was arrested 45 days ago and "disappeared from the eyes of his family."

Mr. Kanellopoulos called on the Government "to end the inhuman isolation to which he has been subjected for so long in defiance of all moral law."

Reports from relatives of other prisoners said a 68-year-old left-wing former deputy named George Stergiou had also been sent to the camp. The relatives said they had been asked to furnish warm clothes.

Officials refuse to discuss the question of political prisoners. No one knows who they are, how many there are or where they are held. A delegation from the Socialist International that came to look into this question was turned back at Athens airport last week.

This uncertainty has encouraged rumors that more people died in the street riots last month than the 13 officially listed. Security forces opened fire on the demonstrators in Athens during the riots Nov. 16 and 19, and the bloodshed acted as a catalyst for the overthrow of the Papadopoulos Government by another military junta one week later.

The new Government, which is said to be controlled behind the scenes by Brig. Gen. Demetrios Ioannidis, chief of the military police, has issued few statements. It refuses to commit itself to any plans.

One substantial reform in favor of democracy came 12 days ago. A constitutional decree stripped Greek presidents, of the vast executive and legislative powers with which Mr. Papadopoulos had tried to insure a trouble-free tenure until 1981. However, at the same time, the new Government upheld martial law, which was brought back after the student revolt, and called off Mr. Papadopoulos's plans for elections in 1974.

On January 2, 1974, the Christian Science Monitor commented that "the last vestiges of an opposition press have disappeared" with the closing down of the Greek Orthodox Church paper, Christianiki, for expressing disapproval of the past and present juntas and with the shutdown of the Athens rightwing daily, Vradyni.

Immediately after the coup, the New York Times had reported November 26, 1974, that General Ioannidis had called in newspaper editors and told them that they should henceforth work in behalf of the new government. He said that they could criticize life under the old government but that the new leaders would not tolerate criticism, either in news columns or cartoons.

The most ominous indication of the new junta's plans to stifle resistance is the reopening of the concentration camp island of Gyaros which had been shut down since 1969 under the pressure of outraged public opinion and repeated protests from the International Red Cross. Gyaros is a barren, waterless rock in the Aegean Sea that had been used by emperors of ancient Rome to rid themselves of their adversaries. No one is certain of the numbers of prisoners on the island now.

The Christian Science Monitor on January 2, 1974, said 25 political prisoners had been reported by their families to have been shipped to the prison island. On December 31, 1973, the London Daily Telegraph reported:

It is understood students involved in the incidents at Athens Polytechnic University in November are among the deportees to Yioura (Gyaros). Two former MPs are also said to have been included in the first group in the convoy. One is Mr. Haralambopoulos of Patras, South Greece, who was arrested three weeks ago. His son, a 26-year-old lawyer, is also said to be detained in Yioura.

Earlier this month, on April 1, the Times reported that the new government in Greece "has made it clear that dissenters will not be tolerated." Reporting directly from Athens, correspondent Steven V. Roberts said:

The Government is nominally headed by Gen. Phaidon Gizikis, but the real power lies with Brig. Gen. Demetrios Ionnidis, the head of the military police. Rumors abound concerning factionalism and rivalry within the ruling group, and some diplomats think the Government is still acting out of "weakness" and "insecurity," but in recent weeks the "no nonsense" attitude has shown itself in a variety of ways.

The full article said:

[From the New York Times, Apr. 1, 1974]

"No Nonsense" in Greece—New Government Has Made It Clear That Dissenters Will Not Be Tolerated

(By Steven V. Roberts)

Athens, March 31.—Greece celebrated her national day last week with dozens of tanks rumbling through Athens, showing off the nation's military might. But the sizable crowds lining the sunlit parade route stared in silence as the olive drab armor clanked past. To some Greeks, the guns seemed pointed as much at them as at any foreign enemy.

Four months after a military coup deposed the Government of George Papadopoulos, a former Army colonel who seized power in 1967, the direction Greece is taking remains murky and uncertain. Readers gave a knowing laugh last week when The Athens News published a picture of Chinese characters and labeled it "The Greek Political Situation."

But at least one point is now clear: The new Government will not tolerate dissent. The Athens daily newspaper Eleftheros Cosmos seemed to be taking an official view when it editiorialized on the national day, March 25, the anniversary of the rebellion against the Turks in 1821, that "Greece is perhaps menaced more internally and less externally."

"A NO-NONSENSE GROUP"

"The only trend I can observe," said a foreign diplomat, "is the effort to drum in the idea that this Government is a no-nonsense group. They won't permit a level of opposition to get started."

The Government is nominally headed by Gen. Phaidon Gizikis, but the real power lies with Brig. Gen. Demetrios Ioannides, the head of the military police. Rumors abound concerning factionalism and rivalry within the ruling group, and some diplomats think the Government is still acting out of "weakness" and "insecurity," but in recent weeks the "no-nonsense" attitude has shown itself in a variety of ways.

Two newspapers were closed in December and several reporters arrested. By now the press is printing almost no political news, and, as one fearful publisher put it last week, "self-censorship" by the papers is almost complete.

George Mavros, the acting head of the Center Union Party, was arrested for endorsing a British decision to cancel a Navy visit here as a sign of Britain's displeasure with the Athens Government. Mr. Mavros, 65 years old, has apparently been exiled to Gyaros, a harsh island in the Aegean, where about 100 political prisoners have been reported sent.

Several former associates of Mr. Papadopoulos have also been rounded up. Michael Balopoulos, former secretary general of the national tourist organization, was arrested and released last week, but Ioannis Agathangelou, once the No. 2 man in the previous administration, remains on Gyaros after his arrest for "creating unrest among citizens."

Dissident film makers, actors and singers have also been sent to Gyaros. About 10 small night clubs in the Plaka district were closed by the police, apparently because they presented songs composed by Mikis Treodorakis, an avowed leftist now living in exile.

Diplomats and professors say that students are routinely arrested and released as a form of "intimidation". Student demonstrations helped bring about the coup last November, and it is still uncertain how many youths were killed after tanks stormed the campus of the Athens Polytechnic University. The official figure for civilian casualties is 13, but most well-informed sources put the number at about 50. Some student leaders are also said to be on Gyaros.

FEAR OF COMMUNISM

Dozens of Communists—the party is official outlawed—have also been rounded up, and the Government contends that it has smashed a leftist plot to cause its overthrow.

In defense of Government actions, some Greeks point out that this country suffered severely from Communist attacks during the Civil War of 1946 to 1949, that three Communist countries are on her northern border and that fear of renewed trouble runs deep. As Eleftheros Cosmos put it, "Greece will never enjoy quiet sleep if Communism is not put out of action."

The army and its supporters fear the tumult of democratic politics and place the highest priority on order. As an example of this view, the newspaper Estia carried an editorial last week against "unrestrained freedom."

Behind these outward signs, no one really knows what is happening inside the Government. Greece is still in a period of waiting.

Whose interest is served by keeping the lid on the demands for democracy in Greece? Who has profited from the millions of U.S. dollars poured into Greece? Certainly not the majority of Greek people who have become impoverished by runaway inflation, with living costs rising by 35 to 40 percent in 1973 alone. Certainly not the hundreds of thousands of workers who have left Greece since 1968 to seek jobs in other countries because there were none in their own land. How much of our American tax dollars have been poured over the years into these Greek military regimes and used to enrich the Greek generals and other Army leaders? Colonel Papadopoulos reportedly built himself a palace, with its own heliport. Kryix, a Greek language newspaper in New York, reported evidence of corruption has been released by the Gizikis junta to discredit the previous regime. How necessary to our security is the maintenance of a military dictatorship in Greece?

When the colonels took power in 1967 there were bitter accusations about the role of the CIA in that coup. Andreas Papandreou, the deposed premier, stated then:

> . . . the Greek intelligence service is literally a part of the CIA, administratively and fiscally. . . . Papadopoulos was liaison between the two intelligence services, U.S. and Greek. In fact, he was the one trusted person, the one superagent, in Greece of the CIA. And as I like to put it, the first known agent of the CIA to become prime minister in Europe is Papadopoulos.

Today, when so much is known about the CIA's role in manipulating and arranging events in other countries for the convenience of American foreign policy, we have a responsibility in the Congress to look into the role of the CIA in the latest coup. Charges have been made that Adamandios Androutsopoulos, the new premier, was in the pay of the CIA during his years in this country. According to the Christian Science Monitor, January 2, 1974, the deposed Papadopoulos and his prime minister, Markezinis, are "telling all visitors that the U.S. CIA engineered their overthrow." The Monitor also reported that—

> There is a general impression among all walks of the (Greek) population that the U.S., finding Mr. Papadopoulos had "outlived his usefulness," decided to discard him.

Charges such as these warrant an investigation by the appropriate congressional committee. I hope that this will be undertaken, and I also hope that the House will join the Senate in calling for the suspension of military aid and loans to the Greek junta pending a full review of American policy toward Greece.

At this point, I would like to include in the Record various news reports on the situation in Greece.

[From the New York Times, Feb. 24, 1974]

Greece's Worst Crisis

A study mission for the House Foreign Affairs Committee believes Greece is facing its worst crisis since the civil war of 1946–49. "Indeed, a renewal of large-scale civil conflict is one of the real possibilities in Greece today," says the mission's report, presented by Representative Donald Fraser of Minnesota after an on-the-scene investigation.

This somber conclusion, fraught with grim implications not only for the long-suffering Greeks but for Greece's partners in Western defense, seems to be supported by every new action of the obviously insecure military junta that overthrew Colonel Papadopoulos last November. The brutal arrest of George Mavros, a former Government minister and leader of the Center Union party, is only the most recent exhibition of the junta's instability.

Military police in civilian clothes smashed in the door of his Athens home with a crowbar at 6 A.M. and hauled Mr. Mavros off to jail after he had defended the cancellation by Britain's Labor Government of a visit to Greece by two Royal Navy ships. To the junta, Britain's action was intolerable intervention in Greek affairs; to Mr. Mavros, it was "completely justified" as a move aimed at helping restore democracy to Greece.

Foreign Secretary James Callaghan said he ordered the British ships to turn back because "we have to differentiate ourselves from the dictatorships." Congressman Fraser's mission fears that the Nixon Administration's reluctance to make the same differentiation has already badly damaged the United States with the Greek people and could turn them decisively against the whole NATO relationship when political change comes to Greece.

For whatever reasons, the United States Navy has partially carried out one of the House mission recommendations. It will delay, perhaps for a year or more, a final decision in basing an aircraft carrier with its air wing at Megara Bay, west of Athens. The Navy attributes the postponement to difficulties in negotiating the necessary details with the junta; but Greek democrats hope it signals a change of attitude by the Administration.

Two things seem clear in Greece's situation. The obscure, second-rate civilians drafted for the Cabinet by the military rulers cannot even come to grips with Greece's burgeoning problems, including Europe's most rampant inflation. And the top military leaders remain divided about Greece's political future, with one faction of respected officers still favoring formation of a government of national unity, charged with preparing early elections and a return to civilian democratic rule.

Is it too much to hope that the United States will find discreet ways to support this democratic solution, thus diminishing the risks of civil war and vindicating the ideals for which President Truman came to Greece's aid 27 years ago this month?

[From the New York Times, Mar. 16, 1974]

U.S. Defers Basing Carrier in Greece—New Athens Regime Seeking Arms for Use of Port

Athens, March 15.—Diplomatic sources said today that a final decision on basing a United States carrier near Athens had been postponed for a year or more because of delays in working out the arrangements with the new Greek Government.

The military rulers who ousted the Government of President George Papadopoulos last November told the United States Navy in January that Greece expected modern arms and equipment in exchange for granting home-port facilities.

The United States Ambassador to Greece, Henry J. Tasca, flew to Washington yesterday for consultations.

6 DESTROYERS ARE THERE

Ambassador Tasca is scheduled to testify on March 27 before the House Foreign Affairs subcommittee on Europe and probably before the Senate Foreign Relations Committee. The subcommittee, headed by Representative Benjamin S. Rosenthal, Democrat of Long Island, has been highly critical of the United States Navy's plan to base a carrier task force near Athens.

The first phase of the Navy's plan was completed in September 1972, when six American destroyers anchored at Eleusis, an industrial port 15 miles west of Athens. They are now based there at a specially built pier and are to be joined soon by a Navy hospital ship.

It was while the second phase of the agreement was under negotiation that the Papadopoulos Government was overthrown by another military group on Nov. 25, after a student-worker revolt that was quelled by tanks and martial law. At least 13 civilians were killed.

When the Navy resumed the negotiations, the new Greek leaders, unlike the deposed ones, pressed for modernization of Greek weaponry in exchange, reportedly producing a list of demands for planes, ships and tanks worth several hundred million dollars.

AIRFIELDS ALSO SOUGHT

Qualified sources said that the talks would be resumed at the Greek Foreign Ministry soon.

The American side is seeking agreements for the use of Megara Bay and a land support area for the carrier. It also wants airfield facilities, first at Eleusis air base for aircraft maintenance, but chiefly at Souda Bay airfield, on the island of Crete, for proficiency flying by pilots of the carrier task force.

Home-port facilities for the carrier would add 1,150 American naval dependents to some 1,500 already settled in the greater Athens area.

If the diplomatic negotiations succeed and the "agreed amendments" to the 1973 arrangement with the ousted Government are signed, American experts here say, the Defense Department will then ask the State Department for its decision on the home-port agreement.

According to State Department officials, the political situation in Greece would then be reviewed before the department decided whether to endorse the arrangement.

[From the New York Times, Jan. 16, 1974]

U.S. DEFERS TALKS ON BASE IN GREECE—PAUSE IS LINKED TO CONCERN OVER REGIME'S DURABILITY

(By David Binder)

WASHINGTON, Jan. 15.—Worry about the durability of the new military leadership in Athens and its foreign policy has caused the Nixon Administration to defer discussions on basing a navy carrier task force in Greece, American officials reported today.

The officials said the pause was ordered last month by Secretary of State Kissinger after the coup d'état in which a group of rightists Greek army officers overthrew President George Papadopoulos Nov. 25.

An agreement for establishment of a home port for a carrier task force—a squadron of six destroyers, an aircraft carrier, its air wing and a hospital ship—was signed by Greek and American military officials one year ago.

The initial phase—the anchoring of the destroyer squadron at Eleusis, 15 miles west of Athens and the lodging of about 1,500 navy dependents in the Athens metropolitan area—had already been completed by then on the basis of an earlier agreement in principle.

It is the second and more controversial phase, the stationing of a Sixth Fleet carrier in Megara Bay, beyond Eleusis, that is being held up mainly for political reasons, the officials said.

MORE UNREST FEARED

While technical discussions with Greek military authorities continue on unresolved details of the plan, the decision on whether to go ahead with the stationing of the carrier has been postponed until the political situation in Greece becomes clear, the officials said.

Mr. Kissinger has met twice with American officials concerned with Greece since the November take-over by the Government of Lieut. Gen. Phaidon Gizikis. After the first meeting, Mr. Kissinger said he was disposed to go ahead with the Rome port arrangement for the carrier. The second time he recommended a pause.

The officials said Mr. Kissinger had become disturbed over reports that the new Greek leadership was likely to raise the kind of unrest that precipitated the November coup.

In addition, the Nixon Administration was described as being wary of an increasingly nationalist note struck by the Greek military leaders.

An official cited as evidence a declaration Jan. 6 by the new Foreign Minister, Spyros Tetenes, relating to Greece's membership in the North Atlantic Treaty Organization.

Mr. Tetenes said that while Greece remained devoted to her international obligations and alliances she was "at the same time demanding fulfillment of obligations stemming from our alliance by others." The American official commented: "They have become a shade more nationalistic."

POSITION ON MIDEAST NOTED

The administration officials also noted that during the Arab-Israel war in October Athens forbade United States Air Force planes to fly in and out of the Greek base to help resupply Israel while permitting Soviet supply planes to fly over Greece's Cyclades Islands on the way to Syria and Egypt.

At the State Department, an officer concerned with the homeport issue said: "We are being closemouthed about it because it is time to decide and we haven't decided yet."

There is strong opposition in the State Department to the home-port plan on the ground that it would needlessly complicate already difficult political relations between Athens and Washington. But according to military sources, there is also opposition within the United States navy to the project, which is viewed as a pet of the Chief of Naval Operations, Adm. Elmo Zumwalt.

The admirals who oppose the home-port policy described as carrier-oriented "traditionalists" who believe the navy should avoid foreign bases.

[From the Washington Post, Jan. 24, 1974]

SENATE VOTES TO BAR AID TO GREEK REGIME

The Senate voted yesterday to bar military aid to Greece until the Athens regime restores a democratic government and agrees to fulfill its obligations to NATO.

The bill was passed and sent to the House on a voice vote. Its fate was uncertain there, and it would almost certainly be vetoed by President Nixon if it was approved.

The measure bars all military assistance, sales, credit sales or guaranties for arms to the Greek government until the President finds and reports to Congress that "the government of Greece is in full compliance with its political and military obligations under the North Atlantic treaty."

The bill does allow the President to give aid if he notifies Congress 30 days in advance that the "overriding national interest" requires it.

Sen. Claiborne Pell (D-R.I.), the bill's main sponsor, said he did not have much hope for enactment when the bill was voted out of the Foreign Relations Committee in December. He called it largely a "symbolic" gesture "to show the Greek people they still have some friends" in the United States. But an aide to Pell said yesterday the bill was cleared for a voice vote by the Republican leadership because "apparently they just decided not to fight it."

Mr. KOCH. Mr. Speaker, I support the special order of my colleague from New York, Ms. ABZUG, on the continued suppression of democracy in Greece.

After a recent fact-finding mission to Greece, the House Foreign Affairs Committee reported in February of this year:

> The present government cannot long endure. Marked by inexperience, its members appear without the requisite talents or skills for extricating the country from its political and economic chaos.

Mr. Speaker, after the coup under which the Ionnades regime took power last November, the Greek government reopened prison camps for political opponents, first created by the Papadopoulos government. Papadopoulos, though still repressive, had ended the camps, promised to allow free elections, and granted political amnesty to many, all because of the pressure of world and public opinion. It was at this point that the military coup took place.

The current Greek Government has arbitrarily arrested and imprisoned opponents and has reopened the detention camps on the country's islands and in downtown Athens. The 30 percent inflation rate—the highest in Europe—continues. Since Ionnades took over, there has only been a movement back to greater repression. There is no longer even the promise of allowing elections. Demonstrations by workers and students are occurring once again.

Mr. Speaker, a democratic government would not imprison its political opponents in camps. A democratic government would not fear to hold elections.

Because of congressional pressure, the U.S. Government decided not to build a home port in Greece as previously planned by the Defense Department. This would have been needless support of the corrupt and repressive Greek Government. Yet the Defense Department has never publicly stated its reasons for this reversal in policy. I agree with the House Foreign Affairs Committee that the facts surrounding our policy in this area should be made public.

Mr. Speaker, for the fiscal year 1973, the U.S. Government provided $102.6 million in military loans and grants to the Greek Government, a government which has shown that it wants not democracy, but dictatorship. I am as opposed to providing such assistance to Greece now as I was and am opposed to our military assistance to South Vietnam.

I agree with Senator PELL, Congresswoman ABZUG and other distinguished colleagues here today that the United States should suspend military assistance or sales to the Greek Government until a review of Greek policy assures the Congress that the Greek Government is in compliance with its political and military obligations under the North Atlantic Treaty, to which it subscribes.

Otherwise, Mr. Speaker, although we have long been considered the leader of the democratic free world, we continue to support repressive states which are unpopular even in their homelands. It is time to live up to our own democratic ideals and to end such support.

GENERAL LEAVE

Mr. YOUNG of Georgia. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and to include extraneous matter, on the subject of the special order today of the gentlewoman from New York (Ms. ABZUG).

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia?

There was no objection.

ADDRESS BY THE HONORABLE ARTHUR J. GOLDBERG, CENTER FOR CIVIL RIGHTS, UNIVERSITY OF NOTRE DAME, MARCH 22, 1974

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana (Mr. BRADEMAS) is recognized for 5 minutes.

Mr. BRADEMAS. Mr. Speaker, one of the most distinguished public servants of our time is the Honorable Arthur J. Goldberg, former Associate Justice of the Supreme Court of the United States.

I ask unanimous consent to insert at this point in the RECORD the text of an outstanding address delivered by Mr. Justice Goldberg at the Center for Civil Rights at the University of Notre Dame, March 22, 1974, on the occasion both of the dedication of the reading room of the Center for Civil Rights at the Notre Dame Law School and the 20th anniversary of the Supreme Court decision in Brown against the Board of Education.

The text of Mr. Justice Goldberg's address follows:

ADDRESS BY THE HONORABLE ARTHUR J. GOLDBERG

It is a great honor and privilege to address this dinner celebrating the dedication of the Reading Room of the Center for Civil Rights at the Law School of Notre Dame University and commemorating the twentieth anniversary of the decision of the Supreme Court of the United States in *Brown v. Board of Education*.[1]

It is most appropriate that the Center for Civil Rights and its Reading Room be established at Notre Dame and that this commemoration be held at this University. Its President, the Rev. Theodore M. Hesburgh is one of the nation's outstanding leaders in the cause of equal rights and equal justice. Father Hesburgh has been for many years and continues to be a great spiritual warrior in the continuing struggle for freedom and equality. As we all should he acknowledges equal rights for all as the will of God in whose image all persons are created; yet he recognizes by both deed and word that it remains true, as President Kennedy once said, "that here on earth God's will must truly be our own."

A TIME OF PROFOUND CYNICISM

We meet at a time of profound cynicism and disillusionment about our government, its leaders and the political process. This cynicism is understandable. Watergate has shocked this Nation and rightly so. Watergate involves allegations and evidence before Congressional committees and before courts that high officials of our government authorized and participated in illegal bugging, illegal disruption of the political process, perjury, political favoritism influencing governmental decisionmaking, violation of the election laws, cover-up and obstruction of justice and misprision of felony.

Two former cabinet officers are now standing trial for certain of these offenses. Several former White House officials have already pleaded guilty to various Watergate crimes. Other former high-ranking government officials are under indictment.

Those charged, but not convicted, are entitled to the presumption of innocence, but it cannot be gainsaid that the ever-mounting disclosures have eroded public confidence in the leadership of our country. This is evident from the public opinion polls and from the fact that the process of impeaching the President himself is under way by a virtually unanimous vote of the House of Representatives.

IMPEACHMENT A DRASTIC SANCTION

The same public opinion polls, however, show that the American public is uneasy about the prospect of impeaching a President. This, too, is most understandable. Impeachment has occurred only once before in our history, at the time of Andrew Johnson. Impeachment is the most drastic political sanction our constitutional system provides.

The men who framed our Constitution were aware of the enormity of the impeachment sanction and recognized the potentially disruptive effects of an impeachment proceeding. But they also recognized that it would be far more dangerous for the country to have no remedy against the betrayal of the public trust than to sustain the burden of impeachment and conviction.

We must not, in fidelity to the Constitution and to restore public confidence in government, abjure the use of the sanction the Framers provided.

IMPEACHMENT PROCESS—WHATEVER THE OUTCOME—WILL ALLAY CYNICISM

Impeachment cannot solve all of our Watergate woes, but if impeachment proceedings are properly and fairly conducted, the result—whatever it may be—will stand as legitimate in this country and serve to allay much of the cynicism which exists in our people's minds about our political institutions.

The Constitution provides the tools. Our reluctance to use tools so finely honed is understandable, but they are in use; the impeachment process is under way. It is the duty of Congress to proceed to a conclusion; it is the duty of the President fully to cooperate with Congress; it is the duty of the people to abide by the result. This is the constitutional way. It will not fail us; we must not fail it.

CYNICISM ALSO PERMEATES CIVIL RIGHTS MOVEMENT

Cynicism and discouragement likewise permeate the civil rights movement. It is only honest to admit this.

There are adherents of civil rights who say that the great promise of *Brown* has not been fully realized. In this, they are right; but they are not right in "copping out;" the struggle to overcome centuries of racial discrimination in so many aspects of Aremican life is bound to be arduous and frustrating. Thomas Paine aptly warned that: "Those who expect to reap the blessings of freedom must . . . undergo the fatigue of supporting it."

HISTORIC BROWN DECISION MERITS CONTINUED SUPPORT

There are adherents of civil rights who say that *Brown* was initially right in holding that separate can never be equal but that since equality is still denied, let us return to separatism, for at least by so doing we can preserve our pride and safeguard our identity. I understand this reaction and am a firm believer in a pluralistic society rather than a homogenized one. But the goal of an integrated and desegregated public education decreed by *Brown*, is worthy of our continuing efforts and must not be abandoned because of fatigue and discouragement.

There are those who despair that the struggle for human rights seems to be ever enduring and even never ending; that it is too much to expect continuing pursuit of Martin Luther King's dream when the dream appears to be merely such and far from reality. To these, I would say, to paraphrase Tennyson, more things are wrought by dreams than this world conceives of.

ELIMINATING VESTIGE OF SLAVERY: A TRANSCENDENT OBLIGATION

There are those, formerly part of the great coalition that forged *Brown*,[2] who now fear that, carried to its logical conclusion, *Brown*, in seeking to eliminate racial discrimination against Blacks in education, will do so at the expense of other racial and ethnic minorities which, too, have suffered grievous discrimination. To these adherents of civil rights who have expressed these fears and concerns, most recently in briefs filed in the *Defunis* case,[3] I would say, you are misguided in your fears and are wrong, simply wrong. To eliminate the vestiges of slavery, as promised by the thirteenth amendment—to seek to correct an injustice existing since the very foundation of this country—is a moral and constitutional oblitigation of transcendent importance.

BUT NO RESPONSIBLE CIVIL RIGHTS ADVOCATE PROPOSES QUOTAS

It is understandable that victims of past discrimination in educational opportunity react against the specter of the imposition of quotas. The fact is, however, that no responsible adherent of civil rights is proposing the restoration of a quota system—the infamous numerous clauses.[4] The affirmative action program of seeking to admit a moderate—indeed, a modest—number of Black students to law schools and other institutions of higher learning is an essential element in a program to correct an historic inequity; it is not a program to establish a quota system for admission of students to institutions of higher education.

ACTUAL ADMISSION, NOT PREPARATION, THE KEY TO EQUALITY

All agree that some form of affirmative action is required, but some overlook the teaching of *Brown* that the most effective type of affirmative action program to overcome past injustices is for Black students to share an educational experience with other students by admission to their ranks.[5] Preparatory courses are useful but actual admission to an integrated classroom provides real educational benefits to white and Black students alike.

There is a clear and present danger that the fissure in the civil rights coalition evident in the *DeFunis* case will widen to the busing and other difficult cases which are coming to the courts for adjudication.[6] This would be a matter of very great regret.

DANGER THAT GREAT COALITION IN SUPREME COURT WILL FALL

There is perhaps an even greater danger, division in the great coalition in the Supreme Court of the United States established in *Brown* and persisting in Brown's progeny. *Brown* itself was a unanimous decision[7] and, during the Warren era[8] all school desegregation cases were also unanimous.[9]

But the Court Court, as presently constituted, for the first time since *Brown*, has begun to divide on certain issues involving desegregation of public education.[10]

If this greatest of coalitions disintegrates, this would be most tragic. A civil rights coalition may urge; the Supreme Court decides. And, equally important, the Supreme Court is often the moral conscience of the nation. It was in *Brown*; it should remain so with the authority which unanimity provides.

AS THE HIGH COURT GOES, SO GO THE HIGH AIMS OF BROWN

Brown, as all historians of the Supreme Court agree, is one of its most significant decisions. One of the reasons is that *Brown* transcended the momentous issue of integrating public education. *Brown* had a profound impact as a constutitional signpost pointing towards the elimination of all kinds of legal barriers based on race and as a landmark from which broader changes in Black-white relations can be dated. It reflected a subtle trend of constitutional adjudication, an indication of an attitude by the Supreme Court to focus on issues before it in a different way than prior Courts.[11]

SEPARATE BUT EQUAL A FICTION

In deciding *Brown*, the Court cut through the fiction surrounding the old "separate but equal" doctrine to the realities which had always been patently obvious to all who were willing to see: that "separate" could never be "equal," because its very genesis and its only purpose for being was to be invidiously discriminatory, to keep the Black man in an inferior status.[12] But self-evident as this has always been, it was not until 1954—just twenty years ago and almost one hundred years after the adoption of the thirteenth, fourteenth and fifteenth amendments—that the Court was willing to accord a full constitutional recognition and significance to this unmistakable reality.

THE GREAT GOOD: EQUAL JUSTICE UNDER LAW

The willingness to look at the real impact of governmental action, to search for truth amid the fictions of legal doctrine, brought a new freshness to constitutional adjudication, a recognition that the basic law must be willing to grapple with everyday reality. This is why the Warren Court became a place of particular promise and hope for Black people, who were thereby encouraged to believe that racial justice is actually attainable, that the law could understand their own reality in a way which would allow it to frame mean-

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Footnotes at end of article.

ingful relief from the everyday denials of constitutional principle and right.[13] The stifling of this new realism by division in the Supreme Court or by cutting back on *Brown* would set back the great goal of equal justice under law.

I conclude by making this appeal:

PERSEVERE FOR FREEDOM

To adherents of civil rights who have become discouraged and cynical, I say that this is not the time for the summer soldier or the sunshine patriot. The road ahead in the march for equality, in law and in fact, is filled with great obstacles difficult to surmount. But we must perservere if we are to bring the full blessings of freedom and equality to us and to our posterity.

Therefore, it is imperative that those who genuinely believe in civil rights persist in their efforts with courage and fortitude. Racial segregation and discrimination continue, but it is lesser in degree than when *Brown* was decided. This no one can deny.

True, the pace for total elimination of racial discrimination has been with all too deliberate speed.[14] But the Supreme Court itself has abandoned this concept. Today the constitutional mandate for equality is for the here and now and not a mere promise for the indefinite future.[15]

CIVIL RIGHTS FOR THE HERE AND NOW

Furthermore, the areas of denial of civil rights encompass important areas in addition to education, such as jobs, housing, voting, criminal and civil justice and accommodations that are public in fact although private in form. The elimination of racial barriers against equality in these aspects of American life simply is too important to permit cynicism, discouragement or half-hearted dedication to rectifying injustice.

I also appeal to the coalition of civil rights adherents, splintered in the *DeFunis* case, not to engage in acrimony, but to seek to restore the prior unity which existed, not by compromise—because compromise of constitutional principles is impermissible—but by returning to a common program of seeking to eliminate racial discrimination by supporting realistic remedies rather than submitting to ill-founded fears.

It would be presumptuous for me to appeal to the Supreme Court. Thus, I can only express the hope that the Court will unite as it did during the Warren era in support of that concept nobly expressed on the great edifice which houses the Court: Equal Justice for all.

APPEAL TO THE FRACTURED CIVIL RIGHTS ADHERENTS

And, finally, I also express the hope that the people of this country will abjure prejudice, fear and hate and will apply and practice the teachings of our common Judaic-Christian tradition, that all men are God's children, created in His image.

In *Brown*, the Court did its duty, under circumstances reminiscent of an earlier decision of the Supreme Court, *Worcester v. Georgia*,[16] decided in 1832. In that case, the Supreme Court upheld the claim of the Cherokee Indians to treaty land against annexation by the State of Georgia. This ruling aroused great anger on the part of President Jackson and Georgia. There were rumors and even threats that both the President and Georgia would decline to follow the Court's decision. Referring to these reports, Justice Story, in a letter to a friend, said this:

"Georgia is full of anger and violence. What she will do, it is difficult to say. Probably she will resist the execution of our judgment, and if she does, I do not believe the President will interfere. . . . The rumor is, that he has told the Georgians he will do nothing. I, for one, feel quite easy on this subject, be the event what it may. The Court has done its duty. Let the Nation now do theirs."[17]

In May of 1954, the Court in *Brown* did its duty. Now, in 1974 and in the years to come, let both the present Court and the Nation do theirs by fulfilling the still-unrealized American creed that all men are created free and equal.

FOOTNOTES

[1] 347 U.S. 483 (1954).

[2] Twenty years ago, many groups united with the N.A.A.C.P. in urging the Court to take this "great civilizing step" of overturning the "separate but equal" principle of *Plessy v. Ferguson*. This coalition included the federal government, represented by the Justice Department; Jewish organizations, such as the American Jewish Congress; labor groups such as the American Federation of Teachers and the Congress of Industrial Organizations; defenders of civil rights such as the American Civil Liberties Union and the American Council on Human Rights, and other interested groups such as the American Veterans Committee. *See* Bolling v. Sharp, 347 U.S. 497, 498 (1954); Brown v. Board of Education, 347 U.S. 483, 485–86 (1954).

[3] The fallout from the coalition that helped bring *Brown* about is evidenced by the briefs in the pending Supreme Court case of *DeFunis v. Odegaard*. No. 73–235. The American Jewish Congress, the American Jewish Committee, the Anti-Defamation League, the AFL–CIO and other groups generally supportive of civil rights filed amici briefs in support of DeFunis. On the other hand, Jewish organizations, such as the National Council of Jewish Women and the Union of Hebrew Congregations; union groups such as the United Farm Workers, United Auto Workers, United Mine Workers, and State, County and Municipal Employees; The Lawyers' Committee for Civil Rights Under Law; the National Education Association; the Children's Fund; the ACLU; the N.A.A.C.P.; the Legal Defense Fund and other important organizations have filed briefs in support of the disputed program of the Law School of Washington. The Equal Employment Opportunity Commission filed a motion supported by a brief amicus curiae in support of the program, but Solicitor General Bork disavowed this brief for the government and upon his application the Supreme Court rejected it.

[4] It is in these terms that the issue has been phrased in some of the briefs filed in *DeFunis*. See Brief of the Anti-Defamation League at 2 (question is: Whether a state may establish a racial quota).

[5] *See* Brown v. Board of Education, 347 U.S. 483, 485, (1954). The importance of the admission of the minority student to an integrated legal classroom was recognized even before *Brown*. In 1950, the Court in *Sweatt v. Painter* held that the education that a Black student could receive at a law school established for Blacks could never be equal to the legal education at the University of Texas Law School. 339 U.S. 629 (1950). To the Court, the fact that the ostensibly objective facilities were equivalent was not controlling. As Chief Justice Vinson stated:

"What is more important, the University of Texas Law School possesses to a far greater degree those qualities which are incapable of objective measurement but which make for greatness in a law school. Such qualities include reputation of the faculty, experience of the administration, position and influence of the alumni, standing in the community, traditions, and prestige." *Id.* at 634.

[6] *See* Milliken v. Bradley, cert. granted Nov. 19, 1973, 42 U.S.L.W. 3306 (U.S. Nov. 20, 1973) Nos. 73–434, 73–435, 73–436 (geographic boundaries); Gonzales v. Fairfax-Brewster Schools, Inc., 363 F. Supp. 1200 (E.D. Va. 1973), *appeal docketed*, No. 73–2351 (4th Cir. Nov. 13, 1973) (desegregation of private school under 42 U.S.C. section 1981).

[7] 347 U.S. 483 (1954).

[8] I use this term to designate the chronological period during which Earl Warren was Chief Justice of the United States and the term "the Burger Court" to designate the present Court.

[9] *See, e.g.,* Green v. County School Board, 391 U.S. 430 (1968); Griffin v. Board of Education, 377 U.S. 218 (1964); Goss v. Board of Education, 373 U.S. 683 (1963); Cooper v. Aaron, 358 U.S. 1 (1958). The Burger Court has been able to remain unanimous on certain issues. *See* Swann v. Board of Education, 402 U.S. 1 (1970); Alexander v. Board of Education, 396 U.S. 19 (1969).

[10] In *Wright v. Council of City of Emporia*, the Court split 5–4 on whether a municipality can break off from an existing school district which has not yet completed the process of dismantling a system of enforced racial segregation. 407 U.S. 451 (1972). The Court in *Carter v. West Feliciana Parish School Board*, while concurring in result, disagreed as to the proper timetable for the implementation of a court-ordered pupil transfer plan. 396 U.S. 290 (1970). And in two important desegregation cases last term, the Court also divided. In *Keyes v. School District No. 1*, Justice Rehnquist dissented, while Justices Douglas and Powell wrote concurring opinions. 413 U.S. 189 (1973). In *Bradley v. School Board*, the Court affirmed by an equally divided vote, with Justice Powell not participating, a lower court holding disallowing a desegregation plan which crossed county lines. 412 U.S. 92 (1973).

[11] A. Goldberg, Equal Justice 22 (1971).

[12] *Id.* at 21.

[13] *Id.* at 23.

[14] Brown v. Board of Education, 349 U.S. 294, 301 (1955).

[15] Watson v. City of Memphis, 373 U.S. 526, 533 (1963).

[16] 31 U.S. (6 Pet.) 515 (1832).

[17] 1 C. Warren, The Supreme Court in United States History.

EAST-WEST CENTER — CATALYST FOR IMPROVING INTERNATIONAL RELATIONS THROUGH CREATIVE TENSION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Hawaii (Mr. MATSUNAGA) is recognized for 15 minutes.

Mr. MATSUNAGA. Mr. Speaker, the House today passed H.R. 14013, the second supplemental appropriation bill for fiscal year 1974. Included in the bill is a small amount of money, $200,000, to cover the costs of a labor-management negotiated pay increase for employees of the Center for Cultural and Technical Exchange Between East and West, commonly known as the East-West Center, located at the University of Hawaii in Honolulu. While this amount is less than what was requested, because the difference is likely to be resolved in conference with the Senate, and the exact additional amount absolutely required is in dispute, I did not seek an amendment to raise it.

Many of the Members of the House are well acquainted with the activities of the East-West Center, which Congress created and charged with the mandate of promoting "better relations and understanding between the United States and nations of Asia and the Pacific through cooperative study, training and research."

The task assigned the institution is

not a simple one. But it is being pursued assiduously and vigorously by the people of the East-West Center, under the direction of its able and dedicated Chancellor, Dr. Everett Kleinjans. In time the East-West Center, in my judgment, will prove to be America's wisest investment in peace.

In his convocation address last fall, a copy of which has just come into my possession, Chancellor Kleinjans discussed the central goals and problems facing the East-West Center. In the belief that his remarks will contribute to a better understanding and consequent stronger support of a unique and most remarkable institution, I ask unanimous consent to include at this point the text of Chancellor Kleinjans' convocation address:

CREATIVE TENSION

(By Chancellor Kleinjans)

I would like to share with you a few thoughts about the East-West Center as we begin this academic year together here in the Manoa Valley. You most likely had images of the Center before you came. Since coming, your images have no doubt changed. By the time you leave, they may change still more. In a sense, this changing image is one factor in making life interesting for you—I hope.

In the May 21, 1973 issue of *Contact* there appeared an editorial cartoon depicting conflicting images of the Center. At the top the Chancellor of the East-West Center was pictured saying:

The East-West Center—formally known as "The Center for Cultural and Technical Interchange Between East and West"—[The Center's] mandated goal is "to promote better relations and understanding between the United States and nations of Asia and the Pacific through cooperative study, training and research."

A fundamental aim of all East-West Center programs is to foster understanding and mutual respect among people from differing cultures working together in seeking solutions to common problems.

At the middle of the page was a big YET, and below that some sketches showing grantee fighting grantee, administration and grantee fighting each other, and U.S. foreign policy trampling on East-West Center goals.

LOYAL, BRAVE, HONEST AND TRUE

I studied the cartoon with a great deal of interest, not just because I was part of the subject of the cartoon, but basically because I generally agreed with the graphic description. The East-West Center has very high ideals but the gap separating these ideals from realization is rather large. These ideals are the goals toward which we strive. They certainly are not statements of accomplishment. It is like the Boy Scouts in the United States. The Boy Scout manual says in effect that a boy scout is loyal, brave, honest and true. This is not a statement of fact since I know boy scouts who are not loyal, brave, honest and true. It is a statement of goals or commitments, of directions and strivings. The same is true of the Center. Our goals set our directions and provide us with guides for our behavior.

It is true that many people think of internationalism in utopian terms. Somehow, they feel, everyone in the international community must be sweet and loving, rational in thinking, and always emotionally rich in personal relationships. To attempt to give credence to this image they and we smile and laugh a great deal. However, I fear that the smiling and the laughter often serve to cover up the real tensions that exist at the Center.

In reality the East-West Center is a tense place and tense by design. First of all, tensions exist between countries East and West, as well as countries East and East, West and West, and North and South. Each country represents its own culture, its own values and design for living. Who can deny that we are a divided world, separated by ideological, national, ethnic, and tribal differences, and torn by civil strife and factionalism? The history of internationalism is rife with tension. People from different cultures have been divided from each other because they act differently, believe differently. The rise of nationalism since World War II demands patriotism and creates a heightened sense of ethnocentricity.

Most educational institutions in the countries from which we come are built upon a philosophy which is dedicated to passing on the culture of the society in which they exist. In such monocultural institutions both teacher and learner are expected to have similar experiences and ways of thinking upon which the program of the school can be built. This means that people look to the past for their common culture and traditions. However, in an educational institution which is attempting to be intercultural, there is no such common cultural core to build upon. It is necessary for such international institutions to be teleological in their thinking, to look to their ends or goals rather than a common past for guidance and direction. International institutions must orient themselves to the future.

A GLOBAL FEDERATION

Three problems/difficulties are immediately faced, which bring concomitantly three challenges. First, internationalism has no cultural base. There is only a very thin psychological or social base upon which to build a world consciousness, a global federation, an international community. There is no real international language. English, which is the most commonly used language, has many cultural assumptions in it.

Because you students will be using English here at the Center, studying in an American curriculum with textbooks basically written by Americans, the Center is often accused of being too American. But the same would be true if we were in China and used Chinese texts and the Chinese language. Men don't speak languages, but a particular language. The same is true of religion. There are many religions and different men adhere to the tenets of one religion or another. There is no one international religion. Although Buddhism or Christianity may claim to be international, internationalism tends to be secular. The *challenge* is to see if we can build a solid cultural base for internationalism for the emerging world community.

MEN DIFFER DEEPLY

Second, although we can take a stance toward the future in an international institution, men differ deeply about what the future will be or should be. Some want more technology to enhance the quality of life of their people. Others are demanding less technology and a return to nature. Some feel we are moving inexorably toward a classless society. Others believe that some form of capitalism is better. We are divided on what we might call the quality of life, or even happiness. The *challenge* is to find commonalities, especially as human beings.

There is little doubt that our different cultures tend to shape us in different ways. The self, or even groups of selves, must be distinguished from other selves and groups. Differences in culture and ways of thinking are wonderful for those differences can enrich the lives of all. They must be fostered. But I have come to believe that they must be given importance only *after* the commonalities are recognized and given importance. Probably the most important part of every individual is that which unites him with all other individuals—that which makes him human. The most important feature of the world is our common humanity. We must not come to feel that because of differences other men are a nuisance. We have a common future if we can work together to create it.

The third problem about looking to the future for our inspiration is that we are such slaves of the past. Modern depth psychology has shown in a very convincing way how deeply adults are influenced by childhood experience. The child *is* the father of the adult. However, the *challenge* to education and the requirement of the present age is for men and women to gain the courage to rise above their past, above their own experience. What is needed is a new height psychology which will raise our hands to new creativity, our eyes to new potentialities and our hearts to new hope.

It is my hope that the members of the East-West Center community will stretch out thus into the future, in real international cooperation, to build a better world. It is extremely difficult, and takes a great deal of patience, to develop programs that are positive and building, and which help us only to inch toward the goals we hold.

There are other tensions built into the Center. We have attempted/are attempting to build programs into the Center that are interdisciplinary. The tension described by C.P. Snow in *Two Cultures* is a simplification of the tension that exists in academia between people in sociology and economics, to say nothing of people in engineering and economics or philosophy. Of course, there are different schools of thoughts in linguistics, in psychology, in fact, in all disciplines. Getting people to work together across disciplinary boundaries can be fraught with tension.

We are also trying to be interprofessional, bringing together theorists and practitioners, scholars and businessmen or government officials. All the tensions that exist between town and gown, between economic practicality and scholarly theory are therefore inherent in the Center.

You will find that there is tension in the fact that the East-West Center is a national educational institution on the campus of, in cooperation with, and under the umbrella of a state university. Given the basic antipathy of the American people toward their national government, deepened by recent national events, you will find further cause for tensions.

LEARNING TO COPE

Learning to cope with the tensions that are part of our East-West Center existence is one large step toward reaching our goals. Tension can be coped with in at least two ways: it can be either reduced, or it can be used creatively. We could reduce the number of tensions we have in the East-West Center by eliminating the internationalism, or the interdisciplinary work or the interprofessional nature of our programs, or creating an institution completely separate from the University of Hawaii. Each of these would reduce the tension but also reduce the richness of our educational endeavor. Therefore, it seems to me that we should accept the challenge to learn to *cope* with the tensions and use them creatively. The analogy is the violin string. A man cannot make music on the violin unless the strings are tense. There is a point beyond which the tension would break the string. There is also a point of looseness below which the string would fail to make the music. However, with the proper amount of tension music is produced which makes harmony with other musical instruments. In families, among people of homogeneous cultures, there are deep disagreements, fights and even occasional killings. Can the East-West Center remain part of this dynamically changing 20th century and avoid these tensions? Of course not. However, we should struggle mightily to use the tensions to create harmony with men of all cultures

and bring our lives a little closer in line with our goals.

AMENDING U.S. HOUSING ACT OF 1937

(Mr. MITCHELL of Maryland asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. MITCHELL of Maryland. Mr. Speaker, under permission granted to me I include the following material on amending the U.S. Housing Act of 1937:

SECTION-BY-SECTION SUMMARY

The bill would amend the United States Housing Act of 1937.

SHORT TITLE

SEC. 1. Would provide that the Act may be cited as the "United States Housing Act of 1937."

DECLARATION OF POLICY

SEC. 2. Would provide that it is the policy of the United States to assist the States and their political subdivision to remedy unsafe and unsanitary housing conditions and the acute shortage of decent, safe, and sanitary dwellings for families of low income. It would also vest in local housing agencies the maximum amount of responsibility in the administration of their housing programs. It would also state that no low-income housing project tenant should be barred from serving on the board of a public housing agency because of his tenancy. The section is substantially the same as the present declaration of policy except for the deletion of obsolete or unnecessary language. In this section and elsewhere, the term "low-income housing" is used in lieu of "low-rent housing."

DEFINITIONS

SEC. 3(1). Would define "low-income housing" to mean decent, safe, and sanitary dwellings within the financial reach of families of low income. Income limits for occupancy and rents would be fixed by public housing agencies and approved by the Secretary. The maximum rental would be one-fourth of family income. At least 20 percent of the dwelling units in any project placed under annual contributions contracts in any fiscal year after the effective date of this section would have to be occupied by very low-income families. At least an additional 30 percent would have to be occupied by families whose incomes do not exceed 50 percent of the median family income for the area as determined by the Secretary. Family income would be defined to exclude: the income of a family member (other than the head of the household) who is under 18 or a full-time student; an amount equal to $300 for each member of the family residing in the household (other than the head of the household) who is a wage earner or who is under 18 or who is disabled or handicapped or a full-time student; nonrecurring income; 5 percent of the family's gross income (10 percent in the case of an elderly family); extraordinary medical or other expenses; and an amount equal to sums received by the household head or his spouse for certain foster child care. Would continue to prohibit public agency reduction of welfare assistance payments to a tenant or group of tenants as result of application of the 25% of income maximum rent limitation.

3(2). Would define "low-income families" to mean families who cannot afford to pay enough to cause private enterprise in their locality or metropolitan areas to build an adequate supply of decent, safe, and sanitary dwellings for their use. The term "very low-income families" would be defined to mean families whose income does not exceed 20 percent of the median family income for the area.

"Families" would include single persons in the case of persons at least fifty years of age or displaced persons, as well as the remaining member of a tenant family. "Elderly families" would mean those whose heads (or their spouses), or whose sole members, are at least 62 years of age, under a disability, or handicapped. "Displaced families" would mean families displaced by governmental action or families whose homes have been extensively damaged or destroyed by a disaster declared or otherwise formally recognized pursuant to Federal disaster relief laws.

3(3). Would define "development" and "development cost" as under present law, except for minor changes to facilitate project financing and the deletion of an unnecessary provision concerning the cost of shared facilities.

3(4). Would substitute "operation" for the present term "administration" in order to conform to current usage in the public housing program. It would otherwise substantially restate the present definition, including the provision which makes it clear that the cost of tenant programs and services are includable in operation of a project and eligible for subsidy assistance.

3(5). Would define "acquisition cost" to mean the amount prudently required to be expended by a public housing agency in acquiring a low-income housing project.

3(6). Would define "public housing agency" to mean any State, county, municipality or other governmental entity or public body (or agency or instrumentality thereof) which is authorized to engage in or assist in the development or operation of low-income housing. This would amend the present provision so as to include public agencies which are authorized to assist in the development or operation of such housing.

3(7). Would define "State" to include the several States, the District of Columbia, the Commonwealth of Puerto Rico, the territories and possessions of the United States, the Trust Territory of the Pacific Islands, and Indian tribes, bands, groups, and nations (including Alaska Indians, Aleuts, and Eskimos) of the United States.

3(8). Would define "Secretary to mean the Secretary of Housing and Urban Development.

3(9). Would define "low-income housing project or "project" to mean any project developed, acquired, or assisted under the Act and the improvement of any such housing.

LOANS FOR LOW-INCOME HOUSING PROJECTS

SEC. 4(a). Would authorize the Secretary to make loans to public housing agencies to help finance or refinance the development, acquisition, or operation of low-income housing projects by such agencies. Such loans would provide for an interest rate specified by the Secretary which is not less than a rate determined by the Secretary of the Treasury taking into consideration the current average market yield on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the average maturities of such loans, plus one-eighth of one percent.

(b). Would authorize the Secretary to issue and have outstanding at any one time notes and other obligations for purchase by the Secretary of the Treasury in an amount which would not, unless authorized by the President, exceed $1.5 billion.

ANNUAL CONTRIBUTIONS FOR LOW-INCOME HOUSING PROJECTS

SEC. 5(a). Would authorize the Secretary to make annual contributions to public housing agencies to assist in achieving and maintaining the low-income character of their projects and would direct the Secretary to embody provisions for such contributions in a contract guaranteeing their payment. It would provide that the annual contribution payable under the section may not exceed the debt service payable on obligations issued by the public housing agency to finance the development or acquisition cost of the low-income project involved. The present requirement that annual contributions be fixed in uniform amounts and paid in such amounts over a fixed period of years would be deleted in order to afford greater flexibility in the financing of public housing projects. Under the revised Act there would be a new subsidy structure which would provide for a separation between the authority to make annual contributions based on debt service requirements and the authority to make operating subsidy payments. This subsection also would delete the present authorization to pay an additional annual subsidy of up to $120 per dwelling unit occupied by an elderly family, a large family, a family of unusually low income, or a displaced family as the purpose of these subsidies would be included under the broad operating subsidy authorization contained in Section 9 of the revised Act.

(b). Would authorize the Secretary to prescribe regulations fixing the maximum contributions to be provided under different circumstances, giving consideration to cost, location, size, rent-paying ability of prospective tenants or other factors bearing upon the need to achieve and maintain low rentals. Such regulations could provide for rates of contribution based on development, acquisition, or operation costs, number of dwelling units, number of persons housed, interest charges, or other appropriate factors.

(c). Would authorize the Secretary to enter into contracts for annual contributions aggregating not more than $1,199,250,000 per year, which would be increased by $225,000,000 on July 1, 1971, by $150,000,000 on July 1, 1972, by $140,000,000 on July 1, 1973, by $810,000,000 on July 1, 1974, and by $735,000,000 on July 1, 1975. Of the aggregate amount of annual contributions contracts authorized under this section, (other than units in private accommodations under Section 8), would make available not less than $15,000,000 on July 1, 1974, and an additional $15,000,000 on July 1, 1975, for low-income housing for persons who are members of any Indian tribe, band, pueblo, group, or community of Indians or Alaska natives which is recognized by the Federal government or any state government. Not more than 30 percent of the dwelling units placed under annual contributions in any fiscal year after the effective date of this section would be units of low income housing in private accommodations under Section 8. Annual contribution contracts shall be equal to the difference between the sum of the total debt service payment plus operating costs, and the rental payments that tenants are required to make under section 3(1). At least 20 percent of the dwelling units placed under annual contributions in any fiscal year after the effective date of this section would be required to have at least three bedrooms and the Secretary would be required to include information on such units in his annual report. Of the aggregate amount authorized, the Secretary would be authorized to use an amount not to exceed $100 million per year for modernization. The Secretary could enter into only such new contracts for preliminary loans as are consistent with the number of dwelling units for which contracts for annual contributions may be entered into. The faith of the United States would be solemnly pledged to payment of all annual contributions contracted for pursuant to this section, and there would be authorized to be appropriated each year the amounts necessary for payments of all annual contributions contracted for.

This subsection also would require payments when due of annual contributions (out of available funds other than funds obtained through the issuance of obligations pursuant to section 4(b)).

(d). Would provide that any contract for loans or annual contributions may cover one or more than one low-income project owned by a public housing agency, and that if the contract covers two or more projects, they may be treated collectively as one project.

(e). Would authorize the Secretary to consent to the modification, with respect to rate of interest, time of payment of any installment of principal or interest, security, amount of annual contribution, or any other term, of any contract or agreement to which the Secretary is a party, subject to specific limitations contained in the Act. It also would authorize the Secretary with the consent of a public housing agency to amend contributions contracts when it would promote economy or be in the financial interest of the Government, or would be necessary to maintain the low-income character of the project involved. However, contracts could not be amended in a manner which would impair the rights of low-income tenants or of the holders of any outstanding obligations for which annual contributions have been pledged.

(f). Would give the Secretary additional authority to pledge annual contributions as a guarantee of payments by a public housing agency of debt service on obligations issued by it to assist the development or acquisition of the project to which the contributions relate, except that such additional authority would not be available if the income thereon is exempt from Federal taxation.

(g). Would authorize a public housing agency to sell a low-income housing project to its tenants on such terms and conditions as the agency may determine, without affecting the Secretary's commitment to pay annual contributions with respect to that project, but such contributions could not exceed the maximum contributions authorized under subsection 5(a).

CONTRACT PROVISIONS AND REQUIREMENTS

SEC. 6(a) Would authorize the Secretary to include in any contract for loans, annual contributions, sale, lease, mortgage, or any other agreement or instrument made pursuant to the Act, such covenants, conditions, or provisions as he may deem necessary to insure the low-income character of the project involved, and that no otherwise eligible applicant shall be excluded from any project because of race, religion, nationality, age, sex, marital status, or amount or source of income. Would also require an open space or playground in connection with a housing project. Contracts would also require that, except in the case of housing predominantly for the elderly, high-rise elevator projects should not be provided for families with children unless the Secretary determines that there is no practical alternative.

(b) Would provide a limitation on the cost of project construction and equipment (excluding land, demolition, and non-dwelling facilities) on the basis of which the amount of annual contributions would be calculated. This cost could not exceed by more than 20 percent the appropriate prototype cost for the area, required to be determined at least annually by the Secretary on the basis of estimated construction costs of various new units in the area suitable for occupancy by persons assisted under the Act. In making his determination, the Secretary would be required to take into consideration the extra durability necessary for safety and security and economical maintenance, the provision of suitable amenities, the application of good design and maintenance of architectural standards, the effectiveness of existing cost limits, and the advice and recommendations of local housing producers.

(c) Would require every contract for annual contributions to include provisions (1) allowing the Secretary to require the public housing agency to review and revise its maximum income limits if the Secretary determines changed conditions in the locality make such revisions necessary: (2) requiring a public housing agency to determine and certify to the Secretary that occupants of projects were admitted in accordance with approved income limits and to review family incomes at intervals of two years (or after shorter period, if Secretary deems it desirable); and (3) requiring prompt notification to applicants determined to be ineligible for admission of the basis for the determination and an opportunity for an informal hearing and, to those determined eligible, of the approximate date of occupancy insofar as it can be reasonably determined. This subsection would delete the present provision concerning the establishment of maximum income limits for continued occupancy in low-income housing.

(d) Would provide that whenever the receipts of a public housing agency exceeds its expenditures, the excess shall be applied to reduce subsequent annual contributions.

(e) Would require annual contributions contracts to provide that when a public housing agency and the Secretary mutually agree that a project is obsolete, making it unusable for housing purposes, a program of modifications or closeout shall be prepared. It would authorize the Secretary to use such annual contributions as are necessary to enable the public housing agency to undertake an agreed-upon program of modifications. It also would authorize the Secretary to prepare a closeout program, utilizing such annual contributions as are necessary to accommodate outstanding indebtedness, the cost of demolition (if physical improvements are not to be sold) and the cost of relocation. The net closeout cost to the Federal Government would take into account receipts from the sale of assets, pursuant to the annual contributions contract.

(f) Would authorize the Secretary to provide in any annual contributions contract that upon substantial default by the public housing agency with respect to the covenants and conditions to which the agency is subject, as defined in the contract, the agency shall be required, at the Secretary's option, to convey title or possession of the project to the Secretary. The Secretary would be required to reconvey or redeliver the project to the public housing agency when the Secretary was satisfied that all defaults with respect to the project had been cured or the obligation to make annual contributions had ended and there were no obligations or covenants by the public housing agency to the Secretary then in default. This subsection also would provide that, with respect to contracts for annual contributions containing the provisions set forth above, the Secretary's obligation to pay annual contributions to cover debt service on the local agency's obligations would continue notwithstanding any other provision of the Act.

CONGREGATE HOUSING

SEC. 7. Would require the Secretary to encourage public housing agencies, in providing housing predominately for displaced, elderly, or handicapped families, to develop housing to meet the special needs of the occupants and, wherever practicable, for use in whole or in part as congregate housing. It would limit the amount of annual contributions for congregate housing to ten percent of the total amount of contracts for annual contributions entered into pursuant to the new authority granted under section 202 of the Housing and Urban Development Act of 1970 or any subsequent law. It would define "congregate housing" to mean low-income housing in which some or all of the dwelling units do not have kitchen facilities, and connected with which there is a central dining facility.

LOW-INCOME HOUSING IN PRIVATE ACCOMMODATIONS

SEC. 8(a)(1). Would authorize public housing agencies, or the Secretary, for the purpose of providing a form of low-income housing which will aid in assuring a decent place to live for every citizen, which will take full advantage of vacancies in the private housing market, and which will provide economically mixed housing, to provide housing for low-income families in the form of low-income housing in private accommodations in accordance with section 8.

(a)(2) Would define, for purposes of section 8, the term "low-income housing in private accommodations" to mean dwelling units, leased from an owner, which provide decent, safe, and sanitary dwelling accommodations and which may include related facilities, and would define the term "owner" to mean any person or entity having the legal right to lease or sublease property containing one or more dwelling units as described in this section.

(b) Would direct each public housing agency to conduct a continuing survey and listing of available dwelling units within the communities under its jurisdiction which provide decent, safe, and sanitary dwelling accommodations and related facilities and are, or may be made, suitable for use as low-income housing in private accommodations under this section.

(c) Would direct each public housing agency, by notification to the owners of housing listed under subsection or by publication or advertisement, or otherwise, to make known from time to time to the public in the community or communities under its jurisdiction the anticipated need for dwelling units in such community or communities to be used as low-income housing in private accommodations under this section, inviting the owners of such dwelling units to make available for purposes of this section one or more of such units.

This subsection also would direct public housing agencies to conduct appropriate inspections of offered units and if it finds that such units are, or may be made suitable for use as low-income housing in private accommodations within the meaning of section 8(a)(2), and the rentals to be charged for such units, as agreed to by the agency and the owner consistent with section 8 (d)(2), are within the financial range of families of low income, the agency could approve such units in accordance with (and subject to the applicable limitations contained in) this section. Also, each public housing agency would be required to maintain a current list of units approved by it including related information it considers necessary or appropriate.

(d) Would provide that, to the extent of contracts entered into by the Secretary with a public housing agency under section 5(c) of the Act, such agency in accordance with criteria established by the Secretary could enter into contracts to make assistance payments for the use of dwelling units in accordance with Section 8. Each such contract would provide (with respect to any unit) that (1) the selection of tenants for such unit shall be the function of the public housing agency, but no otherwise eligible tenant shall be excluded from participation in the program because of race, religion, nationality, age, sex, marital status, or amount or source of income; (2) the rental and other charges to be received by the owner shall be negotiated and agreed to by the agency and the owners, and the rental and other charges to be paid by the tenant shall be determined in accordance with the standards applicable to units in low-income housing projects assisted under other provisions of this Act; (3) the contract shall provide tenants with the same rights and protections as would be provided if they were residents of housing owned by the agency; (4) the agency shall have the sole right to give notice to vacate, with the owner having the right to make representations to the agency for termination of a tenancy, but no notice to vacate shall be issued without just cause and any tenant receiving such notice shall be entitled to a fair and impartial hearing; (5) maintenance and replacements shall be in accordance with the standard practice for the building concerned, as established by the owner and agreed to by the agency; and (6) the agency and the owner shall carry out such other appropriate terms and conditions as may be mutually agreed to by them.

Finally, the subsection would provide that each contract between a public housing agency and an owner entered into under this subsection shall be for a term not less than twelve months nor more than one hundred and twenty months, and shall be renewable by such agency and owner at the expiration of such term.

(e) Would provide that the annual contribution for a project of a public housing agency for low-income housing in private accommodations under this section in lieu of any other guaranteed contribution authorized by section 5 shall not exceed the amount of the fixed annual contribution which would be established under this Act for a newly constructed project by such public housing agency designed to accommodate the comparable number, sizes, and kinds of families. Would also provide that the period over which payments will be made to a public housing agency for a project of low-income housing in private accommodations under section 8, and the aggregate amount of such payments, under a contract for annual contributions, shall be determined on the basis of the number of units in the community or communities under the jurisdiction of such agency which are in use (or can reasonably be expected to be placed in use) as low-income housing in private accommodations under this section, taking into account the terms of the leases under which such units are (or will be) so used. Also, this subsection would state that contracts between the Secretary and a public housing agency pursuant to this section shall provide for the payment of reasonable and necessary expenses incurred by such agency in conducting surveys, listings, inspections, and tenant selection and assignment.

(f) Would authorize a public housing agency to purchase any structure containing one or more dwelling units leased to provide low-rent housing in private accommodations under this section for the purpose of reselling the structure to the tenant or tenants occupying units aggregating in value at least 80 percent of the structure's total value. Would also require that any such resale be made subject to such terms and conditions (including provision for deferment of the required downpayment and for elimination of or adjustments in the required interest payments during a temporary period) as may be necessary to enable the tenants involved to make the purchase without undue financial hardship.

ANNUAL CONTRIBUTIONS FOR OPERATION OF LOW-INCOME HOUSING PROJECTS

SEC. 9(a). Would require the Secretary to make separate annual contributions to public housing agencies for the operation of low-income housing projects. The contribution would be payable in the amounts required (1) to assure the low-income character of the projects involved and (2) to achieve and maintain adequate operating services and reserves. The Secretary would be required to embody the provisions for annual contributions for operating subsidy in a contract guaranteeing their payment.

Public housing agencies would determine, with the approval of the Secretary, appropriate and required operating services and reserve funds, including tenant services, which would constitute the base level of operating services of the agency. If project income in any year was insufficient to meet the established base level for that year, the Secretary would be required to make annual contributions to meet the residual cost. The Federal commitment to maintain such base level of operating services would be required to be incorporated in an annual contributions contract. Base levels would be signified by a public housing agency at the beginning of its operating year when it prepares its annual budget. Reexaminations of the base level would be required when the agency makes its reexamination of tenant income (at least every two years).

(b) Would authorize the Secretary, in addition to the amounts authorized in section 5(c) of the Act, to enter into contracts for operating subsidy annual contributions in an amount aggregating no more than $600,000,000 for the fiscal year ending June 30, 1975, and $660,000,000 for the fiscal year ending June 30, 1976.

GENERAL PROVISIONS

SEC. 10(a).—Would require the Secretary to prepare annual budget programs as provided for wholly owned Government corporations by the Government Corporation Control Act and to maintain an integral set of amounts to be audited annually by the General Accounting Office.

(b) Would provide that all receipts and assets of the Secretary under the Act shall be available until expended.

(c) Would authorize the Federal Reserve Banks to act as depositories, custodians, and fiscal agents for the Secretary.

FINANCING LOW-INCOME HOUSING PROJECTS

SEC. 11(a). Would provide that where obligations of a public housing agency are secured by a pledge of loans, annual contributions, or both, and the Secretary has so certified, the full faith and credit of the United States would back the guarantee, which would be incontestable in the hands of a bearer.

(b) Would provide that, except as provided in section 5(g) (which would grant additional authority for annual contributions in cases of non-tax exempt obligations), public housing agency obligations issued in connection with low-income housing projects and the income from such projects shall be exempt from Federal taxes. It would modify the present provision so as to make it clear that this exemption applies whether the obligations are paid by the public housing agency or by the Secretary.

LABOR STANDARDS

SEC. 12. Would require contracts entered into pursuant to this Act to include a provision requiring (1) all architects, technical engineers, draftsmen, and technicians employed in the development of a low-income housing project, and (2) laborers and mechanics employed in the operation of projects to be paid not less than the wages prevailing in the locality, as determined or adopted by the Secretary subsequent to a determination under applicable State or local law. It also would require such contracts to include a provision that laborers and mechanics employed in the development of a low-income housing project (including a project for the use of privately built housing) shall be paid not less than the wages prevailing in the locality, as determined by the Secretary of Labor, pursuant to the Davis-Bacon Act.

EXEMPTION OF CERTAIN PROJECTS FROM RENTAL FORMULA

SEC. 13. Would authorize the Secretary of Housing and Urban Development, in lieu of the rental or income contribution provisions of the United States Housing Act of 1937, as amended by this Act, to approve the use of special schedules of required payments for participants in mutual help housing projects who contribute labor, land, or materials to the development of such projects.

ASSISTANCE TO NOT-FOR-PROFIT ORGANIZATIONS

SEC. 14. Would provide that in areas where no public housing agency exists or where a public housing agency is unable or unwilling to provide low-income housing under this act, the Secretary, upon application of a private, not-for-profit organization located in such area, is authorized to extend to such organization, to the extent feasible, all of the benefits of this Act. Organizations receiving such benefits shall be bound by the provisions of this Act as if they were public housing agencies. Such not-for-profit organizations shall be organized for the purposes of engaging in or assisting in the development or operation of low-income housing and shall be governed by a board of directors which is representative of the population living in the area. In addition to the purposes specified for annual contributions in Section 5 of this Act, such annual contributions may be used to retire the principal and interest on any debt incurred by the not-for-profit organization for the purchase, construction, repair or lease of low-income housing regardless of whether or not such debt is insured, guaranteed or subsidized under any federal, state or local government housing program.

EQUITY FOR THE SINGLE TAXPAYER

(Mr. KOCH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, I would like at this time to urge the distinguished chairman, WILBUR MILLS, and his colleagues on the Ways and Means Committee, to move expeditiously in executive session with the markup of H.R. 2701. I testified before that committee last year supporting the passage of H.R. 2701; again I call the House's attention to the necessity of passing this legislation without waiting another year.

As we all know, millions of Americans are now in the process of filing their 1973 tax returns. Unfortunately, approximately 38 million people, namely, those who are not married, will be discriminated against when they pay their taxes. H.R. 2701 would remove this discriminatory inequity faced by single people by establishing a uniform rate structure for all taxpayers, whether they be married, widowed, divorced, or single. This means that after the allowable deductions and exemptions are taken, the same graduated tax rate would be applied to an individual's taxable income, regardless of one's marital status, thus allowing persons to compute their taxes by using the same tax table currently reserved for use by married couples filing jointly. H.R. 2701 has 163 cosponsors, and has been introduced in the Senate as S. 650 by Senator PACKWOOD.

The single taxpayer pays up to 20 percent more in taxes than a taxpayer filing a joint return. The actual cost can best be illustrated by a few examples. A single taxpayer whose taxable income is $12,000 pays $2,630 in taxes; if he or she were married and filing a joint return, he or she would pay $2,260—a difference of $370. And the rate on any income in excess of $12,000—up to $14,000—increases; for example, 20 percent for the single return and 25 percent for the joint return. The tax penalty for being single at $16,000 is $570; at $20,000, $850; at $50,000, $3,130.

I believe that taxes should reflect differences in a taxpayer's responsibilities for dependent support, but the way to do this is through exemptions for dependents, not through different tax schedules for the same incomes. To that end, I have proposed legislation to increase the personal exemption and the exemption for dependents to $1,200. Requiring as we do today that single persons pay at a higher rate is simply arbitrary. The joint tax return rate for married taxpayers does not reflect the different financial responsibilities in supporting six dependents as opposed to say, one dependent. Furthermore, under the present rate structure a divorcee or widow with three dependents, using the head of household schedule, pays taxes at a higher rate than a married couple with no children. In fact, widows and divorcees who are heads of households on the average are required to pay 10 percent more taxes than they would had their marriages continued or their spouses lived.

The failure by Congress to act on this legislation would be unconscionable. Only six other countries tax their unmarried people more heavily than their married couples. Five of these six, Russia, three of her satellites and Spain, are dictatorships. We all realize that our tax code contains a number of tax preferences. What H.R. 2701 calls for is not another preference, but simple equity for the unmarried taxpayer. Moreover, this equity is not for the benefit of a few, but rather for the benefit of most, for almost everyone must face the prospect of one day being single and, unless this bill is passed, being confronted with discriminatory taxation.

ONE PICTURE WORTH A THOUSAND WORDS

(Mr. WAGGONNER asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. WAGGONNER. Mr. Speaker, there is an old saying that one picture is worth a thousand words, and I believe it. I think that this is one of the reasons I get so fed up with slanted political cartoons and their artists. Primarily, I am talking about the nationally syndicated cartoonists like Herblock and Oliphant. You know the ones, I mean.

Mr. Charles C. Phillips, who is the associate editor of the Shreveport Journal located in my district, and I might add, an excellent daily newspaper, recently devoted a column to the subject of political cartoons and the fact that most of the nationally syndicated ones are blatantly anti-Nixon and are limited to several subjects—Watergate, the energy crisis, and ecology.

Mr. Phillips says that his paper subscribes to several cartoonists, but adds:

> It's a cold day in August when one of the nationally syndicated cartoonists draws something favorable toward the President or even mildly objective toward him. Some depict Mr. Nixon as a common criminal, convicting him long before he has been impeached or tried.

What amazes Mr. Phillips is that the President still has the support that he does have. He said:

> Many of these cartoons, if not all, and others like them are being printed daily in newspapers in some, maybe most, parts of the United States. What amazes me is that the President still has as much popular support as he does.

Finally, Mr. Phillips concedes that cartoonists are entitled to their views:

> But these days they don't seem to be able to deal with any except four subjects: Watergate, in which they've already convicted Nixon; the energy crisis which they blame on the President or the big oil companies; the Middle east, and ecology (oh brother, ecology). If one of our columnists writes about education, law enforcement or some other topical matter it takes half the morning to find a cartoon dealing with the subject.

I would like to insert at this point in the Record the entire column by Mr. Phillips above mentioned:

Caps and Lower Case

(By Charles Phillips)

One of my duties around the office is to pick out cartoons to go on the editorial page and the opposite-editorial page. It's a hard job when you work on a newspaper which isn't at all convinced that Richard M. Nixon should be impeached and when you feel the same way yourself.

The paper subscribes to several cartoonists, some of which are the best in the nation. But it's a cold day in August when one of the nationally-syndicated cartoonists draws something favorable toward the President or even mildly objective toward him. Some of the cartoonists depict Mr. Nixon as a common criminal, convicting him long before he has been impeached or tried. I read in the British publication Punch recently that most news writers and cartoonists are anarchists at heart, and I believe it!

So let's take a verbal look (that phrase is almost grammatical anarchy) at some of the cartoons we are getting these days.

As I look under our cartoon file titled "administration" the first one I come to is by Ranan Lurie who uses an over-sized and usually grotesque style. The cartoon shows the President cringing and walking away from a man in clerical robes who is holding up a cross which has printed on it the word "quit." The caption of the cartoon reads: "The Exorcist."

Farther down the stack there is one by Herblock which shows a man in pinstriped suit with dark glasses a la Mafia. He is labeled "The Nixon Gang" and he is telling the Senate about refusal to testify on grounds of executive privilege. Another Herblock cartoon shows the President about to sink in murky water and holding a sign saying "Papers on the ITT case and the milk funds." The caption has the President saying "The allegations are utterly false—I've only been involved up to here."

This cartoon, appearing in many newspapers across the nation, was drawn before any sort of charges had been made against the President concerning ITT or the milk fund contributors. In fact, no charges have been brought at all, except by Mssrs. Herblock and Co.

Still another Herblock cartoon shows the President in front of a podium with microphones on it. In the rear is an American flag. The cartoon is captioned "State of the Union." Nixon is shown holding a sign saying "I am not a crook." Of course, the inference is that he is a crook.

Cartoonist Lane uses ridicule in attacking the President. One of his panels shows Nixon standing shamefacedly in front of a man dressed as Uncle Sam. Uncle Sam is saying, "If you were to resign, think of the future you'd have as a tax consultant." Clever, yes. Fair, no.

Then there is one by Oliphant which shows the President and another person standing near a door labeled "GOP Department of Sabotage." The unidentified man is saying to the President: "Want to know where else you could cut expenditures?" Then for the real knife, the cartoonist has two small figures in a corner and one is saying, "The next caper is to steal the Constitution." What's he talking about when he says "steal the Constitution?" Nothing, I fear. Just bias.

Another Lurie gem shows Mr. Nixon precariously trying to balance himself on a rope. Below it is a revolving barrel of oil, then a ball labeled "Personal scandals" and another marked "ITT," and two other spheres tagged "etc"—all on top of a tight rope. Mr. Nixon is portrayed as a perspiring figure with a hole in his shoe. Lurie's imagination is boundless when it comes to despising the President. Another cartoon depicts Nixon in the robes of an emperor with a crown topped by a runic cross. He is pulling a toy. The "toy" is a guillotine and the caption says: "Some heads are going to roll."

Back to Herblock. He has a cartoon with no caption which shows the President in the upper half of an hour glass. Obviously, the sands of time are Vice President Ford entering a room in which Nixon is surrounded by a cow named "milk deal," an alligator named "fuel crisis" and a goose, I guess, labeled "bugs." Nixon is saying "Welcome to the zoo."

Back to Herblock. One of his cartoons shows the President at his desk. Bolts of lightning are coming through the window and floodwaters are several feet deep inside the room. There is no caption. The inference is that President Nixon is about to drown in his troubles. We already know what Mr. Herblock believes those troubles to be.

These are just a few. There are dozens more just about as bad. There was one showing the legs of a man who obviously had been lynched on a tree on the White House lawn. The legs, of course, are unmistakably those of the President. I thought it was in such bad taste that I threw it away. Probably be worth something 50 years from now.

We must remember that many of these cartoons, if not all, and others like them are being printed daily in newspapers in some, maybe most, parts of the United States. What amazes me is that the President still has as much popular support as he does. The recent off-year congressional elections in Pennsylvania, Michigan and Ohio show that Republican candidates lost by small majorities. If the country agreed with our distinguished cartoonists the GOP candidates would have polled only their own vote and maybe their wives', if they were allowed to go unhung to election day.

The cartoonists, of course, are entitled to their opinions. But these days they don't seem to be able to deal with any except four subjects: Watergate, in which they've already convicted Nixon; the energy crisis which they blame on the President or the big oil companies; the Middle east, and ecology (oh brother, ecology). If one of our columnists writes about education, law enforcement or some other topical matter it takes half the morning to find a cartoon dealing with the subject.

Why, they've even quit drawing cartoons

about civil rights and integration. Frankly, I think the millenium is at hand.

TESTIMONY BEFORE GENERAL SUBCOMMITTEE ON EDUCATION

(Mr. MEEDS asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. MEEDS. Mr. Speaker, on behalf of my colleague, Congresswoman Shirley Chisholm, and myself, I wish to submit for the Record the testimony given before the General Subcommittee on Education on March 19 in hearings on the Bilingual Education Act. Sister Vicente speaks from both the heart and the head—from her background as a Spanish-speaking child growing up in New York and her adult experience in working for better educational opportunities for similar children growing up today in Massachusetts.

We felt this testimony presented such an eloquent statement of the problems faced by the child in need of bilingual education in our society that it would be worthwhile giving it a wider audience.

The testimony follows:

Statement of Sister Frances Georgia Vicente, Advocate for Linguistic Minorities, Bureau of Equal Education Opportunity, Department of Education, Boston, Mass.

Sister Vicente. Thank you, Madam Chairman and honorable members of the committee.

I have to in conscience add something to that kind of ponderous introduction because I am another person also.

[Spanish.]

It is significant when we get résumés from abroad it always includes home languages people speak. It was like a homecoming when I met Mr. Cruz this morning. I found out I taught all his sisters and brothers, so I would like to inject a little of the human element. I know you have been deluged with statistics and all the reasons why bilingual education should exist. Having been involved in law, I assure you statistics are important, but please, the cultural part.

When I spoke in Spanish, I became another person causing in me to feel the roots of my ancestors in Spain. I can go through Madrid and feel at home, yet I can speak as an American where I was born in New York and feel comfortable in this culture. We can only become more of what we really are when we understand and feel the roots of what we were. Then we can become better Americans. And what is to be an American really?

If all of us look back into the history of our ancestry, we don't have to go too far back before we touch the immigrant part of our family. And yet what do we have to show for the glorious kaleidoscope of diversity with which we could have enriched the history of our nation instead of having adhered to the melting pot theory; that we all go into a pot and we are all going to come out somehow American. What does that mean?

I am so glad my parents escaped the melting pot. When I walked into our home, it was the most wonderful thing in the world to be a little Spanish girl even if on the streets of New York they called me a spick. But I could withstand that pressure from the outside because I did not speak English and, therefore, it was implicit I was different from and less than they.

If a professor in a university speaks with an accent, that is something awesome. But if a poor little Puerto Rican child on the street says, "Me no Puerto Rican, me American,"—that is right, boys get rid of what you think is not American and get assimilated.

Yet you know when Americans go abroad they expect every cab driver and waiter to help him in his need by speaking English.

We have 500 million people in our Western Hemisphere, of whom 198 million speak Spanish as their primary language. But we look south of the border and we say, "You people get educated, learn English," and we sit back here as a mono-lingual nation and don't feel we need to extend ourselves just in the human relationships of acknowledging and respecting their background. Of these hundreds of millions in our own country, more than 10 million are Spanish-speaking.

It is closing in the Southwest. We know the history. Puerto Ricans are moving into all the Eastern cities as far West as Chicago. It is closing in on us. We can't miss it. We are the fifth largest Spanish-speaking nation in the world, exceeded only by Mexico, Spain, Argentina. So it is time this whole idea that we are "catering" to non-English-speaking children or peoples and we are giving them some crumbs of our benefits here should turn the other way and say what great resources have we wasted?

We are a great people for natural resources in the United States. What about our human resources that we failed to elaborate.

So I would like to put two things forth: The human element, which I will go to in just a moment, and the great human resources that we have lost by putting our immigrants historically into the melting pot.

What about the human element? We feel that the understanding among nations is going to bring peace, but nations are made up of people. And people come down to personal relationships and the persons of multi-lingual groups we have in our nation are the first we have to address ourselves to before we want Kissinger to run around the world trying to solve its problems. We have our own.

[Spanish.]

Now why do they come up? That is another whole socioeconomic and political thing and I cannot take your time for that.

I was in Puerto Rico 25 years ago when country people raised their chickens and vegetables and brought them into town. I went back two or three years ago after over 20 years and those country people were practically starving because they cannot compete in selling their live native chickens with the supermarkets that have moved into Puerto Rico, taxfree, because of Operation Bootstrap and all the wonderful things industrialization was to do to the Island. This has helped in a middle-class area. But your dear children are poorer today than they were then and therefore they have to sell a few little pigs to come to Boston on a cold snowy day with [Spanish].

The concept of cold to them is 60 degrees on a winter day. In an airport in San Juan it is interesting—there is a florist there and he watched this family of ten children with their parents getting ready to get on a flight, and he invited them into the florist shop and said, "Come see this." He put them into a walk-in refrigerator and closed the door for one minute. They came out blue.

He said, "That is what you are going to meet." They had no conception of what this means.

So they lived in Boston and if they are very lucky our social worker ferrets them out in a little cold water flat with all the other socio-economic conditions. You say, "Your child has to go to school," which of course the mother and father always expected him to do, but inundated with all the problems of their survival, all of a sudden school on a hill somewhere becomes kind of a far-off idea. So we bring them in and bring them into the office and there sits the principal and she is very proper and she knows her business.

She says to me, "What is their name?" I said [Spanish].

She hears this long strange name. She doesn't know what was said. I explain we have three surnames. She says, "We don't need all those last names," so she starts. She cuts off the last name. It is the mother's surname and the mother dies. She lost her maternity. If she cuts off the next surname, that is the father's and all of a sudden the child becomes illegitimate because they do not belong to her.

One last name in Puerto Rico means—so this kind of cultural thing.

Then, "Produce the birth certificate." Then she says to me, "Forget it. Why does she need a piece of paper to prove she was born when she is standing there?"

Then we start with shots. Polio, is she vaccinated? If she knows one English word, it is "bang, bang." She watches Westerns. Hide them under a bed and you don't see those children in school.

Now if we get through all that and I can coax her—she loves the sisters and she trusts me and hands me the children, I put them in school. What do we have, up to a short time ago? Children sitting in a classroom vegetating, frightened with all kinds of hostile pressures, racially—and I have to bring this in—they are too light for the Blacks, they are too dark for the whites. All of a sudden they have to identify whether white or non-white and they go home and ask their mother.

So please, these are the things in a human way that we are to become sensitive with. He is not going to learn to speak English or learn to read, Spanish or anything else, if he is so scared, if he is so uncomfortable, if he does not know why he is there. If nobody understands him as a person, let alone linguistically, he is going to be a school dropout.

So if I can inject this part, don't forget the human element please and this is why we need Puerto Rican teachers to relate to them. This is why we need our Anglo professionals to become sensitized—you are smiling because you know the Blacks speak English after a fashion, or more or less.

Now the other thing is where does the responsibility lie, and here I have very strong feelings of shared responsibility. And this brings me to our Massachusetts situation. We were the first state, as you know, in 1971 to pass the first mandated bilingual law. That word "mandated" is so important. I am sure you all had the experience of sitting at school committee meetings to beg some compensatory—"Please may I have the crumbs" for a marginal purpose like, for example, non-English-speaking children.

Who votes now? We have 8 percent voting power, the Puerto Ricans in Boston. Do you think Kerrigan or McDonald or O'Leary are interested in that part of the world? This is just reality. I am not a politcal being, but I have been around out of the cloister a few years and I suddenly found out the truth is not the only thing that is important.

But I said they have been very good to me, Mr. Kerrigan. But where does the responsibility lie? The local district has the obligation to educate every child in that district up to the limit of his resources. Boston in round numbers has $800 per-capita expenditure, whether that child is sitting there frightened to death, vegetating or drops out, that expenditure is supposed to be spent. So what made the Massachusetts law palatable was it had a realistic cost factor.

We expect the district to pay that much, $800 in Boston, and the excess per-capita that is spent in the more specialized bilingual, because of the lower pupil-teacher ratio, 15 to 1; without aid, 20 to 1. The specialized materials and other ancillary things that are needed—it may cost $1100, maybe at a maximum. The state reimburses the difference so Boston puts in the $800. The state reimburses the city $300 and everybody has done its share.

Now where does the Federal come in? I would not dare tell you what I need. This is symbolically speaking—classroom, a teacher, a book. In other words, the limit to the budgets of the states could not bring in all the help we need, let's say, for the teacher training program, which is tremendous.

I heard the figures of 80,500 bilingual teachers needed in the United States today.

Mr. Meeds. That is just Spanish-speaking.

Sister Vicente. But they are the big lump sum, you know. It is maybe 10.5 million Spanish-speaking; 3 or 4 million with all the others included. Altthough in Boston or in Massachusetts we have six linguistic minorities—Spanish, Portuguese—you know that 85 percent of the Portuguese in the United States reside in Southern Massachusetts. From the whaling days—there have been five generations. 58 percent of New Bedford is Portuguese. 2 percent are in professional jobs. Results? All the Portuguese are stupid.

Look back in history and they were the great sailors and great map-makers. What happened? Melting pot theory. They got lost. They were the fishermen and millhands, and still are. They never got the education which is the only self-help that makes people grow to the stature that they are able because they have the depth of their culture behind them. They are not wounded people, different from, less than.

So with the Italians. I was glad to see Mario and Romano and Alphonzo on this committee. We do not all have to be Helen Smith, do we?

So we are back to the responsibility. So all the ancillary things, those 85,000 teachers—if we have 10 percent or more Spanish-speaking in the United States of the whole total population—85,000 teachers is not even 1 percent of that Spanish-speaking population. So why should teachers unions get so upset?

Here there is a surplus of teachers. Massachusetts has 5,000 certified teachers without a job, so when I go around asking for extra slots for Puerto Rico—it is a wonder we are alive. But are we trying to continue and perpetuate the jobs for teachers—and I respect their need of a job—or are we going to meet the need of children standing there being lost and then filling the welfare ranks in the future, the drug addiction, all the things that go with school dropouts, with people who cannot read or write, who are functionally illiterate in two languages. They speak Spanish, but cannot read and write it. Their English is poor and they are never up to par and there they are.

So to get back to the practical part. The district should give the basic cost of education. The state can add the excess per capita. Then we need the higher funds from the Federal Government for massive teacher preparation. For the extra preparation for bilingual, that is very expensive. But if we don't give these children even in a bilingual program a marketable skill, that piece of paper that says they came with a general diploma from a high school—we sell them down the line if they only have bilingual four years and no marketable skill.

We need help from our administration on the state level. The last time I was in Albany—they have a heroic director, and a sister helping them and a secretary. Three people in a state that has one-third the population of Puerto Rico residing in it with 250,000 Puerto Rican children alone. In Massachusetts we have a secretary and three supervisors for the whole state. We need extra help. We need specialists in curriculum and teacher assessment in testing at state level who can give technical assistance throughout the state for emerging programs.

We need all kinds of research. We are all running around trying to get resources while we are busy at a million things because we cannot stop. We have 5 million children needing to be helped now.

So in my written account, which is nothing of what I have said now, you will read the individual needs and I am sure they have been reiterated because everybody knows. I know that Senators Kennedy, Cranston and Montoya have presented legislation already to the Senate that speaks in terms of $250 million, which sounds like a mint. We are only spending $35 million, but I heard someone say a billion and my heart soared because we have 5 million children who need bilingual in order to survive educationally.

When Mr. Cruz was saying about $85,000 for 815—like $100 per capita for his little program annually—it is nothing. So by all means the skeleton which the district provides—and it should assume its responsibility—I don't believe in Title VII taking over total education of the child and taking the district and the state off the hook. It is nice, but they should do their part, the ordinary per-capita at district level. Excess per-capita for basic bilingual program—then if a state and local is doing that much to help those children, I think the Federal Government can afford to be generous to them. For states like New Mexico or Arizona where they are already putting 80 percent of their budget in education, they need more massive help than Massachusetts.

We have 15,000 non-English-speaking children in the whole state. We can afford to be generous with 4 million dollars. We can take care of it.

Now I open it for any questions of specifics.

Mrs. Chisholm. Sister Vicente, your testimony is just almost overwhelming in terms of the warmth and the deep feelings and convictions you have over the fact that basically this is a human problem. I wish that you were in the position of being able to make appearances before the bureaucrats, the curricula planners and all of those persons who have overwhelming overriding problems that they have to deal with in their specific capacities.

I am so glad that you appeared before this committee this morning because the thread that kept running through your remarks was the fact that indeed we have tried to assimilate everybody into the so-called melting pot when in reality we are nothing but a wonderful salad bowl, a mix, a coming-together of all kinds making their contribution to the so-called melting pot.

I was wondering if you really felt basically that we cannot in any way leave the bilingual programs up to the decisions of state or city governments, because those programs might receive very low priorities because of the fact that many of these persons coming from these groups are not powerful people. In other words, for example, we are talking about revenue-sharing right now.

If you just talk about revenue-sharing generally and do not speak about stipulated grants, the people that need the help would get lost completely. I was wondering if you felt now that any kind of legislation pertaining to bilingual education that comes before city councils or state legislatures or Federal Government—we can no longer put in the legislative "may." We must have a mandate.

Sister Vicente. I feel strongly so.

Mrs. Chisholm. Is that what you recommend?

Sister Vicente. Strongly so. A number of states have discretionary bilingual laws, but they just touch on the problem. We are just asking a favor. When it is compensatory, it puts these children in the position of their problems instead of assets.

By all means we know there are priorities of all kinds and that bilingual education is never going to be the total priority everywhere where it is needed. We expect them to respond when we just ask them for a favor. It is not ordinarily going to happen. Even in Massachusetts I spend my time trying to educate the educated, running around to committee meetings and budget hearings and when all else fails, then we take out the statistics and say, "We have the power to withhold all your state funds. Are you going to do it or not, or do you want to go to jail?"

There has to be a point of accounting. And that must help very much.

Mrs. Chisholm. Second, do you really feel that—before we would really talk about meaningful—and that is the key word, meaningful—bilingual programs—that it would be most important that those persons who have the responsibility of chartering these programs, drawing up these programs and also have the responsibility of being bogged down by statistics and how much money—do you feel they forget the human element completely? Do you really feel that it is almost of urgent necessity that persons such as yourself and others who have had actual experience in the field should be the advisers to all these different committees and attempt to draw up a program based on human relations?

Sister Vicente. I feel sensitizing legislators was the thing that won us the Massachusetts law.

Mrs. Chisholm. Thank you very much. Mr. Meeds.

Mr. Meeds. Thank you, Madam Chairman. Sister Vicente, one of the rewards of this job is to have the opportunity to see fine people like you in action. Every once in a while we get a person who seems to say it all in a very succinct and unemotional way. I just thought as I listened to you how I wish that I could have put you inside my suit and sat you on the floor of the House about three weeks ago to have replied to one of my colleagues who was questioning the validity of any bilingual education since he had come from the old country and he was proud to say he was an American. He could not understand why other people wanted to retain some of their own native background.

As I listened to you, I wished you were there to reply to him. I was incapable of doing it as you would have.

I am going to take your spoken statement and insert in the record as a reply to that statement. Also the written statement will be made part of the record.

I was not being facetious when I mentioned a billion dollars. Perhaps I was being unrealistic in terms of getting that much, but in terms of the enormity of the problem, not at all. San Francisco educators were here indicating they are spending approximately $300 per student for bilingual programs in the City of San Francisco. We are spending at the Federal level about $350 per student on bilingual programs.

If you take that and multiply it times the 5 million, as you point out and as other experts indicate—5 million students that are in need of bilingual education—you get some idea of the enormity of the cost of this program, about $1.5 billion per year. So I don't think $250 million is at all unrealistic because I would say, particularly as we pointed out through the witness before you, initially at least that much is required. I assume you are a strong supporter of the Senate bill.

Sister Vicente. Very much so, yes.

Mr. Meeds. I assume also you are very much in favor of the teacher education aspects of it.

Sister Vicente. So important. May I add one thing about this billion dollars? At present federally we spend $1 billion force-feeding foreign language students on a secondary and college level to give them their academic status they need to go to the college of their choice and they cannot order a cup of coffee when they go abroad. It is misspent and we are sandpapering out of this linguistic minorities.

When I went to school I was not allowed to take Spanish because I know it. I learned to read and write it fluently in graduate school. It is such a misplaced thing. In Massachusetts we are introducing a new law for language maintenance, that when children come out of their bilingual education program which is, I am sad to say, for three years, they will be able to maintain their language. at the level of their proficiency. Then we will have a real cadre of truly bilingual people that we need.

Every doctor and nurse and lawyer in Boston is asking me for conversational Spanish so he can make it economically with his patients or clients because they are being overrun. The Portuguese children are learning French as their second language. They can hardly speak English. It is a confusing need.

So we should put our money where the true need is.

Mr. MEEDS. I agree Again I much appreciate your testimony.

Sister VICENTE. Thank you very much.

Mr. BENITEZ. I would like to make one observation. First I think that those of us who have been privileged to be here today are most grateful to you. This has been one of the best testimonies in my year and one-half we have heard. And I am saying this—the punch line comes in a minute. But the point I wish to emphasize is that we have seen this, a display of charm and of grace and this is what the sister and I when we used to study Greek identified under the word "charisma," which means the Grace of God.

And my sense of drama and of propriety makes me say this—because when all of a sudden I saw these two charismatic ladies—my colleague, Shirley Chisholm, and my former compatriot in Puerto Rico get together, I must say to my other colleagues that if these two sisters join efforts, the walls of bureaucrats will crumble down.

Mrs. CHISHOLM. Thank you.

I would just like to say once again that we certainly do appreciate your efforts and one of the things that came home so clearly to me as you were speaking was the fact that I have many, many friends from different countries who are part of the United Nations and whenever I go to the United Nations and listen to these women from Asian countries, European and African countries, not only speak their own language so fluently and beautifully, but also handle the English language so beautifully, and then I look around at the Americans who will be there, women and/or men, who are not able to converse or understand, I almost feel in a way by the attitudes of some of them that "You all should be speaking English"—I think we are going to have to learn something about this kind of patronizing attitude that many of us have with respect to other peoples who are fluent in both languages or two or three languages and realize that this is a world community.

Sister Vicente, I am not ashamed to say that one of my assets in the political arena today in America is my fluency in written and spoken Spanish, and this is one of the things I use constantly. I think many of us have to recognize that, whether we want to face the fact or not, the world community is narrowing and that we have thousands of persons of Spanish-speaking origin in this country and in some cities in this nation and very soon in the near future this is going to be the dominant ethnic group in these cities, so I think it behooves us to get off our paternalistic attitudes and realize we are a salad bowl and not a melting pot.

Thank you.

TRIBUTE TO ALBERT WEISMAN

Mr. YATES. Mr. Speaker, one of Chicago's most beloved citizens has passed away. My good friend, Al Weisman, well known and well respected by all who knew him died on March 23, 1974, a sudden victim of a massive heart attack.

Al was the personification of the famous line from the poem by Sam Walter Foss:

> Let me live in my house by the side of the road, and be a friend to man.

Al was truly a friend to man—every man. He loved people; he overlooked their weaknesses and their foibles. He stressed their attributes. He had a capacity for great compassion.

People liked to talk to Al because he would share their problems and their anguish. He helped them in their time of need and sparkled with them in their time of happiness. He was warm and encouraging. People came away from talking to him with a good feeling.

Al loved politics. Perhaps it was his natural bent for show business that gave him his intense interest in politics and current affairs. He knew everybody in political activity, from the mayor to the precinct captain. He was a pragmatist with ideals. His pragmatism never stooped to mean ends.

He always looked for ways to make politics better by supporting good civic causes and those who advanced them.

It was fun to be with Al. He was bright, perceptive, witty, and he loved to laugh. A gathering took life whenever he was there. A community cause gained impetus because he participated.

He was the organizer and general of the Wellington-Oakdale Marching Society. On every national holiday, the flag would be raised in front of his home at 11 a.m. and his friends in the immediate neighborhood gathered with their children to march behind the flag down Wellington Avenue, Sheridan Road, and Oakdale to St. Joseph's Hospital where the sisters distributed lollipops and candy to the kids. His marching society started with only a few friends, but over the years it grew to a force of almost a thousand, augmented by marching bands and recorded by television cameras and newspaper photographers. Al walked in front wearing his tricornered hat, giving the occasion color, fun, and an all-embracing sense of belonging.

Mr. Speaker, I shall miss Al very much. When I think of him, I shall recall how appropriate for him, too, was the line by Abraham Lincoln:

> Die when I may, I want it said of me by those who know me best that I always plucked a thistle and planted a flower where I thought a flower would grow.

To Annie, his good wife, and to his beloved family, Addie and I extend our most profound sympathy and our love.

Mr. Speaker, I attach eulogies given at his funeral by Irv Kupcinet, Jon Anderson, Fairfax Cone, together with press notices:

AL WEISMAN EULOGY

(By Kup)

Friends of Al and Annie, of Sydney and Tony and Kim: I sense the feeling that pervades this gathering. It is one of shock and disbelief. All of us were stunned. Al Weisman, so vibrant, so vital, so vigorous one day: a victim of a heart attack the next.

Al Weisman gone? To those of us assembled here, that is incredible and impossible.

This gathering is the greatest eulogy of Al Weisman. Persons of all walks of life, from the high and mighty to just "ordinary people" have come together to pay respect to a beloved friend who left his imprint on all with whom he came in contact . . . because Al Weisman cared. He genuinely cared about his fellow being. A unique attribute in this impersonal, computerized society.

And all of us have something in common, in addition to our love for Al Weisman. Each of us, in his own way, could write a story on the most unforgettable character I've ever met.

And each of us would be writing about the same person.

Al Weisman is unforgettable . . . and will remain so in our hearts and in our thoughts.

The medical report states he died of heart failure. But I reject that explanation. Al's heart never failed anybody, himself or his friends. It was steady as the stars . . . ask the many he befriended. It was as faithful as the tides . . . ask the members of his bereaved family.

There was room in his heart for all.

Many of you gathered here today know so much about our most unforgettable character . . .

Of his days as a newspaperman in St. Louis:

Of his work with the Community Fund, which brought him to the attention of the Chicago newspaper fraternity:

Of his 18 years as an advertising executive with Foote, Cone & Belding, which he served as its good will ambassador:

Of his involvement in politics, including the campaigns of Adlai Stevenson and Joseph Lohman:

Of his efforts, in conjunction with Bill Hartmann, to assure an appreciative reception of Pablo Piccaso's prodigious contribution to Chicago:

Of his last role as Assistant Vice President for Public Affairs at the University of Chicago.

These, and many other of his interests, are well known to this gathering.

May I add a few personal memories that make Al so unforgettable.

We were friends for more than 25 years—without a single angry interlude. And throughout this period, my office phone would ring every morning at approximately 9:30. Al would be on the other end—asking some penetrating question about the state of our nation or our city, commenting on the day's news, or offering some stimulating suggestion for the column or TV show . . . many times to be pursued later over our frequent lunches.

He was as stimulating as he is unforgettable.

I loved and admired him for his concern for others. Like his students at Columbia College, each of whom practically became his private ward. And his delight over one of his students, a part-time vendor at the ball park, who invariably greeted him in the stands with, "Hi, Professor Weisman!" for all to hear. Or the bank teller on Michigan Avenue who saved souvenir Kennedy half dollars for him—and whose personal problems Al helped solve. And the time he mobilized so many to memorialize his friend, producer Marshall Migatz, a victim of an auto acident. Al felt Marshall's contribution to the theatre should be fully recognized and he put in motion the campaign to keep the academy playhouse operating in memory of Marshall Migatz.

And the joy he realized in turning actor briefly for a role in *The Front Page* at the Academy Playhouse, then located at Loyola U., a joy that stemmed from his association with a play about the newspaper profession, which was his first love.

This desire to share with others was typified when he started driving from his north side home to the south side campus of the University, a daily chore that ran the risk of life and limb for him. But Al, so characteristic of him, wouldn't waste all that car space driving alone. He arranged to pick up friends so he could drive them to the loop or beyond. It was perhaps a small thing, but it was an indication of how he forever was thinking of helping others.

And then there were those Sundays during the fall when I drove him home from the football games, first from Wrigley Field and then Soldier Field. And his invariable needle on entering the car, "Well, expert, explain why they lost this time."

And his many hats that reflected his mood. Al wore many hats in life, both figuratively and literally. Nobody knows how many he owned. There was the tam he affected for a spell. Then the baseball cap, then the stocking cap, then the fur piece, then the C-monogram cap for the University of Chicago, and then there was the tri-corner. I suspect he loved the tri-corner best because it identified him with the Wellington-Oakdale Old Glory Marching Society, which he founded and nurtured after his friend, Sherman Wolf, presented him with a flag.

What to do with a flag? Why a flag is for a parade, reasoned Al. And who better to parade to the beat of the drummer than youngsters? Thus did he come upon the idea of the neighborhood marching society . . . for fun, of course, but also for the more serious purpose of instilling love of country into the youngsters.

And thru his efforts, the Wellington Oakdale Old Glory Marching Society attracted attention in the press, then on television and finally, across the country as a model for other cities.

You can measure a man by his respect for his elders and his dedication of youth. Al's devotion to his parents was a joy to behold. And at the other end of the age spectrum was his unbounded elation over the pint-size patriots of the Old Glory Marching Society.

A Jewish theologian and poet who lived in the middle ages once wrote, "Man should be both master and slave—master of his will and slave to his conscience."

No better words can describe Al Weisman . . . for certainly he was master of his will, as much as any of us can be, and he definitely was a slave to his conscience, which constantly called on him to help his fellow man.

He was a man of love and devotion, as his wife Ann and daughters Syndey and Kim, and son Tony know so well.

The Talmud teaches us that "the righteous need no tombstones, their words are their monuments."

Al knew how to use words . . . he knew how to communicate . . . even tho, as many of us know, he often spoke in half-finished sentences. But he never failed to get the message across—professionally or personally.

Yes, we all have known a most unforgettable character.

And may I end this eulogy by quoting a line from the poets that has so much meaning for all of us:

"They are not dead who live in the hearts they leave behind."

For Uncle Al

(By Jon Anderson)

Someone from out of town once asked me, "What does your friend Al Weisman do?"

Well, I explained, he wears a pirate hat and he marches around the block on holidays. He can get you a job or tickets to anything. You can call him up from anywhere in the world and he'll give you the latest news. He knows most of the Andy Frain ushers at Wrigley Field and he can get you into the sunny seats when yours are in the shade. And when you get there chances are that the hot dog man will be one of Al's students from Columbia College and Al will get the guy to tell you a lot of things you never knew about the selling of hot dogs.

The remarkable thing about Al was that he knew so many people so well. Or rather, that he *understood* so many people so well. He was a man of endless energy and endless patience, talking about problems, encouraging, advising, organizing. The Picasso statue dedication. The Marshall Migatz theatre fund. We all know of hundreds of ventures Al was involved in beyond his formal jobs with Foote, Cone & Belding and the University of Chicago.

But the essence of Al came out best during his parades. There was a wonderful, warm humor to those days, and it is worth noting that in a decade it hardly ever rained on Al's parades. What each parade did was to pull together a whole community of peripheral friends, those people you don't see every day, but you wonder how they're getting on. The parades centered on Al, and what he did for the community was to keep us all together.

It was fitting that his retirement gift from Foote, Cone & Belding was a specially-designed telephone and that it sits in the den of the Weisman home where most of us have sat and talked with Al on numberless occasions.

Al kept us together, by taking the time to be a close friend, a listener, an encourager, an adviser to many, many people.

That's what Al Weisman did, and he did it better than anyone I know.

Al Weisman

(By Fairfax M. Cone)

Al Weisman never knew a helping hand to be too much trouble.

Indeed, he never looked upon it as anything but sharing an experience, which he did without stint, taking his share from the vast reservoir of an open heart.

Al's friends can be numbered in many hundreds.

He made these wherever he paused in a moving, exciting life.

In St. Louis, as a very young man in newspaperdom.

In Alaska, in World War II.

In Chicago, in the Community Fund; at Ebony magazine, and his annual neighborhood children's parade.

At Foote, Cone & Belding, and Columbia College and, finally, at the University of Chicago.

In each of these he left his mark. And from them and from their people, large and small, he took the sustenance that was given him, or perhaps it would be more accurate to say the sustenance that was repaid to him—in friends.

Of all the things Al Weisman understood, and there were many, this was the one by which he lived with his warm helping hand, giving much, asking little.

From the John Callaway Telecast on CBS, Chicago, Sunday, March 24, 1974, at 6 P.M.

The obituaries will tell you that Albert P. Weisman was a reporter with the St. Louis Globe-Democrat and the St. Louis Post-Dispatch before launching a public relations career. The wire services remind us that Al Weisman worked for presidential candidate Adlai Stevenson in 1952, that he helped organize public television station WTTW, that he ran public relations for the big advertising firm of Foote, Cone & Belding for 18 years . . . and then finished his career at the University of Chicago.

And many of you viewers will be familiar with the Wellington-Oakdale Old Glory Marching Society, which Al Weisman founded in 1963. This holiday parade effort reflected Al Weisman's unabashed patriotism at a time when flag waving wasn't very fashionable. And it really is not surprising that Al is not to be seen in our film of the parade. Because Al Weisman was foremost among that very small behind-the-scenes club that makes things work in this town.

Nobody was better with a telephone. He would call a reporter and speak with a soft, conspiritorial voice: "John, do you know what's going on at City Hall today."

Some misinformed people didn't take Al Weisman seriously because he walked like his feet hurt, in those baggy pants, and he talked out of the side of his mouth. They didn't realize how he got things done in this town like his incomparable promotion of the Civic Center Picasso sculpture.

He was a one man employment agency. He was a floating city editor with a dozen story tips a day for writers and reporters. He had the power and good humor to gently remind politicians and TV people not to take themselves too seriously. He brought together powerful people on opposite sides of issues. He was an enabler, a go-between; he provided the social lubricant so badly needed in the ambition-ridden world of politics and media.

The last letter he wrote to this reporter—and he must have written a hundred notes a week to people—was signed with the word most men fear to use and the word that best represents Al Weisman. It was signed, "love."

[From the Chicago Sun-Times, Mar. 25, 1974]

Laughter His Legacy: Al Weisman's Stories All Told Now

(By Tom Fitzpatrick)

We were sitting upstairs in Hobson's one day and Al Weisman reminisced about one of the many zany things that happened while he was handling political candidates.

"I managed Joe Lohman's campaign for sheriff one year," Al said. A tiny smile began forming around Al's eyes as he talked, so I knew this would be a good one.

"We were doing just fine. The press was great and we could sense we were ahead.

"Well, about two weeks before the election, Gov. Stratton comes up with a tape on which Lohman is saying that policemen have a tendency to marry prostitutes."

Al interrupted his story until all those around the table could control their laughter.

"Well, you can imagine the wives of all the policemen were ready to lynch all of us who have anything to do with Lohman's campaign. For days, I have to deal with them, trying to calm them down.

"So we decide to hold a press conference to straighten everything out. It turns out the Lohman quote was lifted out of context from a lecture he delivered about the quality of mercy.

"Lohman managed to explain this to everyone's satisfaction but he couldn't stop at that. Right at the end of the press conference he added: 'You know, clergymen have the same tendencies.' "

Al's face took on a look of mock horror.

"I stopped breathing," Al said. "I couldn't believe it was happening. But we were lucky. The only one who picked up on this angle was a guy from Time magazine and his story didn't appear until the day after we had won the election."

There will be no more long lunches with Al in Hobson's. No more chances to hear Al expound about his days as a police reporter, either. Sadder still, there will be no more opportunities to be with him and watch and listen to Al serve as a conscience for the newspapermen of this town.

Al died Saturday night in Billings hospital at 59.

He suffered a heart attack Friday afternoon while walking across the quadrangle at the University of Chicago where he was the assistant vice president for public affairs.

Al had a full life. He had been a newspaperman and then a public relations man who became a vice president at Foote, Cone and Belding. He had worked in both presidential campaigns for Adlai Stevenson.

But there were so many sides to him. For example, he used to dress up as the Easter Bunny for the kids' party at the Lincoln Park Zoo.

And one day, back in 1963, Al founded the Wellington-Oakdale Old Glory Marching Society.

How did it start? For Al it was simple. His friend, Sherman Wolf, had given him a parade size flag as a joke. Al got a handful of kids together and started an annual parade.

Through the years, the parade has become a community fixture with politicians vying to take part. Al was happy to have them all on one condition. They could march but they could not give a speech.

Al was always proud that his daughter Sydney had turned out to be a reporter for WLS radio.

Many times during long conversations, Al would suddenly ask:

"How's she doing?"

"She's doing fine, Al," I'd say. "She's good."

Then Al would ask: "Do you think she's happy?"

"I think so, Al. I think she is."

Then Al would smile and shake his head slowly.

"That's really the most important thing," he said. "I want her to be happy."

Sydney remembers another day when she and her dad were driving somewhere in a car.

All at once the conversation turned from high comedy to seriousness (this is the way it always was with Al), and Al said to Sydney:

"You know, if I had any legacy to leave my children it would be the ability to laugh at themselves and to always have a sense of humor."

There was so much about Al Weisman that people didn't know.

Once, I remember him saying he wanted to write a book some day about his life.

"I've really had a good life," Al said, "and I'd like to sit down and tell it all so that my kids could read it. I think they'd like it."

[From the Lincoln Park-Lake View Booster, Mar. 27, 1974]

WELLINGTON-OAKDALE'S WEISMAN DIES; PARADES TO CONTINUE AS MEMORIAL?

The Wellington-Oakdale Old Glory Marching Society, a ragtag crew of fledgling patriots who toted an unwieldy flag through the streets of Lake View to celebrate major holidays, will no longer be able to follow the leader.

Al Weisman, a man who used to rival the Pied Piper as he strutted ahead of his pint-sized marchers of the Society he founded in 1963, died last week at age 59.

In more sedate circles, the North Side resident was identified as the assistant for public affairs and director of public information at the University of Chicago.

During a lifetime of involvement with the media Weisman worked for both presidential campaigns of Adlai Stevenson and for 18 years with the advertising firm of Foote, Cone and Belding, many as vice president in charge of public relations there.

But, as one neighbor observed, no job was important enough to confine him and he was always looking for "other hats to wear."

The most colorful hat he donned was undoubtedly the three-cornered, Napoleon-like topper that made the 5-foot-7 dynamo stand out in the crowd of youngsters he led in parades.

With a parade-size flag donated by a friend, Weisman started an annual event about a decade ago. Leading a ragamuffin gang of East Lake View kids, he would direct a parade that begin at his home at 513 Wellington, snaked along Sheridan to Surf and stopped at St. Joseph's Hospital when the nuns there offered candy to the tired troopers.

As the fame and fun of the parade captured attention, politicians and local community leaders joined the fanfare on Memorial Day, the Fourth of July, Labor Day and Halloween, but Weisman insisted that no speeches interrupt the hilarity.

"He seemed to know everyone in this community," mused one friend of the newspaperman and public relations director. "He truly gave a sense of community to this area."

Other community leaders hoped that the paraders would continue the street play that he began as an appropriate memorial to his leadership.

Mr. Weisman died Saturday night, March 23, at Billings Hospital after suffering a heart attack Friday afternoon as he crossed the central quadrangle at the University of Chicago campus.

Born in St. Louis, he joined the Globe-Democrat there in 1932 where he wrote features and served as night city editor before entering the army in 1942. Weisman spent most of World War II as a war correspondent for Yank, a magazine for enlisted men.

Survivors include his widow, Ann; a son, Tony; two daughters, Kim and Sydney, and a brother, Paul. Services were held March 26 at Sinai Temple, 5350 S. South Shore. Interment was in Rosehill cemetery.

The family requested that, in lieu of flowers, contributions be made to the University of Chicago to establish a fellowship for working journalists.

[From the Chicago Daily News, Mar. 26, 1974]

AL WAS A MAN WHO LEFT A SMILE IN HIS WAKE

(By Joe Cappo)

If I thought Al Weisman would have wanted me to write his obit, I would wax poetic about his accomplishments. But I'll leave that to the chroniclers.

While the memory is still fresh, the least I can do is share some of it with you. Those who didn't know Al are probably wondering why so many of us in the press have made such a fuss over his death.

Well, Al was a puckish man who could saunter through the city room of a newspaper, gabbing here and there with reporters and editors. He had that magic ability to maintain three unrelated conversations at one time, and he always walked away leaving smiles in his wake.

Considering the less-than-cordial nature of most newsmen at work, this ability was unique. I don't know of another PR person who was so welcome at the Chicago newspapers. But Al could even carry off the same ritual at the New York Times.

This wasn't public relations, though. It was more the mark of a man who was a joy to know.

I can tell right now that I will never be able to capture his spirit in these empty words. Suffice it to say that he was a warm, compassionate man, the kind whom many sought for advice and understanding.

He had a bounce in his step and a gleam in his eye, most evident when he led the holiday marches through his neighborhood. And the Wellington-Oakdale Old Glory Marching Society that he stated was an important part of his life.

Before moving to the University of Chicago a few months ago, Al handled public relations for 18 years at Foote, Cone & Belding. It was during this time that I came to know and love Al Weisman. I don't mean to imply that I was his best friend . . . but only that he had the ability to make me and hundreds of others feel that they had a best friend.

In five years of conducting this column, I have written only one other piece about a person who died. He was Leo Burnett, a giant in the advertising business. Al Weisman was his own kind of giant.

No more than a week ago, he was desk-hopping through the city room of The Daily News. He stopped by and sat in a chair that I'm staring at right now.

In the middle of one of those disjointed, half-sentence-studded conversations that we always seemed to have, he mused: "In the 18 years I was in the advertising business, I never got an ulcer. But lately, I don't know. Maybe I'm getting old . . ."

A few days later, at age 59, he died, felled by a heart attack.

But before he left the office that day, he talked about leaving the advertising business that I cover, and asked: "Tell me, Joe, do you miss me?"

We all miss you, Al.

[From the Chicago Daily News, Mar. 25, 1974]

A. P. WEISMAN RITES TUESDAY; UC OFFICIAL

Services for Albert P. Weisman, assistant vice president of public affairs and director of public relations for the University of Chicago, will be held at 11 a.m. Tuesday in the Sinai Temple, 5350 South Shore Dr.

Mr. Weisman, 59, of 513 W. Wellington, had a heart attack Friday and died Saturday in Billings Hospital.

Mr. Weisman's career as a Chicago public relations specialist began in 1947 when he served as the representative for the Chicago Community Fund.

He then was a Chicago correspondent for the St. Louis Post-Dispatch. He previously served as feature writer and night city editor for the St. Louis Globe-Democrat and was a combat correspondent during World War II for "Yank," the enlisted men's magazine.

After a brief stint as public relations director for the Los Angeles Community Chest, Mr. Weisman returned to Chicago as public relations director for Ebony Magazine.

He next handled public relations for the 1952 presidential campaign of the late Adlai E. Stevenson and then opened his own public relations firm, which focused on political candidates and welfare organizations.

In 1955 Mr. Weisman joined the advertising firm of Foote, Cone & Belding. He supervised 5 U.S. and 14 international offices for the firm before being appointed to his university posts last August.

Mr. Weisman was best known outside his public relations work for having launched the "Wellington-Oakdale Old Glory Marching Society." The society consists of area residents who parade through the North Side neighborhood on major holidays.

Mr. Weisman also was instrumental in establishing Chicago's public television station, WTTW (Channel 11). And he served as a director of the Lincoln Park Zoological Society and a trustee of Columbia College where he taught urban politics. He also taught at the University of Chicago's Metropolitan Institute.

Memorial contributions may be made to establish an Al Weisman fellowship for working journalists.

Survivors include his wife, Ann; a son, Tony; two daughters, Kim and Sydney, and a brother, Paul.

ARTICLE ON TECHNOLOGY TRANSFER IN SOUTHEAST ASIA

(Mr. HANNA asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. HANNA. Mr. Speaker, I would like to bring to the attention of my colleagues the following article by Mr. Ibrohim Clark. The article is based upon a discussion paper first presented at the One Asia

Assembly in Manila, Philippines, in 1971. It contains information concerning technology transfer in Southeast Asia which relates directly to a bill I introduced today to establish an "International Science and Technology Transfer Institute."

Patterns for Effective Use of Science and Technology in Southeast Asia

(By Ibrohim Clark)

This paper is an effort to suggest means of using science and technology in Southeast Asia so that rapid benefits can be achieved without disturbing the balance between peoples' inner needs and their worldly activities. It is a discussion concerned with the patterns of development of science and technology in Southeast Asia, and will suggest means for implementing these patterns, with specific examples of scientific and technological areas important to the full development of the potential of the people and resources of Southeast Asia.

An opening question: What is the function that science and technology should play in the nations of Southeast Asia in order to accelerate their achievement of full domestic capacity as well as a greater role among the nations of the world?

Advanced planning for the use of science and technology can preclude some of the hazards of unbridled, unplanned growth we have experienced in the west. Science and technology need not lead the peoples of Southeast Asia down the road of environmental abuse and destruction, machine domination, and weapons brinksmanship. But these very excesses of technology unfortunately experienced all too often in the west may yield certain insights as to the appropriate patterns of scientific and economic development in Southeast Asia. If we look for a balance between social and spiritual development on the one side and economic, scientific and technological development on the other, than the infusion of science and technology may accrue lasting benefits. Thus it is essential to consider patterns of scientific and technological development concommitantly with the social and spiritual climate of the individual and collective nations of Southeast Asia.

In order to maintain this balance in practical, realistic, and specific planning for intensified use of science and technology in the nations of Southeast Asia it seems necessary to plan structures which will protect such balance. Some examples already exist in Southeast Asia, some are just evolving and unfortunately, some negative effects have already been felt where too little attention has been paid to such a balance.

It seems that the key word for success may be cooperation. That is, sharing of the initial and even continuing responsibility for the development of both basic and applied scientific research.

An excellent example of such sharing has occurred at the Applied Scientific Research Corporation of Thailand. This organization was established in Thailand on May 20, 1963 by Royal Assent. This Thai National Research Organization, now in its 9th year, is chartered to "initiate and carry out applied scientific research and investigations concerned with natural resources, industries and administrative services of Thailand, including the health and welfare of the Thai people, and to promote and support such research." The organization is also supposed to, "promote the application of the results of applied research for the benefit of the nation, train scientific research workers, and provide a central service for making scientific tests, and measurements of all kinds."

This research organization, started with the cooperation of foreign scientists and the financial assistance of UNDP, is now engaged in many research projects important to the development of Thailand and Southeast Asia. For the first five years after its foundation the research posts were shared by foreign scientists and Thai scientists. This arrangement even included the Australian Research Director and his Thai counterpart.

Within the Applied Scientific Research Organization there is a Technological Research Institute, an Agricultural Research Institute, a Nutrition and Food Sciences Research Institute, and a Center for Environmental and Ecological Research. The latter has conducted detailed studies in humid tropical forests of Thailand, including forest regeneration, watershed management, wildlife conservation, etc. These studies have contributed to the International Biological Programme. This Research Institute is presented as an excellent example of how a first rate scientific research organization can be established with foreign scientists participating for an extended period, but governed by the national government, and now, Thai scientists. It is noteworthy that this organization required the passing of a special act to establish it which provided exception of salaries from the Civil Service Act (thus allowing the scientists to participate and exchange positions on an international scale) and funding earmarked for a 5-year period, giving it ample time to become established and demonstrate its value.

Such research institutions could be established in other countries, throughout Southeast Asia following a similar legislative, implementation, and operation pattern.

Another national research organization with somewhat more limited range of research activities is the Bogor Botanical Gardens in Indonesia. This research center is now becoming the center for a new regional development research organization called BIOTROP which should become a model for regional cooperation in tropical biology studies in Southeast Asia. The development of BIOTROP has taken some 4 years. The Southeast Asian Ministers of Education Council (SEAMEC) first considered BIOTROP in 1966 at the 2nd SEAMEC Conference in Manila, and Indonesia was honored to be the host country for a SEAMEC Regional Center for Tropical Biology at Bogor Botanical Gardens. The basic funding for various SEAMEC projects was established at the Manila Conference. The United States pledged 50% of the operational and capital costs and the remainder comes from non-U.S. government sources. Member countries and the Ford Foundation have provided the major portion of this 50% support.

Other projects fostered by SEAMEC include:

1. Six national Tropical Medicine Centers located in Indonesia, Laos, Malaysia, the Philippines, Thailand, the Republic of Vietnam, with a Central Coordinating Board located in Bangkok.
2. The Regional Centre for Graduate Study and Research in Agriculture, located in Los Banos in the Philippines.
3. The Regional Centre for Education in Science and Mathematics, located in Penang, Malaysia.
4. The Regional English Language Centre in Singapore.
5. The Regional Centre for Training, Research and Post Graduate Study in Tropical Biology in Bogor, Indonesia.
6. The Regional Centre for Educational Innovation and Technology, located in Saigon.

It is easy to see how this regional organization can spawn centers for science and technology that benefit all the nations of Southeast Asia.

A somewhat different approach to the introduction of scientific research into Southeast Asia is presented by the Rice Research Institute in the Philippines. It also represents a cooperative effort of international scientists, but has been established financially through private foundations. Its effect on food development has become well known throughout the world. It is the kind of research activity which I believe a United States International Development Institute would encourage and support.

Another new approach for development is now being initiated in Indonesia in East Kalimantan, where a research project, although national in scope, may have regional and even international significance. The purpose of this Indonesian project is to develop tropical forest, agricultural and wildlife research areas to: 1) test and verify methods of increased productivity and multiple use, 2) determine the most effective methods of management and administration, 3) provide and area for tropical forestry and forest product studies, 4) study all ecological aspects of the research, and 5) to provide educational exchange in all aspects of tropical land ecology.

Planning for an entire research and development community is being considered by landscape architects, community planners, and social scientists so as to provide maximum compatibility with the local people, community structure and social life patterns. It is anticipated that tropical forest management techniques would provide a basis for governmental planning in multiple forest uses in Indonesia and Southeast Asia.

Financing for these studies would come largely from the wood and agricultural products of the research land.

In relation to planning for this project Professor Garrett Eckbo has said: "The world is filled with mistakes resulting from carelessly planned or haphazard development. These mistakes cannot be corrected, once made. Nor are simple quantitative controls enough—both natural ecosystems and human experience must be studied with maximum subtlety and sophistication."

Such a project, carefully planned and executed, can become a seed for total community development and a model for national and regional development and wise land use practices. And it can accomplish all of this while simultaneously improving the economic and social welfare of the people in the immediate area.

The tropical areas of Southeast Asia have been, and are, most vulnerable to haphazardly planned projects and area development and to outright exploitation of natural resources. The almost fanatical surge of public interest in the "quality of environment" now being expressed in the United States should serve as a flashing red light to the peoples of Southeast Asia—a warning for careful planning that will include preservation of the purity and beauty of land, water, and air for many decades hence!

I believe the leaders and peoples of Southeast Asia can now begin to see the dangers and damage to the environment from rapid, unplanned and poorly regulated natural resources exploitation. Surely it is understandable that such things could have occurred in the past, but today global concern for the quality of our environment has provided almost everyone with knowledge of this danger of unbridled economic exploitation and blind technology utilization. The high school and college students in America today are forming "action" groups on environment and ecology!

Yet concern for the environment should not hamper the development of natural resources through the use of science and technology in Southeast Asia. It need not. What is essential is that immediate planning includes a full consideration of the effects of new technology on both the environment and the peoples' social, cultural and spiritual values.

Just two examples of poor planning for technology will be cited here; the rest I leave up to you. Perhaps the most apparent exploitation of natural resources in Southeast Asia is that of timber. When tropical soils are left bare after timber cutting the microorganisms and soil structure often deteriorate so as to make the land areas almost worthless. With wise planning, however, cut forests could be replaced with a new, faster growing species of tree or converted to citrus fruit. Such forest management yields a much greater economic return in the long run. Experience and know-how are available for wise multiple forest use planning.

Perhaps the problem of off-shore oil drilling leaks has not yet been serious in Southeast Asia—I am not certain. I am certain that it could be in the future. When one looks at the off-shore oil concessions in Indonesian waters it seems almost a certainty that oil will leak from some of these drillings. And such leakage on the shores of Bali and other tropical islands will have an economic impact on tourism which can only be dimly realized. Often some simple geological, engineering or scientific planning will prevent such future mishaps. Recently in the Gulf of Mexico where a large oil leak occurred it was said that the damage could have been cut dramatically by the installation of storm chokes that close wells when the oil flows get out of control. The cost of these devices is $800 per well!

Exploitation of land areas for minerals in the United States has been, and is, a serious problem, both esthetically and economically.

With such warnings and knowledge of means of prevention, perhaps Southeast Asia can circumvent this negative impact of science and technology and haphazard natural resource exploitation.

Probably one of the best—and most dramatic—new scientific tools for recognizing and controlling such potential environmental abuses is the resource survey satellite. The United States satellite, technically known by the acronym ERTS (Environmental Resource and Technological Satellite), the first such U.S. satellite, was launched in 1972.

It has been made clear by President Nixon in the past year that Earth Resource satellite data would be made available to the developing nations (United Nations, September, 1969). Robert Packard, of the U.S. State Department, said in March, 1970: "We must move promptly and openly to develop this capability (earth resource satellites), seeking maximum foreign participation from the outset and making sure that these arrangements are consistent with the particular characteristics of this new technology as it unfolds." Packard further states in the same speech: "There seems little doubt as to the technical feasibility of surveying earth resources by remote sensors from satellites."

This fact is dramatically shown to be true by Phil Langley of the U.S. Forest Survey, who completed the first U.S. forest inventory utilizing satellite photography in 1969. Langley conducted a forest inventory on some 5 million acres of the Mississippi River Valley. The U.S. Forest Service said: "It is the first practical use of space photographs in forestry, and the first time a forest has been inventoried, using space photos." Although this method required photography from aircraft as well, it is only the first crude use of space photography for practical operational land and vegetation inventories. As the early weather satellite photos gave only crude data on cloud and weather patterns, so will the earth satellite data and its processing become much more sophisticated as user requirements are met.

Now we see that crop surveys can be made from a satellite and computer-processed by taking several photos of the same areas at different times. This is the great value of satellites—repeated pictures at regular intervals (orbits) of changing natural events, i.e., floods, rivers, vegetation, etc. Keith Arnold, Deputy Chief of the U.S. Forest Service, stated in a March, 1970 speech: "The Earth Resource and Technology Satellite's greatest significance is the fact that it will develop repetitive, synoptic space data for analysis and applications."

The nations of Southeast Asia, with support from international agencies, should already have begun the training of a small number of specialists in the most promising use of such satellite data. The data handling, data processing, and data analysis will be major parts of the implementation and practical use of such satellite photography. Only by establishing priorities of data use and data processing can the earth resource satellite data be brought to bear on some of the pressing cartography, land and oceans surveys of Southeast Asia.

PLANNING FOR ACCELERATED AND BALANCED DEVELOPMENT IN SOUTHEAST ASIA

With the preceding examples of good planning in a few projects, poor planning in others, and a dramatic new tool for natural resource development and environmental monitoring, we are now in a better position to look at a pattern of science and technology use in Southeast Asia which is practical and has some promise of success.

The most important theme that can be drawn is that specialists should *work with* the scientists and engineers of Southeast Asia until projects and programs are underway. This period of mutual effort between foreign experts and national experts has been shown to significantly benefit both parties. The foreign scientist or engineer goes away with a deeper understanding of the cultural, social and spiritual values of the peoples of the developing countries, while at the same time leaving behind some of his own skill and know-how. In the course of this working experience, bridges of understanding are built. Without a doubt, this is the real key to international relations!

A RECAPITULATION: ABUSES OF SCIENCE AND TECHNOLOGY AND ENVIRONMENT

Science and technology, when pursued without due regard for their impact on man's social and spiritual life and cultural values, is often destructive. More and more machines are built, more and more weapons are built; the very pressure of their existence drives man to finding more and more uses for them. This escalation of technology creates many new gadgets and activities for man but often makes his life more hectic, more complicated, and less meaningful.

Environmental abuse; enhanced by the more powerful technological tools, and exploitation to satisfy growth in materials needed for machines and products, are primarily due to lack of understanding of the long-term boomerang effect, i.e., an abused environment ultimately comes back full circle to abuse man. Men may then suffer this abuse through a shortage of the very resources they have depleted through wasteful initial exploitation. (The philosophy here is usually the greatest profit for the least expenditure.) But more often the abuse to man comes back through his further use of, or interaction with, a contaminated environment, i.e., water, and soil pollution, and adverse visual aesthetic effects.

AN APPROACH TO MINIMIZE ABUSES AND MAXIMIZE BENEFITS FOR SOCIAL GROWTH AND HUMAN WELFARE

Working on the premise that new approaches are needed in planning the transfer and infusion of science and technology into Southeast Asia then, we propose the following: Taking examples from those successful and effective science and technology projects already existing in the area—of both regional and national character—we suggest that centers of research and development be established in each nation of Southeast Asia on at least four levels:

I. Fundamental Scientific Research Centers associated with one or more existing Universities

II. Applied Research and Development Centers, working in coordination with the appropriate government ministries

III. Pilot Research and Engineering Projects, either at a fixed site or in the field, as required

IV. Full scale implementation projects which in many instances will require coordinated planning with landscape architects, community developers, and environmental specialists

Many such centers of scientific research already exist in the nations of Southeast Asia and these would provide focal points for expanded growth and development. Each of these national centers should be affiliated, where possible, in a regional network, with exchange of information, data facilities, and personnel. It may be an advantage to consider one center in each category as the coordinating center for that group, thus providing a means for central data storage, data arrangement and acquisition.

Some of these research centers, particularly those in categories II, III, and IV, could be set up on a self-sustaining basis and actually become examples of improved productivity and effective management.

These seeds for the planning of modern technology, set into the social and cultural patterns of the area, would hopefully grow and spread through regional cooperation toward the achievement of a dynamic and vital unity of development. This unity could then become the focal point for a new age—an age characterized by balance between science and technology and man's social and spiritual needs.

SILENCE ON INFLATION IS ECONOMIC FOOL'S GOLD

(Mr. HANNA asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. HANNA. Mr. Speaker, last Friday the distinguished Committee on Banking and Currency voted to table any consideration of various proposals to amend and extend the Economic Stabilization Act. Insofar as that vote reflected a desire on the part of the committee members to bring a halt to direct wage and price controls, I am in agreement with it. But insofar as that vote indicated an unwillingness to even discuss where we go from here in the inflation fight, and indicated an inability on the part of the Congress to actively rethink economic policy, I opposed it. To be sure, Mr. Speaker, those who read the headlines will salute the Banking and Currency Committee for bringing to an end an ineffective and unsettling income policy. But those historians who read the fine print will record that at a time of unprecedented inflation, of threatened unemployment, of shortages of basic commodities, of a general economic slowdown, and of a Presidency weakened by scandal, the Banking and Currency Committee took the "forceful" action of deciding not even to talk about what to do or to explain why we should not do what some have suggested.

Mr. Speaker, it is this failure to even candidly confront the issue before the committee that upsets me. To be sure, the majority of the Banking and Currency Committee decided to speak no evil last Friday. But the American people, it is predicted, will see and hear and—what is more important—will feel economic evil this coming year. Is our response to them truly that Congress is not even able to rationally discuss what to do about it? It is rare that Members of this august body have been so afraid of their own words. Let us not pretend, Mr. Speaker, that nondecision is a triumph even when it replaces ill-conceived action; our economic woes will continue, they will not solve themselves, and there is no triumph in being afraid to face them. There is a distinct difference between being put in a posture of retracing one's steps and appearing to give up.

This is not to say that the committee should have agreed to inequitable selective controls, as the administration first proposed, or to standby controls subject to legislative veto, as proposed by some of my colleagues on the committee. Even if the questions of equity are set aside, it is difficult to see how selective controls at this date could be any more effective than generalized controls have been. Similarly, standby controls would only contribute to the general uncertainty which exists as to what our economic policy is and what steps will predictably be taken to bring inflation back to acceptable levels without causing a recession in the process.

But I do submit, Mr. Speaker, that we should have taken the occasion provided by last Friday to begin the long and hard process of candidly admitting where past policies have failed and seriously consider what new approaches might be tried in the future. In point of fact, neither the selective controls nor the standby controls proposals were still seriously before the committee. The Cost of Living Council had effectively given up on the idea of selective controls in favor of a monitoring agency proposed by the distinguished gentleman from Ohio (Mr. STANTON). While some of the specifics of this new proposal needed amending, it at least deserved our attention and discussion.

It is apparent, Mr. Speaker, that much of the reason for the failure of our efforts at controlling inflation is that we and those put in charge of the program did not have a sufficient understanding of what its cases were. Both in terms of legislation and administration, our anti-inflation effort has been conceived in terms of developing an arsenal of weapons which could be used to attack temporary upsurges in prices brought about by rising demand and increasing costs—particularly labor costs.

From the perspective of hindsight, Mr. Speaker. I believe we can now see two fundamental errors in this entire approach. First, the emphasis has been placed upon developing short-term weapons when what confronts us is a long-term problem. What we need is to develop long-term strategy; what we have created is a catalog of short-term tactics. Second, price and wage controls have hit heaviest at the manufacturing stage of our commercial processes when the greatest inflationary pressures have been at the basic materials stage: metals, chemicals, fuels, and agricultural products. This is a whole new phenomena with which we have not been too acquainted.

The consequences of our approaching inflation with a short-term perspective have been all too clear: rather than discouraging inflationary behavior, the on-again, off-again way in which we have used anti-inflation tools has encouraged expectations that higher prices are the norm and inflation-fighting the exception. Thus, during the period that wage-price controls have been imposed, anticipation of a quick "return to normalcy" helped fan the flames of inflationary expectations. And when the controls have been lifted, there has been a quick rush to raise prices before the administration's economic blunderbuss was primed for the next barrage. This push to raise prices then becomes a self-fulfilling prophecy—the price rises give rise to new pressures for controls which, when reimposed, increase pressures for a new round of price increases, and so on.

Mr. Speaker, it is clear that this kind of scatter-shot approach to dealing with a changing economy provides no solution at all. The kinds of changes which are occurring in our economic system—and the world economic system—are long-term changes.

To deal with them, it is necessary to develop long-term economic policies rather than tools for mere crisis management. Only through the development of long-term economic policy which is realistic, workable, and politically acceptable can we encourage healthy expectations in our economic system. If we do not work hard now to help develop that policy, we are sure to face the continuing cycle of inflation, response, inflation, response, and so on.

The necessity for developing long-term policy ties in to the need to focus more of our attention on basic materials industries relative to our manufacturing sector. When anti-inflation policy must extend its long arm down to basic industries, the interdependence of that policy with other policies becomes more intricate. In the area of agricultural production, for example, our anti-inflation policy should relate to what our farm policy is and should be; it should relate to what our export policy is and should be; it should relate to changes in diet and new developments in technology for improving diet; and it should relate to improvements in our processing and distribution system.

Similarly, our anti-inflation tools in the energy area must be coordinated with long-term developments in fuel supply rather than merely short-term allocation needs; they must be coordinated with technological development as well as overseas production; and they must be joined with movements in conservation efforts, such as reduction of automobile size and construction of mass transit systems. In short, Mr. Speaker, basic industries are just that—basic. They interrelate with all sectors of the economy. To control prices in a vacuum within these industries is bound to create severe dislocations elsewhere.

What we need, Mr. Speaker, are basic materials industries policies—developed by labor, management, and government—which guide the use of tools such as price and wage controls. To say merely that you are against inflation is like saying that you are for free enterprise: It is more like an expression of philosophy that it is of policy. To say merely that you are for wage and price controls is like saying you are for regulatory commissions. There is a critical intermediary step that is missing. That step is the articulation of policy which makes philosophy specific and which guides the tools which are available for implementation.

Mr. Speaker, let us not be satisfied with sitting on our hands while inflation continues to rob the American consumer and threaten the American worker. Let us resolve to begin now to develop those policies which have been so sorely lacking from the avalanche of freezes, plans and excuses.

First, let us at least call upon the Council of Economic Advisers to provide the basic data-gathering and reporting services proposed in the Stanton bill. But let us not talk about simple data-gathering in a vacuum. What is imperative is information-gathering and reporting which has reference to well-defined policies and which proves useful in the implementation of those policies.

Second, let us, in the firmest voice possible, call upon the Federal Reserve Board to end its policy of short-swing changes in the money supply in favor of a policy which reduces uncertainty in the economy and, therefore, encourages moderation. As our colleague from Wisconsin (Mr. REUSS) has so well documented, at least some of the blame for record inflation must be borne by those monetary policy leaders who have so sternly advised others to put their houses in order.

Third, let us call upon the President to develop and submit to the Congress legislation which would facilitate the creation and ongoing updating of basic materials industries policies as I suggested before. Such a proposal would be a great deal more farsighted than what has been proposed before.

Fourth, let us call upon the distinguished chairman of the Committee on Banking and Currency to not let our final action be a resounding silence. Rather, let us call upon him to schedule hearings on what appropriate legislative contribution can be made at this point, in light of past experience and future realities.

Fifth, and finally, Mr. Speaker, let us call upon our colleagues on the House-Senate conference committee to move expeditiously on reporting back to us the budget control legislation so that we may better meet our responsibilities in the fiscal area.

Mr. Speaker, let me conclude by saying only that no one should be fooled by the events of last Friday. Obviously, the decision not to decide cannot be a final expression of policy. It can only postpone that final expression.

REPEAL SECTION 409, TRANS-ALASKAN PIPELINE

(Mr. BROYHILL of North Carolina asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. BROYHILL of North Carolina. Mr. Speaker, today, I am introducing a bill to reduce the constant growth of paperwork generated by agencies of the Federal Government. Last year, in a report on the "Federal Paperwork Burden," the Senate Select Committee on Small Business noted that the "paperwork problem has been described as reaching crisis proportions." It added that "The small businessman carries the heaviest portion of this burden" and concluded that "a firm employing not more than 50 people, for example, is required to fill out as many as 75 to 80 different types of forms in the course of 1 year."—Senate Report No. 93-125.

At 1972 hearings leading to the report, Senator McIntyre, who chaired the hearings, said that it is costing small business about $18 billion a year to fill out the different forms. It is also costing an equal amount at all levels of Government to print, shuffle, and sort all of these forms—according to the report. As a member of the House Select Committee on Small Business, I have been following these hearings with a great deal of interest.

In spite of this problem, the Congress enacted legislation last fall that will have the effect of increasing the flow of Federal paperwork. I am talking about section 409 of the Trans-Alaskan Pipeline Act, which effectively removed one of the few deterrents to an ever-increasing demand for information by the Government agencies. That section amended the Federal Reports Act of 1942, and practically nullified its deterrent effect on the independent regulatory agencies to independently require response to reports and questionnaires by the business community.

Under the Federal Reports Act, agencies of the Federal Government may not collect information from more than 9 persons without advance approval from the Office of Management and Budget. The purpose is to coordinate the collection of data by the Government, eliminate unnecessary reports, reduce the reporting burden and minimize the reporting cost. In the review process, the OMB is empowered to solicit comment from the public, hold hearings, and reject unnecessary report and questionnaire forms.

Section 409 of the Pipeline Act transferred authority for reviewing questionnaires and report forms proposed by the independent regulatory agencies from the OMB to the General Accounting Office. The transfer, however, diminished the review authority by eliminating power of the review agency to reject unnecessary forms; by limiting the review period to 45 days; and by removing the right of respondents to request hearings on proposed forms. As a result, the independent agencies can now decide for themselves what information they want to collect—without any effective review by an objective outside source. GAO review of the necessity of the report or questionnaire is advisory only, and the agencies can ignore its advice.

Section 409 was not germane to the pipeline proposal, and it was not in the bill originally passed by this body on August 2, 1973. In fact, it was not considered by either House at the committee hearing level. It was added to the Senate version on the Senate floor and was later included in the bill reported by the conference committee.

Many of us who supported construction of the pipeline favored deletion of section 409 when the bill came back from conference. Under pressures of the energy crisis, however, a majority felt that any attempt to delete this provision would jeopardize the Pipeline Act itself. Consequently, we accepted section 409 in agreeing to the conference report on November 12, 1973.

Since the Pipeline Act is now law, the Congress can act to relieve the paperwork crisis without threatening efforts to relieve the energy crisis. My bill will give you that opportunity. It would repeal section 409 of the Pipeline Act, and return authority for reviewing regulatory agency forms to the OMB. More importantly, it would restore the power of an objective source to reject the circulation of unnecessary forms by the independent regulatory agencies. As it is now, the GAO has responsibility for reviewing proposed forms but no power to enforce its decision.

I understand that the GAO is taking its new responsibilities very seriously. It is working conscientiously under limited powers to minimize the reporting burden and eliminate the duplication. It would be in order to ask, then: "Why not simply amend section 409? Why not give GAO power to reject forms that are not necessary for the performance of statutory functions assigned to the independent agencies?" That would be the power now exercised by OMB as to the other agencies—and the same power formerly exercised by OMB over the regulatory agencies.

There are two reasons why my bill favors a simple repeal of section 409. First, it is illogical and uneconomical to split the review function. With GAO reviewing forms circulated by the independent regulatory agencies and OMB exercising review over the other agencies, we have unnecessary duplication of staff and other resources.

Second, review of agency operating functions involves the GAO routinely in those functions. This could weaken the objectivity of GAO's principal auditing responsibilities. At least, Comptroller General Elmer B. Staats expressed that apprehension in a letter of September 18, 1973, to Congressman Johnson of California. He said:

> I am frankly disturbed about the provision because it would establish an executive function in the General Accounting Office. In the past the Congress has avoided placing operating responsibilities of this type in GAO because of our responsibility for advising the Congress as to how the executive agencies carry out their responsibilities. We cannot carry out an operating function and, at the same time, provide the Congress with an evaluation of it which would be considered as objective and unbiased. I believe that is the situation we face in connection with this amendment. (See Congressional Record, November 7, 1973, page 36312, for full text of letter.)

My bill would repeal the legislative mandate which establishes an executive function in the General Accounting Office—a function over which Mr. Staats properly expressed misgivings. I would like to emphasize, however, that it would in no way diminish the traditional authority of the GAO to evaluate and advise the Congress as to how the executive agencies, including the Office of Management and Budget, carry out their responsibilities.

Under the provisions of sections 53 and 54 of title 31 of the United States Code, the GAO will still have the authority to review, evaluate, and report on the manner in which the Office of Management and Budget is fulfilling its responsibilities under the pertinent provisions of the Federal Reports Act. The OMB will still have the responsibility to eliminate unnecessary reports and reduce reporting burdens, and its efforts in this regard will still be subject to the scrutiny of the GAO.

I know that many others are equally concerned about the paperwork problem, and I invite all of you to join me in this corrective legislation.

PERSONAL STATEMENT

(Mr. DULSKI asked and was given permission to extend his remarks at this point in the Record.)

Mr. DULSKI. Mr. Speaker, on April 4, 1974, I was absent during two votes on H.R. 12565. Had I been present and voting, I would have voted "no" on rollcall No. 146 and "no" on rollcall No. 147.

NATO: 1974 IS NOT 1949

(Mr. LEGGETT asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. LEGGETT. Mr. Speaker, recently the House Armed Services Committee, on which I have the honor of serving, released a report on the future of the U.S. military commitment to Europe. This report was prepared by the ad hoc Subcommittee on U.S. Military Commitments to Europe, on which to my regret neither I nor any of the other members of the full committee who share my general views have had the honor of serving. The report stemmed from the Peyser amendment to the fiscal year 1974 military procurement bill, which instructed the Armed Services Committee to conduct "a detailed and independent study on the advisability of maintaining our present military commitment in Europe in view of the current economic and military situation in Europe."

I believe the ad hoc subcommittee has performed a valuable service in its detailed and independent study of one aspect of the NATO problem. The ad hoc subcommittee has carefully considered the question of whether our future NATO expenses should be increased by repeal of the Jackson-Nunn amendment, which requires our European partners to eventually offset balance-of-payments deficits incurred by our stationing of forces in Europe. The ad hoc subcommittee has concluded, quite rightly in my view, that our cost should not be increased and Jackson-Nunn should be allowed to stand.

However, there is considerable popular and congressional interest in the other side of the question, namely, whether our future NATO expenses should be reduced further than provided by Jackson-Nunn. I suggest that, as we consider this side of the coin, the following points should be kept in mind:

First. With the notable exception of Greece, where freedom has been destroyed by U.S.-supported military dictatorship, NATO has batted 1,000 in preserving the democracy and independence of its members. This should give us great satisfaction, since America has a political, economic, moral, and emotional interest in the freedom of Western Europe. This area, with a combined economic strength comparable to our own, is by culture and tradition the closest to us, and it contains most of the true democracies in the world.

Second. At the same time, we must understand that the military significance of Western Europe has decreased radically. When NATO was founded in 1949, we had reason to fear the Soviet Union would sweep over Western Europe and then consider invading the United States. But time and technology have erased all reason for that fear. Both sides have developed and deployed massive thermonuclear arsenals and intercontinental delivery systems; if the war ever comes between the United States and the Soviet Union, it will be fought with long-range missiles and bombers homeland to homeland; intermediate nations in Western Europe and elsewhere will be of little importance to either side.

As far as limited nonnuclear conflicts are concerned, the most probable trouble spot is the Near East. As we saw in last fall's conflict with the exception of Portugal none of our NATO allies was willing to help us in this area in any way whatsoever, and it now appears Portugal's cooperation will not be repeated.

This reluctance to risk an oil boycott is understandable, but it nevertheless dramatizes the fact that our selfish interest in the independence of Europe is economic rather than military.

Third. The cost of our military commitment to Europe is very substantial. Our troops in Europe plus those based at home but dedicated to NATO cost us about $17 billion annually. If we add to this one-half of the $9.5 billion we spend on troops available to NATO but also available for other conflicts, we have about $22 billion. And this does not include the research and development costs of such very expensive weapons systems as F-15, SAM-D, AWACS, and A-10, all of which owe their primary rationale to NATO.

The magnitude of this sum is best placed in perspective by considering that the fiscal year 1975 budget includes only $7.6 billion for the nuclear strategic forces which are the only forces that actually protect the United States. Thus, we are spending 3 times as much for Europe's security as for our own.

Fourth. It is one thing to say it is in our interest to keep Europe free, but another thing entirely to conclude that therefore we ought to pay the bills. Atlantic security is a two-way street: The Europeans need us even more than we need them. Therefore, does it follow that Europe should pay the cost of the forces which protect American security—our strategic nuclear deterrent?

Of course not. But why is this proposition any more preposterous than that which has us paying for doing the Europeans the favor of defending them?

It made sense for us to pick up the tab in 1949. Europe was in rubble and we were the greatest economic and military power in history. But our military aid has served its original purpose; it has protected Europe during the recovery. Now the recovery has been made and Western Europe's economic strength rivals our own. Why can they not pay their own bills? Times have changed, but our policy has not.

Let there be no doubt about it: Europe is not bearing its share of the load. The tables prepared by the ad hoc subcommittee demonstrate that our per capita defense expenditures are an astounding 232 percent above the average of the other NATO members, and 94 percent above the highest member, West Germany. As a percentage of GNP, our defense expenditures are a less monumental but still conclusive 69 percent above the NATO average. We spend a higher proportion of our GNP for defense than does any other NATO member except Portugal, and Portugal's military money goes not to stop aggression in Europe but to perpetrate aggression against its African colonies: a purpose of which we can hardly approve.

It seems clear to me the Europeans should pay the entire cost of their defense, not simply offset the relatively minor balance-of-payments deficit. Let us not talk of "burden sharing," but of "burden bearing."

Fifth. The ad hoc subcommittee specified a number of categories it felt should not be included as U.S. expenditures to be offset under Jackson-Nunn, and a number of categories of European expenditures the subcommittee felt should be considered as counting toward the offset.

I find this disturbing, and typical of the way we have handled the entire troops-in-Europe question. Here we have the Europeans of course writing their side of the contract, but we also have the Americans arguing the case for the Europeans. Who is representing the interests of the United States? Apparently nobody is.

At the risk of appearing uncouth, I would like to suggest an item to be written into the contract that would benefit my own country: No European expenditure should be counted as offsetting balance of payments under Jackson-Nunn if, on the basis of recent history or reasonable prediction, it appears that the expenditure would have occurred in the absence of Jackson-Nunn. In other words, let us not bail out the Europeans by giving them credit for what they would have done anyway. If this formula should prove unworkably complex in terms of purchases of American goods, the only solution would be to require payment in gold or hard currency.

And to reiterate: We should be talking not about the $2 billion or so involved in the balance-of-payments deficit, but about the full $22 billion cost of our European commitment.

Sixth. True, the Europeans would rather not raise their defense budgets; everyone likes a free ride if he can get it. But while a free and independent Europe is in our interest, it is even more in the interest of the Europeans. It is not credible to say Europe will not spend what is necessary for their defense if we did not do it for them.

Seventh. The prevailing assumption that a reduction in our expenditures or numbers of troops in Europe would reduce our military strength there seems to me entirely unwarranted.

As I have indicated, I prefer to deal with this problem by requiring those who benefit from our forces to pay for them; they can then tell us what our force levels in Europe should be. But since the prevailing interest in Congress appears to center on the unilateral reduction route, I shall now discuss it.

Our force in Europe is tail-heavy, top-heavy, and fat. A smaller, lean force would be far more effective militarily. The ad hoc subcommittee's report says:

> Laughter would ring loud in the Kremlin if unilateral reductions were announced at this crucial point.

If I were a Soviet general, I would be laughing right now at the enormous drain the Americans are imposing upon themselves by maintenance of "The Big PX."

We have, according to the ad hoc subcommittee report, 198,000 ground forces in Europe. I include in this figure the 15,000 non-NATO forces, since they too serve the mission of European security. The report cites an Army claim of a 61-39 combat support ratio. I suspect laughter would ring loud in our own barracks if this figure were suggested to our own combat troops. I believe it must be derived from the ratio of "combat units" to "support units." But a "combat unit" includes many individuals who do not fight. If we deal with individual personnel rather than with units, as we must to get a clear picture, the figure becomes about 30-70, according to Lt. Col. Edward King, who has studied the question intensively and written widely on it. If we than figure in the 225,000 dependents, who must properly be counted as "support forces," we have an abysmal teeth-to-tail ratio of about 13-87.

If we accept the Army's claimed 61-39 ratio as desirable, it is thus evident that we could reduce our total support forces from 359,000 down to 41,000. Thus, we could send 318,000 of our people in Europe home and back to civilian life without losing one of our 64,000 combat soldiers, and in the process creating the teeth-to-tail ratio the Army claims it has today.

In particular, I say those dependents must go. Our forces must be prepared to engage the Russians on a moment's notice; this is impossible if they will have to spend their first week or two protecting and evacuating their wives and children. It is true this will make it more difficult to get personnel to go to Europe, but the reduction in uniformed support forces will mean we will need to attract only about half of those presently stationed there. We may want to employ additional hardship-easing tactics such as a 6-month "Blue-Gold" rotation between the United States and Europe.

In addition to being tail-heavy, our forces are top-heavy. At last count, we had more generals and admirals in Europe than we had in Vietnam in 1968 at the peak of the fighting. This is understandable: Europe is a heck of a fun place to be, especially on a senior officer's salary. Generals like to go there. Admirals like to go there. Congressmen like to go there. I myself like to go there. But the purpose of an army is to fight, not to provide comfortable billets.

I have received countless communications from concerned military men in Europe, telling me of the surplus of senior officers and of the overriding concern on the part of the senior officers and of the overriding concern on the part of the senior officers that even more senior officer slots be created. The destructive effect on morale of this attitude cannot be overestimated. This is not the American way.

The headquarters reduction steps reported by the ad hoc subcommittee are commendable. But the situation calls for the spade, not the tweezers.

The subcommittee talked with a number of American generals in Europe who were unanimous in their view that they could afford no unilateral reductions. This is not surprising. On the contrary, it would be astounding if the subcommittee had found one general anywhere—or one civilian bureaucrat—who would advocate that his operation be reduced. And it is impossible to imagine a general who would deviate from the policy of his Secretary of Defense and his President.

I suggest that interviewing generals in the field on this kind of issue is a circular exercise. And I regret that the subcommittee did not consider it worthwhile to take testimony from the many distinguished retired military and civilian experts—such as Gen. James Gavin, Gen. David Shoup, and Adm. Gene La Rocque—who are highly qualified to present the other side of the argument.

Eighth. This year has brought a major new proposal with far-reaching implications for Europe and for the survival of civilization in general: The Pentagon plans to deploy a new generation of small clean tactical nuclear warheads.

This is the rationale: The 7,000 nuclear bombs and tactical missiles we have scattered around Europe are so powerful and dirty that they would destroy not only their target but a substantial piece of countryside around the target. Since this would be unacceptable to the friendly nations on whose soil we should engage the Soviets, it would be nearly impossible to use these weapons. On the other hand, smaller cleaner weapons would cause less collateral damage and would thus be more useable.

In short, the purpose of this program is to lower the nuclear threshold. In my view, this disadvantage far overwhelms any advantages to be gained by the program.

Suppose, as the scenario goes, we find our conventional forces not doing well and we try to bail them out with the small nukes. Surely the Soviets will not swallow their machismo and fail to retaliate with their nukes. Thus, our troops will be wiped out at an even faster rate. Moreover, not being equipped with small clean nukes and not fighting in friendly territory, the Soviets will respond with old-fashioned large dirty nukes, laying waste the countryside of our allies just as if we had done it. At this point, we of course will not swallow our machismo; we will feel compelled to counterrespond with nukes one step larger still, and so the cycle will go until we are in all-out nuclear war.

It is argued that, while this might well happen if the nukes were actually used, the threat of using them adds to our deterrent. This is a specious argument. A threat is meaningful only to the extent that it can be carried out. If we will not use our large nukes because of collateral damage, neither will we use small nukes because of collateral damage that would be caused by the certain Soviet response. Our European allies recognize this, and have displayed a total lack of enthusiasm for small nukes. Their justified fear of nuclear escalation is so great they have even refused us permission to install nuclear mines under their soil.

We should also consider that the inadequacy of NATO vis-a-vis the Warsaw Pact is not as clear as many military men believe it to be. It is true that adding up the order of battle puts us in an unfavorable position. But let us look behind the number of tanks, aircraft, and men to the question of who would do what is an actual conflict.

NATO with all its problems, is a true alliance of independent nations against a common adversary. In contrast, the Warsaw Pact consists of the Soviet Union plus a number of smaller nations it has subjugated by force or threat of force. The satellites tolerate subjugation because they have no choice, but this does not mean they would not break away if they could.

As the ad hoc subcommittee points out, nearly half of the Warsaw Pact forces are satellite units. It is probably accurate to regard these forces as liabilities rather than assets from the Soviet point of view. Suppose war were to break out between the Soviet Union and Western Europe. What Soviet general could trust the Hungarians, the Czechoslovakians, or the Poles not to sieze the opportunity to rebel? It is more likely that the satellite forces will be guarded than used.

Similarly, what Soviet planner could assume the Chinese would not seize the opportunity and attack the distracted bear from the rear?

War in Europe is already prohibitively risky for the Soviets. Small nukes make it suicidal for us as well. It is imperative that we leave the United States-U.S.S.R. nuclear threshold where it is and where it has never been crossed. Our efforts should be directed toward raising the threshold rather than lowering it.

Finally, we come to the mutual balanced force reduction—MBFR—talks. The Ad Hoc Subcommittee strongly recommends against unilateral reductions, fearing they would cut the ground out from under our negotiators.

General, I tend to favor any negotiations anywhere at any time on any issue. But in this case, I have reluctantly concluded I cannot. These negotiations appear to be designed to set not a ceiling on but a floor under our European commitment.

For years, we have been told we should not unilaterally reduce because the MBFR talks were on the way. Now we are told we should not reduce because the talks are in progress. We can expect the talks to drag on for several years and to finally produce a token reduction of perhaps 10 percent. We will then be told we should not reduce further because to do so would be to give away ground won in years of hard negotiations

This may be a cynical interpretation, but I believe it is well founded on experience. We have seen the present administration produce the SALT I treaty and promptly announce its intention to spend every cent it could and develop every weapon possible right up to the limit of the treaty. As a result, our military budgets have gone up, the Soviets have responded in kind, the risk of nuclear war appears to have increased, prospects for SALT II are uncertain, and if SALT II fails we may expect the administration to ask us to abrogate SALT I. We would have been better off if Congress had simply killed Safeguard and MIRV.

The Vietnam experience also encourages a cynical attitude toward Nixonian negotiations. For 4 years, the administration stalled around in Paris, telling us not to disturb the delicate negotiations underway. Finally, even the gullibility of Congress was overloaded, and it was clear we were going to cut off funds for the war. Only then did our negotiators finally agree to terms the other side had offered several years previously.

I suggest we are now in a similar situation. The troop reduction ball is in our laps. We should pick it up and run with it, because if we do not, nobody else will.

FURTHER CHANGES IN THE POSTAL SERVICE

(Mr. HANLEY asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. HANLEY. Mr. Speaker, today, I am introducing a bill identical to Senate bill S. 411 reported out of the Senate Post Office and Civil Service Committee. The purpose of this bill is to increase phasing from 5 to 8 years for regular rate second-class publications and the fourth-class special book rate; and to increase phasing from 10 to 16 years for second-class nonprofit publications, third-class nonprofit publications, and the special fourth-class library rates. This bill would also provide for specific deletion of the Postal Service from the Budget and Accounting Act and would require that the President not alter the Postal Service's request for appropriations.

On July 23, 1973, I submitted a similar bill, H.R. 8929, which was defeated on the rule. We felt at that time that we needed to reach a compromise on that bill. As a result, the Senate worked on this legislation and reported out S. 411 with the amendments included above. This is more modest than the original bill designed to give a short time of extra breathing space to help mailers absorb the increased rates imposed after passage of the Postal Reorganization Act of 1970. It also provides relatively greater relief for nonprofit mailers. The new bill does not provide any permanent subsidies, as did H.R. 8929.

Since the rule on H.R. 8929 was defeated, we have received many calls and correspondence from smaller newspapers and periodicals, both profit and nonprofit, and from congressional offices expressing interest in this issue and concern for its defeat. We have come to believe that many Members voted against this bill primarily because they had insufficient data and background on the question. On July 23, when the rule on H.R. 8929 was defeated on the floor, some Members expressed distress that this bill would help the special interests, made publishers of magazines that have made substantial profits despite rising postal rates. This was certainly not the intent of that bill or of the bill I am introducing today. We should never lose sight of the fact that the major beneficiaries of this bill will be the American people who depend on the mail to bring them the printed word and the charitable and religious institutions which use the mail to disseminate information and raise funds.

There are innumerable smaller newspapers, magazines, and nonprofit publications who have severely felt the squeeze of rising postal rates. Some have been forced to cease publication, and many have found it necessary to increase their mail subscription prices because of the ever-increasing rise in these rates.

One daily newspaper in Michigan, "The Evening News," lost 5 percent of their mail subscriptions after the rate hike in 1972. It is most significant to note that all of these subscribers were in rural communities and many subscribers who were forced to cancel their subscriptions were older Americans on fixed incomes. These are the people who are continually being asked to suffer the burden of higher postal rates. This particular paper did not go out of business because of the rate increase, but it is truly distressing to think that many people who depended on this paper for news of their community suffered a loss. Many magazines of medium or small circulation are in an equally difficult position because of postage costs. The Progressive Farmer, a magazine of medium circulation, and certainly a publication that is serving a need of many Americans, has experienced an increased postal bill of $220,000 in the last 3 years. And publications of nonprofit institution have been hit even harder.

Also in grave danger are the nonprofit charitable and religious organizations. These groups must rely upon the mail for the raising of funds and the dissemination of ideas. Publications of this kind have fewer possibilities for adding to their revenues to cover additional postage costs.

For example, one of these newspapers with a circulation of 38,000 has an annual postage bill of $17,800. With the annual increases scheduled by the Postal Service, the postage will be $65,000 in 1981—the annual postage bill in 1971 was $10,000—thus in 10 years, the postage charges will go from $10,000 to $65,000 a year, a 550-percent increase in rates. We cannot expect religious and nonprofit publications to continue to operate under these conditions. They perform a vital educational and cultural service to our country. We should not have to explain to their readers that because of the rising cost of postage, they have gone out of business or have been forced into a price bracket that only the affluent can afford.

We must insure that the free flow of information and ideas will continue uninterrupted. We must insure that Americans who depend upon the mail for this service will not be ignored.

Certainly the Congress did not anticipate postal rate increases of the magnitude we have witnessed, nor did we intend that additional postage costs would silence the small independent opinion journals that have played a truly significant role in keeping our Government and private institutions honest.

We must make it clear that we still believe, as we have in the past, that these journals of news and opinion, newspapers, and nonprofit publications continue to serve a broad spectrum of the American public. They provide an essential service to all our citizens. They represent one of the strengths of our democracy and an essential foundation of the freedom we have always enjoyed. We cannot cut off countless Americans to whom an increase in subscriptions might be a few cents more than they can afford.

I feel certain that a detailed debate would answer many of the questions and allay the fears the Members have about who will benefit and best be served by the passage of this bill. We need a thorough discussion of all of the issues involved so that we will understand that the average citizen is the chief benefactor of a bill which proposes to provide continued public support to assure the widespread dissemination of ideas, information, opinions, and educational and cultural materials through the mail.

BOLLING REORGANIZATION A STEP BACKWARD

(Mr. HANLEY asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. HANLEY. Mr. Speaker, as all the Members now know, the Committee on Committees has recommended that the Post Office and Civil Service Commission be abolished and transfer most of its jurisdiction to a new Labor Committee. I am very disappointed in this proposal, and I feel that it reflects a basic misunderstanding of the important role of the committee in monitoring the activities of the Postal Service.

As you know, in 1970, Congress adopted the Postal Reorganization Act which established the Postal Service as a quasi-independent establishment within the executive branch. While Congress did delegate authority in areas such as postal rates and the setting of pay for postal employees, it in no way removed the Postal Service's vast operations from congressional oversight. In fact, I would submit that our oversight responsibilities in this crucially important area have been greatly increased.

In the past year, my Subcommittee on Postal Service has conducted an extensive series of hearings on many aspects of the operations and policies of the Postal Service. The Subcommittee on Postal Facilities, Mail, and Labor Management has conducted similarly intense investigations of the areas under its jurisdiction. I do not believe that these important activities could be matched should the jurisdiction pass to another committee where the Postal Service would be a relatively minor part of a much larger area of interest.

As a new and somewhat controversial entity, and as one which touches the lives of every citizen as no other Government function does, it is important to retain strong congressional oversight of the Postal Service. The current Post Office and Civil Service Committee has developed unmatched expertise in this area, expertise which would be severely diluted should the proposed reorganization take place.

The major thrust of the committee's report appears to be that it is more efficient to consolidate major legislative issue areas under a single committee in order to allow Congress to develop more coherent national policies in critical areas such as energy, transportation, and control of the environment. The proposal to disband the Post Office and Civil Service Committee would, however, seem to run counter to this intent. The net effect would be to submerge a major program of almost incalculable importance to our economy into the structure of another committee which will not be able to devote more than a fraction of its time to the Postal Service.

Finally, any legislative program designed to correct some of the deficiencies of the Postal Reorganization Act will probably require deliberations which will span two or more Congresses. I plan to introduce legislation in the near future to correct many of the deficiencies uncovered to date. But our work will not end with the passage of this bill. In short, I feel that the long-term interest of the American public in an efficient postal service require a committee devoted primarily to this end.

Similar comments can be made about the important civil service jurisdiction of the Post Office and Civil Service Committee.

My colleague, Charles H. Wilson, chairman of the Postal Facilities, Mail, and Labor Management Subcommittee, has written the following article which appeared in the April 17 edition of the Federal Times. It is an excellent article and I commend it to your attention.

Forum: "Bolling Reorganization a Step Backward"

(By Representative Charles H. Wilson)

Last year, a ten-member Select Committee on Committees appointed by Speaker Albert set about the task of developing a proposed reorganization of the committee system within the House of Representatives to improve its responsiveness to the needs of the American people.

Through a series of 37 hearings and 17 mark-up sessions, the Select Committee, chaired by Richard Bolling, D-Mo., considered literally hundreds of "reform" proposals, and on March 19, 1974, reported its recommendations in the form of a House resolution.

Unfortunately, these recommendations do not represent true reform and, although I have long been a proponent of progressive change in all aspects of government, I must vigorously oppose the Bolling committee package because in a very real sense it represents a step backwards for the interests of the American people.

Indeed, it is strewn with inconsistencies and misjudgments which, if implemented, would be seriously detrimental to the efficient and thorough operations of the House.

One clear example of ill-conceived "reform" is the proposed abolition of the Post Office and Civil Service Committee. This is, of course, a legislative area in which I have considerable expertise, since I have served on the committee for almost a dozen years, and currently chair its subcommittee on postal facilities, mail, and labor management.

Because of its importance in assuring prompt, dependable and reasonably priced postal service, as well as fair labor-management conditions for postal and civil service employees, the Post Office and Civil Service Committee must, in my opinion, be maintained in its present form, and I take this opportunity to elaborate on my reasoning.

First, however, it is important to recognize that the Select Committee did face an enormous task in attempting to give in-depth consideration to every jurisdictional segment within the House committee system, given their limited amount of time.

Therefore, during the deliberations, the Bolling committee often tended to rely heavily on the individual expertise of a member who had served on the particular standing committee being discussed.

In some areas they had very little working knowledge, however, and postal service and federal employee jurisdiction was certainly one of these. In fact, despite a combined total of well over 100 years of congressional service, the ten congressmen on the Select Committee had a cumulative experience on the Post Office and Civil Service Committee of less than 12 months.

Probably as a result of this deficiency, their discussions at open mark-up sessions revealed an obvious lack of expertise on postal and civil service matters.

During their very brief consideration of the Post Office and Civil Service Committee, for example, several members asserted their belief that the Congress really has very little or nothing to do with postal operations since the Postal Reorganization Act of 1970.

Well, this certainly comes as a surprise to me, and I'm sure that my good friend Jim Hanley, who chairs the postal service subcommittee, and our full committee chairman, Thad Dulski, would be equally amazed.

The fact is, Congress, and I can say with pride especially our House Post Office and Civil Service Committee, has played an extremely important role in postal operations in the difficult times since the new United States Postal Service was initiated in 1971.

The Postal Reorganization Act did give the new USPS substantial autonomy, and supposedly this new semi-independent organization would lead the way to a more efficient postal system by replacing the old "bureaucratic" Post Office Department with an agency which could react like a business in the private sector.

What resulted, however, was a hybrid which reflected the worst of both worlds, and the first two and one-half years of the Postal Service's operation produced a stunning array of boondoggles.

It has been the responsibility of the Post Office and Civil Service Committee, with its appropriate subcommittees and adequate number of staff to expose and resolve the many problems which often led to a serious deterioration of mail service throughout the country.

Through our investigations in recent years of scandals such as the Westinghouse job evaluation contract, the waste in sundry mechanization and centralization schemes, and severe service delays in many locales as a result of the imposition of inflexible programs on a nationwide scale, we have played an essential role in turning top postal management around from their initial belief that cost-saving rather than service to the American public was the primary objective of mail service.

Just this past week our subcommittee, in conjunction with the Hanley postal service subcommittee, has issued a summary of our observations and recommendations on the United States Postal Service during the first session of this Congress. I would commend this report to those reorganizers who believe that we have no role in postal affairs.

The Post Office and Civil Service Committee also has responsibility for the employees of the federal government, who now number 2.8 million with an annual payroll of $25.3 billion. Related compensation benefits for insurance and retirement amount to approximately $4.6 billion annually.

In addition, the retirement system covers 2.5 million government employees, and currently disperses over $300 million monthly to annuitants. The life insurance and health benefits programs each cover approximately three million employees, and for fiscal year 1972, over $317 million was paid out for death claims, and over $1 billion for health insurance claims.

The postal service alone encompasses over 700,000 employees with a budget of over $10 billion annually.

Somehow, the Bolling committee believes that all of these postal and civil service matters can be handled by a single subcommittee within the proposed newly created labor committee. I believe this is simply nonsense.

The plain truth is that the Select Committee on Committees has no understanding of what the Post Office and Civil Service Committee does and nowhere is this more apparent than in their printed report.

As proof of the need to abolish the committee, they quote a statistic that fewer bills have been referred in recent years. Needless to say, anyone who has any Capitol Hill background knows that it would be difficult to imagine a more irrelevant yardstick. Even so, the Post Office and Civil Service Committee compares favorably with the other House Committees in this regard.

To justify the moving of postal service jurisdiction to the labor committee, the report states that the postal service "will always be dependent upon an efficient labor force; in other words, the best of personnel practices and labor management relations are essential to a successful postal service."

The fact is, however, that the postal and federal employee unions vigorously oppose the disbandment of the Post Office and Civil Service, since in the new labor committee other topics would probably be given priority consideration.

Nowhere in their report is the Postal Rate Commission, which under the Postal Reorganization Act is empowered to fix postal rates and determine mail classification, mentioned. I wonder if they know it exists?

Further, in one chart they assign railway and ocean mail service to the Government Operations Committee. No explanation for this is given, and on several other charts which should correspond, these two items are not listed.

Early in the report they state that one of the foremost goals of reorganization would be to "intensify" review of government programs. Again, how can the disbandment of the Post Office and Civil Service Committee possibly lead to intensified review of its areas of jurisdiction.

In summary, what the Bolling committee has presented is a package characterized by a mish-mash of political expediencies and rash judgments.

Although ostensibly the disbanding of the Post Office and Civil Service Committee was predicated on the Bolling committee's desire to reduce the number of standing committees in the House, the fact is that the Merchant Marine and Fisheries Committee, which was initially slated for oblivion, was "reinstated" by the Select Committee for reasons, as Chairman Bolling himself admitted, which were other than philosophical. In addition, the Select Committee on Small Business has been recommended for standing committee status.

Despite their contention that "members are to have only one committee assignment to a committee concerned with broad, pressing national problems," committees on the District of Columbia, House Administration, Merchant Marine and Fisheries, Budget, Small Business, Standards of Official Conduct, and Veterans would exist under the reorganization proposal, however, and members of these committees would also be allowed to remain on one of the 15 "major" committees.

This is possible because the Bolling committee has cleverly titled these seven as "other committees." I suppose that designation removes the conflict from their original goal of one committee per member in order to "eliminate the problems members frequently face when they are scheduled to be in several different meetings at the same time."

I firmly believe that the quality of postal service is a vital national concern, it is a highly visible issue among the American people and, indeed, to many citizens it is their only contact with their government.

The overwhelming majority of House members agree with this assessment, and will not favor the relegation of congressional responsibility for postal service to one legislative subcommittee.

My distinguished colleague, B. F. Sisk of California, has amply demonstrated this fact by recently introducing legislation to repeal the Postal Reorganization Act and thereby increase our role in postal matters, not decrease it,

The status of our federal work force is equally important. Obviously, the Bolling committee does not recognize these basic facts and after looking in-depth into one area jurisdiction, I am forced to wonder what other grave deficiencies exist in the proposal.

At any rate, I can assure you that I will do everything in my power to defeat the reorganization proposals of the Select Committee on Committees.

HELP FOR RIVERTON, WYO.

(Mr. RONCALIO of Wyoming asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. RONCALIO of Wyoming. Mr. Speaker, today, I am introducing legislation to provide authority and a means for confinement and control of uranium mill tailings piles which have plagued several western States. A similar bill has already been introduced by Senator DOMENICI, of New Mexico. in the Senate.

In my State of Wyoming, mill tailings remaining from the Susquehanna-Western, Inc., operations near Riverton, Wyo., have been a lingering source of concern. The milling activities at Riverton ceased in 1963, however, the AEC license which covered the milling activities is still in effect. Compliance to AEC radiation safety standards are thereby still required. The tailings were last inspected in 1970 and again on March 13, 1973, to assure such compliance.

The AEC realizes the importance of long-term stabilization and control of mill tailings at Riverton and other sites. There is a constant concern about the sites from local residents with wind and erosion distributing the radioactive tailings.

The Environmental Protection Agency has voiced concern over lack of stabilization of mill tailings, and although there is no immediate health hazard at Riverton, it has expressed concern over the future if there is no containment.

We have a problem recognized by the EPA, the AEC, and the States, but each hesitates to act due to lack of specific authority. This legislation would provide just that needed authority.

CONTROLLING INFLATION, ENERGY, CRIME TOP PRIORITIES IN 14TH DISTRICT POLL

(Mr. SEIBERLING asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. SEIBERLING. Mr. Speaker, residents of the 14th Congressional District responded overwhelmingly to the fourth annual questionnaire I sent to each postal patron in the district in mid-February. By March 1, some 11,500 completed questionnaires had been received in my Washington office. About 3,000 were received after that date but were not included in the count, because of the limitation of time.

The completed questionnaires contained 18,990 replies, as most were filled out by both men and women in the household. Although those who replied are not necessarily a cross-section of 14th District residents, they obviously constitute a significant sample.

For the second year in a row, controlling inflation was most frequently cited as the highest priority for action by Congress. Energy development replaced crime control as the next most urgent priority. Some 43 percent of those responding checked controlling inflation and 40 percent checked develop alternate energy sources. The third item most frequently mentioned, controlling crime, was checked by 27 percent.

On questions dealing with the energy crisis, 65 percent favored diverting part of Federal gasoline taxes from highways to mass transit, but 55 percent rejected a small extra gasoline tax to be used for energy research. A majority—55 percent—favored gasoline rationing if needed. Most—43 percent—felt the oil industry should be regulated like public utilities, and 28 percent thought the industry's excess profits should be taxed.

A large majority—78 percent—felt that the lands used for coal stripmining should be fully restored even if it adds to the electric bill. A sizable majority—63 percent—wants to continue controls on air and water pollution.

A strong majority—62 percent—favor a Federal program to provide jobs for people who cannot find work, while only 25 percent oppose such a program.

Views varied on the question of impeachment of the President. Some 28 percent felt the House should continue to investigate whether there are grounds for impeachment; another 28 percent felt the House should impeach him immediately so that he can be tried by the Senate; 20 percent said Congress should "get off his back," and 16 percent felt he should resign now.

On other issues, a majority—54 percent—felt that all guns should be registered, 18 percent favor a ban on cheap handguns, and 7 percent would like to see all private ownership of guns prohibited. That adds up to a total of 79 percent in favor of some form of gun control, while only 13 percent oppose any controls.

On the hotly debated issue of abortion, the largest number—42 percent—felt that abortion should be left entirely to each woman's conscience, with no legal restrictions. An additional 24 percent support the Supreme Court's ruling on abortion. As against the 66 percent who support a liberal position on abortion laws, 24 percent want to prohibit abortion except to save the mother's life.

An overwhelming 85 percent oppose renewal of U.S. military activity in Indochina, even if North Vietnam launches a major military offensive.

Here are the complete results of the survey, including the differences between men and women where they were significant:

Question	*Percentage totals*	
	Yes	*No*
1. Do you think wage and price controls should be continued?	51	30
Men—yes: 48.		
Women—yes: 55.		
2. Would you favor diverting a substantial part of the Federal gasoline tax money from highway building to mass transit development?	65	23
Men—no: 26.		
Women—no: 19.		
3. Would you favor a small additional tax on gasoline to be used for research to find ways to make the U.S. self-sufficient in energy?	34	55
4. Do you favor a Federal program to provide jobs for people who cannot find work?	62	25
5. Would you favor a Federal law requiring that lands used for coal strip mining be fully restored—even if it will raise the average electric bill by a few cents per month?	78	12
6. Would you favor partial public financing of political campaigns in order to put stricter limits on private political contributions?	54	32
7. Do you favor the present policy of aid to Israel?	33	45
8. If North Vietnam launches a major military offensive against South Vietnam, would you favor a renewal of U.S. military activity in Indochina?	7	85
Men—no: 80.		
Women—no: 88.		

9. Which of the following statements is closest to your own view? (Please check one.)

	Percent totals
(a) Until the energy crisis is over, we should drop controls on air and water pollution	25
(b) While working to solve the energy crisis, we must continue controls on air and water pollution	63
Men: 60.	
Women: 67.	
(c) Undecided	6

10. Which of the following statements is closest to your views about the oil industry. (Please check one.)

(a) Place no limits on their profits so that they can develop new energy sources	7
(b) Tax their excess profits	28
(c) Regulate the oil industry like public utilties	43
(d) Nationalize (i.e. gov't. ownership of) the oil industry	11
(e) Undecided	4

11. If there is not enough gasoline to go around this spring, which one of the following policies would you support? (Please check one.)

(a) Raise the price of gasoline to reduce the demand	10
(b) Continue cutbacks and offer gasoline on a first come, first served basis	19
(c) Initiate gasoline rationing with coupon books	55
(d) Undecided	9

12. Which of the following statements is closest to your view with respect to impeachment of President Nixon? (Please check one.)

(a) Congress should "get off his back"	20
(b) He should resign now	16
(c) The House should continue its investigation to determine if there are grounds for impeachment	28
(d) The House should impeach him immediately so that he can be tried by the Senate	28
(e) Undecided	2

13. What is your position on the Administration's request to increase the military budget by about $6 billion in 1974–75 (to $86 billion)? (Please check one.)

(a) The increase should be even greater	6
(b) The proposed budget is about right	20
(c) The proposed budget should be reduced	59
Men: 56.	
Women: 63.	
(d) Undecided	10

14. Which of the following statements is closest to your views on gun control legislation? (*Please check one.*)

(a) The right to own guns should not be restricted in any way	13
(b) There should be a ban on the sale of cheap handguns but no controls on other guns	18
(c) All guns should be registered by their owners, and there should be strict penalties for possession of unregistered guns	54
Men: 49.	
Women: 59.	
(d) All private ownership of guns should be prohibited	7
(e) Undecided	3

15. The Supreme Court has ruled that the government cannot prohibit abortions during the early months of pregnancy, but may prohibit them after the 6th month of pregnancy (except when necessary to protect the mother's health). Which of the following is closest to your views on this subject? (*Please check one.*)

(a) Abortion should be left entirely to each woman's conscience, with no legal restrictions	42
(b) The Court's decision is reasonable and should not be changed	24
(c) The Constitution should be amended to prohibit abortion except to save the mother's life	24
(d) Undecided	5

16. What do you think Congress' priorities should be? (*Please check the 3 items you believe are most urgent.*)

Control inflation—43.
Develop alternate energy sources—40.
Control crime—27.
Reform federal income tax—26.
Reduce cost of health care—21.
Reduce unemployment—19.
Aid senior citizens—16.
Reduce military spending—16.
Election & campaign reform—14.
Improve mass transit—13.
Control pollution—8.
More support for education—7.
Eliminate poverty and slums—7.
Equal rights for minorities—3.

(*Totals of percentage do not always equal 100 because of no answers or multiple answers.*)

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. PARRIS (at the request of Mr. RHODES), after 6:45 p.m. today, on account of official business.

Mr. CORMAN, after 4:30 today, and for Thursday, April 11, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. MALLARY) and to revise and extend their remarks and include extraneous matter:)

Mr. BLACKBURN, for 5 minutes, today.
Mr. DERWINSKI, for 15 minutes, today.
Mr. COHEN, for 5 minutes, today.
Mr. EDWARDS of Alabama, for 5 minutes, today.
Mr. MCDADE, for 30 minutes, today.
Mr. HOGAN, for 60 minutes, today.
Mr. DENNIS, for 10 minutes, on April 11.
Mr. GOLDWATER, for 10 minutes, today.
Mr. WHALEN, for 15 minutes, on April 11.
Mr. KEMP, for 60 minutes, today.
Mr. SEIBERLING, for 5 minutes, today.

(The following Members (at the request of Mr. YOUNG of Georgia) and to revise and extend their remarks and include extraneous matter:

Mr. YATRON, for 5 minutes, today.
Mr. GONZALEZ, for 5 minutes, today.
Mr. STOKES, for 60 minutes, today.
Mr. KASTENMEIER, for 5 minutes, today.
Mr. FULTON, for 10 minutes, today.
Mr. DAVIS of South Carolina, for 10 minutes, today.
Mr. DOMINICK V. DANIELS, for 5 minutes, today.
Mr. HARRINGTON, for 5 minutes, today.
Mr. OWENS, for 30 minutes, today.
Ms. ABZUG, for 60 minutes, today.
Mr. BRADEMAS, for 5 minutes, today.
Mr. ALEXANDER, for 60 minutes, on April 11.
Mr. EDWARDS of California, for 20 minutes, on April 11.
Mr. MATSUNAGA, for 15 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. MITCHELL of Maryland and to include extraneous matter, notwithstanding the fact that it exceeds two pages of the RECORD and is estimated by the Public Printer to cost $627.

Mr. MEEDS and to include extraneous matter notwithstanding the fact it exceeds two pages of the CONGRESSIONAL RECORD and is estimated by the Public Printer to cost $522.50.

Mr. YATES, and to include extraneous material, notwithstanding the fact that it exceeds two pages of the RECORD, and is estimated by the Public Printer to cost $522.50.

Mr. STOKES, and to include extraneous material, notwithstanding the fact that it exceeds two pages of the RECORD and is estimated by the Public Printer to cost $836.

(The following Members (at the request of Mr. MALLARY) and to include extraneous matter:)

Mr. STEIGER of Wisconsin in two instances.
Mr. ARENDS.
Mr. HOSMER in two instances.
Mr. SCHNEEBELI.
Mr. ESCH.
Mr. GILMAN.
Mr. ASHBROOK in five instances.
Mr. SEBELIUS.
Mr. SHRIVER.
Mr. FORSYTHE.
Mr. RONCALLO of New York.
Mr. WYMAN in two instances.
Mr. SHUSTER.
Mr. SPENCE in four instances.
Mr. BOB WILSON in four instances.
Mr. KEMP in three instances.
Mr. MCCLORY.
Mr. MCKINNEY.
Mr. COHEN.
Mr. FROEHLICH.
Mr. HUNT.
Mr. HUBER in three instances.

(The following Members (at the request of Mr. YOUNG of Georgia) and to include extraneous matter:)

Mr. VANIK in four instances.
Mr. DENT.
Mr. ROONEY of Pennsylvania.
Mr. GONZALEZ in three instances.
Mr. RARICK in three instances.
Mr. O'NEILL.
Mr. ROSENTHAL.
Mr. DRINAN in three instances.
Mr. CULVER in six instances.
Mr. MINISH.
Mr. DOMINICK V. DANIELS.
Ms. ABZUG in 10 instances.
Mr. STOKES in five instances.
Mr. NIX.
Mr. BRINKLEY in two instances.
Mr. LEGGETT in two instances.
Mr. GIBBONS.
Mr. CHAPPELL.
Mr. HAYS.
Mr. ROGERS in five instances.
Mr. HARRINGTON in four instances.
Mr. MCCORMACK.
Mr. STRATTON.
Mr. MONTGOMERY.
Mr. TAYLOR of North Carolina.
Mr. ANDERSON of California in four instances.

ENROLLED BILL SIGNED

Mr. HAYS, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 13542. An act to abolish the position of Commissioner of Fish and Wildlife, and for other purposes.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 1866. An act to provide increases in certain annuities payable under chapter 83 of title 5, United States Code, and for other purposes.

BILL PRESENTED TO THE PRESIDENT

Mr. HAYS, from the Committee on House Administration reported that that committee did on this day present to the President, for his approval, a bill of the House of the following title:

H.R. 13542. An act to abolish the position of Commissioner of Fish and Wildlife, and for other purposes.

ADJOURNMENT

Mr. YOUNG of Georgia. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly at 7 o'clock and 48 minutes p.m.) the House adjourned until tomorrow, Thursday, April 11, 1974, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2164. A letter from the President of the United States, transmitting notice of his intention to exercise his authority under sections 610(a) and 614(a) of the Foreign Assistance Act of 1961, as amended, to provide security supporting assistance to Egypt in fiscal year 1974 for clearance of the Suez

Canal, pursuant to 22 U.S.C. 2411, together with notice and justification of the resulting change in the previously reported country allocation of foreign assistance, pursuant to 22 U.S.C. 2413; to the Committee on Foreign Affairs.

2165. A letter from the Acting Assistant Secretary of Defense (Installations and Logistics), transmitting the 26th Annual Report on the national industrial reserve, covering calendar year 1973, pursuing to 50 U.S.C. 461; to the Committee on Armed Services.

2166. A letter from the Assistant Secretary of the Navy (Installations and Logistics), transmitting notice of the proposed transfer of the aircraft carrier ex-*Yorktown* (ex-CVS-10) to the State of South Carolina represented by the Patriots Point Development Authority (Patriots Point Naval Museum), Charleston, S.C., pursuant to 10 U.S.C. 7308 (c); to the Committee on Armed Services.

2167. A letter from the Assistant Secretary of Defense (Installations and Logistics), transmitting a report on Department of Defense procurement from small and other business firms for July-December 1973, pursuant to section 10(d) of the Small Business Act, as amended; to the Committee on Banking and Currency.

2168. A letter from the Commissioner of the District of Columbia, transmitting a draft of proposed legislation relating to crime and law enforcement in the District of Columbia; to the Committee on the District of Columbia.

2169. A letter from the Clerk, U.S. House of Representatives, transmitting the statistical report of contributions and expenditures made during the 1972 election campaigns for the U.S. House of Representatives, prepared pursuant to the provisions of section 308(a) of the Federal Election Campaign Act of 1971 [2 U.S.C. 438(a)(7)] (H. Doc. No. 93-284); to the Committee on House Administration and ordered to be printed.

2170. A letter from the Secretary of Health, Education, and Welfare, transmitting the annual report of the Department of Health, Education, and Welfare on its administration of the Fair Packaging and Labeling Act during fiscal year 1973, pursuant to 15 U.S.C. 1457; to the Committee on Interstate and Foreign Commerce.

2171. A letter from the Secretary of Health, Education, and Welfare, transmitting the first interim report on the administration of the Health Professions Educational Assistance Act (Public Law 88-129) and its subsequent amendments, pursuant to section 206 of Public Law 92-157 (42 U.S.C. 295h-8nt); to the Committee on Interstate and Foreign Commerce.

2172. A letter from the Secretary of Health, Education, and Welfare, transmitting the first interim report on the administration of title VIII of the Public Health Service Act (Nurse Training), pursuant to section 12 of Public Law 92-158 (42 U.S.C. 296 nt); to the Committee on Interstate and Foreign Commerce.

2173. A letter from the Secretary of Transportation, transmitting the annual report on progress in the promulgation and enforcement of motor vehicle bumper standards, pursuant to 15 U.S.C. 1922; to the Committee on Interstate and Foreign Commerce.

2174. A letter from the Secretary of Transportation, transmitting a draft of proposed legislation to amend the Airport and Airway Development Act of 1970, as amended, to permit the financing of certain airport and airway system operating costs from the airport and airway trust fund, and for other purposes; to the Committee on Interstate and Foreign Commerce.

2175. A letter from the Executive Director, Federal Communications Commission, transmitting a report on the backlog of pending applications and hearing cases in the Commission as of February 28, 1974, pursuant to section 5(e) of the Communications Act, as amended; to the Committee on Interstate and Foreign Commerce.

2177. A letter from the Deputy Secretary of Defense, transmitting the annual report for fiscal year 1973 on the Reserve Forces, pursuant to 10 U.S.C. 279; to the Committee on Armed Services.

Received From the Comptroller General

2176. A letter from the Comptroller General of the United States, transmitting a report on the need for better use of physicians and dentists providing services in health centers funded by the Department of Health, Education, and Welfare; to the Committee on Government Operations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. ZABLOCKI: Committee on Foreign Affairs. House Concurrent Resolution 271. Concurrent resolution expressing the sense of Congress with respect to the missing in action in Southeast Asia; with amendment (Rept. No. 93-982). Referred to the House Calendar.

Mr. TEAGUE: Committee on Science and Astronautics. H.R. 13998. A bill to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and research and program management, and for other purposes (Rept. No. 93-983). Referred to the Committee of the Whole House on the State of the Union.

Mr. STRATTON: Committee of conference. Conference report on S. 2770 (Rept. No. 93-984) ordered to be printed.

Mr. STRATTON: Committee of conference. Conference report on S. 2771 (Rept. No. 93-985). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ADDABBO:

H.R. 14110. A bill to amend title XVI of the Social Security Act to provide for emergency assistance grants to recipients of supplemental security income benefits, to authorize cost-of-living increases in such benefits and in State supplementary payments, to prevent reductions in such benefits because of social security benefit increases, to provide reimbursement to States for home relief payments to disabled applicants prior to determination of their disability, to permit payment of such benefits directly to drug addicts and alcoholics (without a third-party payee) in certain cases, and to continue on a permanent basis the provision making supplemental security income recipients eligible for food stamps; to the Committee on Ways and Means.

By Mr. BENNETT:

H.R. 14111. A bill to amend the Small Business Act to permit loans to be made to certain small business concerns that have suffered or will suffer substantial economic injury as a result of the diminished availability of refined petroleum products; to the Committee on Banking and Currency.

By Mrs. BOGGS:

H.R. 14112. A bill to amend the Federal Aviation Act of 1958 to authorize reduced rate transportation for certain additional persons on a space-available basis; to the Committee on Interstate and Foreign Commerce.

By Mr. BOLAND:

H.R. 14113. A bill to provide for the orderly transition from mandatory economic controls, continued monitoring of the economy, and for other purposes; to the Committee on Banking and Currency.

By Mr. BRASCO:

H.R. 14114. A bill to provide for the computation of pay of retired members of the armed services; to the Committee on Armed Services.

By Mr. BURKE of Massachusetts (for himself, Mr. Ashley, Mr. Aspin, Mr. Barrett, Mr. Biaggi, Mr. Davis of South Carolina, Mr. Evins of Tennessee, Mr. Frey, Mrs. Grasso, Mr. Hanrahan, Mr. Hungate, Mr. Lent, Mr. McCloskey, Mr. Madden, Mr. Minish, Mr. Nedzi, Mr. Patten, Mr. Thompson of New Jersey, Mr. Vigorito, Mr. Young of Florida, and Mr. Koch):

H.R. 14115. A bill to amend the Social Security Act and the Internal Revenue Code of 1954 to provide for Federal participation in the costs of the social security program, with a substantial increase in the contribution and benefit base and with appropriate reductions in social security taxes to reflect the Federal Government's participation in such costs; to the Committee on Ways and Means.

By Mr. DOMINICK V. DANIELS:

H.R. 14116. A bill to amend the Elementary and Secondary Education Act of 1965 to provide Federal assistance for interscholastic athletic programs in secondary schools associated with community improvement programs; to the Committee on Education and Labor.

By Mr. DORN (for himself, Mr. Teague, Mr. Haley, Mr. Dulski, Mr. Roberts, Mr. Satterfield, Mr. Helstoski, Mr. Edwards of California, Mr. Montgomery, Mr. Carney of Ohio, Mr. Danielson, Mrs. Grasso, Mr. Wolff, Mr. Brinkley, Mr. Hammerschmidt, Mrs. Heckler of Massachusetts, Mr. Zwach, Mr. Wylie, Mr. Hillis, Mr. Abdnor, Mr. Huber, Mr. Walsh, Mr. Moorhead of California, and Mr. Guyer):

H.R. 14117. A bill to amend title 38, United States Code, to increase the rates of disability compensation for disabled veterans, and the rates of dependency and indemnity compensation for their survivors, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. ESCH:

H.R. 14118. A bill to amend the National School Lunch Act, to authorize the use of certain funds to purchase agricultural commodities for distribution to schools, and for other purposes; to the Committee on Education and Labor.

By Mr. ESCH (for himself, Mr. Brown of California, Mrs. Burke of California, Mrs. Chisholm, Mrs. Collins of Illinois, Mr. Conte, Mr. Conyers, Mr. Cotter, Mr. Fish, Mr. Forsythe, Mr. Harrington, Mr. Kemp, Mr. Lagomarsino, Mr. Nix, Mr. Roncallo of New York, Mr. Ruppe, Mr. Vander Veen, and Mr. Won Pat):

H.R. 14119. A bill to extend and improve the Nation's unemployment programs and for other purposes; to the Committee on Ways and Means.

By Mr. FRASER (for himself, Mr. Steelman, Mr. Pepper, Mr. Thompson of New Jersey, Mr. Hosmer, Mr. Moakley, Mr. Nedzi, Mr. Conyers, Mrs. Grasso, Mr. McCloskey, Mr. Harrington, Mr. Gunter, Mr. Helstoski, Mr. Tiernan, Mr. Eilberg, Mrs. Schroeder, Mr. Nix, Mr. Davis of South Carolina, Mr. Young of Georgia, Mr. Eshleman, Mr. Podell, Mr. Won Pat, Mr. O'Hara, Mr. de Lugo, and Mr. Hicks):

H.R. 14120. A bill to amend the Public Health Service Act to provide for the making of grants to assist in the establishment and initial operation of agencies and expanding the services available in existing agencies to train professionals and paraprofessional personnel to provide home health services; to the Committee on Interstate and Foreign Commerce.

By Mr. STEELMAN (for himself, Mr. Fraser, Mr. Rosenthal, Mr. Ryan, Mr. Brown of California, Mr. Walsh, Mr. Yatron, Mr. Young of Florida, Mr. Culver, Mr. Gude, Mr. Eckhardt, Mr. Roybal, Ms. Abzug, Mrs. Boggs, Mr. Hansen of Idaho, Mr. Burke of Massachusetts, Mr. Kyros, Mr. Roncalio of Wyoming, Mr. Riegle, Mr. Vander Veen, Mr. Cronin, Mr. Diggs, Mr. Steele, Mr. Mitchell of Maryland, and Mr. Moorhead of Pennsylvania):

H.R. 14121. A bill to amend the Public Health Service Act to provide for the making of grants to assist in the establishment and initial operation of agencies and expanding the services available in existing agencies which will provide home health services, and to provide grants to public and private agencies to train professional and paraprofessional personnel to provide home health services; to the Committee on Interstate and Foreign Commerce.

By Mr. FRASER (for himself, Mr. Steelman, Mrs. Green of Oregon, Mrs. Chisholm, Mr. Owens, and Mr. Ford:

H.R. 14122. A bill to amend the Public Health Services Act to provide for the making of grants to assist in the establishment and initial operation of agencies and expanding the services available in existing agencies which will provide home health services, and to provide grants to public and private agencies to train professional and paraprofessional personnel to provide home health services; to the Committee on Interstate and Foreign Commerce.

By Mr. GUBSER:

H.R. 14123. A bill to require, upon written request by any individual, the disclosure of materials which relate to the receipt of any money from the United States by any public agency or nonprofit institution; to the Committee on the Judiciary.

By Mr. HANLEY:

H.R. 14124. A bill to amend the Federal Deposit Insurance Act and title IV of the National Housing Act to prohibit brokered deposits; to the Committee on Banking and Currency.

By Mr. HARSHA:

H.R. 14125. A bill to amend the Internal Revenue Sode of 1954 to increase the credit against tax for retirement income; to the Committee on Ways and Means.

By Mr. HÉBERT (for himself and Mr. Bray) (by request):

H.R. 14126. A bill to authorize certain construction at military installations and for other purposes; to the Committee on Armed Services.

By Mr. JARMAN:

H.R. 14127. A bill to amend section 1951, title 18, United States Code, act of July 3, 1946; to the Committee on the Judiciary.

By Mr. KING:

H.R. 14128. A bill to amend section 121 of the Internal Revenue Code of 1954 (relating to gain from sale or exchange of residence of individual who has attained age 65) to lower to 60 the age at which the benefits of that section may be elected and to increase the amount of gain which may be excluded under such section; to the Committee on Ways and Means.

By Mr. LANDRUM (for himself, Mr. Corman, and Mr. Pettis):

H.R. 14129. A bill to amend section 172 of the Internal Revenue Code of 1954; to the Committee on Ways and Means.

By Mr. MOAKLEY:

H.R. 14130. A bill to amend title II of the Social Security Act to make the provisions presently authorizing an increase in old age insurance benefits for individuals who delay their retirement until after they attain age 65 available also to certain individuals who retire and become entitled to benefits before attaining such age but who repay the amount of such benefits; to the Committee on Ways and Means.

By Mr. ROBERTS:

H.R. 14131. A bill to prescribe uniform criteria for formulating judicial remedies for the elimination of dual school systems; to the Committee on Education and Labor.

H.R. 14132. A bill to amend the Civil Rights Act of 1964 to provide for freedom of choice in student assignment in public schools; to the Committee on the Judiciary.

H.R. 14133. A bill to clarify the jurisdiction of certain Federal courts with respect to public schools and to confer such jurisdiction upon certain other courts; to the Committe on the Judiciary.

H.R. 14134. A bill to limit the jurisdiction of Federal courts to issue busing orders based on race, and for other purposes; to the Committee on the Judiciary.

By Mr. RODINO:

H.R. 14135. A bill to establish a National Resource Information System, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. ROE (for himself, Mr. Bafalis, Mr. Bergland, Mr. Brasco, Mr. Burgener, Mr. Cotter, Mr. Dent, Mr. Eilberg, Mr. Helstoski, Mr. Lehman, Mr. Minish, Mr. Patten, Mr. Podell, Mr. Roberts, Mr. Rodino, and Mr. Winn):

H.R. 14136. A bill to establish a National Foreign Investment Control Commission to prohibit or restrict foreign ownership control or management control, through direct purchase, in whole or in part; from acquiring securities of certain domestic issuers of securities; from acquiring certain domestic issuers of securities, by merger, tender offer, or any other means; control of certain domestic corporations or industries, real estate, or other natural resources deemed to be vital to the economic security or national defense of the United States; to the Committee on Interstate and Foreign Commerce.

Mr. ROE (for himself, Mr. Conte, Mr. Udall, and Mrs. Burke of California):

H.R. 14137. A bill to amend the Public Health Service Act to provide assistance for programs for the diagnosis, prevention, and treatment of, and research in, Huntington's disease; to the Committee on Interstate and Foreign Commerce.

By Mr. ROE (for himself, Mr. Bafalis, Mr. Bergland, Mr. Brasco, Mr. Burgener, Mr. Cotter, Mr. Dent, Mr. Eilberg, Mr. Helstoski, Mr. Lehman, Mr. Minish, Mr. Patten, Mr. Podell, Mr. Roberts, Mr. Rodino, and Mr. Winn):

H.R. 14138. A bill to create a Joint Congressional Committee on Foreign Investment Control in the United States; to the Committee on Rules.

By Mr. ROSENTHAL (for himself, Ms. Abzug, Mr. Addabbo, Mr. Badillo, Mr. Bingham, Mrs. Burke of California, Mr. Carey of New York, Ms. Chisholm, Mrs. Collins of Illinois, Mr. Conyers, Mr. Drinan, Mr. Edwards of California, and Mr. Eilberg):

H.R. 14139. A bill to amend the Social Security Act to provide for a minimum annual income (subject to subsequent increases to reflect the cost of living) of $3,850 in the case of elderly individuals and $5,200 in the case of elderly couples; to the Committee on Ways and Means.

By Mr. ROSENTHAL (for himself, Mr. Fish, Mr. Frey, Mr. Harrington, Mr. Helstoski, Ms. Holtzman, Mr. Howard, Mr. Koch, Mr. Metcalfe, Mr. Pepper, Mr. Podell, Mr. Rangel, Mr. Roybal, Mr. Tiernan, and Mr. Yatron):

H.R. 14140. A bill to amend the Social Security Act to provide for a minimum annual income (subject to subsequent increases to reflect the cost of living) of $3,850 in the case of elderly individuals and $5,200 in the case of elderly couples; to the Committee on Ways and Means.

By Mr. ROUSH (for himself, Mr. Aspin, Mr. de Lugo, Mr. Mitchell of Maryland, and Mr. Vander Veen):

H.R. 14141. A bill to amend the act establishing the Indiana Dunes National Lakeshore to provide for the expansion of the lakeshore, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. ROYBAL:

H.R. 14142. A bill to amend title 38 of the United States Code in order to furnish medical and dental treatment for non-service-connected disabilities of veterans over 70 years of age; to the Committee on Veterans' Affairs.

By Mr. STEELE (for himself, Mr. Benitez, Mrs. Boggs, Mr. Brinkley, Mr. Brown of California, Mrs. Burke of California, Mrs. Collins of Illinois, Mr. Conyers, Mr. Drinan, Mr. Froehlich, Mr. Fulton, Mrs. Grasso, and Mr. Gunter):

H.R. 14143. A bill making an additional appropriation for the fiscal year ending June 30, 1974, for the Department of Health, Education, and Welfare for research on the cause and treatment of diabetes; to the Committee on Appropriations.

By Mr. STEELE (for himself, Mr. Mazzoli, Mr. Melcher, Mr. Minish, Mr. O'Brien, Mr. Pepper, Mr. Podell, Mr. Riegle, Mr. Sarasin, Mr. Thompson of New Jersey, Mr. Thone, Mr. Winn, Mr. Won Pat, and Mr. Yatron):

H.R. 14144. A bill making an additional appropriation for the fiscal year ending June 30, 1974, for the Department of Health, Education, and Welfare for research on the cause and treatment of diabetes; to the Committee on Appropriations.

By Mr. WAMPLER:

H.R. 14145. A bill to amend title II of the Social Security Act to eliminate the 5-month waiting period which is presently a prerequisite of eligibility for disability insurance benefits or the disability freeze; to the Committee on Ways and Means.

By Mr. BOB WILSON:

H.R. 14146. A bill to provide retirement annuities for certain widows of members of the uniformed services who died before the effective date of the survivor benefit plan; to the Committee on Armed Services.

H.R. 14147. A bill to insure that recipients of veterans' pension and compensation will not have the amount of such pension or compensation reduced, or entitlement thereto discontinued, because of increases in monthly social security benefits; to the Committee on Veterans' Affairs.

By Mr. WINN (for himself, Mr. Roush, Mr. Roe, Mr. Bafalis, Mr. Thone, Mr. Devine, Mr. Horton, Mr. Morgan, Mr. Snyder, Mr. Clancy, Mr. Ware, Mr. Brasco, Mr. Price of Texas, Mr. Mathias of California, Mr. Steiger of Arizona, Mr. Matsunaga, and Mr. Mazzoli):

H.R. 14148. A bill to authorize the Administrator of the National Aeronautics and Space Administration to conduct research and development programs to increase knowledge of tornadoes, hurricanes, large thunderstorms, and other types of short-term weather phenomena, and to develop methods for predicting, detecting, and monitoring such atmospheric behavior; to the Committee on Science and Astronautics.

By Mr. WINN (for himself, Mr. Rosenthal, Mr. Ketchum, Mr. Perkins, Mr. Guyer, Mr. Mayne, Mr. Hanrahan, Mr. Young of Georgia, Mrs. Sullivan, Mr. Hechler of West Virginia, Mr. Powell of Ohio, Mr. Kemp, Mr. Podell, Mr. Shriver, Mr. Vander Veen, Mr. Gude, and Mr. Yatron):

H.R. 14149. A bill to authorize the Administrator of the National Aeronautics and Space Administration to conduct research and development programs to increase knowledge of tornadoes, hurricanes, large thunderstorms, and other types of short-term phenomena, and to develop methods for predicting, detecting, and monitoring atmospheric behavior; to the Committee on Science and Astronautics.

By Mr. WOLFF:

H.R. 14150. A bill to amend title XVI of the Social Security Act to provide for emergency assistance grants to recipients of supplemental security income benefits, to authorize cost-of-living increases in such benefits and in State supplementary payments, to prevent reductions in such benefits because of social security benefit increases, to provide reimbursement to States for home relief payments to disabled applicants prior to determination of their disability, to permit payment of such benefits directly to drug addicts and alcoholics (without a third party payee) in certain cases, and to repeal section 411 of the Social Security Amendments of 1972 and certain related provisions of law in order to restore to aged, blind and disabled individuals receiving supplemental security income (under title XVI of the Social Security Act) their right to participate in the food stamp and surplus commodities programs; to the Committee on Ways and Means.

By Mr. YATRON:

H.R. 14151. A bill to improve the coordination of Federal reporting services; to the Committee on Government Operations.

H.R. 14152. A bill to require that new forms and reports, and revisions of existing forms, resulting from legislation be contained in reports of committees reporting the legislation; to the Committee on Rules.

By Ms. ABZUG:

H.R. 14153. A bill to prohibit all military assistance to Greece until it is determined that Greece is fulfilling its obligations under the North Atlantic Treaty; to the Committee on Foreign Affairs.

By Mr. BIAGGI:

H.R. 14154. A bill to amend title XVI of the Social Security Act to provide for emergency assistance grants to recipients of supplemental security income benefits, to authorize cost-of-living increases in such benefits and in State supplementary payments, to prevent reductions in such benefits because of social security benefit increases, to provide reimbursement to States for home relief payments to disabled applicants prior to determination of their disability, and to continue on a permanent basis the provision making supplemental security income recipients eligible for food stamps; to the Committee on Ways and Means.

By Mr. BIESTER:

H.R. 14155. A bill to further the purposes of the Wilderness Act by designating certain lands for inclusion in the National Wilderness Preservation System, to provide for study of certain additional lands for such inclusion, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. CARNEY of Ohio:

H.R. 14156. A bill to terminate the Airlines Mutual Aid Agreement; to the Committee on Interstate and Foreign Commerce.

By Mr. CHAPPELL (for himself and Mr. Sikes):

H.R. 14157. A bill to establish the Mineral Conservation Research and Development Commission within the National Science Foundation; to the Committee on Science and Astronautics.

By Mr. DRINAN:

H.R. 14158. A bill to authorize assistance for the resettlement of refugees from the Union of Soviet Socialist Republics; to the Committee on Foreign Affairs.

By Mr. FISH:

H.R. 14159. A bill to amend title 39, United States Code, to permit the mailing of tickets and other material in connection with lotteries conducted by State agencies or by nonprofit organizations in accordance with State law, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. FROEHLICH:

H.R. 14160. A bill to amend the Federal Water Pollution Control Act to authorize a grant program for the payment by the United States of the cost of certain chemicals used for water pollution control purposes; to the Committee on Public Works.

By Mr. FULTON:

H.R. 14161. A bill to amend the Solid Waste Disposal Act to provide grants, loans, and loan insurance for the purpose of planning and constructing projects designed to recover energy from solid waste; to the Committee on Interstate and Foreign Commerce.

By Mr. GILMAN (for himself, Mr. Walsh, Mr. Wolff, Mr. Charles Wilson of Texas, and Mr. Abdnor):

H.R. 14162. A bill to amend section 360, title 38 of the United States Code, to authorize disability payments to certain veteran amputees; to the Committee on Veterans' Affairs.

By Mr. GOLDWATER (for himself and Mr. Koch):

H.R. 14163. A bill to protect the constitutional right of privacy of individuals concerning whom identifiable information is recorded by enacting principles of information practices in furtherance of articles I, III, IV, V, IX, X, and XIV of amendment to the U.S. Constitution; to the Committee on the Judiciary.

By Mr. HASTINGS (for himself, Mr. Broyhill of North Carolina, and Mr. Cohen):

H.R. 14164. A bill to provide for the development of a national health policy and to assist and facilitate the development of necessary health care resources; to the Committee on Interstate and Foreign Commerce.

By Mr. HASTINGS (for himself and Mr. Bergland):

H.R. 14165. A bill to amend section 104 of the Federal Water Pollution Control Act to authorize an improved program for research and demonstration of new techniques for the control of lake pollution; to the Committee on Public Works.

By Mr. HEINZ:

H.R. 14166. A bill to amend the Emergency Petroleum Allocation Act of 1973 to authorize and require the President of the United States to allocate plastic feedstocks produced from petrochemical feedstocks, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. HOSMER (for himself and Mr. Skubitz):

H.R. 14167. A bill to amend the act of October 27, 1972 (Public Law 92–578); to the Committee on Interior and Insular Affairs.

By Mr. JOHNSON of California (for himself, Mr. Hosmer, Mr. Dellenback, Mr. Ullman, Mr. Lujan, Mr. Wyatt, Mr. Foley, Mr. Roncalio of Wyoming, Mr. Towell of Nevada, Mr. Pritchard, Mr. Meeds, Mrs. Hansen of Washington, Mr. Hicks, Mr. McCormack, and Mrs. Green of Oregon):

H.R. 14168. A bill to enable the Secretary of the Interior to provide for the operation, maintenance, and continue construction of the Federal transmission system in the Pacific Northwest by use of the revenues of the Federal Columbia River Power System and the proceeds of revenue bonds, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. KEMP:

H.R. 14169. A bill to discourage the use of painful devices in the trapping of animals and birds; to the Committee on Merchant Marine and Fisheries.

By Mr. LEGGETT (for himself, Mr. Edwards of California, Mr. McCloskey, and Mr. Stark):

H.R. 14170. A bill to amend the Emergency Petroleum Allocation Act of 1973 to authorize and require the President of the United States to allocate asphalt and asphalt derivatives, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. LEHMAN:

H.R. 14171. A bill to authorize assistance for the resettlement of refugees from the Union of Soviet Socialist Republics; to the Committee on Foreign Affairs.

By Mr. McCORMACK (for himself, Mr. Teague, Mr. Mosher, Mr. Goldwater, Mr. Wydler, Mr. Fuqua, Mr. Symington, Mr. Hanna, Mr. Esch, Mr. Roe, Mr. Conlan, Mr. Parris, Mr. Cronin, Mr. Bergland, Mr. Martin of North Carolina, Mr. Pickle, Mr. Ketchum, Mr. Brown of California, Mr. Milford, Mr. Thornton, and Mr. Gunter):

H.R. 14172. A bill to further the conduct of research, development, and demonstrations in geothermal energy technologies, to establish a geothermal energy coordination and management project, to amend the National Science Foundation Act of 1950 to provide for the funding of activities relating to geothermal energy, to amend the National Aeronautics and Space Act of 1958 to provide for the carrying out of research and development in geothermal energy technology, to carry out a program of demonstrations in technologies for the utilization of geothermal resources, and for other purposes; to the Committee on Science and Astronautics.

By Mr. McCORMACK (for himself, Mr. Price of Illinois, Mr. Holifield, Mr. Hosmer, Mr. Cleveland, Mr. Kemp, Mr. Montgomery, and Mr. Sisk):

H.R. 14173. A bill to amend the Atomic Energy Act of 1954 to provide for improved procedures for planning and environmental review of proposed nuclear powerplants, and for other purposes; to the Joint Committee on Atomic Energy.

By Mr. O'NEILL (for himself and Mr. Rhodes):

H.R. 14174. A bill to authorize the Secretary of State or such officer as he may designate to conclude an agreement with the People's Republic of China for indemnification for any loss or damage to objects in the "Exhibition of the Archeological Finds of the People's Republic of China" while in the possession of the Government of the United States; to the Committee on Foreign Affairs.

By Mr. OWENS:

H.R. 14175. A bill to establish a Criminal Justice Reform Administration in order to provide assistance to encourage States and localities to undertake comprehensive criminal justice reform in order to strengthen police protection, improve the prosecution of offenders, expedite overcrowded court criminal calendars, and strengthen correctional systems, and for other purposes; to the Committee on the Judiciary.

By Mr. RARICK (for himself, Mr. Burgener, Mr. Dennis, Mr. Fisher, Mr. Grover, Mr. Hunt, Mr. Ichord, Mr. Kemp, Mr. Martin of North Carolina, Mr. McSpadden, Mr. Miller, Mr. Robinson of Virginia, Mr. Sandman, Mr. Sebelius, and Mr. Treen):

H.R. 14176. A bill to amend title XI of the Social Security Act to repeal the recently added provision for the establishment of professional standards review organizations to review services covered under the medicare and medicaid programs; to the Committee on Ways and Means.

By Mr. RINALDO:

HR. 14177. A bill to amend title II of the Social Security Act so as to remove the limitation upon the amount of outside income which an individual may earn while receiving benefits thereunder; to the Committee on Ways and Means.

H.R. 14178. A bill to amend the Internal Revenue Code of 1954 and title II of the Social Security Act to provide a full exemption (through credit or refund) from the employees' tax under the Federal Insurance Contributions Act, and an equivalent reduction in the self-employment tax, in the case of individuals who have attained age 65; to the Committee on Ways and Means.

By Mr. ROE (for himself, Mrs. Grasso, and Mr. Cleveland):

H.R. 14179. A bill to amend section 4a, the commodity distribution program of the Agriculture and Consumer Protection Act of 1973; to the Committee on Agriculture.

H.R. 14180. A bill to amend the National School Lunch Act and for other purposes; to the Committee on Education and Labor.

By Mr. ROGERS (for himself and Mr. Carter):

H.R. 14181. A bill to provide for the development of a long-range plan to advance the national attack on arthritis and related musculoskeletal diseases and for arthritis training and demonstration centers, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. RONCALIO of Wyoming:

H.R. 14182. A bill to authorize the Atomic Energy Commission in consultation with the U.S. Environmental Protection Agency to enter into cooperative agreements with certain States to contain and render harmless uranium mill tailings, and for other purposes; to the Joint Committee on Atomic Energy.

By Mr. RUPPE:

H.R. 14183. A bill to amend the Internal Revenue Code of 1954 to provide that the credit for foreign taxes shall not be allowed in the case of taxes paid to a foreign country with respect to the income derived from any oil or gas well located in a foreign country; to the Committee on Ways and Means.

By Mr. ST GERMAIN:

H.R. 14184. A bill to amend the Controlled Substances Act to make the stealing of a controlled substance from a pharmacy or related establishment a Federal crime; to the Committee on Interstate and Foreign Commerce.

By Mr. TIERNAN:

H.R. 14185. A bill to amend title 38 of the United States Code in order to provide service pension to certain veterans of World War I and pension to the widows of such veterans; to the Committee on Veterans' Affairs.

By Mr. TOWELL of Nevada:

H.R. 14186. A bill to provide for the suspension of annual assessment work on mining claims held by location in the United States; to the Committee on Interior and Insular Affairs.

H.R. 14187. A bill to expand the Boulder Canyon project to provide for the construction of a highway crossing of the Colorado River immediately downstream from Hoover Dam; to the Committee on Interior and Insular Affairs.

By Mr. WINN (for himself, Mr. Heinz, and Mr. Fraser):

H.R. 14188. A bill to authorize the Administrator of the National Aeronautics and Space Administration to conduct research and development programs to increase knowledge of tornadoes, hurricanes, large thunderstorms, and other types of short-term weather phenomena, and to develop methods for predicting, detecting, and monitoring such atmospheric behavior; to the Committee on Science and Astronautics.

By Mr. BINGHAM (for himself, Mr. Brasco, Mrs. Burke of California, Mr. Drinan, Mr. Foley, Mr. Fraser, Mr. Helstoski, Ms. Holtzman, Mr. Minish, Mr. Mitchell of Maryland, Mr. Podell, Mr. Rees, Mr. Reuss, Mr. Rosenthal, Mr. Roybal, Mr. Stratton, Mr. Vander Veen, and Mr. Yates):

H.R. 14189. A bill to amend the Economic Stabilization Act, to establish objectives and standards governing imposition of controls after April 30, 1974, to create an Economic Stabilization Administration, to establish a mechanism for congressional action when the President fails to act, and for other purposes; to the Committee on Banking and Currency.

By Mr. BROYHILL of North Carolina:

H.R. 14190. A bill to amend Public Law 93–153 to repeal section 409 thereof, and for other purposes; to the Committee on the Judiciary.

By Mr. CARTER (for himself, Mr. Nelsen, Mr. Heinz, and Mr. Hudnut):

H.R. 14191. A bill to amend the Public Health Service Act to revise and extend programs of Federal assistance for comprehensive health resources planning; to the Committee on Interstate and Foreign Commerce.

By Mr. FREY:

H.R. 14192. A bill to amend the Small Business Act to provide low-interest operating loans to small businesses seriously affected by a shortage in energy producing materials; to the Committee on Banking and Currency.

H.R. 14193. A bill to promote rail-highway safety by requiring light-reflecting markings on railroad locomotives and cars; to the Committee on Interstate and Foreign Commerce.

By Mr. HANLEY (for himself, Mr. Derwinski, Mr. Ford, Mr. Hinshaw, Mr. Johnson of Pennsylvania, Mr. Nix, Mr. Udall, and Mr. Charles H. Wilson of California):

H.R. 14194. A bill to amend title 39, United States Code, with respect to certain rates of postage, and for other purposes; to the Committee on Post Office and Civil Service.

By Mrs. SCHROEDER (for herself, Mr. Conyers, Mr. Moakley, Mr. Podell, Mr. Hechler of West Virginia, Mrs. Grasso, Mr. Eilberg, Mr. Rosenthal, Mr. Vander Veen, Mr. Morgan, Mr. Davis of South Carolina, Mr. Jones of North Carolina, Mr. Roybal, Mr. Bingham, Mr. Murtha, Mr. Mitchell of Maryland, Mrs. Chisholm, Mr. Won Pat, Mr. Wampler, Mr. McSpadden, and Mr. Nix):

H.R. 14195. A bill to amend the Internal Revenue Code of 1954 to provide for an increase in the amount of the personal exemptions for taxable years beginning after December 31, 1973; to the Committee on Ways and Means.

By Mr. SYMINGTON:

H.R. 14196. A bill to establish a Health Action Corps; to the Committee on Interstate and Foreign Commerce.

By Mr. ANDERSON of California (for himself, Mr. Dominick V. Daniels, Mr. du Pont, Mr. Boland, Mr. Schneebeli, Mr. Van Deerlin, Mr. Young of Georgia, Mr. Howard, Mr. Winn, Mr. Kemp, Mr. Addabbo, Mr. O'Hara, Mr. Burke of Massachusetts, Mr. Pritchard, Mr. Duncan, Mr. Minish, Mr. Hosmer, Mr. Pepper, Mr. Reid, Mr. Preyer, and Mr. Roybal):

H.R. 14197. A bill to discourage the use of painful devices in the trapping of animals and birds; to the Committee on Merchant Marine and Fisheries.

By Mr. ANDERSON of California (for himself, Mr. Eckhardt, Mrs. Burke of California, Mr. Forsythe, Mr. Frey, Mr. Gunter, Mr. Drinan, Mr. Bob Wilson, Mr. Badillo, Mrs. Boggs, Mr. Sarbanes, and Mr. Steelman):

H.R. 14198. A bill to discourage the use of painful devices in the trapping of animals and birds; to the Committee on Merchant Marine and Fisheries.

By Mr. HOWARD (for himself, Mr. Mills, Mr. Addabbo, Mr. Biaggi, Mr. Bingham, Mr. Corman, Mr. Duncan, Mrs. Grasso, Mr. Gude, Mr. Hamilton, Mr. Kastenmeier, Mr. Koch, Mr. McCloskey, Mr. McEwen, Mr. Meyers, Mr. Pepper, Mr. Railsback, Mr. Reid, Mr. Rose, Mr. Roybal, Mr. Ruppe, Mr. Ruth, Mr. Udall, Mr. Van Deerlin, and Mr. Ware):

H.J. Res. 976. Joint resolution to authorize the President to issue a proclamation designating the month of May 1974, as National Arthritis Month; to the Committee on the Judiciary.

By Mr. KEMP:

H.J. Res. 977. Joint resolution proposing an amendment to the Constitution of the United States relative to force and effect of treaties; to the committee on the Judiciary.

By Mr. DOMINICK V. DANIELS:

H. Con. Res. 476. Concurrent resolution expressing the sense of Congress with respect to the autonomy of the Kurdish Nation; to the Committee on Foreign Affairs.

By Mr. TEAGUE:

H. Con. Res. 477. Concurrent resolution requesting the President to proclaim the 7-day period, beginning on Monday, that contains the July 20 date of each year as U.S. Space Week; to the Committee on the Judiciary.

By Mr. FROEHLICH (for himself, Mr. Dan Daniel, Mr. Dent, Mr. Duncan, Mr. Findley, Mr. Grover, Mr. Gude, Mr. Helstoski, Mr. Hungate, Mr. Kemp, Mr. Ketchum, Mr. Owens, and Mr. Roush):

H. Res. 1032. Resolution creating a select committee to study the impact and ramifications of the Supreme Court decisions on abortion; to the Committee on Rules.

By Mr. MILFORD (for himself, Mr. Carney of Ohio, Mr. Dent, Mr. Hanley, Mr. Moakley, Mr. Murphy of New York, Mr. Roe, and Ms. Schroeder):

H. Res. 1033. Resolution advocating the use of export controls by the United States, especially with respect to natural resources and agricultural commodities, in order to increase employment opportunities for American workers; to the Committee on Banking and Currency.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. REID:

H.R. 14199. A bill for the relief of Eupert Anthony Grant; to the Committee on the Judiciary.

By Mr. ROYBAL:

H.R. 14200. A bill for the relief of Pedro Escobedo-Celaya; to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

ENERGY CRISIS—A CITIZEN'S VIEW

HON. JESSE A. HELMS

OF NORTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Wednesday, April 10, 1974

Mr. HELMS. Mr. President, everyone is properly concerned about the energy crisis with its shortages of gasoline, fuel oil, and gas. There has been much discussion about how best to solve the current problems as well as the provisions that should be made for the future. It has been my view for a long time that certain Government actions have discouraged the exploration for new domestic sources of petroleum. Nonetheless, some have suggested greater regulation of the oil industry.

Mr. W. G. Brotton of Scotland Neck, N.C., recently sent to me a letter to the editor of "The Indian Journal," Eufaula, Okla., which was written by a citizen who believes that such governmental regulation of this industry is not in the national best interest. His thoughts merit serious attention.

I ask unanimous consent that the aforementioned letter be printed in the Extensions of Remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

LETTERS TO THE EDITOR

Mary Rule, editor:

May I answer seemingly unfair criticism of the oil industry in last week's column of "Sherwood Forest Chit Chat." I own no oil production, etc., and have no axe to grind and seek only to clarify the murky waters surrounding the cause of our energy shortage.

The prime cause of our fuel shortage is unwise legislation, prompted by political appeasement of the heavily populated Northeastern states.

The worst legal blunder was permitting the federal power commission to control natural gas prices at the well head. Thus for political reasons, prices of a deluxe fuel (Natural gas) was kept lower than an inferior fuel (coal) which resulted in huge wasting of natural gas by using it in place of coal in large manufacturing plants of the east. It also caused very high unemployment among coal miners but they in turn were taken care of by almost perpetual welfare. (The F. P. Com. is dominated by Eastern states.)

Such regulations also held back industrial development of oil and gas producing states as they were forced to supply it to Eastern factories at a low cost. Without such regulation, gas price would have found its true value price which was much higher than its controlled price and many manufacturing plants would have moved South and West to their source of supply much earlier than they did.

Despite the warnings of wiser heads as much as 15 years ago (including our own late Senator Kerr) of the approaching fuel shortages, such policies not only continued then but still are in effect. This is in spite of the fact that all studies of the oil industry call for the decontrol of natural gas prices.

Sure, I would like gas and gasoline to be sold to me as cheaply as possible but I recognize the fact that without adequate profits of companies for 1973 and see 40 percent to 60 percent increases and blame oil companies for high gas prices. Actually one year proves nothing. The fact is, over the last 10 years the oil industry has had one of the lowest profit margins of any major industry. It is one of the most heavily taxed of all.

Depletion allowance, in a nut shell, simply recognizes the fact that miner leases (and farms) have less value after production has lowered or ended future potential.

The economic fact is that net income is not all net profit because part of it is a return of capital via lower priced mineral rights.

The oil industry needs Less regulation, not more, in order to create an environment more suitable for investment of outside funds for exploration, without which, eventually, all production ceases.

Sincerely,

JESSE J. DYAS.

IMPROVED SERVICE TO VETERANS IN THE SAN DIEGO AREA

HON. BOB WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 10, 1974

Mr. BOB WILSON. Mr. Speaker, there has been much said recently concerning the adequacy of benefits provided to our service veterans and the efficiency and responsibilities of the Veterans' Administration in delivering such care and benefits. With reference to the latter, I believe it is important to give credit where due. While recognizing that improvement is always possible and that we should seek to give the best possible service to our veterans with the least amount of delays and hindrances, I am enthusiastic about a recent development at San Diego.

Just 2 months ago, beginning on February 4, the Veterans' Administration opened a new regional office in San Diego, recognizing the growing veteran population in southern California and also designed to relieve the excessive workload previously being experienced in the Los Angeles regional office. There are some 272,000 veterans living in San Diego, Imperial, and Riverside Counties who will be served by the new office. Of this number, more than 61,000 are Vietnam era veterans.

Obviously, the proximity of the new office will be of great benefit to the veterans of the area. Perhaps even more importantly, the new office is organized under a new concept utilizing a team approach to counseling and services. This is a management improvement that was carefully researched by the VA prior to implementation. In fact, it had been tested on a pilot basis at six regional offices before becoming operational on a full-scale basis at San Diego.

During the next few years, as those who served during the Vietnam period are absorbed back into civilian life, the demands on the Veterans' Administration will be great. It is comforting to know that a continuing effort is being made to improve the capacity of the VA to meet these needs, including maximum use of computer technology, of course.

In fiscal 1973, some $1.3 billion was expended in California for VA facilities, benefits, and operations serving veterans and dependents. But dollar totals do not tell the story unless the services provided are as good as is possible. Fortunately, the end of the U.S. involvement in Southeast Asia has brought an increasing number of men and women out of the armed services and given a sudden surge to our veteran population. This Nation has a tradition of honoring its veterans and I am sure we will insist that those of the Vietnam era are accorded appropriate benefits and assistance in returning to peacetime pursuits.

The Veterans' Administration regional office in San Diego will fill a vital role in that function and it is a most welcome addition to the area which I represent.

INTEGRITY IN THE POLITICAL PROCESS

HON. WILLIAM V. ROTH, JR.

OF DELAWARE

IN THE SENATE OF THE UNITED STATES

Wednesday, April 10, 1974

Mr. ROTH. Mr. President, recently I was privileged to participate in the Delaware Humanities Forum at Wesley College in Dover, Del. Because of the general interest in the subject of my talk, "Integrity in the Political Process," I request that it be printed in the Extensions to the RECORD:

There being no objection, the talk was ordered to be printed in the RECORD, as follows:

INTEGRITY IN THE POLITICAL PROCESS

One of the most basic needs of mankind is the need for faith—faith in ourselves, faith in our established institutions, faith in our country and above all faith in a supreme being.

Today up and down the line our faith has been shaken—shaken perhaps as never before. All too frequently our youth have demonstrated a loss of faith and trust in those closest to them. Faith in our established institutions has dwindled and in some cases is almost non-existent. Faith in laws which have guided and protected our system of government for almost 200 years has been eroding, and, alarmingly, faith in God has been under strong attack.

In addition a helplessness, hopelessness, and even fear prevade our society.

When you add these negative influences in our society today to a morality that the ends justify the means of that results are more important than how you get them you have the matrix for the environment from which came Watergate, Kent State, student riots, looting, burning, and an entire litany of illegal destructive and unethical acts.

Directly affected by this atmosphere, as much if not more than any other established institution, is your government. Its credibility and effectiveness are openly questioned by almost everyone we meet. A recent survey showed that only 21% of the people have confidence in the Congress. And, most significantly of all, as a result of what has happened since the '72 election, the average citizen has some very real questions in his mind about the integrity of his government and the men and women in it. It is tragic indeed that so many good and dedicated people are having to suffer a lack of public trust because of the immorality of a few.

The type of morality that brought Watergate—one that supports the thesis that the ends justify the means and that you can ignore those laws you don't agree with—should be denounced in the strongest terms just as Watergate itself and those who participated in its execution and coverup should be denounced. Further, those involved should be brought to justice.

Politicians and public servants are, of course, subject to the same laws as every other citizen plus a host of other ones including those to forestall bribery, graft, conflict of interest, and election law offenses. One of my concerns, however, is that the laws have not been strongly enforced in the past. There have been exceptions though, thanks to the diligent efforts of people like Senator John Williams. Lamar Caudle in the Truman Administration and Bobby Baker, former Senate Majority Secretary, are examples.

Despite the legal deterrents to crime in government, you can't put enough laws on the books to prevent it. Watergate proved that.

Simply put, you can't legislate morality. Unlike other crimes I have mentioned, Watergate crimes bascially were not perpetuated for personal monetary gain. Instead they were committed for the purpose of power and control and subversion of the democratic processes of government by men who put themselves above the law.

Despite its sordidness, however, Watergate has demonstrated, more than anything that has happened in recent times that our system of justice is working though cumbersome, slow and at times erratic. Events following '72 elections and unfolding on up to the present time show that no one in government is immune from the law, not even the President himself. More than 40 indictments already have been returned followed by several convictions. They reach from the highest echelons in the White House to those who actually carried out the burglary of the Democratic National Committee Headquarters and to those who carried out the dirty tricks. The impeachment inquiry hearings are underway and most recently the Kent State case has been reopened with indictments being returned against those involved in the shooting of the students there. So, like the mills of God, the system of justice in this country grinds slowly yet it grinds exceedingly small. The system is slowly purging itself of wrongs and evils and in doing so it is proceeding in a relatively orderly way. Among other things it has led to the House Judiciary Committee impeachment inquiry now in progress. In that regard it has been my personal conviction that so-called executive privilege does not apply to impeachment proceedings. Since 1972 I have called for full disclosure and an independent investigator and I believe the President has erred in not promptly supplying whatever the Judiciary Committee believes necessary to an investigation.

Should the Committee recommend impeachment and should the House so vote, a trial would be held in the Senate. In that event my responsibility is to uphold the Constitution and to insure that such proceedings are fair and impartial and in the highest tradition of justice. My vote will stand apart from political party or politics and I resent those who attempt to predict how I would vote. I believe it is wrong and contrary to my oath as a Senator for me to take a position before I hear the evidence. Further I am concerned that those who have done so whether for or against will be challenged either in the proceedings or in the Supreme Court.

In our preoccupation with Watergate we all too often lose sight of the strength which sustains this system of government and tend instead to concentrate on its weaknesses.

Yet, it is these very strengths which separate our government from other types and which prevent it from moving too far to the right or left.

Let me hasten to add though that we cannot be complacent. What we need to do is to take whatever steps are necessary and prudent to cut down on the likelihood of future Watergates. We in government must create a framework that will help insure honesty in government. We as public servants must conduct ourselves in a manner that will merit your respect. Moreover no matter how well our governmental machinery works, we must from time to time fine tune and adjust the various parts to be sure they continue to be responsive to changing needs. The time to undertake such a fine tuning and adjustment is now. To eliminate the abuses encountered in past elections we should reform campaign practices and financing. To give Congress the strength it needs to serve as a co-equal branch of government we should take back some of the powers which have been flowing to the executive branch under all of the Presidents since Franklin D. Roosevelt. To make Congress live up to its responsibilities we should reform its procedures. To assure integrity in the use of the taxpayers money we should develop a system to better control the expenditures of your money. Equally important, to assure that we get more honest, capable people in public office, we should exercise more caution and discretion as voters.

There is no better way in my opinion to prevent future Watergates and future attempts to subvert the political process than to bring about true election reform. To accomplish this I have just introduced a package of four bills, whose main purpose is to deemphasize the need for money in election campaigns. One bill will broaden the number of smaller contributions to each campaign and will reduce the need for excessive contributions, through a fifty percent tax credit for contributions up to $150 for individual returns and $300 for joint returns. Another would provide free and equal television time for U.S. Senate and House candidates of the two major parties. This bill eliminates the purchase of additional television time and thus a major portion of the rapidly escalating campaign costs. It is only fair that television stations provide this public service because they enjoy a valuable right of use of the airways.

A third bill provides for two free mass mailings for each candidate and limits them to these mailings. My bill would prevent mass mailings of any type 120 days prior to an election for incumbents—except of course to answer constituent mail.

The fourth bill limits out of state contributions to no more than 25% of the total raised in any individual Congressional campaign.

This would help prevent influence from out of state contributors. In addition to my own campaign package I have strongly supported full disclosure, limits on contributions, and shortened campaigns.

Unlike public financing which emphasizes large sums of money and which runs the risk of being tilted in favor of this or that candidate, my approach would deemphasize the use of money. The cost of campaigning has gotten out of hand and it's time we do all we can to bring it back to earth and minimize abuses. Most importantly, my approach would help to eliminate the prepackaged candidate about which we know nothing more than what some high priced, high powered political consulting, public relations, or advertising agency wants us to know. Why I've even heard of some cases where a candidate was removed from the public eye because an agency thought it was the best way for him to be elected. Tricks, gimmickry, and programmed candidates are founded on deceptions and are inimical to integrity in government.

While the abuses in political campaigns and Watergate have made us particularly conscious of the need for campaign reform another essential element to integrity in government is the way in which government conducts its day to day activities.

I have been involved in trying to strengthen the hand of the Congress and to open up the Government since I first went to Washington in 1967. My earliest endeavor was to compile a catalogue of domestic assistance programs, where I immediately ran headlong into the problem of executive branch agencies withholding information from the Congress. But, we persisted and I finally broke loose the information the public needed. One interesting thing we found, for instance, was that while the Johnson Administration claimed 400 programs we uncovered 1100.

Recently I drafted legislation that would grapple intelligently with the difficult issue of executive privilege. The chief proposal before the committee would have cut-off the salary of the official who failed to provide the information needed even though he was obeying the orders of a superior. This was intended to force the employee to go to court to get his back salary and thus provide an opportunity for a court test on whether the information was within the scope of executive privilege. Because this approach was both unconstitutional and grossly unfair I was successful in having the committee and the Senate accept my amendment which would get the information through an innovative subpoena process subject to a quick court review without interfering with an employee's salary.

Senator Sam Ervin characterized my amendment as providing "for the first time in the history of our Nation a way to get the information Congress needs without punishing the poor devil who was ordered to withhold it."

At the same time we correct the abuses of executive privilege we cannot let Congress escape criticism for not opening up and reforming its procedures. I am attempting in several ways to do something about this problem. Working with Senator Humphrey I have attempted to open up all of the Senate's committee business meetings and was partially successful in that each committee now has the option of determining whether or not its meetings will be open to the public. I intend to persist in my efforts to open up these meetings because it's about time that some of these secretive and high-handed tactics of the past be abandoned and the public be brought in on the business meetings of Congress. My latest effort in this regard was successful, however, and I am pleased that we are making progress. When the recently passed budget reform bill was being considered, Senator Chiles and I offered and had accepted what we call a "sunshine" amendment. This amendment provides that the new budget committee open its deliberations to the public.

I have in the past been concerned about the seniority system in Congress and have been a strong supporter of the concept that Chairmen and Ranking Members of Committees be elected in order to assure the selection of able and knowledgeable men. In my view many of the major shortcomings of the Congress can be laid right at the doorstep of seniority. I'm sure too that some of the breaches in ethics and honesty in the past have resulted to some extent from this inefficient system.

Frequently those who are concerned with honesty and integrity in government overlook the one area where, in my view, branches in integrity occur regularly. That is the way in which those who represent you in government spent your money. And, I might add that this free and easy use of your money is one of the prime causes of inflation. To do something about the waste of taxpayers' dollars, I have been at the very forefront of fiscal reform since I have been in the Senate. I fought hard for meaningful budget reform in the Government Operations Committee and later on the floor of the Senate. The bill which finally emerged claims much but does little. Ceilings are set but like the national debt they can be raised again and again by a simple majority vote and chances are that during an election year the ceilings will be raised when Members of Congress come up with their grab bags of prizes for the voters. My amendment would have made it more difficult to raise the ceilings by requiring a two-thirds vote each time in the event additional revenues weren't found by Congress to fund a new project.

I realize full well that a good deal more must be done to restore public confidence in government and I intend to do all I can to help make the political and governmental processes more honest, responsive, and efficient.

But you and every other citizen and voter also play a role in maintaining integrity in government—and a very important one at that. For you are the ultimate judges of who will represent you at the National level. To assist you in this effort I have developed a voter's list of rules for assuring integrity in government. With your forebearance I'd like to recite them to you now.

1. Beware of the soothsayer who offers panaceas for every problem. For he shall lead you down the primrose path.

2. Be wary of him who proclaims his honesty from the rooftops. For the honest man need not proclaim it so.

3. Consort not with the doctrinaire. For his is frequently the narrow field of impossible dreams.

4. Avoid the faint hearted. For his principles are subject to frequent changes in the breeze.

5. Stay away from the big spender. For he takes from one pocket to put in another.

6. Put not your trust in the dilettante for his is the way of little accomplishment.

7. Work not with the evasive. For you know not where he is going.

8. Beware of the showhorse. For seldom is substance to be found beneath the glitter.

9. Take with a grain of salt him who offers the simplistic solution. For if such were possible it would long ago have been adopted.

10. Be wary of him who sets forth criteria such as these. For he should follow the standards he sets for others.

In attempting to build and maintain integrity in government look beneath the surface and beyond the party label. I'm sure you all know that it wasn't the party label that returned John Williams to the Senate time after time. It was above all else his ability and his integrity, and so it was with Allen Frear and Cale Boggs.

Our system of government in this country will continue to remain strong and self-corrective only as long as we have an effective and alert citizenry, equally strong branches of government, including a strong effective Congress, and meaningful reforms as they are needed.

The faith I spoke of at the beginning of my talk should not be just a sometime thing. It should sustain us constantly as we struggle to meet some of the awesome problems with which we are faced today. Such faith should be buttressed by strong and effective action on the parts of those of us in and out of the government.

Faith and action together are without parallel as a source of the strength we need to maintain integrity in government and to make this a better country in which to live. Without such enlightened faith we can accomplish little. With it we can accomplish more than we can envision at this time.

CONGRESSMAN DOMINICK V. DANIELS HAILS JO ANN STRUZIENSKI, WINNER OF SPIRIT OF '76 ESSAY CONTEST

HON. DOMINICK V. DANIELS

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 10, 1974

Mr. DOMINICK V. DANIELS. Mr. Speaker, this week the American Revolution Bicentennial Committee of Kearny, N.J., through its distinguished chairman, Mrs. Walter C. Hipp, announced the winners of its Spirit of '76 Essay Contest. The contest was entered by students from 10 schools in Kearny and 275 students wrote essays as a part of the contest.

The grand prize winner was a seventh grade student from Our Lady of Sorrows School, Jo Ann Struzienski, 358 Schuyler Avenue, Kearny.

Mr. Speaker, Jo Ann's paper is so good that I think it is worthy of the attention of all Members of the House and all persons who read the RECORD. I hope all my colleagues will take a moment and realize just how worthy America's boys and girls are to carry on the heritage of this Nation. I commend Jo Ann, her parents, the good sisters and lay teachers at Our Lady of Sorrows School for a job well done.

The essay follows:

SPIRIT OF '76

(By Jo Ann Struzienski)

I, the Spirit of '76, am a year, a flag, and a people that will always be cherished in memory. During this year a great event happened—America, my Nation, was born. The birthdate, July 4, is to this day celebrated yearly with special parades, displays, and fireworks to honor the people of the past who were so powerful, courageous, and brave. These people had that stick-to-it-tiveness so necessary to get a good job done. Therefore, I am their lives lived, gone, but still remembered. I am their victory, defeat, sadness, and hope.

My beautiful American flag, has spirit in itself. It stands for freedom, liberty, and rights. It represents glory and brought it to this country. It was the first flag for the united regiments of the colonies unfurled on Prospect Hill in Somerville, Massachusetts when the new Army under Washington began its existence. He reported that I was hoisted "in compliment to the United Colonies". Americans respected me then and still do today. This is expressed by the daily pledge made to me in schools, meeting places, and wherever Americans stand together. This promise is an affirmation of the basic principles of America—one nation indivisible, formed and existing under divine providence, and providing liberty and justice for all. In this twentieth century, I am also proud that my flag was the first to be placed on the moon by our Nation's astronauts.

My past era was an exciting one. It was the time of the Boston Tea Party and Paul Revere's famous midnight ride immortalized by Henry Wadsworth Longfellow. It was the battles of Lexington and Concord, Bunker Hill, and the suffering at Valley Forge. My staunch spirit went on to live in the men who fought in the battles of Korea, Vietnam, and on the battlegrounds of World Wars I and II. As in the past the responding proclamation of Patrick Henry to "give me liberty or give me death", motivated the stout-hearted colonists, so today, it still continues to spur our great men to heroic action.

Americans, on a visit to historical Philadelphia, our Nation's First Capital, have an opportunity to see the famous Liberty Bell, and learn to appreciate their freedom that began with the Declaration of Independence that had been announced by it. When this Declaration's precious document came into existence, many men had already jeopardized their very lives. One of these was Patrick Henry when he declared, "These United Colonies are, and of right, ought to be, free, and independent States". Another, Nathan Hale, echoed the same idea when he stated, "I regret that I have but one life to give for my country".

Such was the heroism of the men of the past. Walking in these footsteps have been men like them in our day. They were John and Robert Kennedy, and Martin Luther King. They embodied the "Spirit of '76". And so it is that this spirit still beckons foreign peoples coming to our shores. They kneel in thanksgiving to God as they catch their first glimpse of the Statue of Liberty, that beacon of hope in the Atlantic, welcoming them to the "Home of the Brave".

Therefore, as the citizens of this great Nation prepare for their bi-centennial, it is my burning desire that the "Spirit of '76" continue to direct and guide them in order that future generations would learn to know and cherish the ideals that won for them their liberty under God.

THE RETIREMENT OF MR. CAMILLO DELUCIA

HON. WAYNE L. HAYS

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 10, 1974

Mr. HAYS. Mr. Speaker, on January 1, 1974, the tri-State area of southeastern Ohio lost one of its most popular and familiar voices. On that day Mr. Camillo DeLucia retired as the voice of the Neapolitan Serenade after more than 33 years.

Mr. DeLucia's career in broadcasting has had few parallels. He came to the United States as an immigrant in 1920 with his wife Gilda and settled in Steubenville, Ohio, in 1923. After many years of radio experience in New York, Philadelphia, and Youngstown, he joined WSTV, Steubenville, in November 1940, to become host of Neapolitan Serenade. He was a natural for the job and became instantly popular with the large group of Americans of Italian extraction.

He combined many patriotic and charitable services with his duty as radio host. During World War II the Department of the Treasury presented him with a citation for his efforts in behalf of war bond sales. When major floods struck Europe in 1962 he raised several thousand dollars for flood victims in Italy. For years he has raised money for St. John's Villa in Carrollton, Ohio. These are only a few examples of his efforts.

The honors bestowed on Mr. DeLucia are too numerous to list in detail. They include, among others, special commendations from President Franklin D. Roosevelt, Pope John XXIII, and Alcide D. Gasperi, Prime Minister of Italy. He was awarded the Cross of Solidarity Medal, Grand Cavalier of the Order of Merit by the President of Italy.

Even now that he has retired to spend more time with his children and grandchildren he continues to participate in community affairs and to add to the treasury of memories for his family, his friends, and his neighbors.

THE CHEEKTOWAGA TIMES CALLS UPON ELECTED OFFICIALS TO HOLD THE LINE AGAINST SPENDING AND INFLATION

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 10, 1974

Mr. KEMP. Mr. Speaker, in a highly perceptive editorial on April 4, the Cheektowaga Times, one of the outstanding weekly newspapers in Erie County, N.Y., the problem of handling inflation was hit head on, with the blame being assigned where it really belongs—"at the door of elected officials responsible for massive Government spending and mounting Federal budget deficits."

The newspaper and its distinguished and dedicated editor, Mr. Willard Allis, are to be commended for bringing this insight—and this candor—to the people and to the debate on this issue. I commend Mr. Allis and his capable staff for having made this important contribution to the need for controlling our runaway budget and the large deficits which have been financed by expansionist monetary policies.

Inflation is the cruelest of all economic phenomena, for it robs all of us of our purchasing power and of future economic security. It is especially severe to those on fixed incomes—principally annuitants, pensioners, and social security recipients.

Mr. Speaker, as I have said before on the floor of this House:

> Inflation is not an act of God; it is an act of politicians.

As such, it is as susceptible to alleviation and resolution as it was to creation; and, if the elected officials of this country continue to contribute to the causes of inflation, the people should hold them fully accountable and turn them out of office as Mr. Allis so wisely suggests.

The editorial follows:

CORRALLING INFLATION

If a majority of the people, in addition to worrying about inflation, also laid the primary blame for the problem at the door of elected officials responsible for massive government spending and mounting federal budget deficits and gave their support to those who want to bring the federal budget under control, two thirds of the battle against inflation would have been won. Those of us who receive federal benefits either directly or indirectly must be willing to agree that those benefits should not be increased or expanded and should perhaps even be reduced. If this ever happens, the beast of inflation will be corralled. But, as things now stand, we've had to resort to another economic freeze, and it doesn't look like we know for sure even where to get a good hold on the animal.

The Gallup poll never fails to come up with some interesting items regarding the shifting course of public opinion. Quite predictably, inflation's effect on the cost of living is said to be the number one worry of over 60 percent of the people questioned at the present time.

Mr. Speaker, if the problems of inflation are ever to be sufficiently tackled, it will require a greater awareness among the people—the voters—on the real causes of inflation. To this effort, the Cheektowaga Times has made a valuable effort. I am proud to share it with my colleagues.

SOVIET SHELTER BUILDING

HON. BOB WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 10, 1974

Mr. BOB WILSON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following:

SOVIET SHELTER BUILDING

(By Joanne S. Gailar, Health Physics Division, Oak Ridge National Laboratory,* Oak Ridge, Tennessee)

On Christmas Day, 1973, a top-level conference of civil defense staff took place in Moscow. It was presided over by Soviet CD Chief, Col. Gen. Alexander T. Altunin, and was attended by high ranking participants. The agenda included a report on increasing the public knowledge about civil defense.

It comes as no surprise that Altunin, a deputy defense minister as well as CD chief of his country, would back the promotion of CD instruction for the population. It is his stated conviction that "protection against any weapon, even the most modern," is possible "if everyone masters its ways and means."

The Soviet Union evidently has no intention of leaving the important matter of acquiring such knowledge to chance. One step in the process of instructing its citizens is the preparation of high quality CD handbooks, always with a particular audience in mind. The ORNL has published translations of three such Russian handbooks within the past three years: (1) *Civil Defense* (Moscow 1969), a manual "for all faculties of agricultural institutes"; (2) *Civil Defense* (Moscow 1970), a text for students in engineering and liberal arts colleges throughout the land; and (3) *Antiradiation Shelters in Rural Areas* (Moscow 1972), a handbook for the general population.

The most recent handbook is addressed directly to the Soviet people. In the introduction it states:

"Knowledge on the part of the population of the damaging factors of nuclear weapons and skillful application of defensive methods could reduce human casualties by many times in the future war, if it is launched by imperialists.

"Having read this memorandum, you will know not only of the damaging action of penetrating radiation and of radioactive contamination of an area, which follow a nuclear explosion, but will also be familiar with the simplest yet dependable means of defense."

This handbook, forty pages in the original Russian, goes on to impart this life-saving information to its readers. Chapter I, What Each Person Should Know About Radioactivity and Its Damaging Effects, describes the fireball, the shock wave, initial nuclear radiation, and fallout from a nuclear explosion, and indicates the time of arrival of fallout in a specific area in relation to distance from the explosion and wind velocity. It also indicates the fallout duration.

Chapter II, Why It is Dangerous for People to Be in a Radioactively Contaminated Area, discusses radiation sickness and gives the ranges of the radiation doses at which relatively light, intermediate, and serious illness occur, together with the symptoms at each level of illness.

Chapter III, Learn to Defend Yourself—You Will Save Your Life and Preserve Your Health, explains the meaning of such terms as shielding coefficient and attenuation factor and gives the basic requirements for a fallout shelter.**

Chapter IV, How to Build a Fallout Shelter, gives instructions and drawings for building such shelters as a covered trench shelter, a peak-roofed dugout, a lean-to dugout, a wood-earth shelter, a shelter with a roof made of reinforced concrete slab (one with walls lined with rough lumber and one without wall lining), a shelter made of fascines (bundles of saplings, or of stalks of plants), and a shelter of adobe brick.

Chapter V, How to Behave in a Fallout Shelter, instructs the reader, "Take with you a supply of food, drinking water, and essential items" and "do not forget to take . . . means for light . . . heating . . . a first aid kit, a radio set, and a time piece." Chapter V also lists important rules of conduct while in a shelter.

Chapter VI, How to Protect Water Reserves from Radioactive Contamination, concludes the handbook with instructions and six diagrams on how to protect wellheads from fallout.

FAIR LABOR STANDARDS AMENDMENT

HON. KEITH G. SEBELIUS

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 10, 1974

Mr. SEBELIUS. Mr. Speaker, last week I was one of the few Members of this body to cast my vote in opposition to the minimum wage legislation, H.R. 12435. I am most concerned that in passing this legislation we have set a very dangerous precedent.

My opposition to this bill was both parochial and philosophical in nature. First the provision that provides overtime pay for firemen and policemen, will force some communities in my congressional district to either raise taxes, reduce services, or terminate employees. My office has already been in contact with several communities who are already estimating the amount of increase in property taxes individual homeowners will have to pay. Ironically, local wages and hours in many small communities are arranged now so many firemen have secondary jobs and income. The Federal Government will force these folks to make a choice they neither want nor can afford.

Second, these overtime provisions may apply to public employees in small communities who must also serve in an "on-call" capacity. Many of these employees wear one hat during their regular work shift and then don another to remain on call to answer emergency community needs. Having been a small town mayor I can attest to the fact those who have the responsibility of making the hard revenue decisions in communities with less than 1,000 citizens and with very little tax base, are constantly robbing Peter to pay Paul to provide essential services. We have already witnessed the loss of such vital services as emergency ambulance capability due to Federal wage standards as they apply to "on-call" employees whose primary job was in another field.

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*Operated by the Union Carbide Corporation for the U.S. Atomic Energy Commission.

(NOTE: Mrs. Gailar's references available upon request.)

**Inadequate ventilation for full occupancy in hot weather appears to be the only serious deficiency in the expedient fallout shelter designs described in this handbook.

I would emphasize my objections to this legislation are not based on the obvious need for public employees at all levels to receive a decent wage, especially during this time of ever-increasing inflation. I object to how this is being done and the practical effect it will have. We are not guaranteeing public employees a minimum wage, we are telling local government officials they must meet a Federal wage standard as if we somehow create jobs or money here in Washington. How the local official gets the job done is his problem.

It would appear the time has come in this country, where every community regardless of size or local revenue capability must pay local employees a wage as prescribed by the Federal Government regardless of local circumstances.

More and more, folks in my district are telling me they are fed up with the Federal Government making decisions for them that cause more problems than answers. I have said for some time that we have come to the point where we must spend just as much time protecting folks from what Government does to them as opposed to for them.

I think with the passage of the so-called fair labor standards amendment, we have set a most dangerous precedent. The practical effect of this bill in some of our rural communities will be to increase taxes, decrease employment, reduce services and most ironically, in some cases cause the individual public employee to work longer hours for less overall pay. More important, Congress has taken a significant step in assuming control over local government. I would urge my colleagues to consider the remarks expressed in an editorial within the Kansas Government Journal by that publication's editor, Mr. E. A. Mosher.

The Kansas Government Journal is a widely read and authoritative publication. Just as important, it deals with government in a commonsense manner. I urge my colleagues to read the following commonsense editorial by E. A. Mosher:

WAGES AND HOURS—A FEDERAL AFFAIR?

If elected local governing bodies are not capable of determining the hours and compensation of public employees, what can they do?

This is a basic issue facing Congress as the *Journal* goes to press. The U.S. Senate has passed a bill which effectively brings all public employees under the fair labor standards act. The House of Representatives has passed a similar bill, but excluding police and fire fighters from the overtime pay provisions. And the matter is now in conference committee.

There is more at stake than the millions of dollars of increased property taxes necessary to fund the minimum pay or overtime pay requirements for public employees. Also at issue is what level of government should make such decisions. Should the pay scale and work hours of policemen in the city of Washington, Kansas be resolved in Washington, D.C.? If this is a matter of national government concern—so important that it cannot be entrusted to locally elected officials—what does the future hold? Certainly, the gate is open for other federal controls over local personnel policies; the passage of such pending bills as the national public employee relations act or the national merit system act is enhanced. If Congress is to decide that a city lifeguard must be paid $1.90 an hour, or that a county truck driver must be paid time and a half for work over 40 hours, what's so different about deciding who can run for the office of city councilman or county commissioner?

Perhaps this cry, shared by many others, is just a voice in the wilderness. A battle may be won if police and firemen are cut out of the overtime provisions of the final federal law, but the war will have been lost, for the principle of federal control will have been established.

All of this seems in strange contrast to the mood of the country, which appears supportive of returning more decisions to the people and their state and local governments. Certainly, it conflicts with the "new federalism" thrust of restoring balance to our governmental system.

LEWISTOWN, PA.—ALL-AMERICAN CITY WITH ALL-AMERICAN PEOPLE

HON. E. G. SHUSTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 10, 1974

Mr. SHUSTER. Mr. Speaker, Lewistown, Pa., has the distinct honor this year of being chosen an All-American City—the only one selected from the Commonwealth of Pennsylvania. This outstanding award, presented by the National Municipal League, pays tribute to the courageous and industrious citizens of this central Pennsylvania town. I am indeed proud and privileged to represent the All-American City of Lewistown in the U.S. Congress.

In June of 1972, tropical storm Agnes took its toll on Lewistown when the Juniata River rose to 22 feet above flood stage and destroyed literally millions of dollars of homes, businesses, and other property. It also resulted in the permanent shutdown of Lewistown's largest industry—an industry that provided jobs for 22 percent of the population. More than 2,000 workers suddenly found themselves out of work, with nowhere to turn for new jobs.

At a time when many are content to lean back, prop up their feet, and let Uncle Sam support them, it would have been easy for the citizens of Lewistown to settle back and let Federal and State aid pick up the slack. But the people of Lewistown do not necessarily do things the easy way—they do things the right way. They rolled up their sleeves and went to work.

Through the leadership of a 40-man industrial development corporation consisting of representatives of local business, industry, and government, reconstruction began. Lewistown now has 11 industries, instead of 1—3 of which are expansion plants. More than three-fourths of the jobs which were lost as a result of the 1972 disaster have been recovered, and if plans proceed according to schedule, the remaining jobs will soon be recovered. The town has a new face, thanks to a major redevelopment effort, erasing the scars of the flood and symbolizing a community-wide determination to look ahead, not back.

One of the most unusual developments was the merger of an osteopathic and a medical hospital—two forms of medical practice that are traditionally separate. Perhaps symbolic of the spirit of community pride and cooperation that has existed throughout the reconstruction period, these two are now working side by side as one staff of one hospital.

I take off my hat to the people of Lewistown, who have displayed the pioneer spirit of our Founding Fathers—a spirit which is all but lost in today's society where "let others do it," or "I don't want to get involved" have become commonplace. The people of Lewistown did become involved, and they did do it—they can now look forward to a bright and happy future, thanks to no one but themselves. In the All-American City of Lewistown, Pa., the people are truly "All-American Citizens."

VIETNAM REVISITED

HON. FLOYD SPENCE

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 10, 1974

Mr. SPENCE. Mr. Speaker, a recent column has come to my attention dealing with the situation in South Vietnam. This article by Peter Hughes, one of the editors of the Alternative, points out how well the Vietnamese have been doing in the year since the termination of direct American military assistance. The numerous forebodings of their demise have indeed been greatly exaggerated.

Even since the ARVN forces successfully staved off the major Communist assault in the spring of 1972, the South Vietnamese have been able to effectively deal with the numerous military threats to their survival. As Hughes points out, in the year since the limited cease-fire "the north has infiltrated more than 30,000 troops into the south" in violation of the agreements. At the same time the South Vietnamese Army has been reduced in size so that more manpower will be available for economic reconstruction.

Even with a large standing Communist army in their country and with only limited American economic assistance, the South Vietnamese have been able to attain substantial military and political progress. Popular support for President Thieu is evident from the fact that that the government has confidently distributed weapons to most of their population knowing that they will only be used for defense against Communist aggressive actions.

The Soviet Union and the Chinese Communists continue to aid the North Vietnamese in their increasingly futile effort to dominate the south. With continued American assistance to the people of South Vietnam a genuine cease-fire may become possible with mutual acknowledgement of the benefits of a stabilized military situation. Despite the years of agony which the war has caused we can receive some gratification from the results thus far evident.

In order to fully understand what has been transpiring in Vietnam, I encourage you to read the report by Hughes which I include as an extension of my remarks:

VIETNAM REVISITED

(By Peter Hughes)

This writer recently had the opportunity to take a ten-day trip to the Republic of Vietnam. The trip included visits to all four of the country's military regions, meetings with various Vietnamese and American officials, as well as visits to Con Son Island—the location of the so-called tiger cages.

Contrary to the popular belief, espoused by that world-wide movement of alienated intellectuals and progressive opinion, South Vietnam does not have the trappings of a "police state." (Having grown up in Berlin, Germany, and having visited the Eastern European countries, I have had the opportunity to see what I consider to be police states.)

I (as the other visitors with me) was very surprised with the predominant youth of the government officials we met. (Most of the ministers we talked with, for example, were in their early thirties, a striking contrast to the leadership of North Vietnam.) Many of these ministers had had the opportunity to spend some time in foreign universities, and they were clearly in their positions because of their own merits, and not just because of their loyalties to Thieu.

Far from being government interventionists, the ministers I met with were classical liberals to the man, i.e., favoring as little government intervention into all aspects of human life as possible. But with rare exception (South Vietnam's Minister for Information, Hoang-Duc-Nha, has the unique distinction of being able to get favorable press reviews in this country—no small task for a Saigon official) we are led to believe that the leadership of South Vietnam is an anonymous face of military and bureaucratic hacks. This is just not the case.

Throughout my visit to Vietnam no one tried to hide the fact that problems (including problems of corruption) exist. Even Professor Nguyen Ngoc Huy (a leader of the opposition party, the Social Democratic Alliance) and Bui Diem, (a former ambassador to the United States and publisher of the Saigon Post who is held in high regard by opponents of Thieu) were more than candid in their assessment of the cease-fire agreement, America's future role in Vietnam, as well as the strengths and weaknesses of President Thieu, who is generally given good marks.

Hit hard by rampant inflation (estimated at over 60 percent last year) the country, nevertheless, has managed a certain prosperity. The streets of Saigon are filled with motorcycles (Hondas, of course), few policemen, and even less traffic lights (at least that were in use). In the countryside a pacification program (which is moving too slowly for some) is returning farm land to the peasants with the goal of giving them total control over their output, the Vietcong notwithstanding. But the economy is bordering on crisis and the South Vietnamese are in dire need of foreign aid and investment. All of this can change if oil is discovered, and the prospects for finding the world's sweetest crude oil are considered very real. In the meantime, however, President Thieu feels compelled on the one hand to alert the world to the aggression of the North, but on the other hand he recognizes that by doing so he is scaring off foreign economic aid.

My trip was not confined to meeting with government officials and I had ample opportunity to walk the streets of Saigon alone (without, incidentally, the fear of being mugged). One day I visited (unscheduled) the School of Arts and Letters of Saigon University and found (perhaps ironically) that a student election was being held. The people I met with spoke freely about their problems, which covered the entire spectrum of woes, including the need for political reforms and the price of beer. The latter complaint, I found to be a very healthy one.

Although American troop involvement in Vietnam ended with the cease-fire agreement of January 27, 1973—this concluding U.S. disengagement from the longest war in our nation's history—for the Vietnamese the war continues unrelentingly.

In the year since the cease-fire accord 58,000 Vietnamese soldiers have been reported killed (more than America's total twelve-year loss), and there have been over 335,000 alleged cease-fire violations. In 1973 more than half of the North Vietnamese enemy activity was in the Delta region (the so-called Rice War) as the Vietcong have attempted to capture the rice supplies necessary to sustain their activities in the South. Although no American or South Vietnamese official we met believed the North had the capacity to launch an attack on the level of the 1972 offensive, the Vietcong, for the present at least, do have the capacity to cause occasional embarrassments for the South.

Since the cease-fire agreement the North has infiltrated more than 30,000 troops into the South, bringing its total troop strength (as of December 1973) to 75,000. But the Vietcong political infrastructure in the South is in serious disarray. As a result the Vietcong have had to resort to terrorist activities in an effort to gain control over the civilian population. The North also hopes to rebuild its infrastructure through what has been called the "Third Vietnam" concept. This is a contiguous zone from the demilitarized area to Quang Duc Province, along the Cambodian front where the North is attempting to rebuild its infrastructure by infiltrating 40,000 civilians (men, women, and children) to populate the lowly populated border zones. South Vietnam, however, has steadily increased its control to approximately 85 percent of its territory and 95 percent of its population. (The Vietcong claim to control 12 percent of the population, a modest claim in itself.)

While no one doubts that Hanoi still intends to gain control over the South by force, recent intelligence data indicates that the North does not now consider it the tactical time to attempt any major advances. Hanoi is handicapped by the shortfalls of its own rice crops, as well as its inability to exploit Sino-Soviet differences. The North is also concerned that any blatant violations of the cease-fire accord would bring about the resumption of U.S. bombing. Thus for the time being the North seems content to continue strategic raids in the South, to attempt to expand Vietcong control over both population and territory in the South, and to force Saigon to accept the North's interpretation of the cease-fire accord.

Vietnam is a country that has been at war for more than two generations. And peace, as we understand it, will take at least another generation (precluding the total collapse of the South)—for Hanoi's present ruling cadre will never give up its aim of taking over South Vietnam. But after visiting the South one has to be impressed with the perseverance of the people, the legitimacy of the Thieu government, and by the very fact that life in that country can continue as remarkably as it does, given the conditions of constant war.

Americans, however, in the aftermath of the Vietnam war, have not adjusted so readily. As Robert Bartley (the Editorial Page Editor of the *Wall Street Journal*) recently wrote: Americans seem to have forgotten that whatever the inevitable outcome of Vietnam may be, ". . . the fundamentals of our policy in Vietnam were not sinister; the policy was not aggressive but basically defensive. The mistakes did not lie in our purpose, but in failing to understand the enormous difficulties of actually doing what we had in mind. Yet, few of those today who write the history of the Vietnam war remember it that way."

Perhaps even more fundamental for us today is that for young America the moral revulsion that came with the war has come to threaten and cloud the perception of youth with a myopic infatuation of the Hanoi regime. But South Vietnam has a story of its own that deserves to be told and I cannot help but believe that most Americans will at least listen (if they are given the opportunity).

En route to the States I thought of an observation once made by Morton Kaplan on the subject of U.S. involvement in Vietnam. Kaplan said: "I know of no more decisive commitment a nation can make than to bring down the President of a friendly country in order to win a war." Thus if the United States were now to withdraw its support of South Vietnam (as many would have us), Kaplan continues, it would be like the man telling his pregnant girlfriend: "No, I made a mistake—let's call a halt to the matter now."

America, if it is not totally to ignore its international responsibility, has a commitment to South Vietnam and it is a commitment worth preserving. For if the Vietnam war taught us not what to do, it should also teach us what we need to do.

IMPEACH IN HASTE: REPENT AT LEISURE

HON. BOB WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 10, 1974

Mr. BOB WILSON. Mr. Speaker, when I recently—April 3—inserted in the RECORD a paper entitled "Crime as the Sole Basis of Impeachment," written by O. R. Strackbein, I was under the impression that he is a lawyer, and said so. I was wrong.

Now that I wish to insert another paper on the impeachment subject by Mr. Strackbein I should identify him more fully and definitely.

He was a Phi Beta Kappa graduate of the University of Texas; briefly taught economics at Washington and Lee University and then served as Trade Commissioner of the U.S. Department of Commerce in Latin America. He spent 2 years with the Tariff Commission and several years as a member of the Federal Public Contracts Board. Subsequently he was in the management consulting field. In the past 20 years he has led the Nationwide Committee on Import-Export Policy in Washington.

Mr. Strackbein is also an author of versatility as the variety of his books testifies: "The Anatomy of Civilization," "A Philosophy of Self-Management," "Permissiveness," "American Enterprise and Foreign Trade," "Tyranny of the Press," "The Press, Servant or Master," "The Prevailing Minimum Wage Standard," as well as pamphlets.

He is a member of the National Historical Society, was a fellow of the Royal—British—Economic Society, is listed in the Dictionary of International Biography, and in World Who's Who in Commerce and Industry.

He says his interest in the impeachment issue is that of a citizen and not as a spokesman for any group.

I insert Mr. Strackbein's paper, "Impeach in Haste: Repent at Leisure," as a portion of my remarks in the appendix of the RECORD:

IMPEACH IN HASTE: REPENT AT LEISURE

(By O. R. Strackbein)

"The accusations which are brought against a public man in his own age are rarely those echoed in after times. Posterity sees less or sees more . . . Time changes much."—Walter Bagehot (1826–77), British economist, essayist and journalist.

Commenting on the hanging of the assassin (Bellingham) who terminated the life of the Prime Minister of England, Mr. Perceval, the same Mr. Begehot said of the high tension that demanded the hanging, which was carried out:

"In that day there was no more doubt that he ought to be hanged, than there would now be (fifty years later) that he ought on no account to be hanged."

These two quotations from Mr. Bagehot who was noted for his highly perceptive and trenchant observations on British statesmen and British politics mid-19th Century, should warn us of the pitfalls of hasty and ill-considered actions in a field of such gravity as Presidential impeachment.

Much of our Constitutional heritage is British. The history of England therefore has cogent relevance to our own political behavior.

In the days of Queen Anne who reigned from 1702–14 the outstanding Briton was the Duke of Marlborough (John Churchill) a direct progenitor of Winston Churchill. He gained great fame in the continental war when he defeated the French at Blenheim (Germany). As commander-in-chief of the forces of the Grand Alliance, who battled Louis XIV of France, he was a great favorite of England and her Queen Anne. The wife of Marlborough, Sarah Churchill, an intimate of the Queen, however, later came under the Queen's disfavor and was dismissed. Marlborough's enemies pressed their advantage.

Writing in 1932, over 200 years later, Sir John Fortescue, LL.D., D. LITT., in his biography of Marlborough, noted the war had dragged on several years after Marlborough's great victory at Blenheim. The government had fallen and one adverse to the Duke came in.

"Nothing was too base to be insinuated against the Duke", wrote Sir John (Fortescue):

"Marlborough, they said, was prolonging the war for his own ends; he could make peace but he would not; he delighted in bloodshed; and as a climax, he had neither courage nor military talent".

The House of Commons ordered an inquiry into abuses of public expenditure. The "Duke was charged with fraud, extortion and embezzlement".

"The pretext for this accusation was that he had received the commission . . . upon the contract, already mentioned, from the bread contractors, for the expense of obtaining intelligence; the sum total amounting in all to over L63,000 (Some $300,000). Marlborough proved conclusively that this perquisite was regularly allowed to the Commander-in-Chief in Flanders, for that particular purpose . . . This defence was absolutely sound; but no defence would have been accepted by the faction that then ruled England, and on the 31st of December he was dismissed from all public employment".

The commons voted that the perquisites were "unwarrantable and illegal, and directed that Marlborough should be prosecuted by the Attorney-General". The Ministry then replaced Marlborough as Commander-in-Chief. The Duke, according to the account, left England, "a self-banished man, and repaired as a disgraced Englishman to the low countries".

Within two years the politics of England changed. Queen Anne died, and the House of Hanover succeeded to the kingship (1715).

Marlborough returned and "was enthusiastically received both when he landed and when he reached London". He was reinstated as Commander-in-Chief, but the Peace of Utrecht had been signed in 1713 and the war was over.

The Duke died in 1722 and "was buried with gorgeous ceremonial in Westminister Abbey".

This account of Marlborough's disgrace and relief of command offers an example of Bagehot's observation that "the accusations which are brought against a public man in his own age are rarely those echoed in after times".

Even Bagehot himself fell victim to the defamation of Abraham Lincoln. The circumstance was a quotation by Bagehot of remarks made by Sir George Lewis who was successively Chancellor of the Exchequer, Home Secretary and Secretary of War in the British Cabinet at the time of our Civil War. He referred to our President as "that village lawyer" and asked what he contemplated as the fruit of victory. He (Sir George Lewis) added:

"It seems to me that the men now in power at Washington are much such persons as in this country get possession of a disreputable joint-stock company. There is almost the same amount of ability and honesty."

Bagehot endorsed this observation in his *Biographical Studies*. He said about Sir George Lewis' observation quoted above: "After almost three years of experience it would be difficult to describe Washington more justly."

It may be reflected that Bagehot made this remark in violation of his own historical principle. He spoke too soon. Today, we may be sure, Bagehot would on no account regard Abraham Lincoln as a mere village lawyer although he (Lincoln) may have been surrounded by persons of a kind that would "get possession of a disrepetuable joint stock company."

The forgoing scant review should produce in us a sobering reflection that the accusations that are today brought against our public men will not all be echoed "in after time". The reason is not shrouded in mystery. In the stress and strain of partisan controversy, in which those of one political party, the one in power, seek to expose as miscreants, evil-doers and rascals highly-placed officials of the other party, public passions are fanned by the most effective means at hand—which means the press and other media—while the members of the minority are left in a position of defensiveness. They are embarrassed by the need to defend what they cannot hope to defend without damaging their own standing. An attorney may do so but not a politician. He will seem to be defending the indefensible. There is an inherent disadvantage in defending colleagues (for certainly the opposition will not do it for them) against a charge, even if it be ill-founded, because those to whom it falls to perform the defense, shrink, as politicians, from appearing to the public as coming out on the side of sin and corruption. Their principal inducement is party loyalty.

Fateful decisions reached by the majority in such a surcharged atmosphere inevitably carry a high probability of bias; but this may not be recognized at the time. The mind may be innundated by emotion. Years later, when the emotions have subsided, it may be found that emotions generated by partisanship and clash of philosophy, propelled the majority to an unfortunate decision.

The Duke of Marlborough was lucky. A change in the government and therefore a change in partisan composition, resulting from a reversal in party fortunes, lifted his disgrace in his own lifetime. Others are not always so kindly treated by fortune.

UNFAIR WAGE CONTROLS

HON. ROBERT N. C. NIX

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 10, 1974

Mr. NIX. Mr. Speaker, one of the most unfair pieces of legislation ever formulated is presently being considered. This legislation on wage controls would be most damaging to the vital field of health care and dedicated, often underpaid, workers in our hospitals and other medical institutions.

In substance, the Congress is considering the extension of wage controls on a single industry, that of health care, while all such controls are being removed from other industries.

If such injudicious action is taken, Mr. Speaker, it is not only injurious to the people employed in the health industry, but will rapidly result in a diminuation of medical care and services to the American public—the health care consumers.

My concern on this subject was greatly increased this morning upon receipt of a substantive analysis of the subject from Mr. Edward Ford, chairman, district 1199C, Political Action Committee of the National Union of Hospital and Nursing Home Employees of Philadelphia.

I submit this statement for the RECORD today in order that my colleagues may be fully aware of this economic bludgeoning of the dedicated and frequently ill-treated health care workers. We, Mr. Speaker, have more than enough of so-called shortages. Such arbitrary treatment of this particular industry could develop into another drastic crisis, in the field of health care, which would certainly be more deleterious to the ordinary American than our mismanaged energy crisis. In the latter case, people suffered from some lack of heat or fuel for transportation.

This is very minor compared to the possible lack of plasma to fuel a person's body in case of a critical blood transfusion.

Mr. Speaker, Mr. Ford's statement follows:

The Senate Banking Committee has been urged to extend controls for the health industries and end them for all other industries. Such action has no logical basis. Singling out the health industry for mandatory controls is unjust and places a major burden on those least able to afford it—workers in hospitals and related institutions. These same workers are forced to continually pay higher prices for the things they buy with wages that are being held down by controls.

In addition, it has been found that mandatory controls were ineffective in controlling the prices in the economy. In the past year, prices have skyrocketed approximately 9%. The only success of the Economic Stabilization Act has been to keep down wages. Furthermore, it is unwise to believe that imposing controls on a small segment of the economy such as the health industry will have any appreciable effect on inflation. The fact is that those responsible for controlling inflation do not know how. We do know that no control program can operate if every sector of the economy, except one, is free of constraints.

There can be no effective means of controlling medical and hospital costs. Fees may be controlled to some extent, but costs consist of totality of fees. Anyone who believes that price limitations on medical services and hospital fees really hold down costs is practicing self-deception. On the surface it would appear that costs are being held in check. The truth is that faced with such constraints, hospitals and physicians will reduce the services they provide with the result that there will be a deterioration of the type of medical care and services. Thus, the American public—the health care consumers—will be paying for what they get: inferior medical care.

Furthermore, the proposed controls on the health industry will not control the prices of items which the industry purchases. When hospitals must buy food, linen, medical equipment, drugs and a myriad of other items at inflated prices health care costs will necessarily be driven upward.

The Administration has estimated that the present control program has cost the government (or more properly the American taxpayer) $200 million in administration expenses. Private sources estimate that the cost of industry and labor in complying with the regulations has been $721 million to $2 billion. Considering the results it is highly questionable whether the enormous cost has been warranted.

Wage rates have been getting a large share of the blame for rising hospital costs in recent years because payrolls constitute about 60% of total costs. But it is time to deflate the myth that increases for low wage hospital workers have been the main cause of the rise in hospital costs.

Despite the increases our members have won, the average wages of hospital employees are still relatively low. Hospitals were exempt from minimum wage legislation until 1967, and took advantage of the exemption to pay wages well below the minimum. Even now, many hospitals pay large sections of their employees the minimum of $1.60 per hour.

The truth is that most hospital employees work at full time jobs at part time pay. For example, the last census reports average wages per year for service workers in hospitals as follows:

Male Food Service Worker	$4,000
Female Food Service Worker	3,000
Male Cleaning Worker	4,300
Female Cleaning Worker	3,200

The plain fact is that thousands of hospital workers are compelled to seek supplementary assistance from welfare agencies.

It should be noted that in urban areas most hospital workers belong to minority groups. 80% of the employees in the industry are females.

We are well aware that the current regulations permit the payment of a wage rate of up to $3.50 per hour without approval. However, the $3.50 wage rate is not compulsory. Most hospital workers are unaware of the $3.50 per hour low wage exception. As a result employers are still claiming that they are still limited by the 5.5% guideline.

The Cost of Living Council has recently permitted hospitals to raise its fees. Hospitals also have the ability to increase revenues by increasing the use of ancillary services such as laboratories, x-rays, etc. The only source of income for low-paid hospital workers is the salary which they receive from their employers. To keep their salaries under control when salaries of no other group of employees are controlled and the prices of goods which they buy are uncontrolled is to ask these hospital workers to make a sacrifice which no other group of employees in the United States is being asked to make.

REGIONAL RAIL REORGANIZATION ACT OF 1973

HON. HERMAN T. SCHNEEBELI

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 10, 1974

Mr. SCHNEEBELI. Mr. Speaker, my colleagues will recall that last year we passed the Regional Rail Reorganization Act of 1973, which directed the Secretary of Transportation to compile a report analyzing the status of our rail system. Although recommendations have now been made, I feel their implementation would have a devastating effect, and to illustrate this opinion, I recently offered the following testimony. It should be noted that over 200 interested individuals testified at this ICC hearing in Avoca, Pa., the week of March 4 and their combined testimony has, in my judgment, demonstrated the severe impact these recommendations would have on our northeast region.

My testimony follows:

TESTIMONY SUBMITTED BY HERMAN T. SCHNEEBELI

My appearance before you today is prompted by a deep concern with regard to the Secretary of Transportation's Rail Service Report, compiled as the result of passage of the Regional Rail Reorganization Act of 1973. During the course of this week, you will receive detailed testimony from community leaders, rail freight users and other interested parties, so that I shall endeavor to confine my comments to some general observations concerning the very serious implications this report and its recommendations has for our area of Pennsylvania.

We would agree the need for adequate rail service, particularly freight service, has been brought to the forefront by the recent energy shortage. I can appreciate the complexity of strengthening and reorganizing our rail service as mandated by the Regional Rail Reorganization Act of 1973, particularly when every decision to abandon or curtail service strikes at the present and future economic life of scores of communities. I support efforts to eliminate potentially excess lines and I do not oppose abandonment where lines are parallel if this can achieve greater efficiency. However, in my opinion, the Department of Transportation's choice of lines is indiscriminate and illogical, with little consideration given to the special character of the movement of goods and products in our area.

For businesses located along spur lines, elimination of lines in question would seriously disrupt business and in other cases, the manufacturers may need to contemplate relocation because of the nature of the product to be transported. In this context, the case of Kennedy Van Saun Corporation in Danville comes to mind, since railroads are a matter of survival because of the size and nature of the shipments which are received and dispatched. Curtailment of rail service in this instance could jeopardize the future employment of 300 persons.

Heavy Penn-Central curtailments affect service from Elmira to Williamsport; Wilkes-Barre to Sunbury; Lewisburg to Mifflinburg and coal areas solely dependent upon rail transportation. This is of very great concern to me as it will have very grave consequences for our Pennsylvania anthracite coal mines. I understand representatives of the coal industry will be testifying before you at a later time, and I know their presentations will serve to demonstrate in greater detail the seriousness of their situation.

One of the greatest inconsistencies which has come to my attention involves the future of our industrial parks. As we are all aware, a substantial amount of federal financial assistance has recently been made available to our area of Pennsylvania, particularly following the devastation of Agnes, to encourage economc development. Such assistance has come through programs administered by the Appalachian Regional Commission and the Economic Development Administration. Existing rail lines in the 22 county region of Northeast Pennsylvania serve 58 industrial parks and sites composed of over 14,000 acres with 258 firms now in these sites. Available for future expansion are 8,800 acres, to house plants which could generate 45,000 future jobs. Under DOT recommendations, many industrial parks and heavy shippers are located along much of the trackage marked for cancellation and this proposed abandonment would appear to be in direct conflict with the investment strategy initiated with federal financial assistance. Certainly it is not the intention of one Federal agency to negate the accomplishments of others.

It should also be pointed out that the DOT report threatens a total of 1,450 miles of track in Pennsylvania or 18% of the State's total rail mileage. 445 miles of this (31%) is in the 22 county region. Based on such a total abandonment in the State, estimates are that 142,000 carloads would have to be transported on our highways per year. Very serious consideration should be given to the resulting highway deterioration and excessive drain on fuels and other environmental aspects. In my judgment, the present interstate and regional highways, many miles of which need maintenance and repair at the present time, cannot stand such an increased traffic load.

In summary, I believe there must be a much greater effort to determine the effects these decisions will have on the communities involved, particularly the economic consequences. A firm understanding of the special and unique character of the sub-regions within the various zones is essential to any rational undertaking of this magnitude.

I strongly urge that the Railroad Task Force for the Northeast Region commence with a detailed study of this entire problem before any further action is taken to implement the Transportation Secretary's report. They are in a far better position to evaluate the rail needs of our area and I believe this is the only way in which our mutual objectives can be accomplished.

SOCIAL SECURITY COST-OF-LIVING DIFFERENTIALS

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 10, 1974

Mr. ROSENTHAL. Mr. Speaker, because the average social security payment for a retired American is about $100 a year below what is needed for basic subsistence in New York and several other major cities, I am today introducing legislation that would provide special cost-of-living increases for older Americans in areas where living expenses exceed the national average.

My bill also would guarantee the elderly a realistic minimum annual income above the current level of enforced poverty. Current law already mandates annual cost-of-living increases for all, regardless of where they live, but it fails to take into account the differences between living costs in major metropolitan areas and smaller communities.

As inflation continues to erode the purchasing power of Americans living on fixed incomes, and rising unemployment reduces job opportunities for older workers, the need to take immediate action to increase the income of our Nation's elderly becomes urgent.

The erosion of the purchasing power of fixed incomes is a relative problem. For $1,788.64 a year an elderly person living in a nonmetropolitan area of the South can have all the goods and services and enjoy the same standard of living that would cost him $1,867.88 in Baton Rouge, $2,195.48 in New York City, and $2,296.28 in San Francisco. These are the figures set by the Bureau of Labor Statistics for the minimum level of subsistence for an elderly individual living in those places.

Yet, regardless of where he lives and what it costs to live there, his social security check is the same—$2,097.60 a year, for the average retired worker. Many, of course, receive much less.

For the person living in the lowest cost areas, this means social security benefits cover the costs of his minimum needs, with perhaps a few hundred dollars a year left over. But, for a New Yorker, there is no excess. Rather, the social security payment falls short of covering the cost of his basic needs by about $100. In effect, this means the elderly person is being penalized about $400 a year, because he lives in New York instead of the nonmetropolitan South.

Mr. Speaker, the 1971 White House Conference on Aging in its final report stated:

> The immediate goal for older people is that they should have total cash income in accordance with the "American standard of living."

The cost of living in Baton Rouge or Orlando is not the same as it is in New York or San Francisco. Any federally funded assistance program must reflect these differences.

Since the current level of social security cash benefits does not cover the minimum cost of living in most of our large urban centers, it is falling woefully short of the "American standard."

To assure that all older Americans are able to enjoy a decent standard of living and to correct the regional inadequacy in social security benefits, I am today introducing legislation to establish assured minimum annual income benefits for the aged.

My bill would:

First. Establish a minimum standard of income for elderly Americans of $3,850 a year for an individual and $5,200 for a couple.

Second. Adjust this sum annually to reflect changes in the intermediate budget level cost of living as determined by the Bureau of Labor Statistics.

Third. Increase benefits for those living in large metropolitan areas where the cost of living exceeds the national average.

This legislation would be financed by a combination of payments from the social security system and appropriations from general tax revenues.

No group of Americans has been hit so hard by the soaring cost of living as those who live on social security. That is because inflation always strikes worst at persons on small, fixed incomes, and nearly three out of every four Americans over the age of 65 have annual incomes below $3,000, including 2.5 million persons with no income at all.

The elderly have been forced into a precarious position which has become intolerable. Food prices last year rose a record 19.1 percent and wholesale prices hit their highest level in history. The prospect for any relief is bleak.

There is nothing inflationary about giving the elderly a decent standard of living.

Recent increases in social security benefits have fallen short of their intended goal of offsetting inflation. The effect has been that the buying power of elderly Americans has actually been decreasing. This is more true in metropolitan areas than elsewhere.

Mr. Speaker, I understand that some of my colleagues would be reluctant to vote for a measure which would appear, on the surface, to give their constituents slightly less money than it would to social security recipients in certain other areas. However, I am confident that after close study of my proposal, they will see the justice in this measure. While the dollar total of benefits may differ from area to area, my bill would equalize the real dollar buying power of social security recipients throughout the Nation, regardless of where they live.

It is important to note that the lower level budget was at least in part developed by the Bureau of Labor Statistics to provide a benchmark suitable for use in appraising welfare standards. Close examination of the lower level budget in the categories of food, housing, transportation, clothing, personal care, and other consumption reveals a severe limitation on the freedom elderly citizens have in making choices. Nowhere within this lower level budget is there room for individual living standards and spending habits. The Bureau of Labor Statistics acknowledges that its lower budget for a retired couple "has few, if any, frills."

The low-cost plan provides large quantities of cheap foods that provide high nutritional returns relative to cost—potatoes, dry beans, peas, flour, and cereal—and smaller quantities of meat, poultry, fish, fruits, and vegetables other than potatoes. Menus based in this plan include foods requiring a considerable amount of home preparation. A large degree of home preparation is not feasible because of the physical strain this places on the elderly. Further, the budget allows only about one dinner out per month for the couple.

In the lower budget, 60 percent of the couples are assumed to own their homes and 40 percent to rent. In metropolitan areas, this is not applicable. In large cities there is a much higher percent of renters. A Bureau of Labor Statistics study shows that the lower level budget allowance for rent is so low as to prevent the elderly from living in any but the very cheapest apartments, and the sufficiency of supply is questionable. This then puts further strain on their budgets.

According to the BLS:

> Transportation costs in the lower budget were based on the assumption that all couples in Boston, Chicago, New York, and Philadelphia used public transportation exclusively because of the availability of mass transit in these areas:

However, in these and other cities the use of mass transit exclusively is simply not realistic. Often elderly persons are unable to take the stress of crowded trains or buses in which standing is the only available option. Also, the safety of public transportation at all hours is questionable. Most of us here would try to avoid taking subways or buses through various sections of our cities late in the night. Why should we require America's elderly to do it?

Clothing costs are based on replacement rates only, because it is assumed that retired couples are likely to have a stock of basic clothing items. The lower budget limits replacement to "lower quality items at lower average prices." Often replacement of a lower quality item is not realistic. The need for increasingly higher quality shoes for support, for example, becames more important as people grow older. Here, again, individual needs simply are not being met adequately by the lower budget.

For each of the major categories of food, housing, transportation, and clothing, detailed explanations of the purchasing power available with the lower budget prove not only unrealistic, but demeaning for this Nation's elderly. Limiting food intake to a high potato diet, forcing them to occupy the cheapest sanitary housing available, demanding that they subject themselves to the crowded transit lines we turn away from, and commanding that they replace worn garments with the lowest and cheapest quality clothing available is degrading for them, and shameful of us that we will provide them nothing better. Most of these people have worked almost their entire lives. They deserve much more than they are getting.

This is why it is so vitally necessary

that we increase social security benefits to an intermediate budget level of $3,850 for elderly individuals and $5,200 for elderly couples. The final report of the 1971 White House Conference on Aging recognizes this:

> We, therefore, recommend the adoption now, as the intermediate standard of income adequacy, of the intermediate budget for an elderly couple prepared by the Bureau of Labor Statistics.

The conference recognized the need for the adoption of such a proposal in 1971. Because of mounting inflation and increasingly limited job opportunities over the past 3 years, this need has intensified, and it will continue to do so in the years ahead. The longer we delay in adopting a social security program that provides the adequate standard of living reflected in the intermediate budget, the longer we delay in providing the decent and respectable income our elderly deserve. For this reason, Mr. Speaker, I strongly urge the passage of the bill I propose today.

Joining me in introducing this legislation today are 26 of our colleagues: BELLA ABZUG, JOSEPH ADDABBO, HERMAN BADILLO, JONATHAN BINGHAM, YVONNE BURKE, HUGH CAREY, SHIRLEY CHISHOLM, CARDISS COLLINS, JOHN CONYERS, ROBERT DRINAN, DON EDWARDS, JOSHUA EILBERG, HAMILTON FISH, LOUIS FREY, MICHAEL HARRINGTON, HENRY HELSTOSKI, ELIZABETH HOLTZMAN, JIM HOWARD, EDWARD KOCH, RALPH METCALFE, CLAUDE PEPPER, BERTRAM PODELL, CHARLES RANGEL, EDWARD ROYBAL, BOB TIERNAN, and GUS YATRON.

NIXON, LINCOLN, WASHINGTON, AND YOU

HON. BOB WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 10, 1974

Mr. BOB WILSON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following:

NIXON, LINCOLN, WASHINGTON, AND YOU

(By W. Clement Stone)

On a vacation I customarily engage in periods of study, thinking and planning time. To stimulate my thoughts in a positive direction, I endeavor to read material that could inspire and motivate me to learn and employ principles that might be applicable to me as well as to those whom I would like to influence.

Abraham Lincoln, Theologian of American Anguish authored by Elton Trueblood and James Keogh's President Nixon and the Press were brought to Acapulco, Mexico by me when Mrs. Stone and I left for a Thanksgiving vacation. (I enthusiastically recommend both books to you.)

These books were particularly desirable because I knew it would be imperative to meet a deadline for this editorial the day after my return to Chicago. As February is the birth month of Presidents George Washington and Abraham Lincoln, I like to refer to one or both in my February editorials each year. And because Washington, Lincoln and Nixon have been achievers and are so similar in so many ways and . . . each experienced great personal anguish from a negative press even in the hours of their greatest achievements as presidents, ideas occurred to me which I shall share with you and you may wish to share with others. And something more . . .

Success unlimited is dedicated to making this world a better world in which to live for this and future generations through its readers. We therefore endeavor to motivate you to motivate yourself to desirable action by using effective techniques such as recognizing, relating, assimilating and using principles that are applicable to you. You can find them in practically every article in SUCCESS unlimited.

Abraham Lincoln developed the habit of trying to learn from the books he read, the people he met and casual events. These gave him ideas for reflection. And thus he was able to relate, assimilate and use them as his own.

THE POWER OF SUGGESTION

In a conversation with Ralph Newman, one of America's great authorities on Lincoln and owner of the Abraham Lincoln Book Shop in Chicago, he reminded me that in Lincoln's first political speech which was at Sangamon, Illinois, March 9, 1832, he said:

Every man is said to have his peculiar ambition. Whether it be true or not, I can say for one that I have no other so great as that of being truly esteemed of my fellowmen by rendering myself worthy of their esteem.

At an early age, I had learned to recognize principles and formulas and how to adopt or apply them to my own use. Thus when at the age of 12 my mother made a gift of a framed rephrased statement of the above quotation, I adopted it as a prayer that I made daily since then as follows:

Please God help me to be truly and highly esteemed by all my fellowmen. And help me to render myself worthy of that esteem.

The rephrased statement became a form of suggestion. I adopted it in the form of self-suggestion and something more . . . I employ it by using man's greatest power . . . the power of prayer. President Lincoln gained strength and wisdom by using this same power. A statement of his as related by Noah Brooks, a journalist, in Harper's Magazine in July, 1865, quoted Lincoln as follows:

I have been driven many times upon my knees by the overwhelming conviction that I had nowhere else to go. My own wisdom and that of all about me seemed insufficient for that day.

"Truth will be truth regardless of any person's ignorance, disbelief or closed mind" is a principle that I have expounded in many of my writings, speeches and counseling interviews where I have endeavored to motivate an individual or audiences to motivate themselves to use man's greatest power daily to develop good physical, mental and moral health as well as to achieve any worthwhile objective that does not violate the laws of God or the rights of one's fellowmen.

In Abraham Lincoln, Theologian of American Anguish, Elton Trueblood wrote: "Thus, in the emotional parting at the Springfield Railroad Station on February 11, 1861, Lincoln rose at least temporarily to a great height.

I now leave, he said, not knowing when, or whether ever, I may return, with a task before me greater than that which rested upon Washington. Without the assistance of that Divine Being, who ever attended him, I cannot succeed. With that assistance I cannot fail. Trusting in Him, who can go with me, and remain with you and be everywhere for good, let us confidently hope that all will yet be well. To His care commending you, as I hope in your prayers you will commend me, I bid you an affectionate farewell.

THE MEDIA

Because it is important that we don't forget, I am repeating a few paragraphs from my editorial in SUCCESS unlimited of November, 1973, titled Thanksgiving . . . Watergate:

"Publishers and editors of the American press have achieved outstanding service to the nation notwithstanding the following:

THE PRESS

" 'The President was angry. He complained bitterly that the press was printing lies about his administration and attempting to ruin almost everything that it was trying to do. These attacks by journalists, he said, were 'outrages on common decency.' Members of the Cabinet felt that the press literally was making the President ill. He told his associates that if disregard for 'truth and fairness' and 'willful and malignant misrepresentation' continued, it might become nearly impossible to govern the country. And he brooded about finding some way to give the people 'A clear and comprehensive view of the facts.'

" 'Was that President Nixon? No, it was George Washington, whose experience with the press offers evidence of how much the relationship between the news media and the President remained the same since it began.'

"The preceding is a quote from the book President Nixon and the Press by James Keogh."

IN THE LIGHT OF HISTORY

If you were living in the days of George Washington's presidency or that of Abraham Lincoln's, do you believe that in that environment and in those troubled times you would have had a different feeling regarding George Washington or Abraham Lincoln than you have today. Don't forget that the press and the political opponents of each of these presidents were as antagonistic against them as many reporters, writers and commentators are today towards President Nixon. Yet with the passage of time and the evaluation of the achievements during their administrations and the subsequent benefits to the nation because of their leaderships, they are classified as two of our greatest presidents. And with the passage of time, it's possible and even probable that Richard Nixon will be classified among the three of our greatest presidents by virtue of his leadership and the achievements during his administration, regardless of the present attitudes of the media or his political opponents.

Every president has had political opposition . . . an antagonistic press and . . . the negative feelings towards them by those whose personal interests were affected unfavorably when decisions were made for the benefit of all the people. But no president has been faced with the number of serious problems that Mr. Nixon has encountered on entering office and during the term of his presidency. And it's possible that no president could have met all of these problems so successfully.

AN OUTSTANDING ACHIEVER

His achievements will be recorded in history as outstandingly beneficial to the nation and to the world . . . such achievements as: peace on the campuses and in our inner-cities . . . neutralizing the war in the Middle East . . . returning over 500,000 American troops and withdrawing from Vietnam with honor . . . helping free nations defend themselves against aggressors without sacrificing American lives . . . neutralizing a catastrophic inflationary trend . . . a transition from a war to a peacetime economy . . . establishing détente with the Chinese and Russians and thus opening the channels of commerce in the future to millions of consumers for American products and services . . . establishing a foundation for a generation of peace and something more . . . advancing programs that can bring health and prosperity to the multitudes by adhering to the basic American philosophy and principles we inherited such as individual initiative and self-help rather than enslavement to the federal government through financial support.

Is he perfect? No. Neither was Washington or Lincoln or are you or I. The essence of perfection is never reached but in striving for perfection, one becomes more perfect and proficient. Mr. Nixon is trying and succeeding in meeting each problem intelligently. And like Abraham Lincoln and George Washington, he has a strong religious faith and employs man's greatest power . . . the power of prayer for guidance.

NIXON, LINCOLN, WASHINGTON, AND YOU

Let's think clearly. Let's look back to the days of George Washington and Abraham Lincoln and try to decide what our feeling would have been and what action or what decisions we would have made in view of the conditions and the antagonistic attacks on the president if we lived at that time. And then let's recognize the achievements of President Nixon. Let's evaluate this man on how he meets each problem and brings about a solution. Let's be realistic and try to determine how in years to come, history will record his worth to the nation as it has those presidents that preceded him. And as citizens, let's you and me remember that he is endeavoring to do what he can for our nation and anything we can do to help him achieve his worthwhile objectives makes us a part of a great man's work and thus an important part of American history.

ELGIN HONORS CHESTER ALEXANDER

HON. ROBERT McCLORY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 10, 1974

Mr. McCLORY. Mr. Speaker, a time comes in the life of a community when special appreciation is expressed for one of its distinguished and beloved citizens. Such an occasion will occur on Thursday, May 2, when the city of Elgin, Ill., honors the long-time principal of Elgin High School, Chester Alexander.

Mr. Speaker, Chester Alexander began his career in education some 36 years ago, more than 30 years ago he signed on as a teacher at the Elgin High School. Later, he served as principal of Larsen Junior High School until his selection as principal of Elgin High School in 1956. Mr. Speaker, Chester Alexander has been more than an educator and school administrator in the Elgin community. He has likewise devoted a full measure of his time and talent to community service. Included among his interests have been the YMCA where he served as a board member, and the Lions Club of Elgin which he headed as president in 1967–68, and from which he received the Monarch award in 1972.

Mr. Speaker, both Chester Alexander and his wife, Marcella, are active church members in the First Christian Church of Elgin, together with their children. Mr. and Mrs. Alexander and their children are beloved and respected throughout the community, and Chester Alexander's retirement will hopefully not result in the loss of his active involvement in community and civic affairs.

Mr. Speaker, it has been my privilege to know Chester Alexander during recent years, and together with family and friends, I expect to join in honoring him at the Blue Moon Restaurant in Elgin, Thursday evening, May 2, when a community appreciation dinner will be held in his honor.

Mr. Speaker, I am confident my colleagues in this Chamber will be interested in this record of citizen and community service—which are vital activities to a successful Nation. I am proud to pay this tribute to my friend and fellow American, Chester Alexander.

PIMS: THE PETROLEUM INDUSTRY MONITORING SYSTEM OF THE FEDERAL ENERGY OFFICE

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 10, 1974

Mr. FRASER. Mr. Speaker, the Federal Energy Office has been publishing a monthly series of reports on oil supplies and prices that the agency has prepared since last October. The reports, part of the FEO's Petroleum Industry Monitoring System—PIMS—contain information about prices and supplies at various stages in the oil production and marketing process. These reports incorporate data provided by trade associations, Government agencies, and private oil firms.

Federal Energy Office Administrator William Simon has continually stressed the need for a comprehensive, accurate energy information system. At a Senate hearing in February, Mr. Simon acknowledged that both the Government and public are entitled to much more information about the petroleum industry than is currently available. But now that FEO has begun to develop an oil information system, Mr. Simon appears not to be telling anyone about it.

The PIMS reports have not been made generally available to Members of Congress and congressional committees concerned with energy policy. In view of intense public concern about petroleum prices and supplies, it seems surprising that this has been the case.

I have written to Mr. Simon asking for an explanation of the function and purpose of the PIMS reports, details of the collection, compilation, and analysis of the data contained in them, and the extent to which these reports have been used in the decisionmaking process.

I include in the RECORD at this point the text of my letter to Mr. Simon:

APRIL 5, 1974.

Hon. WILLIAM E. SIMON,
Administrator, Federal Energy Office,
Washington, D.C.

DEAR MR. SIMON: On Tuesday, April 2, we received upon request from the Public Affairs Office of the Federal Energy Office copies of ten issues of the Petroleum Industry Monitoring System (PIMS) Reports and supplements.

Publication of the PIMS Reports by the Federal Energy Office, as you know, began in October, 1973. Yet, until this week, to the best of my knowledge, none of the major Congressional committees concerned with oil supplies and prices had seen these reports. The Senate Interior and Insular Affairs Committee received a copy of the most recent supplement on April 3.

We learned of the PIMS Reports from the General Accounting Office, which at our request has undertaken an inquiry into FEO's petroleum pricing policy. Our initial inquiry for copies from FEO's Offices of Congressional Relations and Public Affairs met with unresponsiveness, not from unwillingness to accede to our request, but from lack of knowledge of the existence of these reports.

In testimony before the Senate Interior Committee on February 5, 1974, you stated:

The public has a right to complete and accurate information on the energy situation. . . . Both the government and the public are entitled to much more information about the petroleum industry than is now available. We intend to see that it is gathered and made available.

In view of intense public concern about petroleum supplies and prices, it seems surprising that these reports were not made available.

We would appreciate it if you would explain why the PIMS Reports have not been made available before this to the Congress and the public. We would like to know their purpose and function, their distribution within the Federal Energy Office and within other agencies of government, as well as details of the collection, compilation and analysis of the data contained in the reports. And we would like to know to what extent the PIMS Reports have been used in the decision-making process.

I am sure you appreciate our concern over the need for the Congress and the public to have access to all available data on national energy resources and prices.

With best wishes.

Sincerely,

DONALD M. FRASER.

MEDICAL LEGISLATION NEEDED

HON. TIM LEE CARTER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 10, 1974

Mr. CARTER. Mr. Speaker, today I am introducing with my colleague from Florida (Mr. ROGERS) legislation to provide for the development of a long-range plan to advance the national attack on arthritis and related musculoskeletal diseases. It has long been my desire to initiate a comprehensive program to coordinate and expand our efforts in conquering arthritis, and I believe that the Arthritis Prevention, Treatment, and Rehabilitation Act of 1974 will mean a significant step forward in this important area.

Affecting more than 20 million Americans of all ages and costing approximately $2.5 billion a year in medical expenses, arthritis and related musculoskeletal diseases constitute one of our Nation's major health problems. Given the overwhelming impact of arthritis on our economy and the lives of so many Americans, we must move to expand our programs for research, prevention, treatment, care, and rehabilitation.

Through the development of a long-range plan and by strengthening arthritis centers around the country, we can make significant advances in this area. We cannot expect all the answers concerning this crippling disease to be forthcoming overnight, but we can begin now to find those answers in a more coordinated fashion. I believe that the Arthritis Prevention, Treatment, and Rehabilitation Act of 1974 will be one of the tremendously important measures to be considered in the coming months.

IMPEACHMENT

HON. LESLIE C. ARENDS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 10, 1974

Mr. ARENDS. Mr. Speaker, I am sure many of the Members were surprised as I was to read statements in the press attributed to certain colleagues in the House and Senate—all highly respected—conveying the impression that there are already enough votes in the House of Representatives to impeach the President.

We recognize, of course, that there are occasions when the comments of persons in public life can be misconstrued or even misquoted. Perhaps this is one of those instances. I personally find it hard to believe that anyone in the Congress has sufficient facts on which to make such a judgment at this time, let alone express a consensus of the House.

On February 6, 1974, by a nearly unanimous vote we directed the Committee on the Judiciary "to investigate fully and completely whether sufficient grounds exist for the House of Representatives to exercise its constitutional power to impeach the President." Furthermore, the committee was "to report—such resolutions, articles of impeachment, or other recommendations as it deems proper."

In taking this action the House very properly deferred judgment on this question, and for a very good reason. We simply did not have the facts which would make a fair and just appraisal possible. We have not even agreed as to what constitutes an impeachable offense. Clearly a thorough and lengthy investigation was required, and we assigned this task to the Judiciary Committee. The committee has not reported its findings. I do not know—and I doubt the members of the committee know at this point, not having as yet heard one word of evidence from the staff—whether they will recommend articles of impeachment, a resolution of nonimpeachment, or some other action. The evidence is still being weighed.

The Constitution vests in the House of Representatives the sole power of impeachment. It is an awesome power, particularly when it is directed at a President, and not to be taken lightly. Our responsibility is in a sense that of a grand jury. In our system of justice, however, a juror who decided the case before the evidence was formally presented would be disqualified and dismissed. In our system of justice, too, a citizen—even a President—must be presumed innocent until evidence proves him otherwise.

I have been the Republican Whip for the past 30 years and have had much experience in assessing the mood of the House. I believe the great majority of our Members, on both sides of the aisle, understand the gravity of a vote on impeachment if it should come before the House. I am certain the great majority of our Members will want to reserve judgment until the evidence, whatever it may be, is presented and the report of the Judiciary Committee is available.

Throughout my tenure here I have been called upon to cast many votes on many questions vital to our Nation. A vote on impeachment would rank as one of the most important votes of my 40 years in the Congress. We should realize that this is not a routine legislative question. How we in the Congress discharge our responsibility under the Constitution will not only reflect on our personal integrity as individuals in the eyes of our constituents but the credibility of the Congress as well.

In conclusion, this is no time for loose talk and public speculation on such an important question.

L. B. J. TAX DEDUCTIONS FOR PAPERS MAY HAVE BEEN $30 MILLION

HON. ROBERT J. HUBER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 10, 1974

Mr. HUBER. Mr. Speaker, there has been a considerable amount of controversy over the deduction that President Nixon received for his Vice Presidential papers. Unfortunately, it has been treated by the press as rather an unique thing, when in reality it was not. Vice President HUMPHREY received a considerable amount for his Vice Presidential papers. Former President Lyndon Baines Johnson may have received a deduction of $30 million, it was recently stated. The story from the Detroit News of March 3, 1974, relative to former President Johnson follows:

L. B. J.'S TAX CUTS FOR PAPERS HIT $30 MILLION, AUTHOR SAYS

WASHINGTON.—A historian and author said Saturday there were indications President Lyndon B. Johnson may have taken up to $30 million in tax deductions for "gifts" of his papers.

M. B. Schnapper, editor of Public Affairs Press, said in a letter to a congressional committee investigating President Nixon's tax deductions that "circumstantial evidence and confidential information" led to his conclusion.

Schnapper, who said he had been studying the gifts of presidential papers to the National Archives and private libraries since those of Harry S. Truman, sent his letter to Rep. Wilbur D. Mills, D-Ark., vice-chairman of the Joint Committee on Internal Revenue Taxation.

Mr. Nixon has asked the committee to determine the legality of the $576,000 tax deduction he took for donating papers.

In his letter, Schnapper said: "According to circumstantial evidence and confidential information that has come to my attention. President Johnson's tax deductions on 'gifts' of predominantly official documents to the Lyndon B. Johnson Library in 1965, 1966, 1967 and 1968 probably amounted to at least $10 million and possibly $29 million."

Schnapper, who said he had seen all the deeds of gifts of presidential papers, said Johnson informed the General Services Administration on Dec. 19, 1968, that he "anticipated" his "charitable gifts" of documents would "total in excess of 30 million different pages."

The Johnson papers were evaluated by Ralph Newman, a Chicago specialist in the field who did the same chore for Mr. Nixon.

TRIBUTE TO HELEN KAWAGOE

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 10, 1974

Mr. ANDERSON of California. Mr. Speaker, I rise today to pay tribute to a great American, Helen Kawagoe. As the city clerk of Carson, she will be honored at a dinner dance on April 19. It is fitting that we, too, should pay tribute to this dynamic civic leader.

A well known figure in the Carson area for nearly 20 years, Mrs. Kawagoe was twice chapter president of the Gardena Valley Japanese American Citizens League. With her help, the membership of that organization has grown from 200 to more than 1,000. Her position in the JACL has advanced as the membership has grown—she was the district governor from 1971 to 1973.

To top off her outstanding record of service with the JACL, she was named "JACL'er of the biennium" at the JACL national convention in Washington, D.C., for outstanding contributions and leadership.

Mrs. Kawagoe has a vast record of civic experience. She is currently the third vice president of the Carson Chamber of Commerce, and a member of the United Way Advisory Council. She is also a Nisei Week Festival Board Member, and the by-laws chairman of the Carson Sister City Committee.

Most recently, Mrs. Kawagoe was elected city clerk of Carson. Her experience with executive duties combined with her knowledge of public relations are sure to make her as successful in this position as she has been in the past.

Mrs. Kawagoe is self educated and here again, her efforts have been a success. She is trilingual, being fluent in English, Japanese, and Spanish. Her strong interest in reading keeps her up with events of importance to the community.

Women's liberation is not new to Helen Kawagoe. She has held many positions in which she has been the first woman on the job. Most noteworthly of these was her election as District Governor of the JACL.

Always active in affairs to help her fellow man, Mrs. Kawagoe has demonstrated a sincere interest in humanitarian causes and Mr. Speaker, I am proud to pay tribute to her today. I know my colleagues here would join me in congratulating Mrs. Kawagoe in this tribute for her lifetime of unselfish public service.

A REASSERTION OF THE ROLE OF THE CONGRESS IN THE MAKING OF OUR FOREIGN POLICY:

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 10, 1974

Mr. KEMP. Mr. Speaker, I believe the Congress should pass constitutional safeguards on the use of executive agreements and treaties in conducting foreign policy. The making of our Nation's foreign policy has historically been viewed as a joint undertaking of the Executive and the Congress.

THE ROLE OF THE EXECUTIVE

The Executive—the President and his agencies and officers—discharges the responsibilities of administering the laws made by the Congres, a great many of which relate to foreign policy and its conduct.

It participates in conferences and negotiates on behalf of the Government of the United States—the essential and important elements of the conduct of foreign policy which often lead to treaties and similar obligations.

The policies of the Government and the rights of our citizens abroad are represented on foreign soil through the Executive—through our embassies, consulates, and legations.

And, of course, the conduct of our armies and navies—which must stand behind any foreign policy commitment—is at the direction of the Commander in Chief—the President.

THE ROLE OF THE CONGRESS

But, the Congress too has its role in foreign policy, perhaps the principal role.

It is the Congress which makes the laws which sustain our foreign policy efforts.

It is the Senate which must give its advice and consent to our treaties and the confirmation of our ambassadors and chief Department of State officers.

It is the Congress which must authorize and appropriate moneys for the Nation's Armed Forces and defense, key elements of our foreign policy and moneys for our foreign assistance programs.

It is the Congress which must declare war or states of national emergency.

It is the Congress which must enact the laws which govern our trade relations with other nations and on the terms of that trade.

It is the Congress which must define and punish acts against the law of nations. In summary, the powers of Congress in the subject of foreign policy are extensive.

TREATIES AND OTHER INTERNATIONAL AGREEMENTS

The Congress has struggled virtually since its first session in 1789 with the problem of international agreements of less than a treaty status. As the United States expanded its international commitments and as it took on a role of increasing world responsibilities during this century, this problem was intensified.

Today, executive agreements—those international agreements brought into force with respect to the United States without the advice and consent of the Senate—are a commonplace occurrence, an occurrence which robs the Congress—the Senate—of much of its constitutional powers in the area of foreign policymaking.

I have today introduced a proposed amendment to the Constitution of the United States which, I believe, would go a great distance in rectifying this problem and returning the full force and effect of constitutional powers to the Congress. If this measure becomes an amendment to the Constitution, it will preclude further abrogation of the responsibilities of the Senate.

The proposed amendment would prevent treaties and executive agreements from overriding the freedoms and safeguards found in the Constitution. It would also put constitutional safeguards on the use of executive agreements in conducting foreign policy. And, it would be a highly significant step towards the goals which were sought—and I believe history will show failed—in the enactment of the ill-conceived war powers resolution.

The amendment to the Constitution is necessary because of article VI of that document and two major decisions of the U.S. Supreme Court.

Article VI, clause 2, provides that:

> This Constitution, and the laws of the United States which shall be made in Pursuance thereof; and all Treaties made, or which shall be made, under the Authority of the United States, shall be the supreme Law of the Land; and the Judges in every State shall be bound thereby, any Thing in the Constitution or Laws of any State to the Contrary notwithstanding.

In less formal language, all treaties which meet the formal procedural requirements for enactment are the supreme law of the land, whereas acts of Congress are supreme only if they are in accord with the substantive provisions of the Constitution. Inasmuch as treaties thus stand above the Constitution, the constitutionality of treaty provisions cannot be tested in the courts. The protection of life, liberty and property found in the Constitution is thereby rendered useless. This is contrary to any view of limited government, a view which I hold strongly.

The Supreme Court has broadly interpreted the treatymaking authority under article VI. It has ruled that powers not originally granted to the Federal Government by the Constitution may be created—actually created—by a treaty. In the famous case, *Missouri* v. *Holland*, 252 U.S. 416 (1920), the Supreme Court held that Congress could exercise legislative power under a treaty which it could not otherwise exercise under the Constitution. This means that a treaty can empower Congress to pass legislation which, were it not for that treaty, would be constitutionally reserved to the exclusive power of the States.

The Supreme Court has similarly given an equivalent status to Executive agreements. In the *United States* v. *Pink*, 315 U.S. 203 (1942), the Supreme Court held that an Executive agreement between the President and a foreign nation—specifically President Franklin Roosevelt and the Soviet Union—had the same force and effect as a treaty and, further, that the agreement nullified a New York State law forbidding confiscation of private property. This case has been held to mean that the President can override State law by entering into Executive agreements with other nations without even consulting the Senate, since that consultation is not required for Executive agreements.

This amendment is of particular importance today; it is necessary. It would prevent unnecessary—and improper—delegation of power by the Congress to the President.

To those who feel concerned—as I do—that we can become too involved in the affairs of another nation by the force of—or commitments expressed or implied in—Executive agreements, this measure would preclude that possibility. I think we all agree—those who supported and those who opposed involvement in Vietnam alike—that congressional abdication helped lead to our continued involvement in Vietnam. This measure would resolve that problem much more effectively than the war powers resolution ever would.

The proposed amendment would also establish clearly that treaties and Executive agreements shall not take precedence over the Constitution of the United States.

The full text of the measure which I introduced today follows:

H.J. RES. 2929

Joint resolution proposing an amendment to the Constitution of the United States relative to force and effect of treaties

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as a part of the Constitution only if ratified by the legislatures of three-fourths of the several States within seven years from the date of its submission by the Congress.

"ARTICLE —

"SECTION 1. A provision of a treaty which denies or abridges any right enumerated in this Constitution shall not be of any force or effect.

"SEC. 2. No treaty shall authorize or permit any foreign power or any international organization to supervise, control, ar adjudicate rights of citizens of the United States within the United States enumerated in this Constitution or any other matter essentially within the domestic jurisdiction of the United States.

"SEC. 3. A treaty shall become effective as internal law in the United States only through the enactment of appropriate legislation by the Congress.

"SEC. 4. All executive or other agreements, between the President and any international organization, foreign power, or official thereof shall be made only in the manner and to the extent to be prescribed by law. Such agreements shall be subject to the limitations imposed on treaties, or the making of treaties, by this article.

"SEC. 5. The Congress shall have power to enforce this article by appropriate legislation.

"SEC. 6. This article shall be inoperative unless it shall have been ratified as an amendment to the Constitution by the legislatures of three-fourths of the several States within seven years from the date of its submission."

Mr. Speaker, considering all the treaties to which the United States is now a party, as well as the trend toward greater use of Executive agreements in conducting foreign policy, it is time that Congress moved to reassert supremacy of the Constitution. The enactment of the proposed amendment provides us an opportunity to reassert that supremacy.

DEFENDING THE RIGHT TO LIFE OF THE UNBORN

HON. ANGELO D. RONCALLO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 10, 1974

Mr. RONCALLO of New York. Mr. Speaker, I was pleased to appear this morning before the Subcommittee on Constitutional Amendments of the Senate Committee on the Judiciary and offer testimony on behalf of a pro-life constitutional amendment. I believe the Congress and the country owe a great debt to Senator BAYH and the members of his subcommittee for their willingness to hold these hearings.

Abortion is not a popular subject. Feelings run high on both sides of the issue. It is impossible to satisfy the demands of all of your constituents and still keep your integrity. In fact, many Members wish the whole matter would go away. Well, I can promise you it will not. It will not go away at least until every Member of this House has had the opportunity to vote his conscience.

It would well behoove the House Judiciary Committee and its Civil Rights Subcommittee to follow the fine lead set by the distinguished Senator from Indiana. Instead of ducking the issue, I urge them to hold hearings on this side of the Capitol and give the House the chance to work its will. In the meantime, Members who agree that the Congress, not the Supreme Court, should rule in the legislative arena—regardless of their views on abortion—should sign the Hogan discharge petition to permit floor consideration of the amendment.

So that my colleagues in the House may read my Senate testimony, I include it in the RECORD at this point:

DEFENDING THE RIGHT TO LIFE OF THE UNBORN

(By Hon. ANGELO D. RONCALLO)

Mr. Chairman, I very much appreciate the opportunity to testify before the Subcommittee today in support of Senator Helms' Constitutional Amendment to protect the rights of our unborn children. It is identical to the Amendment which was introduced originally in the House by Congressman Hogan and to which I have given my unqualified support. It is the proposal which I feel has generated the most interest in the House and which has the best chance of success in a floor vote. For this reason, I have signed the discharge petition which would bring the matter to the Floor of the House for a vote. The consideration of the language on the Senate Floor will reduce the controversy and focus the debate squarely on the issue involved.

The Supreme Court decision which over a year ago upheld the legality of abortion has placed us in the untenable position of weighing one life against another, when for two hundred years we have acknowledged that all life is sacred. In jeopardy is not only that right which we in this country have considered one of our most fundamental and cherished rights—the right to life. But also at risk in such a situation is a deadening of our moral sensibilities and responsibilities and an erosion of our respect for life. Respect for life should be nothing less than the most precious of our values; it should not be treated lightly. For when it is decided that one stage of human life is of no real value, when its continued existence is considered an inconvenience to others and may be terminated without scruple, then our reverence for life at any and every other stage is compromised. Our regard for the absolute right of each individual to his own life can only be diminished in such circumstances.

Congressional intervention is imperative, for human lives, hundreds of thousands of human lives are at stake. Let there be no mistake; abortion destroys human life. It has become increasingly common for medical authorities to agree that life begins at the moment of conception. To those who assert that human life begins only at birth we can only reply rhetorically: What then is the entity which develops within the mother's womb if not actually a human being? When a child is born prematurely and survives—as he is likely to do given continuing medical advances—is that being more human than one which was forcibly aborted at the same age?

There exists no rational basis for an assertion that the unborn child is a mere appendage to the mother; for medical science has shown us that genetically mother and child are separate individuals from conception. Nor can the developing child's dependency upon the mother provide reason for regarding it as something less than human life. We are all dependent upon others in various degrees at one point or another in our daily lives. Dependence per se, therefore, cannot be judged a valid criterion for determining the humanity of a developing child.

The Constitutional amendment which I have supported would reestablish the birthright of every unborn child. It would do so simply by applying existing principles of due process of law and the equal protection of the laws to all human beings, including the child in the womb. We cannot subscribe to the Supreme Court's view that the unborn child is not a person or does not possess meaningful life. Our reverence for the sanctity of life must allow no exception; it can be nothing short of absolute. The American constitutional guarantee of the equal protection of the law is rooted in such reverence as well as in the ultimate dignity of the individual and the inviolability of innocent human life. Legalized abortion, on the other hand, presents a disturbing reversal of our law's steady progress toward recognition of the dignity, value, and essential equality of human life. It is, as David Louisell and John Noonan in the Morality of Abortion have pointed out:

"A negation of the constitutional guarantee of equal protection of the law. It is a loveless act offensive to the conscience of our common law tradition. Attempts to justify it on the ground that the fetus is not fully human want for logic. To pick any moment other than that of conception as the starting point of human life is artificial and arbitrary. All human life, whether fetal, infant, adolescent, mature, or aged, is in the process of becoming. Abortion can be justified only if society has the right to prescribe the conditions of continuing life and to authorize the weighing of the right to life against other values."

Mr. Chairman, I would like to conclude my remarks with an observation by Mr. Noonan, who has penetrated to the core of the matter at issue here today in very simple and eloquent terms:

"Simple coexistence with other humans demands that the lives of some not be open to sacrifice for the welfare and convenience of others. If man can be recognized at all in the multiple forms of humanity, the notion of man necessitates respect for the human person's right to live. One person's freedom to obtain an abortion is the denial of another person's right to live."

It is for this reason, Mr. Chairman, that I support the Constitutional Amendment which Senator Helms has introduced into your chamber. We in Congress must not renege on our responsibility and obligation to protect and defend the inalienable rights of all individuals in this Nation. We must diligently hasten to restore the full protection of the law for human life at every stage of development.

Thank you, Mr. Chairman.

YET ANOTHER AGENCY

HON. BILL CHAPPELL, JR.

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 10, 1974

Mr. CHAPPELL. Mr. Speaker, last week the House of Representatives passed a bill to create yet another agency to add to the 75 independent agencies we already have. Many of our Members seem to believe that the only way to solve a problem is to create another mass of bureaucrats, thus taking more taxes from an already overburdened taxpayer.

Consumer protection is vital and we must do all that we can to help protect our consumers. The question is—how can we best do the job? It seems nonsensical to me to create a superagency to do the job for which we have already created other agencies. The Consumer Protection Agency is just one more layer of bureaucracy.

To create another agency has direct impact on one of the gravest problems facing America today—inflation. We cannot possibly halt inflation by forming more and more agencies; there is no hope of balancing our budget by creating more bureaucracy.

One of my major efforts here in the Congress has been to help put the Government on a businesslike basis. We need to find out how much money is taken in by an agency; how much it spends and what it spends for in order to cut down on waste. Just this session, I cosponsored a bill to audit certain Federal agencies.

The people deserve to know how their money is spent. At the same time, as a member of the Appropriations Committee, I have directed much of my effort toward ferreting out duplication of programs and spending.

Mr. Speaker, it is difficult already for the Congress to properly oversee those agencies which it has created. Furthermore, those agencies were formed to act in the interest of the public. It would seem to me that we should streamline and revamp some of these agencies we have, rather than creating more of a concentration of power in Washington through formation of this new superagency. This is clearly another case of Congress abdicating its obligations by creating a new, costly agency.

Mr. Speaker, many here in the Congress are wisely seeking to reform our budgetary process and to control Federal expenditures. Perhaps we should urge our colleagues in the Senate to act in the real interest of the consumer by rejecting this gigantic new agency. To burden the American taxpayer with more taxes; create more spending for the Federal Government; heap more redtape on the small businessman—all seem particularly harsh at a time when we should be cutting Government spending and trying to help our people through a particularly rough time.

Heaping another layer of bureaucracy upon an already overburdening bureaucracy is not the answer. Better improvement of our laws and better management of our current agencies is a better approach.

MARTIN LUTHER KING, JR., AND ADAM CLAYTON POWELL

HON. HENRY HELSTOSKI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 4, 1974

Mr. HELSTOSKI. Mr. Speaker, two prominent Americans—the Reverend Doctor Martin Luther King, Jr., and the Honorable Adam Clayton Powell—died on the same day, 4 years apart. On April 4, 1968, Dr. King was gunned down by an assassin's bullet in Memphis, Tenn. Four years later, on April 4, Adam Clayton Powell, one of the more dynamic legislators of his day, succumbed to cancer.

Mr. Speaker, to attempt to summarize in detail the achievements of both individuals would be an arduous task. The list of milestones which highlight their respective careers is long, and countless Americans are familiar with the admirable achievements of both men.

Instead perhaps to truly commemorate the anniversary of their respective deaths, we should focus briefly on the legacy left by each. During his lifetime, Dr. King was the world's most formidable spokesman for human rights and the dignity of man. As a result his name still inspires faith in those who are reluctant to believe, and compassion in those who tend to forget the sanctity of human tolerance. Mr. Powell, a man of resourcefulness and skill, proved to Congress and to the Nation that the legislative process can be responsive to the needs of all of our people.

Hence, Mr. Speaker, on this occasion, let us pause for a few moments to reflect on what these two men really did for America and its people. Though they were of different dispositions, temperments, values and backgrounds, they nevertheless were joined together by a common bond—and that bond was not the color of their skin. It was their passionate and uncompromising commitment to making this world a better place for all people, regardless of the color of their skin.

REPRESENTATIVE EARL LANDGREBE AND MOTOR TRUCKING INDUSTRY

HON. JOHN E. HUNT

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 10, 1974

Mr. HUNT. Mr. Speaker, among the many publications that come across my desk during the course of a week is one entitled "The Fifth Wheel." It is published by the Indiana Motor Truck Association, Inc. In perusing the March edition, I came across an article that pertains directly to one of my distinguished colleagues in the House of Representatives, the Honorable EARL F. LANDGREBE who hails from Valparaiso, Ind.

EARL is one of the motor trucking industry's great disciples. From scratch he started what is now known as the Landgrebe Motor Transport, Inc., which has progressed steadily through the years into a well-known trucking organization.

I take great pleasure in inserting the following information contained in this magazine so that you might know what the trucking industry thinks of my learned colleague, EARL LANDGREBE:

LANDGREBE MOTOR TRANSPORT

Landgrebe Motor Transport (LMT) began when Earl F. Landgrebe (now second district congressman) purchased the A. J. Gratton Motor Service. He did so because of a "love of trucks and motor equipment . . . and a strong belief in the American free enterprise system," said Roger E. Landgrebe, manager of LMT's Moving Division and the congressman's youngest son.

He began as a carrier of general freight between Valparaiso and Chicago with one tractor-trailer and an 11-year old straight truck.

The firm has grown steadily since 1943. LMT drivers now make at least six runs to Chicago daily and also serve other communities in northwestern Indiana. That may not seem like a large area, but the firm's 26 drivers still drive the equivalent of 22½ trips around the globe each year.

Present equipment includes 20 tractors, 27 trailers, six straight trucks, and two pickups. Landgrebe has terminals on Highway 130 West in Valparaiso and in Chicago.

Landgrebe is a common carrier (required by law to provide service for the general public) of general commodities and also has household goods moving authority for the entire state of Indiana and the Chicago area. Since 1948, LMT has been a household goods moving agent for North American Van Lines.

Landgrebe's 47 employees receive an annual payroll of over a half million dollars. Its 26 drivers annually haul 70 million pounds of freight over 588,000 miles.

Most of its 70,000 annual shipments begins with a telephone call to either terminal. A dispatcher relays the necessary information to a driver in the area when the driver makes one of his several daily phone contacts. The shipment is then picked up and brought to the Valparaiso terminal where the goods are separated and placed in vehicles which will head to the destination. All billing is handled at the Valparaiso terminal.

LMT is also active in community affairs following the belief of its owner that "a businessman must look at something other than the profit and loss statement. He should also be of service to his community."

Earl F. Landgrebe is President and Treasurer of LMT; Helen Landgrebe is Vice President and Secretary. The General Manager is Walter Martin.

RESPECTED LEADERS ON HUMAN RIGHTS SUPPORT JACKSON-VANIK AMENDMENT

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 10, 1974

Mr. DRINAN. Mr. Speaker, I am pleased to share with my colleagues the testimony of two distinguished individuals before the Senate Finance Committee in support of the Jackson freedom of emigration provision to the Trade Reform Act. Sister Margaret Ellen Traxler, chairman of the National Interreligious Task Force on Soviet Jewry, and Mr. Stanley H. Lowell, chairman of the National Conference on Soviet Jewry, both called upon the Congress to take a leadership role in upholding the long standing American commitment to human rights, and urged favorable action on this legislation.

Sister Traxler told the committee that she was speaking "for the executive committee on the Interreligious Task Force and for thousands of Christians in the United States in stating to you in the most emphatic terms that in the age after Auschwitz, we as Christians are not going to stand by and allow Jews to be persecuted, intimidated or deprived of their rights in any country."

Sister Traxler's eloquent remarks follow:

TESTIMONY OF SISTER MARGARET ELLEN TRAXLER

My name is Sister Margaret Ellen Traxler. I reside at 1340 East 72nd Street, Chicago, Illinois. I am the chairman and one of the founders of the National Interreligious Task Force on Soviet Jewry. I have also served as the president of the National Coalition of American Nuns and as the executive director of the National Catholic Conference on Interracial Justice.

The National Interreligious Task Force on Soviet Jewry is a coalition of men and women representing all of the religious communities in the United States who are determined to extend every possible effort to ameliorate the plight of Soviet Jewry. We are totally committed to the proposition that Soviet Jews should be given the basic human right to live with dignity within the Soviet Union or to be able to leave that nation in an atmosphere of freedom for the nation of their choice. The executive committee of the National Interreligious Task Force firmly supports the Jackson Amendment and believes that this amendment can be a vital factor in aiding the basic aspirations of Soviet Jewry.

In the light of the Task Force's commitment to Soviet Jews, I should like to read to you the Statement of Conscience of the National Interreligious Task Force on Soviet Jewry which was adopted in Chicago on March 20, 1972 at our initial plenary session attended by representatives of every major religious denomination in the United States. This Statement of Conscience is the foundational statement of purpose for the Interreligious Task Force and remains the seminal declaration which brings our constituency together around this great and crucial human rights question.

STATEMENT OF CONSCIENCE OF THE NATIONAL INTERRELIGIOUS CONSULTATION ON SOVIET JEWRY, MARCH 20, 1972, CHICAGO, ILLINOIS

"Thou shalt not stand idly by while the blood of my brother cries out to thee from the earth"

"Let justice roll down as the waters, and righteous as a mighty stream"

The National Interreligious Consultation on Soviet Jewry, meeting in unprecedented deliberation on March 19 and 20 in Chicago, Illinois, calls upon the conscience of mankind to make known its profound concern about the continued denial of the free exercise of religion, the violation of the right to emigrate, and other human rights of the 3 million Jewish people of the Soviet Union and of other deprived groups and nationalities.

For believing Christians and Jews, the denial of the spiritual nature of man and his right to nurture and to perpetuate the spiritual life is to deny the creative power of God in whose image He made man. The discrimination against the Jews by the Soviet Union gives us all reason to believe that, under the pretext of being anti-Zionist, it is the very contribution of the Jews to humanity which is under attack. It is precisely the Jewish testimony in the world that man's identity and freedom are not granted primarily by any state or constitution but are found in the nature of man himself. That is why each human being is threatened in his fundamental right to freedom of conscience when the Jews are persecuted.

Realizing our own failures in racism and in other areas of human rights, we nevertheless cannot remain silent as long as the Soviet Union continues to hamper or strangle the spiritual and cultural life of the Jewish people through extreme and special acts of discrimination. We appeal to the Soviet authorities to grant religious rights to Russian Jewry—the establishment of religious, educational, and cultural institutions for the perpetuation of Judaism and Jewish culture; the lifting of the prohibitions against publishing Hebrew Bibles and prayerbooks and the production of religious articles; the permission to train rabbis and Jewish teachers both in Russia and in seminaries abroad; the creation of a representative body of Soviet Jewry with freedom to communicate and associate with their co-religionists abroad.

We appeal to the Soviet authorities—let them live as Jews or let them leave to be Jews. This consultation is gratified to know that the Soviet government has heard the pleas of millions in many lands and has permitted several thousands of Jews to leave the country for Israel and elsewhere. We urge the Soviet authorities to relent, and to continue to allow the thousands of others who have sought exit visas to emigrate to the countries of their choice—which is their right under the United Nations Declaration.

This consultation is deeply disturbed by the reports of growing acts of harassment, intimidation, arbitrary arrests, and confinement of Jews and dissenters to mental institutions. We appeal to the Soviet government to end this policy of wanton oppression and fear.

This consultation protests against the continued imprisonment under ruthless conditions of prisoners of conscience—Jewish and non-Jewish—and we urge that they be released and be shown clemency.

This consultation protests against the government sponsored campaign of anti-Semitic and anti-Zionist propaganda which constitutes an incitement to hatred and violence in contravention of the United Nations Declaration on Human Rights.

This consultation resolves to commit itself to a program of continuous watchfulness and unrelenting efforts in demanding and in championing freedom for all of Soviet Jewry, of Christians, and of intellectuals—of all who suffer for their courage and their struggle for human dignity.

This National Interreligious Consultation on Soviet Jewry consisting of Protestants, Roman Catholics, Eastern Orthodox, and Jews, authorizes a direct appeal to President Nixon, as the representative of the American people, to convey in clear and forthright terms to the Soviet authorities during their forthcoming conversations in Moscow the expectation of the American people—Christians and Jews, black and white, liberal and conservative—that these discriminations and denials of Soviet Jewry and others be stopped now, and that fundamental human rights be granted—now. We seek the relaxation of international tensions and conflicts between the United States and the Soviet Union, and the surest test of the genuineness of the commitment of Soviet authorities to the cause of universal peace and justice is the granting of justice and freedom to the Jews and other deprived religious groups and nationalities.

I speak for the executive committee of the Interreligious Task Force and for thousands of Christians in the United States in stating to you in the most emphatic terms that in the age after Auschwitz, we as Christians are not going to stand by and allow Jews to be persecuted, intimidated or deprived of their rights in any country. It is on this fundamental principle that the National Interreligious Task Force on Soviet Jewry today voices support for the amendment offered by the distinguished Senator from Washington, Henry M. Jackson.

Mr. Speaker, Mr. Lowell aptly described the Jackson-Vanik amendment as a,

Realistic and effective formula to employ American economic resources and capabilities in securing the fundamental and internationally recognized right to emigrate.

A summary of Mr. Lowell's perceptive statement follows:

SUMMARY OF STATEMENT BY STANLEY H. LOWELL

PRINCIPAL POINTS

1. We support enactment of the Jackson/Mills-Vanik freedom of emigration provision as part of the Trade Reform Act. We believe that this section is a realistic and effective formula to employ American economic resources and capabilities in securing the fundamental and internationally recognized right to emigrate.

2. We support detente between the United States and the Soviet Union, but not unilateral detente where the U.S. provides economic benefits and receives no quid pro quo from the USSR. We are for a genuine detente. Such a relationship must include the right and opportunity for people to move freely between countries. The passage of the Trade Act would result in overwhelming benefits to the USSR economically. It is appropriate for us to seek in return concessions from the Soviet Union in an area vital to all Americans—that is, human rights!

3. The Right to Leave one's country to emigrate is recognized internationally. It is articulated in international covenants such as the Universal Declaration of Human Rights and the International Convention on the Elimination of All Forms of Racial Discrimination.

4. The Jackson amendment, seeking to assist those oppressed minority groups in other countries who wish to emigrate, has substantial historical precedents in American tradition by executive and Congressional action.

5. The Soviet Union could comply with the mandate of the Jackson amendment by internal policy decisions and administrative implementation, within the existing provisions of its own laws and procedures.

6. The strong Senate support and the House action in passing the freedom of emigration provision has already had the positive effect of influencing Soviet authorities to suspend the onerous "education tax" placed on visa applicants with higher education. We believe that enactment of the Jackson Amendment would result in significant improvements in Soviet emigration practices.

7. The emigration of Jews from the Soviet Union has not significantly improved in the last year. The backlog of Soviet Jews trying to emigrate continues to increase. During the first quarter of 1974, the permitted emigration rate has significantly decreased by almost one-third. Harassment of visa applicants has intensified, including geographical and professional selectivity, loss of jobs and continuing arrest and imprisonment.

8. We are deeply disturbed by the Secretary of State's assertion that passage of the freedom of emigration legislation will bring about the termination of Soviet Jewish emigration. Not only is this statement questionable, but it also may well create the danger of a self-fulfilling prophecy.

9. On the basis of Soviet past performance we cannot expect any improvements in their emigration practices, without the prod of American action especially by the Congress.

11500 BANANAS ON PIKE'S PEAK

HON. CRAIG HOSMER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 10, 1974

Mr. HOSMER. Mr. Speaker, I commend my colleagues on the Committee on Interior and Insular Affairs for allowing a tiny taint of logic to be inserted in H.R. 11500, the bill to dismember the surface coal mining industry.

As it emerged from subcommittee, the bill required a mine operator in reclaiming the land to permanently establish vegetation on it. Since farm crops are harvested annually, this automatically knocked the land out of the prospect of grain production. Trees are not permanent, either—they eventually die, even if they are not harvested for timber in a generation or two.

Until the committee wised up and took out the word "permanently," I was afraid Congress was about to require the cultivation of petrified forests.

Still, the rest of the bill represents petrified thinking. Time and again it seeks to prohibit production of half our coal supply by imposing impossible requirements. It is as crazy as trying to grow bananas on Pike's Peak, and this one injection of logic does not redeem it.

SELECT COMMITTEE ON ABORTION

HON. HAROLD V. FROEHLICH

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 10, 1974

Mr. FROEHLICH. Mr. Speaker, I am today reintroducing House Resolution 585 to create a select committee to study the impact and ramifications of the Supreme Court's decisions on abortion.

I am especially pleased to add the names of 12 new cosponsors to this proposal: Messrs. W. C. (DAN) DANIEL of Virginia, JOHN DENT of Pennsylvania, JOHN DUNCAN of Tennessee, PAUL FINDLEY of Illinois, JAMES R. GROVER of New York, GILBERT GUDE of Maryland, HENRY HELSTOSKI of New Jersey, WILLIAM HUNGATE of Missouri, JACK KEMP of New York, WILLIAM KETCHUM of California, WAYNE OWENS of Utah, and J. EDWARD ROUSH of Indiana.

This select committee would offer a sound, responsible means of carefully considering the Supreme Court's unprecedented abortion decisions and then taking appropriate action. This course would not be necessary if the Judiciary Committee had taken up the abortion controversy months ago or expressed any credible intention of doing so in the future. But this has not transpired.

I am very hopeful that the Committee on Rules will now take note of this important resolution with its bipartisan sponsorship from every part of the country.

I insert at this point the text of my recent letter to the distinguished chairman of the Committee on Rules, urging him to take action in his committee on House Resolution 585:

HOUSE OF REPRESENTATIVES,
Washington, D.C., April 1, 1974.

Hon. RAY J. MADDEN,
Chairman, The House Committee on Rules, Washington, D.C.

DEAR MR. CHAIRMAN: I am writing to appeal for your personal assistance in securing prompt consideration of various proposals to correct the Supreme Court's decisions on abortion. As Chairman of the Committee on Rules, you are in a unique position to assure that the unborn child is given a fair hearing in the legislative process. As things now stand, the pro-life movement is almost entirely dependent upon your leadership if we are to make any progress in the 93rd Congress.

As you know, the Supreme Court, in two decisions last year, struck down the abortion statutes in every State in our Nation. The Court created an absolute right to procure an abortion during the first three months of a woman's pregnancy and an almost unlimited right to secure an abortion during the remaining six months of pregnancy until birth. These unprecedented decisions rest on the flimsiest of constitutional grounds and they represent an unparalleled exercise of naked lawmaking power by the Supreme Court.

In the wake of these decisions, dozens of Members have introduced proposals to reverse or modify the Court's rulings. You are undoubtedly familiar with the various constitutional amendments introduced by Mr. Hogan, Mr. Zablocki, Mr. Delaney, Mr. Burke, Mr. Whitehurst, and others. Mr. Denholm has introduced an important bill, H.R. 7752; and I have offered another approach in my bill, H.R. 8682. All these proposals have been referred to the Committee on the Judiciary and to its Subcommittee on Civil Rights and Constitutional Rights. They have been languishing in that subcommittee because of the implacable hostility of Representative Don Edwards, the Subcommittee Chairman, who appears determined to prevent their consideration by the other Members. They are likely to remain buried in the subcommittee because of the quiet acquiescence of Committee Chairman Peter Rodino.

There are at least four ways that a pro-life measure could be considered by the House of Representatives in 1974.

First, a constitutional amendment or a bill could be reported out by the Judiciary Committee, subject to a rule being granted. At this point, such a course appears almost impossible because of the disposition of the Committee's leadership.

Second, Mr. Hogan's discharge petition could bring H.J. Res. 261 to the floor. However, a discharge petition requires the signatures of 218 Members, and the Hogan petition is still far from success. As you know, discharge petitions entirely circumvent the hearing process and therefore are little favored and seldom successful. Although there may in the end be no alternative to a discharge petition, this route cannot be viewed as a desirable way to propose an amendment to our Constitution, for it does not provide for the careful study, full debate, and public education that are essential in matters of this moment. A discharge petition is complicated in this instance by a very real uncertainty about the implications of H.J. Res. 261. There is considerable doubt whether one hour of debate can fully resolve these questions.

Third, the Committee on Rules could conduct its own hearings on the pro-life measures and then report one to the floor. The committee used this procedure to report S.J. Res. 185 earlier this year, although the resolution fell within the substantive jurisdiction of the Committee on Interstate and Foreign Commerce. According to Mr. Eckhardt of Texas, this procedure has been employed at least seven times by the Committee on Rules since 1937 (CONGRESSIONAL RECORD, February 7, 1974, at p. 2491), and in one instance a constitutional amendment was involved. Although this procedure is indeed unusual, it has advantage over a discharge petition; for it would permit initial study and screening of a measure by the Rules Committee and it would permit an opportunity for more thorough debate on the floor.

Fourth, the House could create a select committee to study all the implications of the Supreme Court's decisions on abortion and then report out appropriate legislation, if that was deemed desirable. This is the objective of House Resolution 585 which I introduced last October 9, with Mr. Keating and Mr. Roncallo. Since then, this Resolution has been co-sponsored by the following Members: Robert Bauman (Md.), Silvio Conte (Mass.), Marjorie Holt (Md.), Robert Huber (Mich.), William Hudnut (Ind.); Earl Landgrebe (Ind.), Trent Lott (Miss.), Romano Mazzoli (Ky.), William Minshall (Ohio), Don Mitchell (N.Y.), James O'Hara (Mich.), Geoge O'Brien (Ill.), Walter Powell (Ohio); Ralph Regula (Ohio); Robert Roe (N.J.), Fernand J. St Germain (R.I.), Keith Sebelius (Kans.), Dick Shoup (Mont.), Charles Thone (Neb.), Charles Vanik (Ohio), William Walsh (N.Y.); William Whitehurst (Va.); and Antonio Won Pat (Guam). Messrs. Glenn Anderson and Gilbert Gude have sponsored similar resolutions.

The select committee envisioned by these resolutions would be able to conduct thorough hearings exploring all the complex issues with respect to abortion and carefully considering all the various proposals for reform. The Speaker would be able to appoint the eleven committee members and would thereby assure the balanced makeup of the select committee. The committee could hold public hearings and permit all sides to be heard.

House Resolution 585 was referred to the Committee on Rules, where it has been now for almost six months. There can be no doubt that the Committee is authorized to report a resolution creating a select committee with the power to report legislaion, for it has done so in the past. For instance, the Select Committee on Astronautics and Space Exploration, created by House Resolution. See *Congressional Record*, March 5, 1958 at 3443. I hope your Committee will now act.

Were I to serve in the Congress for 40 years, I could attain no better position than you hold today to advance the pro-life movement. You hold in your hands the power to free pro-life legislation, through either of two different mechanisms, for consideration by the House. I earnestly appeal to you to demonstrate your continuing leadership ability so that the House of Representatives is permitted to work its will.

Millions of Americans are depending upon you to secure legislative action on abortion. History will remember the role you play.

Thank you for your kind consideration.

Sincerely,

HAROLD V. FROEHLICH,
Member of Congress.

INMATE PURSUES EDUCATION

HON. EDWIN B. FORSYTHE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 10, 1974

Mr. FORSYTHE. Mr. Speaker, in this time of repeated calls for prison reform and inmate rehabilitation, it is most refreshing to find positive action in this area—action that is bringing results. Burlington County College, located in Pemberton, N.J., has recently established a correctional education program for inmates incarcerated at the Bordentown Reformatory. This program is working exceptionally well.

I would like to share an article from the Burlington County Times which describes the success of one inmate who has gotten a new start because of the college program:

MAKES PRISON HIS COLLEGE: LIFER PURSUES EDUCATION, TUTORS INMATES IN READING

(By Joseph M. Donadieu)

CHESTERFIELD TOWNSHIP.—One inmate at the Bordentown Reformatory seems to be testing the limits to see how far he can go and seems to be getting encouragement from the people working with him.

Matthew Sheridan, a 25-year-old inmate in the fifth year of a life sentence on a charge of armed robbery-murder from Atlantic County, has already received an associate degree from Burlington County College, a bachelor's degree from Stockton State College and is now looking for an opportunity to continue graduate studies within the walls of the reformatory.

With the help of a program of college courses offered by Burlington County College, Sheridan said he got a new start on a college program. He completed his work for a bachelor's degree last June with the cooperation of professors from Stockton State College and officials at the reformatory.

Although he has no word yet from officials at Trenton State College or Monclair State College on the possibility of arranging a course of graduate study in education while he is serving time, Sheridan is still working with professors from Stockton to complete his requirements for teacher certification.

Although he is not enrolled in any defined program at the present time, Sheridan is working on an independent study course in Chinese history under the direction of a professor from Stockton.

Much of his earlier coursework for Stockton was completed in a similar manner with a course of readings, research and writing and discussion with Stockton professors who regularly traveled to Bordentown for his classes.

Meanwhile, he is also working in the reformatory's educational section as inmate-coordinator for Burlington County College's Right-to-Read program and as a tutor in the program as well as teaching in the adult education program conducted by the reformatory.

Since it is impossible to list him on the professional staff of the reformatory, even though he has a college degree and is teaching, E. Calvin Neubert, assistant to the supervisor of educational programs at the Bordentown Reformatory said Sheridan is listed as an inmate para-professional and receives no extra compensation for it.

By his own admission, Sheridan said he got himself in prison through his own "stupidity" and "search for independence".

"I didn't know what I wanted, but I knew I wanted something different. What I was doing seemed to be a safe and easy way to get what I wanted," he said.

A three-month-long series of break-ins ended with an armed robbery and fatal shooting with a subsequent arrest and imprisonment at the age of 20, said Sheridan.

"One thing led to another. Robbery is a monster that can be as addictive as drugs," he said.

Although Sheridan said he was not the trigger-man in the armed robbery, he and one of the two co-defendants charged with the murder pleaded "Non Vult" to the charge. The third man was convicted in a trial by jury, he said.

Following his conviction, Sheridan was sent to Trenton State Prison where he spent two months in 1969 before he was transferred to Bordentown in May.

On his arrival at the Reformatory, Sheridan said he stopped into the library there, but never returned until much later after Burlington County College had begun to stock the shelves with materials purchased with a federal grant.

Before he got into trouble, Sheridan said he had spent two years at Pennsylvania Military College as a cadet, dropped out, and enrolled in a two year college in South Jersey. He was arrested during the first semester he was there, he said.

On the outside, before he got into trouble, Sheridan admits he was not a good student.

"When I got here I tried to get my head together; tried to find out what had happened and decided on where I was going."

"I decided to try to do as much as possible to start over new. I wasn't worried about the time it would take me to graduate, but the way I would graduate," he said.

The beginning of the Burlington County College program at the Reformatory changed the whole atmosphere of the institution, he said.

When he first arrived at Bordentown, Sheridan said he found he could not understand the language of the inmates and they could not understand him, so he had to learn a new language.

He found he could talk with some of the inmates in the section where he was assigned and they as a group enrolled when the Burlington County College courses were introduced early in 1970.

Although there was a little trouble from some of the guards at first, it soon quieted down. There was no trouble from other inmates because he had been active in inmate programs and was identified as a long-timer.

When the courses were started, "things began to happen," he said.

"Suddenly, a guy who was illiterate wanted to be like those who were enrolled in the college courses, put on glass frames without lenses and started carrying around a large volume from the library," said Sheridan.

"For real. I saw it," he said.

"At first, there was a big interest in psychology," he said.

The reason? "I guess most people have a fear of psychology and psychiatrists and see them as someone who digs around inside of you."

Before the college courses were offered, the main reading done inside the reformatory was mysteries and westerns, but "now the quality of reading has changed and there is more philosophy and history than there was before," he said.

"It showed me there was a new life that I didn't see before. When I landed here, I was lacking confidence in myself, but now I've gotten an opportunity and confidence and I feel I can help other people," he said.

"For the first time there is an inmate teaching others," he said.

But, he has authority he can't realistically use. While a teacher from the outside could threaten to report an inmate who is giving him problems in class, Sheridan, as an inmate, does not see that as a realistic alternative since he must still associate with other inmates and must live with them.

As far as discipline in the classroom goes, he said he tries to make a troublesome inmate make up his own mind about what he's doing.

"I don't see myself as walking any damned tight-rope. I've had problems but not big ones," he said.

His solution is not to call on any sort of inmate-system of enforcement, he said.

"There are other ways to settle problems other than by threats or violence. I couldn't see myself as a teacher or professional if I had to use that type of power play to enforce order," he said.

In addition to his work as a tutor in the Right-to-Read program, as inmate coordinator for the program with scheduling and planning for new sessions and working with personnel sent over from Burlington County College. Sheridan is also captain and coach for the inmate weight-lifting team.

With all of that, and his studies, Sheridan said he is also on call to work in the institutional hospital when needed.

Before he became involved in the college activities at the reformatory, Sheridan said he was assigned to work at the hospital and now would work whenever needed because he would feel he is needed.

According to Neubert, Sheridan is "probably above the norm for men incarcerated at this time of life. I would say he is more than satisfactory or above average."

"He has won the respect of both his peer group, among the inmates, and the professional staff here," said Neubert.

ACTION ON OIL INDUSTRY TAX PRIVILEGES

HON. FRANK J. BRASCO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 10, 1974

Mr. BRASCO. Mr. Speaker, the Ways and Means Committee of the House has approved a measure that would entirely phase out the present 22-percent oil depletion allowance by 1977. We are informed that such a move by the Congress, if approved, could add some $3 billion to the oil industry's tax bill in the next 3 years.

I believe the chairman of this committee, Mr. MILLS, and those Members who voted to end that depletion allowance, are to be commended by the House and the American people for such a positive, long overdue beginning on ending accumulated tax privileges presently enjoyed by the domestic oil industry.

Previously, a weaker measure had been approved by the tax-writing committee. The chairman, however, correctly reading the will and indignation of the overwhelming majority of the people of this country, knew the original bill would fail on the floor of this House. The Nixon administration, true to its permanent policy of all-out support for our oil industry, opposed any depletion phase-out. Also due credit are the Republican members of the Ways and Means Committee who supported Mr. MILLS, knowing the time has at last come for congressional action in this crucial area.

With oil and gas commanding astronomical prices, resulting in staggering profits to the oil industry, tax incentives for big oil are a fraud upon the consuming public. Depletion allowances of all kinds, with a tiny handful of minimal exceptions, are nothing more than tax gimmicks allowing extractive industries to evade Federal taxes.

Water-down proposals have been advanced by oil industry apologists as a last ditch defense against meaningful tax reform. These would have us believe and accept a meaningless step, labeled enticingly an excess profits tax. The rationale offered for this is that industry should be allowed to keep its huge ill-gotten gains to finance increased production. This can only be termed an assault upon intelligence.

In the past, the vast range of tax preferences granted the oil industry by Congress gained the American consumer nothing, as the recent energy crunch showed so vividly. Big oil went abroad, using American tax breaks to explore and develop foreign oil fields. They also used such tax writeoffs to build many new refineries abroad, writing them off while ignoring growing domestic refinery needs. We all know the result. Most importantly, the American people now have a far broader understanding of what really is going on and what big oil is reaping in profits at the expense of domestic consumers. As the Church committee hearings have shown so vividly, these massive multinationals have no loyalty to the United States, only to tax advantages and profits they are allowed to take domestically by lax tax laws.

That is why special tax privileges saving big oil $2 billion annually in the form of depletion allowances should be forthwith ended by Congress. It exempts 22 percent of all oil income from any Federal taxation, allowing them to pocket vast sums while the taxpayer, paying the highest energy prices in history, must take up the slack by paying missing tax revenues into the Federal Treasury.

Make no mistake. If Uncle Sam isn't getting it from big oil, he has to extract it from the average consumer and taxpayer.

I do not believe Congress should allow any exemptions to the newly approved rule phasing out the oil depletion allowance. Many oil wells have been written off as a result of this gimmick—some of them several times over.

Had we been able to roll back the mind-boggling oil and gas prices presently prevailing in the American marketplace, consumers would have been granted some benefit. Regrettably, the President chose to veto Congress price rollback. Failing that move, the time is now ripe for an end to all depletion allowances for big oil.

Nor should we stop there. The foreign tax credit is and should be the central target of this Congress. Here is where big oil gains most from foreign investments at the expense of the American people. By allowing them to write off, dollar for dollar, whatever they invest or spend abroad, we are subsidizing their richest tax break. With such an incentive, it pays them to put foreign investment first, ahead of new refineries and further exploration at home.

Certain things, thankfully, have changed as a result of the embargo. The public has had a taste of the effects over a long term of giving big oil such accumulated tax preference. Millions of citizens are demanding action by Congress, and Congress should respond. The buck has stopped with us. We have a responsibility to turn a deaf ear to oil lobbyists, who for so long have had things their own way in this city.

A weak measure would not pass. I for one would not go back to my constituency, which has sustained grievous economic and social damage as a result of high-pressured shortages, and claim to have represented their interests if we did not emerge with significant reform. Further, I believe and hope this is a start, rather than an isolated instance of grudging reform under pressure. I shall support and vote for an end to the oil depletion allowance.

As the song says, "The times they are a'changing."

SMALL BUSINESS TAX REFORM

HON. JOHN Y. McCOLLISTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 10, 1974

Mr. McCOLLISTER. Mr. Speaker, late last month I was privileged to attend a presentation made to the House Select Committee on Small Business by representatives of the National Small Business Association. At that presentation were over 100 Members of the House.

Before addressing myself to the substance of the presentation made, I want to commend National Small Business Association for taking the leadership in aggressively pushing for the passage of the Bible-Evins small business tax simplification and reform bill introduced in the first session of this Congress. The association has brought about such a ground swell throughout our constituencies that I am pleased to announce that my distinguished colleague, the Honorable WILBUR MILLS, has agreed that his committee will conduct executive hearings on this all-important subject of small business tax reform early next month.

We were parties to the opening shot of a new revolution. Modern-day continentals laid fiery words before us and threw down the gauntlet of challenge to do something about our country having been turned over to big business, big government, and big labor. These words were the shots of the revolt sponsored by NSB on behalf of 10½ million small businesses who are losing ground disastrously in market share, assets, and profits. These are the firms who are the economic backbone of our great country—a country which was born of revolution.

The tyranny faced by our forefathers at Lexington, Concord, Boston, Yorktown, and other cherished places was nothing compared to the tyranny under which small business suffers today. These 10½ million firms account for 98 percent of the country's total business units, yet in 1972 a handful of economically powerful giants—only 350—controlled 69 percent of the assets in corporate manufacturing. These same companies, representing less than one-third of 1 percent of the country's manufacturing firms received almost 73 percent of the profits. The Boston tea party was small potatoes compared to this 1972 big business milking party—which still goes on.

How much longer are we going to sit here and allow big business, big government and big labor—to dictate the policies of our great country. Top big government management is run by draftees from big business. They, after directing the agencies and so forth, return to the open and thankful arms of their giant corporation to reap the benefits from the seeds sown while in—and I mean literally in—the seat of government. This is a case where the left hand does know what the right hand does because they are one and the same.

For the past several decades, the "big three"—big business, big government, big labor—have been expanding at a rate outstripping the rest of the economy. The relative diminution of the small business share of the national economy has developed trends which tend to worsen the health of the American system. It is imperative that action be taken to restore and expand the growth and viability of small business before these trends become irreversible.

The economy is now dominated by the "big three". At the same time the "big three" pay lip-service to the virtues of small business, they make certain, by their actions, that primarily only their interests are promoted and protected. The "big three" formulate a national economic policy that, regardless of intent, discourages, handicaps, squeezes, and often destroys small business. Their actions are counterproductive, incestuous, and self-serving in nature. As a result, only the "scraps on the table" are left for everyone else.

First—a look at big business. In 20 years—1950–70—more than $65 billion in manufacturing and mining assets were acquired in mergers of companies with more than $10 million in assets. Almost $40 billion of those assets were acquired by just 200 companies.

Second—a look at big government. Big government has paralleled the explosive growth of big business. The Federal Government now directly controls the expenditure of about one-fifth of our gross national product. Its annual level of expenditure has gone from less than $10 billion in 1940 to $43.1 billion in 1950 to more than a $300 billion budget for the next fiscal year.

Third—a look at big labor. For small business, true collective bargaining with big labor is now largely a myth. Big business and big labor between them blackjack small business with industry-wide standards throughout the economy. And big government ignores the counterproductive impact of this blackjacking on the consumer and small business.

Why is it that top officials of big government travel twice a year to places like White Sulphur Springs to "brief" behind closed doors big business members of the business council? Is it not only fair that big government do the same for small business—with the doors open?

When big labor sits down with big business to negotiate, why does not the Department of Labor, or at least some Government agency, represent small business, because the "settlements" inexorably bind small business?

These revolutionaries from the National Small Business Association have even laid down a timetable of accomplishment. Each Member has received the association's presentation and its challenge. Let us all realize that we have been served notice that events are happening and a small business declaration of equality has been signed and delivered to us.

The general goal of National Small Business Association may be stated simply: Small and medium-size business needs an effective national policy developed and carried out to restore competitive balance. That policy must produce substantially greater growth for small and medium-size business than for big business and big government.

The NSB specific 15-year program is twofold:

By 1976, our Nation's 200th anniversary of its Declaration of Independence, there shall be adopted and enacted a national policy committed to a "catch-up" for small and medium-size business;

By 1989, the 200th anniversary of our Constitution, there shall have been fulfilled a national policy which, to measure its success, shall obtain, in industry after industry, a doubling of the share of the market held today by small and medium-size business.

There are no veiled threats in these words. There are no implications of bloodshed and violence. There are however positive statements of wants and demands which, if acceded to, will make our country a better place to live in and infinitely stronger. We are not dealing with firebrands but with sensible and practical small business men who for over three decades have been victimized by their "benevolent" big government; its partner in collusion, big business; and the nonvirginal handmaiden of both, big labor. We have a duty to bring equity to our codes and laws as they affect all citizens of America.

We must begin by acknowledging the correctness of the complaints from small business and follow through by seriously studying what these modern day nonviolent revolutionaries regard as their rights—equal treatment under our Constitution and laws.

I most earnestly commend to you the National Small Business Association plan to "preserve America through a national policy committed to 'catch-up' growth of smaller business."

WHY CONTROLS SHOULD NOT BE EXTENDED

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 10, 1974

Mr. **KEMP**. Mr. Speaker, I want my colleagues to read a very thoughtful and constructive article by Paul McCracken on why controls have not worked and why we need to exercise fiscal and monestary restraint:

SHOULD CONTROLS BE EXTENDED?

(By Paul W. McCracken)

During the weeks ahead the Congress must make a decision about whether to continue wage and price controls. Since the legislative authority terminates at the end of April, even no action (for whatever reason) would be a decision—a decision to jettison them.

This will be a tough decision. What makes economic sense often does not make near-term political sense, particularly in this turbulent election year, and the current question about extending these controls is a good illustration of this tension.

This decision inevitably reflects political as well as economic considerations. This thought will distress some, but it is hardly surprising that decisions made in the political arena will be in part political.

Those making decisions about economic policy can be forgiven for making them on political grounds, providing they are clear-eyed about the economic consequences of their actions. A key question in these deliberations during the months ahead, therefore, is: What have been the results, the consequences, of the controls program?

Obviously these controls cannot be retired on a "mission accomplished" basis, if the mission they were supposed to accomplish was a reasonably placid price level. From August 1971, when the New Economic Policy was inaugurated, to January 1974, the consumer price index rose at the rate of 5.6% per year. And the rate of inflation has, of course, been accelerating. Quarter by quarter through 1973's phases and freezes the consumer price index moved from a 6.1% per year rate in the first quarter to a 9.9% pace in the three months ending with last December. And the limited information now available suggests that in the current quarter the annual rate will have been in excess of 10% per year.

RISE IN PRICES INDEXES, 1973

[Seasonally adjusted annual rate by quarters in percent]

Type	1st	2d	3d	4th
All consumer prices	6.1	8.4	9.1	9.9
Food prices	18.6	20.2	24.6	14.5
Energy prices	8.2	11.6	5.7	27.0
All other prices	2.5	4.1	4.7	6.8
Wholesale industrial prices	6.5	15.2	6.5	20.5
Energy prices	12.8	41.3	22.2	133.2
Other prices	5.9	12.6	4.9	11.3

Moreover, the acceleration was pervasive. Even with the hyperactive eruptions of food and fuel prices excluded from the picture, other consumer prices were rising at an average annual rate of 6.8% by the final quarter of 1973, up sharply from a 2.5% rate in the first quarter.

Finally, a look over the shoulder at what has been happening at wholesale prices provides little support for optimism that inflation is on the wane. Industrial wholesale prices were rising at the rate of 20.5% per year in the fourth quarter, and again with energy prices out of the arithmetic, the figure was still 11.3%. And data for 1974 show no clear evidence of deceleration. If these are the price increases which will be moving through to the consumer level during the months ahead, the BLS monthly price releases will not make comforting reading.

What do these prices tell us about the wisdom of extending the control program?

Surprisingly little.

On political and economic grounds one could argue either that the controls obviously remain urgently needed or that obviously controls are not effective in dealing with inflation. The key question is not whether the price level was rising. About that there is no argument. The question is whether these price and wage controls were keeping the rate of inflation lower than it otherwise would have been: Were they making a difference?

To draw a circle around that question more is obviously needed than some arithmetic on rates of inflation. And that has been provided by the Council of Economic Advisers in its annual report released last month (which, in terms of solid analytical content, is probably the best report in the council's history).

One argument, frequently made, can quickly be dismissed—namely, that the dam was broken by the shift last year from Phase 2 to Phase 3. Prices of items subject to similar regulations during the two phases (including those not subject to control during either phase) rose at the annual rate of 4.8% in Phase 2, and during Phase 3 the figure was 11.7%. The increases in prices of items for which Phase 2 controls were relaxed (abolished or made self-administered) were substantially lower—2.6% and 5.1% respectively—and the acceleration in their rate of inflation from Phase 2 to Phase 3 was also smaller.

The issue here, however, is not so much one of statistics as one of logic. The key error in much theorizing about public policy actions, including price and wage restraint, is failure to take account of subsequent consequence and reactions. If some prices are restrained from rising, so it seems to some, this just helps that much to hold down the general price level. Eminently reasonable as this superficially may seem, that conclusion does not necessarily follow at all. Since customers now buy these items for less than they would otherwise have paid, some purchasing power is "left over." What is done with it? There are two possibilities. People could simply save it, spend that much less. This does not seem to have happened. Consumers spent 93.8% of their after-tax incomes in 1973, almost precisely the same as the 93.9% average for the essentially pre-inflation years 1964–1966.

Apparently whatever was "left over" because some prices were held down was spent either on items subject to price control or in other directions.

If so the result would be expected to be an increase in real output, if output could expand. If the economy could not respond with increased output, either because of bottlenecks or a general shortage of capacity, some combination of growing shortages and higher prices would be the result. This clearly has been the result during the last year or so.

Now it is possible that price controls make for less intense spending through holding down incomes. Statistical studies of the efect of these controls on wages is inconclusive, generally suggesting that the impact at best was small and may have been zero. The major change in the distribution of income is that the profits share in 1973 remained substantially below that of the mid-1960s. In 1973 profits were equal to 11.7% of the GNP originating in nonfinancial corporations. This was up from 10.7% in 1971, the year these controls began, but it is well below the 16.1% average for 1963–65. The controls may, therefore, have made some contribution to the shortages of capacity that became apparent last year.

THE DELIVERY BOTTLENECK

Since it is inherent in controls that they tend to create bottleneck shortages, these controls may have aggravated the rate of inflation by limiting the ability of the economy to respond to strong demands with increased supplies. While different measures of operating rates support widely varying conclusions about whether our economic capacity generally was under pressure, we do know that the unemployment rate for the year was 4.9%, and even with allowances for age and sex changes it was not abnormally low. We also know, however, that one measure of the difficulty of getting deliveries, the proportion of companies reporting slower deliveries, was just over 90% in the second quarter of 1973—a level exceeded only once, in the third quarter of 1950 at the time of the Korean conflict.

With severe supply constraints controls could not have had much effect in restraining general inflation unless they were accompanied by further fiscal and monetary restraint; with that restraint, a more moderate rate of inflation would have been a reasonable expectation in any case.

An alternative measure of the effect that these controls have had on the rate of inflation comes through statistical estimates of the rise in the price level that price-making forces could have been expected to produce compared with what actually happened. These studies also suggest that the extent to which the controls program has limited the rise in the price level is quite small. Some studies indicate no discernible effect, while others suggest that without the controls the rise in the price level during this period might have been two or three percentage points larger than the 14½ % that actually did occur.

Those in the political arena confront an inevitably political decision about whether to extend these controls. There will be the usual jockeying to reflect different interest groups, and between the two ends of Pennsylvania Avenue for political position. Economic analysis has nothing to contribute to these political struggles.

ECONOMIC ANALYSIS' CONTRIBUTION

Economic analysis does, however, have something to contribute when it comes to questions about the economic consequences of this decision. If the decision, either overtly or by default, is to let the controls program expire, two major consequences can reasonably be expected. One is that the overall rate of inflation will not be markedly affected. Some individual prices may change significantly as the pricing system comes into better balance, though even fears about this are easily overdone. The chaos created in the form of waiting lines, shortages, and gray or black markets when prices are held by brute force at an artifically low level almost always gives an exaggerated impression of how much these prices would actually have to change to restore orderly markets. The other reasonable expectation is that the economy could then gradually move toward higher operating and employment rates as bottlenecks, shortages, and choke points fade and markets generally come into balance.

The question that will be facing the Congress is, therefore, a difficult one. Are the immediate political brownie points that might be derived from extending controls worth the cost of a program that would do little to restrain overall inflation, and through disclocation would cause unnecessarily high unemployment and low operating rates, and possibly in the not-so-long run, therefore, would cause further problems of confidence in our political processes?

THE TWO-CAR STRATEGY IS UNWORKABLE, IMPRACTICAL, AND UNWISE

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 10, 1974

Mr. BROWN of California. Mr. Speaker, last December, in the long tedious hours of debate on the energy emergency bill, one of our colleagues, the distinguished gentleman from New Hampshire (Mr. LOUIS C. WYMAN) was successful in bringing to a vote an amendment to the Clean Air Act that would establish a form of what has been called a two-car strategy. The House, in its wisdom, rejected that amendment by a recorded vote of 180 to 210. Mr. Speaker, I was surprised that 180 Members of Congress voted for this amendment, but since it appears likely that the issue will once again be before us, I feel obliged to comment on it.

The theory of a two-car strategy has much appeal. Supporters claim that fuel economy is improved with the removal of smog devices, that only a very few areas are impacted by automotive related air pollution, and that there is not much difference between this proposal and the California waiver granted in the 1970 amendments to the Clean Air Act. Mr. Speaker, I submit that all of these statements in support of the two-car strategy are wrong. In addition, the Wyman amendment would be administratively unworkable, result in further deterioration in air quality throughout the country, and probably cost the consumer and the general public more dollars than a uniform auto emission standard would.

The California waiver to the Clean Air Act applied to the entire State of California. The Wyman amendment would only apply to five metropolitan areas in California, and this would cause havoc in California's air pollution control programs. The California situation is also unique because of the geography of the State, separated as it is by mountain ranges and large enough to be a viable market. Very few other States are in a similar situation, and the State of California rejected the two-car strategy in any case. It is also important to remember that the waiver was granted to allow stricter air pollution standards; not to evade the law.

The administration of a two-car strategy would be a nightmare. New auto registration mechanisms would have to be implemented. Those cars without emission controls could not go into areas where controls are required, which would restrict the movement of the owners. The owner would also need to retrofit or replace his car if he moved, and sale of the car would have similar restraints. Even these restrictions might appear acceptable, until one looks at the relative percentages of controlled versus uncontrolled vehicles. One study being funded by the National Science Foundation estimates that 70 percent of the autos would need controls, while 30 percent would not need them. However, the autos in the 30 percent would be under the limitations described above. The Environmental Protection Agency, whose job it is to evaluate these questions, estimates that 85 percent to 90 percent of the automobile population would have to be controlled. I am inclined to agree with the EPA's figure, but the magnitude of the problem is the same.

Mr. Speaker, there are others who are more knowledgeable on this subject, than I. This is an issue that has been given a great deal of attention by two rather divergent groups, the U.S. Environmental Protection Agency and the National Clean Air Coalition. I respectfully ask that the following analysis of the Wyman amendment by the Environmental Protection Agency and a separate analysis by the National Clean Air Coalition be printed in the RECORD.

The analyses follow:

U.S. ENVIRONMENTAL PROTECTION AGENCY FACT SHEET—WYMAN AMENDMENT

Passage of this measure would not result in significant energy savings, but would have serious environmental implications.

ENERGY IMPACTS

Supporters of the bill state it would result in fuel savings of 17–20%. This claim is inconsistent with fuel economy facts.

1975 catalyst equipped cars (60–70% of 1975 new car sales) will have approximately the same fuel economy with or without catalysts.

GM and EPA estimate potential fuel economy increases from decontrol of 1973–74 model year cars in the range of 5–7%

However, to check feasibility of decontrol, EPA asked 8 garages to remove emission controls from a group of tuned-up cars and a 3.5% loss in fuel economy resulted. Automobile manufacturers also stress the importance of proper performance of decontrol.

Average fuel economy penalty of control devices on 1968–72 cars is much less than current models—approximately 5%; of this penalty it is estimated that at most 2–3% is recoverable by decontrol.

Assuming that 100% of the vehicles are successfully decontrolled, a fuel economy savings of about 3% might be obtained, rather than the 20% savings claimed by some supporters of the bill.

AIR QUALITY IMPACTS

The bill limits designation of regulated areas to 13 cities. EPA data show that 66 cities will experience violations of health standards for carbon monoxide or oxidant without emission controls. These cities contain roughly two-third's of the automobiles and population in the nation (see attached list of cities). The only effective enforcement system would have to be Statewide, for each State containing one or more of the 66 cities. This would then cover 85–90% of the U.S. population. (See next page.)

In "clean" cities, pollutant concentrations of both CO and oxidants would double by 1977 under Wyman bill provisions.

There would be a strong incentive to buy dirty cars, even in heavily polluted areas. Ambient air concentrations of CO and oxidants would rise 10–15% from normal household relocation movements and even more due to imperfect enforcement.

The bill would greatly expand the need for transportation control measures and restrictions on new emission sources to counteract decontrol of auto emission devices.

While fuel savings from this measure are minor or non-existent it is clear that the air quality impact is significant.

ENFORCEMENT PROBLEMS

The Wyman amendment as presently structured is unenforceable. This problem is heightened by the incentive for urban residents to buy dirty cars that are cheaper.

The bill requires States to develop an enforcement program in 60 days. From previous experience, EPA projects a minimum of 15 months is needed to adopt new registration procedures and laws for implementing, enforcing and administering these procedures.

Since a State enforcement effort could not be put in place until the effective expiration date of the bill in 1977, Federal enforcement would be necessary.

Even under Federal enforcement, every controlled area would have to establish a mandatory vehicle inspection program and meet other requirements which could not be put in place within 60 days.

It would be necessary to prohibit new car dealers in polluted regions from stocking or selling the extempt "dirty" cars, rather than expect dealers to enforce. Such a prohibition would lead people to travel a few miles to buy the cheaper car—with possibly disasterous impacts on the city dealer's business.

The only feasible enforcement strategy which could be implemented quickly is on a uniform statewide basis, using Statewide auto registration systems. States with problem cities would have clean cars throughout the States—as California does now. States without areas violating health standards would be decontrolled. Under this system 85–90% of the vehicle population would have to be fully controlled. Thus, the only quick enforcement mechanism of Statewide uniformity would allow decontrol on only 10–15% of the nation's automobiles.

AUTOMOBILE MANUFACTURER RESPONSE

The feasibility of a two car strategy has been studied by EPA and it was found that the complexity of manufacturing, marketing and distribution of automobiles increased significantly with more than two control areas.

Manufacturer production plans and EPA

certification of 1975 models is well under way. No significant decontrol of these models could be expected until February of 1975.

This strategy causes special problems for smaller manufacturers—American Motors stated that it could not accommodate more than 10 control areas.

Ford maintains there is a tenfold to twentyfold increase in marketing complexity when controlled areas are extended outside California. The probable marketing cost increases have not yet been estimated.

Manufacturers expressed doubts as to the adequacy of service and availability of parts for controlled cars outside the designated areas.

It seems unreasonable to require nationwide distribution of unleaded gasoline under a 2-car strategy, yet without nationwide availability, the mobility of the clean car driver is severely restricted.

TABLE I.—AQCR'S EXCEEDING CO AND OXIDANT AIR QUALITY STANDARDS

AQCR	CO	Oxidant
Albuquerque	X	X
Atlanta	X	
Atlantic City	X	
Austin		X
Baltimore[1]	X	X
Beaumont[1]		X
Birmingham	X	X
Boston[1]	X	X
Buffalo	X	X
Charleston W. Va	X	
Charlotte		X
Chicago[1]	X	X
Cincinnati[1]		X
Cleveland	X	X
Columbus		X
Corpus-Christi		X
Dallas[1]		X
Dayton		X
Denver[1]	X	X
Des Moines		X
El Paso	X	X
Fairbanks[1]	X	
Fresno[1]	X	X
Honolulu	X	
Houston[1]		X
Indianapolis[1]	X	X
Indio		X
Jacksonville	X	X
Kansas City	X	X
Las Vegas[1]	X	X
Los Angeles[1]	X	X
Louisville	X	X
Memphis		X
Miami		X
Milwaukee		X
Minneapolis[1]	X	
Mobile		X
Monterey		X
Nashville	X	X
New York[1]	X	X
Norfolk		X
Oklahoma City	X	X
Omaha	X	
Paducah	X	
Philadelphia[1]	X	X
Phoenix[1]	X	X
Pittsburgh[1]	X	X
Portland, Oreg.[1]	X	X
Providence	X	
Richmond, Va		X
Rochester, N.Y.[1]		X
Sacramento[1]	X	X
St. Louis[1]	X	X
Salt Lake City[1]	X	X
San Antonio[1]		X
San Diego[1]	X	X
San Francisco[1]	X	X
Seattle[1]	X	X
Spokane[1]	X	
Springfield, Mass.[1]	X	X
Syracuse	X	X
Tampa		X
Toledo		X
Tulsa		X
Wichita		X
Washington, D.C.[1]	X	X

[1] Transportation controls required.

FACT SHEET: THE WYMAN AMENDMENT

Representative Louis Wyman (R-N.H.) has introduced legislation to suspend the federal auto emission standards and permit the removal of emission controls on vehicles in use through June 30, 1977, throughout the United States except in the Boston, Washington, New York, Baltimore, Philadelphia, New Haven, and the Phoenix-Tucson metropolitan areas and in five metropolitan areas of California. NCAC opposes the Wyman amendment for the following reasons:

1. Removal of emission controls by most garages will result in a fuel penalty rather than a fuel economy gain. The Environmental Protection Agency had numerous garages including those specializing in the removal of emission control devices remove the emission controls from various 1973/74 automobiles. The resultant change in fuel economy was an average fuel penalty of 3.5%.

2. The Wyman amendment would mean huge increases in air pollution for most cities and communities in the country. For the next three years new automobiles would be allowed to be sold without emission control devices in all but a few cities. Coupled with the removal of existing control devices the adoption of the Wyman amendment would mean a huge increase in auto pollution for many cities and lead to violation of the health related air quality standards in some sixty six cities according to EPA estimates.

3. Removal of emission controls can void auto warranties. Changes in carburetor air/fuel ratio, ignition timing, compression ratio, and exhaust gas recirculation can cause mechanical durability problems including valve and piston failure. The five year, 50,000 mile Clean Air Warranty for emission controls will also be void.

4. Emission controls do not necessarily cause fuel penalties. Cars weighing less than 3,500 pounds have actually gained 3% in fuel economy due to better carburetion to control emissions. According to General Motors, 1975 vehicles equipped with catalytic convertors will gain 13% in fuel economy. Recent certification tests have been shown a fuel gain of over 25% in some models. Other emission controls such as fuel injection also improve fuel economy. Fuel efficient alternative engines like the stratified charge meet the emission standards without fuel penalties.

5. The Wyman amendment would also lead to further degradation of air quality in cities with very serious auto pollution problems e.g. Los Angeles which Representative Wyman claims his amendment is not intended to affect.

a) Cars registered outside the excluded metropolitan areas make a substantial number of trips within the boundary of those metropolitan areas.

b) It is extremely difficult if not impossible to control the resale of automobiles without emission control devices in cities with major automobile pollution problems. California with ten years experience in this problem has been unable to effectively control the resale of cars.

c) 1975 model vehicles which will be using catalytic converters require non-leaded gasoline. Unleaded gasoline and repair parts for these model years might become scarce in areas where cars without emission control devices were sold. This would cause substantial problems for urban travelers.

6. The average fuel penalty associated with emission controls is small in comparison with other factors. Increased vehicle weight causes the largest fuel penalty. A 2,500 pound car gets twice the gas mileage of a 5,000 pound car. Since 1962 standard size passenger cars have gained about 800 pounds and suffered a 16% fuel penalty (1 to 2% for each 100 pounds). Air conditioners cause a fuel penalty of 9 to 20%. Automatic transmissions cause a fuel penalty of 2 to 15%.

7. Auto owners must pay for the removal of the emission controls—$25 for the average car according to an Environmental Protection Agency Survey. If the owner subsequently moves to an area where emission standards are enforced he or she must pay at least $25 more to have the emission controls reinstalled.

INFLATION MUST BE CONTROLLED

HON. JOSEPH G. MINISH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 10, 1974

Mr. MINISH. Mr. Speaker, every American has been touched by the extreme rate of inflation during 1973. The Consumer Price Index increased 8.8 percent, the highest rate of increase since 1947. The Wholesale Price Index jumped 18.2 percent, the largest increase since 1946. For most consumers, it has brought a lowering of living standards and in many cases actual suffering. It is no exaggeration to say that inflation was the single most important economic problem consumers faced in 1973.

At this time, we are looking straight down the gun barrel of continuing inflationary forces and we therefore must have some mechanism to protect the public. This is why I voted in the Banking and Currency Committee on Friday April 5 against the tabling of all consideration of wage-price controls. The committee's action in tabling all such consideration came as a major disappointment to me. I fear that the American consumer is going to find himself faced with a tremendously increased rate of inflation after April 30, when the Cost of Living Council is dissolved, and I feel that we must have some controls to protect the public.

In 1973, prices in the United States rose faster than any other time since 1947. The cost of food rose 22.1 percent, gasoline and motor oil 18.6 percent, and fuel oil 44.7 percent. Consumers are quite correct in their perception that the 1973 inflation was quite widespread among essential consumer commodities and services, with food, housing, clothing, transportation, and fuel increasing at unprecedented rates.

Consumer purchasing power has not kept pace with inflation and the cost of living during 1973, with all measures of real purchasing power falling throughout 1973. Lower income consumers, and those on fixed income, have been hurt the most by the 1973 inflation because a high proportion of their purchases are concentrated in food, housing, and fuel, items which were particularly susceptible to increased prices.

There is no indication that the rate of inflation at this time will moderate in the coming months. Rather, the real purchasing power of consumers is likely to further decline. A point of fact, the Government wholesale price index rose by another 1.3 percent in March. This latest jump was the second largest monthly increase since 1951. Yet in this same period, the buying power of the average worker dropped six-tenths of 1 percent to a level almost 4.5 percent below that of a year ago.

As I have already indicated, food prices in 1973 soared to a 22.1 percent increase, almost eight times the average annual rate of increase since the 1960's. Increases in meat prices were the most single cause of this food price spiral, with vegetables and fruits the second most important area of food price inflation. It should be noted that food was the major area of inflation during 1973, contributing 51 percent of the overall inflation measured by the CPI. The difference in a trip to the supermarket today as compared to a year ago is staggering. Bread has gone on a national average from 25 cents a loaf to well over 32 cents, an increase of well over 28 percent. Hamburger has gone from a national average of 78 cents per pound to well over $1. Substitute staples for meat, like dried navy beans, a rich source of protein, has proven of little solace for the besieged consumer in that it has risen almost 600 percent in the past year alone. A dozen eggs has gone from 74 cents per dozen on a national average to over 93 cents per dozen. Most tragically, the figures that I am discussing today will already be out of date by the time this speech is reprinted in the CONGRESSIONAL RECORD.

Accordingly, we must have some controls. The fixed-income retiree, the blue-collar wage earner, and even the relatively affluent white-collar worker, all are suffering the ravages of inflation, ravages from which they must be protected. That is why I was so disappointed at the action taken April 5 by the Banking and Currency Committee.

BUCHWALD ON THE GREAT CUBAN CIGAR EMBARGO

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 10, 1974

Mr. STOKES. Mr. Speaker, Mr. Art Buchwald, the renowned chomper of cigars, has dared to question U.S. policy regarding one of his favorite brands. His daring is characteristically indirect. Yet it manages to shed light, at least a small orange glow, on a much greater and very serious subject: the insanity of continuing American persecution of Cuba at the same time we are considering which of the Communist giants, Russia or China, to bless with most-favored-nation economic and trade status.

I commend Mr. Buchwald's vignette to the attention of my colleagues:

CIGAR EMBARGO A SMOKESCREEN

(By Art Buchwald)

WASHINGTON.—I went to Canada the other day and was shocked to see that the Canadians were selling Cuban cigars.

"How can you sell Cuban cigars," I asked a friend in Toronto, "when the United States, your closest ally and friend, has an embargo on them?"

"What's wrong with selling Cuban cigars?" he asked.

"What's wrong with selling Cuban cigars?" I said angrily. "Don't you know that Cuba is a Communist country?"

"So is the Soviet Union," he replied. "That doesn't seem to bother you in selling Pepsi Cola to them or in buying their vodka. Just out of curiosity—what good is the embargo on Cuban cigars?"

"It's our way of showing Cuba we will not stand for military dictatorship in the Western Hemisphere," I said.

"What about the military dictatorships in Brazil, Chile and Paraguay?" he asked.

"They don't make Cuban cigars," I retorted. "It seems to me that Canada should be as concerned about communism as the United States."

"Well," said my friend, "if you're so concerned about communism, how come you keep sending Kissinger to China?"

"One-third of the people in the world live in China. We can't ignore them even though we don't agree with their system of government. Besides China is a long way from the United States. Cuba is just around the corner."

My Canadian friend was not convinced.

He said, "Do you know who buys most of the Cuban cigars in Canada?"

"Who?"

"Americans. The Americans come up here and smuggle them back into the United States."

"I don't believe you," I said. "No American would smoke a Cuban cigar while the embargo was on."

"It's true. Cuban cigars are much too expensive for Canadian tastes. Besides, we don't buy them here because they're too easy to get. But it's a big deal for an American to get a real Havana. By the way, do you want to smuggle back some Cuban cigars with you?"

"How much are they?" I asked.

"The cheapest Monte Christos are a dollar apiece."

"All right, I'll take back one box with me just to show the people in Washington how fickle our friends in Canada really are."

AID TO DISABLED VETERANS

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 10, 1974

Mr. GILMAN. Mr. Speaker, today I am introducing corrective legislation remedying a critical oversight in present regulations regarding payments to disabled veterans.

Under existing statute—section 360, title 38, United States Code—a veteran who, as a result of a service-connected disability loses the use of one eye, an ear, or a kidney and later, through a nonservice-connected disability loses the use of his other eye, ear, or kidney, not the result of the veteran's own willful misconduct, is eligible for compensation as if both disabilities were service-connected.

It has recently come to my attention that this rule does not apply to a veteran who loses the use of an arm or a leg by reason of a service-connected disability and subsequently loses the use of his second limb or extremity.

The existing law applicable to the loss of an eye, ear, or kidney acknowledges that the loss of one limb imposes excessive stress and strain on the remaining limb, making the remaining limb more susceptible to malfunction and loss of use.

Accordingly, the legislation I am introducing today provides full disability payments for those veterans who are double amputees, having lost one leg or arm in a service-connected disability and their other leg or arm at a subsequent date without any willful misconduct on their part.

If a disabled veteran is fully compensated for the loss of a precious organ such as his eye, ear, or kidney, it is only equitable to fully compensate veterans who have lost an equally precious arm or leg.

Mr. Speaker, evaluating needs, few can deny that our disabled veterans deserve the highest priority. While we can never fully compensate these men for their selfless patriotism, we must do whatever we can to provide for their welfare.

Several of my colleagues including Mr. ABDNOR, Mr. WALSH, Mr. CHARLES WILSON of Texas, and Mr. WOLFF have joined me in introducing this legislation. I welcome their support seeking to correct this blatant inequity and invite my colleagues to join us in this endeavor.

CONTROVERSY ON RAIL REORGANIZATION ACT

HON. EARL F. LANDGREBE

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 10, 1974

Mr. LANDGREBE. Mr. Speaker, ever since the effects of the Regional Rail Reorganization Act started to become obvious to the many parties concerned, there has been a great deal of controversy about the act and the report of the Secretary of Transportation that was mandated by the act. I opposed the act last fall when this Congress approved it. Now, when the consequences of the act are apparent, there seems to be more opposition than there was last fall.

I would like to place in the RECORD a resolution passed by the Public Service Commission of Indiana regarding the Transportation Secretary's report. I believe that the acts of Congress in the field of transportation are in dire need of a critical review.

RESOLUTION OF THE PUBLIC SERVICE COMMISSION OF INDIANA

Whereas, A Report By The Secretary of Transportation of the United States entitled "Rail Service in the Midwest and Northeast Region," has been published and has resulted in extensive public hearings on the recommendations contained therein; and

Whereas, said Report recommends major restructuring and abandonment of many miles of railroad trackage in the State of Indiana; and

Whereas, the implementation of the recommendations contained in said report will cause irreparable damage to the growing economy of the State of Indiana; and

Whereas, the Public Service Commission of the State of Indiana, a body created by law and charged with major responsibilities in the area of railroad regulation is opposed to the present set of recommendations and wishes to be of record in the current hearing proceedings as in opposition thereto.

Now therefore be it resolved by the Public Service Commission of the State of Indiana that the statement of position attached to this formal resolution and made a part hereof be forwarded to the Rail Services Planning Office to be made a part of the record of the official proceedings of the hearings conducted on the Report in the City of Indianapolis, Indiana, from March 11, 1974, through March 15, 1974, by the assigned examiner Mr. Paul Fitzpatrick, from the Interstate Commerce Commission, and further that copies of this Resolution be forwarded to all members of the Congress of the United States representing the citizens of the State of Indiana.

Done this 22nd day of March, 1974, at the office of the Public Service Commission of the State of Indiana.

TRIBUTE TO DAVID WITHERS GAVIN

Hon. G. V. (SONNY) MONTGOMERY

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 10, 1974

Mr. MONTGOMERY. Mr. Speaker, a few days ago my home State of Mississippi and the Nation lost a pioneer in the field of journalism and radio broadcasting with the untimely death of David Withers Gavin, of Quitman, Miss. He became associated with the family owned Clarke County Tribune in 1921 and became editor of the newspaper in 1936 and remained as such until his recent death. He became owner and manager of Radio Station WCOC in Meridian, in 1930, and affiliated with CBS, an affiliation which was honored by the Columbia Broadcasting System at a banquet in New York for 30 years of continuous service. Mr. Speaker, what I regret most is the loss of a close and warm personal friend. Withers Gavin's sage advice and counsel served me well over the years. I extend my deepest sympathy to his family and many friends in Mississippi. I would also like to share with my colleagues the announcement of his death as it appeared in the Clarke County Tribune:

DAVID WITHERS GAVIN

(By Bea Huff)

The editorial pen of David Withers Gavin was suddenly silenced last Wednesday morning by a heart attack which struck following the performance of his duties preparatory to publishing The Clarke County Tribune. This initial attack occurred as he was leaving the Tribune office. He was rushed to the Quitman hospital where the fatal attack occurred Saturday afternoon at 2:40 o'clock.

Mr. Gavin was born in Yantley, Alabama. He attended Corinth High School and Mississippi A & M College (now Mississippi State University) and received a Bachelor of Oratory degree from Chicago Musical College.

He began his newspaper career in 1921 in association with his father, R. S. Gavin, who was then editor of the Tribune, and this association continued until his father's death in 1936. From that time to this, Mr. Gavin has been actively engaged as editor and owner in the publication of this newspaper, and in so doing has commanded high respect as a citizen of a town and county which has always been very dear to his heart.

His career also carried him into the fields of radio and television. He was owner and manager of Radio Station WCOC in Meridian from December 1930 until October 1973, and began the operation of one of the first television stations in Mississippi, WCOC–TV, in 1952.

His service to the CBS network of which Radio Station WCOC was a part, was recognized and acknowledged when the nationwide network carried a special tribute to him for his 30 years of continuous affiliation with CBS. A banquet was held in his honor in New York City on this occasion. Unable to attend himself, his coveted gold microphone was accepted on his behalf by Bob Dickerson, well-known CBS personality. When he sold his Radio Station in Meridian last year, Arthur Godfrey also paid tribute to him for his service.

Mr. Gavin was considered quite influential and prominent in political circles and served as a colonel on six gubernatorial staffs. He was named to his place of honor by Governors Thomas Bailey, Fielding Wright, James Coleman, John Bell Williams, William Waller, and was twice-honored by Hugh White.

He was a member of the Mississippi Press Association, the Mississippi Broadcasters Association, the Meridian Rotary Club, and the First Baptist Church in Meridian.

In his more than fifty years of active publication of the Clarke County Tribune, his contributions to his profession and the community he loved so dearly have been numerous and precious and his passing will be felt in all walks of life, but his words of praise for Clarke County and her citizens will remain paramount in the minds and hearts of those who knew and loved him best.

Funeral services were held Monday afternoon at 2:30 o'clock from Wright's Funeral Home in Quitman with Dr. Beverly Tinnin, pastor of the First Baptist Church in Meridian, and Rev. Selby Alsworth, pastor of the First United Methodist Church, Quitman, officiating.

He is survived by his beloved wife, Mrs. Maude Carter Gavin, his constant companion through the years; and two aunts, Miss Bessie Brock and Mrs. Kate Powell, both of Yantley, Alabama. Interment was in Magnolia Cemetery in Meridian.

Withers Gavin is dead. He has signed -30- to life's final stanza, but his good works are indelibly written on the countless newspaper columns he left behind.

YOUNG CHAMPION

HON. STEWART B. McKINNEY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 10, 1974

Mr. McKINNEY. Mr. Speaker, a champion returned to her hometown in Greenwich, Conn., last week to receive the well deserved cheers and praise of those who claim her as their own. At only 17, Dorothy Hamill has skated her way to the U.S. figure skating championship and earned a silver medal in the World Figure Skating Championships in Munich, Germany. I think it only fitting that the Congress of this Nation, which she represented so well, join the people of Greenwich in paying tribute to Dorothy Hamill—one of the finest figure skaters in the world today.

The sacrifices that Ms. Hamill made in achieving her goal serve as an inspiration to young and old alike who seek to obtain excellence. At the age of 12 she was ready to quit in frustration over the painfully slow process involved in developing into a championship skater. But after moving to Colorado to train year round, Ms. Hamill spent long hours of daily practice perfecting the skills and techniques which gained her the U.S. championship and a second place finish in Munich. Even now, she plans to continue training and enter the national competition next year, despite her automatic qualification for the world events due to her outstanding performance this year.

In Greenwich, thousands of admirers lined the streets and packed the high school gymnasium to award her a $2,000 scholarship, a lifetime pass to the town's recreational facilities, dedicate the local skating rink in her name and permanently commemorate April 5 as "Dorothy Hamill Day."

I would like to join her family and friends in congratulating Dorothy Hamill for her outstanding accomplishments and wish her a long reign as the queen of American figure skating.

DÉTENTE

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 10, 1974

Mr. HAMILTON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following:

DÉTENTE

From the edge of the crowd the woman nervously moved forward, patiently listened to me respond to several questions, and then blurted out her question: "Are the Russians our friends or our enemies?" Her question reflects the doubts and the confusion over one of the slipperiest words in circulation—"detente."

In the lingo of the diplomats, detente refers to the easing of tension between the U.S. and the Soviet Union. Detente was born in the 1960's and translated into concrete agreements in the 1970's. It sprang from a mutual desire for more harmonious relations, rests not on trust but on equilibrium of power, suffers from differing views about it, and is today at a critical juncture.

The accomplishments of detente, not much talked about in these days of a renewed sense of rivalry and frustration, are nonetheless worth remembering. The ideological fervor and the high-pitched rhetoric of antagonism that earlier marked Soviet-American relations have subsided, and the atmosphere has improved. The President went to Moscow in 1972 and Communist Party leader Brezhnev came to Washington in 1973. The German question has been substantially settled and the 1972 agreements regulate the competition for offensive nuclear weapons and virtually eliminate the defensive weapons. Since 1971 U.S.-Soviet trade has jumped sevenfold.

The failures of detente are also important and have caused many Americans to have second thoughts about a policy of detente. The conferences on mutual and balanced force reductions and European security are deadlocked; the strategic arms limitation talks could not get off dead center even with Kissinger's trip to Moscow; the two superpowers compete now for influence in the Middle East and soon will be competing in South Asia; and the U.S. does not like certain domestic policies (e.g. emigration of Jews) of the Soviet Union.

President Nixon and Secretary of State Kissinger, who are the chief architects of the policy of detente, argue the necessity of it because of the unacceptability of nuclear war, and contend that only such a policy serves the long range goal of evolving more normal and responsible conduct by the Soviet leadership. The prevention of war is the capstone of the policy of detente. Part of this policy has been a refusal to interfere in the domestic affairs of the Soviet Union, for example by not condemning Moscow's repressive policies toward the Jews or the Soviet author Alexander Solzhenitsyn. Their view is that, although they do not approve of such measures, American foreign policy cannot transform the domestic structure of the Soviet Union, and the best way to change Soviet policy is not by confrontation, but by quiet diplomacy seeking ever-deepening cooperation and making progress wherever possible. In the long run this cooperation will be a more effective liberalizing influence in the Soviet Union than isolation and lack of contact.

The critics of the President's detente policy complain that defining detente only in terms of preventing nuclear war is too narrow, and that a true peace can only be built on a moral consensus. They insist that the U.S. demand Soviet liberalization as a price of detente. The place to begin is to link trade with the Soviet Union to Soviet action in allowing Jews to emigrate. This view argues for a "morality" in our foreign policy, and claims that the U.S. is paying an unnecessarily high price for a limited and unstable detente, with the Soviet Union getting credits, wheat and strategic arms advantage.

My view has been to support the policy of detente, even though the balance sheet on detente is mixed, and the contradiction between progress and setback cannot be fully resolved. It is best to keep in mind that the American-Soviet relation will continue to be tense, competitive and unstable, with some cooperation and some conflict, elements of the "cold war" and elements of "detente," and, even as we reach out for more dialogue and expanding cooperation, we must keep our guard up.

It is a mistake, then, to expect too much from detente. Some persons have come to think that it signaled the end of all the old enmities. But the recent failures of detente have brought out the cold fact that detente, although not a move that is wrong—indeed it makes all kinds of sense—does have limits. At this stage it cannot be expected to block Russian efforts to pursue advantages at our expense.

We will have a more realistic perception of that slippery word "detente" and a better understanding of our complex relations with the Soviet Union if we understand that detente has not really altered the nature of the Soviet Union, but rather is a painfully slow process, extending over many years, with successes and reversals, whose central purpose is to reduce the danger of nuclear wars by dampening down military competition and encouraging restraints. We can expect some dangerous curves in the road to accommodation.

AMNESTY

HON. JACK BRINKLEY

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 10, 1974

Mr. BRINKLEY. Mr. Speaker, in view of the current debate over amnesty for draft evaders and deserters, I would like to take this opportunity to bring to the attention of our colleagues a statement which I issued on this subject on February 28, 1972.

Washington, D.C.—Third District Rep. Jack Brinkley says that he is definitely opposed to amnesty for draft evaders and deserters "whether in Canada, Sweden or Timbucto."

"A counter-tide is now running," Rep. Brinkley insisted, "to the new-lefts' clamor for amnesty."

The Columbus lawmaker pointed to a Sense of Congress Resolution that he and other congressmen are co-sponsoring which provides:

". . . that no pardon, reprieve, or amnesty be enacted by the Congress or exercised by the President with respect to persons who are in violation of the Military Selective Service Act because of their refusal to register for the draft and/or their refusal to be inducted, or being a member of the Armed Forces, fled to a foreign country to avoid further military service . . ."

In discussing the legislation Rep. Brinkley said, "Although the Vietnam war is an unpopular war, I believe that any proposal to grant amnesty involves a moral issue that has nothing to do with the arguments concerning the justification of this tragic conflict."

"Amnesty would be grossly unfair to the hundreds of thousands of American men who met their responsiblities as citizens and served their country with honor," he explained.

Rep. Brinkley averred "that amnesty would undermine our Democratic system because it would reward those who deliberately violated the law of the land and shirked their duties to their country."

The Brinkley co-sponsored legislation has been referred to the House Armed Services Committee—of which Rep. Brinkley is a member—for consideration.

As an honorary member of the Kiwanis Club of Columbus, Ga., I have taken special note of a resolution which it passed expressing opposition to general amnesty. The views of this outstanding organization are remarkably similar to mine and provide an added perspective from level-headed citizens. The remarks of Mrs. Ruth Wall contained in the letter of transmittal are also very relevant to the high degree of concern that justice be done, under the law.

Kiwanis Club of Columbus,
Columbus, Ga., March 30, 1974.

Dear Jack: Never in all my experience have I seen a resolution passed so quickly and with so much enthusiasm. There was only one vote against it.

Our membership at this time is 188, and there were approximately 145 in attendance on the date the resolution was adopted.

Sincerely yours,

Ruth Wall.

Memorandum of Resolution Adopted

At the regular meeting of the Kiwanis Club of Columbus, held March 26, 1974, the following resolution, expressing opposition to granting general amnesty for draft evaders, was presented and adopted by the general membership:

"Whereas, the fighting in Vietnam and Southeast Asia has changed its pattern and prisoners of war have been released and amnesty is now being advocated by some for draft evaders and deserters; and

"Whereas, millions of young Americans have served honorably in the armed forces under extremely difficult conditions and many of these were wounded, injured or killed, or are still missing, and the hard duty that the draft evaders and deserters avoided was and is being performed by other young men who accepted their responsibility and duty to their country; therefore, be it

Resolved, that the Kiwanis Club of Columbus, in regular meeting assembled, declare its opposition to any action by the Congress of the United States or any other body or person which would grant general amnesty to those who have unlawfully avoided military service or have deserted therefrom."

Motion was made, seconded and carried to send a copy of said resolution to the senators and representatives in Washington, D.C., and to each of the local civil clubs for their information and guidance.

Kiwanis Club of Columbus,
Carey O. Brinson,
President.

REPORT ON HEART DISEASE "FORGOTTEN" FOR A YEAR AND A HALF

HON. PAUL G. ROGERS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 10, 1974

Mr. ROGERS. Mr. Speaker, the Department of Health, Education, and Welfare last week released a report on health diseases which reflects, I think, the low priority which health has in this administration.

Despite the fact that this report came from a Presidential panel and deals with recommendations on how we may better fight heart disease, which is the Nation's No. 1 killer, the report was released a year and a half after it was completed.

According to the story, an HEW spokesman said the report was delayed because it had been forgotten. Although HEW does not agree that the National Heart, Lung and Blood Act should be funded at the levels established in the law by the Congress, I find it hard to reconcile how something as important to the health of the American public could have been forgotten for more than a year and a half.

Because the report recommends more activity than HEW thinks is necessary, I wonder if the report was not repressed.

I would like to include in the Record the story on the panel's report.

[From the New York Times, Apr. 5, 1974]

Presidential Panel's Report Calls for an Expanded Effort Against Heart Disease

(By Harold M. Schmeck, Jr.)

Washington, April 4.—The report of a Presidential study panel calling for a much expanded national effort against heart disease was made public today a year and a half after it was completed.

A spokesman for the Department of Health, Education and Welfare said the 130-page report by the President's advisory panel on heart disease had simply been forgotten during most of last year. Before that, he and other Government officials conceded, publication was delayed because some of the report's recommendations conflicted with Administration policy.

A major issue appears to have been the nation's needs for trained manpower to cope with heart disease, the group of illnesses that kill more Americans than any other cause of death.

The panel recommended Federal funding for a research professorship in heart and circulatory system studies at each of the roughly 100 medical schools in the United States. It also recommended funding for 50 professional research groups each consisting of several scientists, and expanded Federal support for the training of young scientists.

LOWER FUNDING LEVEL

Last year, while the report was under consideration, the Administration was seeking to eliminate Federal support for the training of medical scientists on the groud that there was already a surplus. Under

Congressional pressure, medical research fellowships and traineeships were reinstated, but at a lower funding level than in recent years.

Another important issue appears to have been that of the total cost of the program outlined in the advisory panel's report. No over-all figures were given in the report, but the total cost would clearly have been substantially greater than the roughly $300-million appropriation level of the National Heart and Lung Institute, the Federal Government's main agency for research and related efforts in this field.

In answer to a question, Dr. John S. Mills, chairman of the advisory panel, said his group did not try to define the over-all costs of the program because they did not have time to do so in the six months allotted for their study. The first complete draft of the report was submitted on Sept. 1, 1972, and the final draft a month later, he said.

Dr. Millis is president of the National Fund for Medical Education, a philanthropic foundation. His panel consisted of 20 physicians, many of them nationally known in the fields of heart disease and other related subjects.

NECESSITY FOR ACTION

They advocated an integrated program to increase scientific knowledge of heart disease, to facilitate the translation of that knowledge into medical practice and its delivery into patient care and the training of adequate numbers of professionals and allied health personnel to serve the nation's needs in heart disease research, treatment and prevention.

Noting that more than a million Americans a year die of heart disease and that about a quarter of the deaths occur before age 65, the report said there could be no doubt of either the necessity or the urgency of action. The panel said, however, that need was not the only basis for its call for "vigorous action."

"The principal basis is the firm belief that we stand at a particularly important point in the history of biomedical science and of the practice of medicine," the panel report said. "Never before have the odds for achieving major advances seemed so favorable nor the opportunities so challenging."

About the time the panel submitted its report, Congress passed a law calling for a major effort against heart disease and instructing the heart institute to draw up a national plan for that effort. The plan, delivered to the Administration in the spring of 1973 and to Congress in July, overshadowed the effort of the President's advisory panel, but many of the panel's recommendations were incorporated in the national plan.

That plan, which totaled 10 volumes in its printed version was criticized sharply by the Administration for advocating the spending of more money on heart disease than was called for in the President's budget.

Asked earlier this week about his panel's report, Dr. Millis said he had no idea why its release had been delayed so long.

"I was highly curious," he said.

NEW VA HOSPITAL

HON. SAM GIBBONS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 10, 1974

Mr. GIBBONS. Mr. Speaker, in October of 1972, a new VA hospital was dedicated in Tampa, Fla. We were all glad to have this addition to the Tampa Bay community, as the veteran population in Florida has been growing each year. George Hiskey was named Director of this fine new facility.

Getting a new hospital going is always a difficult chore. However, I believe the Director and staff of the Tampa VA hospital have done an exemplary job in serving the veterans of America.

Since its dedication in 1972, the hospital has grown. It serves a geographical area extending across Florida from the Gulf of Mexico to the Atlantic coast. There are over 250,000 veterans in this area who rely on the Tampa VA hospital for hospitalization and/or outpatient care. For example, in 1973, the Tampa hospital had approximately 80,000 visits and anticipates about 120,000 visits in 1974.

Recently, two veterans, Richard Vale and John Boutya of Tampa, have written to me to tell me of the sympathetic and efficient care they received at the Tampa VA hospital. Following are the texts of the letters they wrote.

At this time, I want to personally commend George Hiskey and his entire staff for the fine service they give the veterans of America.

The letters follow:

TAMPA, FLA.,
April 4, 1974.

Congressman SAM GIBBONS,
Washington, D.C.

DEAR SIR: Recent newspaper articles which report deficiencies in the Veteran's Administration prompt me to comment on my personal experiences with the V.A.

In September 1967, I retired from the Air Force and immediately enrolled as a freshman at U.S.F. I applied for the V.A. educational benefits and after a reasonable delay started receiving the monthly allowance. After receiving the first check, they came regularly until I graduated in August 1970.

During the time I was at U.S.F., I met many ex-servicemen who were receiving V.A. benefits. I can recall but few instances of griping over the services and these instances were usually due to a change in student status: i.e., a change from "full-time" to less than full-time attendance, which requires a recomputation of the monthly allowance.

In August of 1969, I sought medical aid from the U.S.A.F. Hospital at MacDill A.F.B. for correction of a hemorroidal condition which first occurred while on active duty with the Air Force. I was refused treatment of any kind.

During October 1973, I sought medical aid for the condition at the V.A. Hospital here in Tampa. After an earnest attempt to correct the condition with medication, I was admitted to the Hospital and the surgery was performed.

I have since been released from the V.A. Hospital after successful surgery. A critique of the services that I received and the attitude and efficiency of the entire staff would receive an A-plus rating.

I am writing this letter to you because I know it was through your efforts that the V.A. Hospital was located here, and if the critics gang up on you at least you have one defender.

Sincerely,

RICHARD J. VALE.

MARCH 23, 1974.

DEAR SIR: Recently I had an operation at the V.A. hospital in Tampa. I received very efficient and courteous treatment from the staff!

All I ever hear is complaining statements about the V.A., but when the chips were down they came through; and this is one former serviceman who deeply appreciates what they did for him!

Maybe the head V.A. man in Washington should know that some of us can also say "thank you"!

My best to you and your family.

Sincerely yours,

JOHN G. BOUTYA.

LET US BRING NATO UP TO DATE

HON. ROBERT L. LEGGETT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 10, 1974

Mr. LEGGETT. Mr. Speaker, on April 4 NATO celebrated its 25th birthday amid high acclaim from both sides of the Atlantic. But the most eloquent testimony to its triumph is the silent witness of the strength and prosperity of the family of nations it has served, which 25 years before had lain divided, prostrate and virtually defenseless before the active threat of Soviet aggression.

Today the Atlantic community forged by NATO stands as a credible counterweight to Soviet strength in Europe. From this strength has been fabricated important and promising beginnings toward an end to bipolar confrontation.

The success of NATO does not mean that the need for a strong alliance is over, but the transformation it has helped achieve does demand that we look anew at the goals and mechanisms forged so long ago, in order to see that they meet the realities and prospects of today. It was this realization which prompted the abortive efforts of Secretary Kissinger to articulate a new declaration of principles to guide the Atlantic alliance. It is this realization which lies behind the effort which I support to reduce the level of U.S. troops committed to NATO today.

1 do not call for a troop reduction because I believe that NATO has outlived its usefulness, or because I feel the threat of Soviet aggression is past or has been met, or because I no longer value as primary the importance of our relations with the nations of western Europe. I do so because I firmly believe that unless the alliance is restructured to reflect current realities and the contemporary strengths and interests of member countries, NATO will become progressively weakened and divided and unable to fulfill the objectives to which we have contributed so much in the past.

For this reason I have viewed with increasing concern the narrow perspective and lack of vision of those who for so many years have told us year after year that the United States cannot reduce its troops in Europe without undoing past years of progress, without emboldening the Soviets to new aggression, sapping the resolve of our European allies, and undermining current and future efforts at détente. These fears display a lack of faith in the strength and understanding that NATO has so solidly established and a failure to recognize that unless the purpose and structure of our relationships meets the current goals of all to realize that our lead in advanced technology—a lead that produced a favorable balance of trade stronger than in any other general area of export—cannot be maintained without a positive and meaningful commitment. What we must also recognize is that other countries throughout the world are no longer willing to take a back seat to the United States in terms of technology advance.

What does this mean in terms of our Nation's space program? Throughout most of the past decade this country has held a clearcut lead in space. We all know of the benefits we have enjoyed in terms of more economical long-distance communications and more accurate weather forecasting, not to mention the many technological spinoffs which are in everyday usage. But what are we doing to provide for continued growth in the field? How are we guaranteeing our future advance? That is my concern.

Let us look, therefore, at some of the major accomplishments of our space program during the past year. Perhaps the most important event of last year was the highly successful Skylab program. The initial unmanned mission and three subsequent manned missions yielded a wealth of information on the Earth, the Sun, and on man in the environment of space, as well as countless data from experiments conducted in space. The three Skylab crews together traveled a total of over 61 million nautical miles, and orbited the Earth 2,475 times in their orbital workshop. While the Apollo project extended man's reach to the Moon, Skylab added near-Earth space to man's domain by confirming that human beings can live and work effectively in space for long periods of time.

As Skylab was demonstrating the importance of near-Earth space, Pioneer 10 was opening up a new era of space exploration of the outer planets. As it swept past Jupiter on December 3, Pioneer 10 made hundreds of scientific measurements of the giant planet, its inner moons, and its famous and mysterious red spot. These observations yielded surprising new data about the largest planet in our solar system and its moons. Pioneer 10 was the first spacecraft to fly beyond the orbit of Mars, the first to penetrate the asteroid belt, and will be the first manmade object ultimately to escape the solar system.

Last year also marked the coming of age of the Earth Resources Technology Satellite (ERTS) program. ERTS-1 has acquired and relayed to Earth over 100,000 multi-spectral scenes of our planet, covering more than a billion square miles. Some examples of the operational values of remote sensing from space are: rapid and accurate measurement and assessment of major floods; snow and water resource management; new geological exploration and mapping important to mineral and petroleum prospecting; first-time surveys of less-developed areas; better management of range, forest, agricultural, and urban lands; rapid environmental surveys of dams, ponds, and strip mines; and lake and waterway pollution monitoring.

One series of ERTS images has even revealed what appears to be a large wooden structure on the side of Mount Ararat in Turkey, believed by many to be the site where Noah's ark came to rest. Several expeditions are being organized to investigate the structure at close range. The full benefits of the ERTS program have not yet been tallied, but a current study being conducted by the Department of Interior is indicating that very significant returns can be expected from our continuing Earth resources survey program.

Another major milestone of 1973 was the confirmation of our agreement with nine European nations on the development of the Spacelab. Confirmed in September, this agreement states that the Europeans will develop, at their own expense, the laboratory module to be used with the Space Shuttle. This also marks the achievement of a new high level in international cooperation and cost sharing, and will provide a key piece of equipment for the Space Shuttle.

There are some troublesome notes, however. The design and development of the Space Shuttle itself has had several budgetary setbacks. The first manned orbital flight of the shuttle is now expected to occur in the second quarter of 1979, instead of at the end of 1978, a delay of from 4 to 6 months. A firm schedule is extremely important in a large-scale, complex development program like the Space Shuttle and it is this type of setback therefore which must be avoided. We cannot invest time, money, and valuable manpower in a program, only to reduce its funding in midstream. Realizing the importance of rigid time schedules in space research and development, we should be all the more committed to lending our support to the space program through funding authorizations. Even within their budget constraints of recent years, NASA has carried out an aggressive, highly useful, and exciting program in space and aeronautics, fully deserving of congressional as well as national support.

Let us not abandon this program and reduce the steady flow of benefits by forcing even tighter financial restrictions on the Agency.

I know that my colleagues will recognize the shortsightedness of anything less than full support of the NASA authorization. Our space program, as it is addressed to meeting the needs of our "spaceship" Earth, deserves our unqualified vote of confidence.

INFLATION

(Mr. ROUSH asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. ROUSH. Mr. Speaker, the country is in the midst of the worst inflation in a number of years, and our gross national product is dropping sharply, leading many of us to the conclusion that a depression or recession is in the making—even if the President's economic advisers will not admit it.

Despite this distressing picture, the only cries of alarm coming from the administration have resulted from Congress' attempt to roll back oil prices and provide special unemployment compensation for workers affected by the energy crisis.

This is all the more shocking as the true picture of what is happening unfolds. While the American consumer has been waiting in long gaslines and wrapping up in sweaters at home, the big oil companies have been salting away more and more money.

Exxon earnings for the first quarter were $705 million, compared to $508 million last year, for a gain of 38.8 percent.

Texaco enjoyed a percentage gain of 123.2 percent, with earnings jumping from $264 million to $589.4 million.

Standard Oil of Indiana reported a profit increase of 81 percent for the quarter, while Gulf Oil Corp. said its net earnings increased 76 percent.

Mr. Speaker, this happened because the administration allowed it to happen.

The President vetoed the emergency energy bill on the grounds that we had to allow profits to oil companies to induce further oil productions. Mr. Speaker, these companies have been able to take care of themselves down through the years, and I just cannot believe we now have to double their profits to keep them in business. And so far they have not increased domestic production. Even the companies themselves seem somewhat embarrassed about the situation.

To add insult to injury, the Federal Energy Office is warning that the already outrageous gas prices may go up another nickel—taking more money out of the pocket of the American consumer.

Where will it stop? Well, it will not stop unless the Congress quickly passes legislation that will roll back prices to a reasonable level. I know efforts are being made in that direction, and I urge this body to move swiftly.

ASSASSINATION OF CUBAN EXILES BY TERRORISTS IN OPPOSITION TO NORMALIZING U.S. RELATIONS WITH CUBA

(Mr. PEPPER asked and was given permission to address the House for 1 minute, to revise and extend his remarks, and to include extraneous matter.)

Mr. PEPPER. Mr. Speaker, on the 5th of April, Raul Castro, head of the Cuban Armed Forces, speaking in Cuba said:

> The young fighters of the Revolutionary Armed Forces and of the Ministry of Interior are working inside the belly of our enemies, are protecting our interests.

Castro was undoubtedly talking about Cuban Communist activities in the United States as well as in other places. There are many who believe that the two Cuban exiles recently killed, one in Miami, shot through the window as he sat in his living room with his wife looking at television, one in New York, were killed because of their militant opposition to Castro and communism in Cuba. A letter was delivered at the funeral of one of these men to his successor that 11 more Cubans residing in the United States were marked for death.

I have alerted the FBI here to this threat and asked that it be investigated. I have also alerted the staff of the House financial problems are far from limited to students who opt for a university with a historic name. The cost of attending many run-of-the-mill private colleges now runs to more than $4,000 a year. These staggering figures are the culmination of more than a decade in which tuition rates at private schools have risen at an annual rate of 6.9 per cent.

The situation is a little better if you live in a state like California, Michigan, Wisconsin, or New York, where you can send a child to a leading state institution for something closer to $3,000 and not sacrifice much academic prestige. But take a look at the dilemma facing a typical family that has only two children in college (one attending a private school, the other enrolled at the state university). Suddenly they must come up with about $11,000 in additional income (enough to produce $8,000 after taxes) to absorb these yearly college costs.

And there is little way most families can get off the hook. Since the era of the immigrant push-cart peddler working 14-hour days to put a son through medical school, parents have been expected to sacrifice to provide the best possible education for their children. This assumption is widely shared by college scholarship offices, middle-class parents, and educational economists (who call these payments "inter-generational transfers"), but the implications of these parental responsibilities are rarely discussed. Children are never asked whether they want parents who scrimp and save to put aside money for their college educations. A father who settled for a much smaller income in order to spend more time with his family probably feels rather guilty about not providing for the educational future of his children.

What is so galling about the financial problems of upper-income families with college-age children is that they are not really recognized by the legion of non-profit "think tanks" who unendingly study the funding of higher education. These analyses (typical is *Higher Education: Who Pays? Who Benefits? Who Should Pay?* issued last year by the Carnegie Commission on Higher Education) have two major concerns—the financial problems of the institutions themselves and the plight of the disadvantaged student. Rather than providing any succor for the middle-income—but frequently hard-pressed—parent, the Carnegie report recommends "charging higher tuition to those who can afford to pay it" and using this money to "provide more aid to students from low income families." The Carnegie Commission's quaint notion that only the poor have trouble affording higher education may stem in part from the way they understate college expenses by dealing only with aggregate figures and average costs. Even so, they should have suspected that something might be amiss when they discovered that the median cost of attending a private university in 1972 was a hefty $3,354.

TRAPPED BY YOUR CHILDREN

As we have observed more than once in this magazine, contemporary America is filled with thousands of white-collar workers trapped in jobs that provide little fulfillment or satisfaction. It is easy to mock the eagerness with which these people seize upon the perquisites of their position—be they glorified titles, Danish modern office furniture, or salaries over $25,000. Yet many of these people are genuinely afraid of what might happen to their families if they ever stepped out of their secure little niches. The problem is more than just finding a personally rewarding job that would put food on the table and gas in the car. It is also worrying about how they can afford the things that really matter in life—things like paying for the college educations of their children.

For many breadwinners, the fears begin long before the first child is ready for college. Some efforts at saving for college are often made rather early in the game. But 15 years ago, even the most doting of parents was unlikely to have anticipate that four years at an Ivy League school would today cost more than $20,000. As a result, many career decisions are undoubtedly premised on the need to produce that additional $11,000 a year by age 40 to send two children to college. It is difficult to quantify the impact these educational costs may have on the attitudes that many Americans bring to their work. But one can see why a parent would avoid taking any serious risks knowing that Johnny will be starting college in the fall. Employers who have tried to recruit talented people for challenging assignments that involve some financial sacrifice recognize all too well the sincerely meant refusal that begins, "I really would like to do it, but with David at Oberlin and Sandy in high school. . . ."

Obviously, scholarships and loans alleviate some of the unfortunate side-effects of high college costs. Although half the student body at some schools may receive some form of financial aid, it is easy to overstate its impact. It has often been observed that the efforts of many colleges and universities to increase minority group enrollment tightened the availability of scholarship money for other students. Moreover, the size of scholarship funds has not kept pace with the steady increase in college tuition. A new study, *Paying for College*, by the Alfred P. Sloan Foundation, examines scholarship funds available at nine private colleges (including Harvard, Princeton, MIT and Mount Holyoke) and concludes that even these well-endowed institutions will find it impossible to boost financial aid to meet any future tuition increases. Instead, the report suggests that these limited scholarship funds be supplemented by an increased reliance on federally supported student loans.

Yet an examination of the student loan program indicates that it provides only a limited amount of relief for middle-income parents. The maximum a student can borrow while an undergraduate is $7,500—just a fraction of the total cost at private and many public institutions. Families with an adjusted income of between $11,000 and $15,000 a year are finding it difficult to demonstrate sufficient "need" to qualify for any federally-subsidized loan (repayment is deferred until the student leaves school and the government absorbs all interest above seven per cent.) Although there is another federally guaranteed loan program for families who do not qualify for the interest subsidy, the massive paperwork it requires makes it extremely unpopular with the private lenders who provide most of the funds for government loan programs. Even reform of these programs will provide scant comfort for many middle-income families. New legislation expected to pass Congress this year will do little to help students from families with an adjusted income of more than $15,000.

FROM MERITOCRACY TO ARISTOCRACY

Underlying the Sloan Foundation report is a sobering message—a generation of democratization at our leading colleges and universities may be at an end. Although the admissions offices at selective Eastern schools used to give strong preference to prep school graduates and the offspring of blue-blooded alumni, by the mid-1960s, even schools like Princeton were making strenuous efforts to admit a significantly broader cross-section of students. With tuition levels and room and board costs considerably lower than they are today and scholarships often available, it became possible for a number of schools to boast, "We make sure that no student we admit is unable to attend because of financial difficulties." Despite the continued commitment of admissions offices to social pluralism, economic realities have begun to swing the pendulum in the other direction. With aid programs increasingly targeted at the disadvantaged student, the offspring of many middle-income families may no longer be able to attend the more selective private universities, limiting the pool of potential students to the poor and the very comfortable.

Although we are often reluctant to admit it, *where* you attend college may be almost as important as *whether*. In any economy where there seem to be considerably more talented college graduates than challenging jobs available (especially in such "glamour" fields as publishing and television), it is difficult to deny that an elite degree gives a job applicant a certain edge. (I suspect that if most of us encountered a Harvard graduate driving a taxi, we'd assume he was doing it out of choice, not because he couldn't get a better job.) Banks like the Chase Manhattan have two types of training programs for college graduates. Alumni of New York area schools such as Fordham and Brooklyn College are channeled into the program designed to produce branch managers—a job analogous to running an A&P—in remote sections of Queens. The other program—where three-piece suits and an Ivy League pedigree are the sine qua non—is, of course, the training ground for future bank vice presidents.

Public higher education fosters its own elitism as well. A study just released by the admissions office at the University of Michigan revealed that the average undergraduate comes from a family with a yearly income between $20,000 and $24,000. One-third of Michigan's class of 1977 come from four upper-income Detroit suburbs which contain less than two per cent of the state's population. Many other states follow some variant of the California model, with a three-tier system of state university campuses, state colleges and community colleges. Since residential institutions are significantly more expensive than commuter schools, it is not surprising that in 1971 about 60 per cent of the students in the University of California system came from families making *more* than $12,000 a year, while 60 per cent of the community college students came from families earning *less*. This means that the wealthier students are the prime beneficiaries of public higher education, since it has been estimated that the state subsidy per student was roughly 250 per cent greater at the University of California than at the community colleges.

SPECIAL PLEADING PURE AND SIMPLE

Since the expenses of attending public and private colleges will continue to rise, there are only two ways that these costs can be absorbed without accelerating the current trend of sorting students out based on their ability to pay. One approach would be to decrease the percentage of an institution's budget that comes from student tuition. The other would be to develop new scholarship or loan programs to offset the inevitable increase in the cost of obtaining a college education.

As a rule of thumb, tuition provides a little less than 20 per cent of the cost of educating a student in a public institution. This 80 percent "tuition gap" is usually made up by appropriations from the state government. For a public institution to roll back tuition (or to even hold the line while costs were rising) would require an increase in this governmental subsidy. Although this solution is not very realistic in an era of tight state budgets, it appeals to many liberals who argue that a college education benefits society as a whole, as well as the individual student. (The foreword to the Carnegie report began with the assertion, "Benefits from higher education flow to all, or nearly all, persons in the United States directly or indirectly. . . ." In contrast, Milton Friedman has said, "I have tried time and again to get those who make this argument to be specific about alleged social benefits. Almost always the answer is simply bad economics." The conservative economist has labeled this emphasis on these amorphous public benefits as "special pleading pure and simple.") According to Carnegie Commission figures, an increase in the public subsidy for college education would disproportionately benefit students from high-income from all but token repayment obligations if they fail to make a certain base amount (say, $8,400 a year), these loans would not force people to alter their career aspirations (or nonaspirations) to meet the responsibilities of educational debt. Some conservative economists believe that this kind of loan program would enable educational institutions to begin moving closer toward "full-cost tuition" (that is, a system whereby colleges and universities could reduce the gap between tuition and the cost of really educating a student) without limiting college enrollment to just those from high-income families. Such a program would allow state and federal governments to reduce their subsidy of higher education, which disproportionately benefits the upper middle class.

Needless to say, any movement toward full-cost tuition is anathema to orthodox liberals who are wedded to the concept that society is a major beneficiary of college education. However, as a graduate of the University of Michigan, I personally would be hard-pressed to explain to an auto worker how he has benefitted from my attending college thanks in large part to his tax payments. This whole question of who pays for college seems to illustrate the basic conflict in liberal philosophy between a genuine concern for lower-income groups and the belief that most societal institutions should be publicly supported. In this case, blue-collar workers lose out as their tax money is being used to fund a highly stratified system of higher education.

COMMUNITY VEGETABLE GARDENS

HON. JOSHUA EILBERG

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 10, 1974

Mr. EILBERG. Mr. Speaker, Philadelphia is embarking on a program of encouraging community vegetable gardens on vacant city property.

The program, started at Mayor Rizzo's suggestion, will have the added advantage of eliminating unsightly vacant lots in various neighborhoods. Private organizations and firms are cooperating in the program.

The program was designed with the idea of assigning families to certain plots to develop the vegetable gardens. It was actively studied after Mayor Rizzo suggested that a useful way be sought to get rid of eyesore vacant lots.

The program includes instructional sessions in the art of gardening so that the families will be successful in their efforts.

A demonstration was staged Friday, April 5, at 1246 West Harold Street in North Philadelphia, when representatives of the Philadelphia Committee, Garden Clubs of America, joined with recreation department employees to plant trees, shrubs, and flowers on a former vacant lot.

The horticultural society will provide seeds and plants and the herbs society, herbs and information. Both the horticultural and herbs societies also will participate in the instructional programs for the families.

The Philadelphia Committee of the Garden Clubs of America will assist people when they plant the vegetables and fruits. They also will provide permanent plants and shrubbery for the locations in the fall.

The Pennsylvania State Extension Service plans to develop 4-H clubs from the program. The recreation department is doing some fencing.

The vegetables and fruits that could be planted are many and varied and include such items as beans, beets, collards, carrots, corn, cantaloupes, cucumbers, kale, lettuce, okra, peas, peppers, peanuts, potatoes, pumpkins, spinach, strawberries, tomatoes, watermelons, and herbs, Crawford said.

In addition to the city sites, the horticultural society also is cooperating with some privately owned locations. Crawford said this is the first time the city ever has entered into such a project and he anticipates that the program will be a rewarding experience both mentally and physically for the participants.

SUPPPLEMENTARY SECURITY INCOME PROGRAM

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 10, 1974

Mr. BINGHAM. Mr. Speaker, in January of this year, a new Federal guaranteed income program for the aged, blind, and disabled was instituted across the country in an effort to systematize the various State welfare programs, and remove the social stigma that welfare recipients have unfortunately have had to face. This supplementary security income program—SSI—administered by the Social Security Administration, is a major advance in the social legislation of this Nation. Approximately 3.1 million elderly, blind, and disabled citizens who are living far below the poverty level and who are too proud to take what they consider to be demeaning welfare assistance, are now able to receive a guaranteed monthly cash assistance payment with the dignity and comfort to which they are entitled. However, as could be expected with any new program of this complexity, the machinery is not working smoothly yet. As the gears grind and do not mesh properly, tens of thousands of defenseless poor people are faced with hardship, inconvenience, and loss of income. Some of these problems were anticipated, such as the crush of newly eligible applicants who swamped social security offices all over the country in the last few months. Others, such as the reductions in income many people received and the number of checks which never reached their proper recipients, were not expected beforehand. Both kinds of kinks have got to be worked out, and soon, for millions of these people are living well below the poverty line and every benefit dollar is desperately needed.

I am joining with a number of other Members of Congress from New York in proposing a package of reforms to the SSI laws. I am confident that the House Ways and Means Committee will give them careful and speedy consideration.

The following is an explanation of the bill's provisions: First, it would provide cost-of-living increases in basic SSI benefits, now $140 a month for a single person living alone, and $205 for a couple, parallel to the cost-of-living increase provisions of social security. No one today could doubt the necessity of including cost-of-living increases in major income maintenance legislation. From December 1973 to February 1974, the month for which the latest Consumer Price Index statistics are available, the cost-of-living has increased by 2.2 percent. Even if this rate of inflation gets no worse, an unlikely prospect, it would mean that the cost-of-living will increase this year by 12 percent. Cost-of-living increases of such magnitude place the greatest financial burden on those people who live on a fixed income, like SSI, and Congress must help cushion their impact. In those States like New York, California, and 28 others which supplement this basic benefit because of regional cost-of-living differences, the bill would require a similar increase in those State supplement payments. Under present law, only those States which do not supplement the Federal benefit level are entitled to realize such cost-of-living increases, even though these 30 States have fully one-third of all SSI beneficiaries. The concept of providing gradual increases only to those States which do not use their own money to supplement the Federal payments is patently discriminatory and must be changed. If States like New York are using their own tax dollars to try to insure a decent living for SSI beneficiaries, they should not be penalized by having to cope with inflation alone. Surely, in this day of rising prices, the intent of Congress to provide uniform level of benefits across the country cannot be interpreted as an intent to reduce, in effect, the income of SSI recipients in States which supplement the Federal portion, while other States are allowed to catch up. Cost-of-living increases, whether they are automatic or legislated, are in response to an economic need, and should be reflected in the monthly benefit of all SSI recipients. The cost-of-living rises in every State, not only those that fail to supplement their SSI benefits.

Second, the bill would provide food stamps for all SSI recipients, eliminating the option to give cash benefits instead of food stamps. Those States which are currently "cashing out" would have an 18-month transition period.

From October 1972, when the authorizing legislation for SSI was enacted, to February 1974, the cost of food in this country has gone up 26.6 percent. In the 2-month period between December 1973 and February 1974, the increase has been 4.2 percent. In Public Law 93-86, Congress authorized the Department of Agriculture to begin a semiannual review of food prices to reflect changes in the prices of food as published by the Bureau of Labor Statistics. Food stamps will have been increased three times as a result of the last three reviews, with the third to occur in July 1974. Yet in the five States which are giving SSI recipients the "bonus value" in cash of food stamps, there has been no increase since 1972. Food stamps are more responsive to the food needs of the elderly, blind, and disabled. It is noteworthy in this regard that the Department of Agriculture disregards income and assets of SSI recipients in determining their eligibility for food stamps.

Third, the bill would prevent increases in social security from being counted as income in the computation of SSI benefits. Under current law, SSI benefits are based on other income, so that increases in other income sources produce corresponding decreases in the SSI benefit. Thus, the social security recipient whose benefits are so low that he or she also receives an SSI supplement is faced with a "catch-22" situation whereby the increase in one check is subtracted from the other.

The present computation procedure results in discrimination against approximately 3.4 million senior and disabled citizens, according to HEW estimates. By fiscal year 1976, HEW estimates that 71 percent of the aged SSI recipients, and 29 percent of the blind and disabled recipients will also receive social security. A cost-of-living increase in SSI benefits as provided for elsewhere in this legislation does not substitute for unrealized social security increases, since SSI payments only represent a portion of the individual's income.

Fourth, this legislation would provide emergency replacement of lost, stolen, or undelivered checks. SSI recipients who are listed on the active payment rolls who do not receive a check, although the Social Security Administration records show that their check had been issued, receive no emergency financial assistance. By what means are these people expected to pay their monthly bills, including rent and utilities, during the minimum 7- to 10-day interim—which in practice usually extends to 2 weeks—while their claim for a check replacement is investigated? They are not likely to have other resources or they would not be on the SSI rolls. An emergency check replacement procedure similar to that which was in effect in New York during the first month of the SSI program must be reinstituted by the Department of the Treasury and the Social Security Administration. According to the officials at Treasury, the replacement procedure that was used at that time was exceedingly effective.

Fifth, the bill would repeal the requirement in present law that SSI checks for alcoholics and drug addicts be sent to a third party when the chief medical officer of the institution where such an individual is undergoing treatment certifies that the payment of benefits directly to such individual or spouse would be of significant therapeutic value, and there is substantial reason to believe that he would not misuse the funds.

Sixth, the bill would require that applications for SSI benefits be acted upon within 30 days in the case of aged and blind individuals, and within 60 days in the case of disabled individuals.

Seventh, the bill would authorize the Federal Government to repay States which administer benefits to those SSI applicants for disability benefits who are awaiting a decision on their eligibility. Current law prohibits the payment of any benefits to an SSI disability applicant who is not presumptively disabled before his disability is officially determined. If he is found to be disabled, he is paid retroactively to the date of his initial application. The process of determination could take months, during which time the applicant has little or no income. If a State, through its State welfare organization or through some home relief program, provides a basic monetary supplement to that individual and if that individual is later declared to be eligible for SSI, the amount that that person receives from the Social Security Administration would reflect a reduction equal to the amount that was paid to him by the State agency by the Federal Government. Thus, the Federal Government would lose no money, and States would be encouraged to provide such interim service.

Eighth, the bill would provide that a married person separated from his or her spouse would be considered an eligible individual—rather than an eligible spouse—for purposes of SSI benefits immediately upon separation. Presently, a married couple which separates must wait 6 months after the date of separation in order to apply for individual SSI benefits. Until that time, they have to split the benefit that they were receiving at the time of their separation.

Finally, the bill would provide that factual determinations on SSI benefits and eligibility made by the Secretary of Health, Education, and Welfare shall be subject to judicial review.

With the above amendments to the SSI law, we will be much closer to providing an equitable guaranteed income floor for our senior, aged, and blind citizens.

NORWOOD IMPEACHMENT PETITION

HON. JOE MOAKLEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 10, 1974

Mr. MOAKLEY. Mr. Speaker, recently a number of my constituents in the town of Norwood, presented a petition urging Congress to impeach the President.

While I was unfortunately not able to attend the meeting at which the petition was offered, I was represented by my aide, Paul Trayers, who promptly turned the petition over to me.

The petition is signed by 342 persons, mostly residents of Norwood. It represents a spontaneous and wholesome effort by people who take their citizenship seriously and I am, therefore, pleased to take this opportunity to place their petition in the CONGRESSIONAL RECORD:

PETITION FOR THE IMPEACHMENT OF RICHARD M. NIXON

We, the undersigned citizens of the United States, believe that Richard M. Nixon's conduct as President has been such as to warrant a full and immediate public inquiry by the Congress to determine if he should remain in office as President. We are therefore exercising our constitutional right to petition the government, and request the House of Representatives to begin the impeachment of President Nixon.

We support resolution H. Res. 513 which has been introduced in the House reading: "*Resolved*, That Richard M. Nixon, President of the United States, be impeached of high crimes and misdemeanors."

At this point, I wish to thank my constituents for taking the tremendous time and energy this petition represents to take an active role in trying to cleanse the American political system. I would like to pay my particular respect to Mr. Jay Dixon, of Norwood, who organized the drive and presented the petitions to my staff.

Mr. Speaker, I lay my constituents' petition before Congress along with my own heartfelt commendation. When this matter reaches the floor of Congress, I will join my neighbors in Massachusetts and vote to impeach the President.

Sufficient evidence is now before the public and the President is already on trial in the newspapers and on the streets of Norwood and a thousand towns just like it. Now the trial must move to the Senate and the terrible drama can come to an honorable close.

LITHUANIAN CATHOLICS SUPPRESSED

HON. ROBERT J. HUBER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 10, 1974

Mr. HUBER. Mr. Speaker, in spite of the fact that the Soviet Union continues to want trade concessions from the United States and continues to pursue "détente" on an external basis, the severe repression of the various nationalities that go to make up the Soviet Union continues as severe as ever. A recent article in the Christian Science Monitor of April 2, 1974, pointed out that even the Vatican is carrying on its own version of détente during an especially severe period of Soviet activities against the Lithuanian Catholics and other Catholics within her boundaries.

The article follows:

LITHUANIANS SUPPRESSED AS VATICAN, SOVIETS TALK

(By Paul Wohl)

At a time when Vatican diplomacy continues to push for detente with the Soviet Union, additional arrests and house searches for religious literature are being reported in Lithuania.

The account comes in the latest issue (No. 8) of the underground periodical "Chronicle of the Lithuanian Catholic Church." Now that the Russian and Ukrainian underground chronicles have been successfully terminated, the KGB or Soviet secret police seems to be zeroing in on the religious Lithuanian underground periodical.

"Ten bags of religious literature, three typewriters and several issues of the chronicle were seized at the home of the pastor of the town of Smiligial. The search was conducted by 15 KGB officials. The altar where the Holy Sacrament is kept was combed; everything down to the toilet paper was checked."

SEVERAL PRIESTS ARRESTED

Several priests were arrested and nearly 30 civilians "crudely" interrogated. Students who stood up for their beliefs were dismissed from school.

This new wave of religious repression is not limited to Lithuania. "Members of the Byelorussian Catholic hierarchy also were reprimanded." Byelorussia with a population of about 10 million has many Roman Catholics.

Lutherans in the Western republics of Estonia and Latvia were molested, the report continued, and underground presses which turned out prayer books were confiscated.

In addition, party spokesmen once again are attacking "malicious anti-Soviet clerical elements," a phrase which has not been used for some time.

But while all this goes on, the Vatican continues to work for detente. In February, Pope Paul VI received for the fourth time Soviet Foreign Minister Andrei A. Gromyko in a private audience.

WIDE-RANGE DISCUSSION

The Italian Communist daily L'Unita said the talks dealt with "normalization in the Midle East," including a plan for the internationalization of Jerusalem, with the security conference in Geneva at which the Vatican is represented, and with "the situation of the Roman Catholic Church on the territory of the U.S.S.R."

The Vatican hoped that its condoning of the progress of East-West detente, the improvement of the Vatican's relations with Poland, and the shelving of the Hungarian Primate Cardinal Mindszenty would please Moscow.

Earlier Vatican concessions in the Ukraine hint that it will follow a similar course of noninterference in Latvia. Rome temporarily deprived the Ukrainian Uniate Cardinal Slipyh of a Vatican passport after he served for years in a Soviet concentration camp.

The Vatican needs Soviet aid to bring about a definite agreement between church and state in Poland, possibly even a concordant, and secure conditions for the Roman clergy in Hungary, Czechoslovakia, and East Germany.

A body which calls itself "Representatives of Lithuanian Catholics" has begun to accuse the Presidium of the Lithuanian Soviet Republic of "terrorization" and "harassment" of people who collect signatures for protests against attempts "to impose by force an alien ideology."

Signature themselves are no longer published, but according to the Lithuanian Chronicle one statement requesting the cessation of discrimination against religious students had the backing of 14,604 signatures; another statement decrying the shortage of religious publications was signed by 16,800 Lithuanians.

The previous issue of the Chronicle (No. 7) conveys a surprising spirit of defiance on the part of students, parents and priests.

REFUGEE PROGRAMS SHOULD BE REVIEWED

HON. ROBERT L. LEGGETT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 10, 1974

Mr. LEGGETT. Mr. Speaker, in the supplemental appropriation we are considering today is $49 million to support refugee programs in South Vietnam. Certainly, no one is opposed to the objective of refugee relief programs; the people we are trying to help have become the human debris of over 20 years of unfettered bloodletting on the Indochinese peninsula. We do, however, have a responsibility to see that the programs using our money to assist these unfortunate victims of war do in fact render assistance. Recent accounts in the press raise the possibility that this is not what is happening.

I hope that my colleagues on the Foreign Affairs Committee will examine these allegations closely before committing themselves to a large budget for refugee relief in fiscal year 1975. I would like to insert at this point in the RECORD an article from the Boston Globe of May 8, 1973, and a letter to the editor of the Washington Post of February 11, 1974, which address the problems of refugee programs in South Vietnam.

[From the Boston Globe, May 8, 1973]

HOW IT IS THESE DAYS WITH THE PEOPLE OF MY LAI

(By Frances Fitzgerald)

Not far from Quang Ngai City, the Muc Tien refugee camp lies on a sandspit on a river. Some 20,000 people live in the congeries of tents and tin-roofed shacks, each tent sheltering 10 or more families, and each family with only the space for a bed and a bundle of belongings.

In April, the heat is intense and the breezes that bring some relief sweep up sand and lodge it in cooking pots, clothing and children's runny noses. Still, even the heat of the dry season is preferable to the floods of the monsoon. Since last November the Americans at regional headquarters have been planning to improve camp conditions, but owing to the usual bureaucratic delays and the usual corruption, the camp has remained much as it was a year ago.

The tents are crowded all day long. Bands of children run and shriek in the alleyways while the women and old people simply sit and stare out through the barbed wire. For there is nothing to do. Jobs are scarce, and there is no land to cultivate. People simply sit and wait for the occasional hand-out of rice, salt, and cooking oil.

Left to themselves, they would leave the camp and walk the 10 or 15 kilometers to the site of their old villages. But the Saigon authorities will not let them since they come from an area not fully controlled by the Thieu government. The police and village officials regard the people with some suspicion, believing them to be "dangerous elements" or "VC sympathizers." They may be right, for the camp, as it happens, contains the people of Son My village and the survivors of the My Lai massacre.

A month of so ago a team from Senator Kennedy's Judiciary Subcommittee on Refugees visited the Muc Tien camp on its mission to study the possibilities for American postwar relief and rehabilitation aid to Indochina. But, as the team members soon discovered, their mission was premature. For the war continues in Vietnam, just as it does in Cambodia and Laos, and there is still no question of "purely humanitarian" aid.

As always, American aid to refugees in South Vietnam resides within the larger framework of American aid to the Thieu government and aid to a counter-insurgency program in which military considerations take precedence over the needs of the civilians. Still, the Paris accords have brought about a new situation, and one that demands a reconsideration of American relief projects. In the context of a cease fire that works to some degree the question is whether American refugee aid does not actually work against the interests of the people of Muc Tien and of the hundreds of other camps like it in South Vietnam.

According to official figures, there are currently some 650,000 people in the South Vietnamese refugee camps. The professed aim of the Nixon Administration—in line with its work ethic—is to rid itself of these welfare cases and resettle all the refugees before the end of the year. But American officials say that the task cannot be completed since the Thieu regime (supported by the United States) will not, if it can help it, permit those refugees who come from P.R.G. (Provisional Revolutionary Government) or contested areas to return to their home villages.

The U.S. and the Saigon regime have other plans for these people who make up a significant proportion of the camp population, but none of them seems likely to succeed. For those people who come from areas conceded to the P.R.G. (such as the northern third of Quang Tri Province), Saigon proposes to create new villages on undeveloped land that it can militarily control.

In the past, however, the government has proved incapable of planning or implementing such projects to the satisfaction of even those few thousand people willing to abandon all hope of returning home. The resettlement of hundreds of thousands of probably reluctant people would offer problems of a new order or magnitude. As for those refugees who, like the people of My Lai, come from contested areas, the Saigon government plan is to assert military control over their villages, building new outposts or reinforcing old ones and obliging the people to build concentrated settlements—much like the old strategic hamlets—under the guns of the outposts. This second plan is just as dangerous as the first since "to increase security" usually means to violate the cease-fire-in-place and to invite retaliation by the P.R.G. And if history is any judge, any attack on a government outpost would be repulsed by an air and artillery bombardment and result in new civilian casualties and new refugees.

The U.S. and the Thieu government's plans are not very attractive to those people who come from P.R.G. or contested zones. The majority of refugees—and the category includes not only the hundreds of thousands in the camps, but the millions who have moved to the cities and the roadsides during the war—simply want to go home as soon as the fighting stops. The Thieu government is doing all it can to prevent them. In many provinces officials have taken away these people's identity cards—forcing them to check in at the police station every few days—and threatened arrest of violence against those who move from their war-time settlements.

Where refugees have disobeyed orders, the government has carried out those threats. In many provinces it has made it a practice to bomb or shell all the newly-built houses in the P.R.G. areas. In areas undefended by the P.R.G. main forces, it has sent in ground troops to burn the new houses, strip the new fields and, perhaps incidentally to loot the farmers' belongings. The police and the territorial forces that patrol the borders of the government zones have arrested farmers going to market and charged them with "supplying the VC." As was always the case during the war, these arrests are often followed by the confiscation of the farmer's belongings and sessions of interrogation and torture. These measures are not wholly effective—the P.R.G. zones do seem to have gained some population since the cease-fire—but they act as powerful deterrents to the majority, including many of those on the refugee rolls.

Thus, until the Saigon government changes, or is forced to change, its policies, American aid to refugees in South Vietnam will only contribute to keeping the farmers estranged from their land, economically dependent on the United States and incapable of beginning the long task of reconstruction. Not only do these policies violate the whole intent of the Paris accords (specifically Article 11 on freedom of movement and freedom of work) and make a mockery of stated U.S. war aims, but they threaten, even in the absence of a major renewal of the fighting, to create a permanent refugee population, similar to that of Palestine.

The mockery seems particularly cruel in the case of the Mue Tien camp. The people of My Lai and the surrounding villages have been uprooted five, six and seven times in the course of the past decade—and largely as a result of U.S. air and artillery fire. Now, after the peace agreement has been signed, they are being held virtually as political prisoners in a sandspit camp.

"Look," one of the old men said to me, "we don't want any more American aid. We have enough rice to survive. We just want them to let us go back to our village." The Thieu government would like the American people to think otherwise. In an inept and revealing bit of public relations work the Thieu officials greeted the Kennedy delegation to the camp by putting up a sign in English that read, "The people of My Lai thank the Americans for all their help."

[From the Washington Post, Feb. 11, 1974]

VIETNAM: WHAT REMAINS IS THE BASIC STRUCTURE OF A FEUDAL SOCIETY

Two incidents which were reported recently and which seem to have escaped editorial comment illustrate graphically the total failure of U.S. policy toward Vietnam. In the first instance, the South Vietnamese National Assembly voted overwhelmingly to amend the Constitution in order to allow President Thieu to run for a heretofore forbidden third term. Secondly, and at the same time, it was reported that in the rural areas of South Vietnam, villages were being called in by government authorities and made to surrender the titles to their land, given to them under the widely publicized government land reform program in the early 1970s. The land was now being returned to the original landowners and the land reform program was, in some areas, largely revoked.

When the U.S. first deployed troops to South Vietnam in 1965, the mission assigned was a limited one, that of preventing defeat of the South Vietnamese Army and government by the Communist insurgency which was being abetted by the power of North Vietnam. The arrival of significant numbers of American troops and aircraft soon turned the tide of battle. Defeat was prevented. The American objective was then expanded to a more positive one, that of "allowing the South Vietnamese to choose their own government without outside interference." Lipservice was given to a "Revolutionary Development" program which was to bring a social revolution to the countryside, "win the hearts and minds of the people," and gain their active support for a government interested in their welfare and responsive to their needs.

A Constitution was written for South Vietnam and democratic elections were held. Civic action projects, largely planned, financed, and constructed by Americans, sprang up all over the countryside of South Vietnam. Although the resources devoted to civic action and Revolutionary Development were meager in comparison to those devoted to the military effort, they were not small and these programs had significant results in localities where a dedicated Vietnamese district chief or province chief implemented and administered them with initiative, vigor, and honesty.

As the culmination of these otherwise generally shallow efforts at social reform, the United States, after much pressure, finally in 1970 cajoled the South Vietnamese Government into implementing an extensive land reform program which provided title to the land to those who actually occupied and worked it.

Here finally was one program which seemed capable of altering the traditional social structure in the rural areas by establishing a new class of independent land-owning peasantry.

But apart from land reform, most of these projects in the end were superficial. The basic structure of South Vietnamese society and government was not disturbed. Indeed, corruption and graft increased and became more open and flagrant as the rewards for such actions grew with the tremendous influx of American money and materiel. The privileged continue to prosper, to buy their way out of the Army or to buy safe assignments and rapid promotion. The posts of province chief and district chief, vital links in the effort to tie the government to the people, were the most lucrative and sought-after posts for venal officials and assignment to those posts was purchased at high cost. In a few rare cases, where the corruption became too flagrant for the Americans to tolerate, the offending Vietnamese official was transferred and replaced by one more subtle or less greedy. The government continued to appear to the rural population of South Vietnam as remote, corrupt, and feudal.

So the endless and spectacular American military victories over the North Vietnamese and Vietcong could never be translated into political gains for the South Vietnamese Government. When American forces withdrew from an area, the enemy again found shelter, or at least passive acquiescence at their presence, from the rural population of South Vietnam. The people remained alienated from a remote and corrupt government which offered them nothing.

As the American effort in South Vietnam began to be reduced subsequent to the initiation of the Vietnamization program, the South Vietnamese Government of President Thieu found it increasingly less necessary to prolong the facade of government reform and democratic process which the Americans had felt to be so important. American leverage which had never been widely used in any case, was vastly diminished. Thus, in the last presidential election Thieu was able to coerce all opposition out of the race and, despite protests by his American mentors, run and be elected as the sole candidate. The American-nurtured and -sponsored democratic process, so alien to the feudal Vietnamese society, was short-lived indeed.

The social reforms imposed upon this society also lasted only so long as American money and influence. With the apparent repudiation of land reform as reported last week, the facade of social reform and of a government devoted to the welfare of the mass of its rural population, also crumbled.

As the jungle reclaims American firebases and support installation and as the visible evidence of the American intervention in Vietnam is dismantled and fades away, what remains is the basic structure of a feudal Vietnamese society much as it has existed for centuries. The privileged urban and landowning class, claiming their Mandarin heritage, rule for their own benefit with little regard for the plight, condition, or welfare of the peasant masses. The government remains remote, inefficient, unrepresentative and corrupt. The vast American expenditure of treasure and of lives has, finally, left nothing of permanence of South Vietnam.

H. Y. SCHANDLER,
Colonel, U.S. Army.

Arlington.

PARAMOUNT CHAMBER OF COMMERCE CELEBRATES ITS 50TH ANNIVERSARY

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 10, 1974

Mr. ANDERSON of California. Mr. Speaker, during the week of April 23–28, the citizens of Paramount, Calif., will be commemorating the 50th anniversary of the founding of the Paramount Chamber of Commerce.

Naturally, this will be a joyous occasion of community-wide involvement in a time of fiestas parades, displays, golf tournaments, luncheons, speeches, and so forth; but it will also be a time of appreciation for the achievements of this outstanding organization.

For much has been accomplished for the citizens of this unique community by the Paramount Chamber of Commerce since its beginning 50 years ago.

Originally called the Hynes-Clearwater Chamber, this fine organization has been willing throughout its existence to provide the nucleus for community improvement.

In fact, the chamber was primarily responsible for obtaining for the city a fire department, a sewer system, a water department, a street lighting system, and a flood control system all before Paramount incorporated and became a city in 1957.

Throughout their existence the Paramount Chamber of Commerce has organized "clean-up, paint-up, fix-up campaigns," sponsored hay and dairy festivals, arranged for free movies, and numerous other activities for the citizens, in addition to its concern to promote the growth of the city.

During these 50 years the Paramount Chamber of Commerce has been served by many distinguished past presidents. These dedicated men were: H. W. McKelvey, Richmond Logan, J. J. Chamberlain, W. R. Lindsay, N. B. Haydon, Harry Wirtz, C. A. Wright, M. J. Myers. I. F. Petterson, George Rochester, W. R. Smith, Louie Spane, Lawrence Zamboni, Henry Sheller, Bob McCune, J. W. Hunter, Ed Henderson, E. S. Haymond, Glenn Jones, Myron Szabat, Bob Krabill, John A. Mies, Gerald Barber, Lloyd Mokler, Glade Mastain, C. D. Mosier, John Barr, Charles Stone, Edwin G. Brockman, John F. Lynch, Jack Thompson, Richard Zamboni, Roy Sager, Oscar Gregory, Ralph Grove, John Bozoff, George Ryan, Daniel J. Chumbley, Richard M. Wilson, Wilbur T. Laws, George E. Tanner, and James R. Carnes.

Presently, the chamber holds quarterly mixers and monthly breakfasts featuring guests and speakers of community interest. They also sponsor industrial fairs which have been very important in bringing a diversified industrial growth to the city. The officers of the chamber should be proud that the chamber has worked so well with the school district and city officials on projects benefiting the community.

Mr. Speaker, I am confident that under the careful leadership of its present officers: President Leonard Price, Vice President Jack Hall, Second Vice President Norman Whitfield, and Treasurer Jerry Cunningham, supported by their able staff, Rita Benson, manager, and her assistant, Ramona Canas; that the Paramount Chamber of Commerce will continue to serve with the same spirit which has made them such as asset to this vital community in southern California.

BAN THE HANDGUN—XLII

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 10, 1974

Mr. BINGHAM. Mr. Speaker, several weeks ago an 11-year-old boy sitting astride a fence by his home suffered a gunshot wound that ripped his right thigh apart, severing an artery and chipping the bone. Tommy Carter was senselessly victimized because a handgun was drawn when an argument ensued between the drivers of two cars which had collided. This is just one of many examples that justify removing handguns from private ownership. Reprinted herewith is the article from the March 31 edition of the Washington Post:

BOY ACCIDENTALLY SHOT IN LEG IS RECOVERING

(By John Saar)

Eleven-year-old Tommy Carter rolled his wheelchair into the physiotherapy gym at D.C. General Hospital one day this week and climbed painfully onto a treatment bed. "What's his problem?" the woman therapist asked an aide.

"Gunshot wounds."

Two weeks ago, Tommy Carter was astride a fence beside his home at 692 5th Pl. SE. when a handgun bullet ripped into his right thigh severing an artery and chipping the bone. There were more shots and more casualties that night. While Tommy was crawling toward home—eventually to faint from shock and loss of blood—two men lay wounded nearby with bullets in the shoulder and side.

While the two men and the sixth grade schoolboy were being rushed to the emergency room at D.C. General Hospital, sixth district detectives began investigating the cause of the shooting.

Police say that after two cars bumped together in a minor collision, a man pulled a gun and the child was in the line of fire of the ensuing shooting.

Tommy Carter went home this week, the last of the three to be released from the hospital. Doctors think he will be able to go back to the Harris Elementary School on crutches soon, and should be fit enough to play basketball in about six weeks.

Terming the shooting "ridiculous," Det. Sgt. Nelson Bell said police are looking for a suspect who is known to them who left the scene and are seeking an indictment of assault with a deadly weapon against him in current grand jury proceedings.

"There was a traffic accident," said Bell, "and a passenger got out of one car and fired at the other driver. He hit him and accidentally shot the man driving his car also."

"The boy was an innocent bystander and he was hit by a stray bullet."

The collision that sparked the shooting was so slight, according to Bell, "that you could hardly see a dent in the side of the car." He identified the two drivers as William Smith, 24, of 4827 G St. SE, and Henry B. Corkey of 4824 G St. SE.

It was about 9:30 p.m. on March 14 and Geneva Carter had just called Tommy, the youngest of her five children, in from play when she heard shots. "I thought it was fire crackers," Mrs. Carter recalled, "then the little girl next door came in and said 'Tommy's been shot.' "

The mother ran out, found her son calm and bleeding on a neighbor's doorstep. He remembers her crying. She says she almost fainted and needed a policeman's smelling salts to bring her round: "He was bleeding real bad. I didn't know how bad he was hurt. I didn't know if he was going to live or die."

Tommy lost three pints of blood—about all an 11-year-old 85-pound child can spare—and it might have been fatal without the presence of his sister's boyfriend, Kevin Jones, 19 who has a knowledge of first aid. Jones and Antoinette Carter slit open Tommy's pants leg and stanched the flow of blood pumping from the severed artery.

Doctors on emergency duty at D.C. General that night spent 3½ hours cleaning the wound and repairing the artery. They decided not to go after the lead slug for fear of doing more damage.

The next day, Dessiarene Jones, arriving to take her sixth grade class at Harris, was told "I think a boy in your room's been shot."

Minutes later, a boy stood before her with tears in his eyes to explain why Tommy Carter's chair was empty.

"Everybody was shocked and disgusted," recalled Mrs. Jones yesterday, "because it was so senseless."

Tommy's mother says she has long wanted to leave the cinder block row house whose trim interior is in great contrast to the unsightly rubbish-strewn surroundings. "Some of the people are nice and I like this house, but the environment is something else," she said.

She said her son's shooting was nevertheless unusual, "There's a lot of fights, but not much shooting round here."

Residents watch each others' children carefully and live in constant fear of breakins in the far Southeast housing project, Mrs. Carter said.

Before leaving her house, to retrieve Tommy from the hospital, she peered suspiciously at three men slowly rolling past in a car. "It happens all the time, you live in danger."

She left the radio playing as a possible deterrent to burglars and double-checked the automatic lock on the front door.

The precautions are well-advised according to Sgt. Bell: "We do have our problems up here. Housebreakings, robberies—everything from soup to nuts. It's one of our crime areas."

Sgt. Bell and Tommy's doctor, Ronald Kurstin, agree he was lucky. He might have bled to death as it was and if the bullet had struck him a foot higher it would almost certainly have been fatal. "Anyone who is shot and doesn't have a massive injury is lucky," Kurstin said. "There's no good place to be shot."

It took Mrs. Carter several minutes to remove get-well notes from Tommy's classmates from the wall beside his hospital bed the other day. One signed "blood brother Chico," read: "I gave Mrs. Jones your letter and she was in tears. I told Mrs. Price and Mr. Barber and Mr. Blocker that you've been shot and they were all sorry it happened . . ."

UNITED STATES AID TO THE SOVIET UNION

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 10, 1974

Mr. ASHBROOK. Mr. Speaker, I have risen numerous times on the floor of this House to question the wisdom of the U.S. Export-Import Bank financing trade with the Soviet Union. More and more Americans are questioning the sanity of providing such taxpayer subsidized credits to the Soviets.

A recent editorial in the Mount Vernon, Ohio, News states:

> The United States has been waiting patiently for the benefits of détente to begin flowing back from Moscow in terms of tangible progress toward an arms limitation, troop reductions in Europe and other agreements that would relax international tension. So far all we have seen is a long line of Russians at the loan window.

Unfortunately, this editorial is only too correct but what else can be expected when the Soviets can get loans as low as 6 percent from the U.S. Export-Import Bank while the prime lending rate for the best borrowers in the United States is between 9½ and 10 percent.

Who is paying the bill for Soviet credits? The answer is everyone of us who are paying taxes. It is the height of folly to be giving subsidized loans to the Soviet Union to develop that country's energy resources when our own Nation is having serious energy shortages.

At this point I include in the RECORD the editorial, "Bank Moves Too Quickly To Help Russia," from the Mount Vernon, Ohio, News of April 3, 1974. I commend the attention of my colleagues to it. The text follows:

BANK MOVES TOO QUICKLY TO HELP RUSSIA

The suspension of action by the Export-Import Bank on loans to the Soviet Union and three other Communist countries gives the Administration and Congress an opportunity to take a hard look at the bank's policies. It is clearly going overboard as an instrument of "detente."

Most Americans probably would agree with the basic approach President Nixon has been taking toward the Communist world. Trying to get along with the Russians—even trading with them—is worth the effort and the risk so long as we do not jeopardize the strategic balance which prevents war. However, we think most Americans also would draw a line in how far the U.S. government should go in providing loans and credits through the Export-Import Bank, subsidized by our tax dollars, to finance Communist shopping trips for U.S. technology.

Since the beginning of 1973 the bank has loaned the Soviet Union $160 million at 6 per cent interest to buy American goods and know-how for industrial development. Americans would jump at the chance to borrow money at that rate to buy a house or a car or start a business. The bank's low interest loans make sense when the money goes to an undeveloped country trying to become self-supporting, especially since the funds must be used to purchase goods and services from the United States.

That rationale simply does not apply to the Soviet Union, which is rich enough to be investing nearly half its gross national product in weapons—most of them aimed at the United States.

The projects now frozen by the bank include a $49.5 million loan for developing natural gas resources in eastern Siberia and a much bigger $6.1 billion deal for gas in western Siberia, including pipelines to make part of the fuel available for shipment to the United States in liquefied form. We need natural gas, to be sure, but how badly do we need it from a foreign source under Communist control when it is our national objective to become self-sufficient in energy production? Congress needs to square our government's support of this kind of overseas development with its own reluctance to grant price and tax concessions that would spur exploration for new natural gas deposits in our own country.

The Export-Import Bank is an agency of the U.S. government. The law creating it provides that it can make loans to Communist countries only when the President has determined that such action is in the national interest. Trade with countries behind the Iron Curtain may well fall within the definition during this period when we are exploring the opportunities of detente, but the bank has been moving too fast, too soon. The United States has been waiting patiently for the benefits of detente to begin flowing back from Moscow in terms of tangible progress toward an arms limitation, troop reductions in Europe and other agreements that would relax international tension. So far all we have seen is a long line of Russians at the loan window.

IN TRIBUTE TO SIMEON BOOKER

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 10, 1974

Mr. RANGEL. Mr. Speaker, 25 years ago American society represented an ominous frontier to black people. Segregation was intrinsically woven into the soil of the land. Its pervasive influence found willing accommodation and sustenance in the minds and occupations of white Americans. Few black Americans could succeed, let alone survive, in such a hostile, stratified environment. Those who did succeed were rightfully called pioneers. Their footsteps marked the first trails for future black Americans to follow. The professional fields were among those areas domesticated by black Americans during the fifties.

One such black pioneer, is the distinguished journalist, Simeon Booker. Mr. Booker was the first black reporter employed by the Washington Post. He won the Wilkie Award for a series on education and later received the Nieman fellowship in 1950. He is now the Washington bureau chief of the Johnson Publications Co.—their publications include Ebony and Jet. Mr. Booker was recently honored by some 350 colleagues and friends at a National Press Club luncheon. It is with great pleasure that I enter two articles on an oustanding journalist, Mr. Simeon Booker:

[From the Washington Post, Mar. 28, 1974]

SIMEON BOOKER: FACTS OF LIFE

(By Angela Terrell)

"You could never be obvious. I wore old clothes and traveled at night. We used to sneak into undertakers' parlors late at night to photograph bodies of victims."

To hear Simeon Booker tell it, being a black reporter for a white-owned newspaper in the segregated Washington of the '50s was not without its moments of humor.

"Like the time I was taking an obit about a woman who had died in Freedmen's Hospital, whom I naively assumed was black. That is, until the person calling in said bluntly, 'Don't make a mistake now, she's no nigger!' " Booker laughed.

It's to his credit—and probably survival—that this 25-year journalism veteran, who is bureau chief of the Johnson Publishing Co. (their publications include Ebony and Jet magazines) can laugh about incidents with serious undertones. For this and his pioneering work—he was one of the first black reporters for The Washington Post and the second black Nieman fellow—Booker was honored at yesterday by some 350 colleagues and friends at a National Press Club luncheon and a later reception at the Liberian Embassy.

A few days before, from his high-rise modern office at 1750 Pennsylvania Ave. NW, Booker told some of the ironies of working for the white media in 1952.

"It was the damndest experience because it was a difficult period to work in, so many restrictions. I had a hard time covering fires because the police wouldn't let me near the place if it was in a white neighborhood. And I could only use one washroom on the editorial floor of the Post.

"I couldn't eat downtown. Like the time I was covering a case at the Federal Trade Commission. All of the other reporters could go to lunch with the lawyers and get inside information, I was left out.

"I used to eat at my aunt's house at 17th and U Streets (NW) to get a breather," he said, no longer laughing. He credits The Post's management with taking a special interest in him and encouraging him, but he left in 1954 to re-enter the black press because "it was a real tense situation and had me neurotic."

Booker, 55, is tall, with mixed grey hair. Usually softspoken, he works behind a paper cluttered desk and chainsmokes Vantage cigarettes. ("I don't inhale.") With his brown-framed glasses, he reminds one of a college professor.

He greets friends with a warm, "Hey Baby," and is well known around this city by politicians, businessmen and other journalists. And he loves to talk about his journalistic adventures, especially some harrowing ones covering the South for the Johnson Publications in the 50s.

"I've been caught on a Mississippi road by guys with shotguns, hit in my ribs by sheriffs and run out of more southern towns.

"You could never be obvious. I wore old clothes and traveled at night. We used to sneak into undertakers' parlors late at night to photograph bodies of victims. Undertakers would show us around then warn us 'you better be in Chicago tomorrow.' "

And covering Washington for the black press 20 years ago wasn't much better, he said. "We couldn't go to the front door to get information many times. So our story sources were maids, chauffeurs and government building elevator operators," he said.

Against this backdrop, and without bitterness, Booker will say that blacks in America "have gained a lot," adding quickly, "there's a lot to be done."

Booker, born in Baltimore, grew up in Youngstown, Ohio. After attending Virginia Union College, he went to work for the Baltimore Afro-American, and later the Cleveland Call-Post, where he won a Wilkie Award for a series on education. He received the Nieman Fellowship in 1950.

He's written two books, one for children and a second entitled. "Black Man's America." Three times weekly he presents a one-minute commentary on Group W radio.

Booker's one word of advice to young journalists who want to last "at least" 25 years in the business is, "Never worry about criticism. Just do the story."

[From the Washington Star-News, Mar. 28, 1974]

JET'S SIMEON BOOKER: HONORING A PIONEER BLACK NEWSMAN

(By Jacqueline Trescott)

For years, when a black would come into the National Press Club dining room, the waiter would automatically escort him to Simeon Booker's table. That's just the way it was.

The salty and concise bureau chief of Jet Magazine, Booker is a Washington journalism institution and the second black admitted to the Press Club ("and really the first to hang out here, sit at the bar and make them nervous," says Booker.)

Yesterday, 600 friends of Booker's sat down at lunch on the 13th floor of the Press building to honor the veteran journalist on his 25th year in communications.

Actually, the entire day became "Simeon Booker Day," as he was honored by the D.C. City Council in the morning and then by his friends, including Mayor Walter Washington, at the luncheon. Next was an afternoon open house at the Pennsylvania Avenue offices of Johnson Publishing Company which produces, besides the weekly, pocket-size Jet, the monthlies, Ebony, Ebony Jr., Black Stars and Black World. The day ended with a crowded reception at the Liberian Embassy and probably a nightcap at Billy Simpson's restaurant, Booker's favorite haunt, where he has squeezed many headline-making stories from sources.

Booker is usually a thundering type, and his traditional advice to beginning reporters is "sit up front, be loud and always ask about discrimination, that puts them on their guard." But yesterday he was very quiet. He whispered to NAACP lawyer Clarence Mitchell at a pre-luncheon reception, "I can't get used to all this. I think it's going to be a roasting."

He was right. The podium guests each took a potshot at either "his mushmouth voice," his "poor poker playing," or his notorious inability to catch fish. Five years ago, when Booker was asked to commentate on urban affairs three times a week for Westinghouse Broadcasting, he was also asked to take voice lessons. Reported Westinghouse's Sid Davis, "We asked your voice coach to come today, Simeon, but she hasn't recovered yet."

In between the pungent comments, Booker was praised as a "serious journalist . . . a man who never let black people down," and, as White House aide and former newsman, Stanley Scott, said, "a friend of mankind . . . a man who stands for something."

Presenting Booker the city's Meritorious Public Service Award, Mayor Washington said, "He's a man who realizes that the single most important element in the world is people." Added Rep. Charles Rangel, D-N.Y., "regardless of the indifference of politicians, they can't rest peacefully at night because Simeon Booker's out there working."

He started his career with the Afro-American newspapers, later worked for the Cleveland Call and Post and was the first black to win a Nieman Fellowship. His Washington career began in the early 1950s, when he was the first black hired by the Washington Post, and in 1954 he joined the Johnson staff.

In his own remarks, Booker defined a newsman as a "mean man, a man who pokes around and scrutinizes," and then reviewed outstanding personalities and news events of his 25 years in the business.

In Vietnam, he listened to the soldiers' experiences and now maintains a vigilance over the Pentagon employment and promotion policies. His coverage of the '60s civil rights demonstrations didn't stop with the marches and passages of the civil rights bills; now he's a watchdog for the laws' enforcement.

"I don't get discouraged," he said yesterday, "because I have seen things, like blacks sitting on cotton bales in the Atlanta airport. We weren't served in the restaurants there. And now things have changed and we have a black mayor of Atlanta."

Many of the officials Booker has watched move through the government or political ranks to policymaking positions and then praised or berated in his "Ticker-Tape USA" column last night praised Booker at the Liberian Embassy Reception.

By a fireplace, Rep. Charles Diggs, D-Mich. was buttonholing Stan Scott, and crushed among the other 500 guests were Lt. Gen. Daniel James, James Pope of the State Department, Rep. William Clay, D-Mo., public relations man Ofield Dukes, former White House aide Robert J. Brown, M. Carl Holman of the Urban Coalition, attorney Samuel Jackson, and many media people.

Liberian ambassador Edward Peal led Booker and his wife, Carol, to the cool balcony where Booker cut his birthday cake and joked, "Well it hasn't been as bad as I thought." He was referring to the day, not the 25 years in communications.

CASE FOR A FEDERAL OIL AND GAS CORPORATION

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 10, 1974

Mr. HARRINGTON. Mr. Speaker, one of the Nation's foremost consumer advocates, Mr. Ralph Nader, has called for the creation of a Federal Oil and Gas Corporation. In an editorial which appeared in the Washington Star News on February 3, Mr. Nader stated that the corporation would help to restore genuine competition to the petroleum industry and would prevent the major oil companies from driving up prices, driving small, independent competitors out of business, and weakening antipollution and health standards. Mr. Nader's article clearly shows the advantages to be gained by consumers through establishment of a Federal Oil and Gas Corporation, and I would like to call this editorial to the attention of my colleagues at this time.

The text follows:

The Energy Monopolies

(By Ralph Nader)

Among the flurry of legislative proposals in Congress on the energy problem, one stands out as a constructive and lasting solution to the monopolistic grip that the giant oil companies have on the nation, small businesses and consumers.

The propsals are contained in S. 2506 and H.R. 11648, bills filed by Sen. Adlai Stevenson and Rep. John Moss to establish a federal oil and gas corporation whose purposes are so sensible and necessary that support in the Congress is building up behind them.

Harking back to the example of the Tennessee Valley Authority, which used public water resources to produce cheap, public power that saved a large region in America from economic disaster, the Stevenson-Moss legislation would operate to save consumers and the economy from a trillion-dollar price gouge over the next generation.

The preamble to the bills makes clear their underlying rationale:

"The people of the United States through the federal government own substantial lands which would be developed for the production of natural gas and oil;

"American consumers would benefit if the forces of competition operated to a greater extent than at present in the world oil and gas market;

"A corporation owned by the federal government, engaged in the development and sale of natural gas and oil (exclusively on federal lands), could provide competition in the energy industry and, through research and development, assure adequate supplies of these fuels without harm to the environment."

The proposed company would have rights of exploration and production to half of the amount of oil and gas offered for lease by federal land authorities.

This limitation in the Stevenson bill is consistent with the purpose of stimulating competition and stopping monopolies on either side.

The added requirement that the company shall give price, supply or delivery preference to states, political subdivisions of states, cooperatives and independent refiners highlights the discrimination directed toward municipal power and transit systems by the oil giants.

Even after this fabricated energy shortage subsides, there is every prospect of another being created any time the major oil companies want to jolt prices higher, drive small business competitor out of business, weaken antipollution health standards or pursue other irresponsible or criminal behavior. With a federal oil and gas company, such predatory moves would not be possible.

For example, if independent gas stations, fuel distributors or refiners are being squeezed through a cutoff or reduction in supplies by monopolistic tactics of the oil majors, the federal company would assure them a supply. The mere presence of such a possibility would restrain the majors from trying such tactics.

If consumers, who must pay about $24 billion more for energy this year, are slated to be gouged by another energy scare, the federal company would be there to head it off.

If the national security is imperiled by multinational oil companies which have conflicts of interest overseas, the federal oil and gas company could protect the interests of Americans here at home.

If workers are about to be laid off due to the results of oil majors' manipulations adversely affecting other business or government employers, the federal company would assure that this would not happen.

The Stevenson-Moss bills recognize that producing some of the massive amounts of oil and gas presently on federal lands requires strict environmental safeguards.

Unlike the TVA law, enacted in the Thirties when environment was not considered an issue, these bills repeatedly emphasize the need to develop improved environmental techniques.

They also require that the company collect comprehensive and accurate information about oil and gas so that the federal government not remain at the mercy of the oil industry's assessments, as has been the case. An explicit freedom of information provision is included.

Citizens have an important stake in studying these bills, suggesting improvements and supporting Sen. Stevenson, Rep. Moss and the other co-sponsoring legislators—Senators Kennedy, Hart, McIntyre, Metcalf, McGovern, Mondale, Moss and Abourezk along with Reps. Dingell and Leggett. Write any of them for more details and a copy of S. 2506.

GAO SHOULD HAVE AUDIT AUTHORITY OVER IRS

HON. CHARLES A. VANIK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 10, 1974

Mr. VANIK. Mr. Speaker, I fear that the events of recent months have created a crisis of unprecedented dimensions in our national system of voluntary, self-assessing tax payment. I have been deeply concerned that millions of Americans, believing that taxes are avoided by a few wealthy or powerful individuals, would also begin to take deductions previously overlooked, or stretch their deductions. If large numbers of Americans move into the gray areas of the tax law, the Treasury will lose billions in revenues.

I hope I am wrong. But it is obvious that there is a crying need for a restoration of faith in the fairness and integrity of the Internal Revenue Service.

I believe that one safe yet effective step we could take immediately would be to make the IRS and the Treasury effect of its private and public rulings subject to General Accounting Office audit.

The GAO could serve as a watchdog to insure the impartiality of audits—and prevent the political use of audits.

On August 8, 1973, I asked the GAO what difficulties they presently encountered in overseeing the Service. In response, I have received a legal brief from the GAO stating the Comptroller General's opinion that the GAO already has—and should be allowed to execute—authority to audit the Service. I would like to enter in the Record at this time a copy of the Comptroller General's letter relating to IRS audits:

September 17, 1973.

Hon. Charles A. Vanik,
House of Representatives.

Dear Mr. Vanik: Your letter to us received on August 8, 1973, refers to the difficulties which the General Accounting Office (GAO) has encountered in seeking to audit and review the activities of the Internal Revenue Service (IRS), and requests that we provide information concerning the position of IRS in this matter.

Over the years, GAO has encountered consistent refusal on the part of IRS to afford us access to its records in connection with our efforts to review that agency's administration of the Internal Revenue laws. As indicated hereinafter, IRS takes the position that no matter involving its administration of the Internal Revenue laws is directly subject to the audit authority of our Office. Consequently, our involvement in this area has been limited to undertaking reviews at the request of the Joint Committee on Internal Revenue Taxation. For example, on August 9, 1973, we issued a report to the Joint Committee on IRS collection of taxpayers' delinquent accounts, B-137762.

The longstanding refusal by IRS to permit our direct review of administration of the Internal Revenue laws has been the subject of an ongoing dialogue and exchange of correspondence between our Office and IRS. The respective legal positions of IRS and our Office are essentially as follows:

Under the provisions of 26 U.S.C. 6103 tax returns are open to inspection only on order of the President and under rules and regulations prescribed by the Secretary of the Treasury or his delegate and approved by the President. Existing regulations applicable to our Office, 26 CFR 301.6103(a)-1(b)(f), provide that the inspection of a return "in connection with some matter officially before" the head of an establishment of the Federal Government may be permitted in the discretion of the Secretary or Commissioner upon written application of the head of the establishment.

It is the position of IRS that no matter involving the administration of the Internal Revenue laws, as distinguished from general housekeeping details and individual tax information related to an audit or investigation of activities of another department, can be "officially before" the General Accounting Office because:

1. The administration and enforcement of tax laws have been placed by law in the IRS and, citing 26 U.S.C. 6406, the findings of fact and the decisions of the Secretary or his delegate on the merits of any claim presented under the Internal Revenue laws or interest on credits or refunds shall not be subject to review by any other administrative or accounting officer, employee or agent of the Government;

2. The Congress, citing 26 U.S.C. 8001 *et seq.*, has given to the Joint Committee on Internal Revenue Taxation rather than the General Accounting Office the supervisory review of the administration of the revenue laws; and,

3. The General Accounting Office does not have authority to analyze management discretion in the collection of revenue.

With regard to the arguments made by IRS, it is conceded that we have no settlement authority over income tax claims and findings of fact relating to such claims. While section 7 of the act of July 31, 1894, 28 Stat. 206, 31 U.S.C. 71 requires GAO to receive and examine all accounts relating to the internal revenue, this provision does not apply to tax claims because under 26 U.S.C. 6406 the findings of fact and decisions on claims under the Internal Revenue Code are specifically exempted from review by an administrative or accounting officer of the United States.

However, in conducting an audit of IRS we would be concerned with audit not settlement authority. Our authority to audit, as distinguished from our authority to settle claims and accounts is clearly set forth in the law and it is this audit authority upon which we rely. Section 312 of the Budget and Accounting Act, 1921, 31 U.S.C. 53 provides that the Comptroller General shall investigate all matters relating to the receipt, disbursement, and application of public funds, and section 117a of the Budget and Accounting Procedures Act of 1950, 31 U.S.C. 67 reaffirms this authority to review receipts and expenditures with the added authority for the Comptroller General to determine the principles and procedures to be used in conducting such audits.

In addition section 111(d) of the Budget and Accounting Procedures Act of 1950, 31 U.S.C. 65(d) specifically provides that—

"The auditing for the Government, conducted by the Comptroller General of the United States as an agent of the Congress be directed at determining the extent to which accounting and related financial reporting fulfill the purposes specified, financial transactions have been consummated in accordance with laws, regulations or other legal requirements, and *adequate internal financial control over operations is exercised,* and afford an effective basis for the settlement of accounts of accountable officers." (Italic supplied.)

It is important to note that the audits under 31 U.S.C. 53 and 67 are for the purpose of reporting to Congress rather than for settlement or disallowance. In this regard, we audit and report to Congress on many Government activities which are financed by appropriated monies notwithstanding the fact that final settlement authority is lodged with the agency audited. Examples include our audit and report on certain activities of the Veterans Administration, the Department of Health, Education, and Welfare, the Atomic Energy Commission, the Railroad Retirement Board and the Government corporations.

The purpose of any GAO audit of IRS would be to ascertain and report to the Congress on the use by IRS of appropriated funds in its tax collection efforts. This would in no way involve review of tax claims and decisions with a view to set aside or change decisions which under the law are final when made by IRS. Similarly, such an audit of IRS would not entail any supervision of the procedures followed in making tax determinations. This is not to say that our audit reports would not advise the Congress, if necessary of weaknesses in procedures followed but we would not actually supervise these procedures. Therefore, the 26 U.S.C. 6406 authority of IRS over tax determinations does not in any way preclude audits of IRS under 31 U.S.C. 53, 67.

The argument is made by IRS that the Congress has given the Joint Committee on Internal Revenue Taxation rather than GAO the supervisory review of the administration of the revenue laws. The Joint Committee was established by the Revenue Act of 1926, 26 U.S.C. 8001–8023, and its statutory functions include the investigation of the administration of taxes by IRS and the investigation of measures and methods looking forward toward simplification of the tax law. We perceive no basis for the argument that the establishment of the Joint Committee preempted the field in the review of IRS. Certainly the law does not specifically indicate such preemption and parenthetically it has never been argued that the legislative oversight of the departments by the standing Committees of the Congress precludes GAO review of the activities of such departments.

Thirdly, it is argued that GAO does not have authority to analyze the exercise of management discretion in the collection of revenue. Much is made over the fact that when enacted section 206 of the Legislative Reorganization Act, 31 U.S.C. 60, provided for a GAO "expenditure analysis" rather than an "administration management analysis" that was provided for in the Senate-passed version of the bill. It is clear that the language enacted is designed to broaden GAO review and it does not in any manner preclude GAO audit of IRS.

The language of 31 U.S.C. 67 provides that "Except as otherwise specifically provided by law" the financial transactions of the agencies shall be audited by GAO in accordance with such principles and procedures and under such rules and regulations as may be prescribed by the Comptroller General. The only specific exception provided by law which applies to IRS is 26 U.S.C. 6406, which makes the findings of fact and decision on claims under revenue laws exempt from GAO review. It is therefore our position that except for the restrictions of 26 U.S.C. 6406, GAO has authority to conduct audits of IRS. As already pointed out a GAO audit would not concern itself with the matters covered by 26 U.S.C. 6406. Accordingly, it is our view that we have authority to do management-type audits of IRS.

In summary, it is our view that 26 U.S.C. 6103 does not require IRS to deny us access to tax returns and that the reasons accepted by IRS for allowing certain agencies access under the regulations found at 26 CFR 301.6103(a)-100-109 have particular validity as a basis for allowing GAO access. In fact, IRS even permits us to have access to the tax returns we need to see in connection with any other audits we perform.

Sincerely yours,

ELMER B. STAATS,
Comptroller General
of the United States.

HOUSE OF REPRESENTATIVES—*Thursday, April 11, 1974*

The House met at 12 o'clock noon.

The Reverend Father Joseph F. Thorning, D.D., Ph. D., honorary professor of sociology, economics, and international relations, Pontifical University of Chile, offered the following prayer:

Heavenly Father, Author of light and of love, let the light of Thy countenance shine brightly upon the Speaker of this House and upon all the distinguished members of legislative bodies throughout the Western Hemisphere, including Canada.

Grant a special blessing, we beseech Thee, upon the President of the United States of America and upon the chief executives of the American Republics that their programs of partnership may be fruitful.

Almighty God, we pray that, as a result of brotherly love and cooperation, this inter-American partnership program may bring better education, improved housing, more robust health, and nutritious food to the peoples of the Western Hemisphere, including the divine blessings of free elections to the noble people of all races and religions in Cuba.

Vouchsafe, moreover, dear Saviour, that a fair distribution of rewards for labor and prayer may be granted, not only to the owners and managers of farms, factories, banks, and merchandising centers, but also to the conscientious, hardworking producers of copper, fruits, grains, sugar, coffee, long and short staple cotton, cattle, poultry, fibers, and other forest products, petroleum in all its myriad forms, hydroelectric energy, thermonuclear force, particularly for peaceable, constructive purposes, and such therapeutic creations that may be helpful to human beings of all ages. And, do not overlook, beloved Christ of the Andes, the fishermen who go down to the sea in ships like Paul and Silas as of old, their wives and their children who want to see them again.

It is with humility and thankfulness and a deep sense of responsibility that we seek these divine graces and favors on the 30th official celebration of Pan

American Day with our leaders in this body today. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H.R. 12109. An act to amend the District of Columbia Self-Government and Governmental Reorganization Act to clarify the provision relating to the referendum on the issue of the advisory neighborhood councils.

The message also announced that the Senate had passed bills and a concurrent resolution of the following titles, in which the concurrence of the House is requested:

S. 3062. An act entitled the "Disaster Relief Act Amendments of 1974";

S. 3304. An act to authorize the Secretary of State or such officer as he may designate to conclude an agreement with the People's Republic of China for indemnification for any loss or damage to objects in the "Exhibition of the Archeological Finds of the People's Republic of China" while in the possession of the Government of the United States; and

S. Con. Res. 81. Concurrent resolution relating to unaccounted for personnel captured, killed, or missing during the Indochina conflict.

THE REVEREND FATHER JOSEPH F. THORNING

(Mr. BYRON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BYRON. Mr. Speaker, it gives me great pleasure to welcome back the Reverend Father Joseph Thorning on the occasion of his annual visit with us to mark the observance of Pan American Day. Since Father Thorning is a distinguished citizen of the world and a resident of the district I represent, I am especially proud to be associated with him and his well-known work throughout the Western Hemisphere. I will not recite Father Thorning's work or his many activities on behalf of our Latin American neighbors. There are few people today who can be described as men of the world and men of letters in the same breath. Father Thorning is one of these men, a genre more associated with times past than the 20th century. And yet "El Padre" is a man of the modern world who is cognizant of the events of the day throughout the hemisphere and is eminently qualified to analyze them in depth for us laymen. These are rare and unique gifts.

Mr. Speaker, this day marks a long association over many years with the Republics of America and Father Thorning. I always look forward to this day and the opportunity of visiting with Father Thorning, one of our Republic's most distinguished citizens.

PURCHASE OF VICE-PRESIDENTIAL PAPERS OF RICHARD M. NIXON

(Mr. PASSMAN asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. PASSMAN. Mr. Speaker, following up on my statement of yesterday, this is an addition. This is the telegram which I sent on April 11, 1974, to the Honorable Richard M. Nixon, President, the White House, Washington, D.C.:

APRIL 11, 1974.

Hon. RICHARD M. NIXON,
The President,
The White House,
Washington, D.C.:

Reference information furnished in my telegram of April 9, 1974, relative to a prominent citizen of the Fifth Congressional District of Louisiana desiring to purchase your Vice Presidential papers for One Million Dollars, the matter is now much firmer. Honorable Gordon E. Dore of Crowley, Louisiana, Member of the Louisiana State University Board of Directors is one of the prime movers in the effort to obtain your Vice Presidential papers. They are desirous of meeting with your representative at an early date to discuss the matter. The papers will be used for publication, a book, and finally will be turned over to the Louisiana State University with a Richard M. Nixon Library addition. May I hear from you, sir, so that your comments may be conveyed to these Louisiana businessmen.

Respectfully,

OTTO E. PASSMAN,
Member of Congress, Fifth District, Louisiana.

The firm offer, Mr. Speaker, is $1 million for the Vice-Presidential papers.

IN DEFENSE OF WAYNE HAYS

(Mr. WAGGONNER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WAGGONNER. Mr. Speaker, you know there always seems to be someone in the Congress that becomes the target of abuse; this time it looks like the gentleman from Ohio, WAYNE HAYS, is the one chosen to be picked on.

Knowing WAYNE as I do, you can bet one thing—they could not have picked a tougher opponent. WAYNE is equal to the fight.

Say what you will about WAYNE HAYS, I cannot help but think that he must be doing something right because it is for darn sure he has got the right people squealing. Anyone that has Common Cause blasting them, cannot be all bad.

There will be some, to be sure, who will kick WAYNE HAYS. But the House owes the distinguished chairman of the House Administration Committee more than it can repay, and you can be certain that his friends—and there are many—will be standing firm. As for me, Mr. Speaker, let the record show I am and will continue to count myself as his friend and will stand with him.

REMARKS ON MEAT PRICES BY THE HONORABLE JOSEPH P. VIGORITO, 24TH DISTRICT OF PENNSYLVANIA

(Mr. VIGORITO asked and was given permission to address the House for 1 minute, to revise and extend his remarks.)

Mr. VIGORITO. Mr. Speaker, as chairman of the House Agriculture Subcommittee on Domestic Marketing and Consumer Relations, I would like to briefly report on the hearings I held recently on meat prices.

I initially sought spokesmen from all segments of the meat industry to explain why there were such large net increases in beef prices between January and December 1973, while at the same time beef steers actually were selling for less in December 1973 than in January of the same year.

During the course of the hearings, my subcommittee received testimony from cattlemen, feedlot operators, feed grain dealers, and consumer groups. Conspicuous by their absence were the middlemen, meatpackers, and retail food store representatives. Witness after witness described the losses cattlemen and cattle feeders have been taking since last September; to the tune of about $3.5 billion.

While a segment of the meat industry appeared in force to tell of their woes, the middlemen and retailers never showed up to defend accusations that the prices they received recently for meat were excessive.

Today I would like to repeat my statement made at the subcommittee hearings, that I will again hold meat price hearings later this year to determine who has profited by the rapid increases in the price of meat. At those hearings, I specifically want the testimony of the middlemen and retailers of the meat industry.

I am confident that the food chains and meatpackers will have the presence of mind to come and tell their side of the story so that the committee can hear the whole truth on meat prices and then decide what action is needed to alleviate the problem.

WAYNE HAYS AN ABLE FIGHTER

(Mr. SIKES asked and was given permission to address the House for 1 minute, to revise and extend his remarks, and include extraneous matter.)

Mr. SIKES. Mr. Speaker, our distinguished colleague, WAYNE HAYS, is a very unusual man. He possesses an abundance of courage and doesn't hesitate to use it where needed, even though sensitive toes may get stepped on. This is reflected in the voluminous news coverage which he has recently received.

It is a little hard to determine whether this is intended to be laudatory. Some of it is, some of it is not. It is like walking in the forest and seeing something you cannot quite make out. You poke it with a stick to see if it bites before you pick it up.

WAYNE HAYS deserves laudatory comments from whatever source. He has done more than anyone else in years toward putting the fiscal house of the

Congress in order. That is no small undertaking. In this effort he needs more help and less criticism. Let us be glad we have an able fighter like WAYNE HAYS in the Congress.

FATHER THORNING

(Mr. POAGE asked and was given permission to address the House for 1 minute.)

Mr. POAGE. Mr. Speaker, I simply want to take note of the fact that Father Thorning delivered the invocation this morning. He is not a citizen of Texas; I wish he were; but he is well known in our State. He has for many years contributed greatly to the development of our rural areas in America and all over the world.

Father Thorning is one of the individuals who finds something to do and does it and does it well wherever he goes. I am happy to say that he has devoted his very considerable abilities to help the rural people of the world in such a fine way. I am delighted that he could be with us.

ADVICE TO THE PRESIDENT

(Mr. PEYSER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PEYSER. Mr. Speaker, I have stated on many occasions since the impeachment question has been under investigation by the House Judiciary Committee that I will not prejudge the President nor will I indicate whether I think an impeachable crime has been committed until the Judiciary Committee makes its report to the Congress. However, I feel it is of the utmost importance that the President realize that many Republicans, not just those on the Judiciary Committee, want and, in fact, are demanding that he release the tapes and other requested information to the committee.

The President has said on a number of occasions that "dragging out the impeachment procedure drags down America."

I agree.

Mr. President, give up the tapes and trust the members of the Judiciary Committee to protect the interests of our country. They too are as are all Members of Congress sworn to uphold and protect the Constitution of the United States.

I know you believe in our system of government. I am urging you to tell your lawyers not to continue to challenge it.

PERMISSION FOR COMMITTEE ON SCIENCE AND ASTRONAUTICS TO HAVE UNTIL MIDNIGHT MONDAY, APRIL 15, TO FILE A REPORT ON H.R. 13999, AUTHORIZING APPROPRIATIONS FOR NATIONAL SCIENCE FOUNDATION

Mr. McFALL. Mr. Speaker, I ask unanimous consent that the Committee on Science and Astronautics may have until midnight, Monday, April 15, 1974, to file a report on H.R. 13999, to authorize appropriations for the National Science Foundation.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

STATEMENT ON WAGE AND PRICE CONTROLS

(Mr. STEIGER of Arizona asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. STEIGER of Arizona. Mr. Speaker, with inflation rising at a growing clip, and more and more consumer goods becoming in short supply, it is more obvious than ever that wage and price controls ought to be scrapped.

Not only have they not helped curb inflation as they were supposed to do, but in many cases they have spurred it on. And the cost to the taxpayer for administration of this unworkable program from August 1971 to the present is nearly $200 million.

Not only is inflation still running rampant since wage and price controls began, but we are also facing acute shortages of many consumer items because when a producer is told he cannot raise prices, he stops producing low-profit items or he stockpiles them.

In a recent survey of my constituents, I received nearly 17,000 replies. I cannot begin to tell you how many hundreds of respondents cited shortages of such basic consumer goods as toilet paper, raisins, almonds, cranberries, cereal products, aluminum, and building materials. Many of these shortages can be attributed directly to wage and price controls.

I believe in a free economy. The American economy will fare much better under the free enterprise system and the law of supply and demand. We know from this program that a partially controlled economy cannot work. Only a free functioning economy can solve the economic problems we are faced with today.

IMPEACHMENT INQUIRY A PARTISAN MATTER

(Mr. HOGAN asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. HOGAN. Mr. Speaker, if there was any doubt that the impeachment inquiry was a partisan matter, that doubt was resolved this morning in the meeting of the House Committee on the Judiciary. Previous to the meeting a Democratic caucus of the members of the committee was held, and everything was agreed as to what would happen during the official Judiciary meeting, and so far everything has run on schedule, as all good railroads should. All our votes this morning were by a virtual partisan vote.

This may be hard for the Members of the House to believe, but this morning we had 30 minutes, 1 minute per member, to debate one of the most important constitutional questions ever facing the Republic, a question which goes to the very heart of the separation of powers. That question is the subpenaing of papers and materials from the President of the United States. We had 1 minute of debate per member. At the same time we were supposed to read and digest a complex, 12-page legal memorandum of justification for the subpena which had been handed to us for the first time at the meeting.

No wonder the American people have such a low regard of Congress when we do things with so little consideration. And why? Because we have to go on our Easter recess today.

IMPEACHMENT PROCEEDINGS AN INQUISITION

(Mr. DEVINE asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. DEVINE. Mr. Speaker, following up on the remarks of the gentleman from Maryland (Mr. HOGAN) having to do with the activities of the Committee on the Judiciary today, I think before we go on our Easter recess we should all know that yesterday afternoon in the House Subcommittee on Accounts of the Committee on House Administration that the impeachment inquiry committee was granted, by a partisan vote, I should say, $733,000 more money to add to the $1 million we have already given them to conduct the impeachment inquiry. The additional $733,000 is supposed to last them until June 30.

And it is interesting to observe, during the hearing, I asked Chairman RODINO if the White House would turn over all the tapes requested, whether that would satisfy his committee. He responded that it would not, and that they would ask for yet more material. Mr. Speaker, this whole stable full of lawyers are more interested in perpetuating the inquiry into a career, rather than coming to a conclusion based on the thousands of pieces of evidence already in their custody.

CALL OF THE HOUSE

Mr. RONCALLO of New York. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McFALL. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 166]

Abzug
Addabbo
Anderson, Ill.
Arends
Ashbrook
Ashley
Badillo
Barrett
Bevill
Biaggi
Boland
Bolling
Bowen
Brasco
Broomfield
Broyhill, Va.

Burke, Calif.
Carey, N.Y.
Carter
Chisholm
Clark
Clay
Collier
Conlan
Conte
Conyers
Corman
Cotter
Danielson
de la Garza
Dellums
Derwinski

Diggs
Dingell
Dorn
Drinan
Dulski
Esch
Fascell
Flynt
Ford
Frelinghuysen
Frey
Fulton
Giaimo
Gibbons
Ginn
Gray

Griffiths
Gubser
Hanley
Hanna
Harrington
Hébert
Helstoski
Holifield
Jones, Ala.
Jones, Okla.
Karth
Kazen
Landrum
Lehman
Long, La.
McDade
McEwen
Macdonald
Martin, Nebr.
Mathis, Ga.
Meeds
Minshall, Ohio
Mizell
Murphy, N.Y.
Nichols
O'Hara
O'Neill
Patman
Patten
Pepper
Pickle
Podell
Powell, Ohio
Price, Ill.
Quillen
Reid
Riegle
Roe
Rooney, N.Y.
Rose
Shipley
Stanton, J. William
Stanton, James V.
Steiger, Wis.
Stuckey
Sullivan
Teague
Thompson, N.J.
Tiernan
Towell, Nev.
Udall
Wiggins
Williams
Wilson, Charles, Tex.
Wolff
Wydler
Zablocki

The SPEAKER. On this rollcall 327 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

COMMODITY FUTURES TRADING COMMISSION ACT OF 1974

Mr. POAGE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 13113) to amend the Commodity Exchange Act to strengthen the regulation of futures trading, to bring all agricultural and other commodities traded on exchanges under regulation, and for other purposes.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the Committee resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 13113, with Mr. HAWKINS in the chair

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Texas (Mr. POAGE) will be recognized for 1 hour, and the gentleman from Virginia (Mr. WAMPLER) will be recognized for 1 hour.

The Chair now recognizes the gentleman from Texas (Mr. POAGE).

Mr. POAGE. Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, H.R. 13113 is major legislation strengthening the Federal law regulating commodity futures exchanges and futures trading.

Futures trading is a very technical and volatile industry and one that affects the entire food and agricultural chain strongly.

A futures contract is a standardized agreement to either buy or sell commodities at some time in the future. The price and quality of the commodity are fixed. Because the contract is standardized, it can be liquidated by offset provided the offsetting transaction takes place on an exchange.

The commodity trading industry itself is old, dating back to the early 1700's in this country, although futures trading did not start here until about 1860. Since 1922 it has been regulated on a limited basis by an agency in the Department of Agriculture—the Commodity Exchange Authority under the Secretary of Agriculture. This is a small agency with about 180 employees.

Last September, I and several other members of the committee began taking an informal look at the practices and regulation of the industry. In some informal meetings we had with the Federal regulators, exchange officials, users and farm groups we found that everyone had some complaints about the present law. They were not all the same complaints and there were a number of different views toward what should be done to make the law better—but there was general agreement that wholesale changes were necessary.

As a result of these meetings the committee staff drew up several different proposals as to proposed amendments to the present CEA Act. Without endorsing any of these proposals, the committee held 2 weeks of hearings in October and received testimony from a broad group of witnesses. Following that I appointed a special ad hoc subcommittee, chaired by Mr. STUBBLEFIELD, which met over a space of 2 months to write a bill which was introduced December 13.

This bill, H.R. 11955, was again the subject of 2 weeks of hearings before the committee the latter part of January. Through February and up into the first week of March, the committee met in open markup sessions and adopted about 50 amendments which were then incorporated into a clean bill, H.R. 13113. It provides the first complete overhaul of Federal regulation of commodity futures markets since 1922.

Between 80–90 percent of all futures traded are agricultural commodities. However, not all commodity futures are regulated and the ones that are, are named specifically in the present act. Federal regulation on trading of these regulated futures is based on a system of weak Federal regulation with the exchanges also responsible for enforcing their own rules to keep down manipulation, price gouging, cheating of customers.

I should point out here there is a great deal of confusion about the relationship between the securities industry and the futures industry. Some people view them as identical. In fact, they are only alike in two major respects: trading on both securities and futures takes place on exchanges and both involve investment activities by investors seeking to profit from the market in a given security or future.

That is about where the similarity ends. Commodity exchanges are much older institutions than securities exchanges. Transactions in securities normally involve an element of ownership in a corporation, but a future is a contract right terminable at a time certain. While we speak of margins with both institutions, they are totally different in concept. A margin in a security is essentially regulated by the Federal Government as an extension of credit, but a margin in a futures contract is a guarantee of performance. A futures trader is liable for margin calls during the life of the contract, based on the value of the contract.

Futures exchanges were set up to facilitate hedging. That is, to enable people such as a miller or elevator operator to smooth out their price risk in owning agricultural commodities which are subject to seasonal production problems as well as floods, dust storms, and hail—all of which affect the price at any given time of the year. This is and remains the major reason for the existence of commodity exchanges, and the justification for allowing speculation is that it provides the necessary liquidity to any market which insures that whenever a miller, for example, wants to buy or sell a futures contract there are investors willing to speculate on the opposite side. The whole process works to lower the cost of doing business in agriculture and other commodities traded as futures and one result is cheaper prices to consumers.

This theory works out pretty well in practice. However, as the committee found during its investigation and hearings, there are a number of problems facing the industry.

Futures trading is growing by leaps and bounds. The most recent data shows futures trading is over half a trillion dollars in terms of dollar amounts represented by the contracts traded. This is not a totally accurate picture since only 3 percent of those contracts actually result in delivery of the physical commodity. Still—by this comparison—the industry is approaching twice the size of the securities industry which last year amounted to some $300 billion. Because of the way the present law is written, futures traded in several exchanges are simply unregulated by either Federal or State law, and the volume of trading in these nonregulated futures has nearly quadrupled the last 5 years. During this period, CEA actually declined in total number of employees and its internal bureaucracy is such that it is simply unable to move fast enough or effectively enough under the present act and with its present powers to insure that there has been no market manipulation or other practices that conflict with the public interest.

Regulation by the exchanges is also not working as well as it should, and partly as a result of technicalities of present law the exchanges may be cutting back on their self-regulatory activities when they should be increasing their efforts in today's markets. In the nonregulated commodities there has been an opportunity for confidence games and fly-by-night operations to take unsophisticated investors into phony investment schemes. One firm took $71 million of its customer's money with it when it collapsed last year.

However, some of the problems the public has heard stated as a reason for more regulation are not the result of problems of the law but of the simple economic fact that we no longer have Government surpluses of grains and other commodities. Thus, the markets no longer have reserves to level out prices. This often leads to wide price swings.

This bill seeks to answer legitimate problems where the present law is deficient, and the committee has also tried to deal with the possible problems on the immediate horizon. To remedy the defects of inedaquate regulation, H.R. 13113 establishes an independent commission consisting of the Secretary of Agriculture and four members appointed from the general public on a bipartisan basis. Any of the Commissioners, including the Secretary, could be Chairman of the Commission subject to the consent of the Senate. The Commission would have its own budget, own legal staff, and administrative law judges. It would have new powers—some of which are similar to powers the SEC already has put tailored to the more volatile futures markets. The Commission would have injunctive authority, authority to obtain administrative fines up to $100,000, ability to designate multiple delivery points, authority to regulate brokers trading for their own accounts and customers and authority over contract market rules on a day-to-day basis as well as direct emergency situations. The bill authorizes the establishment of an association of commodity dealers or persons registered under the act similar to NASD in the securities industry. It brings all commodity futures under Federal regulation, sets up new customer protection features, and makes all exchanges responsible to the public.

At this point in the Record I would like to have an informal summary of the bill inserted, which is also available in the committee report:

Summary of the Major Provisions of H.R. 13113, a Bill To Amend the Commodity Exchange Act

The bill is drafted in the form of amendments to the Commodity Exchange Act (7 U.S.C. 1 *et seq.*) and contains four titles.

Title I creates a new five man regulatory commission with certain administrative ties to the Department of Agriculture to be called the "Commodity Futures Trading Commission"—consisting of four public members and the Secretary of Agriculture or his designee. The four public members of the Commission will be appointed by the President from the general public and confirmed by the Senate. Any of the five members of the Commission can be separately nominated by the President as Chairman of the Commission, although such nomination would be subject to separate Senate approval. No more than two of the public members shall be of the same political party. The public members will be appointed for staggered five-year terms and will be compensated at Executive Level IV on a per diem basis for the time they spend in the performance of their official activities. Commission members and staff of the Commission are prohibited from participating directly or indirectly in any market operation or transaction subject to regulation by the Commission. The Commission will be allowed to utilize the facilities and services of the Department of Agriculture, at cost, including adequate office space if available. The Commission will be required to meet as often as necessary but not less than one regular meeting per month. Additional meetings may be called by the Chairman or any two members of the Commission.

All existing authority under the Commodity Exchange Act presently delegated to the Secretary of Agriculture and the Commodity Exchange Commission will be transferred to the new CFTC. All existing personnel of the CEA will be transferred to and become employees of the CFTC. Provision is made for a Secretary to the Commission, who will be responsible directly to the Commission members. The CFTC is authorized to hire consultants and to contract on its own authority with respect to matters necessary to effectuate the purposes and provisions of the Act. Certain responsibilities of the Commission may be delegated to CFTC staff, including an Executive Director who will perform the day to day functions of the operation of the Commission under the direction of the members of the Commission. In addition, the Commission will have its own General Counsel and legal staff as well as independent budgeting capability and its own Administrative Law Judges. Commission budgets are to be independent products of the Commission (subject to OMB) but will be forwarded to the Secretary of Agriculture for transmittal purposes only in the Department of Agriculture's budget requests. Provision is made for GAO access to books and records of the Commission.

A customer reparation proceeding before the Commission will be authorized one year after date of enactment of the Act for handling customer complaints which arise from violations of the Act, particularly those which result in monetary damages to the customer. The Commission will have original jurisdiction to consider all such complaints which have not been resolved through the informal settlement procedure required of the contract markets and registered futures associations under the bill. Formal hearings will be held in those cases involving amounts in controversy which exceed $2,500 and will be in accordance with the Administrative Procedure Act. Initially, complaints would be considered by an Administrative Law Judge and then reviewed by the Commission before a final order is entered. A special judicial review of Commission decisions will be established for these proceedings which will allow either party adversely affected to appeal to the U.S. District Court.

The Commission will be directed to take into consideration the public interest designed to be protected by the antitrust laws of the United States before issuing any order, rule or regulation under the Act and before requiring or approving any bylaw, rule, regulation or resolution of a contract market or registered futures association.

Title II provides broad new authority to the new Commission over futures trading in a number of areas. All commodities trading in futures will be brought within federal regulation under the aegis of the new Commission, however, provision is made for preservation of Securities Exchange Commission jurisdiction in those areas traditionally regulated by it. "Commodity Trading Advisors" and "Commodity Pool Operators" will be brought within the purview of the Act and will be required to register with the Commission annually. Whether trading by floor brokers and futures commission merchants for their own accounts and at the same time trading for their customers will be allowed will be determined by the Commission after a hearing within six months after enactment and if allowed, the circumstances under which it shall be conducted will be determined by the Commission. The existing registration and examination for fitness requirement will be expanded to include all individuals handling customer accounts. Contract markets will be required to demonstrate that the futures contracts for the commodities for which they are designated or seek designation serve an economic purpose. The Commission will be given authority to require contract markets, after hearing and comments procedure and after giving the contract market 60 days to suggest changes, to permit delivery of the commodity at additional geographical locations if it finds that this will tend to diminish price manipulation, market congestion, or the abnormal movement of such commodity in interstate commerce. Contract markets will be required to establish their own customer claims settlement procedures complementing the Commission's procedures for the handling of customer complaints which involve claims up to $5,000 and which will result in a voluntary informal settlement between the parties. Contract markets will be required to submit their bylaws, rules, regulations or resolutions which relate to the terms and conditions of futures contracts or other trading requirements to the Commission for its approval or disapproval. The Commission will be given authority through the Attorney General to seek injunctions to stop any person from violating the Act or regulations thereunder and to stop any trader from controlling a commodity futures contract to the extent that he is effectively restraining trading in such contract but no injunction or mandamus will be issued *ex parte*. The Commission will have authority to impose monetary penalties up to $100,000 in both administrative and criminal proceedings for violations of the Act. The Commission will be authorized to require a contract market, after notice and hearing, to effectuate changes in its rules and practices which the Commission determines to be necessary for the protection of the public interest. The Commission will have authority to promulgate special rules and regulations for persons registered under the Act but who are not members of a contract market which may reasonably be required to protect the public interest. The Commission will have special emergency authority to direct contract markets to take such actions as it may deem necessary in "market emergency" situations, such as war, price controls, export embargoes, or significant intervention of a foreign government in the futures market, in order to facilitate the orderly trading in or liquidation of any futures contract.

Title III provides enabling authority at the discretion of the Commission for persons registered under the Act and in the commodity trading business to establish a voluntary futures association or associations which would have authority to regulate the practices of its members in the public interest. Such an association would register with the Commission and establish a uniform code of professional conduct for those in the commodities business and have disciplinary authority over its members. It would also be required to establish a procedure for the settlement of claims and complaints against its members similar to that required of contract markets. Association rules and actions would be subject to review by the new Commission. Association activity would serve solely as a complement rather than a displacement to the authority of the new Commission.

Title IV makes it a felony for Commissioners, employees, or agents of the Commission to participate, directly or indirectly, in any transaction in either futures, options, or an actual commodity and it also makes it a felony for these same people to impart confidential information to others for the purpose of assisting them in participating in such transactions. The bill continues the ban on trading in options in commodities now subject to CEA regulation, and prohibits options trading contrary to rule or regulation of CFTC with respect to all other commodity futures, i.e., those being brought under regulation for the first time by the bill. "Arbitrage" is added to discretionary authority of CFTC to allow exceeding speculative limit, and is defined to mean the same as a "spread" or "straddle." The "mechanical" test of hedging in present law is repealed and the Commission is given new latitude to define legitimate hedging, including anticipatory hedging for processor.

The "crossing of trades" authority is expanded to include all commodities, and provides authority over such transactions to CFTC. A new requirement is added to the present Act that U.S. standards be specifically adopted by the Commission. The final provisions prescribe the manner of transfer of authority, organization of the new Commission, and the effective date.

Mr. Chairman, I will not detail here all the additional considerations that have led us to recommend a bill proposing these major changes to the present law. Instead, I refer the member to the comprehensive committee report on the bill which points out, in 20 pages, the disturbing situation facing the industry and the Government under present law. I would also like to add, that we have not seeked to exploit the industry by offering stories of some of the shadier practices that are allowed under present law. However, they exist, or I would not be here before you today. The committee has, together with responsible leaders of the industry, tried to take the "high road" in addressing the problems of the industry, and in drafting and seeking passage of this bill. Some members apparently feel that this indicates that the bill is an overreaction to small problems. I assure the members that this is not the case. Although I have spoken of answering the larger problems, questions of shady practices allowed in some situations under the present act are also dealt with under the bill.

In addition to its regulatory function, the committee envisions that the CFTC created under the bill will also be able to provide a small amount of positive assistance to the Government in ascertaining the desirability of encouraging futures trading in some limited areas where it is not now practiced—such as the possibility of setting up contracts or separate exchanges with regard to trading crude oil or its derivatives.

Our estimate of the costs involved in the bill are in the neighborhood of $5 million a year. Last year, the public lost over $100 million in the failure of one nonregulated firm, alone, which was vending naked options. The assurance this bill provides to producers, consumers, traders, and businessmen of sound pricing which is the basis of legitimate hedging of appropriate cash risks, makes this cost a small one in comparison to the benefits provided.

Mr. Chairman, the committee has subjected this bill to as intensive a study over the past 8 months as I can recall. It deserves the support of everyone concerned with providing a strong responsible futures trading industry, just as it has the support of the administration, much of the industry, and every major farm organization who has announced a position on the bill. It has bipartisan sponsorship. I predict the bill will live up to its billing by some as one of the most important bills the committee has reported in recent years.

Mr. WAMPLER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in support of H.R. 13113, the "Commodity Futures Trading Commission Act of 1974."

This bill is designed to reform and strengthen the laws which provide for Federal regulation of the Nation's half-trillion-dollar annual commodity futures trading industry. The Agriculture Committee held extensive hearings on this subject last fall and again early this year. During the course of these hearings, it became evident that certain changes were necessary in the present regulatory structure. The bill before us today seeks to make those necessary changes by creating a Commodity Futures Trading Commission—CFTC—replacing the present regulatory agency within the Department of Agriculture—the Commodity Exchange Authority.

As this legislation has been developed, I have been concerned that we may be going too far in interfering with a major portion of a market system that has served agricultural interests well for many years. As the bill progressed in committee, however, many changes were made in it, and by and large I now feel this bill will be beneficial to farmers, consumers, and the commodity futures industry.

The five-member regulatory Commission would consist of the Secretary of Agriculture and four public members selected on a bipartisan basis. The public members would be appointed by the President, subject to the advice and consent of the other body. Although any one of the five members, including the Secretary, would be nominated by the President as Chairman, the nomination as Chairman would be subject to separate confirmation by the Senate.

It is envisioned by the committee that the new Commission will have many advantages over the present system of regulation. For example, the Commission will have the independence required to operate effectively, but will at the same time still be located within the Department of Agriculture. Thus, it will be able to utilize existing physical facilities and maintain a close working relationship with other agencies of the Department that it so naturally relies upon for information.

In addition to the creation of the Commission, the bill expands the coverage of the act to all potential futures contracts; provides new powers to the Commission, including injunctive authority; allows for the assessment of administrative monetary penalties for violation of the act; broadens the authority of the Commission to act in "market emergencies" including manipulation of the futures markets by foreign governments.

H.R. 13113 also gives authority to the Commission to regulate or prohibit the trading by brokers and futures commission merchants for their own accounts while they are trading for customers and to promulgate new registration requirements for employees of brokerage firms, commodity trading advisors, and commodity pool operators. Commodity exchanges would be required to establish additional delivery points if the Commission, after investigation, determined that such was necessary and the exchange failed to voluntarily take appropriate action.

These provisions that I have reviewed briefly are the major features of H.R. 13113 and represent the changes that the committee found imperative during its deliberations on the bill.

When properly implemented, this legislation can provide the basis for a stronger futures industry into the next century. Logical Federal regulation will encourage this vital industry to maintain the strength and integrity that the responsible leadership of the industry has always been striving to obtain.

Mr. POAGE. Mr. Chairman, I yield 1 minute to the gentleman from Minnesota (Mr. BERGLAND).

Mr. BERGLAND. I thank the chairman for yielding.

Mr. Chairman, I rise in strong support of this legislation. I think it will protect all users of all commodity markets and does not authorize an unwarranted intrusion into the open and honest free market structure which has served our economy so well.

Therefore I endorse this sensible proposition and urge it be approved.

Mr. WAMPLER. Mr. Chairman, I yield 10 minutes to the gentleman from Iowa (Mr. MAYNE).

Mr. MAYNE. Mr. Chairman, I rise in support of H.R. 13113, the Commodity Futures Trading Commission Act of 1974.

I certainly do not consider myself an expert on the highly complicated matter of futures trading. However, after listening to numerous expert witnesses, participating in hours of committee debate on this subject, and doing considerable reading, I have acquired a certain amount of information which I would like to share with you, and which I consider essential for one representing an agricultural district which produces some of the most important commodities involved in futures trading.

Last fall when our Committee on Agriculture first announced hearings on possible amendments to the Commodity Exchange Act, the first question which I wanted to determine was whether futures trading truly served a useful marketing function for the U.S. farmer. Some wide price fluctuations on the Nation's commodity markets had raised serious questions about their vulnerability to speculation and possible rigging with unsubstantiated charges that speculators were largely responsible for price gyrations and should therefore be barred from the markets altogether. Many farmer constituents were voicing their suspicions of futures markets with some even going so far as to suggest their complete abolition. During our committee hearings, I therefore questioned witnesses and also livestock and grain farmers in my district on the advantages as well as the alleged dangers of futures trading. I found overwhelming evidence in support of the need of futures markets as well as a more widespread usage of futures markets by my constituents than I had anticipated.

The need for future contracting stems primarily from the fact that our entire year's supply of major crops, such as corn and soybeans, is harvested in a 2- to 3-month period where as utilization occurs fairly evenly throughout the year. Farmers told me that prior to the first futures markets, they often were forced to accept badly depressed prices during the oversupply at harvest time, while in the spring and early summer, merchants who had acquired stock at those depressed prices could then sell at highly inflated prices. Now with the use of futures markets, a farmer can negotiate a firm selling price for his crop before it is harvested or even before it is planted. A county elevataor can store grain until needed without risk of a price decline. Processors can firm up the price of needed supplies months in advance and allow them to establish an eventual price of end products. This use of the futures market which is commonly called hedging allows grain and livestock producers, merchants, and processors to shift price risks to other individuals known as speculators who are willing to assume the risk. This lessening of price risk to producers and marketers leads to lower marketing margins and lower costs in moving commodities to the final user. Simply translated this means more stable prices to producers and consumers alike than in a marketing system based solely on cash transactions.

In addition to these indirect advantages for farmers from futures markets, I find that many farmers are becoming increasingly more sophisticated in the use of futures trading as a direct marketing tool for themselves. Livestock producers have advised me they had recently hedged their cattle through futures trading and as a result were able to avoid the disastrous losses many other cattle feeders are suffering in the current low fat cattle market. Grain producers are also commonly using futures contracts in marketing their grains. Extension specialists at Iowa State University have long aided farmers in becoming familiar with futures trading. They routinely advise farmers to consider hedging as one of the legitimate tools to be used for improved marketing. Farm organizations such as the American Farm Bureau also recognize the importance of futures markets. The following policy adopted by the voting delegates of all State farm bureaus demonstrates this awareness:

> Futures trading has a prominent and rightful place in our competitive market price system. Trading in commodity futures reflects a need of the market system for a means of transferring certain types of risk. It presently serves a useful purpose for a number of commodities and should be provided for additional commodities where need exists and research shows futures trading would be beneficial.

With the need for futures markets clearly established, the purpose of the legislation before us today can best be described as a means for providing the fairest possible market situation for the legitimate hedger.

Currently futures markets suffer from a lack of public confidence in the present regulatory scheme. The present regulatory activities of the Commodity Exchange Authority are inadequate to police the $400 billion futures trading industry. This is due in part to the limited authority given them under the present law as well as a lack of adequate funding and numbers of employees. These problems are compounded by the fact that many futures such as lumber, plywood, sugar, and silver are not regulated at all under the present act.

H.R. 13113 will solve a great many of the problems besetting futures markets today. As proposed, the bill replaces the present weak regulatory arm within the Department of Agriculture with a new five-man regulatory Commodity Futures Trading Commission consisting of the Secretary of Agriculture and four bipartisan public members. The Commission will have independent budget and legal staff and other personnel. The Commission will also be armed with new powers to more effectively regulate futures trading. They will have the right to seek injunctions, to assess monetary penalties, and the legal authority that will allow them to instruct markets to establish additional delivery points if the Commission determines it is necessary.

The bill also expands coverage of the act to include all commodities trading in futures.

As strongly as I disapprove of unchecked abuses which might occur from under-regulation, I must caution my colleagues not to succumb to emotionalism and ill-considered attempts to legislate against alleged abuses or problems which have been unfairly attributed to futures trading. A good deal of such emotionalism followed the sharp soybean price increases of 1972–73. Many critics of futures trading contended that the soybean price increases were due in a large part to overspeculation in soybean futures contracts. However noted exports on futures markets such as Dr. Tom Hieronymous of the University of Illinois have effectively refuted such claims. Dr. Hieronymous has demonstrated there were not overspeculation during the months of the soybean price increases. This point is borne out by market figures which show less speculative participation in the bean market during the time of the price increases than during the same period of 2 previous years.

While the speculator has been much maligned to the point where some critics of the present marketing system have tried to make "speculator" a dirty word, we must not forget that the speculator performs an important economic function in futures markets. He is, in effect, the risk bearer who assumes the risks which the hedger seeks to avoid. The speculator should not be discouraged from entering the market either due to the uncertainties of under-regulation or because of the lack of a free market due to over-regulation. There are of course bad speculators as well as good but here as in other occupations we should not let the rotten apples in the barrel poison our impression of the entire lot. H.R. 13113 will provide those regulations which are reasonably necessary to guide the activities of speculators as well as other segments of the market and no legitimate speculator or other market participant should object to its provisions.

I believe H.R. 13113 if passed will greatly help to restore public confidence in futures markets without over-regulating the markets to the point of crippling their ability to remain a strong, viable factor in the marketplace.

I urge you to vote for passage of H.R. 13113 as reported by the Agriculture Committee.

Mr. COHEN. Mr. Chairman, will the gentleman yield?

Mr. MAYNE. I yield to the gentleman from Maine.

Mr. COHEN. Mr. Chairman, I thank the gentleman for yielding.

Prior to making a few brief comments on this legislation, I would like to commend my colleagues on the Agriculture Committee for their painstaking efforts in developing reform legislation in this extremely complex, yet vitally important area. There can be no doubt that a pressing need exists to tighten and streamline the operations of the $400 billion commodity futures trading industry and, on balance, I believe that the committee has developed a responsible and comprehensive proposal to accomplish this goal. Accordingly, I intend to lend my support to H.R. 13113.

The potato industry in the State of Maine has a large stake in our efforts here this afternoon. As many of my colleagues on the Agriculture Committee are aware, for almost two decades there has been widespread sentiment within the industry that the operations of the commodity futures exchanges have worked to the detriment of the individual producer. Briefly summarized, the major points made by potato growers include:

First. Futures trading in potatoes effectively prohibits the orderly marketing of that commodity by concentrating sales in the trading months, and by influencing farmers to withhold potatoes from the market until late in the season in hopes of getting a higher price than the fresh market will yield.

Second. Perishable products such as potatoes are not adaptable to orderly futures trading. Perishable causes price volatility which in turn encourages speculation.

Third. Futures trading causes erratic price movements that do not accurately reflect true supply and demand conditions.

Fourth. Maine potatoes are essentially the only potatoes that are involved in futures trading. As a result, the industry faces extreme pricing pressure, and ends up being the pricing mechanism for the entire industry.

Fifth. Most futures contracts are national contracts that do not designate a specific geographical production area.

As several members of the Agriculture Committee will recall, the committee has received a voluminous amount of testimony on this matter and has, in fact, twice voted to support a prohibition on the trading of Irish potato futures. While it is not my intention to pursue such a course of action today by attempting to amend H.R. 13113, I do want to point out to my colleagues that the Maine potato industry continues to view the futures market as an onerous burden that inhibits the establishment and maintenance of a healthy industry. It is my profound hope that the new Commodity Futures Trading Commission created by this bill will examine this situation closely, and vigorously exercise the broad authority that this measure provides to ensure that the interests of Maine's potato producers are protected and put ahead of those of the speculators.

Specifically, I am hopeful that the Commission will conduct an extensive inquiry at the earliest practicable date to determine whether in fact futures contracts for Irish potatoes serve a useful economic purpose. In conducting this inquiry, the following factors need to be carefully examined:

The role that commodity futures markets play in affecting the price of perishable commodities not only to the producer but also to the consumer.

The impact and justification for day trading in perishable commodities.

The justification for trading a commodity with respect to a specific geographical point of production.

Mr. Chairman, the Maine potato industry seeks nothing more than stability in the marketplace and protection from excessive speculation and manipulation. We in the Congress have an overriding responsibility to provide that protection and rectify the deficiencies in the operations of the futures markets that have nurtured instability. I believe that this legislation represents an important step forward in meeting our responsibility, and I urge my colleagues to join me in supporting H.R. 13113.

I should like to ask the gentleman if it is his understanding—I am looking at page 29 of the report itself—that the Commission could not only review individual contracts but also consider the question of economic usefulness of the entire trading of that particular commodity such as potatoes, Irish potatoes? Perhaps I could direct this question through the gentleman to the Chairman.

Mr. MAYNE. I am sure the distinguished chairman would be able to give a much more comprehensive answer to this question. It is my understanding that the bill would give the Commission that scope.

I should be very happy to yield to the chairman for a further statement, if he wishes to make it.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. MAYNE. I yield to the gentleman from Texas.

Mr. POAGE. I thank the gentleman for yielding.

I think it is clear that the answer to the gentleman's question is, "yes," that this is a new contract, and that the Commission would have a right to review it and to authorize changes in it if they were requested.

Mr. COHEN. I thank the chairman.

Mr. POAGE. Mr. Chairman, I yield 1 minute to the gentleman from California (Mr. BROWN).

Mr. BROWN of California. I thank the chairman for yielding.

I have not been habitually appearing in the guise of a spokesman on agricultural matters, and I appreciate this opportunity to say a word or two about this very important bill. I went on the Agriculture Committee this session without knowing a great deal about the problems of agriculture. I have found that the opportunity to sit through hearings, such as the very extensive hearings which we had on this bill, have provided a great deal of education and enlightenment to me. I must say that I have a very high regard for the leadership of the chairman of this committee, and for the way in which the hearings on this bill were conducted. I have been generally looking at the problems of regulating the commodity futures market from the standpoint of the urban consumer and am well aware of the kinds of problems which have arisen in terms of overspeculation and manipulation of commodity prices. Extensive testimony before the Agriculture Committee revealed to me, and other members of the committee, that not only the urban consumer, but the farmer and the professional traders in the futures market, have numerous complaints about the present working of the system. There has been a vast increase in futures trading, with no commensurate increase in regulatory attention. Nonregulated commodities volume has quadrupled over the past 4 years with no Federal regulation whatsoever. This has allowed naked options trading and pyramid schemes to flourish under existing law. Customers have lost over $100 million because of inadequate policing in one firm alone. The press has reported confidence games involving nonregulated commodities and unsophisticated investors who have been fleeced of their life savings. Such events can only occur because of the inadequacy of regulatory activity over a market now twice the size, in dollar volume of trading, of the securities market, which market is regulated by a much larger and more effective regulatory body, the SEC.

Mr. Chairman, for the reasons I have given, and many others, I support this bill, not only because it will help the urban consumer, but because it is good for farmers and for the entire futures trading industry.

The CHAIRMAN. The time of the gentleman has expired.

Mr. WAMPLER. Mr. Chairman, I yield 5 minutes to the gentleman from Minnesota (Mr. ZWACH).

Mr. ZWACH. Mr. Chairman, I thank the gentleman for yielding. I will not take all of the time unless some situation develops that would endanger this bill.

Mr. Chairman, I rise in full support of H.R. 13113. Mr. Chairman, while it is weaker in some respect than I should certainly like it to be, it is a tremendous improvement and an updating that is very, very important. It is important to all of our people. It is important to my 40,000 producers who want food to move efficiently into the channels of consumption. It is important to one-half million consumers who, on the other hand, want food to move through in an efficient manner.

The markets have not had the confidence of the public. There has been a big lack of confidence because they have been in the main self-regulatory. This has not proven satisfactory. This legislation creates an impartial umpire, a commission, that will regulate and handle the public interests, the producers' interests, and the consumers' interests. This was passed in the committee by a vote of 24 to 8, which is a very substantial vote. It is an important bill and I rise in its full support and ask that it be enacted into law.

Mr. POAGE. Mr. Chairman, I yield such time as he may consume to the gentleman from Washington (Mr. ADAMS).

Mr. ADAMS. Mr. Chairman. I will today support this Commodity Futures Trading Commission Act, H.R. 13113, but I have great reservations about the bill as it now stands and I hope it will be improved before it reaches the President's desk.

I strongly believe that there should be a new, more powerful and effective Commodity Exchange Commission. I cosponsored legislation which formed the basis for today's action. The problem is that I believe that this agency should be completely independent of the Department of Agriculture.

Over the last several years, the commodity marketing system in the United States has grown faster than perhaps any other industry in this country. The volume of grain production has doubled and quadrupled, and so has demand for U.S. grain. In addition, a large percentage of this grain is moving interstate and over international transportation systems rather than moving merely from one farm to an adjoining farm.

Furthermore, the commodity exchanges have become increasingly more popular with more and more people speculating and trading in these markets. Last year, the commodities exchanges handled about $268 billion in contracts of regulated commodities, compared to $60 billion per year 10 years ago. This compares to a total of only about $200 billion for all stocks handled on the stock exchanges.

The present Commodity Exchange Authority within the Department of Agriculture is too small, too understaffed, and too poorly funded to cope with this tremendous increase in trading on the commodities markets. The agency is currently assigned regulation of 20 different exchanges, covering 20 major commodities, in a number of cities. To carry out its functions, the CEA has a staff of only about 160 employees. This small operation cannot possibly regulate $268 billion in futures trading. For example, the Security Exchange Commission has a staff of about 1,600 to regulate a market volume of less than $200 billion.

It is imperative that the Commodity Exchange operation should be expanded and given additional staff. However, staff alone is not a solution. A new Commodity Exchange Commission needs independence, it needs more legal powers, and it needs to be backed by stronger penalties for violation of the law.

Last November, I cosponsored legislation with my colleague Congressman NEAL SMITH and others to create an independent Commodity Exchange Commission. The Commission we envisioned was to be completely independent and would regulate all agricultural and other commodities trading and speculation. This new agency, like the SEC, would protect American consumers from unfair pricing arrangements for commodities. There have been some indications that traders might open speculation in the areas of home heating fuels and mortgage money and this too would be regulated. As more and more powerful special interests become involved in commodities futures speculation, it is urgent that we set up a regulatory agency that has the real power and independence necessary to exercise constant surveillance over these trading practices.

The Commodity Futures Trading Commission as it is set up in H.R. 13113 now under consideration, is still held within the Department of Agriculture. Although I recognize that at this time most of the commodities trading is in agricultural commodities, I believe that an independent regulatory agency like the SEC would be more powerful and more free to oversee the exchange markets properly because the Department of Agriculture has always been dominated by producing rather than consuming interests. In addition there is a good chance that an oil commodity market may soon be created. The Commissioners of the new agency should devote full time to this most important task and I shall support an amendment to do this. The bill now before us has a five-member Commission, of which one member is the Secretary of Agriculture who obviously has his hands full with running the Agriculture Department and is producer-oriented. The other four Commissioners sit on the Commission only on a part-time basis. I believe such an arrangement would defeat the whole purpose of what we are trying to accomplish here today—to create a more effective, more powerful agency to regulate commodities futures trading.

Another important feature which the new Commodity Exchange Commission should have is the power to seek injunctions—on its own, without proceeding through the Justice Department. If the Commission were empowered to seek its own injunctions, it could more readily and more quickly prevent violations such as commodities manipulation.

Finally, I believe the new Commission should have more control over the process of setting margins for futures trading transactions and to define speculative limits. I feel it is appropriate for a commodity exchange regulatory agency to have some say over the manner in which the boards of trade and the exchanges conduct their transactions.

Our experiences with the Soviet wheat deal demonstrate the disastrous effects which unfair trading practices can have on farmers and consumers alike. Major grain exporting companies speculated freely on the commodities exchanges, and it appears their manipulation of the trading allowed them to buy wheat cheap and keep it secret from other traders. Later they sold it at higher prices to the Russians. We have all seen the results in high food prices and short grain supplies. Without new controls there is nothing to prevent foreign nations from manipulating commodity futures.

I support the Commodity Futures Trading Commission Act as a step in the right direction of futures trading oversight because it is needed simply to keep up with the expansion of the commodities trading markets. I hope we will continue to move forward toward a better system.

Mr. POAGE. Mr. Chairman, I yield 1 minute to the gentleman from Kentucky (Mr. STUBBLEFIELD).

Mr. STUBBLEFIELD. Mr. Chairman, I rise in support of the bill as chairman of the ad hoc subcommittee which drafted an earlier version of H.R. 13113.

I have never been more impressed with the diligence and dedication of any group with whom I have ever served than with the members of this subcommittee. They have put in the hard work necessary to come up with this legislation which provides needed changes in the present, inadequate law. I want to pay especial tribute to these colleagues, Congressmen TOM FOLEY, BOB BERGLAND, CHARLES THONE, and BOB PRICE. They put in many hours, individually and collectively, addressing themselves to the problems of the industry.

Reform of the present law is obviously necessary. I feel it is particularly important that the bill before us today should do nothing to hamper legitimate businessmen from using the futures markets in a manner consistent with public policy.

This is a good bill and deserves the support of the House.

Mr. YOUNG of Florida. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count.

Eighty-nine Members are present, not a quorum. The call will be taken by electronic device.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 167]

Addabbo
Anderson, Ill.
Arends
Ashbrook
Ashley
Badillo
Bevill
Biaggi
Blackburn
Bolling
Bowen
Brademas
Brasco
Broomfield
Broyhill, Va.
Carey, N.Y.
Carter
Chappell
Clark
Clay
Collier
Conlan
Conte
Conyers
Corman
Cotter
Danielson
de la Garza
Dellums
Derwinski
Diggs
Dingell
Dorn
Drinan
Dulski
Esch
Fascell
Flynt
Ford
Frelinghuysen
Frey
Fulton
Giaimo
Gibbons
Ginn
Gray
Griffiths
Gubser
Hanley
Hanna
Hansen, Wash.
Harrington
Harsha
Hébert
Heckler, Mass.
Helstoski
Horton
Howard
Ichord
Jones, Ala.
Karth
Kazen
King
Landrum
Lehman
Long, La.
McDade
McEwen
McKinney
Macdonald
Madigan
Martin, Nebr.
Mathis, Ga.
Meeds
Minshall, Ohio
Murphy, N.Y.
Nichols
O'Neill
Owens
Patman
Patten
Pepper
Pickle
Podell
Powell, Ohio
Price, Ill.
Quillen
Reid
Rhodes
Roe
Rooney, N.Y.
Rose
Ruppe
Sandman
Schneebeli
Shipley
Shuster
Sikes
Stanton, J. William
Stanton, James V.
Steiger, Wis.
Stuckey
Sullivan
Teague
Thompson, N.J.
Tiernan
Towell, Nev.
Udall
Whalen
Wiggins
Williams
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Wolff
Wydler
Zablocki

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. HAWKINS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H.R. 13113, and finding itself without a quorum, he had directed the Members to record their presence by electronic device, when 316 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

The CHAIRMAN. The Chair recognizes the gentleman from Virginia (Mr. WAMPLER).

Mr. WAMPLER. Mr. Chairman, I yield 5 minutes to the gentleman from Kansas (Mr. SEBELIUS).

Mr. SEBELIUS. Mr. Chairman, I appreciate this opportunity to rise in support of H.R. 13113. While the bill is not perfect, it represents an attempt to update commodity exchange legislation in a manner consistent with the dynamic changes we have experienced in agriculture and in the commodity futures markets in recent years.

Today commodities trading volume exceeds $400 billion, more than twice the volume of $200 billion trading volume in stocks and bonds. It is apparent that we must have responsive control authority that is flexible enough to allow the forces of the market to work without jeopardizing the interests of the producers, processors, and consumers, and others whose well-being is dependent on market stability and orderly marketing.

I was most gratified that throughout our extensive hearings on this legislation there was no evidence of scandal or wrongdoing in the commodities trading industry. However, our hearings did indicate some potential abuses that could become apparent should we delay in taking remedial action. This legislation should help restore confidence and stability to the commodities market.

I would like to specifically mention a few sections of this proposed legislation. One of the more controversial features of the bill concerns the status of the Commodity Futures Trading Commission. I support a part-time Commission with the Secretary of Agriculture designated as an active member. The legislative history for this legislation will show the need for strong producer representation on this Commission. With the Secretary of Agriculture serving as an active member of a part-time Commission, the Commission would always have a representative who is sensitive to Government leadership. And, with other members coming from the general public, the public will have a representative responsive to their wishes and welfare. I think this is a good and workable system. It would give us a Commission that is flexible and responsive to both Government and the public and will be made up of individuals who are concerned with seeing futures trading continue to work properly and efficiently.

Under this legislation, the registration and fitness requirements will be specifically extended to all individuals handling customers' accounts. Operation under the present fitness provisions has clearly demonstrated the need for this extension.

Another procedure often questioned is how to handle commodity exchanges in which floor brokers and futures commission merchants trade for their own accounts and for their customers as well. The possible conflict of interests is self-evident. Yet, a flat prohibition against such trading would discourage the formation of new exchanges and would also work to the serious disadvantage of the more established exchanges which have a comparatively small volume of trading.

H.R. 13113 will give the Commission specific authority to consider the problem separately for each exchange and take whatever action is required to protect the public. The bill provides that trading by floor brokers and futures commission merchants for their own accounts and for customers will be restricted and allowed only under such circumstances as may be prescribed by the Commission.

Finally, the present Commodity Exchange Act contains no specific authority to secure injunctions. Under H.R. 13113, the Commission will be given specific authority through the Attorney General to seek injunctions to stop any person from violating the act or regulations thereunder. Also, any trader will be stopped from controlling a commodity futures contract and to the extent that he is effectively restraining trade.

Our thrust in this legislation is to strengthen commodities markets, to build confidence and stability in commodities trading. Properly administered, this legislation could better service the interests of all those involved with commodities from the farmer to the consumer and from "hedgers" to speculators. It is crucial that the futures markets be held in confidence by the general public. Otherwise, the system will not continue to work. This Nation's economy cannot afford to lose this most valuable business tool.

Mr. WAMPLER. Mr. Chairman, I yield 10 minutes to the gentleman from Pennsylvania (Mr. GOODLING).

Mr. GOODLING. Mr. Chairman, I shall not talk about the merits or demerits of this bill. I do however want to point out to the Members of the House that the design department and the construction industry has been working overtime in building a new bureaucracy. They are probably going to lay the cornerstone for this new bureaucracy this afternoon. I submit to you it will require a sizable cornerstone, because I assume they will want to inscribe the Commodity Futures Trading Commission Act of 1974 on that stone.

Personally I have heard no real or justification expressed for this act. It is just one more instance where the Government is attempting to get its long arm around the necks of more people. If legislation is needed—and I question whether it is—why was not the Commodity Exchange Authority expended?

Let us take a little look at the bureaucracy we are building today. We are going to establish a separate regulatory agency within the USDA. I am not at all certain how this agency can function within an already large Government agency. At the present time the Office of General Counsel in the USDA provides all of the legal services for the Commodity Exchange Authority. Will this service be continued? The answer to that is no, because the new commission will have its own lawyers. Will the USDA reduce its staff of legal talent? If I were a gambling man, I would gamble that it will not. The commission will also have its own accountants, its own investigators, its own hearing examiners, secretaries, errand boys, and what have you. At the present time the Commodity Exchange Authority employs approximately 200 people. I think I can assure the Members of this House that this will be doubled immediately upon the enactment of this legislation.

Let us take a little look at the wheels that will turn this new bureaucracy. It will probably be done by an executive secretary who will probably be in the $38,000-a-year category. There will be five commissioners, one of whom shall be the Secretary of Agriculture or his designee. Originally it was the hope of some of the members of the committee that these commissioners would serve on a full-time basis at a starting salary of $38,000 a year. The bill now calls for these people to be paid on a per diem basis. I think I can assure you they will serve many days at that figure. They, too, will have their secretaries and staffs.

Let me point out to the Members of this House that this new commission is getting into a field in which the Commodity Exchange Authority never entered into.

It will be getting into the field of many nonagricultural products. These are some of the nonagricultural products with which they will be working on: aluminum, copper, foreign currency, lead, mercury, palladium, nickel, platinum, propane gas, silver, tin, and so forth. This too will require other nonagricultural experts.

Mr. Chairman, I was interested in just two words that I read in the bill. On page 5, line 5, the Commission will employ "special experts." I drop down to page 12, and it will employ "experts."

I do not know how to define the two, but they are going to employ special experts and experts.

The smart empire builders will soon note that the Securities and Exchange Commission has a staff of about 1,600 people. This organization annually regulates a dollar volume of about $200 billion. This new bureaucracy we are creating today, the Commodity Exchange Commission, will oversee an annual dollar volume of about $400 billion.

Is it not logical to conclude that this new commission will require double the amount of people the Securities and Exchange Commission employs?

Possibly I have been a bit facetious, and I may have been, but I have lived sufficiently long to see these facetious ideas become realities. This is why our national debt as of April 3, 1974, was $470,516,114,296.65. That is why we are paying $55,665 per minute just to pay the interest on our national debt.

Our No. 1 problem today, I submit to the Members of the House, is not Watergate, it is not the energy crisis, but it is inflation. Inflation affects every man, woman, and child who has a dollar to spend.

And who is responsible for this inflation? It was not the Kennedy administration; it was not the Johnson administration; it is not the present administration; it is the irresponsible big spenders among the Members of this Congress, and I defy anybody to refute that statement.

I am not going to be here to see this additional bureaucracy completely constructed, but you can be just as certain as the night follows the day that it will be just that. And when you people see it, as you inevitably will, just remember this: old George told you so.

I for one will not load this new bureaucracy on the backs of the already overloaded American taxpayer. Too many already have unbearable loads to bear.

I should like to close my remarks with a statement made by the patron saint of the Democratic Party, and I quote:

> I place economy among the first and most important virtues, and public debt as the greatest of dangers to be feared. . . . To preserve our independence, we must not let our rulers load us with public debt. . . . We must make our choice between economy and liberty, between profusion and servitude.

Mr. Thomas Jefferson, if I can paraphrase the words of a song: "We've come a long way, baby."

I might also add, we have completely ignored your sound advice.

Mr. WAMPLER. Mr. Chairman, I yield 5 minutes to the gentleman from Texas (Mr. PRICE).

Mr. PRICE of Texas. Mr. Chairman, I would like to take this time to discuss this bill a moment. The 1973 total annual volume of 18.6 million contracts traded in 20 regulated commodities was the fifth straight record high since 1969. The value of these contracts was estimated at $329.1 billion.

The record number of transactions represents a 30-percent increase over the 14.3 million transactions reported in 1972. The value of contracts traded increased 82 percent over last year's $181.3 billion, reflecting the sharp rise in volume and commodity prices.

Record futures markets emerged in most commodities. In the grain markets trading in corn reached an estimated 20.9 billion bushels on 4.2 million contracts, more than doubling the 9.8 billion bushels, or 2 million contracts traded in 1972.

The oats market showed a sevenfold increase with an estimated 1.4 billion bushels traded as compared to the .2 billion bushels traded in 1972.

The wheat volume, the largest in 6 years, increased to 10.8 billion bushels from the 6.4 billion bushels traded in the previous year.

In the soybean complex, soybeans showed a decline of 32 percent from the record volume of 20.6 billion bushels traded in 1972. The volume in 1973 totaled 14 billion bushels.

Soybean oil trading of 1,763,059 contracts represented an increase of 59 percent over the 1,110,829 contracts traded in the previous year.

Soybean meal volume showed a slight increase of 5 percent to 660,506 contracts compared to 631,117 contracts traded in 1972.

In livestock, the livestock products group traded in cattle futures was estimated at a record 2,579,233 contracts. This represented an 87-percent increase over 1972 when 1,378,255 contracts were traded.

Live hogs. Trading in fattened cattle rose substantially and made a new trading record. Contracts traded in 1973 totaled 1,060,892, an increase of 96 percent over the 542,331 contracts traded in the previous year.

The frozen pork belly market, one of the leading commodity markets for the past several years, showed a decline in 1973 with a volume of 1,159,369 contracts, down 44 percent from a near-record trading volume of 2,058,620 contracts in 1972.

Mr. Chairman, I point out these figures to try to substantiate that the commodity market exchange and the businessmen who stand behind this have done a fantastic job in regulating their own businesses, benefiting the American producers in this country. For a long time, Mr. Chairman, I have thought that there are businessmen in this country who have enough business sense to build confidence in the people so they have faith in business and businessmen in this country without Federal regulations.

I thought we had enough faith in our fellow man in the commodities in this country and in the other great businesses in this country. Perhaps we do need some changes in this marketing process but I do not think we need a five-man Commission taking over a $384 billion business in this country. That is to say, we are going to pick five select men to have a Commission down here which is going to have more expertise in the commodities market than those who have been in it for years.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. WAMPLER. Mr. Chairman, I yield the gentleman 3 additional minutes.

Mr. PRICE of Texas. Mr. Chairman, it is troubling to me to see us forming a five-man Commission to take over a business when we have no assurance that the men we appoint are going to do a better job and going to be able to make better decisions than those who have spent their lives in this business.

We now have a Commissioner in the Department of Agriculture whom Congress has failed, in my belief, to provide with the additional staff and with the moneys so that he can do a better job and hire people who are experts in this field. But, no, we are going to form an entirely new Commission in which it is estimated we are going to hire more than 1,000 people to regulate this one group.

There are times and cases where we should take some of the recommendations of this committee and perhaps put them to work in the Department we have in Agriculture now but I do not see why we need to create this monstrosity.

Mr. FOLEY. Will the gentleman yield for a question?

Mr. PRICE of Texas. I yield for a question.

Mr. FOLEY. Mr. Chairman, there is a question I would like to ask. The gentleman suggests Congress has been derelict in not providing more funds for those people. Would he now tell the House that he feels the supervision is inadequate?

Mr. PRICE of Texas. I think we have been inadequately providing money and staff for those people in the Department of Agriculture who have had the responsibility for overseeing the commodities markets.

Mr. FOLEY. This bill provides for additional independent staff, as the gentleman is aware. Does he disagree that additional staff should be provided?

Mr. PRICE of Texas. I agree that additional staff should be provided but I think it could be provided for the present organization within the Department of Agriculture.

Mr. FOLEY. I am sure the gentleman does not want to leave the implication—that this is the first time the Government has stepped in to regulate the futures markets. The first Federal Regulatory Act was passed in 1922.

Mr. PRICE of Texas. Mr. Chairman, I asked the gentleman to limit his remarks to a question. I do not yield further.

Mr. Chairman, I want to commend the members of the Committee on Agriculture and its staff for the work that they have done because we did spend a great deal of time, in fact more than a month or two on this bill, and we spent many hours on it. I mean this to be no laughing matter. I know they worked hard and the chairman worked hard and we did come up with what I think are some good changes that need to be made. My point is these changes could be made and should be made within the agency we have now.

Mr. Chairman, futures trading has a permanent and rightful place in our competitive market price system.

Trading in commodity futures reflects need of the market system for a means of transferring certain types of risk. It presently serves a useful purpose for a number of commodities and should be provided for additional commodities where need exists and research shows futures trading would be beneficial.

Mr. PRICE of Texas. Mr. Chairman, I oppose H.R. 13113 for several additional reasons. In my opinion this is the greatest takeover by the Federal Government of one of the greatest examples in our country of one of the biggest volume free enterprise business in this country.

First, during the course of committee deliberation on this legislation, it became very clear that there is no demonstrated need for this kind of a bill. That is not to say, of course, that we do not need legislation—we just do not need this legislation. Almost all the support for this legislation rests on the assumption that something is seriously wrong with commodity trading. Some have called for stricter controls on futures trading based on the premise that food price increase may have been caused, at least in part, by manipulation and speculation, but this view was totally unsupported by the public testimony presented at the committee hearings.

A number of farmers who sold their grain and cotton crops early last year and missed the big upswing in farm prices, naturally felt that they were cheated or that the futures market was manipulated. On the other hand, many consumers felt that excessive speculation or manipulation of futures markets caused higher food prices last summer. Neither of these assumptions is correct. The futures markets were simply the indicators of the supply and demand conditions existing in cash markets. It was and is the medium that most obviously reflects market sentiments. The markets were and are the messengers of economic news, not the creator of that news.

Commodity markets provide an orderly method of leveling out the peaks and valleys of price fluctuation by permitting buyers and sellers to hedge their operations:

This bill seeks to correct the mischievious assumption that futures markets are responsible for wild price gyrations. But I submit to you, that instead of providing for stability in the marketplace by allowing the forces of supply and demand to function freely, we may very well be creating a climate for even wider price fluctuations. I say this in reference to the fact that we are giving a newly created bureaucracy life or death authority over futures markets.

Bureaucratic intervention will be substituted for free market prices. Tighter regulation of futures markets to cure commodity price fluctuations or stabilize food prices is not the answer because legislation of this kind does not get at the root of the problem, but is only directed at the indicator of the problem.

The futures market system is a system that has worked remarkably well over the years. To saddle futures markets with this legislation, and consequently further regulation, can be likened to the well-known story where the messenger—the bringer of bad news—is beheaded since he carried the sad message, not because he was the cause thereof.

For example, as now written, H.R. 13113 could destroy the futures industry in this country. This bill gives sweeping Government control over nearly every aspect of futures trading.

I point especially to section 215 of this bill for it gives the newly created five-member Commodity Futures Commission the power to decide when it should take control of the futures industry. The new Commission could take over the market if it decides that trading is fluctuating too greatly. How much is "too greatly"?

Wide-scale injunctive powers are also vested in the Commission under section 221. It can halt the transactions of any market or person who "has engaged, is engaging, or is about to engage" in any act constituting a violation of the law. How do you determine when one "is about to engage" in a violation of the act? Will this Commission be blessed with the gift of mind reading?

Section 203 of the bill particularly disturbs me since the Commission will be able to put further limitations on brokers and floor traders trading for their own accounts as well as their customers. This provision is simply not necessary—market considerations are much more forceful. At no time during committee consideration was it proved that floor traders and futures commission merchants were presently abusing their trading privileges. There is simply no good reason to give this new Commission the power to end a finely tuned practice that has been an integral part of the futures trading business for many years. In committee I supported language which would have allowed floor brokers and futures commissions merchants to continue to trade for their own and customers' accounts and if at some later date, factual evidence were presented to show that they were unfairly taking advantage of their customers, then the Commission would act to meet and correct any problems. Unfortunately, the committee did not adopt this provision. This provision could very well cause speculators and brokers to go into other businesses thus causing the closeout of a futures market for certain products—speculators and brokers provide 60 to 70 percent of the liquidity of the market.

As I have mentioned earlier, H.R. 13113 calls for the creation of a new and greatly expanded staff to perform the duties that the present agency could more effectively and efficiently do if given ample authority and staff. The opportunity to do this will come before us shortly in the form of the agriculture appropriations bill. The Congress, every year through this same mechanism, has had many opportunities to beef up the present agency to adequately meet its regulatory responsibility, but it has failed to provide the required funds for the CEA to do a complete job.

However, this failure should not be a substantial reason to junk the present CEA and create a new tangle of redtape in the U.S. Department of Agriculture, at a cost no one can predict with any certainty and personnel no one knows for sure are qualified. The established structure will do. All that is necessary is only for it to be given adequate tools to do the job.

It is for these reasons that I cannot support the bill.

Mr. WAMPLER. Mr. Chairman, I yield 5 minutes to the gentleman from Idaho (Mr. SYMMS).

Mr. SYMMS. Mr. Chairman, my opposition to this particular piece of legislation is that it is not necessary. I think before we discuss this we should talk about several things. We heard the gentleman from Texas talk about the $500 billion business that is being done on futures trading and I think we should talk about where the futures market fits into the overall agricultural and mining productivity and marketing in this country and what useful purpose it serves in providing liquidity.

Take, for instance, the silver mining companies where they spend massive amounts of money in order to extract silver from the deep parts of the Earth. They can go into the futures market and sell contracts for future deliveries, thereby giving them liquidity, so that they can take those contracts to the bank and point out they have a built-in profit at a price and can predict the future of what they are going to do as far as their own productivity, thereby acquiring needed capital to provide jobs, et cetera.

We have, for example, in northern Idaho where mining companies that spend in excess of $8 or $10 million before they have extracted a single ounce of valuable mineral out of the ground. The futures market is working very well and we are concerned that we may be doing something to upset the beautiful example of free market activities and the pricing mechanism which has worked so well.

It also works the same way for the wheat and grain producers. A farmer can predict 50,000 bushels at a price of $5 a bushel on the Chicago Board of Trade and he can go to his local broker and sell those 50,000 bushels and that gives him a hedge against future production. This is a simple part of the overall marketing situation.

I think in our regulated society which we now live in, which is becoming more and more regulated as time goes on, we are continually interfering in this market action which takes place.

I think that the important thing about this is that we should consider what happens if we dabble with this invisible hand of the market that Adam Smith talked about so often.

Prices of commodities are now set by the collective judgment of brokers, and thousands of individuals are anticipating the price. In other words, when the price gets too high, the speculator steps in and sells, and when the price gets too low, speculators start buying and force the prices back up. This helps both consumers and producers, because it provides stability and liquidity.

Part of what was behind this legislation was the fact that the soybean price went so high last year so fast; but in a careful analysis of what happened, the future price had nothing to do with the soybean price and brought about no fluctuation; but the futures price contribted to stability as the future contract prices followed the cash prices. This is one of the reasons we need to encourage more speculation. More speculation would help the silver producers, it would help the miners, would help farmers all over the country, and would help the consumers, because we need more speculators in the marketplace to provide more liquidity.

I know the chairman of our committee thinks this legislation will help get more people involved in the commodity market. I am fearful that we will have less people involved in the commodity market, because I think we have a beautiful example of a free market working now; but we are going to turn the decisionmaking for delivery points, for example, for deliveries of certain products, we are going to turn it over to the bureaucrats. We are not going to allow the economies of the situation to decide any more. We are not going to turn what contracts will be traded over to the market any more. We are going to allow the bureaucrats to do this—with friends like these, free enterprise does not need any enemies—so I would just say in closing that when we examine this legislation, we are taking another step down the road toward allowing the Government and the bureaucrats to make the market decisions which should be made in the marketplace by individuals.

I think, gentlemen, that when we think about this, we are panicking on this thing. Senator McGOVERN himself, who was one of the first that wanted to regulate the futures market, after careful examination he said, "I guess I got egg on my face in that," because the futures market has nothing to do with the rapid rise in food prices. If anything, the futures market has helped stabilize food prices. It has provided more liquidity for the copper miners, the silver producers and miners, and others. We are taking a drastic step in the wrong direction to turn this over to the Government when we should allow it to work in the hands of the marketplace.

Mr. MIZELL. Mr. Chairman, I would like to commend my colleagues on the Agriculture Committee for the excellent job they have done in developing this legislation.

This proposal will create a Commodity Futures Trading Commission which will be an independent entity in the Department of Agriculture and composed of the Secretary of Agriculture and four public members. The Commission's jurisdiction will include both currently unregulated commodities and certain additional categories of specialist active in future trading.

One of the main reasons I support this legislation is that regulation of futures trading will aid in alleviating excessive fluctuation of prices. The skyrocketing prices of commodities have both internationalized U.S. futures markets and have attracted huge world trading firms who deal in much larger volumes and have much greater financial resources than has previously been the case. The Commission will have the authority to bring stability to the market and help in the price fluctuations.

I urge the House to pass this necessary legislation without any major changes.

Mr. WAMPLER. Mr. Chairman, I yield 5 minutes to the gentleman from South Carolina (Mr. Young).

Mr. YOUNG of South Carolina. Mr. Chairman, I rise in opposition to the bill we have before us today which concerns the Commodity Exchange Act. I think we are dealing here with three basic ideas. On the one hand, we have the idea to do nothing at all. In the second place, we have a bill before us which establishes a part-time commission. Third, is the idea which will come before us today of a full time commission.

Now, one of the things I object to in this bill is the establishment of a commission. This commission could well take over the commodities market. It could affect the commodities market, which is a free market that we have today.

Let us see what the makeup of this commission is. There will be five members on the commission. One of the people during the hearings said that this would be a nonpolitical group that would head this commission. This brings up the question I have asked, what is a nonpolitical group? One of the nonpolitical people who will be on the commission will be the Secretary of Agriculture. I do not know any nonpolitical people. The only nonpolitical people I know are those who do not breathe; otherwise, they are political.

Another thing we have concerning this commission is multiple delivery points. What we talk about when we say multiple delivery points, I would like to tell the Members a story of what happened to me down home. I took a load of my soybeans to the man at the marketplace and he says, "I will give you $2.25 for your beans."

I said, "I read in the paper this morning where soybeans on the Chicago exchange were $2.60." We bantered back and forth about the difference in the futures market and the difference between my beans and the price he was offering me.

Finally, he turned to me and he said, "Now, if you want $2.60 for those beans, you take them up to Chicago and dump them in that grain pit up there. Otherwise, I am paying you $2.25."

So, when the committee came up originally with the idea of multiple delivery points, I was in favor of this bill because I felt that we could work into other areas such as cotton, beans, corn, or whatever. But, we decided—or the committee decided—that it would put this into the hands of the commission. The commission could or could not establish multiple delivery points. Therefore, this would limit it.

Also, as was pointed out in the hearings, 80 percent, 80 percent of the people dealing in the commodities market today lose money. In other words, the professionals in the commodities market make it. Normally, I would say I have lost some money in the commodities market, so when we get into the commodities market, at least a whole lot can happen, especially when they are taking your money.

I looked out in my fields and I saw that the bean crop was short in my area and I sold short, but everywhere else they were having rain and the market went long, and I kept putting up money, I kept putting up money. I finally put up all I could and I got out.

Mr. Chairman, what I think is this: If this commission that we have could move into the market and jeopardize the market or stop the market, then I think that the freedom that we have in the marketplace today would change. This is the thing that concerns me.

Suppose that this commission, in its wisdom, said to us, "We want to stop the trading on cotton" or "we want to stop the trading in soybeans."

I think this bureaucracy could move into this $400 billion industry and affect the prices of my farm commodities.

Mr. Chairman, this is one reason I simply do not like the makeup of this bill. I think this bill should be killed and let the market operate as it has for some 60 years so that we will know that we have a free market.

The Members may not think there is a great deal of control that this commission has, but they do have controls that could disrupt the market.

Mr. Chairman, I think that the bill should be killed.

Mr. SYMMS. Mr. Chairman, will the gentleman yield?

Mr. YOUNG of South Carolina. I will yield to the gentleman from Idaho.

Mr. SYMMS. I would like to commend the gentleman for his remarks, and say, in addition to what he pointed out about losing some money on the commodity market, that if a speculator should happen to buy a contract of silver, thinking the price is going to go up—and I have had the personal experience—but the price goes down instead, he loses his money, that is true; but he will have provided a valuable service to the overall producing community, because he has provided liquidity for the marketplace.

Mr. Chairman, it is a very important and often misunderstood point on the part of people in Government who think that speculation is bad. Really it is good. I think the gentleman makes the point very well.

Mr. YOUNG of South Carolina. Mr. Chairman, I could not agree with my friend, the gentleman from Idaho, any more, because this provides a market for my farm crops that I grow. It establishes the price. If we get Government or bureaucratic interference in it, I think we are going to break this market down.

Mr. Chairman, I think, as the gentleman from Pennsylvania (Mr. Goodling) said a while ago, when this market is interfered with in the years ahead we lose.

Mr. WAMPLER. Mr. Chairman, I yield 10 minutes to the gentleman from Nebraska (Mr. Thone).

Mr. THONE. Mr. Chairman, I strongly support H.R. 13113, a badly needed bill. In my opinion, it is a good bill.

Mr. Chairman, like my congressional neighbor to the north, the gentleman from Iowa (Mr. Mayne), I come from an agricultural area. For a long time the producers in my area have been genuinely interested and most concerned with the operation of the future market.

Mr. Chairman, in the fine report prepared on this bill there is a little bit of legalese on the first page, which says that this bill "proposes a comprehensive regulatory structure to oversee the volatile and esoteric future trading complex."

Mr. Chairman, in our language out home, I suppose that what they are trying to say is that they are souping up some Government machinery so as to be able to put the screws on the abnormal gyrations of a $500 billion industry that is pretty much currently in the domain of the specially initiated.

Mr. Chairman, first, in the time that I have allocated to me, I would like to acknowledge the fine direction on this bill received from our distinguished and excellent chairman of the full committee, the distinguished gentleman from Texas (Mr. Poage).

Also, as a member of the five-man special committee which worked on this bill, I would like to acknowledge the work of the chairman of the subcommittee, the gentleman from Kentucky (Mr. Stubblefield), our Kentucky colonel; and our legal eagle from the Northwest, the gentleman from Washington (Mr. Foley); the gentleman from Minnesota (Mr. Bergland), from the Red River Valley of Minnesota, and the gentleman from Texas (Mr. Price), although I imagine Mr. Price will want to disclaim some elements of his paternity of this bill.

Mr. Chairman, special note should also be made of the many hours of work put in on this proposed legislation by the two fine lawyers on the staff of the committee, John O'Neal and John Rainbolt.

I would hesitate to estimate the many, many hours they spent writing and rewriting this legislation.

Mr. Chairman, I do not want to be too repetitious on this bill. We have covered much already of what it does. However, I would like to briefly explain to the Members of the House the function of the Commodity Exchange Authority. The current administrator of the Commodity Exchange Authority is Mr. Alex C. Caldwell, a long time career officer of the USDA. He impressed all of us with his dedication, intelligence, and ability. He testified before our committee on October 16, 1973, and the thrust of his testimony was that the futures markets are playing an increasingly important part in the pricing and marketing role as the Nation shifts to a more market-oriented economy in the field of agricultural commodities. He stated that the CEA badly needed more legislative authority to perform its mission. The Committee on Agriculture overwhelmingly agreed with his assessment, and H.R. 13113 is a most sensible and effective legislative response. It replaces the current existing regulatory agencies, the CEA and the CEC. It replaces them with a new commission, as has been already stated. It gives this commission both broadened regulatory powers and broadened jurisdiction to cover all commodities.

You may well ask why do we need the strengthening of the futures market regulation. Again I would like to call your attention to the fact there are four basic reasons and major factors compelling this affirmative action.

First, the dramatic increase in futures trading in the last 3 or 4 years; secondly, the inadequate CEA resources to get the needed job of supervision done; third, there is a serious problem of dual markets; lastly, there is an obvious self-regulation inadequacy.

As to the increase in trading, we are now in this business dealing in about $500 billion a year. Ten years ago it was $68 billion.

As to the inadequacy of the CEA resources, they are inadequate both in manpower and the statutory tools needed to get the job done.

Of the commodities traded in futures there are 24 regulated and the rest are not. You have 6 exchanges that are not regulated and 10 that are.

As to the self-regulation inadequacies, I think the 1968 amendments to this law actually operated to the detriment of the public interest. It has gotten so now that the exchanges are not doing some material items in this regard, because of possible liability of its membership. Frankly, I think the public confidence is at stake in this whole futures market area so that we can preserve, Mr. SYMMS, this free market system whose virtues you extolled so well.

One of the finest witnesses who appeared before our group was Mr. John Clagett of New York. He is a most perceptive lawyer and financier. His testimony, I think, should be taken into account by all Members of the House. He is currently the president of the Association of Commodity Exchange Firms, Inc. He has been an officer of the Chicago Board of Trade in years past, and the president of the New York Mercantile Exchange, and an officer of the New York Stock Exchange in the past and also of the CEA.

He gave us many recommendations which were incorporated into this bill. He concluded his testimony to us in this way, and I wish, Mr. SYMMS, you would give this particular attention. He said:

While it may seem unusual to some people for a person who represents an important segment of private industry to recommend more Federal control of our industry, we are recommending more Federal control in the interests of giving the public greater protection in the futures market.

In committee this bill received strong support from our side of the aisle, and rightly so.

The Department of Agriculture is in strong support of this legislation. Dr. Clayton Yeutter, the very able Assistant Secretary of Agriculture, appeared before our committee and strongly endorsed this act. His recommendation is included on page 72 of the report. This is what he said:

> I want to join in those accolades, because our staff has enjoyed the relationship it has had, both with the Subcommittee and Mr. Stubblefield and the members of that Subcommittee and with John O'Neal and John Rainbolt. It seems to me, Mr. Chairman, that this group of people has done the finest job of legislative draftsmanship on a very complicated subject that any of us has seen in the agriculture area in a long time. They are really to be complimented. As you know, this is one of the most complex subject matter areas that any one of us can deal with. It is not easy to draft legislation in this area. Yet it is extremely important. I suppose few people recognize how truly important this legislation is.
>
> Mr. Chairman, you are to be complimented on your leadership, too, because this might well be one of the most important pieces of legislation that has come out of the Committee on Agriculture in a long, long time. So it does merit everyone's attention.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. THONE. I yield to the gentleman from California, but I do so with some trepidation.

Mr. ROUSSELOT. Mr. Chairman, I can appreciate the expressed trepidation of the gentleman from Nebraska on the basis of our previous conversations on this bill. However, I would ask the gentleman from Nebraska this: Is not quoting to us from one of the bureaucrats, who is going to be involved one way or another in this legislation, clearly a declaration from a vested interest point of view? Naturally bureaucratic advocates would be all for establishing this commission, since they helped to draft the bill.

Mr. THONE. No, I do not think so, I will say to the gentleman from California, "No." Sure, Mr. Caldwell has been around this Department for a long, long time. He, in this time, has had some adverse court decisions on departmental action that complicate this whole area, and he does not exactly know what his authority is. The thrust of his testimony was that he just does not have the legislative tools to properly regulate this industry.

Mr. ROUSSELOT. If the gentleman will yield still further, if that is true, then why should we not give that authority to the agencies that already exist, instead of setting up another bureaucracy?

The CHAIRMAN. The time of the gentleman has expired.

Mr. WAMPLER. Mr. Chairman, I yield 1 additional minute to the gentleman from Nebraska (Mr. THONE).

Mr. THONE. Mr. Chairman, I thank the gentleman for yielding me this additional time.

This bill replaces the existing commodities regulatory agencies (CEC–CEA) with a new commission, given both regulatory powers and jurisdiction over all commodities.

BACKGROUND

DEVELOPMENT OF THE FUTURES MARKET

In the 19th century, commercial commodities markets developed in most urban centers to accommodate the exchange of produce between farmers within the region and town-based suppliers, processors, and other users. These were essentially "spot" markets in which goods were directly exchanged for cash as a result of bargaining between buyers and sellers. The major shortcoming, however, was that each harvest season brought a glut of commodities to the market which could neither be adequately transported, stored or processed, resulting in severely depressed prices during harvest time and prohibitively high prices and serious scarcities during the off-season.

In order to alleviate both physical congestion and violent price swings, the practice of selling crops in specified quantitities and qualities for future delivery gradually evolved. By 1860 such trading began to include a specified price for the future delivery; and in the years thereafter, quantity, quality and price of these futures contracts were also frequently standardized. The contracts themselves could then be exchanged in transactions entirely separate from the physical movement of commodities. With the subsequent development of formal meeting places or exchanges to facilitate the trading of such contracts, the modern futures market had largely come into being.

As American agricultural production surged in the post-Civil War period, the futures market thrived as producers, merchants and processors of commodities all found it to be mutually advantageous. Producers could eliminate the risk that the price of a commodity would deteriorate, often to levels even below the cost of production, by the time it was ready for marketing; buyers and processors could obtain guaranteed delivery at a set price when the commodity was needed; in return for risk-taking middlemen, brokers, and speculators provided inputs of liquidity and special skills needed to finance and organize the marketing process; and the futures market as a whole tended to reduce price fluctuations and provide for more efficient use of transportation, storage, and processing facilities.

EARLY ATTEMPTS AT REGULATION

After the Civil War, many States passed legislation to prevent fraud, manipulation, and other artificial price distortions in commodity markets. During the mid-1880's Federal regulation of certain commodities through the taxing system was approved by both Houses, although it never became law.

The boom and bust of agriculture prices which occurred during and after World War I brought renewed pressure for Federal regulation; pressures became so great that nearly 200 bills were introduced in Congress. The Futures Trading Act was subsequently enacted in 1921, but because it adopted the taxation approach that had been proposed nearly 40 years earlier, it was ruled unconstitutional by the Supreme Court.

Congress quickly responded to this decision by adopting essentially the same legislation in 1922, but this time providing for a direct Federal regulatory agency, the Grain Futures Administration, under the aegis of the newly expanded commerce clause.

The Grain Futures Act of that year sought to prevent excessive speculation and cornering of the market while protecting legitimate trading operations. The legislation established two principles which are still the basis of commodities regulation: First, futures trading in regulated commodities could be conducted only on federally registered markets, and second, the supervision of futures trading would be the joint responsibility of the Federal Government and each exchange. The 1922 act provided for the regulation of seven major grain commodities including wheat, corn, and rye.

SUBSEQUENT LEGISLATIVE DEVELOPMENTS

An amendment in 1936 changed the title to the Commodities Exchange Act and retained the basic provisions of the 1922 act. This New Deal legislation expanded regulatory authority to encompass six additional commodities, including cotton, butter and eggs, and to cover the registration of all merchants and brokers. The newly designated Commodity Exchange Commission was authorized to limit speculation and prevent fraud. During the next 30 years the act was frequently amended to include additional commodities such that today 24 major classes of commodities are subject to limited Federal regulation.

In 1968 the last significant amendments to the act were adopted. In addition to coverage of trading in livestock and livestock products for the first time, the amendments also provided that: First, to qualify for registration, futures contract merchants were required to meet minimum financial standards whereas previously the registration procedure was pro forma; second, embezzlement of funds was made a felony; third, cease-and-desist orders were authorized for minor infractions as an alternative to a major penalty; and fourth, exchanges were required to enforce their own rules.

CURRENT REGULATION

Formal responsibility for administering the act is lodged in the Commodity Exchange Commission, composed of the Secretary of Agriculture, the Secretary of Commerce, and the Attorney General. However, the Commission is relatively inactive and meets only infrequently to fix trading limits and take punitive actions against contract markets. Primary operating responsibility, therefore, falls on the staff of the Commodity Exchange Authority, a separate agency within the Department of Agriculture.

The Authority is headed by an Administrator who reports to the Assistant Secretary for Marketing and Consumer Services and has regional offices in the cities containing the 10 regulated contract markets. It is responsible for the limited regulation of exchanges, brokerage firms, floor brokers, and contract traders in those markets which deal in regulated commodities. Among its duties are: First, the designation of boards of trade as contract markets; second, the registration and suspension of commission merchants and brokers and the establishment of minimum financial requirements; third, the issuance of rules and regulations, and the investigation of market operations; and fourth, the prosecution of violations in administrative and civil courts.

The boards of trade are largely responsible for regulating themselves under present law. They are required to maintain inspection services, keep records of all transactions, prevent price manipulation and fraud, enforce speculative limits on trading, and prohibit other illegal trading practices.

PROBLEMS AND THE NEED FOR REFORM

The drive for strengthening of futures market regulation has been spurred by at least four major factors.

Increase in trading: The first of these is simply the enormous increase in the magnitude of trading since the late 1960's. As is shown in the table below, the volume of regulated futures contracts has doubled in the last 10 years and the dollar value has nearly tripled. Including unregulated commodities, nearly $400 billion worth of futures contracts were traded in 1972–73, a figure more than twice the level of the previous year.

CHANGE IN VOLUME AND VALUE OF CONTRACTS: SELECTED YEARS

Year	Regulated commodities		Nonregulated commodities		Total	
	No. of contracts*	Value**	No. of contracts	Value	No. of contracts	Value
1963–64	6, 108	$60. 9	748	$7. 7	6, 856	$68. 6
1966–67	9, 579	86. 4	1, 048	7. 6	10, 627	94. 0
1969–70	10, 312	92. 9	1, 965	42. 7	12, 277	135. 6
1971–72	12, 577	148. 0	3, 006	41. 4	15, 583	189. 4
1972–73	17, 821	268. 3	5, 684	131. 0	23, 505	399. 3

* Thousands of units.
** Billions of dollars.

Source: USDA.

One reason offered for this dramatic increase in trading activities is the poor performance of the securities market in recent years, and the resulting increased willingness of both investors and brokers to shift their activities and funds to commodities trading. Some major securities investment firms are now deriving nearly 25 percent of their commission income from commodities; at Merrill Lynch, for example, futures commission revenues have increased more than 90 percent in the recent past. As a result, the price for a seat on the Chicago Mercantile Exchange has reached $112,500 compared to a price of $95,000 on the New York Stock Exchange.

Another important reason for the volume increase is the growing world commodity supply squeeze. The resulting skyrocketing prices have both internationalized U.S. futures markets and have attracted huge world trading firms who deal in much large volumes and have much greater financial resources than has previously been the case. In the view of some, this change in the scope and structure of futures markets has significantly increased the potential for manipulation and other illicit practices.

Inadequate CEA resources: In the face of this surge in activity, manpower and resources available to the Commodities Exchange Authority have been largely stagnant. Between 1970 and 1973, authorized CEA personnel levels remained constant at about 160, and appropriations were increased by less than 20 percent.

Moreover, the Authority continues to be plagued by administrative bottle necks inherent in the act. It has no legal staff, the Administrator of the CEA is subject to direction from both the Commission and the Secretary of Agriculture—through an Assistant Secretary—and must often secure clearance through five levels of bureaucracy before imposing a penalty for violations of the Act. In addition, the CEA has suffered from a serious inability to attract adequately trained and experienced personnel.

Dual market: 44 commodities are now actively traded on futures markets, but as shown in the table below, the CEA has regulatory authority over only about half of these. As a result, traders find themselves dealing in regulated commodities on a registered market at one moment, and in unregulated commodities on the same market or on an unregistered exchange, at the next.

Commodities Actively Traded in Futures Market

REGULATED

Barley
Butter
Corn
Cotton
Cottonseed
Cottonseed meal
Eggs
Fats and oils
Flaxseed
Frozen concentrated orange juice
Grain sorghums
Irish potatoes
Livestock
Livestock products
Mill feeds
Oats
Peanuts
Rice
Rye
Soybeans
Soybean meal
Wheat
Wool
Wool tops

UNREGULATED

Aluminum
Apples
Cocoa
Coffee
Copper
Fishmeal
Foreign currency
Iced broilers
Lead
Lumber
Mercury
Nickel
Palladium
Platinum
Plywood
Propane gas
Silver
Sugar
Tin
Tomato paste

Source: USDA.

Moreover, the rapid growth in trading of unregulated commodities has spawned six nonregistered exchanges in addition to the 10 currently regulated; the former deal exclusively in unregulated commodities and are bound by none of the requirements of the CEA, including the prohibition on options trading—puts and calls—requirements for separate customer accounts, restraints on self-dealing and inside trading and the like.

With the increased volume in trading and the infusion of new investors in nonregulated markets, some illicit trading and exchange failures have resulted. The collapse of a California commodity exchange reportedly resulted in $71 million in customer losses.

Small investors in particular, have been attracted to unregulated markets by the sale of "options" which entitle a buyer to the "right" to purchase or sell a contract in the future. Since these are often not hedged and are only covered by the good faith and solvency of the broker, pyramiding schemes have flourished. Ultimately they collapse leaving unwary investors with no way to recoup their investments.

Self-regulation: Some observers believe that the provision of the 1968 amendments requiring exchanges to enforce their own rules, thereby implicitly giving private parties the right to sue for nonenforcement, has had a perverse effect. To avoid risk of litigation, exchange authorities have been encouraged to reduce rather than strengthen rules designed to insure fair trading. In addition, the publicity and attention generated by historically unprecedented commodity price levels has led to widespread charges that Boards of Governors have been unacceptably lax in policing their own markets and in seriously investigating allegations of illicit practices.

PROVISIONS

COMMODITY FUTURES TRADING COMMISSION (CFTC)

The functions of the existing Commodity Exchange Commission and the Secretary of Agriculture—through the Commodity Exchange Authority—are transferred to the new Commission. The CFTC will be an independent entity in the Department of Agriculture composed of the Secretary and four public members. The latter are to be appointed on a bipartisan basis by the President with the consent of the Senate, and will serve staggered 5-year terms. The President will also appoint a chairman from among the five members, subject to Senate approval.

The Commission will have its own General Counsel and legal staff, budget authority independent of the Department, and its own administrative law judges for authorized adjudicatory proceedings. Trading in commodity markets by Commissioners or staff is prohibited as is imparting of inside information to private parties. The GAO is required to make an annual review of the Commission's books and records.

EXPANSION OF REGULATORY SCOPE

H.R. 13113 expands CFTC jurisdiction to include both currently unregulated commodities and certain additional categories of specialists active in futures trading. In the former case, all commodities actively traded at present, or commodities for which markets develop in the future, will be subject to CFTC regulation—except for those traditionally under SEC jurisdiction.

Commodity pool operators and trading advisers will be required to register annually with the Commission in a manner similar to commission merchants and floor traders under present law; pool operators run the equivalent of mutual funds for commodity investors and trading advisers perform functions similar to security analysts. In addition, certain associates of commission merchants involved in the solicitation or supervision of customer orders will also be required to register every 2 years and comply with the act.

In general, these new registrants will be subject to the same application, disclosure, reporting and disciplinary procedures that now apply to merchants and traders, including suspension or revocation proceedings for noncompliance. In addition, pool operators will be required to regularly furnish statements of account to each participant or investor in the pool, and neither pool operators nor trading advisers may use the mails to defraud clients.

Bank officers and newspaper reporters and publishers whose futures market services are incidental to their regular business operations and trading advisers who service less than 15 clients per year will be exempt from the registration requirements.

CFTC REGULATIONS OF REGISTRANTS

The CFTC is given two major new powers to assure fair trading and conduct by traders and merchants. First, it may establish standards and require written proficiency examinations to determine the skill and fitness of applicants for registration as commission merchants and floor traders or their associates. These powers may be delegated to futures associations registered pursuant to provisions elsewhere in the act.

Second, the Commission must determine, after notice and opportunity for hearings, whether or not commission merchants and floor traders may trade for their own account while executing a customer's order. If such permission is granted, the Commission must prescribe the terms and conditions of trading, but is required to consider the effects on market liquidity and may not prohibit boards of trade from establishing conditions more stringent than its own.

CONDITIONS FOR DESIGNATION OF CONTRACT MARKETS

Four new requirements are imposed on boards of trade as a condition for designation as a "contract market." First, they must demonstrate that futures contracts to be traded will serve the economic purpose of establishing prices for commodities and of providing means for legitimate hedging, as opposed to simple speculation.

Second, contract markets will be required to establish rules regarding geographic points of delivery designed to prevent or reduce market congestion, price manipulation or abnormal transportation patterns. The Commission may impose new or additional points of delivery if, after opportunity for hearings, it determines that the above objectives are not being met.

Third, contracts markets must establish procedures for voluntary arbitration of customer claims not exceeding $5,000. Finally, all rules and by-laws regarding the conditions of trade on a contract market must be submitted for CFTC approval, except for those relating to margin requirements. If a board of trade does not voluntarily comply with Commission suggestions for changes, the Commission may impose them by order or other regulation. Rules and bylaws subject to this provision include those relating to contract terms and conditions, form and manner of contract execution, financial responsibilities of members, methods of business solicitation and accounting procedures.

CUSTOMER REPARATION PROCEDURE

The CFTC is empowered to conduct adjudicatory proceedings to resolve complaints or claims filed against merchants, brokers, and other registrants under the act which are not settled by the authorized voluntary procedures. Upon reasonable evidence of a violation and after notice and opportunity for hearings, administrative law judges will determine whether a violation has been committed and the damages to be awarded, if any. They must consider the public interest to be protected by the antitrust laws as well as the provisions of the Commodity Exchange Act.

Parties adversely affected by a reparation order may appeal such decisions in

U.S. district court. Both foreign complainants and respondents appealing an award must post bond at double the amount of the claim or award. Registrants failing to appeal or pay reparation orders will be automatically suspended from trading until the award is paid with interest.

COMMISSION INTERVENTION IN THE MARKET

The Commission is authorized to take certain actions when it determines that orderly trading is threatened by the amount of supplies, number of contracts, relative size of individual traders' positions, price movements, the impact of Government edicts, or a market emergency. To restore, orderly trading, it may suspend trading, extend the expiration of futures contracts dates, and order liquidation of open contracts. A "market emergency" is defined as any situation where the market is affected by a significant intervention by foreign governments, war, price controls, export embargoes, or other disruptions.

NATIONAL FUTURES ASSOCIATIONS

The bill authorizes the CFTC to register national futures associations for the purpose of promoting industry compliance with the act and the rules and orders of the Commission. Registered associations must be in the public interest, have rules designed to further fair and equitable trading, provide arbitration mechanisms, and establish procedures for disciplining members.

The Commission will reserve the right to suspend any association failing to maintain its rules in conformity with the act, and to alter association rules, set aside disciplinary actions, and expel association members who have violated the act. To induce membership in such associations, nonmembers registered under the act must pay the CFTC for performing regulatory duties which an association would otherwise administer.

ENFORCEMENT

The enforcement powers of the Commission are strengthened in three principal ways: First, the Commission may seek—through the Attorney General—court imposition of civil penalties of up to $100,000 per violation when it issues cease and desist orders.

Second, penalties imposed by the Commission as a result of administrative disciplinary proceedings are raised to $100,000 per violation. In assessing such penalties the CFTC must consider the size of the respondent's business and his ability to continue operations, or his net worth if he is not primarily engaged in the futures market.

Finally, the CFTC is given new authority to seek injunctions—through the Attorney General—in U.S. district court to prevent violations of the act and Commission rules and orders, or to prevent efforts to "squeeze," corner or otherwise restrain trading in commodity futures.

OTHER PROVISIONS

The bill continues the ban on options—puts and calls—trading for currently regulated commodities, but would permit it in the case of newly covered commodities unless, after notice and hearing, orders are issued by the CFTC prohibiting such transactions.

The current definition of "bona fide hedging transactions" is deleted, and the CFTC is given administrative discretion to define the term by means of an order consistent with the purposes of the act.

COSTS

The committee estimates that additional costs incurred by H.R. 13113 will total about $25.6 million during the 5-year period from fiscal year 1975, when the new Commission will become operational, to fiscal year 1979. For this same 5-year period, cost estimates for the present CEA law, which provides for the operation of the Commodity Exchange Authority, are estimated at $23.8 million. Therefore, total costs for the entire regulatory program, under present law and H.R. 13113, will be about $49.3 million for this 5-year period.

COMMITTEE ACTION

The Agriculture Committee held hearings on the commodity futures trading industry for 4 days in October 1973 and on the original bill H.R. 11955, during January 1974. During February markup sessions on this legislation, over 50 amendments were made, including the following major ones. The provision requiring the Secretary of Agriculture to be permanent chairman of the CFTC was amended so that any of the five commissioners could be appointed chairman. Language regarding pay levels of employees of the commission was modified at the request of the Post Office Committee. The committee deleted a section which would have granted an antitrust exemption to contract markets and futures associations if they were acting in connection with a CFTC order and replaced it with a section which requires the Commission to consider the public interest in issuing orders. Title III—creating a commodity investor protection corporation—was removed completely. This clean bill, H.R. 13113, was reported on March 6 by a vote of 24 to 8.

Mr. ROUSSELOT. If the gentleman will yield further, let me repeat what I started to say: Is it not true that it would be better to give this authority to the agencies that already exist instead of creating another whole bureaucracy? This is another instance in which Congress constantly is criticized for setting up agency after agency to do the same things. Would it not be a more suitable way to have just one regulatory agency?

Mr. THONE. No, I do not believe so. I think this commodity futures trading commission is the ideal regulatory setup. You have the best of two worlds here, first, the aspect of the independent commission, and on the other hand you have the close tie-in with the Department of Agriculture. I think that this is the ideal way to do it, rather than to superimpose more duties on the CEA. I do not think that the current structure can handle the proper regulating of this $500 billion industry.

Mr. ROUSSELOT. Mr. Chairman, I appreciate the gentleman from Nebraska yielding to me again. I would say to my friend; the gentleman from Nebraska, that I am a little disappointed because I know the gentleman from Nebraska and I have been sharply critical insofar as the implementation of wage and price controls, and that the gentleman agrees with me that the Cost of Living Council that was set up by the Economic Stabilization Act has really messed up the free market. So, Mr. Chairman, I am disappointed to see my friend, the gentleman from Nebraska, joining in with the other side that wants the Federal Government to regulate more and more of the natural marketplace and to put the Government in areas where it does not belong.

Mr. THONE. Mr. Chairman, I will briefly say that I think we will be preserving the vitality of the commodity futures trading markets by this somewhat limited regulation in this bill, and which is essential in the publc interest.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. WAMPER. Mr. Chairman, may I inquire how much time I have remaining?

The CHAIRMAN. The Chair will state that the gentleman from Virginia has 3 minutes remaining.

Mr. WAMPLER. Mr. Chairman, I yield 1 minute to the gentleman from Idaho (Mr. SYMMS).

Mr. SYMMS. I thank the gentleman for yielding.

I should just like to point out, in emphasizing what the gentleman from California brought out, that one of the bureaucrats that I talked to—and I know not what the gentleman's name is—who works for the Commodity Exchange Authority, said to me that he thought it was an outrage that people were allowed to trade futures contracts of silver coins because it served no economic purpose. I pointed out to the man that when we have a Congress which continues to inflate the currency by printing legalized counterfeit money that it serves an economic purpose of protecting the wealth of those who are protecting themselves from inflationary monetary policies of the politicians of this country and it helps them preserve wealth so that they will be able to pick up the pieces of our economy, after the paper money becomes totally valueless, which I predict it will unless the Congress of the United States has a sudden awakening of what they are doing with our money.

I think the gentleman from Nebraska (Mr. THONE) would agree with me that this Commission will have the unmitigated authority to bar any product from being traded on the futures market if they so see fit, and I hate to turn that judgment over to the bureaucrats when it should be left in the free market.

The CHAIRMAN. The time of the gentleman has expired.

Mr. POAGE. Mr. Chairman, I yield 3 minutes to the gentleman from Iowa (Mr. SMITH).

Mr. SMITH of Iowa. Mr. Chairman, the commodity markets encompass a rare combination of individuals and companies ranging from the most conservative businessmen who will not move without hedging their risk to the most venturous and the gamblers who do not know a soybean from a sour dock.

Even the big companies in the business are very unusual. The giants like Cargill and Continental are family corporations which are free to plunge and are not held back by restraints placed on officers of corporations with wide public ownership. Indeed, it was the ability to plunge that made them big.

When these markets were first brought under Federal regulation back in 1922—Grain Futures Act—it was recognized that involving some gamblers would be necessary in order to provide the liquidity needed so dealers in commodities could readily hedge their transactions.

The Commodity Exchange Act was designed to limit and regulate this form of gambling in tandem with hedging for the purpose of reducing "sudden or unreasonable fluctuations in the prices . . . which are detrimental to the producer or the consumer and the persons handling commodities . . ." Clearly, the primary purpose of the law which permits commodity markets to exist is to serve those who hedge, and speculation is to be permitted only to the extent that it serves the primary purpose.

Whenever the commodities futures markets fail to reduce the risk at a reasonable cost, the justification for continuing those markets is lost. Therefore, it is necessary to make sure the futures markets do reduce risks for hedgers at a reasonable cost.

I want to make it clear that I believe that in the past several generations, the commodities futures markets have performed an important service for producers, processors and others who are involved in commodities in their businesses. Although there have always been occasional problems, in most years the commodities markets have operated free of the kinds of abuses which occurred last year. But, relying upon what has worked in the past is no assurance that it will be sufficient in the future under the vast changes which have occurred in our commodities industry in the past few years. Production and transportation to overseas customers has increased so much in the past 10 years that in 1974 we will sell more soybeans overseas than we produced in the whole United States 10 years ago.

While the volume transported off farms has increased tremendously, the ability to transport has not increased accordingly. Also, the number of international traders through which it moves are very few. Since a greater volume of these commodities is eventually moving through the hands of a smaller and smaller number of merchants, there is a greater and greater opportunity, either intentionally or merely as a result of dislocation of supplies, for a squeeze, a manipulation, or some other abuse to occur which further magnifies the distortion in the system.

Under these changed conditions it should be no surprise that the demand for a place to hedge has skyrocketed. Last fiscal year the commodities exchanges handled about $400 billion in contracts compared to a total of only $200 billion for all stocks and bonds handled by the stock exchanges. It would be a bad mistake to pretend that a mechanism which worked so well most of the time in the past does not need updating in light of the changed situation and I feel that unless changes are made, there will be frequent abuses in the future.

I also think it would be a mistake to believe that the vulnerability of the commodities markets is only temporary. When there was always a surplus of most commodities and an abundance of transportation to ship those commodities in lieu of buying back a futures contract, there was little possibility of a squeeze except perhaps in eggs or some of the special commodities of lesser importance. We not only do not have a surplus of commodities now but we also have embarked on an all-out production and consumption program without an effective reserve mechanism which could be used to reduce the height of the peaks and the depths of the valleys, and this means that the uncontrollables such as the weather can produce at short intervals the situations which are conducive to abuses.

We have been hearing from some people that nothing has happened to the commodities markets to warrant any changes or give cause for concern. If any of you do entertain that notion, I suggest that you step out and call a central Iowa grain elevator and secure today's price for December corn or soybeans.

You will find that December corn is being forward priced in central Iowa at approximately 50 cents per bushel under the Chicago futures price. In most previous years, the differential would have been more like 20 cents per bushel. When farmers must sell for 50 cents per bushel less on a forward contract, obviously something very drastically has happened and there is a need to see if something can be done to remedy it rather than to pretend that no corrective action is necessary. The fact is that many local elevators are so uncertain of the cost of marketing corn and of carrying contracts that they feel compelled to add 20 or 30 cents per bushel in order to cover the unknown risks for which they paid dearly last year.

The futures markets had worked so well under surpluses that most Iowa merchants had come to assume they could get in and get out at any time and that the futures contract price would always correspond to the Iowa cash price plus transportation and handling costs. But, during the past year, we have had a taste of what can result from the vast changes which have occurred in our grain production and marketing industry. For example:

JULY CORN CONTRACT

When the July corn contract last summer expired, transportation was not available to deliver corn to Chicago in the volume needed in lieu of buying back contracts; and even if it had been available, the Chicago delivery points named in the contracts could not have handled that volume anyway. As a result, the holders of the long-side of those July futures contracts were able to demand and get as much as $1.30 per bushel more for their contracts than the corn would have cost the seller in Iowa plus the normal cost of handling and transportation. This is a case where transportation alone caused the problem and it could have been remedied had there been only two or three alternate delivery points in Iowa and Illinois.

1973 SOYBEAN CONTRACTS

Another example of problems this new situation can present is provided by the soybean contracts last year. By March of last year soybeans were largely concentrated in the hands of a relatively small number of processors and traders and therefore there was little possibility that enough soybeans could be delivered to satisfy the long contracts. Also, the relatively few holders of that inventory held a large amount of the long contracts. On one day last summer, more than 90 percent of all the long contracts on July soybeans on the Chicago Board of Trade were held by only four traders. This is an example of how a situation can develop where even with enough transportation those who hedged by selling short can be caught and unable to get out at anything like a reasonable cost. This could occur because most of our soybean crop moves through a handful of companies which both process and export. Alternate delivery points would not have cured that situation.

1973 COTTON MARKET

Another example of what can happen when a commodity is in short supply is the situation which occurred on the cotton market last fall when one trader on the New York Cotton Exchange held 67 percent of all the long contracts for the month of October. I am sure that when the Commodity Exchange Act originally passed no one envisioned a situation where one trader would ever control that high a percentage of any contract. As far as I know, there was nothing illegal involved and I am not criticizing anyone for this having occurred, but it illustrates the need to reexamine the authority and ability of the market system to facilitate hedging without bankrupting some people who innocently get caught on the wrong side and cannot get out.

What I am trying to illustrate by these examples is that while I believe there is a need for a mechanism with which businessmen can hedge at a reasonable cost, I am also convinced that the situation has so changed and is so subject to abuses that unless some positive action is taken in the very near future, there is real danger that futures trading in all commodities will be outlawed just as onion contracts were outlawed several years ago. This bill represents an attempt to save the commodities futures market system and make it work better.

This bill recognizes that it is not possible to anticipate and specifically legislate against each situation or combination of situations which may occur. Therefore, the bill provides for a commission similar to the Securities Exchange Commission and gives it the power and the responsibility to monitor the markets on a continuing basis and to take whatever action is necessary to prevent or correct any squeeze, manipulation or other abuse which interferes with the free flow of the market and prevents hedgers from securing a reduction of risk at a reasonable cost. The bill also specifies certain prohibitions, guidelines, and rulemaking powers and procedures, which in many respects are similar to those included in the law which established the SEC 40 years ago.

In many instances, the mere existence of remedial authority will cause the Boards of Trade to do a better job on their own. For example, there clearly is a need for alternate delivery points for corn and soybeans. Under this bill, the Commission may under a certain procedure, require alternate delivery points. I would hope and believe the mere existence of that authority will cause the Chicago Board of Trade to establish the needed alternate delivery points.

It is also very necessary to cover unregulated commodities with the same protection. Many very important commodities are now being traded by businessmen who do not even have the protection offered under existing law. The present law specifies which commodities are covered and thus several metals, livestock products, and building products are not covered. I think petroleum contracts are needed and will soon be added. Some of the most important commodities and the majority of the dollar volume will then be unregulated unless we pass this bill.

When speculators are prevented from manipulating some commodities because they are regulated but are free to trade in others which are nonregulated, it is bound to result in a movement by the manipulators toward nonregulated futures. It seems to me that the only contracts that should be sold on the futures market are those for which there is an economic purpose; and that if there is an economic purpose for a contract, then it should be regulated and the dealers who are hedging an economic risk should be protected. In other words trading in all futures should be under Federal regulation.

I think there is a very real danger that futures markets will be squeezed or manipulated by foreign companies some of which have access to huge resources of foreign governments. They can buy at a fixed price from a grain dealer who in turn hedges his risk on our commodities markets.

By dealing with four or five companies simultaneously the way the Russians did, the foreign company can sometimes buy more of one commodity at a fixed price than could possibly be delivered. They can indirectly speculate in huge volumes on our market. The grain companies who sell to him would not know at the time they sign the contract for a fixed price the extent to which other dealers are also obligating themselves for the same kind of grain. This happened in the Russian grain deal. They bought 50 percent more wheat than they needed. Cargill said that although they assumed the Russians were negotiating with others, they had no idea they were buying the quantity of grain which they bought. They then transferred the huge risk involved onto the backs of the unsuspecting American producers and processors. By overbuying their needs, they could later sell part of it at a much higher price and profit from a manipulation which would be prohibited for domestic traders. I think it is inevitable that such a huge manipulation or distortion in some commodities will occur if steps are not taken to prevent it.

If another such deal with a foreign purchaser causes an excessive and artificial drain on one of our commodities, it is almost inevitable that export controls will be imposed and export controls in my judgment would be dealing with a situation in a very bad way and cause irreparable harm to our marketing system. The Department has no contingency plans available to deal with such a problem. The small staff of CEA is busy with existing problems. I think there is a need to acquire some specialists and immediately assign them to develop contingency plans to deal with situations such as this which may arise and to monitor the markets on a daily basis to uncover a squeeze in its infancy.

It is not possible for the present Commodity Exchange Authority with its limited authority and very small staff located at one end of one wing of the Agriculture Department to provide the surveillance and actions which I believe are necessary to cope with this vastly changed situation and I do not think we can any longer depend upon self-regulation as heavily as we have in the past.

I will cite one concrete example to show why I believe a beefed up agency is necessary. In early August 1972, a complaint was filed alleging a manipulation of the September wheat contract on the Kansas City Board. Both the CEA and the Kansas City Board of Trade started an investigation of the alleged manipulation of this contract. In September the Kansas City Board completed its investigation with a finding that the market had functioned properly and that there was no indication of price manipulation. The CEA was unable to complete its investigation until nine months later but they indeed did find that the market had been manipulated, not just once but for several days. The case was turned over to the Justice Department but great damage had already been done. This shows both how we cannot depend upon self-regulation and also that additional expertise must be made available to the CEA so that it can move much faster.

The bill which we are now proposing assumes that we cannot anticipate and specifically legislate against every conceivable abuse which could arise and that the best way to handle the situation is to have a competent regulatory agency with the resources available to exercise surveillance over the markets to the extent needed to assure that those who need to hedge will be able to do so at a reasonable cost. If the cost of using the commodities market for forward contracting is to be reduced back to an acceptable level, I think it is absolutely essential that we restore confidence in this mechanism and that it be done without any unnecessary delay. I believe this bill provides the authority and mechanism needed and I strongly urge a vote for the bill.

Mr. YOUNG of South Carolina. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Iowa. I yield to the gentleman from South Carolina.

Mr. YOUNG of South Carolina. I thank the gentleman for yielding. I wonder if the gentleman would react to the possibility of this Commission's suspending trading in the market. Would this affect the price to the farmers for the commodities that they offered?

Mr. SMITH of Iowa. They suspended trading in soybeans last month. If they could have moved in soon enough, they could have done it for 3 months, and then let the market operate. That is one thing they can do under this bill, and that is use their tools to anticipate these problems so that they do not have to shut it down for 2 months.

The CHAIRMAN. The time of the gentleman has expired.

Mr. POAGE. Mr. Chairman, I yield 2 minutes to the gentleman from Washington (Mr. FOLEY), who will close the debate.

Mr. FOLEY. Mr. Chairman, there has been a very clear record here of a bipartisan effort by the Committee on Agriculture to bring before this House a responsible, moderate, and effective bill to provide continued futures and commodities trading under conditions which will protect the public interest.

Testimony has been recounted from leading members of the industry supporting this bill.

The administration supports the bill. The major national farm organizations such as the American Farm Bureau Federation and the National Farmers Organization and others support this bill.

The committee can be proud of the bill we bring before the House today and ask for support of the Members of the House with confidence. I am convinced that this legislation will be seen in the future as one of the major acts of the 93d Congress.

Mr. WAMPLER. I yield 1 minute to the gentleman from South Carolina (Mr. YOUNG).

Mr. YOUNG of South Carolina. Mr. Chairman, if the gentleman from Iowa (Mr. SMITH) will respond to a question I had earlier concerning this embargo when the price of beans went from $11 to $6.00, then the embargo was put on. The thing that concerns me as a farmer is: Could this happen with this Commission being established, where they could suspend the marketing of beans on the market. Could this affect the price of the product, of the beans I am growing on my farm?

Mr. SMITH of Iowa. Mr. Chairman, if the gentleman will yield, I am very much opposed to the embargo. Since we now have foreign countries entering our markets to buy our products in large volume, if we do not have some tool which we can use such as a Commission which can supervise and avoid the abuses such as developed last summer, then we are going to have embargoes imposed by the Congress, and the way to avoid embargoes therefore is to avoid abuses and the kinds of situations this Commission can prevent.

Mr. YOUNG of South Carolina. Mr. Chairman, this would preclude then, from the gentleman's statement, the trading or buying by foreign countries?

Mr. SMITH of Iowa. Not at all. We will detect it and know when they are in the market. The information is available. We will have a Commissioner. He will have I hope the confidence and ability to see that the thing is covered.

Mr. ROSTENKOWSKI. Mr. Chairman, while I intend to support this commodity regulation legislation when it is voted on this afternoon, I shall do so only with some reluctance. Too often, the Federal Government is called to intervene into areas that might better function by themselves. We are all aware of instances where the congressional solution to a problem has in the long run, been more burdensome on the economy than the problem was itself. I am afraid that H.R. 13113 might be just such a case where the cure is more deadly than the disease.

It is my impression that this legislation is being promoted as the best approach to curtail those commodity trading abuses which brought about the unprecedented surge in raw agricultural product prices. While this legislation might indeed curtail certain methods of commodity trading, I do not feel that it has been clearly established that commodity trading itself was in any way responsible for the increase in food prices.

The principles of future trading themselves, are clearly designed not to inflate prices but rather to produce the lowest marketable price at a specific time. If we seek to alter those practices that do tend to inflate prices in our present market structure, we should take a serious look at the reasons behind the agricultural shortages of the past year and at those governmental policies that encourage exports in such a time of shortage.

After consulting with many individuals involved in different aspects of commodity future markets including both the Chicago Mercantile Exchange and the Chicago Board of Trade, I believe there are several deficiencies in the present legislation that should be reevaluated before the bill is passed in its final form.

I am particularly concerned with the long-range problems that might arise from the enactment of sections 203, 211 and 215 as they are presently drafted.

Section 203. This section seeks to regulate the activities of a floor broker who trades for his own account and also executes orders for customers. But, it is my impression that the provisions as presently written could result in the flat prohibition of a floor broker ever trading for his own account if he executes orders for customers. The trading of such floor brokers for their own accounts seems to assure market liquidity, price stability and the avoidance of sharp price fluctuations.

Many of the exchanges have adopted and enforce stringent rules which regulate and control the trading activity of floor brokers to prevent abuse, conflicts with customer interests or self-preferences. I understand that the Chicago Mercantile Exchange and the Chicago Board of Trade have very complete and stringent systems of rules and regulations controlling such trading activities. Complaints of violation of such rules are rare, but when they occur, are heavily penalized. The statutory scheme should make use of such exchange self-regulatory conduct as an effective method of dealing with the day-to-day supervision required.

Section 211. This section seeks the enactment of new section 6c of the Commodity Exchange Act which would authorize the new Commission to request the Attorney General to file an injunctive suit against any contract market or other person "about to engage" in a violation of the act or of the rules, regulations or orders thereunder. Unfortunately, it appears that no standard is set for determining when a violation "is about to occur." The phrase is subjective and could result in the institution of serious judicial proceedings merely upon suspicion.

Section 215. This section would create an overlap of jurisdiction between the new Commission and the contract markets with respect to action in the event of market emergencies. Moreover, subsection (B) creates so loose a definition of market emergency as to create no significant guidelines for agency action. The danger of reposing this power initially in the Commission is that the Commission will then be subjected to constant pressure from persons on the losing side of any market movement. The Commission may not be familiar with the day-to-day operations of the market in question and might not be in a position to respond adequately to such pressures. Furthermore, the injunctive process authorized by the bill in section 211 should adequately take care of most market problems. The provisions here proposed should be restricted to Commission action in a more limited area, namely, where there has been an impact of government edicts and regulations or where there has been significant intervention and manipulation by foreign governments in future markets.

Mr. POAGE. Mr. Chairman, earlier in the debate, the gentleman from Iowa (Mr. Mayne) requested my response to a question being posed to him by the gentleman from Maine (Mr. Cohen) regarding the effect of section 207 relative to the Commission's ability to examine the Irish potato contract for economic purpose. I responded in the affirmative, since the language of the report clearly states, as the gentleman pointed out, that the Commission should review all contracts, existing or new, for compliance with the economic purpose requirement of the bill. However, to the extent that my statement may mislead others that such determination is to be limited to new contracts only, proposed to be traded, I would like to clarify such an impression. The potato contract is presently being traded, and regulated under existing law. As I indicated in my response, the Commission may examine it, just as it may examine any new or existing contract in accordance with the language of the committee report, at page 29.

Mr. WAMPLER. Mr. Chairman, I have no further request for time.

Mr. POAGE. Mr. Chairman, I have no further request for time.

The CHAIRMAN. If there are no further requests for time, pursuant to the rule the Clerk will now read the bill by titles.

Mr. POAGE. Mr. Chairman, I ask unanimous consent that titles I, II, III, and IV of the bill be considered as read, printed in the Record, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas that the bill be considered as read, printed in the Record, and open to amendment at any point?

There was no objection.

The bill reads as follows:

H.R. 13113

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Commodity Futures Trading Commission Act of 1974."

TITLE I—COMMODITY FUTURES TRADING COMMISSION

Sec. 101. (A) Section 2(a) of the Commodity Exchange Act, as amended (7 U.S.C. 2, 4), is amended (i) by inserting "(1)" after the subsection designation, (ii) by striking the last sentence of section 2(a) and inserting in lieu thereof the following new sentence: "The words 'the Commission' shall mean the Commodity Futures Trading Commission established under paragraph (2) of this subsection.", and (iii) by adding at the end thereof the following new paragraphs.

"(2) There is hereby established a Commodity Futures Trading Commission to be composed of five Commissioners consisting of the Secretary of Agriculture and four members selected from the general public, who shall be appointed by the President, by and with the advice and consent of the Senate. The President shall separately nominate, for appointment by and with the advice and consent of the Senate, one of the five Commissioners to serve as Chairman of the Commission during the term of said Commissioner, or, in the case of the Secretary of Agriculture, during the time he continues in office. The Secretary, whether acting as a Commissioner or as the Chairman of the Commission, may designate an official of the Department of Agriculture who is serving at not less than executive level IV to act in his behalf in the performance of his duties under this Act. Not more than two of the members of the Commission selected from the general public shall be members of the same political party. No Commissioner or any employee of the Commission shall participate, directly or indirectly, in any contract market operations or transactions of a character subject to regulation by the Commission. Each public Commissioner shall hold office for a term of five years and until his successor shall have been appointed and shall have qualified, except that he shall not so continue to serve beyond the expiration of the next session of Congress subsequent to the expiration of said fixed term of office: *Provided,* That any Commissioner appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term: *And provided further,* That the first public Commissioners taking office after the enactment of this paragraph shall continue in office for terms of two, three, four, and five years, respectively, the term of each to be designated by the President.

"(3) Any Commissioner may be removed by the President for neglect of duty or malfeasance in office. A vacancy in the Commission shall not impair the right of the remaining Commissioners to exercise all the powers of the Commission.

"(4) The Commission shall have an official seal, which shall be judicially noticed.

"(5) The Commission shall meet as often as necessary but in no event shall it have less than one regular meeting per month. Additional meetings may be called by the Chairman at any time or by any two members of the Commission upon three days' notice. The Commission is authorized to promulgate such rules and regulations as it deems necessary to govern the operating procedures and conduct of the business of the Commission.

"(6) Public members of the Commission shall be conpensated at the daily rate of pay of executive level IV for each day or part thereof spent in the performance of official duties.

"(7) The Commission shall have a Secretary who shall report directly to it and who shall carry out such administrative and other duties as are assigned by the Commission or by members thereof.

"(8) The Commission shall have a General Counsel who shall report directly to it and who shall serve as its legal advisor. The Commission shall also appoint such other attorneys as may be necessary, in the opinion of the Commission, to assist the General Counsel, represent the Commission in all disciplinary proceedings pending before it, assist the Department of Justice in handling litigation in courts of law concerning the Commission, and perform such other legal duties and functions as the Commission may direct.

"(9) The Commission shall have an Executive Director who shall report directly to it and perform such functions and duties as the Commission may prescribe.

"(10) Each Commissioner shall be furnished appropriate office space and secretarial and clerical help required to fulfill his responsibilities as a Commissioner."

(B) Section 12 of the Commodity Exchange Act, as amended (7 U.S.C. 16), is amended by striking said section and by inserting in lieu thereof the following new section:

"SEC. 12. (a) The Commission may cooperate with any department or agency of the Government, any State, territory, district, or possession, or department, agency, or political subdivision thereof, or any person.

"(b) The Commission shall have the authority to employ such investigators, special experts, administrative law judges, clerks, and other employees as it may from time to time find necessary for the proper performance of its duties and as may be from time to time appropriated for by Congress. The Commission may employ experts and consultants in accordance with section 3109 of title 5 of the United States Code, and compensate such persons at rates not in excess of the maximum daily rate prescribed for GS-18 under section 5332 of title 5 of the United States Code. The Commission shall also have authority to make and enter into contracts with respect to all matters which in the judgment of the Commission are necessary and appropriate to effectuate the purposes and provisions of this Act.

"(c) All of the expenses of the Commissioners, including all necessary expenses for transportation incurred by them while on official business of the Commission shall be allowed and paid on the presentation of itemized vouchers thereof approved by the Commission.

"(d) In order to perform its responsibilities under the Act, the Commission may partially or jointly utilize the facilities and services of employees of the Department of Agriculture at cost, and in the event that suitable space is not available at the Department of Agriculture, the Commission may rent suitable offices for its use.

"(e) The executive, administrative, and regulatory functions of the Commission, including functions of the Commission with respect to (i) the appointment and supervision of personnel employed under the Commission, (ii) the distribution of business among such personnel and among administrative units of the Commission, and (iii) the use and expenditure of funds, shall be exercised solely by the Commission: *Provided*, That the Commission may delegate such functions as it determines necessary to carry out the provisions and purposes of the Act to employees of the Commission.

"(f) The Commission shall exercise all functions with respect to the preparation of budget estimates and with respect to the distribution of appropriated funds according to major programs and purposes. Commission budgets shall be forwarded to the Secretary of Agriculture solely for transmission with the Department of Agriculture's budget request to the Congress.

"(g) There are hereby authorized to be appropriated out of any moneys in the Treasury, not otherwise appropriated, such sums as may be necessary for the purposes of this Act."

SEC. 102. The Commodity Exchange Act, as amended (7 U.S.C. 1 et seq.), is amended as follows:

(a) By striking the word "Secretary" and the words "Secretary of Agriculture" wherever such words appear therein (except where the words "Secretary of Agriculture" first appear in section 5(a) (7 U.S.C. 7) or where said words would be stricken by subsection (b), (c), or (d) of this section) and by inserting in lieu thereof the word "Commission".

(b) By striking the words "the Secretary of Agriculture or" wherever they appear in the phrase "the Secretary of Agriculture or the Commission".

(c) By striking the words "the Secretary of Agriculture, who shall thereupon notify the other members of" from section 6(a) thereof (7 U.S.C. 8).

(d) By striking the words "the Secretary of Agriculture (or any person designated by him)," from section 6(b) thereof (7 U.S.C. 15).

(e) By striking the word "he", "his", or "He" wherever they are used therein to refer to the Secretary of Agriculture, and by inserting in lieu thereof the word "it", "its", and "It" respectively.

(f) By striking the words "United States Department of Agriculture" wherever they appear therein and by inserting in lieu thereof the word "Commission".

(g) By inserting in section 5(a) (7 U.S.C. 7) thereof after the words "Secretary of Agriculture" where the same first appear therein the words "or the Commission".

SEC. 103. All of the personnel, property, records, and unexpended balance of appropriations, allocations, and other funds employed, used, held, available, or to be made available in connection with administration of the Commodity Exchange Act shall be transferred to the Commodity Futures Trading Commission upon the effective date of this Act.

SEC. 104. Section 8 of the Commodity Exchange Act, as amended (7 U.S.C. 12, 12-1), is amended by adding at the end thereof the following new paragraphs:

"The Commission shall submit to the Congress a written report within one hundred and twenty days after the end of each fiscal year detailing the operations of the Commission during such fiscal year. The Commission shall include in such report such information, data, and recommendations for further legislation as it may deem advisable with respect to the administration of this Act and its powers and functions under this Act.

"The Comptroller General of the United States shall conduct reviews and audits of the Commission and make reports thereon. For the purpose of conducting such reviews and audits the Comptroller General shall be furnished such information regarding the powers, duties, organizations, transactions, operations, and activities of the Commission as he may require and he and his duly authorized representatives shall, for the purpose of securing such information, have access to and the right to examine any books, documents, papers, or records of the Commission except that in his reports the Comptroller General shall not include data and information which would separately disclose the business transactions of any person and trade secrets or names of customers, although such data shall be provided upon request by any Committee of either House of Congress acting within the scope of its jurisdiction."

SEC. 105. The Commodity Exchange Act, as amended (7 U.S.C. 1 et seq.), is amended by adding the following new section:

"SEC. 14. (a) Any person complaining of any violation of any provision of this Act or any rule, regulation, or order thereunder by any person registered under section 4d, 4e, 4k, or 4m of this Act may, at any time within nine months after the cause of action accrues, apply to the Commission by petition, which shall briefly state the facts, whereupon, if, in the opinion of the Commission, the facts therein contained warrant such action, a copy of the complaint thus made shall be forwarded by the Commission to the respondent, who shall be called upon to satisfy the complaint, or to answer it in writing, within a reasonable time to be prescribed by the Commission.

"(b) If there appear to be, in the opinion of the Commission, any reasonable grounds for investigating any complaint made under this section, the Commission shall investigate such complaint and may, if in its opinion the facts warrant such action, have said complaint served by registered mail or by certified mail or otherwise on the respondent and afford such person an opportunity for a hearing thereon before an Administrative Law Judge designated by the Commission in any place in which the said person is engaged in business: *Provided*, That in complaints wherein the amount claimed as damages does not exceed the sum of $2,500, a hearing need not be held and proof in support of the complaint and in support of the respondent's answer may be supplied in the form of depositions or verified statements of fact.

"(c) After opportunity for hearing on complaints where the damages claimed exceed the sum of $2,500 has been provided or waived and on complaints where damages claimed do not exceed the sum of $2,500 not requiring hearing as provided herein, the Commission shall determine whether or not the respondent has violated any provision of this Act or any rule, regulation, or order thereunder.

"(d) In case a complaint is made by a nonresident of the United States, the complaint shall be required, before any formal action is taken on his complaint, to furnish a bond in double the amount of the claim conditioned upon the payment of costs, including a reasonable attorney's fee for the respondent if the respondent shall prevail, and any reparation award that may be issued by the Commission against the complainant on any counterclaim by respondent: *Provided*, That the Commission shall have authority to waive the furnishing of a bond by a complainant who is a resident of a country which permits the filing of a complaint by a resident of the United States without the furnishing of a bond.

"(e) If after a hearing on a complaint made by any person under subsection (a) of this section, or without hearing as provided in subsections (b) and (c) of this section, or upon failure of the party complained against to answer a complaint duly served within the time prescribed, or to appear at a hearing after being duly notified, the Commission determines that the respondent has violated any provision of this Act, or any rule, regulation, or order thereunder the Commission shall, unless the offender has already made reparation to the person complaining, determinine the amount of damage, if any, to which such person is entitled as a result of such violation and shall make an order directing the offender to pay to such person complaining such amount on or before the date fixed in the order. If, after the respondent has filed his answer to the complaint, it appears therein that the respondent has admitted liability for a portion of the amount claimed in the complaint as damages, the Commission under such rules and regulations as it shall prescribe, unless the respondent has already made reparation to the person complaining, may issue an order directing the respondent to pay to the complainant the undisputed amount on or before the date fixed in the order, leaving the respondent's liability for the disputed amount for subsequent determination. The remaining disputed amount shall be determined in the same manner and under the same procedure as it would have been determined if no order had been issued by the Commission with respect to the undisputed sum.

"If any person against whom an award has been made does not pay the reparation award within the time specified in the Commission's order, the complainant, or any person for whose benefit such order was made, may within three years of the date of the order file in the district court of the United States for the district in which he resides or in which is located the principal place of business of the respondent, or in any State court having general jurisdiction of the parties, a petition setting forth briefly the causes for which he claims damages and the order of the Commission in the premises. The orders, writs, and processes of the district courts may in these cases run, be served, and be returnable anywhere in the United States. Such suit in the district court shall proceed in all respects like other civil suits for damages, except that the findings and orders of the Commission shall be prima-facie evidence of the facts therein stated, and the petitioner shall not be liable for costs in the district court, nor for costs at any subsequent state of the proceedings, unless they accrue upon his appeal. If the petitioner finally prevails, he shall be allowed a reasonable attorney's fee, to be taxed and collected as a part of the costs of the suit.

"(g) Either party adversely affected by the entry of a reparation order by the Commission may, within thirty days from and after the date of such order, appeal therefrom to the district court of the United States for the district in which said hearing was held: *Provided*, That in cases handled within a hearing in accordance with subsections (b) and (c) of this section or in which a hearing has been waived by agreement of the parties, appeal shall be to the district court of the United States for the district in which the respondent is located. Such appeal shall be perfected by the filing with the clerk of said court a notice of appeal, together with a petition in duplicate which shall recite prior proceedings before the Commission and shall state the grounds up on which the petitioner relies to defeat the right of the adverse party to recover the damages claimed, with proof of service thereof upon the adverse party. Such appeal shall not be effective unless within thirty days from and after the date of the reparation order the appellant also files with the clerk a bond in double the amount of the reparation awarded against the appellant conditioned upon the payment of the judgment entered by the court, plus interest and costs, including a reasonable attorney's fee for the appellee, if the appellee shall prevail. Such bond shall be in the form of cash, negotiable securities having a market value at least equivalent to the amount of bond prescribed, or the undertaking of a surety company on the approved list of sureties issued by the Treasury Department of the United States. The clerk of the court shall immediately forward a copy thereof to the Commission who shall forthwith prepare, certify, and file in said court a true copy of the Commission's decision, findings of fact, conclusions, and order in said case, together with copies of the pleadings upon which the case was heard and submitted to the Commission. Such suit in the district court shall be a trial de novo and shall proceed in all respect like other civil suits for damages, except that the findings of fact and order or orders of the Commission shall be prima-facie evidence of the facts therein stated. Appellee shall not be liable for costs in said court. If appellee prevails he shall be allowed a reasonable attorney's fee to be taxed and collected as a part of his costs. Such petition and pleadings certified by the Commission upon which decision was made by it shall upon filing in the district court constitute the pleadings upon which said trial de novo shall proceed subject to any amendment allowed in that court.

"(h) Unless the registrant against whom a reparation order has been issued shows to the satisfaction of the Commission within five days from the expiration of the period allowed for compliance with such order that he has either taken an appeal as herein authorized or has made payment in full as required by such order, he shall be prohibited from trading on all contract markets and his registration shall be suspended automatically at the expiration of such five-day period until he shows to the satisfaction of the Commission that he has paid the amount therein specified with interest thereon to date of payment: *Provided*, That if on appeal the appellee prevails or if the appeal is dismissed the automatic prohibition against trading and suspension of registration shall become effective at the expiration of thirty days from the date of judgment on the appeal, but if the judgment is stayed by a court of competent jurisdiction the suspension shall become effective ten days after the expiration of such stay, unless prior thereto the judgment of the court has been satisfied.

"(i) The provisions of this section shall not become effective until one year after the date of its enactment: *Provided*, That claims which arise within nine months immediately prior to the effective date of this section may be heard by the Commission after such one year period."

SEC. 106. The Commodity Exchange Act, as amended (7 U.S.C. 1 et seq.), is amended by adding the following new section:

"SEC. 17. The Commission shall take into consideration the public interest to be protected by the antitrust laws as well as the policies and purposes of this Act in issuing any order or adopting any Commission rule or regulation, or in requiring or approving any bylaw, rule, or regulation of a contract market or registered futures association established pursuant to section 16 of this Act."

TITLE II—REGULATION OF TRADING AND EXCHANGE ACTIVITIES

SEC. 201. Section 2(a) of the Commodity Exchange Act, as amended (7 U.S.C. 2, 4), is amended as follows:

(A) Section 2(a) of the Commodity Exchange Act, as amended (7 U.S.C. 2, 4), is amended by striking after the word "eggs," the word "onions,".

(B) By deleting the period at the end of the third sentence of the section and substituting therefor the phrase ", and all other goods and articles, except onions as provided in Public Law 85-839, and all services, rights, and interests in which contracts for future delivery are presently or in the future dealt in: *Provided*, That the Commission shall have exclusive jurisdiction of transactions dealing in, resulting in, or relating to contracts of sale of a commodity for future delivery, traded or executed on a domestic board of trade or contract market or on any other board of trade, exchange, or market: *And provided further*, That nothing herein contained shall supersede or limit the jurisdiction at any time conferred on the Securities Exchange Commission or other regulatory authorities under the laws of the United States or restrict the Securities and Exchange Commission and such other authorities from carrying out their duties and responsibilities in accordance with the laws of the United States."

SEC. 202. Section 2(a) of the Commodity Exchange Act, as amended (7 U.S.C. 2, 4), is amended as follows:

By adding at the end of paragraph (1) the following new sentences: "The term 'commodity trading advisor' shall mean any person who, for compensation or profit, engages in the business of advising others, either directly or through publications or writings, as to the value of commodities or as to the advisability of trading in any commodity for future delivery on or subject to the rules of any contract market, or who, for compensation or profit, and as part of a regular business, issues or promulgates analyses or reports concerning commodities; but does not include (1) any bank or trust company, (2) any newspaper reporter, newspaper columnist, newspaper editor, lawyer, accountant, or teacher, (3) any floor broker or futures commission merchant, (4) the publisher of any bona fide newspaper, news magazine, or business or financial publication of general and regular circulation including their employees, (5) any contract market, and (6) such other persons not within the intent of this definition as the Commission may specify by rule, regulation, or order: *Provided*, That the furnishing of such services by the foregoing persons is solely incidental to the conduct of their business or profession. The term 'commodity pool operator' shall mean any person engaged in a business which is of the nature of an investment trust, syndicate, or similar form of enterprise, and who, in connection therewith, solicits, accepts, or receives from others funds, securities, or property, either directly or through capital contributions, the sale of stock or other forms of securities, or otherwise, for the purpose of trading in any commodity for future delivery on or subject to the rules of any contract market, but does not include such persons not within the intent of this definition as the Commission may specify by rule or regulation or by order."

SEC. 203. The Commodity Exchange Act, as amended, is amended by inserting after section 4i (7 U.S.C. 6i), the following new section:

"SEC. 4j. (1) The Commission shall within six months after the effective date of this Act, and subsequently when it determines that changes are required, make a determination, after notice and opportunity for hearing, whether or not a floor broker may trade for his own account or any account in which such broker has trading discretion, and also execute a customer's order for future delivery and, if the Commission determines that such trades and such executions shall be permitted, the Commission shall further determine the terms, conditions, and circumstances under which such trades and such executions shall be conducted: *Provided*, That any such determination shall, at a minimum, take into account the effect upon the liquidity of trading of each market: *And provided further*, That nothing herein shall be construed to prohibit the Commission from making separate determinations for different contract markets when such are warranted in the judgment of the Commission, or to prohibit contract markets from setting terms and conditions more restrictive than those set by the Commission.

(2) The Commission shall within six months after the effective date of this Act, and subsequently when it determines that changes are required, make a determination, after notice and opportunity for hearing, whether or not a futures commission merchant may trade for its own account or any proprietary account, and, if the Commission determines that such trades shall be permitted the Commission shall, after notice and opportunity for hearing, further determine the terms, conditions, and circumstances under which such trades shall be conducted: *Provided*, That any such determination, at a minimum shall take into account the effect upon the liquidity of trading of each market: *And provided further*, That nothing herein shall be construed to prohibit the Commission from making separate determinations for different contract markets when such are warranted in the judgment of the Commission, or to prohibit contract markets from setting terms and conditions more restrictive than those set by the Commission.

SEC. 204. (a) The Commodity Exchange Act, as amended (7 U.S.C. 1 et seq.), is amended by adding the following new section:

"SEC. 4k. (1) It shall be unlawful for any person to be associated with any futures commission merchant or with any agent of a futures commission merchant as a partner, officer, or employee (or any person occupying a similar status or performing similar functions), in any capacity which involves (a) the solicitation or acceptance of customer's orders (other than in a clerical capacity) or (b) the supervision of any person or persons so engaged unless such person shall have registered, under this Act, with the Commission and such registration shall not have expired nor been suspended (and the period of suspension has not expired) nor revoked, and it shall be unlawful for any futures commission merchant or any agent of a futures commission merchant to permit such a person to become or remain associated with him in any such capacity if such futures commission merchant or agent knew or should have known that such person was not so registered or that such registration had expired, been suspended (and the period of suspension has not expired) or revoked: *Provided*, That any individual who is registered as a floor broker or futures commission merchant (and such registration is not suspended or revoked) need not also register under these provisions; and

"(2) Any person desiring to be so registered shall make application to the Commission in the form and manner prescribed by the Commission giving such information and facts as the Commission may deem necessary concerning the applicant. Such person, when registered hereunder, shall likewise continue to report and furnish to the Commission such information as the Commission may require. Such registration shall expire two years after the effective date thereof, and shall be renewed upon application therefor unless the registration has been suspended (and the period of such suspension has not expired) or revoked after notice and hearing as prescribed in section 6(b) of this Act: *Provided*, That upon initial registration the effective period of such registration shall be set by the Commission, not to exceed two years from the effective date thereof and not to be less than one year from the effective date thereof: *And provided further*, That the Commission may, by regulation, specify such terms and conditions as it deems appropriate to protect the public interest, wherein exception to a written proficiency examination incident to registration shall be afforded an individual who has demonstrated, through training and experience, a required degree of proficiency and skill to protect the interests of customers of the futures commission merchant or associate of such futures commission merchant as provided herein."

(b) Section 6(b) of the Commodity Exchange Act, as amended (7 U.S.C. 9), is amended by inserting after the words "futures commission merchant" each time those words appear, the following: "or any person associated therewith as described in section 4k of this Act,".

(c) Section 8a(1) of the Commodity Exchange Act, as amended (7 U.S.C. 12a(1)), is amended by inserting after the words "futures commission merchants" the following: "and persons associated therewith as described in section 4k of this Act,".

SEC. 205. (a) The Commodity Exchange Act, as amended (7 U.S.C. 1 et seq.), is amended by adding the following new sections:

"SEC. 41. It is hereby found that the activities of commodity trading advisors and commodity pool operators are affected with a national public interest in that, among other things—

"(1) their advice, counsel, publications, writings, analyses, and reports are furnished and distributed, and their contracts, solicitations, subscriptions, agreements, and other arrangements with clients take place and are negotiated and performed by the use of the mails and other means and instrumentalities of interstate commerce;

"(2) their advice, counsel, publications, writings, analyses, and reports customarily relate to and their operations are directed toward and cause the purchase and sale of commodities for future delivery on or subject to the rules of contract markets; and

"(3) the foregoing transactions occur in such volume as substantially to affect transactions on contract markets.

"SEC. 4m. It shall be unlawful for any commodity trading adviser or commodity pool operator, unless registered under this Act, to make use of the mails or any means or instrumentality of interstate commerce in connection with his business as such commodity trading adviser or commodity pool operator: *Provided*, That the provisions of this section shall not apply to any commodity trading adviser who, during the course of the preceding twelve months, has not furnished commodity trading advice to more than fifteen persons and who does not hold himself out generally to the public as a commodity trading adviser.

"SEC. 4n. Any commodity trading adviser or commodity pool operator, or any person who contemplates becoming a commodity trading adviser or commodity pool operator, may register under this Act by filing an application with the Commission. Such application shall contain such information, in such form and detail, as the Commission may, by rules and regulations, prescribe as necessary or appropriate in the public interest, including the following:

"(A) the name and form of organization including capital structure, under which the applicant engages or intends to engage in business; the name of the State under the laws of which he is organized; the location of his principal business office and branch offices, if any; the names and addresses of all parties, officers, directors, and persons performing similar functions or, if the applicant be an individual, of such individual; and the number of employees;

"(B) the education, the business affiliations for the past ten years, and the present business affiliations of the applicant and of his partners, officers, directors, and persons performing similar functions and of any controlling person thereof;

"(C) the nature of the business of the applicant, including the manner of giving advice and rendering of analyses or reports;

"(D) the nature and scope of the authority of the applicant with respect to clients' funds and accounts;

"(E) the basis upon which the applicant is compensated; and

"(F) such other information as the Commission may require to determine whether the applicant is qualified for registration.

"(2) Except as hereinafter provided, such registration shall become effective thirty days after the receipt of such application by the Commission, or within such shorter period of time as the Commission may determine.

"(3) All registrations under this section shall expire on the 30th day of June of each year, and shall be renewed upon application therefor subject to the same requirements as in the case of an original application.

"(4) (A) Every commodity trading adviser and commodity pool operator registered under this Act shall maintain books and records and file such reports in such form and manner as may be prescribed by the Commission. All such books and records shall be kept for a period of at least three years, or longer if the Commission so directs, and shall be open to inspection by any representative of the Commission or the Department of Justice. Upon the request of the Commission, every registered commodity trading adviser and commodity pool operator shall furnish the name and address of each client, subscriber, or participant, and submit samples or copies of all reports, letters, circulars, memorandums, publications, writings, or other literature or advice distributed to clients, subscribers, or participants, or prospective clients, subscribers, or participants.

"(B) Unless otherwise authorized by the Commission by rule or regulation, all commodity trading advisers and commodity pool operators shall make a full and complete disclosure to their subscribers, clients or participants of all futures market positions taken or held by the individual principals of their organization.

"(5) Every commodity pool operator shall regularly furnish statements of account to each participant in his operations. Such statements shall be in such form and manner as may be prescribed by the Commission and shall include complete information as to the current status of all trading accounts in which such participant has an interest.

"(6) The Commission is authorized, without hearing, to deny registration to any person as a commodity trading adviser or commodity pool operator if such person is subject to an outstanding order of the Commission denying to such person trading privileges on any contract market, or suspending or revoking the registration of such person as a commodity trading adviser, commodity pool operator, futures commission merchant, or floor broker, or suspending or expelling such person from membership on any contract market.

"(7) The Commission after hearing may by order deny registration, revoke or suspend the registration of any commodity trading adviser or commodity pool operator if the Commission finds that such denial, revocation, or suspension is in the public interest and that—

"(A) the operations of such person disrupt or tend to disrupt orderly marketing conditions, or cause or tend to cause sudden or unreasonable fluctuations or unwarranted changes in the prices of commodities; or

"(B) such commodity trading advisor or commodity pool operator, or any partner, officer, director, person performing similar function, or controlling person thereof—

"(i) has within ten years of the issuance of such order been convicted of any felony or misdemeanor involving the purchase or sale of any commodity or security, or arising out of any conduct or practice of such commodity trading advisor or commodity pool operator or affiliated person as a commodity trading advisor or commodity pool operator; or

"(ii) at the time of the issuance of such order, is permanently or temporarily enjoined by order, judgment or decree of any court of competent jurisdiction from acting as a commodity trading advisor, commodity pool operator, futures commission merchant, or floor broker, or as an affiliated person or employee of any of the foregoing, or from engaging in or continuing any conduct or practice in connection with any such activity or in connection with the purchase or sale of commodities or securities.

"(C) any partner, officer, or director of such commodity trading advisor or commodity pool operator, or any person performing a similar function or any controlling person thereof is subject to an outstanding order of the Commission denying trading privileges on any contract market to such person, or suspending or revoking the registration of such person as a commodity trading advisor, commodity pool operator, futures commission merchant, or floor broker, or suspending or expelling such person from membership on any contract market.

"Sec. 4o. (1) It shall be unlawful for any commodity trading advisor or community pool operator registered under this Act, by use of the mails or any means or instrumentality of interestate commerce, directly or indirectly—

"(A) to employ any device, scheme, or artifice to defraud any client or participant or prospective client or participant; or

"(B) to engage in any transaction, practice, or course of business which operates as a fraud or deceit upon any client or participant or prospective client or participant.

"(2) It shall be unlawful for any commodity trading advisor or commodity pool operator registered under this Act to represent or imply in any manner whatsoever that he has been sponsored, recommended, or approved, or that his abilities or qualifications have in any respect been passed upon, by the United States or any agency or officer thereof: *Provided*, That this section shall not be construed to prohibit a statement that a person is registered under this Act as a commodity trading advisor or commodity pool operator, if such statement is true in fact and if the effect of such registration is not misrepresented."

(b) Section 6(b) of the Commodity Exchange Act, as amended (7 U.S.C. 9), is amended by inserting immediately before the words "or as floor broker" each time those words appear, the following: ", commodity trading advisor, commodity pool operator".

(c) Section 8a(1) of the Commodity Exchange Act, as amended (7 U.S.C. 12a(1)), is amended by inserting immediately before the words "and floor brokers" the following: "commodity trading advisors, commodity pool operators".

Sec. 206. The Commodity Exchange Act, as amended (7 U.S.C. 1 et seq.), is amended by adding the following new section:

"Sec. 4p. The Commission may specify by rules and regulations appropriate standards with respect to training, experience, and such other qualifications as the Commission finds necessary or desirable to insure the fitness of futures commission merchants, floor brokers, and those persons associated with futures commission merchants or floor brokers. In connection therewith, the Commission may prescribe by rules and regulations the adoption of written proficiency examinations to be given to applicants for registration as futures commission merchants, floor brokers, and those persons associated with futures commission merchants or floor brokers, and the establishment of reasonable fees to be charged to such applicants to cover the administration of such examinations. The Commission may further prescribe by rules and regulations that in lieu of examinations administered by the Commission, registered futures associations registered under section 16 of this Act or contract markets may adopt written proficiency examinations to be given to applicants for registration as futures commission merchants, floor brokers, and those persons associated with futures commission merchants or floor brokers, and charge reasonable fees to such applicants to cover the administration of such examinations."

Sec. 207. Section 5 of the Commodity Exchange Act as amended (7 U.S.C. 7), is amended by adding after subsection (f) thereof the following new subsection:

"(g) When such board of trade demonstrates that the prices involved in transactions for future delivery in the commodity for which designation as a contract market is sought are, or reasonably can be expected to be, generally quoted and disseminated as a basis for determining prices to producers, merchants, or consumers of such commodity or the products or byproducts thereof or that such transactions are, or reasonably can be expected to be, utilized by producers, merchants, or consumers engaged in handling such commodity or the products or byproducts thereof in interstate commerce as a means of hedging themselves against possible loss through fluctuations in price."

Sec. 208. Section 5a of the Commodity Exchange Act, as amended (7 U.S.C. 7a), is amended—

(a) by striking out "and" at the end of subsection (8) thereof;

(b) by striking out "the Secretary of Agriculture." at the end of subsection (9) thereof and inserting in lieu thereof "the Commission;"; and

(c) by adding at the end of subsection (9) thereof the following new subsection:

"(10) permit the delivery of any commodity, on contracts of sale thereof for future delivery, of such grade or grades, at such point or points and at such quality and locational price differentials as will tend to prevent or diminish price manipulation, market congestion, or the abnormal movement of such commodity in interstate commerce. If the Commission after investigation finds that the rules and regulations adopted by a contract market permitting delivery of any commodity on contracts of sale thereof for future delivery, do not accomplish the objectives of this subsection, then the Commission shall notify the contract market of its finding and afford the contract market an opportunity to make appropriate changes in such rules and regulations. If the contract market within sixty days of such notification fails to make the changes which in the opinion of the Commission are necessary to accomplish the objectives of this subsection, then the Commission after granting the contract market an opportunity to be heard, may change or supplement such rules and regulations of the contract market to achieve the above objectives: *Provided*, That any order issued under this paragraph shall not apply to contracts of sale for future delivery in any months in which contracts are currently outstanding and open: *And provided further*, That no requirement for an additional delivery point or points shall be promulgated following hearings until the contract market affected has had notice and opportunity to file exceptions to the proposed order determining the location and number of such delivery point or points; and".

Sec. 209. Section 5a of the Commodity Exchange Act, as amended (7 U.S.C. 7a), is amended by adding a new subsection (11) as follows:

"(11) provide a fair and equitable procedure through arbitration or otherwise for the settlement of customer's claims and grievances against any member or employee thereof: *Provided*, That (i) the use of such procedure by a customer shall be voluntary, (ii) the procedure shall not be applicable to any claim in excess of $5,000, (iii) the procedure shall not result in any compulsory payment except as agreed upon between the parties, and (iv) the term 'customer' as used in this subsection shall not include a futures commission merchant or a floor broker; and ".

Sec. 210. Section 5a of the Commodity Exchange Act, as amended (7 U.S.C. 7a) is amended by inserting the following new subsection (12) as follows:

"(12) submit to the Commission for its approval all bylaws, rules, regulations, and resolutions made or issued by such contract market, or by the governing board thereof or any committee thereof which relate to terms and conditions in contracts of sale to be executed on or subject to the rules of such contract market or relate to other trading requirements except those relating to the setting of levels of margin, and the Commission shall approve such bylaws, rules, regulations, and resolutions upon a determination that such bylaws, rules, regulations, and resolutions are not in violation of the provisions of this Act or the regulations of the Commission and thereafter the Commission shall disapprove, after appropriate notice and opportunity for hearing, any bylaw, rule, regulation, or resolution which the Commission finds at any time is in violation of the provisions of this act or the regulation of the Commission."

Sec. 211. The Commodity Exchange Act, as amended, is amended by inserting the following new section immediately after section 6b (7 U.S.C. 13a):

"Sec. 6c. Whenever it shall appear to the Commission that any contract market or other person has engaged, is engaging, or is about to engage in any act or practice constituting a violation of any provision of this Act or any rule, regulation, or order thereunder, or is in a position to effectuate a 'squeeze' or corner or otherwise restrain trading in any commodity for future delivery, the Commission may notify the Attorney General, and the Attorney General may bring an action in the proper district court of the United States or the proper United States court of any territory or other place subject to the jurisdiction of the United States, to enjoin such act or practice, or to enjoin the continued maintenance of such a position, or to enforce compliance with this Act, or any rule, regulation or order thereunder, and said courts shall have jurisdiction to entertain such actions: *Provided*, That no restraining order or injunction for violation of the provisions of this Act shall be issued ex parte by said court. Upon a proper showing, a permanent or temporary injunction or restraining order shall be granted without bond. Upon application of the Attorney General, the district courts of the United States and the United States courts of any territory or other place subject to the jurisdiction of the United States shall also have jurisdiction to issue writs of mandamus, or orders affording like relief, commanding any person to comply with the provisions of this Act or any rule, regulation, or order of the Commission thereunder, including the requirement that such person take such action as is necessary to remove the danger of violation of this Act or any such rule, regulation, or order: *Provided*, That no such writ of mandamus, or order affording like relief, shall be issued ex parte. Any action under this section may be brought in the district wherein the defendant is found or is an inhabitant or transacts business or in the district where the act or practice occurred, is occurring, or is about to occur, or where such position is maintained, and process in such cases may be served in any district in which the defendant is an inhabitant or wherever the defendant may be found."

SEC. 212. (a) Section 6 of the Commodity Exchange Act, as amended (7 U.S.C. 8, 9, 13b, 15), is amended as follows:

(1) by substituting a comma for the period at the end of the fourth sentence in paragraph (b) and adding thereafter the following: "and may assess such person a civil penalty of not more than $100,000 for each such violation.";

(2) by adding, in the sixth sentence in paragraph (b), a comma after the word "petition" and inserting thereafter and before the word "praying" the following phrase: "within fifteen days after the notice of such order is given to the offending person,"; and

(3) by adding after paragraph (c) thereof the following new paragraph:

"(d) In determining the amount of the money penalty assessed under pararaph (b) of this section, the Commission shall consider: In the case of a person whose primary business involves the use of the commodity futures market—the appropriateness of such penalty to the size of the business of the charged, the extent of such person's ability to continue in business, and the gravity of the violation; and in the case of a person whose primary business does not involve the use of the commodity futures market—the appropriateness of such penalty to the net worth of the person charged, and the gravity of the violation. If the offending person upon whom such penalty is imposed, after the lapse of the period allowed for appeal or after the affirmance of such penalty, shall fail to pay such penalty the Commission shall refer the matter to the Attorney General who shall recover such penalty by action in the appropriate United States district court."

(b) Section 6b of the Commodity Exchange Act, as amended (7 U.S.C. 13a), is amended to read as follows:

"SEC. 6b. If any contract market is not enforcing or has not enforced its rules of government made a condition of its designation as set forth in section 5 of this Act, or if any contract market, or any director, officer, agent, or employee of any contract market otherwise is violating or has violated any of the provisions of this Act or any of the rules, regulations, or orders of the Commission thereunder, the Commission may, upon notice and hearing and subject to appeal as in other cases provided for in paragraph (a) of section 6 of this Act, make and enter an order directing that such contract market, director, officer, agent, or employee shall cease and desist from such violation, and assess a civil penalty of not more than $100,000 for each such violation. If such contract market, director, officer, agent, or employee, after the entry of such a cease and desist order and the lapse of the period allowed for appeal of such order or after the affirmance of such order, shall fail or refuse to obey or comply with such order, such contract market, director, officer, agent, or employee shall be guilty of a misdemeanor and, upon conviction thereof, shall be fined not more than $100,000 or imprisoned for not less than six months nor more than one year, or both. Each day during which such failure or refusal to obey such cease and desist order continues shall be deemed a separate offense. If the offending contract market or other person upon whom such penalty is imposed, after the lapse of the period allowed for appeal or after the affirmance of such penalty, shall fail to pay such penalty, the Commission shall refer the matter to the Attorney General who shall recover such penalty by action in the appropriate United States district court. In determining the amount of the money penalty assessed under his section, the Commission shall consider the appropriateness of such penalty to the net worth of the offending person and the gravity of the offense, and in the case of a contract market shall further consider whether the amount of the penalty will materially impair the contract market's ability to carry on its operations and duties."

(c) Section 6(c) of the Commodity Exchange Act, as amended (7 U.S.C. 13b), is amended by deleting the words "not less than $500 nor more than $10,000" and substituting therefor the words "not more than $100,000".

(d) Section 9 of the Commodity Exchange Act, as amended (7 U.S.C. 13), is amended as follows:

(1) Subsection (a) is amended by deleting the figures "$10,000" and substituting therefor the figures "$100,000".

(2) Subsection (b) is amended by deleting the figures "$10,000" and substituting therefor the figures "$100,000".

(3) Subsection (c) is amended by deleting the figures "$10,000" and substituting therefor the figures "$100,000".

SEC. 213. Section 8a of the Commodity Exchange Act, as amended (7 U.S.C. 12(a)), is amended by striking subsection (7) and inserting in lieu thereof the following new subsection:

"(7) to alter or supplement the rules of such contract market insofar as necessary or appropriate by rule or regulation or by order, if after making the appropriate request in writing to a contract market that such contract market effect on its own behalf specified changes in its rules and practices, and after appropriate notice and opportunity for hearing, the Commission determines that such contract market has not made the changes so required, and that such changes are necessary or appropriate for the protection of persons producing, handling, processing, or consuming any commodity traded for future delivery on such contract market, or the product or byproduct thereof, or for the protection of traders or to insure fair dealing in commodities traded for future delivery on such contract market. Such rules, regulations, or orders may specify changes with respect to such matters as:

"(A) terms or conditions in contracts of sale to be executed on or subject to the rules of such contract market;

"(B) the form or manner of execution of purchases and sales for future delivery;

"(C) other trading requirements, excepting the setting of levels of margin;

"(D) safeguards with respect to the financial responsibility of members;

"(E) the manner, method, and place of soliciting business, including the content of such solicitations; and

"(F) the form and manner of handling, recording, and accounting for customers' orders, transactions, and accounts; and".

SEC. 214. Section 8a of the Commodity Exchange Act, as amended (7 U.S.C. 12a), is amended by adding the following new subsection (8):

"(8) to make and promulgate such rules and regulations with respect to those persons registered under this Act, who are not members of a contract market, as in the judgment of the Commission are reasonably necessary to protect the public interest and promote just and equitable principles of trade, including but not limited to the manner, method, and place of soliciting business, including the content of such solicitation; and".

SEC. 215. Section a of the Commodity Exchange Act, as amended (7 U.S.C. 12a), is amended by adding the following new subsection (9):

"(9)(A) to direct the contract market, whenever it has reason to believe that the amount of deliverable supplies, the number of open contracts, the relative size of individual traders' positions, the amount and direction of price movements in cash and futures markets, the impact of government edicts and regulations, the existence of a market emergency, or any other such market factor creates a condition which threatens orderly trading in, or liquidation of, any futures contract, to take such action as in the Commission's judgment is necessary to maintain or restore orderly trading in, or liquidation of, any futures contract. Such actions may include, but are not limited to, the following:

"(1) Limit trading to liquidation only;

"(2) Extend the expiration date of a futures contract;

"(3) Extend the time for making deliveries in fulfillment of a futures contract;

"(4) Order liquidation of all or part of any open contracts under such terms as the Commission deems necessary;

"(5) Suspend trading;

"(6) Order the fixing of a settlement price for the liquidation of a futures contract; and

"(7) Any other action necessary to prevent significant intervention or manipulation by a foreign government.

"(B) as used herein, the term 'market emergency' shall be defined to mean significant intervention of foreign governments in the futures market, war or other national emergency, price controls, export embargoes, or any other significant disruption of normal commercial processes which can reasonably be deemed to affect futures transactions: *Provided*, That nothing herein shall be deemed to limit the meaning or interpretation given by a contract market to the terms 'market emergency', 'emergency' or equivalent language in its own bylaws, rules, regulations, or resolutions.".

TITLE III—ENABLING AUTHORITY FOR CREATION OF NATIONAL FUTURES ASSOCIATIONS

SEC. 301. The Commodity Exchange Act, as amended (7 U.S.C. 1 et seq.), is amended by adding the following new section:

"SEC. 16. (a) Any association of persons may be registered with the Commission as a registered futures association pursuant to subsection (b) of this section, under the terms and conditions hereinafter provided in this section, by filing with the Commission for review and approval a registration statement in such form as the Commission may prescribe, setting forth the information, and accompanied by the documents, below specified:

"(1) Data as to its organization, membership, and rules of procedure, and such other information as the Commission may by rules and regulations require as necessary or appropriate in the public interest; and

"(2) Copies of its constitution, charter, or articles of incorporation or association, with all amendments thereto, and of its bylaws, and of any rules or instruments corresponding to the foregoing, whatever the name, hereinafter in this section collectively referred to as the 'rules of the association'.

"(b) An applicant association shall not be registered as a futures association unless the Commission finds, under standards established by the Commission, that—

"(1) such association is in the public interest and that it will be able to comply with the provisions of this section and the rules and regulations thereunder and to carry out the purposes of this subsection;

"(2) the rules of the association provide that any person registered under this Act, contract market, or any other person designated pursuant to the rules of the Commission as eligible for membership may become a member of such association, except such as are excluded pursuant to paragraph (3) or (4) of this subsection, or a rule of the association permitted under this paragraph. The rules of the association may restrict membership in such association on such specified basis relating to the type of business done by its members, or on such other specified and appropriate basis, as appears to the Commission to be necessary or appropriate in the public interest and to carry out the purpose of this section. Rules adopted by the association may provide that the association may, unless the Commission directs otherwise in cases in which the Commission finds it appropriate in the public interest so to direct, deny admission to, or refuse to continue in such association any person if (i) such person, whether prior or subsequent to becoming registered as such, or (ii) any person associated within the meaning of 'associated person' as set forth in section 4(k) of this Act, whether prior or subsequent to becoming so associated, has been and is suspended or expelled from a contract market or has been and is barred or suspended from being associated with all members of such contract market, for violation of any rule of such contract market;

"(3) the rules of the association provide that, except with the approval or at the direction of the Commission in cases in which the Commission finds it appropriate in the public interest so to approve or direct, no person shall be admitted to or continued in membership in such association, if such person—

"(A) has been and is suspended or expelled from a registered futures association or from a contract market or has been and is barred or suspended from being associated with all members of such association or from being associated with all members of such contract market, for violation of any rule of such association or contract market which prohibits any act or transaction constituting conduct inconsistent with just and equitable principles of trade, or requires any act the omission of which constitutes conduct inconsistent with just and equitable principles of trade; or

"(B) is subject to an order of the Commission denying, suspending, or revowing his registration pursuant to section 6(b) of this Act (7 U.S.C. 9), or expelling or suspending him from membership in a registered futures association or a contract market, or barring or suspending him from being associated with a futures commission merchant; or

"(C) whether prior or subsequent to becoming a member, by his conduct while associated with a member, was a cause of any suspension, expulsion, or order of the character described in clause (A) or (B) which is in effect with respect to such member, and in entering such a suspension, expulsion, or order, the Commission or any such contract market or association shall have jurisdiction to determine whether or not any person was a cause thereof; or

"(D) has associated with him any person who is known, or in the exercise of reasonable care should be known, to him to be a person who would be ineligible for admission to or continuance in membership under clause (A), (B), or (C) of this paragraph.

"(4) the rules of the association provide that, except with the approval or at the direction of the Commission in cases in which the Commission finds it appropriate in the public interest so to approve or direct, no person shall become a member and no natural person shall become a person associated with a member, unless such person is qualified to become a member or a person associated with a member in conformity with specified and appropriate standards with respect to the training, experience, and such other qualification of such person of the association finds necessary or desirable, and in the case of a member, the financial responsibility of such a member. For the purpose of defining such standards and the application thereof, such rules may—

"(A) appropriately classify prospective members (taking into account relevant matters, including type or nature of business done) and persons proposed to be associated with members.

"(B) specify that all or any portion of such standard shall be applicable to any such class.

"(C) require persons in any such class to pass examinations prescribed in accordance with such rules.

"(D) provide that persons in any such class other than prospective members and partners, officers and supervisory employees (which latter term may be defined by such rules and as so defined shall include branch managers of members) of members, may be qualified solely on the basis of compliance with specified standards of training and such other qualifications as the association finds appropriate.

"(E) provide that applications to become a member or a person associated with a member shall set forth such facts as the association may prescribe as to the training, experience, and other qualifications (including, in the case of an applicant for membership, financial responsibility) of the applicant and that the association shall adopt procedures for verification of qualifications of the applicant.

"(F) require any class of persons associated with a member to be registered with the association in accordance with procedures specified by such rules (and any application or document supplemental thereto required by such rules of a person seeking to be registered with such association shall, for the purposes of subsection (b) of section 6 of the Act, be deemed an application required to be filed under this section).

"(5) the rules of the association assure a fair representation of its members in the adoption of any rule of the association or amendment thereto, the selection of its officers and directors, and in all other phases of the administration of its affairs.

"(6) the rules of the association provide for the equitable allocation of dues among its members, to defray reasonable expenses of administration.

"(7) the rules of the association are designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, in general, to protect the public interest, and to remove impediments to and perfect the mechanism of free and open futures trading.

"(8) the rules of the association provide that its members and persons associated with its members shall be appropriately disciplined, by expulsion, suspension, fine, censure, or being suspended or barred from being associated with all members, or any other fitting penalty, for any violation of its rules.

"(9) the rules of the association provide a fair and orderly procedure with respect to the disciplining of members and persons associated with members and the denial of membership to any person seeking membership therein or the barring of any person from being associated with a member. In any proceeding to determine whether any member or other person shall be disciplined, such rules shall require that specific charges be brought; that such member or person shall be notified of, and be given an opportunity to defend against, such charges; that charges; that a record shall be kept; and that the determination shall include—

"(A) a statement setting forth any act or practice in which such member or other person may be found to have engaged, or which such member or other person may be found to have omitted.

"(B) a statement setting forth the specific rule or rules of the association of which any such act or practice, or omission to act, is deemed to be in violation.

"(C) a statement whether the acts or practices prohibited by such rule or rules, or the omission of any act required thereby, are deemed to constitute conduct inconsistent with just and equitable principles of trade.

"(D) a statement setting forth the penalty imposed.

In any proceeding to determine whether a person shall be denied membership or whether a person shall be barred from being associated with a member, such rules shall provide that the person shall be notified of, and be given an opportunity to be heard upon, the specific grounds for denial or bar which are under consideration; that a record shall be kept; and that the determination shall set forth the specific grounds upon which the denial or bar is based.

"(10) the rules of the association for a fair and equitable procedure through arbitration or otherwise for the settlement of customer's claims and grievances against any member or employee thereof: *Provided*, That (i) the use of such procedure by a customer shall be voluntary, (ii) the procedure shall not be applicable to any claim in excess of $5,000, (iii) the procedure shall not result in any compulsory payment except as agreed upon between the parties, and (iv) the term 'customer' as used in this subsection shall not include a futures commission merchant or a floor broker.

"(c) The Commission may, after notice and opportunity for hearing, suspend the registration of any futures association if it finds that the rules thereof do not conform to the requirements of the Commission, and any such suspension shall remain in effect until the Commission issues an order determining that such rules have been modified to conform with such requirements.

"(d) In addition to the fees and charges authorized by section 8a(4) of this Act, each person registered under this Act, who is not a member of a futures association registered pursuant to this section, shall pay to the Commission such reasonable fee and charges as may be necessary to defray the costs of additional regulatory duties required to be performed by the Commission because such person is not a member of a registered futures association. The Commission shall establish such additional fees and charges by rules and regulations.

"(e) Any person registered under this Act, who is not a member of a futures association registered pursuant to this section, in addition to the other requirements and obligations of this Act and the regulations thereunder shall be subject to such other rules and regulations as the Commission may find necessary to protect the public interest and promote just and equitable principles of trade.

"(f) Upon filing of an application for registration pursuant to subsection (a), the Commission shall by order grant such registration if the requirements of this section are satisfied. If, after appropriate notice and opportunity for hearing, it appears to the Commisson that any requirement of this section is not satisfied, the Commission shall by order deny such registration.

"(g) A registered futures association may, upon such reasonable notice as the Commission may deem necessary in the public interest withdraw from registration by filing with the Commission a written notice of withdrawal in such form as the Commission may by rules and regulations prescribe.

"(h) If any registered futures association takes any disciplinary action against any member thereof or any person associated with such a member or denies admission to any person seeking membership therein, or bars any person from being associated with a member, such action shall be subject to review by the Commission, on its own motion, or upon application by any person aggrieved thereby filed within thirty days after such action has been taken or within such longer period as the Commission may determine. Application to the Commission for review, or the institution of review by the Commission on its own motion, shall operate as a stay of such action until an order is issued upon such review pursuant to subsection (k) of this section unless the Commission otherwise orders, after notice and opportunity for hearing on the question of a stay (which hearing may consist solely of affidavits and oral arguments.).

"(i)(1) In a proceeding to review disciplinary action taken by a registered futures association against a member thereof or a person associated with a member, if the Commission, after appropriate notice and opportunity for hearing, upon consideration of the record before the association and such other evidence as it may deem relevant—

"(A) finds that such member or person has engaged in such acts or practices, or has omitted such act, as the association has found him to have engaged in or omitted, and

"(B) determines that such acts or practices, or omission to act, are in violation of such rules of the association as have been designated in the determination of the association, the Commission shall by order dismiss the proceeding, unless it appears to the Commission that such action should be modified in accordance with paragraph (2) of this subsection. The Commission shall likewise determine whether the acts or practices prohibited, or the omission of any act required, by any such rule constitute conduct inconsistent with just and equitable principles of trade, and shall so declare. If it appears to the Commission that the evidence does not warrant the finding required in clause (A), or if the Commission determines that such acts or practices as are found to have been engaged in are not prohibited by the designated rule or rules of the association, or that such act as is found to have been omitted is not required by such designated rule or rules, the Commission shall by order set aside the action of the association.

"(2) If, after appropriate notice and opportunity for hearing, the Commission finds that any penalty imposed upon a member or person associated with a member is excessive or oppressive, having due regard to the public interest, the Commission shall by order cancel, reduce, or require the remission of such penalty.

"(3) In any proceeding to review the denial of membership in a registered futures association or the barring of any person from being associated with a member, if the Commission, after appropriate notice and hearing, and upon consideration of the record before the association and such other evidence as it may deem relevant, determines that the specific grounds on which such denial or bar is based exist in fact and are valid under this section, the Commission shall by order dismiss the proceeding; otherwise, the Commission shall by order set aside the action of the association and require it to admit the applicant to membership therein, or to permit such person to be associated with a member.

"(j) Every registered futures association shall file with the Commission in accordance with such rules and regulations as the Commission may prescribe as necessary or appropriate in the public interest, copies of any changes in or additions to the rules of the association, and such other information and documents as the Commission may require to keep current or to supplement the registration statement and documents filed pursuant to subsection (a) of this section. Any change in or addition to the rules of a registered futures association shall be submitted to the Commission for approval and shall take effect upon the thirtieth day after such approval by the Commission, or upon such earlier date as the Commission may determine, unless the Commission shall enter an order disapproving such change or addition; and the Commission shall enter such an order unless such change or addition appears to the Commission to be consistent with the requirements of this section and the provisions of this Act.

"(k)(1) The Commission is authorized by order to abrogate any rule of a registered futures association, if after appropriate notice and opportunity for hearing, it appears to the Commission that such abrogation is necessary or appropriate to assure fair dealing by the members of such association, to assure a fair representation of its members in the administration of its affairs or effectuate the purposes of this title.

"(2) The Commission may in writing request any registered futures association to adopt any specified alteration or supplement to its rules with respect to any of the matters hereinafter enumerated. If such association fails to adopt such alteration or supplement within a reasonable time, the Commission is authorized by order to alter or supplement the rules of such association in the manner theretofore requested, or with such modifications of such alteration or supplement as it deems necessary if, after appropriate notice and opportunity for hearing, it appears to the Commission that such alteration or supplement is necessary or appropriate in the public interest or to effectuate the purposes of this section, with respect to—

"(A) the basis for, and procedure in connection with, the denial of membership or the barring from being associated with a member or the disciplining of members or persons associated with members, or the qualifications required for members or natural persons associated with members or any class thereof;

"(B) the method for adoption of any change in or addition to the rules of the association;

"(C) the method of choosing officers and directors.

"(l) The Commission is authorized, if such action appears to it to be necessary or appropriate in the public interest or to carry out the purposes of this section—

"(1) after appropriate notice and opportunity for hearing, by order to suspend for a period not exceeding twelve months or to revoke the registration of a registered futures association, if the Commission finds that such association has violated any provisions of this title or any rule or regulation thereunder, or has failed to enforce compliance with its own rules, or has engaged in any other activity tending to defeat the purposes of this section;

"(2) after appropriate notice and opportunity for hearing, by order to suspend for a period not exceeding twelve months or to expel from a registered futures association any member thereof, or to suspend for a period not exceeding twelve months or to bar any person from being associated with a member thereof, if the Commission finds that such member or person—

"(A) has violated any provision of this title or any rule or regulation thereunder, or has effected any transaction for any other person who, he had reason to believe, was violating with respect to such transaction any provision of this title or any rule or regulation thereunder; or

"(B) has willfully violated any provision of the Commodity Exchange Act, as amended, or of any rule, regulation, or order thereunder, or has effected any transaction for any other person who, he had reason to believe, was willfully violating with respect to such transaction any provision of such Act or rule, regulation, or order.

"(3) after appropriate notice and opportunity for hearing, by order to remove from office any officer or director of a registered futures association who, the Commission finds, has willfully failed to enforce the rules of the association, or has willfully abused his authority.

TITLE IV—MISCELLANEOUS PROVISIONS

SEC. 401. Section 9 of the Commodity Exchange Act, as amended (7 U.S.C. 13), is amended by adding the following new subsections:

"(d) It shall be a felony punishable by a fine of not more than $10,000 or imprisonment for not more than five years, or both, together with the costs of prosecution, for any Commissioner of the Commission or any employee or agent thereof, to participate, directly or indirectly, in any transaction in commodity futures or any transaction referred to in section 4c(B) of this Act, or for any such person to participate, directly or indirectly, in any transaction in an actual commodity: *Provided*, That such prohibition against any transaction in an actual commodity shall not apply to a transaction in which such person sells an agricultural commodity which he has produced in connection with his own farming or ranching operations nor to any transaction in which he sells livestock which he has owned at least three months. With respect to such expected transactions, the Commission shall require any Commissioner of the Commission or employee or agent thereof who participates in any such transaction to notify the Commission thereof in accordance with such regulations as the Commission shall prescribe and the Commission shall make such information available to the public.

"(e) It shall be a felony punishable by a fine of not more than $10,000 or imprisonment for not more than five years, or both, together with the costs of prosecution, for any Commissioner of the Commission or any employee or agent thereof who, by virtue of his employment or position, acquires information which may affect or tend to affect the price of any commodity futures or commodity and which information has not been made public to impart such information with intent to assist another person, directly or indirectly, to participate in any transaction in commodity futures, any transaction in an actual commodity, or in any transaction referred to in section 4c(B) of this Act.".

SEC. 402. Section 4c of the Commodity Exchange Act, as amended (7 U.S.C. 6c), is amended (i) by inserting "(a)" after "Section 4c.", (ii) by striking existing paragraph (B) in its entirety and inserting in lieu thereof the following:

"(B) if such transaction involves any commodity specifically set forth in section 2(a)(1) of this Act, prior to the enactment of the Commodity Futures Trading Commission Act of 1974, and if such transaction is of the character of, or is commonly known to the trade as, an 'option', 'privilege', 'indemnity', 'bid', 'offer', 'put', 'call', 'advanced guaranty', or 'decline guaranty', or", and

(iii) by adding at the end thereof the following new paragraph:

"(b) No person shall offer to enter into, enter into, or confirm the execution of, any transaction subject to the provisions of subsection (a) of this section involving any commodity regulated under this Act, but not specifically set forth in section 2(a)(1) of this Act, prior to the enactment of the "Commodity Futures Trading Commission Act of 1974", which is of the character of, or is commonly known to the trade as, an "option", "privilege", "indemnity", "bid", "offer", "put", "call", "advance guaranty", or "decline guaranty", contrary to any rule, regulation, or order of the Commission prohibiting any such transaction or allowing any such transaction under such terms and conditions as the Commission may prescribe: *Provided*, That any such order, rule, or regulation may be made only after notice and opportunity for hearing: *And provided further*, That the Commission may set different terms and conditions for different markets.".

Sec. 403. Section 4a(1) of the Commodity Exchange Act, as amended (7 U.S.C. 6a), is amended by inserting, following the word "straddles" in the last sentence of such subsection the words "or arbitrage" and by adding the following new sentence at the end of said subsection: "The word 'arbitrage' shall be defined to mean the same as a 'spread' or 'straddle'."

Sec. 404. Section 4a(3) of the Commodity Exchange Act, as amended (7 U.S.C. 6a) is amended by deleting the "period" at the end of the first sentence and adding "as such terms are defined by the Commission by order consistent with the purposes of this Act." and by deleting the remainder of that section: *Provided*, That until the Commission issues regulations defining what constitutes bona fide hedging transactions and positions and such regulations are in full force and effect, such terms shall continue to be defined as set forth in the Commodity Exchange Act prior to its amendment by the "Commodity Futures Trading Commission Act of 1974".

Sec. 405. (i) Section 4b of the Commodity Exchange Act, as amended (7 U.S.C. 6b), is amended by deleting the word "cotton" where it appears in the last full paragraph of said section, and inserting in lieu thereof the word "commodity" and (ii) by deleting the period at the end of said section and by adding the following proviso: "*And provided further*, That such transactions shall be made in accordance with such rules and regulations as the Commission may promulgate regarding the manner of the execution of such transactions.".

Sec. 406. Section 5a(6) of the Commodity Exchange Act, as amended (7 U.S.C. 7a), is amended by deleting the semicolon at the end of said subsection and adding the words "and adopted by the Commission;".

Sec. 407. (i) Section 5a(8) of the Commodity Exchange Act, as amended (7 U.S.C. 7a), is hereby amended by deleting the words "not been disapproved by the Secretary of Agriculture pursuant to paragraph (7) of section 8a", and inserting in lieu thereof the words "been approved by the Commission pursuant to paragraph (12) of section 5a, and (ii) by deleting the word 'so' and inserting the words 'by the Commission' immediately before the semicolon at the end of such section.".

Sec. 408. Section 6(b) of the Commodity Exchange Act, as amended (7 U.S.C. 9), is amended by striking the word "referee" wherever it appears therein and inserting in lieu thereof the words "Administrative Law Judge".

Sec. 409. Section 9(c) of the Commodity Exchange Act, as amended (7 U.S.C. 13), is amended by inserting after "section 4i" the following: "section 4k, section 4m, section 4o,".

Sec. 410. Section 5108(c) of title 5, United States Code, is amended by adding after paragraph (11) thereof the following new paragraph:

"(12) The Commodities Futures Trading Commission, subject to the standards and procedures prescribed by this chapter, may place an additional twenty positions in GS–16, GS–17, and GS–18 for purposes of carrying out its functions."

Sec. 411. All operations of the Commodity Exchange Commission and of the Secretary of Agriculture under the Commodity Exchange Act, including all pending administrative proceedings, shall be transferred to the "Commodity Futures Trading Commission" as of the effective date of this Act and continue to completion. All rules, regulations, and orders heretofore issued by the Commodity Exchange Commission and by the Secretary of Agriculture under the Commodity Exchange Act to the extent not inconsistent with the provisions of this Act shall continue in full force and effect unless and until terminated, modified, or suspended by the Commodity Futures Trading Commission.

Sec. 412. Pending proceedings under existing law shall not be abated by reason of any provision of this Act but shall be disposed of pursuant to the applicable provisions of the Commodity Exchange Act, as amended, in effect prior to the effective date of this Act.

Sec. 413. If any provision of this Act or the application thereof to any person or circumstances is held invalid, the validity of the remainder of the Act and the application of such provision to other persons or circumstances shall not be affected thereby, and the provisions of the section, if any, of the Commodity Exchange Act, as amended, which is amended by provision of this Act shall apply to such person or circumstances.

Sec. 414. This Act shall become effective one hundred and eighty days after enactment. Activities necessary to implement the changes effected by this Act may be carried out after the date of enactment and before as well as after the effective date. Such activities may include, but are not limited to, appointment of the members of the Commodity Futures Trading Commission, designation of boards of trade as contract markets, registration of futures commission merchants, floor brokers, and other persons required to be registered under the Act, and approval or modification of bylaws, rules, regulations, and resolutions of contract markets.

AMENDMENT OFFERED BY MR. SISK

Mr. SISK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Sisk: Amend section 101 as follows:

On page 2, line 23, after the word "no" insert the following: "Public Commissioner shall engage in any other business, vocation or employment than that of serving as Commissioner and no".

On page 3, line 21, beginning with the word "The", strike out all through the period in line 25.

On page 4, strike out lines 3 through 6, and renumber succeeding paragraphs accordingly.

On page 4, strike line 26 and insert the following:

"(B) Section 5314 of title 5, United States Code, is amended by adding at the end thereof the following new paragraph:

"'(60) Chairman, Commodity Futures Trading Commission (if other than the Secretary of Agriculture)'.

"(C) Section 5315 of title 5, United States Code, is amended by adding at the end thereof the following new paragraph:

"'(98) Public members, Commodity Futures Trading Commission.'.

"(D) Section 12 of the Commodity Exchange Act, as"."

Mr. SISK. Mr. Chairman, this amendment, very simply, provides for a full-time commission. This is the exact amendment, for all practical purposes, that this Member offered in the committee and it was discussed by the Committee on Agriculture at the time we were considering the legislation.

I will try to make this just as brief as possible, because I am as anxious to complete the action on this bill—which by the way, I support and will support, whether this amendment is adopted or not—but I do feel very strongly that we need to have a commission that can operate without being totally dictated to by the Secretary of Agriculture.

As I said to the present Secretary, Mr. Butz, the other day, I have great confidence in him, as I have generally had in most of the Secretaries of Agriculture; but they change. During the years I recall Secretary Benson, Secretary Freeman, Secretary Harden, Secretary Butz and so on. Under normal procedure, any time a Cabinet officer sits on a commission, it is for all practical purposes dominated by that individual.

I would be frank to say that I would have preferred a much more independent commission without a Secretary present upon that commission. I think in the long run that is what it will come to. I do not think there is any question but that most of us here today will live to see the time that because of the urgency, the necessity, the size and the volume of the commodity futures market, 500 billion and going up very rapidly, we will need a commission just as independent as the SEC; but at least we desire through this amendment to give as much prestige and to increase the image as much as possible of those four public members, in order to insure to the extent we can the strength of independence on their part to act on behalf of the interests of the consumer, as well as the producer, the trader, and everyone involved.

That, basically, is the purpose of the intent of the amendment, simply to make these people full-time commissioners, because it is a full-time job.

All we have to do is look at the facts, the duties, obligations, and responsibilities that will be placed upon them; but at the same time, this amendment leaves in place the Secretary of Agriculture. As I said, I do not necessarily like that. In fact, this again is a compromise. He can even be the chairman, if so appointed, and confirmed by the Senate.

Let me simply conclude on that note, that there has been some discussion about differences in costs. The truth of the matter is that in all probability this will actually save money. I have checked the per diem allowance under this language of the bill. At the present time it is $135 a day for these people, if they were kept as part-time commissioners, plus all travel, hotel bills, and so forth.

In my opinion, we are going to get better people, more competent people, and people with the strength to do the kind of a job that is necessary if, in fact, we make all of them full-time commissioners, and that is what this amendment will do.

Mr. SMITH of Iowa. Mr. Chairman, will the gentleman yield?

Mr. SISK. I yield to the gentleman from Iowa.

Mr. SMITH of Iowa. The amendment of the gentleman also prohibits such commissioner from any other job he could do on a part-time basis?

Mr. SISK. I appreciate that question and it is a fact, it makes him a full-time commissioner and requires that they conduct themselves as on a full-time job and precludes their being involved in any other business.

Mr. JOHNSON of Colorado. Mr. Chairman, will the gentleman yield?

Mr. SISK. I yield to the gentleman from Colorado.

Mr. JOHNSON of Colorado. What will the full-time commissioners be compensated for or make as salaries?

Mr. SISK. I believe the figure at present is $38,000.

Mr. JOHNSON of Colorado. Under the bill, where would the commissioners come from?

Mr. SISK. The commissioners would, of course, be selected by the President of the United States and would come from any section of the country that he might desire to appoint. That is going to be, of course, completely up to the President of the United States, with the confirmation of the Senate.

Mr. JOHNSON of Colorado. Does that require that they have actual knowledge about this business?

Mr. SISK. Basically I think, of course, they will be selected on the basis of being people that are knowledgeable. I would hope they have knowledge and be knowledgeable in the business. This is a matter, of course, to be determined by the President in his selection of the individual.

Mr. YOUNG of South Carolina. Mr. Chairman, will the gentleman yield?

Mr. SISK. I yield to the gentleman from South Carolina.

Mr. YOUNG of South Carolina. Could the gentleman tell us how many people will be hired by this Commission on a full-time basis?

Mr. SISK. I would assume there would not be any more people hired as a full-time commission than as a part-time commission, because this basically has no effect on the staff of the commission.

That is pretty well outlined, as the gentleman knows, of course, in the bill, the utilization of already existing people within the Department of Agriculture, so I could see no reason why that would have any effect whatsoever.

Mr. POAGE. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I recognize the admirable purpose the gentleman hopes to attain by the amendment, but I am convinced that the bill as it is now written will more nearly attain that purpose than will his amendment. The amendment's real purpose, as the gentleman very fairly points out, is to limit the power or the influence of the Secretary of Agriculture.

Mr. Chairman, this is an industry, where 90 percent of the business is in agricultural commodities. These exchanges do involve farm prices directly. I think that it is a proper thing that the Secretary of Agriculture—whether he be Earl Butz or whether he be BERNIE SISK—would be a more proper person to handle these matters than any third party. I am glad that we have the Secretary of Agriculture named in here as one of the members of the commission. I would have been glad to have named him as chairman. I think he should have been named as chairman, but the committee felt otherwise.

But in the end I think the committee worked out a very fine arrangement which we should stay with, one which recognizes the agricultural orientation of this legislation and which also recognizes that there should be an input from other sections of the country.

Mr. Chairman, the difference in the amount of money involved, whether full time or whether part time, actually is going to be infinitesimal, and I recognize that. The difference is going to be that if we have four full-time Commissioners here, they have got to then justify their presence in Washington. They are going to do it by taking over and trying to handle the day-to-day administration of the office. I think that is bad. I think the office would be better administered by a single clerk, supervisor, administrator, call him what you will, who will handle the day-to-day operations under the control of these Commissioners, than it would when we try to establish full-time Commissioners.

If there is need, and there probably will be need for at least the first year, a very extended period of time may be put in by these Commissioners under this law as it is written. They can be here 365 days out of the year. During this organizational period, probaly there is some justification for that, but after the program is working, I can see no justification at all for it. I hope that we will adopt the well-developed program the committee has worked out to take care of all the needs for Commissioners present in Washington and not try simply to crowd the Secretary of Agriculture out of the picture, because I think this program ought to stay in the Department of Agriculture.

Mr. Chairman, I hope we defeat the amendment.

Mr. WAMPLER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the Committee on Agriculture has spent over 6 months carefully working out a CEA bill that is designed to protect the public interest while encouraging the development of a strong market-oriented commodity futures industry.

In reaching for this goal, the committee considered at length the proposal to create a new and separate Commission, rather than using the staff and the facilities of the present Commodity Exchange Authority.

In the deliberations, the committee sought to find a balance between the urgings of those who sought to establish an entirely new bureaucracy and those who preferred the status quo. That balance is included in H.R. 13113. The bill proposes to set up a commission, but not to make it a full-time activity. The professional staff of the commission should be more than adequately able to run its day-to-day operations without having four high-paid commissioners plus the Secretary of Agriculture looking over their shoulders.

This type of a legislative approach is by no means uncommon. In the Farm Credit System, for example, the Farm Credit Board members are not full-time Federal employees. They only come to Washington from time to time to oversee the functions of the Governor and the Farm Credit Administration staff who manage the daily activities of one of the world's largest banks.

Take the Commodity Credit Corporation. The CCC Advisory Board meets only periodically. There apparently is no need for full-time CCC advisers. Why then should there be full-time CEA commissioners?

In brief, the committee bill seeks to keep unneeded bureaucracy from being created and expanded. The amendment would do just the opposite and should be rejected.

Mr. FINDLEY. Mr. Chairman, will the gentleman yield?

Mr. WAMPLER. I am delighted to yield to my colleague, the gentleman from Illinois.

Mr. FINDLEY. Mr. Chairman, I feel that the fundamental question posed by the amendment offered by the gentleman from California (Mr. SISK) is whether or not we are going to draw expertise to the membership of the commission. The people who are most knowledgeable in the field of commodity markets probably have incomes in six figures. We cannot possibly expect these people to give up an income like that and take a $36,000-a-year job.

However, we do have the possibility and, I think, a good prospect of getting this expertise on a part-time basis, and, therefore, I support the gentleman's position.

Mr. Chairman, I urge the defeat of the amendment.

Mr. WAMPLER. Mr. Chairman, I thank the gentleman for his support.

Mr. THONE. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the hour is late, and I shall be very brief. In lieu of any brilliance or profundity, I will confine myself to the issue with strict brevity. As a matter of fact, I think the argument has been pretty well joined.

Mr. Chairman, all I shall do at this time is to read to the House a letter which I received yesterday from the Acting Secretary of Agriculture, Clayton Yeutter. The letter reads as follows:

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, D.C., April 9, 1974.

Hon. CHARLES THONE,
House of Representatives,
Washington, D.C.

DEAR MR. THONE: The House Agriculture Committee has done a fine job in drafting H.R. 13113 and in setting up a commission which will operate effectively in the expanded policing of the futures markets. It would be tragic at this stage if the House should undo much of this good work by adopting a floor amendment establishing a full-time commission.

The decision of the committee to establish a part-time commission with the Secretary of Agriculture serving as a member is sound and reveals the committee's careful consideration of the problems involved. For those who argued for an "independent" commission, the committee has provided this independence. With four public members, independent budgeting authority and a separate legal staff, it could not be said that it is in any sense under the domination of this Department. I visualize that extremely competent persons will be attracted to the position of commissioner to serve on a part-time basis. People of the caliber who would be selected by the President and confirmed by the Senate would, I am sure, be unwilling to relinquish any of their independent role.

The organization proposed in the bill is extremely sound. It has been my experience that an organization which is run on a day-to-day basis by a single executive is a far more efficient organization than one run on a day-to-day basis by a commission.

If the commission is serving on a part-time basis, the Secretary of course, can serve equally with the public members. The presence of the Secretary on the commission would enable it to maintain the close working relationship that the Commodity Exchange Authority has enjoyed with other agencies of the Department of Agriculture, particularly the Economic Research Service and the Statistical Reporting Service which have access to information about agricultural markets not otherwise available to the commission.

A full-time commission set up to regulate the futures markets has many disadvantages. First, and perhaps foremost, it would be a mistake for the Congress to further proliferate the independent regulatory agencies by setting up a new bureaucracy with costly new demands. The concept of an independent agency with all of its members appointed for specified and lengthy terms also leaves a great deal to be desired. Such commissions tend to become unresponsive to the views of the public, the position of the administration, or the will of the Congress. As long as the Secretary of Agriculture is a member, and he, of course, could not operate effectively on a commission where the other members serve full-time, there will be someone who is in tune with the views of the public, the Executive Branch, and the Congress. Moreover, his knowledge of administration thinking and of forthcoming changes in agricultural policies which affect futures markets would be of immense value to the commission. With such knowledge, the commission could move more rapidly and more effectively in those cases where futures markets must adjust, sometimes quite suddenly, to major policy shifts.

Finally, the amount of work involved at the commissioner level would not be sufficient for five commissioners working on a full-time basis. Either one of two things would most certainly happen. The commissioners would become involved in the details of the day-to-day operation of the commission, which could better be handled by members of the staff, or the commissioners will have little to do other than performing review functions and making speeches.

I hope that the Congress will consider these matters very carefully and will pass H.R. 13113 without amendment.

Sincerely,

CLAYTON YEUTTER,
Acting Secretary.

I hope the House will defeat the Sisk amendment which, by the way, after much eloquence on the part of our distinguished Member from California, gathered just five votes when presented to the full Agriculture Committee.

Mr. GOODLING. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I have taken this time in order that I may propound a question to the gentleman from California (Mr. SISK).

The bill as now written calls for five commissioners, one of whom shall be the Secretary of Agriculture. If your amendment is adopted, could the Secretary of Agriculture serve?

Mr. SISK. Yes. It does not change his status one iota.

Mr. GOODLING. Does not your amendment say that the man may have no other job?

Mr. SISK. That is very specifically clarified in the amendment. It makes it clear we are talking about public members, and the Secretary is not a public member.

Mr. GOODLING. I do not believe it specifies him as being apart from the other four commissioners. Does it?

Mr. SISK. The amendment reads "Public commissioners shall not engage in" and so on and so forth.

Mr. GOODLING. My question is this, is the Secretary not a public commissioner?

Mr. SISK. No, he is not, under the definitions of this legislation. The legislation as presently written makes it very clear that the public commissioner shall be four in number and the Secretary of Agriculture shall also be a member.

I personally think we should not have the Secretary on there. The gentleman from Nebraska made it very clear that what you want is for the Secretary and the Department of Agriculture to have permission to run the commission. I do not believe that is the way to run a railroad, and I am totally opposed to it, but that is the desire of the committee, so we are going along with the committee. But he is not a public member under the definition of the legislation.

Mr. GOODLING. Does it so state in the bill?

Mr. SISK. That is right. It specifically specifies it as between the public members and the Secretary in connection with the commission.

Mr. GOODLING. I thank the gentleman.

Mr. SMITH of Iowa. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I am going to vote for this bill whether this amendment passes or not, because it is a good bill, but I hope everyone will seriously consider this amendment. I think it is a good amendment and is much needed.

It is not really practical to think that four Commissioners spread out all over the United States, one in California, one in Montana, one in Florida, and so on, are going to be able to get together fast enough when every one of these squeezes or manipulations develops. It is not like the farm credit business where it takes 4 months to get a farm loan. The futures market can become lopsided in 4 minutes. The people need to be on board and know hour by hour what is going on and be able to watch this market constantly.

Whenever there is something that is going to develop, or there is something that is likely to develop, I believe they ought to know it right then and there, and they ought to keep abreast of it that day, that night, and the next day, and then they will consider the different possibilities on how it can be dealt with.

I do not think it is practical to fully perform their responsibilities as a part-time board, and do an adequate job. In my opinion, what will happen if we do it that way is that we will have something similar to the Home Loan Bank Board, with some senior staff person who has been there 20 or 25 years doing the work and making the decisions, and then the Commissioners would rubberstamp his decisions. I think that is something we want to get away from. Therefore we ought to have a full-time Commission who can meet these emergencies as they develop.

Mr. BERGLAND. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Iowa. I yield to the gentleman from Minnesota.

Mr. BERGLAND. Mr. Chairman, I thank the gentleman from Iowa for yielding to me.

Mr. Chairman, I think it has been said that this commission is advisory, but may I point out that the bill clearly confers upon this commission power and authority to insure that power is used wisely, carefully, and prudently. I think it is terribly important that these commissioners be placed on a full-time basis. Also, I believe that they should be free from any political or economic pressures that might otherwise be placed upon them by persons who could bring that pressure to bear. And unless we do place these commissioners on a full-time basis so that they can be isolated and insulated from politics, we will be making a serious mistake.

Therefore, Mr. Chairman, I strongly support the amendment.

Mr. SMITH of Iowa. Mr. Chairman, I would also like to point out that this amendment is supported, and its concept is supported not just by the producers, but also by the processors, by the Board of Trade that handles the vast majority of the business, and that this concept is supported throughout the industry, and I think we should adopt the amendment.

Mr. MAYNE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, it grieves me to disagree with my good friend, the gentleman from Iowa (Mr. SMITH), but on the other hand I am very happy to join the distinguished chairman, the gentleman from Texas (Mr. POAGE), and the distinguished ranking minority member, the gentleman from Virginia (Mr. WAMPLER), in opposition to this amendment.

I strongly feel that H.R. 13113 is a good bill as reported by the committee. I would hate to see it modified to set up a full-time Commodity Trading Commission rather than part-time Commission now suggested by the bill.

As now envisioned, the Commission would meet for a few days monthly when there was an actual need for their services, with the Commissioners compensated on a per diem basis for each day spent in performance of official duties. Their role is viewed as one of policy establishment and review. The Commission work would be carried out under the direction of a full-time Executive Director who would take policy direction from the Commissioners. The concept of the amendment to have instead four full-time level IV Presidential appointees directing a staff estimated at 300 to 500 workers is most unwise. Not only would a full-time Commission be unwieldy from an organizational standpoint, I fear it would also prove an unjustifiable expense of the taxpayers dollar. The full-time Commissioners would each command a $38,000 annual price tag and would undoubtedly eventually lead to excesses in both staffing and office space. There is a real danger that full-time Commissioners would become empire builders. We have already heard visionary statements that what is really needed is another SEC. Let us not get started on another huge bureaucracy like the SEC here. The SEC is currently operating on an annual budget of over $36 million with over 1,900 permanent employees. H.R. 13113 as proposed will increase present Commodity Exchange Authority—CEA—expenditures by an estimated $5 million annually which will still leave annual expenditures of the new Commodity Futures Trading Commission—CFTC—well below $10 million. This will allow the CFTC to bolster the present CEA staff of 180 to approximately 300. This significant increase in staffing will allow for the kind of regulation needed in the futures trading industry. But let us not get carried away and open the door to the kind of superbureaucracy which four full-time Commissioners will undoubtedly find time to assemble.

Part-time commissioners would bring to the Commission a commonsense approach which has grown far too uncommon among Washington's professional bureaucrats.

I think that part-time Commissioners will be more in touch with the people. They will not come here to Washington and get Potomac fever and become remote from the problems of agriculture and business.

Mr. SYMMS. Mr. Chairman, will the gentleman yield?

Mr. MAYNE. I yield to the gentleman from Idaho.

Mr. SYMMS. I thank the gentleman for yielding.

I should like to associate myself with his remarks. I should like to commend the gentleman in the well today for displaying a great deal of concern for additional bureaucracy and empire building. I, too, am opposed to this amendment.

Mr. MAYNE. I thank the gentleman for his contribution.

Mr. Chairman, a part-time Commission would also have the advantage of being able to draw from the active ranks of the agriculture and business community, picking the very best people for a role in helping oversee futures trading.

A full-time Commission would not have that broad choice of individuals. It could not offer the salary to draw top business leaders permanently from their chosen careers.

But, there are many competent persons who would be eligible and willing to serve as public members for a few days each month in a prestige position involving a Presidential appointment.

Mr. Chairman, a part-time commission does make a great deal more sense. I, therefore, join the distinguished Chairman in opposing this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. SISK).

The question was taken; and the Chairman announced that the "noes" appeared to have it.

RECORDED VOTE

Mr. SISK. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 158, noes 179, not voting 95, as follows:

[Roll No. 168]

AYES—158

Abzug
Adams
Alexander
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Ashley
Aspin
Barrett
Bergland
Biester
Bingham
Blatnik
Boland
Brademas
Breaux
Brown, Calif.
Burke, Calif.
Burke, Mass.
Burlison, Mo.
Carney, Ohio
Casey, Tex.
Chappell
Chisholm
Clark
Cohen
Collins, Ill.
Conyers
Coughlin
Culver
Daniels, Dominick V.
Davis, Ga.
Davis, S.C.
Dellums
Denholm
Dent
Donohue
Drinan
Eckhardt
Edwards, Calif.
Eilberg
Evans, Colo.
Evins, Tenn.
Flowers
Foley
Ford
Fraser
Frenzel
Fuqua
Gaydos
Gonzalez
Grasso
Green, Oreg.
Green, Pa.
Gude
Hamilton
Hawkins
Hays
Hechler, W. Va.
Heckler, Mass.
Heinz
Hicks
Hinshaw
Holifield
Holtzman
Horton
Howard
Hungate
Ichord
Johnson, Calif.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kastenmeier
Kluczynski
Koch
Kyros
Leggett
Litton
Long, Md.
Luken
McCloskey
McCormack
McFall
McKay
McKinney
McSpadden
Mann
Matsunaga
Melcher
Metcalfe
Mezvinsky
Minish
Mink
Mitchell, Md.
Moakley
Moorhead, Pa.
Morgan
Mosher
Moss
Murphy, Ill.
Nedzi
Nix
Obey
O'Hara
Owens
Perkins
Peyser
Pike
Preyer
Quie
Randall
Rangel
Rees
Regula
Reuss
Riegle
Rinaldo
Roberts
Rodino
Roncalio, Wyo.
Rooney, Pa.
Rosenthal
Rostenkowski
Roush
Roy
Roybal
St Germain
Sarasin
Sarbanes
Satterfield
Schroeder
Seiberling
Sisk
Smith, Iowa
Stark
Steed
Steele
Stephens
Studds
Symington
Thornton
Ullman
Van Deerlin
Vander Veen
Vanik
Vigorito
Waggonner
Waldie
Whalen
White
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Young, Ga.
Young, Ill.

NOES—179

Abdnor
Archer
Armstrong
Bafalis
Baker
Bauman
Beard
Bell
Bennett
Blackburn
Boggs
Bray
Breckinridge
Brinkley
Brooks
Brotzman
Brown, Mich.
Brown, Ohio
Broyhill, N.C.
Buchanan
Burgener
Burke, Fla.
Burleson, Tex.
Burton
Butler
Byron
Camp
Cederberg
Chamberlain
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Cochran
Collins, Tex.
Conable
Crane
Daniel, Dan
Daniel, Robert W., Jr.
Davis, Wis.
Delaney
Dellenback
Dennis
Derwinski
Devine
Dingell
Downing
Duncan
du Pont
Edwards, Ala.
Erlenborn
Eshleman
Findley
Fish
Fisher
Flood
Forsythe
Fountain
Froehlich
Gettys
Gilman
Goldwater
Goodling
Gross
Grover
Gunter
Guyer
Haley
Hammerschmidt
Hanrahan
Hansen, Idaho
Harsha
Hastings
Henderson
Hillis
Hogan
Holt
Hosmer
Huber
Hudnut
Hunt
Hutchinson
Jarman
Johnson, Colo.
Johnson, Pa.
Kemp
Ketchum
King
Kuykendall
Lagomarsino
Landgrebe
Latta
Lent
Lott
Lujan
McClory
McCollister
Madden
Madigan
Mahon
Mallary
Maraziti
Martin, N.C.
Mathias, Calif.
Mayne
Mazzoli
Michel
Miller
Mitchell, N.Y.
Mizell
Mollohan
Montgomery
Moorhead, Calif.
Murtha
Myers
Natcher
Nelsen
O'Brien
Parris
Passman
Pettis
Poage
Price, Tex.
Pritchard
Railsback
Rarick
Rhodes
Robinson, Va.
Robison, N.Y.
Rogers
Roncallo, N.Y.
Rousselot
Runnels
Ruppe
Ryan
Sandman
Scherle
Sebelius
Shoup
Shriver
Shuster
Skubitz
Slack
Smith, N.Y.
Spence
Staggers
Steelman
Steiger, Ariz.
Stokes
Stratton
Stubblefield
Symms
Talcott
Taylor, N.C.
Thomson, Wis.
Thone
Treen
Vander Jagt
Veysey
Walsh
Wampler
Ware
Whitehurst
Whitten
Widnall
Wilson, Bob
Winn
Wright
Wyatt
Wylie
Wyman
Yates
Yatron
Young, Alaska
Young, Fla.
Young, S.C.
Young, Tex.
Zion
Zwach

NOT VOTING—95

Addabbo
Anderson, Ill.
Arends
Ashbrook
Badillo
Bevill
Biaggi
Bolling
Bowen
Brasco
Broomfield
Broyhill, Va.
Carey, N.Y.
Carter
Clay
Collier
Conlan
Conte
Corman
Cotter
Cronin
Danielson
de la Garza
Dickinson
Diggs
Dorn
Dulski
Esch
Fascell
Flynt
Frelinghuysen
Frey
Fulton
Giaimo
Gibbons
Ginn
Gray
Griffiths
Gubser
Hanley
Hanna
Hansen, Wash.
Harrington
Hébert
Helstoski
Jones, Ala.
Kazen
Landrum
Lehman
Long, La.
McDade
McEwen
Macdonald
Martin, Nebr.
Mathis, Ga.
Meeds
Milford
Mills
Minshall, Ohio
Murphy, N.Y.
Nichols
O'Neill
Patman
Patten
Pepper
Pickle
Podell
Powell, Ohio
Price, Ill.
Quillen
Reid
Roe
Rooney, N.Y.
Rose
Ruth
Schneebeli
Shipley
Sikes
Snyder
Stanton, J. William
Stanton, James V.
Steiger, Wis.
Stuckey
Sullivan
Taylor, Mo.
Teague
Thompson, N.J.
Tiernan
Towell, Nev.
Udall
Wiggins
Williams
Wolff
Wydler
Zablocki

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. FINDLEY

Mr. FINDLEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FINDLEY: On page 9, line 9 strike the quotation marks and insert in lieu thereof the following paragraph:

"In its first report, or as soon thereafter as possible, the Commission shall report its findings on the feasibility of an exchange for the trading of crude oil and its derivatives, and the best method of establishing and operating an exchange which would be the exclusive source of supply for these commodities."

Mr. FINDLEY. Mr. Chairman, studies and reports of the kind contemplated by this amendment are clearly in my opinion authorized by the legislation.

I have discussed the desirability of this study and report with the distinguished chairman of the Committee on Agriculture, the gentleman from Texas (Mr. POAGE); also with the gentleman from South Dakota (Mr. DENHOLM), the gentleman from Virginia (Mr. WAMPLER), the gentleman from Nebraska (Mr. THONE), and the gentleman from Kansas (Mr. SEBELIUS).

I believe that I reflect accurately the views of those gentlemen when I state that they feel the study and report would be appropriate and would be in the public interest.

Mr. Chairman, by means of Government regulation, this bill seeks to keep competition at high and fair levels in the sale of commodities through public exchanges.

These exchanges—the Chicago Board of Trade is the world's largest—are a vital link between the buyer and seller. They enable both to hedge against price fluctuations, and thus help to deliver fair value to the ultimate consumers of the commodities.

Because they are open to public scrutiny and under this bill under close Government regulation, they assure that a Pike County, Ill., farmer who wishes to hedge part of his expected $10,000 corn crop in a modest futures contract, will receive the same fair treatment as General Mills which annually contracts for millions of dollars in grain futures.

These exchanges often impress strangers in the visitors' gallery as uncontrollable chaos. In reality they promote orderly marketing, take the bumps out of price fluctuations, guarantee a supply source for buyers and markets for sellers. But best of all, they keep competition at high and fair levels for all buyers and sellers, large and small. They are the modern version of the ancient public marketplace. They are the essence of competitive private enterprise.

In my view, the Committee on Agriculture deserves congratulations for producing a legislative framework through which the rapid growth of these great exchanges can be guided in the public interest.

This occasion is, I feel, a suitable time to set in motion a study which conceivably could lead to an even broader use of such exchanges.

I have in mind the possibility that crude oil and its derivatives could be marketed substantially if not exclusively through a great new petroleum exchange.

If so, this development could impart to the petroleum industry the same high and fair levels of competition that exchanges have helped to impart to the handling of other commodities.

I have therefore drafted the following amendment, which would serve as a directive to the Commission to be established under this bill:

In its first report, or as soon thereafter as possible, the Commission shall report its findings on the feasibility of an exchange for the trading of crude oil and its derivatives, and the best method of establishing and operating an exchange which would be the exclusive source of supply for these commodities.

The Commission will consist of people knowledgeable and well-known in the exchange field, and therefore well equipped to direct the study contemplated by the amendment. In asking for support for this amendment. I do not ask Members to endorse anything beyond the study itself. It may well be that the establishment of such an exchange, either on a voluntary or exclusive basis, will be found to be impracticable.

Exchanges for other commodities, however, have been found so beneficial to the broad public interest as well as to more narrow private interests that I feel the study is worthy of highest priority by the new Commission. I am optimistic that in time a petroleum exchange will be established.

The study is especially timely because of public anxiety about the petroleum industry and the possibility of monopolistic tendencies in it. As never before, a high level of competition is needed.

Motorists who had great difficulty buying gasoline one month at 40 cents a gallon, but found supplies abundant the next month at 55 cents will be excused for wondering out loud just how much competition actually exists in the petroleum industry, and whether the gas shortage was just a hoax to create more docile acceptance of the higher prices. They wonder also if the experience of the past winter has forced many small independent firms out of business.

Certainly, the known facts suggest that the petroleum industry is extensively vertically integrated and is gripped by monopolistic tendencies.

For example, the eight major oil companies—Exxon, Texaco, Gulf, Shell, Standard Oil of California, Arco, Standard Oil of Indiana, and Mobil—control more than half the total business at each basic level of the industry—crude oil production, pipeline transportation, refining of crude oil, and distribution of refined products.

The effect has been to eliminate the markets between the levels of the industry which would otherwise exist.

The fact that similar monopolistic tendencies exist in other industries—like auto and steel manufacture—is small comfort. Actually, no other industry is so vertically integrated and so dominated at each level of integration by the same combinations as is the petroleum industry.

The meaning to the public is obvious. The Standard Oil trust, which was the first target of Federal trust-busting a century ago, still flourishes in effect, although not in name. Its operations may be motivated more admirably—and I believe they are—but the potential for damage to the public interest is as great as ever. Perhaps greater.

Even if monopolistic tendencies did not exist at each of these vital levels in the petroleum industry, competitive problems would abound. The investment required to enter any of the levels is formidable. With the economic lifeline for each level so completely controlled by the vertically integrated companies, it is small wonder that so few new ventures into refining or marketing are attempted.

Successful entry into an industry dominated by vertical structures seems to call for a new vertical structure.

When a company is vertically integrated, no particular level need be profitable as long as the total structure makes money. Vertically integrated petroleum firms have traditionally taken high profits on crude, rather than seeking an even profit spread among all levels. This makes crude expensive to everyone else and presents a formidable barrier to entry into any single level of the industry. In these circumstances, the public must rely on the benevolence of industry leadership, rather than the more dependable forces of marketplace competition.

Various ways to improve competition in the industry have been proposed. One possibility is nationalization, but it is hardly worth a second glance. A look at the Federal Government's lack of success in managing the relatively simple business of delivering mail is not reassuring. If Uncle Sam cannot deliver the mail efficiently, how can he possibly handle the highly complicated business of petroleum production and marketing?

Another possibility is divestiture through legislative action. This, like breakup of monopolies through antitrust action, is at best a long and painful process that requires an extraordinary level of sustained commitment. While both avenues should be examined thoroughly, neither provides an answer sufficiently short term.

The possibility with which this amendment is concrened is the use of open exchanges as a means of accomplishing swiftly and painlessly virtually the same competitive effect as divestiture, but without divestiture.

If supplies of crude and its derivatives can be legally acquired only through open exchanges, the petroleum giants will be forced to operate each level of their operations as separate companies. Exxon, for example, would market all of its crude in the petroleum exchange and, in turn, fill all its crude requirements for refining in the same place. Supplies of basic derivatives for marketing would be acquired the same way.

This arrangement would assure small firms continuity of supply, fair prices, and equal access. It would limit if not prevent the big firms from exerting heavy pressure on small nonintegrated competitors by concentrating profits at one level to the exclusion of others.

To the best of my knowledge, this possibility was first described in print by Allan S. Hoffman, a Washington attorney who served previously in the Antitrust Division of the Department of Justice. He presented the idea in an editorial section feature of the March 24, 1974, Washington Post. The text of his article was placed in the Congressional Record of March 27, 1974, pages 8413–15, by Senator Hubert H. Humphrey.

While Mr. Hoffman proposes an exchange which would be the exclusive source of supply for crude and its derivatives, an exchange in which participation is voluntary could be a step in the right direction. It would be examined as a possibility. Even a modest level of trading would help to improve competitive relationships.

The practicality of futures trading in petroleum was sufficient this week to prompt the New York Mercantile Exchange to announce that it will soon begin trading in heating oil, fuel oil and freight rate futures. The Chicago Board of Trade is giving thought to the establishment of similar contracts.

While it would be excessive to assert that the establishment of a petroleum exchange will solve all the competitive ills of the industry, it is certainly a proposal that holds much promise and deserves thorough and prompt examination.

Mr. Chairman, if the distinguished chairman of the Committee on Agriculture will respond, I would appreciate any comment which he wishes to make concerning this amendment.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. FINDLEY. I yield to the distinguished chairman.

Mr. POAGE. Mr. Chairman, it seems to me that the gentleman has an idea that is deserving of consideration. I would not want to say that I would wish by law to impose those kinds of duties upon this commission, because here we get into the tremendous field of petroleum, which certainly has nothing to do with agricultural commodities.

I believe the study and report is appropriate. I think that to impose duties by law upon this commission, duties of this type upon this commission, is entirely inappropriate, and I would, therefore, not feel that the amendment is desirable at this time.

Mr. FINDLEY. Mr. Chairman, in light of the observations made by the distinguished chairman of the Committee on Agriculture in support of the study and report being made, I feel this is adequate legislative history.

I think it is a sufficient directive to the commission to proceed with the study and report, and I, therefore, see no need for further consideration of the amendment.

Mr. Chairman, I ask unanimous consent that my amendment be withdrawn from further consideration at this point.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

AMENDMENTS OFFERED BY MR. VANIK

Mr. VANIK. Mr. Chairman, I offer two amendments, and I ask unanimous consent that they be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The Clerk read as follows:

> Amendments offered by Mr. Vanik: Page 34, line 1, strike out "except" and insert "including".
>
> Page 40, line 16, strike out "excepting" and insert "including".

Mr. VANIK. Mr. Chairman, the amendments which I offer at this time are amendments which were very carefully prepared by our colleague, the gentlewoman from Missouri (Mrs. Sullivan).

Mr. Chairman, the purpose of these amendments is to enable the Commission to be able to act effectively to prevent excessive speculation in futures trading by having the power to deal with the fixing of margins. I think that unless this authority exists in the bill, it will be impossible to prevent the tremendous speculation that is taking place in commodities.

For example, it takes only a few dollars to buy a future. Last year's records indicate for $400 one could buy a future in 42,000 pounds of beef of feeder cattle, and an increase in price of 1 cent would permit a person to double the value of his investment. It is this kind of margin trading we must worry about. It is not the farmer using the commodities market to hedge on his agricultural investment we are concerned about. We must be concerned about the role of the speculator.

I would also like to call the attention of the committee to the places in the committee's own report where experts recommended that the power to set margins be provided to the new Commodity Futures Trading Commission. There is a letter from the Department of Justice on page 27 which states:

> We realize proposals to provide agency control over margin of farmers has evoked considerable opposition from the commodity exchanges in the past, but we seriously question whether a regulatory agency can adequately police undue speculative activity without some input into the margin equation.

There is also a letter from the Comptroller General, Elmer Staats, of the General Accounting Office, on page 67, which states in part:

> If those factors which are considered and evaluated by exchange officials in establishing and adjusting margin requirements are identifiable, a formula or table might be developed for margin levels. Testimony by the National Grain and Feed Association before your Committee on October 17, 1973, pointed out that a careful study would reveal safe margin levels to be a function of current price and trading conditions. The Association stated that a margin formula or table for each commodity would put all traders on notice of any automatic margin changes that would go into effect under given circumstances and would alleviate charges against the exchanges of discriminatory changes in margins.
>
> The Committee may wish to consider requiring that the Commission, in conjunction with the commodity industry, study the feasibility of developing a margin formula or margin table.

That is precisely what I have suggested in the amendment I offer now, which has been prepared in conjunction with the efforts of our distinguished colleague.

Mr. Chairman, I ask that the committee look favorably upon this recommendation and adopt an amendment which I believe will carry out the constructive purposes of this Commission and provide assurance that the speculator will be somewhat controlled by the authority in the Commission to fix margin requirements.

Mr. PRICE of Texas. Will the gentleman yield?

Mr. VANIK. I am very happy to yield to the gentleman.

Mr. PRICE of Texas. I thought the gentleman said a minute ago that it only took $400 to buy a livestock future contract. I cannot see where the farmer, if you require him to put out additional sums, will be able to get this money. A contract has gone from $400 to $600, and it is over $1,000 per contract at the present time. If you increase the amount of money a farmer has to put up to buy the contract, many of these men just do not have the liquidity on which to borrow the money so that they can hedge a futures contract which would be beneficial to them. I think if we raise it exorbitantly, it would be a hardship on these men.

Mr. VANIK. I might say that I did not suggest how the margin requirement ought to be fixed. I believe the commission in its good judgment would find a way of protecting the farmer who is making a legitimate hedge. There are ways of distinguishing between speculators and farmers with proper margin needs, if the power is vested in the Commission.

Mr. PRICE of Texas. I thank the gentleman for yielding.

Mr. VANIK. Mr. Chairman, I include the gentlelady Mrs. Sullivan's remarks at this point in the Record.

Mrs. SULLIVAN. Mr. Chairman, I support H.R. 13113 as far as it goes, but in order for the new Commodity Futures Trading Commission to be able to act effectively to prevent excessive speculation in futures trading leading to inflationary increases in wholesale and consumer prices of a wide variety of commodities traded on futures exchanges, it must have the power to deal with the question of margin-setting. H.R. 13113 expressly prohibits the Commission from exercising any jurisdiction whatsoever over margins.

One of the things which attracts legions of private citizens into the commodities futures markets during inflationary periods is the very modest downpayments set by the commodity exchanges for trading in a commodity.

Often these margins are as low as 5 percent, or less. When a cattle futures contract was worth $18,000 this time a year ago, all it took was $700 to buy a contract for future delivery of 40,000 pounds of cattle. If the futures price went up 1 cent a pound, the overnight profit on the transaction was $400 on a $700 investment. Multiply that by 5, or 10, or 100 contracts and you can imagine how attractive these markets become to those with loose money with which to gamble.

It is not the legitimate hedger or the traditional speculator who is responsible, for the wide and chaotic swings in futures prices, but the casual investor who comes into the market only when he sees an opportunity for quick riches. The exchanges have a self-interest in encouraging trading by such amateurs in the field because the more traders there are, the more commissions the exchange members make.

And so the exchanges are reluctant to raise margins even when the situation cries for such action.

The Commodity Futures Trading Commission would have the obligation to make sure these markets function in an orderly fashion and prevent excessive speculation, particularly by the uninformed individual interested only in gambling on a short-term change in the quotations. If the exchanges can demonstrate responsibility in the manner in which they set margins, the Commission would not have to act. But under H.R. 13113 as reported, the Commission can not intervene in the margin-setting decisions regardless of the degree of responsibility demonstrated by a particular exchange.

So, you are giving the new Commission wide powers to deal with a variety of abuses in futures trading under this bill, but unless my amendments are adopted, it will lack the power to deal with the most critical factor of all in determining whether a market is operating in an orderly fashion.

These amendments would not hurt the legitimate hedger. There can always be separate rules for hedgers. But, when the outsiders get into a futures market in heavy volume, attracted not only by the hopes of quick killings but also by the very low margin requirements, it is the legitimate hedger who often gets hurt, as Congressman NEAL SMITH's subcommittee brought out in its investigation.

The Smith subcommittee of the Small Business Committee recommended exactly the kind of authority on margins which my amendments today would provide. If you want to stop the frantic gambling in futures, by people who have no interest in the commodity traded, then it is essential that the Commission have the power to supervise margin setting.

Mr. POAGE. Mr. Chairman, I rise in opposition to the amendment.

This is a subject on which a great many people have very honestly felt there should be authority on the part of the commission to control these margins. Many of us on the committee felt that was the situation until we began to study it a little bit. Most of us are not experts on trading.

I never traded in futures in my life, and most of the Members know nothing about it first-hand. But as one begins to study it one finds that this margin is not for the protection of the individual who is buying or selling the contract; this margin is for the protection of the exchange. It is for the protection of the exchange that is handling these deals because the exchange guarantees the performance of the contracts, and if there is failure on the part of a contract then the exchange must make it good. The exchange makes it good through these margins. So we leave the control of the amount of the margin to the exchange itself. We authorize the exchange to set margins, and to change margins as conditions change, and they may change hourly. Conditions may change very promptly as the gentleman said. But then the people who are going to be directly affected are there, and can take steps to protect themselves. If, on the other hand, we were to take away the authority on the part of the exchanges to make these daily and hourly adjustments on margin, we would take away from that exchange the very essential power to protect itself from bankruptcy. If one establishes a business that cannot protect itself, one brings about disaster very quickly.

For that reason, Mr. Chairman, the committee felt that it was unwise, although on its face it is one of the fairest things that one could suggest. But we believe when one goes into this just a little bit that one finds it is a very unwise thing, and a very unfair approach to try to take away from the exchange the right to protect itself.

The requirement on margin is a protective device, not a device to destroy somebody. It is a device to see that these contracts are carried out. We all say that we want to see that these contracts are carried out. We all say that our great purpose is to try to assure the confidence of the public in these contracts. If we place the power to set the margins in the hands of the Commission then we have taken it away from the exchanges.

Just bear in mind you cannot have it in both places, you have got to have it in one place or the other, and we think that we should leave it in the hands of the exchanges so that they can protect themselves and everybody who deals with them.

I hope that the Members will vote down the amendment.

Mr. WAMPLER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I agree fully with the remarks of my colleague, the distinguished chairman of the Committee on Agriculture, the gentleman from Texas (Mr. POAGE).

The CHAIRMAN. The question is on the amendments offered by the gentleman from Ohio (Mr. VANIK).

The amendments were rejected.

AMENDMENT OFFERED BY MR. BROYHILL OF NORTH CAROLINA

Mr. BROYHILL of North Carolina. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. BROYHILL of North Carolina: Page 6, line 24, delete subsection (g) in its entirety and substitute in lieu thereof the following:
>
> There are hereby authorized to be appropriated to carry out the provisions of this Act such sums as may be required for the fiscal year ending June 30, 1975, for the fiscal year ending June 30, 1976, for the fiscal year ending June 30, 1977, and for the fiscal year ending June 30, 1978.

Mr. BROYHILL of North Carolina. Mr. Chairman, I offer an amendment to section 101 of the bill, and to section 12 of CGA regarding authorization of appropriations to carry out the provisions of the act. My amendment authorizes such sums as may be required for this purpose for fiscal years 1975, 1976, 1977, and 1978, and would replace the open-ended authorization presently provided in the bill. The practical effect of this amendment is to authorize appropriations for about 3½ years.

My colleagues may recall that last week, during consideration of the Consumer Protection Act, I offered a similar amendment, designed to insure periodic congressional oversight of the activities of the CPA. This amendment was adopted by a substantial margin.

At that time, I stated that I am firmly committed to the principle of continued and active congressional oversight of the many independent agencies which the Congress has established over the years. I feel that the Commodity Futures Trading Commission should be no exception. Although the bill provides for an annual review and audit of the Commission by the General Accounting Office, I believe that the Congress—and specifically the House and Senate Agriculture Committees—should have the opportunity to periodically review the CFTC to determine if changes, modifications, or revisions should be made in its programs, activities, and operations, in conjunction with the budget request. This is only good business practice.

I support enactment of the Commodity Futures Trading Commission Act. A subcommittee of the Select Small Business Committee, on which I serve, held extensive hearings on the commodities marketing system last year and recently issued its report. In it, the subcommittee stated that—

> Our marketing system has been, on an overall basis, a very good thing for producers, processors, consumers, and the Nation as a whole. In fact, the system historically has operated so well that people within the system itself cannot believe how near it is to collapsing and how vulnerable it is to manipulation and abuses.

Thus, the subcommittee made a number of recommendations, which have been incorporated into H.R. 13113. First, the subcommittee suggested the creation of a new regulatory agency with authority and responsibility to constantly exercise surveillance over the commodities markets and to prevent and correct abuses and manipulations. Second, it recommended that the GAO be authorized and required to conduct reviews and audits of the Commission and to report to the Congress to help assure responsibilities. Third, it suggested that the Commission be given the necessary funds to obtain a sufficient and competent staff.

In order to insure that this new Commission does not become an inflated bureaucracy and, therefore, unresponsive to the original intent of the Congress, I feel it is essential to retain congressional oversight of the CFTC. This process will contribute to the greater effectiveness of this agency and will provide more responsiveness to the public interest in the regulatory process.

Therefore, I urge the adoption of my amendment to provide for a 4-year authorization for the proposed Commodity Futures Trading Commission.

The bill provides that the Commission will become effective 180 days after enactment. Assuming final enactment some time this summer, the Commission would become effective about January 1, 1975. Thus the practical effect of my amendment would be to authorize appropriations for operation of the Commission for 3½ years.

It is not my intention with this amendment to infer that the Congress is creating a temporary Commission. My only purpose with this amendment, is to assure congressional review and oversight of the activities of the Commission.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. BROYHILL of North Carolina. I yield to the gentleman from Texas.

Mr. POAGE. I thank the gentleman for yielding.

I know the gentleman has been a little disturbed about bringing this thing up every 3 years, and I think there is some danger from that standpoint. But in discussing it with the members of the committee—and I can only say from the standpoint of myself and those with whom I have discussed it—I think maybe the good is as great as the danger in the amendment.

As far as I personally am concerned, I am willing to accept it.

Mr. WAMPLER. Mr. Chairman, will the gentleman yield?

Mr. BROYHILL of North Carolina. I yield to the gentleman from Virginia.

Mr. WAMPLER. I thank the gentleman for yielding.

Mr. Chairman, I have examined the amendment offered by the gentleman from North Carolina (Mr. BROYHILL). It seems to me to have a great deal of merit, and, therefore, the amendment is accepted.

The CHAIRMAN. The question is on the amendment offered by the gentleman from North Carolina (Mr. BROYHILL).

The amendment was agreed to.

Mr. FRENZEL. Mr. Chairman, I move to strike the last word.

Mr. Chairman, in section 4j, section 203 of the bill H.R. 13113, on pages 18 and 19, the Commission is given authority to determine whether or not a floor broker may trade for his own account, or another's account, and still execute a customer's order for delivery.

The section provides that the Commission can determine the terms and conditions under which such trades may be executed. This particular section directs the Commission to take into account, at a minimum, the effect upon the liquidity of the particular market, and it also directs the Commission to make separate determinations for different markets.

This particular section is noted in the committee report in the summary on page 3, and it gets more detailed treatment on page 64 in the letter from the Comptroller General of the United States. The Comptroller General's statement speaks of liquidity, and the need to establish different standards in different markets.

Mr. Chairman, the Minneapolis Grain Exchange is a small market. It works largely but not exclusively in the trading of a single commodity, wheat. The people of my area who rely on this market to serve their needs are much concerned that the brokers in this market be able to trade both for their accounts and for their customers. As I said before, compared to some of the giant exchanges, it is pretty small, but it is important to our area.

Because of the concern evidenced by some of my constituents, I would like to ask the distinguished chairman of the committee, the gentleman from Texas (Mr. POAGE), whether or not the Minneapolis Grain Exchange might be the kind of market in which the committee contemplated that brokers might operate both for their customers and for their own account to preserve the liquidity of the market?

Mr. POAGE. Mr. Chairman, if the gentleman will yield, the Minneapolis Exchange is the exchange for which this provision was written. The gentlemen from Minnesota (Mr. ZWACH and Mr. BERGLAND) very carefully pointed out, as the gentleman has, to the House that this is a young, struggling exchange that does not have the depth of market that some of the other markets have and it was felt they should not be burdened with excessive regulations that might be avoided. So we specifically provided that the Commission might provide different regulations for different markets.

We then made sure that they would consider the question of liquidity in the so-called thin markets. We specifically provided, as on page 19, line 4—

> That any such determination shall, at a minimum, take into account the effect upon the liquidity of trading of each market . . .

This was done so they cannot overlook that item, although they could take into consideration all other items that they want to, but we do require that they first, at the very minimum, take into consideration this question of liquidity, which is the question involving the Minneapolis market.

Mr. FRENZEL. I thank the distinguished chairman for his clear and careful statement, which confirms the statements already made by my two colleagues from Minnesota (Mr. BERGLAND and Mr. ZWACH).

Mr. Chairman, it is my hope that the Commission when formed, will be firmly guided by this discussion between the chairman and myself and by the language of the bill. I am sure we are all aware that regulations made by independent commissions sometimes seem to run contrary to congressional intentions. I think today the chairman of the Committee on Agriculture has given us a very strong definition of these intentions with respect to this particular market, the Minneapolis Grain Exchange.

AMENDMENT OFFERED BY MR. YOUNG OF SOUTH CAROLINA

Mr. YOUNG of South Carolina. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. YOUNG of South Carolina: Page 42, line 17, strike out lines 17 through 25; and page 43, line 1, strike out lines 1 and 2.

Mr. YOUNG of South Carolina. Mr. Chairman, under this provision we describe under line 17 a market emergency for the intervention of foreign governments. The thing that concerns me is that much of our commodities from this country go into the world trade. If this Commission saw fit to stop trade by foreign governments, and the Japanese Government itself buys much of the commodities we have in this country, they could stop the trade.

I continue to be concerned about the activities of this Commission and what it might do to affect the prices of the farm products in this country. One-quarter to one-half of our farm commodities are sold in the world market, yet this Commission can step in at any time and stop this trade if they see fit.

I think we are going to jeopardize the price of the farm commodities we grow by the restrictions of this Commission on world trade.

Mr. POAGE. Mr. Chairman, I rise in opposition to the amendment. I think it is clear, although I have not seen the amendment before, but I believe it is rather clear that what the amendment does is take away the authority that the Commission would have to protect us in the case of another Russian grain deal from the Russians themselves going into the market and using the exchanges as a means of making a double profit on a deal with the United States, because the gentleman strikes out the very features that we feel are essential to give the Commission this kind of protection.

He strikes out the definition of a market emergency which is defined to be a significant intervention of foreign governments in the futures market, war, and other national emergencies. His amendment strikes that out. We think it is rather essential we keep those provisions in this bill. We know that the bill cannot give us a 100-percent guarantee against that sort of thing in the future; but we believe it does give a rather substantial assurance and does give this Commission the authority that was lacking 2 years ago.

We do provide that new authority and we think it is right and important that we keep this in. Therefore, I would hope we defeat the amendment.

Mr. YOUNG of South Carolina. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from South Carolina.

Mr. YOUNG of South Carolina. Would the gentleman describe the market emergency as something that would have applied to the Russian exchange of wheat?

Mr. POAGE. Yes. The thing the gentleman from South Carolina would strike out is defined to mean "a significant intervention of foreign governments." Now, certaintly there was a significant intervention of a foreign government in the case of the Russian wheat sale. I do not mean that in a wicked sense, but I mean certainly the action of a foreign government played a tremendous hand.

I think to strike this out clearly greatly weakens this bill. I know the gentleman wants to strengthen this, but I am sure what he does is greatly weakening the thing he is seeking to strengthen.

Mr. YOUNG of South Carolina. If the gentleman will continue to yield, would he say that the exchange of wheat to Russia was a bad thing when in turn it raised the wheat price to farmers in this country to $5 a bushel; is that a bad situation?

Mr. POAGE. No; the chairman has never said that was a bad thing, but the chairman has said and says now that it is a very dangerous thing to leave these futures markets open to where the Russians or the Chinese or anybody else could manipulate these markets. When they know they are going to make a large purchase of spot grain in the United States they know that is going to affect the futures price.

The chairman wants to give somebody some authority to stop the use of these markets as a means of bleeding the United States.

Certainly the gentleman from South Carolina recognizes that had the Russians been a little smarter than they were, they would have gone into the markets and would have bought futures at the same time they bought the spot grain, knowing they could reap an increase from the futures that would pay for all their spot grain. They just were not smart enough to do it.

Mr. YOUNG of South Carolina. Suppose the Commission made an unfair decision, could this affect the price of wheat and soybeans and cotton to the farmers in the country?

Mr. POAGE. Yes, certainly, it could. Anytime agencies make bad decisions, it reflects those conditions to our farmers and to our consumers.

Mr. SMITH of Iowa. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from Iowa.

Mr. SMITH of Iowa. As a matter of fact, on the Kansas City Board, there was just such manipulation of cases and it took the Department of Justice 9 months to correct that. This should have been done before that damage was done.

Mr. POAGE. That is exactly right. We should try before the damage is done to give some authority to prevent this damage.

Now, let me point out that we had the figures on it and had the Russians taken advantage of this, they did not take advantage of its because they did not seem to be familiar with our marketing system; but had they taken advantage of the futures markets at the increases that actually took place, they could have hauled home every bushel of grain they took home without paying one thin dime to the United States, because they could have paid it all out of their profits on the futures market.

We are trying to prevent that before it occurs. And the gentleman is taking away the only weapon we have for the U.S. Government to protect this country from that kind of bleeding situation in the future.

The CHAIRMAN. The question is on the amendment offered by the gentleman from South Carolina (Mr. YOUNG).

The amendment was rejected.

Mr. SYMMS. Mr. Chairman, I move to strike the last word.

Mr. Chairman, the reason I am rising is to announce to the committee that at the appropriate time, if I have the opportunity, I will be offering a motion to recommit and I would like to have the members of the committee understand what will be in this motion.

Mr. Chairman, my recommittal motion will be of the Findley bill, H.R. 5406, which expands the commodity exchange authority into all commodities that are traded in this country, and not regulated. It strikes out those that are now covered, the 25 items that are now regulated, and inserts in lieu thereof any agricultural product, forestry product, or natural resource—either in raw or processed form—including divisions, multiples, or derivatives of the aforementioned, that are traded on exchanges in futures contracts.

Mr. Chairman, what this does is that it simply covers all the bucket shops and nonregulated futures trading taking place in the United States today under present commodity exchange authority without creating a new bureaucracy, which this legislation will do; without creating any injunctive powers and expanded authority that has worked so well. Therefore, I will offer this motion at the proper time. Then hopefully we can allow the pulse of liberty to continue to beat in hearts of those who use the futures markets.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker having resumed the chair (Mr. HAWKINS) Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H.R. 13113) to amend the Commodity Exchange Act to strengthen the regulation of futures trading, to bring all agricultural and other commodities traded on exchanges under regulation, and for other purposes, pursuant to House Resolution 1029, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT WITH INSTRUCTIONS OFFERED BY MR. SYMMS

Mr. SYMMS. Mr. Speaker, I offer a motion to recommit with instructions.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. SYMMS. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

> Mr. SYMMS moves to recommit the bill, H.R. 13113 to the Committee on Agriculture with instructions to report the same back forthwith with the following amendment:
>
> Page 1, Line 3 strike out all after the enacting clause and insert in lieu thereof the following:
>
> That the third sentence of section 2(a) of the Commodity Exchange Act, as amended (7 U.S.C. 2), is amended by striking out "wheat, cotton, rice, corn, oats, barley, rye, flaxseed, grain sorghums, mill feeds, butter, eggs, onions, Solanum tuberosum (Irish potatoes), wool, wool tops, fats and oils (including lard, tallow, cottonseed oil, peanut oil, soybean oil, and all other fats and oils), cottonseed meal, cottonseed, peanuts, soybeans, soybean meal, and frozen concentrated orange juice." and inserting in lieu thereof "any agricultural product, forestry product, or natural resource (either in raw or processed form), including divisions, multiples, or derivatives of the aforementioned, that are traded on exchanges in futures contracts.".

The SPEAKER. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. GOODLING. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 281, nays 43, not voting 108, as follows:

[Roll No. 169]

YEAS—281

Abdnor
Abzug
Adams
Alexander
Anderson, Calif.
Andrews, N. Dak.
Annunzio
Ashley
Aspin
Bafalis
Barrett
Bauman
Bell
Bennett
Bergland
Biester
Bingham
Blackburn
Blatnik
Boggs
Boland
Brademas
Bray
Breaux
Breckinridge
Brinkley
Brooks
Brotzman
Brown, Calif.
Brown, Mich.
Brown, Ohio

Broyhill, N.C.
Buchanan
Burgener
Burke, Calif.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton
Butler
Byron
Carney, Ohio
Cederberg
Chamberlain
Chappell
Clausen, Don H.
Cleveland
Cochran
Cohen
Conable
Conyers
Coughlin
Culver
Daniel, Dan
Daniels, Dominick V.
Davis, Ga.
Davis, Wis.
Delaney
Dellenback
Dellums
Denholm
Dent
Dingell
Donohue
Downing
Drinan
Duncan
du Pont
Eckhardt
Edwards, Ala.
Edwards, Calif.
Eilberg
Erlenborn
Eshleman
Evans, Colo.
Evins, Tenn.
Fish
Fisher
Flood
Flowers
Foley
Ford
Forsythe
Fountain
Fraser
Frenzel
Froehlich
Fuqua
Gaydos
Gilman
Gonzalez
Grasso
Green, Oreg.
Green, Pa.
Gross
Gude
Gunter
Guyer
Haley
Hamilton
Hammerschmidt
Harsha
Hastings
Hawkins
Hays
Hechler, W. Va.
Heckler, Mass.
Heinz
Henderson
Hicks
Hillis
Hinshaw
Hogan
Holifield
Holt
Holtzman
Horton
Hosmer
Howard
Hudnut
Hungate
Hutchinson
Ichord
Jarman
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kastenmeier
King
Kluczynski
Koch
Kuykendall
Kyros
Lagomarsino
Latta
Leggett
Lent
Litton
Long, Md.
Luken
McClory
McCloskey
McCollister
McCormack
McFall
McKay
McKinney
Macdonald
Madden
Madigan
Mahon
Mallary
Mann
Maraziti
Martin, N.C.
Mathias, Calif.
Matsunaga
Mayne
Mazzoli
Melcher
Mezvinsky
Michel
Miller
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Mizell
Moakley
Mollohan
Montgomery
Moorhead, Pa.
Morgan
Mosher
Murphy, Ill.
Murtha
Myers
Natcher
Nedzi
Nelsen
Nix
Obey
O'Brien
O'Hara
Owens
Passman
Perkins
Pettis
Peyser
Pike
Poage
Preyer
Pritchard
Quie
Railsback
Randall
Rangel
Rees
Regula
Reuss
Rhodes
Rinaldo
Roberts
Robinson, Va.
Robison, N.Y.
Rodino
Rogers
Roncalio, Wyo.
Rooney, Pa.
Rosenthal
Rostenkowski
Roush
Roy
Roybal
Ruppe
St Germain
Sandman
Sarasin
Sarbanes
Scherle
Schroeder
Sebelius
Seiberling
Shoup
Shriver
Shuster
Sisk
Skubitz
Slack
Smith, Iowa
Smith, N.Y.
Staggers
Stark
Steed
Steele
Steelman
Stephens
Stokes
Stratton
Stubblefield
Studds
Symington
Talcott
Taylor, N.C.
Thomson, Wis.
Thone
Thornton
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Veysey
Vigorito
Waggonner
Waldie
Walsh
Wampler
Ware
Whalen
White
Whitehurst
Whitten
Widnall
Wilson, Bob
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Wright
Wyatt
Wylie
Wyman
Yates
Yatron
Young, Ga.
Young, Ill.
Young, Tex.
Zwach

NAYS—43

Archer
Armstrong
Baker
Beard
Burke, Fla.
Clancy
Clawson, Del
Collins, Tex.
Crane
Davis, S.C.
Dennis
Derwinski
Devine
Gettys
Goldwater
Goodling
Grover
Hanrahan
Hansen, Idaho
Huber
Hunt
Kemp
Ketchum
Landgrebe
Lott
Lujan
McSpadden
Moss
Parris
Price, Tex.
Rarick
Rousselot
Runnels
Ryan
Satterfield
Spence
Steiger, Ariz.
Symms
Treen
Young, Alaska
Young, Fla.
Young, S.C.
Zion

NOT VOTING—108

Addabbo
Anderson, Ill.
Andrews, N.C.
Arends
Ashbrook
Badillo
Bevill
Biaggi
Bolling
Bowen
Brasco
Broomfield
Broyhill, Va.
Camp
Carey, N.Y.
Carter
Casey, Tex.
Chisholm
Clark
Clay
Collier
Collins, Ill.
Conlan
Conte
Corman
Cotter
Cronin
Daniel, Robert W., Jr.
Danielson
de la Garza
Dickinson
Diggs
Dorn
Dulski
Esch
Fascell
Findley
Flynt
Frelinghuysen
Frey
Fulton
Giaimo
Gibbons
Ginn
Gray
Griffiths
Gubser
Hanley
Hanna
Hansen, Wash.
Harrington
Hébert
Helstoski
Jones, Ala.
Kazen
Landrum
Lehman
Long, La.
McDade
McEwen
Martin, Nebr.
Mathis, Ga.
Meeds
Metcalfe
Milford
Mills
Minshall, Ohio
Moorhead, Calif.
Murphy, N.Y.
Nichols
O'Neill
Patman
Patten
Pepper
Pickle
Podell
Powell, Ohio
Price, Ill.
Quillen
Reid
Riegle
Roe
Roncallo, N.Y.
Rooney, N.Y.
Rose
Ruth
Schneebeli
Shipley
Sikes
Snyder
Stanton, J. William
Stanton, James V.
Steiger, Wis.
Stuckey
Sullivan
Taylor, Mo.
Teague
Thompson, N.J.
Tiernan
Towell, Nev.
Udall
Ullman
Wiggins
Williams
Winn
Wolff
Wydler
Zablocki

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Murphy of New York for, with Mr. Dulski against.

Mr. Andrews of North Carolina for, with Mr. Thompson of New Jersey against.

Mr. O'Neill for, with Mr. Martin of Nebraska against.

Until further notice:

Mr. Rose with Mr. Roe.
Mr. Hébert with Mr. Stuckey.
Mr. Reid with Mr. Anderson of Illinois.
Mr. Rooney of New York with Mr. Ginn.
Mr. J. William Stanton with Mr. Arends.
Mr. Addabbo with Mr. Broomfield.
Mr. Fulton with Mr. Carter.
Mr. Giaimo with Mr. Robert W. Daniel, Jr.
Mr. Brasco with Mr. Gray.
Mr. Pickle with Mr. Collier.
Mr. Podell with Mr. Dorn.
Mr. Nichols with Mr. Broyhill of Virginia.
Mr. Biaggi with Mr. Esch.
Mr. Bevill with Mr. Camp.
Mrs. Chisholm with Mrs. Griffiths.
Mr. Kazen with Mr. Findley.
Mr. Clay with Mr. Helstoski.
Mr. Diggs with Mr. Harrington.
Mr. Metcalfe with Mr. Danielson.
Mr. Patten with Mr. Dickinson.
Mr. Carey of New York with Mr. Conte.
Mrs. Collins of Illinois with Mrs. Hansen of Washington.
Mr. Cotter with Mr. Conlan.
Mr. Mathis of Georgia with Mr. Frey.
Mr. Tiernan with Mr. Hanna.
Mr. Wolff with Mr. Gibbons.
Mr. Zablocki with Mr. Mills.
Mr. Flynt with Mr. Gubser.
Mr. Hanley with Mr. Cronin.
Mr. Riegle with Mr. Jones of Alabama.
Mr. Pepper with Mr. Patman.
Mr. Casey of Texas with Mr. McDade.
Mr. Clark with Mr. Minshall of Ohio.
Mr. Lehman with Mr. Moorhead of California.
Mr. Long of Louisiana with Mr. McEwen.
Mr. Milford with Mr. Powell of Ohio.
Mr. Shipley with Mr. Steiger of Wisconsin.
Mr. Sikes with Mr. Price of Illinois.
Mr. James V. Stanton, with Mr. Taylor of Missouri.
Mrs. Sullivan with Mr. Quillen.
Mr. Teague with Mr. Wiggins.
Mr. Udall with Mr. Roncallo of New York.
Mr. Meeds with Mr. Williams.
Mr. Landrum with Mr. Towell of Nevada.
Mr. Ullman with Mr. Ruth.
Mr. Badillo with Mr. Winn.
Mr. Snyder with Mr. Wydler.
Mr. Corman with Mr. Bowen.
Mr. de la Garza with Mr. Schneebeli.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. POAGE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Arrington, one of the clerks, announced that the Senate had passed with amendments in which the concurrence of the House is requested. A concurrent resolution of the House of the following title:

H. Con. Res. 475. Concurrent resolution providing for a conditional adjournment of the House from April 11 until April 22, 1974.

REREFERRAL OF H.R. 14221 TO COMMITTEE ON INTERIOR AND INSULAR AFFAIRS

Mr. STAGGERS. Mr. Speaker, I ask unanimous consent that the Committee on Interstate and Foreign Commerce be discharged from the further consideration of the bill H.R. 14221 to provide for the review of increases promulgated by the Secretary of the Interior on November 1, 1973, in rates for electric power sold at five Bureau of Reclamation projects, and for other purposes and that the bill be rereferred to the Committee on Interior and Insular Affairs.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

DISASTER RELIEF ACT AMENDMENTS OF 1974

Mr. BLATNIK. Mr. Speaker, I ask unanimous consent for the immediate consideration in the House of the Senate bill (S. 3062) the Disaster Relief Act Amendments of 1974.

The Clerk read the title of the Senate bill.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

Mr. MALLARY. Mr. Speaker, reserving the right to object, I would like to inquire of the gentleman from Minnesota. I understand, this bill is a totally new amendment that is being proposed by the Committee on Public Works, and that we do not have a report on it at the present time; is that correct?

Mr. BLATNIK. No; the Senate bill S. 3062 is a bill passed by the Senate yesterday afternoon. There were hearings held on it over many weeks, but it was accelerated very markedly after the severe tornadoes about a week ago. The gentleman raises a very pertinent point in view of the fact that we, ourselves, do not have sufficient time to study the proposals made by the Senate, although we are very familiar with the basic Disaster Act of 1970, and the implementation of the program. We also have language that the House might be interested in that we shall propose today by unanimous consent to substitute for the language of the Senate bill, a proposal which has been considered by the House Committee on Public Works and ordered reported yesterday, but yet not filed with the House. We would also propose to ask for a conference with the Senate.

Mr. MALLARY. Further reserving the right to object, may I inquire if the information I have about the House-proposed substitute is correct, that it makes the new program effective as of April 1, 1974?

Mr. BLATNIK. That is true. It is effective as of March 31, 1974.

Mr. MALLARY. Further reserving the right to object as I understand it, the Public Law 93-24 terminated any existing forgiveness clauses under disaster relief.

Therefore, as I understand it, if this were to pass in this way there would be no disaster relief provisions in the form of grants for the period April 20, 1973 to April 1, 1974. Is that correct?

Mr. BLATNIK. That is not quite correct. There is a loan program for that period, but without forgiveness. A grant program is proposed to be created as of March 31, 1974. I will explain this in greater detail if we get unanimous consent. Both sides will have time, and we will explain that further.

Mr. MALLARY. If the bill is taken up does the gentleman have information so that he can give me adequate information as to the situation in those States and those areas where there were disasters which occurred during that interim period? I am very aware that in the State of Vermont a disaster occurred in July 1973, and there were no grant programs. I would like to discuss the possibility of an amendment to make this retroactive. Under the terms under which we will be taking this up, will an amendment be in order?

Mr. BLATNIK. The amendment could be in order if we agree to it, and if it is at all possible to accommodate a legitimate case or category that may have been omitted inadvertently by our proposal, and once we get an opportunity to discuss the bill we may find it necessary. We would like to help wherever there is a justifiable need due to disaster or acts of God. However, we feel we have a program that will be workable.

Mr. MALLARY. Further reserving the right to object, do I have the assurance of the gentleman that an amendment to make this retroactive will be in order?

Mr. BLATNIK. I cannot give that assurance, not knowing the nature of the problem of the gentleman. Certainly he can raise his point and give an explanation, but I cannot give that assurance now.

Mr. MALLARY. Mr. Speaker, unless the chairman can give me the assurance that an amendment will be in order I will be constrained to object.

Mr. BLATNIK. The disaster relief will be quite broad and it will be the President who will determine whether there is a disaster or a serious emergency which requires assistance.

Mr. MALLARY. I am familiar with that. What I am asking is the assurance that an amendment with regard to retroactivity would be in order.

Mr. BLATNIK. I honestly in all fairness cannot say that it would be in order.

Mr. FLOWERS. Mr. Speaker, will the gentleman yield?

Mr. BLATNIK. I yield to the gentleman from Alabama.

Mr. FLOWERS. Could I address this question to the gentleman, perhaps this is the problem he has. A major disaster struck in my district on May 29, 1973, in Alabama. I know we were covered under the April 20 law that was passed. I am concerned, as I gather the gentleman here is concerned, are there going to be some significant improvements as of April 1 this year and the people that are going to be left without the benefit of those improvements in the law are those that were damaged between April 20, 1973, and April 1 of 1974?

Mr. BLATNIK. Well, I cannot say, because I do not know what the amendment will be, and we cannot be committed to an undefined retroactive period. Any law becomes more and more improved as we develop a fair understanding of its track record and find out where its effectiveness lies, where additional bolstering needs to be done.

Mr. FLOWERS. Mr. Speaker, will the gentleman yield further?

Mr. BLATNIK. I yield to the gentleman.

Mr. FLOWERS. I do not find any fault with improving disaster relief. I favor that, Mr. Speaker; but I do have some reservation, as does the gentleman here, that we are improving a condition that should have been improved a long time ago, but we are not taking care of people that were severely damaged in the preceding 12 months.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. MALLARY. I will be glad to yield to the gentleman from Iowa.

Mr. GROSS. Is the bill to be handled, to be considered in the House as in the Committee of the Whole?

Mr. BLATNIK. If the gentleman will yield, it is proposed that this motion be considered in the House under a unanimous-consent request.

Mr. GROSS. As in the Committee of the Whole?

Mr. BLATNIK. In the House, not in the Committee of the Whole, but in the House of Representatives.

Mr. GROSS. And no amendment would be in order then?

Mr. BLATNIK. That is right.

Mr. GROSS. Then if the bill is approved, what takes place; do we go to conference with the other body?

Mr. BLATNIK. That is an excellent question. To protect the House point of view, we will ask that the House language be substituted in lieu of the Senate proposal. To protect the House and not accept the Senate proposal without adequate consideration, we will substitute the House language and let the conferees work their will and in the interim period of time get a better understanding of what the House wants.

Mr. GROSS. Then it is not proposed to button up this legislation tonight?

Mr. BLATNIK. No, sir; that is why we refused to make a blanket acceptance of the Senate proposal. We were trying not to be pushed into accepting S. 3062 sight unseen, a bill passed by the other body by a vote of 69 to zero. We recognize we have serious problems out in these destroyed areas, people hopeless and helpless and waiting on some action from the Federal Government.

We refused to act this way. We want to protect the legitimate rights of the House and the only amendment we can recommend at this time is to substitute the House language.

Mr. GROSS. If the other body does not accept this version, then nothing has been accomplished until after the Easter recess; is that correct?

Mr. BLATNIK. I would not want to speculate on what the other body will do. I think the extreme urgency and the need are so great, that I cannot anticipate the other body delaying action.

Mr. GROSS. The gentleman is saying that the other body will accept this version?

Mr. BLATNIK. This is speculating again. Knowing the urgency and the need, I cannot conceive of the other body refusing to go along with this procedure, so that the House can work its will and proceed with the conference report.

Mr. HARSHA. Mr. Speaker, will the gentleman yield?

Mr. MALLARY. I yield to the gentleman from Ohio.

Mr. HARSHA. This is an amendment supported by the administration. They asked us late last night to accept the full Senate bill and vote it up or down.

I refused, along with the chairman, to ask the Members of this body to vote on something nobody has had an opportunity to review or look at or understand. As far as we would agree to go was the simple amendment which we took up in the committee. We debated it and amended it in a very minor form. We provided for a simple grant provision with 75 percent Federal aid and 25 percent State and local participation.

The other body wanted us to accept this in lieu of their total package. We will have to go to conference with them after the recess and during the conference we would have an opportunity to examine the full text of S. 3062 and determine what is in it and determine what parts of it we want to accept on behalf of the House and then we will bring back the conference report.

The administration opposed any extension of the retroactivity going back into areas where disasters had occurred because of the enormous costs involved. That was one reason, over the years, why we did away with the previous law which allowed a forgiveness clause. It was abused. Because of this we eliminated the forgiveness provision.

Mr. MALLARY. Mr. Speaker, further reserving the right to object, we are getting somewhat beyond the point and that is the question of retroactivity. Also, I am concerned with the question of equity of dealing differently with people before April 20, 1973, and then after April 1, 1974.

If I understand the gentleman correctly, he is suggesting that we go to conference on this bill and the Senate bill, both of which have an effective date of April 1, 1974.

Mr. BLATNIK. Mr. Speaker, will the gentleman yield?

Mr. MALLARY. Mr. Speaker, I yield to the gentleman from Minnesota.

Mr. BLATNIK. Mr. Speaker, the effective date of the Senate bill is April 1, 1974. The Senate bill does not have retroactive dates.

Mr. MALLARY. Mr. Speaker, do I have the assurance of the gentleman that there would be an attempt to make it retroactive to the period?

Mr. BLATNIK. Yes; my own personal feeling, and I think of Members who have had disasters of all types in all parts of the country—would be that where the need is clear and where inadvertently people have been left out from appropriate relief, an effort should be made to provide such relief.

Mr. BROWN of Ohio. Mr. Speaker, will the gentleman yield?

Mr. MALLARY. Mr. Speaker, I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. Mr. Speaker, I had not intended to speak on this legislation out of respect for the other Members of the House in the hope that the legislation could be approved quickly and the conference could be arranged between the House and the Senate, so that there would be time for the members of the Committee on Public Works in the House and the Senate to resolve this issue.

Mr. Speaker, I can only say to the gentleman that I would entreat him and others in the House not to delay consideration of this legislation, in the interests of one community in my district and many communities elsewhere in the United States that are currently massively damaged by tornadoes that occurred just within the last week. I sympathize fully with the concern of the gentleman for his own district, having had the experience now in my district, and I would hope that there will be a possibility, given the consideration of the chairman and ranking minority member of the Committee on Public Works in the House, to work out something between the House and the Senate that will expand the retroactive nature of the programs that exist to take care of the problem of the gentleman from Vermont which apparently occurred a year ago.

However, to delay consideration of this, and thereby delay the possibility that we can resolve some of the problems that relate to that massive damage down in Xenia, Ohio, as one example, I would ask the gentleman, please, to withhold his objection and see if there is not some possibility that we can work out an expansion of programs or an understanding on the specific problem that the gentleman has, the nature of which I am not sure I understand.

Mr. MALLARY. Mr. Speaker, may I inquire of the gentleman from Ohio whether he would be favorably disposed toward attempting in conferences to obtain retroactivity to April 20, 1973?

Mr. HARSHA. Mr. Speaker, will the gentleman yield?

Mr. MALLARY. I yield to the gentleman from Ohio.

Mr. HARSHA. Mr. Speaker, I will inform the gentleman that I will be more than happy, depending upon the differences between the two bills, to discuss or negotiate with the other body any provision for retroactivity that would endeavor to take care of the situation which the gentleman from Vermont, as well as the gentleman from Louisiana, describe.

I cannot tell the gentleman whether that flexibility is in the bill, but if it is there, certainly we will negotiate with them, as best we can, in order to try to take care of the situation which the gentleman raises.

Mr. MALLARY. Mr. Speaker, I have looked at the Senate bill, and perhaps the gentleman has also. The Senate bill establishes a date of April 1, 1974, as an effective date for section 408. It is a more comprehensive bill.

Mr. HARSHA. Mr. Speaker, will the gentleman yield further?

Mr. MALLARY. I yield to the gentleman from Ohio.

Mr. HARSHA. Mr. Speaker, I have not looked at it because it was not brought over here until just shortly after lunch. I have not had a chance to look at it.

If the flexibility is there, I can assure the gentleman that we will endeavor to negotiate with the other body to resolve this problem.

PARLIAMENTARY INQUIRY

Mr. MALLARY. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER. The gentleman will state his parliamentary inquiry.

Mr. MALLARY. Mr. Speaker, if a bill is brought up under a unanimous-consent request and considered in the House at this time, would any amendment be in order?

The SPEAKER. The Chair will state that since the gentleman is asking that it be considered in the House, the gentleman will then have control of the time.

Mr. MALLARY. Mr. Speaker, further reserving the right to object, presumably, then, the gentleman from Minnesota would have the time and would have control of the bill, and I am not sure whether he would yield for an amendment.

Mr. BLATNIK. Mr. Speaker, will the gentleman yield?

Mr. MALLARY. I yield to the gentleman from Minnesota.

Mr. BLATNIK. Mr. Speaker, under the pressure of the circumstances, with Members wanting to get home, we could have amendments offered all day long, but that is not the way legislation should be handled.

However, I will make this comment. On my own behalf and on behalf of the Members whom I can influence on—and I will ask for the comments of the extremely helpful minority leader—I will say that wherever possible, where the effective date can be made retroactive to include such thoroughly justifiable cases as the case mentioned by the gentleman from Alabama, we will attempt to deal with it even if we have to ask the Rules Committee for a waiver of points of order. We then could amend the bill in conference.

Mr. MALLARY. Mr. Speaker, I gather that the gentleman is telling me that he would not yield for an amendment.

Mr. BLATNIK. The gentleman is correct.

Mr. MALLARY. Mr. Speaker, I recognize the problem in Ohio. I would feel constrained to object if the gentleman would not yield for an amendment.

Mr. HARSHA. Mr. Speaker, will the gentleman yield?

Mr. MALLARY. I yield to the gentleman from Ohio.

Mr. HARSHA. Mr. Speaker, the gentleman is saying that he is willing to go so far as to attempt to get a rule waiving points of order against the conference report. If that is done we can go outside the bill if we can get a rule waiving points of order.

That in effect tells us the gentleman is willing to go to these extremes to have this problem considered, and the method resolved.

Mr. BLACKBURN. Mr. Speaker, will the gentleman yield?

Mr. MALLARY. I yield to the gentleman from Georgia.

Mr. BLACKBURN. Mr. Speaker, I appreciate the gentleman's yielding.

As I understand the responses to the questions from the floor here, it is fairly obvious that the Senate is not going to accept the House language sight unseen any more than we would accept the Senate language sight unseen.

That being the case, and as I read this language, I feel it is extremely vague in some of its meanings. I personally feel that the gentleman would be justified in objecting, and if he does not object, I will, in the interest of orderly legislative processes.

We are not going to get anything of substance passed until after the recess anyway, and if it is proposed to give the conferees a blank check to work out something between the House language and the Senate language, when the Members of neither body have examined this in depth, and since they have not had the benefit of hearings or the benefit or an in-depth study of the language in either bill, I feel the gentleman is certainly justified in objecting, in the interest of preserving orderly processes.

Mr. HARSHA. Will the gentleman yield to me?

Mr. MALLARY. I am happy to yield to the gentleman.

Mr. HARSHA. We have had the benefit of hearings, I say to my friend from Georgia. We did study this amendment in the committee and in executive session, and it is a very simple amendment. This is all we are bringing to you now. This is not the total package that the Senate sent over here that we are bringing to you. It is one part of a many page bill. We will go to conference on our bill plus the bill from the other body. We have had the benefit of hearings. We have had the benefit of advice from the administration.

Mr. BLACKBURN. Will the gentleman yield?

Mr. MALLARY. I yield to the gentleman.

Mr. BLACKBURN. I appreciate the gentleman yielding.

I understand the observations about the committee having held hearings, but there is certainly no committee report before the Members of this body and there is no committee print or any facts before us as to the estimated amount of money involved.

The language states that the States will repay this money to the Federal Government when they are able to. I do not know when that will come about, but I think we are legislating here under extremely nebulous circumstances.

Mr. HARSHA. Will the gentleman yield?

Mr. MALLARY. I yield to the gentleman.

Mr. HARSHA. We have several States that have constitutional problems and prohibitions against anything that the State may wish to do to repay to the Federal Government without an act of the State legislature. That is why this is worded the way it is. We want to give the legislatures of the various States an opportunity to act so that the States can repay the Federal Government.

If we pass this bill, it goes to the other body. They can object to the bill and ask for a conference. If you do not want us to go to a conference, you can object to it at that time.

Mr. BLATNIK. Will the gentleman yield?

Mr. MALLARY. I yield to the gentleman from Minnesota.

Mr. BLATNIK. I appreciate the gentleman yielding, and let me say I also appreciate the questions raised by the gentleman from Vermont. They are thoroughly justified.

But do not forget the situation that we are in. We are faced with circumstances that are not of our own choosing or making. This legislation came to the House last night from the other body.

The only way we can protect the rights of the House and get further consideration of the matter is through the means we have proposed. Then, once we have this legislation, we can get together with the other body and see whether there is any modifying language that can be adopted or if there are any other proposals that would be made by them or by us which can be agreed to.

The important thing is, if an objection is raised now, then the Federal Disaster Assistance Administration will be literally helpless to act except under the limitations which exist under present law. They will be unable to do anything else while we are away on our recess. It will be almost 2 weeks before we can do anything further in this matter.

In the meantime, as the gentleman has said, once we do this and we put the House version of the legislation into the running and put it on an equal footing with the version of the other body, the agency will then know that there will be something they can anticipate will be enacted into law and take the necessary preliminary steps to implement it. They can get underway tomorrow morning if we pass this measure today.

Mr. MALLARY. Mr. Speaker, I regret taking the time of the House on this matter, but it is a very important item. I do not think we are properly preserving the rights of the House to bring this matter up under such a procedure where we do not have an opportunity to consider it carefully, and amend it.

In view of the situation, however, since this disaster has recently occurred and with the assurances I have from the chairman of the committee as to his view on the matter with regard to retroactivity, and in view of the very serious situation that exists and the inequities which would be created if this is not permitted to be considered I will accept his assurance and withdraw my objection.

Mr. BLATNIK. I appreciate the gentleman's statement. It is most understanding.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

Mr. FLOWERS. Mr. Speaker, reserving the right to object, and I do not want to object, the chairman raises a most perplexing proposition here when he says the Senate might accept the House's amendment.

If the Senate accepts the House amendment then there is no conference, no anything, and even though the House confers the House does not get another bite at it.

Mr. BLATNIK. We will name conferees today, and the instructions will be to uphold the position of the House, and to investigate with deepest scrutiny the Senate version of the bill and compare it with the House version of the bill. The House will have its full say at the conference table before final determination is made on this disaster legislation.

Mr. HARSHA. Mr. Speaker, if the gentleman will yield, the Senate-passed bill contains 102 pages. The amendment we are talking about addresses itself to only one section of that bill, section 408.

Mr. FLOWERS. But by accepting this amendment we are foreclosed from having a chance to amend any part of the Senate bill.

Mr. HARSHA. I am sorry, but I cannot hear the gentleman.

Mr. FLOWERS. I say that by accepting this amendment the House is foreclosed from having a chance to amend any part of the Senate bill.

Mr. HARSHA. If the gentleman will yield further, the answer is no. We strike out everything after the enacting clause in the Senate bill. Thus, everything in the Senate bill plus what we have in our bill will be in conference.

Do not leave me with the impression that the Senate will accept one little amendment in lieu of a 102-page bill.

Mr. FLOWERS. I was replying to what the gentleman from Minnesota (Mr. BLATNIK) said.

I do not believe they will, either.

Mr. HARSHA. No.

Mr. FLOWERS. But the House will have no chance to work its will on the Senate bill except through the conference.

Mr. HARSHA. That is correct.

Mr. FLOWERS. We have got April 1, 1974, in the House and Senate versions as well.

Mr. BLACKBURN. Mr. Speaker, will the gentleman yield?

Mr. FLOWERS. I will yield to the gentleman from Georgia.

Mr. BLACKBURN. Mr. Speaker, I appreciate the gentleman from Alabama yielding.

I would like to ask the gentleman if he is aware that under existing law, in the absence of this proposal, there is available assistance in the form of temporary housing; home, business and personal property loans; emergency loans to farmers, ranchers, and oyster planters; food commodities or food stamps; disaster-related unemployment compensation, and/or employment assistance; legal aid for disaster-related problems; clothing, food, first aid, personal, and family assistance; debris removal from private property; and repair and restoration of public facilities.

These are all programs that are available under existing law.

Is the gentleman prepared to answer the question, "Why is this disaster so different from the one that happened in my own district last year that it needs this special legislation?"

Mr. FLOWERS. That is the point I am making.

As far as the recent disasters are concerned, my heart is warm toward helping them, but they have the same legislation that has been in effect since April 20, 1973, but we have had other intervening events between that date and April 1, 1974.

Mr. HARSHA. Mr. Speaker, will the gentleman yield?

Mr. FLOWERS. I yield to the gentleman from Ohio.

Mr. HARSHA. The gentleman from Georgia has asked a question, and I would like to answer the gentleman's question.

The answer is that it is necessary to provide assistance to those people who cannot be made whole with Small Business Administration loans, or FHA loans, or some of the other provisions which are available under the existing law.

This is for people who cannot qualify to get those loans under the present legal system.

Mr. **BLACKBURN**. Mr. Speaker, will the gentleman yield further?

Mr. **FLOWERS**. I yield to the gentleman from Georgia.

Mr. **BLACKBURN**. Mr. Speaker, I appreciate the gentleman from Alabama yielding further to me because I would like to address a further question.

Is the gentleman from Ohio saying that some people cannot apply for a loan under the Small Business Administration disaster relief law?

Mr. **HARSHA**. Some people cannot get them.

Mr. **BLACKBURN**. Am I to understand that this present program could become effective in the next 10 days if we pass this? That there would be this possibility in 10 days? Let me suggest that if we pass this bill, it will be 6 or 8 weeks before anything substantial can be done for the people who need relief. Meanwhile, we will have made a complete mockery of the legislative process.

Mr. **HARSHA**. We cannot assure that we can get action in the next 10 days, because we will be in recess, and there is much work to do. We will have to come back after the recess and go into conference with the Senate. It is hard to say how long that conference will take. We have to work it out, and then come back before both bodies of the Congress. Then it has to go to the administration, where rules and regulations will have to be worked out. It will take some time.

The people who are victims of the tornadoes have to have help. I am trying to point out to the gentleman that they cannot get it under existing law.

Mr. **FLOWERS**. Does the gentleman have the same compassion for the people who were damaged last May as the gentleman does for the people who were damaged this April?

Does the gentleman feel the same way toward the people who were damaged last May?

Mr. **BLATNIK**. If the gentleman will yield, the gentleman asked if the House and some of its Members have the same compassion for those victims of disaster of a year ago in Alabama as we do for those victims of the recent disaster?

Mr. **FLOWERS**. That is my question.

Mr. **BLATNIK**. I say absolutely, and if a way is open to us, we will do everything possible to help your people.

Mr. **FLOWERS**. I will say to the gentleman from Ohio the way he can do so is by making the same law that will be applied to the people who were damaged on April 3 or April 4 or April 5, 1974, apply to the people who were damaged on May 29, 1973.

Mr. **BLATNIK**. I commit myself. I will exert every effort to do so and will strongly urge all House conferees on both sides to do so.

Mr. **FLOWERS**. Does the gentleman from Ohio make the same commitment?

Mr. **HARSHA**. I do not know. If the gentleman will repeat it, I will be glad to respond.

Mr. **FLOWERS**. The commitment from the gentleman from Minnesota was that he would make every effort on his part to assure that those who were damaged by major disasters in May 1973, would have the same rights under the law as those who were damaged in April 1974.

Mr. **HARSHA**. I will assure the gentleman I will do everything I can, if it is at all possible, for those damaged in May or June of 1973.

Mr. **FLOWERS**. I regard the gentleman from Minnesota and the gentleman from Ohio as honorable men. I am confident they will do what they can.

I will make this statement as I withdraw my reservation of objection. If this is not done. I am going to make so much noise on the floor of this House that the Members will think a tornado is coming through the Capitol of the United States.

Mr. **CRANE**. Mr. Speaker, reserving the right to object, I should like to direct a question, if I may, to the gentleman from Ohio. As I understand what he said, the committee is not going to go into conference until after the recess; is that correct?

Mr. **HARSHA**. That is correct.

Mr. **CRANE**. Which means then there is no particular haste in getting this through today; we could reserve a day immediately after the recess, and appropriate time for discussion and consideration by this body, and the worst that could possibly take place is a 1-day delay in going into conference and considering it; is that not right?

Mr. **HARSHA**. No; that is not correct. In the meantime, the parameters of the legislation will be drawn. The administration will know how far it has to go in any event.

Mr. **CRANE**. I want to ask another question. When the gentleman talks about parameters of legislation being drawn, my understanding was in earlier discussion that these were the parameters contained here in the House version.

Mr. **HARSHA**. Apparently the gentleman did not listen well because we are going to conference with the Senate on the bill, which is a 102-page bill and has a lot of substantive amendments to the existing act. We have to consider those along with this amendment that the House is bringing before the Members today. Within those parameters the administration will know what they have to contend with, and they can begin drawing their rules and regulations and making preparation for them. In the meantime, our staff can be digesting the Senate bill, can be telling us what is in it, and we can be ready to go to conference immediately upon returning. If we have to wait until after we return, then all of that time will be lost.

Mr. **CRANE**. Let me ask another question. This is just an amendment to the 102-page bill; is that correct?

Mr. **HARSHA**. That is correct.

Mr. **CRANE**. Is there going to be a House equivalent of that 102-page bill?

Mr. **HARSHA**. There is not.

Mr. **CRANE**. There is not. In other words, the gentleman is accepting the Senate bill, and as to the amendment from the House, that will be reconciled in conference?

Mr. **HARSHA**. No, we are not accepting the Senate bill at all. We are striking everything in the Senate bill after the enacting clause and substituting that amendment.

Mr. **DON H. CLAUSEN**. Mr. Speaker, the last 10 days have seen many areas of our Nation ravaged by terrible tornados. Hundreds of lives; thousands of homes; schools, public and private; colleges; churches; and an untold number of businesses have been utterly destroyed. The lives of tens of thousands of people have been dramatically and sadly changed by the devastating storms.

Those of us who have seen the impact of these storms know that the victims are determined to put their lives back together and rebuild whole towns. The determination of these people is something that is truly wonderful to behold. They have the will, they will provide the labor, but it is up to us in the Congress to recognize we are going to have to help with money and resources.

Congress in the past has been magnanimous in recognizing that the Nation as a whole must share the risks of disasters and that the Congress, therefore, should provide disaster relief assistance as we did. This help in the form of the various disaster relief acts and amendments has helped thousands of our citizens and has been most effective. The bill that we have before us today will continue and build upon the basic program and mechanism established in the Disaster Relief Act of 1970, Public Law 91-606, which the Committee on Public Works brought to the House.

It has been the opinion of the committee that the 1970 bill basically has been very effective and that it needs only minor modifications. It was the intent of the Committee on Public Works to review thoroughly the Disaster Relief Act and determine what modifications were required. Now, there is a sense of urgency for the House to take immediate action because of the major disasters which have occurred within the last 10 days. Because of these disasters, it is now our intent to expedite the legislative program, and this is what we are doing today. The approach we have taken will result in the best possible legislation in as short as possible a time. I urge you to vote with the committee and approve H.R. 7690 as amended.

Mr. **GROSS**. Mr. Speaker, will the gentleman yield?

Mr. **CRANE**. I yield to the gentleman from Iowa.

Mr. **GROSS**. I thank the gentleman for yielding.

Let me ask the gentleman from Ohio what is the effective date in the Senate?

Mr. **HARSHA**. I do not know. I have not read it, and that is why I cannot answer the question.

Mr. **GROSS**. Does the gentleman from Minnesota know the effective date in the Senate bill? What is the effective date in the Senate bill?

Mr. **BLATNIK**. April 1, 1974.

Mr. **GROSS**. The version we have here is March 31. Is that the date in the Senate bill?

Mr. **BLATNIK**. April 1 is the date in the Senate bill.

Mr. **GROSS**. April 1 in the Senate bill and March 31 in the House bill, is that correct?

Mr. **BLATNIK**. As the bills are now, yes.

Mr. GROSS. I thank the gentleman.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

AMENDMENT OFFERED BY MR. BLATNIK

Mr. BLATNIK. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BLATNIK: Strike out everything after the enacting clause of S. 3062 and insert in lieu thereof the following:

"That this Act may be cited as the 'Disaster Relief Act Amendments of 1974.'

"SEC. 2. Title II of the Disaster Relief Act of 1970 is amended by adding at the end thereof the following new section:

"'INDIVIDUAL AND FAMILY GRANT PROGRAMS

"'SEC. 256. (a) The President is authorized to make a grant to a State for the purpose of such State making grants to meet extraordinary disaster-related expenses or needs of individuals or families adversely affected by a major disaster in those cases where assistance under other provisions of this Act, or from other means, is insufficient to allow such individuals or families to meet such expenses or needs. The Governor of a State shall administer the grant program authorized by this section.

"'(b) The Federal share of a grant to an individual or a family under this section shall be equal to 75 per centum of the actual cost of meeting such an extraordinary expense or need and shall be made only on condition that the remaining 25 per centum of such cost is paid to such individual or family from funds made available by a State or a political subdivision of a State. Where a State or a political subdivision is unable immediately to pay its share, the President is authorized to advance to such State such 25 per centum share, and any such advance is to be repaid to the United States when such State or political subdivision is able to do so. No individual and no family shall receive any grant or grants under this section aggregating more than $5,000 with respect to any one major disaster.

"'(c) The President shall promulgate regulations to carry out this section and such regulations shall include national criteria, standards, and procedures for the determination of eligibility for grants and the administration of grants made under this section.

"'(d) A State may expend not to exceed 3 per centum of any grant made by the President to it under subsection (a) of this section for expenses of administering grants to individuals and families under this section.

"'(e) This section shall take effect as of March 31, 1974."

"SEC. 3. Section 102(1) of the Disaster Relief Act of 1970 is amended by inserting immediately after 'earthquake,' the following: 'mud slide,'.

Mr. JONES of Alabama. Mr. Speaker, I rise in support of the amendment offered by the distinguished gentleman from Minnesota (Mr. BLATNIK).

I believe that what the gentleman proposes is the most expeditious method of getting a bill enacted which can assist the people affected by the disasters of last week.

I believe the committee is acting reasonably—with haste, and yet not recklessly. It would be simple to ask the House to accept the bill passed by the Senate yesterday. It would undoubtedly be a very popular thing to do. However, as the gentleman has made abundantly clear, our committee has not had the opportunity to examine the Senate proposal. Accepting the amendment will give the conferees a chance to examine in great depth the Senate proposals—accept those which are good, amend those which need modification, and reject those which are not acceptable.

Last week, 11 States in the South and Midwest were hit by a series of tornadoes in the Nation's worst tornado disaster in 49 years. The known death toll from these tornadoes is over 300 and over $500 million in property damage was done. In my own State of Alabama 81 people were killed and 838 injured, close to 900 dwellings were destroyed and another 900 sustained major damage. Over half of these deaths and over a third of the injuries occurred in my district alone.

To assist the victims of disasters such as this, the Congress enacted the Disaster Relief Act of 1970 which provides a wide range of assistance to individuals and communities in their efforts to recover from the damages caused by a major disaster. The program authorized by that act has been an effective one. However, as has been pointed out here on the floor today, there are gaps in this program which need to be filled. The disasters of last week have made this particularly important.

I urge adoption of the amendment.

The SPEAKER. The question is on the amendment offered by the gentleman from Minnesota (Mr. BLATNIK).

The amendment was agreed to.

Mr. BLATNIK. Mr. Speaker, prior to 1970 each major disaster usually resulted in disaster relief legislation being passed, with that legislation designed to deal with the specific problems raised by the disaster which engendered it. In 1970, we determined that a total rewrite of the Federal disaster relief program was called for, one which would apply to all major disasters and provide adequate assistance for all of the problems associated with major disasters. This led to the Disaster Relief Act of 1970. The existing disaster relief program established by this act provides for a comprehensive approach to assist the States and local governments in the rendering of aid, assistance, and emergency welfare services, and the reconstruction and rehabilitation of devastated areas. This program provides a broad spectrum of relief and assistance for persons suffering injury or loss as a result of a major disaster such as those which occurred as a result of the tornadoes. Assistance is available in the form of:

Temporary housing;

Home, business, and personal property loans;

Emergency loans to farmers, ranchers, and oyster planters;

Food commodities or food stamps;

Disaster-related unemployment compensation and/or employment assistance;

Legal aid for disaster-related problems;

Clothing, food, first aid, personal and family assistance;

Debris removal from private property; and

Repair and restoration of public facilities.

These provisions offer substantial assistance to individuals and communities in their efforts to recover from the damages caused by a major disaster.

Last year the administration sent to the Congress proposed new disaster legislation. This legislation would completely revamp the disaster program. Mr. Chairman, we held hearings on the administration proposal and considered it carefully. We concluded that the 1970 act is good law and has worked very well since its enactment. There is one major area of relief, however, which is no longer available under the disaster relief program, and the restoration of which is extremely important in light of the recent tornado-caused disasters. This is the provision of assistance in the case of disaster-caused expenses or needs which are not adequately covered under other forms of assistance such as Small Business Administration or Farmers Home Administration disaster loans.

In the 1970 Disaster Relief Act this assistance was provided in the form of partial forgiveness of Small Business and Farmers Home loans. The amount of forgiveness was that part of the loan over $500, but not to exceed $2,500. In the years since then, these provisions have been amended by other laws in various forms, with the net result now being that there are no forgiveness, or similar, provisions in the law. This is a major gap in the law which must be corrected, especially in view of the tragic losses suffered in last week's tornado disasters. The legislation which our Public Works Committee ordered reported, and which I offer as an amendment to the Senate passed bill, is designed to fill that gap.

It authorizes the President to make a grant to a State for the purpose of that State making grants to individuals or families to meet their extraordinary disaster related expenses or needs where assistance under the Disaster Relief Act of 1970 is needed. This grant program is to be administered by the Governor of the State. The Federal share of these grants is 75 percent. The committee recognizes that the States likely do not have an existing program for administering and sharing in these grants. The legislation accordingly provides that where a State or political subdivision is unable to immediately pay its share, the President is authorized to advance the 25-percent share, to be repaid to the United States when the State or political subdivision is able to do so.

The legislation also contains a clarifying amendment which adds mudslides to the catastrophies which qualify as major disasters.

Mr. Speaker, yesterday the Senate passed a rewrite of the 1970 Disaster Act after the Public Works Committee marked it up the day before. I am sure there are many valuable provisions in their bill, but we simply have not had sufficient time to examine and evaluate it. Ordinarily, of course, we would consider the Senate passed bill in committee and report it to the House with those amendments we considered necessary. However, with last week's disasters, it is important that we move as quickly as possible to pass legislation to provide adequate relief for the victims of these disasters. With this in mind, our Committee on Public Works feels that the most expeditious way of getting legislation passed is to pass the amendment which we offer and which we have had a chance to consider, in order that we may go to conference with the Senate and give proper and needed consideration to the provisions of the Senate bill. In this way, we will be in a position to go to conference immediately after the upcoming recess and come up with a good piece of legislation which we believe will meet the needs of last week's and future disasters. During the interim period, the 1970 act will continue to be effective, and relief for the victims of this latest disaster need not be delayed. Mr. Chairman, I urge adoption of the amendment.

Mr. CLANCY. Mr. Speaker, the action taken by the House Public Works Committee and the entire House today is in my opinion a most expeditious manner in which we can eventually adopt measures providing for the necessary disaster relief that so many of us are needing in our various districts because of the severe damage done by the recent tornadoes.

I join with my colleagues in hoping that the best possible piece of legislation can be approved which will afford the relief that is so necessary because of the great devastation that has been caused, not only in my district, but throughout many districts and States. I hope that this can be handled expeditiously, and that the conference committee will report as quickly as possible.

I intend to make every effort to see that this is done.

Mr. ROUSH. Mr. Speaker, I would like to commend the Members of this House and of the Senate for their prompt action in dealing with legislation which if enacted should greatly reduce some of the problems we have encountered in getting emergency aid to disaster victims when they need it the most—which is right after the disaster.

As you know, my own district in Indiana was hard hit by the tornadoes of April 3, and many of the weaknesses in the 1970 Disaster Relief Act became apparent to me personally as I sought to get the help the people of my district needed.

I feel that the conferees should be able to come up with a bill which will provide swifter and more meaningful relief for disaster victims in the future.

I am particularly pleased that both Houses have seen fit to establish a retroactive date for this legislation so that the tornado victims in Indiana, as well as in the several other States, may share in the improved benefits contained here.

Mr. Speaker, this action today is to me proof that this Congress can, and will, respond to the public need quickly, effectively, and meaningfully. I urge the conferees to move with equal rapidity in order that this much needed proposed legislation might be enacted into law.

This legislation will help the people of my district in Indiana and in the other tornado areas. I have every confidence that once enacted the President will sign the bill into law as quickly as possible.

The SPEAKER. The question is on the passage of the bill.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. BLATNIK. Mr. Speaker, I made some rather disorganized introductory statements and I ask unanimous consent that I may revise and extend my remarks introducing the bill and explaining the procedure.

Mr. Speaker, I further ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill (S. 3062) just passed.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

APPOINTMENT OF CONFEREES ON S. 3062, DISASTER RELIEF ACT AMENDMENTS OF 1974

Mr. BLATNIK. Mr. Speaker, I ask unanimous consent that the House insist on its amendment to the bill (S. 3062) entitled the "Disaster Relief Act Amendments of 1974," and request a conference with the Senate thereon.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota? The Chair hears none, and appoints the following conferees: Messrs. JONES of Alabama, ROBERTS, JOHNSON of California, HARSHA, and SNYDER.

PERSONAL EXPLANATION

Mr. ROBERT W. DANIEL, JR. Mr. Speaker, on the last recorded vote I voted in the affirmative and the electronic device failed to register this in the machine.

APOLOGY TO STUDENTS OF WESTERN MICHIGAN UNIVERSITY

(Mr. VANDER VEEN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. VANDER VEEN. Mr. Speaker, I want to take this opportunity to publicly express my apology to the students and faculty of Western Michigan University who were expecting me to speak to them this evening. The press of House business forces my default on their kind invitation.

PROVIDING FOR ADJOURNMENT OF CONGRESS FROM APRIL 11, 1974, UNTIL APRIL 22, 1974

The SPEAKER laid before the House the concurrent resolution (H. Con. Res. 475) providing for a conditional adjournment of the House from April 11 until April 22, 1974, with the Senate amendments thereto.

The Clerk read the title of the concurrent resolution.

The Clerk read the Senate amendments, as follows:

Page 1, strike out line 2 and insert: "when the two Houses adjourn on Thursday, April 11, 1974, they stand".

Page 1, line 4, strike out "its Members" and insert: "their respective Members".

Page 1, strike out lines 7 to 13, inclusive, and insert:

"SEC. 2. The Speaker of the House of Representatives and the President pro tempore of the Senate shall notify the Members of the House and Senate, respectively, to reassemble whenever, in their opinion, the public interest shall warrant it, or whenever the majority leader of the Senate and the majority leader of the House, acting jointly, or the minority leader of the Senate and the minority leader of the House, acting jointly, file a written request with the Secretary of the Senate and the Clerk of the House that the Congress reassemble for the consideration of legislation."

Amend the title so as to read: "Concurrent resolution providing for a conditional adjournment of the House and Senate from April 11 until April 22, 1974."

The Senate amendments were concurred in.

The concurrent resolution, as amended, was agreed to.

A motion to reconsider was laid on the table.

LEGISLATIVE PROGRAM

(Mr. RHODES asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RHODES. Mr. Speaker, I take this time to request the acting majority leader (Mr. McFALL) whether he can inform the House as to the program for the week following the adjournment of the House for Easter.

Mr. McFALL. Mr. Speaker, will the gentleman yield?

Mr. RHODES. Mr. Speaker, I yield to the gentleman from California.

Mr. McFALL. Mr. Speaker, I shall be glad to answer the question of the distinguished minority leader.

On Monday, April 22, 1974, we have District Day. There are no bills.

On Tuesday, we have H.R. 13919, Atomic Energy Commission authorization, with an open rule, 1 hour of debate. Then, we have H.R. 12799, Arms Control and Disarmament Act amendment, with an open rule and 1 hour of debate.

On Wednesday, we have S. 628, surviving spouse civil service retirement annuities, with an open rule and 1 hour of debate. Following that, we have H.R. 11321, Public Safety Officers Benefits Act, subject to a rule being granted.

For Thursday and the balance of the week, we have H.R. 13999, National Science Foundation authorization, subject to a rule being granted. Then, we have H.R. 13998, NASA authorization, subject to a rule being granted. Finally, we have H.R. 11989, Fire Prevention and Control Act, with an open rule and 1 hour of debate.

Conference reports may be brought up at any time, and any further program will be announced later.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. RHODES. Mr. Speaker, I yield to the gentleman from Iowa.

Mr. GROSS. Mr. Speaker, does this mean that there will be no business on Monday, whatever the date may be, following this recess?

Mr. McFALL. Mr. Speaker, if the gentleman will yield, the date is April 22. The schedule shows that this is District Day and there will be no bills on that day.

Mr. GROSS. So, the House can simply meet and adjourn. Would a short or a long quorum call be in order that day; either one or both?

Mr. McFALL. Mr. Speaker, I would think there would be time, if the gentleman would appear to make that point of order, there would be time for a long quorum call.

Mr. GROSS. Mr. Speaker, I thank the gentleman. He is very helpful.

A USEFUL MEMORIAL

(Mr. VAN DEERLIN asked and was given permission to address the House for 1 minute, to revise and extend his remarks, and include extraneous matter.)

Mr. VAN DEERLIN. Mr. Speaker, 11 years ago this week, Americans were mourning the loss of 129 Navy men who died aboard the nuclear submarine *Thresher* in the North Atlantic.

No final determination has been agreed upon as to what caused the *Thresher*'s sinking. But the Navy has moved to provide better advance training for submarine crews, hoping to reduce the likelihood of future disasters.

Yesterday, at the Submarine School in Groton, Conn., a new training facility was dedicated as a memorial to the *Thresher*'s leading chief reactor technician. He was a black enlisted man, CPO Roscoe C. Pennington of San Diego, Calif.

Particularly impressive were dedicatory remarks by the *Thresher*'s first commanding officer, Rear Adm. Dean L. Axene. They touched on his recollection of the highly qualified men who went down with the *Thresher*—and were directed, in part, to Chief Pennington's 17-year-old son Gregory, who occupied a place on the platform.

Admiral Axene's speech follows:

Remarks by Rear Admiral Dean L. Axene

Captain Vahsen, Mr. Pennington, Congressman VanDeerlin, Admiral Early, Officers and Men of the Submarine Force present, ladies and gentlemen.

When it was suggested to me, nearly a year ago by Captain Vahsen, that I be the principal speaker at the dedication of this new building, I accepted gladly and unhesitatingly. I am personally pleased and gratified to be able to fulfill this responsibility on behalf of a shipmate.

Nevertheless, as the months have rolled by and this day has approached, I have had some feelings of hesitation. Many memories have been crowded back into my conscious thought—bittersweet memories—memories for which I am deeply grateful—memories that are good—but bittersweet memories nonetheless.

I don't propose to recount the facts in the life of Thresher, nor the facts in the life of Chief Pennington—a Thresher stalwart, and the man for whom this building is named. However, there are some key points and some parallels which I believe it well that we consider.

Chief Pennington and I had much in common. We were born within a year of each other. We entered active service in the Navy within a year of each other. We both started out in conventional submarines, fighting World War II in the Pacific. We both were early converts to nuclear propulsion. And of course, we were shipmates during the final stages of construction of Thresher, through her builders' trials and commissioning, and through her extended period of shakedown operations. These lasted about one year and covered a wide range of activities intended to evaluate the effectiveness of this lead ship of a new class of attack submarines.

As I have said, Chief Pennington was a stalwart in this new ship. Not only was he the leading nuclear reactor technician, but he was also a natural and easy leader. This is reflected in the fact that he had risen to Chief Petty Officer, but that tells only the official side of the story. Chief Pennington was a Chief Petty Officer in fact. He was one of those rare individuals to whom others eagerly look for guidance, for leadership, for example. And, at a time I might add, when we were paying a lot less attention to the place of minorities in the scheme of things than we are today. Yes, Chief Pennington was a fine technician, a fine scholar, and an altogether fine man. A shipmate in the very finest sense of the word.

I would like to say a word or two to you, Gregory. I hardly know you personally, but I have read a great deal about you, and if even only partially true, you are indeed a man of whom your Dad would be very proud. A scholar, an athlete, a leader; Gregory seems to me to embody those qualities which made Chief Pennington great. I'm confident that he, too, will achieve positions of responsibility, and wherever they may be, also render great service to our country. It is a distinct honor to have you, Gregory, and your mother, present for this ceremony today.

Thresher was an advanced design submarine. Virtually every new concept she embodied has taken root and is to be found in our modern submarine force today. As so often happens, however; many people paid heavy personal prices to advance the technology she presaged. Some, as in the case of Chief Pennington, paid the ultimate price, that of life itself. Somehow, I have to believe that he, and those others like him who were lost in Thresher, 11 years ago today, paid that price willingly.

Pennington Hall, as you all know, is a building which houses eight submarine ship control training devices. These devices are permitting our young submariners today to learn the principles of handling their ships, without the costs involved in putting actual ships to sea, and without the dangers which are inherent in our business.

It seems to me altogether fitting that this building be named for a man like Chief Pennington.

When Thresher was lost, then-President John F. Kennedy said: "The future of our country will always be sure when there are men such as these to give their lives to preserve it." He must surely have been thinking of men like Roscoe Cleveland Pennington.

Thank you.

IMPACT AID A "GRAVY TRAIN"

(Mr. HUBER asked and was given permission to address the House for 1 minute, to revise and extend his remarks, and include extraneous matter.)

Mr. HUBER. Mr. Speaker, in the course of the floor debate on amendments to H.R. 69 on March 27, 1974, our distinguished colleague, the gentleman from Iowa (Mr. GROSS) during the discussion of impact aid stated:

> As I understand it, there is a school district at a base in Missouri that has been closed for years, and impacted school aid is still being handed out.

Mr. Speaker, Camp Crowder, located in Newton County, Mo., a major Army Signal Corps installation during World War II, reactivated in 1951, raised to a status of a fort in 1954, and deactivated in 1958, was finally licensed by the Defense Department to the State of Missouri for 25 years beginning with 1967. Currently apart from serving as a weekend training ground for the Missouri National Guard, the fort on its 3,400 acres features the State-operated Crowder Junior College with some 630 students and 47 faculty members, a plumbing and electrical maintenance school, an area vocation technical school, as well as a training center for retarded children. Despite its exclusive use for local and State purposes, Fort Crowder remains still a Federal property thus technically giving rise to impact aid claims by the Neosho Reorganized School District R–5 as well as seven other school districts in Newton and Jasper Counties educating children of parents employed on the fort grounds, even though their employment is completely unrelated to either national defense of other Federal activities.

In fiscal year 1972, eight school districts, four in Newton County and four in Jasper County, were educating, according to the U.S. Office of Education, 545 federally connected pupils, some of these children of 254 military personnel and Federal civilian employees residing in these two counties, the balance being the children of the Crowder College faculty or persons employed by the other educational institutions, or perhaps children of Missouri National Guardsmen who "by chance" were training at Fort Crowder at the time the first annual—mandatory—membership survey to determine the Federal connection was taken in the fall of 1971.

Mr. Chairman, impact-aid law specifically excludes school districts where federally connected pupils make less than 3 percent of the total school membership. Six of the school districts within the commuting distance of Fort Crowder had less than 3 percent of their total average daily attendance made of federally connected pupils—see table. I wonder what "exceptional circumstances" prompted the Commissioner of Education to waive the 3-percent rule?

The above facts speak for themselves. The gentleman from Iowa (Mr. GROSS) referred to impact aid as the "gravy train."

I fully concur.

IMPACT AID—NEWTON AND JASPER COUNTIES, MO.

[Abbreviations: SDR—School District Reorganized; ADA—Average Daily Attendance (92 percent of ADM); ADM—Average Daily Membership]

County and school district	Impact aid payments in dollars					1971–72 impact aid ADA pupils		1972 total school ADA	1972 impact aid ADA in percent of total ADA	Federal personnel [1] military and civilian Dec. 31, 1971
	1967–68	1968–69	1969–70	1970–71	1971–72 (est.)	"A"	"B"			
Newton:										
Neosho SDR-5	106, 404	89, 586	59, 039	49, 203	27, 681		197	3, 240	6. 08	
Diamond SDR-4	5, 499	4, 590	4, 293	2, 878	3, 353	4	14	730	2. 46	
Seneca R-7, SD	8, 952	3, 199	9, 814	6, 893	5, 620		40	1, 310	3. 05	
East Newton SDR-6	10, 870	6, 955	9, 047	4, 851	2, 388		34	1, 450	2. 34	
Total	131, 725	104, 330	82, 193	63, 825	39, 042	4	285			49 Fed. civ., 26 mil.
Jasper:										
Carl Junction SDR-1	7, 033	8, 207	5, 974	3, 957	2, 318		33	1, 387	2. 38	
Webb City SDR-6	12, 533	14, 745	10, 780	8, 425	3, 231		46	2, 500	1. 84	
Joplin SD of VIII			38, 154	28, 887	17, 705		126	9, 467	1. 33	
Carthage SDR-9			12, 858	12, 383	3, 583		51	3, 283	1. 55	
Total	19, 566	22, 952	67, 766	53, 652	26, 837		256			134 Fed. civ., 45 mil.
Total both counties	151, 291	127, 282	149, 959	117, 477	65, 879	4	541			183 Fed. civ., 71 mil.

[1] Postal Service employees excluded.

Sources: Impact aid payments—HEW/OE, Administration of Public Law -874; Annual reports by the Commissioner of Education; Reports: 18th, 19th, 20th, 21st, 22d, impact aid ADA pupils—HEW/OE, Computer Read-outs for Fiscal 1969 and 1972; total school ADA—HEW/OE, Education directory 1972–73. Public school systems; Federal civilian personnel—U.S. Civil Service Commission, Federal Civilian Employment by Geographic Area, Dec. 31, 1971; Military personnel—U.S. Bureau of the Census, County and City Data Book—1972.

CAMPAIGN SPENDING REFORM: AN URGENT NEED

(Mr. ADAMS asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. ADAMS. Mr. Speaker, in the early 19th century, President Andrew Jackson popularized a system of favoritism toward one's political friends and cronies which came to be known as the spoils system. Under that practice, government jobs were handed out—lock, stock, and barrel—to persons who had aided the candidate in obtaining public office. In return, government workers often were called upon to contribute a percentage of their salaries toward the reelection of public officials or the maintenance of the power of the political party.

Today, 150 years later, the spoils system of Andrew Jackson's day has almost disappeared. But in its place we have a far more damaging, and devious, spoils system arising from the influence of campaign contributions on candidates for public office. This newer phenomenon, rather than resulting in a few political cronies in public jobs, corrupts the entire political and governmental process. It leads to situations in which those public officials who lack integrity and conviction decide public policy with an eye toward the costs and benefits of private, not public, interests. Carried to its extreme, it results in kickbacks, malfeasance, fraud, graft, and other forms of corruption.

The results of this newer kind of spoils system are not only events like those known as the Watergate scandals but a more threatening undermining of our democratic system of government. It is, sadly, no understatement to say that the American form of government has been sorely compromised, if not corrupted, by the current system of private financing of political campaigns.

It has been said that:

> The need for collecting large campaign funds would vanish if Congress provided an appropriation for the proper and legitimate expenses of each of the great national parties. . . . Then no party receiving campaign funds from the treasury should accept more than a fixed amount from any individual subscriber or donor. . . .

This statement, far from being a recent declaration by a radical reformer, was made in 1907 by President Theodore Roosevelt. It rings just as true, if not truer, 67 years later.

EFFECTIVE CAMPAIGN SPENDING LEGISLATION

Mr. Speaker, in order to restore honesty and accountability to our democratic system and eliminate the otherwise inevitable dependence by candidates for public office on large contributors, the Congress must, this session, enact strict and effective campaign spending laws. Any such legislation, to counteract an increasingly cynical view by the public toward Government, must include the following:

Full and complete disclosure of contributions and expenditures.

Strict limits on contributions, including in-kind services and cash contributions.

Effective limits on expenditures, including restrictions on expenditures by a candidate and his family.

Aggressive administration and enforcement of campaign finance laws, including subpoena power and deposition authority by the enforcing agency and civil and criminal penalties.

Effective regulation of political committees and other organizations which collect or distribute funds.

A public financing formula for Federal campaigns, possibly through the matching of small private contributions by a $1 or $2 tax "check-off".

Mr. Speaker and Members of the House, someone has to pay the costs of political campaigns. The choice is between large givers with special interests and small contributions matched by $1 or $2 per person per year of public moneys. In my view it is time that public office be supported in part by public moneys and special interests be removed from determining public policy.

GOVERNMENT OPERATIONS SUBCOMMITTEE LEGISLATIVE ACTION

Mr. Speaker, as my colleagues are aware, I am the chairman of the District Subcommittee on Government Operations of the House of Representatives. In that capacity, I have just completed three public hearings on campaign spending reform. Over 20 organizations, agencies and public-spirited citizens testified to the great need for overhauling and strengthening our campaign laws. All witnesses were united in their demand for strict disclosure, tough contribution and expenditure limitations and effective administration and enforcement; differences were expressed only as to certain means of achieving these goals. With this kind of overwhelming public support, as well as the importance of this subject, I am confident, Mr. Speaker, that my subcommittee, and later the full committee, will report a good, tough campaign finance bill to the House of Representatives in the near future.

CONCLUSION

Our democracy is based on the concept of a choice among candidates made by the voters at the ballot box. Yet current campaign spending practices and laws too often freeze out all but a handful of candidates with personal wealth or financial backing and stifle the emergence of new faces and new ideas. Campaign reform legislation is essential to make that ballot box choice by the voters a meaningful one.

MELCHER WARNS REPUBLICANS TO STOP AND LOOK BEFORE FOLLOWING VICE PRESIDENT FORD'S ADVICE

(Mr. MELCHER asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. MELCHER. Mr. Speaker, our old friend, Vice President JERRY FORD recently told a large Midwest Republican Conference in Chicago that the Watergate mess and the so-called White House horrors are the result of turning the 1972 Presidential campaign over to "an arrogant elite of political adolescents," in the Committee To Re-Elect the President instead of leaving it in the hands of the Republican National Committee.

I am inclined to agree with JERRY, but I warn my friends across the political aisle that before they accept the Vice President's diagnosis and start repeating it widely they had better look around and see what has become of the CREEP staff which the Vice President referred to so disparagingly.

They are all through the Government, and I find the U.S. Department of Agriculture has become a haven for refugees from the CREEP staff.

The Department of Agriculture provided a soft landing place for Stephen B. King, a young ex-FBI agent who guarded Martha Mitchell in California when she was threatening to talk too much, and according to Martha, whipped out her telephone and called the doctor to give her a sedative by hypodermic to keep her quiet. Steve became a confidential assistant to Secretary Earl L. Butz.

Dr. Clayton Yeutter who headed up agricultural affairs for CREEP had previously been an effective and capable Administrator of Consumer and Marketing Service within the Department of Agriculture and has now returned as an Assistant Secretary. John Foltz also helped CREEP's agricultural division and is now a Deputy Under Secretary in the Department.

According to the Washington Post, the Department of Agriculture soon after the campaign, provided a payroll spot for 17 CREEP employees and 3 White House employees.

And only recently the Department has announced the appointment of one of the former CREEP "elite" as Associate Administrator of the Farmers Home Administration, but who recently left the Veterans' Administration.

He is Frank W. Naylor, Jr., a former Kansas City life insurance man, who staffed CREEP's efforts to aline the Veterans for Nixon and then was sent to the Veterans' Administration.

Rowland Evans and Robert Novak, in a column in the Washington Post of Monday, April 8, explain that Naylor was to be the White House special agent at the Veterans' Administration in a grade 18 job paying $43,926 per year. Evans and Novak report:

> A central feature of the Haldeman-Ehrlichman plan was to place trusted Nixon aides, from the White House and the widely defamed Committee for the Re-Election of the President (CREEP) in key positions of executive departments. Running the government then would be Haldeman and his staff, backed by the Office of Management and Budget (OMB) headed by Roy Ash and his deputy, Fred Malek, who had been second-in-command at CREEP.
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> Named by Malek to be White House agent for VA's multibillion-dollar operations was Frank Naylor, fresh from a stint at CREEP rounding up veterans organizations' support for the Nixon-Agnew ticket. Naylor moved into VA's plush 10th floor executive offices as a supergrade 18 paying $43,926.
>
> Other CREEP alumni from the Malek stable moved to lesser VA jobs. Among the many: Michael Bronson, a CREEP field representative as assistant administrator for planning and evaluation; Andrew Adams, a Kansas coordinator for CREEP as deputy director in VA's now-embattled education division.
>
> What was happening at the VA reflected a radical effort to give the White House total control of all major bureaus and departments. Now, 15 months later, the outcome at the VA is clear: utter disaster.
>
> Naylor, who came to VA without experience in the Agency's highly specialized work, has now been quietly shunted to the Farmers Home Administration. . . .

The Farmers Home Administration, of which Naylor will be Associate Administrator at $36,000 a year, is the key rural redevelopment agency in the Department of Agriculture—a task for which the former Kansas City life insurance man appears to have gained no experience in work at the Veterans' Administration or CREEP. Farmers Home Administration functions include loans to farmers whose credit is impaired, help in developing sound farming plans, and also makes operating loans to farmers who have economic misfortunes and cannot get adequate operating funds from the bank. The only experience which is cited in Naylor's biography which connects him to agriculture is service with the Federal Crop Insurance Corporation from 1969 to 1972, which was an insurance job, hardly experience in Farmers Home Administration-type programs.

The farmers have been continuously displaced from positions in the Department of Agriculture since the Nixon administration first came into office. Grain company executives have replaced farmers in the jobs in which the grain companies have a major interest. Naylor was a life insurance executive replacing a farmer in the Farmers Crop Insurance Agency. Now we have the spectacle of more with military and veterans affairs background taking over the major rural redevelopment agency. One wonders if that has any significance.

I include in the RECORD the full text of the Evans-Novak column to which I have alluded above. I am also including a list of former CREEP and White House employees compiled by the Washington Post who have been given temporary or permanent positions in the Department of Agriculture and the Washington Post list does not include Nancy Steorts, a former White House staffer who is now Special Assistant to Secretary Butz for Consumer Affairs and graduated from Syracuse University in 1959 after majoring in fashion merchandizing.

Those who are interested in what became of scores of others on the staff at CREEP will find a great many of them listed in a July 26, 1973, issue of the St. Louis Globe-Democrat showing those who went to Department of Commerce, Treasury, Environmental Protection Agency, Federal Aviation Administration, Federal Trade Commission, and Veterans' Administration, among others.

I regret that there is not a more current list. It may be that some of my colleagues will want to compile such a list before they go further into attempting to place the blame for the Watergate scandals on the CREEP staff, which has now been spread all through the Government. The articles follow:

[From the Washington Post, Apr. 8, 1974]

HALDEMAN-EHRLICHMAN LEGACY: CHAOS IN THE VA

(By Rowland Evans and Robert Novak)

The horrors now afflicting the nation's veterans programs can be traced to the radical plan of the old Haldeman-Ehrlichman White House, officially repudiated but surviving nevertheless, to centralize all power in the Oval Office during President Nixon's second term.

Although H. R. Haldeman and John D. Ehrlichman are long gone, their grand design endures—administered by spiritual heirs and generally ignored by Watergate-preoccupied Washington. The disruptive results are now surfacing in one agency after another. In the Veterans Administration (VA), the political explosion has just begun.

A central feature of the Haldeman-Ehrlichman plan was to place trusted Nixon aides, from the White House and the widely defamed Committee for the Re-Election of the President (CREEP), in key positions of executive departments. Running the government then would be Haldeman and his staff, backed by the Office of Management and Budget (OMB) headed by Roy Ash and his deputy, Fred Malek, who had been second-in-command at CREEP.

Named by Malek to be White House agent for VA's multibillion-dollar operations was Frank Naylor, fresh from a stint at CREEP rounding up veterans organizations' support for the Nixon-Agnew ticket. Naylor moved into VA's plush 10th floor executive offices as a supergrade 18 paying $43,926.

Other CREEP alumni from the Malek stable moved to lesser VA jobs. Among the many: Michael Bronson, a CREEP field representative as assistant administrator for planning and evaluation; Andrew Adams, a Kansas coordinator for CREEP as deputy director in VA's now-embattled education division.

What was happening at the VA reflected a radical effort to give the White House total control of all major bureaus and departments. Now, 15 months later, the outcome at the VA is clear: utter disaster.

Naylor, who came to VA without experience in the agency's highly specialized work, has now been quietly shunted to the Farmers Home Administration. Bronson is on his way out. Adams, a polio victim confined to a wheelchair, is slated to run the new rehabilitation office in the Department of Health, Education and Welfare (but powerful congressmen may block that appointment).

This accelerating collapse of the Haldeman-Ehrlichman centralization of power barely begins the story of the VA's crisis.

The American Legion cheered when then Republican Sen. Jack Miller of Iowa (defeated for re-election in 1972) persuaded Mr. Nixon in 1969 to name Don Johnson, a fringe Iowa Republican politician and former national commander of the Legion, to head the VA. Today, however, even the Legion has soured on Johnson's performance running the VA's 171 hospitals, 59 regional offices and tens of thousands of employees.

"Don," said one congressional critic, "is a political primitive who plays everything by Malek rule book." Malek's first rule is saving money. Thus, Johnson's critics complain he automatically overrides his own experts, plus the organized veterans' lobbies, to accept OMB's budget proposals even at the expense of essential veterans' services.

The most dramatic case was the Johnson-contrived ouster last week of Dr. Marc J. Musser, VA's highly regarded chief medical director. In a private letter April 3 to Rep. Olin Teague, ranking Democrat on the Veterans Committee, and Sen. Alan Cranston, chairman of the Senate Subcommittee on Veterans Health and Hospitals, Musser said that "an antagonistic and uncooperative administrator (Johnson)" made his job impossible and that "the infiltration of the department by personnel selected and appointed by . . . the administrator has virtually eliminated any possibility of functional integrity" in the medical branch.

When Musser came under attack by Johnson's office last year, then presidential counselor Melvin Laird interceded. Laird wrung from Johnson a firm agreement to stop interfering with Musser's operation.

More significant, Mr. Nixon himself strongly indicated to Teague last December that Musser would stay. Now, with the President preoccupied with fighting impeachment and with Laird gone, Musser has been hounded out of office.

Musser's top deputy, Dr. Benjamin F. Wells, was also forced out. Wells told us Johnson "just could not stand" Wells' connections with powerful congressional Democrats.

By throwing its full weight behind Johnson, OMB retains draconian control over VA's budget. The cost is high: loss of support from the powerful veterans' lobby, from tens of thousands of Vietnam veterans, and administrative chaos in the VA. Such is one bitter after-taste of the Haldeman-Ehrlichman blueprint for power.

[From the St. Louis Globe-Democrat]

PARTIAL LIST OF NIXON LOYALISTS IN KEY POSTS

WASHINGTON.—Here is a partial list of persons formerly employed in President Nixon's 1972 campaign effort or in the White House and the executive office of the President during Mr. Nixon's first term, who are now employed in Cabinet departments and independent regulatory agencies:

DEPARTMENT OF COMMERCE

Alex M. Armendaris, former director of the Spanish-speaking division of the Committee for the Re-election of the President (CRP), currently director of the Office of Minority Business Enterprise;

Robert A. Barbuto, former advanceman for CRP and deputy director of the 1973 inaugural committee, currently special assistant to the secretary;

Gland P. Dorminy, former executive secretary at the Finance Committee to Re-elect the President, currently private secretary to the assistant secretary for tourism;

Richard F. Ehmann, former assistant to the director of field services for CRP, currently confidential assistant to the director of the Office of Foreign Direct Investment;

Judith L. Hanbaugh, former secretary at the finance committee, currently private secretary to the assistant secretary for tourism;

Andre E. Letendre, former associate executive director at CRP, was special assistant to the administrator of the National Oceanic Atomospheric Administration from November 1972, to February 1973, when he went to the Commerce Department and is currently deputy to the assistant secretary for administration;

Jeb Stuart Magruder, former deputy director of CRP, and executive director of the inaugural committee, became director of the Office of Policy Development until his resignation April 27, 1973;

Joseph M. Mandato, formerly with CRP and deputy director of the medals program book division of the 1973 inaugural committee, currently special assistant to the assistant secretary for domestic and international business.

Robert S. Milligan, formerly with CRP and consultant at the Environmental Protection Agency, currently confidential assistant to the special assistant for policy development;

Ellen M. Wagner, former staff assistant at the CRP, currently administrative assistant in office of assistant secretary for administration;

C. Langhorne Washburn, former deputy chairman of the finance committee, became special assistant to the secretary from December, 1972, until April, 1973, and is currently assistant secretary for tourism;

James Francis, formerly with CRP, currently deputy exhibit manager with the Bureau of International Commerce in the Domestic and International Business Administration;

Parker Jayne, with CRP from August, 1972, to October, 1972, as well as in the executive office of the President from October, 1972, to December, 1972, currently a trade specialist in the Bureau of East-West Trade in the Domestic and International business Administration;

Eric Kibl, formerly with CRP, currently an international trade specialist in the Bureau of East-West Trade;

Edward Kinnear, formerly with CRP, currently an exhibit manager at the Bureau of International Commerce;

Warren S. Chase, formerly with CRP, currently a confidential assistant to the assistant secretary for maritime affairs;

Edward D. Failor, formerly with CRP, was employed by the Department of Transportation from November 1972, until March 1973, and is now the administrator of the Social and Economic Statistics Administration;

Norman E. Watts, former field representative with CRP, was employed by the Department of Transportation from January, 1973, to April, 1973, and is currently a confidential assistant to the administrator of the Social and Economic Statistics Administration;

Diana L. Lozano, former administrative assistant at CRP, currently a confidential assistant to the director in the Office of Minority Business Enterprise;

John F. Evans, former assistant director on the White House Domestic Council, currently assistant to the secretary;

Edward L. Blecksmith, former staff assistant to the director of White House communications, currently special assistant at the Bureau of Resources and Trade Assistance in the Domestic and International Business Administration;

Thorton J. Parker, formerly with the Office of Management and Budget, currently a computer systems analyst serving as special assistant to the chief of systems development at the National Bureau of Standards. Before that he was with the Department of Commerce;

Clark R. Renninger, formerly with the Office of Management and Budget, currently staff assistant for computer utilization programs in the office of the director at the Institute of Computer Science and Technology;

William F. Dougherty, formerly with the White House, was special assistant to the director of the Bureau of the Census in the Office and Economic Statistics Administration until May 1, 1973.

DEPARTMENT OF AGRICULTURE

John C. Foltz, former assistant for the agriculture division of CRP, currently deputy secretary;

K. C. Shephard, formerly with CRP, was employed as administrative assistant in forest services, but has subsequently left;

M. L. Baker, formerly with CRP, was employed as confidential assistant to the administrator of the Agricultural Marketing Service, subsequently left;

M. A. Fox, formerly with CRP, was employed as an administrative assistant in the Agriculture Stabilization and Conservation Service, subsequently left;

J. C. Randall, former assistant in the media division of CRP, was employed as consultant in the Food-Nutrition Service, subsequently left;

T. McDonald, formerly with CRP, was employed as a consultant, subsequently left;

S. B. King, former security guard with CRP, currently a confidential assistant to the secretary;

G. Bruner, formerly with CRP, currently confidential assistant to the administrator of the Food-Nutrition Service;

L. W. Dunn, formerly with CRP, currently a consultant;

Veronica Haggart, former administrative assistant at CRP, currently a confidential assistant to the assistant secretary of marketing and consumer affairs;

C. Beecher, formerly with CRP, currently private secretary to the confidential assistant to the secretary;

Kimberly Moore, formerly with CRP, currently confidential assistant to the administrator of the Agriculture Marketing Service;

Clayton Yeutter, former regional director in the agriculture division, currently assistant secretary of Marketing and Consumer Services;

Gary K. Madson, former deputy director in the agriculture division of CRP, currently deputy administrator of the Rural Development Service;

James L. Minton, formerly with CRP, currently confidential assistant to the deputy undersecretary.

Paul Vandermyde, formerly on White House staff, currently deputy assistant secretary for conservation, research and education.

Catherine Brown, formerly with the White House, currently a mail clerk;

VETERANS' ADMINISTRATION

Frank W. Naylor Jr., former national director of the veterans division at CRP, currently executive assistant to the administrator;

Michael Bronson, formerly with veterans-field services at CRP, currently acting assistant administrator for management and evaluation;

Larry C. Triplett, formerly with CRP, currently confidential assistant;

Clarice R. Woodley, formerly with CRP, currently staff assistant to the executive assistant;

Judith Myers, former assistant in the veterans division of CRP, currently staff assistant to the special assistant;

Anne H. Wallace, former secretary to CRP veterans division, currently staff assistant to the special assistant;

Carol H. Willis, formerly with CRP, currently staff assistant to the chairman of the special projects staff;

Patrick Sullivan, formerly with CRP, currently a management analyst on the management and evaluation staff of VACO;

George Debrowskip, formerly with CRP, currently a trainee on management and evaluation staff of VACO;

Michael Venuto, formerly with CRP, currently staff assistant in the San Francisco regional office;

James Smith, former fieldman in the CRP veterans division, currently staff assistant in the Lincoln, Neb., regional office;

FEDERAL TRADE COMMISSION

Arthur L. Amolach, formerly in public relations division of CRP and with the inaugural committee, currently director of the Office of Public Information.

Michael H. Abrams, formerly in CRP Jewish vote division, currently general attorney in the Office of General Counsel;

Peter P. L. Broccoetti, formerly assistant at CRP became a consultant to AID in the Department of State from January, 1973, to May, 1973, currently trial attorney in the Bureau of Consumer Protection;

Theodore J. Garrish, formerly in polling and research division of CRP and with inaugural committee, currently trial attorney in the Bureau of Consumer Protection;

Martha H. Duncan, former assistant to the CRP director of administration, currently secretary in the office of the chairman;

Robert E. Montgomery Jr., former general counsel in the Office of Consumer Affairs, currently assistant general counsel for legislation and congressional liaison;

Robert J. Lewis, former staff assistant to the President, in the office of Lewis A. Engman, Domestic Council, currently legal adviser to the chairman;

Elizabeth Tulos, former personal secretary to Lewis A. Engman on the Domestic Council, currently secretary to the chairman;

John Fuller, former writer for CRP, currently a speechwriter for the commission;

FEDERAL AVIATION ADMINISTRATION

Alexander P. Butterfield, formerly with the executive office of the President, currently FAA administrator;

William A. Plissner, formerly with the Office of Economic Opportunity, currently director of the Office of Budget;

Louis V. Churchville, formerly with Office of Economic Opportunity, currently director of the Office of Public Affairs;

Ruth A. Edmonston, formerly with the Office of Economic Opportunity, currently secretary to the deputy director of the Office of Public Affairs;

Frederic A. Meister Jr., formerly with the Office of Management and Budget, currently deputy associate administrator for plans;

DEPARTMENT OF THE INTERIOR

Marilyn Army, formerly with CRP, currently confidential assistant to the deputy solicitor;

Tim Austin, formerly with CRP, currently special assistant to the director of the National Parks Service;

Jon Foust, formerly in CRP tour office, currently special assistant to the Parks director;

Douglas O. Lee, formerly with CRP, currently confidential assistant to the secretary in the Office of Communications;

Robert McCann, formerly with CRP, currently special assistant to the assistant secretary for management, detailed to the Office of Oil and Gas;

John Venners, formerly with CRP, currently confidential assistant to the secretary, detailed to the Office of Oil and Gas;

John Whitaker, formerly on White House staff, currently under-secretary;

Robert Walker, formerly on White House staff, currently director of the National Parks Service;

Doug Blazer, formerly on White House staff, currently executive assistant to the Parks director;

Julia Ann Rowe, formerly on White House staff, currently assistant to the parks director;

Brad Hainesworth, formerly of the Office of Economic Opportunity, currently deputy assistant secretary for land and water;

Eric Zaussner, formerly with the President's Council on Environmental Quality, currently deputy assistant to the Secretary of energy and minerals;

ENVIRONMENTAL PROTECTION AGENCY

Leslie A. Arsht, formerly in CRP press department as well as employed in executive office, currently information assistant;

Ann L. Dore, formerly in public relations-press division of the CRP and inaugural committees, currently director of public affairs;

George R. Mehocie, formerly with CRP, currently program adviser;

Vaun A. Newill, formerly in the office of science and technology, currently special assistant for health effects;

Anton B. Schmalze, formerly in Office of Management and Budget, currently consultant in the Office of Research and Monitoring;

Glenn E. Schweitzer, formerly with National Council on Marine Resources and Engineering Resources, currently director of the Office of Toxic Substances;

Michael P. Scott, formerly with the November Group, Inc., currently consultant;

Theodore Wigger, former field coordinator with CRP, currently program analyst, on temporary appointment;

TREASURY DEPARTMENT

John C. Gartland, formerly with CRP, currently deputy to assistant secretary;

Gary Burhop, former assistant on young voter staff at CRP, currently confidential assistant to deputy assistant secretary Clawson;

Maureen Devlin, former receptionist at CRP, currently an assistant to Gartland;

Robin Cleary, formerly of the California Committee of CRP, currently a staff assistant to William Gifford, assistant to the secretary;

John Caulfield, former personal aide with CRP, employed by the Bureau of Alcohol, Tobacco and Firearms until his resignation May 24, 1973;

Edward Morgan, formerly on White House staff, currently assistant secretary for enforcement, tariff and trade affairs and operations;

James Clawson, formerly on White House staff, currently deputy assistant secretary for enforcement, tariff and trade affairs and operations;

Nancy Nugent, formerly on White House staff, currently assistant to Clawson;

Marie Elaine Andree Laroche, formerly on White House staff, currently secretary to Ronald B. Brooks, executive assistant to Secretary George P. Shultz;

William L. Gifford, formerly on White House staff, currently assistant to Shultz for legislative affairs;

TAX REFORM

The SPEAKER. Under a previous order of the House, the gentleman from Ohio (Mr. WHALEN), is recognized for 15 minutes.

Mr. WHALEN. Mr. Speaker, tax reform is an idea whose time has come. Over the last 20 years there has been increasing public dissatisfaction with the frequent pattern of high income and low tax. This public protest was warm enough in the late 1960's to bring about some modest tax reform in 1969. However, this issue has been brought to a boil by recent revelations of President Nixon's tax returns for 1969 through 1972.

I. INTRODUCTION—A DIAGNOSIS

One feature of the President's tax statements is that the liability for several relatively routine transactions—like the sale of a home, the purchase and resale of property, and the use of one's residence for business—is so complex that its accuracy required the review of a blue ribbon congressional committee. A system as complex as this cannot well serve the common man.

More basically, however, this public dissatisfaction with the tax structure is a protest at the strategy followed in our tax law that I call the concept of the uppercut. This approach asserts that the tax system should be used to pursue a variety of public purposes by offering tax cuts to the upper level income earners and wealth holders.

The technique of using tax deductions to attain governmental goals means that the greatest incentive goes to the taxpayer with the highest income, and potentially the highest tax. The lower the tax, the less the deduction potential, and therefore, the less the incentive. This subverts a tax system under which the cost of government ostensibly is shared according to the "ability to pay."

The result of this uppercut concept is precisely what has been the root of the public clamor for tax reform: people and firms with high income paying low taxes.

The problem is not to get agreement that the tax system must be reformed but rather how to reform it. Understandably the reaction to an extreme posture like uppercut is more backlash than it is rational response. In the current spate of tax reform bills I detect two patterns that will not serve the public much better than uppercut.

In a sense the strategy of undercut reacts to prescriptions designed to advance the processes of economic growth by helping the strong. Encouraging savings by favorable tax treatment of capital gains is at the same time, to load tax relief only on those wealthy enough to own appreciated assets. Thus, the more wealth one has accrued, the more benefits he garners from favorable tax provisions on capital gains.

Some observers of this process might conclude that the proponents of capital gains tax relief do not really care about savings and investment and economic growth. Rather, it is argued, their espousal of capital gains tax relief to attain economic growth masks the real objective of uppercut, that is, cutting the tax of high income and wealth holders.

There is, however, validity to the objectives of accumulating savings and investment so as to enhance economic growth.

First, the American workingman expects to see his real wage rate rise. Without capital growth this is an unlikely prospect.

Second, Americans expect energy provided in ways that do not pollute the environment and do not leave us dependent on uncertain foreign sources. Our energy problems are just one dimension of the dilemma stemming from public pressures to obtain goods and services in forms which leave cleaner air and cleaner water. For the most part antipollution equipment means more capital.

Third, it is brought home to us daily that a very large fraction of U.S. citizens still live in miserable housing. In the past, housing has absorbed between one-fourth and one-third of the gross private saving available for investment. Much of our plans dealing with urban problems involve massive upgrading of our housing stock. This is another claim on our flow of savings and investment.

It is, I think, necessary to be very clear about the objective of economic growth. Looked at from the strategy of uppercut the symbols of economic growth were more and bigger Cadillacs and a jet-set culture. Very properly the public has come to hold these manifestations in low regard.

More valid representations of economic growth are:

Increased business plant designed to

provide the goods and services to raise the living standards of the tens of millions of poor Americans;

An increased stock of business equipment capable of providing meaningful jobs for millions of underemployed Americans; and

More complex capital equipment that is capable of meeting human needs without raping the environment.

Economic growth is not the only ingredient that is needed for the kind of society that we want. It is, nevertheless, a very important component, one which must be approached with a more humane strategy than uppercut.

Herein lies the challenge of tax reform. It will not be enough simply to replace uppercut with shortcut or undercut.

Tax reform must be approached by finding ways to combine the interests of the low- and middle-income taxpayer with the maintenance of an adequate flow of savings and investments. The basic concern needs to be less with increasing the capital owned by the rich and more with increasing the capital owned by low- and middle-income Americans.

This is a major theme of the tax reform plan which I shall now outine. If it accomplishes nothing else, I hope that my program at least will initiate a dialog along more constructive paths than the present noisy debate between uppercut, shortcut, and undercut.

The following represents what I believe is only a first effort at constructive tax reform but one which comes from a different part of the animal than these various expedients. It is a program which might be labeled a primecut.

II. A PROPOSAL IN OUTLINE

The program of tax reform that I offer consists of several distinct elements.

First, I propose—in section IIIA—a number of fundamental tax reforms designed to strengthen the progressivity of the tax system as it applies to the enormous concentration of wealth. As will be made clear, I am not indifferent to the need to correct some present provisions which reduce the progressivity of our income tax. However, as I will show, the excessive concentration on the income tax, per se, in many current tax reform proposals, does not get to the fundamental process of wealth concentration.

The major changes I recommend in this direction are the taxation of capital gains at death plus the closing of the death tax loopholes provided by lifetime giving and generation skipping.

Second, I delineate—in section IIIB—a series of tax reforms which are intended to enhance the process of economic growth by enlarging the flow of savings by low- and middle-income people into business investment. There are a number of ways that this objective of tax relief for savings can be accomplished. Two methods included in my proposal are a strengthening of the pension provisions and a partial integration of the corporate and individual income tax.

Parenthetically, these first two elements of my tax reform plan—sections IIIA and IIIB—constitute a viable alternative to the traditional conservative program of designing investment incentives in a manner that amounts to financing more investment and capital accumulation by the rich.

Third, my program addresses itself to the highly complex structure of incentives for nonrevenue objectives that has become so deeply ingrained in our Federal income tax system during its 61 year existence. For the most part these provisions, when enacted, did make some contribution to national objectives identified by the Congress. Wholesale abandonment of these provisions will not serve our country well, even when we recognize that many of them have become widely advertised tax shelters. I argue that these provisions must be examined one by one. The goal which each seeks must be reevaluated in terms of present conditions. Further, new, fairer, and more efficient ways to reach these goals must be explored. This approach leads me to offer—in section IIIC—specific changes in the present tax provisions relating to: First, minerals, especially oil and gas; second, charitable contributions; third, tax exempt bonds; fourth, profits on United States investment abroad; and fifth, real estate. A final recommendation in section IIIC deals with personal exemptions and the standard deductions.

III. SPECIFIC PROPOSALS

A. THE TAXATION OF WEALTH

1. TAXATION OF GAINS AT DEATH OR GIFT

Much of today's cry for tax reform reflects criticism of effective tax rates that are too low for some in high income brackets. There is considerable substance to these views. At the same time, there is the perplexing problem of how to correct this situation.

Even a brief examination of the data makes it clear that the most important source of inequality in income allocation is the distribution of wealth. Much of the funds received by those in the higher brackets stem from income-producing assets rather than from remuneration for personal services. In 1968, for example, 41 percent of the dividends reported on all tax returns went to those with more than $50,000 of adjusted gross income (AGI). However, these same individuals, representing only one-half of 1 percent of those filing statements, received only 2 percent of the total wages disbursed that year.

Raising the income tax rate will impact sharply on the incentives to invest individual effort in economically rewarding activity. More fundamentally, the income tax, as it is now structured, deals most ineffectively with the largest component of the income on high income tax returns, namely, capital gains. Obviously, capital gains can be achieved only by those possessing wealth. Our present income tax statutes, as they relate to capital gains, are defective in two ways.

First, suppose that an individual, holding assets which have risen in value; can live entirely off the income of his wealth. Under such circumstances there is no incentive to dispose of these assets. Therefore, the capital gains tax, to borrow a currently popular phrase, is "inoperative" in this situation.

Second, consider a person who has had a lifetime income of $1 million derived from profits from a proprietorship or partnership or from salaries and wages. This individual will have paid annual income taxes, and there will be an estate tax on what is saved and passed on to the children.

Contrast this with another person whose stock holdings originally costing $100,000, increased in value before death to $1 million. Tax on this appreciation can be avoided. After death the assets are treated as though the value at time of death—$1 million—was the cost to the heirs. There is income tax on wealth accumulation through earned income but not on wealth accumulation through unrealized appreciation.

It is this failure to tax appreciation of wealth which contributes so substantially to the number of high income people who pay so little income tax.[1] Undoubtedly, the effective tax rates of many other very wealthy persons were greatly minimized simply because they did not have to realize their capital gains.

The simplistic solution to the problem of a low tax yield on capital appreciation is to raise the rate or impose a new minimum percentage. The obvious defense mechanism for the wealthy will be to hold what they have, taking even fewer gains.[2]

Instead, capital gains should be taxed as if they had been realized at the time they are transferred by death or gift. This proposal has been considered by serious tax experts for many years, and the time is now propitious for its adoption.

This plan does constitute a change in the rules of the game. Therefore, it is reasonable to adopt measures to moderate its impact. I suggest that the new system include an alternative basis for the tax on gains at death equal to the assets' value as of January 1, 1974. In this way prior appreciation would be taxed under the rules applicable when the gain was accumulated. This provides protection for all existing business holdings.

Also, to avoid the complication of returns for many small estates, a minimum basis for any one person's assets could be established to equal the estate tax exemption.

In any discussion of taxation of capital gains at death, the most frequently asked question is, "What about the family business (or family farm)?" Indeed, I believe that the emotional problems attendant to this issue are largely responsible for Congress' inactions in this area. Some comments about the logic of this whole problem are in order.

It must be recognized that any Federal decision to impose capital gains taxes at death makes it more difficult for parents to transfer wealth to children. If one desires a country in which very rich parents can make their children very rich, what one really wants is no tax at death at all. A society with increasing wealth concentration is not what I, and most other Americans want.

If we agree that capital gains taxes will be imposed at death we then must determine how to differentiate cases in

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Footnotes at end of article.

which the family business or farm is left to children from situations in which stocks or cash are willed to them. On the face of it we are dealing in patent inequality if we say that one individual who has accumulated $1 million in stocks can leave less of it to his heirs than can one who has accumulated $1 million in a family-owned business.

To justify such discrimination one has to argue that there are benefits to be had for the whole society, or at least the whole local community, if business B or farm F "stays in the family." Whatever tax exceptions one wants to give the family business or family farm certainly should be in the form of a contingent benefit which terminates if the family business or family farm is sold.

The mechanics of this relief should provide for deferral of capital gains at death under two conditions:

First, the interest rate should be below the market rate;

Second, the liability to pay deferred tax should be capable of being waived in part, or whole, if the family business or family farm depreciates in value.

My two conditions, in fact, are very flexible. If the interest rate charged on this deferral of tax were one-half point below market rates and the conditions for qualifying for waiver of tax were so severe that in only one case in 100 would taxes be waived, then there is very little relief for family farms or family businesses.

Conversely, if the interest rate was one-half point above zero and the waiver conditions were so generous that 99 cases out of 100 would qualify, then deferral is practically equivalent to exempting family businesses and family farms from death taxes.

My own preference would be to adopt a position in between these extremes. I would extend moderate deferral benefits, closer to zero benefits than to no tax. The Treasury recommendations in tax reform studies and proposals are a good model. My major contention, however, is that this is negotiable. If the Congress has more sympathy for the family business—family farm argument than I do, then the proposed tax payment deferral can be very generous. Since this issue can be handled in any way the Congress sees fit, there is no reason to oppose taxing capital gains at death on the grounds of its impact on family farms—family businesses.

2. MAKING THE ESTATE AND GIFT TAXES MORE PROGRESSIVE

From the foregoing, it can be seen that the taxation of capital gains at death or gift is necessary to repair a gaping hole in the income tax structure. Not only is implementation of this measure quantitatively important. It is qualitatively important because it eliminates an opportunity uniquely available to the wealthy—the ability to escape income taxation on unrealized asset appreciation.

The second portion of my effort to strengthen the progressivity of the tax system involves bolstering our present estate and gift taxes.

As will be made clear shortly, a major thrust of my proposals is to generate more lifetime savings. This is the other side of the same coin that holds there should be less opportunity to pass very large accumulations of wealth to heirs. If we are to have a progressive tax system, there has to be progressivity somewhere. My preference is to be cautious in reducing the taxpayers' capacity to earn and save. I want to be more daring in reducing the ability to bequeath huge family fortunes.

If this approach is to be effectuated, several major problems inherent in the structure of our transfer taxes must be ameliorated. These involve: The low tax on lifetime gifts; the generation skipping loophole; and the structure of exemptions.

Gifts.—The problem with the present gift tax law is that it is a very cut rate transfer tax. Large wealth transferred wholly or partly by gift pays very much lower taxes than wealth transferred at death. Our statutes pursue a fanciful theory that the world benefits from gifts, even gifts to minors, gifts in trust, and incomplete gifts. For this reason current Federal law provides incentives for gifts. Because of the inadequacy of the provision for gifts made in contemplation of death, there is even legal encouragement for death-bed gifts. And the larger is the family wealth, the greater is the gift inducement.

I would move to create a single transfer tax. Estates and gifts would face the same rate. The gift tax, like the estate tax, would be computed on the gift plus the tax. The estate transfer would be taxed as the last gift. In other words, assets willed at death would be taxed on top of prior gifts just as any one year's gifts are taxed today. For reasons elucidated in connection with the changes proposed in our capital gains tax, this cumulation of estate and gift transfers should not apply to gifts made before January 1, 1974.

Generation skipping.—Under present law, a testator can leave his property in an ingenious trust which can frustrate several generations of tax collectors. The trick is to provide a trust in which the income—but not the assets—will go to the testator's children during their lifetimes, while the remainder of the trust will go to the grandchildren. With good planning there even could be a life interest for both children and grandchildren with the remainder going to great-grandchildren. This protects the family fortune from transfer taxes for two future generations.

My concept of how a democratic capitalist society should operate is that wealth accumulation should principally arise from one's own effort and saving. There should not be holes in the tax law to protect family fortunes through several generations of inherited wealth.

Basically in these cases an additional tax should be triggered when property actually moves over one generation. To be effective the tax must be applied not only to transfers in trust but also to direct generation skipping conveyances. In principle, the applicable tax rate could be computed from the wealth of the original testator or the intervening generation. Due to the difficulty of determining the identity of the intervening generation in a spray trust, the basic rule needs to determine the extra tax rate by reference to the tax on the original testator.

The exemption structure.—The present estate tax provides an exemption of $60,000 for all estates. This is both too high and too low. It is too low when a breadwinner dies in middle age and the estate must be used to support a surviving spouse and young children. It is too high when the heirs are grown children with good incomes of their own. For these the inheritance is a windfall.

The estate tax exemption should be reduced to about $30,000. At the same time, the law should provide that a basic amount left to the surviving spouse should be completely tax free. The spousal exemption could reasonably be $100,000. For each minor child there should be an exclusion in the amount of $3,000 times the difference between the child's age and 21. To illustrate: for a widow with children 10 and 15, the total exemption would be $181,000. The marital deduction should continue to apply as it does now to spousal bequests over and above the amounts that qualify for the exemption.

B. THE TREATMENT OF INDIVIDUAL INCOME AND SAVING

As I noted at the outset of this discourse, the difficult aspect of tax reform is to find ways to provide effective progressivity without stifling the incentives required to attain desirable societal goods. It is clear from the previous section IIIA that my first response to making the system effectively progressive is to concentrate on the intergeneration transfer of wealth.

This, in turn, tends to reduce savings in the economy. When estates are partly liquidated to pay the estate tax, the decedent's assets will be purchased by living savers. These savings thus will be used to acquire existing assets rather than to create new ones.

This effect notwithstanding, my central concern with progressivity makes it important that we shun devices whose only purpose is to increase the saving of the rich. More vital is the need to increase the savings of the middle-income American. This is a direction of tax policy which has rarely been faced in tax reform discussions. Consequently, I advance this proposal with some modesty in the hope that it will stimulate further dialog.

Pension reform.—I approve of the general direction of H.R. 2 which passed the House of Representatives on February 28, 1974. Present pension provisions in the tax law offer tax benefits for income saved. The difficulty, however, with existing statutes is that they favor high-income employees. This, in part, is attributable to the fact that high-income earners save more and are more likely to be in pension plans.[3] More importantly, the value of the tax deferral allowed

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by pension plans increases sharply in the higher tax brackets.

Consistent with my concern for the rate of saving I favor the steps incorporated in H.R. 2 with respect to vesting and funding. This measure, nevertheless, makes only modest progress in these two areas. In the future we should progressively strengthen the vesting and funding requirements and deemphasize the role of reinsurance. Pension plans which are only employers' IOU's, insured or not, do not contribute to the savings supply.

Finally, I also applaud that provision of H.R. 2 which extends to those not covered by employer pension plans an opportunity for pension savings tax deductibility.

Corporate tax integration.—It is widely recognized by serious scholars that our corporate income tax structure is unsound. Unfortunately, public discussion of corporate tax policy has tended to focus on the image of the large corporation and has not sufficiently considered the matter from the standpoint of the corporate owner.

I agree that large corporations are a potential social problem merely because they represent an enormous accretion of power. Other than tax policy, antitrust legislation and public responsibility measures should be fashioned to deal with this issue. Our tax laws, if anything, probably make life easier for large corporations by discouraging competitors from entering the field.

The present corporate-personal income tax laws, over the years, have been attacked on the grounds of double taxation—first, on profits; second, on distribution of profits. This, in my view, is not the main problem. What I see as bad in our tax structure is that savings—retained earnings—in the corporation are taxed at rates which have no relevance to the income of the shareholders who own the corporation.

The savings of the low-income widow which are retained by A.T. & T. are taxed at 48 percent. This is the same rate at which the savings of the rich stockholder are taxed. Thus, under present law a wealthy person, earning over $200,000—thereby subject to a 70-percent rate at that level—is treated better on the savings accrued for him by his corporation than he otherwise would be if he had received the income directly.

The mischief of the corporate income tax is that it establishes a kind of "average" tax rate—a high average, actually—for all stockholders. This precludes the gradation of rates based upon the particular shareholder's ability to pay. Thus, this discriminatory feature favors the wealthy stock owner at the expense of the middle-income shareholder. Also, the double tax on dividends encourages wealthy persons to leave their money in the corporation. Relieving the tax on dividends would reduce the incentive to corporate saving but it still would not eliminate the unfair taxation of shareholders' savings.

It is time that we make a significant move toward true integration of corporate and individual tax policy. I realize that what I am suggesting represents a drastic revision in the current system. I think it wise, therefore, to carry this change only part of the way. Thus, I recommend adoption of 50 percent integration.

The substance of my proposal can be explained by the following illustration. Assume a stockholder receives a dividend of $10 on a firm's share of common stock. He will be notified at the same time by the corporation that, in addition to the $10 dividend, it paid $16 a share corporate profits tax and retained, as corporate saving, another $10. This represents total gross earnings, before tax, of $36 per share. In conformance with existing law this shareholder would report on his form 1040 his cash dividend of $10. Under the new concept, he would report one-half—$8 and $5, respectively—his share of corporate tax—$16—and corporate earnings retention—$10. Additionally, he would take credit for one-half—$8—of the tax per share paid by the company—$16.

In practice, this would work out fairly simply. The dividend notice would give the income to be reported on tax returns, plus the tax to be treated as having been paid. This is what presently happens on wages. The worker is told that he has to treat as wages on his tax return amounts that he never got—like payments on medical insurance—and he is told the amount of tax for which he can take credit.

Under my proposal, the shareholder, if he is in a low bracket, will get credit for more tax than is due on the dividends. Consequently, he possibly will be entitled to a refund. For those in higher brackets the refund will be small or there may even be additional tax due because the corporate tax may undertax the savings share of the high bracket taxpayer.[4]

This proposal to integrate corporate and personal income taxes raises a number of issues that can be handled in various ways. Appendix A offers suggestions as to how to treat some of these matters. Yet my proposal is quite flexible. It is one of the tragedies of tax reform deliberations that the basic concepts of the corporation tax have been so badly handled and we have drifted into a system that enormously benefits rich owners. Rectifying this will require serious analysis by lawyers and accountants, but it is important that we turn the debate in this direction.

C. THE CORRECTION OF THE TAX INCENTIVE STRUCTURE

With most of the fraternity of tax reformers, I am fully aware that our present income tax system is a patchwork of special incentives, sometimes called tax expenditures.[5]

That a provision of the law is called a tax expenditure is not justification for its repeal (any more than calling grants to urban mass transit a budget expenditure is grounds for their termination). Rather it is an acknowledgment that the Congress had some specific reasons for devising the specific tax as a means of achieving some nonrevenue objective.

Nonrevenue objectives must respond to the same two queries which are posed in evaluating an ordinary budget expenditure: "Is what we are trying to do worth the cost?", and "Are we going about it efficiently?" These are not easy questions by any means. This is why the Congress does not expect to "reform" the expenditure side of the budget in one fell swoop. On budget expenditures we look primarily for project improvements at the margin and occasionally undertake a basic reexamination of a specific program. This year, for example, the Congress expects to look comprehensively at the system of medical care.[6]

As in the case of expenditure reform, tax proposals should not undertake to reform everything. On the contrary, it only makes sense to start with the premise that the various "tax expenditures" carry out deliberate congressional policies. From this assumption we should effect changes only in specific areas. These include instances where conditions have changed so much as to make old policies obsolete or where there is ample evidence that the old programs are not serving us well. At least six "tax expenditures" fall into these categories, thereby demanding our attention.

Energy and taxes.—For many years our tax law has encouraged the output of natural resources through a percentage depletion deduction as well as the favorable treatment—current deduction—of certain capital costs—intangible drilling expenses for oil and gas and development expenses for mines.

This clearly is an instance where conditions have changed. Until 1973 the world price of oil was approximately $2 per barrel. Since the U.S. firms were high cost producers, domestic prices were $3 to $3.25. At the same time there was general agreement that national security interests precluded our becoming dependent on foreign oil for more than 20 percent of our total needs. If we had free markets for oil, the more efficient American wells still would be operating, but domestic producers would have supplied only about 40 to 50 percent of our total consumption.

The Federal Government's response to this was to impose an oil import quota from the mid-1950's until 1973. This forced the American consumer to pay for $3 oil instead of $2 oil. This protection of our domestic industry created a need for tax breaks which would permit oil producers to capture a part of their drilling costs from the U.S. Treasury instead of having to charge a higher price on the market.[7]

Today the world price of oil exceeds domestic quotations. Since we are involved in the world oil market as a heavy importer, the U.S. price inevitably will move up to a level not much below the world figure. This, in fact, explains the price increases that we have observed in recent months. This is the same phenomenon that has led the President to recommend a "windfall profits" tax on oil companies.

The windfall profits approach is defective for several reasons.

First, as temporary tax it encourages producers to delay the time when they increase their output. By delaying production increases until the temporary

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tax is terminated, oil firms will be able to retain more after tax income.

Second, when the temporary tax expires there still will be very high profits and very high royalties. Before the OPEC oil price increase, it was expected that a great deal of oil would be produced in the United States at a price of $4. A $7 level most certainly will generate even greater earnings and royalties.

The sensible response to this situation is to abandon the crutch that we relied upon to protect a high cost U.S. oil industry. Fundamentally, percentage depletion is an irrational subsidy because it rewards a producer to the extent that he uses up valuable and, in a sense, irreplaceable resources. If in pursuing self-sufficiency in energy we perfect techniques to capture solar energy and apply it for heating processes at a Btu cost comparable to that of oil—$7 a barrel—there will be no percentage depletion for the solar energy but a $1.30 tax subsidy for the oil. Basically, percentage depletion is discriminatory. It puts at a disadvantage any process which upgrades the capacity of a cheap, plentiful resource to achieve a production output commensurate with that now attained by a scarce, valuable resource.

With rising resource prices we safely can repeal percentage depletion without imposing losses on producers who invested in reliance on the tax benefits accruing from such allowance. The loss of this tax advantage can be more than recaptured by higher prices in the marketplace.

A smaller but appropriate change in the income tax that relates to energy is the removal of the deduction for State taxes paid on the purchase of gasoline used for nonbusiness purposes. The gasoline tax now collected by States is used as a way of paying for highways. To the automobile owner, this tax is a cost of nonbusiness driving just like the cost of the gasoline itself, the cost of the automobile and the cost of the tires. The effect of a Federal deduction for payment of State gasoline taxes is to reduce the cost of gasoline more for rich people than for poor people. Let me explain. The family at or below the poverty level has no income tax and therefore obtains no benefit from the gasoline tax deduction. Most lower-middle income taxpayers use the standard deduction and therefore derive no relief from the deduction. Even when a working family does deduct this tax, it is applied to a 20–25 percent effective Federal rate, while for the wealthiest families the gasoline tax deduction is claimed against a 70-percent rate.

Contributions.—The past half century has witnessed the development of a large pluralist, not-for-profit sector of the private economy. This, in large part, is due to our tax laws which permit deductions for private contributions and allow tax exemptions on endowment investment income. While a serious question can be raised about the fairness of a structure whose effect is to subsidize the contributions of the wealthy more than the donations of middle America,[8] I am reluctant to recommend substantive changes with uncertain consequences. This basic "pro-rich" bias of our contribution deduction system, however, does make it imperative to deal with cases where the benefit of contributions deductions can be doubled, especially when this device is primarily available to wealthy taxpayers.

The obvious abuse arises from the contribution of appreciated property. Ordinarily, when a working family donates to charity, the effect of deductibility is to remove from tax liability that portion of income given away. Stated in another way, the law treats the taxpayer as if the income had never been received. It does not reduce the deduction on his other income. When an individual contributes an appreciated asset, however, he disposes of a potential capital gain that was never included in income. Thus, the deduction for this nondeclared gain reduces tax on income that is being used for personal purposes.

Spokesmen for charitable organizations have resisted changing this rule because, in their opinion, this extra benefit attracts more contributions. While this assumption may be valid, the effect of the charitable contribution provision is highly inequitable. It panders only to the wealthy who have appreciated assets to give away. If it is thought necessary to have an extra fillip, it would make more sense to provide extra deduction for contributions that were high in relation to income. For example an $11 deduction might be allowed for each $10 of contributions in excess of 10 percent of adjusted gross income.

Extreme interest.—The technique that we use to reduce the borrowing costs of State and local governments is another provision of the Federal income tax law which is highly discriminatory. The incentive it offers to each purchaser of a "municipal" differs depending on the marginal tax rate of the buyer. This approach is also inefficient because it results in about a $2 saving to State and local governments for each $3 of revenue loss to the Federal Government.

I contend that Federal subsidization of State and local government borrowing is basically wrong. If the National Government simply gave an equivalent amount of money to States and localities, they would be able to decide for themselves how to spend it. One way of utilizing this sum, of course, would be to meet all, or part, of their bond interests costs.

Nevertheless, it seems quite unlikely that States and localities would accept an exchange of cash for grants-in-aid on debts. The best solution, therefore, appears to be adoption of the much-discussed plan which would permit States and local political subdivisions to issue bonds whose income would be subject to Federal tax with a guarantee that the Federal Government, in turn, would pay 40 percent of the interest.

4. FOREIGN TAXES ON INVESTMENT INCOME

The treatment of foreign investment income has been a controversial part of both tax reform and foreign policy debates. My description of the strategies of uppercut and undercut fit this controversy very well.

Foreign investment is made mostly by large companies. Thus, proposals which claim to advance U.S. interests by generous treatment of foreign investment income benefit our country's biggest firms. On the other hand, since America is the world's richest country—possessing the highest capital per capita—using tax policy to prevent any sharing whatever of our capital with the rest of the world undercuts my vision of a cooperative community of nations.

Between these two extreme views there is a logical and practical principle which can be followed to decide how to tax income earned abroad. The standard simply should be that the Federal tax on foreign investment income should not exceed the tax on domestic profits. This neutrality theory avoids subjecting foreign income to penalties. It also says that to be attractive to U.S. investors after payment of taxes, a foreign investment must be an efficient use of capital. In other words, it must be attractive compared to an equal-risk domestic investment on a "before tax" basis.

This moderate approach is consistent with maintaining a foreign tax credit, but it does call for a number of changes to tighten the present rules.

First, deferral of foreign profits in American-owned compaines incorporated under foreign law should be terminated. Essentially this calls for a generalization of subpart F of the present law. The generalization would be a substantial simplification since it would eliminate exceptions, and exceptions to exceptions.

Second, the first five points of foreign tax should be treated like a local income tax in the United States and allowed only as a deduction, not a credit. The 5-percent rule establishes general equality with local taxes in the United States, and it would operate whether the local corporate income tax in any particular country was above or below 5 percent.

Third, the overall limit on the foreign tax credit should be removed.

5. REAL ESTATE

As I indicated earlier, the difficulty in tackling tax reform is the need to take into account the nonrevenue objectives that the Congress, for solid reason, has incorporated into the tax law. In the real estate area the nonrevenue objective most often articulated is the need to improve the housing conditions of the American people.

Only to a limited extent, however, does the present assortment of real estate tax breaks reach this goal. Present housing benefits extended to individuals include nonrecognition of imputed income on owner-occupied residences plus deduction—against other income—of the real estate tax on mortgage interest costs associated with that nonincluded income. These exemptions are meaningless to those who are nontaxable or who use the standard deduction. Over half of American families fall into this nonbeneficiary category. This system of individual relief is further defective in that the amount of the benefit increases with the income

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level. The tax incentives, therefore, are concentrated on luxury housing.

Real estate benefits extended through accelerated depreciation also increase with the capital investment in rental housing. Again, they are designed to concentrate on luxury housing incentives while reducing the luxury housing bias.

To minimize the inequities prevalent in our current real estate tax statutes, I suggest that the deductions for taxes and interest related to owner-occupied housing be limited to $3,000 per family. This will substantially cover taxes and mortgage interest paid on a $50,000 home.

Further, I would limit the depreciation on new construction to a straight line formula.

The revenue gains from these two devices then should be used to finance a program of rent supplement payments for low-income families. This transfer of funds from tax incentives for luxury housing into rent supplements will go far toward achieving the important nonrevenue objective of improved housing for the poor.

6. THE ASSET DEPRECIATION RANGE SYSTEM

I propose to restore depreciation rules to their pre-1971 status. This means reinstating the reserve ratio test and eliminating the 20-percent life shortening provision superimposed on the old guidelines. It is sufficient that we have an investment credit designed to provide a deliberate subsidy to investment. It should not be augmented by modified accounting practices whose real effects are obfuscated. The proposals I have advanced for integrating the corporate and individual income tax should generate a larger flow of savings. This, in turn, will make possible more investment. I would be amenable to refining the current investment credit by applying it at higher rates for investment in excess of replacement needs.

7. INFLATION ADJUSTMENT

Growth in the level of general income produces corresponding increases in the effective tax rate. Fixed dollar exemptions each year become a smaller percentage of the average income, thus exposing more of an individual's earnings to tax. In this way government profits from inflation.

By November 1 I propose that the Secretary of the Treasury be required to announce his best statistical estimate of the annual increase in average family wages for the ensuing year. He then should be mandated to raise the personal exemption—now $750 per person—and the minimum standard deduction—now $2,000—in the same ratio as the projected rise in the forthcoming year's average income.

In the long run, this plan will not involve any loss of revenue as a percentage of gross national product. In the short term, a revenue reduction will occur since there will be compensation for the lags which have occurred since 1971. To deal with those lags I recommend that, effective in 1974, the personal exemption be increased by $75 and the minimum standard deduction by $150.

IV. REVENUE EFFECTS

Tax reform discussions often center on the revenue—producing potential of given proposals. Changes in our Tax Code, however, should not be effected merely to stimulate more Federal income. Rather, their primary purpose should be to achieve a more equitable tax structure. The foregoing recommendations have been offered with this objective in mind.

Nevertheless, the financial impact of a specific statutory revision cannot be ignored. Prudent fiscal planning requires the Government to project the anticipated yield of each tax provision. I, therefore, have prepared an estimate of the revenue effects of each of the specific suggestions outlined in the preceding pages.

A. TAXATION OF WEALTH

The suggestions contained in section III A will produce no immediate increase in Federal receipts because of the transition devices provided. Furthermore, as revenue from these changes does expand during the next decade, there should be corresponding reductions in personal income tax rates. These cuts could amount to 3 percent of the revenues generated at current rate levels.

B. THE TREATMENT OF INDIVIDUAL INCOME AND SAVING

The partial integration of corporate and individual income taxes, delineated in section III B, produces a net revenue loss of $6 billion annually. Perhaps this can be best understood by an illustration.

At current annual profit rates of about $125 billion, we assume that $100 billion is allocable to individuals. Presently about 28 percent of this is paid in dividends which are taxed at about a 40-percent rate. Therefore, that portion of individual taxes stemming from corporate profits is $11.2 billion.

Under my partial integration proposal the share of corporate profits reflected on individual returns will rise to:

[In billions]

Dividends	$28
One-half retained profits	14
One-half corporate tax before credits	23
Total	65

Since this $65 billion declaration will fall into higher brackets, we assume that the effective rate on it will rise to 44 percent. Thus, the tax liability before credit will be $28 billion. After allowing the $23 billion of credits provided by my plan, the net tax liability falls to $5 billion—as contrasted with the present $11.2 billion.

C. THE CORRECTION OF TAX INCENTIVE STRUCTURES

First. The repeal of the percentage depletion allowance and the elimination of the nonbusiness State gasoline tax deductions—at the current price of oil—will generate additional annual revenues of $5 billion;

Second. Suggested changes in the contribution section of the law would have a neutral revenue effect;

Third. The gain in receipts from eliminating tax exemptions on interest received from State and municipal bonds would be offset by Federal interest payment guarantees;

Fourth. The change in liability for foreign investment income would achieve a revenue gain of $1 billion;

Fifth. The gains achieved by adoption of my proposals dealing with real estate taxes and mortgage interest payments would be negated by payment of low income rent supplements;

Sixth. Repeal of the asset depreciation range system, after a small revenue change for the first year to two, will increase total annual tax receipts about $4 billion; and

Seventh. As stated previously, my proposed inflation adjustment concept, in the long run, will not involve any loss of revenue in relation to our gross national product. However, the one-time catchup to equate income tax exemptions with current price levels will cost $5 billion.

In summary, adoption of my proposed tax reforms would reduce Federal receipts by $5 billion during the first year they are in force. In succeeding years, however, they would produce an annual net revenue increase of $3 billion.

V. CONCLUSION

The passage of the 16th amendment to our Constitution in 1913 made possible congressional imposition of the personal and corporation income taxes. The principal function of these taxes is, of course, to help defray the cost of public services. In so doing, however, they should conform to criteria generally accepted by economists as constituting a "good tax structure." First and foremost among these, according to Profs. Richard A. and Peggy B. Musgrave, is:

> The distribution of the tax burden should be equitable. Everyone should be made to pay his "fair share."[9]

In recent years the personal income tax and the corporation profits tax have deviated from this prescription. Incentives and tax relief have been geared to benefit the wealthy and those receiving large incomes. This inequity has fostered two economic problems. First, it has made it exceedingly difficult for those in the lower and middle-income categories to accumulate savings which, in turn, can be channeled into our Nation's productive system. Second, it has contributed to the growing disparity in income distribution throughout the United States.

The reform package described in the preceding pages is designed to eliminate this unfairness in our income tax structure. It seeks to make the system more progressive by focusing on the sources of income rather than the income itself.

By attacking unreasonable accretion and perpetuation of wealth, my proposals, if enacted, would accomplish two objectives. First, they would restore the "ability to pay" principle to our tax system. Second, my plan would generate additional capital flows from a new source—the low- or middle-income recipient. Thus, not only will my recommendations eliminate the source of justifiable public discontent, they will strengthen the capitalistic system by creating more capitalists.

APPENDIX A

Some details for partial integration of the corporate tax:

First. No creditor imputation would apply to corporate shares held by tax exempt organizations;

Second. A dividend exclusion of $200

would be available on an optional basis if the shareholder did not want to deal with imputations and credits;

Third. Corporations would be required to notify shareholders by January 31 of their share of corporate tax and corporate saving. Implicitly, shareholders who owned the stock for only part of the preceding year would be required to prorate according to the dividends they received on the stock and the total dividends paid on the same stock during the year. Notification would relate to corporate tax and saving in the fiscal year ending in the prior calendar year;

Fourth. A corporation would be required to include in its tax and savings account its proportion of the tax and savings of any other corporation from which it received dividends;

Fifth. If, in good faith, the corporation incorrectly estimates its income and the tax due, any adjustment to the tax and savings accounts will be made for the year in which the adjustment is established;

Sixth. If the corporation has no profit for the year, dividends will be treated as having first come out of earnings and profits accumulated before the effective date of the new provision and will be taxed under the old rules. Dividends in excess of earnings and profits for any year will be treated as having been made out of earnings and profits accumulated under law. Thereafter, they will be half from tax retentions already treated as having paid individual tax; and

Seventh. The tax reported to the shareholder as having been paid for him will be half of the corporate tax before tax credits.

FOOTNOTES

[1] This is conspicuous from the tabulations of minimum income tax schedules for 1971. About 80% of the base of the minimum tax (which was supposed to deal with high income—low rate taxpayers) was the excluded half of capital gains. See *Statistics of Income Individuals*, 1971, p. 135.

[2] If one gained, say, 100% from holding stock in X Co., it is not obvious to sell it, even if he thought that X Co.'s growth rate is now less promising than that of Y Co. Other investors know about X and Y and by selling stock X, the owner will get what the average investor thinks X is worth and will pay what the average investor thinks Y is worth. If, in addition, he must pay a tax on his gain to make the switch, his guess about the real values of X and Y must be much better than the market average for him to be better off than he would have been by holding on to X. Martin Bailey has estimated that about half of capital appreciation is not realized prior to death. cf. M. J. Bailey, "Capital Gains and Income Taxation," in *The Taxation of Income* from Capital, A. C. Harberger and M. J. Bailey (eds.) Washintgon, Brookings, 1969.

[3] The rules for integration of pension plans with social security permit larger pension programs for high income individuals.

[4] Assume an individual is in a 70 percent bracket, has stock in a corporation that paid an average tax of 46 percent with no dividends. The earnings with respect to his stock are $100,000. The individual would report income of $50,000, on which he would owe $35,000 of tax. With the tax credit of half of 46 percent he could deduct $23,000 and owe $12,000.

[5] For a thorough treatment of this aspect of the tax system, see Stanley S. Surrey, *Pathways to Tax Reform: The Concept of Tax Expenditures*, Harvard Univ. Press, Cambridge 1973.

[6] For a basic discussion of incrementalism in budgetary matters, see Abram Wildavsky, *The Politics of the Budgetary Process*, Boston, Little, Brown Co., 1964; also Charles Lindblom, *The Policy-Making Process*, Englewood Cliffs, N.J., Prentice-Hall, 1968.

[7] G. M. Brannon estimates that at a price of $3.00, the tax benefits resulted in higher royalty payments of about $0.25 and lower consumer prices of $0.30, and additional U.S. consumption and production of 3 percent cf. G. Brannon. *The Role of Taxes and Subsidies in Energy Policy*, Ballinger, Boston 1974 (forthcoming).

[8] See, for example, Paul McDaniel, "Federal Matching Grants for Charitable Contributions: A Substitute for Income Tax Deduction," 27 Tax Law Review 377 (1972).

[9] PUBLIC FINANCE IN THEORY AND PRACTICE—Richard A. Musgrave and Peggy B. Musgrave—McGraw-Hill Book Company, 1973—p. 193.

UTAP–TIA: DETOUR FROM A NATIONAL TRANSPORTATION POLICY

The **SPEAKER**. Under a previous order of the House, the gentleman from Arkansas (Mr. ALEXANDER), is recognized for 60 minutes.

Mr. **ALEXANDER**. Mr. Speaker, while there has never been a time in the history of man when the technology of transportation is as advanced as today, our utilization of our transportation resources does not match our technology. We have a space-age technology and horse-and-buggy attitude. Instead of developing water, land, air and rail systems that interconnect, there is often duplication that reduces the potential of all systems to meet their best level of service. Even more importantly, some of the deficiencies of our earlier transportation patterns of land and rail have been compounded by air routes that serve the same land areas. What we have done in transportation is to remain slave to the plans developed when this Nation was first settled by travelers who had to rely first on water and then on natural land routes. The result has been areas that have been badly neglected, particularly in the quality of roads.

We all realize that where there is adequate transportation, an area thrives, and where there is limited transportation, the economy shrivels or never grows.

Many countryside areas are underdeveloped because they suffer from inadequate roads and limited rail or air service. Transportation is the catalyst which must be present for a small town to become a small city.

The deteriorating countryside transportation network has been directly linked with a number of undesirable developments in the Nation such as:

Outmigration from countryside to cities by persons seeking non-farm employment in industries and businesses which could not afford to locate in transportation poor areas.

Lack of economic and cultural development in the countryside resulting from difficulty of transporting goods and people within the regions.

Artificial shortages of food products, such as grain, caused by inability of farmers and elevator operators to get the crops moved to the cities—by truck, train, or barge.

Rapidly rising prices for food caused in good measure by difficulty of getting the products to market and the cost of transportation for them when they can be moved.

These troublesome trends, I might add, can be expected to become even more critical if the Congress fails to act on the transportation proposals before it now on the basis of national needs.

We have been looking backward in drawing our national transportation proposals and fumbling toward a national transportation policy. Even worse, we have been concentrating the greatest percentage of our efforts on high density areas. Instead of developing a transportation system which most effectively uses highways, railroads, inland waterways and air lanes to reach into the heartland, we have built bridges between highly populated areas providing only limited service to the land and people in between.

Recent hearings by the House Subcommittee on Rural Development, of which I am chairman, clearly demonstrate the wrong roads we are traveling in our efforts toward a national transportation policy.

The consensus among congressional and public witnesses who testified at these hearings was that current transportation proposals, specifically the Transportation Improvement Act—TIA—which has the potential for spurring railroad track abandonment in rural areas; and the United Transportation Assistance Program—UTAP—which would reduce by $100 million funds for countryside highways, are detrimental to the countryside, indeed the entire Nation. To fully understand the potential impacts of these pieces of legislation, we first have to look at the situation as it now exists.

First, of the existing countryside highway and road mileage only 14.2 percent is rated for heavy load bearing capacity. Meaning, that 85.8 percent of the road system can not carry heavy trucks—much of it not even 10 tons, much less the 40,000 pound trucks which are coming into ever wider use—without severe damage, if they can carry them at all. And, even if the roads were there, the trucks are not available.

Second, under the interpretation of the Federal Highway Act of 1973 by the Department of Transportation and the Office of Management and Budget, approximately one-half of the routes on the Federal Aid Secondary Highway System could be eliminated by 1985, through "realinement." It is estimated that 4,250 miles in Arkansas will be removed from the secondary system. The remaining secondary mileage and that in the primary FAS will have to compete with cities of 5,000 to 50,000, if UTAP becomes law as proposed, further reducing the probability of an adequate highway network being developed in the countryside.

Third, the Nation has already lost 46,000 miles of railroad through abandonment. We have 205,202 miles left. In the 1972 National Transportation Report the Department of Transportation said:

> Analysis indicates that a high traffic density network of approximately 30,000 miles could handle the Nation's rail freight demand. (Page 257.)

This is an even more stunning figure than that appearing later in the work suggesting that:

> 78,000 route-miles—37.5 percent of 207,000 route-miles—of today's system might potentially be subject to abandonment. (Page 269.)

And, under questioning before my subcommittee DOT officials said they simply cannot tell us how many miles will be abandoned under TIA—even though at one point they were predicting 21,000 miles and saying all the affected towns and cities along the way now have adequate highway and/or waterway freight systems.

Fourth, inland waterways, though they are a vital element in our National transport system, just simply are not readily available to many parts of the Nation—particularly in the land between the Rocky Mountains and the Mississippi River where a vast portion of our Nation's food supply is produced.

Finally, TIA takes away rail service from the countryside at the same time that UTAP would make it financially impossible for States to upgrade the highway system, or the Nation to expand the inland waterway system rapidly enough to fill the freight and people transport gap created by the fleeing railroads.

I have urged my colleagues to consider the catastrophic consequences for the cities, indeed for the Nation as a whole, if the food and fiber distribution system in the countryside breaks down for lack of adequate transportation resources.

There is no such thing as a road that leads to nowhere—once you build a road, then nowhere becomes somewhere. Our isolationist transportation policies will eventually lead to starvation in the cities which will not be able to get the food produced in the countryside. We must therefore respond with a strong national transportation policy that takes into account the interdependence of the cities and the countryside.

GRACE B. McDONALD

The SPEAKER. Under a previous order of the House, the gentleman from California (Mr. EDWARDS), is recognized for 20 minutes.

Mr. EDWARDS of California. Mr. Speaker, Thursday, April 18 will be a very special day for a very special person in Santa Clara County. Grace B. McDonald, who for the last 33 years has been the executive secretary of California Farmer-Consumer Associates, Inc. and the unpaid editor-publisher of its monthly newsletter, the Farmer-Consumer Reporter, will celebrate her 85th birthday.

To say that Grace has devoted almost all of her 85 years toward such goals as occupational protection for laborers, protecting the interests of small farmers, encouraging the development of consumer-owned enterprises, and promoting the general welfare of all, is not to overstate the case.

Grace's exposure to and awareness of the problems of others began when, at the age of eight, she accompanied her doctor father to the New Haven, Conn., hospital and became acquainted with the patients of the terminal ward at the hospital. The compassion and concern she expressed in these visits—reading and talking to patients, playing games, and sometimes just listening to complaints—have become the hallmark of her lifelong career of social and community activism.

Among her early influences were Jane Addams, fighter for social reform and founder of Hull House, and Jacob Riis, who wrote "How the Other Half Lives."

After World War I, Grace finished her studies at Columbia and the New School of Social Research, and took a job in a sweat shop making men's clothes.

It was not long before she was working for the Joint Board of Sanitary Control, set up by a committee of employers and a local of the International Garment Workers Union, to discuss occupational hazards and employee protections.

This led to the establishment of the first Union Medical Department in the Nation and was the forerunner of the Workers Health Bureau started in 1923 by the New York Painters District council.

The Workers Health Bureau, in cooperation with health specialists, insurance companies, and the American Association of Architects, set up the first national safety code in the building industry, adopted in New York, many other States, and Canada. Many of the standards established in this code were incorporated in the Occupational Safety and Health Act of 1970.

By 1936, in the midst of the Depression, Grace moved on, first to Chicago, and then to Santa Clara County, where she became active in building the California Committee for Political Unity. This urban-rural coalition made possible the election of reform Governor Culbert Olsen and won major changes among State and Federal legislators. Later Governor Olsen appointed Grace as a member of the State Board of Agriculture.

The California Farm Research and Legislative Committee—now Farmer-Consumer Associates, Inc.—was created in February 1941 when Santa Clara County prune and apricot growers banded together to forestall the economic disaster threatened by Hitler's submarine blockade of Northern Europe, their principal export market. They were joined by other California growers, and their campaign for Federal purchase of tons of unsold fruits was supported by the entire California delegation and the State legislature.

The coalition consisted of the grange, the farm bureau, organized labor, cooperatives, chambers of commerce, and State and local government officials. The success of its efforts led to involvement in other major farmer-consumer issues, specifically the preservation and enforcement provisions of the reclamation law which specify a 160-acre limitation on individual ownership, and municipal ownership of utilities, such as electric power agency owned by Santa Clara, Grace's hometown.

But this just touches the surface of Grace's involvement in issues on a local, State, and national level. Over the years the Reporter has highlighted problems ranging from workmen's compensation, pension reform, and the problems of the elderly, to protection of the civil rights and civil liberties of Japanese Americans, repeal of the detention camp provisions of the Subversive Activities Act, and freedom of the press. In 1951 during the height of the McCarthy era, the Reporter published a special supplement urging California farmers to know and exercise the Bill of Rights.

I would like to add a personal word about Grace McDonald. She is a woman of great courage, determination, and experience. She is particularly proud of the valuable historical data she has gathered since 1937 on California water and power rights, perhaps the only collection in existence. And upon her announced retirement, she immediately indicated that her vast collection of research on hundreds of issues would be available to supporters and subscribers of the Reporter.

It is typical of Grace that she should set such great store in the Reporter, while all the rest of us know that if it were not for Grace herself many of the accomplishments of Farmer-Consumer Associates, Inc., and its forerunners never would have occurred.

Although Grace would not approve of the "fuss," her friends are gathering for dinner on April 28 to give testimony to Santa Clara Valley's most outstanding citizen. It is a tribute that is well-deserved and long overdue. At this time I want to extend my own admiration and appreciation for Grace. She is a woman without peer in her energy, perception, and determination to promote the common good, and we owe her more than anyone could ever say.

Mr. McFALL. Mr. Speaker, it is a special privilege for me to join my colleagues in extending best wishes to Mrs. Grace B. McDonald, the executive secretary of California Farmer-Consumer Associates, Inc., who is observing her 85th birthday.

I have known Mrs. McDonald for many years and have been impressed with her unceasing efforts, which span many decades, to improve the conditions of all people.

Mrs. McDonald's unceasing perseverance in support of the numerous humanitarian causes for which she has worked is well known.

In the truest spirit of giving of one's self, Mrs. McDonald, during the years has proven to be a true friend of the working man and woman, the small farmer, and the consumer. Her work has touched the lives of millions of our citizens. Our State and Nation are indebted to Mrs. McDonald.

Though I will be unable to attend the testimonial dinner for Mrs. McDonald in San Jose on April 28, I still would like to join her many friends and colleagues in wishing her the happiest of birthdays and best wishes for many others.

Mr. SISK. Mr. Speaker, I am honored

to join in a salute to Mrs. Grace B. McDonald, everyone's advocate for almost all of her 85 years. She reaches this plateau in life April 18, and will be honored at a testimonial dinner in San Jose, Calif. April 28.

At times, I suppose, some of what Mrs. McDonald extolled caused some to believe she was a devil's advocate. But what was then considered revolutionary or even extraordinary has proven in many cases to be envisionary.

But Mrs. McDonald, who I have come to know and highly respect over the years, has been active as an advocate for labor, for children, for social reform, for political change, for farmers, or, more simply, for people.

She knitted together the California Farm Research and Legislative Committee to handle a problem of crop surpluses just prior to World War II, held it together when the problem eased, then changed the name of the group to the California Farmer-Consumer Associates. To accomplish her very worthwhile task she pieced together a coalition of organized labor, the grange, the farm bureau, agricultural cooperatives, chambers of commerce, and State and local officials.

Mrs. McDonald has retired as the nonpaid reporter-editor-publisher of the California Farmer-Consumer Reporter, and this will be missed. But she also has promised those of us who know and value her counsel that she will not allow her retirement to interfere with her work as an advocate for the people. This, we appreciate.

Mr. WALDIE. Mr. Speaker, I wish to thank my colleague from California (Mr. EDWARDS) for allowing me a short moment to join in the praise of Grace B. McDonald, one of California's most distinguished and effective voices of the small farmer and the consumer.

I have had the distinct pleasure of having communicated with Mrs. McDonald over the past years, primarily in connection with my own efforts to thwart the giant conglomerate farm corporations that have every intention of squeezing out the small and medium-sized grower and rancher in California.

Her own crusades on behalf of the 160-acre limitation and the small farmer are still going on in California.

The day will come, Mr. Speaker, when the objectives she has sought over the years will come to pass and her efforts on behalf of all of California and the Nation will earn her the place in history she so richly deserves.

Again, Mr. Speaker, I want to thank Congressmen DON EDWARDS, who represents Mrs. McDonald's home city of San Jose, for the opportunity to join with him in honoring Grace B. McDonald on her 85th birthday.

Mr. DELLUMS. Mr. Speaker, I am proud of being able to join in the many voices of praise for Ms. Grace McDonald.

Grace McDonald represents the epitome of the public citizen.

Thousands of persons throughout the Nation have benefited because of the strenuous—often thankless—struggles maintained through decades by Grace McDonald and the California Farmer-Consumer Associates.

And if we are to bring about improvement in this Nation, it will be because of persons such as Grace McDonald, citizens who have the perspective that only through a coalition of efforts can gains be accomplished.

Grace McDonald is a great American—a tribute which can never be made lightly. Yet, I hope that what Ms. McDonald has done—and will continue to do—must not be seen as the example of what one dedicated person can accomplish—and then forgotten. It is up to us to continue that work, and as we do that, I am sure that Grace McDonald herself will realize that her impact has spread, and that her greatest honor will be that we will all strive to gain the objectives she has so beautifully established for us.

And so, I thank the gentleman from California (Mr. EDWARDS) for bringing before the Congress this tribute to one of California's most honored and fine citizens.

Mr. McCLOSKEY. Mr. Speaker, I am pleased to join in honoring Mrs. Grace B. McDonald, for her lifetime of dedicated effort on behalf of humanitarian causes.

From her involvement with Jane Addams' Hull House at the turn of the century to her leadership in the Farmer-Consumer Associates, Inc. Mrs. McDonald has contributed to the improvement of the social and economic circumstances of her fellow citizens for over 70 years.

Mrs. McDonald's life is an example to all of us, and confirms the sometimes forgotten truth that one person can be effective in making our country a better place to live. As her 85th birthday approaches, I feel privileged to add my own expression of respect and affection to those voiced by citizens, great and common, throughout her community and indeed from around the Nation.

Mr. JOHNSON of California. Mr. Speaker, it is with great pride that I rise today to pay tribute to an old, old friend, with whom I have worked for more than three decades.

In a few days Grace B. McDonald will celebrate her 85th birthday. For those of us who have known her so long we find it hard to believe that this vitalistic, active young woman has been carrying on the battle for more than fourscore years.

When one says that Grace McDonald has been a lifelong fighter for the good of mankind we really mean it. For 33 years Mrs. McDonald has been executive secretary of the California Farmer-Consumer Associates, Inc., and without pay has edited its monthly newsletter The California Farmer-Consumer Reporter.

The fact that Grace McDonald started a new career at the age of 52 should be worthy of recognition in itself but Grace started her battle for people at the age of 8. It was at that young age that she first visited the terminal ward of a New Haven, Conn., hospital and became aware of the needs of patients—the friendliness, companionship, and just for someone to listen. At the age of 11 she was orphaned and has been fighting ever since.

As a teenager early this century she followed in the footsteps of Jane Addams in New Haven where she is a graduate of Yale University. With her husband and Louis Brandeis, Grace McDonald started the first "Peoples Lobby" in Washington, D.C. She has fought many battles, attacking the sweat shops of the garment industry working for adequate health protection for them and others in organized labor, such as painters, and fighting for research and definition of all types of occupational diseases.

Mr. Speaker, we have discussed frequently in the last few months cases of lead-based paint poisoning. Grace McDonald started fighting that battle as a member of the Workers Health Bureau in New York City in 1923. She has never hesitated for a moment in working for the jobless, for the ill, for the elderly or any individual or group who needed a friend.

As she approaches her 85th birthday may I take this opportunity to wish her many happy returns and urge her to keep up the good fight.

Thank you.

JOHN DEAN—A FRAIL REED

The SPEAKER. Under a previous order of the House, the gentleman from Louisiana (Mr. WAGGONNER) is recognized for 10 minutes.

Mr. WAGGONNER. Mr. Speaker, for the past year the Nation has been subjected to one of the most agonizing ordeals in its 200-year history as a storm swirls around the office of President resulting from questions being raised about the present occupant's integrity and credibility. A major source of these questions is the testimony of John Dean because he alone among the witnesses has pointed the finger of guilt at the President of the United States. Without his testimony, it is highly unlikely that the Nation would be locked in its present difficulties.

A cursory examination of Mr. Dean's testimony and conduct reveals that he is a frail reed upon which to base events that are possibly causing serious damage to the very fabric of our system.

First of all, Mr. Dean is a confessed felon having pled guilty to conspiracy to obstruct justice and has freely acknowledged before the Senate Watergate Committee that he was a central figure in an effort to cover up the Watergate burglary.

But beyond this confession of guilt, Mr. Dean's testimony leaks like a sieve. A key portion of his testimony is his charge that the President indicated knowledge of a coverup at a meeting on September 15, but H.R. Haldeman was also present and his contradiction along with the President's remains unchallenged by the Special Prosecutor, the Watergate grand jury, or anyone else even though other perjury charges were filed against Haldeman based on the contents of the White House tapes. Moreover, John Dean has allegedly changed his own testimony on the critical question of when he told the President about payments to the original Watergate defendants. He originally claimed that he was "clear on the fact" that it was March 13, but apparently now agrees with others that March 21 was the date.

After originally claiming before the Senate Watergate Committee his innocence in the destruction of evidence, he has subsequently admitted to the Special Prosecutor that he shredded two notebooks from Howard Hunt's safe, according to the media.

If these facts are insufficient to be convincing that Mr. Dean has no credibility as accusor of anyone, let alone of a man who has demonstrated the integrity and character to be elected four times to National office, one should take a look at his recent testimony in New York.

After Dean testified to the culpability of Mr. Mitchell and Mr. Stans in this case of conspiracy to obstruct an SEC fraud investigation, the defense was successful in demonstrating that Dean had earlier assured the President that Mr. Stans would never "do a thing like that."

The salient question for Mr. Dean is, when did you start telling the truth? And the question for the Nation and the House of Representatives, are we prepared to use John Dean's discredited and shaken testimony as a cornerstone for something as drastic as impeachment of a President?

Richard Nixon is a man who has withstood the test of heated public scrutiny for over a quarter of a century and the people of this country have elected him President twice and Vice President twice. John Dean has no credentials, except that he is a confessed felon and it is time for these facts to be placed in perspective.

Mr. Speaker, I ask unanimous consent that a recent article in the Washington Star-News and a recent Evans and Novak column on this subject be inserted in the RECORD:

[From the Washington Star-News, Mar. 31, 1974]

Is Dean Too Deeply Involved?

(By James R. Polk)

NEW YORK.—There are trouble signs for the Watergate prosecution in John W. Dean III's first tryout as a key government witness in the Mitchell-Stans trial here.

By the time Dean left the stand after three days of testimony last week, he had never wavered in his accusations against his Nixon political helpmates—but his story to the jury had been blurred by his own role as a White House handyman for cover-ups.

In the end, it may have been a case of a witness who knew too much, who was too deeply involved.

The White House tapes of Dean's talks with President Nixon were bared for the first time in a criminal trial, and the words stalked the witness. There was Dean assuring the President that fund-raiser Maurice H. Stans could ride out his troubles, warning Nixon that former Atty. Gen. John N. Mitchell was pressed by a runaway grand jury, telling the President that no one in the White House had done anything to help financier Robert L. Vesco.

None of this drama had much to do with the core of Dean's testimony here: That while he himself was still White House counsel, he had called the chairman of the Securities and Exchange Commission in the fall of 1972 at Mitchell's request to ask him to delay testimony that might have uncovered a $200,000 campaign donation from Vesco.

Mitchell and Stans, former Secretary of Commerce, are on trial on charges of conspiracy and obstruction of justice in that SEC fraud probe of Vesco after the secret $200,000 in cash was delivered to Stans in $100 bills stuffed in a plain white cloth bank bag.

With a studied calm and certitude, Dean described a series of phone calls to the SEC for Mitchell, and a New York meeting at which Stans told Mitchell that SEC official G. Bradford Cook "might be helpful" in dealing with a paragraph in the SEC case that could expose the money.

But, even when a verdict is returned in the trial three or four weeks from now, it may be difficult to measure how much of this was absorbed by the jury.

It was obvious that what Dean had to say for the prosecution didn't capture the attention of the court room as much as the echoes from the past on the White House tapes. And so the defense seemed to succeed in a classic tactic: Distracting interest from a witness' story with another drama of its own making.

Only portions of the written transcripts of two tapes were used in the trial, and Nixon's own reactions in those conversations were rarely learned. Most of the testimony was confined to Dean's confirmation of his own remarks to the President.

There was Dean discussing how to outflank the coming Watergate hearings in early 1973 by perhaps sending Stans' name to Capitol Hill for hearings on confirmation on some government post. Dean suggests it would pull the teeth of the other hearings and adds, "It confuses the public. The public is bored with this thing already."

There was a cryptic reference to the Vesco matter in which the President says, "Stans would never do a thing like that—never," and Dean agrees, "No, never," and Nixon comes back like the chorus in a musical comedy: "Never, never."

There was a conversation between Dean and the President only a half-hour after Mitchell has emerged from his first appearance before the grand jury here. Dean tells Nixon that Mitchell got "an incredible grilling" and goes on: "He said he never saw anything like it. Just totally without controls."

Nixon's response to that was not made public, but according to a source privy to the tape's contents, it was apparently noncommittal.

The sum of all this is that the jury may have heard so much about Dean's taped talks in the White House and his involvement in the Watergate cover-up that it overshadowed the simple thrust of his testimony against Mitchell and Stans in the alleged Vesco cover-up.

The defense led Dean through a litany of confession: He had pleaded guilty in the Watergate conspiracy to a one-count charge that embraced encouraging perjury by another witness, arranging "hush money" payments, telling one defendant to leave the country, promising clemency to another. Then there was added admission that he had destroyed evidence in the case.

Dean's performance here is considered a critical forerunner to his role as the key prosecution witness in the Watergate cover-up conspiracy trial in Washington against Mitchell and six others, including former White House aides H. R. (Bob) Haldeman and John D. Ehrlichman.

The Watergate prosecutor handling that case, Richard Ben-Veniste, was in New York for the first two days to preview the Dean performance, but U.S. District Judge Lee P. Gagliardi didn't want him to listen in the courtroom because the jury might recognize him.

Gagliardi warned Dean several times about volunteering explanations instead of answering questions simply and reminded him in stern tones that he was a lawyer who should know how to conduct himself on the witness stand.

Once when Dean said he only wanted to get the truth out, Gagliardi barked a sharp reprimand to him.

The defense in this trial has gone just half way. It has been cross-examining witnesses at length with the material the prosecution must furnish it on previous testimony before the grand jury and elsewhere. But it seems to have done very little homework on its own.

One of the questions to Dean about a Mercedes-Benz luxury automobile was based on a clipping of a Maxine Cheshire column; an attorney used a magazine gossip piece to ask Dean whether he was making money off a Watergate book—both questions got nowhere.

In the Watergate case in Washington, Dean could face a tougher grilling.

[From the Washington Post, Mar. 27, 1974]

Secret Destruction of Howard Hunt's Notebooks

(By Rowland Evans and Robert Novak)

The question of whether John W. Dean III will be believed in the critical months ahead may depend less on what the White House tapes reveal than on how much weight is given Dean's failure to tell the whole truth to the Senate Watergate Committee last summer.

During that long, dramatic week over national television, Dean did not tell the senators that he himself surreptitiously destroyed two notebooks kept by Watergate conspirator E. Howard Hunt. The importance of this concealment is stressed in the current Atlantic Monthly by George V. Higgins, a former federal prosecutor in Boston and now a bestselling detective novelist.

Higgins writes of Dean: "He misled people about those notebooks, which will certainly oblige him to explain to some defense lawyer some day, in an actual trial, when it was, really, that this most important witness against the President started telling the truth."

In private, both the Watergate Special Prosecutor and the White House agree with Higgins. However, the prosecutors believe Dean's stunningly incriminating testimony against Mr. Nixon will be corroborated by the White House tapes in such detail as to make the Hunt notebook affair irrelevant. Whether it does may well determine the fate not only of those indicted in the Watergate cover-up but of President Nixon himself.

Until recently, debate over Dean's credibility centered on conflicting versions of the famous March 21, 1973, Oval Office conversation with the President. The tape recordings, all sides agree, indicate Dean confused the March 13 and March 21 Oval Office meetings in his sworn testimony. Even so, the actual transcript on March 21 may prove infinitely more damaging to Mr. Nixon than to Dean. In any event, one memory lapse confusing dates is unlikely to destroy Dean's credibility.

Far worse for star witness Dean are repercussions of what the then White House counsel did and said about the notebooks found in Hunt's White House safe after it was jimmied by the Secret Service on June 20, 1972, following the Watergate burglary. While handing over the other contents of the safe to acting FBI Director L. Patrick Gray, Dean kept the notebooks without mentioning their existence to Gray. He then slipped them into a folder containing his copy of Nixon's personal papers.

Dean may have forgotten this until January 1973, when he opened the folder and found the notebooks. Whether or not their discovery was accidental, he promptly shredded them. Dean was then waist-deep in the Watergate cover-up and wanted at all costs to keep the notebooks out of the hands of government prosecutors.

What follows is less explicable. Fearful he was being made a scapegoat, Dean started to talk. But in telling and retelling his own lawyers about the contents of Hunt's safe, he never mentioned the notebooks. Nor did he mention them to the federal prosecutors. Under oath to the Senate committee last summer, he told of righteously rejecting John D. Ehrlichman's suggestion that he destroy the contents of Hunt's safe but—once more—said nothing of the notebooks.

It is inconceivable that Dean's remarkable memory had failed so completely. A more rational possible explanation: Dean, still seeking immunity from all federal prosecution in return for his testimony, was putting himself in the best possible light. To have admitted destruction of evidence before the Senate committee would have prompted hostile cross-examination from Republicans and undermined his efforts to go scot-free.

When Dean last October finally accepted a deal for a one-count guilty plea, he was still liable to perjury charges. So, in interviews with the prosecutors in November, Dean suddenly revealed he had destroyed the notebooks—a fact immediately reported to Judge John Sirica.

The White House has privately grumbled that Special Prosecutor Leon Jaworski should have sought Dean's indictment for perjury. In fact, since Dean himself had corrected his Senate testimony, chances of a perjury conviction were slight. And so impressed were the prosecutors by Dean's testimony that they were not about to destroy their star witness on a questionable perjury charge.

But Dean's lack of candor with his own lawyers, federal prosecutor and the Senate committee does not help make him believable. It suggests that John Dean is no angel and, even after deciding to make a clean breast of it, withheld important evidence to help himself.

Indeed, if Mr. Nixon had not made his fateful decision to record Oval Office conversations, the secret destruction of Howard Hunt's notebooks could have destroyed Dean's credibility. But the secret tapes, prosecutors believe, will compensate for Dean's follies.

GASOLINE CRISIS—FACT OR FICTION? PART II

The **SPEAKER**. Under a previous order of the House, the gentleman from New Jersey (Mr. FORSYTHE), is recognized for 5 minutes.

Mr. **FORSYTHE**. Mr. Speaker, on March 27, I presented to the House my findings on the gasoline "crisis." The data I had developed indicated that the total amount of gasoline available in the United States was 1 percent more than the amount available during February 1973. Further, according to industry spokesmen, the demand for gasoline was estimated to be only 1.3 percent greater than 1 year ago. Thus, the total shortfall appeared to be only 0.3 percent.

However, since I made that report, the final demand data for 1973 has been published, replacing the estimates on which I had based my previous calculations. The newly published data shows that for the entire year of 1973, gasoline demand increased only 0.4 percent—not the estimated 1.3 percent. Furthermore, data supplied by the Federal Energy Office indicates that monthly demand which began to fall dramatically during the last 3 months of 1973, continued to decrease during the first months of 1974. Thus, instead of the 0.3 percent shortfall in gasoline I reported for February, it now appears that the United States had between 1 percent and 4 percent more gasoline available during February 1974 than during the same month 1 year ago. But it is essential to remember that the validity of this data depends on consumer restraint.

I have recently been able to develop similar data for March 1974. This data serves only to heighten my concerns about the reality of the gasoline "crisis."

Availability of gasoline (barrels per day)

	March 1974	March 1973
Domestic refined product	5,983,250	6,103,750
Imported refined product	216,000	60,000
Total	6,199,250	6,163,750

This data shows that in March, 1974, the total supply of gasoline was approximately 1 percent more than that available in March 1973. And it is estimated that consumer demand in March 1974 had continued to decline and was somewhat lower than it was in February, 1974.

Thus, the question remains—if demand was somewhat below what it was 1 year ago and if supply was somewhat higher than 1 year ago—where was the "crisis?"

In my earlier statement, I pointed out that between December 14, 1973, and January 25, 1974, American oil companies increased the domestic production of oil by 157,000 barrels per day. Yet, beginning on January 25, domestic crude oil production began declining.

Production of domestic crude oil

Week ending:	Production—barrels per day
Dec. 14, 1973	9,072,000
Jan. 25, 1974	9,229,000
Mar. 1, 1974	9,166,000
Mar. 8, 1974	9,140,000
Mar. 15, 1974	9,085,000
Mar. 22, 1974	9,068,000
Mar. 29, 1974	9,041,000

As we can see, production has continued to decline during March—falling 188,000 barrels per day from the January 25 peak. Yet, I still cannot understand why the oil companies of America can only produce 9,041,000 barrels per day when 10 weeks ago they could produce 9,229,000.

Mr. Speaker, as you know, I have written to 25 oil companies as well as to the Federal Energy Office, demanding an explanation of these statistics. To date, I have received only a few responses. As soon as I have received replies from each company and the FEO, I intend to share the "explanations" with the House in the hope that they will assist the Members of this body in really understanding the situation as it now exists and in the hope that this understanding will lead to appropriate action by the Congress.

VETERANS SUFFER FROM HIGH COST OF LIVING

The **SPEAKER**. Under a previous order of the House, the gentleman from California (Mr. TALCOTT) is recognized for 5 minutes.

Mr. TALCOTT. Mr. Speaker, there is a serious problem facing millions of our veterans across the country. Many of them who are receiving compensation from the Veterans' Administration are suffering serious financial problems because the cost of living has climbed so rapidly over the past months, while there has been no adjustment in their benefits.

Last November the Veterans' Administrator suggested to the Congress that we act to grant an across the board 8 percent benefit increase to meet the rise in the cost of living. The House moved to meet the needs of our veterans by holding hearings and reporting a bill to the floor.

Last February 19 the House passed H.R. 12628 which grants an across the board cost-of-living adjustment of 13.6 percent. Two months later the Senate is still holding hearings on the advisability of this measure.

The House has done all it can to aid the veterans in this matter. In fact, veterans across the country would be receiving nearly $1 million per day if the House measure were already law. Veterans are being shortchanged while the other body considers the problem.

Mr. Speaker, I call on the Senate Veterans' Affairs Committee to meet their obligations to millions of veterans by reporting out a bill. Until they act veterans will continue to fall further and further behind.

THE CHESAPEAKE BAY COMPACT: A NEEDED EFFORT TO SAVE THE BAY

The **SPEAKER**. Under a previous order of the House, the gentleman from Maryland (Mr. BAUMAN) is recognized for 30 minutes.

Mr. BAUMAN. Mr. Speaker, one of the most productive and diverse bodies of water in the United States is the Chesapeake Bay. It is the largest estuary in the country with a surface area of more than 4,300 square miles. Maryland's portion of the tidal Chesapeake Bay includes an area of 2,475 square miles. It is fed by nine major rivers including its main source of water, the Susquehanna, as well as the Choptank, Nanticoke, Patuxent, Pocomoke, Potomac in Maryland, and in Virginia, the James, Rappahannock, and York Rivers. It includes 22 percent of the total area of Maryland and it is my great honor to represent the "Chesapeake Bay Country" in the Congress of the United States.

Today I am introducing legislation which will allow the States of Maryland, Delaware, and the Commonwealth of Virginia, as well as other States, to negotiate and enter into a Chesapeake Bay compact which will provide for joint participation by these States. Eventually this legislation looks toward a negotiated agreement among the States which will take effect only upon ratification by the legislatures of each of the respective States and approval by the U.S. Congress, as is required by the Constitution.

Mr. Speaker, I include at this point in my remarks a copy of this legislation including the names of its sponsors:

H. J. Res. 979

Mr. BAUMAN (for himself, Mr. Byron, Mr. Gude, Mr. Hogan, Mrs. Holt, Mr. Mitchell of Maryland, Mr. Butler, Mr. Broyhill of Virginia, Mr. Robert W. Daniel, Jr., Mr. W. C. (Dan) Daniel, Mr. Downing, Mr. Parris, Mr. Robinson of Virginia, Mr. Satterfield, Mr. Wampler, Mr. Whitehurst and Mr. du Pont).

Joint resolution granting consent of the Congress that the State of Maryland, the State of Delaware, and the Commonwealth of Virginia, and other States, negotiate and enter into a compact providing for joint participation in the more efficient use of the water of the Chesapeake Bay and its tributaries

Whereas, the Chesapeake Bay is one of the greatest national resources in the United States of America, continuously serving the people of Maryland, Virginia, Delaware, and other States of the Union, as an abundant source of seafood, recreation, beauty and enjoyment; and

Whereas, the Chesapeake Bay, the largest estuary in the Nation provides the livelihoods of thousands of people in the States of Maryland and Delaware, and the Commonwealth of Virginia, resulting annually in millions of dollars in wages and products; and

Whereas, the Chesapeake Bay serves as one of the world's major waterways, each year carrying millions of tons of waterborne shipping to and from all parts of the globe; and

Whereas, the productivity and beauty of the Chesapeake Bay area in recent years has been diminished and threatened by shore erosion, pollution, and neglect; and

Whereas, the population of the Chesapeake Bay area and the industrial and commercial development therein have expanded in the last decade, and are continuing to expand, increasing the demands for control and efficient Bay area management: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That consent of the Congress is hereby given to the States of Maryland and Delaware, and the Commonwealth of Virginia, and other States, to negotiate and enter into a compact providing for joint participation in the more efficient use of the waters of the Chesapeake Bay and its tributaries upon the condition that one qualified person appointed by the President of the United States shall participate in such negotiations as chairman, without vote, representing the United States, and shall make a report to the President of the United States and the Congress of the proceedings and of any compact entered into. Such compact shall not be binding or obligatory upon any of the parties thereto until it shall have been ratified by the legislatures of each of the respective States, and approved by the Congress of the United States.

Mr. Speaker, I want to express my sincere appreciation to my colleagues from the State of Maryland, the entire Virginia delegation and Mr. du Pont of Delaware, who have joined together in bipartisan sponsorship of this legislation which could well act as a major step forward in preserving the Chesapeake Bay. Those of us in the House sponsoring this legislation who are privileged to represent districts including and bordering on the bay include as well as myself, Mrs. Holt, Mr. Downing, Mr. Whitehurst, and Mr. Robert W. Daniel, Jr. Since the preservation of the bay is a much larger issue, I am pleased to see that nearly every Member of the three-State delegation was willing to join me in sponsoring this legislation.

The Chesapeake Bay is many things to many people: To the waterman, a source of shellfish, finfish, and a means of livelihood; to the average citizen, a place for sports, boating, hunting, fishing, and recreation; to the biologist and scientist, the world's largest underwater farm and laboratory; to the contractor and developer, 3,000 miles of prime shoreline and a source of building materials including sand and gravel; to the industrial developer, a key attraction for the location of heavy basic industry; to the shippers, a major water course for world and American water transportation, and to the people who live on its shores, one of the most beautiful bodies of water in the world and, in fact, a state of mind.

With all of its great utility and beauty, the Chesapeake Bay has nevertheless suffered at the hands of man. The modern age has brought with it a whole range of problems which threaten the bay; pollution, erosion, siltation, dredging, and all the problems associated with rapid development along its shores and those of the rivers which feed the bay. The individual States concerned are trying individually to cope with these problems, but the time has come for a broader effort to preserve and protect one of America's most valuable aquatic resources.

Last year an extensive report, "The Maryland Chesapeake Bay Study," was prepared for the Maryland Department of State Planning. One of the alternatives discussed for proper management of the bay's resources was the suggestion for a Federal-interstate compact including the States of Maryland, Virginia, and Delaware. The major advantage of such a compact is that the commission which would eventually be created to administer interstate jurisdiction would have the power to coordinate the numerous programs and policies in which each State is engaged in an effort to preserve the bay.

I want to emphasize that this legislation does nothing more than grant the consent of Congress to a possible eventual agreement between the States. I fully realize the difficulty inherent in negotiating a compact which gives adequate powers to an interstate commission and is at the same time acceptable to the individual States. It is a fact that each of the States have a common interest in various aspects of bay management, but I also acknowledge the existence of disparate and competitive interests held by each State wishing to preserve the bay's resources within its respective boundaries exclusively for themselves and their citizens. It may take some time, once this legislation is passed into law, to negotiate such a compact and there will be many difficulties involved, but it would be tragic if we did not make the effort to save the Chesapeake Bay.

We have had some experience with setting up interstate compacts in order to coordinate activities aimed at preserving a valuable body of water. The Susquehanna River Compact has and will continue to make progress in cleaning up the stream which produces 49 percent of the fresh water entering the Chesapeake Bay.

But never before have we attempted to solve the problems of so large a body of water as the Chesapeake Bay through interstate cooperation. And yet, there can be no other effective way of doing so.

This legislation will lay the groundwork for such a step. It permits the creation of the compact, with a Federal representative to assist in its deliberations, but leaves the specific terms of the compact to negotiation among the States involved. This is as it should be. A project so large and complex ought not to be written into stone by Federal edict. Those who will be charged with the responsibility of drawing up and directing the activities of the new Chesapeake Bay Compact will need flexibility to adapt and change the directions of their efforts as time goes on. But the crucial first step will be taken with the passage of this bill.

I might add that the passage of this legislation fits together quite logically with the impending completion of the Chesapeake Bay hydraulic model located in Queen Annes County, Md., in my district. This model, which was first authorized by the Rivers and Harbors Act of 1965, will re-create in miniature, under the jurisdiction of the Corps of Engineers, the complete Chesapeake Bay and its tributaries. It will be used for massive research and to answer all manner of questions now unanswered in the scientific mind about the bay. The model was originally sponsored by my predecessor in Congress, the present Secretary of the Interior, the Honorable Rogers C. B. Morton. Secretary Morton has more than once paid tribute to my immediate predecessor in Congress, the late Bill Mills, who shepherded the bay model legislation through the Congress and was responsible for obtaining the current funding for its construction amounting to $4,350,000 in last year's budget.

I can think of no better way to employ the scientific information this model will produce than to create an interstate agreement amongst the affected States to carry out the recommendations that will be made concerning matters such as shore erosion, pollution, sedimentation and changes in the bay's ecology.

In recent years we have all come to realize that our natural resources are not things we can abuse with impunity. We have begun to take steps to preserve the clean lakes and rivers we have left and to restore to life those we have abused. The Chesapeake Bay, with the myriad of streams and rivers which feed it, with the varying degrees of development which have taken place along its shores, lies somewhere in between.

It is certainly not too late to save the bay from the fate which has afflicted Lake Erie and other similar bodies of water. We can do something about it, and it will take coordination and cooperation. This legislation will help provide that, and I am pleased to join with my colleagues to offer it today.

I urge that it be given the earliest and most earnest consideration by the Congress.

MID-DECADE SAMPLE SURVEY

The SPEAKER. Under a previous order of the House, the gentlewoman from

Massachusetts (Mrs. HECKLER) is recognized for 5 minutes.

Mrs. HECKLER of Massachusetts. Mr. Speaker, I wish to take this opportunity to announce that I am today introducing legislation which would provide for a mid-decade sample survey of the U.S. population.

There can be no doubt that the mobility of the American population effectively illustrates the urgent need for such a study. This bill would require a mid-decade sample survey in 1985 and every 10 years thereafter. The statistical data obtained shall not be used for apportionment of Representatives in the Congress nor would the results require congressional redistricting.

The current census programs furnish an indepth, detailed study every 10 years. Every person in the country is counted in these surveys. In addition, a monthly and/or annual population survey estimate is conducted in local areas on an ongoing basis. Though these programs have been adequate in the past, they no longer answer the needs of a society as mobile as America in the mid-1970's.

A substantial study is desperately needed which would be both more detailed than the frequent population estimates and less detailed than the current decennial census. A mid-decade census such as the one I am proposing would fill this void and thus provide timely and reliable data to be used in proper allocation of Federal moneys and projects. I urge my colleagues to give this bill the careful consideration it deserves and ask them to thoughtfully study its numerous attributes. A newspaper in my district, the Patriot Ledger of Quincy, Mass., recently wrote a very valuable editorial on the issue. I commend its reading to my colleagues.

MID-DECADE CENSUS

Back in 1970, the mid-decade census—having a federal census every five years instead of every 10 years—looked like a good idea whose time had come.

The Census and Statistics Subcommittee of the House Post Office and Civil Service Committee held hearings in September of that year, heard complaints about the 1970 census, and made one major recommendation—that the census should be conducted every five years. The panel's support for the mid-decade census was unanimous, and it also had the endorsement of the director of the Bureau of the Census and then-Mayor John V. Lindsay of New York City.

Dr. George H. Brown, then census director, noted, "In view of the growing importance of census-type information and the growing rate of change of our society, it appears that a census every five years is now appropriate."

And that's the point: rapid change outpacing the important statistical data the census provides. The census is more than a body count, important as that is. It relates to the political life of the nation in providing the data for drawing up congressional districts. It bears on the allocation of federal and state funds to communities, on business plans for plant location and market strategy, on economic planning and government policy-making.

But it wasn't until Aug. 3, 1972, that the House Post Office and Civil Service Committee reported out a mid-decade sample survey of population to be taken in 1975 and every 10 years thereafter, in a bill which also sought to protect the confidentiality of information provided by individuals during a census. That bill, however, expired without a House vote.

Last April, the committee tried again, but the bill was never granted a rule for House action because of opposition among the House leadership to the confidentiality provisions. Now the mid-decade census bill—without the confidentiality provisions—is back before the committee's Census Subcommittee, which has scheduled a markup session for this Thursday, after which the bill will go to the full committee and is likely to be reported out. (In the Senate, a bill introduced in January, 1973, by Sen. John Tower, R-Texas, for a mid-decade census has received no attention and has not been given a hearing.)

If there is to be a mid-decade census, and we think it would be valuable, Congress had better get going, for the mid-decade is only nine months away.

IMPARTIALITY IN IMPEACHMENT

The SPEAKER. Under a previous order of the House, the gentleman from New York (Mr. WALSH) is recognized for 5 minutes.

Mr. WALSH. Mr. Speaker, I have today introduced a resolution requiring all Members of the House of Representatives to take an oath before considering an impeachment resolution.

The oath says:

> I solemnly swear (or affirm) that in all things appertaining to the Resolution of Impeachment of ——— ———, now pending, I will do impartial justice according to the Constitution and laws: so help me God.

There are some who should be disqualified from any impeachment vote because of their public statements about the guilt of the President. If grand jurors make up their minds in advance, they are dismissed. I think similar action should be taken in the House, which may act like a grand jury.

At the very least, all Representatives should be required to take this new oath of impartiality under the Constitution. Such an oath is required in the Senate before an impeachment trial, but the House rules are silent on the matter.

THE REVEREND DR. JOSEPH F. THORNING

The SPEAKER. Under a previous order of the House, the gentleman from Maryland (Mr. HOGAN) is recognized for 5 minutes.

Mr. HOGAN. Mr. Speaker, it was particularly fitting and proper that the Reverend Dr. Joseph F. Thorning offered the opening prayer in the House of Representatives today, for it was Reverend Thorning who, in 1944, with the bipartisan support of Members of Congress, established April 11 as Pan American Day in the U.S. Capitol. This celebration commemorates the political, economic and spiritual unity of the Americas based on the doctrine juridical equality and respect for the sovereignty of each.

Because of his demonstrated concern for the welfare of Spanish-speaking people and his knowledge of Ibero-American culture and language, he is widely known as "the Padre of the Americas."

Today, Reverend Thorning continues to serve the cause of inter-American friendship throughout the hemisphere. In August 1972, he participated in the World Council for Freedom Congress held in Mexico City. Reverend Thorning spent March 1972 delivering a series of lectures at several South American universities. During recent years, he coordinated cooperation between the Argentine Embassy, the Mexican Embassy, and Georgetown University. This resulted in two cultural programs: One in April 1972 commemorating the Argentine classic "Martin Fierro," and in the spring of 1973 featuring a presentation by the famous Mexican poet, Carlos Pellicer.

In this difficult decade, all of us throughout the Western Hemisphere must work together to attack our common problems and to shape our common future. Although we represent diverse societies, speak different languages, and pledge allegiance to more than 20 different flags, we have mutual hopes and mutual concerns. Through insight and understanding, we can become more than good neighbors—we can become true partners, as nations and as fellow citizens of the Americas.

Reverend Thorning, through his unstinting dedication and generosity, has helped to bring closer the day when this dynamic partnership can be achieved. It is appropriate that he is with us today.

FUNDS FOR ISRAEL IMPOUNDED

The SPEAKER. Under a previous order of the House, the gentleman from Pennsylvania, (Mr. EILBERG) is recognized for 10 minutes.

Mr. EILBERG. Mr. Speaker, more than 3 months ago the Congress appropriated $2.2 billion in emergency aid for Israel and the President signed the bill into law on December 26.

Of that $2.2 billion, $1.5 billion was to be in the form of a grant and the rest would be available as credits.

This money is to be used to help the Israelis replace the equipment they lost during the October war and to keep them on at least equal footing with their enemies.

But, the facts are, the money has been impounded. The administration has not released the funds to Israel.

Additionally, there are indications that the administration intends to evade the will of the Congress by making less than the stated figure of $1.5 billion in grants available in that form. Instead, it may force Israel to borrow much of this money which will increase the already staggering debt facing that nation—one of the few which pays its debts in full.

During the hearings on this legislation the Foreign Affairs Committee was told that nearly one-half of Israel's gross national product is spent on defense and that her people pay taxes at the highest rate in the world.

The committee's report states:

> The war dealt Israel's economy a heavy blow. About 25 percent of her work force is mobilized, with consequent effects in disrupting production. Her ability to earn foreign exchange is impaired. And, she is unable to return fully to peacetime pursuits until she has more assurance than now exists that hostilities will not break out again.

As we all know, these hostilities have, in fact, not ended, and the killing continues every day along the front with Syria and in the homes of innocent women and children, who were slaughtered last night by Arab terrorists.

The committee was also told by Deputy Secretary of Defense William P. Clements, Jr., that the Soviet Union is supplying arms to the Arab countries through "an absolutely open spigot."

While the committee states that the United States should not adopt the same policy of unlimited supplies it does say:

> The committee is convinced, on the basis of both public and classified information available, that Israel must have substantial financial assistance to maintain the military strength needed for her defense and for the Middle East balance.

It is clear that we must supply Israel with the arms she needs and it is equally unclear why the administration has delayed in releasing the necessary funds.

I can only see one possible reason for this delay. The Syrians have demanded unilateral Israeli withdrawal to the boundaries established before the 1967 war. The only way such concessions, or for that matter any concessions on the part of the Israelis without similar moves by the Syrians, can be brought about is through threats by our Government to withhold the funds necessary to buy the arms Israel needs so desperately.

The administration must make its intentions concerning these arms clear at once.

It has had more than 3 months to make a decision and I believe it must follow the clear intent of Congress and release the $1.5 billion immediately.

A TRIBUTE TO ANDY YOUNG

The SPEAKER. Under a previous order of the House, the gentleman from Massachusetts (Mr. O'NEILL) is recognized for 5 minutes.

Mr. O'NEILL. Mr. Speaker, in this time of cynicism and antagonism toward politics and politicians, it is reassuring to see an able colleague receive the tribute he deserves. And it is even more reassuring just to know that there are young new Members of this Congress who do deserve such tribute. ANDREW YOUNG is certainly one of them.

Recently the Atlanta Journal and Constitution magazine carried a feature story of ANDY YOUNG. It cites ANDY's courage and conscientiousness in the performance of his duties.

ANDY YOUNG stands out as an example to his colleagues. In confirmation of all the good things we already think of ANDY, I commend the Atlanta Constitution article to my colleagues.

The article follows:

THE PRAGMATIC POLITICS OF ANDY YOUNG

(By Phil Garner)

The United States House of Representatives went about its business as though impervious to the deep gloom that had settled in the city of Washington, D.C.

The ruins of careers in government service continued to be swept down the halls and off the streets; the President clung resolutely to the vestiges of respect for his office; columnist James Reston of The New York Times wrote, wearily, that the Enchanted City had become the Disenchanted City; long lines of idling cars waited at gasoline stations during the same early morning hour that energy czar William Simon appeared each day on NBC's Today show with his latest insights into how the energy shortage could be combatted; a local court enjoined the city from dumping any more raw human waste or even the "sludge" from primary treatment into the Potomac, and authorities worried as huge amounts of the material built up and officials of neighboring areas refused to have it disposed of in their territories.

The House of Representatives was preparing for a vote which would grant its Judiciary Committee unlimited subpoena power, thus authorizing a full-scale impeachment inquiry on President Nixon.

And Congressman Andrew Young, D-Ga., kept appointments in his office, waiting for a quorum call.

Washington, at this time, was hardly the ideal setting for an object lesson in how the democratic system could work for anybody and everybody. But Andrew Young's star was rising, nonetheless. When veteran congressmen, weary of criticism and wary of the legislative branch's becoming impotent before the power of the executive, looked about for heartening signs of continuing well-being, Andrew Young was likely to be among the new representatives to whom they pointed.

Said House Majority Leader Thomas P. (Tip) O'Neill, Jr., preoccupied with the tentative moves toward impeachment: "Andrew Young is easily one of the brightest freshmen to come along in my 22 years in Congress."

Young—a youthful-appearing 41, black, Southern, liberal, ambitious—brings out such expressions of fatherly warmth chiefly because he has grasped quickly the rules of what congressmen themselves refer to as "the game."

"Andrew Young has enough star quality to play the outside game if he wants to," said Rep. Morris Udall, D-Ariz., who runs the congressional school for new congressmen. "He could make public statements and play to public opinion and get attention. But he doesn't. He plays the inside game, works within the Congess, and does it very effectively."

Young's technique has been chiefly to avoid the appearance of doctrinaire politics, while fulfilling the promise implicit in his progression from black civil rights leader to U.S. congressman—the promise of effective representation for black as well as white citizens.

Young's office, on the fifth floor of the Longworth House Office Building, is crowded with the desks of staff members. The visitors' register reflects a predominance of industry and banking representatives over other special interests or tourists.

A nouveau art poster on the wall above the register quotes Anne Frank: "It's really a wonder that I haven't dropped all my ideals, because they seem so absurd and impossible to carry out. Yet I keep them in spite of everything. I still believe that people are really good at heart."

And from Albert Camus, on an opposite wall: "I should like to be able to love my country and still love justice."

The eye, moving around the walls of the outer office, is arrested by a large black-and-white photograph taped to a partition. In the picture Andrew Young, 10 years younger, more vulnerable-appearing, sport-shirted, singing, walks beside Martin Luther King Jr. and other singing blacks down the street of a small town past a Mississippi highway patrolman who holds a submachine gun propped on his hip.

Behind that, on the bookshelves of administrative aide Stoney Cooks, stand the books that have become the texts of self-imposed crash courses in the Young organization. Books on economics, banking, finance, world trade. Heilbroner is tucked away there, between two pedestrian studies from universities. Heilbroner is a basic text of undergraduates approaching the morass of the production, distribution and consumption of wealth. Young was appointed to he House Committee on Banking and Currency, considered a nice plum for a freshman, but out of his areas of specialization. The whole staff has been studying. Young has, on occasion, clipped the pages from Heilbroner and inserted them in the sheaf of papers he takes with him to committee hearings. His questions and comments are always considered informed and thoughtful.

Young, who spends nearly every weekend in Atlanta, had delayed his return until midmorning that Tuesday. A plastics company representative was his first appointment, an airlines man his second.

"The first year in Congress has been exciting," Young said after the men had left. "Something of major significance has been happening every week. But I've had to learn a lot. The reception I've gotten from other members of the House has helped a lot and the help they've given has really made the work easier.

"For the most part, the issues that I've been concerned with in Congress are the same issues that I've been thinking about for a long time, other than banking and economics.

"I really wanted to learn about economics and I've been working hard to do so. One thing I've learned is the golden rule: he who has the gold makes the rules. As a preacher I was weak in my knowledge of economics. But even so, I can pick up the phone and some of the best economists in the nation are willing to spend an evening with me. I had dinner recently with Gardner Means, the economist. There are people at the Brookings Institute and the World Bank, top-level people eager to share what they know with members of Congress. It's like being in school where you give the examinations to yourself. The Atlanta banks all have good research departments . . . I live in the same building with one of the governors of the Federal Reserve Bank, and he has given me a stack of books he recommended that I read."

Young credits whatever success he has had in playing the congressional "game" to the influence of what has come to be called "the Atlanta style"—the tendency of black and white Atlantans to work out their conflicts at the conference table rather than through public confrontations.

"The Community Relations Council in Atlanta and the Southern Christian Leadership Council both prepared me," said Young. "I was accustomed to talking face-to-face and getting problems solved and it works just as well for me here.

"During the Charleston hospital strike," Young recalled of his pre-legislative days, "things were at an impasse, so I picked up the phone and called the hospital administrator and before we were through talking we had just about settled the strike. That's the same way things work in Congress."

Young's first direct influence on national legislation came at the six-month point in his career, in July 1973, when, with the help of Southern Republican congressmen, the House passed his amendment to the foreign aid bill. The amendment called on the President to determine whether any American aid to Portugal was being used to support military activities in Angola, Mozambique or Guinea-Bissau and, if so, to suspend American aid to Portugal.

But the biggest boost to his prestige among his colleagues was his speech from the well of the House in support of Rep. Gerald Ford's nomination as Vice President to replace Spiro Agnew.

Young risked, in that instance, a rupture of his relations with the rest of the growing Black Caucus in the House, but apparently emerged with his prestige further enhanced among liberals as well as moderates and conservatives.

The episode demonstrates vividly the lessons the freshman congressman has learned and the depth of his personal appeal to his fellow representatives.

Young's first public statement on Ford's prospective nomination was flatly negative.

"I've studied his record," Young told Atlanta Journal Washington correspondent Maurice Fleiss, in an article Oct. 1, 1973, "and I find it impossible to look the American people in the eye and say this man is the most qualified person for the Vice Presidency."

Young, reminded of that statement, smiled ruefully.

"I think that first answer I gave was a rather political answer," he said. "Gerald Ford had voted against everything I had been for. I found being around him a good experience . . . I began to think in terms of my own experience with Southerners and previous presidents, when they had a new constituency and that caused them to react differently. I decided that here was a guy I wanted to give a chance. He was certainly better than a Reagan or any of the other alternatives at the time. Besides, Atlanta was going to need to work very closely with the next administration."

Young's recollection of the circumstances of his first, negative comment on Ford is indicative of another developing facet of his increasingly pragmatic approach to politics—his relationships with the press.

"Somebody caught me after a speech and asked me what I thought about Ford," Young said. "I said I thought he's a good man but I would have to vote against him, that we needed some protest of his record—after all, he was no great savior of the poor and the black."

Being "caught" without a properly thought-out response to a question on an issue is a problem universally experienced by politicians. They understandably do not share the enthusiasm of most reporters for the first—and usually the most honest—reaction to a situation. But Young had become keenly aware of the desirability of controlling the flow of information about his contacts with either conservatives or ultraliberals. These contacts are necessary to get the job done, he believes, but he feels there follows no responsibility on his part to emphasize them to the constituencies of either party.

"Some of the people I disagree with the most are some of the people I have come to respect the most," Young said. "I can usually swing Democratic support, but unless you get Republican support, nothing happens around here.

"I'm not going to ask them (his ideological opposites) to do anything that's going to hurt them politically and they know better than to ask me."

Asked for examples of his dealings with congressmen of different ideology, Young grew cautious.

"I almost hate to mention it," he said. "If their folks back home knew it, it would hurt them."

Neither could such revelations do Young any good back home. Although no sinister compromises of integrity seemed to be going on, Young's staff let it be known early in his term that they were not especially interested in close coverage of his office by reporters from Georgia.

After Young was quoted calling Georgia state legislators who defeated endorsement of the Equal Rights Amendment "Neanderthals," a staffer telephoned a reporter, complaining that Young made the remarks in a speech to a small group, without knowing reporters were present.

The pitfalls of "being one's own man" are great as well in dealing with persons of like ideology.

"Nobody talked to me beforehand about my position on Gerald Ford," Young recalled. "It was always taken for granted that I would vote against him. When my staff found out what I planned to do, they raised the roof. I remember I was at dinner one night at the house of one of my staffers. Someone asked me if I were going to support Ford and I said I was thinking about it. The staffer's wife told me: 'You'll never eat dinner again at my house if you do.' "

The threat was half-joking and the fences are since mended. And it appears that Young's individuality has helped him more than it has hurt.

He recently was elected treasurer of the Black Caucus and continues to play a role of importance in that group that far exceeds the expectations attached to his relatively brief legislative experience.

Not a small component of his image as a "thoughtful" and "wise" politician derives from his past close association with the late Dr. Martin Luther King Jr.

Rep. Ron Dellums, D–Calif., a young black man elected from the Berkeley area, contrasted Young's reception by Congress to his own: "When I came here, I had all sorts of troubles. Everybody expected me to come marching in with bandoliers of bullets slung across my shoulders, waving a gun and screaming for revolution. That's the image that preceded me and I've had a hard time overcoming it."

And when a Dellums strikes off ideologically on his own, the reaction more often than not is negative.

"I've got more Jews than blacks in my district," Dellums said, "and I voted against aid to Israel during the Arab-Israel war. You think I didn't catch hell for that? I was voting against war, against more money for war, not against Israel or against Zionism, but few people saw it that way. But after that a conservative congressman came up to me and said, 'I don't agree with you on most things, but I admire your courage.' Bit by bit I'm overcoming a militant image that a person like Andy Young doesn't have to worry about."

Dellums, although he strongly disagrees with Young's vote on Ford (believing that a stand on principle was needed), has great admiration for Young and supports the growing belief that Young will become an even stronger leader in the Black Caucus and in the Congress generally.

"Out of all the people I've met nationally," said Dellums, "Andrew Young understands me better than anyone else. Andy spoke at a fund-raising dinner for me in Oakland during my campaign and afterwards people came up just glowing, wanting to meet him. They recognized that although we were from different parts of the country and had never worked together before, here were two young black men who perceived the same level of injustice in the country.

"Martin Luther King is my political mentor although I never met him in my life. And Andy Young has the same principles. Martin Luther King brings us together."

Dellums, like other blacks interviewed, characterizes Young as a valuable mediating influence in the Black Caucus, where discussions over stances to take on issues frequently become heated.

"Andy doesn't have something to say on every issue," said Dellums. "When he does, it's clear he's thought about it. He has this great ability to speak to the passions in the room."

Dellums does not believe that Young's vote for Ford, in the face of the opposition to Ford in the rest of the Black Caucus, has injured Young's influence at all.

"I think some people questioned it at first, but it didn't last very long when Andy gave his rationale," said Dellums. "I think everybody respected it although they didn't agree with it. While I disagreed with him, I admired his courage."

Young did not endorse Ford without reservation, however, warning in his speech that if Ford does not measure up, "I will be the first to criticize him."

"It took me a little while to work up the courage to go against all the people around me," Young recalled, during the interview. "I didn't even intend to make a big thing out of it."

His preferred method, he said, was "the Atlanta style."

Hesitantly, he recalled an example of that method.

"There was something needed for land grant colleges," ($300,000 he later revealed) "and the presidents of Albany State and Alabama A&M asked me to introduce an amendment to the appropriations bill sponsored by Jamie Whitten."

Whitten, a veteran, conservative Democrat from Mississippi, is a member of the House Appropriations Committee.

"I had sense enough to know I couldn't buck him and get an amendment passed," Young recalled. "So I went to him and talked to him about it. He didn't want me to introduce an amendment, but he made changes to get the colleges their $300,000."

At this point in the interview, Young had to answer the quorum call for which he had been waiting. His appointments schedule listed a visit later in the day from actress Jane Fonda, still actively campaigning for anti-war causes. He presumed the meeting would be private. He had never met Miss Fonda but had known her husband, Tom Hayden, from the days when Hayden was a young journalist covering civil rights activity in the South.

A quick photography session after the meeting was suggested.

Young smiled knowingly.

"I don't think the folks back home would like that so much," he said, leaving for the floor of the House—and the vote on subpoena powers for Presidential records.

A survey of other colleagues of Young produced solid expressions of admiration. Among those whose offices were asked for appointments, only that of Whitten failed to schedule the time.

Rep. Shirley Chisholm, D-N.Y., who had a reputation as one of the most frequent players of "the outside game," had lavish, almost gushing praise for Young.

"I'm one of those persons who believe that Andrew Young is going to be *one of* the great black leaders in the nation," said Mrs. Chisholm. "He is a cool, calm, meditative human being. He's a great conciliator and mediator. He remindse me so much of Dr. King in terms of personal attributes, you know, this business of really loving your neighbor. Andy operates on the basis of what his conscience tells him to do."

Thinking back on Young's vote on Ford, she said, "When all the rest of us went in the other direction, Andy went to the well of the House. That shows leadership. He must have know the effect it would have on his fellow conferees in the House.

"In the Black Caucus, Andy will sit and listen, then in a very cool way will kind of get all of us together. I hope some day he will be chairman of the Black Caucus.

"Andy is one of the black male politicians whose ego is very much intact and he has so much compassion for the other politicians, male and female alike."

Rep. Richard Bolling, D-Mo., in Congress since 1948, member of the House Committee on Rules and the Select Committee on Committees of the House, is an outspoken advocate of reforms which would strengthen the power of the legislative branch. He is also the author of "House Out of Order," and "Power in the House," critical studies of the House of Representatives often consulted by freshman congressmen.

"What I have to say about Andrew Young may sound a little extravagant," said Bolling. "But he's one of the dozen finest persons I have known. He's my idea of what a good politician should be. He has a real feel for people as individuals and people as a group."

Young's standing with fellow blacks and liberals remains solid, Bolling feels.

"It's my impression that except for the few doctrinaire people, the blacks and liberals understand that there is room for a variety of views," he said.

"One of the things I like about Andy is that he's willing to be a minority of one but he doesn't make a fetish of it.

"And he has enormous dignity. One time we were having a fight in the House over a bill and I was presiding. I asked him to speak for the bill. He thought it over and he came back to me and said he'd rather not, he didn't think he should. When I considered it, I had to agree with him. He was right."

Rep. Morris K. Udall, quoted earlier on Young's "star quality," is impressed with Young's ability to influence colleagues.

"Andrew Young is one of the real gems of this new crop," Udall said. "He's done as well in the first year as anyone I've seen in the past four years.

"You judge a new congressman on two or three different levels. There are people who have been here 20 years and still can't influence a single vote.

"But Andy has the reputation already that on sensitive issues or on social problems, he's the guy to talk to. He's not a doctrinaire black liberal, but he talks the language of the white liberals. He's looked to as one of the sensible voices in the Black Caucus.

"I judge secondly on his homework for the subcommittee hearings. He always comes prepared.

"A third consideration is a representative's influence outside Congress. Andy is looked up to by blacks in all the colleges, where 10 years ago it was the Stokely Carmichaels that black students were taking for models.

"I credit this to Andy's closeness to Martin Luther King and his battles in the power struggles in Atlanta."

Young's support of Ford, said Udall, did him nothing but good.

"It had a good effect on his image," said Udall. "Especially among the moderates who make up the bulk of Congress. That vote stood him in good stead. It said, 'I don't just vote the militant liberal line.' "

Young also especially endeared himself to Udall by agreeing to join an abortive coalition which attempted to forge a compromise on pending, tough anti-busing legislation.

In the last days of the 1973 session, Udall and another highly regarded Democratic congressman, Richardson Preyer of North Carolina, introduced a bill drafted by Alexander M. Bickel of Yale Law School, seeking gradual integration in local schools without court-ordered busing and with a minimum of federal coercion. It generated no interest.

That summer the two sought Republican support and also recruited two young members of the Black Caucus—Rep. Barbara Jordan of Texas and Andrew Young.

On July 31, the six Congressmen in the coalition, including Young, signed a statement that, although opposing anti-busing legislation and supporting the objectives of integration, complained about "disruptive judicial interference."

NAACP lobbyist Clarence Mitchell attacked the suggestions in the statement as regressive.

When a conference of distinguished civil rights leaders, called by Young in August, failed to support the direction the coalition was taking, Young and Miss Jordan deferred to their judgment and, in effect, left the coalition.

But Udall remembers that Young had the courage to stand on his own convictions.

Majority leader Tip O'Neill also expressed admiration of Young's courage to follow his personal beliefs.

"I know some of the pressure he was under on the Gerry Ford vote," said O'Neill, "because I had some myself, but it wasn't half as much as he had. It took courage to do what he did, but his explanation was beautiful. He said he had faith and hope that Gerry would do the right thing as Vice President. I've known Gerry for two decades and I know Andy's judgment will be confirmed."

Because of such performance, said O'Neill, "Andy is known as a man who bears listening to . . . The Democratic leadership counts on him."

Young attended the impeachment subpoena vote, but did not speak to the measure. ("He doesn't like to get involved in things unnecessarily," said an aide).

When he returned to his office, Jane Fonda and Tom Hayden were waiting. The three talked for about 30 minutes behind the closed door of Young's office. Miss Fonda was making the rounds of Congress, supporting a cutoff of funds to the South Vietnamese government because of its continued incarceration of political prisoners.

Suddenly, the door opened and Young walked briskly out—alone.

A photographer, who had been waiting all the while for a chance at Young and Miss Fonda, stirred and fidgeted with his camera.

Young strode toward the hall door.

"Were you waiting for me?" he asked, nearly into the hall.

Confusion reigned.

"Well, then, I'll be back in a few minutes." He left.

In about five minutes, Miss Fonda and Hayden strolled out of Young's office, said goodby to the staff, and left.

The sensibilities of the home folks had been protected.

MINERAL COUNTY, W. VA., WILDLIFE ASSOCIATION, INC.

The SPEAKER. Under a previous order of the House, the gentleman from West Virginia (Mr. STAGGERS) is recognized for 5 minutes.

Mr. STAGGERS. Mr. Speaker, for several years it has been my honor and pleasure to be a member of the Mineral County Wildlife Association in my hometown of Keyser, W. Va.

Our group and others are all working to preserve nature with its wild plant and animal life for the enjoyment of present as well as future generations.

Today I take even greater pride in my local association—with the announcement by the National Rifle Association of America that our Mineral County Wildlife Association is the winner of the overall category in the 1973 NRA Club Achievement Award.

The Mineral County Association has busied itself in promoting West Virginia's natural wonders and beauties. It has made itself a guardian of the Potomac River, fighting off the contamination which is a constant threat to its purity. It helps to set aside wilderness areas, lay out trailways, mark historical spots, and has set up a project to control forest fires.

In 1973, and previously, the chapter organized and conducted most interesting exhibitions. On display were private and public collections of mountings of wild animals, including a Kodiak Alaskan bear; an American Indian art show of artifacts dating back before Christ; and modern paintings from wildlife artists.

MINERAL COUNTY, W. VA., WILDLIFE ASSOCIATION

There were other collections of ancient weapons, including the bow and arrow and muzzle-loading rifles. Skilled marksmen engaged in contests to show the efficiency of these arms. Of particular interest was a trapping mechanism which eliminates the inhumane cruelty of the steel trap.

The exhibits attracted thousands of interested spectators and have done much to arouse sympathetic interest in outdoor life.

Again I want to say how proud I am to be an active member of the Mineral County Wildlife Association, and take part in as much of its activities as I can. My sincere congratulations to its award-winning performance for 1973.

I am including the announcement of the award signed by Maj. Gen. Maxwell E. Rich, executive vice president of the National Rifle Association of America:

NATIONAL RIFLE ASSOCIATION OF AMERICA,
Washington, D.C., March 7, 1974.

Mr. JOSEPH R. MCGEE,
President, Mineral County Wildlife Association, Inc., Keyser, W. Va.

DEAR MR. MCGEE: I am pleased to tell you that the Mineral County Wildlife Association Inc., is the winner of the Overall category in the 1973 NRA Club Achievement Award. A list of other winners is attached.

All of us are impressed with the progress that has been made by the Mineral County Wildlife Association, Inc. I know that all of the members of your club are proud of their achievement.

NRA will present a plaque to a representative of your club at the members session of the NRA Annual Meetings in Atlanta, Georgia at the Grand Ballroom on Saturday, March 23, at 7:30 p.m. In addition to the Overall Winner's plaque, the NRA will reimburse your club representative for actual

> cost of public transportation to and from Atlanta (or 12¢ per mile for use of personal automobile except that the total of all travel expenses may not exceed the round trip cost of public transporation). Reimbursement for room, food and all other out-of-pocket expenses will be made, but not to exceed $25.00 per day.
>
> Please let us know as soon as possible who will be present to accept the award. Enclosed is a voucher form for use in submitting a request for reimbursement of Annual Meeting expenses.
>
> I look forward to seeing you at the Annual Meetings. Congratulations.
>
> Sincerely yours,
> MAXWELL E. RICH,
> *Major General (Retired),*
> *Executive Vice President.*

THE FARMERS SIDE OF THE FARM SITUATION

The **SPEAKER**. Under a previous order of the House, the gentleman from Iowa (Mr. MEZVINSKY) is recognized for 5 minutes.

Mr. **MEZVINSKY**. Mr. Speaker, lest anyone still concur with Mr. Nixon's unfortunate statement some weeks ago that "farmers never had it so good," I would like to submit for the RECORD a few excerpts from some of the scores of letters I have received from farmers in the First District of Iowa since the President's Houston press conference.

As one farmer puts it, going right to the heart of the matter:

> It takes a lot more than one or two better years on the farm to overcome the agonies of a dozen or more poor ones we had before.

There is no dispute that 1973 represented a "better" year for the Nation's farmers, but it is important to remember that some of the statistics can be misleading. Farmers never saw those $12 per bushel soybean prices, for instance, that stirred up the commodity exchanges last summer.

This year is not making itself out to be a boon year. The rising costs of almost everything that goes into farming are eating away at potential profits at an alarming rate and farmers face shortages almost everywhere they turn.

As most of us are aware, the most pressing problem right now is fertilizer to insure those bumper crops that we are counting on. A 15-percent shortage of fertilizer will knock corn production 25 million tons below our needs, even with new acreage in production. USDA still contends the shortage will be only 5 percent, but letters from Iowa suggest a much greater shortage.

A few lucky farmers in the First District were able to put down a lot of their fertilizer last autumn or have aggressive suppliers who are able to get their adequate amounts of the fertilizer they need. But most of the farmers I have heard from are going to be caught at least 25 percent short; some will get only half their need; a few write, "There is no fertilizer, period."

For many farmers, the fertilizer shortage is not as alarming as the skyrocketing cost. Some are paying 100 percent more for fertilizer than they did last fall. Anhydrous ammonia is up from $40 per ton a year ago to between $160 to $195 per ton today.

One First District resident told me: "If it goes much higher, I won't use any at all."

I am told that on the black market anhydrous ammonia is being offered for about $300 a ton, but there are few takers at that price.

Recently, an Iowa State University extension farm management specialist calculated that it takes $50 more per acre to raise corn now than it did last year; $35 extra for each acre for soybeans.

In addition to the cost and short supply of necessary fertilizer, this problem is complicated by the transportation problems that make it difficult to get the needed materials into the Corn Belt. And of course, this is not the only problem area staring at our farmers.

Farm machinery is back-ordered with deliveries expected a year or more in the future. Parts for old machinery are often hard to find and like everything else carry a heavy inflationary price tag. Baling twine for hay is four to five times what it was a year ago, as one farmer points out in one of the following letters.

The undercurrent of all the letters I have received about farm shortages is that the No. 1 shortage on the farm this year is going to be a shortage of profits.

The problems facing our farmers today demand our attention and that is why we must listen to their side of the farm situation story.

A farmer from Washington, Iowa, wrote the following concerning the precarious fertilizer situation as it affects him and his neighbors:

> On the fertilizer situation, I don't think we really know what is going to happen. Our dealer has taken our order and I believe he thinks he can supply us at least nearly all we need, but we don't actually have it here on the farm. He had felt fortunate because he had purchased a large amount of anhydrous ammonia early and felt he would have an adequate supply. Many dealers offered to buy his supply from him for huge profits but he knew that to stay in business, he would have to supply his customers. Just yesterday, I understand, he was notified of a 16% cut in his expected supply. Maybe we are not in as good a position as we thought.
>
> Liquid nitrogen is very short here. Our dealer has geared up more for liquid the last few years because it seemed farmers were going more to liquid since it is easier to handle than anhydrous and not as dangerous. Now, when it appears most will have to use anhydrous, he is short of applicators. Not many farmers own their own applicators so this will be a real squeeze to let everyone be able to apply it when they want to. Here again, the weather will play a big role. If it is nice, it will be all right but if it is wet everyone will want and need applicators at the same time.
>
> You no doubt know all about prices and the financing situation this year but I'll tell you how it is here. We do not know when we order this fertilizer what we will be required to pay for it. Every load that comes can be another price and we will not know until the day it is delivered. Any prices we have heard so far are at least twice and sometimes more than we paid last year.

A farmer from Morning Sun, Iowa, offered the following amplification on this problem:

> We are told by the USDA that fertilizer will be slightly short. I do not know where they get their information because just the opposite seems to be true. One of our local fertilizer dealers told a group of 150 men at a meeting last week his anhydrous ammonia supply had been cut by 50 per cent. This man has been in the business for 10 years and has a large trade area.
>
> He told everyone they had better get their ammonia fertilizer wherever they could find it as he would not be able to supply any more than half his regular customers. He also told us the price would be $210 per ton. This is three times the price paid last year. He also said he could buy black market ammonia for $300 per ton. He wanted a show of hands of those willing to pay this price. No one raised his hand.

From Wilton, Iowa, I received the following comments on both the fuel and fertilizer situation facing area farmers:

> I believe the fuel situation, for me, will be okay except I'll have to pay a premium to get what I need. As to the fertilizer, I don't seem to be able to get a price on it as yet. In fact, I talked just this morning to a fertilizer representative and he couldn't quote me a price.

A farmer from Lockridge, Iowa, clearly presented the bailing twine problem in the following letter:

> I would like to know why baling twine is so high. I was in a store on Tuesday and the next day it had jumped $10 a bale making it $39.95.
>
> Is there a shortage of hemp or whatever they use or is someone pulling the wool over our eyes? A bale of twine weighs 40 pounds. That makes it a dollar a pound. Hogs are only selling for 32 cents a pound and we aren't making any money feeding them $3 per bushel corn, plus the cost of protein additives.

Another example of the fertilizer problem comes from a farmer in Donnellson, Iowa:

> We farm 300 acres row crop (mostly rented) plus some wheat and oats. Our acres will be nearly the same as the last three years. Last fall we were able to get most of the plow-down (phosphate and potash) we wanted at about 50 per cent higher cost than the year before. One dealer we had done business with has been cut off by his supplier and we now have 40 percent of the starter fertilizer we need. We've been assured there will be no more. The cost of this was double last year's price. We were offered some bulk 3-24-24 at $250 per ton. This is three times what it is worth, so we said no.
>
> We are promised as much anhydrous ammonia as we used last year, at double the price. Last year we wanted to change to liquid nitrogen because of the danger of handling the gas form, but we could not get any and this year it is the same. The pipeline company that tore up our land three years ago said the pipeline was needed to reduce the prices of anhydrous ammonia. From $75 to $165 is a reduction?
>
> We have had no fuel problems so far, except a 40 per cent increase in price. Our drying gas went from 14 cents in '72 to 30 cents in '73. If we get some baler twine, it will be at least three times higher.
>
> Otherwise, we "never had it so good."

CONGRESSMAN DRINAN CONFRONTS SECRETARY SCHLESINGER ON POLICY RESTRICTING ACADEMIC FREEDOM

The **SPEAKER**. Under a previous order of the House, the gentleman from Massachusetts (Mr. DRINAN) is recognized for 20 minutes.

Mr. DRINAN. Mr. Speaker, in a letter to Secretary of Defense James R. Schlesinger on February 13, 1973, I challenged him to provide me with a justification for the Department of Defense's continuing policy of blacklisting those colleges and universities that have terminated their ROTC participation.

In 2 months time I have had no acknowledgement of my letter nor have I been afforded the courtesy of a single call apologizing for this unreasonable delay in responding.

In late March I sent a telegram to the Secretary asking for an answer to my letter. I have had a member of my staff contact officials at the Pentagon a number of times.

It is appalling to me that my inquiry into this policy has been treated in a manner of arrogance and indifference by the Secretary of Defense. I would hope that the Secretary would feel accountable to Members of Congress in matters of policy for the armed services. Beyond the fact that he has not responded to my letter, I would certainly have hoped that he would have provided the courtesy of acknowledgment via a letter or call by this time. I would like to assume that he sees this matter as seriously as I do and that he is concerned with the issue of academic freedom which is at stake.

Since February 21, 1972, when I first brought to the attention of our colleagues the practice of blacklisting by the Department of Defense of those colleges and universities which terminated their ROTC participation, I have on five other occasions made statements for the Record deploring this illogical, unsound, punitive policy which is a threat to the academic freedom of this Nation and to the basic strength and intelligence of the officer corps.

In making public a letter I received from then Secretary of the Navy, John Chafee, in which he confirmed that this blacklisting was a matter of policy, many of my colleagues joined with me in expressing their indignation. In the Secretary's letter to me he stated:

> I share with you concern for the loss to the Navy and the nation of the excellent relationships previously experienced with these institutions.

Secretary Chafee noted that severance of relations with these universities was brought about by expressed interest of the House Armed Services Committee. In a letter from the chairman of the House Armed Services Committee to the Secretary of the Navy, the chairman stated:

> It is our hope that it will not be necessary to place a flat prohibition against sending students to these universities which have withdrawn from the ROTC program when we consider the procurement bill next year but, if it is necessary to legislate on this subject, legislate we will.

There have been at least three attempts to incorporate this restriction into law, all of which have been unsuccessful. There is no statutory authority for this policy nor has the Congress expressed its intent on such a restriction.

It was my hope at the time, that the Department of Defense would drop this policy regardless of the wishes of the chairman of the House Armed Services Committee. Yet, in November of 1973, I learned that the Secretary of the Army, Howard H. Callaway, had indeed formally capitulated to the demands of the House Armed Services Committee. In a letter to the chairman of the committee, Secretary Callaway stated:

> I assure you that I now have the word, not only on Harvard but on the other 13 colleges and universities which have withdrawn unilaterally from the ROTC program.

I also learned of an official memorandum of the Army Corps of Engineers which extended this policy to civilian personnel! In a special order of November 28, 1973, I placed into the Record the letter of Secretary Callaway and the restriction mandated in the Corps of Engineer's memorandum.

Early this year I was contacted by a doctor at the Harvard Medical School who was outraged that an Army physician was denied enrollment in a graduate course he was offering due to Harvard's termination of ROTC. In his letter to me the professor observed that:

> This particular situation is absurd because so much of what is important in military medicine deals with intensive care in traumatized patients. It makes no difference to Harvard whether or not the Army sends a physician to the course since enrollment will be complete anyway. The loser is the Army and its Medical Corps who are deprived of an opportunity to benefit from such post graduate education.

I later spoke at length with the Army physician concerned. He was in agreement with my contentions of the injustice and absurdity of this policy and we discussed the possibility of a lawsuit in order to vindicate his rights and those of other military personnel denied education at these schools.

The doctor later called me back and expressed his regret that he would not come forward on this issue. He was in fact afraid of possible repercussions. A graduate of one of America's eminent colleges and a former resident at one of the world's greatest hospitals shrank back from fear of the lawless attack he was convinced he would experience if he stepped out of line.

I was compelled to write to the Secretary of Defense demanding that he explain to me his justification for adhering to this policy.

It is becoming apparent that this whole administration dispenses information to Members of the Legislature at their convenience, on their terms, and with their unreviewable discretion. Is executive privilege becoming to mean that Congress should consider it a privilege to get information out of the executive? If this administration intends, as it says it does, to improve congressional relations it must abandon its callous and contemptuous attitude toward Congress, its Members, and its staffs.

LETTER TO SECRETARY SCHLESINGER FROM CONGRESSMAN DRINAN

FEBRUARY 13, 1974.

Hon. JAMES R. SCHLESINGER,
Secretary, Department of Defense, The Pentagon, Washington, D.C.

DEAR MR. SECRETARY: In the February 9, 1974 edition of the *New York Times*, it was reported that you recently reviewed and accepted a policy of prohibiting Armed Forces personnel from attending colleges and universities which have terminated their participation in the ROTC Programs. I have closely followed this matter for the past two years when it was first brought to my attention that the Defense Department was pursuing this restrictive practice. Your reported adherence to it causes me a great deal of distress.

I am aware of no legislative authority for such a policy. Attempts to incorporate such a restriction into law have been unsuccessful.

Attached is a memorandum issued recently by the Army Corps of Engineers upon the authority of the Secretary of the Army, which extends this policy to civilian personnel training programs.

With effort, I was allowed to read the attached correspondence of the Secretary of the Army to the Chairman of the House Armed Services Committee. The Secretary indicated his understanding of this policy when he stated: "I assure you that I now have the word, not only on Harvard but on the other 13 colleges and universities which have withdrawn unilaterally from the ROTC Program". As you know, along with your alma mater, six of the 13 universities affected by this policy are in the New England area.

I would appreciate your advising me within 72 hours with respect to the following:

1. What precisely is the 'word' which the Secretary of the Army has received?
2. What is the reason for extending this policy to civilian training programs?
3. Upon what authority has the Department of Defense adopted the policy of forbidding attendance at such educational institutions by military and civilian personnel?

I look forward to hearing from you.

Cordially yours,
ROBERT F. DRINAN,
Member of Congress.

CONGRESSMAN McFALL PROPOSES LEGISLATION TO BREAK OIL INDUSTRY GRIP ON CONSUMER POCKETBOOK

The SPEAKER. Under a previous order of the House, the gentleman from California (Mr. McFall), is recognized for 5 minutes.

Mr. McFALL. Mr. Speaker, today, I am introducing three bills all of which are designed to combat various phases and effects of the energy shortage and its impact upon the American people.

Despite resistance from the administration, Congress has established a solid record of leadership in meeting the energy shortage. The bills I am introducing, not only will supplement legislation already enacted and under active consideration, but may be the next logical steps to be undertaken to provide for long-term development and equitable management of our fossil fuel resources.

By way of background, during the past year and a half, our Nation has undergone a growing crisis created by excessive use of energy and dependency upon imported supplies of oil while production of domestic petroleum dwindled. Congress repeatedly warned of the impending difficulties unless firm steps were taken to break the stranglehold that large oil companies had achieved over production and marketing of this basic commodity.

The situation continued to worsen, however, and a year ago Congress gave the President standby authority to establish a limited mandatory fuel allocation program as part of the extension of the Economic Stabilization Act.

This authority was not exercised, however, until November after a futile period of seeking "voluntary" cooperation from the oil giants in allocating supplies of fuel to alleviate increasing hardships. By November, the Arab countries had imposed an embargo on shipments of petroleum to the United States which was produced in the Middle East by international companies dominated by American oil interests.

This limited mandatory program was poorly conceived and half-heartedly administered, with predictable results.

Despite vigorous opposition from the administration, Congress initiated and passed the Mandatory Petroleum Allocation Act requiring the President to establish a program to assure that suppliers and distributors all over the Nation share available fuels with all classes of consumers on a priority basis.

The public also responded magnificently to urgent pleas for conservation and other important legislation was enacted to meet both the need for immediate reduction of petroleum use and to clear the way for increased availability of domestic supplies. This included the 55-Mile Per Hour National Speed Limit Act, the All-Year Daylight Saving Time Act and the Trans-Alaska Pipeline Act.

Other vitally needed legislation was stymied, however, when the President vetoed the Energy Emergency Act because of objections to the excess profit tax provisions it would have imposed against the oil companies. Oil company profits had zoomed as a result of the scarcity of supplies and the elimination of competition from independent refiners and retail service station operators.

With good reason, millions of Americans voiced strong suspicions that the scarcity of fuel was artificially created by the companies.

The embargo by the Arab countries now has ended, at least temporarily, and conditions have improved somewhat with the arrival this week of the first shipments of Arab oil in several months. This development is cause for optimism, but guarded optimism at best. The valves, we know, could very well be turned off again by decree of the Arab leaders.

Our goal as a Nation is to provide for self sufficiency in meeting our energy needs. Peace in the Middle-East may well assure that the Arab oil will continue to flow uninterrupted, but just as a person tries to maintain a bank balance to meet pocketbook emergencies, our Nation should become equipped to meet energy emergencies without undue strain.

I would like to emphasize that the three bills I am introducing today are designed to augment the current efforts in the Congress to meet our long range goals. They are introduced not as the last word or as the ultimate solution to our energy problems, but as proposals for full debate and consideration, and for modification if the needs of the Nation so determine.

One bill, titled the "Public Energy Act," is designed to assure that adequate supplies of energy resource products will be available at the lowest possible price to the consumer by restricting the monopolistic trends within the oil industry to control our energy resources from the earth to the gas tank. To accomplish this the bill establishes a public utility-type regulatory agency to oversee the deconcentration of control over the exploration, refining, and marketing of fuels.

The second bill establishes an Energy Management and Conservation Corporation operated by the Federal Government to provide for the exploration, development, and conservation of mineral resources on Federal lands.

The third bill is designed to assist the low- and moderate-income taxpayer who depends upon automobile travel to and from work. This bill would provide that individuals shall be entitled to a refundable tax credit equal to 25 percent of the amount expended for gasoline in connection with employment-related travel.

PUBLIC ENERGY ACT

From the massive antitrust action filed last year by the Federal Trade Commission against eight major oil firms and through the latest energy crunch, the American people have become increasingly aware that the concentration of economic power by the oil industry is detrimental to the best interests of the Nation.

I include the following:

SECTION-BY-SECTION ANALYSIS

TITLE I

Section 101.—In this section, Congress finds that the United States needs to develop new and expanded energy supplies at the lowest possible cost. To meet this goal consistent with a commitment to a free enterprise economy, Congress must act to (1) break the barriers to competition that presently exist in the energy industry, (2) put restrictions on those engaged in the business of refining energy resource products, (3) insure competition, equal access to supplies for all, and nondiscriminatory practices in the energy industry, and (4) divest certain assets in order to protect the consuming public, and promote the public interest in competition.

Section 102.—This section contains the definitions of terms used throughout the bill.

Section 103.—This section provides that after the date of enactment of the bill, it will be unlawful for anyone engaged in the refining of energy resources to acquire a firm or other interest, directly or indirectly, engaged in extraction, transporting or marketing of energy products.

Section 104.—This section makes it unlawful for any company engaged in the refining of energy products and presently owning or controlling an interest in the extraction, transporting, or marketing of energy resources to retain such ownership or interest at a date four years after the passage of the bill.

Section 105—This section orders each company owning a refining asset and either an extraction, transportation or marketing asset must file a report concerning the asset with the Attorney General and the Federal Trade Commission.

Section 106.—This section directs the Attorney General and the FTC to undertake their own investigation to determine the relationship of persons now engaged in the energy industry. Both the Attorney General and the FTC are given the power to institute suits to request appropriate relief when provisions of the bill are violated.

The Attorney General and the FTC are charged with the responsibility of taking all steps necessary to effect the divestiture of assets.

Section 107.—This section provides that a violation of Title I of the Act is punishable by a fine not to exceed $500,000 and ten years in prison in the case of a person, and be a fine not to exceed $500,000 and suspension of the right to do business in interstate commerce for a period not to exceed ten years in the case of a corporation.

TITLE II

Section 201.—This section establishes an independent five person regulatory commission known as the Federal Energy Commission. The commissioners are to be appointed by the President with the advice and consent of the Senate. At least one commissioner shall be a representative of consumer interests.

This section also contains rules concerning the length of time each commissioner will serve, and the political affiliation of the commissioners. A person who is employed by or owns a substantial monetary interest in a business that produces, imports, refines, markets or distributes crude oil or refined petroleum products is barred from serving on the commission.

Finally, there is a provision for the general rules under which the commission will operate.

Section 202.—This section provides that the commission shall divide the country into regional districts to be served by refineries designated by the commission. The commission may modify the districts as circumstances change in order to achieve the greatest economy for the consumer.

The commission shall complete the division of the country into districts within four years of the passage of the bill.

Each step in this process will be governed by the protections and safeguards of the Administrative Procedures Act.

Section 203.—This section provides that the commission will determine the rates and charges that refiners may charge its customers. These rates and charges will insure a fair rate of return on invested capital for the refiners and just and fair prices for the customers.

The section prohibits a refiner from granting an undue preference or advantage to any person, or maintaining an unreasonable difference in rates between consumers of classes of consumers.

The commission may prescribe rules under which the refiners will file rate schedules with the commission. These schedules will be kept in a convenient place, and open to the public.

The commission may set the price of energy resource products at any stage before or after the refining process if it finds such action is necessary to avoid excessive profits for the ultimate consumer.

Finally the commission may specify the price of energy resources imported into the United States if it finds such action is necessary to avoid serious interference with the operation of the regulatory program.

Section 204.—This section makes it unlawful for any person to violate any provision of Title II or any rule, regulation or order issued pursuant to such provisions.

Section 205.—This section prescribes a maximum of $2,500 civil penalty for a violation of Section 204. In the case of a willful violation of Section 204, the person would be liable to a fine not to exceed $5,000, or more than two years in jail. The Attorney General also is empowered to seek an injunction against those engaged in or about to engage in a violation of Section 204.

ENERGY MANAGEMENT AND CONSERVATION CORPORATION

The second major legislative initiative I am introducing today, Mr. Speaker, establishes an Energy Management and Conservation Corporation which would be empowered to begin extensive research, exploration, development, and marketing of energy resources, with special emphasis placed upon gasification of coal and extraction of oil from oil shale.

The Energy Management and Conservation Corporation would be established in the tradition of the Tennessee Valley Authority, which since its inception has proven that the government can successfully manage energy resource development to the enhancement of the Nation's economic and social well-being.

I would emphasize that this legislation is not introduced as a first step to nationalization of any segment of the oil industry, but is designed to enhance and complement the efforts in the private sector to explore, manage and conserve our vital fossil fuel energy resources.

SECTION-BY-SECTION SUMMARY

STATEMENT OF FINDINGS

Section 2.—This section presents the finding of the Congress that:

The Nation is facing an increasing shortage of environmentally acceptable sources of energy;

This shortage is causing the United States to import increasing quantities of oil and natural gas thereby dangerously decreasing national independence of action and increasing its dependence upon foreign sources;

There exist on public lands large resources of oil shale and coal which can be used to manufacture liquid and gaseous fuels and so reduce the need for imports and help to relieve the shortage of supply;

The Federal Government has a responsibility to accelerate the use of these resources to produce liquid and gaseous fuels;

The Federal Government likewise has a responsibility to lease public lands for the private development of these resources to produce liquid and gaseous fuels in ways compatible with national goals of protecting the environment and conservation of energy and resources;

Government operation of commercial plants will: (1) demonstrate the technologies compatible with environmental goals and so accelerate future private decisions for investment; (2) provide yardstick information with which to measure the future performance of private development of these public resources; and (3) provide opportunities for testing and demonstrating innovations and developments in this field.

Section 3.—This section declares it to be the policy of the Congress that resources of oil shale and coal on public lands be developed promptly by both the Government and private interests.

To achieve this, the Congress further determines that there be established and maintained through a National Energy Management Conservation Corporation national programs with the following objectives:

1. Begin as soon as possible the commercial development of oil shale and coal to provide supplies of liquid and gaseous fuels;
2. Accelerate creation and demonstration of technologies to manufacture liquid and gaseous fuels from oil shale and coal, with acceptable environmental effects;
3. Promote early use of oil shale and coal resources to supply liquid and gaseous fuels by leasing public lands to private interests; and
4. Provide opportunities for testing and demonstrating innovations and developments in this field.

This operation will be subsidized. Fuels produced by the Corporation will be sold on the open market provided that fifty percent be reserved for publicly owned utilities.

CREATION OF CORPORATION

Section 4.—This section provides for the creation of an Energy Management and Conservation Corporation which shall establish and administer on Federal land and any land in which the United States has reserved mineral interests a national program for the exploration, development, and conservation of energy mineral deposits.

The Corporation will have a five-member Board of Directors, to be appointed by the President with the advice and consent of the Senate.

This section also sets forth regulations for terms of office for board members and safeguards against conflicts of interest.

Section 5.—This section provides for the appointment, removal, salary, selection, and promotion of officers and employees of the Corporation.

Section 6.—This section defines the powers and duties of the Corporation.

In carrying out its duties under this Act, the Corporation may conduct research and development with a view toward improving the technology related to the use of oil shale, gasification of coal methods, geothermal steam, and solar energy as sources of energy for domestic and industrial uses in the United States.

In order to enable the Corporation to exercise the powers and duties vested in it by this Act: (1) the exclusive use, possession, and control of all property to be acquired by such Corporation in its own name or in the name of the United States of America, are entrusted to such Corporation for the purposes of this Act; and (2) the President of the United States may provide for the transfer to such Corporation of the use, possession, and control of other Federal land or personal property of the United States.

Section 7.—This section provides for the maintenance of financial account books and the filing of a financial statement each year which will be audited by the Comptroller General. All purchases and contracts for supplies or services shall be made after advertising, in order to sufficiently advance bids.

Section 8.—This section authorizes the Corporation to issue bonds not to exceed in the aggregate $30 billion outstanding at any one time, which bonds may be sold by the Corporation to obtain funds to carry out the provisions of this Act.

This section also provides for the issuance and rules concerning these bonds, which shall be exempt both as to principle and interest from all taxation.

Section. 9.—This section empowers the Corporation to cause proceedings to be instituted for the acquisition by condemnation of any lands, easements, or rights-of-way which, in the opinion of the Corporation are necessary to carry out the provisions of this Act.

Section 10.—This section authorizes access by the Corporation to the United States Patent Office for the purpose of studying, ascertaining, and copying all methods, formulas, and scientific information necessary to the Corporation.

Section 11.—This section provides that the Federal Government may take possession of all or any part of the property described or referred to in this Act for the purpose of manufacturing explosives or for other war purposes.

Section 12.—Provides the punishment and fines for offenses such as larceny, embezzlement, etc. by individuals against the Corporation.

Section 13.—Provides that commencing in the first fiscal year beginning more than three years after the date of enactment of this Act, the proceeds for each fiscal year derived by the Board from the sale of energy minerals or any other products manufactured by the Corporation including the disposition of any real or personal property, shall be paid into the Treasury of the United States at the end of each calendar year, save and except such part of such proceeds as in the opinion of the Board shall be necessary for the Corporation in the operation of its energy minerals resources exploration and development.

This section also provides that a continuing fund of $2 million is also expected from the requirements of this section and may be withheld by the Board to defray emergency expenses and to insure continuous operation.

ENVIRONMENTAL SAFEGUARDS

Section 14.—This section provides that the Corporation shall treat all decisions regarding the setting and design of any facility which may be constructed under this Act as a significant aspect of land use planning in which all environmental, economic, and technical issues with respect to such facility should be resolved in an integrated fashion.

This section also provides that in exploring and developing energy mineral resources and in the construction of any facility, the Corporation shall administer such programs so as to promote the conservation of lands and other natural resources, to preserve and enhance the environment, to maintain ecological balances, to protect the public health, safety, and welfare, and to rehabilitate, as far as practicable, any lands from which energy mineral resources have been taken and which will no longer be needed by the Corporation for such use.

Section 15.—Authorizes to be appropriated $5 billion for the purpose of carrying out the provisions of this Act.

TAX CREDIT FOR EMPLOYMENT-RELATED TRAVEL

The third bill I am introducing today, Mr. Speaker, is designed to ease the burden of higher gasoline prices upon workers who must purchase gasoline for their transportation to and from work.

It has been estimated that the average commuter travels 35 miles a week to and from his job and this legislation, if enacted, would provide an average $14.35 tax credit per year to each commuter.

BILL SUMMARY

This bill amends the Internal Revenue Code of 1954 to provide that individuals shall be entitled to a refundable tax credit equal to twenty-five percent of the amount expended for gasoline used for travel for employment-related purposes.

This credit shall be reduced by one dollar for each $40 by which the taxpayer's taxable income exceeds $10,000.

HOUSE-SENATE LEADERSHIP DISCUSS NEED FOR PENSION PLAN REFORM AND NATIONAL HEALTH INSURANCE

The SPEAKER. Under a previous order of the House, the gentleman from New Jersey (Mr. DOMINICK V. DANIELS) is recognized for 5 minutes.

Mr. DOMINICK V. DANIELS. Mr. Speaker, I would like to call Members' attention to the joint statement issued yesterday by you and the Senate majority leader on the need for pension plan reform and national health insurance legislation. The joint statement pledges renewed effort on the part of the democratic leadership of the House and Senate toward the enactment this year of legislation which guarantees all Americans, regardless of ability to pay, adequate health service, as well as legislation bringing needed reform in the private pension plan systems throughout the country.

I commend the joint statement to the attention of all Members:

PENSION PLAN REFORM AND NATIONAL HEALTH INSURANCE

At a meeting of the House-Senate leadership, discussion centered on the enactment of two very important pieces of legislation—National Health Insurance and Pension Plan Reform. Democrats in Congress have cited the need for legislation in these two areas on many occasions, and the Democratic Leadership of the House and Senate pledges renewed effort toward the enactment this year of legislation which guarantees all Americans, regardless of ability to pay, adequate health service and which would bring about needed reform in the private pension plan systems throughout the country.

Hearings on National Health Insurance plans will begin on April 24th in the Committee on Ways and Means, and it is hopeful that a compromise version incorporating aspects of the various plans already introduced will become the vehicle for a workable solution which can be passed by both Houses this year. In this regard, we seek the cooperation of the President to the end that the high cost of medical care will no longer stand as a constant threat of financial disaster to tens of millions of Americans every year.

Pension Reform legislation is presently in House-Senate conference and the leadership is hopeful that differences will be worked out soon so that this measure will be cleared expeditiously for the White House.

SPEAKER ALBERT COMMENTS ON THE RECORD OF ACHIEVEMENT OF THE 93D CONGRESS

The SPEAKER. Under a previous order of the House, the gentleman from Indiana (Mr. BRADEMAS) is recognized for 5 minutes.

Mr. BRADEMAS. Mr. Speaker, I would like to call Members' attention to the release issued from your office today that recounts the considerable achievements of this 93d Congress. The release points out that such major legislation as the minimum wage, social security increase, public employment program, food production act, health programs and unemployment benefits have already become law. Progressing toward enactment are such important measures as the budget reform legislation, private pension reform, the Federal Energy Administration, the $17 billion school aid bill and Consumer Protection Agency.

As the release notes, the 93d Congress has built a solid record of achievement to take to the people. I commend it to the attention of all Members:

SPEAKER ALBERT SAYS CONGRESS HAS SOLID RECORD OF ACHIEVEMENT

The 93rd Congress has built a solid record of achievement to take to the people during the Easter break which begins today.

Members of the House have been persistent and vigorous in meeting the needs of the American people. This Congress will achieve a legislative record to rank with those of the landmark Congresses of the Roosevelt and Johnson years.

Our accomplishments include a four-year farm and food production act to combat the threat of food shortages, a $20 billion Federal Aid Highway Act, $3 billion for mass transit construction, a series of health and education programs of major benefit to our children, a $544 million program for the elderly, extended unemployment benefits, a War Powers Resolution, mandatory fuel allocation and Alaska pipeline.

Private pension reform, budget reform, Federal Energy Administration are in conference. The House has passed and sent to the Senate a three-year $17 billion Elementary and Secondary Education bill, a Consumer Protection Agency bill, and an increase in veterans' compensation.

The 93rd Congress has worked hard to fill the leadership void left by an inept and indifferent Administration. On virtually all its major achievements, Congress has had to battle Administration obstructionism. Congress has enacted a minimum wage bill to replace the one vetoed by President Nixon last year; Congress passed a comprehensive manpower program, including public services employment, and an increase in social security benefits, both over the objections of the Administration. The House is now working on a housing and community development program to replace those that President Nixon arbitrarily stopped dead in January, 1973. The House voted a 13.6 percent increase in veterans' compensation, but now President Nixon wants to cut it back to 8.0 percent.

Congress is passing the laws, but the Administration is defaulting on its responsibility to put the programs into effect and to deliver the benefits to the people. The Administration has impounded funds, tied programs up in red tape, and administered other programs in such a half-hearted manner as to assure their ineffectiveness.

The nation's first priority should be to combat unemployment and to perk up productivity by creating jobs. We should seek to increase small business loans and to loosen the shackles on credit that now hogtie the housing industry and so many other industries. We need public services employment programs for veterans and others who are out of work.

Top priorities after the Easter break will include National Health Insurance, the Impeachment Inquiry, Mass Transit Assistance, Anti-Hijacking, Campaign Reform, Cancer Research, Unemployment Benefits, Land Use, Omnibus Energy Bill and others.

Congress is fulfilling its responsibilities, moving and acting on a broad front to meet the needs of the people. Congress will continue to maintain its initiative on programs that advance the public welfare.

FOOD COMMODITY PROGRAM STILL ESSENTIAL FOR ADEQUATE NUTRITION FOR MANY AMERICANS

The SPEAKER. Under a previous order of the House, the gentleman from Montana (Mr. MELCHER) is recognized for 5 minutes.

Mr. MELCHER. Mr. Speaker, today I am reintroducing with over 40 cosponsors my bill to restore the Department of Agriculture's authority to purchase commodity food at market prices for distribution to State institutions, Indian tribes, school lunch programs, special meals programs, and charities such as the Salvation Army Centers, orphanages, and homes for the destitute.

The bill is necessary to insure continuation of the commodity program for these groups that now rely on commodities both financially and nutritionally. The new bill also corrects an error in H.R. 12168 to make the commodity program apply to disaster relief instead of "domestic relief" as it was worded.

A great deal of concern has been expressed by various agencies, organizations and tribes about USDA's position that it no longer will have the authority to buy commodities after June 30, 1974. Therefore this bill is most urgent to continue to meet nutritional needs of those groups I have mentioned.

TAX REFORM NEEDED NOW

The SPEAKER. Under a previous order of the House, the gentleman from Utah (Mr. OWENS) is recognized for 20 minutes.

Mr. OWENS. Mr. Speaker, 2 years ago, I advocated a comprehensive overhaul of our Federal income tax structure. It is with disappointment that I must today reintroduce those same basic proposals. Efforts to reform our tax system have been repeatedly defeated by powerful special-interest groups and the opposition of the administration to meaningful change.

Those 300 individuals who earned $200,000 or more in 1969 but paid no taxes are still around—and many of them, despite the Tax Reform Act of 1969, are still paying very little or no taxes. Yet the wage earner who works in the factory or in the fields and earns $8,000 in a year to support his wife and two children pays an average of over $600 in income taxes.

One word of caution: Those of us who seek to change the Federal tax structure, must do so with great sensitivity, to make certain that the changes made are rational and not inconsistent with the economic incentives that are needed, and which are the basis of the American free enterprise system. Changes must be well thought out and their impact analyzed, to make certain that the flow of investment capital is not restricted. I am proposing, for example, significant changes in oil taxing policies, but I am confident that they will not impede exploration for new oil sources.

The concept of fairness is essential to our tax system—but we need only look around us to see how unfair it really is. When we discover that Gulf Oil Co., with net income of $2.3 billion, and a family of four that earns $6,000 in a year pay the same effective tax rate on their incomes, our eyes are opened to the critical need for large-scale tax reform.

American taxpayers are quite willing to pay their fair share of the cost of Government and its many programs—but it must be their fair share. Since our tax system is based on broad principles of voluntary compliance, if these taxpayers lose faith in the Federal taxation system, that system will collapse. And now taxpayers have less faith in this system than ever before. A recent nationwide poll showed that 74 percent of the public feels that "the tax laws are written to help the rich, not the average man." Unfortunately, this large majority is not without good cause for its opinion. Clearly, this trend must be reversed.

Tax reform is one of the most urgent matters facing the 93d Congress. No other issue so directly touches so many citizens. Congress must delay no longer in making essential reforms. We can no longer engage in exchanges of rhetoric—we must legislate.

Today, I offer proposals for reform of the tax code. These 10 reforms will correct what I consider the most blatant and inequitable provisions. My proposals will upset some people. The rich and the special-interest groups, however, will inevitably suffer as a result of any proposal to increase the fairness of the tax laws.

One week ago, I presented my views on reforming taxation of the oil industry. The huge oil companies receive tax favors that are available to no other industry. These benefits effectively reduce their statutory tax rate of 48 percent that would apply to any other corporation, to a meager 6 percent for these oil giants. The president of Gulf Oil reported to the Senate's Permanent Subcommittee on Investigations that Gulf paid only 2 percent in overall income taxes last year on net income of $2.3 billion. I have been advised that if the oil industry were taxed as other manufacturing industries, the increase in revenue would be greater than $3 billion annually. This group of giant corporations cannot justify this special tax treatment while the average taxpayer is asked to pay his fair share of the tax burden.

Three major tax benefits account for the largest portion of this reduced tax rate and lost revenue: The percentage depletion allowance, the privilege to treat intangible drilling and development costs as deductible expense, and U.S. tax credits for royalties paid to foreign countries. As I emphasized in my earlier statement, we must not view revision or repeal of these items as punishing the oil companies, but only as a removal of preferential treatment when it is no longer warranted.

First. Phase out the percentage depletion allowance:

The percentage depletion is an artificial allowance which permits oil companies to deduct 22 percent of their oil income from their taxable base. The oil industry argues that this artificial allowance is justified by important public policy considerations, primarily the need for large stockpiles of oil for national defense. Whatever weight this rationale may have once had, the chances that we would have access to stockpiles of U.S. oil in Arab countries in time of world conflict appear dim in the light of the recent boycott by the Arab nations. In addition, subsidizing oil activities has, in part, been the cause for a misallocation of energy resources, encouraging heavy investment in oil development at the expense of research and development of alternative energy sources such as coal, oil shale, and, with the most exciting potential of all, the Sun.

The tax loss from the percentage depletion allowance is great. In 1972, $1.7 billion was lost through this provision in the tax structure. With the higher prices of oil, the projected tax windfall due to depletion for 1974 is nearly $2.6 billion.

In the light of our present fuel shortage, I feel that it would be a mistake to eliminate immediately the percentage depletion from domestic production of oil. The percentage available, however, could be significantly reduced and still provide adequate incentive to explore and develop new domestic sources of oil. The House Ways and Means Committee recently proposed legislation to phase out the depletion allowance by 1977. I support this proposal.

Regardless of its justification for domestic production of oil, percentage depletion cannot be supported for foreign properties. Consequently, I believe this aspect of the tax package handed the oil industry by the Government should be eliminated immediately.

Second. Capitalize intangible drilling and development costs:

Intangible drilling and development costs for the oil industry, those associated with engineering expenses, salaries, and costs other than the actual drilling rigs, may be written off in full during the year in which they are incurred; these costs would normally be depreciated over the entire useful life of the property.

The high price of oil is a greater incentive to explore for new sources than any we could possibly devise. Indeed, the incentive to drill has actually created a shortage in the supply of drilling equipment. There is no need to further subsidize the companies with beneficial treatment of intangible drilling and development costs which caused a 1972 revenue loss of $650 million. Estimates for fiscal year 1975 indicate the loss will skyrocket to $800 million.

I recommend that oil companies be required to capitalize these drilling costs, and the Government allow normal depreciation deductions over the productive life of the property.

Third. Grant U.S. tax credits only for legitimate foreign taxes:

The foreign tax credit allows U.S. corporations operating abroad a dollar-for-dollar tax credit for all taxes and royalties paid to foreign government. Since international oil companies pay great sums of money to the countries where they produce oil, the foreign tax credit alows foreign earnings to enter the United States with little or no residual U.S. taxes. Masking royalties paid to foreign governments as taxes, the giant oil companies accumulate massive tax credits to offset U.S. taxes on their income.

As the crowning benefit after the percentage depletion and intangible drilling and development expense tax breaks have taken their chunks of taxes, the foreign tax credit is the final step toward almost total tax avoidance on foreign income. Costing the taxpayers $2 billion in 1972, this credit makes the U.S. Government the tax collector for the sheiks, with the people of this country paying the bill. And as would be expected, as the price of crude oil increases, these tax credits increase accordingly. Estimates are that the revenue losses in 1974 will be even greater—reaching over $3 billion. In addition, the oil companies will amass over $16 billion in excess, unused foreign tax credits in that year. This excess can be carried back 2 years or forward 5 to shelter other U.S, tax liabilities on foreign income for those years. The picture is clear. U.S. oil companies will have virtually no U.S. taxes to pay on their foreign incomes for years to come.

This incentive for oil companies to invest abroad is in direct opposition to our national goal of fuel independence. Since royalty payments on domestic oil cannot be credited against income taxes, domestic oil producers are at a distinct disadvantage when competing with foreign operations. Ending the foreign tax credit would enable domestic producers to compete with foreign produced oil, and be a strong incentive to investment in oil here in the United States.

I recommend that we allow that percentage of foreign payments to governments that can be justified as an income tax be credited against U.S. taxes, and the huge percentage of these payments that remains be treated as a royalty. This amount would be deductible as a business expense, and not given a dollar-for-dollar credit against U.S. taxes.

Fourth. Limit beneficial tax treatment for capital gains:

Capital gains is the largest tax loophole of them all. Existing laws allow individuals to pay a tax on capital gains at half the rate of ordinary income, permitting those who have sufficient wealth to invest in capital assets to have a much lower tax burden than workers or wage earners in the same income bracket. In addition, the first $50,000 of gains each year is subject to an even lower, "alternate" tax. Since capital gains represent increases in income to individuals, more equitable treatment of these gains is in order. Preferential treatment of capital gains is usually linked to widely used tax shelter devices, and fairness demands that these practices also be curbed.

I propose that the 6-month holding period needed to qualify for capital gains treatment be extended to 1 year. The 6-month period is insufficient to distinguish between speculative transactions and true investments. Second, the alternative tax rate on the first $50,000 of gain should be abolished. This tax gift, beneficial only to those above the 50 percent tax bracket, cannot be supported by any rational analysis. These reforms would produce additional revenue of $250 million annually.

Fifth. No stepped-up basis for transfers at death:

Some income, that realized on property transferred at time of death, is not taxed at all. Any increase in the value of the property up to that point is never subject to tax. This system allows huge increases in wealth to escape taxation completely. I do not advocate taxation at death, since this could cause widespread undue hardships and forced sales of estates. The equitable solution is the elimination of the stepped-up basis at time of transfer. This would prevent forced sales to pay taxes, but would not allow tax avoidance of the increase in value of the asset. A key limitation to this proposal is a "small estate" exemption: Those estates valued below a certain prescribed minimum would be allowed transfer with a stepped-up basis. This limitation would protect the average family from undue hardship while preventing huge family fortunes from passing generation to generation without paying any tax. Savings to the taxpayers by this reform would approximate $400 million annually.

Sixth. Grant States and municipalities the option of issuing taxable bonds with Federal subsidy:

Interest received by holders of State and local bonds is not taxable. These bonds, which carry a low rate of interest, are attractive to high income individuals and corporations whose net after tax income is higher because of the nontaxable features of the bonds.

This tax treatment is unacceptable for three reasons. Primarily, this system is inequitable—it permits high income individuals to avoid paying their fair share of the income tax burden. Secondly, it is grossly inefficient. The revenue loss to the Federal Government is roughly 30 percent greater than the amount saved by the States paying low interest rates. Finally, it diverts risk capital from higher return, but taxable, investments, a result which is obviously unfavorable economically, since it restricts normal economic growth.

States and municipalities should be given the choice of issuing taxable bonds, and in return, receive a Federal grant with no strings attached, of 50 percent of the cost of the interest payments. The cities would actually gain an estimated $1.4 billion yearly though it would cost the U.S. Treasury $400 million.

Seventh. Abolish ADR:

The asset depreciation range—ADR—system must be ended. Under current law, with the asset depreciation range system, businesses can write off their property at a rate 20-percent faster than the estimated life of the asset. It is questionable whether the initial objectives of ADR—encouraging business investment during a period of economic slump—were ever accomplished. The economic effects of this Nixon administration measure were never accurately predicted, measured, or analyzed. It is clear now, however, that this incentive is incompatible with the current condition of our economy. Repeal would net the Treasury $1.5 billion annually.

Eighth. Strengthen "minimum tax" provisions:

The minimum tax was enacted to place limits on the extent to which taxpayers can exploit loopholes in the code. As adopted, the tax needs strengthening in order for it to perform its purpose. That it has failed is evidenced by the over 400 individuals in 1972 with incomes greater than $100,000 who paid no Federal income taxes and thousands who made $100,000 and paid very little taxes. Currently, the tax is levied on certain "preferred" income, primarily the excluded half of capital gains and certain excess depreciation, amortization, and depletion. A deduction of $30,000 plus any regular income taxes paid is allowed, and the remainder is taxed at 10 percent.

I proposed a four-step strengthening program that would add meaning to this provision and make it a viable arm of income tax reform. Primarily, all major tax "gifts", including expensing of mineral exploration, intangible drilling and development costs, and tax exempt income from State and municipal bonds, must be included in preferred income. Second, the exclusion allowed for current and past income taxes is unsupportable, and should be abolished. Third, a $20,000 rather than a $30,000 deduction would adequately protect the middle-income wage earner. Finally, the rate applicable to this income should be increased to 20 percent. It is unclear to me why an individual with $500,000 of income which escapes initial taxation due to tax preferences should be taxed at 10 percent, while the subpoverty level domestic who earns $1,000 during the year is taxed at 14 percent. The estimated gains from strengthening the minimum tax provisions would be $2 billion per year.

Ninth. Curb "hobby" farming:

I was appalled to learn that in 1971, 3,000 individuals filed "schedule F's"—the farm section of the tax return—in Manhattan! And my amazement increased when I was informed that 374 percent more corporate "schedule F's" were filed in New York than were filed in Kansas in 1967. We have discerned a strong trend in recent years to the absentee "hobby" farmer, who is less interested in crops and livestock than in sheltering his usually substantial nonfarm income.

Farm tax laws allow one to create an artificial loss on farm activities which will offset normal nonfarm income. This reduces the individual's taxable income and results in a substantial tax savings. To combat this injustice, I propose that farm losses over $10,000 should be disallowed when applied against nonfarm income over $20,000. In addition, the tax writing committees of Congress should substantively strengthen the "hobby farm" provisions of the code. Legitimate farmers will support these proposals, since they could restore their ability to compete as well as net our treasury $250 million annually.

Tenth. Disallow "phony" business expenses:

The time has come to reexamine the business expense deduction. One area of abuse that should be reformed is foreign conventions. Controls in this area should disallow income tax deductions for these foreign "conventions" which are in actuality pleasure trips.

SUMMARY

Confidence in our system of taxation has been dealt sharp blows by the revelations of the past 2 months. When the President pays less tax than the low-income worker, and Gulf Oil pays a smaller percentage than the corner grocery store, the time for change is at hand.

Substantive tax change could allow marked reduction in the overall rate structure for all, including a lowering of the highest tax rates. Adoption of these 10 proposals that I have made today will add approximately $7 to $10 billion to our national revenues, a figure that equals the projected deficit of the Federal budget for the coming fiscal year. But we will not see substantive tax change unless it is demanded by the taxpayers. We will not see substantive tax change unless the taxpayers demand that we disallow inequitable special considerations for special interests which the public's interest does not justify. We will not see substantive tax change until the taxpayers, who are voters, demand that every candidate for Congress come forth with a clear and detailed program of tax reform. I have done so, and I have voted for tax reform this past year. I hope the voters of Utah will demand that every candidate for Federal office do the same. Until we see substantive tax change, we will continue to face a Federal tax system riddled with injustice, inequality, and unfairness.

THE ARMED SERVICES COMMITTEE'S OFFICIAL REPORT ON U.S. MILITARY COMMITMENTS IN EUROPE

(Mr. STRATTON asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. STRATTON. Mr. Speaker, I take this opportunity to bring to the attention of Members the summary and recommendations of the House Armed Services Committee on the subject of U.S. military commitments in Europe under the NATO alliance.

This report was directed by Congress last year pursuant to section 301(c) of Public Law 93-155, the Defense Procurement Authorization Act of 1974, which, as the so-called Peyser amendment, directed the Armed Services Committee to "report to the House by April 1, 1974, a detailed and independent study on the advisability of maintaining our present military commitment in Europe in view of the current economic and military situation in Europe."

I believe that all Members ought to have an opportunity to read these important findings and recommendations. The full report itself, which has been published as House Report 93-978, is only about 20 pages long, and also deserves a careful reading. Whether or not one agrees with all its findings, it does discuss some very important policy matters from the point of view of a group that has made a careful on-the-spot appraisal of the situation. These issues are issues which every Member of the House and Senate will have to vote on later this year when the question of our future NATO troop levels comes up.

I also want to take this opportunity, Mr. Speaker, to pay special tribute to the distinguished gentleman from Missouri (Mr. RANDALL) who served as chairman of the Ad Hoc Subcommittee on U.S. Military Commitments to Europe which made the preliminary survey on behalf of our full committee, and which drafted the preliminary report of its findings which was subseqeuntly endorsed by the full Armed Services Committee by an overwhelming vote of 32 to 5. Mr. RANDALL also served as chairman of an earlier subcommittee which in 1971 and 1972, made the most extensive study of NATO matters by a Congressional Committee up to that time and held hearings in 14 different European countries. Mr. RANDALL is in fact today the expert par excellence in Congress on NATO military affairs. The famous Randall report of 1972 is still one of the most widely quoted documents on U.S. involvement in NATO. This second report merits equal respect and attention.

The most important thing about this report, in my judgment, Mr. Speaker, is that it makes clear that the situation which faces us this year, both in Congress and in Europe, is vastly different from what faced us last year and the years before. This year we are in the middle of a new and important process. Last year and in prior years we debated extensively what measures to take regarding our deployments in Europe but we never made any final decision as to any method of change but simply agreed to continue to keep these deployments at the same level.

Last year, however, Congress did something different. It passed a new law: the so-called Jackson-Nunn amendment. And the essence of that new law was to set down as national policy that the continuation of our troop deployments in NATO would henceforth be based on efforts by our NATO allies to offset the American balance-of-payments deficit associated with these deployments. Today, 6 months after the adoption of Jackson-Nunn, the NATO community is in the process of moving forward to carry out the exacting requirements of that amendment. Our subcommittee, therefore, has recommended that Jackson-Nunn not be repealed and that the effort that is under way to carry it out be allowed to continue.

Likewise another new process is presently under way in Europe. It began in Vienna last October in the new negotiations between the NATO allies and the Warsaw Pact countries regarding Mutual and Balanced Force Reductions (MBFR) of troops in Europe. Our country entered those negotiations in cooperation with our allies and across the table from the Communist bloc countries, in good faith. To reduce troops in Europe now without waiting to see the results of those negotiations—which we originally were instrumental in initiating—would of course completely destroy the negotiations. Likewise reducing our troops in Europe before we have seen whether Jackson-Nunn can be made to work would be a most capricious setting-aside of an established national policy even as our allies struggle to meet its requirements. Therefore, our subcommittee and the full Armed Services Committee as well, have concluded that any reduction of forces in Europe at this time would be unwise.

The important thing is that two vital new processes are now at work in 1974 that were not at work in 1973. As Americans we have made a commitment to help make those processes succeed. Unilateral withdrawal of our forces now, without regard to those two processes, would be a grave abrogation of a national undertaking.

The summary of the committee's findings and recommendations follows:

SUMMARY OF FINDINGS AND RECOMMENDATIONS

1. This study was undertaken pursuant to the Peyser amendment which was adopted by the House on July 31, 1973, and which directed a study by the Committee on Armed Services of maintaining the U.S. military commitment to Europe. Subsequently the Congress adopted the Jackson-Nunn amendment, and the negotiations for Mutual and Balanced Force Reductions (MBFR) got underway in Vienna.

2. Previous findings by this committee in 1972, initiatives by Secretary of Defense Schlesinger in the spring of 1973, and congressional approval of the Jackson-Nunn amendment have provided a continuity of national support for the balance-of-payments equalization approach to burden-sharing within the NATO alliance. The Jackson-Nunn amendment, which is the law of the land, calls for European partners of NATO to offset any balance-of-payments deficit incurred by the United States in deploying troops in Europe and provides that if such offset is not forthcoming in 18 months, then beginning 6 months thereafter the United States would begin to reduce its forces by a percentage equal to the percentage by which the deficit is not offset.

3. Massive Soviet forces in Central Europe continue to pose a threat to Western European independence. The advent of detente provides no basis for assuming the Soviet Union will not use force or the threat of force to gain its objectives if given the opportunity—as the October War tellingly demonstrated.

A strong North Atlantic Treaty Organization is necessary to assure Western European security, and U.S. troops must be a part of such forces if they are to remain a credible deterrent.

4. The Atlantic alliance is the cornerstone of U.S. foreign policy; and the United States maintains forces in Western Europe not out of an act of charity, but for its own national-security interests.

5. Both the Warsaw Pact and NATO have improved their forces in the last two years. The Warsaw Pact has superiority in numbers of men and in armor. But it is important to overstate the advantage or downgrade the viability of the NATO defensive capability. The NATO conventional force is not a tripwire. It could give a good account of itself in any conventional contest.

6. The European partners in NATO are continuing to improve their forces and increase their defense budgets. Aggregate defense spending by the NATO allies increased from $31 billion in 1970 to $42.4 billion in 1973, an increase of 37 percent. Significant additions of major equipment will be made by the allies in 1974, including 474 tanks, 1,079 other armored vehicles, 195 modern combat and patrol aircraft, and 15 submarines. Nato is moving forward on its aircraft-shelter program, higher levels of reserve stocks, and improved air defenses around rear depots and airfields.

7. The economic situation has changed drastically in Europe as a result of the oil crisis, and many persuasive arguments were presented on behalf of repealing the Jackson-Nunn amendment. However, it is recommended that no change be made in the Jackson-Nunn amendment at this particular time for the following reasons:

a. It is too early to make a determination as to whether Jackson-Nunn will work, but analysis underway is producing useful economic data.

b. Efforts are being made by the alliance to meet the requirements of Jackson-Nunn, and executive branch representatives predict that it can be met.

c. The amendment is having the desired effect of bringing home to Europeans—and to U.S. policy-makers—the seriousness of congressional concern for equalization of burden-sharing.

8. The offset agreement with the Federal Republic of Germany, which is now being finalized, will cover a higher percentage of the balance-of-payments deficit than past agreements. Following the Federal Republic of Germany agreement, the other partners must take steps, through bilateral or multilateral arrangements, to offset the remaining balance-of-payments deficit as a result of U.S. troops in Europe.

9. At the MBFR negotiations, both sides have submitted substantive proposals for reduction of forces in Central Europe. Two points were stressed by participants in the Vienna talks:

a. Both sides are serious and businesslike, with the Soviets exhibiting an interest in making progress in negotiations.

b. The Western allies have an agreed position and are working in unusually close harmony.

These are complex negotiations and may experience setbacks, but the prize—stability in Central Europe with reduced forces and undiminished security—is worth an extended period of tough negotiations.

10. It is recommended that the United States not reduce its troop levels in Europe at this time. A great power does not act capriciously. In adopting Jackson-Nunn and in joining the NATO allies in the MBFR negotiations, the United States has made a commitment to give those policies an opportunity to work. In addition to its implications for stability in Central Europe, MBFR is the litmus test for détente; and the subcommittee believes the United States has a grave responsibility not to undermine the MBFR talks. Laughter would ring through the halls of the Kremlin if unilateral reductions were announced at this crucial point in the process.

11. There has been an improvement in the morale and readiness of U.S. forces in Europe as compared to what was found in the study made two years ago. The combat-to-support ratio has improved. The subcommittee believes that reducing the tour for single enlisted personnel stationed in Europe to 18 months would greatly improve morale, and the Army is requested to study the feasibility of such a change and report back to the Committee on Armed Services within 90 days on the results of the study.

12. The Army and Air Force have made notable reductions in the number of headquarters personnel, allowing for transfer of the personnel spaces saved to combat units. Additional efforts of this nature should continue. The subcommittee believes the Department of Defense should restudy the major command structure in Europe, looking to the possibility of marrying the European Command Headquarters at Stuttgart with one of the two corps headquarters or in some comparable way simplify the command lines of the force.

13. The subcommittee found a commendable improvement in the readiness of prepositioned stocks for the U.S. forces, but their vulnerability continues to be of concern and the subcommittee believes the Defense Department should study the possibility of further dispersal of such stocks.

14. There are difficult political and economic problems in the Atlantic alliance, and it is believed that working out of these problems would be aided by a verbal détente between the leaders involved, our own as well as others.

"FLY-ME"—AMTRAK

(Mr. DEVINE asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. DEVINE. Mr. Speaker, I am reminded of the old diddy "How can you keep 'em down on the farm, once they have seen Paree". This has reference to the Sunday April 7 story in the Washington Post about the Amtrak employees spending over a half million dollars, riding the airlines, rather than using Amtrak facilities contrary to regulations. The story follows:

[From the Washington Post, Apr. 7, 1974]

AMTRAK STAFFERS RUN UP HUGE BILL FOR AIR TRAVEL

(By William C. Harsh, Jr.)

CHICAGO.—A confidential memo shows that Amtrak employees bought more than $600,000 in airplane tickets last year although they could have traveled free on Amtrak's inter-city passenger trains.

The memo from Amtrak controller Sydney S. Sterns to Amtrak president Roger Lewis and all vice presidents and department heads, dated March 22, said that the huge air travel bill, paid for with federally-subsidized Amtrak funds, was run up despite an Amtrak regulation on employee business travel that specifies: "Whenever possible rail travel should be used."

The memo covers only airplane tickets purchased using Amtrak's air travel card account, which it said totaled "over $600,000." Sources within Amtrak said employees also bought a substantial number of air tickets—perhaps another $300,000 worth—with other credit cards or with cash.

"It appears to me that considerable traveling is incurred by our relatively small management staff," Sterns said in the memo. "In addition, as we are in the rail travel business, greater use of our facilities might be warranted, particularly at off-peak times."

Sterns' memo also admonished the department heads that when employees fly on business "the lowest class fare available should be used."

Amtrak, which had 5,384 employees on Dec. 31, operates an average of 225 passenger trains daily and serves every major city in the United States except Cleveland, Toledo and Des Moines either directly or through connections with the few remaining non-Amtrak railroads. Amtrak is due to receive a federal subsidy of $155 million in the current fiscal year.

There has been widespread criticism of Amtrak on the basis that many of its supervisory personnel, and especially Lewis and his senior lieutenants, seldom ride Amtrak trains.

"It's understandable, of course that due to time constraints and the sketchy nature of service on many of Amtrak's routes there will have to be some flying by Amtrak employees," Anthony Haswell, chairman of the National Association of Railroad Passengers, said when told of Sterns' memo.

"But my general observation is that if responsible Amtrak management officials rode the trains more often, the public would soon get better service.

How can we expect to sell rail transportation in this Nation when the salesmen refuse to endorse the product?

THEY "HANDLE" CRIME IN JAPAN

(Mr. DEVINE asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. DEVINE. Mr. Speaker, Paul Harvey in his newscast several months ago spelled out the relative absence of crime in Japan. He cited reasons, and made some startling comparisons with our large metropolitan areas which should be weighed by those who classify themselves as experts in this field.

Mr. Harvey's newscast follows:

[Excerpt From Paul Harvey News, Feb. 23, 1974]

JAPAN DOES NOT TOLERATE CRIME

While crime increases worldwide—not in Japan.

Tokyo has the least crime of any major city.

Crimes of violence—which keep terrified Americans off the streets—hiding behind shuttered windows—are not "tolerated" in Japan.

During the past ten years the crime rate in New York City increased 300%, in West Berlin 200%, in London 160%—

During those same years crime in Tokyo *declined* 10%!

The Wall Street Journal saw those figures—designated Ed McDowell to go to Japan and seek their secret. It's no secret. Japan doesn't "tolerate" crime.

Despite overcrowding, inadequate housing and sanitation, dimly lighted streets and alleys—all the factors we blame for big-city crime—Tokyo is the safest big city in the world.

Last year while there were some two thousand murders in New York there were two hundred in Tokyo.

New York had almost 100 thousand robberies; Tokyo 435.

New York suffered three thousand rapes; Tokyo 465.

And Tokyo is bigger! Tokyo is a third larger than New York City!

And where many crimes go unreported in the United States—and so don't count in the statistics—every crime is reported in Japan—and most are punished.

Researching the reasons for Japan's conspicuous good behavior reporter McDowell kept coming back to the tradition of "family closeness."

Their children are most always home for dinner, acutely anxious about how their behavior may reflect on their "family."

Despite western influences there remains much filial piety in modern Japanese.

Japan's schools set aside two hours every week for moral and ethical education, stressing respect for others.

There are other factors: An island nation leaves no place to run and hide. Japanese are workers—too busy for mischief.

But mostly, law is enforced in Japan. Tokyo police comprise the most modern, best equipped "army" in the world.

What Scotland Yard used to do through the uncanny insights of fictional Sherlock Holmes Tokyo's real-life police actually do with a bewildering gamut of electronics wizardry.

And Tokyo's police, in 1,200 neighborhood stations, are closely identified with their respective neighborhoods. They patrol on bicycles or afoot, are instantly alert to the presence of any stranger.

Every Tokyo policeman is expected to visit every home in his neighborhood at least twice a year. Public opinion polls reflect immense respect for police.

Japan does not tolerate crime.

In Chicago only 7% of criminals are indicted and only 3% of those are punished.

More than 50% of all reported crimes in Japan are solved by police—and last year 99.18% of all defendants were found "guilty as charged."

PERSONAL EXPLANATION

(Mr. KASTENMEIER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KASTENMEIER. Mr. Speaker, due to a sudden death in my family, I was unable to be present yesterday, April 10, for the debate and votes on H.R. 14013, the supplemental appropriations bill for fiscal 1974 and the vote on the rule to H.R. 13113, the Commodity Futures Trading Commission Act. Had I been present, I would have voted as follows:

On rollcall No. 159, "yea."
On rollcall No. 160, "yea."
On rollcall No. 161, "nay."
On rollcall No. 162, "nay."
On rollcall No. 163, "yea."
On rollcall No. 165, "yea."

FOOD AND DRUG ADMINISTRATION ACT

(Mr. ROGERS asked and was given permission to revise and extend his remarks.)

Mr. ROGERS. Mr. Speaker, on Thursday, April 4, 1974, I and four members of the Subcommittee on Public Health and Environment, Mr. KYROS, Mr. PREYER, Mr. SYMINGTON, and Mr. ROY, introduced a three-title bill which would strengthen the Food and Drug Administration, entitled the "Food and Drug Administration Act."

Title I, the Food and Drug Administration, contains most of the provisions of H.R. 12315 of the 92d Congress, which was favorably considered by the subcommittee in June of 1972. This title would give the Food and Drug Administration statutory identification for the first time, and require Senate confirmation of the Commissioner of the Administration. It also enables FDA to initiate certain court proceedings, issue subpenas and make other demands for information.

Title II, food, combines two bills which were introduced earlier in this Congress by most of the members of the subcommittee. Parts A, B, and C of title II constitute the text of H.R. 11448, the "Food Amendments of 1973," providing for food labeling for dating, nutrition, and ingredients, registration of food establishments, and inspection of food establishments. Part D of title II is the text of H.R. 11447, the "Food Establishment Reporting Act," which would authorize the Food and Drug Administration to issue orders requiring the submission of information by food establishments to assist it in carrying out the food provisions of the Food, Drug, and Cosmetic Act.

Title III, cosmetics, is the only entirely new provision of this proposed legislation. It provides for the registration of cosmetic processing establishments, a listing of ingredients of cosmetics, and requires manufacturers or distributors of cosmetics to substantiate the safety of their cosmetics prior to initial commercial distribution.

I would hasten to assure both my colleagues and the interested public that the introduction of this measure by myself and my colleagues on the subcommittee is not meant to imply that we consider this to be a perfect bill. We are looking forward to receiving substantial input from witnesses during hearings when we will consider not only this bill but an administration proposal which substantially increases the procedural authority of the Food and Drug Administration.

Both the administration bill and this proposal grant the FDA subpena and other discovery powers. I firmly believe that such increased authority is necessary if FDA is to be an effective enforcer of its statutes, but I am concerned with their relationship to the criminal penalties presently provided for in the act. It may be that if new discovery authority is included, provisions for civil penalties should be added to the act, and notice be required prior to demands for evidence which might lead to criminal prosecutions. I am requesting therefore, that both the administration witnesses and the public witnesses that appear during the hearings address themselves to this problem.

I am attaching a section-by-section analysis of the Food and Drug Administration Act. This is a complex bill of great significance and public interest, and I feel it is important to give this analysis wide dissemination.

The analysis follows:

Food and Drug Administration Act—Section-by-Section Analysis

TITLE I—FOOD AND DRUG ADMINISTRATION

Sec. 101. Would add new sections to the end of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321 et seq.), numbered sections 903–09.

Section 903. *Establishment of Administration.* Would create within the Department of Health, Education, and Welfare a Food and Drug Administration ("Administration"). This provision would thus provide a statutory basis for the existence of the Food and Drug Administration and would retain the agency within the Department of Health, Education, and Welfare.

Section 904. *Commissioner.* Section 904(a) calls for appointment by the President, with the advice and consent of the Senate, of a Commissioner of the Administration who shall administer and enforce the laws subject to his jurisdiction (listed in section 103). At present the Commissioner is appointed by the Secretary of HEW and there are no advice and consent requirements.

Section 904(b) requires the Commissioner to appoint a General Counsel for the Administration.

Section 904(c) outlines the powers of the Commissioner. The Commissioner is authorized to (1) direct and coordinate the activities of the Administration; (2) employ and direct all personnel; (3) employ experts and consultants; (4) appoint advisory committees; (5) promulgate such regulations as may be authorized in the laws subject to his jurisdiction; (6) issue subpenas; (7) make investigations to determine whether persons have violated the law (including issuance, in accordance with regulations, of demands for evidence or answers in writing to specific questions, which orders may be enforced in the appropriate United States district court upon application of the Attorney General or the Commissioner); (8) utilize services, personnel, and facilities of other Federal agencies and of State and private agencies or instrumentalities; (9) enter into and perform contracts, leases, cooperative agreements, grants, and other transactions; (10) accept gifts and uncompensated services; (11) designate representatives to committees maintaining liaison with Federal, State and local agencies and independent standard-setting bodies; (12) construct necessary research and test facilities (subject to Congressional authorization and appropriation of funds); (13) conduct public hearings anywhere in the United States; (14) conduct continuing studies of health impairments and economic losses associated with products subject to his jurisdiction; (15) conduct research concerning safety of products subject to his jurisdiction and develop methods and testing devices; (16) offer training in investigation and test methods and assist in development of safety standards and test methods; (17) undertake other duties under the laws subject to his jurisdiction including those enumerated in such laws; and (18) delegate any of his functions and duties, other than subpena powers or powers to issue demands for evidence or written answers, to other officers of the Administration.

Section 904(d) would enable the Commissioner to take certain action in the courts through his own legal representative. This could occur upon the failure of the Attorney General to initiate, within seven days after the Commissioner's request, action to enjoin any violation of law, seize any article, obtain a temporary restraining order, or enforce a subpena or order or require access to documentary evidence pursuant to section 904 (c) (6) or (7).

Sec. 905. *Duties of the Commissioner.* Section 905 outlines the duties of the Commissioner. The Commissioner shall (1) enforce laws he is required to administer; (2) publish notice of any proposed public hearing in the Federal Register and afford a reasonable opportunity for all interested persons to present relevant testimony and data; (3) upon request, furnish requests for legislative proposals directly to committees of Congress; (4) subject to provisions of laws subject to his jurisdiction, make available products that will promote the public health and welfare; (5) attempt to eliminate products presenting unreasonable health risk compared to benefit; (6) establish a capability for product evaluation and benefit risk analysis; (7) establish an interdisciplinary epidemiology capability and undertake investigations; (8) establsh a scientific capability for product evaluation, hazard detection, test method development, and quality control requirements, and (9) utilize field operations to evaluate products, detect products that may be hazardous, monitor compliance, report violations, and assist in enforcement.

Sec. 906. *Obligations of Administration Contractors.* Section 904(a) would require that those who receive assistance under the Federal Food, Drug, and Cosmetic Act pursuant to grants and contracts entered into other than through competitive bidding procedures shall keep such records as the Commissioner shall prescribe including certain fiscal records specified in the subsection.

Section 904(b) would require that the Commissioner and the Comptroller General of the United States, or their representative, be given access to pertinent records for the purpose of audit and examination.

Sec. 907. *Cooperation of Federal agencies.* Section 907(a) would authorize each federal agency, upon request of the Commissioner, to assist the Administration by making its services, personnel and facilities available, with or without reimbursement, and by furnishing to the Administration information as the Commissioner may reasonably determine to be necessary or appropriate for the performance of its functions.

Section 907(b) would authorize the Commissioner to utilize the resources and facilities of the National Bureau of Standards in the Department of Commerce, with or without reimbursement, to enforce compliance or for other purposes related to his authorities under the Federal Food, Drug, and Cosmetic Act.

Sec. 908. *Cooperation with States.* Section 908 would require the Commissioner to establish a program to promote Federal-State cooperation for the purposes of carrying out the Act, including acceptance of assistance from State or local authorities and commissioning of qualified State or local officials as officers of the Commissioner to conduct examinations, investigations, and inspections.

Sec. 909. *Limitation of Construction Authority.* Section 909 prohibits use of funds appropriated to carry out the Act to plan, design, or construct any research or test facilities unless specifically authorized by Congress by other laws.

Sec. 102. *Executive Schedule Level of Commissioner.* Section 102 would amend 5 U.S.C. § 5315 and place the Commissioner, Food and Drug Administration, in executive level IV.

Sec. 103. *Transfers.* Section 103(a) would transfer to the Commissioner of the Food and Drug Administration all functions of the Secretary of Health, Education and Welfare, except those reserved in section 103(e), under the Federal Food, Drug, and Cosmetic Act; the Filled Milk Act; the Federal Import and Milk Act; the Tea Importation Act; the Federal Caustic Poison Act; the Fair Packaging and Labeling Act; subpart 3 of part F of title III of the Public Health Service Act (relating to electronic product radiation); sections 301, 308, 311, 315 and 361 of the Public Health Service Act insofar as such sections relate to food, drugs, devices, cosmetics, electronic products, and other products subject to the jurisdiction of the Commissioner; section 351 and 352 of the Public Health Service Act (relating to biological products); and the Egg Products Inspection Act.

Section 103(b) would transfer to the Commissioner any other function, other than a function reserved by section 103(e), which was vested in the Secretary of HEW by statute or reorganization plan, and delegated to or administered by the FDA immediately before the effective date of the section.

Section 103(c) would transfer to the Commissioner all personnel, property, records, obligations, commitments, and unexpended balances of appropriations, allocations, and other funds used primarily with respect to any office, bureau, or function transferred under this section.

Section 103(d) would require the Civil Service Commission to establish criteria, in consultation with the Commissioner, when preparing competitive examinations for positions in the Administration.

Section 103(e) would reserve to the Secretary of HEW from the authority transferred in subsections (a) and (b) any function the performance of which materially affects authority of the Secretary not transferred or requires the resolution of major issues of national health policy.

Section 103(f) would authorize the Secretary to delegate additional functions to the Commissioner.

Sec. 104. *Savings Provision.* Section 104 would assure an orderly transition by providing that all laws transferred shall remain in full force and effect. Furthermore, all orders, rules, regulations, permits, or other privileges would continue in effect, and no suit, action, or other proceeding would abate by reason by the transfers.

Sec. 105. *Effective Date; Initial Appointment of Officers.* Section 105(a) provides that the Food and Drug Administration Act shall take effect 90 days after the Commissioner takes office, or on such prior date as the President shall publish in the Federal Register.

Section 105(b) authorizes appointment of officers provided in the Act at any time for the date of enactment of this act, notwithstanding section 105(a).

TITLE II—FOOD

Title II may be cited as the "Food Amendments of 1974."

PART A—FOOD LABELING

Sec. 201. *Findings and Declaration.* Declaration of finding that uniform food labeling will enhance the health and welfare of the public and avoid confusion, and that additional conflicting and nonuniform State and local laws regarding food labeling discriminates against and depresses interstate commerce in foods.

Sec. 202. *Food Data.* Amends section 403 of the Federal Food, Drug, and Cosmetic Act to provide that food is misbranded if its package or label contains any dating information unless in accord with regulations of the Secretary. Regulations promulgated under this section shall:

(1) Identify foods for which dating information is necessary to prevent violations of the Federal Food, Drug, and Cosmetic Act;

(2) Require such foods to bear on the package or label information on the date beyond which the food should not be sold at retail (sell date) or the date beyond which such food should not be used or consumed (use date);

(3) Require that such date shall be conspicuously displayed and readily understandable by consumers without reference to any codes;

(4) Require that such date be clearly identified as to whether it is a sell date or use date;

(5) Require a statement on the package or label for recommended storage conditions if such storage conditions are other than at room temperature;

(6) Prohibit the use of other dating information which might be confused with the sell or use date;

(7) For food for which a finding has not been made that dating is needed to prevent violations of the Act, prohibit the use of sell or use dates except in accord with the requirement of paragraphs (1)–(6) above.

The Secretary shall have the authority to determine, after notice and hearing, that a statement regarding a date or storage condition is misleading to consumers.

Sec. 203. Section 301 of the Federal Food, Drug, and Cosmetic Act is amended to provide that it is a prohibited act to sell or display for sale packaged food containing a date pursuant to regulations under section 403 (as amended by section 102 of this Act) if the date has expired, unless the food is—

(1) Clearly identified as being beyond such date; and

(2) Separated from other foods.

Sec. 204. *Food Nutrition Labeling.* Amends section 403 of the Federal Food, Drug, and Cosmetic Act to provide that food is misbranded if it purports to be a food to which nutrients have been added or which claims some nutritional value in its labeling or advertising unless nutrition information on the labeling is in accordance with regulations promulgated by the Secretary.

Sec. 205. *Food Ingredient Labeling.* Section 205(a) strikes the sentence in section 401 of the Act which requires that the Secretary shall designate those optional ingredients which should appear on the label of foods subject to a standard. (This sentence has been interpreted as not permitting the Secretary to require that mandatory ingredients be so listed.)

Section 205(b) amends section 403 of the Act to deem a food misbranded if it purports to be or is labeled as being a food for which a standard of identity has been established unless it conforms to such standard or if its label bears the name of the food specified in the standard.

Section 205(c) (1) amends Section 403 of the Act to require labels of all foods, whether or not subject to a standard, to bear the common or usual name of the food, and in the case of food fabricated from two or more ingredients, the common or usual name of such ingredients except that spices, flavorings, and colorings may be designated as such. To the extent that compliance to this provision is impracticable or results in deception, the Secretary may issue exemptions.

Section 205(c) (2) further amends section 403 to provide that the list of ingredients shall be in the order of their predominance.

Sec. 206. *Effect on State Laws.* Amend chapter IX of the Food, Drug, and Cosmetic Act to add a new section expressing Congressional intent to supersede all laws of the States or political subdivision thereof which now or may hereafter require information on the package or labeling of a food which is different from or in addition to information required on the label or labeling of food under misbranding provisions (sec. 403) of the Food, Drug, and Cosemtic Act, and to supersede all such laws which bear on the compositional requirements that differ from standards established under section 401 of the act (relating to standards and definitions for food) except that States are authorized to establish higher compositional requirements for food produced within the State.

Spc. 207. *Effective Date.* Amendments made by this Title shall take effect on enactment except that the effective date of any regulations shall not be earlier than the first day of the sixth month after the regulations are published as final orders with respect to new or changed labels printed thereafter, and the first day of the thirty sixth month after the final regulations are published with respect to other (not new or changed) labels.

PART B—FOOD ESTABLISHMENT REGISTRATION

Sec. 208. *Findings and Declarations.* Declaration of policy providing that firms engaged wholly in intrastate commerce shall be subject to registration and inspection under this section.

Sec. 209. *Registration of Food Processors.* Amends the Federal Food, Drug, and Cosmetic Act by adding a new section 410.

410(a). Defines: (1) the term "name" to include the name of partners in the case of a partnership and the names of principal corporation officers and the state of incorporation with respect to corporations; and (2) the terms "processing" and "processed" to include manufacturing, processing, packaging, importing, or otherwise handling food.

410(b). On or before December 31 of every even numbered year each person who processes food shall register his name, places of business, and a complete list (in such form as the Secretary may prescribe by regulation) of all foods or classes of foods processed in such establishments and the type of processing being carried out. For the purpose of uniformity, the Secretary may define by regulation food classes and types of processing which shall be proposed within 60 days of enactment. The Secretary may also require annual registration if he finds this necessary.

410(c). Persons upon first beginning the processing of foods shall immediately register with the Secretary.

410(d). Persons registered under this section shall immediately register additional establishments in which they begin processing food.

410(e). The Secretary may assign a registration number to any person or establishment.

410(f). The Secretary shall make available for inspection by the public any registration filed under this section except trade secret or confidential information.

410(g). The Secretary may by regulation exempt classes of persons if registration is not necessary for protection of the public health. (Establishments under the exclusive jurisdiction of the United States Department of Agriculture pursuant to the Acts relating to meat, poultry, and eggs shall be exempt.)

410(h). Establishments registered under this section shall be subject to inspection.

Sec. 210. Sec. 301 of the Federal Food, Drug, and Cosmetic Act is amended to make failure to register a prohibited act.

Sec. 211. Sec. 403 of the Federal Food, Drug, and Cosmetic Act is amended to provide that food from an establishment not properly registered is misbranded.

Sec. 212. Amends section 801(a) of such Act to provide that the Secretary of the Treasury shall refuse entry of any food offered for importation into the United States which was not processed by an establishment registered pursuant to section 410.

Sec. 213. The provision making it a prohibited act not to register and providing that food is misbranded or the provision to refuse entry if food is from a nonregistered plant shall become effective on the first day of the seventh calendar month after enactment.

(b) Persons may, however, register within such seven months of enactment and such registration will be considered as in compliance for the year 1974. If such registration made within such seven month period is in the year 1975, such registration shall be deemed as in compliance with this section for the year 1975.

PART C—FOOD INSPECTION AND CRITICAL CONTROL POINTS

Sec. 214 (a). Amends Section 704 of the Federal Food, Drug, and Cosmetic Act to provide that inspection of food establishments shall extend to critical control points records bearing on whether or not a food is adulterated, if the Secretary determines access to such records is necessary. Critical control points records shall be limited to process flow diagrams, analytical procedures, quality assurance manuals, complaints, and certain of the specified materials bearing on whether or not the food may be adulterated. Such records which constitute trade secrets or other confidential information shall be protected by the Secretary.

(b) Conforming amendment to section 704.

Sec. 215. Chapter IV of the Federal Food, Drug, and Cosmetic Act is amended by adding the following new sections, 411 and 412.

Sec. 411. *Critical Control Points Systems.*

411(a). Within 180 days of enactment, food processors shall establish and put in writing a critical control points system which shall identify the critical control points in the processing chain, evaluate the hazards associated with these points, and establish adequate control and monitoring at such points.

411(b). Critical control points system shall be reviewed annually by processors.

411(c). The written document setting out the critical control points system shall be maintained for two years and shall be subject to inspection by the Secretary.

Sec. 412. Establishment of Critical Control Points Standards.

412(a). Whenever the Secretary finds that food is being processed at a significant number of establishments in a manner that may present an unreasonable risk of adulteration he may establish critical control point standards to reduce such risks. Periodic evaluations of such standard is required to reflect new information or changes in the methods of processing food.

412(b). This subsection sets forth the procedure for establishing such standards. A proceeding to establish a standard shall begin by notice in the Federal Register which shall describe the food to be subject to the standard, the hazards intended to be controlled, and any relevant standards which exist. Such notice shall also contain an invitation for any interested party to offer to develop such a standard.

412(c). If the Secretary finds an existing standard is sufficient, he may publish such standard as a proposed standard.

412(d) (1). The Secretary may accept offers to develop proposed standards if he finds that the offeror is competent to undertake such development.

412(d) (2). The Secretary shall publish the name of any person whose offer is accepted and a summary of the conditions pertaining thereto.

412(d) (3). The Secretary shall by regulation require that any standards developed by an offeror shall be supported by appropriate test data, and that the standards include analytical methods for measurement of compliance, and that interested persons were provided adequate opportunity to participate. The Secretary shall also have authority to require the maintenance of records pertaining to the manner in which the standards were developed including any comments received.

412(e). If the Secretary has not published an existing standard or there was no competent offeror or the offeror fails to develop an appropriate standard the Secretary may, on his own, develop a proposed standard.

412(f). A critical control points standard shall designate any or all of the following:

(1) the food subject to the standard;

(2) the critical control points;

(3) contaminants or practices intended to be eliminated or improved;

(4) sample and analysis methods to be used at critical control points; and

(5) the circumstances under which reports of test results shall be submitted to the Secretary.

412(g). As soon as practicable, the Secretary shall publish a proposed critical control points standard. Interested persons shall have an opportunity to review data or other information upon which the standard is based. The Secretary shall also provide an opportunity for the oral presentation for data, views, and arguments concerning such standard. A transcript of such presentation is required.

412(h). Within 60 days of the publication of the proposed standard adversely affected persons shall be afforded the opportunity to have the standard referred to an advisory committee requiring any scientific or technical aspects. The Secretary shall appoint the advisory committee from appropriately diversified professional and technical fields. Members may be nominated by appropriate scientific, trade, or consumer groups and a representative of consumer interests and a representative of industry interests shall be appointed as non-voting members of the advisory committee. Members of the advisory committee may be compensated (not to exceed GS–18) and shall receive administrative support from the Secretary.

412(i). After considering all data before him, including reports of the advisory committee, the Secretary shall publish a final critical control points standard (which shall not be effective for at least 60 days) or terminate the proceeding. Prior to promulgating a final standard, the Secretary shall consider the risk of hazard the standard is designed to eliminate, the number of foods subject to the standard, the utility, cost or availability of such food, and means of achieving the objectives of the standard with minimal adverse effects on completion or commercial practices.

412(j). The Secretary may revoke standards in whole or in part if a need therefor no longer exists. The Secretary shall publish his reasons for such revocation and permit interested persons to present their views orally or in writing with respect to such proposed revocation. As soon as practicable thereafter the Secretary shall by final order act upon such proposal.

412(k). Secretary may amend a standard. Such amendment shall be subject to 5 U.S.C. 553 and an opportunity to present orally, views and arguments. Interested persons may request referral to an advisory committee.

412(l) Orders promulgating, amending, or revoking standards shall be subject to judicial review by the United States Court of Appeals for the District of Columbia or other appropriate circuit. The Secretary shall file all underlying data and recommendations of the advisory committee with the court. Findings of the Secretary as to the facts, if supported by substantial evidence, shall be conclusive.

412(m). Immediate action to modify a critical control points standard may be taken when there is an immediate threat to public health. The proceedings provided for in this section shall be instituted as soon as practicable thereafter.

412(n). Persons required to comply with the critical control points standard shall maintain certain records as the Secretary may require.

412(o). This section shall not be construed to exempt persons from other provisions of the Federal Food, Drug, and Cosmetic Act.

412(p). The Secretary may exempt foods or classes of foods from this section when such action is not inconsistent with the protection of the public health.

SEC. 216(a). Section 301 of the Federal Food, Drug, and Cosmetic Act is amended to provide that failure to establish a critical control points system is a prohibited act and that failure to comply with a critical control points standard is also a prohibited act.

(b) Section 402 of the Act is amended to provide that food from an establishment not operated in compliance with a critical control points standard is adulterated.

(c) Section 301 of the Federal Food, Drug, and Cosmetic Act is amended to provide failure to provide access to the records required under sections 411 and 412, shall be a prohibited act.

SEC. 217. This part shall take effect immediately upon its enactment.

PART D—FOOD ESTABLISHMENT REPORTING

SEC. 218. Amends chapter III of the Federal Food, Drug, and Cosmetic Act to add a new section 308.

308(a). The Secretary would be authorized to issue orders requiring persons or classes of persons manufacturing, preparing, packaging, labeling, or holding food to submit to him information, documents, records, or data in their possession which may assist him in carrying out the food provisions (chapter IV) of the Act. Such orders shall be published in the Federal Register or sent to any such person and may require the submission of annual or special reports or answers in writing to specific questions within 90 days after such notice. Each order shall specify the information to be submitted with reasonable particularity.

308(b). The district courts of the United States are given jurisdiction to enforce section 308(a) orders upon application of the Attorney General or of the Secretary. Such an action may be brought in the district court for the district wherein the person or establishment is found or transacts business.

308(c). Information obtained through section 308(a) orders (except for information in records required to be kept under other provisions of the Federal Food, Drug, and Cosmetic Act) shall not be used as evidence in any criminal proceeding brought against an individual pursuant to section 303 of the Act.

308(d). Information which is a trade secret and other confidential information shall not be made public in the absence of a waiver of confidentiality from the person from whom the information was obtained.

TITLE III—COSMETICS

SEC. 301. **Declaration of finding that it is necessary to provide for registration and inspection of all establishments in which cosmetics are manufactured, processed, prepared, packaged, labeled, or held and that** the regulation of interstate commerce in cosmetics, without provision for registration of establishments engaged only in intrastate commerce would discriminate against and depress interstate commerce in such cosmetics.

SEC. 302. Registration of Cosmetic Processors and Cosmetic Formulas.

Section 302 amends the Federal Food, Drug, and Cosmetic Act by adding a new section 604.

604(a) defines terms used in the section.

(1) The terms "process," "processed," or "processing" include manufacturing, processing, preparing, packaging, or holding a cosmetic.

(2) The term "name" shall include in the case of a partnership the name of each partner, and in the case of a corporation, the name appearing on the corporation's charter and of each principal corporate officer and director and the State of incorporation.

(3) The term "owns or operates" means any person who owns, operates, leases, charters, or controls any establishment used in processing a cosmetic.

(4) The term "establishment" means the premises, building, structures, and facilities used in processing cosmetics.

604(b) On or before December 31 of each year, every person who processes cosmetics shall register his name, place of business, and the location of each establishment.

604(c) Persons upon first beginning the processing of cosmetics shall immediately register with the Secretary.

604(d) Persons registered under this section shall immediately register additional establishments in which they begin processing cosmetics.

604(e) (1) Every person required to register shall include the following information in the manner and form requested by the Secretary:

(A) A list of each cosmetic processed in each establishment by brand name.

(B) The product category of each product.

(C) A list of each ingredient used in any cosmetic in descending order of predominance by weight including the percentage of each ingredient in the product. A proprietary mixture of ingredients may be permitted by the Secretary if designated as such and the supplier complies with the other requirements of this section.

(2) The Secretary may also require the submission of the following information:

(A) A quantitative list of ingredients of any cosmetic or class of cosmetic.

(B) A list of all cosmetics that include a particular ingredient, or for which a particular claim is made, or fall in a particular class.

(C) Samples of the labeling of any cosmetic.

(3) Information previously submitted shall not be required in any subsequent registration but the yearly registration must contain all changes in information previously submitted. The Secretary shall specify any changes in information which will be required to be submitted earlier than the yearly registration.

(4) Persons registered shall notify the Secretary of any discontinuance of a cosmetic from processing for commercial distribution and a summary of the reasons for discontinuance shall be provided to the Secretary.

604(f) The Secretary may assign a registration number to any person or establishment.

604(g) Any registration filed under this section will be available for inspection by the public except for trade secrets or confidential information (which shall include quantitative or semi-quantitative compositions of cosmetics).

604(h) The Secretary may by regulation exempt any class of persons or establishments from this section if registration is not necessary for the protection of the public health.

604(i) Every registered establishment is subject to inspection pursuant to section 704.

SEC. 303. *Cosmetic Safety*. Section 303(a) strikes the provision in section 601(a) of the Federal Food, Drug, and Cosmetic Act exempting coal tar hair dye from the Act if such dye bears specified warning labeling.

(b) Amends Chapter VI of the Food, Drug, and Cosmetic Act to add a new section 605.

Section 605(a) requires manufacturers or distributors to substantiate the safety of their cosmetics, as prescribed by the Secretary, before beginning commercial distribution. The Secretary may, before prescribing such tests, obtain all existing data about the safety of cosmetics to determine priorities and exemptions. The Secretary is required to consult with interested consumer, professional, and industry organizations. The manufacturer or distributor is required to maintain documentation of such substantiation for two years.

Section 605(b) requires a manufacturer or distributor to submit to the Secretary summary information relevant to accidental ingestion or misuse of such cosmetic, before commercial distribution. Such information will be available to the public through poison control centers.

Section 605(c) requires the manufacturer or distributor of a product which falls within any screening level defining the product as toxic, an irritant or a sensitizer must notify the Secretary of such fact. The notification shall include the formulation, results of screening tests, and the manufacturer's intentions as to distribution of the cosmetic commercially.

Section 605(d) requires the Secretary to establish a central information office through which any information obtained under this section will be available to doctors, hospitals, poison control centers, and others requesting information concerning treatment of a person injured by a cosmetic.

Section 605(e) exempts from any requirement of this section any cosmetic if the Secretary determines that the requirement is not necessary to protect the public health.

Section 605(f) provides definitions for the terms "toxic," "sensitizer," and "irritant."

SEC. 304. *Cosmetic Labeling.* Section 304(a) amends section 602 of the Federal Food, Drug, and Cosmetic Act to add a new section (g) requiring a cosmetic label to bear, conspicuously and in ordinary terms:

(1) the common or usual name of the cosmetic;

(2) the common or usual name of each ingredient, except that fragrance and flavor may be designated as such without harming each ingredient and that the Secretary may establish other exemptions as necessary.

(b) Would further amend section 602 by adding section (h) which deems a product misbranded if its label fails to bear adequate warnings against use where it may be dangerous to health.

SEC. 305. *Good Manufacturing Practices.* Section 305 amends section 601 of the Act by adding a new paragraph (f) which deems a cosmetic product adulterated if its manufacture, processing, packaging, labeling or holding do not conform to good manufacturing practices.

SEC. 306. *Records and Reports.* Section 306 amends chapter VI of the Federal Food, Drug, and Cosmetic Act by adding a new section 606.

606(a). Requires every person engaged in manufacturing, processing, or distributing a cosmetic to record and report to the Secretary such data as he requires relating to adverse experiences or bearing on violations of the Act.

606(b). Persons required to maintain records must permit agents or employees of the Secretary to have access to and copy and verify such records.

SEC. 307. *Repeal of Coal Tar Hair Dye Exemption.* Section 307 amends section 601(e) of the Federal Food, Drug, and Cosmetic Act by striking the exemption for coal tar hair dye from provisions of the Act which deem a cosmetic adulterated if it contains an unsafe color additive.

SEC. 308. *Repeal of Soap Exemption.* Section 308 amends section 201(i) of the Federal Food, Drug, and Cosmetic Act by striking the provision exempting soap from the definition of cosmetic.

SEC. 309. *Factory Inspection.* Section 309 amends section 704(a) by adding a new sentence authorizing the scope of inspections in cosmetic establishments to extend to all things therein including records, files, papers, processes, controls, and facilities but excluding financial, sales, pricing, personnel and research data bearing on whether a cosmetic is adulterated or misbranded.

SEC. 310. *Prohibited Acts.* Section 310 amends the Federal Food, Drug, and Cosmetic Act to make it a prohibited act to register or to submit any information required by section 604. It would also be a prohibited act to fail to substantiate the safety of a cosmetic as required by section 605 or to keep records as required by sections 605 or 606.

SEC. 311. *Misbranding.* Section 311(a) amends section 602 of the Federal Food, Drug, and Cosmetic Act to provide that a cosmetic product is misbranded if processed in an establishment which was not registered as required under section 604 or if it had not been substantiated for safety in accordance with section 605.

(b) Amends section 801(a) of the Act to require the Secretary to refuse entry of any cosmetic offered for importation which was processed in an unregistered establishment or one not exempted.

SEC. 312. *Effective dates.* Section 312(a). The Amendments shall take effect immediately unless otherwise provided.

(b) Cosmetic processors are required to register within three months after regulations are promulgated and forms are available.

(c) Cosmetics commercially distributed on the day immediately preceding enactment shall not be subject to section 301(r) (requiring the testing and keeping of test records) for a period of two years after the enactment of the Act. The Secretary for good cause may extend such period for an additional year.

(d) Section 602(g) takes effect on the enactment date of this Act, except that for labels printed prior to four months after the date of enactment the effective date will be one year after enactment.

INTRODUCTION OF LEGISLATION TO AMEND EXPORT-IMPORT ACT OF 1945

(Mr. ROUSSELOT asked and was given permission to revise and extend his remarks.)

Mr. ROUSSELOT. Mr. Speaker, I am today introducing legislation which would amend the Export-Import Bank Act of 1945 to strengthen the oversight role of Congress with respect to extensions of credit by the Bank, and for other purposes. My bill will amend the act in four instances:

First. Section 2(b) (2) of the act would be amended to prohibit the Bank from guaranteeing, insuring, or extending credit, or participating in any extension of credit to a Communist country unless the Congress determines each such transaction would be in the national interest through the adoption of a concurrent resolution. A controversy has recently arisen over the fact that the Bank has been extending credits to the Soviet Union without the President making a determination that each individual transaction was in the national interest and reporting this finding to the Congress, as the law now requires. It is the administration's, and the Bank's, position that on October 18, 1972, President Nixon determined it to be in the national interest for Eximbank to extend credits to the Soviet Union, and a separate determination of national interest for each individual transaction is not required.

Senator RICHARD SCHWEIKER requested a ruling from the General Accounting Office, and in response, Comptroller General Staats stated in a March 8 letter to the Senator:

> Thus the language of section 2(b)(2) of the present act, together with its legislative history, clearly requires a separate determination for each transaction.

On March 11 Eximbank suspended consideration of credits to the Soviet Union and three other Communist countries pending clarification of this point. Attorney General Saxbe upheld the legality of the Bank's actions on March 22 that the law does not require a separate Presidential determination and report to Congress for each transaction. The Bank celebrated by approving a $44.4 million package of loans to the Soviet Union that same day to finance the construction of the trade center, as well as the shipment and installation of machinery for a motor factory, a canal, and a valvemaking plant.

My amendment would remove any doubt that a determination is required for each individual transaction, and would provide that Congress, not the President, make this determination through the adoption of a concurrent resolution. The Constitution gives Congress the power "to regulate Commerce with foreign nations." I believe Congress has delegated away too many of its constitutional responsibilities to the executive branch, and this amendment would give us the opportunity to grasp control of a most important constitutional prerogative.

Second. Section 2(b)(3) of the act would be amended to prohibit the Bank from guaranteeing, insuring, or extending credit, or participating in the extension of credit to any nation which is engaged in armed conflict with the Armed Forces of the United States unless Congress determines each such transaction to be in the national interest through the approval of a concurrent resolution.

Third. Section 2(b) of the act would be further amended to prohibit the Bank from guaranteeing, insuring, or extending credit, or participating in the extension of credit with respect to any nonmarket economy country which denies its citizens the right of emigration. This amendment would incorporate the language of the Mills-Vanik amendment as it applies to the operations of the Export-Import Bank. By a recorded vote of 319 to 80, the House adopted a floor amendment offered by Congressman CHARLES VANIK to the Trade Reform Act (H.R. 10710) which would deny loans, credits, and guarantees to any nonmarket economy country which does not recognize the right of its citizens to emigrate. My amendment to the act would be consistent with the strong position taken by the House when it overwhelmingly approved the Vanik amendment to the trade bill.

Fourth. Section 11 of the Export-Import Bank Act would be repealed. This section allows private participation in the operations of Eximbank in spite of the provisions in the Johnson Debt Default Act (18 U.S.C. 955). The Johnson Debt Default Act prohibits private parties from making loans to a foreign government which is in default in the payment of its obligations to the United States—with the exception of foreign governments which are members of both the International Monetary Fund and the International Bank for Reconstruction and Development.

The U.S.S.R. is clearly in default of its payments on debts owed to the United States. More than $11 billion was made available to the U.S.S.R. for defense-related items in the years 1941–46. Under the terms of the October 18, 1972, Lend Lease Settlement, the U.S.S.R. will only repay $722 million of this $11 billion. To date only $36 million has been paid, and the next payment of $12 million is not scheduled to be made until July 1, 1975. The U.S.S.R. is atttempting to blackmail the United States into extending most-favored-nation status by requiring MFN treatment as a condition before payments on the remaining $674 million will be scheduled. This is an intolerable situation, and one which Congress must take a position on, to demonstrate to the Soviet Government that we will not be coerced into submission.

The full text of the bill I am introducing today is as follows:

H.R. 14257

A bill to amend the Export-Import Bank Act of 1945 to strengthen the oversight role of Congress with respect to extension of credit by the Bank, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 2(b)(2) of the Export-Import Bank Act of 1945 is amended by striking out "President determines would be in the national interest if he reports that determination to the Senate and House of Representatives within thirty days after making the same." and inserting in lieu thereof the following: "Congress determines would be in the national interest. Such determination shall be made with respect to each such transaction through the adoption of a concurrent resolution during the first period of continuous session of Congress after the date on which the Bank requests, in writing, that Congress consider adoption of such a resolution. For the purpose of this paragraph, continuity of session is broken only by an adjournment of Congress sine die, and the days on which either House is not in session because of an adjournment of more than three days to a day certain are excluded in the computation of the thirty-day period."

(b) The second sentence of section 2(b)(3) of the Export-Import Bank Act of 1945 is amended by striking out "if the President determines that any such transaction would be contrary to the national interest." and inserting in lieu thereof the following: "unless Congress determines that such transaction would be in the national interest. Such determination shall be made with respect to each such transaction through the adoption of a concurrent resolution during the first period of thirty calendar days of continuous session of Congress after the date on which the Bank requests, in writing, that Congress consider adoption of such a resolution. For purposes of this paragraph, continuity of session is broken only by an adjournment of Congress sine die, and the days on which either House is not in session because of an adjournment of more than three days to a day certain are excluded in the computation of the thirty-day period."

(c) Section 2(b) of the Export-Import Bank Act of 1945 is amended by redesignating paragraph (5) as paragraph (6) and inserting immediately after paragraph (4) the following new paragraph:

"(5) The Bank shall not guarantee, insure or extend credit, or participate in any extension of credit with respect to any nonmarket economy country which—

"(A) denies its citizens the right or opportunity to emigrate;

"(B) imposes more than a nominal tax on emigration or on the visas or other documents required for emigration, for any purpose or cause whatsoever; or

"(C) imposes more than a nominal tax levy, fine, fee, or other charge on any citizen as a consequence of the desire of such citizen to emigrate to the country of his choice;

until such time as the country is no longer in violation of this paragraph."

SEC. 2. Section 11 of the Export-Import Bank Act of 1945 is repealed, and section 12 of such Act is redesignated as section 11.

TOM STEED, WILLING SERVANT

(Mr. ALBERT, at the request of Mr. Vander Veen, asked and was given permission to revise and extend his remarks at this point in the Record).

Mr. ALBERT. Mr. Speaker, I know that all of my colleagues will join me in celebrating the news that Tom Steed will seek a 14th consecutive term. His decision to remain in the House benefits both the Fourth District of Oklahoma and the Nation. Tom Steed has been my close friend since I was a boy and has given me unselfishly the wisest counsel at every step of my career. I concur completely with a recent editorial in the Lawton Constitution which lauds Tom Steed's impressive record in the Congress and his decision to seek reelection:

[From the Lawton (Okla.) Constitution, Mar. 18, 1974]

Tom Steed, Willing Servant

The announcement by U.S. Rep. Tom Steed that he will seek a 14th consecutive term in the House of Representatives is welcome news to most citizens of Lawton and the Fourth Congressional District. Steed's decision to seek re-election came after he received a favorable report on his health. This cleared up the last reservation the veteran lawmaker has had about whether he would run again. Steed celebrated his 70th birthday March 2 and appears as healthy and energetic as ever. His vitality and depth of knowledge about legislative activities in Washington continue to amaze his followers.

As a ranking member of the House Appropriations committee, Cong. Steed carries a big stick in Washington and has carried much of the burden of protecting Oklahoma's vital military installations from drastic cutbacks or closings. Fort Sill currently is enjoying a record-breaking construction program to provide improved facilities for Army personnel. Steed also was one of the original authors and a long-time supporter of federal aid to impacted school districts such as Lawton, Altus, Midwest City and others.

Although Steed isn't likely to get by without an opponent, no one of stature has been mentioned as a possible candidate. Too many backers stand ready to help the hard-working congressman should the need arise.

GENERAL LEAVE

Mr. VANDER VEEN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks and to include extraneous material on the subject of the special order today of the gentleman from California (Mr. Edwards).

The SPEAKER pro tempore (Mr. McFall). Is there objection to the request of the gentleman from Michigan?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

Mr. Pepper (at the request of Mr. McFall), for today, on account of official business.

Mr. Cotter (at the request of Mr. McFall), for today, on account of illness.

Mr. Helstoski (at the request of Mr. McFall), for today, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Mallary) to revise and extend their remarks and include extraneous matter:)

Mr. Forsythe, for 5 minutes, today.

Mr. Whalen, for 5 minutes, on April 22.

Mr. Talcott, for 5 minutes, today.

Mr. Bauman, for 30 minutes, today.

Mrs. Heckler of Massachusetts, for 5 minutes, today.

Mr. Young of Illinois, for 5 minutes, today.

Mr. Walsh, for 5 minutes, today.

Mr. Hogan, for 5 minutes, today.

(The following Members (at the request of Mr. Vander Veen) to revise and extend their remarks and include extraneous matter:)

Mr. Eilberg, for 10 minutes, today.

Mr. Gonzalez, for 5 minutes, today.

Mr. O'Neill, for 5 minutes, today.

Mr. Rodino, for 10 minutes, today.

Mr. Staggers, for 5 minutes, today.

Mr. Mezvinsky, for 5 minutes, today.

Mr. Drinan, for 20 minutes, today.

Mr. McFall, for 5 minutes, today.

Mr. Dominick V. Daniels, for 5 minutes, today.

Mr. Brademas, for 5 minutes, today.

Mr. Melcher, for 5 minutes, today.

Mr. Owens, for 20 minutes, today.

Mr. Edwards of California, for 5 minutes, today.

Mr. Waggonner, for 10 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. Rogers, and to include extraneous matter notwithstanding the fact that it exceeds four pages of the Congressional Record and is estimated by the Public Printer to cost $836.

The following Members (at the request of Mr. Mallary) and to include extraneous matter:)

Mr. Wydler.

Mr. Forsythe in two instances.

Mr. Vander Jagt.

Mr. Hanrahan in four instances.

Mr. Esch.

Mr. Sarasin in two instances.

Mr. Gilman.

Mr. Hosmer in two instances.

Mr. Hudnut.

Mr. Brown of Michigan.

Mr. Bauman in two instances.

Mr. Hutchinson.

Mr. Wyman in two instances.

Mr. Railsback.

Mr. Findley in five instances.

Mr. Myers in three instances.

Mr. Brown of Michigan.

Mr. Frenzel in five instances.

Mr. Regula.

Mr. Mizell in five instances.

Mr. Derwinski.

Mr. Veysey in three instances.

Mr. Cleveland in three instances.

Mr. Nelsen.

Mr. Lott.

Mr. Hogan.

Mr. Kemp in two instances.

(The following Members (at the request of Mr. Vander Veen), and to include extraneous material:)

Mr. Badillo in two instances.

Mr. O'Neill in two instances.

Mr. McSpadden.

Mr. Dent.

Mr. Symington.

Mr. Owens.

Mr. Rodino.

Mr. Gonzalez in three instances.

Mr. Rarick in three instances.

Mr. Chappell.

Mr. Hungate.

Mr. McCormack in two instances.

Mr. Hamilton.

Mr. Milford in two instances.

Mr. Culver.

Mr. Flood in five instances.

Mr. Rooney of New York in three instances.

Mr. Carey of New York in two instances.

Mr. Boland in two instances.

Mr. Burke of Massachusetts.

Mr. Anderson of California in two instances.

Mr. Moorhead of Pennsylvania in five instances.

Mr. Waldie in three instances.

Mr. Yatron.

Mr. Alexander.

Mr. Donohue.

Mr. Roybal.

Mr. Stokes in five instances.

Mr. Harrington in five instances.

Mr. Moakley in 10 instances.

Mr. Evins of Tennessee in two instances.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 3304. An act to authorize the Secretary of State or such officer as he may designate to conclude an agreement with the People's Republic of China for indemnification for any loss or damage to objects in the "Exhibition of the Archeological Finds of the People's Republic of China" while in the possession of the Government of the United States; to the Committee on Foreign Affairs.

ENROLLED BILL SIGNED

Mr. HAYS, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 12109. An act to amend the District of Columbia Self-Government and Governmental Reorganization Act to clarify the provision relating to the referendum on the issue of the advisory neighborhood councils.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 1745. An act to provide financial assistance for research activities for the study of sudden infant death syndrome, and for other purposes.

ADJOURNMENT

Mr. VANDER VEEN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 40 minutes p.m.), pursuant to the provisions of House Concurrent Resolution 475, the House adjourned until Monday, April 22, 1974, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2178. A letter from the President of the United States, transmitting an amendment to the request for appropriations for fiscal year 1975 for the Civil Service Commission (H. Doc. No. 93–285); to the Committee on Appropriations and ordered to be printed.

2179. A letter from the President of the United States, transmitting amendments to the requests for appropriations for fiscal year 1975 for the Department of the Interior and the National Council on Indian Opportunity (H. Doc. No. 93–286); to the Committee on Appropriations and ordered to be printed.

2180. A letter from the Deputy Secretary of Defense, transmitting two reports of violation of section 3679, Revised Statutes, pursuant to 31 U.S.C. 665(i) (2); to the Committee on Appropriations.

2181. A letter from the Director, Defense Civil Preparedness Agency, transmitting a report on property acquisitions of emergency supplies and equipment, covering the quarter ended March 31, 1974, pursuant to 50 U.S.C. App. 2281(h); to the Committee on Armed Services.

2182. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report of proposed revisions in the fiscal year 1974 country and international organization allocations for the International Narcotics Program, pursuant to 22 U.S.C. 2413(a); to the Committee on Foreign Affairs.

2183. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements other than treaties entered into by the United States, pursuant to section 112(b) of Public Law 92–403; to the Committee on Foreign Affairs.

2184. A letter from the Vice President, Advisory Council on Historic Preservation, transmitting the comments of the Advisory Council on the General Services Administration's proposed construction of a new Federal Home Loan Bank Board building in the 1700 block of G Street, N.W., Washington, D.C., as it affects the Winder Building and other historic properties included in or eligible for inclusion in the National Register of Historic Places, pursuant to 16 U.S.C. 470j(b); to the Committee on Interior and Insular Affairs.

2185. A letter from the Director of Federal Affairs, National Railroad Passenger Corporation, transmitting the financial report of the Corporation for the month of December 1973, pursuant to section 308(a) (1) of the Rail Passenger Service Act of 1970, as amended; to the Committee on Interstate and Foreign Commerce.

2186. A letter from the Administrator, National Aeronautics and Space Administration, transmitting notice of the nature, and estimated cost of a major NASA research and development facility construction project at Santa Susana, Calif., pursuant to section 1 (d) of Public Law 93–74; to the Committee on Science and Astronautics.

Received From the Comptroller General

2187. A letter from the Comptroller General of the United States, transmitting a report on the examination of the financial statements of the Inter-American Foundation as of June 30, 1973, pursuant to 31 U.S.C. 851 (H. Doc. No. 93–287); to the Committee on Government Operations and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. HALEY: Committee on Interior and Insular Affairs. H.R. 510. A bill to authorize and direct the Secretary of Agriculture to convey any interest held by the United States in certain property in Jasper County, Ga., to the Jasper County Board of Education; with amendment (Rept. No. 93–986). Referred to the Committee of the Whole House on the State of the Union.

Mr. HALEY: Committee on Interior and Insular Affairs. H.R. 5641. A bill to authorize the conveyance of certain lands to the New Mexico State University, Las Cruces, N. Mex.; with amendment (Rept. No. 93–987). Referred to the Committee of the Whole House on the State of the Union.

Mr. HALEY: Committee on Interior and Insular Affairs. H.R. 7188. A bill to modify the boundary of the Cibola National Forest, and for other purposes; with amendment (Rept. No. 93–988). Referred to to the Committee of the Whole House on the State of the Union.

Mr. HALEY: Committee on Interior and Insular Affairs. H.R. 12884. A bill to designate certain lands as wilderness (Rept. No. 93–989). Referred to the Committee of the Whole House on the State of the Union.

Mr. MOORHEAD of Pennsylvania: Committee on Government Operations. H.R. 12462. A bill to amend the Freedom of Information Act to require that information be made available to Congress (Rept. 93–990). Referred to the Committee of the Whole House on the State of the Union.

Mr. DORN: Committee on Veterans' Affairs. H.R. 14117. A bill to amend title 38, United States Code, to increase the rates of disability compensation for disabled veterans, and the rates of dependency and indemnity compensation for their survivors, and for other purposes (Rept. No. 93–991). Referred to the Committee of the Whole House on the State of the Union.

Mr. HALEY: Committee on Interior and Insular Affairs. H.R. 296. A bill to amend the act of June 27, 1960 (74 Stat. 220), relating to the preservation of historical and archeological data; with amendment (Rept. 93-992). Referred to the Committee of the Whole House on the State of the Union.

Mr. CAREY of New York: Committee on Ways and Means. H.R. 11452. A bill to correct an anomaly in the rate of duty appplicable to crude feathers and downs, and for other purposes; with amendment (Rept. No. 93-993). Referred to the Committee of the Whole House on the State of the Union.

Mr. LANDRUM: Committee on Ways and Means. H.R. 12035. A bill to suspend for a 1-year period the duty on certain carboxymethyl cellulose salts; with amendment (Rept. No. 93-994). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANDERSON of California:

H.R. 14201. A bill to amend the National Housing Act to authorize FHA insurance of mortgages covering sales of individual condominium units meeting the requirements for such insurance without regard to whether or not such units are part of an FHA-insured project; to the Committee on Banking and Currency.

By Mr. BINGHAM (for himself, Mr. Badillo, Mr. Brasco, Ms. Chisholm, Mr. Fish, Mr. Horton, Mr. Koch, Mr. Murphy of New York, Mr. Podell, Mr. Rangel, and Mr. Rosenthal):

H.R. 14202. A bill to amend title XVI of the Social Security Act to provide for emergency assistance grants to recipients of supplemental security income benefits, to authorize cost-of-living increases in such benefits and in State supplementary payments, to prevent reductions in such benefits because of social security benefit increases, to provide reimbursement to States for home relief payments to disabled applicants prior to determination of their disability, to permit payment of such benefits directly to drug addicts and alcoholics (without a third-party payee) in certain cases, and to continue on a permanent basis the provision making supplemental security income recipients eligible for food stamps; to the Committee on Ways and Means.

By Mr. BROWN of Michigan (for himself, and Mr. Wyman):

H.R. 14203. A bill to regulate Federal campaign contributions and expenditures; to the Committee on House Administration.

By Mr. BUCHANAN (for himself, Mr. Bevill, Mr. Dickinson, Mr. Edwards of Alabama, Mr. Flowers, Mr. Jones of Alabama, and Mr. Nichols):

H.R. 14204. A bill to prohibit for a temporary period the exportation of ferrous scrap, and for other purposes; to the Committee on Banking and Currency.

By Mr. CAREY of New York:

H.R. 14205. A bill to amend title XVI of the Social Security Act to provide for emergency assistance grants to recipients of supplemental security income benefits, to authorize cost-of-living increases in such benefits and in State supplementary payments, to prevent reductions in such benefits because of social security benefit increases, to provide reimbursement to States for home relief payments to disabled applicants prior to determination of their disability, to permit payment of such benefits directly to drug addicts and alcoholics (without a third-party payee) in certain cases, and to continue on a permanent basis the provision making supplemental security income recipients eligible for food stamps; to the Committee on Ways and Means.

By Mr. CLANCY:

H.R. 14206. A bill to amend the Small Business Act to authorize additional loan assistance for disaster victims and for other purposes; to the Committee on Banking and Currency.

By Mrs. HECKLER of Massachusetts:

H.R. 14207. A bill to amend title 13, United States Code, to provide for a mid-decade sample survey of population, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. LENT:

H.R. 14208. A bill to amend title XVI of the Social Security Act to provide for emergency assistance grants to recipients of supplemental security income benefits, to authorize cost-of-living increases in such benefits and in State supplementary payments, to prevent reductions in such benefits because of social security benefit increases, to provide reimbursement to States for home relief payments to disabled applicants prior to determination of their disability, to permit payment of such benefits directly to drug addicts and alcoholics (without a third-party payee) in certain cases, and to continue on a permanent basis the provision making supplemental security income recipients eligible for food stamps; to the Committee on Ways and Means.

By Mr. McFALL:

H.R. 14209. A bill to regulate commerce by assuring adequate supplies of energy resource products will be available at the lowest possible cost to the consumer, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 14210. A bill to amend the Internal Revenue Code of 1954 to provide that individuals shall be entitled to a refundable tax credit equal to 25 percent of the amount expended for gasoline in connection with employment-related travel, and for other purposes; to the Committee on Ways and Means.

By Mr. PRICE of Texas:

H.R. 14211. A bill to prohibit the importation into the United States of any fresh, chilled, or frozen cattle meat during a 180-day period; to the Committee on Ways and Means.

By Mr. REES:

H.R. 14212. A bill to authorize the District of Columbia Council to provide for an increase in compensation for police and firemen in the District of Columbia, to establish a police and firemen's personnel board and for other purposes; to the Committee on the District of Columbia.

By Mr. ROGERS (for himself, Mr. Kyros, Mr. Preyer, Mr. Symington, Mr. Roy, Mr. Nelsen, Mr. Hastings, and Mr. Hudnut):

H.R. 14213. A bill to amend the Controlled Substances Act to extend for 3 fiscal years the authorizations of appropriations for the administration and enforcement of that act; to the Committee on Interstate and Foreign Commerce.

By Mr. ROGERS (for himself, Mr. Satterfield, Mr. Kyros, Mr. Preyer, Mr. Symington, Mr. Roy, Mr. Nelsen, Mr. Carter, Mr. Hastings, Mr. Heinz, and Mr. Hudnut):

H.R. 14214. A bill to amend the Public Health Services Act and related laws, to revise and extend programs of health revenue sharing and health services, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 14215. A bill to amend the Developmental Disabilities Services and Facilities Construction Act to revise and extend the programs authorized by that act; to the Committee on Interstate and Foreign Commerce.

By Mr. ROSENTHAL:

H.R. 14216. A bill to amend title XVI of the Social Security Act to provide for emergency assistance grants to recipients of supplemental security income benefits, to authorize cost-of-living increases in such benefits and in State supplementary payments, to prevent reductions in such benefits because of social security benefit increases, to provide reimbursement to States for home relief payments to disabled applicants prior to determination of their disability, to permit payment of such benefits directly to drug addicts and alcoholics (without a third-party payee) in certain cases, and to continue on a permanent basis the provision making supplemental security income recipients eligible for food stamps; to the Committee on Ways and Means.

By Mr. TAYLOR of North Carolina (for himself, Mr. Skubitz, Mr. Haley, Mr. Hosmer, Mr. Kastenmeier, Mr. Don H. Clausen, Mr. Johnson of California, Mr. O'Hara, Mr. Cronin, Mr. Roncalio of Wyoming, Mr. de Lugo, Mr. Won Pat, Mr. Seiberling, Mr. Roush, Mr. Andrews of North Dakota, Mr. Green of Pennsylvania, Mr. Johnson of Colorado, Mr. Downing, Mr. Frelinghuysen, Mr. Henderson, Mr. Carter, Mr. Morgan, Mr. Benitez, Mr. Fascell, and Mr. Eilberg):

H.R. 14217. A bill to provide for increases in appropriation ceilings and boundary changes in certain units of the National Park System, to authorize appropriations for additional costs of land acquisition for the National Park System, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. TAYLOR of North Carolina (for himself, Mr. Skubitz, Mr. Haley, Mr. Hosmer, Mr. Rodino, Mr. Brademas, Mr. Hamilton, Mr. Roe, Mr. Coughlin, Mr. Thompson of New Jersey, Mr. Nix, Mr. Hunt, Mr. Forsythe, Mr. Sandman, Mr. Widnall, and Mr. Barrett):

H.R. 14218. A bill to provide for increases in appropriation ceilings and boundary changes in certain units of the National Park System, to authorize appropriations for additional costs of land acquisition for the National Park System, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. WALSH:

H.R. 14219. A bill to prohibit any regulated public utility from expanding any money for promotional advertising purposes during any period when electricity or natural gas is determined to be in short supply, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. WINN (for himself, Mr. Froehlich, Mrs. Burke of California, and Mr. Hammerschmidt):

H.R. 14220. A bill to authorize the Administrator of the National Aeronautics and Space Administration to conduct research and development programs to increase knowledge of tornadoes, hurricanes, large thunderstorms, and other types of short-term weather phenomena, and to develop methods for predicting, detecting, and monitoring such atmospheric behavior; to the Committee on Science and Astronautics.

By Mr. MOSS (for himself, Mr. Johnson of California, Mr. McCloskey, Mr. Leggett, Mr. McFall, Mr. Abdnor, Mr. Waldie, Mr. Ryan, Mr. Edwards of California, Mrs. Schroeder, Mr. Sisk, Mr. Udall, Mr. Thone, Mr. McCollister, and Mr. Zwach):

H.R. 14221. A bill to provide for the review of increases promulgated by the Secretary of the Interior on November 1, 1973, in rates for electric power sold at five Bureau of Reclamation projects, and for other purposes; to the Committee on Interstate and Foreign Commerce. Referred to the Committee on Interior and Insular Affairs.

By Ms. ABZUG (for herself, Mr. Rangel, Mr. Hanley, and Mr. Stratton):

H.R. 14222. A bill to amend title XVI of the Social Security Act to provide for emergency assistance grants to recipients of supplemental security income benefits, to authorize cost-of-living increases in such benefits and in State supplementary payments, to prevent reductions in such benefits because of social security benefit increases, to provide reimbursement to States for home relief payments to disabled applicants prior to determination of their disability, to permit payment of such benefits directly to drug addicts and alcoholics (without a third-party payee) in certain cases, and to continue on a permanent basis the provision making supplemental security income recipients eligible for food stamps; to the Committee on Ways and Means.

By Ms. ABZUG (for herself and Mrs. Burke of California):

H.R. 14223. A bill to amend title I of the Omnibus Crime Control and Safe Streets Act of 1968 to establish a National Center for the Prevention and Control of Rape and Other Sexual Assaults, and to provide financial assistance for a research and demonstration program into the causes, consequences, prevention, treatment, and control of rape and other sexual assaults; to the Committee on the Judiciary.

By Mr. BINGHAM (for himself and Mr. Edwards of California):

H.R. 14224. A bill to amend the Economic Stabilization Act, to establish objectives and standards governing imposition of controls after April 30, 1974, to create an Economic Stabilization Administration, to establish a mechanism for congressional action when the President fails to act, and for other purposes; to the Committee on Banking and Currency.

By Mr. BRADEMAS (for himself, Mr. Perkins, Mr. Quie, and Mr. Eshleman):

H.R. 14225. A bill to amend and extend the Rehabilitation Act of 1973 for 1 additional year; to the Committee on Education and Labor.

By Mr. BURLESON of Texas (for himself, Mr. Pettis, and Mr. Waggonner):

H.R. 14226, A bill to amend the Internal Revenue Code of 1954 to provide for more equitable taxation of transfers of capital during life and at death; to the Committee on Ways and Means.

By Mr. CHAPPELL:

H.R. 14227. A bill to establish an Antitrust Revision Commission; to the Committee on the Judiciary.

By Mr. CONABLE (for himself, Mrs. Grasso, Mr. Rangel, Mr. Robison of New York, Mr. Tiernan, Mr. Vander Jagt, Mr. Veysey, and Mr. Young of Illinois):

H.R. 14228. A bill to amend title XVIII of the Social Security Act to establish a program of long-term care services within the medicare program, to provide for the creation of community long-term care centers and State long-term care agencies as part of a new administrative structure for the organization and delivery of long-term care services, to provide a significant role for persons eligible for long-term care benefits in the administration of the program, and for other purposes; to the Committee on Ways and Means.

By Mr. CRANE:

H.R. 14229. A bill to amend the Internal Revenue Code of 1954 to provide that an individual shall be entitled to a tax credit equal to the amount by which the purchasing power of his adjusted gross income for the taxable year is reduced by inflation, and to increase to $1,200 the personal income tax exemptions; to the Committee on Ways and Means.

By Mr. CULVER (for himself, Mr. McCormack, Mr. Yates, Mr. Fountain, Mr. Pepper, Mr. Moakley, Mr. Drinan, Mrs. Schroeder, Mr. Kemp, Mr. Whitehurst, Mr. Ford, Mr. Hechler of West Virginia, Mr. Addabbo, Mr. Gonzalez, Mr. Roncalio of Wyoming, Mr. Podell, Mr. Bafalis, Mr. Dent, Mr. Rosenthal, Mr. Roe, Mr. Boland, Mr. Fascell, Mr. Lehman, Mr. Charles Wilson of Texas, and Mr. Denholm):

H.R. 14230. A bill to direct the President to conduct a study of foreign investment in the United States and to report to Congress the results of such study, including in such study and report a comparison of implications of foreign investment in the United States with implications of foreign investment in other countries, an analysis of the regulation of foreign investment in the United States and in other countries, and a consideration of alternative policy options concerning foreign investment available to the United States, taking into account the U.S. national interest as it relates to the protection of domestic economic interests and to the fostering of commercial intercourse between nations; to the Committee on Foreign Affairs.

By Mr. CULVER (for himself, Mr. Rees, Mr. Mezvinsky, Mr. Schneebeli, Mr. Roybal, Mr. Bingham, Mr. Long of Louisiana, Mr. Stark, Mr. Sarbanes, Mr. Mitchell of Maryland, Mr. Gibbons, Mr. Won Pat, Mr. Preyer, Mr. Burgener, Mr. Lujan, Mr. Murtha, Mr. Brooks, Mr. Edwards of California, Mr. Fraser, Mr. Matsunaga, Mr. Veysey, Mr. Zablocki, Mr. Yatron, Mr. Wolff, and Mr. Davis of Georgia):

H.R. 14231. A bill to direct the President to conduct a study of foreign investment in the United States and to report to Congress the results of such study, including in such study and report a comparison of implications of foreign investment in the United States with implications of foreign investment in other countries, an analysis of the regulation of foreign investment in the United States and in other countries, and a consideration of alternative policy options concerning foreign investment available to the United States, taking into account the U.S. national interest as it relates to the protection of domestic economic interests and to the fostering of commercial intercourse between nations; to the Committee on Foreign Affairs.

By Mr. CULVER (for himself, Mr. Burke of Florida, Mr. Vander Jagt, Mr. Whalen, Mr. Gilman, Mr. Harrington, Mr. Ryan, Mr. Steele, Mr. Stokes, Mr. J. William Stanton, Mr. Ashley, and Mr. Gude):

H.R. 14232. A bill to direct the President to conduct a study of foreign investment in the United States and to report to Congress the results of such study including in such study and report a comparison of implications of foreign investment in the United States with implications of foreign investment in other countries, an analysis of the regulation of foreign investment in the United States and in other countries, and a consideration of alternative policy options concerning foreign investment available to the United States, taking into account the U.S. national interest as it relates to the protection of domestic economic interests and to the fostering of commercial intercourse between nations; to the Committee on Foreign Affairs.

By Mr. DERWINSKI:

H.R. 14233. A bill to provide most-favored-nation status to Bulgaria, Czecholslovakia, Hungary, and Rumania; to the Committee on Ways and Means.

By Mr. DONOHUE:

H.R. 14234. A bill to provide for the orderly transition from mandatory economic controls, continued monitoring of the economy, and for other purposes; to the Committee on Banking and Currency.

By Mr. FISH:

H.R. 14235. A bill to amend the Federal Aviation Act of 1958 to authorize reduced rate transportation for elderly people on a space-available basis; to the Committee on Interstate and Foreign Commerce.

H.R. 14236. A bill to amend section 403 (b) of the Federal Aviation Act of 1958 to permit the continuation of youth fares; to the Committee on Interstate and Foreign Commerce.

By Mr. FORD (for himself, Mr. Aspin, Mr. Brademas, Mrs. Chisholm, Mr. Drinan, Mr. Edwards of California, Mr. Harrington, Mr. Hechler of West Virginia, Mr. Meeds, Mr. Morgan, Mr. Podell, Mr. Stokes, Mr. Charles H. Wilson of California, and Mr. Won Pat):

H.R. 14237. A bill to amend the Fair Labor Standards Act of 1938, to require prenotification to affected employees and communities of dislocation of business concerns, to provide assistance (including retraining) to employees who suffer employment loss through the dislocation of business concerns, to business concerns threatened with dislocation, and to affected communities, to prevent Federal support for unjustified dislocations, and for other purposes; to the Committee on Education and Labor.

By Mr. FORD (for himself, Mr. Conyers, Mr. Diggs, Mr. Dingell, Mr. O'Hara, and Mr. Vander Veen):

H.R. 14238. A bill to amend the Fair Labor Standards Act of 1938, to require prenotification to affected employees and communities of dislocation of business concerns, to provide assistance (including retraining) to employees who suffer employment loss through the dislocation of business concerns, to business concerns threatened with dislocation, and to affected communities, to prevent Federal support for unjustified dislocation, and other purposes; to the Committee on Education and Labor.

By Mr. GILMAN:

H.R. 14239. A bill to amend title XVI of the Social Security Act to provide for emergency assistance grants to recipients of supplemental security income benefits, to authorize cost-of-living increases in such benefits and in State supplementary payments, to prevent reductions in such benefits because of social security increases, to provide reimbursement to States for home relief payments to disabled applicants prior to determination of their disability, to decrease the amount by which a recipient's payments are reduced for support and maintenance from 33⅓ percent to 10 percent, and to continue on a permanent basis the provision making supplemental security income recipients eligible for food stamps; to the Committee on Ways and Means.

By Mr. GILMAN (for himself and Mr. Fish):

H.R. 14240. A bill providing for temporary controls of certain increases in utility rates; to the Committee on Interstate and Foreign Commerce.

By Mrs. GRASSO:

H.R. 14241. A bill to amend title 5, United States Code, to correct certain inequities in the crediting of National Guard technician service in connection with civil service retirement, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. HANNA:

H.R. 14242. A bill to establish an institute under the permanent chairmanship of the National Science Foundation to facilitate the transfer to certain less developed countries of U.S. discoveries, inventions, and research developments (including satellite applications thereof) in science and technology, and for other purposes; to the Committee on Science and Astronautics.

By Mr. HECHLER of West Virginia:

H.R. 14243. A bill to further the conduct of research, development, and demonstrations in geothermal energy technologies, to establish a geothermal energy coordination and management project, to amend the National Science Foundation Act of 1950 to provide for the funding of activities relating to geothermal energy, to amend the National Aeronautics and Space Act of 1958 to provide for the carrying out of research and development in geothermal energy technology, to carry out a program of demonstrations in technologies for the utilization of geothermal resources, and for other purposes; to the Committee on Science and Astronautics.

By Mr. LITTON (for himself, Mr. Fraser, Mr. Hudnut, Mr. Veysey, Mr. Stubblefield, Mr. Burleson of Texas, Mr. Kemp, Mr. Whitehurst, Mr. Evans of Colorado, Mr. Dan Daniel, Mr. Roush, Mr. Alexander, Mr. Lagomarsino, Mr. Charles Wilson of Texas, Mr. White, Mr. Harrington, Mr. Fascell, Mr. Denholm, Mr. Walsh, Mrs. Burke of California, Mr. Froehlich, and Mr. Gude):

H.R. 14244. A bill to amend the Occupational Safety and Health Act of 1970 to provide that the Administration of the Small Business Administration may render onsite consultation and advice to certain small business employers to assist such employers in providing safe and healthful working conditions for their employees; to the Committee on Education and Labor.

By Mr. McCORMACK (for himself, and Mr. Foley):

H.R. 14245. A bill to amend the Occupational Safety and Health Act of 1970 to provide additional assistance to small employers; to the Committe on Education and Labor.

By Mr. McFALL:

H.R. 14246. A bill to establish an Energy Management and Conservation Corporation, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. MELCHER (for himself, Mr. Alexander, Mr. Bergland, Mrs. Burke of California, Mrs. Chisholm, Mr. Culver, Mr. Davis of South Carolina, Mr. de Lugo, Mr. Denholm, Mr. Edwards of California, Mr. Fraser, Mr. Fulton, Mrs. Griffiths, Mr. Harrington, Mr. Hicks, Mr. Horton, Mr. Ichord, Mr. Jones of North Carolina, Mr. McSpadden, Mr. Martin of North Carolina, Mr. Mathis of Georgia, Mr. Matsunaga, Mr. Meeds, Mr. Mezvinsky, and Mr. Moakley):

H.R. 14247. A bill to amend the Food Stamp Act of 1964, as amended, and for other purposes; to the Committee on Agriculture.

By Mr. MELCHER (for himself, Mr. Morgan, Mr. Obey, Mr. Podell, Mr. Rodino, Mr. Roncalio of Wyoming, Mr. St Germain, Mr. Sandman, Mr. Sebelius, Mr. James V. Stanton, Mr. Stokes, Mr. Taylor of North Carolina, Mr. Tiernan, Mr. Vander Veen, Mr. Charles Wilson of Texas, Mr. Yatron, and Mr. Young of Georgia):

H.R. 14248. A bill to amend the Food Stamp Act of 1964, as amended, and for other purposes; to the Committee on Agriculture.

By Mr. MINISH:

H.R. 14249. A bill to provide, in cooperation with the States, benefits to individuals who are totally disabled due to employment-related respiratory disease and to surviving dependents of individuals whose death was due to such disease or who were totally disabled by such disease at the time of their deaths, and to create a nationwide register of persons exposed to disease producing risks in their employment; to the Committee on Education and Labor.

By Mr. RAILSBACK:

H.R. 14250. A bill to amend the Internal Revenue Code of 1954 to increase to $1,200 the personal income tax exemptions of a taxpayer (including the exemption for a spouse, the exemptions for dependents, and the additional exemptions for old age and blindness); to the Committee on Ways and Means.

By Mr. RARICK (for himself and Mrs. Burke of California):

H.R. 14251. A bill to amend title XI of the Social Security Act to repeal the recently added provision for the establishment of professional standards review organizations to review services covered under the medicare and medicaid programs; to the Committee on Ways and Means.

By Mr. REID:

H.R. 14252. A bill to amend title XVI of the Social Security Act to provide for emergency assistance grants to recipients of supplemental security income benefits, to authorize cost-of-living increases in such benefits and in State supplementary payments, to prevent reductions in such benefits because of social security benefit increases, to provide reimbursement to States for home relief payments to disabled applicants prior to determination of their disability, to permit payment of such benefits directly to drug addicts and alcoholics (without a third-party payee) in certain cases, and to continue on a permanent basis the provision making supplemental security income recipients eligible for food stamps; to the Committee on Ways and Means.

By Mr. RINALDO:

H.R. 14253. A bill to amend section 213 of the Regional Rail Reorganization Act of 1973 to prohibit certain Federal assistance to any railroad in reorganization until all indebtedness of such railroad for taxes due and payable to any unit of State or local government has been satisfied or discharged in full; to the Committee on Interstate and Foreign Commerce.

By Mr. ROYBAL (for himself and Mrs. Burke of California):

H.R. 14254. A bill to regulate commerce by assuring adequate supplies of energy resource products will be available at the lowest possible cost to the consumer, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. ROGERS:

H.R. 14255. A bill to amend the Small Business Act to provide for loans to small business concerns affected by the energy shortage; to the Committee on Banking and Currency.

By Mr. ROONEY of Pennsylvania:

H.R. 14256. A bill to establish the Office of General Counsel to the Congress, and for other purposes; to the Committee on House Administration.

By Mr. ROUSSELOT:

H.R. 14257. A bill to amend the Export-Import Bank Act of 1945 to strengthen the oversight role of Congress with respect to the extension of credit by the Bank, and for other purposes; to the Committee on Banking and Currency.

By Mr. ROY (for himself, Mr. Bergland, Mr. Breckinridge, Mr. Brooks, Mr. Brown of California, Mrs. Burke of California, Mr. Burleson of Texas, Mr. Davis of South Carolina, Mr. Froehlich, Mr. Hungate, Mr. Ichord, Mr. Johnson of California, Mr. McSpadden, Mr. Morgan, Mr. Obey, Mr. Preyer, Mr. Quie, Mr. Riegle, Mr. Roncalio of Wyoming, Mr. Steiger of Wisconsin, and Mr. Stubblefield):

H.R. 14258. A bill to require the establishment of an agricultural service center in each county of a State as part of the implementation of any plan for the establishment of such centers on a nationwide basis; to the Committee on Agriculture.

By Mr. SARASIN:

H.R. 14259. A bill to amend the Emergency Petroleum Allocation Act of 1973 to provide worker assistance to any individual unemployed because of the administration and enforcement of such act, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 14260. A bill to amend the Regional Rail Reorganization Act of 1973 to allow adequate time for citizen participation in public hearings, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. SARASIN (for himself, Ms. Abzug, Mr. Burke of Florida, Mrs. Burke of California, Mr. Boland, Mr. Cronin, Mr. Donohue, Mr. Drinan, Mr. Forsythe, Mrs. Grasso, Mr. Gunter, Mr. Horton, Mr. Lott, Mr. McKinney, Mr. Moakley, Mr. Preyer, Mr. Roe, Mr. J. William Stanton, Mr. Steele, Mr. Tiernan, and Mr. Whitehurst):

H.R. 14261. A bill to amend the Emergency Petroleum Allocation Act of 1973 to authorize and require the President of the United States to allocate plastic feedstocks produced from petrochemical feedstocks, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. SCHERLE:

H.R. 14262. A bill to amend the Internal Revenue Code of 1954 to provide income tax simplification, reform, and relief for small business; to the Committee on Ways and Means.

By Mrs. SCHROEDER (for herself, Mr. Edwards of California, Mr. Stark, Mr. Stokes, Mr. Charles H. Wilson of California, Mr. Metcalfe, and Mr. Dent):

H.R. 14263. A bill to amend the Internal Revenue Code of 1954 to provide for an increase in the amount of the personal exemptions for taxable years beginning after December 31, 1973; to the Committee on Ways and Means.

By Mr. SEIBERLING:

H.R. 14264. A bill to amend title 39, United States Code, to eliminate certain restrictions on the rights of officers and employees of the U.S. Postal Service, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. SPENCE:

H.R. 14265. A bill to direct the head of each executive agency to issue regulations which require that a telephone number for such agency or major subdivision thereof be included on all letterhead stationery utilized by such agency or major subdivision; to the Committee on Government Operations.

By Mr. STAGGERS (for himself, and Mr. Devine):

H.R. 14266. A bill to amend the Federal Aviation Act of 1958 to deal with discriminatory and unfair competitive practices in international air transportation, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 14267. A bill to amend the Comprehensive Drug Abuse Prevention and Control Act of 1970 to provide appropriations to the Drug Enforcement Administration on a continuing basis; to the Committee on Interstate and Foreign Commerce.

By Mr. STEELE:

H.R. 14268. A bill to provide additional financial assistance for educational, biological, technological, and other research programs pertaining to U.S. fisheries; to the Committee on Merchant Marine and Fisheries.

H.R. 14269. A bill to provide additional financial assistance for educational, biological, technological, and other research programs pertaining to U.S. fisheries; to the Committee on Merchant Marine and Fisheries.

By Mr. WAGGONNER:

H.R. 14270. A bill to amend title XI of the Social Security Act to repeal the recently added provision for the establishment of professional standards review organizations to review services covered under the medicare and medicaid programs; to the Committee on Ways and Means.

By Mr. WALDIE:

H.R. 14271. A bill to amend title 5, United States Code, to reduce from 12 to 5 years the creditable service requirements under the Federal employees group life and accidental death and dismemberment insurance and health benefits programs, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. WINN (for himself and Mr. Cleveland):

H.R. 14272. A bill to authorize the Administrator of the National Aeronautics and Space Administration to conduct research and development programs to increase knowledge of tornadoes, hurricanes, large thunderstorms, and other types of short-term weather phenomena, and to develop methods for predicting, detecting, and monitoring such atmospheric behavior; to the Committee on Science and Astronautics.

By Mr. ANDERSON of California:

H.J. Res. 978. Joint resolution to prohibit the Bureau of Labor Statistics from instituting any revision in the method of calculating the Consumer Price Index until such revision has been approved by resolution by either the Senate or the House of Representatives of the United States of America; to the Committee on Education and Labor.

By Mr. BAUMAN (for himself, Mr. Byron, Mr. Gude, Mr. Hogan, Mrs. Holt, Mr. Mitchell of Maryland, Mr. Butler, Mr. Broyhill of Virginia, Mr. Robert W. Daniel, Jr., Mr. Dan Daniel, Mr. Downing, Mr. Parris, Mr. Robinson of Virginia, Mr. Satterfield, Mr. Wampler, Mr. Whitehurst, and Mr. du Pont):

H.J. Res. 979. Joint resolution granting consent of the Congress that the State of Maryland, the State of Delaware, and the Commonwealth of Virginia, and other States, negotiate and enter into a compact providing for joint participation in the more efficient use of the waters of the Chesapeake Bay and its tributaries; to the Committee on the Judiciary.

By Mr. WALDIE:

H.J. Res. 980. Joint resolution to authorize the President to issue a proclamation designating the month of May 1974, as National Arthritis Month; to the Committee on the Judiciary.

By Mr. RANDALL:

H. Con. Res. 478. Concurrent resolution to express the sense of Congress that legislation be enacted to control and reverse inflationary trends and that an effective agency be created to administer such controls; to the Committee on Banking and Currency.

By Mr. BROWN of Michigan:

H. Res. 1034. Resolution amending rule XIII of the rules of the House to require reports accompanying each bill or joint resolution of a public character (except revenue measures) reported by a committee to contain estimates of the costs, to both public and nonpublic sectors, of carrying out the measure reported; to the Committee on Rules.

By Mr. DUNCAN:

H. Res. 1035. Resolution in support of continued undiluted U.S. sovereignty and jurisdiction over the U.S.-owned Canal Zone on the Isthmus of Panama; to the Committee on Foreign Affairs.

By Mr. OWENS:

H. Res. 1036. Resolution providing for television, radio, and still photography coverage of open meetings of the House Committee on the Judiciary regarding impeachment of the current President of the United States; to the Committee on Rules.

By Mr. QUIE (for himself and Mr. Treen):

H. Res. 1037. Resolution creating a select committee to study the impact and ramifications of the Supreme Court decisions on abortion; to the Committee on Rules.

By Mr. WAGGONNER (for himself, Mr. Flood, Mr. Crane, Mr. Blackburn, and Mr. Yatron):

H. Res. 1038. Resolution in support of continued undiluted U.S. sovereignty and jurisdiction over the U.S.-owned Canal Zone on the Isthmus of Panama; to the Committee on Foreign Affairs.

By Mr. WALSH:

H. Res. 1039. Resolution requiring the administration of an oath to each Member of the House prior to the consideration of any resolution of impeachment; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BURTON:

H.R. 14273. A bill for the relief of Salomon Liebermann; to the Committee on the Judiciary.

By Mrs. MINK:

H.R. 14274. A bill for the relief of Angelina R. Aying; to the Committee on the Judiciary.

SENATE—*Thursday, April 11, 1974*

The Senate met at 9:30 a.m. and was called to order by the Acting President pro tempore (Mr. Metcalf).

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Almighty God who has brought us to this holy season, set the eyes of our faith upon the cross that we may see its meaning in history, its meaning for our world, and its meaning for our own lives. May the spirit of the self-giving Saviour enter our homes, our cities, our Nation with forgiveness and healing. Bless us in our work that we may further Thy coming kingdom of truth and justice and holiness. Bring us to the day of resurrection with a new heart and mind and soul, ready to serve Thee more perfectly and walk in the way of Thy law.

We pray in His name who is the resurrection and the life. Amen.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Wednesday, April 10, 1974, be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate turn to the consideration of Calendars Nos. 747 and 749.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ADVISORY NEIGHBORHOOD COUNCILS IN THE DISTRICT OF COLUMBIA

The bill (H.R. 12109) to amend the District of Columbia Self-Government and Governmental Reorganization Act to clarify the provision relating to the referendum on the issue of the advisory neighborhood councils, was considered, ordered to a third reading, read the third time, and passed.

ENVIRONMENTAL EDUCATION AMENDMENTS OF 1974

The Senate proceeded to consider the bill (S. 1647) to extend the Environmental Education Act for 3 years, which had been reported from the Committee on Labor and Public Welfare with an amendment, to strike out all after the enacting clause and insert:

That this Act may be cited as the "Environmental Education Amendments of 1974".

Sec. 2. Section 3(c)(1) of the Environmental Education Act (20 U.S.C. 1532) is amended by adding at the end thereof the following new sentence: "Notwithstanding section 448(b) of the General Education Provisions Act, the Advisory Council shall continue to exist until July 1, 1977.".

Sec. 3. Section 7 of such Act is amended by striking out "and" after "1972," and by inserting after "1973" a comma and the following: "$5,000,000 for the fiscal year ending June 30, 1975, $10,000,000 for the fiscal year ending June 30, 1976, and $15,000,000 for the fiscal year ending June 30, 1977.".

Sec. 4. Section 2(b) of such Act is amended by inserting after "maintain ecological balance" the following: "while giving due consideration to the economic considerations related thereto".

Sec. 5. Section 3(b)(2) of such Act is amended by inserting after "technology," the following: "economic impact,".

Sec. 6. Section 3(c)(1) of such Act is further amended by inserting "economic," after "medical,".

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

FIFTIETH WEDDING ANNIVERSARY OF SENATOR AND MRS. HUGH SCOTT

Mr. MANSFIELD. Mr. President, tomorrow is the 50th wedding anniversary of the distinguished Republican leader, the Senator from Pennsylvania, Mr. Hugh Scott, and Mrs. Scott. Fifty years is a long time to live together, but I think they are one of the finest couples I have ever known, I think that they are good partners, and I want to take this occasion to extend to them, on behalf of the Mansfields—and I am sure the Senate as a whole—our best wishes for reaching their objective in a 50th wedding anniversary and to express the hope that this is just the first half of a happily married career.

U.S. TROOPS STATIONED ABROAD

Mr. MANSFIELD. Mr. President, in the Billings Gazette of Sunday, April 7, there is a commentary by an old friend and a former student of mine at the University of Montana, Duane W. Bowler. Mr. Bowler is now chief of the editorial page of the Billings Gazette, and his commentary, which is headed "It's Our Problem," reads in part as follows:

> Bonn, West Germany.—They don't like Mike here.
>
> By Mike they mean the U.S. Senate Majority Leader Mike Mansfield, the Montana Democrat who wants to make sizable cuts in the American troops stationed in the Federal Republic of Germany.
>
> Officials and the man on the street in the Federal Republic of Germany, that's the long way of saying West Germany, don't think our Montana senator understands the problem.

Well, I certainly do understand the problem, and I understand it from the U.S. point of view. I think that almost 30 years after the end of the Second War it is high time to bring about a sizable reduction, on a graduated basis, of U.S. military personnel numbering 325,000 in Western Europe today, and dependents numbering another 215,000.

I think it is high time to recognize the fact that the time has come to reduce significantly these American forces in Europe and around the world. Secretary of Defense Schlesinger has stated recently that there will be a reduction of U.S. support troops in Europe. Slowly the wheel turns.

Last January, a year ago, according to an official statement by the Department of Defense, the cost to the United States of its commitment to the European defense amounted to $17 billion. Because of the inflation since that time—and that, incidentally, has been 10 percent in the 12-month period from February 1973 to February 1974, and it is still going up—the cost of maintaining those forces has increased, in my opinion, to somewhere between $18.2 billion and $19 billion.

What I want to see over a period of time is a gradual reduction of military personnel and dependents, and when they are brought back to this country, as they will be, I want to see them discharged, because I think we have more than enough in the way of military personnel, we have spent more than enough time in Western Europe, and I think it is long overdue on the part of this country to bring about a substantial reduction of troops and dependents in that part of the world.

We have almost 2,000 military bases and installations scattered in every part of the world almost 30 years after the end of the Second War. We are not the world's policeman. We have neither the manpower nor the resources to maintain a Pax Americana on every continent on the face of the globe. We should have the wisdom not to try.

So I think I would just say again, as I have said again and again previously, and as I will say again and again in the future, that, just like the old, old 19th century Chinese water treatment which eventually achieves its goal, I am going to continue to offer amendments to bring about a gradual reduction of U.S. forces and dependents in Western Europe. And I would hope that not only do those people in Western Germany who "don't like Mike" hear this, but that they hear it, downtown—in the executive branch of our Government.

I ask unanimous consent that the entire commentary be incorporated at this point in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

It Is Our Problem

(By Duane W. Bowler)

Bonn, West Germany.—They don't like Mike here.

By Mike they mean the U.S. Senate Majority Leader Mike Mansfield, the Montana Democrat who wants to make sizeable cuts in the American troops stationed in the Federal Republic of Germany.

Officials and the man on the street in the Federal Republic of Germany, that's the long way of saying West Germany, don't think our Montana senator understands the problem.

The problem, they say, is one of security, not a matter of dollars, a subject that is of much concern to Mike Mansfield.

They fear that without the presence of American troops in their land of the free that it won't remain that way long.

The West Germans point to the hundreds of thousands of Soviet troops stationed next door in the German Democratic Republic, that's East Germany, the Soviet satellite. They tell you about the vast army of red star troops that encircle West Berlin, a symbolic city to German freedom.

When you try to explain to them that Mike Mansfield doesn't want to feed West Germany and Western Europe to the Russian wolves, you get a smile which can be interpreted as one of his not understanding the problem.

When you say that Mansfield doesn't think the U.S. taxpayer should continue to support hundreds of thousands of American troops in comparatively high style in Germany after all these years since World War II, you still get a smile.

A West German foreign office spokesman says should the Americans withdraw sizeable numbers of their troops it would cause severe problems and diminish the credibility of the North Atlantic Alliance to defend itself.

Then how about the bloated ratio of high officers to troops in the American forces in Germany? They don't make those decisions and would not maintain that posture themselves.

What about the large number of dependents accompanying the American troops to Germany? The presence of families means the U.S. is serious to its commitment to defend the West. After all, the U.S. is a super power and all that stands between free Europe and the ever-present threat of the Russian army.

When you try another tack, say as to why doesn't the Federal Republic of Germany have its own troops instead of American, you get the answer that the foreign presence is better. Germany would rather the Americans did it for international political relationships. Russia has expressed fears of another German invasion.

The Germans don't want another war and would prefer not to present a posture indicative of one. They want peace and prosperity for the entire world—and they mean it. That's why their never-ending efforts for the European Economic Community is now under fire from Britain, its newest member.

Officials here also say that the Federal Republic of Germany is doing its part to offset the cost of the United States of keeping armed forces in West Germany.

The defeated nation paid all the occupation expenses up until the early 1950s. Negotiations then brought about different terms with the American taxpayer footing the bill and the Federal Republic making offsetting arrangements.

It is these arrangements that may present a fuzzy picture. Economists, especially those familiar with international balances and money flows, probably understand them.

Bonn officials say they do pay in ways acceptable to the U.S. government. Their bank buys U.S. Treasury notes, just like you can if you have the money. They also bear interest.

The Germans also spend considerable sums fixing up old bases and barracks now occupied by the American forces. Officials say they are doing more than their agreements with the U.S. government require.

They also made a sizable contribution in technical advice to the American military.

They also make quite sizable purchases, such as fighter planes (some of them quite useless in Germany) from U.S. firms. This, they explain not only helps bring about a better balance of payments for the U.S. but also aids the U.S. taxpayers by making his cost for warplanes cheaper. (That we'd have to see.)

The improved balance of payments picture puts our floating dollar in a better position in the international markets. This makes the U.S. taxpayers' dollars worth more than if the purchases were not made.

(With what happened since last summer and for that matter in just two weeks during a visit to Germany, we could use more favorable floatation of the U.S. dollar.)

As you listen to the Germans explain their reasons, you can sympathize with their viewpoint on keeping friendly troops of Uncle Supersam on hand.

The only ones that don't make much sense to those of us unfamiliar with international financial gymnastics are those involved in who is paying the bills.

If Mike Mansfield has a difficult time understanding how buying U.S. Treasury notes and planes from U.S. arms makers helps the average American taxpayer, we can share his state of perplexity.

His desire to take the bloat out of the U.S. military isn't a problem for the Federal Republic of Germany. That's ours.

ORDER OF BUSINESS—AMENDMENTS QUALIFIED

The ACTING PRESIDENT pro tempore. Does the Senator from Michigan seek recognition?

Mr. GRIFFIN. Mr. President, I understand that the Dean of the Senate, the Senator from Vermont (Mr. Aiken), has several amendments to the bill on campaign spending which he may or may not offer, but which, because of an oversight, were not technically qualified, and I ask unanimous consent that they be considered as having been read and qualified.

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object—and I will not object—as I understand, the subject is germane, however,

Mr. GRIFFIN. They are germane.

Mr. ROBERT C. BYRD. Mr. President, I have no objection.

The ACTING PRESIDENT pro tempore. No objection is heard. Without objection, the amendments will qualify.

Mr. MANSFIELD. The Senator, of course, realizes this is a most unusual procedure.

Mr. GRIFFIN. I agree with the majority leader, and I do not think it should be done very often.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Delaware (Mr. BIDEN) is recognized for not to exceed 15 minutes.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that I may have control of Mr. BIDEN's time and that it be added to my order which will occur later.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered, and the Chair will now recognize the other Senator from Delaware (Mr. ROTH), who is also recognized for not to exceed 15 minutes.

The Senator from Delaware.

Mr. ROTH. I thank the Chair.

(The remarks Senator ROTH made at this point when he introduced S. 3646, the Energy Resources Expansion Act, are printed in the RECORD under Statements on Introduced Bills and Joint Resolutions.)

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Maine (Mr. MUSKIE) is recognized for not to exceed 15 minutes.

Mr. MUSKIE. Mr. President, I ask unanimous consent that Beverly Lindsey of my staff have the privilege of the floor during the colloquy on this matter.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that I may yield 5 minutes of the time under my control to the Senator from Maine.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. The Senator from Maine is recognized.

TAX REFORM

Mr. MUSKIE. Mr. President, I am delighted that so many of my colleagues are joining on the Senate floor this morning to discuss the need for tax reform. Last year we held a similar colloquy and I am gratified that today we will hear from an even larger bipartisan group of Senators.

But I hope, Mr. President, that we do not have to repeat this exercise next year. I hope that this Congress will pass comprehensive tax reform legislation this year to make our tax system truly fair.

For the need for tax reform is clear and compelling. Many wealthy individuals and corporations escape paying their fair share of taxes, but average Americans continue to bear a heavy tax burden. For instance, the Treasury Department reported last month that 402 individuals with incomes over $100,000 paid no taxes last year. Some corporations also escaped significant tax—such as the oil companies which paid taxes of only a few percent of their income.

Wealthy individuals and corporations can avoid tax in large part because of special treatment—such as tax code provisions which allow special deductions and exclusions, deferral of tax liability, and other sophisticated tax shelters. For many of these special tax provisions there is no justification. Yet they cost the Federal Government about $60 billion in lost taxes in 1972. And estimates for what they will cost in fiscal year 1975 range as high as $78 billion.

These special provisions violate the principle of taxation according to ability to pay. They have created a tax system that is inequitable. Citizens see the inequity of the present system, and are beginning to rebel against it. But Congress has not yet responded to their protests.

In 1972, all the Presidential candidates talked about tax reform. But no comprehensive tax reform legislation has yet been passed.

In 1973, the House Ways and Means Committee held extensive hearings on the subject. But no tax reform legislation has yet been passed.

And today, in April 1974, we are again talking tax reform—but not yet legislating it. This year, I hope we can finally follow up our concern with action. I hope we will pass comprehensive tax reform legislation before the 93d Congress adjourns.

The comprehensive tax reform we need now is of two kinds—relief from high tax burdens for the ordinary American, and a strengthening of the tax code to eliminate unjustified tax advantages.

Tax relief would not only ease the burden on average Americans, but it would also provide a much needed stimulus to the economy—to help ease the economy—to help ease the recessionary slowdown we are now experiencing. Giving taxpayers extra spending power through tax relief would not likely contribute to our current inflation, which is being caused mostly by price rises in food and petroleum, rather than by general excess demand. The stimulus of moderate tax relief could, however, keep our Nation's production and employment at acceptable levels.

A number of Senators have made worthwhile proposals for shaping this tax relief. For instance, Senator KENNEDY has proposed to increase the personal exemption from $750 to $850, retroactive to the 1973 tax year. This proposal would provide about $4 billion of tax relief. Other Senators, including Senator HARTKE, have made similar proposals. Senator MONDALE has proposed an alternative approach: to allow individuals the option of taking a $200 tax credit instead of the $750 personal exemption. This proposal would yield approximately $6.5 billion in tax reductions.

Other proposals have been made to give relief from the social security payroll tax, including legislation I have introduced in the past to provide relief through exemptions and a low-income allowance.

Tax relief measures such as these would bolster the economy, and would alleviate some of the tax burden under which average Americans now suffer. They should receive prompt attention by Congress.

But comprehensive tax reform should also correct the inequities which allow some wealthy individuals and corporations to pay less than their fair share.

Last year, I introduced S. 1439, a comprehensive tax reform act, cosponsored by Senators BAYH, HASKELL, HUGHES, PASTORE, and TUNNEY. It would correct some of these inequities and raise approximately $18 billion in new Federal revenue in fiscal year 1975. This proposal would not increase the tax burden on low- or middle-income individuals. But it would regain $8.1 billion in tax revenues now lost because of tax shelters and tax preferences by reforming long-term capital gains rates, the minimum tax, tax treatment of farm losses, percentage depletion, intangible drilling and development expenses, and interest deductions for large investments. My bill also includes provisions to raise $1.5 billion by restricting the preferential treatment now given to foreign income and investments.

Other provisions of my bill would raise $2.5 billion by reforming the investment tax credit, $200 million by disallowing excessive deductions by banks of bad debt reserves, $5.3 billion by reforming tax treatment of depreciation, and $4.9 billion through reform of the estate and gift tax system. Finally, my bill would give States and local governments the option of issuing taxable bonds with a compensatory Federal subsidy, so that such bonds would no longer be available to investors as a source of tax-free income.

The tax reform bill I have introduced represents what I believe to be a moderate, yet comprehensive, tax reform program. Such a comprehensive program is essential if we are to transform our tax code into a system that is truly fair. And it is needed to insure that the tax system continues to generate the revenue necessary to allow the Federal Government to meet the needs of the American people.

Preserving this revenue-raising capacity, while giving tax relief to average citizens and a stimulus to the economy, is only possible if we match the revenue lost through tax relief with reform which will recapture the revenue now lost through unjustified tax shelters.

Mr. President, Congress does not need more study to know that our tax system needs changing. Proposals for reform of that system are before us. The time has come for affirmative action on those proposals.

Mr. President, may I, at this point, express my appreciation to my distinguished colleague from Massachusetts (Mr. KENNEDY), my distinguished colleague from Maine (Mr. HATHAWAY), and the other Senators who will join us in this discussion this morning.

Mr. KENNEDY. Mr. President, at the outset I want to indicate how much I, as a Senator speaking for the people of Massachusetts, appreciate the effort and leadership provided by the distinguished Senator from Maine in focusing the attention of the Senate and the American people on tax reform. He has been very much in a leadership position in the Senate in improving and eliminating many of the inequities in our Federal tax structure.

Second, Mr. President, I personally feel that there are some steps that we in Congress should be taking in order to provide a greater degree of tax equity for the people of this Nation.

I am also pleased to join in this important colloquy this morning as a timely symbol and demonstration of our commitment in the Senate to tax relief and tax reform.

Across the Nation next Monday, April 15, millions of taxpayers will file their Federal income tax returns to meet the annual deadline of the Internal Revenue Service. It is entirely appropriate, therefore, for the Senate to take the occasion this morning to deal with tax relief and tax reform, subjects that are of growing interest to every taxpayer in the Nation.

We have a crisis over taxation today because countless ordinary men and women now realize that their taxes are too high because others are too low.

Year after year, Congress after Congress, we have allowed the loopholes and special benefits in the tax laws to accumulate virtually without end. As a result, we allow tens of billions of dollars of income and profits to escape taxation every year. Those "loophole losses" have to be made up somehow, and we know the way they are made up—by higher taxes for every ordinary citizen.

In fact, the Internal Revenue Code is America's biggest welfare bill of all. But it is the sort of welfare that only Alice in Wonderland can understand, because the greatest benefits of tax welfare go entirely to the richest individuals and the Nation's largest corporations.

Only the rich are able to play the loopholes well. Middle- and lower-income Americans simply cannot afford the substantial sums that are necessary to take advantage of the tax shelters that now exist. According to most estimates, the threshold level of income for effective use of tax shelters is in the neighborhood of $50,000 a year, far beyond the reach of any ordinary citizen.

To paraphrase a famous aphorism, our tax laws in their majestic equality allow the poor as well as the rich to invest in State and local bonds, to reap long-term capital gains, to search for oil, to enjoy the fantastic benefits of accelerated depreciation, and to hire tax lawyers and accountants to advise them on the latest methods of tax avoidance.

Wherever we look, we find the tax base being eroded by unjustified deductions and exemptions, by windfall subsidies, by questionable incentives for various industries, by benefits that have long since outlived whatever justification they had when first enacted, and even by sinister loopholes quietly written into law for the benefit of particular individuals or corporations—"tax fingerprints" that dot the Revenue Code in silent tribute to the political muscle of the wealthy and the powerful in the Nation. And meanwhile, the taxes paid by ordinary citizens are always on the rise.

The time has come to end all that. The time has come for Congress to take the lead. We can act this session. There is still enough time to guarantee that one of the major landmarks of the 93d Congress is legislation on comprehensive tax reform.

IMMEDIATE TAX RELIEF

I see a three-part strategy:

First, we need to act now to provide immediate across-the-board tax relief for every citizen. Through such relief, we can provide a much needed fiscal stimulus for the Nation, a shot in the arm capable of rescuing the economy from the serious recession and unemployment into which we now are sinking.

Such tax relief would also provide a welcome and well-deserved respite from the continuing burden that inflation now imposes on every citizen.

Last January, on the Senate floor, I offered a proposal to achieve immediate tax relief by raising the personal income tax exemption to $850 from its present level of $750. That proposal passed the Senate by a vote of 53 to 27, but the bill to which it had been added was sent back to committee, and no further action has been taken.

To me, our highest tax priority is to get final action now on this sort of tax relief, and I am hopeful that the Senate will be able to take such action as soon as we return from the Easter recess.

COMPREHENSIVE TAX REFORM

Second, we should work for action in this session on comprehensive tax reform. A vehicle is in sight—the pending energy tax bill now nearing final action by the Ways and Means Committee in the House. This bill may well be able to serve as the vehicle for comprehensive tax reform legislation in the Senate. Clearly, the goal of enacting such reform before adjournment is within our reach.

My own view is that Congress ought to be able to enact loophole-closing tax reforms amounting to net revenue savings of at least $10 billion each year. The list of areas that need reform is long, but there is broad agreement on what some of the major elements should be:

For many of us in the Senate, the place to begin is with the minimum tax, which has become the symbol of tax reform in recent years. The minimum tax is the imaginative measure adopted by Congress in 1969 as a modest tax on income that would otherwise slip through a variety of tax loopholes and escape tax altogether. As experience has shown, however, the minimum tax is itself a loophole-ridden tax, because of four major defects in its operation:

It fails to cover income from some of the most notorious tax loopholes, such as interest on State and local government bonds;

It allows an unduly large exemption of the first $30,000 of income from tax loopholes;

It allows a deduction for regular income taxes paid, thereby creating an "executive suite" loophole that allows high-salaried individuals to shelter large amounts of loophole income from the operation of the minimum tax;

The rate of the minimum tax is set so low—10 percent—that it operates as little more than a slap on the wrist to those enjoying the benefits of income subect to the tax.

Last January, by a vote of 47–32, the Senate adopted an amendment I proposed to close some of these loopholes in the minimum tax. But, as in the case of the tax relief proposal, the amendment was later recommitted, and no further action has been taken.

We also need substantial changes in the tax treatment of capital gains, the largest single tax preference in the Revenue Code. I do not support efforts to close the gap altogether between the tax on ordinary income and the tax on capital gains, but we can go part way—currently, only 50 percent of capital gains is included in taxable income; in addition, the favored capital gains treatment is available for assets held 6 months or longer. I believe that we ought to include 60 percent of capital gains in taxable income, and that we also ought to increase the holding period to 1 year.

Substantial changes in the tax treatment of the oil industry have been overdue for many years. The need is especially acute today, because of the windfall profits currently available through the combination of the energy crisis and existing tax preferences such as the oil depletion allowance, the deduction for intangible drilling and development costs and the foreign tax credit. The bill now nearing final action in the Ways and Means Committe demonstrates that Congress is on its way to substantial reforms in this area. Such action is a hopeful sign that Congress is also ready to close the many tax loopholes that now exist in other areas.

We also need to overhaul the relationship between tax credits and tax deductions in the Internal Revenue Code. In the past, as part of overall tax reform, I have urged Congress to allow credits instead of deductions in a number of major areas, including the personal exemption, the homeowner's mortgage interest deduction, the deduction for medical expenses, and the deductions for State and local income and property taxes. Our tax laws are clearly out of joint today, and nowhere is the disparity clearer than in the case of some of the most popular tax deductions:

It makes no sense to me that, because of the rate structure of our revenue laws, a child in a wealthy family is worth a tax saving of $525 to his parents while a ghetto child is worth only $105 in tax relief.

It makes no sense to me that the tax law saves the wealthy family 70 cents on every dollar in mortgage interest payments on its Scarsdale home, but only 14 cents on the dollar for the family home in Harlem.

It makes no sense to me that, through the tax laws, the U.S. Treasury pays 70 percent of the cost of a wealthy citizen's visit to his Beverly Hills physician, but only 14 percent of the medical bills for the family in East Los Angeles.

By allowing the use of credits instead of deductions in these and other areas of the tax laws, we can make the income tax system far more progressive, and provide a substantial new measure of tax equity for millions of our taxpayers.

There are a number of other aspects of the Internal Revenue Code that also demand reform. In our comprehensive tax legislation, we must also achieve reform in areas such as the dividend exclusion, the State gasoline tax deduction capital gains at death, accelerated depreciation, foreign taxes, the DISC provision, the Federal interest subsidy for State and local government bonds, stock options, tax "farms," and, above all, the notorious current proliferation of "tax shelter packages" being merchandised around the country for the benefit of wealthy taxpayers seeking to pyramid their loopholes.

One other subject must also receive attention in the drive for income tax reform—the subject of tax simplification. Above and beyond the effort to close unjustified loopholes, we must also endeavor to reduce the needless complexity and paperwork that now plague the ordinary taxpayer. Too often, tax reform bills become a type of public service employment for lawyers and accountants, as valid reforms become lost in the fog of contortions and complexities in the code, beyond the comprehension of the average citizen.

PAYROLL TAX REFORM

The third major area where Congress has the obligation to act if we are serious about tax reform is the payroll tax.

For too long, the payroll tax has been the forgotten cousin in the movement for tax reform. Yet, as we know, the recent increases in the payroll tax have had a heavy and regressive impact on those who can least afford it—the tens of millions of ordinary American working men and women at the bottom and middle of the wage scale.

In part, the long neglect of the payroll tax in the drive for tax reform is the product of the suddenness of the growth in the payroll tax. From a relatively modest and unassuming tax in its early and middle years, the payroll tax has mushroomed dramatically in recent years, to the point where it now has a heavy and unfair impact on the vast majority of those who bear its burden. The figures tell the story:

For the first 13 years of social security, 1937–49, the payroll tax rate on the employee was only 1 percent, applied only to the first $3,000 of earnings.

By 1960, the rate had climbed to 3 percent, and the wage base had risen to $4,800.

During the decade of the sixties, the growth in both the tax rate and wage base rose in more rapid steps. By 1970, the rate was 4.8 percent and the base was $7,800.

But in the past 3 years, the acceleration in the rate and wage base have been even more substantial. Today, in 1974, the rate is now a sizable 5.85 percent, the base is $13,200, and further increases are scheduled in the future.

These increases in rate and base have been matched by enormous increases in the revenue yield of the payroll tax. As recently as 1960, the payroll tax was a relatively sleepy tax, generating Federal revenues of "only" $22 billion a year, or 20 percent of all Federal revenues. Today, the payroll tax is generating about $80 billion a year, or about one-third of all Federal revenues—a 50 percent increase in the percentage share and an absolute increase of nearly $60 billion a year in the short span of a single decade.

The steady upward march in the rate and base of the payroll tax reflects the pressure of many factors in recent years—principally our soaring inflation, which has required substantial increases in social security benefits to enable our senior citizens to maintain a decent standard of living. But there has also been the historic expansion of the payroll tax to include medicare and to pay for the continuously rising costs of health care for the elderly.

Because of its flat rate and the relatively low cutoff on earnings subject to the tax, the payroll tax today is heavily regressive in its impact. The truly surprising thing about the payroll tax is the absence of substantial efforts for reform in recent years as its burden has accelerated.

This year, for the first time, more than half the Nation's taxpayers are paying more social security tax than Federal income tax. Never has the need for tax reform been more obvious.

Now, however, the "sleeping giant" phase of payroll tax reform seems to be nearly over. The effort for reform must now begin in earnest, so that we can make the payroll tax fairer and more progressive.

The two principal reforms I support would do the following:

Provide a $750 personal exemption and a $1,300 minimum standard deduction under the payroll tax—the same exemption and deduction now allowed under the income tax:

Remove the ceiling on the wage base.

These reforms would be a balanced package in the sense that they would involve little or no revenue gain or loss to the Federal Treasury in the early years. But the benefits to low- and middle-income working men and women would be substantial, because the changes would bring welcome, obvious, and immediate payroll tax relief to all those earning $20,000 a year or less, including the overwhelming majority of American workers.

My hope is that in the coming weeks Congress will make its intention clear to give payroll tax reform the same high priority already reserved for income tax reform. Only in this way can we bring real tax justice to every citizen, and end the unjust reign of the payroll tax.

In closing, let me say also that whatever the final outcome of the debate over President Nixon's tax returns, the most important lesson of the disclosure of the President's tax data is that tax reform must move back to center stage as an issue for Congress and the American people.

The picture that emerges from the voluminous recent disclosures is not a pretty one, because it demonstrates the extraordinary ease with which wealthy individuals maneuver their financial affairs to avoid their fair share of taxes under our loophole-ridden revenue laws.

Just as Watergate helped to generate important new legislative momentum in Congress for comprehensive reform of the Nation's election laws, including the landmark bill for public financing of elections now nearing final passage in the Senate, so the President's tax disclosures should generate a similar momentum in Congress for comprehensive reform of the Nation's tax laws.

Tax reform belongs at the top of our congressional agenda for 1974. The country needed a spark to ignite the fire of tax reform, and these new disclosures have now provided it. It is up to us in Congress to meet the challenge, and to take the action that is required if we are to meet our obligation as representatives of all the people.

The PRESIDING OFFICER. Under the previous order the distinguished Senator from Maine (Mr. HATHAWAY) is now recognized for not to exceed 15 minutes.

Mr. HATHAWAY. Mr. President, first of all, I want to commend my colleague (Mr. MUSKIE) for playing the leading role he has played in bringing the many inequities in our tax code to the attention not only of the Members of the House and Senate, but of the general public as well. I appreciate his inviting me here this morning to participate with him in this discussion of the many shortcomings we have in our Internal Revenue Code.

The tax code is thought of by the general public as an aggregate whole, and since the purpose of that whole is thought of as the raising of revenues once the sections of the code which mandate the raising of revenue have been properly scrutinized, the public's attention is diverted away from the code to other matters.

The tax code should not be thought of as an aggregate whole, for it is not. It can be divided into two parts, a revenue raising part and a revenue expenditure part. The expenditures are the many deductions and considerations which cause the Government to suffer a loss in tax dollars.

The deductions and other expenditures that I am discussing here this morning are not those that a businessman takes for the cost of operating his business, such as the cost of salaries to his employees and his rent and other items of expense which he has to incur in order to earn the dollars that come into his firms. I am talking about the deductions and other exemptions which are in the tax code for social or economic purposes.

Both the revenue raising and revenue expenditure aspects of the tax law may be used to achieve these social or economic ends rather than simply to provide the Government with operating revenues. But because it is on the revenue raising side that the public's attention is focused, it is in the expenditures area that the code is more frequently abused.

Without the public being entirely

aware of what is going on, the revenues raised in one part of the code may have been spent in another part before they ever reach the Treasury. The public is left with a sense of gross inequity, but without a clear perception of when it occurred.

I feel that as legislators we must realize, and it is our duty to make the public realize, that these expenditures by way of the loopholes in the tax code are just like any other Government expenditures for economic or social programs. And like other Government programs, they should be periodically and critically reviewed. Those worth keeping should be fixed up to do what they are supposed to do; the others ought to be thrown out.

An example of those that should be thrown out is the tax program provided for the oil industry. In the early part of this century, when the oil industry was a fledgling industry, a tax program was thought necessary in order to help it develop. It was a program that was justified as benefiting the overall public good.

Whether that was true at the time, or whether these tax subsidies—the oil depletion allowances, the intangible drilling expenses, and the foreign tax credit—were the most effective means even then of using Federal tax dollars to expand an industry, they certainly are not appropriate now. The industry is huge, the profits are huge, and these expenditures of Federal tax dollars to help support this industry are no longer necessary. The oil programs should be stopped. Those loopholes should all be thrown out. They are a tax program that no longer benefits the public good.

An example of a loophole which should be kept is the exemption allowed for dependents. The purpose of this expenditure is to leave the wage earner who needs it some extra money to take care of his children, and this purpose is as valid now as it was when the exemption was first allowed. But this exemption is also an example of an expenditure which should be scrutinized, because in its present form, it benefits people who do not need it more than people who do. This happens because it is a deduction. A deduction saves the people in higher brackets more in tax dollars than it does the people in lower brackets.

For this reason, this, and most of the other exemptions—those worth keeping—should be reevaluated, and reinstated as credits, and not as deductions. Credits allow for a more discerning analysis of what is actually being spent on the taxpayer, because the amount being spent is the amount of the credit. It is there for all to see. The deduction may seem larger, but in order to determine its actual cost, the taxpayer's taxable income must be related back to the tax table to determine at what rate the income included in that deduction would have been taxed, and what then is the cost of that deduction to the Federal Government. It is all very hard to see, and you wind up with situations like that involved in the tax deduction for dependents. It is $750 for everyone, so that seems fair; but when you look at the tax tables, you find that it is worth $525 to someone whose taxable income is $100,000 and nothing to the person whose taxable income is $500. That is the reverse of what we intended when we passed the law allowing the deduction for dependents.

It does not make any sense if the whole purpose of the deduction is to provide the taxpayer with the money to take care of his kids and the ones getting the larger benefits are those in the higher brackets, who do not need anything extra, because they have got more money to begin with.

Here it seems clear to me that the people who need the special advantage are not the ones getting it. If this deduction were a credit, that misappropriation would be seen more clearly, and the tax expenditure could be directed more accurately to achieve the desired social and economic policy.

The examples I have cited—ending the oil industry's tax programs and revising the program of tax support for dependents to make it more functional—are only two examples of what I believe should be a continuing program for review of Federal programs hidden away in our tax laws. The purpose of this review should be to bring these programs out into the light and to expose them, both the good and the bad, for what they are. Substituting credits, which could be evaluated at their worth, for deductions, which can be very deceptive in application, is one of the ways, to accomplish this task of exposure.

Mr. President, I have introduced a bill to take away all the tax breaks for the oil industry that I have mentioned in the course of my remarks. I am in the process of introducing another bill to change the deduction for dependents to make it more equitable I have already introduced a third bill—in fact, I have introduced it both here in the Senate and, when I was a Congressman, in the House of Representatives—that would call for a periodic review of our entire tax code.

Most of the measures we pass in Congress do have a limited life. The Elementary and Secondary Education Act and the Higher Education Act and most of the legislation we pass has to be reauthorized in 2 to 4 years. But, unfortunately, the tax code goes on forever. It is subject to periodic review only when there is a clamor by the general public or a clamor by Members of Congress to do so.

If the tax code were to come to an end at the end of a 2-year or a 4-year period, or if certain sections of the code were automatically to terminate periodically, then Congress would be forced to review the code on a periodic basis. In that way, we could call in the representatives of those interests who benefit from some of the loopholes that are in our code to justify the continuation of those loopholes. In that way, I think, we would much better serve the general public. It has been estimated that as much as $80 billion a year is expended through the back door, through the Internal Revenue Code—meaning that about $80 billion a year is not collected in taxes because of the various deductions we allow. These do not include the deductions for business purposes.

Without question, part of the $80 billion would have to be spent anyway, but in many cases, we could drop many of these deductions and increase the revenue into the Federal Treasury; and in nearly all the other cases, we could reshape the expenditure to make it more equitable and more effective in serving the purpose that we originally intended to have served.

Mr. President, I yield at this time to the distinguished Senator from Colorado (Mr. HASKELL). I know that he would like to make some remarks on this important issue, also.

Mr. HASKELL. I thank the distinguished junior Senator from Maine.

THE NECESSITY OF TAX REFORM

Mr. President, I would like to take this opportunity to extend my thanks and admiration to the very distinguished Senator from Maine (Mr. MUSKIE) for the determination and the care with which he continues to press the issue of tax reform in the Senate of the United States.

Senator MUSKIE has diligently and, in my judgment, very responsibly, brought and kept before the Congress an issue—tax fairness—which I believe to be of overriding national importance today. I commend his efforts to all of our colleagues and express to him the gratitude of the literally thousands of my constituents who have written me in the last year calling out for a bit of fairness and straight talk from their Government.

I attach overriding importance to the issue of tax reform because I am more convinced every day that it rests at the heart of a sense of disillusionment on the part of the American people which, in recent months, has crystallized into a seemingly irreparable distrust of the institutions and leaders of Government. For so many Americans, the turmoil in which the executive branch finds itself is merely the natural end product of a political system which they believe allows the special interests a special access to the seat of power and the Treasury dollar. That special access works what many feel is a cruel hoax on the taxpayer—a hoax in which the Internal Revenue Code takes center stage.

The cruel hoax of our tax system is the coexistence of a theoretically progressive tax rate that literally gouges an inflation beset people and a complex network of tax exceptions, credits, deductions, exemptions and special rates that sharply erode the principle of progessivity and leave the very wealthiest individuals and corporations with the opportunity to avoid carrying their fair share of the fiscal burden of Government. For all its complexity and confusion, the Federal Income Tax Code really boils down to a very simple reality for the average American taxpayer: he or she will pay taxes regardless of the ever-tightening vise of inflation and shrinking real wages. And every time someone is afforded the opportunity not to pay, everyone else must take up the slack. In the end, the plethora of tax shortcuts means that progressivity is thwarted and tax rate reduction of meaningful proportions remains an elusive dream.

Over and over, the American people

have heard the stories about their fellow citizens who are paupers on their 1040 forms, but millionaries in reality. Thus, the very year in which the so-called minimum tax became effective—a tax provision in theory designed to assure that everyone pays at least some taxes—three families, each with dividend income of about $2.5 million, paid no taxes. Some 500 families with incomes of over $100,000 managed the same feat that same year.

Is it any wonder, then, that the American people have reached the breaking point in their faith and trust in the integrity of their Federal Government and its leaders? The people are weary, Mr. President.

They are tired of the exaggerated promises of reform.

They are tired of the half-truths and lack of responsiveness which, justified or not, they sense.

They are tired of being heavily taxed for the privilege of experiencing shortage after shortage, crisis after crisis, crime on the streets and crime in the Government.

What are we to do? If we want to do something to restore popular confidence, we shall have to insist on legislating on behalf of the people. More far-reaching and meaningful than anything else that we, the people's branch, might do in that regard is to seek fair tax reform and do so without unnecessary delay. No one is asking the impossible—just a little fairness and straight talking. No one is suggesting a repeal of all tax deductions—just those that are unfair to the many and designed solely for the few.

Senator MUSKIE's Tax Reform Act of 1973 (S. 1439), of which I am very pleased to cosponsor, will, upon enactment, take a long-overdue and dramatic stride toward the concept of tax equity. S. 1439 is aimed at many of the most blatantly unfair and unjustifiable tax escapes; it is well thought out and drafted; above all, it is straightforward and fair. And, while I am convinced that yet further steps can and should be taken by the Congress in the area of tax reform, I regard Senator MUSKIE's bill as a vital measure which I shall endeavor with all my energies to see enacted in this Congress.

S. 1439 has been outlined in detail already; I would like, however, to mention just a few of its highlights.

Perhaps the most important feature of the bill is the reform of the tax treatment of capital gains. S. 1439 would repeal the provision of the tax code which limits the tax on the first $50,000 of capital gains; the amount of gain to be included in taxable income would be 60 percent, rather than just 50 percent; the corporate capital gains rate would be increased from 30 to 35 percent; and, no longer will capital gains taxation be avoided entirely because of transfers at death. In all, these changes alone will mean a gain in revenues of $6.1 billion—a gain which should ultimately be returned to all taxpayers in the form of a sorely needed rate reduction.

Reform of the capital gains provisions is essential to any meaningful tax reform, Mr. President. Money made by money should not be treated by our tax laws more favorably than money made by men. S. 1439 will go a long way toward equalizing the income tax burdens of those Americans who earn their living on the stock market and those who earn their living on the assembly line.

Taxation of capital gains at death, along with appropriate exemptions of certain property left to a spouse, is itself an essential step in the right direction. This provision alone, when fully implemented by S. 1439 will raise $4 billion in new revenues—revenues that presently represent a Federal Government giveaway to those fortunate enough to inherit capital assets. Under our bill, no longer will the inevitability of death assure the avoidability of income taxes for the wealthiest of Americans.

Another important feature of S. 1439 is its modification or repeal of many of the narrow economic subsidies which are inefficient from an economic and social standpoint, inequitable from the standpoint of a progressive tax system and unfair because they are designed to benefit only a handful of American taxpayers. Falling into this category are revision of the percentage-depletion allowance, of the provisions allowing the expensing of intangible drilling, exploration, and development costs, of the asset-depreciation range system, of the favorable treatment accorded real estate investment, of tax shelter farm losses, and of the deductions and credits for certain investment transactions.

These amendments to the Internal Revenue Code will yield more than $9.3 billion—again, Mr. President, funds which can and should be used in the interest of all American taxpayers by a general tax rate reduction.

We should also note the repeal, provided by S. 1439, of the DISC—Domestic International Sales Corporation—provision of the Code, of the provisions affording lower tax rates to Western Hemisphere Trade Corporations, and of those provisions which allow certain income earned outside of the United States to escape taxation entirely. S. 1439 promises an additional $1.3 billion in Treasury revenues through these changes affecting the income derived from foreign business operations.

In all, Mr. President, this bill would increase the tax liability of certain special interests by nearly $19 billion. It is, in my judgment, a sound and much-needed measure.

It follows a philosophy, not of tax confiscation, but of tax fairness. It puts faith in the concept of competitive free enterprise; but it does not allow favored enterprise to stand on the crutches of the Federal Treasury. It expresses confidence that American business and individual investors can prosper in a fair system of Federal taxation.

Tax reform, Mr. President, cannot and should not be delayed. Nor can we afford to pay the matter only passing attention or provide only a cosmetic solution: tax inequity is more than a mere blemish on the American tax system; it is a national tragedy that guts the very concept embodied in our fundamental commitment to equal treatment of all citizens under the laws.

In my opinion, Mr. President, we must give thorough review to the principles and premises behind the many provisions of our tax code which have the effect of substantially distorting the overall progressivity and fairness of our tax system. At present, the Federal income tax system, by departing frequently and at times unnecessarily from commonly accepted concepts of "income," operates to affect the private economy in the same way that it is affected when the Government makes a direct appropriation to subsidize a given economic endeavor. The only difference is that, under the tax code, we call this subsidization by the name of "incentive" or "credit," or "exemption," rather than simply labeling the item a budget expenditure. And, again, the effect of these tax expenditures on the average taxpayer is the same as that which occurs when the Government makes a direct appropriation, namely, the taxpayer pays for it through tax rates which cannot be reduced.

Now, let me emphasize that I do not believe that all tax credits, deductions, exemptions, and the like are inherently repugnant to the concept of tax fairness. Indeed, some are, in a practical sense, essential to a meaningful definition of one's "ability to pay," a measurement that is integral to any system of taxation. Thus, for example, the exclusion from adjusted gross income of such items as public assistance benefits, workmen's compensation payments, the benefits derived from social security, and so on; all may be categorized as provisions necessary to accurately measure the ability to pay taxes.

And, a great many tax deductions and credits and exclusions are available to all taxpayers, not just to a few. Deductions for charitable contributions, mortgage interest, medical expenses, and the like are of assistance to the vast majority of taxpaying Americans. In some cases, however, the mechanism utilized, a deduction, works precisely in the opposite direction as it ought to—as when the Government subsidizes 70 percent of the home mortgage interest of the wealthiest taxpayers, but just 14 percent of that required of the lowest income taxpayers; nevertheless, progressivity is not substantially threatened and income tax recognition of the consumer expenditure is often appropriate.

It is a certain category of narrow tax breaks that is responsible for the fact that the theoretical tax rates which run from 14 to 70 percent in practice are limited to a maximum average effective rate of 32 percent. I am convinced that we must take decisive action to get the Federal Government out of the business of providing back-door subsidies of special economic interests. At the same time, the revenue gain that we derive from such action would allow us to reduce tax rates for all taxpayers—rich, poor, and middle class—and, in the end, our effective tax rate would far more closely parallel the theory of tax progression that the instruction book espouses.

It is time to require those who need subsidies to come to the Congress and ask for them directly, rather than to use the back door approach of a tax break. At the very least, such a method of providing Government assistance would assure the American people that the Government's assistance programs will be annually reviewed in the appropriate process, rather than etched forever in the granite of the Internal Revenue Code.

Additionally, reconsideration of the inefficient system of tax subsidization should serve the taxpayers by cutting much of the fat out of the $65 billion tax expenditure budget—the budget through which various interests are supported by funds that would otherwise be collected through the tax system for the benefit of all of the people.

Fair play and straight talk are all the American people ask of their Government, Mr. President. Let us act promptly to end the system of assessing taxes of all the people in the bold print of the tax return form while giving some of those taxes back to a few in the fine print of the Internal Revenue Code. Let us hasten the day when all of us in this body can look each of our constituents in the eye and say "you are paying your fair share—no more, no less." We can begin by giving attention to the very solid proposals that are embodied in S. 1439. Favorable consideration of that legislation will put the people's branch far along on the path of tax fairness.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the time yielded back by the senior Senator from Maine (Mr. MUSKIE) be placed under my control.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HATHAWAY. Mr. President, I thank the distinguished Senator from Colorado for participating in this colloquy this morning. Unless someone would like me to yield for the purpose of participating in the colloquy, I yield back the remainder of my time.

Mr. CLARK. Mr. President, the Senator from Maine (Mr. MUSKIE) certainly deserves the highest commendation of this body for his outstanding work in the field of tax reform and particularly the compliments of the Senate for arranging this colloquy this morning.

TAX REFORM—LONG OVERDUE

Mr. President, for 50 years, the citizens of this country have paid income taxes, sharing part of their earnings to keep government going. As Justice Holmes once said, "Taxes are the price we pay for civilization." Few people would disagree with his statement, but the manner in which we pay this price must be changed because the American tax system is no longer fair.

There are two standards—simplicity and fairness—which be the hallmark of any income tax system. The present system fails on both counts, and this is where reform must begin.

The tax code is now so incredibly complex that it is almost impossible for most people to understand. It creates artificial distinctions between people with similar incomes, and every attempt to remedy the inequities has resulted in even more complexities—and even more confusion—for most taxpayers.

As the law becomes more complex, it becomes more expensive to administer and more difficult to enforce equitably. The complexity of the tax code alone leads to the suspicion that it is unjust, that it does not provide equal treatment for all taxpayers, that the tax burden is not shared fairly.

The question of what is a fair income tax has been argued for ages, and it is not likely to be resolved as long as there is an income tax. Certain principles of equity have been established though that most people can support:

First, people in the same financial situation should pay the same or at least similar income tax. This simple principle should be a cornerstone of the tax system, but right now, people with equal incomes and equal financial responsibilities in this country do not pay equal taxes. For example, in 1970, 106 people with an annual income of more than $200,000 paid no income tax at all, but the "average" person in this income bracket paid 30 percent of that amount in income taxes. At every income level there are similar examples. On an income of $50,000, the average tax is $10,000, but many, many people pay much less than this. The average income tax on $20,000 is $2,000, but the amount actually paid can vary from nothing at all to $3,500.

LOOPHOLES

What is behind this? An almost endless variety of deductions, exemptions, credits and loopholes—some justified, many unjustified—that lower taxable income. Congress can eliminate many of them and, in the process, help restore equity and simplicity to the tax code.

The second, well-established principle of taxation holds that people should be taxed according to their ability to pay. It is the basis for a progressive tax—where the amount and percentage of taxable income and tax increase as income increases. The tax code theoretically reflects that principle, providing income tax rates that vary from 14 percent on the first $1,000 of taxable income to 70 percent on increments over $200,000. There have been proposals to change these rates, but there is general agreement that they should be progressive—that tax rates should increase as income increases. But despite the theoretical progressiveness of the income tax, the reality is something different.

The reason? Once again—loopholes. Altogether, they take $78 billion a year out of the Federal Treasury, and most of the $78 billion goes to those with high incomes. That is more than one-fourth of the entire Federal budget, and it is equivalent to mandatory Government expenditures of $78 billion. Yet, those expenditures do not receive the congressional or administrative scrutiny that other items in the budget receive. Now that the Senate had passed the Congressional Budget Act of 1974, it is especially ironic that we do not insist on reviewing these tax expenditures to insure that they, too, are consistent with national priorities.

Would Congress approve a $2.6 billion grant to oil companies or a $4.9 billion grant to corporations to help them buy new equipment if the grants were offered in an appropriation bill?

Some of these expenditures might withstand congressional scrutiny, but surely not all of them would, and very few would survive in their present form. Yet the tax laws demand that these expenditures be made.

It is time to reexamine these tax expenditure loopholes and repeal those not in the national interest.

INFLATION

As inflation has attacked the value of the dollar, increased wages have put many people in higher tax brackets despite their loss of real buying power. But for those families with high incomes already, it does not mean higher tax rates. So, as inflation continues, the income tax becomes even less progressive. And the problem is aggravated by the increased reliance on payroll taxes. Under the current system, the payroll tax is not proportional because of the limit on taxable earnings. For incomes above $13,000, the payroll tax is regressive because the percentage of income paid falls as income rises.

This might not be so bad if payroll taxes were an insignificant source of revenue, but that is hardly the case. Ten years ago, payroll taxes accounted for 16 percent of Federal revenue. Today, they account for 30 percent.

With all of this, the desperate need for tax reform should be obvious. The tax system must be rebalanced and simplified so that everyone pays a fair share—no more and no less—and so that no one has to shoulder an unfair tax burden. This can be accomplished in a number of ways: by increasing the personal exemption from $750 to $850, by providing an optional personal tax credit of $200 in place of the personal exemption, or by decreasing the payroll tax, perhaps accompanied by an elimination of the ceiling on taxable earnings.

There is a complementary need to strengthen the minimum tax provision—a tax designed to insure that those with high incomes will pay some taxes even though they can find enough exemptions and deductions to avoid paying any tax at all. Decreasing the amount of exempt income from the present $30,000 to $10,000 would be a step in the right direction.

But Congress could do all of this and still miss the central point: the tax code is not equitable and not simple, and the primary reason is the myriad of tax loopholes.

Many of the exemptions in the tax code are simply not consistent with national priorities or with the principles of equitable taxation. They may have been necessary at one time, but they should be recognized as the loopholes they are and be repealed or phased out.

At the head of the list is the oil depletion allowance. It costs $2.6 billion annually and has little, if any, impact on the rate of exploration for oil. I concur wholeheartedly with the recent vote by the Ways and Means Committee to phase it out by 1979. This loophole is symbolic of what is wrong with the tax system. It costs a great deal of money, but it benefits only a few wealthy people and corporations. To many people, it is the epitome of special interest legislation. No one act could do more to convince the American taxpayer that Congress is serious about tax reform than the abolition of this loophole.

There is another notorious tax device—the asset depreciation range—ADR. Enacted in 1971, ostensibly as a temporary tax deferral to help stimulate investment, it actually generated a $4 billion annual revenue loss. And it has done little to increase the industrial capacity of the Nation. It should be repealed.

The current tax laws permit—in fact, they encourage—those people with high incomes to seek a tax loss in farming, real estate, or some other tax shelter to reduce their tax bill. They do not really lose money, but these "tax shelters"—through leverage, rapid depreciation, and capital gains—permit people to defer or avoid taxes or to convert ordinary income into capital gains and paying lower taxes in the process. The ill effects of this practice are not limited to tax injustice, but frequently cause serious problems in the very industry which provides the shelter. For example, the "Wall Street cowboys" who avoid taxes by owning cattle they never see have contributed to the current havoc in the cattle feeding industry.

Several steps could be taken to eliminate these tax shelters. One would be to restrict the amount of loss from one activity which can be used to offset income from a nonrelated activity. Another step would be to revise the laws covering capital gains. The list of tax preferences which can and should be eliminated is long—foreign oil royalties, untaxed earnings on foreign investments, earnings on exports which escape taxation due to the Domestic International Sales Corporation—DISC—to name a few.

TAX REDUCTION

The tax saving which can be achieved by serious tax reform is substantial. Tax reform can mean tax reduction for millions of Americans. In testimony last year before the Ways and Means Committee, Dr. Joseph Pechman, one of the Nation's leading authorities on tax reform, outlined the revenue gains associated with various tax reform proposals. One proposal would yield a revenue increase of $77 billion a year, permitting a significant reduction in tax rates without sacrificing a single dollar in Federal revenue. Other proposals would permit more modest, but still impressive, decreases in the tax rates. But none of this will happen unless Congress is willing to close the loopholes.

There can be no doubt about the feelings of the American people. However, much grumbling there might be about the concept of taxation, the way we pay our taxes—voluntarily and honestly—is an indication of the people's trust in the system and the system's trust in people. But I think that might be changing.

The furor over the President's taxes certainly has reminded everyone that this country's income tax system is not equitable, that it does not treat everyone alike, that a worker who earns less than $15,000 a year can pay more in income tax than a President who makes $200,000 a year. Some people say that there is a taxpayer's revolt brewing. I hope that is true, because it might just take that to convince Congress to move on tax reform.

With the income tax deadline less than a week away, it is a good time to think about all of this.

And it is a good time to begin doing something about it.

Mr. HUDDLESTON. Mr. President, I thank the distinguished Senator from West Virginia.

Mr. President, I want to commend the distinguished Senator from Maine (Mr. MUSKIE) and others who have initiated and participated in this discussion on the Federal income tax structure. There is probably nothing more basic to a free and democratic society than a fair and equitable sharing of the costs of government and confidence by each citizen that he is paying his fair share and no more. This assurance is absolutely fundamental to the success of a voluntary compliance system.

Long before I came to the U.S. Senate, I recognized the need to reform the present tax system and one of my great disappointments after my first year here has been the almost total lack of effort by the Congress to make our income tax system more equitable, more fair for our people.

I find it discouraging that some members of the tax-writing committee of the House apparently look upon tax reform as only a means to increase or decrease Federal revenues. The fair and equitable distribution of the tax burden does not seem to be enough incentive to provoke action, and only sporadic and piecemeal attempts have been made in this body toward significant improvements. Hopefully, this colloquy today will lead to a more positive and productive effort.

I am sure much will be said during these discussions about the importance of easing the tax load of the average working American—and much should be said. For too long he has carried more than his share with practically no generous loopholes available to him while the more affluent can often make substantially more and pay less.

This objective of helping the low- and middle-income citizen is basic to any modification of the present system.

But there is another element of our present income tax system that I want to focus attention on today. That is its incredible complexity which in itself produces an inherent unfairness. The laws, the codes, the regulations, the rulings, and the interpretations are being so inconsistently applied throughout the land that the average citizen simply cannot cope with them.

I think it is a national disgrace that we have created an income tax system so confusing that a virtual industry has come into being just to help the hapless taxpayer decipher the laws under which he is expected to voluntarily pay his taxes. This service is adding millions of dollars to the taxpayer's costs—but even with this professional help there is no assurance that his return will be in compliance. For no matter how expert the accountant, how astute the attorney, there is no way he can be sure that his interpretation will be the same as an agent of the Internal Revenue Service or of a tax court in his particular part of the country.

I hope that Senators will pardon me if I recite a recent personal experience. On 2 successive days I contacted the IRS. I received different opinions each day. In one conversation the representative of the IRS said:

> Well, it just depends on the agent who checks your return.

Imagine that: A tax structure so complex, so confusing that it is subject to a different interpretation by each of the thousands of agents of IRS throughout the Nation. No wonder pending cases in the U.S. Tax Court have jumped 30 percent during the past 5 years. No wonder Federal judges are concerned about a possible flood of tax litigation, and no wonder Mr. Citizen approaches April 15 with such dread and apprehension.

This monstrosity of a system lends itself to exploitation by some while it victimizes others. Those in high brackets with a variety of sources of income are frequently able to avoid sizable tax liability. Many with limited resources and income who have tried to comply with the law often find themselves assessed for additional tax after a check by an IRS agent and are constrained to pay without further adjudication out of fear or from an unwillingness to risk the legal fee and the additional penalty and interest. Thus an agency of the Government that is supposed to serve the people frequently becomes an instrument of intimidation extracting in many cases unwarranted tax payments.

We have heard allegations this week in testimony before a Senate subcommittee that the Internal Revenue Service has a de facto "quota system" that rewards agents for harsh treatment of taxpayers and penalizes them for leniency. These allegations by the head of the IRS employees union may or may not be true. But it certainly raises very serious questions about the fairness of our tax system.

The complexity and confusion surrounding our tax laws certainly provides a basis under which such a quota system could operate, and contributes to an erosion of confidence on the part of the public.

Also, in recent months, the specter of the use of IRS for political purposes has been raised—the use of tax audits and individual tax information to punish political enemies and favor friends. The consequences of this kind of abuse of a sensitive Federal agency are too grotesque to contemplate, so I would urge the appropriate committees of the House and Senate—when they hopefully begin deliberations on tax reform this year—to give a great deal of attention to the need for tax law simplification, and fair and even application of the law.

The law that is not understandable, that is subject to many interpretations, that cannot be administered equally to all, can only ill serve the citizens of our country.

Mr. BIDEN. Mr. President, a country's tax structure is a good indication of the fairness with which that government treats its citizens. It was with good intentions, then, that the progressive income tax was the system chosen by the United States to raise revenue to run the Government.

Embodied in this special type of taxation was the "ability to pay" concept. In short, the wealthier the person, the more he would pay. Like many other programs and policies that began with good intentions, however, our tax system has grown into an uncontrollable monster. It has gotten bigger, more complex, and worst of all, can no longer accurately gauge income levels in order to effect the "ability to pay" principle. Since its inception in 1913, there have been so many loopholes and preferences written into the law that favor the wealthy and corporate interests, that its original intent of equitable apportionment of the tax burden has been significantly altered.

It is imperative that current tax provisions be reviewed thoroughly so that a meaningful tax reform can be initiated to replace a system full of subsidies for the wealthy and for big business with a fair tax system. The revenue saved can be used to cut taxes for the average American and to fund vitally needed programs that benefit the many rather than the few.

It is the moderate income taxpayer working to earn a living who bears more of the burden of paying taxes than he should. Working taxpayers earning between $8,000 and $15,000 make up only 26 percent of the population and earn only 20 percent of the Nation's personal income, but pay an extraordinary 36 percent of individual income taxes. Most individuals are unable to use the tax subsidies which are available to the wealthy and the corporate giants.

The existence of these subsidies severely erodes the tax base and hampers the progressivity of the income tax. It must be remembered that when the Federal income tax is considered in the context of the total tax burden in the United States. Federal, State, and local. It is only this tax which offsets regressive property, sales, social security, and other taxes to prevent the total tax system from being regressive.

The statutory rates in the income tax range from 14 percent to 70 percent. However, studies by tax experts have shown that the effective rate for those with real income over $1 million was 32 percent for 1972. IRS data show that for 1971, in spite of the minimum tax and other reforms enacted in the tax reform act of 1969, that over 80 taxpayers with adjusted gross incomes of over $200,000 paid no income tax. This figure does not even take into account taxpayers who avoid income taxes through tax shelters in real estate, farming, oil, and gas drilling, and other areas, or who receive tax exempt income such as State and local bond interest.

Studies allege as well that some of the largest corporations pay taxes at unbelievably low rates. According to a study by Representative VANIK based on reports to the Securities and Exchange Commission, which attempts to measure effective tax rates on actual profit, the overall rate for a sample of corporations from the Fortune 500 list of the largest corporations was 29 percent, in the face of a statutory rate of 48 percent. Particular corporations had even lower rates. Consider: Mobil paid at an effective rate of 2.9 percent, ITT at a rate of 1 percent. Bethlehem Steel at 8.2 percent, Honeywell at 8.5 percent, and Uniroyal at 9.1 percent. The list goes on.

I am referring only to the Vanik report; I cannot substantiate these figures on my own.

A taxpayer earning $9,000 to $10,000 paid tax on adjusted gross income, likely to correspond closely to real income, at 10.2 percent according to IRS data.

Assuming that the estimates are built up 100 or 200 percent, and that the oil companies pay at the rate of 36 percent, just consider how that stacks up against what the average income taxpayer is paying—the man who makes between $8,000 and $15,000—and then wonder why the average American taxpayer has little faith in the system.

What kind of income tax system do we have when a moderate income taxpayer pays at a higher rate than the average oil company; which paid around 8.7 percent?

Many of the most expensive tax subsidies are enjoyed by corporations. The investment tax credit resulted in a revenue loss of 3.8 billion in 1972, according to Treasury figures, with over $3 billion benefiting corporations.

Some argue that this credit has in fact inured to the benefit of the body politic as a whole because it stimulated increased production, and so on.

That may be true, but just keep in mind the figures we are talking about here.

The asset depreciation range lost $860 million, with most of it going to corporations. Excess percentage depletion resulted in a revenue loss of $1.7 billion, with a $1.4 billion attributable to corporations. Wealthy individuals enjoyed numerous subsidies as well—the cost of individual capital gains other than those in farming and timber was a whopping $7 billion in 1972. The exemption for State and local bond interest costs $3.3 billion, with $800 million solely benefiting wealthy investors.

Even more revealing than the revenue loss from these subsidies is the average tax savings per return for various income classes, since many of these subsidies benefit a relatively small group of taxpayers for example, according to computations by "taxation with representation," based on Treasury estimates of 1971 revenue loss by income class, the average preferential treatment of capital gains was worth $1.66 for returns with adjusted gross income of zero to $3,000, $16.31 for returns in the $10,000 to $15,000 class, $37.90 for returns in the $15,000 to $20,000 class and $38,126.29 for returns in the $100,000 and over class. The exemption of interest on State and local bonds was worth $0.71 for returns in the $10,000 to $15,000 class; $3.61 for returns in the $15,000 to $20,000 class, and $4,621.31 for returns in the over $100,000 class.

The reason I mention these figures is that those who say that capital gains are not particularly beneficial go on to point out that everyone benefits from capital gains. That is true. Everyone does receive some kind of benefits. The man or woman who makes between $0 and $3,000 benefited $16.31 from our capital gains structure, no doubt about it. But the persons who made over $100,000 benefited $38,000, on the average. And guess who paid for that $38,000 benefit. The guy who makes between $10 and $15,000.

The effect of all these subsidies on the progressiveness of our Federal income tax structure is particularly disturbing to all of us here, and that is why the senior Senator from Maine put this whole colloquy together, and he is to be complimented for it.

It is essential that we move toward a type of modified gross income tax which—except for a very few limited provisions—treats earned income and invested income more similarly, and treats persons to all income levels equitably. But also disturbing is the complexity of the tax law for all taxpayers. The tax system can be made simpler and at the same time more equitable by repealing and reforming many of the subsidies under the tax system—subsidies which have been shown to not only hamper the progressivity of the tax system, but also to be inefficient in accomplishing their objectives.

Therefore, I am today introducing four pieces of legislation which will curtail some of these inequities and shift the burden of taxation somewhat farther up the scale where it belongs. In so doing, this will provide a needed measure of relief to the moderate income taxpayer. To briefly describe the overall effects and purposes of this legislation, more complete explanations will accompany each bill, and I ask unanimous consent, at the time I introduce the bills, that the accompanying explanation of each bill be printed in the RECORD at this point.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The statements and text of bills introduced by Senator BIDEN are printed in the morning business section of the RECORD under Statements on Introduced Bills and Joint Resolutions.)

Mr. BIDEN. The first proposal amends the so-called minimum tax. If you will recall, there was a great deal of ballyhoo about how we were going to see to it, through the minimum tax structure, that everyone pays something. I think it has been a dismal failure.

The minimum tax is a 10-percent levy on certain items of "loophole" income which largely escapes substantive taxation. Capital gains is one of the major items in this category. Although the statutory rate of this tax is 10 percent, the effective rate for individuals is only 2 percent. This happens mainly because regular income taxes may be deducted from preference income before the minimum tax is applied. Also, there is currently a $30,000 exemption before any of the income is subject to the minimum tax. I propose that the deduction for regular income taxes be eliminated, and the $30,000 exemption be lowered to $10,000. This would still allow a person with a modest amount of capital gains, for example, to be exempt from the tax, and at the same time compel large investors to pay something closer to the 10-percent statutory rate.

Also, I propose to add tax-exempt State and local government bonds—I might add, I suspect to the chagrin of Governors and mayors around the Nation—and the cost of intangible drilling expenses of gas and oil to the minimum tax base tax-exempt bonds are very expensive and interest rates are usually low. They are bought primarily by wealthy investors who use them as a shelter to shield their income taxation. Also, this method of raising revenue for the States and localities is very inefficient because the interest subsidy to the States is estimated by some to be less than the revenue lost by the Treasury. This means that the difference, approximately $800 million, is merely as in other types of businesses. This is a great advantage because as long as more wells are drilled, these overinflated deductions produce large but unwarranted tax benefits.

These changes in the minimum tax would raise revenue of approximately $1½ billion.

Mr. President, how much time remains of my 15 minutes?

The PRESIDING OFFICER. The Senator's time has just expired.

Mr. ROBERT C. BYRD. I yield the Senator 5 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BIDEN. The second bill which I introduce today would provide for the gradual phaseout—and, I might add, to the chagrin of the oil companies—percentage depletion for oil and gas over a 3-year period. Percentage depletion allows oil companies to deduct 22 percent of gross income before any taxes can be assessed. It usually results in a faster recovery of costs and often the cost of investment may be recovered many times over, since the total deduction is not limited to the cost of the property. This uncalled for bonus to the oil industry amounts to approximately $1 billion, which should instead be going to the Treasury.

The third measure basically would prohibit multinational oil companies from using royalty payments as dollar-for-dollar credits against U.S. income taxes.

Royalties, money paid to the landowner for drilling rites, are fixed costs of production and should be deducted as a normal business expense from income, not used as a tax credit. At a time when we are trying to be energy independent, this loophole promotes overseas oil exploration at the expense of domestic exploration.

This measure would take away this unfair advantage to the major petroleum companies by treating them in the same manner as other U.S. corporations operating abroad who, except for very limited reasons, are allowed to credit only legitimate income taxes. Also, this measure would put them in the same position as our domestic oil companies which also must pay royalties to the landowner, but are permitted to deduct them only as a business expense. Approximately $1 billion is lost to the Treasury by treating royalties as creditable taxes.

When I say "creditable" I mean credited against taxes, not "credible" or "believable."

One of our biggest tax loopholes today stems from the preferential treatment of capital gains. Generally, capital gains are gains on the sale of property, other than property held for sale to customers. Capital gain subject to tax is, with certain exceptions, the difference between the cost of the property and the sales price.

Short-term capital gains—property held less than 6 months—are treated as ordinary income, but one-half of long-term gains may be excluded from regular income taxes. If capital gains were taxed as ordinary income, it would produce revenue amounting to $7 billion.

I propose to tax capital gains over $50,000 at regular rates, while keeping the present method of taxation for gains under this amount. This may be viewed as an interim step which moves in the direction of more equal treatment of earned and invested income, while still allowing for a more thorough investigation to determine whether further modification is warranted. This bill would produce about $3½ billion.

I should add, the reason why I kept it under $50,000 is that I do not want to see the elderly man and woman who sell their homes after 30 years and get a capital gains of over $30,000, having to pay that as regular income. I do not want to cut that out.

Taken together, these four measures would raise approximately $7 billion.

We have reached the point where the old adage "nothing is certain except death and taxes," is no longer true. Because of our loophole ridden tax structure, it is fairly easy for wealthy individuals and large corporations to evade paying their proper share of taxes. We must begin immediately to reverse this unfair process.

Our system of taxation is basically one of self-assessment.

As long as people have faith that everyone is being treated similarly, the system works well. Once this faith is lost—and we are now approaching that point—the once solid foundations begin to get a little shakey. Hopefully, these measures will move in the direction of restoring some of this lost faith in order to shore up these foundations.

Not only would more revenue then be available for Government expenses or reduced taxes, but the entire system will have been made somewhat fairer and simpler with relation to the middle income person, now bearing the brunt of our heavy taxload.

It is that middle-income person who has been forgotten for such a long time.

Thank you, Mr. President, for extending the period of time for me to make this statement.

Mr. STEVENS. Mr. President, as the April 15 deadline for filing our tax returns quickly approaches we are sorely reminded that yet another year has passed with the Congress failing to enact needed tax reform legislation.

As we know, and indeed thousands of taxpayers throughout the Nation have come to know, especially as they fill out their tax forms, that we have an antiquated tax system—a system that perhaps at one time met the needs of our country but today is not only inefficient in meeting national needs but at the same time is unfair to the person who pays the Federal bill—the individual taxpayer.

Certainly, severe inequities can be found throughout the broad spectrum of our tax laws, which I am sure my colleagues will be addressing themselves to in detail.

For many years we have recognized the unfairness of the graduated tax system when applied to individuals whose income varies from year to year. We have special rules for capital gains, which are often realized by the taxpayer in a lump sum in 1 year and may represent income actually earned over several years. We provide special treatment for lump sum distributions of retirement funds built up over many years. We have rules which allow a taxpayer to average his income over several years when income in a gievn year is substantially above his previous earnings.

But for some reason our tax laws do not take into consideration provisions for adjustments in situations where the real buying power of a taxpayers income is substantially less where it was earned than it would be if it had been earned elsewhere. This is the case in Alaska, where the cost of living is about 50 percent higher than it is in most parts of the United States, and where inflation is felt more severely than in any other part of the Nation.

This increased cost of living and higher inflationary impact is compounded by the present tax laws which in effect require that a family in Alaska must make a substantially greater income, endure greater inflationary atrophy of income and pay a greater income tax than a similar family in the lower 48.

Even though the present tax laws are severely and unduly unfair for Alaskans, they will be even more so as construction of the trans-Alaska pipeline begins. Goods and services in Alaska will become even more expensive which after income compensation, means that Alaskans who already find themselves paying an inordinate tax will be asked to pay even more income tax—this while their buying power decreases and the rate of inflation increases.

Mr. President, it is most important that we eradicate this severe inequity and not penalize Alaskans simply because of the geographical location in which they live.

I believe that fixed exemptions and deductions now permitted under the income tax law should be adjusted to reflect the geographic differences in buying power and the unique problems that are special to Alaska and place an extra burden on the Alaska taxpayer, such as the construction of the trans-Alaska pipeline.

Private industry provides for cost-of-living adjustments for transferred employees, as do many Government programs. Why then can we not extend this concept into the area of Federal income taxation?

The urgent necessity for changes in our tax laws is of paramount necessity. Not only is it important to simplify the procedures for paying taxes so that our tax system will be more efficient, but as I have stated earlier it is time that we take into consideration the unfair treatment that is accorded many taxpayers because of the geographic location in which they reside.

Mr. ROBERT C. BYRD. Mr. President, what Senator is next on the list?

The PRESIDING OFFICER. The distinguished Senator from Wisconsin (Mr. Nelson).

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that 4 minutes of my time may be allotted to the distinguished Senator from Minnesota (Mr. Mondale), without prejudice to Senator Nelson.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MONDALE. Mr. President, I thank the distinguished assistant majority leader. I commend the Senator from Maine (Mr. Muskie) for organizing this colloquy on tax reform. I cannot think of any issue in this country today more important than that. The record being made today will make an excellent document for Americans and for students of tax reform in this country to develop the case for a long overdue change in American tax laws and the way in which we enforce them, so that we will have a system based in the ability to pay and not one riddled with preferences, deductions, and exemptions, which permit many who are rich and who are powerful either to escape taxes entirely or to pay such a modest amount in taxes as to virtually contribute nothing to the cost of Government.

Justice Holmes once said, "Taxes are the price we pay for civilization." I think that all Americans should pay a fair share based on the ability to pay toward our civilization.

Mr. President, about 1 month ago, I learned that there were 402 Americans with 1972 incomes of over $100,000 who paid no Federal income tax at all for that year.

Ninety-nine of the 402 had incomes over $200,000, and four had incomes of over $1 million.

More recently, Americans have been provided with a good short course in the theory and practice of tax avoidance by the Joint Tax Committee's Report on President Nixon's taxes.

The centerpiece of this, of course, was the President's deduction of $482,000 for the gift of his papers, including such historically valuable items as 56 boxes of "correspondence regarding invitations and turndowns" and three boxes of old newspaper clippings.

Coming at a time when millions of ordinary Americans are struggling with their tax forms, revelations such as these make it clear that our tax system has departed substantially from the old idea of taxation based on ability to pay.

It is possible under our system, by the artful manipulation of deductions, exclusions, exemptions, and special rules, to end up paying little or no taxes—but only if you are rich enough.

For the average American, there are no loopholes, and taxes are withheld on every penny that is earned. The average wage earner in this country could hire the best tax lawyer or accountant in the country, but he could not find a penny's worth of loopholes, because there are none.

We need tax reform that will restore the principle of ability to pay to our tax system. Those with great wealth, who have enjoyed the bounty of American life more fully than their fellow citizens, are able to pay a greater percentage of their income in taxes, and they should do so.

At the same time, those Americans with lower incomes, who must spend a greater percentage of their income simply to take care of their families and meet the necessities of life, ought to pay a lesser percentage in taxes.

Real tax reform, therefore, should mean not only closing the loopholes that enable the well-to-do to escape paying their fair share. Equally, those low- and middle-income Americans who are paying more than their share should be given some relief.

That is why I have proposed legislation (S. 2906) that would cut nearly $200 a year from the average family's tax bill by allowing taxpayers the option of taking a $200 credit for themselves and each of their dependents instead of the existing $750 exemption.

That exemption itself is interesting. What it means is that the richer you are, the higher the tax bracket you are in, the more your actual taxes are reduced—as much as $525 for someone in the highest bracket. But if you are a person trying to raise a family on an average income there may be only $110 or $125 in reduced taxes per exemption for the full year to defray the cost of raising a child.

The bill which I propose tries to bring some equity to this situation. It is cosponsored by the Senator from Minnesota (Mr. Humphrey), the Senators from Iowa (Mr. Clark and Mr. Hughes), the Senator from Louisiana (Mr. Johnston), the Senator from Connecticut (Mr. Ribicoff), the Senator from Utah (Mr. Moss), and the Senator from Nevada (Mr. Cannon). I hope that other Senators will join later on.

I am pleased that the Finance Committee has reported out a bill (H.R. 8217) which can serve as the vehicle for a tax relief amendment along the lines of the $200 optional tax credit I have proposed. This bill should be coming to the floor shortly after the Easter recess.

From all indications, real growth in the economy in the first quarter of this year has declined by more than 5 percent, and unemployment is expected to hit 6 percent or more by midyear.

The $200 optional tax credit proposal would increase the purchasing power of low- and middle-income Americans by nearly $6.5 billion, and help to head off this growing threat of recession.

At the same time, it would be a significant step toward greater tax equity.

The $750 exemption for dependents is much more valuable for the wealthy than it is for average Americans. It provides the most help to those who need it least, and the least help to those who need it most.

For those in the highest 70 percent bracket—making $200,000 a year or more—each $750 exemption is worth $525 in reduced taxes. But for someone in the lowest 14 percent bracket making around $5,000 a year, each $750 exemption is worth only $105 in reduced taxes.

A $200 tax credit, however, would be worth the same amount in reduced taxes—$200—to everyone who used it, and would be more beneficial than the $750 exemption to almost every family making $20,000 a year or less.

Nearly 80 percent of the relief from this proposal would go to those making between $5,000 and $15,000 a year, who have suffered most from the inflation and higher taxes of this past year.

It is not often that sound fiscal policy, economic justice, and tax equity coincide. In this case they do. I hope the Senate will act promptly on this proposal.

TAX EQUITY THROUGH SIMPLIFICATION

Mr. HATFIELD. Mr. President, I would like to thank the Senator from Maine (Mr. Muskie) for extending an invitation to me and other Senators to speak on the subject of Federal taxes this morning. With April 15 just 4 days away, we are all more aware of the vagaries of our tax system—the procedures used to enforce it, and the burden it places on the average American.

Obviously there is a great deal that can and should be said about taxes. Our 2-hour colloquy this morning will not even begin to exhaust the subject. I would like to comment briefly on one important aspect of the Federal tax structure that causes numerous problems for compliance and equity; namely, the tax code's complexity.

Beginning this next Tuesday morning, the Senate Appropriations Subcommittee on Treasury, Postal Service, and General Government has been conducting hearings on the Internal Revenue Service, with particular emphasis on its taxpayers' assistance programs. In his opening statement, the subcommittee chairman, Senator Montoya, observed that "our tax laws are complex and difficult for even specialists in tax law to understand fully. The average citizen finds himself unsure or unaware of his rights in any controversy over his taxes."

Certainly Senator Montoya's claim has been well substantiated so far in the hearings. We have heard how IRS supervisors encourage revenue officers to close their cases quickly and avoid the costs of more careful investigation, thus either losing legitimate tax revenues written off as uncollectable, or subjecting taxpayers to the summary action of levy and seizure proceedings. Despite official IRS denials to the contrary, it is alleged that production quotas for tax liabilities assessed continue as a basis for promotion. IRS auditing procedures and settlements are at best erratic, as is the advice given curious taxpayers inquiring at IRS service centers. Tax procedures are veiled in a shroud of secrecy that violates at least the spirit if not the letter of the Freedom of Information Act and frustrates taxpayers' attempts to determine how the IRS arrives at its judgments. And finally, as we are all painfully aware, the Internal Revenue Service has often been used for political purposes.

In the face of this confusing array of regulations, forms, inconsistencies, and questionable practices, it is little wonder that many Americans are both fearful of the Internal Revenue Service and angry with it to the point of revolt. I submit that the complexity of the tax code is at the root of all these problems, and this is the issue we must address if we are to effect meaningful tax reform.

As a first step, Congress must move to insure the taxpayer's rights in all his dealings with the IRS. We must remember that the Internal Revenue Service not only collects taxes for the Federal Government, but it also serves the citizens. Indeed, that should be its primary task. So we need to enact a taxpayer's bill of rights, so that the taxpayer will be fully aware of his rights from the outset of any interaction with the IRS, protected from assessment until a contested case is proved against him, shielded from destitution if he is in tax debt, and able to obtain precise information on the IRS procedures being followed in any action against him.

The Congress might also act to provide better training for IRS personnel, particularly taxpayer service representatives, so that their advice will more likely be consistent and trustworthy.

But both of these suggestions, though deserving of our attention and that of the IRS, somehow miss the point. A taxpayer's bill of rights would not be necessary if the Internal Revenue Code were simple to understand and comply with. We would not need to spend tax dollars to train tax specialists to resolve complex matters if we would devote ourselves to simplification and eliminate the complexities. Several times in the Appropriations Subcommittee hearings, witnesses have asserted, "short of simplification, I would suggest * * *," seeming to say that simplification is what they would really like to achieve. Yet when I suggested this as the best approach, one witness dismissed it as "pie in the sky."

I do not believe simplification to be an unattainable goal, and I suggest it is dangerous for Congress to regard it as such. Last week, I introduced my simpliform proposal, S. 3284, "to reform and simplify the Federal individual income tax." I believe this is a new departure in tax reform measures, for too often our attempts at tax reform to provide greater equity have only given us more loopholes accessible to the knowledgeable few, or those who can afford expert advice. Simpliform gives us equity simply by eliminating all the loopholes that have created inequity, and by substituting a $250 tax credit for the present $750 personal exemption. And by eliminating all personal deductions, simpliform achieves the goal of simplification with a proposed tax form of four lines instead of 64, with just nine tax brackets, and only one tax rate table.

While I am not absolutely wedded to all the specifics of simpliform, I am committed to its basic thrust of equity through simplification. I hope that any action for tax reform spurred by this colloquy today will address the concepts embraced by simpliform, and not merely result in yet another flurry of reform measures that further complicate the tax laws with which the bewildered and angry taxpayer must comply.

TAX REFORM AND GOVERNMENT DEFICITS

Mr. JAVITS. Mr. President, I consider the arrangement by which there is a succession of speakers respecting tax reform to be an extremely valuable and important one today, because I believe that we are not actively discussing the proposition of how Government deficits affect inflation. We are discussing lots of other things about commodity prices, controls, et cetera, but the particular problem of endemic deficits remains a very serious problem, heavily contributing to inflation, because it relates to the confidence of people in the ability of the United States to operate fiscally, and therefore relates to the interest rates and other expressions of confidence that people have in the stability of our money and our economy.

There are a number of points in which each of us have been separately concerned which it is important to consider. The first one I would like to consider is the fact that tax reform does not mean a tax cut. It may mean reallocation of the tax burden. It unquestionably means that taxation sources based on the capacity to pay which are traditional in this country, and which, for one reason or another, may have avoided their share of the tax burden will be required to pay their share due to changed conditions or excesses which have crept into the system or means of avoidance which we now consider unacceptable.

But I think the first posture that must be laid down is that tax reform does not mean tax cutting so that we have a reduction in the overall tax receipts. I voted against the last tax bill in 1969 precisely because it was advertised as a tax reform bill, but which really resulted in cutting taxes by around $12 billion, which was an absolute fatal mistake considering the inflationary situation we then faced attributable to the fact that we had swept the consequences, in terms of Government fiscal policy and monetary policy, under the rug in respect to the Vietnam war, and we are paying for it right now, today, cumulatively, indefinitely more than we would have, had we faced the issue when it was before us at that time.

So the first thing I want to say is that I am against tax cuts and against using a tax reform bill for the purpose of bringing about tax cuts. A redistribution of the tax burden, however, is extremely urgent, and, in my judgment, long overdue.

I suggested in a bill I proposed, S. 1642, a commission on the reform of the Federal income tax, which, had it gone through when it was put in, which is over a year ago, would have now produced for us an expert report on just exactly what we ought to do about readjusting the tax burden; but we did not choose to do that, though probably, even if we did it now, it would still be in time, considering the likelihood of progress without it.

So, Mr. President, I ask unanimous consent that a copy of the text of S. 1642 may be inserted at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1642

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) there is established a Commission on the Reform of Federal Income Tax Laws (hereinafter referred to as the "Commission"). The Commission shall study the Federal income tax laws in order to determine the best means of reforming those laws in a manner which—

(1) will not have a significant effect on the distribution of the income of individuals before taxes, but will provide income tax relief to individuals with lower incomes;

(2) will provide simplicity of administration and reporting (including, but not limited to, consideration of a gross income tax); and

(3) will result in a strong, flexible tax base. The Commission shall also study the social and economic implications of specific changes in the tax laws developed under the preceding sentence and recommend means of keeping to a minimum any adverse social or economic effects of such changes.

(b) The Commission shall be composed of—

(1) Three Members of the Senate, no more than two of whom shall be members of the same political party, appointed by the President of the Senate;

(2) Three Members of the House of Representatives, no more than two of whom shall be members of the same political party, appointed by the Speaker of the House of Representatives;

(3) Four individuals not otherwise employed by the Federal Government, no more than two of whom shall be members of the same political party, appointed by the President;

(4) the Director of the Office of Management and Budget; and

(5) the Secretary of the Treasury.

(c) The Commission shall elect a Chairman from among its members by majority vote. Seven members of the Commission shall constitute a quorum, but a lesser number may conduct hearings.

(d) Members of the Commission who are Members of Congress or full-time officers or employees of the United States shall serve without additional compensation, but shall be reimbursed for travel, subsistence, and other necessary expenses incurred in the performance of their duties as members of the Commission. Other members of the Commission shall receive $125 per day (including traveltime) while engaged in the performance of their duties as members of the Commission, and shall, in addition, be reimbursed for travel, subsistence, and other necessary expenses incurred in the performance of their duties as members of the Commission.

(e) The Commission shall meet at the call of the Chairman or at the call of a majority of its members, and may meet, hold hearings, and act at such times and places as it deems appropriate.

(f)(1) The Commission is authorized to appoint an Executive Director, a Deputy Director, and a General Counsel. The Executive Director shall be compensated at an annual rate of pay equal to the annual rate of basic pay paid to an individual occupying a position at level III of the Executive Schedule under section 5314 of title 5, United States Code. The Deputy Director and General Counsel shall each be compensated at an annual rate of pay equal to the annual rate of basic pay paid to an individual occupying a position of level IV of the Executive Schedule under section 5315 of title 5, United States Code. The Executive Director, with the consent of the Commission, may appoint and fix the compensation of such other employees as may be necessary to carry out the duties of the Commission.

(2) The Commission may procure the temporary or intermittent services of experts and consultants in accordance with the provisions of section 3109 of title 5, United States Code. Persons so employed shall receive compensation at a rate to be fixed by the Commission, but not in excess of the maximum amount payable under such section. While away from his home or regular place of business and engaged in the performance of services for the Commission, any such person may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703(b) of title 5, United States Code, for persons in the Government service employed intermittently.

(g) The Commission may secure directly from any department or agency of the United States information necessary to enable it to carry out its duties under this Act. Upon request of the Chairman of the Commission, each such department or agency shall furnish such information to the Commission.

(h) The Commission shall submit an interim report to the Congress not later than six months after the date of enactment of this Act containing legislative proposals recommended for enactment in 1974. The Commission shall submit a final report to the Congress not later than twelve months after the date of enactment of this Act, containing recommendations for comprehensive tax reform. The Commission shall terminate thirty days after the date on which it submits its final report.

(i) There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this section.

Mr. JAVITS. Mr. President, this colloquy on tax reform comes at a time when Americans are not only burdened with the April 15 tax deadline, but also when the tax benefits available to higher income taxpayers have been in the news. Consider what low income taxpayers must feel when they see their income eroded by higher prices and then learn that important people can deduct the market value of paper they have autographed from their tax returns if these papers are properly given away. Consider how they must feel as they eat their sandwich lunches at work to learn that the high-income taxpayer can deduct the cost of his two-martini luncheon while entertaining a client. How do people feel when they learn that real estate speculators have tax benefits available to them because of their land investments, while the only "benefit" a low-income taxpayer gets from the increase in land values is having to pay higher rents?

Now we have heard a lot in recent weeks about tax cuts. People say that tax cuts would give the low income wage earner some relief against inflation. Well, tax cuts would also help the wealthy—furthermore, they would set an even worse inflation in motion. No, tax cuts are not what we need but tax reform is. Tax reform for the purpose of redistributing the tax burden can be aimed at the people being hurt the most, and tax reform can do the job without damaging the rest of the economy.

It is interesting to note, for example, that leading economists from totally different ends of the ideological spectrum have opposed the idea of a tax cut—I refer specifically to John Kenneth Galbraith on the one hand and the Secretary of the Treasury George Shultz on the other.

I proposed a solution to the tax reform problem in the last Congress and again approximately 1 year ago. My proposal was to set up a tax reform commission to report within a year on specific steps which would be taken to reform the tax code, make it simpler, aid middle and low income taxpayers, and preserve the tax base of the Treasury. Had that proposal been adopted when it was first introduced, we could have had our tax reform now. I continue to believe that the problems of tax reform must be adopted on a comprehensive basis, and thus I still believe that the tax reform commission approach is a sound one. However, we must deal with reality, and thus I welcome the opportunity today to talk about some specific proposals which I think we must work on.

Perhaps one of the most inequitable aspects of our tax system today is social security tax. The problem is that the burden of the tax itself falls most heavily on those at the lowest end of the income scale. At 5.8 percent of gross salary, the social security tax is the second largest tax that most people pay, and in many cases is the largest; a median family of four with earnings of about $12,000 in 1973 paid more in payroll taxes than income taxes. Add to this the fact that the employer share of the tax is, for all practical purposes, partly paid for out of reduced income benefits to employees, and these figures are even more dramatic.

Although I am not now proposing a comprehensive plan for social security reform this morning, it is clear that we must extend low income relief to the social security tax system. This could be done, for example, by eliminating the payroll tax on very low incomes, instituting a progressive rate for the social security tax, or adjusting income tax rates to take account of the high social security tax rate paid by middle and low income taxpayers.

The minimum tax was introduced as part of the Tax Reform Act of 1969 in an effort to make sure that all Americans with a substantial income would pay some tax on that income; and to insure that wealthy taxpayers could not use tax loopholes to avoid completely paying any and all taxes. While this tax has been described as "a bucket under a sieve" in its efforts to make sure that wealthy taxpayers contribute a fair share of their incomes, it is fair to say that the bucket itself is full of holes.

In the present form of the minimum tax, a person is taxed at the rate of 10 percent on the sum of his income from tax preferences, less a $30,000 exemption and less the amount of taxes owed on regular income.

In January I supported Senator KENNEDY's amendment to the debt ceiling bill which alters the minimum tax by removing the deduction for other taxes paid, and by reducing the exemption from $30,000 to $20,000.

The net effect of this legislation is to remove a giant loophole for those individuals who have large tax preferences and may currently deduct the taxes which they pay on large salaries from these tax preferences. The legislation makes their situation more equitable vis-a-vis the taxpaper with large tax preferences who pay little or no regular taxes.

Congressman REUSS has introduced comparable legislation in the House which would also adjust the minimum tax to make it more equitable. I have assured the Congressman of my support for his legislation.

I do not believe that one can discuss tax reform in the year 1974 without focusing attention on the need for reform of certain tax preferences now enjoyed by oil companies. The House Ways and Means Committee is now completing action on a bill that would phase out the depletion allowance for oil, impose a temporary excise tax on higher-priced crude oil and somewhat toughen the tax treatment of petroleum companies' foreign source income.

In addition, the minority members of the Joint Economic Committee, of which I am ranking member, stated in a recent committee report, A Reapprisal of U.S. Energy Policy:

> It is unquestionably clear that reexamination of the Federal tax structure as it applies to the petroleum industry is long overdue.

It is my belief that all special tax benefits granted the oil industry should be carefully scrutinized with a view to eliminating all benefits that do not provide substantial incentives to domestic exploration and production. For this reason, I would agree with a finding such as that of the House Ways and Means Committee which would obviate the need for a continued oil depletion allowance.

I am hopeful that when the Ways and Means Committee sends the legislation to the Senate Finance Committee, that the committee and the Senate as a whole will give prompt consideration to the issue of the oil companies tax treatment.

Mr. President, there are other tax reforms that we can make, and before I outline those I would like to call the Senate's attention to the fact that we have already a body of documentation which is extremely useful on that score. It is a body of documentation which I had the honor to get included in the 1969 tax bill, and which is in the new bill relating to budget control in an even more precise form.

In the 1969 bill we got a provision that tax expenditures were defined to mean the amount of tax benefits which different parts of the population receive, especially designed for that either by way of inducing some economic action or reward for some economic action. That report had to be made every year by the

Treasury Department to the Committee on Ways and Means, the Committee on Finance, and to the Joint Committee on Internal Revenue Taxation.

Mr. President, I placed in the RECORD on March 21 last a report for the year 1973. It shows that the aggregate of these tax expenditures, as they are technically called, for the covered period was something in the area of $60 billion. This does not say that all of this was unjustified. It simply relates to the areas in which special treatment for tax purposes has been given.

Then, in the measure which is now in conference, out of the Government Operations Committee, as to the budget process again, there are a number of sections resulting from amendments which I proposed in that committee, and which relate these tax expenditures to our overall budgetary view and what we ought to do about the tax in order to bring about a better relation between the expenditures overall and tax receipts when we face that problem in the annual budget measure.

So the tool with which to work, with respect to tax reform, is available to Congress. That is a big step forward, and is in precise tabular form at page 1408 and the pages which follow in the CONGRESSIONAL RECORD.

To sum up, I am against a tax cut. I am against utilizing a tax reform bill to perpetuate a tax cut, as that will cost us infinitely more in any event than it will save the taxpayers, and will generally benefit the taxpayers who least need it.

Second, I am for reform which will redistribute the tax burden. The critical elements I have pointed out, and the equitable treatment which will be of greater benefit to all income tax payers, especially those who have high salaries, and the tax preference which has been given to the oil industry for purposes of, allegedly, exploration, but which is now working in exactly the other way, and would simply benefit the oil industry tremendously through windfall profits.

The PRESIDING OFFICER. The time of the Senator from New York has expired.

Mr. JAVITS. Mr. President, I hope very much that our collective action will result in a successful revision of the tax structure.

The PRESIDING OFFICER. Under the previous order, the distinguished Senator from Wisconsin (Mr. NELSON) is recognized for 15 minutes.

Mr. NELSON. Mr. President, on February 4, President Nixon submitted to Congress a 346-page budget proposing that $220.6 billion be spent for fiscal year 1975. This budget, the result of careful analysis and studies throughout the administration, will be subject to lengthy hearings and debate before any of it is enacted into law.

THE INVISIBLE BUDGET

The $78.2 billion of additional Federal revenues—35.4 percent of the budget—will be spent in the coming year without being analyized either by the administration or by Congress. These expenditures, made through tax provisions, departing from generally accepted tax principles, have the same effect on Federal revenues and the general public as direct expenditures. Both are Federal subsidies to various groups or segments of our society financed by taxes levied on the general public.

Mr. President, I ask unanimous consent that a table showing the estimated budget outlays and tax expenditures by functions for fiscal year 1975 be inserted in the RECORD at this time.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

ESTIMATED BUDGET OUTLAYS AND TAX EXPENDITURES, CLASSIFIED BY FUNCTION, FISCAL YEAR 1975

[Dollar amounts in billions]

	Budget outlays	Tax expenditures	Total	Tax expenditures as percentage of total
National defense	$87.7	$0.7	$88.4	0.8
International affairs and finance	4.1	.9	5.0	18.0
Space research and technology	3.3	0	3.3	0
Agricultural and rural development	2.7	1.1	3.8	28.9
Natural resources and environment	3.1	3.6	6.7	53.7
Commerce and transportation	13.4	24.4	37.8	64.6
Community development and housing	5.7	13.2	18.9	69.8
Education and manpower	11.5	1.0	12.5	8.0
Health	26.3	6.9	33.2	20.8
Income security	100.1	11.7	111.8	10.5
Veterans benefits and services	13.6	.5	14.1	3.6
Interest	29.1	0	29.1	0
General government	6.8	.1	6.9	1.4
Aid to foundations and charities	0	3.7	3.7	100.0
General revenue sharing aid to State and local governments	6.2	10.4	16.6	62.6
Allowances	1.6	0	1.6	0
Undistributed intragovernmental transactions	−10.7	0	−10.7	0
Total	304.4	78.2	382.7	20.4

Source: The 1974 Joint Economic Report on 1974 Economic Report of the President.

Mr. NELSON. For certain budgetary categories, such as natural resources, housing, commerce, and transportation, the tax expenditure programs constitute more than 50 percent of Federal expenditures. Tax expenditures increase from year to year just like direct expenditures. For example, tax expenditures for the oil and gas industry will increase from $1.6 billion in calendar year 1972 to $2.9 billion in fiscal year 1975—an 81-percent increase. Perhaps, the most shocking fact about tax expenditures budget is not that some of the provisions are expensive and unjustified loopholes, but that it is never comprehensively reviewed by the administration or by Congress.

It is obvious that they should be subject to the same cost-benefit analysis and rigid scrutiny as the administration and Congress currently conducts for direct expenditure programs. Congress has an obligation to determine if particular tax preferences do, in fact, achieve their stated goals. Further, Congress must ask if there are less costly and more efficient ways of achieving these objectives and, finally, are the tax preferences consistent with tax equity and sound tax policy.

If the tax expenditure budget was subject to such review, many would be found to be costly failures, inefficient, or grant unnecessary tax advantages to wealthy individuals and corporations. There is not time today to mention all the questionable tax provisions, but I would like to discuss three examples of the kinds of failures contained in the tax expenditure budget.

1. A WORTHY GOAL, BADLY ACHIEVED

Permitting the interest on State and local bonds to be tax exempt enables municipalities and State to compete in the bond market. Achieving this objective through the tax code, however, results in banks and high-income individuals being paid $3 billion so that they will turn over $2 billion to State and local governments. A direct subsidy program would provide the same $2 billion to States and localities, while eliminating the $1 billion waste and tax inequity of the present system.

2. AN UNDESIRABLE TAX PROVISION BY ANY STANDARD

Domestic International Sales Corporation—DISC—enacted as part of the Revenue Act of 1971, is just a dismal tax loophole for corporations. It allows them, just by establishing a paper corporation and without increasing their exports, to defer indefinitely one-half of their taxes on those exports. This loophole gets bigger with every passing day. Everytime the U.S. Government negotiates a new trade or wheat arrangement with Russia, or our currency is devalued, which with a floating exchange rate happens daily, the value of this loophole for large exporters increases.

DISC should be repealed immediately. As C. Fred Bergsten, senior fellow at the Brookings Institution, recently testified before the Senate Finance Committee:

> The DISC legislation has apparently done little to spur exports and has significantly reduced government revenues. In addition, there is no need for such selective export subsidies in a world of flexible exchange rates. And, even had it worked as planned, it would have no place in the current inflationary environment.

DISC adds to domestic inflation by draining resources away from our economy.

3. A DESIRABLE TAX PROGRAM RESULTING IN UNNECESSARY TAX BENEFIT TO WEALTHY INDIVIDUALS

The tax code offers an effective incentive to provide for the retirement income for many Americans. A tax approach has particular advantages that could be matched only by a massive Federal program—such as social security—financed through general revenues.

While there are distinct advantages of using the tax code, the present law results in extraordinary tax savings for high-paid executives. For example, a randum selection from the 1972 Securities and Exchange Commission files showed some executives were to receive annual pensions in excess of $100,000 a year.

Overall, there is a serious misallocation of the benefits received from the $4 billion of Federal revenues lost each year. A relatively small portion of the tax benefits goes to workers at the lowest income levels, and a relatively large portion goes to workers at the top income levels. According to Treasury figures, the upper 8 percent of covered earners receive 50 percent of the tax benefits and the lower 50 percent of earners receive 6 percent of the tax benefits.

Mr. President, I ask unanimous consent to insert in the CONGRESSIONAL RECORD at this point a table showing the revenue losses and the number of employees in private pension plans.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

NUMBER OF COVERED EMPLOYEES AND REVENUE LOSS FROM PRIVATE PENSION AND PROFIT-SHARING PLANS, CALENDAR YEAR 1972

Wage and salary class	Number of employees covered (thousands)	Cumulative percentage	Revenue loss (millions)	Cumulative percentage
0 to $5,000	2,730	11.9	$43	1.1
$5,000 to $10,000	10,700	58.4	802	21.1
$10,000 to $15,000	6,380	86.1	1,129	49.3
$15,000 to $20,000	2,050	95.0	630	65.1
$20,000 to $25,000	460	97.0	246	71.3
$25,000 and over	680	100.0	1,150	100.0
Total	23,000		4,000	

Note: Top 8 percent $15,000 and over. All workers—median wage $6,600. Workers under this average will receive $250,000,000 of the revenue loss. Excludes plans for self-employed. Loss shown is from exclusion of employer contributions and investment earnings, net of tax on pensions.

The law must be revised limiting excessive benefits presently received by the wealthy and expanding the benefits provided the average American worker. The pension bill passed by the Senate last year will insure that many more American workers will receive pension benefits and my amendment, placing a $75,000 annual limit on pensions, is the first step to reducing the tax windfall provided wealthy individuals. The present law cannot be justified and it is ludicrous to argue that it is necessary to provide unlimited amounts of deferred compensation to high-paid executives in order to provide some retirement benefits for low-income workers.

WELFARE SYSTEM FOR THE RICH

These are only three of the many tax provisions benefiting wealthy individuals, paid by the average American taxpayer who receives little or no benefit. In fact, it has been estimated that if all the special deductions, credits, and other provisions departing from normal tax principles were eliminated, the average tax burden would fall for all families with incomes of $25,000 or below. Our tax system is a transfer system from those least able to pay to those less in need. This is why, in the words of Prof. Stanley Surrey:

> Tax reform is really a moral issue. It is not just a technical exercise to be engaged in by skilled experts. It is an effort to restore fundamental morality to a tax system by ending both its unfairness and the cynical immoral way the tax game is played today by those with money and knowledgeable advisors.

Congress will not be able to achieve this year the massive and comprehensive revision of our tax law so clearly necessary. This should, however, not deter Congress from making a downpayment on its obligation to achieve real reform. Given the will, Congress can achieve substantial tax reform this year by strengthening the minimum tax and placing the taxation of the petroleum industry on a more equitable basis.

MINIMUM TAX

Congress in 1969 established a minimum tax providing for a flat 10-percent tax rate on income that had escaped entirely being subject to tax. Congress enacted the minimum tax preference income because, regardless of the individual merit of the provision which established such preferences, we did not want them to be pyramided by wealthy individuals to allow them to escape liability entirely. The minimum tax, however, has not achieved its stated purpose. For example, 402 Americans with 1972 incomes in excess of $100,000 paid no Federal income tax for that year. Of the 402, there were 99 with incomes over $200,000, and 4 with incomes of more than $1 million.

The number of wealthy tax avoiders rose in 1972. The number had been declining in recent years—from 394 with incomes over $100,000 for 1970, to 276 for 1971—but now we are apparently back on the way to grand-scale tax avoidance. The 402 who paid no taxes at all are "only the tip of the iceberg." Thousands of other wealthy Americans end up—like the President—paying just a few hundred dollars in taxes on their huge incomes.

I have repeatedly offered in the Senate Finance Committee and on the Senate floor amendments strengthening the minimum tax. This amendment is not perfect; it would not close all the loopholes, but in the absence of a better proposal there is no excuse for not passing this amendment this year.

TAXATION OF OIL INDUSTRY

Dramatic price rises for fuel compels Congress to take a new look at the special tax treatment, such as percentage depletion, expensing of intangible drilling costs, and the foreign tax credit for royalties, provided the petroleum industry.

I have introduced a bill to completely repeal the percentage depletion allowance. If we do not change percentage depletion, the public is going to be astonished if not outraged to discover that oil companies have received huge increased tax deductions because of increased prices. Since the percentage depletion is calculated at 22 percent of the price of crude oil, increases in price automatically result in a rise in the deduction. In other words, the higher the price, the higher the tax writeoff. If percentage depletion is left unchanged, it will increase, for domestic oil alone to $2.2 billion this year from about $1.5 billion in 1972.

There have been numerous economic studies questioning its effectiveness. The most comprehensive study on it commissioned by the Treasury Department found that, although $1.4 billion Federal revenues were being lost at that time, this resulted in additional oil reserves of only $150 million. Defenders of percentage depletion should be asked to explain why, since it has existed from 1926 to the present, domestic exploration peaked in 1956 and present domestic supply is inadequate to meet our needs. Also, it would be helpful if they explained how a provision which was necessary when oil was selling for $3.50 or less a barrel is just as necessary when oil is selling for at least $5.25 a barrel and in some cases, around $10.

Congress must also end the singular abuse of the foreign tax credit by international oil companies. The foreign tax credit is a reasonable means of preventing double taxation, but oil companies have been allowed to treat foreign royalties as taxes—unlike domestic royalties—and then to use alleged tax payments to shelter their foreign income in other countries. Treasury statistics indicate that in 1971, because of the foreign tax credit, U.S. oil companies were able to reduce their tax bill from $3.2 billion to $788 million, or more than 75 percent. Congress must end this abuse before it adjourns this year.

During the last Presidential campaign, public concern compelled every major candidate to talk about tax reform. With such public interest, it was generally assumed that the 93d Congress, which began January 3, 1973, would make substantial progress in achieving tax justice. We are now in the second session of this Congress and nothing has been done and the few administrative proposals merely scratch the surface of the problem.

From personal experience, I fully appreciate the difficulty of achieving any tax reform. Tax laws are complex and difficult to understand. Specific tax reform attempts are met with general public indifference and claims by affected groups that such attempts would have totally undesirable consequences, not just for them, but for the whole country. With such confusion and complexity, the easy course is to give up. However, I believe that the present inequitable tax system is one of the forces eating away at the social cohesiveness and basic fabric of our society Tax reform is as necessary for this country's health and welfare as education and medical legislation. Congressmen and Senators, as the selected guardians of the Nation's welfare, have a moral obligation to reform the tax structure so that we can achieve tax justice.

Mr. NELSON. I am happy to yield that time to the Senator from Maine (Mr. MUSKIE).

Mr. MUSKIE. I thank my distinguished friend and colleague from Wisconsin for yielding me this time. I thank him for his participation in this colloquy. I know of his long-standing interest in tax reform and am delighted that he was able to join in this discussion this morning.

Mr. President, I should like to talk briefly on another subject.

(The remarks Senator MUSKIE made at this point on the introduction of S. 3352, the Cost of Living Act of 1974, and the ensuing discussion are printed later in the RECORD under Statements on Introduced Bills and Joint Resolutions.)

The PRESIDING OFFICER. The Senator from Indiana (Mr. HARTKE) is recognized for not to exceed 15 minutes.

Mr. HARTKE. Mr. President, I should like to speak on three facets of the question of tax reform.

I am delighted to join in this colloquy today, because I believe that the need for tax reform is clear and the time to act is now. The public opinion of Congress is now at a low point, and it is so low—in part—because we have failed to act in an important area such as tax reform.

There are three areas upon which I would like to touch. They include those tax loopholes which benefit international oil companies, an increase in the personal tax exemption, and reform of our social security payroll tax structure.

TAX LOOPHOLES, THE INTERNATIONAL OIL MONOPOLY, AND U.S. DEPENDENCE ON ARAB OIL

The United States is now dependent upon the Arab world for its supplies of oil and gas, because our present tax structure provides an economic incentive for gigantic U.S.-based multinational petroleum companies to go abroad rather than to produce more oil at home.

The single most direct tax loophole available to corporations which move abroad is the foreign tax credit. Our tax laws provide that foreign tax subsidiaries of U.S. corporations may credit their foreign taxes paid against the foreign source income tax liability of the parent corporation.

The multinational oil companies earned $1.85 billion on mining and oil operations abroad in 1970, but because of their use of the foreign tax credit loophole, these firms paid not 1 cent in U.S. taxes on that income.

The Arabian American Oil Co.—Aramco—which is a huge oil-producing consortium consisting of Exxon, Texaco, Mobil, Standard Oil of California, and the Saudi Arabian Government, is the world's biggest petroleum producer and the world's largest moneymaker. In 1973, the company had profits after taxes of $3.25 billion. How much did the United States get from them in taxes? Not 1 penny of income tax and a meager $2.7 million in payroll taxes.

Mr. President, Aramco is no exception. I ask unanimous consent to have printed in the RECORD at this point as exhibit 1, a table which contains information to show how little U.S.-based oil companies paid in taxes to the United States.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

EXHIBIT NO. 1

U.S. TAXES PAID BY U.S.-BASED MAJOR OIL COMPANIES IN 1972 (1962–71)

[Dollar amounts in billions]

Company	Net income before taxes, 1972	Percent paid in U.S. taxes, 1972	Net income before taxes, 1962–71	Percent paid in U.S. taxes, 1962–71
Exxon	$3.700	6.5	$19.653	7.3
Texaco	1.376	1.7	8.702	2.6
Mobil	1.344	1.3	6.388	6.1
Gulf	1.009	1.2	7.856	4.7
SoCal	.941	2.05	5.186	2.7

Source: Senate Subcommittee on Multinational Corporations, Committee on Foreign Relations, U.S. Senate.

Mr. HARTKE. Mr. President, I also ask unanimous consent that a table which depicts an example of how three major international oil firms significantly reduced their tax burdens in 1970 via the important mechanism of the foreign tax credit be printed in the RECORD at this point as exhibit 2.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

EXHIBIT NO. 2

NET TAX BEFORE AND AFTER FOREIGN TAX CREDIT IN 3 MAJOR OIL COMPANIES IN 1970

[In millions]

Oil corporation	Total income	Net tax before FTC	Foreign tax credit	Net tax after FTC
A	$2,798	$168	$133	$35
B	2,651	231	213	18
C	2,135	114	101	13

Mr. HARTKE. Mr. President, I might point out that a recent poll taken by Mr. Roper shows that one of the most astonishing facts developed was the situation that the American people were terribly upset about the loophole that was given to multinational corporations and oil multinationals in particular. I ask unanimous consent to have printed in the RECORD a summary of that finding by the Roper organization.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

ROPER REPORTS

[Issued First of April, 1973]

LOYALTIES OF MULTINATIONALS CHALLENGED

66%, in damning indictment, say U.S. companies operating abroad put own interests above those of U.S.

NO TAX CREDITS FOR U.S. COMPANIES ABROAD

67% think U.S. multinationals should not be allowed to deduct foreign taxes from U.S. taxes owed. Full U.S. taxes should be paid.

PUBLIC COOLISH TOWARD FOREIGN TRADE

Only one-fifth want more foreign trade, 3 in 10 want less. Greatest resistance to more trade among union members.

MOST WANT EXPORT-IMPORT BALANCE

65% want exports to equal imports.

FOREIGN COMPANIES HERE?

By modest margin, public favors foreign companies operating in U.S. 50% think government should encourage them, 39% would discourage them.

MORE JOBS FOR AMERICANS

60% say foreign firms here would mean more jobs.

On another subject, would you like to see more trade between the United States and foreign countries than we now have, less trade than we now have, or about the same amount of trade we now have? More trade, 21 percent; Less trade, 30 percent; Same amount, 33 percent; and Don't know, 15 percent.

What do you think the long range goal of the United States should be when it comes to foreign trade—to export more than we import, or to import more than we export, or to have exports just about equal imports? Export more, 18 percent; Import more, 4 percent; Have exports about equal imports, 65 percent; and Don't know, 13 percent.

When American companies have operations in another country they usually have to pay taxes on their profits to that country. Do you think they should be allowed to deduct the amount of those taxes from what they are required to pay in United States taxes, or that they should be required to pay full taxes on their profits to the United States? Should be allowed to deduct foreign taxes, 19 percent; Should pay full taxes to the U.S., 67 percent; and Don't know, 14 percent.

Consonant with other signs of a national drawing inward noted in recent surveys, public sentiment is coolish toward increased foreign trade. Three out of ten favor less trade between the U.S. and other countries, while only two in ten want more foreign trade. One-third would keep trade at current levels. Greatest support for increased foreign trade is among executives/professionals (37%), the college educated (34%), the affluent (33%), and the politically and socially active (32%). Greatest resistance to foreign trade is found among union members and blue collar workers (37%), probably because they see job threats.

EXPORTS VS. IMPORTS

Two-thirds of the public think exports and imports should be in balance. However, higher than average support for an export surplus comes from the affluent (31%), the college educated (28%), executives/professionals (27%), and the politically and socially active (26%).

OVERSEAS COMPANIES PAY FULL U.S. TAXES?

Perhaps influenced by recent reports on high oil company profits, and general suspicions about U.S. companies operating abroad (see I), two-thirds of the public thinks that American companies operating overseas should not be allowed to deduct foreign taxes from their U.S. tax bill, but rather pay full taxes on their profits to the U.S. Government. Again, the affluent, the better educated, and executives/professional are most likely to concede the point of subtracting foreign taxes, but even these groups favor full U.S. tax payments by two to one.

The tax credit feature of Burke-Hartke has strong public support.

AMERICAN COMPANIES ABROAD

The legend of "the ugly American" abroad extends in many minds to the American corporation. Two-thirds of the public believes it likely that American companies operating abroad put their own interests above those of the United States. This is a damning indictment indeed, and only two out of ten would defend overseas companies from it. Most convinced that companies abroad place corporate above national interest are Westerners (77%), political and social activists (76%), executives/professionals (74%), the college educated (74%), and the affluent (72%).

FOREIGN COMPANIES: AMERICAN OPERATIONS

By contrast, foreign companies should be encouraged to establish operations in the United States, say half the public. Another two-fifths thinks such operations should be discouraged. This is rather lukewarm acceptance, and in tune with general lack of enthusiasm about increasing foreign trade and relations.

Last October the public expressed itself as against encouraging U.S. companies to operate overseas (50% to 26%). If the public's wishes were carried out, it would mean all multinational companies would be *foreign*, a conclusion not all who answered may have thought their way through to. Some education on international trade seems to be needed.

How widespread fears are of foreign "takeovers" was not measured; but another probable effect of foreign companies building plants here was: impact on American jobs. By a margin of six to one, Americans see foreign companies operating here as bringing more jobs to Americans, undoubtedly the main reason for favoring such operations.

There has been speculation to the effect that when large American companies have operations abroad they sometimes make agreements with other countries that are in conflict with U.S. foreign policy and not always in the best interests of the United States. Most of these large companies have denied this, and say they do not do anything that conflicts with U.S. foreign policy. What do you think is likely to be true—that American companies operating abroad put their own interests above those of the United States, or that they place the interest of the United States first? Put their interests above those of the U.S., 66 percent; Place interests of U.S. first, 20 percent; and Don't know, 14 percent.

There has been interest expressed recently by some foreign companies in building plants here in the United States. For example, a German automobile company might want to build a plant here to make its cars here instead of making them in Germany and shipping them here for sale. Generally speaking, do you think it should be our government's policy to encourage foreign companies having operations in the United States or to discourage them? Encourage, 50 percent; Discourage, 39 percent; and Don't know, 10 percent.

If more foreign companies *did* have operations in this country, do you think it would mean more jobs for Americans than there now are, or fewer jobs, or don't you think it would have any effect on the number of jobs for Americans? More, 60 percent; Fewer, 10 percent; No effect, 20 percent; and Don't know, 10 percent.

Mr. HARTKE. Mr. President, the data presented in exhibit No. 1 is based upon information supplied to my staff by the Senate Subcommittee on Multinational Corporations. That table makes very clear that the petroleum industry paid very little in U.S. taxes. Exxon paid the most with an effective rate of 6.5 percent. The other giant multinational firms paid less than 2 percent. Most taxpayers in this country are taxed at least at 5 times that rate.

The data presented in exhibit No. 2 is based on information supplied to my staff from the public tax records of the petroleum industry. This table shows just how much the foreign tax credit reduces the domestic taxes of these giant corporations. A company with almost $3 billion in profits would pay $168 million in taxes if it made those profits here at home, but winds up paying only $35 million—about one-fifth the taxes—after use of the foreign tax credit.

The operation of the foreign tax credit aids a privileged few multinational firms. Its termination would put domestic production in a more competitive position with foreign development. And this is exactly what my legislation—S. 3060—would do. It would terminate the foreign tax credit for taxes paid with respect to income attributable to oil and gas operations.

PERSONAL TAX EXEMPTION

Mr. President, on March 3d, I introduced S. 3189 which would increase the personal exemption on Federal income tax returns from $750 to $1,000. This is a renewal of a proposal I have made in the last five Congresses. This is a proposal which I first made in January of 1961; I believe that it is all the more necessary today.

There is every indication that our economy is headed for a recession. Unemployment insurance claims rose from 251,000 in November to 303,000 in December. It is now at a 5.4-percent level and even administration economists are predicting a 6-percent rate later this year.

The Government's composite index of business statistics virtually stood still in December, growing only one-tenth of 1 percent in December.

While this slowdown is taking place, inflation is on the march. Consumer prices as a whole went up 8.8 percent last year, with food increasing 20 percent, gasoline 19 percent, and coal and fuel oil 45 percent. Workers cannot keep pace with this steady increase in prices. What wage increases have taken place have only meant increased taxes, thus further limiting the ability of workers to spend money to stimulate the economy.

In fact, in 1973, real average weekly earnings—the amount of money workers actually get—was down 1.5 percent. That means that a worker who increased his salary by 7.2 percent—the national wage increase average—actually wound up in worse condition at the end of the year than at its beginning.

The most effective response we can make to this approaching inflationary recession is to provide tax relief which will put more money into use so that our economy can grow. An increase in the personal exemption will provide that relief. Raising the exemption level from $750 to $1,000 will provide $8.58 billion in new consumer purchasing power. Most of the benefits of this relief will be to the families who will spend the money provided by my proposal rather than saving it.

Mr. President. I have a table prepared from data supplied by the Treasury Department which estimates the additional revenue which my proposal will pump into the economy at various levels of income, and I ask unanimous consent that the table be printed in the RECORD at this point as exhibit No. 3.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

REVENUE COST IF PERSONAL EXEMPTION IS RAISED FROM $750 TO $1,000

[Based on 1972 income levels]

Adjusted gross income	Decrease in tax liability (millions)	Distribution of tax decrease	
		Percent	Cumulative percent
0 to $3,000	$95	1.1	1.1
$3,000 to $5,000	418	4.8	5.9
$5,000 to $7,000	717	8.3	14.2
$7,000 to $10,000	1,485	17.3	31.5
$10,000 to $15,000	2,608	30.4	61.9
$15,000 to $20,000	1,541	17.9	79.8
$20,000 to $50,000	1,440	16.8	96.6
$50,000 to $100,000	220	2.5	99.1
$100,000 and over	56	.7	99.8
Total	8,580	99.8	99.8

Mr. HARTKE. The table makes it clear that 60 percent of the dollar benefits which will accrue from my proposal go to those with less than $15,000 income. Much of this benefit will go into areas of the economy which are suffering from a slowdown caused by reduced consumer purchasing power.

It is the working man and woman in this country who are on the short end of the administration's economic stick. It is the worker who has to pay the grocery bills, the mortgage and the college tuition bill with less money in 1974 than he had in 1973.

These people need tax relief now, and our economy needs a tax stimulus now.

Mr. President, the cost of living has risen 13 percent since the $750 exemption level was established. If we increase that level to $1,000—as I propose—we will be doing nothing more than barely keeping pace with inflation and the cost of living, and probably not even that.

REFORM OF THE SOCIAL SECURITY TAX

Mr. President, no discussion of tax reform would be complete without mentioning the important subject of reform of the social security payroll tax. That tax is the fastest growing tax in the United States. In 1971, payroll tax collections reached $44 billion—27 times the level of 1949. This increase is equal to a compound growth rate of more than 16 percent per year. In terms of total Federal revenues, the payroll tax now brings in 23 percent of all Federal revenues: whereas, in 1949, it brought in just 4 percent.

At least one-half of all workers who file tax returns pay more social security tax than they do Federal income tax. For the worker with a small family and an income hovering near the poverty line, his effective social security tax rate is about 11.4 percent. The same worker with a $24,000 income has an effective rate of only 2.1 percent. Study after study has cited the regressive nature of the payroll tax. It hits the low- and moderate-income worker the hardest.

For the past several years, I have proposed two major reforms in this area. They are contained in S. 1838, and I believe that it is time that Congress acted in this area.

My first proposal for reform of the social security payroll tax is to finance a portion of social security retirement and health benefits with general revenues. Under my proposal, one-fifth of retirement benefits and one-third of health benefits would be financed with general revenues. That would mix funds raised from the progressive income tax with the funds derived from the highly regressive payroll tax.

My second proposal would establish a progressive type of payroll tax for lower-income workers. It is designed to assure that no worker pays more in payroll taxes than he does in income taxes.

For instance, a worker with less than $50 in income tax liability pays only 15 percent of the normal payroll tax. This increases by 5 percent for every additional $50 of income tax liability until $850—at which point the worker pays the full social security tax.

Mr. President, I ask unanimous consent that a series of tables which show the actual impact of my proposal be printed in the Record at this point as exhibit No. 4.

There being no objection, the tables were ordered to be printed in the Record, as follows:

EXHIBIT NO. 4

TABLE I.—SINGLE WORKER, NO DEPENDENTS

Gross wages	Income tax liability	Full social security tax	Percent social security[1]	Hartke social security save[2]
$1,000	(3)	$58.50	10	$52.65
$1,050	(3)	61.43	10	55.28
$1,100	(3)	64.35	10	57.91
$1,150	(3)	67.28	10	60.54
$1,200	(3)	70.20	10	63.18
$1,250	(3)	73.13	10	65.82
$1,300	(3)	76.05	10	68.44
$1,350	(3)	78.98	10	71.08
$1,400	(3)	81.90	10	73.71
$1,450	(3)	84.83	10	76.35
$1,500	(3)	87.75	10	78.97
$1,550	(3)	90.68	10	81.61
$1,600	(3)	93.60	10	84.24
$1,650	(3)	96.53	10	86.66
$1,700	(3)	99.45	10	90.50
$1,750	(3)	102.38	10	92.14
$1,800	(3)	105.30	10	94.57
$1,850	(3)	107.43	10	96.69
$1,900	(3)	111.15	10	100.03
$1,950	(3)	114.08	10	102.67
$2,000	(3)	117.00	10	105.30
$2,050	0	119.93	15	101.94
$2,100	$50	122.85	20	98.28
$2,150	100	125.78	25	94.44
$2,200	150	128.70	30	90.09
$2,250	200	131.63	35	85.56
$2,300	250	134.55	40	80.73
$2,350	300	138.48	45	76.16
$2,400	350	140.40	50	70.20
$2,450	400	143.37	55	64.52
$2,500	450	146.25	60	58.50
$2,550	500	149.22	65	52.23
$2,600	550	152.20	70	45.66
$2,650	600	155.17	75	38.79
$2,700	650	158.15	80	31.63
$2,750	700	161.12	85	24.17
$2,800	750	163.80	90	16.38
$2,850	800	166.77	95	8.34
$2,899	849	169.69	95	8.48
$2,900	850	169.65	100	0

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[1] Indicates percent of full social security tax for which employee is liable.

[2] Indicates total annual amount which employee would save under Hartke proposal

[3] Less than zero.

TABLE II.—MARRIED WORKER, SPOUSE NOT WORKING, 2 CHILDREN

Gross wages	Income tax liability	Full social security tax	Percent social security[1]	Hartke social security save[2]
$1,000	(3)	$58.50	10	$52.65
$1,050	(3)	61.43	10	55.28
$1,100	(3)	64.35	10	57.91
$1,150	(3)	67.28	10	60.54
$1,200	(3)	70.20	10	$63.18
$1,250	(3)	73.13	10	65.28
$1,300	(3)	76.05	10	68.44
$1,350	(3)	78.98	10	71.08
$1,400	(3)	81.90	10	73.71
$1,450	(3)	84,83	10	76.35
$1,500	(3)	87.75	10	78.97
$1,550	(3)	90.68	10	81.61
$1,600	(3)	93.60	10	84.14
$1,650	(3)	96.53	10	86.88
$1,700	(3)	99.45	10	90.50
$1,750	(3)	102.38	10	92.14
$1,800	(3)	105.30	10	94.57
$1,850	(3)	107.43	10	96.69
$1,900	(3)	111.15	10	100.03
$1,950	(3)	114.08	10	102.67
$2,000	(3)	117,00	10	105.30
$2,050	(3)	119.93	10	107.94
$2,100	(3)	122.85	10	110.58
$2,150	(3)	125.78	10	113.22
$2,200	(3)	128.70	10	115.86
$2,250	(3)	131.63	10	118.47
$2,300	(3)	134.55	10	121.09
$2,350	(3)	138.48	10	124.63
$2,400	(3)	140.40	10	126.36
$2,450	(3)	143.37	10	129.03
$2,500	(3)	146.25	10	131.62
$2,550	(3)	149.92	10	134.93
$2,600	(3)	152.20	10	136.98
$2,650	(3)	155.17	10	139.65
$2,700	(3)	158.15	10	142.33
$2,750	(3)	161.12	10	145.01
$2,800	(3)	163.80	10	147.42
$2,850	(3)	167.77	10	150.99
$2,900	(3)	169.65	10	152.68
$2,950	(3)	172.58	10	155.32
$3,000	(3)	175.50	10	157.94
$3,050	(3)	178.43	10	160.59
$3,100	(3)	181.35	10	163.21
$3,150	(3)	184.28	10	165.85
$3,200	(3)	187.20	10	168.48
$3,250	(3)	190.13	10	171.12
$3,300	(3)	193.05	10	173.74
$3,350	(3)	195.98	10	176.38
$3,400	(3)	198.90	10	179.01
$3,450	(3)	201,83	10	181.65
$3,500	(3)	204.75	10	184.27
$3,550	(3)	207.68	10	186.91
$3,600	(3)	209.60	10	188.64
$3,650	(3)	213.52	10	192.17
$3,700	(3)	216.45	10	194.80
$3,750	(3)	219.38	10	197.44
$3,800	(3)	222.30	10	200.07
$3,850	(3)	224.23	10	201.81
$3,900	(3)	228.15	10	205.33
$3,950	(3)	231.08	10	207.97
$4,000	(3)	234.00	10	210.60
$4,050	(3)	236.93	10	213.24
$4,100	(3)	239.85	10	215.86
$4,150	(3)	242.78	10	218.50
$4,200	(3)	245.70	10	221.13
$4,250	(3)	248.63	10	223.77
$4,300	0	251.55	15	213.82
$4,350	$50	254.48	20	203.58
$4,400	100	257.40	25	193.05
$4,450	150	260.33	30	182.23
$4,500	200	263.25	35	171.11
$4,550	250	266.17	40	159.60
$4,600	300	269.10	45	148.01
$4,650	350	272.03	50	136.02
$4,700	400	274.95	55	123.73
$4,750	450	277.88	60	111.15
$4,800	500	280.80	65	98.28
$4,850	550	283.73	70	85.12
$4,900	600	286.65	75	71.66
$4,950	650	289.58	80	57.92
$5,000	700	292.50	85	43.88
$5,050	750	295.43	90	26.59
$5,100	800	298.35	95	14.92
$5,149	849	301.22	95	15.06
$5,150	850	301.27	100	0

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[1] Indicates percent of full socia security tax for which employee is liable.

[2] Indicates total annual amount which employee would save under Hartke proposal.

[3] Less than zero.

TABLE III.—MARRIED WORKER, SPOUSE WORKING, 2 CHILDREN

Gross wages	Income tax liability	Full social security tax	Percent social security[1]	Hartke social security save[2]
$1,000	(3)	$58.50	10	$52.65
$1,050	(3)	61.43	10	55.28
$1,100	(3)	64.35	10	57.91
$1,150	(3)	67.28	10	60.54
$1,200	(3)	70.20	10	63.18
$1,250	(3)	73.13	10	$65.82
$1,300	(3)	76.05	10	68.44
$1,350	(3)	78.98	10	71.08
$1,400	(3)	81.90	10	73.71
$1,450	(3)	84.83	10	76.35
$1,500	(3)	87.75	10	78.97
$1,550	(3)	90.68	10	81.61
$1,600	(3)	93.60	10	84.24
$1,650	(3)	96.53	10	86.66
$1,700	(3)	99.45	10	90.50
$1,750	(3)	102.38	10	92.14
$1,800	(3)	105.30	10	94.57
$1,850	(3)	107.43	10	96.69
$1,900	(3)	111.15	10	100.03
$1,950	(3)	114.08	10	102.67
$2,000	(3)	117.00	10	105.30
$2,050	0	119.93	15	101.94
$2,100	$50	122.85	20	98.28
$2,150	100	125.78	25	94.44
$2,200	150	128.70	30	90.09
$2,250	200	131.63	35	85.56
$2,300	250	134.55	40	80.73
$2,350	300	138.48	45	76.16
$2,400	350	140.40	50	70.20
$2,450	400	143.37	55	64.52
$2,500	450	146.25	60	58.50
$2,550	500	149.22	65	52.23
$2,600	550	152.20	70	45.66
$2,650	600	155.17	75	38.79
$2,700	650	158.15	80	31.63
$2,750	700	161.12	85	24.17
$2,800	750	163.80	90	16.38
$2,850	800	166.77	95	8.34
$2,899	849	169.59	95	8.48
$2,900	850	169.65	100	0

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[1] Indicates percent of full social security tax for which employee is liable.

[2] Indicates total annual amount which employee would save under Hartke proposal.

[3] Less than zero.

CONCLUSION

Mr. **HARTKE**. Mr. President, the American people deserve tax equity and we can provide them with that equity if we act to eliminate the tax advantages provided to large American corporations by the foreign tax credit, if we give immediate tax relief in the form of an increase in the personal exemption, which would increase revenues, and if we give additional relief by reforming the social security payroll tax.

This is an important issue which will be on the minds of voters as they go to the polls this November. They have seen two of the highest elected officials of this country misuse the present tax structure, but they know that our tax laws too often benefit the rich at the expense of the middle- and lower-income wage earner. I urge my colleagues to press for effective tax reforms this year.

Mr. **CANNON**. Mr. President, it is with a deep sense of urgency and grave concern that I join my colleagues today to urge substantial revision of our present income tax structure. The patience of middle and lower income taxpayers is exhausted with the tax loopholes for the rich and with a tax burden in 1974 that will eat away 2½ hours of wages every working day for the average family. Smoldering discontent breaks into anger over revelations of the Nixon tax dodges and disgraceful statistics that last year some 402 wealthy Americans were able to earn over $100,000 and not pay 1 penny in income tax. Congress cannot remain mute in the face of evergrowing and justified public cries for positive action. Tax reform in 1974 should have an indispensable place on the legislative calendar of Congress.

Today I would like to address my remarks to one of the most flagrant loopholes in the present system, minimum tax assessed against tax preference items. Mr. President, this is the worst of all situations: Not only does it deceive the public into believing the rich are being forced to pay their fair share but it is preserving some of the most unfair loopholes in the tax code.

The minimum tax, enacted into law in 1969, has failed to insure the wealthy pay at least some minimum amount of tax on their earnings applied against the nine tax preference items, such as accelerated depreciation of property and percentage depletion of oil and gas wells, and capital gains it assesses a flat 10-percent tax against deduction well below even the 14-percent threshold rate applied to less fortunate taxpayers earning below the poverty level.

In addition to this exceptionally low, flat rate of 10 percent, there is also an automatic $30,000 exclusion and a deduction of regular taxes paid. Subtracting these two deductions means that an individual with $130,000 of preference income will pay no minimum tax if he pays tax on regular income of $100,000. It should be no surprise that the minimum tax generates little revenue—about $164 million in calendar year 1972.

The income between $100,000 and $130,000 under the Internal Revenue Code should be taxed at the regular progressive rates, but since the code sidepasses income from tax preference items, and the extremely lax minimum tax provision has no effect, the $30,000 will go untaxed.

Mr. President, there are viable remedies to this inequity. As a consistent supporter of the Kennedy-Reuss proposal, I believe the most productive avenue to pursue is a tightening of the present minimum tax law rather than its repeal and replacement with other concepts such as minimum tax income and limitation on artificial accounting losses proposed by the administration. The Kennedy-Reuss proposal reduces the $30,000 automatic exclusion to $10,000; eliminates the deductability of regular income taxes paid, and assesses a more reasonable progressive rate—from 7 to 35 percent—on tax preference items.

A revealing study by the Joint Committee on Internal Revenue Taxation indicates that an additional 71,000 tax returns of individuals earning over $50,000 would be affected by the adoption of the Kennedy-Reuss minimum tax proposal. The additional tax collected under this legislation would amount to $1.3 billion to those taxpayers who earn over $100,000 per year, having little effect on the middle and lower income taxpayer.

I would also urge priority congressional consideration in the area of tax free bonds. This $2.5 billion annual treasury drain is noteworthy in its concept to encourage investment into municipal and State bonds, but amounts to more than tax savings for corporations and wealthy individuals, and an extremely costly method of financing public projects. The top one-tenth of 1 percent of the Nation's wealthiest individuals own 70 percent of municipal bonds. The Bank of America, the Nation's largest bank, owns about $3 billion in bonds, which generates $150 million of tax free income annually. Translated another way, it means the average taxpayer has to offset the $72 million tax break given the Bank of America.

It is clear the Treasury loses far more in revenues than local governments have in lower borrowing costs through the tax free bond concept. The Federal Government taxing these bonds could give local governments up to a 50 percent subsidy interest and still break even on revenue. In operation this means the State could issue an 8 percent bond, receive a 4-percent subsidy from the Federal Government, and end up paying only 4 percent, less than their borrowing costs are at the present. The vast improvement in the equity of the tax structure is obvious.

Making the wealthy pay their fair share is only half the story. The additional revenue gained from closing the loopholes must go to offset the tax burden of the wage earner who bears the brunt of uncontrollable inflation. I have cosponsored with Senator MONDALE a bill to provide a $200 credit in lieu of the $750 personal exemption. This will provide an average tax savings of $200 to the middle and lower income families. I hope the House and Senate will act quickly so we can undercut the effects of a pending recession by pumping this more than $6.5 billion into the economy.

Mr. President, as April 15 approaches and the corporations and the wealthy skate through loopholes in the tax laws and the less fortunate pay up, I hope my distinguished colleagues will take a critical look at the present income tax laws, and effect these long overdue reforms.

TAX COMPLEXITY

Mr. SYMINGTON. Mr. President, the Internal Revenue Code has become so complex that the denominated tax rates of 14 to 70 percent serve more to disguise than to reveal the actual rate of taxation.

Some 10 or 12 years ago, Joseph Pechman of the Brookings Institution, found that after allowing for all special provisions the maximum average effective rate for any class is less than 30 percent and that the supposed progressive tax becomes slightly regressive above $200,000 of income.

More recently, based on an analysis of individual tax estimates at calendar year 1972 income levels, Mr. Pechman and Benjamin A. Okner have concluded that there has been little change in that conclusion. Their new study shows that when account is taken of specific special tax preference items as well as for income splitting features of the present law and the incidence of transfer payments, the effective tax rate is less than 2 percent on income below $5,000 to 9 percent at $10,000, and to a maximum of 32 percent at income levels of $1 million and above.

They also conclude that the average effective rate does not exceed 25 percent until income levels of $100,000 and over are reached. Still others show that a 14-percent tax rate across the board would raise virtually the same amount in revenues as is produced now under existing law.

It is relatively easy to advocate tax reform and to suggest changes. For several reasons, however, it is true that achieving tax reform is a more formidable goal.

One reason lies in the actuality that as beauty lies in the eye of the beholder so one man's "loophole" is another's bedrock principle of equity.

Consider also that in some aspects, the Internal Revenue Code shares the same concepts as the trading stamp industry—just as some customers insist on the stamp as a "free" currency for acquiring other goods, so taxpayers who are contributors to important institutions of our society naturally are inspired toward the object of their bounty by a discount on income taxes.

In some cases, customers and contributors are alike in their insistence on the stamp or the tax break and are undaunted by an assured alternative of lower prices or less costly means of financing government, and therefore ultimate tax savings.

Once written into the code, tax preferences are difficult to dislodge for the practical reason that originally, or at least in relation to some other provision of the tax law, the purpose was entirely justifiable. No doubt vestiges of worthy purposes still remain.

The variety of principles on which the large numbers of preferred items of income from the tax standpoint are based make it difficult for the most conscientious legislator to fail to recognize objectively the "merit" of almost any further tax avoidance proposal when comparison is made with preferentials in existing law.

I believe there is merit in several proposals that have been offered in recent years with regard to tax reform: One is a recommendation by Senator MANSFIELD to provide for the expiration of tax preferences at staggered times in the future. By this method, the Congress and the public could focus on particular tax preferences and consider whether they are achieving their intended purposes and should be continued or phased out. That route would be one good approach to tax reform.

Still another possibility is a bill offered recently by Senator HATFIELD, of Oregon, which is relevant to the aforementioned findings of Pechman and Okner. This reform called Simpliform concentrates on actual tax rates, and would eliminate virtually all deductions and exemptions. Under this legislation, tax rates would range from 10 percent to 50 percent. On first impression, the proposal of Senator HATFIELD reaches several desirable objectives: First, an uncomplicated means of calculating income taxes; and second, the virtue of visibility on the distribution of the tax burden. The lack of influence that such tax laws might have on reaching social and economic goals is a matter for further consideration.

The complexity of tax laws leave many Americans with the feeling that if reform would achieve only simplification, that in itself would be a worthy achievement.

It is a view I have come to share. More importantly, I believe that by seeking simplicity, greater equity may be achieved.

The Senate already has demonstrated a willingness to consider reform of tax provisions—as example, the minimum tax refinement. I would urge that important efforts be made now in this session of Congress to bring about a simpler and more equitable tax code.

Mr. McINTYRE. Mr. President, there may not be time to consider tax reform this year, but if other Senators are hearing from their constituents what I am hearing from New Hampshire then tax reform is on a lot of people's minds.

We are all aware of the various loopholes which enable so many who earn so much to pay so little in taxes. And since Congress writes the tax laws, we have only ourselves to blame if we do not enact reforms. A good start would be to pass the minimum tax amendments which were passed earlier this year but returned to committee.

Further, Mr. President, any discussion of tax reform in these times of energy shortages and special privileges should inevitably consider the problem of the oil industry's special advantages. It is time that we look at the oil industry and decide whether or not it should be allowed to continue to retain its tax incentives, or what I call its goodies.

Should the major oil companies, for instance, be allowed to beg us for more incentives when they got $2.2 billion through the depletion allowance last year? Or should they be required to pay their fair share in the costs of running this country?

It is obvious that our system of incentives has not provided the fuels we need. Since it has not, perhaps it is time to decide that the companies should pay to run the country like everyone else rather than paying a minimal amount and then governing it through special arrangements with every administration that happens to be in the executive branch.

What we need to do is find out exactly what segments of the oil industry are using their incentives wisely. Which parts, for instance, do produce more oil because they are allowed to expense their intangible drilling costs? Which parts find the depletion allowance a necessity to continue business? What parts need a foreign tax credit to operate in the national interest?

Under due examination I think we might find that there are some independent producers that might need the right to expense their drilling costs to continue to operate. But do major oil companies? I doubt it.

Under due examination, we might find that a few companies have provided the fuels we need because of the depletion allowance and have used the funds to find more oil. But have all the companies used the allowance that way? I doubt it.

And lastly, under due examination, I think we might find that no company should be allowed the benefits of the foreign tax credit for payments to foreign governments that are not taxes at all, but royalty payments.

It is high time that we stopped letting the largest companies in this country get away with low taxes because they happen to be part of an industry where some users might need incentives. Those companies should pay the taxes that now fall heavily on the homeowner, the consumer, and the small businessman who support this country through our unreformed tax structure.

THE NEED FOR TAX REFORM

Mr. MATHIAS. Mr. President, I am pleased to have the opportunity to join this colloquy on the need for tax reform. We have addressed this issue in speeches before, but unfortunately we have not yet taken the decisive action which is needed.

It is my understanding that the House Ways and Means Committee is actively considering tax reform measures and proposes sending such a measure to the floor of the House in the near future. This is as it should be—the Constitution envisions that all revenue measures should originate with the House of Representatives, which was the only one of the two Chambers of the Congress which was popularly elected under the original terms of the Constitution.

Should a revenue measure be reported to the Senate, however, it is subject to amendment by this body. I would expect to consider any such measure and all such amendments carefully. I have long advocated a number of reforms, dealing with tax credits for higher education, the minimum tax, a reform of withholding rates, and many other measures of relief and fairness for taxpayers who are unduly hard pressed under the current law. In addition there is a need to be sure that our tax code encourages enlightened leadership and development within the private business sector of the economy. For all these reasons, I am hopeful that this Congress will give tax reform the high priority which it deserves.

I am aware that to many people, tax reform is equated with tax cuts—and tax cuts with higher deficits and higher inflation. This is not what I have in mind, however. We can raise the revenues we need—to meet our social needs in a fiscally responsible manner—through a tax code which is more just, fairer and more responsible than at present. That is the goal which I seek, and which this Congress should attend to.

Mr. MOSS. Mr. President, I am pleased to join with my colleagues in today's colloquy on the subject of tax reform.

A year ago, we engaged in a similar colloquy as the deadline for payment of Federal incomes taxes approached. This year, as the April 15 deadline again approaches, we are again engaged in colloquy but unfortunately, no action has yet been taken to reform our unfair tax structure. I think it is high time for Congress itself to meet a deadline. We cannot afford to let another year pass without removing the glaring inequities in the American tax system.

The need for basic reform has not diminished one iota in the past year. Indeed, because of rising prices, there is now an even greater need for reform. In the past year, inflation has extracted a large additional tax from the incomes of working Americans. In the past year, the earning power of the average American worker has declined by 4 percent. It is no secret that inflation has the most severe consequences for families in the middle and lower income range. It is these same families that receive unfair treatment under our tax system.

The present Federal income tax structure is riddled with loopholes, and it is mainly the rich who are in a position to take advantage of these loopholes.

To a taxpayer earning $10,000 to $15,000, the various tax preferences are worth an average of $651 per year. But to a taxpayer earning $50,000 to $100,000, these tax preferences are worth an average of $11,911 per year.

The removal of the loopholes that benefit mainly the wealthy can be an important weapon in the battle against inflation. By now, it is almost universally acknowledged that large Federal deficits are one of the primary causes of inflation. In discussing ways to reduce budgetary deficits, the focus is almost always on Government expenditures. While I agree that it is imperative that expenditures be brought under control, we must also recognize that tax loopholes are simply another type of expenditure.

Tax breaks granted to the moneyed interests are nothing less than vast Government subsidies. When persons with income in the hundred of thousands of dollars pay no income tax, they do so at great Government expense. At a time when inflation is rising at the rate of 10 percent a year, we can ill afford to make Government handouts to the very rich. According to the estimates of Tax Analysts and Advocates, tax subsidies now cost the Federal Government $78.3 billion a year. This is more than one-fourth the proposed fiscal 1975 budget, and more than twice as much as Congress appropriated last year in the area of health, education, and welfare.

In sum, Mr. President, the rampant inflation of the past year has only made the case for tax reform more compelling.

In my remarks last year, I described some of the specific loopholes that might be closed. This year, I would like to briefly mention two other aspects of the tax structure that deserve attention in any comprehensive reform effort.

The first is the social security. At the present time, social security is financed through a flat 5.85 percent tax on wages and salaries up to $13,200. This tax is, quite simply, regressive. It is contrary to what should be the guiding principle of our tax system; namely, that the greatest burden should fall on those who are in the best position to bear it. But the main burden of social security falls on those who are least able to bear it. As Walter Heller has said concerning the social security tax:

> There is no logical reason why the tax used to support the pension system should impose hardship on the poor.

In my view, any comprehensive tax reform should give top priority to replacing the present with a progressive structure. I believe that 5.85 percent is too high for moderate income workers.

Second, I believe it is essential that we provide some immediate tax relief to those who have been hardest hit by inflation. I would urge my colleagues to enact as soon as possible the tax credit proposal of Senator MONDALE. This bill would give taxpayers the choice of using either a $200 credit on the Federal income tax or the $750 personal exemption.

Since this $200 would be deducted directly from taxes owed rather than from taxable income, it would mean a substantial savings for those with moderate incomes. It would provide $6.5 billion in tax relief at a time when low and middle incomes are being squeezed to the limit.

Mr. President, several bills were introduced in this session of Congress that point to a number of areas in the tax structure where reform is long overdue. It is now time to act on these proposals. We must do so in the name of both fairness and economy. We should view tax subsidies, such as those granted to capital gains or to foreign investment, in the same critical light that we view Government social programs or defense projects. Reform can be an important weapon against inflation. It can also provide relief for those who suffer most from the heavy toll of inflation.

REFORMS NEEDED TO RESTORE TAXPAYER CONFIDENCE

Mr. HUMPHREY. Mr. President, the present administration has repeatedly emphasized its support for responsible Government spending. Fiscal responsibility was its justification for last year's budget cutting and illegal impoundment efforts. Yet the same Nixon administration continues to neglect the very part of the budget that is ripest for reappraisal and reform—the Federal Government's tax expenditures.

When the budget document is published in February, it provides a seriously incomplete accounting of the Federal Government's fiscal policy. In fiscal 1975, budget outlays are expected to total $304 billion. But the budget outlays ignore more than 20 percent of actual expenditures. For in addition to $304 billion in budget outlays the Government will incur $78 billion in tax expenditures. These tax expenditures are in the form of tax forgiveness to individuals, to corporations, to State and local governments. The impact of these tax expenditures is as important as outlays aimed at these groups. For example, in the budget categories of natural resources, housing, commerce and transportation, tax expenditures constitute more than 50 percent of the Federal Government's fiscal impact, yet these tax preferences are ignored during the annual budget process. The following table illustrates just how important tax expenditures have become:

ESTIMATED BUDGET OUTLAYS AND TAX EXPENDITURES, CLASSIFIED BY FUNCTION, FISCAL YEAR 1975

[Dollar amounts in billions]

	Budget outlays	Tax expenditures	Total	Tax expenditures as percentage of total
National defense	$87.7	$0.7	$88.4	0.8
International affairs and finance	4.1	.9	5.0	18.0
Space research and technology	3.3	0	3.3	0
Agriculture and rural development	2.7	1.1	3.8	28.9
Natural resources and environment	3.1	3.6	6.7	53.7
Commerce and transportation	13.4	24.4	37.8	64.6
Community development and housing	5.7	13.2	18.9	69.8
Education and manpower	11.5	1.0	12.5	8.0
Health	26.3	6.9	33.2	20.8
Income security	100.1	11.7	111.8	10.5
Veterans benefits and services	13.6	.5	14.1	3.6
Interest	$29.1		29.1	0
General government	6.8	$0.1	$6.9	1.4
Aid to foundations and charities	0	3.7	3.7	100.0
General revenue sharing aid to State and local governments	6.2	10.4	16.6	62.6
Allowances	1.6	0	1.6	0
Undistributed intragovernmental transactions	−10.7	0	−10.7	0
Total	304.4	78.2	382.7	20.4

Source: Tax Analysts and Advocates and Ben Okner, Senior Fellow, the Brookings Institution.

In spite of their growing importance, the administration ignores tax preferences in this year's Budget and Economic Report. Fiscal responsibility is a two-sided coin. Critical examination of budget outlays should be accompanied by an equally rigorous review of tax preferences, many of which were originally introduced for what seemed at the time to be legitimate reasons. A number of these preferences today benefit individuals or corporations but yield little or no public benefit.

Skillful manipulation of these tax preferences has enabled a number of individuals to largely escape taxation. In 1971 we were all shocked to find that more than 250 persons who made more than $100,000 during that year paid no Federal income tax at all. The tax irregularities which have recently surfaced have only added to a growing taxpayer revolt. IRS officials have made it clear in recent weeks that they expect an erosion of tax base as more and more taxpayers attempt to take questionable or marginal deductions.

Mr. President, the efficiency and revenue-raising ability of the U.S. personal income tax system has been the envy of the world. But taxpayer confidence in the fairness of the system has been shaken to its foundation in the past few years because the rich have avoided paying their fair share and in some cases have paid fewer tax dollars than a family earning $10,000 or $15,000 a year. We in the Congress must take the lead in immediately addressing the most glaring tax inequities and then commit ourselves to serious study and reform of the tax code. Today I want to address two of the most pressing reforms which Congress should consider during this session—strengthening the minimum income tax, and introducing a tax credit to improve the progressivity of the personal income tax rate structure.

No matter how legitimate certain deductions may be, no individual ought to be able to so arrange his financial affairs so as to escape taxation entirely. Congress passed the minimum income tax in 1969 to end this flagrant abuse of the tax system. Our experience in the last 4 years has shown, however, that a significant number of individuals have been able to continue to avoid taxation.

The fact that the current minimum tax raises only $200 million annually attests to its ineffectiveness. To restore taxpayer confidence and improve equity, the minimum tax must be strengthened to levy a progressive tax rate on at least half of a taxpayer's preference income. At the present time individuals with large tax preferences are taxed on a portion of these deductions and exemptions at a flat 10-percent rate. The average taxpayer asks, and rightly so, why should the rich pay a 10-percent tax rate while I am taxed at a 25- or 30-percent rate. The very foundation of the personal tax system is its progressive rate structure and letting rich individuals pay a flat 10 percent has to affect the system's credibility. Congress should pass a minimum tax which applies the same rate structure to all taxpayers and which insures that wealthy individuals share a fair amount of the tax burden.

The other change in the tax system which deserves the highest priority would provide relief to low and lower middle income families. These people have been the hardest hit by inflation in the last 2 years. Their dollar income has risen, but prices have risen faster, so that their higher income buys fewer goods. On top of this, higher nominal incomes have pushed these families into higher tax brackets so that their real disposable income after taxes has been reduced even further. As chairman of the Subcommittee on Consumer Economics of the Joint Economic Committee, I have studied the erosion of the real incomes of American working people during the past year. By any measure, the average family is worse off today than it was a year ago. Furthermore, a recent staff study by the Joint Economic Committee concluded that lower income consumers suffered 25 percent more inflation in 1973 than other consumers.

For these compelling reasons, any tax cut should be aimed at low and middle income taxpayers. Among the various proposals, Senator MONDALE's bill, S. 2906, providing for a $200 optional tax credit, is the most equitable and most progressive. My colleague from Minnesota proposes that the taxpayer, at his option, be allowed to substitute a $200 tax credit for each $750 exemption. The present tax system has become roughly proportional, concludes a recent study prepared by Joseph Pechman and Ben Okner at the Brookings Institution. Senator MONDALE's bill would restore some progressivity to the tax system by reducing the effective tax rate on lower income taxpayers. In addition, Senator MONDALE's proposal would provide the right amount of stimulus to a sagging economy. It would reduce taxes to those families who are most likely to return it quickly into the spending stream, thus bolstering personal consumption expenditures, which have been particularly weak in the past 6 months.

Mr. President, these two reforms, Senator MONDALE's tax credit proposal and a strengthened minimum tax, would improve tax equity, increase the progressivity of the tax rate structure and help restore taxpayer confidence in the tax system.

TAX REFORM AND THE ENERGY CRISIS

Mr. HANSEN. Mr. President, I am happy to join with my distinguished colleagues in this colloquy on the need for prompt congressional action on tax reform.

However, I believe my recommendation may differ somewhat as to the need for prompt congressional action. In fact, I would suggest that my colleagues might wish to heed the advice of tax experts such as former Assistant Secretary of the Treasury, Edwin S. Cohen or a Brookings Institution report by Charles L. Shultze who was Budget Director under President Johnson.

A couple of years ago, I made some remarks here on tax reform which I believe are worth repeating now.

There are, of course a number of loopholes in the tax laws by means of which people are able to avoid paying significant amounts of income taxes.

I repeat the remarks here:

> But most of these tax avoidance possibilities were written into the tax laws not as loopholes but to encourage those with substantial capital holdings to invest that capital in ways which Congress thought would be helpful to a particular cause of the Nation as a whole.
>
> For example, a homeowner is subsidized by allowance as a tax deduction the amounts paid for property taxes and mortgage interest.
>
> And one of the best-known tax avoidance techniques is the purpose of municipal bonds the interest on which is exempt from Federal income tax and generally from State income tax as well.
>
> But, if the tax exemption for municipal bond interest were to be eliminated, only about a third of the revenue increase to the Federal Government would come from the investor while the other two-thirds would be added on to the already crushing local tax burdens.
>
> The same would be true of other so-called loopholes. The investment tax credit is a good example. It is intended to stimulate business and industrial activity—more jobs. Evidence indicates it serves that purpose well.
>
> The oil depletion allowance intended to stimulate exploration and development of new oil and gas reserves has worked well for almost 50 years. Now that the Nation's insatiable appetite for energy is devouring oil and gas faster than it is being discovered, incentive for discovery of new supplies is needed more than ever.
>
> The prospects of the billions of dollars which will flow out in trade deficits for imported oil and the hazards of dependence on unstable foreign sources are added reasons for retaining the oil depletion allowance. But the compelling reason is again, that whatever is taken away from the oil companies in tax deduction will, as surely as the sun rises, be added to the consumer price of gasoline, home heating oil and other petroleum products just as the added cost of the interest on tax exempt bonds would be paid by the average taxpayer.
>
> Removal of the tax and interest deduction for homeowners would eliminate the incentive to own a home. Why not rent and let someone else pay the expenses?
>
> Mr. President, the real answer to the overburdened taxpayer's problems is not tax reform but Government spending reform. I am in favor of a new awareness and, in fact, a militancy on the part of the American taxpayer toward the big spenders in Government—those who would cure all of our ills with money. During the past decade, Federal spending has doubled and there is no end in sight.
>
> Mr. President, it should by now be obvious to the average taxpayer that someone keeps turning the screw as his taxes go up year after year. And that someone is the Congress of the United States, over which only he has control. When he, the average taxpayer, decides he has had enough, he can do something about it. Each 2 years he has an opportunity to vote for a Congressman or Senator. Each 4 years, a President.

But what we should do now, especially in the current stampede to do away with oil depletion allowance and other so-called reforms of the petroleum industry is to consider just what the effects would be.

An article in today's Washington Post offers a good prediction and I ask unanimous consent that the article be inserted in its entirety at the conclusion of my remarks.

I will quote a few paragraphs:

> NEW YORK.—Soaring oil prices and profits have brought little investment benefit recently to the people and institutions who, through stock, own the big international oil companies.
>
> The chances are in fact, that those who bought shares of those oil stocks a year ago, correctly anticipating the energy squeeze, lost money.
>
> Most financial observers agree the principal reason to be political uncertainties hanging over the oil industry in almost every corner of the world, including the United States.
>
> Robert Albrecht, an oil industry analyst for a large brokerage firm, says those political questions have been quickly translated by investors into "uncertainty over the level of future earnings."
>
> Among the major issues cited by analysts:
>
> Pressure on the industry from Congress. A measure under study by legislators in Washington would end the oil-depletion allowance, a tax break initiated years ago to encourage development of energy resources. In addition, a "windfall profits" tax is being considered which the American Petroleum Institute estimates could amount to payments of $5 billion annually by 1979.

Mr. President, the Chase Manhattan Bank only yesterday released a study which was reported by the Washington Star-News which argues that Government activities to limit oil industry profits are only going to limit the companies' ability to raise capital to find more oil. The study says:

> Government appears unmindful of the serious consequences of restricting the petroleum industry's ability to generate capital funds. And apparently there is little understanding that a worsening shortage of petroleum would be the inevitable result.

I ask unanimous consent that the article be inserted in the RECORD at the end of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. HANSEN. I hope all Senators will heed the concluding paragraph of that article which contends that for nearly four decades Government has broken economic laws repeatedly and has compiled an appalling record of interference with the normal operations of the free enterprise system. Yet, against that background, many representatives of Government are currently exhibiting an incredible determination to take further actions that are certain to prove highly detrimental to the Nation.

Mr. President, there is much confusion regarding the causes of the energy shortage and rising prices of oil and gasoline.

Let us keep in mind that most of the experts in the energy field who have tried to indicate that much money will be required in order to come anywhere near meeting the goals of Project Independence by 1980 say that within the 10-year period that we are looking at, we will probably need to invest in this country upwards of $1 trillion. The estimates range as high as $1.5 trillion—an estimate made by a very reliable major bank, which I think we have reason to believe knows what it is talking about.

Earlier in the discussion, the Senator from New York (Mr. JAVITS) talked about the profits of the oil companies. He stated why he thought it was necessary that we do something to tax those profits. He talked about the rising price of gasoline, and, although I did not hear all of his speech, many other speakers have pointed out we find ourselves today in a precarious situation because of the instability of supply; the uncertainty that we can get enough energy from foreign countries.

It is a popular thing these days to criticize the oil companies, because we are acutely aware of the precariousness of our energy situation in this country. But I would point out that the oil companies for some several years have been calling attention to the fact that our reserves were declining, that we were developing an increasing dependency upon the Arab countries and other countries around the world for energy, and that despite the fact that America is an energy intensive country, we seem to be pursuing a course that made us even more dependent upon foreign sources of supply.

I can understand the concern of people with rising costs, but I would point out that in America today gasoline and oil of all kinds has been, and despite recent price rises is, cheaper than it is about anywhere else in the world.

So let us keep in mind that the people who criticize the foreign operations of American oil companies are the same ones who, just a few years ago, were saying, "Let's shut down stripper wells, they're costing consumers too much for energy; let's forget the small independents; let's abandon our exploratory program and buy the oil where it is cheap," which meant going to the Middle East.

They were assuming, as was evident in the Arceda Commission report, that we could buy abroad for a fraction of the cost here, and we did not need to be uncertain about the inadequacy of supply, that it would always be there, and they would always want to sell it to us.

Now, today, when the very things that were predicted several years ago have come into being, the Members of this body get up and shout "windfall profits, blackmail," and say, "Let us change the whole operation around."

I want to say a word about the depletion allowance. What it has done is make available to Americans oil and gas at a cheaper price than we could possibly have had it otherwise. If we want to have a viable domestic industry going here, there are certain things we must do. We are either going to continue the depletion allowance, which has attracted capital into the very risky business of drilling for oil in this country, an increasingly costly venture, or we are going to have to let the price of oil and gas and of petroleum products rise much higher than they are now, or there will not be the incentive to invest in America. That is exactly the long and short of it, Mr. President. We can have it whichever way we want to.

If we want to do away with the depletion allowance, as many people are recommending we do, if we want to do away other tax provisions which encourage the formation of risk capital as many people are recommending, then let us be prepared to pay substantially more for the oil and gas we have here, because without the incentive that comes from the higher price, there will be no increase in domestic production.

I would point out that the Bureau of Land Management rejected several bids for leases on the Outer Continental Shelf. When queried on that point, they said the prices that the companies were bidding on, projected on the basis of what they thought they could sell natural gas for were not realistic.

The drilling companies, or those who proposed to drill, made the bids on the basis of the price the Federal Power Commission presently authorizes national gas to be sold for, about 27 cents per MCF. But the Bureau of Land Management was contending, in rejecting the bids, that that price was going to be at least double, or more than double what it is now, from 45 to 55 and 65 cents per MCF.

So that, too, is a fact that should be considered in trying to get a handle on what all the facts are, and what the economic realities are, as we consider trying to assure ourselves of an adequate domestic supply.

Mr. President, I appreciate very much the courtesy of the distinguished majority leader and yield back the remainder of my time.

EXHIBIT 1

[From the Washington Post, Apr. 11, 1974]

Oil Stocks Slide as Profits Boom

(By Chet Currier)

NEW YORK.—Soaring oil prices and profits have brought little investment benefit recently to the people and institutions who, through stock, own the big international oil companies.

The chances are in fact, that those who bought shares of those oil stocks a year ago, correctly anticipating the energy squeeze, lost money.

For example, stock in Exxon Corp., the world's biggest oil company, sold for as much as $103.25 a share late last spring. Early this week it was going for about $80 on the New York Stock Exchange.

The next two largest companies suffer the same fate: Mobil is down to about $45 from a 1973 high of $75.50, a 40 per cent drop; and Texaco is between $27 and $28 after selling for as much as $43.12 last year.

A particularly sharp decline in the stocks of the big oil firms came, ironically, in January, just as the companies were reporting profit gains of from 45 to 60 per cent for 1973.

An index of 24 oil stocks kept by Moody's Investors Service shows a decline of 10.3 per cent from the end of September—just before the oil squeeze intensified with the start of the Arab oil embargo—to the end of March.

That figure is just slightly better than the 13.3 per cent drop registered over the period by Moody's overall industrial index.

Why has it worked out this way? Certainly not because of immediate earnings prospects. Wall Street analysts expect the oil companies' first quarter financial reports, which are due late this month, to be, in the words of one broker, "embarrassingly good."

Most financial observers agree the principal reason to be political uncertainties hanging over the oil industry in almost every corner of the world, including the United States.

Robert Albrecht, an oil industry analyst for a large brokerage firm, says those political questions have been quickly translated by investors into "uncertainty over the level of future earnings."

Among the major issues cited by analysts:

Pressure on the industry from Congress. A measure under study by legislators in Washington would end the oil-depletion allowance, a tax break initiated years ago to encourage development of energy resources. In addition, a "windfall profits" tax is being considered which the American Petroleum Institute estimates could amount to payments of $5 billion annually by 1979.

"The recurrent bugaboo of what the governments of the oil producing countries will allow," as Albrecht puts it.

Doubts that international oil firms can maintain their 1973 profit pace in Europe and Japan, in part because of the economic problems brought on by the energy crisis.

Oil Profits Defended in Chase Study

(By Stephen M. Aug)

A special report by the Chase Manhattan Bank's oil industry study group concluded today that a huge chunk of the petroleum industry's profit rise last year resulted solely from devaluation of the dollar.

The Chase study also argues that government activities to limit oil industry profits are only going to limit the companies' abilities to raise capital to find more oil.

"Government appears unmindful of the serious consequences of restricting the petroleum industry's ability to generate capital funds," the study says, and "apparently there is little understanding that a worsening shortage of petroleum would be the inevitable outcome."

The study prepared by Chase's energy economics division, is based on an examination of 30 companies that the bank's energy specialists have been following since 1936.

Among the key findings in the report:

Nearly one-quarter of the worldwide increase in oil company profits last year could be attributed to dollar devaluation. When the dollar was devalued early last year, the report says, dollars held by the international companies were automatically increased on their books during the monetary conversion process.

The strong worldwide growth in demand for petroleum last year resulted in soaring charter rates for oil tankers. "Consequently, the transportation operations of many of the petroleum companies became substantially more profitable than they had been," the report says.

About one-sixth of the profit gain "was brought about by the increase in the value of inventories" following higher prices. The price changes were the result "of both economic and political forces," the report says.

The report is extremely critical of government and of a general lack of understanding of economics. It contends that typically oil company capital expenditures range about two-thirds greater than profits. And capital expenditures generally rise and fall with profits.

It contends that worldwide demand for oil between 1970 and 1985 will be nearly three times greater than in the preceding 15 years. If these needs are to be satisfied "the petroleum industry will have to find twice as much oil between 1970 and 1985 as it discovered in the preceding 15 years," the report says, and the estimated cost will be "well over $1 trillion."

The report contends that "for nearly four decades government has broken economic laws repeatedly and has compiled an appalling record of interference with the normal operations of the free enterprise system. Yet, against that background, many representatives of government are currently exhibiting an incredible determination to take further actions that are certain to prove highly detrimental to the nation."

Mr. MAGNUSON. Mr. President, there is always the temptation to substitute speeches for action whenever we are confronted with a large and complex problem. Therefore, I will begin by promising to keep my remarks brief and by urging the House Ways and Means Committee as well as the Senate Finance Committee to act soon on tax reform legislation so the Congress can pass it before the year's end.

In setting out to "reform" Federal taxes one can quickly become convinced of the impossibility of the task. Suggest a change, any change, and you will immediately be assailed by one group or another warning that your proposal will bring about economic collapse. We must recognize that inevitably and gird ourselves against it right now if we seriously hope to get legislation passed. Additionally, we must establish a basic goal toward which to direct our "reform" efforts. I believe that objective should be to carry through on the original intent of the 16th amendment to the U.S. Constitution and to make our Federal tax structure truly progressive. In other words, we should shift the tax burden so that it sits the heaviest upon the wealthiest.

At this juncture, I would offer three

specific thoughts. First, I would suggest that the Congress reevaluate the role of the regressive social security payroll tax which has grown by leaps and bounds in recent years and has had the effect of making our overall tax structure less progressive. Second, I urge that the personal income tax exemption be raised from $750 to $850 as has been advocated by so many of us here in the Senate. Third, I would call for very serious consideration of a one-time reduction in personal Federal income taxes in 1974.

Mr. President, there are, I believe, three very good reasons why we should give the highest priority to tax reform this year. There is, first of all, the plain and simple need to make our tax structure fairer—to assure that the working family is not paying the Government's bills while the wealthy get wealthier off Federal subsidies. Second, there is a crying need in this country today to give back to low- and middle-income people the purchasing power that inflation has robbed from them over the past several months. Third, there is a very real need to assure that there will be sufficient purchasing power in the economy in the months ahead to stave off what is at present a very real threat of recession.

In closing, I would urge again that we all resist the temptation to substitute words for action on this serious issue.

WHAT SENATOR ERVIN SAID ABOUT PRESIDENT NIXON AND IMPEACHABLE OFFENSES

Mr. ERVIN. Mr. President, I am compelled to make this statement by events for which I was not responsible.

During recent days, some of the news media have erroneously asserted, in substance, that I stated in remarks made to the students in a meeting at Case Western University in Cleveland, Ohio, on March 10, 1974, that no evidence had been produced in the Senate Watergate hearings to support impeachment of President Nixon. These assertions were undoubtedly made in good faith on the basis of some honest misunderstanding of a reporter who covered the meeting.

To prevent or minimize the repetition of assertions of this nature, I hereby categorically state that I did not make any such statement at Case Western University or any other place. For reasons hereinafter set forth I have steadfastly refrained from forming or expressing any opinion on the question of whether or not President Nixon has committed any impeachable offense.

I did state to the students at Case Western University, in response to a question, that I agreed with an observation made by President Nixon at one of his recent press conferences that under the Constitution an offense to be impeachable must be a Federal crime.

Much of the confusion in discussion of constitutional questions arises out of the fact that too many men interpret a particular constitutional provision to mean what it would have said if they rather than the Founding Fathers had written it.

The Founding Fathers were determined that the President should be independent of the Congress within the sphere they allotted to him. They knew that their purpose would be thwarted if they put in the Constitution any provision which authorized the impeachment of the President for any reasons not specifically stated in that instrument.

To prevent this from happening, the Founding Fathers expressly declared in article II, section 4 that the President cannot be impeached or removed from office for anything except "treason, bribery, or other high crimes and misdemeanors."

The word "crime" has a definite meaning in law. It is an offense punishable by death, imprisonment, or fine. The word "misdemeanor" also has a definite meaning in law. A misdemeanor is any crime less than a felony.

The constitutional intent that the President can be impeached only for Federal crimes is reinforced by the provision of artcile III, section 2, which declares that "the trial of all crimes except in cases of impeachment shall be by jury."

Article II, section 4 makes it clear that a President cannot be impeached for just any Federal crime. To be an impeachable offense, a Federal crime must meet these qualifications:

First. The crime must be serious in nature.

Second. The crime must be a crime against Government rather than a crime against an individual.

Treason and bribery have always been regarded as serious crimes. The word "high" which modifies the words "crimes and misdemeanors" signifies that the President can be impeached for other crimes and misdemeanors only if they are serious in nature.

Treason and bribery are clearly crimes against the Government. The words "other high crimes and misdemeanors" must be construed to embrace other high crimes and misdemeanors against the Government rather than crimes or misdemeanors against individuals.

Since one of the primary functions of the Federal Government is to administer justice, the willful obstruction of the administration of justice is a crime against the Federal Government, and for that reason is an impeachable offense; and since the Federal Government is dependent upon taxes for its support, the fraudulent evasion of the payment of Federal income taxes by a President is a crime against the Government, and for that reason is an impeachable offense.

For 15 years of my life preceding my coming to the Senate, I occupied judicial offices. My judicial experience taught me that it is unjust as well as unwise to make any decision on the issue of the guilt or innocence of another until all available evidence is received and weighed.

Some persons have alleged that charges of bribery, an impeachable offense, might be made against the President in connection with contributions made to his campaign by the milk industry. Others have alleged that charges of fraudulent evasion of his income taxes, an impeachable offense, might be made against the President in connection with his income tax returns.

Since I am unaware of the facts surrounding the milk contributions and the preparation and filing of the President's income tax returns, I have not formed or expressed any opinion as to the merits or demerits of any of the allegations based upon these matters.

I have likewise not made any appraisal of what the evidence produced in the Senate Watergate hearings shows in respect to the conduct of the President in the coverup operations. I have refrained from so doing because the Senate Watergate Committee has not been able to obtain from the White House tapes of conversations the President allegedly had with John Dean on September 15, 1972, February 28, 1973, and March 13 and 21, 1973.

I deem tape recordings relating to these conversations crucial to the determination of the credibility of John Dean and to any possible inferences which might be drawn from the testimony of other witnesses.

The Senate Watergate Committee has been trying to obtain the taped recordings of these conversations from the White House since July 1973, and the White House has strenuously resisted all efforts of the Senate Watergate Committee to obtain them.

I am still hoping that the Senate Watergate Committee will be able to have access to these tapes before it completes its report, and thus will not be prevented by the White House from having the benefit of all available evidence in respect to the credibility of John Dean, and in respect to what inferences, if any, should be drawn from the testimony of other witnesses.

For these reasons, I have not formed or expressed any opinions at any time in respect to the question whether or not the President has or has not committed an impeachable offense.

I wish to emphasize at this point that I will never adjudge that the President has committed any impeachable offense unless and until evidence convinces me beyond a reasonable doubt that he has done so.

Nevertheless, I am constrained to say that the President's conduct has engendered these two conclusions in my mind:

First. That the President has needlessly prolonged for himself and the Nation the agony of Watergate by withholding from the Senate Select Committee, the grand jury, and the House Judiciary Committee tapes and documents relevant to the matters they are obligated to investigate.

Second. That the President could have spared himself and the Nation the agony of Watergate if he had acted at the beginning with the forthrightness which ought to characterize the occupant of his high office.

In respect to the first of these conclusions, I find wholly unsatisfactory the excuse given by the President for withholding from the congressional committees and the grand jury relevant tapes and documents. In the final analysis, this excuse amounts to an assertion that the President has the arbitrary power to withhold from the courts and authorized congressional committees information which any one of the other 214 million Americans would have to produce unless he pleads the self-incrimination clause of the fifth amendment.

I simpy do not believe that the President is above the laws which apply to all other Americans.

As long as I have a mind to think, a tongue to speak, and a heart to love my country, I will deny that its Constitution confers upon any President arbitrary power to authorize any President to convert George Washington's America into Augustus Caesar's Rome.

With respect to the second of these conclusions, I make these observations. During the darkness of June 17, 1972, five burglars were caught in the Watergate. Within a few days thereafter, the news media made it plain that some weeks before $114,000 of the President's campaign funds had been deposited in a bank account in Miami, Fla., controlled by one of the burglars, Bernard L. Barker; that sometime before the burglars were caught in the Watergate, Barker withdrew thousands of dollars of funds from this bank account in $100 bills; and that 53 of these $100 bills were found in the possession of the burglars at the time they were caught in the Watergate.

When these facts became plain, the President ought to have called into the White House the men to whom he had entrusted the management of his campaign for reelection and his campaign funds, and put to them this crucial question: "How did it happen that when the burglars were caught in the Watergate they had some of my campaign funds in their possession?"

There is certainly reason to believe that had the President done this at that time, the truth in respect to the Watergate affair would have been forthwith revealed.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. ERVIN. I yield.

Mr. ROBERT C. BYRD. Mr. President, I congratulate the Senator on his statement. I recognize Mr. ERVIN as one of the outstanding, if not the most outstanding constitutional scholar in this body. I may or may not agree with his construction of the impeachment clause, but I am not going to attempt to construe that clause at this point. I am going to continue to research it.

The Senator mentioned the various ways in which the White House had delayed the culmination of this whole sordid affair. He mentioned the reluctance of the White House to submit documents and tapes and other data to the Watergate Committee. He mentioned the resistance of the White House to the submission of the requested materials to the House Judiciary Committee. He mentioned the grand jury. But I do not believe he mentioned the resistance of the White House to the request of the Special Prosecutor. Perhaps I missed that in the Senator's speech.

Mr. ERVIN. The Senator is correct, but I thought that was embraced since the Special Prosecutor was acting in behalf of the grand jury and seeking information on behalf of the grand jury.

Mr. ROBERT C. BYRD. Very well, I thank the Senator.

IMPEACHMENT

Mr. STENNIS. Mr. President, the subject matter of impeachment has dominated the news for many weeks. Polls are being taken regarding the subject of possible impeachment, including polls wherein Members of Congress are being asked to express their views, and some Members of Congress have publicly given their opinion on some aspects of the subject. Many of our constituents, who have a right to be concerned, do not fully understand why their own Senator or Congressman and the vast majority of all Members of Congress are not speaking out at this time. In view of these facts, I think a word should be said about the true nature of impeachment, as provided in our Constitution.

These remarks are not intended as a criticism of any Member of the Congress who might have expressed his own views about the matter, but I do feel that each of us is interested in finding the proper method of discharging our own responsibilities.

I emphasize that my remarks today are by no means an indication that I think impeachment charges will or should be voted by the House and tried by the Senate. However, there has been much discussion of the subject. Before opinions or conclusions are formed, much less announced, I think all of us who are Members of the Congress should take a hard look at the problem in an effort to more clearly determine our course of duty, now and in the future, should positive developments occur.

This is a field in which no Member of the Senate has any previous experience since he became a Senator. In our role, we are all newcomers and beginners. Too, it is entirely a new field to most of our constituents.

The framers of our Constitution, as shown by the record and report of debates, totally rejected the suggestion that a Chief Executive should not be subject to impeachment. The framers also rejected the suggestion that questions of impeachment should be tried and disposed of by the Supreme Court of the United States. A discussion of this is found in the Federalist, No. 65, pages 424–428, and also in Story's work on the "Constitution of the United States," volume III, at pages 21–220 and 227–229.

Finally, the Members of the House of Representatives, the only branch of Congress elected by the people at that time, were deliberately chosen to investigate allegations and officially prefer charges when a majority of that body thought the facts justified such a course. This is of course very similar to the functions of a grand jury.

For the actual trial of any charges thus presented, the membership of the Senate were expressly selected by the makers of our Constitution as judges and jurors, with the safeguard of a two-thirds majority vote required for a conviction. This was after a suggestion was made in the Constitutional Convention that the courts be authorized to dispose of all impeachment charges. The Constitution also provides that a special oath for Senators shall be required, similar to the oath which jurors are required to take to try special cases in many trial colurts. The judicial concept is further proven in that the framers of the Constitution rejected the suggestion that the Vice President or a Senator be the Presiding Officer in any impeachment trial involving the President; instead, they provided that in such a case, the highest judicial officer in the Nation, the Chief Justice of the United States, shall preside.

Further, through an appeal from a ruling of the Chief Justice, and through their own interpretation of the constitutional provisions by their vote on such issues, Senators also serve as judges and make rulings while sitting as jurors. Also, Senators can rule on the admissibility of evidence in certain instances.

So, it is clear that in any impeachment proceeding involving the President, the Members of the Congress not only constitute a court; they actually constitute the most powerful court in the land.

Sitting in a special court of impeachment, the Members of the Senate are faced with the most awesome constitutional responsibility of any court of the land in this: they are vested with the power to remove from office a President of the United States who has been legally chosen by all of the people.

Mr. President, no nation, however powerful, would undertake by force of arms or in any other way to accomplish that fact. They could not do it. But still that power is vested in the membership of this body.

So, Mr. President, in considering this awesome responsibility imposed on me as a member of the special court provided by the Constitution to consider the impeachment of a President, I am convinced I must avoid weighing "evidence" or forming conclusions. Certainly, at this stage, I am under a most solemn duty to avoid predictions as to where the votes are or what the charges are or what the results will be. I am also determined to keep in mind clearly and constantly that a cardinal principle inherent in our system of justice is the presumption of innocence in all cases. This presumption of innocence is a mudsill in our system of government.

Mr. President, I still remember vividly the pride with which I studied that principle in law school, that the great common law system, in opposition to many other systems of that day, created this presumption of innocence and made it work. As I say, it is still the model of our system of jurisprudence and government in any form.

I am convinced that in order for a President to be removed from office, the sworn testimony and factual evidence presented to the Senate, excluding hearsay evidence, must prove the case beyond a reasonable doubt.

If this thing comes to a head, and I am not predicting that it will, we will learn mighty fast that things that some writer might say or some side remark of some announcer are not worth a continental to us in trying to perform this serious duty.

This is the proper degree of proof required, in my judgment, and the standard which should be adhered to by the Senate.

I believe that I must adhere to these standards in order to faithfully execute my sworn duty under the Constitution, and I believe that each Member of the Senate will want to perform his duty to the fullest.

Members of a grand jury and trial jurors do not go around giving opinions on a case to come before them.

For emphasis, I repeat, that as a Member of the Senate, I have the most solemn constitutional duty that any official could possibly have to refrain from opinions and conclusions until all of the sworn testimony and evidence has been duly presented to the Senate.

I want to mention just one other point as to the nature of these proceedings. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 5 minutes remaining.

Mr. STENNIS. In my opinion, there is no appeal in impeachment cases. That is my opinion and my present reasoning after study and analysis of the cases. There can be no change of venue, as we use that term in the courts, and there should not be. A Senator cannot be ruled ineligible to vote, even if he expresses partiality before the full evidence is presented. He is a constitutional member of this court, even if he misbehaves. Following my duty, I do not believe I can be excluded from a vote in these proceedings should they come to pass. I could be excluded under a procedure directed against me, perhaps, but just on the grounds of having expressed partiality before the evidence was presented, although it is totally out of order, I do not think I could be declared ineligible.

These points emphasize, underscore over and over again, our obligation to remain impartial, to avoid premature opinions, and to make up our minds only when all the sworn evidence—the sworn evidence—is presented.

I emphasize the sworn evidence; it is one of the safeguards taught us by hundreds of years of experience under the common law system and many other systems as well.

In reading there rigid obligations, every Senator needs the understanding and help of each of his colleagues—for my part, I solicit that help—and all of us need an understanding by the people of the Nation. That is one reason why I concluded that I would make some remarks along these lines. I think that more should be said in explaining to the people of the country at large the true nature of these proceedings, if they develop, our obligation under the Constitution, and our position.

These remarks are made solely in a spirit of counsel and understanding with my colleagues. In this I am certainly by no means "my brother's keeper." I do firmly believe we must meet these minimum requirements if we are to live up to the position of trust placed on us by our Constitution. In this, all of us need the assistance of each other, and we need the understanding of our constituents throughout the Nation.

In my opinion—and this is partly repetitious—there is no appeal in impeachment cases. There can be no change of venue. There is no way to challenge a Senator for cause and have him disqualified if he is not found to be impartial. These points, therefore, greatly emphasize our obligation to remain impartial, not to form premature opinions, and to make up our minds only when all the sworn evidence is presented.

I also concluded that a Member here could make a statement on the procedural subjects only, without prejudging or without expressing an opinion.

Thus, it is in that spirit, and with that feeling, I present this matter to the Senate and to the people of the Nation.

Mr. President, I thank the Senator for giving me this time. I assume it is in order for me to yield back the time I have not used, unless someone wishes to speak.

Mr. President, I yield the floor.

MESSAGES FROM THE PRESIDENT—APPROVAL OF A BILL

Messages in writing from the President of the United States were communicated to the Senate by Mr. Marks, one of his secretaries, and he announced that on April 9, 1974, the President had approved and signed the act (S. 2174) to amend certain provisions of law defining widow and widower under the civil service retirement system, and for other purposes.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The PRESIDING OFFICER (Mr. HUDDLESTON) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received today are printed at the end of Senate proceedings.)

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Hackney, one of its reading clerks, announced that the House had agreed to the amendment of the Senate to the bill (H.R. 9492) to amend the Wild and Scenic Rivers Act by designating the Chattooga River, North Carolina, South Carolina, and Georgia as a component of the National Wild and Scenic Rivers System, and for other purposes, with an amendment, in which it requested the concurrence of the Senate.

The message also announced that the House had passed a bill (H.R. 14013) making supplemental appropriations for the fiscal year ending June 30, 1974, and for other purposes, in which it requested the concurrence of the Senate.

ENROLLED BILL SIGNED

The message further announced that the Speaker had affixed his signature to the enrolled bill (S. 1745) to provide financial assistance for research activities for the study of sudden infant death syndrome, and for other purposes.

The enrolled bill was subsequently signed by the Acting President pro tempore (Mr. METCALF).

HOUSE BILL REFERRED

The bill (H.R. 14013) making supplemental appropriations for the fiscal year ending June 30, 1974, and for other purposes, was read twice by its title and referred to the Committee on Appropriations.

AUTHORIZATION FOR SECRETARY OF THE SENATE TO RECEIVE MESSAGES DURING THE HOLIDAY RECESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to receive messages from the President of the United States and the House of Representatives during the adjournment of the Senate until Monday, April 22.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Mr. President, before the Chair rules, may it be clear that "messages" includes also nominations for offices in the Government which need confirmation from the Senate?

Mr. ROBERT C. BYRD. It is my understanding that they are included.

The PRESIDING OFFICER. They are included.

Mr. JAVITS. I thank the Chair.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORIZATION TO SIGN DULY ENROLLED MEASURES DURING THE RECESS OF THE SENATE

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Vice President, the President pro tempore of the Senate, and the Acting President pro tempore be authorized to sign duly enrolled bills and joint resolutions during the recess of the Senate over until Monday, April 22.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORIZATION FOR COMMITTEES TO FILE REPORTS DURING THE RECESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that all committees be authorized to file reports on Friday, April 19, until the hour of 4 p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I thank the Senator from New York.

SALT NEGOTIATIONS

Mr. MONDALE. Mr. President, tomorrow Foreign Minister Gromyko will come to Washington to meet with the Secretary of State. In these discussions, the strategic arms limitation talks will be high on the agenda.

During the last meeting between the Secretary of State and Soviet leaders in Moscow, there were disturbing reports that the Soviet Union was trying to take advantage of internal U.S. difficulties in the strategic arms negotiations. These reports suggested that the Soviet Union was taking a particularly tough line because of Watergate and pressing a position that would have put the United States at a disadvantage.

At the same time, there are commentators in the United States who suggest that SALT be abandoned because of Watergate and the threat of impeachment. The argument is that the President is so weakened that either he cannot negotiate a good agreement, or that he will be tempted to negotiate a poor one.

I believe the view that the Soviets can now take advantage of us and the idea of a moratorium on SALT are both wrong. The control of strategic nuclear arms is above Watergate. Its purpose is to insure against nuclear war and halt the continuing and dangerous competition in strategic nuclear weaponry. As such, SALT is a national objective that transcends the difficulties of this administration.

For this reason, I believe that we must convey to the Secretary of State, and he in turn must make clear to the Soviet Union, that the American people and the Senate of the United States overwhelmingly support his efforts to achieve a fair and effective SALT agreement. At the same time, we will not be pressured. We will not accept an agreement which is unfair, which fails to take into account the differences in the forces of the two sides, or which can jeopardize our security. We will take the necessary steps to assure our security whatever the outcome of the negotiations.

I believe it is also clear that we cannot simply call off SALT while we sort out the question of impeachment. The arms race moves ahead. In particular, the Soviet Union continues to test a wide variety of strategic weapons. If all these weapons test programs are brought to a successful conclusion, and deployment begins on each of them, the problem of achieving an adequately verifiable agreement will be greatly increased.

So there is urgency to SALT. The arms race will not wait for resolution of our domestic crises. If the arms race continues unchecked, the security of the United States, and indeed all mankind, will be put in further jeopardy. Thus it is essential that SALT not fall victim to Watergate and that we not abandon our responsibility to continue to seek further limitations on strategic arms.

For this reason, I am pleased to join with the majority leader, Senator MANSFIELD, the minority leader, Senator HUGH SCOTT, the chairman of the Foreign Relations Committee, Senator FULBRIGHT, and Senator MATHIAS in conveying our concern in a letter to the Secretary of State and expressing our strong support for his continued efforts to control strategic arms.

Mr. MATHIAS. Mr. President, the SALT negotiations—the strategic arms limitation talks—are the most important negotiations that are now being undertaken by the United States. It has been and continues to be a national goal of the United States to negotiate with the Soviet Union strategic nuclear arms limitation and reduction treaties and agreements with the purpose of reducing the danger of nuclear holocaust that would certainly result if war between the Soviet Union and the United States should take place. This national goal is supported, in my view, by the majority of the Congress and the people of the United States. The Soviet Union or any other nation should not make the mistake of believing that this clear and unmistakable national goal is in any way affected by any present domestic difficulties.

The great task of statesmanship and diplomacy which lies before both the United States and the Soviet Union, is to translate into fair, equitable and enforceable treaties and agreements the physical reality that there is nothing now or in the foreseeable future that either the United States or the Soviet Union can do through further weapons deployments to alter the parity that now exists between the two great superpowers. All scientific experts agree, and all military analysts agree that both the United States and the Soviet Union have the capability in being of destroying the other side totally, even after absorbing a first strike. While there is some argument about the exact number of times the United States can destroy the Soviet Union, the rough figure is 50 times over. The Soviet Union's capability is estimated to be somewhat less, but no one disagrees that it is more than enough. The present discussions about weapons inadequacies or new targeting policies are largely theological in nature and not fundamental; they are, in essence, relatively esoteric discussions which if played out to their logical conclusions are about how many times the dust of nuclear destruction can be refined by nuclear bombardment piled upon nuclear bombardment.

I have a very personal feeling about this discussion, however, Mr. President, because it was my fate to have been present in both Nagasaki and Hiroshima within 30 days of the explosion of the atomic weapons there, and so I have a very personal and very visceral reaction to my own observation of what happens in a nuclear holocaust.

It is the task of the national and international leadership to make it clear to the people of the world that there are no advantages to be gained by the deployment of additional nuclear weapons systems; that there are no essential advantages or imbalances in capabilities of the nuclear arsenals. It is the task of national and international leadership to make clear that limited nuclear war is just as dangerous to humanity as total nuclear war, because no one has devised plans or scenarios or theories which would with any degree of certainty prevent so-called limited wars from developing into total annihilation.

It is the task of national and international leadership to point out that there are no bargains at SALT—that the parity of the certainty of nuclear holocaust that hangs over the heads of all people on Earth if nuclear weapons are ever used makes efforts which somehow attempt to achieve superiority through diplomatic sleight of hand irrelevant to the physical facts of nuclear annihilation. The clear and unmistakeable national goal of the United States should be to achieve limitations and reductions of existing nuclear weapons stocks through fair and equitable agreements with the Soviet Union.

It must be recognized that the nuclear arsenals of the Soviet Union and the United States are sufficiently different in nature that limitations and reductions cannot, in many respects, be on a 1 to 1 basis. Yet, despite the asymmetries of our respective nuclear forces, fair and equitable agreements to lessen the likelihood of nuclear war can be achieved if the national purpose of both the United States and the Soviet Union remains constant to both nations' stated goals of making every effort to limit and reduce our respective nuclear weapons systems.

There is no more important diplomatic task. Dr. Kissinger and his chief associates at SALT should be confident that his efforts to achieve this national goal of nuclear arms limitations and reductions on a basis of fair and enforceable agreements will receive the support of the Congress and the people.

I would like to place into the RECORD at this point a letter sent to the Secretary of State, Dr. Henry A. Kissinger, by the majority leader, Senator MIKE MANSFIELD, the minority leader, Senator HUGH SCOTT, Senator MONDALE, and myself, affirming this support on the part of the Senate. In addition, I ask unanimous consent that the following additional cosponsors be added to Senate Resolution 283: Mr. HASKELL, Mr. HUGHES, Mr. MAGNUSON, Mr. MONTOYA, Mr. METZENBAUM, and Mr. PELL. I also ask unanimous consent that the text of Senate Resolution 283 be placed in the RECORD at this point in my remarks.

Mr. MONDALE. Mr. President, I wish to express my appreciation to the distinguished Senator from Maryland for his leadership in developing the letter to Secretary Kissinger, which I think speaks to a very crucial point and helps express the view of the Congress, and I think the country, on this particular issue.

The PRESIDING OFFICER. The Senator from Maryland has 9 minutes remaining.

Mr. MATHIAS. Mr. President, at this time I should like to submit for the RECORD a letter written by several Senators to the Secretary of State, Dr. Henry A. Kissinger. I think it is notable that the leadership has joined in signing the letter. It is signed by the majority leader, Senator MANSFIELD; by the minority leader, Senator HUGH SCOTT; and also by the Senator from Minnesota (Mr. MONDALE) and myself.

The purpose of the letter is to affirm the support within the Senate for the positions that have been taken by the Secretary of State. There are other means of support within the Senate for this general policy.

Mr. President, I ask unanimous consent that the Senator from Colorado (Mr. HASKELL), the Senator from Iowa (Mr. HUGHES), the Senator from Washington (Mr. MAGNUSON), the Senator from New Mexico (Mr. MONTOYA), the Senator from Ohio (Mr. METZENBAUM), and the Senator from Rhode Island (Mr. PELL) be added as additional cosponsors of Senate Resolution 283.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MATHIAS. Mr. President, I further ask unanimous consent that the text of Senate Resolution 283 be printed at this point in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

There being no objection, the items were ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C., April 10, 1974.

HON. HENRY A. KISSINGER,
Secretary of State,
Washington, D.C.

DEAR MR. SECRETARY: There is concern among many of our colleagues over recent reports which assert that during your discussions upon strategic arms limitations in Moscow, the leadership of the Soviet Union may have come to believe that internal issues in the United States might somehow lead the United States to accept an unfair agreement. Such a conclusion by the Soviet Union would be unwarranted, and their leadership should be so informed.

We believe that the Senate, Congress, and people of the United States support overwhelmingly the efforts made thus far by the United States government to control the strategic nuclear arms race. We believe that the American people support a continued effort to further control strategic nuclear weapons through equitable and enforceable strategic nuclear arms limitation and reduction agreements which fairly take into account differences between strategic nuclear arsenals of the U.S. and the Soviet Union. Such agreements would contribute to our national security by enhancing stability and reducing the risks of nuclear war.

It is our view that you will continue to have the full support of the Congress in your negotiations with the Soviet Union to achieve such agreements. This is an overriding national objective and the Soviet Union should be informed that it is one which is strongly supported by the Congress and the people of the United States.

In this regard, we hope that you in your capacity as Secretary of State will communicate to the leadership of the Soviet Union the view, which we believe is held by the majority of our colleagues, that the long range importance of the strategic arms limitation negotiations for both countries should transcend any present domestic difficulties.

Thus, it remains our view that the Congress and the American people remain willing to support good faith negotiations leading to strategic arms limitations and reductions between the Soviet Union and the United Statse. However, it is also our view that you should make every effort to advise the Soviet Union that it should not miscalculate the determination of the Congress and the American people to achieve sound and equitable strategic arms limitations and reductions agreements that contribute to our vital national security interests; and that should these important and hopeful negotiations fail to reach such an agreement, the Congress and the people will take whatever steps are necessary to protect our national security.

In sum, you may be confident that the Congress will continue to support your efforts to achieve equitable treaties and agreements limiting and reducing strategic nuclear weapons within the context of a secure strategic capability to protect our national security interests.

We would like the opportunity to meet with you at your earliest convenience to discuss this very important question.

Sincerely yours,

S. RES. 283

Resolution relating to further arms limitation and reduction treaties and agreements between the United States and the Soviet Union

Whereas the treaty on the limitation of anti-ballistic-missile systems and the interim agreement on certain offensive weapons systems, concluded between the United States and the Soviet Union on May 26, 1972, strengthened the security of the United States by setting limits on particular categories of nuclear weapons systems; and

Whereas the first round of Strategic Arms Limitation Talks (SALT) began a constructive dialog between the two nations which could lead to further nuclear arms limitations through mutually agreed upon reductions of existing nuclear weapons systems; and

Whereas the nuclear arms race, despite the positive achievements of the treaty and interim agreement signed on May 26, 1972, has continued its costly and dangerous course in areas not covered by such treaty and interim agreement; and

Whereas research, development, testing, and deployment of more advanced nuclear weapons systems continue at a rising level of expenditures by both the United States and the Union of Soviet Socialist Republics; and

Whereas such further efforts and expenditures for research, development, testing, and deployment of advanced nuclear weapons systems could undermine the nuclear deterrent now possessed by both the United States and the Soviet Union and weaken the mutual confidence of both nations in their ability to prevent nuclear war; and

Whereas the negotiations now underway in Geneva in connection with the Strategic Arms Limitation Talks (SALT) still offer the best opportunity to conclude further treaties and agreements which would lessen the possibility of any nuclear war and reduce the costly and dangerous burden of armaments borne by the United States and the Soviet Union: Now, therefore, be it

Resolved, That it is hereby declared to be the sense of the Senate that—

(1) the President, the Secretary of State, the Secretary of Defense, and the Director of the Arms Control and Disarmament Agency and their advisers should (a) give the highest priority to concerted efforts to achieve treaties and agreements which will halt the nuclear arms race through reductions of existing weapons stocks on a mutually agreed upon basis of overall equality; and (b) take such additional steps as might be necessary to lessen the probability of nuclear holocaust;

(2) concerted efforts should be made to achieve restraint on the part of both the Soviet Union and the United States during the Strategic Arms Limitation Talks now in progress with regard to further expenditures for research, development, testing, and deployment of all nuclear weapons systems;

(3) inequalities that may now exist in the respective nuclear weapons systems of both the United States and the Soviet Union should be eliminated through mutually agreed upon reductions of existing nuclear weapons systems;

(4) a mutually agreed upon equality of the deterrent forces of the two countries will necessarily involve an overall balance in their respective forces taking into account the following elements, among others:

(A) quantitative factors of nuclear weapons systems such as numbers of launchers, amounts of megatonnage, and numbers of deliverable warheads;

(B) qualitative differences between nuclear weapons systems such as reliability, accuracy, reload capability, survivability, maneuverability of warheads and range; and

(C) geographical factors bearing on the effectiveness of nuclear weapons systems.

SEC. 2. It is further declared to be the sense of the Senate that the President of the United States and the Secretary of State should, and are hereby urged and requested to, (a) maintain regular and full consultation with the appropriate committees of the Congress and (b) report to the Congress and the Nation at regular intervals on the progress toward further arms limitations and reductions within the context of an assured deterrent which is the basis of our national security.

SEC. 3. The Secretary of the Senate is directed to transmit copies of this resolution to the President and the Secretary of State.

Mr. MATHIAS. Mr. President, I make the point of order that a quorum is not present.

The PRESIDING OFFICER. On whose time does the Senator request that the quorum call be had?

Mr. MATHIAS. On my time.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, will the distinguished Senator from Maryland yield his remaining time to me?

Mr. MATHIAS. Mr. President, I am happy to yield to the distinguished majority leader.

Mr. MANSFIELD. Mr. President, I yield myself not to exceed 5 minutes of the time of the distinguished assistant majority leader (Mr. ROBERT C. BYRD).

Mr. President, I wish to express, once again, my gratitude to the distinguished Senator from Maryland for making the statement which he has made this morning. It was brief and to the point, and encompasses the whole concept which I should like to emphasize again. It cannot be said too often:

> While there is some argument about the exact number of times the U.S. can destroy the Soviet Union, the rough figure is 50 times over. The Soviet Union's capability is estimated to be somewhat less, but no one disagrees that *it is more than enough.*

Mr. President, it is far more than enough; and we are steadily increasing our nuclear stockpile of atomic weapons. I would hope that that would be kept in mind, not only by Members of Congress, but by the American people and also, most important, the *executive* branch of the Government—the executive branch in all areas. I would hope that the success which has been achieved and the progress being made in SALT I, and the progress being made in SALT II—and progress is being made—under the leadership of Secretary of State Kissinger would be continued. I would hope that what we would see would not be merely a limitation, but a reduction in arms in both countries, to the end that the mad momentum of appropriations and expenditures for potentially destructive purposes could be turned around, and that the appropriations and expenditures would be used for the benefit and welfare of the peoples of both countries.

So Secretary Kissinger has our good wishes.

I again commend the distinguished Senator from Maryland (Mr. MATHIAS) for taking the lead, as he has so often done, in this field as well as others, and hope that what he has said will have some effect, because, as the Senator has said, let no nation make the mistake that its national goal is affected by any present domestic difficulties.

A PROPOSAL FOR A NEW APPROACH ON ECONOMIC FORESIGHT

Mr. MANSFIELD. Mr. President, at the beginning of the year a proposal was advanced at the first meeting of Senators of the majority party on January 24, and again in the State of the Congress television address on February 1, concerning the establishment of some instrumentality to bring together representatives of the legislative and executive branches with representatives of agriculture, business, labor, and other private communities for the purpose of identifying and doing something about areas of potential national crisis.

This proposal was discussed with the Senate Minority Leader (Mr. HUGH SCOTT) on a completely nonpartisan basis and, together, we addressed a letter to the President on February 19, 1974. On March 25, the President wrote to us, responding affirmatively to our letter suggesting that several representatives of the executive branch—Secretary of the Treasury George Shultz; Director of OMB, Roy L. Ash; Director of the Cost of Living Council, John T. Dunlop; Assistant to the President, Peter M. Flanigan; and Chairman of the Council of Economic Advisers, Herbert Stein—join in an initial exploratory meeting.

On April 9, the Senate Democratic Policy Committee endorsed the idea of the proposed meeting in a formal resolution. The House and Senate leaderships of both parties subsequently discussed the matter and agreed on the desirability of pursuing the matter. An initial meeting has been called for April 30, 1974, at 10 a.m. in the office of the Senate majority leader. We expect that about a dozen persons from the two Houses and the executive branch will be in attendance.

Mr. President, just as an indication of what is ahead, I cite from a Morgan Guaranty Trust Co. survey, under date of March 1974, a list of U.S. import dependents as a percent of consumption in 1973. We depend upon imports for 84 percent of our bauxite. We do not have bauxite domestically.

Chromium, our dependence is 100 percent. Cobalt, 100 percent. Copper, 8 percent. Iron ore, 29 percent. Lead, 19 percent. Manganese, 100 percent. Mercury, 82 percent. Nickel, 92 percent. Tin, 100 percent. Tungsten, 56 percent, Zinc, 50 percent. With respect to three-quarters of these critical materials, the United States depends for more than half its needed supplies on sources outside of our country. In many case we are 100-percent dependent.

Mr. President, this is just a beginning. At the present time, for example, we import 84 percent of our bauxite needs. The bauxite-producing nations have been following the example set by the OPEC countries—the oil-producing countries—for the purpose of increasing the price of bauxite.

At about the same time, seven banana-producing nations got together for the purpose of considering an increase in the price of bananas. Certainly we do not need bananas to get by, but we do need many other commodities and materials, such as bauxite, copper, iron ore, and the like, if we are to survive. We have to recognize that we are a have-not nation in respect to many items.

If we have learned anything from the oil embargo that was placed against us during the past winter, it is that we are vulnerable in other areas, as well. So let us hope that this will mark the beginning of facing up to a situation that we cannot avoid.

The distinguished minority leader (Mr. HUGH SCOTT) and I have discussed the so-called Paley Commission Report, which was issued in 1952 and was a creature of the Truman administration. The Chairman of that Commission was Mr. William Paley, chairman of the Columbia Broadcasting System.

In that report, we find many things which were prophetic, but which no one paid any attention to at that time. The result is that we have suffered and suffered drastically.

We hope that if this proposal of the distinguished Republican leader's and mine gets under way, one of the people with whom we could establish contact for advice and counsel would be Mr. William Paley, because of his expertise and because of the validity of his report, which still stands today.

Mr. President, I ask unanimous consent that an excerpt from the Morgan Guaranty survey of March 1974 entitled "Foreign Raw Materials: How Critical Are They?" be printed in the RECORD at this point along with various correspondence, statement excerpts and the Majority Policy Committee resolution on this matter.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

FOREIGN RAW MATERIALS: HOW CRITICAL ARE THEY?

Over the past twenty years a gradual erosion has taken place in this country's self-sufficiency in raw materials. Domestic output of a broad range of basic metals and minerals—quite aside from oil—has lagged behind the rise in consumption. The U.S., as a consequence, has entered a new era—one marked by mounting dependency on foreign resources.

The U.S., for example, for a long time has been completely dependent on imports for its cobalt, chromium, manganese, and tin. Foreign sources last year supplied 84% of the bauxite consumed in the U.S., 92% of the nickel, and 82% of the mercury. In the last decade alone, reliance on foreign-source tungsten has doubled, and imports as a percentage of consumption of many other commodities from asbestos to zinc have shown sizable increases.

In some cases—such as lead and mercury—increasing concern with industrial pollution control has resulted in curtailed domestic smelter production. In others, foreign sources have been tapped simply because it is easier and cheaper. Iron ore is one example of many. High-grade iron ore can be brought in from Venezuela, for instance, for several dollars a ton less than low-grade ore can be produced in Michigan's Mesabi Range.

The mounting dependence of the U.S. and other developed nations on imported raw materials is bringing a significant change in relations between consumers and suppliers. Particularly in the environment of the recent past—featured by a world-wide boom among industrialized nations—producer countries have found that their rich mineral endowment can be used to score gains, both economic and political.

Oil, of course, is today's most publicized example. But many other commodities have been affected in one way or another. Prices have been raised. Producer nations have insisted that raw products be processed to a greater degree at home. And in many places local ownership of production facilities has been increased—in some cases to 100%—through nationalization and other governmental actions.

Is there a possibility of new cartels similar to the one formed by foreign oil producers?

The question is not merely academic, judging by the statements of officials of some producer nations. They have heralded the dawning of a new era of "product diplomacy." Not unnoticed, too, was the meeting earlier this month in Guinea of seven major bauxite producers. Press reports told of the formation of a "bauxite club," but indicated that—for now, anyway—the governments had decided against embargo or price control moves similar to those of the Organization of Petroleum Exporting Countries.

A key consideration in all this, of course, is the degree of concentration of world mineral reserves. Providence, in sprinkling minerals around the earth's crust, has favored some areas in a lavish way while scrimping in others. A relatively few countries, thus, hold the bulk of a number of major minerals. (In the case of the U.S., even though abundantly blessed, its rapid—some would say profligate—chew-up of minerals has depleted many of its reserves.)

The pattern of concentration for a dozen key minerals is shown in the box on page 11. It lists U.S. reserves along with those of other nations which individually account for at least 8% of total world reserves.

Examples of concentration: Australia and Guinea together are found to have more than half of the world's bauxite reserves. South Africa alone has 63% of chromium reserves and, with Southern Rhodesia added, the concentration rises to 96%. Spain has just under half of world mercury reserves. Three countries—Thailand, Malaysia, Indonesia—have 60% of tin reserves. And nearly half of world reserves of nickel is held by two countries: New Caledonia and Canada.

Note, however, that the pattern of concentration shown by official reserve estimates is necessarily a qualified and limited one. Reserves are defined as known, identified deposits of mineral-bearing rock from which minerals can be extracted profitably with existing technology and under present economic conditions. New discoveries could swiftly change the picture. So, too, could new breakthroughs in extractive technology. (For example, not long ago a new chemical "flotation" method was developed to produce pellets of iron from low-grade ore. Minable crude ore reserves of the U.S., as a consequence, were increased by 750 million tons or about 8%.) And under changed economic conditions, and with upward adjustments in prices, the size of many nations' mineral reserves would be significantly altered.

Still, for the present, concentration of reserves would appear to indicate that raw-material producing nations are in a position to determine market conditions. In actuality, however, the real story may be quite different for a variety of reasons. Among them:

Substitutes can be found and synthetics developed for many commodities if they should get too costly or scarce.

Producing countries have different cultural and historical backgrounds and diverse political and economic philosophies which would work against cohesion.

Most producers, unlike the Arab nations, lack financial reserves to squeeze back production without impairing their economic growth.

Loss of sales and reduced output in producer countries, where mining payrolls account for a large share of the work force, would quickly bring political repercussions at home.

Finally, demand for many metals and minerals can be expected to rise unevenly and in times of economic recession actually to decline. The coincidence of business-cycle exuberance among industrialized nations in the recent past, in short, may well have been a transitory phenomenon. A direct consequence could be a weakening of producers' bargaining position.

This country has buffers, too, against possible foreign moves to control prices and supplies of exportable commodities. One such buffer is the nation's stockpile of 91 assorted commodities. As one example, the U.S. has about a year's supply of bauxite squirreled away, an amount adequate to absorb any shock from market disruption in the short term.

In April of last year the national stockpile target level was lowered to $702 million by the Nixon Administration—a reduction of approximately 90%. Against a background of the energy squeeze, shortages, and rising commodity prices, the correctness of the decision to slash stockpiles seems less clear cut now than it did a year ago. Indeed, some lawmakers in Congress are beginning openly to attack the decision. An issue in the debate is whether the basic concept of a stockpile should be changed from that of a strategic store of key minerals useful in times of conflict to one of a "commodity bank" in which minerals could be released to the market in times of shortages and built up in times of reduced world-wide demand.

U.S. IMPORT DEPENDENCE

Imports as a percent of consumption in 1973

Bauxite	84
Chromium	100
Cobalt	100
Copper	8
Iron ore	29
Lead	19
Manganese	100
Mercury	82
Nickel	92
Tin	100
Tungsten	56
Zinc	50

WHO'S GOT THE MAJOR MINERAL RESERVES

Percentage of world reserves

Bauxite:	
Australia	30.3
Guinea	22.6
United States	.3
Other Free World	43.0
Communist countries	3.9
Chromium:	
Republic of South Africa	62.9
Southern Rhodesia	32.9
United States	—
Other Free World	2.8
Communist countries	1.3
Cobalt:	
Zaire	27.5
New Caledonia & Australia	27.1
Zambia	14.0
United States	1.0
Other Free World	8.5
Communist countries	21.9
Copper:	
United States	22.4
Chile	15.7
Canada	8.9
Other Free World	41.6
Communist countries	11.4
Iron Ore:	
Canada	14.5
Brazil	10.8
United States	3.6
Other Free World	24.5
Communist countries	46.6
Lead:	
United States	38.9
Canada	13.2
Australia	8.3
Other Free World	22.2
Communist countries	17.4
Manganese:	
Gabon	15.0
Republic of South Africa	8.5
United States	—
Other Free World	35.0
Communist countries	41.5
Mercury:	
Spain	49.1
Yugoslavia	8.7
United States	7.2
Other Free World	21.9
Communist countries	13.2
Nickel:	
New Caledonia	33.3
Canada	13.6
Cuba	9.1
United States	.4
Other Free World	21.9
Communist countries	21.6
Tin:	
Thailand	33.5
Malaysia	14.4
Indonesia	13.2
United States	.1
Other Free World	21.8
Communist countries	17.1
Tungsten:	
United States	6.4
Other Free World	16.1
Communist countries	77.5
Zinc:	
Canada	26.0
United States	22.9
Other Free World	35.9
Communist countries	15.3

NOTE: Reserves are defined as known, identified deposits of mineral-bearing rock from which minerals can be extracted profitably with existing technology and under present economic conditions. Aside from the U.S., nations shown are those which individually account for at least 8% of total world reserves. "Communist Countries" category excludes Yugloslavia.

RIDING A RECYCLE

Yet another buffer is the ability to reduce needs for imported commodities by recycling—"mining" trash dumps, industrial scrap piles, even farm refuse. Last year, for example, no less than 15% of domestic copper demand was met from recovered scrap. Almost half of domestic consumption of lead also came from the recycling of scrap. As commodity prices have moved up, more recycling has been taking place.

In the longer run, of course, higher prices for foreign commodities would lead to increased exploitation of domestic resources. Aluminum, for instance, is the third most abundant element in the earth's crust. Potential domestic resources of aluminum derived from ores other than bauxite are virtually inexhaustible. At present, however, the catch is cost; it is generally unprofitable at current prices to tap such sources. Tungsten is another example. The U.S. has potential independence in tungsten—but only at a price (by some estimates, $65 a ton) considerably above that at which it is now available in world markets (above $50 a ton). Manganese, available in vast quantities on the ocean floors, is another mineral in which the U.S. could be self-sufficient—but at a price considerably above the present.

More attention is now being paid to the development of domestic self-sufficiency in energy as stressed in President Nixon's "Project Independence." Such concern is bound to rub off on mineral industries besides oil. The aluminum industry, for example, uses about 4% of the nation's electricity each year, making it one of the most power-consuming sectiors in the economy. Promising new processes are being developed which not only will produce aluminum with 30% less power than before, but also will produce it without bauxite—using, instead, clays and shales which exist almost everywhere.

Substitutions—for instance, plastics for copper and zinc—can help to lessen somewhat the need for scarce commodities. (Ironically, the substitutes themselves can run short; plastics, for instance, have a petroleum base.) That's been happening, of course, in many products and industries, including the U.S. Treasury's money-making business. Silver coins have long since been replaced by copper-clad—and now the copper penny itself is an endangered specie. Rising copper prices have made it all but uneconomical to coin the penny in copper.[1] The Bureau of the Mint has asked Congress for permission to make the penny out of aluminum—at a saving to taxpayers of $40 million a year, owing to aluminum's lower price.

Despite all this, however, it seems clear that for many years to come the U.S. will need to depend to an important degree on imported minerals and metals. Foreign suppliers of such commodities, in turn, will be needing the huge U.S. market and U.S. technological know-how to make possible their own economic development and rising levels of living.

Thus, it should be abundantly evident that producers and consumers are interdependent. It is to be hoped that it will also be recognized that commodity confrontations are wasteful, highly disruptive of efficient allocation of resources, and fraught with peril for both sides.

SLIMMING THE STOCKPILE

The nation's stockpile of key minerals and metals has been shrinking slowly but steadily for more than a decade.

The government had $8.7 billion of commodities stored in the stockpile in 1962. That proved to be the peak; midway in the Kennedy Administration the decision was made to scale back the mountain of commodities. Reductions continued in the Johnson Administration, partly as a way to enhance government revenues and improve the budget picture, and in President Nixon's first term.

Last April, the Nixon Administration proposed a more drastic slimming down of the stockpile. It suggested to Congress a new target level of only $702 million—about a tenth of the $6.9 billion worth of commodities in the stockpile at that time. One objective was to combat inflation by increasing the supply of industrial commodities, some of whose prices had increased by more than 30% in the previous twelve months. Another consideration was the decision by military analysts that it was no longer necessary to store three years' supplies to tide the nation over a war emergency.

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[1] If the price of copper should rise above $1.20 a pound (copper futures contracts in New York recently were quoted around $1.15 a pound) it would cost the Treasury more than one cent to make a penny, according to metals experts. Pennies would disappear on a mass scale, the experts predict, if the copper price should rise to $1.50 a pound.

Congress, in recent months, has questioned the advisability of a drastic shrinking of the stockpile. Lawmakers on the Joint Committee on Defense Production feel that sales from the stockpile would not be of major significance in cooling inflation, and when weighted against the future possibility of foreign embargo and price control of commodities, a large stockpile would be a form of low-cost insurance against shortages.

Eight metals account for the bulk of the stockpile's value. Here are the eight, showing the quantity at the peak level reached in 1962, the current size of the stockpile, and the proposed target level put forth by the Nixon Administration in April 1973.

STOCKPILE PROFILE

	At stockpile peak (Dec. 31, 1962)		Latest (Dec. 31, 1973)		New objective	
	Thousand tons	Months' supply	Thousand tons	Months' supply	Thousand tons	Months' supply
Tin	347	77	231	50	41	8
Chromium	5, 343	57	1, 953	17	445	4
Aluminum	1, 970	9	457	1	0	0
Tungsten	81	141	40	61	2	3
Manganese	10, 028	65	3, 705	23	751	5
Lead	1, 386	15	829	6	65	1
Zinc	1, 581	14	639	4	203	1
Copper	1, 133	8	259	1	0	0

Note: Months' supply under the new objective is based on average consumption per month in 1973.

Excerpt From Remarks of Senator Mike Mansfield (D., Montana) Before the Senate Democratic Conference on January 24, 1974, "January 1974—2d Session, 93d Congress"

It would be my hope, therefore, that we will go beyond the energy crisis in the coming session of Congress. The need is to take a careful look not only at the immediate flashing of this or that danger signal but at the whole integrated switchboard of our national existence.

It may be that it is time to consider setting up some organization for coordinating our thinking as to what is more important and what is less important to the nation and its future, for delineating the durable needs of a decent national survival. Perhaps, some new and continuing machinery which brings together the Executive Branch and the Legislative Branch for this purpose and couples both with a cross-section of industry and labor and other areas of our life will enable us to see the forest and not merely the trees. Perhaps, the juxtaposition of ideas and interests from these sources might help us to learn to curb the ingrained tendencies of government to spend vast sums out of force of habit or for exotic and wasteful endeavors—whether military or civilian. Perhaps, then, the budget can be better framed to meet the over-all requirements of the nation for today and tomorrow.

Excerpt From Statement of Senator Mike Mansfield, Majority Leader, on February 1, 1974, "State of the Congress—1974"

It would be my hope that the concern of the Government will not stop with the energy shortage. The need is to take a careful look not only at the flashing of this single danger signal but at the whole integrated switch board of our national existence. It is not enough, for example, for the federal government to spend tens of millions of dollars in a rescue operation to keep the bankrupt Penn Central on the tracks. We need to know where an action of this kind fits into a national rail policy; where that policy, in turn, fits into a total transportation pattern; where that pattern, in turn, fits into the over-all requirements of the nation, today, and for the next decade or more. In short, we need to think ahead and begin to make the hard political choices between what is more important to the nation and what is less, between what is enduring and what is transitory. That is the full scale by which government intervention in the nation's economy, when it must take place, should be measured. Unless we begin soon to develop that scale, the right hand of government will tend more and more to undo or do over what the left hand has just done.

It seems to me that it would be helpful in this connection to bring together on a regular basis representatives of the Executive Branch and the Legislative Branch with those of industry, labor and other areas of our national life. The fusion of ideas and interests from these sources should help us to establish useful economic yardsticks. In turn, we may begin to curb in some orderly way the ingrained tendencies of government to spend vast sums out of force of habit or for exotic and wasteful endeavors—whether military or civilian. Perhaps the resources of the federal government can then be used more effectively and efficiently to promote the national welfare. Perhaps, then, the President's budget—which has now broken the $300 billion barrier—can be reduced and better framed to meet the over-all requirements of the nation for today and tomorrow.

Office of the Majority Leader,
Washington, D.C., February 19, 1974.
The President,
The White House,
Washington, D.C.

Dear Mr. President: It occurs to us that there is a need to look beyond the current crisis to the way in which our economic life has come to be organized. The energy shortage is a part, not the whole of the difficulty which confronts the nation's economy. Danger signals are flashing elsewhere on the complex switchboard of our national existence.

It is our thought that there must be a better way to deal with the needs of our people than by Federal intervention and bail-outs to shore up faltering parts of the economy, on a crash-basis. The practice of waiting for the storms to strike and then, hurriedly, erecting shelters is not only wasteful and inefficient of the resources of the nation but its cumulative effect may well be devastating.

There is a need, it seems to us, to anticipate and, as far as possible, to act in an orderly fashion before the difficulties have descended on us. Unless we have some synchronized and coordinated machinery for this purpose, the nation will be subject to a plague of crises, one after another, in the years ahead. It is our suggestion, therefore, that we consider bringing together representatives of the Legislative and Executive Branches of the government on a regular basis with those of industry and labor and other areas of our national life for the purpose of thinking through our national needs, not only as they confront us, today, but as they are likely to be five, ten or more years hence and how they are best to be met. If the government is to intervene in these matters, as it is now doing, an effort ought to be made to put that intervention, as far as possible, on a rational and far-sighted basis.

We would appreciate your reactions to this suggestion and would be prepared to work with the Executive Branch in bringing about a concerted consideration of the proposal.

Sincerely,

Mike Mansfield,
Hugh Scott.

The White House,
Washington, D.C., March 25, 1974.
Hon. Mike Mansfield,
U.S. Senate,
Washington, D.C.

Dear Mike: Thank you for the thoughtful letter that you and Hugh Scott sent me on February 19, 1974 about "the way in which our economic life has come to be organized". I think that is a good way to put the question, which is not really how we solve this or that particular problem but what kind of problem-solving system we have and need.

Your letter does seem to imply a certain notion about the deficiency in the problem-solving system. It implies that the difficulty is lack of foresighted and coordinated action by Government. One could take a different, although not necessarily inconsistent, view—namely, that we have an excellent problem-solving system, the free market, which is too much interfered with by Government because people do not understand it.

However, I do not want to emphasize this possible difference now. I agree that the country needs more responsible and mature thought about the economic system. I can't tell from your letter whether you are proposing large open meetings for this purpose. I am afraid that I believe large meetings are not good for thinking through anything. Probably some more constructive procedure could be found. Use might be made of the National Commission on Productivity, which includes representatives of business, labor, agriculture, consumers, State and local government, the universities and the executive branch, and which is accustomed to quiet, cooperative work.

I think it would be desirable to follow up this suggestion and see whether progress can be made in defining the problem and finding a way to attack it. To this end I would propose that you and Hugh Scott and your House opposite numbers might meet with Secretary Shultz, Director Ash, Director Dunlop, Director Flanigan, and Chairman Stein to discuss the subject further. If this idea appeals to you will you please get in touch with Secretary Shultz to make further arrangements.

I hope that any public information about our communications will make clear that they do not assume the existence of any crisis or the need for radical changes but are only designed to explore the possibility of doing things better.

Sincerely,

Richard Nixon.

Office of the Majority Leader,
Washington, D.C., April 10, 1974.
The President,
The White House,
Washington, D.C.

Dear Mr. President: Thank you for your letter of March 25th in response to our thoughts about establishing some instrumentality to bring together representatives of the legislative and executive branches with representatives of agriculture, business, labor and other private communities for the purpose of identifying and doing something about areas of potential national crisis.

We are pleased to have your cooperation

and appreciate the suggestion that representatives of the House and Senate meet with Secretary Shultz, Director Ash, Director Dunlop, Director Flanigan, and Chairman Stein to discuss the subject further.

The Senate Majority Policy Committee has endorsed the proposal in a resolution, a copy of which is enclosed, The House and Senate leaderships have discussed the matter and we are in agreement on the desirability of pursuing the matter. An initial meeting has been set up for April 30, 1974, at 10:00 a.m. in the office of the Senate Majority Leader. We expect that about four members of each House will be in attendance. This letter, copies of which are being sent to those representatives of the Executive whom you mentioned in your communication of March 25, will serve as our invitation to them to attend the meeting.

With best wishes, we are

Sincerely yours,

Mike Mansfield,
Majority Leader.
Hugh Scott,
Republican Leader.

Adopted by Senate Democratic Policy Committee April 9, 1974

Whereas, the energy shortage has kindled a national awareness of the uncertain supply of many resources, materials and commodities vital to national needs;

Whereas, the energy shortage also revealed that the nation is not equipped to provide a continuing and interrelated evaluation of the status and availability of basic resources, materials and commodities and, hence, cannot make the most effective and timely response to situations of adversity, with consequent detriment to the national well being;

Whereas, the Senate Majority Conference has approved Leadership efforts to pursue, in concert with the Senate Republican Leadership, the establishment of an appropriate forum at the highest level of national life for the purpose of assuring that national needs are fulfilled; and

Whereas, the President has indicated in a letter dated March 25, 1974, to the Leaders of the Senate his readiness to cooperate in an examination of this question;

The Democratic Policy Committee recommends:

(1) that consideration be given to constituting a national instrumentality composed of representatives of the Legislative and Executive Branches and members of the agricultural, industrial, labor and other private communities of the nation;

(2) that such instrumentality, if constituted, have the capacity both to forecast potential areas of national economic crisis and to propose to the President and the Congress such planning and policy alternatives as may be necessary to prevent or mitigate any such crisis; and

(3) that the Majority Leader, in concert with the Senate Republican Leader, engage in discussions with designees of the House Leadership and of the Administration in pursuit of the establishment of such an instrumentality.

Mr. HUGH SCOTT. Mr. President, the Senator from Montana indicated that he would yield.

I am generally familiar with the subject matter he has discussed. I have not yet read in full and complete detail the statement of the distinguished majority leader, but we have been in contact and discussion on this matter for some time.

We have called the attention of the White House to the proposal for a joint future planning effort, and we have also advised the leaders of the other body of both parties, and we are sending some additional information to all of them today.

The White House has designated to work with the joint leadership the Secretary of the Treasury, Mr. Shultz—and I would assume his successor when named—the Director of the Office of Management and Budget, Mr. Ash, the President's Special Counselor, Mr. Flanigan, his Chief Economic Adviser, Mr. Stein, and the head of the Price Control Council, Mr. John P. Dunlop.

So, while our proposal is a legislative-executive proposal, and should not run counter to any citizen's commission or to any actions of foundations or industry groups, all of whom we certainly encourage in their endeavors, there is a responsibility for Congress and for the Executive, and we expect to undertake it, because without future planning the problems are likely to overwhelm us, as the energy crisis threatened to do.

So I commend the distinguished majority leader most heartily for his initiative, and am very glad to be associated with his proposal.

Mr. MANSFIELD. Mr. President, if the Senator will yield, this idea has been developed on an entirely nonpartisan basis, with the full understanding and agreement of all the leadership on both sides in both Houses, and with an approach which we think exemplifies at its best an executive-legislative relationship which we would like to see more of.

Mr. HUGH SCOTT. I thank the distinguished majority leader.

Mr. KENNEDY. Mr. President, 2 months ago, we introduced a resolution to begin the debate here in the Senate on the future of strategic arms negotiations.

That resolution, introduced by Senator Mathias, Senator Mansfield, Senator Javits, and myself, along with 23 other Senators, sought to encourage and support the administration in its pursuit of the second stage of strategic arms control agreements with the Soviet Union.

However, the resolution also spelled out our view of the direction that should be pursued in those negotiations and it presented guidelines that both the executive and legislative branches might consider in seeking to achieve a SALT II agreement.

During the past 2 months the Secretary of State has traveled to the Soviet Union. During the past 2 months commentators have questioned whether efforts to achieve a new treaty should be brought to a halt until the issue of impeachment is finally concluded. And during the past 2 months we have heard defense spokesmen advocate not only the largest defense budget in U.S. peacetime history but also a panoply of new and expensive weapons systems.

We would say to both the Soviet negotiators and the U.S. negotiators that a Russian wheat deal in the field of arms control will not be tolerated. But we want to emphasize that we stand ready, and we believe the American people stand ready, to support an agreement that reflects the mutual interests of this Nation and the Soviet Union in halting the nuclear arms race.

We are here to state that our support has not wavered for an energetic effort to conclude a new strategic arms limitation agreement. We are here to express our continued support of Secretary of State Kissinger's efforts to negotiate a limitation agreement that is aimed at an overall balance in our respective deterrents, a balance to be achieved through a reduction of arms. And we are here to state that we do not believe that domestic political developments should be permitted to slow the process of arriving at such agreements.

I have just returned from West Germany, and after discussions with West German Chancellor Willy Brandt and with other West German leaders, I am even more convinced of the desirability of continuing on this course of mutual détente in the area of strategic arms.

In a very real sense, the West Germans blazed the trail that we are following. For it was the ostpolitik of Chancellor Brandt that helped make possible the environment in which the Soviet Union and the United States could come together to define their mutual interests with sufficient clarity to produce a halt to the deployment of ABM's and the first negotiated limitation on the numbers of offensive strategic weapons.

Yet, those agreements constituted only the first step in the journey toward an end to the nuclear arms race.

SALT I placed limits on the quantitative level of nuclear launchers. In so doing, it set boundaries to the arms race: but it did not call a full halt to the upward progression of nuclear forces by either nation.

We have seen 2 years of escalating defense expenditures both by this Nation and by the Soviet Union. We have seen 2 years of the United States expanding its nuclear overkill capabilities, through the MIRV'ing of our offensive weapons systems. And we have seen 2 years in which the Soviet Union was embarked on its own program of expanding its nuclear potency.

We stand today on the brink of a new set of decisions, decisions on further defense expenditures here at home and decisions on the course of arms control negotiations abroad.

We are therefore restating our belief that the Nation's interest and the Nation's security best reside in a course of restraint in defense expenditures, in a course of further limitations on the nuclear arms race, in a course of encouragement to the negotiation of a SALT II agreement.

We spell out in Senate Resolution 283, and which we have restated in a letter to the Secretary of State, the kind of agreement that we believe would be in the interests of preserving our own security and of preserving peace in the world.

First, we believe that it is in our interests to achieve an overall balance of deterrent forces, a balance that is defined neither solely in terms of numbers of missiles nor in terms of throwweight. We believe that equality must be understood as involving the overall balance of forces—both quality and quantity—including the number of missile launchers, the number of warheads, the accuracy of weapons, the reliability of weapons, the range of weapons, the survivability of weapons, the maneuverability of weapons, and the megatonnage of weapons.

Second, we believe that the way to reach that balance is through a reduction of existing nuclear weapons systems rather than by the expensive and self-defeating procreation of new weapons systems.

The failure to instill this principle in the SALT I treaty has led both the United States and the Soviet Union to read the treaty as if it were tax code. Each side has tried to drive the maximum number of new weapons systems through the loopholes.

Wherever the treaty was silent on a prohibition of a qualitative weapons improvement, both nations have interpreted that silence as encouragement to move forward with new research, new development, and new deployment.

Third, we believe that the approach of equality through mutual reductions can maintain the confidence each side must have in its deterrent to keep the process of arms reductions in motion toward a final end to the nuclear arms race. And as we work for that end, we urge both the United States and Soviet Governments to exercise mutual restraint in the development and deployment of nuclear weapons.

These are the goals we were seeking when we introduced this resolution. These are the goals we still support today. And these are the goals that we believe a majority of the Senate and a majority of the American people support as well.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The ACTING PRESIDENT pro tempore (Mr. Metcalf) laid before the Senate the following communications, which were referred as indicated:

Proposed Supplemental Appropriation, 1974, the Senate and Architect of the Capitol, Legislative Branch (S. Doc. No. 93–73)

A communication from the President of the United States, transmitting proposed supplemental appropriations for the fiscal year 1974, in the amount of $3,420,915 for the Senate and the Architect of the Capitol, legislative branch (with accompanying papers). Referred to the Committee on Appropriations, and ordered to be printed.

Proposed Supplemental Appropriation, 1974, Civil Service Commission (S. Doc. No. 93–74)

A communication from the President of the United States, transmitting a proposed supplemental appropriation for the fiscal year 1974, in the amount of $25,200,000, for the Civil Service Commission (with an accompanying paper). Referred to the Committee on Appropriations, and ordered to be printed.

Proposed Supplemental Appropriation, 1974, District of Columbia (S. Doc. No. 93–75)

A communication from the President of the United States, transmitting proposed supplemental appropriations for the fiscal year 1974, in the amount of $20,792,400 for the District of Columbia (with accompanying papers). Referred to the Committee on Appropriations, and ordered to be printed.

Proposed Supplemental Appropriation, 1974, Department of Health, Education, and Welfare (S. Doc. No. 93–76)

A communication from the President of the United States, transmitting a proposed supplemental appropriation for the fiscal year 1974, in the amount of $20,000,000 for the Department of Health, Education, and Welfare (with an accompanying paper). Referred to the Committee on Appropriations, and ordered to be printed.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. MAGNUSON, from the Committee on Commerce, with amendments:

S. 707. A bill to establish a Council of Consumer Advisers in the Executive Office of the President, to establish an independent Consumer Protection Agency, and to authorize a program of grants, in order to protect and serve the interests of consumers, and for other purposes.

Mr. MAGNUSON. Mr. President, I report the bill (S. 707) to establish an independent Consumer Protection Agency to protect and serve the interests of consumers, and for other purposes, and ask unanimous consent to file the written report on the bill by April 25, 1974.

I further ask unanimous consent that the text of the bill as reported be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

That this Act may be cited as the "Consumer Protection Agency Act".

STATEMENT OF FINDINGS

Sec. 2. The Congress hereby finds that—

(1) Federal agencies administer many laws, programs, and activities which substantially affect the health, safety, welfare, and other interests of consumers.

(2) Federal agencies often fail to consider adequately the interests of consumers, in part because consumers lack effective representation before such agencies.

(3) Each year, as a result of this lack of effective representation before Federal agencies and courts, consumers suffer personal injury, economic harm, and other adverse consequences in the course of acquiring and using goods and services available in the marketplace.

(4) A governmental organization to represent the interests of consumers before Federal agencies and courts could help the agencies in the exercise of their statutory responsibilities in a manner consistent with the public interest and with effective and responsive government.

(5) A new independent Federal agency should therefore be established for the purpose of representing and with the authority to represent the interests of consumers before Federal agencies and courts and for related purposes.

DECLARATION OF PURPOSE

Sec. 3. The Congress hereby declares that—

(1) It is the purpose of this Act to protect and promote the interests of the people of the United States as consumers of goods and services which are made available to them through commerce or which affect commerce by establishing an independent Consumer Protection Agency.

(2) It is the purpose of the Consumer Protection Agency to represent the interests of consumers before Federal agencies and courts, receive and transmit consumer complaints, develop and disseminate information of interest to consumers, and perform other functions to protect and promote the interests of consumers. The authority of such Agency to carry out this purpose shall not be construed to supersede, supplant, or replace the jurisdiction, functions, or powers of any other agency to discharge its own statutory responsibilities according to law.

(3) It is the purpose of this Act to promote protection of consumers with respect to the—

(A) safety, quality, purity, potency, healthfulness, durability, performance, repairability, effectiveness, dependability, availability, and cost of any real or personal property or tangible or intangible goods, services, or credit;

(B) preservation of consumer choice and a competitive market;

(C) prevention of unfair or deceptive trade practices;

(D) maintenance of truthfulness and fairness in the advertising, promotion, and sale by a producer, distributor, lender, retailer, or other supplier of such property, goods, services, and credit;

(E) furnishing of full, accurate, and clear instructions, warnings, and other information by any such supplier concerning such property, goods, services, and credit; and

(F) protection of the legal rights and remedies of consumers.

(4) To achieve the foregoing purposes, this Act should be so interpreted by the executive branch and the courts as to give effect to the intent of Congress to protect and promote the interests of consumers.

DEFINITIONS

Sec. 4. As used in this Act, unless the context otherwise requires—

(1) "Administrator" means the Administrator of the Consumer Protection Agency;

(2) "Agency" means the Consumer Protection Agency;

(3) "agency action" includes the whole or part of an agency rule, order, license, sanction, relief, or the equivalent or the denial thereof, or failure to act;

(4) "agency activity" means any agency process, or any phase thereof, conducted pursuant to any authority or responsibility under law, whether such process is formal or informal;

(5) "agency proceeding" means agency "rulemaking", "adjudication", or "licensing", as defined in section 551 of title 5, United States Code;

(6) "commerce" means commerce among or between the several States and commerce with foreign nations;

(7) "consumer" means any individual who uses, purchases, acquires, attempts to purchase or acquire, or is offered or furnished any real or personal property, tangible or intangible goods, services, or credit for personal, family, or household purposes;

(8) "Federal agency" or "agency" means "agency" as defined in section 551 of title 5, United States Code. The term shall include the United States Postal Service and any wholly owned Government corporation and, unless otherwise expressly provided by law, any Federal agency established after the date of enactment of this Act, but shall not include the Consumer Protection Agency;

(9) "Federal court" means any court of the United States, including the Supreme Court of the United States, any United States court of appeals, any United States district court established under chapter 5 of title 28, United States Code, the District Court of Guam, the District Court of the Virgin Islands, and the United States Court of Claims;

(10) "individual" means a human being;

(11) "interest of consumers" means any health, safety, or economic concern of consumers involving real or personal property, tangible or intangible goods, services, or credit, or the advertising or other description thereof, which is or may become the subject of any business, trade, commercial, or marketplace offer or transaction affecting commerce, or which may be related to any term or condition of such offer or transaction. Such offer or transaction need not in-

volve the payment or promise of a consideration;

(12) "participation" includes any form of submission;

(13) "person" includes any individual, corporation, partnership, firm, association, institution, or public or private organization other than a Federal agency;

(14) "State" means each of the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Canal Zone, Guam, American Samoa, and the Trust Territory of the Pacific Islands; and

(15) "submission" means participation through the presentation or communication of relevant evidence, documents, arguments, or other information.

CONSUMER PROTECTION AGENCY

SEC. 5. (a) There is thereby established an independent nonregulatory agency of the United States to be known as the Consumer Protection Agency.

(b) (1) The Agency shall be directed and administered by an Administrator. The Administrator shall be appointed by the President, by and with the advice and consent of the Senate, for a term coterminous with the term of the President, not to exceed four years. The nominee shall be an individual who, by reason of training, experience, and attainments, is especially qualified to represent independently the interests of consumers. On the expiration of his term, the Administrator shall continue in office until he is reappointed or his successor is appointed and qualifies. The Administrator may be removed by the President for inefficiency, neglect of duty, or malfeasance in office.

(2) All authorities, duties, and functions granted to the Administrator by this Act shall be exercised in accordance with the provisions of this section.

(c) (1) The functions and powers of the Agency shall be vested in the Administrator.

(2) The Administrator may from time to time delegate such of his functions as he deems appropriate.

(3) The Administrator shall exercise all executive and administrative functions of the Agency, including (A) the appointment and supervision of personnel employed by the Agency, (B) the distribution of business among such personnel and among administrative units of the Agency, and (C) the use and expenditure of funds.

(d) There shall be in the Agency a Deputy Administrator who shall be appointed by the President, by and with the advice and consent of the Senate. The Deputy Administrator shall perform such functions and duties and exercise such powers as the Administrator may prescribe and shall be Acting Administrator during the absence or disability of, or in the event of a vacancy in the office of, the Administrator.

(e) There shall be in the Agency a General Counsel who shall be appointed by the Administrator. He shall, subject to the supervision and direction of the Administrator, be the chief legal officer of the Agency and shall perform such functions and duties as the Administrator may prescribe.

(f) The Administrator is authorized to appoint within the Agency not to exceed five Assistant Administrators.

(g) No officer or employee of the Agency, while serving in such position, may engage in any business, vocation, other employment, or have any other interests, inconsistent with his official responsibilities.

FUNCTIONS OF ADMINISTRATOR

SEC. 6. (a) The functions of the Administrator shall be to—

(1) represent the interests of consumers before Federal agencies and Federal courts in accordance with this Act;

(2) receive and transmit complaints from consumers in accordance with section 10 of this Act;

(3) conduct, support, and assist research and other information-gathering activities related to the interests of consumers in accordance with section 11 of this Act;

(4) disseminate to the public information of concern to consumers consistent with section 12 of this Act;

(5) publish, in language readily understandable by consumers, a consumer register which shall set forth the time, place, and subject matters of actions by Congress, Federal agencies, and Federal courts, and other information useful to consumers;

(6) encourage private enterprise in the promotion and protection of the interests of consumers;

(7) encourage the application and use of new technology, including patents and inventions, for the promotion and protection of the interests of consumers;

(8) encourage the adoption and expansion of effective consumer education programs;

(9) inform the appropriate committees and Members of Congress of the activities of the Agency and testify, when asked or on his own initiative, before the committees of Congress on matters affecting the interests of consumers;

(10) encourage meaningful participation by consumers in the activities of the Agency;

(11) encourage the development of informal dispute settlement procedures involving consumers: *Provided*, That the Administrator shall not intervene or participate in any agency or judicial proceeding or activity directly concerning a labor dispute within the meaning of section 13 of the Norris-La Guardia Act (29 U.S.C. 113) or a labor-management contract within the scope of section 301 of the Labor Management Relations Act, 1947 (29 U.S.C. 185); and

(12) perform such other related activities as he deems necessary for the effective fulfillment of his duties and functions.

(b) The Administrator shall prepare and submit simultaneously to the Congress and the President, not later than April 1 of each year beginning April 1, 1976, an annual report, which shall include—

(1) the activities of the Agency, including its representation of the interests of consumers before Federal agencies and Federal courts;

(2) the major Federal agency actions and Federal court decisions affecting the interests of consumers;

(3) the assistance given the Agency by other Federal agencies in carrying out the purposes of this Act;

(4) the performance of Federal agencies and the adequacy of their resources in enforcing consumer protection laws and in otherwise protecting the interests of consumers, and the prospective results of alternative consumer protection programs;

(5) the appropriation by Congress for the Agency, the distribution of appropriated funds for the current fiscal year, and a general estimate of the resource requirements of the Agency for each of the next three fiscal years; and

(6) the extent of participation by consumers and the effectiveness of representation of consumers before Federal agencies, together with recommendations for new legislation, new budget authority for the Agency, and administrative actions to deal with problems discussed in the report, to protect and represent the interests of consumers more effectively, and to carry out the purposes of this Act.

(c) (1) Whenever the Administrator submits any budget estimate or request to the President or the Office of Management and Budget, he shall concurrently transmit a copy of that estimate or request to the Congress.

(2) Whenever the Administrator submits any legislative recommendations, or testimony, or comments on legislation to the President or the Office of Management and Budget, he shall concurrently transmit a copy thereof to the Congress. No officer or agency of the United States shall have any authority to require nor shall require the Administrator to submit his legislative recommendations, or testimony, or comments on legislation, to any officer or agency of the United States for approval, comments, or review, prior to the submission of such recommendations, testimony, or comments to the Congress.

REPRESENTATION OF CONSUMER INTERESTS BEFORE FEDERAL AGENCIES

SEC. 7. (a) Whenever the Administrator determines that the result of any Federal agency proceeding which is subject to the provisions of section 553, 554, 556, or 557 of title 5, United States Code, relating to administrative procedure, or which involves a hearing pursuant to the administrative procedural requirements of any other statute, regulation, or practice, or which is conducted on the record after opportunity for an agency hearing, or with public notice and opportunity for comment, may substantially affect the interests of consumers, he may intervene as of right as a party or otherwise participate for the purpose of representing the interests of consumers in such proceeding. The Administrator shall comply with agency statutes and rules of procedure of general applicability governing (1) intervention or participation in such proceeding and (2) the conduct of such proceeding. In any such proceeding, the Administrator shall refrain from intervening as a party, unless he determines that such intervention is necessary to represent adequately an interest of consumers. The intervention of the Administrator in any such proceeding shall not affect the obligation of the Federal agency conducting such proceeding to assure procedural fairness to all parties thereto.

(b) With respect to any Federal agency proceeding not covered by subsection (a) of this section, or any other Federal agency activity, which the Administrator determines may substantially affect the interest of consumers, the Administrator may participate by presenting written or oral submissions, and the Federal agency shall give full consideration to such submissions of the Administrator. Such submissions shall be presented in an orderly manner and without causing undue delay.

(c) Each Federal agency shall review its rules of procedure of general applicability, and, after consultation with the Administrator, issue any additional rules which may be necessary to provide for the Administrator's orderly intervention or participation in accordance with this section, in its proceedings and activities which may substantially affect the interest of consumers. Such additional rules shall be published in proposed and final form in the Federal Register.

(d) Whenever the Administrator determines that it would be in the interest of consumers to do so, he may request or petition any Federal agency to initiate a proceeding or activity of such agency. If such agency fails so to act in any civil matter, it shall promptly notify the Administrator in writing of the reasons therefor and such notice shall be a matter of public record.

(e) In any Federal agency proceeding or activity in which he is intervening or participating, the Administrator is authorized to request the Federal agency to issue such orders as are appropriate under the agency's rules of practice and procedure consistent with subsection (c) of this section with respect to the summoning of witnesses, copying of documents, papers, and records, production of books and papers, and submission of information in writing. Such Federal agency shall issue such orders unless it reasonably determines that any such order requested is not relevant to the matter at issue, would be unnecessarily burdensome to the person specified, or would unduly interfere with such Federal agency's discharge of its own statutory responsibilities.

(f) The Administrator is authorized to represent an interest of consumers which is presented to him for his consideration upon petition in writing by a substantial number of persons or by any organization which includes a substantial number of persons. The Administrator shall notify the principal sponsors of any such petition within a reasonable time after receipt of any such petition of the action taken or intended to be taken by him with respect to the interest of consumers presented in such petition. If the Administrator declines or is unable to represent such interest, he shall notify such sponsors and shall state his reasons therefor.

JUDICIAL REVIEW

Sec. 8. (a) The Administrator shall have standing to obtain, in the manner prescribed by law, judicial review of any Federal agency action reviewable under law. The Administrator may intervene as of right as a party or otherwise participate in any civil proceeding in a Federal court which involves the review or enforcement of a Federal agency action if he determines that such action substantially affects the interests of consumers and he intervened or participated in the Federal agency proceeding or activity out of which such court proceeding arises; or where he did not so intervene or participate, unless the court determines that intervention or participation under this subparagraph would adversely affect the interests of justice.

(b) Before instituting a proceeding in a Federal court to obtain review of any Federal agency action where he did not intervene or participate in the agency proceeding or activity out of which such action arose, the Administrator shall file, in the manner prescribed by law, a petition before such agency for rehearing or reconsideration if a petition for rehearing or reconsideration is authorized by law of any person. Such agency shall act upon such petition within 60 days, except where otherwise expressly provided by statute.

(c) The participation of the Administrator in a proceeding for judicial review of a Federal agency action shall not alter or affect the scope of review otherwise applicable to such agency action.

NOTICE

Sec. 9. (a) Each Federal agency considering any action which may substantially affect an interest of consumers shall, upon request by the Administrator, notify him of any proceeding or activity at such time as public notice is given.

(b) Each Federal agency considering any action which may substantially affect an interest of consumers shall, upon specific request by the Administrator, promptly provide him—

(1) a brief status report which shall contain a statement of the subject at issue and a summary of proposed measures concerning such subject; and

(2) such other relevant notice and information, the provision of which would not be unreasonably burdensome to the agency and which would facilitate the Administrator's timely and effective participation under section 7 of this title.

(c) Nothing in this section shall affect the authority or obligations of the Administrator or any Federal agency under section 11(c) of this Act.

CONSUMER COMPLAINTS

Sec. 10. (a) Whenever the Administrator receives from any person any signed complaint or other information which discloses—

(1) an apparent violation of law, agency rule or order, or a judgment, decree, or order of a State or Federal court relating to an interest of consumers; or

(2) a commercial, trade, or other practice which is detrimental to an interest of consumers;

he shall, unless he determines that such complaint or information is frivolous, promptly transmit such complaint or information to any Federal, State, or local agency which has the authority to enforce any relevant law or to take appropriate action. Federal agencies shall keep the Administrator informed to the greatest practicable extent of any action which they are taking on complaints transmitted by the Administrator pursuant to this section.

(b) The Agency shall promptly notify producers, distributors, retailers, lenders, or suppliers of goods and services of all complaints of any significance concerning them received or developed under this section unless the Administrator determines that to do so is likely to prejudice or impede an action, investigation, or prosecution concerning an alleged violation of law.

(c) The Agency shall maintain a public document room containing, for public inspection and copying (without charge or at a reasonable charge, not to exceed cost), an up-to-date listing of all signed consumer complaints of any significance which the Agency has received, arranged in meaningful and useful categories, together with annotations of actions taken in response thereto. Unless the Administrator, for good cause, determines not to make any specific complaint available, complaints listed shall be made available for public inspection and copying: *Provided*, That—

(1) the complainant's identity is protected when he has requested confidentiality;

(2) the party complained against has had a reasonable time to comment on such complaint and such comment, when received, is displayed together with the complaint; and

(3) the agency to which the complaint has been referred has had a reasonable time to notify the Administrator what action, if any, it intends to take with respect to the complaint.

INFORMATION GATHERING

Sec. 11. (a) The Administrator is authorized to conduct, support, and assist research, studies, plans, investigations, conferences, demonstration projects, and surveys concerning the interests of consumers.

(b)(1) In exercising the authority under subsection (a) of this section, the Administrator is authorized, to the extent required to protect the health or safety of consumers or to discover consumer fraud or other unconscionable conduct detrimental to an interest of consumers, to obtain data by requiring any person engaged in a trade, business, or industry which substantially affects interstate commerce and whose activities he determines may substantially affect an interest of consumers, by general or specific order setting forth with particularity the consumer interest involved and the purposes for which the information is sought, to file with him a report or answers in writing to specific questions concerning such activities and other related information. Nothing in this paragraph shall be construed to authorize the inspection or copying of documents, papers, books, or records, or to compel the attendance of any person. Nor shall anything in this subsection require the disclosure of information which would violate any relationship privileged according to law. Any such reports or answers shall be made under oath, or otherwise as the Administrator may prescribe, and shall be filed with him within such reasonable period as he may prescribe. Any district court of the United States within the jurisdiction of which such person is found, or has his principal place of business, shall issue an order, on conditions and with such apportionment of costs as it deems just, requiring compliance with a valid order of the Administrator, upon petition by the Administrator or on a motion to quash, upon the Administrator's carrying the burden of proving in court that such order is for information that substantially affects the health or safety of consumers or is necessary in the discovery of consumer fraud or other unconscionable conduct detrimental to an interest of consumers, and is relevant to the purposes for which the information is sought, unless the person to whom the interrogatory is addressed shows that answering such interrogatory will be unnecessarily or excessively burdensome. Where applicable, chapter 35 of title 44, United States Code, shall govern requests for reports under this subsection in the manner in which independent Federal regulatory agencies are subject to its provisions.

(2) The Administrator shall not exercise the authority under paragraph (1) of this subsection if the information sought (A) is available as a matter of public record; (B) can be obtained from another Federal agency pursuant to subsection (c) of this section; or (C) is for use in connection with his intervention in any pending agency proceeding against the person to whom the interrogatory is addressed.

(c) Upon written request by the Administrator, each Federal agency is authorized and directed to allow access to all documents, papers, and records in its possession which the Administrator deems necessary for the performance of his functions and to furnish at cost copies of specified documents, papers, and records. Notwithstanding this subsection, a Federal agency may deny the Administrator access to and copies of—

(1) information classified in the interest of national defense or national security by an individual authorized to classify such information under the terms of Executive Order 10501 of November 5, 1953, and Executive Order 11652 of March 10, 1972, or any orders amending or superseding such orders, and restricted data whose dissemination is controlled pursuant to the Atomic Energy Act (42 U.S.C. 2011 et seq.);

(2) policy and prosecutorial recommendations by agency personnel intended for internal agency use only;

(3) information concerning routine executive and administrative functions that are not otherwise a matter of public record;

(4) personnel and medical files and similar files the disclosure of which would constitute a clearly unwarranted invasion of personal privacy;

(5) information which such agency is expressly prohibited by law from disclosing to another Federal agency; and

(6) trade secrets and commercial or financial information described in subsection (b)(4) of section 552 of title 5, United States Code—

(A) obtained prior to the effective date of this Act by a Federal agency, if the agency had agreed to treat and has treated such information as privileged or confidential and states in writing to the Administrator that, taking into account the nature of the assurances given, the character of the information requested, and the stated purpose for which access is sought, to permit such access would constitute a breach of faith by the agency; or

(B) obtained subsequent to the effective date of this Act by a Federal agency, if such agency has agreed in writing as a condition of receipt to treat such information as privileged or confidential, on the basis of his reasonable determination set forth in writing that such information was not obtainable without such an agreement and that failure to obtain such information would seriously impair the carrying out of the agency's program, and access to which is likely to cause substantial competitive injury to the person who provided the information.

Before granting the Administrator access to any such trade secrets and commercial or financial information, the agency shall notify the person who provided such information of its intention to do so and the reasons therefor, and shall afford such person a reasonable opportunity, not to exceed 10 days, to comment or seek injunctive relief. Where access to information is denied to the Administrator by a Federal agency pursuant to this paragraph, the head of the agency and the Administrator shall seek to find a means of providing the information in such other form, or under such conditions, as will meet the agency's objections.

(d) Consistent with the provisions of section 7213 of title 26, United States Code, nothing in this Act shall be construed as providing for or authorizing any Federal agency to divulge or to make known in any manner whatever to the Administrator the amount or source of income, profits, losses, expenditures, or any particular thereof, set forth or disclosed solely in any income return, or to permit any Federal income tax return filed pursuant to the provisions of title 26, United States Code, or copy thereof, or any book containing any abstracts or particulars thereof, to be seen or examined by the Administrator.

INFORMATION DISCLOSURE

SEC. 12. (a) The Administrator is authorized, subject to the provisions of this section, to disclose to the public or any member thereof so much of the information subject to his control as he determines appropriate to carry out the purposes of this Act.

(b) The Administrator or any officer or employee of the Agency shall not disclose any information which has been obtained from a Federal agency or as a result of access to its records where such agency has specified that such information is exempted from disclosure under section 552 of title 5, United States Code, or any other applicable Federal statute, and should not be disclosed. If such agency has specified that information is exempted from required disclosure, but that it may be disclosed in accordance with a particular form or manner of disclosure which such agency has prescribed, the Administrator shall follow such form and manner.

(c) The Administrator or any officer or employee of the Agency shall not disclose any trade secret or other confidential business information described by section 1905 of title 18, United States Code, which it obtained other than pursuant to section 11(c) of this Act, except that such information may be disclosed (1) to the public only if the Administrator determines it necessary to protect health or safety; and (2) in a manner designed to preserve confidentially, to duly authorized committees of the Congress, to courts and Federal agencies in representing the interests of consumers, and to other officers and employees of the Agency or other Federal officials concerned with the subject matter in issue.

(d) In the release of information to the public, the Administrator shall take all reasonable measures to assure that such information is accurate and not misleading or incomplete. If such information is inaccurate, misleading, or incomplete, the Administrator shall promptly issue a retraction, take such other reasonable action to correct any error, or release significant additional information which is likely to affect the accuracy or completeness of information previously released. Where the release of information is likely to cause substantial injury to the reputation or goodwill of a person or company, or its products or services, the Administrator shall notify such person or company of the information to be released and afford an opportunity for comment or injunctive relief, unless immediate release is necessary to protect the health or safety of the public.

(e) In the release of information which discloses names of products or services, the Administrator shall—

(1) make clear that all products of a competitive nature have not been compared, if such is the case;

(2) make clear that there is no intent or purpose to rate products compared over those not compared or to imply that those compared are superior or preferable in quality to those not compared; and

(3) not indicate expressly that one product is a better buy than any other product.

(f) In any suit against the Administrator to obtain information pursuant to the provisions of section 552 of title 5, United States Code, where the sole basis for the refusal to produce the information is that another Federal agency has specified that the documents not be disclosed in accordance with the provisions of subsection (b) of this section, the other Federal agency shall be substituted as the defendant, and the Administrator shall thereafter have no duty to defend such suit.

ADMINISTRATION

SEC. 13. (a) The Administrator is authorized, in carrying out his function under this Act, to—

(1) determine the qualifications of, appoint, assign the duties of, and fix the compensation of, in accordance with civil service and classification laws, such officers and employees, including attorneys, as are necessary to perform the functions vested in him;

(2) employ experts, expert witnesses, and consultants in accordance with section 3109 of title 5, United States Code, and to compensate such persons at rates not in excess of the maximum daily rate prescribed for GS-18 under section 5332 of title 5, United States Code, for each day they are so employed;

(3) appoint advisory committees composed of such private citizens and officials of Federal, State, and local governments as he deems desirable to advise him, and to compensate such persons, other than those employed by the Federal Government, at rates not in excess of the maximum daily rate prescribed for GS-18 under section 5332 of title 5, United States Code, for each day they are engaged in the actual performance of their duties as members of a committee and to pay such persons travel expenses and per diem in lieu of subsistence at rates authorized by section 5703 of title 5, United States Code: *Provided*, That all meetings of such committees shall be open to the public and interested persons shall be permitted to attend, appear before, or file statements with any advisory committee, subject to such reasonable rules or regulations as the Administrator may prescribe;

(4) promulgate such rules, regulations, and procedures as may be necessary to carry out the functions vested in him and to delegate authority for the performance of any such function only to any officer or employee under his direction and supervision;

(5) utilize, with their consent, the services, personnel, and facilities of Federal, State, regional, local, and private agencies and instrumentalities, with or without reimbursement therefor, and to transfer funds made available under this Act to Federal, State, regional, local, and private agencies and instrumentalities as reimbursement for utilization of such services, personnel, and facilities;

(6) accept voluntary and uncompensated services, except where such services involve administrative proceedings, investigations, or enforcement powers, notwithstanding the provisions of section 3679 of the Revised Statutes, as amended (31 U.S.C. 665);

(7) adopt an official seal, which shall be judicially noticed. The provisions of section 709 of title 18, United States Code, shall apply to the use of the seal, after its adoption and publication in the Federal Register, except as authorized under rules or regulations issued by the Administrator;

(8) establish such regional offices as the Administrator determines to be necessary to serve the interests of consumers;

(9) conduct conferences and hearings and otherwise secure data and expressions of opinion;

(10) accept unconditional gifts or donations of services, money or property, real, personal, or mixed, tangible or intangible, except that the acceptance of donations of services shall be subject to the provisions of paragraph (6) of this section;

(11) without regard to section 3709 of the Revised Statutes, as amended (41 U.S.C. 5), enter into contracts, leases, cooperative agreements, or other transactions with any public agency or instrumentality or with any person;

(12) designate representatives to serve or assist on such committees as he may determine to be necessary to maintain effective liaison with Federal agencies and with State and local agencies carrying out programs and activities related to the interests of consumers; and

(13) perform such other administrative activities as may be necessary for the effective fulfillment of his duties and functions.

(b) The Administrator of General Services is authorized and directed to furnish the Administrator with such offices throughout the United States as are necessary to the proper execution of the purposes of the Agency, together with such equipment, supplies, and services as are necessary, to the same extent as the Administrator of General Services is authorized to furnish to any other Federal agency.

GENERAL

SEC. 14. (a) Nothing in this Act shall be construed to prohibit the Administrator from communicating with Federal, State, and local agencies and courts at any time and in any manner consistent with the law.

(b) Nothing in this Act shall be construed to limit the discretion of any Federal agency or court, within its authority, to grant the Administrator additional participation in any proceeding or activity, to the extent that such additional participation may not be as of right, or provide additional notice to the Administrator concerning any agency proceeding or activity.

(c) Appearances by the Agency under this Act shall be in its own name and shall be made by qualified representatives pursuant to subsection (d) of this section.

(d) Except as otherwise provided in this subsection, the Administrator shall be represented by attorneys designated by him. The Department of Justice shall represent the Administrator in all court proceedings authorized by this Act or otherwise, except that in any case in which the Administrator seeks to challenge an agency action or any part thereof by intervention or by invoking judicial review, or in which the Department of Justice is representing or may represent a department, agency, officer or employee of the United States whose interests conflict with those of the Administrator, then the Administrator may be represented by attorneys he designates for such purpose. Unless the Attorney General notifies the Administrator within a reasonable time that he *will* represent the Administrator, such representation may be made by attorneys designated by the Administrator. In all litigation in the Supreme Court of the United States, the Solicitor General shall represent the Administrator; except that in any case in which the Solicitor General is representing a department, agency, officer, or employee of the United States whose interests conflict with those of the Administrator, then the Administrator may be represented by attorneys he designates for such purpose. In any court proceeding in which the Department of Justice or the Solicitor General is representing the Administrator, the Attorney General or the Solicitor General, as appropriate, shall consult with the Administrator concerning the most effective means of representing the interest of consumers in such proceedings. Upon the written request of the Administrator, the Attorney General or the Solicitor General shall advise the court of any substantial policy disagreements with the Administrator concerning the interest of consumers.

(e) (1) No act or omission by the Administrator or any Federal agency relating to the Administrator's authority under sections 7, 9, 10, 11, and 12 of this Act shall affect the validity of any agency action or be subject to judicial review: *Provided*, That

(A) the Administrator may obtain judicial review to enforce his authority under sections 7, 9, and 11 of this Act: *Provided*, That he may obtain judicial review of the Federal agency determination under section 7(e) of this Act only after final agency action and only to the extent that such determination affected the validity of such action;

(B) a party to any agency proceeding or a participant in any agency activity in which the Administrator intervened or participated may, where judicial review of the final agency action is otherwise accorded by law, obtain judicial review following such final agency action on the ground that the Administrator's intervention or participation resulted in prejudicial error to such party or participant based on the record viewed as a whole; and

(C) any person who is substantially and adversely affected by the Administrator's action pursuant to section 7(e), 11(b), or 12 of this Act may obtain judicial review, unless the court determines that such judicial review would be detrimental to the interests of justice.

(2) For the purposes of this subsection, a determination by the Administrator that the result of any agency proceeding or activity may substantially affect the interests of consumers or that his intervention in any proceeding is necessary to represent adequately the interests of consumers shall be deemed not to be a final agency action.

(f) In exercising the authority of section 6(a) (2), (4), (5), 7(f), 10, 11, and 12 of this Act, the Administrator shall act in accordance with rules designed to assure fairness to affected persons, issued as soon as practicable after the effective date of this Act pursuant to section 553 of title 5, United States Code (notwithstanding the exception therein for procedural rules).

(g) Whenever the Administrator intervenes or seeks review under the provisions of section 7(a) or 8(a) of this Act, he shall explicitly and concisely set forth in a public statement the interest of consumers which he is representing. He shall also, to the extent practicable, set forth any other substantial interest of consumers which he is not representing.

TRANSFER OF CONSUMER PRODUCT INFORMATION COORDINATING CENTER

SEC. 15. (a) All officers, employees, assets, liabilities, contracts, property, and records as are determined by the Director of the Office of Management and Budget to be employed, held, or used primarily in connection with the functions of the Consumer Product Information Coordinating Center in the General Services Administration are transferred to the Agency and all functions of the Administrator of General Services administered through the Consumer Product Information Coordinating Center are transferred to the Agency.

(b) (1) Except as provided in paragraph (2) of this subsection, personnel engaged in functions transferred under this section shall be transferred in accordance with applicable laws and regulations relating to transfer of functions.

(2) The transfer of personnel pursuant to subsection (a) of this subsection shall be without reduction in classification or compensation for one year after such transfer.

PUBLIC PARTICIPATION

SEC. 16. (a) After reviewing its statutory authority and rules of procedure, relevant agency and judicial decisions, and other relevant provisions of law, each Federal agency shall issue appropriate interpretations, guidelines, standards, or criteria, and rules of procedure, to the extent that such rules are appropriate and are not already in effect, relating to the rights of individuals who may be affected by agency action to—

(1) petition the agency for action;

(2) receive notice of agency proceedings;

(3) file official complaints (if appropriate) with the agency;

(4) obtain information from the agency; and

(5) participate in agency proceedings for the purpose of representing their interests.

Such interpretations, guidelines, standards, criteria, and rules of procedure shall be published in proposed and final form in the Federal Register.

(b) Each Federal agency shall take all reasonable measures to reduce or waive, where appropriate, procedural requirements for individuals for whom such requirements would be financially burdensome, or which would impede or prevent effective participation in agency proceedings.

(c) Any rules of procedure issued by any Federal agency pursuant to this section shall be published in a form and disseminated in a manner designed to inform and able to be understood by the general public.

SAVINGS PROVISIONS AND EXEMPTIONS

SEC. 17. (a) Nothing in this Act shall be construed to affect the duty of the Administrator of General Services to represent the interests of the Federal Government as a consumer pursuant to section 201(a) (4) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 481(a)(4)).

(b) Nothing in this Act shall be construed to relieve any Federal agency of any responsibility to protect and promote the interests of consumers.

(c) Nothing in this Act shall be construed to limit the right of any consumer or group or class of consumers to initiate, intervene in, or otherwise participate in any Federal agency or court proceeding or activity, nor to require any petition or notification to the Administrator as a condition precedent to the exercise of such right, nor to relieve any Federal agency or court of any obligation, or affect its discretion, to permit intervention or participation by a consumer or group or class of consumers in any proceeding or activity.

(d) This Act shall not apply to the Central Intelligence Agency, the Federal Bureau of Investigation, or the National Security Agency, or the national security or intelligence functions of the Department of Defense (including the Departments of the Army, Navy, and Air Force).

(e) This Act shall not apply to any agency action in the Federal Communications Commission with respect to the renewal of any radio or television broadcasting license.

COMPENSATION

SEC. 18. (a) Section 5314 of title 5, United States Code, is amended by adding at the end thereof the following new paragraph:

"(59) Administrator, Consumer Protection Agency."

(b) Section 5315 of title 5, United States Code, is amended by adding at the end thereof the following new paragraph:

"(97) Deputy Administrator, Consumer Protection Agency."

(c) Section 5316 of title 5, United States Code, is amended by adding at the end thereof the following new paragraphs:

"(132) General Counsel, Consumer Protection Agency.

"(133) Assistant Administrators, Consumer Protection Agency (5)."

SEPARABILITY

SEC. 19. If any provision of this Act is declared unconstitutional, or the applicability thereof to any person or circumstance is held invalid, the constitutionality and effectiveness of the remainder of this Act and the applicability thereof to any persons and circumstances shall not be affected thereby.

AUTHORIZATION OF APPROPRIATIONS

SEC. 20. There are authorized to be appropriated to carry out the provisions of this Act not to exceed $15,000,000 for the fiscal year ending June 30, 1975, not to exceed $20,000,000 for the fiscal year ending June 30, 1976, and not to exceed $25,000,000 for the fiscal year ending June 30, 1977.

EFFECTIVE DATE

SEC. 21. (a) Except as provided in subsection (b) of this section, this Act shall take effect when the Administrator first takes office, or on such earlier date as the President may prescribe, but no later than 90 calendar days after the date of enactment of this Act. The Administrator may not intervene or otherwise participate as a matter of right in any Federal agency or Federal court proceeding which is pending on the effective date of this Act if argument has concluded or the record has been closed and all that remains before completion of such agency or court proceeding is the rendering or issuance of a decision or the promulgation of a final order or rule by such agency or court.

(b) Any of the officers provided for in this Act may be appointed in the manner provided for in this Act at any time after the date of enactment of this Act. Such officers shall be compensated from the date they first take office at the rate provided for in this Act.

Amend the title so as to read: "A bill to establish an independent Consumer Protection Agency to protect and serve the interests of consumers, and for other purposes."

EXECUTIVE REPORTS OF COMMITTEES

As in executive session, the following favorable reports of nominations were submitted:

By Mr. SPARKMAN, from the Committee on Banking, Housing, and Urban Affairs:

Henry F. Trione, of California, Charles J. Urstadt, of New York, and Raymond Alexander Harris, of South Carolina, to be members of the Board of Directors of the National Corporation for Housing Partnerships.

(The above nominations were reported with the recommendation that the nominations be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. PASTORE, from the Committee on Commerce:

James H. Quello, of Michigan, to be a member of the Federal Communications Commission; and

John Eger, of Virginia, to be Deputy Director of the Office of Telecommunications Policy.

(The above nominations were reported with the recommendation that the nominations be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. ROTH (for himself and Mr. HUMPHREY):

S. 3346. A bill to amend certain provisions of law relating to the leasing of oil and gas deposits of the United States, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

By Mr. BIDEN:

S. 3347. A bill to amend the Internal Revenue Code of 1954 to limit capital gains treatment for individuals to $50,000 of capital gains and to repeal the alternative tax for individuals;

S. 3348. A bill to amend the Internal Revenue Code of 1954 to increase the effectiveness of the minimum tax for tax preferences;

S. 3349. A bill to amend the Internal Revenue Code of 1954 to eliminate percentage depletion for oil and gas wells over a three-year period; and

S. 3350. A bill to amend the Internal Revenue Code of 1954 relating to the application of the foreign tax credit to taxpayers engaged in the extraction, production, or refining of oil or gas in foreign countries. Referred to the Committee on Finance.

By Mr. BIDEN:

S. 3351. A bill to amend the Rail Passenger Service Act of 1970 in order to require a public hearing before the National Railroad Passenger Corporation increases any rate, fare, or charge for passenger transportation. Referred to the Committee on Finance.

By Mr. MUSKIE (for himself, Mr. MANSFIELD, Mr. ROBERT C. BYRD, Mr. STEVENSON, Mr. JOHNSTON, Mr. HATHAWAY, Mr. JAVITS, Mr. MONDALE, Mr. BIDEN, Mr. HART, Mr. HASKELL, Mr. HUMPHREY, Mr. HUDDLESTON, and Mr. STAFFORD, Mr. CANNON, Mr. SYMINGTON):

S. 3352. A bill to provide for continuing monitoring of the economy, and for other purposes. Referred to the Committee on Banking, Housing and Urban Affairs.

By Mr. FANNIN:

S. 3353. A bill to amend the Social Security Act to require employers to make an approved health care plan available to their employees, to provide a health insurance plan for low-income persons, and for other purposes. Referred to the Committee on Finance.

By Mr. BAKER:

S. 3354. A bill to amend the Highway Beautification Act of 1965, as amended. Referred to the Committee on Public Works.

By Mr. COOK (for himself and Mr. BAYH):

S. 3355. A bill to amend the Comprehensive Drug Abuse Prevention and Control Act of 1970 to provide appropriations to the Drug Enforcement Administration on a continuing basis. Referred to the Committee on the Judiciary.

By Mr. HARTKE:

S. 3356. A bill to amend the Interstate Commerce Act and other statutes to promote the financial stability of regulated carriers, and for other purposes. Referred to the Committee on Commerce.

By Mr. BURDICK (for himself, Mr. GRAVEL, Mr. HUGHES, Mr. MCGOVERN, and Mr. MONDALE):

S. 3357. A bill to restore to Federal civilian employees their rights to participate, as private citizens, in the political life of the Nation. Referred to the Committee on Post Office and Civil Service.

By Mr. BARTLETT:

S. 3358. A bill to authorize the conveyance of certain lands to the United States in trust for the absentee Shawnee Tribe of Indians of Oklahoma; and

S. 3359. A bill to authorize the conveyance of certain lands to the United States in trust for the citizen band of Potawatomi Indians of Oklahoma. Referred to the Committee on Interior and Insular Affairs.

By Mr. MONDALE:

S. 3360. A bill to provide equitable treatment of veterans enrolled in vocational education institutions. Referred to the Committee on Veterans' Affairs.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. ROTH (for himself and Mr. HUMPHREY):

S. 3346. A bill to amend certain provisions of law relating to the leasing of oil and gas deposits of the United States, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

ENERGY RESOURCES EXPANSION ACT

Mr. ROTH. Mr. President, today I am introducing for myself and Senator HUMPHREY a bill to amend certain provisions of our mineral leasing laws and to establish an energy resources and technology trust fund which will be used to improve energy resources research, development, and demonstration programs.

Now that the flow of Arab oil is being returned to preembargo levels, we must search for ways to prevent the reoccurrence of such a crisis and to help assure that we will never again be subject to oil blackmail. To avoid future problems of this type we must seek ways to become less reliant on foreign energy sources, develop American's full potential of renewable resources, and insure that we have sufficient energy supplies to maintain a strong national defense.

Nearly every authority agrees that energy resources on public lands will play an important part in meeting future energy needs. With the Department of the Interior as custodian, the American people own the bulk of the Nation's remaining fossil fuel resources; including an estimated 35 percent of the oil and gas, 50 percent of the coal and 85 percent of the oil shale.

The manner in which the Federal Government manages these resources over the next few decades will be critical. The pace at which Federal lands are opened, for example, can play a key role in determining the overall rate of energy growth, the mix of fuels, and the degree to which the Nation must rely on imported fuels. Whether environmental values are protected in the process can determine usefulness of coastal zones and open space to future generations. There is also a question of assuring that a fair return will be provided to the Treasury and, of course, ultimately to the public.

The legislation I am introducing today seeks to assure that the Department of the Interior carries out its multipurpose responsibilities with respect to Federal lands. It will lay a firm foundation for the Federal Government's development of energy resources on public lands.

Briefly, this measure will alter the present leasing policy for oil and gas on public lands to increase the royalties to the Federal Treasury. The bill will insure that development of these resources is carried out in a proper fashion by requiring lessees to formulate highly specific work plans. The bill allows royalties to be paid in oil and gas, and allows the Secretary of the Interior to use this oil and gas to meet domestic needs or store them for strategic purposes. The bill creates an energy resources and technology trust fund to finance expanded Federal research, development and demonstration projects, programs to encourage private energy research and development, improved knowledge of mineral resources in the public domain, and an improved energy information system. Finally, the bill authorizes 5 percent of the funds collected from Outer Continental Shelf oil and gas leases to be paid to the adjoining coastal States. A more detailed, section-by-section summary is presented in exhibit I.

The present system for management of the Nation's energy resources is not effective. The Department of the Interior has attempted to promote development of oil and gas but the Nation has witnessed a growing gap between domestic production and increasing needs. There is no assurance to the public that the acreage which is leased is actually developed and produced as fast as possible.

The Ford Foundation's energy policy project recently issued its interim report which highlights the problem. The report says:

> The government has been increasingly involved in determining when and under what conditions publicly owned resources are leased for private exploitation; but once the resources are leased, the Interior Department has had only limited success in insuring development.

The report's analysis of the Federal Government's management of energy resources is presented in exhibit II.

Mr. S. David Freeman, who is directing the Ford Foundation study, was even more specific in a recent article—exhibit III. Mr. Freeman points out that the rush to expand oil and gas drilling on the Outer Continental Shelf will likely result in ownership of petroleum simply passing from the Government to the oil industry at bargain-basement prices. This would become true if we expand the sale of leases faster than the industry can expand drilling. The present leasing system sells leases to the highest cash bidder rather than a profit-sharing system whereby the Government would receive a sizeable share of the selling price of the oil and gas discovered. See exhibits III, V, VI, and VII.

The bill I am introducing today would help rectify this problem by increasing the royalties paid to the Federal Government from competitive and noncompetitive oil and gas leases on public lands from 12½ percent to 25 percent. This amendment will insure that the Federal Government will receive an adequate return from energy resources on public lands for the longest period of time.

But increased revenues will be of little help unless development of oil and gas on public lands is carried out in an intelligent fashion. This bill includes provisions to resolve this problem. Section 2 requires the Secretary of the Interior to promulgate regulations requiring each bid submitted to contain a work program for the geophysical exploration and exploratory drilling and the development and production of oil and gas from the leased land, and a detailed schedule as to the time period within which drilling operations shall commence.

This provision will go a long way toward improving not only the way in which resources are developed, but the information the Federal Government has available to it. A recent report on Outer Continental Shelf development, Energy Under the Oceans—exhibit IV—observed that—

> The overall effect of (a) lack of adequate data for making important decisions for Outer Continental Shelf development seems to be that (the Department of the) Interior reacts to industry initiative rather than acting on the basis of its own "systematic and efficient plan of geologic study, resource appraisal, and leasing of the Outer Continental Shelf."

The bill I am introducing will resolve this problem by providing the funds to enable the Department of the Interior to make the necessary inventory of the Federal domain.

One major problem encountered during the Arab oil embargo was the lack of a strategic reserve of oil and gas for the United States to use to cushion the impact of the embargo. Without this reserve capacity, we immediately felt the impact of the embargo and our economy was threatened. The legislation I am introducing will take a major step toward resolving this problem.

The bill authorizes the Secretary of the Interior to require royalties to be paid in oil and gas. While this provision is in the present law, this bill would also authorize the Secretary to either sell royalty oil and gas, or reserve it in the form of strategic reserves or stockpiles to be used in the national or public interest.

Another important facet of this provision is that it empowers the Secretary, upon application from a refinery, to sell royalty oil when he determines that sufficient crude oil is not available on the open market to such a refinery. The Secretary can also prorate royalty oil among such refineries in the area in which the oil is produced. The royalty oil is to be sold at not less than the market price at private sale. These provisions will enable the United States to overcome some of the crude oil supply problems encountered last summer when some refineries were forced to close because of a lack of crude oil supplies.

Nearly every authority on energy policy agrees that the United States, if it is to achieve energy self-sufficiency, must begin now to promote energy research and development in both the public and private sectors to make us less reliant on nonrenewable energy resources. While the Congress has considered energy R. & D. proposals, these bills have lacked a strong funding section to provide adequate research moneys for public and private groups. If no new source of funding is provided, other necessary Government activities will suffer or research and development itself will lag.

The bill I am introducing today would help resolve these problems. First, the bill creates a funding mechanism to insure that moneys are available to meet future energy research and development needs. The bill would establish a trust fund in the Treasury known as the "Energy Resources and Technology Trust Fund." The bill requires the Secretary of the Treasury to manage the trust fund and report to Congress each year on its financial condition, although the Secretary of the Interior or the Federal official in charge of energy research and development would recommend the amounts needed from the fund to meet anticipated expenditures.

Moneys would be withdrawn from the trust fund, as provided by appropriation acts, for expenditures to carry out an energy research and development program. This program would be submitted by the Secretary of the Interior to the Congress within 180 days of enactment and require detailed plans for carrying out over a 5-year period, the following programs:

> (a) a program for conducting, assisting, and fostering energy research, development and demonstration, coordinated with other public and private energy research and development efforts, in order to provide for alternative sources of energy, with particular emphasis on renewable energy sources, and to provide new and improved technologies for the supply, use and conservation of energy;
>
> (b) a program to encourage widespread early participation by industry in such research, development and demonstration, with particular attention to participation by smaller companies and businesses;
>
> (c) a program to further establish the nature and extent of energy mineral resources located upon or within the public lands of the United States, including the Outer Continental Shelf, together with research and development in geological, environmental and other sciences and technologies relevant to such a program; and,
>
> (d) a program for timely collection, analysis, and publication of information concerning the energy mineral resources of the public lands of the United States and the operations of lessees with respect to the mining thereof.

The bill requires that the trust fund will be used for up to 75 percent of the funding for programs described in (a), (b), and (c) above, and 25 percent for the program described in paragraph (d). In addition, none of these programs can be carried out until after the expiration of the 30-day period during which time, Congress can examine the plans.

In 1969, the oil spills in the Santa Barbara Channel highlighted the environmental damage that can result from oil drilling along the Outer Continental Shelf. Since that time, several reports have indicated that a major problem has been the failure of Government agencies to continually supervise the development of oil and gas leases. This bill will resolve this problem by requiring the Secretary of the Interior to report every 6 months on the compliance of lessees with their work plans and drilling schedules to Congress. These reports will have to include information on the number of wells covered, the number in production, the rate of production, the number and identity of wells not producing, reasons for failure to produce, and an assessment of the Secretary regarding the validity of the reasons for not producing. This latter provision will alert the Congress and the public to oil and gas wells that are being withheld from production. On March 12, 1974, I requested the General Accounting Office to investigate this issue to see if oil and gas reserves on public lands are being withheld from production. While their report has not been completed, it is my belief that the reporting provision in the bill I am introducing today will resolve future problems along this line. If the GAO report uncovers the need for additional legislation, I will be happy to introduce it.

Finally, the bill I am introducing today will add a new section to the Outer Continental Shelf Lands Act to provide that 5 percent of all rentals, royalties, and other sums paid to the Secretary of the Interior or the Navy under any lease shall be paid to the adjacent coastal State. At present, the States only receive income under the Submerged Lands Act. This provision in the bill I am introducing will increase revenues to the States and enable them to carry out effective programs to deal not only with the increased development that results from Outer Continental Shelf oil and gas leasing, but also to undertake studies to identify areas which should be preserved or otherwise protected.

Mr. President, the energy supply future of the United States is intimately associated with the development of energy resources on public lands. The present system is not effective. It does not return realistic revenues to the Treasury; it does not insure overview of development; it does not protect environmental values; it does not allow flexibility to avert shortages when imports are interrupted; and, the present system does not finance programs which insure future development of renewable resources. The legislation I am introducing today meets the challenges presented by each of these problems and overcomes them.

Mr. President, in order to make the text of my bill available to Senators and other interested parties, I ask unanimous consent that the full text, a section-by-section summary, and other exhibits referred to be printed in the RECORD, at this point.

There being no objection, the bill, summary and exhibits, were ordered to be printed in the RECORD, as follows:

S. 3346

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) Congress hereby finds and declares that since the energy mineral resources of the United States constitute an increasingly important resource from the use of which the public is entitled to benefit, it is the policy of Congress that the leasing of the oil and gas deposits of the United States shall be so administered as to:

(1) increase the royalties from such leases;

(2) assure orderly exploration and development of such public mineral resources;

(3) protect the environment from undesirable effects of exploration, development, and production operations;

(4) promote competition in development of oil and gas resources; and

(5) provide reserves for national security and other emergency needs.

(b) This Act may be cited as the "Energy Resources Expansion Act".

Sec. 2. (a) Subsection (b) of section 17 of the Act entitled "An Act to promote the mining of coal, phosphate, oil, oil shale, gas, and sodium on the public domain", approved February 25, 1920, as amended (30 U.S.C. 226 (b)), is amended (1) by designating the existing text as (b) (1); (2) by deleting "12½" and inserting in lieu thereof "25"; and (3) by adding at the end thereof the following new paragraph:

"(2) The Secretary of the Interior shall issue general regulations implementing the leasing procedure provided by this subsection and section 8 of the Outer Continental Shelf Lands Act (43 U.S.C. 1337). Such regulations shall define the general terms of the lease and shall contain provisions requiring each bid submitted under this subsection or such section 8, or after the effective date of this paragraph, to contain a work program for the geophysical exploration and exploratory drilling and the development and production of oil and gas with respect to lands covered by such bid, and a detailed schedule as to the time period within which drilling operations shall commence. Such regulations shall further provide for the inclusion within any lease issued hereunder a provision pursuant to which the Secretary shall have the right to require increased production under such lease for purposes of national security or other emergency needs. Such bid shall further contain a verified statement as to the minimum amount of funds intended to be expended by the bidder in carrying out such work program. Such work program, schedule, and verified statement contained in any such bid shall be included as a part of any lease issued on the basis of such bid."

(b) Section 17(c) of such Act of February 25, 1920, as amended, is amended (1) by designating the existing text as (c)(1); (2) by deleting "12½" and inserting in lieu thereof "25"; and (3) by adding at the end thereof the following new paragraph:

"(2) The Secretary of the Interior shall issue general regulations implementing the leasing procedures under this subsection. Such regulations shall define the general terms of the lease and shall contain provisions requiring each application for a lease under this subsection, submitted on or after the effective date of this paragraph, to contain a work program for the geophysical exploration and exploratory drilling and the development and production of oil and gas with respect to lands covered by such application, and a detailed schedule as to the time period within which drilling operations shall commence. Such regulations shall further provide for the inclusion within any lease issued hereunder a provision pursuant to which the Secretary shall have the right to require increased production under such lease for purposes of national security or other emergency needs. Such application shall further contain a verified statement as to the minimum amount of funds intended to be expended by the applicant in carrying out such work program. Such work program, schedule, and verified statement contained in an application shall be included as a part of any lease issued on the basis of such application.".

(c) Section 17(a) of such Act of February 25, 1920, as amended, is amended (1) by designating the existing text as (d)(1); and (2) by adding at the end thereof the following new paragraph:

"(2) Any lessee carrying out such work program and drilling schedule in accordance with the provisions of his oil or gas lease issued, on or after the date of the enactment of this paragraph, pursuant to this Act or section 8 of the Outer Continental Shelf Lands Act shall be entitled to be reimbursed in an amount not to exceed 50 per centum of the amount expended by the lessee in carrying out such program in accordance with the provisions of such lease, but not to exceed the amount set forth in the verified statement contained in such lease as to the minimum funds intended to be so expended. In providing such reimbursement, the Secretary of the Interior is authorized to credit the amount of such reimbursement to which the lessee is entitled against any royalties accruing to the United States under such lease. Notwithstanding any other provision of this Act, in any case in which the Secretary determines that there has been a substantial failure on the part of any lessee to comply with such work program or drilling schedule contained in any such lease issued on or after the date of the enactment of this paragraph, the Secretary may terminate such lease."

(d) Section 17 of such Act of February 25, 1920, as amended, is amended by adding at the end thereof the following:

"(k) Notwithstanding any other provision of this Act or the Outer Continental Shelf Lands Act, the Secretary of the Interior is authorized to include in any lease issued pursuant to this Act or the Outer Continental Shelf Lands Act, on the basis of regulations promulgated by him, provisions determined by him to be necessary to promote the maximum efficient recovery of crude oil and gas under sound conservation, economic, and engineering principles, and to provide for increased production for purposes of national security or other emergency needs.

"(1) Notwithstanding any other provision of this Act or any other law, all leases issued pursuant to this Act or the Outer Continental Shelf Lands Act shall contain a condition that in no case shall any such lease be extended beyond its primary term unless oil or gas is being produced in paying quantities."

(e) Section 36 of such Act of February 25, 1920, as amended (30 U.S.C. 192), is amended to read as follows:

"Sec. 36. (a) All royalty accruing to the United States under this Act or the Outer Continental Shelf Lands Act, on demand of the Secretary of the Interior, or when required in accordance with subsection (c) of this section, shall be paid in oil or gas.

"(b) Upon granting any such oil or gas lease, and from time to time thereafter during such lease, the Secretary of the Interior shall, except whenever in his judgment it is desirable to retain the same for the United States, including the increase strategic reserves or stockpiles in the national or public interests, offer for sale for such period as he may determine, upon notice and advertisement or sealed bids or at public auction, all royalty oil and gas accruing or reserved to the United States under such lease. Such advertisement and sale shall reserve to the Secretary of the Interior the right to reject all bids whenever, within his judgment, the interest of the United States demands. In cases where no satisfactory bid is received or where the accepted bidder fails to complete the purchase, or where the Secretary of the Interior shall determine that it is unwise in the public interest to accept the offer of the highest bidder, the Secretary of the Interior, within his discretion, may readvertise such royalty for sale, or sell at private sale at not less than the market price for such period, or accept the value thereof from the lessee.

"(c) Inasmuch as the public interest will be served by the sale of royalty oil to refineries not having their own source of supply for crude oil, the Secretary of the Interior, upon application from any such refinery and a determination by the Secretary that sufficient supplies of crude oil are not available in the open market to such refinery, shall, notwithstanding the provisions of subsection (b) of this section, make available to such refinery royalty oil under the provisions of this section for processing or use in such refinery and not for resale in kind, and in so doing may sell to such refinery at private sale at not less than the market price any royalty oil accruing or reserved to the United States under leases issued pursuant to this Act or the Outer Continental Shelf Lands Act. In selling such royalty oil, the Secretary of the Interior may, in his discretion, prorate such oil among such refineries in the area in which the oil is produced. Pending the making of a permanent contract for the sale of any royalty oil or gas as herein provided, the Secretary of the Interior may sell the current product at private sale, at not less than the market price. Any such royalty oil or gas may be sold at not less than the market price at private sale to any department or agency of the United States.

"(d) Subject to the provisions of subsection (e) of this section and section 9(b) of the Outer Continental Shelf Lands Act (43 U.S.C. 1338) all proceeds received by the Secretary of the Interior pursuant to sales of royalty oil and gas under the foregoing provisions of this section shall be deposited by him in the trust fund estabilshed by section 4 of the Energy Resources Expansion Act for use in accordance with the provisions thereof.

"(e) Notwithstanding any other provisions of this Act, nothing in this section shall be construed as altering, modifying, or otherwise affecting any provision of law in effect on the date of the enactment of this subsection earmarking or designating certain revenues due the United States from oil or gas leases for use in connection with other specific programs or purposes.".

Sec. 3. (a) On or before the expiration of the one hundred and eighty day period following the date of enactment of this Act, the Secretary of the Interior, in consultation with the heads of other agencies of the United States whose responsibilities relate to energy research, development, or conservation, shall prepare and submit to the Congress detailed plans for carrying out, during the five-year period following the date of the submission of such plans to the Congress, the following programs:

(1) a program for conducting, assisting, and fostering energy research, development, and demonstration, coordinated with other public and private energy research and development efforts, in order to provide for alternative sources of energy, with particular emphasis on renewable energy sources, and to provide new and improved technologies for the supply, use, and conservation of energy, including conservation in production, conversion, transmission, and transportation;

(2) a program to encourage widespread early participation by industry in such research, development, and demonstration, with particular attention to participation by smaller companies and businesses;

(3) a program to further establish the nature and extent of energy mineral resources located upon or within the public lands of the United States, including the outer continental shelf, together with research and development in geological, environmental, and other sciences and technologies relevant to such program, including the environmental effects of the mining of such resources and means by which such effects might be kept within acceptable bounds; and

(4) a program for timely collection, analysis, and publication of information concerning the energy mineral resources of the public lands of the United States and the

operations of lessees with respect to the mining thereof. (b) No program contained in any plan submitted to the Congress pursuant to subsection (a) of this section shall be carried out by the Secretary of the Interior until after the expiration of the thirty-day period (excluding Saturdays, Sundays, holidays, and days on which either House of Congress is not in session) following the date on which the plan containing such program was submitted to the Congress under subsection (a) of this section.

(c) Moneys deposited in the trust fund established pursuant to section 4 of this Act shall be available, in accordance with the provisions of that section, for carrying out programs under this section.

(d) Notwithstanding any other provisions of this Act, all functions and duties imposed on the Secretary of the Interior under this section and section 4 of this Act shall, upon the subsequent establishment by the Congress of an agency for research and development in the field of energy, be deemed transferred to that agency.

SEC. 4. (a) There is hereby established in the Treasury of the United States a trust fund to be known as the "Energy Resources and Technology Trust Fund" (referred to in this Act as the "Trust Fund"). The Trust Fund shall consist of such amounts as may be credited to it as provided in this Act or amendments made by this Act.

(b) It shall be the duty of the Secretary of the Treasury to manage the Trust Fund and (after consultation with the Secretary of the Interior) to report to the Congress not later than the first day of March of each year on the financial condition and the results of the operations of the Trust Fund during the preceding fiscal year and on its expected condition and operations during each fiscal year thereafter. Such report shall include the recommendation of the Secretary of the Interior as to the amount of revenues needed by the Trust Fund during the following fiscal year to meet expenditures from the Trust Fund during such fiscal year. Such report shall be printed as a House document of the session of the Congress to which the report is made.

(c) It shall be the duty of the Secretary of the Treasury to invest such portion of the Trust Fund as is not, in his judgment, required to meet current withdrawals. Such investments may be made only in interest-bearing obligations of the United States or in obligations guaranteed as to both principal and interest by the United States. For such purpose such obligations may be acquired (1) on original issue at the issue price, or (2) by purchase of outstanding obligations at the market price. The purposes for which obligations of the United States may be issued under the Second Liberty Bond Act, as amended, are hereby extended to authorize the issuance at par of special obligations exclusively to the Trust Fund. Such special obligations shall bear interest at a rate equal to the average rate of interest, computed as to the end of the calendar month next preceding the date of such issue, borne by all marketable interest-bearing obligations of the United States then forming a part of the Public Debt; except that where such average rate is not a multiple of one-eighth of 1 percent, the rate of interest of such special obligations shall be the multiple of one-eighth of 1 percent next lower than such average rate. Such special obligations shall be issued only if the Secretary of the Treasury determines that the purchase of other interest-bearing obligations of the United States, or of obligations guaranteed as to both principal and interest by the United States on original issue or at the market price, is not in the public interest.

(d) Any obligation acquired by the Trust Fund (except special obligations issued exclusively to the Trust Fund) may be sold by the Secretary of the Treasury at the market price, and such special obligations may be redeemed at part plus acquired interest.

(e) The interest on, and the proceeds from the sale or redemption of, any obligations held in the Trust Fund shall be credited to and form a part of the Trust Fund.

(f) (1) Amounts in the Trust Fund shall be available, as provided by appropriation Acts, for making expenditures to carry out programs under section 3 of this Act.

(2) Of the amounts in the Trust Fund, 75 per centum thereof shall be available for carrying out programs under paragraphs (1), (2), and (3) of section 3, and 25 per centum shall be available for carrying out programs under paragraph (4) of section 3.

(g) Unless otherwise provided by law, the Trust Fund shall terminate upon the expiration of the ten-year period following the date of the enactment of this Act. Upon such termination, amounts remaining in the Trust Fund at the time of such termination shall be credited to miscellaneous receipts.

SEC. 5. The Secretary of the Interior shall, within the six-month period following the date of the enactment of this Act and each six-month period thereafter, report the compliance of lessees with their work plans and drilling schedule plans to the Congress as to the number of oil and gas wells covered by a lease issued by the Secretary of the Interior in existence during the period covered by such report, the number of such wells in production during such period, the rate of production of such wells during such period, the number and identity of such wells not producing during period period, the reasons for such failure to so produce during such period, and the assessment of the Secretary as to the validity of such reasons. Such report shall also include the results of a physical spot check of the wells covered by such report to determine the accuracy of information so reported.

SEC. 6. (a) Section 8 of the Outer Continental Shelf Lands Act (43 U.S.C. 1337) is amended by deleting "12½ per centum" wherever it appears therein and inserting in lieu thereof "25 per centum".

(b) Section 9 of the Outer Continental Shelf Lands Act (43 U.S.C. 1338) is amended (1) by designating the existing text thereof as subsection (a); and (2) by adding at the end thereof the following new subsection:

"(b) Notwithstanding the provisions of subsection (a) of this section, 5 per centum of all rentals, royalties, and other sums paid to the Secretary or the Secretary of the Navy under any lease on the Outer Continental Shelf issued on or after the date of the enactment of this subsection, which are attributable to that portion of the Outer Continental Shelf adjacent to any State or that portion of the Outer Continental Shelf to which a State by interstate compact has limited itself, shall be paid by the Secretary of the Treasury as soon as practicable after December 31 and June 30 of each year to such State."

EXHIBIT I

SECTION-BY-SECTION SUMMARY

SECTION 1

Declares that Federal oil and gas deposits shall be administered so as to: (1) increase royalties; (2) assure orderly exploration and development; (3) protect the environment; (4) promote competition in development of resources; and, (5) provide oil and gas reserves for national security and emergency needs.

SECTION 2

Subsection (a)

Amends the Mineral Leasing Act (30 U.S.C. 226) to increase the minimum royalty for competitive oil and gas leases on public lands from 12½ percent to 25 percent. Requires the Secretary of the Interior to promulgate regulations requiring each bid submitted to contain a work program for the geophysical exploration and exploratory drilling and the development and production of oil and gas on the lands covered by the bid, and a detailed schedule as to the time period within which drilling operations shall commence. Authorizes the Secretary to increase production from such leases for purposes of national security or other emergencies.

Subsection (b)

Amends the Mineral Leasing Act of 1920 to increase the royalty for non-competitive oil and gas leases on public lands from 12½ percent to 25 percent. Requires the Secretary to issue regulations requiring each bid submitted to contain a work program for the geophysical exploration and exploratory drilling and the development and production of oil and gas on the lands covered by the bid, and a detailed schedule as to the time period within which drilling operations shall commence.

Subsection (c)

Provides that any lessee carrying out a work program and drilling schedule shall be entitled up to 50 percent reimbursement for the amount expended in carrying out the program, but not to exceed the amount set forth in the original verification statement. Authorizes the Secretary to credit these reimbursements against any royalties from the lease. Authorizes the Secretary to terminate leases if it is determined that there has been a substantial failure to comply with the work program or drilling schedule.

Subsection (d)

Adds new section authorizing the Secretary to include in any lease, provisions necessary to promote the maximum efficient recovery of crude oil and gas under sound conservation, economic and engineering principles, and to provide for increased production for purposes of national security or other emergencies. Adds new section providing that all leases issued pursuant to the Act shall contain a condition that in no case shall any such lease be extended beyond its primary term unless oil or gas is being produced in paying quantities.

Subsection (e)

Revises section 36 of the Mineral Leasing Act (30 U.S.C. 192) to provide that all royalties accruing under oil and gas leases, on demand of the Secretary, shall be paid in oil or gas. Authorizes the Secretary to offer for sale all royalty oil and gas accruing or reserved under such leases. Allows the Secretary to retain royalty oil and gas to increase strategic reserves or stockpiles in the national or public interests. Authorizes the Secretary upon application, to sell royalty oil to refineries when he determines that sufficient crude oil is not available on the open market to such refineries. Awards the Secretary discretion to prorate royalty oil among such refineries in the area in which the oil is produced. Requires royalty oil to be sold at not less than the market price at private sale. Proceeds from the sale of royalty oil shall be deposited in the Energy Resources and Technology Trust Fund created in Section 4 of this Act.

SECTION 3

Requires the Secretary of the Interior, after consultation with other energy research, development, or conservation agencies and within 180 days, to submit to Congress detailed plans for carrying out over a 5-year period, the following programs: (1) an energy research, development and demonstration program providing for alternative sources, emphasizing renewable resources, and providing for improved technologies for supply, use and conservation; (2) a program to encourage early participation by industry in such energy R&D; (3) a program improving our knowledge of energy mineral resources on public lands; and (4) a program for timely collection, analysis and publication of information concerning energy mineral resources on public lands. Provides that none of the programs outlined shall be carried out until after 30 days following their submittal to Congress.

SECTION 4

Establishes a trust fund to be known as the "Energy Resources and Technology Trust Fund." Requires the Secretary of the Treasury to manage the Trust Fund and report to Congress each year on its financial condition. Stipulates the report shall include the recommendations of the Secretary of the Interior as to the amount of revenues needed by the Trust Fund during the next fiscal year to meet expenditures. Authorizes the Secretary of the Treasury to invest monies in the Trust Fund not required to meet current withdrawals. Makes available monies in the Trust Fund, as provided by appropriation Acts, for expenditures to carry out programs under Section 3 of this Act. Authorizes 75 percent for funding for paragraphs (1), (2) and (3) of Section 3, and 25 percent for paragraph (4). Provides that the Trust Fund shall terminate after a ten year period.

SECTION 5

Requires the Secretary of the Interior to report every six months on the compliance of lessees with their work plans and drilling schedules plans to Congress; the reports shall include information on the number of wells covered, number in production, the rate of production, the number and identity of wells not producing, reasons for failure not to produce, and an assessment of the Secretary as to the validity of such reasons.

SECTION 6

Adds clarifying language to make certain provisions of the Outer Continental Shelf Lands Act (43 U.S.C. 1338) consistent with this Act. Provides that 5 percent of all rentals, royalties, and other sums paid to the Secretary of the Interior or the Navy under any lease on the Outer Continental Shelf shall be paid to the adjacent coastal state.

EXHIBIT II

[From: Energy Policy Project of the Ford Foundation, *Exploring Energy Choices: A Preliminary Report*, Section 5.]

As with foreign relations and environmental issues, we have singled out government policies for management of publicly-owned energy resources for separate discussion. These policy questions are of immediate importance, because of their magnitude and long-term effects, and they should become matters of widespread public concern.

The federal government is in a unique position to shape future patterns of national energy policy through control of publicly owned energy resources. With the Department of the Interior acting as custodian, the American people own the bulk of the remaining fossil fuel resources in the United States. These resources include an estimated 35 percent of the oil and gas, 50 percent of the coal, and 85 percent of the oil shale. Substantial amounts of the domestic uranium and geothermal steam resources are also under federal control. Although important energy resources are to be found under private and state-owned lands, the major portion of the nation's energy resources which are most attractive for early development under federal control, particularly offshore oil and gas on the Outer Continental Shelf, and low-sulfur coal reserves in the West.

The manner in which the government meets its obligation to the public in managing the development of publicly owned resources is critical. The Energy Policy Project has under way a staff analysis of the policies for management of these resources and their place in shaping national energy policy. This policy analysis is not yet complete, but some of the major issues are quite clear.

The pace at which the federal lands are opened can play a key role in determining the overall rate of energy growth, the mix of fuels, and the degree to which the nation must rely on imports. A policy of massive leasing of these resources would signal a future based on high rates of energy consumption. On the other hand, decisions to limit development of one or more of these resources, coupled with policies of energy conservation, could lead the nation toward lower energy growth.

The existing system for management of the public's resources works against considering such options. Each resource is subject to different laws and administrative policies, established at different times to serve varying goals and interests. But, primarily, the system for the "disposal" of most of these resources was designed through law, regulation and tradition to encourage resource development. The government has been increasingly involved in determining when and under what conditions publicly owned resources are leased for private exploitation; but once the resources are leased, the Interior Department has had only limited success in insuring development. And, until recently, there has been only the most nominal recognition of other social goals.

The Interior Department's current stated objective is to reconcile three competing social goals: insure a fair return to the public from the sale or lease of these resources, protect the environment in the process, and develop the resources in a timely and orderly manner. But the present leasing system's inherent weaknesses make this objective unachievable. Two of the major leasing programs, coal and offshore oil and gas, illustrate this problem.

While the methods vary depending on the specific resource and the laws governing its disposal, most federal resources are sold to the highest bidder through a competitive, cash-bonus bidding system. Leases for onshore resources in "unknown" areas are given without competition and bonuses. In both instances, the lessee pays a royalty to the government as the resource is produced.

Since 1954 the leasing of oil and gas on the Outer Continental Shelf (generally defined as those offshore lands owned by the federal government and lying beyond three miles) has been the highest priority energy resource program within the government. Leasing has been confined almost entirely to the Gulf of Mexico, with some production in the Santa Barbara Channel off Southern California. Consideration is now being given to opening new lease areas offshore, in the Atlantic and the Gulf of Alaska.

Since a five-year lease schedule went into effect in 1971, lease sales for offshore areas have been held at a rate of two per year. The average annual acreage leased has nearly doubled—from 556,716 acres per year during the 1960–1969 period to 929,382 during the 1972–1973 period. The average bonus paid has risen steadily since 1970, averaging about $3,000 per acre in recent sales—almost six times the average during the previous decade. The average number of bidders per tract has steadily increased during the period.

There is evidence to suggest that the goal of achieving a fair return to the public from the leasing of these resources has been reasonably well served. But serious questions arise regarding the other goals: protection of the environment and orderly and timely development of the resources.

Several major blowouts and fires have occurred at OCS platforms in the Gulf of Mexico. The effects on the marine environment of chronic, long term oil seepage from operations and pipelines continue to be poorly understood. During this period the courts have found lack of compliance with the National Environmental Policy Act because of inadequacies in the environmental evaluation of OCS activities.

In addition, no means have been created to ascertain what rate of leasing is necessary to meet the nation's energy needs. The lease schedule itself is based on a simple extrapolation of past demand trends. Supply from the OCS is seen by the Interior Department as an attempt to fill the gap between other supply sources and the assumed demand.

Early in 1974 the President ordered a tenfold increase (to 10 million acres) by 1975 in the amount of acreage leased annually. Whether competition for the tracts will remain high with so much acreage being offered and whether a fair return to the public can be maintained under such conditions seems highly questionable. Ensuring adequate environmental controls and effective state and public participation in decision-making also appears dubious. Lack of good resource information is the most pressing issue.

Presently, all new leasing is in the Gulf of Mexico. One sale is proposed for offshore Southern California in 1975. While anticipated reserves in these areas are large, the big question marks are the areas off the Atlantic Coast and the Gulf of Alaska. Both are regarded as promising, but neither has yet been drilled. There is growing evidence to indicate the possibility of large deposits. In undeveloped offshore areas such as these the government has only limited geophysical information to aid it in its leasing decisions. Almost all of this information has been purchased from companies which have done the work for industry.

In order to properly understand anticipated production from the OCS and to ensure a fair return to the public for leased resources under an accelerated leasing schedule, it is essential for government to have the best possible understanding of potential oil and gas resources. The Interior Department's Geological Survey has attempted to expand and improve its programs related to OCS leasing; yet industry data continues to be far more extensive, as a rule, than the government's. In short, the government's understanding of what it owns is grossly inadequate.

Development of federal coal presents similar problems. Vast recoverable reserves of low-sulfur Western federal coal (estimated at 2 billion tons) are presently committed to industry. Yet in 1972 only 10 million tons of this coal was produced, amounting to a mere 2 percent of total national production. Less than 10 percent of the existing leases are presently being developed. There are no mandatory production requirements, and many leases are held in speculation of higher future fuel prices. Many of the leases already in effect contain only minimal requirements for environmental protection. Some of these are in arid or semi-arid regions where, according to a study by the National Academy of Sciences,[1] it is doubtful the land can be reclaimed after surface mining. If these leases are developed without high standards for reclamation, the government will be contributing to environmental degradation rather than serving as a model for the nation.

However, given the huge amounts of coal under lease, little of which is being mined, no apparent need exists for a major new thrust in coal leasing before 1980, and in fact leasing was virtually stopped in 1971. The government does, therefore, have time to put together a rational coal leasing program.

The critical first step in such a program is to assemble an adequate data and information base. This does not exist. Coal in the West is held in complicated, intermingled ownership patterns. Much of the public coal underlies private lands. The government has poor records of its ownership of most of this coal. In many regions, the government has limited knowledge of the quality and quantity of the coal reserves that it does know it owns, and must rely on data the industry has been willing to supply to do any development planning. Information is also inadequate to support environmental planning for rehabilitation of surface-mined land and for maintenance of air and water quality, as well as for protection of range land and wildlife habitat.

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[1] Thadis W. Box, National Academy of Sciences, Rehabilitation Potential of Western Coal Lands, Ballinger Publishing Company, Cambridge, May, 1974.

Availability of water is a key issue in the use of federal western coal for coal-fired electric power plants at the mine, and coal gasification and liquefication projects. To support this projected development, huge, new water storage and diversion projects will be required. There has been virtually no evaluation of how this will affect the streams and rivers of the regions or the values and uses they support. Basic water resource limitations and important legal and administrative questions must be weighed before commitments are made to massive leasing of western coal.

The potential for exploiting the vast reserves of oil shale and extensive geothermal steam resources under public control is promising but still uncertain. A limited experimental leasing program is under way to determine if oil shale and geothermal steam can be developed economically, in an environmentally acceptable manner. Unexpectedly high bids in the first sales of oil shale rights, and the considerable number of participants in the first sale of geothermal leases, indicate high industry expectation of the economic potential of these resources. But problem similar to those in coal and OCS leasing are evident.

Vastly improved planning is a necessary reform in the existing system for developing all federal energy resources. It must begin with the gathering of comprehensive information on the resources themselves. But a planning system also must include information to assess the impact of development on the environment, on other resources, and on the economy and the people of the region where development takes place.

Steps can be taken immediately to improve resource information. A program of government-funded research and exploration through contracts with private and state agencies can begin soon after it is funded. In addition, industry could be required to share its basic data with the government. But the government also needs to have a greatly enlarged capacity to assess and evaluate such data once it is obtained.

The second major step toward a revamped federal energy minerals management system is to create improved mechanisms for reconciling the different, oftentimes competing, goals of the program.

At the national level, such analysis must address the fundamental question of the role of federal resources in supplying national energy needs. For the present, the decision has been made to rapidly develop all federal energy resources simultaneously. Such a policy may make sense in some areas, but as an across-the-board proposition it represents a failure to weigh conflicting values. It will be far more difficult to ensure a fair return to the public from the leasing of its resources and to protect the environment under a program of rapid development.

Of equal importance is understanding the tradeoffs at the regional and local level. For example, any decision to permit extensive development of federal coal in the Fort Union field of Montana, Wyoming and North Dakota will significantly change the character of that part of the country.

Even under a historic trends scenario, development can be selective both by resource and by location. Where development takes place, stringent environmental protection measures can be employed. The options, of course, are greatly expanded if less development is required under lower growth assumptions. Also, through a permanent planning mechanism, the people of the development regions can be given a voice in decisions affecting their future.

In addition to reforming the existing federal resource management system, the government itself could go into the business of developing the resources. A government corporation could be formed and given the job of exploring and developing all new federally controlled resource areas. The corporation could be designed to develop a single resource such as oil shale, or to cover development of all resources in a given geographic-economic region such as the Rocky Mountain states or the OCS.

In any case—reform of the existing system, a purely private enterprise approach, or public development—government officials must start to take a hard look at how the public's energy resources are managed.

EXHIBIT III

[From the Washington Post, Feb. 10, 1974]

THE FORGOTTEN ENERGY AGENCY

(By S. David Freeman)

Now that the United States is experiencing a crisis, we find that energy policy has become too important to be left to the energy agencies. William E. Simon, the energy czar, has taken charge, and his Federal Energy Office is the focal point of public attention. Yet the Interior Department, the Atomic Energy Commission, the Federal Power Commission and the Environmental Protection Agency, to mention only a few, still carry out programs that are vital to any solution of our energy problems. While we listen to what Simon says, the nation had better take a look at what the old line agencies are doing.

A good place to start is with the Interior Department, which has custody over the federal domain. Most of the oil and gas that is economically recoverable in the next decade is public property buried in the earth, largely beneath offshore waters. The government also owns huge coal reserves in the West and most of the country's oil shale. Interior's performance can make or break our energy future; and in the process it can either destroy or protect vast regions of the nation that are still naturally beautiful.

Historically, the Interior Department has been dedicated to development of the fuels on the federal lands pretty much at the pace that the energy industry demanded. But in recent years public concern over oil spills and strip mining and growing opposition to development of unspoiled places have brought a new dimension into the decision-making at Interior, one that the department is poorly equipped to handle in the public interest. Striking an intelligent balance between development and environmental protection requires knowledge and concern for what might be lost by development, as well as what might be gained. The alarming fact is that the Interior Department knows very little about how much the public owns and what it is worth: it knows even less about the harm that may happen to marine life, wildlife, the face of the earth, or to people's cherished lifestyles if development proceeds.

A GIGANTIC GIVEAWAY

The Interior Department is now under intense pressure to throw open the remaining federal lands to the energy companies. In his Jan. 23 energy message to Congress, President Nixon directed the Secretary of the Interior to lease 10 million acres of the Outer Continental Shelf in 1975. This would be an amazing tenfold increase over the less than 1 million acres leased in 1973. On the face of it, a stepped-up program sounds like a fine response to the energy crisis. But is a massive sale of public assets really in the public interest?

In the first place, it is doubtful that the oil industry can triple its drilling capability in these offshore waters in the next few years, much less explore 10 times as much acreage. Shortages of drilling rigs and skilled manpower are already a bottleneck. A likely prospect is that ownership of the petroleum in the ground will simply pass from the government into oil industry hands. And with leases offered faster than they can be developed, they are likely to bring only bargain-basement prices.

The sale in one year of what could be a series of oil fields the size of Maryland and Delaware combined has all the ingredients of a gigantic giveaway of the public domain even if "competitive bidding procedures are followed," as the President assured. The danger of selling the vast federal domain for a fraction of its value is especially acute because the department has little or no knowledge of how much oil and gas it will be selling and thus no solid basis for appraising the bids. The problem is compounded by the system of selling the oil and gas to the highest cash bidder, rather than a profit-sharing system under which the government would receive a sizable share of the selling price of whatever quantities of oil and gas were discovered. When the government doesn't know how much it is selling and is flooding the market with sales, even a very large cash bonus could prove to be a very bad bargain.

Yet there is an even graver threat from a sudden tenfold increase in offshore drilling. Anyone familiar with the meager capability of the Interior Department for analyzing the environmental impacts of its leasing program must shudder at the prospect. Lack of knowledge can become a formula for lack of environmental protection. The department's performance in the Alaska pipeline and its offshore leasing program to date—where citizen suits were required to order compliance with environmental protection law—inspires little confidence.

The Interior Department has shown neither the ability nor the determination to withstand the pressure for development even if serious environmental concerns are present. With the Atlantic coastal zone the next target for development, the nation had better watch this leasing program very carefully:

AEC: POWER OR SAFETY?

The President's request in his Jan. 23 message for legislation to accelerate the licensing and construction of nuclear power plants reemphasizes the key role of the Atomic Energy Commission in the nation's energy policy. The speed-up campaign from the White House, coupled with President Nixon's remark of a few months ago that fears about atomic power are "old wives' tales," is not terribly comforting to people who are soberly aware of the dangers. These concerns are heightened by the AEC's failure to press for the budget initially requested for its regulatory program, and a feeling by key regulatory officials at the AEC that their efforts are not understood or supported by the agency head.

The safety record of atomic plants to date has been good in large part because the AEC has taken the time to carefully scrutinize their design and construction. Even so there are unresolved problems of safety, waste disposal and safeguarding nuclear material. In addition, there is a need to strengthen the quality controls and inspections to assure that the growing number of plants are built to operate safely and reliably.

One of the major problems with the AEC's regulatory program is that it is only a part-time job for the chairman and most of the other commissioners. Assuring that atomic plants are safe requires full-time attention by the people responsible for signing their names to the decision. The administration proposal to split the AEC's regulatory function away from its promotional activities and create a separate independent Nuclear Energy Commission is thus an urgently needed reform. Yet in the final analysis it is people rather than organizational structures that count. Nuclear power needs regulators who put safety first and will not be carried away by concern for the current shortages in deciding issues that pose dangers to mankind for generations to come. The nation must keep the spotlight on the Atomic Energy Commission or its successor.

FPC: NONREGULATION

The Federal Power Commission is hardly in the news these days, even though it is the principal federal agency for public regulation of the electric power and natural gas industries. Despite earth tremors in the energy world, the FPC seems content to carry out routine activities that deal with a tiny fraction of the electric power industry's problems. It has made no effort yet to seek a broader mandate so it can deal with urgent issues that no public agency is now equipped to handle.

The public is concerned about the massive increases in the retail rates for electricity, the problems of where to locate power plants and transmission lines in harmony with the best use of the land, and of course the electric power industry's ability to avoid blackouts and brownouts. The FPC really plays only a small role in satisfying these public concerns.

The electric power industry is becoming steadily more important as it takes on a larger share of the entire energy supply each year. Already over 25 per cent of all fuel goes into generating electricity each year, and by the turn of the century over half our energy supply may reach the consumer as electricity. As oil and natural gas become scarcer, coal, atomic energy, geothermal steam and, in the future, solar energy will be converted to electricity to meet future energy needs.

The electric power industry has always been subject to public regulation primarily by state utility commissions. But the 3,400 separate utilities have hooked their systems together into networks in which power flows over vast regions of the country. They are really beyond the power of the states to regulate effectively. The utilities come in with rate increase requests that are a *fait accompli*. The state commissions do not control their expansion plans and are duty bound under existing rules to grant them rate increases that cover all their costs and a reasonable profit. And the Federal Power Commission has no power over the expansion plans of the electric power industries, except when they build power dams, which they seldom do these days.

The fact that the electric power industry is going to keep growing is all the more reason to limit its growth to the facilities really needed and to locate them so as not to ruin the countryside. If the Federal Power Commission can't perform that job for the public then what good is it?

A whole new mandate for the Federal Power Commission and utility regulation in general is going to be required, and perhaps some reorganization of the electric utility industry as well. Rate-making concepts in effect today are part of the promotional era—when we measured progress in kilowatt hours. They need to be turned around.

New rules for pricing electricity are needed to provide incentives for conservation to replace promotional rates and profits based solely on plant expansions. Regional regulatory agencies may be needed to develop regional plans for maximum efficiency and minimum impact on the landscape, with authority to assure that utility expansions conform to the plan. These regional agencies could assist the states in fixing retail rates. They could assure that power grids were strong enough to take full advantage of the savings in land and capital from truly integrated planning and operation.

A Federal Power Commission alert to the public need should be actively proposing such reforms. We cannot afford to drift ahead with utility expansions under ground rules and institutional arrangements that are inflating our electric bills and cluttering the landscape with more investments in facilities than are really needed. If the FPC or the executive branch show no initiative, the Congress should.

EPA: STILL VITAL

Another victim of the energy crisis is public attention to pollution abatement. The cleanup campaign so nobly begun and so widely reported in the media a few years ago is giving way to daily bulletins as to whether we will get enough energy, never mind whether it is clean or dirty. It is therefore useful to remind ourselves that the work of the Environmental Protection Agency is just as vital as ever. The medical evidence on air pollution has not changed—it is still a health hazard. The damage from strip mining, oil spills and the rest is still a clear and present danger.

The crucial test of our resolve is coming up as EPA acts in 1975 to implement the primary air quality standards to protect human health. It will require industry to use cleanup technology that is expensive and which industry claims is not yet reliable. The energy crisis will no doubt be cited as an excuse for putting off the cleanup. Yet the irony is that the actions some cities must take to comply with these clean air standards are precisely those that are needed to overcome the shortage of gasoline: creating better public transportation to substitute for private cars in getting to work. The ability of EPA to stick by its guns and withstand the pressures from inside and outside will depend on how much the public cares.

Energy policy in the government has been so fragmented and so ineffective in the past that it is good to have a czar. But paying attention to what the established agencies are doing, may be much more important.

EXHIBIT IV

ENERGY UNDER THE OCEANS: A TECHNOLOGY ASSESSMENT OF OUTER CONTINENTAL SHELF OIL AND GAS OPERATIONS

(By Don E. Kash and Irvin L. White)

EXPLORATORY INFORMATION

As the government official directly responsible for promoting and regulating the development of OCS natural resources, the Secretary of the Interior must attempt to achieve a number of policy objectives. These include conservation, the prevention of waste, and the protection of the environment. The Secretary and his deputies have limited geological and geophysical data upon which to base a number of important decisions such as tract value, land use plans, and environmental risk and safety. In particular, limited data curtail their ability to administer effectively the OCS leasing system. In this section, the problem of evaluating tract value, safety, and lease planning is defined; alternative information-acquisition procedures are analyzed and evaluated; and some desirable changes are suggested.

Information needs

In advance of a lease sale, BLM and USGS are required to make economic, engineering, and geologic evaluations of each tract being considered for sale. The quality of decisions based on these evaluations is related directly to knowledge of the area being considered. According to the Department of the Interior, "in geologically well-known areas, the resources in a province or lease area can be estimated within an order of magnitude, using previous history and projections of trend and environment."[1] (For a detailed discussion of reserve and resource information, refer to Appendix C.)

As lessees, companies are required by the *Code of Federal Regulations* to furnish well logs, cores, core analyses, paleosamples, well tests, production information, and geophysical surveys to USGS.[2] But this information is available only for tracts already leased and being developed. Thus, Interior can only make relatively well-informed decisions on sales involving drainage tracts. (Drainage tracts are tracts from which oil and gas is being drained by production on adjacent tracts.) Industry is not required to share its exploratory information on unleased tracts with USGS; consequently, government data for these tracts is limited to what government has either gathered itself or purchased from industry.

Determining the value of individual tracts on the basis of inadequate data may be less a problem than evaluation of the safety risk of developing the lease. The competitive bonus bid system provides a market mechanism for pitting bidders with good exploratory data and highly refined interpretative capabilities against each other, but there is no similar built-in method for insuring safety without having adequate exploratory data. (The bonus bid system is discussed at length in Chapter IX.)

The principal vehicle for assessing whether a tract can be developed safely is now the environmental impact statement. (Most industry spokesmen do not believe there is a safety problem, but USGS lists safety as one of the reasons it needs exploration data.) As indicated previously, OCS lease sales are considered to be major federal actions with significant impact on the human environment. Consequently, every tract is evaluated to determine what effects its development might have on the environment.

At the present time, the impact statement evaluation does not include an analysis of geologic characteristics which might increase the probability of a development accident—such as Union's blowout at Santa Barbara or the collapse of a Shell platform in the Gulf. In part, this omission may be due to Interior's lack of data from other than industry sources; but it is also due to Interior's policy of treating industry data, whether obtained from lessees or purchased, as proprietary information which can only be disclosed with specific approval of the area supervisor.[3] This means that these data cannot be made public, not even to meet the environmental protection objectives of NEPA. One effect of this may well be to inhibit the effectiveness of the public review process.

The overall effect of this lack of adequate data for making important decisions for OCS development seems to be that Interior reacts to industry initiative rather than acting on the basis of its own "systematic and efficient plan of geologic study, resource appraisal and leasing of the OCS."[4] Interior itself says that "the current pattern is dependent primarily on industry preference."[5] One effect of this pattern is a conclusion on the part of some observers that Interior and the industry work too closely together. This, of course, can be costly in terms of further undermining public confidence in Interior as a vigorous promoter and protector of the public interest.

Under the present system, industry does nominate tracts to be included in the lease sales, but it nominates tracts within an area specified by BLM in its call for nominations. So long as bonus income continues to be a primary motive for holding lease sales, it will be difficult to employ a tract selection system that doesn't call for some initiative on the part of the potential bidders.

WHAT ARE THE ALTERNATIVES?

Two major variables have to be taken into account in considering alternatives to the present system: the first is the procedure for information acquisition; the second is the timetable. We will discuss four procedures that provide information before the lease sale

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and one procedure that makes information available following the lease sale:

1. Having the federal government, presumably USGS, collect its own data by contract surveys or with its own ships and equipment;
2. Requiring companies to submit their exploratory data and assessments to USGS on a confidential basis;
3. Having USGS collect some of its own data and continue to purchase some data from industry as it does at the present time;
4. Requiring companies to submit all raw seismic data to USGS on a non-proprietary basis in order to be issued an exploration permit and making all data furnished by lessees non-proprietary; and
5. Following the lease sale, the lease could be retracted and the bonus bid returned if, on the basis of information submitted after the sale, it is determined that the risk of developing the tract is considered to be publicly unacceptable.

Assessment of the alternatives

Interior has reviewed the first three of these alternatives in its response to a series of questions it was asked to answer as a part of the energy policy study being conducted by the Senate Interior and Insular Affairs Committee.

Have Government Collect Its Own Data: In brief, the department saw a number of advantages in having the federal government collect its own data, including:

a. These data could be publicly disclosed in publications, impact statements, and for other public purposes;

b. The Department of the Interior could operate on the basis of a systematic and efficient plan of geologic study, resource appraisal, and leasing program; and

c. "A program of regional geologic study of all of the OCS could be planned and carried out on a systematic time basis for the preparation of geologic and resource analysis maps and topical reports."[6]

The sole disadvantage mentioned by Interior was cost. The estimate given for close-spaced seismic data purchased as a part of a small group was $50–75 per mile. Under existing procedures, however, this data could only be made public if the government were the sole purchaser, so that the cost of non-proprietary data is substantially higher.

But there might well be some adverse effect on the service companies that conduct and sell seismic data as well as on the competitive bonus bid system itself. If close-spaced raw data were publicly disclosed, there would be no reason to pay for it any more. Making the data publicly available in advance of the sale might adversely affect competition. However, at the present time most bidders have access to similar exploratory data, and it is the difference in companies' ability to enhance, display, and interpret the raw data that accounts for real competition.

Under this alternative the data available to Interior would be much improved both for safety and effective management; however, it should also be pointed out that, with the best seismic data currently available, resource estimates are still not very accurate. Holes would still have to be drilled to determine the actual value of the lease.

Have Companies Submit Data and Assessments: According to Interior's assessment, there are two major advantages to the alternative requiring companies to submit their exploratory data and assessments to the government on a confidential basis. First, the data would be available for the cost of reproducing it; second, "to the extent that individual companies surveyed and appraised the same areas, the sum of their observations and interpretations would represent a broader spectrum of expert opinion than could be provided by a single organization."[7] But these data still could not be publicly disclosed, although Interior suggests that a possible additional requirement might be to place these data in the public domain after some set time.

A Combination of Government and Industry Data: The advantage of having government supplement data acquired from industry with data it collects on its own is that some of the data could be publicly disclosed. This alternative could also give Interior an opportunity to be more systematic with at least a part of its data-acquisition program.

Have Companies Submit Their Pre-Lease Raw Data: The alternative requiring companies to submit all raw seismic data and treating it and all data subsequently furnished by lessees as non-proprietary is the most far reaching of these alternatives. The Public Information Act of 1968 requiring that government agency records be made available for public inspection might have to be amended for this to be an available alternative. Section 552(b) of the Act exempts several categories, including "geological and geophysical information and data, including maps, concerning wells." The Act does not require that these records be withheld, but present Interior policy, as stated in the *Code of Federal Regulations*, restricts their use: geological and geophysical interpretations, maps, and data required to be submitted under this part shall not be available for public inspection without the consent of the lessee so long as the lease remains in effect or until such time as the supervisor determines that release of such information is required and necessary for the proper development of the field or area.[8]

This restrictive information policy enables the leaseholder to have an information advantage over competitors when bidding on adjacent tracts and limits public disclosure of data used in evaluating tracts.

The specific effect of public disclosure in this case depends, as it does in the first alternative, on when the raw data are to be made public. If disclosure is before the lease sale, in the impact statement, it could affect the competitive bonus bid system. However, if we are accurate in our impression that interpretation rather than raw data is the real point of competition, the effect on lease sales would be minimal.

Treating information submitted to USGS by lessees as non-proprietary would be a major change in policy and surely would generate an energetic negative response from industry. In one sense, the basic question is what rights did the leaseholder purchase? It is clear that he purchased a right to find, produce, and transport oil and gas. It is not clear that he also purchased an exclusive proprietary right to the information which he obtains in the process of exercising his other rights—although it might be argued that this has become a customary right.

Have Companies Submit Data After the Lease Sale: The final alternative, requiring the submission of exploratory information by the successful bidder after the lease sale and before development, is similar to the present requirement for submission of structural interpretations of geological and geophysical data for USGS approval of permits to drill. Although this data would support a review process to assess risk, the timing of the review could introduce uncertainty and bias into the possibility of subsequently rejecting a bid. Importantly, this alternative would neither meet information needs for a public review of the lease sale and other government decisions in managing and controlling OCS development nor satisfy information needs for land use and energy planning.

Summary and policy implications

We have chosen to discuss these five alternatives either because they have been considered by Interior or they raise important issues. Many other combinations could have been discussed. However, our purpose has been to indicate that adopting any of these five alternatives (or an alternative involving combinations or variations of these same component parts) could produce numerous second-order consequences. We have noted only a few of these, such as possible effects on the seismic services industry, competitive bidding, and the level of confidence the public has in Interior and the industry. This is a complex system in which any change, such as having government collect its own data or establishing new rules concerning public disclosure, will produce changes in other parts of the system as well.

Some of the changes, such as publicly disclosing raw seismic data in advance of a lease sale, apparently should not affect the competitive bonus bid leasing system since it appears that every company can obtain raw data of comparable quality. If this is correct, logically raw data could be disclosed and competition could continue on the basis of differing capabilities to enhance, display, and interpret data. But this fails to take into account the symbolic importance which the petroleum industry attaches to this aspect of the competitive system. Decision makers, both public and private, have to be aware that this is the case. But if they are to act responsibly, they have to make their decisions on the basis of a broader set of energy-environment issues.

DESIRABLE CHANGES

It would be desirable to supplement present exploration information collection procedures in two ways:

a. In order to acquire exploratory information for regional land use planning for offshore and onshore facilities, the government should contract its own seismic survey.

(b) Before each lease sale, the government should contract for both seismic and subsoil surveys to provide adequate data for assuring that development can be carried out safely. These data should be public information, and as necessary, both the data and analyses should be included in the environmental impact statement.

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FOOTNOTES

[1] Interior, *Questions and Policy Issues*, p. 72.

[2] Title 30, *Code of Federal Regulations*, Section 250 (30 CFR 250).

[3] OCS Order Number 12, Gulf Coast Area.

[4] Interior, *Questions and Policy Issues*, p. 73.

[5] *Ibid.*

[6] *Ibid.*, pp. 73–74.

[7] *Ibid.*, p. 74.

[8] 30 CFR 250. 97.

Exhibit V

[From the Washington Post, Feb. 24, 1974]

Leasing Federal Oil Land

(By Oscar Kiessling)

Responding to the need for increased oil supplies, the government recently has announced a stepped-up program for leasing federal oil lands. These are mainly in the continental shelves of the East, West and Gulf coasts. They have enormous reserves, according to the U.S. Geological Survey.

Up to the present, the economic impact of the present leasing system has received little attention. The time has come, however, to determine whether it functions adequately in the light of changing conditions and probable future needs. If modification is in order, it should be made before extensive new leases are negotiated for lands that have the bulk of the nation's total petroleum reserves.

The present leasing procedure is basically an auction in which potential developers submit cash bids for the right to explore and develop limited tracts. Developers pay hundreds of millions of dollars for this privilege without assurance of adequate return or, possibly, any at all. In addition to meeting high initial lease expense, they must finance deep-

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water drilling rigs which may cost up to $50 million or more each, plus large capital outlays for operating expenses.

This arrangement generates a huge front-end financial load for what is a high-risk operation. Obviously, to survive, developers confine bids to tracts where success is most likely. Less attractive areas may not be explored owing to the great financial hazard although such areas ultimately might contribute substantial production if developed.

The present procedure does produce a one-shot surge of cash for the Treasury where it disappears quickly and forever into the giant maw of the current annual budget.

The serious business of obtaining much-needed oil production is not an area where we should continue big-time roulette. The method of leasing should not be changed to reduce initial exploration costs, encourage maximum development, and produce longer-term and greater benefits for the nation. This can be done by eliminating cash-cost leases and substituting compensation on the basis of attained production. Thus, developers would pay nothing down for the right to explore and develop, but would obtain this privilege through competitive bids on the percentage of attained output they would turn over to the government.

Oil delivered to the government can be handled readily in the public interest. Part of it (received at virtually no cost) could be refined into products needed by defense agencies—a big saving in what is now a sizable factor in all annual budgets. The remainder could be sold in the open market under a program aimed at stabilizing prices and keeping them at reasonable levels, thus benefiting consumers.

It is also likely that the aggregate return to the government under the proposed change would be materially greater than under the cash-lease method. This is because production from developed fields is generally much larger than the initial estimates of geologists, which are the basis for cash-lease bids under the present system.

Since oil development is a moderately long-term operation, benefits under the changed procedure would flow annually over a long period—possibly indefinitely as new areas on public lands are developed. This, by itself, gives the government an inflation hedge with regard to compensation ultimately received from leases. With inflation expected to continue indefinitely, for example, a barrel of oil delivered to the government in 1984 or 1994 should be much more valuable than cash paid to the Treasury in 1974, even if we kept it.

Clearly, the bonus cash-lease method is archaic and no longer compatible with current realities and future national needs. Delay in making the needed change would seriously impair our ability to win the struggle to become fully self-sufficient in oil.

EXHIBIT VI

[From the Washington Star-News, Mar. 22, 1974]

COUNCIL FEARS OFFSHORE OIL SPILL

(By Roberta Hornig)

Oil spills are highly likely to hit coastal recreation areas and marshlands if and when oil and gas drilling begins off the Atlantic Coast, President Nixon's Council on Environmental Quality warned today.

Areas most vulnerable to damage from spills are the coasts of Georgia, South Carolina and Florida, said a CEQ report. The next most vulnerable area is off Long Island, N.Y., and New Jersey.

While still endangered, areas off southern New Jersey, Delaware and Maryland—including the resort areas of Atlantic City, Rehoboth Beach and Chincoteague Island—would likely fare better.

Another major council finding is that estimates by both the United States Geological Survey and private oil companies on how much oil and gas is likely to be found off the east coast have been highly overblown.

Originally, estimates were that the Outer Continental Shelf contained around 48 billion barrels of oil and about 220 trillion cubic feet of natural gas.

The new estimates, only a few weeks old, are that oil reserves are likely to be between 10 and 20 billion barrels and natural gas about 55 to 110 trillion cubic feet.

Sen. Henry M. Jackson, D-Wash., today introduced legislation designed to increase offshore oil and gas development while at the same time providing maximum environmental safeguards and ensure the receipt of a fair market price.

The bill, Jackson said, called for a federal exploration program and publication of geological and resource data, and require research and development of new technology to increase safety and eliminate or reduce environmental damage.

"Despite a year of shortages, the administration's leasing effort is still too small and too slow," Jackson said. "It appears dominated by the Office of Management and Budget's desire to release as little acreage as possible in order to generate maximum present revenues to the federal Treasury."

The 350-page report is the study the administration had promised before it would permit offshore east coast drilling.

Such drilling, however, is part of the administration's plans to increase domestic energy production.

Here are some of the major findings in the study:

While there are environmental hazards, offshore oil drilling has to be weighed in the context of what alternative energy sources would be available to the east coast if there was no drilling. The major tradeoff likely would be strip-mined coal from Appalachia.

Offshore Atlantic drilling would be under weather conditions even more serious than those in the North Sea and in the Gulf of Alaska because of the extreme severity of mid-Atlantic storms.

The study lists these probabilities of oil spills reaching the shores off various regions of the East Coast:

For the Georges Bank off Cape Cod, with drilling proposed for 100 to 150 miles out in the Atlantic—a 50 percent chance of oil spills at 50 miles out and 15 percent at 150 miles out.

The most endangered area in the Georges Bank area is off Long Island. Spills would have a 10 percent chance of coming ashore if drilling were out 25 miles. But if drilling is less than 25 miles, the probability goes up to 75 percent.

For the Baltimore Canyon area offshore, encompassing areas off Southern New Jersey, Delaware and Maryland, the probability for spills reaching the shore is 10 to 20 percent.

The area endangered most would be in the Georgia Embayment, where there is a 90 to 95 percent probability of oil spills reaching the shoreline.

The study also concludes that closer-in spills, which could be caused either by ruptured pipelines or tanker accidents, would almost certainly affect Delaware Bay, Falmouth Bay in Massachusetts, and Charleston Bay.

CEQ estimates it would take somewhere between 2 and 10 hours for the oil to come ashore, depending on the season.

While Maryland, Delaware and Southern New Jersey stand the likelihood of having fewer oil spills, the effects would last longer, the report says.

That is because much of this coastal area is composed of salt marshes and wetlands where the oil would stick to sediments. These areas would also suffer more from the initial construction of any offshore drilling rigs, the report says.

Within the next month the council is expected to make a recommendation about offshore East Coast oil drilling on the basis of its report.

EXHIBIT VII

[From the Washington Post, Mar. 24, 1974]

THE OFFSHORE OIL RUSH—RIGS' INVASION OF GULF STARTS A NEW ERA

(By George C. Wilson)

NEW ORLEANS.—Like homesteaders rushing out for virgin land, oil men, at President Nixon's urging, are sailing forth in ever growing numbers these days to work claims in the Gulf of Mexico.

They are going out for the oil and gas that lies under the unbroken land. So many rigs are out on the water that the gulf in some places today looks like the staging area for a strangely shaped invasion force—barges with steeple-like oil derricks on top.

If government and industry geologists are anywhere near right, this same invasion force will be standing off such East Coast cities as Jacksonville, Baltimore and Boston within a decade, mining under the sea for oil and gas. Yet another fleet may dig into the sea bottom under the Gulf of Alaska.

The stepped-up activity in the Gulf of Mexico is just the beginning of a whole new era in exploiting the resources of the Outer Continental Shelf of the United States. And the impact—especially for the East Coast—will confront Americans with a whole new set of difficult choices in their lifestyles and landscape.

Critics complain that the federal government is ordering this era into being without considering the consequences. One such critic—the Environmental Policy Center, a lobbying group—contends that the Nixon administration should file a formal environmental impact statement on its policy decision to lease out vast areas of the ocean to oil companies.

"No one in the federal government knows what the national interest is in the coastal zone because no attempt has been made to reconcile the multiple uses of the ocean environment with a view to the long-term productivity of the seas," complains Barbara Heller, an ocean resources specialist for the Environmental Policy Center.

"If we are really facing any kind of shortage," she contends, "this argues in favor of caution in development rather than haste while we search for the most efficient ways to develop, transport, refine, distribute and utilize oil and other energy resources for the long term."

President Nixon's Council on Environmental Quality—in theory his chief adviser for such decisions as accelerating the leasing of land offshore—was not consulted on the administration decision to increase leasing ten-fold, according to administration sources.

But such political opponents as President Nixon and Sen. Henry M. Jackson (D-Wash.) agree that offshore is the best place to go for relief of domestic oil shortages. They stress that drilling offshore, with today's technology, can and will be done with minimum risk to the environment.

Even though the argument will not be settled for years, the rush to mine the wealth of the sea is on, with the government's full blessing.

Further proof of this will come here Thursday when the Interior Department's Bureau of Land Management will offer oil companies the right to drill for oil and gas in 920,000 acres of sea bottom from 3 to 140 miles off the Louisiana coast.

This acreage is the biggest amount offered in seven years and further reverses the downward trend in offshore leasing which followed the Santa Barbara oil spill on Jan. 28, 1969. Mr. Nixon gave the rationale for the stepped-up effort in his energy message of Jan. 23, 1974: "The undiscovered oil and gas beneath our Outer Continental Shelf can provide a significant portion of the energy to make us self-sufficient."

"Today," he continued, "I am directing the Secretary of Interior to increase the acreage leased on the Outer Continental Shelf to 10 million acres beginning in 1975, more than tripling what had originally been planned."

He added that leases for Atlantic and Gulf of Alaska sea bottom would not be offered until after the Council on Environmental Quality finished a study on what offshore drilling would do to those areas. But several geologists interviewed said those two areas would have to be opened up to achieve the stated goal of leasing 10 million acres of promising oil and gas beds offshore.

Ten million acres is almost twice the total area of Massachusetts and 1½ times the size of Maryland. Also, it is 10 times the amount of offshore territory leased last year and almost 100 times the 114,282 acres leased in 1969—the year of the Santa Barbara spill.

"The oil industry doesn't have enough equipment to work 10 million acres," warns one government geologist. "We're really not ready for this big jump."

But the Cabinet officer in charge of the program to get that much offshore territory leased, Secretary of the Interior Rogers C. B. Morton, counters that the effort must be made—but perhaps under different arrangements to reduce the risk and concentrate available equipment on the most productive oil and gas beds under the sea.

"If you really had to hang your hat on an increase in oil of something in the neighborhood of 3 million to 3½ million barrels a day." Morton said in an interview in Washington, "and I'm not talking about the Arctic now because that's a delivery problem, you're looking at the Outer Continental Shelf. There isn't any question in my mind about it."

To maximize the chance of getting the most oil offshore with a minimum of protest, Morton, under what he calls a "two-tier system," would like to do more preparation of the sharply expanded leasing program.

Besides the technical evaluations of oil companies about offshore seabeds, Morton said, "I would like to have the environmentalists try to draw some comparisons from an environmental point of view. Where is the worst place from their point of view? It might well be the Atlantic. It might be the Gulf of Alaska because of climatic problems and wave action and all those things."

With such inputs, Morton said, the government could draw the boundaries of the most desirable offshore leasing areas and then go into the "second-tier" step of letting oil companies formally request the right to drill specific tracts within the selected area.

In the bidding process itself—like the one coming up Thursday in New Orleans—oil companies agree to pay a bonus to the federal government for the right to develop specific tracts offshore and then give the government one-sixth of the oil produced.

With the high price of oil, bidding for this offshore territory has reached unprecedented heights. Last December the federal government got $1.49 billion in bid money—called bonus payments—from oil companies for the right to drill for oil and gas on 485,396 acres under the Gulf of Mexico off the shores of Mississippi, Alabama and Florida. A single tract of 5,760 acres 45 miles southeast of Fort Walton, Fla., brought $211,997,600—a record amount.

Because offshore leasing brings billions into the treasuries of federal state governments, Morton said, "a money-oriented program" has evolved rather than one designed to manage the oil and gas resources intelligently.

To move "from a money-oriented program to an oil-oriented program," Morton said, "we've got to consider the proposition of exploration as sort of a separate phase from development." He said he has not worked out the details, however, and did not want the government itself to get into the exploration business.

The oil industry does not consider it practical to separate exploration and production, and is expected to fight any such formal administration effort. But Sen. Jackson and other lawmakers are putting pressure on the administration to give the government a larger exploration role on the Outer Continental Shelf and to change the present bidding system.

Jackson does agree on the need for stepped-up mining of the sea—declaring last Monday that the Interior Department should make "available for leasing by 1985 all Outer Continental Shelf lands favorable for oil and gas development without environmental damage."

At the 1973 level of U.S. consumption of 6 billion barrels of oil and 23 trillion cubic feet of gas, Jackson said, the oil and gas believed to be under the Outer Continental Shelf could supply the United States with those fuels for 35 years.

But there is considerable disagreement over how much oil and gas are under those offshore lands. The U.S. coastline is 12,000 miles long, with a continental shelf—going from the low tide mark down to a depth of 600 feet—of 650,000 square miles. It varies in width—120 miles in the far northern part of the Atlantic down to 20 miles off Cape Hatteras—as well as in depth and richness.

The latest government estimates of the total oil and gas reserves under the sea were released Friday in a Council on Environmental Quality study on the impact of offshore drilling. Here are the U.S. Geological Survey (USGS)—including oil and gas already extracted—in the report along with those made by the oil industry's National Petroleum Council (NPC):

Offshore oil—Billions of barrels

	USGS	NPC
Gulf of Mexico	30-50	19
Pacific	10-20	17
Atlantic	10-20	6
Alaska	30-60	29
Total	80-150	71

Offshore gas—Trillions cubic feet

	USGS	NPS
Gulf of Mexico	250-425	220
Pacific	15-25	25
Atlantic	55-110	60
Alaska	170-340	185
Total	490-900	490

The Geological Survey estimates for the oil and gas potential of the Atlantic seabed are way under the survey's former estimates of 48 billion barrels of oil and 220 trillion cubic feet of gas.

Lower estimates or not, the combination of President Nixon's orders to go after whatever oil and gas does lie offshore, plus the high prices industry can now get for it, assures no slowdown in this new rush for riches under the sea.

By Mr. BIDEN:

S. 3347. A bill to amend the Internal Revenue Code of 1954 to limit capital gains treatment for individuals to $50,000 of capital gains and to repeal the alternative tax for individuals. Referred to the Committee on Finance.

CAPITAL GAINS

Mr. BIDEN. Mr. President, I introduce for appropriate reference a bill to amend the Internal Revenue Code with respect to the treatment of capital gains.

Mr. President, it is impossible to talk about substantive tax reform without considering modification of the tax treatment given to capital gains.

Capital gains are generally gains on the sale of property, both business and personal, held by the taxpayer, other than property held for sale to customers. There are two broad categories of property. The first, capital assets, are generally all property other than inventory, stock-in-trade, property held for sale to customers, and real and depreciable business property. Gain on the sale of a capital asset is considered a capital gain, and loss on a capital asset is considered a capital loss.

The second category is that of real and depreciable business property. Gains on this type of property are usually treated as capital gains, but losses are treated as ordinary losses.

Capital gain subject to tax is generally the difference between the cost, or basis, of the property and the sales price. The basis is increased if permanent improvements are made and decreased if depreciation is taken.

The tax on capital gains applies only when gains are realized, not as they accrue. There are some cases, however, when realized gains are not recognized for tax purposes. Such is the case when a personal residence is sold and another bought within a specified time period.

Capital gains are classified as short term—gains on property held 6 months or less—and long term—gains on property held for more than 6 months. Short-term gains are treated as ordinary income. Individuals may exclude one-half of long-term gains from their adjusted gross income. They may also elect an alternative tax of 25 percent on the first $50,000 of long-term gains.

Capital losses are also treated in a special manner. Long-term capital gains are reduced by long-term capital losses and short-term capital gains by short-term capital losses. Then any net long-term capital gain is reduced by any net short-term capital loss or vice versa. Individuals can then apply any net short-term capital loss or one-half of net long-term capital loss against ordinary income, up to a $1,000 reduction. There is an unlimited carryforward so that losses can be carried over to the following tax year to offset first gains and then up to $1,000 of ordinary income each year.

Although some limited type of distinction between capital gains and regular income might be retained, I believe that the current preferential treatment of capital gains is unwarranted. Capital gains, after all, constitute income to the individual which increases his economic power and are available for consumption if desired.

Preferential treatment of capital gains has caused the development of tax shelters which benefit primarily the wealthy. Our tax system, in effect, favors investment income over actual earned income, because it taxes wages and salaries at higher rates than capital gains. Since capital gains are primarily held in large amounts only by the wealthy, the current system actually discriminates against those of lower and more moderate means.

Another factor which argues for reform of capital gains treatment is that it is one more loophole that not only provides an extra bonus to the well-to-do, it makes our tax structure that much more complex. It is a hindrance to the progressive income tax with its "ability to pay" principle.

There are several other arguments that one usually hears in support of preferential treatment of capital gains. One is that this income does not completely reflect added purchasing power because it reflects inflation and therefore should not be fully taxed. I find this to be unpersuasive, however, since normal income, which also reflects inflation, is taxed at regular rates. The question of double taxation also usually comes up, but I consider this more of a problem of the integration of the corporate and individual tax system, not a reason to support preferential treatment of capital gains.

In short, an attempt must be made to reduce this special treatment to bring it more into line with regular tax rates. I am today proposing legislation which will move toward that goal. This bill would tax capital gains over $50,000 as regular income. This still fairly high level will allow for a gradual change of direction in the treatment of capital gains, without any hysterical fear that business investment would shrivel up and have disastrous effects on our economy. After we see that cries such as these have been fostered mainly by the wealthy persons who enjoy the benefits this loophole income provides, we can better determine whether or not further action is warranted.

I also propose to eliminate the 25-percent alternate tax on the first $50,000. To benefit from this provision a person must be at least in the 50-percent marginal tax bracket. I feel that the $50,000 ceiling that I have already proposed is more than adequate in order to make this added feature unnecessary.

Hopefully this measure will be a preliminary step to better assess our tax structure and its many loopholes. Currently, preferential treatment of capital gains for individuals is the cause of a huge $7 billion loss to the Treasury. This provision would return a significant portion of that loss, without any undue ill effects. It would restore a measure of fairness to our tax system and hence to our more moderate income earners who have too long labored under the burden of disproportionate taxation. This bill would raise an estimated $3½ billion annually.

Mr. President, I ask unanimous consent to have the bill printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 3347

Be it enacted by the Senate and House of Representatives of the United States of America in Conrgess assembled, That (a) section 1202 of the Internal Revenue Code of 1954 (relating to deduction for capital gains) is amended by striking out "the amount of such excess" and inserting in lieu thereof "so much of such excess as does not exceed $50,000 ($25,000, in the case of a married individual filing a separate return)".

(b) Subsections (b) and (c) of section 1201 of such Code (relating to alternative tax in the case of taxpayers other than corporations) are repealed.

(c) The amendment and repeals made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

By Mr. BIDEN:

S. 3348. A bill to amend the Internal Revenue Code of 1954 to increase the effectiveness of the minimum tax for tax preferences. Referred to the Committee on Finance.

MINIMUM TAX

Mr. BIDEN. Mr. President, I introduce for appropriate reference, a bill to amend the Internal Revenue Code with regard to the minimum tax.

Mr. President, the minimum tax was a device enacted as part of the Tax Reform Act of 1969 to insure that everyone who was financially able would pay at least some tax on income. It aims specifically at income gained through the use of tax preferences. Many of these preferences or loopholes were originally granted as a spur to provide money to promote the growth of business. It was thought that by providing this incentive, more jobs would become available and more money paid out in wages would get into the economy, resulting in a higher standard of living for everyone. To some extent this is still a valid argument. It has been a long time, however, since many of these laws were passed, and it is imperative that they be reviewed not only to insure that they are achieving their initial objective, but also to ascertain the manner and purpose of their application.

For years it has been obvious that a large number of wealthy individuals have been able to manipulate these loopholes to shield their income in such a way as to avoid much of the tax burden for which they would otherwise be liable. Documented cases of millionaires paying little or no income taxes graphically demonstrate the inequity of our tax system.

Two major categories of income tax loopholes are preference income and exempted income. Preference income is subject to the minimum tax of 10 percent. Examples of this type are capital gains, oil depletion, accelerated depreciation on real property, accelerated depreciation on personal property subject to a net lease, amortization of railroad rolling stock, amortization of certified pollution control equipment, reserves for losses on bad debts of financial institutions, and stock options.

The minimum tax has been largely ineffective, however, for two reasons.

First, there is a $30,000 exemption for income subject to the minimum tax. This has proved to be an unreasonably high figure since virtually the only thing it accomplishes is to allow wealthy taxpayers to avoid paying any tax on the first $30,000 of preference income. I propose lowering the exemption to $10,000. This is sufficient to exempt the middle income taxpayer who has a modest amount of capital gains, et cetera and still cover larger amounts of money that are currently escaping taxation.

Second, regular income taxes can be deducted from tax preference income. This has created what is sometimes called an "executive suite" loophole. For example, this allows a company executive to shelter his preference income with the regular income tax he pays on his large salary. In such cases persons could have extremely large amounts of preference income and still not pay any minimum tax.

Obviously, some change must be made in the minimum tax if it is to achieve what was intended. As it is presently constituted, this tax is usually circumvented with little effort by people with the means to do so. Although the statutory rate is 10 percent, the effective rate for individuals is approximately 2 percent. I, therefore, think that the deduction for regular income taxes is unwarranted and should be discontinued. Although the concern has been voiced that these measures would unduly hamper business investment, studies have indicated that this would actually reduce effective overall tax rates insignificantly, while at the same time, requiring wealthy persons to pay something closer to the statutory minimum tax rate.

These two necessary modifications to the minimum tax are identical to the amendment sponsored by Senator Kennedy and others to H.R. 8214 earlier this year. Although the amendment was passed, the bill was later recommitted. If enacted into law, it is estimated that these provisions would generate additional revenue of approximately $860 million per year.

Finally, the minimum tax has proved ineffective because it fails to include in its base certain items that are now tax exempt. This failure permits many wealthy people to escape paying taxes on income, and allows the operation of a number of tax shelters to continue untouched by the minimum tax. Interest on State and local bonds, intangible drilling costs, investment credit, interest and taxes during construction period of real estate, gain on property transferred at death, and gain on appreciated property given to charity fall into this category.

One of the most glaring omissions in the minimum tax base is interest on State and local government bonds. This tax exempt interest allows an individual with great wealth the opportunity to enjoy a virtually tax free income by investing heavily in this type of security. The provision as it stands now results in a revenue loss of approximately $3.3 billion per year, making it one of our most expensive tax subsidies. Since these bonds are usually expensive and the rate of return comparatively small, they are bought for investment purposes primarily because of their special tax status.

One may argue that the existence of tax exempt treatment provides an interest subsidy to the States and local governments. However, the exemption is a very inefficient subsidy since the revenue loss to the Federal Government exceeds the interest savings to the States by an estimated $800 million. This difference, of course, must be borne by those who are unfortunately less affluent. In addition, the subsidy is erratic depending on the marginal tax rate of the recipient. This means that the larger the person's income, the bigger the tax break he receives.

Another item which should be added to the minimum tax base is the expensing of intangible drilling costs of oil and gas. This includes certain expenses incurred in bringing a well into production, such as labor, certain materials, supplies, and repairs. Although these expenses are of a capital nature—expenses for an asset which will produce income over a number of years—they can all be deducted in the current year, rather than being depreciated over the useful life of the asset, which is the normal procedure. In this way taxable income can be substantially lessened. Although it would seem that by doing this, the taxpayer would then have to pay a higher amount of taxes the next year, this is not the case. As long as he continues drilling, he is basically still in the same position of reducing taxable income.

This results in a revenue loss of about $325 million per year. Although it might be said that this could possibly discourage petroleum exploration, in a period of shortage I disagree. This form of accelerated depreciation, possibly valid at a time when crude oil sold for $2 or $3 per barrel, has no validity at a time when new oil sells for over $10 per barrel. The large increases in the price of oil should be sufficient incentive for continued exploration.

Mr. President, the inclusion of interest on tax exempt bonds and intangible drilling costs in the minimum tax base would raise an estimated $600 million and $75 million respectively. The bill as a whole then would gather approximately $1½ billion which is now being diverted from the Treasury into the hands of wealthy individuals who have created tax shelters for themselves by manipulation of the tax laws.

The effect of these measures on business would be negligible, and they would introduce a sorely needed measure of fairness into our tax system which still allows plenty of loopholes for those with the money to take advantage of them. I shall continue to seek changes in our present method which places the heaviest burden on the already strapped middle income taxpayer.

Mr. President, I ask unanimous consent to have the bill printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 3343

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 56 of the Internal Revenue Code of 1954 (relating to imposition of minimum tax for tax preferences) is amended by—

(1) striking out subsection (a) and inserting in lieu thereof the following:

"(a) In General.—In addition to the other taxes imposed by this chapter, there is hereby imposed for each taxable year, with respect to the income of every person, a tax equal to 10 percent of the amount (if any) by which the sum of the items of tax preference exceeds the excludable amount.";

(2) striking out "$30,000" in subsection (b)(1)(B) and inserting in lieu thereof "$10,000"; and

(3) amending subsection (c) to read as follows:

"(c) Excludable Amount.—For the purpose of subsection (a) of this subsection, the excludable amount shall be $10,000."

(b) Section 57 of such Code (relating to items of tax preference) is amended by inserting after paragraph (10) the following new paragraphs:

"(1) Intangible drilling and development costs.—The amount of the deduction allowable for the taxable year under section 263(c).

"(1) Tax-exempt Interest.—The amount of any interest excluded from gross income for the taxable year under section 103.".

Sec. 2. The amendments made by the first section of this Act apply to taxable years beginning after December 31, 1974.

By Mr. BIDEN:

S. 3349. A bill to amend the Internal Revenue Code of 1954 to eliminate percentage depletion for oil and gas wells over a 3-year period. Referred to the Committee on Finance.

OIL DEPLETION

Mr. BIDEN. Mr. President, the preferential tax treatment given to the oil industry must be eliminated because it is no longer justified. Oil and other extractive industries pay far lower taxes than manufacturing companies through tax privileges in the form of percentage depletion, deduction of intangible oil drilling expenses, and the foreign tax credit.

Supporters of the continuance of the tax allowances point out that percentage depletion allowances further national security by providing an incentive to create and maintain a reserve or divertible domestic capacity for military use in time of national emergency. This allowance is also said to be a method of compensation for the unusual risks involved in oil and gas exploration. The oil industry itself claims that the special treatment of the oil industry has made possible the continuance of low gasoline prices to the consumer.

However, a Senate study has found that tax privileges granted the petroleum industry as an incentive to further exploration are inefficient in stimulating new supplies of oil. The report, "An Analysis of the Federal Tax Treatment of Oil and Gas and Some Policy Alternatives," reveals that the tax privileges cost the United States more than $1.5 billion a year in revenue. Additional revenue of about $1 billion is lost each year as a result of foreign tax credits, which allow the companies to deduct from their U.S. taxes taxes paid to other countries, thereby encouraging the refining and distribution of oil abroad at the expense of domestic operations.

The study indicates that the oil depletion tax privilege, along with the deduction of intangible drilling costs, actually discourages exploration for new sources of oil and encourages producers to rely on overdrilling in existing fields instead. Both measures appear to apply only to producing wells and not to so-called wildcat or exploratory wells which prove to be dry.

Our country is in the midst of an energy crisis because we have failed to limit an industry which controls part of our natural resources. We have justified tax privileges to encourage growth and development, but our tax incentives have misfired and resulted in a misallocation of resources. In January 1974, an editorial was printed in the New York Times which commented on the tax privilege situation:

> The depletion allowance and other tax breaks are clearly no longer justified, if they ever were; with oil selling at such high prices, there is ample incentive for oil exploration and development. Oil and other extractive industries pay far lower taxes than manufacturing companies; it has been estimated if oil producers were taxed on the same basis as manufacturers, their taxes would go up by $3 billion.

For these reasons, I am introducing a bill to phase out the current percentage depletion tax over a period of 3 years; in 1975, the depletion allowance will be 15 percent; in 1976, the allowance will be 7½ percent; and after 1976, the allowance will be phased out entirely.

I ask unanimous consent that the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 3349

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, effective with respect to taxable years beginning after December 31, 1974, section 613(b)(1) of the Internal Revenue Code of 1954 is amended by striking out subparagraph (A) (relating to oil and gas wells).

Sec. 2. (a) Effective with respect to taxable years beginning in 1975, section 613(b) of the Internal Revenue Code of 1954 (relating to percentage depletion rates) is amended by inserting after paragraph (1) the following new paragraph:

"(1A) 15 percent—oil and gas wells."

(b) Effective with respect to taxable years beginning in 1976, section 613(b)(1A) of such Code (as added by subsection (a)) is amended by striking out "15 percent" and inserting in lieu thereof "7½ percent".

(c) Effective with respect to taxable years beginning after December 31, 1976, section 613(b) of such Code is amended by striking out paragraph (1A).

By Mr. BIDEN:

S. 3350. A bill to amend the Internal Revenue Code of 1954 relating to the application of the foreign tax credit to taxpayers engaged in the extraction, production, or refining of oil or gas in foreign countries. Referred to the Committee on Finance.

FOREIGN TAX CREDIT

Mr. BIDEN. Mr. President, the debate over the legitimacy of the energy crisis grinds on, but several of its side effects seem pretty well-established. First, the prices of petroleum products have skyrocketed. Although the lines at the filling stations have diminished, it is obvious that the cost of gas is going to rise even higher. Second, as consumer costs have increased, so have major oil company profits. In fact, it seems that the only way the gigantic profits of 1973 can be put into perspective, is to compare them with the even higher estimates for 1974. The third element of this perplexing situation is the fact that the Federal Government, as a result of both its action and inaction toward the petroleum industry, bears a large responsibility for this current dilemma. Once again, the consumer is caught in the middle. The man who has to drive to work to support his family, the housewife who has to drive to the grocery store to do the weekly shopping—these are the people who are being squeezed.

Measures are now being initiated at the Federal level to provide an overall energy policy to determine present and future needs, and the best methods of attaining them. It is important, however, that we also assess past actions, to understand and improve our current plight. Because of changing times and circumstances, our laws and regulations must be periodically reviewed to ascertain their current validity to meet the present situation.

One case which is in desperate need of revision is the treatment of foreign tax credits, especially those relating to the petroleum industry.

Years ago, Congress recognized that double taxation of multi-national corporations would be unduly burdensome. Therefore, legislation was enacted which allowed foreign income taxes to be credited on a dollar-for-dollar basis against U.S. income tax liability.

This seemingly sound principle has been grossly expanded, however, to include other charges which can in no way be construed as creditable taxes. Rather than taxes on income, they are actually royalties, money paid by the concessioner for the use of the land. Royalties are fixed, per-barrel charges which are production costs and should be treated as business expenses and, when appropriate, be deducted from gross income.

The revenue rulings which allowed these production costs—normally passed on to the purchaser—to be credited were promulgated by the Treasury Department as early as 1950. Apparently this was done at the insistence of the State Department which said it was necessary for security reasons.

Although it is moot to ponder the validity of these rulings at the time they were first made 20 years ago, they definitely are not valid today. Furthermore, steps must be taken which will specifically forbid this practice.

The effect of permitting royalties and other production costs to be credited against U.S. income taxes has been to provide a back-door subsidy of billions of dollars to the oil-exporting nations. This process allows the producing countries to "tax" petroleum corporations at inordinately high levels. The oil companies don't really lose anything because they merely shift the cost to the American taxpayer as they pile up more tax credits. This practice not only robs the Treasury of revenue, leaving the rest of us to foot the bill, it encourages overseas exploration for petroleum at a time when we are supposedly trying to attain energy independence by relying on our own resources.

The legislation I am introducing today is designed to more precisely define what can and what cannot be treated as creditable income taxes regarding the oil and gas corporations. Royalties and other fixed charges will no longer be creditable, but can be deducted as business expenses. A tax on petroleum companies will be creditable only if it is imposed as part of a general income tax in that country—not one specifically tailored to oil and gas. Charges made in addition to the general income tax will not be creditable. There will be no future carryovers of tax credits because the maximum amount creditable will be the statutory U.S. corporate rate—now 48 percent. Past carryovers will be eliminated.

I am hopeful that passage of this bill will introduce a measure of fairness to both the oil companies and consumers. The oil companies will begin to pay their fair share of taxes, and in so doing relieve some of the pressure from the consumer, who is now suffering the double burden of paying higher petroleum product prices and being forced to recoup Treasury losses due to the current inequitable tax advantages of the oil companies. It will take away an unfair advantage that oil companies operating overseas now have, not only over their domestic counterparts, but also over most other types of corporations as well. It is estimated that approximately $1 billion is lost to the Treasury as a result of treating royalties as creditable taxes.

I ask unanimous consent that the bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 3350

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 903 of the Internal Revenue Code of 1954 (relating to credit for taxes in lieu of income, etc., taxes) is amended to read as follows:

"SEC. 903. CREDITABLE TAXES.

"(a) Taxes in Lieu of Income, Etc., Taxes.—For purposes of this subpart and of sections 164(a) and 275(a), the term 'income, war profits, and excess profits taxes' includes a tax paid in lieu of a tax on income, war profits, or excess profits otherwise generally imposed by any foreign country or by any possession of the United States.

"(b) Income from Oil and Gas Extraction, Production, and Refining.—In the case of income attributable to the extraction, production, or refining of oil or gas in a foreign country—

"(1) for purposes of this subpart and of sections 164(a) and 275(a), no amount paid or accrued to a foreign country as a royalty or as any other fixed per unit charge, and no amount paid or accrued to a foreign country which is normally taken into account as a trade or business expense or as a cost of goods sold, shall be treated as a payment of an income, war profits, or excess profits tax;

"(2) for purposes of this subpart, taxes paid or accrued to a foreign country with respect to such income shall not be taken into account unless such country imposes a tax generally on income derived from sources within such country;

"(3) for purposes of this subpart, that portion of the taxes paid or accrued to a foreign country with respect to such income for any taxable year which exceeds the tax imposed by this chapter with respect to such income shall not be taken into account; and

"(4) for purposes of this subpart, that portion of the taxes paid or accrued to a foreign country with respect to such income which is attributable to—

"(A) a rate of tax (including a surcharge) higher than the rate of tax generally imposed by such country on income derived from sources within such country, or

"(B) a method of computing such taxes which is different from the method of computing the tax imposed by such country on other income derived from sources within such country,

shall not be taken into account."

(b) The table of sections for subpart A of part III of subchapter N of chapter 1 of such Code is amended by striking out the item relating to section 903 and inserting in lieu thereof the following:

"Sec. 903. Creditable taxes."

SEC. 2. The amendments made by this Act shall apply to taxable years beginning after the date of the enactment of this Act.

By Mr. BIDEN:

S. 3351. A bill to amend the Rail Passenger Service Act of 1970 in order to require a public hearing before the National Railroad Passenger Corporation increases any rate, fare, or charge for passenger transportation. Referred to the Committee on Finance.

Mr. BIDEN. Mr. President, I was recently notified by Delaware's Director of Transportation, Mr. John O. Hidinger of Amtrak's intention to increase their fares by 5 percent in the near future. I would like to take this time to explain why this concerns me and the steps I would like the Congress to take before Amtrak effects these increases.

In light of the dramatically increasing cost of living, in our cities and States, many might say it is natural for these railroad fares to increase, as well. I am not arguing against a possibly justified fare increase, but, rather against the lack of due process for the citizens affected. By law, Amtrak need not conduct public hearings prior to fare increases nor discontinuation of certain trains.

Why is this so? At the time that hearings were conducted on the Amtrak creation legislation in 1970, it was decided not to burden Amtrak with many of the cumbersome ICC regulations. A judgment was made to permit Amtrak free experimentation to set and adjust fares giving them the wherewithal to encourage as many passengers as possible. There is no doubt that these intentions were positive.

However, the question now arises, would it not be better, and more equitable to require public hearings, giving the affected passengers an opportunity *to* testify, before enforcing increases? My position is that these public hearings are desirable and necessary.

This amendment, to the Rail Passenger Service Act of 1970, would require a 30-day notice of such hearings, as well as the hearings. I hope that the Commerce Committee will act on this amendment expeditiously.

Mr. President, in light of my interest in guaranteeing quality efficient cheap rail service on Amtrak, I was surprised and interested to find publicized a confidential memo from Amtrak Controller, Sydney S. Sterns revealing that as much as $900,000 in federally-subsidized Amtrak funds were expended for employee business travel. This is notable in view of a regulation specifying that "wherever possible rail travel should be used." In addition,

> There has been widespread criticism of Amtrak on the basis that many of its supervisory personnel, . . . seldom ride Amtrak trains . . . if responsible Amtrak management officials rode the trains more often, the public would soon get better service.

I believe that the statements made in this memo must be fully investigated by the appropriate officials to ascertain whether there has been a calculated violation of the regulations.

Mr. President, I ask unanimous consent that an article from the Washington Post of April 7, 1974 be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From The Washington Post, April 7, 1974]

Amtrak Staffers Run Up Huge Bill for Air Travel

(By William C. Harsh Jr.)

Chicago, April 5.—A confidential memo shows that Amtrak employees bought more than $600,000 in airplane tickets last year although they could have traveled free on Amtrak's intercity passenger trains.

The memo from Amtrak controller Sydney S. Sterns to Amtrak president Roger Lewis and all vice presidents and department heads, dated March 22, said that the huge air travel bill, paid for with federally-subsidized Amtrak funds, was run up despite an Amtrak regulation on employee business travel that specifies: "Whenever possible rail travel should be used."

The memo covers only airplane tickets purchased using Amtrak's air travel card account, which it said totaled "over $600,000." Sources within Amtrak said employees also bought a substantial number of air tickets—perhaps another $300,000 worth—with other credit cards or with cash.

"It appears to me that considerable traveling is incurred by our relatively small management staff," Sterns said in the memo. "In addition, as we are in the rail travel business, greater use of our facilities might be warranted, particularly at off-peak times."

Sterns' memo also admonished the department heads that when employees fly on business "the lowest class fare available should be used."

Amtrak, which had 5,384 employees on Dec. 31, operates an average of 225 passenger trains daily and serves every major city in the United States except Cleveland, Toledo and Des Moines either directly or through connections with the few remaining non-Amtrak railroads. Amtrak is due to receive a federal subsidy of $155 million in the current fiscal year.

There has been widespread criticism of Amtrak on the basis that many of its supervisory personnel, and especially Lewis and his senior lieutenants, seldom ride Amtrak trains.

"It's understandable, of course, that due to time constraints and the sketchy nature of service on many of Amtrak's routes there will have to be some flying by Amtrak employees," Anthony Haswell, chairman of the National Association of Railroad Passengers, said when told of Sterns' memo.

"But my general observation is that if responsible Amtrak management officials rode the trains more often, the public would soon get better service.

By Mr. MUSKIE (for himself, Mr. Mansfield, Mr. Robert C. Byrd, Mr. Cannon, Mr. Stevenson, Mr. Johnston, Mr. Hathaway, Mr. Javits, Mr. Mondale, Mr. Biden, Mr. Haskell, Mr. Huddleston, Mr. Hart, Mr. Humphrey, Mr. Symington, and Mr. Stafford):

S. 3352. A bill to provide for continued monitoring of the economy, and for other purposes. Referred to the Committee on Banking, Housing and Urban Affairs.

THE COST OF LIVING ACT OF 1974

Mr. MUSKIE. Mr. President, I introduce today the Cost of Living Act of 1974, cosponsored by Senators Mansfield, Robert C. Byrd, Johnston, Hathaway, Javits, Mondale, Biden, Haskell, Huddleston, Stevenson, Hart, Humphrey, Symington, and Stafford.

This bill would provide a structure in the executive branch to monitor inflation and other critical problems in the economy. It does not extend the Economic Stabilization Act. And it allows no continuation, imposition, or reimposition of controls, except on petroleum prices under the authority of the Emergency Petroleum Allocation Act of 1973.

But it would provide a mechanism for identifying and bringing Government attention to bear on the critical problems of inflation and shortages which the Nation faces.

Our experience with mandatory controls since the abandonment of phase II has not worked. The dislocations which have developed under the administration's helter-skelter imposition of phases and freezes since 1971 have created an apparently irresistible momentum toward decontrol of the economy. Even where some control authority might still be justified, the record of the past 3 years has made the word "control" anathema to labor, business, and many consumers. And the Congress has demonstrated that it is in no mood to continue the President's authority to continue wages and prices after April 30, when the Economic Stabilization Act expires.

But even though the Economic Stabilization Act will expire, the threat of inflation will not. The Consumer Price Index in February rose 10.1 percent over its level 1 year before and 15.6 percent over the previous month on an annual basis. The Wholesale Price Index rose 1.3 percent between March and February, 15.6 percent on an annual basis. It is now 19 percent higher than 1 year ago.

This Nation faces the specter of double digit inflation—an inflation that could cripple the stability of employment, investment, production, and income. Such serious dislocations are already a numbing reality in a number of European countries.

We do not know what the current year will bring. The soothing words of the administration, that inflation will taper off later this year, are comfortable predictions. But the administration's projections have been wrong before. And we cannot take the chance that they will be wrong again.

For the post-Economic Stabilization Act picture of the American economy is a highly problematic one. Today, a large portion of the economy still remains under controls—24 percent of the Consumer Price Index, 37 percent of the Wholesale Price Index, and 27 percent of the labor force. But controls will end on April 30, when the Economic Stabilization Act expires. We saw at the end of phase II how inflation could bulge when controls were lifted—price rises were at an annual rate of 3.6 percent until phase III let prices take off so fast that a freeze was required. A similar escalation of inflation, from our current already high levels, could be a much greater disaster.

With the possibility of such drastically aggravated inflation, we have a responsibility to take some action. I believe we have a responsibility to enact standby control authority. But in view of the votes already taken by the Banking Committees of both Houses of Congress, that appears to be a dim possibility. The Cost of Living Act, which I am introducing today, would, I believe, avoid the objections of those who oppose control authority of any sort. It is the least we can do to satisfy our responsibilities to meet inflationary dangers.

The Cost of Living Act would direct the President to monitor the economy generally, with particular attention to the problems which make for inflation, shortages, and economic dislocations. It would allow him to establish an agency to carry out the functions of the act, similar to the existing Cost of Living Council. This agency would collect data on the economy, identify potential shortages, and assess the impact of Government and private policies and decisions on the economic health of the Nation. And it would require the President to present to Congress reports of its work every 3 months.

The mechanism established by this bill would provide an economic "early warning system," to alert us to special inflationary and shortage problems.

The energy crisis provides a perfect example of the necessity for such an information system. Many people in and out of Government foresaw the development of fuel shortages years ago. But since there was no central, independent agency monitoring the development of the shortage, and because of the suddenness of the Arab oil embargo, it appeared to spring from nowhere. This in turn led to the spectacle and the Government scurrying in every direction at once, searching not only for information, explanations and policies, but for scapegoats as well. That is not a course we can afford to repeat. And the mechanism of the Cost of Living Act would give us some hope to avoid a repetition in some future economic problem area.

In addition, the agency established by the act would provide us with insight into the long-run problems of inflation and shortages in America. The inflationary trend of the past few years is too serious to ignore. There are no proposals which promise to cure it instantly or entirely.

But the absence of a cure does not preclude the need for diagnosis. Continued study could give us important understanding of how to fashion our long-run economic policy.

When the Economic Stabilization Act expires on April 30, no other agency in the Federal Government will perform these functions. The Council of Economic Advisers, for instance, has a staff of 46 permanent positions. The Cost of Living Council, which has until now been charged with monitoring the economy and administering controls, has a total staff under its jurisdiction of about 900 persons. While far fewer would be needed to perform the monitoring functions under the Cost of Living Act, a separate, competently staffed office would be needed.

Finally, Mr. President, the psychology of the American economy could only be helped if a monitoring agency kept track of inflation. No one will ask for higher wages, or higher prices, merely because it exists. But its activities could help promote a responsible attitude toward inflation on the part of business, labor, and the public at large.

Mr. President, the Cost of Living Act I introduce today is a simple and straightforward proposal to give our economic problems the attention they deserve. Responsibility requires that we take this minimum step to guard against the economic dangers which face us.

Mr. President, I ask unanimous consent that a fact sheet on the Cost of Living Act, a section-by-section analysis, and the text of the bill be printed in the RECORD.

There being no objection, the material and bill were ordered to be printed in the RECORD, as follows:

COST OF LIVING ACT OF 1974 *

FACT SHEET

Provides for the President to monitor inflation through COLC-type structure.

Controls

Allows no continuation, imposition or reimposition of controls. Does not affect control authority on petroleum under Emergency Petroleum Allocation Act of 1973. (See 3(b) and Sec. 12)

Basic Authority and Direction to President

Monitor economy [Sec. 3 generally, especially Sec. 3(a)(6)]

Discretion to require reports and recordkeeping from private sector [Sec. 4(a)]

Discretion to hold public hearings [Sec. 3(a)(4)]

Other Authority and Direction to President

Review and recommend changes in programs and activities of federal government and private sector [Sec. 3(a)(1)]

Review and work with industry and government to encourage price restraint [Sec. 3(a)(2)]

Improve wage and price data bases [Sec. 3(a)(3)]

Focus attention on need for increased productivity [Sec. 3(a)(5)]

Review and make recommendations on economic concentration and anticompetitive practices [Sec. 3(a)(7)]

Administrative and Other Provisions (similar to existing Economic Stabilization Act)

Delegation of functions by President (Sec. 5)

Subpoena power (Sec. 6)

Personnel: employment, appointment and detail (Sec. 7)

Employment of experts and consultants (Sec. 8)

Reports by President quarterly and in annual Economic Report (Sec. 9)

Funding authorized "as may be necessary" (Sec. 10)

Severability (Sec. 14)

Expiration

April 30, 1975 (Sec. 11)

Effective Date

May 1, 1974, or upon enactment if later (Sec. 13)

Name

As in the Economic Stabilization Act, no name is given to the monitoring agency.

SECTION-BY-SECTION ANALYSIS OF THE COST OF LIVING ACT OF 1974

[Sec. 1] Short Title: Cost of Living Act of 1974

Sec. 2. Findings and Purposes.—States that inflation poses a danger to the nation, that the federal government must have continuing concern with inflation and other economic factors, that the Executive should monitor the economy, and that the President is in a position to implement the Act.

Sec. 3. Presidential Authority.—This section gives the President authority to review and recommend changes in the programs and activities of the federal government and the private sector; review industrial capacity, demand and supply, and work with government agencies and industrial groups to encourage price restraint; improve wage and price data bases; conduct public hearings; focus attention on needed increased productivity; monitor the economy; and review economic concentration and anti-competitive practices. This section specifies that this Act does *not* provide mandatory economic control authority, except with regard to petroleum under the Emergency Petroleum Allocation Act of 1973.

Sec. 4. Acquisition of Economic Information.—This section grants the President authority to obtain information and require reports and record keeping.

Sec. 5. Delegation.—This section authorizes the President to delegate functions under the Act to officers, departments, and agencies of the federal government.

Sec. 6. Subpena Power.—This section gives subpena power to the head of an agency exercising authority under the Act, with enforcement by United States District Courts.

Sec. 7. Personnel.—This section gives authority for the employment, detail and appointment of employees to carry out the Act, including the appointment of an officer at Level II of the Executive Schedule with the advice and consent of the Senate. The section also gives authority for appointment of advisory committees.

Sec. 8. Experts and Consultants.—This section gives authority for the employment and compensation of experts and consultants.

Sec. 9. Reports.—This section requires that the President report on and assess actions taken under this Act in his annual Economic Report and in quarterly reports to Congress. Reports shall include study and evaluation of relationships between excess profits, economic stabilization, and job creation, and review appraisal of federal government activities.

SEC. 10. Funding.—This section authorizes the appropriation of such sums as may be necessary to carry out the provisions of the Act, and allows the acceptance and use of gifts or other contributions.

Sec. 11. Expiration.—This section provides that authority under the Act expires on April 30, 1975, except for pending civil or criminal proceedings or actions or proceedings based upon acts committed prior to the expiration date.

Sec. 12. Effect on Petroleum Allocation Act of 1973.—This section makes clear that this Act does not infringe on the price control and other authority contained in the Emergency Petroleum Allocation Act.

Sec. 13. Effective Date.—This section provides for an effective date of May 1, 1974, or upon enactment if later.

Sec. 14. Severability.—This section provides for general severability for provisions of this Act.

S. 3352

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Cost of Living Act of 1974."

FINDINGS AND PURPOSES

SEC. 2. It is hereby determined that inflation poses a danger to the economic wellbeing of the Nation, and that the Federal Government should have a continuing concern with the rate of inflation, supply, industrial capacity and means of increasing productivity, to constrain domestic inflation. To contribute to the moderation of inflation, a body within the executive branch should monitor public and private economic activity. The President is in a position to implement the program authorized by this Act.

PRESIDENTIAL AUTHORITY

SEC. 3. (a) To carry out the purposes of this Act, the President shall—

(1) review the programs and activities of Federal departments and agencies and the private sector which may have adverse effects on supply and cause increase in prices and make recommendations for changes in such programs and activities to increase supply and restrain prices;

(2) review industrial capacity, demand, and supply in various sectors of the economy, working with the industrial groups concerned and appropriate governmental agencies to encourage price restraint;

(3) improve wage and price data basis for the various sectors of the economy to improve collective bargaining and encourage price restraint;

(4) conduct public hearings when appropriate to provide for public scrutiny of inflationary problems in various sectors of the economy;

(5) focus attention on the need to increase productivity in both the public and private sectors of the economy;

(6) monitor the economy as a whole, including such matters as wages, costs, productivity, prices, sales, profits, imports and exports; and

(7) conduct a continuing review of the effect of economic concentration and anticompetitive practices on price and wage inflation and recommend legislation and other appropriate action to reduce the impact of such concentration or practices on inflation.

(b) Nothing in this Act authorizes the continuation, imposition, or reimposition of any mandatory economic controls with respect to prices, rents, wages, salaries, corporate dividends, interest rates, or any similar transfer, except as provided under Section 13 (relating to continuation of authority under the Emergency Petroleum Allocation Act of 1973) of this Act.

ACQUISITION OF ECONOMIC INFORMATION

SEC. 4. (a) For purposes of carrying out this Act, the President may by regulation, order, or otherwise obtain such information from, require such reports and the keeping of such records by, make such inspections of the books, records and other writings, premises, or property of, and take the sworn testimony of, and administer oaths and affirmations to, any person as may be necessary or appropriate. The authority to obtain information under this subsection or section 6 of this Act does not extend to copies of disclosures to departments or agencies of the United States excepted from disclosure under subsection (b) of this section.

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* References in text are to sections of proposed Cost of Living Act.

(b) For purposes of carrying out this Act, the President may request from any department or agency of the United States, and that department or agency shall provide him, economic information except:

(1) information, the disclosure of which to another Federal agency is expressly prohibited by law, or

(2) trade secrets, commercial, financial, or demographic information which is privileged or confidential and obtained by an agency from a person for statistical or law enforcement purposes, the disclosure of which to another Federal agency would frustrate development of accurate statistics or proper law enforcement.

(c) For purposes of carrying out this Act, the President may request economic information from State and local governments, including agencies and instrumentalities thereof.

DELEGATION

SEC. 5. The President may delegate the performance of any function under this Act to such officers, departments, and agencies of the United States as he deems appropriate.

SUBPOENA POWER

SEC. 6. The head of an agency exercising authority under this Act, or his duly authorized agent, shall have authority, for any purpose related to this Act, to sign and issue subpenas for the attendance and testimony of witnesses and the production of relevant books, papers, and other documents, and to administer oaths. Witnesses summoned under the provisions of this section shall be paid the same fees and mileage as are paid to witnesses in the courts of the United States. In case of refusal to obey a subpena served upon any person under the provisions of this section, the head of the agency authorizing the subpena, or his delegate, may request the Attorney General to seek the aid of the United States district court for any district in which such person is found to compel that person, after notice, to appear and give testimony, or to appear and produce documents before the agency.

PERSONNEL

SEC. 7. (a) Any agency or officer of the Government carrying out functions under this Act is authorized to employ such personnel as the President deems necessary to carry out the purposes of this Act.

(b) The President may appoint five officers to be responsible for carrying out functions of this Act, one of whom shall be appointed by and with the advice and consent of the Senate and who shall be compensated at the rate prescribed for level II of the Executive Schedule (5 U.S.C. 5313) one of whom shall be compensated at the rate prescribed for level III of the Executive Schedule (5 U.S.C. 5314) and three of whom shall be compensated at the rate prescribed for level V of the Executive Schedule (5 U.S.C. 5316). Appropriate titles and the order of succession among such officers may be designated by the President.

(c) Any member of a board, commission, or similar entity established by the President pursuant to authority conferred by this Act who serves on less than a full-time basis shall receive compensation from the date of his appointment at the rate equal to the per diem equivalent of the rate prescribed for level IV of the Executive Schedule (5 U.S.C. 5315) when actually engaged in the performance of his duties as such member.

(d) (1) In addition to the number of positions which may be placed in GS-16, GS-17, and GS-18, under section 5108 of title 5, United States Code, not to exceed twenty positions may be placed in GS-16, GS-17, and GS-18, to carry out the functions under this Act.

(2) The authority under this subsection shall be subject to the procedures prescribed under section 5108 of title 5, United States Code, and shall continue only for the duration of the exercise of functions under this Act.

(e) The President may require the detail of employees from any executive agency to carry out the purposes of this Act.

(f) The President is authorized to appoint, without regard to the civil service laws, such advisory committees as he deems appropriate for the purpose of consultation with and advice to the President in the performance of his functions under this Act. Members of advisory committees, other than those regularly employed by the Federal Government, while attending meetings of such committees or while otherwise serving at the request of the President may be paid compensation at rates not exceeding those authorized for individuals under section 5332 of title 5, United States Code, and, while so serving away from their homes or regular places of business, may be allowed travel expenses, including per diem as authorized by section 5703 of title 5, United States Code, for persons in the the Government service employed intermittently.

(g) (1) Under such regulations as the President may prescribe, officers and employees of the Government who are appointed, without a break of service of one or more workdays, to any position for carrying out functions under this Act are entitled, upon separation from such position, to reemployment in the position occupied at the time of appointment or in a position of comparable grade and salary.

(2) An officer or employee who, at the time of his appointment under paragraph (1) of this subsection, is covered by section 8336(c) of title 5, United States Code, shall continue to be covered thereunder while carrying out functions under this Act.

EXPERTS AND CONSULTANTS

SEC. 8. Experts and consultants may be employed, as authorized by section 3109 of title 5, United States Code, for the performance of functions under this Act, and individuals so employed may be compensated at rates not to exceed the per diem equivalent of the rate for grade 18 of the General Schedule established by section 5332 of title 5, United States Code. Such contracts may be renewed from time to time without limitation. Service of an individual as an expert or consultant under this section shall not be considered as employment or the holding of an office or position bringing such individual within the provisions of section 3323(a) of title 5, United States Code, section 872 of the Foreign Service Act of 1946, or any other law limiting the reemployment of retired officers or employees.

REPORTS

SEC. 9(a). In transmitting the Economic Report required under section 3(a) of the Employment Act of 1946 (15 U.S.C. 1022), the President shall include a section describing the actions taken under this Act during the preceding year and giving his assessment of the progress attained in achieving the purposes of this Act. The President shall also transmit quarterly reports to the Congress not later than thirty days after the close of each calendar quarter describing the actions taken under this Act during the preceding quarter and giving his assessment of the programs attained in achieving the purpose of this Act.

(b) In carrying out his authority under this Act, the President shall study and evaluate the relationship between excess profits, the stabilization of the economy, and the creation of new jobs. The results of such study shall be incorporated in the reports referred to in subsection (a) of this section.

(c) The President shall review and appraise the programs and activities of the departments and agencies of the United States in light of the policies set forth in section 2 of this Act for the purpose of determining the extent to which those programs and activities contribute to the achievement of those policies and shall report his conclusions to the Congress in the reports required by subsection (a) of this section.

FUNDING

SEC. 10. (a) There are authorized to be appropriated to the President to remain available until expended, such sums as may be necessary to carry out the provisions of this Act.

(b) The President may accept and use in furtherance of the purposes of this Act money, funds, property, and services of any kind made available for such purposes by gift, devise, bequest, grant, or otherwise.

EXPIRATION

SEC. 11. The authority under this Act expires at midnight April 30, 1975, but such expiration shall not affect any action or pending proceeding, civil or criminal, not finally determined on such date, nor any action or proceeding based upon any act committed prior to May 1, 1975.

EFFECT ON PETROLEUM ALLOCATION ACT OF 1973

SEC. 12. For purposes of administering and enforcing the Emergency Petroleum Allocation Act of 1973, nothing in this Act alters the Economic Stabilization Act of 1970 as incorporated by reference in the Emergency Petroleum Allocation Act.

EFFECTIVE DATE

SEC. 13. This Act shall become effective May 1, 1974, or upon enactment if enacted after that date.

SEVERABILITY

SEC. 14. If any provision of this Act or the application of such provision to any person or circumstances is held invalid, the remainder of this Act, and the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.

Mr. HARTKE. Mr. President, will the Senator yield?

Mr. MUSKIE. I yield.

Mr. HARTKE. Mr. President, I commend the Senator from Maine on the statement he has just made, and I compliment him for his outstanding leadership in the field of tax reform.

I think the time for tax reform is long past due. If there is one thing we hear at this moment out in the streets of the United States it is about what can be done to close some of the tax loopholes. It is bad enough that taxes are as high as they are; but when we see people avoiding taxes and not paying their fair share, the public becomes very upset.

I again congratulate the Senator from Maine for being the leader in this field. This is not a new venture for him. It is a renewal of an old cry, and it is a renewal of a cry which should be heard throughout the United States, especially as we approach April 15, which happens to be a very significant date to the taxpayers of this country.

Mr. MUSKIE. I appreciate that compliment from one who has had a longstanding commitment to the cause of tax reform. I hope, as he does, that forces have been unleashed this year in connection with public awareness and public concern and public determination that will move us toward a clearer tax policy, and that this year, this round robin will lead not to another round robin next year but to some meaningful tax reform this year. If we do, I know that the distinguished Senator from Indiana will make a significant contribution in the future, as he has in the past.

Mr. HARTKE. I thank the Senator from Maine.

Mr. STEVENSON. Mr. President, today I am joining the distinguished Senator from Maine, Senator Muskie, to introduce a bill to improve our capacity to deal with inflation. Inflation erodes earnings, robs individuals of hard-earned savings, puts planned-for homes and vacations out of reach, threatens the long-sought security of the retired, and wreaks havoc with business planning. With wage and price control authority due to expire in less than 3 weeks and prices rising at double digit rates for the first time in history—and more of the same in prospect—it is critical that we redouble our efforts to fight inflation.

As I pointed out in March, when I introduced S. 3114 along with Senator Muskie to provide for an orderly end to wage and price controls, Congress must take the lead in the fight against inflation. Over the last 3½ years, the economy has gone from bad to worse. In August of 1971, when wage and price controls were first imposed, consumer prices were rising at an annual rate of 4.4 percent. Today, they are rising at an annual rate of over 15 percent. They are 10 percent above their levels just a year ago and 15 percent above their level in August of 1971. In March, the wholesale price index, which is a barometer of future price increases at the consumer level, also rose at an annual rate of over 15 percent, and wholesale prices were over 19 percent above their levels a year ago. Meanwhile, real incomes, the amount individuals can effectively buy with their take-home pay, have fallen. At the end of 1973, they were 3 percent below their level at the beginning of the year, and by February of this year they had fallen still further to 4.5 percent below their levels a year ago.

All this adds up to serious economic mismanagement and demonstrated incapacity to govern. The economic stabilization program was characterized by fitful starts and stops. No sooner had price controls been imposed than Mr. Nixon let it be known that they would be dismantled at the earliest opportunity, regardless of the consequence.

And dismantled they were—abruptly—just 16 months after they had begun, despite strong inflationary pressures. Consumer prices immediately took off and quickly rose to an annual rate of 11 percent by March of 1973. A freeze ensued with inevitable confusion, disruption, and shortages.

Now the statutory authority to continue the economic stabilization program approaches its end, the administration has simply given up the fight, despite pervasive shortages and the Cost of Living Council's acknowledgement that the end of the controls program will unleash "suppressed inflation," bring substantial price boosts in the steel, copper, and health industries, and fuel inflation throughout much of the rest of the economy. It was for this very reason that Senator Muskie and I introduced S. 3114 to provide for orderly decontrol accompanied by price and wage restraint, increased production of commodities in short supply, expanded industrial capacity, and power to enforce industry commitments given in exchange for exemption from controls.

When this approach was rejected, I predicted that the price increases which even the Cost of Living Council now agrees will occur when the economic stabilization program is ended could lead to new pressures to reimpose controls. I fervently hope this does not happen. But there is no certainty. With the precipitous abandonment of the economic stabilization program, meaningful decontrol commitments can no longer be obtained. Those which have been given will be impossible to enforce. Prices will continue their climb; real earnings will continue their decline. All those who cannot readjust their incomes rapidly enough will continue to suffer and even more than in the past.

While our efforts to provide for orderly decontrol have been thwarted, we must not abandon the effort to fight inflation. On the contrary, because the prospects for a smooth transition to a decontrolled economy are so grim, it is all the more important that we make a renewed commitment to solve the root causes of inflation, for inflation has become pervasive, it has permeated the Nation's psychology, it is worldwide, and will be with us for a long time to come.

The bill which I am cosponsoring with Senator Muskie today is a first step in that direction. It expressly recognizes that inflation poses a danger to the economic well-being of the Nation and that the Federal Government should have a continuing concern with the rate of inflation, supply, industrial capacity, and means of increasing productivity.

To help in the fight against inflation, the bill gives the President the authority to review and recommend changes in the programs and activities of the Federal Government and the private sector; review industrial capacity, demand, and supply; work with Government agencies and industrial groups to encourage price restraint; improve wage and price data bases; conduct public hearings; focus attention on needed increased productivity; monitor the economy; and review economic concentration and anticompetitive practices. In addition, the bill grants the President the power to obtain necessary economic data and information and requires reports and recordkeeping to assist in that effort.

This bill will not prevent the expected surge of inflation when all restraints are removed on April 30. It contains no authority to impose wage and price controls or enforce decontrol commitments. But through the creation of a monitoring agency, it will help to provide warning of special inflationary and shortage problems. It will help to provide insight into longrun inflationary and shortage problems. It will establish as a high national priority a concerted and continuing effort to work on the underlying factors which have brought us so much distress over the last 3½ years.

No other agency in the executive branch now performs this function. No other agency is equipped to perform this function. There is a glaring gap in our ability to deal with inflation effectively, and this bill will help to fill it.

All too often in the past few years we have seen a steadfast refusal to face up to the Nation's economic ills. Policy has consisted largely of hope that things will right themselves without intervention on the part of those charged with responsibility for the Nation's affairs. It may be that our current troubles are a temporary aberation. But much of the evidence is otherwise. This bill will help give us the tools for the careful analysis required for the development of effective policy.

Mr. JAVITS. Mr. President, at a time when inflation rates in this country are higher than at any period since the First World War, the House and Senate Banking Committees have decided to drop controls—current or standby—over wages and prices. I believe that the abrogation of such governmental authority at this time could prove disasterous to the Nation if no residual power is retained.

There is little doubt that labor has been held back much more than business under the present administration controls program. This is undoubtedly why organized labor has joined with business in taking a position against an extension of wage and price controls or standby controls. Says Barry Bosworth of the Brookings Institution:

> The industrial worker has, indeed, lost ground, and there is simply no way to get it back out of the hide of business but labor will try.

He then predicts that even after the economy adjusts to the current supply-shortage-generated inflation, which most economists agree will work its way through the economy by the end of the summer, that large wage increases will also ratchet their way through the economy and together promulgate a surge of inflation which just cannot be tolerated.

We know that food and fuel are still important factors in the giant monthly increases in the Consumer Price Index. In February the Consumer Price Index rose 1.3 percent, with the food component leading all other sectors in rising prices. Food and housing are the two largest monthly outlays of any American family. Even if pressure on food raw commodities eases, as is expected, in the next several months, I believe that we must be concerned about what will happen to the nondirect costs of food. Food processors and manufacturers have been held under more stringest controls than the economy as a whole under phase IV. As soon as the control program becomes defunct, I think we can expect those in the food industry to try to catch up for increased costs, such as transportation and energy, which they have been unable to pass on as yet to the consumer.

The Wholesale Price Index in March increased 1.2 percent, or at an annual rate of 15.6 percent at seasonally adjusted rates. While prices for farm products and processed foods and feeds were down from February, industrial commodities rose 2.9 percent in this month alone, foreshadowing major increases in retail products which have been projected to take place this fall. According to a recent Wall Street Journal article:

> Today's prices on the general run of goods in department and discount stores are a mere 5% to 7% higher than a year ago . . . Price Controls have kept the lid on. With controls now off, however, retail-store buyers who are ordering their inventories for fall are having to pay much higher manufacturers' prices.

These higher prices will be passed on to the consumer. Clothing prices especially were singled out as being likely to take off this fall, and this is especially onerous to the consumer who has postponed many clothing purchases as long as possible.

Another problem with allowing controls simply to die is that the Congress has given Dr. Dunlop, Director of the Cost of Living Council, no authority to enforce the decontrol commitments he has obtained from any major industries over the past several months. These commitments are the product of hard work in bargaining between Dr. Dunlop and crucial industries which account for a significant portion of the price indices. If industry was held accountable to their decontrol commitments, increased supplies of important commodities would result, with an ultimate impact of moderating the prices of final products. However, if these commitments are allowed to go by the boards, not only will Dr. Dunlop's efforts have been in vain, but the economy may suffer significantly.

In this connection I should like to call to the attention of my colleagues an article from the Wall Street Journal today, in which Dr. Dunlop expressed his fear of higher inflation if controls are lifted completely.

Before the Cost of Living Council came into existence, we had no institutional focus on the role of Government in fighting inflation. This is similar to the fact that there was no Government body which was constantly dealing with the problems of the environment prior to the establishment of the Environmental Protection Agency. I believe that it is essential, at a time when our Nation's most prominant economists are bluntly stating that the inflation we have been experiencing in the United States over the past several years is a new and unique phenomenon which to date has no real solution, that we not cut off any of our options with which to deal with this problem that afflicts every American family.

I commend Senator MUSKIE for introducing legislation today which would provide for continued monitoring by the executive branch of our inflationary problems. I am pleased to be a cosponsor of this legislation. I should also like to commend Senators STEVENSON and JOHNSTON for their efforts in the Senate Banking Committee to obtain standby control legislation and am pleased that they have also cosponsored Senator MUSKIE's legislation.

I ask unanimous consent an article from the Wall Street Journal be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

DUNLOP PREDICTS INFLATION-FUELING BOOSTS IN SOME WAGES, PRICES AFTER CONTROLS END

WASHINGTON.—The Cost of Living Council director, with his program of wage and price controls dying around him, sketched a gloomy inflation picture for the rest of 1974.

Although he wouldn't specifically forecast prices, John Dunlop's view of an uncontrolled economy was clearly darker than that of other Nixon administration economists. The end of the controls program, the council director said, will trigger bursts of price boosts in the steel, copper and health industries and substantial wage boosts in the construction industry. And he indicated he believes these increases in turn will fuel inflation throughout much of the rest of the economy.

The administration's economic stabilization program is scheduled to die after April 30 unless Congress unexpectedly extends the authority in certain sectors, namely health and construction, as the administration has requested. Congress so far has adamantly refused.

Mr. Dunlop has been lobbying hard for continuation of selective controls in inflation-prone areas, or at least for legislation permitting his agency to monitor inflation. The pessimism he expressed to reporters yesterday may have been a last-ditch attempt to sell his program to a reluctant Congress, despite the willingness of other administration officials to let it die.

Mr. Dunlop divorced himself from price projections such as those made recently by Herbert Stein, chairman of the President's Council of Economic Advisers, who predicted a slowing of price increases to an annual rate "in the general ballpark of half" the current 10%. Mr. Stein explained that moderate food and fuel price increases would slow inflation's rise after midyear.

But Mr. Dunlop said, "I don't want to be associated in any way with predictions for the second half of the year." He asserted that if construction and medical costs rise "as I truly believe they will, I don't know what the consequences for the general level of prices will be."

Mr. Dunlop reiterated his belief that hospital costs could soar 16% to 18% a year if controls are lifted, compared with 9% to 10% if restraints are maintained.

He also said removal of controls will unleash "suppressed inflation" for some major products, primarily copper, steel and related items, and that the impact "in May, June and July is going to be appreciable." He also said he expects further price increases on some products, including cement, steel and paper, where producers haven't yet been able to recover higher fuel costs.

However, Mr. Dunlop indicated he thinks the food-price picture is encouraging, especially if the coming harvests are as big as administration officials anticipate.

By Mr. FANNIN:

S. 3353. A bill to amend the Social Security Act to require employers to make an approved health care plan available to their employees, to provide a health insurance plan for low income persons, and for other purposes. Referred to the Committee on Finance.

NATIONAL HEALTH STANDARDS ACT

Mr. FANNIN. Mr. President, the legislation which I am introducing today is designed to provide comprehensive health insurance coverage for all Americans. It embodies a series of recommendations on health care which was developed by a special committee with the Chamber of Commerce of the United States. The special committee on the Nation's health care needs, which is composed of business and industrial leaders and members of health professions, devoted the better part of 1973 in producing the National Health Standards Act.

As the Nation's largest private purchaser of health care, business is legitimately concerned with how its dollars are spent. Last year alone business spent over $20 billion on health care. Because of this vast expenditure, and the reasons which I will enumerate below, business has a deep and abiding interest in the organization and delivery of health care in the United States.

This Nation is faced with a series of complex and interrelated problems that need to be solved if we are going to obtain better health care for the American people. These problems involve rapidly escalating costs, shortages, and maldistribution of medical manpower and facilities, lack of access to care by important segments of the population, mismanagement of medical resources, the need for innovation in the organization and delivery of medical care services and the need for improvements in health education and preventive medicine. Because of the complexity and magnitude of the American health care system, I believe that all segments of our society must accept the challenge and participate in the debate and resolution of the problem. I commend the national chamber for exercising leadership and accepting this challenge. I know that I speak for many of my colleagues when I welcome business to the debate on national health care legislation. I urge that all Senators very carefully study this legislation before deciding and voting on this very important issue.

Let me now give you a brief description of the genesis of this proposal.

In 1968, the national chamber analyzed the major health issues which would affect the Nation during the 1970's and submitted a comprehensive report. A special committee on the Nation's health care needs was appointed in 1970 to take a penetrating look at the country's growing needs and to search for ways to deal with the many complex problems. This committee was composed of leaders of industry and business and representatives of the health professions.

In 1971, the national chamber conducted a nationwide referendum among its members on the committee's analysis of the issues and problems facing the Nation's health care system and the membership voted overwhelmingly in support of major reform.

In 1972 and 1973, the special committee examined in great depth the various legislative proposals, including the pending national health insurance bills. Although many of the plans contained worthy provisions, the special committee was unable to find a single plan which business could support without qualification. Because of this, the chamber decided that it would prepare a series of recommendations on health care which should be included in any national health insurance program. The chamber spent most of 1973 developing and improving these recommendations. The bill which I am introducing incorporates these recommendations.

As you can see, the Chamber is definitely not a johhny-come-lately to-the national health care issue. This was not a spur-of-the-moment project.

As the chamber reviewed the various proposals pending before the Congress, they found them unsatisfactory for various reasons. Let me mention a couple of them.

Each would mandate a comprehensive health insurance benefit package which would represent additional areas of coverage for medium size and small businesses and would increase cost significantly. Many of these plans, for example, propose benefits which are not presently paid for under many group plans.

Because these plans contain unreasonable requirements on benefits, they would be very costly to finance. For example, the average premium cost of the administration's proposal is estimated at more than $475 per enrollee a year. Some of the other plans would cost even more.

The penalty provisions of many of these proposals are unsatisfactory; most recommend tax penalties—the loss of business expense deduction for health insurance premiums—as a way of prodding employers to take affirmative action. The national chamber believes that a tax penalty represents poor public policy because it would only apply to those employers with health insurance coverage for their employees, not to those without coverage.

"Reasonable" and "realistic" are the keystones of the legislation which I am introducing today. Let me review briefly the major provisions of this legislation. At the conclusion of my remarks I will ask that a detailed description of the bill be printed in the RECORD.

The National Health Standards Act proposes a two-part program. Part one would require all employers to make available a comprehensive health package to their employees. Part two would provide comparable protection for low-income as a replacement for the Federal/State medicaid program.

With respect to benefits, the plan calls for protection against a wide range of hospital and medical care expenses. It would provide protection for hospital care, surgery, medical treatment by a physician, X-ray and laboratory services, drugs and medicines, maternity care and to very costly illnesses—the medical catastrophy—that could spell financial ruin for almost anyone.

The plan calls for both deductibles and coinsurance. There is a $100 calendar deductible for an individual with a maximum payment of $200 a family. The enrollee would pay 25 percent coinsurance for all covered services up to a maximum out-of-pocket personal expenditure of $2,500 a year. After that, the plan pays all costs.

The national chamber, of course, recognizes that first dollar coverage is prevalent throughout industry—particularly negotiated plans. However, the Chamber believes that without these deductibles and coinsurance provisions, it would be impossible to cover such a broad range of services at a reasonable price. If first dollar coverage were provided, the benefit package would have to shrink or premium costs would have to be increased to unrealistic levels.

An extremely important provision—one which is unique to this proposal—is "benefit equivalence". Many firms currently provide their employees with a health insurance package which costs more per month per employee than the proposal which is being recommended, but the plan may not be as comprehensive.

The National Chamber believes that it would be unreasonable to require employers to change their group plans to reflect every single benefit in the package. Instead, employers should be required to offer a plan which is equivalent in value, on an actuarially determined basis, to the recommended proposal. Basically, this means that claim costs, including administrative expenses, of an employer's plan, should be equal to the recommended plan.

Insurance pools would be established to provide coverage for the self-employed and small employers to make the economies of mass purchasing available to them. A second pool, in each State, would provide coverage of low-income individuals. The Federal Government would pay all or part of the cost of the premiums for the poor and the near-poor from general revenues.

With respect to penalty provisions, employers would be encouraged to make the plan available through the process of administrative and judicial relief. If an employer willfully and knowingly fails to comply, he would be liable for an amount equal to twice the annual health insurance premium cost, plus he would be required to reimburse the employees for any out-of-pocket hospital and medical expenses. This type of penalty is the least objectionable way to secure compliance with mandated standards.

Now let's consider the matter of cost containment. While the deductible and coinsurance provisions may serve to prevent unnecessary utilization, there are several other steps that can be taken to curb spiralling health care costs.

First, all hospital and medical services should be subject to peer and utilization review, claim reviews and audit. This should be carried out by physicians to insure that only medically necessary services are provided to both inpatients and outpatients.

Second, hospitals and other institutional providers should be reimbursed on the basis of prospective budgets with payments based on agreed rates for fixed periods of time. This should prove superior to our present cost-plus method of paying for hospital services.

Third, the process of local health planning needs to be strengthened to avoid duplication of facilities and provision of unnecessary services. What is proposed here is simple—do not pay the hospital or other health care institution for the cost of added facilities and services unless these capital expenditures have been approved by a local health planning agency.

Finally, let's turn to the matter of financing. Any national program should be financed from both private and public sources. Employers, employees, and the self-employed should pay the entire cost of the private program through health insurance premiums. Where the employer-employee relationship exists, the employer should not be required to pay more than 50 percent of the cost of the coverage. What the employer does voluntarily, of course, is his own business. The program for the poor and near-poor—essentially non-working groups—should be financed from the general funds for the Treasury.

Let me turn briefly to the estimated cost of this proposal. The proposal as I pointed out earlier, would essentially build on the existing framework of insurance arrangements in the United States, extending group insurance to virtually all full-time employees and supplementing existing group insurance and social insurance with a new program for low-income individuals and families. Reimbursement under all programs would be based on the going rate of payment for such services, eliminating economically motivated discrimination against the poor in receiving health services.

The principle measure of cost to employers and employees is the premium rate required for the standard benefit package. The average annual premium for employees electing to be covered as single individuals is estimated to be $186; the average annual premium for employees electing coverage for their families as well as themselves, is estimated to be $527. The average annual premium for all employees electing to be covered—either as singles or as families—would be $457. The average annual premium per full-time employee would be $381. This rate is the appropriate base for measuring the cost to employers of furnishing standard benefits to employees.

In fiscal year 1975, employers and employees are projected to be jointly spending at a rate of $25.8 billion a year on group health insurance for services of the type covered by this proposal. Of this amount, $6.6 billion would be paid through employee contributions, leaving an employer net cost of $19.2 billion. If this proposal were fully effective at that time, spending by group health insurance, would be higher by $2.7 billion divided about equally between employers and employees.

The Federal/State medicaid program, title XIX of the Social Security Act, would be replaced by a Federal program which purchased special policies for persons whose income is below "low-income levels" established by the proposal. Persons whose income ranged up to 25 percent above these levels would be eligible for a Federal subsidy toward the cost of the policies. Over 17 million persons would be eligible for free policies and around 4 million more would be eligible for a Federal subsidy toward the purchase of such policies. An additional 4 million persons with comparable incomes would be eligible for coverage through their employers.

The total Federal outlays to purchase coverage for low-income level individuals and to subsidize coverage for those whose income is up to 25 percent higher than the low-income level, would be $10.3 billion in fiscal 1975. Premiums paid by those with subsidized policies would reduce this cost by $100 million to a new cost of $10.2 billion. The cost to the Federal Government would be offset by the repeal by the medicaid program and a reduction in spending under other Federal programs, so that the new net outlays by the Federal Government would be $3.6 billion.

In conclusion, let me emphasize that I doubt very seriously that any single proposal presently pending before Congress will be enacted as is. I predict that the final bill which we approve will be the amalgamation of several parts of the various proposals presently under discussion. Because of this, I would once again strongly urge my colleagues to closely scrutinize the National Health Standards Act as it appears to be the only proposal which attempts to combine the best of all bills currently before us, plus a few unique provisions which deserve our consideration and approval.

Mr. President, I ask unanimous consent that a summary of the National Health Standards Act, a section-by-section analysis of the bill, and the Actuarial Cost Estimates and Analysis be printed in the RECORD. I also ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 3353

A bill to amend the Social Security Act to require employers to make an approved health care plan available to their employees, to provide a health insurance plan for low income persons, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "National Health Standards Act".

FINDINGS AND DECLARATION OF PURPOSE

SEC. 2. (a) The Congress finds that:

(1) the health of the Nation's people is fundamental to their well-being and the Nation's productivity;

(2) every citizen of the Nation should have access to quality health care and each shares the responsibility for protecting his own health and well-being;

(3) not all of the Nation's people have the ability to purchase quality health care when and where they need it and at a cost they can afford;

(4) the Nation needs to improve and expand its health care system using the existing system as a base upon which to build; and

(5) an improved and expanded health care system should draw from the collective competence and experience of the medical and allied health professions, private enterprise, government and consumers.

(b) The purpose of this Act is to establish a national health care system that would provide quality health care for all of the Nation's people in accordance with the following principles:

(1) employers would be required to purchase a health care plan for their employees;

(2) Federal Government would assume the total cost of purchasing a health care plan for those unable to pay for their own; and

(3) Medicare program would continue to provide medical care for the aged and disabled.

TITLE I—HEALTH BENEFITS FOR EMPLOYEES

SEC. 101. Title VI of the Social Security Act is amended to read as follows:

"TITLE VI—HEALTH BENEFITS FOR EMPLOYEES

"TABLE OF CONTENTS

"Sec. 601. Definitions.
"Sec. 602. Health care plan required.
"Sec. 603. Effective date for providing health care plan.
"Sec. 604. Termination of health care plan.
"Sec. 605. Health care plan benefits.
"Sec. 606. Exclusions.
"Sec. 607. Deductibles.
"Sec. 608. Penalties for noncompliance.
"Sec. 609. Additional requirements of health care plans.
"Sec. 610. Approval of plans.
"Sec. 611. Plans for the self-employed and small employer.
"Sec. 612. Regulations of the Secretary.
"Sec. 613. Acturial equivalency.
"Sec. 614. Employee option.

"Definitions

"SEC. 601. (a) For the purposes of this title—

"(1) The term 'employee' means, with respect to any employer, any individual not eligible under title XVIII who has been employed by that employer for more than 31 days and either—

(A) is considered to be a full-time employee; or

(B) is not considered to be a full-time employee, but who is expected to work at least 20 hours a week for at least 26 weeks during the next 12 months; or

(C) is not considered to be a full-time employee, but who has actually worked at least 20 hours a week for at least 26 weeks during the previous 12 months.

"(2) The term 'employer' means an individual, firm or agency that employs at least one employee as defined by this title.

"(3) The term 'approved health care plan' means a plan of employee health benefits which—

"(A) must be in writing;

"(B) must be adopted by the employer;

"(C) must be communicated by the employer to his employees;

"(D) must provide at least the benefits described in this title; and

"(E) must cover each employee, employee's spouse and employee's dependent unmarried children under age 21, or, if the dependent child is a full-time student, under age 23. If an employee's dependent child incurs a covered illness or disability while eligible for benefits described in this title, the eligibility of such child shall remain in effect regardless of age but shall remain in effect only during the term of such covered illness or disability.

"(4) The term 'actuarial equivalent' means that the total expected claim cost per employee of the equivalent health insurance plan shall be at least equal to the total expected claim cost of the benefits described in section 605 including 100 per centum of the expected claim cost of each of the benefits described in sections 605(a)(1), 605(a)(2) and 605(a)(3).

"(5) The term 'physician' means a doctor of medicine, doctor of osteopathy, doctor of podiatry, and, for purposes of oral surgery only, a doctor of dental surgery or a doctor of medical dentistry.

"(6) The term 'inpatient hospital services' means all inpatient services customarily furnished and charged for by a hospital, except for convenience items such as telephone and television, including (but not limited to)—

"(A) bed and board;

"(B) such physicians' services in the hospital (such as those of radiologists and pathologists) as are held out as generally available to all inpatients of a hospital and which are charged for by the hospital as part of its services;

"(C) such nursing services and other related services, such use of hospital facilities, and such medical social services as are ordinarily furnished by the hospital for the care and treatment of inpatients, and such drugs, supplies, appliances, and equipment, for use in the hospital, as are ordinarily furnished by the hospital for the care and treatment of inpatients; and

"(D) such other diagnostic or therapeutic items or services, furnished by the hospital, as are ordinarily so furnished to inpatients of the hospital.

"(7) The term 'physicians' services' means professional services performed by physicians, including surgery, consultation, and home, office, and institutional calls.

"(8) The term 'extended care services' means services and items specified as such in regulations of the Secretary including the services specified in section 1861(h).

"(9) The term 'extended care facility' means those facilities which meet the requirements of paragraphs (1) through (9) of section 1861(j).

"(10) The term 'hospital' shall have the same meaning as when used in title XVIII.

"(11) The term 'carrier' means an insurance company, a hospital service or hospital expense indemnity organization, a medical service or medical expense indemnity organization, a dental service or dental expense indemnity organization, a fraternal benefit society, an employer who makes available directly to his employees a health care plan or other similar organization, society or funding arrangement which provides coverage for health care.

"(12) The term 'ambulance services' means those services customarily provided and charged for by a medical service transportation company or other organization providing transportation for individuals who are ill or disabled but only when such services are medically necessary as delineated in regulation promulgated by the Secretary.

"(13) The term 'qualified health maintenance organization' means a health maintenance organization, as defined in section 1301 of the Public Health Service Act, which has been certified by the Secretary as capable of providing health services to its members in the manner prescribed by this title and that it is organized and operated in the manner prescribed by section 1301(c) of the Public Health Service Act.

"Health Care Plan Required

"Sec. 602. (a) Every employer, other than one excluded by subsection (b), shall provide his United States resident employees (and the members of their families) an approved health care plan. With respect to United States citizen employees performing services outside the United States, variations, as determined by the employer, in the provisions of an approved health care plan may be permitted.

"(b) The provisions of subsection (a) shall not apply to a foreign government or an international organization described in section 210(a)(15), or any agency or instrumentality of one or more of the foregoing.

"(c) In the case of any employer who, on the date of enactment of this title is a party to a contract with all of some of his employees (or any labor union or other association representing all or some of his employees) which (1) includes provision for coverage under a health care plan, and (2) is still in effect on the effective date of this title, the provisions of subsection (a) shall not, until the expiration of such contract, apply with respect to any of such employees to whom coverage under such health care plan is made available.

"(d) An employer, in order to meet the requirements of subsection (a), is not required to pay any amount in excess of 50 per centum of the cost of providing a health care plan.

"Effective Date for Providing Health Care Plan

"SEC. 603. Every employer covered under this title shall provide an approved health care plan for his employees (and the members of their families) beginning one year after the enactment of this title.

"Termination of Health Care Benefits

"SEC. 604. In the case of any employee who has coverage under a health care plan required by this title, such coverage shall be maintained in effect for a period of not more than 31 days following termination of the employment relationship with his employer if the covered employee (or his surviving spouse) so chooses.

"Health Care Plan Benefits

"SEC. 605. (a) A health care plan shall, subject to the provisions of section 613, provide payment for the following services, prescribed by a physician, in each benefit period for each covered member—

"(1) inpatient hospital services;

"(2) physician services and any medical supplies customarily furnished by physicians as part of such services which are furnished:

"(A) while the covered person is an inpatient in a hospital, or

"(B) in connection with a surgical procedure performed while the covered person is not an inpatient in a hospital;

"(3) X-ray and laboratory services provided on an outpatient basis (including radiation

"(4) outpatient physician services;

"(5) drugs requiring the prescription of a physician licensed to prescribe drugs;

"(6) services of a physical therapist provided on an outpatient basis;

"(7) psychiatric care, limited to two visits a week, provided on an outpatient basis;

"(8) extended care services furnished an individual after transfer from a hospital in which he was an outpatient for not less than 3 consecutive days;

"(9) medical devices and applications; and

"(10) ambulance services.

"Exclusions

"SEC. 606. (a) No payment may be made under this title for any expenses incurred for items or services—

"(1) which are not reasonable and necessary for the diagnosis or treatment of illness or injury or to improve the functioning of a malformed body member;

"(2) for which the individual furnished such items has no legal obligation to pay, and which no other person (by reason of such individual's membership in a prepayment plan or otherwise) has a legal obligation to provide or pay for;

"(3) which are paid for directly or indirectly by a governmental entity (other than under this title);

"(4) which constitute personal comfort items;

"(5) where such expenses are eyeglasses or eye examinations for the purpose of prescribing, fitting, or changing eyeglasses;

"(6) where such expenses are for orthopedic shoes;

"(7) where such services are for cosmetic surgery or are incurred in connection therewith, except as required for the prompt repair of accidental injury or for improvement of the functioning of a malformed body member;

"(8) where such expenses are for custodial care;

"(9) where such expenses are for services in connection with the care, treatment, filling, removal, or replacement of teeth or structures directly supporting teeth except that payment may be made for inpatient hospital services in connection width a dental procedure where the individual suffers from impairments of such severity as to require hospitalization;

"(10) where such expenses are for the treatment of flat foot conditions, or routine foot care (including the cutting or removal of corns, warts, or calluses, the trimming of nails, and other routine hygiene care);

"(11) where such expenses are for the purchase, rental or repair of hearing aids;

"(12) where such expenses are for—

"(A) private room accommodations provided during inpatient hospital confinement unless such accommodations are medically necessary; or

"(B) private duty nursing;

"(13) where such expenses are for general physical examinations or immunizations; or

"(14) where such expenses are for services received prior to the effective date of coverage.

"(b) Payment under this title may not be made with respect to any item or service to the extent that payment has been made, or can reasonably be expected to be made (as determined in accordance with regulations to be promulgated by the Secretary), with respect to such item or service, under a workmen's compensation law or plan of the United States or a state, or other insurance plan or lawsuit.

"Deductibles and Coinsurance

"SEC. 607. (a) With respect to the services described in section 605 (other than obstetrical care), an approved health care plan must provide that an eligible individual or family will be required to pay for not more than the following—

"(1) for any calendar year, $100 for each individual for covered charges not to exceed $200 per family, and

"(2) 25 per centum of the next $10,000 of covered charges incurred in any calendar year except that this subclause (2) shall not apply to the services described in subsection 605(a)(7); or

"(3) with respect to the services described in subsection 605(a)(7), 50 per centum of the next $10,000 of covered charges incurred in any calendar year provided payment for such charges does not exceed $20 per visit.

"(b) With respect to obstetrical care provided under this title, the health care plan will pay 50 per centum of charges up to a maximum of $500 for any one pregnancy.

"(c) The amount payable to any provider of services under this title for services furnished an individual during any spell of illness shall be reduced by a deduction equal to the cost of the first three pints of whole blood (or equivalent quantities of packed red blood cells, as defined under regulations) furnished to him as part of such services during such spell of illness.

"Penalties for Noncompliance

"SEC. 608. (a) In any case in which the appropriate state official has found, after notice and opportunity for a hearing to the employer, that the employer is not making available to his employees a health care plan which complies with the requirements of this title, he may, after making such efforts as he finds appropriate to secure the employer's voluntary compliance with this title, request the State's Attorney General to bring suit in the district in which the employer designates as his principle place of business, to compel the employer to comply with the provisions of this title.

"(b) Any employer who willfully and knowingly fails to adopt an approved health care plan as required under this title—

"(1) may be assessed a civil penalty of not more than two times that amount such employer would have spent had such employer complied with the requirements of this title; and

"(2) shall reimburse all employees for any amounts such employees (or members or their families) spent to secure benefits (as described in section 605) or health insurance plans covering such benefits during the period such employer was in noncompliance with the requirements of this title.

"Additional Requirements of Health Care Plans

"SEC. 609. (a) A health care plan, to be approved by the appropriate state official as required by this title, must provide that—

"(1) each hospital or other facility providing care on an inpatient basis shall, in order to be eligible for reimbursement—

"(A) have in effect a utilization review plan which meets the requirements imposed by sections 1155(a)(1)(A), 1155(a)(1)(B), and 1155(a)(1)(C);

"(B) accept reimbursement on the basis of prospective budgets with payments based on uniform rates for all patients for a fixed period of time and such rates may not include any allowance for costs directly related to facilities or services that are determined by a local health planning agency to be inconsistent with state or local health needs;

"(C) be reviewed periodically by a group representative of public and private payors who will analyze the services provided, financial statements, statistics, operating and capital budgets and other pertinent data; and

"(D) submit to the local health planning agency all proposed capital expenditures which exceed $100,000, change the facility's bed capacity or substantially change the facility's services; and

"(2) each physician providing services under this title shall, in order to be eligible for reimbursement—

"(A) agree that his services may be reviewed by a utilization review committee established pursuant to Part B of title XI; and

"(B) accept reimbursement on the basis of usual and customary charges.

"Approval of Plans

"SEC. 610. (a) Each carrier which develops and offers a health care plan to any employer to whom section 602(a) is applicable shall notify the appropriate state official within 30 days after such employer subscribes to a health care plan.

(b) In the case of any employer who does not enter into arrangements with an insurance company or other such organization but instead makes available directly to his employees a health care plan, such employer shall so notify the appropriate state official and provide information concerning the contents of the plan. Such employer shall notify the appropriate state official within 30 days after the development and implementation of the plan.

"(c) If the appropriate state official, after reviewing the contents of a health care plan required by this title, finds that a plan complies with the requirements of this title as presented in regulations promulgated by the Secretary, he shall approve the plan and notify the employer.

"Plans for the Self-employed and Small Employer

"SEC. 611. (a) Each insurance company or other such organization which develops and offers health care plans to any employers to whom section 602(a) is applicable, must develop (itself or in combination with other such carriers) a health care plan or plans to which employers with less than 100 employees and self-employed individuals may subscribe.

"(b) It shall not be unlawful under any antitrust law for any carrier to enter into any contract, combination, or other arrangement with any other such carrier after the date of enactment of the title for the sole purpose of establishing or participating in an insurance pool arrangement whereby there will be offered to the public health insurance coverage approved under paragraph (a) of this section.

"Regulations of the Secretary

"SEC. 612. (a) In addition to regulations specifically required or authorized by this title, the Secretary is authorized to prescribe such further regulations, not inconsistent with law, as he deems necessary to the efficient administration of this title. Regulations shall be issued in accordance with the provisions of section 553 of title 5, United States Code.

"Actuarial Equivalency

"SEC. 613. (a) Each employer required by section 602 to provide his employees (and the members of their families), an approved health care plan shall provide a plan which provides payment for all health care benefits described in section 605 or which is the actuarial equivalent (as defined by this title) of the benefits described in section 605.

"(b) An employer desiring to adopt an actuarially equivalent plan shall obtain a certificate that his proposed plan is so equivalent from a Fellow of the American Academy of Actuaries or other actuary designated as qualified for this purpose by a state official responsible for regulating health insurance in the state in which the employer is domiciled and such certificate shall be filed with such state official.

"Employee Option

"SEC. 614. (a) Each employer which is required by section 602 to provide an approved health care plan for his employees (and members of their families) and which employs an average number of employees of not less than 25, shall, in accordance with regulations which the Secretary shall prescribe, offer to his employees (and members of their families) an option of membership in a qualified health maintenance organization which is engaged in the provision of health services in the areas in which such employees reside.

"(b) If there is more than one qualified health maintenance organization which is engaged in the provision of health services in the areas in which the employees of an employer subject to subsection (a) resides, the employer shall have the exclusive authority to select from among the qualified health maintenance organizations one (or more) qualified health maintenance organizations which will provide health services to his employees.

"(c) No employer shall be required to pay more for health benefits as a result of the application of this section than would otherwise be spent in complying with the requirements of section 602.

TITLE II—HEALTH BENEFITS FOR LOW-INCOME INDIVIDUALS AND THEIR DEPENDENTS

SEC. 201. The Social Security Act is amended by adding after title XIX the following new title:

"TITLE XX—HEALTH BENEFITS FOR LOW-INCOME INDIVIDUALS AND FAMILIES

"Table of Contents

"SEC. 2001. Definitions.
"SEC. 2002. Establishment of low-income insurance program.
"SEC. 2003. Eligible beneficiaries.
"SEC. 2004. Payment of premiums.
"SEC. 2005. Federal financing responsibility.
"SEC. 2006. Health care insurance program.
"SEC. 2007. Exclusions.
"SEC. 2008. Deductibles and coinsurance.
"SEC. 2009. Quality control.
"SEC. 2010. Requirements for carriers.
"SEC. 2011. State requirements.

"Definitions

"SEC. 2001. (a) For the purposes of this title—

"(1) The term 'low-income individual' means any person whose annual income is not in excess of $2,098.

"(2) The term 'low-income family' means any family which includes two or more members and whose annual family income is not in excess of—

"(A) $2,633, in the case of two such members;

"(B) $3,229, in the case of three such members;

"(C) $4,137, in the case of four such members;

"(D) $4,880, in the case of five such members;

"(E) $5,489, in the case of six such members; and

"(F) $6,751, in the case of seven or more such members.

"(3) The term 'dependent beneficiary' means any child or step child who is a member of a low-income family and who receives more than 50 per centum of his support from such family and has not attained the age of 21, or, if he is a full-time student, has not attained the age of 23. If a dependent beneficiary incurs a covered illness or disability while eligible for benefits described in this title, the eligibility of such beneficiary shall remain in effect regardless of age but shall remain in effect only during the term of such covered illness or disability.

"(4) The term—

"(A) 'physician',

"(B) 'inpatient hospital services',

"(C) 'physicians' services',

"(D) 'extended care services',

"(E) 'extended care facility',

"(F) 'hospital',

"(G) 'carrier',

"(H) 'ambulance service', and

"(I) 'qualified health maintenance organization' shall have the same meaning as when used in title VI.

"Establishment of Low-Income Insurance Program

"SEC. 2002. For the purpose of providing medical and hospital care to individuals and families whose income and resources are insufficient to meet the expenses of necessary medical and hospital services, there is hereby established a program of comprehensive medical and hospital benefits for any eligible beneficiary and his dependents who meet the requirements of section 2003.

"Eligible Beneficiaries

"SEC. 2003. (a) Benefits under this title shall be provided for all persons who are residents of the United States, qualify as a 'low-income individual', 'low-income family' or 'dependent beneficiary' as defined by this title and files an application under this title (filed in such form and manner and containing such information as the Secretary shall by regulations prescribe).

"(b) An individual or family that is not eligible under subsection (a) may establish eligibility by making appropriate premium payments as required under section 2004 and upon payment of such amounts shall be eligible for all benefits provided under this title.

"Payment of Premiums

"SEC. 2004. (a) Every individual who is an eligible beneficiary under section 2003(a) shall be eligible to receive full payments of allowable premiums for a health care insurance policy or plan described in section 2006.

"(b) Every individual who wishes to establish eligibility under section 2003(b) shall be required to contribute toward the cost of the program described in section 2006 an amount limited as follows—

"(1) in the case of an individual or family whose annual income is not in excess of 105 per centum of the amounts described in sections 2001(a)(1) and 2001(a)(2), such individual or family shall pay to the administering carrier an amount equal to 10 per centum of the allowable premium;

"(2) in the case of an individual or family whose annual income is in excess of 105 per centum of the amounts described in sections 2001(a) (1) and 2001(a)(2), but is not in excess of 110 per centum of such amounts, such individual or family shall pay to the administering carrier an amount equal to 20 per centum of the allowable premium; and

"(3) in the case of an individual or family whose annual income is in excess of 110 per centum of the amounts described in sections 2001(a)(1) and 2001(a)(2), but not in excess of 125 per centum of such amounts, such individual or family shall pay to the administering carrier an amount equal to 50 per centum of the allowable premium.

"Federal Financing Responsibility

"SEC. 2005. (a) The Secretary shall pay to each state 100 per centum of the costs necessary to provide medical care to eligible beneficiaries as required under this title.

"(b) There are authorized to be appropriated from time to time to the Secretary sums equal to the costs of providing benefits under this title.

"Health Care Insurance Program

"SEC. 2006. (a) For the purposes of this title, a health care policy or plan must—

"(1) provide payment for the following services, prescribed by a physician, in each benefit period for each covered member—

"(A) inpatient hospital services;

"(B) physician services and any medical supplies customarily furnished by physicians as part of such services which are furnished while the covered person is an inpatient in a hospital, or in connection with a surgical procedure performed while the covered person is not an inpatient in a hospital;

"(C) X-ray and laboratory services provided on an outpatient basis (including radiation therapy);

"(D) outpatient physician services;

"(E) drugs requiring the prescription of a physician licensed to prescribe drugs;

"(F) services of a physicial therapist provided on an outpatient basis;

"(G) psychiatric care, limited to two visits a week, provided on an outpatient basis;

"(H) extended care services furnished an individual after transfer from a hospital in which he was an inpatient for not less than 3 consecutive days;

"(I) medical devices and appliances; and

"(J) ambulance services.

"(2) assure that payments will be made only to those hospitals or other facilities providing care on an inpatient basis which—

"(A) have in effect a utilization review plan which meets the requirements imposed by sections 1155(a)(1)(A), 1155(a)(1)(B), and 1155(a)(1)(C);

"(B) accepts reimbursement on the basis of prospective budgets with payments based on uniform rates for all patients for a fixed period of time and such rates may not include any allowance for costs directly related to facilities or services that are determined by a local health planning agency to be inconsistent with state or local health needs;

"(C) agrees to be reviewed periodically by a group representative of public and private payors who will analyze the services provided, financial statements, statistics, operating and capital budgets, and other pertinent data; and

"(D) submits to the local health planning agency all proposed capital expenditures which exceed $100,000, change the facility's bed capacity or substantially change the facility's services.

"(3) assure that each physician providing services under this title shall, in order to be eligible for reimbursement—

"(A) agree that his services may be reviewed by a utilization review committee established pursuant to Part B of title XI; and

"(B) accept reimbursement on the basis of usual and customary charges.

"Exclusions

"SEC. 2007. (a) No payment may be made under this title for any expenses incurred for items or services—

"(1) which are not reasonable and necessary for the diagnosis or treatment of illness or injury or to improve the functioning of a malformed body member;

"(2) which constitute personal comfort items;

"(3) where such expenses are for eyeglasses or eye examinations for the purpose of prescribing, fitting, or changing eyeglasses;

"(4) where such expenses are for orthopedic shoes;

"(5) where such services are for cosmetic surgery or are incurred in connection therewith, except as required for the prompt repair of accidental injury or for improvement of a malformed body member;

"(6) where such services are for custodial care;

"(7) where such expenses are for services in connection with the care, treatment, filling, removal, or replacement of teeth or structure directly supporting teeth except that payment may be made for inpatient hospital services in connection with a dental procedure where the individual suffers from impairments of such severity as to require hospitalization;

"(8) where such expenses are for the treatment of flat foot care (including the cutting or removal of corns, warts, or calluses, the trimming of nails, and other routine hygiene care);

"(9) where such expenses are for the purchase, rental or repair of hearing aids;

"(10) where such expenses are for—

"(A) private room accommodations provided during an inpatient hospital confinement unless such accommodations are medically necessary; or

"(B) private duty nursing;

"(11) where such expenses are for general physical examinations or immunizations; or

"(12) where such expenses are for services received prior to the effective date of coverage.

"(b) Payment under this title may not be made with respect to any item or service to the extent that payment has been made, or can reasonably be expected to be made (as determined in accordance with regulations to be promulgated by the Secretary), with respect to such item or service, under a workmen's compensation law or plan of the United States or a state, or other insurance plan or lawsuit.

"Deductibles and Coinsurance

"SEC. 2008. (a) With respect to the services described in section 2006, each beneficiary under this title shall pay for not more than the following—

"(1) 10 per centum of each service not to exceed in the cumulative 5 per centum of annual income, except that this subclause (1) shall not apply to the services in subsection 2006(a)(1)(G) or

"(2) with respect to the services described in subsection 2006(a)(1)(G), payment shall not exceed $20 per visit.

"(b) The amount payable to any provider of services under this title for services furnished an individual during any spell of illness shall be reduced by a deduction equal to the cost of the first three pints of whole blood (or equivalent quantities of packed red blood cells, as defined under regulations) furnished to him as part of such services during such spell of illness.

"Quality Control

"SEC. 2010. (a) The provisions of titles XI and XVIII relating to utilization and professional review and conditions of participation required with respect to providers of health services shall be applicable to all health services provided under this title.

"(b) To the maximum extent practicable, the Secretary, in the administration of this title, shall coordinate with the procedures employed in the administration of the health insurance programs established under this Act.

"Requirements for Carriers

"SEC. 2011. (a) No private insurance company or other organization shall be utilized in the administration of this title or title VI unless such insurance company or other such organization develops (in combination with other such carriers or other organizations) health care policies which may be purchased for individuals and families under this title.

"(b) It shall not be unlawful under any antitrust law for any carrier to enter into any contract, or other arrangement with any other such carrier after the date of enactment of this title for the sole purpose of establishing or participating in an insurance pool arrangement whereby there will be offered health insurance policies approved under this title.

"State Requirements

"SEC. 2012. (a) Each state shall receive periodically from the Secretary, and the Secretary shall pay periodically to each state, such funds as are authorized under section 2005.

"(b) Each state shall contract or make other arrangements with a health insurance carrier (or carriers) which shall pay to practitioners, institutions, and other providers, on behalf of the individuals and families required under section 2003 to be made eligible therefor, the costs of providing health care benefits (described in section 2006) in accordance with the provisions of this title.

"(c) The appropriate state agency shall enroll each recipient, required under section 2003 to be made eligible therefor, in the State plan and shall file his application with the administering carrier.

TITLE III—GENERAL PROVISIONS

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Sec. 301. Council of health advisors.
Sec. 302. Operation of state benefit pools.
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Sec. 304. Effective date.
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Council of Health Advisors

SEC. 301. Title XI of the Social Security Act is amended by adding after section 1130 the following new section:

"Council of Health Advisors

"SEC. 1131. (a) There is created in the Executive Office of the President a Council of Health Advisors (hereinafter referred to as the 'Council'). The Council shall be composed of seven members who shall be appointed by the President to serve at his pleasure, and with the advice and consent of the Senate. The President shall appoint one member of the Council to serve as Chairman.

"(b) The purpose of the Council is to—

"(1) analyze and interpret trends in the health care field;

"(2) appraise health programs and activities of the Federal government; and

"(3) appraise the effectiveness of the quality control programs established under this Act.

"(c) The Council is authorized to employ and fix the compensation of such employees, experts and consultants as is necessary to carry out its functions under this Act.

"(d) The Council shall submit an annual report to the President not later than March 1 of each year. Each such report shall be transmitted to Congress.

"(e) There are authorized to be appropriated such sums as may be necessary to enable the Council to carry out its functions under this Act.

Operation of State Benefit Pools

SEC. 302. Title XI of the Social Security Act is amended by adding after section 1131 (as added by section 301 of this title) a new section as follows:

"Operation of State Benefit Pools

"SEC. 1132. (a) The State insurance pools authorized in title VI and title XX shall be administered by the administering carrier under regulations promulgated by the appropriate state agency.

"(b) The premiums collected pursuant to title XX, any service charges paid and the reimbursement for pool losses shall be paid into the pool.

"(c) the pool shall—

"(1) without fiscal year limitation pay all qualified state plan benefit claims certified by the administering carrier;

"(2) without fiscal year limitation pay premiums to approved health maintenance organization (as defined by the Secretary);

"(3) pay the reasonable administrative charges of the administering carrier; and

"(4) pay any other charges for which the pool has a liability.

"(d) The moneys in the pool shall be invested and reinvested in interest-bearing obligations, which may be sold for the purpose of the pool. The interest on, and the proceeds from the sale, of such obligations become a part of the pool.

"(e) An annual experience accounting for the pool for the policy year shall be prepared by the administering carrier and submitted to the Secretary, to the State, and to all carriers participating in the pool.

"(f) All carriers shall participate in any pool losses in accordance with a formula, designed by the administering carrier and approved by the appropriate state official, that equitably allocates pool losses to carriers and approved health maintenance organization in proportion to their total health care business. For purposes of this subsection the term "carrier" means an insurance company, a hospital service or hospital expense indemnity organization, a medical service or medical expense indemnity organization, a dental service or dental expense indemnity organization, a fraternal benefit society, or other similar organization, society or funding arrangement which provides coverage for health care.

"(g) The aggregate pool losses for any policy year to be apportioned among the pool participants shall be limited to 3 per centum of the qualified premiums collected by the pool for the year. Losses in excess of this limitation shall be borne by the Federal Government.

"(h) If the experience accounting reflects a gain for the policy year, such gain shall be retained in the pool and used to minimize future premiums to be paid by the Federal Government.

Severability

SEC. 303. If a provision enacted by this Act is held invalid, all other provisions so enacted shall remain in effect. If a provision enacted by this Act is held invalid in one or more of its applications, the provision shall remain in effect with respect to all other applications.

Effective Date

SEC. 304. The amendments made by this Act shall become effective on the date of enactment of this Act, except that the provisions of titles VI and XX of the Social Security Act (as amended, in the case of such title VI, and as added, in the case of such title XX) shall not become effective until July 1, 1975.

Repeal of Title XIX

SEC. 305. Title XIX of the Social Security Act is repealed, effective July 1, 1975.

NATIONAL HEALTH STANDARDS ACT

CONCEPTS AND COVERAGE

The bill establishes a two-part national health insurance program to assure coverage for all U.S. residents. It requires employer-purchased health insurance benefits for employees and their dependents and federally-purchased health insurance benefits for "low-income", Title XVIII of the Social Security Act (Medicare) remains intact and provides benefits for the aged and disabled. The objectives of the bill are to provide access for all to adequate hospital and medical services at a reasonable cost; to build upon the existing health insurance system; and to assure individual freedom of choice and the flexibility to adjust to needed change.

BENEFITS PROVISION

The bill would provide a broad range of benefits including outpatient and inpatient services and catastrophic coverage. It also contains a "benefit equivalence" provision which recognizes individual and geographical health care needs. Specifically, benefits include:

Hospital services, unlimited as to duration and scope except that private room accommodations, private duty nursing, personal comfort items and cosmetic surgery are not covered;

Physicians services, both inpatient and outpatient;

Diagnostic x-ray and laboratory services provided on an outpatient basis (including radiation therapy);

Prescription drugs;

Physical therapy provided on an outpatient basis;

Psychiatric care provided on an outpatient basis (limited to two visits a week);

Extended care services furnished an individual after transfer from a hospital confinement lasting not less than 3 consecutive days;

Medical devices and appliances;

Ambulance services (when medically necessary); and

Catastrophic expense coverage which would pay all expenses which an individual or family incurs during a benefit period after such individual or family incurs $2,500 in covered expenses.

The "benefit equivalent" provision allows flexibility for employers who provide their employees with a health insurance benefit "package" which costs more per employee than the proposed benefit plan. An employer can substitute his existing plan if the *total* expected claims cost per employee of the benefit equivalent plan is at least equal to the *total* expected claim cost of the minimum standards benefit plan including 100 percent of the expected claim cost of the following benefits:

Hospital services;

Inpatient physician services;

Inpatient and outpatient surgical care services; and

Diagnostic x-ray and laboratory services including radiation therapy.

Specifically excluded benefits:

Vision care;

Orthopedic shoes;

Custodial care;

Routine dental care;

Routine foot care;

Hearing aids; and

General physical examinations and immunizations.

DEDUCTIBLE AND COINSURANCE PROVISIONS

An individual would pay a calendar year deductible of $100, not to exceed $200 per family. In addition, an individual or family would be required to pay 25 percent of the next $10,000 of covered charges incurred in any calendar year. After $2,500 of covered charges are incurred, the plan will pay 100 percent of all additional covered expenses. With respect to outpatient psychiatric care, the plan will pay 50 percent of all charges to a maximum of $20 per visit. With respect to obstetrical care, the plan will pay 50 percent of all charges to a maximum of $500 for any single pregnancy. The first three pints of blood would not be covered under the plan.

MANPOWER AND FACILITIES

A hospital, to be eligible for reimbursement, must agree that it will have in effect a utilization review plan which meets the requirements imposed by Part B, Title XI of the Social Security Act. In addition, they must agree to accept reimbursement on the basis of prospective budgets with payments based on uniform rates for all patients for a fixed period of time and such rates may not include any allowance for costs directly related to facilities or services that are determined by a local health planning agency to be inconsistent with state or local health needs. Hospitals shall be reviewed periodically by a group representative of public and private payors who will analyze the services provided, financial statements, statistics, operating and capital budgets and other pertinent data. Hospitals must submit to the local health planning agency all proposed capital expenditures which exceed $100,000, change the facility's bed capacity or substantially change the facility's services.

Physicians and other health providers, in order to be eligible for reimbursement, must agree that their services may be reviewed by a utilization review committee established pursuant to Part B, Title XI of the Social Security Act. Reimbursement of physicians and other health providers shall be on the basis of usual and customary charges.

EFFECT ON DELIVERY SYSTEM

Each employer required to provide an approved health care plan for his employees and which employs an average number of employees of not less than 25, must offer his employees an option of membership in a "qualified" health maintenance organization which is engaged in the provision of health services in the areas in which such employees reside. The employer shall select the "qualified" health maintenance organization of his choice to provide services to his employees. No employer would be required to pay more for health benefits as a result of the HMO option than would otherwise be spent in complying with the requirements of this law.

EVALUATION AND COST CONTROL

In order to prevent the duplication of unnecessary facilities or services, hospitals must submit to local health planning agencies all proposed capital expenditures which exceed $100,000, change the facility's bed capacity or substantially change the facility's services. If the local health planning agency finds that the proposed change is inconsistent with state or local health needs, the hospital shall not receive reimbursement or any allowances for costs directly related to the facilities or services that are disallowed. Hospitals must also have in effect a utilization review plan which complies with the requirements imposed by Part B, Title XI of the Social Security Act. Hospitals must accept reimbursement on the basis of prospective budgets and agree to be reviewed by a group representative of public and private payors who will analyze the hospital's services and operations. Physician services and those of other health providers, may be reviewed as to medical necessity by a utilization review committee meeting the requirements of Part B, Title XI of the Social Security Act.

The act establishes a Council of Health Advisors to be appointed by the President. The Council shall analyze and interpret trends in the health care field, appraise health programs and activities of the federal government and appraise the effectiveness of the quality review programs established under the Social Security Act. An annual report shall be submitted to the President and Congress not later than March 1 of each year.

IMPACT ON PUBLIC AND PRIVATE PROGRAMS

Medicaid (Title 19 of Social Security Act) would be repealed.

Medicare (Title 18 of Social Security Act) would continue to provide medical and hospital services to the aged and disabled.

ADMINISTRATION

The programs would be administered by private health insurance carriers under regulations promulgated by the Secretary and enforced by the appropriate state agencies. Insurance carriers, to be eligible for participation under the employer program or the low-income program, must participate in the formulation and operation of insurance "pools". A "state" pool would be formed to provide coverage for the "low-income" while other "pools" would be formed to provide coverage for employers with less than 100 employees and the self-employed. Self-insured employers would not be required to participate in the pools.

Employers who knowingly fail to comply with the provisions of this act, after notice and opportunity for a hearing, may be assessed a civil penalty of not more than two times that amount such employer would have spent had he complied with the requirements of this act and shall reimburse his employees for any amounts they may have spent to secure benefits while the employer was in noncompliance with this act.

ESTIMATED COST

The estimated additional cost to the federal government would be $3.6 billion in fiscal year 1975.

FINANCING

Employers would be required to purchase for their employees and their dependents a comprehensive level of benefits paying at least 50 percent of the premium cost. When the employee relationship is terminated, coverage shall remain in force for a period of 31 days.

With respect to the "low-income" program, the federal government would provide the states with whatever funds are necessary to purchase health insurance benefits for those individuals who are unable to purchase their own. Specifically, individuals with incomes not in excess of $2,098 and families whose annual income are not in excess of:

$2,633, in the case of two such members;

$3,229, in the case of three such members;

$4,137, in the case of four such members;

$4,880, in the case of five such members;

$5,489, in the case of six such members; and

$6,751, in the case of seven or more such members—shall be eligible to receive full payments of allowable premiums. Other individuals may establish eligibility by contributing to the cost of the program in the following amounts:

In the case of an individual or family whose annual income is in excess of 100 percent but not in excess of 105 percent of the amounts described above, such individual or family shall pay 10 percent of the allowable premium;

In the case of an individual or family whose annual income is in excess of 105 percent but not in excess of 110 percent of the amounts described above, such individual or family shall pay 20 percent of the allowable premium; and

In the case of an individual or family whose annual income is in excess of 110 percent but not in excess of 125 percent of the amounts described above, such individual or family shall pay an amount equal to 50 percent of the allowable premium.

The act makes no changes in the existing Medicare program and it will be continued to be financed by employer, employee and self-employed payroll taxes and general revenues.

SECTION-BY-SECTION ANALYSIS OF NATIONAL HEALTH STANDARDS ACT

To amend the Social Security Act to require employers to make an improved health care plan available to their employees, to provide a health insurance plan for "low-income" persons, and for other purposes.

This Act may be cited at the "National Health Standards Act."

Sec. 201. *Findings and declaration of purpose.*

Congress finds that: the health of the nation's people is fundamental to their well-being and the nation's productivity; each person shares the responsibility for protecting his own health and well-being; not everyone has the ability to purchase health care when they need it; the health care system needs to be improved using the existing system as a base upon which to build; and the improved system should draw from the experience of medical and allied health professions, private enterprise, government and consumers. The purpose of this Act is to establish a national health care system that would provide health care for all. This would be accomplished by requiring: employers to purchase a health care plan for their employees and the federal government to assume the total cost of purchasing a health care plan for those unable to pay for their own. Medicare would continue to provide medical care for the aged and disabled.

TITLE I: HEALTH BENEFITS FOR EMPLOYEES

Sec. 301. Title VI of the Social Security Act is amended to read as follows:

Sec. 601. Definitions.
Sec. 602. Health care plan required.
Sec. 603. Effective date for providing health care plan.
Sec. 604. Termination.
Sec. 605. Health care plan benefits.
Sec. 606. Exclusions.
Sec. 607. Deductibles.
Sec. 608. Penalties for noncompliance.
Sec. 609. Additional requirements of health care plans.
Sec. 610. Approval of plans.
Sec. 611. Plans for the self-employed and small employer.
Sec. 612. Regulations of the Secretary.
Sec. 613. Acturial equivalency.
Sec. 614. Employee option.

Sec. 601. *Definitions:* Defines the various terms as follows:

"Employee" to include both full-time and part-time employees who have been employed for more than 31 days.

"Employer" as any individual, firm or agency that employs at least one employee.

"Approved health care plan" to mean a plan of employee health benefits which is in writing, adopted by the employer, communicated by the employer to his employees, provides at least the benefits described in the act, and covers the employees and their dependents.

"Actuarial equivalence" as that which is equivalent to the total expected claim costs of the total benefit package, including 100 percent of the expected claim cost of hospital services, outpatient physician services, surgical care, and diagnostic x-ray and laboratory services.

"Physician" means a doctor of medicine, osteopathy, podiatry, and, for certain purposes, a dentist.

"Inpatient hospital services" are those services customarily furnished by a hospital, except for convenience items.

"Physician services" are those services usually performed by a physician including surgery, consultation, home and institutional calls.

"Extended care services" are those services specified in regulations of the Secretary.

"Extended care facility" are those facilities meeting the requirements of Section 1861(j).

"Hospital" means the same as in Title XVIII.

"Carrier" means an insurance company or other such indemnity organization or agency, or an employer who makes available directly to his employees a health care plan.

"Ambulance services" are those services customarily provided by a medical service transportation company but only when such services are medically necessary.

"Qualified health maintenance organization" means an HMO which has been certified by the Secretary as capable of providing health services to its members in a manner prescribed by this title.

Sec. 602. *Health care plan required*: Every employer, other than a foreign government or other international organization, shall provide his U.S. resident employees an approved health care plan. An employer who, on the date of enactment of this title, has a contract to provide health care to his employees shall not be required to amend that contract until its expiration or renewal. No employer is required to pay an amount in excess of 50 percent of the cost of providing a health care plan.

Sec. 603. *Effective date for providing health care plan*: Every employer has one year after the enactment of this title to comply with the provisions of this title.

Sec. 604. *Termination of health care benefits*: Coverage of an employee shall continue in effect for a period of not more than 31 days following termination of an employee.

Sec. 605. *Health care plans benefits*: An approved health care plan shall offer the following benefits; inpatient hospital services; inpatient physician services; surgical care; x-ray and laboratory services; outpatient physician services; prescription drugs; outpatient physical therapy; limited outpatient psychiatric care; extended care services; medical devices and appliances; and ambulance services.

Sec. 606. *Exclusions*: An approved health care plan may not make payment for the following items or services: those which are not medically necessary; those which the individual furnished such items has no obligation to pay; those which are paid for by another governmental entity; those which constitute personal comfort items; vision care services; orthopedic shoes; cosmetic surgery; custodial care; routine dental care; flat foot conditions or other routine foot care; hearing aids; private room accommodations and private duty nursing; general physical examinations or immunizations; pre-existing conditions; and those items which can be expected to be paid for by a workmen's compensation law, other insurance plan or lawsuit.

Sec. 607. *Deductible and coinsurance*: For all services except psychiatric and obstetrical care, the plan must provide that an individual or family will pay no more than $100 for each individual not to exceed $200 per family and 25 percent of the next $10,000 of covered charges with respect to outpatient psychiatric care, the plan shall pay 50 percent of charges provided payment for such charges under this Act does not exceed $20 per visit. For obstetrical care, the plan will pay 50 percent of charges to a maximum payment under the plan of $500 for any single pregnancy. The first three pints of blood are not covered under the plan.

Sec. 608. *Penalities for noncompliance*: An employer who knowingly fails to comply with the requirements of this title may be assessed a civil penalty of not more than two times the amount he would have spent had he complied with the requirements of the title and shall be required to reimburse all employees for any amounts they may have spent to secure covered benefits during the period he was not in compliance with the title.

Sec. 609. *Additional requirements of health care plans*: To be an approved health care plan, the plan must provide that a hospital: have in effect a utilization review plan which meets the requirements imposed by Part B, Title XI of the Social Security Act; accepts reimbursement on the basis of prospective budgets and such budgets shall not include any allowance for costs related to facilities or services that are determined by a local health planning agency to be inconsistent with state or local health needs; agrees to be reviewed periodically by a group of public and private payors; and submits to the local health planning agency all capital expenditures that exceed $100,000, change the facility's bed capacity or substantially change the facility's services. Each physician, to be eligible for reimbursement, shall agree that his services may be reviewed by a utilization review committee and that reimbursement shall be on the basis of usual and customary changes.

Sec. 610. *Approval of plans*: Each carrier and self-insured employer shall notify the appropriate state official within 30 days after the implementation of a health care plan. The state official shall approve or disapprove the plan and notify the employer.

Sec. 611. *Plans for the self-employed and small employer*: Each insurance company shall develop (itself or in combination with other such carriers) pools to which employers with less than 100 employees and self-employed individuals may subscribe. For this purpose only, existing antitrust laws shall be overridden.

Sec. 612. *Regulations of the Secretary*: The Secretary is authorized to prescribe regulations necessary for the administration of this title.

Sec. 613. *Actuarial Equivalency:* Every employer covered by this title can offer a plan which is the "actuarial equivalent" of the benefit plan required by section 605. To offer an actuarially equivalent plan, the employer must obtain a "certificate" from a qualified actuary stating that his plan is an actuarially equivalent plan.

Sec. 614. *Employee option:* Each employer covered by this title shall offer his employees an option of membership in a qualified health maintenance organization if one is available in the area in which his employees reside. The employer shall have the option of selecting the qualified health maintenance organization that shall be offered as an option. No employer will be required to pay more for health benefits under an HMO option than would otherwise be spent in complying with the requirements of this title.

TITLE II—HEALTH BENEFITS FOR LOW-INCOME INDIVIDUALS AND THEIR DEPENDENTS

Sec. 401. The Social Security Act is amended by adding a new title XX.

TITLE XX—HEALTH BENEFITS FOR LOW-INCOME INDIVIDUALS AND FAMILIES

Sec. 2001. Definitions.
Sec. 2002. Establishment of low-income insurance program.
Sec. 2003. Eligible beneficiaries.
Sec. 2004. Payment of premiums.
Sec. 2005. Federal financing responsibility.
Sec. 2006. Health care insurance program.
Sec. 2007. Exclusions.
Sec. 2008. Deductibles and coinsurance.
Sec. 2009. Quality control.
Sec. 2010. Requirements for carriers.
Sec. 2011. State requirements.

Sec. 2001. *Definitions:* Defines the various terms as follows:

"Low-income individual" is any person whose annual income is not in excess of $2,098.

"Low-income family" means two or more

family members whose annual income is not in excess of: $2,633 in the case of two such members; $3,229 in the case of three such members; $4,137 in the case of four such members; $4,880 in the case of five such members; $5,489 in the case of six such members; and $6,751 in the case of seven or more such members.

"Dependent beneficiary" is any child who is a member of a low-income family, receives at least 50 percent of his support from such family and has not obtained the age of 21 or, if he is a full-time student, the age of 23.

The terms "physician," "inpatient hospital services," "physicians services," "extended care services," "extended care facility," "hospital," "carrier," "ambulance service" and "qualified health maintenance organization" shall have the same meaning as when used in Title VI.

Sec. 2002. *Establishment of low-income insurance program:* Establishes a program of comprehensive medical and hospital benefits for individuals and families whose incomes are insufficient to meet the expenses of necessary medical and hospital services.

Sec. 2003. *Eligible beneficiaries:* All "low-income individuals," "low-income families," or "dependent beneficiaries" are eligible under this section. Other individuals may establish eligibility by paying all or a portion of the premium rates as required under section 2004.

Sec. 2004. *Payment of premiums:* Every individual or family who is eligible under section 2003(a) shall be eligible to receive full payments of premiums. Other individuals and families to establish eligibility, shall contribute towards the cost of the program as follows: those with annual incomes in excess of 100 percent but not in excess of 105 percent of the amounts described in section 2001 shall pay 10 percent of the allowable premiums; those whose income is between 105 percent and 110 percent of the amounts described in section 2001 shall pay 20 percent of the allowable premium; and those with incomes in excess of 110 percent and 125 percent of the amounts described in section 2001 shall pay an amount equal to 50 percent of the allowable premium.

Sec. 2005. *Federal financing responsibility:* The federal government shall pay each state such funds as are necessary to provide care as required under this title.

Sec. 2006. *Health care insurance program:* A health care policy must provide payment for the following benefits: inpatient hospital services; inpatient physician services; surgical care; x-ray and laboratory services; outpatient physician services; prescription drugs; outpatient physical therapy; limited outpatient psychiatric care; extended care services; medical devices and appliances; and ambulance services.

This section requires that reimbursement may be made only to a hospital which: have in effect a utilization review plan which meets the requirements of Part B, Title XI of the Social Security Act; accepts reimbursement on the basis of prospective budgets and such budgets shall not include allowances for costs directly related to facilities or services that are determined by a local health planning agency to be inconsistent with state or local health care needs; agrees to be reviewed periodically by public and private payors; and submits to a local health planning agency all proposed capital expenditures which exceed $100,000, change the facility's bed capacity or substantially change the facility's service. Each physician, to be eligible for reimbursement, shall agree that his services may be reviewed by a utilization review committee and that reimbursement shall be on the basis of usual and customary charges.

Sec. 2007. *Exclusions:* This section prohibits payments under this title for the following items or services: those which are not medically necessary; personal comfort items; vision care; orthopedic shoes; cosmetic surgery; custodial care; routine dental care; routine foot care; hearing aids; private room and private duty nursing; physical examinations or immunization; pre-existing conditions; and those expenses which can reasonably be expected to be covered by a workmen's compensation law, other insurance plan or lawsuit.

Sec. 2008. *Deductibles and coinsurance:* Each beneficiary shall pay not more than the following: 10 per cent of each service, not to exceed in the cumulative, 5 per cent of annual income; for mental health services, payment by the plan shall not exceed $20 per visit. The first three pints of blood are not covered under this plan.

Sec. 2010. *Quality control:* The utilization review provisions of titles XI and XVII shall be applicable to all services provided under this title. The Secretary shall coordinate his procedures under this title with those established under other Social Security programs.

Sec. 2011. *Requirements for carriers:* No carrier shall be utilized in the administration of this title unless such carrier agrees to participate in state insurance "pools". For this purpose only, existing antitrust laws which prohibit interaction among carriers are overridden.

Sec. 2012. *State requirements:* The Secretary shall periodically pay each state such funds as are necessary to operate the "low-income" program. Each state shall contract with carriers to administer the program. A state agency shall be responsible for the enrollment and filing of beneficiary applications.

TITLE III—GENERAL PROVISIONS

Sec. 501. Council of health advisors.
Sec. 502. Operation of state benefit pools.
Sec. 503. Severability.
Sec. 504. Effective date.
Sec. 505. Repeal of title XIX.

Sec. 505. *Council of health advisors:* Creates a Presidential Council of Health Advisors composed of seven members appointed by the President with the advise and consent of the Senate. The Council's purpose is to analyze and interpret trends in the health care field, appraise health programs and activities of the Federal Government, and appraise the effectiveness of the quality control programs established under this Act. The Council shall submit an annual report to the President and Congress.

Sec. 502. *Operation of state benefit pools:* The various state "pools" and "pools" for small employers and the self-employer shall be administered by an administering carrier under regulations promulgated by the Secretary and enforced by the appropriate state agency. All funds collected from the "low-income" plan shall be paid into the state pools. All pools shall pay claims, health maintenance organization dues, reasonable administrative expenses, and any other charges for which the pool has a liability. The pools may invest and reinvest their funds in interest bearing obligations. The administering carrier shall prepare an annual experience accounting which shall be distributed to the state, all participating carriers and the Secretary. The pool's losses shall be distributed among participating carriers in accordance with a formula that equitably allocates losses to all carriers and approved health maintenance organizations. For the purposes of this subsection, the term "carrier" does not include self-insured employers. The pool shall be liable for all losses limited to 3 percent of collected premiums. Losses in excess of this limitation shall be borne by the Federal Government. Pool gains shall be retained in the pool and used to minimize future premiums to be paid by the Federal Government.

Sec. 503. *Severability:* If a provision enacted by this Act is held invalid, all other provisions so enacted shall remain in effect.

Sec. 504. *Effective date:* The effective date is July 1, 1975.

Sec. 505. *Repeal of Title XIX:* This section repeals the existing Medicaid program.

ACTUARIAL COST ESTIMATES AND ANALYSIS* FOR THE NATIONAL HEALTH STANDARDS ACT

The Proposal for National Health Insurance recommended by the Chamber of Commerce of the United States would essentially build on the existing framework of insurance arrangements in the United States, extending group insurance to virtually all full time employees and supplementing existing group insurance and social insurance with a new program for low-income individuals. Reimbursement under all programs would be based on the going rate of payment for such services, eliminating economically motivated discrimination against the poor in receiving health services.

The principal insurance vehicle in the proposal is private group insurance paid jointly by employers and employees. All full time employees would be offered health insurance coverage for themselves and their families with an actuarial value which met or exceeded standard benefits set forth in the bill. The employer would pay at least half of the cost of providing the coverage required.

The principal measure of cost to employers and employees is the premium rate required for the standard benefit package. The average annual premium rates that would be needed in fiscal 1975 for the standard benefit package are shown in Table 1 (employer and employee share combined). The average annual premium for employees electing to be covered as single individuals is estimated to be $184, and the average annual premium for employees electing coverage for their families as well as themselves is estimated to be $511. The average annual premium for all employees electing to be covered (either as singles or as families) would be $443.[1]

Some families would have two employees that are eligible for coverage. The actuarial value of having a second family policy, however, is only about half of the value of the first policy, after considering the coordination of benefits required by the bill. Under these circumstances, some families would elect to have two family policies, others only one.[2]

These eligible employees who do not elect to have a second family policy lower the average cost of furnishing the required coverage, as do any employees who do not participate at all, and those who are over 65 and have Medicare. *The average premium per employee to whom coverage must be offered is thus less than the average premium per enrollee. The average premium per full time employee is $370. This rate is the appropriate base for measuring the cost to employers of furnishing standard benefits to employees.* To the extent that employers offered actuarially equivalent coverage with no cost sharing on inpatient services—which would have a lower actuarial value for a second policy—the actual average premium per full time employee would be less than this.[3]

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*Prepared by: Gordon Trapnell, Consulting Actuary, 6313 Crosswoods Circle, Falls Church, Virginia 22044

[1] These rates assume that any charges over $500 in connection with the delivery of a child are not a covered service. If the maximum of charges considered is $1,000, the average annual premium rates would be:

Employee premium, $186.
Family premium, $527.
Average per enrollee, $457.
Average per employee, $381.

[2] Other families would have two single policies (especially those with no other dependents), and some would have one single and one family policy.

Thus, of the 63 employees, 10 are enrolled as singles and 42 for family coverage. The employer's fiscal 1975 premium is determined as follows: 10×$184+42×$511=$23,302. The average annual premium per enrolled employee is $23,302/52=$448. The average annual premium per full time employee is $23,302/63=$364.

The aggregate effect of the Chamber of Commerce proposal on employers is shown in Table 2. By January 1st (the mid-point of fiscal year 1975), employers and employees are projected to be jointly spending at a rate of $25.8 billion dollars a year on group health insurance for services of the types covered by the proposal, reflecting a continued rapid rise in group health coverage. Of this, $6.6 billion would be paid through employees' contributions, leaving an employer net cost of $19.2 billion. If the Chamber of Commerce proposal were fully effective at that time, spending for group health insurance would be higher by $2.7 billion divided about equally between employers and employees. The additional coverage reflects the extension of group insurance to many employers who do not now offer group insurance coverage, especially among very small employers.

Federally financed health insurance for the poor would be replaced by a federal program which purchased special policies for persons whose income is below "low income levels" established by the proposal. Persons whose income ranged up to 25% above these levels would be eligible for a federal subsidy toward the cost of the policies. The persons who would be eligible under this program as of January 1, 1975, are summarized in Table 3, by the number of persons in the family unit. Over 17 million persons would be eligible for free policies and around 4 million more would be eligible for a federal subsidy toward the purchase of such policies. An additional 4 million persons with comparable incomes would be eligible for coverage through their employers.

The total federal outlays to purchase coverage for low income level individuals and to subsidize coverage for those whose income is up to 25% higher than the low income level would be $10.3 billion in fiscal 1975. Premiums paid by those with subsidized policies would reduce this cost by $100 million to a new cost of $10.2 billion. The cost to the federal government would be offset by the repeal of the Medicaid program and a reduction in spending under other federal programs (e.g., the Veterans Administration), so that the net new outlays by the federal government would be $3.6 billion. State and local governments would have to increase spending for Medicaid programs to replace the federal matching withdrawn to maintain the same level of benefits as now provided, despite coverage under the subsidized policies of most of the cost of these services. Long term care, especially nursing home care and intermediate care, would form the bulk of this expenditure. There would be a reduction, however, in state and local outlays to cover operating deficits of state and local hospitals. This increase would be eliminated if persons over age 65 were eligible for subsidized policies. However, the federal cost would be increased by a similar amount.

A list of specific policy assumptions assumed in these estimates and a list of principal actuarial assumptions used is attached to this report. The cost of the proposal could vary substantially from that estimated if the policy followed in implementing the bill varied from these assumptions.

TABLE 1.—COMPONENTS OF AVERAGE PREMIUM RATES FOR STANDARD BENEFITS IN HEALTH PLANS REQUIRED FOR EMPLOYERS (FISCAL 1975) [1]

Items	Employee premium	Family premium	Average per enrollee [2]	Average per employee [3]
Hospital room and board	$34	$87	$76	$64
Hospital inpatient services	41	106	94	78
Hospital outpatient services	4	7	6	5
Skilled nursing facilities	4	7	6	5
Physicians	56	157	137	114
Psychiatrists	4	12	10	8
Prescriptions	9	28	24	20
Maternity	2	18	16	13
Diagnostic X-ray, lab, etc	6	19	16	14
Total, benefits	160	441	385	321
State premium taxes [4]	2	5	4	4
Administration	22	61	54	45
Total, premiums	184	507	443	370

[1] Incurred premiums for policy years beginning in 1974.

[2] Average premium per employee electing participation (see text for explanation).

[3] Average premium per full-time employee (see text for explanation).

[4] At average rates currently paid (i.e., not paid by Blue Cross, Blue Shield, Group Practice Plans, or self-insured arrangements.

TABLE 2.—EFFECT OF CHAMBER OF COMMERCE PROPOSAL ON EMPLOYERS

[Billions of dollars in fiscal year 1975]

Cost of group insurance	Present law	Proposal effective	Net change
Premiums less dividends and credits	$25.8	$28.5	[2] $2.7
Employee contributions	6.6	7.9	1.3
Employer cost [1]	19.2	20.6	1.4

[1] Before Corporation income taxes.

TABLE 3.—INDIVIDUALS AND FAMILIES ELIGIBLE FOR LOW-INCOME HEALTH PROGRAM

[Thousands of units]

Income level	Number of persons in family unit: 1	2	3	4	5	6	7 plus	Total units	Total persons
Low income	5,269	960	677	539	378	257	251	8,331	17,318
100 to 105 percent low-income level	201	51	26	39	32	12	11	372	879
105 to 110 percent low-income level	201	51	27	39	19	12	11	360	879
110 to 125 percent low-income level	603	154	79	93	56	36	19	1,040	2,206
Total low-income levels	6,274	1,216	809	710	485	317	292	10,103	21,282

TABLE 4.—EFFECT OF CHAMBER OF COMMERCE PROPOSAL ON GOVERNMENT OUTLAYS FOR PROVIDING HEALTH SERVICES

[Billions of dollars in fiscal 1975]

	Federal Government	State and local government	Total
Current law	$23.3	$10.2	$33.5
Medicare	14.0	0	14.0
Medicaid	5.9	5.3	11.2
Other programs	3.4	4.9	8.3
Chamber of commerce proposal	26.9	10.9	37.8
Medicare	14.0	0	14.0
Medicaid	0	[1] 7.3	7.3
Subsidies for low income policies	10.3	0	10.3
Other programs	2.6	3.6	6.2
Increase in outlays	[2] 3.6	.7	4.3

[1] Assume no reduction in the level of benefits under State and local medicaid programs.

[2] Includes $1,000,000,000 of premiums collected from low income individuals.

APPENDIX

POLICY ASSUMPTIONS

1. Enactment of the bill is the only major change in legislation taking place during the period of projection. The program is assumed to have been in operation for at least a year—as are Professional Standards Review Organizations (including their new responsibility for physicians' services), hospital budget review committees, etc.

2. Families are defined to consist of heads and spouses under age 65, any children under age 21, and any dependent children in school under age 23. This definition of family is used in both employer policies and government subsidized policies.

3. Family income for purposes of eligibility for government subsidized policies and determination of the maximum cost sharing

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[3] To explain the distinction between average premium per enrollee and average premium per employee consider the following example. Suppose an employer has 63 full time employees, all of whom have worked long enough to be eligible for coverage. However, only 52 of the employees actually enroll in the

1 Employee is over 65 (and has no de-
plan as follows:
pendents under age 65)—covered by Medicare.

11 Employees have no dependents, of whom 10 enroll as single employees.

29 Employees have families which contain no other full time employees, of whom 28 enroll as families.

22 Employees are married to each other in 11 families, and 14 enroll their families (i.e., 3 families are enrolled twice).

per family in those policies—is defined and administered to be equivalent to "adjusted gross income" (as defined by IRS) plus any transfer payments received.

4. The "low income levels" specified in the bill to determine eligibility for subsidized policies are applicable in fiscal year 1975. The substantial inflation that has occurred since the year in which these were the official "low income level" thresholds (1971) would suggest that higher levels would be adopted, substantially increasing the cost of the government subsidized policies.

5. Administration of regulations implementing the definition of full time employees for whom health coverage is required is strictly enforced to include all employees who work 20 or more hours for the same employer in 26 out of the last 52 weeks.

6. All insurers issuing policies either to employers or to low income individuals are required to base reimbursement to hospitals on prospective budgets established by a committee of payers, which would include both public and business representatives as well as members of the medical professions. Hospitals wishing to exceed these budgets could do so; however, any additional expenditure would not be included in the charges recognized by insurers, so that patients would pay these costs.

7. Fiscal 1975 budgets for hospitals are set at a level similar to that currently allowed, and reimbursements are based on cost plus bad debts plus an allowance of 2½% for growth, development, and working capital.

8. Physicians' charges are subject to some restraint, imposed through the professional organizations specified in the bill. If physicians raised fees in anticipation of further controls, spending both with and without the proposal effective would be increased. The relative impact of the proposal would be similar, however.

9. Federal matching for Medicaid programs is assumed to be discontinued entirely. State and local governments are assumed to provide benefits to all persons receiving medical assistance before the termination of Federal participation by increasing spending if necessary. Savings in general hospital and medical expenditures (e.g. operating deficits of state and local hospitals) are assumed to reduce spending.

10. The provision for allowing actuarial equivalent benefits instead of the standard benefit package is assumed to require:

(a) Benefits for inpatient hospital and physician care, surgical care, xray, and laboratory services must exceed the benefits provided in the standard plan.

(b) Benefits for all services must exceed the benefits provided in the standard plan.

11. Regulations pertaining to skilled nursing facilities and outpatient physical therapists are the same as currently in Medicare.

12. Pre-existing exclusion clauses are permitted.

13. The maximum payment for maternity services is $250 (50% of a maximum of $500 of charges).

ACTUARIAL ASSUMPTIONS

1. Estimates are at the level of fiscal 1975 spending assuming all flows have reached an ongoing level.

2. Physician fees are projected according to present trends.

3. The actuarial value of a second family policy for the standard benefits is approximately 50% of the premiums for such policies. For employees who have spouses who are also mandated, the second policy is thus worth the actuarial value of the maximum contribution. Under these conditions, it is assumed that one-fourth of families with two eligible employees would sign up for family policies for each.

4. An unemployment rate of 6% is assumed for fiscal 1975. A higher unemployment rate would increase the cost of government subsidies for lower income persons.

5. The following participation rates were assumed among employees eligible for coverage:

[In percent]

Single employees	95
Families	98

6. Existing insurance for employers with less than 25 employees is assumed to be at roughly 50% of the level required by the bill. Coverage is assumed to be actuarially equivalent to standard benefits or higher for most groups with more than 25 employees.

7. The required pools for small employers and self employed are assumed to result to substantial price competition. Since insurers could not charge more for single or very small policies, commission rates would be uniform as a percentage of premium.

8. The savings accruing from the prohibition of duplicate payment with automobile liability insurance policies, etc. are assumed to reduce the cost of such other coverage. Current practice is assumed to be followed with respect to workmens' compensation.

By Mr. BAKER:

S. 3354. A bill to amend the Highway Beautification Act of 1965, as amended. Referred to the Committee on Public Works.

Mr. BAKER. Mr. President, the Subcommittee on Transportation of the Public Works Committee has this week completed 2 days of hearings into the implementation of the Highway Beautification Act and possible amendments to that act.

Under consideration at the hearing was S. 3161, which the distinguished chairman of the subcommittee (Mr. BENTSEN) recently introduced for discussion. S. 3161 is identical to beautification provisions passed by the Senate as part of the 1973 Highway Act, but dropped during the conference with the House.

During the course of our hearings, Secretary Brinegar submitted a message to the Congress that included legislation to extend and strengthen the beautification act. I am today sending the administration proposal to the desk for appropriate referral.

The purpose of this bill is to continue the highway beautification program through fiscal year 1977 and to extend billboard-removal requirements to any sign that is visible from portions of the Interstate and primary highway systems where billboards are now prohibited within 660 feet. The bill would also augment the discretion granted to the States in administrating the entire program for billboard removal, junkyard screening, and acquisition of scenic easements.

The administration proposal, I believe, will contribute to the development of legislation to make the highway beautification program more effective, more equitable, and—most important—to serve the needs of the American motoring public to a greater extent.

Mr. President, I ask unanimous consent that the bill, as well as a copy of Secretary Brinegar's letter describing the provisions of the legislation in more detail, be printed at this point in the CONGRESSIONAL RECORD.

There being no objection, the bill and letter were ordered to be printed in the RECORD, as follows:

S. 3354

A bill to amend the Highway Beautification Act of 1965, as amended

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

This Act may be cited as the "Highway Beautification Act of 1974".

CONTROL OF OUTDOOR ADVERTISING

SEC. 102. (a) Section 131(b) of title 23, United States Code, is amended to read as follows:

"(b) Federal-aid highway funds apportioned on or after January 1, 1968, to any State which the Secretary determines has not made provision for effective control of the erection and maintenance along the Interstate System and the primary system of outdoor advertising signs, displays, and devices which are within six hundred and sixty feet of the nearest edge of the right-of-way and visible from the main traveled way of the system, and Federal-aid highway funds apportioned after January 1, 1976, to any State which the Secretary determines has not made provision for effective control of the erection and maintenance along the Interstate System and the primary system of those additional outdoor advertising signs, displays, and devices which are six hundred and sixty feet or more from the nearest edge of the right-of-way, outside of incorporated cities and villages, and visible from the main traveled way of the system, shall be reduced by amounts equal to 10 per centum of the amounts which would otherwise be apportioned to such State under section 104 of this title, until such time as such State shall provide for such effective control. Any amount which is withheld from apportionment to any State hereunder shall be reapportioned to the other States. Whenever he determines it to be in the public interest, the Secretary may suspend, for such periods as he deems necessary, the application of this subsection to a State."

(b) Section 131(c) of title 23, United States Code, is amended to read as follows:

"(c) Effective control means that such signs, displays, or devices shall, if located within six hundred and sixty feet of the right-of-way, and after July 1, 1975, or after the expiration of the next regular session of the State legislature, whichever is later, if located six hundred and sixty feet or more from the right-of-way, be limited to (1) directional and other official signs and notices, which shall include, but not be limited to, official signs and notices pertaining to natural wonders, and scenic and historic attractions, which are required or authorized by law, which shall conform to national standards hereby authorized to be promulgated by the Secretary hereunder, which standards shall contain provisions concerning lighting, size, number, and spacing of signs, and such other requirements as may be appropriate to implement this section, (2) signs, displays, and devices advertising the sale or lease of property upon which they are located, and (3) signs, displays, and devices advertising activities conducted on the property on which they are located."

(c) Section 131(g) of title 23, United States Code, is amended by striking the first sentence and substituting therefor the following:

"Just compensation shall be paid upon the removal of any outdoor advertising sign, display, or device lawfully erected under State law."

CONTROL OF JUNKYARDS

SEC. 103. (a) Section 136, title 23, United States Code, is amended by adding the following new subsection (i) and relettering subsequent subsections accordingly:

"The Secretary may approve under this section any project submitted by a State for the relocation, removal or disposal of junk."

(b) Subsection (j) of section 136, title 23, United States Code, as relettered herein, is amended to read as follows:

"The Federal share of projects for the relocation, removal, or disposal of junk, and the costs of landscaping and screening under this section shall be 75 percent."

(c) Subsection (k) of section 136, title 23, United States Code, as relettered herein, is amended by striking the first sentence and substituting therefor the following:

"Just compensation shall be paid for the relocation, removal, or disposal of junkyards lawfully in existence under State law."

LANDSCAPING AND SCENIC ENHANCEMENT

SEC. 104. (a) Section 319(a), title 23, United States Code, is amended by changing the period at the end of the subsection to a comma and inserting thereafter the following:

"and the acquisition of interests in and improvement of strips of land necessary for the restoration, preservation, and enchancement of scenic beauty adjacent to such highways."

(b) Section 319(b) title 23, United States Code, is amended to read as follows:

"The Secretary may approve as a project on any Federal-aid system the acquisition of interests in and improvement of strips of land necessary for the restoration, preservation, and enhancement of scenic beauty adjacent to Federal-aid highways, including the acquisition and development of publicly owned and controlled rest and recreation areas, information centers, and sanitary and other facilities within or adjacent to the right-of-way which are reasonably necessary to accommodate the traveling public, without being matched by the State. The provisions of chapter 1 of this title relating to the obligation, period of availability, and expenditure of Federal-aid highway funds shall apply to the funds authorized to be appropriated to carry out this subsection after June 30, 1967."

AUTHORIZATION OF FUNDS

SEC. 105. For carrying out section 131 of title 23, United States Code, (relating to the control of outdoor advertising), section 136 of title 23, United States Codes (relating to the control of junkyards), and section 319 (b) of title 23, United States Code (relating to landscaping and scenic enhancement), there is authorized to be appropriated out of the Highway Trust Fund not to exceed $50,000,000 for fiscal year 1975, not to exceed $55,000,000 for fiscal year 1976, and not to exceed $60,000,000 for fiscal year 1977.

ADMINISTRATIVE EXPENSES

Sec. 106. Paragraph (11) of section 104(a) of the Federal-Aid Highway Act of 1973 is amended to read as follows:

"(11) For necessary administrative expenses in carrying out section 131, section 136, and section 319(b) of title 23, United States Code, $1,500,000 for the fiscal year ending June 30, 1974, and out of the Highway Trust Fund, $1,500,000 for each of the fiscal years ending June 30, 1975, June 30, 1976, and June 30, 1977."

THE SECRETARY OF TRANSPORTATION,
Washington, D.C., April 5, 1974.
Hon. GERALD FORD,
President of the Senate, U.S. Senate, Washington, D.C.

DEAR MR. PRESIDENT: There is hereby transmitted a proposed bill "To amend the Highway Beautification Act of 1965, as amended."

This bill will provide authorizations for continued funding for the highway beautification program and make necessary amendments to the Highway Beautification Act of 1965, as amended.

Both the Senate and House versions of the Federal-Aid Highway Act of 1973 contained authorizations for the continuation of the highway beautification program. However, the House-Senate conference committee deleted these provisions with the expectation that Congress would consider additional authorizations and possible modifications in separate legislation. This bill provides for such authorizations and makes certain other amendments to the Act.

Specifically, this bill would authorize funds out of the Highway Trust Fund for carrying out sections 131, 136, and 319(b) of title 23 during fiscal years 1975, 1976, and 1977. It proposes combined annual funding levels for these three programs of $50 million, $55 million, and $60 million for fiscal years 1975, 1976, and 1977, respectively. These authorizations are ugently needed before July 1, 1974 to meet the States' funding requirements. Although the highway beautification program began fiscal year 1974 with a carryover of approximately $40 million from prior authorizations, most of this remaining money has been allocated since the beginning of this fiscal year. Additional requests from the States far exceed the remaining funds available at the beginning of fiscal year 1974, particularly those funds for the removal of outdoor advertising signs.

In addition, the program for the removal of nonconforming signs now is progressing at a level which cannot be maintained unless the Department can make assurances to the States that Federal funds will continue to be available for this program. We do not wish to repeat the experience during fiscal years 1968, 1969, and 1970 when, because of a lack of authorizations, the States doubted the Federal Government's commitment to fully implementing the highway beautification program, and consequently the program came to a standstill. The funding authorized for this program by the Federal-Aid Highway Act of 1970 has made clear the Executive and Legislative Branches' commitment, and has resulted in full compliance by all States with phase I of the program—enactment of State legislation. We are now seeking compliance with phase II—removal of signs by the States under their laws. The Federal commitment to this program should continue to be honored through steady funding, and we therefore urge prompt action on these authorization requests.

This bill also would amend section 131 in several other significant respects. First, it would eliminate the 660-foot control zone and extend outdoor advertising controls to the limits of visibility outside the incorporated cities and villages. The Administration recommended this change in the Department's 1970 Restudy of the Highway Beautification Program (H.R. Doc. No. 91–40, 91st Cong., 2d Sess.), and has included it in all recommendations for highway legislation since that time. We strongly urge prompt action because further delay only will increase the State and Federal cost of removing the jumbo signs beyond the 660-foot limit, which continue to increase in number in the absence of the proposed legislation.

The bill also would eliminate the so-called "hiatus period" for Federal financial participation in sign and junkyard removals. This step also has been recommended by the Highway Beautification Commission in its interim and final reports of August 1972 and December 1973, respectively. Presently, the Highway Beautification Act requires signs and junkyards to be removed, but does not allow for Federal financial participation in the removal of signs or junkyards which were erected or established between October 22, 1965, and January 1, 1968, or by necessary implication, each State's effective control date, whichever is later. The "hiatus period" places an unnecessary burden on many States by requiring them to pay for the removal of signs and junkyards established during this period without providing for a Federal share of the required compensation. The proposed bill would relieve the States of this financial burden by permitting Federal financial participation in the payment of compensation for the removal of all signs and junkyards lawfully in existence under State law, irrespective of the date established or erected.

Although the bill does not contain any provisions on the subject, the Department intends to rely more on the States to determine the appropriate amount of just compensation to be paid where there is a taking of a sign. As a means of facilitating the first phases of the beautification program, we encouraged States to use an optional schedule prepared by the Department for the valuation of signs. Now that the program has been in operation for several years, we consider it preferable for the States to determine elements of just compensation under their own law.

The Federal-Aid Highway Act of 1970 established a Commission to study problems related to the highway beautification program. This Commission has submitted a final summary report, "The Priority of Quality", dated December 31, 1973. The Report contains approximately sixty recommendations, most of which address the general administration of the program by the Department and the States, and do not require changes in the law. Other recommendations suggest amendments to the Act in areas which are covered in the Department's proposed bill.

This bill also contains amendments to sections 136 and 319, regarding the control of junkyards and scenic enhancement, respectively. In addition, it amends the Federal-Aid Highway Act of 1973 to authorize administrative expenses for the three programs out of the Highway Trust Fund in fiscal years 1975, 1976, and 1977.

The Office of Management and Budget has advised that submission of the proposed legislation would be consistent with the program of the President.

Sincerely,

CLAUDE S. BRINEGAR.

By Mr. COOK (for himself and Mr. BAYH):

S. 3355. A bill to amend the Comprehensive Drug Abuse Prevention and Control Act of 1970 to provide appropriations to the Drug Enforcement Administration on a continuing basis. Referred to the Committee on the Judiciary.

Mr. COOK. Mr. President, over the last several years the Federal Government has mobilized an all-out effort to deal with rapid increases in drug abuse and illegal drug traffic. Since 199 Federal support for research in this area has increased fourfold, support for treatment and rehabilitation has increased sixfold, and spending in the areas of education and training has increased nearly thirtyfold.

The principle thrust of this country's drug effort, however, has been the elimination of illegal drug traffic and the reduction of drug related crime. The Drug Enforcement Administration and, previously, the Bureau of Narcotics and Dangerous Drugs have led the Government's fight in this regard. In the last few years steady and impressive progress has been made. Confiscations of illegal drugs, both domestically and abroad, have increased dramatically since 1970. Federal arrests for heroin trafficking and use were up 29 percent in 1973 over the previous year, and convictions for all drug-related arrests increased 54 percent over the same period.

This Nation is just beginning to come to grips with its drug abuse problem. It is essential that a vigorous and determined effort be sustained in this area, and it is for this reason I am addressing you today.

Today I am introducing legislation for myself and Senator BAYH to amend the Comprehensive Drug Abuse Prevention and Control Act of 1970 to provide appropriations to the Department of Justice for the operation of the Drug Enforcement Administration on an annual continuing basis. Present authority for the Attorney General to request appropriations is limited to the fiscal year ending June 30, 1974. Rather than extending this authority for an additional limited period of time, this legislation would permit the Attorney General to seek appropriations annually as he would for any other continuing program.

The administration strongly endorses this proposal, and I urge the Senate to act expeditiously on it.

I ask unanimous consent that the legislation be printed in the RECORD, along with the interview with DEA's Administrator, John R. Bartels, detailing the Drug Enforcement Administration's recent progress in reducing heroin traffic.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 3355

A bill to amend the Comprehensive Drug Abuse Prevention and Control Act of 1970 to provide appropriations to the Drug Enforcement Administration on a continuing basis.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 709 of the Controlled Substances Act of 1970 (84 Stat. 1284; 21 U.S.C. 904) is hereby amended by adding at the end thereof the following sentence: "Thereafter, there shall be appropriated to the Department of Justice such funds as may be necessary to carry out its functions."

HOW THE UNITED STATES IS SMASHING "HARD DRUG" RINGS

INTERVIEW WITH JOHN R. BARTELS, JR., ADMINISTRATOR OF DRUG ENFORCEMENT, DEPARTMENT OF JUSTICE

The U.S., at last, is moving ahead in the long war against narcotics. In this interview in the conference room of "U.S. News & World Report," the man in charge describes the successes—hard won and often violent.

Question. Mr. Bartels, would you agree with President Nixon's statement that the United States has turned the corner on heroin abuse?

Answer. Yes, certainly on heroin abuse.

Question. What does "turn the corner" mean?

Answer. Well, you have to put it in perspective. Back perhaps 10 years ago, it was estimated that we had 50,000 to 60,000 heroin addicts. By 1970, that estimate had risen to between 500,000 and 600,000—a tenfold increase.

I don't like playing the estimate game, because I'm never sure of the accuracy, but the guesses are that we have between 150,000 and 300,000 addicts now.

Question. What happened to the others?

Answer. There are about 100,000 of them under various forms of treatment—methadone, community therapy and so forth. That leaves about 200,000 unaccounted for. Some of those are on other drugs—alcohol, amphetamines, barbiturates. Some of them have detoxified simply because the white European heroin becomes less available. And some of them we can't account for.

I would think some of them have died. Traditionally, heroin addicts, unlike professional soldiers, don't fade away. They just die at around the age of 35 to 40.

Question. What is the major reason for this decline in heroin traffic—a crackdown here, abroad, or what?

Answer. Both. I think we've learned one thing from this epidemic: that you can't do the job with one system alone. It can't be just law enforcement. It takes the head of a government to move things. I think it's one of the things that the President can be personally proud of.

Question. Have you made significant inroads into the top layer of the French drug rings?

Answer. Yes. It's our estimate that between 80 and 90 per cent of them are in jail, either here or in France. For the first time in history, the so-called "French connection" is at least temporarily broken up. Those five French-Corsican families which for years brought in between 70 and 80 per cent of the heroin into this country aren't operating.

Question. Who's running the operations, then?

Answer. In the Marseilles area, they're finding more amateurs in illegal drug traffic—bank robbers and other types who were not traditionally in the established French-Corsican families.

We're also getting a change in the drug-abuse trafficking patterns. It used to be, in the 1950s and 1960s, that 70 to 90 per cent of the heroin coming into this country came from France. That has dried up. The trafficking rings are being replaced now by amateurs operating here in this country and in Mexico and South America, coming up across the Southwest border, and in Southeast Asia.

Question. What are you doing to stop this shift?

Answer. We've got a different situation. It's "amateur hour." Any guy with $2,000 can walk across the Rio Grande or go into Tijuana, hang around a bar and find something to buy and sell. Everybody and his uncle is in the business now.

People rent planes, fly down to Mexico, pick up a couple hundred pounds of marijuana, an ounce or two of cocaine, and bring it back. We have records showing there's about a crash a week around the San Diego area of private planes loaded with marijuana. There are many amateur pilots who have maybe 80 hours of flying time, and whose idea of navigation is to go out to the ocean and turn left.

Question. What other smuggling methods are used?

Answer. We're getting the alien who is a "mule," and is being paid a couple of hundred dollars to drive a truck with "cabbage." He knows what's in there, but he doesn't know where or why. If he gets caught, he's got no record. He may be 62 years old. So, he gets shipped back to Mexico.

Question. Doesn't lenient treatment encourage more smuggling?

Answer. Yes. We see it with these "body carries" at Kennedy Airport [in New York] where you get Chilean or Colombian women bringing in a kilo or two under their clothes. If they get caught, the tendency is not to put them in jail.

We're the only country in the world that takes that attitude. Remember those three American kids who are facing life in a Turkish prison for smuggling hashish? That may be a horrendous sentence—it *is* a horrendous sentence—but it's one hell of a deterrent. Every potential smuggler knows about it.

We deport alien drug smugglers in about a third of the cases. They go back, and they're a walking advertisement for the local recruiter's pitch. He says, "Look, the worst that could possibly happen happened here, and Mrs. Gonzales is walking around free."

Question. As the "Latin-American connection" grows, has Miami replaced New York as a main point of entry?

Answer. It's starting to, yes.

Question. What other major ports do you have to watch?

Answer. The Northwest ports—Vancouver, B.C., and Seattle especially—are a serious problem.

Question. How can you guard every point of entry?

Answer. It's very difficult. Smuggler planes are landing on salt fields in Nevada. Thousands of "Mom and Pop" airstrips all over the Southwest can be used. A bomber from World War II crashed in a Florida swamp about a month ago, just loaded with marijuana. That sort of thing is happening all the time.

We arrested a man in the Southwest who had his own "air force," which he used to smuggle narcotics from Mexico. He had two small jets; he had some four-engine planes. That's tough competition.

Question. Is narcotics enforcement pretty much like other police work?

Answer. No, narcotics enforcement is different from any other type of law enforcement in that there's no victim.

Question. What do you mean, "no victim"?

Answer. In ordinary police work, somebody comes in and says: "A man robbed my bank. He was 5 feet 10 inches, had a gray suit on and a red tie, and he drove off. Go find him." You're investigating something that happened, and the victim will tell you all about it.

In narcotics law enforcement, there's no victim who comes in and complains. The agent investigates a crime that's going to happen in the future. He is totally dependent on two people—the buyer and the seller, both of whom want to escape detection.

To find out what is happening, we have to get in there in an undercover capacity or find out what's going on from people who are not very co-operative. It's the only form of law enforcement without a co-operative, informative and reliable citizen whom you'd believe.

Question. How many agents do you have to do the job?

Answer. We're a small agency, contrary to popular belief. We have only 2,200 agents. The New York City police department alone has about 1,500 people working on narcotics.

Question. Are you getting complete police co-operation?

Answer. Generally, yes. We're doing some things now that once would have been unheard of. For instance, in New York City the police and Drug Enforcement Administration just merged their intelligence system. That wouldn't have happened five years ago.

In San Diego, because of the problem along the border, we have put our entire local enforcement effort into a strike force with the city police. We're operating in about 33 different major cities on task forces with local police and sheriff's offices.

Question. How much of an increase has there been in drug arrests?

Answer. They have risen from 15,500 in 1972 to 24,900 last year.

We would treble the number of narcotics arrests in the next couple of months just by hauling in a whole slew of pushers. But we're not in that business. I'd rather get one big fish than a lot of little ones.

Question. How do your agents go about breaking up a narcotics ring?

Answer. There are two methods that have traditionally been the nuts and bolts of narcotics enforcement. One is the undercover buy—where you take an informant, and he makes an introduction of an agent to a seller. The other is the seizure—the use of an informant to stage a raid.

Question. Are those the only techniques you use?

Answer. No, we're using other means to get after drug financiers, the controllers and wholesalers.

They're not stupid, either. If I'm a major narcotics dealer, I'm not going to sell you heroin. I'll only talk about it with three or four people I've known for years. I'll tell a subordinate to get one of his people to talk to you about it. I'm sheltered much the way a corporation president is sheltered against personal liability.

The one thing these people can't do is avoid income tax. They can't put down on their tax return that they don't hold a job and that they're spending and accumulating assets of $300,000 a year. They can't explain that money.

Question. Does this mean that you use the Internal Revenue Service as a means for putting them behind bars?

Answer. Oh, yes.

Question. How can you tell whether somebody is a big narcotics dealer or just [illegible] addict who might occasionally sell a [illegible] to pay for his needs?

Answer. We disregard those who are in possession for personal use.

In other cases, we send an undercover man in and arrange for a substantial "buy." We don't just go on one "buy." We normally go on several "buys," during which we get a history of the person out of his own mouth. If possible, we corroborate it by recordings or witnesses.

Question. There have been several reports of narcotics agents breaking into the wrong homes on raids. How does that sort of thing happen, and are you doing anything about it?

Answer. When I came in, we started a whole program to make sure those incidents don't occur. I issued a series of guidelines on conducting raids. I have gone out to visit most of the major offices and talked with our agents. We have instituted new regulations which are more stringent than previous rules. We have re-emphasized old regulations which allegedly were violated in these cases.

We have told every agent: "If you do engage in a frolic of your own, if you do decide to break the law and go out and raid homes without a warrant or without any probable cause, were going to come down on you quick, and we're going to come down hard. If you pull your gun on unauthorized occasions, you're going to get 30 days off without pay."

Question. Do these incidents indicate there are problems in the selection and training of narcotics agents?

Answer. Less in selection and training than in the nature of the business.

There's a tremendous change in narcotics traffic and its inherent violence, which is in part a result of these agents' own success. There are more rip-offs now, everybody carries a gun. It's part of the counterculture of narcotics traffic to shoot people.

Over approximately the last 14 months, we've had two federal agents murdered, two paralyzed for life, and over 75 assaulted with guns. This is happening on the street among narcotics dealers as well.

Question. Is this because of the stakes involved?

Answer. It's because of the stakes involved. It's because there are more guns available. It's because these are not nice people. And the type of guy who's getting into narcotics now is an amateur. It's an absence of respect for law enforcement and human life. Nobody cares.

For instance, in Maryland recently an undercover policeman was killed while making a narcotics buy in a motel. A State agent in California last year was wantonly murdered. He made the buy, he was never suspected of being a cop—and the defendant just turned and put four bullets through him.

This year a Houston sheriff's deputy who was assigned to our task-force program was killed. They had cut his throat when somebody else broke in and put a bullet through his heart.

WHEN AGENTS ARE IN MOST DANGER

Question. It sounds as if narcotics work is more dangerous than most police assignments—

Answer. This is the toughest, most demanding form of law enforcement that exists. You're always on the defensive. You respond to the other guy's strategy. When he says, "Meet me in a hotel room at quarter to 4 in the morning," you either don't make the buy or you meet him. He sets the terms.

Most assaults on our agents come in two types of situations: in a buy, and when you go to arrest a man.

When you go to arrest the man, it's frequently going to be in his home. You're going into a place where you don't know the territory and he has all the grounds for ambush. In entering a person's home, we have been assaulted on a great number of occasions.

Question. Do you think the general public understands these dangers that your agents face?

Answer. Nobody knows what a federal narcotics agent does. Nobody knows the demands put on him. I think there are a great number of people who regard narcotics agents as corrupt Nazis who don't know how to open the door except with the heel of their right foot.

Sure, there is a very small element of our people that we have a problem with. But all our men are college educated. They come on this job motivated by a sense of doing what they consider the toughest job of law enforcement. They run risks, and they work 80-hour weeks as a matter of course.

Yet there have been very few serious mistakes compared with the number of arrests, and very few instances of corruption compared with the number of seizures.

Question. Is drug traffic possible without police corruption?

Answer. Yes, it's possible without police corruption. Is there police corruption? Yes, there is also police corruption. The "French connection" heroin, for example, disappeared from a New York police station—from the central lockup. I might say we wrote new guidelines as a result of that, and several police departments have set up systems based on ours.

Question. What specifically can be done to stop theft of narcotics being held as evidence?

Answer. What we've done is set up a control system for the storage of drugs. The basic problem is that those drugs may sit there for years because of delays in the court system. In fact, as a result of our increased seizures, we've become one of the major warehouse operators.

At the same time, it's hard to hire good people to go through and count bricks of marijuana. It's very boring, frustrating and, indeed, sickening work, because of the smell. Result is a big temptation for somebody you pay $7,000 a year to take charge of your storage facility.

Question. How much illegal narcotics is the Government holding?

Answer. I'd prefer not to get too detailed. Suffice to say that at last count, we were storing many tons of marijuana, multikilos of heroin, and hundreds of pounds of cocaine.

Question. What are you doing to stem the flow of drugs from overseas?

Answer. We got Turkey, in 1971, to get rid of legal opium production, which formerly provided the morphine base through diversion. This action disrupted the traditional source of heroin for those French-Corsican groups in France. So, too, with the French Government. We worked with the French to strengthen a central narcotics-enforcement organization, which was able to intensify its efforts on the heroin laboratories in Marseilles and on general trafficking.

Question. Does Turkey want to renegotiate its agreement to ban growing of opium poppies?

Answer. Yes. It's proposed that the subject be taken up along with about 30 or 40 other subjects.

Question. Why are the Turks dissatisfied?

Answer. They say there is an economic problem, that peasants there are not getting full compensation for ending production.

Question. How much are we paying the Turks not to grow poppies?

Answer. The 1971 agreement called for compensation over a period of time of 35 million dollars.

Question. Moving to Southeast Asia, are you able to curb heroin production there?

Answer. Yes, we've curbed both the production and, I think to some extent, the traffic coming into the United States. Most of that comes through Hong Kong sooner or later, and there's been a shortage in Hong Kong similar to the shortage here in the U.S. Nobody knows the extent to which the opium that comes out of the "Golden Triangle" stays in Hong Kong. That's the area of greatest production in the world, and it's the greatest potential danger.

Question. What is the "Golden Triangle"?

Answer. It consists of a mountainous area of northern Thailand and parts of Burma and Laos, where there is very little communication and it is very hard for the central governments to control the insurgent groups that dominate the region.

Question. How successful have you been in fighting heroin traffic into the U.S. from that part of the world?

Answer. We haven't had much Asian heroin coming into the U.S. Some has come into Europe. The danger is that it's going to come into this country in greater amounts and fill the vacuum created by the French breakup.

Question. What measures are you taking to prevent this?

Answer. In Thailand we've helped create specialized narcotics offices run by the central Government. They have set up roadblocks to intercept narcotics caravans.

We are getting total co-operation from the Thai in this. They made one of the largest opium seizures in Thai history—about 7,700 pounds—last November, and arrested an insurgent general, Lo Hsing-han, who was alleged to control an army of about 4,000 people. He was extradited to Burma, where I believe he's now facing the death penalty.

There has always been the allegation that the central governments of these countries were unwilling to take firm action against the drug traffic. We believe that these two countries, Thailand and Burma, show their willingness to go ahead.

Question. What's being done in Mexico to curb the drug flow?

Answer. We're getting complete co-operation from Mexican Government officials. We supplied them with helicopters, which they're using with their planes to eradicate poppy crops. They put about 12,000 men from their Army on this full time, and have made it their No. 1 law-enforcement effort.

Question. Have the Mexican authorities met any resistance?

Answer. Yes. Since June, I think six or seven Mexican federal officers have been murdered. A number have been shot and assaulted. There's no area in the world where it is more dangerous to be a narcotics officer. That's one of the reasons why they need the Army, because they're going up into those mountains where it's awfully primitive.

The Yaqui Indians have three crops—beans, corn and opium. The only cash one is opium. The mountains go up to 9,000 to 11,000 feet. There is just nothing back there. You don't see people. In raids, there's an unwritten rule that the helicopter hovers over the poppy field for a period of time, and the Yaquis won't shoot down the helicopter, nor will the pilots shoot the Yaquis until the helicopter lands.

Question. Do you think the change in life style among young Americans is partly responsible for the decline in use of hard drugs?

Answer. Partly, yes. We've got to realize that the drug epidemic in this country was not caused by a lot of dirty old men in raincoats hanging around schoolyards. Much of it was peer-group pressures—enthusiastic kids turning on other kids.

Law enforcement has had something to do with reducing drug usage, and better treatment has had something to do with it. But there has also been a change in the attitude of young people. The kids who are now 16, growing up in the inner city, see the ravages of what heroin has done to kids who were 16 in 1969. They have changed their own attitude toward a number of the hard drugs.

Today, kids aren't fooling with heroin as much as they once did. It's no longer a drug of choice. We're seeing more cocaine, more pill abuse.

What we've got to do is be alert to those shifts, so that we're not just constantly responding in 1974 to a heroin epidemic of 1971.

"I'M NOT SURE EDUCATION WORKS"

Question. Does your agency try to educate people to stay away from narcotics?

Answer. Yes. But mainly this is taken care of by other agencies. Our primary statutory authority is to educate through law enforcement. I think this is the best form of drug-abuse prevention, because if the heroin is not there, youngsters aren't going to have the chance to experiment with it.

I'm not sure that education works. A lot of the programs are a little bit like telling a kid not to stick a string bean up his nose.

Question. Will the narcotics problem ever end?

Answer. There will always be people who can be pressured by their friends in experimenting with whatever is floating around.

Our job, as I set it, is to make sure that drugs are not readily available. We have to motivate people to stay off drugs, especially when they're young. They've got to learn that there's no chemical solution to life.

Mr. COOK. Mr. President, I also wish to comment briefly on the amended version of S. 1115, the Narcotic Addict Treatment Act, which recently passed the House and has been returned to the Senate for final approval.

Before the Senate passed this legislation in June of last year, the title was changed to the Methadone Division and Control Act in order to more accurately reflect the intent of the proposal. The purpose of the bill was to set up the legal authority for supervising narcotic addict treatment programs, establishing a specific basis on which law enforcement officials might act in cases where diversion or the illegal distribution of narcotic drugs such as methadone is suspected.

On March 19, 1974, the House of Representatives passed S. 1115, inserting their own language for the text of the Senate version of the bill. The title was also changed back to the Narcotic Addict Treatment Act.

Other minor changes were made by the House, reflecting their determination to deemphasize the law enforcement thrust of the bill. Although I am firmly committed to the establishment of a specific legal basis on which law enforcement officials can deal quickly and effectively with drug abuse offenses on the part of physicians, I can appreciate the House's concern for emphasizing the importance of physician responsibility in administering drug treatment.

Despite the House changes, S. 1115 is an important law enforcement measure. The Drug Enforcement Administration within the Department of Justice has indicated its willingness to work under the House language, and I, therefore, urge the speedy approval of this legislation by the Senate.

By Mr. HARTKE:

S. 3356. A bill to amend the Interstate Commerce Act and other statutes to promote the financial stability of regulated carriers, and for other purposes. Referred to the Committee on Commerce.

Mr. HARTKE. Mr. President, I introduce for appropriate reference a bill to stabilize financing of interstate rail carriers by expanding the financial reporting and disclosure requirements of carriers regulated by the Interstate Commerce Commission.

During the conference on the Regional Rail Reorganization Act, the Senate conferees agreed with the House conferees that if section 911 of H.R. 9142 were not included in the Act, we would introduce a similar piece of legislation and hold hearings on it in the Committee on Commerce. Hearings in the Subcommittee on Surface Transportation are contemplated in early May.

By Mr. BURDICK (for himself, Mr. GRAVEL, Mr. HUGHES, Mr. McGOVERN, and Mr. MONDALE):

S. 3357. A bill to restore to Federal civilian employees their rights to participate, as private citizens, in the political life of the Nation. Referred to the Committee on Post Office and Civil Service.

Mr. BURDICK. Mr. President, it is recognized that one of the most sacred rights of a citizen in a democracy is that of the right to vote. For this right to be effective, there should be the opportunity to actively support the party and/or candidate who most nearly represents the causes in which you believe, and should you desire, present yourself as a candidate for office.

There is only one class of citizen in this country which is legally denied the right to participate in these political processes. That class of citizen is government employees. It is a strange twist of logic that holds those engaged in the day-to-day administration of this country's affairs incapable of either becoming candidates for office or actively participating in the selection of these candidates.

Of course, my colleagues know that the law which limits these good men and women from exercising an important set of privileges is the Hatch Act. Under it, all Federal and many State and local employees find that exercise of rights normally exercised by the rest of the citizenry may lead to severe penalties—including loss of employment and criminal sanctions. But, aside from these sanctions, the Hatch Act, as it is presently interpreted by the Civil Service Commission, has created a climate of doubt and uncertainty that too often results in government employees failing to even exercise their right to a ballot. They apparently feel that the best way to stay out of trouble is to stay out of the workings of participatory democracy entirely.

In presenting legislation, in behalf of Senators GRAVEL, HUGHES, McGOVERN, MONDALE, and myself, returning the option of involvement in the American political process to Federal workers who wish to become politically active, I am not advocating a return to the spoils system. The bill would not permit this to occur. I am not advocating that government employees should be subjected to requirements concerning political contributions to a party or a candidate. The bill prohibits direct or indirect coercion for the purpose of eliciting contributions. Neither is it suggested that any government employee should be able to use his official position to promote the political ends of a candidate or a party. The legislation I am introducing today specifically prohibits that. However, I strongly feel that it is not necessary to make political hybrids out of government employees in order to prevent these abuses. Accordingly, the legislation outlines the major portions of the partisan and nonpartisan political process which would be specifically permitted. I draw the attention of my colleagues to section 2(c) of the bill.

This bill is an attempt to return to Federal employees some semblance of the privileges enjoyed by their fellow citizens to participate in the political processes of this great country. It is not a perfect bill and some of its provisions may have to be changed or deleted. The bill is, however, an effort to rid our system of those prohibitions that may have made good law in a bygone era, but may have now outlived their usefulness. As such, I hope that it will receive timely consideration by the Congress.

I ask that the bill be printed in full at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 3357

A bill to restore to Federal civilian employees their rights to participate, as private citizens, in the political life of the Nation, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Federal Employees' Political Activities Act of 1974".

SEC. 2. Section 7324 of title 5, United States Code, is amended to read as follows:

"SEC. 7324. Use of official authority or influence to affect elections prohibited; other political activities permitted.

"(a) An employee in an executive agency, an independent agency of the United States Government, U.S. Postal Service, or an individual employed by the government of the District of Columbia may not use his official authority or influence or the facilities, materials, or personnel of any such agency or government for the purpose of interfering with or affecting the result of any election or any process defined in subsection (c) of this section.

"(b) An employee or individual to whom subsection (a) of this section applies retains the right to vote as he chooses, to express his opinion on political subjects and candidates, and to take an active part in political management or in political campaigns in his role as a private citizen.

"(c) For the purpose of this section, the phrase 'to express his opinion on political subjects and candidates, and to take an active part in political management or in political campaigns' shall mean any partisan or nonpartisan political activity including but not limited to (1) candidacy for or service as delegate, alternate, or proxy in any convention or service as an officer or employee thereof; (2) participation in the deliberations of any primary meeting, mass convention, or caucus, addressing the meeting, making motions, preparing or assisting in preparing resolutions before the meeting, or taking a prominent part therein; (3) preparing for or organizing or conducting a meeting or rally, addressing such a meeting, or taking any part therein; (4) membership in clubs, organizing of clubs, or serving as an officer therein; (5) distributing literature and distributing or wearing badges: *Provided*, That such literature and badges will not be worn, displayed or distributed by any employee or individual to whom subsection (a) applies who, in the normal course of his employment meets with the general public: *And provided further*, That such literature and badges will not be worn, displayed, or distributed by such employee or individual in any federally owned and operated facility or portion of federally owned or operated facility which is normally accessible to the general public; (6) publishing or having editorial or managerial connection with any newspaper, and writing for publication or publishing any letter or article, signed or unsigned, soliciting votes in favor of or against any party, candidate, or faction; (7) organizing or participating in any parade; (8) initiating or signing nominating petitions on behalf of a candidate, including canvassing for signatures of others: *Provided*. That such activity will not be conducted by any employee or individual to whom subsection (a) applies during working hours or while in uniform or while otherwise exercising his official duties; (9) candidacy for nomination or election to any National, State, county, or municipal office: *Provided*, That such activity will not unduly infringe upon the exercise of the official duties of an employee or individual to whom subsection (a) of this section applies: *And provided further*, That such employee or individual who is elected or appointed to a full-time, full-salaried, National, State, county, or municipal office shall take a continuous leave of absence, without pay, during his term in such office.

Sec. 3. Section 7326 and 7327 of title 5, United States Code, are repealed.

Sec. 4. Section 7323 of title 5, United States Code, is amended to read as follows:

"Section 7323. Political contributions prohibited; enforcement by Civil Service Commission."

"(a)(1) An employee or individual to whom subsection (a) of Section 2 applies, an employee appointed by the President, a member of Congress, and employee of Congress, or an officer of the uniformed service may not request, invite, receive from or give to an employee or individual whom subsection (a) of Section 2 applies, an employee appointed by the President, a member of Congress, an employee of Congress, or an officer of the uniformed services any money or other valuable political thing on account of or to be applied to a political object, except, *provided*, that any individual herein described may freely and voluntarily make a contribution of money, services, or materials to any candidate for public office or to support or further those activities described in subsection (b) of Section 2. (2) An individual described in (a)(1) of this section who violates this section shall be subject to the penalties provided in section 7325 of this title.

"(b) The Civil Service Commission shall process complaints arising under subsection (a) of this section and shall, upon receipt of a complaint alleging facts which constitute a violation of subsection (a), investigate the alleged activity."

"(C) Upon a finding that a violation of subsection (a) of this section has occurred, the Civil Service Commission shall—

"(1) in the case of an employee or individual in the competitive service, impose the appropriate penalty under section 7325;

"(2) in the case of others described in section (a) of this section notify the President, the head of the agency in which the employee is employed, and the Congress (A) that a violation of subsection (a) of this section has occurred, and (B) what penalty the Commission has determined is appropriate under section 7325 of this title; and

"(3) refer the case to the attention of the Attorney General for prosecution under section 602 of title 18.".

Sec. 5. Section 7325 of title 5, United States Code, is amended to read as follows:

"Whenever the Civil Service Commission finds that an employee or individual has violated Section 7323 or 7324 of this title, the Commission shall impose such penalty as it finds is warranted but not less than 30 days' suspension from his position without pay and *provided*, that he shall only be removed upon the unanimous vote of the Commission. Funds appropriated for the position from which an employee or individual is removed may not thereafter be used to pay the employee or individual."

Sec. 6. Section 602 of title 18, United States Code, is amended by inserting "(a)" before the word "Whoever" and by adding at the end thereof the following new subsection:

"(b) Upon receipt of a finding of illegal activity by the Civil Service Commission under section 7323 of title 5, the Attorney General shall prosecute under subsection (a) of this section, unless he shall determine that no factual basis for prosecution exists or that the cause of justice will not be served by such prosecution. If the Attorney General determines not to prosecute in a case referred to him by the Commission, he shall send to Congress within sixty days a written report describing the nature of the alleged violation and the reasons for not proceeding with prosecution under subsection (a) of this section.".

By Mr. MONDALE:

S. 3360. A bill to provide equitable treatment of veterans enrolled in vocational education institutions. Referred to the Committee on Veterans' Affairs.

Mr. MONDALE. Mr. President, I am today introducing legislation designed to remove an inequity in the Federal law dealing with veterans educational benefits. This bill will reform the unfair and unrealistic attendance requirements currently imposed on veterans attending vocational-technical schools.

Under current law, the veteran who is enrolled in a course of study which leads to a standard college degree need only satisfy "the regularly established policies and regulations" of the school in order to qualify for educational benefits. Veterans enrolled in vocational-technical schools, however, are covered by a more stringent attendance requirement. Specifically, they lose benefits "for any day of absence in excess of 30 days in a 12-month period."

In other words, college-degree veterans need only satisfy the basic academic requirements of their institution. Vocational-technical school veterans, on the other hand, are limited to a specific number of absences during the school year.

The current system has two basic inequities. First, the vocational-technical school student is covered by a specific attendance requirement; the college-degree student is not. I believe that this presumes an absence of responsibility on the part of vocational-technical schools and students in such schools that is simply not accurate. There are, of course, some schools who would severely curtail instructional days if the attendance requirement were dropped. However, they are clearly not in the majority. Furthermore, a relaxing of the attendance requirement could be accompanied by a limitation on such conduct.

Second, the 30-day requirement is inequitable because it is unrealistic. Although the current statutory provision does not include weekends or legal holidays and, thanks to Public Law 93–208, does not include "periods when the schools are temporarily closed under an established policy based upon an Executive order of the President or due to an emergency situation" in the counting, it does include other absences beyond the control of the veteran.

Recently, for instance, I received a letter from a vocational school in Minnesota. Last year, when one subtracted the 11 days the students were out of school because of teachers' meetings, the 10 days for Christmas vacation, and the 2 days from special events, the veterans in this vocational school were only allowed 7 absences for the entire year.

While it is fully apropriate to require veterans who receive benefits to actually attend classes, it does not seem appropriate to impose upon these veterans an attendance requirement which does not take into account factors totally beyond their control.

The bill which I am introducing today will exclude from the 30-day absence limitation: First, weekends or legal holidays established by Federal or State law during which the school is closed; second, days when instruction is unavailable to the veteran by reason of prescheduled vacations or teachers' meetings; third, days when instruction is unavailable by reason of an emergency situation; or, fourth, days when instruction is unavailable because of an Executive order. The bill will specifically require that the institution may not increase the number of such days beyond the level in existence during the 1972–73 school year.

I ask unanimous consent that the text of my bill be printed in the Record at this point.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 3360

A bill to provide equitable treatment of veterans enrolled in vocational education institutions

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1780(a)(2) of title 38, United States Code, is amended to read as follows:

"(2) to any veteran enrolled in a course which does not lead to a standard college degree for any days of absence in excess of thirty days in a twelve-month period, exempting from being counted as absences—

"(A) weekends or legal holidays established by Federal or State law during which the institution is regularly not in session;

"(B) days when instruction is unavailable to the veteran by reason of prescheduled vacations or teacher meetings; except that for purposes of computing such exemption pursuant to clause (B),

"(i) for any institution covered by this subsection which enrolled eligible veterans during the 1972–73 school year, no number of days greater than the number of days during which instruction was unavailable to students enrolled in such institution during the 1972–1973 school year shall be allowed; and

"(ii) for any institution covered by this subsection which did not enroll eligible veterans during the 1972–1973 school year, no number of days greater than the average number of days during which instruction was unavailable to students enrolled in all institutions covered by this subsection which enrolled eligible veterans during the 1972–1973 school year in the State in which such institution is located shall be allowed; or

"(C) days when instruction is unavailable to the veteran by reason of an emergency situation caused by weather or other conditions; or

"(D) days when instruction is unavailable to the veteran because the school is temporarily closed under an established policy based upon an Executive order of the President; or".

ADDITIONAL COSPONSORS OF BILLS AND JOINT RESOLUTION

S. 452

At the request of Mr. Hart, the Senator from Ohio (Mr. Metzenbaum) was added as a cosponsor of S. 452, to designate certain lands in the Isle Royale National Park in Michigan as wilderness, and for other purposes.

S. 1472

At the request of Mr. Ervin, the Senator from Ohio (Mr. Metzenbaum) was added as a cosponsor of S. 1472, to help preserve the separation of powers and to further the constitutional prerogatives of Congress by providing for congressional review of executive agreements.

S. 2506

At the request of Mr. Stevenson, the Senator from Ohio (Mr. Metzenbaum) was added as a cosponsor of S. 2506, the Oil and Gas Regulatory Reform Act of 1973.

S. 2906

At the request of Mr. Mondale, the Senator from Nevada (Mr. Cannon) was added as a cosponsor to S. 2906, a bill to amend the Internal Revenue Code of 1954 to permit taxpayers to utilize the deduction for personal exemptions as under present law or to claim a credit against tax of $200 for each such exemption.

S. 3067

At the request of Mr. Ribicoff, the Senator from Massachusetts (Mr. Brooke) was added as a cosponsor of S. 3069, to extend through December 1974 the period during which benefits under the supplemental security income program on the basis of disability may be paid without interruption pending the required disability determination, in the case of individuals who received public assistance under State plans on the basis of disability for December 1973 but not for any month before July 1973.

S. 3100

At the request of Mr. Beall, the Senator from North Dakota (Mr. Young), the Senator from Kansas (Mr. Dole), the Senator from Pennsylvania (Mr. Scott), the Senator from Idaho (Mr. McClure), the Senator from Texas (Mr. Tower), the Senator from Maryland (Mr. Mathias), the Senator from Wyoming (Mr. Hansen), the Senator from Delaware (Mr. Roth), and the Senator from Kentucky (Mr. Cook) were added as cosponsors of S. 3100, to amend the Older Americans Act of 1965 to extend the Nutrition Program for the Elderly.

S. 3146

At the request of Mr. Tower, the Senator from Arizona (Mr. Fannin), the Senator from New York (Mr. Buckley), and the Senator from South Dakota (Mr. McGovern) were added as cosponsors of S. 3146, to increase the corporate surtax exemption to $100,000.

S. 3234

At the request of Mr. Humphrey, the Senator from Kansas (Mr. Dole), the Senator from Alaska (Mr. Gravel), the Senator from New Jersey (Mr. Williams), and the Senator from Rhode Island (Mr. Pell) were added as cosponsors of S. 3234, a bill to authorize a vigorous Federal program of research and development to assure the utilization of solar energy as a major source for our national energy needs, to provide for the development of suitable incentives for rapid commercial use of solar technology and to establish an Office of Solar Energy Research in the U.S. Government.

S. 3277

At the request of Mr. Domenici, the Senator from Ohio (Mr. Metzenbaum) and the Senator from Wyoming (Mr. McGee) were added as cosponsors to S. 3277, a bill to amend the Solid Waste Disposal Act, to encourage full recovery of energy and resources from solid waste, to protect health and the environment from the adverse effects of solid waste disposal, and for other purposes.

S. 3326

At the request of Mr. Humphrey, the Senator from Tennessee (Mr. Brock) was added as a cosponsor of S. 3326, a bill to authorize any officer or employee of the United States to accept the voluntary services of certain students for the United States.

SENATE JOINT RESOLUTION 172

At the request of Mr. Pastore, the Senator from Nevada (Mr. Bible) was added as a cosponsor of S.J. Res. 172, proposing an amendment to the Constitution of the United States providing for a special election for the offices of President and Vice President when an individual who has been appointed Vice President succeeds to the Presidency.

SENATE JOINT RESOLUTION 202

At the request of Mr. Griffin, the Senator from Utah (Mr. Bennett), the Senators from New Hampshire (Mr. Cotton and Mr. McIntyre), the Senator from Tennessee (Mr. Brock), the Senator from Florida (Mr. Chiles), the Senator from Delaware (Mr. Biden), the Senator from Alaska (Mr. Stevens), the Senator from Hawaii (Mr. Fong), the Senator from Oklahoma (Mr. Bartlett), the Senator from Wyoming (Mr. McGee), the Senator from Massachusetts (Mr. Brooke), the Senator from South Carolina (Mr. Hollings), the Senator from Oregon (Mr. Hatfield), the Senator from Illinois (Mr. Percy), the Senator from Missouri (Mr. Eagleton), the Senators from New York (Mr. Javits and Mr. Buckley), and the Senator from Tennessee (Mr. Baker) were added as cosponsors of Senate Joint Resolution 202, designating the premises occupied by the Chief of Naval Operations as the official residence of the Vice President, effective upon the termination of service of the incumbent Chief of Naval Operations.

SENATE CONCURRENT RESOLUTION 82—SUBMISSION OF A CONCURRENT RESOLUTION EXPRESSING THE SENSE OF CONGRESS THAT ALL INSTRUMENTALITIES OF THE FEDERAL GOVERNMENT SHOULD USE ALL PRACTICABLE MEANS TO BRING INFLATION UNDER CONTROL

(Referred to the Committee on Banking, Housing and Urban Affairs.)

Mr. McINTYRE. Mr. President, Congress must immediately face the most pressing economic issue confronting our country; namely, inflation.

There is no other way to describe it. We are moving swiftly into a runaway situation and action must be taken now to halt this tremendous destructive force. Consumer prices rose in February to a record 15.6 percent a year, and a new term has been coined in the American vocabulary "double digit" inflation.

The increases in food and fuel prices within the last few months have been phenomenal and the average worker's pay check has now been eroded by inflation for the fifth straight month in a row. Everywhere you turn, there is nothing but bad news. Prices have begun to rise in this country faster than in most other developed nations.

Actions is called for now to put this runaway inflation under control. In the last few days interest rates charged by leading commercial banks have again returned to the record-setting rate of 10 percent first encountered last September. Economists are warning that the Government must establish an inflation index in wages and prices in recognition of the continuing erosion of the purchasing power of the dollar. People on fixed incomes are finding it exceedingly more difficult to meet their necessary expenses.

Until recently, Americans could derive some solace in that the U.S. inflation rate was mirrored by that of the other industrialized nations. Suddenly, however, we are gaining the distinct misfortune of becoming the inflation pacesetter of the industrialized world.

Recent economic reports indicate that there are seven countries in Western Europe alone, plus another 11 in other parts of the world, where prices are more moderate than here in the United States.

Suddenly, we can all find places to put the blame. But simply finding some target to place the blame is not enough. A recognition that we are at war with an erosion of our purchasing power is essential.

If inflation is not recognized as the No. 1 enemy and recognized immediately, then we may well find at the end of this year our dollar purchases 15 to 20 percent less than at the end of 1973.

In the past, inflation has been a relatively short-lived subtle public enemy that inflicted its damage for a short period and then subsided. The inflation we are facing today, however, appears to be picking up momentum each month with no end in sight.

We must make it a national commitment of highest priority to stabilize the value of the dollar and return to a more orderly growth pattern. We have all seen a recent series of articles blaming food shortages, crude oil increases, and a host of other ills as the cause for this unbelievable increase in the inflation rate. But we have heard little about what anyone is doing to bring inflation under control.

It is time that Congress commit itself, along with every segment of the economy, to use all practicable means available to control this runaway inflation.

In furtherance of this goal, I am today introducing a Senate Concurrent Resolution making it a sense of Congress that all departments, agencies, and instrumentalities of the Federal Government recognize their continuing responsibility in carrying out the national policy of promoting maximum employment, production, and purchasing power concurrently to use all practicable means to control inflation.

I ask unanimous consent that the concurrent resolution appear in the RECORD at this point.

There being no objection, the concurrent resolution was ordered to be printed in the RECORD, as follows:

S. CON. RES. 82

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,

Whereas the United States is presently experiencing the most serious rate of inflation since the Korean War; and

Whereas runaway inflation is eroding purchasing power, contrary to the national policy of promoting maximum purchasing power as well as maximum employment and production; and

Whereas the United States, having the strongest and most resilient economy in the world, should demonstrate its capacity and will to follow effective stabilization policies, thereby aiding the efforts of other nations in bringing worldwide inflation under control; and

Whereas measures taken by the Federal Government, particularly with respect to fiscal and monetary policies, bear directly on the rate of inflation: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That it is the sense of the Congress that all departments, agencies, and instrumentalities of the Federal Government should recognize their continuing responsibility, in carrying out the national policy of promoting maximum employment, production, and purchasing power concurrently to use all practicable means to achieve the national goal of reasonable price stability.

ADDITIONAL COSPONSORS OF RESOLUTIONS

SENATE RESOLUTION 257

At the request of Mr. PASTORE, the Senator from Nevada (Mr. BIBLE) was added as a cosponsor of Senate Resolution 257, to amend the Standing Rules of the Senate to establish a procedure for requiring amendments to bills and resolutions to be germane.

SENATE RESOLUTION 283

At the request of Mr. MATHIAS, the Senator from Colorado (Mr. HASKELL), the Senator from Iowa (Mr. HUGHES), the Senator from Washington (Mr. MAGNUSON), the Senator from New Mexico (Mr. MONTOYA), the Senator from Ohio (Mr. METZENBAUM), and the Senator from Rhode Island (Mr. PELL) were added as cosponsors of Senate Resolution 283, relating to further arms limitation and reduction treaties and agreements between the United States and the Soviet Union.

TRADE REFORM ACT—AMENDMENTS

AMENDMENT NO. 1194

(Ordered to be printed, and referred to the Committee on Finance.)

Mr. GURNEY. Mr. President, I submit for appropriate consideration to the Senate an amendment to the Trade Reform Act, expressing the sense of the Congress regarding all military and civilian personnel missing in Indochina. This measure calls upon the Union of Soviet Socialist Republics to aid in our official attempts to repatriate those unaccounted for in Indochina. This amendment is offered at this time in the hope that it can be directed to the Finance Committee which finished hearings on the trade bill yesterday without addressing the vital matter of our POW/MIA's.

The purpose of this amendment is to do more than merely express my deep concern at the continuing and unresolved problem of our men who are missing in action in Southeast Asia. This is not the first, nor will it be the last, effort I shall make on behalf of our POW's and MIA's. It is imperative for the families of these men and for the integrity and honor of our fighting forces that this problem not be allowed to slide into oblivion. During my 12 years in Congress, I have continually sought and supported means to make the Communists abide by the regulations for treatment of POW's set forth in the Geneva Convention, and I have stressed the critical importance of a full accounting of all Americans missing in action in Southeast Asia.

The United States and other free nations concerned with human rights must take a firm and unequivocal stand against such barbarities and bring to bear every ounce of moral, political, and economic power that we possess against the offenders. If we do not do this, then we are serving notice to aggressors large and small that they can violate the Geneva Convention with impunity and that some of the most fundamental rights of civilization no longer apply.

Mr. President, in my State of Florida, as in the States of most of my colleagues, there are servicemen and civilians listed as missing in action. Families of these men have, in some cases, waited years for news about the fate of their husbands, fathers, brothers, and sons. They have been given conflicting and contradictory information about what the United States is planning to do about these men. Many of them have expressed a fear that the Government may make blanket changes in status from missing in action to killed in action.

It is inconceivable to me for this Government to do such a thing until we first have done everything within our power to obtain proof positive of the status of these Americans. I believe it is morally wrong for us to leave these brave men to their fate until we have exhausted every means possible to determine beyond all doubt their actual status. If, to accomplish this we must apply pressure, then let us apply pressure.

It is up to the Congress of the United States to adopt a position, through this amendment, demonstrating the belief of this body that our Government should continue to do all within its power to effectuate a final determination of the status of these men. In so doing, we should apply the necessary pressure to the Government of the Union of Soviet Socialist Republics. As the Representatives of a people devoted to a peaceful world, we in Congress must exercise our fullest resources to prevent this unforgiveable situation from continuing to exist. To this end, we must utilize the most effective weapon we currently have at our disposal, our vast economic might.

The stubborn refusal of the Democratic Republic of Vietnam and the provisional revolutionary government as well as the insurgent forces in Laos and Cambodia are restricting efforts for assuring an enduring peace throughout all of Southeast Asia. Their continued refusal to cooperate with the pleas directed to them by international bodies must be brought to the attention of the world. This can best be done by enlisting the aid of the Soviet Union in our task.

Mr. President, the House of Representatives has already passed an amendment to the foreign trade bill indicating their displeasure with Soviet policy with regard to the restricting of emigration of Jews from the Soviet Union. Here in the Senate 78 of my colleagues have joined on a similar amendment which will be part of the trade bill when it comes out of committee. As you are aware, I am one of the original cosponsors of this amendment by the Senator from Washington (Mr. JACKSON). There has also been concern expressed in this Chamber about the repression of intellectuals in Russia.

If, Mr. President, we are to consider upping the price for détente on these two issues, it seems only reasonable that this important issue of our citizens be included with those considerations. How can we honestly address ourselves to the issue of Soviet citizens, while failing to express concern for our own people.

It has been said, that for every right there is a corresponding duty; for every freedom, an obligation. If the Soviets want to have freer access to our markets, then they must obligate themselves to correspondingly come to our aid.

Mr. President, I ask unanimous consent to have printed in the RECORD at the conclusion of my remarks the amendment to the foreign trade bill which I am introducing today.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT No. 1194

On page 129, line 19, berore the period insert "; COOPERATION IN LOCATING PERSONNEL MISSING IN ACTION".

On page 131, after line 13, insert the following:

(c) Notwithstanding any other provision of law, on or after the date of the enactment of this Act products from any nonmarket economy country shall not be eligible to receive nondiscriminatory treatment (most-favored-nation treatment), such country shall not participate in any program of the Government of the United States which extends credits or credit guarantees or investment guarantees, directly or indirectly, and the President of the United States shall not conclude any commercial agreement with any such country, during the period beginning with the date on which the President determines that such country—

(1) has not expressed its official outrage over the failure of governments in Southeast Asia to cooperate with the United States in accounting for military and civilian personnel who are missing in action, in repatriating those who are alive, and in recovering the remains of those who are dead, and

(2) is not taking action to secure such cooperation by such governments with the United States, and ending on the date on which the President determines that such country is no longer in violation of paragraph (1) or (2).

(d) After the date of the enactment of this Act, (A) products of a nonmarket economy country may be eligible to receive nondiscriminatory treatment (most-favored-nation treatment), (B) such country may participate in any program of the Government of the United States which extends credits or credit guarantees or investment guarantees, and (C) the President may conclude a commercial agreement with such country, only after the President has submitted to the Congress a report indicating that such country is not in violation of paragraph (1) or (2) of subsection (c). Such report with respect to such country shall include information as to the nature and implementation of action taken by such country to secure cooperation with the United States by governments in Southeast Asia in accounting for military and civilian personnel who are missing in action, in repatriating those who are alive, and in recovering the remains of those who are dead. The report required by this subsection shall be submitted initially as provided herein and, with current information, on or before each June 30 and December 31 thereafter so long as such treatment received, such credits or guarantees extended, or such agreement is in effect.

On page 131, line 14, strike out "(c)" and insert "(e)".

On page 136, line 20, strike out "report required by section 402(b)" and insert "reports required by sections 402(b) and 402 (d)".

SHORTAGES PREVENTION ACT OF 1974—AMENDMENT

AMENDMENT NO. 1195

(Ordered to be printed, and referred to the Committee on Commerce.)

Mr. HART. Mr. President, I submit an amendment, in the nature of a substitute to S. 2966, the Domestic Supply Enforcement Act, which would create a system for gathering information needed to predict shortages of basic materials and products.

Unless we want to continue to react after each shortage arrives, we need to develop an early warning system to give us time to plan ahead so we can avoid or at least ease problems shortages create.

Segments of such information have been available, but they have never been pulled together in one place and evaluated. The trick is to gather the data and to present it in such a way that the various people and officials which should deal with the problem will be forced to consider the information at the same time.

For example, the coming of an energy crisis had been predicted for some time, but the predictions were never presented in an official way to the proper Government agencies. If it had, we might have made some different policy decisions.

This amendment would establish an Office of Domestic Supply in the General Accounting Office.

The new office would report twice a year on existing or projected shortages and assess the reasons for them. The reports, to be made to the President and to Congress, would also list alternative policies for dealing with shortages.

The President's Council of Economic Advisers would be required to comment on the report within 90 days.

The office would investigate the reasons for any basic product or material being in short supply or being available only at sharply increased prices.

I ask unanimous consent that the text of the amendment be printed in the RECORD and referred to the appropriate committee.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT No. 1195

Strike out all after the enacting clause and insert in lieu thereof the following:

That this Act may be cited as the "Shortages Prevention Act of 1974.

DECLARATION OF POLICY

SEC. 2. (a) FINDINGS.—The Congress finds that—

(1) Shortages of products and materials are becoming increasingly frequent, causing undue inconvenience, expense, and frustration for consumers and creating an undue burden on interstate commerce and the Nation's economy.

(2) Among the causes for these shortages are inadequate production capabilities, the structure of industries, insufficient material and energy supplies, foreign export controls, unexpected fluctuations in demand, and lack of adequate forecasting and corrective plans.

(3) Existing institutions do not adequately identify or anticipate such shortages.

(4) Data with respect to such shortages and their causes are collected by various agencies of the Federal Government for various purposes, but this information is not systematically coordinated or appropriately disseminated.

(5) A comprehensive credible information system is needed (A) to serve as a single reference system on the existence and causes of existing and potential product and material shortages and (B) to provide alternative policy options on ways to alleviate such shortages.

(b) PURPOSE.—It is therefore the purpose of this Act to establish an Office of Domestic Supply in the General Accounting Office and to direct this Office (1) to monitor product and material shortages and potential shortages in the Nation; and (2) to provide the Congress and the President with alternative legislative and administrative policy options on ways to alleviate such shortages and potential shortages.

DEFINITIONS

SEC. 3. As used in this Act—

(1) "Comptroller" means the Comptroller General of the United States;

(2) "Director" means the Director of the Office of Domestic Supply established by section 5 of this Act;

(3) "includes" or "including" shall be read as if the phrase "but not be limited to" was also set forth;

(4) "long-term future" refers to product and material forecasting for one, two, and three years into the future, and further into the future when possible;

(5) "Office" means the Office of Domestic Supply in the General Accounting Office, as established by section 4 of this Act; and

(6) "product and material shortage" or "shortage of products and materials" refers to a market condition where any product, food, mineral, raw material, or other commodity (A) is not reasonably available to all users or (B) can be acquired only at a price which has increased significantly (relative to the general price level) as a result of limited availability.

OFFICE OF DOMESTIC SUPPLY

SEC. 4. The Comptroller shall establish, not later than 30 days after the date of enactment of this Act, an Office of Domestic Supply. The Office shall be under the direction of a Director, who shall be appointed and removed by the Comptroller, for a term not to exceed seven years. The Director may be removed at any time by a joint resolution of Congress for malfeasance or non-feasance in office. The Director shall be compensated at the rate provided for level III of the Executive Schedule Pay Rates (5 U.S.C. 5314).

RESPONSIBILITIES AND PRIORITIES

SEC. 5. (a) RESPONSIBILITIES.—It shall be the responsibility of the Office to monitor product and material shortages and to provide the President and Congress with alternative policy options with respect to such shortages.

(b) PRIORITIES.—In carrying out its responsibilities under this Act, the Office shall—

(1) give priority attention to industries which provide products and services basic to the Nation's economy and industries which serve critical needs of the Nation's consumers, and

(2) give primary consideration to shortages expected in the predictable long-term future.

INFORMATION SYSTEM

SEC. 6. (a) GENERAL.—Within one year after the date of enactment of this Act, the Director shall establish and maintain an information system for the collection, analysis, and dissemination of information relating to product and material shortages. This information system shall—

(1) utilize appropriate economic models;

(2) utilize modern information filing, storage, search, retrieval, and processing mechanisms;

(3) readily permit quick additions, retrieval, and analyses of data; and

(4) maintain data historically and update data periodically to permit time-series analyses.

(b) Data Collection.— Such system shall provide for the collection of data which shall include data on current and potential supply, demand, consumption, wages, prices, imports, exports, changes in technology affecting supply and demand, and any other relevant matters relating to product and material shortages.

(c) Survey and Use of Existing Data.— In order to avoid duplication of effort, the Director, to the extent feasible, shall survey and utilize on a regular basis all pertinent data in the possession of Federal departments, agencies, and offices, notwithstanding any other provision of law. Such data shall include information gathered by the Department of Agriculture, the Department of Commerce, the Department of Interior, the Department of Labor, the Cost of Living Council, the Office of Management and Budget, the National Science Foundation, and the Federal Tariff Commission. Such data shall also include studies of executive commissions, universities, and private organizations and foundations. The Director is authorized to acquire by purchase or otherwise from States, counties, cities, or other units of local government of from private persons copies of records, and reliable discharge of the responsibilities of the office pursuant to this Act.

(d) Data Verification.—The Director shall, to the extent possible, periodically verify the data collected under this section through the use of sampling, auditing, mathematical verification, or other practical means.

(e) Hearings and Subpenas.—To supplement the information otherwise available to it, the Director is authorized, to the extent necessary to carry out the provisions of this Act—

(1) to conduct public hearings and inquiries;

(2) to require, by subpena or other order, that any person or Government agency attend such hearings or submit in writing reports, papers, documents, or answers to questions, including, if appropriate, information referred to in section 1905 of title 18, United States Code where such information is not otherwise available; and

(3) to petition any district court of the United States for assistance in requiring the testimony of witnesses or the production of such reports, papers, documents, answers, or information.

(f) Enforcement.—(1) If any person refuses to obey or comply with any subpena by the Director, the appropriate district court of the United States shall, upon the request of the Director, have jurisdiction to issue an order requiring such person to comply therewith. Failure to comply with such an order of the court is punishable by such court as a contempt of court.

(2) Any person who neglects or refuses, when requested by the Director, to answer completely and correctly to the best of his knowledge any question or to furnish information requested under the authority of this Act, shall be fined not more than $25,000 or imprisoned not more than one year or both; and if he willfully provides a false answer to any such question, he shall be fined not more than $50,000 or imprisoned not more than three years or both.

REPORT AND ANALYSES

Sec. 7. (a) Reports.—Not later than January 20 and July 20 of each year, and at such more frequent times as the Comptroller determines are appropriate, the Comptroller shall transmit simultaneously to the Congress and the President a shortage prevention report setting forth—

(1) an enumeration of major domestic product and material shortages both current and anticipated;

(2) estimates of the available domestic and world supply of such products and materials and an assessment of the various factors affecting such supply. Such assessment shall include a description of the structure of control of the market for such product and material shortage, including the ownership and contractual arrangements affecting the supply of energy, minerals, components, transportation, and services. Such assessment may include the effects of imports and exports, technological alternatives, plant capacities, and environmental and other regulatory controls;

(3) estimates of domestic and world demand for such products and materials and an assessment of the various factors affecting such demand. Such factors may include, to the extent appropriate, an assessment of demand by class of consumer and by geographical region, the reasons for any change in demand, the elasticity of demand, the effect of fiscal and monetary policies of the Federal Government on demand, and the effect of imports and exports on demand;

(4) an assessment of the impact of such shortages on the Nation's economy and on national security;

(5) a review of the extent to which present programs and activities of the Federal Government may contribute to the cause or prevention of such shortages;

(6) a listing of alternative policy options for legislative and administrative action to alleviate or contain such shortages; and

(7) an assessment of the economic, social, and environmental strengths and weaknesses of each policy options listed.

(b) Analyses.—The Comptroller shall, in addition to submitting the reports required under subsection (a) of this section, submit interim reports, recommendations, and analyses to the Congress and the President, upon request or whenever necessary and practicable, with respect to any specific shortage or potential shortage.

DISSEMINATION OF INFORMATION

Sec. 8. (a) General Availability.—Copies of any communication, document, report, or information received or sent by the Director under this Act shall be made available to the public and to agencies of Government upon request, and at reasonable cost, unless such information may not be publicly released under the terms of subsection (b) of this section.

(b) Limitations.—The Director or any officer or employee of the General Accounting Office shall not disclose any information obtained under this section which concerns or relates to a trade secret referred to in section 1905 of title 18, United States Code, except that such information may be disclosed in a manner designed to preserve its confidentiality—

(1) to Federal Government departments, agencies, and officials for official use upon request;

(2) to committees of Congress having jurisdiction over the subject matter to which the information relates;

(3) to a court of competent jurisdiction for use in a judicial proceeding under a court order formulated to preserve the confidentiality of such information without impairing the proceedings; and

(4) to the public in order to protect public health and safety after notice and opportunity for comment in writing or for discussion in closed session within 15 days prior to disclosure by the party to whom the information pertains. Such opportunity for comment or discussion shall be given only if the Director determines that the delay resulting from such notice and opportunity for comment would not be detrimental to the public health and safety.

(c) Exception.—Nothing contained in this section shall be deemed to require the release of any information described in section 552(b) of title 5, United States Code, or which is otherwise protected by law from disclosure to the public.

PERSONNEL

Sec. 9. (a) Hiring of Personnel.—The Director is authorized to appoint and remove such employees as he determines necessary to carry out the responsibilities under this Act and to fix the compensation of such employees in accordance with the Civil Service and classification laws of the United States. The maximum size of the professional staff of the Office shall be limited to two hundred employees.

(b) Consultants.—The Director is authorized to employ consultants in accordance with section 3109 of title 5, United States Code, and to compensate such persons at rates not in excess of the maximum daily rate prescribed for GS–18 under section 5332 of title 5, United States Code, for each day they are so employed (including traveltime) and pay such persons travel expenses and per diem in lieu of subsistence at rates authorized by section 5703 of title 5, United States Code, for persons in Government service employed intermittently.

(c) Contracts.—In carrying out the provisions of this Act, the Director is authorized to enter into any developmental or operational contracts with educational or research organizations.

REVIEW BY COUNCIL OF ECONOMIC ADVISERS

Sec. 10. Within a reasonable time, not to exceed 90 days, following the submission of a report under section 7(a) of this Act, the Council of Economic Advisers shall issue comprehensive comments to the President and the Congress evaluating each such report including assessments of each policy option contained in such report. The Council is further authorized and encouraged to comment to the President and the Congress on each interim report, recommendation, and analysis submitted under section 7(b) of this Act.

AUTHORIZATION FOR APPROPRIATIONS

Sec. 11. There is authorized to be appropriated to the Comptroller for the purpose of carrying out the provisions of this Act such sums as are necessary, not to exceed $10,000,000 for the fiscal year ending June 30, 1975, and $12,000,000 for the fiscal year ending June 30, 1976. There is authorized to be appropriated to the Council of Economic Advisers in the Executive Office of the President such funds as are necessary to carry out the provisions of this Act.

PROHIBITION OF NONRETURNABLE BEVERAGE CONTAINERS IN INTERSTATE COMMERCE—AMENDMENTS

AMENDMENT NO. 1196

(Ordered to be printed, and referred to the Committee on Commerce.)

Mr. HATFIELD submitted amendments, intended to be proposed by him, to the bill (S. 2062) to prohibit the introduction into interstate commerce of nonreturnable beverage containers.

ADDITIONAL COSPONSOR OF AN AMENDMENT

AMENDMENT NO. 643

At the request of Mr. STEVENSON, the Senator from Ohio (Mr. METZENBAUM) was added as a cosponsor of Amendment No. 643, to the bill (S. 2506) to create a Federal Oil and Gas Corporation.

ANNOUNCEMENT OF A STUDY AND HEARINGS ON MORTGAGE INSURANCE

Mr. SPARKMAN. Mr. President, the Subcommittee on Housing and Urban Affairs is making a study of existing mortgage insurance systems, both Government and private, with respect to residential housing. Inquiries are now being made by the subcommittee on existing systems, the degree of coverage, the premiums charged, the underwriting standards, the oversight of the systems, the default record, and their profit and loss experience. The systems to be studied include the FHA, the Veterans' Administration, and the Farmers Home Administration, as well as private insurance companies. Information will also be collected on risk-taking by the secondary mortgage facilities, including the Federal National Mortgage Corporation, and the Federal Home Loan Mortgage Corporation.

The purpose of the study and hearings is to review existing mortgage insurance procedures and systems to determine their effectiveness and applicability to current mortgage credit conditions and to make recommendations for possible legislative changes in the Government insurance systems. The committee also wants to determine the appropriate relationship between private and Government insurance programs, and to determine whether any Federal action is required with respect to private mortgage insurance systems.

The subcommittee is particularly concerned about the adverse defaults experience in FHA projects and what changes in the system should be made to reduce the defaults without the Government reneging on its responsibility to help provide decent housing for the ill-housed.

At the completion of the study, public hearings will be held. Included in the hearings will be relevant legislative proposals now pending before the committee, including S. 2507, S. 2508, S. 3200 and S. 3300. The exact date for the hearings has not yet been set, but they are tentatively scheduled for late June 1974.

HEARINGS ON CORPORATE DISCLOSURE RESUME APRIL 23 AND APRIL 24

Mr. MUSKIE. Mr. President, the Government Operations Subcommittee on Budgeting, Management and Expenditures and Subcommittee on Intergovernmental Relations will conduct further joint oversight hearings on corporate disclosure on Tuesday, April 23, and Wednesday, April 24. Hearings both days will begin at 10 a.m. in 3302 Dirksen Senate Office Building.

The April 23 witnesses will be:

Rep. CHARLES A. VANIK of Ohio's 22d Congressional District, and

Chairman George M. Stafford of the Interstate Commerce Commission.

The April 24 witnesses will be:

Chairman John Nassikas of the Federal Power Commission, and

Assistant Comptroller General Phillip S. Hughes.

During the 3 days of hearings in March, the subcommittees heard the following witnesses:

Norton Simon, industrialist and financier;

George M. Lingua, senior vice president, First National City Bank of New York;

Professor David Ratner, Cornell Law School;

Chairman Robert Timm, Civil Aeronautics Board, and

Reuben Robertson and Mimi Cutler, aviation consumer action project.

The March hearings are at the Government Printing Office now, and will be available in a few weeks.

In these oversight hearings the subcommittees are studying and receiving testimony regarding Federal agency collection, tabulation, and publication of information and data from regulated firms. Persons who wish to submit statements, testify or obtain further information should get in touch with the subcommitte's staff. Senator METCALF's and my opening remarks when the hearings commenced on March 21 provide additional information, and I ask unanimous consent that they be printed at this point in the RECORD.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

OPENING STATEMENT OF SENATOR EDMUND S. MUSKIE

We are here today to begin following up on a very significant report which has confirmed some of our greatest concerns about the extent of economic concentration in this country.

That report, "Disclosure of Corporate Ownership," has documented a situation which has been accelerating to an astonishing degree in recent years: that is, the fact that a few, very large banks, operating as institutional investors, are in a position to exercise control over the health and welfare of many of the Nation's largest corporations.

I want to emphasize that we are not here today to accuse anyone of an outright attempt to gain control of and manipulate the American corporate economy. The report itself makes no such accusation, though some may have misconstrued it that way.

What the report does say is that a variety of circumstances and investment practices have resulted in a system of corporate ownership which makes regulation difficult, which discourages or excludes relatively small investors and businesses from the benefits of the system, and which radiates at least the appearance of serious conflicts of interest that, if real, make a mockery of free enterprise.

The report focuses on the widespread use of nominee accounts by institutional investors in ownership reports to the Federal regulatory agencies. I do not argue that the use of nominees, by itself, is undesirable. What is undesirable from the viewpoint of enlightened public policy is the extent to which this practice has obscured the real concentration of stockholdings in the hands of a few large institutional investors, primarily banks.

An enlightened public policy requires nothing less than full public disclosure of corporate ownership. This includes, not only a ready identification of the institutions behind the nominee names, but also the discretionary control, including voting rights, exercised by these institutions over their trustee accounts. I hope that these hearings will help to spur both the institutions and the Federal regulatory agencies to act on the report's basic recommendations in this regard.

However, I want to emphasize that the single most important aspect of the subcommittees' report is the picture it paints of an economy where billions of dollars in investment capital are under the control of a highly select "old boy" network virtually closed to the world around it. To recoin an old New England saying, the corporate presidents speak only to the bank directors, and the bank directors speak only to God.

"Disclosure of Corporate Ownership" has increased our understanding of some aspects of corporate control. More importantly, it demands that we pursue our investigations into the larger questions left unanswered:

What kinds of leverage do banks and other institutional investors really exercise over the corporations in which they control large blocks of stock? How do they influence management decisions?

Do banks maintain strict separation between their trust department activities and their commercial loan ventures? Are there potential conflicts of interest with which we must be concerned?

Finally, what are the implications of this degree of concentration on a free enterprise society?

We invited our distinguished witness today to lead off this aspect of our investigation and to help cast new light on these larger questions. He is in a unique position to do so, and we welcome the insights and observations his wide experience in corporate life has given him.

OPENING STATEMENT BY CHAIRMAN LEE METCALF

Today two Government Operations Subcommittees begin joint review of Federal agency collection of information from corporations.

We undertake this task at a time when concern over the reliability and adequacy of such information is increasing.

A number of committees have conducted hearings, and proposed legislation, regarding collection of information in the energy area.

Our own recent study, "Disclosure of Corporate Ownership"—Senate Document 93–62—has shown the inaccurate and misleading nature of information in public files, regarding ownership of many regulated companies. The real owners—the principal institutions or others empowered to buy, vote and sell stock—are often unidentified. Some of their holdings are listed in the names of nominees—"street names." And some of their holdings are not reported at all to the regulators, even though the institutional investor in some instances reports its aggregated holdings and voting rights to a commission in a distant state, or to the public.

RECENT LEGISLATION

Two recent acts of Congress have a bearing on these hearings. One is the Federal Advisory Committee Act (Public Law 92–463). It was developed, on the Senate side, by Senator Muskie's Intergovernmental Relations Subcommittee, during the 91st and 92nd Congresses, from various bills which Senators Percy, Roth, Brock and I had introduced.

The original impetus for that legislation arose from problems relating to the clearance of Federal forms and questionnaires by the

Office of Management and Budget, and its predecessor Bureau of the Budget.

The budget agencies received advice on agency questionnaires from industry advisory groups which all too often delayed, diluted or killed questions which Federal agencies properly asked, but which the industries did not wish to answer. This happened no matter which political party was in power.

The Federal Advisory Committee Act—on the books now for 14 months—has broadened out and opened up Federal advisory committees, and caused some of them to disband. There are still problems in the Act's administration, which are receiving our continuing attention.

The printed copies of the recent oversight hearings on this act will be available shortly.

The other recent Act of Congress—this one by the 93rd Congress—transferred from OMB to the General Accounting Office the responsibility for review and coordination of forms and questionnaires proposed by the independent Federal regulatory agencies. The pertinent legislation is Section 409 of the Alaska Pipeline Bill—P.L. 93–153.

Those independent agencies—which regulate utilities, airlines, railroads, trade, securities, broadcasting and product safety—are not part of the executive branch. Therefore, Congress concluded that review and coordination of their forms and questionnaires belongs more properly with GAO than an executive agency such as OMB. Furthermore, this act strengthens the commissions in that GAO will not be able to veto questionnaires, as OMB could under the previous procedure.

The vast majority of agency questionnaires are still subject to OMB clearance procedures. Persons or organizations—especially small businessmen—interested in participation in this form review process will find useful the full Committee hearings which Senator Nunn conducted last year, at Chairman Ervin's request, and my remarks in the eleven March, 1974 Congressional Record.

The importance of the seemingly bland and bureaucratic process of information gathering by Federal agencies cannot be overstated. In this capital city—as a witness in this room once testified—information is the currency of power. What good is a Freedom of Information Act, and access to government records, if the Federal files are devoid of timely, comprehensible and accurate data?

DELEGATION OF POWER

Congress has delegated to commissions and agencies much of the detail work regarding information collection. To use an example recently cited by Senator Roth, the U.S. Geological Survey has reported that there are almost one thousand shut-in gas wells in the Gulf of Mexico. But the Geological Survey does not have the information we all need stating detailed reasons for the shut-ins, and what is necessary to bring the gas on line.

The Geological Survey—whose questionnaires are subject to OMB rather than GAO clearance—apparently has not used its delegated authority to collect this vital information.

We at this time have no legislation regarding corporate disclosure, or agency collection of corporate data, before the Subcommittees. We will be looking at information disclosure and collection procedures in the light of laws that have been on the books for decades.

Congress long ago provided the independent regulatory commissions with broad authority to collect information. Congress also gave the commissions the power to impose sanctions, and issue subpoenas. And thirty-two years have elapsed since Congress directed that information collected from business firms shall be tabulated so as to "maximize the usefulness of the information to other Federal agencies and the public."

OWNERSHIP INFORMATION

Many large U.S. corporations substantially influence public policy. Often they affect public policy more than public officials do. Yet we know relatively little about important aspects of corporate government. If the American people are going to work within the system to provide more responsive government—private or public—a basic tool is the convenient availability of the names and addresses of institutions or individuals empowered to vote major blocks of stock in large, regulated corporations.

In these hearings we shall examine how the commissions have used their authority to collect and disseminate such information.

FOREIGN INFLUENCE

One aspect of undisclosed ownership is potential foreign influence within major U.S. corporations, including defense contractors.

This concern has already been expressed by the Senate in its adoption of the Huddleston amendment to S. 2776, the Federal Energy Emergency Administration Act now in conference. The Huddleston amendment would require the FEEA Administrator to review and report, within six months, on foreign ownership, influence and control of domestic energy sources and supplies.

As "Disclosure of Corporate Ownership" showed, more than ten per cent of the stock in Litton Industries and Penn Central was held, as of 1972, by Swiss banks. Those companies were among eighty nine—less than 30 per cent of those queried—which chose to cooperate voluntarily and fully with our Subcommittees.

Another Senate subcommittee has expressed its concern over recent acquisition of U.S. companies by foreign corporations based in Italy, France, Switzerland, Germany, the United Kingdom and Saudi Arabia.

CEDE & CO.

Another aspect of undisclosed ownership involves stock reported to government regulators in the name of Cede & Co. It is the nominee for Depository Trust, a wholly-owned subsidiary of the New York Stock Exchange. Stock held by the depository for various participants, such as brokerage houses and banks, is recorded in the name of Cede & Co. to simplify market transactions.

Depository Trust sends monthly reports to each issuing company for whom it holds stock. These reports identify the depository participants and number of shares held for each of them, by Depository Trust, in the issuing companies.

Many banks and brokerage houses hold stock in a company in their firm name or in the name of nominees, and also manage stock in the same company which is held by Depository Trust in the name of Cede & Co. The reporting problem has arisen from the fact that many issuing companies, in their annual reports to Federal commissions, do not use the information which Depository Trust has provided them. Instead they report a block of stock in the name of Cede & Co. rather than aggregating appropriate portions of it with the other holdings of investors.

Board Chairman W. T. Dentzer, Jr. of Depository Trust and his associates have been most cooperative with us in developing a suggested procedure for proper attribution of stock held in the name of Cede & Co. It would simply have the commissions require that reporting companies use the information provided them by Depository Trust. For verification purposes, Depository Trust could provide the appropriate regulatory commissions and GAO the same information on participants' holdings which it already provides each issuing company.

SUGGESTED PROCEDURE

I hope that we can work out a similar procedure for banks and other institutional investors whose holdings are not now aggregated by many regulated companies for reporting purposes. I am suggesting that the major institutional investors could provide each regulated company in which they hold a significant amount of stock a quarterly or annual report, similar to the one which Depository Trust already provides issuing companies on a monthly basis. That report could show the total number of shares of the company's stock to which the large investor has sole or partial voting rights and the number of shares held in which the investor does not have voting rights. In those instances where the institutional investor does not have voting rights the identity of the party empowered to vote the stock would be provided by the investor to the issuing company. Copies of those reports by the large institutional investors would be available to the appropriate regulatory commission and the GAO.

We will welcome comments on this proposal as these hearings progress. I would add here that one of our witnesses next week will be a senior vice president of First National City Bank of New York, which for years has issued a public report regarding its voting rights in its trust department's one hundred major stock investment accounts.

PERSONNEL AND BUSINESS RELATIONSHIPS

A third aspect of undisclosed ownership involves other levers of corporate control beyond the voting of stock. The Securities and Exchange Commission, in its Institutional Investor Study report, concluded that some institutions—particularly banks—have personnel and business relationships with portfolio companies which may tend to reinforce any power conferred as a result of stock holdings, may create potential conflicts of interest and may lead to misuse of inside information. The SEC found a strong statistical correlation between bank stock-holdings and personnel and business relationships.

As we review reporting requirements of various Federal agencies we will look at the questions which the agencies ask—or do not ask—and the answers they receive regarding direct and indirect interlocks, and financial dealings between regulated companies and the institutions with which they have a stock or interlock relationship.

One of our witnesses next week will be the chairman of the Civil Aeronautics Board, which recently recognized the need for gathering more information regarding these several interrelated control mechanisms, and instituted an appropriate investigation.

CONCENTRATION OF ECONOMIC POWER

A fourth area of undisclosed ownership on which we seek additional illumination is the national extent of concentration of economic power.

In setting the rules for limiting control of a company by a large investor, Congress and the commissions usually look at a single investor's potential influence within one company, or one industry. The data contained in "Disclosure of Corporate Ownership" shows—on the basis of partial, voluntary disclosure and sample studies by the SEC, FCC and Congressional Research Service—a degree of over-all concentration beyond that which has been heretofore available to the Congress. The study shows that the same few banks are dominant within a number of competing companies—airlines, broadcasting, pharmaceuticals, electrical equipment, conglomerates, and petroleum.

This partial data, for the years 1969 and 1972, suggests a need for comprehensive and timely collection of information regarding all aspects of corporate concentration so that its ramifications can be considered by Congress on a factual basis.

CORPORATE ANNUAL ELECTIONS

I would note that we begin these hearings in an election season. Many corporate annual elections and meetings of stockholders will be held in the next few weeks.

They do not of course receive the kind of surveillance attending the elections to which Members of this Committee are accustomed. This may be because of the difficulty in creating an aura of suspense regarding an election in which a single slate of officers, selected by insiders, is offered, an election in which no provision is made for casting "nay" votes against the single slate, and the outcome of which is decided before the annual meeting begins, by the proxies of a few large institutional investors.

But I think it is appropriate to note here that interest in corporate government has now extended beyond the participation by a few individuals or a project GM.

More than sixty major corporations will consider, this spring, shareholder resolutions from church, labor, environmental, foundation and public interest groups and individuals. In a number of these challenges, the issue is corporate disclosure. The concept of the Sunshine Law, of which Florida Senators on this committee often speak, is spreading to corporate government.

SHARED OVERSIGHT

I would hope that these hearings will encourage more persons outside and inside of government—Federal, State and corporate—to participate in the important business of information collection by the Federal government. Congress has improved the procedures for public participation. The vital oversight function can be broadly shared.

NOTICE OF HEARING ON FEDERAL PAPERWORK BURDEN STATEMENT OF SENATOR McINTYRE

Mr. McINTYRE. Mr. President, the Subcommittee on Government Regulation of the Senate Select Committee on Small Business will continue its hearings into the Federal paperwork burden and the impact on small business on April 24, 1974, beginning at 10 a.m. in room 155 of the Russell Senate Office Building. Representatives from the Department of Labor and the small business community will testify at this hearing. A precise witness list will be released by the subcommittee at a later date.

At this hearing the subcommittee will examine into the reporting requirements imposed on small businessmen as a result of regulations adopted under the Occupational Safety and Health Act of 1970.

Further information regarding this hearing can be obtained from the office of the Senate Select Committee on Small Business, extension 5-5175.

ADDITIONAL STATEMENTS

U.S. SHOE INDUSTRY

Mr. MUSKIE. Mr. President, Robert Lockridge, chairman of the Footwear Industry Emergency Committee on Trade Policy, and Mark Richardson, president of the American Footwear Industries Association, testified recently before the Finance Committee on H.R. 10710, the Trade Reform Act of 1973. Their testimony cogently outlined many of the problems facing the American shoe industry today.

They painted a picture of an industry already crippled by an increasing flood of imports, but unable to obtain relief through existing laws and procedures. Five years ago, net imports—imports less exports—of nonrubber footwear totaled 175 million pairs valued at $330 million. In 1970, net imports totaled 240 million pairs valued at $560 million. And by 1973, net imports had increased to 316 million pairs valued at close to $1 billion.

If this situation continues, this country will surely some day lose its shoe industry. Each year, executives of the shoe industry come to Washington and tell the executive that "no major industry in this country is suffering from import penetration of the magnitude endured by the nonrubber footwear industry." Each year, the executive listens politely, suggests they will help, and in fact, does nothing.

The only results of Government help the shoe industry is able to see are the closing of plants; the burgeoning loss of jobs; the reduction of profits, now among the lowest for any major industry in the United States at 1.9 percent of total sales; and the loss to the United States of roughly $1 billion in balance of payments terms.

In other countries—Brazil, Argentina, Korea, Spain, to name only a few—Government help to the shoe industry takes the form of subsidies, rather than inactivity. To try to remedy this situation in 1969, I introduced the Orderly Marketing Act for Shoes, designed to allow shoe manufacturers to gain their fair share of the U.S. market. Last year, I introduced legislation to control the export of cattle hides. And most recently, I appealed to the President to seek an international agreement which would set up procedures for the international surveillance of shoes and leather products similar to the one that recently became effective with respect to textile and apparel trade.

All I have received from the administration are assurances that these measures will get "prompt attention" or are "under consideration." But an industry which has already suffered severe injury from import competition—while other industries enjoy the ear and the aid of the administration—needs more than promises. If the Executive will not act to help this industry, then Congress must.

Mr. President, as evidence of the industry's critical need, I ask unanimous consent that excerpts from Mr. Lockridge's testimony on the Trade Reform Act of 1973 be printed in the Record at this point.

There being no objection, the testimony was ordered to be printed in the Record, as follows:

Testimony of Robert S. Lockridge

Our association represents the manufacturers of 95% of the leather and vinyl footwear produced in the United States and, through our associate members, about 85% of all the suppliers to the footwear industry. There are approximately 500 companies with about 800 plants in our industry—numbers which have been declining over the last several years—located in 40 states. The industry now employs about 200,000 workers directly in its manufacturing operations—again a number which has been declining over the last several years. There are about 100,000 workers in allied supporting industries. A great many of our plants are located in the smaller communities of our country where the shoe manufacturer often is the major or sole employer.

The message we bring before the Committee today is a simple one. It is the same that we brought to the House Ways and Means Committee. The American footwear industry is suffering drastic injury because of continuing disruptive imports which have caused reduced production, the closing of plants, loss of jobs, and approximately a $1 billion net trade deficit for the United States. In every category through which the health of a particular industry is measured, an examination of the facts reveals a story that is tragic to an important industry such as ours and revealing as to the failure of the Administration to act within its professed trade policy and in keeping with existing laws. Imports are eroding our ability to continue as a viable industry. The remedy we seek lies in action by Congress, and now specifically by the Senate, because the Executive Branch has not provided our industry with warranted and needed import relief through mechanisms already at its disposal despite the serious injury caused by disruptive imports.

CURRENT SITUATION

Import Penetration is Growing. In 1960, the import penetration ratio for nonrubber footwear was less than 5%. As early as 1960 our association pointed out the trend of imports. By 1968, when we first appeared before Congress asking for relief from imports it had reached 22%; in 1970 when a trade bill was again considered by Congress it had risen to 30%. And in 1973, when Congress began its consideration of H.R. 10710, import penetration of the domestic market had risen to 40%. Unfortunately our analyses had proven correct again. The import penetration for women's and misses' nonrubber footwear, which accounts for better than half of our total production, was 51% of the total market last year.

No other major industry in the U.S. suffers from an import penetration of this magnitude. The effects on the economy in general and on the nonrubber footwear industry in particular of this massive degree of import penetration are devastating.

Trade Balance is Deteriorating. Whether or not one is concerned about the state of health of our industry, one should certainly be concerned over the effect of burgeoning imports on the nation's balance of payments. Five years ago net imports (imports less exports) of nonrubber footwear totaled 175 million pairs valued at $330 million.

When we appeared before Congress last, in 1970, net imports totaled 240 million pairs valued at $560 million. By 1973, net imports had jumped to 316 million pairs valued at just under $1 billion.

Last year's experience represented an unbroken continuation of higher and higher imports. The import growth in 1973 over 1972 was 6.4% in terms of pairs and 16.9% in terms of value. At the same time the other two domestic industries with massive import penetration—iron and steel and textiles and apparel—enjoyed a noticeable reduction in imports last year over 1972.

All Industry Indicators Are Down. The effects of imports of this magnitude upon our industry cannot be disregarded in any consideration of trade legislation.

Production is down;
Employment is down;
Number of plants is down; and
Profits are down.

The only thing that is up in the industry is its problems. Imports have cost our workers over 43,000 jobs since 1960, and total direct employment has now dipped below 200,000. In 1973, we lost an additional 3% of our work force. While all manufacturing has enjoyed a better than 10% gain in employment since 1960, employment in the domestic footwear industry has dropped by more than 15%. Fewer jobs mean fewer plants. Data recently released by the U.S. Department of Commerce reveal that the number of nonrubber footwear manufacturers dropped 35% between 1967 and 1972—from 799 to 525. The number of plants also fell sharply from 1,083 to 813 during this period.

As a result, domestic production in 1973 fell to 488 million pairs, the lowest level of domestic production in more than 20 years, and 7% below the 1972 level, and 150 million pairs below production only five years earlier.

I also wish to point out to the Committee at this time that the nonrubber footwear industry shares the "distinction" with the apparel industry of having the lowest profit per dollar of sales of any major manufacturing industries in the U.S.

CAUSES OF STRONG IMPORT PENETRATION

There are basically three main reasons why imports account for an increasingly high percentage of domestic consumption each year. They are (1) the substantially lower wages paid workers in the footwear industries of exporting countries; (2) high tariff levels and other import restrictions maintained by many importing countries; and (3) subsidies extended by many foreign governments to assist their footwear industries in exporting.

Labor Costs Are Substantially Lower Abroad. Most foreign manufacturers pay wage rates that would be illegal in the United States, generally less than 50% of the U.S. wage level. There are few prohibitions on child labor abroad. There are even fewer concerns for environmental or occupational health and safety standards. In an industry as highly labor intensive as ours, where labor input represents 20–45% of manufacturing cost, these lower labor costs oversees more than offset the higher productivity of the U.S. industry compared with that of our foreign competitors. For 1972, estimated average hourly earnings, including fringe benefits, were as follows:

United States	$3.22
Italy	1.82
Japan	1.33
Argentina	.75
Spain	.62
Brazil	.42
Taiwan (1971)	.21

Other Markets Restrict Imports To Our Detriment. Other importing countries do not permit imports as freely as does the United States. Countries which are major exporters to us are even more restrictive in what they will allow to be imported. The high tariff and non-tariff barriers maintained by other countries act to funnel into the relatively open, low-tariff U.S. market footwear that would otherwise go to other markets. The Department of Commerce released on March 15, 1974, a survey of tariff and trade regulations of selected countries in the field of nonrubber footwear. The survey shows that the average U.S. import duty is 10% ad valorem on leather footwear and 6% on vinyl footwear. On the other hand, Argentina, India, Korea, and Turkey do not permit footwear imports. Brazil maintains import duties of 70% to 120% and Taiwan has duties of 59% to 130%. Japan has an import duty ranging from 27% to 30% for most nonrubber footwear imports and maintains import quotas. The Common External Tariff of the European Economic Community ranges from 7% to 20% plus a value added tax that ranges from 5.2% in the case of Ireland to 20% in the case of France. Spain maintains import duties ranging from 8% to 35% plus a compensatory import tax of 10%.

Many Countries Subsidize Their Exports To Us. So devastating to our industry are the sudsidies paid by several foreign governments to assist and encourage their footwear industries to export to the U.S. The Argentine Government provides cash reimbursements of up to 30% of the f.o.b. value of exported shoes, grants low-interest loans for up to 80% of the value of exports, reduces the taxable income of exporters, and provides other tax incentives. The Brazilian Government exempts producers of footwear (and other industrial products) from various indirect taxes including exemption from taxes on imports of capital goods designed to expand export capacity, and also provides low interest credits for exporters. The Spanish Government pays export bounties not simply as a credit against taxes but as cash remissions for export sales. In addition, the Spanish Government guarantees loans to local manufacturers equaling 20% of the export dollar value of the preceding year at interest rates significantly lower than prevailing commercial rates for similar purposes. Other countries, including Korea and some of the European Common Market countries, also offer subsidies to their footwear industries.

The American Footwear Industries Association is unfortunately well aware of the footwear subsidization practices of foreign governments. Our industry feels the full impact of this unfair competition in the domestic market. It has filed two petitions under the countervailing duty statutes with the Treasury Department documenting in detail the practices of the Spanish Government (filed in February 1973, 14 months ago) and the Brazilian and Argentine Governments (filed in July 1973, 9 months ago). Yet it was only on March 8, 1974 that the Treasury Department announced that it had instituted an investigation on Brazilian footwear, other than rubber. No action has been taken to date on our petition with regard to Spain or Argentina. It is essential that action be taken expeditiously and affirmatively in the Brazilian case, and that investigations be instituted in the Spanish and Argentine cases.

All of this translates into the fact that, with a relatively small duty today on imports of footwear, other than rubber, the differential between landed costs of imports and domestic average factory value is significant. In the case of leather footwear from Italy, it would require an additional duty of 31% to equalize domestic and import values. In the case of Spain, the differential is 25%, also for leather footwear. For Brazil, it is 63%. For Argentina, it is 31%. For Romania, without MFN status, it is 112%. In the case of Taiwan, for vinyl footwear, which represents 95% of the total value of nonrubber footwear shipments from Taiwan to the United States, the differential is 240%.

These differentials point up the danger to our industry of extending generalized tariff preferences to footwear. We are pleased that the President said in his message to the Congress of April 10, 1973 transmitting the Administration's trade proposals that it would be the "intention to exclude certain import-sensitive products such as . . . footwear . . ." We feel that if Congress should accept the idea of generalized tariff preferences (Title V of H.R. 10710), footwear should be excluded from its provisions in the statute itself.

We are concerned about growing imports of nonrubber footwear from the developing countries because they are today the fastest growing foreign sources of nonrubber footwear in our market. Taiwan has replaced Italy as the leading supplier of footwear, other than rubber, to the U.S. market—112 million pairs in 1973, 35% of total nonrubber footwear imports. Keep in mind Taiwan's hourly wage rate is $0.21—the U.S. $3.22, or 15 times as great.

Brazil and Argentina are also cases in point. In 1973, the U.S. imported almost 20 million pairs of nonrubber footwear from Brazil, an increase of 65% above the 1972 level. Imports from Argentina jumped from less than 500,000 pairs in 1972 to almost 4 million pairs a year later—an increase of 733%. Greece, Mexico, and Romania have all registered similar impressive advances. The latter, despite the fact that it does not enjoy MFN status, increased its exports to us from 1 million pairs in 1972 to 2.5 million pairs in 1973, an increase of 131%. We are pleased that the Treasury Department finally initiated an anti-dumping investigation on welt work shoes from Romania on March 15, 1974. The American footwear industry first called the Treasury Department's attention to the dumping of Romanian work shoes in 1968.

ADMINISTRATION INACTION AND CONGRESSIONAL REMEDY

The problems faced by our industry from imports have been with us for some time. They did not arise to injure our industry for the first time in 1973 or in 1974. What is happening is that unrestrained, growing disruptive imports are weakening our industry's position by what appears to be a deliberate policy of the Administration ignoring its professed trade policy and the requirements of existing law that action be taken on a timely basis.

We have tried to work through the established procedure of the Trade Expansion Act of 1962, namely, the escape clause. We had great hopes and expectations when in July 1970, as the Congress was considering trade legislation, President Nixon requested the Tariff Commission to launch an escape clause investigation on nonrubber footwear. Six months later to the day (January 15, 1971), the Tariff Commission submitted to the President its report with an evenly-divided decision. Even the two Commissioners who voted in the negative did so because they did not feel that injury resulted in major part from tariff concessions, not because they felt there was no injury to our industry from imports.

It has been over three years since that Tariff Commission report was submitted to President Nixon. Yet to date the President has taken *no* action in the case—either affirmatively or negatively. As the Committee members know, under split Tariff Commission decisions in escape clause cases, the President can join either with the Commissioners' finding affirmatively or with those expressing a negative judgment. The promise which the escape clause investigation held for our industry has been shattered by the failure of the Administration to act on this issue. We have seen how imports have continued to mount while jobs have been lost and production has fallen since the Tariff Commission's report was filed. That is why we are appealing to the Congress for help. What we are asking for is well within the scope of your powers. The key question you must face is how much import disruption, how much import penetration of the domestic market, how much loss of capacity and jobs, how much declining production, must an industry endure before action is taken to restrain imports. This question poses serious concerns not only for the nonrubber footwear industry but also for others who may some day be in a position similar to the one we are in today.

For these reasons, our industry supports legislation such as that introduced by Representative Richard Fulton in the House (H.R. 8518), the Footwear Articles Import Relief Trade Act. We hope that the Senate would consider similar legislative language. This realistic and reasonable approach to the import problem faced by our industry would use calendar years 1970 through 1972 as the base period for establishing import quotas. At the same time, there would be provision for the automatic suspension of such quotas if international agreements are entered into to provide for restraints on exports to the United States of nonrubber footwear. The President would be authorized to increase imports where he finds that the supply of such footwear is inadequate to meet domestic demand at reasonable prices. This approach also would provide for exemption by the President from quota restrictions when he determines that such exemptions will not disrupt the domestic market.

Such legislation would be fair to producers, workers, and consumers. Consumers would be fully protected by the authority given to the President to exempt nondisruptive imports from quota controls and by allowing him to increase quotas if he should find that the supply is inadequate to meet the domestic demand at reasonable prices. At the same time, the significant erosion of the U.S. market from imports which has been so detrimental to the health of our industry would be halted.

THE TRADE REFORM ACT WILL NOT HELP US

In appealing to Congress for legislation to help our industry—either as part of the trade bill or as separate legislation—we feel strongly that the Trade Reform Act will not assist our industry any more than did the Trade Expansion Act. We find serious problems with the Trade Reform Act as passed by the House.

* * * * *

CONCLUSION

The conclusion our industry has reached is that we cannot support the trade bill currently before you. We take this position not only because of the serious weaknesses which we find in the bill itself, but also because, as it now stands, the bill provides no import relief for the American footwear industry.

In summary, we recommend the following to you:

1. We must have specific legislation to deal with the problems of the footwear industry because the record of the Administration in meeting problems of disruptive import competition faced by our industry gives us no confidence that now, or in the future, under the existing trade legislation or under H.R. 10710, there will be any Executive Branch solution to this problem.

2. The trade bill before you should be modified in several respects.

Industries such as ours which suffer from substantial import penetration should be specifically exempted from trade negotiations.

The escape clause should include a trigger mechanism that would assure relief when imports reached certain levels of penetration of the domestic market.

The factors which the President must take into consideration in escape clause cases before reaching a decision run counter to providing relief and should be deleted.

In countervailing duty cases, there should be a six-month limit as the total time which Treasury may take to make a decision beginning with the date of filing a complaint.

In anti-dumping cases, American manufacturers should be given the right to appear in hearings without having to show good cause.

The provisions for a generalized system of preference should specifically exempt industries, such as ours, which are experiencing disruptive import competition.

Effective action must be taken now to help our industry. Our future, in part, is in your hands. We ask only for fair play so that we can compete on a basis which makes it economically justifiable to remain in business.

CONVENTIONAL ARMS STATISTICS

Mr. ROTH. Mr. President, on May 31, 1972, the Senate adopted my amendment requiring the Arms Control and Disarmament Agency (ACDA) to make a comprehensive study of the international trade in conventional arms and to assess various means of controlling it. This study, which was transmitted to the Congress last August, included useful statistics on the flow of conventional weapons which had not previously been available. Two tables in the appendix broke down by country the value of arms exports and imports for each year from 1961 through 1971. A third table listed the cumulative value of conventional weapons supplied to each recipient by each major supplier for the 11-year span of 1961 through 1971.

Because these statistics are a valuable source of data to scholars and students of arms control, I am pleased to announce that as the result of an exchange of letters between Dr. Fred C. Ikle, Director of ACDA, and myself, they will be updated and published annually. On alternate years, these statistics will be included in the Agency's biennial publication, World Military Expenditures.

I have also learned that the ACDA Report on the International Transfer of Conventional Arms will be available beginning tomorrow as a House Committee on Foreign Affairs print. The committee print also includes an analysis of the report prepared at my request by Mr. Charles R. Gellner, Senior Specialist in International Relations, Division of Foreign Affairs, Congressional Research Service. It is a reflection of our unique democracy that we publish in one volume a study prepared by one branch of the Government along with an analysis prepared by a second branch.

I want to commend Chairman THOMAS E. MORGAN of the Foreign Affairs Committee for the valuable public services his committee is performing in making this report more broadly available to Americans and to foreign governments as well. I hope this effort on the part of Chairman MORGAN will be instrumental in bringing more attention to the massive transfer of conventional arms, its impact on world peace and stability, and its possible limitation.

It is my understanding that the Foreign Affairs Committee considers the Report on the International Transfer of Conventional Arms an important adjunct to the study of ACDA being initiated by Congressman CLEMENT J. ZABLOCKI. I want to thank both my former colleagues on the committee for their interest in the report.

A sound U.S. arms control policy requires careful analysis and initiatives in both the areas of nuclear arms control and conventional arms control. After a great deal of effort a beginning has been made during the past few years in controlling the testing, emplacement, and numbers of nuclear weapons, and, hopefully, this beginning will be expanded upon in the future. At the same time, a beginning must still be made in terms of conventional armaments. Our Government has, from time to time, proposed discussions of conventional arms limitations, but we have not yet presented any specific proposal. It is my hope that on the basis of the ACDA study already completed, we can begin to approach other countries in search of a conceptual basis for conventional arms limitations.

It is necessary to keep in mind, of course, that arms control is something the United States cannot do all by itself. Effective, genuine arms limitations require mutual, multilateral restraints. As a great power and as a peace-loving people, we do have the responsibility to provide leadership. We may not succeed in getting the kinds of agreements we want, but we should make the effort to try.

Mr. President, I ask unanimous consent that the exchange of letters between Dr. Ikle and myself be printed in the RECORD.

There being no objection, the letters were ordred to be printed in the RECORD, as follows:

MARCH 1, 1974.

Dr. C. FRED IKLE,
Director, Arms Control and Disarmament Agency, Washington, D.C.

DEAR DR. IKLE: As you will recall, the Report on the International Transfer of Conventional Arms included previously unavailable statistics on the value of arms exports and imports by countries and regions. These statistics are found on pages A-3 through A-15 of the Report.

It has been suggested to me that such statistics are an important data source for private scholars and individuals engaged in research on the arms trade and means of controlling it.

In view of their value, I wonder whether it would be feasible for ACDA to continue to update and publish these statistics on an annual basis, perhaps as part of ACDA's publication entitled *World Military Expenditures.*

With highest regards,

Sincerely,

WILLIAM V. ROTH, Jr.,
U.S. Senate.

U.S. ARMS CONTROL AND
DISARMAMENT AGENCY,
Washington, D.C., March 22, 1974.

Hon. WILLIAM V. ROTH, Jr.,
U.S. Senate, Washington, D.C.

DEAR SENATOR ROTH: Thank you for your letter of March 1 urging the annual publication of certain arms export/import statistics.

I am pleased to be able to report that we plan to publish arms trade value data annually. In alternate years the arms trade data would be published as a part of *World Military Expenditures (WME)*, which is now being issued biennially. The next edition is scheduled for publication in July 1974. We anticipate that sufficient data will become available within the next two months to enable us to update and include in the next edition of *WME* certain tables on the value of the arms trade as published an pages A-3 through A-14 of *The International Transfer of Conventional Arms.*

Your interest in ACDA is always appreciated.

Sincerely,

FRED C. IKLE.

CONDITION OF SOVIET JEWS

Mr. TUNNEY. Mr. President, we are constantly bombarded with important issues here in the Congress; new crises and new problems arise every week which require our attention and very often, our action. But it is very important that we do not lose sight of continuing events. For several years now, the Government of the Soviet Union has been hindering the attempts of many thousands of Jews in that country to emigrate to Israel. This right to emigrate to their religious homeland, of which they are citizens, is a fundamental facet of human freedom.

I and many Senators and public-spirited citizens in the United States have been working steadily to persuade the Soviet Government to relax its emigration policies. These pressures have been partially successful. After great outcries in this country and around the world, the Soviet Government rescinded its "education tax" which required payment of exorbitant fees for exit visas for Jews—or others—who had received higher education. By all accounts, the continuation of interest, public comment, and public outrage are effective weapons in maintaining the flow of emigrants at as high a level as possible.

However, the task is still far from over. Many Jews are refused exit visas. Also serious is the policy of the Soviet Government toward people who even have the courage to apply for exit visas. These brave people are usually fired from their jobs, denied the right to make a living, or utilize their training. Harassment goes on in other ways: communications with the West are cut off from time to time, young men are drafted into the Army, and arbitrary and capricious administrative rules are imposed, and then broken in a fashion which keeps these people in constant suspense and torment, never knowing when their application might be approved. This process goes on for months and years.

I am speaking out now because this harassment goes on unabated today. I wish to share with my colleagues just a few cases, a few evidences of the problem, and testimony from Russian Jews themselves about what they are suffering. These fragments of information, and the words of the people themselves, are a poignant, meaningful reflection of the courage which these people have, and the brutality of a system which seeks to prevent them from moving.

The first testimony comes from the Liner family in Moscow. Bronislav and Marina Liner, and two young children, applied for an exit visa last fall, and were refused in February. They are prominent metallurgists, each holding a doctorate, and were employed by scientific institutes in Moscow. They were immediately fired from their jobs when they applied for an exit visa. The following is an excerpt from a letter they wrote to friends in the United States:

> We have got rather sad news. On 8.2.1974 Soviet authorities denied our request for visa to Israel. We were told that our leaving USSR is 'inexpedient for state security reasons'. The official refused to answer when they would give to us the permission for leaving for Israel and he refused to explain what he meant speaking about 'state security'. If he hinted at state secrets, then we don't know any secrets. We [have] both worked on metallurgy and any expert can confirm that there is no and cannot be any state secrets in metallurgy. The Institutes where we worked at is not secret. We have a lot of scientist-visitors from USA, Japan, etc., at our Institutes . . . Therefore, our laboratories, equipment and subjects of our investigations are well known. All results of our works were published. Moreover, a number of employees of our Institutes had got permission to go to Israel . . .
>
> Our situation became more difficult since we were forced to leave our service because of our desire to leave for Israel, and we cannot yet get another work. Nevertheless our spirit is high and believe that our dream will come true and we will get to Israel.

Second, I would like to share with you a terribly moving letter from Iosef Soifer, a child in a family of five which is seeking to emigrate from Novosibirsk, in Siberia. This letter was also addressed to friends in California who have been corresponding regularly with the Soifers:

> NOVEMBER 29, 1973.
>
> We have received your letter of Nov. 14, 1973 and we are very grateful to you for warmth and support. It is very pleasant to us to feel your care and solidarity which are not afraid of the tremendous distance that divides us. We assure you that your energy and our courage will not be broken by any difficulties.
>
> We are not heros. We are just everyday Jews. But because of the fact that we are Jews, we want to live among our people, in our country, in our dear Israel. Nothing can break us or change our wishes. We believe that our desire will soon be fulfilled. We follow all the events that are happening in the world. In spite of the fact that our sources of information are very scarce, it is still quite clear what the situation is.
>
> We are happy that the United States does not refuse the support for Israel and does not leave it (Israel) alone. We also hope that your government will be able to create a state of Peace in the Middle East.
>
> Our hope that Israel should live peacefully and quietly, is just as great as our desire to leave for Israel. It's very painful for us to hear about the losses that were suffered by Israel during the war, but it is even more painful because we are helpless in helping from here. All our thoughts are about Peace and about the possibility for leaving for Israel.
>
> Our family consists of 5 people. The father Moishe, engineer (electrical engineer); Mother Nina, a teacher of physics who at the present time works as an engineer in a construction bureau of fire preventative automatic machinery; daughter Anna 15½ yrs. old is going to school; son Alexander 9 years old is also going to school and I myself, Joseph, 23 years old, engineer in the field of energy or energy-producing machinery.
>
> How do we live?
>
> Try and picture people at a Railroad station waiting for the arrival of a train which must arrive, but no one knows when . . . today, tomorrow, maybe in a year. But this is the only train and one cannot be late for it. Such is our life. We're awaiting our train and we believe that soon it will take us to our own Israel.
>
> We wish your family and yourself personally good health; the fulfillment of all your wishes. Please write us. We await your letters with impatience.
>
> Shalom.
>
> We congratulate you and your family with the nearing Holiday of Chanukah. We hope that you will greet it well and happy.
>
> IOSIF (JOSEPH).

Mr. President, the family of Boris Rubinstein lives in Leningrad. As with so many others, he has lost his job, been ostracized from the community, and continues to be subject to harassment for over a year. Last fall, a group from Temple Beth Shalom in Los Angeles spoke with Boris Rubinstein over the telephone, which followed extensive correspondence from members of the congregation to his family. I cannot reprint the entire transcript, but a few words from Boris Rubinstein epitomize his situation, and his great reliance on the help of Americans in achieving an exit visa:

> My situation is quite bad and uncertain. I don't know anything. What can I do, and so I must wait. Do you understand? I am waiting, for one year and a half I am waiting. I want to tell you that my situation is bad and uncertain and difficult. . . .
>
> I want to tell you that you are our one and only hope . . .
>
> I want to tell you that I am grateful very much to you for your help and for your kindness and your attention to my case.
>
> I want to ask you to continue your efforts in behalf of my family. It is gratifying for me to have your support . . .
>
> I am sure you know the best way to help. I hope that you know some way for help for me and my family so we can get exit visas. It seems to me that it is important to write letters to Soviet authorities and ask them to give the exit visas . . .

Last, I want to report on the case of Dr. Alexander Luntz, a scientist in Moscow with whom I spoke on the telephone last January. For a time his communications were cut off, during the hunger strike led by David Azbel. He still has no exit visa for himself and his family. Friends who have spoken with him since my last conversation tell me that conditions in Moscow are deteriorating for the Jewish people who want to emigrate. The number of exit visas is declining, and the newspapers falsely report that the number of applications for visas is declining. Bureaucratic roadblocks are thrown in the way of applicants constantly. Dr. Luntz reports that the authorities require that applicants produce an invitation from family members already living in Israel for the Soviet Jews to join them there. Apparently, such letters of invitation are routinely confiscated, especially for the younger men and women. The younger people who apply to emigrate are also being drafted into the armed forces at a higher rate.

Mr. President, I need not say that the future of world peace depends on cooperation and consultation between our Nation and the Soviet Union. The process of détenté is helpful to both sides. But I believe there cannot be a truly lasting friendship between our nations until there is some recognition by the Soviet Government that freedom is indivisible, it applies to all people in every country. So long as basic freedoms are being denied in the Soviet Union, there will be a psychological barrier to our relations. I hope the eloquent testimony of these people from within the Soviet Union will strengthen and propel the efforts of Americans and of our Government to seek accommodation on the emigration issue with the Soviet Government.

GETTING THE CONSUMER FAIRER TREATMENT

Mr. JAVITS. Mr. President, one of the long-neglected areas of substantial importance to the consumers of America is that relating to legal representation of their interests in controversies which cannot be resolved informally. There is no doubt that in the great majority of disputes arising out of the hundreds of thousands of retail consumer transactions every year in this country, a resolution is obtained by utilizing business-sponsored mechanisms rather than adversary procedures. As I have frequently stated during our long years of debate on the Consumer Protection Agency bill, consumer satisfaction must be a fundamental element in any sound business strategy.

In cases where such resolution is not possible, new attention must be given to instituting new mechanisms and improving old ones, including arbitration, small claims courts, and class actions. The Subcommittee on Consumers of the Commerce Committee and the Subcommittee on Representation of Citizen Interests of the Judiciary Committee have been holding hearings on S. 2928 which deals with this important subject.

I recently had the opportunity to testify before these subcommittees on the bill and to call the attention of the members to a remarkably successful small claims project about which we in New York are most proud: the Harlem Small Claims Court. Mr. President, I ask unanimous consent that the text of my testimony be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. JAVITS. Mr. President, on this same subject of helping New York's consumers with their legal problems, I wish also to call the attention of my colleagues to a most interesting report by the Bar Association of the City of New York's Committee on Consumer Affairs. The report considers several of these issues and discusses a very creative proposal to establish a New York Consumer Law Center which would conduct the defense of consumers sued in the civil court of the city of New York.

Mr. President, I ask unanimous consent that the report be printed in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

EXHIBIT 1

COMMITTEE REPORT: A NEW YORK CONSUMER LAW CENTER

(By the Special Committee on Consumer Affairs)

INTRODUCTION

Late one afternoon, in the Howard Beach area of Queens, a mother quiets her children, answers the door, and greets her caller, a girl in her twenties who is taking a survey of attitudes toward early childhood education. The girl asks to enter so that she may use a table; the mother agrees. Though the questions are couched simply—"Are you familiar with the new math and the pyramid method?"—the mother is unable to answer some of them and begins to feel uncomfortable. Then the girl asks, "Are you familiar with the work of the Young Mothers Club?" Of course, her hostess is not.

The girl describes the club, which she says was formed by a group of mothers interested in improving their children's education. "As you know, poor people have Head Start to give them an educational advantage, and the rich have private schools, but the middle-class mother felt left out and wanted to have a program that would provide her children with the same opportunities that other children were receiving." The club offers its "members" a wide variety of services, such as the right, for ten years, to pose questions to an "information service," and the right to buy certain books at a discount. Members also receive a "premium inducement"—two sets of children's reference books. The cost is only 89 cents per week; the girl neglects to mention the number of weeks that the mother will have to pay.

The mother hesitates. The girl seems shocked. "Aren't you strong enough as a mother to put away eighty-nine cents a week for your child's education?" The mother agrees to join.

When the books are delivered a few days later, the mother discovers that she has signed an instalment contract obligating her to pay a total of $264.00. Investigation will reveal that the girl had been employed by a commercial enterprise that was not a "club" and never had been, that the "survey" was merely a ruse to get in the door, and that the services and materials which the mother would receive cost the company only $38.00.[1]

If the outraged mother refuses to pay any portion of the $264.00, or attempts to rescind the contract entirely, she will usually be threatened with suit and then actually sued in the Civil Court of the City of New York, where more than 200,000 consumer collection suits are instituted annually. Although the mother has a perfectly valid defense—fraud—to such a suit, the odds are overwhelming that she will never appear in the action and that if she still refuses payment, any salary she may be earning will be garnished to satisfy the judgment.

THE NEED FOR SERVICE

The mother in this incident is not alone. A recent and exhaustive study of defendants in such actions—Prof. David Capovitz' *Debtors in Default*[2]—estimates that approximately one-third of New York City consumers possess defenses to collection actions which they never assert because they do not appear in court. Thus, Caplovitz found, in consumer credit cases in New York, the rate of default judgments in favor of plaintiffs exceeds 92%. In those few cases in which defendants do appear, the dispute is almost always compromised rather than tried (of 324 New York cases analyzed by Caplovitz, *none* resulted in trials). Judgments, whether by default or otherwise, are frequently followed by attachment or wage garnishment, by severe injury to a family's credit rating, and, in many cases, by personal bankruptcy.

There are many reasons for this outrage. Previous reports of The Association have called attention to the widespread incidence of "sewer service" in consumer cases,[3] to the need for a simpler and more comprehensible form of summons and revised venue standards in such cases,[4] and to the alarming shortage of counsel for individual consumers.[5] To help remedy this situation, this Committee has proposed the creation of a network of local Consumer Courts throughout New York and other major cities.[6] We have also urged the enactment of federal consumer class action legislation[7] and, concurrently with the issuance of this report, have called for similar legislation in New York State.[8]

Some progress has been made in implementing these recommendations. Nevertheless, the shockingly high default rate found by Caplovitz makes plain that New York City is still experiencing a major breakdown in due process of law in the consumer field.

In our judgment, the single most important reason for this breakdown is the nearly total unavailability of counsel either for the defense of consumer credit claims or for the assertion of consumer grievances in this City.

Most collection cases involve less than five hundred dollars—a large amount of money to the defendants, but not much in relation to the value of the amount of professional time that litigation requires. Most attorneys would charge between fifty and two hundred dollars merely to open a file, and it is hard to imagine contested litigation involving less than ten hours of a lawyer's time—at a cost of between three hundred and a thousand dollars. Defendants must instead rely on a few specialized services for counsel and assistance in the lawsuit. Unfortunately, these services are unable to help a significant proportion of either poor customers or those whose income places them above the poverty line.

EXISTING SERVICES FOR THE POOR

Two institutions—The Legal Aid Society and Community Action for Legal Services—are primarily responsible for assisting low-income New Yorkers with their legal problems. But the ever-increasing public demand for emergency legal services prevents these services from providing any but the most rudimentary assistance to poor consumers in trouble. Twelve years ago, the Harlem office of Legal Aid handled some 12,000 cases. Since then, the increase in available services has sparked greater community awareness of legal rights and a corresponding demand for assistance, so that, although the efforts of the office are supplemented by four other community legal service programs (MFY Legal Services, Manhattan Legal Services, Community Law Offices and Harlem Assertion of Rights), its caseload is no smaller. The great majority of the cases involve tenants faced with immediate eviction or welfare clients threatened with a cutoff of their catastrophic emergency that requires attorneys to afford consumer litigation (which seemingly threatens defendants with only a moderate loss of income, months later) a lower priority. Overall, the number of consumer cases handled by Legal Aid fell 13% from 1971 to 1972. For similar reasons, Marttie Thompson, Chief Counsel of CALS, reports that *none* of the CALS offices is now handling any substantial number of consumer cases.

A recent incident illustrates the breakdown of legal services for poor consumers. Early in 1972, this Committee proposed the use of an experimental tear-off answer in consumer credit cases in New York City Civil Court. The Committee arranged for a group of creditors to attach to 300 randomly selected summonses a notice of the availability of counsel, without charge, to indigent consumers, together with the address and telephone number of a local legal assistance office. At the same time, Community Law Offices agreed to assist the experiment by furnishing counsel to each of the 300 consumers who requested it in response to such notice, the text of which had been prepared by the Committee itself. Nevertheless, Civil Court administrative personnel were apprehensive over the experiment, precisely because of its prospect for increasing the rate of court appearances by consumer defendants. Assuming this success of the experiment, they asked, where could consumers find lawyers to represent them (either with or without fees) if, as the Committee proposed, such a notice were to be attached to *all* consumer summonses? The same reservation was shared by both Legal Aid and CALS, which reported that they were simply unable either to join in the experiment or to furnish counsel to consumers generally if the experiment proved successful. The result, then, of the Committee's proposal was simply to highlight the alarming failure of the Bar to furnish representation to poor consumers in New York City.

SERVICES FOR THE MIDDLE CLASS

Since consumers credit is most often extended to families containing at least one wage-earner, a large proportion of consumer defendants are not indigent by traditional standards. Nevertheless, it has proved vir-

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Footnotes at end of article.

tually impossible for most such families to obtain counsel in even the most routine consumer controversies. The Bar Association Referral Services have not proved adequate, while both Legal Aid and CALS operate under income restrictions which all but prohibit their representation of families earning more than $7,000 per year. Although prepaid and group-sponsored legal service plans offer considerable promise for the future (particularly for members of labor unions and other well-established organizations), many of the difficulties noted above will continue to plague middle-income consumers for many years to come. As Attorney General Louis J. Lefkowitz has said, "the present, yet sad reality is that the bulk of these individuals have no place to turn for legal assistance at a reasonable cost."[9]

The need for consumer representation is pressing. The consequences of a default judgment against a consumer credit debtor are severe. Caplovitz found that 19% of employees whose wages are garnished as a result of such a judgment lose their jobs; despite a law forbidding the practice, many employers continue to fire garnisheed workers in order to avoid the bookkeeping expenses of administering the garnishment order.[10] In many cases, the job loss results in bankruptcy, dependency on welfare, loss of health and disruption of a marriage.[11]

Furthermore, it is utterly inconsistent with our ideals and our notions of fair play to tolerate a system in which the more powerful party in a type of lawsuit is routinely able to employ counsel, and the weaker, often poorly educated party is, in nearly every case, cut off from all professional assistance.

THE PROPOSED CONSUMER LAW CENTER

In order to alleviate such massive and widespread injustices and inequities, we suggest the creation of a New York Consumer Law Center, the primary (but not sole) task of which could be conducting the defense of all consumers sued in the Civil Court of the City of New York who desire to use the Center's services and providing to the private bar technical assistance in the representation of those consumers who retain private counsel for that purpose.

ECONOMIES OF SCALE

The creation of such a Center would begin to offer consumers' attorneys some of the economies of scale now enjoyed exclusively by adversaries, as dramatically described by Craig Karpel in a popular magazine article several years ago:[12]

Ghetto merchants and finance companies have the complicated process of suing in Civil Court down to a science. [One] house collection attorney for . . . one of the largest finance companies in the New York area, has its IBM System/360 Computer at his disposal. Furniture stores on 125th Street go to [another attorney, all of whose] furniture cases are identical—all he has to do is remember which store's rubber stamp to use on the paper. [Still another lawyer] has an office 60 by 66 feet from which he is . . . supposed to boast of a 100 per cent default judgment rate. These lawyers use complaint and judgment forms with all the relevant information *printed* on them—all they've got to do is fill in the amounts and send them over to the court clerk to have them filed. From that point the lawyers' service bureaus they retain (there is one that dares call itself Gett-O Claims Investigating Service . . . take over. . . . Then the "income execution" forms go to the marshal and the poor start paying more.

A lawyer who tries to defend a poor client against a ghetto merchant or finance company benefits from none of the economies of scale that suing thousands of people generates. Each case is entirely different, procedurally and on the merits. Personal trips to court are necessary to copy the papers. The circumstances of each fraudulent or unconscionable sale must be pieced together through investigation. Poor defendants cooperate by ignorance and default. The exploiters never cooperate. Why should they? You say your client didn't get a copy of the contract in question? You want to take a look at it? Go before a judge and make a motion for pre-trial discovery. That should keep you busy.

An office conducting the defense of thousands of consumer credit cases might be able to eliminate some of the handicaps Karpel describes. Cases could be analyzed by category and by plaintiff. Model pleadings, motions and interrogatories could be applied to all cases defended by the Center, and supplied to all attorneys in the city who represent consumers. Investigative information about companies' sales practices, useful in counting defenses, could be used again and again; at present, each lawyer defending a case brought by a particular firm must perform his own investigation, often at a cost greater than the amount of dispute. Briefs involving common issues could be reused by Center attorneys and also distributed to the bar. Law students and paraprofessionals attached to the Center could conduct intensive investigations of particular problem companies. Serious corporate offenders, not easily identified by an attorney handling only one case, could be spotted by Center attorneys, and pertinent information about them transmitted to government agencies such as the U.S. Attorney, the Federal Trade Commission, the District Attorneys, the Department of Consumer Affairs and the State Attorney General.

EXPERTISE AS A BARGAINING POWER

We suggest that the creation of a consumer law center will not only enable attorneys to represent more consumers, and to aid them more efficiently, but will also permit them to provide consumers with more effective representation. When large numbers of consumers are represented by counsel, we can expect that most cases will be resolved by negotiated settlement rather than by default or by judgment. Of course, in a negotiation between counsel, expertise in the law and the availability of back-up resources influences the bargaining process in many ways and enables an attorney to obtain a better outcome for his client. For example, a certain Manhattan furniture store sues hundreds of its low-income customers a year. It obtains judgments by default against most of them. In the rare cases where a legal services office represents the defendant, it often obtains a settlement in which the defendant will have to pay at a slower rate, or pay a lesser amount. Occasionally the legal services office will be very successful and will succeed in having the debt cancelled. In 1971, the Department of Consumer Affairs chose at random a defendant who had just been sued by the store and referred him to a law professor who teaches a course in consumer protection. Faced with a counterclaim for ten thousand dollars for "sewer service" and other fraudulent practices, the store not only dropped its four hundred dollar claim against the defendant, but paid him eight hundred and fifty dollars. Some affirmative recoveries for victimized consumers ought to become commonplace; counseling and back-up services rendered to attorneys by a consumer law center could help to make them so.

LAW REFORM

There is no systematic program of consumer law reform in New York, despite an obvious need for challenges to outmoded doctrines and for consumer advocacy to obtain favorable interpretations of new statutes. The field of consumer law is highly dynamic, and in other states lawyers are challenging collection and enforcement remedies which impose unconscionable burdens upon consumers, pressing for the right to maintain class actions, expanding the liabilities of banks with respect to personal loans knowingly made to finance shoddy sales, and drafting, for state legislatures, such model consumer legislation as the recently enacted Wisconsin Consumer Act. The expert attorneys of the Consumer Law Center could select from the thousands of cases which they were handling those that were most appropriate as test cases. In addition, they would keep closely in contact with legislative and regulatory developments, particularly on the state and city level, and represent the consumer interest whenever possible. The Center's resident sociologist would conduct studies that would not only be helpful in winning individual and test cases, but would be of value in the legislative process as well.

CONSUMER EDUCATION

The Center would seek not only to remedy consumer abuse but to prevent it. To this end, it would publish and broadcast consumers bulletins and messages, primarily aimed at educating consumers about their legal rights. Where appropriate, the Center would work with community organizations that desired to build a consumer protection component and would represent the consumer interests of the organizations in the legislature and the courts.

STRUCTURE OF THE CENTER

We suggest that the Center be governed by a Board of Directors composed predominantly (though not exclusively) of lawyers. Such a Board should include representatives of the principal consumer and consumer protection agencies in the New York City area, as well as a number of independent lawyers and laymen with experience in the consumer field. The Center would apply for and, we anticipate, receive any required Appellate Division approval under Section 495 of the Judiciary Law. The Board would have the power to select and remove the Director of the Center and to guide him generally with respect to Center policy, but would not be permitted to intervene with respect to the representation of any client in any specific case. The Director of the Center would hire all other members of the staff.

The operating heart of the Center would be a nonprofit public interest law firm whose primary concern will be the defense of consumer actions on a systematized, wholesale and professionally competent basis. There will be no charge to indigent clients. In addition to aiding indigent clients, the firm will also assist those persons who are financially self-supporting, but whose cases involve sums too small to justify retention of private counsel; such persons might be required to pay a small fee to defray the operating costs of the Center. This firm will use techniques of mass representation which are, hopefully, better than those now practiced by collection attorneys. At the very least, the techniques and procedures developed to enforce the rights of creditors will be adapted to protect and defend the rights of consumers.

This firm will substantially differ from existing organizations (such as Legal Aid, CALS, CLO, etc.) in the following respects:

1. The emphasis will be on mass representation. With proper direction and standardization of procedures, we project a firm of 12 practicing attorneys capable of handling a case load of 12,000–18,000 cases at any given time. The firm should be able to accept approximately 25,000 cases per annum.

2. Procedures will be standardized as much as possible. Standard forms, pleadings, motion papers, forms and correspondence will be printed before the firm opens its doors. Dictation will be kept to a minimum for each case. Forms will be available for use in nearly every contingency. For example, the preprinted forms available to the staff will include:

Footnotes at end of article.

(a) answer, with affirmative defenses and counterclaims;

(b) demand for bill of particulars;

(c) several types of detailed interrogatories;

(d) notice to take deposition;

(e) notice to produce;

(f) trial subpoenas;

(g) motions to preclude, compel service of answers to interrogatories, compel attendance for examination before trial, strike action from the trial calendar, etc.;

(h) motions to vacate default judgments;

(i) correspondence with clients to advise status of cases, trial dates, requests for conferences and information, etc.

Where pre-printed forms are not feasible (e.g., where too much variation from case-to-case prevents their use), automatic typewriters and other computerized equipment will be used to prevent wasteful, repetitious typing by the clerical staff. Much of the office work will be performed by legal secretaries rather than lawyers; the Center will employ approximately twice as many legal secretaries and legal assistants as lawyers.

3. Notwithstanding its highly centralized drafting operation, the Center should consider establishing a number of decentralized intake offices throughout the City. The Committee believes that advanced communication and computer facilities will make possible the efficient handling of all cases coming to the Center's attention through such intake centers, which will encourage the Center's use by consumers throughout the City.

4. The firm will be headed by a full-time Director. Cases from each county will be handled by a team, consisting of one chief attorney and one, two, or three staff attorneys. Each of the several Civil Courts will have one or more staff attorneys in attendance every day, each of whom will be assisted by trained paraprofessionals. The attorneys will handle all of the firm's cases scheduled for trial on that date. One attorney should be able to handle 6–8 cases in three of four trial parts. If the trial calendar is unusually heavy on a given date, more attorneys or paraprofessionals from the team (or assigned from another team) may be assigned to that court for that date.

5. A common problem of public service law centers has been a high turnover in personnel and a loss of staff morale and incentive. This will be a particularly severe problem for the Consumer Law Center because cases will be highly routine. The Center will retain its lawyers by offering adequate compensation:

(a) *Salaries:* Compensation will be substantially in excess of customary limits for legal aid work. A high salary level will enable the firm to attract and retain reasonably competent attorneys experienced in the consumer field, and a staff of highly trained, motivated and well paid attorneys will handle many more cases more successfully than a firm organized under past formulas. (They will also be expected to work longer hours.) It is suggested that the salary levels be initially set on a generous scale.

(b) *Incentive:* It will be made clear to the staff that in the event of firm expansion (increase in number of attorneys, teams, establishment of branch offices, etc.), those already employed and performing successfully will be considered first for advancement on the Center. More importantly, the Center would award bonuses based upon a regular semi-annual evaluation; the more successful and efficient attorneys would receive additional compensation. Factors taken into account would include total cases handled, the percentage of dismissals or discontinuances obtained, and the percentage of cases settled at certain minimum percentages of the amount sued for by the adverse party. Among the projected operating costs for the firm would be a specific figure reserved for additional compensation to a staff based upon results obtained.

EXPERTISE IN THE CONSUMER FIELD

The firm, practicing only in the consumer field, should quickly develop a collective expertise as to the substance and procedure of consumer advocacy. At the end of each case involving a trial or order, the staff attorney handling the case will prepare a brief résumé of the ruling. These will be retained and indexed for ready reference by the staff in future cases. Thus, the firm will have a "library" in which its progress in past cases will be catalogued. Staff attorneys will know exactly how actions by specific creditors and attorney have been handled, what defenses can be successfully asserted and exactly how to handle each creditor and its attorney.

Weekly or bi-weekly staff meetings will be held during which case problems may be discussed, ideas exchanged and suggestions made respecting the more efficient operations of the firm. More frequently, an informal conference may be held by each of the four teams.

The director will designate one or more staff attorneys on a rotating basis to counsel and advise attorneys in private practice who may encounter problems in handling consumer cases, and who may desire consultation or assistance from the firm.

FUNDING

The Consumer Law Center should not expect subsidized funding for more than a brief one or two-year period. It is suggested that thereafter the Center become self-sufficient by relying on one or more of the following sources of revenues:

(a) A number of groups, particularly labor unions, in New York are currently considering the establishment of group legal services that would provide their members with pre-paid counseling and litigation in designated subject matter areas. The Center could offer, for a substantial annual fee, to perform all services for the members of one or more such groups in the field of consumer protection law. Since the Center's consumer experts will be able to handle consumer counseling and litigation more efficiently than any other lawyers, group legal programs will find it economical to contract with the Center rather than have their own salaried lawyers do consumer work.

(b) The Center could charge modest fees to those clients able to pay them. For example, if the average cost per case is $40, the Center might charge $20 to defend a case for a family earning between $4000 and $7000, $40 to a family earning between $7000 and $10,000, and $60 to a family earning more than $10,000. It might further be provided that the fee will never exceed half the difference between the creditor's claim and the amount for which the client was ultimately held liable, so that payment of the Center's fees would never disadvantage the consumer.

(c) The Center could charge contingent fees on affirmative recoveries.

(d) The Center might be given a portion of all filing fees paid by creditors initiating lawsuits. Legislation to accomplish this would be analogous to laws authorizing public appropriations to pay for the defense of criminal cases brought in the name of the public.

(e) The Center might charge fees to community groups for organization of their consumer programs, and for educational services. Community action groups obtaining foundation or government grants and electing to establish consumer programs could purchase expert services from the Center.

THE DIRECTOR

To a large extent, the efficiency of the organization will depend upon the system of organization established by the Director and his or her continued guidance of the firm. In order to carry through the concept of an efficient incentive-oriented firm, the Director should possess the following qualifications:

1. A thorough grounding in the consumer field;

2. Considerable experience in litigation in the private practice of law as a self-employed attorney or a partner in a firm or otherwise (for example, the Director's background might have been in the representation of creditors on a volume basis.);

3. A firm grasp of law office economics and organization; and

4. Familiarity with numerous attorneys engaged in the private practice of law in the consumer field so as to attract a nucleus of experienced attorneys.

The balance of the staff will be filled out by advertising, public service announcements and referrals. The salary levels and incentive system should enable the firm to interview and screen a substantial number of applicants.

CONCLUSION

We believe the time is long overdue for a Consumer Law Center in New York City structured and operated along the lines set forth above. Although the proposed Center is, by any measure, expensive, the continued unavailability of counsel to low and middle-income consumers in our City is far more costly to our system of justice. It is time for The Association—and the bar generally—to act affirmatively to remedy this shortcoming.

Respectfully submitted,

Special Committee on Consumer Affairs: Stephen L. Kass, *Chairman*.

George B. Adams, Jr., Julia C. Algase, David Caplowitz,* Martin Cole,* Albert W. Driver, Jr., Robert J. Egan, Carl Felsenfeld, Emilio Gautier,* Richard J. Givens, Leon Harris,* Walter F. X. Healy, Patricia Hynes.* Leon I. Jackson, Rhoda I. Karpatkin, James J. Lack, Hon. Richard S. Lane, John A. Maher, Jr., Michael B. Maw, Sheil Rush Okpaku, David Paget, James K. Prendergast, Bruce C. Prendergast,* Don Allen Resnikoff, Irvin Scher, Philip Schrag.

FOOTNOTES

[1] This case is reported in Schrag, "On Her Majesty's Secret Service: Protecting the Consumer in New York City," 80 Yale L.J. 1529 (1971).

[2] Columbia University Bureau of Applied Social Research, 1971. To be published *sub nom.* Consumers In Trouble: A Study of Debtors in Default.

[3] Committee on Legal Assistance, "Does a Vendee under an Installment Sales Contract Receive Adequate Notice of a Suit Instituted by a Vendor," 23 Record of the Ass'n of the Bar 263 (1968); Committees on Grievances and Legal Assistance, "Improper Collection Practices," 23 Record of the Ass'n of the Bar 441 (1968).

[4] Committee on Legal Assistance, "Blueprint for Change," 25 Record of the Ass'n of the Bar 28 (1970).

[5] Committee on Civil Rights, "The Right to Counsel in Civil Cases," 24 Record of the Ass'n of the Bar 304 (1969).

[6] Report of Special Committee on Consumer Affairs, "Toward the Informal Resolution of Consumer Disputes," 27 Record of the Ass'n of the Bar 419 (1972).

[7] Joint Report of Committees on Federal Legislation, Trade Regulation, Federal Courts and Consumer Affairs, "Proposed Federal Legislation to Protect Consumers, Including Consumer Class Actions," 26 Record of the Ass'n of the Bar 601, 605 (1971). See also *Amicus Curiae* Brief submitted in the Court of Appeals by the Association in *Hall* v. *Coburn,* 26 N.Y. 2d 396, 311 N.Y.S. 2d 281 (1970).

[8] Report of Special Committee on Consumer Affairs, "Proposed Class Action Legislation in New York," 28 Record of the Ass'n of the Bar—(1973).

[9] Lefkowitz, "The Non-Availability of Legal

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*Adjunct members.

Services to Persons of Moderate Income," Record of the Ass'n of the Bar 144–45 (1972).

[10] Caplovitz at 147–149.

[11] Caplovitz at 149–158.

[12] Karpel, "Ghetto Fraud on the Installment Plan," New York Magazine, May 26, 1969.

Suggested budget

	Annual cost
Personnel:	
Director (1)	$35,000
Team chiefs (4)	83,000
Staff attorneys (8)	144,000
Legal secretaries (15)	120,000
Office manager	12,000
Bookkeeper	10,000
File clerks and clerical personnel (2)	15,000
Receptionist	7,000
Switchboard operator	7,000
Field investigators (3)	30,000
Paraprofessionals (8)	80,000
Fringe benefits (approx. 10%)	57,000
Incentive compensation	30,000
Total personnel	624,000
Facilities:	
Office Space, including private offices, secretarial space, general work areas, etc., 5000 sq. ft.	$40,000
Xeroxing and duplicating costs	5,000
Electric typewriter (14) (amortization over 5 years)	1,400
Maintenance	1,000
Court answering and clerical services	2,000
Telephone	8,500
Postage	10,000
Envelopes, stationery, etc	3,000
Legal forms and covers	8,000
General Office supplies	10,000
Data processing and automatic typewriting equipment	6,000
Furniture, including desks, chairs, tables, reception room (amortization over 5 years)	3,000
Transportation, messengers, etc	2,000
Books and library	10,000
Reserve for additional and unforeseen expenses	10,000
Total facilities	119,000
Total	743,900

EXHIBIT 1

TESTIMONY OF SENATOR JACOB K. JAVITS ON S. 2928

Mr. Chairman, I very much appreciate the opportunity to testify on this important legislation this morning. It is a distinct pleasure for me to appear before both subcommittees, but I particularly wish to call attention to the singular accomplishments of the Consumer Subcommittee and the Commerce Committee as a whole in reporting major legislation designed to protect and advance so effectively the interests of the American consumer.

The Consumer Product Safety Act, and the Warranty-Federal Trade Commission Improvement Act are only the latest in a series of proposals which achieve that objective. As a longtime principal sponsor of legislation to establish an independent Consumer Protection Agency—which we in the Subcommittee on Executive Reorganization will report tomorrow—I am delighted to be working so closely with Senators Magnuson and Moss and other members of the Commerce Committee.

The bill before you this morning represents a major effort to address the longstanding problem relating to the less than effective means at the disposal of the consumer to obtain redress of his legitimate grievances arising from marketplace transactions. Where he suffers economic loss by paying for defective or misrepresented goods and services, he frequently has no fair, expeditious and inexpensive means whereby he can obtain satisfaction and an equitable resolution of his claim. Where he has a legitimate dispute concerning his rights as a tenant or as an insured, he frequently goes without his day in court or without being heard.

S. 2928 is predicated upon a determination to insure more adequately the basic civil right of the consumer—to get his money's worth. It is predicated upon the fact that most Americans do not have at their disposal a practical way to obtain a redress of grievances that is inexpensive and fair. In my judgment it is sound legislation, and is clearly needed. I give it my enthusiastic support.

The case for the bill is most persuasively made in the Report of the National Institute for Consumer Justice which has given us a comprehensive assessment of the adequacy—and inadequacy—of representation of citizens interests in different consumer grievance situations. Several of its recommendations are already in the bill, and I commend the Institute and its able Chairman, Associate Justice Robert Braucher of the Supreme Court of Massachusetts for its fine work.

The bill insures a great deal of flexibility in establishing grievance mechanisms by allowing the States to formulate and put into practice ways in which consumer disputes can be most effectively resolved. Although some will argue against the categorical grant approach as being inconsistent with the trend toward general revenue sharing programs, I believe the categorical approach is most necessary in program areas where the states really have not begun their own efforts in the field.

Of particular interest to me was the recommendation of the Institute which was included in the bill that the federal government provide funds to stimulate the reform, establishment and maintenance of effective small claims courts. The Report states:

"A comparatively modest infusion of funds from the Federal Government, either on a non-recurring or a continuing basis, can stimulate states that now do not have small claims courts or that have only ineffective ones to establish efficient systems".

The Report emphasizes, and I agree, that the federal government should not establish all the standards for small claims courts, but only that it "stimulate a movement toward the kind of court that consumer plaintiffs will find fair and effective."

One such small claims court which is both fair and effective and of which we in New York are very proud, is the Harlem Small Claims Court. It is in fact and by design a community court. It enables interests that have always gone unrepresented to be represented. It brings a measure of justice to claimants who have never before had a realistic chance for redress. In a larger sense, it vindicates our governmental and judicial systems in the eyes of persons who view such systems as remote, unresponsive and not designed to assist them in their daily lives.

This project was originally conceived by Judge Edward Thompson, Administrative judge of the Civil Court of the City of New York and the New York City Office of Consumer Affairs. It was funded under a federal Model Cities grant, which has now expired. The Court is presently being supported with New York City funds which will run out on July 1, 1974. While I have undertaken efforts to find an alternative source of federal funds to alleviate the immediate problems, I believe that new authority is necessary to encourage and establish courts such as this one, and to conduct experimentation into new ways of resolving disputes.

The Harlem Court now handles about 250 cases per week, most of which involve disputes under $500. As the court becomes even better known in the community, it is expected that the caseload will grow. The use of the court is now limited to cases in which either a plaintiff or a defendant lives or does business within specified boundaries constituting the neighborhood.

Since there is a substantial Spanish Speaking community located in the area, there are bilingual translators on duty at all times. It is the only small claims court in New York City which utilizes paraprofessionals called community advocates who are given special instruction in consumer problems, law and fact finding procedures. Most of them live in the community and are assigned and supervised by the New York City Department of Consumer Affairs.

These advocates are indispensible to the effective operation of the court. They help and encourage litigants, answer questions and arbitrate solutions. In addition, they educate the community generally about the functions of the Court and its potential benefits which are available. Its activities are closely coordinated with the Department of Consumer Affairs Consumer Complaint Center also located in Harlem—one of many operating throughout the City. The Court handed down judgments totaling $470,000 which involved 2,088 cases last year. The public service provided since 1970 by the New York City Deparment of Consumer Affairs in developing this unique concept deserves special recognition. Such courts, however, are needed not only in low income neighborhoods. Advocates and facilities are needed in many suburban and rural communities as well. I am convinced that such courts can work effectively throughout the Nation under the kind of comprehensive state plans which are envisioned under S. 2928.

The Harlem Small Claims Court is part of a larger system of courts which exist in each of our five boroughs. They hold sessions in the evenings and sometimes on Saturday and arbitration of small claims is authorized and encouraged. Arbitrators are volunteer lawyers and their decisions are not appealable. The system works quite efficiently and effectively and is representative of a growing interest among community, civic and bar associations which seek to develop new institutional means to improve our system of dispensing justice involving so-called small claims.

Section 2(a)(4)(D) of the bill raises the issue concerning the non-availability of effective barriers against sewer service, default judgments and other unconscionable practices which are responsible for a loss of faith in our free enterprise system. I would recommend to your Subcommittees, that you consider adding to the bill specific provisions designed to eliminate these abuses.

During the last 2 years the regional office of the Federal Trade Commission in New York has held extensive hearings on the subject of consumer debt practices in the courts. During the course of these hearings and a long staff study into these problems a considerable amount of testimony was developed concerning a wide variety of collection practices. These included dunning notices, regulation of collection agencies, sewer service, consumers' failure to answer summons, venue as a factor, default judgments and other matters.

One aspect of the collection process which has become a cause for serious concern is the unusually large number of consumers who fail to respond to judicial process when sued by creditors. This may be attributable to a variety of reasons, one of which is the outright failure to serve notice of suit on defenders, resulting in default judgments, thereby depriving them of their day in court. As you may know, the term "sewer service" has been coined to refer to the discarding of summonses by process servers followed by filing a false affidavit of service to obtain default judgments. The hearings developed evidence of such service in major metropolitan areas on a nationwide scale.

One of the principle reasons for "sewer service" is that process servers do not dare to venture into certain areas of a city with high crime rates. The National Commission on Consumer Finance also documented this problem. Despite a number of federal prosecutions and increased regulation of process servers by the New York City Department of Consumer Affairs and administrative reforms in the civil court of the City of New York, sewer service remains a problem according to the testimony of a number of witnesses including various consumer representatives, legal services attorneys and criminal prosecutors.

Another weakness in the procedure connected with service process which leads to the failure of defendants to receive notice of a suit against them relates to the fact that virtually every state allows a summons to be left at the last known place of abode. Frequently, false or outdated addresses are given by the creditor to the servers. If the debtor is not at that address, then the summons may simply be left at the door, and in many instances the notice never gets to the debtor. There was testimony that in many cases, after the summons has been served in this manner and the default judgment entered the creditors are then able to find the defendant's correct address for the purpose of enforcing the default judgment.

I recommend that the Subcommittee consider an amendment to the bill which would provide that any person engaged in an industry "affecting commerce" who shall bring suit against the consumer for nonpayment on account of a retail purchase, extension of credit, contract or security instrument in connection with such purchase shall, in addition to any other method of notification required by any other applicable federal, state or local rules, notify the debtor of such suit by first class mail, with certificate of mailing and the words, "do not forward" and "address correction requested" noted thereon, at the last known address of such consumer. If this notice to the consumer is returned as undelivered by the Post Office, then the notice may be sent by registered or certified mail to the consumer, care of his place of employment.

In the latter event, nothing on the outside of the envelope sent care of the place of employment should indicate the nature of the contents or that they pertain to a claim debt.

Unless notice to the consumer is sent and the return receipt is returned indicating delivery, or if not deliverable, is sent care of place of employment, no garnishment or other collection efforts may be made involving contact with the consumer's employer.

Notice of suit under this proposed plan could be accomplished by a business reply card containing spaces for the consumer to admit the debt or demand a trial. This business reply card would be in two detachable parts, one directed to the creditor and one directed to the court. If a consumer demands a trial, no default judgment or other process of compulsory collection may be entered or used without prior notice to the consumer notifying him of an actual time or place of an evidentiary hearing.

The law could be enforced by private civil action and criminal penalties. Also, the Federal Trade Commission could be given authority to bring actions on behalf of persons injured by violation of the Act. It could also deal with venue requirements to enable the consumer to appear and defend more readily and could require the keeping of records of service made by process servers.

An additional advantage of using the postman to serve the summons by mail stems from the fact that he already has to enter low income neighborhoods with a high crime potential. He is also protected by federal law. The process server is not usually a welcome visitor in such areas.

Mr. Chairman, S. 2928 would greatly facilitate the development of meaningful complaint resolution mechanisms. I think that we all realize that the largest share of consumer complaints can and should be handled through informal business procedures. As I have frequently indicated during our long years of debate on the CPA bill, consumer satisfaction is a fundamental element in any sound business strategy. And indeed many industries are moving with new enthusiasm to develop new means to insure that the customer is, in fact satisfied. But in those cases where disputes cannot be resolved we must insure that the consumer is given a fair shake in any process to which he is supposed to repair for justice. Your bill would greatly help in achieving that objective.

SPORTSMEN'S FEDERATION HONORS TWO DISTINGUISHED PENNSYLVANIA CONSERVATIONISTS

Mr. SCHWEIKER. Mr. President, one of Pennsylvania's most outstanding conservationists and outdoorsmen, State Representative John F. Laudadio, Sr., of Westmoreland County, was recently honored by the Pennsylvania Federation of Sportsmen. Mrs. Schweiker and I were pleased to join in paying tribute to "Big John" at the federation's "John Laudadio Night" banquet.

John Laudadio has been in the forefront of the conservation fight in Pennsylvania for nearly 40 years. We all look to him for guidance when it comes to the business of protecting our precious natural resources, and I am proud to be able to number him among my friends.

Also honored at the federation's spring banquet in Carlisle was Frank E. Masland, Jr., the distinguished member of the Pennsylvania Fish Commission. Like John Laudadio, the name of Frank Masland is synonymous with conservation in the Keystone State. He is former vice president and director of the National Parks Association and a life member of the world famous Explorers Club.

Mr. President, I ask unanimous consent that biographical sketches of these two remarkable Pennsylvanians be printed in the Extensions of Remarks.

There being no objection, the biographical sketches were ordered to be printed in the RECORD, as follows:

JOHN F. LAUDADIO

John F. Laudadio, Sr., serving his sixth term in the Pennsylvania House of Representatives, has been referred to as the most successful state conservation legislator in the nation.

Born December 26, 1916, in Penn, Westmoreland County, John was raised in the outdoors, and learned to love the forests and streams of his state at an early age. He loved to hunt and fish, and turned out to be a top-notch trapper while still a youngster. He soon learned the value of land and water resources.

In 1936, he joined the Penn Rod and Gun Club, became an officer in 1938 and served as an officer for 38 continuous years. He is a past president of the Westmoreland County Sportsmen's League, past president of the Southwestern Division of the Pennsylvania Federation of Sportsmen's Clubs, past president of the Pennsylvania Federation of Sportsmen's Clubs and now serves as Secretary of the State Federation. He represented the Westmoreland County League to the State Federation for 27 years, and served as Legislation Chairman of the State organization for seven years.

In 1962, "Big John" decided he could be more effective as a legislator and within a year took his seat in the General Assembly. He's been a leader in the conservation battles ever since. In 1963 came the soft coal strip-mining act, a model for other states. John was chief sponsor of the Clean Streams Bill in 1965 and assured passage of the measure when he lined up a record 111 co-sponsors. In 1966 he led the fight that was to give protection against mine subsidence. In the 1967–68 session he was instrumental in amending the air polution control law that ultimately gave the Air Pollution Commission more teeth. He was the chief sponsor of House Bill 1353 in the 1969–70 session, making changes in the Clean Streams Law that, when signed into law by the Governor in July of 1970, provided Pennsylvania with the toughest Clean Stream Law in the nation.

While taking the fight for the conservationist's cause right to the legislature, the Westmoreland County lawmaker aroused public interest and support for conservation by organizing field trips throughout the Commonwealth. Officials and citizens, alike, learned first-hand, the value of our land and water resources and the evils of some industries and people who have devastated them.

Continuing his legislative interest in conservation, John serves as Minority Chairman of the House Committee on Conservation, Chairman of the Joint Legislative Air and Water Pollution Control and Conservation Committee and Chairman of the Lake Erie Joint Legislative Commission.

Representative Laudadio was cited by the National Wildlife Federation in 1965 as the "Pennsylvania Conservation Legislator of the Year." Also in 1965, he received a merit award from the Izaak Walton League of America. In January of 1966, he was honored as the "National Conservation Legislator of the Year" in Washington, D.C. and in June, 1971, he was presented with the Humanitarian of the Year Award by the Pennsylvania State Aerie Fraternal Order of Eagles.

Tonight, the Pennsylvania Federation of Sportsmen's Clubs pays tribute to a man who stands tall as a conservationist, a sportsman, a legislator—Mr. John F. Laudadio, Sr.

A SPECIAL SALUTE TO FRANK E. MASLAND, JR.

Frank E. Masland, Jr., lives in Cumberland County at Carlisle R. D. #6. Born in Philadelphia, Mr. Masland is chairman emeritus of C. H. Masland and Sons and a member of the Pennsylvania Fish Commission since 1968.

Mr. Masland graduated from Dickinson College in 1918 where he was to later serve on the Board of Trustees. He was commanding officer of a sub chaser while serving with the U.S. Navy during World War I.

Mr. Masland's love for the outdoors and his desire to dedicate his life to conservation goes back many years and reached a high-point in the late 1940's and early 1950's, when his travels took him into many places where few feet had trod before him. He was later to write and lecture about his adventures. Four times he rafted down the Colorado River. He visited the Galapagos Island, to record for the first time on motion picture film, the Giant Galapagos Tortoise. He explored and photographed the Florida Everglades and probed the desert country west of the Continental Divide through unmapped territory never before seen by the white man.

His adventures qualified him for membership in the world famous Explorers Club. He holds membership in the Boone and Crockett Club, the Colorado Canyoneers and the British Ocean Cruising Club.

Mr. Masland is a former Vice-President and Director of the National Parks Association and was a member of the White House Conference on Natural Beauty.

In 1973 he was named to receive the Honorary Park Ranger Award from the National Park Service of the U.S. Department of the Interior. The highest such award that may be presented to a civilian not in the government's employ, the honor was bestowed in recognition for his many contributions made to the National Park System over the years.

Among other honors, Mr. Masland was cited in 1971 by the State House of Representatives for "betterment of the environment." He was named to receive the YMCA "Master of Men" award, received the Pennsylvania State Fish and Game Protective Association "Gold Medal" for conservation, the Izaak Walton League of America Award for Conservation and was the recipient of the Patriotic Civilian Medal from the Department of the Army.

The Pennsylvania Federation of Sportsmen's Clubs is proud to salute Frank E. Masland, Jr.

THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, the Genocide Convention is one of the most important of all international treaties on human rights, covering as it does the right to existence. It is, in effect, a treaty to protect humanity from the attempts of anyone to destroy a part of the human race. This underlying concern was expressed very well by the Secretary General of the United Nations in 1971 when he said:

> I feel more strongly than ever that the worth of the individual human being is the most unique and precious of all our assets and must be the beginning and end of all of our efforts. Governments, systems, ideologies, and institutions come and go, but humanity remains. The nature and value of this most precious asset is increasingly apparent as we see how empty organized life becomes when we remove or suppress the infinite variety and vitality of the individual.

Mr. President, as a nation dedicated to the principles of human rights, the United States took a leading role in the drafting of the International Convention on Genocide over 25 years ago. I believe that we are still dedicated to those principles, and so I believe that we must act quickly to ratify the treaty that has been awaiting action here so long. There is no excuse for delaying action any longer.

Since we began consideration of this treaty almost a quarter century ago, 75 other nations have ratified the treaty. I urge my colleagues in the Senate to give their advice and consent to this convention before we are the only nation left to sign.

SOLZHENITSYN'S WARNING ABOUT THE TRUCE OF THE BEAR

Mr. HANSEN. Mr. President, as a sponsor of the resolution extending honorary citizenship to the courageous and distinguished Russian writer, Alexander Solzhenitsyn, I was interested to read a letter pointing out the writer's warnings against lowering U.S. defense capabilities.

A letter to the editor printed by the Los Angeles Times, March 25, was brought to my attention.

The author of the letter is one of our most distinguished Americans, C. C. Moseley, of Glendale, Calif. Mr. Moseley, at 80, may be one of America's most prolific writers of letters to editors of American newspapers. And his letters reflect sound thinking of a man experienced in business and many other areas who believes strongly in the Constitution of the United States.

Mr. Moseley is one of America's pioneers in the field of aeronautics. The World War I pilot is famous as a founder of Western Airlines. And he is famous as the ex-GI who borrowed $1 million by telephone to purchase the Grand Central Airport at Glendale and take the massive risk at that time of beginning a pilot training program. He trained more pilots during World War II than anyone, and his pilots helped to defeat Hitler and Tojo. Today he is chairman and president of the Grand Central Industrial Center, which consists of 84 buildings.

His letter printed March 25 points out the dangers of putting too much trust in the wrong place. Coinciding with the warnings in Mr. Moseley's letter, which I ask be printed at the conclusion of my remarks, is the following intelligence from the Richmond News Leader; quoting from Solzhenitsyn's unpublished seventh section of the "Gulag Archipelago":

> Oh, freedom-loving "leftist" thinkers of the West! Oh, leftist Laborites! Oh, progressive American, German, and French students! For you, all (that I have written) counts for little. For you, my entire book amounts to nothing. You will only understand it all when they bellow at you—"hands behind your back"—as you yourselves trudge off to our archipelago.

Mr. President, in addition to Mr. Moseley's letter, I ask unanimous consent that a January 26 editorial from the Arizona Republic relating to observations by Mr. Solzhenitsyn, be also printed in the Record.

There being no objection, the letter and editorial were ordered to be printed in the Record, as follows:

[From the Los Angeles Times, Mar. 25, 1974]

Solzhenitsyn's Warning

Alexander Solzhenitsyn, Nobel Prize winner and courageous writer in Russia, has denounced Stalin and Lenin. He recently was forcibly arrested, imprisoned and then deported. He exposes Lenin as being the moving force behind the introduction of terror and suppression in Russia. Lenin is being used presently by Soviet leader Leonid Brezhnev and the ruling clique as a shining example and is the untouchable of untouchables. This has brought down upon Solzhenitsyn's head the fury of the controlled Soviet press, which is fuming and raging against him.

It is well for Americans to heed the words of this brave and brilliant man who had the courage, the strength of spirit and the power of mind to speak the truth and to warn us that appeasement exists in the free world. He said: "The timid civilized world has found nothing with which to oppose the onslaught of a sudden revival of bare-faced barbarity other than concessions and smiles." Thus, he warns of the danger of the present detente (appeasement). He also describes the United Nations as ". . . an immoral institution." Solzhenitsyn cautions: ". . . the price of cowardice will only be evil—we shall reap courage and victory only when we dare to make sacrifices."

Solzhenitsyn, who served eight years in a prison camp and three years in exile, is a "herald of freedom" for the world! He is trying to tell us, in America, not to trust Soviet promises and to face fearlessly "bare-faced barbarity." The obvious answer to this threat is, of course, a powerful U.S. military defense.

C. C. Moseley.

[From the Arizona Republic, Jan. 26, 1974]

Caught Red-Handed

Nobel Prize-winning Russian novelist Alexander Solzhenitsyn complained that the Communist massacre of more than 5,000 civilians at Hue received scant attention in the American press but that the killing of 109 civilians at My Lai by American troops got heavy press coverage.

Eric Severeid of CBS said last Sept. 12 that Solzhenitsyn was wrong and that the Hue massacres had been heavily reported.

Into the dispute came Accuracy in Media (AIM), an organization that watches over media reporting. AIM found in its research only two stories on the Hue massacres in the New York Times in 1968. By way of contrast, AIM found that the New York Times index for 1969 had no less than 3½ pages of entries on My Lai, although the story didn't break until November of that year. AIM advised Severeid of this and gave him considerable additional evidence demonstrating the correctness of Solzhenitsyn's charge.

Reed J. Irvine, chairman of AIM, reports that neither Severeid nor CBS has presented "a single piece of evidence" to show that reporting of the Hue massacres was anything but scanty.

Irvine added, "Severeid has said that it would require considerable research to check his impression that the coverage (of Hue) was heavy and he has said that he was unwilling to undertake that research. This is tantamount to an admission that he criticized Solzhenitsyn without first having checked the facts."

We commend AIM for having pointed out Severeid's error. AIM's research tends to reaffirm our belief that to much of the Eastern liberal news media the killing of 109 persons by Americans is a far greater crime than the murder of more than 5,000 persons by Communists. It's all part of the double standard of morality so prevalent in a great deal of the liberal press.

NEED FOR PUBLIC SUPPORT OF THE FARMER

Mr. ALLEN. Mr. President, it is extremely difficult for the 5 percent of our population which is directly engaged in the production of food and fiber to reach the urban consumer with their message.

Because we do not often associate the American farmer and rancher with the advertising world of New York, I ask unanimous consent to have printed in the Record an excerpt from a recent column published in the New York Times written by Philip H. Dougherty.

Mr. Dougherty has indeed performed a service for the entire agricultural community in reporting the activities of the Agriculture Council of America, a new organization which is dedicated to communicating the farmer's position to the urban public. Highlights of the ACA program were presented in an address by executive director Allen Paul to the National Agri-Marketing Association. The excerpt from Mr. Dougherty's column is well worth reading.

There being no objection, the excerpt was ordered to be printed in the Record, as follows:

ADVERTISING: DOWN ON THE FARM

(By Philip H. Dougherty)

Although a recent survey sponsored by the Department of Agriculture shows that the farmers are held in generally high regard, the agricultural industry and the businesses that supply it are concerned that constantly rising food prices will cause what a spokesman called "slippage."

"The time has come for some serious romance between the farmer and the housewife," Allen Paul, executive director of the recently formed Agricultural Council of America, said yesterday.

"The housewife and the farmer," he had said a bit earlier, "have a lot in common—they can't get along without one another and both depend on stable prices and a continuity of supply."

His organization is made up of farmers, agricultural associations and companies that supply the more than $60-billion of material to the $108-billion industry. And he was talking to representatives of some of those groups at the luncheon yesterday of the National Agri-Marketing Association at the Regency Hotel.

Mr. Paul, who grew up on a farm in Camel's Creek, N.C., which is near Hoboken (pronounced Ho-BUCK-en), said the sole purpose of the Agricultural Council is to instill "Confidence in the United States food-production system and build public support for the farmer and those who sell to him."

At the moment this is being done through four 60-second commercials that are being shown in 65 markets, but not this one. Three of the spots star Jeff Strack, an Illinois corn, soybean and hog farmer, and one stars his wife, Mary Lou.

He talks about the need for profits to buy equipment to keep America the best-fed country and about the lean years. She talks about shopping in the supermarket and says, "I know what's happening to food prices."

The commercials, Mr. Paul explained, are primarily aimed at middle-class suburbanites—the kind of people who get involved in food boycotts and agitating for export bans.

The over-all theme of the spots is, "We want the people who buy what we grow to know how we feel."

The Agriculture Council personally wrote the temporary campaign and arranged for its production and the spots are being sponsored in each market by either agricultural groups or supplier companies, who get a five-second credit at the end. New York hasn't been reached yet because of the high cost of time and because a company sponsoring here can't show farmers the support the companies are giving them. An important public relations move for the sponsor.

The buying and placement of the commercial is being handled by Vitt Media International here. A new campaign is expected from the David W. Evans agency in Salt Lake City, which has just been appointed.

Mr. Paul, who had hardly touched his paté, explained the need this way, "We want to utilize agriculture's greatest teaching moment in history." The American consumer, he said, "is ready for some solid information on what is involved in the production of food."

Never mind the cure, doctor, just tell us what makes it hurt.

SOVEREIGNTY AND JURISDICTION OVER THE CANAL ZONE ON THE ISTHMUS OF PANAMA—SENATE RESOLUTION 301

Mr. THURMOND. Mr. President, Senate Resolution 301, in support of undiluted U.S. sovereignty and jurisdiction over the United States-owned Canal Zone on the Isthmus of Panama, now has 35 sponsors, including the distinguished Senator from Arkansas, Senator McCLELLAN, and I, who are the coauthors of the measure.

It is significant, Mr. President, that more than one-third of the Members of the Senate have expressed their desire to mantain continued U.S. sovereignty in the Canal Zone. This expression comes at a time when the administration persists in going forward with treaty negotiations with the Government of Panama, based on giving up our sovereignty in the Canal Zone. I frankly cannot understand what motivates the administration to continue with negotiations based upon the surrender of U.S. sovereignty in the area, when it is the announced intention of more than one-third of the Senate to maintain that sovereignty. I fear that the administration is raising false hopes in the minds of the Panamanians by its obvious disregard of the expressed feelings of more than one-third of the Senate.

While I feel that there are potential grounds for mutually beneficial negotiations with the Government of Panama, these negotiations should be based on a realistic understanding, on the part of all parties, that the U.S. sovereignty in the Canal Zone is a nonnegotiable item.

Mr. President, in order for my colleagues in the Senate to have full knowledge of the contents of Senate Resolution 301, I ask unanimous consent that it be printed in the RECORD at the conclusion of my remarks, along with a list of its 35 sponsors.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

S. RES. 301

Resolution in support of continued undiluted United States sovereignty and jurisdiction over the United States-owned Canal Zone on the Isthmus of Panama

Whereas United States diplomatic representatives are presently engaged in negotiations with representatives of the de facto Revolutionary Government of Panama, under a declared purpose to surrender to Panama, now or on some future date, United States sovereign rights and treaty obligations, as defined below, to maintain, operate, protect, and otherwise govern the United States-owned canal and its protective frame of the Canal Zone, herein designated as the "canal" and the "zone", respectively, situated within the Isthmus of Panama; and

Whereas title to and ownership of the Canal Zone, under the right "in perpetuity" to exercise sovereign control thereof, were vested absolutely in the United States and recognized to have been so vested in certain solemnly ratified treaties by the United States with Great Britain, Panama, and Colombia, to wit—

(1) The Hay-Pauncefote Treaty of 1901 between the United States and Great Britain, under which the United States adopted the principles of the Convention of Constantinople of 1888 as the rules for operation, regulation, and management of the canal; and

(2) The Hay-Bunau-Varilla Treaty of 1903 between the Republic of Panama and the United States, by the terms of which the Republic of Panama granted full sovereign rights, power, and authority in perpetuity to the United States over the zone for the construction, maintenance, operation, sanitation, and protection of the canal to the entire exclusion of the exercise by the Republic of Panama of any such sovereign rights, power, or authority; and

(3) The Thomson-Urrutia Treaty of April 6, 1914, proclaimed March 30, 1922, between the Republic of Colombia and the United States, under which the Republic of Colombia recognized that the title to the canal and the Panama Railroad is vested "entirely and absolutely" in the United States which treaty granted important rights in the use of the canal and railroad to Colombia; and

Whereas the United States, in addition to having so acquired title to and ownership of the Canal Zone, purchased all privately owned land property in the zone, from individual owners, making the zone the most costly United States territorial possession; and

Whereas the United States since 1903 has continuously occupied and exercised sovereign control over the zone, constructed the canal, and, since 1914, for a period of sixty years, operated the canal in a highly efficient manner without interruption, under the terms of the above mentioned treaties thereby honoring their obligations, at reasonable toll rates to the ships of all nations without discrimination; and

Whereas from 1904 through June 30, 1971, the United States made a total investment in the canal, including defense, at a cost to the taxpayers of the United States of over $5,695,745,000; and

Whereas Panama has, under the terms of the 1903 treaty and the 1936 and 1955 revisions thereof, been adequately compensated for the rights it granted to the United States, in such significantly beneficial manner that said compensation and correlated benefits has constituted the major portion of the economy of Panama giving it the highest per capita income in all of Central America; and

Whereas the canal is of vital and imperative importance to hemispheric defense and to the security of the United States and Panama; and

Whereas approximately seventy per centum of canal traffic either originates or terminates in United States ports, making the continued operation of the canal by the United States vital to its economy; and

Whereas the present negotiations, and a recently disclosed statement of "principles of agreement" by our treaty negotiator, Ambassador Ellsworth Bunker, and Panamanian Foreign Minister Juan Tack, Panama treaty negotiator, constitute a clear and present danger to hemispheric security and the successful operation of the canal by the United States under its treaty obligations; and

Whereas the United States House of Representatives, on February 2, 1960, adopted H. Con. Res. 459, Eighty-sixth Congress, reaffirming the sovereignty of the United States over the zone territory by the overwhelming vote of three hundred and eighty-two to twelve, thus demonstrating the firm determination of our people that the United States maintain its indispensable sovereignty and jurisdiction over the canal and the zone; and

Whereas under article IV, section 3, clause 2 of the United States Constitution, the power to dispose of territory or other property of the United States is specifically vested in the Congress, which includes the House of Representatives: Now, therefore, be it

Resolved, That it is the sense of the Senate that—

(1) the Government of the United States should maintain and protect its sovereign rights and jurisdiction over the canal and zone, and should in no way cede, dilute, forfeit, negotiate, or transfer any of these sovereign rights, power, authority, jurisdiction, territory, or property that are indispensably necessary for the protection and security of the United States and the entire Western Hemisphere; and

(2) That there be no relinquishment or surrender of any presently vested United States sovereign right, power, or authority or property, tangible or intangible, except by treaty authorized by the Congress and duly ratified by the United States; and

(3) That there be no recession to Panama, or other divestiture of any United States owned property, tangible or intangible, without prior authorization by the Congress (House and Senate), as provided in article IV, section 3, clause 2 of the United States Constitution.

A LETTER FROM A CONSTITUENT

Mr. HART. Mr. President, a democracy cannot work unless its people have trust in their Government.

And it is no secret that the public generally has a low opinion of both the present administration and the Congress. While the pollsters give us the cold figures of public opinion, letters from constituents better indicate the full scope and depth of public distrust.

Each of us may point to different causes for the loss of confidence in Government, and certainly I have stated often that I believe one cause to be reliance on large contributions from private sources to finance campaigns for public office. That source of distrust, of course, was at work long before Watergate and the energy crisis, but those two "happenings" have further eroded the public's confidence.

The sense of malaise affecting people throughout our country was expressed articulately in a letter from Mrs. Judith Carnick of Glen Arbor, Mich., a small town far removed from the circulation areas of the Eastern press. Mrs. Carnick's letter is of particular interest, because her reflections are not hers alone, but also those of the customers who frequent the restaurant she and her husband operate.

I shall ask that Mrs. Carnick's letter be printed at the conclusion of my remarks, but I would like to call attention to one paragraph in particular.

In commenting on Watergate and the energy crisis, Mrs. Carnick wrote:

> In closing, let me again reiterate the malaise that I feel every time customers begin discussing government and big business. Probably the saddest are our dear older customers: They feel so betrayed! There is no general "public spirit" because people believe that the crisis is one that could have been avoided ... one that gave plenty of warnings which were ignored by those in government and industry fully capable of doing something about it. I urge you to start moving to restore people's faith in their government's ability to put people before profit and the public before the corporation.

I think we can begin to restore people's faith in Government by passing the campaign reform bill now before the Senate. In doing so, we can demonstrate that we understand the people's concern over the effect large campaign contributions have on our system of Government, and we can show that we, too, understand that a democracy cannot work unless its people trust their Government and the individuals they elect to office.

Mr. President, I ask unanimous consent that the letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

FEBRUARY 7, 1974.

DEAR SENATOR HART: My husband and I own and operate a new sixty seat restaurant in the heart of Northern Michigan, 30 miles from Traverse City. We enjoy the company of many fine people, both local and from all over the Midwest.

I am writing to you hoping to convey in some small way the feelings that we have been getting from our customers. I know of no word to describe the utter disgust, mistrust and repulsiveness that many of these people feel towards our government and, more specifically, towards the current governing individuals.

In many conversations over the past months with thoughtful and educated Americans from all walks of life, the following points have re-occurred frequently:

1. Confidence and trust cannot ensue as long as Mr. Nixon remains in office. Every move, every decision is greeted with disdain and cynicism.

2. The major oil companies are getting away with piracy. The current shortage of refineries is directly their fault because a) they had plenty of warnings about shortages and possible nationalization of refineries in other countries and b) they are realizing huge corporate returns which were not and are not being re-invested in this country to make sure the shortages do not re-occurr. This means that countless job opportunities as well as increased refining capacity have been foresaken in this country . . . the country where oil companies "make" their money.

3. The increased profits from falsely bid up gas and oil prices as well as proposed taxes on "beyond rationed allocations" will never be used to benefit the average American. Nor will the tax ever be lifted once it is imposed.

4. There is some sort of collusion going on in the oil companies and it is either being ignored or actually fostered by the federal government. Thus we have oil companies which wholly own coal companies (another crucial energy resource) and the taking of bids on precious national reserves to be exploited by the oil companies for more profit from the very people to whom those reserves actually belong.

These are just a few of the many complaints we hear from what are generally a well-educated group of people. Their attitudes range from indignant to just plain furious. Most of us want to know what is happening to the extra monies that we are now paying to the oil companies. Are they going into energy research, refinery construction or stockholders pockets? It is quite an interesting phenomena . . . "hippies," conservatives, liberals, young people, senior citizens . . . all agreeing with one another that there is more to our "energy crisis" than is being told by an administration that has been shown over and over to be obedient to the wishes of big money.

Perhaps there isn't (though I myself seriously doubt this), but the fact that so many different types of people are asking similar questions and reaching common conclusions is another indication of the general public mistrust of business and government.

Most of us are too well read to blame the current crisis on the Arabs. Yes, we have been wasteful, but it is also true that refinery capacity has been at a standstill in this country for two decades while American oil companies have lined their own and the pockets of other countries. Their public relations ads impress absolutely none of us. They can tell us the environmentalists had forced them elsewhere, but with all the profits they accrue they still don't feel responsible for investing in "clean" refineries . . . after all, it's cheaper to dirty up someone else's country!

If this crisis is not to turn into another scandal then, for the sake of all of us, I urge you and other members of the Senate to grab hold of it now, legislate now, before the money and the controlling power slip any further into private hands. No one seems to believe the President capable of handling anything effectively and with honesty. We need to put those "extra" dollars into energy research and clean refineries, not into corporate profits or government bribes and boondoggles. The oil companies need to be controlled. This crisis has only further enriched them, both in money and power. It certainly has not made them responsive to the needs of the American public.

In closing, let me again reiterate the malaise that I feel every time customers begin discussing government and big business. Probably the saddest are our dear older customers: They feel so betrayed! There is no general "public spirit" because people believe that the crisis is one that could have been avoided . . . one that gave plenty of warnings which were ignored by those in government and industry fully capable of doing something about it. I urge you to start moving to restore people's faith in their government's ability to put people before profit and the public before the corporation.

Sincerely yours,

(Mrs.) JUDITH CARNICK.

P.S.—It is my wish that this letter to you be read into the minutes of the Senate. As I have stated, the views expressed here are those of many Americans on both sides of the political fence. The Senate and the House are (still, I hope) organs by which the people of this country should be able to express their views about their government.

GEORGE SHULTZ

Mr. McCLURE. Mr. President, Mr. Shultz has served his Nation during one of the most difficult periods of its history. Perhaps it was because he was at the very top of the bureaucracy he was able to bring his own special talents to bear on problems which have proven too much for lesser men. It is especially appropriate and I ask unanimous consent that this reasoned tribute to him by Milton Friedman, which appeared in Newsweek, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

A DRAMATIC EXPERIMENT

(By Milton Friedman)

The daily news stories on gyrations in the price of gold invariably link the price of gold to the price of the dollar in terms of other currencies. This reflects a cultural lag. Gold today has no special relation to the dollar. It is simply a highly speculative commodity like soybeans. The use of gold for many centuries as money has established attitudes that will make a comparison of gold to soybeans appear far-fetched. However, as the cultural lag disappears, and after the price of gold takes a tumble or two, as it soon will from either its present price or an even higher interim price, the changed role of gold will become much more widely recognized.

The link between the dollar and gold was cut on Aug. 15, 1971, when President Nixon ended the commitment of the U.S. to convert dollars held by foreign governments into gold at a fixed price. He thereby paved the way for ending government control not only over the price of gold but also over a far more important set of prices, namely, exchange rates.

On that same fateful day of August 15, 1971, President Nixon froze prices at home—moving sharply away from a free market at home at the same time that he moved toward a free market abroad. No scientist designing a test of free markets could have produced a more dramatic experiment.

FAILURE AT HOME

The results have been crystal-clear. At home, the successive price freezes and controls have fostered rather than countered inflation, have produced widespread shortages and distortions and have created a vast governmental bureaucracy. By now, just about everyone recognizes that the whole effort has been a fiasco.

Price controls have been front-page news. In sharp contrast, it has hardly been noticed that the free market abroad has worked like a charm, confounding all those "realistic" bankers who predicted unstable markets and recurrent chaos, and behaving just the way that starry-eyed academic theorists had said it would.

There is a Sherlock Holmes story in which the clue is the dog that did not bark. The key evidence of the success of floating exchange rates is the crisis that did not happen. Had the pre-1971 Bretton Woods system of exchange rates still been in existence when the Arab-Israeli war broke out, followed by the oil embargo, a major financial crisis would have erupted—as had occurred repeatedly under the earlier system. This time, the massive flows of "hot money" would have been out of the mark, the franc, the yen and the pound and into the dollar. Central banks would have "lost" or "gained" billions in reserves overnight. Foreign-exchange markets would have been closed while central bankers hastened to some pleasant locale for a crisis meeting to "solve" the problem. None of this occurred. Instead, the price of the dollar in terms of other currencies rose some 5 to 10 per cent, subsequently declined again, and the world continued about its business.

SUCCESS ABROAD

This success enabled President Nixon to end recently the foreign-exchange controls that had been imposed by Presidents Kennedy and Johnson in a vain attempt to ameliorate balance-of-payment problems produced by the government price-fixing of exchange rates.

Outgoing Secretary of the Treasury George Shultz deserves much of the credit for so rare and so happy an event as the elimination of governmental controls. He favored the initial closing of the gold window, resisted repeated pressures from the Federal Reserve and from foreign central banks for the United States to intervene in exchange markets and pressed for the prompt end of the exchange controls. He has played the major role in establishing a workable international economic order.

The same principles that led George Shultz to press for freedom abroad made him a consistent critic of controls at home. As he said recently in an interview published in The Chicago Tribune, "I have never been an advocate of wage and price controls. I have always felt they would wind up causing us more grief than good. Wage and price controls, however, are in a sense like the Vietnam war; it is very easy to march in and it's very hard to march back out again."

We have paid a heavy price for a dramatic experiment. But have we learned from it? The spate of Congressional proposals to roll back the price of oil, to require gasoline rationing and so on and on, suggest that we have not. How many such experiments do we need—or can we stand?

ILSE S. WOLFF

Mr. RIBICOFF. Mr. President, it is with a deep sense of sadness that I learned of the death of one of Connecticut's outstanding leaders in the field of health care, Miss Ilse S. Wolff.

Ilse, who was a retired mental health nursing consultant for the State health department, served our State faithfully and with dedication to high quality heatlh care for over a generation.

The history of Ilse's life is a story of compassion and personal concern for her fellow man.

Born in Germany she worked as a Jewish social worker helping with the emigration of Jewish families from Nazi Germany.

After coming to America, she received her degree in nursing from the Louisville Jewish Hospital School of Nursing and then came to Hartford.

While with the State health department, she developed the first ex-patient rehabilitation community program and initiated the first formal visitation program by public health nurses for returning psychiatric patients. Miss Wolff also was instrumental in establishing of the first halfway house in Hartford for mental patients. She wrote many articles for public health, mental health, and nursing publications. She received the Connecticut Mental Health Bell Award in 1972 for her outstanding service.

She was a member of the Board of Greater Hartford Council on Alcoholism, the Mental Health Association of Connecticut, the Connecticut League for Nursing and Connecticut Association for Public Health Nursing Agencies. She was appointed to many consultant and review committees for the U.S. Public Health Service. She was also a member of the National League for Nursing, American Nurses Association, and American Public Health Association.

Ilse worked in a field of such great importance and too often of great neglect. It is only because of the deep commitment and involvement of people like Ilse that progress can be made and mental patients taken out of the shadows and become a part of society.

I ask unanimous consent that an article from the Hortford Times, entitled "Ilse S. Wolff, Nurse Leader," be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ILSE S. WOLFF, NURSE LEADER

Miss Ilse S. Wolff, 72, of 154 Keeney Ave., West Hartford, a retired mental health nursing consultant for the state health department, died Friday (April 5, 1974) at Hartford Hospital.

She was born in Schw'hall Wuertt, Germany, and lived in Louisville, Ky., and Pittsburgh, Pa. before moving to the Hartford area 35 years ago. She was a Jewish social worker in Stuttgart and helped with the emigration of Jewish families from Nazi Germany.

She graduated from the Louisville Jewish Hospital School of Nursing as a registered nurse and received a master's degree from Columbia University. When she moved to Hartford, she became a mental health nursing consultant for the state Health Department, retiring in 1970.

While with the state health department, she developed the first ex-patient rehabilitation community program and initiated the first formal visitation program by public health nurses for returning psychiatric patients. Miss Wolff also was instrumental in establishing of the first halfway house in Hartford for mental patients. She wrote many articles for public health, mental health and nursing publications. She received the Connecticut Mental Health Bell Award in 1972 for her outstanding service.

She was a member of the Board of Greater Hartford Council on Alcoholism, the Mental Health Association of Connecticut, the Connecticut League for Nursing and Connecticut Association for Public Health Nursing Agencies. She was appointed to many consultant and review committees for the United States Public Health Service. She was also a member of the National League for Nursing, American Nurses Association, and American Public Health Association.

She leaves a brother, Dr. Hans H. Wolff of Sao Paulo, Brazil, and two sisters, Miss Lina K. Wolff of West Hartford, with whom she made her home, and Mrs. Jetta Bamberger of New York City.

The funeral will be Monday at 2:30 p.m. in the Chapel of the Weinstein Mortuary, 640 Farmington Ave. Burial will be private at the convenience of the family. Memorial donations may be made to charity.

KANSAS SENATOR BRISTOW'S NOMINATION

Mr. DOLE. Mr. President, one of the most satisfying and rewarding aspects of serving in Congress is a Senator's or Congressman's privilege of making nominations to the academies of our Armed Forces.

The process of screening and reviewing the candidates for these nominations brings one into contact with a great number of extremely bright, highly motivated, and conscientious young people. Unfortunately, the number of positions to be filled is far smaller than the number of nominations we wish we could make, but this process affords those of us in Congress a unique opportunity to know some of the finest young people of each year's high school classes and those who will be the future leaders of our military.

It might be of interest to my colleagues to know that one of the most fortunate service academy nominations in the history of our country was made by a Kansas Senator, Joseph L. Bristow. He served only one term in the Senate and was defeated for reelection. But regardless of how he voted on the issues which came before him or how he fared as a politician, Senator Bristow earned a lasting place in history through the exercise of his appointment authority in 1910 when he named a persistent young Abilene, Kans., boy to the U.S. Military Academy at West Point.

That young boy, as the world well knows, was Dwight D. Eisenhower. And the story of his appointment by Senator Bristow was recently told by Henry B. Jameson, editor of the Abilene Reflector-Chronicle and longtime Eisenhower historian.

I believe the Members of the Senate would find this story both interesting and enjoyable reading as they reflect on their own service academy nominations. Mr. President, I ask unanimous consent that Mr. Jameson's article from the

April 7 Kansas City Star be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Luck and Well-Chosen Word Launched Ike's Career

(By Henry B. Jameson)

Abilene, Kan.—A high school boy was looking around the Eisenhower Museum here in Ike's home town, amid 8,000 items reflecting the Eisenhower story. He saw everything from a Russian medal sparkling with 100 diamonds and rubies and Steuben glass replicas of every White House gift to foreign heads of state to a copy of Adolf Hitler's will, autographed major league baseballs and a bucket of Omaha Beach sand.

He saw Ike's paintings, his first athletic sweater, the original Eisenhower battle jacket and the bowler hat that redressed society for the inaugural balls.

"No more spectacular boy-makes-good legend ever was written. It remains today a great inspiration to young men in America, and visitors come by the thousands to the Eisenhower shrine to marvel at it all.

What they don't see or read is that it was almost accidental that this man who became a worldwide hero got his start at West Point in the first place.

Ike's glory-road career had an unusual twist, it seemed he was always in the right place at the right time.

That high school boy paused to read in awe two simple handwritten letters from Ike to his U.S. senator more than a half-century ago. Those two letters of less than 100 words each—and a generally unknown lucky circumstance—are what started Dwight D. Eisenhower on the road to fame.

A very funny thing happened to Dwight Eisenhower on his way to becoming a 5-star general and President of the United States. Until a friend told him, he didn't know about a college in the East called West Point giving away free education. How did an ordinary guy get some of the action?

Young Eisenhower, who once described himself as "green as they come" out of the country, know nothing about the military academy. His parents were almost conscientious objectors. A high school teacher had advised him there was no future in the Army. His concern was a college education, any way he could get it.

So eager was Ike that he and his brother, Edgar, had agreed to alternate years working to help pay each other's way to college. Ike was on his first work year when he heard what West Point offered.

He had going for him fair grades, determination, good personality, guts and a burning desire to succeed at something.

It never occurred to him that he might not have what it took for the big school—the family background or the V.I.P. connections to open the necessary doors.

He was just another good kid growing up in a small Kansas town, with a good reputation—as an athlete and barefist fighter not afraid of anything—and plenty of girlfriends for whom he had little time.

This early beginning mirrored his lifelong philosophy that the best way to get something done was to ask, then do it. As President, he was annoyed by people who tried to "get to him" through contacts or the chain-of-command route.

"Why don't they write me themselves," he once scolded me, after I had interceded for someone who wanted a White House door open for a possible favor.

I knew General Eisenhower from World War II in Europe and through eight memorable years as his home town "press agent." My last private interview with him was about a year before he died, when he said: "Sure I was lucky, always"—adding that when he left for West Point he "had no idea of making the Army a career."

The boy scanning the original blunt and brief Eisenhower letters in the museum showcase blurted out: "I don't believe it."

"A free college education, supreme commander and President—and it all started with a couple of letters. I don't believe it. That's my ambition, except the Naval Academy, but still I don't . . ."

The writer happened to overhear the remark and injected an unsolicited "that's right" comment on his own. The boy went home, wrote his senator and a member of Congress and asked his father to do likewise. And somewhat to his astonishment the boy did receive a nomination to Annapolis.

I know, because I happen to be the boy's father.

This anecdote illustrates what happens each year in this great country where a boy still gets a chance to make it on his own if he tries and if he takes advantage of the breaks.

Thousands of them do, despite all the bad publicity about youth of this generation going to hell. Ike wasn't a teen-aged saint, either. One Halloween night he tied open the steam whistle at the big creamery where his father was an engineer. The noise awakened the whole town. He ran off with a hobo who taught him the percentages of poker down by the fishing hole along Mud Creek.

The number of young men seeking entrance into the military academies is growing and the competition gets tougher. Yet more and more want to make it as Ike did.

While Eisenhower's remarkable record might be called an unusual example, political pull—which he didn't have—was just as important then as now. Probably the best thing that happened to Ike was that he didn't know this. He knew far less than my son about protocol and political help, and he didn't have any influential acquaintances to guide him.

That is where luck and good fortune came in. The story of what really happened is more fascinating than some of the erroneous accounts that have been published.

As it turned out, my son did not go to Annapolis. But he had the opportunity. He passed all the entrance examinations and physicals, except the 20–20 uncorrected eye test. The Navy people encouraged him to switch papers to West Point, but he decided on another university (K.U.), fulfilled his military obligation through the reserves as a plain GI and pursued a business career.

As an editor I have written numerous letters of recommendation for other young men desiring to enter one of the five major military schools—Army, Navy, Air Force, Coast Guard and Merchant Marine. Each time I recall the Eisenhower story.

This led to some research on how many boys do try and succeed in availing themselves of the free education and opportunities. The number is surprising. Thousands check it out every year as high school graduation approaches. Of the more than 15,000 who actually are screened, there's room for only a small percentage.

Computers may be doing the screening for about everything else today, from jobs to pairing girls and boys for dates, but somehow the military service schools for years have been following their own tried and tested methods of sorting out the cream of the crop.

For example, there were 878 nominated to West Point in the Class of 1911, with 248 finally admitted. Eisenhower was among seven of 33 from his home state, and, incidentally, he finished 61st out of his class of 164 graduates in 1915.

Like the others, West Point has expanded considerably and about 1,400 men were admitted for this year.

There are several ways of gaining admission, but the principal one for the average rank-and-file young man remains the same as in Ike's day, through appointment by his U.S. senator or representative. About 75 per cent come up that way. Each Senator and representative is permitted to have five cadets in each academy charged to him, screened down from a much longer list of applicants and alternate nominations.

The President is allowed to name 100 and the vice-president five. The President is given that quota because he fills vacancies with boys whose fathers are either on active duty or who are retired from the military. More than 200 additional allotments go to sons of Medal of Honor winners, disabled veterans, military personnel, ROTC and others.

As Ike was to learn—later—political pull does help. But it's still largely up to the individual, for all the political pull in the world can't do much for him unless he has something on the ball.

I recall my son returning from his first round of examinations quite surprised that one of the first written questions asked if he was an Eagle Scout. He was.

Eisenhower was not an Eagle Scout and had no V.I.P. friends, much less political pull.

Wearing one of his first complete store suits and a tweed cap, young Ike walked the streets of Chicago between trains, bound for West Point the first time, scared stiff of the challenge. He entertained thoughts of turning around.

But he knew what his family would say, even though they were only lukewarm on the Army for their son. There was no room for a quitter around the Eisenhower fireside.

There have been conflicting stories about his appointment. One widely printed version was that another boy changed his mind and canceled at the right time.

The fact is that young Eisenhower was from the beginning—although he didn't know it—the first choice of U.S. Sen. Joseph L. Bristow of Kansas. Ike had only heard of Bristow and Bristow never had heard of the Eisenhowers.

The tide of political liberalism had swept across the Midwest and one of the consequences was the election of Senator Bristow the year before Ike was graduated from high school. Bristow had held a subcabinet level post in Washington under President Theodore Roosevelt, but Bristow moved to Kansas and purchased a newspaper in Salina to build a base that he hoped might carry him to the White House. He didn't make it, but one of his proteges did.

There were two hotly competitive newspapers in Abilene at the time. One was run by Charles M. Harger, prominent Republican leader, and the other by Phil W. Health, a Republican turned liberal progressive. He later became a Democrat.

In the political byplay, which Eisenhower knew nothing about, Heath had become such a friend and supporter of Senator Bristow that he was assigned various political patronage duties, including the screening of all applications in Kansas for the military academies.

One of Ike's high school classmates was Everett E. (Swede) Hazlett, who came from a higher-income family with Republican political clout. Swede had received a Naval Academy appointment the year before. *He's* the one who told Ike all about it and persuaded him to make an attempt.

Hazlett mentioned for the first time the name of Senator Bristow, gave Ike a sample set of examination papers and listed a number of prominent citizens to see about letters of recommendation.

Eisenhower wrote his first letter to Bristow Aug. 20, 1910, a "masterful" display of lack of political savvy but also a masterpiece of blunt brevity. His first letter of application was to the point:

I would very much like to enter either the school at Annapolis or the one at West Point. In order to do this, I must have an appointment to one of these places and so I am writing to you in order to secure the same.

I have graduated from high school and will be 19 years of age this fall.

If you find it possible to appoint me to one of these schools, your kindness will certainly be appreciated by me.

Trusting to hear from you, concerning this matter, at your earliest convenience, I am

Respectfully yours,
Dwight Eisenhower

Ike always expected action fast, and a mere two weeks later, on Sept. 3, he was growing so impatient he wrote Senator Bristow another letter:

Some time ago I wrote to you applying for an appointment to West Point or Annapolis. As yet I have heard nothing definite from you about this matter, but I noticed in the daily paper that you would soon give a competitive examination for these appointments.

Now, if you find it impossible to give me an appointment outright to one of these places, would I have a right to enter this competitive examinations?

If so, will you please explain the conditions of this examination and the studies to be covered? Trusting to hear from you at your earliest convenience, I am . . .

He wrote only two letters seeking the appointment and two more thanking Senator Bristow. That was the extent of their correspondence.

To my son like others, it seemed inconceivable that two such brief and uninformative letters from an unknown boy would be sufficient to obtain a prized appointment. So what happened?

Senator Bristow had on file six applications and Eisenhower's made seven.

While completely innocent and ignorant of its importance, in his eagerness to go somewhere to college, Eisenhower had stated in his initial letter that he would like to attend "either" West Point or Annapolis. He actually would have preferred Annapolis.

Nevertheless that word "either" became an important point in his favor, as it turned out.

Ike went around town contacting prominent businessmen whose names Hazlett had given him. Among them was Charlie Harger, editor, and G. C. Sterl, a merchant, who wrote letters but also suggested that perhaps "the man you really should see" was Phil Heath.

"I have written Senator Bristow asking for an appointment to Annapolis or West Point," Ike told Mr. Heath on his first call to his printing office (according to memos kept by Heath and shown to this writer for the first time by his widow), "but I don't seem to be getting anywhere. I was told that you might be able to help me."

Heath recalled that young Eisenhower was very business-like in his approach and wasted no time getting to the point. He knew the Eisenhower family and was quickly convinced of the youth's eagerness and confidence in himself. Ike didn't know it but that very day Heath had received from Bristow a packet of all the other applicants—it being his job to screen them.

When they went in, Eisenhower was recommended as the principal nominee to either school. Senator Bristow almost immediately selected Eisenhower in first slot for West Point, and named two alternates.

Three applicants had specified the Navy and three the Army. Ike had asked for either.

He never was considered for the Navy, contrary to some stories, as Bristow already had decided on Ralph Branch, son of a close friend, and Fred Kirtland, whose father was mayor of Bristow's home town.

Therefore, Eisenhower was from the start marked down as the principal nominee for West Point. He passed the examinations, although he was outscored by one of his alternates while the other one failed. Bristow's papers in the Kansas Historical Society show "WP," for West Point, initialed on copies that went to the state director of education.

This was Ike's first experience with politics, although it was years later before he learned how fortunate he had been.

After his sophomore year at West Point he was a "military man" for life. But he never dreamed of reaching the heights and fame that he did, and like other military men kept looking forward to early retirement.

In 1938, when he was an aide to Gen. Douglas MacArthur in the Philippines, he wrote Heath: "I have just one more year and then I'll probably never have to serve another foreign service tour as long as I am in the Army."

That was before World War II found him commanding the greatest military force the world had known. In a span of 29 years he advanced from lieutenant to 5-star general, changing "permanent" addresses 30 times and collecting more than 50 military decorations. He was buried in a regular officers' uniform with only one medal on his breast.

If he hadn't written those first two letters Eisenhower might have made a fine railroad conductor, baseball player or coach, which were his first stated ambitions.

A CITY'S SUCCESS

Mr. McINTYRE. Mr. President, there has been a great deal of speculation about the role cities will play in the future. There have been many, viewing the rush to the suburbs, the disintegration of downtown areas, and the gradual migration of industry away from urban centers, who have said that the city's role will be less and less vital, that the city, even at the present time, is an anachronism.

The history of the city of Manchester, N.H., does much to refute such speculation. A vigorous industrial center and New Hampshire's largest city, Manchester is doing anything but fade with the passage of time. In the late 1800's, Manchester was a one-industry town, 17,000 of a 22,000-person work force being employed in the Amoskeag mills. Before the end of the 1920's this industry had failed disastrously and Manchester was faced with a grave and difficult crisis.

The reaction to this crisis was a steady industrial development with diversification as a guiding principle. Today, the benefits of this sustained and intelligent reaction was clearly evident. Manchester continues to grow and improve itself and maintains an unemployment rate significantly lower than the Nation's. Mayor Silvio Dupuis and city officials like Merrill Teulon, Jay Taylor, and others are continuing the tradition of sound city planning and management. The results could not be more gratifying.

As recognition of this one city's success and perhaps as an example for others, I ask unanimous consent that the following article, "Manchester Buries 'Mill Town' Image," which first appeared in the March issue of the New Englander, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MANCHESTER BURIES "MILL TOWN" IMAGE

(By Phillip M. Perry)

Sylvio L. Dupuis, Mayor of Manchester: "I look upon this government as a $34 million business. It's big business, and it has to run like big business."

One day in 1973, Samuel Blodget stood on the banks of the Merrimack River in Derryfield, N.H. The town's population was less than 400, but Blodget was so impressed with the power of the Amoskeag Falls that he decided to build a mill at that spot.

"One day this will be the Queen City of New Hampshire, the Manchester of America," he declared. Two decades later, the residents changed their town's name to Manchester. Like its English namesake, the New England town was booming from its cotton textile mill.

Incorporated by the state in 1831, the Amoskeag Mfg. Co. was destined to become the world's largest cotton textile complex. Before its fall, Amoskeag was employing 17,000 people out of a Manchester labor force of 23,000.

A lengthy strike, Southern competition and mismanagement during the 1920's battered the once proud Amoskeag. On Christmas Eve of 1935, Amoskeag turned off its lights. Virtually every Manchester family was affected.

FEW EMPLOY OVER 1,000

Shortly after the disaster, a group of Manchester businessmen formed a development group known as Amoskeag Industries, Inc. Raising money, they bought all the physical property, which included 2½ miles of building, for lease and sale to smaller industrial firms.

Not surprisingly, the by-word for Manchester industry became *diversification*. In sharp contrast to its first century, modern Manchester has very few industries which employ over 1,000 people. The more than 250 industries in the Manchester SMSA produce a variety of products. The greatest number of industrial workers (4,250) are employed in electronics; slightly less than 3,000 are employed in textiles; and an equal number in leather products. The wearing apparel industry employs 1,450. Lesser numbers work in printing, lumber, and metal products. The total labor force is 52,000, with 17,000 in manufacturing.

UNEMPLOYMENT: 3.4 PERCENT

As a result of an energetic industrial improvement campaign, Manchester's unemployment rate is only 3.4%, for a total unemployed labor pool of 2,500 people out of a current population of 96,657 (the largest city in New Hampshire, Manchester contains 12% of the state's population).

Working with the Manchester Industrial Council for 20 years, Industrial Agent Merrill J. Teulon explains the reasons behind the city's industrial stability. "A big part of our success is the fact that Manchester got a head start in industrial development and urban renewal," he says. "We've been making industrial improvement our business since 1936. If you keep improving the business climate, building new highways and improving services, you're bound to encourage local industry and attract new industry."

Teulon cites industry's current satisfaction as attractive aspect for new firms. Also, he points out that Manchester is just inside the northern limit of the Boston-New York megalopolis. "If you don't plan right, the megalopolis can go around you." A good transportation system, including interstate highways and the largest municipal airport in the state, are also positive factors.

FIVE "AIR-PARKS"

Jay E. Taylor, assistant industrial agent, cites Manchester's industrial parks. "We have six parks in the city," he says. "Five are located adjacent to the runways of Grenier Field. Right now we have only about 300 acres left for industry, and we're using up about 50 acres each year for new firms. We hope to increase available land to 800 acres."

A vital part of the Manchester industrial picture was the slow and painful acquisition of Grenier Air Base in the early 1950's. Through the years the city acquired acreage piece-by-piece from this closed 1,469-acre military operation. The five parks are adjacent to the runways, allowing for "plane to plant" transportation. On the five "air-park" sites there are now 82 private industries employing over 3,000 people.

NATION'S FIRST "REHAB"

In the 1960's it became apparent that the section of the Amoshkeag complex on the east side of the river needed renewal to allow for more parking, better sewer systems, and other improvements. On June 1, 1966, the application for a loan and grant for the Amoskeag Millyard Project was approved by the U.S. Dept. of Housing and Urban Development. The 130.3-acre project was the first industrial rehabilitation project to be approved in the nation; 1½-million-sq. ft. of the 5-million-sq. ft. complex had to be destroyed.

Ironically, one negative for new large industry is the low labor pool. "If a major outfit said they needed a location where they could hire 1,000 people, we'd have to discourage them," says Teulon. "A company needs at least a two-to-one, and if possible a three-to-one ratio of available labor and workers hired." Manchester's pool is only 2,500.

Despite the current labor pool, it is estimated that Manchester industries are short 1,100 workers. Part of the problem is that industry is seeking trained workers.

LABOR SHORTAGE HURTS

Saul Greenspan, president and treasurer of Waumbec Mills, located in 500,000 sq. ft. of the old Amoskeag complex, explains his firm's position. "We located here in 1937, shortly after Amoskeag closed down. At that time there was an abundance of skilled labor, and of course there was an abundance of industrial space in the building. Today, we employ 700 people on three shifts, making specialty, semi-novelty fabrics.

"Our Manchester location is good, but the current labor shortage is bad. Part of the problem is that people are less mobile today than they used to be. There are cities in New England with high unemployment rates, but these people aren't moving to Manchester." As a result, Greenspan says he is unable to run all of his machines.

Manchester's retail picture has been one of change and improvement. The city estimates its retail trade area at 400,000 people within a 25-mile radius. Six shopping centers dot the edges of town. The downtown shopping section is strung along Elm Street.

Gerald Carmen, head of Car-Go Home and Auto Center and also president of the Downtown Manchester Assn. (DMA) points out the vital necessity of downtown.

"The central business district composes 1.6% of Manchester's land, and yet contributes 18% of the assessed valuation," Carmen says. "If the downtown falls apart, the whole city goes. That's why our goal is to keep it profitable."

HAMPSHIRE PLAZA DEBUTS

Downtown interests received a big boost in 1972, with completion of the Hampshire Plaza Project, a commercial renewal project that included a 20-story office building ("the tallest thing north of Boston"), a retail shopping center around a covered mall, and a 410-car parking garage. Sponsors of the project were the Boston development firm of Spaulding and Slye and the New England Mutual Life Insurance Co. Total cost to the city was $5,229,600. The same land that was bringing a tax revenue of $80,903 before redevelopment now brings $516,000.

Robert H. McCann, director of the city's Urban Renewal Dept., points out the obstacle Manchester has run into. "We have been active in carrying out commercial renewal plans made in the 60's," he says. "But we have been unable to initiate any new programs since the federal government changed its priorities in 1966 toward housing renewal. Unfortunately, this realignment came just at the time we were turning our eyes downtown to redevelop the commercial area."

FAVORABLE TAX RATE

Because of amendments to previous renewal plans, such as the Amoskeag Redevelopment, and a change in standards for some services, Manchester did receive $8-million in federal aid last year. For example, the cost of putting in new sewers for the Amoskeag project was estimated at $600,000, but with new standards the price tag jumped to $13-million.

The city property tax rate is $43.90 per thousand dollars, and McCann estimates the citizen is paying $1.20 of that amount for urban renewal. He estimates that it takes five years for a commercial renewal project to pay for itself. In 1971, land that was bringing taxes of $500,000 before redevelopment brought $1.5-million.

INDUSTRIAL VERSUS RETAIL

John F. Grogan, director of planning for Manchester, likes to consider both the industrial changes and retail changes in an overall picture. "We have been characterized as a mill town," he says. "But with our present diversification, it is unfair to call us that. A major boost in our new image was the opening of I–93 in early 1964. This has connected us with Boston to the south and the hinterlands to the north. It has also heightened our profile as a distribution center.

"The Interstate connections are circumferential to downtown, and there is a proposed 500,000-sq. ft. shopping center which may be added. But downtown has a long-term function. It is a substantial place of employment, primarily for the service businesses which buy from retailers. I see the return of the major retailers downtown as this becomes apparent."

MAYOR PUSHES CHANGE

Grogan also notes the city's approval of many one-and-two bedroom apartments in the last several years. "This size apartment provides more tax money than it requires cash outflow for services. The city has also adopted a goals-oriented approach to change. Higher income housing to encourage professionals to live in town, environmental clean-up, and bridge repair are among the goals. The new mayor has done a lot to design them."

The new mayor is Sylvio L. Dupuis, for 15 years a practicing optometrist and part-time political campaign worker before running successfully for mayor two years ago.

"I look upon this government as a $34-million corporation," says Dupuis. "It's a big business, and it has to be run like big business.

"As for goals, first we want to foster more cooperation between municipal departments. Second, we want to clean up the Merrimack River. Third, improve mass transit. In eight months, we have added 35 new school buses and 29 new transit buses. We're also reconstructing many of our 30- and 50-year-old bridges. In the past, we haven't done the necessary preventive maintenance. Last, we want to improve and diversify our vocational education programs."

HARD GOODS VERSUS SOFT GOODS

The city's most fervent booster is Arthur J. Hartnett, Jr., the executive director of the Greater Manchester Chamber of Commerce. A native of the city, Hartnett boasts about the new balance between the city's industries. "The hard goods industry is dependent on economic trends; the soft goods less so. Somewhere in the middle is a balance. In the late forties, we had a 12-1 ratio, in favor of soft goods. Today, the ratio is 2 to 1. This is re-management of resources.

"At the same time, Manchester faces the problem of a declining reservoir of usable land. We have to manage carefully what we have left."

Manchester's low labor pool has prompted some area businessmen to support two proposals:

1. Creation of new low-cost housing. Housing is cited as 25% of a worker's earnings. Low-cost housing is needed so that people will be encouraged to move from areas of high unemployment to Manchester.

2. Relaxation of foreign immigration quotas. As first generation immigrants move up into higher paying jobs, a gap is left. Some businessmen feel that bringing in immigrants will boost the labor pool.

Diversified industry; a strong economic base; a revitalized downtown—these are elements of a city that has advanced with a strength and nobility that still characterize the old but sturdy Amoskeag manufacturing plant, the downfall of which plunged Manchester headlong into the 20th century.

THE LEGAL SERVICES BILL

Mr. McCLURE. Mr. President, the legal services bill is now in conference and may be out before the Easter recess. It is one of four different bills originally presented to set up a corporation which would provide the poor with legal aid. Unfortunately the two bills to be compromised come from the two Houses of Congress and neither provides any guarantee that the corporation will in fact work in the best interests of the poor. Since the President stated that he would not accept a bill without such conscientious safeguards, we expect that the bill will be vetoed.

Unfortunately all too many actions of the White House are greeted by statements generated more by calculated political brinkmanship than statecraft. I hope that the President will ignore such attempted pressures. Real credibility for the White House must be measured by complete consistency between former statements and positions and those taken today.

Any failure to live up to commitments made to the American public and overwhelmingly ratified by that public in two elections would be clear evidence that the President has bent before purely political pressure. It would be an indication of an inability to hold to his own positions.

An article by Howard Phillips will serve as a reminder that the legal services bill would set up a potential for radical bureaucracy the likes of which we have not seen, well outside anything this administration would have approved before Watergate and the present climate of outrageous political ransom.

Mr. President, I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

TEST FOR THE PRESIDENT: HOUSE LEGAL AID BILL IS TO LEFT OF NIXON PLEDGE

(By Howard Phillips)

When President Nixon sent his Legal Services Corporation plan to Congress on May 15, 1973, White House officials emphasized to concerned conservatives that while concessions to the left *had* been made in shaping the bill, the President would accept no further compromises. On that we could depend, assured Kenneth Cole, major domo of Mr. Nixon's Domestic Council staff. Other high-ranking officials echoed that assurance.

By the same token, advised the White House, if conservatives could strengthen the Administration proposal by amendment on the House floor, all the better. But, it was repeated, if Congress gave President Nixon a bill in any way more liberal than his own a veto would inescapably follow.

Soon Mr. Nixon will be put to the test.

As a consequence of efforts to shift the corporation plan to the left by the House and Senate poverty committees which "marked up" new bills before the issue came to a vote in their respective bodies, the legal services legislation eventually passed in both the House and Senate (while more to the left in the latter than the former) was in each case well to the left of the May 15 "Nixon bill."

Thus, Senate-House conferees, bound by rules requiring that they confine their compromises on the legal services issue within the boundaries established by the legislation before them, cannot possibly produce a bill Mr. Nixon can sign, consistent with his promises.

The Nixon Plan, in key respects more conservative than either the House or the Senate-passed bills, is not on their agenda. This very important point has been missed in most press accounts about the corporation controversy. Liberals have tried hard to portray the bill adopted last June 21 in the House as "restrictive" and "conservative."

Even though 24 amendments were adopted on the House floor, the bill being amended had been previously so liberalized in committee that the House, with all its amendments, didn't even wind up where the Nixon Plan began with respect to a number of vital safeguards against abuse.

For example, under the Nixon Plan, no legal services funds could be used to retain attorneys unless they are "admitted to practice law in the state where the rendering" of assistance is "initiated." By contrast, the House bill allows projects to hire staff lawyers simply "authorized to practice." The distinction is, in fact, a crucial one, in that persons "authorized" may include out-of-State attorneys, law students, and whomever else might arbitrarily be deemed eligible.

In 1970, New Jersey adopted a special rule "to allow out-of-state attorneys employed by or associated with New Jersew OEO Legal Services programs to practice in all the courts of New Jersey for up to two and one-half years." The new rule has facilitated an influx radical Reginald Heber Smith fellows, VISTA lawyers and the like, to join the Garden State's already radicalized staff attorney projects in places like Camden and Newark. It permits employment discrimination against qualified local members of the bar, in favor of "social change"-oriented out-of-staters, many of whom try to manipulate the politics of the local area. Furthermore, with the challenges now being directed against the "fairness" of bar admission and examination procedures, it could open the way to permanent "pseudo-lawyer" status for unsuccessful law school graduates.

While the Nixon Plan flatly bars aid to "any public interest law firm which expends any resources and time litigating issues . . . in the collective interests of the poor . . .", the House bill permits such use of federal funds to Naderite "public interest" firms which spend "50 per centum" or less "litigating." The House prohibition would, therefore, not affect a public interest law firm which purported to spend half of its time preparing for litigation or helping others litigate. Thus, by a semantic loophole, it offers possible escape from the apparent prohibition on aid to "backup centers" as well as to other public interest firms.

In terms of enabling corrective action against improper uses of legal services funds, the House bill makes it much harder than the Nixon plan to stop abuse. One reason for this is the House bill's elimination of the "Citizen's Suits" provided for in the Nixon bill. Under the Administration version. "Any interested person may bring an action in a federal district court to enforce compliance with the prohibitions of or under this Act by the corporation or any recipient or any officer or employe of the corporation or of any recipient."

To give the law teeth, the Nixon Plan further provides that if a citizen who sues in court to stop legal services illegally gains a favorable judgment, "the corporation shall promptly reimburse him for his costs and legal fees incurred in prosecution of the action."

This is a critically important safeguard. With legal costs as high as they are, the average citizen concerned about tax-financed lawlessness might be reluctant to take action against "poverty lawyers" whose initiatives (and potential retaliation) are completely underwritten by the government. Similarly, without such a provision, citizens might lack "standing" to sue the corporation.

In a related manner, the House bill specifically (in Section 6(b)(3)) makes Corporation attorneys subject to control, not by public or by Congress, but by the American Bar Association. If President Nixon were subject to ABA control, he might already be impeached and convicted, at least if the ABA's present top leadership had its way.

Yet, astonishingly, the House bill states: "The Corporation shall not interfere with any attorney in carrying out his professional responsibility . . . as established in the Canons of Ethics and Code of Professional Responsibility of the American Bar Association."

Though this may sound reasonable to the untrained ear, its real import is that, on key issues like lobbying and solicitation, future amendments to the canons and code will acquire the force of law. Since these are subject to constant reinterpretation and revision, with differing standards established for legal services, as opposed to private lawyers, this is of fundamental significance.

Wouldn't the ABA object, if the Congress, in parallel fashion, left it to the Republican National Committee to enforce standards of behavior for GOP public officials? If the House language stands, ABA lawyers, rather than Congress or even the Corporation, can amend the "Code and Canons" to suit their own beliefs. Why should power over a $100 million program be given to a private organization like the ABA?

With respect to bans on aid to "rioting, civil disturbance, picketing, boycott, or strike," the Nixon bill is unequivocal; the House bill, on the other hand, limits such activity for full-time legal service employes only while they are technically "engaged" in their work. Thus, whenever accused of a violation, they can, and do, assert that the act was performed on "free time."

But out-of-staters who receive fulltime salaries should never be allowed to foment political disturbances in the area where government funds have placed them—even during their "coffee breaks."

Even if, under the permissive House language, legal aid lawyers were found to be in violation, the House would leave it to their local project to decide whether or how they should be disciplined. The Nixon Plan would vest such power, more realistically, in the Corporation. Since many local projects are dominated by people who balk at federal restrictions on their activity, the House approach would be virtually ineffective where it is most needed. The House bill permits "advocating or opposing" presidential Executive Orders. The Nixon plan does not.

In setting eligibility for free legal services, again the House bill leaves such determinations to the projects themselves, rather than flatly prohibiting aid, as the Nixon Plan does, to any individual "capable of gainful employment . . . if his lack of gross income results from his refusal or unwillingness to seek or accept employment."

Also of great importance, the House bill abandons the Nixon Plan's requirement of "a schedule of fees which will require the client, if able, to pay at least a portion of the cost of legal assistance." Such a fee schedule would make it much more difficult for staff attorneys to seek out clients as guinea pigs for their favorite causes. In force, it would cause poor persons to hesitate signing away permission to have suits filed in their name, if they had to advance even a token dollar or two for such purpose.

"FRIVOLOUS APPEALS"

The Nixon Plan's ban on "frivolous and duplicative appeals" is missing from the House bill. The Nixon Plan's flat ban on use of legal services funds for "advocacy" training programs (used to advance drives for liberal changes in public policy) is replaced by House language which permits such tax-backed policy "training" whenever deemed "necessary to prepare them [attorneys] to provide adequate legal assistance."

Furthermore, whereas the Nixon Plan tends to encourage grants and contracts to state and local governments for the provision of legal services, the House bill is wary of such an approach—preferring subsidy of the present, privately controlled staff projects. This wariness is evidenced in the House's requirement of an extraordinary board review in the case of all such public awards, whereas none is required for the private group fundings.

The House language makes it easier for the Senate Labor and Public Welfare Committee to deny confirmation of presidential appointees to the Corporation board of directors who might favor "revenue-sharing" approaches to legal services—the change most devoutly feared by the radical organizations which now control and benefit from legal services millions.

ALTERNATIVE APPROACHES

To encourage a shift away from the staff attorney system, the May 15 Nixon Plan provided for a minimum annual set-aside of 10 per cent of all funds appropriated to the Corporation for alternative approaches to the delivery of legal services: like open-panel prepaid legal insurance, vouchers Judicare, and reimbursement of private lawyers. By contrast, the House bill omits this provision.

To be sure, there are aspects of the House bill which represent some improvement over the Nixon Plan: a 1978 termination of the Corporation's authorization, and a tighter ban on commingling funds to achieve illicit purposes, a denial of tax-exempt status to legal services groups which lobby, to mention those most effectively worded.

But, despite these few improvements, President Nixon cannot sign any legal services plan which the current conference deliberations might produce and still keep his word to the American people, when in his 1971 legal services veto message, he said: "The provision creating the National Legal Services Corporation differs crucially from the proposal originally put forth by this Administration.

"Our intention was to create a Legal Services Corporation, to aid the poor, that was independent and free of politics, yet contained built-in safeguards to assure its operation in a responsible manner. In the Congress, however, the legislation has been substantially altered, so that the quintessential principle of accountability has been lost. In re-writing our original proposal the door has been left wide open to those abuses which have cost one anti-poverty program after another its public enthusiasm and public support."

The President punctuated his veto with the statement: "It would be better to have no Legal Services Corporation than one so irresponsibly structured." As one who helped draft that veto message, I know the meaning behind those words.

Now, after the third unsuccessful effort to get a suitable Corporation plan enacted by the Congress, and widespread disenchantment with the manner in which it is being administered at OEO, the President should try a new approach: take the funds now used to underwrite the OEO program and reassign those dollars to the states under revenue sharing, as part of a "New Federalism" approach. In this way, people all over America, rather than a few ultra-liberal Washington bureaucrats, will have a role to play shaping a program "which places the need of low-income clients first," with money used to pay legal costs, rather than to underwrite political causes.

That is how many public defender systems work now in criminal cases. Such a system should be at least equally viable for civil suits.

If the President follows this path, he will "earn much credit" when the history of this era is written.

SCHOOL LUNCH PROGRAM IN PERIL

Mr. HUMPHREY. Mr. President, a compelling article, "Shaping Up: A Grave Threat to School Lunches," appeared in the April 15, 1974, edition of U.S. News & World Report. The article concisely points out that a crisis will develop for school lunch programs if the commodity distribution program of the Federal Government is ended.

The growing demand for basic food commodities has reduced the surplus foods available to carry on this program. Last year, the USDA was given the authority for 1 year to purchase commodities when not in surplus. If this authority is not extended beyond June 30, 1974, the Department of Agriculture will begin reducing its acquisition of commodities.

The Department of Agriculture can provide funds to make up the shortfall in commodities. The problem which arises is that money received by the school system is not as valuable as food, because of the great difference in the buying power between the Department of Agriculture and the individual schools purchasing food for their own use.

In the past the Department of Agriculture has been able to influence the agricultural market by buying surplus commodities, and thus "save the market." This has happened earlier in the case of orange juice and more recently with the purchase of beef.

This useful capacity will be diminished if the commodity distribution program is phased out.

This article surely indicates the need to pass without delay, S. 2871, of which I am a joint sponsor, in order to extend the authority of the USDA to purchase commodities not in surplus.

Mr. President, I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

Shaping Up: A "Grave Threat" to School Lunches

The cheap but nourishing lunches served to millions of children in school cafeterias have long been an accepted part of the American way of life—but that way is about to change.

Beginning June 30, the Department of Agriculture will start a "phase-down year" of buying surplus foods for distribution to public schools.

That decision will end federal control of the National School Lunch Program, which got under way in 1946. It will also mark a turnabout in the Government's efforts to find outlets for surplus foods since the first guidelines for commodity buying were set up in 1935.

The reason, according to Administration spokesmen, is simple: Surplus food is getting scarce.

What this is likely to mean is added headaches and possibly rising budgets for school administrators across the country. Protests already are pouring into the nation's capital.

A CHANGING MARKET

Main points at issue between school authorities and the USDA are these:

The educators contend that only the Federal Government, with millions to spend on commodities in vast quantities, has the purchasing power to provide lunches at a cost that students from poorer families can afford.

Federal authorities answer that, with the rising worldwide demand for agricultural products, their leverage to buy in volume at below-market prices is fast dissolving.

The recent record shows this: In 1973, surplus food channeled into schools fell about 70 million dollars short of filling lunch-program needs. The USDA contributed funds to bridge the gap.

Next year, Agriculture economists say, the situation could be even worse, with the shortage of basic food commodities growing more critical.

Edward J. Hekman, administrator of the Food and Nutrition Service, told a Senate committee conducting hearings on the school-lunch program:

"Our efforts to purchase foods, even at market levels, are facing stiff competition, the result being that sometimes USDA receives no bids on orders at all."

Still, there is no intention to leave the school-lunch program completely in the lurch. Assistant Secretary Clayton Yuetter suggested that the USDA hand over to State food-purchasing offices all money appropriated for lunches. Last year, that would have amounted to 313.7 million dollars.

According to an Agriculture spokesman, this shift in purchases to the States would have little effect on a number of schools.

"Many school districts," he said, "have been buying about 80 per cent of their commodities locally anyway."

SHOCK TO SCHOOLS

But other districts which lack purchasing and distribution systems are—in the words of one official—"absolutely stunned."

An authority in the Montgomery County, Md., school system said:

"We would lose quite a few of our staple items such as butter, flour, cornmeal. We would have to buy these locally at inflated prices. Even if USDA gave us extra money we wouldn't come out even. We don't have the purchase leverage they do."

A Virginia State official noted that the Government has already reduced the level of spending for the program by 23.7 million dollars and is seeking to cut it further. What schools need, he argued, is a 12 per cent increase.

A cook in one school wrote to a Senator: "I am sure our school-lunch program would go down in defeat if the USDA took from us these commodities that we are using in our lunches."

Gray Hodges, superintendent of the Beaufort, N.C., country board of education, wrote:

"There is no way we could purchase the same quantity or quality of foods. . . . Without the support of the USDA commodity program, our total school-lunch program will be in jeopardy."

In Springfield, Oreg., a food-service official estimated that, if the USDA ceases to buy commodities, at least 20 of the city's school will have to to without a lunch program.

CUT IN BUYING POWER

On March 28, Ellsworth Reiss, president of a food-distribution association, representing 13 States and the District of Columbia, told a Senate Agriculture subcommittee:

"Please remember that if there is a cash flow to individual schools in lieu of commodities, the volume buying power they have enjoyed in the past will be gone. Individual recipient agencies or an individual State cannot duplicate the savings that the USDA has realized in volume purchasing."

Senator George McGovern (Dem.) of South Dakota, has introduced a bill which would extend the authority of the USDA to buy commodities—even at above-parity prices—for two more years. But Agriculture officials warned that, if the McGovern measure becomes law, "we will be in the commodity-procurement business forever."

Even as the USDA prepared for the "phase-down year," however, President Nixon announced the purchase of 45 million dollars' worth of beef to be distributed as hamburger to schools.

IN A QUANDARY

The action was described as a help to cattlemen in disposing of a surplus in beef. However, John G. Mohay, executive vice president of the National Independent Meat Packers Association, said it left packers "in a quandary."

If the USDA wants "choice" beef, as it indicated, he said "I don't see how is could be provided for less than a dollar a pound." This could bring further pressure toward higher prices in lunchrooms and family kitchens.

Opinion favoring the phaseout is not unanimous even within the USDA. Says one of its food-service officials:

"If the USDA goes out of the commodity business, surpluses will go begging. There will be no way to buy or distribute them. Don't forget your distribution centers will be phased out, too.

"We'll be back to killing animals again as we did in the 1930s when all this got started."

BOOK PUBLISHED BY LOUIS CASSELS

Mr. THURMOND. Mr. President, the virtues of living in a small town are beautifully expressed in the book entitled, "Coontail Lagoon: A Celebration of Life."

This book, published by Westminster Press, was authored by the late Louis Cassels, United Press International religion writer, who retired in my hometown of Aiken, S.C., several years ago. Mr. Cassels was a native of a nearby community named Ellenton. This town was wiped off the map in early 1950 when a large parcel of land was taken over by the Federal Government for construction of the Savannah River plant.

Mr. President, I recommend this interesting book to my colleagues. It would be especially good reading in these times of constitutional crisis and world military problems.

An article about Louis Cassels' final book was published in the April 3, 1974, issue of the Aiken Standard newspaper, Aiken, S.C. Mr. President, I ask unanimous consent that this article entitled, "Cassels' Final Book Heralds Small Town" be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CASSELS' FINAL BOOK HERALDS SMALL TOWN

(By Grant Dillman)

Louis Cassels, UPI's late religion writer, wrote a final book just before his death keyed to the belief—in his own words—that "the fully abundant life is more freely accessible in town-and-country America than in large, cosmopolitan cities."

Whether or not you agree, the book is convincing evidence Lou proved his theory at least to his own satisfaction. He called it an account of a "very ordinary, often weak man crawling slowly back from the brink of death and rediscovering the sheer joy of being alive in this beautiful world God has made."

Published by Westminster Press, the book is titled, "Coontail Lagoon: A Celebration of Life". It is a relatively thin volume, but it is full of the emotional riches Lou and his wife, Charlotte, discovered in Aiken, in the last two years of his life.

Aiken was Lou's home and he always had planned to retire there. He advanced his timetable one evening in 1970 while in Philadelphia to receive Villanova's St. Augustine award for distinguished service to journalism. A UPI reporter dashed up to say, "Smitty just shot himself."

Smitty was Merriman Smith, UPI White House Reporter who finally found the pace of covering presidents too much. That night Lou and Charlotte talked about their friend and decided to get away as soon as possible from "big league journalism and the high-pressure life that attends it."

Lou arranged to return to Aiken after the 1972 presidential elections. He would write only his religion columns and occasional special articles. Then, 14 months later, he suffered a heart attack and left Washington as soon as he was out of the hospital.

Lou and Charlotte already had built a retirement cabin at Coontail Lagoon, located on the fringes of a swamp just outside Aiken and his book really begins when they walked into the cottage and "Charlotte turned to kiss and hold me tight in her arms."

"We're home, Darling," she said. "We're starting a new life, and it's going to be the best yet."

What Lou found was the "soothing, soporific sound" of a small waterfall outside his bedroom window, the diversity of swamp wildlife, the thousands upon thousands of birds that stop at Aiken on their annual migrations and a suburban gardener's appreciation of nature's profligacy with wild flowers.

"The deepest mystery of the universe lies not in the evil and ugliness that abound in it but rather in the good and beauty that persist amidst its perils in spite of everything."

He discovered the changes in the South since his boyhood.

"I see black men and women working in factories side by side with white men—for identical wages. I see black families living in modern brick homes and driving late model cars. I see black people sitting where they choose in movie theaters, entering restaurants and motels without qualms."

He found southerners he knew fascinated but not shocked by Watergate.

"Southerners take for granted that all politicians are apt to be crooked unless very closely watched. . . . As one of my friends remarked during the Watergate hearings, 'Every politician knows that it pays to be honest—but it don't pay as much'."

He found the verities of Aiken unchanged.

"Just as wine reflects, in taste and bouquet, the type of grapes used, the soil in which they are grown and the amount of sunshine and rainfall . . . a town derives its distinctive character from the interaction of . . . its history, its people, the climate and geographical location. . . . If towns are like wine, Aiken belongs in the same class with Montrachet, La Tache and Lafite-Rothschild."

Lou obviously also found a large measure of personal peace.

NATIONAL ARTHRITIS ACT

Mr. RIBICOFF. Mr. President, it is long past time for this country to mount an attack on a disease that afflicts 50 million Americans—arthritis. For this reason, I am cosponsoring S. 2854, the National Arthritis Act.

The cost to the Nation and to the State of Connecticut from arthritis disability is staggering in terms of medical bills, lost wages, workdays lost, payments to the permanently and totally disabled, and social security disability insurance payments.

In Connecticut alone the figures are staggering. According to the Connecticut Arthritis Foundation:

Over 768,000 Connecticut people suffer some form of arthritis; 307,000 of them need medical care; 52,500 of them are disabled; 3,750 new victims become afflicted with arthritis in Connecticut each year; 76,800 Connecticut citizens have the worst form of arthritis—rheumatoid arthritis—which strikes during the prime 20–45 year age bracket; 3,750 Connecticut children have juvenile rheumatoid arthritis; the annual economic impact of arthritis in Connecticut is $135 million.

Arthritis costs Connecticut citizens $52.5 million in lost wages and the Federal Government $11.5 million in lost taxes; medical costs for arthritis in Connecticut run to $37.5 million a year; over 210,000 working mandays are lost in Connecticut each year due to arthritis; over $6 million is wasted annually in Connecticut on worthless arthritis "cures and remedies" and $400 million is wasted nationally; unfortunately, less than $20 million a year is spent on arthritis research.

These statistics show that a frontal attack is needed on this disease which can strike not only the old but the young and middle-aged as well.

The National Arthritis Act provides for the establishment of a task force to develop a national arthritis plan. The plan will include recommendations for utilization and organization of our national resources in a coordinated way and will include a program for the National Institute of Arthritis, Metabolism and Digestive Diseases.

The proposed legislation also establishes a focal point for coordinating arthritis by establishing an Associate Director for Arthritis with the Institute.

One of the most important features of the bill is the establishment of an arthritis screening, early detection and control program, and national research and demonstration centers. Early detection and treatment of arthritis can minimize years of pain and disability. The national centers will provide an opportunity for intensive, interdisciplinary arthritis research and training in, and demonstration of, advanced diagnostic prevention, treatment and control methods for arthritis.

To carry out the screening, early detection and control program, there would be authorized $40 million from fiscal 1975 through 1977.

For the establishment of research and demonstration centers and research capacity $45 million in total is authorized for fiscal years 1975 through 1977.

I am pleased to join with Senators CRANSTON, WILLIAMS, JAVITS and others in this bipartisan effort to begin a coordinated fight to alleviate the pain and suffering which arthritis afflicts on millions of Americans.

THE WATERGATE TAPES

Mr. McCLURE. Mr. President, there are two aspects of the critical tapes question which disturb me. One is scientific, the other political. In the first instance Science magazine has published an interesting account of an alternative solution to the mysterious tape erasures. It may be the right one. It may not. The point is that one scientifically acceptable solution was ignored. Mr. Wade's article points out that the court appointed board was composed of "experts in acoustics and computer processing—sensible fields to choose before one knew what the problem was—but not particularly familiar with the workaday problems of tapes and tape recorders." He further points out that "little data is given in the panel's summary report." While I have no doubt that their investigation was carried out in the best of faith its method was more that of fiction than of fact. Novelists pick and choose from their data in order to stress what they consider important, and traditionally at least, in order to adhere to their plot lines. Scientists have all the data at hand and may not discard or stress any of it without a full explanation. Even then their presentation is still hypothetical. This second study has shown that while the first explanation may be true it is not scientifically necessary. Because Miss Woods' machine was repaired before testing, because the appropriate brand of machine was not used in testing and because the possibility of the faulty rectifier's having affected the flow of power to the erase head without turning off the machine altogether, we have a study which does not take into account all of the possibilities. We therefore have fiction, not science. The political problem is more subtle.

When the experts' report purported to show that whatever else had happened someone had deliberately erased the tapes, the subject was discussed ad infinitum by everyone who could get his mouth open. Now that there is a viable debate we suddenly learned that the court had proscribed the discussion as taboo. All I can say is that I hope this is a coincidence. I am pointing to these matters not because they exonerate the President or indict him, they do neither, but as a believer in fairness I cannot leave them unsaid. Mr. President, I ask unanimous consent that three articles on the subject be printed in the Record.

There being no objection, the articles were ordered to be printed in the Record, as follows:

WATERGATE TAPES: CRITICS QUESTION MAIN CONCLUSION OF EXPERT PANEL

(By Nicholas Wade)

Nothing in the last month has damaged President Nixon more than the conclusions reported by the panel of experts suggesting that the 18½-minute gap on the 20 June tape was erased deliberately. Conversely, few things would have helped Nixon more than if the panel had come in with a report that the erasure and buzz might have been caused accidentally. As it happens, all the data the panel has revealed so far can be accounted for by an explanation which the panel apparently failed to consider, but which implies that the erasure was accidental and not deliberate.

This alternative explanation has received surprisingly little attention, maybe because the panel's conclusions fitted so well with people's expectations. It has been mentioned in passing by Charles S. Rhyne, the attorney for Miss Rose Mary Woods, but his remarks have been reported skeptically in the press. Rhyne himself has not had the report proposing the explanation checked out by technical experts, and delayed a week before passing it on to Judge John J. Sirica on 6 February.

The report is the work of a small electronics firm, Dektor Counterintelligence and Security Inc., located in Springfield, Virginia. The Dektor people argue that the sounds and magnetic marks discovered by the panel on the 18½-minute segment could all have been caused, in a single continuous operation, by the sputtering on and off of the tape recorder's internal power supply. The Uher 5000 used by Miss Woods is known to have a defective rectifier circuit, which in fact burned out while the recorder was in the panel's hands. The panel of experts, on the other hand, based their conclusion—that there must have been at least five separate manual erasures—on their belief that the magnetic marks could only be imprinted by hand operation of the button controls.

Two electronics experts consulted by *Science* say that the Dektor hypothesis is technically feasible and is as compatible as is the panel's version with what little data is given in the panel's summary report. The panel's testimony before Sirica's court, which runs to more than 300 pages of transcript, contains nothing to suggest that the panel considered the Dektor hypothesis, and, in fact, there are positive indications that the panel did not.

Citing an order by Sirica not to talk to the press, members of the panel refused last week to say whether they had considered the Dektor explanation before releasing their summary report, or whether they have since performed tests to rule out the explanation. According to Barry Blesser, an assistant professor of electrical engineering at MIT, who advised on the selection and work program of the panel (*Science,* 14 December, p. 1108), the data in the summary report do not allow a decision to be made between the two hypotheses. But he finds the panel's more believable because the magnetic marks on the 18½-minute gap fall into the classic pattern made by some inexperienced with recorders trying to erase a tape.

Blesser adds that he cannot imagine people of the panel's caliber failing to perform the obvious tests that would rule out the Dektor theory. On the other hand, Allan D. Bell, president of Dektor, observes that the panel members are experts in acoustics and computer processing—sensible fields to choose before one knew what the problem was—but not particularly familiar with the workaday problems of tapes and tape recorders.

Bell's company, headquartered above a cookie factory just beyond the Washington beltway, has a staff of 30 professionals, most of whom have backgrounds in the intelligence community. The company develops equipment for use in counterintelligence and security—two recent products are a psychological stress evaluator and an instrument for testing whether a telephone has been converted into a listening device. The company put about 100 man-hours into its analysis, which was based on the data in the panel's summary report and tape recorder tests conducted in Dektor's laboratories. The analysis was done for the "fun of working out a logic problem," Bell says, and because of an intuitive feeling that the experts' report was incomplete. Dektor is receiving no fee from Rhyne, nor is Bell interested in anything beyond the technical issues, such as how the gap could have lasted 18½ minutes. "I'm limiting my entry into this mess," he says.

The explanation developed by Bell and his colleagues goes as follows. A malfunction started in the tape recorder circuitry (maybe in its filter capacitor) which rectifies the alternating current from the mains into direct current. Because of the malfunction, there occurred a series of intermittent voltage drops in the d-c supplied to the bias oscillator, which energizes the erase and record heads. (The voltage drops would not necessarily affect the forward movement of the tape because the tape capstans are driven directly from the a-c mains supply.)

Whenever the voltage fell below a certain threshold value, the oscillator would cease to oscillate, and the erase and record head would be deenergized, leaving their characteristic magnetic signatures on the tape—a quartet of lines for the E-shaped erase head of the Uher 5000 and a doublet for the U-shaped record head. Momentary deactivation of the heads would also produce the brief snatches of speech and other phenomena on the erased section. The malfunctioning rectifier could also cause the predominant buzzing sound on the erased section.

The Dektor conclusion is that "it appears at least feasible that the entire scenario described in the report [of the panel of experts] and the graph and in the ensuing testimony could result from an intermittently defective power supply with the recorder in forward continuous transport, without stops or reversals, for the entire buzz section." Bell and his colleagues add that they cannot say that the defective power supply was the cause, nor that the panel's conclusions could not have been the cause—"We can say only that the power supply problems provide an apparently equally feasible alternative."

In addition, the Dektor study contradicts the panel's report on two points of fact. First, the panel states in its report and testimony that only by manual operation of the recorder's control buttons can the erase head be deenergized and the quartet signature imprinted on the tape. Dektor's tests with a Uher 5000 show that anything that causes a voltage drop will deenergize the erase head—in fact this is exactly how the erase head is normally activated and deactivated. A less important oversight is the panel's statement that the record head leaves a single mark on deactivation; had the panel employed the more refined method of developing magnetic marks used by tape experts they would have picked up the fainter, second line of the record head doublet, Bell suggests.

As Blesser observes, it is extremely hard to believe that the panel did not consider and exclude the Dektor hypothesis before presenting its own. Yet various statements made by the panel in court indicate fairly certainly that it had not considered salient points of the Dektor argument (court transcript 17 January 1974, pages 2688–2690):

Mr. St. Clair [attorney for President Nixon]. If there was such an interruption [of the power supply], would it not de-energize the head?

Mr. Weiss [panel member]. It would also de-energize the motor.

Mr. St. Clair. I wonder if you would respond to my question and then make an explanation.

Mr. Weiss. Yes, it would de-energize the head.

Mr. St. Clair. And if it de-energized the head, it would make this series of character marks, wouldn't it?

Mr. Weiss. No.

Mr. St. Clair. I thought it had been given here [that] if the erase head is de-energized it makes a characteristic mark consisting of a quad.

Mr. Weiss. I would like Mr. McKnight to respond to that.

Mr. St. Clair. Certainly. [McKnight explains that tests made on a Sony recorder show the power cut does not cause a mark, but the test has not been performed on the Uher 5000.]

Mr. St. Clair. So if there were a series of power cut interruptions, you are not now prepared to tell us whether or not it would make these characteristic marks on the tape?

Mr. McKnight. We can only give an opinion; right. . . .

St. Clair then puts a crucial question:

Mr. St. Clair. Perhaps if you don't know this, maybe we could refer it, but supposing there was an interruption in the power supply *of* the machine, rather than the power supply *to* the machine [italics added].—You get the differentiation?

Mr. McKnight. Yes.

Mr. St. Clair. . . . [Y]ou are not now prepared to tell what result if any would result on the tape, if that were to be the situation? You knew there was a . . .

Mr. Ben-Veniste [attorney for the Special Prosecutor force]. We don't have an answer to that question.

Mr. McKnight. I am sorry. No, I don't believe we can definitely answer that question.

A test that could fairly decisively rule out the Dektor hypothesis and corroborate the panel's conclusions would be to look for any discontinuities in the 60-cycle-per-second tone and harmonics thereof that make up the buzz. There are several places in the testimony in which it would be quite natural to cite this test—if it had been done—and indeed the panel did look for a phase discontinuity at the point where the buzz suddenly become softer, but none was found. Moreover, if the panel members had suspected that the failing rectifier might have had anything to do with the marks on the buzz section they would presumably not have performed tests on Miss Woods' recorder until it failed and then thought only of fixing it. A diode bridge was replaced, and, according to Weiss, "We, of necessity, had to open up the interior . . . and tighten down several screws and, quite conceivably, for example, may have tightened a ground connection to a point where it was making more firm contact than previously." After these adjustments the Uher 5000 would not buzz any more. The panel's action made it vulnerable to a scathing accusation by Miss Woods' attorney that it had destroyed vital evidence. To Rhyne's question, "So in effect you obliterated the evidence which anyone else would need to test your conclusions, did you not?" Weiss had to reply, "Yes, in large part."

Why then did the panel of experts apparently fail to consider the possibilities raised by Bell and his colleagues at Dektor? The logic of the panel's thought processes emerges fairly clearly from its voluminous testimony before Judge Sirica. The "key and guts" of their report, panel chairman Richard H. Bolt agreed in answer to a question from Ben-Veniste, was the quartet signature left by deenergizing the Uher erase head. The panel repeatedly states that only the control buttons can deenergize the erase heads, so the argument presumably went, "Erase quartet means deenergization means hand operations of the buttons." Panel chairman Bolt stated explicitly, "We asked the question: What operations on the key board would produce that internal function such as, for example, turning power from the erase head. These are the only questions we looked at." All facts were explained to fit this framework and those that didn't, such as the occurrence of the buzz, tended to be ignored. "In our view, the presence or absence of buzz and the exact source of buzz is essentially irrelevant to the issue that we are looking at technically," Bolt told Sirica.

If the panel had decided that the buzz was relevant, it might have been led to consider the effect of the failing rectifier circuit. In fact the panel put considerable effort into determining the source of the buzz and decided, after discovering a correlation between the loudness of the buzz and variations in the noise on the main power supply, that the latter was the source of the buzz. Weiss even went to the White House with a tape recorder to record the power output of the plug in Miss Woods' office. (No noise variations were detected, the reason being, the panel later decided, that the President and his staff were away at the time and power drains in the White House were different from usual.) "After all of the concentration on the buzz," Rhyne asks at one point in the hearing, "then you in effect throw it out of the window. Why?" "We believe that the most solid and basic evidence that we have developed is the direct magnetic evidence on the tape," Bolt answers.

Why did the panel present the court and the public with a summary of its conclusions (which, as it happens, was consciously written in the form of a press release) before it was ready with the technical details on which the conclusions were based? It seems that Sirica asked for a summary to be delivered as soon as possible and the panel was sufficiently confident to give it. Despite the unwelcome nature of their summary to the White House, the panel was so surprised to be treated as hostile witnesses by St. Clair and Rhyne that they asked for a special hearing before Sirica to complain. "We cannot function properly if we are in some minor way set off our stride, or disturbed," panelist Thomas G. Stockham told the judge.

Even if the panel had not considered the Dektor hypothesis at the time of last month's hearings, it will by now have checked it out. It is quite likely that the hypothesis has been disproved, if only because the panel would presumably have publicly admitted by now if its conclusions were ambiguous or even incorrect. Even should the Dektor explanation be true, some important problems remain for those wishing to base a full scenario on it. It is probably necessary to assume that Miss Woods talked for 18½ minutes on the telephone instead of the 5 she estimates. (Argument here would hinge on how common it is to make such an underestimate of time.) Barring a malfunction in the Uher's controls, for which there is no evidence, she must have pressed the record button instead of the stop, as she has related in court, and also have kept her foot on the foot pedal throughout the 18½ minutes. Next is the question of why she cannot remember whom she was talking to. (Rhyne says she receives some 90 calls a day, too many to keep a log of. He adds that he doesn't think there was anything on the tape anyway—Nixon and Haldeman had four meetings the day before, on 19 June, one of them on an airplane, where sensitive aspects of the break-in 2 days earlier were more likely to have been discussed.

President Nixon has been reported as saying that he doesn't know how the 18½-minute erasure was made, but that he feels it was accidental. If the Dektor hypothesis should be proved correct, there is a chance he may be right.

THE TAPES: CHALLENGING THE EXPERTS

(By Joseph Alsop)

The gravest charges have now been convincingly made against Judge John J. Sirica's panel of experts on the Watergate tapes. They have been accused of tampering with vital evidence. They have also been accused of quite possible gross error.

If the charges stand up, the President and his staff are guiltless just where they have been found most guilty, in the matter of doctoring the tapes. This is startling enough. But what makes the charges far more startling is their source.

The source is Science. This magazine is the weekly organ of much of the American scientific community; and the editors of Science are not much more fond of President Nixon than the editors of the most anti-Nixon newspapers you can think of. Yet here is Science galloping to the President's rescue in the manner of Young Lochinvar.

The Science article, written by Nicholas Wade, concerns the ultra-famous Watergate tape with the 18½-minute gap filled only by a buzz. Judge Sirica's experts found that the gap was unquestionably made by purposeful erasure of the tape. This was said to be proven by electronic stop/start "signatures" numbering at least five, and perhaps as many as nine.

To make their study, the five experts, chairmaned by Richard H. Bolt, were given the Uher 5000 tape recorder used by the President's personal secretary, Miss Rose Mary Woods, plus the original of the tape with the 18½-minute gap. The whole strange plot revolves around the fact that the Uher 5000 recorder was defective, to the point of breaking down in the hands of the five experts.

When this happened, the evidence-tampering occurred—no doubt innocently yet quite unchallengeably. By their own admission, the experts "opened up the interior" of the machine, replaced a diode bridge and tightened screws and probably ground connections as well. In other words, the Uher 5000, a most material piece of evidence, was physically altered in a most material way.

It may therefore be impossible, hereafter, to test the machine's possible malfunctions before it came into the hands of the panel of experts. With a view to such tests, however, Judge Sirica has already been asked for the defective diode bridge that was replaced, plus the exact record of the other changes made in the Uher 5000 by the expert panel. No answer has as yet been forthcoming. It even appears possible that no record was kept by the experts and the defective diode bridge was simply thrown away.

This is all vitally important, in turn, because of a peculiar characteristic of the Uher 5000 recorder. A voltage drop resulting from malfunction can just as easily produce the stop/start signatures found by the expert panel as can a purposeful effort to erase the tape.

Incredibly enough, by their own admission in court, the expert panel tested this question of erasure by malfunction on a Sony recorder instead of on the Uher 5000. The Sony does not have the Uher's peculiar characteristic above noted. Thus the possibility of erasure of the tape by malfunction was dismissed after a phony test in a shockingly slip-shod way.

To make the whole tangle stranger, none of the foregoing might have surfaced if it had not been for a group of ex-military intelligence officers. These men have formed their own little electronic company, Dektor Counterintelligence and Security Inc., Springfield, Va.

The company makes de-bugging equipment and the like. Its head, Allan D. Bell, is a special expert on tape recorders—whereas, none of Judge Sirica's experts has ever had any known practical experience with tape recorders.

Bell read the report of the expert panel, smelled a rat and wrote another report for his own amusement, concluding that "power supply problems" (in the Uher 5000) were an "equally feasible alternative" to the purposeful erasure explanation of the Sirica experts.

Bell's company does no government work, has no White House connections, and got no reward for the Bell report. One evening, however, another officer of the company got "fed up with the circus on television." Hence, he called Miss Rose Mary Woods' lawyer, Charles Rhyne. Thus the Bell report's challenge to the Sirica experts later found its way into Science, which supports the challenge in its careful article.

There are still plenty of other technical complications, concerning that telephone call by Miss Woods, for instance, that supposedly had something to do with the gap in the tape. The existence of an "equally feasible explanation" does not mean that the Sirica experts' explanation is quite certainly wrong either.

Yet in this country, a man is presumed innocent until he is solidly *proven* guilty. The opposite rule has clearly been followed in this case, and with the President of the United States. So this is not a very pretty story.

WATERGATE TAPES

Joseph Alsop's stirring disquisition on the Watergate tapes depicts *Science* magazine as "galloping to the President's rescue in the manner of Young Lochinvar." The immediate intent of the *Science* article was, it should be confessed, less chivalrous. The purpose was simply to show that the panel of experts appointed by Judge Sirica had apparently failed to consider and rule out an alternative explanation of how the 18½-minute gap on the tape of June 20 might have been caused.

The alternate explanation, as it happens, interprets the various sounds and marks on the erased section as the product of electrical failure rather than that of five to nine separate hand manipulations—whether accidental or deliberate. This would still leave us with an 18½ minute gap, presumably made by one continuous operation and the question of how it was caused. In other words, even if this alternate explanation should be proved correct, there would be a long way yet to go before President Nixon's disentanglement because as simple as Fair Ellen's.

Mr. Alsop writes that the panel of experts "have been accused of tampering with vital evidence. They have also been accused of quite possible gross error." Their behavior was perhaps not quite as felonious as this implies. What happened was that the Uher 5000 tape recorder used by Miss Woods broke down while the panel was carrying out tests. The expert's first instinct was to fix it. They replaced an electrical part called a diode bridge which was saved—not thrown away—and tightened down a few screws and ground connections. After being fixed the machine wouldn't make its famous buzz any more but the panel was not particularly concerned because they had decided the buzz was irrelevant to their investigation. There can be no question that the repairs on the machine, however inadvisable from a legal point of view, were made completely innocently. Quite apart from the fact that the panel members are men of integrity, all distinguished in their own specialized fields, it is fairly certain that at the time of making the repairs they had not considered the possibility that the malfunction might be the key to the problem.

It was this possibility that was seized upon by Allan D. Bell, president of Dektor Counterintelligence and Security Inc. After reading the summary report of the panel of experts, he and his colleagues at Dektor performed various tests on the Uher 4000 tape recorders they had in their laboratories and on a Uher 5000 which they were able to borrow for a brief period. According to the theory they developed, a defect might have started in the Uher 5000's rectifier, a piece of electrical circuitry which converts alternating current from the main into the direct current needed to drive what is known as the bias oscillator. The bias oscillator, in turn, supplies current to the erase and record heads of the Uher 5000. Because of the defect, the Dektor theory goes, the rectifier in the process of failing might have caused a series of momentary cut-offs in the direct current to the oscillator. The cut-offs would have produced both the brief snatches of speech discovered by the panel on the erased section, as well as the characteristic "signatures" left by the erase and record heads when they are de-energized. (The rectifier cut-offs would have produced both the forward movement of the tapes because the tape capstans in the Uher 5000 are driven by unrectified, alternating current direct from the main).

The panel of experts, on the other hand, started with the erase head signatures, which they described in testimony before Sirica as the "key and guts" of their report. They decided that the one and only way in which the erase head signatures could get on the tape was by hand operation of the Uher 5000's control buttons to turn the erase head off. Hence they concluded that the presence of at least five erase signatures on the tape could only mean that the tape had been erased on at least five separate manual operations.

The Dektor people are careful to point out in their report that they cannot prove either that their explanation is right or that the panel's is wrong. All they are saying is that the power supply problems "provide an apparently equally feasible alternative." But they contradict the panel on two matters of fact. One is the crucial point that anything that produces a voltage drop in the bias oscillator—not just operation of the control buttons, as claimed by the panel—will cause the erase signature to be imprinted on the tape. The other point of difference, irrelevant to the argument but with a certain bearing on the panel's familiarity with tape problems, concerns the mark left by de-energization of the record head. The panel mentions that the record head leaves a single mark on the tape. If the panel had used the more refined method of developing tape marks employed by tape experts, Bell says, they would have picked up the second, fainter mark of the record head pair.

Did the panel consider and rule out the Dektor theory before going public with their summary report? The testimony given before Judge Sirica on Jan. 17 makes fairly evident that they did not. Asked by James St. Clair, Mr. Nixon's attorney, if de-energization of the erase head by a power cut would leave an erase signature on the tape, one panel member said it would not and passed the question to a second member who said he couldn't say. Tests conducted on Sonys and similar machines had showed that power cuts do not leave erase signature, but the panel had not run the test on Miss Woods' machine or, it appeared, on any other Uher 5000. The testimony then went as follows:

Mr. St. Clair: Perhaps if you don't know this, maybe we could refer it, but supposing there was an interruption in the power supply of the machine, rather than the power supply *to* the machine [italics added]—You get the differentiation?

Mr. McKnight: Yes.

Mr. St. Clair:—you are not now prepared to tell what result if any would result on the tape, if that were to be the situation? You knew there was a—

Mr. Ben-Veniste: We don't have an answer to that question.

Mr. McKnight: I am sorry. No, I don't believe we can definitively answer that question.

What the panel made public on January 15 was a summary report containing its main findings. The data on which these were based were promised in another three or four weeks. Until this full supporting data is published, there seems to be no way of deciding whether the panel or the Dektor people are right. Barry Blesser, an associate professor of electrical engineering at the Massachusetts Institute of Technology, who advised on the selection and work program of the panel, says that on the evidence available so far, one cannot decide between the two theories. But Blesser favors the panel's version, because the bunching together of the erase signatures at the end of the buzz section conforms to the classic pattern made by someone inexperienced with tape recorders trying to erase a tape.

An obvious test that would decide between the two theories is to look at the waveform of the buzz. The buzz is composed of the 60 cycles per second hum and harmonics thereof of the main current. The waveform is a regular up and down line which wiggles from peak to trough 60 times a second in the case of the basic frequency. If the panel's theory is right, there should be a break in the waveform at each point where the recorder was stopped. If the Dektor theory is right, the recorder was not stopped and the waveform should be continuous throughout the 18-minute section.

The panel has presumably carried out this test by now, and may quite probably have proved the Dektor hypothesis incorrect. This at least will mean that the original oversight was of no practical consequence.

What if the Dektor theory is right? Joseph Alsop writes that if the charges against the panel stand up, "the President and his staff are guiltless just where they have been found most guilty, in the matter of doctoring the tapes." The situation is probably more complicated. Dektor being right would only mean that the 18½-minute buzz section was made in a single, continuous operation. It is still necessary to assume that the tape recorder was somehow put in record mode and left running for 18½ minutes. One way this could have happened is if Miss Woods accidentally pressed the record button instead of the stop button, as she related in court, and also kept her foot on the foot pedal for the full 18½ minutes. One would further have to assume that her telephone conversation lasted this long, and not for the 5 minutes she estimated. There also has to be a reason why she cannot remember who she was talking to. (Miss Woods attorney, Charles S. Rhyne, says she receives some 90 calls a day, too many to keep a log of.)

If, on the other hand, the Dektor theory is proved false, it still will have served the useful purpose of showing that even experts are not omniscient and that, this being so, it is safer to publish one's supporting data at the same time as one's conclusions, as scientific etiquette indeed demands.

Whichever way the Dektor theory turns out, the panel cannot be said to have treated the White House well in failing to take the theory into account.

JUDGE BARS TAPE COMMENT

(By George Lardner Jr.)

U.S. District Court Judge John J. Sirica told White House lawyers and Watergate prosecutors yesterday to stop "continued public comment" about President Nixon's subpoenaed Watergate tapes.

The judge said that it could only hinder the federal grand jury investigation now under way to determine whether any of the recordings had been tampered with.

Sirica summoned the attorneys to his chambers after The Washingon Post reported Sunday that two of the tapes were suspected of being rerecordings.

The White House reacted strongly to the story.

Mr. Nixon's chief of staff, Alexander M. Haig Jr., said the White House was going "to take it to the mat" and perhaps even "go on national television about it."

Mr. Nixon's chief Watergate counsel, James D. St. Clair, followed up the next day with a public statement denouncing the "insinuation" in The Post's story that some tapes had been altered.

Alarmed by the growing debate, Sirica met for more than an hour yesterday morning with St. Clair, Watergate Special Prosecutor Leon Jaworski and Charles S. Rhyne, the attorney for Mr. Nixon's personal secretary, Rose Mary Woods.

All of them, the judge said in a short statement issued after the session, agreed "that continued public comment on the grand jury's work by those who have any association with the investigation is inappropriate.

"The interests of justice require that the grand jury be allowed to speedily complete its work without risk of external interference," Sirica added. "Once the grand jury is through, there will be time enough and opportunity for thorough public analysis."

The judge later called the 23 grand jurors investigating the condition of Mr. Nixon's tapes into his courtroom in what Sirica called "another precautionary step to prevent the disclosure of matters which ought, for the time being at least, to remain confidential."

He specifically told the grand jury "to disregard the news coverage which precipitated this meeting." In an apparent reference to remarks from the White House, Sirica also told the jurors to ignore "all statements unless properly submitted to you."

St. Clair had said that one member of the court-appointed panel of experts assigned to check the tapes for any signs of tampering had expressed the opinion weeks ago that two of them could be recordings rather than the originals they have been represented to be in court.

However, he said that a "technical investigation" by the White House indicated this was not the case.

St. Clair brushed aside newsmen's questions yesterday about who the White House experts were by citing Sirica's call for strict silence.

A spokesman for Sirica also declined to name the White House's new technical consultants. He said the grand jury has been told who they are and may call on them later.

The six experts on the panel named by Sirica last November were jointly selected by the White House and Watergate prosecutors, but the White House apparently grew disenchanted with them when they reported last month that the 18½-minute gap on one of Mr. Nixon's tapes was the result of five separate erasures, all done manually. They said none of the erasures could have been caused by the foot-pedal Miss Woods said she used.

Miss Woods' attorney, Rhyne, has since

denounced the experts and pointed to a report volunteered to him by a Virginia firm, Dektor Counterintelligence & Security, Inc. It suggested that a faulty part in Miss Woods' recording machine could have erased the tape itself by sputtering on and off without her noticing it.

At the same time, Dektor's president, Allan D. Bell Jr., has told reporters this theory still leaves unanswered the problem of how 18½ minutes could have been erased.

Miss Woods has said she might have accidentally caused a short gap in the tape, but she has stated repeatedly that she noticed and corrected her mistake immediately after a five-minute phone call.

In his latest statement, White House special counsel St. Clair seemed to be endorsing the Dektor report. Speaking of the 18½-minute gap, he said that "our technical investigation" has determined that the erasures found by the court-appointed panel "could well have been, and probably were, caused by the admittedly defective recording machine."

However, Sirica's law clerk, Todd Cristofferson, told reporters that the White House has had no direct contact with the Dektor firm and had not enlisted it for expert advice.

The court-appointed experts are expected to resume their work on other subpoenaed tapes shortly.

They have been assigned to check all the recordings for any signs of tampering while the grand jury pursues its inquiry, as Sirica has put it, "into the possibility of unlawful destruction of evidence and related offenses."

Meanwhile, Haig has said he would ask for a Justice Department investigation into sources of The Post's story. It relied on "informed sources at the White House and close to the prosecution."

A Justice Department spokesman said yesterday afternoon that Haig had notified Attorney General William B. Saxbe that an official request would be forthcoming, but the spokesman said it had not arrived yet.

EXPORT CONTROLS AND EXPORT CREDITS

Mr. CHILES. Mr. President, export credits are vital elements in U.S. foreign economic policy. There is important legislation in the committees of the Senate on these matters. Yesterday I testified before the Subcommittee on International Finance of the Senate Housing, Banking and Urban Affairs Committee on legislation I have introduced on export controls and on concerns I have had regarding the export credit policies of the Export-Import Bank.

I ask unanimous consent to have the testimony printed in the RECORD.

There being no objection, the testimony was ordered to be printed in the RECORD, as follows:

EXPORT CONTROLS AND EXPORT-IMPORT BANK CREDITS: VITAL U.S. FOREIGN ECONOMIC POLICY INSTRUMENTS

(Testimony by Senator Lawton Chiles)

Mr. Chairman, the hearings you are holding on export controls and Exports Import Bank credits are of vital importance to our foreign economic policy and are especially timely. Recently, both export controls and export credits have shown themselves to have major significance for the health of our economy and the success of our foreign policy. Wheat exports to the Soviet Union have helped drive up food prices here at home. Export embargoes and export taxes by the oil producing countries have jolted the world economy and world politics. And export credits to the Soviet Union are a critical dimension of detente, at the same time that they raise serious questions of U.S. economic interest and legality.

Given these circumstances, Mr. Chairman, the extension of the Export Administration Act of 1969 and the extension of the authorization for the Export Import Bank cannot be and will not be considered a routine matter by the Congress. We must, I think, be especially prudent in our consideration of this legislation to be sure that we take full account of the changed world economic situation caused by inflation and the energy crisis.

Furthermore, these extensions in authorization come at a time when the Congress is rightly concerned with the gradual erosion of its power to the Executive Branch. The Constitution gives to the Congress the authority "to regulate commerce with foreign nations." We cannot afford to do with trade powers what we did with war powers during the 1960's. We have learned the painful lesson that sweeping delegation of authority to the Executive Branch will come back to haunt us eventually. In these vital foreign economic policy matters we must draw tight legislation which retains Congressional responsibility and does not deal us out of the game altogether by giving the "benefit of the doubt" to the Executive Branch.

This is especially true in trade, but it is also true of export credits. The Export Import Bank is growing extremely fast and becoming an extremely powerful economic force. The legislation submitted by the Administration would permit the Bank's direct loan, guarantee and insurance authority to increase from $20 billion to $30 billion in a four year period and its authority to issue guarantees and insurance on a fractional charge basis to increase from $10 billion to $20 billion in the same period. So we are talking about a period of major growth for the Bank over the next four years for which they request authorization extension. And this is at the same time that export credits to the Soviet Union are a centerpiece of our relationships with that country.

So I think both of these pieces of legislation require the kind of close Congressional scrutiny which you are giving to them, Mr. Chairman, and I am pleased to have the opportunity to join you in that effort.

EXPORT CONTROLS

As you know, in February I introduced a bill, S. 3030, to amend the Export Administration Act to take account of some of the concerns I have had over the last several months regarding export control authority. Some countries that have been somewhat shell shocked by the response in the United States to the oil embargo and oil price rise think that 30–30 is a good number for the bill!!

I have four fundamental concerns which S. 3030 seeks to address. Those are:

First, that the oil embargo and price rise have clearly shown that the United States must have the legal capacity, which it does not now have, to respond with export controls of our own to actions taken by other governments which have damaging effects on the U.S. domestic economy.

Second, there is a newly perceived need to focus trade policy attention on access to supplies, especially supplies of raw materials and natural resources, as well as to continue to be concerned about access to markets.

Third, recent events have made it necessary to consider export controls as a major item for international negotiation both within the GATT trade talks and in whatever other appropriate forum that is effective in harmonizing export policies for commodities of critical economic importance in world trade.

Fourth, it is clear that existing international institutions and rules on export controls are not adequate in the face of strong pressure for unilateral action.

Mr. Chairman, some of the arguments I would make regarding these four areas of concern have already been set out in previous statements I have made. With your permission, I would like to have these statements included in the hearing record following my remarks today and go on to focus on differences and similarities I see between my bill and the Administration bill, S. 3282, which was introduced on April 1st and supported in testimony before this subcommittee by Secretary of Commerce Dent last Friday.

DIFFERENCE BETWEEN CHILES AND ADMINISTRATION BILLS

The Administration bill adds language to the policy authorities of the Act stating that it is the policy of the United States to use export controls "to the extent appropriate to retaliate against a nation or group of nations which have unreasonably restricted United States access to their supply of a particular commodity."

My own view is that this language is both inadequate and dangerous. It is dangerous because it leaves completely open to Presidential determination what constitutes "unreasonably" restricting access to foreign supplies. It is a sweeping delegation of power to the President. The term "unreasonable" has no legal meaning: it has only a subjective meaning. There is no reference to being "unreasonable" in relation to existing domestic or international law. There is no requirement that in order to justify "retaliation" the restricted access to foreign supplies must cause some damaging effect on the U.S. domestic economy. Hence, the Presiden could retaliate with public policy against a country that restricted access to its supplies to a U.S. company even when this action did not have a damaging effect on the U.S. economy. Or a natural disaster which severely cut production in a given year could be interpreted as putting "unreasonable" restraints on access to supplies and enable the President to "retaliate."

What this clause amounts to is a Gulf of Tonkin Resolution for export controls. It is too open ended and too sweeping. It permits all kinds of subjective determinations and would invite representatives by U.S. companies to use it for their own benefit without reference to the national interest. There is no reporting requirement to the Congress and no recourse that we would have to challenge the President if we thought his determination to be questionable or if he failed to act when we thought he should.

The bill I introduced limits using export controls to cases where economic policies or actions by a foreign government have caused or may cause a serious inflationary impact, a serious domestic shortage, or a serious adverse effect on employment in the United States. This langauge limits retaliatory action by us to those cases where it would seem that governments had taken *deliberate* action without regard for the damage that might cause in our *internal* economic conditions. If they have done this, some equivalent response by us which would affect them in a similar way would be necessary as a means of putting pressure on them to adjust their policies so they will not affect us so adversely. We do not now have the legal authority to do this the way the Export Administration Act is drawn so there was no clear legislative mandate for dealing with oil export policies of other governments. We urgently need such a mandate.

But we must be careful that it is not open to misuse. This can be done by drawing the language more tightly and also by having a reporting requirement such as my bill contains which would permit the Congress to review the assessment by the Executive Branch of the actions taken by foreign governments and their impact on prices, employment and growth in the United States.

This would permit the Congress to dispute an Executive determination which might have been motivated by extraneous reasons. It would also allow the Congress to have the information necessary to determine if export controls should be imposed and to urge the Executive to do so in circumstances in which the Executive Branch might be slow to act. Either way this reporting requirement would provide the Congress with the information necessary to have a continuing role and responsibility in setting export policies for the United States.

I think this is absolutely essential and urge the Subcommittee to adopt a reporting requirement and other language it deems necessary to assure that the Constitutional prerogatives of the Congress in trade are upheld. One effective way to do this would be to limit the authorization period. My own bill is a one year authorization bill which would give the Congress strong oversight on the new authorities proposed.

The Subcommittee may also wish to consider language which would permit a Congressional veto in a specified period after the imposition of export controls to guard against misuse and miscalculation. The imposition of controls on the export of soybeans last year was very sudden and had a major effect on our relations with Japan. There was and still is considerable debate as to the merits of that decision. And yet there was no way the Congress could have any influence and was forced into a passive position. With export controls becoming an increasingly vital instrument in our foreign economic policy, this "hands off" condition cannot go on. I don't think the Congress should hamstring the Executive; but I don't think the Congress should leave itself in the position of being hoodwinked by the Executive Branch either.

In a nutshell, Mr. Chairman, in establishing the legal authority for the United States to respond to export policies of other nations which are damaging to us with export controls of our own, the overriding need is for constraint and caution. We need to be sure that a strong, clear message through action on our part can be sent to other nations when they take, in effect, hostile action towards us. So we need to be sure that the Congress can move our government in this direction when the time comes. But we need to be sure also that we can question the use of export controls when they are used for the benefit of a few or to bludgeon a nation into working our will in some other area.

The Administration's bill (S. 3282) throws the shackles of caution and constraint to the wind and in one sweeping sentence gives to the President a free hand in setting export control policies for the United States and deals the Congress out of the game altogether. As between the two bills, I urge this Subcommittee to consider the more precise language of S. 3030 in authorizing export controls in response to other countries and in requiring information for the Congress.

I also believe that it is important to make explicit reference in the extension of the Export Administration Act to the new international economic conditions in which we find ourselves and to the efforts underway to negotiate internationally rules, guidelines and procedures to harmonize world trading practices across the board. These multilateral efforts are crucial to moving the world toward freer trade whereas the domestic political pressures in all nations today are in the direction of more nationalistic and restrictive trade policies, especially in the use of export controls.

I agree entirely with the sentiments in the Administration bill that we should "deal with world shortages of particular commodities, whenever feasible, through international cooperation with major suppliers and consumers of such commodities, rather than by taking unilateral actions". But I find this to be a kind of sop in the opposite direction to offset the sweeping delegation of authority to the President to retaliate whenever he deems it reasonable. I find it strange indeed that an Administration that has supposedly keen interest in getting negotiating authority from the Congress for a new round of international trade talks makes no mention of these in its amendments to the Export Administration Act which is a vital piece in the trade puzzle they are trying to work out. To be frank, the Administration's bill looks to me to be cryptic and hastily drawn.

I think it makes sense for the Congress to make a greater effort to reshape the Export Administration Act to fit the new world economic conditions of today, and to establish some legislative coherence between this Act and the Trade Reform Bill. As I have pointed out before, the Export Administration Act as it stands on the books authorizes export controls essentially as an instrument of *domestic* economic policy. There is a need I believe to write in new language in the "Findings" section and in the policy authorities of the Act to achieve these purposes: (1) to make export controls more explicitly an instrument of foreign economic policy, (2) to clearly cast export controls within the framework of our overall trade policy to achieve internationally negotiated efforts that would result in *less*, rather than more, restricted movement of goods and services, (3) to establish legislative coherence between the Export Administration Act and the Trade Reform Bill, and (4) to take account of the relatively recently perceived problem of access to supplies in relation to which export controls have a vital role to play.

The language in my bill takes account of these different needs. It could be said I suppose that from a purely legal standpoint this language is window dressing but in the delicate and complex period we are in, in international trade today, I think the tone the Congress establishes in setting the nation's trade policy is extremely important. My own view is that this tone should be tough and strong. We must be strong in asserting our leadership internationally toward a world of freer trade in which nations work together to assure greater economic growth. We must be tough with those who would take advantage of international crises and temporary supply shortages to gouge world markets for all they are worth. But at the same time we must be clear which route we want nations to take and which way we intend to go ourselves. It should be clear that the *club* we are putting in this legislation is for that purpose—of getting world trading practices liberalized and harmonized so that world trade expands. The tone we set should not provoke other nations to think this means we are going it alone ourselves, which can only have the effect that they will dig their heels in for the battle. If this happens, the world will be off on a nationalistic mercantilist binge spawned by unilateral actions as in the 1930's. The world cannot afford this and neither can the United States.

The tone the Congress sets in this legislation may well be more important than the tone set in the Trade Reform Bill, because it is export controls which both here and abroad are the easiest expressions of nationalistic pressures. I think the importance of this legislation before your Subcommittee has been largely overlooked and I hope that the Congress will exert its leadership in trade by legislating clearly, coherently and responsibly the use of export controls.

EXPORT CREDITS

No less controversial or important is the whole question of our export credit policies. The credits of the Export Import Bank are lower than commercial bank credit. The legislative mandate of the Bank is to promote exports. This means that the Bank should finance exports which would *not* have been sold *without* Export Import Bank financing. U.S. exporters should have recourse to these export credits only as a last resort after having fully exhausted the possibilities for obtaining credit in the commercial market.

Whether or not EXIM is in fact promoting exports which would not have moved without EXIM financing is open to debate. It is hard to prove one way or the other. It may well be that because of the attractive credit terms, the Bank is simply subsidizing trade which would have occurred anyway. As the Bank grows, it is increasingly likely that it will be financing trade which could have been financed by commercial banks.

I have explored ways to pin this down in legislation to assure that this will not happen. If you put in a requirement that evidence be shown of a rejection of credit by a commercial bank, paper work will increase but the easiest thing in the world to get is a letter of rejection on a credit application. I am hopeful that this Subcommittee finds a way around this. Despite the legislative problems, I think it is important that EXIM be aware that there is serious concern in the Congress on this issue. I add my voice of concern and would support an effort by this Subcommittee to seek assurances that the bulk of exports financed by the Bank are on top of the trade pattern which would have occurred without EXIM financing.

Linked to this is the concern I have that too many of our government agencies like OPIC and EXIM facilitate business for the large companies and leave the little guy in the lurch. It's the little guy who is going to have difficulty exporting without some help, and it's the little guy who is going to have the difficulty getting export credit from commercial banks. So EXIM should be especially useful to smaller businesses.

A good deal of EXIM credit seems to finance high technology goods and heavy machinery like aircraft. These exports are produced generally by big companies. After two devaluations, U.S. goods should be price competitive and not require subsidizing financing to place them in foreign markets. What EXIM should be focused on is helping smaller businesses without a foothold aboard make up for their lesser marketing capacity due to their smaller site. Many members of Congress feel this way and, again I think EXIM should take note.

One way to move in this direction would be to have the Bank take a more systematic look at the countries where export financing would open up the largest flow of U.S. exports and the products which would best fit those markets or which are near enough to the export threshold to be triggered by the attractive financing terms EXIM offers. This would put the Bank in the position of having a trade promotion strategy to push rather than simply responding to spontaneous loan applications as they come in. I think it would also increase the likelihood that smaller businesses would get into the game more.

I have examined in some detail a few cases of EXIM export credits which have come to my attention. I have also studied the GAO report on the need for improved management information in EXIM decision making. I must say the cases I have looked at lead me very much to the same conclusions that GAO reaches, and I would support efforts by this Subcommittee to try to carry into legislation the GAO recommendations, or to make clear in the report on the bill coming out of the Committee some of the concerns the Congress has.

The basic problem seems to be that in considering a credit decision the Bank takes too much a tunnel vision look at the transaction they are financing without taking a broader view of all the transfers that will be involved, the effect on our domestic economy, and the national interests which may be affected. For example, EXIM is financing the export of machinery to the Soviet Union to produce ammonia and urhea for export to the United States. But the other half of the deal is that the United States is to ship triple super phosphate from Florida to the Soviet Union. EXIM does not consider it their responsibility to consider this latter transaction in making their determination on financing the machinery exports even though it is an integral part of the overall package. And yet the Department of Interior considers phosphorus as "one of the six most important elements necessary for life and it does not have a substitute". The Soviet Union has sizeable reserves of phosphate rock whereas Europe, for example, has almost no phosphate rock. By shipping phosphate rock to the Soviet Union we are drawing down on our reserves of this invaluable mineral permitting Russia to retain their supply while Europe goes wanting.

Any reasonable assessment of U.S. foreign policy, of U.S. economic interest, and of U.S. resource management would lead to deep probing into the advisability of this transaction. The thing that bothers me is that EXIM does not even look at these broader issues and these direct effects of the specific transaction they are financing. They wash their hands of the responsibility for the big picture and decide the credit on the basis of the viability of the project they are financing and the assurance of repayment.

Export-Import Bank credits are increasingly important from a strategic point of view. As one Soviet journalist told an American newspaperman in Moscow a couple of weeks ago, "Remember, it is credits from the Export-Import Bank that are most important to us." If this is the case, if export credits are the underpinnings of detente, EXIM has to be concerned with the big picture. They cannot just go off giving financing because individual projects look good. They must be vitally concerned with the full range of economic and foreign policy interests of the United States in determining their credit policies. We cannot afford to have detente at any cost without a view to the specific pieces that make it up and whether the parts are consistent with the whole. The management of EXIM must be clearly charged with being responsive to these broader national concerns.

This leads to a point raised in the GAO Report concerning the analysis and documentation which goes into a credit decision. The GAO found this to be lacking and I am inclined to agree. If the Bank can make a decision without a system for considering in a rigorous way a range of different dimensions which bear on the specific transaction, then they are bound to make some errors of judgment. Again, I don't believe in unnecessary paperwork, but I do believe there should be some systematic study of the overall implications of a loan application before it is approved and then some documentation of why the Board decided to approve the loan. Current procedures leave no trace of why loan decisions were made or what considerations went into the loan approval. Greater information and documentation seems to me to be a basic requirement for improving the decision making process and assuring that fundamental interests of the United States are protected.

Mr. Chairman, I believe a serious effort should be made by the Export Import Bank to meet these concerns of:

Financing additional U.S. exports rather than subsidizing a flow of exports which would occur anyway;

Financing exports from smaller U.S. businesses rather than facilitating the sales of big business abroad;

Having a trade strategy based on a systematic appraisal of foreign markets and U.S. products near the export threshold rather than responding to the spontaneous surge of loan applications;

Taking into account the full range of financial, trade and economic effects associated with a transaction and assessing their implications for U.S. foreign policy, U.S. economic interests, and U.S. resources management before making significant loan decisions; and

Making a systematic study to back up each loan decision and documentating those decisions so that it is clear for the record why decisions were made the way they were.

I hope this Subcommittee can express these concerns in legislative language and in the Report on the bill. Perhaps the most effective way to assure responsiveness by EXIM to these concerns would be to make this authorization bill a one or two year extension rather than a four year authorization and see in a year or two how they are doing. This is what was done on the Senate floor in the case of OPIC and I believe it is an effective device.

Export credits and export controls are too important to this country's foreign policy to cast away Congressional authority when we are attempting to reshape and tighten up these vitally important programs.

Thank you, Mr. Chairman.

AWARD TO ADMIRAL SNYDER

Mr. THURMOND. Mr. President, in the Capitol last week an award ceremony was held honoring one of our naval leaders, well known to all of us, Rear Adm. Edwin K. Snyder, USN.

Admiral Snyder, as the members know, is currently serving as the Navy's Chief of Legislative Affairs. Prior to this duty he compiled a distinguished record in submarines during World War II and Korea, as commanding officer of the heavy cruiser U.S.S. *Newport News* during the Vietnam conflict and as an amphibious group commander following that.

The ceremony in question was occasioned by the award of his third Legion of Merit Medal which was presented by departing Secretary of the Navy John Warner. With the permission of the Senate I would like to read into the Record the citation accompanying this award.

Citation

The President of the United States takes pleasure in presenting the Legion of Merit (Gold Star in lieu of the Third Award) to Rear Admiral Edwin K. Snyder, United States Navy, for service as set forth in the following citation:

For exceptionally meritorious conduct in the performance of outstanding service as Chief of Legislative Affairs for the Department of the Navy from September 1971 to April 1974.

An exceptionally competent and dynamic leader, Rear Admiral Snyder was directly responsible for planning, developing and coordinating relationships between the top leadership of the Department of the Navy and Members and Committees of the United States Congress. Throughout this period, he provided daily advice and counsel to both the Secretary of the Navy and the Chief of Naval Operations on matters of Navy interest before the Congress. As a direct result of his resourceful planning, dynamic execution, astute judgment and power of persuasion, the Navy has successfully supported legislation providing for force modernization that will provide the nation a strong Naval posture into the final decades of the twentieth century.

By his outstanding leadership, judgment and inspiring devotion to duty throughout, Rear Admiral Snyder upheld the highest traditions of the United States Naval Service.

For the President,

John W. Warner,
Secretary of the Navy.

Mr. President, in closing let me say Admiral Snyder has rendered a unique service to the Navy and his country in his capacity as Chief of Legislative Affairs. He has always been reliable, responsible and responsive in the way he has conducted his office. It is a pleasure for me to recognize him in this way.

THE TARNISHED GOLDEN YEARS

Mr. WILLIAMS. Mr. President, it should come as no surprise to any Member of this body to hear that millions of elderly Americans are facing severe problems in their day-to-day lives. The work of the Special Committee on Aging, and of the Subcommittee on Aging of the Committee on Labor and Public Welfare, has dramatically and comprehensively documented that sad situation.

As a former chairman of the Special Committee, and current chairman of its Subcommittee on Housing for the Elderly, and as chairman of the Committee on Labor and Public Welfare, I have become all too familiar with the tragic fate that befalls far too many of our older citizens. I have also been, and continue to be, deeply involved in efforts to correct that inexcusable state of affairs.

Much has been written about the "plight of the elderly," and I am certain that every Member of this body is familiar with the broad dimensions of this nationwide problem. It is true we have made some progress in recent years toward answering the urgent needs of millions of older Americans, but that progress has been agonizingly slow, and far, far too limited in scope. I believe that if every Member of Congress, and official of the administration, had the opportunity I have had to see first hand just how widespread and urgent the need is, that our progress would be far more satisfactory.

To that end, Mr. President, I ask unanimous consent that a series of articles entitled "The Tarnished Golden Years" be printed in the Record at the conclusion of my remarks. This seven-part series appeared in the Newark Star-Ledger last week.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. WILLIAMS. In my judgment, "The Tarnished Golden Years" is one of the finest newspaper accounts of the problems of the elderly that I have ever seen. It reflects a great deal of work and a great depth of compassion by its author Robert Rudolph, and it also reflects a deep commitment by the Star-Ledger to community service. Although this series deals specifically with the elderly in New Jersey, it could just as well have been written about the elderly in any State in our Nation. The problems of trying to scrape by on a low, fixed income in a time of soaring inflation, the problems of housing, nutrition, health care and loneliness, are common to millions of older Americans across our land.

This series graphically describes the horror stories that are all too familiar to those who work with the elderly. And, it describes the pride of many elderly poor who pay their bills and go without eating rather than be delinquent.

But, the articles also show how life for the elderly can be dramatically improved through publicly supported programs such as meals-on-wheels, community care centers, and low-rent housing projects, and through private organizations of and for the elderly.

In short, this series shows the grim and tragic circumstances that overtake millions of Americans in what should be "The Golden Years," and it shows how those circumstances can be changed to make the retirement years the full and happy time they should be. I have said many times, and it bears repeating, that in the case of the problems facing the elderly, we are dealing with problems which we already know how to solve. The only ingredient lacking is the money to implement the already-proven solutions, and I am hopeful that accounts like "The Tarnished Golden Years" will help produce those necessary funds.

The articles follow:

EXHIBIT 1

THE TARNISHED GOLDEN YEARS: ELDERLY IN AN ECONOMIC QUAGMIRE

(By Robert Rudolph)

Over one million New Jerseyans who once looked forward to enjoying their retirement years in comfort and security are instead finding themselves living on the brink of financial tragedy.

Booming prices, spiralling inflation and incomes which have become less than adequate in the face of today's economy have led many of New Jerseys' elderly into an economic quagmire in which the struggle merely to keep a roof over their heads and food on their tables has become virtually insurmountable.

A study by The Star-Ledger of the plight of the elderly—forced to live on fixed incomes from pensions and Social Security while the prices of food, shelter and other necessities climb steadily out of sight—has developed a picture of vast numbers of aged for whom retirement has become not a time of long awaited freedom and ease, but instead one long struggle simply to exist.

These are the "horror" stories of the aged:

Men and women, living alone in apartments and rooming houses, reduced to scrounging through garbage cans for food to survive.

An elderly couple in Essex County, afraid to report living-conditions so filthy that when an upstairs toilet was flushed, water poured into their apartment through a hole in the ceiling. Senior citizens officials in the community said the couple feared that if they complained the landlord might evict them, and they had nowhere to go.

Women in their 70s and 80s forced to filch bread and milk from free meal projects to hide in their pockets and purses for supper.

An elderly woman in Middlesex County who hadn't eaten for four days because she had been served with an eviction notice and was trying to save food money to pay the rent.

In New Jersey today approximately one in every ten persons is over the age of 65.

And for those without investments or incomes which will keep pace with the skyrocketing inflation that has almost doubled the prices of some food staples on the supermarket shelves, the outlook is bleak.

"Each year, the situation deteriorates," an official of the State Office on Aging declared. "With no raises or cost of living increases, they can't even stay even on the inflationary treadmill."

At present, nearly one half of all the households in the state maintained by persons over 65 years of age receive incomes totaling less than $3,000 a year.

Over 18 percent of all Jerseyans over 65 exist below the poverty level.

In some counties, nearly one quarter of the elderly residents are living in poverty.

The fortunate ones have managed to find apartments in well kept senior citizens housing projects. Some have been able to supplement their diet through low cost or free nutrition programs sponsored by the state and counties.

But the figures show that these represent only a tiny fraction of the total elderly who are in need of help.

According to Ned Eschleman, a program specialist for the state's Office on Aging, some 300,000 elderly Jerseyans are in need of the benefits of a full nutrition program. In early March, hot-meal centers around the state were reaching a daily total of only 1,600 persons.

In housing, the situation is equally as dismal.

With a moratorium on expenditures of federal funds for senior citizen housing projects in effect since 1972, construction of these units has come to a virtual standstill.

Statistics compiled by the state project that in the next ten years New Jersey will need, at least, over 100,000 housing units for low and moderate income senior citizens.

But the lack of adequate low cost housing and the high prices of food are only elements of a much larger problem facing the senior citizens today—the fear and the loneliness of day-to-day living which they must endure.

"The saddest thing of all," declared Mrs. Lee Faggioni, chairman of the Middlesex County Council on Aging, "is the problem of what to do for those 40 hours of retirement time each week. How do you occupy your time when you're alone?"

For some, at least part of the answer has been found in the senior citizens day care centers set up around the state.

A Morris County woman, who was recently enrolled in a new work-relief program in which she can supplement her income by washing dishes at the center, cried after her first day there as she described the experience.

"Getting out, making friends," she sobbed. "It makes me feel more human."

A Carteret woman who lives on a small monthly Social Security allotment told how her worries over food and rent were far overshadowed by the fear of being alone.

"My husband died from cancer," she said softly. "Night after night, I was all alone, I used to just cry. I wasn't worried about anything as much as the loneliness."

Now, she said, she looks forward each day to the time the bus will come to pick her up to bring her to the center.

"It's a place to go," she said. "A place to meet people."

But only a relative few of those persons who need the benefits of such programs can ever actually hope to receive them.

In a letter to Sen. Frank Church (D-Idaho), chairman of the U.S. Senate Special Committee on Aging, James J. Pennestri, director of the State Office on Aging, described the turnout when several nutrition projects were put into operation.

"For example," Pennestri wrote, "in one of our largest cities where there had been no previous nutrition program, 32 persons were fed on opening day. . . ."

Within four days, the state official reported, 105 persons had begun coming to the center on a daily basis.

In a rural county with no prior program, it was noted, 49 persons were fed the first day and 140 by the fifth day. Not one of the participants for that program lived within walking distance of the project.

"In another semi-rural location where 25 to 30 persons were expected on the first day," Pennestri reported, "169 arrived."

State officials project that to even adequately reach the true number of senior citizens actually in need of help, some 1,500 new nutrition sites must be set up.

"We're only skimming the top, not even getting down to the core of the problem," Pennestri said in an interview. "The problem is going to be there for a long time to come."

And from throughout the state, the stories of the plight of aged pour in:

In East Orange, Mrs. Janet Baker, director of the local Senior Citizens Outreach Center, told of a 70-year-old Essex County woman with an income of $162 a month who was forced to live on a box of crackers and a jar of peanut butter each month.

Mrs. Ruth Mumma, a special consultant to the state, described how at one North Jersey free-meal site, aged women would pull plastic bags out of their purses to load up with food they could take away.

"They would take the bread on the table," Mrs. Mumma said, "anything they could wrap or carry, and when I asked them why, they told me, 'I need it for my supper.'"

In Trenton, Ned Eschleman reported how local officials uncovered an aged woman living alone in a house the city thought was abandoned, existing without heat, light or water.

An Essex County worker described watching senior citizens shopping in a supermarket across from their housing project, leaving the store with "practically nothing."

"The situation is desperate," claims Mrs. Mary Johnson, president of the New Jersey Council of Senior Citizens.

"These people are not even making ends meet. The cost of food has practically tripled. If you want to stay alive, you put the money into food."

At meetings of the state council, Mrs. Johnson said she has found more and more of New Jersey's senior citizens becoming depressed and dejected.

"They become withdrawn," she said. "They have no money, no place to go, they can't buy clothes. They just stay in the house without going anyplace."

Mrs. Johnson, who also administers a food program for senior citizens in Jersey City, reported that because of the critical situation, she is feeding three times the number of people than funds have been provided for.

"It's just a nibble in each area, we can't meet the demand," she asserted. "I can't put another soul on because I don't have the money."

She predicted that if the present inflationary trend continues, for hundreds of thousands of senior citizens throughout the state, "it will be back to the bread line."

In Essex County, Bernard Gallagher, executive director of the County Office on Aging, reported that 60 per cent of the elderly his office has attempted to aid have had a nutritional problem.

"They can't eat," he said, "They have to give up meals to afford the rent."

Janice Holmes, a worker with the Morris County Office on Aging, described finding aged persons who had become "physically sick" from their situation.

Tom Hamilton, executive director of the Middlesex County Office on Aging claiming that despite increases in Social Security benefits, "the situation is getting worse because of runaway inflation."

"I've seen old men and women picking through garbage cans from restaurants trying to find food," Hamilton declared.

Many of the elderly, especially those restricted to living on their Social Security benefits alone, Hamilton declared, are forced to exist on a "tea and toast" diet because "they just can't afford the price of meat today."

In Trenton, officials of the State Office on Aging observed that "Social Security has just never been brought up to a decent livable level."

Even the top benefits are not sufficient," Pennestri said. "Social Security was never intended to be anything more than a help, it was never intended to be the sole source of subsistence."

And as far as private pensions are concerned, state officials claimed that in the wake of today's inflationary economy, pensions for the blue collar and "middle management" workers "are so low as to be almost insignificant."

In a recent action by the Social Security Administration, thousands of elderly Jerseyans were made eligible for additional benefits under a new supplementary income program designed to assist persons with little or no regular cash income and who do not own much property or other valuables.

Arthur H. Quallo, district manager for the Social Security Administration for New Jersey, stressed that the program, known as the Supplementary Security Income program, is aimed at reaching out to include persons who were otherwise not receiving either Social Security or welfare benefits.

Under the program, Quallo noted, payments total $130 a month to an individual and $195 a month for a couple.

In addition, a recent boosting of Social Security benefits bring an 11 percent raise in benefits to all recipients, with payments increasingly by 7 percent on the April check and going up another 4 percent on the July check.

At present, the population of persons of retirement age in New Jersey is fast outstripping the rate of general population growth.

Within ten years, it is predicted, 20 percent of all households in the state will be maintained by persons over the age of 65.

U.S. Sen. Harrison A. Williams (D-N.J.), who recently conducted a series of hearings in the state on housing conditions for the aged, charged that "it is unacceptable to have older Americans living so meagerly."

"Too many of our elderly, Williams said, "live in fear, in isolation, and in loneliness. Too many must suffer from lack of heat, from savage criminal attack, and from meager incomes depleted by high rents and taxes."

"Many of those elderly" the senator noted "the home owners on fixed incomes; they are caught between higher property taxes and inadequate monthly incomes. In addition, many of their homes are in neighborhoods where property values have diminished markedly in recent years."

"What is the future," the senator asked, "for older persons who hang on to such homes because there is no where else for them to go? What help can be given at the state level, possibly with help from the federal government?"

Williams noted that the housing market in New Jersey is "the second tightest in the country."

Referring to the housing moratorium imposed by the Nixon administration, he asserted that "even housing projects that escaped the freeze are hamstrung by regulations that make it difficult for them to serve the low-income elderly."

"We don't need more studies," Williams declared. "We don't need dogmatic arguments for unproven housing allowances. We need action at the earliest possible date."

But it is not only the most impoverished among the elderly who are facing difficulties.

Pennestri noted that "there are very few existing benefits for the middle guy, the one with an income of between $7,000 and $9,000 a year."

"It is not necessarily the very poor that suffers the most," the one in the middle is the one that gets hurt."

According to Mrs. Vera Weinlandt, New Jersey director of the American Association of Retired Persons, one of the main needs of older Jerseyans is education in seeking aid.

"We have to educate them to where they can go, and to whom they should go," she said. "To many people don't know where to go, they don't know who to ask for help."

Programs have been instituted to assist many, changes in the Social Security laws have extended benefits to others, services have been made available to some of those in need.

But New Jersey officials agree that these efforts reach only a small number of those actually in need.

And although inroads have been made, as one Essex County senior citizens worker stressed—"The elderly can't wait."

[Second of a series]

ALONE, WIDOW FIGHTS FOR HER HOUSE

(By Robert Rudolph)

Last night a 77-year-old widow sat down to a solitary dinner consisting of a single potato and a bowl of soup.

She was alone in the kitchen of the home she has lived in for most of her life, a simple frame house on a quiet side street in the Middlesex County community of Metuchen.

Most of the rooms in the house have been closed off. She cannot afford to heat them.

Last night, as most nights, the widow lay awake a long time before falling asleep. She is worried—worried that soon her small savings will be gone. And then she will have to sell the house.

Mrs. Catherine Schveninger is worried because then she will have nowhere to go.

Mrs. Schveninger is one of thousands of elderly Jerseyans whom state officials refer to as the "house poor," desperately fighting to keep the homes they have lived in all their lives, struggling just to exist.

"How many, many more like me are there?" Mrs. Schveninger asked as she sat in her kitchen, looking over files of letters she has sent over the years to congressmen, senators and governors, all asking for help.

"Don't they care how the old people live?" she asked. "They say sell the house. But then where would I go? I have nowhere to go."

Today in New Jersey, there are over 163,000 homeowners over the age of 65 with annual incomes totaling less than $5,000.

Over one fourth of all homeowners over the age of 62 exist on incomes of less than $3,000 a year.

Many, state officials report, are virtually "trapped," unable to move because there is nowhere they can go.

In Metuchen, where Mrs. Schveninger lives, there is no senior citizen housing.

According to state figures only 59 of the 567 municipalities in New Jersey had subsidized housing for the elderly when the last survey was taken a year ago.

"Most older people simply have no choice on housing," declared Mrs. Vivian Carlin, a special housing consultant to the State Office on Aging. "They stay where they are because there are no other places they can afford."

* * *

For the past 12 years, Mrs. Schveninger has lived alone in the little house built by her husband nearly 60 years ago. Mr. Carlin, whom she still refers to as "Daddy," suffered a stroke on his birthday in 1956. He was sick until his death six years later.

Today, Mrs. Schveninger is dependent upon a monthly Social Security payment of $204. Out of that she must pay her taxes, her gas and electric bills, her insurance and hospitalization.

To save the money she needs she is careful.

Meals are carefully portioned and frozen. Mashed potatoes are saved to make potato pancakes. Individual peppers are bought during the summer when they are cheaper and frozen carefully until the winter.

When it is cold, she has cereals, oatmeal, farina, corn meal. Soup is frozen over and over again.

Meat, when she can get it, is cut and portioned to stretch it out. The month is long.

She makes her own noodles and soups. There are no canned goods in her house. They are too expensive.

When she is sick, she doctors herself.

"I stay home and wait until the storm goes by," she says. "The doctors cost money, and from where are you going to get it?"

For Mrs. Schveninger and the others like her, the days of struggling to make ends meet can be long and empty.

Writing letters to relatives in the "old country"—Hungary—occupies some of the afternoons. Usually she gets replies quickly.

"They write me," she says, displaying some of the letters, "they keep me busy. They think I have nothing to do."

Other days are spent by the small television, or alone in the kitchen, mending.

She tries to get out a little each day, even if only to walk up to the corner and back home again. But Mrs. Schveninger is crippled and cannot walk without a cane, and in the winter sometimes it is too slippery and dangerous to leave the house.

On those days, she reads.

"It hurts me deeply, I'm alone here since 'Daddy' left me," she says. "But there is nothing I can really do about it. Life has to go on."

Since 1968, Mrs. Schveninger has been regularly attending local council meetings, calling for senior citizens housing and lower taxes for the elderly.

"The taxes have doubled in the last few years," she declared. "Now what is left? If I save money for taxes, I haven't enough to eat."

To save money, Mrs. Schveninger has closed off the upstairs portion of the house. She has moved her bed into the dining room and closed off the single bedroom.

"I just wish they would bring down my taxes," she says, "so I don't have to move out of my home. We worked so hard for it."

Although she has a family, a son and daughter, she refuses to take help from them.

"I don't want to put the burden on my children," she says with determination. "I've lived my life, I don't want to burden theirs. I manage as best I can.

An immigrant who prides herself on her "old world" ability to get by, Mrs. Schveninger just as firmly refuses other forms of welfare aid.

"I would never go on welfare," she states. "I don't want anything from anybody. I'm too independent."

Mrs. Schveninger describes herself as a "fighter," who refuses to just sit back and accept things. She feels they should be different.

Her spirit was recognized by the borough last year when she was awarded a certificate for her efforts in putting out a fire in a neighbor's house, rushing into the kitchen, chasing the children out of danger and extinguishing the flames herself.

But recently, the fight has been harder and harder to keep up.

"I worry, worry what's going to happen. I don't sleep nights, worrying where the money will come to pay the taxes.

"There are so many, many more like me," she says. "It isn't fair to senior citizens."

Mrs. Schveninger pauses as she shuffles through the letters and newspaper clippings she has gathered.

"Didn't they think they were going to have old people?" she asks.

[Third of a series.]

DEATH HOVERS NEAR UNWANTED ELDERLY

(By Robert Rudolph)

They found her seated in a chair, half frozen.

The apartment was virtually empty, there wasn't even a bed. She had been sleeping on an old mattress thrown in the corner.

There was no heat.

When they searched, they found there wasn't a scrap of food in the house.

Thin, her face almost a skeleton, she acknowledged their presence in a weak voice. They covered her with blankets and for three days, they stayed with her, spoon feeding her hot soup.

The woman was 82 years old, living alone on the third floor of an old apartment house in the heart of Jersey City.

No one paid any attention to her, everyone else in the building was younger. They didn't know she had no money. They didn't know she was starving.

It was an elderly man on the ground floor, 84 years old, who reported the case. He noticed that she hadn't come down out of her apartment and became worried. He contacted a local senior citizens aid project for help.

When the workers arrived, it was the old man who led them up the three flights of stairs to the apartment. She was just sitting there alone in the chair.

Within two weeks, she was dead.

In another incident, a landlord told the senior citizens agency about two elderly tenants of his building.

The other residents had complained that the couple, a husband and wife, had been knocking on doors, begging for food.

When the caseworkers arrived, the door to the apartment was open. They walked in carrying the hot meals they brought with them.

The old man, unshaven, wild-eyed, watched from the bedroom door as the workers held out the dinners.

Thin, weak, he rushed into the room and greedily snatched the platter out of their hands. He ripped open the cover and began gulping down the meal with his hands.

Within moments, the woman had joined him, reaching onto the plate and shoveling down the food in handfulls.

Caseworkers arranged for the couple to be hospitalized.

They died within weeks.

"I was stunned, shocked," recalled Mrs. Mary Johnson, one of the workers who visited the scenes of both incidents.

Mrs. Johnson, president of the New Jersey Council of Senior Citizens, described how, when the cases were first brought to her attention, she thought the caseworkers were exaggerating . . . until she saw what had happened first hand.

"You just can't describe it," she said. "The one woman didn't even have a bed. She was using an old mattress, she didn't even have a sheet to pull over herself. One room had nothing but boxes. There was no food whatsoever in the house."

"There are many, many of them like that," she said. "It happens so often."

In Hudson County alone, where both of these incidents took place, 19,187 persons over the age of 60 are living below the poverty level.

In terms of income, this means that single persons are living on less than $1,749 and couples on less than $2,194 a year.

In Essex County, which has the highest number of residents over the age of 60 in the state—over 143,000—nearly 24,000 elderly are existing below the poverty line.

In all cases of the elderly poor in the state, most of their funds go for rent.

"The elderly pay their bills," remarked James Pennestri, director of the State Office on Aging. "They pay their bills and go without eating rather than be delinquent."

Officials in Essex County estimate that in some cases, as much as 60 per cent of the income of the elderly poor goes for rent.

Consequently, officials report, many of the elderly have developed severe nutritional deficiencies which produce dangerous health problems such as anemia, night blindness, loss of appetite, brittle bones prone to injury and open sores which won't heal.

Dr. Asuncion Locsin, director of the Senior Citizens health project at Roosevelt Hospital in Middlesex County, told of encountering cases ranging from strokes to heart disease which had gone untreated because patients were afraid to go to the doctor.

"In some instances there is a total resignation," the doctor stated. "They are afraid of running up a lot of bills."

Dr. Locsin described cases in which elderly patients are forced to "subsist on carbohydrates," restricting their diets to such items as bread and potatoes.

On the average, she reported, the elderly poor may only taste meat once or twice a week.

Co-ordinator for the Middlesex project, Denise Spratford, told of encountering cases in which senior citizens drifted into situations where they became semi-recluses.

"They isolate themselves from any activity, they cut themselves off emotionally," she said.

Mrs. Vera Weinlandt, New Jersey director of the American Association of Retired Persons, called the present situation of the elderly in the state "desperate."

She described cases of an old couple forced to live without heat in their three-room apartment when their coal stove broke and they couldn't afford to have it repaired; of an elderly man living on an income of $96 a month, whose main diet consisted of rolls and soup or tea.

"The food situation is so high," she said, "they can't afford to buy the things they need."

According to Mrs. Ruth Mumma, a special consultant to the state on nutrition problems of the aged, the problems generated by poor diets generally show up in several areas.

"It's not just a deficiency of one vitamin," she explained. "The problems are in a variety of areas."

At present, she noted, the state is administering a $3.3 million federally funded nutrition program aimed at reaching some of those most desperately in need of help:

Those who can't afford food.

Those who lack the skills to select and prepare foods, especially elderly widowers who never had to fend for themselves before.

Those who lack the mobility to shop or obtain food.

Those who lack the incentive to prepare food—the lonely and the dejected.

"We're not just running a soup kitchen," declared Ned Eschelman, the program specialist in charge of the project, "This is more than just a feeding program."

According to Eschelman each of the 70 sites now in operation throughout the state, must also offer a variety of other services beside food.

Most important among these additional services is transportation to and from the project sites, with health and welfare counseling, nutrition education and recreation also being provided.

In some instances, a supplementary "Meals on Wheels" program has been set up to actually deliver the hot meals to the doorsteps of those elderly unable to come out to the regular feeding sites.

State officials claim success for the project. But at the same time they acknowledge that only a very small percentage of those in need of such assistance can ever hope to receive it under the present system.

Citing what he called the "overwhelming need" of the elderly poor in New Jersey, James Pennestri, director of the State Office on Aging pointed out:

"Our statewide goal is to feed 6,035 when fully operational, and there are over 9,000 elderly poor in Newark alone."

[Fourth of a series]

HOUSING FOR ELDERLY IN SHORT SUPPLY

(By Robert Rudolph)

Elderly New Jerseyans seeking to ease the burden of inflation by moving into low cost senior citizens housing projects are having their hopes dashed by one chilling fact—most will die before their names even come up on the vacancy lists.

The housing shortage for senior citizens in New Jersey is so acute that over 21,000 persons are now on waiting lists, and state officials claim that for most the situation is virtually "hopeless."

In some areas, the lists have been cut off because officials realize that most applicants "will never live that long."

And it is pointed out that the 21,000 figure is only "minimal"—most don't even bother to apply.

At senior citizens centers throughout the state, the topic of housing projects is a central theme, dominating the conversations.

Most of the elderly "know someone who had a friend" who was able to get into one of the projects. But for most there is no chance.

"Since there is a vacancy rate of only six to eight percent, most seniors feel it is just so hopeless that they've given up," declares Mrs. Vivian Carlin, a special consultant to the state for housing for the elderly.

She predicts that in the next ten years. New Jersey will need 101,103 apartments for the state's low and moderate income elderly—with some 75,000 units still to be built.

"The figures clearly indicate," she stated, "that the housing need for the elderly is not being met."

According to U.S. Sen. Harrison A. Williams (D-N.J.) chairman of the Senate Subcommittee on Housing for the Elderly, "the New Jersey experience is simply a more intensified example of the housing picture for senior citizens in every state."

Williams reported that a survey by his office indicated that over 155,000 elderly persons were presently on waiting lists for projects throughout the country—"or approximately one person on a waiting list for every unit occupied."

In East Orange, where the U.S. Department of Housing and Urban Development has ordered a cutoff on applications for senior citizens projects, officials noted that even if the current moratorium on housing for the elderly were lifted, it would be three to five years before the projects could be completed.

As a result, many residents remain in substandard apartments, paying rents far higher than they can afford, but afraid to move because there is nowhere else to go.

Case after case has been presented of senior citizens, living in squalor on an income so inadequate they cannot even afford to eat properly:

A South Jersey woman forced to grow her own vegetables and exist on farina and oatmeal.

A 92-year-old Essex County woman living on a Social Security allotment of $135 a month, forced to pay $120 rent for a room in a dilapidated rooming house.

A Perth Amboy woman, almost blind, found living in a shack after welfare workers forced open a window and discovered her in bed, freezing, without a bit of food in the house.

According to Mrs. Carlin, those living in apartments are oftentimes "afraid to report violations, because they are fearful of being put out."

She told of a case involving one elderly woman who hadn't been able to leave her apartment for three months because the stairways were so dark and deteriorated that she could not use them.

When workers found her, she told them she had been afraid to report the violations because she thought the landlord would evict her.

Mrs. Vera Weinlandt, New Jersey director of the American Association of Retired Persons, told of encountering senior citizens so desperate for a place to live that they were wandering the streets, carrying their clothes in a paper bag, knocking on doors asking homeowners if they had rooms to rent.

"I get calls every day," she said, "people looking for places to live."

Mrs. Carlin described instances in which the rent for some apartments has doubled, increasing from $80 to $160-a-month over the past few years.

"They pay the rent because they have no choice," she said, "instead they cut back drastically on food."

The state official explained that many of the elderly poor cannot find cheaper rent, and can only move "into badly deteriorated neighborhoods."

Faced with this alternative, she said, many choose to stay where they are "and cut back drastically."

"They stay there because there are no other places they can afford," she said. "Most older people simply have no choice on housing."

A report by the State Office on Aging on the problem of Senior Citizens housing points out that despite the crushing need, "it is fairly obvious that all the other New Jersey communities cannot even begin planning for any public housing programs for the elderly without first establishing local housing authorities. There are some of the obstacles in obtaining the necessary housing. There are many other well-known roadblocks, such as zoning restrictions, high costs of land and construction, and community resistance."

In Essex County, Bernard Gallagher, executive director of the county office on aging, charged that in that area, not only is there is no marketplace for apartments for the elderly, but "rent raises have been unconscionable here."

In particular, he said, there is a problem in getting communities to accept senior citizen housing.

One project, Gallagher noted, has been in the planning stages for over three years.

"For a good many senior citizens," he said, "that is a lifetime."

Calling the situation in Essex a "crisis," Gallagher stressed that the housing problem was of paramount importance, with other financial worries encountered by the elderly being far overshadowed by the problem of meeting rents or taxes.

"If we could solve the problem of housing," he declared, "we could solve the problem of the senior citizen."

A state report referring to the problem points out that "it is interesting to note that the private sector has build more units in retirement villages for the elderly able to afford them than all the federal and state programs combined."

The report notes, however, that "this housing is available to a comparatively small percentage of elderly—those in the middle and upper income range . . ."

An example of how the shortage of adequate low cost housing for senior citizens can affect a community was given recently at hearing conducted by Sen. Williams on the issue.

In Montclair, over 20 percent of the population is over the age of 60. Over 1,000 residents over the age of 65 exist on incomes below the poverty level.

Despite the fact that the community has the fourth highest density of elderly persons in the county, there is presently no publicly assisted housing for the aged.

In a statement delivered by the Rev. Elbert L. Maxwell at the Williams hearing, it was noted some 700 home owners were able to claim the $160 property tax deduction allowed by the state to elderly persons.

In addition, Maxwell pointed out that it has been estimated that one quarter of the town's residents are living on pensions, social security, investments or welfare.

"For a family that moved into Montclair during the 30s and 40s and purchased homes," Maxwell said, "the homes are now paid for, but where can these families go today in Montclair? They are being held hostage in their too large houses. It is increasingly difficult for them to sell, and if they did, where would they go?"

State officials also point out the other perils of conditions which force the elderly into leaving the homes they have lived in all their lives to seek out locations where they can afford to stay.

"Moving becomes a very traumatic experience for the elderly," one official remarked. "If they are forced to leave for economic reasons, their mental and physical health suffers. Each time the moves become harder and harder."

Mrs. Lee Faggioni, chairman of the Middlesex County Council on Aging, charged that the present tax system is "penalizing the old people for having worked and saved all their lives."

She noted that many of the elderly refuse to accept some of the relief available to them because it would mean sacrificing their way of life.

"They are proud," she said. "If you live all your life by a certain set of standards of principles, you're not about to give them up at the end."

James Pennestri, director of the State Office on Aging, said the New Jersey Legislature "must seriously look at the tax deduction for seniors" to determine if the $160 maximum should be increased. In addition, he said the Legislature should "question whether senior citizens should be paying the school tax."

At present, however, Pennestri contended that the problem is "to wake up the communities to do something about this on their own as well."

"Every community has a stake in this problem," he said.

[Fifth of a series]

TOO MUCH TIME POSES A PROBLEM

(By Robert Rudolph)

Some play shuffleboard. Others play cards. Their biggest problem is time.

For the thousands of elderly New Jerseyans who join the ranks of the retired each year, discovering ways to keep themselves occupied during their new abundant leisure time—with inflation boosting even the cost of recreation—can be the most difficult obstacle to overcome.

There are senior citizens clubs, organizations which sponsor trips, even college classes for those interested in picking up their education or turning to some field of study they just never seemed to have time for before.

"The main thing is don't sit down," says Russell Bryant, the 80-year-old state chairman of the New Jersey Old Guard, an organization of retirees.

"You have to get a hobby, do something," Bryant emphasizes. "You can't just sit in a rocking chair. It's all right to read a book, but you have to keep busy as well."

The secret, he claims, is to get out and meet people, to keep active—"so you don't think of your little pains in the leg."

A former officer with Standard Oil, Bryant says the main thing provided by groups such as the Old Guard is "fellowship."

"It gives us interests," he declared. "If it weren't for the group, I'd probably be sitting at home doing the crossword puzzle."

And those of the Old Guard do keep active.

A recent meeting of the organization in Nutley was opened by a brief concert by the group orchestra—comprised of 12 members ranging in age from 70 to 87—providing renditions of "Cruising Down the River" and "The Sidewalks of New York."

The orchestra, headed by 81-year-old Charles MacCormack, is augmented by a 20-member glee club and the two musical groups entertain regularly at nursing homes, retirement organizations and senior citizens centers.

MacCormack concurs with Bryant in maintaining that the key to enjoying the later years is "getting out and being active."

The oldest member of the group is 87-year-old Allan Riddle, the orchestra cellist.

A former oil company executive, Riddle now spends his spare time painting, an effort he never had time for when he was working.

"What else is there to do but enjoy yourself?" he asks. "The main thing now is to have fun."

But it is at the lower end of the economic spectrum, among the retirees forced to scrape by on meager Social Security payments and pensions which have fast become insignificant in the wake of booming prices, that the problem of the leisure hours is most dramatically felt.

"Their biggest worry is loneliness and inflation," says Tom Hamilton, executive director of Middlesex County Office on Aging, one of numerous such agencies throughout the state which operates senior citizens aid centers, providing the impoverished poor with something to eat as well as somewhere to go and something to do.

One of the workers at the county's Strawberry Hill senior citizens care center, Lawrence Edwards, a 63-year-old retired railroad worker who drives one of the cars used to transport persons to the center, noted that "companionship is the most important thing."

Edwards, who paints in his spare time, said he is dependent upon a pension from the railroad, but claimed it was not the need for extra money which brought him back to work.

"I was retired for two weeks and I couldn't take it," he said.

Edwards described the way the center has changed the lives of many of those who have come to attend regularly, to eat, to talk, and to take part in the various activities being provided by the center.

"Being alone is a dangerous thing," he said. "This gives them a new chance."

Many of those attending the center stressed their inability to get out, even to shop, because of the high prices and lack of transportation. Many are elderly women living alone.

One woman, a 75-year-old retired garment seamstress from Iselin, is living on $162 a month Social Security payment.

"There is no transportation," she declared. "Without transportation I can't go anywhere."

The woman pointed to the crowded hall, where senior citizens were seated watching a movie travelogue being provided for their entertainment.

"I don't need anything," she said. "I come here because I'm lonely."

But for those elderly striving to keep up their own homes, the loneliness can be even more severe.

Mrs. Vivian Carlin, a special consultant for the State Office on Aging, described what she termed the "invisible elderly."

"Every community has them," she said. "They don't organize, they don't protest, they don't sign petitions or carry signs."

According to Mrs. Carlin, many of these "invisible elderly" are those living alone, virtually trapped in their homes.

"They live by themselves," she said. "They are the ones called 'witches' by the neighborhood kids. They never go out; nobody much cares about them."

Alone, without money, their homes deteriorate into dangerous condition.

"They simply don't have the money to make repairs," she declared.

Mrs. Vera Weinlandt, the New Jersey director of the American Association of Retired Persons, told how her organization, which has 50 chapters in the state, is attempting to fight the battle of isolation among the elderly by "getting the older people out, getting them to meet each other, getting them to participate in public service programs."

"There is a great potential in these people," she said. "Now they can do things they never had time to do before."

In the area of leisure activities, the State Office on Aging has provided staff members who are working closely with senior citizens organizations and who have been able to establish numerous retired senior volunteer program projects.

In addition, officials are presently working on a planned expansion of the Foster Grandparent Program.

Morris County has recently established a program in which needy seniors can be provided with work for nonprofit agencies in the area at the rate of $2 an hour for a maximum of 15 hours a week.

According to Mrs. Janice Holmes, an officer with the Morris County Office on Aging, the program not only provides many seniors with a new purpose, something to do, and somewhere to go to meet people, but in terms of financial aid, "for many it's close to doubling their income."

But for those seniors who are able, the advice from their contemporaries remains the same—get out and do something. Chester Fell of Nutley, 79, has been a church organist for 30 years.

"I've got more things to do now that I'm retired than ever before," he beamed, "I really don't know how I get them all done."

[Sixth of a series]

Retirement Villages Help Prevent "Slow Decline"

(By Robert Rudolph)

Most mornings, weather permitting. Charles Strang heads for the golf course.

Robert Zelley, 72, is more of an outdoorsman. He spends hours exploring old cranberry bogs in the pine forests of Ocean County looking for the perfect fishing hole.

Both men have one thing in common: They are residents of two of New Jersey's largest "retirement villages"—whole communities designed exclusively for retired persons and offering an entire spectrum of leisure time activities to help make their later years as full and enjoyable as possible.

Designed primarily for middle and upper income families, these communities have proliferated in the Jersey Shore areas, attracting thousands and thousands of retirees each year with promises of a "new way of life" for the older Jerseyan.

Charles and Muriel Strang, both 66, came to Leisure Village in Ocean County less than a year ago from Orange.

Today, he is director of the village's 60-member choral group while his wife has been finding a new world of interests through classes ranging from Yoga instruction to pointers on how to wipe out a bridge opponent with a redoubled grand slam.

"It's a vacation land," asserts Mrs. Strang. "There is absolutely no feeling of being left out of the swim of life, and it is certainly not boring."

Strang, a banking executive, retired from his job when he was 60. Shortly after that he suffered a heart attack. For five years, the couple lived with Mrs. Strang's parents.

Their decision to come to Leisure Village, the Strangs said, involved much careful consideration.

"We wanted a place where we could put down roots again," Mrs. Strang explained. "We wanted a place where we thought we would be able to be happy even in our 70s and 80s. We felt that living in an apartment would be a very lonely place."

Today, according to Strang, with the activities they have found available, and the friends they have made, life has become "fun."

"We've left business behind," he said, "we're starting a whole new life."

"We all have something in common," Strang explained, "retirement—and you don't know what a common denominator that is."

Robert Zelley lives at Crestwood Village, a separate retirement community located in Whiting Township.

In the several years he has been there, he has become vice-president of the village fishing club and describes the life style as "just this side of heaven."

"I'm enjoying myself," he declared "People seem to be reaching out for friendship."

A retired civil engineer from Trenton, Zelley likes to spend his days in the warmer weather out in the woods, sometimes hunting deer, sometimes just sitting beside a pond with his fishing rod in his hand.

He has also become acquainted with some of the local farmers and has been out picking strawberries—which his wife put up as preserves—and has worked the fields harvesting peas, or just wandering through the woods with a tin can around his neck collecting blueberries.

"I was out there at half past six," he said. "I even brought back some for the older people who aren't able to get out any more."

A spokesman for Leisure Village, noting the enthusiasm for living which seems to spark most of the residents, regardless of age, contended that the "slow decline" often associated with aging is not usually found among the inhabitants of retirement villages.

"The decline is usually psychological," he said. "You don't find that in a community such as this. They are active and productive right up to the end."

He noted that in the social structure of a retirement community, retirees can be "still of value."

"You find here," he said, "that you are either learning from your friends or teaching your friends."

George Trumpore, 69, a retired salesman, moved into Crestwood in 1970. Today he is the "mayor" of one of the villages within the community and is so busy that he has to keep an appointment book to keep track of his business.

Joseph Sabatini, 71, moved to the village from Saddle Brook. He finds his spare time taken up shooting pool, playing cards, or just walking.

At home, however, Sabatini likes to cook.

"I invent everything," he said, enthusiastically. "I can cook something today, it is great; tomorrow, it comes out lousy. I enjoy cooking, that's the way I do it."

Mrs. Margaret McDermott, 62, finds herself involved in "more activities now, than I ever was in my life."

A former resident of Bergenfield, Mrs. McDermott complained that where she lived before, "there just wasn't enough for older people to do." Now in addition to everything else, she is trying to organize a women's softball team.

"I'm constantly on the go—it keeps you younger," she said.

Mrs. Betty Bellis, 60, also finds her time taken up with bowling, dancing and women's club activities. In addition, some of the women have organized a group to visit with the older residents to make sure that they are getting on well and "just to see that they don't get lonesome."

Mrs. Astrid Sahagin, a 58-year-old former dental receptionist, now a resident of Leisure Village, noted that the life she has found there "is far different than I anticipated."

She admits that when she and her husband first came to the village, it "was a lark." Today, she describes it as "country club living."

Mrs. Amelia Finch, 62, also of Leisure Village, said they moved to the retirement community because "my husband got tired of fixing up our old home."

"We didn't want to be a burden to our children," she said. "We wanted to make a life of our own."

Today, in addition to taking part in the the regular activities offered by the village, she and her husband write a column for the local newspaper.

"We're always busy," she said. "There's no leisure here. I can't ever get done."

As with most retirement villages in the state, both Crestwood and Leisure Village have a rule restricting persons under the age of 52 from moving in.

However, spokesmen for both communities have noted that the retirees who have been moving in have been getting closer and closer to that minimum age.

David Wolfe of Crestwood stressed that the present economy "is forcing very active senior people to retire, and their lifestyles demand more and more activity."

An official at Leisure Village added that while the residents are becoming "noticeably younger," an increasing number of those persons moving in are still actively employed.

"We refer to these as the pre-retirees," he said. "They are gradually slipping into the retirement lifestyle."

According to a state report on the retirement villages, the problem of providing retirees with "something to do" during their free time is one of the main goals of these communities.

It is to meet these needs that many communities offer such activities as golf, swimming, boating and indoor arts and crafts such as woodworking, ceramics and sewing.

Leisure Village even offers its own closed circuit television studio where residents can learn to produce their own TV shows.

In another retirement community, Rossmoor in Middlesex County, some of the residents said they found the availability of such close-to-home recreation facilities as a welcome plus in the face of today's inflationary economy.

Mrs. Alice Seidel, a 64-year-old widow who called the retirement community concept the "nicest way of living," described how the funds she used to refer to as her "mad money" now must be used for "something necessary."

An avid golfer, Mrs. Seidel now welcomes the chance to spend her leisure hours on the village course "in place of taking a trip."

But the high costs of living are making themselves felt even in the retirement villages.

A spokesman for Crestwood noted that "inflation hits these people across the board, it erodes a fixed income."

To supplement their incomes, he noted, many of the residents have taken part-time jobs, some with the village itself.

'Approximately 40 per cent of ours employes here are residents," he said.

Many residents of the various retirement villages indicated the problem of rising taxes and the increasing costs of maintaining their own homes had caused them to seek out a retirement community as an alternative way of life.

An official at Leisure Village stressed that the mass buying power of a planned community such as a retirement village is also a plus factor in fighting inflation.

An official at Leisure Village stressed that the mass buying power of a planned community such as a retirement village is also a plus factor in fighting inflation.

However, some residents of retirement communities, despite the advantages, have found the rising cost of living causing them to cut back in different areas.

Arthur Gerlich of Rossmoor has had to curtail his travel plans.

The prices of food have left Mrs. Sally Curtin, also of Rossmoor, with the necessity of eating at home a lot more than previously.

State officials note: "The most important feature offered by retirement communities is one of safety and security."

Many of those interviewed at the villages indicated that it was just such a feeling of "security" which was one of the main factors bringing them to the retirement communities.

Most said they had far different ideas about what it would be like living in a retirement village than what they found after visiting them.

"Our friends thought we were nuts," one women remarked, "until they came down to visit us."

"They thought people just came to a retirement village to die—die nothing, we don't have time."

[Last of a series]

WILLIAMS ATTACKS NIXON POLICY ON AGED

(By Robert Rudolph)

The Nixon Administration's policy on federal assistance to the elderly "cried out for reversal" according to U.S. Senator Harrison A. Williams, (D–N.J.), who urges major oforts to provide more aid to the aged in such essential areas as housing, health care, employment opportunites and nutrition.

Williams, who is chairman of the Senate subcommittee on housing for the elderly and the former chairman of the Senate Committee on Aging, charged that while "paying lip service to the problem, the Administration in reality has literally turned its back on solving the problems of the aged."

Stressing that one fifth of the nation's elderly are living in poverty, Williams charge that "there is no mystery" to solving the problem of the aged poor.

"This is one problem to which we know what the solutions are—all it takes is money," Williams said.

The senator charged that the Nixon Administration's attitude toward the plight of the aged "can charitably be described as callous."

"They have fought meaningful increases in Social Security, they have frozen funds for housing for the elderly, they have attempted to make changes in Medicare which would increase the cost to most beneficiaries," he declared.

Another congressional expert on the problems of the elderly, Sen. Frank Church (D-Idaho), further warned that the Administration's proposed 1975 budget brings little hope of additional assistance to the aged.

In a statement delivered to Congress earlier this year, Church, the chairman of the Senate Committee on Aging, charged that the budget proposal is "characterized by retrenchment or 'standpatism' at a time when inflationary pressures are driving up the operating costs of service programs for the elderly."

In addition, Church maintained that the budget "deals serious blows" to efforts to assist the elderly in this country.

Among examples touched on by Church were:

The Administration has repeatedly rejected what was described as "the most effective housing program ever enacted for the aged."

No funding has been provided to a special program established to provide services and opportunities for the elderly poor.

No funding has been recommended to a program designed to provide senior citizens with employment opportunities in communities in community service projects.

A cutback of $2.1 million has been urged in the area of aging research and training at the National Institute of Child Health and Human Development.

At the same time Church contends that "age bias will continue at the same level, although 'ageism' is still a very real and serious employment problem today."

"As things now stand," Church said, "the disappointments in the new budget greatly outweigh the benefits for older Americans."

Both Church and Williams have noted that while the Administration's proposed budget calls for cutbacks in aid to the elderly, it includes "the largest military spending request in our history."

"The military budget is drawn out of yesterday," Williams charged. "It does not seem to reflect life today. We have come out of the war, and we are spending more than ever before, with the military budget up $3 to $4 billion."

Williams, stressing the need for money to fund the projects for the elderly, emphasized that "there can be substantial savings from the military." Some experts, he noted, have projected that a cut of up to 10 per cent could be accomplished with greater efficiency.

At the same time, Williams declared that Social Security benefits "are certainly not enough" and maintained that the elderly are being "caught short in all the basic needs of health care."

In addition, he charged that proposed Administration changes in the Medicare system have placed the program "in a state of retrenchment—which we're fighting."

The senator said he has placed particular hopes on a bill which was passed by the Senate on March 11. That measure, he declared, would provide a "giant step" in meeting the housing needs of the elderly, which he considers to be of primary importance in solving the problems of the aged poor.

Noting that the 1971 White House Conference on Aging called for an annual minimum of 120,000 units of new construction for the low income elderly, Williams pointed out that the bill proposes 117,500 units for the elderly "and comes very close to meeting that important recommendation."

In addition, Williams has proposed that one solution to the housing needs of the elderly would place "considerable emphasis on rehabilitation rather than construction."

The senator explained that deteriorating homes in older neighborhoods may be refashioned into living accommodations for the aged.

"This is one of our best hopes," he declared, "when faced with the staggering numbers of inadequate housing which have to be replaced."

Williams also stressed the need for "community centers" for the elderly which would be the "hub of any meaningful projects."

These centers, he said, are "vital to our efforts" and would provide the aged with a "community of friendship" where they would be offered dining, recreation, counseling and other needed services.

The senator claimed that the Administration "hasn't yet awakened to the possibilities" of utilizing the resources of non-profit agencies and church groups to administer housing and other assistance programs.

"They don't realize how these non-profit groups thirst for this type of housing," he declared. "And there are no better planners and no better managers for these projects."

Williams also stressed the need for revisions of the present Social Security program to better meet the needs of the elderly.

"We're faced with a very basic problem in this area," he declared. "We have gotten pretty close to the ceiling on taxes needed to raise the benefits."

He proposed that certain portions of Social Security such as health care and prescription drug subsidies be placed under general revenues rather than be funded out of the Social Security taxes.

He also contended that steps must be taken to encourage medical personnel to go into lower income areas through educational assistance programs for doctors and nurses who agree to become involved in poverty projects.

"Our needs in New Jersey," Williams declared, "are common with the needs of the elderly poor anywhere in the country."

"Housing, health care, opportunities for part time employment, nutrition programs—these are just about essential to take the starkness and terror out of the later years."

"There is hope," he said. "I know that there are answers. We know how to provide comfortable housing, nutritious meals; we must have to be willing to provide enough money to offer more than a promise, more than good will."

JOURNALISM AT ITS CONSTRUCTIVE BEST

Mr. BUCKLEY. Mr. President, in early 1973 President Nixon issued an Executive order authorizing the Agriculture Department to inspect the individual tax returns of every farmer. The Justice Department, a few months later, told a House Government Operations Subcommittee that this order was designed to serve as a prototype for every Federal agency. Although two House subcommittees held hearings on the Nixon order, there was virtually no public attention paid to the issue outside the farm community. Secretary of Agriculture Earl Butz, though requested to ask the President to revoke the order, refused to do so.

The issue remained static until the President's Feb. 25 press conference, at which Alan Emory, Washington correspondent for the Watertown, N.Y., Daily Times, asked the President how he reconciled the income tax order with his demand for confidentiality of White House materials and his new program to protect individual privacy. That focused administration attention on the issue and alerted Congress to the problem. The President turned the matter over to a new domestic council committee on privacy headed by Vice President FORD.

Mr. Emory continued to spotlight the issue in a series of articles, mostly in the Watertown Times, but two in the Washington Post, bringing out the background of the order and obtaining congressional reaction to an issue that had been largely ignored. On March 15 Mr. Emory broke the story that his efforts had been rewarded, that Vice President FORD would recommend revocation of the order and the President would agree. On March 21 the President did revoke the order, and Deputy White House Press Secretary Gerald Warren credited Mr. Emory's press conference question with having triggered the chain of events leading to the policy change.

Mr. Emory's articles were followed by the introduction of tax return safeguard legislation in the Senate by the Senator from Texas, Mr. BENTSEN, paralleling other legislation in the House.

Mr. President, I believe we have, in Mr. Emory's crusade, an example of journalism at its constructive best. I ask unanimous consent that Mr. Emory's articles be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Washington Post, Mar. 11, 1974]

Administration Order Perils Privacy of Tax Returns

(By Alan Emory)

The Nixon administration has laid down a policy that could open the individual tax returns of almost every citizen to a broad range of federal departments. It runs contrary to the President's own policy of confidentiality of certain White House documents and conflicts with his new program designed to protect individual privacy.

The policy centers on an executive order, once modified, which President Nixon issued early in 1973, allowing the Agriculture Department to examine the tax returns of the country's 3 million farmers. At the time, there was no press announcement from the White House or the Agriculture Department. The order was published in the Federal Register, which, as one farm spokesman has observed, "is not everyday reading for the average farm family."

Don Paarlberg, director of agricultural economics for the department, says the order is "inoperative" but it is still in effect.

Mr. Nixon told a questioner at his Feb. 25 news conference that he thought the order should be considered by a new privacy committee headed by Vice President Ford.

Rep. Jerry Litton (D-Mo.), who discovered the order and held hearings on it, called it "strange" that Ford shoud be assigned to determine whether Mr. Nixon's action had been proper.

The real impact of the Nixon order is contained in an advisory opinion written by Assistant Attorney General Robert G. Dixon Jr., who says it was drawn up as a model so that tax returns could be used for statistical purposes by other federal agencies.

The order was "prepared by the Department of the Treasury . . . as a prototype for future tax-return inspection orders," Dixon said. This comment prompted Rep. Bill Alexander (D-Ark.) to observe that it constitutes a "frightening prospect that the administration is attempting to begin the process of making personal income information of whole classes of people available to various departments and agencies without regard to the private nature of the information."

Litton recalled that former Nixon aide John D. Ehrlichman had promoted a policy of making the Internal Revenue Service "more politically responsive" and wondered if the administration favored the order on farmers' returns because "if they coud get away with that they could try another field later."

Actually, the IRS was dead set against the Nixon order all the way.

In a recent letter to Rep. William S. Moorhead (D-Pa.), chairman of a House Government Operations subcommittee that looked into the order, IRS Commissioner Donald C. Alexander declared that he insists his agency "guard the taxpayer's right of privacy."

He says he will not allow the Agriculture Department to obtain anything more than "a mailing list of names and addresses of farmers." The commissioner says he supports legislation to make tax returns "explicitly confidential" except for tax administration and enforcement.

Alexander says tax returns should be "confidential and private" unless Congress "clearly specifies" to the contrary.

The House Ways and Means Committee is preparing to hold hearings on legislation, sponsored by Reps. Litton, Alexander, Jack F. Kemp (R-N.Y.) and Barber B. Conable Jr., (R-N.Y.), and others, designed to tighten the rules of privacy on individual tax returns.

The stand of IRS' Alexander puts him at odds with Agriculture Secretary Earl L. Butz, who twice rebuffed congressional requests to put the Nixon executive order in deep storage.

Butz says it is "essentially a matter of judgment" whether his department's inspection of individual farmers' tax returns amounts to an "invasion of privacy."

"The list development procedure we have in mind is clearly in the public interest," he told Moorhead.

Coincidentally, when former Agriculture Secretary Clifford M. Hardin originally requested, in 1970, certain farm data that could be matched with the names of farm operators obtained from sources outside the IRS he said he specifically was not seeking an examination of individual tax records.

Butz told Moorhead last year "no employee" of his department would examine an individual return under the Nixon order's authority, but he refused to ask that the order be scrapped. He said, instead, that the "effectiveness of the security handling of data" by the staff of his Statistical Reporting Service "has not been challenged."

Paarlberg maintains the department never sought the tax-return inspection authority, but that Treasury and Justice Department reviews had broadened it.

"We understand the first order was designed as a model to be used by other departments," he said.

When Rep. Charles Thone, (R-Neb.), asked why the Agriculture Department could not obtain its statistics from the Census Bureau as authorized by the White House, Paarlberg replied, "We do not care which department they come from."

"I do very much," Thone snapped back.

Paarlberg said he was not sure whether the decision not to announce the order publicly had come in a phone call from the Treasury Department "or whether it came from the President's staff men." He had been in touch with both, but he did say he had not talked to indicted Nixon aides Ehrlichman and H. R. Haldeman.

When John W. Dean III was Mr. Nixon's counsel he recommended that the IRS zero in on political targets by making a requested audit "of a group of individuals having the same occupation."

Congressman Alexander says blanket authority to inspect individual tax returns of any group "clearly constitutes an invasion of the right of privacy of that group."

He raises the possibility that the Commerce Department might inspect returns of businessmen it deals with; those of homeowners getting Federal Housing Administration-insured loans; union members dealing with the Labor Department, and those of individuals receiving grants aid from the Department of Health, Education, and Welfare.

In fact, in the first half of 1970 the IRS made available 14,000 tax returns to the Justice and Labor departments, Federal Communications and Securities and Exchange commissions, Federal Home Loan Bank, Renegotiation and National Labor Relations boards, Small Business and Social Security administrations and the old Post Office Department.

At one point Litton sponsored a bill to kill the Nixon order and allow the Agriculture Department just farmers' names and addresses. The department cold-shouldered the measure and refused comment.

After Litton introduced another bill to tighten IRS rules about who could see the returns, the department indicated an interest in the earlier legislation.

The congressman said he had asked why farm census funds were stricken from last year's budget and "I have yet to get an answer. The census form goes to every farmer. A tax return sampling would not be as complete. Either they need the information or they don't."

According to Litton, the question of farm information came up when George P. Shultz was budget director in 1970, but nothing happened. Three years later the order was drafted at the Treasury Department, where Shultz was secretary.

Former IRS disclosure staff chief Donald O. Virdin says there would be no problem giving Agriculture the names and addresses of farmers quickly "if that is all Agriculture wants."

Assistant Attorney General Dixon says the Justice Department was never asked to express a "policy judgment" on the Nixon order so it didn't.

IRS Commissioner Alexander says his agency is working toward a goal of "ensuring the confidentiality of federal tax return data."

Against a backdrop of IRS investigations of tax returns of White House "enemies" and the President's strong defense of confidentiality on White House documents and tapes, the continued existence of his 1973 executive order has Congress and the IRS worried.

The Paarlberg "inoperative" comment does not satisfy them.

Litton says he listened to President Nixon's State of the Union message and was surprised to hear "a man who proposed opening up 3 million tax returns talking about privacy."

IRS Still Opposes Scrutiny of Returns

(By Alan Emory)

WASHINGTON.—The split within the Nixon Administration over opening up individual income tax returns is coming closer to the surface.

Internal Revenue Commissioner Donald C. Alexander, plainly uncomfortable over an executive order by President Nixon designed to allow all federal agencies a shot at individual returns says he is insisting his agency "guard the taxpayer's right of privacy."

The Nixon order, issued last year without a public hearing or any notice is drawing increasing fire in Congress, from farm groups—since it applies to Agriculture Department inspection of individual farmer's returns—and civil liberties organizations.

Rep. Bill Alexander, D-Ark.—no relation to the commissioner—one of the first to uncover the order and ask for Congressional action—calls it a "massive invasion of the rights of privacy of an entire class of Americans" and "an extremely dangerous precedent to all other groups of citizens of whatever occupation."

Despite the Nixon order, Commissioner Alexander revealed in a letter to Rep. William S. Moorhead, D-Pa., his agency is limiting "a mailing list of names and addresses of farmers."

Alexander said he supported legislation to make tax returns "explicitly confidential" except for tax administration and enforcement—a House Government Operations subcommittee on foreign operations and government information.

Moorhead is the sub-committee chairman.

Alexander says tax returns should be "confidential and private" unless Congress "clearly specifies" to the contrary.

He said the IRS was barring tax returns to outsiders except where there are "sound reasons" for their availability, and it was "consistently applying such a disclosure philosophy" while working toward a goal of "ensuring the confidentiality of federal tax return data."

Alexander said his policy on inspection of farmer's tax returns by Agriculture Department officials was to limit access to names and addresses. The sub-committee recommended that no personal financial data from the returns should be provided unless individual taxpayers gave his voluntary consent "in writing."

"Ideally," the sub-committee said, "the farmers could provide this information directly to the Department of Agriculture."

The IRS say that in the first half of 1970 it made 14,000 tax returns available to the Department of Justice and Labor, the Federal Communications and Securities the Exchange Commissions, the Federal Home Loan Bank, Renegotiation, and National Labor Relations Board, the Small Business and Social Security Administrations and the Post Office Department.

The House Ways and Means Committee is expected to start hearings soon on a series of bills to protect tax returns sponsored, among others, by Reps. Jerry Litton, D., Mo.; Charles Thone, R., Neb.; Jack F. Kemp, R., Buffalo, and Barber B. Conable, Jr., R., Alexander.

TAX ORDER CALLED "THREAT TO PRIVACY"

(By Alan Emory)

WASHINGTON.—Sen. James L. Buckley has asked President Nixon to "rescind immediately" the President's controversial executive order on income tax returns.

The New York Conservative-Republican's message to the White House, calling the order an implicit invasion of privacy, has not been made public. It was dated Monday.

The 1973 Nixon order, which is being widely interpreted as a threat to the privacy of almost all individual income tax returns, has started to alarm Republicans, including some of the President's staunchest backers in Congress.

The Nixon policy, laid down in the executive order last year, authorizes the Agriculture Department to examine the tax returns of individual farmers, but the Justice and Treasury Departments have broadened the interpretation so that it serves as a "Prototype" for all federal agencies.

Nixon told a press conference Feb. 25 he would turn the issue over to a new committee studying privacy headed by Vice President Ford.

In his letter to Nixon, Buckley wrote:

"If you believe the executive order in question is not an invasion of privacy, then I think it would be in the interest of all Americans if you explained why this is so.

"If, on the other hand, this is an invasion of privacy, then your immediate rescinding of the executive order would be the best possible way of undoing the damage that has been or might be done by implementation of the order."

The directness of the New York Conservative-Republican's language was considered significant.

Although Don Paarlberg, director of agricultural economics, maintains the Nixon order is "inoperative," there has been no attempt to withdraw it, and Agriculture Secretary Earl L. Butz has flatly rejected Congressional requests that it be shelved.

The Buckley comments were pointed up today by the reaction of Senate Republican Leader Hugh D. Scott of Pennsylvania, who sided with Internal Revenue Commissioner Donald C. Alexander's refusal to give the Agriculture Department anything more than farmers' names and addresses.

Alexanders position constitutes defiance of the Nixon order.

A top Scott aide said the Senator "was not pleased" with the Nixon executive order and predicted, "There will be a move to deny what they are attempting to do."

A spokesman for a high Republican Party official said it was "quite evident, with the mood today being what it is, that the executive branch will be the loser on this."

Buckley's letter cited this reporter's question to Nixon about the executive order Feb. 25 and the President's response.

"I would like to take this opportunity to request that you put an end to the invasion of privacy implicit in Executive Order 11709," Buckley told the President, "by rescinding it immediately, rather than awaiting the recommendations that may be issued by the commission.

NIXON'S FARMERS TAX RETURN POLICY GIVEN

(By Alan Emory)

WASHINGTON.—President Nixon's controversial executive order opening up farmers' tax returns to the Agriculture Department applies to all returns going back to 1967.

The guidelines for the order can be changed at any time by the President without dvance notice or publicity.

Don Paarlberg, the Agriculture Department's economics chief, says he "would not be willing" to ask that the order be rewritten specifically to apply only to gross income—the index the department considers the best measure of farm size.

At one point in last year's hearings of the House Agriculture Committee, Rep. Jerry Litton, D., Mo., asked Harry C. Trelogan, administrator of the department's Statistical Reporting Service, "what measure do you want?"

"I do not know at this stage what is the best measure," Trelogan replied.

"Do you not think you should before you ask us to open up the tax returns?" Litton came back.

Although the Nixon Administration refused to budget funds last year for the periodic farm census, Trelogan concedes that "we can come out with more accurate results at less cost with a sampling procedure" than by using tax returns.

Paarlberg explained his "reluctance" to ask for a further refinement of the Nixon order by saying it might block the department from a sampling that might appear necessary later.

"So instead you sought such a broad authorization that you would be able to obtain any information from any farmer's tax return that would indicate any measure of size," Litton declared.

"No," Paarlberg said.

"That is what it says," Litton came back. "One or more measures."

"When I tell my secretary she can have (one or more) days off, that is not very restrictive," he added.

Paarlberg says gross income or gross sales are usually the best measure of size and "there may be particular cases in which we would want, as a measure of size, say for a cattle feeding operation, the number of animals fed or a dairy operation the number of cows."

"Does the tax return tell you how many cattle I fed last year?" Litton asked.

"The direct answer to your question is no," admitted William J. Smith, chief of the Internal Revenue Service's business statistics staff.

"It does not?" persisted Litton. "No, sir," said Smith.

Litton said if gross sales were all the department wanted the order could have said that.

Paarlberg said when initial farm organization and civil liberties protests started resounding over the first Nixon order, which was broader, he went to Agriculture Secretary Earl L. Butz, who told him, "See if you can get that order rewritten and get it rewritten just as tight as can be done so that there will not be a danger of breach of confidentiality.

Paarlberg said he worked with the Treasury Department and "with the people at the White House, and they were most cooperative."

"Everybody is a winner in this thing and there are no losers," he argued.

House Agriculture Committee records include a March 8, 1967, letter from Undersecretary of the Treasury Joseph W. Barr to Agriculture Secretary Orville L. Freeman, advising Freeman to make sure that when he signed a tax return inspection request he make sure "personally that all other avenues of information are foreclosed and that information on the return is essential."

Paarlberg was quoted last year as saying. "We do not want to see their profit or loss statements or how they figured their taxes. If anyone violates that, I am going to see he gets fired and you can quote me."

FARMERS' TAXES STAY CONFIDENTIAL

(By Alan Emory)

WASHINGTON.—Vice President Gerald R. Ford has recommended that President Nixon revoke his controversial executive orders opening up farmers' individual income tax returns, and the Preisdent reportedly has informally agreed.

A new order, drafted by the Office of Management and Budget at Ford's request, has been given to the White House. It specifically scraps the two Nixon orders on farmers' returns.

GAINS SUPPORT

The Vice President won support from Agriculture Secretary Earl L. Butz Monday night, although Butz had previously refused to urge Nixon to withdraw the order.

Still unsettled is a Justice Department opinion that the 1973 order serve as "a prototype" for all other federal agencies. This has spurred legislation tightening the safeguards around tax returns and will be one of the first items to come up before the new Domestic Council Committee on the Right of Privacy headed by Ford.

Ford told Butz that inspection of farmers' tax returns was not worth the threat to privacy in exchange for the data that might be obtained and added, informed sources say, that he thought the 1973 Nixon order was a bad idea.

MEMO TO NIXON

The Vice President's recommendation to Nixon to shelve the orders came in a memorandum from the Domestic Council setting out Ford's position and the endorsement from Butz.

Nixon has provided informal assurances he will sign the revocation.

Ford, who has named Grand Rapids, Mich., attorney Philip W. Buchen executive director of the privacy panel, says he does not intend to allow the group to be used as a "smokescreen" for Watergate.

"My own privacy had just been investigated more thoroughly than anybody's since Eve ate the apple," he told the National Governors' Conference here March 6.

He told an interviewer this week. "Having had my privacy invaded by two committees (of Congress) pretty extensively, I think I know a little bit more about how you can react." He specifically cited "laying out your income tax returns . . . putting it all out on the record."

UNDERSTANDS ANGER

Ford said he could understand people's resentment at having something they always considered private made public.

Ford's move on the Nixon order came just as Sen. Lloyd M. Bentsen, Jr., D., Tex., a member of the Senate Finance Committee, revealed he would introduce legislation Tuesday designed to restrict sharply the access of government agencies to individual tax returns.

Bentsen, who said he expected hearings to be held with Internal Revenue Commissioner Donald C. Alexander an "important witness," denounced the Nixon order for opening tax returns to "fishing expeditions."

Ford says he wants his panel to "establish common-sense safeguards for the fundamental right of privacy."

"What we are going to do as long as I am chairman is to try to put a stop to unwarranted future invasions of individual privacy by the federal government or its agents, period," he said.

"Preservation of the right to privacy . . . has certainly been complicated by the immense growth of federal power and its concentration here in Washington," the Vice President said.

President Nixon told a Feb. 25 news conference he was turning the matter of his income tax orders and inspection policy over to the Ford privacy committee for review.

It appeared today, however, that the issue of the orders themselves might be settled even before the committee held its first hearing next week. The unit is directed to complete its study of individual privacy problems within four months.

Executive Director Buchen confirmed, in an interview, that the administration's overall policy on tax returns would be one of the first issues to be considered.

IRS Commissioner Alexander has refused to comply with the Nixon order to give the Agriculture Department individual tax returns and has said he would provide only the names and addresses of the farmers.

In a letter written Monday, Sen. James L. Buckley, C.-R., N.Y., called on Nixon to rescind the tax return orders "immediately" as an implicit invasion of privacy.

The House Ways and Means Committee is expected to take up tax return privacy legislation this year. Bentsen's move was the first on the Senate side.

The Texan said the Nixon order contained "great potential for abuse" and it would be impossible to maintain the integrity of voluntary self-assessment in filing tax returns if access were greatly broadened to a host of government agencies.

"The responsibility is ours here in the Congress," Bentsen said. "If all departments are going into fishing expeditions on tax returns this will lead to the politicizing of the Internal Revenue Service and prove a serious mistake."

Bentsen indicated reservations about leaving the final decision to the privacy panel headed by Ford.

In an interview this week, Ford said he was taking his privacy assignment seriously.

When asked about using the committee as a "smokescreen" for Watergate and the cover-up, Ford replied, "The mere fact that I am chairman helps" refute that argument. "I understand the problem."

The original Nixon orders were never made public in a general release or announcement, but were just published in the Federal Register. They opened up farmers' tax returns going back to 1967 in most important aspects.

Agriculture Department officials told Congress they had not requested such broad orders, but the policy had been formulated by the Justice and Treasury Departments. Don Paarlberg, chief of farm economics for the department, called the orders "inoperative," but rebuffed a Congressional request to ask the more recent one to be tightened.

One of Ford's top aides said the Vice President, after the Feb. 25 press conference and subsequent news stories, told Butz "the game wasn't worth the candle" and the executive order was a "lousy idea," in the aide's words.

After winning Butz' support, he then took his case to the White House. It appeared today he had won.

NIXON EXPECTED TO REVERSE STAND ON AUDITING TAX FILES

(By Alan Emory)

WASHINGTON.—President Nixon is expected to initiate a major change in income tax privacy policy within the next week.

White House sources confirmed that a new executive order would be published in the Federal Register officially killing two earlier orders that allowed the Agriculture Department to examine the individual tax return of America's 3,000,000 farmers.

The policy reversal is directly attributable to a recommendation by Vice President Gerald R. Ford in his first major act as chairman of a new government committee on privacy.

Ford's committee is expected soon to examine the full implications of the order, which, according to Assistant Attorney Gen. Robert G. Dixon, was designed to serve as a model for other federal agencies.

A memorandum from the Domestic Council to President Nixon said that Ford and Agriculture Secretary Earl L. Butz felt any benefit from the statistical information obtained from the tax returns was "outweighed by the impression created that it is an invasion of the privacy of the farmers filing the returns." The Times obtained excerpts from the memorandum.

Butz at first defended keeping the order on the books even though he had not ordered any use of the tax returns, but he bowed to Ford's request: he also recommended the order be shelved.

The Domestic Council memo argued that a modification of the first order in 1973 made clear that the only goal was general statistical information, but in spite of that, and a stand by the Internal Revenue Service that no individual tax information "whatsoever" would be released, the issue was still the subject of close Congressional scrutiny.

The word "whatsoever" was underlined in the memo.

White House officials repeated that the Agricultural Department had never used the order—one department expert recently labeled it "inoperative"—but said that since the tax availability program had apparently been "misunderstood" there seemed to be no point in keeping the order in an "active capacity."

The new Nixon order, however, is not expected to slow down Congressional efforts to tighten the laws safeguarding individual tax returns.

The House Ways and Means Committee has several bills ready for hearings, and Senate legislation was scheduled for introduction today by Sen. Lloyd M. Bentsen Jr., D., Tex., a member of the Finance Committee, which would handle it on his side of the Capitol.

President Nixon said at his Feb. 25 press conference, when asked about the controversial order on tax returns and the policy of making it a model for other agencies, that he would turn the issue over to the privacy panel headed by Vice President Ford.

In the face of Congressional hostility to the order an icy reaction at the IRS, a series of news articles in the Watertown Daily Times and one in the Washington Post, editorials in the Watertown Times and Washington Star-News and a strong letter from Sen. James L. Buckley, C.-R., N.Y., Ford recommended that Nixon revoke the order.

CONGRESS SEEKING MORE SAFEGUARDS FOR TAX RETURNS

(By Alan Emory)

WASHINGTON.—Congressional efforts to throw stronger safeguards around individual income tax returns are not slowing down with the agreement of President Nixon to scrap his executive order opening up the returns of America's 3,000,000 farmers.

"We really have not filled the big hole—the right of any president, by putting a few words in the seldom-read Federal Register, to open tax returns for snooping purposes." Rep. Jerry Litton, D., Mo., said in an interview.

Litton is the Congressman who uncovered Nixon's 1973 order on farmers' returns and has authored legislation to protect all returns from similar orders in the future.

The Congressman said he had outlined his thoughts in a letter to Vice President Gerald R. Ford, head of an administration special committee on privacy.

Ford recommended Nixon withdraw the tax return order, and the President reportedly agreed.

"Who's to say the President won't rescind the order and open the tax returns of any class of citizens?" Litton asked.

"The legislation has to move ahead. We now stand a better chance of getting the policy stopped in legislation than ever before."

Litton said the Nixon decision to shelve the order after revising it once after Congressional protests constituted an "admission the order was a wrong one in the first place. If it is wrong it ought to be stopped from a legislative standpoint to prohibit it from happening again."

Litton said neither he nor other legislators or newsmen had the time to "thumb through the Federal Register to make sure millions of tax returns are safe."

He predicted that legislation to be introduced today by Sen. Lloyd M. Bentsen, Jr., D., Tex., a member of the Senate Finance Committee, would help "a great deal."

Nixon's move to revoke the 1973 order will help the legislation, Litton declared, and "if the Administration really opposes the invasion of privacy it should not oppose legislation closing a loophole.

The Congressman said his letter to Ford asked if the Vice President intended to support the legislation.

Litton said if the Nixon order were wrong, then any similar move by any future president would be wrong, no matter which party he belonged to.

Nixon's change of position now, he warned, "only stops one order."

TIMES REPORTER'S QUERY CREDITED BY WHITE HOUSE IN SCRAPPING TAX ORDER

WASHINGTON.—The White House Thursday attributed President Nixon's decision to scrap his executive order opening up farmers' income tax returns to the Agriculture Department to a question asked by Times Washington Correspondent Alan Emory at a Feb. 25 White House news conference and a subsequent recommendation by Vice President Ford, chairman of an administration committee on privacy.

The unusual cause-and-affect explanation was provided at a White House news briefing by Deputy Press Secretary Gerald Warren.

Sen. James L. Buckley, C.-R., N.Y., today hailed the Nixon action as "an example where reporting can call to the public attention, and to the attention of a president, abuses of executive authority."

Buckley, who on March 11 wrote the President urging him to rescind the order "immediately" as an implicit invasion of privacy, told The Times, "Let us hope that all similar directives are reviewed to make sure there is no violation of privacy, other than that specifically authorized by statute and necessary for public purposes."

Rep. Robert C. McEwen, R., Ogdensburg, said he "totally approved" of the President's reversing his 1973 order.

"I commend the President for honest correction of this grievous error," the Congressman declared. The confidentiality of individual taxpayers' returns should not be carelessly set aside."

McEwen continued, "Alan Emory, the Watertown Times Washington correspondent, did an outstanding job of tenaciously exploring the implications of the issue and keeping the attention of members of Congress and the administration on this matter, including a question put directly to the President at his news conference, with the happy result that this action has now been corrected."

Tax Return Safeguard Proposed in Reforms

(By Alan Emory)

WASHINGTON.—Legislation to tighten safeguards around individual income tax returns may become part of this year's major tax bill.

Congress is expected to approve a tax measure some time late in the year. Lawmakers on both sides of the Capitol are now planning to fit in a section sharply restricting the access to individual taxpayer returns.

The issue was posed by President Nixon's 1973 executive order allowing the Agriculture Department to examine farmers' returns, although the President revoked that order a week ago today.

What has alarmed lawmakers and observers even more, however, was the opinion of the Treasury and Justice Departments that the order was designed as a "prototype" for other federal agencies, a prospect Rep. Bill Alexander, D., Ark., called "frightening."

That issue is now before an administration committee on privacy headed by Vice President Ford. Ford recommended that Nixon revoke the order on farmers' returns, and Nixon did so about a week later.

Sen. Lloyd M. Bentsen, Jr., D., Tex., a member of the Senate Finance Committee, said he expected his tax return privacy measure to be considered with other tax legislation late in 1974.

Bentsen introduced his bill Tuesday, declaring that, although President Nixon had revoked his year-old order on farmers' returns, the potential for "unwarranted intrusions" into privacy still existed and the 1973 Nixon order had established a precedent.

The fact that an "unwise" order was allowed to remain on the books for a year, said Bentsen, "clearly demonstrates that our laws must be changed."

"Congress and only Congress" should decide what changes should be made, Bentsen added, to close the door to potential abuse.

He said the legislation would not hamper the Internal Revenue Service from performing its regular duties.

Ford May Support Tax Tightening Legislation

(By Alan Emory)

WASHINGTON.—Vice President Gerald R. Ford said today he might support legislation designed to tighten the safeguards around individual income tax returns.

Ford heads a Nixon Administration committee looking into invasion of privacy. He persuaded President Nixon to revoke a 1973 executive order allowing the Agriculture Department to inspect the individual returns of farmers.

Ford said his committee would consider the problem posed by a Justice Deaprtment opinion that the farmers' return order was designed to serve as a "prototype" for all other federal agencies.

He said he did not know whether the recommendation would be for regulations to insure more tax return privacy or for legislation.

"If it is necessary for that protection," he said in an interview, "certainly I would lean that way at this point."

Legislation is pending in both the House and Senate and probably will become part of a tax bill later this year.

"I really think income tax returns, as such, are basically a matter of privacy between the individual and the government," Ford said.

He pointed out that his returns had been under careful scrutiny when he was nominated for Vice President and now "every candidate who runs has to expect that if he does not throw his returns out on the table he is going to be in trouble."

That, however, does not apply to individual citizens, Ford cautioned.

Nixon turned the tax return question over to Ford after being asked, at a Feb. 25 press conference, how he squared the executive order with his new privacy program and his strong defense of White House document confidentiality.

Ford's comments coincided with extended discussion on the House floor Tuesday about the whole privacy problem, including tax returns.

Rep. Jack F. Kemp, R., Buffalo, said the confidential treatment of federal tax returns had been "endangered" by the Nixon order, even though he accepted the Agriculture Department's word that the policy carried "no evil intent."

"The motive is not important," Kemp said, "the effect is."

While Kemp praised Nixon for revoking the order March 21, he said that should be only the first of "many steps which need to be taken to insure adequately the protection of privacy, especially with respect to the confidentiality of tax returns. I believe remedial legislation may still be required."

Rep. Jerry Litton, D., Mo., the man who uncovered the Nixon tax return order last year, has written Vice President Ford, urging his support for safeguarding legislation.

Invading Farmers' Privacy

More than a year ago, President Nixon issued an order, reportedly at the request of the Department of Agriculture, permitting the department to inspect the individual income tax returns of 3,000,000 farmers. Fortunately, reaction was so sharp that the department last fall temporarily abandoned its plan. Now into the picture enters Secretary Earl Butz. In his typically insensitive way, the secretary says that whether or not his department's inspection of returns is an invasion of privacy is "essentially a matter of judgment."

Americans who have always assumed that their income tax returns were matters between them and the Internal Revenue Service, and no one else, are learning from this governmental effort that such is not the case. Indeed, conflicting reports on how the executive order came about raises questions of intent and purpose. Furthermore, by the time the final draft of the order was ready, the Departments of Treasury and Justice had also played a role.

Apparently the Agriculture Department's Statistical Reporting Service wanted the names, address and gross income or product sales of farmers from the Internal Revenue Service in order to obtain better data. The order, it turns out, was to serve as a model for other agencies. Puzzling, however, is the statement by an Agriculture Department official that the department had never sought the authority to inspect income tax returns.

The author of a bill to tighten procedures to safeguard the privacy of income tax returns is right when he says that the Nixon order leaves a farmer's return an open book.

Other peculiarities about this long episode relate to the way the order was presented and whose judgment was the more understanding and sympathetic.

Anything as important as the examination of 3,000,000 tax returns should be cause for complete and candid announcement where the public could see it. Official compliance came through publication in the Federal Register. But how many farmers have access to the Register? In fact, how many who are supposed to even read the Register?

As for genuine sensitivity, the one agency which has conducted itself with understanding has been the Internal Revenue Service. The department has said it will not enforce the executive order. On the other hand, Secretary Butz insists on infuriating and alienating the farmers by refusing to comply with a congressional request that the orders be shelved until a House Government Operations subcommittee completes its inquiry into this issue.

Finally, why would not the Census Bureau be the more appropriate agency to approach in obtaining the data the Agriculture Department wants? And if the statistics are so terribly vital, why shouldn't the administration support funds for a special farm census from which the desired information could be derived?

From inspecting farmers' returns, it is a short step to inspecting the tax details of businessmen and anyone else, no matter how he earns a living. This executive order should be scrapped immediately and legislation passed assuring that income tax returns are as confidential as Americans have been led to believe.

Victory for Persistency

An executive order which never should have been sought nor issued is about to be rescinded. The report by our Washington correspondent Alan S. Emory, that President Nixon has agreed to revoke a January, 1973, decision permitting the Department of Agriculture to examine farmers' tax returns is good news for our food producers and for all Americans who cherish their privacy. Furthermore, it illustrates dramatically the power of persistence.

President Nixon's informal agreement to withdraw an edict which had angered the more than 3,000,000 American farmers was the result of increasing pressures and criticisms from members of congress. However, in this case, the effectiveness of the pressure came from the exposures made by a relatively few newspapermen who understood the order's full implication.

The directive, refined by the Justice Department, would be a model for various government agencies other than the Agriculture Department and thereby create a situation where anyone's income tax would be subject to examination. These returns thus would no longer be the confidential documents between taxpayer and the Internal Revenue Service as Americans have always believed.

Among the first, and perhaps the very first, to understand the order's implication was Mr. Emory, who reported last fall that the Agriculture Department had decided temporarily to scrap the order. A man of persistence, Mr. Emory kept inquiring into the details and meaning of the order. Last February 25 on President Nixon's televised news conference, Mr. Emory asked the president to explain the order in light of his strong defense of confidentiality for White House papers and his new protection-of-privacy policy for individual citizens. Mr. Nixon said he would turn over the issue to Vice President Gerald Ford and his new federal commission on privacy.

Yesterday Mr. Emory learned that the President had acceded to Vice President Ford's recommendation that the controversial order be revoked. Mr. Ford, having fairly recently undergone personal scrutiny, is sensitive to the feelings of farmers, especially on taxes, and can appreciate the concern of Americans over income tax privacy.

If Mr. Ford can now manage to eliminate a Justice Department opinion that the Nixon order serve as a prototype for other agencies, the job will be complete.

Many individuals can be applauded for this significant victory, the farmers, the congress and the civil liberties group. We do not hesitate to add the name of Mr. Emory.

From Washington: Heroes in Fight for Privacy

(By Alan S. Emory)

There are several heroes involved in President Nixon's first step in pulling back from a policy that threatened the traditional privacy of everybody's income tax return. The White House tried to make it look as if

President Nixon himself had guided his advisers along the path to a change in policy, but that isn't quite true.

For one thing, there were the House hearings on the 1973 Nixon order authorizing the Agriculture Department to look at every farmer's tax return. They were triggered by a couple of very concerned Democrats, Jerry Litton of Missouri and Bill Alexander of Arkansas, but despite the hearings and some strong recommendations from a House Government Operations sub-committee public attention was pretty thin and the Nixon Administration's concern non-existent.

In fact, the Agriculture Department, which said it had consulted with the White House on the policy, refused to pull back an inch although given plenty of opportunity.

Another hero, in a restricted sense, was Internal Revenue Commissioner Donald C. Alexander, who refused to implement the policy, although he, too, declined to go to the President to point out what a bad one it was and the dangerous implications for the future.

A third hero was Sen. James L. Buckley of New York, who read a news story about the Nixon order and sat down and wrote the President on his own, calling for an immediate scrapping of the order as representing an "implicit invasion of privacy." Fortunately, Buckley mailed his letter a week before he called for Nixon's resignation, so it may have been read and considered.

Still another hero was Vice President Ford, who was not in on the earlier policy and had the political sensitivity to realize the direction in which it was heading. As soon as Nixon turned the issue over to Ford and his new government privacy committee, the Vice President moved quickly and called on Nixon to reverse himself. He even maneuvered Agriculture Secretary Butz into backing him up, and that combination convinced the President to backtrack.

The whole case was helped along by news coverage in this newspaper and the Washington Post, which, in turn, prompted an editorial in the Washington Star-News. And, it is likely, the President might never have been spurred to take any action had it not been for a question put to him at his Feb. 25 news conference. That question prompted him to toss the matter into Ford's lap.

The White House announcement of a change of heart Thursday indicated that Nixon had asked Ford to find out if the Agriculture Department tax snooping was "really necessary," but there is strong evidence that Ford was left largely on his own and it was his realization of what a bad policy this was that led to his recommendation.

The President, after all, looked pretty strange demanding confidentiality for White House materials and pointing the way for a new program to safeguard individual privacy and when only a year before he had launched a policy to open up tax returns across the board, starting with the country's 3,000,000 farmers.

The issue is not yet completely settled. Legislation is needed to make sure tax returns are as safe and private as every one assumed they were.

OUR AGRICULTURAL POLICIES

Mr. MONTOYA. Mr. President, in 1964 President Lyndon Johnson said:

> Our agricultural policies must never be made blindly. They must never be predicated upon a bias or prejudice against the farmer. Even though his numbers are smaller, the farmer and rancher still ranks as the first citizen of our success.

Those words of President Johnson reflect the feeling which Americans have historically had for the value of the farmer. Jefferson said that "cultivators of the earth are our most valuable citizens," and the history of our Nation has provided ample proof that he was right.

Unfortunately, in the last few months, I have detected a growing resentment against farmers, and a growing feeling that the inflation which plagues us is somehow the "fault" of our farm communities. Astronomical rises in the supermarket cost of food and a lack of understanding or experience in the real problems of farmers have combined to make many people feel that the farmer is somehow experiencing "windfall" profits which are out of line.

I think it is important that we look at the real facts, and some of the real causes of our food inflation.

As part of the administration campaign to convince us that inflation does not exist, the energy problem is over, and unemployment is not real, the real problems of farmers have been fuzzed over or not reported. Once again last month in Houston, Tex., the President laughingly dismissed a question about the rising cost of production for farmers and left many listeners with the feeling that farmers, like the rest of us, "never had it so good."

That is what I call the "peace, prosperity and poppycock" line. Farmers know better, and so should we all.

Let us be clear about the real record for America's farm programs. For many years a bipartisan effort was made in America for programs at the Federal level which would protect farm family income while also preserving our ability to feed our own Nation and much of the rest of the world. Through Federal programs like REA, Federal farm credit, a Federal loan program, price supports, the ever normal granary concept, rural development programs, and other federally supported voluntary farm programs, American farmers have increased production, built up strong reserves of storable commodities, and provided the basic input to world food programs like Food For Peace, famine relief, disaster relief in many areas of the post World War II world.

Gradually we saw many famine relief programs turn to sales as the western nations regained economic stability and the developing nations began to gain strength. Demand for American farm products rose. When our other economic problems developed, the American farmer stood ready with an exportable product in growing demand—and turned our unfavorable trade balance around in 1972 and 1973.

The export boom, combined with the 1972 drought in many grain growing countries, and an erratic and uncontrolled agricultural policy, all combined to create the exotic high prices of 1973. The "great grain robbery" of 1972 has been well reported, and I think most Americans are aware that farmers lost millions on wheat sales that year. In the Southwest, where my State of New Mexico is located, estimates are that farmers lost at least $150 million by selling 400 million bushels of wheat early, and the profits were not made by farmers that year, but by corporate grain exporters and the Russians.

What is not so well known or understood is that the same kind of mixup is still happening to farmers—and they are also now caught in a price-cost squeeze between rising production costs and demands for increased production to fill expanding export and domestic needs.

In 1973 most farmers sold wheat at the June-July price of $2.45, but by August the price was $4 a bushel. Farmers who sold early lost out again. The price is now $6 a bushel—and 1973–74 export contracts already account for 58 percent of our new crop. Our reserves are dangerously low—the lowest since 1945—and if we are "oversold" there will be no cushion to help us provide for any emergency. The important thing to remember in all of this is that farmers have not made the big profits in wheat or grain sorghums, although they are being blamed for rising prices and they may be blamed for a shortage if one occurs.

The same picture emerges when we examine other farm products. Soybean farmers sold 90 percent of the 1972–73 crop at $4 or less—but the price which traders got for that same crop was as high as $10. Export controls finally brought that price down to $7 a bushel. For 1973–74, 47 percent of the soybean crop is already contracted for export.

In 1973 cotton farmers forward-contracted 40 percent of their crop at 30 cents a pound. By August the price for that crop was up to 60 cents a pound. Farmers lost millions if they sold too early. Yet 37 percent of this year's crop is already contracted for export. If the price rises again, farmers will lose again, of course.

It is true that food prices are high, and right now farm prices are high for many products. But the farmer is not the man who makes the profit when prices leap up erratically. Often he has sold early at a much lower price, and suffers the inflationary result of rising prices just as others do.

Farm production is always a long-term planning problem. This year's profit must be applied to the debt which accrued in bad years, or must be put away to protect against future bad years. That has been true since the beginning of farming, and that will always be true. The year 1973 was a year in which many farmers made a profit, but it is important for us to remember that was often after many years of no profit or low profit.

Now, in 1974, the same old worries are returning to our Nation's farm families. There are staggering rises in the cost of most things which farmers must buy in order to produce crops: Fertilizer, fuels, machinery, trucks, baling wire, land. Labor costs are rising. Shortages exist or are growing in many of these items.

Fertilizer prices rose in 1972 and 1973 at astounding rates. They have now tripled in many areas. In addition there is a predicted 10 percent 1974 shortage, so even if farmers can afford to invest the additional money needed to produce bumper crops, they are not going to be able to buy all the fertilizer they need.

Equipment prices have risen 33 percent, and the shortage is so severe that farmers must wait 6 to 8 months for tractors or other needed equipment. In New Mexico even second-hand machinery is selling for more than it once cost new—and it is hard to find.

Baling wire, after a nearly disastrous shortage in the last few months, will still present problems of supply this year, and will only be found at a higher price.

Fuel prices, as we all know, have gone up for all of us—but they have doubled for farmers. Even at those high prices fuel is unavailable in many farm areas, because some dealers have simply gone out of business. Liquefied petroleum to dry crops has doubled in price and will be short this year. In 1973 farmers spent nearly $2 billion for petroleum products—6½ billion gallons of gas and fuel oil alone went to our farms. If the price goes too high, or if farmers are not able to get the fuel they need at the time it is crucial to them, the chances of increasing production or even of staying even with last year's production are very slim.

Seed prices have doubled, and there are shortages in this vital input too. Since there is increased acreage in production this year and there is also competition from foreign markets, the shortages may be very real and very important.

Most difficult of all, the cost of farm land has gone up 20 percent to 30 percent—the second highest rise in farm land prices in history. Interest rates are up one-third. What this means is that the farmer who complies with our request for greater production must make a substantial long-term investment and yet he has no real insurance that prices will continue to provide him the income necessary to pay off the debt he will be incurring.

The target prices set by the Agriculture Act of 1973 as insurance against a drop in farm prices are already so low in comparison to expenses that they are of little value in protecting the farm family. The cost of production escalator which is part of that Act will not go into effect until 1976 or 1977. That is no protection for a farmer being asked to invest in land or fuel today.

As only one example of the kind of investment farmers must make today, let me quote from a statement by Arnold Nelson, head of the department of animal, range and wildlife sciences at New Mexico State University:

> The average rancher needs a capital investment of $1,100 for each cow per year. If you want to run 100 cows, you're talking about an investment of $110,000, much of it in land. Ranchers in general have made a profit margin of about one per cent on their investment in recent years.

I think we can sum up the farmer's dilemma with some very clear figures from the Wall Street Journal of March 11, 1974. In 1973 the gross farm income was $90.5 billion, up 31 percent over 1972. After expenses, the net farm income was $26.1 billion, compared to only $19.7 billion in 1972. That sounds good, but it is only part of the story.

For 1974 the gross predicted farm income is roughly the same $90 billion. But expenses for the farmer rose 19 percent in 1973 and will rise again this year by another 15 percent according to expert predictions. So the 1974 farmers' net income will be only $16 billion. That is roughly the same net income farmers had in 1969, 1970, and 1971.

Yet world demands for our farm products, like our own domestic demands, are rising constantly. There was an increase of 61 percent in our farm exports in 1972–73. This year will be another year when exports will take large percentages of our crops, and the demand for increased production from farmers is great.

Mr. President, I think all these figures make it clear that we had better think seriously before we complain about farmers' profits. We had better ask ourselves what the incentives are for farmers to continue to invest if they have no insurance against exploitation and inflation.

Perhaps it is time for us to think again about the free market agribusiness theories of the last few years. Perhaps it is time for us to return to a national food policy, with protections for both the American people and for the American farmer.

That policy should contain planning for "the good years" as well as provision for the "bad year," just as intelligent farm planning always has. It should contain incentives to build up farmer controlled food reserves, and set realistic target price insurance for the farmers' investment. We must not expect farmers to absorb inflation-caused price adjustments or shortage-caused price fluctuations.

Most important of all, we must speak up for the independent farmer. In New Mexico there are more than 37,000 people in our farm population. They have not made astronomical profits, no matter what the price at the supermarket suggests. Their median family income is $3,112. They are hardly the villains of the food price inflation of 1974.

We cannot allow our farm families to be made the scapegoat for the disastrous farm policies which have brought us to this inflated food economy. They are, as Lyndon Johnson said so clearly, the "first citizens of our success."

DECLINE IN U.S. DEFENSE STRENGTH

Mr. THURMOND. Mr. President, the noted newspaper columnist, Anthony Harrigan, recently published an article entitled, "Deterioration of U.S. Armed Forces Alarming." This article appeared in the April 1, 1974, issue of the Aiken Standard newspaper in Aiken, S.C.

The author points out that the military defense budget is actually declining when viewed in light of what the dollar will buy in today's market. This is a point all Americans should ponder.

Mr. President, I ask unanimous consent that this article be printed in the RECORD at the conclusion of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

DETERIORATION OF U.S. ARMED FORCES ALARMING

(By Anthony Harrigan)

The continuing deterioration of America's defenses should alarm every thoughtful citizen. The weakening of national security forces leaves the United States cruelly exposed to danger.

Yet the public is far from recognizing the peril facing the U.S. in the mid-1970s. Many people ask: How can America's defenses be deteriorating when the fiscal 1975 military budget calls for an increase of five to six billion dollars over fiscal 1974 as part of a record $85 billion defense budget?

The American Defense Preparedness Assn. has answered that question, saying: "Most of this increase will be eaten up by inflation and by military and civilian pay raises. Also taken into account are higher fuel prices, the dollar devaluation abroad, and shortages in U.S. weapons stockpiles made apparent by the Middle East War." When all these are compensated for, there will be little money left for modernization of our major weapons systems. Moreover, anti-defense forces in the Congress are likely to slash proposals for funding new weapons.

Things would be much worse but for the superb leadership of the armed forces by Adm. Thomas H. Moorer, USN, chairman of the Joint Chiefs of Staff. He has spoken out time and again, explaining America's military deficiencies. But defense leaders face tremendous obstacles. The New York Times, Washington Post, Newsweek and the TV networks do everything possible to downplay the need for strong defenses. They also downgrade the public image of the military profession. Indeed there are numerous commentators, as Joseph Alsop has written, who are "deathlessly devoted to a policy of national weakness."

President Nixon hasn't helped the situation by his constant reiteration of the "Generation of Peace" theme. What the nation faces is not a generation of peace but a generation of threats, nuclear blackmail, and increased Soviet pressure and intimidation on every front.

Secretary of State Kissinger has been a disaster for the United States, though he has received what columnist Thomas A. Lane refers to as the "adulation of an uncritical press." In the SALT–I talks, Dr. Kissinger agreed to a formula whereby the Soviet Union acquired an advantage of some 40 per cent in intercontinental ballistic missiles, the same edge in missile-launching submarines, and a 30 per cent advantage in submarine-launched ballistic missiles.

Writing in "Strategic Review," Dr. John Erickson of Edinburgh University, the leading British authority on Soviet armed forces said of SALT–I:

"More than one Soviet strategist and military planner must still be rubbing his eyes in order to make sure that he is not, after all, dreaming . . . whichever way they are read, the two basic documents on arms limitation can only be construed as heady encouragement for the USSR."

As a result of the actions of the anti-defense bloc in Congress and the policy of concessions favored by Dr. Kissinger, the United States has lost its commanding position in the world.

All is not lost, however. The new secretary of defense, James R. Schlesinger, seems determined that the U.S. regain lost ground. He is opposed to the Kissinger-State Department position, which would leave the USSR with quantitative superiority in nuclear arms. Mr. Schlesinger has retargeted America's missiles to give the country greater flexibility. He is pushing hard for increased defense research and development.

If the public will only wake to the realities and insist that the Congress provide the military equipment the nation needs, the deterioration of the U.S. armed forces will be arrested and the republic will be secure.

SPACE EXPLORATION

Mr. MOSS. Mr. President, as chairman of the Aeronautical and Space Sciences

Committee, I am often asked by constituents and colleagues alike: Why should we explore space? This question is not a new one. It has been asked ever since philosophers and scientists first contemplated the stars centuries ago. Yet, it is an important question, and its answer must be properly understood to insure adequate planning and preparation for our future and the future of our space program. "Exploration of the Solar System," a review recently published by the American Institute of Aeronautics and Astronautics, contains a section that is apropos in answering this question.

I ask unanimous consent that the material referred to be printed in the RECORD and I urge all Members to give the answer contained in the following paragraphs their attention.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

THE PURPOSE OF SOLAR SYSTEM EXPLORATION

(1) Why must man explore the solar system?

From the earliest times, man's efforts to understand the solar system have been fundamental to his technological progress and his view of his place in the universe. Recognition of the seasons of the year and their relation to the times and places of sunrise and sunset was basic to the development of agriculture. The planting and harvesting of crops led to the first fixed settlements, to cities and to nations. In ancient Egypt, measurements of the times at which certain stars rose were used to forecast the flooding of the Nile and the correct time for planting.

The association of the positions of the Sun, Moon and stars with seasons, tides, and floods gave rise to astrology—the belief that heavenly bodies govern men's lives. Because of the importance of astrology, the ancients made accurate observations, using the unaided eye and sighting circles, of the motions of the planets—those star-like objects that wandered through the seemingly unchanging pattern of the stars. By the time of Ptolemy, about 130 B.C., these observations had been built by the contributions of the ancient philosophers into a rather complicated theory in which the Earth was the stationary center of the universe, and the Sun, Moon, planets, and stars revolved around it. In the Middle Ages, the Ptolemaic theory became part of the dogmatic philosophy to which all educated Europeans were expected to adhere.

Copernicus (and others before him) challenged the Ptolemaic theory, maintaining that only the Moon revolved about the Earth, which rotated on its own axis and, together with the other planets, moved about the Sun.

As others began to question the established doctrines, there followed all the inventiveness, curiosity, expansion, and openness of mind that have distinguished modern from medieval civilization. In 1609, Galileo looked at the skies with a telescope and confirmed the Copernican theory. He saw Jupiter as a globe with four moons circling it: a scale model of the solar system. He also was the first to see mountains and craters on the Moon, the crescent phases of Venus analogous to those of our Moon, and (first among Europeans) spots on the Sun.

Earlier, Galileo had been the first scientist to connect experiments with mathematics to explain the motion of falling objects here on Earth. It was now clear that a unifying principle must exist among celestial and terrestrial events. Isaac Newton established this principle in 1686 by publishing his laws of motion and gravitation. These laws were the beginning of modern physics and the basic tool of modern engineering.

In the mid-nineteenth century, another major advance took place. Fraunhofer's observations of the spectrum of sunlight and its identification with the spectra of chemical elements measured in the laboratory led to the recognition that the Sun and Earth contained the same substances. This knowledge helped open the door to modern chemistry and atomic physics.

These discoveries about the solar system have changed man's conception of his world and his place in it. Instead of the central figure in a mysterious and capricious universe, he sees himself as a small part of a nature he can hope to understand and perhaps in part to control. In recent years the use of space vehicles has made possible greatly increased understanding of the solar system. Spacecraft have placed telescopes above the Earth's atmosphere where they can observe radiation at all wavelengths, with all its information about planetary and solar atmospheres. They have placed detectors directly within the interplanetary gas. They have allowed photography of planetary surfaces at resolutions measured in hundreds of meters rather than hundreds of kilometers, and they have disclosed the interaction of some planets with the surrounding solar wind. The resulting gains in understanding of the universe have indirectly affected our daily lives in many subtle ways, and may be expected to influence our future progress substantially.

THE PERVASIVE EFFECT OF UNIONS ON OUR ELECTION PROCESS

Mr. FANNIN. Mr. President, during my almost 10 years in Congress, we have debated so-called election or campaign reform legislation many times. Yet, the Congress has failed in each instance to seriously consider the greatest threat to our free election system—the abuses of unions.

Once again we are considering campaign reform, and once again Congress chooses to remain blind to this issue.

Mr. President, the San Diego Union carried an editorial on March 28, 1974, which demonstrates the pervasive effect of unions on our election process, and why we need to bring this under control if we are to have meaningful reform. I ask unanimous consent that this editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

CONGRESS AND CAMPAIGNS: LABOR DRIVES FOR CONTROL

One of its political goals for this fall, organized labor is not hesitant to say, is to elect about a dozen representatives and a half dozen senators who are favorable to its cause to assure a "veto-proof" Congress.

Initial indications are that labor is well on its way to achieving its goal for a number of reasons, all of them legal and legitimate under today's political codes.

First, labor has a political organization that is unique in the United States of America. Al Barkan, director of the AFL–CIO Committee on Political Education, recently told an audience in Washington that COPE is the only nation-wide organization that serves political candidates. A candidate whom COPE favors can be picked up at any airport, brought to a meeting hall rented by COPE, speak to an audience arranged by COPE and sleep in a room reserved by COPE. He can read the results of local COPE polls, receive information on 18 million Americans stored in COPE computers and, on election day, have the services of COPE to help turn out the voters. If necessary during his campaign, he could even receive, free, the services of political experts paid by COPE.

Organized labor has much money to pursue its political goals. In the 1972 presidential campaign, it spent an estimated $50 million. Neil McBride, labor writer for the Associated Press, estimates that backing by COPE is worth $10 million to a presidential candidate.

Moreover, while much is said about the contributions by business to various political candidates, little has been said about labor's assistance which, for instance, totalled $191,295 to members of the House Judiciary Committee alone. Of that total $30,293 went to Chairman Peter Rodino, and all but $2,100 went to Democrats. Indeed, some 98 per cent of labor's political muscle is exerted in behalf of Democrats.

The AFL–CIO already has some scalps hanging on its belt in the 1974 elections. More than a dozen labor groups were active in the 12th district in Pennsylvania to support the winner, Rep. John Murtha. Labor forces also claim credit for the election of Rep. Richard Vander Veen in the 5th district in Michigan.

Finally, not the least source of confidence among labor leaders that they are on their way to having a veto-proof Congress is the determined pressure in Washington for public financing of campaigns and strict limitations on campaign spending. If the contributions to those whom labor opposes are reduced, then the unions' non-financial contributions will be all the more effective.

If Congress has a goal of assuring fair elections it can do no less than place a dollar value on indirect assistance by such groups as COPE so that all candidates at least have equal campaign handicaps.

CONCLUSION OF MORNING BUSINESS

Mr. CANNON. Mr. President, is there any further morning business?

The PRESIDING OFFICER (Mr. HATHAWAY). Is there any further morning business? If not, morning business is concluded.

FEDERAL ELECTION CAMPAIGN ACT AMENDMENTS OF 1974

The PRESIDING OFFICER (Mr. HATHAWAY). Under the previous order, the Senate will now resume the consideration of the unfinished business, S. 3044, which the clerk will state.

The legislative clerk read as follows:

S. 3044, to amend the Federal Election Campaign Act of 1971 to provide for public financing of primary and general election campaigns for Federal elective office, and to amend certain other provisions of law relating to the financing and conduct of such campaigns.

The Senate resumed consideration of the bill.

The PRESIDING OFFICER. The pending question is on agreeing to the amendment of the Senator from Texas (Mr. TOWER), No. 1153, with the time thereon to be divided 10 minutes to the Senator from Texas and 5 minutes to the Senator from Nevada (Mr. CANNON).

Mr. TOWER. Mr. President, I yield myself such time as I may require.

Mr. President, this amendment provides that on or before July 1 of each year, the Joint Committee on Internal Revenue Taxation shall obtain from the

Internal Revenue Service all returns of income filed by each Member of Congress for the previous 5 years. After receipt, the committee shall submit these returns to an intensive inspection and audit for the purpose of determining the correctness with respect to the Member's tax liability. The report of the committee shall be forwarded to each Member and to the Internal Revenue Service.

It does not take long to realize that this is the procedure which was followed on the income tax returns of President and Mrs. Nixon.

The question posed in this amendment is simple: will Congress vote to bring upon its Members the same, intensive audit that President Nixon underwent? Today's vote will provide the answer.

When certain facts about the President's income tax were leaked to the media some months ago, President Nixon stepped forward and offered the joint committee the opportunity to review his return. The committee did so and found the President owing. But, much to his credit, the President said he would pay every last cent he owed— and he even denied himself the appeals recourse available to every other American citizen.

I believe it is only right that the Congress take the same steps to insure that our quest for fiscal integrity not only extends to the executive branch, but to the legislative as well. If some members of Congress who were so eager to see the President's tax returns gone over with a fine-tooth comb would vote "yea" today, we would have passage with very few dissenters.

In this day of distrust for public office holders, I think it is imperative that members of Congress—as well as the President—open their tax returns for public inspection. The legislation which I propose is an important and essential part of any campaign reform. It, in my opinion, would do much to improve the attitude of the American people toward their elected representatives.

I strongly urge adoption of this amendment.

Mr. President, I reserve the remainder of my time.

Mr. CANNON. Mr. President, I yield 2 minutes to the Senator from Montana (Mr. MANSFIELD).

The PRESIDING OFFICER. The Senator from Montana is recognized for 2 minutes.

Mr. MANSFIELD. Mr. President, this morning, the distinguished Senator from Vermont asked for, through the leadership, and was granted, the privilege of consideration.

It is my intention to make that same request at the conclusion of my brief comments.

What I intend to do, if the Senate will allow me to do so, is to offer an amendment to the Tower amendment so that on page 1, line 6, after the word "Congress," to insert the following:

> Each employee or official of the executive, judicial, and legislative branches whose gross income for the most recent year exceeds $20,000,

Mr. President, this is a proposal which I have been trying to have accepted by the Senate for more than a decade, because I feel that as long as we have three equal branches of Government, all three should be treated the same.

First, Mr. President, I ask unanimous consent at this time that the amendment which I have just proposed be considered in order as an amendment to the Tower amendment.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana?

Mr. TOWER. Mr. President, reserving the right to object, if the amendment is considered, does that bar me from the use of my remaining time?

Mr. MANSFIELD. Not at all, because it comes within the 15 minutes, as I interpret it.

Mr. TOWER. Mr. President, I will not object, but I intend to speak against the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I offer my amendment at this time and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

> Amendment to amend No. 1153, on page one, line six, after "Congress" insert ", each employee or official of the Executive, Judicial, Legislative Branch whose gross income for the most recent year exceeds $20,000,.

Mr. MANSFIELD. Mr. President, my intention is to ask for the yeas and nays on this, but first I ask unanimous consent that the distinguished assistant majority leader, the Senator from West Virginia (Mr. ROBERT C. BYRD) be added as a cosponsor of the amendment, as well as the distinguished Senator from Kansas (Mr. DOLE).

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. TOWER. Mr. President, I would assume that as the sponsor of the original amendment, I have additional time to argue against the amendment of the Senator from Montana (Mr. MANSFIELD)?

Mr. MANSFIELD. Mr. President, if the Senator will yield to me briefly, on my time, I would ask that the name of the distinguished Senator from Florida (Mr. CHILES) also be added as a cosponsor of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TOWER. Mr. President, I think that the amendment of the Senator from Montana would impose too great a burden on the joint committee and its staff because it would involve thousands of people. They are not elected public officials. My purpose with my amendment was to have the elected Members of Congress, the coordinate branch with the executive branch, submit to the same kind of scrutiny that the President of the United States has been subjected to. He and the Vice President are the only two elected members of the executive branch.

Therefore I think that the scope of the amendment should be confined at this time to elected Members of Congress.

I do not argue against the merits of what my distinguished friend from Montana seeks to do. It would seem to me that some other mechanism might be used for that purpose, such as the Comptroller General of the United States.

For that reason, I would not want to accept nor will I vote for the amendment of the Senator from Montana in its present form.

Mr. CANNON. Mr. President, I yield 1 minute to the Senator from Arkansas.

Mr. McCLELLAN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Arkansas will state it.

Mr. McCLELLAN.This amendment, if adopted, will it be subject to further amendment after adoption?

The PRESIDING OFFICER. Is the Senator asking whether or not he can offer an amendment to this amendment?

Mr. McCLELLAN. Yes. After this amendment has been disposed of.

The PRESIDING OFFICER. The Senator cannot do so without unanimous consent, unless this is an amendment that has been printed and is at the desk, and has been offered before cloture has been invoked.

Mr. McCLELLAN. I would have to have unanimous consent. Is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. McCLELLAN. Mr. President, I ask unanimous consent that I may offer an amendment after this amendment has been disposed of.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. CANNON. Mr. President, what is the time situation?

The PRESIDING OFFICER. The question is now on the amendment of the Senator from Montana. The yeas and nays have been ordered.

The Senator from Nevada has 2 minutes remaining. The Senator from Texas has 5 minutes remaining.

Mr. TOWER. Mr. President, I would simply like to ask the distinguished Senator from Montana if he would not alter his amendment to give this responsibility to the General Accounting Office rather than the joint committee, because I think the joint committee should focus on the returns of the Members of Congress and that that attention should not be diluted by their having also to pay attention to all these other matters.

Mr. MANSFIELD. The Senator is proposing that the amendment offered by the Senator from Montana, which applies to the executive branch and the judicial branch, be under the supervision of the Comptroller General rather than the joint committee.,

Mr. TOWER. That is my suggestion, because I think the joint committee staff would have to be beefed up just to handle the returns of Members of Congress. If we go into all the myriad of bureaucracy, it will be a formidable task.

Mr. MANSFIELD. I would be delighted to agree to that, because I want to assert the principle that many of us have been trying for more than a decade to assert, and that is to treat the three equal branches of government on an equal basis. If we are going to ask Senators to lay out their tax returns, then I think that members of the judicial branch and members of the executive branch earning $20,000 a year or more should accept the same responsibility. I am prepared to do it. I would be willing to.

I have been trying to do so for more than 10 years. So I would be glad to modify the amendment.

Mr. President, I ask unanimous consent that my amendment be modified along the lines of the suggestion made by the distinguished Senator from Texas.

Mr. CANNON. What is it?

Mr. MANSFIELD. It places it in the Comptroller General.

Mr. McCLELLAN. I had an amendment for that purpose.

Mr. MANSFIELD. Will the Senator join me in that change?

Mr. McCLELLAN. Yes.

I do not think the Joint Committee on Internal Revenue and Taxation should see our returns if we are not going to see theirs. I believe that this agency of Congress, the Comptroller General's Office, is the proper one to do it.

Mr. TOWER. Mr. President, I think I can clear up this matter.

If the Senator from Montana would temporarily withdraw his amendment, I will ask unanimous consent to modify my amendment to bring the entire matter under the jurisdiction of the Comptroller General, and then I think that would make it a little more simple for the Senate.

Mr. MANSFIELD. I must respectfully decline to do so. I am interested in a principle I have been trying to achieve for more than a decade. I would not object to the distinguished Senator from Texas changing it from the Joint Committee on Internal Revenue and Taxation, which would have supervision, to the Comptroller General. But the principle I am trying to achieve has to stay in, so far as I am concerned; and it is the principle that the Senator from Arkansas, the chairman of the Committee on Appropriations, is likewise trying to achieve, insofar as the supervisory factor is concerned.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. McCLELLAN. If we are going to do this, then the Joint Committee on Internal Revenue and Taxation is not the body to examine the Senator's returns and mine. They are Members of this body. Who would audit their returns? It ought to go to the Comptroller General.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that, in one way or another, instead of the joint committee having the supervisory responsibility, that function be transferred in the amendment now pending to the Comptroller General of the United States.

Mr. TOWER. I think the Senator from Montana misunderstood me. I was going to modify my amendment, which would make it easier for his amendment to be attached. That, then, would not require any modification on the part of his amendment.

Mr. MANSFIELD. That would be fine. If the Senator will ask unanimous consent to make that substitution as to what and who the supervisory agency would be, I have no objection. I am trying to retain in there the principle I have been trying to achieve.

Mr. TOWER. Mr. President, I ask unanimous consent that it be in order that I propound the unanimous-consent agreement to amend my amendment as follows——

The PRESIDING OFFICER. Without objection, the amendment is so modified.

The clerk will read the modification.

The legislative clerk proceeded to read the amendment as modified.

Mr. TOWER. Mr. President, I ask unanimous consent that further reading of the modification be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered; and, without objection, the amendment as modified will be printed in the RECORD.

The amendment as modified is as follows:

On page 1, line 4, strike "Joint Committee on Internal Revenue Taxation" and insert "Comptroller General of the United States".

On page 1, line 7, strike "committee staff" and insert "Comptroller General of the United States".

On page 2, line 3, strike "its" and insert "such".

On page 2, lines 3 and 4 strike "Joint Committee on Internal Revenue Taxation" and insert "Comptroller General of the United States".

On page 2, strike line 6 through "and to" on line 7.

On page 2, line 10, after "proper." insert "The Comptroller General of the United States shall deliver a copy of such report and results of such audit and inspection to the Members or candidate concerned.

"Section 2. The Internal Revenue Service shall assist the Comptroller General of the United States as necessary in administering the provisions of this title."

Mr. MANSFIELD. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MANSFIELD. What is the pending business?

The PRESIDING OFFICER. The pending business is the amendment of the Senator from Montana.

Mr. TOWER. Provided the unanimous-consent agreement I propounded is not objected to.

The PRESIDING OFFICER. The unanimous-consent agreement has not been objected to, and it is so ordered.

Mr. TOWER. So that now the amendment of the Senator from Montana is in order. Is that correct?

The PRESIDING OFFICER. The Senator is correct.

Do Senators yield back their time on the amendment of the Senator from Montana?

Mr. TOWER. I yield back the remainder of my time.

Mr. CANNON. I yield myself 1 minute.

Mr. President, I would simply point out that this is exactly what we have required, in subtsance, elsewhere in the bill.

On page 79, we adopted heretofore, in S. 372—and it is in this bill—a provision, the Cannon amendment, in section 401. The only difference is between the amount of $20,000 and $25,000. In the bill as it now stands, it reads:

Who is compensated at a rate in excess of $25,000 per annum.

So the amendment of the Senator from Montana is $5,000 per annum more restrictive. But this requires a full and complete disclosure by every member of the executive, the legislative, and the judicial branches who is compensated in excess of that amount, and candidates for congressional seats, and the President and the Vice President, to make a full disclosure in accordance with the terms and provisions hereof; and it requires everything in there that is required on an income tax return.

Mr. TOWER. Mr. President, I submit that disclosure and audit are not the same thing; that the Senator from Montana with his amendment and I with my amendment require an audit; whereas, all that the current provision of the bill provides is for disclosure.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Montana. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Idaho (Mr. CHURCH), the Senator from Arkansas (Mr. FULBRIGHT), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Hawaii (Mr. INOUYE), the Senator from Louisiana (Mr. LONG), the Senator from Wyoming (Mr. McGEE), the Senator from Montana (Mr. METCALF), the Senator from Ohio (Mr. METZENBAUM), the Senator from West Virginia (Mr. RANDOLPH), are necessarily absent.

I further announce that, if present and voting, the Senator from West Virginia (Mr. RANDOLPH), would vote "yea."

Mr. GRIFFIN. I announce that the Senator from Hawaii (Mr. FONG), the Senator from Arizona (Mr. GOLDWATER), the Senator from Kentucky (Mr. COOK), are necessarily absent.

I also announce that the Senator from Virginia (Mr. WILLIAM L. SCOTT), is absent on official business.

The result was announced—yeas 71, nays 16, as follows:

[No. 140 Leg.]

YEAS—71

Abourezk
Aiken
Allen
Bartlett
Bayh
Beall
Bentsen
Bible
Biden
Brooke
Buckley
Burdick
Byrd, Robert C.
Cannon
Case
Chiles
Clark
Cotton
Cranston
Curtis
Dole
Domenici
Eagleton
Eastland
Gravel
Gurney
Hart
Hartke
Haskell
Hathaway
Helms
Hruska
Huddleston
Hughes
Humphrey
Jackson
Javits
Johnston
Kennedy
Magnuson
Mansfield
Mathias
McClellan
McClure
McGovern
McIntyre
Mondale
Montoya
Moss
Muskie
Nelson
Nunn
Packwood
Pastore
Pearson
Pell
Proxmire
Ribicoff
Roth
Schweiker
Scott, Hugh
Sparkman
Stafford
Stevens
Stevenson
Symington
Thurmond
Tower
Tunney
Weicker
Williams

NAYS—16

Baker
Bellmon
Bennett
Brock
Byrd,
  Harry F., Jr.
Dominick
Ervin
Fannin
Griffin
Hansen
Hatfield
Percy
Stennis
Taft
Talmadge
Young

NOT VOTING—13

Church
Cook
Fong
Fulbright
Goldwater
Hollings
Inouye
Long
McGee
Metcalf
Metzenbaum
Randolph
Scott,
  William L.

So Mr. Mansfield's amendment to Mr. Tower's amendment was agreed to.

Mr. PERCY. Mr. President, I voted against the Mansfield amendment to the Tower amendment earlier today but voted for the Tower amendment as amended as I wanted to make it clear I have not the slightest objection to having my own tax returns audited. Even though I am sympathetic with Senator Mansfield's concern for equality of treatment for Members of Congress, I voted against the Mansfield amendment as I feel it is wrong to simply single out the tax returns for the past 5 years of all legislative, executive and judicial branch employees making over $20,000 a year to be audited.

What is the manpower required by GAO to do this? No one knows. How many employees would this involve? No one could tell me before the vote, but it was assumed the number probably is in the hundreds of thousands.

How many millions of dollars a year will this cost? No one can tell me.

On a cost-effective basis, this could be an unnecessary waste of Federal Government funds. I am hopeful this amendment will never be implemented into law.

The PRESIDING OFFICER. The Senator from Arkansas (Mr. McClellan) is recognized.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. McCLELLAN. I yield.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that, due to the very strong possibility of a number of votes on amendments following one another, there be a time limitation of 10 minutes on rollcalls from here on out.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCLELLAN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. McCLELLAN. I believe I have unanimous consent to offer an amendment at this time. Is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. McCLELLAN. Mr. President, the amendment which I intended to offer, and which I will now not offer, is the same modification that the distinguished Senator from Texas made to his original amendment. That modification corrects one of the flaws I observed in the original amendment. I did not want it; I did not think it was wise to have the Joint Committee on Internal Revenue Taxation auditing the Senator's return or my return. I did not know who was going to audit theirs. I thought it was better to have the Comptroller General audit them. I am satisfied with the amendment.

Mr. GRIFFIN and Mr. TOWER addressed the Chair.

The PRESIDING OFFICER. The question is on the amendment of the Senator from Texas. The yeas and nays have been ordered. All time has expired.

Mr. TOWER. Mr. President, I am supposed to have some more time, because was not time assigned to the Senator from Montana?

The PRESIDING OFFICER. No.

Mr. TOWER. That came out of my time?

The PRESIDING OFFICER. No.

Mr. TOWER. Mr. President, I ask unanimous consent that I may proceed for 2 minutes.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. TOWER. Mr. President, if I may have the attention of the Senator from Montana, was it not his intent that the results of such an extensive audit be made public information?

Mr. MANSFIELD. Yes.

Mr. TOWER. That is the intent of the Senator from Texas, so I want that understood as a part of the legislative history.

Mr. BUCKLEY. Mr. President, when I voted for the Mansfield amendment to the Tower amendment, it was not my understanding that the opinicns of the Comptroller General would be published. I had assumed that the purpose of the Senator from Montana was to make sure that the tax returns of everyone in the Federal Government receiving $20,000 or more would be given the closest scrutiny, so that any question or irregularities would be called to the attention of the proper authorities, and any questions resolved in accordance with normal procedures and subject to normal safeguards.

However, in light or the colloquy between the Senators from Montana and Texas, I will have to reverse my position, and vote against the Tower amendment as amended. I simply see no legitimate purpose, in fact, to be served through this gratuitous invasion of privacy.

Mr. GRIFFIN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. GRIFFIN. The question then is on the amendment of the Senator from Texas as amended by the amendment of the Senator from Montana. Is that not correct?

The PRESIDING OFFICER. That is correct.

The question is on agreeing to the amendment of the Senator from Texas, as modified, and as amended by the amendment of the Senator from Montana. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Idaho (Mr. Church), the Senator from Arkansas (Mr. Fulbright), the Senator from South Carolina (Mr. Hollings), the Senator from Hawaii (Mr. Inouye), the Senator from Louisiana (Mr. Long), the Senator from Ohio (Mr. Metzenbaum), and the Senator from West Virginia (Mr. Randolph) are necessarily absent.

I further announced that, if present and voting, the Senator from West Virginia (Mr. Randolph) would vote "yea."

Mr. GRIFFIN. I announce that the Senator from Hawaii (Mr. Fong) and the Senator from Arizona (Mr. Goldwater), are necessarily absent.

I also announce that the Senator from Virginia (Mr. William L. Scott) is absent on official business.

The result was announced—yeas 69, nays 20, as follows:

[No. 141 Leg.]

YEAS—69

Abourezk
Aiken
Allen
Bartlett
Bayh
Beall
Bellmon
Bentsen
Bible
Biden
Brooke
Burdick
Byrd, Robert C.
Cannon
Case
Chiles
Clark
Cook
Cotton
Curtis
Dole
Domenici
Eagleton
Fannin
Gravel
Griffin
Gurney
Hartke
Haskell
Hathaway
Helms
Hruska
Huddleston
Hughes
Humphrey
Jackson
Johnston
Magnuson
Mansfield
Mathias
McClellan
McGovern
McIntyre
Metcalf
Mondale
Montoya
Moss
Muskie
Nelson
Nunn
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Ribicoff
Schweiker
Scott, Hugh
Sparkman
Stafford
Stevens
Stevenson
Symington
Thurmond
Tower
Weicker
Williams
Young

NAYS—20

Baker
Bennett
Brock
Buckley
Byrd,
  Harry F., Jr.
Cranston
Dominick
Eastland
Ervin
Hansen
Hart
Hatfield
Javits
Kennedy
McClure
Roth
Stennis
Taft
Talmadge
Tunney

NOT VOTING—11

Church
Fong
Fulbright
Goldwater
Hollings
Inouye
Long
McGee
Metzenbaum
Randolph
Scott,
  William L.

So Mr. Tower's amendment (No. 1153), as modified, was agreed to.

Mr. TOWER. Mr. President, I call up my amendment No. 1131 and ask that it be read.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

On page 76, between lines 18 and 19, insert the following:

"(3) For purposes of this section, with respect to a political committee which establishes, administers, and solicits contributions to a separate segregated fund supported by payments from a corporation or labor organization, as permitted under section 610, the term 'contribution' includes the fair market value of services which an individual who is an employee or member of such corporation or labor organization, respectively, provides to such a committee for, or for the benefit of, a candidate, or which such an individual provides to, or for the benefit of, a candidate at the direction of such a committee.".

On page 76, line 19, strike out "(3)" and insert in lieu thereof "(4)".

Mr. TOWER. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that there be a limitation of 15 minutes on this amendment, 10 minutes for the distinguished Senator from Texas (Mr. TOWER), sponsor of the amendment; and 5 minutes for the distinguished Senator from Nevada (Mr. CANNON), who is in charge of the bill.

Mr. GRIFFIN. Mr. President, I wonder if we could have a little more time on this amendment. It is a very important amendment, and there are other Senators, including the junior Senator from Michigan, who are very much interested in making certain that the Senate knows and understands what the amendment is all about and how important it is.

Mr. TOWER. Mr. President, I will certainly be agreeable to the granting of more time. May we make it 15 minutes to a side?

Mr. MANSFIELD. That is agreeable to me.

Mr. President, I withdraw my request.

Mr. TOWER. Mr. President, I yield myself such time as I may require.

This is a very simple amendment. Nevertheless, without it this bill cannot be objectively considered to be the "comprehensive" proposal that the proponents of it maintain it is.

This proposal amends title III of the bill, specifically section 615, dealing with limitations on contributions. As the bill now stands, an individual contribution is limited to $3,000 per candidate for each election and $6,000 for a political committee. The amendment specifically addresses the nature of a contribution by such a political committee by stating that "for purposes of this section with respect to a political committee which establishes, administers, and solicits contributions to a separate segregated fund supported by payments from a corporation or labor organization, as permitted under section 610, the term "contribution" includes the fair market value of services which an individual who is an employee or member of such corporation or labor organization, respectively, provides to such a committee for, or for the benefit of, a candidate, or which such an individual provides to, or for the benefit of, a candidate at the direction of such a committee."

This amendment would, therefore, have the fair market value of services provided at the direction of a political committee established by a labor organization or a corporation to a particular candidate counted toward the political committee's contribution limitation.

Mr. President, unless this amendment or an amendment similar in scope is approved, this so-called campaign reform bill will be nothing more than a sham. I, myself, have some philosophical reservations about imposing a contribution limitation on individual expenditures. Nevertheless, such a limitation seems inevitable. Therefore, if this legislation is to achieve the goal of controlling the aggregate impact which special interests have on our electoral process, then the limitation must apply to all contributions and not just direct cash contributions.

As far as the impact of special interests are concerned, what difference does it make whether that influence is obtained by direct cash contributions or services rendered. The influence obtained, and the danger to the political process that this bill is said to address, is not retarded or controlled when organizations are allowed to contribute thousands upon thousands of dollars in noncash services to candidates.

Under the bill as currently before us, the individual American who wishes to contribute a small sum to the candidate of his or her choice is given a subservient status when placed alongside the types and levels of contributions this amendment seeks to control and limit. The integrity of the small contributor and his or her contribution remains in doubt.

This amendment treats corporations and organized labor equally. Admittedly it has been labor unions which have impacted upon our political system by making their members available to engage in political activity by working on a candidate's campaign, doing direct mail solicitations and other traditional forms of activity. Nevertheless, I wonder whether, if this bill is passed without this amendment, corporations also will shift their emphasis to providing services to a candidate rather than direct contributions. The end effect will be that the political process will be subject to the same abuses that were apparent long before this bill was drafted.

Mr. President, a recent article in the Wall Street Journal highlighted the extent to which noncash contributions have been utilized by one particular union—the International Association of Machinists.

I want to emphasize that the vast amount of contributions in the nature of services were only obtained through a discovery proceeding as part of a legal case brought by a number of union members who successfully alleged that their dues money was being used illegally. If it were not for this discovery proceeding, the information would never have been made public. I ask unanimous consent that the article be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

UNIONS AND POLITICS: MONEY'S JUST ONE TOOL MACHINISTS USE TO HELP FAVORED OFFICE SEEKERS—INDIRECT AID IS A BIG ITEM, COURT RECORDS INDICATE; HOW DEMOCRATS BENEFITED

(By Byron E. Calame)

LOS ANGELES.—Like the President himself, some of Richard Nixon's foes in organized labor have been surrending sensitive political records.

The International Association of Machinists, in a case initiated by a group of dissident members of the union, was forced by a federal court here to release thousands of documents. They reveal in unusual detail how the IAM goes about electing its friends to federal office.

This rare glimpse into the inner workings of one of the AFL–CIO's largest (800,000 members) and most politically active unions shows that there is a lot more to a union's political clout than the direct financial contributions reported to government watchdogs—and labor's political experts say the machinists probably adhere to the campaign spending laws as closely as any union.

The documents indicate that direct gifts are often overshadowed by various services provided free of charge to favored candidates under the guise of "political education" for union members. The indirect aid includes some of labor's most potent political weapons; assignment of paid staff members to candidates' campaigns, use of union computers, mobilization of get-out-the-vote drives.

TRIPS AND DINNERS

Dues have also been used, the documents indicate, to supply IAM-backed candidates with polls and printing services and to finance "nonpartisan" registration drives, trips by congressional incumbents back home during campaigns, and dinners benefiting office seekers endorsed by the machinists. Machinist-backed candidates are almost invariably Democrats.

An important question is whether these dues-financed activities violate federal laws that for decades have barred unions and corporations from using their treasury funds to contribute "anything of value" to candidates for federal office. Money for such direct contributions by unions must come from voluntary donations coaxed out of the members. The federal statutes do permit unions to spend dues for partisan politicking directed at the union's members and their families, on the theory that this sort of thing is internal union business, and the money used for this activity is called "education money," or "soft money."

The political activities of the machinists' union are, indeed, aimed at the union's members and are therefore proper, says William Holayter, director of the union's political arm, the Machinists Non-Partisan Political League.

DRAWING THE LINE

Even labor's critics concede that it is sometimes hard to draw the line between activities designed to sell a candidate to a union's members and those intended to sway voters in general. A member of the machinists assigned to promote a candidate among other machinists may inevitably find himself wooing other voters as well.

Still, the machinists' documents suggest that the union has often sought to provide maximum assistance to a candidate by use of soft money. "The problem," says one labor political strategist, "is that the machinists put too much in writing." The late Don Ellinger, the widely respected head of the Machinists Non-Partisan Political League who died in 1972, evidently had a penchant for memos.

Spending reports filed with the Senate for the 1970 campaign show that the Machinists Non-Partisan Political League openly gave Sen. Gale McGee $5,000; the internal records now disclose that the Wyoming Democrat also received at least $9,300 in noncash assistance. Direct donations to Texas Democrat Ralph Yarborough's unsuccessful Senate reelection bid in 1970 were listed at $8,950; one document indicates he got other help worth at least $10,680. While the league poured $15,200 directly into Democrat John Gilligan's unsuccessful 1968 bid for an Ohio Senate seat, the documents show it indirectly provided more, $15,500.

RECEIPT UNREPORTED

Available records indicate that few, if any, campaign committees for machinist-backed candidates listed indirect aid from dues money as contributions. Prior to a 1972 toughening of disclosure requirements, candidates evidently found it easy to spot loopholes that were used to avoid reporting such indirect assistance.

The dissident machinists who forced disclosure of their union's files had brought their suit with the backing of the National Right to Work Legal Defense Foundation. The dissidents wanted the court to bar the union from using dues money for any political activity—including such clearly legal endeavors as politicking directed at its own members and traditional union lobbying efforts. The real goal of the right-to-work foundation is to eliminate the forced payment of dues. A federal judge dismissed the suit Dec. 19, largely because the union offered to start rebating the dues of any member who disagrees with the union's stand on political or legislative issues. The dissident group appealed the decision Jan. 10.

One questionable arrangement of the machinists helped reelect Sen. McGee in 1970. Alexander Barkan, director of the AFL–CIO Committee on Political Education, asked the machinists early that year to put the names of 65,000 "Democrats in Wyoming" on the machinists' computer for the Senator's use in "mailings, registration, etc." The minutes of the Machinists Non-Partisan Political League executive committee show that Mr. Ellinger recommended handling the chore but warned that it would have to be financed with "general-fund money" (the league's separate kitty composed of voluntary donations) and would be considered "a contribution toward the Gale McGee campaign."

Despite the warning, internal records show that bills totaling $9,302.74 for the operation were paid out of the league's political-education fund, built from dues money. Computing & Software Inc. was paid $4,696.84, Minnesota Mining & Manufacturing Co. received $414, and $4,191.90 went to reimburse the IAM treasury for cards it provided.

Doubts about such arrangements may be raised in the coming report by the Senate Watergate committee. Though Republican hopes for public hearings on union campaign contributions will probably be disappointed, the committee staff has asked unions broad and potentially explosive questions about the services provided to candidates.

Watergate revelations, some union politicians believe, have demonstrated that labor can never collect enough rank-and-file donations to rival campaign contributions by business bigwigs. "There is no way we can match them," says Mr. Holayter of the machinists. "It's silly to try." Hence the importance of the indirect contributions.

This is one reason why the AFL–CIO is pressing for public financing of federal campaigns: its strategists obviously figure that a ban on direct contributions would leave labor in a better position relative to business than it is in now.

If past performance is any guide, the machinists' union would still be a valuable supporter for its political favorites if public financing were adopted. Its indirect assistance in staffers' time alone has totaled in the tens of thousands of dollars, the court documents show.

Printing is another campaign expense that the IAM often helps its friends meet. With the 1970 elections coming up, an aide to Rep. Lloyd Meeds passed to the machinists a bill for the printing of the Washington Democrat's quarterly newsletter. "The newsletter went to every home in the Second District," the aide rejoiced in one of the released documents. "We had a tremendous, positive response to it." Although the newsletter had been distributed far beyond the IAM's ranks in an election year, a soft-money check for $695.17 to the printer was quickly dispatched to a local union official.

Early in the 1972 reelection drive of Sen. Thomas McIntyre, the Machinists Non-Partisan Political League agreed to spend $1,000 "for assistance in newsletters" put out by the New Hampshire Democrat. And earlier, during Rep. John Tunney's successful 1970 bid for a California Senate seat, the league picked up a $1,740 tab for printing of a brochure that compared the Democrat's voting record with that of the GOP incumbent, George Murphy. Some of the brochures were passed out at a county fair.

The amount of union staff time devoted to candidates' campaigns is difficult to pin down. Irving Ross, a certified public accountant retained by the suing dissident machinists to analyze the IAM documents, filed an affidavit giving "incomplete" tabulations. Mr. Ross says the time that IAM "grand lodge representatives" and "special representatives" spent on campaigns in 1972 was worth $39,175. The amounts were $58,241 in 1970 and $42,921 in 1968, he says. The IAM says the figures are too high, but it didn't challenge them in court.

A status report prepared by the machinists political unit in late August 1970 shows that at least one field representative was working full time on each of over 20 congressional campaigns. IAM agents often become almost part of the candidate's campaign staff. When Robert Brown was assigned full time to Indiana Sen. Vance Hartke's reelection campaign in May 1970, he set up an office right in the Democrat's headquarters and had the title of chairman of the Indiana Labor Committee for Hartke. Another IAM representative, William Wolfe, was assigned to Yarborough campaigns in Texas in 1970 and 1972—and was being paid out of the union treasury in May 1972 even though a new law effective in April 1972 specifically barred a union from using dues money to pay for services rendered to a candidate, thus spelling out more clearly an old prohibition.

The union also takes machinists out of the shop for campaign duty, giving them "lost time" compensation out of dues money to make up for the loss of regular pay. Thus, the files show, two Baltimore machinists got $282.40 a week while working for the Humphrey presidential campaign for five weeks in 1968. A Maryland IAM official said later that the two "did a first-rate job, especially in smoking out the local Democratic politicians who were inclined to cut the top of the ticket" and persuading them not to do so.

Rep. Richard Hanna of California got $500 from the machinists to help finance a $6,000 "nonpartisan" registration effort to help get him reelected in 1970. In a letter requesting the union's aid, the Democrat predicted that the drive would "raise the district to at least 53.5% Democratic . . . because most of the unregistered voters are Democrats." He said the registrars would be preceded by "bird dogs," meaning that Democratic workers would roam out ahead of the registrar to identify residence of unregistered Hanna supporters.

The machinists' union's airline credit cards come in handy when incumbents are eager to get home in election years. Early in 1969, the executive committee of the machinist political unit authorized the expenditure of $3,600 to buy plane tickets home for unnamed "western Senators" during the following year's campaign. The league's "education fund" provided Sen. Yarborough and his aides with $705.60 worth of tickets during his 1970 reelection campaign. The files show that $500 went to Sen. Albert Gore, Democrat of Tennessee, during his losing reelection effort in 1970.

Machinist officials contend the organization pays for such travel because the candidate speaks to a union group or "consults with union leadership" in his district. But correspondence in the files indicates that this is more of a rationalization than a reason. Take a 1969 Ellinger memo to Sen. Yarborough outlining procedures "for all transportation matters." It states:

"We would like our files to contain a letter . . . indicating that you intend to be in Texas on a particular date to consult with the leadership of our union. If a trip includes a member of your staff, the letter should also name the staff member as being included in the consultation."

"Appreciation dinners" for Senators and Representatives often serve as a conduit for "soft money." Consider the ten $100 tickets the IAM bought to a 1969 testimonial gathering for Sen. Frank Moss, Democrat of Utah, who faced an election in 1970. "Since Moss is not yet an announced candidate, we can use educational money for this event and later consider this as part of our overall contribution," the minutes of the league's executive committee explain.

Mr. TOWER. Mr. President, I want to emphasize that this amendment is drafted with the intent of controlling these kinds of noncash contributions without restricting voluntary services which an individual renders to a candidate solely at his own initiative independent from the political committee. The amendment is aimed at work done by employees of the corporation or members of the union which is under the control or direction of the political committee. The services could easily be contributed in the form of cash contributions but are not.

Mr. President, I say to all of my colleagues that if we are sincere about limiting individual contributions and consequently the aggregate impact which special interests have had on our electoral process, then we all must bite the bullet. It would be far worse to approve half-baked reforms than no reforms at all.

The PRESIDING OFFICER. Who yields time?

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. TOWER. I yield to the Senator from Vermont.

Mr. AIKEN. Would the Senator's amendment inhibit the granting of the use of a WATS line of a corporation, labor union, or Member of Congress?

Mr. TOWER. It does not prohibit it, but it must be charged against the limit, as far as its fair market value is concerned, that that organization can contribute.

Mr. AIKEN. If a corporation or a union feels that it would like to lend a fleet of cars for political purposes, would the amendment prohibit that?

Mr. TOWER. It would not prohibit it, but it would require that it be considered as a contribution within the limits imposed on the organization.

Mr. AIKEN. It would be charged to their allowable expense?

Mr. TOWER. It would be charged to their allowable, that is correct.

Mr. AIKEN. I thank the Senator. I have an amendment similar to this which I shall probably put in the Record later, but as long as the Senator from Texas has proposed his, it is so nearly like the one I have in mind that I probably will not offer mine.

Mr. TOWER. I thank my friend from Vermont.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. TOWER. I yield to the Senator from Washington.

Mr. MAGNUSON. Suppose a person wanted to spend 10 days working on my or the Senator's campaign who happened to be a member of a union. How would the Senator handle that?

Mr. TOWER. This is a matter that I dealt with in my remarks. That would be legal, provided he was not doing so under the direction of his union or as an officer of a corporation, and it was not being done for or under the direction of the corporation or organization.

Mr. MAGNUSON. He could not be directed by the union?

Mr. TOWER. That is correct. In other words, if an official of BIPAC, let us say, which is a business and industrial political action committee, if an officer of that organization was working in a campaign at the direction of that committee, then his services would have to be counted.

Mr. MAGNUSON. But it in no way acts to prohibit an individual——

Mr. TOWER. No, I made that very clear, that this impacts not at all against the activities of individuals not under any control or direction.

Mr. MAGNUSON. They might take time out to do it on their own?

Mr. TOWER. That is right. I have individual volunteers working in my campaigns.

Mr. MAGNUSON. What would happen if a group of individuals got together on their own?

Mr. TOWER. That would be legal if they were not working under the direction of a political action committee.

Mr. THURMOND. Mr. President, will the Senator yield?

Mr. TOWER. I yield to the Senator from South Carolina.

Mr. THURMOND. In the event that an individual of that group was or several were inspired by a union, then what would be the effect?

Mr. TOWER. I think this would have to be a matter of adjudication, probably, to determine it. If there was a complaint that someone was working at the direction of the organization, it could, of course, be a matter for adjudication.

Mr. THURMOND. In other words, if the individual or the group, of their own free will and accord, without any direction, suggestion, or inspiration from the union, goes out and works, that is all right?

Mr. TOWER. The Senator is correct.

Mr. THURMOND. But if they do so under direction, suggestion, or inspiration from them, that would violate this section, is that correct?

Mr. TOWER. That is right.

Mr. BIDEN. Mr. President, will the Senator yield?

Mr. TOWER. I yield.

Mr. BIDEN. If the union endorses a candidate, and it so happens that an employee who is a member of a union ends up working for that candidate on his own, is it assumed that he is working for that union?

Mr. TOWER. No, it is not, and this would not be charged against any legal contribution that was made to the candidate by the organization endorsing him, as long as he is a self-starter, working on his own initiative and not under the direction of the contributing organization.

Mr. BIDEN. How is the direction determined?

Mr. TOWER. Well, if, for example, the union says, "All right, tomorrow morning you and you and you report to somebody's campaign headquarters and get to work and work 4 hours during the day," then you have to figure the fair market value of that 4 hours of labor as a part of the contribution. But if the individual union member, regardless of the fact that his union has endorsed a candidate, walks in and volunteers to work, that is his own business.

Mr. BIDEN. It sounds like a fairly equitable thing, but will it not turn out to be a sham? Will it not be understood that we are pulling another fraud on the American people?

Mr. TOWER. I think it depends on how the law is enforced. The whole act could be a sham, for all I know.

Mr. BIDEN. How could anyone legitimately enforce it, when there is no tighter determination as to what constitutes whether or not someone is working at the behest of a union leader? Suppose the union leader just says, "I think, Tower, I like that guy Biden. Were I you, I would be out supporting the amendment and that ends it." Then you show up at my headquarters.

Mr. TOWER. If I had been coerced against my will——

Mr. BIDEN. You would not do that, would you?

Mr. TOWER. I would file a complaint.

Mr. BIDEN. I am not worried about coercion. I am worried about who determines whether you are chargeable to me.

Mr. TOWER. The court would make a determination of that, in a situation like that. The election commission—the organism set up in the bill

The point I am trying to make is if someone were directing a person to work in a campaign on the organization's time, someone who is an employee of that organization——

Mr. CANNON. That would be a direct violation of section 610 right now. That would be a violation of existing law.

Mr. TOWER. No, no—in a political committee.

Mr. CANNON. It is a violation for a union or a corporation to direct someone——

Mr. TOWER. That is not my understanding.

Mr. CANNON. To work in a campaign.

Mr. GRIFFIN. Mr. President, I was not intending to comment on the question of the distinguished chairman. If it is really a violation, then there would be no objection——

Mr. TOWER. That is right.

Mr. GRIFFIN. To accept the Senator's amendment. But I should like to ask a question on a different point, for purposes of trying to determine what the amendment does and would mean.

In 1970, in the election in Michigan for Governor, as I recall, there were allegations that the UAW gave members who were striking against General Motors at that time—in order to draw their strike benefits, they had to march in a picket line—the option, as I understand it, of going to work in the Democratic campaign. If they did work in the Democratic campaign then they were given credit as though they had walked the picket line and drew their strike benefits.

Would the Senator from Texas have some comment on what impact his amendment would have on that?

Mr. TOWER. It would be prohibited under the provisions of the amendment.

Mr. GRIFFIN. I thank the Senator from Texas.

Mr. TOWER. Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER (Mr. STAFFORD). Who yields time?

Mr. CANNON. Mr. President, I yield myself 2 minutes.

The PRESIDING OFFICER. The Senator from Nevada is recognized for 2 minutes.

Mr. CANNON. Mr. President, I simply point out that under section 610 of the Corrupt Practices Act at the present time, it is unlawful for any corporation whatever, or any labor organization, to make a contribution or expenditure in connection with any election, and so forth. Certainly, if a corporation or a labor union pays the salary of an individual and puts that person out to work for a candidate, that is unlawful. It is unlawful under existing law. I should like to know whether the Senator intends to go beyond that.

In section 610 as modified—we have amended 610 to clarify the definitions, and it says, as used in the section, the phrase "contributions or expenditures"—then it goes on to define them as follows:

> But shall not include communications by a corporation to its stockholders and their families or by a labor organization to its members and their families on any subject; nonpartisan registration and get-out-the-vote campaigns by a corporation aimed at its stockholders and their families, or by a labor organization aimed at its members and their families; the establishment, administration, and solicitation of contributions to a separate segregated fund to be utilized for political purposes by a corporation or labor organization: . . .

Is it the Senator's intention to change any part of that existing law that I have just referred to?

Mr. TOWER. It is the intention of the Senator from Texas. The language of the amendment reads this way:

> For purposes of this section, with respect to a political committee which establishes, administers, and solicits contributions to a separate segregated fund supported by payments from a corporation or labor organization, as permitted under section 610, . . .

The PRESIDING OFFICER. The time of the Senator from Nevada has expired. Does the Senator yield himself additional time?

Mr. CANNON. Mr. President, I am not yielding to him on my time. He is using his own time. I cannot yield my time, so I am not using up my time.

The PRESIDING OFFICER. The Chair is informed that the Senator yielded to the Senator from Texas for a question on his 2 minutes.

Mr. CANNON. Well, Mr. President, under the rule on cloture, a Senator cannot yield his own time. I would ask the Parliamentarian if that is correct. I yielded for a question but the answer has to come on the time of the person who is answering.

The PRESIDING OFFICER. The Chair would state that the time does not come out of the other side.

Mr. CANNON. For answering a question? I am not answering a question. I am still listening. [Laughter.]

Mr. TOWER. And I have already provided the answer.

The PRESIDING OFFICER. Who yields time?

Mr. TOWER. Mr. President, I yield myself 1 minute.

The PRESIDING OFFICER. The Senator from Texas is recognized for 1 minute.

Mr. TOWER. Mr. President, most of this talk has been about labor organizations but the same kind of abuse can be practiced by a corporation as well. As I pointed out in my remarks, if this amendment is not passed, then corporations might be encouraged to contribute time and effort which is not measured in monetary terms.

The unions are solidly against this amendment, which is true, so in all probability it will not pass. Nonetheless, it should be understood it cuts both ways, against labor organizations as well as business organizations.

Mr. CANNON. Mr. President, I yield myself 1 minute.

The PRESIDING OFFICER. The Senator from Nevada is recognized for 1 minute.

Mr. CANNON. It would appear that what the Senator is attempting to do is to prohibit any volunteers who are in a separate organization, on a voluntary basis, from working, without charging that time. I presume that would apply to the young Republicans, to the young Democrats, or to any other organization.

Mr. TOWER. No. It applies only to section 610. The specific reference is made to section 610.

Mr. CANNON. It certainly reaches into the "separate segregated funds" in which we have already determined——

The PRESIDING OFFICER. The 1 minute of the Senator has expired.

Mr. CANNON. Mr. President, I yield myself another minute.

The PRESIDING OFFICER. The Senator from Nevada is recognized for 1 additional minute.

Mr. CANNON. We have already tried to encourage the use of voluntary organizations and to encourage the establishment of "separate segregated funds" both in union organizations and in management organizations so that they can participate on a voluntary basis in the election process.

Mr. President, I submit that this is just an attempt to reverse the position that Congress has already taken and is well established.

The PRESIDING OFFICER. Who yields time?

Mr. TOWER. Mr. President, I yield back the remainder of my time.

Mr. CANNON. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time on this amendment has now been yielded back.

The question is on agreeing to the amendment of the Senator from Texas (No. 1131).

On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Idaho (Mr. Church), the Senator from Arkansas (Mr. Fulbright), the Senator from South Carolina (Mr. Hollings), the Senator from Hawaii (Mr. Inouye), the Senator from Louisiana (Mr. Long), the Senator from Wyoming (Mr. McGee), the Senator from Ohio (Mr. Metzenbaum), and the Senator from West Virginia (Mr. Randolph) are necessarily absent.

I further announce that, if present and voting, the Senator from West Virginia (Mr. Randolph) would vote "nay."

Mr. GRIFFIN. I announce that the Senator from Hawaii (Mr. Fong), the Senator from Arizona (Mr. Goldwater), and the Senator from Oregon (Mr. Hatfield) are necessarily absent.

I also announce that the Senator from Virginia (Mr. William L. Scott) is absent on official business.

I further announce that, if present and voting, the Senator from Oregon (Mr. Hatfield) would vote "yea."

The result was announced—yeas 40, nays 48, as follows:

[No. 142 Leg.]

YEAS—40

Aiken
Allen
Baker
Bartlett
Beall
Bellmon
Bennett
Biden
Brock
Buckley
Byrd, Harry F., Jr.
Chiles
Cotton
Curtis
Dole
Domenici
Dominick
Eastland
Ervin
Fannin
Griffin
Gurney
Hansen
Haskell
Helms
Hruska
McClellan
McClure
McIntyre
Packwood
Percy
Roth
Stafford
Stennis
Stevens
Taft
Thurmond
Tower
Weicker
Young

NAYS—48

Abourezk
Bayh
Bentsen
Bible
Brooke
Burdick
Byrd, Robert C.
Cannon
Case
Clark
Cook
Cranston
Eagleton
Gravel
Hart
Hartke
Hathaway
Huddleston
Hughes
Humphrey
Jackson
Javits
Johnston
Kennedy
Magnuson
Mansfield
Mathias
McGovern
Metcalf
Mondale
Montoya
Moss
Muskie
Nelson
Nunn
Pastore
Pearson
Pell
Proxmire
Ribicoff
Schweiker
Scott, Hugh
Sparkman
Stevenson
Symington
Talmadge
Tunney
Williams

NOT VOTING—12

Church
Fong
Fulbright
Goldwater
Hatfield
Hollings
Inouye
Long
McGee
Metzenbaum
Randolph
Scott, William L.

So Mr. Tower's amendment (No. 1131) was rejected.

Mr. TUNNEY addressed the Chair.

The PRESIDING OFFICER. The Senator from California is recognized.

Mr. COOK. Mr. President, will the Senator yield to me briefly?

Mr. TUNNEY. I yield.

OUTER CONTINENTAL SHELF LEASES

Mr. COOK. Mr. President, yesterday I was notified that the Department of the Interior had accepted 91 bids for their Outer Continental Shelf oil and gas drilling rights off the coast of Louisiana. At the same time, I was informed that 23 bids were rejected on the basis of insufficient returns to the Government.

The total bonus payments to the United States from acceptable bids were $2,092,510,853.50 for the rights to drill on 421,218 acres off the Gulf of Mexico. As the amount offered for the 23 bids rejected totalled $82,584,660, I requested that I be informed as to the value that the Government placed on these leases per barrel of recoverable oil or M ft^3 of recoverable gas. I was informed today by the Bureau of Land Management that a value of $5.50, $6.50, and $7.50 per barrell of oil had been used and a value of 45 cents, 55 cents, and 65 cents per M ft^3 placed on the gas.

Mr. President, this is very interesting in that at the present time the Federal Government requires that this natural gas be sold in interstate market and further sets the rate at which this gas be sold. Since this average rate in the interstate market is now some 27 cents per M ft^3 and much lower than the price established by the Federal Government on the value of the gas, it would seem to me that we are placing the industry itself at a great disadvantage. Accordingly, I intend to bring this matter to the attention of the Federal Power Commission and the Department of the Interior to determine if some reconciliation can be made concerning these valuable natural resources.

On several occasions on the floor of the Senate, I have raised my voice in opposition to the programs which have forced this Nation to become dependent on foreign powers for its energy fuels. I am convinced that we have not solved our problems, and while this Congress has passed a few pieces of emergency energy legislation, nothing has been done to address the long-range problems.

I submit to my colleagues that we must increase—not decrease—our efforts to find new energy sources and to develop those which we know to be available.

FEDERAL ELECTION CAMPAIGN ACT AMENDMENTS OF 1974

The Senate continued with the consideration of the bill (S. 3044) to amend the Federal Election Campaign Act of 1971 to provide for public financing of primary and general election campaigns for Federal elective office, and to amend certain other provisions of law relating to the financing and conduct of such campaigns.

AMENDMENT NO. 1136

Mr. TUNNEY. Mr. President, I call up my amendment No. 1136.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

On page 9, line 24, strike out all through page 10, line 2, and substitute in lieu thereof the following:

SEC. 503. (a) (1) Every eligible candidate is entitled to payments in connection with his primary election campaign in an amount which is equal to the amount of contributions received by that candidate or his authorized committees, except that no contribution received as a subscription, loan, advance, or deposit, or as a contribution of products or services, shall be taken into account.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. TUNNEY. I yield.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that there be a time limitation of 15 minutes on the pending amendment, 5 minutes to be allotted to the manager of the bill, the Senator from Nevada (Mr. Cannon) and 10 minutes to the sponsor of the amendment, the Senator from California (Mr. Tunney).

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TUNNEY. Mr. President, this amendment relates only to primary campaigns and it specifies that only monetary contributions will be eligible for reimbursement from Federal funds. The contribution of services and products, and loans would not be eligible for matching once the threshold has been reached that will then trigger the contribution of Federal funds. The way the bill now reads there is a loophole as it relates to the contribution of services, products, and loans. These products, services, and loans cannot be used for the purpose of reaching the threshold of contributions which will then trigger the use of Federal funds.

Once the threshold is met, the language of the bill is silent as it relates to loans and contributions of products and services.

What could happen is that a person, after he reached the threshold and is eligible for Federal contributions, would have a fund-raising dinner at a hundred dollars a plate, but the notice sent out would read that the money contributed would only be a loan. Then, when the candidate received from the Federal Government on a matching basis the contribution as specified by the legislation, that $100 loan would be returned to the invitee. I think it would start a new rage in political dinners. I can foresee situations where many people would turn out to the dinner with the idea that their $100 was only going to be used on a loan basis and that they were going to get the money back. This would provide a greater contribution by the Federal Government to the primary campaigns than is envisioned in the law as written, because it is supposed to be on a 50–50 basis once the threshold is reached.

This amendment would close that loophole and make the donations conform to the language prior to the time the threshold is reached.

I hope the committee will accept the amendment.

Mr. CANNON. Mr. President, I yield myself 2 minutes.

I do not share any skepticism of the reliability of people who are candidates for public office, nor do I assume a person would have time to go out for a $100-a-plate fundraising dinner to pledge the people that their money would be returned after the candidate received matching funds from the Federal Government. It would be completely illegal under the present act.

However, I see no difficulty in providing that language and I would be happy to accept the language if it made the Senator feel better. It does not add anything to the legal portions of the bill.

Mr. President, I am willing to accept the amendment.

Mr. TUNNEY. Mr. President, I am prepared to yield back the remainder of my time.

Mr. CANNON. I yield back my time on the amendment.

The PRESIDING OFFICER. All time is yielded back. The question is on agreeing to the amendment of the Senator from California.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

AMENDMENT NO. 1176, AS MODIFIED

Mr. BROCK. Mr. President, I call up my amendment No. 1176 and I ask unanimous consent that the amendment may be modified as indicated.

The PRESIDING OFFICER. The amendment will be stated.

The amendment was read as follows:

On page 77, between lines 5 and 6, insert the following:

"(g) This section does not apply to contributions made by the Democratic or Republican Senatorial Campaign Committee, the Democratic National Congressional Committee, or the National Republican Congressional Committee,".

The PRESIDING OFFICER. The question is on agreeing to the modification. Without objection, the amendment is so modified.

Mr. BROCK. Mr. President, I raise this matter again because of the confusion we had in previous debate with regard to the effect of my exempting amendment of House and Senate campaign committees and the amendment of the junior Senator from Iowa which repealed, effectively, that first amendment.

This amendment is far more limited in impact and would achieve my original intent.

I have discussed this matter with the Chairman of the Committee on Rules and Administration and described what it does specifically. It removes only the committees from the law insofar as contributions are concerned. But it specifically does not affect their limitation of the $1,000 ceiling or the ceiling on contributions they can receive from an individual or group.

I hope the amendment will now prove satisfactory to this body.

I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. CANNON. Mr. President, I supported the principle of this amendment when the Senator first presented it. I have no objection to the amendment and I am prepared to accept it.

Mr. CLARK addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Nevada yield to the Senator from Iowa?

Mr. CANNON. I yield to the Senator from Iowa on his time.

The PRESIDING OFFICER. The Senator from Iowa is recognized on his time.

Mr. CLARK. Mr. President, this amendment, of course, already has been debated and voted on. With respect to exempting the congressional and senatorial campaign committees from any contribution limitations, it is exactly the same amendment that was repealed in this body on Monday by a vote of 44 to 35.

The only thing that is changed about the amendment is one letter, which was just agreed to. Indeed, if there had been an objection to that change, the amendment would not have been in order.

It seems to me we are simply wasting a lot of the Senate's time by voting on substantially the same amendment we have already repealed. The Senate has expressed its will very clearly on this issue, and I, therefore, move to lay the amendment on the table, and ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on the motion to table. The yeas and nays have been ordered, and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Idaho (Mr. Church), the Senator from Arkansas (Mr. Fulbright), the Senator from South Carolina (Mr. Hollings), the Senator from Hawaii (Mr. Inouye), the Senator from Louisiana (Mr. Long), the Senator from Wyoming (Mr. McGee), the Senator from Ohio (Mr. Metzenbaum), and the Senator from West Virginia (Mr. Randolph) are necessarily absent.

I further announce that, if present and voting, the Senator from West Virginia (Mr. Randolph) would vote "yea."

Mr. GRIFFIN. I announce that the Senator from Hawaii (Mr. Fong) and the Senator from Arizona (Mr. Goldwater) are necessarily absent.

I also announce that the Senator from Virginia (Mr. William L. Scott) is absent on official business.

The result was announced—yeas 49, nays 40, as follows:

[No. 143 Leg.]

YEAS—49

Abourezk
Aiken
Allen
Bayh
Bible
Biden
Brooke
Burdick
Byrd,
  Harry F., Jr.
Byrd, Robert C.
Case
Chiles
Clark
Eagleton
Gravel
Hart
Haskell
Hathaway
Huddleston
Hughes
Humphrey
Jackson
Javits
Johnston
Kennedy
Magnuson
Mansfield
Mathias
McGovern
McIntyre
Mondale
Montoya
Moss
Nunn
Packwood
Pastore
Pearson
Pell
Proxmire
Ribicoff
Roth
Schweiker
Stennis
Stevenson
Symington
Talmadge
Tunney
Weicker
Williams

NAYS—40

Baker
Bartlett
Beall
Bellmon
Bennett
Bentsen
Brock
Buckley
Cannon
Cook
Cotton
Cranston
Curtis
Dole
Domenici
Dominick
Eastland
Ervin
Fannin
Griffin
Gurney
Hansen
Hartke
Hatfield
Helms
Hruska
McClellan
McClure
Metcalf
Muskie
Nelson
Percy
Scott, Hugh
Sparkman
Stafford
Stevens
Taft
Thurmond
Tower
Young

NOT VOTING—11

Church
Fong
Fulbright
Goldwater
Hollings
Inouye
Long
McGee
Metzenbaum
Randolph
Scott,
  William L.

So Mr. Clark's motion to lay on the table Mr. Brock's amendment, as modified, was agreed to.

Mr. BROCK. Mr. President, I have another amendment; but before I address it, I should like to express my regret at the way the previous vote was brought upon us. I think that the Senator from Iowa (Mr. Clark), as a matter of honest conviction, thought that the amendment I had offered was the same amendment as had been debated previously. He was in error. I have to assume that he did not know that. But the fact is that when we get into that kind of situation, when time is left on an amendment and a statement is made that could be rebutted, a motion to table precludes the opportunity for rebuttal. I regret very much that we did not have a chance to explain the amendment to the Senate.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. BROCK. I yield.

Mr. CLARK. The Senator from Iowa consulted the Parliamentarian yesterday after the amendment of the Senator from Tennessee had been offered, and got an opinion from the Parliamentarian that the amendment was not in order as it was written. That was the basis for my statement. Obviously, having been given consent to amend the amendment by one letter, the amendment was in order.

As the amendment was printed, it was not in order, according to the advice of the Parliamentarian, Dr. Riddick. That was the basis of my statement.

Mr. BROCK. The statement is to the effect that the amendment was not changed by one word, not one phrase, not one fact.

I would say to the Senator from Iowa that perhaps he did not read the amendment, or perhaps he saw the wrong version, because the amendment, even as originally submitted at the desk, was not altered in a substantial way from that which was originally offered, from which we eliminated the section which resulted in the thousand dollar ceiling. We eliminated the first paragraph in its entirety. That paragraph related to section 614, on page 75.

We changed the language in the second paragraph to be specific in terms of the removal of exemption in terms of money.

But I would hope that Senators did not vote out of an erroneous impression. I am perfectly willing and prepared to lose a vote on the merits. I understand that. I hope that is the case in this particular instance. I wish we had had plenty of time to explain it. I would feel more comfortable if I had lost after I had had a chance to present a point of view different from that of the Senator from Iowa.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. BROCK. Certainly.

Mr. CLARK. There is a very easy way to test the validity of that argument, because the Senator from Tennessee offered two amendments, Nos. 1176 and 1181, both of which are identical in every respect. Amendment No. 1181 is still available. If that amendment is in order, it could be called up at this time, and the Parliamentarian could rule on its validity.

Mr. BROCK. I think that even I would object to that, because it is identical to the original language in every jot and tittle. Perhaps that is how the Senator became confused in saying that they were the same, verbatim. They were not. But I shall not pursue that particular matter. I do not think that enough Senators are in the Chamber to change the outcome. I am not certain that the outcome is not pretty well predictable. We have set our course upon legislation that simply cannot be enacted. We have decided to exercise our privilege to amend the bill to the point where it is a disaster. It cannot be effectuated by any stretch of the imagination.

So perhaps we had better proceed with the charade. I cannot obviously support the bill as it is written. I consider it an insult to the American people and to their intelligence. I consider it an abridgement of their freedom and rights. But that is something they will have to decide when they face the issue.

Before I terminate my rather brief part in these proceedings, I should like to say one thing more. The members of the Committee on Rules and Administration have labored long and hard on the bill. The chairman, the distinguished Senator from Nevada (Mr. Cannon), and the ranking minority member, the distinguished Senator from Kentucky (Mr. Cook), have endured graciously and with a great deal of self-restraint. They have done an exquisite job, and to them I wish to pay my respects.

I should also like to pay my respects to the committee's chief counsel, Jim Duffy; to Jim Medill, the minority counsel of the subcommittee; and to Joe O'Leary, of the Committee on Rules and Administration.

I wish also to thank Lloyd Ator and Bob Cassidy, of the legislative counsel's office.

These men have done outstanding work on this bill. They have assisted me with candor, ability, and integrity. I am very grateful to them, and I desire to have the Record show my appreciation.

Mr. President, I thank my colleagues for their attention.

Mr. AIKEN. Mr. President, I advised the Senate last night that I had six amendments which I thought would strengthen the bill now before us and make it more acceptable and more workable.

However, I find that two of those amendments have already been discussed by this Senate. A third one was partially covered by the amendment offered by the Senator from Texas (Mr. Tower), which was defeated earlier today; and I realize that no amendment is now going to improve the fortunes of this bill or of any other bill which proposes to strengthen our election laws at this time.

I am very much in favor of stronger election laws. I realized when we virtually insisted that the committee report out a bill by a certain date this spring that we were not giving them time enough to write a really good bill.

As the bill now stands, it is quite obvious that no bill at all will become law which resembles this one as it now stands.

I appreciate the fact that the Senate has given me the right to offer these amendments, the four which I have left, even though they were not printed. But at this time I feel that I would like to simply offer them, with a short description of each, for printing in the Record.

They are four good amendments, which would have made a better bill of this measure, but with the way the bill has been handled and treated up to now, with the amendments which have been defeated and the amendments which have been approved, it is worse than no bill at all, and it is my firm belief that if this bill is accepted by the Senate it will mean no strengthening of the election laws this year at all.

It could be possible to strengthen these laws if the bill were recommitted and the committee were to have a chance to profit by the examples of the past 2 weeks. But I am not going to make the motion to recommit. If it is to be recommitted, that will have to be moved by those who have been strongly in favor of the bill. As it is now, I ask unanimous consent that my four proposed amendments and a résumé of each be printed in the Record.

There being no objection, the résumés and amendments were ordered to be printed in the Record, as follows:

Résumé No. 1

Mr. President, one way to cut down campaign expenses is to cut down campaign costs, and one way to do this is to shorten the time for campaigning.

It will cut down the time for spending.

There is no sense why we spend so much time campaigning.

The British and the Canadians accomplish the same end result in a far shorter time and for a fraction of our costs.

My amendment follows the intent, although not the language, of S. 343 which is pending before the House Elections Subcommittee.

This should be part of S. 3044.

This amendment requires that primary elections for Federal office be held during a period that extends from the Tuesday after the first Monday in June until general election date.

This will change our present situation which has primaries among the States scattered throughout the calendar year from Winter to Fall, but it still gives the States wide latitude in picking or choosing a time for their primaries to suit their specific requirements.

Presidential preference primaries would also be held anytime after the first Tuesday after the first Monday in June until convention time. Party conventions would be held beginning the 3rd Monday in August.

This amendment falls in line with the objectives of S. 3044 which seeks to reform our election laws.

This amendment is a step towards cutting down our election costs and expenditures.

On page 86, line 17, insert the following:

Amendment

TITLE VI—TIMES OF CONDUCTING FEDERAL OFFICE PRIMARY ELECTIONS AND NATIONAL NOMINATING CONVENTIONS

CONGRESSIONAL PRIMARIES

Sec. 601. (a) If, under the law of any State, the candidate of a political party for election to the Senate or to the House of Representatives is determined by a primary election or by a convention conducted by that party, the primary election or convention shall be held on or after the Tuesday after the first Monday in June. If a subsequent, additional primary election is necessary to determine the nominee of any political party in a State, that additional election shall be held within thirty days after the date of the first such primary election.

(b) For purposes of this section—

(1) the term "State" means each of the several States of the United States, the Commonwealth of Puerto Rico, the Territory of Guam, and the Territory of the Virgin Islands; and the District of Columbia.

(2) a candidate for election as Resident Commissioner to the United States, in the case of the Commonwealth of Puerto Rico, or as Delegate to the House of Representatives, in the case of the Territory of Guam or the Territory of the Virgin Islands, shall be considered to be a candidate for election to the House of Representatives.

PRESIDENTIAL PREFERENCE PRIMARY ELECTIONS

Sec. 602. (a) No State which conducts a presidential preference primary election shall conduct that election before the first Tuesday after the first Monday in June during any year in which the electors of the President and Vice President are appointed.

(b) For purposes of this section, the term—

(1) "presidential preference primary election" means an election conducted by a State, in whole or in part, for the purpose of—

(A) permitting the voters of that State to express their preferences for the nomination of candidates by political parties for election to the office of President, or

(B) choosing delegates to the national nominating conventions held by political parties for the purpose of nominating such candidates; and

(2) "State" means each of the several States of the United States, and the District of Columbia.

NATIONAL NOMINATING CONVENTIONS

Sec. 603. (a) The Congress finds that—

(1) the Presidential preference primary election (as defined in section **602(b)(1)**) and the conventions held by national political parties for the purpose of nominating candidates for the office of President and Vice President constitute an integral part of the process by which such officers are chosen by the people of the United States;

(2) by limiting the length of time during which the general election campaign for election to such offices occurs, the integrity of the electoral process is better secured; and

(3) in order to protect the integrity of the Presidential election process and to provide for the general welfare of the Nation, it is necessary and proper for the Congress to regulate the part of that process relating to the nomination of candidates for election to the Office of President by prescribing the time during which such elections and conventions shall be held.

(b) Any political party which nominates its candidate for election to the Office of President by national nominating convention shall hold that convention beginning on the third Monday of August of the year in which the electors of the President and Vice President are appointed.

(c) The district courts of the United States shall have jurisdiction, upon application made by the Attorney General, to enjoin the members of a political party from conducting a national nominating convention for the purpose of nominating the candidate of that party for election to the Office of President in violation of the provisions of subsection (b).

Résumé No. 2

Mr. President, the amendment I am offering would prohibit the short campaign advertising spot of ten, fifteen, twenty, or thirty seconds or up to five minutes unless it is a live or videotaped presentation by the candidate, speaking on his own behalf and without any props, backdrops or sound effects.

In other words, a candidate under this amendment can purchase short television advertising spots for his campaign only if it is of his speaking directly to the electorate.

He can be photographed seated at a table or perhaps standing at a lecturn, whatever his preference.

The focus is directly on the candidate and the purpose is to communicate stands and issues.

That is really what a campaign is about—to get one's positions and ideas to the voter to persuade the voter that these positions and ideas would best serve him.

Our campaigns have become too much of a Madison Avenue image and candidates are packaged as a commodity to be bought and sold.

And they are sold like many of our products on the market today—by the short spot which develops an image, but tells us substantially little about the product itself or the ingredients which make up this product.

A candidate can speak for himself.

Madison Avenue isn't needed.

Our campaigns are expensive and costs are increasing rather than being cut down.

And television advertising is a prime expense.

If adopted, this amendment will encourage discussion of specific issues.

It will also cut down costs because it can't be expensive to produce the short spot in which the candidate stands in a television studio in front of a television camera.

This is also an easy restriction to enforce.

If we are seriously interested in cutting down our campaign costs, this is an ideal amendment to support and include in this legislation.

Amendment

On page 26, between lines 17 and 18, insert the following:

(d) Section 315 of such Act (47 U.S.C. 315) is amended by redesignating subsections (d), (e), (f), and (g) as (e), (f), (g), and (h), respectively, and by inserting after subsection (c) the following new subsection:

"(d) No television broadcasting station may sell or otherwise make available broadcast time in segments of less than five minutes duration for use by or on behalf of a legally qualified candidate in connection with his campaign for nomination for election, or election, to Federal elective office. The preceding sentence does not apply in the case of a personal appearance by a candidate photographed in a broadcasting studio without photographic, musical, or other embellishment, whether for simultaneous transmission or through the use of videotape, during which the candidate speaks for the duration of the broadcast."

On page 26, line 18, strike out "(d)" and insert in lieu thereof "(e)".

On page 27, line 14, strike out "(e)" and insert in lieu thereof "(f)".

Résumé No. 3

Mr. President, this amendment would prohibit corporations or labor unions from setting up a special, segregated fund for the purpose of collecting funds for contribution to a candidate or to a campaign committee or other activities to exert influence in an election.

This does not deny an individual his constitutional rights.

This amendment still permits individual corporate employees, the president, clerk or line assemblyman—or a union member—local president, shop steward or journeyman—to participate in a campaign. They all can contribute the dollar amounts allowed by law and try to persuade their neighbors to vote their way.

It would eliminate the potential political mischief and abuse.

This amendment returns to the situation prior to 1971 Federal Election Campaign Act when Congressional sanction was given for corporations and labor unions to establish and administer separate, segregated funds for political purposes.

It would lessen to some extent the influence of these organizations in our campaigns and give the individual citizen a greater role in our elections, which election reformers say is needed.

That is what they are arguing: eliminate the force of the vested interests and give the man-in-the-street a more dominant influence in our elections.

One start in that direction is to eliminate the source of influence that can be exerted by an organization—business or otherwise—and by the political money pots these organizations can muster up.

Amendment

On page 28, line 7, after the semicolon insert "or".

On page 28, line 11, strike out the semicolon and insert in lieu thereof a semicolon, closing quotation marks, and another semicolon.

On page 28, strike out lines 12 through 16.

On page 29, beginning with line 1 strike out through "organization" in line 5.

On page 30, beginning with line 19, strike out through line 2 on page 31 and insert in lieu thereof the following:

"(3) does not include the value of services rendered by individuals who volunteer to work without compensation on behalf of a candidate;";

On page 65, line 22, after the semicolon insert "and".

On page 66, line 2, strike out "party; and" and insert in lieu thereof "party.".

On page 66, strike out lines 3 through 5.

On page 71, strike lines 1 through 12 and insert in lieu thereof the following:

PROHIBITION OF THE ESTABLISHMENT OF SEPARATE SEGREGATED POLITICAL FUNDS BY CORPORATIONS AND LABOR ORGANIZATIONS

Sec. 303. Section 610 of title 18, United States Code, is amended by striking out the last paragraph and inserting in lieu thereof the following:

"It is unlawful for any national bank, corporation organized by authority of any Law of Congress, other corporation, or labor organization to establish, administer, or solicit contributions to a separate segregated fund to be utilized for political purposes or to encourage any person to make a contribution or expenditure by physical force, job discrimination, financial reprisals, or the threat thereof, or by requiring any person to make a contribution or expenditure as a condition of employment or as a condition of membership in a labor organization.".

On page 74, line 21, after the semicolon insert "and". On page 74, line 23, strike "party; and" and insert in lieu thereof "party.".

On page 74, beginning with line 24, strike out through line 4 on page 75.

Résumé No. 4

Mr. President, if we want to control campaign contributions and expenditures. This amendment aims to cover one area pretty much left untouched by S. 3044.

When it comes to monetary contributions, the Committee is specific.

An individual can contribute no more than $3,000 to any single Federal candiate and no more than $25,000 in total political contributions during a calendar year.

Contributions of $100 or more must be bv written instrument.

There is nothing to prevent my offering the use of my office in Town X, its desks, telephones, water lines, Xerox machine for campaign workers to use for one day, one weekend or more for the purpose of contacting voters or getting out the vote, or mass produced articles.

This is as important in a close contest as the television broadcast or the mailing, but there is a difference.

There is no way that this "in-kind" contribution is required to be on the reports of the candidates.

This amendment allows the monetary contribution; it allows the services of a campaign volunteer.

This amendment would require, however, that a candidate purchase and make a monetary expenditure for this campaign service.

Such an expenditure would have to be realistic and in accordance with going rates and expenses in the area for office space and equipment expenditures.

A dollar would not cover the cost of using, for instance, a mid-city office or even the basement of a home for a fund-raising cocktail party.

These are all extras that benefit a candidate and should very much be counted as part of his campaign.

To omit would be to misrepresent the actual campaign cost and violate the spirit and intent of S. 3044, which is to have complete disclosure and accounting for campaign activities.

Amendment

On page 77, line 10, strike out "No" and insert in lieu thereof the following: "No person may make a contribution of goods or services to, or for the benefit of, any candidate or political committee other than a contribution of that person's personal services. "No".

Mr. AIKEN. I am sorry that the situation has turned out as it has. I very much wanted to strengthen our election laws, but I think any prospect of strengthening them has gone down the drain. I cannot even vote for the bill itself as it is now.

Mr. CANNON. Mr. President, I yield to the majority leader.

Mr. MANSFIELD. Mr. President, could we have a show of hands as to how many amendments there might still be to be considered?

It looks like three or four. Would the Senator from Ohio, who is to be recognized next, consider a further time limitation?

Mr. TAFT. Yes, I would be agreeable.

Mr. MANSFIELD. 15 minutes to be equally divided, or 10 minutes?

Mr. TAFT. 15 minutes would be adequate.

Mr. MANSFIELD. I make that unanimous consent request, Mr. President.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 1151

Mr. TAFT. Mr. President, I call up my amendment No. 1151, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment, which is as follows:

On page 52, line 8, change the period to a comma and insert thereafter the following: "except that a political committee described in section 301(d)(2) may be designated as the central campaign committee of more than one candidate for purposes of the general election campaign.".

Mr. TAFT. Mr. President, I ask unanimous consent to substitute a perfecting amendment changing the language of the bill.

The PRESIDING OFFICER. Without objection, the amendment will be so modified.

Mr. TAFT's amendment (No. 1151, as modified) is as follows:

On page 52, line 8, change the period to a comma and insert thereafter the following: "except that a political committee described in section 301(d)(2) may be designated as the central campaign committee of more than one candidate for purposes of the general election campaign. And if so designated, it shall comply with all reporting and other requirements of law as to each candidate for whom it is so designated as if it were the central campaign committee for that candidate alone.

Mr. TAFT. Mr. President, this amendment would exempt national and State political party organizations from the restriction that a "political committee" can serve as the "central campaign committee," or financial administrator, for only one political candidate's general election campaign. Its purpose and effect would be to allow the national and State party organizations to perform this bookkeeping function for as many candidates as desired. The amendment does not change the accounting and disclosure requirements which the bill imposes on each candidate's campaign operations, nor does it change the amount of contributions and expenditures allowable either for any single candidate or for the political parties acting as independent entities.

I believe that this amendment is necessary so that the political parties will be able to administer financial operations for any candidate who agrees that this approach is desirable, as the parties do now in some cases. As the Vice President emphasized in Chicago last Saturday, if the Republican National Committee had been responsible directly for financial administration of the 1972 Presidential campaign, the chances of a Watergate occurring might have been eliminated. By permitting total party financial operation of general election campaigns at the State and national levels, my amendment should provide an alternative that in some cases would foster better supervised and more professional campaign operations.

Specifically, it would eliminate the problem that has been pointed out so vividly with regard to CREEP. With this bill, as now amended, for all practical purposes we have institutionalized CREEP. We make it absolutely necessary and required by law that the national, and in the case of State elections the State, campaign committees could not act as the central campaign committee for financial or other purposes of the candidates who are nominated.

This, to me, is sheer foolishness. I have tried to get this amendment in previously. It is not in any way an attempt to change the reporting requirements. I think the language of the amendment as modified makes that abundantly clear; I thought it was clear previously.

For the purpose of the record, I would also say that a number of candidates in my own State in recent campaigns have used the State committee for this purpose, and it has been, I think, a very economical way to handle the campaigns. The present Attorney General of the United States, William Saxbe, as I recall, in his Senate campaign in 1968 used the Ohio State Committee as his campaign committee to do all the reporting required federally, statewide, or otherwise.

I think this is a change that makes sense. The bill still has a great many problems in it, but I think we at least ought to get this on record as expressing the desire of the Senate.

Mr. CANNON. I yield to the majority leader.

Mr. MANSFIELD. Mr. President, I ask unanimous consent, after discussing the matter with the interested parties, that on the Packwood-Baker amendment there be a 15-minute limitation, 10 minutes to the sponsors of the amendment and 5 minutes to the chairman of the committee, and that on the Allen amendments there be a 10-minute time limitation, 5 minutes to each, the time to be equally divided.

. The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CANNON. Mr. President, I yield myself 1 minute.

In S. 372, passed just last year, we had a precise prohibition against a central campaign committee acting as such for more than one candidate. I think that is probably the reason it was carried over here in this bill.

The Senator from Ohio has now modified his amendment to make it absolutely clear that the campaign committee, if it were designated the political committee or the senatorial campaign committee for more than one candidate, would have to comply with precisely the same reporting provisions as if that were the sole candidate they were acting for.

With that restriction, as he has now modified his amendment, I am willing to accept that. I have discussed it with the minority representative, and we are willing to accept the amendment.

Mr. TAFT. I thank the chairman. I yield back the remainder of my time.

Mr. CANNON. I yield back the remainder of my time.

The PRESIDING OFFICER (Mr. HELMS). All remaining time having been yielded back, the question is on agreeing to the amendment (No. 1151) of the Senator from Ohio, as modified.

The amendment was agreed to.

AMENDMENT NO. 1058

Mr. ALLEN. Mr. President, I call up my amendment No. 1058 and ask that it be stated.

The PRESIDING OFFICER (Mr. HELMS). The amendment will be stated.

The legislative clerk read as follows:

On page 8, line 7, strike the period, insert in lieu thereof a comma and add the following: "with not less than $2,500 in matchable contributions having been received from legal residents of each of at least forty States.".

Mr. ALLEN. Mr. President, I yield myself 3 minutes.

The PRESIDING OFFICER. The Senator from Alabama is recognized for 3 minutes.

Mr. ALLEN. This amendment has to do with the threshold amount required for a candidate for the Presidential nomination of one of the major parties. The threshold amount, before participation by the Federal Government is required, is set at $250,000. That could all be obtained in one city, one county, or one State. It would encourage the proliferation of minor candidates for the Presidency, with more Federal subsidies, and would not limit the race to the real contenders.

The purpose of the amendment is to say, in effect, that a person must have a national following before he is able to obtain Federal subsidies. It would require not less than $2,500 matchable contributions—these contributions up to $250,000—not less than that would have to be received from legal residents of 40 States, at least; in other words, $100,000 or $250 would have to be scattered out equally among the 40 States, assuring that we would have men of national caliber and reputation participating in the Federal subsidy and it would discourage entry of one-issue candidates, candidates of localized pressure groups.

I am hopeful that the chairman and the ranking minority leader would accept the amendment. It would strengthen the bill, if we already have public financing, which I hope we will not have.

Mr. CANNON. Mr. President, I yield myself 2 minutes.

The PRESIDING OFFICER. The Senator from Nevada is recognized for 2 minutes.

Mr. CANNON. There is a great deal of merit to what the distinguished Senator from Alabama has said, that we should not permit a single State candidate to be in a position to qualify under the bill, although I believe his provision of 40 States would be rather burdensome, which would require a potential candidate to campaign quite broadly throughout the country. That certainly might be burdensome because of the fact that many of the States are rather sparsely populated.

I have discussed this with the ranking minority member, and if the Senator were to change his amendment from a 40-State requirement to perhaps 15 or 20 States, we would be inclined to accept it, because it does seem to be rather burdensome to have the 40-State requirement.

Mr. ALLEN. In changing it to 20 States, say, if I should be agreeable to that suggestion, would the distinguished chairman and the distinguished ranking minority member agree that the $2,500 should be raised to $5,000, which would still require $100,000 equally divided among the 20 States?

Mr. COOK. That would be okay.

Mr. CANNON. That would be reasonable. If we could reduce it to 20 States, with $5,000, we would accept the amendment.

Mr. ALLEN. Mr. President, I ask unanimous consent that I may modify my amendment in that fashion in order that it can receive the backing of the chairman and the ranking minority leader.

The PRESIDING OFFICER (Mr. DOMENICI). Is there objection to the request of the Senator from Alabama? The Chair hears none, and it is so ordered. Will the Senator please send his modification to the desk?

Mr. COOK. Mr. President, will the Senator from Alabama yield me some time?

Mr. ALLEN. I yield 2 minutes to the Senator from Kentucky.

The PRESIDING OFFICER. The Senator from Kentucky is recognized for 3 minutes.

Mr. COOK. Mr. President, unless there is a prerequisite under the rules, I wonder whether the President of the Senate could request that the modification be made by the clerk in the amendment now at the desk, changing it from $2,500 to $5,000 and from 40 States to 20 States.

Mr. ALLEN. Mr. President, I have made the change and send the modification to the desk.

The PRESIDING OFFICER. The amendment is so modified. The clerk has already made the changes.

The text of the amendment, as modified, reads as follows:

On page 8, line 7, strike the period, insert in lieu thereof a comma and add the following: "with not less than $5,000 in matchable contributions having been received from legal residents of each of at least twenty States.".

Mr. ALLEN. Mr. President, I yield back the remainder of my time.

Mr. CANNON. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time on this amendment has now been yielded back.

The question is on agreeing to the amendment as modified by the Senator from Alabama (Mr. ALLEN) (No. 1058).

The amendment as modified (No. 1058), was agreed to.

AMENDMENT NO. 1078

Mr. BAKER. Mr. President, is it in order to call up my amendment No. 1078 at this time?

The PRESIDING OFFICER. The amendment is in order.

Mr. BAKER. Mr. President, I call up my amendment No. 1078 and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

On page 25, strike out lines 15, 16, and 17 and insert in lieu thereof the following:

(b)(1) Section 315(b) of such Act (47 U.S.C. 315 (b)) is repealed.

(2) Subsections (c), (d), (e), (f), and (g) of such section are redesignated as subsections (b), (c), (d), (e), and (f), respectively.

Mr. BAKER. Mr. President, this amendment is offered on behalf of myself and the Senator from Oregon (Mr. PACKWOOD) and the Senator from Colorado (Mr. DOMINICK).

Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. BAKER. Mr. President, this amendment would repeal the lowest unit cost provisions of the Communications Act of 1934, as amended. It is entirely consistent with the pending legislation which repeals broadcast advertising spending limits in favor of overall expenditure limitations.

Three years ago when the Senate considered the question of lowering the cost of broadcast advertising, there was little expectation that we would later consider such comprehensive public financing of both Presidential and congressional campaigns. In fact, we probably would not have considered such an unprecedented approach to campaign financing had it not been for the events of the past 2 years. Nevertheless, as we debate this measure, it is important to remember the circumstances surrounding the enactment of the lowest unit cost requirement 3 years ago.

At that time, we were trying to grapple with the problem of limiting expenditures on broadcast advertising while making the cost for that advertising reasonable from the vantage of the least known challenger. However, we were not considering that question in the context of providing Government subsidies for up to 80 percent of the candidate's total campaign expenses. Thus, it would now seem reasonable to reconsider the question of whether the lowest unit cost provisions of the Communications Act are necessary. I firmly believe they are not.

Under the pending legislation, there is no limit on the amount of money that can be spent on broadcast advertising. There is, of course, the overall expenditure limitation, but there is no specific limit within that ceiling which affects that aspect of a particular campaign. That is consistent with the committee's objective of allowing the candidate the maximum degree of flexibility with regard to how his or her campaign funds are spent. At the same time, however, we are encouraging the excessive use of broadcast advertising by not only subsidizing a substantial portion of the candidate's campaign, but also by requiring that radio and TV time be offered at as much as 50 percent below the prevailing advertising rates. Moreover, we are perpetuating what I consider to be an essentially unfair practice as it relates to both the individual broadcaster and the commercial advertiser.

That practice consists of affording political candidates a commercial discount which it takes other advertisers 13 weeks to earn. Obviously, candidates for public office are different from other advertisers in a number of ways, including their purpose for advertising and their ability to pay. However, substantial public financing of campaigns would clearly diminish the latter consideration and make qualified candidates more than able to afford the required amount of radio and TV advertising time. Thus, why require the stations to offer the time at a substantially reduced rate?

We do not require it of newspapers, so why should we continue to require it of broadcasters? Studies of 1972 campaigns for Federal office indicate that many radio and TV stations chose to refuse to sell political advertising time to any candidate rather than be forced to sell time to all candidates at the lowest unit cost. They did so because they still had the right to refuse a particular type of advertising as long as they refused it across the board. That does not necessarily mean that they neglected their responsibility to cover campaigns for public office, but rather that they would rather not accept any payment for political advertisements than to have to accept the lowest unit cost and the concomitant dislocation among their regular advertisers.

Granted there is ample precedent for the Federal Government regulating radio and TV broadcasters, but we do not impose similar limitations on the printed media for very good reasons; and I submit that there is no longer any reason to impose the lowest unit cost requirement on the broadcast media.

Title 47, section 312, subsection (a) (7) states that the Federal Communications Commission may revoke any station license or construction permit—

> . . . for willful or repeated failure to allow reasonable access to or to permit purchase of reasonable amounts of time for the use of a broadcasting station by a legally qualified candidate for Federal elective office on behalf of his candidacy.

What that means is that every station has a statutory obligation to give reasonable coverage, either through advertising, or by other means to each legally qualified candidate for Federal office. However, if we continue to require stations to charge the lowest unit cost, an increasing number will decide against permitting political advertising in favor of providing a reasonable amount of another form of coverage, thereby reducing the flexibility of the candidate to choose how to run his own campaign.

This is not the intent of S. 3044, as I understand it, and I would urge that as long as candidates are financially able to afford broadcast advertising at the prevailing rates, that we no longer discriminate against stations by requiring them to charge the lowest unit cost.

Now, Mr. President, the distinguished Senator from Oregon (Mr. Packwood) has a statement he wishes to make at this time, and I now yield to him such time as he may require.

Mr. PACKWOOD. Mr. President, in 1971 when this body considered the lowest unit rate provision of the Federal Election Campaign Act of 1971, I was highly skeptical that enactment of this provision would indeed end in an equitable situation for all parties concerned—the candidate, the broadcaster, and the voter. If anything, inequities have been underscored in the intervening period. A bad situation has developed which undercuts more than one-half of our candidates for Federal elective office, it has created a serious financial dilemma for broadcasters, and the resultant confusion has ill-served the voters of our Nation.

I supported in 1971 an amendment which would have struck the lowest unit rate provision from the measure we were debating. The amendment failed, and today, 3 years later, my past skepticism has been more than substantiated. I am cosponsoring the senior Senator from Tennessee's (Mr. Baker) amendment which would repeal this unfair provision.

Three years ago, arguments heard in this Chamber professed that everyone would benefit from enactment of the lowest unit rate billing. More time, because advertising would be at its cheapest, would be available to the candidates. More candidate time on radio and television could only bode well for an informed vote in the primary or general election. And the broadcasters, well, their revenues would increase because of the new surge in political advertising during the designated period.

However well-intentioned this amendment might have been, it has not created a fair and equal access to the public for all candidates. Some broadcasters have taken the option of refusing broadcast time to political candidates altogether.

I do not blame them, Mr. President, when they, in order to respect business contracts of many years, refuse political advertising. But the consequences or our inane rule are regrettable and I do place blame on our decision of 3 years ago that forced some broadcasters into this position. The serious ramification we must face is that we, as incumbents, along with our public recognition, place nonincumbents at a terrific disadvantage without the availability of radio and television time to publicize their positions and beliefs. Time and time again, it has been proven the nonincumbent's greatest weapon is an effective media campaign. Thus, and perhaps we do not recognize it, selfishly we are the winners of the continuance of the lowest unit rate. But we are a small minority, for the challenger loses however right or wrong, the broadcaster loses, and in the end the public loses.

I believe we can do better. I believe the lowest unit rate should be repealed. Although it may increase advertising costs per unit, it will open up access to the public by all the candidates on an even basis. If one purpose of this bill, S. 3044, is to prevent campaign abuse, then surely we have a great opportunity, now, to eliminate an unfair advantage of incumbency by insuring access to all broadcast media.

I urge my colleagues' support for this amendment, and ask unanimous consent that a letter I received from Mr. Alan H. Davidson, sales manager for KNND Radio in Cottage Grove, Oreg., illustrating many of these very concerns, be printed in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

KNND Radio,
Cottage Grove, Oreg., April 5, 1974.

Senator Bob Packwood,
U.S. Senate,
Washington, D.C.

Dear Senator Packwood: Today we received your press release concerning your call for repeal of the lowest unit rate requirements for political advertising on broadcast media. We as KNND wholeheartedly support this effort, not only from the monetary viewpoint, but generally for the reasons you listed.

As you are obviously aware, each election year radio and television stations are deluged with candidates who are interested in buying broadcast time. Selling this time at our lowest published rate imposes an undue burden upon the station since we are regulated by the Federal Government as to how much time we are allowed to sell.

We believe that a broadcast station should not be required to sell out its time at less than its worth. When this happens it also poses a hardship on the local advertiser who may want to advertise and pay the earned rate, but can not because of the lack of availabilities.

This is the reason of course that many stations are now limiting political availabilities or refusing political advertising, which in turn denies the candidate an opportunity to reach the people.

I sincerely hope that all of the broadcasters in the state of Oregon will support your efforts in this direction.

Respectfully,

Alan H. Davidson,
Sales Manager, KNND Radio.

Mr. PACKWOOD. Mr. President, let me explain what our experience has been in Oregon. It has not been a problem to me personally, but it has been to a number of other candidates seeking nomination for Federal office. Two Congressmen—one of them a Congresswoman, retired this year, and there are numerous candidates in each district seeking the Republican nomination and the Democratic nomination. There are also numerous candidates seeking the Democratic nomination for the Senate.

The problem they find is that they are having a very difficult time buying any time on television or radio. It is almost impossible to buy any prime time at all. It is perfectly understandable why they are not. We are asking radio and television stations to bear the burdensome cost of the campaign by selling time at the lowest unit rate, instead of selling it at the highest unit rate. This means the rate they charge their most frequent advertisers, those who advertise 25 or

100 times a months. Bear in mind that if they sell to one candidate, they have to offer to every other candidate in that race at the same time spot that they are selling to all. That is fine for the incumbents. Nothing could be better for us than if neither we nor the challenger, who might be unknown, could buy any television or radio time on prime time.

It is very unfair.

I believe that we made a mistake when we passed this lowest unit rate bill 3 years ago. I voted against it at the time. It has worked out as I feared that it would. It is not giving the candidates more access to the public but is denying the candidates any access to the public.

Therefore, I believe that we would be wise to repeal the amendment so that all candidates will have equal access to the public through the broadcast media.

Mr. CLARK. Mr. President, will the Senator from Oregon yield, on my time?

Mr. PACKWOOD. I yield.

Mr. CLARK. I should like to ask the Senator a question about his amendment. Is there anything to prevent TV and radio stations from charging the highest unit rate? It seems to me, in the past, that was the practice. At least it was in the campaign in which I was involved. I did not pay the average rate but the very, very high rate. Is there anything to prevent that from happening in the Senator's amendment?

Mr. PACKWOOD. There is nothing to prevent that from happening in the amendment. It would simply repeal the lowest unit rate.

Mr. CLARK. In view of the fact that in existing law there is a limitation as to how much a candidate must spend in the electronic media, would this amendment, if passed, have any real effect in lowering that limitation? In other words, if the costs go up, the Senator is not providing in his amendment for an additional limitation, as I read the amendment?

Mr. PACKWOOD. If you cannot purchase advertising at the lowest unit rate, or limit it to $50,000 in advertising, you cannot buy as much, so, you have to pay more. To that extent, it would lower it.

Mr. CLARK. I thank the Senator very much.

Mr. PASTORE. Mr. President, if the Senator will yield, on my time, in opposition——

Mr. BAKER. Mr. President, I asked that the Senator from Rhode Island be notified that this amendment was pending. The manager of the bill, the Senator from Nevada (Mr. CANNON), is not now in the Chamber. I wonder whether it might not be in order to give the Senator from Rhode Island the manager's time?

Mr. COOK. I have 5 minutes, and I yield 2 minutes to the Senator from Rhode Island.

Mr. PASTORE. Mr. President, at the proper time, when the time has expired, I will move to table the amendment. I think the amendment comes up at a very unfortunate time.

This matter was discussed thoroughly before the Communications Committee, and we took a position that is absolutely contrary to the spirit and letter of this amendment.

Why do we give this rate to candidates? No. 1, a license is granted to perform a public service. All of us know that in this day and age, the most expensive item a candidate has to meet is the charges for radio and television, so much so that these charges have skyrocketed to the point where you have to go out and hold hundred-dollar dinners just to get radio time, especially if you run in a statewide election.

Mr. President, all we are trying to do is to say to the licensee, "If you have given a preferential rate to anybody—to anybody—at any time, you cannot charge during a campaign period, whether it be for President, whether it be for Senator, whether it be for Representative, whether it be for dogcatcher, one penny more than you charged the lowest rate." What is wrong about that? This is limited to a specific period of time.

The argument is made that the reason why these preferential rates are given is that some advertising concern has a regular program every week or every month. A candidate cannot have a program every week or every month. If you run for the Senate, you run every 6 years. If you run for the House, you run every 2 years. If you run for the Presidency, you run every 4 years. So how could you ever come under the terms and the standards of this preferential rate? That is precisely what the story is.

A suggestion was made not too long ago by Adlai Stevenson, Sr., and I think it has tremendous merit today, that within a certain period of time before the election; namely, about 8 weeks before the election—the national networks give free time to the prominent candidates running for the Presidency; and that is about the best public service they could afford to the people of this country. Unfortunately, the networks came in and opposed it. They said, "Don't make it mandatory. Just relieve us from section 315 and we'll give the proper time to the candidates."

I took their word for that, and they lived up to it. I submitted a resolution, and as a result, in 1960, we had the Kennedy-Nixon debates. That is how that all came about.

What this is intended to do is to take away from the candidates the same privilege of the lowest rate—instituted by whom? By the licensee, himself. He does not have to give anybody a preferential rate; but once he does, he cannot take it away from the candidate.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. PASTORE. Can I take time out of my own time?

The PRESIDING OFFICER. The Senator can do so by unanimous consent.

Mr. PASTORE. I ask unanimous consent.

Mr. COOK. Mr. President, I ask unanimous consent that the Senator have such time as he may need out of his hour.

Mr. PASTORE. Out of my hour, because I am hitting high gear. [Laughter.]

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. Mr. President, will the Senator yield?

Mr. PASTORE. I yield.

Mr. STEVENS. I worked with the Senator from Rhode Island on this matter, he will recall.

It is the lowest unit charge for the same class and for the amount of time, for the same period. With those protections, the same class and the amount of time for the same period, we are not getting any benefit from any other rate.

My little station survived under one of the heaviest onslaughts they ever had from candidates, in the last election.

This is a fair provision as it stands, and if we took it off, the rates for television and radio time would go sky high.

I am grateful to the Senator from Rhode Island for having accepted the limitation, but I cannot understand the comments of the Senator from Oregon in view of the limitations of section 315 (b) with regard to the same class of time, the same time frame—that is, whether or not it is prime time—and for the same period of time, which is for the 45 days preceding the election.

Mr. BAKER. Mr. President, I reserve the right to object. There has not yet been a ruling on the unanimous-consent request of the Senator from Rhode Island.

If we are going to extend the time for debate into the Senator's hour under rule XXII, it seems only fair that in the same unanimous request we extend the time on the other side.

I now ask unanimous consent that I be given the same time out of my hour that he has out of his hour.

Mr. PASTORE. That is all right. I will take only 2 minutes.

Mr. BAKER. So long as we have equal time.

Mr. PASTORE. I make this point very strongly——

The PRESIDING OFFICER. The Chair has ruled that the unanimous-consent request of the Senator from Tennessee and the Senator from Rhode Island is granted. It is granted for 2 minutes.

The Senator from Rhode Island.

Mr. BAKER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BAKER. Do I correctly understand that I have similar treatment on this side?

The PRESIDING OFFICER. The Senator is correct.

Mr. BAKER. I thank the Chair.

Mr. PASTORE. The point I am making, and I hope I can make it as emphatically as possible, is that this is not the time, this is not the place, this is not the bill in which to repeal something that has been thoroughly investigated, thoroughly studied, and passed almost unanimously by committee of Congress. I hope that at this junctive we will not disturb something that is as fundamental as the principle that is involved in the discussion we are having today.

When the time has expired, I am going to move to table the amendment.

Mr. BAKER. Mr. President, I have the distinction of serving as the senior Republican on the Subcommittee on Communications, on which the distinguished Senator from Rhode Island is the chairman. He and I joust a good bit and this and a few other issues from time to time. We are familiar with each other's arguments. There is no point in my trying to belabor those issues with him, because he has heard them before. He heard my opposition to this provision when it was considered by the subcommittee, when it was considered by the full committee, and when it was considered by the Senate, and he has heard by opposition to this provision at every opportunity I have had to express it for the last 3 years.

I was opposed to it at the time we first took it up, I am still opposed to it, and I am trying to repeal it. I think it is wrong, because by this section, we politicians have legislated to ourselves a subsidy out of the hides of everybody else who advertises on radio and television. We say that, because Procter & Gamble or General Motors, or whoever it is, earns a unit rate that is lower than a one-time or a five-time rate, we have to get the same unit rate. We do not do that to newspapers. We do not do it to magazines. We do it, because we have the authority to regulate radio and television stations and we have the right to lift their licenses. We pass a law that says, "Give us the lowest cost you give to everybody else at the same time on the networks, with the same quality of service, because we regulate you and we have the life-and-death power to give you a license or take it away." That is not fair play, in my book.

If we are going to do it for radio and television stations, we ought to do it for newspapers, magazines, billboards, the people who manufacture bumper stickers and fingernail files with campaign slogans on them, and for whatever other paraphernalia we use. We say, "Give us the low rate you charge your regular customers despite the fact that we order one-hundredth the amount of time that they order."

It seems to me that we single out the industry that we regulate and make them give us a rate we have not earned, when they would normally charge according to the quality and frequency of service acquired.

I reserve the remainder of my time.

Mr. PACKWOOD. Mr. President, let me elaborate further on the situation.

Take the city of Portland, Oreg., with a number of television stations. Six Democratic candidates, as I recall, vied for the nomination for Congress. Each of them is entitled, if they can get the time, to buy time on television at the lowest rate, at the same price paid by the Chevrolet dealer who advertises night after night. There are many other advertisements during prime time that are not at the lowest unit rate.

If a broadcaster sells an ad to one candidate at 6:30, he must make time available during prime time for every other candidate at the lowest unit rate.

We are asking them to bump off other ads from which they can collect more money in order to put us on. The upshot, at least in Oregon, is that many of them are saying, "To heck with it; we are not going to take any political ads; nobody is going to get on television."

That is fine for incumbents, but incumbents start out with a name advantage and a news advantage.

Now, they are justifiably going to say, "We are not going to bump off any of our advertisers who pay a higher rate in order to put on candidates for Federal office." That has been the effect of the amendment. If that is what the Senator from Rhode Island wants to protect incumbents, that is what he is getting.

The PRESIDING OFFICER (Mr. BROCK). All time of the proponents has expired. The opponents have 2 minutes remaining.

Mr. COOK. Mr. President, I yield 1 minute to my colleague from Kentucky.

The PRESIDING OFFICER. The Senator from Kentucky is recognized.

Mr. HUDDLESTON. Mr. President, I have a brief comment from the perspective of one who has operated under this law as a broadcaster and one who has operated under this law as a candidate. The bill as written is essential and we can talk about the problems it presents for broadcasters and certainly they would like the full rate. We can mention all of the other media that are not covered, but they do not utilize a public facility and they do not operate in the public interest as broadcasting stations.

This is little enough to require of an industry that gets to enjoy free the airways of this country. One big danger we have when we talk about election reform and the limitation on candidates and the money they spend and who can support them is that we deny the citizens of this country the opportunity to hear the candidates and to know their views. This is one way we can help facilitate that opportunity so that candidates can get on the air and let citizens know what they stand for.

Mr. COOK. Mr. President, I take the last minute to congratulate my colleague from Kentucky and to say if, in effect, stations are saying, "We are not going to take any of them, because we cannot get the higher rate in that time frame," if they want to help incumbents and as a matter of fact they are saying they want to help incumbents and are bumping everyone off of television, we better take a close look at it in committee, because the fact is that the law now provides that we pay them for the time we are using at the lowest cost at that time and not on the overall lowest cost of the station.

As bad as political speeches may be some nights, they cannot be any worse than some of the things we have to watch on television during the course of the week in prime time.

Mr. President, I shall support the Senator from Rhode Island in his motion to table the amendment.

The PRESIDING OFFICER. All time has expired on the amendment.

Mr. PASTORE. Mr. President, I move to lay on the table the amendment of the Senator from Tennessee.

Mr. BAKER. Mr. President, I ask for yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays are ordered.

ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President, will the Senator yield to me briefly?

Mr. CANNON. I yield.

ADJOURNMENT OF THE TWO HOUSES OF CONGRESS FOR THE EASTER HOLIDAY

Mr. MANSFIELD. Mr. President, I ask the Chair to lay before the Senate the message from the House of Representatives on House Concurrent Resolution 475.

The PRESIDING OFFICER (Mr. BROCK). The Chair lays before the Senate House Concurrent Resolution 475, which will be stated.

The assistant legislative clerk read as follows:

H. CON. RES. 475

Resolved by the House of Representatives (the Senate concurring), That when the House adjourns on Thursday, April 11, 1974, it stand adjourned until 12 o'clock noon on Monday, April 22, 1974, or until 12 o'clock noon on the second day after its Members are notified to reassemble in accordance with section 2 of this resolution, whichever event first occurs.

SEC. 2. The Speaker of the House of Representatives shall notify the Members of the House to reasemble whenever in his opinion the public interest shall warrant it or whenever the majority leader of the House and the minority leader of the House, acting jointly, file a written request with the Clerk of the House that the House reassemble for the consideration of legislation.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of the concurrent resolution.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate proceeded to consider the concurrent resolution.

Mr. MANSFIELD. Mr. President, I send to the desk an amendment and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

Strike out line 2 and insert in lieu thereof the following: "when the two Houses adjourn on Thursday, April 11, 1974, they stand"

On line 4, strike out "its Members" and insert in lieu thereof the following: "their respective Members".

Strike out section 2 and insert in lieu thereof the following:

"SEC. 2. The Speaker of the House of Representatives and the President pro tempore of the Senate shall notify the Members of the House and Senate, respectively, to reassemble whenever, in their opinion, the public interest shall warrant it, or whenever the majority leader of the Senate and the majority leader of the House, acting jointly, or the minority leader of the Senate and the minority leader of the House, acting jointly, file a written request with the Secretary of the Senate and the Clerk of the House that the Congress reassemble for the consideration of legislation."

Amend title by adding after the word "House," "and Senate."

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The concurrent resolution (H. Con. Res. 475), as amended, was agreed to, as follows:

H. CON. RES. 475

Resolved by the House of Representatives (the Senate concurring), That when the two Houses adjourn on Thursday, April 11, 1974, they stand adjourned until 12 o'clock noon on the second day after their respective Members are notified to reassemble in accordance with section 2 of this resolution, whichever event first occurs.

SEC. 2. The Speaker of the House of Representatives and the President pro tempore of the Senate shall notify the Members of the House and Senate, respectively, to reassemble whenever, in their opinions, the public interest shall warrant it, or whenever the majority leader of the Senate and the majority leader of the House, acting jointly, or the minority leader of the Senate and the minority leader of the House, acting jointly, file a written request with the Secretary of the Senate and the Clerk of the House that the Congress reassemble for the consideration of legislation.

Amend the title so as to read "Concurrent resolution providing for a conditional adjournment of the House and Senate from April 11 until April 22, 1974."

Mr. MANSFIELD. Mr. President, the resolution will stay at the desk until it is certain we will finish this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

FEDERAL ELECTION CAMPAIGN ACT AMENDMENTS OF 1974

The Senate continued with the consideration of the bill (S. 3044) to amend the Federal Election Campaign Act of 1971 to provide for public financing of primary and general election campaigns for Federal elective office, and to amend certain other provisions of law relating to the financing and conduct of such campaigns.

SEVERAL SENATORS. Vote! Vote!

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the amendment of the Senator from Tennessee.

The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. TAFT. Mr. President, on this vote I vote "present."

Mr. ROBERT C. BYRD. I announce that the Senator from Idaho (Mr. CHURCH), the Senator from Arkansas (Mr. FULBRIGHT), the Senator from Hawaii (Mr. INOUYE), the Senator from Louisiana (Mr. LONG), the Senator from Wyoming (Mr. MCGEE), the Senator from Ohio (Mr. METZENBAUM), the Senator from West Virginia (Mr. RANDOLPH), the Senator from Montana (Mr. METCALF), and the Senator from South Carolina (Mr. HOLLINGS), are necessarily absent.

I further announce that, if present and voting, the Senator from West Virginia (Mr. RANDOLPH) would vote "yea."

Mr. GRIFFIN. I announce that the Senator from Utah (Mr. BENNETT), the Senator from Hawaii (Mr. FONG), and the Senator from Arizona (Mr. GOLDWATER) are necessarily absent.

I also announce that the Senator from Virginia (Mr. WILLIAM L. SCOTT) is absent on official business.

The Senator from Ohio (Mr. TAFT) voted "present."

The result was announced—yeas 67, nays 19, as follows:

[No. 144 Leg.]

YEAS—67

Abourezk
Aiken
Bartlett
Bayh
Beall
Bellmon
Bentsen
Bible
Biden
Brooke
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Clark
Cook
Cotton
Cranston
Domenici
Eastland
Ervin
Gravel
Hart
Hartke
Haskell
Hatfield
Hathaway
Huddleston
Hughes
Humphrey
Jackson
Javits
Johnston
Kennedy
Magnuson
Mansfield
Mathias
McClellan
McGovern
McIntyre
Mondale
Montoya
Moss
Muskie
Nelson
Nunn
Pastore
Pearson
Pell
Percy
Proxmire
Ribicoff
Schweiker
Scott, Hugh
Sparkman
Stafford
Stennis
Stevens
Stevenson
Symington
Talmadge
Thurmond
Tunney
Weicker
Williams

NAYS—19

Allen
Baker
Brock
Buckley
Curtis
Dole
Dominick
Eagleton
Fannin
Griffin
Gurney
Hansen
Helms
Hruska
McClure
Packwood
Roth
Tower
Young

ANSWERED "PRESENT"—1

Taft

NOT VOTING—13

Bennett
Church
Fong
Fulbright
Goldwater
Hollings
Inouye
Long
McGee
Metcalf
Metzenbaum
Randolph
Scott, William L.

So the motion to lay on the table Mr. BAKER's amendment (No. 1078) was agreed to.

MESSAGE FROM THE HOUSE—ENROLLED BILL SIGNED

A message from the House of Representatives by Mr. Berry, one of its reading clerks, announced that the Speaker had affixed his signature to the enrolled bill (H.R. 12109) to amend the District of Columbia Self-Government and Governmental Reorganization Act to clarify the provision relating to the referendum on the issue of the advisory neighborhood councils.

The enrolled bill was subsequently signed by the President pro tempore.

FEDERAL ELECTION CAMPAIGN ACT AMENDMENTS OF 1974

The Senate continued with the consideration of the bill (S. 3044) to amend the Federal Election Campaign Act of 1971 to provide for public financing of primary and general election campaigns for Federal elective office, and to amend certain other provisions of law relating to the financing and conduct of such campaigns.

AMENDMENT NO. 1186

Mr. JAVITS. Mr. President, I call up my amendment No. 1186 and ask that it be read.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

On page 35, line 15, after the word "election" insert the following: "on the tenth day of December in the year of an election,".

Mr. JAVITS. Mr. President, the only purpose of the amendment is to provide that in any election, instead of filing the final contributions to a campaign which come in after the 28th of the following January, or have been paid in the following January, that the filing be on the 10th of December immediately following the election.

The reason is that any disciplinary action to be taken by anybody with respect to contributions ought to be taken seasonably before the Representative or Senator is sworn in. Thereafter, it is a very hard row to hoe. That is the reason for the amendment.

I understand that the manager of the bill may be interested in accepting it.

Mr. CANNON. Mr. President, I yield myself 30 seconds.

The Senator from New York has correctly described the amendment. It does create some added burdens, but it does, I think, provide a better, more timely disclosure date after a general election, when it is too late to do anything about the election. The amendment provides a more timely reporting provision than we have in the bill. I am willing to accept the amendment.

Mr. JAVITS. I thank the Senator from Nevada.

Mr. BAKER. Mr. President, I commend the Senator from New York. I think he has submitted a worthwhile, important amendment. I am delighted that the manager of the bill has accepted it.

Senators may remember that I offered an amendment which required reporting before an election, but that amendment was defeated. I think this is a material improvement over the provision that requires reporting in January. I wish to congratulate the Senator from New York.

Mr. JAVITS. Mr. President, may the record show that the idea of the amendment is that of Charles Warren, my legislative aide. He is typical of the brilliant young men who work in all our offices. I am delighted to make this statement.

Mr. BAKER. Mr. President, for the

record, my amendment met with the very violent objection of my staff.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New York.

The amendment was agreed to.

Mr. MANSFIELD. Mr. President, I yield myself 2 minutes on the bill. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BAYH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 1113

Mr. BAYH. Mr. President, I send to the desk a printed amendment, No. 1113. It has been slightly modified.

The PRESIDING OFFICER. Is there objection to the modification? The Chair hears none, and the amendment is so modified. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. BAYH. Mr. President, I ask unanimous consent that the further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAYH. Mr. President, I yield myself 3 minutes.

This is an amendment that I have discussed with the distinguished floor manager of the bill. I understand that he agrees that the amendment is acceptable.

On reflection, after having stopped the clerk from a further reading of it, I think, with advance warning to the Senate, that if I read it and then sit down, there would be adequate explanation. So I shall read it.

At the appropriate place insert the following new section:

SEC. . Whoever, being a candidate for Federal office, as defined herein, or an employee or agent of such a candidate—

(a) fraudulently misrepresents himself or any committee or organization under his control as speaking or writing or otherwise acting for or on behalf of any other candidate or political party or employee or agent thereof on a matter which is damaging to such other candidate or political party or employee or agent thereof; or

(b) willfully and knowingly participates in or conspires to participate in any plan, scheme, or design to violate paragraph (a) hereof, shall, for each such offense, be fined not more than $50,000 or imprisoned not more than five years or both.

Mr. BAYH. The purpose of the amendment, Mr. President, is to direct the Senate's attention in the context of the pending bill, which is to be our principal legislative response to the past 18 months of Watergate revelations, to a particular and specific problem which would appear to require a statutory remedy. This is the problem of "dirty tricks." My amendment is intended to make the existing law somewhat more precise in this area and to increase the penalties for its violation.

It has come to the Senate's attention through the hearings conducted by the distinguished Senator from North Carolina (Mr. ERVIN) and his select committee that during the 1972 campaign there occurred at least two incidents in which an employee or agent of the Committee To Re-Elect the President distributed documents bearing the letterhead of Senator MUSKIE's campaign which falsely accused Senators HUMPHREY and JACKSON of the most bizarre type of personal conduct. It is this type of activity with which my amendment is designed to deal.

Under current law, as found in section 612 of title 18, United States Code, is a misdemeanor offense for anyone who is a candidate or agent thereof to distribute, through the mails or in interstate commerce, materials which fail to identify the candidate involved or a committee acting on his behalf. This is the statute to which Donald Segretti pleaded guilty for his activities in the Florida primary to which I have referred.

My amendment would modify section 612 in two respects. First, it would remove the jurisdictional restrictions of the old statute which limited its application to use of the U.S. mails or transportation in interstate commerce. Many of our older statutes have such limitations which were thought at the time to be constitutionally required, but which are clearly not necessary today as applied to candidates for office on the Federal level.

Second, my amendment would make such campaign offenses felonies rather than misdemeanors in those few cases where not only does the candidate or his agent know that statements about another candidate are false but that they are, in fact, damaging to him.

In short, Mr. President, I believe that the amendment will effectively deal with the specific campaign abuses which have been brought to our attention because of the 1972 campaign, without posing the difficult problems that a broader criminal libel statute presents in terms of first amendment guarantees.

Mr. CANNON. Mr. President, I have discussed the amendment with the distinguished Senator from Indiana, the sponsor, and also with the minority representative. We are willing to accept the amendment.

I yield back the remainder of my time.

Mr. BAYH. I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment of the Senator from Indiana.

The amendment was agreed to.

Mr. CANNON. Mr. President, I send to the desk an amendment and ask for its immediate consideration. I ask unanimous consent to dispense with the reading of the amendment. It is the usual technical, perfecting amendment to correct minor defects in various provisions, in conformity with the usual practice. I ask for the approval of the amendment.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

On page 2, beginning with "TABLE OF CONTENTS", strike out through the item relating to section 502 on page 3.

On page 3, line 11, immediately before "'political committee'", insert the following: "'national committee',".

On page 6, line 16, strike out "campaign."

On page 6, line 17, strike out "campaign expenses" and insert in lieu thereof "expenditures".

On page 7, between lines 17 and 18, insert the following:

"(C) he is seeking nomination by a political party for election to the office of President and he and his authorized committees have received contributions for his campaign throughout the United States in a total of more than $250,000.

On page 8, beginning with line 3, strike out through line 7.

On page 8, line 21, strike out "to".

On page 10, line 2, strike out "accepts" and insert in lieu thereof "and his authorized committees receive".

On page 16, line 1, immediately after "State", insert "under subsection (a) (2) (A) of this section".

On page 16, line 17, strike out the comma and "or" and insert in lieu thereof a semicolon.

On page 16, line 20, strike out the period and insert in lieu thereof a semicolon and "or".

On page 16, between lines 20 and 21, insert the following:

"(C) a national or State committee of a political party in connection with a primary or general election campaign of that candidate, if such expenditure is in excess of the limitations of section 614(b) of title 18, United States Code.

On page 18, line 10, strike out "(h)" and insert in lieu thereof "(i)".

On page 29, line 13, strike out "(3)" and insert in lieu thereof "(2)".

On page 31, line 3, strike out "(7)" and insert in lieu thereof "(8)".

On page 31, line 4, strike out "(8)" and insert in lieu thereof "(9)".

On page 36, line 12, strike out "Presidential" and insert in lieu thereof "presidential".

On page 37, line 5, immediately after "inserting", insert "immediately".

On page 37, line 5, immediately after "semicolon", insert "a comma and".

On page 37, line 5, strike out the comma.

On page 39, line 17, strike out "Any" and insert in lieu thereof "Each".

On page 39, line 21, strike out "Any" and insert in lieu thereof "A".

On page 40, strike out beginning with line 3 through line 10 and insert in lieu thereof the following:

"(d) No person who sells space in a newspaper or magazine to a candidate, or to the agent of a candidate, for use in connection with that candidate's campaign, may change any amount for such space which exceeds the amount charged for comparable use of such space for other purposes.

On page 41, line 11, strike out "published regulation" and insert in lieu thereof "a rule".

On page 41, line 12, immediately before the comma, insert "which is published in the Federal Register not less than 30 days before its effective date".

On page 41, line 16, strike out "will not have any adverse affect on" and insert in lieu thereof "is inconsistent with".

On page 41, line 17, strike out "title" and insert in lieu thereof "Act".

On page 45, line 25, strike out "regulations" and insert in lieu thereof "rules".

On page 46, line 2, strike out "regulations" and insert in lieu thereof "rules".

On page 47, line 9, immediately before "testimony", strike out "or".

On page 47, line 19, immediately before "reasonable", insert "a" and, immediately after "period", insert "of time".

On page 53, line 1, strike out "held and".

On page 53, line 4, strike out "regulation" and insert in lieu thereof "rule".

On page 53, line 15, immediately before "all", insert a comma and "consolidate, and furnish".

On page 53, line 16, strike out the comma "and consolidate and furnish the reports".

On page 54, line 1, strike out "so".

On page 55, line 4, strike out "such".

On page 55, line 9, strike out "single".

On page 56, line 25, immediately after "inserting", insert "in lieu thereof".

On page 57, line 6, immediately after "inserting", insert "in lieu thereof".

On page 57, line 10, immediately after "inserting", insert "in lieu thereof".

On page 57, line 16, immediately after "inserting", insert "in lieu thereof".

On page 57, line 24, immediately after "inserting", insert "in lieu thereof".

On page 58, line 3, immediately after "inserting", insert "in lieu thereof".

On page 58, line 8, immediately after "inserting", insert "in lieu thereof".

On page 58, line 11, immediately after "inserting", insert "in lieu thereof".

On page 58, line 16, immediately after "inserting", insert "in lieu thereof".

On page 58, line 18, immediately after "inserting", insert "in lieu thereof".

On page 58, line 20, immediately after "inserting", insert "in lieu thereof".

On page 58, line 23, immediately after "inserting", insert "in lieu thereof".

On page 59, line 2, immediately after "inserting", insert "in lieu thereof".

On page 59, line 3, strike out the comma.

On page 59, line 4, immediately after "inserting", insert "in lieu thereof".

On page 59, line 9, immediately after "inserting" insert "in lieu thereof".

On page 59, line 25, strike out the comma.

On page 60, line 18, strike out "Any" and insert in lieu thereof "An".

On page 60, line 22, strike out "any" and insert "an".

On page 60, line 22, strike out "Any" and insert "A".

On page 62, line 21, strike out "any" and insert "a".

On page 63, line 14, strike out "campaign expenses" and insert in lieu thereof "expenditures".

On page 64, line 2, strike out "regulations" and insert in lieu thereof "rules".

On page 64, line 3, strike out "regulations" and insert in lieu thereof "rules".

On page 64, line 8, strike out the comma.

On page 64, line 20, strike out "$10,000," and insert in lieu thereof "$100,000,".

On page 65, line 2, strike out "regulations" and insert in lieu thereof "rules".

On page 65, line 13, strike out "out 'and" and insert in lieu thereof "out ', and".

On page 66, lines 1 and 2, strike out "central".

On page 66, line 19, strike out "and".

On page 66, line 25, after the second semicolon, insert "and".

On page 67, line 3, strike out the semicolon and insert in lieu thereof a period.

On page 68, line 9, immediately after "out", strike out "the".

On page 71, line 6, strike out "shall not constitute" and insert in lieu thereof "is not".

On page 71, line 12, strike out "shall not constitute" and insert in lieu thereof "are not".

On page 74, line 5, strike out "Presidential" and insert in lieu thereof "presidential".

On page 74, line 22, strike out "National" and insert in lieu thereof "national".

On page 75, line 2, strike out "of title 18, United States Code,".

On page 76, line 17, strike out "a" and insert in lieu thereof "the".

On page 77, lines 3 and 4, strike out "this section" and insert in lieu thereof "paragraph (1)".

On page 79, line 6, strike out "of a political party".

On page 81, line 10, strike out "In the case of any" and insert in lieu thereof "A".

On page 82, line 3, immediately after "fined" insert "not more than".

On page 82, line 7, strike out "regulations" and insert in lieu thereof "rules".

On page 82, line 10, strike out "shall be considered to have been" and insert in lieu thereof "is considered to be".

On page 82, line 13, strike out "served" and insert in lieu thereof "serves".

On page 82, line 19, strike out the comma and "as amended".

On page 82, lines 22 and 23, strike out the comma and "as amended".

On page 83, line 21, strike out "case" and insert in lieu thereof "adjudication".

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

AMENDMENT NO. 1180

Mr. ALLEN. Mr. President, I call up my amendment No. 1180 and ask that it be stated.

The PRESIDING OFFICER. The amendment will be read.

The legislative clerk read as follows:

On page 75, line 23, strike out "exceeds $3,000." and insert in lieu thereof "exceeds—".

On page 75, between lines 23 and 24, insert the following:

"(1) in the case of a candidate for the office of President or Vice President, $2,000; and

"(2) in the case of any other candidate, $1,500.".

On page 76, line 2, strike out "exceeds $3,000." and insert in lieu thereof "exceeds—".

On page 76 between lines 2 and 3, insert the following:

"(A) in the case of a candidate for the office of President or Vice President, $2,000; and

"(B) in the case of any other candidate, $1,500.".

Mr. ALLEN. Mr. President, I yield myself 3 minutes.

Throughout the debate on the bill, it has been the effort of the Senator from Alabama not only to kill all portions of the bill having to do with the public subsidy of candidates for Federal election, but also to reduce the overall amount that candidates for Federal offices may spend in elections—that is, candidates for the House and for the Senate in primaries and in general elections, and candidates for the Presidency in primaries before the conventions and in the general election.

Already there have been turned back by the Senate amendments that would cut the amounts individual contributions to $250 in Presidential races and $100 in House and Senate races; and another amendment that would have limited contributions to $2,000 in Presidential races and to $1,000 in House and Senate races. Those amendments have been turned back. That has caused the Senator from Alabama to feel that many of those who advocate Federal subsidies in elections want the best of two words. They want, in the primary elections everything that they can get from providing contributions at the $3,000 level, which is a very high level in the view of the Senator from Alabama, and at the same time having Federal matching.

So I would hope that the Senate would go along with a reduction in the amount of the overall contributions in Presidential races to $2,000 and for the House and Senate to $1,500. I call attention to the fact that the Senate has voted—voted twice, as a matter of fact—to cut the amount of overall expenses of candidates by 20 percent, by cutting the amount that could be spent in general elections from 15 cents to 12 cents, and from 10 cents to 8 cents in primary elections. There should be no reason why we could not reduce the amount of individual contributions.

So I am hopeful that the Senate in its desire to have campaign reform, and not simply use campaign reform as a shibboleth to cover raiding the Federal Treasury and turn the bill over to the taxpayers, will be in favor of cutting the amount of individual contributions as suggested in the amendment to $2,000 in Presidential races in primary and general elections, and to $1,500 for House and Senate races in primary and general elections.

Mr. President, I reserve the remainder of my time.

Mr. CANNON. Mr. President, I yield myself 2 minutes.

I wish only to say that the distinguished Senator from Alabama really would like to have it both ways. He opposes the provision on public financing because he does not want to see public financing. On the other hand, he wants to cut private financing down to the point where it would drive the individual to public financing.

I suggest, Mr. President, that we have been up the hill and down the hill on this. We have considered limitations in almost every conceivable amount except this particular one, and I would hope that the Senator would be willing to abide by the votes we have already had on this matter, and let us dispose of the amendment by voice vote.

Mr. President, I am prepared to yield back the remainder of my time.

Mr. ALLEN. I yield back the remainder of my time.

The PRESIDING OFFICER (Mr. BROCK). All remaining time having been yielded back, the question is on agreeing to the amendment of the Senator from Alabama (Mr. ALLEN).

In the opinion of the Chair, the nays have it. The amendment is rejected.

Mr. MANSFIELD. Mr. President, if I may have the attention of the Senate, I believe the senior Senator from Massachusetts (Mr. KENNEDY) has one or maybe two amendments. As far as I know, those will be the final amendments. So I ask at this time if the distinguished Senator would consider a reduction of the half-hour limitation.

Mr. KENNEDY. Five minutes will be sufficient.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that there be a time limitation of 10 minutes on each of the two amendments, the time to be equally divided between the Senator from Massachusetts (Mr. KENNEDY) and the manager of the bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, will the distinguished Senator from Massachusetts indicate whether he plans to have rollcall votes?

Mr. KENNEDY. I do not.

Mr. BAKER. Good.

Mr. MANSFIELD. Mr. President, I ask for the yeas and nays on passage.

The yeas and nays were ordered.

AMENDMENT NO. 1092

Mr. KENNEDY. Mr. President, I call up my amendment No. 1092, in behalf of myself and the Senator from Pennsylvania (Mr. HUGH SCOTT), and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. KENNEDY. I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY's amendment (No. 1092) is as follows:

On page 58, line 16, strike out "and".

On page 68, between lines 16 and 17, insert the following:

"(j) 'State committee' means the organization which, by virtue of the bylaws of a political party, is responsible for the day-to-day operation of that political party at the State level, as determined by the Federal Election Commission; and".

On page 68, line 17, strike out "(j)" and insert in lieu thereof "(k)".

Mr. KENNEDY. Mr. President, I have had an opportunity to talk with the floor manager of the bill, and also the minority manager of the bill, and I believe that the amendment may be acceptable to them.

The purpose of the amendment is to add a definition of "State committee" parallel to the definition of "national committee" already contained in the bill.

The amendment is useful because it identifies the State committees that will be entitled to take advantage of the special "2 cents a voter" spending authority in the bill. Under this authority, a State committee of a political party is entitled to receive private contributions and make expenditures in a general election, above and beyond the expenditure ceiling of the party's candidate himself. In this way, S. 3044 provides a substantial additional role for the political parties at both the State and National level.

Mr. President, the amendment is a minor addition to the bill, and I hope that it may be accepted.

Mr. CANNON. Mr. President, I yield myself 30 seconds.

I have discussed this proposal with the Senator and with the ranking minority Member. The definition is acceptable. It parallels the definition of a State committee with that of the national committee.

I am prepared to yield back the remainder of my time.

Mr. KENNEDY. I yield back the remainder of my time.

The PRESIDING OFFICER (Mr. BROCK). All remaining time having been yielded back, the question is on agreeing to the amendment (No. 1092) of the Senator from Massachusetts (Mr. KENNEDY).

The amendment was agreed to.

AMENDMENT NO. 1093

Mr. KENNEDY. Mr. President, I call up my amendment No. 1093 and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. KENNEDY. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY's amendment (No. 1093) is as follows:

On page 10, strike out line 24 and insert in lieu thereof the following: "election campaign in an amount equal to the greater of—

"(A) an amount which bears the same ratio".

On page 11, line 6, strike out "election." and insert in lieu thereof "election; or".

On page 11, between lines 6 and 7, insert the following:

"(B) an amount which bears the same ratio to the amount of payments to which a candidate of a major party for the same office is entitled under this subsection as the total number of popular votes received by that eligible candidate as a candidate for that office (other than votes he received as the candidate of a major party for that office) in the preceding general election bears to the average number of popular votes received by the candidates of major parties for that office in the preceding general election.".

Mr. KENNEDY. This amendment is introduced in behalf of myself and the Senator from Pennsylvania (Mr. HUGH SCOTT). I have had a chance, again, to discuss it with the floor manager of the bill and also the minority manager, and I understand that it is acceptable to them.

The purpose of the amendment is to allow a minor party candidate to qualify for public funds on the basis of the total number of votes he received in the proceeding election, whether as the candidate of a single minor party or as the candidate of more than one minor party.

Under the present bill, a minor party candidate's proportion of public funds is based only on the showing in the preceding election of the minor party that nominated him. In certain cases, this provision might work unfairly to the disadvantage of a minor party candidate who was on the ballot in the previous election under more than one party label.

For example, in the 1968 Presidential election, George Wallace ran under nine separate minor party labels. Although he won a total of 13.5 percent of the votes cast in the election, the most he won under a single party label was 5.08 percent, as the candidate of the American Party.

Under the pending bill, if its provisions had been in effect for the 1972 election, Governor Wallace would have qualified for proportional public funds based on his 1968 track record as a minor party candidate based on his 5.08 percent showing as the candidate of the American party, rather than his 13.5 percent overall showing. Clearly, he should be entitled to use the higher figure, and the pending amendment would accomplish that goal.

Mr. President, I ask unanimous consent that two tables prepared by the Library of Congress, illustrating the votes received by Governor Wallace in 1968, may be printed in the RECORD.

Mr. President, I would note that the effect of the pending amendment is to restore the operation of the formula in the existing dollar checkoff law, enacted in 1971, which now allows minor party candidates to accumulate their votes in the preceding election. I believe that this is the intent of the formula in S. 3044, and I hope the Senate will accept the amendment Senator HUGH SCOTT and I are offering.

ANALYSIS OF VOTES CAST FOR GEORGE C. WALLACE IN THE PRESIDENTIAL ELECTION OF 1968 UNDER VARIOUS PARTY LABELS

Party	Number of States	Number of votes	Percent Wallace vote	Percent total vote
Democratic Party	1	691, 425	6. 97	0. 94
Independent Party	9	1, 320, 872	13. 33	1. 80
American Independent Party	13	2, 459, 735	24. 82	3. 35
American Party	16	3, 721, 747	37. 56	5. 08
George Wallace Party	7	1, 228, 799	12. 40	1. 67
Conservative Party	1	88, 921	. 89	. 12
Independent American Party	1	20, 432	. 20	. 02
Courage Party	1	358, 864	3. 62	. 49
George Wallace Independent Party	1	15, 678	. 15	. 02
Total	[1] 50	9, 906, 473	100. 00	13. 49

[1] Wallace was not on the ballot in the District of Columbia.

Note: Items may not add to totals because of rounding.

NUMBER OF VOTES RECEIVED BY GEORGE C. WALLACE IN THE PRESIDENTIAL ELECTION OF 1968 UNDER VARIOUS PARTY LABELS, BY STATE

Democratic Party (one State)

Alabama	691, 425

Independent Party (9 States)

Alaska	10, 024
Illinois	390, 958
Massachusetts	87, 088
Mississippi	415, 349
Oregon	49, 683
South Carolina	215, 430
South Dakota	13, 400
Wisconsin	127, 835
Wyoming	11, 105
Total vote for Wallace under Independent Party label	1, 320, 872

American Independent Party (13 States)	
Arizona	46, 573
California	487, 270
Colorado	60, 813
Hawaii	3, 469
Idaho	36, 541
Iowa	66, 422
Michigan	331, 968
Missouri	206, 126
New Mexico	25, 737
Ohio	467, 495
Pennsylvania	378, 582
Utah	26, 906
Virginia	321, 833
Total vote for Wallace under American Independent Party label	2, 459, 735
American Party (16 States)	
Arkansas	240, 982
Delaware	28, 459
Georgia	535, 550
Kentucky	193, 098
Louisiana	530, 300
Maryland	178, 734
Minnesota	68, 931
Montana	20, 015
Nebraska	44, 904
North Carolina	496, 188
North Dakota	14, 244
Oklahoma	191, 731
Tennessee	424, 792
Texas	584, 269
Washington	96, 990
West Virginia	72, 560
Total vote for Wallace under American Party label	3, 721, 747
George Wallace Party (7 States)	
Connecticut	76, 650
Florida	624, 207
Indiana	243, 108
Maine	6, 370
New Hampshire	11, 173
New Jersey	262, 187
Vermont	5, 104
Total vote for Wallace under George Wallace Party label	1, 228, 799
Conservative Party (1 State)	
Kansas	88, 921
Independent American Party (1 State)	
Nevada	20, 432
Courage Party (1 State)	
New York	358, 864
George Wallace Independent Party (1 State)	
Rhode Island	15, 678

Mr. CANNON. Mr. President, I yield myself 30 seconds.

I have discussed the amendment with the sponsor of the amendment and the ranking minority member of the committee, and we are prepared to accept the amendment.

I yield back the remainder of my time.

Mr. KENNEDY. I yield back the remainder of my time.

The PRESIDING OFFICER (Mr. BROCK.) All remaining time having been yielded back, the question is on agreeing to the amendment (No. 1093) of the Senator from Massachusetts (Mr. KENNEDY).

The amendment was agreed to.

Mr. DOMINICK. Mr. President, I have often expressed my deep concern about the crisis of confidence in our leadership and the deep sense of frustration and distrust toward our entire Government which has pervaded the mail I have received from Coloradans over the past year.

No government can survive without the confidence and support of the people. Ours has survived because each American has believed elections presented an opportunity for all citizens, candidates and parties to present their ideas fairly and honestly, and to have their views judged by the public.

Recent events have raised serious doubts in the minds of many Americans that this principle is being respected. The resulting crisis of confidence, therefore, goes to the core—the very survival—of our system of government. Out of this concern that we must take whatever action is necessary to restore the confidence of the American people in its leadership and Government, last July the Senate passed—and I voted for—the Federal Election Campaign Act of 1973, which provided for numerous needed reforms of election campaigns.

This act of 1973 represented a comprehensive campaign reform bill which required full identification of contributions, annual financial disclosure reports by Members of Congress and candidates. It also limits total expenditures in primary and general elections for Federal offices, individual contributions to candidates, and cash contributions and expenditures.

During consideration of the Federal Election Campaign Act of 1973, proponents of Federal subsidization of campaigns—so-called public financing—failed in their efforts to insert Federal subsidization provisions in the act. In December they failed to attach such provisions to the bill raising the debt limit, but did extract a promise from the Senate Rules Committee that it would report a bill on Federal subsidization. This bill is before us now. Title I contains provisions for Federal campaign subsidies in primary and general election campaigns for Federal offices. The other sections of this bill are similar to the provisions of the Federal Election Campaign Act of 1973 as it passed the Senate.

I support reform and have consistently voted for it. I am against—irrevocably against—efforts to establish a Federal financing system as proposed in title I of this bill.

I believe Federal subsidization represents a step backward in our efforts to restore the confidence of the American people in their system.

Giving taxpayers' money to politicians to run for election can only reduce further whatever confidence Americans retain in their political leadership and institutions. Taking away from the individual the decision as to whom their money will go excludes the individual from a vital part of the political process and reduces the voters' involvement, participation and commitment to candidates and parties. Reducing the dependence of candidates and elected officials upon the rank and file of their party and upon the individual citizen voter will insulate representatives further from individual taxpayers who will be, nonetheless, paying their campaign bills.

Federal subsidies would not only limit an individual's right to spend money to express his preferences and views, but they would also require that the individual's tax money go to someone whose views he opposes, as well as restricting the freedom of those who wouldn't want to support any candidate.

With one Senator elected as an independent and another as a third-party candidate currently sitting with us in the Senate, and a growing bloc of voters who regard themselves as "independents," legislation must treat independent candidates and minor or third parties fairly. Yet assuring independent voices and movements a fair hearing runs the risk of subsidizing frivolous and publicity-seeking campaigns. There would be no quicker way to discredit subsidization and the whole political process. Any legislation setting standards would inevitably discriminate against some individuals and movements and abridge the freedom of individuals to speak out and run for office.

It is equally difficult, if not impossible, to design regulations which apply to primaries, which in many States are more important than general elections. The bill before us does not even attempt to wrestle with other than Presidential primaries. In legislating how money will be distributed, the law can either strengthen a party organization's hold over candidates by channeling money through the parties, or increase the independence of candidates from parties. This is an inappropriate area to legislate, especially given the traditional flexibility and variety of this relationship and the growing numbers of independent voters.

The role of volunteer workers and of nonpartisan groups who work in the political arena is a Pandora's box of legal and constitutional issues whose lid has already been tilted ajar by existing legislation and which would be thrown wide open by Federal subsidization.

We are not going to encourage public participation and confidence in politics by reaching into taxpayers' pockets to finance election campaigns. The experience of the past decade should have taught that the solution of pouring Federal money—the tax money of the individual—on a problem and adding complex Federal regulations and a government bureaucracy, has never resolved any problem and in alleviating some symptoms has usually created more ills.

At a minimum we should give the 1971 and 1973 reforms a full trial. We should not be swept up by the hysteria of the current Watergate environment that we enact unnecessary and dangerous legislation on so-called public financing. The resultant loss of individual freedom and rights, and the extension of the dead hand of Federal bureaucracy and regulation would serve only to throttle further confidence of American citizens in the responsiveness and integrity of our system of government. To adopt "public financing" would be the ultimate evil legacy of the Watergate era.

The PRESIDING OFFICER. The bill is open to further amendment.

If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

Mr. ALLEN. Mr. President, apparently there are no further amendments to be offered. That is correct, is it not?

Mr. MANSFIELD. As far as we know. Until third reading is achieved, we do not know.

Mr. ALLEN. Since all the amendments have been offered that Senators plan to offer, and since this matter has been under serious discussion under efforts to amend the bill—some of which have been very helpful, some not so helpful; since there is considerable confusion about just what the bill does provide; since there is a body of opinion in the Senate that a big mistake is being made, though I do not subscribe to that view, in not opening the general elections up to matching as well—there was an amendment offered by the distinguished Senator from Illinois (Mr. STEVENSON), the distinguished Senator from Minnesota (Mr. HUMPHREY), the distinguished Senator from New Mexico (Mr. DOMENICI), the distinguished Senator from Ohio (Mr. TAFT), the distinguished Senator from California (Mr. CRANSTON), the distinguished Senator from Minnesota (Mr. MONDALE), and the distinguished Senator from Maryland (Mr. BEALL) that would have set up a formula that would have permitted and, in fact, to get the full amount available could very well have required matching in general elections; I believe they had a formula of 25-percent advance Federal matching in House and Senate races, and then 50–50 the rest of the way, and in Presidential elections a 40-percent advance Federal subsidy, and then 50–50 the rest of the way—and since there are a number of other items in the bill that can be improved upon if this bill were to have further consideration by the Rules Committee; and in view of the fact that there are already bills over in the House that they have not yet digested, I am just wondering if we would serve the part of wisdom to send them another bill which, by the way, is 180 degrees different from the bill we sent them in July, that being S. 372, which does not provide for any Federal subsidies whatsoever.

So I wonder if it might not be well to send this bill back to committee for a little more of the baking process.

Mr. GRIFFIN. Mr. President, will the Senator yield to me for an inquiry?

Mr. ALLEN. I yield.

Mr. GRIFFIN. In the light of the explanation made by the distinguished Senator from Alabama that one of these amendments that would have required matching in the general election has been adopted, then, of course, the bill as it now is about to be voted on provides for full Federal taxpayer financing in the general election; is that the Senator's understanding?

Mr. ALLEN. Yes, that is true, except that there is available the option to participate in the Federal subsidy or not. If the candidate wants 100 percent Federal subsidy, he can get it. If he wants to get a little bit from the private sector, that comes off his public subsidy and, obviously, would not be resorted to.

Mr. GRIFFIN. In view of the rejection of that effort by Senator STEVENSON and others, and in view of the rejection of the amendment offered by Senator DOLE the other day, I wonder whether the Senator would agree with me that it is going to be a rather strange situation, if this bill should become law, because the requirements we now have under present law say that when a TV advertisement goes on the air promoting the candidacy of a particular campaign, there must be, in prominent letters and sound, what they call a disclaimer, "Paid for by the Committee on So-and-So."

Would it not be false and fraudulent advertising if all of that money was actually coming out of the U.S. Treasury? Would there be some kind of action that citizen consumer groups, and so forth, or someone else could take to the FCC, because here, on the one hand, they would be saying the cost was paid for by the committee of candidate Jones, but really it is all being paid for by the taxpayers. Is that the situation we would have?

Mr. ALLEN. I see the point of the distinguished Senator from Michigan and I agree with it. I would assume, however, that the public subsidy would go to the candidate or his committee and, in a sense, would be laundered by the committee.

Mr. GRIFFIN. Laundered?

Mr. ALLEN. So it probably would be a correct statement that the money, which is public money, having been laundered by the committee and used by the committee, it might be, then, that it would be an accurate statement to say it was paid for by the committee.

Mr. GRIFFIN. Does the Senator suppose that the laundering will then be described in some segment of the media as being campaign reform?

Mr. ALLEN. This is campaign reform.

Mr. GRIFFIN. I thank the Senator. I will certainly join him in supporting his motion to recommit the bill.

Mr. ALLEN. Mr. President, it is the intention of the Senator from Alabama to make a motion to recommit. Since that motion is debatable, the Senator from Alabama will, at this time, move that the bill be now recommitted to the Committee on Rules and Administration for further study.

Mr. AIKEN. Mr. President, may I just ask a question. In the laundering of this money by the committee, does the Senator from Alabama believe that a lot of soap would be used?

Mr. ALLEN. Yes, soft soap. [Laughter.]

Mr. ALLEN. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. CANNON. Mr. President, I yield back whatever time I have.

Mr. ALLEN. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER (Mr. BROCK). All time has now been yielded back.

The question is on agreeing to the motion of the Senator from Alabama (Mr. ALLEN) to recommit the bill, S. 3044, to the Committee on Rules and Administration.

On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Idaho (Mr. CHURCH), the Senator from Arkansas (Mr. FULBRIGHT), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Hawaii (Mr. INOUYE), the Senator from Louisiana (Mr. LONG), the Senator from Wyoming (Mr. McGEE), the Senator from Ohio (Mr. METZENBAUM), and the Senator from West Virginia (Mr. RANDOLPH) are necessarily absent.

I further announce that the Senator from Alabama (Mr. SPARKMAN) is absent on official business.

I further announce that, if present and voting, the Senator from West Virginia (Mr. RANDOLPH) would vote "nay."

Mr. GRIFFIN. I announce that the Senator from Hawaii (Mr. FONG) and the Senator from Arizona (Mr. GOLDWATER) are necessarily absent.

I also announce that the Senator from Virginia (Mr. WILLIAM L. SCOTT) is absent on official business.

The result was announced—yeas 35, nays 53, as follows:

[No. 145 Leg.]

YEAS—35

Aiken
Allen
Baker
Bartlett
Beall
Bellmon
Bennett
Brock
Buckley
Byrd, Harry F., Jr.
Cotton
Curtis
Dole
Dominick
Eastland
Ervin
Fannin
Griffin
Gurney
Hansen
Helms
Hruska
Johnston
McClellan
McClure
Metcalf
Nunn
Roth
Stennis
Stevenson
Taft
Talmadge
Thurmond
Tower
Weicker

NAYS—53

Abourezk
Bayh
Bentsen
Bible
Biden
Brooke
Burdick
Byrd, Robert C.
Cannon
Case
Chiles
Clark
Cook
Cranston
Domenici
Eagleton
Gravel
Hart
Hartke
Haskell
Hatfield
Hathaway
Huddleston
Hughes
Humphrey
Jackson
Javits
Kennedy
Magnuson
Mansfield
Mathias
McGovern
McIntyre
Mondale
Montoya
Moss
Muskie
Nelson
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Ribicoff
Schweiker
Scott, Hugh
Stafford
Stevens
Symington
Tunney
Williams
Young

NOT VOTING—12

Church
Fong
Fulbright
Goldwater
Hollings
Inouye
Long
McGee
Metzenbaum
Randolph
Scott, William L.
Sparkman

So the motion of the Senator from Alabama (Mr. ALLEN) to recommit the bill (S. 3044) to the Committee on Rules and Administration was rejected.

Mr. ROBERT C. BYRD. Mr. President, I think it would be outrageous to saddle the taxpayers of this country with the price tag of financing the campaigns of

Members of Congress. The public campaign financing bill now before the Senate would provide up to $90,000 out of the Public Treasury for any candidate for the House of Representatives in the general election and as high as $2 million for some candidates for the U.S. Senate in the general election.

At a time when so much money is needed to wage the war on cancer, at a time when many persons in this country cannot afford the high cost of medical care, and when I think of people who are dying in this country because they cannot get a kidney dialysis, it is obvious to me that we should not dig into the taxpayers' money to finance the elections of those of us who run for the House and Senate. I do not think the taxpayers ought to have to pay this price tag, and I shall vote against the bill.

Mr. PELL. Mr. President, as chairman of the Senate Subcommittee on Privileges and Elections and as the sponsor of the bill which formed the basis of our deliberations on public financing; I am delighted with its passage by the Senate.

The bill's basic and significant provisions have survived over strong opposition. We have expressed the will of our people weary at election abuses and frustrated by the scandalous influence of special interests. We have given back to the individual voter his rightful authority, and we have strengthened our democracy.

Mr. STEVENSON. Mr. President, for more than a decade, in and out of public office, I have worked for campaign finance reform. It is, therefore, with reluctance that I express my reasons for voting against this bill.

Most of the provisions in the bill have already been approved by the Senate and sent, in one form or another, to the House. They include limits on individual and committee contributions to campaigns for Federal office, a $25,000-limit on contributions of an individual to all Federal campaigns, ceilings on amounts which can be expended in Federal campaigns, a limit on cash contributions and independent enforcement of campaign finance laws. Among the provisions of the bill as passed by the Senate were many that I either coauthored in bills or brought up on the Senate floor as amendments.

The bill before us adds little, except provisions for public financing of Federal campaigns.

I believe in partial public financing of general election campaigns, and in fact introduced a bill for public financing. The bill before us provides for public financing of primaries, as well as general elections, and upon the easiest and most generous terms. The result of public financing in primaries will be to encourage the favorite son, regional and dark horse candidates, the insincere and the adventurers in our politics, too. What we must do is drive from our politics the large contributions, but not fragment our parties any further. The moneys made available from the Public Treasury by this bill for the financing of primaries will invite a proliferation of candidacies and with little regard to the legitimacy of the candidates' claim upon the public attention. It will invite high-pressured advertising, voter confusion, and will make it even more difficult for a serious candidate of the majority to win the nomination of a major party.

It would be wiser to act with less zeal and more prudence and defer this dangerous experiment until such time as public financing has enjoyed some experience in general election campaigns. We could, in an excess of recent enthusiasm, "reform" our two-party system out of existence by financing the candidacies of virtually all comers in primary campaigns for Presidency and the Congress.

From the beginning I have supported partial public financing of general elections campaigns.

When 100-percent public financing was proposed last fall in the Kennedy-Scott amendment to the debt limit bill, I testified in the Finance Committee in support of partial public financing. When the Kennedy-Scott amendment was considered on the floor in late November, I offered an amendment reducing the lump-sum subsidy from 100 percent to 50 percent. My amendment was narrowly defeated. Tuesday, with Senators TAFT, DOMENICI, CRANSTON, HUMPHREY, and MONDALE, I offered another partial public financing amendment. That amendment provided for a maximum of 70-percent public financing in Presidential elections and 62.5-percent public financing in congressional elections. Senator KENNEDY offered an amendment to mine which restored 100-percent public financing in Presidential general election campaigns. His amendment was adopted by a margin of one vote. Then he offered an amendment to increase public financing in congressional campaigns to 75 percent, and it failed by a margin of three votes. Obviously the Senate is closely divided on the issue of partial versus total public financing. But the Senate voted to table the remains of my amendment. The effect of that lopsided vote was to restore 100-percent public financing for both Presidential and congressional general election campaigns.

It has been said that my amendment improved the bill too much and that the vote then for total public financing sounded the death knell for any public financing. Whether or not that is true, the votes on the two Kennedy amendments provide a good measure of the Senate's true position on the question of partial versus total public financing. The Senate has grave reservations about 100-percent public financing. Those reservations are not reflected in this bill.

This bill provides for 100-percent financing from the Treasury. It permits the candidate to opt for private financing, but few would do so except for the doubtful purpose of waging a demogogic battle against those who dip into the public trough for their campaign funds. It would be tempting for some to wage that kind of campaign and with the public distrust of politics running strong, some might succeed against the publicly financed candidate. Making private financing optional thus weakens this bill. At best, it invites private money back in. At worst, it invites private money back in for demagogic purposes.

Most candidates, given a chance to collect $16 million from the Treasury as a Presidential candidate, or $800,000 as a Senate candidate in Illinois, would opt for public financing. Our debate has overlooked the enormous savings in fundraising expenses made possible by public financing. A $1 million grant from the Treasury may save the candidate another $100,000 or more in fundraising expense. And that is all to the good—but it means that few legitimate candidates would opt on these terms for private financing, especially with individual contributions limited to $1,500. Once a candidate opts for public financing, no one can give so much as a nickel to his support.

And that, Mr. President, is what causes me—reluctantly—to vote against this bill. No member of the Senate is more determined to rid our politics of the corrupting influence of large contributions. The amendment I offered would have done so and at the same time permitted small contributions by individuals to the candidates of their choice. It provided for partial public financing of Presidential and congressional general election campaigns and partial private financing from contributions of $3,000 or less in the case of individuals and $6,000 or less in the case of committees. The purpose of public financing is to eliminate the large, potential corrupting contributions, not the innocent small contributions.

Because most, if not all, candidates will be unable to resist the lure of 100-percent public financing, this bill would effectively eliminate small contributions. It will place a premium on the arts and artifices of Madison Avenue. The electorate could be misled by the high-priced hucksters as never before. Minority candidates will have a chance to succeed as never before. The fragmentation of the parties will follow. I fear for the continued existence of our two-party system should this bill, in its present form, become law.

I fear the consequences of such public largess. Candidates ought to be compelled, day in and day out, to listen to their constituents and solicit their favor. They ought to be forced to go out and seek—from housewives, teachers, businessmen, and farmers—small contributions. The Government is too far removed already from the people, the arts of the advertisers are too seductive already. We ought to sanitize our politics—not, with some belated enthusiasm for "reform," sterilize it.

This bill implicitly distrusts the people and their good sense. I think most people take their Government seriously. They want to be a part of it, and with rising levels of education and dissatisfaction with politics as usual, they will increasingly demand a voice in the electoral process. They want to feel that they can make a difference. They want, and rightly so, to contribute to the candidates of their choice. This bill would cut the money out—and that is to the good—but it would also cut the people out—and that is terrible. There is nothing inherently corrupting about a 3 cents, $3, $300, or, for that matter, a $3,000 contribution. This bill says the citizen can contribute nothing to the candidate of his choice—work for him, yes, spend up to $1,000 in advertising of his own buying, yes—but to give him $5 or $1,000, no—because to do so, this bill implies, might corrupt a candidate for President of the United States or the Congress.

On the face of it that makes no sense. It is downright wrong.

This bill not only eliminates a meaningful form of participation by people in their Government, it also drives up the costs to the Treasury and the taxpayer.

It is more than most people will tolerate. They are willing to pay the necessary price for the elimination of the big contributions—but no more. This bill will be perceived as yet another transgression by the politician. After all, what reason is there for 100-percent public financing when 60 or 70 percent would eliminate the large contributions by the rich and the powerful and preserve the innocent contributions of the small and the weak—those who only want to serve their party and their country and have a voice.

Some "reform" groups opposed my amendment strenuously. And now they resent the obstinacy of myself, Senator HUMPHREY, and others who stood by their convictions and refused to knuckle under. If more of these well-intentioned individuals had ever sought election to public office, they might be more understanding of the decencies of the people and the innocence of participation by small contributors. They might understand the revulsion I feel as a candidate at the prospect of waiting to receive a check from the U.S. Treasury for $900,000. I do not need anywhere near that much public money to wage a successful campaign if I can continue to accept small private contributions.

The goal of reform, as I see it, is the removal of influences which cause public officials to lose their impartiality. The goal goes beyond that to seek the elimination of any appearance of impropriety. The appearance of impropriety can erode public confidence as effectively as its actuality.

The most corrupting influence in our politics is a system of campaign financing which permits wealthy groups and individuals to acquire undue influence by making large campaign contributions. I think this Congress is quite prepared to eliminate that influence—and any appearance of it—but not by itself appearing to wallow in the public trough. This bill could do more to undermine public confidence in the integrity of our political institutions than an unreconstructed system of private financing. The people will not take kindly to a law which effectively compels taxpayer financing of all the costs of political campaigns when for a lesser sum the evils of large contributions could be eliminated.

The Congress will be a more perfect instrument of popular self-government if Members of Congress are free to represent all their constituents, contributors and noncontributors alike, as best they can. There is only one institution which represents the people, and that is the Congress of the United States. It follows that the goal of reform will not be achieved unless we and only we do the legislating.

I say this with sadness because I have sought for a long time to eliminate the evils of money from politics. But I cannot be true to political reform and vote for the public financing provisions of this bill. In its other major particulars it has already been approved by the Senate and awaits action by the House. That being the case, there is no reason to vote for it. I must vote against it and urge my colleagues to do likewise. It would be wiser to start anew with another bill, one that can deserve and attract public support, win passage in the Congress and approval by the President and the courts.

Mr. DOMENICI. Mr. President, I am firmly committed to effective election reform. To be effective in reforming our election procedures, we must follow a comprehensive approach since it does no good to simply plug up some existing loopholes and leave or create others. In other words, we should not be satisfied with replacing an obviously deficient system with one which may be as weak.

My commitment to comprehensive improvement leads me to conclude that public financing is required to achieve the fundamental objectives of limited contributions and limited spending, both of which must be strictly enforced and completely disclosed. I therefore support the principle of helping to finance certain Federal elections through the use of public funds and committed myself to support S. 3044 if it had that effect.

After these long weeks of debate and seemingly endless manuvering, I have decided that I can support the bill on final passage despite what I view as glaring deficiencies.

There is no question that the bill contains many improvements over existing procedures. Spending and contribution limitations and full disclosure, although contained in other pending legislation, are significant improvements which must be supported.

Feeling as I do that public financing is a means to an end—election reform—rather than an end in itself, I am afraid that we have put more emphasis on public financing than its actual contribution to election reform would justify.

It appears to me that by this bill we have embraced public financing as a possible cure-all by providing that any candidate in congressional or Presidential general elections can receive 100 percent of the specified spending limit from public funds. To me there is nothing magic in money which has its source with the public rather than individuals or groups. Yet there is, Mr. President, something detrimental in discouraging people to put their financial support behind a candidate in the form of small contributions just as there is in relieving candidates of any inducement to present the merits of his candidacy to try to get those small contributions.

During the hours of debate I pointed out these deficiencies as did many of my colleagues. Senators STEVENSON and TAFT and I introduced and brought to the floor amendments designed to put public financing in its true perspective as a tool of election reform. We were, unfortunately, narrowly unsuccessful.

The end result of these inflexible attitudes is 100-percent public financing at the option of candidates in general elections which has the deficiencies I have previously mentioned.

Regarding primaries, Mr. President, I am not yet convinced that the public interest is actually served by allowing public financing with such a low-threshold requirement. In addition, abuse of public funding for both primary and general elections when neither has received public financing previously is not only possible but, in my opinion, highly probable. We should have been satisfied to test public financing in general elections before extending it to primary elections. Alternatively we could have limited our first venture into this complicated field to either congressional or Presidential elections instead of flying headlong into large-scale public financing of all primaries and total public financing of all general elections.

So, Mr. President, I am convinced that we are attempting to fly before we have even learned to walk and I am afraid the results will be at best, disappointing, and at the worst, disastrous. In spite of these misgivings I have concluded we would be better off trying to fly than mired down with our present system which has come to be so distrusted by so many concerned Americans. I cannot in good conscience vote for the status quo. Consequently, Mr. President, I will vote in support of final passage of S. 3044 and hope the remainder of the legislative process will correct some of the deficiencies I have outlined.

Mr. PERCY. Mr. President, earlier in the debate on S . 3044, title V was deleted from the bill as it dealt with amendments to the Tax Code which must come from the Finance Committee.

One of the provisions thus deleted was to double the currently allowable tax credits and tax deductions for political contributions—from $12.50 to $25 in the case of tax credits and from $50 to $100 in the case of tax deductions.

Mr. President, I understand why these provisions had to be deleted from the bill, but I feel strongly that such provisions should be enacted into law.

I have a bill pending before the Finance Committee to double tax credits and tax deductions for political contributions, and I have the intention to offer this bill as an amendment to the next appropriate bill reported from the Finance Committee.

I feel that we should take steps to encourage political contributions from a larger number of people, and doubling tax credits and tax deductions for political contributions should accomplish this end.

Mr. TAFT. Mr. President, during the debate on S. 3044, there were several votes I missed upon which I would like my constituents and others to know my position.

I would have voted yea on Baker amendment No. 1075, to forbid contributions within 10 days of an election and require contribution reports 5 days before the election; yea on the Allen unprinted amendment of April 4 to lower the maximum permissible private contribution to $1,000 for congressional races and $2,000 for Presidential races; yea on the Humphrey amendment No. 1150 to make election day a natitonal holiday; and nay on the Dole April 8 unprinted amendment to require identification of political advertisements partially or fully supported by public funds.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. CANNON. Mr. President, I ask for third reading.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

Mr. ROBERT C. BYRD. Mr. President, I ask for the yeas and nays on final passage.

The yeas and nays were ordered.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass? On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. STENNIS (after having voted in the negative). On this vote, I have a pair with the Senator from West Virginia (Mr. RANDOLPH). If he were present and voting, he would vote "yea." If I were permitted to vote, I would vote "nay." I therefore withdraw my vote.

Mr. ROBERT C. BYRD. I announce that the Senator from Idaho (Mr. CHURCH), the Senator from Arkansas (Mr. FULBRIGHT), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Hawaii (Mr. INOUYE), the Senator from Louisiana (Mr. LONG), the Senator from Wyoming (Mr. MCGEE), the Senator from Ohio (Mr. METZENBAUM), the Senator from West Virginia (Mr. RANDOLPH), and the Senator from Missouri (Mr. SYMINGTON) are necessarily abent.

I further announce that the Senator from Virginia (Mr. HARRY F. BYRD, JR.) and the Senator from Alabama (Mr. SPARKMAN) are absent on official business.

I further announce that, if present and voting, the Senator from Louisiana (Mr. LONG), the Senator from Wyoming (Mr. MCGEE), and the Senator from Missouri (Mr. SYMINGTON) would each vote "yea."

On this vote, the Senator from Ohio (Mr. METZENBAUM) is paired with the Senator from Virginia (Mr. HARRY F. BYRD, JR.).

If present and voting, the Senator from Ohio would vote "yea" and the Senator from Virginia would vote "nay."

On this vote, the Senator from Idaho (Mr. CHURCH) is paired with the Senator from South Carolina (Mr. HOLLINGS).

If present and voting, the Senator from Idaho would vote "yea" and the Senator from South Carolina would vote "nay."

Mr. GRIFFIN. I announce that the Senator from Hawaii (Mr. FONG) and the Senator from Arizona (Mr. GOLDWATER) are necessarily absent.

I also announce that the Senator from Virginia (Mr. WILLIAM L. SCOTT) is absent on official business.

I further announce that, if present and voting, the Senator from Arizona (Mr. GOLDWATER) would vote "nay."

The result was announced—yeas 53, nays 32, as follows:

[No. 146 Leg.]

YEAS—53

Abourezk
Bayh
Beall
Bentsen
Bible
Biden
Brooke
Burdick
Cannon
Case
Chiles
Clark
Cranston
Domenici
Eagleton
Gravel
Gurney
Hart
Hartke
Haskell
Hatfield
Hathaway
Huddleston
Hughes
Humphrey
Jackson
Javits
Kennedy
Magnuson
Mansfield
Mathias
McGovern
McIntyre
Metcalf
Mondale
Montoya
Moss
Muskie
Nelson
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Ribicoff
Schweiker
Scott, Hugh
Stafford
Stevens
Tunney
Williams
Young

NAYS—32

Aiken
Allen
Baker
Bartlett
Bellmon
Bennett
Brock
Buckley
Byrd, Robert C.
Cook
Cotton
Curtis
Dole
Dominick
Eastland
Ervin
Fannin
Griffin
Hansen
Helms
Hruska
Johnston
McClellan
McClure
Nunn
Roth
Stevenson
Taft
Talmadge
Thurmond
Tower
Weicker

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

Stennis, against.

NOT VOTING—14

Byrd, Harry F., Jr.
Church
Fong
Fulbright
Goldwater
Hollings
Inouye
Long
McGee
Metzenbaum
Randolph
Scott, William L.
Sparkman
Symington

So the bill (S. 3044) was passed, as follows:

S. 3044

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Federal Election Campaign Act Amendments of 1974".

TITLE I—FINANCING OF FEDERAL CAMPAIGNS

PUBLIC FINANCING PROVISIONS

SEC. 101. The Federal Election Campaign Act of 1971 is amended by adding at the end thereof the following new title:

"TITLE V—PUBLIC FINANCING OF FEDERAL ELECTION CAMPAIGNS

"DEFINITIONS

"SEC. 501. For purposes of this title, the term—

"(1) 'candidate', 'Commission', 'contribution', 'expenditure', 'national committee', 'political committee', 'political party', or 'State' has the meaning given it in section 301 of this Act;

"(2) 'authorized committee' means the central campaign committee of a candidate (under section 310 of this Act) or any political committee authorized in writing by that candidate to make or receive contributions or to make expenditures on his behalf;

"(3) 'Federal office' means the office of President, Senator, or Representative;

"(4) 'Representative' means a Member of the House of Representatives, the Resident Commissioner from the Commonwealth of Puerto Rico, and the Delegates from the District of Columbia, Guam, and the Virgin Islands;

"(5) 'general election' means any regularly scheduled or special election held for the purpose of electing a candidate to Federal office or for the purpose of electing presidential and vice presidential electors;

"(6) 'primary election' means (A) an election, including a runoff election, held for the nomination by a political party of a candidate for election to Federal office, (B) a convention or caucus of a political party held for the nomination of such candidate, (C) a convention, caucus, or election held for the selection of delegates to a national nominating convention of a political party, and (D) an election held for the expression of a preference for the nomination by a political party of persons for election to the office of President;

"(7) 'eligible candidate' means a candidate who is eligible, under section 502, for payments under this title;

"(8) 'major party' means, with respect to an election for any Federal office—

"(A) a political party whose candidate for election to that office in the preceding general election for that office received, as the candidate of that party, 25 percent or more of the total number of votes cast in that election for all candidates for that office, or

"(B) if only one political party qualifies as a major party under the provisions of subparagraph (A), the political party whose candidate for election to that office in that election received, as the candidate of that party, the second greatest number of votes cast in that election for all candidates for that office (if such number is equal to 15 percent or more of the total number of votes cast in that election for all candidates for that office, and if, in a State which registers voters by party, that said party's registration in such State or district is equal to 15 per centum or more of the total voter registration in said State or district);

"(9) 'minor party' means, with respect to an election for a Federal office, a political party whose candidate for election to that office in the preceding general election for that office received, as the candidate of that party, at least 5 percent but less than 25 percent of the total number of votes cast in that election for all candidates for that office; and

"(10) 'fund' means the Federal Election Campaign Fund established under section 506(a).

"ELIGIBILITY FOR PAYMENTS

"SEC. 502. (a) To be eligible to receive payments under this title, a candidate shall agree—

"(1) to obtain and to furnish to the Commission any evidence it may request about his campaign expenditures and contributions;

"(2) to keep and to furnish to the Commission any records, books, and other information it may request;

"(3) to an audit and examination by the Commission under section 507 and to pay any amounts required under section 507; and

"(4) to furnish statements of expenditures and proposed expenditures required under section 508.

"(b) Every such candidate shall certify to the Commission that—

"(1) the candidate and his authorized committees will not make campaign expenditures greater than the limitations in section 504; and

"(2) no contributions will be accepted by the candidate or his authorized committees in violation of section 615(b) of title 18, United States Code.

"(c)(1) To be eligible to receive any payments under section 506 for use in connection with his primary election campaign, a candidate shall certify to the Commission that—

"(A) he is seeking nomination by a political party for election as a Representative and he and his authorized committees have received contributions for that campaign of more than $10,000;

"(B) he is seeking nomination by a political party for election to the Senate and he and his authorized committees have received contributions for that campaign equal in amount to the lesser of—

"(i) 20 percent of the maximum amount he may spend in connection with his primary election campaign under section 504 (a)(1); or

"(ii) $125,000; or

"(C) he is seeking nomination by a political party for election to the office of President and he and his authorized committees have received contributions for his campaign throughout the United States in a total amount of more than $250,000, with not less than $5,000 in matchable contributions having been received from legal residents of each of at least twenty States.

"(2) To be eligible to receive any payments under section 506 for use in connection with a primary runoff election campaign, a candidate shall certify to the Commission that he is seeking nomination by a political party for election as a Representative or as a Senator, and that he is a candidate for such nomination in a runoff primary election. Such a candidate is not required to receive any minimum amount of contributions before receiving payments under this title.

"(d) To be eligible to receive any payments under section 506 in connection with his general election campaign, a candidate must certify to the Commission that—

"(1) he is the nominee of a major or minor party for election to Federal office; or

"(2) in the case of any other candidate, he is seeking election to Federal office and he and his authorized committees have received contributions for that campaign in a total amount of not less than the campaign fund required under subsection (c) of a candidate for nomination for election to that office, determined in accordance with the provisions of subsection (e) (disregarding the words 'for nomination' in paragraph (2) of such subsection and substituting the words 'general election' for 'primary election' in paragraphs (2) and (3) of such subsection).

"(e) In determining the amount of contributions received by a candidate and his authorized committees for purposes of subsection (c) and for purposes of subsection (d)(2)—

"(1) no contribution received by the candidate or any of his authorized committees as a subscription, loan, advance, or deposit, or as a contribution of products or services, shall be taken into account;

"(2) in the case of a candidate for nomination for election to the office of President, no contribution from any person shall be taken into account to the extent that it exceeds $250 when added to the amount of all other contributions made by that person to or for the benefit of that candidate in connection with his primary election campaign; and

"(3) in the case of any other candidate, no contribution from any person shall be taken into account to the extent that it exceeds $100 when added to the amount of all other contributions made by that person to or for the benefit of that candidate in connection with his primary election campaign.

"(f) Agreements and certifications under this section shall be filed with the Commission at the time required by the Commission.

"ENTITLEMENT TO PAYMENTS

"SEC. 503. (a)(1) Every eligible candidate is entitled to payments in connection with his primary election campaign in an amount which is equal to the amount of contributions received by that candidate or his authorized committees, except that no contribution received as a subscription, loan, advance, or deposit, or as a contribution of products or services, shall be taken into account.

"(2) For purposes of paragraph (1)—

"(A) in the case of a candidate for nomination for election to the office of President, no contribution from any person shall be taken into account to the extent that it exceeds $250 when added to the amount of all other contributions made by that person to or for the benefit of that candidate for his primary election campaign; and

"(B) in the case of any other candidate for nomination for election to Federal office, no contribution from any person shall be taken into account to the extent that it exceeds $100 when added to the amount of all other contributions made by that person to or for the benefit of that candidate for his primary election campaign.

"(b)(1) Every eligible candidate who is nominated by a major party is entitled to payments for use in his general election campaign in an amount which is equal to the amount of expenditures the candidate may make in connection with that campaign under section 504.

"(2) Every eligible candidate who is nominated by a minor party is entitled to payments for use in his general election campaign in an amount equal to the greater of—

"(A) an amount which bears the same ratio to the amount of payments to which a candidate of a major party for the same office is entitled under this subsection as the total number of popular votes received by the candidate of that minor party for that office in the preceding general election bears to the average number of popular votes received by the candidates of major parties for that office in the preceding general election; or

"(B) an amount which bears the same ratio to the amount of payments to which a candidate of a major party for the same office is entitled under this subsection as the total number of popular votes received by that eligible candidate as a candidate for that office (other than votes he received as the candidate of a major party for that office) in the preceding general election bears to the average number of popular votes received by the candidates of major parties for that office in the preceding general election.

"(3)(A) A candidate who is eligible under section 502(d)(2) to receive payments under section 506 is entitled to payments for use in his general election campaign in an amount equal to the amount determined under subparagraph (B).

"(B) If a candidate whose entitlement is determined under this paragraph received, in the preceding general election held for the office to which he seeks election, 5 percent or more of the total number of votes cast for all candidates for that office, he is entitled to receive payments for use in his general election campaign in an amount (not in excess of the applicable limitation under section 504) equal to an amount which bears the same ratio to the amount of the payment under section 506 to which the nominee of a major party is entitled for use in his general election campaign for that office as the number of votes received by that candidate in the preceding general election for that office bears to the average number of votes cast in the preceding general election for all major party candidates for that office. The entitlement of a candidate for election to any Federal office who, in the preceding general election held for that office, was the candidate of a major or minor party shall not be determined under this paragraph.

"(4) An eligible candidate who is the nominee of a minor party or whose entitlement is determined under section 502(d)(2) and who receives 5 percent or more of the total number of votes cast in the current election, is entitled to payments under section 506 after the election for expenditures made or incurred in connection with his general election campaign in an amount (not in excess of the applicable limitation under section 504) equal to—

"(A) an amount which bears the same ratio to the amount of the payment under section 506 to which the nominee of a major party was or would have been entitled for use in his campaign for election to that office as the number of votes received by the candidate in that election bears to the average number of votes cast for all major party candidates for that office in that election, reduced by

"(B) any amount paid to the candidate under section 506 before the election.

"(5) In applying the provisions of this section to a candidate for election to the office of President—

"(A) votes cast for electors affiliated with a political party shall be considered to be cast for the Presidential candidate of that party, and

"(B) votes cast for electors publicly pledged to cast their electoral votes for a candidate shall be considered to be cast for that candidate.

"(c) Notwithstanding the provisions of subsections (a) and (b), no candidate is entitled to the payment of any amount under this section which, when added to the total amount of contributions received by him and his authorized committees and any other payments made to him under this title for his primary or general election campaign, exceeds the amount of the expenditure limitation applicable to him for that campaign under section 504.

"EXPENDITURE LIMITATIONS

"SEC. 504. (a)(1) Except to the extent that such amounts are changed under subsection (f)(2), no candidate (other than a candidate for nomination for election to the office of President) who receives payments under this title for use in his primary election campaign may make expenditures in connection with that campaign in excess of the greater of—

"(A) 8 cents multiplied by the voting age population (as certified under subsection (g)) of the geographical area in which the election for such nomination is held, or

"(B)(i) $125,000, if the Federal office sought is that of Senator, or Representative from a State which is entitled to only one Representative, or

"(ii) $90,000, if the Federal office sought is that of Representative from a State which is entitled to more than one Representative.

"(2)(A) No candidate for nomination for election to the office of President may make expenditures in any State in which he is a candidate in a primary election in excess of two times the amount which a candidate for nomination for election to the office of Senator from that State (or for nomination for election to the office of Delegate in the case of the District of Columbia, the Virgin Islands, or Guam, or to the office of Resident Commissioner in the case of Puerto Rico) may expend in that State in connection with his primary election campaign.

"(B) Notwithstanding the provisions of subparagraph (A), no such candidate may make expenditures throughout the United

States in connection with his campaign for that nomination in excess of an amount equal to ten cents multiplied by the voting age population of the Unted States. For purposes of this subparagraph, the term 'United States' means the several States of the United States, the District of Columbia, and the Commonwealth of Puerto Rico, Guam, and the Virgin Islands and any area from which a delegate to the national nominating convention of a political party is selected.

"(b) Except to the extent that such amounts are changed under subsection (f) (2), no candidate who receives payments under this title for use in his general election campaign may make expenditures in connection with that campaign in excess of the greater of—

"(1) 12 cents multiplied by the voting age population (as certified under subsection (g)) of the geographical area in which the election is held, or

"(2) (A) $175,000, if the Federal office sought is that of Senator, or Representative from a State which is entitled to only one Representative, or

"(B) $90,000, if the Federal office sought is that of Representative from a State which is entitled to more than one Representative.

"(c) No candidate who is unopposed in a general election may make expenditures in connection with his general election campaign in excess of 10 percent of the limitation in subsection (b).

"(d) The Commissioner shall prescribe regulations under which any expenditure by a candidate for nomination for election to the office of President for use in two or more States shall be attributed to such candidate's expenditure limitation in each such State under subsection (a) (2) (A) of this section, based on the voting age population in such State which can reasonably be expected to be influenced by such expenditure.

"(e) (1) Expenditures made on behalf of any candidate are, for the purposes of this section, considered to be made by such candidate.

"(2) Expenditures made by or on behalf of any candidate for the office of Vice President of the United States are, for the purposes of this section, considered to be made by the candidate for the office of President of the United States with whom he is running.

"(3) For purposes of this subsection, an expenditure is made on behalf of a candidate, including a Vice Presidential candidate, if it is made by—

"(A) an authorized committee or any other agent of the candidate for the purposes of making any expenditure;

"(B) any person authorized or requested by the candidate, an authorized committee of the candidate, or an agent of the candidate to make the expenditure; or

"(C) a national or State committee of a political party in connection with a primary or general election campaign of that candidate, if such expenditure is in excess of the limitations of section 614(b) of title 18, United States Code.

"(4) For purposes of this section an expenditure made by the national committee of a political party, or by the State committee of a political party, in connection with the general election campaign of a candidate affiliated with that party which is not in excess of the limitations contained in section 614(b) of title 18, United States Code, is not considered to be an expenditure made on behalf of that candidate.

"(f) (1) For purposes of paragraph (2)—

"(A) 'price index' means the average over a calendar year of the Consumer Price Index (all items—United States city average) published monthly by the Bureau of Labor Statistics, and

"(B) 'base period' means the calendar year 1973.

"(2) At the begininng of each calendar year (commencing in 1975), as necessary data become available from the Bureau of Labor Statistics of the Department of Labor, the Secretary of Labor shall certify to the Commission and publish in the Federal Register the percentage difference between the price index for the twelve months preceding the beginning of such calendar year and the price index for the base period. Each amount determined under subsections (a) and (b) shall be changed by such percentage difference. Each amount so changed shall be the amount in effect for such calendar year.

"(g) During the first week of January, 1975, and every subsequent year, the Secretary of Commerce shall certify to the Commission and publish in the Federal Register an estimate of the voting age population of the United States, of each State, and of each congressional district as of the first day of July next preceding the date of certification. The term 'voting age population' means resident populaton, eighteen years of age or older.

"(h) Upon receiving the certification of the Secretary of Commerce and of the Secretary of Labor, the Commission shall publish in the Federal Register the applicable expenditure limitations in effect for the calendar year for the United States, and for each State and congressional district under this section.

"(i) In the case of a candidate who is campaigning for election to the House of Representatives from a district which has been established, or the boundaries of which have been altered, since the preceding general election for such office, the determination of the amount and the determination of whether the candidate is a major party candidate or a minor party candidate or is otherwise entitled to payments under this title shall be made by the Commission based upon the number of votes cast in the preceding general election for such office by voters residing within the area encompassed in the new or altered district.

"CERTIFICATIONS BY COMMISSION

"SEC. 505. (a) On the basis of the evidence, books, records, and information furnished by each candidate eligible to receive payments under section 506, and prior to examination and audit under section 507, the Commission shall certify from time to time to the Secretary of the Treasury for payment to each candidate the amount to which that candidate is entitled.

"(b) Initial certifications by the Commission under subsection (a), and all determinations made by it under this title, shall be final and conclusive, except to the extent that they are subject to examination and audit by the Commission under section 507 and judicial review under section 313.

"PAYMENTS TO ELIGIBLE CANDIDATES

"SEC. 506. (a) There is established within the Treasury a fund to be known as the Federal Election Campaign Fund. There are authorized to be appropriated to the fund amounts equal to the sum of the amounts designated by taxpayers under section 6096 of the Internal Revenue Code of 1954 not previously taken into account for purposes of this subsection, and such additional amounts as may be necessary to carry out the provisions of this title without any reduction under subsection (c). The moneys in the fund shall remain available without fiscal year limitation.

The Secretary of the Treasury may accept and credit to the fund money received in the form of a donation, gift, legacy, or bequest, or otherwise contributed to the fund.

"(b) Upon receipt of a certification from the Commission under section 505, the Secretary of the Treasury shall pay the amount certified by the Commission to the candidate to whom the certification relates.

"(c) (1) If the Secretary of the Treasury determines that the monies in the fund are not, or may not be, sufficient to pay the full amount of entitlement to all candidates eligible to receive payments, he shall reduce the amount to which each candidate is entitled under section 503 by a percentage equal to the percentage obtained by dividing (1) the amount of money remaining in the fund at the time of such determination by (2) the total amount which all candidates eligible to receive payments are entitled to receive under section 503. If additional candidates become eligible under section 502 after the Secretary determines there are insufficient monies in the fund, he shall make any further reductions in the amounts payable to all eligible candidates necessary to carry out the purposes of this subsection. The Secretary shall notify the Commission and each eligible candidate by registered mail of the reduction in the amount to which that candidate is entitled under section 503.

"(2) If, as a result of a reduction under this subsection in the amount to which an eligible candidate is entitled under section 503, payments have been made under this section in excess of the amount to which such candidate is entitled, that candidate is liable for repayment to the fund of the excess under procedures the Commission shall prescribe by regulation.

"(d) No payment shall be made under this title to any candidate for any campaign in connection with any election occurring before January 1, 1976.

"EXAMINATIONS AND AUDITS; REPAYMENTS

"SEC. 507. (a) After each Federal election, the Commission shall conduct a thorough examination and audit of the campaign expenditures of all candidates for Federal office who received payments under this title for use in campaigns relating to that election.

"(b) (1) If the Commission determines that any portion of the payments made to an eligible candidate under section 506 was in excess of the aggregate amount of the payments to which the candidate was entitled, it shall so notify that candidate, and he shall pay to the Secretary of the Treasury an amount equal to the excess amount. If the Commission determines that any portion of the payments made to a candidate under section 506 for use in his primary election campaign or his general election campaign was not used to make expenditures in connection with that campaign, the Commission shall so notify the candidate and he shall pay an amount equal to the amount of the unexpended portion to the Secretary. In making its determination under the preceding sentence, the Commission shall consider all amounts received as contributions to have been expended before any amounts received under this title are expended.

"(2) If the Commission determines that any amount of any payment made to a candidate under section 506 was used for any purpose other than—

"(A) to defray campaign expenditures, or

"(B) to repay loans the proceeds of which were used, or otherwise to restore funds (other than contributions to defray campaign expenditures which were received and expended) which were used, to defray campaign expenditures,

it shall notify the candidate of the amount so used, and the candidate shall pay *to the* Secretary of the Treasury an amount equal to such amount.

"(3) No payment shall be required from a candidate under this subsection in excess of the total amount of all payments received by the candidate under section 506 in connection with the camapign with respect to which the event occurred which caused the candidate to have to make a payment under this subsection.

"(c) No notification shall be made by the Commission under subsection (b) with respect to a campaign more than eighteen months after the day of the election to which the campaign related.

"(d) All payments received by the Secretary under subsection (b) shall be deposited by him in the fund.

"INFORMATION ON EXPENDITURES AND PROPOSED EXPENDITURES

"SEC. 508. (a) Every candidate shall, from time to time as the Commission requires, furnish to the Commission a detailed statement, in the form the Commission prescribes, of—

"(1) the campaign expenditures incurred by him and his authorized committees prior to the date of the statement (whether or not evidence of campaign expenditures has been furnished for purposes of section 505), and

"(2) the campaign expenditures which he and his authorized committees propose to incur on or after the date of the statement.

"(b) The Commission shall, as soon as possible after it receives a statement under subsection (a), prepare and make available for public inspection and copying a summary of the statement, together with any other data or information which it deems advisable.

"REPORTS TO CONGRESS

"SEC. 509. (a) The Commission shall, as soon as practicable after the close of each calendar year, submit a full report to the Senate and House of Representatives setting forth—

"(1) the expenditures incurred by each candidate, and his authorized committees, who received any payment under section 506 in connection with an election;

"(2) the amounts certified by it under section 505 for payment to that candidate; and

"(3) the amount of payments, if any, required from that candidate under section 507, and the reasons for each payment required.

Each report submitted pursuant to this section shall be printed as a Senate document.

"(b) The Commission is authorized to conduct examinations and audits (in addition to the examinations and audits under sections 505 and 507), to conduct investigations, and to require the keeping and submission of any books, records, or other information necessary to carry out the functions and duties imposed on it by this title.

"PARTICIPATION BY COMMISSION IN JUDICIAL PROCEEDINGS

"SEC. 510. The Commission may initiate civil proceedings in any district court of the United States to seek recovery of any amounts determined to be payable to the Secretary of the Treasury by a candidate under this title.

"PENALTY FOR VIOLATIONS

"SEC. 511. Violation of any provision of this title is punishable by a fine of not more than $50,000, or imprisonment for not more than five years, or both.

"RELATIONSHIP TO OTHER FEDERAL ELECTION LAWS

"SEC. 512. The Commission shall consult from time to time with the Secretary of the Senate, the Clerk of the House of Representatives, the Federal Communications Commission, and with other Federal officers charged with the administration of laws relating to Federal elections, in order to develop as much consistency and coordination with the administration of those other laws as the provisions of this title permit. The Commission shall use the same or comparable data as that used in the administration of such other election laws whenever possible.".

TITLE II—CHANGES IN CAMPAIGN COMMUNICATIONS LAW AND IN REPORTING AND DISCLOSURE PROVISIONS OF FEDERAL ELECTION CAMPAIGN ACT OF 1971

CAMPAIGN COMMUNICATIONS

SEC. 201. (a) Section 315(a) of the Communications Act of 1934 (47 U.S.C. 315(a)) is amended—

(A) by inserting "(1)" immediately after "(a)";

(B) by redesignating paragraphs (1), (2), (3), and (4) as subparagraphs (A), (B), (C), and (D), respectively; and

(C) by adding at the end thereof the following new paragraphs:

"(2) The obligation imposed by the first sentence of paragraph (1) upon a licensee with respect to a legally qualified candidate for any elective office (other than the offices of President and Vice President) shall be met by such licensee with respect to such candidate if—

"(A) the licensee makes available to such candidate not less than five minutes of broadcast time without charge;

"(B) the licensee notifies such candidate by certified mail at least fifteen days prior to the election of the availability of such time; and

"(C) such broadcast will cover, in whole or in part, the geographical area in which such election is held.

"(3) No candidate shall be entitled to the use of broadcast facilities pursuant to an offer by a licensee under paragraph (2) unless such candidate notifies the licensee in writing of his acceptance of the offer within forty-eight hours after receipt of the offer."

(b) Section 315(b) of such Act (47 U.S.C. 315(b)) is amended by striking out "by any person" and inserting "by or on behalf of any person".

(c)(1) Section 315(c) of such Act (47 U.S.C. 315(c)) is amended to read as follows:

"(c) No station licensee may make any charge for the use of any such station by or on behalf of any legally qualified candidate for nomination for election, or for election, to Federal elective office unless such candidate (or a person specifically authorized by such candidate in writing to do so) certifies to such licensee in writing that the payment of such charge will not exceed the limit on expenditures applicable to that candidate under section 504 of the Federal Election Campaign Act of 1971, or under section 614 of title 18, United States Code.".

(2) Section 315(d) of such Act (47 U.S.C. 315(d)) is amended to read as follows:

"(d) If a State by law imposes a limitation upon the amount which a legally qualified candidate for nomination for election, or for election, to public office (other than Federal elective office) within that State may spend in connection with his campaign for such nomination or his campaign for election, then no station licensee may make any charge for the use of such station by or on behalf of such candidate unless such candidate (or a person specifically authorized in writing by him to do so) certifies to such licensee in writing that the payment of such charge will not violate that limitation.".

(d) Section 317 of such Act (47 U.S.C. 317), is amended by—

(1) striking out in paragraph (1) of subsection (a) "person: *Provided*, That" and inserting in lieu thereof the following: "person. If such matter is a political advertisement soliciting funds for a candidate or a political committee, there shall be announced at the time of such broadcast a statement that a copy of reports filed by that person with the Federal Election Commission is available from the Federal Election Commission, Washington, D.C., and the licensee shall not make any charge for any part of the costs of making the announcement. The term"; and

(2) by redesignating subsection (e) as (f), and by inserting after subsection (d) the following new subsection:

"(e) Each station licensee shall maintain a record of any political advertisement broadcast, together with the identification of the person who caused it to be broadcast, for a period of two years. The record shall be available for public inspection at reasonable hours.".

(e) The Campaign Communications Reform Act is repealed.

CHANGES IN DEFINITIONS FOR REPORTING AND DISCLOSURE

SEC. 202. (a) Section 301 of the Federal Election Campaign Act of 1971 (relating to definitions) is amended by—

(1) striking out ", and (5) the election of delegates to a constitutional convention for proposing amendments to the Constitution of the United States" in paragraph (a), and by inserting "and" before "(4)" in such paragraph;

(2) striking out paragraph (d) and inserting in lieu thereof the following:

"(d) 'political committee' means—

"(1) any committee, club, association, or other group of persons which receives contributions or makes expenditures during a calendar year in an aggregate amount exceeding $1,000;

"(2) any national committee, association, or organization of a political party, any State affiliate or subsidiary of a national political party, and any State central committee of a political party; and

"(3) any committee, association, or organization engaged in the administration of a separate segregated fund described in section 610 of title 18, United States Code;";

(3) inserting in paragraph (e)(1) after "subscription" the following: "(including any assessment, fee, or membership dues)";

(4) striking out in paragraph (e)(1) "or for the purpose of influencing the election of delegates to a constitutional convention for proposing amendments to the Constitution of the United States" and inserting in lieu thereof the following: "or for the purpose of financing any operations of a political committee (other than a payment made or an obligation incurred by a corporation or labor organization which, under the provisions of the last paragraph of section 610 of title 18, United States Code, does not constitute a contribution by that corporation or labor organization), or for the purpose of paying, at any time, any debt or obligation incurred by a candidate or a political committee in connection with any campaign for nomination for election, or for election, to Federal office";

(5) striking out subparagraph (2) of paragraph (e), and amending subparagraph (3) of such paragraph to read as follows:

"(2) funds received by a political committee which are transferred to that committee from another political committee;";

(6) redesignating subparagraphs (4) and (5) of paragraph (e) as paragraphs (3) and (4), respectively;

(7) striking out paragraph (f) and inserting in lieu thereof the following:

"(f) 'expenditure'—

"(1) means a purchase, payment, distribution, loan, advance, deposit, or gift of money or anything of value, made for the purpose of—

"(A) influencing the nomination for election, or the election, of any person to Federal office, or to the office of presidential and vice-presidential elector;

"(B) influencing the result of a primary election held for the selection of delegates to a national nominating convention of a political party or for the expression of a preference for the nomination of persons for election to the office of President;

"(C) financing any operations of a political committee; or

"(D) paying, at any time, any debt or obligation incurred by a candidate or a political committee in connection with any campaign for nomination for election, or for election, to Federal office; and

"(2) means the transfer of funds by a political committee to another political committee; but

"(3) does not include—

"(A) the value of services rendered by individuals who volunteer to work without compensation on behalf of a candidate; or

"(B) any payment made or obligation incurred by a corporation or a labor organization which, under the provisions of the last paragraph of section 610 of title 18, United States Code, would not constitute an expenditure by that corporation or labor organization;";

(8) striking "and" at the end of paragraph (h);

(9) striking the period at the end of paragraph (i) and inserting in lieu thereof a semicolon; and

(10) adding at the end thereof the following new paragraphs:

"(j) 'identification' means—

"(1) in the case of an individual, his full name and the full address of his principal place of residence; and

"(2) in the case of any other person, the full name and address of that person;

"(k) 'national committee' means the organization which, by virtue of the bylaws of a political party, is responsible for the day-to-day operation of that political party at the national level, as determined by the Commission; and

"(l) 'political party' means an association, committee, or organization which nominates a candidate for election to any Federal office, whose name appears on the election ballot as the candidate of that association, committee, or organization.".

(b)(1) Section 302(b) of such Act (relating to reports of contributions in excess of $10) is amended by striking ", the name and address (occupation and principal place of business, if any)" and inserting "of the contribution and the identification".

(2) Section 302(c) of such Act (relating to detailed accounts) is amended by striking "full name and mailing address (occupation and the principal place of business, if any)" in paragraphs (2) and (4) and inserting in each such paragraph "identification".

(3) Section 302(c) of such Act is further amended by striking the semicolon at the end of paragraph (2) and inserting "and, if a person's contributions aggregate more than $100, the account shall include occupation, and the principal place of business (if any);".

REGISTRATION OF CANDIDATES AND POLITICAL COMMITTEES

SEC. 203. (a) Section 303 of the Federal Election Campaign Act of 1971 (relating to registration of political committees; statements) is amended by redesignating subsections (a) through (d) as (b) through (e), respectively, and by inserting after "SEC. 303." the following new subsection (a):

"(a) Each candidate shall, within ten days after the date on which he has qualified under State law as a candidate, or on which he, or any person authorized by him to do so, has received a contribution or made an expenditure in connection with his campaign or for the purpose of preparing to undertake his campaign, file with the Commission a registration statement in such form as the Commission may prescribe. The statement shall include—

"(1) the identification of the candidate, and any individual, political committee, or other person he has authorized to receive contributions or make expenditures on his behalf in connection with his campaign;

"(2) the identification of his campaign depositories, together with the title and number of each account at each such depository which is to be used in connection with his campaign, any safety deposit box to be used in connection therewith, and the identification of each individual authorized by him to make any expenditure or withdrawal from such account or box; and

"(3) such additional relevant information as the Commission may require.".

(b) The first sentence of subsection (b) of such section (as redesignated by subsection (a) of this section) is amended to read as follows: "The treasurer of each political committee shall file with the Commission a statement of organization within ten days after the date on which the committee is organized.".

(c) The second sentence of such subsection (b) is amended by striking out "this Act" and inserting in lieu thereof the following: "the Federal Election Campaign Act Amendments of 1974".

(d) Subsection (c) of such section (as redesignated by subsection (a) of this section) is amended by—

(1) inserting "be in such form as the Commission shall prescribe, and shall" after "The statement of organization shall";

(2) striking out paragraph (3) and inserting in lieu thereof the following:

"(3) the geographic area or political jurisdiction within which the committee will operate, and a general description of the committee's authority and activities;"; and

(3) striking out paragraph (9) and inserting in lieu thereof the following:

"(9) the name and address of the campaign depositories used by that committee, together with the title and number of each account and safety deposit box used by that committee at each depository, and the identification of each individual authorized to make withdrawals or payments out of such account or box;".

(e) The caption of such section 303 is amended by inserting "CANDIDATES AND" after "REGISTRATION OF".

CHANGES IN REPORTING REQUIREMENTS

SEC. 204. (a) Section 304 of the Federal Election Campaign Act of 1971 (relating to reports by political committees and candidates) is amended by—

(1) inserting "(1)" after "(a)" in subsection (a);

(2) striking out "for election" each place it appears in the first sentence of subsection (a) and inserting in lieu thereof in each such place "for nomination for election, or for election,";

(3) striking out the second sentence of subsection (a) and inserting in lieu thereof the following: "Such reports shall be filed on the tenth day of April, July, and October of each year, on the tenth day preceding an election, on the tenth day of December in the year of an election, and on the last day of January of each year. Notwithstanding the preceding sentence, the reports required by that sentence to be filed during April, July, and October by or relating to a candidate during a year in which no Federal election is held in which he is a candidate, may be filed on the twentieth day of each month.";

(4) striking out everything after "filing" in the third sentence of subsection (a) and inserting in lieu thereof a period and the following: "If the person making any anonymous contribution is subsequently identified, the identification of the contributor shall be reported to the Commission within the reporting period within which he is identified."; and

(5) adding at the end of subsection (a) the following new paragraph:

"(2) Upon a request made by a presidential candidate or a political committee which operates in more than one State, or upon its own motion, the Commission may waive the reporting dates (other than January 31) set forth in paragraph (1), and require instead that such candidates or political committees file reports not less frequently than monthly. The Commission may not require a presidential candidate or a political committee operating in more than one State to file more than eleven reports (not counting any report to be filed on January 31) during any calendar year. If the Commission acts on its own motion under this paragraph with respect to a candidate or a political committee, that candidate or committee may obtain judicial review in accordance with the provisions of chapter 7 of title 5, United States Code.".

(b)(1) Section 304(b) of such Act (relating to reports by political committees and candidates) is amended by striking "full name and mailing address (occupation and the principal place of business, if any)" in paragraphs (9) and (10) and inserting in lieu thereof in each such paragraph "identification".

(2) Subsection (b)(5) of such section 304 is amended by striking out "lender and endorsers" and inserting in lieu thereof "lender, endorsers, and guarantors".

(c) Subsection (b)(12) of such section is amended by inserting immediately before the semicolon a comma and the following: ", together with a statement as to the circumstances and conditions under which any such debt or obligation is extinguished and the consideration therefor".

(d) Subsection (b) of such section is amended by—

(1) striking the "and" at the end of paragraph (12); and

(2) redesignating paragraph (13) as (14), and by inserting after paragraph (12) the following new paragraph:

"(13) such information as the Commission may require for the disclosure of the nature, amount, source, and designated recipient of any earmarked, encumbered, or restricted contribution or other special fund; and".

(e) The first sentence of subsection (c) of such section is amended to read as follows: "The reports required to be filed by subsection (a) shall be cumulative during the calendar year to which they relate, and during such additional periods of time as the Commission may require.".

(f) Such section 304 is amended by adding at the end thereof the following new subsections:

"(d) This section does not require a Member of Congress to report, as contributions received or as expenditures made, the value of photographic, matting, or recording services furnished to him before the first day of January of the year preceding the year in which his term of office expires if those services were furnished to him by the Senate Recording Studio, the House Recording Studio, or by any individual whose pay is disbursed by the Secretary of the Senate or the Clerk of the House of Representatives and who furnishes such services as his primary duty as an employee of the Senate or House of Representatives, or if such services were paid for by the Republican or Democratic Senatorial Campaign Committee, the Democratic National Congressional Committee, or the National Republican Congressional Committee.

"(e) Every person (other than a political committee or candidate) who makes contributions or expenditures, other than by contribution to a political committee or candidate, in an aggregate amount in excess of $100 within a calendar year shall file with the Commission a statement containing the information required by this section. Statements required by this subsection shall be filed on the dates on which reports by political committees are filed but need not be cumulative.".

(g) The caption of such section 304 is amended to read as follows:

"REPORTS".

CAMPAIGN ADVERTISEMENTS

SEC. 205. Section 305 of the Federal Election Campaign Act of 1971 (relating to reports by others than political committees) is amended to read as follows:

"REQUIREMENTS RELATING TO CAMPAIGN ADVERTISING

"SEC. 305. (a) No person shall cause any political advertisement to be published unless he furnishes to the publisher of the advertisement his identification in writing, together with the identification of any person authorizing him to cause such publication.

"(b) Each published political advertisement shall contain a statement, in such form as the Commission may prescribe, of the identification of the person authorizing the publication of that advertisement.

"(c) A publisher who publishes any political advertisement shall maintain such records as the Commission may prescribe for a period of two years after the date of publication setting forth such advertisement and any material relating to identification furnished to him in connection therewith, and shall permit the public to inspect and copy those records at reasonable hours.

"(d) No person who sells space in a newspaper or magazine to a candidate, or to the agent of a candidate, for use in connection with that candidate's campaign, may change any amount for such space which exceeds the amount charged for comparable use of such space for other purposes.

"(e) Each political committee shall include on the face or front page of all literature and advertisements soliciting contributions the following notice:

"'A copy of our report is filed with the Federal Election Commission and is available for purchase from the Federal Election Commission, Washington, D.C.'

"(f) As used in this section, the term—

"(1) 'political advertisement' means any matter advocating the election or defeat of any candidate but does not include any bona fide news story (including interviews, commentaries, or other works prepared for and published by any newspaper, magazine, or other periodical publication the publication of which work is not paid for by any candidate, political committee, or agent thereof); and

"(2) 'published' means publication in a newspaper, magazine, or other periodical publication, distribution of printed leaflets, pamphlets, or other documents, or display through the use of any outdoor advertising facility, and such other use of printed media as the Commission shall prescribe.".

WAIVER OF REPORTING REQUIREMENTS

SEC. 206. Section 306(c) of the Federal Election Campaign Act of 1971 (relating to formal requirements respecting reports and statements) is amended to read as follows:

"(c) The Commission may, by a rule of general applicability which is published in the Federal Register not less than thirty days before its effective date, relieve—

"(1) any category of candidates of the obligation to comply personally with the requirements of subsections (a) through (e) of section 304, if it determines that such action is consistent with the purposes of this Act, and

"(2) any category of political committees of the obligation to comply with such section if such committees—

"(A) primarily support persons seeking State or local office, and

"(B) do not operate in more than one State or do not operate on a statewide basis.".

ESTABLISHMENT OF FEDERAL ELECTION COMMISSION; CENTRAL CAMPAIGN COMMITTEES; CAMPAIGN DEPOSITORIES

SEC. 207. (a) Title III of the Federal Election Campaign Act of 1971 (relating to disclosure of Federal campaign funds) is amended by redesignating section 308 as section 312, and by inserting after section 307 the following new sections:

"FEDERAL ELECTION COMMISSION

"SEC. 308. (a)(1) There is established, as an independent establishment of the executive branch of the Government of the United States, a commission to be known as the Federal Election Commission.

"(2) The Commission shall be composed of the Comptroller General, who shall serve without the right to vote, and seven members who shall be appointed by the President by and with the advice and consent of the Senate. Of the seven members—

"(A) two shall be chosen from among individuals recommended by the President pro tempore of the Senate, upon the recommendations of the majority leader of the Senate and the minority leader of the Senate; and

"(B) two shall be chosen from among individuals recommended by the Speaker of the House of Representatives, upon the recommendations of the majority leader of the House and the minority leader of the House.

The two members appointed under subparagraph (A) shall not be affiliated with the same political party; nor shall the two members appointed under subparagraph (B). Of the members not appointed under such subparagraphs, not more than two shall be affilited with the same political party.

"(3) Members of the Commission, other than the Comptroller General, shall serve for terms of seven years, except that, of the members first appointed—

"(A) one of the members not appointed under subparagraph (A) or (B) of paragraph (2) shall be appointed for a term ending on the April thirtieth first occurring more than six months after the date on which he is appointed;

"(B) one of the members appointed under paragraph (2)(A) shall be appointed for a term ending one year after the April thirtieth on which the term of the member referred to in subparagraph (A) of this paragraph ends;

"(C) one of the members appointed under paragraph (2)(B) shall be appointed for a term ending two years thereafter;

"(D) one of the members not appointed under subparagraph (A) or (B) of paragraph (2) shall be appointed for a term ending three years therafter;

"(E) one of the members appointed under paragraph (2)(A) shall be appointed for a term ending four years thereafter;

"(F) one of the members appointed under paragraph (2)(B) shall be appointed for a term ending five years thereafter; and

"(G) one of the members not appointed under subparagraph (A) or (B) of paragraph (2) shall be appointed for a term ending six years thereafter.

"(4) Members shall be chosen on the basis of their maturity, experience, integrity, impartiality, and good judgment. A member may be reappointed to the Commission only once.

"(5) An individual appointed to fill a vacancy occurring other than by the expiration of a term of office shall be appointed only for the unexpired term of the member he succeeds. Any vacancy occurring in the office of member of the Commission shall be filled in the manner in which that office was originally filled.

"(6) The Commission shall elect a Chairman and a Vice Chairman from among its members for a term of two years. The Chairman and the Vice Chairman shall not be affiliated with the same political party. The Vice Chairman shall act as Chairman in the absence or disability of the Chairman, or in the event of a vacancy in that office.

"(b) A vacancy in the Commission shall not impair the right of the remaining members to exercise all the powers of the Commission. Four members of the Commission shall constitute a quorum.

"(c) The Commission shall have an official seal which shall be judicially noticed.

"(d) The Commission shall at the close of each fiscal year report to the Congress and to the President concerning the action it has taken; the names, salaries, and duties of all individuals in its employ and the money it has disbursed; and shall make such further reports on the matters within its jurisdiction and such recommendations for further legislation as may appear desirable.

"(e) The principal office of the Commission shall be in or near the District of Columbia, but it may meet or exercise any or all its powers in any State.

"(f) The Commission shall appoint a General Counsel and an Executive Director to serve at the pleasure of the Commission. The General Counsel shall be the chief legal officer of the Commission. The Executive Director shall be responsible for the administrative operations of the Commission and shall perform such other duties as may be delegated or assigned to him from time to time by rules or orders of the Commission. However, the Commission shall not delegate the making of rules regarding elections to the Executive Director.

"(g) The Chairman of the Commission shall appoint and fix the compensation of such personnel as are necessary to fulfill the duties of the Commission in accordance with the provisions of title 5, United States Code.

"(h) The Commission may obtain the services of experts and consultants in accordance with section 3109 of title 5, United States Code.

"(i) In carrying out its responsibilities under this title, the Commission shall, to the fullest extent practicable, avail itself of the assistance, including personnel and facilities, of the General Accounting Office and the Department of Justice. The Comptroller General and the Attorney General may make available to the Commission such personnel, facilities, and other assistance, with or without reimbursement, as the Commission may request.

"(j) The provisions of section 7324 of title 5, United States Code, shall apply to members of the Commission notwithstanding the provisions of subsection (d)(3) of such section.

"(k)(1) Whenever the Commission submits any budget estimate or request to the President or the Office of Management and Budget, it shall concurrently transmit a copy of that estimate or request to the Congress.

"(2) Whenever the Commission submits any legislative recommendations, or testimony, or comments on legislation requested by the Congress or by any Member of Congress to the President or the Office of Management and Budget, it shall concurrently transmit a copy thereof to the Congress or to the Member requesting the same. No officer or agency of the United States shall have any authority to require the Commission to submit its legislative recommendations, testimony, or comments on legislation, to any office or agency of the United States for approval, comments, or review, prior to the submission of such recommendations, testimony, or comments to the Congress.

"POWERS OF COMMISSION

"Sec. 309. (a) The Commission has the power—

"(1) to require, by special or general orders, any person to submit in writing such reports and answers to questions as the Commission may prescribe; and such submission shall be made within such a reasonable period of time and under oath or otherwise as the Commission may determine;

"(2) to administer oaths;

"(3) to require by subpena, signed by the Chairman or the Vice Chairman, the attendance and testimony of witnesses and the production of all documentary evidence relating to the execution of its duties;

"(4) in any proceeding or investigation to order testimony to be taken by deposition before any person who is designated by the Commission and has the power to administer oaths and, in such instances, to compel testimony and the production of evidence in the same manner as authorized under paragraph (3) of this subsection;

"(5) to pay witnesses the same fees and mileage as are paid in like circumstances in the courts of the United States;

"(6) to initiate (through civil proceedings for injunctive relief and through presentations to Federal grand juries), prosecute, defend, or appeal any civil or criminal action in the name of the Commission for the purpose of enforcing the provisions of this Act and of sections 602, 608, 610, 611, 612, 613, 614, 615, 616, 617, and 618 of title 18, United States Code, through its General Counsel;

"(7) to delegate any of its functions or powers other than the power to issue subpenas under paragraph (3), to any officer or employee of the Commission; and

"(8) to make, amend, and repeal such rules, pursuant to the provisions of chapter 5 of title 5, United States Code, as are necessary to carry out the provisions of this Act.

"(b) Any United States district court within the jurisdiction of which any inquiry is carried on, may, upon petition by the Commission, in case of refusal to obey a subpena or order of the Commission issued under subsection (a) of this section, issue an order requiring compliance therewith. Any failure to obey the order of the court may be punished by the court as a contempt thereof.

"(c) No person shall be subject to civil liability to any person (other than the Commission or the United States) for disclosing information at the request of the Commission.

"(d) Notwithstanding any other provision of law, the Commission shall be the primary civil and criminal enforcement agency for violations of the provisions of this Act, and of sections 602, 608, 610, 611, 612, 613, 614, 615, 616, 617, and 618 of title 18, United States Code. Any violation of any such provision shall be prosecuted by the Attorney General or Department of Justice personnel only after consultation with, and with the consent of, the Commission.

"(e)(1) Any person who violates any provision of this Act or of section 602, 608, 610, 611, 612, 613, 614, 615, 616, 617, or 618 of title 18, United States Code, may be assessed a civil penalty by the Commission under paragraph (2) of this subsection of not more than $10,000 for each such violation. Each occurrence of a violation of this Act and each day of noncompliance with a disclosure requirement of this title or an order of the Commission issued under this section shall constitute a separate offense. In determining the amount of the penalty the Commission shall consider the person's history of previous violations, the appropriateness of such penalty to the financial resources of the person charged, the gravity of the violation, and the demonstrated good faith of the person charged in attempting to achieve rapid compliance after notification of a violation.

"(2) A civil penalty shall be assessed by the Commission by order only after the person charged with a violation has been given an opportunity for a hearing and the Commission has determined, by decision incorporating its findings of fact therein, that a violation did occur, and the amount of the penalty. Any hearing under this section shall be of record and shall be held in accordance with chapter 5 of title 5, United States Code.

"(3) If the person against whom a civil penalty is assessed fails to pay the penalty, the Commission shall file a petition for enforcement of its order assessing the penalty in any appropriate district court of the United States. The petition shall designate the person against whom the order is sought to be enforced as the respondent. A copy of the petition shall be sent by registered or certified mail to the respondent and his attorney of record, and thereupon the Commission shall certify and file in such court the record upon which such order sought to be enforced was issued. The court shall have jurisdiction to enter a judgment enforcing, modifying, and enforcing as so modified, or setting aside in whole or in part the order and decision of the Commission or it may remand the proceedings to the Commission for such further action as it may direct. The court may determine de novo all issues of law but the Commission's findings of fact, if supported by substantial evidence, shall be conclusive.

"(f) Upon application made by any individual holding Federal office, any candidate, or any political committee, the Commission, through its General Counsel, shall provide within a reasonable period of time an advisory opinion, as to whether a specific transaction or activity may constitute a violation of any provision of this Act or of any provision of title 18, United States Code, over which the Commission has primary jurisdiction under subsection (d).

"CENTRAL CAMPAIGN COMMITTEES

"Sec. 310. (a) Each candidate shall designate one political committee as his central campaign committee. A candidate for nomination for election, or for election, to the office of President, may also designate one political committee in each State in which he is a candidate as his State campaign committee for that State. The designation shall be made in writing, and a copy of the designation, together with such information as the Commission may require, shall be furnished to the Commission upon the designation of any such committee.

"(b) No political committee may be designated as the central campaign committee of more than one candidate, except that a political committee described in section 301(d)(2) may be designated as the central campaign committee of more than one candidate for purposes of the general election campaign and if so designated, it shall comply with all reporting and other requirements of law as to each candidate for whom it is so designated as if it were the central campaign committee for that candidate alone. The central campaign committee, and each State campaign committee, designated by a candidate nominated by a political party for election to the office of President shall be the central campaign committee and the State campaign committee of the candidate nominated by that party for election to the office of Vice President.

"(c)(1) Any political committee authorized by a candidate to accept contributions or make expenditures in connection with his campaign for nomination for election, or for election, which is not a central campaign committee or a State campaign committee, shall furnish each report required of it under section 304 (other than reports required under section 311(b)) to that candidate's central campaign committee at the time it would, but for this subsection, be required to furnish that report to the Commission. Any report properly furnished to a central campaign committee under this subsection shall be, for purposes of this title, considered to have been furnished to the Commission at the time at which it was furnished to such central campaign committee.

"(2) The Commission may, by rule, require any political committee receiving contributions or making expenditures in a State on behalf of a candidate who, under subsection (a), has designated a State campaign committee for that State to furnish its reports to that State campaign committee instead of furnishing such reports to the central campaign committee of that candidate.

"(3) The Commission may require any political committee to furnish any report directly to the Commission.

"(d) Each political committee which is a central campaign committee or a State campaign committee shall receive, consolidate, and furnish all reports filed with or furnished to it by other political committees to the Commission, together with its own reports and statements, in accordance with the provisions of this title and regulations prescribed by the Commission.

"CAMPAIGN DEPOSITORIES

"Sec. 311. (a)(1) Each candidate shall designate one or more National or State banks as his campaign depositories. The central campaign committee of that candidate, and any other political committee authorized by him to receive contributions or to make expenditures on his behalf, shall maintain a checking account at a depository designated by the candidate and shall deposit any contributions received by that committee into that account. A candidate shall deposit any payment received by him under section 506 of this Act in the account maintained by his central campaign committee. No expenditure may be made by any such committee on behalf of a candidate or to influence his election except by check drawn on that account, other than petty cash expenditures as provided in subsection (b).

"(2) The treasurer of each political committee (other than a political committee authorized by a candidate to receive contributions or to make expenditures on his behalf) shall designate one or more National or State banks as campaign depositories of that committee, and shall maintain a checking account for the committee at each such depository. All contributions received by that committee shall be deposited in such an account. No expenditure may be made by that committee except by check drawn on that account, other than petty cash expenditures as provided in subsection (b).

"(b) A political committee may maintain a petty cash fund out of which it may make expenditures not in excess of $100 to any person in connection with a single purchase or transaction. A record of petty cash disbursements shall be kept in accordance with requirements established by the Commission, and such statements and reports thereof shall be furnished to the Commission as it may require.

"(c) A candidate for nomination for election, or for election, to the office of President may establish one such depository in each State, which shall be considered by his State campaign committee for that State and any other political committee authorized by him to receive contributions or to make expenditures on his behalf in that State, under regulations prescribed by the Commission, as his campaign depository. The campaign depository of the candidate of a political party for election to the office of Vice President shall be the campaign depository designated by the candidate of that party for election to the office of President.".

(b)(1) Section 5314 of title 5, United States Code, is amended by adding at the end thereof the following new paragraph:

"(60) Members (other than the Comptroller General), Federal Election Commission (7)."

(2) Section 5315 of such title is amended by adding at the end thereof the following new paragraphs:

"(98) General Counsel, Federal Election Commission.

"(99) Executive Director, Federal Election Commission."

(c) Until the appointment and qualification of all the members of the Federal Election Commission and its General Counsel and until the transfer provided for in this subsection, the Comptroller General, the Secretary of the Senate, and the Clerk of the House of Representatives shall continue to carry out their responsibilities under title I and title III of the Federal Election Campaign Act of 1971 as such titles existed on the day before the date of enactment of this Act. Upon the appointment of all the members of the Commission and its General Counsel, the Comptroller General, the Secretary of the Senate, and the Clerk of the House of Representatives shall meet with the Commission and arrange for the transfer, within thirty days after the date on which all such members and the General Counsel are appointed, of all records, documents, memorandums, and other papers associated with carrying out their responsibilities under title I and title III of the Federal Election Campaign Act of 1971.

(d) Title III of the Federal Election Campaign Act of 1971 is amended by—

(1) amending section 301(g) (relating to definitions) to read as follows:

"(g) 'Commission' means the Federal Election Commission;";

(2) striking out "supervisory officer" in section 302(d) and inserting in lieu thereof "Commission";

(3) striking out section 302(f) (relating to organization of political committees);

(4) amending section 303 (relating to registration of political committees; statements) by—

(A) striking out "supervisory officer" each time it appears therein and inserting in lieu thereof "Commission"; and

(B) striking out "he" in the second sentence of subsection (b) of such section (as redesignated by section 203(a) of this Act) and inserting in lieu thereof "it";

(5) amending section 304 (relating to reports by political committees and candidates) by—

(A) striking out "appropriate supervisory officer" and "him" in the first sentence thereof and inserting in lieu thereof "Commission" and "it", respectively; and

(B) striking out "supervisory officer" where it appears in the third sentence of subsection (a)(1) (as redesignated by section 204(a)(1) of this Act) and in paragraphs (12) and (14) (as redesignated by section 204(d)(2) of this Act) of subsection (b) and inserting in lieu thereof "Commission";

(6) striking out "supervisory officer" each place it appears in section 306 (relating to formal requirements respecting reports and statements) and inserting in lieu thereof "Commission";

(7) striking out "Comptroller General of the United States" and "he" in section 307 (relating to reports on convention financing) and inserting in lieu thereof "Federal Election Commission" and "it", respectively;

(8) striking out "SUPERVISORY OFFICER" in the caption of section 312 (as redesignated by subsection (a) of this section) (relating to duties of the supervisory officer) and inserting in lieu thereof "COMMISSION";

(9) striking out "supervisory officer" in section 312(a) (as redesignated by subsection (a) of this section) the first time it appears and inserting in lieu thereof "Commission";

(10) amending section 312(a) (as redesignated by subsection (a) of this section) by—

(A) striking out "him" in paragraph (1) and inserting in lieu thereof "it";

(B) striking out "him" in paragraph (4) and inserting in lieu thereof "it"; and

(C) striking out "he" each place it appears in paragraphs (7) and (9) and inserting in lieu thereof "it";

(11) striking out "supervisory officer" in section 312(b) (as redesignated by subsection (a) of this subsection) and inserting in lieu thereof "Commission";

(12) amending subsection (c) of section 312 (as redesignated by subsection (a) of this section) by—

(A) striking out "Comptroller General" each place it appears therein and inserting in lieu thereof "Commission" and striking out "his" in the second sentence of such subsection and inserting in lieu thereof "its"; and

(B) striking out the last sentence thereof; and (13) amending subsection (d)(1) of section 312 (as redesignated by subsection (a) of this section) by—

(A) striking out "supervisory officer" each place it appears therein and inserting in lieu thereof "Commission";

(B) striking out "he" the first place it appears in the second sentence of such section and inserting in lieu thereof "it"; and

(C) striking out "the Attorney General on behalf of the United States" and inserting in lieu thereof "the Commission".

INDEXING AND PUBLICATION OF REPORTS

SEC. 208. Section 312(a) (6) (as redesignated by this Act) of the Federal Election Campaign Act of 1971 (relating to duties of the supervisory officer) is amended to read as follows:

"(6) to compile and maintain a cumulative index listing all statements and reports filed with the Commission during each calendar year by political committees and candidates which the Commission shall cause to be published in the Federal Register no less frequently than monthly during even-numbered years and quarterly in odd-numbered years and which shall be in such form and shall include such information as may be prescribed by the Commission to permit easy identification of each statement, report, candidate, and committee listed, at least as to their names, the dates of the statements and reports, and the number of pages in each, and the Commission shall make copies of statements and reports listed in the index available for sale, direct or by mail, at a price determined by the Commission to be reasonable to the purchaser;".

JUDICIAL REVIEW

SEC. 209. Title III of the Federal Election Campaign Act of 1971 is amended by inserting after section 312 (as redesignated by this Act) the following new section:

"JUDICIAL REVIEW

"SEC. 313. (a) An agency action by the Commission made under the provisions of this Act shall be subject to review by the United States Court of Appeals for the District of Columbia Circuit upon petition filed in such court by an interested person. A petition filed pursuant to this section shall be filed within thirty days after the agency action by the Commission for which review is sought.

"(b) The Commission, the national committee of any political party, and individuals eligible to vote in an election for Federal office, are authorized to institute such actions, including actions for declaratory judgment or injunctive relief, as may be appropriate to implement any provision of this Act.

"(c) The provisions of chapter 7 of title 5, United States Code, apply to judicial review of any agency action, as defined in section 551 of title 5, United States Code, by the Commission.

FINANCIAL ASSISTANCE TO STATES TO PROMOTE COMPLIANCE

SEC. 210. Section 309 of the Federal Election Campaign Act of 1971 (relating to statements filed with State officers) is redesignated as section 314 of such Act and amended by—

(1) striking out "a supervisory officer" in subsection (a) and inserting in lieu thereof "the Commission";

(2) striking out "in which an expenditure is made by him or on his behalf" in subsection (a)(1) and inserting in lieu thereof the following: "in which he is a candidate or in which substantial expenditures are made by him or on his behalf"; and

(3) adding the following new subsection:

"(c) There is authorized to be appropriated to the Commission in each fiscal year the sum of $500,000, to be made available in such amounts as the Commission deems appropriate to the States for the purpose of assisting them in complying with their duties as set forth in this section.".

CONTRIBUTIONS IN THE NAME OF ANOTHER PERSON

SEC. 211. Section 310 of the Federal Election Campaign Act of 1971 (relating to prohibition of contributions in name of another) is redesignated as section 315 of such Act and amended by inserting after "another person", the first time it appears, the following: "or knowingly permit his name to be used to effect such a contribution".

ROLE OF POLITICAL PARTY ORGANIZATION IN PRESIDENTIAL CAMPAIGNS; USE OF EXCESS CAMPAIGN FUNDS; AUTHORIZATION OF APPROPRIATIONS; PENALTIES

SEC. 212. Title III of the Federal Election Campaign Act of 1971 is amended by striking out section 311 and by adding at the end of such title the following new sections:

"APPROVAL OF PRESIDENTIAL CAMPAIGN EXPENDITURES BY NATIONAL COMMITTEE

"SEC. 316. (a) No expenditure in excess of $1,000 shall be made by or on behalf of a candidate who has received the nomination of his political party for President or Vice President unless such expenditure has been specifically approved by the chairman or treasurer of that political party's national committee or the designated representative of that national committee in the State where the funds are to be expended.

"(b) Each national committee approving expenditures under subsection (a) shall register under section 303 as a political committee and report each expenditure it approves as if it had made that expenditure, together with the identification of the person seeking approval and making the expenditure.

"(c) No political party shall have more than one national committee.

"USE OF CONTRIBUTED AMOUNTS FOR CERTAIN PURPOSES

"SEC. 317. Amounts received by a candidate as contributions that are in excess of any amount necessary to defray his expenditures (after the application of section 507(b)(1) of this Act), and any other amounts contributed to an individual for the purpose of supporting his activities as a holder of Federal office, may be used by that candidate or individual, as the case may be, to defray any ordinary and necessary expenses incurred by him in connection with his duties as a holder of Federal office, or may be contributed by him to any organization described in section 170(c) of the Internal Revenue Code of 1954. To the extent any such contribution, amount contributed, or expenditure thereof is not otherwise required to be disclosed under the provisions of this title, such contribution, amount contributed, or expenditure shall be fully disclosed in accordance with rules promulgated by the Commission. The Commission is authorized to promulgate such rules as may be necessary to carry out the provisions of this section.

"SUSPENSION OF FRANK FOR MASS MAILINGS IMMEDIATELY BEFORE ELECTIONS

"SEC. 318. Notwithstanding any other provision of law, no Senator, Representative, Resident Commissioner, or Delegate shall make any mass mailing of a newsletter or mailing with a simplified form of address under the frank under section 3210 of title 39, United States Code, during the sixty days immediately preceding the date on which any election is held in which he is a candidate.

"PROHIBITION OF FRANKED SOLICITATIONS

"SEC. 319. No Senator, Representative, Resident Commissioner, or Delegate shall make any solicitation of funds by a mailing under the frank under section 3210 of title 39, United States Code.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 320. There are authorized to be appropriated to the Commission for the purpose of carrying out its functions under this title, title V, and under chapter 29 of title 18, United States Code, not to exceed $5,000,000 for the fiscal year ending June 30, 1974, and not to exceed $5,000,000 for each fiscal year thereafter.

"PENALTY FOR VIOLATIONS

"SEC. 321. (a) Violation of any provision of this title is a misdemeanor punishable by a fine of not more than $10,000, imprisonment for not moe than one year, or both.

"(b) Violation of any provision of this title with knowledge or reason to know that the action committed or omitted is a violation of this title is punishable by a fine of not more than $100,000, imprisonment for not more than five years, or both.".

APPLICABLE STATE LAWS

SEC. 213. Section 403 of the Federal Election Campaign Act of 1971 is amended to read as follows:

"EFFECT ON STATE LAW

"SEC. 403. The provisions of this Act, and of rules promulgated under this Act, preempt any provision of State law with respect to campaigns for nomination for election, or for election, to Federal office (as such term is defined in section 301(c)).".

EXPEDITIOUS REVIEW OF CONSTITUTIONAL QUESTIONS

SEC. 214. Title IV of the Federal Election Campaign Act of 1971 is amended by adding at the end thereof the following new section:

"JUDICIAL REVIEW

"SEC. 407. (a) The Federal Election Commission, the national committee of any political party, and individuals eligible to vote for President are authorized to insititute such actions, including actions for declaratory judgment or injunctive relief, as may be appropriate to implement or construe any provision of this Act or of chapter 29 of title 18, United States Code. The district court shall immediately certify all questions of constitutionality of this Act to the United States court of appeals for that circuit, which shall hear the matter sitting en banc.

"(b) Notwithstanding any other provision of law or rule any decision on a matter certified under subsection (a) shall be reviewable by appeal directly to the Supreme Court of the United States. Such appeal must be brought within twenty days of the court of appeals decision.

"(c) It shall be the duty of the court of appeals and of the Supreme Court of the United States to advance on the docket and to expedite to the greatest possible extent the disposition of any question certified under subsection (a)."

TITLE III—CRIMES RELATING TO ELECTIONS AND POLITICAL ACTIVITIES

CHANGES IN DEFINITIONS

SEC. 301. (a) Paragraph (a) of section 591 of title 18, United States Code, is amended by—

(1) inserting "or" before "(4)"; and

(2) striking out ", and (5) the election of delegates to a constitutional convention for proposing amendments to the Constitution of the United States."

(b) Such section 591 is amended by striking out paragraph (d) and inserting in lieu thereof the following:

"(d) 'political committee' means—

"(1) any committee, club, association, or other group of persons which receives contributions or makes expenditures during a calendar year in an aggregate amount exceeding $1,000;

"(2) any national committee, association, or organization of a political party, any State affiliate or subsidiary of a national political party, and any State committee of a political party; and

"(3) any committee, association, or organization engaged in the administration of a separate segregated fund described in section 610;".

(c) Such section 591 is amended by—

(1) inserting in paragraph (e)(1) after "subscription" the following: "(including any assessment, fee, or membership dues)";

(2) striking out in such paragraph "or for the purpose of influencing the election of delegates to a consistutional convention for proposing amendments to the Constitution of the United States" and inserting in lieu thereof the following: "or for the purpose of financing any operations of a political committee, or for the purpose of paying, at any time, any debt or obligation incurred by a candidate or a political committee in connection with any campaign for nomination for election, or for election, to Federal office";

(3) striking out subparagraph (2) of paragraph (e), and amending subparagraph (3) of such paragraph to read as follows:

"(2) funds received by a political committee which are transferred to that committee from another political committee;"; and

(4) redesignating subparagraphs (4) and (5) of paragraph (e) as paragraphs (3) and (4), respectively.

(d) Such section 591 is amended by striking out paragraph (f) and inserting in lieu thereof the following:

"(f) 'expenditure' means—

"(1) a purchase, payment, distribution, loan (except a loan of money by a National or State bank made in accordance with the applicable banking laws and regulations, and in the ordinary course of business), advance, deposit, or gift of money or anything of value, made for the purpose of—

"(A) influencing the nomination for election, or the election, of any person to Federal office, or to the office of Presidential and Vice-Presidential elector;

"(B) influencing the result of a primary election held for the selection of delegates to a national nominating convention of a political party for the expression of a preference for the nomination of persons for elections to the Office of President;

"(C) financing any operations of a political committee; or

"(D) paying, at any time, any debt or obligation incurred by a candidate or a political committee in connection with any campaign for nomination for election, or for election, to Federal office; and

"(2) the transfer of funds by a political committee to another political committee; but

"(3) does not include the value of service rendered by individuals who volunteer to work without compensation on behalf of a candidate;".

(e) Such section 591 is amended by striking out "and" at the end of paragraph (g), striking out "States." in paragraph (h) and inserting in lieu thereof "States;", and by adding at the end thereof the following new paragraphs:

"(i) 'political party' means any association, committee, or organization which nominates a candidate for election to any Federal office whose name appears on the election ballot as the candidate of that association, committee, or organization;

"(j) 'State committee' means the organization which, by virtue of the bylaws of a political party, is responsible for the day-to-day operation of that political party at the State level, as determined by the Federal Election Commission; and

"(k) 'national committee' means the organization which, by virtue of the bylaws of the political party, is responsible for the day-to-day operation of that political party at the national level as determined by the Federal Election Commission under section 301(k) of the Federal Election Campaign Act of 1971.".

EXPENDITURE OF PERSONAL AND FAMILY FUNDS FOR FEDERAL CAMPAIGNS

SEC. 302. (a)(1) Subsection (a)(1) of section 608 of title 18, United States Code, is amended to read as follows:

"(a)(1) No candidate may make expenditures from his personal funds, or the personal funds of his immediate family, in connection with his campaigns for nomination for election, and for election, to Federal office in excess, in the aggregate during any calendar year, of—

"(A) $50,000, in the case of a candidate for the office of President or Vice President;

"(B) $35,000, in the case of a candidate for the office of Senator; or

"(C) $25,000, in the case of a candidate for the office of Representative, or Delegate or Resident Commissioner to the Congress.".

(2) Subsection (a) of such section is amended by adding at the end thereof the following new paragraphs:

"(3) No candidate or his immediate family may make loans or advances from their personal funds in connection with his campaign for nomination for election, or election, to Federal office unless such loan or advance is evidenced by a written instrument fully disclosing the terms and conditions of such loan or advance.

"(4) For purposes of this subsection, any such loan or advance shall be included in computing the total amount of such expenditures only to the extent of the balance of such loan or advance outstanding and unpaid."

(b) Subsection (c) of such section is amended by striking out "$1,000" and inserting in lieu thereof "$25,000", and by striking out "one year" and inserting in lieu thereof "five years".

(c)(1) The caption of such section 608 is amended by adding at the end thereof the following: "out of the candidates' personal and family funds".

(2) The table of sections for chapter 29 of title 18, United States Code, is amended by striking out the item relating to section 608 and inserting in lieu thereof the following:

"608. Limitations on contributions and expenditures out of candidates' personal and family funds.".

(d) Notwithstanding the provisions of section 608 of title 18, United States Code, it shall not be unlawful for any individual who, as of the date of enactment of this Act, has outstanding any debt or obligation incurred on his behalf by any political committee in connection with his campaign prior to January 1, 1972, for nomination for election, and for election, to Federal office, to satisfy or discharge any such debt or obligation out of his own personal funds or the personal funds of his immediate family (as such term is defined in such section 608).

SEPARATE SEGREGATED FUND MAINTENANCE BY GOVERNMENT CONTRACTORS

SEC. 303. Section 611 of title 18, United States Code, is amended by adding at the end thereof the following new paragraph:

"It is not a violation of the provisions of this section for a corporation or a labor organization to establish, administer, or solicit contributions to a separate segregated fund to be utilized for political purposes by that corporation or labor organization if the establishment and administration of, and solicitation of contributions to, such fund are not a violation of section 610.".

LIMITATIONS ON POLITICAL CONTRIBUTIONS AND EXPENDITURES; EMBEZZLEMENT OR CONVERSION OF CAMPAIGN FUNDS; EARLY DISCLOSURE OF PRESIDENTIAL ELECTION RESULTS

SEC. 304. (a) Chapter 29 of title 18, United States Code, is amended by adding at the end thereof the following new sections:

"§ 614. Limitation on expenditures generally

"(a) (1) No candidate may make expenditures in connection with his campaign for nomination for election, or for election, to Federal office in excess of the amount to which he would be limited under section 504 of the Federal Election Campaign Act of 1971 if he were receiving payments under the title V of that Act.

"(2) Expenditures made on behalf of any candidate are, for the purposes of this section, considered to be made by such candidate.

"(3) Expenditures made by or on behalf of any candidate for the office of Vice President of the United States are, for the purposes of this section, considered to be made by the candidate for the office of President of the United States with whom he is running.

"(4) For purposes of this subsection, an expenditure is made on behalf of a candidate, including a Vice Presidential candidate, if it is made by—

"(A) an authorized committee or any other agent of the candidate for the purposes of making any expenditure, or

"(B) any person authorized or requested by the candidate, an authorized committee of the candidate, or an agent of the candidate to make the expenditure.

"(5) The Federal Election Commission shall prescribe regulations under which any expenditure by a candidate for Presidential nomination for use in two or more States shall be attributed to such candidate's expenditure limitation in each such State, based on the voting age population in such State which can reasonably be expected to be influenced by such expenditure.

"(b) (1) Notwithstanding any other provisions of law with respect to limitations on expenditures or limitations on contributions, the national committee of a political party and a State committee of a political party, including any subordinate committees of a State committee, may make expenditures in connection with the general election campaign of candidates for Federal office, subject to the limitations contained in paragraphs (2) and (3) hereof.

"(2) The national committee of a political party may not make any expenditure in connection with the general election campaign of any candidate for President who is affiliated with that party which exceeds an amount equal to 2 cents multiplied by the voting population of the United States.

"(3) The national committee of a political party, or a State committee of a political party, including any subordinate committees of a State committee, may not make expenditure in connection with the general election campaign of a candidate for Federal office in a State who is affiliated with that party which exceeds—

"(A) in the case of a candidate for election to the office of Senator, or of Representative from a State where a Representative is required to run statewide, the greater of—

"(i) 2 cents multiplied by the voting age population of that State, or

"(ii) $20,000; and

"(B) in the case of a candidate for election to the office of Representative in any other State, $10,000.

"(4) For purposes of this subsection—

"(A) the term 'voting age population' means voting age population certified for the year under section 504(g) of the Federal Election Campaign Act of 1971; and

"(B) the approval by the national committee of a political party of an expenditure by or one behalf of the presidential candidate of that party as required by section 316 of that Act is not considered an expenditure by that national committee.

"(c) (1) No person may make any expenditure (other than an expenditure made on behalf of a candidate under the provisions of subsection (a) (4) advocating the election or defeat of a clearly identified candidate during a calendar year which, when added to all other expenditures made by that person during the year advocating the election or defeat of that candidate, exceeds $1,000.

"(2) For the purposes of paragraph (1)—

"(A) 'clearly identified' means—

"(i) the candidate's name appears;

"(ii) a photograph or drawing of the candidate appears; or

"(iii) the identity of the candidate is apparent by unambiguous reference;

"(B) 'person' does not include the national or State committee of a political party; and

"(C) 'expenditure' does not include any payment made or incurred by a corporation or a labor organization which, under the provisions of the last paragraph of section 610 would not constitute an expenditure by that corporation or labor organization.

"(3) This subsection does not apply to the Democratic or Republican Senatorial Campaign Committee, the Democratic National Congressional Committee, or the National Republican Congressional Committee.

"(d) Any person who knowingly or willfully violates the provisions of this section, other than subsection (a) (5), shall be punishable by a fine of $25,000, imprisonment for a period of not more than five years, or both. If any candidate is convicted of violating the provisions of this section because of any expenditure made on his behalf (as determined under subsection (a) (4)) by a political committee, the treasurer of that committee, or any other person authorizing such expenditure, shall be punishable by a fine of not to exceed $25,000, imprisonment for not to exceed five years, or both, if such person knew, or had reason to know, that such expenditure was in excess of the limitation applicable to such candidate under this section.

"§ 615. Limitations on contributions

"(a) (1) No individual may make a contribution to, or for the benefit of, a candidate for that candidate's campaign for election, which, when added to the sum of all other contributions made by that individual for that campaign, exceeds $3,000.

"(2) No person (other than an individual) may make a contribution to, or for the benefit of, a candidate for nomination for election, or election, which, when added to the sum of all other contributions made by that person for that campaign, exceeds $6,000.

"(b) (1) No candidate may knowingly accept a contribution for his campaign from any individual which, when added to the sum of all other contributions received from that individual for that campaign exceeds $3,000, or from any person (other than an individual) which, when added to the sum of all other contributions received from that person for that campaign, exceeds $6,000.

"(2) (A) No candidate may knowingly solicit or accept a contribution for his campaign—

"(i) from a foreign national, or

"(ii) which is made in violation of section 613 of this title.

"(B) For purposes of this paragraph, the term 'foreign national' means—

"(i) a 'foreign principal' as that term is defined in section 611(b) of the Foreign Agents Registration Act of 1938, as amended, other than a person who is a citizen of the United States; or

"(ii) an individual who is not a citizen of the United States and who is not lawfully admitted for permanent residence, as defined in section 101(a) (20) of the Immigration and Nationality Act".

"(3) No officer or employee of a political committee or of a political party may knowingly accept any contribution made for the benefit or use of a candidate which that candidate could not accept under paragraph (1) or (2).

"(c) (1) For purposes of the limitations contained in this section all contributions made by any person directly or indirectly to or for the benefit of a particular candidate, including contributions which are in any way earmarked, encumbered, or otherwise directed through an intermediary or conduit to that candidate, shall be treated as contributions from that person to that candidate.

"(2) Contributions made to, or for the benefit of, a candidate nominated by a political party for election to the office of Vice President shall be considered, for purposes of this section, to be made to, or for the benefit of, the candidate nominated by that party for election to the office of President.

"(3) For purposes of this section, the term 'campaign' includes all primary, primary runoff, and general election campaigns related to a specific general election, and all primary, primary runoff, and special election campaigns related to a specific special election.

"(d) (1) No individual may make a contribution during any calendar year which, when added to the sum of all other contributions made by that individual during that year, exceeds $25,000.

"(2) Any contribution made for a campaign in a year, other than the calendar year in which the election is held to which that campaign relates, is, for purposes of paragraph (1), considered to be made during the calendar year in which that election is held.

"(e) This section does not apply to contributions made by the Democratic or Republican Senatorial Campaign Committee, the Democratic National Congressional Committee, or the National Republican Congressional Committee.

"(f) Violation of the provisions of this section is punishable by a fine of not to exceed $25,000, imprisonment for not to exceed five years, or both.

"§ 616. Form of contributions

No person may make a contribution to, or for the benefit of, any candidate or political committee in excess, in the aggregate during any calendar year, of $100 unless such contribution is made by a written instrument identifying the person making the contribution. Violation of the provisions of this section is punishable by a fine of not to exceed $1,000, imprisonment for not to exceed one year, or both.

"§ 617. Embezzlement or conversion of political contributions

"(a) No candidate, officer, employee, or agent of a political committee, or person acting on behalf of any candidate or political committee, shall embezzle, knowingly convert to his own use or the use of another, or deposit in any place or in any manner except as authorized by law, any contributions or campaign funds entrusted to him or under his possession, custody, or control, or use any campaign funds to pay or defray the costs of attorney fees for the defense of any person or persons charged with the commission of a crime; or receive, conceal, or retain the same with intent to convert it to his personal use or gain, knowing it to have been embezzled or converted.

“(b) Violation of the provisions of this section is punishable by a fine of not more than $25,000, imprisonment for not more than ten years, or both; but if the value of such property does not exceed the sum of $100 fine, the fine shall not exceed $1,000 and the imprisonment shall not exceed one year. Notwithstanding the provisions of this section, any surplus or unexpended campaign funds may be contributed to a national or State political party for political purposes, or to educational or charitable organizations, or may be preserved for use in future campaigns for elective office, or for any other lawful purpose.

“§ 618. Voting fraud

“(a) No person shall in a Federal election—

“(1) cast, or attempt to cast, a ballot in the name of another person,

“(2) cast, or attempt to cast, a ballot if he is not qualified to vote,

“(3) forge or alter a ballot,

“(4) miscount votes,

“(5) tamper with a voting machine, or

“(6) commit any act (or fail to do anything required of him by law),

with the intent of causing an inaccurate count of lawfully cast votes in any election.

“(b) A violation of the provisions of subsection (a) is punishable by a fine of not to exceed $100,000, imprisonment for not more than ten years, or both.

“§ 619. Early disclosure of election results in Presidential election years

“Whoever makes public any information with respect to the number of votes cast for any candidate for election to the office of Presidential and Vice-Presidential elector in the general election held for the appointment of Presidential electors, prior to midnight, eastern standard time, on the day on which such election is held shall be fined not more than $5,000, imprisoned for not more than one year, or both.

“§ 620. Fraudulent misrepresentation of campaign authority

“Whoever, being a candidate for Federal office, as defined herein, or an employee or agent of such a candidate—

“(1) fraudulently misrepresents himself or any committee or organization under his control as speaking or writing or otherwise acting for or on behalf of any other candidate or political party or employee or agent thereof on a matter which is damaging to such other candidate or political party or employee or agent thereof; or

“(2) willfully and knowingly participates in or conspires to participate in any plan, scheme, or design to violate paragraph (a) hereof, shall, for each such offense, be fined not more than $50,000 or imprisoned not more than five years or both.”

(b) Section 591 of title 18, United States Code, is amended by striking out “and 611” and inserting in lieu thereof “611, 614, 615, 616, 617, 618, and 619”.

(c) The table of sections for chapter 29 of title 18, United States Code, is amended by adding at the end thereof the following new items:

“614. Limitation on expenditures generally.
“615. Limitation on contributions.
“616. Form of contributions.
“617. Embezzlement or conversion of political contributions.
“618. Voting fraud.
“619. Early disclosure of election results in Presidential election years.
“620. Fraudulent misrepresentation of campaign authority.”.

REPEAL OF CERTAIN EXCEPTIONS TO CONTRIBUTION AND EXPENDITURE LIMITATIONS

SEC. 305. Section 614(c)(3) of title 18, United States Code (as added by section 304 of this Act), and section 615(e) of such title (as added by section 304 of this Act) (relating to the application of such sections to certain campaign committees) are repealed. Section 615 of title 18, United States Code (as added by section 304 of this Act), is amended by striking out “(f)” and inserting in lieu thereof “(e)”.

TITLE IV—DISCLOSURE OF FINANCIAL INTERESTS BY CERTAIN FEDERAL OFFICERS AND EMPLOYEES

FEDERAL EMPLOYEE FINANCIAL DISCLOSURE REQUIREMENTS

SEC. 401. (a) Any candidate for nomination for or election to Federal office who, at the time he becomes a candidate, does not occupy any such office, shall file within one month after he becomes a candidate for such office, and each Member of Congress, each officer and employee of the United States (including any member of a uniformed service) who is compensated at a rate in excess of $25,000 per annum, any individual occupying the position of an officer or employee of the United States who performs duties of the type generally performed by an individual occupying grade GS-16 of the General Schedule or any higher grade or position (as determined by the Federal Election Commission regardless of the rate of compensation of such individual), the President, and the Vice President shall file annually, with the Commission a report containing a full and complete statement of—

(1) the amount of each tax paid by the individual, or by the individual and the individual's spouse filing jointly, for the preceding calendar year, and for purposes of this paragraph “tax” means any Federal, State, or local income tax and any Federal, State, or local property tax;

(2) the amount and source of each item of income, each item of reimbursement for any expenditure, and each gift or aggregate of gifts from one source (other than gifts received from his spouse or any member of his immediate family) received by him or by him and his spouse jointly during the preceding calendar year which exceeds $100 in amount or value, including any fee or other honorarium received by him for or in connection with the preparation or delivery of any speech or address, attendance at any convention or other assembly of individuals, or the preparation of any article or other composition for publication, and the monetary value of subsistence, entertainment, travel, and other facilities received by him in kind;

(3) the identity of each asset held by him, or by him and his spouse jointly which has a value in excess of $1,000, and the amount of each liability owed by him or by him and his spouse jointly, which is in excess of $1,000 as of the close of the preceding calendar year;

(4) any transactions in securities of any business entity by him or by him and his spouse jointly, or by any person acting on his behalf or pursuant to his direction during the preceding calendar year if the aggregate amount involved in transactions in the securities of such business entity exceeds $1,000 during such year;

(5) all transactions in commodities by him, or by him and his spouse jointly, or by any person acting on his behalf or pursuant to his direction during the preceding calendar year if the aggregate amount involved in such transactions exceeds $1,000; and

(6) any purchase or sale, other than the purchase or sale of his personal residence, of real property or any interest therein by him, or by him and his spouse jointly, or by any person acting on his behalf or pursuant to his direction, during the preceding calendar year if the value of property involved in such purchase or sale exceeds $1,000.

(b) Reports required by this section (other than reports so required by candidates for nomination for or election to Federal office) shall be filed not later than May 15 of each year. A person who ceases, prior to such date in any year, to occupy the office or position the occupancy of which imposes upon him the reporting requirements contained in subsection (a) shall file such report on the last day he occupies such office or position, or on such later date, not more than three months after such last day, as the Commission may prescribe.

(c) Reports required by this section shall be in such form and detail as the Commission may prescribe. The Commission may provide for the grouping of items of income, sources of income, assets, liabilities, dealings in securities or commodities, and purchases and sales of real property, when separate itemization is not feasible or is not necessary for an accurate disclosure of the income, net worth, dealing in securities and commodities, or purchases and sales of real property of any individual.

(d) Any person who willfully fails to file a report required by this section or who knowingly and willfully files a false report under this section, shall be fined not more than $2,000, or imprisoned for not more than five years, or both.

(e) All reports filed under this section shall be maintained by the Commission as public records, which, under such reasonable rules as it shall prescribe, shall be available for inspection by members of the public.

(f) For the purposes of any report required by this section, an individual is considered to be President, Vice President, a Member of Congress, an officer or employee of the United States, or a member of a uniformed service, during any calendar year if he serves in any such position for more than six months during such calendar year.

(g) As used in this section—

(1) The term “income” means gross income as defined in section 61 of the Internal Revenue Code of 1954.

(2) The term “security” means security as defined in section 2 of the Securities Act of 1933 (15 U.S.C. 77b).

(3) The term “commodity” means commodity as defined in section 2 of the Commodity Exchange Act (7 U.S.C. 2).

(4) The term “transactions in securities or commodities” means any acquisition, holding, withholding, use, transfer, or other disposition involving any security or commodity.

(5) The term “Member of Congress” means a Senator, a Representative, a Resident Commissioner, or a Delegate.

(6) The term “officer” has the same meaning as in section 2104 of title 5, United States Code.

(7) The term “employee” has the same meaning as in section 2105 of such title.

(8) The term “uniformed service” means any of the Armed Forces, the commissioned corps of the Public Health Service, or the commissioned corps of the National Oceanic and Atmospheric Administration.

(9) The term “immediate family” *means* the child, parent, grandparent, brother, or sister of an individual, and the spouses of such persons.

(h) Section 554 of title 5, United States Code, is amended by adding at the end thereof the following new subsection:

“(f) All written communications and memorandums stating the circumstances, source, and substance of all oral communications made to the agency, or any office or employee thereof, with respect to any adjudication which is subject to the provisions of this section by any person who is not an officer or employee of the agency shall be made a part of the public record of such case. This subsection shall not apply to communications to any officer, employee, or agent of the agency engaged in the performance of investigative or prosecuting functions for the agency with respect to such case."

(i) The first report required under this section shall be due thirty days after the date of enactment and shall be filed with the Comptroller General of the United States, who shall, for purposes of this subsection, have the powers and duties conferred upon the Commission by this section.

TITLE V—MISCELLANEOUS

SIMULTANEOUS POLL CLOSING TIME

SEC. 501. On every national election day, commencing on the date of the national elections in 1976, the closing time of the polling places in the several States for the election of electors for President and Vice President of the United States and the election of United States Senators and Representatives shall be as follows: 11 postmeridian standard time in the eastern time zone; 10 postmeridian standard time in the central time zone; 9 postmeridian standard time in the mountain time zone; 8 postmeridian standard time in the Pacific time zone; 7 postmeridian standard time in the Yukon time zone; 6 postmeridian standard time in the Alaska-Hawaii time zone; and 5 postmeridian standard time in the Bering time zone: *Provided*, That the polling places in each of the States shall be open for at least twelve hours.

FEDERAL ELECTION DAY

SEC. 502. Section 6103(a) of title 5, United States Code is amended by inserting between—

"Veterans Day, the fourth Monday in October." and the following new item:

"Thanksgiving Day, the fourth Thursday in November." the following new item:

"Election Day, the first Wednesday next after the first Monday in November 1976, and every second year thereafter.".

REVIEW OF INCOME TAX RETURNS

SEC. 503. (a) On or before July 1 of each and every year hereafter, the Comptroller General of the United States shall obtain from the Internal Revenue Service all returns of income filed by each Member of Congress, each employee or official of the executive, judicial, and legislative branch whose gross income for the most recent year exceeds $20,000 for the five previous years. Upon receipt of such returns, the Comptroller General of the United States shall submit such income returns to an intensive inspection and audit for the purpose of determining liability.

(b) Upon completion of such inspection and audit, the Comptroller General of the United States shall prepare and file a report of the results of his inspection and audit with the taxpayer concerned and the appropriate officer of the Internal Revenue Service for such further action with respect to such return as the Internal Revenue Service shall deem proper. The Comptroller General of the United States shall deliver a copy of such report and results of such audit and inspection to the taxpayer concerned.

(c) The Internal Revenue Service shall asisst the Comptroller General of the United States as necessary in administering the provisions of this section.

Mr. CANNON. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. PASTORE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. CANNON. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make such technical and clerical corrections in the engrossment of the bill, S. 3044, including changes in the designation of titles, sections, and subsections and cross-references thereto, as may be necessary to reflect any changes in the bill made by amendments adopted by the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that S. 3044, a bill to amend the Federal Election Campaign Act of 1971, be printed as passed.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CANNON. Mr. President, the Senate has demonstrated a genuine interest in true election reform by the adoption of the Federal Election Campaign Act of 1974.

Not only has the Senate agreed to set reasonable limitations on contributions by individuals and committees, but also strict limits on expenditures by candidates in primary and general elections.

Further, the Senate has agreed to provide Federal funds in primary elections on a matching grant basis and with full funding in general elections.

Candidates have the option under the bill S. 3044 to raise private funds for each election or to accept public funds in whole or in part.

With a strong and independent Federal Election Commission; with central campaign committees; with campaign depositories and timely and full disclosure of all receipts and expenditures, we have attempted to eliminate all weaknesses in the bill and the citizens of the United States will be encouraged to restore their confidence in the elective process.

Mr. President, I wish to commend my colleagues for their support in gaining passage of this bill.

And I wish to thank all of the staff members who worked with the Committee and the Senate in bringing about final passage:

Jim Duffy, Joe O'Leary, and Jim Medill, of the Committee on Rules and Administration.

Lloyd Ator and Bob Cassidy legislative counsel.

Cary Parker of Senator KENNEDY's staff.

Burt Wides of Senator HART's staff.

Ken Davis, assistant to the minority leader, and many others who gave of their time and efforts.

Mr. CHILES. Mr. President, I voted for final passage of S. 3044, the Federal election campaign financing bill. Although I was not completely satisfied with all of the features of this legislation I felt the time for change from the old way was due.

We must move away from an atmosphere of influencing Government decisions affecting the daily lives of our citizens from the prices they pay to the quality of their lives.

I believe that one of the crucial factors determining whether or not we consider a government democratic is not how much power the public officials have, but rather how public officials secure and retain their offices. Events surrounding the last general election have been and will, no doubt, continue to be examined and investigated in an effort to determine the source of enormous amounts of campaign moneys. Coupled with these investigations are repeated cries for reform, for changes in the law concerning campaign financing. And surely some changes are in order.

Mr. President, I do not think anyone can provide a simple answer to the question, "Does money win elections?" It is undeniable that money does play a major role in winning. It does not guarantee victory, but the amount of money collected and spent can in some cases be decisive. Money cannot totally obliterate the influence of issues and candidates' party orientation on voting decisions. but it can and often does make a difference.

No longer should ambassadorships be given as a basis of huge campaign contributions nor should decisions for milk supports be swayed by political contributions.

Some Americans view public policymaking as a sordid process where the wealthy control elected officials. And while there is some corruption, I believe its reputation for moving the wheels of government is far greater than its performance. But money can twist policy in subtle ways—and any effort we can make to erect a barrier between the direct translation of money into policy decisions must be made.

After weeks of debate on this bill and amendments to it, I felt the Senate has made a close examination of the concept of specific proposals for public financing. While I wish the tax checkoff system would adequately provide funds for this approach, I am convinced that it will not and I am now ready to vote for and approve the spending of other tax dollars to finance Presidential campaigns.

Public financing of congressional elections needs additional consideration, however. It is my understanding that the feeling in the House of Representatives is such that little—if any—public financing of congressional elections will be accepted. For now, this may be just as well, for if I had to draft a public financing bill for congressional elections that would be fair and workable, I am not sure that I could. However, I did support an effort by Senator STEVENSON to allow a partial funding of congressional elections without going the entire way.

The purpose of public financing is to eliminate the large and potentially corrupting contributions of big money from our politics. This amendment would have accomplished that purpose but it would not have eliminated the innocent, small contributions which are a healthy form of participation in our political system.

This amendment would have limited the campaign contributions of individuals to Federal campaigns to $3,000 in primaries and $3,000 in general election campaigns. In that respect, it did not alter the provisions of the bill reported by the Rules Committee.

It would also have limited the contributions of committees to $6,000, which could be allocated between a general election campaign and a primary election campaign as the committee sees fit.

It established a system of partial public financing as opposed to the 100 percent public financing which is established in the bill reported by the Rules Committee. Instead of 100-percent, public financing, congressional candidates would have received a front-end subsidy 25 percent of the expenditure limit applicable to congressional campaigns. In addition, private contributions of $100 or less would have been matched with public funds on a dollar-for-dollar basis.

When I was thinking about running for the Senate, I discovered I was not going to be able to raise a large war chest to finance my campaign. So, I had to run a different kind of campaign that was less expensive than the conventional way. During my walk through Florida, I talked with thousands of people who were encouraged by this kind of campaign; one of the primary reasons was that my campaign was not costing huge sums of money.

In sum, I voted for this bill even though it contained the large funding for congressional elections because I believe the public funding concept is vitally important. Even though I am not satisfied with the congressional funding provisions, I feel this legislation should be sent to the House for their consideration.

To vote against this legislation would be a signal that I am against public funding of Presidential elections. I feel this part of the legislation is absolutely necessary and vital. I hope that the House will favorably consider plans for public funding of Presidential elections and begin some efforts toward public funding on congressional races so at least we may have a plan in this area to move with.

TRIBUTE TO SENATORS ON PASSAGE OF CAMPAIGN REFORM

Mr. MANSFIELD. Mr. President, I wish to pay well-deserved tribute to the many Senators who were responsible for this magnificent achievement—one of the most significant reform proposals that in my judgment has passed the Senate. What it says fundamentally is that public officials will answer first and last to the public and not to this or that special interest group. It is an essential step that must be taken to restore public faith and confidence in the institutions of Government. I am proud, indeed, of the Senate's great initiative on this issue.

Senator CANNON, the distinguished chairman of the Committee on Rules deserves the highest commendation for his leadership and devotion. So, too, does Senator COOK. They joined in cooperative efforts to handle this most important proposal and they assumed the task with the greatest skill and ability.

The Senator from California (Mr. CRANSTON) deserves praise for his many outstanding efforts to assure this success. His work in behalf of public election reform indeed was indispensable. The same may be said of the efforts of Senator KENNEDY, Senator PELL, and the many others whose inititiative started this process some time ago.

I was particularly impressed with the leadership of the able Republican leader (Mr. HUGH SCOTT) without whose efforts a measure as effective as this could not have been possible. And to Senator BROCK, Senator CLARK, Senator STEVENSON, Senator BAKER, Senator ALLEN, and the many others who joined with statements, with amendments, and with viewpoints, we are especially indebted for providing a debate and discussion of the highest order.

All in all, the Senate may take great pride in this achievement.

Mr. KENNEDY. Mr. President, the final passage, achieved today, of the legislation for campaign reform and public financing of elections is one of the finest hours of the Senate in this or any other Congress.

Most, if not all, of the things that are wrong with government today have their roots in the way we finance campaigns for public office. The corrosive influence of private money in public life is the primary cause of the lack of responsiveness of government to the people.

Now, through public financing, we can change all that. Once public financing is signed into law, it will begin to have an immensely salutary effect on every dimension of government, as it sends ripples through every issue with which Congress and the administration have to deal.

At least, the stranglehold of wealthy campaign contributors and special interest groups on the election process will be broken, and democracy will be the winner. Only when all the people pay for elections will all the people be truly represented by their Government.

No one believes that public financing is a panacea for America's every social ill. What we do believe is that it is the nation's preeminent reform, the reform that must lead all the rest if we are serious about bringing integrity back to government and giving fair, honest, and clean elections to the people.

Long before Watergate, we knew about the problem. Now, because of Watergate, we have gained the strength to solve it. By voting for public financing, we are telling the Nation that the day of the dollar in public financing is over, that elective office is no longer for sale to the highest private bidder.

Rarely has the Senate sent so clear a message to every citizen. I praise MIKE MANSFIELD, HUGH SCOTT, ROBERT BYRD, HOWARD CANNON, ALAN CRANSTON, and all the other Senators and public interest groups, especially Common Cause and the Center for Public Financing, who did so much to bring this legislation to the Senate floor, to win the fight for cloture, and to make this victory possible.

Finally, Mr. President, I do not think we should close this particular chapter of the campaign financing effort of the Senate without recognition of the special contributions by many Members of this body who worked so hard in this important area.

As one who has been interested in this issue for some time, I wish to express great admiration for the work done by the manager of the bill, the distinguished Senator from Nevada (Mr. CANNON) and his able staff. He has been on the floor continuously these past 3 weeks, available for discussion and debate on the extremely complex and difficult issues posed in this legislation. I think he has done a brilliant job. All the members of the Committee on Rules and Administration are to be commended, and the staff is also to be commended for their extraordinary efforts.

I also praise the especially important role played by the Senate leadership. The distinguished majority leader (Mr. MANSFIELD), the distinguished Republican leader (Mr. HUGH SCOTT), and the distinguished Democratic whip (Mr. ROBERT C. BYRD) were the keys to the successful struggle for cloture this week. Without their effort, we could not have won today. We could not have obtained cloture or been successful in passing this legislation if we had not had the very strong leadership that the three of them provided, not only in rounding up the votes, but also in presenting to our colleagues the significance and importance of action by the Senate at the present time. Their contributions were immense, and all of us are in their debt.

Many other Senators also played a key role. The Senator from Rhode Island (Mr. PELL) was chairman of the subcommittee that held extensive hearings on this issue, hearings that laid a solid foundation for our present action, and he should be commended.

When we consider public financing, we have to recognize as well that this legislation really builds on the genius of the distinguished Senator from Louisiana (Mr. LONG), who initially presented the $1 checkoff for Presidential elections in 1966 and who helped to lead the successful effort to cement the checkoff into law in 1971. Many of the most important aspects of this legislation build on the work of Senator LONG, the chairman of the Committee on Finance.

Another very important part of the debate was the distinguished senior Senator from Rhode Island (Mr. PASTORE), who also helped to lead the effort for the enactment of the $1 checkoff measure in 1971, and who has always been such an eloquent spokesman for campaign reform.

Then when we consider the history of the present movement, I would single out the Senator from Michigan (Mr. HART) for special praise. He was the first Senator to introduce legislation for comprehensive public financing of all Federal elections, primaries as well as general elections. In a very real sense, he started the ball rolling in this Congress, and he never let the momentum fade.

Senator ALAN CRANSTON of California, was tireless in his efforts, not only in preparing the legislation itself, but also in rounding up the votes. Although the latter work is not a role which is generally acclaimed or understood outside the Halls of Congress, no one here is unaware of his effective work on the Senate floor. I doubt that we could have won today without his careful and successful daily attention to the bill.

Senators MONDALE and SCHWEIKER were also real leaders in developing the concept of public financing, especially the concept of matching grants for primaries. Their early efforts led to a strengthening of the proposals for this legislation, and a new awareness that it would be possible to include primary elections in the bill for public financing.

Senator CLARK of Iowa was another pillar of the Senate effort, both in the early stages of the legislation and in the floor debate, and I congratulate him on the leadership he has displayed.

Senator MATHIAS and Senator STAFFORD also worked closely in these early efforts, and were particularly instrumental in giving this bill the broad bipartisan support it had to have if final passage was to be achieved.

Finally, the Senator from Illinois (Mr. STEVENSON) was very active in the whole debate and discussions. There were points on which we disagreed, but he has been an outstanding pioneer in bringing this issue to the attention of the Senate and the people, and there was no fundamental disagreement on the importance of public financing of political campaigns.

Finally, I would like to commend the public interest groups, led by Common Cause and the Center for Public Financing of Elections. I do not think the public interest has ever been better served than by the joint efforts of those in and out of Congress with whom they worked. These two groups, and others with whom they worked were extremely successful in making these issues plain and clear to the Members of this body and to the country, and I am hopeful that they will be as successful with the House of Representatives.

I think the action that has been taken by the Senate shows the American people that the Senate can act, and that it can act effectively in the important and sensitive area of election reform. I think we have demonstrated quite clearly that the Senate is aroused by the crisis over Watergate, and that we have responded in the most effective legislative way we could in assuring that future elections of Members of the Senate and the House and for the Presidency will be free of the corrosive and corruptive power of large campaign contributions.

I think this is really one of the finest efforts for reform I have ever seen in this body. Public financing of elections will rank with the great reforms of the political process in our history, a milestone of which every Member of this body should be proud.

I think the American people can be reassured that the Senate is alive and well in Washington, and that in what we achieved today, we acted in the best interests of all the people of this Nation. Public financing can be one of democracy's finest hours, and I hope that the issue will do as well as it navigates its difficult course through the House of Representatives and to the President for his signature.

Mr. CRANSTON. Mr. President, will the Senator yield?

Mr. KENNEDY. I yield.

Mr. CRANSTON. I want to echo and endorse the praise the Senator from Massachusetts has given to Senator Cannon, the leadership, and many others who have worked so hard on this measure, which is fully as important as the Senator from Massachusetts has stated. I thank the Senator for his kind words on my behalf.

I want to add that if we had not had the imaginative and successful and bold efforts of the Senator from Massachusetts, we would not have achieved the result that has been achieved in recent days and on the floor of the Senate today. The Senator from Massachusetts initially, in joining with the Senator from Pennsylvania, provided the impetus which gave great strength to this effort. At every point when his strength was required, the Senator from Massachusetts moved into it swiftly, wherever it was necessary and effectively, and with great imagination, and we all owe him a great debt of gratitude.

AUTHORIZATION OF APPROPRIATIONS TO THE ATOMIC ENERGY COMMISSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Order No. 745, S. 3292, a bill to authorize appropriations to the Atomic Energy Commission. It is my understanding that this measure will not take long, that there is agreement, and it is not anticipated there will be a rollcall vote.

The PRESIDING OFFICER. The bill will be stated by title.

The second assistant legislative clerk read as follows:

A bill (S. 3292) to authorize appropriations to the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes.

The Senate proceeded to consider the bill.

Mr. PASTORE. Mr. President, the bill now under consideration, S. 3292, would authorize appropriations totaling $3,676,833,000 for both "operating expenses" and "plant and capital equipment" for the coming year. That amount is approximately 2 percent more than the amount requested by the Commission. Approximately 42 percent of the Commission's fiscal year 1975 estimated program costs will be for military applications and the balance for civilian applications. Last year the portion for the military program was about 46 percent. This indicates a continued shift of the fraction of work away from military programs. The proposed authorization also emphasizes energy R. & D. programs. The energy R. & D. programs in this authorization bill are 32 percent greater than last year. The civilian applications portion includes $132.2 million in operating costs for the high energy physics program for which the AEC acts as principal funding agent for the entire Federal Government.

OPERATING FUNDS

Turning to the bill itself, the individual sections are explained in the section-by-section analysis beginning at page 46 of the committee report. Very briefly, section 101(a) would authorize $2,551,533,000 for operating expenses and this total figure consists of the programs listed in the table on page 3 of the committee report with a detailed discussion of each portion thereof beginning at page 7 of the committee report. You will note from the table on page 3 that the committee has recommended several adjustments to the AEC's requested authorization, the net total of which is an increase of $82,110,000.

I would like to highlight some of the significant areas affected by the committee's recommendations. Recognizing the Nation's need for increasing amounts of clean energy, the committee recommended an increase of $9.2 million for the light water breeder reactors, $8.9 million for nonnuclear energy programs and $9 million for controlled fusion energy research. We have also recommended an increase of $12.7 million in the Commission's licensing and regulatory program to permit a reduction in the licensing time for powerplants.

The committee also is recommending a $15 million increase in the nuclear weapons program. Although the increase is only about 1½ percent above the Commission's request, it is for a very critical area in our nuclear weapons program which is the testing program. We have looked into this matter very carefully and found that if this work is not strengthened, there is a high probability that our nuclear weapons technology would be frozen.

CONSTRUCTION FUNDS

With regard to the plant and capital equipment portion of the budget, contained in section 101(b) of the bill, a total of $1,125,300,000 is recommended which is a reduction of $5,550,000 from the amount requested by the AEC. The bill authorizes $273,300,000 for new construction projects, $208,850,000 for capital equipment not related to construction, and a $643,150,000 increase in authorization for previously authorized projects.

The major changes recommended in this area are a $26.9 million reduction for two reactor development facilities and an increase of $7.1 million for improving our uranium enrichment plants.

Sections 102, 103, and 106 of the bill set forth certain limitations regarding the application of the funds authorized by this bill. These are similar to provisions incorporated in previous authorization acts. Sections 104 and 105 authorize the Commission to retain certain receipts and to transfer operating funds to other Federal agencies for the performance of specific items of work. These sections were previously included in appropriations acts.

Section 107 provides required legislation concerning the Commission's highest priority reactor development program which is the liquid metal fast breeder program. This section concerns indemnification and ownership of the first LMFBR demonstration plant which is being carried out as a cooperative project with industry.

CONCLUSION

These are the highlights of the bill. The Joint Committee believes that the bill provides for a minimum authorization necessary to carry out at a viable level the essential programs and activities of the Commission. It was reported out without dissent by either House or Senate members of the committee.

Mr. President, I ask unanimous consent that a section-by-section analysis, which appears on page 46, beginning with section 101, and continuing through pages 47, 48, 49, and 50, and concluding on page 51, ending on the last line of page 51 with the words "Commission rather than the GAC," be printed in the RECORD.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

SECTION-BY-SECTION ANALYSIS

Section 101

Section 101 of the bill authorizes appropriations to the Atomic Energy Commission, in accordance with the provisions of section 261 of the Atomic Energy Act of 1954, as amended, for "Operating expenses" and "Plant and capital equipment."

Section 101(a) of the bill deals with the authorization of appropriations for "Operating expenses." The Commission's authorization request under this heading was presented to the committee in terms of costs to be incurred during fiscal year 1975, adjusted in total to the obligations to be incurred during the fiscal year.

The Joint Committee is recommending authorization of $2,551,533,000 for "Operating expenses," not to exceed $132,200,000 in operating costs for the high-energy physics program category. It is the Joint Committee's intent that the amount specified for any program or category shall be exceeded only in accordance with specific arrangements which have been developed between the Commission and the committee. These arrangements include provisions for periodic reporting to the committee of changes in estimates of authorized programs. These informal procedures, embodied in an exchange of correspondence between the Atomic Energy Commission and the committee, have operated efficiently. It is the Joint Committee's belief that legislative measures or other formal devices that would impose legal limitations upon the reprograming of Commission funds are not necessary at this time. It is the committee's intent that the procedures specified in this exchange of correspondence shall remain in effect during fiscal year 1975.

It is intended that costs incurred pursuant to the authorization contained in this act shall be generally in accordance with the analysis of the proposed bills submitted by the AEC and other background and explanatory materials furnished by the Commission in justification of the AEC's fiscal year 1975 authorization bill.

Plant and capital equipment obligations are provided in two sections of the bill. Under section 101(b), authorization is provided for new construction projects and capital equipment not related to construction. This authorization, together with the changes in prior-year project authorizations provided for in section 107, comprise the total authorization for plant and capital equipment provided in this bill. The AEC's request for authorization for these purposes was presented on the basis of new obligational authority required. New construction projects authorized under subsections (1) through (13) of section 101(b) of the bill total $273,300,000.

It is intended that the projects under this authorization be related, as in previous years, to the analysis of the proposed bills submitted by the AEC and other background and explanatory materials furnished by the Commission in justification of the AEC authorization bill. It is not intended to prevent technical and engineering changes which are considered necessary or desirable by the Commission consistent with the scope and purpose of the project concerned.

Pursuant to section 101(b)(11), appropriations are authorized for capital equipment not related to construction in the amount of $208,850,000. This equipment is necessary to replace obsolete or worn-out equipment at AEC installations. Additional equipment is required to meet the needs of expanding programs and changing technology. Examples of typical equipment include machine tools, computers, and office equipment. The Joint Committee expects to receive a report from the Commission at least semiannually on obligations incurred pursuant to this authorization.

Section 102

Section 102 of the bill provides limitations similar to those in prior authorization acts.

Subsection (a) provides that the Commission is authorized to start projects set forth in certain subparts of subsection 101(b) only if the currently estimated cost of the project does not exceed by more than 25 percent the estimated cost for that project set forth in the bill.

Subsection (b) provides similar limitations for projects in other subparts of subsection 101(b), except that the increase may not exceed 10 percent of the estimated cost shown in the bill.

Subsection (c) provides limitations on general plant projects authorized by subsection 101(b)(9), whereby the Commission may start such projects only if the currently estimated cost of such project does not exceed $500,000 and the maximum currently estimated cost of any building included in such project does not exceed $100,000; provided that the building cost limitation may be exceeded if the Commission determines that it is necessary in the interests of efficiency and economy. Additionally, section 102(c) provides that the total cost of all general plant projects shall not exceed the estimated cost set forth in subsection 101(b)(9) by more than 10 percent.

Under arrangements previously agreed to by the Commission and the Joint Committee, the Commission shall report to the Joint Committee and the Appropriations Committee after the close of each fiscal year concerning the use of general plant project funds, and such report shall identify each project for which the proposed new authority has been utilized.

Subsection (d) complements subsection (a) and provides that the Commission is not authorized to incur obligations in excess of 125 percent of the estimated cost set forth for certain projects described in subsection 101(b), unless and until additional appropriations are authorized under section 261 of the Atomic Energy Act. Illustratively, if the estimated cost set forth in the act were $10 million, the Commission would not be able to incur obligations for this project in excess of $12,500,000 without first obtaining an additional authorization for appropriations. This limitation does not apply to any project with an estimated cost less than $5 million.

Subsection (e) complements subsections (b) and (c) and imposes a similar limitation on certain projects described in other subparts of subsection 101(b), except that the increase may not exceed 10 percent of the estimated cost shown in the bill. This subsection likewise, is inapplicable to projects with an estimated cost less than $5 million.

Section 103

Section 103 of the bill authorizes the Commission to undertake engineering design (titles I and II) on construction projects which have been included in a proposed authorization bill transmitted to the Congress by the Commission. It is understood that this work would be undertaken on projects which the Commission deems are of such urgency that physical construction should be initiated as soon as appropriations for the project have been approved.

Section 104

Section 104 of the bill authorizes the Commission to retain and credit to its "Operating expenses" appropriation any moneys received by the Commission (except moneys received from disposal of property under the Atomic Energy Community Act of 1955, as amended), notwithstanding the provisions of section 3617 of the Revised Statutes. This provision has been included in previous appropriations acts for the AEC, but more properly belongs in the authorizing legislation.

Section 105

Section 105 authorizes the Commission to transfer sums from its "Operating expenses" appropriation to other agencies of the Government for performance of the work for which the moneys were appropriated. This provision has also been included in previous appropriation acts.

Section 106

Section 106 of the bill provides authorization for the transfer of amounts between the "Operating expenses" and the "Plant and capital equipment" appropriations as provided in the appropriation acts. The AEC appropriation acts have, in past years, provided that not to exceed 5 percent of the appropriations for "Operating expenses" and "Plant and capital equipment" could be transferred between such appropriations, provided, however, that neither appropriation could be increased by more than 5 percent by any such transfer. It is understood that any such transfer shall be reported promptly to the Joint Committee on Atomic Energy.

Section 107

Section 107 of the bill amends prior-year authorization acts as follows:

"(*a*) Section 101 of Public Law 89–428, as amended, is further amended by striking from subsection (b)(3) project 67–3–a, fast flux test facility, the figure '$87,500,000', and substituting therefor the figure '$420,000,000'.

"(*b*) Section 101 of Public Law 91–273, as amended, is further amended by striking from subsection (b)(1), project 71–1–f, process equipment modifications, gaseous diffusion plants, the figure '$172,100,000' and substituting therefor the figure '$295,100,000'.

"(*c*) Section 106 of Public Law 91–273, as amended, is further amended by striking from subsection (a) the figure '$2,000,000' and substituting therefor the figure '$3,000,000,' and by adding thereto the following new subsection (c):

"'(*c*) The Commission is hereby authorized to agree, by modification to the definitive cooperative arrangement reflecting such changes therein as it deems appropriate for such purpose, to the following: (1) to execute and deliver to the other parties to the AEC definitive contract, the special undertakings of indemnification specified *in said* contract, which undertakings shall be subject to availability of appropiations to the Atomic Enegy Commission (or any other Federal agency to which the Commission's pertinent functions might be transferred at some future time) and to the provisions of section 3679 of the Revised Statutes, as amended; and (2) to acquire ownership and custody of the property constituting the Liquid Metal Fast Breeder Reactor powerplant or parts thereof, and to use, decommission, and dispose of said property, as provided for in the AEC definitive contract.'

"These authorizations are required under the terms of the definitive cooperative arrangement before the project may proceed into the construction phase. The AEC contract specifies that construction of the plant cannot begin unless these features are contractually in effect. Subdivision (1) is concerned with indemnity protection to the other parties to the AEC definitive contract to effectuate the intention of the contracting parties that project costs and expenses are to be borne by AEC, except to the extent otherwise specifically indicated in the contract. The undertakings in the indemnity agreement are subject to the availability of appropriations and to the provisions of section 3679 of the Revised Statutes as amended. Subdivision (2) would provide AEC with the necessary legislative authority to undertake to take over the Liquid Metal Fast Breeder Reactor powerplant, or parts thereof as the case may be, and to use and dispose of said property, as provided for in the AEC definitive contract, in the event the Tennessee Valley Authority does not decide to retain ownership of the facility, or in the event of an early termination of the project, as provided for in the contract.

"Also, legislative authorization for subdivision (2) would enable AEC to determine whether to exercise an AEC option in the contract to acquire ownership of the powerplant; under the terms of the contract, this option is exercisable at any time prior to the time for formal application for a construction permit. Should AEC acquire ownership of the plant, either by exercising its option or pursuant to its undertaking to do so as indicated above, it would do so as agent of and on behalf of the United States.

"(*d*) Section 101 of Public Law 92–314, as amended, is further amended by striking from subsection (b)(4), project 73–4–b, land acquisition, Rocky Flats, Colorado, the figure '$8,000,000' and substituting therefor the figure '$11,400,000'.

"(*e*) Section 101 of Public Law 93–60 is amended by (1) striking from subsection (b)(1), project 74–1–a, additional facilities, high level waste storage, Savannah River, S.C., the figure '$14,000,000' and substituting therefor the figure '$17,500,000', (2) striking from subsection (b)(1), project 74–1–g, cascade uprating program, gaseous diffusion plants, the words '(partial AE and limited component procurement only)' and further striking the figure '$6,000,000' and substituting therefor the figure '$183,100,000', and (3) striking from subsection (b)(2), project 74–2–d, national security and resources study center, the words '(AE only), site undesignated' and substituting therefor the words 'Los Alamos Scientific Laboratory, N. Mex.,' and further striking the figure '$350,000' and substituting therefor the figure '$4,000,000'."

Section 108

Section 108 rescinds, except to the extent that funds have already been obligated, the authorization for bedrock waste storage (AE and site selection drilling only), Savannah River, S.C. (Project 70–1–b, Public Law 91–44, $4,300,000), the authorization for a national radioactive waste repository, site undetermined (Project 72–3–b, Public Law 92–84, $3,500,000), and the authorization for accelerator improvements, Cambridge Elecron Accelerator, Massachusetts (Project 73–6–c, Public Law 92–314, $75,000).

TITLE II

Section 201

Title II provides for an amendment to section 157(b)(3) of the Atomic Energy Act of 1954, as amended, to delete the limitation that the Atomic Energy Commission may grant awards for especially meritorious contributions to the development, use, or control of atomic energy only upon recommendation of the General Advisory Committee (GAC), and substitutes therefor a requirement that the Commission consult with the GAC prior to granting such an award. The requirement for presidential approval of such awards remains unchanged. This change more properly reflects the GAC's advisory role, and places the initiative for such awards in the Commission rather than the GAC. Furthermore, the Fermi Award, considered to be authorized by section 157 (b)(3), can be presented for contributions to the direction and management of scientific and engineering endeavors, as well as for scientific and technical achievements. Contributions of the former type are more likely to be within the knowledge of the Commission rather than the GAC.

Mr. PASTORE. Mr. President, I have made my major explanation. I am prepared to answer any questions, if there are any questions, but I again say that this bill is the unanimous decision of the Joint Committee, which consists of nine Members of the House and nine Members of the Senate. Every item was considered very carefully. This is considered to be the minimum authorization to do a creditable job in this area.

Mr. AIKEN. Mr. President, I am glad to see that Congress is getting busy on the authorization bills for the coming year, because it is necessary to take action on those bills before the Appropriations Committee can get busy to determine the actual amounts of the appropriations which should be made.

I do not intend to take much time of the Senate tonight. Senator PASTORE has expressed the situation very completely.

The bill now under consideration would authorize appropriations for the Atomic Energy Commission for fiscal year 1975 in the amount of $3,676,833,000. This is an increase of $1,207,078,000 or about 46 percent over the amount authorized for fiscal year 1974.

This year the Commission's program efforts relating to our national security amount to 42 percent of the total budget, with the remainder, or 58 percent, planned for the conduct of programs in the civilian applications of atomic energy.

The recommendations of the Joint Committee on Atomic Energy represents a net increase of $76,560,000 above the amount requested by the Commission in the submittal to the Congress. The principal changes among these relate to the central station power development program, the controlled thermonuclear fusion program, the Commission's regulatory program, the nuclear weapons program, and a variety of construction projects. These recommendations arise as a consequence of the committee's careful consideration of the programs proposed by the Commission and reflect the committee's judgment that in certain areas additional emphasis is needed. Many of these increases are related to long-range energy research and development which hopefully will lead to at least partial solutions to our Nation's energy needs.

I believe that a few words are in order concerning the recommended $12.7 million increase in funding above that requested for the Commission's regulatory program. There has been criticism voiced by some members of the public concerning the manner in which the Commission has conducted this program. Some of the concerns have been well-founded, the majority appear to be without basis. Nevertheless, it is worth noting that with the increasing regulatory workload and the overriding desire to maintain the high quality of the technical review, a larger number of scientific and professional personnel will be needed to develop standards, check reactor designs, and inspect reactor plants to assure that they are constructed properly so that they will operate in a safe and reliable manner.

Additionally, there would be increased staffing to reduce the time required for conduct of the safety review of license applications. This would be in consonance with the President's expressed desire to bring about a decrease in the time required for licensing and construction of nuclear powerplants from the present 8- to 10-year time period to 5 or 6 years. I am not saying that this increase would bring about a reduction of the magnitude in review time but it should contribute toward the attainment of that objective.

Mr. BAKER. Mr. President, I wish to commend the distinguished vice chairman (Mr. PASTORE) and my colleagues on the Joint Committee on Atomic Energy for the fiscal year 1975 authorization bill presently pending before the Senate. This bill, in my judgment, represents a clear and comprehensive response to the growing energy needs of our country throughout the remainder of this decade and well into the 1980's and 1990's. Unlike some other sources of energy, nuclear power requires an unusually long lead time before various concepts can be translated from the experimental stage to actual commercial use. Moreover, the need to act with greater precaution and concern for the health, safety, and environmental impact of nuclear powerplants has further extended the required lead time. Nevertheless, I am convinced that the program authorized in this bill attempts to balance those concerns with the need to develop alternative sources of energy in the next 10 to 20 years. I am particularly pleased with the committee's decision to go forward with the development of a number of new technologies which presently show enormous promise.

Among those technologies is controlled thermonuclear research for which the committee authorized $91 million for the next fiscal year. The committee increased the amount requested by the AEC by $9 million in an effort to bring about the operation of a CTR demonstration powerplant before the present schedule of the later nineties.

Another technology of great potential is heavy ion research facilities for which the committee authorized $19.2 million. Although this is a substantial reduction in the amount originally requested by the AEC to the Office of Management and Budget, it is in accordance with AEC plans to sharply increase the amount spent on heavy ion research in the future. Moreover, an ad hoc panel formed by the National Academy of Sciences praised very highly the potential benefits of developing the heavy ion concept.

A third concept of substantial interest and encouragement to me is molten salt breeder technology. It was originally decided to conclude work on molten salt in fiscal year 1974. However, the Commission wisely reconsidered that decision and opted in favor of resuming study of molten salt as a supplement to the development of the liquid metal fast breeder reactor. They did so by spending $2 million this fiscal year and requesting $4 million for the next year. The primary purpose of this money is to reassemble the team of scientists and engineers who had worked on the original project and begin work on some technical problem before requesting a substantial increase in funding. Nevertheless, the AEC testified that they plan to increase funding for molten salt in fiscal years 1976 and 1977; and I have every intention of supporting those requests when they are considered by the Joint Committee.

In addition to the $4 million authorized by the committee for work on molten salt breeder technology to be undertaken primarily at the Oak Ridge National Laboratory, the committee also agreed to authorize $1.5 million for a molten salt breeder reactor demonstration plant. That money is to be spent on preliminary planning, engineering, and development work to be undertaken by appropriate industrial interests under the auspices of the AEC with the assistance and support of other governmental and nongovernmental concerns. Such an industrial-governmental approach to construction of a molten salt demonstration plant was first suggested by a consortium of industrial interests known as EBASCO. During hearings before the committee in February, EBASCO testified regarding the possibility of undertaking a 7- to 9-year tripartite effort to build a molten salt demonstration plant. Their proposal would integrate the efforts of the Atomic Energy Commission, U.S. electric utilities, and the Japanese Government to collectively fund construction of a test reactor, first in a 60-MWt phase and then a 250-MWe phase, followed by a commercially attractive 1,000-MWe molten salt breeder reactor demonstration plant. Such an approach is very similar to the present liquid metal fast breeder reactor program in which the AEC, the Tennessee Valley Authority, and a group of utilities represented by Commonwealth Edison are parties. Under the LMFBR program, the TVA and Commonwealth Edison are obligated to provide $250 million of the estimated $750 million, while the AEC provides a minimum of $450 million and whatever cost overruns might result. The idea is to tap the financial, scientific, and technological resources of private and semiprivate industry so as to develop this very expensive, but potentially vital source of nuclear power.

What is proposed in the committee's $1.5 million authorization for a molten salt demonstration plant is not the same sort of firm long-term commitment which has been given the LMFBR, but rather the seed money to investigate the possibility of undertaking a similar effort in the area of molten salt. If a tripartite deal can be reached and if it is shown that the proposal laid before the committee is the most reasonable approach to the eventual construction of a molten salt demonstration plant, then I believe we should consider continued funding of such a cooperative effort. The point is, however, that molten salt holds great potential as an alternative source of nuclear power and the Nation can ill afford to unnecessarily delay the development of such a promising concept.

I was also very pleased by the committee's approval of a number of AEC requests regarding Oak Ridge National Laboratory and the residents of the surrounding communities.

The committee agreed to the authorization of $3 million for a high temperature gas reactor fuel refabrication plant. That plant is needed to demonstrate the process and equipment engineering, to provide tests of the maintenance methods and to provide economic data concerning the refabrication methods for HTGR fuels.

The committee also approved $9.5 million for intermediate-level waste management facilities. This money will be used to study the best possible method of disposing of radioactive wastes in anticipation of the large volume of waste to be created by the late 1970's.

The committee also approved $8.8 million for the construction of an Environmental Sciences Laboratory at ORNL. I am hopeful that this new facility will play a major role in assisting our country in its efforts to reconcile the need for more power with the need for a clean and healthy environment.

With regard to the actual environment at the Oak Ridge National Laboratory, the committee agreed to a $2.1 million request by the AEC to upgrade lab facilities in general at ORNL. This is consistent with the committee and the Commission's desire to maintain Oak Ridge as the top nuclear energy lab in the country.

And finally, I was most encouraged by the committee's decision to provide $250,000 to Anderson County, Tenn., and $295,000 to Roane County, Tenn., as payments in lieu of taxes under section 168 of the Atomic Energy Act. Although I am glad to see that these two counties are finally receiving additional compensation for the tax loss suffered as a result of their unusual tax situation vis-a-vis Oak Ridge, I am not convinced that this problem has been completely resolved. For this reason, I urged the committee and the Commission to continue to study this matter and to investigate the possibility of eligibility for additional payments under the provisions of the act.

Mr. President, I again wish to extend my congratulations and commendations to the distinguished Senator from Rhode Island and the distinguished Senator from Vermont, both of them members of the Joint Committee on Atomic Energy, for producing the bill for our early consideration.

It is a good bill. I commend it to the Senate for its consideration. I also extend congratulations to the staff for its fine work.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for third reading, was read the third time, and passed, as follows:

S. 3292

An act to authorize appropriations to the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Sec. 101. There is hereby authorized to be appropriated to the Atomic Energy Commission in accordance with the provisions of section 261 of the Atomic Energy Act of 1954, as amended:

(a) For "Operating expenses", $2,551,533,000 not to exceed $132,200,000 in operating costs for the high-energy physics program category.

(b) For "Plant and capital equipment" including construction, acquisition, or modification of facilities, including land acqusiton; and acquisition and fabrication of capital equipment not related to construction, a sum of dollars equal to the total of the following:

(1) Nuclear Materials.—

Project 75–1–a, additional facilities, high-level waste handling and storage, Savannah River, South Carolina, $30,000,000.

Project 75–1–b, replacement ventilation air filter, H chemical separations area, Savannah River, South Carolina, $6,000,000.

Project 75–1–c new waste calcining facility, Idaho Chemical Processing Plant, National Reactor Testing Station, Idaho, $20,000,000.

Project 75–1–d, waste management effluent control, Richland, Washington, $3,500,000.

Project 75–1–e, retooling of component preparation laboratories, multiple sites, $4,500,000.

Project 75–1–f, atmospheric pollution control facilities, stoker fired boilers, Savannah River, South Carolina, $7,500,000.

(2) Nuclear Materials.—

Project 75–2–a, additional cooling tower capacity, gaseous diffusion plant, Portsmouth, Ohio, $2,200,000.

(3) Weapons.—

Project 75–3–a, weapons production, development, and test installations, $10,000,000.

Project 75–3–b, high energy laser facility, Los Alamos Scientific Laboratory, New Mexico, $22,600,000.

Project 75–3–c, TRIDENT production facilities, various locations, $22,200,000.

Project 75–3–d, consolidation of final assembly plants, Pantex, Amarillo, Texas, $4,500,000.

Project 75–3–e, addition to building 350 for safeguards analytical laboratory, Argonne National Laboratory, Illinois, $3,500,000.

(4) Weapons.—

Project 75–4–a, technical support relocation, Los Alamos Scientific Laboratory, New Mexico, $2,800,000.

(5) Civilian Reactor Research and Development.—

Project 75–5–a, transient test facility, Santa Susana, California, $4,000,000.

Project 75–5–b, advanced test reactor control system upgrading, National Reactor Testing Station, Idaho, $2,400,000.

Project 75–5–c, test reactor area water recycle and pollution control facilities, National Reactor Testing Station, Idaho, $1,000,000.

Project 75–5–d, modifications to reactors, $4,000,000.

Project 75–5–e, high temperature gas reactor fuel reprocessing facility, National Reactor Testing Station, Idaho, $10,100,000.

Project 75–5–f, high temperature gas reactor fuel refabrication pilot plant, Oak Ridge National Laboratory, Tennessee, $3,000,000.

Project 75–5–g, molten salt breeder reactor (preliminary planning preparatory to possible future demonstration project), $1,500,000.

(6) Physical Research.—

Project 75–6–a, accelerator and reactor improvements and modifications, $3,000,000.

Project 75–6–b, heavy ion research facilities, various locations, $19,200,000.

Project 75–6–c, positron-electron joint project, Lawrence Berkeley Laboratory and Stanford Linear Accelerator Center, $900,000.

(7) Biomedical and Environmental Research and Safety.—

Project 75–7–a, upgrading of laboratory facilities, Oak Ridge National Laboratory, Tennessee, $2,100,000.

Project 75–7–b, environmental research laboratory, Savannah River, South Carolina, $2,000,000.

Project 75–7–c, intermediate-level waste management facilities, Oak Ridge National Laboratory, Tennessee, $9,500,000.

Project 75–7–d, modifications and additions to biomedical and environmental research facilities, $2,850,000.

(8) Biomedical and Environmental Research and Safety.—

Project 75–8–a, environmental sciences laboratory, Oak Ridge National Laboratory, Tennessee, $8,800,000.

(9) General Plant Projects.—$55,650,000.

(10) Construction Planning and Design.—$2,000,000.

(11) Captial Equipment.—Acquisition and fabrication of capital equipment not related to construction, $208,850,000.

(12) Reactor Safety Research.—

Project 75–12–a, reactor safety facilities modifications, $1,000,000.

(13) Applied Energy Technology.—

Project 75–13–a, hydrothermal pilot plant, $1,000,000.

Sec. 102. Limitations.—(a) The Commission is authorized to start any project set forth in subsection 101(b) (1), (3), (5), (6), (7), (12), and (13) only if the currently estimated cost of that project does not exceed by more than 25 per centum the estimated cost set forth for that project.

(b) The Commission is authorized to start any project set forth in subsection 101(b) (2), (4), (8), and (10) only if the currently estimated cost of that project does not exceed by more than 10 per centum the estimated cost set forth for that project.

(c) The Commission is authorized to start any project under subsection 101(b) (9) only if it is in accordance with the following:

(1) The maximum currently estimated cost of any project shall be $500,000 and the maximum currently estimated cost of any building included in such project shall be $100, 000: provided that the building cost limitation may be exceeded if the Commission determines that it is necessary in the interest of efficiency and economy.

(2) The total cost of all projects undertaken under subsection 101(b) (9) shall not exceed the estimated cost set forth in that subsection by more than 10 per centum.

(d) The total cost of any project undertaken under subsection 101(b) (1), (3), (5), (6), (7), (12), and (13) shall not exceed the estimated cost set forth for that project by more than 25 per centum, unless and until additional appropriations are authorized under section 261 of the Atomic Energy Act of 1954, as amended, provided that this subsection will not apply to any project with an estimated cost less than $5,000,000.

(e) The total cost of any project undertaken under subsection 101(b) (2), (4), (8), (9), and (10) shall not exceed the estimated cost set forth for that project by more than 10 per centum, unless and until additional appropriations are authorized under section 261 of the Atomic Energy Act of 1954, as amended, provided that this subsection will not apply to any project with an estimated cost less than $5,000,000.

Sec. 103. The Commission is authorized to perform construction design services for any Commission construction project whenever (1) such construction project has been included in a proposed authorization bill transmitted to the Congress by the Commission, and (2) the Commission determines that the project is of such urgency that construction of the project should be initiated promptly upon enactment of legislation appropriating funds for its construction.

Sec. 104. Any moneys received by the Commission (except sums received from the disposal of property under the Atomic Energy Community Act of 1955, as amended (42 U.S.C. 2301)) may be retained by the Commission and credited to its "Operating expenses" appropriation notwithstanding the provisions of section 3617 of the Revised Statutes (31 U.S.C. 484).

Sec. 105. Transfers of sums from the "Operating expenses" appropriation may be made to other agencies of the Government for the performance of the work for which the appropriation is made, and in such cases the sums so transferred may be merged with the appropriation to which transferred.

Sec. 106. When so specified in an appropriation Act, transfers of amounts between "Operating expenses" and "Plant and capital equipment" may be made as provided in such appropriation Act.

Sec. 107. Amendment of Prior Year Acts.—(a) Section 101 of Public Law 89–428, as amended, is further amended by striking from subsection (b)(3) project 67–3–a, fast flux test facility, the figure "$87,500,000", and substituting therefor the figure "$420,000,000".

(b) Section 101 of Public Law 91–273, as amended, is further amended by striking from subsection (b)(1), project 71–1–f, process equipment modifications, gaseous diffusion plants, the figure "$172,100,000" and substituting therefor the figure "$295,100,000".

(c) Section 106 of Public Law 91–273, as amended, is further amended by striking from subsection (a) the figure "$2,000,000" and substituting therefore the figure $3,000,000," and by adding thereto the following new subsection (c):

"(c) The Commission is hereby authorized to agree, by modification to the definitive cooperative arrangement reflecting such changes therein as it deems appropriate for such purpose, to the following: (1) to execute and deliver to the other parties to the AEC definitive contract, the special undertakings of indemnification specified in said contract, which undertakings shall be subject to availability of appropriations to the Atomic Energy Commission (or any other Federal agency to which the Commission's pertinent functions might be transferred at some future time) and to the provisions of section 3679 of the Revised Statutes, as amended; and (2) to acquire ownership and custody of the property constituting the Liquid Metal Fast Breeder Reactor powerplant or parts thereof, and to use, decommission, and dispose of said property, as provided for in the AEC definitive contract."

(d) Section 101 of Public Law 92–314, as amended, is amended by striking from subsection (b)(4), project 73–4–b, land acquisition, Rocky Flats, Colorado, the figure "$8,000,000" and substituting therefor the figure "$11,400,000".

(e) Section 101 of Public Law 93–60 is amended by (1) striking from subsection (b) (1), project 74–1–a, additional facilities, high level waste storage, Savannah River, South Carolina, the figure "$14,000,000" and substituting therefor the figure "$17,500,000", (2) striking from subsection (b)(1), project 74–1–g, cascade uprating program, gaseous diffusion plants, the words "(partial AE and limited component procurement only)" and further striking the figure "$6,000,000" and substituting therefor the figure "$183,100,000", and (3) striking from subsection (b) (2), project 74–2–d, national security and resources study center, the words "(AE only), site undesignated" and substituting therefor the words "Los Alamos Scientific Laboratory, New Mexico" and further striking the figure "$350,000" and substituting therefor the figure "$4,000,000".

Sec. 108. Rescission.—(a) Public Law 91–44, as amended, is further amended by rescinding therefrom authorization for a project, except for funds heretofore obligated, as follows:

Project 70–1–b, bedrock waste storage (AE and site selection drilling only), Savannah River, South Carolina, $4,300,000.

(b) Public Law 92–84, as amended, is further amended by rescinding therefrom authorization for a project, except for funds heretofore obligated, as follows:

Project 72–3–b, national radioactive waste repository, site undetermined, $3,500,000.

(c) Public Law 92–314, as amended, is further amended by rescinding therefrom authorization for a project, except for funds heretofore obligated, as follows:

Project 73–6–c, accelerator improvements, Cambridge Electron Accelerator, Massachusetts, $75,000.

TITLE II

Sec. 201. Section 157b.(3) of the Atomic Energy Act of 1954, as amended, is amended by striking out "upon the recommendation of" and inserting in lieu thereof "after consultation with".

Mr. PASTORE. Mr. President, I could not leave without a word of praise for the staff. They worked assiduously on the bill. They did a magnificent job and deserve the congratulations of the Senate and, indeed, the people of the country.

Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. AIKEN. I move to lay the motion on the table.

The motion to lay on the table was agreed to.

ORDER FOR COMMITTEE ON COMMERCE TO FILE LATE REPORTS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Committee on Commerce be allowed to file late reports, by midnight tomorrow, on S. 1485, a bill to establish an International Commerce Service within the Department of Commerce; S. 1486, a bill to authorize the Secretary of Commerce to engage in certain export expansion activities; and S. 1488, a bill to provide for a system of uniform commodity descriptions and tariffs filed with the Federal Maritime Commission.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request? The Chair hears none, and it is so ordered.

ORDER FOR CONSIDERATION OF S. 3231—INDEMNITY PAYMENTS TO POULTRY AND EGG PRODUCERS

Mr. MANSFIELD. Mr. President, on the basis of a statement made the other day, I ask unanimous consent that Calendar No. 744 S. 3231, a bill to provide indemnity to poultry and egg producers, which was to have come up today, be called up on Tuesday, the 23d of April.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, a 1-hour agreement was granted by the Senate yesterday. Within the 1-hour agreement were three amendments, each to have 10 minutes, and one for 20 minutes. In order to clarify the situation, which has caused some confusion, I ask unanimous consent that the 1 hour be separate and apart from the time agreed to on the three amendments to be offered.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

ORDER FOR ADJOURNMENT TO MONDAY, APRIL 22, 1974

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until the hour of 12 o'clock noon on Monday, April 22, 1974.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR PROXMIRE ON MONDAY, APRIL 22, 1974

Mr. MANSFIELD. Mr. President, I ask unanimous consent that after the two leaders have been recognized on Monday, April 22, 1974, the distinguished Senator from Wisconsin (Mr. PROXMIRE) be recognized to speak for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

DETAIL OF PERSONNEL AND TO LOAN EQUIPMENT TO BUREAU OF SPORT FISHERIES AND WILDLIFE, DEPARTMENT OF THE INTERIOR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Chair lay before the Senate a message from the House of Representatives on H.R. 8101, and that the Senate proceed to its immediate consideration.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

> H.R. 8101. An act to authorize certain Federal agencies to detail personnel and to loan equipment to the Bureau of Sport Fisheries and Wildlife, Department of the Interior.

The PRESIDING OFFICER. Without objection, the bill will be considered as having been read twice by its title, and the Senate will proceed to the consideration of the bill.

Mr. BAKER. Mr. President, will the Senator from Montana yield?

Mr. MANSFIELD. I yield.

Mr. BAKER. I noted in the announcement of the distinguished majority leader a request that the Senate proceed to the consideration of the poultry bill on Tuesday, the 23d of April. Might I inquire of the majority leader when he intends that we shall take up the no-fault insurance bill?

Mr. MANSFIELD. I am glad that the Senator reminded me of that. I shall try to keep my word.

NATIONWIDE SYSTEM OF NO-FAULT MOTOR VEHICLE INSURANCE

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 662, S. 354, and that it be made the pending business.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

> A bill (S. 354), to establish a nationwide system of adequate and uniform motor vehicle accident reparation acts and to require no-fault motor vehicle insurance as a condition precedent to using a motor vehicle on public roadways in order to promote and regulate interstate commerce.

Mr. BAKER. I thank the distinguished majority leader. If I correctly understand the situation, the no-fault insurance bill has now been laid before the Senate and is the pending business.

Mr. MANSFIELD. That is correct.

Mr. BAKER. And will be considered on Monday, April 22?

Mr. MANSFIELD. That is correct.

The PRESIDING OFFICER. The Senate has a matter pending before it.

DETAIL OF PERSONNEL AND TO LOAN EQUIPMENT TO BUREAU OF SPORT FISHERIES AND WILDLIFE, DEPARTMENT OF THE INTERIOR

The Senate resumed the consideration of the bill H.R. 8101, to authorize certain Federal agencies to detail personnel and to loan equipment to the Bureau of Sport Fisheries and Wildlife, Department of the Interior.

The PRESIDING OFFICER. The amendment of the Senator from Montana will be stated.

The legislative clerk read as follows:

> Insert at the end of the new subparagraph (2) the following new matter:
>
> "(C) The Director of the Bureau of Sport Fisheries and Wildlife shall make an annual report at the end of each fiscal year to the Congress concerning the utilization of the provisions of this subparagraph and the additional cost, if any, to the Federal Government resulting therefrom. Such annual report shall be referred in the Senate to the Committee on Commerce and in the House of Representatives to the Committee on Merchant Marine and Fisheries."

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Montana.

The amendment was agreed to.

The PRESIDING OFFICER. If there be no further amendment to be proposed, the question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill (H.R. 8101) was passed.

NO-FAULT INSURANCE AND OTHER SENATE BUSINESS COMMENCING MONDAY, APRIL 22, 1974

Mr. MANSFIELD. Mr. President, now that we are back on the pending business—the unfinished business which is the no-fault bill—I call attention to the fact that the chairman of the Committee on Commerce, the distinguished Senator from Washington (Mr. MAGNUSON), has been most desirous that this measure be brought up. He will make a brief opening statement tonight and I would hope that he and the distinguished Senator from New Hampshire (Mr. COTTON), the ranking Republican member of the committee, will be here on Monday, April 22, to begin the debate on this most important measure. Should the need arise, however, it will be the intention of the leadership to endeavor to clear as many bills as possible so that if gaps do arise for any reason beginning on Monday, April 22, there are a number of bills and conference reports that may be considered. All Senators should be on notice. Matters in this category include the following: H.R. 11385 dealing with health services research and medical libraries; S. 411, dealing with the Postal Service, S. 3203, dealing with the National Labor Relations Act; S. 2986, dealing with the International Economic Policy Act; and the conference report on energy. I urge all Senators to take note of this and to be prepared beginning the day we reconvene.

Mr. MAGNUSON. Mr. President today the Senate begins floor consideration of S. 354, the National No-Fault Motor Vehicle Insurance Act. After weeks of hearings and hours of executive deliberation, two committees of the Senate have favorably reported S. 354 to the Senate floor.

A majority of both the Senate Commerce Committee and the Senate Judiciary Committee have recommended that S. 354 be passed by the full Senate. While opponents of the legislation will engage in hours and hours of debate on the particular details of S. 354, the basic issues are simple:

First, should every automobile accident victim in the United States receive timely compensation without regard to fault for the economic losses he sustains in an automobile accident?

Second, should automobile insurance consumers be afforded over a billion dollars a year in premium savings?

If a Senator wants to provide timely compensation for each auto victim *while* simultaneously reducing premium costs, he will vote for S. 354. If he does not want to assure timely compensation to each and every automobile accident victim or afford them significant premium reduction, he will vote against S. 354. It is as simple as that.

Some of my colleagues will attempt to run away from the issue by hiding behind the claim that S. 354 will produce premium increases in their particular State. That argument, however, has no substance because of the independent actuarial study by Milliman and Robertson, Inc., which reports that average personal injury insurance premiums in every State will go down if S. 354 is enacted. Milliman and Robertson, you will recall was selected by the State insurance commissioners, themselves, to develop reliable, unbiased cost information on various no-fault bills.

Some of my colleagues will argue that they are in favor of no-fault but believe that the States should be free to enact their own no-fault plans. The fact of the matter is that the Supreme Court of the United States has declared insurance to be a matter of interstate commerce. Therefore, it is incumbent upon the Congress of the United States to exercise its constitutional responsibility and at least establish minimum Federal standards for no-fault automobile insurance reform.

No one can argue that the States have not been given the chance to enact their own no-fault plans. Some States have moved toward no-fault; others have enacted add-on plans which provide timely compensation for automobile accident victims up to certain limits but which do nothing to protect the consumer's pocketbook against the waste and inefficiency of the present lawsuit system. The sad fact is that many States have done nothing and will continue to do nothing unless Congress acts.

I am sure that some of my colleagues will profess their support for no-fault but argue that the standards in S. 354 are too high. They will argue that automobile accident victims should not be entitled to payment for all their medical and rehabilitation expense or for lost wages up to $15,000 as required in S. 354.

What, then, is the injured automobile accident victim entitled to? Who is going to stand here and tell the wife or children of a seriously injured automobile accident victim that their husband or father is not entitled to medical expense protection beyond a mere $3,000 or $5,000 because Members of Congress decided that the States should be free to deny such compensation to automobile accident victims? Who is going to tell them that in order to pay for extensive medical bills or rehabilitation care that they're going to have to "hawk" all their possessions and go on welfare? Who is going to tell them that their father or husband will never walk again because a State should be free to deny the auto accident victim proper rehabilitation services?

I ask my colleagues to keep in mind the two central issues—the issue of timely compensation for each and every automobile accident victim and the issue of insurance premium cost reduction—as the debate focuses on whether or not S. 354 is constitutional or whether it properly limits the right to sue for noneconomic detriment. As President Nixon continues to say, "no-fault is an idea whose time has come." Pious pronouncements, however, will not translate the idea of no-fault insurance into reality; Members of the U.S. Congress must take positive action to establish a minimum national no-fault automobile insurance program.

Mr. President, I ask unanimous consent that a detailed description of S. 354 be included in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

DESCRIPTION

(1) GENERAL

The technical basis for the bill is the Uniform Motor Vehicle Accident Reparations Act (hereinafter UMVARA), which was promulgated in August 1972 by the National Conference of Commissioners on Uniform State Laws, an organization of State government officials named pursuant to the laws of each of the 50 States to promote uniformity of law in areas of common concern. The bill would create a nationwide automobile insurance system which would, in the event of a motor vehicle accident, pay the cost of restoring to the maximum extent feasible, all occupants and pedestrians who are injured, and compensate, subject to reasonable limitation, the economic loss of all deceased victims. While extending this *right to recover benefits to all persons*, S. 354 would simultaneously restrict each person's *right to sue* because of the fault of another to cases of serious injury.

The bill would preempt any provision of any State law which would prevent the establishment or administration in any State of a no-fault plan for motor vehicle insurance in accordance with title II or title III of the bill (section 201(a)).

Each State could establish a State no-fault plan which meets or exceeds the national standards set forth in S. 354 at any time prior to the completion of the first general session of the State legislature that convenes after the bill is enacted. The Secretary of Transportation would determine whether a State plan was in accordance with title II, *i.e.* meets or exceeds national standards (sections 201(b), (c)). The national standards (defined in section 202(a)) are met or exceeded by a State plan's provisions if the State provisions are in substance the same, equivalent, more favorable or beneficial to an insured or a claimant, or more restrictive of tort liability than the national requirements. State plan provisions as to which there are no corresponding provisions in the national standards are permitted so long as they are not inconsistent with the policy of the bill (section 202(b)).

If a State does not establish a no-fault plan in accordance with title II during its first legislative session, an alternative State no-fault plan for motor vehicle insurance, title III of the bill, would become applicable and go into effect in that State nine months later. If, at any time, a title III State establishes a State no-fault plan that meets or exceeds national standards, the alternative plan would cease to apply in that State and would be replaced by the State's own plan. Conversely, if a title II State ceased to maintain its no-fault plan in accordance with title II, that plan would cease to be in effect and the alternative State no-fault plan under title III would become effective on a date to be designated by the Secretary (sections 201(d)-(f)).

Determining whether a State no-fault plan is initially and continually in accordance with the national standards is the *only* operational responsibility of the Federal Government. All other activities—regulation of insurance, setting of rates, taxing, management of motor vehicle registration, investigation of claims, and litigation procedures—remain the responsibilities of State and local government in accordance with State law. Having set the national standards as a basic floor, the Federal Government goes no further. S. 354 leaves each State free to develop its no-fault plan beyond the minimum standards and, except for the periodic review under section 201, free from any further new involvement with any Federal agency.

The national standards cover only the primary requirements for a system that will operate coast-to-coast to assure that every victim of a motor vehicle accident anywhere in the United States gets an acceptable degree of treatment and compensation. Non-essential requirements are not mandated for the nationwide system (*i.e.* there is no national standard as to whether residual tort liability insurance should or should not be compulsory; as to whether motor vehicle damage and other property damage loss should or should not be included within the no-fault system; as to how motorcycles should be treated; or as to whether victims should be required to undergo insurance company-administered compulsory physical examinations).

At a minimum, a State establishing a no-fault plan for motor vehicle insurance in accordance with title II of the bill would require each owner of a motor vehicle present or registered in the State to continuously provide security (via an insurance policy or approved self-insurance) for the payment of "basic restoration benefits." This security must pay basic restoration benefits (on a periodic basis as loss occurs) up to at least the following levels:

(1) *all* reasonable charges for medical treatment and care, emergency health services, and medical and vocational rehabilitation services grouped together under the heading "allowable expense" (section 204(a));

(2) reimbursement for all of a victim's work loss—

(A) up to his monthly earned income prior to the accident if the amount was disclosed and agreed to in the insurance policy before the injury, or $1,000 times a formula which reflects differences in average per capita income in different States, whichever is less, and

(B) up to a total amount of $25,000 times a formula which reflects differences in average per capita income in different States. (Applying the formula, the maximum basis restoration benefits for work loss would range from $17,101.27 to $35,135.33.) (section 204 (b)) (under section 204(b)(2) a State may determine to lower total work loss protection to $15,000).

(3) reimbursement for replacement services loss (cost of obtaining services victim would have performed personally but for the accident—*e.g.* cooking) subject to reasonable limitations set by the State (section 204(c));

(4) reasonable charges, not to exceed $1,000, for funeral and burial expenses; and

(5) compensation for survivor's loss subject to reasonable limitations set by the State (section 103(2), 204(d)).

With respect to claims by an insured (person named in a policy or residing in the same household as a named insured), the bill authorizes a State to allow deductibles not to exceed $100 per individual, and a no-benefits waiting period not to exceed one week.

The State plan may, of course, require that basic restoration benefits include greater work loss benefits and, in addition, may require payment of such added restoration benefits as compensation for noneconomic detriment (pain and suffering). Basic restoration benefits would not pay any claims for damage to property, but coverage for property loss (i.e. physical damage to a motor vehicle) must be *offered* to each owner as added restoration insurance (section 209 (b)). Under national standards, a State plan may treat auto damage on a fault basis as it is presently treated or place it under a no-fault system.

Lawsuits to recover economic losses (termed "loss" in the bill) would be permitted when loss exceeds basic restoration benefit limits. Lawsuits for noneconomic detriment (subject to a $2,500 deduction) would not be permitted unless a motor vehicle accident victim died, suffered serious and permanent disfigurement or other serious and permanent injury, or suffered more than 6 continuous months of total disability (section 206).

Under the national standards, motor vehicle insurance (security for the payment of basic restoration benefits) is the primary source for payment of the losses of victims and the survivors of deceased victims. To prevent problems that the primacy of auto insurance could present to persons who presently receive all-encompassing health insurance and other benefits from insurance plans paid for in whole or in part by their employers, each State is specifically required to permit such benefits to be coordinated with no-fault benefits. The purchaser of such benefits (i.e. the employer) is required to pass on the savings from this coordination to the other individuals for whom he is acting (i.e. employees) through direct payment or substitute benefits. (section 204(f)).

In order for a State no-fault plan to be in accordance with title II of the bill, it must also meet a standard designed to make motor vehicle insurance available to all, including the economically disadvantaged (section 105(a)(5)); provide interest assessments for an insurer that fails to pay no-fault benefits promptly and requires the insurer to pay attorney's fees if a victim must go to court to obtain such benefits (sections 106, 107); provide a system for payment of assigned claims (section 108); provide the means to enable consumers to compare prices being charged by insurers (section 109(b)); authorize the State insurance commissioner to provide an accountability program for medical and vocational rehabilitation services and to take steps to assure the availability of emergency health services and medical and vocational rehabilitation services in the State (section 109(c) and (d)); require that a no-fault system operate between insurance companies as well as between motorists (section 111); implement the system of priorities for the payment of basic restoration benefits in cases in which more than one source is available (section 205); and require insurers to *offer* motorists certain added restoration benefits coverages (section 209).

The alternative State no-fault plan for motor vehicle insurance (title III) places no limitations on the *total* benefits that a victim or the survivor of a deceased victim could receive. Work loss benefits would be paid up to $1,000 a month times a formula which reflects differences in average per capita income in different States but there would be no limitation on the total amount of basic restoration benefits for work loss (section 302 (a)). Benefits for replacement services loss and survivor's loss would be paid for as long as the loss resulting from injury arising out of the maintenance or use of a motor vehicle lasts, subject to a $200 per week ceiling (section 302(c)). The right to sue in the hope of recovering damages for economic or noneconomic detriment in most situations would be eliminated. Compensation for economic loss would be provided by the basic restoration insurance, and compensation for noneconomic detriment would be available to each person who chooses to purchase insurance providing added restoration benefits for noneconomic detriment to a victim in such amounts and upon such conditions as the insured selects. This "no-fault pain and suffering" option must be offered by each insurer writing basic restoration insurance in the State (section 304(b)).

Under both a State no-fault plan in accordance with title II and the alternative State no-fault plan, no benefits would be paid to a victim or the survivors of a deceased victim for intentionally-inflicted injuries or to a victim who had stolen the motor vehicle involved in the accident resulting in injury (section 210). A motor vehicle owner driving without the necessary motor vehicle insurance who suffers injury is entitled to receive basic restoration benefits from the assigned claims plan *minus* all the optional deductibles and exclusions required to be offered in the State and *minus* $500 in benefits for each year of the owner's failure to provide the necessary security except that no deduction would be made from allowable expense items—medical care, emergency health services, medical and vocational rehabilitation services (section 108 (a)(4)).

The bill provides easily applied and consistent rules for resolving questions arising when persons travel from State to State (section 110). If an owner satisfies the security requirements in the State in which he registers his vehicle, he is deemed to have satisfied the security requirements in every State through which he drives while the insurance is in effect. When an individual is injured in an auto accident, the benefit levels of the plan in effect in his State of domicile determine his level of recovery no matter what his source of recovery (*e.g.* his own policy, someone else's policy, a self-insurer, or an assigned claims plan). An insurer is obligated to pay benefits to a claimant based upon his place of domicile. An accident victim's lawsuit rights are also governed by the law of the State of domicile. If a person from a State which has not yet enacted no-fault is injured or if a person is not domiciled in any State (*e.g.* a foreign tourist), then the no-fault plan in effect in the State in which the accident occurs controls questions as to the level of benefits and lawsuit rights. The provisions in section 110 make the national standards system practical and workable by permitting State by State variation above the minmum standards without creating impossible burdens on interstate motorists and their insurers.

(2) GLOSSARY OF SPECIALIZED TERMS USED IN THE BILL

Basic restoration insurance is insurance by which an insurer, self-insurer, or obligated government is required to pay a victim basic restoration benefits, on a no-fault basis, for his net loss from injury arising out of the maintenance or use of a motor vehicle. Basic restoration insurance (also termed security for the payment of basic restoration benefits and basic restoration benefits coverage) is compulsory for all motor vehicle owners (section 104).

Added restoration insurance is optional insurance (although some coverages must be offered for sale to the insured by each insurer providing basic restoration insurance) which provides security for the payment (by an insurer, self-insurer, or obligated government) of added restoration benefits.

Restoration obligor is an entity required to pay basic restoration benefits and, where applicable, added restoration benefits. A restoration obligor is either an insurer, a self-insurer, or an obligated government.

Insurer is any legal entity, other than a self-insurer or obligated government, which is authorized by State law to provide required motor vehicle insurance, including where authorized in a State, a private insurance company, a Blue Cross association, a State established or supervised plan under section 105(a), or a State fund such as the A.C.C.A. in Puerto Rico.

Loss is economic loss for which a victim or the survivors of a deceased victim are entitled to receive basic restoration benefits reduced, if applicable, by social security disability, medicare, workmen's compensation, and similar government or government-required benefits or advantages specified in section 208. *Net loss* is loss minus the above enumerated collateral benefits or advantages and an amount equal to any income tax savings not to exceed 15%. Loss is subdivided into four distinct and separate categories:

(*a*) *Allowable expense* is the reasonable cost of medical treatment and care, emergency health services, medical and vocational rehabilitation services, and funeral and burial services (up to $1,000).

(*b*) *Work loss* is wages and earnings lost as a consequence of the motor vehicle accident. It includes loss of income, even projected future earnings of a person not presently employed, and the cost of a substitute or special services to mitigate loss of income. With respect to lost future earnings, adjustments will be made to compensate for inflationary changes in the value of the dollar (section 207(d)(2)).

(*c*) *Replacement services loss* is the reasonable cost of obtaining ordinary and necessary services (which are not income producing) in lieu of those the victim would have performed for his own benefit, or that of his family, but for the accident and injury.

(*d*) *Survivor's loss* is the loss to the survivor of a deceased victim of the income the deceased victim would have earned and contributed to the survivor, but for the accident, and the cost of obtaining ordinary and necessary services in lieu of those the deceased victim would have performed for the benefit of the survivor, minus expenses avoided by reason of the death.

Basic restoration benefits are the benefits to be paid to each victim or the survivor of a deceased victim. Basic restoration benefits are required to be paid for net loss, subject to the national standard on limitations on such benefits (section 204).

Added restoration benefits are the benefits to be paid to a person who purchases optional insurance in addition to basic restoration benefits coverage. It may include collision coverage for damage to a motor vehicle, benefits for noneconomic detriment (pain and suffering), and excess coverages beyond the limitations on basic restoration benefits.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Hackney, one of its reading clerks, announced that the House had agreed to the amendments of the Senate to the concurrent resolution (H. Con. Res. 475) providing for a conditional adjournment of the House from April 11 until April 22, 1974.

The message also announced that the House insisted upon its amendment to the bill (S. 3062) entitled the "Disaster Relief Act Amendments of 1974"; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. JONES of Alabama, Mr. ROBERTS, Mr. JOHNSON of California, Mr. HARSHA, and Mr. SNYDER were appointed conferees on the part of the House at the conference.

MESSAGE FROM THE HOUSE OF REPRESENTATIVES

A message from the House of Representatives, delivered by Mr. Hackney, one of its clerks, announced that the House had agreed to the amendment of the Senate to House Concurrent Resolution 475, providing for an adjournment of the Congress until Monday, April 22, 1974, at 12 noon.

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on today, April 11, 1974, he presented to the President of the United States the enrolled bill (S. 1745) to provide financial assistance for research activities for the study of sudden infant death syndrome, and for other purposes.

LEGISLATIVE ACHIEVEMENTS, 93D CONGRESS, 2D SESSION

Mr. MANSFIELD. Mr. President, since convening on January 21, some major legislation has been passed as a result of many hours of work by Senators in committee, on the floor, and often in House-Senate conference. Most important among the measures passed in the last 2½ months are the budget reform bill, the minimum wage increase—which has become law—the creation of an independent Legal Services Corporation, a comprehensive housing and community development program, a campaign reform measure, and a bill seeking to promote maximum Indian participation in the government and education of the Indian people.

As some indication of progress, I would like to note that of the nine priority legislative items which I mentioned in a televised account of the state of the Congress on February 1, five of these measures have already passed the Senate while two others—the education bill and no-fault auto insurance—are on the Senate calendar and will be considered after Easter.

The status of these nine priority items is as follows:

First. National health insurance—House hearings begin on April 24.

Second. Housing program—passed Senate March 11, 1974.

Third. Private pension plan reform—in conference.

Fourth. Minimum wage increase—Public Law 93-259.

Fifth. No-fault auto insurance—on calendar.

Sixth. Budget reform—passed Senate March 22, 1974.

Seventh. Education bill—on calendar.

Eighth. Tax reform—House hearings completed.

Ninth. Campaign reform—passed Senate April 11, 1974.

In addition to these major measures, the Senate has passed a number of other bills, 142 in total. It has confirmed 10,443 nominations and acted on two treaties, having met for 46 days with a total of 138 rollcall votes.

I ask unanimous consent that a report, with subject index, prepared by the Senate Democratic policy committee, containing a summary of measures passed by the Senate this session be inserted in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SENATE LEGISLATIVE ACTIVITY INDEX (93D CONGRESS, 2D SES.)

(By Senate Democratic Policy Committee)

AGRICULTURE

Animal Health Research (H.R. 11873)
Fertilizer (S. Res. 289)
Forest Management (S. 2296)
Rice Allotment Transfers (S. 3075)
Wheat Supplies (S. Con. Res. 70)

APPROPRIATIONS 1974

Veterans' Administration Supplemental (H.J.Res. 941)

CONGRESS

Budget Reform (H.R. 7130)
Senate Committee Employees Pay—Franked Mail (S. 2315)
Senate Confirmation of Presidential Appointments:
Office of Management and Budget (S. 37)

CRIME-JUDICIARY

Canal Zone Marriage Licenses (S. 2348)
Commission on Revision of the Federal Appellate System (S. 3052)
Legal Services Corporation (H.R. 7824)
Mandatory Death Penalty (S. 1401)
Narcotics Treatment (S. 1115)

DEFENSE

Enlisted Personnel Bonus—Female Appointments to Academies (S. 2771)
Medical Officers' Pay (S. 2770)

DISTRICT OF COLUMBIA

Advisory Neighborhood Councils (H.R. 12109.
Taxability of Certain Dividends—D.C. Election (H.R. 6186).

ECONOMY-FINANCE

Abandoned Money Orders and Traveler's Checks (S. 2705).
Check Forgery Insurance (H.R. 6274).
Housing and Community Development (S. 3066).
Pension Reform (H.R. 2 [H.R. 4200]).
Securities and Exchange Commission (SEC) Paperwork Reduction (S. Res. 173).
Supplemental Security Income—Unemployment Compensation (H.R. 13025).

EDUCATION

Educational Funding and Guaranteed Student Loans (H.R. 12253).

ELECTIONS

Campaign Reform (S. 3044).
Watergate Committee (S. Res. 287), (S. Res. 288), (S. Res. 286).

ENERGY

*Energy Emergency (S. 2589).
Federal Energy Administration (H.R. 11793 [S. 2776]).
Oil Price Increase (S. Res. 249).
Truck Fuel Prices (S.J. Res. 185).
Washington Energy Conference (S. Res. 279).

ENVIRONMENT

Environmental Education (S. 1647).
Ocean Dumping (H.R. 5450).
Oil Pollution (S. 1070).
Woodsy Owl (S. 1585).

GENERAL GOVERNMENT

Atomic Energy Commission Authorization (S. 3292).
Disaster Relief (S. 3062).
Federal Procurement Policy (S. 2510).
Idaho Admission Act (S. 939).

GOVERNMENT EMPLOYEES

Civil Service Retirement Annuities (S. 1866).
Civil Service Survivors Eligibility (S. 2174).
Pay Raises for Members of Congress, Federal Judges, and Top Executive Branch Officials (S. Res. 293).
Privacy and Rights of Federal Employees (S. 1688).

HEALTH

Alcohol Abuse and Alcoholism Prevention (S. 1125)
Biomedical Research (H.R. 7724)
Diabetes Mellitus (S. 2830)
Medical Devices (S. 2368)
National Cancer Program (S. 2893)
Sudden Infant Death Syndrome (S. 1745)

INDIANS

Assistant Secretary for Indian Affairs (S. 2777)
Constitutional Rights of Indians (S. 969)
Indian Financing (S. 1341)
Indian Self-Determination (S. 1017)

INTERNATIONAL

China Indemnification Agreement (S. 3304)
American Hospital of Paris, Inc. (S. 1836)
Foreign Service Buildings (H.R. 12465)
International Ocean Exposition '75 (S. 2662)
Military Assistance to Greece (S. 2745)
Missing in Indochina (S. Con. Res. 81)
Missing Newsmen (S. Res. 291)
Overseas Private Investment Corporation (OPIC) (S. 2957)
State Department Supplemental Authorization (H.R. 12466)
Treaties:
Customs Convention on the International Transit of Goods (Ex. P, 93d–1st)
Extradition Treaty with Denmark (Ex. U, 93d–1st)
1980 Winter Olympic Games (S. Con. Res. 72)

LABOR

Minimum Wage Increase (S. 2747)

MEMORIALS—TRIBUTE

B. Everett Jordan, Death of (S. Res. 298)
Georges Pompidou, Death of S. Res. 304)
Hank Aaron Home Run Record (S. Res. 303), (S. Res. 305)
Lyndon B. Johnson Conservation Corps Center and Lyndon B. Johnson National Grasslands (S. 2835)

NATURAL RESOURCES

Fish and Wildlife Service (H.R. 13542)
Lone Rock Lake Project (S. 1961)
National Ocean Policy Study (S. Res. 222)
Rivers and Harbors—Public Works (H.R. 10203 [S. 2798])
Rocky Mountain National Park, Colorado (S. 2394)
Special Recreation Use Fees (S. 2844)
Wild and Scenic Rivers—Chattooga River (H.R. 9492 [S. 921])
Wilderness Areas:
Weminuche Wilderness (S. 1863)

PROCLAMATIONS

National Agriculture Week (S.J. Res. 163)
National Volunteer Week (S.J. Res. 179)

TRANSPORTATION-COMMUNICATIONS

Aircraft Piracy (S. 872)
Aircraft Hijacking (S. 39)
Coast Guard Laws (H.R. 9293)
Cumbres and Toltec Scenic Railroad (S. 2362)
Urban Mass Transit (S. 386)
Vessel Tonnage Deductions (S. 1353)

VETERANS

American War Mothers, Inc. (S. 2441)
Life Insurance (H.R. 6574)
POW Families, Funeral Transportation for (S. 3228)

SENATE LEGISLATIVE ACTIVITY, 93RD CONGRESS, 2D SESSION

(By Senate Democratic Policy Committee)

Days in Session, 46.
Hours in Session, 263:21.
Total Measures Passed, 142.

Public Laws, 16.
Treaties, 2.
Confirmations 10,443.
Record Votes, 138.

Symbols: P/H, Passed House; P/S, Passed Senate; *, Vetoed 1974; (VV), Passed by Voice Vote; numbers in parenthesis indicate number of record vote on passage, conference report, or reconsideration.

AGRICULTURE

Animal health research

Authorizes $75 million annually to increase funding for animal health research at colleges of veterinary medicine, or, at institutions where there are no such colleges, the State agriculture experiment stations conducting animal health research; sets a formula for distribution of funds based on the value of and income generated by livestock and poultry in each State and on the animal health research capacity at the eligible institutions; provides for additional grants for research on specific national or regional animal health problems; and establishes an Advisory Board appointed by the Secretary of Agriculture to make recommendations on matters related to the administration of the Act. H.R. 11873. P/H Feb. 7, 1974; P/S amended Mar. 28, 1974. (VV)

Fertilizer

Expresses a sense of the Senate that: all Federal agencies should give the highest priority to the U.S. fertilizer industry in establishing allocation priorities of distribution; the U.S. fertilizer industry should distribute fertilizer supplies among farmers in a timely and equitable manner, and at reasonable prices; the Federal Power Commission, and appropriate State regulatory agencies, should establish priorities for the allocation of natural gas to nitrogen fertilizer producers sufficient to insure them of supply levels required to maintain maximum production levels; the Federal Energy Office should give the highest priority allocation to the fertilizer industry's needs for gasoline, middle-distillates, and other liquid fuels utilized in the production, distribution, and application of fertilizer; the Cost of Living Council and the Departments of Agriculture and Commerce should continue their monitoring and reporting of fertilizer supply availabilities, wholesale and retail prices, and export shipments; and the Cost of Living Council should establish a monitoring and investigatory program through the office of the IRS to determine the factual basis of any alleged price gouging involving either fertilizer wholesalers or retailers. S. Res. 289. Senate adopted Feb. 27, 1974. (VV)

Forest management

Requires the Secretary of Agriculture to prepare a National Renewable Resource Assessment not later than December 31, 1974, and to update it during 1979 and each 10th year thereafter; expands the resource surveys under 16 USC 581h to include all renewable resources, and changes the authorization therefor from $5 million annually to the amount needed; requires the Secretary to prepare a Forest Service Renewable Resource Program not later than December 31, 1974, covering the five fiscal years beginning July 1, 1975, and at least each of the next 4 fiscal decades, and to update such program each five years thereafter; requires transmission of the Assessment and Program to Congress in 1975 and after each updating; requires expenditure of appropriated funds except to the extent the appropriation act provides for discretion, or events occurring after enactment of the appropriation prevent the accomplishment of its purpose; requires an annual progress report by the Secretary; requires national forest system management to be on a current basis by the year 2000; encourages the use of appropriated funds for forest road and trail construction; directs the Secretary to avoid use of purchaser road construction authority in a manner that would unduly affect forest revenues and payments to a particular county; and requires Forest Service offices to be located near Forest Service operations. S. 2296, P/S Feb. 21, 1974. (VV)

Rice allotment transfers

Permits rice growers who are unable to plant part or all of their farm acreage allotments because of floods or other natural disasters to transfer their allotments to other farms in the same or a near county on which they will have an interest in the particular commodity. S. 3075. P/S Mar. 13, 1974. (VV)

Wheat supplies

States a sense of the Senate that the Secretary of Agriculture should: immediately conduct a survey of all wheat milling firms and bakeries to determine their position with regard to wheat supplies and requirements during the remainder of the 1973–74 marketing year; conduct a county-by-county survey to determine the amount of uncommitted wheat stocks remaining in the ownership of all grain dealers and farmers; and work with the Interstate Commerce Commission to expedite transportation of existing wheat stocks to the millers and bakers in need of additional supplies. S. Con. Res. 70. Senate adopted Feb. 25, 1974. (VV)

APPROPRIATIONS, 1974

Veterans' Administration supplemental

Appropriates $750 million to the Veterans' Administration to insure the availability of funds for financing Readjustment Benefits of the Nation's post-Korean conflict veterans, their sons and daughters, and their wives and widows. H.J. Res. 941. Public Law 93-261, approved Apr. 11, 1974. (VV)

CONGRESS

Budget reform

Establishes a new congressional budget process; establishes a standing Senate Committee on the Budget with members selected in the same manner as other standing committees; creates an independent office of the Congress called the Congressional Office of the Budget (COB);

Changes the Federal fiscal year from July 1–June 30 to October 1–September 30 and establishes the following timetable for the budget process:

By November 10: The President submits the current services budget (a document showing programs and funding levels for the year just past), thus giving the Congress line-item information with which to begin analysis and preparation of the budget for the coming fiscal year prior to receipt of the President's budget;

By February 15: The President submits his budget;

By April 1: Committees and joint committees submit reports to the Budget Committees;

By April 15: COB submits its report to Congress;

By May 1: The Budget Committees report the first concurrent resolution on the budget to their Houses, setting forth (1) the appropriate levels of total budget outlays (including outlays from carryover budget authority) and total new budget authority, (2) an estimate of budget outlays and an appropriate level of new budget authority for each major functional category, for contingencies and for undistributed intra-government transactions, (3) estimated revenues and their major sources, (4) the recommended surplus or deficit, (5) appropriate level of and recommended changes, if any, in the statutory limit on the public debt, and (6) such other matters relating to the budget as may be appropriate;

By May 15: The appropriate committees report authorization bills;

By June 1: Completion of all action on the first concurrent budget resolution;

By August 7 or 5 days before August adjournment: Completion of enactment into law of all authorization bills;

By August 15 or 3 days before August adjournment: The Budget Committees report a second required concurrent budget resolution assessing actions to date and either reaffirming or revising the most recent concurrent resolution (either the first required budget resolution or if other later resolutions have been adopted, the latest budget resolution), and specifying any needed remedial changes in budget authority, revenues, or the statutory public debt limit legislative action (which after preparation by the appropriate committees, shall be incorporated into a reconciliation bill);

Three days after the end of August adjournment or 4 days after Labor Day when no August adjournment: Completion of all action on the second required concurrent budget resolution;

By September 25: Completion of action on reconciliation bill containing provisions necessary to accomplish any change or changes in budget authority, revenues, or the statutory public debt directed by the second required budget resolution;

October 1: The fiscal year begins; And contains other provisions. H.R. 7130. P/H Dec. 5, 1973; P/S amended Mar. 22, 1974; in conference. (81)

Senate committee employees pay—Franked mail

Eliminates the statutory minimum rate of compensation for Senate committee employees and eliminates the requirement that the words "Postage paid by Congress" be printed on franked mail. S. 2315. Public Law 93-255, approved Mar. 27, 1974. (VV)

Senate confirmation of Presidential appointments

Office of Management and Budget

Amends the Budget and Accounting Act, 1921, to require Senate confirmation of future appointments to the offices of Director and Deputy Director of the Office of Management and Budget, effective in each case, immediately after the individual holding that office on the date of enactment ceases to hold the office and, effective immediately in the case of a vacancy in either position on the date of enactment. S. 37. Public Law 93-250, approved Mar. 2, 1974. (VV)

CRIME-JUDICIARY

Canal Zone marriage licenses

Transfers the duties for issuing and recording marriage licenses and related activities, from the United States District Court of the Canal Zone to the civil affairs director of the Canal Zone Government. S. 2348. P/S Mar. 29, 1974. (VV)

Commission on Revision of the Federal Appellate System

Extends the final date for the report of the Commission on Revision of the Federal Court Appellate System from September 21, 1974, to June 21, 1975, and increases its authorization from $270,000 to $1 million. S. 3052. P/S Mar. 26, 1974. (VV)

Legal Services Corporation

Establishes a private nonprofit, federally funded legal services corporation (to which the duties and responsibilities of the current legal services program in the Office of Economic Opportunity will be transferred) for the purpose of providing high quality legal assistance to those who cannot afford adequate legal counsel; places the administration of the Corporation in a Board of Directors consisting of 11 members appointed by the President with the advice and consent of the Senate and provides that not more than six shall be of the same political party, that a majority be members of the bar of the highest court of any State, and that none be full-time employees of the United States; provides that the Chairman shall be selected from the Board members by the President for a 3-year term and thereafter the Board shall elect annually the Chairman from its members; provides that within 6 months after the first meeting of the Board, the Board shall request the Governor of each State to appoint a nine-member advisory council for the State which shall be charged with notifying the Corporation of any alleged violation of this Act; makes statutory provision for a 15-member National Advisory Council (which shall be representative of the organized bar, legal education, project attorneys, eligible clients and the general public) to consult with the Board regarding the rules, regulations and activities of the Corporation;

Authorizes the Board to appoint a President of the Corporation, who shall be a member of the bar of the highest court of any State, and any other corporate officers; provides that no officer of the Corporation may receive any compensation from any source other than the Corporation during employment by the Corporation except as authorized by the Board;

Provides that all officers and employees of the Corporation are to be treated as private employees except for certain rights and benefits of employees of the Federal Government (work injuries, retirement, and health and life insurance); further provides that the Corporation shall be considered a private nonprofit entity for all statutory purposes, including those concerning labor relations, except as otherwise specified;

Authorizes the Corporation to make grants and contracts with individuals, partnerships, firms, and nonprofit organizations and corporations for the purpose of providing legal assistance to eligible clients; authorizes the Corporation, either directly or by grant or contract, to provide for research, recruitment, training, and information clearinghouse activities, to enhance the efficiency and effectiveness of legal services programs; authorizes technical assistance in connection with legal assistance activities; sets requirements and procedures for insuring compliance with the law, rules, regulations and guidelines under which the recipients of assistance, grants or contracts will operate; provides that the Canons of Ethics or the Disciplinary Rules of the Code of Professional Responsibility would be fully applicable to the actions and responsibilities of attorneys in the legal services program; prohibits an attorney from receiving compensation for providing legal assistance under this Act unless he or she is admitted to practice in the jurisdiction where such assistance is initiated; prohibits employees of the Corporation or any recipient from engaging in or encouraging any public demonstration or picketing, boycott, or strike; makes special provision for bilingual legal assistance; prohibits the Corporation from influencing the passage or defeat of any legislation by the Congress or any State or local legislature; prohibits contributions of funds, equipment, or personnel to any political party or campaign or for use in influencing any ballot measures or referendums;

Provides that the Corporation, in consultation with the Director of the Office of Management and Budget and with the Governors of the States, establish maximum income levels (taking into account family size, urban and rural differences, and substantial cost-of-living variations) for individuals eligible for legal assistance; prohibits the use of funds for legal assistance with respect to a criminal proceeding, or to make grants to, or contracts with, any public interest law firm which expends 50 percent or more of its resources litigating issues in the broad interests of a majority of the public; makes special provisions for legal assistance to persons 18 years of age; authorizes $71.5 million for fiscal year 1974, $90 million for fiscal year 1975 and $100 million for 1976 and thereafter;

And contains other provisions. H.R. 7824. P/H June 21, 1973; P/S amended Jan. 31, 1974; In conference. (28)

Mandatory death penalty

Imposes by statute a mandatory death penalty for offenses for which the death penalty is available because death resulted, as follows where: (1) the offense involves flight by a prisoner from the custody of an officer or from an institution, gathering or delivering defense information to aid a foreign government, transportation of explosives in interstate commerce, destruction of government property, destruction of property in interstate commerce, kidnaping, treason, and aircraft piracy; (2) the defendant has been convicted of another offense, State or Federal, for which a sentence of life imprisonment or death was authorized by statute; (3) the defendant has previously been convicted of two or more offenses, State or Federal, which carried a penalty of more than 1 year's imprisonment and which involved the "infliction of serious bodily injury upon another person"; (4) the defendant knowingly created a grave risk of death to another person in the commission of the offense; (5) the offense was committed in an especially heinous, cruel, or depraved manner; (6) the defendant procured commission of the offense by payment or promise of payment; (7) the offense was committed for money or anything of pecuniary value; and (8) the offense was committed against the President, Vice President, President or Vice President elect, or if no Vice President, the officer next in order of succession, a chief of state of a foreign nation, certain foreign officials in the United States because of official duties, a Justice of the Supreme Court, a Federal law enforcement officer or an employee of a Federal prison;

Also provides in regard to offenses concerning defense information or treason that the sentence of death shall be imposed in cases where (a) the defendant has been convicted of another previous offense concerning defense information or treason, for which a sentence of life imprisonment or death was authorized by statute; or (b) in the commission of the offense the defendant knowingly created a grave risk of substantial danger to the national security and it is found that the offense directly concerned nuclear weaponry, or other major weapons system or major element of defense strategy; or (c) in the commission of the offense the defendant knowingly created a grave risk of death to another person;

Makes the following exceptions to the imposition of the death sentence where, at the time of the offense, (1) the defendant was under 18 years of age; (2) his or her capacity to appreciate the wrongfulness of his conduct or to conform his conduct to the requirements of law was significantly impaired but not so much as to constitute a defense for prosecution; (3) he or she was under unusual and substantial duress, although not such as to constitute a defense for prosecution; (4) he or she was a principal in the offense, which was committed by another, but the participation was relatively minor, though not so minor as to constitute a defense; (5) he or she could not reasonably have foreseen that his conduct in the course of the commission of the offense which resulted in the death for which he or she was convicted would cause, or would create a grave risk of causing, death to any person; or (6) as allowed by the court when hostages have been released by the defendant on the assurance of the Attorney General that their release would be a factor mitigating the application of the mandatory death sentence;

Establishes a procedure whereby a hearing shall be held after conviction or plea of guilty for the purposes of determining whether any of the exceptions apply; contains provisions concerning appeal from a sentence of death under this procedure; and contains other provisions. S. 1401. P/S Mar. 13, 1974. (69).

Narcotic treatment

Amends the Comprehensive Drug Abuse Prevention and Control Act of 1970, Public Law 91–513, commonly called the Controlled Substances Act, to provide new authority for the regulation of the use of narcotic drugs in the treatment of narcotic addicts; provides definitions of "maintenance treatment" to enable the Attorney General to establish more specific and comprehensive regulatory control over the handling of narcotic drugs used in the treatment of narcotic addicts; requires practitioners who dispense or administer narcotic drugs in the treatment of narcotic addicts to obtain a special registration predicated on the approval of treatment standards by the Secretary of Health, Education, and Welfare and the approval of security standards by the Attorney General; enables the Attorney General to deny, revoke, or suspend the special registration for failure to comply with the new standards; makes the full range of civil remedies and felony penalties available under the Controlled Substances Act applicable to practitioners who provide narcotic drugs without obtaining the special registration, in violation of the registration, or after revocation of the registration; and requires the special registered practitioners to keep complete records of narcotic drugs directly administered to patients in their presence. S. 1115. P/S June 8, 1973; P/H amended Mar. 19, 1974.

DEFENSE

Enlisted personnel bonus—Female appointments to academies

Revises the special pay bonus structure relating to members of the Armed Forces, and provides for the appointment of female candidates to the U.S. military academies. S. 2771. P/S Dec. 20, 1973; P/H amended Mar. 18, 1974; Conference report filed.

Medical officers' pay

Increases monthly special pay for physicians (including Public Health Service officers) with 2 years active service from $150 to $350 a month; terminates the current continuation pay for physicians in pay grades below O–6 (colonel); and authorizes new bonuses, of up to $10,000 a year, for physicians in pay grades below O–6 for each year they agree to continue active service. S. 2770. P/S Dec. 20, 1973; P/H amended Apr. 2, 1974; Conference report filed.

DISTRICT OF COLUMBIA

Advisory neighborhood councils

Amends the District of Columbia Self-Government and Governmental Reorganization Act (Public Law 93–198) to make clear that only a majority of voters voting on the issues in the May 7th referendum are needed to ratify the Advisory Neighborhood Council. H.R. 12109. Public Law 93– , approved ——— 1974.

Taxability of certain dividends—District of Columbia Elections

Amends the existing District of Columbia tax laws to provide with respect to all taxable years ending after December 31, 1973, that dividends and interest received by a corporation from an insurance company, bank, and other savings institution subject to the 2 percent net premium tax imposed under present law shall not, when paid to the parent corporation, be considered as income from sources within the District, and thus shall not be subject to the District of Columbia income tax, provides that, upon ratification of the Charter by D.C. residents on May 7, 1974, employees shall be permitted to be candidates in the first elections for the offices of Mayor, Chairman or member of the Council; provides that employees who are duly qualified candidates may take an active part in political management or political campaigns for such elections; and exempts the Mayor, and members of the city council or the Chairman of the Council from prohibitions against active participation in political management and political campaigns contained in the Hatch Act. H.R. 6186. Public Law 93- , approved 1974.

ECONOMY-FINANCE

Abandoned money orders and traveler's checks

Permits the State in which a money order or traveler's check was purchased to claim the money in the event the money order or traveler's check becomes abandoned unless that State's law does not provide for escheat or there is no record of place of purchase, in which case the State in which the obligor has its principal place of business may claim the moneys. S. 2705. P/S Feb. 28, 1974. (VV)

Check forgery insurance

Extends the availability of Check Forgery Insurance Fund to permit payment to payees and special indorsees on forged checks drawn on United States dollars or foreign currencies on depositories designated by the Secretary of the Treasury in the United States or abroad, by Government disbursing officers. H.R. 6274. P/H Sept. 17, 1973; P/S amended Mar. 25, 1974. (VV)

Housing and community development

Consolidates and simplifies existing programs and authorizes the development of several new programs, and authorizes appropriations for these new programs of $4,420,000,000 for fiscal year 1975 and $4,646,500,000 for fiscal year 1976, making a total of $9,045,800,000;

Consolidates and revises the FHA (Federal Housing Authority) mortgage insurance programs, presently under the National Housing Act, into a new Revised National Housing Act and the low-rent public housing program which originated under the United States Housing Act of 1937;

Contains, in the new Community Development Assistance Act of 1974, consolidation provisions for community development programs involving the urban renewal program authorized by the Housing Act of 1949 and rewritten by the Housing Act of 1954, the Model Cities program authorized by the Housing Act of 1966, and several community facility programs authorized by the Housing Acts of 1954, 1955, 1961, and 1965; authorizes a new block grant program to provide Federal assistance to localities for community development by consolidating and simplifying ten categorical urban development grant programs and replacing them with the new program, which includes provisions for the development of a 2-year Federal funding cycle at an assured and adequate level so that localities are always working with a known level of Federal grants for the next year as well as the current year subject only to the meeting of minimum Federal performance standards; provides funding under Federal supervision using an applications procedure requiring a summary of a 4-year plan for meeting the community's development needs, a description of proposed activities and expenditures, a certification that the applicant has met certain requirements, and a performance report, with an exception made for cities of under 25,000 population applying for a single activity other than an urban renewal activity.

Rewrites the comprehensive planning assistance program and provides a new Federally assisted State housing program;

Amends title V of the Housing Act of 1949 on rural housing to broaden or liberalize existing provisions to cover deficiencies relating to the authority of the Farmers Home Administration to provide assistance for lower income rural families;

Requires the Secretary of Housing and Urban Development (HUD) to establish Federal mobile home construction and safety standards which would supersede State standards not identical to the Federal standards;

Authorizes the establishment of a special financing association in HUD (the Housing Cooperative Finance Association) to provide financing for consumer-oriented housing cooperatives;

And contains other provisions. S. 3066. P/S Mar. 11, 1974. (59)

Pension reform

Seeks to strengthen and improve the protections and interests of participants and beneficiaries of private employee pension and welfare benefit plans by establishing minimum standards for participation in and funding of such plans and by making provision for vesting of rights, portability and plan termination insurance.

Office of Employee Plans and Exempt Organizations

Creates within the Internal Revenue Service a new office of Assistant Commissioner for Employee Plans and Exempt Organizations, which will have the responsibility within the Service for enforcing requirements pertaining to private pension plans and charitable and other exempt organizations; provides for a $1 audit fee excise tax on the employer for each plan participant to pay for the administrative costs of the new unit;

Participation

Sets minimum standards for participation in pension plans by employees; requires coverage of an employee the later of 1 year of service or the date the employee reaches age 30; permits an individual who has been working from age 25 to count years of service from age 25 for the purpose of the vesting rule when he or she reaches age 30; defines a year of service as employment for more than 5 months in a year for at least 80 hours in each of the 5 months; applies these standards in general for new plans beginning the year after the date of enactment and to existing plans for plan years beginning after December 31, 1975, or in the case of collective bargaining agreements the earlier of the date the agreement terminates or December 31, 1980;

Vesting

Sets minimum standards for vesting of benefit rights derived from employer contributions which in general provide for 25 percent vesting upon 5 years of service increased by 5 percent yearly through the 10th year and by 10 percent from the 10th to 15th year when 100 percent vesting is reached, with the effective date, generally, for the vesting rules to apply being plan years beginning after December 31, 1975;

Funding

Establishes minimum standards for funding of plans to insure adequate financing which are to be enforced through the tax laws; provides that "current service costs" shall be contributed on a current yearly basis by the employer; requires generally that initial past service costs (which occur where plans give a worker credit for service before the plan went into effect or improvements are made with respect to past service) be amortized by the employer over a period of not more than 30 years, with a 40-year period allowed for multiemployer plans; requires experience losses (where the estimates of funding requirements are too low) and experience gains (where they are too high) to be amortized over the shorter of 15 years or the average remaining service life of covered workers; authorizes waiver of minimum funding requirements in the case of a single employer plan upon a showing of substantial business hardship, with the waived amounts to be amortized over no more than 10 years, and in the case of multiemployer plans, extension of the 40-year amortization period for the past service costs for a period of up to 50 years; subjects an employer who fails to contribute the minimum amount required to an initial 5 percent tax on the funding deficiencies, and if the funding deficiencies are not corrected within the period allowed to a tax of 100 percent of the funding deficiency; makes these standards effective the same date as the vesting provisions;

Portability

Includes a voluntary portability program for both employers and employees; establishes a Pension Benefit Guaranty Corporation within the Department of Labor; provides that a Pension Benefit Portability Fund shall be established in the Treasury Department; provides that workers who change jobs may have their vested retirement credits transferred to an account in the Fund, with the Corporation to invest the Fund's assets and pay benefits upon the worker's retirement, or, alternatively, may have the amount transferred to a retirement plan of his or her new employer, which can be used to buy actuarially equivalent benefits in the new employer's retirement plan;

Plan Termination Insurance

Provides a plan termination insurance program to be managed by the Corporation and funded by a tax on the employers based on the number of participants in a plan, with, generally, premium taxes payable by employers beginning in 1975 and coverage to begin no later than 1977;

Disclosure and Fiduciary Standards

Divides enforcement of fiduciary responsibilities between the Department of Labor and the Internal Revenue Service; contains reporting and disclosure requirements; provides a declaratory judgment procedure whereby in certain situations employers or employees may appeal determination letters issued by the Internal Revenue Service to the U.S. Tax Court; requires, with respect to claims, that plans must contain arbitration procedures in accordance with regulations of the Department of Labor;

Retirement Savings and Limitations on Employee Contributions

Allows a deduction for retirement savings for persons not covered by a qualified plan or governmental plan of a minimum $1,000 a year and a maximum of 15 percent of earnings up to a maximum of $1,500; increases the present limitation on deductible contributions by self-employed individuals to a qualified plan from 10 percent of earnings up to $2,500 to 15 percent of earnings up to $7,500; places a limitation of deductions for contributions on behalf of all corporate employees, using a formula basing benefits on 75 percent of the highest 3 years of earnings of up to no more than $100,000 in any 1 year, thus placing a limitation of $75,000 a year on pensions for corporate employees from tax-free contributions; provide a new method of taxing lump-sum distributions;

Servicemen's Benefits

Amends the Internal Revenue Code of 1954 for the purpose of continuing the same tax treatment for servicemen and former servicemen under the Survivor Benefit Plan, Public Law 92-425, as was formerly available for them under the Retired Servicemen's Family Protection Plan in the case of annuities for surviving spouses or certain child beneficiaries;

And contains other provisions. H.R. 2 (H.R. 4200). P/H Feb. 28, 1974; P/S amended Mr. 4, 1974: in conference (VV).

Securities and Exchange Commission (SEC) paperwork reduction

States as a sense of the Senate that the SEC should immediately proceed to evaluate the role of the small broker-dealer in the U.S. securities markets and determine if their survival is being jeopardized by unnecessary, overlapping, and duplicative reporting requirements and urges the SEC to examine the paperwork burden of the small broker-dealer consistent with SEC's statutory mandate to protect the investor and, where possible, reduce and consolidate duplicative and excessive reporting requirements. S. Res. 173. Senate adopted Feb. 7, 1974. (VV)

Supplemental security income—Unemployment compensation

Authorizes payment of supplemental security income (SSI) benefits on the basis of presumptive disability, for up to 12 months, to otherwise eligible individuals who were formerly on the rolls of State programs of aid to the blind and disabled in order to allow benefits to continue while the Social Security Administration, which administers SSI, completes its eligibility review; extends a temporary provision in Public Law 93-233, amending the Social Security Act, whereby a State can elect to come under the extended unemployment compensation program which provides for 13 weeks of extended benefits beyond the expiration of regular unemployment benefits, if the insured unemployment rate in the State is at least 4 percent without meeting the permanent law requirement that the rate also has increased by 20 percent over the prior 2 years; and provides a 1-year delay for the repayment by a State of funds it has received from the Federal government to pay unemployment compensation benefits. H.R. 13025. Public Law 93-256, approved Mar. 28, 1974. (70)

EDUCATION

Educational funding and guaranteed student loans

Provides that funds appropriated for fiscal years 1973 and 1974 for any program to which the General Education Act applies shall remain available for obligation and expenditure until June 30, 1975, and amends the Higher Education Act of 1965 to clarify congressional intent concerning the Guaranteed Student Loan Program so that students whose family incomes are less than $15,000 per year will be eligible for a $2,000 subsidized loan without a needs test and an additional $500 if they qualify under a needs test which is required for students whose family incomes are $15,000 or more to receive a subsidized loan up to $2,500. H.R. 12253. Public Law 93- , approved ———, 1974. (VV)

ELECTIONS

Campaign reform

Authorizes public financing from income tax revenues for primary and general elections for Federal office, effective January 1, 1976;

Source of public financing

Bases appropriations for public funding on amounts designated on federal income tax returns for the Federal Election Campaign Fund established in the Treasury by this act; increases the present tax checkoff amount from $1 to $2 per person (therefore, $4 on a joint return), with the designation now to be automatic unless the taxpayer elects not to make the designation; provides increased tax incentives for political contributions by doubling the present tax credit to one-half of the contribution up to a maximum limitation of $25 per person ($100 on a joint return) and the present tax deduction to $100 per person ($200 on a joint return); and authorizes gifts to the Fund;

Public financing

Sets requirements for eligibility for candidates choosing public funding, including agreement to reporting requirements and the meeting of a threshold amount of money from private contributions before receiving public moneys, and limits private contributions, total permissible campaign expenditures by a candidate (both publicly and privately financed), and expenditures by a political party, with provision for cost-of-living adjustments in the amounts which may be spent, as follows:

Primaries

Authorizes partial public funding; defines a primary election to include a runoff election and a convention or caucus of a political party to nominate candidates or select delegates to a national nominating convention;

Presidential

Sets a threshold amount of $250,000; permits only the first $250 of each contribution to be counted toward the threshold; requires that $100,000 of the threshold amount must be met by matchable contributions of not less than $5,000 from legal residents of each of at least 20 States; authorizes public matching of contributions up to the first $250 of the contribution; limits campaign spending to the greater of 16¢ times voting age population or $250,000 for each State subject to an overall limit of 10¢ times the voting age population of the United States;

Senate

Sets a threshold amount for campaigns for the Senate and for the House where a State has only one Representative of the lesser of 20 percent of the primary spending amount or $125,000; permits only the first $100 of each contribution to be counted toward the threshold; authorizes public matching of contributions up to the first $100 of the contribution; limits campaign spending to the greater of 8¢ times voting age population or $125,000;

House

Sets a threshold amount for campaigns for the House in States entitled to more than one Representative of $10,000; permits only the first $100 of each contribution to be counted toward the threshold; authorizes public matching of contributions up to the first $100 of the contribution; limits campaign spending to the greater of 8¢ times voting age population or $90,000;

General elections

Permits candidates to choose to receive all private contributions and no public funding, a blend of private and public funding within the limitations on expenditures for general elections, or, in the case of major party candidates, exclusively public funding;

Provides different funding for major and minor party candidates; defines a major party as one whose candidates for President and Vice President in the preceding election received at least 25 percent of the total number of popular votes cast in the U.S. for all candidates in the election;

Presidential

Authorizes public funding for major party candidates up to a limit of 12¢ times voting age population;

Senate

Authorizes public funding for major party candidates for Senate campaigns and for House campaigns in States entitled to only one Representative up to a limit of the greater of 12¢ times voting age population or $175,000;

House

Authorizes public funding for candidates from States entitled to more than one Representative up to a limit of the greater of 12¢ times voting age population or $90,000;

Minor Party Candidates, General Elections

Defines a minor party to mean any political party whose candidates for President and Vice President in the preceding election received at least 5 percent but less than 25 percent of the total number of popular votes cast in the U.S. for all candidates in the election;

Provides for partial public funding up to an amount which is in the same ratio as (1) the average number of popular votes cast for all the candidates of the major party bears to (2) the total number of popular votes cast for the candidate of the minor party.

Provides that where only one party qualifies as a major party that the party whose candidate for election to a particular office at the preceding general election received the next greatest number of votes (but not less than 15 percent of the total votes cast, and also, if voters are registered by party, 15 percent of those registered) shall be treated as a major party;

Provides that a candidate who ran at the preceding election as a Democrat or Republican and received more than 25 percent of the votes cast and then runs at the following election as an independent must again qualify for public financing by receiving at least 5 percent of the votes at the current election;

Post-election Payments

Makes post-election payments available (1) where a minor party or independent candidate who is entitled to payments before the election in an amount which is less than that payable to the major party candidate before the election receives a greater percentage of the votes than the candidate of his party received in the last election and (2) where a candidate who is not the nominee of a major or minor party and who did not receive more than 5 percent of the votes in the most recent general election for the same office, but receives 5 percent or more of the votes in the current election;

Expenditures by a Political Party in a General Election

Authorizes expenditures by the national committee of a political party for Presidential elections up to a limit of 2 cents times the voting age population of the U.S., and by the State committee in general elections for a candidate for the Senate or for the House where the candidate is required to run statewide up to the greater of 2 cents times voting age population of the State or $20,000, and for a candidate for the House in any other State, $10,000;

Unopposed Candidates

Limits public funding in a general election to 10 percent of the otherwise applicable limit;

Contributions

Limits political contributions by individuals to Federal candidates to $3,000 by an individual and to $6,000 by an organization for the entire campaign of any particular candidate, and limits all contributions to Federal candidates and to political committees that support them to $25,000 in the aggregate;

Limits independent political expenditures (sums spent on behalf of a candidate without his authorization) by anyone (other than the national committee or State committee of a political party) to $1,000 per year for each candidate;

Prohibits contributions in excess of $100 other than by a written instrument identifying the contributor;

Retains limit under present law on contributions and expenditures by a candidate from personal and family funds of $50,000, Presidential and Vice Presidential, $35,000, Senate, and $25,000, House.

Political Broadcasting

Repeals the Campaign Communications Act, imposing limitations on amounts spent by candidates for Federal office for the use of broadcast and printed media in their campaigns; amends the Communications Act of 1934 (1) to permit automatic waiving of the equal time requirements for Presidential and Vice Presidential races, and for other elections, Federal, State or local, only if the broadcast station offers 5 minutes of free time to all candidates seeking the same office; (2) to require broadcasters to demand a certification by any federal candidate, before charging him for broadcast time, indicating that the payment of charges for that time will not exceed his expenditure limit under title 18, United States Code, and to apply this provision to State and local candidates wherever similar limits are imposed on them by State law; and (3) to require broadcasters to make certain announcements and keep certain records in connection with political broadcasts.

Reporting, Disclosure, and Enforcement

Makes a general revision of title III of the Federal Election Campaign Act of 1971 (relating to the disclosure of Federal campaign funds); establishes an independent Federal Election Commission within the executive branch to enforce the reporting and disclosure requirements of the 1971 act and to enforce certain provisions of chapter 29 of title 18, United States Code (relating to crimes related to political activity); gives the Commission broad powers of enforcement, including the power to make presentations to Federal grand juries and to prosecute criminal cases; requires a candidate for Federal office to designate a central campaign committee to serve as his central reporting and disclosure agent, and to designate campaign depositories into which all contributions and any public financing payments must be deposited and out of which all campaign expenditures other than petty cash must be made; increases penalties for violations of reporting and disclosure requirement; requires that no expenditure in excess of $1,000 can be made in connection with a Presidential campaign unless it has been approved by the Chairman of the national committee of the political party or his delegate; provides that excess campaign contributions may be used by a person elected to Federal office to defray expenses incurred in connection with that office or as a contribution to a charity; requires 5 year audit of tax returns of members of Congress and each Federal employee earning $20,000; and contains other provisions. S. 3044. P/S April , 1974. (138).

Watergate Committee

Extends for 3 months from February 28, 1974, to May 28, 1974, the date for the Select Committee on Presidential Election Campaign Activities to make its final report to the Senate of the results of the investigation and study conducted by it together with its findings and recommendations for new congressional legislation. S. Res. 287. Senate adopted Feb. 19, 1974. (VV).

Authorizes the Committee to make available to the Internal Revenue Service (IRS) such information requested by that agency and to investigate, receive, and inspect any data, documents, or other information held by the IRS directly related to the investigation being conducted by the IRS and the Committee. S. Res. 288. Senate adopted Feb. 21, 1974. (VV).

Increases the authorization for expenses of the Committee through May 28, 1974, from $1.5 million to $1.8 million, of which not to exceed $70,000 shall be available for the procurement of the services of individual consultants or organizations. S. Res. 286. Senate adopted Mar. 1, 1974. (VV).

ENERGY

Energy emergency

Declares that current and imminent fuel shortages have created a nationwide energy emergency; calls for proposals for energy emergency rationing and conservation measures and authorizes specific temporary emergency actions to be exercised, subject to congressional review and right of approval or disapproval, to assure that the essential needs of the United States for fuels will be met;

Establishes a Federal Energy Emergency Administration (FEAA) until May 15, 1975, to be headed by an Administrator who will be appointed by the President with the advice and consent of the Senate; transfers certain powers and duties of the President under the Emergency Petroleum Allocation Act of 1973 to the FEAA Administrator; authorizes the promulgation of a rule to order priorities among users of crude oil, residual fuel oil, or any refined petroleum product, and for the assignment of rights entitling certain users to obtain products in precedence to others; requires the President to provide procedures by which any user may petition for review of priorities and entitlements;

Authorizes the FEEA Administrator to promulgate by regulation energy conservation plans to reduce energy consumption to a level which can be supplied by available energy resources through transportation controls, including highway speed limits, or other necessary and reasonable restrictions on the public or private use of energy, including limitations on energy consumption by businesses; provides that no energy conservation plan promulgated by regulation under this authority may impose rationing or any tax or user fee, or provide for a credit or deduction in computing any tax; terminates any such energy conservation plan on May 15, 1975; requires transmission of any plan to each House of Congress, and makes any plan which would become effective before March 15, 1974, subject to congressional disapproval; provides that any energy plan which would become effective on March 15, 1974, and before September 1, 1974, shall go into effect 15 days after its transmission to Congress if neither House disapproves; provides that any energy plan which would become effective on or after September 1, 1974, must be approved by act of Congress; provides procedures for congressional review of the plans;

Directs the Administrator, to the extent practicable, to prohibit, as its primary energy source, the burning of natural gas or petroleum products by any major fuel-burning installation (including any existing electric powerplant) which, on the date of enactment, has the capability and necessary plant equipment to burn coal;

Directs the Administrator, within 30 days after enactment, to propose a contingency plan for allocation of supplies of materials and equipment for exploration, production, refining, and required transportation of energy supplies and for the construction and maintenance of energy facilities, implementation of such a plan to be subject to congressional approval by a means similar to that for any energy conservation plan;

Authorizes the Administrator, in order to supplement domestic energy supplies, to require production of oilfields to be designated by the Secretary of the Interior or the Secretary of the Navy at the maximum efficient rate of production and, in certain cases, in excess of the maximum rate;

Requires the President to specify equitable prices for domestic crude oil, all residual oil, and all refined petroleum products; provides that within 30 days of enactment the ceiling price for all crude oil be the price for that grade of oil in that field at 6:00 a.m., May 15, 1973, plus $1.35, making the average basic price $5.25 per barrel with savings from a price rollback to be passed on to consumers on a dollar-for-dollar basis; provides that the President may estabilsh a higher ceiling price up to $7.09 per barrel, upon proper justification to Congress, that a higher price is necessary for a recovery of costs as in the case of crude oil produced from stripper wells or by secondary or tertiary recovery;

Contains provisions for the protection of franchised dealers; provides, in relation to antitrust provisions, for procedures to achieve the goals of this act while retaining the integrity of the antitrust laws; authorizes the appropriate agencies to take action for conserving energy consumption by regulated carriers; authorizes certain restrictions on exports; provides for employment impact and unemployment assistance to those adversely affected by the energy emergency; directs the Secretary of Transportation to encourage the use of carpools; prohibits the use of limousines by Federal officials in the executive branch below the level of a Cabinet officer except for the Federal Bureau of Investigation and the Department of State for diplomatic assignment; prohibits the use of funds for furnishing a chauffeur for individual use to any Federal official; provides for administrative procedures and judicial review; and contains enforcement provisions; authorizes to FEEA to carry out its functions and to make grants to States $75 million annually for fiscal years 1974 and 1975, with an additional $50 million for 1974 and $75 million for 1975 grants to States to carry out conservation measures and $500 million for fiscal year 1974 for grants to States for unemployment assistance;

Amends the Clean Air Act to permit the Administrator of the Environmental Protection Agency to suspend, until November 1, 1974, any stationary source fuel or emission limitation; provides for implementation plan revisions; extends the interim standards for motor vehicle emissions to 1977; and contains other provisions. S. 2589. Vetoed Mar. 6, 1974. Senate sustained veto Mar. 6, 1974. (34, 53).

Federal Energy Administration

Establishes the Federal Energy Emergency Administration (FEEA) as an independent executive agency, to be headed by an Administrator to be appointed by the President with the advice and consent of the Senate; transfers to the Administration four existing agencies now in the Interior Department—the Offices of Petroleum Allocation, Energy Conservation, Energy Data and Analysis, and Oil and Gas; transfers the Energy Division of the Cost of Living Council into the new Administration and provides that additional Federal programs may be transferred to the Administration with Congressional approval; authorizes $75 million for fiscal year 1974 and $200 million annually for fiscal years 1975 and 1976; establishes in Title II the "Energy Policy Act of 1973," a Council on Energy Policy in the Executive Office of the President, composed of three members to be appointed by the President with the advice and consent of the Senate, to assist the President with high-level coordination and policy development in the energy field for mid- and long-term energy policy issues, and authorizes therefore $1 million for fiscal year 1974, $2 million for fiscal year 1975 and $4 million for each fiscal year thereafter. H.R. 11793 (S. 2776). P/H Mar. 7, 1974; P/S amended Mar. 13, 1974; In conference. (VV).

Oil price increase

States a sense of the Senate that it be an urgent matter to communicate to the governments of Canada, Venezuela, and the Arab oil producing countries that the United States views with the utmost concern the recent oil price increases as detrimental to prices, real income and employment in the United States and that such actions should not be taken by these countries without regard for these effects on the life of the American people and for the possibility of reciprocal economic action by the United States which might adversely affect the economies of these countries. S. Res. 249. Senate adopted Jan. 29, 1974. (VV).

Truck fuel prices

Provides that the Interstate Commerce Commission shall issue its final order in Docket No. MC 43 (Sub. No. 2) as soon as possible which shall become effective not later than February 15, 1974, in order to alleviate the threat of a national transportation crisis caused by the requirement that carriers reimburse their owner-operators for all increases in the price of fuel over the base period May 15, 1973. S.J. Res. 185. Public Law 93–249, approved Feb. 8, 1974. (VV)

Washington Energy Conference

States as the sense of the Senate that the Washington Energy Conference, called by the President to provide a forum for the discussion of the common problems faced by the oil consuming nations, should consider: (1) conservation measures necessary to reduce demand; (2) procedures for the emergency sharing of oil resources; (3) guidelines for bilateral agreements between oil consuming and oil producing countries; (4) coordination of research efforts in developing conservation practices and alternative sources of energy; (5) the responsibility for and the means to help to alleviate the plight of the developing countries in the oil crisis; and (6) closer coordination of fiscal and monetary policies; and further states that the United States should continue to bring about conditions of peace and stability in the Middle East. S. Res. 279. Senate adopted Feb. 6, 1974; Reconsidered and adopted by Senate amended, Feb. 7, 1974. (VV)

ENVIRONMENT

Environmental education

Extends to July 1, 1977, the Advisory Council on Environmental Education and authorizes therefor $5 million, $10 million, and $15 million for fiscal years 1975, 1976, and 1977 respectively. S. 1647. P/S Apr. 11, 1974. (VV).

Ocean dumping

Amends Public Law 92–352, relating to ocean dumping, in order to implement the Convention on the Prevention of Marine Pollution by Dumping of Wastes and Other Matter, signed by the United States on December 29, 1972, and ratified by the Senate on August 3, 1973; extends U.S. law to include regulation of the carriage and dumping of foreign-source waste material by U.S. vessels and aircraft; expands the definition of "material" to include oil taken on board a vessel or aircraft for the purpose of dumping at sea; seeks to give guidance to those administering the Act in instances where the standards of the Act differ from those of the Convention, particularly where the requirements of domestic law are stricter than those of the Convention; and contains other provisions of a technical or conforming nature. H.R. 5450. Public Law 93–254, approved Mar. 22, 1974. (VV).

Oil pollution

Incorporates into statutory law the rights, duties, and responsibilities of the United States under the International Convention Relating to Intervention on the High Seas in Cases of Oil Pollution Casualties, signed November 29, 1969, at Brussels which permits a coastal nation to take whatever action it deems necessary to prevent, mitigate, or eliminate a threat of oil pollution resulting from a maritime accident beyond that coastal nation's territorial limits by vesting such authority in the Secretary of the Department in which the Coast Guard is operating; gives the Secretary the authority to determine the extent of danger resulting from a collision, stranding, or other disablement of a vessel carrying oil, and to remove and, if necessary, destroy the ship and cargo which is the source of the danger; incorporates general guidelines for determining the permissible scope of intervention actions; authorizes actions against the United States in the Federal courts by persons claiming compensation; creates a mechanism for settling controversies between signatory nations, or between such nations and claimants relating to compensation for excessive measures; authorizes the Secretary to issue rules and regulations to carry out the purposes of this Act; imposes criminal penalties to insure full compliance with the legislation; and extends the right of intervention now inherent in the Federal Government for vessel incidents in territorial waters to incidents on the high seas involving potential oil pollution damage. S. 1070. Public Law 93–248, approved Feb. 5, 1974.

Woodsy owl

Authorizes the Secretary of Agriculture to establish and collect use or royalty fees for the manufacture, reproduction, or use of the character and name, "Woodsy Owl," the symbol of the Department of Agriculture's Environmental Protection Agency, and the associated slogan "Give a Hoot, Don't Pollute," and contains other provisions. S. 1585. P/S June 14, 1973; P/H amended Apr. 2, 1974.

GENERAL GOVERNMENT

Atomic Energy Commission authorization

Authorizes $3,676,833,000 for the Atomic Energy Commission for fiscal year 1975. S. 3292. P/S Apr. 11, 1974. (VV).

Disaster relief

Provides a continuing means of assistance by the Federal Government to State and local governments in carrying out their responsibilities to alleviate the suffering and damage which result from disasters by (1) revising and broadening the scope of existing disaster relief programs; (2) encouraging the development of comprehensive disaster relief plans, programs, capabilities and organizations by the States and by local governments; (3) achieving greater coordination and responsiveness of disaster preparedness and relief programs; (4) encouraging individuals, States, and local governments to protect themselves by obtaining insurance coverage to supplement or replace governmental assistance; (5) encouraging hazard mitigation measures to reduce losses from disasters, including development of land use and construction regulations; (6) providing Federal assistance programs for both public and private losses sustained in disasters; and (7) providing a long-range economic recovery program for major disaster areas. S. 3062 P/S Apr. 10, 1974; P/H amended April 11, 1974. (125).

Federal procurement policy

Establishes an Office of Federal Procurement Policy within the Executive Office of the President to provide overall leadership and direction for the development of procurement policies and regulations for executive agencies in accordance with applicable laws in order to promote economy, efficiency and effectiveness in the procurement of goods, services, and facilities. S. 2510. P/S Mar. 1, 1974. (VV).

Idaho Admission Act

Amends section 5 of the Admission Act for the State of Idaho to permit the State to exchange lands granted to it for educational purposes for other public or private lands of approximate value or if the land values are equalized by payment of money; ratifies exchanges already made with the United States involving land granted for educational purposes; and adds exploration for and production of geothermal resources and byproducts to the purposes for which the educational lands may be leased by the State for more than ten years. S. 939. P/S Mar. 26, 1974. (VV).

GOVERNMENT EMPLOYEES

Civil Service retirement annuities

Establishes a minimum civil service retirement annuity equal to the social security minimum primary insurance amount including any cost of living increase; provides minimum amounts to a surviving child in an amount not less than the minimum monthly amount allowed under social security or three times such amount divided by the number of surviving children, whichever is lesser; excludes any individual who receives Social Security benefits from receiving payments under a military or civilian retirement system; increases annuity payments to former Federal employees who retired prior to October 20, 1969, by $240 to an annuitant and $132 to the surviving spouse of an annuitant (resulting in monthly increases of $20 and $11 respectively); and contains other provisions. S. 1866. Public Law 93– , approved 1974.

Civil Service survivors eligibility

Amends the Civil Service Retirement Act to change the 2 year marriage requirement regarding eligibility for survivor benefits under the Federal retirement system to a 1 year requirement. S. 2174. Public Law 93–260, approved Apr. 9, 1974. (VV).

Pay raises for members of Congress, Federal judges, and top executive branch officials

Disapproves, in its entirety, the President's recommendations for pay raises of 7½ percent per year for 1974, 1975, and 1976, for Members of Congress, Federal judges, cabinet and subcabinet officers, agency heads, and certain other officials in the executive, legislative and judicial branches. S. Res. 293. Senate adopted disapproval resolution Mar. 6, 1974. (52).

Privacy and rights of Federal employees

Prohibits indiscriminate executive branch requirements that employees and, in certain instances, applicants for Government employment: disclose their race, religion, or national origin; attend Government-sponsored meetings and lectures or participate in outside activities unrelated to their employment; report on their outside activities or undertakings unrelated to their work; submit to questioning about their moral beliefs, personal relationships or sexual attitutes through interviews, psychological tests, or polygraphs; or support political candidates or attend political meetings; makes it illegal to coerce an employee to buy bonds or make charitable contributions; prohibits officials from requiring an employee to disclose his own personal assets, liabilities, or expenditures, or those of any member of his family unless, in the case of certain specified employees, such items would tend to show a conflict of interest; provides a right to have counsel or other person present at an interview which may lead to disciplinary proceedings; accords the right to a civil action in a Federal court for violation or threatened violation of the Act; and establishes a Board on Employees' Rights to receive and conduct hearings on complaints of violations of the

Act and to determine and administer remedies and penalties. S. 1688. P/S Mar. 7, 1974. (VV).

HEALTH

Alcohol abuse and alcoholism prevention

Extends from 2 years, through fiscal year 1976, the State formula grant program originally authorized by the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970, Public Law 91-616, maintaining the annual authorization level at $80 million; extends the contract and project grant authority of the Act of 1970 for an additional 3 years, through fiscal year 1976, and authorizes therefor appropriations of $90 million for fiscal year 1974, $100 million for fiscal year 1975, and $110 million for fiscal year 1976; adds a new special grant authority providing an additional allotment of $100,000 plus 10 percent of its formula allotment for each State which adopts the Uniform Alcoholism and Intoxication Treatment Act, or legislation substantially similar to that Act, which requires intoxication to be treated as a responsibility of the communty's public health and social service agencies rather than of its criminal justice system; prohibits public or private general hospitals receiving funds from Federal agency sources from discriminating in their admissions or treatment policies against any person solely because of his alocohol abuse or alcoholism; deletes the language of the Act of 1970 placing the National Institute on Alcohol Abuse and Alcoholism within the National Institute of Mental Health and substitutes language placing it within the Department of Health, Education, and Welfare, thereby permitting, not requiring, the Secretary to place the Institute elsewhere within the Department; gives the National Institute on Alcohol Abuse and Alcoholism authority for eleven top level positions; places alcoholism project and contract authority under the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act; eliminates duplication by deleting section 247 of the Community Mental Health Centers Act; and contains other provisions. S. 1125. P/S June 21, 1973; P/H amended Jan. 21, 1974; Senate agreed to House amendment with an amendment Mar. 21, 1974.

Biomedical research

In title I, the National Research Service Award Act, consolidates the existing research training and fellowship programs into a single National Research training and Awards authority which would be the major element in the training programs of the National Institutes of Health (NIH) and National Institute of Mental Health and would increase their capability of maintaining a superior national program of research, and provides a revised procedure whereby awards would be provided through the Office of the Director of NIH by the Secretary of Health, Education, and Welfare in consultation with the Directors of NIH and the National Institute for Mental Health;

Establishes in title II, the Protection of Human Subjects Act, a National Commission for the Protection of Human Subjects of Biomedical and Behavioral Research within the Department of Health, Education, and Welfare, to be composed of 11 members appointed by the President for 4 year terms, with not more than five members to have been engaged in biomedical or behavioral research involving human beings; provides that the Commission is first to undertake a comprehensive investigation and study to identify the basic ethical principles and develop guidelines which should underlie the conduct of biomedical and behavioral research involving human subjects, and second, to develop and implement policies and regulations to assure that research is carried out in accordance with the ethical principles they have identified, develop procedures for and make recommendations to the Congress in the areas of sanctions, compensation for injuries or death, and appropriate mechanisms to extend the scope of the Commission's jurisdiction;

Provides protection for individuals and institutions in matters of religious beliefs or moral convictions; prohibits research and experimentation on human fetuses until such time after certification of Institutional Review Boards has been established and the Commission develops policies with regard to the conduct of research on the living fetus or infants;

Contains interim provisions denoting that, until the certification of Boards has been established, it is the responsibility of each institution engaged in such research to determine that the rights and welfare of the subjects involved are fully protected, that the risks are outweighed by the potential benefits to the subject or the importance of the knowledge to be gained, and that informed consent is to be obtained by adequate methods in all but exceptional cases as specified in this act;

Calls for the Commission, in title III, the Special Study of Bio-medical Research Act, to make a comprehensive investigation and study of the ethical, social, and legal implications of advances in biomedical research and technology, with a report to be sent to the President and the Congress at least every 2 years together with recommendations for needed legislation or appropriate action by public or private organizations or individuals;

And contains other provisions. H.R. 7724. P/H May 31, 1973; P/S amended Sept. 11, 1973. In conference.

Diabetes Mellitus

Amends the Public Health Service Act to provide for greater and more effective efforts in research and public education with regard to diabetes mellitus. S. 2830. P/S Dec. 20, 1973; P/H amended Mar. 19, 1974.

Medical devices

Authorizes the Food and Drug Administration to regulate the development and marketing of medical devices; requires that medical devices used in life-supporting situations, such as heart valves or pacemakers, shall be subject to premarket scientific testing; authorizes the Secretary of Health, Education, and Welfare to establish protocols for testing medical devices and requires that test data be submitted to HEW when a manufacturer seeks approval of a life-supporting medical device for marketing; provides that medical devices for which experts agreed standard-setting is sufficient to protect the public health and safety need only meet performance standards; provides that the third classification of devices which are generally safe when used in accordance with their instructions, such as tongue depressors, are exempted from either procedure; and contains other provisions. S. 2368. P/S Feb. 1, 1974. (VV)

National cancer program

Authorizes the extension of the National Cancer Act of 1971 with increased funding for the research program at $750 million for fiscal year 1975, $830 million for 1976 and $985 for 1977, with an additional $200 million for the cancer control program; removes the present ceiling on the number of comprehensive cancer centers and clarifies the present act with respect to training of cancer researchers and construction assistance; and establishes a President's biomedical research panel to oversee and monitor the biomedical research program of the National Institutes of Health, including the research programs of the National Institute of Mental Health. S. 2893. P/S Mar. 26, 1974. (82)

Sudden infant death syndrome

Directs the National Institute of Child Health and Human Development at the National Institutes of Health to carry out a research program to identify the causes and preventive measures needed to eliminate Sudden Infant Death Syndrome and provides for public information and counseling services to families affected by Sudden Infant Death Syndrome and to personnel who come in contact with the victims or their families. S. 1745. Public Law 93- , approved ———, 1974.

INDIANS

Assistant Secretary for Indian Affairs

Establishes an Assistant Secretary of the Interior who will be an additional Assistant Secretary only for Indian Affairs, and establishes, by amending the Alaska Native Claims Settlement, a thirteenth region for Alaska Natives who are not residents of Alaska. S. 2777. P/S Feb. 4, 1974. (VV).

Constitutional rights of Indians

Amends section 701(c) of title VII of the Civil Rights Act of 1968 to authorize the appropriation of funds for the printing of certain legal materials relating to the constitutional rights of American Indians. S. 969. Public Law 93- , approved 1974.

Indian financing

Provides capital to Indian organizations and individual Indians in the form of loans and grants that is needed to promote their economic development; authorizes a $50 million increase for the Revolving Loan Fund; provides a Loan Guarantee and Insurance Program which could generate as much as $200 million in new private capital; authorizes an Interest Subsidy Program; and provides an Indian Business Development Grant Program. S. 1341. Public Law 93- , approved 1974.

Indian self-determination

Declare that a major goal shall be to provide the quantity and quality of educational services and opportunities which will permit Indian children and adults to compete and excel in the life areas of their choice, and to achieve the measure of self-determination essential to their social and economic well-being; provides basic authority for the Secretaries of the Interior and Health, Education and Welfare to enter into contracts with tribal organizations; amends the Intergovernmental Service Act of 1970 to being "tribal governments" within the definition of "local governments," to enable civil service personnel to be assigned to tribal organizations; exempts tribal contracts from Federal Procurement regulations which have served as obstacles to such contracting in the past; provides for a study of the Johnson-O'Malley Act (enrolling Indian children in public schools under contract) to be transmitted to Congress not later than Oct. 1, 1974; amends the Johnson-O'Malley Act to provide criteria governing contracts between the Secretary of Interior and prospective contractors to assure that educational needs of Indian student beneficiaries of such contracts are met; provides criteria for the establishment of parental committees to insure funds expended in public school districts are in accordance with programs and plans developed by the Indian community; authorizes $65 million for each of the fiscal years 1975 and 1976 for education of Indians under the Johnson-O'Malley Act; and authorizes $35 million for assistance in the construction of school facilities serving Federally-recognized Indian children on or near reservations. S. 1017. P/S Apr. 1, 1974. (VV).

INTERNATIONAL

American Hospital of Paris, Inc.

Amends the Act incorporating the American Hospital of Paris by eliminating the maximum 20 member limitation on the Board of Governors. S. 1836. Public Law 93- , approved—, 1974.

China Indemnification Agreement

Authorizes the Secretary of State to conclude an agreement with the Government of the People's Republic of China for indemnification for any loss or damage suffered by objects in the "Exhibition of the Archeological Funds of the People's Republic of China" while in the possession of the United States. S. 3304.P/S Apr. 10, 1974. (VV)

Foreign Service Buildings

Authorizes additional appropriations for Foreign Service Buildings of $2,732,000 for fiscal years 1974 and 1975, made necessary in inflation and devaluation of the dollar. H.R. 12465. Public Law 93- , approved—, 1974.

International Ocean Exposition '75

Authorizes a supplemental appropriation to the United States Information Agency of $5.6 million, without fiscal year limitation, to fund U.S. participation in the International Ocean Exposition to be held in Okinawa, Japan in 1975. S. 2662. P/S Mar. 11, 1974. (VV)

Military assistance to Greece

Prohibits all military grant assistance sales, credit sales, and guarantees to Greece until (1) the Executive Branch completes a review of United States policy toward Greece with specific attention to whether the Government of Greece is in a position to fulfill its political obligations under the preamble to the North Atlantic Treaty which states "The Parties to this Treaty * * * are determined to safe-guard the freedom, common heritage and civilization of their peoples, founded on the principles of democracy, individual liberty and rule of law."; (2) reports the results of such review to the Congress; and (3) the President finds that Greece is in full compliance with its obligations under NATO, except that the President may extend assistance to Greece if he finds that such action would be in the overriding national interest and gives Congress 30 days' advance notice. S. 2745. P/S Jan. 23, 1974. (V)

Missing in Indochina

States as a sense of the Congress that new efforts should be made by the United States to persuade North and South Vietnam and Laos to comply with their obligations with respect to an accounting of personnel captured, killed or missing during the Vietnam conflict, and further states that every effort should be made to obtain the cooperation of the various parties in the conflict in Cambodia to provide information with respect to missing personnel. S. Con. Res. 81. Senate adopted Apr. 10, 1974. (VV)

Missing newsmen

States as the sense of the Senate that the President should make every possible diplomatic effort through the Department of State and other relevant agencies to ascertain the truth of the present whereabouts or fate of United States newsmen missing in Southeast Asia, and obtain the release of those still alive and an accounting of those who may be dead. S. Res. 291. Senate adopted Feb. 26, 1974. (VV)

Overseas Private Investment Corporation (OPIC)

Extends until December 31, 1976, the authority of the Overseas Private Investment Corporation to issue political risk insurance to protect private overseas investments against war, expropriation of property and inconvertibilty of currency; seeks to promote the transference of OPIC's insurance functions to private insurance companies and multinational oragnizations by requiring OPIC to cease writing expropriation and inconvertibility insurance after December 31, 1979, and war risk insurance after December 31, 1980, and by authorizing OPIC to assume the role of reinsurer after these dates; and contains other provisions. S. 2957. P/S Feb. 26, 1974. (40)

State Department supplemental authorization

Increases the authorization level of the State Department Authorization Act of 1973 in three categories: administration of foreign affairs, international organizations and conferences, and pay raises; reduces the authorization level in four categories: international commissions, educational exchange, devaluation costs, and anti-terrorism measures; and increases the permanent authorization for annual contributions to the International Committee of the Red Cross, from $50,000 to $500,000. H.R. 12466. P/H Mar. 13, 1974; P/S amended Mar. 29, 1974. (VV)

Treaties

Customs Convention on the International Transit of Goods

Provide simplified customs control mechanisms and uniform documentation procedures for transport by bonded trailers, railway cars, vessels, and large containers, such carriers to have the option to use the International Transit of Goods procedures or another system if more advantageous. Ex. P, 93d-1st. Resolution of ratification agreed to Jan. 21, 1974. (2)

Extradition Treaty with Denmark

Provides for the extradition of fugitives charged with any of 28 specific offenses, including offenses relating to narcotics and aircraft hijacking, as well as conspiracy to commit any of the specified offenses; defines territorial application to include territorial waters and airspace as well as registered aircraft in flight; provides for extradition for offenses committed outside the territory of either party if the offense is punishable under the laws of both parties; provides discretionary power to either party to extradite its own nationals, with the requested state to try the individual when the offense is punishable under its own laws; and permits refusal of extradition unless assurances are received that the death penalty will not be imposed for an offense not punishable by death in the country from which extradition is requested. Ex. U, 93d-1st. Resolution of ratification agreed to Mar. 29, 1974. (92)

1980 Winter Olympic Games

Extends an invitation to the International Olympic Committee to hold the 1980 winter games at Lake Placid, New York; expresses the hope that the United States will be selected as the site for these games; and pledges cooperation and support in their successful fulfillment. S. Con. Res. 72. Senate adopted Apr. 8, 1974. (VV)

LABOR

Minimum wage increase

Provides a statutory minimum wage of $2.30 an hour for all covered workers according to the following time schedule:

For those covered prior to 1966, $2.00 on the effective date of this act, $2.10 effective January 1, 1975, and $2.30 effective January 1, 1976;

For nonagricultural employees first covered by the 1966 and 1974 amendments, $1.90 on the effective date of this act, $2.00 effective January 1, 1975, $2.20 effective January 1, 1976, and $2.30 effective January 1, 1977;

For agricultural employees, $1.60 on the effective date of this act, $1.80 effective January 1, 1975, $2.00 effective January 1, 1976, $2.20 effective January 1, 1977, and $2.30 effective January 1, 1978;

Extension of Coverage

Extends coverage of the act to employees of individual retail and service establishments (except "Mom and Pop" stores) which are part of enterprises with gross annual receipts of more than $250,000 (thus including individual establishments with gross receipts of less than $250,000 if they are part of a chain with annual receipts over $250,000) with the $250,000 establishment test for smaller stores of large covered chains to be phased out by July 1, 1976;

Brings under the minimum wage and overtime provisions of the Act all employees in private household domestic service earning "wages" ($50 per quarter) for purposes of the Social Security Act, but retains a minimum wage and overtime exemption for casual babysitters and companions and an overtime exemption for live-in domestic service employees;

Extends coverage of Federal employees to most employees including wage board employees, non-appropriated fund employees, certain employees in the Canal Zone and any other civilian employee working for the armed services; and extends coverage of State and local government employees;

Retains the present basis for coverage of agricultural employees, which requires at least 500 man-days (one-man-day being any day during which an employee performs any agricultural labor for not less than one hour) during the peak quarter of the preceding year, but alters the computation of man-days by adding to the definition of "employee" the previously excluded group of all local, seasonal hand-harvest laborers, with such employees and farmworkers under 16 working with a parent continuing to be exempt from the minimum wage if they are paid the adult piece rate;

Child Farm Labor

Amends the Fair Labor Standards Act by prohibiting the employment in agriculture of all children under the age of 12, except those working on farms owned or operated by their parents, or on farms not covered by the act under the 500 man-day test, or on conglomerate farms, with parental consent required for children on noncovered farms; permits children ages 12 through 15 to work only during hours school is not in session, provided that all 12 and 13 year olds must either receive written parental consent or work only on farms where their parents are employed;

Puerto Rico and the Virgin Islands

Provides for the gradual achievement of minimum wage parity for workers in Puerto Rico and the Virgin Islands with workers on the mainland as follows:

For certain hotel, motel, restaurant and food-service employees, as well as employees of the Federal and Virgin Islands Governments, the same as the minimum wage for counter-part mainland employees on the effective date;

For other covered workers, effective on the effective date of the legislation, presently covered employees are to receive: (A) an increase of 12 cents an hour if their wage order rates are less than $1.40 an hour, and (B) an increase of 15 cents an hour if their wage order rates are $1.40 an hour or higher;

For newly covered employees (including commonwealth and municipal employees), wage rates to be set by special industry committees which may not be less than 60 percent of the otherwise applicable rate under section 6(b) or $1.00 an hour, whichever is greater;

For all employees (other than commonwealth and municipal employees), yearly increases beginning one year after the effective date of this legislation as follows: (A) 12 cents an hour yearly if their wage order rates are less than $1.40 and (B) 15 cents an hour yearly if their wage order rates are $1.40 an hour, whichever is greater;

Exemptions

Repeals or modifies a number of present exemptions, including some of the complete minimum wage and overtime exemptions as well as some which apply only to the overtime standard, in relation to: motion picture theaters, small logging crews, shade-grown tobacco, agricultural processing industries, railroads, and pipelines, seafood processing, local transit, hotels, motels, and resturants, tip allowance, nursing homes, salesmen, partsmen, and mechanics, cotton ginning and sugar processing, catering and food service employees, telegraphic message operations, bowling establishments, and house parents for orphans; sets a certain overtime exemption for police;

Youth Differential

Permits a lower minimum wage for full-time students as follows:

In retail and service establishments of not less than 85 percent of the applicable minimum wage of $1.60, whichever is higher for a period of up to 20 hours per week, and permits the hiring of up to 4 students without the need for the traditional precertification procedure;

In agriculture, the higher of 85 percent of the applicable rate or $1.30 an hour for the same period, and up to 4 students without certification;

And in higher education institutions, 85 percent of the applicable rate of $1.60 for the same period;

Provides that the Secretary of Labor, to the extent necessary to prevent curtailment of opportunities for employment, shall by regulation or orders provide for the employment of learners, apprentices, and for messengers employed primarily in delivering letters and messages, under special certificates at lower wages;

Age Discrimination

Amends the Age Discrimination in Employment Act of 1967 to include within its coverage Federal, State and local government employees (other than elected officials and certain employers with 25 or more employees to employers with 20 or more employees;

And contains other provisions. S. 2747. Public Law 93-259, approved Apr. 8, 1974. (58,85)

MEMORIALS—TRIBUTES

B. Everett Jordan, death of

Expresses the sorrow of the Senate in respect to the death of former Senator B. Everett Jordan (D., N.C.). S. Res. 298. Senate adopted Mar. 22, 1974. (VV)

Georges Pompidou, death of

Expresses the sorrow of the Senate in respect to the death of Georges Pompidou, President of the Republic of France. S. Res. 304. Senate adopted Apr. 4, 1974. (VV)

Hank Aaron home run record

Expresses the congratulations of the Senate to Hank Aaron, of the Atlanta Braves baseball team, on hitting home run number 714 on April 4, 1974, thereby tying the home run record of Babe Ruth. S. Res. 303. Senate adopted Apr. 4, 1974. (VV)

Expresses the congratulations of the Senate to Hank Aaron on hitting his 715th home run on the night of April 8, 1974, thereby surpassing the home run record set by Babe Ruth in 1935. S. Res. 305. Senate adopted Apr. 9, 1974. (VV)

Lyndon B. Johnson Conservation Corps Center and Lyndon B. Johnson National Grasslands

Renames the Arrowood Civilian Conservation Corps Center, near Franklin, North Carolina, and the Cross Timber National Grasslands, in Wise and Montague Counties, Texas, in honor of Lyndon B. Johnson. S. 2835. P/S Mar. 28, 1974. (VV)

NATURAL RESOURCES

Fish and Wildlife Service

Abolishes, within the Department of the Interior, the position of Commissioner of Fish and Wildlife, the Bureau of Sport Fisheries and Wildlife and its Office of Director and vests all such duties and responsibilities in the redesignated United States Fish and Wildlife Service to be headed by a Director at an increased level of pay. H.R. 13542. Public Law 93 —, approved ———, 1974. (VV)

Lone Rock Lake project

Provides for deauthorization of the Lone Rock Lake project on the Buffalo River, Ark., as a modification of the flood control program for the White River Basin, Missouri and Arkansas. S. 1961. P/S Jan. 23, 1974. (VV)

National Ocean policy study

Authorizes the Committee on Commerce to make a full and complete National Ocean Policy Study to be undertaken with representative ex officio membership from other standing Committees of the Senate having a jurisdictional interest over the elements of the Study as well as six members from Coastal States to be selected by the President Pro Tempore without regard to Committee membership (such study to include, but not limited to, a thorough examination of the issues involved in the following areas: marine fisheries and other living resources; mineral resources of the seabed and subsoil; coastal zone management; ocean transportation; research and technology; law of the sea; government organization; pollution; Federal budget; and education), and to submit a report of its findings together with any legislative recommendations to the Senate. S. Res. 222. Senate adopted Feb. 19, 1974. (VV)

Rivers and harbors—Public works

Authorizes, in title I, water resources development projects; and authorizes, in title II, the River Basin Monetary Authorization Act of 1974, a monetary increase for certain comprehensive river basin plans previously authorized by Congress, at an approximate cost of $1.33 billion, of which $550 million is for title I projects and $780 million is for title II river basins;

Establishes a new procedure for authorization of major water resources development projects of the Corps of Engineers which authorizes the Secretary of the Army, acting through the Chief of Engineers, to undertake the Phase I design memorandum stage of advanced engineering and design of certain named major water resources development projects, substantially in accordance with, and subject to conditions recommended by the Chief of Engineers, and authorizes the Secretary of the Army to undertake advanced engineering and design for the projects after completion of the Phase I stage only upon a finding by the Chief of Engineers, transmitted to the Committees on Public Works of House and the Senate, that the project is without substantial controversy, is substantially in accordance with the conditions recommended by the Chief of Engineers or the Secretary of the Army, respectively, and that the advanced engineering and design will be compatible with any project modifications which may be under construction;

Provides for deauthorization of projects through the Chief of Engineers, and submission to Congress of a list of those authorized projects which have been authorized for at least 8 years without any congressional appropriations within the last 8 years and which he determines should no longer be authorized, which then become deauthorized unless either the House or Senate Committee on Public Works, within a certain time, adopts a resolution stating that the project shall continue to be an authorized project;

Enacts into law the discount rate of 5⅝ percent approved by the President May 29, 1962, as amended and published in the Federal Register December 24, 1968, and the pre-1968 discount rate for projects authorized prior to 1969 which have assurances as to non-Federal payment of project costs;

Authorizes a streambank erosion control demonstration program and a national shoreline erosion control development and demonstration program;

And contains other provisions. H.R. 10203 (S. 2798). Public Law 93-251, approved Mar. 7, 1974. (7,35)

Rocky Mountain National Park, Colorado

Revises the western boundary of the Rocky Mountain National Park in the State of Colorado to include an additional 1,556.21 acres, consisting of several parcels in the Kawuneeche Valley. S. 2394 P/S Feb. 25, 1974. (VV)

Special recreation use fees

Amends the Land and Water Conservation Fund Act to detail those facilities on Federal recreation lands for which no use fee may be charged and retains general criteria for fee requirements for all other locations. S. 2844. P/S Mar. 29, 1974. (VV)

Wild and scenic rivers—Chattooga River

Extends the protection period for water resources projects for the 27 rivers now under study for possible inclusion in the national wild and scenic rivers system; increases the funding authorization from $17 million to $37.6 million to permit completion of acquisitions for seven of the eight rivers designated as the first components of the system; authorizes the Secretaries of the Interior and Agriculture to acquire State land within the river corridors of components of the system not only by donation but also by exchange of Federal land in other areas; puts a definite three fiscal year time limit on the studies for all rivers designated by Congress; removes the authority of either Secretary, without ever reporting to Congress, to terminate a study of, and remove protection for, any river which Congress has designated for study; and provides that the President must report to Congress on each river study; designates a section of the Chattooga River, North Carolina, South Carolina and Georgia, as a part of the National Wild and Scenic River System and authorizes therefor $2 million for acquisition of lands and interests and $809,000 for development. *NOTE:* (The general amendments to the Wild and Scenic Rivers were contained in S. 921 which passed the Senate Sept. 24, 1973.) H.R. 9492. P/H Dec. 3, 1973; P/S amended Mar. 22, 1974; House agreed to Senate amendment with an amendment Apr. 10, 1974. (VV)

Wilderness areas

Weminuche Wilderness

Designates approximately 433.745 acres in the Rio Grande and San Juan National Forests, in Colorado, as the "Weminuche Wilderness". S. 1863. P/S Feb. 7, 1974. (VV)

PROCLAMATIONS

National Agriculture Week

Designates the last full week of March of each year as "National Agriculture Week". S.J. Res. 163. P/S Mar. 19, 1974. (VV)

National Volunteer Week

Designates the week of April 21-27 as "National Volunteer Week". S.J. Res. 179. P/S Mar. 19, 1974. (VV)

TRANSPORTATION-COMMUNICATIONS

Aircraft hijacking

Amends the Federal Aviation Act of 1958 to provide a more effective program to prevent aircraft piracy on both the international and domestic levels; implements, in Title I, the Convention for the Suppression of Unlawful Seizure of Aircraft (Hague Convention—Ex. A. [92d-1st]) to which the United States is a party and which came into effect on October 4, 1971; provides the President authority to suspend air service between the United States and any foreign nation he determines is not acting consistently with the provisions of the Hague Convention, in effect imposing, unilaterally, a U.S. air transport boycott; permits the Secretary of Transportation, with the approval of the Secretary of State, to restrict, limit, or revoke the operating authority of any foreign air carrier failing to afford necessary security safeguards to the traveling public; provides, in Title II, for the screening of all passengers and carry on baggage by weapons detecting devices prior to their being boarded on the aircraft; establishes under the Administrator of the Federal Aviation Administration an Air Transportation Security Force to provide a Federal law enforcement presence at the nation's major airports; and contains other provisions, S. 39. P/S Feb. 21, 1973; P/H amended Mar. 13, 1974; In conference.

Aircraft piracy

Amends the Federal Aviation Act of 1958 to establish specific offenses for imparting or conveying threats to do certain proscribed acts and make more explicit the requisite intent for these felony sanctions; distinguishes "threats" from "false information" prosecutions; broadens current law by making it a Federal crime for a person to knowingly carry aboard or place aboard an aircraft in air transportation a concealed explosive or other dangerous substance except for law officers and certain other purposes; and contains other provisions. S. 872. P/S Mar. 12, 1974. (VV)

Coast Guard laws

Changes the Coast Guard's authority relating to aids of navigation by extending its jurisdiction to additional water areas within and beyond the territorial waters of the United States and to non-navigable waters covered by the Federal Boat Safety Act of 1971; provides the authority necessary to carry funds over until the completion of projects for which funds were originally appropriated and provides continuing authorization for the payment of certain confidential investigative expenses; authorizes funds to provide for primary and secondary education for dependents of Coast Guard personnel stationed outside the continental United States whenever schools in the locality are unable to meet their educational needs; and makes changes in certain Coast Guard laws pertaining to personnel matters in the areas of housing, promotion, the Coast Guard Reserve, and the Coast Guard Auxiliary. H.R. 9293. P/H Sept. 18, 1973; P/S amended Apr. 8, 1974. (VV)

Cumbres and Toltec Scenic Railroad

Grants consent to the Cumbres and Toltec Scenic Railroad Compact between the States of Colorado and New Mexico to provide for the joint operation of an interstate narrow guage scenic railroad which will preserve as a living museum a mode of transportation that helped in the development of the territories and states. S. 2362. P/S Mar. 22, 1974. (VV)

Urban mass transit

Authorizes not to exceed $800 million ($400 million for fiscal year 1974, and an aggregate of not to exceed $800 million for fiscal year 1975) for fiscal years 1974 and 1975 for the Secretary of Transportation, on such terms and conditions as he may prescribe, to make grants or loans to State or local public bodies in order to assist them in maintaining adequate transportation services in urban areas by providing financial assistance (requiring one-third local contribution) to pay operating expenses incurred as a result of providing such services; provides for the establishment of a reasonable fare structure for each area according to its particular local needs; authorizes an additional $20 million for each of fiscal years 1974 and 1975 for research and development, establishment, and operation of demonstration projects to determine the feasibility of fare-free urban mass transportation systems; and contains other provisions. S. 386. P/S Sept. 10, 1973; P/H amended Oct. 3, 1973; Conference report filed.

Vessel tonnage deductions

Amends the present vessel admeasurement laws to allow as deductions from gross tonnage, in determining net or register tonnage, certain non-revenue earning spaces which are used in collecting, processing or carrying shipboard-generated waste materials. S. 1353. P/S Mar. 13, 1974 (VV)

VETERANS

American War Mothers, Inc.

Amends the Act incorporating the American War Mothers, Inc. to permit certain stepmothers and adoptive mothers to be members of that organization. S. 2441. Public Law 92——, approved ———, 1974.

Life insurance

Provides full time coverage under Servicemen's Group Life Insurance (SGLI) for all members of the Ready Reserve, National Guard, and certain members of the Retired Reserves who are under 60 years of age and have completed at least 20 years of service; provides for the automatic conversion of SGLI to a non-renewable 5-year term policy, the Veterans' Group Life Insurance (VGLI), effective the day coverage under SGLI expires for the veteran (120 days after discharge) and provides coverage under VGLI for any person whose coverage under SGLI terminated less than four years prior to the date the VGLI program became effective for a period equal to five years less the time elapsing between the two policies; increases the maximum amount of coverage under both programs from $15,000 to $20,000; authorizes the return of excess premiums paid by Korean conflict veterans for Veterans' Special Term Life Insurance as a dividend to the insured; allows the Secretaries of the Army and Air Force to permit allotments from the pay of members of the Air Force, who are not on active duty, to make payment for group life insurance premiums of programs sponsored by the State military department or State associations of the National Guard; and contains other provisions. H.R. 6574. P/H May 7, 1973; P/S amended Apr. 8, 1974. (117)

POW families, funeral transportation for

Authorizes the Secretary of Defense to pay funeral transportation and living expenses for the families of prisoners of war who died while listed as a POW or MIA in Southeast Asia during the Vietnam conflict. S. 3228. Public Law 93-257, approved Mar. 29, 1974. (VV)

ADDITIONAL STATEMENTS

SENATOR SAM ERVIN

Mr. BIBLE. Mr. President, as we all know, a number of Senators have announced their plans to retire at the end of this session. I happen to be among those Members, having announced my plans in late August of last year.

Following me by some 5 months is my long-cherished friend, Senator SAM ERVIN. While Senator ERVIN followed my entry into the Senate by some 6 months back in 1954 when he came to the Senate in June to fill the unexpired term of the late Senator Hoey—and now again awaited 6 months past my announcement to announce his retirement—he by no means has lagged 6 months behind me in his Senate duties, while rising to national fame.

Senator ERVIN, as every Member knows, is unsurpassed for his knowledge of the Constitution. He is the finest constitutionalist I have ever had the privilege to know. I have gone to him on many occasions for advice—and he has always been willing to give me his views on the really tough constitutional problems which arise in this Chamber from time to time. He has been a champion of individual freedoms—no man in the Senate in my estimation defends individual freedoms more than SAM ERVIN.

Along with his wisdom, he has that sharp wit and humor which all Nevadans love and respect. Coming from a State where Mark Twain, another famous Sam, once lived—we have learned to respect and to cherish those persons endowed with this charm and rapport.

One of the first requests I made to Senator ERVIN when I learned of his retirement was to come to Nevada and address students in the political science department at the University of Nevada, where I expect to conduct a class next year. I know he will be most welcome.

Senator ERVIN is a modest man—he has not sought national acclaim. His Senate duties called upon him to undertake a job which he has handled in his customary manner with diligence and respect to protect the individual's rights. He once told one of his daughters that he would just as soon be unheralded, unwept, and unsung—and to those of us who have learned to respect the senior member from North Carolina, we know this to be true.

Recently coming into my hands were a number of editorials and news articles from the press of the Tar Heel State. In reviewing these editorials praising their beloved son's Senate activities, I found the comments to be of such interest, I believe every Member of the Senate should have an opportunity to review them.

To the man who stated at his announced retirement that he "wished to go home to Morganton with his wife Margaret and dwell for a time among the people who have known us best and loved us most—and to watch the sun set in indescribable glory," I hope that every Member will join with me in reading the many fine comments from the press of his native State. They are indeed a tribute to his Senate career.

Mr. President, I ask unanimous consent that the articles which come from the hearts and pens of his North Carolina friends be printed in full in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Sandhill Citizen, Aberdeen (N.C.) Dec. 27, 1973]

SENATOR ERVIN

(By Cliff Blue)

While Senator Ervin has announced that he will not be a candidate for reelection to the United States Senate, we do not expect his demise from the platform as has been the case with so many people when they leave public office.

Senator Sam will continue to be a much sought after speaker by the Democratic Party, not only in North Carolina but nationwide. Appointed to the United States Senate in June 1954 by Governor William B. Umstead, Senator Ervin was immediately given an assignment to speak on the Senate Resolution to censor the late U.S. Senator Joseph McCarthy. In his nearly 20 years in the United

States Senate, Ervin has been loved by both the conservatives and the liberals.

Step by step Senator Ervin opposed the desegregation laws which were enacted under the Kennedy and Johnson administrations. He has long been an ardent opponent of busing to achieve integration.

His chairmanship and leadership on the Watergate Investigation Committee endeared him to the liberals who have opposed President Nixon from the beginning. The young people have taken a great liking to him. Had he sought reelection he would have likely won.

As much as we admired him, we believe that he has taken the proper course. He will be retiring at the very height of his popularity which will give to him as long as health will permit more invitations to speak out on the issues of the day than he will care to accept.

With Ervin's decision having been made to retire, the embers will likely start burning in the hearts of many people who would not have dared oppose the mountain man from Burke County.

[From the Asheville (N.C.) Citizen, Dec. 21, 1973]

ERVIN'S CONTRIBUTIONS TO GOVERNMENT OF UNITED STATES

It isn't yet time to write Sam Ervin's political obituary. The 77-year-old senior senator from North Carolina has only announced what most people already suspected, that he will not run for a fourth term in 1974, but plans to come home to Morganton when this one ends on Jan. 3, 1975, so he and his wife, Margaret, may "dwell for a time among the people who have known us best and loved us most and . . . watch the sun set in indescribable glory . . ."

The senator, in fact, may well make some more significant entries in the book of Congressional history during his remaining year on Capitol Hill. His so-called "Watergate Committee" is still quietly at work, away from the glare of television, trying to extract the truth from a thicket of crime and corruption at the center of government. The Justice Department has its special investigators following up the leads pointed out in the Ervin committee's hearings, and according to what these investigations may yet discover. Senator Ervin's unique contributions to the integrity of federal government could once again be called prominently to public attention.

It is his chairmanship of the Senate Select Committee on Presidential Campaign Practices that brought Ervin his belated national fame, of course, but Ervin has been a quietly powerful man in the U.S. Senate for much of the 19 years he has spent there.

His career has not been without its contradictions, although he would say everything he has done in Congress is consistent with his understanding of the Constitution. He is widely regarded as one of its authoritative interpreters. He stood on Constitutional grounds in opposing most of the civil rights legislation of the 1960s, enacted to end 200 years of civil inequality for black Americans.

In spite of that blind spot—which was probably an accurate reflection of the people he represented—Sam Ervin has otherwise left his mark as a champion of private rights against the invasive power of big government. (In fact, his opposition to the civil rights bills seems to have been grounded in this concern.)

He fought against such invidious legislation as the "no-knock" law and "preventive detention." He was an outspoken critic of military spying against U.S. civilians and has attacked governmental intimidation of individuals and attempts to control news.

Sam Ervin says he still has unfinished business in a bill to protect the privacy rights of federal employes and a bill settling procedures for future constitutional conventions.

He also hopes to shape laws that would prevent "such tragedies" as the Watergate affair in the future.

Those are big orders, but Sam Ervin is a man who can do a lot of work in a year.

Whoever takes his place—and the candidates are already jostling for position—will have some tall precedents to follow.

[From the Asheville (N.C.) Times, Dec. 22, 1973]

SENATOR SAM'S DECISION

Sen. Sam Ervin has done a graceful thing in his decision not to seek re-election to the United States Senate next year.

Ervin is 77 and he gave age as the reason for his decision. Intellectual honesty, he said, would not permit his asking North Carolinians to return him to Washington, because he would, if re-elected, be 84 when his term expired.

Ervin announced his retirement at the peak of a career which has brought national attention to him in recent months as chairman of the Watergate committee.

Ervin will be remembered for much more than Watergate, however.

As a freshman senator, in the middle 1950's, he led the fight on the Senate floor against McCarthyism. He has been a stout defender of individual freedoms, though he has opposed civil rights laws on Constitutional grounds, and is recognized as the Senate's finest constitutionalist.

Before Watergate, he was little known outside the Senate and the South. With the rush of Watergate, suddenly, there he was, in the international spotlight. All the constitutional doctrines that Ervin had long been advocating became national issues, and he was the enunciator.

He did not change, really from what he has always been, though some citizens mistook his conduct for sanctimoniousness.

His decision not to run again gives him time to finish the Watergate investigation, free of previous charges that, since he faces re-election, he is out to make headlines. He was always a bigger man than that.

Ervin will be missed in the Senate, for he is, perhaps, the only genuinely colorful figure in that assembly that once was known for its characters.

But more important, he leaves on a crest of national respect, especially among the young, having made his mark on his time as a guardian of the Constitution and an advocate of the precept that ours is a government of laws, not of men.

He and Mrs. Ervin plan to return to Morganton, there "to dwell for a time among the poeple who have known us best and loved us most, and to watch the sun set in indescribable glory behind Table Rock and Hawk's Bill Mountain."

It is a fitting ambition, and we wish him and Mrs. Ervin well.

[From the Asheville (N.C.) Citizen-Times, Dec. 30, 1973]

FILLING SENATOR SAM'S SHOES CALLS FOR TAR HEEL BEST

Sen. Sam Ervin's decision not to seek relection in 1974 has thrown North Carolina politics into a whirl, setting the stage for what could be one of the state's most hotly contested Senate races.

Before the cast of characters—the candidates—which is expected to include a small host of Democrats and Republicans in the primary, takes center stage, several observations seem in order.

Mr. Ervin's retirement will leave large shoes to fill, thereby calling upon all North Carolinians, especially party leaders, to choose with care a worthy successor. Even if a less colorful and learned man than Ervin were vacating the office, finding and electing a successor would be quite an undertaking.

For, outside the President and Vice President, a U.S. senator is the highest elected official on the national level. In state politics, too, a senator's influence can often prevail over gubernatorial power, one reason being the subordinate role state government often plays in political affairs.

Whereas there are 435 or so representatives in Congress, there are only 100 senators. The numbers are not without their significance. The relative smallness of the Senate's number gives its rank and file an edge over most House members in the power game, for power is drawn to small numbers and loathes being shared.

There is another big difference. A representative must face election every two years; a senator, every six.

Six years is a short lifetime in politics, more than enough years in which to obstruct enlightenment or nurture progress. And six years is a long time without a challenge at the polls, but that was the intention of the Founding Fathers. They wanted to free senators to make national decisions away from the frequent pressure of the electorate.

All this means that the person selected to replace Sen. Ervin must have the people's trust to perform during six years of freedom from the ballot boxes back home.

There is another consideration in this regard. Most senators serve for more than one term; some seem never to fade away. Is the senator-to-be durable and capable of changing with the times? It is a hard question, but it must be weighed.

Can he or she be trusted to represent the people, yet, when conscience dictates, risk public derision and follow conscience and not democracy's clamor. Every senator faces such a decision at some point in his career, and often the test proves an undoing.

Ervin walked a lonely road in the McCarthy Era of the Fifties and later in the school prayer debate. He must have spent some pretty lonely times during the height of the Watergate hearings, despite the fame he won. It would appear that he met the test of reconciling public reaction and individual conscience.

To some it may be a bit much to ask for this quality in a senator. Perhaps it smacks too much of idealism, calling to mind memories of LaFollette, Taft, Vandenberg, Norris, and Paul Douglas. Rather, this trait should be the norm, not the exception, of Senate membership.

There is the matter of geography. Since at least 1930, it has been something of a Tar Heel tradition to choose one senator from Eastern North Carolina and one from the West. The state's junior senator, Jesse Helms, is from Raleigh and most of the mentioned contenders for the Ervin seat are also Easterners.

While most Westerners would like the eventual choice to be from the West, geography should not dictate the decision. Character and ability should be top priorities.

The Senate is an assembly composed mainly of attorneys, of which Sen. Ervin is regarded as perhaps the premier.

Since Sen. Helms is not an attorney, some observers are suggesting that Ervin's successor should be a person trained at the bar.

As with geography, occupation should be secondary. Wide knowledge of public affairs, common sense, and probity are just as important, maybe more so, in the legislative life than legal training. Several excellent senators have been non-lawyers.

The vacancy, in sum, is a large opportunity for the right person. It is a large responsibility, too, for the voters.

[From the Boone (N.C.) Watauga Democrat, Dec. 31, 1973]

WORDS OF WISDOM

(By Bob Rivers)

Senator Sam Ervin, Jr., in announcing his decision not to seek another term in the United States Senate, disappointed many of his friends but used special judgment in quitting while he is "on top of the heap."

The Senator, hale and hearty, who says he "works harder than most senators of any age," has no doubt but that he could win another six-year term . . . Neither do we, but he said he cannot ignore the fact he would be 84 at the end of it, adding:

"Since time takes an accelerating toll of those of us who live many years, it is simply not reasonable for me to assume that my eye will remain undimmed and my natural force stay unabated for so long a time."

Back home, Senator Sam, more in demand as a public speaker, we understand, than any man in the country, can pursue whatever political activity he desires, without the Washington pressures. It is safe to assume that if he is so inclined, he can have considerable influence on selecting his successor and at any rate, will remain a vital force in the affairs of the Democratic party.

[From the Daily Times-News, Burlington (N.C.) Dec. 21, 1973]

Senator Ervin's Decision

Sen. Sam J. Ervin Jr. has been the originator of his share of surprises in recent months. Yet, his decision now to step down after his term ends Jan. 1, 1975, to return to his Morgantown home must rate as the state's political story of the year.

His announcement didn't come as a massive explosion, for there has been considerable speculation on what he would do as he said in the Spring that he would reveal his personal plans before year's end. There were those who contended that he would not step down, that he had too much going for him in the Senate now to revert to a calmer life. There also were those who said that he would in respect for his age and the career, in retirement, which he could select for himself.

The senator was caught on one side between strong support for his continued presence in Washington, and then the sincere urging of many of his friends, on the other, to end a distinguished career now when he can know some rewards from it, rather than going through what could be a strenuous and uncertain campaign.

Sen. Ervin made a wise decision. It will draw considerable evaluation in the time ahead as he remains on the active scene, just as what he has done will open the doors for the beginning of a sizeable campaign for the Democrats. What the Republicans will do has not been widely developed so far.

Henry Hall Wilson of Monroe already is an announced Democratic candidate, and it shouldn't be long before Atty. Gen. Robert Morgan will make his candidacy official. These two will guarantee us a good contest for the nomination.

Let us not overlook some other possibilities.

Former Lt. Gov. Pat Taylor stated sometime ago that he would give strong consideration to the Senate race providing Sen. Ervin would not run, and former Rep. Nick Galifianakis plans to make an announcement within a few days on his intentions.

And there still remains Rep. Richardson Preyer of our Sixth District. A strong vote-getter, his name certainly will not be overlooked, though he says he is happy in his present place and has no plans for anything else.

Rep. Wilmer Mizell of the Fifth District is the only major leaguer in speculation for Republicans now, and it well could be that his party will get behind him. Charles Jonas Jr. of Charlotte, son of the veteran congressman now in retirement, apparently is not as interested now as earlier, and State Sen. Mike Mullins of Mecklenburg simply can't get much enthusiasm built on his side.

Unless Rep. Jim Broyhill also would reconsider, there could be strong concentration by Republicans only for Rep. Mizell, with the full force, in turn, being turned loose on the general election to capture the seat.

All of this, of course, is something which now will be developing. The impact now is that Sen. Ervin has made his decision. He will continue to serve through the remainder of his term as a senator, as chairman of the Watergate probe, and as watchdog of the Constitution. Yet, he has given sufficient notice to his party and to potential candidates so that they can make their plans.

The unusual thing about the announcement now is that Sen. Ervin is in a position to maintain his present role and not be regarded, as so often is the case, as a lame duck. He has priorities on what he wants to get completed in the Senate, just as he has some priorities when he leaves office. The fact that he won't be there after Jan. 1, 1975, won't reduce his power to any degree.

Sen. Ervin will be with us in a strong way for a while yet. It will be hard, in fact, for him to be able to "go fishing" very often, as he says he wants to do, for there will be much demand for his time.

And as this is continuing, he will have a successor. Sen. Sam J. Ervin Jr., however, will be, to many people, a strong and able senator from now on, whether or not he is in office.

[From the Chapel Hill News, Dec. 20, 1973]

Sam Decides Not To Play It Again

Sam Ervin's announcement that he will exit gracefully and under his own steam from the United States Senate is cause for deep regret and, at the same time, great relief.

With his emergence in the last few years as the definitive Constitutionalist, as an uncompromising defender of civil liberties, and now as the scourge of Watergate, he towers in Washington. He might very well be the Senate's only resident giant.

His being selected as chairman of the Senate Watergate committee was in itself a fair measure of the stature he has attained. With the nature of the investigation and the inevitable assault on the President that it promised, the chairmanship demanded undisputed integrity, a deep sense of fairness and transparent honesty, and a devotion to the law and our democratic institutions that would throughout transcend any hope for partisan advantage or personal gain. In search of those qualities the Senate turned almost automatically to Sam Ervin.

His conduct of the Watergate inquiry has been an ordeal for him, even while bringing him to the moment of his greatest personal triumph. No one has greater respect for the office of the President than Sam Ervin. Few see it more clearly in its full historical sweep and understand better the moral and political leadership that it invests. And here he was, cast in the role of the one who might more than anyone else be responsible for bringing the President down.

As usually happens in national dramas, Sam Ervin's role has been heavily overlaid with hoopla, exploitation, lionizing by the media, and public determination to mount him as a folk hero. That has not made his profound ordeal any less real, and neither has it made him any less the genuine article.

Somehow he has managed to survive the popularization with dignity and restraint and with the old virtues undamaged. He is still the same plain old down-to-earth, honest to goodness Sam Ervin. What is perhaps even more remarkable, having peered into the dark corners of the Nixon administration, his devotion to our democratic institutions is as deep as ever, his confidence in our system of government is unshaken, and his hope for the country is still boundless.

The loss of his service to North Carolina, to the Senate, and to the country will be inestimable. A Sam Ervin does not quit the scene unnoticed nor does his departure go unlamented. The Congress will continue, as he would be the first to say, but it will continue considerably diminished.

There are sound and unassailable arguments for Sam Ervin's taking the veil.

For one thing, he will be swapping the Washington turmoil for the serenity of his beloved Morganton, and that is hardly an even trade. After twenty years in the Senate, during some of the country's most tumultuous years, he deserves all the peace and quiet and good fishing he can get.

For another thing, Senator Ervin will now be able to resume the Watergate inquiry without the slightest suspicion of political motivation. Had he sought another term, he would have been met at every turn of the Watergate investigation with, Well he's running for re-election, you know, and his role would to some extent have been compromised.

And, regardless of those who would like to see him continue forever, Watergate is indeed Sam Ervin's Last Hurrah. He has been hip-deep in the country's praise and affection for nearly a year now. When your countenance appears on T-shirts, the cover of *Time* and *Newsweek* and *Meet The Press*, your voice is heard on records, and your sayings preserved in hard-cover, you have reached the zenith as a public figure. Regardless of what happens in Washington next year, there is no way for Sam Ervin to go, as a political commodity, but down.

It is heartening to us and altogether fit for the man for Sam Ervin to go out riding the crest. There are far too many old men in the Congress hanging on term after term, trying to deny their age, obsessed with political survival to the exclusion of everything else. They are a drag on the Congress and on the country. Sam Ervin might have been able, physically and mentally, to give several more years of stellar service to the country, but at 77 the odds are long, and it is a testament to his character that he decided not to risk joining the Senate's senility squadron.

Chances are that Sam Ervin would have been able to withstand a stern challenge in the Democratic primary next spring and the Republican thrust in the general election. He is by far the most beloved public figure in North Carolina and while personal feelings don't always translate into votes, the great esteem in which he is held throughout the state would have given any ambitious challenger long and thoughtful pause.

Without being privy to what brought the Senator to his decision, we doubt that the possibility of his being defeated had anything to do with it. Given other circumstances, a somewhat more tender age, and self-assurance that he could serve the country, Sam Ervin would probably have left the decision entirely to the voters, challenge who might.

Throughout his long and distinguished career Sam Ervin has been a credit to North Carolina, the Congress, and to the country. He has served us faithfully and well. We wish him a long and happy life safe from the madding crowd.

[From the Charlotte News, Dec. 21, 1973]

Senator Ervin: Hero and Symbol

Bowing to the inevitable advance of age, Sen. Sam J. Ervin, Jr. has decided not to seek re-election when his term expires just over a year from now. He will retire at the pinnacle of his career, and not present the voters with the difficult question of whether to return him for his good work, despite his age. It was a decision that will deprive the Senate of Sam Ervin's wise counsel and strong character, but will perhaps give the nation a true elder statesman.

One need only look at the extent and fondness of the news coverage of the senator's retirement to know that this is not an ordinary departure, to know that Sam Ervin is regarded as being something more than just another senator, or just another important senator.

He's become a folk hero, with all that entails. He's adored for his virtues and his colorful eccentricities. He's forgiven for his shortcomings, and for the positions that not long ago earned him stern criticism from some of his present admirers.

But he's also become a hero in the very serious, old-fashioned sense. Against the tawdry background of Watergate, that scandal of small, shallow, cold men of great ambition but scant principle, Sam Ervin stood out in bold relief. He was all that those men were not, and became for the nation a much-needed symbol of integrity, rectitude, justice and simple humanity.

That he became such a widely known symbol is perhaps attributable to circumstance, to so small a thing as the taped lock that caused the Watergate burglars to be caught. Without Watergate, he probably would not have come to center stage.

But it was not merely chance that he was fit to be such a symbol, that he was sought out to probe the cesspool of Watergate. And it was not merely chance that he was equipped to expose Watergate not just as a partisan excess, but as the fundamental perversion of the American system that it was. For the trends that culminated in Watergate had been building for years, and Sam Ervin's record of opposition to them had likewise been building for years. He started in the Senate fighting the excesses of Sen. Joseph McCarthy's witchhunt. He emerged as a champion of civil liberties, authoring legislation to reform the criminal law's treatment of the poor, and came to the fore when it was time to fight such constitutional violations as military spying on civilians and no-knock raids.

But it was a record that, for a long time, was only narrowly appreciated. Senator Ervin understood the civil liberties issues when others didn't or considered other things more important. His concurrent opposition to civil rights legislation lost him support in some quarters where his civil liberties work was appreciated.

What has happened since then is not that Sam Ervin has changed, but that others have changed, or changed their judgment as to what is urgent and fundamental, what peripheral. That he was not fully appreciated earlier is in part due to the fact that he was not looked at whole; that he is perhaps overly appreciated now is due to the same fact.

Yet, to understand his constitutional philosophy, one must look at it whole. It is not a partisan philosophy that would apply one standard to Republican presidents, and another standard to Democratic ones; not an opportunist philosophy that simply sees in the Constitution support for what it would otherwise like to accomplish. It is rather a strongly individualistic philosophy that starts from the Constitution, and reads it to say the same thing every day.

It's a philosophy that made Sam Ervin the ideal man to stand against the partisan opportunism of Watergate. It's a philosophy that ought not perish with his retirement from public office.

[From the Charlotte Observer, Dec. 20, 1973]

RETURN TO NORTH CAROLINA MOUNTAINS NO COMEDOWN FOR ERVIN

(By Paul Clancy)

WASHINGTON.—In the midst of the Watergate hearings, when Sam Ervin's national popularity was at a dizzying height, he told one of his daughters that he would just as soon be unheralded, unwept and unsung.

It was just the kind of thing that the modest, almost shy man from the North Carolina mountains would say. All the Watergate attention didn't change Ervin.

It's simply that people in 49 other states began to see the Sam Ervin that North Carolinians have known for years—a teller of homespun stories, a quoter of Scriptures and a constitutional revivalist who made some surprising converts.

He is, as he told witnesses at the Watergate hearings, just an old country lawyer. And returning to the practice of law after 20 years in the Senate, going back to the basic things of life—like watching the sun set "in its indescribable glory" behind Table Rock Mountain from his home in Morganton—is not at all a comedown for a man like Ervin.

It's not that he hasn't liked the Senate. In fact, it has become his life. And he became attuned to its wonderfully inefficient, stodgy, deliberative ways that are so Southern in their character.

But he almost seemed happier plodding through mountains or dull law books and engaging in hours of intellectual debates than basking in the warm glow of publicity.

Indeed, his Wednesday press conference to announce his decision not to seek a fourth Senate term excluded members of the national media and was one of only a handful he has called since coming to Washington in 1954.

There were many issues that he considered of far more constitutional significance than the Watergate fiasco.

Ervin came to the Senate at a crucial time. The Supreme Court had just startled the nation with its decision declaring that segregated schools were inherently unequal. That decision set Ervin on a course that would dominate his carrer for many years.

Like a lawyer representing a client, Ervin defended the South against every one of its detractors and against every bit of legislation aimed at righting old wrongs in the South.

It was from this agonizing battle that he gained much of his reputation.

But another force was at work in 1954 that Ervin attacked with equal ferocity—McCarthyism.

Only a few months after taking his seat in the Senate, Ervin was named to the Select committee studying the question of whether to censure Sen. Joe McCarthy for running roughshod over anyone who did not share his fierce anticommunism.

Ervin had not been very aware of McCarthy. But after studying his methods—and after being personally attacked by him—he took the lead in the move to censure the Wisconsin Republican.

Ervin gradually began to be recognized as one of the leading civil libertarians in the Senate, a role that he took on with gusto after becoming chairman of the Constitutional Rights subcommittee in 1961.

Although criticized for his civil rights record, Ervin took on a number of civil liberties causes that few liberals would touch.

In the process, he also indirectly did more for the civil rights of blacks than many of his Northern critics.

The Criminal Justice Act of 1964, which set up the legal defender system for indigent defendants; the Bail Reform Act of 1966, which allowed the accused to go free without bond pending trial, and his fierce attack on the Nixon Administration's "no-knock" and preventive detention legislation, won him recognition as a defender of individual rights—white and black.

Many consider that Ervin's greatest moment in the Senate was his passionate speech against an amendment by the late Everett Dirksen in 1966 to permit prayer in public schools.

After criticizing the Supreme Court's decisions banning prayer, Ervin changed his mind about the Dirksen amendment and, pouring out his own deeply religious beliefs, helped convince his colleagues in the Senate that it was just as important for government to stay out of religion as it was for religion to stay out of government.

This seeming paradox between Ervin's defense of civil liberties at the same time he attacked civil rights laws puzzled and infuriated both Ervin's friends and his enemies.

But Ervin believed that granting special rights for one group of people, no matter how just the cause, robbed everyone—both blacks and whites—in the end of precious civil liberties.

"It is not the civil rights of some, but the civil liberty of all on which I take my stand," he said.

Ervin's real test did not come, however, until the beginning of the first Nixon Administration.

That was when President Nixon's law-and-order proposals were sent up to Congress, when freedom of the press came under attack as it never had before, when the rights of members of Congress were severely challenged and when their powers were, Ervin said, "brazenly" seized.

What had been dull, scholarly debates before Ervin's subcommittees on constitutional rights and separation of Powers suddenly became the "in" issues.

Early in 1971, Ervin held widely publicized hearings on the massive Army intelligence operation that was begun during the Johnson Administration.

He found out that the military had begun, and was continuing to operate, an unprecedented program of snooping on American citizens. Almost everyone involved in public controversy—student activists, civil rights leaders, clergymen and even politicians—were subjects for surveillance.

But after being held up to scorn and ridicule by Ervin, the operation was suddenly abandoned.

At the same time, Ervin began defending the press against what he considered to be "intolerable" efforts by the government to "intimidate" newsmen by demanding to know the sources for their news stories.

That fight is still going on, and Ervin is the chief sponsor of shield legislation to allow newsmen to protect their sources.

Ervin saved his choicest comments for the increasing tendency of government to collect and computerize information on individuals. The immensely private man, Ervin, considered such invasions of personal privacy to be "rank tyranny."

Perhaps the last publicized of Ervin's causes were his attempts to trim the sails of the increasingly high-flying executive branch. He began many years ago warning about the growing tendency of the President to act in crucial areas of foreign and domestic policy as if Congress didn't exist.

He held hearings on these separation-of-powers issues—the impoundment of congressionally authorized funds and the invocation of executive privilege—long before many people had heard of them.

So, when Nixon began his moves to carry out his programs with or without the consent of Congress, Ervin was ready.

It was no accident, then, that Congress sought out the 77-year-old Southerner when it felt it was about to be stuffed and placed in a museum.

Nearly all the issues that Ervin has been working on for 20 years seemed to be coming to a head just before the Watergate explosion.

He was reluctant to take on the new assignment of heading the Watergate committee. In fact, before the 1972 election, he told reporters he was just too busy.

But duty, in the person of Senate Majority Leader Mike Mansfield, called early in January 1973, and Ervin reluctantly agreed.

"I wish to God Mike hadn't asked me," he grumbled once to an aide.

Ervin didn't suddenly memorize passages from the Bible, Sir Walter Scott and the men he considered to be the great statesmen of the ages—the lines made him famous during the summer of 1973.

These things were deeply ingrained in the man who, although he has spent all but four of his years in the 20th century, never quite left the 19th.

So in touch was Ervin with the thinking of the men who wrote the Constitution that he began to be known as "the last of the Founding Fathers."

After being ignored by much of the media for so many years, it probably was gratifying to Ervin to come in suddenly for so much attention. But the crush of publiicty that went with the Watergate hearings ultimately robbe him of his most treasured possession—his privacy.

He still has another year in the Senate, and there are many issues—beyond clearing up the mysteries of Watergate—that he would like to see resolved.

And with his new-found power and prestige, and freed now of personal political considerations he may be able to accomplish much in his last year.

[From the Charlotte Observer, Dec. 21, 1973]

ERVIN AND 1974: HE WILL LEAVE WITH HONOR

It seems strange that Sam Ervin reached the pinnacle of his public prestige by way of television. He seemed a most unlikely candidate for stardom: old, old-fashioned, encumbered (some thought) by his penchant for down-home story-telling, altogether lacking in the phony slickness that has made many a TV idol.

But nationally Sen. Ervin will be known to present generations principally through the mind-images that television brought us. There he is, quoting the Constitution and the Bible, scratching an ear, exercising an eyebrow with the speed of a hummingbird's wings, sweeping through factual recitations to draw out a main truth—a truth transcending the mere facts.

The senator's enjoyment of the national attention is obvious. But it was not something he reached for; and it is a major departure from his own practice through the years of rejecting approaches that might have made him better known. He often was to be found amid the printed words of the Capitol library when he might have been making news with words of his own.

So there has been irony in the fact that Sen. Ervin, a shy man, one whose main contributions in the Senate have been because of his hard work in solitude rather than through committee power or public persuasion, came to life for many people only when the TV cameras swung his way in what probably will be considered the most celebrated public hearings of a congressional committee in our time.

THE NATIONAL LOSS

Except in the case of a handful of senators, an announcement of retirement would have relatively little national significance. But Sen. Ervin's announcement Wednesday that he will not run again next year, besides opening wide North Carolina's political floodgates, is a matter of substantial national import. Last April, on the eve of the Watergate Committee hearings, we said of Sen. Ervin: "His is the strongest voice for individual freedoms being heard in Washington." That was true then and is probably still true.

The national loss will be, in part, because of his very visible integrity in a time when the country has been buffeted by the scandals of our most corrupt Administration in history. Washington can get along without Sen. Ervin's stories and his personal charm, but the quiet honesty and straight forward nature the quiet honesty and straightforward nature of its best public officials will be less visible without Senator Sam. He has embodied much of what has been the best in the Senate.

He will be recorded as a conservative, not a liberal, unless one adopts the strange and very current view that conservatism does not include strong support for civil liberties. But principally, historians will be interested in him as a defender of the Bill of Rights. And these days, that is not exactly like being for motherhood and the flag, since many people are willing to sacrifice some of those guarantees for what they think would be a bit more security.

ALERTING THE PEOPLE

Four years ago Sen. Ervin was seeing "the trappings of a police state" in the "preventive detention" and "no-knock" measures being sought by the Administration. Not very many people were listening, but more are now. People also know more of what he was talking about in his dogged persistence on behalf of the separation of powers. Less well known have been his efforts on behalf of servicemen facing questionable military justice practices; indigent defendants unable to raise bail or hire lawyers; and civil servants being harassed because of their political views.

His votes against civil rights bills, even the bill that cleared the way for blacks to vote in the South, were the major departures in his record on behalf of constitutional rights. They will be regarded as great contradictions, the kind that have reduced the size of many of the South's best political leaders.

We feel great regret that Sen. Ervin will not be in the Senate after next year, but we respect him for his decision. He has done what few members of Congress manage to do: resist the temptation to continue to wield the power that has come to them, because of the seniority system, only in their later years. Sen. Ervin will go out with honor, and at the peak of a distinguished career.

[From the Charlotte Observer, Dec. 23, 1973]

ERVIN IS RARE INTELLECT IN GOVERNMENT

When Bill Umstead, the frail, sensitive governor of North Carolina, called Sam Ervin to the executive mansion in Raleigh in the spring of 1954, Ervin is supposed to have urged the governor not to appoint him to the United States Senate.

Ervin was then in his sixth year on the State Supreme Court, a political mausoleum that rather suited his intellectual temperament. He was a judge, not a politician; a legal scholar, not a performer on the public stage.

This, according to the usual criteria, made him ill-suited for the job of senator.

But Ervin made the mistake—if you want to call it that—of telling Umstead, his old college chum, that he would not refuse if asked, that he would consider it his duty, however unpleasant, to accept the appointment.

And so the relatively unknown jurist became a seemingly indestructible political force in the state without ever putting together a political organization.

Ervin would never have run for the Senate on his own steam if the job had been wide open—as it now is with his decision to leave. He would never have given up his safe job on the court to become a candidate for public office.

He would have stayed in Raleigh and almost certainly have become chief justice of the Supreme Court, lending his crackling wit and constitutional wisdom to the scholarly proceedings. He would have been perfectly happy where he was.

As it turned out, the appointment of Ervin—he was subsequently re-elected to three six-year terms with little or no opposition—had a profound impact on the state's political history and ultimately led to a classic confrontation on the banks of the Potomac.

It sounds very undemocratic to say that the political system rarely propels intellectual giants or even moderately qualified men and women to seek office. It's an accident if it does.

It seems, instead, to promote demagogues, movie stars, former athletes and shallow lawyers, who haven't touched a law book in years. It is a sad fact that Ervin is one of the few members of the Senate who ever uses the Senate Law Library.

Whether you are happy or unhappy with Sam Ervin, you have to admit that there haven't been many like him in this town. He is always either livening things up or bogging them down—depending on your point of view—but it was always something. As he put it, "I have that quality which one's friends call firmness and one's enemies call obstinacy."

He took generally safe positions during the civil rights debates of the Sixties. But, in part because of this, he was also able to take some very unsafe positions. The cause of civil liberties has never been terribly popular during any of the eras when "national security" sold like hotcakes.

Ervin has been the Senate's chief exponent of Jeffersonian liberalism, which balanced one's right to be nasty with one's right to equal opportunity. In Ervin's view, the last party that should be concerned was the government.

Agree with him or not, his has been a potent force in the Senate and national affairs.

And it isn't because of political shrewdness or horse trading, but because of the sheer force of his intellect. He might have won many more battles, perhaps, with a little more behind-the-scenes know-how. But then, he wouldn't have been Sam Ervin.

"There is an old saying that the setting sun gives little heat," one of Ervin's aides mused the other day after his boss said he was stepping down. "But he is one of the few men in politics who stand for integrity, and I'll bet he will continue to be a major force in American politics for a long time to come—and that includes 1976."

[From WBT/WBTV, Charlotte, N.C., Dec. 20, 21, 1973]

SENATOR SAM DECIDES TO RETIRE

We hate to see Senator Sam Ervin depart from the halls of Congress that he has graced for so long. But there is no question in our mind that he is doing the wise and proper thing.

Senator Sam, after all, is 77 years old, as he is willing for everyone to know. And, as he says, another six-year term would take him into his 84th year and beyond. While his wit and charm and grasp are undiminished—indeed, seem to grow—he realistically recognizes that his physical and mental faculties must inevitably decline, and that the time to leave is before they do.

We wish that all public officeholders possessed the same wisdom. About 3½ years ago this station took the editorial position that such officeholders should be required to retire at 75. We still think it's a basically good idea, though we have to admit that Sam Ervin has performed brilliantly at age 76 and 77. But no matter. The decision to retire was his alone, and wisely made without compulsion.

We're not saying goodbye to Senator Sam yet. He still has a little more than a year yet to go, and we know he'll put in the time to good account. We are confident, to the end, he will continue to fight for the Constitutional liberties and the individual rights which he has championed for nearly twenty years in the Senate and to which he has dedicated most of his life.

And when he leaves, we doubt that anyone can adequately take his place or come close to matching his imprint.

[From the Durham Morning Herald, Dec. 21, 1973]

SENATE CONTEST LINEUPS AWAITED

There would seem to be little doubt that Attorney General Robert Morgan will be a candidate for the U.S. Senate to succeed Sen. Sam J. Ervin Jr., who is retiring, although he said yesterday that no formal announcement of his intentions would be made until after the first of the year.

Mr. Morgan generally has been regarded as unofficially in the race for a good while now, particularly if Senator Ervin decided to retire at the end of his current term. Senator Ervin's announcement of his decision to retire clears the way for Mr. Morgan to become a candidate for the Democratic nomination for the Senate seat in the primary next spring.

A heated contest for the Democratic nomination is assured. Henry Hall Wilson of Monroe, a White House aide under Presidents Kennedy and Johnson and later general manager of the Chicago Board of Trade, announced his candidacy several months ago.

Among other Democrats mentioned as possible candidates are former U.S. Rep. Nick Galifianakis, who won his party's nomination last spring in a contest with Sen. B. Everett Jordan but lost in the November election to Republican Jesse Helms, former Gov. Robert W. Scott, and former Lt. Gov. H. Pat Taylor Jr.

While the possible Republican lineup is less clear, Rep. Wilmer (Vinegar Bend) Mizell of the Fifth Congressional District is expected to enter the race for the Senate seat. Charlotte stockbroker Charles R. Jonas Jr. is regarded as a possible contender. It is regarded as likely that Republicans will have a spirited primary for the nomination, and one thing certain is that next November will bring quite a battle between Democrats and Republicans for the Senate seat.

Senator Ervin's decision to retire at the end of his current term was more or less expected, and he made the point in his announcement that his age alone, 77 years, was the determining factor. He has served the state and the nation well in his long and notable career in the U.S. Senate, and with another year to go before his retirement he can be expected to add to his accomplishments in service to the people.

In his record of service, as a state legislator, a Superior Court judge, an associate justice of the North Carolina Supreme Court, briefly as a member of the U.S. House of Representatives, and finally in the U.S. Senate, Senator Ervin has compiled a record of exemplary service to the public.

[From the Fayetteville Observer, Dec. 21, 1973]

Senator Ervin's Wise Retirement Decision

Taking Sam Ervin off the North Carolina political map will be sort of like removing Mount Mitchell from the physical landscape. It won't cause the heavens to fall, but what a difference it will make in the scenery.

Longer than the memory of most citizens, Ervin has been an active participant in Tar Heel politics. He has been a familiar figure and his name a household word as a Democrat holding both legislative and judicial offices and as a colorful campaigner able to rouse party spirits with Biblical rhetoric and country humor.

Those accustomed to his venerable appearance as a U.S. Senator with wagging eyebrows and jowls for two decades may not realize that Ervin won his first election at the tender age of 27. That was as state Representative from Burke County, an office he held for three terms to start a public career spanning half a century and moving from the Superior Court bench to the halls of Congress and to the State Supreme Court before his appointment by the late Gov. William B. Umstead to the U.S. Senate.

His record is long and distinguished. Unassailable integrity earned him hard foes on issues and honest differences with friends, but respect beyond partisan and philosophical lines. A personality of wit and warmth gained him affection not usually enjoyed by politicians. Of course, his landmark role as chairman of the Senate Watergate Committee gave him national stature and made him a folk hero in his own time.

Regret at his departure when his present term ends next year must be mixed with admiration for his achievements and respect for the good sense behind his decision. Very likely, Ervin could win election to another six-year term. But as he himself noted, he would be 84 before its end. In any realistic appraisal, he would be apt to fail in physical and mental stamina to discharge the duties to the high standards of his own past performance.

Under the theory of constitutional government espoused with fervor and vigilance by Senator Ervin, no man is indispensable although reasonable and just laws are. His personal adherence to the principle is apparent in his decision to retire.

By the same token, in the selection of his successor the widest possible latitude will best serve the interests of all North Carolinians. No one among the many "patriots willing to serve"—in the trenchant phrase of the late Gregg Cherry—should gain an advantage from a posture as an inevitable choice.

Senator Ervin's timely announcement of his future plans creates the opportunity for an open field in the party primaries next spring. There is time for any potential candidate to organize forces and launch a bid for the office. Voters of the state would do well, drawing from the scriptural source for much of the Senator's advice, to "watch and pray" before they arrive at any conclusions on who they want to sit in Sam Ervin's Senate seat.

[From the Fayetteville Observer, Dec. 27, 1973]

Senator Ervin's Exit and Two-Party Politics

A rash of political speculation undoubtedly was to be expected in the wake of longtime U.S. Sen. Sam J. Ervin's retirement announcement. But one wire service's suggestion that Democratic Senator Ervin's exit may leave the Tar Heel Democratic Party in a shambles seems unusually far off base.

The report said Ervin's retirement "could sweep away the last shards of the Democratic Party's dominance in North Carolina." It pointed out that the state now has a Republican governor, James Holshouser, and a Republican U.S. senator, Jesse Helms. Both won their offices in President Nixon's pre-Watergate landslide election victory last year.

Actually, instead of being closely identified with the Democratic Party's fortunes or misfortunes in this state, Sam Ervin has been about as close to a political maverick as the state has produced at the national level in recent times. He has made an occasional campaign appearance in behalf of the Democratic ticket at election time back home but his chief political characteristic has been independence, not partisanship. He has maintained a hands-off policy toward the party machinery back home, not attempted to build and control any political machine.

Undoubtedly it would be a boost for Republicanism in the state if the GOP wins the Ervin Senate seat next year but this would hardly leave the state Democratic Party in a political shambles. By wide margins in the Senate and House, the Democrats control the General Assembly, where the success or failure of the administration of any governor, Republican or Democrat, is largely determined.

The GOP hasn't been able to crack the Council of State, whose membership is made up of high elective state officials. While Holshouser and Helms were winning in the pre-Watergate Nixon election sweep through North Carolina, the voters also were electing a "new" and promising young Democratic leader at the state level, attorney James Hunt of Wilson, to be the state's first full-time lieutenant governor, its second ranking official. The state's congressional delegation is still predominantly Democratic and most local governments remain securely in the hands of the same party.

North Carolina needs a strong, two-party political system so one side can keep the other honest, so to speak, by challenging it to constructive leadership. This need can be readily seen here in Columbia County, where political neglect of the needs of the people for decent local governmental services was a habit for far too many years. Fortunately, one thing the people here and elsewhere in the state don't have to worry about in the immediate future is the demise of the State Democratic Party and a new era of one-party state rule by the Republicans, Democratic Senator Ervin's retirement plans notwithstanding.

[From the Fayetteville (N.C.) Times Dec. 20, 1973]

Ervin: Last of the Giants—Departure Erodes Democratic Dominance

(By Roy Parker, Jr.)

Despite his recent rocketing to national front rank, Sen. Sam Ervin Jr. was of the political past in North Carolina, a past of Democratic dominance with a clearly-defined stable of political personalities.

His departure will sweep away further shards of Democratic Party dominance of state politics, a dominance which shattered last year when Republican James Holshouser won the governorship.

Ervin is the last remaining giant of Tar Heel politics, a household name even before Watergate, who had never faced serious challenge within his party or from Republicans.

Essentially a lone wolf in state politics, he built no machine and could probably play little role in choosing a successor, even if it was a mind to do that.

Thus, his departure will leave a scene of intraparty and two-party jockeying out of which could emerge new leadership in both parties.

On the Democratic side, Atty. Gen. Robert Morgan will undoubtedly now step into an arena of major political combat, after years of hanging around the edges.

In a 20-year political career, Morgan has gained an important reputation as a vote-getter while actually seeking relatively minor offices against minimal opposition.

He probably will be challenged in the Democratic primaries by a mixed bag of opposition, ranging perhaps from unknowns out of the ranks of legislators to formidable hopefuls like former Rep. Nick Galifianakis or even former Gov. Robert Scott, or former Lt. Gov. Pat Taylor.

Whoever takes the Democratic prize will undoubtedly emerge as a major spokesman in that badly battered party, with the formidable job of knitting together its bitterly divided factions into a coalition capable of regaining a majority of the statewide vote for major office.

For the Republican Party, the battle for the Ervin seat is even more crucial. It will test whether the 1976 victory of Holshouser was a fluke, whether the party can solidify the steady gains it has made in North Caroline politics since World War II, and take complete control of major offices.

The battle for the Ervin seat could even have national implications. For if President Nixon is still in office (or even if he is not) next November, a Republican victory for the seat of the man who became the presidential nemesis would surely boost Republican morale for the crucial presidential election year.

In any event, Sen. Ervin's early and timely announcement of his decision not to run gives candidates and voters ample time to make the battle for his seat an important and significant test of the future of politics in a state which has been absorbing much political change in a relatively short time.

[From the Fayetteville (N.C.) Times, Dec. 20, 1973]

Friend and Foe Sing Praises to "Senator Sam"

(By Dennis Rogers)

"Senator Ervin is a man of absolute integrity, the kind who will take out his own laundry without issuing a press release."

Greensboro Congressman Richardson Preyer's comment following the announcement Wednesday that North Carolina Sen. Sam Ervin will not run for re-election was typical of the reaction of Tar Heel political leaders.

To a man, they admire and respect the man people call "Senator Sam."

Preyer said a quote from Albert Coates, founder of the Institute of Government at the University of North Carolina, best describes Ervin.

"Mr. Coates said that Senator Sam was 'not like most of us, a lot of planks nailed together. He was like a living tree, with the sap flowing from the roots all through the branches.' That's a perfect description."

Fayetteville Congressman Charles G. Rose III said, "Sam Ervin has rendered a life full of service to North Carolina and his county. I am proud he had the courage to face his retirement in the noble manner that he did.

"I think the history books will praise him for his service to our democracy. I wish him well."

Attorney Nick Galifianakis of Durham wanted to be a senator last year. He defeated Sen. B. Everett Jordan in the primary only to be defeated in the general election by conservative editorialist Jesse Helms.

"North Carolina is proud to have produced a constitutional giant of Sam Ervin's stature," Galifianakis said. "He is the last of the founding fathers. I have always regarded Sen. Ervin as an American who truly loves his country and whose country truly loves him."

Saying he was surprised at the announcement, Galifianakis added, "I feel he is at the zenith of his career and that he has yet a considerable contribution to make to his country."

North Carolina's other senator, Jesse Helms' spoke glowingly of his fellow senator.

"It is bound to sadden all members of this body, past and present, who have had the privilege of serving with this great North Carolinian and American," Helms said of Ervin's announcement.

Helms said he had been a long-time supporter of Ervin, especially during the years when Ervin was leading the congressional fight against forced integration.

"I have observed him and supported him in his vigorous battles through the years to hold back a flood of unwise pieces of legislation which despite his warnings were enacted into law and which have frustrated the lives of literally millions of Americans," Helms said.

"He has become a legend in his own time . . . he is recognized throughout the land as a man who has made his mark on history."

Former Gov. Robert Scott, one of the many possible contenders for the soon-to-be-vacated seat, said Wednesday." "Sen. Ervin's retirement from a distinguished career of public service is a severe loss to the people of the state and nation. He has certainly kept his career on the highest plane that any public servant could—that is, assuring our nation that we will have a government of law rather than of men.

"He instilled in us a faith in the governmental process in our democracy."

The only man to publically say he want's Ervin's job is industrialist Henry Hall Wilson of Monroe.

"Sen. Ervin has served North Carolina and the United States with remarkable distinction." Wilson said. "I'm sure he will continue to do so for the remainder of his term. He will leave big shoes to be filled."

Republican Charles R. Jonas Jr. of Charlotte spoke warmly of Ervin who Jonas referred to as a "close friend of the family."

"Sen. Ervin is a man who doesn't fit any particular mold. He is an intellectually honest man whose judgment has always been based on individual judgment."

[From the Fayetteville (N.C.) Times, Dec. 20, 1973]

Man-in-the-Street Liked Him

(By Nancy Szokan)

North Carolina voters sent Sen. Sam Ervin to Washington three times in a row, and they would have done it again next year if those interviewed Wednesday afternoon had their way.

"I'm surprised—and disappointed," was a typical response from the people when told that Ervin has decided not to run for reelection in 1974.

Almost all agreed that the 77-year-old senator is "getting on" in years and had made a wise decision. But critics of Ervin's years in office or handling of the Senate Watergate committee were hard to find.

"I personally like some of his ideas, and some I don't. He's always got to be right," said Robert T. William Jr., shopping in Bordeaux late Wednesday. "But let's get some young 20 or 30 year old in there."

"I think he was a good senator, but it was a wise decision," said elementary school teacher Bill Flowers. "I'm in favor of a younger man," said Emmanuel Jackson, also out shopping in Bordeaux. "I think he knows his job. He's been elected often enough—course that doesn't really mean he knows his job, I guess," said elementary school teacher Russ Latherow.

"I guess it's time for him to enjoy his family," said housewife Mrs. Marvin Lovett.

Howard Williams, an Etna service station manager, was raising the prices on his gasoline pumps when he was told about Ervin's decision.

"I don't know," he said, "I believe if he ran again he would've made it. His mind is clear. But I guess it's time . . . I sure didn't think he'd do that, though."

In front of the Gillespie Street bus station a chilly picket, a member of Amalgamated Transit Union Local 1437 on strike against Carolina Trailways, was one of Ervin's few critics.

"I never voted for him before, and I won't this time," the striker announced. When told that Ervin had decided not to run, the man said, "You know why? By the time this Watergate's over, he'll be leaving the country."

The man declined to give his name—"Not while I'm out here (on a picket line)"—but said he was neither a Republican nor a Democrat. "I vote for the man," not the party, he said.

The striker and a fellow picket linesman said they had heard that N.C. Atty. Gen. Robert Morgan was interested in Ervin's seat. "I'd vote for him (Morgan) before Ervin," the man noted.

Morgan's name appeared to be the only one people associated with a new senatorial candidate. "I thought it was generally conceded that he was going to run," one man said.

Willie Whitted, a bricklayer waiting out in front of the bus station, was glad Ervin was stepping down. "I think he'd be too old (if he ran again)" he said.

"Won't be no good him going in there for four years. Do more harm for the country than it would good. I would have voted for him again, though . . . He did a smart thing there (regarding the Watergate committee) but he could have done a little more investigating. Nixon, he's just getting the world in a mess."

Another Ervin fan was social studies teacher Richard Monroe. "I'm disappointed (that Ervin will not run again)," he said. "I think his mind is still alert and quick. And I think he's about the only honest one we've got in there."

[From the Fayetteville (N.C.) Times, Dec. 21, 1973]

Sam Ervin: Typified North Carolina Strains

Sen. Sam Ervin's public service has typified what we like to believe are the best strains in North Carolina character. He is conservative, but not reactionary. Stubborn in his views, but not cantankerous; wise and wistful, but not a wiseacre. Albert Coates, his long-time friend and classmate, put it well in saying that while most of us are "a lot of planks nailed together," Ervin was "a living tree, with the sap flowing from the roots all through the branches."

Ervin's steadiness could cause problems. As chairman of the constitutional rights subcommittee in the volatile 1960s, he adamantly resisted the winds of change for civil rights which began to blow for the black man. If he had bent and become a southern spokesman for equal rights, some of the turmoil might well have been avoided.

In the mess of Watergate, however, Ervin's stolid incorruptibility has acted as a stout capstan around which we have been able to begin rewinding the anchor of public confidence in our public institutions. He may have tunnel vision about some provisions of the constitution, but his reputation as a courageous interpreter of the Bill of Rights is well and truly earned.

Ervin has honored his state and his country with his personal rectitude and with his public record. We wish him well in his decision to end that career with his boots on and his mind vigorous.

[From the Gastonia (N.C.) Gazette, Dec. 21, 1973]

The Nation Owes Senator Ervin Continuing Thanks

Sen. Sam Ervin said Wednesday that he will come down off the mountain before the winter sets in.

With his typical good humor and making his point with a story, he said that he wanted to get out of the world of politics while he still enjoyed good health. He is now 77 and he figures that his good luck and good health might run out before he would be able to finish another term.

Once again, North Carolina's senior senator has shown how smart he is. He will quit when he is on top, and, barring some unforeseen thorn in next year's political bush, he will retire as a man who has created a legend and lived to enjoy it.

Few men in politics have been able to climb the mountain of success, contribute mightily to the steadying and possible upgrading of society and then come down off that mountain with his good name and reputation intact, smiling all the while.

Political bungling in recent years has shaken the very foundations of this country. Too many times, legislative action has moved on the basis of what is politic and not on the basis of what is good for people, for a nation. The very Constitution that is the backbone of the United States has been under constant attack from all sides, and it has been only through the determined efforts of Senator Ervin and others like him that it has remained the rock on which the country stands.

Ervin has no peer in constitutional law. And when he does move out to make room for someone younger, one of the prime governors on Washington's political machine will have been removed. If the machine then tends to run at random, the reason will be evident.

There is no calculating the value which Senator Ervin's tenure in Washington has brought. Aside from his constant vigilance over the United States Constitution, he spoke with amazing clarity and force where matters involving individual rights were concerned.

One year from this coming January, however, the senator will gather up his material possessions and his memories from Capitol Hill and move them to Morganton. He, himself, is a rock that will move from one hill in Washington to one in North Carolina.

Although his absence will be as evident as an 18-minute gap on a Watergate tape, the facts of his life and his constant and honest search for truth will shine like a beacon in the halls of Congress and will be around for a long time for younger men to use in their own search for what is right and good.

The senator has known some disquieting days in the past year. He probably will know some in the months ahead. But when the tug and tumble of Watergate is behind and when a melancholy senator trudges silently out of the Capitol and heads again for North Carolina with his wife, "Miss Margaret," if thanks could be hauled in carloads there wouldn't be enough limousines in Washington to carry the load.

For the nonce, however, we say merely, "Thanks, Senator Ervin. You have served your country well."

[From the Goldsboro (N.C.) News-Argus, December 1973]

Sam Ervin's Decision Is Thoughtful One

The people of North Carolina will applaud not only the great service of Senator Sam J. Ervin, Jr., but also the intellectual honesty of his decision to retire from public office.

That he might not seek a third term had been widely speculated both at home and in the nation's Capital.

Age 77 was an appropriate time and the apogee of national prominence was an excellent point for him to make the announcement.

Senator Ervin did so in a fashion typical of himself.

"Since time takes a constantly accelerating toll of those of us who live many years, it is simply not reasonable for me to assume that my eye will remain undimmed and my natural force stay unabated for so long a time," he told newsmen after noting that another term would put him "beyond the 84th anniversary of my birth."

Senator Ervin will be bowing out after becoming the best known United States senator ever to serve from the State of North Carolina.

His prominence came late in his tenure and under unfortunate circumstances. Because of his record of fairness and integrity, Sam Ervin was chosen to head the Senate Select Committee that is investigating, among other things, Watergate. It was as a result of the televised Watergate hearings that the world was able to see both the incisiveness and the homespun wit of the senior senator from North Carolina.

Unfortunately for Senator Ervin the hearings produced not only his greatest popularity but also his greatest criticism.

As the hearings proceeded, many who were devoted to President Nixon turned against Sam Ervin as the entanglements of Watergate tightened increasingly around the White House.

Some felt the senator was doing his job too well.

Sam Ervin is dedicated to the law and to justice, more so than to poiltics.

That dedication often had him cast with those whose political philosophies are, otherwise, diametrically opposed to his own. And that dedication, in the matter of Watergate, had him breathing down the neck of a President for whom Sam Ervin had held a great respect and one he has supported on many of the crucial issues.

Long before Watergate, Senator Ervin was recognized and appreciated in his home state and in the nation's Capital as one of our greatest authorities on constitutional law and as one of the last of the great orators.

In looking after the needs of his constituents, Mr. Ervin surrounded himself with a staff unsurpassed in ability, savvy and dedication. Unknown to many, he maintains one of the smallest office staffs in the entire Senate. But each member is a pro.

Sam Ervin has never been one to let the demands of service on the Senate floor and in committees dim his vision of the day to day problems and needs of the people back home.

At the same time, he has not let the routine of service to the constituency detract from his high calling to service to the nation.

Sam Ervin has served all of them equally well.

No criticism he might have picked up in pursuing the Watergate investigations can dim the lustre of the star Sam Ervin has been in the service of his people, his state and his nation.

[From the Greensboro (N.C.) Daily News, Dec. 20, 1973]

In Washington, Senator Ervin Gets Bipartisan Applause

(By Jack Betts)

WASHINGTON.—Republicans and Democrats alike applauded Wednesday North Carolina Senator Sam J. Ervin's half-century of public service and nearly two decades in the United States Senate after the Morganton Democrat announced he would not seek another term.

Ervin, 77, told members of the Tar Heel luncheon that he was retiring to the hills of Burke County because of his age.

Said Rep. Ike Andrews, Siler City Democrat, "I've often heard people of other states say, 'If he were a little younger, he'd have no trouble as a presidential candidate.' "

Said Rep. Richardson Preyer of Greensboro, "He's one of those people who makes you proud to be a North Carolinian, one of the few who can quote the King James version of the Bible and the U.S. Constitution with absolute sincerity and conviction and not be accused of being political or phony."

Said Rep. Roy Taylor of Black Mountain, also a Democrat, "Long after Watergate has faded from memory, Sam Ervin's legend will persist because he held firm to the belief that ours is a nation of laws, not of men."

From the Republican side where 5th District Rep. Wilmer (Vinegar Bend) Mizell is eyeing a campaign of the Senate, came more glowing accolades.

Said Mizell, "Senator Ervin has served his state and country with dedication and distinction for more than half a century. While the senator and I have had our honest differences on some issues of public policy, I hold nothing but the highest respect for him."

And freshman Senator Jesse Helms, a former Democrat, said "Senator Ervin is my friend; I am his. Though we no longer belong to the same political party I shall always remember and be grateful for his valiant battles of years gone by. I share his principles of then; I cling to those principles now. And, like the majority of my fellow North Carolinians, I am grateful he was willing to stand up and be counted."

Several agreed that Ervin's retirement would remove at least some of the charges that his Select Committee on Presidential Campaign Activities was "playing politics."

"I hate to see him leave," said Rep. Richardson Preyer, "but he'll have a year to finish up the Watergate investigation. I think the fact he has made this announcement will make him even more effective and will take away the charges that he was after the President for political purposes. We can look forward to a productive year."

Preyer, who is expected to run for a fourth consecutive term in the House in 1974, expressed no interest in running for the Senate seat.

"It would not be accurate to say I'm looking any harder at running (because of Ervin's announcement). I plan to go around the district when we get home and see what happens, but I'm happy here. I feel like I'm making a contribution and I would hesitate to do anything to change that," Preyer said.

He added that the Democratic party would have to guard against a divisive fight within its own ranks in the months preceding the primary election next year. "That's the one thing that could hurt us, just like in last year's governor's race."

Mizell, however, happily admits the Ervin retirement presents a bit of a problem for him.

"I think it probably makes the Senate seat more attractive, but it also makes it more attractive for a number of Democrats as well," he said during a lull in House floor debate.

"I'll probably continue what I've been doing in the last several months, going around the state testing the waters. Then, I hope I'll make some sort of announcements after the first of the year."

A former major league pitcher, soft drink public relations man and Davidson County commissioner, Mizell said he had been well received in all of his appearances around the state.

He admits, in fact, that it's not unusual for people to walk up to him and say, "You'd be a good senator," but adds that his district constituents tell Mizell they want to keep him as their congressman.

Mizell thinks 1974 will be another good year for the Republican party because the "swing to conservationism, which is identified with the Republican party, is very much alive in North Carolina."

Mizell said he would base his decision to run or not on a number of factors, but indicated his family will not hold him back.

"Nancy (Mrs. Mizell) has followed me half way around the world playing baseball, and just as we accomplished our goal to get back to North Carolina and settle in Midway (between Winston-Salem and Lexington) we also got to Congress. So, this is at least one time we could make a change and she wouldn't have to move again," said Mizell.

Rep. L. H. Fountain of Tarboro, a Democrat and dean of the North Carolina delegation, said, "We will miss Senator Ervin's wise counsel and his cheerful wit, and when his term of office is over one year from now, he will return home to his beloved mountains of North Carolina with our warmest wishes."

Added Taylor, "He rose from an obscure country lawyer to a celebrity and managed through it all to retain the humility which has endeared him to his state and to his nation. His service is without parallel; his integrity unblemished; his dedication to fundamental constitutional government unchallenged."

Ervin's own congressman, Rep. James T. Broyhill of Lenior, was tied up in conference committee negotiations Wednesday night and could not be reached for comment.

[From the Greensboro (N.C.) Daily News, Dec. 21, 1973]

Senator Ervin Steps Down

With the grandiloquence that has become a special trademark, Sen. Sam Ervin Jr. announced to the state and nation Wednesday that "it is simply not reasonable for me to assume that my eye will remain undimmed and my natural force unabated" throughout another term. He won't be running for re-election next year.

It is, of course, a sensible decision. Too many eminent public figures lack a sense of when to make a timely exit. Senator Ervin has chosen to make his own when it can be made with a flourish, and when he can carry with him into the contemplation of North Carolina sunsets the thanks of millions.

In him, as if by foreordination, the country found amid a somber national crisis a man who in thought and character summed up and replenished political values that stood in grave danger. Of him the historian Arthur Schlesinger Jr. recently wrote that he seemed almost to have ambled over from a session of the constitutional convention.

Certainly it is difficult to imagine that any other senator could have filled the bill in just the right way—with just that blend of personal honesty and homespun reverence for personal and constitutional values.

But the crises of the past two years—the various clashes between the White House and Congress over impoundment, war powers, civil liberties and presidential accountability for the illegal acts of subordinates—tend to foreshorten our present sense of Senator Ervin's Senate career.

All his constituents, and certainly this newspaper, have at times disagreed with the senator. But one could always assume, in any such disagreement, that he had done his homework diligently; that his position would rest on principles of permanent value rather than the expediencies of the hour or personal interest or whim; and that his responses to controversy would be free of pettiness and personal insult. And in many such cases of disagreement, finally, it must be said that the senator's judgment prevailed because it was sounder.

Of course, the announcement of the senator's approaching retirement has touched off a scramble for the seat. Aside from those now in the field officially or unofficially—Atty. Gen. Robert Morgan and former Kennedy-Johnson congressional liaison Henry Hall Wilson on the Democratic side and Rep. Wilmer Mizel on the Republican side—others are eyeing the seat.

It would be foolish at this early stage to try to assess this field. We do believe, however, that North Carolinians everywhere, of whatever party or viewpoint, should be giving the most searching thought to what sort of representation they want in the Senate beyond January of 1975. In this, they should consider that strength of character, intellect, political experience and good sense will be of greater value to North Carolina in the long run than a doctrinaire outlook or party ties.

As a result of the 1972 election, North Carolina is already served in the Senate by a doctrinaire man who marches to the beat of his own drummer—a man who for that reason is unlikely to achieve a position of eminence or special influence in Washington.

That, we believe, is all the more reason for giving the most careful thought to who fills the Ervin seat. It will be a big seat.

[From the Greensboro (N.C.) Daily News, Dec. 30, 1973]

SOUGHT TO LIMIT GOVERNMENT'S RULE: ERVIN PROTECTED INDIVIDUALITY

(By Don Hill)

WASHINGTON.—When young Sam Ervin went to the state legislature in 1923 from Burke County, N.C., he received a piece of hometown advice from one country store supporter . . . "Make no new laws," the man said, "and repeal half of those you got."

This month, after 50 years of public service, North Carolina Sen. Samuel James Ervin, Jr., 77, announced that he would retire at the end of his current senate term.

The advice he was given at the beginning of his political life reflected the deep suspicion that his Scotch-Presbyterian forebears and neighbors hold for any governmental encroachment on their individuality.

But during his half-century career, government has grown without consulting Sam Ervin. No wonder, then, that he has honored the philosophy which spawned him more in spirit than in letter.

"I've always recognized," he said once, "that the ultimate danger to the individual comes from government."

Thus it was, in the announcement of his retirement, that Ervin listed among his legislative achievements with greatest gusto those laws which told government what it was forbidden to do rather than what it could do:

"I have fought, as sinful and tyrannical proposals that Americans be taxed to support religious institutions in violation of the first amendment; as incompatible with freedom, proposals that state right-to-work laws be repealed and the compulsory unionism be forced upon those who do not wish to join unions; as inimical to justice, proposals to enact no-knock and preventive detention laws; as inconsistent with our system of government, the use of the military to spy on civilians exercising their first amendment rights of free speech, assembly and petition; as intolerable, government efforts to intimidate individuals, newsmen, and broadcasters for exercising their rights of free speech and a free press in a manner displeasing to government; as rank tyranny, unnecessary governmental invasions of the privacy of our people, and governmental collection and computerization of data concerning their political and religious thoughts, beliefs and activities; and as unwise, welfare proposals calculated to convert ablebodied Americans into medicants."

Sam Ervin's ruddy, jowly visage with its fascinatingly mobile eyebrows has since Watergate became one of the most readily recognized in American politics.

It is set solidly in wide, beefy shoulders atop a portly 6-foot-1 frame that still moves with an agility denying 77 years of active life.

Someone told the senator last year that he looked handsome in blue, and Ervin, with characteristic lack of self-consciousness, beamed. He's been seen in blue more often than anything else since. The wardrobe is usually completed with white shirts and solid-color neckties, always clean but sometimes rumpled.

In conversation, he appears a wonderfully cheery man, gesturing easily with his fleshy hands, sometimes holding up the left spread-fingered, while he counts off points in his argument with the forefinger of his right.

In moments of deep concentration or hard work, he's likely to place the pencil he's been working with between his lips while he snatches for another to jot down an elusive notion. The first pencil then stays in place, two-gun fashion, in case another thought needs to be fired onto the waiting yellow legal pad.

Young Sam began his legislative career in the North Carolina House much as he's been finishing it in the United States Senate—armed with no more than wit and legal perception, shooting down bills he considers iniquitous or just foolish.

He found that North Carolina was about to enact its own version of monkey law, a bill forbidding the teaching of evolution in public schools. It was like the Tennessee law that brought such derision down on that state in the famous Scopes trial.

The North Carolina law was defeated, in part laughed to death after Ervin, a freshman of 27, observed that the only merit in the proposed law was to absolve monkeys from the responsibility for human folly, such as the North Carolina legislature was about to commit.

Ervin's name, as they say, never became a household word even in North Carolina in the years that followed. He served briefly in the General Assembly, then was appointed to successively higher benches until he attained that of justice of the State Supreme Court.

He showed every sign of being permanently and happily ensconced there, perhaps yearning only occasionally for the opportunity to go home to Morganton to practice law.

That this yearning has never died shone—as Sen. Sam himself would say—"as clearly as a noonday sun in cloudless sky" in his retirement announcement last month. He said, "My wife and I expect to return to our home in Morganton, the county seat of Burke County, North Carolina, upon the expiration of my present term in the Senate. Here we hope to dwell for a time among the people who have known us best and loved us most, and to watch the sun set in indescribably glory behind Table Rock and Hawk's Bill Mountain."

His appointment by the governor to fill a Senate seat vacated by death plucked Ervin from the Supreme Court bench in a way he's never anticipated.

"I'd never had any ambitions to come up here," he said. "I enjoyed practicing law more than anything. I was just suddenly appointed you know. Sen Clyde R. Hoey died sitting right here in this chair, and I was picked by the governor to replace him."

The new Sen. Ervin came to Washington with an open mind, he says, and with only general ideas about what his Senate service or colleagues would be like.

"You don't have much time on an appellate court to read anything but briefs," he said. "I was under the impression that Joe McCarthy was creating a furor up here, but on the whole he seemed to be doing a good job, so I had mixed feelings."

But then he became, as a freshman senator, the kind of nemesis, to McCarthy's extravagances as he has become of the Nixon administration.

McCarthy was a boisterous Wisconsin senator who bullied the executive and legislative branches of the federal government with Communist scare tactics in the early 1950's. By innuendo and shrewed use of publicity, he made himself virtually untouchable until the Senate moved tentatively in 1954 to censure him. Few of the Senate mice were eager to bell the cat.

Sen. Ervin was named to a six-man committee to study the McCarthy problem.

After investigating the thing," Ervin said, "I came to the conclusions that Sen. McCarthy was bringing the Senate into contempt by his actions."

It may have been the first real taste the senators got of Ervin's folksy raconteur style of debate. He told of Uncle Ephriam, a mountaineer gnarled and twisted by arthritis, who attended a camp meeting but refused to join the other faithful as they stood one by one to witness for Christ.

"Uncle Ephriam kept his seat," Ervin recounted. "Thereupon the moderator said, 'Brother Ephriam suppose you tell us what God has done for you."

"Uncle Ephriam arose, with his bent and distorted body, and said, 'Brother, he has mighty nigh ruint me.' "

In a speech supporting the McCarthy censure resolution, Ervin also demonstrated to his colleagues another side of his nature, his thunderous righteousness. He said that if his name was called in questions as Sen. McCarthy was, that if the Potomac was a river of fire instead of water, he would somehow cross it to appear in defense of his name. He demanded that the Senate censure McCarthy.

McCarthy didn't cross. The Senate did censure. And North Carolina Sen. Sam Ervin, freshman or not, was recognized as a man to reckon with in the halls of Congress.

In the Senate, Ervin at first became known as an opponent to a body of legislation becoming known as civil rights laws. He acquired a reputation as a man, as one news magazine put it, whose constitution lacked a 14th amendment. The 14th amendment granted citizenship rights to all Americans, including blacks and former slaves.

Sen. Ervin came to the Senate just as the Supreme Court outlawed school desegregation in its landmark Brown vs. Board of Education decision of 1954.

In the late '50s, he was a leading pleader for the southern opposition to civil rights legislation.

"It is not the civil rights of some, but the civil liberty of all on which I take my stand," he said in inveighing against encroachment by the federal government on state sovereignty.

During the same time, however, the seeds of Sen. Sam Ervin's principal Senate career were being sewn.

He was accosted one day in a Senate hallway by veteran former Sen. Guy Gillette of Iowa. Gillette was well-known in Congress as a man intimate with the problems associated with executive power. He had been ousted as Iowa's Democratic senator in 1954, but still worked on the hill.

In 1937, Gillette had been one of the brave Democratic congressmen who had opposed Franklin Delano Roosevelt's attempt to pack the Supreme Court with justices who would wink at New Deal unconstitutionalities.

[From the Greensboro (N.C.) Daily News, Dec. 30, 1973]

Ervin Sought To Limit Government's Power

This was the man who stopped Ervin in the hallway. The country judge from Morganton already enjoyed an insider's reputation as a constitutional authority because of his colorful, but thoughtful, judicial opinions and because of his early work in the Senate. He was a recent appointee to the prestigious Senate Judiciary Committee, a plum many Senators waited well beyond their freshman terms to pluck.

"Say, Sam," Gillette said. ". . . I have come to think that the most dangerous tendency in the United States today is the encroachment by one branch of government on the domain assigned by the Constitution to another. You know what we need? We need a subcommittee to study the separation of powers."

Ervin took the fruits of that casual conversation to Sen. Everett Dirksen, Republican, and Sen. Mike Mansfield, Democrat. Those two powerful senators introduced a resolution to create such a subcommittee, and in 1966 it was done.

Ervin was the obvious choice for chairman of the new subcommittee, which he still heads. With Dirksen as ranking minority member, the subcommittee became Ervin's vehicle in a slow, unglamorous rise to eminence as a student of executive concentration of power.

For years, Ervin labored, in his words, "unwept, uncheered, and unsung." Not until the Nixon administration's startling affairs in Watergate, campaign contribution solicitation, and other acts did Ervin's colleagues begin to interest themselves in the dangers of presidential power about which Ervin had been warning.

Suddenly his work on executive impoundment of funds, on campaign reform, on newsmen's shield laws, on the right to privacy from government snooping, on executive privilege became "in" issues.

Many Americans were delighted by the TV image of Sam Ervin, his eyebrows popping up and down at times of pressure. Others—the mail suggested they were in a minority—were offended by his bible quoting, his folksy humor, Tar Heel drawl, and the evident fact that he was hugely enjoying the spotlight.

In Ervin's home state, Jim Gardner, a wealthy conservative who had twice unsuccessfully run for governor, said, "The Ervin committee is having a glorious time bathing in their egos, and Sen. Ervin is the worst. He thinks what happens to the country is incidental."

But witnesses who know the senator better tell a different tale. "Some think that he is putting on a show," Jean Conyers Ervin, the senator's youngest sister, told the Richmond (Va.) Mercury, of Ervin's TV Watergate appearance. "But the only thing he has ever done that I've never seen before was putting his pencil in his mouth. He acts just as he does in any other situation."

Harry L. Riddle Sr. of Morganton, 81, the man who nominated Ervin for political office, said, "They poke fun at him, say he's too folksy, but that's his nature. A fairer man never lived."

His mind is the one tool that Ervin seems determined to keep honed and oiled. "I've always said it's better to wear out than rust out," he said recently, in what must have been a hint of his decision on whether to run again for the Senate in 1974.

In the end, he decided against running.

"Intellectual honesty," he said in his announcement, "compels me to confront this inescapable reality: If I should seek reelection in 1974, I would be asking North Carolinians to return me to the Senate for a term which would extend beyond the 84th anniversary of my birth.

"Since time takes a constantly accelerating toll of those of us who live many years, it is simply not reasonable for me to assume that my eye will remain undimmed and my natural force stay unabated for so long a time."

It was the best Christmas present he could have given his wife, Mrs. Margaret Ervin, the senator told questioners. She had once advised him that the time to leave was when the people wanted him to stay.

About his enjoying his public role, Mrs. Ervin told a group of Democratic women in Northern Virginia recently that Sen. Ervin is "thrilled" that young people feel about him as they do. She said, "That's why I'm not sorry about all the publicity. . . . He's needed to offset the image of Watergate."

There's evidence that Sam Ervin agrees with "Miss Margaret." He usually does. And his career has been one of going where he felt he was needed.

Constitutional scholar and defender, judge, senator, investigator and challenger of presidents, but still the story-telling country boy from Burke County. Few have challenged the ultimate accolade given Sen. Ervin by conservative columnist James J. Kilpatrick:

"He's the last of the founding fathers."

[From the Greensboro (N.C.) Record, Dec. 21, 1973]

Ervin Retirement Will Put a Gap in Ranks of Freedom's Defenders

Senator Sam Ervin—citing his age as sole reason—will retire at the height of his fame and powers. In 20 years, he has given Washington and the nation an example of conservative consistency, a fresh respect for integrity and a new recognition of the value of old principles.

"Eternal vigilance is the price of liberty," the old maxim says. Senator Sam has been vigilant.

Not until the Watergate scandal did the senior senator from North Carolina become a truly national figure. Others then discovered what many Tar Heels long had known: Sam Ervin's down home tales and folksy humor are accompanied by the keenest of intellects and the strongest devotion to the Constitution and American freedom.

This devotion to old precepts could be, and often was, interpreted to be old fashioned. The Senator, like many of the rest of us, was not without an occasional touch of myopia. But if his stress on individual and property rights in the Fifties and early Sixties second anachronistic to liberals, it seemed timely and essential later in the defense of the individual against a too-powerful government. He was both far-sighted and wholly wise in support of constitutional principle against those who sought to distort or ignore it for the political ends.

It is his defense of individual rights and freedoms for which Sam Ervin deserves to be remembered, long after the skullduggery of Watergate is forgotten. He is not a prosecutor of petty criminals but the defender of great principles. In the long Watergate hearings which mesmerized the nation, he helped convince Americans of the vitality of their institutions and of the need for constant defense of the people's rights by men of honor.

It is government with honor which Senator Ervin has demanded. It is a battle he has fought with his intellect, his humor and his knack for dramatizing and humanizing great issues.

In an age when both character and characters are so often lacking, Senator Sam had the one and became the other, yet without priggishness or buffoonery. He stands as the champion of the rights of Americans, whether they be American Indians, government clerks or average voters. He opposes the intrusions of big government upon their rights, whether by military spies or illegal burglaries or wiretappings. He has elevated the principle of individual freedom into a national article of faith, as it was in an earlier era untroubled by a misdirected military, electronic wizardry or high officials untrammeled by conscience or constitutional constraints

This is Senator Sam's outstanding service to the land he loves. This is why his fellow Tar Heels will wish him a long and pleasant retirement with his "Miss Margaret", watching the "sun set in indescribable glory behind Table Rock and Hawk's Bill Mountain." It is also why Tar Heels and their fellow Americans can ill afford to lose the eloquent voice of their champion at a crucial moment in national history.

There remains a year of the 77-year-old senator's term in which to conclude the work he has begun. Much can be accomplished in this span. Much has already been accomplished by the silver-haired combat veteran of World War I, the judge whose love of the Constitution and devotion to individual rights qualifies him for the accolade bestowed upon him by an admiring Nick Galifianakis: "the last of the Founding Fathers."

May Senator Sam inspire emulation and thereby raise new defenders for the right and the rights of man.

[From the Greensboro (N.C.) Daily News, Dec. 22, 1973]

A Fitting Champion of the U.S. Constitution

Sen. Sam J. Ervin's decision to step down from the eminence of the U.S. Senate at the peak of his prowess provides additional evidence of his sagacity and character.

Many another public servant, buoyed up by national acclaim and self-importance, has found it difficult to turn loose the reins of power.

But Senator Sam has appraised his own situation as keenly as he studied the tangled web of Watergate. He has used, as he noted in his resignation statement, "intellectual honesty", at age 77, to conclude that "it is simply not reasonable for me to assume that my eye will remain undimmed and my natural force stay unabated" for several additional years.

Thus, at the end of another 12 months, Senator Ervin will leave the most distinguished forum in these United States, full of honor and years, after serving there longer than any Tar Heel save Matt W. Ransom, Furnifold M. Simmons and Lee S. Overman.

It is fitting to say on such an occasion that the substance of Senator Ervin's senatorial career is larger and of greater significance than that of any of his three longer-serving predecessors, indeed, perhaps that of any U.S. senator elected by the people of North Carolina.

A mystery

North Carolina, sad to say, has not been in the habit of sending its absolutely first-rate public servants to the U.S. Senate. Far more governors than senators have left their mark of distinction, from the time of Vance and Aycock to the more recent years of Gardner, Hodges and Sanford. Why this is so is a mystery; but it is good to know that a man of Sam Ervin's capabilities was recognized and that the momentous issues of the seventies projected him to the forefront.

Sam Ervin, as it turned out, with his love of the Constitution, his penetrating intellect, his rock-ribbed integrity, was a man for the moment. No wonder he became a national folk hero. In a time of ghastly relevations of corruption and mismanagement, the American people needed a symbol of lost idealism and steadfastness of principle to rally around.

North Carolinians, of course, have known about Sam Ervin's courage and wisdom for a long time. As a young state representative from Burke County in 1925 he played a leadership role in helping defeat a famous "monkey bill". It would have made North Carolina's public schools a laughing stock. As Superior and Supreme Court judge, he brought to the judiciary erudition combined with wit, mountain independence with Calvinist conviction. Nourished on the King James Bible and full of the story-telling genius of the Blue Ridge, he added scholarly attainment to the courts. These same qualities served him well when the late Governor Umstead persuaded him to move in mid-flight to the U.S. Senate.

From the time of his appointment in the Fifties when he became a member of an earlier select committee involving civil liberties (the McCarthy committee) to his more recent role as chairman of the Watergate committee he has never forgotten the admonition of Thomas Jefferson that "no government ought to be without censors and where the press is free, no one ever will."

COURAGEOUS

Senator Ervin's defense of constitutional principles has been consistently courageous, always concerned with issues rather than individuals. It is everlastingly dedicated to the conviction that "in the end it is the individual—not society and not any group—that is the basic unit of value."

Some of Senator Ervin's earlier critics, mostly of the liberal persuasion, think he has changed. That is not true. Senator Ervin's course has been steadfast and unwavering. It is simply the changing times and the teaching role of experience, that have produced altered alliances.

One distinguished historian, Arthur Schlesinger, Jr., whose own experience in government with the Kennedy Administration decidedly changed and enlarged his own views paid tribute to North Carolina's first citizen several months ago. What he said is supremely fitting as Senator Ervin moves toward retirement. Mr. Schlesinger wrote in The Atlantic Monthly.

"For most Americans' the Constitution has become a hazy document cited like the Bible on ceremonial occasions but forgotten in the daily transactions of life. For Ervin the Constitution, like the Bible, is superbly alive and fresh. He quotes it as if it had been written the day before; the Founding Fathers seem his contemporaries; it is almost as if he has ambled over from the Convention at Philadelphia. He is a true believer who endows his faith with abundant charm, decency, sagacity and toughness. The old-fashioned Constitution—the 'very finest document ever to come from the minds of men'—could have no more fitting champion in the battle against the imperial presidency."

HIGH PRAISE

For North Carolina's man of the moment, that is high praise. The hope is that Tar Heels will see the need to seek men of similar qualifications—at least to sustain, if not to elevate, the caliber of our representation in the U.S. Congress.—WILLIAM D. SNIDER.

[From the Henderson (N.C.) Daily Dispatch, Dec. 20, 1973]

THE SENATOR BOWS OUT

Senator Ervin chose the Christmas season as the time to announce his retirement. In a brief statement Wednesday he said he would not be a candidate in next year's elections, which means his term expires at the convening of the 94th Congress in January, 1975.

The senator's decision gives the green light to Henry Hall Wilson of Monroe, Union county, who formally announced several months ago, and to Attorney General Robert Morgan, who has generally been regarded as a candidate all but a formal announcement. That will probably be forthcoming very shortly now.

There is no certainty that Morgan and Wilson will have it all to themselves. Terry Sanford, for example, former governor and now president of Duke University. Sanford toured the State six years ago to sound out sentiment for a campaign against Senator Ervin at that time. He concluded that Ervin was unbeatable and backed off. But should he run next year he will not be facing the incumbent.

More later about prospective candidates. As of now, Senator Ervin has the floor.

The senator is 77 years old, and if he ran and won would be 83 when the term expired. For some time there has been speculation as to what he would do in 1974. But he has now ended the guessing and is leaving the field wide open for all comers.

Countless thousands of Ervin's friends were hopeful that he would seek reelection. Had he done so, he would have been a hard man to beat, and with odds in his favor against Morgan and Wilson. Many have felt that at his age he should retire. He has gained national prominence as chairman of the Senate Watergate panel, which might have been an incalculable asset. So far as known, Ervin is in good health and apparently could have continued in service. He evidently has concluded to spend the rest of his days in relaxation from a lifelong career in political office. He has been in the Senate long enough to receive a very substantial pension, and which will accumulate added benefits by the time his present term expires.

Senator Ervin will be missed in the Senate, where he is a recognized authority on the Constitution. He is one of the elder statesmen among 100 members of that great deliberative body. He is highly respected for his legislative ability and judgment.

Since the senator has burned the bridges behind him, attention now will be focused upon those in the scramble to become his successor. The contest next year will be the major attraction in both the primary and the voting in November.

[From the Hickory (N.C.) Daily Record, Dec. 21, 1973]

ERVIN RETIRING AT HIS PEAK

Sen. Sam J. Ervin Jr.'s decision to retire rather than seek re-election next year leaves us with extremely mixed emotions.

We are and long have been proud of Senator Sam, the job he has done in the Senate and the manner in which he has represented the people of North Carolina.

When Ervin announced his plans Wednesday he said he had reached the decision because "intellectual honesty" forced him to face the "inescapable reality" of his age. He is 77 and would be 84 by the end of another term in the Senate. "Since time takes a constantly accelerating toll of those of us who live many years, it is simply not reasonable for me to assume that my eye will remain undimmed and my natural force stay unabated for so long a time," he said.

On one hand we can clearly see Ervin's reasons for deciding to retire and agree with them, but on the other there are many reasons we would like to see him remain active in service to his nation as a senator.

Ervin will be bowing out of the Senate gracefully after 20 years in that body. He will be retiring at the height of his power, influence and popularity rather, than facing any possibility of being rejected by fickle voters or having his shining image tarnished by failing health.

Further, his action should put to rest once and for all the criticism from some quarters that he was pursuing the Watergate investigation so ably and courageously because of a feeling that the publicity would help him win re-election.

The senator also said he was announcing his plans at this time as a Christmas present for his wife, affectionately known as "Miss Margaret." His wife has been urging him to retire to their home in Morganton for several years. Persons who have observed the Ervins together over the years and know of their outstanding relationship can understand how the senator would want to give her the best Christmas gift she could hope for.

Even though it is easy to understand Ervin's reasons for deciding to end his career as a senator a year from now, it saddens us greatly to think that the nation will no longer have the benefit of his leadership in the Senate.

He is without a doubt the best constitutional lawyer in the Congress. His championship of civil liberties causes has in recent years won him richly deserved recognition as one of the nation's chief defenders of individual rights. The Senate will be weaker in this respect without the benefit of Ervin's wisdom.

Many of Ervin's fellow senators don't have his sense of the continuity of things. He understands that constitutional law is based upon sound principles and cannot be created on the spot to fit the moment. He is a man with a strong sense of right and wrong, a man who follows the path of what he feels is correct even when it is far from being the popular or easy way. This honesty at a time when so many of our government officials have been involved in dishonest practices has made Senator Sam one of the few public officials that the younger generation tends to trust.

Sen. Sam Ervin is a man who believes in the United States and in our Constitution. He has fought bravely against those who have tried to subvert the laws of our nation and who have abused their positions in government.

He has another year in the Senate and we hope that he will be able to accomplish many of the things he feels he still needs to get done.

Then, in his own words, he plans to return to Morganton where he and Mrs. Ervin "hope to dwell for a time among the people who have known us best and loved us most, and to watch the sun set in indescribable glory behind Table Rock and Hawk's Bill Mountain."

If anyone deserves to be able to retire to our beautiful Catawba Valley area it is Sen. Ervin.

To North Carolina's senior senator, we say, God bless you Sam. Merry Christmas to you and Miss Margaret and may both of you enjoy many more among those of us who are so proud to say that your home is here with us.

[From the High Point (N.C.) Enterprise, Dec. 21, 1973]

Senator Ervin's Decision

His announcement that he will not seek re-election in 1974 is in keeping with the service Sen. Sam J. Ervin, Jr. has rendered North Carolina and the nation for 20 years. It is service marked by selfless character, and principle motivated by the Bible and the Constitution. These qualities are evident in his decision not to run again.

At the peak of his influence in the Senate, Sen. Ervin could, in all probability, easily win re-election next year. The prospect must indeed be tempting. Yet, Sen. Ervin recognizes his own finiteness. Now 77 years of age, he would be asking North Carolinians to vote for him again when he was 78 years old and expect him to serve in an active capacity until he was 84. "It is simply not reasonable for me to assume that my eye will remain undimmed and my natural force stay unabated for so long a time", Sen. Ervin acknowledges.

North Carolina has long known the quality of service offered by Sen. Ervin. A legislator and later a judge of Superior Court, he was a member of the State Supreme Court when he was appointed to the Senate in 1954 following the death of Sen. Clyde R. Hoey. Only three other North Carolinians have served in the Senate longer than Ervin; yet, no other North Carolinian has so infused that legislative body with a sense of its own purpose and high responsibility. As chairman of the Senate Select Committee investigating the Watergate scandals, Sen. Ervin has achieved national prominence as a personality as well as a legislator. He has also come under criticism, some of it from his home state, for his handling of the committee's investigation into Watergate. His critics are more picayunish than substantive, however, for his record in the Senate is one of conservatism in the fullest and finest sense of that word.

The confusion about Sen. Ervin revolves around his opposition to civil rights legislation more than a decade ago and his opposition now to "no-knock" laws, to efforts that he considers restrictive to the rights of freedom of speech and religious worship, and to invasions of privacy by the government in the lives of citizens. At times, Sen. Ervin has been criticized by liberals and praised by conservatives; at other times, he has been praised by conservatives and criticized by liberals. On other issues, however, the conservatism of Sen. Ervin is more clearly discerned. He has supported the armed forces, opposed foreign aid programs, called for a balanced budget, and condemned deficit financing. He has also given his support to those federal programs which he felt best served the agricultural and industrial interests of North Carolina. Sen. Ervin has indeed followed his own understanding of the Constitution and of the Bible in a manner that reflects, in large measure, the character of the people of North Carolina.

He does the people of North Carolina another service in announcing now his decision not to seek re-election. It is a move that opens the way, well in advance, for those, both Democratic and Republican, who would seek to replace him in the Senate. The field apparently will be crowded, and who the choice finally will be is not clear. North Carolinians should hope, however, to send another person to the Senate of the exemplary integrity and character of Sam J. Ervin, Jr.

[From the High Point (N.C.) Enterprise, Jan. 1, 1974]

Beliefs of a Statesman

His recent announcement that he will retire at the end of his present term in the U.S. Senate gives Sam Ervin an embellished status. Starting Friday, he will begin his final full year of service, looking forward to going home to Morganton on January 3, 1975.

His new status is that of a man who can do for his country what he thinks best without the worry that constantly besets legislators—that of re-election requirements. As the nation's leading defender of the Constitution, he can enhance that position without concern for offending any potential political block.

The senator's current newsletter is devoted for the most part to a recitation of his basic beliefs about lawmaking and his nation and is introduced as "something in the nature of an accounting of my stewardship as their senator" to the people of North Carolina.

Here is the principal portion of that statement:

"I have endeavored to practice on all occasions the concept that a public office is a public trust. I have sought to make life more abundant for the farm families of North Carolina, who produce the food, fiber, and agricultural crops essential to our existence and comfort; to support the free enterprise system, and promote the economic interests of those who invest and labor in North Carolina's industries; to promote the development of worthwhile projects in North Carolina's river basins and harbors; to preserve constitutional government and the blessings of liberty for all Americans; to secure to those who labor freedom to join or to refrain from joining unions in conformity with their own desires; to compel the Federal government to balance its budget, stop deficit financing, and terminate its wasteful foreign aid programs; to maintain armed forces sufficient to insure our national survival in a precarious world; to further education, medical research, and the public health; to conserve our natural resources, reduce pollution in our atmosphere and waters, and make our highways, parkways, and parks toll-free to all our people; to secure reasonable benefits to disabled veterans and their dependents and to the aging and handicapped; to obtain the enactment of laws to protect federal employees against tyrannical treatment by their government, and to obtain the enactment of laws establishing procedures for Constitutional Conventions called on the petition of two-thirds of the States.

At the same time I have fought, as sinful and tyrannical, proposals that Americans be taxed to support religious institutions in violation of the First Amendment; as incompatible with freedom proposals that state right-to-work laws be repealed and that compulsory unionism be forced upon those who do not wish to join unions; as inimical to justice, proposals to enact "no knock" and preventive detention laws; as inconsistent with our system of government, the use of the military to spy on civilians exercising their First Amendment rights of free speech, assembly, and petition; as intolerable, governmental efforts to intimidate individuals, newsmen, and broadcasters for exercising their rights of free speech and a free press in a manner displeasing to government; as rank tyranny, unnecessary governmental invasions of the privacy of our people, and governmental collection and computerization of data concerning their political and religious thoughts, beliefs, and activities; and as unwise, welfare proposals calculated to convert able-bodied Americans into medicants."

In this capsule commentary, Sen. Ervin has given a lesson worth the time of any federal office seeker and containing enough wisdom to be worthy of every American's attention. Between its lines are his unflagging devotion to the Bill of Rights and his belief in the supremacy of the individual in a government of laws.

[From the Lenoir (N.C.) News-Topic, Jan. 15, 1974]

Distinguished Record

Senator Sam J. Erwin Jr., of Morganton will end a distinguished public career at the expiration of his present term.

He will not be a candidate for reelection and has expressed the desire to return to his native town and county to catch up on resting and also as he states "a little fishing."

We doubt that the Senator will get in much fishing. He never did. While most men in public life were taking some time out to relax, Senator Ervin spent his spare time in reading.

Perhaps his constant reading of history, and the law, put him head and shoulders above many of his colleagues.

Few people in the U.S. Senate had the opportunity that Senator Ervin had to qualify them for a post in this law making body.

He had had a successful career as a practicing attorney, county court judge, superior court judge and associate justice of the N.C. Supreme Court. He had also served as a member of the N.C. General Assembly for three terms and served in the U.S. Congress for one term.

During World War I, Ervin served with the American Expeditionary Forces in France and was Burke County's most decorated soldier in that war. He was awarded two Purple Hearts for receiving wounds in battle and was awarded the coveted Silver Star for outstanding heroism in battle. He was also awarded the Distinguished Service Cross. The French government awarded him the Fourragere for distinguished service.

In addition to his public service, Senator Ervin has found time to belong to and serve a score of more historical, veterans, fraternal, and civic groups through the years.

It was not in a popularity contest that members of the U.S. Senate named him as a member and chairman of the Watergate Committee. He was chosen for this assignment by members of both political parties due to his knowledge of constitutional law and because he is a man of such high integrity that he is held in the highest esteem by all who know him.

His severest critics have been those who formed their opinions from purely political lines or through uninformed sources.

Senator Ervin has served his state and nation well for a half a century. He is deserving of a well-earned rest. He will truly go down in history as one of the Tar Heel state's most distinguished sons.

[From the Morganton (N.C.) News Herald, Dec. 20, 1973]

Welcome Home, Senator

In one of Sen. Sam J. Ervin's favorite poems, "If," by Rudyard Kipling, there is a line that reads, "If you can walk with kings, nor lose the common touch . . ."

Ervin may not have walked with many kings, but he has spent two decades in the United States Senate, walking with presidents and with all the most famous and influential political figures of our time. And anyone who knows him can tell you that this dyed-in-the-wool Burke Countian most definitely has not lost the common touch.

So now Senator Sam is coming home. He will be back today to enjoy the holiday recess, and—as he announced yesterday in Washington—he will be back for good after his current term expires, to spend the rest of his days "watching the sun set in indescribable glory behind Table Rock and Hawksbill mountains."

Ervin seems a little bit out of tune with the times: He is leaving Washington neither in disgrace nor in disappointment. He is leaving after a career that even his detractors acknowledge has been marked by unusual dedication to principle. He is leaving by the front door.

We say welcome home, Senator. We've been glad to have you representing us. We have basked a little at the edges of the limelight that has been directed your way, and we have been proud of you. We will be equally proud to have you back here in person in the shadow of Table Rock, sharing with us the wisdom you have gained in so many years of public service. You deserve to set a spell.

[From the News Herald, Morganton (N.C.) Dec. 26, 1973]

Obvious Choice for Man of Year

The people at Time magazine are about to go through the yearly ritual of picking their Man Of The Year. If they have given the matter proper thought, they will have seen that only one man stands out sufficiently to merit this honor: Morganton's own Sen. Sam J. Ervin Jr.

Historians and political scientists of the future will probably look upon 1973 as a highly significant year for American government—as a turning point that saw the Congress begin to reclaim the power that had been usurped in recent years by the presidency.

And among the personalities who will figure in the history books, few will loom larger in this turning of the tables than Senator Sam, who announced last week that he will not seek reelection to another term.

The main events in the power struggle that marked the just-ended first session of the 93rd Congress point up a political truism—that vacuums tend to be filled rather rapidly. The void created in the executive branch by the confusion and preoccupation with Watergate gave the legislative branch a welcome opportunity to flex its flabby muscles and take some action toward restoring a little something of the balance of power that the Founding Fathers intended to be built into our system.

As a year-end review by The Associated Press points out, the year that began with President Nixon dominating Congress through vetoes, impoundment of funds and the curtailment of programs, is ending with him the subject of the first presidential impeachment investigation in a century.

Quoting from the AP report:

"In January the President threatened to veto any spending bills exceeding his budget. But by December his influence on Capitol Hill had declined to where he signed a Health-Education-Welfare appropriations bill nearly $1 billion over his budget and released $1.1 billion he had impounded.

"In between, Congress forced Nixon to end all U.S. military action in Indochina and wrote into law over his veto a bill limiting a president's power to commit U.S. troops abroad without congressional approval.

"House Speaker Carl Albert, looking back over the session, said it was characterized 'by a strong spirit of renewal and reassertion of the authority of the Congress.'

"Sen. Mike Mansfield, the Senate Majority Leader, called Congress 'the rock of the nation at a time when the executive branch has been seized in a whirlwind of resignations, disclosures, denials, dismissals and indictments.'"

But the most dramatic part of the clash between the two branches, and the one that will make the best reading in future textbooks, was the Senate Watergate investigation that began May 17. By the time those galvanizing weeks of televised hearings were ended, President Nixon was on the defensive and the nation knew that things could never again go back to the way they were.

A pair of eyebrows had been elevated to a national institution, and the face of Senator Ervin, that country lawyer turned prophet of constitutional retribution, had been immortalized on thousands of T-shirts.

The spirit of reclaimed power that the hearings helped to spark then spread out into other fields. On Aug. 15, for instance, Congress voted, after eight years of U.S. involvement in Vietnam, to cut off money for further military activity in Indochina.

There were other examples, such as the decision, made over the administration's objections, to revise the federal farm program. Target prices were set for major crops and providing for direct payments to farmers only when market prices drop below the target.

The climax of the confrontation will come early next year, when Congress decides whether to proceed with impeachment. It is a measure of the magnitude of this season's events that such an action would have been considered unthinkable a year ago.

Whatever the outcome, one healthful effect is bound to surface after all this: Future presidents are sure to think twice before they attempt to ride roughshod over the Congress.

No doubt about it: 1973 was the Year Of The Congress. And Senator Ervin was the Man Of The Year.

[From the Murfreesboro (N.C.) Herald, Jan. 4, 1974]

A Long and Brilliant Career Will End This Year

When Senator Sam Ervin retires at the end of this year, there will be void in the U. S. Senate. It is doubtful that there will be a Senator or Congressman there as well versed in constitutional law as Senator Sam. It is also doubtful that there will be anyone willing to take over his drum major role in defending individual rights and liberties of all Americans.

Senator Sam has always held the belief that "the ultimate danger to the individual comes from government." During his 20 years in the Senate, Ervin has usually been the first, and always among the first, to raise warning signals when he believed the government was heading down a path of encroachment upon individual rights or excessive authority for either branch of government. He has fought against taxation to support religious institutions, repeal of state right-to-work laws and compulsory unionism, preventive detention laws, use of the military to maintain surveillance on civilians exercising their rights as guaranteed by the First Amendment and government efforts to intimidate the free press. All of these battles were fought with the vigor and righteous indignation by which he is characterized, his honestly and integrity seldom questioned.

In 1966 when a subcommittee was created to study the separation of powers of the three branches of government, Senator Ervin was the obvious choice for chairman. When the Watergate matter came to light and his colleagues recognized the wisdom in his earlier warnings, North Carolina's champion of many fights on this and similar issues was selected to head the Watergate hearings of the specially created Senate Select Committee on Presidential Campaign activities.

Tar Heels, generally, enjoyed Ervin's television image, but some joined critics from other areas in evaluating his handling of the hearings as a "performance." Ignoring the critics, as he usually does when he believes he is right, he persevered with unrelenting determination to bring the battle to a just conclusion.

The critics saw his Bible quoting to make a point, his "down home" humor and obvious awareness of the spotlight as an ego fed bask in publicity and glory. Those who have reviewed his record, studied his service, and know him either publicly or privately knew it was typical Ervin leadership. There was no pretense. It was merely Senator Sam doing his job as he has done it for 50 years—with wit and legal perception.

Ervin's only "gain" from the televised Watergate hearings was that his name became a household word across the nation. We are not willing to consider this a gain. Look what happened to Spiro. The basic difference is between public interest and self interest.

What Senator Ervin has done in the Watergate hearings and throughout his public service career is to protect individual rights as defined by the Constitution and try to ensure that no branch of our government be given authority beyond that provided in the Constitution which could be used to oppress the American people.

His decision to retire reveals an innate wisdom that eludes many in the public spotlight—there is a time to step down. Based on his record, the American people can be confident that for the next year, and after his retirement, he will continue his half century fight for the ideals and tenets of a democratic people. We wish him God speed.

[From the Nashville (N.C.) Graphic, Jan. 1, 1974]

A Great American

United States Sen. Sam Ervin's announcement that he will not seek a fourth term has been viewed with varied reactions, but the major reaction has been that the state and country will lose the voice of a great statesman, a Constitutional authority and an outstanding American.

However, in view of his service to North Carolina and the nation and the "constantly accelerating toll of those of us who live many years," the senator's decision certainly sounds reasonable.

Potential candidates for the seat that Sen. Ervin occupied for 19 years are already eyeing the position with envy and have begun to take political soundings concerning their chances if they decide to run.

Among those who are considered possible contenders for the senator's seat are Attorney General Robert Morgan; former Lt. Gov. Pat Taylor; Henry Hall Wilson of Monroe, who has already announced his candidacy; Fifth District Rep. Wilmer Mizell; Charlotte Stockbroker Charles R. Jones Jr.; and former Gov. Bob Scott.

Whoever fills Ervin's place in the nation's highest legislative body will have to follow in the footsteps of a man recognized as the senate's foremost authority on the Constitution and a man who achieved national prominance as chairman of the Select Senate Committee which investigated the Watergate affair.

[From the Oxford (N.C.) Public Ledger, Dec. 24, 1973]

Senator Sam Ervin Acts With Good Faith and With Logic

In retrospect, we really never believed Senator Sam Ervin would seek again the office he has held since 1954, the year he was appointed as successor to the late Clyde R. Hoey.

Senator Ervin is by all measures an honest man, honest with his countrymen, his electorate and himself. At the age of 77, he knows that he could not expect to sustain for many years the physical strength, the mental alertness and the other capabilities with which he is so well fortified.

Senator Ervin very strongly feels his sense of duty, not alone to the nation, but to his state and to his family. He obviously is following logic in the course he is taking, although we know of no individual alive today that we would prefer to see in the office than Senator Sam.

As the state's king-makers and the grassroots politicians turn attention to finding a successor, one individual that stands in bold relief is Attorney General Robert Morgan. From the distance we have known him, cemented with an occasional handshake and friendly greeting, and as an elected official holding an important office, we believe Mr.

Morgan is well-qualified to become the successor to Senator Ervin. He is competent, he is knowledgeable and he is dedicated to public service at a high level.

After January 1, the candidates will be flying in like ducks to the water. It is a good time to keep our options open and to listen carefully to what the would-be candidates have to say. The man chosen as Senator Ervin's successor likely will be in office for a long time.

Margaret Can Live With His Decision

(By Jack Aulis)

Margaret is going to have her way.

Throughout this year, when someone knowledgeable in Democratic Tar Heel politics was asked whether U.S. Sen. Sam J. Ervin Jr. would seek re-election in 1974, the most likely reply was: "Not if Margaret has her way, he won't."

In an interview in the Capitol in Washington during a break in the Watergate hearings she was watching her husband conduct, Margaret Ervin was asked about that.

"Well, Margaret isn't going to have her way," Mrs. Ervin said smiling. "It's entirely up to him."

But she often said she and her husband wished they had more time to spend with their grandchildren "at home." "At home" meant Morganton, N.C.

"I like it up here," she said during the Capitol interview. "But it's been 19 years and I think 20 would be just fine. But it's up to him."

The most amazing thing about Sam Ervin's long and distinguished career in public service is not his unchanged country lawyer style or his unchanging rock-like faith in the Constitution. The amazing thing is the public's reaction to them.

The man Watergate television viewers decided was a national folk hero is the same man taking basically the same stand, that he was in the 1950's and '60s. Now he is the liberals' hero, the man most likely to lead the country out of the executive branch swamp and back onto solid constitutional ground.

It is quotes which as this that make him that symbol:

"The Constitution is the finest thing to come out of the mind of man and the experience of man. I am going to do the best I can to see that this Constitution is handed to my grandchildren in as good shape as it was when I came into this world."

Ervin said that not in 1973, during Watergate, but during a civil rights filibuster in the 1960s. He was regarded then not as one of the Senate's foremost constitutionalists, but as another Southern segregationist.

And his country boy style, which was once considered "cornpone hambone" is now authentic Americana. But it hasn't changed a whit.

His first major speech in the Senate, in 1954, was on the question of whether the late Sen. Joe McCarthy should be censured.

Ervin told the Senate that McCarthy reminded him of Uncle Ephraim Swink, an arthritic mountaineer who was asked at a revival meeting to tell what the Lord had done for him.

Uncle Ephraim struggled painfully to his feet and said, "Brother, He has nigh ruint me."

"That," Ervin said, "is about what Senator McCarthy has done to the Senate." McCarthy was censured, 67–22.

Nor is it just Margaret who will be happy to be back home, back in Morganton.

Sam Ervin didn't want to go to the Senate in the first place.

A state Supreme Court justice, he was thinking of returning to private law practice in 1954 when Gov. William B. Umstead surprised the experts—and Ervin—by naming him to succeed the deceased Sen. Clyde Hoey.

"It was like a bolt out of the blue," Ervin said in a later interview. When the governor told Ervin he might appoint him. Ervin told the governor, "I hope you won't."

The same thing happened to him in 1948 when Gov. Gregg Cherry appointed him to the State Supreme Court. "I didn't even know there was a vacancy," Ervin said.

So Sam Ervin won't mind and Margaret will have her way. She says it was entirely up to him. The senator once said, in an interview about the women's liberation movement, that he didn't want to get involved in that. "In my home," he said, "Margaret lays down the law."

As interpreted along strict constitutional lines by Senator Sam?

[From the News and Observer, Raleigh (N.C.)
Dec. 21, 1973]

Senator Sam Bows Out Gracefully

Sam Ervin inspires regret plus different kinds of delight with his announcement that he won't run again for the U.S. Senate. There's joy among a lot of politicians who pant for the soon-to-be-vacated seat. And no doubt there's happiness among certain constituents whose fondness for Ervin melted somewhat in the heat his Watergate committee put on the Nixon White House.

But the prevailing delight will surely be of another type: delight in the fact that Senator Sam, after a long and distinguished political career, can quit while he's ahead and retire with his "Miss Margaret" to their beloved Morganton.

It's a rare politician who can tear himself away from office before the hounds of old age are snapping at his abilities. With characteristic forthrightness, Ervin has faced the reality of his years. He's 77. If he were elected again in 1974, the new term would run beyond his 84th birthday. In his announcement, he said: "Since time takes a constantly accelerating toll of those of us main undimmed and my natural force stay able for me to assume that my eye will re- who live many years, it is simply not reason- unabated for so long a time."

So the Senator will leave Washington after this term. How sorely the country will miss his presence there. It's not just that he's the recognized congressional expert on the Constitution. It's not just that he's a leading defender of individual liberty, the man the Senate turns to for help against the snoopers and the no-knock types. It's not just that he's become a national symbol of rock-hard integrity as leader of the Senate committee's search through the Watergate sludge.

Besides all that, to what sorry state may congressional oratory sink once Senator Sam leaves? Who'll spout Shakespeare, Isaiah, colloquialisms and colorful stories to make points without putting people to sleep? Who'll carry the language standard against "inoperative" and "at this point in time?"

About the total Ervin record, let heads be clear: He has not in every instance seen to the best interests of all those he has represented in Congress. For example, despite his concern for citizen freedoms, he fought freedom-giving civil rights bills for many years.

Still, the great weight of his work for two decades has been on the side of liberties that the Constitution guarantees to everyone and that some "strict constructionists" have often viewed as expendable. The senator's public service more than entitles him to the leisure he seeks. And although he may be irreplaceable in Washington, it will be nice to have him back in North Carolina on a full-time basis.

[From the Raleigh (N.C.) Times,
Dec. 20, 1973]

Senator Sam Met Opponent He Could Not Master—Age

Washington.—Sen. Sam J. Ervin Jr., D-N.C., retiring from the Senate after two decades, says this year of Watergate has been a disaster from which the country will recover, but President Nixon may not.

The 77-year-old Senate Watergate committee chairman, a Harvard Law School graduate who made a national television audience smile knowingly when he described himself as "just an ol' country lawyer," said Wednesday he'd finally met an opponent he could not master—his own advancing age.

Ervin said he works harder than most senators of any age and has no doubt he could win another six-year term. He said he cannot ignore the fact he would be 84 at the end of it, however.

"Since time takes a constantly accelerating toll of those of us who live many years, it is simply not reasonable for me to assume that my eye will remain undimmed and my natural force stay unabated for so long a time," he said.

As Ervin was telling North Carolina reporters about his six-month struggle to resolve what he called "the hardest problem which has ever confronted me," Watergate committee lawyers were delivering three subpoenas to the White House. They ordered the President to produce 481 White House tape recordings and hundreds of documents relating to all aspects of the Watergate probe.

That move, made possible by a new law drafted by Ervin himself, was a clear signal that the Senate's Watergate investigation is not over.

Ervin has said he intends to make public the transcripts of all the tapes and the copies of all documents "because the public has the right to know the truth of what they may contain."

Ervin said he will have to make judgments on the President's Watergate role when his committee makes its final report. Because of that, he said, he might disqualify himself from voting on whether or not the President should be convicted if the matter is brought to the Senate while he is still a member.

He was asked specifically if he believes the President is one of those he feels will not recover.

Ervin said that what he called the President's failure to immediately respond to the Watergate burglary "has been disastrous for him."

The evidence available to the committee does not show Nixon had any foreknowledge of the July 1972 break-in into Democratic headquarters, he said.

But, he said, he cannot accept that Nixon did not immediately ask his political subordinates how it occurred that the five burglars had $53,000 in Nixon campaign funds in their pockets when arrested.

What the country needs now, he said, "is some speedy trials and some speedy punishment inflicted on the people who perpetrated this fearful tragedy on the American people."

After 50 years in public life, retirement will come when someone else is elected to his seat in the 1974 elections and sworn in. Ervin said the first thing he wants to do is go fishing.

"My good wife says that ever since I've been in the Senate, If I saw a controversy coming from afar off, I ran just as fast as I could and jumped right into the middle of it," Ervin said.

The controversy of the moment is the possibility of President Nixon's impeachment by the House and trial by the Senate.

Ervin told reporters that this is one controversy he may not run after.

Asked to assess the national impact of Watergate, Ervin said:

"Some people can never recover from it."

[From the Raleigh (N.C.) Times, Dec. 20, 1973]

Would-Be Successors Praise Ervin

The announcement by Sen. Sam Ervin Jr., D–N.C., that he would not seek reelection next year brought immediate comment from several politicians who would like to be his successor.

One of these was Rep. Wilmer Mizell, a 5th District Republican who has been mentioned as a possible candidate for the seat. Mizell said Ervin's decision to retire at the end of his present term makes a Senate race more attractive to him. He added that it also will make it more attractive to a lot of Democrats.

Former Democratic Congressman Nick Galifianakis, who was defeated for the Senate last year by Republican Sen. Jesse Helms, said he will make a decision soon on whether to seek Ervin's seat.

Galifianakis referred to Ervin as a constitutional giant "whose country truly loves him."

The former congressman who now practices law at Durham said he has received a steady stream of phone calls from supporters urging him to run.

Former Lt. Gov. Pat Taylor of Wadesboro, who has been mentioned as a possible Senate candidate, said he had told two or three reporters who asked if he plans to run that if Ervin "did not run I would take a look at the situation which I will do."

Commenting on Ervin's decision, Taylor said. "Very few people in this world have the good judgment and good fortune to end their career at the top. I hope he will continue his public service because he has captured the imagination of a lot of people."

Atty. Gen. Robert Morgan, who is known to be seriously considering the Senate race, could not be reached immediately for comment. However, the Board of Commissioners in Morgan's home county of Harnett, quickly endorsed him for the post.

Henry Hall Wilson of Monroe, the former state legislator who is the only announced candidate for the Senate seat, said that Ervin "will leave big shoes to fill."

Ervin's colleague in the Senate, Sen. Jesse Helms, said Ervin "has become a legend in his own time and he has chosen to retire at a time when he is recognized throughout the land as a man who has made his mark on history."

Former governor Bob Scott said Ervin's decision to retire "is a severe loss to the people of the state and nation."

[From the Raleigh (N.C.) Times, Dec. 20, 1973]

Senator Ervin Protected the Rights of the People

Sam Ervin didn't write our Constitution, but during his long and distinguished service he has fought successfully against attempts to erase some of the rights the founding fathers did write into that immortal document.

Yesterday, Senator Sam J. Ervin Jr., announced that he wouldn't seek reelection. He gave a good reason: His age of 77.

Senator Ervin has become nationally known—and favorably so—during the long months when the tragic Watergate story unfolded before the Senate investigating committee he heads. Under his conscientious and skillful guidance, that story has been told to the American people, to alert them of what can happen to a country whose leaders turn their backs on the Constitution. Because the people have heard that story, there is less likelihood that in the years to come any American officials will ever permit themselves the tragic role the Nixon administration has played.

Senator Ervin's name became a household word only during the Watergate hearings. But, his fight for human rights has been known in the law offices and the courtrooms of this country for half a century.

As a young member of the North Carolina legislature in the 1920's, he successfully opposed a monkey-law bill in this state, a bill which would have followed Tennessee's example of a law banning the teaching of evolution.

During his many years as a Superior Court judge and Supreme Court justice, he preached the rule of law.

His defense of the right of all citizens reached its greatest heights during his score of years in the United States Senate, beginning in 1954 when he was appointed to succeed the late Clyde R. Hoey. Liberal forces were dismayed by his constitutionally based opposition to many civil rights measures. But, those same liberals were heartened by his other actions defending the privileges given all citizens by the Constitution, especially in the first ten amendments, our Bill of Rights.

He fought the Army over its invasions of the privacy of individuals by its mass espionage on civilians during peacetime—and won the battle for the citizens. He fought tooth and nail the Nixon administration's District of Columbia crime-in-the-streets bill, with its infamous no-knock provisions and its preventive detention feature which denied bail to some defendants. He didn't win that fight, but events of the succeeding years have proved how right he was, and his battle has strengthened the arms of others who will take up that fight.

Senator Ervin forced the Civil Service to knock out some of its privacy-invading practices. He has fought wiretapping, burglary dignified by the term surreptitious entry, and other invsions of the rights of American citizens.

During all these battles, he became known as the Senate's constitutional expert, and he deserves the title.

His Watergate battles have been aimed at just one thing: Bringing out the full story of what happened, so that the people can know and so that the Congress can write legislation to prevent such future horrors. He will complete that job before his term ends a year from now.

Senator Ervin is soft-spoken, but his physical courage equals his courage in defending the Constitution. As a young man, he fought in France during World War I, was wounded twice, and decorated with the Silver Star and the Distinguished Service Cross.

Senator and Mrs. Ervin plan to go back to their mountain home in Morganton when his term ends. With him, he will take the gratitude of the American people, still a free people with a working Bill of Rights, in large measure because of the battles Senator Ervin waged.

[From Richmond County (Rockingham, N.C.) Dec. 21, 1973]

Senator Sam Ervin, Jr., a Man for This Season

"Intellectual honestly compels me to confront this inescapable reality: If I should seek re-election in 1974, I would be asking "North Carolinians to return me to the Senate for a term which would extend beyond the 84th anniversary of my birth."

"Since time takes a constantly accelerating toll of those of us who live many years, it is simply not reasonable for me to assume that my eye will remain undimmed and my natural force stay unabated for so long a time."

Thus, with the country courtroom rococo phraseology for which he is duly famed, did Sam Ervin, our senior Senator announce his decision not to seek re-election.

Instead Ervin chose to leave Washington at the peak of his fame and prestige to devote his diminishing years to his greatest loves: His wife, Margaret, the practice of law, and fishing with friends from his home town, Morganton.

The announcement was wholly in the Ervin style, he summed up the difficulty of reaching the decision with rueful humor in a story about a schoolteacher who couldn't decide whether or not to marry. The teacher asked the school janitor what she should do, and was told she'd probably be disappointed either way.

Needless to say, the whole performance was accentuated and punctuated by the waggling eyebrows that are the Senator's trademark.

More importantly, the decision was well founded in the common sense that has for so long earned Ervin respect from both his colleagues and his constituents.

In making a cold, unsentimental appraisal of his own physical and mental prospects, the Senator demonstrated the intellectual honesty of which he spoke. He also, once again, set a good example that will go unheeded by some of his colleagues.

Erwin is at the height of his prestige and power in Washington and has one more year to take care of such unfinished projects as the Watergate investigation and legislation that will stem from it; a bill to protect the privacy of federal employes; and a bill to set up procedures for any future constitutional conventions. When he steps down he will have assured himself of a place in history and compiled a record unrivaled in importance by that of any other North Carolina Senator.

In doing so, he has gone his own way and stuck to his own views. This has made him a hard man to label—or at least to make the label stick.

For instance, today he is somewhat of a liberal folk hero and draws cheers from civil libertarians with statements such as:

"The Constitution is the finest thing to come out of the mind of man and the experience of man. I am going to do the best I can to see that this Constitution is handed to my grandchildren in as good shape as it was when I came into this world."

When he made that statement, however, he was filibustering against civil rights legislation in the 1960s and was considered not only conservative but a typical Southern segregationist. Even now many who praise his fight for individual rights tend to forget that he remains a staunch foe of busing as a tool for racial integration.

Yet those who hailed him as a segregationist and cracker barrel conservative in the 1960s also didn't take a close look at his record. Over the years, he has championed bills to protect the rights of American Indians and others, including such unpopular groups as homosexuals.

In addition, his long fight for fairer bail bond regulations for the indigent and his crusades against government snooping have improved the civil rights of all Americans.

Also forgotten during the 1960s was his opposition to Sen. Joe McCarthy's red-baiting in the 1950s, when Ervin was a freshman Senator.

His first major speech as a Senator was about McCarthy. In it, he told his story:

"Uncle Ephraim Swink, an arthritic mountaineer was asked at a revival meeting to tell what the Lord had done for him.

"Uncle Ephraim struggled painfully to his feet and said, 'Brother, He has nigh ruint me.' "

"That," Ervin said, "is about what Senator McCarthy has done to the Senate."

Back then, the story was considered an example of cornpone humor.

Now, after the country has been bombarded with the laundered and lifeless language of too many press secretaries, such Ervinisms are regarded as pure Americana.

By the same token, his strict views of the Constitution seemed irrelevant when the nation was concerned with righting the wrongs of 100 years of racial segregation, but they are relevant, indeed, today when individual rights have been violated to the point where the electoral process itself has been endangered.

All in all, Ervin would seem to be one of those rare men who has stood still until history caught up with him. It has enabled him to make his exit at the high point in a distinguished career.

It is said that his wife's desire for him to retire was a major factor in his decision to step down. Typically, one of his stories seems appropriate.

When asked about Women's Liberation, Ervin said: "I don't want to get involved in that. In my house, Margaret lays down the law."

In this case, he evidently found it constitutionally valid.

[From the Shelby (N.C.) Daily Star,
Dec. 21, 1973]

Senator Sam's Retirement Leaves Some Big Shoes

The announcement that Sen. Sam Ervin will retire after his term is up should surprise no student of North Carolina politics, and neither should it surprise the nation which has become as fond of Sen. Sam as we in North Carolina have been.

Tar Heels have only to look back as far as 1972 to understand in part, why Sen. Sam has decided not to seek re-election. It was in 1972 that Sen. B. Everett Jordan tempted fate by running for office once again despite an illness that had plagued him and despite his age, exactly the same as Sen. Sam's. That Sen. Jordan was defeated in the primary by a younger opponent and that the Democrats lost the race to the Republicans later, partially as a result of the primary, was not lost on Sen. Sam.

At the same time, Sen. Sam will be retiring from the Senate when he is on top, perhaps the senator with more public confidence and with more acumen than any other senator at this time. No longer only a senator from North Carolina, Sen. Sam is a true national figure, but reluctantly so since he did not want the Watergate investigation assignment. He would have been content to be known as the foremost constitutionalist in the Senate. Nonetheless, his Watergate probe chairmanship catapulted his career to heights of which he may never have dreamed. Sen. Sam knows full well that the only way to go from his present position is down.

It was not, however, the criticism of Nixonians which played any role in Sen. Sam's decision to retire from the Senate. There has been some of that criticism, but Sen. Sam could have weathered the backlash, all else being equal.

Despite the loss that Sen. Sam's retirement will cause to the nation and to our state, his decision was a correct one, politically and career-wise. It is not long before the political campaigns of 1974 ignite, and he is playing fair with the North Carolina people by not playing coy about his intentions. This is so like Sen. Sam to be honest and above-board that the timing cannot help but endear him even more to our state by having created a situation in which we can make our choice for senator cooly and calmly.

Thank you, Sen. Sam, for your service to North Carolina and to the nation. You leave extremely big shoes to be filled.

[From the Chatham News, Siler City (N.C.),
Dec. 27, 1973]

Senator Ervin's Wise Decision

Much as I hate to see the nation deprived of Sen. Ervin's many talents I believe his decision not to seek another term is a wise one.

The genial man from Burke who has distinguished himself as lawyer, jurist and legislator has received plaudits of a nation thankful for the courage the man has shown in his stand for strict construction of the Constitution. As chairman of the Watergate Committee, he has brought distinction to himself and to the state of North Carolina.

A paradox is the adulation heaped on him since the Watergate incident projected him into almost continuous limelight has come mostly from young people. Sen. Ervin has always appealed to the younger generation despite their cynicism as to the purposes of the older generation, the lack of morality in government and the proliferation of self-seeking people who served themselves rather than the government and through it the people who put them into office.

Sen. Ervin is also a practical man and a political realist. The matter of age cannot be ruled out as being a prime reason for his decision not to seek another term as Senator. North Carolinians, in the middle of a political upheaval, are not of the same merciful attitudes that they once were. They will vote against a man who has served them well and approaching old age can be the most dangerous basis facing a man's bid for re-election.

I relish for him the opportunity for him and his beloved Miss Margaret, many years of joy and happiness in the foothills surrounding Morganton his native home and Burke County where he can join a list of its sons who have distinguished themselves in service to state and nation.

[From the Smithfield (N.C.) Herald, Dec. 21,
1974]

A Special Merry Christmas to Tar Heelia's Senator Sam

While we're wishing everybody a Merry Christmas, let's send a special wish of happiness to Senator Sam Ervin—happiness not only for this Season of Joy but for the years ahead after Senator Sam leaves the U.S. Senate.

Our special wish goes to the North Carolina senator as a token of our gratitude for the truly distinguished service he has given to North Carolina and all America.

Many Americans have come to know Senator Ervin in 1974, for the first time, seeing him in action as the colorful chairman of the Senate Watergate Investigating Committee. He has become a television celebrity, a sort of folk hero, the people's champion of decency in government.

Investigation of Watergate has brought him far-flung fame. But Senator Ervin is no opportunist. That is, he is no public figure who saw an opportunity to ride Watergate to great heights of fame and grasped it. As a principal Watergate investigator, he is doing what he has been doing a long time—guarding the American constitutional system against unscrupulous forces seeking to ravish it by tampering with democratic processes and encroaching upon the God-given rights of human beings. His widening fame is incidental.

Long before we had ever heard of Watergate, Senator Ervin was the foremost champion of the Bill of Rights on the Washington scene. Long before Watergate he was warning the American people that a "shift toward tyrannical, totalitarian government" was well under way in the United States.

What is truly significant is that this warning was coming not from a leftwing radical suspicious of "fascism" in America, but rather from a man described as "a pillar of the Southern establishment in the Senate."

Citing his championship of the Bill of Rights in a 1970 article, Erwin Knoll, the Washington editor of the Progressive magazine, had this to say about Senator Ervin:

"Since 1961, when he became chairman of the Senate Judiciary Subcommittee on Constitutional Rights, he has been the Senate guardian of civil servants harassed for their political views, of GIs deprived of due process in the military courts, of indigent defendants unable to raise bail or retain legal counsel. On the Senate floor, he has thundered—almost invariably to a deserted chamber—against what he bluntly calls 'the trappings of a police state': government wiretapping and scrutiny of the mails, the compilation of computerized dossiers on citizens, the attempts at 'official psychological coercion to keep silent and refrain from acting.' When it transpired this summer (1970) that Treasury agents were combing through public library records to identify borrowers of 'subversive' books, Ervin was the first—and one of the few—senators to protest. 'Throughout history,' he wrote to Secretary of the Treasury David M. Kennedy, 'official surveillance of the reading habits of citizens has been a litmus test of tyranny.' "

This is an excellent citation of the work of a man usually labeled a "conservative," coming from the pen of a man who wears the "liberal" label. But there is no inconsistency here. The ground of the Bill of Rights is a place where true conservatives and true liberals can meet and walk arm in arm.

We can understand Senator Sam's desire (at the age of 77) to retire from the thick of the Washington struggle—and to experience joys among home folks in Morganton and to see the glorious sunsets behind Table Rock and Hawk's Bill Mountain. And we should tell him now that we shall forever remember with deep gratitude what he has done for America and will be doing for America in the last year of his service in the Senate.

A Merry, Merry Christmas, Senator Sam, indeed.

[From the Pilot, Southern Pines (N.C.),
Jan. 23, 1974]

Salute to Sam Ervin

It is our opinion that regardless of his age, Senator Sam Ervin could have been reelected to the U.S. Senate if he had chosen to seek that office again.

Even so, we think Senator Ervin made the right decision when he announced that he will retire at the end of his term this year.

He has earned his retirement, and he has earned the gratitude of North Carolinians for the long service he has given them. Indeed, all Americans are in his debt, not just for the superb performance of duty in the Watergate hearings but for his constant championing of the cause of American liberties.

Senator Ervin was constant. There was no deviation from his belief in the greatness of the Constitution and the rights of freedom which it guarantees the people of this country. He has stood fast over the years for those rights, contending with those who would erode them.

In the last years of his public service he was cast in the national spotlight of the Senate hearings, emerging as something of a folk hero, acclaimed from coast to coast and abroad. But to North Carolinians he was the same Sam Ervin they have known over the years, a man of great wit and learning and with a steadfast faith in such long-held virtues as a public office being a public trust.

In the shifting sand and slime of Watergate, Americans saw in Sam Ervin a rock of faith to which they could cling, and he helped renew a faith in the American system of government.

We are grateful to him for his long and distinguished service in the Senate. We can only hope that his successor will carry the torch of liberty as well as he has done.

[From Record & Landmark, Statesville (N.C.)
Jan. 2, 1974]

Down in Iredell

Praying for dark horse—We have neglected, up to now, to pay our respects to U.S. Senator Sam Ervin, Jr., who has announced he will not seek re-election. But we want to make amends before the year gets any older.

Sam Ervin became a nationally-recognized figure only with the advent of Watergate, but long before that he had carved out his niche in the annals of the United States Senate. His stature inevitably will dwarf the record of his successor for years to come.

His performance in the United States Senate was on two levels, both reflecting his conviction that a public office is a public trust. They consisted of the things he fought for and the things he fought against. Taken together, they reflect the full measure of the man.

His first loyalties were to North Carolina, for which he sought to make life more abundant by aiding the farmer, supporting the free enterprise system and promoting the economic interests of those who invest and labor in our industries.

At the national level, he sought to preserve true constitutional government and the blessings of liberty to all Americans, to compel the federal government to balance its budget, eliminate deficit spending and curtail prodigal waste in foreign aid programs, while maintaining a defense establishment adequate to insure our national survival in an uncertain world.

Those things, including others in educational, recreational and environmental areas, represented the positive side of Sam Ervin.

But there was a negative side, which in its own way was just as positive.

He opposed, as sinful and tyrannical, proposals that Americans be taxed to support religious institutions and foreign governments.

He resisted, as incompatible with freedom, all efforts to repeal North Carolina's right-to-work laws and force unionism upon those who do not want to join.

He fought, as inimical to justice, no-knock and preventive detention laws and the use of the military to spy on civilians in the exercise of their inherent freedoms.

He opposed, as intolerable under our system, efforts to intimidate individuals, newsmen and broadcasters for exercising their right of free speech in a manner displeasing to government.

And he often stood alone in his opposition to governmental invasion of the privacy of the people, together with the collection and computerization of information concerning their political and religious thoughts, beliefs and activities. This to him was rank tyranny.

Many of these were continuing fights, beginning long before Watergate and continuing year after year. Some of them were losing fights, often incurring the enmity of those individuals and agencies which now tend to lionize the television image of Senator Sam.

Life with Senator Sam was rarely exciting, but it was comfortable and reassuring. When we look out over the stable of possible contenders to succeed him we can understand why some North Carolinians feel the need of a security blanket and others pray for a dark horse.

[From The Washington (N.C.) Daily News, Dec. 26, 1973]

SAM ERVIN HAS SERVED STATE & NATION WELL

The announcement by Senator Sam Ervin that he will not be a candidate to succeed himself has set off a flurry of speculation about the possible successor.

Having been in the U.S. Senate already for almost 20 years, here is a man and a leader who has served his state and nation well. Perhaps today if some popularity contest could be held in the U.S. Senate, Sam Ervin would surely be a frontrunner.

At 77 years of age now, he knows that running again for the senate seat would be a difficult job. He retires before defeat or at least a demanding struggle came to him. We doubt very much that anyone in North Carolina could beat him even at his age. But surely all of us will agree that he well deserves the rest and retirement toward which he looks.

Senator Ervin in recent times has been very much in the spotlight as chairman of the special Watergate Committee. His wit, his wisdom, and his very image are known in just about every household today in America.

Considered the best constitutional authority in the U.S. congress, he has not hesitated to speak out on his convictions regardless of whom might disagree with his positions.

It will be a long time before North Carolina again has a senator who can bring such distinction and recognition to this state. He knew his duty and he accepted his responsibility well. He gave leadership, wisdom, and understanding at a time these qualities have been so badly needed.

Now his announcement surely opens the door to a host of would-be candidates. Aspirants in both the Democratic and Republican parties will be taking careful aim, and in the May primaries and in the general election next November, we can say now that the eventual winner faces some difficult hours.

It is an old cliche to say that "no one can fill his shoes." We have heard that statement so often and with such feeling that it sounds trite to repeat it now. Yet, we know of no better way to put it. Another will take the position when Senator Ervin's present term ends, but it will be years before anyone else can even hope to fill his shoes adequately.

When any man, Democrat or Republican, gains the respect accorded to this man by members of both parties, we really know he has something "on the ball."

In many respects we regret that he is leaving. But certainly we understand, and North Carolina and America will wish for him many happy years ahead. He has well earned his status as an elder statesman.

[From Waynesville (N.C.) Mountaineer, Dec. 21, 1973]

ERVIN—RETIREMENT ISN'T SURPRISE TO MANY

A survey of a number of Haywood citizens today revealed they were not as surprised that Sen. Sam Ervin will retire as they were at the timing of the announcement. They did not think he would announce this early that he would not seek a fourth term as U.S. senator.

Nothing but praise was found for the senator from Morganton, who announced Wednesday he would retire in January, 1975, and return to Morganton and "hopefully get in some fishing."

Richard Queen, for many years in Washington with the Dept. of Commerce and the late Sen. Frank Graham, said, "I was really surprised, because normally a ranking senator will not take retirement. I feel Sen. Sam exercised good judgment in making the statement at this time. His reputation, ethics, character has never been questioned and was above reproach.

"I am afraid his action will bring on a donnybrook for the Democrats next spring; Bob Morgan is interested in the office and has a lot of support. Henry Hall Wilson has already announced, and Pat Taylor is interested. Terry Sanford cannot be overlooked as a potential if he should decide to leave Duke University. He would make a good race. Then there is Nick Galifianikas who might want to try and come back after his defeat last year by Jesse Helms. It would be a tough fight. Morgan had a good organization when he was thinking of running for governor. And then there is the old East-West problem, if that matters any more.

"This one race could cause a split among Democrats next spring."

Mayor Henry Clayton: "I really was surprised the announcement came this early, as it throws it wide open for many aspirants. I guess the stand of Sen. Sam is favorable to Bob Morgan, but Henry Hall Wilson has already announced.

"Sen. Sam is a great statesman, and the greatest constitutional lawyer the nation has known in modern times. He had the people's interest at heart. He will be missed from the Senate—appreciate his leadership, although sometimes disagreed, but he was an excellent senator.

Loranzo Smathers, Canton: "I was not necessarily surprised that Sen. Sam would decide not to seek reelection because of his age. This opens up the whole thing to speculation, and several men are interested.

"In my opinion, Sen. Sam has been one of the greatest, and I hate to see him step down. He is certainly one of the greatest statesmen of the age. He is a wonderful man."

Harold Long, chairman county commissioners: "Sen. Sam has done a fine job representing us, and at his age, he deserves a rest. I was a little surprised the announcement was made at this time. This opens the field for all who want to make the race, and I understand there will be plenty of candidates."

Tom Mallonee, district representative of Rep. Roy A. Taylor: "I was not surprised, and I regret to see him step down. He has made the people of the nation feel the country is in good hands while he has been in the Senate. While many disagree with him, the public respects and holds him in high esteem."

Glenn W. Brown, lawyer: "I was surprised at the announcement at this time. I had rather not comment on a possible successor, I am not obligated to anyone who might be in the race. This makes for a whole new ballgame.

"My life's ambition, with God willing, is to some day represent my people in Congress—House or Senate. It is a life-long goal. I am not saying that 1974 will be the year, or any other election year, but this is a goal, and my commitments to others in such a race will have to be made with extreme care."

Mayor F. E. "Bill" Shull, Canton: "I hate to see Sen. Sam step down. It will be a great loss to North Carolina and the nation. But the time has come, and I feel he was wise in making the move. I am very fond of him, and the nation will miss Sen. Sam from Congress."

Burder J. Wells, chairman of the Haywood Democratic Executive Committee: "I felt Sen. Sam would seek reelection, but I think he was wise to take the action he did.

"I hear a lot of favorable talk about Bob Morgan, plus several other well-known Democrats. It will be an interesting race.

"Here in Haywood, we are in better shape than in some years past, and I don't feel we'll go overboard and get mad at each other. We've learned to work together."

[From the Waynesville (N.C.) Mountaineer, Dec. 26, 1973]

SENATORE SAM MAKES RIGHT DECISION

The average citizen, we find, had a feeling that Sen. Sam Ervin would remain in the Senate as long as he lived. He has been there 23 years and many voters had just come to look upon him as being a "permanent office holder."

His decision not to seek reelection, at the age of 77, cannot be considered anything but wise.

By making the announcement at this time, he gives all those interested in the office time to prepare for the spring campaign. Adding all the facts together, one must say that Sen. Sam has shown wisdom, and compassion throughout the whole matter.

The expressions of Haywood citizens in the article published in the Mountaineer last Friday is indicative, we feel, of the sincere interest people have in Sen. Sam. There was a twinge of regret among many that they would not have the opportunity to vote for him again but then, facing reality, they felt he had acted wisely in announcing he was returning to his home in Morganton for some rest and "hopefully some fishing."

Sen. Sam possesses many fine qualities and is one of the few real statesmen in Congress. He is a student of the people and their needs. As a constitutional lawyer, he is tops.

With his announcement, the flood gates are open to candidates who wish to seek the place he has filled with distinction. Come next spring, the race will be in full tilt, and time, after time, one can expect to hear, "Sen. Sam made us a mighty fine senator," as voters ponder over prospects for a successor.

[From the Wilmington (N.C.) Star-News, Dec. 21, 1973]

A Job Well Done

Service is the heart of the man.

Most of Sam Ervin's life has been dedicated to the service of the people of North Carolina. He has been their servant as a lawyer, judge, Congressman, State Supreme Court Justice, and United States Senator. It has been in this latter role that Sam Ervin of Morganton has come into his own as one of the State's outstanding citizens of all time. For nearly two decades, he has given outstanding representation to the people of the Tar Heel State, and has built for himself the national reputation of a constitutional expert and champion of the rights of the individual.

Today, polls show that Sam Ervin is one of the best known and most admired politicians in this nation. His impressive record of achievements on the Hill and his love of justice and governmental integrity moved his colleagues months ago to select him unanimously to head one of the most awesome legislative pursuits this country has undertaken—the Senate investigation into the Watergate Scandal and related presidential campaign violations. In the past several months, Senator Sam Ervin has found that he is a folk hero to much of this nation, the object of adoration by fan clubs and individuals young and old across the land.

He may have been pushed into the national limelight only in the past few months, but the record of Sam Ervin goes back much further than the Watergate Hearings. He is recognized as the outstanding Congressional authority on the Constitution, and his legislative record on behalf of individual rights.

Now in his third full term in the Senate, (he was appointed in 1954.) Senator Ervin found himself faced with a difficult choice. If he were to seek a fourth term, he would be asking the voters of North Carolina to return him for a six-year term that would expire when he is 84 years old. It is an ego-serving temptation to seek re-election at the height of his career, but Senator Ervin's service to the people of North Carolina comes first. So, in his finest hour, Sam Ervin announced he would not seek a fourth term, but wishes to retire to his home in the hills of North Carolina. Welcome home from a job well done.

[From the Wilson (N.C.) Daily Times, Dec. 21, 1973]

Senator Sam Ervin Is Retiring

Senator Sam J. Ervin, Jr., whose life has been one successful achievement after another, is retiring at the age of 77. He is North Carolina's most distinguished citizen in the field of law. After graduating from the Harvard Law School, he began practice in his own Burke County and has held just about every position his profession bestows. He was a member of the Supreme Court of North Carolina before going to the U.S. Senate where he served two decades.

His latest distinction has come from the Watergate hearings. He is chairman of the committee doing the investigating. He is very wise in his decision not to return, for as he said, he has met an opponent he could not master—his own advancing years. He knows if he served out another term he would be 84.

Senator Ervin is sought after as a speaker because of his homespun humor. He knows the mountain stories told by the people of Burke County. We are certain he knows more mountaineers and local stories than any one in the county, and he can tell them. They are his people and the mountains, his land.

The recent book about Senator Sam Ervin is written by Thad Stem, Jr. and Alan Butler and it includes Senator Ervin's best stories. We have the book and plan to read it after Christmas.

Senator Ervin is material for a book, for he has lived such a useful and eventful life, taken a stand for the people of this area, fought for what he thinks is right, and left an imprint on every position he has held.

Sen. Ervin and his wife, Margaret, are a couple who enjoy life. Usually when you see one, the other is not far behind.

He is a great student of the Constitution and he believes in the principles as laid down in the Constitution. It will be difficult to think of the United States Senate without Senator Ervin. But he is going home, to his beloved Burke County, and watch the sunset behind the mountain he knows and loves so well.

[From the Wilson (N.C.) Daily Times, Jan. 15, 1974]

Record of Lasting Service

The Senate and the Congress of the United States will never be the same without North Carolina's Senator Sam J. Ervin Jr., who recently announced he was retiring at the close of the second session of this the 93rd Congress which convenes Jan. 21.

Senator Ervin is 77 years young, as the saying goes. As to experience, knowledge of government and the ability to apply that knowledge, he has no equal. He is acknowledged an authority on the Constitution of the United States.

Senator Ervin achieved international fame as chairman of the Watergate committee. But his service to the nation began with the natural succession of events you find when one is sure of what he expects and hopes to receive and to give to life.

He is a lawyer, as was his father. After graduating from the University of North Carolina, Chapel Hill, he received his law degree from the Harvard Law School. He served in World War I and was wounded twice and awarded the Distinguished Service Cross.

His first public office was representing the people of his mountain county of Burke in the North Carolina General Assembly. He gives to his father credit for the feeling that "freedom of the individual, no matter how lowly he is, is fundamental." Credit should also go to his love of the mountains where he lives and the rugged, liberty-loving people of that section of our state. Their homespun philosophy is interwoven into the many stories he tells—and he is the state's best "story teller."

His next step up the legal ladder was the appointment to the N.C. Superior Court and then to the Supreme Court where he served for six years.

When Senator Clyde R. Hoey died in 1954 Governor William Umstead persuaded Justice Ervin to go to the United States Senate where he will remain until he retires at the close of this session.

We are certain that Senator Ervin has been quoted more often in the Congressional Record than has any other member. Sen. Robert C. Byrd called Senator Ervin: "A fighter for First Amendment principles" in a March 29, 1973 statement he had recorded in the Congressional Record. The Record says, "Those of us who serve in the Senate with Senator Sam Ervin know very well of his determined commitment to the principles of the First Amendment. Time and time again, my distinguished friend has reminded us that these great principles: freedom of speech, freedom of the press, freedom of religion, freedom to petition the government for redress of grievances—must be zealously guarded."

Then the Record goes on to say that in recent years Senator Ervin has spoken out with particular concern about the state of freedom of the press in America. He pointed to the historical fact that a vigorous, free press is an essential ingredient of any free society. As chairman of the Senate Subcommittee on Constitutional Rights, he has conducted two series of hearings over the past two years in current problems facing the press in America.

Senator Ervin is receiving recognition far beyond the bounds of the Senate and his state. He has received many of the national awards from newspaper organizations, the Thomas Jefferson Award given by the Texas Tech University, the Texas Daily Newspaper Association, and the Texas Association of Broadcasters. His own state has bestowed on him many awards and these will continue.

When Senator Ervin retires, he takes with him the grateful hearts of Americans who realize the need for preserving the Constitution and all for which it stands. And he deserves the rest, at home with his attractive and understanding wife Margaret, and among the mountains he loves so well.

[From Winston-Salem (N.C.) Journal, Dec. 21, 1973]

The Ervin Career

Sam Ervin has shown his usual good sense in his decision to go home to Morganton when his term in the Senate expires in January, 1975.

That decision should dispel the unjustified suspicion that Senator Sam has been using the Watergate committee to promote his own political interests.

As everyone who knows Sam Ervin has been aware, the committee's investigation is merely the campstone of the senator's efforts of many years to preserve the guarantees of the Constitution and the sanctity of the law and to protect every American from the tyranny of governmental excess.

The South's great contribution to Congress in the past century has been in that undefinible quality, *character*. Sen. Richard Russell of Georgia had that quality in a high degree, and it made him the most respected and influential senator for many years. Men like Lister Hill of Alabama and John Stennis have had it too, and so did the men of the remarkable delegation that Alabama sent to the House for many years.

Sam Ervin showed something of that same quality almost as soon as he entered the Senate 20 years ago. His first test came when he was appointed to a small committee that was to sit in judgment on Sen. Joseph McCarthy of Wisconsin.

It was an unenviable task because McCarthy had terrorized Washington, and built up a rabid following in the country, with his charges of communism against many government officials and Army officers.

Ervin entered the investigation with a presumption that McCarthy was right. But when he examined the evidence for the senator's charges, he concluded that McCarthy had none—that he had merely been engaged in a campaign of wholesale character assassination. Having so concluded, he had no hesitation in recommending that the Senate censure McCarthy, which it did.

A decade later Ervin troubled many of those who admired him for that role by his opposition to all of the civil rights bills. That opposition, however, was rooted not in bigotry but in the senator's understanding of the Constitution and our federal system.

In recent years he has settled most of the doubts about that by his one-man campaign to curb governmental intrusion into the private lives of the American people, even those on the federal payrolls.

The misnamed Watergate hearings now give him a chance to make the country realize what is at stake in everything he has attempted.

For what he is trying to do in the hearings before his committee is not to determine the guilt or innocence of this or that official. What he is trying to do is to determine just how badly our legal and constitutional system has been twisted so that Congress and the American people can repair the damage and strentghen the structure.

In that good work he will have the support of all Americans who cherish the freedoms which have made America great.

[From the Winston-Salem (N.C.) Twin City Sentinel, Dec. 21, 1973]

ONE AGAINST TYRANNY

Sam Ervin is the last of the great constitutional lawyers who, in another era, brought distinction to the U.S. Senate. During the years when Ervin has been waging war against the sometimes-tyrannical practices of the federal government, both the Senate and the House have often seemed all-too-willing accomplices in the crime.

Ervin's mistrust of the central government and all its ways is a consistent theme in his public career, the theme which alone explains how he could seem both "conservative" and "liberal" on so many of the major issues of the day.

Few would defend Ervin's opposition to the civil rights movement of the Sixties. Yet his choice of sides in that long and bitter fight was determined in part by his deep commitment to the idea of a limited federal government, a concept seemingly guaranteed by the Bill of Rights.

Certainly it is this conviction that has prompted him to make such fierce attacks on the federal establishment in recent years. His war on federal data banks, his campaign to protect civil servants from harassment, his suspicion of nosy census takers, his doubts about the virtues of wiretapping and other forms of electronic eavesdropping, his successful campaign to stop the Army from spying on civilians—these and many other crusades for which he may someday be remembered all stem from the same deep-seated belief that the good done by the federal government is oft interred with the bones of the deceased bureaucrats.

His capacity for grasping the evil potential of innocent-seeming beginnings was never more in evidence than when he fought almost singlehandedly against passage of the nefarious no-knock law, a law which subverts both the spirit and plain intent of the Fourth Amendment. In this instance Ervin gained quick vindication. Federal narcotics agents abused the law to such an extent that many of its proponents are now clamoring with Ervin for its repeal.

In a way it is too bad that his decision to retire, while perfectly sensible in view of his advanced age, has come at a time when his many talents might have been used for much good. Only last year he became chairman of the Senate's important Government Operations Committee. One of the functions of that committee is to review the working of the federal government, but the extent to which that power is exercised depends wholly on the temperament of the committee chairman—and surely no man was ever more suited to that task than Sam Ervin.

Unfortunately, Senator Sam is apt to be missed more than ever now that the federal government, because of the fuel shortage and other crises, may find it necessary to intrude more and more into the ordinary activities of our daily lives.

[From the West Jefferson, (N.C.) Skyland Post, Jan. 24, 1974]

A GREAT AMERICAN SENATOR SAM ERVIN, JR.

The recent announcement of Senator Sam Ervin, Jr., that he would retire at the end of his term in office, and would not be a candidate to succeed himself, came as no surprise to those, who know him best.

If any leader deserves to retire it is our distinguished United States Senator, who has proven time and again that he is a great American, possessed with rare intelligence and a versatile background of knowledge. He has demonstrated them, time and again. And his knowledge and understanding of the constitution has helped to solve many problems.

Senator Sam, as he is known to his friends and they are legion, is not only a leader, but is a down-to-earth friendly type of citizen who has a great sense of humor and is one of the best story-tellers we know of.

His father before him was a dintinguished judge of superior court, a post Senator Sam filled with distinction before going to the U.S. Senate and his son, Sam Ervin, III is rendering distinguished service as a North Carolina Judge. Like thousands of other North Carolina citizens, we are justly proud of this great American who has rendered distinguished service for many years.

His retirement will not take him out of circulation. His early training, his education and experience mark him as one of North Carolina's most distinguished citizens, in the opinion of this editor.

We wish for him and his beautiful and intelligent wife, Margaret, many more years to enjoy being back home again.

FERROUS SCRAP EXPORTS: THE NEED FOR EFFECTIVE CONTROLS

Mr. HUGH SCOTT. Mr. President, today the American Iron and Steel Institute is making public a report on the ferrous scrap situation in the United States. The report titled, "Ferrous Scrap Exports: The Need for Effective Controls," outlines the case for Government action to limit exports of iron and steel scrap.

Although the Department of Commerce has implemented a licensing program to limit the exports of ferrous scrap, it appears this action is not sufficient as the price of scrap available to our domestic industry continues to skyrocket at an inflationary rate. The steel industry with the support of the United Steel Workers Union and foundry companies is asking that present scrap exports allowed under the current licensing system be reduced to assure an effective response to the scrap shortage. I commend this report to the Members of Congress for their full consideration of this serious problem. Mr. President, I ask unanimous consent that the report be printed in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

FERROUS SCRAP EXPORT: THE NEED FOR EFFECTIVE CONTROLS

Unless the federal government acts now to further limit exports of iron and steel scrap, steel mills and foundries in the U.S. will incur additional disruption in their production scheduling, at a time when domestic demand for iron and steel continues at the highest level in history.

Today, inventories of ferrous scrap have shrunk to their lowest level since World War II. As confirming evidence of shortages of scrap, especially in essential grades and sizes, scrap prices have soared far above their previous highs.

The situation threatens job stability, industrial growth and the American steel industry's ability to supply the nation's need for steel.

For well over a year, the industry's warnings have been answered with inadequate measures. As a result, the crisis has so deepened that only strong measures will now suffice.

The steel industry, with the support of the United Steelworkers Union and foundry companies is asking that present scrap exports currently authorized at a monthly rate of 700,000 tons (annual rate of 8.4 million tons) be reduced to assure an effective response to the scrap shortage. Specifically, the industry urges that Congress support the following actions previously requested of the U.S. Department of Commerce:

1. That the Commerce Department impose an embargo on exports of carbon, alloy and stainless ferrous scrap—of sufficient duration to insure adequate supply for domestic consumers.

2. That, as a minimum alternative, the Department stop issuing new export licenses, except for Canada and Mexico, for a period sufficient to insure an adequate domestic supply.

3. That the embargo be followed by a program limiting scrap exports to a maximum of 300,000 net tons a month for the rest of 1974.

Without these related measures, there is little hope that the overall supply/demand situation will improve.

It all adds up to an immediate need for further government action on scrap exports until a reasonable degree of order can be restored to the scrap market. Beyond that lies a long-term need to develop national policies of resource management that will do justice to both domestic industry and international trade.

SCRAP ESSENTIAL TO STEELMAKING

Ferrous scrap makes up almost one half of the total metallic input used in steelmaking. The balance comes mostly from pig iron, produced in blast furnaces. The industry generates a large amount of scrap from in-plant sources. Nevertheless, it is heavily dependent on scrap processors and other outside sources for the balance of its needs.

This dependence is especially critical for electric-furnace plants; their metallic input is almost 100 percent scrap. Of the projected 51.7 million tons of purchased scrap needed by the steel industry and foundries in 1974, approximately 28 million tons will be required by hundreds of smaller companies without blast-furnace facilities.

In all, to produce 150 million net tons of raw steel in 1974—the same amount as last year—plus 18 million tons of castings, the steel and foundry industries will need 51.7 million net tons of purchased ferrous scrap, or 8 million tons more than in 1973.

The increased need stems from two main causes:

1. There will be less pig-iron production in 1974. That is a consequence, among other things, of the tight supply of metallurgical coal, further compounded by the widespread shutdown recently of coal mines in West Virginia.

2. There will be 3 million fewer tons of scrap available from in-plant sources in 1974 because of the heavy draw-down of inventories in 1973 to meet demand for finished steel.

ABNORMAL SURGE IN EXPORTS

Based on its analysis of rising domestic and world steel demand, in late 1972 the steel industry warned the Commerce Department that a serious scrap shortage would develop in 1973 and that this situation could worsen as world demand for steel continued to increase. That is what happened.

In the last six months of 1972, exports of ferrous scrap were running well ahead of averages over the previous 10 years.

The pace quickened still more at the turn of 1973. Compared with one year earlier, export tonnage in December 1972 was up 90 percent; in January 1973 it was up 160 percent.

Translated into an annual rate, as the industry pointed out to a Congressional committee in March 1973, this amounted to 13.3 million net tons. By contrast, the annual average over 10 preceding years was 7.4 million tons.

During the abnormal surge in exports of American ferrous scrap, demand at home for this essential raw materials was mounting.

In a December 1972 meeting the steel industry asked the Commerce Department to limit exports to a reasonable level. Specifically, the industry asked that they be limited to an annual figure of about 7 million tons—600,000 tons a month.

The government did not act until July 1973, and then it took only limited action. It was a case of too little and too late. When the books closed last year, 11.3 million tons had gone to export, badly depleting available domestic stocks.

To grasp the impact of high exports on domestic supply, consider this: Last year, 5.3 million additional tons of ferrous scrap were added to the U.S. supply. Yet, of this increase, 3.9 million tons went abroad in exports, leaving only 1.4 million tons for domestic use.

In 1973, the supply of purchased scrap reached a level of 54.6 million net tons (including exports of 11.3 million tons). Part of this supply had been accumulated in late 1972 and shipped to coastal ports for export in 1973. Getting this much supply in 1974 is unlikely due to this year's projected decline in prompt industrial scrap (largely automotive) and to the fact that last year high domestic demand combined with an unprecedented rise in exports caused a serious scrap shortage. This year, however, even if the supply of purchased scrap reaches the level achieved last year, projected domestic demand of 51.7 million tons in 1974 will require that exports be limited to 3 million tons this year—if domestic requirements are to be met. The alternative: scrap exports at a higher level will result in a proportionate decline in the amount of finished steel available to meet the needs of the domestic economy.

SCRAP PRICES

Scrap prices, of course, have reflected—and continue to reflect—the intense pressure of the high demand on supply. Prices in 1973, when the cost of purchased ferrous scrap averaged $63.50 a gross ton, were 68 percent higher than in 1972.

But that was only the beginning. At the end of March this year, they were 200 percent higher than in 1972.

As indicated earlier, the steel industry made a number of requests for action between its first one in December 1972 and its latest one. Each time, the actions urged have understandably increased in severity because policies adopted by the government have not alleviated the problem.

Bear in mind that in requesting a temporary embargo the industry's objective is simply to ease the present crunch in supply and demand. The industry has not in normal times opposed export of ferrous scrap. But what it does oppose, for national economic reasons, is the lack of realistic export limitations of historically high foreign and domestic demand. In this policy the industry is following demonstrated practice elsewhere in the world.

UNITED STATES ALONE IGNORES NATIONAL NEEDS

Consider what is done by countries of Western Europe and by Japan.

Except when home demand is low, they forbid or, at best, allow only minimum exports of scrap. Last year, for example, scrap exports out of the European Economic Community (a steel market comparable to our own) approximately only 400,000 tons, compared with the 11.3 million tons exported by the U.S.

As worldwide demand was soaring, Britain, in September 1972, imposed an embargo closing off its exports of ferrous scrap except for a few low-quality grades. The British action turned even more countries and industrial consumers—those formerly dependent on Britain for scrap—to the overburdened U.S. market.

Thus, while other industrial countries assure their own needs for ferrous scrap, the U.S. alone permits massive and unprecedented exports of this essential commodity. In doing so, it has, among other things, put its own steelmakers and foundries at an unfair disadvantage.

Other steel-producing nations have long since made it clear that they will import as much U.S. scrap as they need to maintain or expand their share of world steel trade. One consequence has been to run up scrap costs which, until a few weeks ago, the U.S. steel and foundry industries simply had to absorb themselves.

Another and worse consequence has been to deplete the U.S. supply of available scrap and thus impair this nation's capacity to supply the country's need for steel.

In discussing scrap supply in the U.S., the key word is "availability." Some studies depict a large reservoir of obsolete scrap throughout the country. But it flows very slowly into the recycling stream and consists largely of steel in older buildings, bridges, machinery, automobiles and freight cars, which are still in use and serviceable, despite their statistical obsolescence.

The steel industry is working with municipalities to recover obsolete scrap from municipal solid waste and is actively supporting recycling programs. The industry wishes to emphasize it does not require tax incentives to expand its consumption of ferrous scrap. The projected growth in U.S. and world steel demand assures a ready market for ferrous scrap from all sources.

Certainly, in line with America's new realization that raw materials are in finite supply. Government on the one hand and concerned industries on the other should develop long-term programs for scrap recovery. But longer term programs cannot answer the immediate need to maintain production operations. And it is to this need that the steel industry points in asking for effective action to curtail ferrous scrap exports.

SKIMPY WHEAT RESERVES

Mr. HUMPHREY. Mr. President, a brief but compelling editorial on wheat reserves in the March 27, 1974, issue of the Crhistian Science Monitor, and reprinted from the Des Moines Register, points out how we arrived at our present state of having barely adequate carry-over wheat stocks.

The important question raised by the article, however, is whether the administration has learned anything from this experience? Secretary Butz and the USDA still appear to trust the "free market" and the public mindedness of the grain companies with a child-like faith.

What the Congress has learned from the experience of the past 2 years is still another key question. The article concludes that Congress will not require another similar lesson before establishing a grain reserve program.

I hope that conclusion proves to be true, but I would say that the question is still to be answered. A major education effort is needed before a sound program can be adopted.

Mr. President, I ask unanimous consent that the article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Mirror of Opinion—Skimpy Wheat Reserves

President Nixon has lifted the import quotas on wheat, a sensible action in view of the high price of wheat. There ought to be no restriction at any time on imports of wheat, a commodity which the U.S. produces so efficiently that it is the world's leading exporter.

The lifting of import quotas is unlikely to result in a big increase in imports. Millers may ship in a little wheat from Canada. It is even possible, as a representative of the Millers National Federation said, that the United States could import some flour from Europe. But that won't amount to much, either.

The United States produces more than twice as much wheat as it consumes, and the 1973 crop was a record. Moreover, the 1974 harvest promises to be even larger, since acreage is being increased.

The general shortage of wheat during the last two years, largely because of short crops in Russia and South Asia, has resulted in extremely high prices. The rush of many countries to rebuild stocks is keeping prices high. United States millers have to pay up to get wheat under the circumstances. Otherwise, exporters would drain the country of wheat.

The U.S. Department of Agriculture estimates that wheat reserves may be drawn down to 182 million bushels by next July 1. This seems a tiny reserve, indeed, considering the fact that 500 million to 700 million bushels of carryover have been normal in recent years. However, it is far from a disaster.

The Department of Agriculture should have taken steps much earlier to assure a larger reserve supply. It could have done so under present legislation.

But even in the absence of government action, the United States is not likely to be in a desperate shape for wheat. There is no reason to expect the price of bread to rise to $1 a loaf, as one representative of the baking industry suggested.

You would think that Agriculture Secretary Earl Butz and his advisers had learned their lesson from the depletion of wheat stocks as a result of the sale to Russia in 1972. But they have gone blissfully along their way, trusting in the "free market" and the public spiritedness of the big grain companies. The result is a huge export sale and skimpy reserves at home. That is the reason for all the excitement about the wheat shortage and the talk about $1 bread.

Unless a weather disaster overtakes the country this spring, however, it seems that the nation will skim through. Congress, we trust, will not need another lesson before passing a grain reserve bill that will require the administration to manage a reasonable reserve program.—Des Moines Register

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GOVERNMENT VERSUS PRIVATE OPERATION

Mr. FANNIN. Mr. President, our business enterprise system evolved and has flourished because it is the most efficient and most satisfactory economic system for meeting the needs of the American people.

If Government were as wise, efficient,

industrious, and innovative as some people in this Capital would have us believe, then we would have no need of our business enterprise system. Government could take over everything. Business could and should be abolished—if this were the case.

We have had free enterprise because it is more efficient than Government, because it provides an element of freedom essential to the American concept of democracy, because it is responsive to the people.

Government attempts to operate in the business arena—with only one or two exceptions—has been a disaster. The record is clear enough to show us that any efforts by Government to operate petroleum companies, or to nationalize oil, would be detrimental to the Nation.

Mr. President, the April 8, 1974, edition of Barron's, provides us with a reminder of how private management works better than public ownership. I ask unanimous consent to have the editorial printed in Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

Post Office Versus Ma Bell—Public Ownership Can't Compare With Private Management

One of the most disturbing proposals we've heard lately is the Senate bill to create a federally operated oil enterprise. Its sponsors claim that it would stimulate competition and serve as a yardstick for measuring the petroleum industry's performance. Naturally, it would be subsidized by taxpayers with cheap capital and exemption from tax and royalty payments.

Some Congressmen and editorial writers want to take a bigger immediate step and nationalize the oil companies right away. And several politicians here in Massachusetts have been making noises about the "need" to take over electric utilities as well.

This latest outbreak of governmentalitis—along with the current leap in postal rates—reminded us of a Staff Letter first written in 1964 and reissued in 1967. Titled "Government Vs. Private Operation—A Striking Contrast," it compared the operating results of the nation's two communications giants—the U.S. Postal Service and the privately run Bell Telephone System. So we decided to reprint the Letter this week—the only changes being to bring the figures up to date.

It has become the fashion—especially among politicians, union bosses and businessmen—to call more and more on the government for action. The extent to which its share of the economy has mushroomed over the years is shown in Table I.

Note that the public share of employment has been rising almost as fast since 1947 as it did during New Deal days. Also observe that 16.2% of all workers (one out of six) are now on public payrolls compared with 6.4% (one out of 16) in 1929.

The table also shows that the public sector now accounts for close to one-third of total economic activity against less than one-tenth in 1929. Our federal government is the biggest employer, borrower, lender and spender in the world. One out of nearly every three dollars of personal and business income now goes to a tax collector somewhere.

Particularly disturbing is the fact that this speed-up in public spending has been taking place during a period of record economic prosperity. In the past decade, non-defense outlays in the federal budget have shot up by $129 billion, or nearly 200%, while those of state and local entities have also tripled with a rise of $122 billion.

Just in the past four years, total federal expenditures have jumped $78 billion, or by nearly two-fifths. The entire rise in spending has been for non-defense activities. It seems incredible, but this increase in civilian outlays is nearly 10 times as much as the U.S. government paid out for all purposes in any year prior to World War II.

Moreover, Washington is constantly pressing, or being urged, into new fields—education, health care, credit, housing. Problems that are essentially local in nature—such as mass transit, traffic, urban decay—are now being passed on to federal bureaus. So the public sector grows and grows.

A question that puzzles us is why anyone should think that such spheres of activity can be conducted more effectively under public than private management. Does anyone conceive that federal administrators have greater talents than private business managers or local civic leaders?

A good illustration of the striking differences in public vs. private management is afforded by a comparison of the two giants of the communications field—the U.S. Postal Service and the Bell Telephone System. It is interesting to observe how these two organizations have affected us as consumers and taxpayers over the years. As a starting point, let's take a look at the trend of postal rates since the early Thirties. The first class rate for a one-ounce letter has risen as follows:

[In cents]

	Regular mail	Air mail
1974	10	13
1971	8	11
1968	6	10
1963	5	8
1958	4	7
1957	3	6
1947	3	5
1933	3	6
1932	2	5

In recent years, various public commissions, Congressional committees and the White House have investigated and criticized the "inflationary" pricing policies of private business. Yet it is a matter of record that during the past 10 years the Post Office has hiked its rates 65%–100%. Now let's see how prices of the privately-operated telephone system have fared over the past four decades. The rates for three-minute toll calls between Boston and other major cities are shown in Table II.

TABLE I.—FEDERAL, STATE, AND LOCAL GOVERNMENT ACTIVITY

	Employment (millions)	Percent of total employment	Expenditures (billions)	Percent of total economy
1973	13.7	16.2	$407	31.6
1967	11.4	15.3	243	30.6
1963	9.2	13.6	167	28.3
1955	6.9	11.1	98	24.5
1947	5.5	9.6	42	18.3
1940	4.2	8.8	18	18.4
1929	3.1	6.4	10	9.8

In addition to the rate drops shown in the table, Bell recently introduced a 35¢ rate for one-minute, coast-to-coast calls made after 10 p.m. While toll charges have declined substantially over the years, the cost of local telephone service has been trending upward. But even here, the rise since 1932 has been less than half that of the consumer price index and only one-quarter as much as the increase in postal charges for regular mail.

Thus, it's obvious that as consumers we have fared much better pricewise with the privately-operated organization than with the publicly-run one. This is largely a reflection of the degree to which each of the two systems has been able to lift its efficiency or "productivity." Despite some improvement in recent years, the public operation again makes an unfavorable comparison (see Table III). Note that over the past 43 years the postal service has managed to increase the number of pieces of mail handled per employee by 56%, but the Bell System takes care of 2.7 times as many conversations per worker as it did then.

Quality of service is, of course, much harder to measure than cost. But even without benefit of statistics, it is apparent that postal service has been going downhill for years despite the sharp increase in its rates. In the early part of the period under review we received two daily postal deliveries at home, four at the office. Now we are supposed to get one at home and two at the office. Despite fast planes and express highways, business mail from New York frequently fails to arrive here until the second day—even though it is less than an hour's flight and a five-hour train or truck trip. In contrast, a phone connection to almost any station in the country takes but a few seconds—a fraction of the time it did 40 years ago.

Now what effect have these two systems had upon us as taxpayers? Table IV shows the postal deficit and the taxes paid by the Bell Telephone companies, both annually and on a cumulative basis. Public operation makes a strikingly poor showing here. Even though as consumers we pay much higher postal rates than ever before, we are even worse off as taxpayers. We now contribute $1.4 billion a year to make up the deficit between postal receipts and expenses, or 20 times as much as when the letter rate was only two cents.

In contrast, note that *while the Post Office has drained off $23 billion from our tax revenues since 1932, the Bell Companies have, over the same period, put $54 billion into public coffers through tax payments.* And this figure does not include the federal excise taxes paid by Bell customers—$18 billion in the past 20 years.

Moreover, the Bell Companies have millions of stockholders—American Telephone itself has three million, including colleges, churches and other institutions as well as individuals. Last year's dividend payments came to $1.7 billion vs. $248 million in 1950 and $39 million in 1930. In the past two decades, these disbursements have created $4 billion of federal income taxes to help finance the postal deficit.

Although, the contrast in the results of these two organizations is startling. If the government ever gets into the oil business and runs it like the Post Office, today's gasoline prices will be remembered as wistfully as the 10% income tax and the 2¢ stamp.

TABLE II.—STATION-TO-STATION TOLL RATES[1] FROM BOSTON

Year	New York		Chicago		San Francisco	
	Day	Night	Day	Night	Day	Night
1974	$0.80	$0.55	$1.15	$0.65	$1.45	$0.85
1967	.75	.55	1.40	.70	7.75	1.00
1963	.75	.55	1.50	1.20	2.25	1.75
1955	.75	.55	1.60	1.30	2.50	2.00
1947	.75	.45	1.65	1.25	2.50	2.00
1939	.80	.50	2.50	1.50	6.75	4.50
1932	1.00	.60	3.25	1.75	9.50	5.75
Percent decline 1932–74	−20	−8	−65	−63	−85	−85

[1] Excludes Federal excise taxes.

TABLE III

	Number of employees (thousands)		Volume handled		Volume per employee (1930 equals 100)	
	Post Office	Bell Cos.	Pieces of mail (billions)	Daily number conversations (millions)	Post Office	Bell Cos.
1973	701.1	798.9	89.7	432.0	156	269
1966	675.4	650.8	75.6	295.7	136	225
1963	587.2	571.4	67.9	251.4	140	218
1962	588.5	563.9	66.5	242.4	137	214
1961	582.4	566.6	64.9	226.4	135	189
1957	521.2	640.9	59.1	188.3	137	146
1950	500.6	523.3	45.1	140.8	109	134
1940	353.2	275.3	27.7	79.3	95	141
1930	339.5	318.1	27.9	64.0	100	100
Percent increase 1930-73	+107	+151	+222	+575	+56	+169

TABLE IV

[In millions of dollars]

	Deficit of post office department		Taxes paid by Bell Cos.	
	Annual	Cumulative from 1932	Annual	Cumulative from 1932
1973	1,390	22,703	4,350	54,454
1966	943	12,843	2,718	30,045
1963	819	10,454	2,246	22,301
1961	826	8,860	1,972	17,952
1958	891	6,832	1,483	12,442
1950	545	2,233	499	4,472
1940	41	687	185	1,000
1935	66	428	94	352

AGRICULTURE DAY

Mr. MONDALE. Mr. President, Agriculture Day has yet to be officially declared a national day of recognition. However, groups such as the National Agri-Marketing Association—NAMA—continue to push for one day to say thanks to the farmers, growers, ranchers, dairymen, and businessmen who supply the food energy on which this country operates. A motion for designation of Agriculture Day was recently introduced in both the U.S. Senate and the U.S. House of Representatives. The resolution recently passed the Senate, but it has not yet been approved by the House.

Although final congressional approval has not been granted, States, farmers, and related businesses have planned and carried out their own observances with the assistance of organizations such as the NAMA. The idea of Agriculture Day centers around the basic concept of communication. The originators thought there would be no better way of promoting greater understanding between producers and consumers than a single day through which total the attention of the Nation should be focused on agriculture.

On Agriculture Day in Minnesota, farmers, public officials, and members of the National Agri-Marketing Association took part in a variety of activities. Included was "Farmers for a Day," an effort to enable urban dwellers to switch roles with farmers. The mere fact that they went out to farms to work alongside farmers did indeed increase their understanding of the day-to-day routine on the farm. Other efforts on Agriculture Day included the visiting of farms by public officials and nonagribusiness members of the business community, thus increasing their understanding of the farmer's role. And probably most important of all, homemakers and consumer groups were welcomed into the countryside to get a grassroots look at what it requires to produce the food that they buy in the supermarket.

The individuals who have headed up this campaign deserve a great deal of credit for an effort to increase nonfarm understanding of food production. There is a deep need for fuller understanding of the farmer's situation. Members of NAMA certainly deserve credit for their efforts in trying to tell the farmer's story.

HIGH COST OF CONSTRUCTION

Mr. BROCK. Mr. President, one of the great tragedies is that Congress has done little or nothing to bring down the high cost of construction. A situation has developed where housing is priced out of the reach of many American families—most notably—those in the middle- and lower-income groups.

Rather than reduce construction costs, Government policy in many areas has been aimed at inflating those costs. A good example may be seen in today's administration of the Davis-Bacon Act. Prevailing wage determination by the Department of Labor under the Davis-Bacon Act for FHA-insured housing and public housing have too often resulted in requiring wage rates for such housing which are higher than those actually prevailing in the area. This particularly hits rural areas where big city contractors come in and outbid local contractors on federally assisted projects. Recently, I received a letter from a constituent who is a contractor in the town of Clarksville, Tenn., which illustrates the detrimental effect of Federal policy on construction costs. He wrote me as follows:

Hon. Bill Brock,
Senate Office Building,
Washington, D.C.

Dear Bill: Item: The rape of the American taxpayer.

Example: On a construction project to be bid next month wage rates are:

Craft	Federal Government says—	State of Kentucky says—	Bid documents say—	Abilities—Prevailing rate actually is—		
				Low	Medium	High
Bricklayers	$6.47	$4.48	$6.47	$4.00	$4.50	5.00
Carpenters	7.10	6.53	7.10	4.00	4.50	5.00
Cement masons	6.73	4.30	6.73	3.50	4.00	4.50
Electricians	8.42	7.49	8.42	4.00	4.50	5.00
Ironworkers	7.52	7.59	7.59	4.00	4.50	5.00
Millwright	7.35	6.78	7.35	4.00	4.50	5.00
Painters	7.00	3.51	7.00	3.50	4.00	4.50
Plumbers and pipefitters	9.58	5.05	9.58	4.00	4.50	5.00
Sheet metal	9.655	6.28	9.655	4.00	4.50	5.00
Laborers	6.09	2.87	6.09	2.00	2.50	3.00
Operators	7.68	5.41	7.68	3.50	4.00	4.50
Truckdrivers	6.09	3.39	6.09	3.00	3.25	3.50

Inflationary? A defeat for our competitive system? I say our bureaucracy has lost its mind. When will something be done by Congress?

Sincerely,

———.

The situation described in my constituent's letter is a shocking one. It behooves every Member of this body to examine carefully the anticompetitive and inflationary policies of the Federal Government. Until these policies are reversed and we move with initiative to increase our productivitity we will continue to have inflation and concomitant loss of real earning power for the wage earner.

PROMISES, PROMISES: MR. NIXON AND RECONSTRUCTION IN OUR NATION'S CAPITAL

Mr. HUMPHREY. Mr. President, 6 years ago this month, in April 1968, a civil disturbance, involving looting and burning, broke out in three corridors in downtown Washington. In the aftermath, people were left homeless, shopkeepers were out of business, and physical ruin blotted the three areas.

It was less than a year later that President Richard M. Nixon took office. Within less than 2 weeks he visited the devastated areas and expressed his commitment to a full-scale rebuilding effort.

The President has repeated such promises several times since then. On at least one occasion, he set a timetable for reconstruction to coincide with the National Bicentennial celebration in 1976.

The civil disturbance occurred 6 years ago, in a time of tension in American society over issues of poverty and racial discrimination at home and involvement in war abroad. The President has had more than 5 years to guide efforts to rebuild the scarred areas of our Nation's Capital, as a symbol of national efforts to heal these social wounds and, more immediately, to restore a sense of hope and confidence to those who live and work in the District of Columbia.

The Bicentennial observance is now but 2 years away. And little has been done. With three-fourths of the time gone between the date the destruction took place and the year of the Bicentennial, one would reasonably assume that three-fourths of the reconstruction would by now be complete.

But as we all know, and as those who live and work in the destroyed neighborhoods are painfully aware, this is not the case.

Large vacant spaces remain alongside damaged and useless buildings. Some reconstruction has taken place, but hardly on a scale suggesting completion, or even substantial progress, by 1976.

Furthermore, the sounds of commitment and the bright promises that issued from the White House 5 years ago, and more recently than that, are now muted if not completely silent.

On March 16 of this year, the President delivered an address, which was broadcast on radio stations across the Nation, declaring his hopes for the Bicentennial celebration. In this address, he referred to activities planned in the Nation's Capital.

That portion of the address reads as follows:

> Washington, D.C. is preparing for an estimated 45 million foreign and domestic visitors with projects such as the new National Visitor Center, the Eisenhower Civic Center, Constitutional Gardens, and the National Air and Space Museum of the Smithsonian. Bicentennial plans in the Nation's Capital also include many programs that will directly benefit local citizens and increase their appreciation for America's rich and diverse heritage and enrich their daily lives—programs such as a neighborhood preservation housing project and cultural and folk art activities.

One would hope that the reference to "programs that will directly benefit local citizens . . . and enrich their daily lives" was intended to include projects to rebuild the areas where the 1968 disorders were concentrated.

But, Mr. President, it is a slim thread of hope, indeed.

I offer the following quotation from an earlier speech by the President on the same subject, the Bicentennial. On February 7, 1972, he stated:

> We are also increasing our efforts to assist in redevelopment of the inner-city areas devastated by the riots of 1968. Two recent ground-breakings give evidence that the work is moving ahead, but also remind us of how much is left to do. The job, of course, is not the Federal Government's alone, but we must and shall contribute our full share and see the obligation through at an accelerated pace.

I am troubled that while the President's 1972 speech contains this specific promise to push ahead with the rebuilding effort, the 1974 speech contains absolutely no direct reference to this commitment.

Mr. President, I direct the attention of my colleagues to an article that appeared in the Washington Post a few days ago, on April 4, the anniversary of the outbreak of the disorders.

Mr. President, I ask unanimous consent that the text of this article be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. HUMPHREY. Mr. President, I am pleased to see from this comprehensive and detailed article that there has, at least, been some progress in rebuilding the three corridors. Any headway is welcome. But what concerns me is the pace. It has certainly not been the "accelerated pace" that was mentioned by the President in 1972, at least not by my definition of "accelerated."

I might point out that actions by the present administration have in fact directly contradicted the commitment of the February 1972 Presidential rhetoric.

The administration's impoundment of funds for housing and community renewal projects across the Nation over the past several years has in fact worked against progress in the District of Columbia rebuilding effort.

Further, administrative delays have compounded the problem. The city's Redevelopment Land Agency has had the experience of protracted delays while a Federal agency processed papers and documents for a project, and then the project was rejected. This makes one suspect that there is either a lack of sincerity in the words of the administration, or a serious inability to govern its own bureaucracy and carry out its promises.

I respectfully urge the President and his administration to make clear to us the present attitude toward the reconstruction project, and to do so quickly. I have been informed that none of the projects under consideration by the District's leadership can realistically be expected to be completed by 1976 unless ground is broken during the coming 12 months. I would hope that we would receive a new commitment to this urgent responsibility soon. We have only 2 years left.

Mr. President, the disturbances that destroyed these areas were directly related to the murder of Dr. Martin Luther King, Jr. But it was also an expression of the deep anger, frustration, and despair that must grow from the hopelessness with which so many of the residents of those areas must live every day.

The celebration of our Nation's Bicentennial is intended as a reaffirmation of the goals and ideals on which this Nation was founded 200 years ago. It is commendable that the present administration would include in its plans for this event an array of cultural events and additions to the physical attractions and accommodations of the National Capital. But what more appropriate means of observing this historic occasion could we find than to reaffirm this Nation's dedication to the principles of equality of treatment for all its citizens, by making good the promises that have been made to some of the most needy citizens of the Federal City.

[From the Washington Post, Apr. 4, 1974]

CITY'S CORE STILL IN RUINS

(By Thomas W. Lippman)

On 7th Street NW, the panorama of abandonment and emptiness begins just above Mount Vernon Square.

Perhaps one shop in 10 is open, where the shops are still standing. Sheets of old plywood, covered with posters advertising soul music shows or asking, "Who is Guru Maharaj Ji?" have replaced the broken display windows.

At some of the shops the signs that recall the past can still be read: "Westbrook's Bar-B-Q (The House of Soul)," "Surplus (The Working Man's Store)." Others are unidentifiable shells, their names as forgotten as their owners' aspirations.

Some entire blocks are empty. On a balmy spring morning, pedestrians are few and the only noise is that of traffic passing on its way to somewhere else.

"It's been just like you see it since '68," said a clerk in one of the few stores still open. "They threw down some of the burned buildings, but that's all."

These blocks of what was once a commercial street of second-hand furniture stores, clothing shops and neighborhood service stores, were destroyed in the arson and looting of the riot that began six years ago today, after the assassination of the Rev. Dr. Martin Luther King Jr.

By estimates made at the time, the riot caused more than $24 million worth of property damage, concentrated along 7th and 14th Streets NW, and H Street NE.

The lost businesses, ruined houses and altered perceptions that the riot left behind changed life in Washington in uncounted ways. But the rebuilding effort in the so-called "riot corridors," to which the city pledged itself in the aftermath of the violence, is only beginning to bring results.

Seventh Street, with its expanses of emptiness, looks worse today than either H Street NE or 14th Street NW, where more buildings were left standing and more businesses survived.

But in fact, redevelopment is further advanced along the 7th Street corridor because the Redevelopment Land Agency, the city's urban renewal agency, has commitments for the deyelopment of houses and businesses on many of the vacant lots, and the only significant new residential construction in the riot corridors has taken place along or near 7th Street.

There seems to be little disagreement about why it has taken so long to make large-scale progress in the rebuilding program. The planning disputes, political infighting, bureaucratic snarls and fund shortages that were predicted at the time the rebuilding commitments were made have come to pass, and still exist.

Melvin Mister, RLA executive director, said the city is at a "significant take-off point" in the renewal drive, because long-planned and long-delayed projects are about to be turned into brick and mortar.

But that is still hard to visualize from the street. As a man idly watching the demolition of a rat-infested old apartment house on 14th Street said the other day, "If they want to get this place fixed up by '76," in time for the bicentennial celebration, "they got a long way to go in a very short time."

On 7th Street between L and M, the entire west side of the block is empty, long since leveled, and most of the east side has been abandoned.

That is part of the planned central campus of Federal City College, with occupancy of the first buildings scheduled for 1976, if Congress provides the money.

Between M and N Streets, the only going enterprises are a grocery store and a small barber shop. There are parking meters on that block, but no one parks there.

Part of the west side of that block was turned into a playground with money left over from President Nixon's first inauguration. But the benches have long since been ripped out by vandals, the basketball hoops are gone and the planter boxes are mostly empty.

On the east side, plans for federally assisted construction of 308 apartments have been awaiting the approval of the Department of Housing and Urban Development for months. Behind those are to be another 90 units in a church-sponsored project for which groundbreaking is scheduled for July.

Between N and O Streets on 7th stand the most visible signs of reconstruction in any of the riot corridors, two modern 10-story church-sponsored apartment buildings known as Immaculate Conception and Gibson Plaza. They loom up in isolated splendor among the vacant lots that surround them.

The commercial facilities that are supposed to serve those buildings and the other planned projects in the neighborhood are to go in the next block to the north, in the refurbishd O Street Market, which now stands empty, and on the next block west, where Herson's motorcycle dealership stood before it moved to Rockville after the riot.

An application for funds to refurbish the old granite market has been submitted to HUD, but there are no actual commitments from any merchants to put stores there, RLA officials said.

Across 7th Street from the O Street Market is the John F. Kennedy playground, perhaps the most colorful and imaginative play area for children in the city. It was built before the riot.

Above P Street, new church-sponsored garden apartments are under construction on the west side of 7th. On the east side, a handful of small black-operated businesses have survived, and plans call for them to remain there.

At Rhode Island Avenue stands Shaw Junior High School, widely known as "shameful Shaw," a fortress that city officials agree should have been torn down years ago. It has survived the riot and the commercial decline all around it. A new Shaw Junior High is under construction two blocks away, and the old one will soon be closed.

There is to be a Metro station at that corner, and a new branch public library is under construction across the street—two developments that local merchants say give them hope for the future.

"You know, it's not as bad as it looks," said the proprietor of a small variety store at 7th and S Streets. "With all these new buildings going up, and the Metro coming through, that will bring in some business."

Just below his shop stands the third major high-rise apartment project in the 7th Street corridor, the Lincoln Westmoreland Apartments.

On the block to the north, between S and T, there are 11 small businesses still operating, but five of them are barber shops. There is no supermarket anywhere on lower 7th Street.

Between T Street and Florida Avenue, the west side of 7th Street is vacant and level. A sign says, "Shaw Community Park," but there is nothing there except a 50-yard slab of asphalt.

North of the still busy corner of 7th and Florida, a major bus transfer point, a new Freedmen's Hospital is nearing completion and beyond that is the Howard University campus, an area not damaged in the riots.

Along 14th Street, the rebuilding program is in quite a different stage. Before the riot, 14th Street was the hub of commercial life in the inner city, and the housing stock along its flanks was generally better preserved than that along 7th Street.

As a result, 14th Street today is more crowded and more lively than 7th Street, and because it is surrounded by tree-shaded residential streets instead of vacant lots, it has little of the moonscape atmosphere of its parallel artery. But in terms of new developments, it is lagging for behind.

Aside from a small block of town houses at 14th Street and Riggs Place, there has not been any new residential construction along the 14th Street corridor since the riot.

Some of the major parcels of land that RLA has put together have failed to attract any developer interest. As a result, 14th Street has continued to be a street of overcrowded, decaying apartment houses, only now going down under demolition crews, and of vacant lots on which nobody is planning to build anything, although RLA has mapped out suggested uses for them.

At Monroe Street, which was the approximate northern limit of the rioting six years ago, the big Morton's department store that was burned out still stands empty. The store's owner announced plans to reopen that store, and another branch on H Street NE that was also burned, but never did so.

A block south at Park Road, where the Columbia Heights Metro station is to be built, is the center of a bustling commercial area that was hit hard during the riots but has partly regenerated itself and is now more crowded and active than any other corner in the riot areas.

There is a bank, a refurbished Woolworth's, one of the few movie theaters in the black neighborhoods of Washington that still shows movies, a chain drug store, two chain supermarkets, a Muslim-operated food store and a variety of small shops.

Below that corner, the street deteriorates quickly. At Irving Street, all four corners are vacant, with no redevelopment in sight. Just south of that is the one major piece of new construction on upper 14th Street since the riot, the upper Cardozo community health center, which is nearing completion.

But the clothing store that survived just south of Columbia Road—the one with the "zap a rat before he zaps you" sign on the side—is surrounded by vacant lots.

On both sides of 14th at Harvard, new housing is in the works, with an application for funding now being considered by HUD. Rehabilitation is planned for two apartment houses still standing at Fairmont Street. But when RLA solicited development proposals last month for three vacant tracts at Euclid and Clifton Streets, it got no takers.

STATUS OF LAND DISTURBED BY SURFACE MINING

Mr. HANSEN. Mr. President, energy needs and shortages occupy our attention more each day. Oil and gas are achieving most of the headlines and most of the concern. There are more than 50 other energy resources and mineral commodities being harvested from the American land. A growing proportion is being harvested by surface methods rather than deep mining. For example, more than half of all coal is now being surface mined. With rapid changes in machinery, economic factors, and the growing demand for low-sulfur coal—found in thick deposits near the surface in Western States—surface mining likely will increase still further in importance in years to come.

My concern is twofold: Environmental protection and intelligent use of our resources.

There is a need for a balanced surface mining legislation which will protect our environment and still allow us to recover our resources. We can and should do a first-class job on land reclamation.

A recent survey by the U.S. Department of Agriculture's Soil Conservation Service showed that more than 4.4 million acres have been surface mined to date. I ask unanimous consent that this survey and its transmittal letter be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. HANSEN. Mr. President, I would commend the Soil Conservation Service, and the local soil and water conservation districts with which they work, for their accomplishments in reclaiming just over a million acres of surface-mined land within the last decade. Almost 2,000 of the local conservation districts have been involved in this work. They prove that the techniques are available and that these areas can be returned to a variety of productive uses. Work already done by landowners with SCS help has shown that surface-mined areas can become valuable property for forest, pasture or range, crop production, wildlife habitat, recreation areas, building sites, and other uses—sometimes in combination.

As an SCS publication, "Restoring Surface Mined Land," pointed out:

> Properly planned, treated, and developed to blend with adjacent land use patterns, most surface-mined areas have great potential. Thirty-two percent of the areas surveyed provide an outstanding view of mountains, valleys, or lakes. Haul roads can open up many areas to visitors for the first time. Ponds can give an area greater economic value than it had before mining. And most areas can be kept in private ownership.

EXHIBIT 1

U.S. DEPARTMENT OF AGRICULTURE,
SOIL CONSERVATION SERVICE,
Washington, D.C., March 26, 1974.

From: Kenneth E. Grant, Administrator
Re: Status of Land Disturbed by Surface Mining as of January 1, 1974, by States

The recent estimates made by the status of land disturbed by surface mining in each state is summarized in Table 1. This is the third such estimate. Prior ones were made in 1964 and 1971 by the Soil Conservation Service. This is the first one, however, to show the status of disturbed acreages by the kind of mineral materials removed (coal, sand and gravel, and all other surface-mined commodities).

Recent federal legislative proposals have focused on surface mining for coal. For this reason, this newest survey is the first one by the Soil Conservation Service to separate surface mining for coal from sand and gravel and all other surface mining.

Some legislative proposals have separated "orphan" surface-mined lands from active and future surface mining activities. "Orphan" lands are ones which have been abandoned. That is, the economically minable materials have been extracted and the mining operation has ceased. There is no evidence that the mining operation will be reopened.

Table 2 shows the nationwide changes in the status of surface-mined lands from 1964 through 1973. In the publication, "Surface Mining and Our Environment—A Special Report to the Nation," by the USDI, it was estimated that "153,000 acres of land were disturbed in 1964 by strip and surface mining. . . . This annual rate of disturbance is expected to increase in future years." Table 2 shows that the total land disturbed annually in the last two years has indeed exceeded the 1964 rate of disturbance by 35 percent. The present concerns about energy combined with the knowledge about our huge coal reserves make it quite likely that the annual rate of land disturbance will be even greater.

We are pleased to see the increasing role of conservation districts and their cooperators in reclaiming surface-mined areas. Tables 3 and 4 summarize their inputs.

These data may be used in news releases, feature stories and other informational activities. They will prove useful, too, in planning program activities and evaluating progress in surface-mined area reclamation.

In connection with using individual statewide figures, we noticed that a number of states showed fewer acres of total land disturbed in this newest survey than is shown in the 1972 survey report. In some instances we know this has been due to more precise information. We believe these kinds of differences do not seriously affect our national figures. However, state conservationists should be aware of any problems which might occur as a result of such differences in figures for their state.

KENNETH E. GRANT, *Administrator.*

Attachments (4).

TABLE 1.—STATUS OF LAND DISTURBED BY SURFACE MINING IN THE UNITED STATES AS OF JAN. 1, 1974, BY STATES[1]

State	Land needing reclamation						Land not requiring reclamation	Total land disturbed
	Reclamation not required by any law			Reclamation required by law				
	Coal mines	Sand and gravel	Other mined areas	Coal mines	Sand and gravel	Other mined areas		
Alabama	57,878	17,369	17,747	7,118	1,800	2,816	75,432	180,160
Alaska	2,400	1,900	4,000				4,260	12,560
Arizona	150	3,180	48,700				43,070	95,100
Arkansas	9,451	7,973	10,293	494	3,417	1,515	14,822	47,965
California		62,730	6,970				109,500	179,200
Caribbean Area								
Colorado	4,687	20,655	512	641	18,484	417	13,582	58,978
Connecticut		9,930	160		4,675	425	130	15,320
Delaware		2,558	330				1,717	4,605
Florida		11,144	110,402		1,467	71,472	54,694	24,179
Georgia		1,285	14,779		1,125	12,425	8,744	38,358
Hawaii		25	1,000				250	1,275
Idaho		10,635	13,598	175	594	938	3,251	29,191
Illinois	49,748	4,840	3,130	20,891	45	1,284	103,579	183,517
Indiana	2,500	8,500	7,800	6,000		200	123,662	148,662
Iowa	25,650	20,300	2,414					48,364
Kansas	43,700	13,062	19,052	2,500	598	2,068	14,028	95,008
Kentucky	69,000			117,000	2,852	7,083	94,000	289,935
Louisiana		14,820	959				6,925	22,704
Maine		23,030	1,592		1,236	455	13,287	39,600
Maryland	2,250	11,825	3,942	3,851	4,749	966	16,683	44,266
Massachusetts		15,642	1,738		12,798	1,422	23,150	54,750
Michigan	500	43,402	24,769		7,286	880	22,601	99,438
Minnesota		29,789	25,592		9,124	5,288	69,071	138,864
Mississippi		34,529	10,069				873	45,471
Missouri	72,506	6,426	11,850	1,250	75	625	20,596	113,328
Montana	300	9,800	5,090	300	200	660	15,260	31,610
Nebraska		15,138	4,087				6,161	25,386
Nevada		16,474	5,491				13,288	35,253
New Hampshire		7,900					4,400	12,300
New Jersey		16,500	500		600	200	12,200	30,000
New Mexico		6,506	14,150	25,798			1,261	47,715
New York		38,184	17,426		6,123	1,752	18,458	81,943
North Carolina		11,900	4,800		3,700	5,200	7,000	32,600
North Dakota	10,000	9,200	2,500	200	500	100	23,000	45,500
Ohio	23,926	15,557	19,276	45,825			225,664	330,248
Oklahoma	13,858	6,348	5,209	6,350	2,044	2,883	21,211	57,903
Oregon		5,015	1,495		80	20	2,900	9,600
Pennsylvania	159,000	10,500	20,500	33,000	12,500	22,500	220,000	478,000
Rhode Island		2,000	700				1,300	4,000
South Carolina		8,500	12,000				15,000	35,500
South Dakota	790	9,455	5,601		6,012	595	51,084	73,537
Tennessee	20,500	4,850	6,000	5,200	100	600	88,450	125,700
Texas	5,470	126,595	51,927				30,311	214,303
Utah	120	1,480	1,800				2,800	6,200
Vermont		4,350						4,350
Virginia	18,000	1,725	5,475	5,014	775	2,455	38,664	2,108
Washington	471	11,328	6,935	1,010	9,649	1,146	2,494	33,033
West Virginia	25,720	1,000		51,560			197,930	276,210
Wisconsin	234	40,526	5,406	76	7,204	990	23,887	78,323
Wyoming	3,078	400	11,920	2,828	280	7,686	15,398	41,590
Total	621,887	756,870	549,686	337,081	120,092	157,066	1,876,028	4,418,710

[1] Based on information supplied by Soil Conservation Service State conservationists.

TABLE 2.—STATUS OF LAND DISTURBED BY SURFACE MINING IN THE UNITED STATES FROM JAN. 1, 1965, TO JAN. 1, 1974

[In thousands of acres]

	1965[1]	1972[2]	1974[3]
Land requiring reclamation	2,040.6	2,181.2	2,542.7
Land not requiring reclamation	1,147.2	1,823.7	1,876.0
Total land disturbed	3,187.8	4,004.9	4,418.7

[1] "Surface Mining and Our Environment—A Special Report," app. I, table 2.

[2] Survey made by the Soil Conservation Service and reported in the Congressional Record—Senate, p. 16371, Oct. 29, 1972.

[3] Survey made by the Soil Conservation Service.

TABLE 3.—MINED LAND RECLAMATION WORK IN CONSERVATION DISTRICTS THROUGH JAN. 1, 1974

State	Number of districts involved	Number of district cooperators	Area reclaimed (acres)
Alabama	52	536	48,565
Alaska	1		200
Arizona	8	14	6,400
Arkansas	72	738	9,173
California	42	58	7,500
Caribbean area			
Colorado	12	8	2,348
Connecticut	7	26	1,940
Delaware	3	78	1 211
Florida	46	421	33,823
Georgia	19	170	6,192
Hawaii	2	2	200
Idaho	51	65	2,583
Illinois	60	130	90,000
Indiana	15	224	123,662
Iowa	29	169	3,500
Kansas	102	1,739	7,660
Kentucky	54	152	94,000
Louisiana	24	296	4,155
Maine	16	218	920
Maryland	24	287	7,838
Massachusetts	15	250	23,150
Michigan	85	431	11,484
Minnesota	92	1,527	7,041
Mississippi	80	834	12,263
Missouri	22	57	2,130

TABLE 3.—MINED LAND RECLAMATION WORK IN CONSERVATION DISTRICTS THROUGH JAN. 1, 1974—Continued

State	Number of districts involved	Number of district cooperators	Area reclaimed (acres)
Montana	50	150	2, 950
Nebraska	24	250	19, 225
Nevada	3	3	265
New Hampshire	10	50	210
New Jersey	7	10	400
New Mexico	52	986	730
New York	39	159	3, 674
North Carolina	73	407	6, 100
North Dakota	65	1, 500	17, 000
Ohio	88	400	225, 664
Oklahoma	73	849	8, 650
Oregon	20	50	250
Pennsylvania	66	800	58, 500
Rhode Island	3	6	-----
South Carolina	15	25	1, 600
South Dakota	63	1, 120	2, 140
Tennessee	20	222	10, 030
Texas	190	3, 226	38, 410
Utah	7	8	306
Vermont	-----	-----	-----
Virginia	15	38	23, 020
Washington	62	442	2, 059
West Virginia	11	2, 600	73, 000
Wisconsin	72	758	5, 593
Wyoming	12	22	6, 430
Total	1, 973	22, 511	1, 013, 144

TABLE 4.—NATIONAL TRENDS IN MINED-LAND RECLAMATION WORK INVOLVEMENT BY CONSERVATION DISTRICTS 1965–74[1]

	1965–72	1974[2]
Number of districts involved	1, 337	1, 973
Number of cooperators	10, 218	22, 511
Acres reclaimed (thousands)	338. 0	1, 013. 1

[1] Based on information from Soil Conservation Service State offices.

[2] Total to Jan. 1, 1974.

LOS ANGELES POLICE CROSS-COUNTRY RUN FOR NATIONAL POLICE WEEK

Mr. JACKSON. Mr. President, this year National Police Week will be celebrated in the month of May. To mark this occasion the Los Angeles Police Revolver and Athletic Club is sponsoring a relay run by members of the Los Angeles Police Department from the steps of the U.S. Capitol in Washington, D.C., to the steps of the city hall in Los Angeles.

This novel and ambitious project to dramatize the contribution which all police officers make to their communities and their Nation is being conducted by members of the Los Angeles Police Department entirely at their own expense and on their own time.

As a strong supporter of the fine work that our police officers are doing to make our society a better and more livable place I want to express my full support for the members of the Los Angeles Police Department in this endeavor. The foundation of our society is the rule of law and the policeman is the man who puts his life on the line daily to support this principle. These men deserve credit and honor for their contribution to society.

In an effort to give the participants in this cross country run some of the recognition they deserve I request unanimous consent that the following resolution prepared by the Los Angeles Police Revolver and Athletic Club be reprinted in full in the Record.

There being no objection, the resolution was ordered to be printed in the Record, as follows:

Whereas, sometimes our men in blue—the policemen—may feel that the public at large has forgotten them;

Whereas, the public owes a great debt to these men and women who daily stand between society and the criminal element;

Whereas, this year, National Police Week will be celebrated in May and to mark the occasion, a group of police officers representing the Los Angeles Police Revolver and Athletic Club will run in relays from the steps of the Capitol in Washington, D.C., to the City Hall in Los Angeles, starting on May 10 and finishing on May 28—a total of 3,820 miles in just over 20 days;

Whereas, the officers will be running in this event on their own time and at their own expense. Their names are: Lieutenant Frank Mullens, Sergeant Bob Hickey, Sergeant Al Sharer, Officer Dick Bonneau, Officer Bob Burke, Officer Pat Connelly, Officer Ed Esqueda, Officer Chuck Foote, Officer Donald Hall, Officer Frank Janowicz, Officer Bob Jarvis, Officer Dick McKenna, and Officer John Rockwood.

Backup personnel involved in the project are: Race Directors: Chief George Beck, Commander Charlie Reese, Captain Rudy Deleon; Communications Director: Commander C. Kirby; Public Relations Directors: Mr. Hal Phillips and Officer Norm Conn; Sponsor Coordinator: Mr. Bob Hogue; Race Coordinator: Officer Bob Burke; Information Coordinator: Officer Dennis Humphry; Team Captain: Officer Chuck Foote; Coach: Officer Pat Connelly; Doctor: Sergeant Ron Kiser; Mechanic: Sergeant George Dewitt; Drivers: Lieutenant Ron Breiter, Sergeant Bob Van Gelder, Sergeant Bill Guiney, Sergeant Ed Brown, Sergeant Elmer Puellegrino, Sergeant Dick Wuerfel, Officer Jerry Lewis and Officer George Moore.

Whereas, special commendation is due the progressive thinking administrators in the City of Los Angeles for their role in encouraging this great event. These include Mayor Thomas Bradley and Chief of Police Edward Davis, as well as members of the Los Angeles Board of Police Commissioners—James G. Fisk, Salvador Montenegro, Robert I. Weil, Samuel L. Williams, and Marianne Pfaelzer.

Whereas, many forward-thinking, civic-minded firms and individuals are assisting in this worthwhile undertaking, foremost of which is the Juvenile Opportunities Endeavor Foundation which has lent manpower for a major fund-raising campaign to underwrite the costs of the run. With the cooperation of Daylin, Inc., the Beverly Hills, California company out of which grew the JOE Foundation, Amnon Barness, Daylin Chairman of the Board has allowed expertise in several areas to become a part of the Relay of Goodwill.

Among those who are assisting are Chic Watt, Senior Group Vice President of Daylin; Peter Grant and Ron Rieder, Director and Associate Director of Communications for Daylin; Hal Phillips Daylin public relations consultant; and Ruth Frauman, Executive Director of JOE, as well as many other Daylin employees and their families. Through JOE, arrangements are being made for youngsters to run with the police officers in certain cities to foster better relations between "Kids and Cops" the name given this program.

In addition, the following firms and organizations are participating as sponsors: Lawry's Associated Restaurants, Los Angeles Hilton Hotel, Nike Sports Shoes, Southern California March of Dimes, Southern California United Cerebral Palsy, Sports Coach Motor Homes, Investigator Joseph Wambaugh, Western Council of Private Fleet Operators, and World's Wristwrestling Association, Inc.

Whereas, this run will touch the heart of America establishing better rapport between our policemen and the people they protect, especially the youth, making people proud of their accomplishments. And, this feat will demonstrate to the American people that policemen are just "regular guys" like everyone else, and

Whereas, this accomplishment will be uplifting to the morale of the American people everywhere, it deserves special commendation,

Therefore, be it resolved, that the Congress should demonstrate its support and encouragement for these brave men as they embark on their amazing feat;

Also, be it resolved that, the Congress of the United States of America join in paying special tribute and commendation to the men of the Los Angeles Police Department and wish them every success in their endeavor.

Mr. JACKSON. Mr. President, may I simply express congratulations and support to the men of the Los Angeles Police Department in my own behalf ana in behalf of my colleagues in the Senate and the House who, I am sure, would like to join me in this expression of support.

FINANCING THE CAMPAIGNS

Mr. BROCK. Mr. President, we today complete debate on a matter which in the long run may be a classic insult to the freedom and the intelligence of the American voters. Certainly, there is no question that reform of our campaign procedures is very badly needed, but we stand on the threshold of denying the voter his freedom of choice. I suggest that we be very careful. Recently, the Memphis, Tenn., Commercial Appeal contained an excellent editorial on this subject which I would like to share with my colleagues. I ask unanimous consent that this editorial be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

Financing the Campaigns

President Nixon's proposals for campaign financing reforms face a tough battle in Congress. Even Republican leaders of the House and Senate indicated they disagreed with the President's approach. But Watergate and its associated scandals have brought to a head the demand for change. It would be regrettable if compromises were not hammered out in time to be tested in the congressional campaigns this fall.

There seems to be considerable sentiment in Congress for public financing. Among the possibilities are an expansion of the $1 income tax checkoff for presidential races, federal grants to match private contributions and a complete federal take-over of presidential and congressional campaign expenses.

We don't think, however, that the American people will buy the idea of contributing to the campaigns of candidates they don't support. That's what Nixon meant when he warned against reforms that would "rob our people of their basic freedoms." He called public financing "taxation without representation."

The President's most important proposal was for full disclosure of private contributions. His point, which he made persuasively, was that disclosure would give voters "the necessary information to assess the philosophy, personal associations, and political and economic allegiances of the candidates." Along with this, he recommended that individual campaign gifts be limited to $3,000 for congressional candidates and $15,000 for presidential candidates and that cash be prohibited for any contribution or campaign expenditure of more than $50.

Such changes would hamper the use of traditional warchests, such as the political treasures of the big union and the milk producers' fund that so generously benefited Nixon's own race in 1972. The tremendous pressures that are brought to bear on politicians by big-money offers and the favors that must be promised in the search of funds for increasingly costly campaigns are well known. The President may not have all the answers, but he has given Congress some basically sound plan which it can work with and refine.

On the negative side, Nixon failed to recommend an over-all limit on how much a candidate can spend. He apparently felt this would be an encroachment on political freedom. But if everyone has the same opportunity, freedom is preserved. A limit is needed to reduce the rivalry for more and more campaign funds and the insidious obligations that such rivalry inevitably entails.

The President also proposed a federal libel law to protect candidates from what he called "slanderous attacks"—another tactic, it would seem, in his continuous fight with the news media. Critics of the proposal have pointed out that it could have a repressive effect on campaign news coverage. Politicians already have recourse to libel laws against malice and "reckless disregard of the truth." Beyond that, a person who offers himself as a candidate must acknowledge the fact that he becomes a public figure, subject to question, to investigation, and to commentary about his abilities.

Congress will not have an easy job sorting the good from the bad in these recommended reforms and adding what is needed from its own varied proposals. We can only hope that the taint of Watergate and public discontent with many current campaign practices will spur the House and Senate to effective action.

THE PAINFUL PROSPECT OF HIGHER RETAIL PRICES

Mr. HUMPHREY. Mr. President, the harassed American shopper faces another big dose of inflation. Retail prices—already on the upswing—will rise shockingly this fall. This is what is said in a Wall Street Journal article of April 3, and this is what the March wholesale price statistics released the following day confirm.

Wholesale prices increased 1.3 percent in March, about the same as the increase in February. This means that wholesale prices are currently climbing at an annual rate of about 19 percent. The outlook for the year is for a soaring 16-percent increase.

But the dynamics of inflation are better revealed by looking behind the overall numbers.

Farm product prices began falling last fall and, with the exception of the rise in January, they have continued to fall this year. In March they dropped by almost 4 percent. Other commodity prices have also started to fall, or at least have shown a reduced rate of acceleration.

But these price decreases are not going to lead to retail price declines soon. What is happening is that the crude and commodity price increases of last year are working their way through the later stages of production.

The March increase in industrial prices of 2.9 percent is the most dramatic example. Almost every area of industrial prices rose significantly last month.

Metal prices jumped from the large 2.1-percent increase in February to an extraordinary 4.4-percent increase in March, accounting for 28 percent of the increase in industrial prices.

Chemical product prices jumped from a 1.5-percent increase in February to a 5.7-percent increase in March.

Fuel prices continued high, with a jump from a 3.0-percent increase in February to a 4.8-percent increase in March.

So we see the commodity inflation of last year translating itself into a cost-push inflation this year. Although this has not fully reached the retail level, the March wholesale prices already indicate what is to come. All consumer finished goods, except for food, rose significantly in March: apparel, furniture and appliances are starting to show the increase the Wall Street Journal article warns about; it will get much worse by the fall. And the Consumer Price Index continues to show retail food prices rising at an annual rate of about 30 percent.

In view of the worsening price outlook, I cannot accept the do-nothing policy that characterizes the economic policy of this administration. I can see that the inflation problem does not have any simple answers. Direct controls should obviously be phased out. But Congress and the Nation must develop new and better ways to cope with inflation. I will not join those who throw up their hands and say nothing can be done. I think there are things that we can do to stabilize prices.

We must conduct a monetary policy that provides a reasonably stable supply of money and credit to the economy. The erratic shifts in Federal Reserve policy in recent years have been a primary source of rising interest rate behavior and inflation. Such erratic policy must end.

We must pursue a Federal fiscal policy that neither stokes up the fires of inflation nor causes a recession. In 1971 and 1972 the present administration overstimulated the economy, running a total deficit of $38 billion, which has been viewed as a design to gain votes in the election of 1972. We must stop such blatant political manipulation of the economy.

We can also combat inflation by reordering our national expenditure priorities. Expenditures for tanks and bombs use up resources that could increase the supply of doctors, or housing, or any other consumer commodity goods or service. We need to spend more Federal dollars to increase the supplies of what consumers need.

Reordering tax policy can also reduce inflation. Many tax subsidies encourage the flow of resources abroad. These must be ended.

We also must establish a permanent institution to monitor specific wage and price activity and use the Federal Government's influence to encourage voluntary private decisions that would lead to reasonable price stability. If private market power is used to irresponsibly undermine price stability, however, this agency should have the power to hold hearings, postpone private decisions, and even limited power to impose legal sanctions.

We also must recognize that inflation is today a worldwide phenomenon. We need to develop information systems and policies that recognize that the United States is very much a part of the world economy. We must improve our economic intelligence on what the rest of the world is producing, as well as what they can be expected to demand from us. And we need to develop export management systems that prevent critical shortages from developing in this country.

It is also time for the United States to develop a comprehensive accounting of our supplies of major natural resources; and this should be supplemented with Government policies to increase supplies, to improve on the efficiency with which we utilize existing resources, and to develop alternative materials.

Manpower programs need to be strengthened so that they can be used to increase employment without having to excessively increase aggregate demand in the economy and runup inflation. We must spend money in the right places, rather than just spend more money.

The upward bias in prices in the economy can also be reduced by eliminating certain wasteful regulatory actions carried on by the Federal Government. Much of the ICC regulation should be reexamined, for example, with a view to increasing competition and lowering prices for consumers.

Perhaps there are other policies we should consider and I will examine these with my Consumer Economics Subcommittee. I believe we can do better in the fight against inflation than we have.

Mr. President, I ask unanimous consent that the article in the Wall Street Journal of April 3, 1974, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

PAINFUL PROSPECT: BIG NEW PRICE RISES ON RETAIL PRODUCTS EXPECTED IN THE FALL

(By Stanley H. Slom)

The harassed American shopper faces another big bout with inflation. Retail general-merchandise prices, already on the upswing, are going to rise steeply—to some even shockingly so—this fall.

Today's prices on the general run of goods in department and discount stores are a mere 5% to 7% higher than a year ago, retail executives say. Price controls have kept the lid on. With controls now off, however, retail-store buyers who are ordering their inventories for fall are having to pay much higher manufacturers' prices.

These higher costs will be passed on to retail customers. And retailers will maintain or increase their own percentage markups.

A sampling of increases that are in the works: A four-piece sterling silver place setting that sells in one store today for $63.75 will be priced at $120 this fall. A $10.50 pair of antique satin draperies will rise to $12. A twin-size sheet that costs $4.50 now will fetch between $5 and $5.50 this fall. Plastic housewares will rise by 10% or more; 88-cent-items, for example, will rise to 98 cents.

SKIMPIER SELECTIONS

Some of the biggest increases will come on clothing. And these increases, retailers say, are likely to hurt consumers the most simply because most clothing purchases can't be postponed very long. The fall price list from one national retail department store chain gives one an inkling of what's in store. A man's worsted suit, now $135, will increase by 13% to $155; a woman's blazer, now $59, 20%

to $71; a dressy print blouse, now $18, 22% to $22; basic western jeans for both men and women, now $6.99, 43% to $9.99, and children's flannel sleepwear, now $6, 50.3% to $9.

More bad news: Even at these prices, clothing selections will become skimpy. Less-common sizes, colors and materials will be hard to find. Retailers are keeping inventories down by buying and stocking only the most popular sizes, colors and materials. If you wear a long, narrow shoe or an in-between-size dress, you may well have to special order it.

Manufacturers are being hit with increases in just about every cost category: raw materials labor, packing, freight, rent and utilities. One fiber maker estimates that some raw materials have risen by 200% in price since the last quarter of 1973. Higher prices on lumber, fibers and plastics are pushing costs up so fast that most furniture makers now won't quote a firm price to their retail customers; instead, they've pricing the merchandise on the day they actually ship it.

Rising demand has little to do with the retail price boosts. On the contrary, retailers fear demand will fall—and to maintain their profits, they will have to rely on higher prices rather than larger volume. Unemployment and a continuing shortage of gasoline which will make shopping more difficult, they believe, may combine to keep demand down. And even if gasoline begins to flow freely again, they're unsure whether consumers will return to their old free-spending shopping habits.

SHOE ORDERS FALL

Retail-store buyers have decided it's foolish to purchase a lot of clothing if they can't sell it. "Retailers are looking very carefully at their dollar," says J. A. Baer II, chairman of Stix, Baer & uller, the St. Louis division of Associated Dry Goods Corp. "We're buying in narrower assortments," he says, meaning that the chain is buying only those sizes and styles it thinks will sell fast.

Philip G. Barach, chairman and chief executive of U.S. Shoe Corp., a large manufacturer and retailer, says spring reorders from stores, in numbers of shoes, are running 15% below year-ago levels. He attributes the decline to a "nervousness" about the economy. Bernard Wulkan, financial vice president of Jonathan Logan Inc., women's clothing maker, says buyers now are placing orders more frequently—but making them smaller—in order to keep their inventories down.

"We're very inventory conscious," says Edward S. Donnell, president of Marcor Inc. and president and chief executive of its Montgomery Ward subsidiary. "We don't want to build up inventories in the event that business does turn downward," he says, even though he is optimistic about business for the rest of the year. Robert E. Brewer, vice president and treasurer of Kresge, says he isn't sure that consumers will buy as many goods when prices surge this fall. Kresge's K-mart, the one discount chain that most investment analysts think is doing everything right, is another cautious inventory buyer.

PICKY SHOPPERS

Such caution seems to have permeated the retail industry even though sales for most big chains have been increasing. Kresge had a 23% gain in February over a 20% gain in the same month last year. Sears Roebuck posted an 8% February gain against 14% a year earlier. J. C. Penney's sales rose 10%, compared with a 19% gain in the earlier period. Montgomery Ward and F. W. Woolworth also reported noteworthy sales increases for February.

How much of those increases can be attributed to higher prices rather than a larger volume of goods moved is uncertain. Some retailers believe that the actual amount of merchandise sold this year may fall, partly because of consumer resistance to higher prices, even if dollar sales continue to rise. J. C. Penney, anticipating a dollar sales increase a little less this year than last year's 13%, expects higher prices to account for a larger proportion of the increase this year, says Paul R. Kaltinick, treasurer.

Already, higher prices and fewer selections are antagonizing some consumers. Mrs. Susan Miller, a 26-year-old Los Angeles housewife, is typical. She says that when she finds something she likes at a price she's willing to pay, the store doesn't have the item in her size and "they don't know when they're going to get the merchandise in." And prices, she says, have completely changed her shopping habits. "I spotted a pair of recycled jeans for $30 in a local specialty shop," she says. Instead of buying them, she says, "I shopped around and found the same jeans with the same label in a junky little discount store for $13."

For the first time this year, Mrs. Nancy Cardwell of Orlando, Fla., is going to wear an old dress to the local bar association's annual dance instead of buying a new one. When she recently spotted a sale on sneakers, marked down to $3.99 from $6.99, she bought seven pairs—three of which were a size larger than needed for her children now—"and I put them in the closet until the kids grow into them."

THE INVESTIGATION OF PRESIDENT NIXON'S INCOME TAX BY THE STAFF OF THE JOINT COMMITTEE ON INTERNAL REVENUE TAXATION

Mr. CURTIS. Mr. President, on December 8, 1973, President Nixon asked the Joint Committee on Internal Revenue Taxation to examine whether two transactions, a gift of his papers claimed as a deduction for 1969 and the sale of 23 acres in San Clemente, were properly reported on his tax return. The committee met soon thereafter and directed the staff to go to work investigating the President's tax returns. The committee never held another meeting until April 3, 1974, the day that a printed staff report consisting of 210 pages plus an appendix of 784 pages was first shown to the committee members. On that same day, the staff report was filed in Congress and released to the press.

Over a period of weeks, accounts appeared in the news media of much information that was expected in the staff report. A substantial number of these news stories proved to be correct, thereby attesting to their source.

For weeks I made repeated requests of the staff for a copy of its statement of facts concerning the President's tax matter. I was always told it was not ready. On Friday, March 31, 1974, I appealed to Chairman Russell Long for assistance in getting this material from the staff. On Saturday morning, April 1, 1974, there was delivered to me 150 pages of typewritten material, and I was informed that it was substantially the full and complete statement of the staff in reference to the gift of the President's papers. Over the weekend I read this material line by line and studied it thoroughly.

The staff report is not based upon statements taken under oath subject to cross-examination. The President's lawyers were not present when the witnesses were interviewed, nor was any member of the Joint Committee on Internal Revenue Taxation.

Not only is the staff report made up of material not taken under oath, but considerable space is given to statements which are mere conclusions. As I reviewed the staff report, certain items of testimony literally cried out for cross-examination under oath. It does not contain all of the facts that are available. For instance, there is no mention of the letter from Mr. James E. O'Neill, Acting Archivist, to former Senator John Williams of Delaware dated December 7, 1973, which states that President Nixon's gift of papers was made on March 27, 1969. I found no reference to the foundation which the President was reported to have formed in the forepart of 1969 which, I assume, was to be a Presidential Library such as Presidents Johnson, Eisenhower, and Truman created.

On the morning of April 3, 1974, and again in the afternoon, the joint committee met and heard an explanation of the report from the staff. I had read all of the staff material that I could get, but the staff report had not been read by any other member of the committee. The President's lawyers were never permitted to come before the committee. Later on the same day, the President announced that he would pay the amount alleged to be due.

The point has been made that the Internal Revenue Service agreed in substance with the staff report. This calls for some clarification. The usual practice of the IRS in proceeding to assess additional taxes is to include in their notice all items remaining in question. Then there follows the usual opportunity for the taxpayer to present his facts and legal analysis. Conferences can be held and there are certain appeal procedures within the IRS. In the case of the President's taxes, he announced his intention to pay as soon as the staff report was released and the above-mentioned procedures of the IRS were not used.

Two key points emerge from the aftermath of the lengthy and ccmplex examination of President Nixon's tax returns.

First, Richard Nixon will pay every cent the congressional committee and the Internal Revenue Service say he owes.

Second, the President of the United States has been singled out for harsher treatment than any other taxpayer.

The President asked the Joint Committee on Internal Revenue Taxation to examine his returns from 1969 to 1972—and said he would abide by the committee's decision. When the staff of that committee made its report he stuck by his promise, even though it will mean a severe financial strain.

At the same time, President Nixon turned aside the advice of his tax counsel to appeal the IRS decision and, in doing so, denied himself the legal remedy afforded any other taxpayer in the country.

Serving as President has cost Richard Nixon money.

With a net worth of around $1 million, the President has agreed to pay the IRS some $465,000, reducing his family's assets to $523,522. The President and Mrs. Nixon have stated their intention of giving their San Clemente property, which is worth $571,167, to the American people.

Thus, by paying the tax bill and making a gift of San Clemente, Mr. Nixon's net worth after 5 years in the Presidency amounts to a minus $47,645. That is the cost of being President for Richard Nixon.

Laying that aside, the real crunch in the tax story is how President Nixon received treatment on his taxes that is wholely different from that given any other taxpayer. Whenever there was a question—and there were many real issues of tax law interpretation—the committee decision came down on the high side.

The major point of contention between the President's tax counsel and the committee auditors was over his donation of the Vice-Presidential papers. This alone accounted for the largest portion of the new tax bill.

Appraised at nearly $2 million, these papers had been given to the National Archives. But the joint committee said this was not a valid gift because he placed access restrictions on them and because he failed to give sufficient evidence in 1969 of his intent to donate them.

Every President who has donated his papers to the Archives has placed restrictions on their access—such as dates and times when the papers are open to scholars and the public. Yet, Richard Nixon was not allowed to receive a deduction, even though he followed a similar practice of every President in this century.

On the point of his intentions to donate the gifts, one needs to look at the case of Franklin Roosevelt. F. D. R. in 1938 announced at a garden party he would donate his papers to the United States. Some of those papers were given during his lifetime—but when he died, many of them had not been delivered and there was no deed.

The courts held that Roosevelt had made a valid gift of all the papers despite access restrictions, despite lack of delivery and despite the absence of a deed. The general law is that a deed is not necessary in the gift of personal property and there is no regulation requiring a deed.

President Nixon's gift stands on much firmer footing than F. D. R.'s—yet Nixon was denied the tax deduction.

The other major part of President Nixon's tax bill was rendered because he was assessed for capital gains which the committee staff and IRS reports said he received on the sale of his New York apartment and the purchase of the San Clemente property.

The Internal Revenue Code permits every taxpayer to sell his home and invest the proceeds in another principal residence within a year. And, no tax is assessed on capital gains. This applies in every case, except Richard Nixon's.

When the Nixons sold in New York and bought in California, they were told this provision applied equally to them. But the report ruled this out because it maintained the San Clemente home was not a "principal residence." The White House, said the report, was their home—even though they live there for a limited time and leave their personal household effects behind.

At the same time, out in San Clemente, the committee and the IRS said he gained somewhere between $109,000 and $117,000—they differ on their assessment—on the new home. Yet, the President employed a recognized independent appraiser who took a hard look and said the President realized no gain.

Normally, such an appraisal by an outside appraiser would have weighed heavily on the final decision—but the IRS and the Joint Committee ignored it and slapped still more on the President's bill.

Another point on which the President was assessed taxes was on the use of Government aircraft.

As a result of the wave of aircraft hijacking, the Secret Service advised the members of the Nixon family to travel by Government air service—rather than on commercial flights—and the Nixons prudently complied. The President responded, in 1971, by becoming the first President in history to absorb some of the cost and he has been paying a share of the bill ever since.

The committee said the President must treat these flights as income and even questioned the fact that his dog sometimes went along on the Presidential plane.

No previous President—Truman, Eisenhower, Kennedy or Johnson—paid for any Government flights taken by their family members. Richard Nixon did—yet he is now told he must pay full fare retroactively.

There are other points on which President Nixon was singled out for heavy-handed treatment. His tax counsel, for example, was never given an opportunity to see, much less contest, more than 90 percent of the committee staff report—despite committee promises that they would have such a right.

But the President has said he will pay—and pay in full he will.

It comes not only at great personal cost but it comes in a manner which should outrage every American taxpayer who now knows the President of the United States was treated unfairly.

PRIVATE FOUNDATIONS: IN SEARCH OF A PURPOSE

Mr. HARTKE. Mr. President, this past February, I prepared remarks for delivery before the 10th annual Conference on Federal Tax and Other Problems of Nonprofit Organizations, which was held at the Washington Hilton Hotel.

I believe that we must make significant changes in our tax laws to encourage responsible charitable giving, but I also believe that it is important that private foundations and other charitable organizations make some changes which will make them more effective and engender more public awareness and confidence in their activities. As chairman of the Subcommittee on Foundations, I have planned a series of hearings on charitable organizations and their activities this year.

Mr. President, I ask unanimous consent that the text of my February 8 speech be printed in the Record.

There being no objection, the speech was ordered to be printed in the Record, as follows:

Private Foundations: in Search of a Purpose

(Speech by Vance Hartke, U.S. Senator, Chairman, Subcommittee on Foundations)

I have just returned this morning from the Middle and Far East with a greater appreciation both of other peoples and of the fabric of our own society.

I came back to a country beset by an energy crisis and by a crisis of confidence in its highest elected officials. We have seen years of abundance and smug self-confidence—years that now seem lost forever. Our job now is to pull back the curtains and take a look at what we have hidden from our eyes for so long.

It will not be an easy task but we must look to the future. Just what is it that we are building for ourselves and our children?

Will it hold out the promise and the challenge it held for so many of us—or will it be a world lacking in justice, humanity and individuality?

Our government exists to serve the people, but government does not bear that responsibility alone. Likewise, ours is a society based on justice and liberty for all, but these are not goals that each man or woman can achieve alone; they require a national commitment—a collective enterprise to achieve excellence.

We have the ability to survive the crises that beset us—all that we need is the will to make our system succeed.

After traveling to the other side of this earth, I have seen what can be done by determined people. We must renew our joint effort to revise and renew the political arrangements of our society so that the dream of republican self-government can be realized.

There is much that is unique in the "American Experiment" . . . our basic philosophical commitment to the dignity and individuality of man, for instance. Perhaps that is what gave birth to a very special American institution—the foundation. It had its beginnings in sympathy for the needs of others. From the Magdalen Society of Philadelphia in 1800, whose purpose was "to ameliorate the distressed condition of those unhappy females who have been seduced from the paths of virtue and are desirous of returning to a life of rectitude", to the tens of thousands of foundations which exist today, Americans have established a tradition of private philanthropy.

Along the way, we have sometimes lost sight of the purpose of those first American foundations which were established to meet the needs of others.

The men who created the giant monopolies which sprang up after the Civil War had to do something with all their money. Only so much of it could be spent on luxuries; and in some cases the excess was channeled to the need of private foundations. Foundations thus became the playthings of the rich.

This is not to say that small sums of money donated to charity are "good" and large sums are "bad". Many of our largest foundations were established for sound philanthropic reasons and they have continued to pursue valid charitable programs over the years, but there is too much evidence of foundations with a veneer of public philanthropy covering a selfish core of private greed. Hopefully, the Tax Reform Act of 1969 will correct this abuse.

One contemporary critic of private foundations has said that "private philanthropy in the United States today is a sick, malfunctioning institution." I agree with that assessment. Despite the distinct value of many foundation activities, their support of existing institutions could probably be carried on just as well—or better—by alternative means. Foundations have, on the whole, not been creative or innovative enough. There is too much emphasis on the traditional and too little consideration of the uniqueness of foundations as an institution.

We in Congress helped foster this caution with the 1969 Tax Reform Act. That law was designed to eliminate the abuses which had drastically lowered public confidence in private foundations. The intent behind the 1969 Act was good; but in too many instances, the punishment did not fit the crime.

Congress wanted to assure that the public got its proper benefit from the tax exemption accorded private foundations, so a pay-out requirement was enacted based on assets rather than income.

We wanted to have the foundations pay something in lieu of taxes, so we enacted a 4 percent tax on investment income, which actually places a burden on grant recipients rather than on most foundations.

We sought to correct some of the more publicized abuses of the larger foundations without examining the effect the law would have on the foundations of smaller size, which are really the heart of the foundation system in this country.

Above all we did little to assure that foundations would no longer be the special province of the wealthy. Our tax laws still encourage the rich to donate their money to private foundations, but they have done little to broaden the base of foundation support.

It has been nearly 5 years since the passage of the Tax Reform Act of 1969—time enough for us to see its impact on private foundations and time for us to reexamine its provisions. Such an evaluation will be undertaken this year by the Senate Subcommittee on Foundations, of which I am Chairman.

We will begin our evaluation with a look at the problems created by the regulation of private foundations by the Internal Revenue Service and by State officials. Then we will move on to a detailed evaluation of the impact of the Tax Reform Act of 1969 on private foundations; including such questions as the audit fee, the minimum pay-out requirement, the requirement affecting excess business holdings and program restrictions and the effect which the '69 Act has had on the creation and termination of private foundations. We will pay special attention to the effect which the Tax Act has had on small foundations, including family foundations, small memorial scholarship funds and private libraries. And we will take testimony on a proposal to create an independent, Federal regulatory agency for charitable organizations.

Many of these subjects were covered from a broad perspective during the October 1 and 2 hearings of our Subcommittee last year.

Those hearings contain a good deal of valuable information and I encourage each of you to get a copy of the transcript. You will see numerous references to questions which I raised about the basic values underlying private foundations in the United States.

This is an important issue which has been ignored by those who have the responsibility for conducting the affairs of private philanthropy.

Foundations exist as one means enabling private citizens to join their creative talents and energies in order to make decisions on the allocation of resources. Unless we make a very careful assessment of the values which underlie all private foundations, we will not be able to define the role those foundations should play in our society, both today and in the future.

Because there has been too little consideration given to the underlying value of private philanthropic initiative in our country, I was pleased to note the formation late last year of the Citizens Commission on Private Philanthropy—the so-called Filer Commission.

That Commission set for itself many difficult objectives. They intend to study such basic issues as:

1. Should American society continue to encourage the formation and support of private foundations?

2. Would the fabric of American society be altered if government were to assume the primary role of defining and providing for our public needs?

3. What is the appropriate relationship between government and private society in harnessing national resources of creative initiative energy and money to define and meet our public needs?

4. Is the present system of private support for society's needs providing adequate resources to serve those needs?

5. Is the Federal tax system an appropriate, effective or desirable means for encouraging private donations?

6. How has private philanthropy adapted to changing issues and expectations and changes in the role of government?

7. In what ways is private philanthropy falling short of its objectives and responsibilities?

Many of these issues will also be the subject of hearings to be held by the Subcommittee on Foundations.

I intend to work closely with the Filer Commission so that by the end of this year we may have an up-to-date and complete evaluation of private philanthropy in the United States today.

If foundations are indeed in trouble today, then we must ask ourselves: do foundation officials realize this fact and are they capable of meeting the challenge? I am quite honestly pessimistic about answering these questions in the affirmative. The experience of the 1969 Act makes it all too evident that foundations are inclined to wait for the next assault by government before attempting to close the barn door.

It has been said that the reforms foundations need most run directly against the thinking of most of the people who control them.

Foundations need new ideas, new people, perhaps a new power structure capable of creating a new commitment to open dialogue and dispute.

This will not be an easy task, and I believe that we in Congress, through hearings such as those which I plan to hold in the Subcommittee on Foundations, can play a valuable part in encouraging private foundations to evaluate their own shortcomings. We cannot protect and defend an institution which is unsure of its own role in society.

I am not suggesting that what needs to be done can only be accomplished through governmental compulsion. What is at stake is the creativity and the vitality of private philanthropy and that question can only be answered by the foundations themselves. We in Congress can do much to create an atmosphere which is conducive to innovation and initiative, but it is the foundations themselves that must acquire the will for self-improvement.

In this regard, the private sector of our economy will play an all important role. Business and corporate officials who understand the value of private philanthropy to their own endeavors and to society as a whole, must be outspoken proponents of foundation reform. I believe we are seeing the dawning of an enlightened age of business leadership in this country, businessmen whose view extends beyond the narrow-sighted objective of profits and losses. If we are to overcome the cries of sensationalists on the right and on the left who would do away with private philanthropy entirely, we must begin now to make private philanthropy more responsive to public needs.

As foundations seek out a rationale for their own existence, I urge that attention be given to their unique qualities. We must not forget several very basic principles:

1. There is nothing in American society which requires that foundations exist. Public needs can be defined by elected officials who are responsive to the people they serve.

2. Rather than consider foundations "essential" to American society, we should talk of their "desirability". Ours is a pluralistic society and we should encourage the participation of diverse groups of citizens in the process of defining and meeting the needs of people. Foundations can help fill this need.

3. If foundations are to earn their right to continued existence, they must have a well-defined purpose and clearly delineated policies in pursuit of that purpose. It is not enough for a foundation to proclaim its programs and grants; what is needed is a distinct philosophy underlying its activities. I see no need for high-minded statements filled with the type of words that make bells ring. What I ask is that foundation officials take more time out to define just what the purpose of their organization is and what it should be doing.

In our society, I recognize that the purposes of foundations will be varied. With the exception of some very limited purpose philanthropies, however, I believe that we can find some very basic purposes which will be shared by all foundations.

4. Foundations must open themselves to the public. This means more than slick annual reports—it means greater public participation on governing boards and greater public awareness of the internal workings of foundations. There has been too much desire to shield foundation activities from the public.

5. Foundations should undertake a greater degree of cooperation among themselves. I see isolated evidence of this throughout the country already, but we need more sharing of information and coordination of efforts. I do not suggest that all duplication be eliminated, but if there is needless duplication it should be terminated. Most of all, the foundations have much to learn from each other, and they should waste no time in getting about that task.

6. Foundations should emphasize the innovative and the creative. There is much to be said for those grants which sustain programs until such time as they develop enough momentum of their own. But this type of grant does little to make foundations essential or even desirable to our society. What is needed is more innovation and more experimentation.

Foundations have a limited ability to bring about social change, primarily because the assets at their disposal are so small. But foundations do have a unique ability to be far-sighted. They do not have to be concerned with the next election or a profit and loss statement; they can look to the future and encourage new ideas and new approaches.

We need to develop a national growth policy; we need to assess the impact of technology on our society; we need to develop new insights into the relationship between the United States and the rest of the world; we need new approaches to public education. Foundations must recognize the undercurrents of change which are running through our society and make grants which may help to influence social change.

I cannot predict whether foundations will be able to overcome their image problems, but I know that we in Congress will do all that we can to encourage them so long as they have merit. We will highlight their strengths and we will explore their shortcomings. We will prod them toward the excellence which the public has a right to expect.

The approach of our 200th National birthday finds the basic institutions of our society under attack. People have lost confidence in those institutions because they have become too inflexible—because they have lost sight of far too many of the objectives of a democratic society.

As the movement to reestablish broad-based citizen control of our society accelerates, nongovernmental, nonprofit institutions will find new opportunities to assert themselves. Foundations may not be able to speak for those people who are experiencing frustration and anxiety, but they can create an atmosphere which will encourage new voices, new ideas, and new approaches.

Foundations have the resources to experiment and innovate. What remains to be seen is whether they have the will to act now, when we need them most.

CONTINUING ENERGY PROBLEM REQUIRES ADDITIONAL LEGISLATION

Mr. ROBERT C. BYRD. Mr. President, the American people have suffered the inconveniences recently of a foreign embargo on oil shipments to the United States. Now that the embargo has been lifted, I am afraid that many of our people feel that there is no longer an energy problem, and that we will resume our wasteful use of energy.

It is vitally important that the American people conserve energy. The energy problem is going to be with us for many years. Moreover, we have no assurance that the same countries that used the oil embargo as a weapon in recent months will not resort to the use of that weapon again if it suits their purposes to do so. It will be like a sword placed on the table—always in view and ready for use both as an economic and political weapon. Whether or not the embargo is used, the price of imported oil will never be as cheap again as it was prior to the embargo.

It is necessary, therefore, that Congress enact additional legislation to deal with the energy problem. The Senate has already enacted various measures. One of these measures, the National Energy Emergency Act, was vetoed by the President.

I urge the Congress to enact legislation containing all of the provisions of the recently vetoed National Energy Emergency Act, with the exception of the rollback provision. It was largely the rollback provision that was used by the President as a pretext for his veto. There are many other features of the bill, however, that are badly needed, and the Congress should make haste in enacting them.

For example, the National Energy Emergency Act contained provisions granting standby rationing authority to the President. Authority was also included for the President to institute energy conservation measures. Utility plants were authorized to convert to the use of coal. Car pooling was to be encouraged. Planning for improved public transportation was provided for. Low interest rate loans would have been made available to homeowners and business establishments, thus allowing them to install new insulation, storm windows, and other energy saving measures.

The foregoing measures, and other aspects of the vetoed legislation, should be reenacted quickly and sent to the President's desk, even though Energy Administrator Simon said only a few days ago that such legislation is no longer needed.

A stitch in time saves nine. Congress will be recreant in its duty if it does not act in spite of the complacency that apparently has again set in on the part of administration energy officials. I urge expeditious action by the Congress.

S. 3267, STANDBY ENERGY EMERGENCY AUTHORITIES ACT REPORTED BY INTERIOR COMMITTEE

Mr. JACKSON. Mr. President, yesterday the Senate Interior and Insular Affairs Committee ordered S. 3267, the Standby Energy Emergency Authorities Act, favorably reported to the Senate. This measure is a modification of S. 2589, the Energy Emergency Act, which the President vetoed on March 6.

1. BACKGROUND OF S. 3267

Following President Nixon's veto and the Senate's failure to override the veto, a series of discussions and negotiations on the substance of the bill were undertaken with the White House and administration representatives to see if agreement could be reached on the provisions of the bill.

These discussions continued for approximately 2 weeks and led to agreement on the substance of an emergency authorities bill, with the following exceptions: first, unemployment benefits; second, repeal of the stripper well exemption from price control authority; third, petroleum price controls; fourth, protection of franchised dealers and distributors; and fifth, delegation of authority to the President rather than the Administrator of FEO.

The discussions were terminated when it became apparent that fundamental policy differences on these issues could not be resolved.

On March 28, 1974, companion bills were introduced (S. 3267 and H.R. 13834) which incorporated a number of the changes discussed with the administration as well as provisions on the subjects in disagreement.

2. RELATIONSHIP OF S. 3267 TO AUTHORIZATIONS REQUESTED BY THE ADMINISTRATION

In recent weeks, the President has accused the Congress of inaction on his "energy program." This accusation is patently ridiculous and apparently motivated by partisan considerations. The majority leader answered this charge on March 21 and it warrants no further comment except to say that the authorities the President has requested in four different bills were contained in S. 2589, which the President vetoed on March 6.

As reported, S. 3267 contains all of these authorizations. They include: authorization for rationing, conservation plans and funding for States; energy data and information gathering authority; special unemployment assistance programs; and authorization for conversion from oil and gas to coal by powerplants and heavy industrial users.

3. RELATIONSHIP OF S. 3267 TO THE CONFERENCE REPORT ON S. 2589

S. 3267 is, in many respects, identical to the conference report on S. 2589. The major changes are as follows:

First. The title and other changes have been made to convert the bill from an "emergency" bill into a "standby emergency authorities and contingency planning" bill;

Second. The authorization for the Federal Energy Administration has been deleted in recognition of conference committee action on the FEA bill;

Third. The rationing authority is made subject to congressional review and right of veto;

Fourth. The price rollback provision has been deleted;

Fifth. The unemployment assistance section has been modified to deal with technical and definitional questions;

Sixth. The provision providing for loans to homeowners and small businesses has been deleted;

Seventh. The authorization for the private use of Federal facilities has been deleted.

Eighth. The energy data and information section has been modified; and

Ninth. A requirement for contingency plans to deal with future shortages has been added.

4. COMMITTEE AMENDMENTS PRIOR TO REPORTING S. 3267

Yesterday, in executive session, the committee made the following changes in the bill:

Section 128, the pricing authority provision, was deleted.

Title II, which amended the Clean Air Act, was deleted at the request of the Public Works Committee. A new title II will be offered when the Senate considers the bill.

A clarifying amendment was made to section 107(a)(2) to emphasize that the provisions of that subsection apply only to Federal lands.

With these changes, the committee favorably reported the bill. The report will be filed during the recess, and I would hope that the Senate will act expeditiously on this bill when we return.

5. OIL PRICE CONTROLS

Mr. President, the committee's action to delete section 128, the oil pricing authority provisions, was taken without prejudice to the need for new authority. The section was deleted to enable the bill to be reported.

Together with other members of the committee, I have reserved my right to offer floor amendments dealing with oil prices. I intend to offer an amendment to bring all oil prices under mandatory Federal price control authority when the Senate returns from the Easter recess.

The amendment will cover all categories of oil—new oil, released oil and stripper well oil—which are now exempted from price control authority. At the present time, 40 percent of the oil produced in the United States is exempt from price controls. This figure is up from 29 percent only a few months ago.

If action is not taken to impose some

realistic restraints on oil prices, the cartel of producing countries will unilaterally be establishing the price which American consumers will pay for 50 percent of our domestic oil production by the end of the year.

I am appalled that the administration has brazenly—and in my view, unlawfully—adopted a policy of hands off on oil prices. The impact of this policy is both cruel in its impact on consumers and blatantly contrary to the national interest.

Nine weeks ago—on February 2—I wrote to Mr. Simon requesting an explanation of the administration's decision to place vital U.S. consumer interests in foreign hands by decontrolling domestic oil prices. In that letter, I stated that this action is contrary to the clear and plain meaning of the Petroleum Allocation Act. That act requires that equitable prices be established for all crude oil, residual fuel oil and refined petroleum products.

I have yet to receive an answer to that letter. I have yet to receive the memorandum of law I requested on the legality of the administration's actions in removing price controls.

Mr. President, on April 10, the Consumers Union also wrote to Mr. Simon questioning the legality of the administration's action in removing oil price controls. The letter from the Consumers Union supports my position and, in addition, requests FEO to refund to consumers amounts paid in excess of the price ceilings which were mandated by the Allocation Act.

The consumers' interest in the oil pricing policy decisions of this administration is not heeded. The administration is not representing the consumer. Action is needed to counterbalance the major advertising campaign the oil companies have underway to convince people that a tripling of domestic oil prices in the past 6 months is somehow justified and, incredibly enough, even in their best interests.

The amendment I intend to offer will, I believe, constitute the kind of responsible and reasonable action I believe is needed.

Mr. President, I ask unanimous consent that the texts of my letter of February 2 and the letter from Consumers Union to Mr. Simon appear at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

6. NEED FOR EMERGENCY AUTHORITIES AND CONTINGENCY PLANNING

Mr. JACKSON. Mr. President, expeditious passage of S. 3267 is necessary because of the major risks the Nation faces in relying upon oil imported from nations whose leaders view and use oil as a political weapon. There are no grounds for confidence that the Arab oil embargo will not be reimposed in the weeks and months ahead as swiftly and with as little notice as it was imposed last fall. We must be prepared for such an eventuality. Indeed, our visible preparedness for and reduced vulnerability to the threat of embargo greatly reduces the probability of imposition of an embargo.

The critical shortages the American people experienced this past winter could well be with us again later this spring and this summer. The essential social and economic interests of the Nation are dependent upon an assured supply of equitably priced oil. These interests must not be placed in uncertain and unpredictable foreign hands. Reliance on insecure sources of high-priced supply is a policy which can only be followed if we are fully prepared to reduce consumption and get by with less petroleum during periods of short supply which others may impose upon us.

It is essential that we have contingency plans and standby authority to deal fairly and equitably with shortages and the risk of shortages in a manner which will maintain employment and a healthy economy.

At the present time, there is no authority in Federal law for the peacetime implementation of programs necessary to deal with acute energy shortages. During the recent embargo, Federal policy was dependent upon requests for voluntary public action and a very broad interpretation of the Emergency Petroleum Allocation Act which, in some respects, far exceeded the scope and purpose of that Act.

Mr. President, in the future we cannot continue to rely on voluntary exhortations for sacrifice as our only means to deal with shortages. We must act to increase supply. We must have a policy of energy conservation. We must also have at hand contingency plans which can be rapidly and effectively implemented if we are to retain economic and political independence. Standby authority and contingency planning to deal with critical shortages will continue to be essential to maintaining our national security and our freedom of action until we attain the capability for energy self-sufficiency.

The bill reported by the committee will provide the authority we need.

EXHIBIT 1

COMMITTEE ON INTERIOR AND
INSULAR AFFAIRS,
Washington, D.C., February 2, 1974.

Hon. WILLIAM E. SIMON,
Administrator, Federal Energy Office, Washington, D.C.

DEAR MR. SIMON: At the conclusion of the testimony of Administration witnesses at the Committee's hearings on Friday, February 1, 1974, on S. 2885, a bill I introduced to roll back and establish price ceilings for crude oil and refined petroleum products, questions were raised concerning the Administration's authority to exempt new oil, released oil, and State royalty oil from the regulations implementing the price ceiling provisions of the Emergency Petroleum Allocation Act.

Legal Counsel to the Committee has advised me that the Administration is in apparent violation of the pricing requirements of Section 4 of the Allocation Act. Section 4(a) of the Act provides that "the President *shall* promulgate a regulation providing for the mandatory allocation" of crude oil and petroleum products "in amounts . . . and at prices specified in (or determined in a manner prescribed by) such regulation" (emphasis added).

Section 4(b)(1)(F) provides that the regulation "*shall* provide for" . . . "equitable distribution of crude oil, residual fuel oil, and refined petroleum products at *equitable prices* among all regions and areas of the United States and sectors of the petroleum industry . . ." (emphasis added).

Section 4(e) provides one exception to this requirement that all oil prices be placed under price ceilings. Section 4(e)(2) provides that the regulation promulgated under Section 4(a) on allocations and on prices "shall not apply to the first sale of crude oil . . ." from stripper wells.

Section 4(a)(1) provides a procedure for suspending allocation authority if the President makes and transmits to the Congress a finding that mandatory allocation is no longer needed to achieve the purposes of the Act. This procedure does not permit suspension of the Act's requirement that oil prices be "specified in (or determined in a manner prescribed by)" the regulation required under section 4(a) of the Act.

I would appreciate it if you would furnish me with a report and a legal memorandum on this matter. I am specifically interested in your views as to the legal authority for exempting new oil, released oil, and State royalty oil from the price requirements of the Emergency Petroleum Allocation Act.

As I understand it, the Administration's position on allowing major exemptions to price ceilings may be based in part upon an interpretation of the Conference Report on the Allocation Act which was contained in a letter of November 13, 1973, to me from Dr. John T. Dunlop, Director of the Cost of Living Council. Dr. Dunlop's letter dealt with his understanding of provisions of the Report dealing with stripper wells, pricing and personnel. In connection with the adoption of the Conference Report, I had Dr. Dunlop's letter together with other materials printed in the Congressional Record and indicated general concurrence in Dr. Dunlop's interpretation.

On further review of the clear meaning of the Act and Dr. Dunlop's November 13 interpretation it is my view that the Act does not permit these exceptions to the price requirements of the Act. To the extent I expressed concurrence in Dr. Dunlop's interpretation of the pricing authority and directive in the Act I was in error. In any event, the concurrence of any single member of Congress in an interpretation of the law does not change the meaning or requirements of the law.

I do concur in Dr. Dunlop's statement in his letter that ". . . the administering agency which has been delegated price control authority under both statutes would be obligated to comply with the provisions of both."

I appreciate your assistance in this matter and I assure you of my cooperation and assistance in achieving a new level of stability and reasonableness in petroleum prices. As you know, the Conference Committee will meet on Monday on S. 2589, the Energy Emergency Act, to work out a resolution of the controversy over the windfall profit provisions of the Conference Report. As you know, I and other members of the Conference Committee will be proposing language to mandate a price ceiling for oil which has been exempted from price controls. I have directed the Committee staff to meet with representatives of your office to discuss how this can best be achieved. Meetings were held last night and a further meeting is scheduled at noon today.

With best regards,
Sincerely yours,
HENRY M. JACKSON, *Chairman.*

CONSUMERS UNION,
Washington, D.C., April 10, 1947.

Hon. WILLIAM E. SIMON,
Administrator, Federal Energy Office, Washington, D.C.

DEAR MR. SIMON: Consumers Union has learned about the letter dated February 2, 1974 from Senator Henry M. Jackson, Chairman of the Senate Committee on Interior and Insular Affairs, to you concerning the Cost of Living Council and Federal Energy Office regulations exempting so-called "new oil, released crude, and state royalty oil" from the price ceiling requirements of the Emergency Petroleum Allocation Act of 1973, Pub. L. 93–159, enacted November 27, 1973.

In his February 2 letter, Senator Jackson asserted that he had been advised that the applicable regulations (6 C.F.R. § 212.74) conferring these exemptions are "in apparent violation of the pricing requirements of Section 4 of the Allocation Act" and requested your views as to the legal authority for those regulations. No response had been received as of yesterday.

We have independently researched this question and have concluded that these regulations do indeed violate the Emergency Petroleum Allocation Act of 1973. Section 4(g) of the Act clearly prescribes and limits, among other things, the exemptions from price ceilings which the President may permit, the factual circumstances which must exist and the findings which he must make in order to justify such exemptions, and the period for which such an exemption may be continued. The only exception to this provision is provided in Section 4(e)(2) of the Act, which exempts the production of so-called stripper wells from price ceilings. All other crude oil, as Senator Jackson noted in his letter, is subject to the mandatory price ceilings requirements of Section 4(a) of the Act.

Consumers Union, on behalf of its 375,000 members throughout the United States, hereby requests that the Federal Energy Office immediately rescind 6 C.F.R. § 212.74, and substitute therefor a regulation imposing price ceilings on so-called new oil and released crude. (We note that FEO has recently rescinded the exemption for Federal, state and local "royalty crude." 39 F.R. 12252–55, April 4, 1974.) We also request that the FEO invoke its authority to require the refund to consumers of amounts paid by consumers in excess of the price ceilings the imposition of which was mandated by the Act.

Federal Energy Office regulations prescribe no specific, formalized procedure for considering requests for rescission of FEO regulations. Moreover, Subpart K of Part 205, setting forth the administrative procedures governing objections to FEO regulations, contains no provision requiring that FEO respond at all to such a request, much less a provision prescribing time limits for, or administrative appeals from, such a response. Because of this and in view of (1) your failure to respond to Senator Jackson's letter of over two months ago, (2) the clear issue of law (rather than fact or agency expertise) involved, and (3) the enormous economic toll to consumers which is being exacted daily as a result of uncontrolled prices for new oil and released crude, we must insist that you either grant or deny this request within fifteen days from the date hereof, or we shall be obliged to consider other legal remedies.

Very truly yours,

PETER H. SCHUCK,
Director, Washington Office.

COWS AND COAL

Mr. HANSEN. Mr. President, much has been made of the opposition expressed by some in the West to the possibility of strip mining coal reserves, particularly on lands where the surface is privately owned, but the subsurface is federally owned. When the Senate agreed to an amendment banning surface mining on such lands during consideration of mined-land reclamation legislation, it was contended that this approach was the only way to protect the interests of ranchers and others with surface rights, but who do not own the minerals beneath the land.

Mr. President, it is my contention that many of these ranchers and landowners do not oppose the mining, per se; a considerable number of them would favor it so long as they are assured of adequate compensation and reclamation.

Burton B. Brewster, a rancher at Birney, Mont., explained better than I could the real concern of the ranchers in this two-State coal area, and I ask unanimous consent that his remarks from the February 7 Montana Stockman Farmer be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

STRIP MINING

(By Burton B. Brewster)

I happen to be one of the many ranchers who believe we can live with controlled strip mining of coal and run cattle at the same time. To fortify this belief here are a few facts.

The average native range land in southeastern Montana requires 3 acres to run one cow one month. So it takes 36 acres to run one cow one year. An acre foot of coal weighs 1,750 tons. A 20-foot seam of coal under one acre weighs 35,000 tons. The 36 acres to run a cow will produce 1,260,000 tons of coal.

At twenty cents a ton royalty, this area, large enough to run one cow, will produce $252,000 to the owner. In addition, the resource now supporting this one cow will benefit the taxpayers of Rosebud County by over $10,000 and the state of Montana by $428,400.

If I decided to sacrifice this one cow, that quarter of a million dollars will go a long way toward making a better home for the rest of my cows.

But I do not have to sacrifice that cow. I can turn her on another 36 acres, reseed it, fertilize it and irrigate it and that cow will have company.

Most ranchers are familiar with the old saying "no use to learn anymore about ranching because I don't ranch as well now as I know how." This situation is brought on by money—the lack of it. The history of the cow business is that cows alone, have not generated enough money to do the job of ranching that most ranchers know how to do and would like to do.

This quarter of a million dollars would go a long way toward furnishing better bulls, fertilizing, weed control, leveling, irrigating, better corrals, better fencing and many other things a rancher always needs but has not been able to afford. Beside all of these essentials, it would improve the environment.

I think the efforts of the reasonable environmentalists have been good. I am convinced that these efforts will result in well controlled coal mining operations. I think the environment is as important to me as it is to anyone. My father picked this site in 1882 and I have lived here 71 years. He had traveled from Boston to Nevada, to California to Montana in the years just previous to 1882 so he had quite a choice of environment. He liked it then, I like it now.

I graduated from college with a degree in Geology and wrote my graduation paper on coal because I knew then, in 1928, that we had coal at Birney.

I will be surprised if 10 per cent of our land is mined; that will still leave 90 per cent for the cattle. With the money generated from this 10 per cent of mined land, I am sure my grandchildren can make a better ranch of this than I have known, and if they did no more than control the noxious weeds along our portion of the Tongue River Valley they would be contributing a major effort toward the environment—especially the environment for a cow. I think it is the environment for a cow that most of us are concerned about, not the environment for hobby ranchers.

COLUMNIST RAISES QUESTION ABOUT "NONPARTNERSHIP" OF JOINT COMMITTEE ON INTERNAL REVENUE TAXATION

Mr. HELMS. Mr. President, there is scarcely any hope, of course, that the American people will be supplied with a balance of information and opinion relating to the great issue of our time. The major news media of this country just do choose to operate that way.

Once in a great while, however, one sees an article or an editorial, or hears a broadcast, that raises questions that, in my judgment, the people ought to be invited to ponder.

Such a column appeared in the Philadelphia Bulletin on April 10. It was written by Adrian Lee, and was headed, "A Fair Audit? Hardly."

I ask unanimous consent, Mr. President, that Mr. Lee's column be printed in the RECORD.

There being no objection, the column was ordered to be printed in the RECORD, as follows:

A FAIR AUDIT? HARDLY

(By Adrian Lee)

"A high-principled committee . . . a scrupulously fair report . . . a bipartisan committee . . . a nonpartisan committee . . . an apolitical committee . . ." When you get that kind of florid editorial rhetoric out of Washington, you know something big is going on.

And it is: It isn't every day a congressional committee belts a President of the United States with $444,022 in back taxes; and it isn't every day that the staff of that same committee—the Joint Committee on Internal Revenue Taxation—or any other Capitol Hill committee is described as unqualified nonpartisan either.

One is just about as startling as the other. The Joint Tax Committee seems to have achieved the impossible; it has elevated itself above the political murk which hangs just as thick in Washington these days as the sodden mists of this dreary, dispiriting spring.

HOW MANY REPUBLICANS?

But just how nonpartisan is the committee's staff—the 25 lawyers, accountants and economists who mauled Mr. Nixon? How many Republicans are there on the committee, how many Democrats, how many of the nonpartisans, the "unaffiliateds" the Washington press corps keeps trumpeting about?

The committee's terse, buttoned-up chief of staff, Laurence N. Woodworth, bridles at the question. And in the background where the staff's adding machines punched out word of Mr. Nixon's abasement, there is a sudden silence; Mr. Woodworth's disciplined squads and platoons of "apolitical professionals" (enough to fill a whole page in the '74 Congressional Directory) hang on every word of their chief's answer: "The staff is selected on a professional basis under specific qualifications and we never inquire into their politics . . ."

Hup, two . . . and, in chorus, the President owes $444,022; and we who are nonpolitical say so; we are what the public prints say we are; we are self-effacing; we are dedicated. Tramp . . . tramp. Well, anyhow, we got out just in time.

PRESIDENT'S POCKETBOOK WAS "SAVAGED"

But that question about party affiliation keeps nagging. How many nonpartisans are there really in Room 1015, Longworth House Office Building, where the committee works. If the Washington press corps is leveling, the place ought to be crawling with them. Or, if no nonpartisans or only a few, then how many Democrats, how many Republicans on this staff that in conjunction with the IRS, savaged the President's pocketbook—if not his reputation?

Whatever, it's pretty easy to find out: Since most of the staff lives in suburban Washington (and the '74 directory obligingly sets forth their addresses), it's just a matter of dividing up the names by county and applying to the proper courthouse for party registration.

For starters, just forget the nonpartisan bit. The first step is Howard County, Md. And from there to the Washington city limits, it's Democrat most all the way. Out of nine staffers living in Howard, Prince Georges and Montgomery counties (Md.), only two are registered as "unaffiliated"—and one of them, chief of staff Woodworth, was a Democrat when he hired out to the committee in the mid-'40s, and didn't change his registration to "unaffiliated" until he was named chief in 1964.

NO REPUBLICANS IN MARYLAND

Thus, the tally in Maryland: Seven Democrats, two unaffiliateds. And nary a Republican—at least not yet—to lend some credence to the committee assault on Mr. Nixon.

Nine down, 16 to go—five in Washington, 11 in Virginia, And still looking for that elusive Republican.

Well, if he's living at the next stop, Washington, he's keeping quiet about it. None of the five living in the District of Columbia is registered to vote there. But if the political preferences of their colleagues living in Maryland are any index, most of them are Democrats.

DEMOCRATS ALL OVER

So the Democrats would seem to have a distinct if not overwhelming advantage as the quest for the GOP fords the Potomac and straggles ashore in Northern Virginia. And here (to complicate things) people don't register by party, only by name.

And so while 10 of the 11 Virginia residents on the staff are registered, their political affiliation is to be pieced together only by checking party records and precinct captains in the neighborhoods where they live. And what comes through finally, in such precinct comment as, "he's a good, fighting Democrat . . . strong Democrat, good organizer," is another big Democratic contingent on the tax committee staff.

So, the staff that passed on Mr. Nixon's taxes is essentially Democratic in commitment; The staff's nonpartisanship has been exaggerated.

But still . . . somewhere on page 320 of the '74 Congressional Directory, there's got to be that Republican; otherwise, the staff would have had Mr. Nixon's shirt.

OFFICE OF FEDERAL PROCUREMENT POLICY—S. 2510

Mr. JACKSON. Mr. President, I would like to express a special commendation for my colleague, Senator Chiles, for his dedicated hard work in behalf of reform in the existing system of procurement of goods and services by the Federal Government. As you know, on March 1 the Senate passed S. 2510, a bill to create an Office of Federal Procurement Policy. This legislation passed the Senate by a unanimous voice vote which is an indication of how effectively Senator Chiles has been working in a bipartisan manner to begin to improve the efficiency of the Federal procurement policies.

My personal interest in procurement reform dates back many years. Mr. President, I had the pleasure of introducing S. 1707 in the 91st Congress which led to the enactment of Public Law 91–129, establishing the Commission on Government Procurement in 1969.

In addition, I served as a Commission member before the press of other business made it impossible for me to continue. I commend the distinguished Senator from Florida (Mr. Chiles) who joined the Commission in 1972 as my replacement and rendered dedicated and admirable service both on the Commission and as the chairman of the Ad Hoc Senate Subcommittee on Government Procurement.

The product of the Commission study was a 4-volume, 500 page report dealing in detail with the problems of Federal procurement practices and making specific recommendations to remedy the procurement ills that face the Federal Government today. This report was a fine example of bipartisan cooperation, the kind of cooperation that has marked the legislative history of S. 2510.

The statutory creation of an Office of Federal Procurement Policy was the No. 1 recommendation of the Commission. The Senate, by acting in such an expeditious manner, has added credibility to those who assert that Congress does not need headlines in order to effect needed reform.

It is noteworthy that S. 2510, section 2, declaration of policy, lists 12 points of concern leading to the promotion of the "economy, efficiency and effectiveness in the procurement of goods and services."

The Ad Hoc Subcommittee on Federal Procurement heard testimony from industrial associations and Small Business Administration officials to the effect that businessmen found procurement policies confusing and duplicative and generally not in the best interest of promoting efficiency in the purchase of goods, services and facilities by the Federal Government. Small and large businessmen alike are shackled by needlessly fragmented policies and regulations that make it difficult to do business with the Federal Government.

This bill sets the stage for dealing with all the specific problems that have come to plague the procurement of $60 billion worth of goods and services a year; it will establish a focal point for procurement reform and other measures that are responsive to the interests of the Congress, the executive agencies, the business community and the taxpayer as well.

Another advantage afforded the business community through the creation of a central office for procurement is that, at last, there will be a special office that can objectively hear the views and suggestions from the people who are doing business with the Government without itself being a procuring agency and a party in contracts. The provision that allows for early input from the business community is an important and much needed aspect of procurement reform.

The enactment of this legislation will also do a great deal to restore public confidence in government. I see a modernized, more efficient system of procurement evolving from a well coordinated, uniform set of governmentwide policies and regulations which the OFPP will have authority to develop and implement. This will yield direct and immediate benefits for U.S. taxpayers.

Federal procurement of goods and services involves approximately $60 billion annually. Under the present fragmented procurement system, businessmen are not the only losers. It is the taxpayer who is the ultimate loser. When a sum as large as $60 billion is involved it is obvious that even a slight improvement in efficiency can yield great savings. A mere 1 percent improvement would yield more than $500 million in taxpayer savings. I believe that such a saving will be easily achievable if we begin to implement the Commission's recommendations. It is my understanding that Senator Chiles, who chairs the procurement subcommittee has estimated that potential annual savings could range as high as $5 to $7 billion if Government procurement policies are thoroughly reformed.

Currently, the Congress has under consideration S. 1541 a major budget reform measure designed to improve the efficiency of Federal programs and to improve our fiscal management techniques. I believe that the prompt enactment of procurement reform legislation, like S. 2510 which is designed to improve the efficiency of Government purchasing programs, can be as effective in bringing about tax savings as any budget reform bill. This will greatly impress the American people and restore some of their recent loss of confidence in Government.

I join with other Members of this body who are anxious to see positive reform measures taken in this area. I have reviewed objections to the creation of an OFPP and it is my conclusion that by and large they are based on misconceptions about the intent and purpose of the legislation. There are some who would resist progressive changes simply because of the uncertainty of how the new office will operate. However, we cannot afford to hang onto the antiquated status quo, ignoring how ineffective the old system is.

I have every confidence that Congressman Chet Holifield will lead the Members of the House of Representatives in consideration of this very important bill. The gentleman from California has been a leading advocate of procurement reform and served with distinction on the Commission of Government Procurement as its vice chairman. In the past, Congressman Holifield has called the creation of an OFPP "The centerpiece of the Commission Report." With the leadership exemplified by the entire membership of the House Government Operations Committee, I am sure that S. 2510 will soon be enacted into law.

Mr. President, I cite the passage of this bill by the Senate as positive proof that many times unspectacular but effective legislation is enacted without fanfare but with a decided impact on the federal system.

THE OUTLOOK FOR HEALTH CARE: CONTINUED CRISIS AND RISING COSTS OR LONG-RANGE PLANNING?

Mr. BROCK. Mr. President, the Congress and the President have both recognized that there is a health-care crisis in our Nation and have set upon an enormous task in trying to create a national health-care system that is responsive to the times. Both the House Ways and Means Committee and the Senate Finance Committee will hold hearings this year, and it is possible that a health-care bill will reach the President's desk during the 93d Congress. It is reasonable to predict that we will have a national health plan in 1976 as we pass into the third century of our Nation.

However, nothing could be worse for the Nation than to pass a bad national health-care bill that would hurt the Nation, its consumers and its providers of health care. I am afraid that this just might be the case—especially if we reflect a moment on the health-care proposals that were passed in the mid-1960's and their effect. Basically, two things bother me:

First, the skyrocketing costs of health care, and

Second, a lack of equity and personal choice, or freedom.

First, let me turn to the skyrocketing costs of health care. In the last two decades medical costs have risen more rapidly than any other component of the consumer price index. Medical care by itself has risen 145 percent while the total price index rose only 74 percent. But this 20-year picture is somewhat deceiving because the dramatic rise occurred only after 1965, that is, after the first set of national health-care proposals, medicare and medicaid, were passed. As Rita Ricardo Campbell puts it in her excellent book on health care, "Economics of Health and Public Policy:"

> The impact of Medicare and Medicaid is reflected in the U.S. price indices. Physician fees over the first three years of these programs, June 1966 to June 1969, rose 22 percent and hospital daily service charges rose 55 percent. The medical care price index after rising at annual rate of 4.2 percent from 1946 to 1960 and 2.5 percent from 1960 to 1965, jumped 6.6 percent in 1966, 6.4 percent in 1967, 6.2 percent in 1968 and 6.0 percent in 1969, with a 7.3 percent increase in physician fees in the latter year. In comparison, the consumer price index for all items rose 3.3 percent during 1966, 3.1 percent in 1967, 4.7 percent in 1968, and even more rapidly, 6.1 percent in 1969 when general inflationary trends were stronger. Although Medicare and Medicaid did not begin paying benefits until July 1, 1966, sizeable price increases occurred during the first half of that year as medical care providers moved to establish the "reasonable and customary" fees that would govern their compensation under the new program.

One of the major sources of the rise has been in hospital care, although that is not the only area of rise. As another medical economist, Karen Davis of Brookings puts it in an article entitled, "Rising Hospital Costs: Possible Causes and Cures":

> In the early 1960's, hospital costs were increasing at an unprecedented rate of 6% annually—far in excess of the rise in the price of all consumer goods. With the introduction of Medicare and Medicaid programs in 1966, the rate of increase of hospital costs more than doubled, average costs climbing at an annual rate of 14% from 1967 to 1970.

As both Rita Campbell and Karen Davis point out, medicare and medicaid exacerbated an already bad situation in regard to rising medical costs, and we simply must not make this same mistake with any new proposal passed. The American Medical News recently reported that—

> The nation's health outlays during the past fiscal year reached $94.1 billion, an 11% increase . . .

And they added that this was:

> The lowest rate in several years.

Not only must this skyrocketing cost be kept down, it is imperative that no new program have the same effect on health care that medicare and medicaid had. The economy and consumer simply cannot handle the strain. The second point I would like to make is that in developing a new national health program I feel it is of the utmost importance to be fair to taxpayers and patients as well as physicians and hospitals.

The plan must provide the best and most complete protection against serious financial hardship without direct controls or fee schedules which are integrated into some health proposals before the Congress.

We must insure the present freedom of patients, physicans, and hospitals. We must not deprive physicians and hospitals of the incentive to provide the best possible medical care in a competitive market. Individual patients, personal physicans, and the market structure should play key roles in determining how much we should spend on health care.

This calls for a program that is partially financed by the patients themselves. If patients play a role in paying their medical bills, the overutilization and waste witnessed in the past years as a result of medicare and medicaid will undoubtedly decrease.

A plethora of proposals have been introduced in the Congress and now pend before the House Ways and Means Committee and the Senate Finance Committee. These bills embody every conceivable approach to our current problems, but not one bill in its entirety meets the goals I seek and which I feel are critical to a comprehensive national health strategy.

The fundamental aim of our health strategy must be to improve the health status of all citizens in this Nation by expending and improving the quantity, quality, and distribution of health care services, as we vigorously seek to reduce this cost to the American family. Some feel these two goals of keeping down costs while at the same time improving health care on a fair, equitable basis are unreconcilable, but I disagree. I intend to present an alternative soon which will hopefully reconcile these two concepts of keeping costs down while providing adequate health care. While no bill can be "letter-perfect," I do hope the Congress will seek to implement these goals.

DISTRIBUTION OF BENEFITS AND COST OF AGRICULTURAL RESEARCH

Mr. BELLMON. Mr. President, several months ago the publication "Hard Tomatoes and Hard Times" attracted a considerable amount of national attention by the charges it made that agricultural research supported by Federal funds was working a considerable hardship upon the low-income citizens of this country. As one who had long supported agricultural research and who knows from first-hand experience the immeasurable contribution which agricultural research had made to the ability of America's food producers to become efficient, dependable suppliers of food and fiber, to American consumers as well as millions of customers abroad, I was pleased recently to read an article in the October 1973 issue of Current Farm Economics by a noted agricultural economist, Dr. Luther Tweeten, which helps put the agricultural research picture into true perspective.

In his article Dr. Tweeten points out that the benefits from agricultural research generally accrue especially to persons in the lower-income brackets. His analysis further shows that those in the higher income tax brackets tend to contribute more toward agricultural research than the benefits they receive, while the lower income groups receive cost-benefit ratios ranging up to 4.7 to 1.

Another conclusion is reached by Dr. Tweeten's research is that of the $1.6 billion of tax money which goes into agricultural education, research, and extension, only $185 million comes from Federal sources. The State contribution amounts to $678 million, while the local contribution is larger still, amounting to a total of $776 million.

From these figures, it is obvious that the Federal Government, as well as American consumers generally, is receiving a huge bargain from the relatively small amount of funds which the Congress make available for agricultural education, research, and extension efforts. Also, there can be no doubt that this

Nation's current world dominance in the field of agricultural production would measurable benefits which have flowed have been impossible without the immeasurable benefits which have flowed from the agricultural education research and extension efforts of the Nation's Land-Grant colleges. I believe Dr. Tweeten has made a significant contribution to the undertanding of the distribution of benefits from agricultural research and education and believe that the members of the Senate would benefit from a reading of his report.

Mr. President, I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

DISTRIBUTION OF BENEFITS AND COSTS OF AGRICULTURAL RESEARCH AND EDUCATION

(By Luther Tweeten)

If there were a time when equity (distribution of benefits and costs) could be ignored for a public program, it is no more. The agricultural establishment, largely uncritical lovers of traditional agricultural research and education, and the young radicals, largely unloving critics exemplified by the book *Hard Tomatoes—Hard Times,* hold very different images of who pays for and who benefits from publicly supported agricultural research and education. Differences in points of view will not be resolved without better information. I show the distribution of benefits and costs from agricultural research and education in this paper.

The social rate of return on public plus private investment in agricultural research is approximately 50 percent, on elementary schooling of farm youth is 20 percent and on secondary schooling is 10 percent [1]. Overall outlays for agricultural research and education have been productive and have brought overall benefits well in excess of costs. Little has been known of how cost and benefits are distributed. Let us turn to that issue. Much of the analysis is for 1961 because the data are best for that year, but the pattern of distribution shown in the results is probably pretty stable from year to year.

COSTS

Taxes for agricultural research, extension, vocational agriculture and general education of war youth in 1961 from local, state and federal sources that raised productivity of agriculture are shown in Table 1.

TABLE 1.—ESTIMATED TAXES IN SUPPORT OF AGRICULTURAL PRODUCTIVITY, 1961

[Millions of dollars]

	Taxes for agricultural productivity			
	Federal	State	Local	Total
General education (elementary and secondary)	54	480	693	1,227
Research	63	122		185
Extension	54	54	53	161
Vocational agriculture	14	22	30	60
Total	185	678	776	1,639

Source: U.S. Department of Commerce, Statistical Abstract of the United States, U.S. Government Printing Office, Washington, D.C., 1966; U.S. census.

Although research and extension were supported quite heavily from federal sources, local sources were the largest single component of funds because general schooling dominates the $1.6 billion in public tax outlays. The Tax Foundation has given substantial attention to the incidence among income classes of local, state and federal taxes of various forms. The measures of incidence are used to distribute taxes among the U.S. families, by income level, who paid them (Table 2).

TABLE 2.—DISTRIBUTION OF TAXES FOR AND BENEFITS FROM AGRICULTURAL PRODUCTIVITY IN THE UNITED STATES WITH COMPARISONS, 1961

	Income class (money income after personal taxes)							
	Under $3,000	$3,000 to $3,999	$4,000 to $4,999	$5,000 to $5,999	$6,000 to $7,499	$7,500 to $9,999	$10,000 to $14,999	$15,000 and over
Number of families (millions)	13.9	6.3	7.0	7.0	8.4	7.6	4.0	1.1
Persons per family	2.3	2.9	3.2	3.5	3.7	3.9	4.1	3.9
Taxes for agricultural productivity (per family):								
Local	$6.28	$10.10	$11.97	$14.48	$16.72	$20.14	$25.69	$40.35
State	4.00	8.07	10.15	12.24	14.57	17.82	23.95	56.47
Federal	.61	1.60	2.13	2.76	3.51	4.83	8.06	30.92
Total taxes	10.89	19.77	24.25	29.48	34.80	42.79	57.70	127.74
Total agricultural exp. benefits	16.63	24.37	28.67	32.98	35.56	39.00	43.87	48.46
Redistribution (net benefits)	5.74	4.60	4.42	3.50	.76	−3.79	−13.83	−79.28
BENEFIT-TO-TAX RATIO								
(a) All agricultural productivity benefits / All agricultural productivity taxes	1.5	1.2	1.2	1.1	1.0	.9	.8	.4
(b) All agricultural research benefits / All agricultural research taxes	2.0	1.4	1.3	1.2	1.1	.9	.6	.3
(c) All State and local benefits / All State and local taxes	2.1	1.3	1.1	1.0	1.0	.9	.8	.6
(d) All Federal benefits / All Federal taxes	4.7	1.9	1.3	1.1	.9	.8	.6	.3
(e) Total U.S. benefits / Total U.S. taxes	3.3	1.7	1.2	1.1	.9	.8	.7	.4

Source: Agricultural productivity benefit data calculated by Daryll Ray from Stephen Hiemstra, "Food Consumption, Prices, Expenditures," Agr. Econ. Rept. No. 138, U.S. Department of Agriculture Washington, D.C., 1968; incidence of taxes from Tax Foundation, "Tax Burdens and Benefits of Government Expenditures, by Income Class, 1961 and 1965," Res. Publ. No. 9, Tax Foundation, Inc New York, 1967.

BENEFITS

Schooling makes farmers better managers, more aware of and able to appraise the potential payoff from new investment opportunities, and also prepares them for mobility —all important components of agricultural productivity gains. While research on the average is more productive per dollar invested than the other items listed in Table 1, this problem of different productivities among investments is circumvented by using "expenditure benefits". Expenditure benefits are defined as benefits from agricultural research and education adjusted downward to equal the volume of taxes, $1.6 billion in 1961.

This approach is tantamount to assuming all benefits are realized in the same year taxes are paid and the average rate of return on the 1961 investment in agricultural research and education of farm people is zero. In fact, the ultimate gross benefits (expressed in present or capitalized value), net benefits and benefit-tax ratios are larger than indicated in Table 2—but with the same ranking among income groups.

The presumption in Table 2, quite contrary to *Hard Tomatoes—Hard Times,* is that the benefits of research and education accrue to consumers rather than corporations or large farm proprietors. To be sure, early adopters gain windfall profits from agricultural technology. But evidence indicates that even large, efficient farmers are unable to retain benefits and the gains are passed to consumers. Pure profits do not exist for the farming industry, and gains to farmland owners through appreciated land values are explained by commodity programs, pressures for farm consolidation to use larger machinery and by urban demand for land rather than by output-increasing technology flowing from publically supported education and research.

Benefits are distributed among U.S. families in Table 2 according to the outlays for farm food ingredients by income classes. Each dollar of farm food ingredients utilized by consumers is considered to have the same proportion of benefits from agricultural research and education whether consumed by a rich or poor family. In fact, low income families who consume much (say) wheat, may realize different benefits per dollar of farm ingredients than the high income families who consume relatively more beef. Unfortunately, data are inadequate to allocate gains from education and research (to raise agricultural productivity) among consumers except on the basis of the total dollar value of farm food ingredients.

Expenditure benefits are greater for high income than low income families (Table 2). But taxes increase even faster, moving from low to high income families, hence taxes to improve agricultural productivity redistribute income toward low income families. The benefit-tax ratio (a) in Table 2 of 1.5 for low income families declines to .4 for high income families.

Taxes for elementary and secondary schooling of farm youth were included in Tables 1 and 2 to estimate benefits, net benefits and benefit-tax ratio (a) because common schools have contributed substantially to the productivity of the farming industry. However, a sizable portion of benefits from taxes to support common schools accrue to those who received the schooling rather than to food consumers as such. The redistribution of income resulting from taxes for common schools is examined in detail by David Holland in another study. It turns out that the benefit-tax ratio for common schools is somewhat similar to that in (a) if it is assumed that pupils received the benefits and will have incomes proportional to those of their parents. Thus whether taxes for common schools accrue as benefits to schooling recipients or to consumers of food does not markedly change the benefit-tax ratio (a). Even if the benefit-tax ratio is the same by income group, it is well to recognize that in one case consumers receive the benefits while in the other case former students receive the benefits—but these two groups are often the same people.

BENEFIT-TAX RATIOS FOR AGRICULTURAL RESEARCH

There is merit in examining the distributive dimension for agricultural research alone, unconfounded by the distributional issues discussed above for education. Expenditure benefits for research of $185 million (equal to taxes shown in Table 1) are distributed among income groups in the nation exactly as were expenditure benefits from all agricultural research and education in Table 2, except they are only 11 percent (185/1639) as large per family. While benefits are distributed according to farm food ingredients purchased by families by income class as earlier, the incidence of taxes is different because greater reliance is placed on progressive federal income taxes for research funds.

The resulting benefit-tax ratio (b) from agricultural research alone in Table 2 ranges from 2.0 for low income families to .3 for high income families. The principal conclusion is that taxes and benefits from agricultural research alone or research and education combined redistribute income from the rich to the poor. This conclusion is not changed by altering the assumptions within a reasonable, expected range.

Estimates (c), (d), and (e) in Table 2 do not apply to agriculture but are included only for comparison. Estimate (c) is the ratio of all state-local taxes for all purposes, adjusted (as for all other benefit-tax ratios in Table 2) so that taxes equal expenditure benefits. Estimates (d) is the ratio of all federal expenditure benefits to all federal taxes for all purposes. Lastly, estimate (e) shows the ratio of all local, state and federal expenditure benefits to all taxes in the nation.

The comparisons indicate that taxes and benefits for agricultural research and education redistribute income away from the rich to a greater degree than all state-local taxes and benefits, but to a lesser degree than federal taxes and benefits.

REFERENCES

1. Tweeten, Luther, Foundations of Farm Policy, University of Nebraska Press, Lincoln. 1970, Chapter 5.

ARCHBISHOP BOLAND RETIRES

Mr. WILLIAMS. Mr. President, I was saddened to learn recently that Archbishop Thomas A. Boland of the Archdiocese of Newark will retire in June.

Archbishop Boland has been a leader of his church and of his community in Newark since 1940. A native of Orange, N.J., the archbishop can look back upon a career of outstanding service that spans more than half a century in all.

Now 78-year-old, Archbishop Boland remains in good health, vigorous and energetic. He has provided, and continues to provide, leadership that I know will be greatly missed when he steps down.

Mr. President, an excellent article about Archbishop Boland, written by Charles Finley, appeared in last Sunday's Newark Star-Ledger, and I ask unanimous consent that it be printed in the RECORD at the conclusion of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

BOLAND PREPARES TO LAY HIS STAFF ASIDE

(By Charles Q. Finley)

Archbishop Thomas A. Boland of the Newark Archdiocese is secure in the knowledge he has served God and the people of his diocese to the best of his ability.

Boland, 78, who will retire this June, has an abiding faith which has made him an island of tranquility in a post beset by a vast array of problems.

The archbishop chuckled when reference was made to a remark by Bishop Lawrence B. Casey of Paterson in which the bishop had referred to him as the "unflapple" man.

"I have kept my balance while doing the Lord's work the best way I could, and by placing things in His hands for my direction," the archbishop said as he relaxed in his chancery office.

"At times there have been tensions, there is not any question about that, but I have always been doing what the Lord asks of me and seeking his help to do it. I hope that does not sound bombastic because it is the actual truth."

He said he wasn't surprised at being informed Pope Paul VI had issued the directive for him to resign. "I knew two or three years ago it was coming; it was like the Sword of Damocles hanging over my head." (All bishops are required to submit letters of resignation at age 75, then it is up to the Pope to set the time.)

"Some people at 75 may be able to do more than others at 55," Boland said. "It depends on the individual.

"Age has never been a problem for me. I have been very fortunate to have had such good health. But I suppose they have to have some norm to prepare for the future."

A kind and gentle man, Boland is known for his ability to understand the problems of others.

"I am a good listener," he said. "I don't try to settle people's problems before hearing what they have to say."

Boland has a reputation as a hard worker. During his years as leader of the fifth largest archdiocese in the country, he oversaw a tremendous expansion of physical facilities at Roman Catholic churches, schools and other institutions.

"Work has always been all-important to me," Boland said. "Put all you have into a job, then you can have no regrets even if it does not turn out well. Of course, there are times I've gotten physically tired, like days that start at 9 a.m. and end at midnight, but this never has really bothered me very much."

Boland has served as a bishop in North Jersey for 34 years. He was an auxiliary bishop in Newark from 1940 to 1947, the Bishop of Paterson until 1952 and came to Newark as Archbishop in 1953.

Those who have worked closely with him have long been impressed by his unswerving dedication to help others.

"Archbishop Boland has been a spiritual leader of great strength and a prudent, patient shepherd with a deep concern for all entrusted to his care," said Auxiliary Bishop Joseph A. Costello. "The record of his accomplishments can be found in the history of the modern church. But behind all this is the man, an indefatigable worker for the Lord who each day has given an outstanding example of priestly life and zeal."

More than 50 new churches have been built under Boland's guidance. In 1961 a major building program was undertaken by the archdiocese to provide more new schools and homes for the elderly.

The archbishop was an active figure in the Second Vatican Council in Rome as head of the Bishops' Study Commission and as a member of both the Catholic Mission Board and the Episcopal Committee. He was instrumental in the founding of Don Bosco Technical and Vocational School in Peterson, Mount St. John Academy in Gladstone, in the expansion of St. Joseph's Hospital in Paterson and in the formation of the Family Life Bureau and the Legion of Mary.

He was born in Orange in 1896 and attended Washington School and St. John's School in West Orange.

After working three years for the Public Service Corp. in Orange, he entered Xavier High School, a Jesuit military school in New York City where he graduated with honors in 1915. He entered Seton Hall College, then almost entirely a divinity school, and was graduated in 1919 with the top academic honors.

The archbishop immediately went to Rome to study at North American College, earning degrees in theology and a Master of Arts in absentia from Seton Hall.

Boland was ordained a priest in December, 1922, in Rome. In June of the following year he was assigned as a curate at St. Catherine's Church in Hillside.

Later he received a teaching assignment at Seton Hall Preparatory School and three years later became an instructor at the Seton Hall Divinity School, moving with the school to Darlington, Bergen County, in 1927. He remained there until 1938 when he was named chancellor and moved to St. Patrick's Pro-Cathedral in Newark.

Boland said his term as Bishop of Paterson was "a particularly happy time" because he had dealings with many whom he had taught.

"I have always been basically optimistic about the students and I do not see a whole lot of difference in them today," Boland said.

But, he said, there has been a change in the country as a whole that disturbs him.

"Because of better communications we hear of scandals right away, but there have been scandals in other days; human nature has not changed," he said. "But what does disturb me is the situation ethics which has been creeping into the country—people judging morality by how the situation can best suit their own ends. Pope Pius XII warned us of this.

"Some people have such a superficial knowledge of what is wrong—their greatest sin is the loss of a sense of sin. I think perhaps they are coming to realize now this is not really a way to run a life. It must be run according to definite, objective forms of morality."

As for the future, Boland said he would like to be able "to get something to keep doing."

"Not necessarily an assignment, because I do not want to embarrass anybody," he went on. "But it would be quite a letdown not to be busy."

Boland will be succeeded by Bishop Peter L. Gerety of Portland, Maine, after ceremonies on June 28.

THE SHORTAGE OF RAILROAD FREIGHT CARS

Mr. BROCK. Mr. President, there has been a great deal of concern expressed within the last year or so on the shortage of railroad freight cars, yet another component of our seemingly hardy and perennial railroad problem. Actually, as with so many of our current "crises" and "shortages" we apparently cannot agree on whether one really exists—or whether it is a question of bad utilization.

However, my concern today is not so much with the particulars of this debate as with the general thrust of policymaking and the danger that, preoccupied with short-term solutions, we embark upon overly simplistic policies that are ill-suited for the long term. Thus, while I am indeed in favor of an improved system of freight car utilization, I believe that we should not initiate any extensive program to finance new freight cars when "over the long haul" many analyses suggest the future potential of the standard freight car is limited.

In particular, a recently released study by the CEA and National Council on Productivity entitled "Improving Railroad Productivity" specifically states, and here I quote:

> An important key (to improve) is found in the adoption of a rail technology better suited to the *emerging patterns* of . . . freight traffic" (page 135).

The study goes on to make a very strong case that this future pattern should center in a large part upon freight containerization. And thus policies should be directed toward encouraging an appropriate set of flatcars and containers, not conventional freight cars.

Indeed, the same study goes as far as saying that:

> The rail industry should gradually phase out its fleet of all-purpose freight cars replacing it with a fleet of trailers or containers and flat cars.

However, Mr. President, the full exploitation of containerism—and thus the full potential of the railroads—involves more than a simple investment decision.

The problem is a classic one of complex interdependencies which mock our simple assumptions and simple answers. Containerization can only be an appropriate major strategy for the railroads if they can operate in a regulatory climate conducive to the provision of the swift, efficient, and integrated service containers can offer. Unfortunately we are still a long way from that.

The genius of the container is that as a standard package it can be swiftly transported from flatcar to trailer to ship and so on. It is by nature intermodal, while our regulations by nature actively discourage such actions.

Containerization also relates to the thorny question of railroad abandonment. The use of containers together with an appropriate intermodal strategy can provide an opportunity to improve the speed and reliability of service along light density branch lines as well to lower costs.

These issues are examined and analyzed in great detail in the railroad productivity study. Members of Congress, who have a responsibility for improving the Nation's transportation system, should be very much aware of both the complexities of the problems and the limitations of piecemeal, backward-looking policymaking. I very much hope that we can meet the challenge and develop an innovative and forward-looking set of policies for the railroads and our transportation system as a whole, and that these policies will be directed toward the future needs of the Nation and not those of the past.

CONGRESSMAN JOHN BLATNIK

Mr. MONDALE. Mr. President, as you know, Congressman John Blatnik, who represents the Eighth District of Minnesota in the U.S. House of Representatives, has announced that he will retire this year. For 28 years, John Blatnik has served the citizens of his district, the people of Minnesota, and the entire Nation with distinction. All will miss him—a man who stands for all that is best in representative government.

Across northern Minnesota there are schools, hospitals, parks, and a host of other public facilities and programs that are the direct result of the work of this dedicated public servant. The entire country has benefited from his work in the field of water-pollution control, navigation, land-use, conservation, recreation, and public works. John Blatnik's service as chairman of the House Public Works Committee has been long and distinguished.

Recently, Geri Joseph of the Minneapolis Tribune surveyed Congressman Blatnik's career. The article points to the important service and true humanity of this remarkable man. So that my colleagues may share with me an appreciation of the important contribution of John Blatnik to this Nation, I ask unanimous consent that the article be printed in the Record.

Congressman John Blatnik

(By Geri Joseph)

Every two years since 1946, John Blatnik's name has been on the ballot. Each time, by landslide margins of anywhere from 68 to 76 percent, he has been elected and reelected to Congress.

In November, voters in Minnesota's 8th Congressional District will have to change their election-day ritual. Blatnik—who began the DFL Party's parade to national prominence—is retiring.

Plot by choice. Not without a pit-of-the-stomach apprehension about changing his way of life at age 62. But that is what doctors ordered, and few men with young families would let such a warning go unheeded.

Recently, Blatnik was in Puerto Rico and the Virgin Islands on congressional business. His son, Tom, went with him, and they spent part of those days swimming and snorkeling. It was the first time in Tom's 17 years that they had spent seven days "man-to-man together." There will be more of that companionship after November, and more time, too, to spend with his wife, Gisala, and two daughters.

But leaving the House of Representatives will be a tremendous wrench. He claims never to have found it an exciting place or even enjoyable in a personal sense. He would have much preferred to be in the Senate, and he admits that the biggest political hurt and disappointment was his failure to get the seat Sen. Walter Mondale now holds.

Still, his long service in the House and his chairmanship of the powerful Public Works Committee gave him a conduit for the intense motivation behind his career—to make life good enough in that northeastern section of the state so that young people would not have to leave.

More than most political figures, Blatnik and his constituents are a part of each other. Like many of them, he is a first-generation American in the most ethnically diverse area of the state. He shares with them searing memories of the Great Depression. For some, the 1930's may be history. For the new, young breed of politicians, they hold no memories at all. For Blatnik and many of the people who voted for him, those years will haunt forever their outlook and expectations.

The district, with its once-rich Mesabi iron-ore mines, was dominated by the then-hated but economically indispensable steel industry. Blatnik says now: "They made a bleak Appalachia out of northern Minnesota. I said to myself, if ever there is anything I can do about these extractive industries . . ."

In his 28 years as a congressman, he spent 12 and 14 hours a day struggling with the seemingly endless problem of his district. Other politicians, as assured of reelection as Blatnik was, might have eased up. But if that had been Blatnik's temperament—and it is not—his constituents would not have allowed it. Demanding, difficult, convinced that he, their elected spokesman, could make government do for them what they could not do for themselves, they pressed him. Jobs, mostly, were what they wanted. Economic development. Conservation measures to protect water, forests, minerals. More than one DFLer can recall meetings between Blatnik and his supporters. With words like blows, they would berate him for his failures or beg him for action. Blatnik would sit quietly, absorbed, his face tight.

"He worked his heart out for his constituents," says his long-time friend, Sen. Hubert Humphrey, and the comment can be taken literally. "There are a lot of junior world-savers around, but John has been a giant and a Santa Claus for his district."

All across northern Minnesota, there are schools, hospitals, parks and a host of other public facilities and programs, a direct dividend of Blatnik's efforts. Other parts of the country benefited, too. He authored the first federal water-pollution control act in 1956, and has pushed for every subsequent change in that law. For six years, he worked to get the St. Lawrence Seaway bill passed. Another six years went into the passage of Voyageurs National Park, a bitter issue in his district. And he has been a leader for area redevelopment and land-use proposals.

But few politicians get a grateful "A" for either effort or results. Ralph Nader said Blatnik should have been a more "vigorous force in clean-water efforts." And some think he has been overly protective of Reserve Mining Co. in the lengthy controversy over the firm's disposal of tons of taconite tailings into Lake Superior. To Nader's criticism he replies acidly, "Nader never asked what other problems I had back home in my district." And if he has been cautious in the Reserve case, the explanation probably lies in that Depression-born fear of unemployment, with its devastating effect on people's lives.

He is proud of the taconite development and the part he played in it. Prouder of that he says, then of any of his many accomplishments. "Capital investment in taconite there is new about $1.2 billion. And people have jobs 12 months of the year."

The plans after November are uncertain. He will have a comfortable pension, but he would like to do something for the elderly and for handicapped children. He is thinking, too, about projects in underdeveloped countries, maybe with the United Nations.

Of one thing he is certain. While the Blatniks will continue to live in Washington, they will spend plenty of time—especially summers—home in the 8th District.

"You know," he remarks, "when I was a kid, it was a gloomy place. 'American Siberia' some people called it. But now there are excellent schools. Vocational schools, too. The recreation life is fine . . . Kids can have a future there."

STANDBY INFLATIONARY CONTROLS NEEDED

Mr. ROBERT C. BYRD. Mr. President, I am deeply concerned about the continued increase in the cost of living. Secretary of Agriculture Butz has already stated that prices will go up in the grocery stores by 12 percent this year. Every housewife knows, on the basis of experience in the past several months, that each time she goes to the grocery store she is going to pay more than she did the last time for the items that are necessary for the food basket.

When the President's wage and price control authority expires at the end of April, I am afraid that the price of food and other necessities of life will get completely out of hand. There is every indication that this country will be experiencing double digit percentage increases in the cost of living in the days ahead.

In my judgment, Congress should give the President continued standby authority to control inflation—which he can use if the situation warrants it—even though he says he does not want such authority. We need only to recall that the President said the same thing about the Economic Stabilization Act, which Congress passed in spite of his opposition, a few years ago. That act gave the President the necessary tools with which to combat inflation. He said he would never use it, but he resorted to it, notwithstanding. In August 1971, he utilized the authority of that act to institute a 90-day freeze, better known as phase I. In November of that year, he used the authority in the act to implement phase II. Phase II controls worked exceptionally well for over a year—throughout 1972—until, in early 1973, the administration prematurely lifted phase II controls, and inflation then began to get out of hand. The untimely lifting of phase II controls having proved to be a colossal error on the part of the administration, the President then instituted phase III, after considerable delay, and then phase IV—both of which proved to be virtually useless, for the most part. The so-called stick-in-the-closet, to which the President referred, was never really used by the administration, and, as a result, the American dollar has steadily grown smaller and smaller as inflation has steadily pushed higher and higher.

The experiences under phases III and IV have shown that controls did not work because of the way in which the controls were applied.

Therefore, notwithstanding the fact that the President is opposed to continuing authority to impose controls after the present law expires on April 30, I urge the Congress, before the end of this month, to enact continuing standby authority, so that the President will again have the tools with which to combat inflation, if he desires to use those tools. The President, as Chief Executive, has the responsibility to see that the laws are faithfully executed.

There is no other place to lodge the authority to effectively combat inflation, inasmuch as no one but the President is in a position to effectively administer economic policy in such a way as to efficiently control inflation.

I hope, therefore, that the Congress will provide the President with such authority in spite of the fact that he says he does not want it. He has said this before, and he has reversed himself before. Whether he uses such authority effectively, or whether he uses it at all, will be his decision to make. I think the Congress has a responsibility to do its part by enacting legislation to extend such standby controls.

WAGE AND PRICE CONTROLS

Mr. TAFT. Mr. President, the Banking Committees of both Houses have now acted decisively to kill any extension past April 30 of the President's power to impose wage and price controls.

As I indicated last February 11, I believe that the general phaseout of wage and price controls is overdue. The controls have hurt recently as much as helped in most fields.

Nevertheless, the decision to kill any authority whatsoever, without so much as a floor vote, must be questioned in this time of such crippling inflation. Despite the problems the controls have caused and the high proportion of recent inflation attributed to petroleum—which will remain under price controls—and the food sector—for which price controls are of extremely limited usefulness—I do not see how it can be in our best interests to eliminate even the minimal authority necessary to insure that the remainder of the decontrol process can be carried out in an orderly fashion. I believe that Congress is going too far by not at least providing the Cost of Living Council the authority to do this, to monitor commitments to restraint it has already received from a wide range of industries varying from fertilizers to automobiles, or to negotiate with labor and industry for voluntary actions to reduce further inflation. Whether a "club in the closet approach," which I originally suggested, should be enacted is debatable, but it seems to me that the case for assuring that the Cost of Living Council would have the limited authority I have outlined is extremely strong.

Recent wholesale price statistics make it obvious that prices over the next few months will continue to go through the roof. While some bulge is to be expected at the end of the control period, the last thing consumers need at this point is additional price increases not clearly necessitated by economic factors. Business and labor should be cautioned in the strongest terms that the coming increases will be hard enough to swallow without excesses on their part and that, as they are well aware, Congress can always act quickly to change its mind.

SENATOR WILLIAMS SUPPORTS EXTENSION OF THE USDA COMMODITY FOOD DISTRIBUTION PROGRAM

Mr. WILLIAMS. Mr. President, the spiralling rise in the cost of living has had a serious impact on the ability of so many Americans to obtain adequate nutrition. But it has been the poor, elderly, and the handicapped who have been particularly hard hit. Their suffering is indeed a national tragedy. Food prices in 1973 have risen more rapidly than in any year since the Korean war. Almost every segment of our society has been severely affected to some extent. We have also experienced grave shortages in certain needed agricultural products which have greatly hindered the availability of the needed products.

We are now confronted with the possibility of the curtailment of an effective and much-needed program which has done much to provide a nutritionally balanced diet for so many Americans. The program, the commodity food distribution program, allows the U.S. Department of Agriculture to purchase agricultural food commodities and distribute the products to the authorized recipients—our schools, institutions, and needy organizations. The food commodities are also used for disaster relief distribution and other food assistance programs.

However, this program, authorized under Public Law 93–86, is due to terminate at the end of this fiscal year if Congress fails to extend its authority before that time.

I believe the program should be maintained. It is imperative that Congress act to extend the program, which has proven especially beneficial to so many schools, institutions, and organizations. Without these food supplements it will be nearly impossible for these groups to provide adequate meals at a reasonable cost. With the price of food skyrocketing, it would be prohibitive for individual recipients to purchase wholesome meals were it not for the commodity food distribution program.

In my own State of New Jersey, this program has been highly successful. By the end of fiscal year 1974, New Jersey will have received $7 million in Federal food. If the program is curtailed, only the school lunch program, receiving approximately $1 million in Federal foods, would be able to continue through fiscal year 1975. In order to continue providing the same level of nutritional care throughout fiscal year 1975 in New Jersey, the individual purchases of the food products needed for each recipient would far exceed that $6 million total.

I have received correspondence from the Secretary of the New Jersey Department of Agriculture, Phillip Alampi, providing extensive information on the USDA program in our State. I ask unanimous consent to have the letter from Secretary Alampi printed in the RECORD at the end of this statement.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. WILLIAMS. Mr. President, currently before the Senate Agriculture Committee is a legislative proposal which would extend the Commodity Food Distribution program through fiscal year 1975. I believe this is necessary. I have written to Senator ALLEN, chairman of the Subcommittee on Agricultural Research and General Legislation, which has jurisdiction over this legislation, expressing my support of the extension and encouraging subcommittee consideration.

I would also like to have a copy of my

correspondence to Senator Allen inserted in the Record at the end of this statement.

The PRESIDING OFFICER. Without objection it is so ordered.

(See exhibit 2.)

Mr. WILLIAMS. Mr. President, the curtailment of this program may mean the loss of special food programs for many citizens. At a time when food costs are so high, and the purchasing power of our citizens so greatly lessened, we must not eliminate a program which has helped so properly and adequately feed so many of our citizens. I deeply believe this worthy program should be extended through fiscal year 1975.

Exhibit 1

February 1, 1974.

Hon. Harrison A. Williams,
U.S. Senate,
Washington, D.C.

Dear Pete: This letter pertains to the curtailment of commodity food purchases by the U.S. Department of Agriculture if Section 4(a) of Public Law 93-86 is not extended beyond June 30, 1974.

Last year the Congress amended Public Law 93-86 through Section 4(a) of the Commodity Distribution Program and gave authority to the Secretary of Agriculture to purchase agricultural food commodities under Sections 32 (surplus) and 416 (price support), without regard to provisions of existing law, to maintain the annually programed level of assistance for schools, domestic relief distribution and other domestic food assistance programs as are authorized by law. See Enclosure No. 1 for information pertaining to Section 4(a) Commodity Distribution Program, Public Law 93-86 dated August 10, 1973. Areas that this curtailment will affect include:

(a) Public and non-public schools involving approximately 650 school districts or 1,800 schools with a total enrollment of 620,000 children. This includes child care centers.

(b) Institutions and agencies at local, county and State level with approximately 60,000 individuals participating. During the current fiscal year the State institutions and agencies will receive food items valued at approximately $1.0 million.

(c) Summer camps which include Boy Scouts, Girl Scouts and underprivileged children.

(d) Victims of numerous natural disasters that received hunger relief through the availability of reserve stocks of government donated foods. Examples: Manville, Bound Brook and North Plainfield during 1972-1973, and the Wilkes-Barre/Scranton area in Pennsylvania during the "Agnes Disaster." Approximately $100,000 of food was utilized to support victims of the "Agnes Disaster."

(e) Elderly Citizens—Currently 21 cities in the State of New Jersey have been approved to support elderly citizens with one meal a day for five days a week under the provisions of the Older Americans Act. This program involves thousands of elderly citizens throughout the State of New Jersey. The Department of Community Affairs has received $3.0 million from the federal government to support this program. In addition to the federal money, the Older Americans Act indicated that food commodities under the Federal Food Programs would be made available.

Mr. E. C. Reiss, our Coordinator for Federal Food Programs, is also the President of the Northeast Area Food Distribution Association comprising 14 northeastern states. During a U.S. Department of Agriculture conference in Baltimore, Maryland, on December 11, 1973, the Association adopted the attached Resolution—Enclosure No. 2.

Attached as Enclosure No. 3 is a breakdown in dollar value of the foods received by schools and institutions by county in fiscal years 1972 and 1973. Enclosure No. 4 indicates the total value of food received in fiscal years 1972 and 1973 and the estimated figures for 1974.

It is estimated that the State of New Jersey will receive $7.0 million in federal foods this fiscal year. If this program is not extended, New Jersey will lose approximately $6 million during fiscal year 1975. Only the school lunch program will continue to receive food support with approximately $1.0 million input by the federal government. Support to all other recipient public and private agencies will be discontinued on July 1, 1974.

We have been very active in the processing of federal food commodities into other end items, such as:

(a) Durum wheat—processed into macaroni, spaghetti and medium shells.

(b) Flour, shortening and dry milk into bread and bread products.

(c) Bulk soya bean oil into mayonnaise.

(d) Flour into cakes, cookies, crackers, pizza pies, soft pretzels, etc.

The above processed items means an additional monetary savings to all recipient agencies amounting to over $1.5 million. If Section 4(a) of Public Law 93-86 is not extended, all processing will be discontinued.

If the Federal Food Programs are not extended, New Jersey will lose from $6.0 to $8.0 million in food commodity support from the U.S. Department of Agriculture.

It is my recommendation that you, as a senator of the State of New Jersey, support the Resolution as written in Enclosure No. 2 and/or support the extension of Section 4(a) Public Law 93-86 for a period of two years during which time the Congress can determine "where the program is today and where the program is going in the future."

Sincerely yours,

Phillip Alampi.

Resolution Presented and Adopted Unanimously by All Members of the Northeast Commodity Distribution Association at Baltimore, Md., December 11, 1973

Whereas, historically the U.S.D.A. has purchased and distributed government-donated foods to needy persons in households, schools operating a non-profit school feeding program, non-profit summer camps for children, eleemosynary institutions, child care centers, orphanages, shelter houses and to the elderly; and

Whereas, the purchase of these foods has benefited our nation's agricultural economy through surplus removal, price support, and direct purchase programs; and

Whereas, the distribution of these foods has resulted in the establishment of an effective food distribution system throughout the nation which should be maintained at this time because of the uncertain directions of our economy and food production both nationally and world-wide; and

Whereas, the availability of reserve stock piles in States of government donated foods have frequently provided essential relief to hunger victims of numerous natural disasters; and

Whereas, the availability of these foods has made possible the service of nutritionally balanced meals to all eligible persons at low cost; and

Whereas, in 1973 the Congress and the President recognized the vital need of continuing these programs by expediting the passage of and enacting Section 4(a) of Public Law 93-86 which authorized the Secretary of Agriculture to purchase agricultural commodities from Section 32 and 416 funds without regard to any other restrictions in existing law for the purpose of maintaining an annually programmed level of food distribution assistance adequate to meet the nutritional needs of eligible groups; and

Whereas, more than ever with spiraling costs, schools, service institutions, child care centers, eleemosynary institutions, and summer camps continue to be dependent on the availability of government donated foods in order to maintain their food services at adequate nutritional levels; be it hereby resolved

That, The State Directors in attendance at this meeting reaffirm their belief that the U.S.D.A. has capably administered the donated food commodity program and be it further resolved

That, the Congress be requested to enact an extension of Section 4(a) of Public Law 93-86 so as to authorize a continuance of the commodity purchase program at existing levels through the fiscal year ending June 30, 1976.

VALUE OF COMMODITIES

County	Schools				Institutions	
	Fiscal year 1972		Fiscal year 1973			
	Sec. 6	Secs. 32 and 416	Sec. 6	Secs. 32 and 416	Fiscal year 1972	Fiscal year 1973
Atlantic	$46, 441	$163, 181	$41, 833	$122, 264	$13, 033	$13, 887
Bergen	79, 338	279, 049	70, 399	283, 678	13, 200	14, 489
Burlington	76, 090	246, 914	64, 907	242, 475	86, 297	89, 044
Camden	51, 643	179, 543	47, 362	208, 957	80, 011	45, 674
Cape May	29, 927	41, 777	10, 949	35, 263	28, 091	20, 421
Cumberland	79, 424	104, 742	31, 303	112, 559	194, 247	350, 783
Essex	147, 889	413, 484	69, 423	518, 689	111, 318	77, 748
Gloucester	37, 239	126, 353	34, 508	133, 043	2, 044	2, 505
Hudson	19, 020	77, 738	23, 637	65, 208	76, 346	43, 225
Hunterton	17, 257	64, 553	14, 458	74, 609	69, 222	48, 579
Mercer	56, 318	175, 642	53, 269	143, 581	245, 016	164, 468
Middlesex	95, 546	289, 382	86, 514	354, 180	60, 981	39, 160
Monmouth	73, 598	218, 516	60, 840	213, 050	62, 218	54, 761
Morris	64, 219	207, 816	52, 148	240, 465	162, 887	149, 548
Ocean	34, 758	87, 078	32, 144	93, 338	2, 455	3, 061
Passaic	58, 056	195, 201	56, 361	192, 612	38, 439	40, 311
Supplementary food program:					7, 412	5, 554
Salem	21, 265	73, 660	16, 034	67, 287	1, 452	2, 005
Somerset	32, 668	132, 940	29, 888	157, 552	28, 883	23, 760
Sussex	18, 711	61, 297	16, 449	87, 495	10, 134	16, 760
Union	62, 493	216, 506	55, 385	279, 272	104, 313	45, 075
Warren	13, 298	45, 349	12, 001	49, 618	8, 717	11, 430
Total	1, 115, 198	3, 400, 721	879, 812	3, 675, 195	1, 406, 716	1, 262, 248

EXHIBIT 2

MARCH 25, 1974.

Hon. JAMES ALLEN,
Chairman, Senate Subcommittee on Agricultural Research, Washington, D.C.

DEAR MR. CHAIRMAN: The curtailment of the U.S.D.A. Commodity Food Distribution Program, as authorized under P.L. 93-86 is due to expire on June 30. If not extended by Congress, it could result in the loss of special food programs for many of our citizens, who otherwise could not afford, or have access to, proper nutritional care. This program has proven to be beneficial to so many needy recipients, especially to those in our schools and institutions. Its importance is heightened during this time of spiralling food costs.

In my own State of New Jersey, the impact of the curtailment of this program will be substantial. I am enclosing for your consideration, a copy of an extensively detailed letter regarding this impact which I have received from the Secretary of the New Jersey Department of Agriculture, Philip Alampi.

I wish, therefore, to offer my support of the extension of this program beyond fiscal year 1974. I am hopeful that your Subcommittee will soon consider appropriate legislation authorizing that extension.

With best regards,
Sincerely,
HARRISON A. WILLIAMS.

TO OUR POLICEMEN

Mr. McCLELLAN. Mr. President, for a number of years it has been my privilege to sponsor and help process a number of legislative proposals aimed at improving the quality of law enforcement and at giving more effective tools to the policeman in performing his duty. In enacting proposals for the betterment of law enforcement we sometimes tend to lose sight of the individual officer who represents, in his own locality, the entire concept of law enforcement functions. Any innovative measures we may enact are only as effective as the individual officer who carries out his duty day after day.

I was very pleased to receive from Cpl. George A. Hall, of the Arkansas State Police, a poem written by a high school student—author unknown—as a part of a class project. This poem by a young student aptly expresses the appreciation and support we all want to see given our policemen today. I ask unanimous consent that the poem be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

TO OUR POLICEMEN
(Author Unknown)

Policemen or Cops,
They're one and the same.
It's up to the man to honor the name.

The "P" stands for the protection
you so readily provide.
The "O" is found in boldness,
It seems you never hide.

You never hide from danger
You don't try to hide from fate,
You stand in the face of prejudice,
You stand in the face of hate.

The "L" is for the liberties
That all of you protect,
The liberties we all take for granted,
or neglect.

"I" stands for the impossible feats
I've seen you do with ease.
"C" is for the compassion you show for those
in need.

"E" is for the energy
That seems to carry you through,
There's a certain air of confidence in everything you do.

The "S" in Cops stands for the suffering,
And the things you undergo,
With all that you must do to ease another's woe.

Although I may not show it,
I need and appreciate you,
And I'm ready to support you in everything you do.

TIME FOR CIA HEARINGS

Mr. PROXMIRE. Mr. President, it is time that Congress end its footdragging and schedule hearings on the Central Intelligence Agency.

The CIA Oversight Committees of both Houses of Congress have repeatedly postponed hearings on the CIA, even though several important bills have been introduced and referred to these committees. Even the Director of Central Intelligence, William Colby, has suggested changes in the CIA legislation, but still the oversight committees refuse to hold hearings.

It has reached the point where the only conclusion that can be drawn is that these committees are trying to protect the CIA from the legitimate calls for change from the rest of the Congress.

The recent court decision in the Marchetti book censorship case only reinforces the conclusion that many intelligence operations cannot be justified and are only classified because they are embarrassing to our Government.

The intelligence community is the only major segment of the Federal Government that does not come under continuing scrutiny of Congress. The CIA Subcommittee of the Senate Armed Services Committee, for example, only met with CIA witness twice in 1970, not at all in 1971, and once in 1972.

No staff members are allowed to attend these meetings. Transcripts are not taken. The pressures on any Senator or Member of Congress are such that without an able staff and without the memory of transcribed records, there can be no adequate oversight function. And without the proper oversight by Congress, the intelligence community can reign free—becoming involved in foreign policy matters, initiating military actions, and generally carrying out the wishes of two or three men in the executive department without any accountability to Congress or the people of America.

Until last year the oversight committees did not even know of the existence of the secret charter of the CIA set out in classified directives from the National Security Council. They neither knew about it nor had the foresight to ask questions about the authority of the intelligence community. At my prodding the committees finally reviewed these documents, but even now they are not allowed to be kept by Congress. They can only be read and then taken away. Certain other National Security Council materials relating to the intelligence community have never been shown to the committees.

The sad but truthful conclusion drawn from this lack of interest in the CIA is that the oversight committees have decided to look the other way—decided to not question or have knowledge of sensitive projects. Some members of these committees privately admit they would rather not know what goes on. That is the state of the oversight function.

CIA BUDGET HIDDEN IN OTHER APPROPRIATIONS

Money for the intelligence agencies comes out of the budgets of other Government departments. Not even the directors of the agencies involved always know that some of their funds are being siphoned off. And many subcommittee chairmen in Congress are not aware that they are approving appropriations for intelligence agencies under the sleight-of-hand procedures in the CIA Act of 1949.

The CIA acts under orders from the President, orders that are not always made known to Congress. The potential for abuse is enormous. Someday, some President could put these latent powers to his personal service or in other ways subvert the constitutional procedures we have erected for our own safety. The language of the 1947 National Security Act could be interpreted so broadly as to allow almost any illegal activity by the CIA or other intelligence units here in the United States as well as abroad. Only the good sense of the leadership of these agencies and the executive department prevents this from happening.

But history is not replete with examples of good sense holding sway for long periods. Therefore, Congress must act now to close the loopholes and put teeth in the oversight functions.

Specifically, the aggregate intelligence budget should be made public year by year and funded on its own merits in its own appropriations bill. Major "cloak and dagger" operations overseas should be reported to Congress in advance so that they can be compared with our foreign policy directives. Intelligence collection should continue as before but the meddling in the affairs of foreign nations for political or economic reasons should be prohibited.

CONGRESSIONAL MEDAL OF HONOR DAY AND UNITY DAY INTERFAITH CEREMONY

Mr. JAVITS. Mr. President, this June 24, the Fort Wadsworth Committee for a "Living National Park Memorial" will hold a Congressional Medal of Honor Day and Unity Day interfaith ceremony to commemorate Congressional Medal winners and members of the armed services.

I ask unanimous consent that a copy of the letter from the committee to me discussing the ceremony and a list of the committee members be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

FEBRUARY 25, 1974.

Hon. JACOB K. JAVITS,
U.S. Senator,
New York, N.Y.

DEAR SENATOR JAVITS: The Fort Wadsworth Committee for a "Living National Park Memorial" (1636 ——) held a "Congressional Medal of Honor Day" and "Unity

Day" Interfaith Ceremony on June 24, 1973. Its purpose was to encourage all Americans to pause at 2:00 P.M., E.S.T., in one minute of silent meditation for our "bravest of our brave" . . . the Congressional Medal of Honor recipients and all past, present and future servicemen and servicewomen. Twenty-five States (Alabama, Arkansas, Florida, Georgia, Hawaii, Illinois, Indiana, Iowa, Kansas, Louisiana, Missouri, Montana, Nebraska, Nevada, New Jersey, New Mexico, Ohio, Rhode Island, South Carolina (Statement), South Dakota, Tennessee, Utah (Declaration), Washington (Statement), Wisconsin and Wyoming), The City of New York, Nassau County and the Borough of Richmond proclaimed this day and it was recognized by Alaska and North Dakota . . . messages were sent from New York and Ohio. With so fine a response we hope to have June 24th proclaimed a National Holiday . . . "Congressional Medal of Honor Day" and "Unity Day"!

This June 24, 1974 a similar ceremony will be held on our oldest continuously manned military installation and again our POWs and MIAs will be remembered in prayer.

With appreciation and very best wishes,

Sincerely,

LEO A. BOLLER,
Chairman.

FORT WADSWORTH COMMITTEE FOR A "LIVING NATIONAL PARK MEMORIAL"

Leo A. Boller, Chairman, Retired-N.Y.C. Police Department, Member of Honor Legion of Police Dept.

Ann J. Boller, Vice Chairman and Secretary.

Loring McMillen, Committee's Historian, Director, S.I. Historical Society, Richmondtown, N.Y., ARBC.

Oliver Jensen, Editor, American Heritage Publishing Co., Inc., Fifth Avenue, New York.

William E. Milacek, Commander, Catholic War Veterans, Department of New York State.

Raymond C. Fingado, Administrative Assistant, S.I., N.Y. Historical Society, Richmondtown.

Nathan L. Wolfson, Commander, Jewish War Veterans, Department af New York State.

Frank F. DiSogra, Commander, Veterans of Foreign Wars, Richmond County Council, S.I., N.Y.

Karl B. Justus, Executive Director, Military Chaplains Association of U.S.A., Washington, D.C.

Robert W. Garlinger, Commander, The American Legion, Department of New York State.

Warren S. Woodward, Exec. Sec., National Society Sons American Revolution, Natl. Hdqrs., Washington, D.C.

Frank J. Schira, Exec. Director, National Police Officers Assoc. America, Natl. Headquarters, Florida.

Kenneth T. Jackson, Sec.-Treas., Society of American Historians, Columbia University, New York.

James H. Driscoll, Secretary, National Democratic Club, Madison Avenue, New York.

Robert D. Carter, Acting Executive Director, Blinded Veterans Association, Washington, D.C.

Edward S. Malone, Past National Executive Committeeman, Disabled American Veterans, New York.

J. B. Koch, Commander, Veterans of World War I of U.S.A., National Headquarters, Alexandria, Virginia.

Edward J. Kiernan, President, Patrolmen's Benevolent Association of N.Y.C. Police Department.

Thomas J. Mooney, Vice President, United States National Student Association, Washington, D.C.

Frank C. Fini, Executive Director, Air Force Sergeants Association, Washington, D.C.

Margaret S. Cirbus, Corresp. Secretary, Soroptimist Club of S.I., N.Y. (Professional & Business Women).

Louis R. Bruce, Commissioner, Bureau of Indian Affairs, U.S. Dept. of Interior, Washington, D.C.

John M. York, Commander, Veterans of Foreign Wars, Department of New York State.

Howard H. Spooner, Commander, Veterans of World War I of U.S.A., S.I. Barracks No. 2524, S.I., N.Y.

Vincent A. Tabano, President, The Honor Legion of the Police Department of the City of New York.

Colonel Harold G. Barry, The Chief Secretary, The Salvation Army, Territorial Headquarters, N.Y.

Henry Allen Moe, President and Board Chairman, New York State Historical Association, New York.

Francis L. Butt, National Commander, The Boys' Brigade of America, Baltimore, Maryland.

Floyd B. Taylor, National Park Service Landmarks Specialist, U.S. Dept. of Interior, N.P. Service, N.Y.

William B. Flynn, President, Retired Patrolmens Association, Inc., N.Y. Police Department, N.Y.

Steve Hallock, National Adjutant, Army and Navy Union, U.S.A., National Headquarters, Niles, Ohio.

Salvatore Violante, Commander, Disabled American Veterans, Astoria Chapter No. 29, Long Island City, N.Y.

John M. Murphy, Member of Congress, Congress of the U.S. House of Representatives, Wash., D.C. (S.I.).

James A. McDivitt, BG–USAF, Apollo Spacecraft Mgr., Natl. Aeornautics & Space Administration, Houston, Texas.

Hallett D. Edson, BG-Ret. Exec. Vice Pres., National Association for Uniformed Services, Arlington, Va.

William C. LaMorte, President, Kiwanis Club of North Shore Staten Island, York Avenue, S.I., N.Y.

John T. Satriale, Esq., Former N.Y.S. Assemblyman, New York, New York; ARBC.

Rabbi William Berkowitz, President, The New York Board of Rabbis, Inc., New York, New York.

J. Joseph Smith, Past County Commander, Chairman Life Membership Committee, Dept. of New York, Vets of Foreign War.

Alfred M. Francia, Chef DeGare, Societe 40 Hommes, 8 Chevaux (The Forty & Eight), The American Legion, Loc. 595, S.I.

August Heckscher, Administrator, Commissioner of Parks, The City of New York, Parks, Rec. & Cultural Affairs.

Charles Phillips Sturges, Governor General, General Society of Colonial Wars, Chicago, Illinois.

Bernard Berggren, Area Vice President, Area II, American Association of Retired Persons, S.I., N.Y.

Dr. James J. Flynn, Chairman, History & Political Science Dept. St. Francis College, Bklyn.; Historian of Queens; ARBC.

Lester L. Wolff, Member of Congress, Congress of the U.S. House of Representatives, Wash. D.C. (Queens).

Rev. Edward Lodge Curran, Ph.D., Pastor, St. Sebastian's Roman Catholic Church, Woodside, N.Y.; ARBC.

George Meany, President, American Federation of Labor & Congress of Industrial Organizations, Wash., D.C.

Harold B. Say, Editor, The Stars and Stripes, The National Tribune, Washington, D.C.

Matthew J. Troy, Jr., Councilman, The City of New York, 16th District, Queens, N.Y.; ARBC.

George O. Pratt, Jr., Director, Staten Island Institute of Arts and Sciences, S.I., N.Y.

Alexander B. Lyon, Jr., Vice President of Corporation Trust, Dept. of Chemical Bank, N.Y.; Treasurer of ARBC.

Rabbi I. Usher Kirshblum, Jewish Center of Kew Gdns. Hills & Vice Pres. of Queens Interfaith Clergy Council; ARBC.

Edward Whitney, President, The Citizens Committee of Brooklyn, Inc., Brooklyn, N.Y.; ARBC.

Barry Goldwater, United States Senator, Arizona, United States Senate, Washington, D.C.

Joseph J. Richie, Adjutant, Staten Island Detachment #1, Marine Corps League, Staten Island.

Orvall A. Taylor, Lt. Colonel, Commander, Greater New York Unified Command, The Salvation Army.

Peter Holowecki, Commander, The American Legion, Williston Post #144, Williston Park, LI, N.Y.

John P. Tipping, County Commander, The American Legion, Nassau County, Long Island, New York.

Stanley K. Hathaway, Governor, State of Wyoming, Executive Department, Cheyenne, Wyoming.

Jacob K. Javits, United States Senator; New York, United States Senate, Washington, D.C.

Ralph G. Caso, Nassau County Executive Mineola, N.Y.; Chairman of Metropolitan Regional County.

Robert B. Docking, Governor, State of Kansas, Office of the Governor, Topeka, Kansas.

Neil G. Knowles, National Commander, Catholic War Veterans of USA; National Headquarters, Wash., D.C.

Dr. Joseph J. Palisi, Borough Historian of Brooklyn, Borough Hall, Brooklyn, New York.

Joseph Jastry, Department Commander, AMVETS Department of New York, Hamburg, New York.

Donald R. Sloane, President, Sons of the Revolution in the State of New York, Fraunces Tavern Museum, N.Y.

Amadeo F. Rodriguez, Commandant, Greater N.Y. Detachment #1, Marine Corps League, N.Y. County, N.Y.

WAGE AND PRICE CONTROLS

Mr. BAYH. Mr. President, the time has come to discontinue broad economic controls. The administration's half-hearted attempt at an anti-inflation policy has completely collapsed. The cost of living climbed more than 10 percent in the past 12 months—the first double-digit rate of inflation in consumer prices since 1948. At the same time, the administration has closely monitored wage settlements to be certain they have conformed to a general guideline of 5.5 percent. The inevitable result—real spendable income of workers has dropped 4.5 percent below a year ago.

Wage and price controls can serve a useful but limited purpose. Our economy is too complex, however, to be successfully controlled for long periods of time. And as the American worker is painfully aware, inequities necessarily result when controls are not applied across the board—and administered fairly. In the case of the Nixon policy, neither standard was met—and on top of that, the President's own advisers worked feverishly to undercut the policy. Dismal failure was predictable.

I am firmly convinced, however, that there is every reason to temporarily continue controls on one particularly crucial sector of the economy—energy. Fuel prices alone now account for approximately one-third of our current inflation, and the price of energy is still going up. Moreover, we are dealing with a situation where a few large multinational oil companies control the production, refining, and distribution process for a good portion of all of our energy products. The FTC has charged these companies with anticompetitive practices. In order to offset the heavy concentration of private power in this vital sector, the public interest requires the Federal Government to play a role in the economics of energy.

This administration's record with regard to wage and price controls indicates that the American people, laborers and businessmen alike, would be better served by a return to a decontrolled economy. A more flexible policy, hopefully, would also lead to increased production in the few critical areas where shortages have developed.

STATEMENT OF POSITION ON VOTE

Mr. PELL. Mr. President, yesterday on rollcall vote No. 139, I was necessarily absent from the Senate. The vote was on a motion by the distinguished senior Senator from Rhode Island. I wish to state that had I been present, I would have voted in the affirmative.

PETROLEUM INDUSTRY PROFITS

Mr. BARTLETT. Mr. President, Mr. John Winger and his associates of Chase Manhattan Bank have long been authorities on the capital requirements of the oil and gas industry. Yesterday, Chase Manhattan released yet another informative study about the complex and much misunderstood petroleum industry. This study is an objective analysis of recent petroleum industry profits and future consequences inherent in Government's present approaches to solving the energy shortages.

Mr. President, I sincerely urge all my colleagues to study the Chase Manhattan Bank's "The Profit Situation" and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the study was ordered to be printed in the RECORD, as follows:

THE PROFIT SITUATION

(By John Winger and Associates)

PROFITS AND THE ORDINARY MAN

Ask any man what he would need first if he wanted to get into the petroleum business. He would be virtually certain to say money. He would know he could not start the business without money. And he would also know he would need more money to keep the business going and still more to make it grow.

Ask him where he would get the money, and he would be likely to say that he would have to provide most of it himself from his accumulated earnings. He would probably know he could borrow some—but only if he could prove to the lender his ability to repay the loan out of future profits.

Because he obviously must depend upon them so much, ask him to define profits. Again, he would be likely to respond correctly. He would know that, of the money he took in from the sale of petroleum, only the amount remaining after paying all the costs of doing business, including taxes, would represent his profit. He would be likely to understand that he could expand his business only if his profits were large enough. And he would also recognize that his business would fail if his profits were too small.

Despite the fact that most people readily understand their own needs for an adequate income, whether it be salary or profits, many fail to recognize the equal needs of others. Indeed, the extent of the failure to understand the vital importance of the role played by profits in the free enterprise system is appalling. Because that lack of understanding is now so great, it constitutes a significant threat to the continued existence of the economic system that has served the people of the United States so well in the past.

THE FREE ENTERPRISE SYSTEM

The American economy has been called the eighth wonder of the world because it is based on a historically revolutionary idea: that a society can function, prosper and grow on the basis of free economic choices by individuals. The market place—not government planning—regulates the economy. The desire for private gain and fulfillment, not decree or coercion, is the motivating force. It is a system that has brought to the American people the highest standard of living anywhere on earth. It has worked well because for the most part it has been permitted to function with a minimum of intervention by government. Yet, despite the demonstrated merits of the system, disturbing changes are being introduced. With increasing frequency governmental intervention is being substituted for the free choice of individuals in the market place.

ECONOMIC ILLITERACY

If asked, a vast majority of the people of this nation would doubtless say they believed in the free enterprise system. But how many really understand how it functions? Only a small proportion of all high school and college graduates have ever taken a course that explains the free enterprise system in a meaningful fashion. Former Secretary of Commerce Luther Hodges once said, "If ignorance paid dividends, most Americans could make a fortune out of what they don't know about economics."

Among the most disturbing effects of economic illiteracy is the widespread misunderstanding of the role profit plays in the free enterprise system. In the minds of far too many, unfortunately, profit is a dirty word. There is the strong tendency to think of profits as funds left over from the operations of a business—money to be utilized for any unrelated purpose. Profits, therefore, are regarded as something a business does not really need, or at least something that can be reduced without serious consequences. Many, though they endorse the free enterprise system, nevertheless reject profits. Apparently, their lack of knowledge of economics leaves them unprepared to understand that the American economy cannot function without capital—and there can be no capital without profits. Indeed, there is the shocking evidence that some are not even able to distinguish between gross revenue and profits.

HOW MUCH PROFIT?

Even among those who understand the need for profits, there is often the failure to recognize that profits must also grow. With each passing year, our needs for goods and services rise. And if they are to be satisfield in full, our economy must also grow. But it cannot if profits do not expand too. Yet, from sources not truly qualified to judge, we frequently hear that profits are too high.

How should the adequacy of profits be judged? There is no simple or permanent benchmark. Under one set of circumstances, profits of a certain size could be judged sufficient. But, given changed circumstances, the same amount of profit could be either too little or too large. No meaningful conclusion can be drawn from a mere measurement of an organization's profits for a limited period of time or the amount of increase over the preceding period. Nor is the rate of return on invested capital by itself a sufficient guide. A knowledgeable management, thoroughly acquainted with every facet of a company's operations and with a carefully planned and detailed projection of future capital expenditures, knows what level of profits will be necessary. But the casual observer cannot possibly know. If the profits have been sufficient to provide and attract all the capital required for an extended period of time, they may be deemed to have been adequate—for that period. But, if the company's business is growing, the same amount of profit would be inadequate to serve future needs.

A DANGEROUS SITUATION

The inability to judge the adequacy of profits fairly with only a superficial examination has never been more apparent than at present. The public attitude in respect to the profits of the petroleum industry reveals clearly how dangerous a small amount of information can be. Usually, the earnings of the petroleum industry go largely unnoticed. Brief reports appearing in the business section of newspapers attract mainly the attention of investors and are ignored by most other readers. But, a combination of abnormal factors in 1973 caused earnings to be much larger than in 1972. Because the newsmen—and many politicians—have focused a great deal of attention on the size of individual petroleum company profits, public awareness is much greater than usual. And there is no doubt that much of the public now considers the earnings excessive. Coupled with the current shortages of petroleum products, all the publicity relative to earnings has created the impression that petroleum companies are engaged in profiteering. That belief is doubtless shared by many representatives of government. And many obviously believe punitive actions against the industry are therefore necessary.

Considering the widespread failure to understand the true function of profits in the free enterprise system, the attitude of the public is not surprising. But the American people are entitled to a much greater insight on the part of their elected and appointed representatives in government. Unless they fully understand the nation's chosen economic system and unless they ascertain all the facts before they act, these officials run the risk of setting in motion forces that are likely to prove highly detrimental in the longer run. Because its economic and social well-being is so highly dependent upon an adequate supply of petroleum, the nation can no longer tolerate political blunders that jeopardize that supply.

There is, therefore, an urgent need to publicize the underlying factors responsible for the unusual level of earnings experienced by petroleum companies in 1973. For that reason, this special report is presented in the hope that the information it contains will contribute to a more accurate and broader understanding of all that is involved. The information is drawn from a financial survey of a large group of petroleum companies conducted continuously by this bank for nearly four decades. Currently, the group is comprised of 30 companies of various size. Together, they represent a major proportion of the entire petroleum industry throughout the non-Communist world. Not all of the companies have completed the auditing of their books nor have they all reported to their shareholders. Therefore, the figures cited in this report are necessarily of a preliminary nature. Although the final data may prove to be slightly different, the variation is not likely to be sufficient to alter the conclusions presented here.

THE FACTORS

It is important to recognize at the outset that the group of companies does business throughout the entire non-Communist world and that the operating conditions in 1973 outside the United States were vastly different than within. The growth of demand for petroleum was strong in the United States—but it was much stronger in the rest of the world. Market needs in the United States increased by nearly a million barrels per day and elsewhere they rose by more than two million a day. Gains of that magnitude, of course, could alone produce a substantial increase in earnings without any change in the price of petroleum.

But, for several reasons—mostly abnormal—there were price increases also. A gradually evolving shortage of petroleum has been apparent for many years. For the most part, that development has been regarded with complacency in the United States. In most of the rest of the world, however, the degree of awareness has been much greater. And mounting apprehension about the scarcity of supply caused prices to advance in many of the world's markets during 1973.

Largely because of governmental restraints on the generation of capital over the past two decades, it has not been possible to increase the production of petroleum in the United States in recent years. And all of the expansion of market needs, therefore, has had to be satisfied with imported oil. That means the United States has recently started to compete much more aggressively with other importing nations for available foreign supplies. And that competition in 1973 gave rise to even greater concern within other nations about the adequacy of their oil supply. They reacted by increasing their stockpiles of oil and bidding up prices further in the process.

Governments of several major oil producing nations were also responsible for higher oil prices in 1973. To varying degrees and in several stages they enlarged their ownership of the petroleum operations within their borders and in the process dictated very large increases in the price of crude oil. Under the terms of the varied and complicated formulas that establish the relationship of governments and the operating petroleum companies, most of the benefits of the price changes went to the governments, but some accrued to the companies too.

During 1973, governments of some of the oil producing countries made threats to cut off the flow of oil. Such warnings, of course, contributed to the apprehension within the importing nations about the continuity of their oil supply. And, as a consequence, the governments of the importing nations compelled petroleum companies to maintain exceptionally large inventories. As the price of oil progressively rose in the world's major markets in response to both the forces of supply and demand and the unilateral actions of government, the value of inventories increased too. And that development was naturally reflected in the gross revenue of the petroleum companies involved.

Early in 1973 the dollar was devalued. And, in the process of the necessary conversion from various other currencies, dollars were automatically increased on the books of many petroleum companies. Thus, an action of the United States Government contributed directly and significantly to the growth of earnings of those companies.

The strong worldwide growth in the demand for petroleum in 1973 caused tanker rates to soar to record highs after being at subnormal levels the year before. Consequently, the transportation operations of many of the petroleum companies became substantially more profitable than they had been.

After being in the doldrums for several years, the petrochemical operations of the petroleum companies staged a strong recovery in 1973. And the earnings from those operations, therefore, were significantly better than in the previous year. The impetus for the recovery was provided by both a strong demand for chemical products and a shortage of supply.

MORE MONEY AND WHERE IT WENT

As the foregoing commentary reveals, there were several unusual developments in 1973 which together led to a larger than usual increase in the gross operating revenue of the group of petroleum companies. The actual size of that increase is measured in the following table:

GROSS OPERATING REVENUES

	In millions		Change from 1972	
	1973	1972	Million	Percent
United States	$55,810	$47,639	+$8,171	+17.2
Rest of world	76,245	56,520	+19,725	+34.9
Total	132,055	104,159	+27,896	+26.8

The table reveals that the companies received much more revenue outside the United States than within. And, because of the abnormal developments cited earlier, nearly three-fourths of the increase in revenue occurred outside the United States.

Normally, as the scope of their business expands, the operating costs of the companies rise too. In 1973, however, the increase of 21 percent was proportionately larger than the growth of their business operations. But, even so, the rise in costs was still not as great as the expansion of operating revenue. Consequently, the group's pre-tax income was 54 precent larger than in 1972.

Unfortunately, there is a widespread failure to recognize that taxes are one of the costs of doing business. But they are, of course. And, like all other costs, they must be recovered in the price paid by the consumers of petroleum. Otherwise, the business operations simply cannot remain viable for long. Therefore, whenever governments impose higher taxes on petroleum companies, they are actually imposing those taxes indirectly on consumers. And, if consumers had a better understanding of this, they would doubtless protest vigorously.

When pre-tax income increases, income taxes go up too, of course. And income taxes also rise as a result of governmental actions. For the latter reason, income taxes have been the fastest growing cost of doing business for the petroleum companies. And, in 1973, the group turned over as much as 56 percent of its pre-tax income to governments in the form of income taxes. The payment amounted to 14.8 billion dollars—4.5 billion more than in 1972.

Petroleum companies do in fact pay additional taxes that are not imposed on most other businesses. They include such levies as production, severance, and ad valorem taxes. In 1973, these additional taxes amounted to 6.0 billion dollars for the group of companies. Their total tax payment in 1973, therefore, came to 20.8 billion dollars—5.4 billion more than in the previous year.

Of the total 1973 operating revenue, 75.3 percent was required to pay day-to-day operating costs. Taxes took 15.8 percent. And the remaining 8.9 percent represented the group's profits. Each of these elements increased in 1973 as indicated in the following table:

[In million dollars]

	United States	Rest of world	Worldwide
Gross operating revenue	+8,171	+19,725	+27,896
Operating costs	+6,627	+11,001	+17,628
Direct taxes	+846	+4,560	+5,406
Profits	+698	+4,164	+4,862

Obviously, higher operating costs absorbed a major portion of the revenue increase both within and outside the United States. Also, taxes increased more than profits in both areas. And, of the total growth in profits, the great bulk—more than 85 percent—occurred outside the United States. The next table compares the actual amount of profits in both areas in 1973 with the net earnings in the year before:

Profits	In millions		Change from 1972	
	1973	1972	Millions	Percent
United States	$4,354	$3,656	+$698	+19.1
Rest of world	7,368	3,204	+4,164	+130.0
Worldwide	11,722	6,860	+4,862	+70.9

The average changes shown in the table reflect widely varied results for the individual companies ranging from very large gains to very large declines.

WHY PROFITS INCREASED SO MUCH

In 1972, more than half of the group's over-all profits—53 percent—were earned in the United States. But, in 1973, the proportion dropped to only 37 percent. For the most part, that major shift reflected the impact of the various abnormal forces operating in 1973.

Devaluation of the dollar had the single greatest effect. Indeed, nearly one-fourth of the worldwide increase in profits can be attributed to devaluation alone. About one-sixth of the profit gain was brought about by the increase in the value of inventories following the progressive firming of petroleum prices in most of the world's markets throughout the year. As explained earlier, the price changes were the result of both economic and political forces. Historically, the profitability of both the petrochemical and tanker operations of the companies has ranged from extremely poor to extremely good. It is unusual, however, for both operations to stage a strong recovery in the same year, as was the case in 1973. Because these activities did recover at the same time, they also contributed substantially to the expansion of the group's profits.

Four of the thirty companies in the group are European rather than American organizations. Their earnings have fluctuated widely in recent years and in 1972 they were severely depressed. Because of the unusual developments in 1973, the earnings of these four companies were much improved and that recovery alone accounted for more than one-third of the profit gain for the entire 30 company group.

The growth of demand for oil continued unabated in 1973. Worldwide needs were 3.2 million barrels per day larger than in the year before. And, with that much additional oil moving to market at price levels that averaged higher than in the previous year, a substantial increase in profits was a perfectly normal consequence.

When considered superficially, a 71 percent increase in profits appears excessive. But, an analysis that is limited solely to the change for a single year is not only foolish and grossly misleading but can also be dishonest. If petroleum companies are to serve the expanding needs of consumers, they must make long range investment plans. And those plans must necessarily be based upon the average growth of profits over a long period of time—not just the increase in a single year. For the past five years, including 1973, the group of companies achieved an average annual growth in earnings of 12.0 percent. For the past ten years, the annual growth has averaged 9.9 percent. In both cases, the average increase fell far short of the growth required to provide the capital funds needed to keep pace with the expansion of petroleum demand.

Within the United States alone the longer term growth of profits has been even less favorable. Although the group's earnings in

1973 were 19.1 percent higher than in the year before, they were only 11.3 percent higher than five years earlier. And the average annual growth for the past five years has been only 2.2 percent. Over the past ten years the average growth has amounted to no more than 6.2 percent. Clearly, the United States cannot possibly achieve the higher degree of petroleum self-sufficiency it so urgently needs if profits continue to grow at such slow rates. Not nearly enough capital can be generated internally nor will capital from outside sources be attracted. There are many opportunities for investment in the United States that are much more attractive.

A RISKY BUSINESS

A high degree of risk has always been a characteristic of the petroleum business. There is the continuous risk of spending vast amounts of money on the search for petroleum without finding any. And there are also the political risks which take various forms. The most obvious is the outright confiscation of assets by government. More subtle but no less damaging are those actions of government that interfere with the highly essential process of capital formation. Both kinds of political risk continue to exist right up to the moment. Because of these risks, petroleum companies need to achieve a higher return on their investment than most other industries. For many years, however, the return on average invested capital for the group of companies has been too low relative to their risk element. In 1972 it was only 9.7 percent and substantially below the return for many other industries with much less risk. The higher level of profits in 1973 brought the group's worldwide return up to 15.6 percent. At that level it was within the range considered necessary to generate the required capital funds.

In the United States, however, the rate of return remained too low. It increased from 9.6 percent the year before to 11 percent in 1973. At that level it was still substantially below the return for most other industries with a lower degree of risk. For the most part, the poor return in the United States in 1973 and in the past was the direct result of governmental interference with the operations of the nation's chosen economic system.

ABOUT THOSE TAXES

As noted earlier, the group's taxes increased more in 1973 than its profits—both in the United States and in the rest of the world. Indeed, taxes have increased more than profits for many years. The following table illustrates the degree of increase over the past five years.

	In millions		Change from 1968	
	1973	1968	Millions	Percent
Profits	$11,722	$6,664	+$5,058	+75.9
Direct taxes	20,845	7,276	+13,569	+186.5

Clearly, governments are benefiting far more from the operations of the companies than the companies themselves. In the United States alone, total direct taxes rose by 33.1 percent in 1973 compared with the 19.1 percent gain in profits. Income taxes were up 72.9 percent. Over the past five years direct taxes in the United States increased by 1,343 million dollars or 65.2 percent compared with the profit gain of 441 million dollars or 11.3 percent. Income taxes alone increased by 304 million dollars or 97.2 percent during that period.

In addition to the direct taxes they pay, the companies transfer to governments an enormous amount of money in the form of excise taxes. In 1973 the excise taxes amounted to 26.4 billion dollars—10.1 billion in the United States and 16.3 billion in the rest of the world. The total taxes taken in by governments as a result of the group's operations in 1973 amounted to 47.2 billion dollars—13.5 billion in the United States and 33.7 billion in the rest of the world. Of the total taxes paid, the major portion went to the governments of the petroleum importing nations. Indeed, the tax receipts of government in the United States alone exceeded those of all the major producing countries together. Compared with the year before, the tax revenue of governments increased by 9.4 billion dollars. Over the past five years governments took in 172.7 billion dollars in taxes. The profits of the companies over the same period amounted to 39.2 billion dollars. By any test, governments have fared exceedingly well.

It should be readily apparent that the more money governments take from the companies in the form of taxes the less there is available for capital investment. When governments increase taxes they reduce profits and thereby create an immediate need for the companies to offset the loss by raising petroleum prices in an effort to restore their profits. But, if governments apply price controls or otherwise limit profits, the companies cannot offset the loss of capital funds caused by the tax increase and they are then forced to curtail their capital investment. Obviously, the companies cannot invest money they do not have.

THEY SPEND MORE THAN THEY EARN

Historically, there has always been a very close relationship between capital expenditures and profits. As one of the charts in this report clearly reveals capital expenditures rise and fall with net income. Also indicated is the fact that the group's capital expenditures are much larger than its profits. The following table compares the actual amount of profits and capital expenditures over the past five years.

[Dollar amounts in millions]

	Profits	Capital expenditures	Expenditures over profits	
			Amount	Percent
United States	$18,883	$34,102	+$15,219	+80.6
Rest of world	20,308	30,000	+9,692	+47.7
Worldwide	39,191	64,102	+24,911	+63.6

As the table reveals, the companies invested nearly two-thirds more money in the past five years than they generated in profits. And in the United States they spent nearly twice as much as they earned. In fact, well over half of their worldwide investment was made in the United States even though their profits were larger in the rest of the world. The companies were able to invest more than they earned only because they could obtain part of the money they needed through the mechanism of capital recovery and another part by borrowing.

THE IMPORTANCE OF PETROLEUM

The satisfaction of virtually all needs for goods and services throughout the world depends upon the use of energy. Without a sufficient supply of energy, the developed nations of the world cannot maintain their existing standard of living and the less developed nations will not be able to achieve the economic and social gains they so urgently need. The liquid form of oil makes it by far the most versatile of all energy sources. Our studies reveal that the world will depend upon oil alone to satisfy well over half of its energy needs between 1970 and 1985. The world's requirements for petroleum in that time will be nearly three times greater than in the preceding fifteen years. Even if the demand for oil stopped growing, the consumption would still be almost twice as large as in the preceding fifteen years.

All of the existing proved reserves of oil throughout the entire non-Communist world are not now sufficient to satisfy the worldwide needs between 1970 and 1985. If those needs are to be satisfied and a realistic level of underground inventories maintained, the petroleum industry will have to find twice as much oil between 1970 and 1985 as it discovered in the preceding fifteen years. The estimated cost of finding that much oil and providing all the additional facilities required to satisfy the world's expanding markets plus the other essential financial needs of a viable business operation will amount to well over a trillion dollars. That is about four times the amount of money the industry utilized in the preceding fifteen years. In the United States alone, the petroleum industry's financial needs will exceed half a trillion dollars.

Raising that much money will represent an enormous task. Part of it can be borrowed but at least three-fourths will have to be generated internally from profits and capital recovery. Nearly half must be obtained from profits alone, and profits will have to grow much faster than in the past. The rate of return on invested capital will need to range between 15 and 20 percent.

THE ROLE OF GOVERNMENT

But, if obstacles are raised by governments, and the petroleum industry is therefore prevented from generating all the capital funds it needs, it will be unable to serve the world's markets—a progressively worsening shortage of petroleum will surely evolve. The United States is now faced with a shortage of all forms of energy and the blame for that condition must be laid almost entirely at the doorstep of government. For nearly four decades, government has broken economic laws repeatedly and has compiled an appalling record of interference with the normal operations of the free enterprise system. Yet, against that background, many representatives of government are currently exhibiting an incredible determination to take further actions that are certain to prove highly detrimental to the nation.

The temper of the times is dangerous. And government should be acting with utmost care. It ought to be making a thorough, well-reasoned, and open-minded assessment of all the abnormal forces at work in 1973. In addition, it should be conducting an equally honest examination of its own role in bringing about the energy shortage. Good government demands nothing less. But we are not witnessing actions of that nature. Instead, there appears to be an impulsive rush to take punitive actions—actions apparently motivated primarily by the growth of petroleum company profits in 1973. There are few signs of a truly meaningful effort to seek the facts. Hearings abound. But the politically charged, theatrical atmosphere of the typical Congressional hearing does not provide an opportunity for the effective development of factual and relevant information. Sincere and earnest efforts to gain information can be accommodated far better with other methods.

Among the punitive actions proposed are limitations on both capital recovery and profits. Government appears unmindful of the serious consequences of restricting the petroluem industry's ability to generate capital funds. Apparently, there is little understanding that a worsening shortage of petroleum would be the inevitable outcome. Nor does it seem to be understood that the nation's economy would surely suffer as a result of the petroleum shortfall and that tax receipts would then decline, leaving government less able to carry on its legitimate functions.

The sequence of events in prospect are cause for much alarm. And, if government acts to set them in motion, the nation will be faced with a prolonged period of hardship. That is not to say, however, that the ultimate result would be doom. As the problems worsen, the seeds of correction will begin to grow. Consumers will not tolerate shortages of petroleum, or other forms of energy, indefinitely. They will insist that their needs be satisfied. At the present time, they are angry at the petroleum companies, as well as the electric and gas utilities because of shortages and rising prices. And the punitive actions being considered by government appear to manifest in part a desire to cater to the public attitude for reasons of political expediency. But the punitive actions will not solve the problems—they will only make them worse. And, when conditions do not improve, consumers will seek a new villain. By then, the only one available, of course, will be government.

By resorting to their most potent weapon—their votes—consumers can bring about change; they can set in motion powerful forces of correction. In response to their needs and demands, men and women with a more positive attitude toward the free enterprise system and the needs for capital can be attracted to government service. And, in time, the United States can stage a gradual recovery and again achieve a high degree of self-sufficiency relative to the supply of petroleum and other forms of energy. The nation does not lack basic energy resources to be developed—all that is required is sufficient capital funds and freedom to act.

But the time required to attain that goal will be long and painful. Favorable results could be achieved sooner if only government would recognize immediately the urgent need to work constructively with all the energy industries for the over-all good of the nation rather than continuing in an adversary posture.

ALTERNATE SOURCES OF ENERGY

Mr. GRAVEL. Mr. President, a report full of good news about solar energy has been lying in the AEC's Public Document Room since December 1973.

On March 26, Senator HUMPHREY put its introductory section into the CONGRESSIONAL RECORD, pages 8097–8100. On April 1, Senator ABOUREZK put the report's section 3 on solar thermal conversion, and section 7 on photovoltaic conversion, into the RECORD, pages 9061–9068.

The report was made to AEC Chairman Dixy Lee Ray by her Subpanel IX on Solar and Other Energy Sources. The panel's best news for Americans was this:

> At an average energy conversion efficiency of 5%, less than 4% of the U.S. continental land mass could supply 100% of the Nation's current energy needs. Thus, solar energy could contribute significantly to the national goal of permanent self-sufficiency while minimizing environmental degradation . . .
>
> Although the full impact of solar energy probably won't occur until the turn of the century, the economic viability of several applications (e.g., heating and cooling of buildings, wind electric power, and bioconversion to fuels) could be developed and demonstrated in the next five years. Ultimately, practical solar energy systems could easily contribute 15–30% of the Nation's energy requirements.

That statement declares, in effect, that solar energy is a realistic competitor with nuclear fission, which would also need until the year 2000 to account for 30 percent of the Nation's thermal energy supply.

DOLLARS AND SENSE

Subpanel IX recommended an accelerated orderly solar energy program costing $1 billion over the next 5 years and noted:

> Current estimates indicate that the value of fossil fuel to be saved in one sub-program alone, i.e., heating and cooling buildings, would equal the cost of the entire accelerated ($1 billion) R&D program seven years after practical systems become commercially available.

Nevertheless, the AEC Chairman cut the 5-year recommendation for solar energy from $1 bililon to $200 million in her December report to the President.

When the President's energy budget went to Congress in early February, it contained only $50 million for solar energy in fiscal 1975, beginning in July 1974. By contrast, the figure is over $700 million for nuclear fission R. & D. in fiscal 1975, exclusive of $200 million additional for fission regulation and AEC biomedical research.

Anyone who wished to read the subpanel's Solar Energy Report, which is purportedly over 200 typewritten pages, had to visit it at the AEC's Document Room on H Street, where they could also Xerox it for 5 cents a page. I still do not have all the pages.

After receiving recent inquiries from several Senate offices, the AEC has decided to make 100 copies available for distribution. This is progress. However, the AEC claims it cannot afford to make any more. This is the agency which extolls the wonders of nuclear fission in millions of booklets and thousands of film prints.

I think 100 copies is much too limited a distribution for what seems to be the most important solar energy report ever produced in this country or any other.

Therefore, I ask unanimous consent that the subpanel's report, section 4 on wind energy conversion, section 5 on bioconversion to fuels, and section 6 on ocean thermal energy conversion, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[Subpanel IX, Report on Solar Energy to Dr. Dixy Lee Ray, December, 1973]

SECTION 4—WIND ENERGY CONVERSION

I. SUBPROGRAM SUMMARY

A. Introduction:

1. The research area is concerned with practical extraction of energy from the wind, primarily directed toward the generation of electricity on a large scale. The research area includes efforts on cost reduction of subsystems and components, research and data collection on wind characteristics, user requirements, legal, environmental, institutional and aesthetic issues, optimization of design concepts, and the testing of a series of systems of increasing size and performance.

2. The objective of the Wind Energy Conversion Program is to develop reliable and cost competitive wind energy conversion systems capable of rapid commercial expansion for appropriate regions to produce significant quantities of supplemental electrical power by the early 1980's with the potential for meeting base load electrical power requirements.

A characteristic of Wind Systems is that the cost of the energy produced is a function of site wind characteristics as well as the technological capability. Thus, a characteristic of the program is that there is no question of success versus failure per se, but rather an increasing competitiveness over wider regions as system performance is increased. Therefore, the basic problem being addressed is to reduce the cost of wind energy systems and to verify and demonstrate that reduction.

B. R&D Programs:

1. Description:

a. The specfic goal of the Accelerated/Orderly Program is, by 1979, to have in operation cost effective systems in the 10 MWe range, along with completed preliminary design and component development to allow the operation of 100 MWe or larger systems by 1981. The program contains four program elements: 1) the Program Development and Technology element includes system and user requirement studies, supporting and advanced research and development on components and sub-systems, micro and macro scale wind and site characterization and research on legal, environmental, aesthetic and applications issues; 2) the Small Scale Systems Element will develop and test a 100 KWe wind-generator in FY 75 to provide the initial experimental cost and performance information, to be followed by similar sized units for diverse site conditions and special applications; 3) the MWe Scale Systems Element will develop and test larger wind-generators (1 to 2 MWe size) to provide cost and performance information at a scale appropriate for eventual commercial use to be followed by operation of similar sized units for diverse site conditions, higher performance and special applications; and 4) the Large Multi-unit Scale Element will develop and demonstrate two economically viable 10 MWe systems of large wind-generators and complete the preliminary design of a 100 MWe system of large wind-generators.

b. The minimum Viable Program maintains the same sub-element structure, with a stretched schedule, a smaller supporting research element examining fewer component and subsystem alternatives and fewer test units. The specific goal for FY 79 is to have in test one 5–10 MWe multi-unit test system.

c. A crash program has been considered but at the present time, insufficient recent experimental data and analyses exist to allow speed up to the accelerated program in FY 75–77. Upon completion of the initial tests of the first MWe scale unit and based upon its performance, a considerable speed up could be obtained at an expenditure of additional funds. At some risk, the 100 MW scale demonstrations could be moved up from FY 81 to FY 79; the merits of this option can be examined in FY 77.

2. Schedule and Budget:

	Accelerated	Minimum viable
1. 1st 100 kWe test	Fiscal year 1975	Fiscal year 1975.
2. 1st MWe scale test	Fiscal year 1976	Fiscal year 1977.
3. 1st multiunit test	Fiscal year 1978	Fiscal year 1979.
4. 2–10 MWe wind-generator systems.	Fiscal year 1979	Fiscal year 1981.
5. 100 Mw viable	Fiscal year 1981	Fiscal year 1985–86.
6. Fiscal year 1975 funding	$8,500,000	$3,800,000.
7. Fiscal year 1976–79 funding.	$97,700,000	$23,100,000.
8. Runout to demonstration.	$150,000,000	$150,000,000.

Cost uncertainty rests on lack of system level experience to determine both configuration dependent initial costs and lifetime operating costs and because of presently inadequate wind data and prediction methodology. Additional uncertainty exists in the requirements for storage as a function of application.

C. Implementation:

1. The maximum possible energy that can be practically extracted from the wind in the U.S. has not been determined. However, the NSF/NASA Solar Energy Panel has identified areas of the U.S. which could be used to generate 1.5 x 10^{12} KW–HR/yr or nearly all the electric power presently generated in the U.S. If all these areas were utilized, approximately 18 percent of our estimated power generation of 8 x 10^{12} KW–HR/yr for the year 2000 could

be supplied by wind energy systems. The actual implementation could be considerably larger or smaller than these estimates based on the results of actual performance achieved and detailed wind surveys.

2. Implementation of additional wind-energy systems after successful demonstrations should be relatively straightforward. Rapid expansion following the 1981–82 period can be expected from the accelerated program. The minimum-viable program will result in a slower implementation due to the larger time required to reach demonstration systems.

3. Possible barriers to implementation include:

a. unknown reaction of utility community due to unusual characteristics of wind-energy systems and limited lifetime proof from early test units

b. unknown public reaction to aesthetics

c. possible "wind rights" legal questions

d. effects on micro and macro climate are expected to be negligible, but the degree of proof required is unknown at this time.

II. STATUS OF THE TECHNOLOGY

A. Present Status:

1. In 1910, Denmark was generating 5×10^5 MWe—HR/year from wind systems with a total installed capacity of 200 MWe. From 1930 to 1960, considerable interest existed in Europe (and in the United States in the 1940's) in developing large, more modern, wind-driven, generating systems as a source of electrical power. These systems typically included a multi-bladed wind-turbine, an electrical generator and a control system, mounted on a tower. An energy storage system, usually pumped water or batteries, was sometimes included in the system. The test systems were rated from 100 Kw to 1250 Kw and provided power to both individual users as well as to existing power networks. However, interest in these test systems declined because they were not cost-competitive with fossil fuel plants of that era. These efforts were generally individually entrepreneured and suffered from the lack of a sustained R&D effort. Wind-generator technology has thus been arrested since the mid-1950's, and little of the technological development of the past two decades has been applied to wind-generator systems.

B. Barriers to Implementation:

1. Research Barriers:

There are no barriers to implementation which require basic scientific research.

2. Development Barriers:

a. System configurations must be examined in order to identify those cost sensitive systems which can provide the most cost reduction through R&D and which can provide satisfactory power for existing electric systems.

b. Data must be acquired, and a methodology developed to adequately characterize the wind as an energy source. Temporal, geographic, and altitude related variation of wind velocity and direction are part of the needed characterization.

c. Although the effects of the large scale use of wind systems on micro-climate and on local ecology are expected to be negligible, studies are required to provide adequate assurance that the present expectations are valid.

d. The possible requirements and relative advantages for storage systems for enhancing the value of power produced by wind systems need to be identified. It is not known if statistically reliable power from multiple generators can minimize storage requirements.

3. Implementation Barriers:

a. Acceptance by the utility industry will have to be nurtured. The unorthodox nature and unfamiliar aspects of the large scale use of wind systems may result in a hesitant acceptance even if cost effectiveness is demonstrated.

b. Acceptance by the public is unknown. The aesthetic impact of the large scale use of wind systems is highly subjective and will be influenced by many factors, including energy supply.

c. Areas able to accommodate a large number of wind generators and having wind characteristics adequate for the economic production of power must be identified, and the ability to predetermine adequately site wind characteristics must be proven to the satisfaction of the user.

d. Legal questions associated with wind rights and land use require early identification and assessment.

C. Ongoing R&D Efforts to Overcome Barriers:

1. Little effort, private or federal, has been performed in recent years. In FY 73, the NSF funded $200K for two initial supporting research activities. In FY 74, with a level of $1.2 million, NSF commenced the studies and research to support this program. The initial 100 KWe experimental unit is under preliminary design, to be constructed and tested in FY 75 at the NASA/Lewis Research Center. Studies to determine system and user requirements, meteorological studies, parametric design analyses and initial research on nontechnical issues are also planned for FY 74.

In foreign countries. development and manufacture of small 1–10 Kw units continue on a modest scale. In the USSR, however, a group of over 100 professionals are working on the development of wind power. Present priority is on 10 Kw remote use applications, but a 400 Kw multi-unit system is in operation and interest is increasing.

2. Through the March '73 US/USSR cooperative agreement, an information exchange on these efforts is expected to be maintained.

III. RATIONALE FOR FEDERAL INVOLVEMENT AND INSTITUTIONAL ARRANGEMENTS FOR IMPLEMENTATION

A. Rationale for Federal Government: Present uncertainties in the ultimate cost effectiveness of large scale systems, coupled with their unusual nature, require federal involvement in the initial R&D program.

Technology and environmental assessments and the identification of viable means of assuring early commercialization requires federal involvement to bring together the various groups required to address these issues.

B. Government Actions Other Than Direct Support: Government purchases of early systems for use at Federal installations, remote sites in national recreation areas as well as the establishment of a federal "loan guarantee or fund" to support initial capital acquisition (to be repaid from operational savings) for selected community or agricultural joint land usage systems would be effective in the early implementation stages.

C. Sensitivity of Industry Attitudes: Industry attitudes toward wind systems is likely to be insensitive under changing conditions until a demonstrated, cost-effective technological base is demonstrated because of the untraditional nature of these systems. This attitude may change if fuel supply problems become more aggravated and/or pollution or safety related construction delays for conventional power generation systems increase.

D. Other Government Actions Required to Support the R&D Program: Clarification of the "wind rights" issues is needed. No other actions are presently identified.

IV. CRITERIA AND PRIORITIES

A. The criteria used for setting priorities among the wind energy projects are:

1. Structure projects schedules so that significant milestones occur prior to major funding commitment points.

2. Timely identification/elimination of barriers to implementation.

3. Reduce cost uncertainty of program and systems.

4. Maximize probability of obtaining cost goals.

B. Strategy and Application of Criteria:

1. General Strategic Considerations:

a. Timing: The schedule of the accelerated program is based on meeting the program objectives. It provides for a significant demonstration so that commercial decisions for implementation can be made in time to contribute to national energy production in the 1930's. A key attribute of wind systems is the expected short implementation time provided the cost goals are achieved. The minimum viable program accepts a delay of 3–5 years in this implementation.

b. Rationale: The general program rationale is based on the fact that wind energy systems have been proven to be technically feasible, and cost effective in special situations, based on technology which is fifteen to twenty years old. When the technical advances in solid state electronic devices, control systems, structural dynamics, aerodynamics, materials technology, meteorology, instrumentation, and mathematical systems modeling of the past twenty years are applied to wind energy systems, they should become cost effective in a much broader spectrum of applications. Further advances in the relevant basic technologies mentioned above are not expected to make further dramatic improvements in the potential for wind energy systems. The proposed program will permit a definitive conclusion to be made about the applicability of these systems in a timely manner.

2. Application of Criteria: Applying the criteria and rationale described above leads to the following priority for the elements of the subprogram.

a. Develop capital, maintenance and operating cost data using present state-of-the-art technology by means of early experimental 100 KWe wind-energy systems.

b. Develop the data base and methodology required to characterize the wind as an energy source and to expedite effective site selection.

c. Define system requirements for, and interface problems associated with, wind energy systems.

d. Identify legal, environmental and social issues affecting commercial implementation.

e. Define and verify system characteristics at the single megawatt scale.

f. Define the requirements for and verify the capabilities of multi-wind-generator systems.

V. ALTERNATIVE R&D PROGRAMS

A. Accelerated Program:

1. Schedule and Milestones:

A. Milestones: Figure 11 presents the significant milestones, principally the successful operation of systems of increasing size and performance, and includes a significant supporting research element to develop alternate and advanced components to successfully achieve system cost goals. During this five-year program, the public sector will determine continuation of the large scale systems at each major milestone. The private sector will determine commercialization of the small scale systems for special applications. The construction of the 100 MWe demonstration scale system, under possible joint funding, will be in part determined by the private sector. Implementation of additional commercial systems would be expected to be predominantly private sector decisions.

b. Parallel Programs: The program is primarily a partially overlapping sequential development effort as indicated by Figure 11. Significant parallel efforts are included in component research and conceptual and design study activity.

c. Likelihood of Success: It is highly likely that all significant milestones will be met, any delays most likely being caused by relatively minor engineering problems. If performance and economic goals are not achieved, the system would still be expected to be viable at favorable remote sites with sufficient winds; complete failure is not considered likely.

2. Cost and Budget Projections:

a. The cost to meet each program element is shown in figure 12 for each year FY '74 through FY '79. The program is estimated to be totally federally funded with a projected cost for FY '75–79 of $\$106 \times 10^6$.

b. Evolution of Public and Private Sector Roles Federal/private sector cost sharing arrangements will be negotiated during the program in anticipation of the follow-on 100 MW demonstration construction to begin in FY '80.

c. See Fig. 12.

d. Funding level uncertainties are associated with lack of initial experimental results and specific program detail at this time. Funding is based on estimated manpower requirements, estimates of development costs of similar type hardware, and extrapolation from earlier systems. Note that significant milestones leading to a major reduction in funding uncertainty occur before the 10% and 30% points of the planned program obligation curve.

B. Minimum Viable Program:

1. Schedule and Milestones:

a. Milestones: Figure 13 presents milestones and estimated size of each of the significant developments. This program alternative slips testing of larger scale units into the 1980's and provides for fewer component and configuration alternatives. Follow-on efforts at the 10 MW and 100 MW scales in 1980–85 would still be required before implementation by industry could be expected. Initial economic performance in FY '79 would be expected to be somewhat lower than the accelerated program due to the smaller SR&T element.

FIG. 12.—PROGRAM BUDGET SUMMARY

WIND ENERGY CONVERSION SUBPROGRAM, ACCELERATED ALTERNATIVE: FEDERAL OBLIGATIONS

[In millions of dollars]

Program element	1975	1976	1977	1978	1979	Total, 1975–79	1980–89
Program development and technology	3.5	4.5	4.5	4.5	3.0	20.0	10
Small scale systems	1.5	2.0	1.8	.8	.5	6.6	0
Megawatts electrical scale systems	3.0	9.1	10.0	5.6	2.1	29.8	0
Large scale multiunit	.5	1.7	7.2	23.0	17.4	49.8	[1] 33.8
Total	8.5	17.3	23.5	33.9	23.0	106.2	43.8

[1] Through 1982.

FIG. 14.—PROGRAM BUDGET SUMMARY

WIND ENERGY CONVERSION SUBPROGRAM, MINIMUM VIABLE ALTERNATIVE: FEDERAL OBLIGATIONS

[In millions of dollars]

Program element	1975	1976	1977	1978	1979	Total, 1975–79	1980–89
Program development and technology	0.8	1.1	1.2	1.1	0.8	5.0	15
Small scale system	1.5	2.0	1.8	.8	.5	6.6	--------
Megawatts electrical scale system	1.0	1.5	2.6	1.5	1.4	8.0	20
Large multiunit systems [1]	.5	.8	1.5	3.5	1.0	7.3	88.1
Total	3.8	5.4	7.1	6.9	3.7	26.9	123.1

[1] 10 MWe system by 1981 and 100 MWe system by 1986.

b. Parallel Programs: The program is primarily a sequential development effort. A more limited number of early conceptual study activities and component research is included.

c. Likelihood of Success: It is highly likely that all significant milestones would be met.

2. Cost and Budget Projections:

a. Projected total cost for FY 75–79 is $\$26.9 \times 10^6$, all in federal funds. Total funding including that required in 1980–85 would be expected to equal that of the accelerated program, federal funds being merely deferred to a later date. See Fig. 14.

b. Evolution of Public and Private Sector: A phasing similar to the accelerated program is expected. Significant private sector funding cannot be expected until similar milestones are achieved, here deferred into the follow-on program.

c. See Figure 14.

d. Funding level uncertainties are the same as for the accelerated program, clarification occurring at the same percentage expenditure but later in time.

3. Other Requirements (Both Programs):

a. No unusual manpower needs are anticipated.

b. Currently existing facilities required include wind tunnels for testing models of the wind conversion systems, studies of the interaction between the wind and topographic conditions, as well as laboratory facilities for testing rotors and the drive trains and electrical subsystems.

Minor new facilities will be required for onsite field testing of the various experimental units.

4. Management Plan (Both Programs): The management plan will coordinate federal government, private industry and academic research efforts with the intent of handing off to industry full development of the subprogram at the earliest possible time. Federal laboratories will be utilized in the first phases to manage, at a Field Center Level, the individual elements of the subprogram. These laboratories will conduct the research, both in-house and out-of-house, and manage projects within the sub-program based on detailed Program Development Plans. Coordination and involvement of the three major research groups mentioned above is already underway. The involvement will be broadened to include representative groups in industry or professional associations as well as the potential user community.

5. Criteria Employed by the Subpanel in Construction of Proposed R&D Program (Both Programs): Proposals were submitted to this sub-program area from the NSF, EPA, NASA (Lewis), BuMines, and AEC (LLL); in all cases these reflected an equivalent approach to or a subset of the base September '73 plan. Thus, this plan reflects the similar thinking of all interested agencies and represents a systematic development of the resource.

The criteria used in developing the plan, therefore, consisted of:

a. Developing empirical cost, maintenance, and problem identification information early and commensurate with phased program expenditures,

b. Developing systems of increasing technical and economic performance, the interim systems capable of commercial use in special applications, and

c. Developing a program capable of producing a useful system without dependence on offshore installations, advanced storage techniques, or hydrogen production.

While studies and limited susbsystems work are included for these latter areas under the SR&T sub-element, major R&D expenditures for these areas in this subprogram were bypassed. This reflects considerations regarding schedule, expected performance and developments on these subjects expected from other programs which could be included as post-program growth capability in the 1980's.

6. Dependence of other R&D to Progress in Wind Technology:

a. Dependency on results of other efforts; The results of this R&D effort are not dependent on the results of other efforts in the energy R&D program. However, development of practical energy storage systems would make wind energy systems available for additional applications.

b. Dependency of other R&D on Results of the Program; No other R&D efforts are known to depend directly on wind power R&D. However, some spinoff results are to be expected such as in predicting the efforts of wind on various structures. In addition, other research such as agriculture use of remote areas might be stimulated as a result of this program.

7. Potential Problems of Environment, Safety, or Public Acceptability: Potential environmental effects such as meterological modifications and consequent effects on miniclimate and ecology are expected to be insignificant; however, early research is required and included to verify this. This effort will develop the information and methodology required to write environmental impact statements for the R&D program experiments as well as for operational use.

All presently identified safety issues are amenable to normal engineering treatment and should not lead to problems in the R&D and operational programs. Aesthetic acceptability by the public is a potential problem not amenable to simple treatment. Consequently, public surveys and human factor design considerations are included in the SR&T program element.

VI. IMPLEMENTATION

A. Direct Benefits:

1. Identification of sectors involved: Commercial equipment suppliers and construction contractors would be the producers of the systems for operation by public utilities and in special cases by private industries or individual areas of government; the electrical energy then being distributed through existing networks to the individual consumer in a standard manner.

2. Ultimate market: The energy available practically from the wind in the appropriate regions of the U.S. was estimated by the NSF/NASA Solar Energy Panel to be 1.5×10^{12} kwhr/yr. It is estimated that the growth of wind energy usage could be made to grow from 3×10^8 kwhr/yr from a single 100 MWe plant in 1981 to 10^9 kwhr/yr in 1985, 10^{10} kwhr/hr in 1990 to the above estimate by the turn of the century. However, the actual growth will be determined by several factors; the system costs achieved by this program as compared to the costs of fossil and nuclear fuels and plants and other advanced alternative energy sources, and the social

pressures for a cleaner environment and more energy.

3. Foreign dependence: The technical capability and essentially all materials required for construction are available domestically and in quantities which would not impose significant demand. No fuels are required and thus the system removes that portion of the energy demand provided from foreign dependence.

4. Reliability and Security: Wind conversion systems will consist of geographically widely distributed multi-unit systems. As such it would be difficult to cripple large segments of the system by sabotage or unusual atmospheric or geological phenomena. The systems are relatively simple rotating machinery and have shown to be reliable devices when designed for the weather conditions to which they will be exposed. Sabotage of individual, relatively unattended units is possible, but of little effect outside of the fractional system loss involved.

5. Efficiency: The wind conversion systems operate fuel free and thus efficiency per se is not applicable except as affecting costs described below.

B. Economics of Implementation:

1. The price of electrical energy from wind conversion systems is dependent on the achieved operating costs, the amortized capital investment, and most importantly, the wind characteristics of the region and specific site. Detailed analyses made in the 1940's from the Smith-Putnam system in Vermont estimated 5–7 mils/kwhr at the site. As discussed under 3 below the technological advances of the past 25 years plus the proposed R&D program are expected to counterbalance inflation and achieve the same order price by 1980. The program milestones, particularly the early experimental units are designed to determine cost information prior to major R&D expenditures.

2. Not applicable.

3. Capital costs for the 1.25 MWe U.S. system of the 1940's approximated $200/KW installed capacity as compared to about $125/KW for hydro or fossil plants of that era. Studies have scaled these data for replication at today's prices to $600–$800/KWe. Because the wind does not blow continuously, wind-energy systems require higher installed capacity than other plants to generate the equivalent amount of average power per year. It has been calculated that 1940 type wind-generators on reasonable sites would cost $1,200–$1,800/KW today to produce the same average power as that produced from conventional plants. However, preliminary assessment concludes that the technological developments from 1940 to the present plus this R&D program could lead to costs approximating $300–$500 per avg. KWe with best performance at the more favorable wind sites.

Operating and maintenance costs, estimated from Smith-Putnam data should approximate 3%–5% per year of the capital costs and decrease with increasing size. Thus, the primary annual costs are the costs of capital.

4. Projected Impact on Labor Market: Because the components of wind power systems and the skills needed to fabricate, erect, and maintain them are not much different than those that exist in other commercial fields, serious dislocations in the labor market are not expected.

5. Projected Impacts on International Markets and on Balance of Payments: The U.S. balance-of-payment situation would be improved by the decrease in the need to import fuel for power plants. In addition, wind power systems can be export items, particularly to under-developed nations in view of the modest skills necessary for maintenance and operation.

6. Assumptions Underlying the Above Projections:

a. Since no fuel is required, the only natural resources needed will be those for the equipment such as steel, concrete, fiber glass, copper (as well as the required land), and that the quantities required would not deflect the market price from standard inflation estimates.

b. It is postulated that the price of electrical energy from other sources will increase modestly.

c. The amortization of R&D is not added to price. It should be noted that all experimental systems except the first 100 KWe unit will continue in operation producing useable electric power. This return has not been included.

d. The labor costs are assumed to be approximately the same as presently available since no unusual skills will be needed to fabricate, operate, and maintain wind plants. Skills from the aerospace technology and industry will be directly applicable to the development of the resource.

e. Costs of capital will be about the same as present.

f. Date of commercial availability: 1981 (100 MWe system scale).

g. Useful lifetime: 20 years.

Maintenance: The wind-generators are to be designed for unattended operation and only minimal maintenance is expected.

h. The output of wind power plants will be electrical energy for which a demand exists and will increase.

i. A potential foreign market exists; Australia currently exports very small units. The size of the market is not known at this time.

7. Possible Incentives: After test and analysis under federal funding, utility companies or other users may be provided incentives to continue operation of the experimental wind power systems for one to four years to gain experience and acceptance. Similar subsequent systems should be implementable under normal motivation with limited Federal R&D continuing on the possible question of public interest and further advanced components and subsystems techniques.

C. *Impacts of Implementation*

1. The natural resources required, in addition to the wind itself, are land and the steel, concrete, fiber glass, copper, aluminum and other construction materials. Initial estimates of the quantities of materials involved do not appear excessive as compared to domestic production or relative to other advanced systems, and in addition are generally substitutable materials.

Approximately one acre of land per MWe is required, thus 10^5 MWe capacity or ⅓ the present U.S. capacity would use 156 square miles. In actuality, considerably more total land would be involved due to spacing requirements; however, intervening land use for agriculture, grazing, or other uses would not be impaired.

Only normal competition for materials from other construction programs would be expected.

Zoning and land-use regulations will affect siting availability. The legal issues of ownership of wind energy, similar to "water rights" are not well defined and require early research and possible Federal action.

2. The energy input required for implementing these systems consists primarily of processing raw materials into the structural materials to be used. While a technology assessment has not yet been performed, this energy is expected to be a small fraction of the energy produced during each systems' lifetime.

3. An objective of this program is to be compatible with existing electrical distribution systems. The implementation of this objective requires that the wind power systems operate in a mode which permits direct interfacing with existing power grids or in some applications, the use of a storage system which interfaces with existing power grids.

4. Environmental Impacts of Implementation:

No significant adverse environmental impacts are expected. While silent, these systems would cause an aesthetic impact, the magnitude of which is presently unknown. While the effect on local weather due to the extraction of energy is expected to be minimal, it is a subject for early research in the SR&T program element. An environmental impact statement would probably be required to address problems typical of a comparable construction project.

5. Occupational Health and Safety Considerations:

No adverse effects are expected.

6. Other Impacts:

a. Impacts on future demography and land-use pattern. The simplicity and reliability, i.e., ease or lack of required maintenance make wind power especially attractive for the development of energy deprived remote areas. Such uses could result in significant impact on agricultural patterns and consequently population densities and distribution in areas which are currently of lower value.

b. Social costs and benefits. No significant social costs are expected. Possible benefits are discussed in a, above, and would in general be commensurate with the benefits associated with any other new source of power.

c. Long term impacts of implementation. See a and b above.

SECTION 5—BIOCONVERSION TO FUELS

I. SUBPROGRAM SUMMARY

A. Introduction:

1. Bioconversion comprises three areas: the conversion of organic wastes to energy, the production and utilization of biomass for energy, and the production of hydrogen by photosynthetic and other photochemical systems.

2. The objectives of the bioconversion program are to assess the available technology for producing and utilizing organic materials for energy, to develop new technology, and to establish the feasibility of the various processes through pilot plant and full-scale demonstration plants. The optimum program would be capable of utilizing organic wastes in the near term and subsequently, biomass to produce synthetic fuels for heat for large scale utilization in lieu of fossil fuels. Ultimately, the program would provide means for the direct production of hydrogen as a significant source of energy.

B. R. & D. programs:

1. a. The accelerated orderly program will provide by 1980, (1) seven pilot plants of 1 ton/day capacity for converting urban solid wastes, animal wastes, and/or other organic materials to methane or higher hydrocarbons, (2) one demonstration plant of about 100 tons/day capacity for converting solid wastes to a useful fuel, (3) production of hydrogen by photosynthetic and biophotochemical methods, and (4) development of high yield crops which can be harvested for energy production.

b. In the minimum viable program the number of pilot plants would be reduced from seven to three; the demonstration plant would not be planned until the 1980's and all other accelerated research would be reduced.

c. Crash Program:

Two bioconversion projects lend themselves to crash development because of their advanced status. They are (1) anaerobic conversion through the utilization of fermentation plants, and (2) urban solid waste conversion by pyrolysis and/or incineration. Several, single unit, feedlot fermentation plants for 10,000 head and larger could be initiated in 1975. Each plant would yield approximately 10^5 SCF/day of methane. Similarly, demonstration plants capable of disposing of solid waste from urban communities of 100,000 population could be built in 1975 to process 200 tons/day of solid wastes. These latter plants would be expected to yield approximately 2 x 10^9 BTU/day in the form of heat, low BTU gas and/or oil.

C. Implementation:

1. Readily collectible wastes could provide methane equivalent to about six percent of the present natural gas use, or nearly two percent of present total U.S. energy consumption. Attaining goals in agriculture to produce raw materials might raise contributions to 10 percent of total energy.

2. Time Schedule: In the accelerated program for bioconversion it is considered that economic and technical feasibility are presently established. Pilot plants would be established during the period 1976–78, and one or more demonstration plants would be established during 1977–78. For biomass production, economic feasibility would be established during 1975–1977, and technical feasibility would be established during 1978–1979. Then pilot plants would be established during 1979–1980 followed by a demonstration plant during the early 1980's. For biophotolysis the goal is to establish economic and technical feasibility. No pilot or demonstration plants are planned before 1985.

In the minimum viable program for bioconversion the pilot plant is planned but would be developed over a 2-year longer period than in the accelerated program. The demonstration plant is not planned until some time after 1978. The biomass program would be carried out at a slower rate with technical feasibility not being completed until 1980. A pilot plant is not scheduled until after 1979 and no demonstration plant is planned. For biophotolysis, the plans for the minimum viable program are to establish economic and technical feasibility by 1980 or later.

3. Few barriers are anticipated because the proposed technology would make better use of our natural resources without readily visible ill effects.

II. STATUS OF TECHNOLOGY

A. Present status:

1. Bioconversion—for use of urban wastes the following projects are underway.

a. EPA and San Diego County—Pyrolysis plant with a capacity of 100 tons/day producing low BTU gas and/or oil is ready for construction.

b. EPA and Baltimore County—Pyrolysis plant with a capacity of 1000 tons/day producing low BTU gas is in design phase.

c. NSF and Dynatech Corporation—Anaerobic digestion pilot plant (economic feasibility and design) to process 1 ton/day resulting in the production of methane.

d. Bureau of Mines—Chemical reduction pilot plant processing wood chips with a capacity of 1 to 3 tons/day to produce low sulfur oil.

e. NSF and University of California—Anaerobic digestion of algae is at the economic feasibility stage.

2. Production of Biomass—Feasibility studies are underway.

a. NSF and Stanford Research Institute—Evaluation of species for production of biomass and economic feasibility is under study.

b. Naval Undersea Center and Weapons Center—Feasibility studies to use large marine algae as a source of biomass have been initiated. An initial experimental plot of 7–14 acres is planned for 1974.

3. Photosynthetic Production of Hydrogen by Algae.

NSF and Case Western Reserve University investigations are underway.

B. Barriers to Implementation:

1. Research barriers—No research barriers are anticipated for anaerobic, pyrolytic and chemical conversion techniques for the production of biomass. Direct production of hydrogen by algae is in the initial research stage and potential barriers have not yet been identified.

2. Development barriers—No development barriers are anticipated for bioconversion of urban, agricultural or industrial wastes. For the direct production of hydrogen by algae, the work is still in the early stages and potential barriers are unknown.

3. Implementation barriers—No implementation barriers are anticipated for bioconversion or production by biomass. For the biological production of hydrogen, no evaluation can presently be made because research is still in initial stage. Technical problems do exist, however, for biomass production. Availability of land and water may be a limiting factor on the potential level of fuel production by the biological production of hydrogen. The research is in initial stages and implementation barriers are unknown.

C. Ongoing R&D Efforts to Overcome Barriers:

1. The present level of funding is approximately $2.2M for all program areas.

2. Availability of results of foreign efforts. R&D efforts are underway in Canada, Australia, and several other foreign countries. Efforts to coordinate these programs are underway.

III. RATIONALE FOR FEDERAL INVOLVEMENT, AND INSTITUTIONAL ARRANGEMENTS FOR IMPLEMENTATION

A. Federal involvement—Private industry will not normally invest substantial sums of capital until the economic and technical feasibility is established. Therefore, federal involvement is warranted during the above stages and perhaps into the commercial stages.

B. Direct and Indirect Government Actions Warranted—Direct involvement is warranted to stimulate effective utilization of wastes for energy production to reduce environmental pollution problems. Tax write-offs and subsidies would offer incentives as commercial implementation begins.

C. Industry sensitivity to change will probably not be involved because the products of bioconversion are currently being used as fuel sources.

D. Other government actions to promote bioconversion could be the enactment of increasingly stringent regulations for the disposal of wastes and the development of a subsidy program for the production of biomass.

IV. CRITERIA AND PRIORITIES

A. Criteria for Setting Priorities:

1. Bioconversion—Anaerobic fermentation and pyrolysis of urban and agricultural wastes are reaching the demonstration stage. These technologies should be given first priority. Chemical reduction is at the pilot plant stage and would represent a second priority rating. The biological production of hydrogen is in the initial stages of investigation. Its possible contribution to a hydrogen economy warrants a continued program at the level indicated.

2. Biomass production—This program is currently selecting species and obtaining information for decisions on ocean fresh water and land production and determining the advantages of each. To meet projected milestones related to the stated goals, this work must be accelerated as shown from 1975 through 1978.

B. Application of Criteria:

1. Several strategic considerations—The greatest effort possible is required in the conversion of agricultural and urban wastes to energy forms. The accelerated program will accomplish this goal. The minimal program will increase the time required for implementation of the plan; probably affecting the bioconversion of wastes more than the other subprograms.

2. Development of Priorities:

a. Implement bioconversion of organic wastes.

b. Develop the technologies required for the implementation of oceanic, inland waterway, and land production of biomass.

c. Begin pilot type production of biomass.

d. Expand biomass production to operate a 100 ton/day bioconversion plant to develop full economic feasibility.

e. Implement commercial production of biomass with the required incentives.

f. Continue evaluation if the biological production of hydrogen is consistent with the probabilities for the development of a significant hydrogen economy.

V. ALTERNATIVE R&D PROGRAM

A. Accelerated Program: See Fig. 15a.

B. Minimum Viable Program: See Fig. 15b.

C. Crash Program: Immediate implementation of available technology.

1. Schedules and Milestones:

Accelerated Program:

a. Milestones—Four major milestones are indicated. These are shown as ranges in years to reflect the differences in technological development of the systems involved. Decisions on program direction should be by government agencies in the periods indicated. The estimated size for each plant stage is as follows:

(1) Bioconversion: Pilot plants 25 tons/day max.; demonstration plants 100 tons/days.

(2) Biomass production: pilot plants, 1 sq. mile; demonstration plant, 100 sq. miles.

(3) Hydrogen production, none planned.

b. Parallel programs will exist in the bioconversion element. Three methods of producing energy from biomass are under investigation as follows:

FIG. 15a.—ACCELERATED ORDERLY PROGRAM—MILESTONES AND AMOUNT OF 5-YEAR PROGRAM FUNDS REQUIRED TO MEET EACH MILESTONE

[Dollar amounts in millions]

Milestone	Bioconversion	Biomass production	Biophotolysis
Economic feasibility	(1)	1975–77	1980+
Cost		$5	$1
Technical feasibility	(1)	1978–79	1980+
Cost		$20.5	$11.9
Pilot plant	1976–78	1979–80	1985
Cost	$25	$7	
Demonstration plant	1977–78	1982–84	
Cost	[2] $49	$4.5	

FIG. 15b.—MINIMUM VIABLE PROGRAM

Milestone	Bioconversion	Biomass production	Biophotolysis
Economic feasibility	(1)	1975–77	1980+
Cost		$5	$1
Technical feasibility	(1)	1977–80+	1980+
Cost		$13	$6
Pilot plant	1976–80	1979+	
Cost	$25	$3	
Demonstration plant	1978+		
Net cost	[2] $13.5		

[1] Established.
[2] Through 1979.

(1) Anaerobic digest

(2) Pyrolysis combustion

(3) chemical reduction: Each has the potential for particular applications. Where they are duplicative, decisions on which system(s) to be continued will be made at the appropriate milestone.

c. The likelihood of success is nearly 100 percent with one or more of the conversion systems. Success in biomass production is also considered good. However, land and water area available for production and the development of the technology may place limits on the quantities available. Large scale hydrogen production by biophotolysis is long range and uncertain.

Minimum Viable Program: The milestones remain the same, but more time will be required to reach them. Pilot plants and demonstration plants will be reduced in number and size.

2. Cost and Budget Projections to Meet Each Milestone:

a. See Fig. 16 for the Accelerated Orderly Program and Fig. 17 for the Minimum Viable Program.

b. Development costs through the pilot plant stage are to be borne by the Federal Government. Demonstration plant development costs should be shared by the Federal Government and the private sector. With demonstration of the economic viability, no direct Federal Government funding would be expected.

FIG. 16.—ENERGY R. & D. PROGRAM BUDGET SUMMARY

BIOCONVERSION SUBPROGRAM, ACCELERATED ORDERLY PROGRAM (ALTERNATIVE): FEDERAL OBLIGATIONS

[Dollars times 10^6]

Program element	1975	1976	1977	1978	1979	1980–89
1. Conversion including fermentation, chemical reduction, pyrolysis, and combustion:						
Research and technology	2.6	2.6	2.6	2.6	2.6	5
Engineering development	2.0	2.0	2.0	1.0	1.0	2
Pilot plants	2.0	4.0	6.0	5.0	3.0	4
Demonstration plants		1.0	3.0	10.0	19.0	4
Total	6.6	9.6	13.6	18.6	25.6	15
2. Organic material products:						
Research and technology	3.0	4.0	4.0	3.0	3.0	6
Engineering development	1.0	2.0	3.0	2.0	2.0	2
Pilot plants			1.0	2.5	2.0	2
Demonstration plants				1.5	3.0	20
Total	4.0	6.0	8.0	9.0	10.0	30
3. Biophotolysis:						
Research and technology	1.5	1.7	2.1	2.5	3.0	8
Engineering development					1.0	2
Total	1.5	1.7	2.1	2.5	5.0	10
Grand total	12.1	17.3	23.7	30.1	40.6	55

Note: 5-yr total equals $123,000,000.

FIG. 17.—ENERGY R. & D. PROGRAM BUDGET SUMMARY

BIOCONVERSION SUBPROGRAM, MINIMUM VIABLE PROGRAM (ALTERNATIVE): FEDERAL OBLIGATIONS

[Dollar times 10^6]

Program element	1975	1976	1977	1978	1979	1980–89
1. Conversion including fermentation, chemical reduction, pyrolysis, and combustion:						
Research and technology	2.0	2.0	2.0	2.0	2.0	5.0
Engineering development	2.0	2.0	2.0	1.0	1.0	2.0
Pilot plant	2.0	3.0	1.5	1.5	1.5	1.5
Demonstration plants					1.0	33.0
2. Organic material products:						
Research and technology	1.0	1.5	2.0	2.0	1.0	5.0
Engineering development	.5	1.0	2.0	2.0	1.0	5.0
Pilot plant				1.0	2.0	4.5
Demonstration plants						20.0
3. Biophotolysis:						
Research and technology	1.0	1.0	1.0	1.0	2.0	8.0
Engineering development					1.0	2.0
Total	8.5	10.5	10.5	10.5	12.5	86.0

Note: 5-year total equals $52,500,000.

c. Projected Federal outlays FY 1975 to FY 1979 are shown on Fig. 16 and 17.

d. Major uncertainties in the funding arrangements are the impact of continued inflation on estimated costs of the various parallel programs. Hydrogen production could conceivably progress faster than anticipated, resulting in the need for funds for pilot and demonstration plants.

3. Other Requirements:

a. Manpower needs to accomplish this program. The following manpower are needed for the 5-year period:

Accelerated program

Scientific	1,020
Technical	1,020
Administrative	2,060
Total	4,100

Minimum program

Scientific	437
Technical	483
Administrative	875
Total	1,750

b. Facilities for storage of biomass, farming operations and expansion of laboratories will be required. These costs are accounted for in the cost projections.

4. Management Plan—The management will coordinate the efforts of the Federal Government with those of private industry, local and state governments and academic researchers with the goal of developing a viable and profitable bioconversion industry at the earliest possible time. Federal laboratories will be utilized in the early stages to manage the individual projects of the bioconversion subprogram. These laboratories will conduct in-house research and manage extramural activities based on detailed program development plans. Coordination and involvement of the pertinent groups mentioned above is already underway, and it is expected that participation will be broadened. As demonstration and development projects mature, industry will assume an increasing share of the fiscal and management responsibilities, as discussed in other sections of this report.

5. Criteria Employed in Construction of the Proposed R&D Program:

a. The present program embraces all bioconversion areas except direct combustion which received attention previously.

b. The program attempts to balance the need for rapid results with the need to maintain a R&D base sufficient to permit a sound evaluation of the potential of the various bioconversion processes for full-system implementation.

6. Dependence of Other R&D to Progress of This Technology:

a. The energy products of bioconversion can be used by present energy distribution systems. Development of hydrogen production by biophotolysis is dependent on an emerging hydrogen system.

b. This R&D effort is independent of the progress of other R&D programs. Consequences of delays in the program would not be serious provided alternate energy systems emerge.

7. Possible adverse environmental or ecological effects could occur due to extensive usage of land, water, and ocean for biomass production. Questions of the Federal Government's right to farm the oceans may arise. Air and water pollution from bioconversion plants have not been thoroughly investigated. Environmental Impact Statements will be required in some instances.

VI. IMPLEMENTATION

A. Direct Benefits of Implementation:

1. Farming, urban, industrial, transportation, and storage sectors are involved in delivery of biomass to conversion centers. The conversion product will fit directly into existing energy distribution systems.

2. About 6% of natural gas requirements can be supplied from wastes alone. With agricultural material, about 50% of gas needs may be produced. Alternatively, liquid fuel from wastes plus agricultural materials may replace 40–50% of oil requirements in the early 2000's.

3. Sources are wholly domestic, and nondepleting. Methane produced would offset needs for imported liquified natural gas.

4. An agricultural energy source is dispersed—not vulnerable to attack. Conversion plants are vulnerable but no more than existing refineries. Use of wastes would decentralize methane production and tend to diminish disaster impact.

5. Systems efficiency is not the prime parameter. The main interest is capture and use of solar energy for fossil fuels supplements.

B. Economics of Implementation:

1. There have been few economic studies made on converting various forms of stored energy via photosynthesis into commonly used fuels. There have been detailed engineering studies for present day technology on bioconversion processes used for disposal of municipal solid waste. However, the emphasis has been placed on disposal. Energy production is merely a by-product for the disposal systems. Yet, in these solid waste disposal systems it has been demonstrated that there is potential for obtaining a significant amount of energy. It appears that fuel can be produced in the future that will be within a competitive cost range. Cost estimates used by the NSF/NASA Solar Energy Panel in 1972 suggested that the fuel cost at a power plant using biomass would range from $1.50 to $2.00/$10^6$ BTU. The capital cost for an organic materials-steam electric plant would approximate that of a conventional coal-steam-electric plant or about $250 per KW according to NASA projections. Biophotolysis systems are not as well defined, and therefore, economic projections are difficult. Detailed cost studies will be one of the major activities undertaken during early phases of this program as more data become available.

2. Incentives—Capital should be made available to industry at reduced rates. Taxes should be reduced or waived on investments. Farm subsidies should be employed to provide profit incentives until the viability of biomass farming is established.

C. Impact of Implementation

1. Natural Resources Required:

a. For full implementation to provide for approximately 10 percent of the total energy requirements of the U.S., estimates indicate that approximately 200M acres of land and water would be required. This represents about the total area currently farmed in the United States. Thus, a considerable share of the acreage would be of necessity on water unless photosynthetic efficiency in energy conversion were doubled or tripled. This is an area requiring a considerable research investment.

b. When oceanic surfaces are considered, resources are certainly available, if the technology for ocean farming can be accomplished.

c. Competition for land acreages will be great for the production of fiber, food, and feed.

d. Legal restrictions on using oceans for biomass farming need to be determined.

2. Energy Inputs Required: There are presently insufficient data to assess the energy inputs required. Presently funded research is working on this aspect of the program.

3. Compatibility with Existing Energy Systems: Projected outputs may be methane—directly usable as pipeline gas; liquid hydrocarbon fuels which may require refining and processing, and low BTU gas suitable for direct use in power plants.

4. Environmental Impacts of Implementation: Pryolytic or chemical conversion plants are analogous to coal gasification and liquefaction plants. Control of gaseous, liquid, solid, and thermal emissions is required. Fermentation yields liquid effluent and sludge which requires disposal. With full implementation large areas of land and water not presently used agriculturally would be converted to biomass production.

5. Occupational Health and Safety Considerations: There are no anticipated unique occupational health or safety considerations. Bioconversion plant operations, farming, and hazards of sea duty, are expected to be similar to those encountered in other industries.

6. Other factors:

a. Full implementation of biomass production could drastically alter farming operations on up to a total of 100 million acres of farm land (principally grazing) and perhaps an equal amount of forest land. Erosion could occur; organic content of soils may be adversely affected and recreational waterways would be reduced.

b. Small generating plants for local use on farms or small urban areas could aid in waste disposal and reduce energy requirements from conventional sources.

c. The long-term impacts of implementation could:

1. Change patterns of recreational land and waterways in the U.S.

2. Make a significant contribution toward reducing the predicted energy gap.

3. Significantly reduce the organic waste problem in the U.S.

4. By-products from bioconversion could provide animal feed and fertilizer from sources that are now discarded.

SECTION 6—OCEAN THERMAL ENERGY CONVERSION

I. SUBPROGRAM SUMMARY

A. Introduction:

1. The oceans serve both to collect and store tremendous quantities of solar energy. By utilizing the natural temperature difference between the surface and deep ocean waters, a heat engine can be operated. Experiments by Claude have demonstrated the concept off Cuba, producing 22 Kw of electrical power. Studies indicate that significant amounts of energy (compared to total U.S. needs) can be economically harvested in this way from the ocean. Because the temperature difference (40° to 50° F) is small, the Carnot efficiency is about 5%. However, the available thermal energy is enormous. The process requires no fuel or fresh water and the associated power plant technology is straightforward, hence, the resulting electrical energy should be competitive in cost with that produced by present-day power plants.

2. This development program is intended to demonstrate the practical feasibility of converting ocean thermal energy into electricity. System reliability and economic viability will be determined, along with an associated assessment of the technology and environmental impacts. The potential for production of protein and fresh water as valuable by-products will be investigated. Engineering problems to be solved include the development of deep-water pipes of large (order of 50 foot) diameter (along with methods for their deployment) and the design of appropriate heat exchangers and pumping systems. A selection must be made between an open or a closed thermodynamic cycle, and as to the transmission of energy from ocean locations to land. The legal questions associated with operations in international waters must also be examined.

B. R&D Programs:

1. a. Accelerated orderly program: This program looks toward an early 1980's demonstration of technological feasibility, so that the immense thermal energy resources of the oceans would soon begin to be taped. Advanced development and engineering will produce components and subsystems, overlapping in time the establishment of ocean-based and near-shore pilot plants and test facilities.

b. Minimum viable program: This program compromises on the above program by utilizing only a near-shore pilot plant/test facility in conjunction with the associated advanced development and engineering. The minimum viable (near-shore) program would not come to grips with many potential features associated with ocean-based operations. Consequently, feasibility determination and ultimate commercial implementation of ocean-thermal plants will be delayed several years.

c. Crash program: Because the basic technology for ocean-thermal plants exists today, the accelerated program is amenable to efficient conversion to a crash program. A crash program for this relatively low-level technology can be conducted at low technical risk and with high probability of successful completion within the time and funding allocated. The rate of advanced R&D would be doubled, and from two to four pilot plants constructed during the five-year period. A demonstration plant could be designed and constructed by the end of the decade, shortening the time to this milestone by almost three years.

The accelerated orderly program calls for the completion of construction of two 5–10 Mw pilot plants by FY 1980. One will be located near shore, and the other will be ocean based. The minimum viable program provides for only one near-shore pilot plant, to be completed by FY 1984. Both programs include a demonstration plant, and their respective schedules are shown in Section I. C. 2. No major technical barriers are envisioned, but legal aspects of ocean-based plants may be a major problem.

C. Implementation:

1. Projected size of the applications after implementation: The solar energy impinging on the topical oceans averages 20 watts/ft^2 or 560,000 Kw/mi^2. Thus, for thermal equilibrium at 3% net conversion efficiency, a 500 Mwe plant would extract the heat supplied by the sun to 30 square miles of ocean surface. Since more than 30 million square miles of ocean have appropriate thermal conditions, as many as one million plants—each of 500 Mw output—could conceivably be operated (having a total output of over one thousand times the current U.S. capacity for electrical energy generation).. The output of the ocean-thermal plants would be transmitted to the user as electricity and/or by conversion to an intermediate fuel such as hydrogen. Thus, several thousand such plants could supply all current U.S. energy requirements.

2. Time scale for implementation. (Not reproduced here.)

3. Possible barriers to implementation: The heat-exchanger and cold-water pipe designs represent possible technical problems, but are not expected to be barriers. Possible environmental impacts of large-scale implementation will require study. Possible institutional barriers to widespread implementation include lack of short-term private incentives and risk capital, and international legal questions.

II. STATUS OF THE TECHNOLOGY

A. Present Status: In 1929, Claude demonstrated an ocean-thermal plant off Cuba that generated 22 kilowatts of electricity. An assessment of this and other French efforts (prior to 1960) has been made. A workshop on ocean-thermal power plants was conducted in June 1973. Computer-based models and other approaches are currently being used for feasibility studies of ocean-thermal plants to optimize their design and performance.

B. Barriers to Implementation:

1. Ocean-thermal technology mainly requires adaptations of existing technologies. If and when total ocean-thermal plant capacity becomes an appreciable fraction of U.S. total energy needs, possible impacts on the environment may become significant; hence research on this possibility should be instituted early.

2. Although the items listed below do not require technological breakthroughs, they are important technical problems requiring solution in order to achieve economical plant cost.

Cold water intake pipe; design and deployment of pipe having a diameter of about 50 feet, and a length of 2000 to 3000 feet.

Anchoring or station-keeping of pipe and power plant.

Biofouling of heat exchangers.

Turbine diffuser design and turbine seals.

Corrosion control and heat transfer degradation.

Large scale water pumps (30M gallons/min for 500 Mw plant).

Energy transmission.

Conversion of electrical energy to intermediate fuel.

C. Ongoing R&D Efforts to Overcome Barriers:

1. Present U.S. efforts are funded at less than $50K and are mainly concerned with system design studies, not hardware. There has been some relevant private work on 10 foot diameter pipes for pumping condenser water to a 325 Mw steam unit.

2. The French company, Energie des Mers (dissolved in 1960), has done extensive studies and produced completed system designs and cost estimates for a 25 Kw ocean-thermal plant using the open-cycle Claude process.

III. RATIONALE FOR FEDERAL INVOLVEMENT AND INSTITUTIONAL ARRANGEMENTS

A. Federal Involvement: Private industry is heavily committed to present methods of generating power, and cannot be expected to share the research and development costs required in the short run for this unique, new system. Although the risk of technological failure in developing ocean-thermal technology is deemed negligible, it is still too great (and the investment too large) for private industry alone to assume. Moreover, the federal government is the logical sponsor of this development, since the U.S. public will be the recipient of the resulting benefits: a) reduction or elimination of power generation as a source of environmental pollution; b) conservation of the remaining U.S. fossil-fuel mineral resources; and c) U.S. self sufficiency in energy production.

B. Stimulation of Investment in R&D: Besides direct financial support, the Government could undoubtedly stimulate private investment in R&D by allowing tax write-offs. This procedure was successfully employed during World War II. The Government could also guarantee to buy (at attractive prices) future power generated by ocean-thermal plants. (Other incentives are summarized in VI. B. 6. 1.)

C. Industrial Interest: The rising cost of competitive power plants will help focus industrial attention on the attractiveness of ocean-thermal systems. Increasing resistance to the exploitation of coal and nuclear energy may increase the interest of power companies in ocean-thermal and other alternative systems. Demonstration of ocean-thermal pilot plants will stimulate industrial interest.

D. Other Recommended Government Actions:

Provide special dispensation with regard to anti-trust laws so as to permit collaborative efforts among normally competing companies.

Clarify the legal status of ocean-thermal plants situated in international waters.

Provide incentives as discussed in VI. B. 6. i. below.

IV. CRITERIA AND PRIORITIES

Studies essential to the evaluation of ocean-thermal plants: Performance, economic viability, environmental impacts, potential for application, and institutional influences.

Elements critical to demonstrating the technology: Cold water intake pipe, heat exchangers, and (especially) verification of system performance by means of a pilot plant.

Commonality of the element to various ocean-thermal approaches (closed cycle, open cycle; near-shore plant or ocean-based plant). The cold water intake pipe is common to all alternatives, while the development of flash evaporators and deaeration systems relates only to open-cycle systems.

Universality of the research and technology: Corrosion-prevention and anti-fouling techniques will be derivable from, and also of benefit to, other marine applications. The ocean-thermal technology will be applicable to bottoming cycles and to the increasing use of the ocean as a heat sink for nuclear and fossil power plants.

V. ALTERNATIVE R&D PROGRAMS

A. Accelerated Program: Includes engineering development and testing to establish component design and performance in conjunction with construction of two 5 to 10 Mw pilot plants based on two different concepts. These steps will be followed by construction and test of a 100 Mw demonstration plant.

B. Minimum Program: Reduces the program scope and engineering development effort. The major economy results from sacrificing one pilot plant. The net effect is to increase the time to commercial application and to require concentration on either an off-shore or ocean-based application.

C. Discussion of Programs:

1. Cost of budget projections:

a. See Figs. 18, 19, 20, 21. (Not reproduced here.)

b. Most of the development costs are assumed to be borne by the federal government. Pilot and demonstration plants will probably be situated where their output power is usable locally. The capital and operating costs of such plants may be partially recoverable through sales of their products. With commercial implementation of this technology, energy-intensive industries (e.g., the aluminum industry) may build ocean-thermal power plants themselves, thus relieving the demand for electricity from other sources. Private investors will exhibit great interest in funding plants following the demonstration-plant phase.

c. See Fig. 20.

d. The present five-year program enables—through use of pilot plants—an estimation to be made of engineering design requirements and construction costs for scaling up to demonstration plants.

2. Other requirements:

a. No unique manpower skills are required.

b. New testing facilities are proposed, both near-shore and ocean-based.

3. Management plan: The management plan will coordinate the efforts of the federal government with those of private industry and academic researchers, with the goal of turning over the commercialization of ocean-thermal energy to industry at the earliest possible time. Federal laboratories will be utilized in the early phases to manage the individual projects of the ocean-thermal subprogram. These laboratories will conduct in-house research and manage out-of-house activities, based on detailed program development plans. Coordination and involvement of the three major research groups mentioned above is already underway, and participation will be broadened. As demonstration and development projects mature, industry will assume an increasing share of the fiscal and management responsibilities, as discussed in other sections of this report.

FIG. 20.—BUDGET SUMMARY: OCEAN THERMAL CONVERSION SUBPROGRAM—ACCELERATED ALTERNATIVE

[In millions of dollars]

	Fiscal year									
	1974	1975	1976	1977	1978	1979	1980-84	1985-89	1975-79	1980-89
Engineering, ART, SRT		5.5	6.0	6.4	6.8	6.3	20.1	15.3	31.0	35.4
Design and construction of test facilities		3.0	7.0						10.0	
Component fabrication and testing			4.0	6.0					10.0	
Site selection		.1	.2			.2	.3		.5	.3
Pilot plant design and contracting			2.0	4.0	2.0				8.0	
Pilot plant construction					20.0	20.0			40.0	
Pilot plant testing							8.0			8.0
Demonstration plant design and construction							212.0			212.0
Demonstration plant testing							12.5	25.5		38.0
Total		8.6	19.2	16.4	28.8	26.5	252.9	40.8	99.5	293.7

FIG. 21.—BUDGET SUMMARY: OCEAN THERMAL CONVERSION SUBPROGRAM—MINIMUM ALTERNATIVE

[In millions of dollars]

	Fiscal year									
	1974	1975	1976	1977	1978	1979	1980-84	1985-89	1975-79	1980-89
Engineering, ART, SRT		4.0	4.5	5.0	5.5	6.0	26.5	15.5	25.0	42.0
Design and construction of test facilities				2.5	4.5	3.0			10.0	
Component fabrication and testing					2.0	3.0			5.0	
Site selection				.1	.2		.5		.3	.5
Pilot plant design and contracting						1.0	3.0		1.0	3.0
Pilot plant construction							10.0			10.0
Pilot plant testing							3.0	3.0		6.0
Demonstration plant design and construction								212.0		212.0
Demonstration plant testing								12.5		12.5
Total		4.0	4.5	7.6	12.2	13.0	43.0	243.0	41.3	286.0

During the initial implementation of ocean-thermal energy, the federal government could be both supplier and consumer. For example, DOD shore facilities and remote installations (Gaum, Hawaii, etc.) present requirements for small power plants. At these locations, ocean-thermal plants are strategically and economically justified in the near term.

4. Criteria employed:

a. Related R&D programs considered: The ocean-thermal program is based on an extension of existing technology. However, alternative paths are available that would lead to a useful product. These involve the use of open or closed cycles for the heat engine, the design of ocean-based plants, and the construction of plants near shore. The accelerated program includes both a near-shore pilot plant and an ocean-based pilot plant. In the minimum program, only a near-shore pilot is proposed.

b. Criteria for program selection: The program selected is designed to demonstrate the technical and economic feasibility of ocean-thermal energy conversion. Accordingly, the program includes initial engineering design and tests to establish the detailed design of system components, meanwhile proceeding with pilot-plant design and operation to confirm expected performance. Pilot-plant experience then leads to the design and operation of a demonstration plant capable of commercial utilization. Emphasis in the program will be placed on achieving competitive capital cost without sacrificing durability and ease of maintenance.

5. Interdependence of R&D: Basically ocean-thermal systems will depend on adaptations of existing, relatively low-level, technology. In particular, unlike many forms of solar power—they do not require hardware for energy collection or energy storage. The ocean itself serves as a collection and storage medium for the energy provided by the sun so that the systems can operate continuously, day and night, year around. For fullest utilization of ocean-thermal energy, these systems may be remote from land and hence require the conversion of electricity to

some intermediate form (such as hydrogen) for energy transmission.

Engineering developments of this program will contribute design data applicable to low pressure turbine technology, low temperature-gradient heat exchangers, and to specialized ocean platforms. Experience gained in this program will also be valuable in using the ocean as a heat sink for conventional power plants. Significant delays in this program would result in overlooking—during the near term—a substantial, clean energy source of great potential.

6. Acceptability of R&D program: Public acceptability of this program will be very high, since the plants will be out of sight. Problems of the environment and of safety are expected to be minimal, compared to those involved with the development of almost every other energy source. Land usage will be largely avoided. The potential of ocean-thermal systems for providing a clean source of energy should promote general public and industrial support. Studies will be necessary to determine the possible effects on climate and biota of the thermal redistribution resulting from the operation of ocean-thermal plants. Implementation of this technology will help lead to national self sufficiency in energy production.

VI. IMPLEMENTATION PLANTS

A. Direct Benefits of Implementation:

1. Both the civilian and military sectors can utilize the energy (along with protein and fresh water) resulting from implementation of ocean-thermal plants.

2. The potential energy market for ocean-thermal power plants will be comparable to the U.S. energy gap for the foreseeable future. In addition, such plants can supply needed protein and fresh water in large quantities.

3. The production of significant quantities of electricity and/or chemical fuel using ocean-thermal plants will help relieve U.S. dependence upon foreign sources of fossil fuels.

4. Ocean-thermal power plants—like the merchant marine—are vulnerable to acts of war and sabotage. Since a large number of ocean-thermal plants are envisioned, the loss of several such plants should not have a deleterious effect on the national energy system.

5. Ocean-thermal power plants can provide base load and peaking capacity directly or via chemical fuels such as hydrogen. This would improve the diversity and energy utilization efficiency of the national energy system.

B. Economics of Implementation:

1. Projected delivery price of the ultimate product: The ocean-thermal plant could generate electricity at a cost preliminarily estimated at 5 to 10 mills/kwh.

2. As by-product of the conversion to electricity of ocean-thermal energy, protein and/or fresh water can be produced. The value of these resources might indeed be appreciable for some installations, perhaps exceeding the value of the associated energy. The net effect of the production of these additional commodities is to reduce the net price of the energy delivered to the user. If hydrogen is produced, halogens and metals may be additional by-products.

3. Capital costs for ocean-based thermal energy conversion plants are preliminarily estimated at about $400 per kilowatt of capacity. Operating costs (estimated at $10M per year for a 500 Mw plant) may be somewhat higher than those associated with conventional steam plants, because of the marine environment. However, some economy should result because of the benefit of boiler operation at low-temperatures. Thus, a cost trade-off, which could be favorable to the ocean-thermal plant, will be involved.

4. The ship building and turbine industries will be stimulated appreciably by the construction of a fleet of ocean-thermal power plants, and a new labor market will develop for operating them. Resource requirements for the ocean-thermal plants will be manifested in the aluminum industry.

5. The energy output of ocean-thermal plants can be used as electricity and/or converted into fuels such as hydrogen, so as to offset the need for importation of fossil fuels. The ocean-plant technology will be an exportable commodity, and certain subsystems and components of ocean-thermal plants will be patentable. The potential for exportation of energy-intensive products will be enhanced.

6. Assumptions underlying our projections:

a. The required energy and material resources for the construction of ocean-thermal plants will be made available at present "real dollar" prices.

b. The R&D provided by the government (through the demonstration plant phase) is regarded literally, in this case, as pump-priming; i.e., as a subsidy not amortized in the price of the energy initially produced.

c. The costs of labor, expressed in "real dollars," will be comparable with those for other energy-production plants.

d. Capital will be made available at usual interest rates.

e. The date of commercial availability could be as early as 1985 for an accelerated program extending into that period, coupled with appropriate federal incentives (discussed below in i. and in III. B.).

f. The useful lifetime for a durably-built ocean-thermal system will exceed 30 years, with maintenance costs somewhat higher than for conventional steam plants. The costs of decommissioning such plants will be minimal.

g. The increased availability of high quality electrical and/or chemical energy can help satisfy the global and/or U.S. energy deficiency, since the relative potential magnitudes of the supply of ocean-thermal energy and of the world energy gap are comparable. Similarly, the possible by-product resources, protein and fresh water, will be in great demand.

h. As contemplated above, possible excess U.S. capacity for producing renewable ocean energy and the associated resources will find foreign markets.

i. Incentives should be provided by the federal government to speed the development of these ocean resources. Since this new industry will be enhancing U.S. resources, rather than depleting them, there should be an "allowance" to reward successful private participation in this effort. Taxes should be waived on investments in the associated R&D; capital gains exclusions should be offered on returns resulting from corporate investments in this area.

C. Impacts of Implementation:

1. Natural resources required:

a. Investment in ocean-thermal plants will require significant quantities of resources per plant. However, these requirements are expected to be no greater than those needed for conventional steam power plants. For ocean-thermal plants, large heat exchangers (probably of aluminum) are required, but there is no need for fuel. The basic material needs are for plant flotation, water circulation and heat extraction. Considerable amounts of aluminum will probably be incorporated for components requiring corrosion resistance. There is no land required for most of the plants, inasmuch as they will be located in the ocean.

b. The ratios of required steel, plastic and aluminum to national total resources of these materials is inconsequential. Ocean sites for ocean-based plants are widely available.

c. Although other sectors will continue to require these resources, they are in plentiful supply, and we do not expect serious competition in meeting the needs for ocean-thermal facilities. Similarly, the abundance of offshore ocean sites should interpose no obstacles to exploitation, although the availability of sites near land is more limited.

d. The materials requirements can probably be satisfied without difficulty. On the other hand, the ocean resource could present international jurisdictional problems. If ocean-thermal plants were anchored, this potential problem might be more serious than if they were not. However, anchoring is unlikely, since technical considerations favor dynamic positioning as a means of station-keeping.

2. Inputs required:

a. Preliminary estimates of the capital investment for ocean-thermal plants is about $400 per kilowatt of capacity.

b. There is no fuel cost, except for the purpose of priming the pumps. Because of the absence of fuel and the high load factor (ca. 90%), the amortized capital costs lead to an electrical energy production cost (F.O.B. the plant) of about 8 mills per kwh. Intermediate fuels, such as hydrogen, could be produced at competitive prices.

3. Compatability with existing energy system: Ocean-thermal plants will encounter the same sorts of problems or security and concentration-distribution of power posed by existing offshore activities. The forms of energy produced will be compatible with existing and contemplated energy distribution networks and systems.

4. Environmental impacts of implementation: The global environmental impacts—on climate and biota—of large numbers of ocean-thermal plants could possibly be significant. Also, the possible local impacts of even a single plant need to be studied. The principal environmental concerns in exploiting the ocean-thermal resources are the possible consequences of the resulting redistribution of heat.

5. Occupational health and safety considerations: Insofar as the ocean plants are seaworthy, durable, and well designed for maintenance, their health and safety characteristics will be comparable to conventional land-based plants, although their relative isolation presents a potential morale problem for their staff.

6. Other factors:

a. The utilization of the oceans for plant siting will free land sites that otherwise would be used for power plants. Rejected heat from those unbuilt, land-based power plants will then not be released to the atmosphere or to streams or lakes.

b. There will be essentially no social costs, since ocean-thermal plants will have little interaction—even esthetic—with significant numbers of humans. The production of energy, along with food and water resources, will benefit society, which is experiencing increasing shortages in all three commodities.

c. The implementation of this technology has the potential for providing a significant contribution of energy to help bridge the energy gap, both domestically and internationally. Such implementation can be accomplished with minimal impact, while utilizing a renewable energy resource. Since the ocean will probably be increasingly needed as a heat sink in producing power by various means, the technology developed in this program will be useful for that application. From the standpoint of its producing valuable energy, protein and water resources, the implementation of this technology can help lead toward global, political, and social stability.

FINANCIAL HOLDINGS OF SENATOR WILLIAM PROXMIRE

Mr. PROXMIRE. Mr. President, in 1963, 1965, 1967, 1970, 1972, and 1973 I submitted for the record the history of my financial holdings from the time I was first elected to the Senate in August of 1957 until March of 1973. In order to bring the full record up to date, I submit herewith the history of my financial holdings since March of 1973.

The bulk of my security assets are now in State and municipal bonds, totaling $80,000.

My other assets include ownership in two homes and furnishings in Washington, D.C., on which I owe substantial mortgages to the Perpetual Building Association of Washington, D.C., ownership of my home and furnishings in Madison, Wis., on which the mortgage has now been paid, and from which home I received $200 per month in rent during the last year; ownership of one 1970 automobile and one 1972 automobile, ownership of one checking account in a Washington bank, one checking account in a Madison, Wis., bank and one tax savings account in a Madison bank, for tax purposes. The combined balance, as of this date, in the three bank accounts is $10,946.62.

During 1973 by the sale of U.S. Treasury bonds and notes, I paid of a collateral loan with the National Savings & Trust Co., and purchased additional municipal bonds.

In past years I have not included in my net worth statement the value of the civil service retirement fund to which I have contributed since I came to the Senate. This oversight has just been called to my attention. The cash deposit in that fund is now $36,884.35 as of March 31, 1974. While this should be included as part of my net worth, the increase in value of this deposit in the past year was only a small fraction of the total amount.

Trust custody of stock in my children's names has been turned over to them directly as they are over 21.

I estimate my present net worth to be about $253,000.

The increase in my net worth as compared to my 1973 report is a result of the increase in market value of the two houses I own in Washington, D.C., and the home I own in Madison, the retirement fund cash deposit not previously included—see above—and increased income above expenditures during 1973.

To the best of my knowledge, this is an accurate record of my financial holdings and obligations.

In addition, I herewith submit a balance sheet showing my net worth and how it was arrived at, a copy of my 1973 Federal tax return and a list of all honoraria received during 1973 in the amount of $300 or more. Additional income was received from book royalties, TV appearances, and a series of speeches for the Brookings Institution here in Washington for which I receive $150 per speech.

An amount of $919.45 for expenses incurred for my book, "Uncle Sam, Last of the Bigtime Spenders," during 1972 was reimbursed by the publisher during 1973. All expenses incurred for my book, "You Can Do It!" during 1973 were reimbursed in 1973.

In addition to the $24,926 paid to the Federal Government in taxes in 1973 income I also paid some taxes to the State of Wisconsin of $6,691 for a total income tax obligation of $31,617.

I ask unanimous consent that the balance sheet, copy of 1973 Federal tax return, and list of all honoraria received in 1973 in amount of $300 or more be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Net worth of Senator William Proxmire as of April 1974

Municipals and State bonds	$80,000.00
1972 Vega (Blue Book trade-in value—April 1974	1,500.00
1970 Mustang (Blue Book trade-in value—April 1974)	1,150.00
Two checking and one savings account:	
Education account—checking	659.01
Madison account—checking	4,687.24
Madison account—tax savings	5,600.37
	10,946.62
4613 Buckeye Road, Madison	
Assessed value	26,300.00
Market value (March 1973, $35,900)	40,600.00
3220 Ordway Street, NW, Washington	
Assessed value	35,754.00
Market value (March 1973, $60,000)	65,000.00
Mortgage balance	−43,182.92
	21,817.08
3023 Ordway Street, NW, Washington	
Assessed value	37,392.00
Market value (March 1973, $63,000)	68,000.00
Mortgage balance	−8,046.46
	59,953.54
Cash deposit in Civil Service retirement fund as of March 31, 1974	36,884.35
	252,851.59

U.S. INDIVIDUAL INCOME TAX RETURN FORM 1040

Name (If joint return, give first names and initials of both): William and Ellen H.

Last name: Proxmire.

County of residence: Dane.

Your social security number: [redacted]

Spouse's social security No.: [redacted]

Present home address: 4613 E. Buckeye Rd., Madison, Wisconsin 53716.

Occupation:

Yours: U.S. Senator.

Spouse's: Corp. Exec.

2. Married filing joint return (even if only one had income).

Exemptions: 6a Yourself, b Spouse, 2.

c. First names of your dependent children who lived with you. Douglas, 1.

7. Total exemptions claimed, 3.

8. Presidential Election Campaign Fund.—Check X if you wish to designate $1 of your taxes for this fund. If joint return, check X if spouse wishes to designate $1. Note: *this will not increase your tax or reduce your refund*. See note below.

INCOME

9. Wages, salaries, tips, and other employee compensation See statement 1, $45,604.

11. Interest income, $2,137.

12. Income other than wages, dividends, and interest (from line 38), $40,074.

13. Total (add lines 9, 10c, 11, and 12), $87,815.

14. Adjustments to income (such as "sick pay," moving expenses, etc. from line 43), $3,507.

15. Subtract line 14 from line 13 (adjusted gross income), $84,308.

TAX PAYMENTS AND CREDITS

16. Tax, check if from: Schedule G, $24,046.

17. Total credits (from line 54).

18. Income tax (subtract line 17 from line 16), $24,046.

19. Other taxes (from line 61), $880.

20. Total (add lines 18 and 19), $24,926.

21a. Total Federal income tax withheld (attach Forms W–2 or W–2P to front), $14,875.

b. 1973 estimated tax payments (include amount allowed as credit from 1972 return), $10,864.

22. Total (add lines 21a, b, c, and d), $25,739.

24. If line 22 is larger than line 20, enter amount overpaid, $813.

26. Amount of line 24 to be credited on 1974 estimated tax, $813.

Your signature: William H. Proxmire, April 5, 1974.

Spouse's signature: Ellen H. Proxmire.

Preparer's signature (other than taxpayer): Seidman and Seidman CPA's, 1200 18 St. N.W., Washington, D.C. 20036.

INCOME OTHER THAN WAGES, DIVIDENDS, AND INTEREST

28. Business income or (loss) (attach Schedule C), $41,571.

29. Net gain or (loss) from sale or exchange of capital assets (attach Schedule D), −$1,000.

31. Pensions, annuities, rents, royalties, partnerships, estates or trusts, etc. (attach Schedule E), −$636.

35. State income tax refunds: $139.

38. Total (add lines 28, 29, 30, 31, 32, 33, 34, 35, 36, and 37). Enter here and on line 12, $40,074.

ADJUSTMENTS TO INCOME

41. Employee business expense (attach Form 2106 or statement), See statement 3, $3,507.

43. Total adjustments (add lines 39, 40, 41, and 42). Enter here and on line 14, $3,507.

TAX COMPUTATION

44. Adjusted gross income (from line 15), $84,308.

45. (a) If you itemize deductions, enter total from Schedule A, line 41 and attach Schedule A, $18,083.

46. Subtract line 45 from line 44, $66,225.

47. Multiply total number of exemptions claimed on line 7, by $750, $2,250.

48. Taxable income. Subtract line 47 from line 46, $63,975.

OTHER TAXES

55. Self-employment tax (attach Schedule SE), $880.

61. Total (add lines 55). Enter here and on line 19, $880.

Did you, at any time during the taxable year, have any interest in or signature or other authority over a bank, securities, or other financial account in a foreign country (except in a U.S. military banking facility operated by U.S. financial institution)? No.

ITEMIZED DEDUCTIONS

Name(s) as shown on Form 1040: William & Ellen H. Proxmire.

Your social security number, [redacted]

1. One half (but not more than $150) of insurance premiums for medical care (Be sure to include in line 10 below), $150.

4. Subtract line 3 from line 2. Enter difference (if less than zero, enter zero), $0.

5. Enter balance of insurance premiums for medical care not entered on line 1, $180.

7. Total (add lines 4, 5, 6a, b. and c), $185.

8. Enter 3% of line 15, Form 1040, $2,529.

9. Subtract line 8 from line 7 (if less than zero, enter zero), $0.

10. Total (add lines 1 and 9). Enter here and on line 35, $150.

TAXES

11. State and local income, $7,334.

12. Real estate, $2,340.

13. State and local gasoline (see gas tax tables), $12.

14. General sales (see sales tax tables), $431.

17. Total (add lines 11, 12, 13, 14, 15, and 16). Enter here and on line 36), $10,117.

INTEREST EXPENSE

18. Home mortgage, $3,511.

19. Other (Itemize): Natl Saving & Trust, $832.

Union Trust, $132.

Dept. store, $249.

20. Total (add lines 18 and 19). Enter here and on line 37), $4,724.

21. a. Cash contributions for which you have receipts, cancelled checks, etc., $1,274.

24. Total contributions (add lines 21a, b, 22, and 23). Enter here and on line 38, $1,274.

MISCELLANEOUS DEDUCTIONS

33. Other (Itemize) See statement 4, $1,718.

Political contributions, $100.

34. Total (add lines 30, 31, 32, and 33). Enter here and on line 40, $1,818.

SUMMARY OF ITEMIZED DEDUCTIONS

35. Total medical and dental—line 10, $150.

36. Total taxes—line 17, $10,117.

37. Total interest—line 20, $4,724.

38. Total contributions—line 24, $1,274.

40. Total miscellaneous—line 34, $1,818.

41. Total deductions (add lines 35, 36, 37, 38, 39, and 40). Enter here and on Form 1040, line 45, $18,083.

William and Ellen H. Proxmire.

[redacted]

A. Principal business activity: Speaking and writing.

B. Business name: William Proxmire.

D. Business address (number and street) U.S. Senate.

City, State and ZIP code: Washington, D.C.

E. Indicate method of accounting: Cash.

F. Were you required to file Form W–3 or Form 1096 for 1973? (See Schedule C Instructions.), No.

G. Was an Employer's Quarterly Federal Tax Return, Form 941, filed for this business for any quarter in 1973?, No.

INCOME

1. Gross receipts or sales $43,897, balance $43,897.

3. Gross profit, $43.897.

5. Total income (add lines 3 and 4), $43,897.

19. Other business expenses (specify): Travel expenses, $3,575.

(m) Total other business expenses (add lines 19(a) through 19(i)), $3,575.

20. Total deductions (add lines 6 through 19), $3,575.

21. Net profit or (loss) (subtract line 20 from line 5). Enter here and on Form 1040, line 28. Also enter on Schedule SE, line 5(a), $40,322.

EXPENSE ACCOUNT INFORMATION

(1) Entertainment facility (boat, resort, ranch, etc.)?, No.

(2) Living accommodations (except employees on business)?, No.

(3) Employees' families at conventions or meetings?, No.

(4) Employee or family vacations not reported on Form W–2?, No.

PROFIT OR (LOSS) FROM BUSINESS OR PROFESSION

Name(s) as shown on Form 1040: William and Ellen H. Proxmire.

A. Principal business activity: Consultant; product: Services.

B. Business name: Ellen Proxmire.

C. Employer identification number: None.

D. Business address (number and street): 3025 Ordway Street NW, Washington, D.C. 20008.

1 Gross receipts or sales $1,384.

5 Total income (add lines 3 and 4), $1,384.

19 Other business expenses (specify): Travel, $135.

20 Total deductions (add lines 6 through 19), $135.

21 Net profit or (loss): $1,249.

Did you claim a deduction for expenses connected with:

(1) Entertainment facility (boat, resort, ranch, etc.)?: No.

(2) Living accommodations (except employees on business)?: No.

(3) Employees' families at conventions or meetings?: No.

(4) Employee or family vacations not reported on Form W–2?: No.

CAPTIAL GAINS AND LOSSES

Name(s) as shown on Form 1040: William & Ellen H. Proxmire.

PART II LONG-TERM CAPITAL GAINS AND LOSSES—ASSETS HELD MORE THAN 6 MONTHS

Sale 2M USTB 2/15/80, A, 1/4/73, 61, $1,737, $2,069, —$332.

Sale 1M USTB 2/15/80, A, 3/29/73, 61, $845, $1,035, —$190.

Sale 1M USTB 2/15/80, A, 5/8/73, 61, $843, $1,035, —$192.

Sale 3M USTB 2/15/80, A, 6/7/73, 61, $2,510, $3,104, —$594.

Sale 5M USTB 11/15/73, A, 6/7/73, 64, $4,916, $5,002, —$86.

Sale 11M USTB 5/15/85, A, 6/8/73, 61, $8,632, $11,190, —$2,558.

Sale 30M USTB 8/15/92, A, 6/8/73, 62 $22,628, $30,376, —$7,748.

Sale 10M USTN 5/15/75, A, 6/8/73, 61, $9,841, $10,056, —$215.

Sale 5M Wisc. State Agency, 12/1/96, A, 9/13/73, 12, 271, $4,269, $4,523, —$254.

Net gain or (loss): —$12,169.

Net long-term gain or (loss): combine lines 11, 12(a) and 12(b), —$12,169.

(i) If amount on line 5 is zero or a net gain, enter 50% of amount on line 14;

(ii) If amount on line 13 is zero or a net gain, enter amount or line 14; or,

(iii) If amounts on line 5 and line 13 are net losses, enter amount on line 5 added to 50% of amount on line 13, —$6,085.

(iii) Taxable income, as adjusted (see instruction L), $1,000.)

SUPPLEMENTAL INCOME SCHEDULE AND RETIREMENT INCOME CREDIT COMPUTATION

Name(s) as shown on Form 1040: William & Ellen H. Proxmire.

See statement 2, percentage ownership or occupancy: —$636.

Cost or other basis: $61,615.

Other depreciation: see statement 2, $2,159.

Straight line: $1,567.

Declining balance: $592.

Total: $2,159.

INCOME AVERAGING

Name(s) as shown on Form 1040: William & Ellen H. Proxmire.

1. Taxable income:

(a) Computation year, 1973: $63,975.

(b) 1st preceding base period year, 1972; $47,809.

(c) 2d preceding base period year, 1971; $42,960.

(d) 3d preceding base period year, 1970; $37,093.

(e) 4th preceding base period year, 1969; $32,042.

5. Adjusted taxable income or base period income:

1973, $63,975.
1972, $47,809.
1971, $42,960.
1970, $37,093.
1969, $32,042.

6. Adjusted taxable income from line 5, column (a): $63,975.

7. 30% of the sum of line 5, columns (b), (c), (d), and (e): $47,971.

8. Averageable income (line 6 less line 7): $16,004.

COMPUTATION OF TAX

9. Amount from line 7, $47,971.

10. 20% of line 8, $3,201.

11. Total (add lines 9 and 10), $51,172.

13. Total (add lines 11 and 12), $51,172.

14. Tax on amount on line 13, $17,646.

15. Tax on amount on line 11, $17,646.

16. Tax on amount on line 9, $16,046.

17. Difference (line 15 less line 16), $1,600.

18. Multiply the amount on line 17 by 4, $6,400.

19. Total (add lines 14 and 18), $24,046.

21. Tax (add lines 19 and 20), $24,046.

COMPUTATION OF SOCIAL SECURITY SELF-EMPLOYMENT TAX

Name of self-employed person (as shown on social security card): William Proxmire.

Business activities subject to self-employment tax: Speaking and writing.

(a) Schedule C, line 21, (Enter combined amount if more than one business), $40,322.

6 Total (add lines 5(a), 5(b), 5(c), 5(d), and 5(e)), $40,322.

8 Adjusted net earnings or (loss) from nonfarm self-employment (line 6, as adjusted by line 7), $40,322.

(a) Maximum amount reportable, under both optional methods combined (farm and nonfarm), $1,600.

(b) From nonfarm (from line 8, or line 11 if you elect to use the Nonfarm Optional Method), $40,322.

13 Total net earnings or (loss) from self-employment reported on line 12. (If line 13 is less than $400, you are not subject to self-employment tax. Do not fill in rest of form), $40,322.

14. The largest amount of combined wages and self-employment earnings subject to social security tax for 1973 is, $10,800.

15 (a) Total "FICA" wages as indicated on Forms W–2, $1,054.

(c) Total of lines 15(a) and 15(b), $1,054.

16 Balance (subtract line 15(c) from line 14), $9,746.

17 Self-employment income—line 13 or 16, whichever is smaller, $9,746.

18 If line 17 is $10,800, enter $864.00; if less, multiply the amount on line 17 by .08, $780.

19 Self-employment tax (subtract line 19 from line 18). Enter here and on Form 1040, line 55, $780.

COMPUTATION OF SOCIAL SECURITY SELF-EMPLOYMENT TAX

Name of self-employed person (as shown on social security card): Ellen H. Proxmire.

Business activities subject to self-employment tax: Consultant.

(a) Schedule C, line 21. (Enter combined amount if more than one business.), $1,249.

6 Total (add lines 5(a), 5(b), 5(c), 5(d), and 5(e)), $1,249.

Adjusted net earnings or (loss) from nonfarm self-employment (line 6, as adjusted by line 7), $1,249.

(a) Maximum amount reportable, under both optional methods combined (farm and nonfarm), $1,600.

12 Net earnings or (loss):

(b) From nonfarm (from line 8, or line 11 if you elect to use the Nonfarm Optional Method), $1,249.

13 Total net earnings or (loss) from self-employment reported on line 12. (If line 13 is less than $400, you are not subject to self-employment tax. Do not fill in rest of form.), $1,249.

14 The largest amount of combined wages and self-employment earnings subject to social security tax for 1973 is, $10,800.

15 (a) Total "FICA" wages as indicated on Forms W–2 $2,050.

(c) Total of lines 15(a) and 15(b), $2,050.

16 Balance (subtract line 15(c) from line 14), $8,750.

17 Self-employment income—line 13 or 16, whichever is smaller, $1,249.

18 If line 17 is $10,800, enter $864.00; if less, multiply the amount on line 17 by .08, $100.

20 Self-employment tax (subtract line 19 from line 18). Enter here and on Form 1040, line 55, $100.

1973 FEDERAL INCOME TAX STATEMENTS OF SENATOR WILLIAM PROXMIRE

STATEMENT 1—WAGES

Employer's name and address	FICA	Income tax withheld	Wages, etc.
(H) U.S. Senate, Washington, D.C		$14,389	$42,500
(W) Washington Whirl-Around	$120	300	2,050
(H) Tonight Show	18	66	306
(H) Dinah's Place	11	27	192
(H) What's My Line?	15	37	250
(H) Mike Douglas Show	18	56	306
Total wages	182	14,875	45,604

STATEMENT 2—RENT AND ROYALTY INCOME

(H) Property (1):	
Residence, Madison, Wis.:	
Gross rents	$2,400
Expenses:	
Depreciation	767
Repairs (miscellaneous)	84
Interest	34
Taxes (property)	1,116
Total expenses	2,001
Net income	399

DEPRECIATION

Description	Date acquired	Cost or other basis	Accumulated depreciation
House	1958	30,565	10,830
Improvements	July 1, 1964	1,750	1,473
Furniture	Dec. 1, 1964	800	800

Description	Depreciation method	Life: Years	Life: Percent	Depreciation this year
House	150DB	50		592
Improvements	SL	10		175
Furniture	SL	5		0
Total				767

(W) Property (2):	
Sea Pines Plantation, Hilton Head Island, S.C.:	
Gross rents	$2,505
Expenses:	
Depreciation	1,392
Insurance	53
Interest	1,867
Maintenance	30
Management fees	790
Miscellaneous expense	249
Taxes (property)	194
Total expenses	4,575
Net loss	−2,070
Percent of ownership	50.000
Net deductible loss	−1,035

DEPRECIATION

Description	Date acquired	Cost or other basis	Accumulated depreciation
Building	July 1, 1972	25,300	506
Appliances	do	1,150	58
Carpeting	do	600	60
Heat and air-condition	do	1,450	73

Description	Depreciation method	Life: Years	Life: Percent	Depreciation this year
Building	SL	25		1,012
Appliances	SL	10		115
Carpeting	SL	5		120
Heat and air-condition	SL	10		145
Total				1,392

Recapitulation of rent and royalty income:	
Property (1)	$399
Property (2)	−1,035
Net loss from rents and royalties	−636

STATEMENT 3—BUSINESS EXPENSE

Travel expense away from home:	
(H):	
Lodging, meals, and tips	$685
Transportation	3,030
Living expense, District of Columbia	3,000
Total business expense	6,715
Less reimbursements	−3,208
Total	3,507

STATEMENT 4—ITEMIZED MISCELLANEOUS DEDUCTIONS

Tax preparation fees	$1,155
Safe deposit box	77
Total	1,232
Employee business expense:	
Other business expense:	
(H):	
Dues and subscriptions	112
Entertainment	69
Photos	135
Recording	170
Total business expense	486
Miscellaneous other deductions	1,718

STATEMENT 5—INTEREST INCOME

(W) Interstate	$46
(H) U.S. bonds and notes	1,375
(H) U.S. Treasury notes and bonds sold	563
(H) United Bank and Trust	153
Total interest income	2,137

STATEMENT 6—RECEIPTED CASH CONTRIBUTIONS

Charities qualifying for 50-percent limitation:	
Cancer fund	100
Heart fund	100
Landon School	415
Yale	120
United Way	100
Multiple sclerosis	100
Hill School	100
Harvard	100
Lake Forest Cem. Comm	55
Wash. Tennis Patrons	35
Miscellaneous organized charities	49
Total receipted cash contributions to charities qualifying for 50-percent limitation	1,274
Total receipted cash contributions	1,274

I hereby certify that I was in a travel status in the Washington area, away from home, in the performance of my official duties as a Member of Congress, for 318 days during the taxable year, and my deductible living expenses while in such travel status amounted to not less than $3,000.

WILLIAM PROXMIRE.

HONORARIUMS

January 23, Paperboard Packaging Council, D.C., speech, $350.

February 16, Menswear Retailers of America, Chicago, speech, $1,000.

March 3, Goshen College, Goshen, Ind., speech, $1,000.

March 3, Muhlenberg College, Allentown, Pa., speech, $1,000.

March 6, American Enterprise Institute, D.C., speech, $2,000.

March 11, Downers Grove Village Forum, Downers Grove, Ill., speech, $1,100.

March 16, Illinois College of Podiatric Med., Chicago, speech, $1,000.

April 6, Northern Illinois Univ., DeKalb, Ill., speech, $1,000.

April 7, Consumer Federation of California, San Francisco, speech, $1,000.

April 10, Newark State College, Union, N.J., speech, $1,500.

April 25, University of Baltimore, Baltimore, Md., speech, $1,000.

April 26, United Jewish Appeal, Flint, Mich., speech, $1,000.

April 27, Economic Society of South Florida, Florida, speech, $1,000.

April 29, Cornell University, Ithaca, N.Y., speech, $1,000.

May 12, Temple Emanuel Brotherhood, Dallas, Tex., speech, $1,125.

May 19, Virginia Commonwealth University, Richmond, Va., speech, $1,050.

June 2, Evergreen State College, Olympia, Wash., speech, $2,000.

June 10, University of Oregon, Eugene, Ore., speech, $1,500.

June 23, Fund for Higher Education in Israel, Daylin, Inc., New York City, NY., speech, $1,500.

August 24, Family Circle magazine, "You Can Do It!", article, $2,700.

September 8, Militia Association of New York & Foreign Policy Association, N.Y., speech, $1,000.

October 18, University of Nevada, Reno, Nev., speech, $1,050.

October 19, Brigham Young University, Provo, Utah, speech, $1,500.

October 21, University of New Mexico, Albuquerque, N. Mex., speech, $1,050.

October 22, Worcester Economic Club, Worcester, Mass., speech, $1,000.

October 26, National Executive Conference, Washington Seminar on Economic Outlook, D.C., speech, $1,000.

November 1, Outdoor Power Equipment Institute, D.C., speech, $500.

November 3, Towson State College, Towson, Md., speech, $700.

November 12, Indiana University of Pennsylvania, Indiana, Pa., speech, $2,000.

November 26, Salmon P. Chase Law School, Covington, Ky., speech, $1,000.

February 1, Simon & Schuster, Inc., "You Can Do It!", book advance, $3,000.

BATTLE OF THE BUDGET GOES UNDERGROUND

Mr. HUMPHREY. Mr. President, in January of 1973, President Nixon sent to Congress what he called a "dramatic document"—the fiscal year 1974 budget of the U.S. Government. This document proposed wide ranging changes in many Government programs. The program cuts and terminations were highlighted by an 8-page table which proclaimed that in fiscal year 1974 savings due to actions taken by the administration would total $16.9 billion. These cuts were accompanied by a great deal of rhetoric about the need to restrain excessive congressional spending and about the comprehensive evaluation of all Government spending which had determined that the cuts proposed were in the most ineffective Federal programs.

The staff of the Joint Economic Committee carefully examined these proposed cuts and the justifications for them. Their study concluded that the real savings from the administration's proposals would be approximately $8 billion. In addition, it concluded that the administration had made no analytical evaluations to support the proposed cuts and that the justifications supplied to the committee were, in fact, nationalizations of no value in formulating spending priorities.

After Mr. Nixon presented the fiscal year 1974 budget, Congress considered it and made several changes. Some of the proposals were accepted; some were not; as is always the case with Presidential budget requests.

And now the fiscal year 1975 budget has been submitted to Congress. This budget is accompanied by a very different kind of rhetoric by the administration. The emphasis is on justifying the large increase in defense spending and on flexibility to spend more if economic conditions make it necessary. No longer are we confronted with a table of budget cuts and told that if these cuts are rejected a tax increase will inevitably result.

What happened to that infamous budget cut table? It is not reproduced in the fiscal year 1975 budget, but a close examination shows that many of the cuts—even some that Congress rejected for fiscal year 1974—are buried in the fiscal year 1975 budget. At my request, OMB has brought that table up to date and I think my colleagues will find this most interesting.

The programs have been grouped according to their current status in the fiscal year 1975 budget.

The first group lists savings which were not accomplished and are no longer planned. The administration withdrew some of these proposals; others were rejected by Congress. As the table shows, a total savings of $1 billion in fiscal year 1974 and $884 million in fiscal year 1975, as projected in the 1974 budget is no longer anticipated in the 1975 budget.

The second group of programs is even more interesting. These program cuts were not achieved in fiscal year 1974, as proposed by the administration but are repeated either unchanged or somewhat modified in the 1975 budget. The administration had estimated that almost $2½ billion could be saved from these programs in fiscal year 1974, but now they estimate fiscal year 1974 savings from these sources will be only about $700 million.

Despite the fact that many proposed cuts were specifically rejected by Congress—such as medicaid, health, manpower training, and school library support—the administration is proposing them again in the 1975 budget, and counting on them to reduce spending. And, no new analysis has been provided to support the pitifully poor evaluations supplied to the Joint Economic Committee a year ago. In the 1974 budget, the estimated fiscal year 1975 savings were $3.8 billion; in the 1975 Budget, the estimated savings have dropped to $3.2 billion.

Repeating the same budget cut proposals that were rejected by Congress last year shows that the 1974 "Battle of the Budget" has not ended. The administration is continuing to try to reduce these programs, only without last year's fanfare. This is not hard to explain. The victorious majority President of January 1973, was a beleaguered minority President in January 1974.

The third group lists savings which have been partially accomplished. Totals in this category are not very useful because they include the increased oil lease sales which had no place in this table in the first place. Selling oil does not reduce, terminate, or save anything.

The fourth and largest category in this table shows savings which are being accomplished as scheduled. The total estimate for fiscal year 1975—$14.5 billion—is impressive indeed. But on closer examination, we find that over 80 percent of these savings "accomplished as scheduled" were listed in the Joint Economic Committee staff study as being phony to begin with. Some of these phony savings have even grown: last year the administration claimed a saving of $4.7 billion because Congress imposed a ceiling on social service grants. This year that claim has risen to $5.4 billion without anyone doing anything. The table shows that most of the savings the administration has been able to accomplish are as phony this year as they were last year. While the administration's rhetoric has changed, its battle plan remains the same, only now they have gone underground.

Mr. President, I ask unanimous consent that the table prepared by the Office of Management and Budget, and entitled "Outlay Savings From Program Reductions and Terminations, 1974-75," be in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

OUTLAY SAVINGS FROM PROGRAM REDUCTIONS AND TERMINATIONS, 1974–75

[Fiscal years; amounts in millions of dollars]

1974 budget document			1975 budget document		
	Estimated savings			Estimated savings	
Proposed action	1974	1975	Status	1974	1975
NOT ACCOMPLISHED; NO LONGER PLANNED					
Veterans Administration:					
Bring pensions into close alignment with need	223	227	No longer planned because substantive legislation was not enacted		
Reform veterans benefits administratively to align benefits and need.	160	160	No longer planned		
Department of Agriculture:					
Limit the special milk subsidy to institutions not receiving subsidized milk through free and reduced price child feeding programs.	59	77	No longer planned. Action blocked by Congress		
Department of Health, Education, and Welfare:					
Health: Eliminate duplicative preventive health program grants	53	53	No longer planned	1	
Education:					
Foreign language and area training programs	13	14	do		
State departments of education	36	13	do		
Department of Justice:					
Review prison construction program for its relationship to State and local facilities and impact on alternatives to incarceration on Federal prison population.	28		No longer planned. Alternatives identified and construction continued.		
Commerce:					
Provide planning funds directly to States for support of regional commission and eliminate Federal participation.	27	44	The President accepted congressional action to extend this program through 1974. The 1975 budget proposes a further 1-year extension to permit the transition to a new program.		
Department of Labor:					
Reform manpower training programs administratively to accomplish the purposes of manpower special revenue sharing.	354	250	No longer planned. The Congress and the administration cooperated in the development of new legislation which accomplished the essential objectives of decentralization of decategorization.		
Department of Transportation:					
Reduce operating subsidies for AMTRAK	27		No longer planned due to the failure to secure passage of needed legislation and an unexpected cost overrun of AMTRAK.		
Atomic Energy Commission:					
Defer selected lower priority projects in the nuclear materials, weapons, civilian reactor, and research programs.	21	46	No longer planned primarily because of the importance of energy research in developing the technology to meet future energy demands.		
NOT ACCOMPLISHED BUT REPEATED IN UNCHANGED OR MODIFIED FORM					
Department of Health, Education, and Welfare:					
Income security:					
Eliminate certain optional payment procedures under OASDI.	310	310	Not yet accomplished but repeated essentially unchanged in the 1975 budget. Delay is due to the inaction of the Congress.		345
Improve structure of public assistance programs	158	158	Not yet accomplished but repeated essentially unchanged in the 1975 budget. The increased savings expected in 1975 reflect a reestimate based on better data. Delay is due to the inaction of the Congress.		203
Limit to 5 yr Federal funding responsibility for Cuban refugees.	58	98	Not yet accomplished but repeated in modified form in the 1975 budget. Congressional action has delayed the phaseout of this program for fiscal year 1974.	33	89

1974 budget document			1975 budget document		
	Estimated savings			Estimated savings	
Proposed action	1974	1975	Status	1974	1975
Health:					
Rely on Federal health financing mechanisms to pay depreciation charges in place of medical facilities grant program, and achieve quality care objectives through the professional standards review in place of the regional medical program.	189	206	Not yet accomplished but repeated essentially unchanged in the 1975 budget. Congressional and court action restored program for fiscal year 1974. Savings are expected to be achieved in fiscal year 1976.		36
Focus health manpower training support on areas of special need.	49	54	Not yet accomplished but repeated in modified form in the 1975 budget. The Congress and the courts did not agree to this proposal for fiscal year 1974		66
Eliminate Federal financing for low-priority medicaid services to adults.	75	100	Not yet accomplished but repeated essentially unchanged in the 1975 budget. Delay is due to inaction of the Congress.		75
Phase out over an 8-yr period Federal financing for local mental health programs.	63	75	Not yet accomplished but repeated essentially unchanged in 1975 budget. Congressional and court action restored authority for this program through fiscal year 1974.		10
Education:					
Land grant college support	10	10	Not yet accomplished but repeated in modified form in the 1975 budget. Congressional action restored this program for fiscal year 1974.		13
University community services	15	15	Not yet accomplished but repeated essentially unchanged in the 1975 budget. Congressional action restored this program for fiscal year 1974.		15
Payments to local school systems for certain federally related students.	110	120	Not yet accomplished but repeated as a 1-yr phaseout in the 1975 budget. Congressional action restored this program for fiscal year 1974.		187
Public libraries and school library resources	49	135	Not yet accomplished but repeated essentially unchanged in the 1975 budget Congressional action restored 3 programs for fiscal year 1974 after part of the savings had been achieved.		
Certain narrowly focused categorical programs	53	76	Not yet accomplished but repeated in modified form in the 1975 budget. Congressional action restored these programs for fiscal year 1974 after part of the savings had been achieved.	43	46
Substitute private market mechanism for Federal capitalization of direct student loans	264	288	Not yet accomplished but repeated in modified form in the 1975 budget. Congressional action restored authority for this program through fiscal year 1974. Savings in fiscal year 1976 are estimated to be nearly $300,000,000.		
Veterans' Administration:					
Eliminate duplicate burial benefits	54	54	Not yet accomplished but repeated essentially unchanged in 1975 budget. Increased savings expected in 1975 reflect a reestimate based on better data. Delay is due to inaction of the Congress.		58
Office of Economic Opportunity:					
Reassign OEO activities and discontinue direct Federal funding of community action organizations leaving support to local decision.	328	390	Not yet accomplished but repeated essentially unchanged in the 1975 budget. The Congress appropriated funds to continue OEO and direct funding for Community Action operations through June 30, 1974.	45	285
Department of Agriculture:					
Terminate rural water systems and waste disposal grants which are replaced by loans, or to extent consistent with Water Pollution Control Act, EPA financed.	100	150	Not yet fully accomplished but repeated in modified form in the 1975 budget. Decrease in estimated savings reflects reestimates and the release of some funds for "hardship" applications.	55	50
Department of Housing and Urban Development:					
Temporarily suspend new commitments under housing subsidy programs.	305	612	Some of the reforms are no longer planned. Others are being achieved and repeated in modified form in the 1975 budget.	124	263
Terminate categorical community development programs in favor of urban special revenue sharing:					
Model Cities		435	Repeated in modified form in the 1975 budget	10	385
Urban renewal		180	Not yet accomplished but repeated in the 1975 budget. The increased savings expected in 1975 reflect revised estimates based on better data.		530
All other	7	130	Repeated in modified form in the 1975 budget	8	113
Department of the Interior:					
Reduce construction activity on some roads and other capital improvements of relatively low priority in national parks, public lands, and Indian areas to less than anticipated rates in 1973 and 1974.	10	13	Not yet accomplished but repeated in modified form in the 1975 budget. The increased savings expected in 1975 are due to the elimination of marginal bicentennial projects.	7	45
Constrain land purchases for Federal recreation and wildlife areas and grants to States for purchase of recreation areas in 1973 and 1974 below anticipated levels.	61	46	Repeated in modified form in 1975 budget. Target has not changed but the estimated timing of savings has been revised.	23	88
Civil Service:					
Allocate proper retirement costs to the Postal Service	285	105	Not yet accomplished but repeated in modified form in the 1975 budget.	355	204
ACCOMPLISHED IN MODIFIED FORM					
Funds appropriated to the President:					
Foreign economic assistance:					
Reduced programs of AID below levels previously budgeted	62	170	The 1974 savings will be achieved but it is unlikely that all savings for 1975 will be obtained.	78	64
Department of Agriculture:					
Eliminate cost-sharing for installation of soil and water management practices on private lands and make corresponding reductions in technical assistance given through conservation programs.	258	259	The 1975 reduction will be substantially less than anticipated proposal was modified and cost estimates increased.	210	90
Achieve economics in the Forest Service through tightened management, reduced State forestry support, and shifting construction of forest roads to timber purchases.	94	106	Being accomplished in modified form. Considerably less savings than anticipated.	50	59
Curtail anticipated growth in agriculture extension programs and reduce Federal support for agricultural research of primarily local benefit and low-national priority.	34	34	Congressional additions to these programs have reduced the expected savings.	3	3
Department of Commerce:					
Phase out Economic Development Administration programs in favor of more focused and consolidated efforts to stimulate economic development.	35	56	The President accepted congressional action to extend this program through 1974. The 1975 budget proposes a further 1-year extension at a reduced level to permit the transition to a new program.	−13	10
Department of Health, Education, and Welfare:					
Health:					
Strengthen medicare cost control and eliminate unnecessary advance payments for hospitals.	277	431	Reform of payment methods has been accomplished in modified form. Cost control reforms are no longer planned.	197	
Strengthen Medicaid management	175	200	Being accomplished in modified form	110	90
Phase out training grant over a 3-year period and control the level of new research grants selected in nonpriority areas.	57	67	Being accomplished in modified form. Congressional action restored part of the savings sought.	51	64
Income security:					
Adjusted the growth rate for vocational rehabilitation program.	31	26	Some savings were achieved in 1974, however, congressional action has blocked some of the reductions in 1975.	31	25
Institute quality control for social services research and training.	31	62	Savings were achieved in 1974, however, congressional action has blocked some of the reductions in 1975.	31	25

OUTLAY SAVINGS FROM PROGRAM REDUCTIONS AND TERMINATIONS, 1974-75—Continued

[Fiscal years; amounts in millions of dollars]

1974 budget document			1975 budget document		
	Estimated savings			Estimated savings	
Proposed action	1974	1975	Status	1974	1975
ACCOMPLISHED IN MODIFIED FORM—Continued					
Department of Interior:					
Increase in rate of lease sales on Outer Continental Shelf to increase domestic oil production thereby reducing outlays.	1,010	510	Being accomplished and repeated in modified form in the 1975 budget. The substantial increases in estimated receipts are due to higher prices for leases. The estimates shown do not include the additional oil leases announced since the 1975 budget was prepared.	4,910	3,910
Department of the Treasury:					
Delay construction of Federal Law Enforcement Training Center to assure resolution of environmental impact of problems.	12		Being accomplished. Delay in construction now projected through fiscal year 1975 because of a court review of the environmental impact statement.	12	12
Reduce personnel, travel, and related costs	9	9	Being accomplished in modified form	6	6
Tennessee Valley Authority:					
Slow scheduling of construction activity on projects underway and postpone increases in other programs.	30	25	Being accomplished. Estimated savings have been revised	25	27
ACCOMPLISHED AS SCHEDULED					
Department of Commerce:					
Limit planned expansion of selected science and technology programs of National Bureau of Standards which could be delayed without significant adverse impact.	10	7	Being accomplished as scheduled	10	7
Department of Agriculture:					
Reduce the cost of farm price support programs consistent with rising farm income prospects and achievement of foreign sales agreements: Reducing direct payments to farmers; stopping export subsidies; increasing crop loan interest; terminating old crop loans; and tightening storage facility loan eligibility.	1,219	1,234	Being accomplished as scheduled. Farm-price support payments were substantially changed by the Agriculture and Consumer Protection Act of 1973.	1,048	1,253
Decrease the large interest subsidy to the Rural Electrification Administration through use of Rural Development Act, 5 percent insured loans vice 2 percent direct loans.	373	695	Being accomplished as scheduled. The REA has been transferred off budget.	373	695
Department of Defense—Military:					
Reduce military and civilian personnel and other operations costs	1,200	400	Being accomplished as scheduled	1,200	400
Reduce procurement of Safeguard, aircraft, missiles, and ships	650	1,300	do	650	1,300
Limit growth in research, development, test, and evaluation associated with Safeguard, and other programs.	200	200	do	200	200
Reduce construction associated with Safeguard deployment, bachelor housing, and family housing.	50	200	do	50	200
Limit new spending for all-volunteer force and other legislation	400	500	Being accomplished although not all the legislation has been passed yet.	400	500
Tighten operations of revolving and management funds	200	100	Being accomplished as scheduled	200	100
Department of Defense—Civil—Corps of Engineers:					
Slow scheduling of less critical navigation and flood control projects while meeting essential flood control, power, and water supply demands	471	650	Being accomplished as scheduled. The savings in 1975 are now estimated to be slightly higher than anticipated last year.	471	685
Department of Health, Education, and Welfare:					
Income security:					
Limit outlays through the operation of the administration-supported statutory ceiling on social services grants (already enacted by the Congress).	2,700	4,700	Being accomplished as scheduled. Additional savings are being obtained.	2,800	5,400
Eliminate overpayments and payments to ineligible recipients of public assistance and introduce management improvements.	592	592	Being accomplished. Estimates of savings were revised to reflect better data.	773	384
Department of the Interior:					
Schedule water resources development construction by Bureau of Reclamation at less than anticipated rates except for hydropower and water supply projects.	123	113	Being accomplished as scheduled. Additional savings expected reflect revised estimates.	152	177
Reorient saline water program to emphasize research on new technologies and deemphasize construction of large-scale test plants of known technology.	14	21	Being accomplished as scheduled	15	22
Reduce other costs not accounted for in program	2		do	2	
Department of Justice:					
Return responsibility to functional agencies for Community Relations Service technical assistance program.	4	4	do	4	4
Department of Labor:					
Phase down the emergency employment assistance program consistent with the increase in new jobs in the private sector.	670	700	Being accomplished as scheduled. Estimates of 1974 savings have been revised slightly.	609	700
Increase efficiency of employment and unemployment insurance services.	35	35	Being accomplished as scheduled	35	35
Tighten the operations and management in the Department of Labor.	10	10	do	10	10
Allocate proper unemployment benefit costs to the Postal Service.	26	26	do	26	26
Department of Transportation:					
States are deferring highway projects because of a lack of legislative authority.	82		do	83	
Defer lower priority Coast Guard construction and research contracts.	14	10	do	14	10
Reschedule FAA equipment purchase and long-range research that are not essential to air safety.	35		do	35	
Reorder high-speed rail research and development, placing greater emphasis on near-term needs and deferring projects where results are not required for several years.	41	5	do	41	5
Focus UMTA research and development on immediate improvement programs and hold up contracts for some hardware developments awaiting additional studies and evaluations.	26	5	do	26	5
Rephase intermodal transport research and development, focusing on intermediate problems. Reduce selected research and development projects whose results are not required in the near term.	7	6	do		6
Increase efficiencies of Coast Guard operations	10	3	do	10	3
Increase efficiencies of FAA operations	20		do	20	
Atomic Energy Commission:					
Reduce Plowshare program to permit further economic and environmental study.	3	3	do	3	3
Reduce space electric power and propulsion programs because of no current missions requirements.	12	18	do	12	18
Environmental Protection Agency:					
Actions related to Federal Water Pollution Control Act Amendments of 1972.	950	1,950	do	950	1,950

1974 budget document			1975 budget document		
	Estimated savings			Estimated savings	
Proposed action	1974	1975	Status	1974	1975
General Services Administration:					
Provide more efficient guard service in public buildings	3	3	do.	3	3
Require more effective supply practices	25		do.	25	
Reduce new computer procurements by improving utilization of existing equipment.	9		do.	9	
National Aeronautics and Space Administration:					
Delay the space shuttle to provide for a more orderly program buildup.	45	75	Being accomplished. The space shuttle is being delayed longer than estimated in the 1974 budget.	55	108
Reduce other manned space flight	47	10	Being accomplished. Action was more successful than originally anticipated.	50	52
Defer the High-Energy Astronomy Observatory to allow NASA to study same program objectives at lower cost.	68	56	Being accomplished. Program redefinition was completed earlier than expected and the program was begun ahead of previous plans.	58	52
Cancel Application Technology Satellite-G research can be funded by industry without Government support.	17	16	Being accomplished as scheduled. Increased savings in 1974 reflect reestimates.	19	16
Reduce nuclear power and propulsion research since prospective applications are in the distant future.	16	18	Being accomplished. NASA reinstated a portion of the program in response to congressional action thus reducing savings.	13	17
Cancel experimental STOL aircraft because of uncertainty on the timing of a commercial market.	34	20	Being accomplished as scheduled in 1974. A reduced cost STOL technology program is included in the 1975 budget.	33	13
Reduce NASA personnel and administrative expenses consistent with program reductions.	24	24	Being accomplished as scheduled. Personnel reductions were accomplished faster than expected.	30	31
Veterans' Administration:					
Reschedule construction activities	55.0	65.0	Being accomplished as scheduled. Program savings estimates were changed reflecting better data and lower costs.	33.0	38.0
Restructure medical research in line with current medical needs	13.0	27.0	Being accomplished. Congressional action blocked part of these savings.	11.0	20.0
Civil Service Commission:					
Limit the level of the intergovernmental personnel assistance grant program pending evaluation.	1.0	5.0	Being accomplished as scheduled	1.0	5.0
National Science Foundation:					
Reductions due to curtailment of lower priority programs and other selective reductions.	32.0		do.	32.0	
Small Business Administration:					
Reduce direct business loan program of Small Business Administration as needs are met by increased participation of private banking community through SBA guaranteed loans.	41.0	34.0	do.	41.0	34.0
Subversive Activities Control Board:					
Terminate as a result of court decisions limiting workload	.4	.4	do.	.4	.4
Washington Metropolitan Area Transit Authority:					
Use bond proceeds to even out level of Federal contribution to subway construction.	13.0		do.	13.0	
OTHER					
Department of Health, Education, and Welfare:					
Reform medicare cost-sharing and implement effective utilization review.	616	1,300	Similar reform, combined with increased benefits are now proposed as a part of the comprehensive health insurance plan to become effective in January 1976. Savings shown reflect implementation of effective utilization review.	30	40
Redirect or defer selected R. & D. programs of the National Oceanic and Atmospheric Administration which are not directly focused on national objectives or not critical now.	41		Some of the savings are not being achieved because termination of the national data bouy research was deferred pending reevaluation.	26	
Atomic Energy Commission:					
Reduce inventory and working capital requirements (1973 savings were projected to be $56,000,000).	—35		Action was not taken because of changes in working capital requirements.		

LIBRARY LIBERATION

Mr. DOMENICI. Mr. President, we talk today of all kinds of liberation movements, but one of the most worthy movements to espouse is a new image for libraries. Libraries should be liberated to achieve their potential as educational institutions, and as providers of adequate library services to rural and urban areas alike. The Library Services Act was probably the first major force in liberating libraries, in that Americans from coast to coast were made cognizant of the need and the value of libraries. For libraries to be truly liberated today requires financing of the operations already in existence, a guaranteed healthy amount of Federal aid, community based efforts, and allowances for innovation and new construction.

New Mexico has made great strides toward liberating libraries. In New Mexico, the need for multi-county libraries was recognized as early as 1948. Because the State had fewer than a million people in an area that was twice as extensive as all New England, it was necessary for the regional libraries that were created to cover extensive areas. Not counting Santa Fe itself, only four small libraries had been established prior to 1960. However, among people who had never had access to libraries or even to substantial numbers of books, there were loaned a total of 59,784 books in the first 8 months of 1958.[1]

The bookmobile was the key to reaching outlying areas in New Mexico. In fact, history records that in April 1960, the New Mexico Northeastern Regional Library bookmobile covered 304 miles a day between 7:30 in the morning and 5:30 in the afternoon and made three working stops.[2] What I am trying to show here is the length to which New Mexico's bookmobile librarians were willing to go to put books in the hands of their people.

According to an authority with the New Mexico State Library, in fiscal year 1973 there were 38 "legally constituted" libraries in the State of New Mexico. There are many other community based libraries and community library centers in the State not revealed in this total. Today, there are eight bookmobiles in the State, six of which are operated regionally from the State library. One bookmobile is run by the U.S. Bureau of Indian Affairs. In fact, New Mexico ranks fourth in Indian population with the 1970 census showing that there were 72,788 Indians as compared to 56,255 in 1960.[3] This is a fairly large Indian population that libraries must serve. According to State library statistics, in fiscal year 1973, there were 638,009 people served and an additional 180,000 people reached by bookmobiles.

Current news articles more often than not are illuminating the trend of library liberation. John Bebout, author of an article entitled "Partnership Federalism" remarked that—

> Public libraries that are worth their salt are not longer the somewhat cloistered institutions of local cultural benevolence that many of them once were.[4]

Likewise, according to an article in U.S. News and World Report, libraries are attempting to shed a "stodgy image."[5]

The kinds of innovations libraries are offering range from information centers linked by computers, to storefront libraries, to bookmobiles for shut-ins, all the way to karate lessons. In a recent article in the Library Journal, it was remarked that New Mexico libraries were urged to "jump on the community bandwagon" to get out and work in the community, become an integral part; in order to survive; get the public so hung up on information services they cannot live without your library.[6]

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[1] Hawthorne, Daniel. *Libraries for Everyone*, New York, Doubleday, 1961, p. 123.

[2] Ibid., p. 124

[3] Hearings, House Committee on Education and Labor, 93rd Congress, 1st Session, H.J. Res. 734 and H.J. Res. 766 (White House Conference on Library and Information Services in 1976), p. 59.

[4] Ibid., p. 39.

[5] "As Libraries Go All Out to Shed a Stodgy Image," *U.S. News and World Report*, December 24, 1973, p. 75.

More and more libraries are providing residents with information about their communities, and the—

> Nonuser's image of libraries as staid, faceless book storehouses is beginning to crack.[7]

The new mode libraries serve as community information centers. A case in point is the new Zuni Learning Center in New Mexico.[8] This is proof that libraries are reaching out with a variety of programs aimed at getting the potential patron into the library or bringing service to him.

The question arises, how can one liberate libraries when there is little or no Federal funding to stimulate support for innovative projects? No matter how much dedication exhibited by librarians, that dedication requires backing of dollars.

It is interesting to note that according to the National Center for Educational Statistics, New Mexico's libraries in terms of operating receipts in 1968, appear to have received 97.8 percent from local government, 0.3 percent funds from the State and none from the Federal Government. In spite of the fact that New Mexico appears relatively self-sufficient in utilizing local funds to provide library services to its people, there is still a great need for Federal funds to spur development of new programs.

I have included the following table to show the recent obligations for New Mexico with regard to Library Services:

OBLIGATIONS IN THE STATE OF NEW MEXICO

STATE TABLE—1974 CONFERENCE ACTION ON LABOR/HEW BILL

[In thousands of dollars]

	Fiscal year—			
	1972 actual obligations	1973 appropriations [1]	1973 actual obligations [2]	1974 conference agreement
Library resources:				
Public libraries:				
Grants for public libraries (LSCA I)	377	454	296	379
Interlibrary cooperation (LSCA II)	43	67	43	43
Construction (LSCA II)	97	148	119	
Library resources (ESEA II)	511	568	511	543
Undergraduate instruction equipment (HEA VI):				
Television equipment	9	9		9
Other equipment	65	65		67

[1] Amounts are calculated on basis of authorized level under Public Law 92-334. Amounts also include 1973 supplemental appropriations for activities covered by the 1974 Labor-HEW bill.

[2] Includes allocations where court cases have been decided on the merits.

Source: Prepared for use by the Senate Committee on Appropriations. Department of Health, Education, and Welfare, Office of Education.

In view of the fiscal year 1974 and fiscal year 1975 library budget cuts, the rationale has been that revenue sharing could be utilized as a source of alternative funding for libraries. The problem with the pattern of revenue sharing seems to be that some localities are able to provide ample funding for innovative library programs and others are not even supplying enough money for basic library services, due to part to the stiff competition with other local causes.

I would consider the recent fiscal year 1974 Labor/HEW appropriations law as a step in the right direction for library liberation in that it provides over $170 million for library resources. Approximately $49 million of that total applies to titles I and II of the Library Services and Construction Act. In addition, impounded funds were released on December 19, 1973, to total $36 million for public library services and $15 million for construction.

Thomas Jefferson once stated that education is "the most legitimate engine of government." I am positive that Jefferson would espouse the cause of library liberation as libraries are still one of the mighty cogs that turn the engine of education.

SECRETARY OF DEFENSE ALLOCATES 450 SERVANTS TO U.S. GENERALS AND ADMIRALS

Mr. PROXMIRE. Mr. President, 450 U.S. generals and admirals have been allocated personal servants by the Secretary of Defense. Even after my legislation cut the number of servants by over 75 percent last year, the Defense Department clings to its snobbish servant system.

I have written to the Secretary of Defense asking that some way be found to eliminate completely this practice of using enlisted men as personal servants. While he has not ruled out that possibility, he has gone ahead and distributed over 675 servants to 450 of the Nations highest ranking generals and admirals.

Under the new distribution, Gen. Creighton Abrams, Army Chief of Staff, Adm. Thomas Moorer, Chairman of the Joint Chiefs of Staff, Adm. Elmo Zumwalt, Chief of Naval Operations, Gen. Robert Cushman, Commandant of the Marine Corps, and Gen. George S. Brown, Chief of Staff of the Air Force, all get five servants each.

Thirteen other Army generals, 8 admirals, 1 Marine Corps general and 14 Air Force generals all receive 3 servants each.

The rest of the 450 have to make do with 1 or 2 servants with the exception of Adm. William Mack, Superintendent of the Naval Academy, who gets 4.

Of the 675 servants, 189 are based in the Washington, D.C., area. The remainder are scattered around the United States and throughout the world. We have military servants for our brass in such far away countries as Italy, England, Belgium, Taiwan, Japan, Germany, Korea, Brazil, the Canal Zone, Okinawa, Turkey, Thailand, Guam, Spain, and Holland.

I am releasing a list of the generals and their military servants broken down by State so that the people of this country can ask their local brass to justify why they are using enlisted men as servants at taxpayers' expense.

A General Accounting Office report prepared at my request last year showed that not only were these men forced into their jobs as aides to generals and admirals in some cases, but that their job description was that of a domestic servant. The GAO also found that almost all of the Navy servants were Filipinos.

By a vote of 73–9, last year the Senate voted to cut the number of servants to 218 from a prior total of 1,722. That number was subsequently raised at the insistence of the House of Representatives and the military to the present limit of 675.

USE OF ALL SERVANTS SHOULD BE STOPPED IMMEDIATELY

There is no reason why the practice of using servants at public expense cannot be stopped completely. The brass would have us believe that they need free servants because they have special obligations and their wives need the extra help around the house, which, by the way, often is provided free. This excuse by the military brass is utterly ridiculous. Millions of Americans prepare their own meals, clean their own homes, answer their own telephones and drive themselves to and from work. So can the brass.

If an American family feels the need for extra help around the house, they must pay for it out of their own pockets. But the military get their servants free—courtesy of the taxpayers.

This exercise of aristocratic privilege and freeloading must be stopped and the American people are the only force that can do it.

We must have the strongest military force in the world. We need the best equipment, the best trained troops and the highest morale. The use of servants, however, preserves the ancient vestiges of a racist class-system and in the process hurts the morale of enlisted men who take pride in being free men fighting for a free country.

Mr. President, I ask unanimous consent that correspondence from the Department of Defense on this issue be printed in the RECORD, along with a breakdown of those officers assigned servants by position and State.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

ASSISTANT SECRETARY
OF DEFENSE,
Washington, D.C., March 28, 1974.

Hon. WILLIAM PROXMIRE,
U.S. Senate,
Washington, D.C.

DEAR SENATOR PROXMIRE: This is in further response to your letter of October 17, 1973 regarding enlisted aides.

The allocation of enlisted aides to the individual Services under a ceiling of 675 as specified in the Conference Report to accompany H.R. 9286, has been made by the Department of Defense as follows: Army—256; Navy—151; Marine Corps—34; Air Force—234. The Services have in turn determined the general/flag officer positions to be authorized aide support and have submitted the attached lists of officers who are projected to the authorized/assigned enlisted aides as of June 30, 1974, the effective date of the 675 ceiling. It should be noted that the Services can expect to make changes in the specific authorizations as reflected in the attached lists because of the following type actions: reorganizations to include addition, deletion, or changes of specific general and flag officer positions; promotion, retirement, or reassignment of general and flag officers to positions with different representational requirements; and assignment to/from public quarters.

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[6] Noel Savage, "News Report, 1973," *Library Journal*, Jan. 1, 1974, p. 25.

[7] Ibid., p. 26.

[8] Ibid.

With regard to your query concerning the Department's long range plans for continued use of enlisted aides, it is considered that general and flag officers in public quarters will continue to need assistance in many instances to care for those quarters and to meet representational responsibilities. In this respect, the number of enlisted aides will have been reduced by 1047, or 61%, from December 1972 to June 1974. Although there are no reasonable actions that can be taken immediately to reduce the number of enlisted aides beyond the 61% already in progress, there might be other means of reducing enlisted aides that can be implemented in the future. The Department of Defense will pursue consideration of all practical and appropriate alternatives within the level of effort authorized by the Congress.

I trust that the enclosed material will be of assistance to you.

Sincerely,

WILLIAM K. BREHM.

OFFICERS AND SERVANTS ASSIGNED

ALABAMA

Felix M. Rogers, 2.
James V. Hartinger, 1.
John P. Flynn, 1.
Vincent H. Ellis, 1.
William J. Maddox, Jr., 1.
Bates C. Burnell, 1.
Albert R. Escola, 1.

ALASKA

Charles W. Carson, Jr., 1.
James C. Sherrill, 2.
Sidney M. Marks, 1.

ARIZONA

Jack A. Albright, 1.
Harry H. Hiestand, 1.

ARKANSAS

None.

CALIFORNIA

William F. Pitts, 2.
Charles F. Minter, Sr., 1.
John W. Pauly, 1.
John F. Gonge, 1.
Ralph S. Saunders, 1.
Howard M. Lane, 1.
Jessup D. Lowe, 1.
George W. McLaughlin, 1.
Henry Simon, 1.
Gerald W. Johnson, 2.
Ernest T. Cragg, 1.
Omar N. Bradley, 3.
Elvy B. Roberts, 2.
Robert G. Gard, Jr., 1.
Albert E. Milloy, 1.
Orvil C. Metheny, 1.
Robert M. Mullens, 1.
Joseph B. Starker, 1.
George S. Woodward, Jr., 1.
Robert S. Salzer, 2.
Robert B. Baldwin, 2.
Mason B. Freeman, 1.
Fillmore B. Gilkeson, 1.
Mark W. Woods, 1.
Martin D. Carmody, 1.
Ward S. Miller, 1.
John N. McLaughlin, 1.
Joseph C. Fegan, Jr., 1.
Kenneth J. Houghton, 1.
Robert W. Taylor, 1.
Robert L. Nichols, 1.
William R. Quinn, 1.

ALLOCATION OF ENLISTED AIDES UNDER DOD 675 CEILING TO BE EFFECTIVE JUNE 30, 1974

UNITED STATES ARMY

Grade and name of officer	Position of officer	Projected authorized/assigned enlisted aides as of June 30, 1974
0-11: Bradley, Omar N	General of the Army, Beverly Hills, Calif	3
0-10: Abrams, Creighton W	Chief of Staff, U.S. Army, Washington. D.C	5
0-10: Bennett, Donald V	Commander in Chief, U.S. Army, Pacific	3
0-10: Davison, Michael S	Commander in Chief, U.S. Army, Europe/7th Army.	3
0-10: DePuy, William E	Commanding General, U.S. Army Training and Doctrine Command, Fort Monroe, Va.	3
0-10: Goodpaster, Andrew J	Supreme Allied Commander, Europe, and Commander in Chief, U.S.: European Command.	3
0-10. Kerwin, Walter T., Jr	Commanding General, U.S. Army Forces Command, Fort McPherson, Ga.	3
0-10: Miley, Henry A., Jr	Commanding General, U.S. Army Materiel Command, Alexandria, Va.	3
0-10: Palmer, Bruce, Jr	Commander in Chief, U.S. Readiness Command, MacDill Air Force Base, Fla.	3
0-10: Rosson, William B	Commander in Chief, U.S. Southern Command, Quarry Heights, Canal Zone.	3
0-10: Stilwell, Richard G	Commanding General, 8th U.S. Army, Korea/Commander in Chief, United Nations Command/Commander, U.S. Forces Korea.	3
0-10: Weyand, Frederick C	Vice Chief of Staff, U.S. Army, Washington, D.C.	3
0-10: Zais, Melvin	Commanding General, Allied Land Forces Southeastern Europe.	3
0-9: Blanchard, George S	Commanding General, VII Corps, U.S. Army, Europe.	2
0-9: Burdett, Allen M., Jr	Commanding General, III Corps and Fort Hood, Fort Hood, Tex.	2
0-9: Collins, Arthur S., Jr	Deputy Commander in Chief, U.S. Army Europe/7th Army.	2
0-9: Cowles, Donald H	Deputy Chief of Staff for Operations, U.S. Army, Washington, D.C.	2
0-9: Davidson, Phillip B., Jr	Deputy Assistant Secretary of Defense (Research and Management), Office of the Assistant Secretary of Defense (Intelligence), Washington, D.C.	2
0-9: Deane, John R., Jr	Chief of Research and Development, U.S. Army, Washington, D.C.	2
0-9: Desobry, William R	Commanding General, V. Corps, U.S. Army Europe.	2
0-9: Dolvin, Welborn G	Commanding General, IX Corps/U.S. Army, Japan.	2
0-9: Flanagan, Edward M., Jr	Comptroller of the Army, Washington, D.C	2
0-9: Gribbie, William C., Jr	Chief of Engineers, U.S. Army, Washington, D.C.	2
0-9: Hollingsworth, James F	Commanding General, I Corps (Republic of Korea/United States) Group, Korea.	2
0-9: Hollis, Harris W	U.S. Representative, Permanent Military Deputies Group, Central Treaty Organization, Turkey.	2
0-9: To be announced	Director of the Army Staff, U.S. Army, Washington, D.C.	2
0-9: Knowles, Richard T	Deputy Commanding General, 8th U.S. Army, Korea.	2
0-9: Knowlton, William A	Superintendent, U.S. Military Academy, West Point, N.Y.	3
0-9: Kornet, Fred, Jr	Deputy Chief of Staff for Logistics, U.S. Army, Washington, D.C.	2
0-9: Leber, Walter P	SAFEGUARD Systems Manager, SAFEGUARD Systems Office, U.S. Army, Arlington, Va.	2
0-9: Lotz, Walter E., Jr	Deputy Director General, North Atlantic Treaty Organization Integrated Communications System Management Agency, Belgium.	2
0-9: Maples, Herron N	The Inspector General, U.S. Army, Washington, D.C.	2
0-9: McLaughlin, John D	Commanding General, Theater Army Support Command, Europe.	2
0-9: Norton, John	Chief of Staff, Allied Forces Southern Europe	2
0-9: Penney, Howard W	Director, Defense Mapping Agency, Washington, D.C.	2
0-9: Pepke, Donn R	Deputy Commanding General, U.S. Army Forces Command, Fort McPherson, Ga.	2
0-9: Potts, William E	Deputy Director, Defense Intelligence Agency, Washington, D.C.	2
0-9: Roberts, Elvy B	Commanding General, 6th U.S. Army, Presidio of San Francisco, Calif.	2
0-9: Rogers, Bernard W	Deputy Chief of Staff for Personnel, U.S. Army, Washington, D.C.	2
0-9: Rowney, Edward L	Joint Chiefs of Staff Representative for Strategic Arms Limitation Talks, Organization of the Joint Chiefs of Staff, Washington, D.C.	2
0-9: To be announced	Director, Plans and Policy, J-5, Organization of the Joint Chiefs of Staff, Washington, D.C.	2
0-9: Seitz, Richard J	Commanding General, XVIII Airborne Corps and Fort Bragg, Fort Bragg, N.C.	2
0-9: Seneff, George P., Jr	Commanding General, 5th U.S. Army, Fort Sam Houston, Tex.	2
0-9: Sutherland, James W., Jr	Chief of Staff, U.S. European Command	2
0-9: Taber, Robert C	Deputy Assistant Secretary of Defense (Manpower and Reserve Affairs), Washington, D.C.	2
0-9: Talbott, Orwin C	Deputy Commanding General, U.S. Army Training and Doctrine Command, Fort Monroe, Va.	2
0-9: Taylor, Richard R	The Surgeon General, U.S. Army, Washington, D.C.	2
0-9: Vaughan, Woodrow W	Deputy Commanding General, U.S. Army Materiel Command, Alexandria, Va.	2
0-9: Walker, Glenn D	Commanding General, 1st U.S. Army, Fort George G. Meade, Md.	2
0-9: Walters, Vernon A	Deputy Director, Central Intelligence Agency, Washington, D.C.	2
0-9: Williams, Robert R	Deputy Commander in Chief, and Chief of Staff, U.S. Army Pacific.	2
0-9: Woolwine, Walter J	Commandant, Industrial College of the Armed Forces, Fort Lesley J. McNair, Washington, D.C.	2
0-8: Aaron, Harold R	Assistant Chief of Staff for Intelligence, U.S. Army, Washington, D.C.	1
0-8: Albright, Jack A	Commanding General, U.S. Army Communications Command, Fort Huachuca, Ariz.	1
0-8: Baer, Robert J	Project Manager, XMI Tank System, U.S. Army Tank-Automotive Command, Warren, Mich.	1
0-8: Barfield, Thomas H	Commander, 23d North American Air Defense Command/Continental Air Defense Command Region, Duluth, Minn.	1
0-8: Beatty, George S., Jr	Director, Inter-American Defense College, Fort Lesley J. McNair, Washington, D.C.	1

ALLOCATION OF ENLISTED AIDES UNDER DOD 675 CEILING TO BE EFFECTIVE JUNE 30, 1974

UNITED STATES ARMY

Grade and name of officer	Position of officer	Projected authorized/assigned enlisted aides as of June 30, 1974
0-8: Bernstein, Robert	Commanding General, Walter Reed Army Medical Center, Washington, D.C.	1
0-8: Berry, Sidney B	Commanding General, 101st Airborne Division (Airmobile) and Fort Campbell, Fort Campbell, Ky.	1
0-8: Blakefield, William H	Deputy Commanding General, 1st U.S. Army and Commanding General, U.S. Army Readiness Region III, Fort George G. Meade, Md.	1
0-8: Brown Charles P	Commanding General, U.S. Army Test and Evaluation Command, Aberdeen Proving Ground, Md.	1
0-8: Burton, Jonathan R	Commanding General, 3d Armored Division, U.S. Army Europe.	1
0-8: Cantlay, George G	Deputy U.S. Military Representative, North Atlantic Treaty Organization Military Committee, Belgium.	1
0-7: Palmer, William W	Chief, Military Equipment Delivery Team, Cambodia.	1
0-8: Cobb, William W	U.S. Commander, Berlin, Germany	1
0-8: Coleman, William S	Commanding General, U.S. Army Readiness Region VI, Fort Knox, Ky.	1
0-7(P): Crawford, Albert B., Jr	Project Manager, Army Tactical Data Systems, Fort Monmouth, N.J.	1
0-8: Cunningham, Hubert S	Chief, Joint U.S. Military Advisory Group, Korea.	1
0-8: Cushman, John H	Commanding General, U.S. Army Combined Arms Center/Commandant, U.S. Army Command and General Staff College, Fort Leavenworth, Kans.	2
0-8: David, Bert A	Commanding General, U.S. Army Base Command, Okinawa.	1
0-8: Davis, Franklin M., Jr	Commandant, U.S. Army War College, Carlisle Barracks, Pa.	2
0-8: Davison, Frederic E	Commanding General, U.S. Army Military District of Washington, Washington, D.C.	1
0-8: Del Mar, Henry R	Commander, Military Traffic Management and Terminal Service, Washington, D.C.	1
0-8: Duquemin, Gordon J	Commanding General, 1st Infantry Division and Fort Riley, Fort Riley, Kans.	1
0-8: Ellis, Vincent H	Commanding General, U.S. Army Missile Command, Redstone Arsenal, Ala.	1
0-8: Emerson, Henry E	Commanding General, 2d Infantry Division, Korea.	1
0-8: Fair, Robert L	Commanding General, 2d Armored Division, Fort Hood, Tex.	1
0-8: Fitzpatrick, Thomas E., Jr	Commanding General, 32d Army Air Defense Command, U.S. Army Europe.	1
0-8: Forrester, Eugene J	Commanding General, U.S. Army Administration Center, Fort Benjamin Harrison, Ind.	1
0-8: Foster, Hugh F., Jr	Commanding General, U.S. Army Electronics Command, Fort Monmouth, N.J.	1
0-8: Fulton, William B	Commanding General, U.S. Army Recruiting Command, Fort Sheridan, Ill.	1
0-8: Fuson, Jack C	Commanding General, U.S. Transportation Center and Commandant, U.S. Army Transportation School, Fort Eustis, Va.	1
0-8: Galloway, James V	Chief, Joint U.S. Military Mission for Aid to Turkey.	1
0-8: Gard, Robert G., Jr	Commanding General, U.S. Army Training Center and Fort Ord, Fort Ord, Calif.	1
0-8: Godding, George A	Commanding General, U.S. Army Security Agency, Arlington, Va.	1
0-8: Graham, Erwin M., Jr	Commanding General, U.S. Army Logistics Center, Fort Lee, Va.	1
0-7(P): Greer, Thomas U	Commanding General, U.S. Army Training Center and Fort Dix, Fort Dix, N.J.	1
0-8: Groves, Richard H	Division Engineer, U.S. Army Engineer Division, North Atlantic, New York, N.Y.	1
0-8: Guthrie, John R	Deputy Chief of Staff, Pacific Command	1
0-8: Hamlet, James F	Commanding General, 4th Infantry Division and Fort Carson, Fort Carson, Colo.	1
0-8: Henion, John Q	Commanding General, 9th Infantry Division and Fort Lewis, Fort Lewis, Wash.	1
0-8: Higgins, Hugh R	Commanding General U.S. Army Troop Support Command, St. Louis, Mo.	1
0-8: Hinrichs, Frank A	Commanding General, U.S. Army Aviation Systems Command, St. Louis, Mo.	1
0-8: Hixon, Robert C	Commanding General, U.S. Army Training Center and Fort Jackson, Fort Jackson, S.C.	1
0-8: Hughes, Carl W	Surgeon, U.S. Army, Pacific, and Commanding General, Tripler Army Medical Center, Hawaii.	1
0-8: To be announced	Surgeon, U.S. Army, Europe and Commanding General, U.S. Army Medical Command, Europe.	1
0-8: Hunt, Ira A., Jr	Deputy Commander, U.S. Support Activities Group, Thailand.	1
0-8: Kendall, Maurice W	Chairman/Army Member, U.S. Delegation, Joint Brazil-United States Military Commission/Commander, U.S. Military Group, Brazil.	1
0-8: Kissinger, Harold A	Director, Joint Tactical Communications Office, Fort Monmouth, N.J.	1
0-8: Kraft, William R., Jr	Chief of Staff, U.S. Army, Europe/7th Army	1
0-8: Kroesen, Frederick J., Jr	Commanding General, 82d Airborne Division, Fort Bragg, N.C.	1
0-8:Levan, C. J	Commanding General, U.S. Army Air Defense Center and Commandant, U.S. Army Air Defense School, Fort Bliss, Tex.	1
0-8: Mabry, George L., Jr	Commander, U.S. Army Forces Southern Command, Fort Amador, Canal Zone.	1
0-8: Mackinnon, Robert N	Commanding General, 25th Infantry Division, Hawaii.	1
0-8: Maddox, William J., Jr	Commanding General, U.S. Army Aviation Center, Fort Rucker, Ala.	1
0-8: Marks, Sidney M	Commanding General, U.S. Army, Alaska	1
0-8: Matheson, Salve H	Commanding General, U.S. Army Readiness Region IV, Atlanta, Ga.	1
0-8: McAuliffe, Dennis P	Deputy Commanding General, U.S. Army Combined Arms Combat Development Activity, Fort Leavenworth, Kans.	1
0-8: McDonough, Joseph C	Commanding General, 8th Infantry Division, Division, U.S. Army Europe.	1
0-8: McLeod, William E	Chief of Staff, 8th U.S. Army, Korea	1
0-8: Mellen, Thomas W	Commander, U.S. Military Assistance Command, Thailand.	
0-8: Milloy, Albert E	Commanding General U.S. Army Readiness Region IX, and Deputy Commanding General, 6th U.S. Army, Presidio of San Francisco, Calif.	1
0-8: Moore, Harold G	Commanding General, U.S. Army Military Personnel Center, Alexandria, Va.	1
0-8: Murphy, Raymond P	Deputy Commanding General, U.S. Army Air Defense Command, Ent Air Force Base, Colo.	1
0-8: Murray, John E	Defense Attache, Republic of Vietnam	1
0-8: Myer, Charles R	Commanding General, U.S. Army School/Training Center, Fort Gordon, Ga.	1
0-8: Neel, Spurgeon H., Jr	Commanding General, U.S. Army Health Services Command, Fort Sam Houston, Tex.	
0-8: Noble, Charles C	Division Engineer, U.S. Army Engineer Division, Lower Mississippi Valley, Vicksburg, Miss.	1
0-8: Ott, David E	Commanding General, U.S. Army Field Artillery Center and Commandant, U.S. Army Field Artillery School, Fort Sill, Okla.	1
0-8: Parfitt, Harold R	Commanding General, U.S. Army Engineer Center and Commandant, U.S. Army Engineer School, Fort Belvoir, Va.	1
0-8: Pieklik, Joseph E	Commanding General, U.S. Army Tank-Automotive Command, Warren, Mich.	1
0-8: Powers, Patrick W	Commanding General, U.S. Army Readiness Region II, Fort Dix, N.J.	1
0-8: Raaen, John C., Jr	Commanding General, U.S. Army Armament Command, Rock Island, Ill.	1
0-8: Reseborough, Morgan G	Commanding General, U.S. Army Readiness Region I and Fort Devens, Fort Devens, Mass.	1
0-8: Ryder, Charles W., Jr	Chief, Joint U.S. Military Aid Group to Greece	1
0-8: Heiser, Rolland V	Commanding General, 1st Armored Division, U.S. Army Europe.	1
0-8: Shoemaker, Robert M	Commanding General, 1st Cavalry Division, Fort Hood, Tex.	1
0-8: Sidle, Winant	Commanding General, U.S. Army Readiness Region VII, and Deputy Commanding General, 5th U.S. Army, Fort Sam Houston, Tex,.	1
0-8: Singlaub, John K	Commanding General, U.S. Army Readiness Region VIII, Rocky Mountain Arsenal, Colo.,	1
0-8: Smith, James C	Commanding, General, U.S. Army, Readiness, Region V, Fort Sheridan, Ill.	1
0-8: Spragins, Charles E	Commanding, General U.S. Army Training Center and Fort Polk, Fort Polk, La.	1
0-8: Starry, Donn A	Commanding General, U.S. Army Armor Center and Commandant, U.S. Army Armor School, Fort Knox, Ky.	1
0-7(P): Street, Oliver D., III	Commanding General, 1st Region, U.S. Army Air Defense Command, Stewart Field, N.Y.	1
0-8: Swenney, Arthur H., Jr	Commanding General, White Sands Missile Range, White Sands, N. Mex.	1
0-8: Tackaberry, Thomas H	Chief of Legislative Liaison, Office of the Secretary of the Army, Washington, D.C.	1
0-8: Tarpley, Thomas M	Commanding General, U.S. Army Infantry Center and Commandant, U.S. Army Infantry School, Fort Benning, Ga.	1
0-8: Van Lydegraf, Dean	Commanding General, U.S. Army Quartermaster Center and Commandant, U.S. Army Quartermaster School, Fort Lee, Va.	1
0-8: Vinson, Wilber H., Jr	Commanding General, U.S. Army Southern European Task Force, Italy.	1
0-8: Vogel, Edward H., Jr	Superintendent, U.S. Army Academy of Health Sciences, Fort Sam Houston, Tex.	1
0-8: Wagstaff, Jack J	Chief, Military Assistance Advisory Group, Germany.	1
0-8: Walker, Sam S	Commanding General, 3d Infantry Division, U.S. Army Europe.	1
0-8: Wier, James A	Commanding General, Fitzsimons Army Medical Center, Denver, Colo.	1
0-8: Wolff, Herbert E	Deputy Director for Signal Intelligence Operations, National Security Agency/Central Security Service, Fort Geroge G. Meade, Md.	1
0-8: Young, Robert P	Commanding General, U.S. Army Training Center and Fort Leonard Wood, Fort Leonard Wood, Mo.	1
0-7: Buckingham, Clay T	Assistant Division Commander, 1st Armored Division, U.S. Army Europe.	1
0-7: Burnell, Bates C	Commanding General, U.S. Army SAFEGUARD Systems Command, Huntsville, Ala.	1
0-7: Escola, Albert R	Commanding General, U.S. Army School/Training Center, Fort McClellan, Ala.	1

Grade and name of officer	Position of officer	Projected authorized/ assigned enlisted aides as of June 30, 1974
0-7: Faul, Lloyd J	Commanding General, U.S. Army Ordnance Center and Commandant, U.S. Army Ordnance School, Aberdeen Proving Ground, Md.	1
0-7: Feir, Philip R	Commandant of Cadets, U.S. Military Academy, West Point, N.Y.	1
0-7: Gatsis, Andrew J	Commanding General, U.S. Army Support Command, Hawaii.	1
0-7: Sadler, Jack R	Chief, Joint U.S. Military Advisory Group, Philippines.	1
0-7: Nutting, Wallace H	Commanding General, 1st Infantry Division (Forward), U.S. Army Europe.	1
0-7: Hardaway, Robert M., III	Commanding General, William Beaumont Army Medical Center, El Paso, Tex.	1
0-7: Healy, Michael D	Commanding General, John F. Kennedy Center for Military Assistance, Fort Bragg, N.C.	1
0-7: Hiestand, Harry H	Commanding General, U.S. Army Intelligence Center and Commandant, U.S. Army Intelligence School, Fort Huachuca, Ariz.	1
0-7: Key, Milton, E	Commanding General, 56th Artillery Brigade, U.S. Army Europe.	1
0-7: Koehler, John J., Jr	Commanding General, 38th Artillery Brigade (Air Defense), Korea.	1
0-7: Krause, Frederick C	Commanding General, 19th Support Group, Korea.	1
0-7: Latham, Willard	Assistant Division Commander, 3d Infantry U.S. Europe.	1
0-7: Meroney, William H., III	Commanding General, Madigan Army Medical Center, Tacoma, Wash.	1
0-7: Metheny, Orvil C	Commander, Western Area, Military Traffic Management and Terminal Service, Oakland Army Base, Calif.	1
0-7: Morton, Richard L	Commander, Eastern Area, Military Traffic Management and Terminal Service, Brooklyn, N.Y.	1
0-7: Mullens, Robert M	Commanding General, 6th Region, U.S. Army Air Defense Command, Fort Baker, Calif.	1
0-7: Munson, James A	Assistant Division Commander, 1st Armored Division, U.S. Army Europe.	1
0-7: Ogden, Dorward W., Jr	Commanding General, U.S. Army Communications System Agency (Provisional), Fort Monmouth, N.J.	1
0-7: Osteen, John L., Jr	Commanding General, U.S. Army Support, Thailand.	1
0-7: Scott, Willard W	Commanding General, V Corps Artillery, U.S. Army Europe.	1
0-7: Redman, Albert, Jr	Commanding General, U.S. Army Communications Command, Continental United States, Fort Ritchie, Md.	1
0-7: Sniffin, Charles R	Assistant Division Commander, 8th Infantry Division, U.S. Army Europe.	1
0-7: Starker, Joseph B	Commanding General, U.S. Army Combat Development Experimentation Command, Fort Ord, Calif.	1
0-7: Stevenson, Robert D	Commanding General, U.S. Army Berlin Brigade, Europe.	1
0-7: To be announced	Assistant Division Commander, 3d Armored Division, U.S. Army, Europe.	1
0-7: Swenson, Richard W	Commanding General, U.S. Army Communications Command, Europe.	1
0-7: Ulatoski, Joseph R	Commander, Joint Casualty Resolution Center, Vietnam.	1
0-7: Weaver, Wilburn C	Commanding General, U.S. Army Communications Command, Pacific.	1
0-7: Woodard, George S., Jr	Commanding General, Letterman Army Medical Center, Presidio of San Francisco, Calif.	1
0-7: Yow, Harold D	Chief, Military Assistance Advisory Group, Ethiopia.	1
0-7: To be announced	Commanding General, 31st Air Defense Brigade, Homestead Air Force Base, Fla.	
0-8: Ochs, Elmer R	Commandng General, U.S. Army Operational Test and Evaluation Agency, Fort Belvoir, Va.	1
0-8: Tobiason, Orville L	Chief of Staff, Allied Land Forces Southeastern Europe.	1
0-8: Hall, Charles M	Director of Operations, J-3, U.S. European Command.	1
0-8: Appel, John G	Director of Logistics, J-4, U.S. European Command.	1
0-8: Patton, George S	Director of Security Assistance, J-7, U.S. European Command.	1
0-8: Lekson, John S	Director of Operations, J-3, U.S. Readiness Command, Macdill AFB, Fla.	1
0-8: McChrystall Herbert J., Jr	Deputy Commanding General, Modern Army Selected Systems Tests, Evaluation and Review, Fort Hood, Tex.	1
0-7: Gregg, Arthur J	Commander, European Exchange Service	1

Notes: (1) A "(P)" following an officer's grade (e.g., 0-8 (P)) indicates that the incumbent has been recommended for promotion to the next higher grade. (2) No aides are projected to be in an aide standby or training status.

UNITED STATES NAVY

Grade and name of officer	Position of officer	Projected authorized/ assigned enlisted aides as of June 30, 1974
0-10: Moorer, Thomas H	Chairman of Joint Chiefs of Staff, Washington, D.C.	5/5
0-10: Zumwalt, Elmo R., Jr	Chief of Naval Operations, Washington, D.C	5/5
0-10: Cousins, Ralph W	Commander in Chief, Atlantic and U.S. Atlantic Fleet and Supreme Allied Commander, Atlantic, Norfolk, Va.	3/3
0-10: Kidd, Isaac C., Jr	Chief of Naval Material, Washington, D.C	3/3
0-10: Gayler, Noel A. M	Commander in Chief, Pacific, Pearl Harbor, Hawaii.	3/3
0-10: Weisner, Maurice F	Commander in Chief, U.S. Pacific Fleet, Pearl Harbor, Hawaii.	3/3
0-10: Hollway, James L. III	Vice Chief of Naval Operations, Washington, D.C.	3/3
0-10: Bagley, Worth H	Commander in Chief, U.S. Naval Forces, Europe, London, United Kingdom.	3/3
0-10: Johnston, Means Jr	Commander in Chief, Allied Forces, Southern Europe, Naples, Italy.	3/3
0-9: Mack, William P	Superintendent, U.S. Naval Academy, Annapolis, Md.	4/4
0-9: de Poix, Vincent P	Director, Defense Intelligence Agency, Washington, D.C.	2/2
0-9: Michaelis, Frederick H	Commander, Naval Air Force, U.S. Atlantic Fleet, Norfolk, Va.	2/2
0-9: Wilkinson, Eugene P	Deputy Chief of Naval Operations (submarine warfare) Washington, D.C.	2/2
0-9: King, Jerome H., Jr	Director, J-3, Joint Chiefs of Staff, Washington, D.C.	2/2
0-9: Weinel, John P	Assistant to the Chairman, Joint Chiefs of Staff, Washington, D.C.	2/2
0-9: Peet, Raymond E	Deputy Assistant, Secretary of Defense (security assistance) Washington, D.C.	2/2
0-9: Miller, Gerald E	Deputy Director, Joint Strategic Target Planning Staff, Offutt Air Force Base, Nebr.	2/2
0-9: Minter, Charles S., Jr	Deputy Chairman, NATO Military Committee, Brussels, Belgium.	3/2
0-9: Shear, Harold E	Director, antisubmarine warfare and tactical electromagnetic programs, Washington, D.C.	2/2
0-9: Beshany, Philip A	Commander, U.S.-Taiwan Defense Command, Taipei, Republic of Taiwan.	2/2
0-9: Vannoy, Frank W	Commander, Amphibious Force, U.S Atlantic Fleet, Norfolk, Va.	2/2
0-9: Cagle, Malcom W	Chief of Naval Education and Training, Pensacola, Fla.	2/2
0-9: Harlfinger, Frederick J. II	Director, Command Support Programs, Office of Chief of Naval Operations, Washington, D.C.	2/2
0-9: Bagley, David H	Deputy Chief of Naval Operations (manpower) and Chief of Naval Personnel, Washington, D.C.	2/2
0-9: Le Bourgeois, Julien J	Chief of Staff, Supreme Allied Commander, Atlantic, Norfolk, Va.	2/2
0-9: Talley, George C. Jr	Deputy Chief of Naval Operations (plans and policy) Washington, D.C.	2/2
0-9: Long, Robert L. J	Commander, Submarine Force, U.S. Atlantic Fleet, Norfolk, Va.	2/2
0-9: Turner, Stansfield	President, Naval War College, Newport, R.I	3/3
0-9: Plate, Douglas C	Deputy and Chief of Staff, Commander in Chief, Atlantic, and Commander in Chief, U.S. Atlantic Fleet, Norfolk, Va.	2/2
0-9: Houser, William D	Deputy Chief of Naval Operations (Air Warfare) Washington, D.C.	2/2
0-9: Cooper, Damon W	Chief of Naval Reserve, New Orleans, La	2/2
0-9: Salzer, Robert S	Commander, Amphibious Force, U.S. Pacific Fleet, San Diego, Calif.	2/2
0-9: Rapp, T	Commander, 3d William Fleet, Pearl Harbor, Hawaii.	2/2
0-9: Price, Frank H. Jr	Director, Ship Acquisition and Improvement, Office of Chief of Naval Operations, Washington, D.C.	2/2
0-9: Moran, William J	Director, Research, Development, Test and Evaluation, Office of Chief of Naval Operations, Washington, D.C.	2/2
0-9: Finneran, John G	Commander, 2d Fleet, Norfolk, Va	2/2
0-9: Bayne, Marmaduke G	Commandant National War College, Washington, D.C.	2/2
0-9: Wheeler, Kenneth R	Vice-Chief of Naval Material, Washington, D.C	2/2
0-9: Custis, Donald L	Chief, Bureau of Medicine and Surgery, and Surgeon General of the Navy, Washington, D.C.	2/2 2/2
0-9: Hayward, Thomas B	Director, Navy Program Planning, Office of Chief of Naval Operations, Washington, D.C.	
0-9: Baldwin, Robert B	Commander, Naval Air Force, U.S. Pacific Fleet, San Diego, Calif.	2/2
0-9: Murphy, Daniel J	Commander 6th Fleet, Gaeta, Italy	2/2
0-9: Steel, George P., II	Commander, 7th Fleet, Yokosuka, Japan	2/2
0-9: Weschler, Thomas R	Director Logistics, J-4 Joint Chiefs of Staff, Washington, D.C.	2/2
0-9: St. George, William R	Deputy and Chief of Staff to Commander in Chief, U.S. Pacific Fleet, Pearl Harbor, Hawaii.	2/2
0-9: Perry, Oliver H., Jr	Chairman, Inter-American Defense Board, Washington, D.C.	2/2
0-9: Moorer, Joseph P	Vice Chairman, U.S. Delegation, U.N. Military Staff Committee, New York, N.Y.	2/2
0-8: Riera, Robert E	Commandant, 8th Naval District, New Orleans, La.	1/1

ALLOCATION OF ENLISTED AIDES UNDER DOD 675 CEILING TO BE EFFECTIVE JUNE 30, 1974

UNITED STATES ARMY

Grade and name of officer	Position of officer	Projected authorized/assigned enlisted aides as of June 30, 1974
0-8: Freeman, Mason B	Superintendent, Naval Post-Graduate School, Monterey, Calif.	1/1
0-8: Gilkeson, Fillmore B	Commandant, 11th Naval District, San Diego, Calif.	1/1
0-8: Erly, Robert B	Chief, Military Assistance Advisory Group, Portugal, and Commander, Iberian Atlantic Command, Lisbon, Portugal.	1/1
0-8: Isaman, Roy M	Commander, Naval Air Test Center, Patuxent River, Md.	1/1
0-8: Anderson, Roy G	Commandant, 5th Naval District, Norfolk, Va	1/1
0-8: Charbonnet, Pierre N., Jr	Commander, Fleet Air Mediterrean, Naples, Italy.	1/1
0-8: Burke, Julian T., Jr	Commander, Service Force, U.S. Atlantic Fleet, Norfolk, Va.	1/1
0-8: Morrison, George S	Commander, U.S. Naval Forces, Marianas, Guam, Marianas.	1/1
0-8: Woods, Mark W	Commander, Cruiser-Destroyer Force, U.S. Pacific Fleet, San Diego, Calif.	1/1
0-8: Ramage, James D	Commander, Caribbean Sea Frontier, Roosevelt Roads, P.R.	1/1
0-8: Carmody, Martin D	Commandant, 12th Naval Dis rict, San Francisco, Calif.	1/1
0-8: Armstrong, Parker B	Commander, Service Force, U.S. Pacific Fleet, Pearl Harbor, Hawaii.	1/1
0-8: Donaldson, James D., Jr	Commander, Fleet Air Western Pacific, Atsugi, Japan.	1/1
0-8: Esch, Arthur G	Commandant, Naval District, Washington, Washington, D.C.	1/1
0-8: Turner, Frederick C	Commander, Carrier Group TWO, Athens, Greece.	1/1
0-8: Pugh, William M., II	Commandant, 3d Naval District, Brooklyn, N.Y.	1/1
0-8: Miller, Ward S	Commander, Naval Base, Los Angeles/Long Beach, Los Angeles, Calif.	1/1
0-8: Ferris, James	Chief of Naval Air Training, Corpus Christi, Tex.	1/1
0-8: Livingston, William H	U.S. Defense Attache, U.S. Naval Attache, and U.S. Naval Attache for Air, United Kingdom, London, United Kingdom.	1/1
0-8: Synder, Edwin K	Chief, Legislative Affairs, Navy Department, Washington, D.C.	2/2
0-8: Nance, James W	Deputy Chief of Staff, Commander in Chief, U.S. European Command, Vaihingen, Germany.	1/1
0-8: Kane, John D. H., Jr	Commandant, 9th Naval District, Great Lakes, Ill.	1/1
0-8: Bass, Thomas E., III	Commandant, 13th Naval District, Seattle, Wash.	1/1
0-8: Tahler, Graham	Commandant, 6th Naval District, Charleston, S.C.	1/1
0-8: Wentworth, Ralph S., Jr	Commander, Crusier-Destroyer Force, U.S. Atlantic Fleet, Norfolk, Va.	1/1
0-7: Cooley, Samuel M., Jr	Commander, Iceland Defense Force, Keflavik, Iceland.	1/1
0-7: Shelton, Doniphan B	Commander, Naval Base, Subic, Subic Bay, Republic of Philippines.	1/1
0-7: Morgan, Henry S., Jr	Commander, U.S. Naval Forces, Korea, Seoul, Korea.	1/1
0-7: McMullen, Frank D., Jr	Commander, Submarine Force, U.S. Pacific Fleet, Pearl Harbor, Hawaii.	1/1
0-7: Rogers, William H	Commander, U.S. Naval Forces, Japan, Yokosuka, Japan.	1/1
0-7: Rectanus, Earl F	Director of Naval Intelligence, Washington, D.C.	2/2
0-7: Coleman, Joseph L	Commandant, 4th Naval District, Philadelphia, Pa.	1/1
0-7: Sackett, Albert M	Chief of Naval Technical Training, Millington, Tenn.	1/1
0-7: Rumble, Richard E	Commandant, 1st Naval District, Boston Mass.	1/1
0-7: Blount, Robert H	Commander, U.S. Naval Forces, Southern Command; Commandant 15th Naval District, Fort Amador, C.Z.	1/1
0-7: Denton, Jeremiah A., Jr	Commandant, Armed Forces, Staff College, Norfolk, Va.	1/1
0-7: Paddock, Richard A	Commandant, 14th Naval District, Pearl Harbor, Hawaii.	1/1
0-7: Hanson, Carl T	Chief, Navy Section, U.S. Military Group Brazil, Rio De Janeiro, Brazil.	1/1
Total		151/151

Notes: (1) Provisions of 10a U.S.C. 7579 vest authority for determination of individual authorizations of public quarters stewards with the Secretary of the Navy, rather than with the Secretary of Defense as may have been implied in Senator Proxmire's letter of Oct. 13, 1973. Accordingly, the Secretary of the Navy may make necessary revisions to the above listing as military reasons may require. (2) Navy has no provision for assignment of public quarters stewards to formal training of for assignment in a stand-by status. No such assignments are reflected in the above listing nor re any such assignments authorized.

UNITED STATES AIR FORCE CEILING—234

Grade and name of officer	Position of officer	Projected authorized/assigned enlisted aides as of June 30, 1974
STRATEGIC AIR COMMAND, OFFUTT AF BASE, NEBR.		
0-10: John C. Meyer	Commander in Chief	3
0-9: James M. Keck	Vice Commander in Chief	2
0-8: Martin G. Colladay	Chief of Staff	1
0-8: Ray B. Sitton	DCS/Operations	1
0-8: Edgar S. Harris, Jr.[1]	Asst DCS/Operations	1
0-8: Andrew B. Anderson, Jr	Dir Operations Plans	1
0-8: Eugene L. Hudson	DCS/Logistics	1
0-8: Harry M. Darmstandler	DCS/Plans	1
0-8: John R. Hinton, Jr.[1]	Inspector General	1
0-8: Billy J. Ellis	DCS/Personnel	1
2 Air Force Barksdale AFB, La.:		
0-9: Richard M. Hoban	Commander	2
0-8: Eugene Q. Steffes, Jr	Vice Commander	1
15 Air Force March AFB, Calif.:		
0-9: William F. Pitts	Commander	2
0-8: Charles F. Minter, Sr	Vice Commander	1
8 Air Force Andersen AFB, Guam:		
0-9: George H. McKee	Commander	2
1 Strat Aerospace Division, Vandenberg AFB, Calif.:		
0-8: John W. Pauly	Commander	1
MILITARY AIRLIFT COMMAND, SCOTT AFB, ILL		
0-10: Paul K. Carlton	Commander	3
0-9: Jay T. Robbins	Vice Commander	2
0-8: William A. Dietrich	Chief of Staff	1
0-8: Alden G. Glauch	DCS/Operations	1
0-8: Thomas A. Aldrich[1]	DCS/Plans	1
0-8: Warner E. Newby[1]	DCS/Logistics	1
22 Air Force Travis AFB, Calif.:		
0-8: John F. Gonge	Commander	1
0-8: Ralph S. Saunders[1]	Vice Commander	1
21 Air Force McGuire AFB, N.J.:		
0-8: Lester T. Kearney, Jr	Commander	1
AIR TRAINING COMMAND, RANDOLPH AFB, TEX.		
0-9: William V. McBride	Commander	2
0-8: Alton D. Slay	Vice Commander	1
AF Mil Tng Ctr, Lackland AF Base, Tex.:		
0-8: Robert W. Maloy	Commander	1
Keesler Tech Tng Ctr, Keesler AF Base, Miss.:		
0-8: Bryan M. Shotts	Commander	1
Chanute Tech Tng Ctr, Chanute AF Base, Ill.:		
0-8: Frank W. Elliott, Jr	Commander	1
Sheppard Tech Tng Ctr, Sheppard AF Base, Tex.:		
0-8: Robert L. Petit	Commander	1
Lowry Tech Tng Ctr, Lowry AF Base, Colo.:		
0-8: Charles C. Pattillo	Commander	1
AIR FORCE SYSTEMS COMMAND ANDREWS AFB, MD.		
0-10: Samuel C. Phillips	Commander	3
0-9: John B. Hudson	Vice Commander	2
0-8: Vernon R. Turner	Chief of Staff	1
0-8: Robert T. Marsh[1]	DCS/Systems	1
Aeronautical Sys Div (Wright-Patterson AFB, Ohio):		
0-9: James T. Stewart	Commander	2
0-8: Douglas T. Nelson	Vice Commander	1
0-8: Benjamin N. Bellis	Systems Program Director, F-15	1
0-8: Abner B. Martin[1]	Systems Program Director, B-1	1
AF Flight Test Ctr. Edwards AFB, Calif.:		
0-8: Howard M. Lane[1]	Commander	
AF Spec Wpns Ctr, Kirtland AF Base, N. Mex.:		
0-8: Thomas W. Morgan	Commander	1

Grade and name of officer	Position of officer	Projected authorized/assigned enlisted aides as of June 30, 1974
AF Contract Mgmt Div., Kirtland AF Base, N. Mex.:		
O-8: Donald G. Nunn	Commander	1
USAF Space and Missile Test Center, Vandenberg AF Base, Calif.:		
O-8: Jessup D. Lowe	Commander	1
Armament Development and Test Ctr, Eglin AFB, Fla.:		
O-8: Henry B. Kucheman, Jr.	Commander	1
Aerospace Medical Division, Brooks AFB, Tex.:		
O-8: George E. Schafer[1]	Commander	1
AF Eastern Test Range, Patrick AFB, Fla.:		
O-8: Kenneth R. Chapman	Commander	1
Electronic Systems Div., L. G. Hanscom AFB, Mass.:		
O-8: Albert R. Shiely, Jr	Commander	1
TACTICAL AIR COMMAND, LANGLEY AFB, VA.		
O-10: Robert J. Dixon	Commander	3
O-9: Dale S. Sweat	Vice Commander	2
O-8: James A. Knight, Jr	DCS/Operations	1
USAF Tactical Fighter Weapons Center, Nellis AFB, Nev.:		
O-8: Gordon F. Blood	Commander	1
Air Force Shaw AFB, S.C.:		
O-8: James D. Hughes	Commander	1
AIR FORCE LOGISTICS COMMAND, WRIGHT-PATTERSON AF BASE, OHIO		
O-10: Jack J. Cotton	Commander	
O-9: Edmund F. O'Connor	Vice Commander	1
O-8: George Rhodes	Chief of Staff	1
O-8: Edmund A. Rafalko	DCS/Plans and Operations	1
O-8: James A. Bailey	DCS/Comptroller	1
O-8: Herbert J. Gavin	DCS/Maintenance	
Sacremento Air Material Area, McClellan AFB, Calif.:		
O-8: George W. McLaughlin	Commander	1
Ogden Air Mat Area Hill, AFB, Utah:		
O-8: Bryce Poe II	Commander	1
San Antonio Air Mat Area, Kelly AFB, Tex.: O-8: William A. Jack.	Commander	1
Warner-Robins Air Material Area. Robins AFB, Ga.: O-8: Robert E. Hails.	Commander	1
PACIFIC AIR FORCES, HICKAN AFB, HAWAII		
O-10: John W. Vogt, Jr	Commander in Chief	3
O-9: Carlos M. Talbott	Vice Commander in Chief	2
O-8: Winton W. Marshall	DCS/Plans	1
O-8: Ralph T. Holland	DCS/Logistics	1
5 Air Force Fuchu AFB, Japan:		
O-9: Robert E. Pursley	Comdr and Comdr U.S. Forces, Japan	2
O-8: Edward P. McNeff	Vice Commander	1
13 Air Force Clark AFB, Philippines:		
O-9	Commander	2
O-8: Leroy J. Manor	Vice Commander	1
7 Air Force Nakhon Phanom Airport, Thailand:		
O-8: Jack Bellamy	DCS/Operations and Asst Chief of Staff/Operations U.S. Support Activities Group.	1
U.S. AIR FORCES IN EUROPE, RAMSTEIN AB, GERMANY		
O-10: David C. Jones	Commander in Chief	3
O-9: Louis L. Wilson, Jr	Vice Chief	2
O-8: Wilbur L. Creech	DCS/Operations	1
O-8: Edwin W. Robertson II[1]	Inspector General	1
16 Air Force Torrejon AFB, Spain:		
O-8: Salvador E. Felices	Vice Commander	1
3 Air Force RAF, Mildenhall, England:		
O-8: Evan W. Rosencrans	Commander	1
The U.S. Logistics Group (TUSLOG), Ankara, Turkey:		
O-8: Arnold W. Braswell	Commander	1
17 Air Force Sembach Air Base, Germany:		
O-8: John C. Giraudo	Commander	1
AEROSPACE DEFENSE COMMAND, ENT AF BASE, COLO.		
O-9: Royal N. Baker	Vice Commander	2
O-8: Kenneth C. Dempster	DCS/Logistics	1
14 Aerospace Force Ent AFB, Colo.:		
O-8: Otis C. Moore	Commander	1
HEADQUARTERS COMMAND USAF, BOLLING AFB DISTRICT OF COLUMBIA		
O-8: John L. Locke	Commander	1
USAF ACADEMY, COLORADO SPRINGS, COLO.		
O-9: Albert P. Clark	Superintendent	3
AIR FORCE RESERVE, ROBINS AFB, GA.		
O-8: Earl O. Anderson	Vice Commander	1
AIR UNIVERSITY, MAXWELL AFB, ALA		
O-9: Felix M. Rogers	Commander	2
Air War College:		
O-8: James V. Hartinger	Commandant	1
AF Institute of Technology, Wright-Patterson AFB, Ohio:		
O-8: Frank J. Simokaitis	Commandant	1
Air Comd and Stf College, Maxwell AFB, Ala.:		
O-8: John P. Flynn[1]	Commandant	1
USAF SECURITY SERVICE, SAN ANTONIO, TEX.		
O-8: Walter T. Galligan	Commander	1
ALASKAN AIR COMMAND, ELMENDORF AFB, ALASKA		
O-8: Charles W. Carson, Jr	Commander	1
USAF SOUTHERN COMMAND, ALBROOK AFB, PANAMA		
O-8: Arthur G. Salisbury	Commander	1
OFFICE OF THE SECRETARY OF DEFENSE, WASHINGTON, D.C.		
O-9: Daniel James, Jr	Asst Secretary of Defense (Public Affairs) Prin Deputy.	2
Defense Nuclear Agency:		
O-9: Warren D. Johnson	Director	2
Defense Supply Agency, Washington, D.C.:		
O-8: Joseph J. Cody, Jr	Deputy Director, Contract Administration Administrative Service.	1
O-8: Donald H. Ross	Assistant Director, Plans, Programs and Systems.	1
O-8: Abraham J. Dreiseszun	Commander, Defense Personnel Support Center, Philadelphia, Pa.	1
National Security Agency, Fort Meade, Md.:		
O-9: Lew Allen, Jr	Director	2
JOINT CHIEFS OF STAFF, WASHINGTON, D.C.		
O-9: Louis T. Seith	Director, Plans and Policy	2
Central Treaty Org (CENTO), Ankara, Turkey:		
O-8: Colin C. Hamilton, Jr	Chief of Staff, Combined Military Planning Staff.	1
North Atlantic Treaty Org (NATO), Brussels, Belgium:		
O-10: Theodore R. Milton	NATO Military Commission (Mil Rep), U.S. Representative.	3
Industrial College of the Armed Forces, Fort McNair, Washington, D.C.:		
O-8: Edward A. McGough III	Dep Commandant	1
ALLIED COMMAND EUROPE		
Shape Hqs Casteau, Belgium:		
O-10: Russell E. Dougherty	Chief of Staff	3
O-8: William W. Wisman	Special Project Officer Static War Hqs	1
O-8: Richard F. Shaefer	Asst Chief of Staff, Operations	1
Allied Forces Southern Europe (AIRSOUTH), Naples, Italy:		
O-9: Joseph G. Wilson	Commander and Comdr, 15 AF	2
O-8: William H. Holt	Chief of Staff	1
6 Allied Tactical AF, Izmir, Turkey:		
O-9: Sanford K. Moats	Commander	2
Allied Forces Cen Europe (AFCENT), Brunsum, Holland:		
O-8: William E. Byran, Jr	Dep C/S Opns and Intel	1
Allied Forces Northern Europe (AF-North), Kolsaas, Norway:		
O-8: Kendall S. Young	Air Deputy	1

ALLOCATION OF ENLISTED AIDES UNDER DOD 675 CEILING TO BE EFFECTIVE JUNE 30, 1974—Continued

UNITED STATES AIR FORCE CEILING—234—Continued

Grade and name of officer	Position of officer	Projected authorized/assigned enlisted aides as of June 30, 1974
EUROPEAN COMMAND, VAIHENGEN, GERMANY		
0-10: George J. Eade	Deputy Commander in Chief	3
0-8: Edward Ratkovich	Director, Intelligence	1
0-8: William R. Hayes	Deputy Director, Logistics	1
0-8: Foster L. Smith	Director, Plans and Policy	1
Military Assistance Advisory Group (MAAG), Rome, Italy:		
0-8: George M. Johnson, Jr	Chief	1
Military Assistance Advisory Group (MAAG), Iran:		
0-8: Devol Brett	Chief	1
JOINT NORTH AMERICAN AIR DEFENSE COMMAND (N OROD) AND CONTINENTAL AIR DEFENSE COMMAND (CONAD) ENT AFB, COLO.		
0-10: Lucius D. Clay, Jr	Commander in Chief and Comdr, Air Defense Command, ADC.	
0-8: John M. McNabb	DCS/Intelligence	1
0-8: James E. Paschall	DCS/Plans and Programs	1
21 NORAD (CONAD) Region Hancock Field, N.Y.:		
0-8: Ray M. Robison, Jr	Commander	1
24 NORAD (CONAD) Region Malmstrom AFB Mont.:		
0-8: Lawrence J. Fleming	Commander	1
25 NORAD (CONAD) Region McChord AFB, Wash.:		
0-8: Jack K. Gamble	Commander	1
PACIFIC COMMAND, PEARL HARBOR, HAWAII		
0-9: William G. Moore, Jr	Chief of Staff	2
0-8: Eugene F. Tighe, Jr	DCS/Intelligence	1
0-8: Lawrence F. Tanberg	Inspector General	1
U.S. Support Activities Group (USSAG) Nakhon Phanom airport, Thailand:		
0-10: Timothy F. O'Keefe	Comdr, USSAG and Comdr, 7 AF	3
UN Command/U.S. Forces, Seoul, Korea:		
0-9: John R. Murphy	Chief of Staff	2
Military Assistance Advisory Group (MAAG) Taipei, Taiwan:		
0-8: Slade Nash	Chief	1
ALSAKAN COMMAND, ELMENDORF AFB, ALASKA		
0-9: James C. Sherrill	Commander in Chief and Commander Alaskan NORAD RGN.	2 2
U.S. READINESS COMMAND, MACDILL AFB, FLA.		
0-9: Ernest C. Hardin, Jr	Dep Commander in Chief	2
0-8: Woodward E. Davis, Jr	Director, Plans and Policy	1
U.S. SOUTHERN COMMAND, QUARRY HEIGHTS, PANAMA		
Miscellaneous:		
0-8: John B. Henry, Jr	Chief of Staff	1
Miscellaneous:		
0-8: Walter R. Tkach	Surgeon to the President, Washington, D.C	1
CHIEF OF STAFF, USAF, WASHINGTON, D.C.		
0-10: George S. Brown	Chief of Staff, USAF	5
0-10: Richard H. Ellis	vice Chief of Staff, USAF	3
0-9: Duward L. Crow	Asst vice Chief of Staff, USAF	2
0-8: Homver I. Lewis	Air Force Reserve Chief and Comdr	1
0-8: Roy M. Terry	Chief of Chaplains	1
Comptroller of the Air Force:		
0-9: Joseph R. DeLuca	Comptroller	2
Asst Compt for Audit and Comdr AF Audit Agency, Norton AFB, Calif.:		
0-8: Henry Simon	Asst Comptroller	1
Inspector General:		
0-9: Gerald W. Johnson	Inspector General	2
Deputy Inspector General, Norton AFB, Calif.:		
0-8: Ernest T. Cragg	Dep IG for Inspection and Safety and Comdr. AF Inspection and Safety Center.	1
Surgeon General:		
0-9: Robert A. Patterson	Surgeon General, USAF	2
0-8: Maxwell W. Steel, Jr	Dep. Surg. General	1
Deputy Chief of Staff/Personnel:		
0-9: John W. Roberts	DCS/Personnel	2
0-8: Ray M. Cole	Asst DCS/Personnel	1
AF Military Personnel Center, Randolph AFB, Tex.:		
0-8: Travis R. McNeil	Asst DCS/Personnel for Mil Pers and Comdr. AF Military Personnel Center.	1
Deputy Chief of Staff/Plans and Operations:		
0-8: James E. Hill	Asst DCS/Plans and Operations	1
0-8: Charles I. Bennett, Jr	Dep Director of Plans	1
AF Test and Evaluation Center, Kirtland AFB, N. Mex.:		
0-8: John J. Burns	Commander	1
Deputy Chief of Staff/Programs and Resources:		
0-9: George S. Boylan, Jr	DCS/Programs and Resources	2
0-8: William W. Berg	Asst DCS/Programs and Resources	1
0-8: James A. Hill	Dir of Programs	1
0-8: Maurice R. Reilly	Dir of Civil Engineering	1
Deputy Chief of Staff/Systems and Logistics:		
0-9: William W. Snavely	DCS/Systems and Logistics	2
Deputy Chief of Staff/Research and Development:		
0-9: William J. Evans	DCS/Research and Development	2

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[1] Nominated for promotion to major general on Feb. 6, 1974.

Note: The above allocation leaves 11 enlisted aide authorizations for brigadier generals. The specific 0-7 positions will be designated at a later date. There are no enlisted aides on standby or in training. The above list represents general officer positions and incumbents as of Jan. 25, 1974, including known projected reassignments and retirements as of that date. Also included are 11 major general nominees expected to be promoted when confirmed by the Senate. Actual allocations on June 30, 1974, could vary due to retirements, reassignments, promotions or transfers to/from public quarters.

UNITED STATES MARINE CORPS

Grade and name of officer	Position of officer	Projected authorized/assigned enlisted aides as of June 30, 1974
0-10: Cushman, Robert E., Jr	Commandant of the Marine Corps, Washington, D.C.	5
0-10: Anderson, Earl E	Assistant Commandant of the Marine Corps, Washington, D.C.	3
0-9: Robinson, Wallace H., Jr	Director, Defense Supply Agency, Alexandria, Va.	2
0-9: Axtell, George C	Commanding General Fleet Marine Force, Atlantic, Norfolk, Va.	2
0-9: Keller, Robert P	Commanding General Marine Corps Development and Education Command, Quantico, Va.	2
0-9: Lahue, Foster C	Chief of Staff, Headquarters Marine Corps, Washington, D.C.	2
0-9: Wilson, Louis H., Jr	Commanding General, Fleet Marine Force, Pacific, Honolulu, Hawaii.	2
0-9: Beckington, Herbert L	Deputy Chief of Staff for Plans and Operations, Headquarters Marine Corps, Washington, D.C.	2
0-8: McLaughlin, John N	Commanding General, 4th Marine Division, Camp Pendleton, Calif.	1
0-8: Fegan, Joseph C., Jr	Commanding General, Marine Corps Recruit Depot, San Diego, Calif.	1
0-8: Brown, Leslie E	Commanding General, Marine Corps Air Station, Cherry Point, N.C.	1
0-8: Miller, Thomas H., Jr	Commanding General, 2d Marine Aircraft Wing, Cherry Point, N.C.	1
0-8: Barrow, Robert H	Commanding General, Marine Corps Recruit Depot, Parris Island, S.C.	1
0-8: Houghton, Kenneth J	Commanding General, 1st Marine Division, Camp Pendleton, Calif.	1
0-8: Bohn, Robert D	Commanding General, Marine Corps Base, Camp Lejeune, N.C.	1
0-8: Jones, James R	Commanding General, Marine Corps Supply Activity, Philadelphia, Pa.	1
0-8: Snowden, Lawrence F	Chief of Staff, U.S. Forces, Japan, Honsha, Japan.	1

Grade and name of officer	Position of officer	Projected authorized/assigned enlisted aides as of June 30, 1974
0-7: Taylor, Robert W.	Commanding General, 3d Marine Aircraft Wing El Toro, Calif.	1
0-7: Lanagan William H., Jr.	Commanding General, 2d Marine Division, Camp Lejeune, N.C.	1
0-7: Berge James H., Jr.	Commanding General, 4th Marine Aircraft Wing, Glenview, Ill.	1
0-7: Nichols, Robert L.	Commanding General, Marine Corps Base, Camp Pendleton, Calif.	1
0-7: Quinn, William R.	Commanding General, Marine Corps Air Station, El Toro, Calif.	1

COLORADO

Charles C. Pattillo, 1.
Royal N. Baker, 2.
Kenneth C. Dempsler, 1.
Otis C. Moore, 1.
Albert P. Clarke, 3.
Lucius D. Clay, Jr., 3.
John M. McNabb, 1.
James E. Paschall, 1.
James F. Hamlet, 1.
Raymond P. Murphy, 1.
John K. Singlaub, 1.
John A. Wier, 1.

CONNECTICUT

None.

DELAWARE

None.

FLORIDA

Henry B. Kucheman, Jr., 1
Kenneth R. Chapman, 1.
Ernest C. Hardin, Jr., 2.
Woodard E. Davis, Jr., 1.
Bruce Palmer, Jr., 3.
John S. Lebson, 1.
Malcolm W. Cagle, 2.

GEORGIA

Robert E. Hails, 1.
Earl O. Anderson, 1.
Walter T. Kerwin, Jr., 3.
Donn R. Pepke, 2.
Salve H. Matheson, 1
Charles R. Myer, 1.
Thomas M. Tarpley, 1.

HAWAII

John W. Vogt, Jr., 3.
Carlos M. Talbott, 2.
Winton W. Marshall, 1.
Ralph T. Holland, 1.
William G. Moore, Jr., 2.
Eugene F. Tighe, Jr., 1.
Lawrence F. Tanberg, 1.
Carl W. Hughes, 1.
Robert M. MacKinnon, 1.
Andrew J. Gates, 1.
Maurice F. Weisner, 3.
William T. Rapp, 2.
William R. St. George, 2.
Parker B. Armstrong, 1.
Frank O. McMullen, Jr., 1.
Richard A. Paddock, 1.
Louis H. Wilson, Jr., 2.

IDAHO

None.

ILLINOIS

Paul K. Carleton, 3.
Jay T. Robbins, 2.
William A. Detrick, 1.
Alden G. Glauch, 1.
Thomas A. Aldrick, 1.
Warner E. Newby, 1.
Frank W. Elliott, Jr., 1.
William B. Fulton, 1.
John C. Raaen, Jr., 1.
James C. Smith, 1.
John D. H. Kane, Jr., 1.
James H. Berge, Jr., 1.

INDIANA

Eugene J. Forrester, 1.

IOWA

None.

KANSAS

John H. Cushman, 2.
Gordon J. Duguemin, 1.
Dennis D. McAuliffe, 1.

KENTUCKY

Sidney B. Berry, 1.
William S. Coleman, 1.
Donn A. Starry, 1.

LOUISIANA

Richard M. Hoban, 2.
Eugene A. Steffes, Jr., 1.
Charles E. Sragin, 1.
Damon W. Cooper, 2.
Robert E. Riera, 1.

MAINE

None.

MARYLAND

Samuel C. Phillips, 3.
John B. Hudson, 2.
Vernon R. Turner, 1.
Robert T. Marsh, 1.
Lew Allen, Jr., 2.
Glenn D. Walker, 2.
William H. Blakefield, 1.
Charles P. Brown, 1.
Herbert E. Wolff, 1.
Lloyd J. Faul, 1.
Albert Redman, Jr., 1.
William P. Mack, 4.
Roy M. Isaman, 1.

MASSACHUSETTS

Albert R. Shiely, Jr., 1.
Morgan G. Reseburough, 1.
Richard E. Rumble, 1.

MICHIGAN

Robert J. Baer, 1.
Joseph E. Pieklik, 1.

MINNESOTA

Thomas H. Barfield, 1.

MISSISSIPPI

Bryan M. Shotts, 1.
Charles C. Noble, 1.

MISSOURI

Frank A. Hinrichs, 1.
Robert P. Young, 1.

MONTANA

Lawrence J. Fleming, 1.

NEBRASKA

John C. Mayer, 3.
James M. Keek, 2.
Martin O. Colladay, 1.
Ray B. Sitton, 1.
Edgar S. Harris, Jr., 1.
Andrew B. Anderson, Jr., 1.
Eugene L. Hudson, 1.
Harry M. Darmstandles, 1.
John R. Hinton, Jr., 1.
Billy J. Ellis, 1.
Gerald E. Miller, 2.

NEVADA

Gordon F. Blood, 1.

NEW HAMPSHIRE

None.

NEW JERSEY

Lester T. Kearney, Jr., 1.
Albert B. Crawford, Jr., 1.
Hugh F. Foster, Jr., 1.
Thomas V. Greer, 1.
Harold A. Kissinger, 1.
Patrick W. Powers, 1.
Dorward W. Ogden, Jr. 1.

NEW MEXICO

Thomas W. Morgan, 1.
Donald G. Nunn, 1.
John R. Burns, 1.
Arthur H. Sweeney, Jr., 1.

NEW YORK

Ray M. Robinson, Jr., 1.
William A. Knowlton, 3.
Richard H. Groves, 1.
Oliver D. Street III, 1.
Philip R. Feir, 1.
Richard C. Morton, 1.
Joseph P. Moorer, 2.
William M. Pugh II, 1.

NORTH CAROLINA

Richard J. Seitz, 2.
Frederick J. Kroesen, Jr., 1.
Michael D. Healy, 1.
Leslie E. Brown, 1.
Thomas H. Miller, Jr., 1.
Robert D. Bohn, 1.
William H. Canagan, Jr., 1.

NORTH DAKOTA

None.

OHIO

James T. Stewart, 2.
Douglas T. Nelson, 1.
Benjamin N. Bellis, 1.
Abner B. Martin, 1.
Jack J. Catton, 3.
Edmund F. O'Connor, 2.
George Rhodes, 1.
Edward A. Rafalko, 1.
James A. Bailey, 1.
Herbert J. Gavin, 1.
Frank J. Simokaitis, 1.

OKLAHOMA

David E. Ott, 1.

OREGON

None.

PENNSYLVANIA

Franklin M. Davis, Jr., 2.
Joseph L. Coleman, 1.
James R. Jones, 1.

RHODE ISLAND

Stansfield Turner, 3.

SOUTH CAROLINA

James D. Hughes, 1.
Robert C. Hixon, 1.
Graham Tahles, 1.
Robert H. Barrow, 1.

SOUTH DAKOTA

None.

TENNESSEE

Albert M. Sackett, 1.

TEXAS

Robert W. Maloy, 1.
William V. McBride, 2.
Alton D. Slay, 1.
Robert L. Petit, 1.
George E. Schafer, 1.
William A. Jack, 1.
Walter T. Galligan, 1.
Travis R. McNeill, 1.
Allen M. Burdett, Jr., 2.
George P. Seneff, Jr., 2.
Robert L. Fair, 1.
C. J. Levan, 1.
Spurgeon H. Neel, Jr., 1.
Robert M. Shoemaker, 1.
Winant Sidle, 1.
Edward H. Vogel, Jr., 1.
Robert M. Hardaway III, 1.

TEXAS—Continued

Herbert J. McChrystal, Jr., 1.
James Ferris, 1.

UTAH

Bryce Poe II, 1.

VERMONT

None.

VIRGINIA

Robert J. Dixon, 3.
Dale S. Sweat, 2.
James A. McKnight, Jr., 1.
William E. DePuy, 3.
Henry A. Miley, Jr., 3.
Walter P. Leber, 2.
Orwin C. Talbott, 2.
Woodrow W. Vaughan, 2.
Jack C. Fuson, 1.
George A. Godding, 1.
Edwin M. Graham, Jr., 1.
Harold G. Moore, 1.
Harold R. Parfitt, 1.
Dean Van Lydegraf, 1.
Elmer R. Ochs, 1.
Ralph W. Cousins, 3.
Frederick H. Michaelis, 2.
Frank W. Vanroy, 2.
Julien J. LeBourgeois, 2.
Robert L. J. Long, 2.
Douglas C. Plate, 2.
John G. Finnesan, 2.
Roy G. Anderson, 1.
Julian T. Burke, Jr., 1.
Ralph S. Wentworth, Jr., 1.
Jeremiah A. Denton, Jr., 1.
Wallace H. Robinson, Jr., 2.
George C. Axtell, 2.
Robert P. Keller, 2.

WASHINGTON

Jack K. Gamble, 1.
John Q. Henion, 1.
William H. Meroney, III, 1.
Thomas E. Bass, III, 1.

WEST VIRGINIA

None.

WISCONSIN

None.

WYOMING

None.

WASHINGTON, D.C.

John D. Wemel, 2.
Raymond E. Peet, 2.
Harold E. Shear, 2.
Frederick J. Harfinger, II, 2.
David H. Bagley, 2.
George C. Talley, Jr., 2.
William D. Houser, 2.
Frank H. Price, Jr., 2.
William J. Moran, 2.
Marmaduke G. Bayne, 2.
Kenneth R. Wheeler, 2.
Donald L. Custis, 2.
Thomas B. Hayward, 2.
Thomas R. Wesehler, 2.
Oliver H. Perry, Jr., 2.
Arthur G. Esel, 1.
Edwin K. Snyder, 2.
Earl F. Reetanus, 2.
Robert E. Cushman, Jr., 5.
Earl E. Anderson, 3.
Foster C. Lahue, 2.
Herbert L. Beekington, 2.
Creighton W. Abrams, 5.
Frederick C. Weyand, 3.
Donald H. Cowles, 2.
Phillip B. Davidson, Jr., 2.
John R. Deane, Jr., 2.
Edward M. Glanagan, Jr., 2.
William C. Gribble, Jr., 2.
Fred Kosnet, Jr., 2.
Herron N. Maples, 2.
William W. Potts, 2.
Bernard W. Rogers, 2.
Edward C. Rowney, 2.
Richard B. Taylor, 2.
Vernon A. Walters, 2.
Walter J. Woolwine, 2.
Harold R. Aaron, 1.
George S. Beatty, Jr., 1.
Robert Bernstein, 1.
Frederick E. Davidson, 1.
Henry R. DelMar, 1.
Thomas H. Tackaberry, 1.
Thomas H. Moorer, 5.
Elmo R. Zumwalt, Jr., 5.
Issac C. Kidd, Jr., 3.
James L. Holloway III, 3.
Vincent de Poix, 2.
Eugene P. Wilkinson, 2.
Jerome H. King, Jr., 2.
John L. Locke, 1.
Daniel James, Jr., 2.
Warren D. Johnson, 2.
Joseph J. Cody, Jr., 1.
Donald H. Ross, 1.
Abraham J. Dreiseszun, 1.
Louis T. Seith, 2.
Colin C. Hamilton, Jr., 1.
Theodore R. Milton, 3.
Edward A. McGough III, 1.
Walter R. Tkach, 1.
George S. Brown, 5.
Richard H. Ellis, 3.
Duward L. Crow, 2.
Homer I. Lewis, 1.
Roy M. Terry, 1.
Joseph R. Deluca, 2.
Robert A. Patterson, 2.
Maxwell W. Steel, Jr., 1.
John W. Roberts, 2.
Ray M. Cole, 1.
James F. Hill, 1.
Charles I. Bennett, Jr., 1.
George S. Boylan, Jr., 2.
William W. Berg, 1.
James A. Hill, 1.
Maurice R. Reilly, 1.
William W. Snavely, 2.
William J. Evans, 2.

BELGIUM

Russell E. Dougherty, 3.
William W. Wisman, 1.
Richard F. Shaefer, 1.
Walter E. Lotz, Jr., 2.
George G. Cantlay, 1.
Charles S. Minter, Jr., 2.

BRAZIL

Maurice W. Kendall, 1.
Carl T. Hanson, 1.

CAMBODIA

William W. Palmer, 1.

ENGLAND

Evan W. Rosencrans, 1.
Worth H. Bagley, 3.
William H. Livingston, 1.

ETHIOPIA

Harold D. Yow, 1.

EUROPE

Arthur J. Gregg, 1.
Andrew J. Goodpastor, 3.
Melvin Zais, 3.
George S. Blanchard, 2.
Arthur S. Collins, 2.
William R. Desobry, 2.
John D. McLaughlin, 2.
John Norton, 2.
Howard W. Penney, 2.
James W. Sutherland, Jr., 2.
Robert C. Taber, 2.
Jonathan R. Burton, 1.
Thomas E. Fitzpatrick, Jr., 1.
William R. Kraft, Jr., 1.
Joseph C. McDonough, 1.
Rolland V. Heiser, 1.
Sam S. Walker, 1.
Clay T. Buckingham, 1.
Wallace H. Nutting, 1.
Milton E. Key, 1.
Willard Latham, 1.
James A. Munson, 1.
Willard W. Scott, 1.
Charles R. Sniffin, 1.
Robert D. Stevenson, 1.
Richard W. Swenson, 1.
Orville L. Tobiason, 1.
Charles M. Hall, 1.
John G. Appel, 1.
George S. Patton, 1.

GERMANY

David C. Jones, 3.
Louis K. Wilson, Jr., 2.
Wilbur L. Creech, 1.
Edwin W. Robertson II, 1.
John C. Giraudo, 1.
George J. Eade, 3.
Edward Ratkovich, 1.
William R. Hayes, 1.
Foster L. Smith, 1.
Michael S. Davidson, 3.
William W. Cobb, 1.
Jack J. Wagstaff, 1.
James W. Nance, 1.

GREECE

Carles W. Ryder, Jr., 1.
Frederick C. Turner, 1.

GUAM

George H. McKee, 2.
George S. Morrison, 1.

HOLLAND

William E. Bryan, Jr., 1.

ICELAND

Samuel M. Cooley, Jr., 1.

IRAN

Devol Brett, 1.

ITALY

Joseph G. Wilson, 2.
William W. Holt, 1.
George M. Johnson, Jr., 1.
Wilber H. Vinson, Jr., 1.
Means Johnston, Jr., 3.
Daniel J. Murphy, 2.
Pierre N. Charbonnet, Jr., 1.

JAPAN

Robert E. Pursley, 2.
Edward P. McNeff, 1.
Welborn G. Dolvin, 2.
George P. Steele II, 2.
James D. Donaldson, Jr., 1.
William H. Rogers, 1.
Lawrence F. Snowden, 1.

KOREA

John R. Murphy, 2.
Richard G. Stilwell, 3.
James F. Hollingsworth, 2.
Richard T. Knowles, 2.
Hubert S. Cunningham, 1.
Henry E. Emerson, 1.
William E. McCleod, 1.
John J. Koehler, Jr., 1.
Frederick C. Krause, 1.
Henry S. Morgan, Jr., 1.

NORWAY

Kendall S. Young, 1.

OKINAWA

Bert A. David, 1.

PACIFIC

Donald V. Bennett, 3.
Robert R. Williams, 2.
John R. Guthrie, 1.
George L. Mabry, Jr., 1.
Wilbur C. Weaver, 1.

PANAMA

Arthur G. Salisbury, 1.
John B. Henry, Jr., 1.
William B. Rosson, 3.
Robert H. Blount, 1.

PUERTO RICO

James D. Ramage, 1.

PHILIPPINES

Leroy J. Manor, 1.
Jack R. Sadler, 1.
Doniphan B. Shelton, 1.

PORTUGAL

Robert B. Erly, 1.

SPAIN

Salvador E. Felices, 1.

TAIWAN

Slade Nash, 1.
Philip A. Beshany, 2.

THAILAND

Jack Bellamy, 1.
Timothy F. O'Keefe, 3.
Ira A. Hunt, Jr., 1.
Thomas W. Mellen, 1.
John L. Osken, Jr., 1.

TURKEY

Arnold W. Braswell, 1.
Sanford K. Moats, 2.
Harris W. Hollis, 2.
James V. Galloway, 1.

VIETNAM

John E. Murray, 1.
Joseph R. Ulatoski, 1.

ADJOURNMENT TO MONDAY, APRIL 22, 1974

Mr. MANSFIELD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the provisions of House Concurrent Resolution 475 as amended, that the Senate adjourn until Monday, April 22, 1974.

The motion was agreed to; and, at 4:57 p.m., the Senate adjourned until Monday, April 22, 1974, at 12 noon.

NOMINATIONS

Executive nominations received by the Senate April 11, 1974:

DEPARTMENT OF JUSTICE

Bert C. Hurn, of Missouri, to be U.S. Attorney for the western district of Missouri for the term of 4 years. (Reappointment)

DEPARTMENT OF STATE

The following-named person for reappointment in the Foreign Service as a Foreign Service Officer of Class 3, a Consular Officer, and a Secretary in the Diplomatic Service of the United States of America:

Helen J. Terranova, of Florida.

For reappointment in the Foreign Service as a Foreign Service Information Officer of Class 3, a Consular Officer, and a Secretary in the Diplomatic Service of the United States of America:

Robert F. Krill, of Pennsylvania.

For appointment as Foreign Service Officers of Class 3, Consular Officers, and Secretaries in the Diplomatic Service of the United States of America:

Leon J. Bajek, of Texas.
E. Lloyd Davis, of Maryland.
Jan B. Verschuur, of Maryland.

For appointment as Foreign Service Officers of Class 4, Consular Officers, and Secretaries in the Diplomatic Service of the United States of America:

James Henry Hawkins, of Illinois.
Harry D. Hobbs, of Florida.
Andres Gilberto Sanchez, of Texas.

For appointment as Foreign Service Officers of Class 5, Consular Officers, and Secretaries in the Diplomatic Service of the United States of America:

Ruth A. Davis, of California.
William Hoffman, of Florida.
George Mu, of California.
Robert B. Peterson, of California.
Donald J. Planty, of New York.
Richard B. Sorg, of Ohio.

For appointment as Foreign Service Officers of Class 6, Consular Officers, and Secretaries in the Diplomatic Service of the United States of America:

Norman Alexander, Jr., of Louisiana.
William K. Chapman, of Utah.
Ronald Lewis Kates, of New Jersey.
James O. Mazingo, of Rhode Island.
Thomas Tondee Orum, of Michigan.
Joseph Monroe Segars, of Pennsylvania.
Joyce A. Smith, of Tennessee.
Alma Lucille Thomas, of North Carolina.

For promotion from a Foreign Service Officer of Class 8 to Class seven:

James D. Whitten, of California.

For appointment as Foreign Service Officers of Class 7, Consular Officers, and Secretaries in the Diplomatic Service of the United States of America:

Michael G. Anderson, of Illinois.
Paul E. Behnke, of Illinois.
Lawrence Neal Benedict, of California.
David C. Bennett, of California.
Terry R. Broderick, of Illinois.
Roger E. Burgess, Jr., of Massachusetts.
William J. Burke, Jr., of Connecticut.
Robert C. Campbell, of Oregon.
Gary Couey, of California.
Brian Dean Curran, of the District of Columbia.
John A. Dooley, of New York.
Angelo M. Figueroa, of Puerto Rico.
James Michael Gagnon, of Virginia.
Michael Gelner, of Missouri.
William Gregory Goffe, of Virginia.
Russell Graham, of Connecticut.
David N. Greenlee, of New York.
Patricia Ann Haigh, of Virginia.
Ruth E. Hansen, of Illinois.
Stanley P. Jakubowski, of Connecticut.
Teresa Chin Jones, of Virginia.
Mary J. Kosheleff, of Ohio.
David C. Litt, of the District of Columbia.
Karen R. Longeteig, of Idaho.
Nancy J. Mackie, of California.
Thomas R. Maertens, of Minnesota.
Joseph Neal McBride, of Massachusetts.
Keith P. McCormick, of California.
George Innes Middleton, of California.
Paul A. Miller, of Kansas.
George H. Mitchell, Jr., of Virginia.
Diana M. Mongomery, of California.
William Dale Montgomery, of Virginia.
Russell E. Morrow, of Texas.
Gay William Mount, of Washington.
Sue H. Patterson, of Virginia.
Bronson E. Percival, of the District of Columbia.
David Catlin Pierce, of California.
Steven R. Pruett, of Hawaii.
John F. Scott, of Iowa.
Neil Edward Silver, of Virginia.
Richard J. Tierney, of Virginia.
Helen Weinland, of the District of Columbia.
George MacDonald White, of Indiana.
Linda Louise Young, of Pennsylvania.

For appointment as Foreign Service Information Officers of Class 7, Consular Officers, and Secretaries in the Diplomatic Service of the United States of America:

Stephen Mark Dubrow, of Florida.
Richard D. Gong, of New Jersey.
Don Reed Hamilton, of Oklahoma.
Alfred Haworth Jones, of Minnesota.
Robert J. Meade, of New Jersey.
Patricia J. Moser, of Maryland.
Lawrence I. Plotkin, of Virginia.
Anna M. Romanski, of New Jersey.
Ralph H. Ruedy, of Iowa.

For appointment as Foreign Service Officers of Class 8, Consular Officers, and Secretaries in the Diplomatic Service of the United States of America:

Thomas V. Biddick, of California.
Michael A. Chisek, of Illinois.
Gary W. Christian, of Missouri.
Nancy M. DeGumbia, of Connecticut.
Jay L. Dehmlow, of Florida.
Thomas E. Dowling, of New York.
Douglas V. Ellice, Jr., of Connecticut.
Jeffrey Gallup, of California.
Donna Jean Hrinak, of Pennsylvania.
Nancy Hudson, of Texas
Margaret Teresa Kromhout, of the District of Columbia
Virginia A. Lancina, of Florida
James B. Lane, Jr., of Ohio
David L. Lyon, of Maryland
Dianne E. Markowitz, of Pennsylvania
Linda M. Mathews, of California
Frank V. Nash, of Connecticut
Frederick Polasky, of Maryland
Carolyn Lorraine Schleber, of California
James F. Schumaker, of California
Andrew Sciacchitano, of Illinois
Paul H. Tyson, of New Jersey
Richard H. Wallen, of Colorado

For appointment as Foreign Service Information Officers of Class 8, Consular Officers, and Secretaries in the Diplomatic Service of the United States of America:

Sheila West Austrian, of California
K. Kimberly King, of Virginia
Douglas B. Wilson, of Arizona

Foreign Service Reserve Officers to be Consular Officers and Secretaries in the Diplomatic Service of the United States of America:

Lewis V. Barnes, of the District of Columbia.
Thomas J. Barrett, Jr., of Pennsylvania.
Robert A. Benedetti, of Virginia.
Dalton C. Bohnet, of California.
James D. Boney, of Virginia.
Victor J. Bonilla-Sosa Newman, of California.
Richard R. Bradford, of Virginia.
Ernest B. Brant, of Virginia.
Ronald L. Cerra, of Virginia.
James V. Doane, Jr., of Rhode Island.
Christian F. Frederick, of Virginia.
Donald E. Graves, of the District of Columbia.
Jean Gunther, of New Jersey.
Barbara Hemingway, of Connecticut.
Gordon J. Hopman, of Virginia.
Sarah R. Horsey, of the District of Columbia.
Arthur B. Hough, of Virginia.
Kirk-Patrick Kotula, of New Jersey.
Daniel Nastoff, of Ohio.
Kenneth W. Plummer, of Massachusetts.
Glenn M. Price, of Michigan.
Fernando L. Richards, of Virginia.
Martha Sardinas, of the District of Columbia
Melvin T. Spence, of the District of Columbia
Constantine Warwariv, of Maryland
Clare M. Weaver, of Louisiana
David R. Wilson, of Virginia

Foreign Service Reserve Officers to be Secretaries in the Diplomatic Service of the United States of America:

Marjorie S. Belcher, of Massachusetts.
John L. Brady, of the District of Columbia.
Edmund P. Glowen, Jr., of Washington.
Bernice Ann Powell, of Michigan.
Richard A. Reiser, of Ohio.
Patsy G. Stephens, of California.

Foreign Service Staff Officers to be Consular Officers of the United States of America:

J. Loretta Baker, of Florida.
Marie D. Burke, of North Carolina.
Mark T. Colby, of Maryland.
Francis E. Matthews, of Pennsylvania.
John E. Witt, of California.

IN THE COAST GUARD

The following named lieutenant commanders of the Coast Guard Reserve to be permanent commissioned officers in the Coast Guard Reserve in the grade of commander:

Carmin (n) Yannone
Walter L. Henson
Richard E. Jaffe
Walter J. Symons
David A. Treffs
John P. Lynker
George E. McCabe
Stuart A. Yoffe
James B. Lowe
William A. Parker
Harry A. Gard
Herbert C. Gould
Gordon W. Greene
Roger J. Davis
John A. Kwekel
James B. Carson
Ronald J. Vito
John M. Richmond
Henry G. Steinman
Wilfrid W. Csaplar
Roger J. Erickson
Stephen M. Aug
Thomas P. Marian
Wendelin S. Sonntag
Richard L. Powell

IN THE AIR FORCE

The following officer for temporary appointment in the U.S. Air Force under the provisions of chapter 839, title 10 of the United States Code:

To be brigadier general

Col. John T. Guice, [redacted]FG, Air National Guard.

IN THE U.S. ARMY

The following-named officer to be placed on the retired list in grade indicated under the provisions of title 10, United States Code, section 3962:

To be lieutenant general

Lt. Gen. George Edward Pickett, 577-54-0390, Army of the United States (major general, U.S. Army).

IN THE AIR FORCE

The following cadets, U.S. Air Force Academy, for appointment in the Regular Air Force in the grade of second lieutenant, effective upon their graduation, under the provisions of section 8284 and 9353, title 10, United States Code. Date of rank to be determined by the Secretary of the Air Force.

Ain, Robert A., Jr., [redacted].
Alcorn, Richard L., [redacted].
Alfano, Salvatore, [redacted].
Allard, Gary S., [redacted].
Allen, Larry M., [redacted].
Alley, Bruce E., [redacted].
Andersen, Allen E., [redacted].
Andersen, Stephen J., [redacted].
Anderson, Bruce R., [redacted].
Anderson, Charles W., Jr., [redacted].
Anderson, Lloyd L., Jr., [redacted].
Anderson, Robert C., [redacted].
Appelhans, Louis J., [redacted].
Arendsee, Douglas W., [redacted].
Arnold, Robert S., [redacted].
Atkins, Robert L., Jr., [redacted].
Augustyn, Michael J., [redacted].
Baarsch, Thomas E., [redacted].
Baca, Michael, [redacted].
Bachran, Lance W., [redacted].
Badger, Brian R., [redacted].
Bagnall, James W., [redacted].
Baker, John G., [redacted].
Baker, Larry W., [redacted].
Balale, Michael E., [redacted].
Baldwin, Clark J., [redacted].
Baldwin, Gary A., [redacted].
Baldy, Thomas F., [redacted].
Balent, Bruce F., [redacted].
Ball, Murray J., [redacted].
Ballinger, Franklin F., [redacted].
Barclay, Richard G., [redacted].
Barker, Alan G., [redacted].
Barker, David V., [redacted].
Barry, Bruce N., [redacted].
Bates, Hobart C., [redacted].
Bates, Richard H., Jr., [redacted].
Batson, William L., [redacted].
Bauer, Paul E., [redacted].
Bauer, Steven R., [redacted].
Baugh, Thomas, [redacted].
Bauknight, Lavoy D., Jr., [redacted].
Bayne, Robert A., [redacted].
Beam, James M., [redacted].
Bechtel, Peter A., [redacted].
Bednarz, Eugene J., [redacted].
Bejsovec, Todd E., [redacted].
Belkowski, Robert A., Jr., [redacted].
Bell, Mark R., [redacted].
Bench, John K., [redacted].
Bender, Thomas M., [redacted].
Bennett, William D., [redacted].
Beno, Mikael S., [redacted].
Berdine, Terry G., [redacted].
Berry, William M., III, [redacted].
Berryman, Donald E., [redacted].
Beshara, Lance H., [redacted].
Bettesworth, William P., [redacted].
Betzold, Robert W., [redacted].
Beyer, Merrill L., III, [redacted].
Bierbaum, Neal R., [redacted].
Binkley, Robert G., [redacted].
Biondo, Samuel A., Jr., [redacted].
Birdwell, Bruce F., [redacted].
Bishop, Robert D., [redacted].
Blackman, James F., [redacted].
Blanchet, Richard J., [redacted].
Blankinship, Ross M., [redacted].
Bonsi, David J., [redacted].
Boone, James B., [redacted].
Booth, Robert W., [redacted].
Borah, Jack A., [redacted].
Bosserman, David N., [redacted].
Bowman, Richard E., [redacted].
Boyce, Steven C., [redacted].
Boyd, Lowell R., Jr., [redacted].
Bozarth, Stephen E., [redacted].
Bozek, Blair L., [redacted].
Bratlien, Michael D., [redacted].
Braydich, Michael D., [redacted].
Brede, Herbert C., III, [redacted].
Brewer, Frank W., [redacted].
Brezovich, Joseph L., Jr., [redacted].
Brickell, James L., [redacted].
Brockman, John C., [redacted].
Brooke, Robert H., [redacted].
Brooks, Greg, [redacted].
Brown, Merritt J., [redacted].
Brown, Ronald D., [redacted].
Brown, Tully W., [redacted].
Browning, Robert W., [redacted].
Brozena, Anthony G., Jr., [redacted].
Brozovich, Michael J., [redacted].
Bryant, Charles E., [redacted].
Bryant, Frederic B., Jr., [redacted].
Buckwalter, Joseph M., [redacted].
Budinger, Kris M., [redacted].
Bunker, David C., [redacted].
Burchby, Dale D., [redacted].
Burdick, David G., [redacted].
Burger, James E., [redacted].
Burnside, Robert M., [redacted].
Butler, Bradley L., [redacted].
Butts, Dennis D., [redacted].
Caggianello, Anthony J., [redacted].
Caldwell, Richmond H., Jr., [redacted].
Campbell, Christopher M., [redacted].
Canitz, James A., [redacted].
Capozzi, Rocky P., [redacted].
Capp, William A., [redacted].
Carel, Dennis C., [redacted].
Carlton, Patrick L., [redacted].
Carrington, George W., Jr., [redacted].
Carroll, Dean L., [redacted].
Carter, Edward M., [redacted].
Carter, Teddy A., [redacted].
Casement, William J., [redacted].
Casey, Kevin C., [redacted].
Casey, Richard J., [redacted].
Chag, Gary S., [redacted].
Chandler, Carroll H., [redacted].
Chase, Michael L., [redacted].
Cheatham, Robert T., III, [redacted].
Cheek, Kevin E., [redacted].
Chenault, Donald D., [redacted].
Chinn, Glen W., [redacted].
Christensen, Boyd W., [redacted].
Claude, Robert A., [redacted].
Cleaveland, Richard M., [redacted].
Clemens, Terry L., [redacted].
Clement, Donald J., [redacted].
Cline, Richard L., [redacted].
Coleman, Allen D., [redacted].
Collazo, Victor M., [redacted].
Collins, Dennis F., [redacted].
Collins, James W., Jr., [redacted].
Colotta, James E., [redacted].
Colton, Thomas H., [redacted].
Conklin, Kurt S., [redacted].
Conrardy, Richard R., [redacted].
Conroy, Daniel R., [redacted].
Cook, Donald R., [redacted].
Cook, Michael J., [redacted].
Coppock, Kelvin R., [redacted].
Corbett, Dwight G., [redacted].
Corrigan, Patrick J., [redacted].
Corsaro, John A., Jr., [redacted].
Cote, Jeffrey A., [redacted].
Cotharin, Benjamin A., [redacted].
Cotton, David C., [redacted].
Cottongim, Theodore J., [redacted].
Couden, Tommy J., [redacted].
Council, William C., Jr., [redacted].
Court, Kevin, [redacted].
Coviello, Vincent, [redacted].
Cox, Roger W., [redacted].
Coy, Timothy D., [redacted].
Craig, Stephen V., [redacted].
Cranford, Michael V., [redacted].
Crean, Patrick H., [redacted].
Crenshaw, Robert L., [redacted].
Crenshaw, Ronald L., [redacted].
Cripe, Robert C., [redacted].
Crist, Rodney S., [redacted].
Crooks, Louis C., [redacted].
Cunningham, Rex J., [redacted].
Cutler, Robert E., [redacted].
Daley, David K., [redacted].
Daley, Patrick J., [redacted].
Danforth, Lawrence A., [redacted].
Daniels, Stephen C., [redacted].
Dankowski, Greg C., [redacted].
Davis, Barton B., [redacted].
Davis, Bruce E., [redacted].
Davis, Rudee F., [redacted].
Dehart, Paul E., Jr., [redacted].
Delach, Donald M., [redacted].
Delorenzo, Michael L., [redacted].
Dennis, Richard W., [redacted].
Derck, Calvin B., [redacted].
Deunk, Norman W. III, [redacted].
Diemand, William E., [redacted].
Dietel, Ronald J., [redacted].
Dieter, Kenneth M., [redacted].
Dildy, Douglas C., [redacted].
Dillard, Billy D., [redacted].
Dimarchi, David O., [redacted].
Diprimo, Mario K., [redacted].
Dodd, Wesley D., [redacted].
Donaldson, James, [redacted].
Donham, Danny W., [redacted].
Donnelly, Stephen C., [redacted].
Dorris, Joseph L., [redacted].
Dorsey, Dean, [redacted].
Duey, Gordon L., [redacted].
Duncan, David S., [redacted].
Dunn, Frederick C., Jr., [redacted].
Dunn, Michael J., [redacted].
Duran, Jack J., [redacted].
Durgin, Harry R., Jr., [redacted].
Durio, Gregory E., [redacted].
Dykes, Gregory A., [redacted].
Earp, Ronald O., [redacted].
Easthead, Donald J., [redacted].
Eiband, David M., [redacted].
Elliott, Gary W., [redacted].
Emanuel, Paul A., [redacted].
Ephland, John G., Jr., [redacted].
Estes, Richard B., [redacted].
Ettenson, Gordon M., [redacted].
Evans, Byron M., [redacted].
Evans, Robert W., [redacted].
Eydenberg, Francis M., [redacted].
Fair, John A., [redacted].
Falsone, Frank J. III, [redacted].
Farmwald, Jay A., [redacted].
Farus, James E., [redacted].
Fay, Dennis B., [redacted].
Fazio, Salvatore, Jr., [redacted].
Fedewa, Frederick A., [redacted].
Fedors, Richard G., [redacted].
Feeney, Edward J., Jr., [redacted].
Fehseke, Scott R., [redacted].
Felix, Woodrow D. II, [redacted].

Ferraro, Antonio, [redacted]
Fick, Donald E., [redacted]
Findlay, Gregory J., [redacted]
Findley, Michael C., [redacted]
Finnegan, Robert J. Jr., [redacted]
Fiorenzi, Peter J., [redacted]
Fitzgerald, James R., [redacted]
Fitzpatrick, Charles E., [redacted]
Fitzsimmons, Bob S., [redacted]
Flattery, David A., [redacted]
Flory, Robert A., [redacted]
Fly, Ronald E., [redacted]
Flynn, Gerald K., [redacted]
Forberg, Steven S., [redacted]
Forsyth, Frank L., [redacted]
Fowler, Byron T., [redacted]
Frank, Howard W., Jr [redacted]
Frank, Norman G., Jr., [redacted]
Freeth, David, [redacted]
Frost, Douglas H. Jr., [redacted]
Fruland, William E., [redacted]
Fueyo, Michael H., [redacted]
Fuller, Stanley G., [redacted]
Fulton, James, [redacted]
Fundarek, David L., [redacted]
Furfari, James C., [redacted]
Gaddy, Gary J., [redacted]
Galik, Andrew F., [redacted]
Garcia, Peter F., [redacted]
Garhart, Ronald L., [redacted]
Garland, John G. III, [redacted]
Garner, Gary M., [redacted]
Garramone, David M., [redacted]
Garrett, James L., [redacted]
Garrity, James J., [redacted]
Gavares, Peter M., [redacted]
Gehri, Mark J., [redacted]
Gentry, Gailon L., [redacted]
Gibbs, Robert H., [redacted]
Gibson, Frederick W., [redacted]
Gibson, Rodney E., [redacted]
Giersch, Michael L., [redacted]
Giese, Michael C., [redacted]
Gilbert, Terence L., [redacted]
Gilliam, Paul E. Jr., [redacted]
Gilmore, John F., [redacted]
Glenn, James E. [redacted]
Glick, Floyd J., [redacted]
Glifort, Kenneth F., [redacted]
Glock, Albert E., Jr., [redacted]
Goodrich, Dan R., [redacted]
Goodwin, Thomas E., [redacted]
Grandcolas, James S., [redacted]
Greco, John R., [redacted]
Green, Thomas K., [redacted]
Green, Timothy T., [redacted]
Greeson, James T., [redacted]
Greiner, Jeffrey H., [redacted]
Gress, Stephen G., Jr., [redacted]
Griffin, Daniel, [redacted]
Griffith, William E., [redacted]
Guardino, Alfred J., [redacted]
Gudeczauskas, Anthony C., [redacted]
Guelich, Hampton H., [redacted]
Gum, Michael E., [redacted]
Guzowski, Paul F., [redacted]
Hackney, Edward E., [redacted]
Haile, Raymond E., [redacted]
Hairston, Carleton P., [redacted]
Hall, Thomas M., II, [redacted]
Halley, Donald J., [redacted]
Halpin, Michael P., [redacted]
Halseth, Thomas G., [redacted]
Halsey, William R., [redacted]
Halsor, Mark D., [redacted]
Hamilton, David S., [redacted]
Hamm, Harold R., [redacted]
Hancock, Kenneth C., [redacted]
Hand, Charles B., [redacted]
Hankins, Paul M., [redacted]
Hansen, Steven A., [redacted]
Harimoto, Deane Y., [redacted]
Harlan, Mark A., [redacted]
Harnly, Douglas A., [redacted]
Harper, Martin L., [redacted]
Hathaway, Michael K., [redacted]
Hayden, Thomas F., III, [redacted]
Hayes, William A., [redacted]
Hayhurst, James L., [redacted]
Haynie, Richard A., [redacted]
Hazen, James G., [redacted]
Heffernan, Thomas J., [redacted]
Heffner, Richard P., [redacted]
Hegland, David A., [redacted]
Heil, Steven L., [redacted]
Heinle, Dennis R., [redacted]
Henricks, Terence T., [redacted]
Henwood, Barton E., [redacted]
Herrman, David P., [redacted]
Hester, Wesley B., [redacted]
Higginbotham, Bradley K., [redacted]
Higgins, Ernest W., [redacted]
Hill, Kent D., [redacted]
Hof, George M., [redacted]
Hoffman, Donald J., [redacted]
Hoffmann, Edward W., [redacted]
Hoglund, David L., [redacted]
Hoke, Scott A., [redacted]
Holck, Eric K., [redacted]
Holkeboer, Thomas K., [redacted]
Holland, Stephen, [redacted]
Hollerbach, Don M., [redacted]
Holley, Charles R., Jr., [redacted]
Holliway, Robert H., [redacted]
Honsinger, John H., Jr., [redacted]
Hood, Robert C., [redacted]
Hood, Robert R., [redacted]
Horacek, James R. [redacted]
Horn, Steven R., [redacted]
Horowitz, Gary M., [redacted]
Houde, Neal J., [redacted]
Householder, John S., [redacted]
Hovrud, David L., [redacted]
Howard, Mark A., [redacted]
Hoyle, Joseph C. [redacted]
Huber, Lawrence D., [redacted]
Huddleson, Scott A., [redacted]
Huffman, Phyllip B., [redacted]
Hughes, Dennis C., [redacted]
Hughes, Philip G., [redacted]
Hughes, William F., Jr., [redacted]
Hyatt, Mark A., [redacted]
Iacobucci, James C., [redacted]
Iken, Daniel R., [redacted]
Ilseng, Jimmy D., [redacted]
Inscoe, Philip D., [redacted]
Irish, Philip A., III, [redacted]
Jackson, David G., [redacted]
Jackson, John P., [redacted]
Jacobs, Jeffrey L., [redacted]
Jacobson, Mark C., [redacted]
James, Donald W., [redacted]
Janisse, Thomas C., [redacted]
Jeffs, Raymond E., [redacted]
Jensen, Robert A., Jr., [redacted]
Johansen, Marc C., [redacted]
Johnson, Mark D., [redacted]
Johnson, Mark R. [redacted]
Johnson, Roy T., Jr., [redacted]
Johnson, Verle L. Jr., [redacted]
Jolly, Jay D., [redacted]
Jones, Charles E., [redacted]
Jones, John P., [redacted]
Jones, William H., [redacted]
Judkins, James E., [redacted]
Justiz, Charles R., [redacted]
Kaan, Kevin J., [redacted]
Kampa, Lawrence M., [redacted]
Kane, Thomas P., [redacted]
Karner, Joseph R., [redacted]
Katahara, Lester K., [redacted]
Keagle, James M. [redacted]
Keaton, James M., [redacted]
Kelley, Joseph E., [redacted]
Kelly, Christopher A., [redacted]
Kelly, James R., [redacted]
Kelly, John E. Jr., [redacted]
Kelly, William M., [redacted]
Kemerling, Robert A., [redacted]
Kemp, Kelvin P., [redacted]
Kerley, Donald J., [redacted]
Kimmel, William S., [redacted]
Kinard, Walter A., [redacted]
Kinkead, Scott A., [redacted]
Kirkpatrick, Richard A., [redacted]
Kirsteatter, Gary L., [redacted]
Kisby, Arthur E., [redacted]
Kitchen, Craig N., [redacted]
Klena, Martin J., [redacted]
Klimes, Kenneth G., [redacted]
Kline, Timothy H., [redacted]
Klinger, Peter C., [redacted]
Knauss, Brian L., [redacted]
Knight, Wade D., [redacted]
Knoll, Michael G., [redacted]
Kocher, Lloyd W., [redacted]
Kohler, Erik P. [redacted]
Kolessar, Thomas D., [redacted]
Kolm, Paul A., [redacted]
Konwin, Kenneth C., [redacted]
Koraly, Steven C., [redacted]
Koster, James F., [redacted]
Kotecki, David A., [redacted]
Kurtz, Gregory A., [redacted]
Kuskie, Michael R., [redacted]
Lambert, Charles E. Jr., [redacted]
Lambert, Kent B., [redacted]
Lane, David T. II, [redacted]
Lane, Jesse P. III, [redacted]
Lane, Lance R. [redacted]
Lansford, John F., Jr., [redacted]
Lanzit, Chris R., [redacted]
Larson, Michael S., [redacted]
Latham, Charles B., [redacted]
Lawrence, George A., [redacted]
Lazaroff, Robert C., [redacted]
Lee, Bradford W., [redacted]
Lee, Jeffrey W., [redacted]
Lee, Mark C., [redacted]
Lenzi, Stephen M., [redacted]
Leonard, Jack E., [redacted]
Leonard, James M., [redacted]
Leopardi, Mark A., [redacted]
Leslie, James C. [redacted]
Lessley, Jimmy D., [redacted]
Leverson, Bruce N., [redacted]
Lewis Howard J, Jr., [redacted]
Lewis, Lynn M., Jr., [redacted]
Leysath, Terence L. [redacted]
Ligday, Robert C., [redacted]
Lillis, James M., [redacted]
Lind, Orville R., [redacted]
Lindner, Stuart P., [redacted]
Lindstrom, Eldon R., [redacted]
Linzmeier, Ralph B., Jr., [redacted]
Lockette, Emory W., Jr., [redacted]
Loftus, Brian E., [redacted]
Loftus, Lawrence J., [redacted]
London, Charles R., [redacted]
Long, Jack D., [redacted]
Long, Lynn I., [redacted]
Loskill, Edwin R., [redacted]
Lovegrove, Matthew G., [redacted]
Lovett, Cole K., [redacted]
Lower, Roy W., [redacted]
Lowery, Lawrence W., [redacted]
Lowrey, Robert L. [redacted]
Luby, Michael A., [redacted]
Lucas, Charles L., [redacted]
Lucca, Michael J. [redacted]
Lunsford, Stephen G., [redacted]
Luntzel, James R. III, [redacted]
Lutz, Robert J. [redacted]
Lux, Gregory K. [redacted]
Lynch, Patrick J., [redacted]
Lyons, Michael O., [redacted]
Macelhaney, William L., [redacted]
Macey, Theodore I. [redacted]
Madison, John E., Jr., [redacted]
Malizola, Michael J., [redacted]
Malutich, Stephen M., [redacted]
Maples, James M., Jr., [redacted]
Maquet, Michael L., [redacted]
Massaro, James C., [redacted]
Mastroianni, John N., [redacted]
Matlock, Jimmy C., [redacted]
Maughan, Michael B. [redacted]
May, Thomas A. [redacted]
McAlpin, Sherman E., [redacted]
McBride, James I., [redacted]
McCance, Thomas L., [redacted]
McClure, James A., [redacted]
McCord, Michael S. [redacted]
McCormack, Darrell L., [redacted]
McCoy, Michael W., [redacted]
McGinnis, Michael M., [redacted]
McIlhenny, Edward A., [redacted]
McIntire, Francis E., Jr., [redacted]
McKean, Kenneth F., [redacted]
McKinley, John E., [redacted]
McLane, Bruce P., [redacted]
McLaughlin, Lary R., [redacted]

McLauthlin, Scott B., [redacted].
McLean, Brian W., [redacted].
McManamy, Thomas J., [redacted].
McMonagle, Donald R., [redacted].
McNabb, Duncan J., [redacted].
McSpadden, William A., [redacted].
Meeker, James R., [redacted].
Mefford, Scott D., [redacted].
Mentemeyer, Richard A., [redacted].
Michel, Norman E., [redacted].
Miklos, Mark, [redacted].
Miles, Ross A., [redacted].
Miller, Dave A., [redacted].
Miller, John L., [redacted].
Miller, John M., [redacted].
Miller, Martin G., [redacted].
Milroy, Andrew G., [redacted].
Moats, J. E., [redacted].
Monacell, Dennis L., [redacted].
Monaghan, Joseph R., Jr., [redacted].
Monti, Stewart T., [redacted].
Moody, Curt S., [redacted].
Moody, David L., [redacted].
Moore, Jeffrey W., [redacted].
Moorefield, Robert K., [redacted].
Morris, James E., [redacted].
Morris, Richard A., [redacted].
Morrow, Robert K. Jr., [redacted].
Motley, William T., [redacted].
Muck, Michael W., [redacted].
Munrb, James S., [redacted].
Murphree, Harold W., [redacted].
Murphy, Charles E., [redacted].
Murphy, Franklin, [redacted].
Murphy, Scott W., [redacted].
Murphy, William J., [redacted].
Murray, Frank J., [redacted].
Murray, William S., [redacted].
Myers, Dean A., [redacted].
Nardecchia, Philip M., [redacted].
Neddo, Roger C., Jr., [redacted].
Nelson, James R., [redacted].
Nelson, Richard G., [redacted].
Nelson, William P., [redacted].
Nemetz, James A., [redacted].
Neumann, David K., [redacted].
Newell, David F., [redacted].
Newman, Eric J., [redacted].
Newman, Robert W., [redacted].
Newsome, Richard W., Jr., [redacted].
Nickelson, Richard B., [redacted].
Nierstheimer, Randal W., [redacted].
Northgraves, Jeffrey A., [redacted].
Norton, Edward C., [redacted].
Nugent, William J., [redacted].
Oberbillig, Ronald M., [redacted].
Obrien, Kevin P., [redacted].
Oconnell, Michael J, III, [redacted].
Olsen, David E., [redacted].
Omasta, Robert P., [redacted].
Oneill, John P., [redacted].
Orr, James C., [redacted].
Oukrop, Donald L., [redacted].
Overton, John J., [redacted].
Pailes, William A., [redacted].
Palanica, John M., [redacted].
Paparella, Dominick, [redacted].
Pappas, Robert E., [redacted].
Paquette, James R., [redacted].
Parker, David S., [redacted].
Parker, Thomas J., [redacted].
Parsons, James A., [redacted].
Passwater, John M., [redacted].
Patterson, Russell W., [redacted].
Payne, James M., [redacted].
Pedersen, Richard M., [redacted].
Pefley, Michael D., [redacted].
Pelton, Douglas R., [redacted].
Pennett, John G., [redacted].
Pennock, John C., [redacted].
Peplinski, James H., [redacted].
Perry, Gilbert T., Jr., [redacted].
Peters, Richard A., [redacted].
Pethe, Travis M., [redacted].
Pettitt, Richard E., [redacted].
Pilling, Richard A., [redacted].
Pitsko, Daniel A., Jr., [redacted].
Pohl, Lawrence P., [redacted].
Pondrom, Patrick H., [redacted].
Poreda, Christopher, [redacted].
Powell, Alfred M. Jr., [redacted].
Powers, Richard R. Jr., [redacted].
Prawdzik, Victor S. III, [redacted].
Priddy, Warren R., [redacted].
Puzak, Nicholas, Jr., [redacted].
Pyrch, Thomas A., [redacted].
Quanbeck, Gordon H., [redacted].
Quinn, Keith A., [redacted].
Rabinowitz, Mark S., [redacted].
Rader, Mark W., [redacted].
Rae, Scot C., [redacted].
Rambeck, Douglas E., [redacted].
Ramey, Kent M., [redacted].
Randolph, Stephen P., [redacted].
Range, David N., [redacted].
Rathbun, Charles D., [redacted].
Ratkewicz, Arthur G., [redacted].
Ravenscroft, Donald L., [redacted].
Read, Gary A., [redacted].
Reed, Harold E., [redacted].
Reves, Melvin M., Jr., [redacted].
Reich, Michael E., [redacted].
Reily, David K., [redacted].
Reinholz, David A., [redacted].
Reinschmidt, John S., [redacted].
Renfro, Lawrence A., [redacted].
Restey, Michael W., [redacted].
Reynolds, John F., [redacted].
Reznick, Steven G., [redacted].
Richardson, Earl N., [redacted].
Richardson, Eugene S., [redacted].
Richardson, Thomas J., [redacted].
Riedl, Charles A., [redacted].
Risinger, Steven A., [redacted].
Risner, Norman K., [redacted].
Ritz, Steven R., [redacted].
Rivard, James T., [redacted].
Rivas-Pingel, Roberto J., [redacted].
Rivers, John R., [redacted].
Robards, Michael L., [redacted].
Robinson, Neal T., [redacted].
Rogers, Paul L., [redacted].
Rollins, John M., [redacted].
Romano, James J., [redacted].
Rosenberg, Nathan O., [redacted].
Rosser, James R., [redacted].
Roth, Russel T., [redacted].
Rowell, Phillip V., [redacted].
Ruhsam, Thomas M., [redacted].
Rummer, James D., [redacted].
Rusk, David K., [redacted].
Russ, Raymond J., [redacted].
Russell, Bobby L., [redacted].
Ruxer, Robert L., Jr., [redacted].
Ryan, Robert E., [redacted].
Sacrider, Michael J., [redacted].
Sambuchi, Gary, [redacted].
Sams, David W., [redacted].
Sanborn, Phillip A., Jr., [redacted].
Sandwick, Richard L., [redacted].
Sarno, Ronald A., [redacted].
Sauls, Lloyd L., Jr., [redacted].
Sayers, Robert E., [redacted].
Scheidt, Colin C., [redacted].
Schellinger, Daniel B., [redacted].
Schmid, Michael J., [redacted].
Schmidt, Michael H., [redacted].
Schmitt, Thomas J., [redacted].
Schocker, Peter R., [redacted].
Schoeck, Edward P., [redacted].
Schoeck, James A., [redacted].
Scholten, Myron J., [redacted].
Schrader, Kurt H., [redacted].
Schraeder, Robert J., Jr., [redacted].
Schultz, Robert G., [redacted].
Schweitzer, Dennis L., [redacted].
Sciacca, John M., [redacted].
Scott, Darryl A., [redacted].
Scott, Robin E., [redacted].
Scroggs, William A., Jr., [redacted].
Sebring, Michael M., [redacted].
Sega, Ronald M., [redacted].
Segulja, Thomas E., [redacted].
Seip, Norman R., [redacted].
Selway, Michael M., [redacted].
Sefras, David R., [redacted].
Sevdy, Tris A., [redacted].
Sexton, William A. III, [redacted].
Seydewitz, James C., [redacted].
Shacklett, Jack L., [redacted].
Shamess, James M., [redacted].
Shanley, Frank T., [redacted].
Sheprow, Mark E., [redacted].
Sherry, Paul D., [redacted].
Shine, Joseph D., [redacted].
Shnowske, John R., [redacted].
Shockley, Randall D., [redacted].
Shotton, Neil U., [redacted].
Shutt, Samuel L., [redacted].
Sienicki, James J., [redacted].
Sihrer, Wayne F., [redacted].
Sills, James A., [redacted].
Sims, William J. III, [redacted].
Skalko, James P., [redacted].
Slaton, James F., [redacted].
Smith, Bruce G., [redacted].
Smith, Clarence D., Jr., [redacted].
Smith, Gregor D., [redacted].
Smith, James B., [redacted].
Smith, John C., [redacted].
Smith, Mark E., [redacted].
Smith, Scott L., [redacted].
Smith, Thomas D., [redacted].
Snedeker, Michael J., [redacted].
Solan, John B., [redacted].
Solt, Russell M. III, [redacted].
Spendley, Paul K., [redacted].
Spray, James M., [redacted].
Spry, Phillip L., [redacted].
Stafford, Robert W., [redacted].
Stangl, Kip K., [redacted].
Stant, Kirk E., [redacted].
Stanton, Lawrence A., [redacted].
Steadman, Michael J., [redacted].
Stearman, Ricky T., [redacted].
Steeby, Kurt R., [redacted].
Steinhilpert, Gregg P., [redacted].
Stephens, Tracy G., [redacted].
Stephenson, David P., [redacted].
Sterne, Stephen A., [redacted].
Stevens, Charles A., [redacted].
Stevens, Riley R., [redacted].
Stewart, Charles G., [redacted].
Stiffler, Donald R., [redacted].
Stockert, Dennis M., [redacted].
Stockstad, Alan C., [redacted].
Stone, Frederick W. Jr., [redacted].
Strack, Stephen M., [redacted].
Straight, Gregory E., [redacted].
Strang, Lawrence L., [redacted].
Straub, Richard, [redacted].
Strong, Howard P., [redacted].
Struble, James D. Jr., [redacted].
Sturdevant, Harold L. Jr., [redacted].
Sturdivant, Willis A., [redacted].
Sullivan, John V., [redacted].
Sumida, Michael K., [redacted].
Surber, Dan C., [redacted].
Sutley, Robert A., [redacted].
Swallom, Donald W., [redacted].
Sweda, John C., [redacted].
Sweeney, John D., [redacted].
Tarleton, Gadson J. III, [redacted].
Tate, Ralph H. III, [redacted].
Taylor, Dewayne G., [redacted].
Taylor, Mark J., [redacted].
Teigeler, Edward F. III, [redacted].
Terpolilli, Ralph N., [redacted].
Terry, Michael R., [redacted].
Thomas, Nicholas, [redacted].
Thurgood, Steven R., [redacted].
Tice, Andrew W. Jr., [redacted].
Tietjen, James G., [redacted].
Timberlake, Marion A. Jr., [redacted].
Tomich, John J., [redacted].
Traficanti, Joseph J., [redacted].
Trautman, Robert S., [redacted].
Trovillion, Gary H., [redacted].
Trumbull, Keith R., [redacted].
Tucker, Charles W., [redacted].
Tupper, Kenneth W., [redacted].
Ufford, John C., [redacted].
Urdawl, Russell J., [redacted].
Vanhorn, William H., [redacted].
Vanney, Mark S., [redacted].
Vanscoyk, Randy G., [redacted].
Vechik, Kenneth W., [redacted].
Vereb, John M., [redacted].
Verling, John D., [redacted].
Vieweg, Christian S., [redacted].
Vliet, Laurence C., [redacted].
Vollink, Dennis J., [redacted].
Voss, John R., [redacted].
Wahl, Walter E., [redacted].

Walker, Douglas A., [redacted].
Walker, Philip E., [redacted].
Walker, Ronald D., [redacted].
Wallingford, Stephen H., [redacted].
Ward, John R., [redacted].
Watson, Ronald W., [redacted].
Watson, Thomas F., [redacted].
Wayne, Robert W., Jr., [redacted].
Weaver, John W., [redacted].
Webb, Lance C., [redacted].
Weiss, Steven W., [redacted].
Weiss, Thomas R., [redacted].
Wells, George M., [redacted].
Wells, Michael E., [redacted].
Whalen, Edward, [redacted].
Wheelock, Johnny B., [redacted].
Whitton, Robert S., [redacted].
Widmer, Robert J., Jr., [redacted].
Wilde, Linn E. III., [redacted].
Wildman, David M., [redacted].
Williams, Alan P., [redacted].
Williams, James C., [redacted].
Williams, Richard, [redacted].
Williams, Robert L., [redacted].
Williams, Robert L., [redacted].
Wilson, Barry S., [redacted].
Wilson, David S., [redacted].
Wohlman, Richard A., [redacted].
Wolfert, Michael L., [redacted].
Wooten, Marc A., [redacted].
Worth, Brian D., [redacted].
Wright, Donald O., [redacted].
Wright, Richard H., [redacted].
Yaap, Henry R., [redacted].
Yasuhara, Thomas T., [redacted].
Yeilding, James H., [redacted].
York, Jeffrey P., [redacted].
Young, Alan H., [redacted].
Yucuis, William A., [redacted].
Zdanuk, Anthony F., Jr., [redacted].
Zimmerman, John A., [redacted].
Zimmerman, John C., [redacted].

The following cadets, U.S. Military Academy, for appointment in the Regular Air Force in the grade of second lieutenant, effective upon their graduation, under the provisions of section 541 and 8284, title 10, United States Code, date of rank to be determined by the Secretary of the Air Force.

Barton, Terry L., [redacted].
Bower, Ralph E., III, [redacted].
Burden, James A., [redacted].
Cathcart, Douglas C., [redacted].
Chafin, James T., III, [redacted].
Conley, Adrain C., [redacted].
Crewse, Douglas O., [redacted].
Dejonckheere, Richard K., [redacted].
Fletcher, William A. Jr., [redacted].
Hulsey, George D., [redacted].
Kirk, Flayo O., [redacted].
Lambert, David W., [redacted].
Lengnick, Thomas A., [redacted].
Lennon, Mark P., [redacted].
Luce, Michael W., [redacted].
Martin, Ted A., [redacted].
McConnell, Michael P., [redacted].
Muir, William C., Jr., [redacted].
Oxford, Vayl S., [redacted].
Robbe, Adrian D., [redacted].
Scott, Winfield W. III, [redacted].
Stinson, David R., [redacted].
Thompsen, David W., [redacted].
Weidner, Michael L., [redacted].
Westenhoff, Charles M., [redacted].

EXTENSIONS OF REMARKS

MANY STOOD BEHIND HANK

HON. CLEM ROGERS McSPADDEN

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 10, 1974

Mr. McSPADDEN. Mr. Speaker, on the night of April 8, 1974, at 9:07 p.m., in Atlanta, Ga., a 40-year-old professional baseball player named Hank Aaron blasted a baseball 385 feet over the left field fence. That is not the first time Hank had blasted a home run, nor was it the longest. The notable fact was that particular home run established an all-time world's record for the most home runs hit by any one player.

Hank Aaron was the man who held the bat, but behind the former shoeshine boy who accomplished this feat, stood a long line of precursors, other men, black and white, which made that historic moment possible. It is a moment in history which all Americans share because all Americans, regardless of race, creed, national origin or religion, are a nation of achievers.

Henry Aaron held the wood which made that moment in history possible in which he eclipsed the world's record for home runs previously held by the great Babe Ruth. There will be constant and never ending discussions and debates concerning minor points: that the Babe hit his in fewer games: that the Babe hit more in one season; there will be many sessions of avid fans who will have topics of conversations for years to come. Irrespective of the discussions and debates, behind Hank Aaron we find many instances of innovators and explorers such as the black who sailed with Christopher Columbus on the voyage which discovered the New World. Behind Henry Aaron was the black, who with the Spanish Conquistadore Coronado roamed what is now Mexico and the great Midwest of the United States in search of the fabled and elusive golden villages of Fidola.

Behind Henry Aaron was Crispus Attucks, a black slain by panicky British troops on the streets of Boston two centuries ago. Further, behind Hank Aaron stood Mathew Henson, a black companion of Admiral Perry and the man who actually planted the Flag of the United States at the North Pole. Further back behind Hank Aaron stood the Mississippi Senator, Blanche K. Bruce, the first black in history to serve a full term in the U.S. Senate. Behind Hank stood the innovators like Jackie Robinson who reportedly withstood an hour of vituperation from the mouth of Branch Rickey who was trying the first black to play in the major leagues. Rickey was testing the great Robinson to see if he could stand the racist explicitives which would be, and were, hurled at him until his greatness and gentleness as a man, drew admiration instead of catcalls and slander. Rickey, the story goes, then apologized and said, after Jackie had kept his cool, "That's what you're going to have to put up with."

Behind Hank stood the living legend of Sachel Paige who's motto was "Don't look back, they may be gaining on you." Hank Aaron didn't look back and he was the one who made the gains.

Behind Hank stood Luke Easter, the second black admitted into major league baseball. There behind Hank and Jackie and Luke stood such great athletes and great men as Don Newcomb and Roy Campanella, a great catcher sliced down in mid-career by a tragic accident.

Hank Aaron was the man who held the wood which batted ball number 12–12–2–2– over the left field fence but there were countless men who made that moment possible—that moment which is cheered by all Americans, black, white, red, green, or pie-balded. A salute to Hank Aaron should also be a salute to all those men, named and unnamed, who made it all possible. This is a time when we need heroes. Hank Aaron is a Christian gentleman and a hero.

Thank you, Mr. Speaker.

MASSACHUSETTS CHAMPIONING CAUSE OF FREEDOM

HON. JOE MOAKLEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 10, 1974

Mr. MOAKLEY. Mr. Speaker, throughout the history of our great Nation the people of Massachusetts have consistently championed the cause of freedom not only at home but abroad as well.

This drive to improve the condition of all men, which has its roots in Lexington and Concord, once again has surfaced to champion the cause of black people in South Africa, Rhodesia, Angola, and anywhere else in the world where apartheid exists.

This "apartheid" doctrine, which denies the basic human equality of all men, is an affront to the people of Massachusetts and all persons of good will throughout the world.

Under the leadership of the Massachusetts Black Caucus, the House of Representatives of the Commonwealth on March 27 approved a resolution condemning the white supremacist policy wherever it exists today.

At the direction of the Speaker of the Massachusetts House, this resolution is being sent directly to the Governments of South Africa, Rhodesia, and Angola.

It is with great pride and honor that I place the full text of this resolution into the CONGRESSIONAL RECORD so that my colleagues in the House might know of the dedication to freedom of the people of the Commonwealth of Massachusetts:

RESOLUTIONS CONDEMNING THE SYSTEM OF "APARTHEID"

Whereas, The Governments of South Africa and Rhodesia have consistently followed a system of "Apartheid"; and

Whereas, Wages for white workers in South Africa and Rhodesia are ten to fifteen times more than wages for black workers; and

Whereas, Most black workers are forbidden to join labor unions; and

Whereas, The conditions of illiteracy and poor health are prevalent among all black families; and

Whereas, Black people in South Africa and Rhodesia are denied basic human rights; therefore be it

Resolved, That the Massachusetts House of Representatives condemns the system of "Apartheid" in South Africa and Rhodesia and wherever it exists; and be it further

Resolved, That copies of these resolutions be sent by the Clerk of the House of Representatives to the presiding officer of each branch of Congress and to each member thereof from the Commonwealth, to the Government of South Africa, the Government of Rhodesia and the Government of Angola.

THE EDUCATIONAL TESTING SERVICE

HON. ROBERT J. HUBER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 10, 1974

Mr. HUBER. Mr. Speaker, many a prospective college student has his or her future life determined by college admissions tests. Until recently, one company, the Educational Testing Service—ETS—has had a virtual monopoly on these admissions tests. Since ETS is a nonprofit institution, no one ever seemed too interested in looking into the structure of this organization.

Last month's edition of the Washington Monthly, however, takes a long, hard look at the history of ETS and its present "difficulties." The lead article by Eric Rodriguez is so informative that I thought I should bring it to the attention of my colleagues; I hope that they will give it their closest consideration.

Inside ETS—Or the Plot to Multiple-Choice Us From Cradle to Grave

(By Eric Rodriguez)

The Educational Testing Service (ETS):

(a) is a non-profit institution;

(b) makes almost $2 million annually;

(c) has a contract "in perpetuity" to produce the College Boards;

(d) is more than five times the size of its closest competitor;

(e) all of the above.

You score 800 and probably will get to attend "the college of your choice" if you answered "(e) all of the above." But don't be discouraged if you didn't score in a high percentile on this little test. Your confusion is understandable because the inner workings of ETS are little known outside of educational circles. What public attention ETS has received has generally been concerned with the impact on American education of multiple choice tests like the Scholastic Aptitude Test (better known as the SAT or "College Boards"), the Law School Achievement Test (LSAT or "Law Boards") and the Graduate Record Exam. Such debates probably peaked during the mid-1960s when the College Boards played a major role in selecting the small percentage of the products of the post-war baby boom who got to attend a prestige university.

Even more enlightening questions remain to be asked about other aspects of ETS' performance, especially about how it has responded in its recent role as an imperiled institution. Educational circumstances have changed remarkably in the 27 years since ETS administered its first test. The "college entry crunch" of the last two decades has subsided, and while competition has increased among candidates for law and medical schools, the over-all demand for educational testing has undoubtedly fallen.

Yet ETS has neither reduced its staff nor restricted its operations in the face of slack demand—a reaction that might have surprised the educators who first chartered ETS to serve as a convenience to the universities. ETS is larger now than ever, and it is still growing. The most intriguing question in this story is why ETS' will-to-grow surprises us. Its course toward survival has been entirely predictable. It is neither a private business nor a public organization, yet like both of them it has employees who must be supplied with the kind of work they know how to do. ETS has done this by diversifying into new acitvities, by fighting hard to retain jurisdiction over threatened areas, and by generating a demand for products no one knew he needed before. When government employees start to defend a program simply because it keeps them in work, we call it featherbedding. When business convinces us we need to buy more deodorants and bigger cars, we can see Madison Avenue's hand. But when ETS operates behind its veil of "non-profit" probity, we spare it the skeptical eye with which we view other organizations. Even if we were alerted, the "non-profit" veil can conceal many activities. If a business wants to sell us deodorants, it has to advertise. If ETS wants to increase the demand for its test, the selling job goes on in college administrative offices, and the captive student never really has any choice in the matter. ETS cannot retain any profit or pay dividends, but that does not prevent it from building up a cash-flow "surplus" that many businesses would envy. If the surplus cannot be sopped up by salaries and expenses before it reaches the bottom line, it can be reinvested in more institutional expansion. ETS and its non-profit sisters are not despoiling the environment or rigging oil prices or doing anything outside the norms of business practice—but because it is behaving like other corporations, it is worth lifting its veils.

ETS got its start in educational testing back in 1947, when the College Entrance Examination Board (CEEB), the Carnegie Foundation for the Advancement of Teaching, and the American Council on Education joined to create a non-profit corporation authorized to "engage in . . . services, research, and other activities in the field of educational testing. . . ." CEEB, faced with soaring numbers of college applicants, which might separate the wheat from the chaff.

Even today, these CEEB-commissioned College Boards constitute the largest single program in the ETS repertoire. But the corporation has come a long way since 1947. One official estimates that ETS has doubled its volume of business every five years since its founding. It now has regional offices in Evanston, Berkeley, and Austin (although most employees are based in Princeton, where the organization has its beginnings). Its several-hundred acre Princeton "campus" is dominated by eight large buildings—including a warehouse where forklifts stack bales of ETS publications, the recently constructed Chauncey Conference Center (which has already, according to ETS officials, achieved an "occupancy rate above expectations"), and offices for a work force of almost 2,000.

This real estate was assessed at $26.5 million in 1972. But an even better picture of the corporation's size can be derived from ETS' balance sheet. In fiscal 1972, ETS grossed $47.9 million—not enough to put it on the *Fortune* 500 list, but enough to equal the budget of a medium-sized university. More significantly, income exceeded expenditures by $1.9 million. In the crass world of private enterprise this $1.9 million would be called profit and be subject to taxes. But in the non-profit world of ETS, this tax-free $1.9 million surplus is turned into investment capital to fund ventures like the Chauncey Conference Center.

Not only in size but also in scope, ETS has gone far beyond the visions of 1947. In fact, one ETS official remarked that the organization had outgrown its very name, because "Educational Testing Service" no longer adequately suggests its range of activities. In recent years, ETS has, for example, designed tests to measure the vocation-related skills of stockbrokers, realtors, automobile mechanics, housing managers, and golf shop pros. So that now not only college admissions officers, but also employers interested in rationalizing their personnel departments may turn to ETS for assistance.

ETS has also broadened its horizons at the other end of the age scale and now has tests for pre-schoolers as well. At the Infant Laboratory in Princeton, researchers behind one-way mirrors monitor the behavior of four- and five-month-old "paid" subjects in studies on cognitive development. ETS also designed a battery of tests for Children's Television Workshop (a growing educational conglomerate in its own right), which was interested in testing how effective *Sesame Street* and the *Electric Company* have been in educating children.

The *Sesame Street* contract is typical of most ETS research, which, in the words of one institutional official, is done largely "in response to requests" from government agencies, educational associations and—that other bastion of non-profitability—foundations. This educational "R&D" work has been a key growth area for ETS. In 1968, the Educational Testing Service received $1.8 million for 105 research projects. Within five years the number of projects had more than doubled to 241 annually, and the payments had tripled to $5.5 million—about 11 per cent of ETS' revenues. To guarantee a steady stream of research "requests," ETS maintains a six-person Washington office where staffers pore over publications like the *Commerce Business Daily,* looking for contracts on which to bid.

Nonetheless, the CEEB examination program remains ETS' best-selling product. In 1972, for example, 1.6 million students took the Scholastic Aptitude Test, which ETS produced for CEEB on a 7½-percent "cost-plus" contract. But "test volume decline" has become a major concern at ETS. In fact, it was the first topic mentioned by corporate officials when I talked with them in Princeton. This problem is directly linked to a decrease in college applications due to lowered birthrates during the 1950s, the end of the need for a draft deferment, and a small, but steady, decline in the social pressure to "get into a good school." Fewer students are applying to the more selective four-year colleges, and more are going part-time or attending junior colleges, which usually don't require SAT scores.

A decade ago, public service announcements asked ominously, "When your child is ready for college, will college be ready for him?" Today, there are 500,000 vacancies on college campuses for the current school year. Where once college applicants were lucky to get a tour of the campus and a perfunctory handshake at the admissions office, now many are wined, dined, and perhaps otherwise entertained, in a manner once reserved for athletes.

The demographics are difficult enough for ETS, but the trend that must seem even more pernicious is the spread of open admissions policies, which often makes completion of high school the only requirement for college acceptance. This trend strikes at the raison d'etre of the SAT, whose aim is to rationalize the process of selection. Even where open admissions policy has not been embraced, admissions officers are beginning to question the value of tests such as the SAT. As an official at a moderately selective Washington, D.C., university put it, "Are test scores necessary when you're already accepting 80 per cent of your applicants?" The SAT scores themselves, he explained, are not strong predictors of academic performance. They can improve a "prediction index" derived from such measures of performance as grade average and rank in class, but, "Do you need that additional refinement? We never did."

RECYCLING WITH ELAN

Diversification into other forms of research is not the only strategy ETS has developed to combat "test volume decline." When confronted with steadily dwindling sales, most companies redesign their product in hope of reaching a wider market. But few do it with the elan that ETS has displayed in facing its current crisis. As a creature of the CEEB, an association representing academic institutions, ETS has always emphasized the interests of college admissions offices. Now, instead of expecting the colleges to motivate students to take the tests, ETS is now trying to appeal directly to the student. ETS has repackaged the old tests that weeded students out for the Vassar admissions office and now offers the tests and a host of other services to help students decide where to go to college and what to do with their careers.

The concept of student-as-consumer represents a 180-degree turn for ETS. Back in the late 1940s, SAT scores went directly to the designated colleges under the theory that students were not mature enough to know their own abilities. Later the process was modified so that copies of SAT scores were sent to high-school guidance counselors who presumably decided whether it was in the best interest of the student to know his scores. Direct reporting of SAT scores to the students is a relatively new development. Now ETS has come all the way around and lets students decide, after receiving their scores, what schools they want them sent to.

In 1970, the notion of student-as-consumer was dignified with a Commission on Tests sponsored by the CEEB. The Commission recommended that "a symmetry or balance should exist between the services that the CEEB offers to potential entrants and those that it offers to colleges." Among the services now offered the student are the College Locator Service, a kind of computer dating service to ease the admissions rat-race (or what is left of it), and the *College Handbook*, a college guide stressing such information as the average SAT scores of freshmen at individual colleges. And this is just the beginning: David Nolan, director of the Washington office of ETS, described a program now in the R&D stage which would enable the student to "interact" with a computer on a "real time" basis, feeding information about himself into the computer, and retrieving answers to questions about his future academic career. The federal government is helping pick up the tab for this program; the "software" for this computer interaction guidance service is being funded under a National Science Foundation grant.

ACTING ON COMPETITION

It is only fair to mention that much of ETS' haste in developing these new services for the student comes from that most American of motives, healthy competition. The Iowa-based American College Testing Program (ACT), a non-profit corporation founded 15 years ago, is ETS' closest rival. ACT produces the exams used by the less selective state colleges and universities, especially those in the Midwest, while ETS has always had a definite Eastern bias. ACT, which calls ETS the "sleeping giant," is a leaner, less diversified number two, with roughly one-sixth the staff and one-fifth the budget of ETS. Like ETS, ACT experienced "test volume decline," but somewhat later than its rival. In the resulting shift of markets, both corporations began to make inroads into the traditional domains of the other.

ACT, which traditionally served admissions offices more concerned with counseling and placement than with selection of students, has responded more nimbly than ETS to changed circumstances, especially the open-admissions problem. After all, ACT grew up in a part of the country where open admissions was the rule rather than the exception. Consequently, the older Eastern institution is now looking to its younger Midwestern counterpart for guidance in redefining its role. The ACT Student Profile Section, a standard component of the ACT student assessment program, for example, obviously influenced the design of the ETS Student Descriptive Questionnaire (SDQ), a recent addition to the Admissions Testing Program. (Incidentally, students who complete SDQs may find themselves besieged with letters from unheard of colleges around the country. Before forwarding SDQs to designated colleges, ETS stores information from the questionnaires in computers programmed to produce customized mailing lists for colleges willing to buy the names of desirable candidates.)

With these advantages, ACT has beaten ETS several times in recent years. ACT produced a coup of major dimensions when it recently won the contract for the Basic Education Opportunity Grant from the federal government, a contract ETS was already counting as its own. Last year, the Association of American Medical Colleges, apparently dissatisfied with ETS's handling of the Medical College Admission Test (MCAT), offered the contract for bidding. ACT underbid ETS, winning not only the contract, but also an invitation to design both guidance programs for pre-med students not accepted by medical schools and evaluation procedures for doctors in need of refresher courses.

Following the transfer of the MCAT, the Law School Admission Council, which contracts with ETS for the Law School Admission Test and other admissions programs, approached ACT to discuss possible transfer of the LSAT contract. One reason for the Council's restlessness was the way ETS was handling a service called the Law School Data Assembly (LSDAS). This service was a concept of quite remarkable effrontery, for it forced the students to pay for what they'd been doing themselves all along. At each school where ETS convinced the admissions office to go along with LSDAS, the student would no longer send his customary packet of transcripts, letters of recommendation, and application forms. Instead, he had to pay LSDAS $15 for the privilege of having it do the same thing—collecting transcripts and recommendations, and passing them on to the school in a standardized form. This would just be a textbook make-work project if LSDAS did not exercise its tyrannical power over the student (if LSDAS loses the information, the schools will never consider your application) in such a remarkably capricious way. An American studying at Oxford applied early to Harvard Law School on its rolling admission plan under which students are accepted in waves rather than all at once. When several months went by with no word from Harvard, he called the school only to be informed that his LSDAS records had never arrived. The deadline for applications had not passed, and LSDAS assured him that his records would be forwarded immediately. As the crucial moment approached, the student checked again with Harvard: no records. Urgent appeals to LSDAS produced the records at the last minute. A Boston College law student suffered a similar experience. She applied to nine law schools. The eight which used LSDAS never received her records. She was able to attend law school only because Boston College did not subscribe to LSDAS.

Such bungling is not confined to any one division of ETS, nor is it solely confined to those divisions that serve students. Institutional clients also encounter incompetence: the admissions office of a Washington, D.C. university contracted with ETS for a study of the validity of its selection procedures. The university eagerly awaited the results of the study—but ETS had nothing to say. Inquiries revealed that extensive and difficult-to-duplicate data submitted by the university to ETS had been accidentally erased from computer tapes—three months earlier.

SIAMESE TWINS IN PERPETUITY

None of this threatens to undermine the contracts for the SATs. The relationship between ETS and CEEB still guarantees that ETS will run the tests, although in other ways the relationship has changed considerably since 1947. Indeed, its current status is like the tail (ETS) wagging the dog (CEEB). ETS calls the relationship a "dialogue," but a CEEB staffer comes a good deal closer when he speaks of a "symbiotic dependency." Asked to elaborate, he explained that the relationship seemed so "murky" and "ad hoc-ish," that in practice he scarcely distinguished between the two groups. Indeed, people do shuttle back and forth between ETS and CEEB as readily as they might between different branches in the same corporation.

How does CEEB regard its progeny? Created to serve the interests of the member institutions of the Board, ETS now engages in activities that lead it far from the field of educational testing. To be sure, CEEB itself no longer focuses its attention exclusively on that small interval between high school and college in which students and schools make their choices. But it hardly shares the range of interests that occupy ETS. Nothing in its charter explicitly bars ETS from pursuing these far-flung interests. One clause, however, prohibits competition with the activities of the founding institutions. There is some feeling that ETS has violated this clause, in spirit at least, by reusing, or recasting, materials originally developed for CEEB—as when ETS adapted the Financial Need Analysis Report system, designed for a CEEB council, for the Graduate and Professional School Financial Aid Service, a program administered by ETS for an association of graduate institutions.

Despite these internecine squabbles, the relationship itself doesn't seem in peril. Actually divorce between the two institutions would be difficult, since they seem to be forever joined, like Siamese twins—a clause in the original contract between CEEB and ETS prevents CEEB from contracting with any other agency to produce its admissions testing program. A former president of the CEEB described this arrangement as a "contract in perpetuity." Moreover, ETS is in the enviable position of being guaranteed business by all of the individual members of the CEEB. While colleges and universities may join CEEB for various reasons, all are required to use at least one ETS service.

Not satisfied with this minimum of guaranteed business, ETS pressures member institutions to use more than one service. An administrator at a member university described with some indignation the ETS promotion techniques: a new service is generally announced in a pair of letters, one to the president of the university, the other to the admissions director. The effect of this double-teaming may be to put the admissions director "in the hot seat" when his boss starts asking why the school is not employing the latest from ETS.

Nor is ETS above junketing potential clients. A school board administrator from a prosperous Washington, D.C., suburb spoke of the "impressive building program" on the Princeton "campus" of ETS, adding quickly that she had visited there on occasion: "As you may know . . . they sponsor all kinds of meetings . . . workshops . . . for professional people." Small wonder the Chauncey

Conference Center has an "occupancy rate above expectations."

Other promotional devices designed to boost "sales" amount to pure hucksterism. One ETS publication mailed to admissions officers lists nearly 100 institutions which participate in a certain program. "It is hoped," explains the brochure, "that additional colleges and universities will join this *consortium* [italics added]; their names will be added to successive editions of this list." There's the incentive: get your college's name associated in print with such fellow "consortium" members as Harvard and Stanford. This kind of appeal is particularly well-suited to higher education where "academic quality" as so nebulous a concept that institutions place a disproportionate emphasis on the importance of these symbolic linkages with "great" universities. ETS shrewdly plays on these insecurities by fostering the notion that use of their services can bolster an academic reputation. Some colleges that admit virtually all applicants still require the submission of SAT scores. The scores are not used by the admissions office, rather they are required to create the impression that the school is on a par with more selective institutions where the College Boards still play an important role in determining who will enter the freshman class.

Yet most colleges and universities don't seem to mind the aggressive marketing strategy employed by ETS. Their tolerance grows from the College Entrance Examination Board's mantle of academic respectability, and its paternal connection with ETS. ETS then flourishes largely because it is free from the laws of the market. This independence releases ETS from any responsibility to its ultimate client, the test-taker. The failures of the Law School Data Assembly Service can't be dismissed as simply a corporate snafu that jeopardized an important contract. Rather this corporate error may have unfairly prevented a number of students from attending law school. Yet ETS is far too insulated from the pressures of the marketplace to feel any real responsibility for these fiascos.

Despite ETS' near monopoly position, its publications are redolent with the echos of venture capitalism. Take, for example, the November, 1973, issue of the ETS house organ, aptly titled *Examiner*, that proclaimed in a banner headline, "Finances Brightening, Officers Say." Reading on, we encounter the president of ETS encouraging employees with news that "we have strong areas of growth. . . . This is a difficult time, but we've started many promising ventures. We have the resources to carry through, and what we need now is faith and hard work." ETS employees are exhorted that there must be "no relenting of effort." All this, while the "non-profit" institution expects to finish the fiscal year with a net income of over $1 million.

All this adds credence to the claims of those who accuse ETS of unfairly exploiting its special status. The commercial firms active in the field (such as Science Research Associates, Houghton Mifflin Company, and Westinghouse Learning Corporation) find themselves at a severe disadvantage bidding on contracts against ETS. As a non-profit, non-stock corporation, the Educational Testing Service enjoys tax-exempt status and therefore doesn't have to allow for taxation in calculating its bids.

So ETS uses its special status as a non-profit institution, as the creature of respectable academic associations, to strengthen its hold on the testing market. But that market is shrinking. As colleges hustle to attract students, ETS must scramble to create new products and new demands for old ones. As our institutions of higher education, those erstwhile bastions of moral superiority, descend into the hurly-burly of the marketplace, they'll find ETS—the ETS of the "Rosedale" Princeton "campus," of the quiet muted earth-tone booklets—already well established there, thoroughly versed in the techniques and values of cutthroat free enterprise, and perhaps even willing to share its expertise, at a modest price.

AEC STAFF STUDY RECOMMENDS 5-YEAR, $850 MILLION PROGRAM FOR SOLAR HEATING AND COOLING OF BUILDINGS

HON. CHARLES A. VANIK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 10, 1974

Mr. VANIK. Mr. Speaker, a recent staff study of the Atomic Energy Commission casts serious doubt as to whether the Congress is being too timid in formulating a national policy for the development of solar heating and cooling of buildings. In February, the House passed H.R. 11864, the Solar Heating and Cooling Demonstration Act of 1974. Under this legislation, the Administrator of the National Aeronautics and Space Administration will oversee a program of demonstration projects which are intended to be a "proving ground" for solar technology. The legislation is funded at a level of $50 million for 5 years.

However, in conjunction with its work on assessing the technological potential for achieving energy independence, the AEC has developed a program plan which goes far beyond the recommendations of H.R. 11864. The objective of the AEC plan is to achieve commercial production of solar heating and cooling equipment within 5 years. This is where the AEC plan differs significantly from the program outlined in H.R. 11864. H.R. 11864 was intended primarily to demonstrate solar technology. The AEC study assumes that this stage of development has been or will soon be accomplished and goes on to recommend a 5-year, $850 million program to develop this technology to the stage of commercial application. According to the report:

> After completion of the recommended program, solar systems should be in mass production and cost competitive with other heating and cooling systems, therefore, the appropriate stimulus should be available for industry to continue the program at an increasing rate without Government support.

Mr. Speaker, I continue to support the enactment of H.R. 11864. However, this study by the AEC points to the absolute necessity of reviewing the performance and objective of this legislation to insure that we are not underestimating the importance of the contributions to be made by solar energy to our goal of energy independence.

The digest follow:

DIGEST

Between December 3, 1973 and February 4, 1974, an informal working group of three AEC Headquarters staff members working in consultation with representatives from ANL, LASL, LBL, LLL, OR and Sandia developed the program plan entitled "Solar Energy Program Plan for Heating and Cooling Buildings." The procedure followed was to meet with the laboratory representatives, specify the objective, outline the program framework and solicit their proposed program plan. After discussion of all plans in a meeting with the representatives, an AEC draft plan was formulated which was later reviewed and commented on in a meeting with laboratory representatives. Subsequently, the existing plan was finalized.

The objective of this program plan is to accelerate the development and marketing of solar heating and cooling systems for buildings, using existing technology, with a goal of achieving commercial production on a national scale within five years.

The technology of solar domestic water heaters is well developed. This is evident from the commercial water industry in Japan, Israel, India and Australia. The technology for solar space heating exists now. More than twenty experimental solar heated structures have been built and operated in the U.S. by private entrepreneurs. With mass produced solar collectors, solar space heating should be competitive with fossil fuel heating in many regions of the country. The technology for solar space cooling is in the early stages of development and a research and development program is required to develop air conditioners powered by solar heat.

Approximately fifty percent of the $14\text{x}10^{15}$ or $7\text{x}10^{15}$ BTUs used to heat buildings could be saved if all buildings were equipped with solar heating systems and approximately $1.8\text{x}10^{15}$ BTUs if all buildings were equipped with solar cooling systems. The figures demonstrate the large potential energy savings possible. For example, if ½ of all buildings were equipped with solar heating and cooling systems by the year 2000, it is estimated that ¾ to 1 billion barrels of oil would be saved annually.

Heating and cooling by solar energy produces no pollutants. Another overall effect is to reduce the demand for peak electrical energy and the need for additional transmission lines.

The conservation and use of our national resources substantially affects the health and welfare of all citizens and therefore, it is a Federal responsibility to preserve these resources for the benefit of all its citizens. Private industry is currently unwilling to invest in solar systems development because the equipment apparently cannot be marketed profitably. Government action would be appropriate to stimulate the industry to mass production.

Three basic Federally supported five year programs were developed representing differing levels of solar system production and deployment in Federal and private buildings. Each of these programs would begin with a survey of existing technology in solar systems and the development of design criteria for installation in buildings. A survey would be made of geographical areas and specific buildings to receive solar units and design initiated for installation of these units. A training/education program in solar systems would be developed for designers, constructors and craftsmen. A continuing program evaluation effort initiated at the onset would be used to make necessary adjustments to the total scope of the program based on solar system costs and performance. The minimum program includes only solar systems for Federal buildings, however, the maximum and recommended program provides solar units for the private sector in the second and third year respectively. The recommended program and two alternates are compared as follows.

5-YEAR PROGRAM

	Recommended medium	Maximum	Mimimum
Total Federal cost (maximum) (millions)	$850	$2, 600	$275
Total residential heating units (equivalent) installed	151, 050	604, 200	30, 210
Total residential cooling units (equivalent) installed	11, 100	51, 100	1, 110
Energy saved during 5th year (millions of barrels)	2. 6	11. 6	.5
Production rate at end of 5th year (residential units equivalent)—			
In total units (heating)	100, 000	400, 000	20, 000
In total units (cooling)	10, 000	40, 000	1, 000

The Federal Government would have the responsibility of overseeing the development of acceptable standards for the design, construction and performance of solar systems for those installed in Federal buildings and those in the private sector which they will subsidize or underwrite. Present local building codes and design standards would have to be modified to provide for installation of solar systems and to protect the rights of individuals against proposed adjacent construction which could shield them from the sun.

Suggested ways of Federal financial support for units designated for the private sector are tax or loan incentives in support of the purchase of solar systems for use in private buildings, or direct payment by the Federal Government for a portion of the costs involved in the purchase and installation of solar systems.

After completion of the recommended program, solar systems should be in mass production and cost competitive with other heating and cooling systems, therefore, the appropriate stimulus should be available for industry to continue the program at an increasing rate without Government support.

I. OBJECTIVE

The objective of this program is to accelerate the development and marketing of solar heating and cooling systems for buildings, using existing technology, with a goal of achieving commercial production on a national scale within five years.

II. BACKGROUND

A. Energy consumed by buildings and potential savings by tapping a new energy source

Of the various solar energy methods now undergoing research and development, the heating and cooling of buildings and heating of domestic hot water is probably the most likely to achieve economic viability in the near term. There are no technological barriers to the use of solar energy in this manner; the only barrier to present use is that such systems are not now developed to be economically competitive with other forms of heating energy and are therefore not commercially available. Reductions in cost of solar heating systems resulting in commercial availability and widespread usage would make a substantial impact on reducing the fossil fuels required to heat and cool the nation's buildings.

It has been estimated (1970 figures) that the annual energy consumed in the U.S. is 70 x 10^{15} BTUs. About twenty per cent of this total is used to heat residential and commercial buildings. Approximately 7 x 10^{15} BTUs or fifty per cent of that used to heat buildings could be saved if the buildings were equipped with solar energy heating systems. With each 42 gallon barrel of oil containing 6 x 10^{6} BTUs, this would be a savings the equivalent of 1.2 x 10^{9} barrels of oil annually. (See Table 1, page 3).

It has been estimated (1970 figures) that the annual energy consumption for cooling is 1.8 x 10^{15} BTUs. This is equivalent to the use of 300 million barrels of oil annually. This amount of fuel could be saved if buildings were equipped with solar energy cooling systems. (See Table 2, page 4).

These figures demonstrate the large potential energy savings possible. For example, if ½ of all buildings were equipped with solar heating and cooling system by the year 2000, it is estimated that ¾ to 1 billion barrels of oil would be saved annually.

It is proposed that the best way to proceed to accomplishment of the objective is by initially equipping new and certain existing Federal buildings with solar heating systems. Areas of possible Federal action to demonstrate the feasibility and economics involving the installations of solar heating and cooling systems can best be determined by examining the potential impact in each area. The relative sizes of these areas are tabulated below.

[Billion square feet]

	Existing buildings	Annual construction
Private	85. 0	3. 0
Federal	2. 5	. 04

Table 1.—Potential energy savings using solar heating systems

20 percent—total heat used by buildings (annually)

50 percent—saved by solar heat

70 times 10^{15}—total energy required (annually—BTUs)

.20 x .50 x 70 x 10^{15} divided by 5.8 x 10^{6} BTUs/bbl oil equals 1200 x 10^{6} barrels oil saved annually if 100 percent buildings have solar systems.

Percentage buildings (ft^2) with solar systems:

	Energy saved—in millions of barrels
0	0
10	120
20	240
30	360
40	480
50	600
60	720
70	840
80	960
90	1, 080
100	1, 200

100 percent represents 87.5 billion ft.^{2}

Table 2.—Potential energy savings using solar cooling systems

Total energy (BTUs) for A/C (annually): 1800 x 10^{12} divided by 5.8 x 10^{6} BTUs/bbl equals 300 x 10^{6} bbls oil saved annually if 100 percent buildings have solar systems.

Percentage buildings (ft^2) with solar systems:

	Energy saved—in millions of barrels
0	0
10	30
20	60
30	90
40	120
50	150
60	180
70	210
80	240
90	270
100	300

100 percent represents 87.5 billion ft.^{2}

The energy required for the heating of buildings is roughly proportional to the square footage in each. However, commercial-type buildings require more energy per square foot for heating than residential. The national average annual requirements are about 180 thousand BTU per ft^2 of commerical space and about 100 thousand BTU per ft^2 of residential space. The composition of the private and Federal sectors differs:

[Billion square feet]

	Existing	
	Residential	Commercial type
Private	60. 0	25. 0
Federal	.7	1. 8

A consequence of this is that Federal space requires more heating energy per square foot than private space, on the average.

The estimated cost of a solar heating system at the end of the recommended program is $3750. Assuming this system would save one half of the heating costs and using present day retail costs of oil ($13 per barrel) it will take approximately 21 years to amortize this capital investment cost. Any increase in oil costs would reduce the number of years for amortization, i.e., if oil cost at the end of the five year period is twice the present price, the 21 years would be reduced by one half. Additionally, subsequent increases in mass production of solar systems beyond that at the end of the recommended program will result in decreased initial capital costs and further shorten the amortization period.

Preliminary calculations indicate that the energy required to fabricate the materials used in a flat plate collector comprised of aluminum, glass, steel and rock wool insulation is approximately 2.5 x 10^{5} BTU per ft.^{2} The total energy required, therefore, to produce a residential size solar collector is 750 ft^2 x (2.5 x 10^{5} BTU/ft^2) = 190 x 10^{6} BTU. The total energy saved per year by this solar collector would be one half of 150 ft.^{2} x (100,000 BTU/ft.^{2}) or 75 x 10^{6} BTU. The period of time required to regain the energy used to produce the solar collector is 190 x 10^{6} BTU divided by 75 x 10^{6} BTU/yr. or approximately two and one half years.

The air conditioning (cooling) of buildings in some areas requires more energy than heating, averaged over the year. Using the solar collectors to provide the energy for summer cooling would be important, since even more fuel would be supplanted and the solar system would be even more economically viable. However, at the present time, the cooling of buildings with solar energy systems is only in the early development stage. All collector systems installed in areas requiring cooling should be made compatible with the most probable space-cooling technology, however, to allow for future adaptation. A parallel accelerated development effort in the cooling of buildings with solar energy would complement this demonstration project and greatly increase its ultimate impact.

In addition to the direct saving of conventional fuels, other benefits exist through the use of solar energy for heating and cooling of buildings, and can be summarized briefly as follows. The use of solar energy will decrease the United States' dependence on foreign oil and thereby reduce the effect of the oil embargo and balance-of-payments problems, and export of solar energy heating and cooling equipment can make a contribution to the balance-of-trade problem. The adverse effect of fossil fuel operations upon the environment, such as emission of pollutants into the atmosphere, is substantially reduced or minimized. Thermal pollution of the streams will be reduced as well. It will also reduce the demand for electrical energy and peak electrical loads.

B. Federal role

The conservation and use of our national resources substantially affect the health and welfare of all citizens. Therefore, it is a Federal responsibility to implement and carry out a plan that preserves, to the extent that is practical, the national resources for the benefit of all its citizens.

The profit motivation in the private market place is not strong enough at this point in development to independently carry out the development and engineering necessary prior to marketing and production of the required solar heating and cooling systems.

Private industry is currently unwilling to invest in the development at the necessary rate because such equipment cannot yet be marketed profitably. The price of existing fuels is expected to rise in the next few years. As part of a national program to achieve energy self-sufficiency, the Government needs to proceed now in the technological development of solar energy heating and cooling systems.

Overall emphasis for and the coordination of the many areas of technology required to carry out a national program necessitates management by and financial support from the Federal Government.

The construction industry is slow to incorporate changes to established construction design criteria in a short period of time. Architect-engineers and builders are reluctant to incorporate experimental or untried systems in new construction because of the risk of poor performance, lack of dependability and safety. The Government may want to initially offset these risks in order to substantially reduce the use of fossil fuels to heat buildings.

Government actions would be appropriate and necessary in the stimulation of private investment in the development of systems for the solar heating and cooling of buildings. Examples would be: a) purchase of systems for incorporation in Government buildings; b) tax or loan incentives in support of the purchase of solar systems for use in private buildings; and c) Government subsidy of solar equipment.

TRIBUTE TO CARL O. SJULIN

HON. WILLIAM J. SCHERLE

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 10, 1974

Mr. SCHERLE. Mr. Speaker, Carl O. Sjulin, a long-time personal friend of mine and a leader in the nursery industry, passed away Friday, March 29, 1974, at Hamburg, Iowa. Carl was 84 and although he had been fighting emphysema for many years, he was a vital, dynamic individual who continued to work until just 2 weeks prior to his death.

As an innovator in the nursery enterprise, Carl became a highly respected member of the business community. He was a natural in the industry, having been born in Shenandoah, Iowa, at a time when the normal thing for an energetic young man to do was work at one of the local nurseries. In 1919, having gained considerable experience, Carl joined his brothers Leslie and David in founding Hamburg's Inter-State Nurseries.

Carl moved with as much ease managing the complexities of a growing business as he did tending to the many plants his nurseries produced. He felt most at home closing a deal for a magazine ad or bargaining for a new mailing list for his nursery catalogs. Many people were familiar with Carl through his easygoing radio broadcasts. Other recognized him through his participation in mail order nurserymen's meetings.

As a forerunner in development of nurseries as a viable industry, Carl made large and small contributions and his considerable impact will not be forgotten. He will be greatly missed by his family and many friends both in and outside the nursery business.

REMARKS OF ALEXANDER SOLZHENITSYN: A SOVIET MARTYR'S ANGUISHED PLEA

HON. SAMUEL S. STRATTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 10, 1974

Mr. STRATTON. Mr. Speaker, Alexander Solzhenitsyn, the Nobel Prize-winning Russian exile is, first and foremost, an adroit historian who, until his cruel banishment, wrote from a unique historical vantage point. His perspective of peace and war from behind the Iron Curtain is worthy of our attention and understanding. In this regard I am inserting an article which appeared in the Wall Street Journal on September 19, 1973, 4 months before his enforced exile. This article was excerpted from the Norwegian newspaper, Aftenposten, and was forwarded to me by Mr. A. J. Angelino, of Scotia, N.Y. As Solzhenitsyn so passionately states—

> . . . what is happening in the Soviet Union is not just something in "just about every country" but is the *tomorrow of mankind* and is thus, in the matter of its inner processes, worth full attention by Western observers.

The text of the Solzhenitsyn letter follows:

[From the Wall Street Journal, Sept. 19, 1973]

A SOVIET MARTYR'S ANGUISHED PLEA

(*The following letter, by the Nobel Prize-winning Soviet novelist, is excerpted from the Norwegian newspaper, Aftenposten.*)

(By Alexander Solzhenitsyn)

MOSCOW.—Shaken by two gigantic world conflicts in quick succession, recent generations have committed an emotional error or misconception. They saw the threat against mankind's peaceful, just and good existence as almost exclusively deriving from war. And thus they strengthened the conception of the contrast of "war or peace."

Many exceedingly vocal and exceedingly one-sided congresses were called together and a world peace council came into being. And those persons who devoted their efforts (some honestly, others playing the role of demagogues) to averting the new wars (occasionally favoring one type of war over another) acquired the title of "Fighters for Peace."

But a title of that nature covers considerably more ground than the scope of the task these people assigned themselves. The movement "against war" falls far short of filing the demands of a movement "for peace."

The contrast "peace-war" involves an error of logic. War is a mass phenomenon—compact, noisy, distinct. But it is by no means the only expression of the world-wide wave of violence that never ends. A logically balanced and morally truthful contrast would thus be: peace-violence.

Man's existence is torn and shattered not alone by the violent arms of war but also by the unending, inhuman processes of violence. And if one may say that peace is indivisible—that a small infringement of peace (not merely military!) is a violation of peace in its entirety—then violence must be equally indivisible.

A hostage who is seized and an aircraft that is hijacked are just as great examples of threats to peace as is a rifle shot across a border and a bomb thrown on the territory of another state.

But here we immediately run into a selfish effort to contradict the truth. Well-known groups of violent men insist that just those precise forms of violence that they themselves use cannot be considered a threat against peace, but as instruments in the cause of peace.

One example—the terrorism of the past few years. While man is tense and on his guard against wars, he has a tendency to fail to detect other forms of violence. The confusion is complete, and people are not prepared to reject terrorism committed by a single, little, individual. And most astonishing, a world-wide humanitarian organization is incapable of securing a moral condemnation of terrorism!

One could jokingly suggest the following: "When we are attacked, that is terrorism. But when we are the attackers, then it's a partisan freedom movement."

THE MOST THREATENING DANGER

Permanent state violence—which throughout the decades it has reigned has succeeded in taking over all "judicial" forms, codifying thick collections of its violent "laws," draping capes across the shoulders of its "judges"—is the most threatening danger in our world of today, even if it is only barely recognized or understood.

This violence no longer needs to place explosives under something or to toss bombs. Its procedures are carried out in strict silence, seldom disturbed by the final shrieks of he who is being strangled. This type of violence permits itself to take on a respectable appearance.

There is an emotional error involved in the comprehension of what is included in the conception of "peace."

We do not err because it may be difficult to see the truth floating on the surface. But we err because it is pleasant and easy to seek an understanding in exact conformity with our feelings—especially our egotistical feelings. The truth has been around a long time. It has been exhibited, proven and explained. But it draws no attention or sympathy, just as in the case of Orwell's "1984," with its "conspiracy of flattery."

The bestial mass killings of Hue, that have been proven with certainty, drew only momentary attention and were almost immediately forgiven—because the sympathy of society leaned in that direction and one did not wish to make a protest. It was, instead, a shame that these accounts leaked out to the free press and for a time (very short) gave rise to embarrassment (very little) among the energetic defenders of this social system.

Is it possible to believe that the fluttering little butterfly, Ramsey Clark, even though a former Attorney General, quite simply just could not understand, quite simply could not imagine that the prisoner of war who handed him a piece of paper that is necessary for the carrying out of some clearly defined political aim had previously been put through torture?

(Perhaps all that he failed to realize was the form of the torture: What is a hand crushed by a block and tackle that has been raised and lowered through a roof?) Yet, there was no one in the United States to criticize this Clark; this is not "Watergate." But with the help of the same moralizing facial expressions, it was possible for the English labor leader to sum up his courage and pay a visit to another country (naturally enough, not an African country; that would not have been permitted) and there to issue his own "forgiveness" of the government without having asked the local population.

And when the Norwegians in 1968 proposed —alone—that not all had a right to participate in the Olympic Games, the faces of the majority of the Olympic participants stiffened in an embarrassed moral grimace as they closed their eyes and mumbled something about the lofty interests of athletics and commercialism.

But what kind of wall would they not erect if it was a case of protesting in the other direction? Would, for example, the South African republic be able to hold a black leader imprisoned for four years and subject him to torture, as was the case with General Grigorenko? No, the world's storm of indignation would long since have blown the roof off his prison!

In 1966, an English publication exercising its own unlimited rights of freedom decided tactfully that M. Mikhailov's idea of creating a similar and equally free publication in Yugoslavia was "conceited." And a German publication, looking on from its own idyllic position, decided that Mikhailov's idea had "ripened too soon and was a disservice to liberalization." (After Mikhailov was broken, we can see how far liberalization has spread in Yugoslavia without any use of disservices.)

And recently New Zealand and Australia protested in vain against the French atomic tests—but why not against the Chinese tests, which are a much more serious matter? Simply because the expenses of maintaining a supervisory vessel are too great and the times for the tests have not been made public in advance? I maintain with conviction: Not just because of a moral grimace, but very simply because of cowardice. Nobody would come back from an expedition into the Chinese desert or to the Chinese coasts, and they *knew* this.

It is precisely this that constitutes the hyprocrisy of many Western protests: They protest where their lives are not in danger, where they can expect the other side to give way, and where they are not risking being condemned by "leftwingers." (The best thing is of course always to make your protest along with them.)

Until the beginnings of the highly motivated 20th Century, one used the term *hypocracy* when a person used two varying yardsticks of moral judgment. But what do we call it today?

Is it possible that the hyprocritical facial expressions of the West can only be seen from a great distance but never detected at close range?

This type of hypocrisy is typical of the American political life of today, for the Senate leaders with their distorted vision, for the sensational "Watergate" scandal.

Without in any way defending either Nixon or the Republican Party, one cannot avoid being astonished by this loud, artificial anger among the Democrats. What had they really expected from a democracy without the slightest binding ethical basis, a democracy with its clash of interests, where nothing ranks above interests, where the battle is determined by the rules of the Constitution without any ethical roof above it? Has it not been full of mutual swindles and misuse of power from the days of the earliest election fights, with perhaps the sole distinction that then there were no electronics and fortunately nothing could be discovered?

I have throughout my years devoted myself to examining Russian life before it was ruined, and I have been personally impressed by the apparently impossible resemblance between the Russian czarist regime in its final years and, for example, the Republic of the United States of recent years—years, I venture to predict, that also are the final ones before the great chaos. This is not a comparison of material and economic qualities and not a comparison of social structures, but of something more important: a comparison of the politicians' lack of emotional ability to reflect. The entire storm of wrath of the Democrats on the subject of Watergate resembles a parody of the angry, thoughtless storm of the Cadets against Goremykin-Sturmer in 1915-1916.

This is one of the puzzles of irrational history. How could Russia in the final years of the 19th Century, a Russia that was not yet industrially armed and which led a sleepy existence, acquire an impulse and make such a dynamic leap forward that today's Russian research looks on the Western society as something "backward," something from out of the past? It is depressingly amusing to observe how fugitives from society, politicians and youth in the West, 50 or 70 years behind the times, repeat "our" ideas, our performance and our mistakes.

On the other hand, one must agree—as so many, many maintain—that what is happening in the Soviet Union is not just something in "just about every country" but is the tomorrow of mankind and is thus, in the matter of its inner processes, worth full attention by Western observers.

No, it's not the troubles involved with gaining an insight that pose difficulties for the West. Rather, it's the lack of a desire to know, the emotional preference of the comfortable solution instead of the difficult one. Such a searching for insight is fed by the Munich Spirit, by concession and the spirit of compromise, led by an anxious self-deception on the part of societies of good intentions and persons who have lost their determination to make sacrifices and stand firm.

And even though this path of theirs has never meant preservation of peace and justice, but only their being trod upon and violated, human feelings are shown to be stronger than the most obvious lessons. Again and again the weakened world paints semimental pictures that show how violence has generously becomes softened and is now willing to part with some crumbs of its superior strength—and all the while one can continue one's unbothered existence.

"Aircraft hijacking" and other forms of terror have multiplied tenfold precisely because we are all too quick to capitulate to them. But when one displays toughness, then one can always triumph over terror. Heed this well.

PROPAGANDA AND PEACE

I don't know how it is in Europe, but in our country you will find placed alongside all railway lines small stones with these inscriptions: *"Peace for the world!" "For peace throughout the world!"* This kind of propaganda is quite useful, if it means that there must not only be no wars throughout the world but that in addition every *inner* form of violence must end.

In order to achieve not merely a short-term postponement of the threat of war but a real peace, it is necessary to wage battle against the "quiet," hidden types of violence with no less determination than one would wage battle against the "noisier" types. The task must be more than merely stopping the rockets and cannons. We must draw the line against the violence of the state wherever it is necessary to defend members of society. The task must be to banish from mankind's thoughts the idea that anybody has the right to use force against righteousness, against justice, against mutual agreements.

This means that peace is not served by those who trust in the agreeable nature of the men of violence, but by those who—unbribable, uncompromisingly and untiringly—insist on justice for the persecuted, for the subjected, for the dead.

The widespread, mistaken definition of peace as "antiwar" and not as "antiviolence" has quite naturally also led to an incorrect evaluation of individual person's accomplishments in the fight for peace.

One looks first for the best fighters for peace among those who collect laurel wreaths at airports and in parliaments, who at any price divert the threatening breath of war, "warm" or "cold." This is the type who uses whatever admission is at hand to achieve an end to criticism in the press, to create a breathing space for trade and self-deceptive happiness. On the other hand, those who uncompromisingly point out the global danger to peace from *all* types of violations run the risk now and then of being labeled "warmongers."

This distorted conception of exactly what it is that stands in the path of peace can find expression in the activities of the Nobel Committee for the Peace Prize. It's evaluations and decisions are, on the one hand, formed by the attitudes of world opinion. But on the other hand—and this is just as natural—its work is reciprocal and *forms* the attitudes and lays down the criteria.

Therefore the Nobel Committee has an exceptionally large responsibility in choosing its winners. Even when *no prize* is awarded, its importance grows; the value of deserving earlier winners' work is so great that no one else can compare with them.

PROPOSING A CANDIDATE

As I hereby make use of my right as a Nobel Prize winner to propose candidates for the Nobel Prize, and as I have no responsibilities of doing so directly to the Nobel Committee for the Peace Prize otherwise than through this article in the newspaper Aftenposten, I beg that my words here may be regarded as a formal nomination of Andrei Dimitrevitch Sakharov for the 1973 Nobel Peace Prize.

I have already given my reasons for this in my interview with the newspaper Le Monde: Sakharov's untiring and sacrificing (and personally dangerous) resistance to unceasing state violence against individuals and national population groups.

Such activity must also be judged as a great contribution to the general peace, a contribution which has no overtones of publicity, which is without illusion, but which is entirely fundamental; through his modest, individual powers he works heroically to dam up a mighty wave of violence—that is what it means to strengthen the general peace.

And may the Nobel Committee be in no doubt because of Sakharov's former, quite considerable achievements in the area of weapons, nor see here something paradoxical: the human spirit's admission of its earlier mistakes, its cleansing and its breaking free from these mistakes. Precisely here is to be found greater justification of man's existence on this earth.

LANDSCAPE ARCHITECTURE AWARDS

HON. ELLE T. GRASSO

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 10, 1974

Mrs. GRASSO. Mr. Speaker, at the White House last Friday, Mrs. Richard Nixon presented special landscape architecture awards from the American Association of Nurserymen to four companies from my State of Connecticut.

Three of the four firms shared in the association's coveted first award for the parts they played in the development of a landscape project in Orange, Conn. This is the highest honor achievable in this field. These companies are A. E. Bye Associates of Cos Cob and the Glenn Terrace Nurseries of Hamden, which planned and planted the award-winning project, and the Harvey Hubbell Corp., which owns the land where it is located.

A fourth Connecticut firm, C.M.A. Partnership of Farmington received a certificate of merit from the Nurserymen's Association for a landscape project in Massachusetts.

The awards were accepted at the White House ceremony by W. James Everett, president of Glen Terrace Nurseries; Mr. A. E. Bye of A. E. Bye Associates; David B. Morgan, of the Harvey Hubbell Corp., and Frank MiFiorski of the C.M.A. Partnership.

A total of 53 projects nationwide received recognition at the White House ceremony—the 21st annual landscape awards program sponsored by the Nurserymen's Association. The purpose of the recognition is to stimulate commercial and institutional organizations to pursue environmental improvement and beautification through effective landscape architecture.

For example, in the Hubbell project, special care was taken to preserve the area's natural landscape while endeavoring to successfully utilize the concept of inward and outward visualization.

The citizens of Connecticut are proud that a responsible and innovative attitude toward the environment is being taken by members of our State's landscape industry. Such accomplishments justly deserve national recognition.

WINNERS AND LOSERS IN THE FIGHT AGAINST CANCER

HON. WILLIAM S. COHEN

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 10, 1974

Mr. COHEN. Mr. Speaker, the month of April is cancer crusade month in my State of Maine. I understand that the Maine branch of the American Cancer Society hopes to raise over $270,000 during this month alone.

As you know, I have sponsored legislation that would increase our national commitment to health education. Health education can be especially important in fighting cancer, since early treatment is working daily miracles in cases where people recognize their own symptoms in time.

In Maine, some of the most powerful appeals to fight cancer through early detection and research have come from a prominent and outstanding journalist, Bill Caldwell of the Maine Sunday Telegram, who has himself felt the threat of a cancer attack.

Because I am sure my colleagues will be interested in his remarks on cancer, "Winners and Losers," I insert a copy of one of his recent columns in the RECORD at this point:

[From the Maine Sunday Telegram]

CANCER—AND NAMES YOU KNOW: WINNERS AND LOSERS

(By Bill Caldwell)

"Maine has the highest death rate from cancer of any state in the union." Swallow that fact.

Dr. W. S. Lowry of the Maine Medical Center said those words recently on a TV panel. Those of us on the panel with him were shocked by this seldom heard statistic about cancer in Maine. Maine seems so healthy. But Dr. Lowry knows first hand whereof he speaks. He is Chief of Radiation Therapy at the Maine Medical Center, where more cancer patients are treated than anywhere else in the state.

But there is a good side, a very good side, to cancer news in Maine, and in a moment we will tell it to you. But first let us face the harder facts. . . .

The fact is that in Maine the death rate from cancer in 1974 is expected to be 212 per 100,000 population. This is the highest in the United States. The national average is 167 per 100,000 population.

The experts say 3,000 new cases of cancer will be found in Maine this year, 1974.

Thousands more will be getting treatment for cancer already discovered. And in many kinds of cancer, early treatment is working miracles. Every year, more and more cancer patients are cured; that is they have no traces of the disease five years after their last treatment.

Thanks to more knowledge about cancer by patients as well as doctors, 1½ million Americans are alive today who have been cured of cancer. Another 700,000 are as good as cured but have not yet reached the five year mark. You could reasonably put the cured figure up to two million cured cancer patients and be right. That is double the entire population of Maine.

Remember these facts, and be guided by them. This month of April is the cancer crusade month in Maine. Some of your neighbors are likely to ask you for money to help lick cancer. Probably you will give some money to the crusade. That would be sensible. For cancer will eventually strike one out of every four Americans now living, strike into two out of every three families.

But this column is not about money. It is about cancer. And it is not going to scare you. I hope it will astonish you, and give you good news about cancer that you did not know was there. There is lots of good news. People don't talk or write enough about the good news. We should—especially those of us who have had cancer, have been treated and are walking around cured, happy and in love with life. This is not polyanna talk. Sure, there is still lots of bad news about cancer, very bad news indeed. But that is only half the cancer story. The other 50 per cent is very good news. Want to hear some?

Start with the names you recognize, people who are cured of cancer now, but who once were its victim.

In the movies—there is the Duke, John Wayne; and William Powell; and Glynis Johns and Van Johnson, just for starters. And there is Senator Maureen Neuberger; and Roy Wilkins of NAACP; and Broadway composer Richard Rodgers, actor William Gargan, pro football's Jack Pardee, opera's Marguerite Piazza; and from TV, there is Arthur Godfrey and Virginia Graham.

That is just the tip of the iceberg. We could fill the page a hundred times over. As we said earlier, 2 million Americans are walking around right now cured of cancer—me among them.

This year, some 218,000 more Americans will be cured of cancer, thanks to skilled treatment and early detection. You'd need a directory twice as thick as the Greater Portland Telephone book just to list the names and addresses of the people who will be cured of cancer before Christmas. That is part of the good news.

The tough news is that 2,200 people in Maine will die of cancer in 1974; and 335,000 in the U.S.

The famous die from cancer, just as the famous are cured—even as you and I. But names make news.

Some film names you know who died from cancer are Tallulah Bankhead, Edward G. Robinson, Betty Grable, Humphrey Bogart, Gary Cooper, Charles Laughton, Sophe Tucker and Gypsy Rose Lee, Sonja Henie and Ann Sheridan. Some writers you know, who died of cancer include T. S. Eliot, Edna Ferber, Rachel Carson, John Gunther, Aldous Huxley, Damon Runyon; some people you know from the world of music who died from cancer include Sidney Bechet, Eddy Duchin, Oscar Hammerstein, John Charles Thomas.

Athletes are far from immune from cancer. Cancer killed Ty Cobb and Babe Ruth and Babe Zaharias and Notre Dame football coaches Elmer Layden and Frank Leahy, and golfer Walter Hagen and boxer Barney Ross.

Quentin Reynolds and Chet Huntley and Ed Murrow and Bill Cunningham and Rube Goldberg and Dan Parker and Walter Winchell and Arthur "Bugs" Baer are some of the newspaper, TV and radio people whom cancer took.

Right now it is lung cancer that is killing most cancer patients. Mostly, men are the victims. This year lung cancer will kill 60,000 men and 15,000 women in the United States. It is caused mostly by smoking. But it is hard to detect, and often doesn't hurt until it is too late to cure. About 200 people a day die from lung cancer. And that figure is climbing, fast among men smokers.

Some of the big names who died of lung cancer include King George VI of England (his brother Edward, Duke of Windsor died of throat cancer in 1972) and Walt Disney; Nat "King" Cole; Robert A. Taft; Robert Taylor; Franchot Tone; Bill Corum; Glenda Farrell; Buster Keaton.

In Maine, the American Cancer Society is on a crusade this April to raise some $270,000. That is a bit over 25 cents, one quarter, for each man, woman and child in Maine.

But it takes some big donations to make that average. For most of the tiny kids can't give; and lots of adults can't give or are not asked.

So if the Cancer Crusade comes to your house—regard it as your chance to really make your money work hard. That money of yours can buy lives—by helping to get people in treatment early, helping to get people in for checkups regularly, it can stop them from dying. And that money of yours can buy happiness. Yes, your money can buy happiness. Ask any of the 2 million Americans cured of cancer. One of them may live on your street; or in your house, this year or next.

PASTOR GUIDO MERKENS, MAN OF GOD

HON. HENRY B. GONZALEZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 10, 1974

Mr. GONZALEZ. Mr. Speaker, a few days ago a book was given me that has happily and favorably impressed me. The title of the book is "Great Churches of Today" prepared by the staff of the publication "Decision," in whose pages contents of the book first appeared, and published by World Wide Publications.

On page 91 of this book is a whole chapter dedicated to Concordia Lutheran Church of San Antonio, Tex. This church is—and has been for some time—pastored by a truly man of God—Rev. Guido Merkens.

A city or a community is as good in direct proportion as its churches. For many years many of us in San Antonio have known of the tremendous contribution to the progress and well-being of San Antonio made by Concordia Lutheran Church under the inspired and dynamic leadership of Pastor Merkens.

Mr. Speaker, I place in the RECORD at this point this much deserved article:

CONCORDIA LUTHERAN CHURCH, SAN ANTONIO, TEX.

Where the fertile plains of South Central Texas give way to the rolling bush country lies the city of San Antonio, "cradle of Texas liberty." The 15th largest city in the United States, San Antonio is an unusual blend of old Mexico and young America. Forty-five per cent of its 654,000 inhabitants are of Spanish descent. Its four Air Force bases and the Brooke Army Medical Center stamp it as youthful, transient, defense-minded. The Alamo, hallowed to Texans, a monument to one of history's notable stands, has turned the city into a major tourist center.

From the year 1718 when San Antonio de Valero became the capital of the Spanish province of Texas, San Antonio's people have shown a deep religious sensitivity. In this hospitable setting in the last 20 years a church has grown and shared its enthusiasm for the Lord Jesus Christ and his Kingdom as have few churches of our time. It is the Concordia Lutheran Church, pastored by the Reverend Guido Merkens.

Born in Aberdeen, South Dakota, the son of a scholarly Lutheran pastor, Guido Merkens grew up in a strong church atmosphere. He was 24 years old when he went to San Antonio in 1951. Pastor Merkens still remembers, upon his graduating from Concordia Lutheran Seminary in St. Louis, Missouri, what his roommate thought of Guido's call to Texas. "He was going to New Guinea and was convinced he had the 'better' call," says Merkens. "And if I had known that I would live 20 years in a city with no major league team, I might have been inclined to agree with him!"

The pastor had been a three-sport letterman in college.

"But," he added in a serious vein, "my primary work has been here, and one thing God has taught me, 'My word . . . shall not return unto me void.'"

In 1950 a religious census of north San Antonio revealed that the area was high-potential soil for the planting of a church. Merkens and his wife, Barbara, arrived in June, 1951. Within three months he had visited over two thousand homes. On December 16, 1951, a congregation of 37 charter members formally banded together to form Concordia Lutheran Church. In a chapel built on farmland by the members of this young church, the new congregation began its service to the San Antonio community.

On December 1971 Concordia marked its 20th birthday. Its baptized membership has increased to 3,000 persons, 2,100 of whom are communicant members. The church is known as the fastest-growing congregation among the 6,000 parishes in the Missouri Synod since 1951.

Where horses once galloped with their colts on the old Kessler farm, Lutheran school children now scamper, and hundreds of young people and adults take to Concordia's gymnasium and lighted ball fields for recreation and athletic competition. Where a barn and a windmill once stood, a modern worship and education complex now graces the ten-acre Basse Road site. When the sanctuary was completed in 1955 the Church Architectural Guild of America named Concordia an award winner among America's middle-sized churches. The sanctuary, constructed of a sand-toned Mexican brick, has since been enlarged four times to the present seating capacity of nearly one thousand.

As word spread throughout the Texas district of the growth of this San Antonio congregation, Pastor Merkens was asked to share what he calls "Living Lutheran Leadership" with other parishes. In 1965 he and Arthur Samuel, superintendent of the Concordia Sunday School, began traveling to other states, holding seminars eventually with 125,000 pastors and laymen in 44 states. "The seminars grew out of years of practical experience," says the pastor. In a 350-page manual Merkens spells out procedures for "evangelism," "stewardship," "admiration," and other ministries. In 1971 Pastor Merkens accepted invitations from Lutheran churches in England, Australia and New Zealand to conduct seminars with clergymen and lay people.

What commodity does this pastor and church offer to San Antonio? "We have a sound, evangelical belief that appeals to people at this time—a solid faith anchored in the Word of God and trusting for salvation through Jesus Christ," answers Bill Wagner, managing editor of the *San Antonio Express and Evening News* and a church council member. Someone else says *"esprit de corps."* The pastor would say, "It's the lay people." The laymen say, "It's the pastor." Concordia is what Izaak Walton might call the "complete church"—serving, witnessing, caring, singing, exalting God, giving careful attendance to his Word, and doing all of this with contagious joy and gladness in the Holy Spirit.

Entering the sanctuary for the 8:45 morning worship service one Sunday, I sensed what one member described as "a feeling of power in the gathered congregation." Here and there worshipers knelt at their pews in silent prayer. The Concordia Day School Choir, a group of 55 fifth and sixth graders, sang the processional that lifted the mood to praise and signaled the beginning of corporate worship. Robed in cassock and surplice, the Reverend Theodore Graalmann, visitation pastor, led the order of worship. The congregation joined in responsive readings of the Old Testament lesson and the Gospel. After the united confession of the Apostles' Creed came "The Matter of Importance."

"This is something we learned from the Baptists," the pastor explains. "It is a way of bringing a matter of importance to the attention of our people for their support in prayer and for their edification." On the day of my visit Pastor Merkens asked Mr. and Mrs. Elmer Juelg and their five children to come forward, after which he conducted an impressive commissioning ceremony, setting them apart for missionary support with the Lutheran Bible Translators in Liberia, West Africa.

The most important part of church life to 75 percent of Concordia's members, according to a congregational poll, is the sermon. The congregation stood for the reading of the text: "I beseech you therefore, brethren, by the mercies of God, that ye present your bodies a living sacrifice, holy, acceptable unto God, which is your reasonable service" (Romans 12:1). The sermon was inspirational, Biblical, well illustrated, simple enough for the young to understand.

At the 11 o'clock service the anthem, sung with authority by the 60-voice adult choir, carried the theme of the morning sermon:

God of grace and love and blessing,
Thine alone shall be the praise.
Give us hearts to trust Thee truly,
Hands to serve Thee all our days.*

Mrs. Rhoda N. Canion is the organist and director of the adult and the four Sunday School choirs. She is a graduate of Concordia Teachers' College, River Forest, Illinois, and a sister of the pastor. "When we were young," she recalls, "Guido played the clarinet and I the piano and we would work up concerts for Mom and Dad."

"From Dad I gained a tremendous respect for the Word of God," says Pastor Merkens. When a man stands up to preach he had better put his whole heart into it. He must be excited in his own way, and he had better tell his people loud and clear what Jesus Christ means." Pastor Merkens was made a vice president of the Lutheran Church-Missouri Synod in 1971 and has preached on "The Lutheran Hour" international broadcast, but he is first and foremost a shepherd of souls.

Church members and visitors register their attendance in worship each Sunday. Before the following Sunday a member of the parish calls on the visitor in his home. One day while paying such a call, Ramona Stevens, head of the Women's Doorbell Ringers, noticed that the lady showed unusual interest. "I watched Billy Graham on TV from Oakland last night," she told Mrs. Stevens, "and I want to make my commitment to Christ." The 15-week adult instruction class was starting the next Sunday morning, and she became a part of that group of 60 adults. Assistant Pastor Stephen A. McClintic teaches the class. A majority of those attending become active members of the church.

A variety of services attract people to Concordia: the day care center, the elementary school, the vacation Bible school (last summer's school enrolled 911 children), and an aggressive sports program. Softball, volleyball and basketball teams from Concordia are regular winners in the city church league, and as the saying goes around the church: "They come to play; they stay to pray."

A geologist, Bob Keahey, and his wife and five children visited Concordia in 1963, searching for a church "that was not ashamed to proclaim Jesus Christ boldly." At Concordia they found what they needed. Later when Keahey began teaching in the Sunday School he was "scared to death" to pray aloud. "Pastor told me to talk to God just the way I talk to a good friend," he says. Keahey now calls each of his 35 ninth graders every week and is one of 11 teachers in the Young People's Bible Class. Attendance in this division increased 15 per cent in 1972; almost three hundred teen-agers are enrolled.

Sunday School and worship weekly attendance averages 2,750 children, young people and adults. On Wednesday night Sunday School teachers study methods and consider the Bible lesson for the following Sunday. Dr. Harold Meador, a dentist, shares the fruit of his Bible research with first- through eighth-grade teachers.

Concordia Lutheran School began as a kindergarten in 1952 and has developed into an accredited elementary school, with ten teachers and 317 pupils. Because Texas public schools do not yet offer kindergarten, Concordia provides a special service for parents who want early training for their children, says Principal James H. Boriack. Each year a number of families become members of the church as a result of this initial contact with the school. Over half the pupils in these modern classrooms come from Concordia families.

Something of what the school means to church members is indicated by newspaperman Wagner: "The school gave our son, Steve, a firm foundation on which to make the decision to enter the ministry." He is one of three young men from Concordia serving as vicars in a one-year internship before completing his final year at seminary.

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* From "God the Father, Son and Spirit," in the Chapel Choir series, ed. by Carl Schalk, copyright 1961 by Concordia Publishing House, St. Louis, Missouri.

Twenty of the church's sons and daughters have entered or are preparing for the Christian ministry. Lenten offerings provide scholarships for every young person entering Christian training.

"Saving faith is personal, but never private," says Guido Merkens. He believes that those who criticize organization must admit that the Spirit can breathe through structure, and that "what is everybody's responsibility is no one's responsibility." He also believes that Satan is "pulling out all the stops today, but that when the world is at its worst, God will see to it that the church is at her best."

Paul describes the church "at her best" as a body "fitted together perfectly . . . each part in its own special way helps the other parts, so that the whole body is healthy and growing and full of love." Concordia is one congregation striving in the Spirit toward that goal.

NORTH VIETNAMESE TACTICS

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 10, 1974

Mr. ASHBROOK. Mr. Speaker, recently much propaganda has been directed against the Republic of South Vietnam. Many old false charges have once again raised their discredited heads. Many thousands of Americans fought and died in Vietnam to help that beleaguered country retain its freedom against the Communist onslaught.

Some in the media and elsewhere were predicting that the withdrawal of American Armed Forces from that country would result in its quick demise. Of course, Vietnam did not fall. Rather, the government was able to expand its control of the countryside and able to gain more allegiance to it. This was not the result of the Vietnamese Communists lack of attempts against the free Vietnamese nor was it a result of the North Vietnamese lacking supplies. The Communist Chinese and Soviet Communists continue to provide the ammunition, weapons, and finances that the North Vietnamese want to continue pursuing their goal of taking over the South. The Communists, having poor luck on the battlefield, are taking their battle to another arena—the United States itself—to attempt to sell the falsehoods that they have been so unsuccessful in putting into practice in South Vietnam. The battle for South Vietnam continues. The Communists have great persistence in seeking their goals of conquest. No longer are American men fighting and dying in Vietnam—for which we all should be thankful. But can we throw away the sacrifices of so many brave Americans who were wounded, captured, or were killed to stop the Communist advance? The Soviets and Communist Chinese are still pursuing their goals in Southeast Asia, as in so many parts of the world, through proxy wars and subversion.

At this point I include in the RECORD two recent articles which deserve the attention of all those concerned about American foreign policy. One is entitled "The Sword Pulled Aside" from the March 16, 1974, issue of the Economist and the other is an Evans and Novak column entitled "Hanoi's New Strategy in South Vietnam" from the Washington Post of April 10, 1974.

The articles follow:

[From the Economist, Mar. 16, 1974]

THE SWORD PULLED ASIDE

(It looks as if North Vietnam has dropped the idea of another attack into the south for the time being—in favour of a campaign against American help to South Vietnam's economy.)

The next big push in South Vietnam by the North Vietnamese and the Vietcong may not now come this year, and very likely not next year either. The aim of the North Vietnamese government presumably remains what it always was: to unite Vietnam under a communist government. But the North Vietnamese appear to have reached the conclusion that an attempt to bring that about by sending their army into the attack again in the next year or two would either be defeated, or must be abandoned for other reasons. The sword suspended over South Vietnam's head may for the moment have been withdrawn.

There are many signals of this change of tack. Not much has been seen or heard of General Giap, the principal architect of the great offensives of 1968 and 1972, over the past six months. In a major resolution, the Hanoi politburo recently declared that the economic reconstruction of North Vietnam is its immediate priority. Still more revealing is a Vietcong document captured earlier this year (the so-called Cosvn resolution 12) which shows that the communists are thinking in terms of a campaign that could last until 1980, and will be psychological and economic as much as military.

It has been suggested that the North Vietnamese are playing things quietly in the hope of getting a large amount of aid from the Americans. If they indulge in such hopes at all—and they know as well as anyone how hard it has become to squeeze any kind of aid out of Congress, most of all for so recent an enemy—the idea is almost certainly marginal to their calculations. To begin with, North Vietnam is receiving about as much economic aid as it can usefully absorb from its Russian and Chinese backers, who sent a million tons of rice last year. Spanking new tractors, generators and machine tools are piled up along the road between Hanoi and Haiphong. Even the Swedes are contributing.

So American money is not a sufficient reason for the communists' restraint. But the North Vietnamese, having seen how American aircraft and American-made antitank missiles defeated their armoured units two years ago, will be inclined to hold back from a new offensive until they are quite sure that the Americans are unable to do anything to resist it. The effort they have put into restoring their anti-aircraft defences shows that, despite Watergate, they still think President Nixon is capable of hitting back. Their tactic is therefore to wind down the war to a pitch they judge the South Vietnamese economy cannot stand, but American opinion can accept without reacting.

For the next couple of years this will be largely a war for South Vietnam's economy. The military threat limits the extent to which the South Vietnamese can pare down their armed forces, the biggest drag on the country's weak economy. The real war in Vietnam today is not the see-saw struggle for scraps of land; it is a test to see which side's national structure holds out the better. The North Vietnamese have their problems too: they have not yet recovered from the effects of the American bombing, or from the typhoons that wiped out a fifth of their rice crop last year. They are short of manpower, and above all of skilled management. But they have reliable, and generous, outside backers. The South Vietnamese, in contrast, cannot be very confident about the future generosity of the Americans.

South Vietnam's war is still paid for in American dollars. But at a time of unprecedented world commodity prices, American economic aid has been pruned back from $385m in 1972 to $320m last year. Congress is being asked to approve an additional $150m this year, but it may take a struggle to maintain even the 1973 aid when the issue comes up next month. Yet the need is obvious. South Vietnam's economic troubles are the result of bad luck as well as the distortion of war. The price of fuel in Saigon has been multiplied by 10 in the past two years. Inflation is running at an annual rate of 50 per cent, and real wages have dropped to a third of what they were in 1964. The effects of all this on morale can be imagined.

THE NEXT CUT WOULD DRAW BLOOD

The South Vietnamese picked up expensive habits from the Americans but now, out of necessity, they are learning not to throw money away by the bucketful in wasted ammunition or redundant consumer goods. The average South Vietnamese battalion is operating on a fifth of the ammunition and a tenth of the fuel that used to be consumed by an American battalion. The problem is that—short of a miraculous off-shore oil discovery—there is no way that South Vietnam can make itself anywhere near self-sufficient in the rest of this decade. Further cuts in American aid will be slicing into the red meat, not the fat.

North Vietnam's friends will do everything they can to persuade Congress to order those cutbacks, by the familiar tactics of selective outrage. Every effort that the South Vietnamese government makes to recover lost ground in what is still its territory is represented as an affront to peace. The issue of political prisoners is still trotted out at regular intervals—the argument being that since South Vietnam's rulers, under war conditions, are tougher on dissidents than democratic governments are expected to be in peacetime; they might as well be replaced by communists. Since the communists, pleading military exigency, do not allow foreign investigators to tour their jails and rehabilitation camps, these are rarely mentioned.

Such arguments will be heard repeatedly in the debate over aid for South Vietnam. The North Vietnamese are chasing the chimera of an American handout for themselves much less than the very real possibility that Congress can be persuaded to cut into the subsidies that keep South Vietnam going. This is one reason why it suits them to play a waiting game for a year or two longer.

[From the Washington Post, Apr. 10, 1974]

HANOI'S NEW STRATEGY IN SOUTH VIETNAM

(By Rowland Evans and Robert Novak)

A Communist document captured by government forces in Binh Thuan province on South Vietnam's central coast six weeks ago points to tragedy growing out of the Nixon administration's bungled campaign in Congress for continued aid to Saigon.

The document spells out unequivocally what the Communist high command in Hanoi really wants: "The revolution in South Vietnam can only be won by means of armed violence in close coordination with the political violence of the masses." This is not local bombast. Rather, the directive is based on a secret resolution setting out a muscular strategy for the entire south.

That sharply contradicts propaganda spread in Congress by radical "peace" groups that continued bloodshed in South Vietnam is caused by Saigon. Beyond that, the Communist strategy reveals the danger facing South Vietnam, if as now seems increasingly possible, it is threatened by drastically reduced U.S. aid. Thanks to failing resolve and uncertain leadership, the root of the new Vietnam crisis is in Washington.

Early last autumn, U.S. intelligence experts still expected a massive Communist offensive this year from 210,000 North Vietnamese regulars in Northern and Western parts of South Vietnam. But the 21st Communist Party Conference in Hanoi decided Saigon's army was too strong. What resulted was a new strategy outlined in COSVN Resolution 13, secretly issued in December. In turn, COSVN 13 was incorporated in provincial directives, such as the guidelines sent out in Binh Thuan province.

The directive, dated Feb. 5, is remarkable, omitting the usual propaganda about general elections and a coalition government (required by the Paris peace treaty). Instead it bluntly admits that Hanoi's political progress in South Vietnam since U.S. forces pulled out has been disappointing.

"The enemy temporarily has the upper hand," says the directive. ". . . Puppet soldiers are still plentiful" and are "still able to control populated areas." In contrast, Communist forces "are still weak and undermanned; the guerrilla warfare movement has not yet become strong." The answer: "push our attacks strongly in all areas."

As viewed here, such directives and other intelligence data mean the Communists will continue sharp military attacks locally this year while preparing for a possible general offensive in the future. In sum, Hanoi is not abandoning force as the means to unite Indochina; the strength of the Saigon regime has simply delayed the showdown.

The one factor that could advance the showdown is an economic breakdown, to which Communist headquarters have been alerting their cadre. A drastic, sudden reduction of U.S. aid would surely trigger such a breakdown. Thus, defecting Communists report that Hanoi's strategy is designed to undermine U.S. confidence in President Nguyen Van Thieu's government.

This dovetails with the campaign laid out last October when veteran radical Tom Hayden invited 200 anti-war activists to Germantown, Ohio, for a strategy session. The propaganda lines set forth then have been vigorously relayed on Capitol Hill: the Thieu government, not Hanoi, is the aggressor and would collapse without provocation should the U.S. withdraw aid.

Even though such propaganda is contradicted by the Communists' own documents, it has found fertile soil in a Congress sick and tired of the Indochina burden. Hawkish leaders of a decade ago, such as Democratic Rep. Otis Pike of New York, have joined the aid slashers. In the Senate, old super-hawk Barry Goldwater has defected.

Joining this widening congresisonal fatigue is a combination of ineptitude and lassitude by the Watergate-obessed Nixon administration. No effective lobbying effort has been launched. Secretary of State Henry Kissinger's letter to Sen. Edward M. Kennedy justifying the aid on the basis of private and verbal Paris peace agreements, did not help. Far worse was disclosure of an outrageous and self-defeating cablegram by the usually astute Graham Martin, U.S. Ambassador to Saigon, urging that Kentucky not be given an "honest and detailed answer" about Vietnam aid.

The major administration effort was a plea before a closed-door House Republican caucus March 26 by Vice President Ford. Shortly thereafter, the administration lost a critical test for more military aid on the House floor by 20 votes. Some Republican congressmen feel the anti-Saigon tide on Capitol Hill is so strong that even an all-out Nixon administration effort could not reverse it.

If so, the last chapter of the tragic Vietnam story may be drenched in irony. At the cost of so much American blood, treasure and political turmoil, the Saigon regime at last has established itself politically and militarily, as even Communists documents concede. Having reached this point, however, its worst threat now is not Hanoi's aggressive designs but ineptitude and battle fatigue in Washington.

JACK KEMP PAYS TRIBUTE TO RETIRING MARYVALE SUPERINTENDENT DR. SAMUEL R. BENNETT

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 10, 1974

Mr. KEMP. Mr. Speaker, in the last several years many school districts in the Nation have undergone a great deal of unrest and experienced various difficulties of one sort or another. However, we in western New York have been fortunate to have had an extraordinary man as superintendent of Cheektowaga's Maryvale Board of Education for the past 23 years.

Dr. Samuel R. Bennett has, because of his enlightened leadership, not only avoided the kinds of troubles which afflicted so many other school districts, but also helped bring the Maryvale School District to the public eye as a progressive, and responsible example of what a school district can be.

Dr. Bennett is going to retire at the end of this school year. His accomplishments include an extensive adult education program, a well-developed work experience program, a growing capacity of BOCES—Board of Cooperative Educations Services—to provide specialized teaching, and a school budget which Maryvale residents have never rejected.

The Buffalo newspapers commended Dr. Bennett for his contributions and achievements. Their commentaries follow:

Dr. Samuel Bennett Retiring; Led Maryvale District 23 Years

Dr. Samuel R. Bennett, head of the Maryvale school system since 1951 and the man who guided it through an explosive period of growth, will go on retirement July 31.

During his tenure here, the Maryvale school student population has grown from about 1,000 to more than 7,500 and its faculty from 35 to 358. At the same time, the district has spent about $14 million on new buildings.

The announcement of his retirement described his time at Maryvale as years of decision. Besides the construction program and enormous influx of students he had to manage curricular changes and face up to new mandates from the state.

A measure of his skill as an educational administrator is illustrated by the fact that six people who served under him in the district now have superintendencies of their own. He served on several important committees concerned with public education, including:

The Superintendents' Council, to which the late Dr. James Allen appointed him while he was state commissioner of education; the State School District Administrators Board of Directors; the Erie County Education Television Committee, of which he was chairman, and the Western New York Committee on Legislation & Finance.

He also accepted an invitation to attend for two years the prestigious Harvard University Advanced Administrative Institute.

Dr. Bennett came to Maryvale from Birmingham, Mich. He had been junior high school principal there from 1948 to 1951 under the superintendency of Dr. Dwight B. Ireland.

He graduated first in 1934 from old Geneseo Normal School with a major in elementary education and from Albany State Teachers College in 1934 with a major in elementary education and from English and social studies. He received his doctorate from the University of Buffalo in 1959.

Dr. Bennett taught in the elementary and junior high schools at Mt. Morris until 1942, when he transferred to LeRoy. With time out for World War II service as a Navy gunnery officer, he was vice principal and junior high principal there until 1948.

He and his wife live at 32 Eastvale Dr. Dr. Bennett hopes to do some college teaching in his retirement, but meantime he will play some golf, travel and devote time to relaxation and reading.

[From the Buffalo Evening News, Mar. 20, 1974]

Maryvale Superintendent Retiring After Longest Tenure in County

When Dr. Samuel R. Bennett told Cheektowaga's Maryvale Board of Education Monday that he wants to retire at the end of the school year, he signaled the close of a unique 23-year career as a chief school officer.

For not only has Dr. Bennett been Erie County's longest-serving school administrator, his tenure has been among the quietest.

While controversy from time to time has erupted in districts all around Maryvale, Dr. Bennett's influence is credited with Maryvale's quiet image.

That doesn't mean that nothing has happened at Maryvale. Far from it. Rather it reflects the loyalty and confidence that Maryvale's 30,000 residents feel for their school and its leadership.

For example, Maryvale's residents have never rejected a budget. School Board elections have been relatively tame compared to those in adjacent districts.

A fine and extensive adult education program flourishes at Maryvale and Dr. Bennett has had the wisdom and luck to have selected excellent aides to run the district's seven school buildings.

Dr. Bennett has a partial explanation for the district's harmony.

"Maryvale grew from a residential area and the school became the center of the community and drew its loyalties."

Another long time observer pointed out that the school system is the closest thing to a Main St. the community has.

Dr. Bennett credits the district's School Planning Board with valuable service too. The board draws its membership from virtually every Maryvale organization.

Its sub-committees perform valuable research into vital school matters so that new developments and proposals rarely come as surprises to the community's leaders and residents.

If Dr. Bennett has gained the confidence of residents, the onetime social studies teacher also has won the respect of his fellow chief school officers.

Currently, he's chairman of the Legislative Committee for the Erie-Niagara Chief School Officers Association. The committee tackles such difficult matters as state aid, and the new recommendations of the State Task Force for restructuring the aid programs.

Maryvale now enrolls about 7100 students and has reached its peak population. The frantic building of the 1950 and 1960 decades is over.

That has given Dr. Bennett (and his successor) the chance to spend more of his time on purely learning matters than used to be the case.

If Maryvale has been a peaceful district, it's also a "poor" district in state fiscal terms. There's only about $20,000 assessed valuation behind each Maryvale pupil as compared to a New York State average of about $40,000.

In a way that has benefited the district because the state government has carried a large share of the district's school costs.

But with state aid having dropped from 48 per cent to 39 per cent of local costs in recent years, some crucial decisions about where the school money will come from lie ahead for Maryvale and other districts.

Dr. Bennett is confident that the youngster finishing Maryvale schools today is much better prepared than graduates of 20 years ago. "They have to be because our teachers today are so much better prepared," he explained.

Dr. Bennett also places great store in the new work experience program that Maryvale and other schools use and the growing capacity of BOCES, the Board of Co-operative Educational Services, to provide specialized teaching.

For Dr. Bennett, who started teaching in Mt. Morris Central School, then moved to LeRoy Central and then Birmingham, Mich., Maryvale is not the end of the educational line.

"I gave my notice early enough so that I might find something else after I leave here," he said.

Sam Bennett's low-profile manner has proven useful out of as well as in school. He's pretty good with the woods and irons, as regulars at the Lancaster Country Club have learned.

For years, he and his erstwhile school neighbor, Dr. William E. Keller, the former Williamsville superintendent, maintained a hot rivalry on the golf course.

Worried that revelation of his golfing talents could cramp his betting game on the links, the slim, trim educator would only admit to shooting in the low 80s on his better days.

A confirmed believer in walking as a good exercise, this year Sam Bennett mechanically advanced to cross country skiing.

After this year, he hopes to spend his evenings reading more political biographies and fewer school budgets.

AN URBAN ARCHITECTURAL TRIUMPH IN MINNEAPOLIS

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 10, 1974

Mr. **FRASER**. Mr. Speaker, the new 51-story Investors Diversified Services—IDS—building has added a new sense of visual excitement to the Minneapolis skyline.

The office tower is part of a larger complex of four buildings joined together by a glass enclosed courtyard. The entire complex covers a full square block in the center of downtown Minneapolis. It, in turn, is linked to the buildings that face it on all four sides by a series of glass enclosed walkways spanning downtown streets at the second story level.

This new office, shopping, and hotel center, designed by Philip Johnson and John Burgee, is gaining wide acclaim for its architectural quality. William Marlin in the Washington Post has called it an "urban triumph." Writing in the New York Times, Paul Goldberger says that it is "one of the finest skyscraper groupings built in any American city in the last decade."

Goldberger goes on to say:

> It is all a good urban space should be, full of life and activity, yet not too busy or fussy; and large enough to create a sense of grand civic scale, yet able to relate well to existing buildings and street patterns.

The IDS complex is most significant as a focal point of our revitalized downtown. Undoubtedly, it will help to spur the continued growth of a central business district that is alive and flourishing today because of creative efforts by both the public and private sectors.

Through this project, Philip Johnson and John Burgee have shown how urban architecture can have a major social, cultural, and economic impact far beyond the immediate space that it encloses.

I want to take this opportunity to insert the articles by Paul Goldberger and William Marlin in the CONGRESSIONAL RECORD:

AN URBAN ARCHITECTURAL "TRIUMPH" IN MINNEAPOLIS

(By William Marlin)

MINNEAPOLIS.—The Midwest now has its own Piazza San Marco in Minneapolis.

Investors Diversified Services (IDS), commissioning architects Philip Johnson and John Burgee of New York, apparently feels that making sense is as important as making money. Their new IDS Center is, in more than architectural terms, an urban triumph a street-smart cluster of four buildings on one downtown block with an enthralling, multi-level, 20,000-square-foot covered court.

A 51-story tower, with rooftop restaurant and observation deck, benignly reigns over the city's low profile skyline. Its octagonal plan, notched out with setbacks on each of the four angled sides to create 32 corner offices on each floor, reads out with multifaceted facades of mirror glass, making the tower more a presence than an imposition in the city's cozy scale.

A 19-story hotel, including a bank, is located on the opposite side of the IDS block. Its plan, evocative of the tower's, also has setbacks. Guestrooms are sequentially staggered along a zig-zagged center corridor, giving most of them a corner-window view down the adjacent streets.

An eight-story office annex, containing an underground garage, is more rectangular in plan, yet it too is notched out at two corners, diagonal from each other. This annex edges along Marquette Avenue, creating a border on that side of the block between the hotel which, in turn, creates a border lining 8th and the tower which, in turn, creates a border on 7th.

In this way, the identity of the streets is kept intact. The fourth quadrant of the IDS block, at the corner of 8th and Nicollet Mall, contains a two-story retail structure, including a cavernous Woolworth's and assorted shops and services.

These buildings, taken separately, are beside the point. But taken together, they create the point—that center-block piazza, called (hereabouts) Crystal Court, canopied with a pyramidal composite of metal framed glass and plastic cubes, and rising to a high point of 121 feet.

Here, at least, is a real gathering place—as is San Marco in Venice, and as most of history's piazzas and squares and courts were conceived to be.

At IDS Center, the Crystal Court serves a congenial function. People have reasons to gather. They have reasons to tarry and, at the same time the system of interconnected bridges and esplanades, feeding into the court and threading through it, supplies quick, convenient, weather-safe passage for those in a hurry.

The reason that IDS in general and the Crystal Court in particular are so street-smart, as it was said, is that four glass-enclosed skyways make it a functional as well as sociable extension of the city's movement arteries.

These second-level, midblock bridges—versions of which are now appearing in Seattle, Portland, Denver—also serve to add yet another dimension to the economic vitality of the streetscape.

Minneapolis has 10 of these completed and 50 more projected. Directly beneath the four IDS skyways in street-level access as well—thus giving double life to these four points.

Once inside this great "outdoors" or outside this great "indoors" the skyways connect, lining the space on all but the tower side with a potpourri of shops and, right next to the inside block face of the tower, jutting into the court itself, an almost Parisian kind of restaurant.

IDS is not so much structural innovation as it is social innovation—a work of technology and art which recognized the existing pattern of streets, and kept them wholly; a work which, though expensive in terms of first cost, will yield economic dividends for itself and downtown by making it even more sociable and attractive and efficient.

[From the New York Times, Apr. 10, 1974]

FIFTY-ONE-STORY TOWER TOPS MINNEAPOLIS SKYLINE

(By Paul Goldberger)

MINNEAPOLIS.—Taped to the wall of a service elevator in the new 51-story IDS Center here is a postcard view of the Foshay Tower, the eccentric nineteen-twenties obelisk which, until the completion of IDS, was Minneapolis' tallest building. Scrawled beside the picture are the words, "To my good friend IDS—best wishes, Mr. Foshay."

The inscription rooted in sarcasm had a serious intent: to express the concern of many residents here over the decision of Investors Diversified Services to allow its huge new headquarters grouping to dominate the city's skyline, once topped off by Foshay's tapering tower. Yet this concern seems hardly called for. Minneapolis never really had much of a skyline, and although residents may feel sentimental about it, Foshay is not a very good building.

SKILLFUL DESIGN

The new building is. It is not only a good building but one of the finest skyscraper groupings built in any American city in the last decade. It's a skillful piece of design with not only the elegant detailing characteristic of architects Philip Johnson and John Burgee, but the site planning is so sensitive that it should put to rest any suggestions that the complex is not a respectful part of the Minneapolis cityscape.

And it is proof that the scale of a city can be altered skillfully, without the devastating effects that a project like the World Trade Center has had on lower Manhattan.

The IDS Center consists of a 51-story tower, a 19-story hotel, an eight-story office building and a two-story wing of stores, all arranged around a central glass-roofed court. Each building is accessible from the street as well as from the court, and there are four entrances to the court from the street itself.

The store-lined court has, in the months since its opening, become one of downtown Minneapolis's vital public spaces. It is an exciting, dramatic room, full of both vertical and horizontal movement. The roof, made up of a pile of glass and steel pyramids, mounts toward the southeast corner of the court, reaching 121 feet at its highest point. It is like a great glass circus tent pitched in the center of the city.

Two of the hotel's restaurants are perched on balconies overlooking the space, adding to the activity. But the court is perhaps most interesting of all in its floor plan. There are no straight lines here, only diagonals pulling from a subtle balance of entrances around the space.

The headquarters relates to its surroundings both at street level, where funnel-shaped entrances pull the pedestrian off the street into the court, and at one level above. There are four new additions to Minneapolis's second-floor "skyway"-enclosed crosswalk system literally tie the complex to its neighbors.

It is all a good urban space should be: a clear, processional entrance to the buildings surrounding it, yet an identifiable place in itself; full of life and activity, yet not too busy or fussy; and large enough to create a sense of grand civic scale, yet able to relate well to existing buildings and street patterns.

GLASS SKIN

The buildings of the complex maintain this quality. The 51-story tower is basically octagonal, with eight small setbacks along each of the four diagonal sides to provide 32 corner offices on each floor. The shape is effective in reducing the large mass of the tower as seen from afar (as is the precisely detailed mirror-glass "skin"). At ground level the diagonals play a major role in shaping the spaces of the court.

IDS, like all of the Johnson-Burgee firm's current skyscraper work, makes certain gestures back toward the Seagram Building, on which Mr. Johnson worked as associate architect with Miss van der Rohe, and which he and Mr. Burgee continue to consider an essential source.

The two-story travertine lobby, the steel and copper wire pattern of the elevator cabs, and the alignment of the elevator banks with the tower's entrances to avoid the useless 90-degree turn so common in office towers are all borrowings from Seagram.

But they are borrowings of respect, not blind worship. What is encouraging about this project is how well Mr. Johnson and Mr. Burgee apply lessons learned from Seagram in the entirely different context that the IDS Center represents.

The Center's hotel repeats the setbacks of the office tower, and with the rooms on each floor set back sequentially the corridors assume a zigzag shape. They are perhaps the only hotel corridors anywhere that manage to be interesting spaces in their own right.

The hotel has no real lobby—the court assumes most of the lobby functions, with a registration desk tucked in on the third floor. The interiors, all designed by Johnson & Burgee, are sleek and clean, a bit too Bloomingdale's for some tastes but a refreshing change from the blandness of Holiday Inns. (As well as from the interiors of IDS's offices, which were designed by Welton Becket and Associates and fall far short of the level of quality set by the Johnson-Burgee building itself.)

One of Johnson & Burgee's preoccupations over the last several years has been the esthetic problem of the skyscraper in relation to the street. They have rejected the open plaza in favor of something more interesting visually and more compatible with the streetscape, while attempting to vary the form, although not the engineering, of the glass tower itself.

One building in this series is Pennzoil Place, a pair of towers joined by a glassroofed lobby now under construction in Houston; another is the project for Lehman Brothers in New York, which would have included a covered arcade. And another is IDS.

It is typical of the economic and other problems of building in New York that their superb effort for lower Manhattan, the Lehman Brothers building, was never built. In a way it is unfortunate that Johnson & Burgee, a New York firm, should not have been able to build a project of IDS's scope and quality in their home city—and that New York architects must go to Minneapolis to teach some lessons about combining size with architectural and urbanistic quality that New York City desperately needs to learn.

ANN ARBOR'S ST. THOMAS HIGH SCHOOL WINS ITS FIRST STATE TITLE IN OVER 40 YEARS

HON. MARVIN L. ESCH

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 10, 1974

Mr. ESCH. Mr. Speaker, sometimes the disappointment of defeat makes the triumph of victory all the more satisfying. This was the case 10 days ago for the St. Thomas High School basketball team of Ann Arbor, Mich., as it lived up to the year-long chant of its cheerleaders that, "We're Number One."

Last year St. Thomas High lost in the semifinals and in 1972 an equally spirited and determined team was beaten by a single point in the regional final. But on March 30 at East Lansing the St. Thomas High team proved the value of team play as it defeated Harbor Springs 68 to 53 to win the finals of the class D State high school tournment.

The victory brought Ann Arbor its first State title in over 40 years and left St. Thomas with a 26 to 1 record for the year. The win was especially satisfying to the St. Thomas team because Harbor Springs had maintained an undefeated record until the championship game.

The purpose of my calling this matter to the attention of the House is to give high praise and honor to the team for winning the championship. I also wanted to note the low-key philosophy of Coach Mike Ramker about the importance of winning.

The coach said in a post-game interview with the Ann Arbor News:

> We figured they were not going to run us out of town if we lost. Our kids were really relaxed. We were just going to play a basketball game and the better team would win.

Once again, I want to extend my congratulations to the St. Thomas team and its coaches and I include an article from the Ann Arbor News about the final game to be printed at this point in the RECORD:

IRISH DISCOVER THEY CAN RUN ON "D" FINALIST

(By Jeff Mortimer)

EAST LANSING.—The fun began when the St. Thomas High basketball team found out it could run on Harbor Springs.

The message came through from Coach Mike Ramker during a time out two minutes into the second quarter of Saturday night's Class D state championship game at Jenison Fieldhouse.

Harbor Springs was leading, 21–16, after three straight baskets, but neither team had been able to seize momentum. After the time out, the Irish ran off 10 consecutive points in a little over two minutes.

They did it in classic fashion—using their 2–3 zone to keep the Rams outside and deny them the offensive boards. Len Lillard or Ken Richard would clear and outlet. Pat Gallagher and, after Richard fouled out, supersub Pete Lemmer would finish the carnage at the other end before Harbor Springs could reverse itself.

"After we realized we had the fast break, we told them to run," said a proud but restrained Ramker. "They sent a lot of guys to the boards and nobody was back."

"We didn't expect that kind of trap zone," Ramker explained. "They didn't use it when we scouted them. After we started getting it in the corners, it was all over. It was three against two.

"We didn't think we could run that well against them. They were kind of slow getting back down court."

From the time St. Thomas made the adjustment until the new state champs enjoyed their biggest lead, 65–45, the margin in favor of the Irish was 49–24.

Another way of saying that is "no contest."

The triumph was sweet vindication for the Irish, who lost in the semifinals last year and were beaten by a point in the regional final in 1972.

"We try to set our goals realistically," said Ramker. "I thought we could have won the state the last three years. We learned a lot from last year. We made mistakes in preparation and the pressure got to the players."

This year's approach was more low-key, and it paid off.

"We figured they weren't going to run us out of town if we lost," the coach said. "Our kids were really relaxed. We were just going to play a basketball game and the better team would win. Maybe we didn't take it as seriously as some people did. We made it like we were just going to Dearborn to play a game."

While the Irish found the flaws in the Harbor Springs' zone, the Rams had considerably more difficulty with St. Thomas' defensive strategy.

"We felt if we could make them shoot over us all night, they couldn't beat us," said Ramker. "I know they've played against zones before but ours is a very intimidating zone."

Harbor Springs shot only 32.4 per cent from the field in the first half and fizzled to 27.8 after intermission. The Rams were forced into low-percentage shots and more important, pressed into shooting beyond the range they would have preferred, even for outside shots.

Favorites have a notoriously poor track record in state tournaments. That the Irish confirmed their number-one poll ranking was especially satisfying.

"This isn't something that fell into our laps," said Ramker. "At the start of the season, we intended to be here. We liked the idea that we were rated and everybody was looking for us. This is where we got our training. I'd do it again."

A state championship team produces not only congratulation and celebration but also speculation. Where will the team's main man go to college? Has anyone sought to lure the coach's services?

The 6–7 Lillard will be a prize catch for someone, although Ramker emphatically denied the report in the tournament program that Notre Dame is Lillard's destination.

A TRIBUTE TO KING, ATTUCKS, AND POWELL

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 10, 1974

Mr. RODINO. Mr. Speaker, we all know that this past Thursday, April 4, 1974, marked the death of two great men, the Honorable Adam Clayton Powell, Jr., and the Reverend Martin Luther King, Jr., men whose lasting contributions and whose impact on the American system of justice created a turning point in our history.

From the start of his congressional career, Powell saw himself as representing not just Harlem constituents but also those who, at that time, had no political voice "because they can't vote." He spoke out on civil rights supporting equal opportunity for blacks and other minorities in all levels of society. As chairman of the Education and Labor Committee from 1960 to 1967, Powell was the predominant force in obtaining passage of several major pieces of legislation for the purpose of providing equality of economic opportunity for all people.

Adam Clayton Powell, Jr., laid the legislative foundation to assist the socially and economically oppressed minority Americans in our society. He advocated an end to segregation in the armed services, a permanent fair employment practices commission, legislation for the purpose of providing equality of economic opportunity for all people.

It was his belief that there is no future for the black man that he does not fight for. And there is no future for the blacks until they are, first, proud that they are black and second, black in their thinking. This was his platform prose, the ground upon which he stood and fought for his rights and for the rights of all black Americans.

Rev. Dr. Martin Luther King, Jr., made himself the unchallenged voice of black people and other minorities, infusing within all people strength which gave the civil rights revolution its stature.

> I have a dream that my four children will one day live in a nation where they will not be judged by the color of their skin but by the content of their character. I have a dream.

All of us in this Chamber today remember the emotional thrust of these words. We who were present are indeed fortunate to have experienced the power and charisma of his eloquence. It was King's contention that nonviolence could be the most effective weapon in the black man's fight for justice in the United States and may prove the answer to the need of all humanity.

We remember well how King, sometimes referred to as the "father" of the sit-in, inspired and encouraged this form of protest against discrimination at lunch counters, theaters, department stores, colleges, and libraries. Eager to provoke the Federal Government into greater involvement in the civil rights cause, he supported the Freedom Riders of whites and blacks which tested the willingness of the National Government to protect the rights of blacks in the South. One tends to forget that most men, black or white, are essentially nonviolent, and that Dr. King was trying to marshal this nonviolence. It must be remembered that he brought about a sense of a black-and-white community of decent men.

With their commanding presence and great oratorical talents both King, the moralist, and Powell, the legislator, could mobilize people to act. Both had an indescribable capacity for empathy that was the touchstone of leadership. And both, by preachment, articulated to blacks a sense of identity and functional unity.

In conjunction with the special order commemorating these two men, I would like to bring to your attention a parade sponsored by the Crispus Attucks Society held in my hometown, Newark, honoring Martin Luther King, Jr., and Crispus Attucks, a runaway slave who was one of the first Americans killed at the Boston Massacre. The theme for this year's parade was "March in Pride" for "it is truly better to march in pride than in protest."

Among the many dignitaries who participated in the ninth annual event were Gov. Brendan T. Byrne, Assembly Speaker S. Howard Woodson, Jr., and Newark Mayor Kenneth A. Gibson. There were approximately 50,000 people who joined in the march and, at least, 15,000 persons who were among the spectators. Among the young marchers were the Newark West Side Boys' Club championship Little League team and the Orange High School State championship basketball team. There were 20 floats, including one transporting the State's seven black mayors, Miss Junior Miss of New Jersey, Miss Black Teenager of New Jersey, and for the first time the Newark Policemen's Benevolent Association.

As grand marshal, Mr. Woodson said he was "honored to see such an excellent display of togetherness to honor two great Americans." Connie Woodruff, who served as parade commentator, commended black fraternal organizations and black businessmen for their work throughout the years "to keep the parade alive."

It was my feeling that, although King and Attucks lived during different eras of history, we can speak about them at the same time because they held in common an ideal, and equally important, the courage to speak out and take action.

Even in today's sophisticated and modern society, it has not been fashionable to dream of an ideal and then speak out honestly and openly regarding it. Nor has it been fashionable to act according to those ideals. Yet that is exactly why we praise these men. They were not afraid to speak out, to act and even give their lives in order to achieve justice and freedom for their people.

I believe that this country is now at another critical point in its history. We are confronted with crises and problems that go to the very core of our political and economic systems. And if we are to overcome these obstacles what we should do, rather, what we must do, is to follow the example set forth by King and Attucks. For there can only be one way to truly do honor to these two men, and other men like them, and that is by using them as examples for our own conduct as we attempt to deal with today's challenges.

And so I ask those who wish to pay the highest tribute to King, Attucks, and Powell to do so by making their bravery, their integrity, and their great desire for justice and freedom our own.

THREE PLATEAUS OF ADULT LIFE

HON. JACK BRINKLEY

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 10, 1974

Mr. BRINKLEY. Mr. Speaker, in addressing my constituents in the Third District of Georgia, which I am privileged to represent, I frequently refer to the three plateaus of adult life.

The first plateau is in having children of your own for it is then that you learn the full meaning of unselfish adult life.

The second plateau is Little League baseball because a family as a unit can participate—agonizing together in defeat and rejoicing together in victory.

The third plateau is having grandchildren because you can love them as your own without quite the same responsibilities.

Many of us have arrived at the second plateau. Our family has participated in Little League, Pony League, and Babe Ruth League baseball from Sleepy Hollow, Va., to Columbus, Ga., and back to Vienna, Va.—and back again to Georgia. Both of our sons have moderately experienced what it means to sit on the bench, play as a regular, and finally to be selected for all-star teams. Tommy, 17, our oldest son, graduated as an all-star from both the Sleepy Hollow Little League and the East Columbus Babe Ruth League. Fred, 13, our youngest, was a member of the Georgia State championship team last year.

So, you see, Mr. Speaker, youth baseball does mean so very much to our family and people like us in Georgia and across the land. As in most things in life, we know you get out of it exactly what you put into it, and we are putting as much "hustle" into baseball as we possibly can. This past Saturday, in fact, it was my very distinct pleasure to participate in the opening day ceremonies for the National Little League of South Columbus, and then in the Eastern Babe Ruth League opening day ceremonies at Edgewood.

In recent weeks much national attention has been given to the possibility of young ladies becoming active participants in Little League baseball. Misunderstandings have developed and have been given much play by the national news media.

The Little League leaders in my home town of Columbia, Ga., are setting what I believe to be an outstanding national example in their attitude toward this situation. The Little League of Columbus has expanded its program to include a "Little League for Girls" in softball. This new dimension, I know, will prove to be a positive step in our city's overall recreation program. How do I know? I saw it in action at the National Little League on opening day. It was demonstrative evidence of a success story—a program open to all girls, not just to a few, in this age bracket, under proper supervision.

Abe Lincoln said it very well. You can not make a short man tall by cutting off the tall man's legs. The moral here is not to allow envy to tear down a successful program in one's efforts toward equal opportunity; rather channel those efforts into a companion program as an affirmative, positive alternative.

May I in particular, Mr. Speaker, congratulate Mr. Gene Rumph, district 8 administrator of Little League baseball, and Mr. Wallace P. Sellers, Jr., president of the Greater Little League of Columbus for enunciating that "builder" approach referred to above. This is the road to achievement.

May I conclude by quoting a prayer from Richard Cardinal Cushing of Boston in which he pays the supreme compliment to baseball by describing the game of life in baseball terms. I believe this is precisely the attitude and example of Hank Aaron to whom I dedicate this space on the occasion of his record-breaking 715th home run. We are proud of Hank, a legend in his own time, and express our appreciation to him for keeping our national pastime on such a high plane.

The prayer reads:

> Help me be a good sport in this game of life. I don't ask for an easy place in the line-up. Put me anywhere you need me. I only ask that I can give you 100 per cent of all I have. If all the hard drives seem to come my way, I thank you for the compliment. Help me remember that you never send a player more trouble than he can handle.
>
> Help me, O Lord, to accept the bad break as part of the game. And may I always play on the square, no matter what the others do. Help me study The Book so I'll know the rules.
>
> Finally, God, if the natural turn of events goes against me and I'm benched for sickness or old age, please help me to accept that as part of the game, too. Keep me from whimpering or squealing that I was framed or that I got a raw deal. And when I finish the final inning, I ask for no laurels. All I want is to believe in my heart that I played as well as I could and that I didn't let you down.

NATIONAL ENERGY POLICY—NOW IS THE TIME FOR DECISIONS

HON. WAYNE OWENS

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 10, 1974

Mr. OWENS. Mr. Speaker, the greatest paradox of the energy crisis is that it suddenly entered the American consciousness last fall despite the fact that forces which brought it about had been developing openly for years. The interruption of some oil imports by the Arab oil embargo intensified the discrepancy between domestic supply and demand, which was increasing before the Middle East war began. Each year the Nation has been demanding extra amounts of energy equal to 1½ million barrels of oil a day. Since 1970, virtually all of this increase came from imported oil, much of it from the Middle East. By last summer, Arab oil imports amounted to about 2 million barrels per day.

The gap between domestic production and consumption grew not by design but through a complex of Government, industry, and consumer decisions which were often unrelated to energy supply-and-demand calculations. Consumption grew virtually unchecked while domestic production of fuels has been stable since 1970. In recent years, imported fuel, primarily oil, has made up the difference. In slightly more than two decades this country has changed from a net exporter to an importer of 15 percent of our energy, including 35 percent of our oil. Oil imports have tripled since 1960.

The Arab oil nations have reached a conditional decision to lift their embargo on Persian shipments to the United States. The key question is how much oil the Arabs will actually make available and at what price. The lifting of the embargo brings no guarantee of the elimination of petroleum shortages.

Although several Government officials are predicting a much brighter energy outlook than they were several months ago, I submit that we are still at a crucial stage in our energy policy decisions. Even on a worldwide scale, known petroleum reserves can only be expected to be sufficient for 37 years at current rates of consumption. The 5-month embargo is behind us, but we are still faced with the challenge and the legacy of an energy crisis. And if the embargo were reimposed, it would have longer and more far-reaching effects than the one just ended.

Some fundamental changes will have to be made now if we are going to avoid serious energy crises in the 1980's, 1990's, and 2000's. It is very disturbing to witness the lack of cooperation between the executive and legislative branches on this matter of vital national and worldwide concern.

President Nixon recently charged that Congress is imposing a legislative embargo on 17 urgently needed energy measures proposed by the administration. The President's attack is not supported by the facts. Energy matters have dominated the work of Congress in the past 9 months. Over 1,000 separate energy bills have been introduced, and over 30 committees and subcommittees have conducted over 600 days of hearings on nearly every aspect of energy. Four of the 17 administration proposals were incorporated in the Emergency Energy Act, which the President vetoed. Five have been passed by one or both Houses, and eight are currently being processed in committee.

Here are brief summary paragraphs explaining the status of the 17 administration proposals:

STATUS OF ENERGY LEGISLATION

PASSED BY CONGRESS AND VETOED BY PRESIDENT

Special Energy Act (S. 3150, introduced March 11, 1974)

This bill authorizes the President to impose mandatory energy conservation measures and to ration gasoline and other petroleum products. It also authorizes grants to the states to carry out energy emergency programs. This authority was contained in the Energy Emergency Act vetoed by the President. The House Commerce Committee is currently drafting its own legislation to replace the vetoed bill.

Job security assistance (draft proposal submitted Feb. 14, 1974)

This bill provides unemployment assistance to workers who lose their jobs because of the energy crisis. A similar program was included in the vetoed Energy Emergency Act. The Administration's energy-related unemployment benefits proposal is contained in comprehensive legislation amending the unemployment insurance program. The Ways and Means Committee has not yet scheduled hearings on the bill.

Energy Information Disclosure Act (S. 3151, introduced March 11, 1974)

This bill requires all domestic energy companies to report energy inventories, production, cost and reserves. A similar disclosure requirement was included in the vetoed Energy Emergency Act. The bill is pending before the Senate Interior and Commerce Committees.

Windfall profits Tax (draft proposal submitted February 4, 1974)

This proposal is designed to prevent windfall profits to the oil companies during the energy shortage by imposing a tax of up to 85% on that part of the selling price of domestic crude oil above the December 1, 1973 ceiling price. The Ways and Means Committee has conducted hearings on the proposal and is currently drafting legislation.

IN CONFERENCE COMMITTEE

Federal Energy Administration (H.R. 11793, introduced Dec. 5, 1973)

This bill creates a statutory Federal Energy Administration to administer the fuel allocation program and other programs for energy conservation, production, and distribution. The legislation has passed both Houses and is now in conference committee.

PASSED BY EITHER HOUSE OR SENATE

Energy Research and Development Administration (H.R. 9090, introduced June 29, 1973; S. 2135, introduced July 10, 1973)

This bill reorganizes and consolidates energy research and development functions in the Federal Government under a new Energy Research and Development Administration. The House passed the Government Operations Committee bill (H.R. 11510) on December 19, 1973. The Senate Government Operations Committee is currently marking up its own legislation (S. 2744).

Mined Area Protection Act (S. 923, introduced February 20, 1973; H.R. 4863, introduced February 27, 1973)

This bill establishes federal requirements and guidelines for state programs to regulate environmental consequences of surface and underground mining operations. The Senate passed its own strip mining legislation (S. 425) on October 9, 1973 and the House Interior Committee has conducted extensive hearings and markup sessions on its bill (H.R. 11500). Final action on this bill has been delayed because of conflicts within the Administration regarding its position on the legislation and because of delaying tactics on the part of Administration spokesmen within committee. The Interior Committee is expected to report the measure by the end of April.

Naval Petroleum Reserves (S.J. Res. 176, introduced Dec. 4, 1973; H.J. Res. 832, introduced November 27, 1973)

This bill authorizes limited production of oil from the Elk Hills Naval Petroleum Reserve No. 1 and provides funds for further exploration and development of reserve No. 1. The Senate passed the bill on December 19, 1973. The House Armed Services Committee held hearings on the proposal last year; it is currently pending before the Investigations Subcommittee.

Appliance and Motor Vehicle Energy Labeling Act (not yet introduced)

This bill requires that major appliances and motor vehicles be labeled to show their energy use and efficiency. A gas mileage labeling requirement for automobiles was included in the National Fuels and Energy Conservation Act (S. 2176) passed by the Senate on December 10, 1973, despite Administration opposition to the proposal. The House Commerce Committee is currently drafting its own leigslation.

PENDING IN COMMITTEE

Drilling Investment Tax Credit (draft proposal submitted April, 1973)

This proposal is designed to provide an incentive for new domestic oil and gas exploration by authorizing a tax credit for costs incurred in exploratory drilling. The

Ways and Means Committee has conducted hearings on the proposal and is currently drafting legislation.

Foreign Depletion Allowance (draft proposal submitted February 4, 1974)

This proposal eliminates the 22 percent depletion allowance permitted in computing U.S. taxes on foreign production of oil and gas. It is designed to eliminate the incentive for investment in foreign oil and gas development rather than in domestic energy resources. The Ways and Means Committee has conducted hearings on the proposal and is currently drafting legislation.

Foreign Tax Credits (draft proposal submitted February 4, 1974)

This proposal limits foreign tax credits available to U.S. oil companies by providing that royalty payments to foreign governments be treated as a business expense rather than as an income tax creditable against U.S. income taxes. The Ways and Means Committee has conducted hearings on the proposal, and is currently drafting legislation.

Mineral Leasing Act (S. 1040, February 28, 1973; H.R. 5442, March 8, 1973)

This bill places all mineral exploration and mining activities on federal lands under a modernized leasing system designed to assure that persons having leases have an interest in early exploration for oil, gas and other minerals. The Senate Interior Committee has scheduled hearings on the bill. The House Interior Committee has scheduled no action on the measure.

Revision of Nuclear Power Plant Licensing Procedures (S. 3179 and H.R. 13484, introduced March 13, 1974)

This bill revises nuclear power plant site review and licensing procedures so as to reduce the time required for licensing and construction of nuclear plants. The Joint Atomic Energy Commission is currently holding hearings on the legislation.

Deregulation of Natural Gas (S. 2048, submitted June 21, 1973; H.R. 7507, submitted May 3, 1973)

This bill provides for the deregulation of natural gas prices. The Senate Commerce Committee completed hearings on the Administration's bill and similar measures on March 28, 1974. The House Commerce Committee has not taken any action on the proposal.

Deepwater Port Facilities (H.R. 7501, introduced May 3, 1973; S. 1751, introduced May 8, 1973)

This bill authorizes the construction and operation of off-shore deepwater port facilities to accommodate super tankers. Both the House Merchant Marine and Public Works Committees have reported deepwater ports legislation (H.R. 5898 and H.R. 10701, respectively). The Senate Commerce, Public Works, and Interior Committees have held hearings on the legislation and are scheduled to begin markup within the next few weeks.

Department of Energy and Natural Resources (H.R. 9090, June 29, 1973 and S. 2135 July 10, 1973)

This bill, in addition to creating ERDA, establishes a Cabinet Department of Energy and Natural Resources (DENR) for the comprehensive management of federal energy and natural resource programs. It would incorporate most of the responsibilities of the Interior Department, plus selected natural resource activities from other departments. The Senate Government Operations Committee is currently marking-up the Administration's bill. The House Government Operations Committee held hearings on the proposal last year; it is now pending before the Subcommittee on Legislation. The disagreement between FEO Director William Simon and OMB Director Roy Ash on the format for the administration of the energy research program has delayed congressional action on the ERDA and DENR proposals.

The one measure designed to meet short-term energy needs, the Emergency Energy Act, was first delayed by an administration-supported filibuster in opposition to the provision limiting windfall profits and was then vetoed by the President because of the crude oil price rollback which replaced the windfall profits section. The proposal also authorized creation of the Federal Energy Administration, implementation of energy conservation plans, power to audit oil company reserves, and unemployment assistance for people displaced because of the energy crisis. Congress worked for several months on this bill, and it passed the House and Senate with bipartisan support.

Congress also passed the Emergency Petroleum Allocation Act over administration opposition. That bill required the President to establish a mandatory fuel allocation program, which is now being implemented by the Federal Energy Office to assure equitable distribution of available energy supplies.

I think that Congress is making a serious effort to enact meaningful energy proposals. The President still refuses to face the issue—his four separate energy messages stress that we have a problem, but they say virtually nothing substantive. Shifting the blame to Congress will not heat a single home or hospital or keep a plant open. Such an effort will further divide a country that wants leadership, not partisanship. All branches of Government must work together to manage the shortage so that no individual or group bears an undue burden and so that short-term policy actions will not significantly restrict future options.

At the same time the President has criticized Congress, the executive agency under his jurisdiction, the Federal Energy Office—FEO—has been releasing optimistic energy predictions for the coming months. The FEO recently reported new estimates of the petroleum supply and demand situation to indicate the effects of lifting the Arab embargo. They claim that the total fuel shortfall during April, May, and June will be only 6 percent of unconstrained demand, assuming that the embargo is not reimposed and that Middle East production returns to 1973 levels and continues to increase.

Major conservation efforts have combined with warm weather, higher prices, and FEO's allocation programs to depress consumption below projected unconstrained demand. The FEO boosted the Nation's gas supply by about 4 percent for April. Every State received at least 90 percent of April 1972 consumption after adjustments for motor vehicle growth. The FEO is lowering reserves some 11 million barrels of gasoline this month for this purpose. The forecasted shortfall, taking into consideration price increases and conservation efforts, is 3 percent for the next 3 months.

Our enthusiasm for the lift of the embargo, however, must be qualified. Energy problems were brought forcefully to public view by the Arab embargo of oil sales to the United States, but the roots of our energy troubles go back to trends in production and consumption which have persisted for some time. And until we regain an appreciable degree of energy independence, we will continue to face the threat of another embargo, production cuts, and the caprices of oil diplomacy. Any decision to draw down inventories must be consistent without responsibility to ensure that we have sufficient supplies for any threatening energy contingency.

It seems strange to me, in this regard, that in one month consumers in various regions of the country were faced with 2-hour lines, $3 limits, and even-odd rationing programs to obtain gasoline, and suddenly the next month they find that such inconveniences have in large part disappeared. The FEO has failed to give me an adequate explanation for this development, and I have asked the General Accounting Office to investigate it further.

The United States can probably count on some short-term benefits from the expected relaxation of the Arab world's oil restrictions, but a multitude of long-range problems remain. The real danger is that we will not remember the economic crisis so closely approached this winter and return to our profligate energy-consuming ways without pursuing large-scale programs to develop new and alternative energy sources.

The energy problems facing the Nation stem from a long history of neglect and oversight. They will require time and vigorous effort to overcome. But our diverse national resource base and the capability we possess for using energy more efficiently give us room to maneuver. In the short run, we must accelerate development of oil and natural gas in Alaska and on the Outer Continental Shelf. We must boost coal production and bring on line coal gasification and liquefaction capacity, and we must develop our vast oil shale reserves.

However, increasing domestic supplies or implementing new, more efficient energy consumption technologies usually takes several years because massive capital investment is required. It will take years before much of an impact can be felt from such things as changing building codes, developing mass transit systems, and building more efficient automobiles. Unless oil imports can be increased at an acceptable economic and political price, which is possible but not very probable, the only way to reduce the gap in the short run is through more effective use of physical capital already in place and through short-run conservation measures. How individual and industrial energy consumers respond to energy shortages will in large part determine their severity. Business and industry consume 70 percent of our energy, and they will have to do the lion's share of the conserving.

The conservation effort in this country over the last 5 months has been widely acknowledged as successful. The FEO reports that many businesses have found it possible to reduce by 10 to 15 percent their use of fuels. The Government has also recorded some impressive savings. During the last half of 1973, Federal energy consumption decreased by 23 percent. Finally, the American consumer has responded this winter with many energy-saving sacrifices. The United States must accept its energy diet as a permanent fact of life. We have to be on guard against slipping back to our old patterns of wastefulness now that the embargo has been lifted.

Although the depth of the crisis is still uncertain, it is clear that the energy industry has profited from the word "crisis" in its sometimes carefully orchestrated drive toward higher prices. There is a high degree of concentration in the energy industries. This concentration allows the behavior of large, integrated firms to be cooperative rather than competitive. To insure that the producers are responsive to increased demand for energy and that the prices charged by the companies are determined by the free market rather than on oligopoly of producers, I strongly feel that the Federal Government should actively foster free competition in the energy-producing industries through appropriate legislation and vigorous antitrust enforcement.

The oil companies argue against a price rollback despite the recent devastating 300-percent increase in world crude oil prices, because they claim that a high price is needed to stimulate increased exploration and development. However, a condition where monopoly elements are present and prices are above a competitive level results in a poor allocation of resources to the detriment of consumers and the economy. We want to be sure that in all industries and especially the energy sector, either through competitive forces or through Government action, the industry uses the most efficient technological and organizational means to deliver its product.

In the long run we must develop a new generation of renewable energy sources such as geothermal, wind, tidal, and solar energy. Present energy problems originate in large part from the lack of a coordinated national energy research and development programs over the last 20 years. I believe that the solution to the energy crisis in the final analysis will be our success in developing alternative sources of energy. The House Subcommittee on Environment, on which I serve, recently approved a $3.1 billion program to develop more efficient non-nuclear-energy sources. The majority of these R. & D. funds will be focused on bringing today's most promising technology out of the laboratory and into the market. This legislation represents the most significant attempt to provide the United States with energy flexibility and to insulate ourselves from the threat of economic and political blackmail.

The objective to regain and maintain energy self-sufficiency stems from conditions more fundamental than the current crisis. Worldwide energy shortages impend as energy-intensive growth spreads and accelerates. In addition, energy consumption in the United States has been higher than in other countries for many years, but the rest of the world is growing even faster than we are in energy use. The United States has the resources and technology to approach energy self-sufficiency. A properly directed, sustained national commitment can achieve that goal.

We find ourselves again at a crucial stage in addressing the energy situation. Reduced lines at gas stations and release of the embargo must not preclude national focus on energy problems which are on the horizon and beyond. The United States requires a determined conscious, national effort to reduce demand for energy through the application of energy-saving technologies. We must continue to reduce demand through the conservation ethic which most Americans adopted this winter.

Our options will be much broader if we take the steps now to lay the groundwork. The future, though full of uncertainties, is in some measure within our control. But will the desire to do it be there? Will there be effective leadership to see that necessary and sound programs are carried through to fruition? The answer must come in large part from the Congress, and it must come soon. For the decisions we make today will significantly affect our energy alternatives for a long time to come.

REV. LOUIS GUILLAUME GAGNIER, FOUNDER OF 22 PARISHES IN CANADA AND NEW ENGLAND, ESTABLISHED ST. JOSEPH'S CHURCH, SPRINGFIELD, AS THE FIRST FRANCO-AMERICAN CHURCH IN WESTERN MASSACHUSETTS A CENTURY AGO

HON. EDWARD P. BOLAND

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 10, 1974

Mr. BOLAND. Mr. Speaker, St. Joseph's Roman Catholic Church of Springfield, Mass., celebrated its centennial in 1973. This church is the oldest Franco-American Roman Catholic Church in western Massachusetts. It was founded in 1873 by Rev. Louis Guillaume Gagnier who traveled from Canada to the diocese of Springfield founding 22 churches along the way. The following is the story of Father Gagnier and the great contributions he has made to western Massachusetts. I include this article, published in the Springfield Sunday Republican on March 31, and written by Phyllis Andreoni of the Republican staff, at this point in the Record:

Rev. Louis Guillaume Gagnier, Founder of 22 Parishes in Canada and New England

In his pockets, the bearded priest carried candy for children he met in his daily travels.

And nickels for wayfarers.

He was easily recognized by the stove-pipe that he wore. And his "Prince Albert" coat. In his hand he carried a walking stick.

The Rev. Louis Guillaume Gagnier was responsible for founding 22 parishes in his lifetime. And the building of 17 churches. He began his priestly career in Canada.

He was a man of God who worked with the people, not just preaching inspiring messages from his Sunday pulpit, but working side-by-side with them in the dust and mud of a building's foundation.

The times were difficult. It was the 19th Century, when today's necessities were unheard of luxuries. There were no electric lights, no telephones, no trolley cars, no automobiles.

In Springfield, horse-drawn streetcars, the only public transportation, provided hourly service over unpaved streets. There were less than 30,000 people.

Fr. Gagnier hit Massachusetts like a benevolent whirlwind (when it came to accomplishments) in 1870, the same year the Diocese of Springfield was established.

He immediately established two parishes, St. Denis in East Douglas and St. Ann in Manchaug. In 1871, he founded the parishes of Our Lady of Mt. Carmel in Ware and St. Aloysius in Gilbertville.

In 1872, he showed up in the Warren area, organizing St. Thomas Aquinas in West Warren and St. Paul's in Warren.

In 1873, he did what two predecessors in Springfield had failed to do. The zealous pioneer priest founded a Franco-American parish, St. Joseph's.

That parish, still strong and viable, celebrated a glowing Centennial last year.

And a Custombook, just printed, recounts the parish history and that of the acclaimed priest, Fr. Gagnier. The book, full of pictures and history, is being offered to parishioners and the public.

Also established in 1873 were St. Aloysius in Indian Orchard and St. Guillaume, now St. Theresa, in Agawam. St. Louis, in West Springfield, was established in 1895.

Fr. Gagnier celebrated Mass for the first gathering of his Springfield congregation in City Hall, March 9, 1873. Living at the home of Mr. and Mrs. Joseph Marsolias on Old Dwight Street, he said weekday Masses there.

In April 1873, St. Joseph's was firmly established and Sunday services were moved to Gilmore Hall on Main Street.

Land on Gilmore Street was purchased for $20,000 in May. After that, parishioners and Fr. Gagnier picked up their shovels and began excavating.

The first Mass was heard in the church's basement on All Saints Day, Nov. 1, 1873. By 1877, the largest (and most beautiful, many say) of Fr. Gagner's churches was completed.

Church historians note that precise records were kept of each of the churches Fr. Gagnier founded and built.

". . . But he did not involve himself with details—he left that entirely in the hand of God and his people," they say.

In 1884, the Sisters of St. Joseph opened a parish school. Classes were held in the church basement for an initial enrollment of 150.

Electricity nudged out gaslights on city streets. Telephones were new items in many homes and businesses. And in 1890, Fr. Gagnier purchased the Root property.

St. Joseph's was ready to build again by 1897. And on May 8, 1898, the three-story, stone-trimmed brick school building was dedicated by Bishop Thomas D. Beaven.

Sisters of the Holy Cross came from their Canadian Motherhouse that year to run the parish school.

In its first 25 years, the parish, which served French-speaking people of Springfield, Mittineague and Longmeadow, grew in size from 1460 parishioners to more than 3000.

Within the next 10 years, the school enrollment reached a top of 408 students.

Fr. Gagnier's priestly career was highlighted on Dec. 5, 1905 with the Golden Jubilee celebration of his ordination.

It began with a Mass of Thanksgiving. Later, there was a huge banquet in St. Joseph's Hall. Church and city dignitaries paid tribute to the hard-working missionary priest. Some 300 priests attended.

A gala concert in his honor at the Court Square Theater climaxed the day.

Fr. Gagnier's only assistance through the years had come from the LaSalette Fathers of Hartford, Conn. on weekends.

In 1906, when Fr. Gagnier reached the age of 76, a curate was send to aid him in his church activities.

In 1908, Fr. Gagnier presided at the final subdivision of his large parish. He died in August of that year.

St. Joseph's continues. And its parishioners continue to honor and remember the church's founder—who established the parish when he was an energetic 43-years old.

The candy and nickels in his pockets symbolized his interest in and dedication to his fellow man, they say.

HANK AARON'S ACHIEVEMENT

HON. FRED B. ROONEY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 10, 1974

Mr. ROONEY of Pennsylvania. Mr. Speaker, I am proud to add my congratulations to a man who has earned for himself one of the most outstanding records of athletic achievement in history.

Millions of fans of America's favorite pastime were thrilled when Hank Aaron, with the first swing of his bat in the Atlanta Braves' home opener Monday night, drove the ball over the left field wall for his 715th career home run, breaking the record 714 set by baseball immortal Babe Ruth.

Just as the Babe inspired millions of young Americans for decades, Hank Aaron has set a new home run mark which will serve to inspire millions more in years to come. We baseball fans will beam with pride for the outstanding achievements of both.

Hank Aaron justly deserves the recognition he has earned, as was pointed out so ably in an editorial which appeared in Saturday's edition of the Washington Post. I invite the attention of my colleagues to that editorial and I wish for Hank Aaron a memorable 1974 season at the plate to push that 715 record to a level which will endure as a challenge for future generations.

The article follows:

HANK AARON'S ACHIEVEMENT

Hank Aaron's big stick had been smashing baseballs over National League fences for a number of years before many fans began to notice anything awesome, much less count them. And perhaps for good reasons. He hit only 13 home runs in his first season in the majors—1954 with the Milwaukee Braves—27 the next season and down to 26 the next. All those years in the 1950s and 1960s. Aaron was a solid performer, but solidity in the shadows of flashy titans like Willie Mays or Mickey Mantle was not what the public remembered or revered. Aaron's own modesty didn't help. The son of a shipyard boilermaker's helper, Aaron came to the Braves from the sandlots of Mobile, Ala., via bush league stops in Eau Claire, Wis., and a class A team in Jacksonville. Even the way he broke into the Braves' starting line-up suggests that destiny had other things on its mind; Bobby Thomson (of home run fame himself) broke his ankle in a spring training game and Aaron, a rookie sub, was sent in to replace him. He's been playing since.

Now, of course, having tied Babe Ruth's home run record and standing poised to break it when he next comes to the plate, Aaron is known to his teammates and loyalists as "Hammerin' Hank." His achievement has put him into the hero status, no record in sports being better known or more Olympian than the immortal Babe's 714. But Aaron has given something else to the national life: an emotional relief from the number of tragedies and absurdities that now dominate the news and much of our consciousness. Here is a person who is authentic, whose acclaim is based on the results of his self-confidence and not self-promotion, who has been faithful to his vocation whether noticed or not. At a time when so many national events cast common citizens into doubts and confusions about what has really happened beneath the surface of the news, a profound reassurance is provided by Hank Aaron. Even aside from the positives, the negatives are impressive: he is not a fake, he is not a blowhard, he is not a fad. He has been at the heart of excellence for 20 years, and only a few people—in any line—manage the consistency of that.

Hank Aaron is in the record books for several batting feats, but the aura of home runs has a splendor of its own. Aaron once said that successful hitting is 90 to 95 per cent concentration and thoughts, so he has to be as heavy a thinker as a slugger. We hope he has another amazing season and goes as far as he can beyond the Ruthian record. Someday another player—on what Little League diamond is he now?—will come along and threaten, perhaps break, the immortal Aaron's homeric feat, If he does, let him remember that Hank Aaron did more than pound baseballs better than anyone else. He performs with honor, dedication and modesty, contributions as important to the national life as his contributions to the record books.

$159,000 TO TEACH MOTHERS HOW TO PLAY WITH THEIR BABIES?

HON. JOHN H. DENT

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 10, 1974

Mr. DENT. Mr. Speaker, as all taxpayers are well aware, the deadline for income tax filing is upon us. I think it is appropriate at this time of year for us in the Congress who make the Nation's tax laws, to be reminded of some of the amazing, if not ridiculous, ways in which much of that money is spent.

The following article by James Dale Davidson, appearing in the Pittsburgh Press of March 29, 1974, enumerates some of the more absurd uses of the Nation's money. I hope it will provide a little inspiration to all of us to contemplate our profound powers and how injustice and abuse in this country's tax system might be corrected.

I certainly hope that you do not come to the same conclusion as a friend of mine after reading it —

I don't blame Mr. Nixon for taking all of those deductions if that is the way the Government spends our income tax dollars.

The article follows:

[From the Pittsburgh Press, March 29, 1974]

IN AMAZING WAYS, BUREAUCRATS BLOW YOUR INCOME TAX

(By James Dale Davidson)

(NOTE.—The writer is executive director of the National Taxpayers Union.)

WASHINGTON.—Sitting down with their scratch pads at tax time, people comfort themselves with the notion their money is going to pay for activities which are at least hypothetically good.

It buys weapons to fend off the heathen, helps clean the slums, fights cancer, establishes "a lasting structure of peace" and so on.

REALITY FAR MORE DUBIOUS

The more cynical among us may have more gruesome theories, but our doubts are seldom equal to what really goes on.

Some examples of government spending are so implausible they make the Congressional Record second only to National Lampoon as a comic source.

One man in Texas, who spent several years gleaning fiscal funnies from the Record, thought the material was so hilarious he was demanding $25,000 from a book publisher for his findings.

Chances are he'll never get the money, not because his examples aren't good reading, but because they are so easily duplicated.

They're like mosquitoes in a swamp. Anyone who cares to wade in can come away with as many specimens as he can stand.

For instance, how many typical taxpaying shoppers who complain about the cost of bacon know they are footing a $35,000 bill for one year of chasing wild boars in Pakistan?

A SNIFF OF CASH

Just as ridiculous is the $70,000 which went to study the smell of perspiration given off by the Australian aborigines.

No doubt some money could have been saved on the aborigine project if only the State Department had prevailed upon Turkey to lend the Australians the odor measuring machine we purchased for the Turks for $28,361.

The Bedouins got $17,000 for a dry cleaning plant to spruce up their djellabas (garments).

Morocco's economy got an unexpected boost from U.S. taxpayers in the form of a $37,314 potato chip machine. All the Moroccans needed then was potatoes.

The queen of England received $68,000 for not planting cotton on her plantation in Mississippi. Ford Motor Co. got only $14,000 for not planting wheat, and Libby McNeil garnered $19,000 for growing no cotton.

But the queen came off like a proletarian compared to Yugoslavia's Marshal Tito, who received $2 million to purchase a luxury yacht.

Tito travels in even better style than Mr. Nixon's drinking buddy, Leonid Brezhnev, whose stake in solving the oil crisis was increased when American taxpayers picked up the tab on his 12th limousine.

Not all was lavished on royalty and foreign potentates: $31,650 went into new carpet for House Speaker Carl Albert, D-Okla., $21,000 for drapes and $44,000 for chandeliers.

Another $65,000 went to finish the furnishings.

Another piece of furniture, not in Albert's office, also claimed a lot of tax money. The zero gravity toilet—developed by the space program to function under such conditions—cost $80,000.

But that was nothing compared to the tab for "environmental testing" of the same toilet, which came to $230,000.

NUTS, BOLTS $250,000

The interdepartmental screw thread committee, established as a temporary agency to speed the end of World War I, is still laboring to make nuts and bolts fit. Cost: $250,000 a year.

Meanwhile, the bureaucrats who devise all these important projects need a break once in a while.

The Alaskan Chateau in Anchorage is maintained for their exclusive use (providing they make $22,000 or more, or they're members of the military above the rank of major.)

For 3 dollars a day, these "public servants" can unwind in steam rooms, sauna, sunrooms, massage rooms, a gym and cocktail lounge.

Salaries of the government employes who act as servants at Alaskan Chateau exceed $100,000 a year.

The cause of higher learning has been bolstered in ways that would have dazzled Gulliver more than his visit to the Grand Academy of Lagado.

For reasons unknown, government research has located the frontiers of man's knowledge in three remote countries: Poland, Burma and Yugoslavia.

FROGS CROAK $6,000

A study of Polish bisexual frogs cost $6,000; Another $85,000 was consumed learning about the "cultural, economic and social impact of rural road construction in Poland" and $20,000 was devoted to study the blood groups of Polish Zlotnika pigs.

The bounty for finding Yugoslavian lizards was $15,000.

But geography is no barrier to the search for knowledge.

We spent money like mad in other areas too: $5,000 to tabulate the differences between native American and Indian whistling ducks, and $20,000 for investigating the German cockroach.

A history of comic books cost $71,000, making it far more costly than the dictionary of witchcraft compiled for a few measly grand.

An analysis of violin varnish cost $5,000, while 10 times that amount went for analysis of the fur trade between the U.S. and Canada between 1770 and 1820.

In another area of great concern to average taxpayers, $20,324 was spent to learn about the mating calls of Central American toads.

The toads' problems were only one-tenth as pressing as those of the city of Los Angeles, which received $203,979 to extend Travelers' Aid to migrants lost on the freeway.

POEMS IS ODE TO $5,000

Culture also benefited from an infusion of government funds.

Some genius got $5,000 to write the poem "lighght." That's not the title by the way, that's the poem.

The whole thing comes to seven letters worth $714.28 each.

HEW spent $19,300 to find out why children fall off tricycles. The answer: "Unstable performance, particularly rollover while turning."

Not to be outdone, the Pentagon spent $375,000 to study the Frisbee. This, of course, is less discouraging than having them spend $375,000 to buy a Frisbee.

That could have happened if Frisbees were large enough to be pitched as tents.

When Air Force engineers decided to "invent" a device to cover the lips of missile silos, they spent $1 million to come up with a prototype which looked for all the world like a tent.

Within hours after the newly invented tent had been fastened down, it disappeared. Later, investigators found it blowing head-over-heels across the prairie.

PENTAGON PINNED

Experts investigating the construction of the C–5A cargo plane found proof of the Defense Department paying $111 for a pin.

Overall construction was so inefficient that if your family car were built on the same methods with similarly inflated labor costs it would have to be priced at $100,000.

Congressional spending watchdog Sen. William Proxmire heard testimony about another bit of fiscal mischief with true human interest.

I am not referring to Proxmire's discovery that Pentagon bigwigs routinely spend $600,000 outfitting executive jets for themselves, but to the testimony of Herbert J. Frank, president of Aerosonic Corp.

He told the Joint Economic Committee the government once canceled one of his contracts because he was one day late in delivery.

The Pentagon then let a new contract for the same items to a giant aerospace contractor who failed to deliver for more than a full year.

When McDonnell-Douglas made square holes in an airplane instrument panel designed to house one of Frank's round altimeters, he saw a chance for revenge.

GREED CONQUERS SHAME

"They needed the plates (to cover the square opening and leave a hole the shape of the instrument) desperately. So we came up with a price of $15 for each plate.

"We were actually ashamed to ask so much, for it was a little $3 stamping plate, but we figured we were really going to take them."

Frank and his small company were disappointed in their effort to rip off your tax money. The Pentagon turned down his bid of $15 apiece. The accepted bid, from McDonnell-Douglas, was $230 per plate.

Other highlights of tax spending:

$33,101 to the Israeli Institute of Applied Science to conduct "a test of the husband-wife relationship."

The Department of Transportation gave extensive and expensive psychological tests to Polish truck drivers, which seems a bit more useful than the metric and morphological study of the evolution of the chin of Polish skeletal populations between 2000 B.C. and the year 1800.

$3,000 to search for Indian lizards.

$25,000 to study biological rhythms of the catfish in India.

$8,500 to study Medieval Spanish satire and invective.

$14,000 to learn about speciation in cave beetles.

$2,458 to train 18 Good Humor peddlers.

$70,000 to classify and determine the population biology of Indo-Australian ants.

$12,600 to study the chromosomes of chipmunks.

$159,000 to teach mothers how to play with their babies.

MARTIN LUTHER KING: A TRIBUTE TO GREATNESS

HON. JOE MOAKLEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 11, 1974

Mr. MOAKLEY. Mr. Speaker, last week marked the sixth anniversary of the death of the late and great Dr. Martin Luther King, Jr., who was so untimely taken away from us.

"Great hopes," wrote Thomas Fuller in the 18th century, "make great men." How true this is for the life and vision of Martin Luther King. Like Joseph of old, he was possessed by a dream—in his case, a dream of America as it might be, an America shaped and fashioned by the ideals of the Founding Fathers into a society both just and free, a society in which every man and woman would be equal in rights and in dignity. It was that dream which animated Dr. King throughout his life and which continues to inspire millions of Americans. It is the finest tribute we can render his memory.

Martin Luther King was born in 1929 in Atlanta, the son of a minister and a schoolteacher. It is no accident that education and religion became the cornerstones of his deepest faith through the enduring influence of his own family. At 19 he had already graduated from Morehouse College, and at 22 he received his bachelor of divinity degree from Crozer Theological Seminary, serving also as his class valedictorian. Intellectual distinction and tireless dedication to his chosen calling marked his academic preparation. In 1955 he earned his doctorate at Boston University School of Theology, the largest Methodist seminary in the land.

It was while studying in Boston that Dr. King met Coretta Scott, who had grown up near Selma, Ala.—a town later to figure dramatically in both their lives; she was a student at the New England Conservatory of Music. They were married in 1953; she would share his commitment and his struggle in life, and continue to uphold his cause after his death.

On graduation, Dr. King accepted a call to the Dexter Avenue Baptist Church in Montgomery, Ala., in the heartland of the Old Confederacy. A burning sensitivity to injustice and oppression, evils he knew from direct experience, gradually took root in Dr. King's conscience. In December of 1955 a black seamstress named Rosa Parks refused to give up her seat on a Montgomery bus to a white man, saying simply, "I don't know why. I was just tired." The voice of a whole people found itself in her words, and the conscience of a Nation roused itself, led by the young pastor from Boston whose family origins were deeply rooted in the South.

The boycott which followed resulted in sporadic acts of violence against the black community, but ended in the Supreme Court of the land ruling bus segregation unconstitutional in accord with the provisions of its 1954 decision. No black boycott had ever been so successful. Not only did it overthrow a segregation ordinance but it energized and vitalized the black community across the land, and made of Dr. King a national and international leader in the cause of racial justice. His visit to India and pilgrimage to the grave of Gandhi dramatized his own commitment to nonviolence in the pursuit of his goals.

In 1962 he selected the city of Albany, Ga., as a desegregation target in a bitter campaign which lasted a year. The Montgomery pattern of firings, arrests, and bombings proved to be less intense, and Dr. King encountered resistence of a more subtle kind. Later, in Birmingham, Ala., a more violent response by police authorities won attention and condemnation from all over the world. In August of 1963 Dr. King served as leader of and spokesman for a national march on Washington, one of the greatest mass demonstrations in our history, a remarkably peaceful protest by over 200,000 Americans, black and white, of every faith, creed, and national origin. It was at that time that Dr. King's eloquent invocation on freedom and brotherhood entered into our American tradition: "I have a dream," he exulted, a dream whose time had come. The passage of the Civil Rights Act of 1964 reflected the mood of an aroused Nation. In that same year Dr. King was awarded the Nobel Prize, the third Negro, the 12th American, and the youngest person ever so honored.

Dr. King's move to Selma marked his turn to the area of voting rights and the struggle for political self-determination in the black community. The famous march from Selma to Montgomery in 1965—50 miles in 4 days—in defiance of brutal intimidation, was perhaps the high water mark of Dr. King's achievement, fusing Americans together in courageous, peaceful demonstrations as seldom seen in our history. The Voting Rights Act that year gave implementation at law to the ideals for which Dr. King had striven.

There is little doubt that after 1966 the creative thrust of the civil rights movement appeared to weaken. Its popular appeal declined as tensions emerged within the Nation as a consequence of the protracted conflict in Southeast Asia. The more militant black leadership, impatient with the pace of change and restless with Dr. King's commitment to nonviolence in the face of extreme provocation, created dilemmas not easily resolved.

In 1965 and 1966 Dr. King moved his campaign north to Chicago, but met with limited success. This complex problem of housing and de facto segregation seemed to elude his call for moral renewal; in the big city northern ghettos, as Dr. King himself noted:

> Religion does not exercise the same restraining influence . . . as it does in the South.

Dr. King's tragic death in Memphis in 1968, whether he had gone to exert his leadership in the bitter and protracted garbagemen's strike, took from the American and world scene the first person to articulate and to apply effectively the concept of nonviolent persuasion in this Nation, the "soul force" of Gandhi but derived, in this case, from the New Testament teachings of Jesus by way of so deeply American a figure as Henry David Thoreau.

Dr. King had become an apostle of nonviolence in a violent time, a symbol to untold millions of the way by which men and women could attain a society formed more truly after the image of the kingdom of God. It was in service to that ideal that he gave his own life as a sacrifice to the bigotry and hatred which, however powerful for a time, are doomed to eventual defeat.

His epitaph was spoken nearly a century and a half ago (in 1836) by one of the great preachers and reformers of the springtime of American culture, William Ellery Channing:

> The greatest man is he who chooses the right with invincible resolution, who resists the sorest temptations from within and without, who bears the heaviest burdens cheerfully, who is calmest in storms and most fearless under menace and frowns, whose reliance on truth, virtue, on God, is most unfaltering.

Such, indeed, was the greatness of Martin Luther King, and it is his continuing legacy to us.

RIGHT TO PRIVACY

HON. JAMES A. McCLURE

OF IDAHO

IN THE SENATE OF THE UNITED STATES

Thursday, April 11, 1974

Mr. McCLURE. Mr. President, there is a serious and important debate going on in our country concerning the right to privacy, the focus of which is precisely in reverse. The primary subject of concern in the privacy debate is our criminals. Should data regarding their exploits be computerized and shared? If not, the usual objection is that one individual would have too much power under a nationally coordinated system. This is an argument in which I have very little faith as we are apt to hear it erode back into strong administration worship as soon as the party controlling the White House changes. Secondary objections about the irritation of such a practice to criminals are less convenient to express and often end up sounding like a Parker Brothers type concern with having the cops and robbers as even as possible in the homestretch.

The second group of people affected by the ramifications of this debate are generally easier to identify with. These are the names which appear in the lists of credit raters. Without emoting unnecessarily on behalf of people who cheat their creditors, we must all sympathize with the person who corresponds for years with the broken or misprogrammed computer and eventually loses his good name because of a series of mechanical mistakes. We object to our neighbors being asked to spy on us as we dislike spying on him. In the credit lists we have a combination of people who are in some cases clearly guilty of financial irresponsibility but in most the innocent and beleaguered. It is on behalf of this latter category that those who value privacy should speak out, but the rhetoric of many debators today leads their readers to think that they are more interested in the necessity of hiding a person's past than in the protection of his future.

The third category of citizen most undeniably entitled to complete and undisturbed privacy is the man who gets least of it. He is the honest soul who fills out every personal detail of his private life for a census taker, every detail of his financial life for a Government agency which considers him guilty unless he can prove himself innocent and will soon be asked to fill out every detail of his political life for public reports. The latest assumption which runs directly in the face of the privacy movement is that the average citizen donating his hard earned and harder kept money to some political person or cause is a sort of suspect.

The man who does the most disclosing and reporting in the United States today is the man who may never have received a parking ticket.

No wonder things do not work ideally in a country in which we treat the guilty as aggrieved innocents and the innocent as suspicious characters.

Mr. President, I ask unanimous consent to have an article published by Associated Press, on March 14, 1974, printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

NEWSPAPER GROUPS HIT CRIMINAL RECORDS BILL

Newspaper industry representatives told Congress yesterday that legislation to restrict access to computerized criminal records may erode the public's right to know and lay the foundation for government censorship.

Three representatives of professional news associations endorsed the concept of providing some protection for individual privacy as contained in bills sponsored by the Nixon administration and by Sen. Sam J. Ervin Jr. (D-N.C.).

But they advised Ervin's Constitutional Rights Subcommittee to exercise extreme caution.

"This particular bill makes the Attorney General of the United States a czar controlling the release, or keeping secret, criminal record information," Richard M. Schmidt Jr., counsel of the American Society of Newspaper Editors, said of the Ervin bill.

Schmidt said both bills probably have worthy objectives but should be carefully drafted "lest they become vehicles under the guise of 'right of privacy' of censorship and the creation of a highly secret governmental network."

John R. Finnegan, chairman of the Freedom of Information Committee of the Associated Press Managing Editors Association, also asked Ervin to move slowly in writing new legislation.

Finnegan, executive editor of the St. Paul Dispatch and Pioneer Press, said he fears that both the Ervin and the less restrictive administration bill would result in denying access to criminal justice records now available at the state and local levels.

A third witness, Harold W. Andersen, president of The Omaha World-Herald and vice chairman of the American Newspaper Publishers Association, said that while no responsible news medium wants to publish inaccurate or incomplete information, the public cannot be barred from all access to criminal justice data.

TRIBUTE TO THE LATE SENATOR B. EVERETT JORDAN

HON. WALTER B. JONES

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 11, 1974

Mr. JONES of North Carolina. Mr. Speaker, it is a pleasure to join with others of the U.S. Congress in paying tribute to the late B. Everett Jordan, a former Senator from North Carolina.

As most of us know, he was appointed in 1958 and was successfully elected to two additional terms following that date. His service to North Carolina, and to agriculture in general, is almost beyond parallel. At no time during his term in the high office of Senator did he ever forget the people of North Carolina. Few, if any, Members of the Senate achieved more personal popularity than did the late Everett Jordan. He greeted everyone with a smile and a handshake which one immediately recognized as being sincere.

In addition to the Senator himself, his entire family made outstanding contributions to the State of North Carolina, including a brother, Dr. Henry Jordan, as a State senator as well as State chairman of the highway commission; also another brother, Dr. Charlie Jordan who served for many years as vice president of Duke Univesity.

Perhaps one of his greatest assets, in addition to his own warm personality, was that of his wife, Catherine, who usually accompanied him wherever he went. Senator Jordan, although a man of extreme wealth, never gave any evidence whatsoever of pomp or pretense as related to his association with his fellow man and his obligations within the Senate of the United States.

Certainly already his presence is missed, and there are many of us who will retain throughout our lifetime fond memories and appreciation for our acquaintance with him.

THE KUTZTOWN PATRIOT: 100 YEARS OF SERVICE TO THE COMMUNITY AND TO THE NATION

HON. GUS YATRON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 11, 1974

Mr. YATRON. Mr. Speaker, freedom of speech is perhaps our most cherished constitutional quarantee, for without it, other rights become meaningless. It represents the single, most significant example of the liberties which we enjoy in this nation.

I associate a free press more closely with our right to say and express what we feel than any other medium of communication. To foster a vigorous, dynamic free press is to insure that our freedom of speech will be safeguarded and preserved.

One hundred years ago, in the month of May 1874, the Kutztown Patriot, Kutztown, Pa., published its first edition as a weekly newspaper, having originally been the American Weekly Patriot. Since that day, it has made constant and invaluable contributions for the betterment of the community, of Pennsylvania, and of the Nation, not only by disseminating information, but also by serving as a strong, patriotic and responsible voice of the people.

The Patriot's first editor was Mr. Conrad Gehring and Mr. Isaac F. Christ was the publisher. Through the years, this long and honorable career of a newspaper has been fortunate in having the direction of capable, patriotic and responsible persons. After a century, today this tradition is being forcefully carried on by Publisher Jacob Esser and Editor Ade Floreen.

The cause of good government, civic and community advancement has always been championed by the Patriot. It has never represented anything less than the type of idealism and love of freedom that characterizes our American way of life, our tradition, and our heritage. For 100 years, the newspaper has faithfully and accurately reported the history of the people and of the area in which they live. The caliber of reporting is of the highest and reflects journalism at its best. The newspaper is attuned closely to the people and the American community structure.

Kutztown, Pa., which is served by the Patriot, is a community that is heavily steeped in history and heritage. And, in these rapidly changing times, when we are reaching out for links to our history and to the times when society was more peaceful and secure, The Kutztown Patriot takes on an even greater meaning.

Mr. Speaker, I insert the article in the Record at the conclusion of my remarks which provides an insight into the history of the founding of the Patriot. The article appeared in the 75th anniversary edition in 1949.

As Representative of Pennsylvania's Sixth District and of Kutztown, Pa., I am privileged indeed to serve the area. I know that I echo the warm wishes of the Congress for another 100 years of service by the Kutztown Patriot, to the community and the Nation.

Kutztown Patriot First Edition Dated May 21, 1874; Conrad Gehring, Editor

The Kutztown Patriot, known as the American Weekly Patriot, made its first appearance on Thursday, May 21, 1874. It was published by Isaac F. Christ and Conrad Gehring as editor. Mr. Gehring, in a comprehensive article entitled, "The Press of the Century", in the Centennial History of Kutztown, published in 1915, has the following to say about the origin of the Patriot:

The printing office of the Kutztown Journal, which was destined to develop into a prominent publication house, was neither remarkable for size, arrangement nor comfort. But it answered its purpose and was only the unit of a more comprehensive plan. The building erected in the rear of Mr. Christ's bookstore and residence, next door to the time-honored Pennsylvania House, was of frame about 16 x 20 feet, one story, with a two-story annex in the rear. Mr. Christ had bought from and Hawley, publishers of the Reading Adler and Reading Eagle, the old Hoe railway press, which had done service for the Reading Gazette, the forerunner of the weekly Eagle. The press took up by far the greater part of the room. The type cases, stone cases, stone and editorial desk were lined up against the one side and rear wall. The annex was built of light frame and could not be used in cold weather. Inside of two years, however, Mr. Christ built a second story on the original unit and had the whole plastered. After that there was ample room, good light and the whole place comfortable.

"The writer foresaw that owing to the fact that the public schools laid stress on the English language and German was only taught in the home, the Sunday Schools and catechetical classes, the German would in course of time be superceded by the English. The territory was in a state of transition so far as language was concerned. He proposed to the publisher, Mr. Christ, that we start a new paper, half English and half German, which could keep apace with the transition, increase its English part and finally become an English paper. The publisher saw the matter in the same light and the result was the American Weekly Patriot. The first number appeared Sunday, May 16, 1874. The editorial announcement explained its intents and aims in the following words: 'Instead of stating in a long article how and what we will do, we simply refer our readers to the present number, which will show them that the paper contains English and German reading matter and is especially adapted to that class of Pennsylvania Germans and those families who are educated in the one and are anxious of acquiring the other language. We hope and believe that our efforts in furnishing our community with reading matter especially adapted to its various classes will be properly appreciated and a large subscription list be the response.' "

The Kutztown Journal, mentioned in the first paragraph above, was an entirely German newspaper published by Mr. Christ, and it began publication in 1870. This paper was published until about 1920.

AMNESTY

HON. HERMAN E. TALMADGE

OF GEORGIA

IN THE SENATE OF THE UNITED STATES

Thursday, April 11, 1974

Mr. TALMADGE. Mr. President, there has been brought to my attention a resolution adopted by the Morton-Richardson Post 128, the American Legion, of Richland, Ga., in opposition to amnesty and veterans' benefits for conscientious objectors.

These are very important questions. I commend the American Legion for its interest and concern, and join in expressing my respect and admiration for the men and women who have served their country in times of war and peace in the U.S. Armed Forces.

I bring this resolution to the attention of the Senate, and ask unanimous consent that it be printed in the Extensions of Remarks.

There being no objection, the resolution was ordered to be printed in the Record, as follows:

Resolution

A resolution expressing the sense of the Morton-Richardson Post No. 128, The American Legion, Georgia Department, Richland, Georgia 31825, regarding the question of amnesty for those who departed the United States to avoid military service via the draft or otherwise, and also with reference to the United States government and the Veterans Administration providing GI Benefits for conscientious objectors.

Whereas, this Post, with an average membership of 100, has on numerous previous occasions gone on record as commending the young men and women of America who have patriotically, willingly, and unselfishly supported their country and served this nation in time of national emergency and international armed conflict as well as those who have joined the Armed Services for military careers, and

Whereas, the President of the United States, the National Commander, the National Department of the American Legion, a vast majority of Congressmen and civic leaders, and this Post, have expressed opinions against amnesty as a national policy, and

Whereas, in recent weeks there has been a renewed effort to bring pressure on national leaders to endorse and effect a policy of amnesty for those evading military service by former Secretary of the Army Froehike, and other ultra-liberals of the country, as well as members of the draft-evaders families, and

Whereas, members of these groups are also pressuring the President, the Congress, and the Veterans Administration to extend the GI Bill of Rights to conscientious objectors, some of whom served in non-combatant and non-military positions, rather than the armed forces, and

Whereas, this Post believes that GI Benefits should be extended only to those who, without reservation, answered the call of their country and served with the Armed Forces in any and all capacities and duties assigned them by their military commanders.

Therefore, be it resolved, that this Post be recorded as definitely opposing amnesty in any form, and further that we unalterably oppose the proposition of extending the rights and privileges of the GI Bill of Rights to conscientious objectors of this country.

Be it further ordered that a copy of this Resolution be furnished the President of the United States, Senator Herman Talmadge, Senator Sam Nunn, Congressman Dawson Mathis, Governor Jimmy Carter of Georgia, the National Commander and the Commander of the Georgia Department of the American Legion.

IMPORTATION OF CHROME

HON. HARRY F. BYRD, JR.

OF VIRGINIA

IN THE SENATE OF THE UNITED STATES

Thursday, April 11, 1974

Mr. HARRY F. BYRD, JR. Mr. President, on April 3, two Virginia newspapers published excellent editorials concerning the effort to resume the ban on importation of chrome, a strategic material, from the African country of Rhodesia.

The editorials were published in the Richmond News Leader and in the Northern Virginia Daily of Strasburg, Va.

Both editorials make a point of the inconsistency involved in the Senate vote to reimpose sanctions on strategic materials from Rhodesia at the same time that the United States was protesting the Arab oil embargo.

In the words of the Richmond News Leader:

> The boycott of trade with Rhodesia, though it originated at the buyer's end of the economic equation, was just as politically—and wrongly—motivated as the Arabs' decision to stop selling oil to the United States.

I feel that the Senate vote of last December 18, in favor of resuming the Rhodesian chrome embargo, was contrary to the national interest and to national security. I hope that the House of Representatives will reverse the action of the Senate.

I ask unanimous consent that the editorial, "Of the Arabs and Rhodesia" from the Richmond News Leader of April 3, 1974, and the editorial, "Making the Same Mistake Twice?" from the Northern Virginia Daily of April 3, 1974, be printed in the Extensions of Remarks.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Northern Virginia Daily, Apr. 3, 1974]

MAKING THE SAME MISTAKE TWICE?

There is nothing more puzzling than the attitude of what may be a prevailing number of congressmen in regard to the fact that Congress may be getting ready to clobber the free nation of Rhodesia, and in doing so will also weaken the defense strategy of the United States.

Rhodesia holds a large share of the world's supply of chromium, a metal vital both in military hardware as well as general industrial production. The United States has none.

Up until 1971, following the dictates of a United Nations' sanction against Rhodesia, the U.S. had been depending on Soviet Russia for chrome, at prices which were almost twice the price of the same grade of chrome on the Rhodesian market.

In 1971, showing good judgment and a proper regard for the untenable position the U.S. was in in depending on the Soviets for chrome, Congress passed the Byrd Amendment which opened up the Rhodesian chrome market to the U.S.

Since then, those responsible for this nation's defense posture have breathed easier in the mistaken belief that the sound position taken in the Byrd Amendment would virtually guarantee the availability of chrome from as neutral a source as the world had to offer.

That was until Senator Hubert Humphrey introduced his bill, several months ago, which would again prohibit the purchase of chrome from Rhodesia, and would, if passed, also guarantee a reimposition of our total dependence on the Soviets for this essential metal.

Strangely, a number of senators in Washington, who just weeks ago were deploring the economic blackmail being practiced by the Arab oil-producing States, are now the most avid supporters of economic blackmail by the U.S. against Rhodesia.

There is no moral justification, or for that matter any consistency, in the U.N. singling out Rhodesia for punishment simply because of the pressure exerted by the emerging black African States which objected to the white dominance of the Rhodesian government.

That is an internal matter concerning Rhodesians only, which can be settled by Rhodesians only. Neither the U.N. nor the U.S. has any business trying to dictate to that nation either by military action or economic sanctions.

Passing the Humphrey bill would be an ill-advised action, and we hope Congress will have the good sense to reject it.

[From the Richmond News Leader, Apr. 3, 1974]

OF THE ARABS AND RHODESIA

In reflecting on the recent Arab boycott of oil shipments to the United States, several points are worth making in connection with American policy towards Rhodesia:

(1) At the height of the Arab boycott, many Americans rightly deplored the Arabs' use of the boycott to force a change in American policy towards Israel. Such boycotts, the argument went, are economic blackmail, and are inherently wrong. So it is with U.S. concurrence in the boycott of trade with Rhodesia: The boycott is an endeavor to force a change in Rhodesian domestic policy. Such a boycott is equally wrong.

(2) At the height of the Arab boycott, many Americans rightly deplored prior American policies that had led to growing American dependence on the Arabs for oil. The U.S., the argument went, should not have allowed the situation to develop in which any nation—or group of nations—could conspire to cripple the United States through the withholding of any product; hence, President Nixon's "Operation Independence." So it is with those who would force us into dependence on the Soviet Union for the importation of strategic chrome ore: Thanks to the diligence of Virginia's Senator Harry F. Byrd, Jr., the U.S. currently is buying chrome ore from Rhodesia—which possesses the Free World's only major chrome deposits. To forbid the importation of Rhodesian chrome would, as in the past, force the U.S. into dependence on the Soviets for whatever chrome we might need.

(3) The boycott of trade with Rhodesia, though it originated at the buyer's end of the economic equation, was just as politically—and wrongly—motivated as the Arabs' decision to stop selling oil to the United States. And the Soviets are no less averse than the Arabs to using the economic weapon to gain foreign-policy objectives. Indeed, given the ideological pre-disposition of the Soviet leaders, they are more likely to use such a weapon to achieve their own purposes. Moreover, both the Arabs and the Soviet profit exorbitantly from the prices they set on the sale of their product to those whom they do not regard as lifelong friends.

(4) Said ABC news commentator Howard K. Smith, "The Arabs are applying what are in fact sanctions against the United States to change its policies. Well, history suggests sanctions don't work. Indeed, they backfire." And so they do. As the boycott of trade with Rhodesia has strengthened a regime that admittedly was not made in heaven, so the Arab boycott has pointed up the need for U.S. "energy independence." Both boycotts have achieved precisely the results they were intended to forestall.

If the Arabs were wrong to impose their boycott, surely we are wrong in going along with the boycott of trade with Rhodesia. As the Arabs have lifted their boycott—albeit contingently—so we should bow out of the boycott on Rhodesian trade.

TRIBUTE TO KEN GRAY: ABLE LEGISLATOR

HON. JOE L. EVINS

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 11, 1974

Mr. EVINS of Tennessee. Mr. Speaker, I noted with regret the announcement by our esteemed colleague, Representative KENNETH GRAY of Illinois, of his plans for retirement at the conclusion of the 93d Congress.

KEN GRAY will be greatly missed around these sacred precincts—he is a grand gentleman, a warm personality, a splendid and able legislator, an eloquent speaker, and an effective advocate.

KEN GRAY is a member of the House Committee on Public Works, and there are many monuments to his record of service in the Congress throughout the United States.

Recently he has played a prominent role in the push for construction of the Eisenhower Center in Washington, and some have suggested that the name of this project should be changed to the Gray Center because of the gerat dedication and hard work of KEN GRAY in his efforts to secure its approval.

KEN GRAY has served his district, State, and Nation faithfully and well—his career of public service in the Congress has been outstanding and certainly we all wish him the very best of good luck and success as he returns to private life and retirement from public service.

RAY KAUNISTO

HON. ROBERT P. GRIFFIN

OF MICHIGAN

IN THE SENATE OF THE UNITED STATES

Thursday, April 11, 1974

Mr. GRIFFIN. Mr. President, in troubled times like ours, stories of personal adversity are all too common. Occasionally, however, one person's story combines such elements of courage, faith, determination, human sympathy, and service that it seizes our imagination and vividly reminds us of the potential of the human spirit for bringing triumph out of tragedy.

Such is the story of Ray Kaunisto, a retired policeman in Sault Ste. Marie, Mich., who for 20 years dedicated his life and his energies to the young people of his community—is juvenile officer, hockey coach, and friend.

Ray Kaunisto's tragedy is that he was stricken in the prime of life by the same debilitating disease which struck Lou Gehrig. His triumph is that he has refused to surrender to the ravages of illness—and that the young people of Sault Ste. Marie continue to rally to his side.

Ray Kaunisto's inspiring story has been told in a front page report in the Sault Ste. Marie Evening News of April 1, 1974. So that it may be shared with the wide audience it deserves, I ask unanimous consent that the article be printed in the Extension of Remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HOCKEY CHAMPIONSHIP DEDICATED TO RAY KAUNISTO

(By Ken Fazzari)

When Ray Kaunisto was graduated from Rudyard High School in 1944 he was quickly tossed into the throes of the Berlin airlift as an airman in the United States Air Force.

Two years later he was a member of the Ft. Richardson, Alaska hockey team.

This diversified start into the "outside" world was the harbinger of Kaunisto's diversified and dedicated life to the youth and youth athletics, particularly hockey, in the Sault Ste. Marie area.

Today Ray Kaunisto lies the immobile victim of an amytrophic lateral sclerosis.

This disease, commonly known as Lou Gehrig disease as it was first diagnosed in the former New York Yankee baseball great, is the deterioration of the muscular and nervous systems of the body.

Doctors told Kaunisto four years ago that he would not live to see two.

He continues the battle. And with the help and dedication of his wife, Peggy, and five children, will not give up the fight.

As a spunky cop on the Sault police force in the 1950's Kaunisto rapidly worked his way up to become a juvenile officer. It was not unusual for him to lay the wrath of the law on a youthful offender on the one hand and then turn around and purchase candy, pop, magazines etc. for the offender's stay in the proverbial cooler.

Kaunisto's commitment to youngsters came early in life and it has not wavered even in these times of helplessness. While his body deteriorates his mental capacity and attitude remain sharp and strong and to all ends he continues to follow the careers and lives that he helped mold over the years. And as a policeman for nine years and a coach in Sault youth hockey circles for 20 years (1951–1971), Kaunisto has left his impression on many.

Ray Kaunisto has no new horizons to conquer.

His greatest joy in life is to have his proteges come to his home and visit. Even if it is just for a minute.

On Sunday 16 of Kaunisto's former students of the wars of ice hockey paid him such a visit. The Weir Moving and Storage city champion peewee hockey team, 15 members strong, dedicated their championship to their former coach. This team is the former East End team that Kaunisto coached for 10 years prior to his illness.

The 16th person to pay tribute to Kaunisto was the coach of the team, Dave Weir. He too was once coached by Kaunisto.

The Kaunisto family accepts the hard, cold facts of the nature of his illness and continues to fight the battle with an inborn instinct of never quitting. They pamper him and prod him and give in to his every whim. But silently and deeply they are groping and fighting every inch of the way with him.

Mrs. Kaunisto will not take time out from her busy schedule to feel sorry for herself or her family nor will she accept the sympathy of others.

"We have a lot to be thankful for," said Mrs. Kaunisto, "and Ray has lived a full life and done all the things that he has wanted to do. His mind is alert and he is not in pain. His attitude has been from the start that he was going to fight and was not going to give up. We will fight with him."

Kaunisto has lived with and for youth all his life and will continue to do so.

He is a life member of the Brimley VFW, was an active member of the Sault Kiwanis Club, was a Red Cross first aid instructor, sponsored and competed on bowling teams, was on the ski patrol, president of the Jefferson School PTA for two years, a member of the city parks and recreation board and a member of the Air Force reserve for 25 years just to mention a few of his active roles in our community.

Ray Kaunisto will continue his fight.

Even if he loses he will have won.

POSSIBLE SOLUTION TO SIDS

HON. RICHARD S. SCHWEIKER

OF PENNSYLVANIA

IN THE SENATE OF THE UNITED STATES

Thursday, April 11, 1974

Mr. SCHWEIKER. Mr. President, yesterday the House of Representatives took final action on the Sudden Infant Death Syndrome Act of 1974 and the legislation will soon come before the President.

SIDS claims 10,000 babies each year. It is the leading cause of death in infancy after the first month of life. No one yet knows what causes this tragic killer and that is why it is essential to expand the research program into the causes of this disease. The bill calls upon the National Institute of Child Health and Human Development at NIH to carry out this research program. And the bill requires the Department of Health, Education, and Welfare to report to the Congress on the scope and magnitude of this research program.

Mr. President, I wish to call to the attention of my colleagues the exciting news which appeared in the Philadelphia Inquirer today under the byline of Dick Pothier in which he describes a possible solution and ultimate prevention of "crib deaths" which could be achieved within 18 months as a result of the research discovery of a Pennsylvania State University scientist. According to the article:

> Within the past week Federal and Penn State researchers confirmed that a lack of oxygen in the infant's blood is the cause of nearly all unexplained crib deaths.

Mr. President, I ask unanimous consent that the article be printed in the Extensions of Remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CRIB DEATH PREVENTION IS IN SIGHT, RESEARCHERS SAY

(By Dick Pothier)

The long-sought prevention of tragic, baffling "crib deaths" of up to 15,000 infants a year in America could be achieved within 18 months, Pennsylvania medical researchers said Wednesday.

The prediction of the crib-death solution came just days after government scientists confirmed a Pennsylvania State researcher's apparent discovery of the cause of crib deaths.

Across America, about 40 seemingly healthy babies die quietly in their sleep each night. And the cause of the death has become perhaps medicine's greatest mystery.

Within the past week, federal and Penn State researchers confirmed that a lack of oxygen in the infant's blood is the cause of nearly all unexplained crib deaths.

And the long-awaited breakthrough has led to quick medical speculation that the discovery will lead to a prevention or cure within several years and perhaps as early as a year and a half from now.

IMPRACTICAL CURE

In fact, researchers said, a cure—although an impractical one—may already be at hand: simple increasing the amount of oxygen in the air the infants breathe.

But because there are still no proven "markers" on which infants are at high risk of crib death, it's a practical impossibility to add oxygen to the nurseries of every baby in America.

So experts on crib death—more correctly called "Sudden Infant Death Syndrome"—are working hard to find reliable early-warning signs that a baby could be a future crib death victim.

Dr. George Peckham, director of the infant intensive care unit at Philadelphia's Children's Hospital, said Wednesday that "there is no actual treatment for crib death right now . . . but the next few years will probably lead to a treatment."

INFANTS SAVED

At Children's Hosiptal, he said, merely increasing the room-oxygen level only slightly, from about 21 to 25 percent, has definitely saved the lives of infants who would have become crib death victims at home.

"The baby would in fact have died without any known cause of death. But the practical problem of a cure comes in. Just increasing the infant's oxygen level at home is not only a logistical impossibility, but could lead to side effects."

There are several possible "markers" to identify highrisk infants already, he said. One of them is a slight anemia—an inability of the blood's red cells to carry enough oxygen.

Another, based on the Penn State work, is a certain type of brown-colored body fat that seems to provide a warning signal of possible future crib death.

Dr. Richard Naeye, chairman of the pathology department at Penn State's Hershey, Pa., medical school and the researcher who first made the low-oxygen discovery in crib deaths, is also optimistic about a cure.

Basically, Dr. Naeye found evidence of chronic low oxygen in the blood of crib-death victims. In some unexplained manner, this apparently leads to a stopping of breathing in victims.

National Institutes of Health experts verified his findings and believe they represent the beginning of the end of crib death as a massive, mysterious killer of infants from two or three weeks up to a year old.

Crib death, in fact, is America's primary cause of death of babies between two weeks and a year old.

Grief-stricken parents have formed several national organizations to combat guilt feelings that the deaths were in some way related to the care of the infant.

But the experts agree that a still-unexplained, fundamental problem underlies the chronic oxygen lack. The abnormality could range from brain damage to immaturity of vital respiratory systems.

Medical researchers, in fact, may be able to prevent crib deaths even before they discover the unexplained mechanism that causes them.

"I believe it's preventable," Dr. Naeye said. "We have several challenges in front of us, but I think there are certain things we can do to prevent the deaths."

Through several means, ranging from merely increasing breathing oxygen to drugs that allow increased blood or oxygen flow through the lungs and arteries, high-risk infants may be protected from the silent sudden death that has killed at least 150,000 babies in the past decade.

Dr. Naeye, working under federal research grants, is studying records of 60,000 pregnant women and will follow the children's condition until the age of eight.

Once that study is done, he said, even more "markers" or risk-indications may be found.

"Now," adds Dr. Peckham, "we don't even know who to call in for study. We just don't know how to pick up the high-risk infant."

Dr. Naeye's new research means "new hope for tomorrow's children," said Dr. Eileen G. Hasselmeyer, the federal government's program director for infant mortality.

Another National Institutes of Health expert added: "We are now prepared to say that this is new, exciting and verified."

Most crib death victims, he said, were "predestined" to die because of their chronic low-oxygen problem. Death itself comes after the low-oxygen problem somehow leads to a cessation of breathing.

Nearly all victims die at night, researchers said, because the body's breathing mechanism—even in adults—doesn't function as well during sleep.

Crib death victims die quickly and without sound, Dr. Naeye said. "People have even been awake in the room when the infant died."

Past theories of crib-death causes have been numerous, but none has stood up to scientific investigation like Dr. Naeye's.

Until now, he said, the research has been "a graveyard of disappointments."

"But in another year we'll have very solid markers for this disease and we should be able to come up with a preventive program."

SEEKING SELF-SUFFICIENCY

HON. BILL CHAPPELL, JR.

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 11, 1974

Mr. CHAPPELL. Mr. Speaker, this country must never again depend on other nations for materials, which if cut off, could plunge us into an economic crisis.

Surely the recent energy crisis has taught us the wisdom of seeking self-sufficiency for energy sources. We must not stop, however, with finding new energy sources—our aim must be to find substitutes for all vital minerals that we are now dependent on from other countries.

Besides petroleum, there are 13 other raw materials for which we must rely on other nations—and which are vital to our economic growth. Of these 13, we must import 50 percent or more of 6—bauxite, tin, chromium, manganese, zinc, and nickel.

Ninety-two percent of our bauxite supply must be imported. It is necessary in the production of aluminum and is used for making: house siding, window frames, aircraft fuselage, auto pistons, water treatment, leather tanning, spark plugs, and so forth. Tin, too, is one of our most vital imports—and we must import 75 percent of all we use. Our plastics, sheet metal, tin cans, and a host of other uses are dependent on tin.

We must import 47 percent of our zinc; 21 percent of our lead; and 100 percent of our chromium. All are vital for the production of many of our products.

The current trend is to depend more and more on foreign sources for these vital raw materials and the Columbia Journal of Business, spring 1973, said:

> In the future, the United States will have to import a larger portion of its needed metallic and non-metallic minerals from Africa, Asia, Australia, and possibly some Communist countries. Supplies from these areas are expected to be more expensive on account of higher shipping costs, and with the exception of Australia, less secure. . .

The U.S.S.R. will continue to serve as a major supplier of fuels, mainly natural gas, and as a marginal supplier of some other minerals—chrome, manganese, asbestos—to the countries outside the bloc. Sometimes in the early 1980's, it will probably become the principal world producer, and perhaps exporter, of a number of important minerals.

It deeply concerns me that should scarcities develop on any of these imported raw materials—including the tendency for some countries to limit exports on them—the results could be devastating to our economy. I have, therefore, introduced a bill, H.R. 14157, entitled "The Minerals Research and Development Act" for the purpose of seeking substitutes for those minerals that are critical to our needs as a nation and which we must now import.

Under the bill which I propose, a Mineral Conservation Research and Development Commission would be established under the direction of the Board of the National Science Foundation. The Commission would have the authority to: conduct research for the potential development of substitute minerals; make recommendations to appropriate agencies and departments; and provide mineral substitute information to any Federal or State executive or legislative body.

Mr. Speaker, I want to urge all my colleagues to support this legislation. We must never again be so vulnerable to other world powers for our vital materials.

ARAB OIL MONEY AND CONTROL OF U.S. BUSINESS

HON. LOUIS C. WYMAN

OF NEW HAMPSHIRE

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 11, 1974

Mr. WYMAN. Mr. Speaker, many Members of Congress, myself included, are becoming increasingly concerned at the growing foreign ownership of American companies. In almost every field, from food, banking, oil and gas, machine tools, you name it, huge blocs of foreign investment have been reported to be buying into the U.S. industrial complex, especially since devaluation. Many companies are said to be controlled outright by foreign owners. Some of these may be in security-sensitive fields, including research and development into military components.

If the Arab oil bloc persist in their exorbitant and unreasonable price demands the prospect of their acquisition of entire American industries including the major oil companies themselves, become truly alarming. It is all well and good to observe that expropriation might be available but this is no answer. Two wrongs do not make a right.

Legislation appears needed in the near future to require disclosure of foreign investment in U.S. business when foreign investment exceeds a basic percentage. Some have suggested that disclosure ought only to be required when ownership reaches a control level—51 percent—but there is reason to believe that even a 25-percent foreign ownership in such major U.S. industries warrants full disclosure.

In this connection a recent column by Joseph Alsop appearing in the Washington Post, merits attention:

A "RIVER OF MONEY"

(By Joseph Alsop)

NEW YORK.—In March-April, the insiders on the money market tell you that $10 billion of oil-producing governments' profits will be looking for investment opportunities around the world.

The people who are searching for places to put this vast amount of money are the major oil companies, like Exxon in this country and Royal Dutch Shell abroad. Initially, most probably, they will select short-term obligations. Eventually, something a bit more permanent will be wanted.

Rudyard Kipling once wrote an entire poem about the unseen, worldwide flows of money as an underground river more powerful than the Amazon, the Mississippi or the Nile. What we are now seeing, in Kipling's terms, is the first great flood of high water on the underground river, resulting from the miscalled "energy crisis."

To give an idea of the extent of the high water, you have to bear in mind that the value of all the overseas investments of the United States is currently estimated at about $90 billion. In just two months, therefore, a small number of oil-producing governments will invest one-ninth of the amount that thousands of immensely rich American individuals and corporations have invested abroad over a period of about three-quarters of a century.

The comparison is almost ludicrous with the British overseas investments at the beginning of World War II, when the British so desperately needed American money to finance their courageous effort to withstand Adolf Hitler alone. In short, insiders on the money market, pale-faced and confused, are mumbling about a wholly new situation.

The figures already cited, moreover, are only a beginning. By the best estimates available, the oil-producing countries will need to find places to invest about $50 billion before 12 months have passed.

In other words, the high water on the underground river is going to continue. The $50 billion is net, too. It is the amount, in fact, that the Persian Gulf countries and other oil producers will have *left over* after they've spent every cent they can think of spending, on everything from private luxury to national defense.

The oil producers' total profits for the first 12 months of the new higher oil prices are estimated at about $100 billion. Given their small average populations and their real needs, it is probably optimistic to suppose that they can find ways of spending half this amount on goods and services provided by the big oil importers like the United States, the Western Europeans and Japan. But suppose the hopeful forecast is correct. The current value of the Mellon-controlled Gulf Oil Co., for instance, is no more than $5 to $6 billion. That means, for instance, that every one of the major U.S. oil companies can be legitimately purchased by just one year of the oil producers' new-style profits. Or look at it another way, on the simple assumption that the oil producers will want their profits to earn a currently normal return.

On this assumption, the big oil consumers like the United States will have to find $4.5 billion—additional to what they will need to pay for new oil—in order to give the oil producers the money that their first year's investments ought to earn. And next year's net profits for the oil producers are again forecast to be around $50 billion, since there is no foreseeable end to the high water on the underground river.

No wonder, therefore, that the older insiders on the money market have begun to whisper the name "Kreditanstalt." The Kreditanstalt was the great Austrian bank whose failure lead to the collapse of the old world monetary system and thus to the second and worst phase of the Great Depression nearly 50 years ago. Besides Watergate, in short, we have some other things to worry about!

THE ENERGY CRISIS: CAUSES AND CURES

HON. DALE MILFORD

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 11, 1974

Mr. MILFORD. Mr. Speaker, our debate in this House, on the energy crisis, has consumed more time than any other subject during this Congress. Yet, not even the hope of a solution is in sight.

I contend that the main reason why Members of this House have not provided solutions is because they do not fully understand the real causes of the energy shortage. They are complex—extremely complex.

On March 19, 1974, Mr. Howard H. Hinson, president of Texas Pacific Oil Co., Inc., addressed the Preston Trails Chapter of the National Society of Professional Engineers in Dallas, Tex.

In that address, Mr. Hinson made one of the best concise explanations of the entire energy problem that I have ever before heard. I would like to share this information with my colleagues in the House and Senate.

The address follows:

The Energy Crisis: Causes and Cures

The energy crisis is here. It has been a long time coming and will be a long time leaving. Theoretically and physically there is ample energy for many centuries or perhaps indefinitely. Our crisis is primarily in petroleum at this time, and is worldwide. As Engineers we know we have to determine the causes before we can find the cures. Some of the causes are reversible. The causes are in the realm of physical, economic and political. The cures are in the same areas. The first prerequisite is a complete reversal of our current public and political direction. We must stifle emotionalism and turn to facts and reality. The oil companies are not blameless, but that blame is being constantly sorted and distorted by the news media and Congress. This is the other side of the story.

I. PHYSICAL CAUSES

1. Supply-Demand: World oil demand has been doubling every 13 years. Other free world demand has been growing two times as fast as ours. In the last two years, U.S. demand has grown at 7% per year, twice normal. The bulk of the reserves to supply this increasing demand is in the Middle East, principally, in Saudi Arabia. If the Middle East countries would allow us to develop and produce these reserves as fast as we wanted to, we could supply the increasing demand for only about eight years. In other words, we have only eight years to develop substitutes for petroleum such as gasification and liquefaction of coal. This is the long-range outlook regardless of the piling up of the shorter term crisis problems.

2. U.S. Oil Reserves started to decline in 1967.

3. U.S. Gas reserves started to decline in 1968. (Not including Alaska North Slope)

4. The U.S. Coal industry has had essentially a zero growth the last few years.

5. Nuclear plant construction is behind schedule. In 1950, the prediction was that by 1970 nuclear energy would supply 30% of our electrical power. Actually, it is 1%; about the same as *wood*.

6. Most utilities have switched from coal and high sulfur residual oil to gas. More recently there has been a further switch from gas to oil, putting a greater burden on oil.

7. The construction of the Alaskan Pipeline and exploration and production from offshore California have both been delayed for several years.

8. Demand has also been increased beyond normal by:

a. Increased sales of automobiles with more power equipment and weight.

b. Pollution controls on automobiles.

9. More recently, restrictions on foreign production of about 20% and an embargo on oil to the U.S. has compounded the real energy crisis.

II. POLITICAL CAUSES

1. The early seeds of the energy crisis were planted in 1954 when gas producers were put under the controls of the Natural Gas Act. The distortions, inequities, unfairness, and damages to the economy of government regulations and interventions are well illustrated by the Act.

For instance, a recent study in our small company showed that 81% of our gas is sold in interstate commerce under control of the Federal Power Commission. For that gas we received an average of 17.4 cents per 1000 cubic feet. For comparable gas that we find now and are able to sell within Texas, we get 80 cents per 1000 cubic feet. Compared to oil on a basis of heating value alone we should be getting from 90 cents to over $1.00 per thousand.

You can say, as most people apparently do, "This is your problem and you still are making a little money." Sure we are making a little money if you value things as they were fifteen to twenty years ago. But we are not making enough to replace the natural gas that you now need and will need in the future.

This terrible distortion and inequity is your business too. The oil industry pays $700,000,000 per year taxes in Texas, most of which goes to schools. If Texas gets only a fraction of its value for exported natural gas, you pay more taxes to make up the difference.

Industry in Texas pays 80 cents for gas while the cheap gas goes to the Midwest and East Coast to competing industry.

This ultra-cheap gas has caused utilities and other industry to convert from coal to gas; wasting the valuable gas that should be used for home heating. The coal industry was ruined in the process by taking its market. Now that we need the coal industry, it is crippled.

The oil industry has not been allowed the real value of natural gas—so we have not been able to replace reserves, therefore, as mentioned earlier, the reserves of oil began to decline in 1967 and natural gas in 1968. The ultra-cheap natural gas and oil has retarded the development of alternate fuels. Because of their higher costs they could not compete with the cheap price controlling natural gas.

2. Despite our loud protestations, despite our low profits, and despite the declining reserves, Congress passed the Tax Reform Act of 1969 that increased the oil industry taxes by over $500,000,000 per year, thus reducing the capital available to the industry by that amount. This is the bill that reduced the depletion from 27½% to 22% and made other changes that affected the oil industry only. To make matters worse and in spite of acute shortages, Congress now seems determined to immediately remove or reduce the depletion allowance and slap on an 85% excess profits tax on the sales price of oil. Certainly our profits are not in excess of what is required to find the oil and gas and develop alternate sources of energy so badly required by this country.

Much emphasis has been placed on the increase in profits of International Oil Companies in 1973 over 1972. Most of the increase in profits came from foreign operations. Part of the profit increase came from domestic price increases in late 1973.

These price increases received domestically in late 1973 should have been received many years ago.

3. The environmental legislation and advocacy of more and stricter legislation has had considerable effect on the energy crisis. The objectives of this legislation is good, but this is extremist legislation enforced to the extreme and without regard to costs or effects on our economy and freedoms. Some effects are:

a. Delay of the Alaskan pipeline-depriving us of about 2 million barrels per day of oil.

b. Delay in drilling and producing in California where much oil is available and off the East Coast where the potential is unknown.

c. Delay in granting offshore leases in other areas.

d. Delays or prohibitions on refinery sites.

e. Prohibition of use of higher sulfur coal and residual oils in power plants and other industry. This puts a larger demand on oil and natural gas. The Federal Power Commission reports that 400 plants were converted to fuel oil from 1965–72.

f. Delay in building nuclear plants and the running of existing plants below capacity.

g. Pollution control devices cause automobiles to use more gasoline.

h. Pollution controls on plants have required more energy, caused inflations by nonproductive costs and has reduced capacity by controls or by the plants being abandoned.

i. Delay or prohibition of strip mining of coal.

4. The Mine Safety Act has caused an estimated 15% to 25% loss of production and a 20% to 30% increase in costs in underground mining. Progressive enforcement is estimated to close an additional 500 small mines at the end of March 1974, with a loss of 5% of the nation's coal production.

5. The normal delay of bureaucracy, the Act setting up the Atomic Energy Commission and environmental controls cause great delays in new nuclear plants. The lead time is from 8 to 10 years on a new plant. Other countries manage theirs in about 4½ to 5 years.

6. The oil quota systems for the import of crude oil was put into effect during the Eisenhower Administration. The objective was good—to keep alive a viable oil industry in the U.S. so as not to become dependent on foreign oil. The bad administration of the Act plus the government "jawboning" that went along kept the prices too low to replace the oil we produced and the uncertainty of supply prevented the building of the required new refineries in the U.S. The price of crude oil in 1958 was $3.01 and in 1972 was $3.39. In constant 1958 dollars the price was $3.01 in 1958 and $2.53 in 1973.

7. The U.S., including the oil industry, has been under price controls for 2½ years and the oil business has been singled out for continued price controls. Price controls freeze more than prices. Not only do companies not have the money to find oil and gas, we are also frozen in our plans or actions for the future. No business can plan based on the capricious and unpredictable actions of bureaucrats and Congress. Every day of controls means a day of delay in solving the energy crisis.

8. Allocation programs are other names for rationing and delay further the return to a free market system and increases in supply.

9. Myriads of other legislation such as the consumer protection Acts, the Federal Trade Commission, the Occupational Safety and Health Act, the Securities and Exchange Commission and others reduce our time and ability to find and develop new energy. Each promulgate their own regulations and have their own police forces.

We are accused of not paying enough taxes. Our critics compare only our U.S. income taxes with both U.S. and foreign profits. They forget the huge amounts of taxes paid on foreign profits. Actually, when all U.S. taxes, other than sales and excise, are considered, the oil industry pays about 5.8% of their gross income in taxes compared to 5.6% for all mining and manufacturing corporations as a whole. This does not include the state and federal tax collected at the pump. If this is included, the taxes become 20% of gross income for the oil industry.

10. The oil embargo which precipitated the crisis was caused by the Arab view that the U. S. was pro-Israel and anti-Arab.

11. Much of the future energy from oil and gas, uranium, coal and oil shale must come from lands belonging to the Federal Government. If they continue their policy of too little and too late, the energy situation will grow worse.

12. And finally, our public image and the results of our good public service for many years has been destroyed. The destruction was primarily by those Congressmen wanting quick votes, quick publicity and wanting to blame the oil companies to keep the blame for the energy crisis from justly falling on them. It has been good politics for many years to falsely find something wrong with the oil companies and then curing it with punitive legislation. This could not be done without your public support. The communications media must take their share of the blame through their need for sensationalism to spread to the public in their biased doses of 30-seconds wisdom.

This climate creates our legislative and economic problems and physically impairs our work. These help cause our energy crisis.

Most of the news media foster sensationalism, hysteria and fear, under the guise that this is news. This is also fed to the public several times each day in small doses in their home. The presentations are biased or, at best, do not and cannot give the full story or even a balanced dose. Most of the news is slanted toward fault finding and on the politically "liberal" side. We in business who have to deal in facts are not news because facts are dull. The news media make their contribution to the energy crisis.

Much of the news media are sincerely trying to understand the complex energy situation. There is encouragement that some of the press is getting beyond the "contrivance" and hysteria stages to the true facts of the situation. Whether this will develop fast enough to get to the public and Congress before punitive action is taken in Congress is very doubtful.

III. ECONOMIC CAUSES

The historically depressed prices for oil and natural gas have already been discussed. The industry's profits expressed as a percent of return on our investment for 20 years 1953–1972 averaged 10.1% compared to 10.8% for all manufacturing industry. The results for 1973 looks like we may have caught up with or slightly exceeded industry.

The effects of our depressed profits are best expressed by John Winger of the Chase Manhattan Bank:

"For the past decade and a half, the net income of the petroleum industry has been too small relative to its capital needs."

"Because it was not able to invest enough in the past, the patroleum industry is now faced with an enormous task. Not only must it try to satisfy the world's growing needs in the future, but it must also overcome the deficit created in the past by under investment."

"Clearly, in terms of the world's current and future needs for petroleum, the industry's earnings positively are not excessive—on the contrary, they are still subnormal. And, unless they can be improved in the years ahead, the world is faced with the prospect of devastating shortage of petroleum."

This was stated November, 1973.

The investment required by the petroleum industry between 1970 and 1985 is a minimum of $1.350 trillion. An increase in profits of at least 30% is required in 1974.

In 1954, there were about 35,000 to 40,000 independent oil producers. Today, there are under 10,000. If the oil industry has been so profitable, where did those 25,000 independents go?

IV. PHYSICAL CURES

The cure of our energy shortage seems so simple physically and so impossible politically.

There is enough petroleum in the world to provide growth for another 8 years more or less. In the United States, it is estimated that 47.5% of our oil and 63.4% of our natural gas remains to be discovered. This will be much harder to find, will be at higher costs and will require greater economic incentives.

Coal supplies, again at higher costs, could last for a thousand years. Oil shale reserves in the United States are about equivalent to all the natural gas reserves past and future.

Nuclear reserves with the present technology is about equivalent to all the oil reserves past and future . . . If the breeder reactor is commercialized, then nuclear fuel is probably as large or larger than coal reserves. If the fusion process is ever developed, we cannot see the end of this energy.

Because of timing and political impossibilities, we will not see the end of the energy shortage in our generation. For this reason, we must take certain short, medium and long term steps.

Short term steps: Energy usage must be reduced and we must develop a savings ethic. Engineers will have a major place in alleviating the shortage. They must seek every possibility to increase energy efficiency through new designs, building construction, new smaller automobiles, mass transit and other ways that we cannot now see.

Short term and medium term steps: More oil and gas must be found, more coal developed, more nuclear plants built; all with the present technology.

Longer term steps: Research into new energy sources must be pressed with new technology. Next on the horizon must be coal liquefaction and gasification, oil shale production, tar sand extraction and geothermal development.

Further long term steps: Still further coal development, the breeder reactor hopefully, nuclear fusion and solar and wind power.

V. ECONOMIC CURES

Growth has been synonymous with increased energy supplies. Without increased supplies we will go through a severe economic situation until supplies grow again. The economic solution is again rather simple. Allow the free market system to work and remove the innumerable government controls. This is the only solution and has worked many times before.

The public has been fed so much propaganda on government intervention and controls that they are apprehensive about freedom. It is true we can't get something for nothing and the consumer will have to pay the price either way. The free enterprise system is less costly because it is more efficient than government and it stimulates creativity and ingenuity for solution of problems and will bring the costs to the lowest possible level.

Economically the costs will rise to equal the costs of finding adequate alternate sources of energy. The cost of coal liquefaction and gasification in 1973 dollars are about $10.00 to $11.00 per barrel of oil equivalent. Oil shale, tar sands and imported liquefied natural gas are in the same order of magnitude. This is a little higher than the average at current U.S. controlled and uncontrolled prices of about $6.50 per barrel and a little less than most of the oil sold directly by the Arabs. This would be roughly equivalent to gasoline at 60 to 75 cents per gallon.

These figures are inaccurate because increasing costs of labor and supplies for the industry cannot be foretold and the ingenuity of free enterprise sometimes has the effect of decreasing prices over time, dependent on inflation. These figures can only be an order of magnitude related to present conditions.

VI. POLITICAL CURES

The most immediate help would be the lifting of the oil embargo. However, even if this is done there is no indication that production levels will be increased above that of last fall. The Arabs have said they will not increase the production beyond those 1973 levels unless their countries are industrialized so they will have economic well being after the oil is exhausted. This industrialization may take many years.

The most immediate help could also come from the Congress ceasing all punitive legislation of the industry such as price rollbacks, elimination of the depletion allowance and an excess or "windfall" profits tax. Steps should be taken to deregulate natural gas and ease the environmental requirements. All of the political causes listed herein must be reversed before real progress can be made. The problem is that the politicians, with the apparent support of the public, are still marching down that same old tired legislation road that caused the problem in the first place. The liberals are still advocating all of the harmful legislation they can imagine including a new Federal Oil and Gas Corporation, anti-trust action and divestitures. This legislation and constant pressure is bad. Whether Congressmen are passing and supporting this legislation to promote their "liberal" ideology, to get votes, from a lack of knowledge or from fear, the results are still harmful. Many of the Congressmen have worsened the crisis by false accusations, distortion of facts and construction of cases against the companies that are absurd to those who know and understand the facts.

The leaders in Congress who oppose the oil industry are like those leaders who incite a mob so as to use its power for punitive purposes. The leadership of Congress should have the courage and wisdom to lead the people to accept those hard decisions and actions required to solve the energy crisis.

Many Congressmen feel they have a mandate from the people to reduce the profits of the oil companies. Many will not have the courage to inform their constituents that this is the wrong course and will reduce the energy supply.

Psychologically people want to believe the energy crisis is contrived. If it is contrived, it can be easily cured and the people will not be hurt. If it is real, people know they will be hurt.

Washington is an Alice-in-Wonderland world these days where white is black, black is white, truths are lies and lies are truths. Anyone having knowledge and experience in a subject is prohibited from contributing to a solution on the excuse of "conflict of interest." Until this attitude (which apparently is supported by the public) is reversed, there can be no solution to the energy problem.

Some Congressmen instead of taking a long-range courageous leadership in solving the energy crisis are leading in denouncing the oil companies and carrying the public to hysterical reactions. They are pandering to our worst traits of greed, envy and fear to arouse emotion they can use in getting publicity, votes, and moving their ideology through the legislative process.

There is a minority of Congressmen who realize these conditions and are a valiant and courageous band in fighting these trends. Most of our Texas Congressmen are among them. These people must be supported and the others replaced.

There is a great unease in our country with a loss of confidence in all our institutions. People do not know where we are drifting or the solutions. It has been said that historically the normal paths of regression for a country is from democracy to socialism to chaos to dictatorship. We are well down the road to socialism. The liberals, afraid that the public would rebel if they call it socialism, call it "government intervention," and they intervene at every opportunity. The socialization process is simple. Increasing doses of "government intervention" or taxation until the industry is crippled. Then the industry is nationalized, replaced by a government corporation, or fully controlled by some bureaucracy. This procedure works best during times of crisis, chaos and fear. Knowingly or unknowingly this is the road we are on. If this trend is not reversed, then the energy crisis will be only the first of many crisis to come. The mistakes of freedom are less than the mistakes of controls.

Although the liberals act as if socialism is a bright, new and shining future, history has shown that it has been tried and failed miserably many times in the past. It has been said that if we do not learn from history we repeat the mistakes and repeat and repeat and repeat.

Will and Ariel Durant spent 40 years in studying and writing their 10-volume "The Story of Civilization." After they had finished their monumental work they culled through history to see if they could condense any lessons history has revealed. They then wrote their book, "The Lesson of History." I close by quoting one paragraph from that book.

"The experience of the past leaves little doubt that every economic system must sooner or later rely upon some form of profit motive to stir individuals and groups to productivity. Substitutes like slavery, police supervision, or ideological enthusiasm prove too unproductive, too expensive, or too transient. Normally and generally men are judged by their ability to produce—except in war, when they are ranked according to their ability to destroy."

FERTILIZER REPORT

HON. BILL ALEXANDER

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 11, 1974

Mr. ALEXANDER. Mr. Speaker, fertilizer has long been a topic of conversation in Washington. In fact, the story most often told is that of how Bess Truman, in apologizing for Harry's public reference to manure, explained how long it had taken her to get him to say that.

Talk of fertilizer these days, however, is no laughing matter. Its availability has suddenly become one of the crucial determinants as to whether the world will go hungry or not.

Arkansas farmers, as their fellow farmers throughout the Nation, are confronted with a paralyzing dilemma. On the one hand, they are urged to "plant to the fenceposts," yet find in their enthusiasm to do so that suppliers cannot provide them with the fertlizer to achieve this increased production.

USDA reports that the net supply of fertilizer available to farmers this year will be about 21 million tons or 9 percent more than in crop year 1973. Yet even this record level of supply cannot meet the demand, which has been estimated to be 12 percent greater in nitrogen, 9 percent greater in phosphate, and 8 percent more in potash fertilizers than were used in 1973.

The economic implications of such fertilizer shortages are obvious. As yields drop, so does producer income. Reduced fertilizer expenditures of $5 per acre can reduce gross income to the farmer by $10 to $15 per acre in grain value. And if the grain is fed to animals this figure could rise $20 to $30 per acre.

Most perplexing of the questions that pervade discussions of the fertilizer shortage is the "why?" Over-exporting of American fertilizer has been blamed for the "pinch" placed on our agricultural sector, prompting several proposals in Congress calling for temporary embargos on fertilizer export until we get through the current planting season.

Transportation difficulties, a traditional problem for the fertilizer industry, certainly have accounted for the tight supply in some areas. Again this year there is a shortage of railroad and covered cars.

And at least part of the apparent shortage of fertilizer available for spring application is due to the unusually high rate of application during the first 5 months of 1974 crop year. A USDA survey of 14 States indicated a 44-percent increase in July-November 1973 sales of the three major fertilizer nutrients, compared with sales a year earlier.

And lest we forget the fuel shortage which has certainly left its mark on the fertilizer industry. Adequate fuel to operate both nitrogen and phosphate manufacturing facilities has not been available due in part to the fact that fertilizer production has not had a priority classification in the mandatory allocation program scheme.

So the big question is how we go about combating this problem. To begin with, fertilizer production must be given a priority classification in the fuel allocation program. We must promote production at full capacity by insuring that the industry has its full natural gas needs met.

Our farmers must make full use of soil tests, as encouraged by USDA, to get maximum benefits of fertilizer supplies available.

We must encourage branch line refurbishment to solve the industry's transporting headaches to relieve dependence on truck transport that is unsuited for rural road conditions.

And the Congress must thoughtfully contemplate export controls. I have proposed legislation that authorizes the Secretary of Agriculture to control the export of fertilizer in emergency situations. Similar proposals are currently under consideration by Congress.

A world food crisis is seen by many authorities to be looming ominously on the horizon. Whether or not this grim forecast becomes a reality depends largely on the response of the world community to increased agricultural production, which is so closely tied to fertilizer availability.

Delays in coordinating Government policies to assist the farm and fertilizer production sectors will stifle the achievement of our national agricultural production goals.

Decisive action must be taken now, as planting season is already upon us, to help the American farmer meet the needs of American consumers.

Perhaps Jonathan Swift in his "Gulliver's Travels" best sums up the farmers' predicament:

> He gave it for his opinion, that whoever could make two ears of corn or two blades of grass to grow upon a spot of ground where only one grew before, would deserve better of mankind, and do more essential service to his country than the whole race of politicians put together.

How true, if he could only get the fertilizer.

IMPEACHMENT OF THE PRESIDENT

HON. DALE MILFORD

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 11, 1974

Mr. MILFORD. Mr. Speaker, as you know, I am not one of the Members of this body clamoring for an immediate impeachment of the President of the United States. Neither have I been in the ranks of those defending the President in the face of allegations of illegal acts.

I have a strong feeling which I believe I share with the majority of Americans. I simply want to know the real truth about the so-called Watergate affair.

So far I have been unable to sort out the truth from the flackery, a frustration I believe I share with millions of citizens. There has been a confusing barrage of White House statements, staged question-and-answer sessions, press reports, congressional press conferences, and news releases—all professing to "enlighten" us about this unfortunate incident.

Mr. Speaker, this short speech is not intended to chastise my present colleagues in politics or my former colleagues in the press.

It is simply to state one man's strong opinion:

Enough of this junk is enough.

This is a nation of laws. We have laws to deal with any criminal activity on the part of any citizen. We have a Constitution which provides for dealing with any Presidential improprieties.

The processes of law do not move quickly. But I, for one, believe that it moves fairly, deliberately, and correctly. I, for one, am completely convinced that the people involved in this case are taking special care that it moves correctly in this historic instance.

In the last year, the press and the politicians seem to have joined in participating in a trial by popularization, not by law.

I know my former colleagues in the press are in the business of selling news, and they print and air what the people will read and watch and listen to. That is good business.

I know my colleagues in politics speak out on issues which identify them with the voters who elect them. That is good business on their part.

And it is good business for the President to defend the Office of the Presidency, which must survive this or any other crisis.

Unfortunately, business on all three fronts has been too good during this past year—with the result that we are about to bankrupt this Nation.

The Watergate matter has not been conducted with the principal goal of punishing the guilty and absolving the innocent. It has been conducted to sell news and buy public acclaim. If this is not stopped, and stopped soon, the American people—press, politicians, Presidents, and private citizens alike—are going to be big losers.

Mr. Speaker, we all read the polls. They show both the President and the Congress are held in extremely low esteem by the public.

That should tell us something. No one is winning.

I am a freshman Member of this body, and still learning the ropes. Many here know more about the Congress than I may ever know.

But having never been in politics until I ran for this office, I do have recent experience at being an expert citizen. And I have been listening hard to the other expert citizens whom I represent.

I believe the basic question in the minds of the people of the United States is this. Is the President of the United States guilty of wrongdoing?

This question cannot be answered in the newspapers or on radio or television. It cannot be answered in any politician's press release. And it cannot be answered by Richard Nixon's orchestrated appearance before a friendly crowd.

It can only be answered, finally, by due process of law.

If a President is suspected of wrongdoing, the Constitution clearly provides that the House of Representatives may impeach him and that the Senate shall try him. That is process of law.

If others are suspected of wrongdoing, they may be indicted and tried in courts. That is due process of law.

Nowhere in the Constitution or the law is there any provision for trial by public opinion. That is what we have been conducting, and I am sick and tired of it.

Mr. Speaker, the excellent Committee on the Judiciary of this House has been assigned the difficult task of seeking out any evidence which would determine whether or not an impeachment hearing is needed. I believe they are pursuing this assignment with diligence and propriety.

So let me call on any Member of Congress or other politician who has real evidence of Presidential wrongdoing to present that evidence to the Judiciary Committee.

Let me call on any member of the press who has real evidence of Presidential wrongdoing to present that evidence to the Judiciary Committee.

And if the President of the United States has real evidence of innocence, let me call upon him to come forward and present that evidence to the Judiciary Committee.

This is due process of law. As I said earlier, it is not swift. In fact, by its very nature it is deliberate and thorough. And because of this, it produces correct decisions.

I share with many Americans some serious doubts concerning the conduct of the President. But I also share a sincere desire to have these questions answered properly.

I am—proudly—a member of a different political party than the President's. I voted against him, and I disagree with much he has done in governing

But he was elected by the American people, and he is the President.

The fact that I disagree with him is not grounds for impeachment.

The fact that he has a running feud with the press is not grounds for impeachment.

The fact that the polls reflect that many people have changed their minds about Mr. Nixon is not grounds for impeachment.

When the Judiciary Committee reports to this House clear evidence of Presidential wrongdoing, I shall not hesitate to vote to impeach.

On the other hand, if this clear evidence is not forthcoming, I shall freely vote to absolve him.

But I do want to know, one way or the other. And I want to know from the committee, and not from the newspapers or networks. I want to know by due process of law.

Let us all join together—press, politicians, President, and public—to resolve this issue the way it must be resolved.

If anyone refuses or declines to participate in this course of action, I would warn all citizens to be alert for the possibility of self-interest which probably has nothing to do with the real problem we are facing, or its solution.

NEARLY 20,000 FAMILIES RESPOND TO QUESTIONNAIRE IN POLL OF FOURTH DISTRICT IN MICHIGAN

HON. EDWARD HUTCHINSON

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 11, 1974

Mr. HUTCHINSON. Mr. Speaker, in every year since 1965 I have mailed questionnaires to the people of the Fourth Congressional District of Michigan seeking their views on the major issues before Congress at that time. The response to this year's poll has exceeded the previous record by several thousand, reflecting the great concern with which Americans everywhere are viewing the issues and problems which we now face.

Thus far, nearly 20,000 families have responded and—because this year's questionnaire provided space for three persons in a household to express their opinions—the results, as tabulated by an independent data processing service, reflect the feelings of more than 45,000 residents of the Fourth District.

Mr. Speaker, in the belief that other Members of Congress might find the results of this survey especially valuable at this time, I would like to include in the RECORD the tabulation which I received this morning:

RESULTS OF THE 1974 PUBLIC OPINION SURVEY, 4TH CONGRESSIONAL DISTRICT OF MICHIGAN

[In percent]

Question	No answer	Yes	No
Should gasoline be rationed now?	.009	8	90
Do you believe an energy crisis actually exists?	1	35	62
Should wage and price controls be removed?	3	48	47
Should Federal election campaigns (President, senatorial, and Congressional) be financed by tax dollars rather than private contributions?	2	34	63
Should the President be impeached?	2	29	67
Should the President resign?	3	30	65
Should the President remain in office?	2	60	36
If we were to have a national health insurance program, which of the following basic concepts would you prefer:			
A Government plan covering medical care for everyone?	1	45	53
A Government plan covering only long-lasting illness?	24	31	43
Continued reliance on private health insurance with Government paying premiums for the poor?	24	33	42
Requirement that employers provide health insurance for employees?	21	47	31
No new program	32	31	35

CONGRESSMAN HUNGATE'S 1974 QUESTIONNAIRE RESULTS

HON. WILLIAM L. HUNGATE

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 11, 1974

Mr. HUNGATE. Mr. Speaker, I would like to bring to the attention of my colleagues the results of my recent questionnaire survey to my constituents in the Ninth District of Missouri. This poll produced over 35,000 responses, which indicates a great concern about some of the controversial national issues. I believe the results will be of interest to the public and to the Members of the House.

Almost 67 percent of the Ninth District constituents who responded to these questionnaires voiced the opinion that President Nixon does not have their trust and respect. Nixon carried the Ninth District with 65 percent of the vote in the 1972 election. One-fourth of the 35,000 people replying said they believe the President is doing a good job, while 7.6 percent had no opinion.

Over 40 percent expressed the belief that a sufficient question has been raised to justify an inquiry by the House of Representatives, although they are not certain as to his guilt or innocence. More than one-third or 34.6 percent replied that there is no doubt in their minds at this time that the President is guilty and should be impeached, while 24 percent believe he has been unfairly maligned and see no reason for the House inquiry.

On the question of revenue sharing, a substantial majority or 62.1 percent do not think there has been a noticeable improvement in local governmental services since that program began in 1972. There were 21.5 percent who believed there had been such improvement. An unusually large percentage or 16.4 percent was undecided on this issue.

On the energy crisis question, 55.8 percent blamed the "major oil companies' exclusive control on production and distribution" for the shortage. Almost 29 percent said the cause was ineffective Federal regulation; 1.9 percent attributed the major cause to low oil import quotas, and 3.3 percent, a worldwide oil shortage. Another 3.4 percent blamed self-serving interests of foreign oil-producing nations, 5 percent had other opinions, and 1.7 percent expressed no opinion.

The energy crisis was most strongly felt by 30.9 percent as it affected transportation, 27.9 percent in home use, 10.1 percent in business or employment, 9.2 percent in leisure, 1.3 percent services, 10.3 percent in other fields, and another 10.3 percent stated there was no effect whatsoever. This relatively large number expressing no inconvenience or effect of the energy crisis would seem to indicate the regional and localized nature of this problem.

Nearly half the people in the Ninth District—48.4 percent—thought we should give economic aid to Israel, while 44.8 percent thought the United States should take a neutral position. Of those favoring providing aid, 30.2 percent thought we should give all aid necessary—excluding American troops—while 18.2 percent said that aid should be limited to economic assistance. Only 6 percent think the United States should support the Arabs' position that Israel return all Arab land won in the 1967 conflict, and 0.8 of 1 percent feel the Arab land should be given back and the Arabs should be supported in imposing higher oil prices.

The summary was conducted in March 1974, and the question-by-question results of the survey follow:

CONGRESSMAN HUNGATE'S 1974 QUESTIONNAIRE RESULTS

[In percent]

	His	Hers	Total
I. Energy crisis:			
A. In what area has the energy crisis most severely affected you?			
1. Transportation	34.9	27.1	30.9
2. Home use (i.e., heating and other utilities)	22.2	34.2	27.9
3. Business or employment	13.2	6.5	10.1
4. Leisure	7.8	10.6	9.2
5. Public services	1.3	1.3	1.3
6. Other	10.8	9.6	10.3
7. No effect whatsoever	9.8	10.7	10.3
B. What do you believe is the major cause of the energy crisis?			
1. Ineffective Federal regulations, planning and administration	30.2	27.3	28.9
2. Major oil companies' exclusive control on production and distribution	57.2	54.8	55.8
3. Low-oil import quotas	1.7	2.1	1.9
4. Worldwide oil shortage	3.5	3.0	3.3
5. Self-serving interests of foreign oil-producing nations	2.7	4.0	3.4
6. Other	3.4	6.7	5.0
7. No opinion	1.3	2.1	1.7
II. Middle East:			
The recent outbreak in the Middle East has again involved the United States. I would like your opinion on our future relationship with Israel and the Arab nations. The United States should:			
1. Give all necessary aid, both military and economic, to Israel (excluding American Armed Forces) to help guarantee her independence	34.6	24.8	30.2
2. Limit aid to Israel to economic assistance	19.1	17.2	18.2
3. Take a neutral position on the Middle East situation	39.2	51.6	44.8
4. Support the Arab position that Israel return all Arab land won in the 1967 conflict	6.3	5.7	6.0
5. Support the Arab position on returning the land (in No. 4) as well as support the Arabs as justified in imposition of higher oil prices	.8	.7	.8
III. The President:			
A. With which of the following statements do you most closely agree?			
1. There is no doubt in my mind that the President is guilty of "high crimes and misdemeanors"; he should be impeached	35.0	33.8	34.6
2. I am not certain whether or not the President is guilty of "high crimes and misdemeanors," but sufficient questions have been raised to justify inquiry by the House of Representatives	41.0	40.6	40.4
3. I believe the President has been unfairly maligned, and I see no reason for an inquiry by the House of Representatives	23.0	24.3	23.8
4. No opinion	1.0	1.3	1.2
B. President Nixon has my respect and trust:			
1. Agree	25.3	25.9	25.6
2. Disagree	67.2	66.4	66.8
3. No opinion	7.5	7.7	7.6
IV. Revenue sharing:			
In your opinion, has there been a noticeable improvement in local government services since revenue sharing began in 1972?			
1. Yes	21.0	19.8	21.5
2. No	62.3	61.8	62.1
3. No opinion	16.7	18.4	16.4

RESULTS OF QUESTIONNAIRE, SECOND DISTRICT OF IOWA

HON. JOHN C. CULVER

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 11, 1974

Mr. CULVER. Mr. Speaker, this year as during my previous years of office in the House, I sent a questionnaire on a number of issues of leading interest to my constituents in the Second District of Iowa. More than 17,000 questionnaires were filled out and returned. I am pleased by the size of the response, which has increased each year, and particularly by the extensive comments which so many of my constituents added in their replies.

No public official should be guided by the results of polls alone. Indeed, it is sometimes the highest obligation of an elected representative to vote his own conscience despite an aroused public feeling, or a sudden turn in public attitude. One's highest obligation is to one's oath of office and to the constitutional order.

However, polls of this nature provide very helpful indications of citizen concerns. Because the Second District of Iowa is diverse and is composed of a broad cross-section of interests, a questionnaire of this sort has real value to me and to my colleagues in the House. In turn, I believe the results are revealing and informative for all those whose views were solicited and on whose judgment and confidence all legislators rely.

I include the tabulated results at this point in the RECORD. I hope that the findings will be of interest to Members and to the wider public.

To those of us serving in Washington we are again given a sharp reminder by this poll that there is widespread dissatisfaction with our two most vital institutions—the President and the Congress. We can take little satisfaction that the Congress rates the better of the two, for it too lacks a broad consensus of support. This is why we must renew our efforts to communicate with the voter credibly and candidly; and why we must refashion the machinery of Congress so that its performance is better attuned to the public's expectations and needs.

This questionnaire is one small way of providing a better flow of views and concerns between the citizen and the legislator—so vital to the fabric of our democracy.

The tabulated results of my questionnaire follow:

TABULATED RESULTS OF QUESTIONNAIRE, 2D DISTRICT, IOWA

[In percent]

	Yes	No
1. Economy: Do you think the administration's economic program has been reasonably successful in curbing inflation and reducing unemployment?	14	86
2. Energy: In light of the fuel shortage, which of the following actions do you favor:		
(a) Major new Federal investment in the development of alternative sources of energy?	86	14
(b) Restrictions on the size of car engines or a tax on high-powered cars with low fuel economy?	62	38
(c) Government rationing of gasoline?	29	71
(d) An increased Federal tax on gasoline?	8	92
(e) An excess profits tax to prevent energy suppliers from reaping windfall profits as a result of shortages?	90	10
(f) Relaxation of environmental standards?	41	59
3. Agriculture:		
Do you approve of the new farm bill establishing a floor under agricultural prices in place of the former system of payments to hold land out of production?	74	26
Do you favor establishment of a strategic grain reserve seeking to stabilize farm income and provide a guaranteed source of supply in times of emergency?	86	14
4. Watergate: The Watergate affair and related events have dominated public attention this year. Assuming no new action by the President to bring out the truth, which of the following do you favor:		
(a) Continue the investigations by the Senate Watergate Committee	57	43
(b) Continue the investigations by the Special Prosecutor	74	26
(c) Continue the impeachment investigation by the House Judiciary Committee	72	28
(d) Stop all of the above investigations	33	67
5. Public confidence:		
Do yoy approve of the way the President is doing his job?	21	79
Do you approve of the way the Congress is doing its job?	32	68
Do you approve of the way the news media are doing their job?	57	43
6. Campaign finance: Both Federal and Iowa income tax forms now allow each taxpayer to allocate $1 to the party of his or her choice to help finance election campaigns without reliance on large contributions. Use of this dollar checkoff does not increase the amount of tax to be paid. Do you favor this type of public financing plan?	75	25
Which, if any, of the following additional proposals do you favor as a means of improving our system of financing Federal election campaigns:		
(a) Limits on expenditures a candidate is allowed to make?	94	6
(b) Making contributions above a certain amount illegal?	88	12
(c) Matching each small individual contribution to a candidate with an equal amount of public funds?	20	80
(d) Total public financing of elections?	33	67
7. Pension reform: Should Congress place private pension plans under Federal regulation to guarantee retired persons receive all the benefits they have earned?	79	21
8. Tax reform: Which, if any, of the following proposals for tax reform should be adopted by Congress:		
(a) Equalize the income tax rate for single and married persons?	56	44
(b) Require persons with high incomes to pay a higher minimum tax, regardless of their deductions?	83	17
(c) Eliminate tax deduction for certain interest payments?	36	64
(e) Reduce the oil depletion allowance (tax deduction for exploration by oil companies)?	68	32
9. Rural communities: Do you favor H.R. 11350 which I introduced to provide Federal funds for small towns to assist in fixing up business districts and providing a center for community activities?	68	32
10. Health: Which of the following systems do you favor for providing medical care at an affordable cost to all Americans:		
(a) Comprehensive national insurance funded by general tax revenues and a social security-like payroll deduction?	40	60
(b) Tax credits for premiums paid for private health insurance?	78	22
(c) Tax incentives to encourage employer-run insurance plans, with the Government subsidizing premiums for the poor?	53	47
(d) Publicly subsidized insurance to pay for catastrophic medical expenses while relying on private insurance and personal resources for ordinary medical expenses?	70	30
(e) Continuation of the present system?	33	67
11. Preparing for the future: The Select Committee on Committees has, at my recommendation, proposed that all House committees shall include a subcommittee on oversight as well as foresight to more effectively review the present value of enacted legislation and to anticipate and determine future legislative needs. Do you agree with this proposal?	81	19
12. Budget priorities: Inflationary pressures and budget deficits require restraint and difficult choices about priorities for Federal spending. Please indicate those areas of the budget which you feel should be increased, decreased, or remain the same:		

	Increase	Same	Decrease
Control of drug abuse	49	43	8
Education	45	45	10
Health	57	37	6
Military	8	35	57
Foreign affairs	3	24	73
Agriculture and rural development	33	51	16
Transportation	59	34	7
Community development and housing	30	49	26
Social security	40	50	10
Social services	20	46	34
Space exploration	8	27	65
Consumer protection	52	39	9
Pollution control	37	44	19
Crime control	68	29	3

ADDITIONAL VIEWS ON THE RANDALL REPORT ON U.S. TROOP COMMITMENTS IN EUROPE

HON. RONALD V. DELLUMS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 11, 1974

Mr. DELLUMS. Mr. Speaker, on April 4 the Armed Services Committee approved an ad hoc report concerning U.S. troop commitments in Europe. Since that report—which is the result of the Peyser amendment to last year's Defense authorization bill—ostensibly will use as the basis for all arguments this year in Congress that our troop levels in Europe are sacrosanct, I think that it is important that Members realize that the Randall subcommittee which made the report proceeded questionably and presented a perspective which overlooks several critical areas and questions on this critical issue.

I. PROCEDURAL ERRORS

It is clear that the effect of the subcommittee's work has not been to provide Congress with an "independent," comprehensive and balanced view of the question of American troops in Europe, but merely to back up the administration positions with authoritative-sounding pronouncements.

The investigations by the subcommittee were seriously deficient. No public hearings were held. Only administration officials were invited to testify. There were no public witnesses at all, much less anyone who supports reevaluation of our troop commitments in Europe.

The subcommittee did not engage in any direct investigation of conditions in Europe, but relied completely on descriptions from people committed to carrying out an existing specific policy. No one doubts the good faith of these witnesses, but it is unfortunate that no allowance was made either for persons with a different perspective or for honest differences in opinion.

The authority of this report is not increased by the hurried manner by which full committee approval was sought. The subcommittee's failure to seriously consider objections to administration policy is compounded by the failure to allow for careful consideration and substantive discussion of the conclusions of the report by members of the committee.

Under these circumstances, the subcommittee's report can only be considered as a friendly summary of the current administration position, and not as an independent investigation.

II. THE ISSUE OF AMERICAN COMMITMENTS AND NATO CONVENTIONAL ABILITIES

The conclusion of the report is that there should be no cut in the level of American troops in Europe. For documentation, the subcommittee mainly relies on assertions by the makers of present policy.

However, a basic question is not even discussed.

Although the subcommittee makes many allusions to the NATO alliance's ability to "give a good account of itself" in a conventional conflict, there is no clear statement or assurance that current NATO conventional force levels can successfully defend the shallow NATO theater of operations from the kind of fast-moving, overpowering, and mobile conventional combat that the Warsaw Pact forces are structured and positioned to conduct.

This is the central question that the entire report never really discusses: whether or not the NATO conventional military forces can in fact actually defend the NATO area for an extended period, without the probable need to make early use of tactical nuclear weapons.

Yet only by starting with an answer to this central question is it possible to conduct a substantive discussion on the merits of administration policy. MFR talks and the Jackson-Nunn amendments, both of which the subcommittee places at the center of discussion, are only peripheral issues.

Briefly stated, the fact is that NATO is now—and long has been—vulnerable to a Soviet conventional attack.

It is vulnerable to conventional war because the NATO allies over the past 15 to 20 years have not been willing to expend the money and manpower necessary to structure a truly adequate combat-effective conventional ground force of sufficient size to offset the superior Warsaw Pact ground forces.

This is not the fault of the United States. NATO is secure in a strategic and tactical nuclear sense only because of U.S. guarantees and positioned weapons. The United States for 20 years has made a sizable and costly contribution to the NATO conventional ground forces. But the conventional area continues to be the Achilles heel of NATO. Besides the United States, only the Federal Republic of Germany has provided a significant conventional combat to the NATO Central Europe front. The French have withdrawn their forces from the NATO military command. The French foreign minister indicated on March 10, 1974, that although France wanted the U.S. forces to remain in Europe, the matter was not "fundamental to France."

If the matter of improving or maintaining even the present marginal conventional security for NATO is not "fundamental" to one of the principal members of the Atlantic alliance, why is it then incumbent on the United States to attempt to find military, political and diplomatic reasons why the central question should not be faced?

Yet that is exactly what this report attempts to do. The United States certainly has fundamental security reasons for desiring to assist the NATO alliance in defending itself. But these U.S. national security considerations and costly efforts cannot surmount a persistent apathy on the part of the European members of the alliance in regard to the longstanding critical conventional weakness of the NATO ground forces.

This is the gut problem of the alliance. We only obfuscate the answer by vague rhetoric about constantly improving conventional capabilities which have always been marginal. We cannot avoid the central issue by delaying tactics such as the mutual force reduction talks, or the Jackson-Nunn amendment. This latter legislation puts us in the position of making cuts for economic reasons that can be justified perfectly well for security reasons; namely, the lack of a European will to sacrifice toward creating a truly deterrent conventional force.

In conclusion, this report does not address this long-standing problem of the weakness of NATO conventional deterrence. I believe it should. Why should the Congress place itself in the position of alibiing—even with good intentions—the consistent failure of our NATO allies to put up sufficient conventional forces to end the conventional combat weakness of the Alliance? Why should this Congress sacrifice our independence of initiative toward reducing the excessive number of American conventional ground troops stationed in Europe, when our European allies continue—as they have for nearly 20 years—to refuse to provide a sufficient number of their own ground troops to do something effective about the conventional vulnerability of NATO?

Contrary to the implications in the report, no one is advocating a precipitous withdrawal of large numbers of U.S. troops in Europe. Let us be clear on what is at issue. What has been proposed is a carefully-phased thinning-out of the large number of noncombat U.S. military personnel currently assigned in the multitude of headquarters and support units located in central Europe. These personnel would be followed by a phased withdrawal of 1 or 2 of the mechanized infantry divisions. This independent pruning-back of our overgrown forces would serve to streamline and strengthen their overall combat capability as restructured forces were also moved to more viable battle positions. Any realining of our forces would be done in consultation with our allies. It is entirely compatible with the past and present action that the European countries themselves have taken in regard to their ground forces.

III. UNANSWERED QUESTIONS

In relation to other issues raised in the subcommittee report, the following questions would have to be asked and answered if a complete examination of the problem is desired.

First. It is assumed in the report that the presence of Soviet forces in Central Europe poses a continuing threat to Western European independence. Yet the Department of Defense military threat statement for Western Europe in 1974 indicates some contrary assumptions:

> While we do not consider aggression by the USSR likely in the present political climate, the fact remains that the Soviets have a vital interest in *preserving the status quo* in Central Europe and in *retaining their hold on Eastern Europe*. A crisis that *could lead to conflict could arise if the political situation substantially changed in a way that threatened the USSR or its hegemony over Eastern Europe*. (Italic supplied.)

Can this contradiction be explained?

Second. The Soviet Union stations a large number of troops in Eastern Europe even though, as we are assured by the subcommittee, there exists a "powerful" NATO conventional force which "could give a good account of itself" and thereby protect Western European independence. Therefore, these troops are not presently effective as a credible means of our pressure. Furthermore, withdrawal of troops behind the Soviet border probably would cause no basic strategic disadvantage to the Russians, but would presumably accelerate a process of political relaxation in Western Europe. Why, then, if troops are effective only in provoking West European hostility, does the Soviet Union feel that it is in its interests to keep troops in Eastern Europe? Is it not because they are essentially occupation troops, and not really credible as a "threat" to Western European independence? This seems to be what is assumed by the people directly concerned—the Western European public.

Third. While it is true that U.S. forces in Europe serve the United States as well as Western European security interests, is it not also a fact that the level of U.S. forces in Europe is rightfully an independent decision of the U.S. Government, rather than a commitment specified in an article of the NATO Treaty which is the foundation of U.S. foreign policy in regard to the Atlantic Alliance? What treaty article or congressionally approved commitment specifies that the curent level of U.S. military forces must be stationed in Western Europe? What congressionally approved military policy statement specifies that the present level of U.S. forces are required in Western Europe in order to assure the national security interests of the United States?

Fourth. The report indicates that the Warsaw Pact has superiority in numbers of men and armor. A recent Rand study on NATO military policy indicates the pact forces are also superior in numbers of tactical aircraft, missiles, artillery and mortar tubes. In view of this evident superiority in practically all areas of a conventional contest how can it be said that the NATO conventional force "is not a tripwire"? How many days is it estimated the NATO conventional forces can hold on—without using nuclear weapons—to the east side of the Rhine River against a full scale Soviet attack?

Fifth. Is it not true that our European NATO partners have, to some extent or another, been "continuing to improve their forces" and "increasing their defense budgets" for most of the past 15 years, yet these "increases" have not alleviated their continuing vulnerability to Soviet conventional forces? Are the quantities of tanks, armored vehicles and modern combat and patrol aircraft mentioned as "additions" in the report actually additional items of major equipment or are they replacement items for older obsolete weapons that are being removed from the NATO forces inventories? Does the statement "NATO is moving forward on its aircraft-shelter program, higher levels of reserve stocks and improved air defenses around rear depots and airfields" mean that these long-standing weaknesses in the NATO defense structure have been corrected or that our NATO allies continue—as they have been doing for 12 years—to merely "move toward" correcting these deficiencies?

Sixth. Although the report mentions improvement in the U.S. overall balance-of-payments position, it does not mention the DOD estimate that the fiscal year 1974 BOP deficit relating to NATO deployments will be approximately $2.1 billion—an increase of $600 million over the reported fiscal year 1973 deficit. Is not this the more relevant statistic?

Seventh. The subcommittee, in order to demonstrate progress being made at the MFR talks, stresses the fact that position papers have been prepared by both sides. Yet from their summaries it is clear the two positions are diametrically opposed. The Soviet "joint draft" proposes mutuality in aggregate reductions of the armed forces and armaments—including ground forces, air forces, and nuclear weapons—of all the countries with forces in Central Europe; while the U.S. "working scheme" stresses a two-phase reduction with only the first phase spelled out as consisting of solely ground force reductions by only the United States and the U.S.S.R., and with the United States reducing at an aggregate rate of two and a half times fewer troops than the U.S.S.R.

It is precisely this difference of view that the report refers to when it says that "offsetting these—Soviet—advantages is central to the proposals of the Western Allies." How is it expected that such an impasse of purposes and views will be compromised in the next year or even the next 5 years? Is not MBFR an elusive objective which must be thoroughly pursued but not be permitted to delay an urgently-needed, independent pruning-back and improvement of U.S. military forces in Europe?

In other words, how long can we allow mutul force reduction talks to completely tie our hands in relation to military policy toward Europe?

Eighth. The report says that any independent pruning-back of our conventional forces in Europe "would not be made up by the allies and in all likelihood would be followed by similar reductions by many of them." Why would our NATO allies take such an unreasonable attitude? Do not they see the Soviet conventional threat in the same terms as the report assumes for the United States? Is not this indicated allied proclivity to rush to reduce their forces a further indication of a fundamental difference in their perception of the need for conventional forces? And should not the United States be sensitive to the implications inherent in this different perception, in regard to the safety of our own forces in Europe?

Ninth. How can the Jackson-Nunn amendment be construed as an indication of a commitment on the part of the United States not to reduce its forces in Europe? On the contrary, on September 25, 1973, during Senate debate on the amendment, Senator MANSFIELD indicated that he would vote for the bill and stated that "in my opinion, the amendment is not at all inconsistent with efforts to remove substantial U.S. troops from Europe and elsewhere for that matter."

Tenth. Please explain the apparent contradiction between the statement in the introduction of the report which indicates that "there has been an improvement in the morale and readiness of U.S. Forces in Europe" and the recent testimony by General Davison CINCUSAEUR that rated morale in the U.S. 7th Army as no more than "good" and discipline—essential to effective combat readiness—as only "fair." Is it to be assumed from the improvement reported in the committee report that the morale and discipline of our soldiers in Europe was so low 2 years ago as to have bordered on being unsatisfactory?

Eleventh. It is indicated in the report that there has been improvement in the combat-to-support ratio of the U.S. Army in Europe and that it has increased from a previous 58 to 42 percent up to 61 to 39 percent. Is it not true that these percentages are only accurate if all the Europe-based signal, engineer, aviation and special mission units—such as the long-range strategic missile units, Berlin Brigade, theater air defense units, army intelligence, and communication units—are included with the infantry, artillery and armored elements as "combat" forces? How many of these so-called "combat" units are intermediate units such as battalions that actually engage in combat? What percentage of the personnel in these so-called "combat" units are assigned in a combat skill MOS?

Twelfth. The report findings and recommendations say that the Army and Air Force have made "notable" reductions in headquarters personnel; is it not a fact that in the 1,067-man U.S. Army Europe/7th 1973 headquarters, only 58 reductions had been made in the past year, and that in the 1973 overall total of 3,285 personnel assigned to Army headquarters in Europe only 182 reductions had been made through February 1974? Is it not correct that the headquarters of the Army's Southern European Task Force in Italy actually increased by 48 personnel—188 to 236—during the same period that "notable" reductions were reportedly taking place?

Thirteenth. The subcommittee report seems contradictory on the concept of troop rotation. It states in one place that "U.S. Forces in Europe have improved because of the increased stability * * * represents." And yet later the report states that one of the serious personnel problems existing among our troops is the extended tour in Europe. The subcommittee report views a reduced tour of 18 months as "the single most important change that could be made to improve enlisted morale in the Army in Europe." But it is precisely the extended tour in Europe that permits the stability of assignment that has caused the improvements in readiness and morale noted by the subcommittee. How can the subcommittee laud improvements resulting from stability of assignment while at the same time stressing a shortened tour which will create the very kind of personnel turbulence which destroys that stability?

IN GOOD COMPANY

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 11, 1974

Mr. ASHBROOK. Mr. Speaker, the April 13 issue of Human Events carried a detailed treatment of the controversy over the present situation in South Vietnam as it has developed through exchanges between U.S. Ambassador to Saigon Graham Martin and the New York Times. One can appreciate the lopsided contest which ensues when a faraway U.S. official seeks to clarify U.S. policy vis-a-vis a large metropolitan newspaper with daily access to the public.

Ambassador Graham finds himself in good company. Aleksandr Solzhenitsyn, the recently exiled Russian author, was reported—dare I quote the April 1 issue of the Times—as stating:

> My "Letter to the Soviet Leaders" was, even before its publication in the United States, subjected in the press, beginning with the New York Times, to primitive and even mistaken interpretations in contradiction to its real meaning . . .

I insert at this point the Times item on Solzhenitsyn, followed by the Human Events article mentioned above.

The material follows:

Solzhenitsyn Says Some Misinterpret His Ideas

Zurich, Switzerland, March 31.—Aleksandr I. Solzhenitsyn, the exiled Russian author, said today that he had no plans now to visit the United States and was concerned that Americans did not understand his vision for the Soviet Union's future.

In his first interview since his family joined him in exile here two days ago, Mr. Solzhenitsyn said: "My 'Letter to the Soviet Leaders' was, even before its publication in the United States, subjected in the press, beginning with The New York Times, to primitive and even mistaken interpretations in contradiction to its real meaning.

"My program set down in the letter is a deduction from that general belief that nations and people can attain their supreme spiritual results only at the price of voluntary self-limitation in the outside world, concentrating exclusively on their internal development."

Mr. Solzhenitsyn said that American commentators had described his views as "nationalism," "utopianism," and "a call to return to the past." He added: "In this way the press is capable of introducing incomprehension between distant parts of the planet rather than mutual understanding."

Kennedy Renews Campaign Against South Vietnam

Sen. Teddy Kennedy (D.-Mass.), the favorite presidential candidate of rank-and-file Democrats has once again become the spear carrier for that peculiar element in the United States lusting to cut off South Vietnam at the knees.

Teddy vigorously battled President Nixon's plan to give South Vietnam a shot at survival, even while the President was withdrawing the U.S. troops initially placed there by Teddy's brothers, John and Robert. Now that the Administration has brought home the troops and the POWs—and Saigon is still standing—Teddy is again resourcefully working to pull the plug on the 17 million non-Communist inhabitants of South Vietnam.

Hardly a day seems to go by when the Massachusetts solon isn't raising a fuss about U.S. economic and military aid to our ally, chastizing Secretary of State Henry Kissinger for backing President Thieu or bawling out America's tough-talking ambassador to Saigon, Graham Martin.

Currently, Teddy is leading a drive in the Senate to block a proposal to increase for this fiscal year the ceiling on military assistance to South Vietnam from $1.126 billion to $1.6 billion, and was undoubtedly encouraged by the narrow defeat of the aid hike in the House last week. (Rep. Otis Pike of New York led the battle for the doves in the lower chamber.)

Moreover, Teddy is battling the $474-million supplemental request, even though the secretary of defense made a special plea for it and insisted the lower ceiling—largely because of inflation and Hanoi's hyper-activities in the South—is insufficient to provide Saigon with the ammunition, petroleum and other war materials essential to ensure its survival. Teddy, however, seems more determined than ever to whittle down U.S. support.

The Massachusetts solon recently garnered some publicity when, on April Fool's day, he released an exchange of correspondence between himself and Secretary of State Henry Kissinger. He was dismayed and disturbed at what many observers thought was a rather non-controversial statement by Kissinger in regard to Saigon.

"The United States has no bilateral written commitment to the government of the Republic of Vietnam," stated Kissinger, but under the Paris agreement, "The United States committed itself to strengthening the conditions which made the ceasefire possible and to the goal of the South Vietnamese people's right to self-determination. With these commitments in mind, we continue to provide to the Republic of Vietnam the means necessary for its self-defense and for its economic stability. . . ."

While clearly standard policy and hardly surprising, Teddy was quick to take offense. He called this a "disturbing clarification" of our Indochina policy. "I am distressed," he contended, "that the secretary's statement seems to propound a new rationalization for our continued heavy involvement in Indochina."

Kissinger's statement "shatters the hope of most Americans" who thought the Paris accords would get us out of Southeast Asia. "In light of pressing needs and inflation at home, and other urgent priorities overseas, the Administration's course in Indochina borders on fiscal irresponsibility, and is contrary to the new direcitons set by Congress last year."

While Teddy was condemning Kissinger for refusing to apply the aid tourniquet to South Vietnam, the Democratic party's would-be presidential candidate blithely ignored commenting on Kissinger's reasons as to why military and economic assistance was still important.

"The fundamental problem," said Kissinger, "is that the North Vietnamese are still determined to seize political power in the South, using military means if necessary. To this end, they have maintained unrelenting military pressure against the South Vietnamese government and have continued widespread terrorism against the population."

In what can only be termed a "flagrant violation of the agreement," Kissinger continued, "North Vietnam has persisted in its infiltration of men and matérial into the South, bringing in more than 100,000 troops and large quantities of heavy equipment since the cease-fire began." Yet Teddy chose not to offer one word of criticism of Hanoi's conduct.

While pressing his anti-South Vietnamese offensive—in which he has been joined by Representatives Bella Abzug (D.-N.Y.) and Ronald Dellums (D.-Calif.)—Teddy has also decided to wage a holy war against America's ambassador to Saigon, Graham Martin. Martin has infuriated Teddy—as well as the Washington *Post* and New York *Times*—for several reasons, including his recent and unfortunately phrased confidential cable to the State Department that was leaked to the senator last week.

Asked by the department how it should respond to Teddy's questions, Martin said he shouldn't be given an "honest and detailed answer to his questions of substance." But it is clear from the context of the letter—despite Teddy's distortion of its meaning—that Martin was not recommending that the senator should not receive factual information or should be deceived.

Indeed, Martin said that Kennedy had a right to raise his questions, but that he was not entitled to have them immediately and fully responded to since "they are not questions which either fall within the purview of his subcommittee or which should be answered to him as an individual senator so close before the full Administration position is presented to the Foreign Affairs and Foreign Relations Committee."

Since Kennedy was spearheading the opposition to the Administration's aid program to Vietnam, argued Martin, it would not be wise to give him a "tactical advantage" by providing him with responses to his questions before the Administration had a chance to present its entire case before the Foreign Relations panels.

While Teddy seized on the "honest and detailed answer" remark, the truth is that Teddy was after Martin before the cable incident. And a major reason seems to be the tough-talking ambassador's vigorous defense of our commitment to South Vietnam—a commitment that Teddy would like to perceptibly weaken.

Just how committed Martin is can be discerned in the blunt language he used to dissect a New York *Times* article on the U.S. role in South Vietnam. Paragraph nine of David Shipler's article of January 16, argued Martin in a 17-page critique to the Department of State, "is another classic example of disguising propaganda under the protective rubric of 'investigative reporting.' Shipler now alleges that U.S. military aid is indispensable to what is categorically described as 'the South Vietnamese government's policy of resistance to any accommodation with the Communists.' The implication is glaringly obvious, although unstated, that the GVN [Government of Vietnam] should do so.

"Beyond doubt, that is Hanoi's position. In the next sentence, Shipler states that militarily, the existence aid has enabled President Nguyen Van Thieu to take the offensive at times, 'launching intensive attacks with artillery and jet fighters against Vietcong-held territory.'

"Shipler does not think it important to inform the readers of his paper that the 'at times' in the above sentence were retaliatory strikes such as the ones made after the Communists shelled the Bien Hoa Air Base and later destroyed the Nha Be petroleum storage tanks, and that the GVN has a publicly announced policy of taking retaliatory action whenever the NVA/VC forces so attack GVN installations. Since there is no mention of the thousands of NVA/VC violations of the cease-fire, the only logical assumption is that Shipler considers it a violation of the Paris agreement only when the GVN responded to these attacks."

Teddy has complained of Martin's response to Shipler, and he is thought to be no more pleased with the memoranda of conversation between Martin and visiting American "peace activists" in Saigon. According to the memoranda, America's ambassador to Saigon used rhetoric not often employed by diplomats.

When the Rev. George Webber, president,

New York Theological Seminary, told Martin that he was "distressed" that President Thieu had noted that the intensity of violence was increasing, the ambassader said that it was a cold hard fact that the fighting was continuing and he was glad that the Rev. Webber was distressed.

"The ambassador," according to the memoranda, "said he trusted Dr. Webber's 'distress' was over the fact of the fighting itself and was not the 'distress' of some of his colleagues in the 'Peace Movement' that the GVN [South Vietnam], by daring to resist the continuing attacks of the North Vietnamese, was interfering with a complete North Vietnamese victory, in which so many of those colleagues had such a deep emotional involvement.

"The ambassador said," the memoranda continued, "that when Dr. Webber returned to the United States he might report that President Thieu shared his 'distress' that the war 'was escalating'; that he might report no one was fighting in North Vietnam, that it was the North Vietnamese who were still continuing their infiltration, it was the North Vietnamese who were stepping up the subversive activities and attacks on innocent civilians by the planting of mines and mortaring of villages with no military objective but to strike terror.

"But, said the ambassador, if one were really 'distressed,' the proper place to complain would be Hanoi. The mere fact that a guerrilla campaign was in progress in South Vietnam, the ambassador said, was in and of itself a denial of the violent criticisms by some of their colleagues of South Vietnam as a repressive, closed society. By definition, no guerrilla action of any consequence can be carried on in a repressive, closed society." The memoranda then has the ambassador accusing North Vietnam, the Soviet Union, Red China and Cuba of having closed societies. Martin was indignant, the memoranda states, at "those addicted to the narcotic of 'selective outrage'."

Asked about the corruption issue by John Boone, the former commissioner of the Massachusetts State Department of Corrections, Martin struck another blunt note. "Noting that Mr. Boone had been a public official in Massachusetts," the memoranda of conversation records, "the ambassador said that, for purposes of comparison, he thought the general level of corruption in the RVN [Republic of Vietnam] might be roughly but fairly equated with that existing in Boston and the Commonwealth of Massachusetts around the first decade when 'Honey' Fitzgerald was mayor of Boston." (Honey Fitzgerald, Teddy's grandfather, presided over an administration that was honeycombed with corruption. When he was elected to Congress in 1918, the House bounced him from his seat, declaring it had been won through fraud.)

"The ambassador noted," the memoranda went on, "that we might take some comfort as well as hope by noting that things were now better in Massachusetts and that one of Mayor Fitzgerald's grandsons had become President, another attorney general of the U.S., and a third, now a United States senator, was regarded by some of Dr. Webber's colleagues in the 'Peace Movement' as the White Knight in Shining Armor, tilting his lance to battle corruption, and the sole guardian of the great American liberal and humanitarian tradition. Although other Americans did not quite accept that accolade from Dr. Webber's colleagues in the 'Peace Movement' as the 'revealed truth,' the ambassador thought the analogy did perhaps put the problem in a clearer perspective."

So far as South Vietnam's police system, said Martin, it has become a central target of Hanoi and the Communists, because an "effective police system" is the greatest danger to a successful guerrilla operation. The full weight of the Communist propaganda machine has been turned on it.

"The ambassador said," the memoranda of conversation continued, "that he had been watching the evolution of events in Indochina for more than a quarter of a century. During that period he said he had become utterly fascinated by the success of Hanoi in fashioning a propaganda apparatus which in its efficiency, in its pervasiveness, and its sheer perfection of technique has no parallel in recorded history. Herr Goebbels would whirl in his grave, the ambassador thought, in complete frustration at the realization that he was the most callow, unsophisticated neophyte in comparison.

"Of course, Goebbels did not have at his disposal the base of the worldwide Communist apparatus with its ability on certain issues to co-opt the non-Communist parties of the left and use this base for the formation of front organizations ostensibly without Communist or leftist connections."

There is one basic fact that Martin tried to impress upon this peace activist group: "For the entire period of this conflict, whenever people have had a choice amid the disruptions of the war, they have come only one way, to territory controlled by the South, never to the territory controlled by the North." Why, when given a choice, said Martin, have they never gone to the Provisional Revolutionary Government's area? Why, when given a choice, do they always come to the areas controlled by the government of South Vietnam?

AMERICAN RED CROSS PRESENTS ITS HIGHEST AWARD TO TOMMY WHITTAKER

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 11, 1974

Mr. ANDERSON of California. Mr. Speaker, I am confident that most of us will agree with the words of William Wordsworth when he stated that—

> The best portion of a good man's life, His little, nameless, unremembered acts of kindness and of love.

However, it is gratifying when someone does receive recognition for an unpretentious act of kindness.

On January 7, 1974, Mr. Tommy Whittaker, of Long Beach, Calif., was at his place of work when an explosion occurred. Seeing that a fellow employee, Pedro Camparero, was suffering from a traumatic amputation of his leg and was bleeding profusely, Tommy unselfishly rushed to his aid.

Fortunately for the victim, Tommy Whittaker had been trained in Red Cross first aid and, therefore, possessed the necessary skills to support his generous intentions. Using the belt of another employee, this fine American immediately applied an improvised tourniquet to the victim's leg. And, as the attending physician at the hospital stated:

> Mr. Whittaker's prompt action was instrumental in saving the life of the man.

For his meritorious actions, the American National Red Cross has chosen to honor Tommy Whittaker with the Red Cross Certificate of Merit. This is the highest award given by the American National Red Cross. It is given to persons who save or sustain a life by using skills learned in a Red Cross first aid, small craft, or water safety course.

Mr. Speaker, Tommy Whittaker will be presented with this outstanding award through the Los Angeles Chapter of the American Red Cross by the Torrance city council. Arrangements for this presentation are being made by the commander of Torrance Paramedics, Stan Sellers.

We are indeed fortunate to have people like Tommy Whittaker who are willing and able to assist their fellowman. I am sure that his wife, Dorothy, and his two daughters, Carolyn and Michelle, are as proud of him as we are in southern California.

FACING THE COSTS OF A COLLEGE EDUCATION—PART II

HON. WILLIAM A. STEIGER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 11, 1974

Mr. STEIGER of Wisconsin. Mr. Speaker, on April 10 I noted that even though both Houses of Congress have acted to improve the guaranteed student loan program, the price of college tuition remain a major problem.

In the April edition of the Washington Monthly, one of the magazine's editors, Walter Shapiro, presents a thorough discussion of the tuition problem. I include the remainder of Mr. Shapiro's article as part of my remarks, and commend it to the attention of my colleagues:

New Hope for Parents—A Way To Beat the Costs of College (Part II)

LOW EARNINGS, LARGE DEBT

Loans with repayment to be made out of future earnings represent the only realistic way for students to take financial responsibility for their own educations. Most loan programs, however, have drawbacks that extend far beyond the difficulties of finding a lender willing to commit funds for educational borrowing. Loans for non-repossessable items like a college degree are inherently short-term. (Under current regulations, government-backed loans must be repaid within 10 years of leaving school.) This means that recent college graduates are confronted with the burden of making fixed loan payments during their twenties when their earnings are apt to be the lowest of their careers. The first years away from college should be for many a time of vocational experimentation. The logic behind the establishment of programs like the Peace Corps was that these post-college years represent the only period in the lives of many when the demands of self-sacrifice do not seriously conflict with the responsibilities of home and family. The burden of educational debt, however, may convince many recent college graduates that they cannot afford idealism. Students who worry about this debt may be channeled into purely vocational programs, recognizing that academic experimentation is an expensive luxury for which they will be paying all too soon.

Almost all of these problems could be circumvented through a program of income-contingent, deferred college loans, first suggested by Milton Friedman in 1955. Such a plan would spread repayment of room, board, and tuition costs over most of a student's earning life—especially the later working years when one can most easily afford repayment. Just lengthening the term of student loans would lessen the burden that borrowing places on recent college graduates. Ideally, these deferred loans would carry the principle of scholarships one step further and make a student's repayment schedule contingent on future earnings. College graduates might be required to repay two or three per cent of their annual earnings (depending on the amount borrowed) over a 25-to-35 year period. Under such a plan, educational debt would not be a significant burden to students at any point in their lives. If borrowers were freed from all but token repayment obligations if they fail to make a certain base amount (say, $8,400 a year), these loans would not force people to alter their career aspirations (or non-aspirations) to meet the responsibilities of educational debt. Some conservative economists believe that this kind of loan program would enable educational institutions to begin moving closer toward "full-cost tuition" (that is, a system whereby colleges and universities could reduce the gap between tuition and the cost of really educating a student) without limiting college enrollment to just those from high-income families. Such a program would allow state and federal governments to reduce their subsidy of higher education, which disproportionately benefits the upper middle class.

Needless to say, any movement toward full-cost tuition is anathema to orthodox liberals who are wedded to the concept that society is a major beneficiary of college education. However, as a graduate of the University of Michigan, I personally would be hard-pressed to explain to an auto worker how he has benefitted from my attending college thanks in large part to his tax payments. This whole question of who pays for college seems to illustrate the basic conflict in liberal philosophy between a genuine concern for lower-income groups and the belief that most societal institutions should be publicly supported. In this case, blue-collar workers lose out as their tax money is being used to fund a highly stratified system of higher education.

AN IDEA WHOSE TIME CAME—AND WENT

For a while in 1971 deferring college costs looked like an idea whose time had finally come. Yale and 21 other leading educational institutions were discussing the prospects of jointly adopting a modified deferred tuition arrangement (under the aegis of the Ford Foundation) to cover, at least, the most recent tuition increases. Meanwhile, newly elected Ohio Governor John Gilligan was proposing to the legislature that the state adopt deferred tuition as a way of paying for higher education.

Yet somehow deferred tuition failed to catch on. The Ford Foundation pulled out as the funding agent (worried about how it would look if it directly subsidized students at elite universities) and Yale decided to go it alone. Due to their unwillingness to tie up too much capital in what they call their "tuition postponement" plan, Yale limits a student to borrowing only $1,400 a year (it will rise to $1,900 with a new tuition increase in the fall). At the end of his senior year a student who has borrowed money under this plan (to a current maximum of about 35 per cent of the cost of his education) can decide whether he wants to treat this as a standard loan or whether he wants to defer repayment. If he chooses to defer repayment, the student is obligated to pay Yale four-tenths of one per cent of his yearly taxable income for each $1,000 borrowed. This obligation lasts until his "tuition group" (participants in the plan who left college the same year he did) has either repaid its collective loan (which Yale expects to take about 27 years) or until 35 years have elapsed. There is, however, an escape clause for a Yale graduate who finds himself in a high-income bracket and grows weary of tithing a fraction of his income to his alma mater. Anyone can "buy out" of the plan at any time by paying Yale 150 per cent of the outstanding loan and interest.

The Yale plan is obviously somewhat limited. A $1,400 deferred loan does not alleviate the serious problem that many middle-income families have in sending their children to high-cost institutions like Yale. The Yale experiment demonstrates the limits of trying to establish an effective and comprehensive deferred tuition program without the financial backing of a government agency. (Yale may modify its plan somewhat this year to enabel students to qualify for the interest subsidy in conventional federally supported loan programs.) If Yale, one of the richest schools in the country, can only afford to allow students to defer $1,400 a year, then it is obvious that this plan is impossible at less affluent institutions without significant government aid.

AS POPULAR AS AN EDSEL

What happened to Gilligan's deferred tuition plan is an illustration of what happens when an innovative idea threatens the educational status quo. College presidents and teachers saw it as endangering their privileged position. Most students and parents denounced it as a way of masking tuition increases. Even labor unions (who theoretically should have seen its potential for relieving the tax burden of the lower middle class) attacked the proposal as antithetical to the liberal tradition of low-cost or free college education. Shortly after the program was sent to the legislature, John Gilligan, a man who understands political realities, threw in the towel. In the ensuing three years, deferred tuition has not been seriously revived in Ohio.

Gilligan shouldn't have been surprised by the ferocity of the opposition to deferred tuition. In 1967, a White House task force. Under the direction of MIT physics professor Jerrold R. Zacharias, proposed establishing a deferred income-contingent loan program in the form of an Educational Opportunity Bank which would allow students to "sell participation shares in their future earnings."

The response was immediate. In a joint statement, the National Association of State Universities and Land-Grant Colleges, the Association of State Colleges and Universities, and the American Association of Junior Colleges denounced the proposal and charged that its intent was to let society "abandon responsibility for the higher education of its young people." That was the end of the Zacharias plan.

A new deferred college loan plan was recently offered by James Jung, head of the Wisconsin Higher Education Aids Board. The proposal was in response to "the new 18-year-old age-of-majority which . . . essentially changes the nation's post-secondary education systems from child-oriented systems to adult-oriented systems." Jung argues that this shift may invalidate the use of family income as a gauge in determining eligibility for student aid, since parents are not legally obligated to support adult offspring. If an 18-year-old's own financial resources become the only relevant factor in allocating educational assistance, almost all students, except for those with trust funds, would demonstrate financial "need." Since conventional student loan programs with fixed repayment schedules are a regressive form of taxation for low-income individuals (they must pay back a much higher percentage of their income than the more affluent), the Wisconsin report recommends that the state begin to move toward some form of long-term deferred loan arrangement under which at least the interest rates would be keyed to future earnings. Not surprisingly, Jung described the initial reaction to the plan, which is to be taken up by the Wisconsin legislature next year, as "just disastrous."

State governments are obviously in a much better position than private universities to set up deferred loan programs. Both the Ohio and Wisconsin plans suggested borrowing from state pension funds until the loan program became self-sustaining. Such a firm financial foundation would enable students to borrow enough to cover most of their college expenses. The Wisconsin report projects an average yearly student loan of more than $4,000 by 1980. But state deferred loan programs are something like state-wide gasoline rationing—they are no substitute for a national system. With so many students crossing state lines to attend college, it seems a bit impractical to make deferred tuition a state responsibility.

The 1967 White House task force estimated that a National Educational Opportunity Bank could be self-sustaining if students paid one per cent of their income over a 30 year period for every $3,000 borrowed. The income-contingent pay-back provisions of such a plan could be easily added to the federal income tax forms. Although such a program can—and should—be justified on other grounds, there is no reason to minimize its potential as a limited form of income redistribution by following Yale's model and allowing high-income individuals to "buy out" of the repayment program. These income-contingent loans could also be modified to meet the needs of graduate and professional students.

THE COURAGE TO SAY "NO"

The benefits of such a national loan program are not just financial. Too many 18-year-olds go off to college out of a feeling of social obligation to their parents rather than any real desire to immediately pursue their education. Students like these tend to regard college as a nuisance that must be endured in exchange for continued parental support. Intergenerational tensions are exacerbated when disinterest leads to poor grades and parental laments of "I'm paying $5,000 a year to send you to that school and you bring home a C—."

Such an expansion of educational loan programs would force students to take responsibility for their own educations. The temptation to ignore classes would be somewhat reduced if students knew that they were wasting their own money rather than that of their parents. This financial obligation might also give many 18-year-olds the courage to say honestly, "I'm not ready for college yet." But these same students would still have the opportunity to attend college at any point later in their lives. (Since the total amount of repayment made by a healthy 20-year-old would be potentially much greater than a 55-year-old's, equity would require some adjustment in the formula to take age into consideration.)

Like the voucher system, deferred college costs might introduce some element of competition into the educational system. Colleges and universities are almost as free from the rigors of the marketplace as public elementary and secondary schools. As long as financial considerations continue to play a major role in dictating college choice, many public institutions (and private schools that can still afford to make beguiling scholarship offers) do not have to worry about attracting students. Their moderate cost and the inability of many students to afford to go elsewhere provide an almost captive enrollment. Institutional torpor is often the result of the easy existence that comes from the assurance of full classrooms and continued public subsidy.

If such a plan were adopted, a student who is willing to make the necessary long-term financial commitment should be able to afford any school to which he has been admitted. Public institutions that have taken their enrollment for granted would suddenly have to work to attract qualified students. Such competition might actually produce some of that educational diversity that has always been alleged to be one of the strengths of American higher education.

EDUCATIONAL BARGAIN-HUNTING

Competition may also work to prevent a too-rapid escalation of educational costs. When the government began picking up the tab for programs like Medicare and Medicaid, health costs soared because of a phenomenon known as "third-partying"—once doctors knew that individuals would no longer be absorbing the costs, many abandoned their scruples about padding the bill. A significant increase in traditional government aid to higher education would merely stimulate college administrators to inflate their costs, since they know they would be repaid from the federal or state treasury. On the other hand, a national system of income-contingent deferred loans would force colleges to compete for students and thus keep expenses down. Since the percentage of annual income to be repaid would depend on the size of the educational loan, borrowers would continue to be extremely cost conscious. Students might be able to afford expensive private institutions like Harvard, but the onus would be on the school to prove that it is worth the additional money. Deferred loans will not remove price competition from higher education. Rather, they will enable students to consider all price levels in a quest for the best educational value.

Since the ill-fated Zacharias proposal, there has been no income-contingent deferred loan proposal considered by Congress, nor analyzed by the federal bureaucracy. This may be less of an indictment of the merits of the idea than an illustration of the political power of educational traditionalism. Although the Carnegie Commission has officially dubbed this era "The New Depression in Higher Education," academic bureaucrats are reluctant to tamper with traditional patterns of funding higher education. Government education officials and influential legislators remain wedded to the liberal tradition of low-tuition higher education—conveniently ignoring that this means that the poor and the lower middle-class are left with a large portion of the tab. Many students regard parental subsidy as a God-given right and are not enthusiastic about a system that makes them responsible for their own education. Only parents with college-age children—far from an unimportant electoral bloc—have the potential to fully appreciate the benefits of a national system of deferred college costs. So, when it is time to write your daughter a check for another semester at Bryn Mawr, just remember, it doesn't have to be this way.

ABORTION

HON. RALPH S. REGULA

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 11, 1974

Mr. REGULA. Mr. Speaker, yesterday, my colleague, Mr. Froehlich, and 12 new cosponsors reintroduced House Resolution 585 to create a select committee to study the impact and ramifications of the Supreme Court's decision on abortion.

I am a cosponsor of that resolution and strongly urge the House Rules Committee to take note of the bipartisan support this resolution has received.

I recently wrote to the distinguished chairman of the Rules Committee and to the distinguished ranking minority member urging them to take action in committee on this resolution.

The text of the letters, both of which are similar, is as follows:

House of Representatives,
Washington, D.C., April 8, 1974.

Hon. Ray J. Madden,
Chairman, the House Committee on Rules, Washington, D.C.:

The purpose of my letter is to urge prompt Rules Committee consideration of H. Res. 585 and identical resolutions, creating a select committee to study the impact and ramifications of the Supreme Court decisions on abortion.

There are at least 65 separate bills pending in the House of Representatives dealing with the "pro life" issue. Most of these bills are languishing in the House Judiciary Committee and it appears that there is little likelihood they will receive attention this Congress.

I firmly believe that each issue pending before this Congress deserves a fair and open hearing, including the scrutiny that can only be achieved through the Committee process.

With best regards, I am,

Sincerely yours,
Ralph S. Regula,
Member of Congress.

SENATOR McGOVERN SPEAKS IN NEW YORK

HON. BELLA S. ABZUG

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 11, 1974

Ms. ABZUG. Mr. Speaker, last week Senator George McGovern came to speak before a group at New York University. He talked about the same issues that he raised in the campaign, the same issues that confront us today. He talked about the defense boondoggle, the dirty tricks, the nature of the Presidency. He spoke in a way that we can all understand and he spoke with conviction.

I would like to insert into the Record a news report of that speech from the April 4 edition of the Village Voice:

[From the Village Voice, Apr. 4, 1974]

George McGovern, Survivor

(By Marlene Nadle)

The audience waiting for Senator George McGovern was pacified with the only movie NYU had in the house, "Dr. Strangelove." Many Washington shuttles later McGovern arrived. "I understand you've been watching 'Dr. Strangelove,'" he said, glancing regretfully at the disappearing screen. "During the entire '72 campaign I tried to get Richard Nixon to debate me. Tonight is the closest I've come."

The evening would in fact be a debate with the Strangelove mentality that created Nixon's $99 billion defense budget, but first McGovern detoured into the bizarre post-electoral world.

His touch was light, as if he, like Kubrick, had learned that the comic spirit was the best defense against life's madness. Mockingly he summed up the events of the 16 months since the election, jabbing at the irony of the President most publicly committed to law and order running an administration riddled with 28 convictions and indictments. Circling closer, he tossed out Nixon's quote, "We will get to the bottom of Watergate," and cut it with the fact that the President fired the prosecutor who got to the top.

"In this astonishing period," he continued, "we have seen Operation Candor, an announcement that the President would tell the truth for a period of time. After 30 days the experiment was over. Then there was the judicial order for Nixon to produce the tapes and instead he produced a secretary capable of the most remarkable acrobatic feats in Washington. Then there was General Haig explaining away the erasures by saying there were sinister forces at work, and I certainly didn't argue with that. Now we have Nixon pledged to cooperate with the judiciary committee and he is carrying his cooperation so far he wants to select the evidence for them."

McGovern was relaxed and radiant behind the podium. Suntanned, sure, so unlike Eugene McCarthy whose hands shook almost spastically during a speech after the '68 debacle. McGovern left no doubt that he was one of the survivors.

Concluding his history strongly, he said "We have arrived at the point where we may need a new President to save the Presidency." He did not want resignation. His call for impeachment was clear and correct, without hints. It was only later, standing with friends on the windy sidewalk, that he predicted Nixon would be impeached.

"And convicted?" someone asked as he slid into his car. "I hope so," he exhaled quietly, his smile edging between principle and malice.

If there was some ill will tucked away in the prairie preacher, who could blame him? Certainly not anyone in the audience who heard him describe the mysterious phone call from someone claiming to be his campaign manager to AFL–CIO president George Meany ordering him to get himself to New York fast because McGovern was waiting to see him. This particular bit of insanity out of the dirty tricks department was repeated often enough to irritate Meany's gigantic ego and seed much of the antipathy that may have cost McGovern the labor vote.

McGovern's glance back to the campaign was only brief. Most of his time was spent dealing with reforms needed for the present. "It looks as if," he continued wryly, "besides needing a new President and a new Congress we could use a new citizenry. According to a recent poll, only 27 per cent of the people believe in the President, only 21 per cent believe in Congress, but 51 per cent believe in flying saucers."

From flying saucers it was only a short trip back to "Strangelove." The line between the movie and reality has grown thinner in the years that have seen its main character, General Ripper, step off the screen, change his name to General Lavelle, and on his own initiative, start bombing North Vietnam and Cambodia.

At the point just before McGovern walked into the auditorium Dr. Strangelove was orgasming over the possibilities of the doomsday machine and working himself towards a frenzy of joy over all the fear it would cause the enemy. McGovern simply continued Strangelove's speech as a satire of Nixon and the General's arguments for more and more overkill and more and more toys for their arsenal.

"I remember," he said, getting to particulars, "when the Generals were touting the B–70 to Congress, claiming they had to have it for safety's sake because it could fly over 70,000 feet. It was only after it was built at a cost of $2 billion that some low level technician pointed out that the Russian missiles flew higher than 70,000 feet. Now anybody who wants to can see the B–70 in the Wright Patterson Museum in Ohio.

"Then there were other little trinkets the military convinced Congress to buy, like The Goat. It was an army vehicle that was supposed to cost $5 million and float, but cost $15 million and sank."

In attacking the inefficiency and greed that bloated this year's defense budget to a record $99 billion, McGovern, and the film both seemed to be proving it was not the weapon's ability to function, but its mere possession, and the sense of power it gave, that was nine-tenths of the pleasure for the Strangeloves.

In urging the people in the audience and Congress to confront a military budget that is inconsistent with a foreign policy pledged to withdrawal from Vietnam, detente, and strategic arms limitation, McGovern was daring them to enter the twilight zone—the technological reality, or more precisely unreality, in which arms planning goes forward. It is the "could do, would do," world of war games, of theoretical encounters and symbolic clashes, or bargaining chip investments and early leadtime hedges against some remote future prospect that is no less hideous for being improbable. It is a world where it is easy to get carried away with the need for offensive weapons as they do in the '75 budget or to urge an all-out attack as they do, in the film. For Strangelove's cloistered world makes winning all that matters and leads both to war and Watergate.

In trying to bring a little light to the twilight zone, to make people realize we were just wasting money on a useless doomsday machine, McGovern pulled out quotes from those few in the defense establishment who were able to maintain some sense of proportion. He used McNamara's statement that 400 deliverable warheads were all he could use as a deterrent force, and added the fact that we were now building 10,000. He used Paul Warnke's remark that in the '74 budget, $14 billion could have safely been cut, and reminded the audience that instead, $19 billion was added. He even went back to Eisenhower for his central theme, quoting in his soft, nasal, twangy voice the former President's speech which begins, "Every gun made, every warship launched, is a theft from those who hunger," and ends, as in Strangelove's technological Wonderland, with "humanity hanging from a cross of iron."

As he pleaded for a change of priorities, his earnestness became more evident. If wiser and wittier, it was the same essential McGovern plodding on with the same message as unflaggingly now as he was when he stood at three per cent in the polls and nobody listened. The circle seeming to have come round again, for unlike the days of Time covers there was no major press in the audience, only the faithful who were addicted to hearing McGovern speak.

And yet, even the faithful seemed wiser, more aware of the fact that they had invented McGovern to fill their need for a radical candidate then as he filled their need for hope now. "He may have disappointed us," they would say sadly, "but he is all we have against Nixon. He is all we have."

If there was an element of the fantastic on their part, it was a time trip. For a few seconds in the opening applause it was June of '72 and he was about to capture the nomination and go on to win the election. It was like re-living a love affair—the sweetness more intensive, the limitations sharpened by perspective, the pain of being so close again to the person who might have made your world beautiful, the knowledge that despite all the faults there was something extraordinary in him, in the pure doggedness with which he keeps fighting for the issues that are his, and not pinned to him like someone else's pro-pot or abortion button.

For the audience watching him out of its lost innocence, the question period was a time of testing—of him, of its own mood of despair. "Doesn't it make you feel cynical," one young man said, asking for confirmation, but silently begging for denial, "when you see the Democrats in Congress putting up so little resistance to the defense budget?"

"It's as frustrating as the long effort to end the war," he answered with some of the weariness showing, "but eventually we'll do it. So far we have about 42 votes to limit the military. About the same as we had for the Hatfield-McGovern, or, as we like to say in South Dakota, the McGovern-Hatfield amendment to withdraw the troops from Vietnam." He kept urging them to keep the pressure up and saying eventually Congress would come around.

Yet hearing was not believing, and later, on the sidewalk, someone would ask incredulously, "How can you stay an optimist in Strangelove's America?"

"Oh, I can manage until about this time of night," he answered laconically, "then I get up in the morning and start all over." After a pause in which he took a quick dive into memory, he added, "You know I come from a state where every day is a struggle to just stay alive. So you have to keep going."

Maybe it's that prairie grit that keeps him fighting the position General Lavelle took in real life and General Ripper took on the screen. "War is too important to be left to the politicians," he said. "They do not have the time or the capacity for strategic thinking."

Maybe it is that South Dakota strength that makes him, despite his personal misfortune, keep pushing his 56-page alternative military budget, keep refusing to buy the technological snowjob, keep refusing to fall in line with presidents and congressmen willing to approve anything the military dreams up while starving the human agenda.

Or maybe he, like so many in the audience, is haunted by the scene in "Strangelove" in which the wonder weapons go out of control, the scene where the General, explaining in technocratese why the bombers cannot be recalled, keeps sputtering defensively, "You remember, gentlemen, it was all in Plan R. You approved it, gentlemen. You approved it."

MARYLAND'S FIRST DISTRICT VOTERS POLL RESULTS

HON. ROBERT E. BAUMAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 11, 1974

Mr. BAUMAN. Mr. Speaker, I have the honor to represent almost 500,000 Marylanders in a district that stretches from the suburbs of Baltimore on the north, around the Chesapeake Bay including all of the Eastern Shore, as well as the three southern Maryland counties south of Washington, D.C.

In response to a poll sent to my constituents in February and March, I received a very gratifying 12-percent return with some rather revealing results. I would like to share these with my colleagues. At this point I insert a summary of the poll:

Maryland First District Poll Shows Majority Against Presidential Resignation, Impeachment, Representative Bauman Reveals

Washington, D.C.—A districtwide poll conducted in Maryland's First Congressional District by Rep. Robert E. Bauman (R-Md.) during February and March shows that by a comfortable majority, residents oppose President Nixon's impeachment or resignation. More than half, however, said that they do not approve of the way he is doing his job.

Congressman Bauman said that he mailed out 96,252 polls and had received 12,135 returns by the end of March. The response rate of over 12% was considered very good, he said.

When asked whether the President should be removed from office by impeachment and conviction, 28% said yes, 60% said no, and 10% were undecided. Similarly, when asked whether Mr. Nixon should resign, 30% said yes, 61% said no, and 8% were undecided.

Nevertheless, First District residents were not particularly pleased with the President's performance in office. When asked whether they approved of the way he has done his job, only 36% said yes, and 51% answered no.

By a heavy majority, the First District citizens said they would favor oil exploration off the Delmarva Coast if adequate safeguards against spills were required by law. Exploration was favored by 79% of those responding, and only 14% were opposed.

Another heavy majority of district residents oppose a federal guaranteed annual income. Only 11% favored such a program, while 79% were opposed. Respondents also opposed public campaign financing, with only 26% expressing support, and 63% saying they were against public financing of political campaigns.

A majority, 68%, said that the federal government should not become involved in land use planning, a policy favored by only 16% of First District citizens. The biggest majority, 82%, said that they have less confidence in government officials now than they had in the past, and only 8% said they had greater confidence today than before.

By a narrower margin (37% in favor, 44% opposed) respondents opposed a tax-financed program of national health insurance for all citizens. And they divided evenly (41%–41%) on a question asking whether they believed there really is an energy crisis.

On other subjects, First District citizens believe there will be an economic recession this year, that environmental laws should be eased temporarily to help cope with energy shortages, that Congress has been too preoccupied with Watergate, and would favor rationing of gasoline if fuel shortages become severe.

The poll also asked that respondents rank several major issues in order of their importance to them. Inflation/high prices was ranked number one, corruption in government was second, the energy crisis third, and high taxes fourth.

Rep. Bauman expressed his thanks to the thousands of citizens who took the trouble to reply, and added that he is grateful for the assistance provided by a number of high school classes which helped tabulate the poll responses.

DISTRICT-WIDE POLL RESULTS, 1ST CONGRESSIONAL DISTRICT, MARYLAND, REPRESENTATIVE ROBERT E. BAUMAN

[In percent]

Question	Yes	No	Undecided
Do you believe that there really is an energy crisis today?	41	41	16
If fuel shortages do become severe, would you favor a federally imposed system of gasoline rationing?	57	32	9
Do you think that environmental laws (such as auto emission controls) should be eased temporarily as 1 means of solving the energy problem?	64	27	8
Would you favor oil exploration in the Atlantic Ocean off the Delmarva coast if adequate safeguards against spills are imposed by law?	79	14	6
Based on all you have heard so far, do you think that President Nixon should be removed from office by impeachment and conviction?	28	60	10
Do you think the President should resign from office?	30	61	8
Do you approve of the way the President has done his job?	36	51	11
Do you now have greater confidence in government officials than you had in the past?	8	82	8
Do you think that tax dollars should be used by the Government to finance the campaigns of candidates for public office?	26	63	9
Do you think that Congress has been too preoccupied with the "Watergate Affair?"	65	29	4
Do you favor a Federal law to guarantee a minimum annual income for everyone at the taxpayer's expense?	11	79	8
Do you favor a tax-financed program of national health insurance for everyone?	37	44	18
Do you believe the Federal Government should become actively involved in land use planning and control in Maryland and other States?	16	68	14
Do you think there will be an economic recession in 1974?	49	24	25

Note: Percentages may add up to slightly less than 100 percent, because not all respondents answered every question.

EDWARD J. COTTER, JR., HONORED

HON. RONALD A. SARASIN

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 11, 1974

Mr. SARASIN. Mr. Speaker, Mr. Edward J. Cotter, Jr., of Derby, Conn., a constituent of mine and a valued friend, has recently been singled out by his fellow citizens of the five-town Lower Naugatuck Valley area for one of the most prestigious awards granted in our area.

In recognition of his many years of selfless service to his fellow man, Ed has been presented with the annual Charles H. Flynn Memorial Award for Humanitarian Service, given each year by the Valley United Way for service to the people of Ansonia, Derby, Seymour, Shelton, and Oxford, Conn. It is hard to conceive of a more deserving recipient.

Ed Cotter is chief photographer and Derby reporter for the Ansonia Sentinel, the area's daily newspaper, and has been a familiar figure throughout the valley for years. Other members of the Cotter family have also contributed to making the name an honored one in the community.

But in the words of Simeon Isaacson while presenting the award for the Valley United Way:

> Ed's reputation through the five towns has always been based primarily on his unstinting service to others.

He also accurately described Ed as:

> One of the most formidable candidates ever presented for the honor.

Born November 11, 1920, Ed Cotter is the son of retired motor vehicle inspector Edward J. Cotter, Sr., of Derby and the late Mrs. Cotter.

An employee of the Ansonia Evening Sentinel since 1939, he served in the U.S. Navy during World War II from 1942 to 1946.

Cotter has been a volunteer fireman in Derby since 1939 and chief of the department from 1946 to 1954. He is a founder of the Storm Engine Ambulance Corps, the first of the Valley's volunteer ambulance units since 1948. He has served as co-chairman in charge of operations and was recently honored by the Storms for not having missed a night assignment in 25 years.

He served as Civil Defense director in Derby from 1956 to 1960.

An organizer and past president of the Valley Fire Chief's Emergency Plan and an organizer and past chairman of the Valley Civil Defense, he was also one of the organizers of the Valley Fire Chief's Training School and its coordinator since it opened 10 years ago.

Cotter was a member of the committee that set up and secured funds for the New Haven Fire Chiefs Emergency Plan radio system that covers towns in the New Haven County.

He has represented New Haven County on the Governor's Advisory Committee on fire fighting problems during the Korean War; has served as an instructor for the Connecticut State Fire College for the past 27 years, and been disaster chairman for the Valley Chapter, American Red Cross for four years.

During the floods of 1955, he served as a volunteer fire coordinator for Derby. During that period he was responsible for securing federal funds.

An organizer and former president of the Valley Fire Chief's Emergency Plan, he also organized and was chairman of the Valley Civil Defense Council.

Before the service was taken over by the American Red Cross, he served as chairman of the Valley Fireman's Blood Bank.

He is now chairman of the Board of Directors of the Veterans Memorial Center in Derby; member of the Board of Directors of the Valley Health Department representing Derby, and had served as a volunteer umpire in the Derby Little League for 12 years.

For 25 years he has served as an unpaid Derby police photographer.

Married to the former Eleanor Wilhelmy of Ansonia, they have two children, a daughter, Ellen Jane and a son, James Edward.

This is truly an exemplary record by an outstanding citizen and I want to take this opportunity to bring it to the attention of my colleagues and to add my personal congratulations and best wishes to Ed on the occasion of this richly deserved award.

SALUTE TO THE CHAMP—HANK AARON

HON. JOE L. EVINS

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 11, 1974

Mr. EVINS of Tennessee. Mr. Speaker, on last Monday outfielder Henry "Hank" Aaron of baseball's Atlanta Braves hit his 715 career homerun—eclipsing the homerun record of the illustrious Babe Ruth.

Henry Aaron is a great baseball player. His batting swing is among the smoothest in baseball, a beautiful rhythm to watch as he glides his bat almost effortlessly into the ball, which then explodes into orbit.

However, he is a modest man whose primary reaction to all the fanfare and acclaim was, "I'm glad it's over."

We salute Hank Aaron—and the new American hero. Congratulations to the new champ.

WASTED TAX DOLLARS

HON. EDWIN B. FORSYTHE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 11, 1974

Mr. FORSYTHE. Mr. Speaker, the people of this Nation are crying out for the reform of our tax codes. Loopholes such as the oil depletion allowance permit multimillion-dollar corporations to pay significantly less taxes proportionately than the average workingman. The problem is clear—our tax laws are full of loopholes for the benefit of the rich and the corporate giants. Yet the people who need tax reform find nothing.

Single people are discriminated against by the tax laws. Senior citizens need legislation providing a basic $5,000 tax exemption for retirement income. The tax treatment accorded persons who rent their principal residence should be equal to the treatment given people who own their homes. The tax system should be simplified for America's small businessmen.

And when we consider how the taxpayers' dollars are spent, the need for tax reform coupled with an effective budget control procedure is clear. It is a small wonder that taxes for the average workingman are so high when one considers what these taxes are being spent on and when one considers that the Nation's tax burden is not being shared equally. To illustrate my point about the wastage of tax dollars, I would like to call the attention of the House to an article written by Mr. James Davidson, executive director of the National Taxpayers Union, that was printed in a recent edition of the Philadelphia Inquirer.

The article follows:

WHERE DO TAXES GO? WELL, $117,250 FOR TEA TASTERS . . .

(By James Dale Davidson)

WASHINGTON.—Sitting down with their scratch pads at tax time, people comfort themselves with the notion their money is going to pay for activities which are at least hypothetically good: purchasing weapons to fend off the heathen, helping to clean the slums, curing cancer, "establishing a lasting structure of peace" and so on.

The more cynical among us may have more gruesome theories, but our doubts are seldom equal to what really goes on.

Some examples of Government spending are so implausible that they make the Congressional Record second only to National Lampoon as a source of comic material. One man in Texas who spent several years gleaning fiscal funnies from the Record thought the material was so hilarious he was demanding $25,000 from a book publisher for his findings.

Chances are that he'll never get the money, not because his examples aren't good reading, but because they are so easily duplicated. They're like mosquitoes in a swamp. Anyone who cares to wade in can come away with as many specimens as he can stand.

For instance, how many of your typical taxpaying shoppers who complain about the cost of bacon know they are footing a $35,000 bill for one year of chasing wild boars in Pakistan?

Just as ridiculous is the $70,000 which went to study the smell of perspiration given off by the Australian aborigines.

No doubt some money could have been saved on the aborigine project if only the State Department had prevailed upon Turkey to lend the Australians the odor measuring machine we purchased for the Turks for $28,361.

But we haven't stinted our benevolence toward some of the world's other peoples. Studying the life-views of the Guajiro Indians in Colombia cost us $50,000.

The Bedouins got $17,000 for a dry cleaning plant to spruce up their djellabas (garments).

Morocco's economy got an unexpected boost from U.S. taxpayers in the form of a $37,314 potato chip machine. All that left the Moroccans in need of was potatoes.

Here at home, Richard Nixon gave the public a graphic account of the idiocy of expending funds to support the Federal Government's Board of Tea Tasters. Mr. Nixon said: "At one time in the dim past, there may have been a good reason for such special taste tests, but that reason no longer exists. Nevertheless, a separate tea tasting board has gone right along, at taxpayer's expense, because nobody up to now took the trouble to take a hard look at why it was in existence."

Having taken that hard look soon after beginning his first term, Mr. Nixon has since looked in the other direction while the Board of Tea Tasters sipped away $117,250 a year. This doesn't count the extra sipping done by the Board of Tea Appeals.

Another interesting and little known domestic program is the so-called "Condom Stamp Program," which achieved the distinction of distributing the world's first and only $23 rubbers.

As part of this same space-age effect to control social disease, HEW asked the Office of Management and Budget for fiscal year 1974 funds to launch an anti-V.D. satellite.

Closer to earth, the Queen of England received $68,000 for not planting cotton on her plantation in Mississippi. This put her far beyond the Ford Motor Co., which got only $14,000 for not planting wheat, and Libby McNeil, which garnered $19,000 for growing no cotton.

But Queen Elizabeth came off like a proletarian compared to Yugoslavia's Marshal Tito, who received $2 million to purchase a luxury yacht.

Tito travels in even better style than Mr. Nixon's drinking buddy Leonid Brezhnev, whose stake in solving the oil crisis was increased when American taxpayers picked up the tab on his 12th limousine.

Not all of our largess was lavished on royalty and foreign potentates: $31,650 went for the new carpet of House Speaker Carl Albert's office, $21,000 for draperies and $44,000 for chandeliers. Another $65,000 went to finish the furnishings.

Another piece of furniture, not in Albert's office, also claimed a lot of tax money. The zero gravity toilet—developed by the space program to function under such conditions—cost $80,000. But that was nothing compared to the tab for "environmental testing" of the same toilet, which came to $230,000.

The interdepartmental screw thread committee, established as a temporary agency to speed the end of World War I, is still laboring to make nuts and bolts fit together. The cost: $250,000 a year.

Meanwhile, the bureaucrats who devise all these important projects need a break once in a while. The Alaskan Chateau in Anchorage is maintained for their exclusive use (providing they make $22,000 or more, or they're members of the military above the rank of major).

For a tab of $3 a day, these "public servants" can unwind in steam rooms, sauna, sunrooms, massage rooms, a gym and cocktail lounge. The bill for salaries alone of the government employes who act as servants at Alaskan Chateau totals more than $100,000 a year.

The cause of higher learning has been bolstered in ways that would have dazzled Gulliver more than his visit to the Grand Academy of Lagado. For reasons unknown, governmental research has located the frontiers of man's knowledge in three remote countries: Poland, Burma and Yugoslavia.

Six thousand dollars went to study Polish bisexual frogs, $85,000 was consumed learning about the "cultural, economic and social impact of rural road construction in Poland" and $20,000 was devoted to study the blood groups of Polish zlotnika pigs.

In Burma $5,000 went to collect a rare moss, and another $8,000 went to track down specimens of a certain Burmese ant.

The Yugoslavians were good for another study of "cultural, economic, and social impact of rural road construction." Five thousand dollars went to learn about Yugoslavian intertidal hermit crabs. The bounty for finding Yugoslavian lizards was $15,000.

But geography is no barrier to the search for knowledge. We spent money like mad in other areas too: $5,000 went to tabulate the differences between native American and Indian whistling ducks, and $20,000 was the cost for investigating the German cockroach.

A history of comic books cost $71,000, making it far more costly than the Dictionary of Witchcraft which was compiled for a measly few grand.

Five thousand dollars went for an analysis for violin varnish, while 10 times that amount went for analysis of the fur trade between the U.S. and Canada between 1770 and 1820.

In another area of great concern to average taxpayers, $20,324 was expended to learn all there is to know about the mating calls of Central American toads.

The toads' problems were only one-tenth as pressing as those of the City of Los Angeles, which received $203,979 to extend travelers' aid to migrants lost on the freeway.

Culture also benefited from an infusion of government funds. Five thousand dollars was paid to some genius who thought to write the poem "lighght." That's not the title by the way, that's the poem. The whole thing comes to seven letters worth $714.28 each.

HEW spent $19,300 to find out why children fall off tricycles. The answer: "Unstable performance, particularly rollover while turning."

Not to be outdone, the Pentagon spent $375,000 to study the Frisbee. This, of course, is less discouraging than having them spend $375,000 to buy a Frisbee.

That could have happened if Frisbees were large enough to be pitched as tents. When Air Force engineers decided to "invent" a device to cover the lips of missile silos, they spent $1 million to come up with a prototype which looked for all the world like a tent. Within hours after the newly invented tent had been fastened down, it disappeared. Later, investigators found it blowing head-over-heels across the prairie.

Experts investigating the construction of the C-5A cargo plane found proof of the Defense Department paying $111 for a pin. Over-all construction was so inefficient that if your family car were built on the same methods with similarly inflated labor cost, it would have to be priced at $100,000.

Congressional spending watchdog Sen. William Proxmire heard testimony about another bit of fiscal mischief with true human interest. I am not referring to Proxmire's discovery that Pentagon bigwigs routinely spend $600,000 outfitting executive jets for themselves, but to the testimony of Herbert J. Frank, president of Aerosonic Corp.

Frank told the Joint Economic committee that the government once canceled one of his contracts because he was one day late in delivery. The Pentagon then let a new contract for the same items to a giant aerospace contractor who failed to deliver for more than a full year.

When McDonnell-Douglas made square holes in an airplane instrument panel designed to house one of Frank's round altimeters, he saw a chance for revenge. "We figured we were really going to take the government this time," he testified.

"They needed the plates (to cover the square opening and leave a hole the shape of the instrument) desperately. So we came up with a price of $15 for each plate. We were actually ashamed to ask so much, for it was a little $3 stamping plate, but we figured we were really going to take them."

Frank and his small company were disappointed in their effort to rip off your tax money. The Pentagon turned down his bid of $15 a piece. The accepted bid, from McDonnel-Douglas was $230 per plate.

Other highlights of tax spending:

$121,000 to find out why people say "ain't."

$33,101 to the Israel Institute of Applied Science to conduct "a test of the husband-wife relationship."

The Department of Transportation gave extensive and expensive psychological tests to Polish truck drivers, which seems a bit more useful than the metric and morphological study, paid for by Uncle Sam, of the evolution of the chin of Polish skeletal poulations between 2000 B.C. and the year 1800.

$15,000 to find out how fishing boat crewmen cause conflicts in Yugoslavian peasant towns.

$3,000 to search for Indian lizards.

$25,000 to study biological rhythms of the catfish in India.

$8,500 to study Medieval Spanish satire and invective.

$14,000 to learn about cave beetles.

$2,458 to train 18 Good Humor peddlers.

$70,000 to classify and determine the population biology of Indo-Australian ants.

$12,000 to study the chromosomes of chipmunks.

$159,000 to teach mothers how to play with their babies.

CHANGING CONGRESS: THE COMMITTEE SYSTEM

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 11, 1974

Mr. FRASER. Mr. Speaker, in its January 1974 issue, entitled "Changing Congress: The Committee System," the annals of the American Academy of Political and Social Science has taken a comprehensive look at our current organizational arrangements in Congress.

Two of our colleagues, RICHARD BOLLING and BILL BROCK, have contributed insightful articles, along with a group of scholarly and journalistic observers.

The January issue of the Annals is edited by Norman Ornstein, an assistant professor of political science at Catholic University and a former congressional fellow on my staff. In an article of his own, Ornstein outlines some structural reforms he feels are needed to make Congress function more adequately as a policymaking body.

Particularly now, as we are about to consider the Committee Reform Amendments developed by the Select Committee on Committees, I know that House Members will find "Changing Congress: The Committee System" useful and informative reading.

I am inserting excerpts from the Ornstein article at this point in the RECORD:

RESTRUCTURING THE COMMITTEE SYSTEM

(By Norman J. Ornstein)

PAST REFORMS

Any examination of committee structures must first be put into the context of the origin and the enactment of past reform proposals. Most recent efforts at internal reforms have focused on aspects of committee operations. The seniority system arose from the 1910 revolt in the House. The 1946 Legislative Reorganization Act's most sweeping provision greatly reduced the number of standing committees in both House and Senate. In the Senate the most significant change of the 1950s was the Johnson rule, which guaranteed each Democrat a major committee assignment. In the House the Rules Committee was the major focal point of the late 1950s and early '60s, with reformers attempting both to enlarge it and to bypass it—via the twenty-one day rule. Recent reforms in the House in 1971 and 1973 have significantly altered the subcommittee system, the selection of committee and subcommittee chairmen and the conduct of committee meetings.

What have these reforms tried to accomplish? By examining some of them more closely one may be able to better understand how future structural changes might affect congressional behavior and legislative outputs.

POWER AND COMMITTEE CHAIRMEN IN THE HOUSE

The seniority system arose as a way of shifting power from an omnipotent Speaker of the House, whose greatest formal weapon had been his ability to appoint committee members and chairmen. The seniority custom was devised as an automatic, nonpolitical method for selecting committee chairmen and preventing a subgroup of legislative actors—in this case, a subgroup of one—from using accumulated power to dictate outcomes to the larger body membership.

The enlarging role of the federal government in American society and, to a lesser extent, the 1946 reduction in the number of committees greatly increased the importance and power of the standing committees. Much of this power went to the handful of committee chairmen. Chairmen had formal powers—control over hiring and firing of committee staff, control over formation and jurisdiction of subcommittees and appointment of subcommittee chairmen—as well as the informal influence of prestige and expertise. Most importantly, the technical operation of the seniority system in the House meant that chairmen achieved their positions automatically and retained them without being directly responsible to any larger authority. The important step, ratification of the appointment by the majority party caucus, was done by a single vote for all committee assignments and chairmanships, making it virtually impossible to challenge any particular chairman.

Working mainly through the House Democratic Caucus, contemporary reformers in 1971 and 1973 moved, through a series of changes, to rectify this latter day power imbalance in which smaller concentrations of power, rather than being eliminated, were centered in the hands of committee chairmen. First, the Democrats attempted to get automatic voting by the party caucus on each individual chairmanship. They partially succeeded in 1971 at the start of the 92nd Congress; a vote was permitted on a chairman if ten members demanded it. At the beginning of the 93rd Congress in January of 1973 an automatic vote procedure was implemented. No chairman lost his position in either of these years, but, as Peabody has noted: "all were put on notice that their conduct would be subject to bi-annual examination with the threat of caucus removal at least a possibility."

At the same time vast changes have been implemented in the structure of the subcommittee system, also accomplished largely via the Democratic Caucus. Subcommittee chairmanships were limited to one per member in 1971, thereby spreading out these positions to younger members. In 1973 a Subcommittee Bill of Rights was implemented by the Caucus: it enlarged and specified the powers of subcommittee chairmen, enabling them to hire their own professional staffs and to handle legislation on the floor. The selection of subcommittee chairmen was formalized, as well. All of these reforms strengthened subcommittees and subcommittee chairmen at the expense of committee chairmen. Importantly, these changes were made subject to ratification by the individual committee caucus of the majority party.

There is little question that, although the specific recommendations came from an ideologically and regionally balanced Democratic committee on reform headed by Representative Julia Butler Hansen of Washington, these changes were instigated by liberals who felt the committee system of the 1960s—especially through seniority—favored Southern conservatives. Nevertheless, an examination of them, on paper at least, shows that these 1971 and 1973 changes were sensitive to the unrestricted accumulation of power brought about through the 1910 reforms. Some power was taken from committee chairmen and spread out to subcommittee chairmen, which meant a broader distribution of power in terms of region, ideology and seniority. However, unlike the previous reforms, checks were put on committee chairmen, via the party caucus, and on subcommittee chairmen, via committee caucuses. In theory, at least, one of the major problems of the committee system in the past was ameliorated, although it will take several years before the real impact of these reforms can be assessed. Nevertheless, as nearly as can be determined and as far as structural reforms can go, the House Democrats have arranged safeguards against the possibility of a substitution of one hundred fifty fiefdoms for twenty.

These safeguards can break down, especially through individual committees and their majority party caucuses. While committee chairmen have had their formal powers curbed, they and their subcommittee counterparts are now responsible to the full committee membership, especially the majority party caucus. Should a committee decide to defy the full party membership there are few direct remedies. One cannot easily restructure an entire committee; thus, a problem which remains is ensuring that an individual committee does not become biased in some fashion relative to the full body membership—the representativeness problem again.

SUGGESTIONS FOR CHANGE

How, then, can committees reflect the makeup of the entire body as a microcosm of the nation without drastically affecting their capacity for knowledgeable formulation and oversight of public policy? A series of structural modifications might be able to achieve this goal, while at the same time building in an increased flexibility for future change; possible reforms are discussed below. It should again be emphasized that such changes are not likely to be implemented soon, if ever. For one thing, their inception would involve success in several separate forums. Committee assignments are handled by individual party caucuses; proposals to implement uniform criteria, such as a limitation on continuous service on a committee, would have to be accepted by each of the parties, or would not work. Other proposals, such as a reduction in the number of standing committees, could be implemented through the House as a whole, but would involve large scale changes which would encounter opposition from many sources—not the least being many of the current committee chairmen and other high ranking members.

Finally, these changes operate under the assumption that the House is attempting, first and foremost, to pass and oversee good national governmental policy. Congressmen, however, have other goals as well—some personal, such as getting reelected or having personal influence within the House, and some constituency-related, such as seeing that particular interests of one's own district are well represented. To the extent that these goals predominate, major changes which might conflict with them will have little chance of success. Nevertheless, discussing significant structural reforms is a useful method of understanding how Congress, through its committees, operates.

Consolidation of committees

The first, and greatest, step in making committees representative would be to consolidate committees in the House; the final total should be perhaps seven or eight standing committees, each with approximately fifty-five members and with each representative having one assignment. Our concern here is less with the specifics or rejurisdiction or with the problems of appropriation, taxation and authorization—questions which have been discussed in detail by others—than with the broader implications of this type of innovation. Elsewhere in this volume Robert L. Peabody outlines one system, which we will utilize for analytic purposes. In a modification of this type one could consolidate committees with very different incentives and, thus, broaden the natural base of each new committee. For example, a Committee on Natural Resources could include interior, public works, environmental and agricultural jurisdictions, appealing to both urban congressmen concerned about pollution and rural congressmen concerned about farm problems. A Committee on Human Resources could include the areas of education, health, welfare and labor. A Committee on Defense and Foreign Policy could encompass armed economic concerns. The other committees suggested by Peabody are Government Operations, Technology and Sciences, Ways and Means, Appropriations and Judiciary and Constitutional Rights.

House committees now range in size from nine to fifty-five; with this reform all committees would be composed of about fifty-five members. Thus, to some extent, the diffusion of workload which a committee system makes possible would be countered—it is extraordinarily difficult for fifty-five people to work as a unit, and the tendency would be strong for a greater division of labor. As was the case following the 1946 consolidation of committees down to nineteen, subcommittees would continue to proliferate. The recent House Democratic reforms which increased subcommittee chairmanships suggest that this proliferation would not necessarily be bad. Giving out more subcommittee chairs can encourage congressmen to do their legislative work; furthermore, by giving each member a piece of the action, legislative activity and oversight can be enhanced. Once one reaches the point of overlap at which members must chair several different units, the effects of subcommittee proliferation become negative. Until that point is reached, more subcommittees may be beneficial. With fifty-five-member committees, the major work would be done at the subcommittee level; therefore, great care would be required to make subcommittees both representative and responsive. The problem of creating one hundred fifty autonomous and autocratic subcommittee chairmen is a real one which is reduced, but not eliminated, by the principle of committee caucus review.

Limitation of chairmanship tenure

Secondly, the problem of the chairman's power must be considered—both for committees and, as indicated above, subcommittees. Committee chairmen retain considerable influence within their bailiwicks; a reduction in committees would enhance the influence of the smaller number of new chairmen, in spite of the steps which have been taken to curb the powers of chairmen. An essential corollary of committee consolidation would be limitation of the tenure of committee chairmen, for example, to six years in their House careers. Such a step would decrease the influence of chairmen and would discourage any long term individual accumulation of power. Exceptional individuals could still make significant contributions through subcommittee chairmanships and other legislative activities. Chairmanship of any single subcommittee would have to be limited in the same fashion, for the same reasons; yet, to give continuing incentives to members for legislative work, the future opportunity to chair other subcommittees should exist.

In a practical sense, this proposal—or some variation—could be implemented through the majority party caucus; the proposal could exempt current chairmen and allow them to complete their careers in order to diffuse a major source of opposition. Indeed, a similar proposal was suggested this past year to the Democratic Caucus committee on reform by Florida Representative Charles Bennett; however, it was not acted upon.

Rotation of assignments

Another way of ensuring committee representativeness is rotate, in some fashion, committee assignments. Currently, continuity on committees is encouraged, primarily by rewarding continuous committee seniority rather than overall seniority. Thus, when Representative Edith Green—Democrat, Oregon—moved last year from the Education and Labor Committee to the Appropriations Committee, she sacrificed eighteen years of seniority and a second ranking position on Education and Labor to become thirtieth ranking member of thirty-three Democrats on Appropriations. Lateral moves of this sort are not often taken.

On the other hand, the new House Democratic Steering and Policy Committee has built in a procedure which ensures a steady rotation of members, while limiting the overall turnover each two years to permit required continuity. A similar system could easily be adapted for the standing committee system. For example, continuous service on a committee could be limited to six years before returning, if he desired. Ranking on each committee, and subcommittee chairmanships, could be decided by a combination of overall tenure and committee seniority—ratified by committee caucuses—as could committee chairmanships; if the most senior member had already served six years as a committee chairman, the next ranking member would be recommended to the majority party caucus. Finally, to ensure a continuing influx of fresh viewpoints, preference for some, perhaps half, of contested vacancies on desirable committees could be given to those who have never served on the committees could be given to those who have never served on the committee, so long as the overall turnover on the committee did not exceed one-third for a given Congress.

A rotation system of this type would have several consequences. First, it would prevent any small group of legislators, whatever their ideologies, from becoming entrenched in the same formal power positions for extended periods of time. Also, by diluting internal vested interests, it would enable Congress to restructure itself more easily as policy areas and problems changed—legislators would have less stake in preserving their own congressional status quo.

Secondly, it would broaden the knowledge base in Congress by giving each legislator a wider range of experiences in several issue areas, without penalizing him for doing so. This would not drastically impair member expertise, for members could still spend several years during their legislative careers working on a single committee or dealing with a single problem. As most legislators would attest, a good grasp of the issues facing a particular committee or subcommittee can come after a short period of time; the outlines, if not the specifics, of policy proposals are usually quite similar from term to term. A legislator who has served on a committee for thirty years is little more expert than one who has served on the same committee for fifteen years—if they are matched in perseverance and intelligence. In fact, by allowing congressmen to examine issue areas from different perspectives, a rotation system could enhance expertise. Moreover, by building in mechanisms to limit the turnover on a committee at any given time to one-third or one-half, one could prevent the admittedly improbable situation of a committee composed entirely of inexperienced newcomers.

Finally, each committee would, at any given time, more accurately reflect the overall membership of the body—regionally, ideologically and in seniority. A regularized change of membership would give each committee a wider range of legislators; rural congressmen would be spread more broadly throughout the committee system and would no longer be so concentrated in the Agriculture and Public Works Committees, while big city congressmen would no longer be as heavily represented on the Education and Labor and Foreign Affairs Committees. Policy outputs formulated by a wider spectrum of legislators would be more likely to reflect national needs and desires.

This innovation would, however, have significant side effects as well. Larger proportions of members would have served on each committee and would be less hesitant about speaking out on the floor about a committee's recommendations. All committees would become, in Fenno's phrase, more permeable, and floor debate would become more significant. Most likely, amendments would increase, and the efficiency of floor debate and decision making would decrease correspondingly. This type of environment exists to an extent in the Senate, which by virtue of its smaller size can react more flexibility; it might create chaos in the House. On the other hand, floor procedures could be created to streamline debate and deliberation, and vigorous and meaningful floor debate—if not efficient—might well produce better decisions.

Presumably, also, committee staffs—having the continuity on committees which legislators would lack—would increase in importance, particularly in crafting legislation. This is not a serious problem, however. Legislators would not become wholly dependent on their staffs; they are intelligent and capable individuals with control over the direction and substance of policy concerns. Elliott Richardson's successful administration of the Defense Department—Richardson being no expert in technical defense topics—is an example of limitations of staffs in dictating or shaping outcomes.

Consolidation of committees deals with many of the same areas; perhaps, given its implementation, a built-in rotation of committee assignments would be unnecessary. A better solution might be merely rotation among subcommittees, limiting chairmanships and tenure in a similar fashion. This approach would check the erosion of specialization and expertise caused by committee rotation; however, it would limit the interchange of ideas and viewpoints across policy areas and would make a future rejurisdiction of committees more difficult by giving members more stake in protecting their particular committee's interests.

CONCLUSION

Standing committees are not Constitutionally mandated structures; they are congressional responses to heavy workloads and unwieldy decision making. The reforms mentioned above are an attempt to make committees and their policy outputs reflect the larger legislature membership and, thus, the nation. Enacting these changes in the House or the Senate is, to say the least, unlikely—in the near future, at any rate. Nevertheless, the implications of modifications of this type should be seriously contemplated by both scholars and legislators. At the least, by discussing them we shed light on the underlying assumptions, behavior and limitations which characterize contemporary committees.

THE LEGISLATIVE REORGANIZATION ACT OF 1970

HON. GARRY BROWN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 11, 1974

Mr. BROWN of Michigan. Mr. Speaker, I have introduced today a resolution which would, if adopted by the House, require most committees of the House to estimate the cost to the nonpublic sector of the economy of any measure it plans to report.

We all recall that the requirement of an estimate of the cost to the Federal Government of a reported bill is of recent vintage. It was the fruit of the Legislative Reorganization Act of 1970. That addition to the rules of the House, accomplished in January of 1971, was a welcome one and has proven very helpful to me, and, I think, to most of my colleagues. The cost estimate has provided me with an additional, semiobjective factor to consider in evaluating the merits of a particular piece of legislation. I clearly would oppose, for example, a court reorganization plan which would cost the Public Treasury $5 billion next year regardless of its merits. I would have no trouble supporting an otherwise meritorious plan that would cost the taxpayers $150,000. The fact that an estimate of the cost to the taxpayers is required to be a part of the committee report makes the information readily available to all of us, and clearly makes for wiser legislation.

However, I do not think that the above rule goes far enough. We all recognize that almost every bill we vote on will have a cost effect on the private sector of the economy as well as on the public sector. That is to say, when we as legislators seek some social good by requiring a particular industry or industries to take some action, none of us is naive enough to think that the cost of taking that mandated action will completely be absorbed by the industry involved. Rather, the cost will be passed through to the ultimate consumer in one form or another.

When, for example, the Congress passed the so-called Bank Secrecy Act, in 1970, requiring banks and other financial institutions to maintain additional detailed records regarding both domestic and foreign transactions because such information had a "high degree of usefulness in criminal, tax and regulatory investigations and proceedings," we were all aware or should have been aware that such requirements would increase the cost of financial services to the consumers of those services. I think it would have been useful to all of us if the Banking and Currency Committee had submittee had submitted a formal estimate of the cost these additional recordkeeping requirements would have on the consumer when it reported the bill. In this era of evaluating many programs in terms of cost-benefit analyses, I consider such an estimate almost essential.

I fully recognize that such forecasts of the price tag to the consumer will be extremely difficult in many cases. However, it seems to me that some estimation is better than no estimate at all—or rather only that of the affected industry, usually overstated, which is largely all we receive now. I, for one, would like the committee that reports the bill to undertake the task of making this estimate, since the members and staff of that committee are likely to be more expert in matters affecting that portion of the nonpublic sector which is influenced by legislation produced by that committee.

Some may contend that my proposal is inherently unworkable, I do not view it as such, but I think at a minimum, it should be seriously discussed by the membership of this body. If a majority believe, as I do, that the benefit to be derived outweighs the problems it presents and that an estimate of the cost of legislation to the consumer by the committee that is expert in the field would be an improvement over the "gut" feeling or limited industry-prepared information on which we must rely at present, then I think the legislative process can be significantly improved. I urge all of my colleagues to at least think about this proposal, and hopefully, vote for its adoption.

Thank you, Mr. Speaker.

THE STORY OF DAN LYONS, S.J.

HON. DANIEL J. FLOOD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 11, 1974

Mr. FLOOD. Mr. Speaker, under leave to extend my remarks in the RECORD on Pan American Day in the course of its 30th consecutive celebration in the U.S. Congress, I would like to include a review of the biography of Father Dan Lyons, S.J., described by one of our friends, the Reverend Father Joseph F. Thorning, Ph. D., D.D., as a "magnificent human being" and a "loyal son of Loyola," meaning that Father Lyons is a devoted apostle of truth, as he has seen events unfold around the globe. The book review by Dr. Thorning speaks for itself and reads as follows—National Review, April 27, 1973:

The story of Dan Lyons, S.J., by John D. McCallum (Guild Books, 443 pp., $7.95).

That Father Dan Lyons is a magnificent human being becomes clear in the first part of this biography. In the second section the priest-journalist emerges as an indefatigable, globe-circling leader armed with eyewitness knowledge about international personalities and events. His reports and judgments, although occasionally oversimplified, are more concise, colorful, and responsible than those of numerous critics of U.S. policy. Fortunately for the family of nations, Father Dan inspires boundless trust among Jewish and Christian benefactors. The latter, including Frank Malina, Mrs. Roberts Blount, and Patrick J. Frawley, "passed the ammunition," money enough to enable a modern Paul to finance charitable and educational projects at home and abroad. Every *centavo* invested in good causes produced considerable impact on public opinion from Melbourne to Djakarta to Damascus. An index to the Lyons influence may be gleaned from the notices he has drawn in *Pravda, Izvesita*, and the *Daily World*.

For those familiar with Marxist psychology "the rage of Tass" suggests how vulnerable the men in the Kremlin feel themselves to be. Noteworthy, too, is the fact that, as early as 1966, Richard M. Nixon listened with respect to "Father Owl" when this loyal son of Loyola advised the future President to "mine the harbor of Haiphong." Action followed in 1972, when the subject of this biography praised the port closing as "the first decisive action in ten years," apt to end the war. In a revelatory chapter, "Behind the Iron Curtain 1972," the roving correspondent, accompanied by a colleague, Father Cletus Healy, got a first-hand glimpse of the Soviet empire.

En route to Moscow, they found that in Czechoslovakia "300,000 members of the Communist Party have been purged, . . . 40 per cent of the writers have been forced out of their profession," while "fifty thousand union members were liquidated." In Moscow itself, a clue to freedom is supplied by the two Jesuits: "Father Joseph Richards, an Assumptionist, . . . has a nice but tiny chapel in his apartment, where about thirty persons attend Mass on Saturday night. . . . He offers three Masses in the cafeteria of the American embassy on Sundays, attended by worshippers from various legations." In such wise are the 1933 treaty provisions fulfilled. Excellent photographs illuminate the text.

—JOSEPH F. THORNING.

"MIRANDA: WORLD CITIZEN"

HON. DANIEL J. FLOOD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 11, 1974

Mr. FLOOD. Mr. Speaker, under leave to extend my remarks in the RECORD on Pan American Day in the course of its 30th consecutive celebration in the U.S. Congress, I would like to include several reviews of the book "Miranda: World Citizen," written by my good friend and our Acting Chaplain, Dr. Joseph F. Thorning.

The book reviews follow:

"MIRANDA: WORLD CITIZEN"

(By Joseph F. Thorning)

Introduction by President Galo Plaza of Ecuador.

Foreword by Sumner Welles.

"This is an unforgettable portrait—objective, scholarly, profound, yet warm and vibrant with life." Ambassador Rafael de la Colina of Mexico.

"The human personality of Miranda; his romantic adventures in all parts of the world; the prodigies of his curious intellect; his philosophical and scientific knowledge; his military talent; his friendship with the leading statesmen of Europe and America, from Catherine The Great to George Washington; his gifts as a statesman and General, as a humanist and as an apostle of liberty constitute the vivid pages of this authentic biography . . . it appears to be definitive."

VISION

"Miranda: World Citizen epitomizes even better than Benjamin Franklin the strength and weaknesses of the 18th century gentleman—his sensuality and religious coolness, combined with a vigor of intellect, which for catholicity has been matched only in the age of Pliny and Plutarch." Dr. Paul H. Hallett, The Register, Denver.

"Dr. Joseph F. Thorning has told this fascinating story of one of the first 'citizens of the world' in a compact, scholarly book. He has had access to new documentation which complements, improves upon and rectifies, in part, the work of William Spence Robertson (1929), which was the first important contribution of North American historians to the study of Miranda." German Arciniegas in The New York Times Book Review.

"I regard this biography of Francisco de Miranda by Dr. Joseph F. Thorning as an immensely valuable contribution to the cause of inter-American understanding." Sumner Welles, onetime Under Secretary of State.

The University of Florida Press, Gainesville, Florida.

FEDERAL EMPLOYEES HEALTH AND INSURANCE BENEFITS

HON. JEROME R. WALDIE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 11, 1974

Mr. WALDIE. Mr. Speaker, today I have introduced a bill which would amend certain sections of title 5, United States Code, relating to the Federal employees health benefits plans and the Federal employees group life insurance program. This bill would reduce the number of years of creditable service that an employee must have accumulated to be eligible to continue his insurance protection under these programs after he retires. The bill would also delete the present requirement that an employee must have been enrolled in the Federal employees health benefits plan for 5 years immediately prior to retirement to be eligible to continue his coverage under that program as an annuitant.

I believe that there is considerable justification for the prompt enactment of this bill. Under present law, an employee may be eligible for an annuity after completing at least 5 years of creditable civilian service. However, present law also requires that an employee must have at least 12 years of creditable service to be eligible to continue his insurance protection under these programs as an annuitant. Thus, by requiring an employee to have at least 12 years of service for insurance purposes and only 5 years of service for retirement purposes, an employee who may otherwise be eligible to retire may elect to continue in Government service solely for insurance purposes.

The purpose of my bill, simply stated, is that any Federal employee who is eligible for an annuity and who is also enrolled in either or both of these insurance programs should also be eligible to continue his enrollment in these programs as an annuitant. To accomplish this, it is both necessary and proper to require that the minimum number of years of creditable service required for an employee to continue his enrollment in these programs after he becomes an annuitant should be equal to the minimum number of years that an employee must have in order to qualify for an annuity. This would negate the present incentive for Federal employees who are otherwise eligible to retire from continuing their employment solely for insurance purposes.

The bill would also delete the present requirement that an employee must have been enrolled in a Federal employees health benefits plan for at least 5 years immediately prior to the date upon which he becomes an annuitant to be eligible to continue his coverage under the program after he becomes an annuitant. There are many employees who, due to circumstances unrelated to their Government employment, do not enroll in a Federal employees health benefits plan. For example, an employee may derive health insurance benefits through a spouse who is employed in the private sector. Then, principally through the retirement, death, or divorce of the spouse, the Federal employee loses this health insurance protection and subsequently enrolls in the Federal employees health benefits plan. This employee, under present law, must continue working for at least 5 years if he desires to continue his health insurance coverage as an annuitant. Thus, an employee who might otherwise be eligible to retire and who would retire elects to continue his Federal employment solely in order to qualify to continue his health insurance protection as an annuitant.

I do not believe, and I am sure that my colleagues agree, that an employee's decision to continue working should not be predicated upon his eligibility to continue his health insurance protection after he retires. However, under present law, that is exactly the situation in which many Federal employees find themselves. My bill would correct this situation and would allow many employees to elect immediate retirement without consideration to eligibility for insurance protecton.

The bill follows:

A bill to amend title 5, United States Code, to reduce from twelve to five years the creditable service requirements under the Federal employees group life and accidental death and dismemberment insurance and health benefits programs, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 8706(b) of title 5, United States Code, is amended—

(1) by deleting in subparagraph (2) "12 years" and inserting "5 years" in place thereof; and

(2) by deleting the second sentence thereof.

(b) Section 8714a(c)(2)(B) of title 5, United States Code, is amended by deleting "12 years" and inserting "5 years" in place thereof.

(c) Section 8901(3)(A) of title 5, United States Code, is amended by deleting "12 or more years" and inserting "5 or more years" in place thereof.

(d) Section 8905(b) of title 5, United States Code, is amended to read as follows:

"(b) An annuitant who, at the time he becomes an annuitant, was enrolled in a health benefits plan under this chapter, as an employee, or as a member of the family of the employee or annuitant, may continue his enrollment under the conditions of eligibility prescribed by regulations of the Commission.".

SEC. 2. The amendments made by this Act shall become effective at the beginning of the ninetieth day after the date of enactment of this Act.

THE VETERANS HOSPITALS

HON. TRENT LOTT

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 11, 1974

Mr. LOTT. Mr. Speaker, the Veterans' Administration, under Donald E. Johnson's leadership, has been the recipient of some very vocal criticism of late, both from veterans and Members of Congress. I feel that we need to maintain a sense of perspective regarding some of the very fine accomplishments of this agency in its continuing efforts to provide the best possible medical and rehabilitative services to our veterans. I would like to call your attention to the excellent way the VA is carrying out its dual congressional mandate—a program of education and training so as "to provide a complete medical and hospital service for the medical care and treatment of veterans" and under recent Public Law 93–82, its secondary mission "to assist in providing an adequate supply of health manpower to the Nation."

Twenty-eight years ago, Veterans' Administration hospitals were considered "backwaters of American medicine" by medical professionals. With strong backing from Congress, the VA announced an extraordinary new policy of association of veterans hospitals with medical schools, because regardless of the best organizational structures and finest of facilities and equipment, they are of no consequence without highly qualified health care professionals.

In the past 10 years, more than 400,000 students preparing for health careers have received all or a portion of their training in VA hospitals. This year, VA will help train 67,000 prospective health workers, at all technical and professional levels, in over 60 different health care specialties, including physicians and dentists at the undergraduate and graduate level.

Today, 107 VA hospitals are affiliated with 90 medical schools and practically all VA hospitals participate in joint education, research, or patient-care activities with over 1,200 non-VA institutions. This includes 57 of the Nation's dental schools, 312 nursing schools, 45 schools of pharmacy, 88 psychology programs at the doctorate level, 80 schools of graduate social work, and 710 other academically based programs for the allied health professions and occupations.

Both hospital and outpatient care for veterans are setting alltime records. The 985,300 patients treated in the VA hospitals during fiscal year 1973 is the highest for any year in history. The VA has met the challenge of this change and growth of the patient care load by the addition of seven new hospitals in the past 5 years, all with medical school affiliations, with three others in planning stages.

Quality patient care for our veterans being its primary mission, the VA through its medical school affiliations achieves a part of this goal from mutually beneficial education and training programs. For VA, patient care is improved through the advice of the university's deans committee, the presence of medical students and house staff, the use of medical school faculty as VA consultants, and the general upgrading of the VA's professional staff. At the present time, over 3,000 VA physicians and dentists hold active faculty appointments at affiliated medical and dental schools, while full-time university faculty teach and consult regularly in our hospitals. For the medical school, affiliation with the VA provides a large clinical facility and a general expansion of their education and research resources. Medical research programs are also carried on directly and indirectly with research groups in medical schools and other institutions. Through this policy and practice of teaching affiliations, VA hospitals now serve a major role in the development of health manpower, not only for delivery of health care to veterans, but for the benefit of the American public.

The VA has a fine record of achievement in meeting the tremendous challenge of the 1970's in maintaining first rate medical care for this Nation's veterans in the face of the explosive growth rate in the number of veterans requiring such services. We again suggest that we need to maintain a sense of perspective in the face of so much criticism.

NOTES FROM CUBA AND CALCUTTA

HON. JAMES A. BURKE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 11, 1974

Mr. BURKE of Massachusetts. Mr. Speaker, I am inserting in the Record the following review which I am sure my colleagues will find of interest.

[From America, Nov. 6, 1971]

Notes From Cuba and Calcutta

CUBA: THE PURSUIT OF FREEDOM

(By Hugh Thomas Harper, 1,718 p. $20)

This is an encyclopedic approach to the geography, history and culture of Cuba. The period treated, 208 years, stretches from the British capture of Havana (1762) to the administration of Fidel Castro (1959–70). The dividing line, a somewhat arbitrary choice, is Fulgencio Batista's second seizure of power (1952).

At the time of its occupation by Lord Albemarle, Havana was described by the Abbé Guillaume Raynal as the "boulevard of the New World." Although Santiago de Cuba was still the headquarters of the Captain General, Havana was the port of rendezvous for treasure ships from Vera Cruz and Portobello. The galleons, laden with gold and silver, were convoyed under the protection of the Spanish grand fleet to Seville and Cadiz. Since thousands of seamen and soldiers had to wait from four to six weeks in Cuba for the treasure ships to assemble, they tended to transform Havana, not yet the "Paris of America," into a maritime roadhouse. The city, with its gorgeous tropical setting, overflowed with deserters, escaped slaves, gamblers, smugglers, and crooks on the run, sailors looking for ships, prostitutes for sailors and "frairs without fixed destination." The future capital early acquired that "unique, easy-going, brilliant but semi-criminal and cosmopolitan character that has marked it ever since."

British rule, fleeting as it was, proved the signal for an immediate descent on the island by English merchants. Dealers in grain, wool, linen, horses, and sugar equipment established flourishing businesses. The slave trade, already horrendous, received a powerful impetus. While tobacco, hitherto the principal crop, continued to grow famous for aroma and flavor, its cultivation dropped to second place in the Cuban economy. Thomas emphasizes that the stepped-up import of slaves, combined with the long-term commercial arrangements then established (including debts), was the distinguishing mark of Albemarle's expedition.

The author, professor of history at the University of Reading, adds that, after Albemarle departed in January 1763, the increase in cheap labor hastened the trend toward the creation of a stubborn master, the sugar industry. Thereupon Thomas poses the question: Did dependency upon an overdeveloped export commodity make Cuba "a sugar palace or a sugar prison?"

Moreover, in the 1770's, the desire of the North American colonists to trade with Cuba and the French West Indies became "a fundamental cause" of revolt against Britain. A lucrative three-cornered commerce developed: smugglers carried rum from Havana to Africa for the purchase of slaves, whereupon the blacks were exchanged in Havana for molasses, which had been processed in New England as "juice of the cane," and exchanged for more slaves. For two generations, Thomas relates, Massachusetts produced the best "Antilles rum." And John Adams confessed that "molasses was an essential ingredient in American independence."

Equally detailed information is supplied by the author about the struggle of Cuban patriots for independence for many decades of the 19th century. Familiar names adorn the narrative: Carlos Manuel de Céspedes; José Martí; Antonio Maceo; Máximo Gómez and a host of other leaders. Participation by U.S. armed forces accelerated and ensured victory.

A number of men who held office in the young republic, however, failed to reflect the noble ideas of the Founding Fathers. Politics soon surpassed agriculture, animal husbandry and mining as a short-cut to easy money. Tourists flocked to the hotels, beaches, casinos and bordellos of Havana. Night clubs such as Sans Souci, La Tropicana and Montmartre acquired world renown. Cuba seemed a tropical paradise, teeming with delicious fruits, luxuriant foliage, fresh seafood, vegetables raised by industrious Chinese gardeners, beef, pork and poultry, washed down by rum, whiskey, beer and brandy. Side by side with a growing middle class, enjoying the highest standard of living in Latin America, there existed a multitude of unemployed, undernourished, largely uneducated *campesinos*. Some clue to the food habits of Cubans may be gleaned from the fact that they had the biggest per capita consumption of lard throughout the globe.

Major events in Cuba under the Republic are recounted with a reasonable degree of accuracy and fairness. Biographical sketches of the principal figures, whether planters, bankers, entrepreneurs, lawyers, doctors, artists, poets or politicians, military men and gangsters, are presented in colorful detail. A number of U.S. diplomats are characterized as "proconsuls." In his discussion of U.S. policies from 1933, when Batista emerged as the "Strong Man" of Cuba, Hugh Thomas quotes at length from contemporary witnesses, including Sumner Welles, Jefferson Caffery, Earl Smith and subordinate officials in the State Department. Fulgencio Batista and Fidel Castro bulk large in this part of the narrative.

Harsh as are the author's appraisals of old-line Cuban politicians, the British scholar, widely acclaimed for his study of the Spanish Civil War, essays an even-handed evaluation of the Castro dictatorship. Thomas credits the regime with support for "a minimum wage, universal schooling and medicine," and a reduction in rural poverty. He also reports "the brutality of the gaolers, the arbitrary character of an unpredictable but ubiquitous tyranny, the tedium of an inefficient bureaucratic style and the melancholy of a society where eccentricity and private experiment . . . are damned."

Religion gets scant notice. Praise, however, is accorded to Santiago Archbishop Antonio Maria Claret (now on the calendar of saints); Félix Varela, priest-teacher of philosophy and pioneer in social reform; and many men and women once active in education, charity and health care.

Cuba's search for freedom continues.—Joseph F. Thorning.

THIS WEEK'S REVIEWERS

Rev. Dr. Joseph F. Thorning is the United States Honorary Fellow of the Historical and Geographic Institute of Brazil.

Rev. Msgr. James A. Magner, former director of Catholic U. of Am. Press, has written extensively on Latin America.

Quentin Lauer, S. J., is a professor of philosophy at Fordham University, New York City.

Keith J. Egan, O. Carm. teaches graduate and undergraduate courses in mysticism at Marquette University, Milwaukee, Wis.

MIRALESTE HIGH SCHOOL COMES TO WASHINGTON

HON. THOMAS P. O'NEILL, JR.

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 11, 1974

Mr. O'NEILL. Mr. Speaker, I would like to call to the attention of my colleagues the visit to our Nation's Capitol by a group of students from Miraleste High School, California.

Through a high school sponsored tour of the east coast these students visited my own home of Boston before coming to Washington where they observed their Congress in action. Certainly one of the highlights of their whole tour was the luncheon in their honor sponsored by Senator John Tunney and Representative Jerome Waldie.

I ask unanimous consent that the names of those participating in the tour be placed in the Record, as follows:

Miraleste High School American Historical Tour, April 4–14, 1974

BOYS

David Samiloff, Brian Karr, Doug Yoshida, Mike Wyman, Paul Goden, Bill Clark, Chris Volk, Robert Allen.

Mark Ericson, Brian Curry, David Dorff, Bill Resensweig, David White, Rick Barnard, and Ted Dykceul.

GIRLS

Lori Yoshida, Barbara Bridges, Donna Cox, Cathy Hines, Betty Suidmak, Susan Kawahara, Peg Riley, Mary Matthews, Chris Green,

Ann Hubbell, Polly Plakos, Cindy Ricks, Judy Wendorff, Lori Briggs, Linea Milfs, Alice Davis, and Peggy O'Hara.

CHAPERONES

Mrs. Barbara Franklin, Mr. Rae Wyman, Mr. Howard Lawrence, and Mr. Patrick Smith.

RIGHT OF PRIVACY

HON. IKE F. ANDREWS

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 11, 1974

Mr. ANDREWS of North Carolina. Mr. Speaker, it seems inherent in legislative bodies that members react to crises rather than prepare in advance for problems that can be foreseen and anticipated.

In this respect, I fear that our Congress is again guilty on not having enacted sufficient legislation guarding our citizens rights of privacy. Such legislation is past due in our Nation.

Yet, even as we continue to delay our response to this need, there is emerging the need to deal with the complex problems posed by multinational computers and data banks.

This matter is discussed in the January 16 issue of Computerworld in an article by Mr. E. Drake Lundell, Jr., and at this point I would like to insert this into the Record in connection with the special order on privacy arranged by my distinguished colleague, Hon. Edward I. Koch, and others:

Multinational Data Banks Require Special Safeguards

(By E. Drake Lundell, Jr.)

Montvale, N.J.—As multinational data banks become more common, "new institutions will be required at the multinational level to resolve disputes over the transmission of data across national boundaries," according to a recent publication from the American Federation of Information Processing Societies (Afips) here.

In addition, the publication said these new institutions would have "to develop regulations concerning the activities of multinational data banks, to provide individual safeguards, and to deal with problems of standardization of data transmission facilities and capabilities."

The publication, written by Burt Nanus of the University of Southern California, Leland M. Wooten of Southern Methodist University and Harold Borko of the University of California at Los Angeles, is based on the admittedly imperfect Delphi technique, but represents, the authors said, a first attempt at coming to grips with the problems likely to be raised by multinational computers and data bases.

TIME IS COMING

"The use of computers in this manner at the present time is certainly not widespread," the authors admitted. "However, as one projects ahead 10 to 20 years and contemplates, on the one hand, the rising tide of multinationalism in both corporations and governmental organizations, and, on the other hand, the rapid increase in capabilities and decrease in cost of computer/communications networks, one can conjecture it is only a matter of time (and probably not very much time) when these kinds of applications will proliferate."

Within the next 10 years there will be some major multinational networks in existence, the group predicted, but added the nature of the impact of such development is "still only vaguely perceived.

"On the technical side, there appear to be few barriers to the development of these systems that are not now already close to solution," the report noted.

"The problems that do exist are more in the nature of political or socio-cultural," the report added, indicating the most profound effects of these systems will be on this level.

MULTINATIONAL DECISIONS

"Within the highly industrialized societies, many people will find themselves in some form of man-machine relationship, often involving multinational communications, within the next decade," the authors predicted, which might lead to situations where "individuals will be asked to make decisions in a multinational context that may not be consistent with the policies of their own governments."

At the same time the group predicted that while in the short run the use of multinational computers might tend to enhance the prospects of the "information-rich, wealthier nations at the expense of the information-poor," in the long run the use of such systems will increase the "technological options" open to the lesser-developed countries and "speed their ability to industrialize and to take advantage of the latest developments in education, management, medicine or public administration.

"The danger to the developing nations is that the MNCs (multinational computers) may distort their investment priorities or lead to policies that favor multinational as opposed to national patterns of socio-economic change," the group said.

DELPHI TECHNIQUE

The Delphi technique polls a selected group of people—in this case from several different disciplines, with a series of questionnaires, each succeeding one based on the previous and developed in order to refine the opinions expressed there.

In this group it was found that 50% of the people (all of whom were familiar with computers) felt that multinational computer systems would help "to enhance the power of multinational organizations whose interests transcend national interests and which are generally the creatures of the industrial nations.

In all, 83% felt the use of computers across national boundaries "will contribute to homogenization of cultural values and attitudes," and 60% agreed "the use of computers across national boundaries contradicts the present trend to put 'people' ahead of things."

In all, 83% of the group agreed that political considerations were the most important barrier to the growth of multi-national computer systems and 59% said the lack of political or legal mechanisms to determine who controls such data banks was the most important political consideration.

MINOR BARRIER

However, 56% indicated the refusal of nations to lower restrictions on the trade of computers was a relatively unimportant barrier to the growth of multinational systems.

Afips also outlined five areas where future policy is necessary;

"It is likely that the right to individual privacy vis-a-vis the use of various forms of information technology will have to be defined in terms that provide safeguards to individuals in different cultures. That is, the cultural determinants of this right must be transcended in order to adequately protect the right of privacy at the global level.

"Organizations and nations will need a common understanding regarding the fraudulent uses of data by multinational organizations. Protection against these fraudulent uses of data must be safeguarded at the global level.

"Nation-states are likely to begin to formulate policies that enlarge the public arena of control over the use of MNCs.

"Multinational organizations will need to formulate policies regarding the access to information contained in multinational data banks and information systems.

"Multinational organizations and nation-states will need to agree on policies strengthening the position of the LDCs (lesser-developed countries) in all arenas where the use of MNCs is prevalent."

AMBASSADOR IDAR RIMESTAD

HON. JOHN J. ROONEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 11, 1974

Mr. ROONEY of New York. Mr. Speaker, I very much enjoyed an item I recently read in the November 1973 issue of the Phoenix concerning some close friends of mine. They are the former Deputy Under Secretary of State for Administration Idar Rimestad and his lovely wife, Ann. I first met Ann at their apartment in the Embassy Chancery in Moscow after returning from Holy Communion. Believe me, there is nothing that hits the spot like good old American orange juice, bacon, eggs, and toast, together with American coffee, when you are overseas.

Following that tour of duty in Moscow, Idar served as the Chief Counselor for Administration of the huge Embassy in Paris, and then as Deputy Under Secretary of State for Administration here in Washington. His career ended in Geneva where he served as U.S. Ambassador to the United Nations.

Under permission heretofore granted me by unanimous consent, I am inserting the article:

The Valley's First Career Ambassador

(By Christopher Case)

The Valley is a popular spot to retire for all kinds of people. Businessmen, professionals, entertainers, sports personalities, mafia, all agree this is the place to settle down.

Last June the Valley gained its first ambassador when Idar Rimestad and his wife Ann started building their new home in Fountain Hills.

Rimestad, a young retiree at 57, called it a career after three decades of public service, half of which was spent overseas. His government career began in Oak Ridge, Tennessee with the Manhattan District, the project that developed the atomic bomb, and ended in June in Geneva, Switzerland, where he served for four years as United States ambassador to the United Nations.

His first overseas job was as Director of Personnel for the U.S. High Commission in Bonn, and later in Frankfurt, during the postwar occupation days.

Idar says he didn't go into government service with any specific goals. "It just happened. My parents both traveled a lot, so I'm naturally inclined that way. And it was a good way to see Europe.

"In the beginning, I didn't think I'd spend more than a couple of years in a foreign country, but it just grew from there. I was lucky. Every new place I found myself in was exciting. There was always plenty of action, and that's the only kind of a job to have."

Most people don't realize how much goes on in Geneva. Actually, there's more international activity there per capita than in any other city in the world, according to the ex-ambassador. Ninety countries have permanent UN representatives there, and 80 international orgnizations (Red Cross, etc.) have headquarters in Geneva.

"My primary function as ambassador was to explain and promote United States policy," Idar says. "I was the channel of communication for all of these other countries and organizations."

The over-riding diplomatic consideration during the Geneva days was the question: should East Germany be admitted to the UN? "It was a highly complex matter, but most of the smaller nations come there with a simplistic view. Its' all 'black hats and white hats, good guys and bad guys.' But it doesn't work that way, and eventually they come to realize that."

Part of the action came in the form of conferences. In his last year in Geneva there were some 400 conferences dealing with such matters as laws of the seas, world health, meteorology and labor, to name a few. Keeping up on everything meant wading through two inches of paper work from Washington each day, plus supervising a staff of 175.

And then there was the social life. Every country has a "National Day." Ambassadors are expected to attend. Rimestad and some of his closest counterparts would ask each other, "How can we get out of this one?" But there was no way. "You had to make them all," he says. "There were parties and parties and parties." Idar received at least 100 invitations a year.

"It gets impossible after awhile," he laughs. "And you have to throw parties of your own, too."

But it's glamourous and fun and "you enjoy it all, because you are in Paris and Bonn and Moscow and Geneva. You can't help but enjoy it."

Being an ambassador, Idar explains, is in many ways like working for a large corporation. Even an ambassador doesn't have much opportunity for initiative or decision-making.

An ambassador, of all people, has to be diplomatic. He has to be careful what he says: "The policy is made in Washington. When you make a speech the key phrase is, 'My government says.' Sometimes you have to say, 'I reserve my position.' That could mean, 'I didn't get my instructions' or 'I don't understand them.'"

The glamour of traveling and working in Europe was dimmed occasionally by personal crises. Idar went to Moscow in 1957 as First Secretary of the U.S. Embassy. That meant he and his wife had to leave their two daughters, 14 and 16, in Frankfurt, because there were no American-operated schools in Moscow.

"We had friends in Frankfurt to look after the girls," Ann says, "and they lived in a dormitory, so we knew they'd be all right. It was just sad leaving them." The girls came to Moscow for Christmas by train, with layovers in Vienna and Warsaw. "When it was time for them to return," Ann remembers, "I let Idar play the 'heavy' and put them on the train. I just couldn't do it."

During his years in Moscow, relations between the U.S.S.R. and the United States were good and improving all the time. Rimestad's tour of duty was due to end in March, 1960, but he was asked to stay on because President Eisenhower was scheduled to visit Moscow. Then the roof fell in. Gary Power's U-2 was shot down over Russia. Relations became strained again and Ike had to cancel out.

Idar enjoyed the Russian people. "They are hard-working, hard-drinking, friendly and gregarious. And so curious about the United States. They are a proud people and, like all proud people, they are advancing. But they have a long way to go before achieving a decent level of freedom."

In contrast to the common man, Russian officials are very stand-offish, suspicious. It's a dictatorship, Rimestad observes, "but not a dictatorship of the proletariat, as we're led to believe. Like all dictatorships, this one doesn't like too many ideas floating around. When people get a little freedom it whets the appetite. Freedom is slow in coming to Russia, but there is an evolutionary process going on, and time is on our side."

In Moscow (and everywhere else) electronic bugging is a way of diplomatic life. "We knew our building was bugged, but we tried for years and couldn't find where they were," Idar says. "We took the walls and ceilings out and found nothing. Finally we learned where they were—behind the radiators, which were permanent fixtures and couldn't be repaired. Otherwise, we'd still be hunting."

After a stint in Moscow, the next assignment is usually a good one. Rimestad was called back to Washington by Ike to serve as director of the Arms Control and Disarmament Agency. After four years—in 1964—he was off to Paris as Consul of the U.S. Embassy and executive director of the United States NATO office. He also coordinated all the administrative work of five other agencies there and was responsible for 1400 employees.

Paris was Idar's favorite place. "It's the greatest of all—big and fascinating. The Louvre, the Champs Elysees, the Arc de Triomphe, the Eiffel Tower, Notre Dame—just magnificent. And there was a lot going on then. France wanted to get NATO out of Paris. New developments popped up almost daily. It was something to watch and be involved in."

Ann Rimestad liked Paris, too, but Germany was the place for her. "I think I left a part of me there," she says. "It was beautiful; the country, the people, everything. And it was our first overseas home. Idar left for Germany six months before the girls and I did. So it was like a homecoming when we got there."

While in Paris Idar was given a special assignment. He was made control officer in charge of logistics and protocol for President Johnson's trip to New Zealand. "I had to arrange for accommodations in Wellington and there was nothing available," he remembers. "I finally managed to rent a ferry boat for ten days and put 400 people on it. That included 200 from the press."

Idar was due to go back to Paris after Wellington, but was asked to stay on for the rest of the trip, which included stops in Australia, Thailand, the Philippines and Alaska.

On Christmas Eve, 1966, he received a telegram. LBJ wanted to see him. Rimestad knew he was in the running for a big promotion, but didn't think the President himself would do the interviewing. He learned, however, that Johnson liked to do things his way, regardless of what protocol dictated. Idar got the job—Under Secretary of State, and became the fifth ranking officer in the department.

"President Johnson was a much-maligned man," Idar says. "I guess the 'Texas image' rubbed people the wrong way, but he was great to work for. He could be tough on you, but the next day he would be sugar-sweet."

LBJ phoned Idar at 11:30 one evening: "I'm calling about that appointment you made today," said the President.

"I think it's a good appointment, Mister President."

"I think it's a bad one," LBJ answered. He then proceeded to chew out his naive Under Secretary and dropped a few suggestions on how to operate in the future.

Happily, the appointment proved to be an excellent choice and Johnson knew it. When he saw Rimestad a few months later, he said, "You lucked out on that one, Idar."

Rimestad says career diplomats don't see much of the heads of states, at least not until they reach the ambassador level. Below that you associate with those on your level. He never saw Adenauer. "I was too far down the line then." He shook hands with De Gaulle twice in reception lines and the Frenchman said the same thing both times. "How are you? How are you enjoying Paris?" He saw Nikita Khrushchev twice, but only once close up. He held a chair while the Russian climbed onto it to make a speech at a party.

Idar gets very diplomatic when asked to comment on the Russia-China split, or the continuing Mideast crisis, or any international situation. "It's too complicated, too complex. I wouldn't want to speculate."

He's sure of one thing, though. "Our country is in good shape, politically, economically, anyway you look at it, despite what you hear from the purveyors of gloom and doom. We are still the Utopian place for hundreds of millions of people all over the world."

Now that they're back in the United States the Rimestads plan to enjoy the good life here. "We'll miss it all, I'm sure," Idar says, "especially the excitement and the action." That's one reason he didn't retire in Washington, D.C., where many of his colleagues have settled. "I just couldn't sit on the fringes and not be in the mainstream."

The Rimestads (both transplanted Norwegians from North Dakota) looked around the country before choosing Arizona. "We came to Phoenix three times," Ann says. "The first time we were appalled. We rented a car and drove down a street where there was nothing but billboards. In two hours we were back on the plane."

Friends convinced them to come back and got them on the right streets. In November, 1972, they came for the third time, stayed two weeks, and decided on Fountain Hills. Their retirement site had to have three things, and they found all three—climate, cultural advantages and a large airport nearby.

"We still plan to travel some," Ann says. "We have two married daughters in Washington, D.C." Idar reminds her, "and three grandchildren we want to see more of."

The retired ambassador hopes to get into something to occupy his time, "but not a nine-to-five job. I want to stay active. I'd like to spend a lot of time in some worthwhile volunteer community work."

But for the time being, Idar and Ann Rimestad are content being "free as birds."

11500 BANANAS ON PIKE'S PEAK

HON. CRAIG HOSMER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 11, 1974

Mr. HOSMER. Mr. Speaker, here is an extract from the April 8 letter by the Acting Secretary of the Interior to Chairman Haley, of the Interior and Insular Affairs Committee, about that notorious H.R. 11500:

> As now drafted, Title II would result in serious adverse energy impacts which the Administration finds unacceptable. H.R. 11500 would impair current production of this vital fuel resource and seriously impede the reaching of the goals of Project Independence . . .

That is because the environmental extremists have managed to write title II in an unbalanced way which almost totally ignores the Nation's need for coal.

You can dig coal and respect the environment, too. That makes sense. In contrast, H.R. 11500 makes nonsense. It is as nutty as trying to grow bananas on Pikes Peak.

THE REGIONAL RAIL REORGANIZATION ACT

HON. RONALD A. SARASIN

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 11, 1974

Mr. SARASIN. Mr. Speaker, the regional Rail Reorganization Act, passed by the Congress in December 1973 and signed by the President on January 2, 1974, marks the beginning of a new Federal policy toward railroad transportation. It provides for a means of bringing back to health the eight important railroads in the Northeast and Midwest region which are now in bankruptcy reorganization. It provides also for a means of restructuring, modernizing, and improving all rail services throughout this vast area.

The act establishes the U.S. Railway Association which has the basic responsibility for designing a restructured rail system in the Midwest and Northeast. It establishes also, within the interstate Commerce Commission, the Rail Services Planning Office which has the responsibility of insuring that the views of the public are fully developed and considered in the course of the planning process.

On February 1, as required by the act, the Secretary of Transportation issued his report on "Rail Service in the Midwest and Northeast Region." The Rail Services Planning Office has held hearings on the Secretary's recommendations at 17 cities in the region, also as required by the act. Under the statutory timetable the Office has only 90 days in which to hold those hearings and issue its report and analysis of the Secretary's report.

The response to the Office's public hearings has been overwhelming. In one city alone, Columbus, Ohio, the hearings ran 6 days and 5 nights to accommodate the 266 individual witnesses who appeared. At several other cities, including Boston, Indianapolis, and Chicago, there were over 200 witnesses. Most of them were critical of the Secretary's report and were able to point out many places in which the report's conclusions were erroneous because of mistaken factual information.

In holding these hearings, the Office heard from a great many people interested in and concerned about the future of rail transportation. Many of those who testified complained that delays in obtaining copies of the Secretary's report did not allow them sufficient time to study it carefully enough to present their positions at the hearings.

The act requires the U.S. Railway Association to issue its preliminary system plan on October 29 of this year. The Rail Services Planning Office is again required to hold public hearings on that plan, but this time it must complete those hearings and issue its own report within only 60 days. Not only is this an exceedingly short period, but because of the date of enactment this period falls at the holiday season, so that the Office may have to schedule hearings even on Thanksgiving Day in order to hear all those who will want to participate.

It is clear that there is an overwhelming public interest on the part of individuals and local, State and regional government officials in the proposed railroad restructuring. Our democratic processes require that each citizen with something to contribute to the restructuring plans be given the opportunity to take his part.

In order to provide sufficient time for adequate public participation in the planning process established by the Regional Rail Reorganization Act, I am today introducing a bill which would extend the period for public participation, following the issuance of the Association's preliminary plan, from 2 months to 5 months. This will mean that interested persons will have ample opportunities to obtain copies of the plan and to prepare their cases before the Rail Services Planning Office schedules the hearings required by the statute. It will provide ample time for the hearings themselves, and it will give the Office the time it needs to review and evaluate the public testimony which it receives before it must issue its report commenting on the preliminary system plan.

While the extension of time at this stage of the planning process must postpone the date of completion of that process, this is a small price to pay for the assurance that all of our citizens will have ample opportunity to participate in this important undertaking. Moreover, it should mean that the final system plan will be a better product than it would otherwise have been, and greatly lessen the likelihood of its ultimate rejection by the Congress.

TABLED BILLS

HON. PAUL G. ROGERS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 11, 1974

Mr. ROGERS. Mr. Speaker, today, I and all of the members of the Subcommittee on Public Health and Environment, Mr. Satterfield, Mr. Kyros, Mr. Preyer, Mr. Symington, Mr. Roy, Mr. Nelsen, Mr. Carter, Mr. Hastings, Mr. Heinz, and Mr. Hudnut, introduced two clean bills which were unanimously reported by the subcommittee late last month. This action in effect tables H.R. 11511 and H.R. 11845, which were the subjects of the subcommittee executive session.

The first bill, H.R. 14214, the "Health Revenue Sharing and Health Services Act of 1974," revises and extends five health service delivery programs—bloc grants to the States, family planning programs, community mental health centers, migrant health programs, and community health centers—formerly called neighborhood health centers.

The second bill, H.R. 14215, the "Developmental Disabilities Amendments of 1974," was originally a part of H.R. 11511 and H.R. 11845. Because developmental disabilities legislation is the responsibility of a different Senate subcommittee than are the laws amended by H.R. 14214, it was separated so as to facilitate Senate consideration of these measures.

As the authorizations for all six of these programs expire on June 30, I am hopeful that both of these measures will receive early and favorable consideration by the full Interstate and Foreign Commerce Committee and by my House colleagues.

TRIBUTE TO MARION OFFICER

HON. MELVIN PRICE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 11, 1974

Mr. PRICE of Illinois. Mr. Speaker, on Saturday, March 16, Marion Officer, one of the most successful and respected businessmen in the St. Louis metropolitan area, was honored at a testimonial dinner by his fellow citizens.

This well deserved tribute paid Marion Officer reflects the universally high regard for him and his family. One of the leading citizens of East St. Louis, Marion Officer has proven dramatically that an urban community such as East St. Louis can be very rewarding to private enterprise and initiative.

But Marion Officer's success is not based solely upon his solid business accomplishments. He and his family have provided needed leadership and have contributed a great deal of time and effort to revitalizing their community and their profession. He has earned the respect of his neighbors and professional colleagues because of these efforts.

As part of the tribute to Marion Officer, I include the Metro East Journal interview with Marion Officer in conjunction with the testimonial dinner:

OFFICER SUCCESSFUL, RESPECTED

(By Courtney Barrett)

Marion E. Officer, his 52-year-old eyes narrowed with intensity, leaned forward and said, "It isn't what you have, it's what you do with what you've got."

What he has is one of the most successful businesses in Metro-East, a devoted family and the respect of nearly everyone who knows him.

Saturday evening, hundreds of persons turned that respect into action by honoring him at a testimonial at East St. Louis Senior High School.

Earlier in the week, Officer sat in his office and talked about gratitude, respect and his hopes for East St. Louis.

"East St. Louis has a great deal to offer. If I did not think that, I would not have spent my life here," said the graduate of Lincoln Senior High School, East St. Louis.

"I have a great deal of hope for the city's future. With the infusion of young people, there is hope for change. But I think that change can come only through our youth."

Officer is a member of the Illinois Law Enforcement Commission, a director of the Union National Bank of East St. Louis, and a member of several other organizations.

His funeral home, which was started by his father in 1918, was accepted this week into the International Order of the Golden Rule, one of the leading organizations of funeral directors. Officer's is the second black firm in America to enter the 40-year-old organization.

"You have to earn respect," he said. "It isn't bought; you have to earn it. The great majority of the people I deal with know that I try to set an example and try to treat them as considerately as I know how. Basically, I just have a lot of love for people.

"Life has been good to me, and I know of nothing that I wish for or hope for, except to live happy and free," Officer said. "My entire life has been a happy one, though there have been hard times."

Officer is a graduate of the College of Mortuary Science in St. Louis. His wife, Myrtle, is a graduate of Worsham College of Mortuary Science, Chicago.

The couple's children also plan to enter the mortuary business. Mrs. Bernadette Officer Welch has graduated from Worsham. Carl Officer will soon graduate from the embalming school at Western University in Ohio.

Officer said his youngest son, Marion Jr., has indicated an interest in the business.

"As far as younger parents are concerned, there needs to be a more closely knit pattern of family life. But for older parents, that feeling of closeness has always been there," Officer said.

"The last thing I wanted to be in college was a funeral director," he said. "When * * * wanted to buy the businesses out from under us, who said we couldn't possibly make it. I made up my mind then that that would never happen."

Officer's father, William, died in 1950, Mrs. Annette Officer, the mother, died four years later.

"My basic decision for remaining here had nothing to do with the business. If we're going to make this a better community, everybody can't leave home.

"I wish that blacks, and particularly those in East St. Louis, could work together to make this a model town in America, forgetting, their political differences and individuality," Officer said.

"What we need are young ideas . . . we need young people. They can't do it alone—there's no substitute for experience—but with the older people behind them, they can change things.

"They may not do any better than we are doing, but they certainly cannot do any worse."

SSI: IMPROVEMENTS NEEDED

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 11, 1974

Mr. GILMAN. Mr. Speaker, today I am joining several of my New York colleagues in sponsoring corrective legislation remedying some of the inequities we have found in the new supplemental security income program.

This new program, which became effective on January 1, 1974, transfers the responsibility for payments under aid to the aged, blind, and disabled from the States and counties to the Federal Government. While the basic thrust of the program is sound, providing for uniform administration and benefits to all of our eligible elderly, blind, and disabled, several blaring inequities have emerged in the first few months of its administration.

Having taken a look at some of these legislative defects, we have joined together to correct several oversights—assuring that SSI recipients are eligible for food stamps—authorizing cost-of-living increases in both Federal benefits and State supplements—providing for expeditious handling of any administrative difficulties experienced by eligible recipients.

Additionally, I have included a section correcting an inequity in providing aid to retarded children; Federal guidelines having reduced payments to retarded children by one-third where the child lives at home and receives in kind support from a parent or guardian. If the child, on the other hand, lives in an institution his payments are made in full.

No one can deny the benefit of deinstitutionalizing the retarded child, of keeping him in a home environment and allowing him the kind of existence afforded the normal child. However, the costs of keeping a retarded child are extremely high, very often the child's special care being such a burden that the family is forced to institutionalize the child, creating not only an alien environment for the child, but also adding this child to the roll of State dependents.

Any incentive we can provide for keeping the retarded child in a home setting where he is given the best attention and most normal environment, will be a boon not only to the child's development, but will also alleviate the overburdened State welfare roles.

Accordingly in the package of measures I am introducing today, I have included a provision which decreases the amount of support and maintenance reduction mandated under Federal guidelines from 33⅓ to 10 percent—a far more realistic figure if we consider the expensive care required by the retarded child whether he lives at home or in an institution.

Mr. Speaker, this package of legislation is not a definitive answer to all of the problems we have encountered in the administration of this new program. It is, however, a step toward recognizing the need for oversight and review. I hope that my colleagues will examine these proposals and will come forward with their own ideas and suggestions to assure that the SSI program will be responsive to the needs of the people it is designed to help, those who are least able to help themselves—the aged, blind, and disabled.

CONGRESS REDUCES ACCESS TO ABORTION

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 11, 1974

Mr. FRASER. Mr. Speaker, while many of us are aware of the movement which seeks to declare abortion illegal by constitutional amendment, other moves to limit access to abortion are less well known. In the past year, amendments have been added to the medicaid, foreign aid, and legal services bills which effectively limit the availability of this procedure.

The following article by Spencer Rich, reprinted from the April 1, 1974, Washington Post, is a good summary of this legislation:

CONGRESS REDUCES ACCESS TO ABORTION

(By Spencer Rich)

Spurred by a coalition of Catholic and Protestant spokesmen, legislation substantially narrowing women's ability to obtain abortions is making strong progress in both the House and the Senate.

While most public attention has focused on broad constitutional amendments banning abortion, sponsored by Rep. Lawrence J. Hogan (R-Md.) and Sens. James L. Buckley (Cons.-R-N.Y.) and Jesse Helms (R-N.C.), Congress has quietly been passing a series of antiabortion provisions attached to other legislation.

Last year, in a routine bill extending a group of federal health programs, Sen. Frank Church (D-Idaho) tacked on a provision declaring that no physician and no hospital can be required to perform sterilization or abortion when it violates their moral convictions or religious beliefs—even if the hospital is supported by federal funds and is intended to serve as a community health facility. The provision, which was enacted into law, struck down a court ruling that a Montana hospital receiving public funds had to perform a sterilization because it was the only community facility in the area.

Also last year, the Senate wrote into the foreign aid bill a Helms prohibition on use of aid money to perform abortions. This provision has become law.

Amendments to the legal services bill in both the House and the Senate barred legal services lawyers from helping women obtain non-therapeutic abortions. Put into the House bill by Hogan and Harold Froehlich (R-Wis.) and into the Senate bill by Dewey Bartlett (R-Okla.), the provision is certain to survive conference.

To the Social Security technical amendments bill, which is still in conference, Buckley attached a ban on use of Medicaid funds to pay for abortions for poor welfare mothers.

While these amendments have removed the general support of anti-abortion groups, they have drawn sharp criticism from women's rights organizations.

"The impact of the Church amendment and the legal services provisions is to make abortions less available to poor women who can't afford to go to other communities if the only hospital in their area denied them abortion," said Carol Burris, director of Women's Lobby.

"Nothing is said here about the difference between private and public hospitals, and in many socially conservative areas the board of a public hospital might simply disapprove abortions on private moral grounds of their own," she said.

The abortion issue is becoming one of the most intensely fought domestic issues before Congress.

The dispute arose when the Supreme Court, in a Jan. 22, 1973, 7-to-2 decision in Roe vs Wade, held that a woman's right to privacy and to the control of her own body gives her the right to obtain an abortion for any reason, in effect, at any time within the first six months of pregnancy. The decision appears to permit state anti-abortion laws during the last three months of pregnancy, provided the prohibition doesn't endanger the mothers' health.

The decision struck down a nationwide system of state laws outlawing abortions except for genuine therapeutic purposes or abortions following rape.

Since then, there has been strong pressure from both Catholic and fundamentalist Protestant organizations, as well as some Orthodox Jewish groups, to reinstate curbs on abortion, and one result has been the series of amendments passed in the last year.

However, despite the pressure from such groups as the National Right to Life Committee, the Life Lobby which organized a series of Capitol Hill demonstrations in January, and the U.S. Catholic Conference, the proposed constitutional amendment flatly banning abortions has made very little progress.

Sen. Birch Bayh's (D-Ind.) Constitutional Rights Subcommittee has held two days of hearings on the Buckley amendment, which bars all non-therapeutic abortions, and the Helms-Hogan amendment, which bars any abortion whatever. It plans added hearings but doesn't seem likely to approve either amendment this year.

In the House, a Judiciary subcommittee headed by Don Edwards (D-Calif.) is studying the matter but hasn't any plans for hearings. Hogan is sponsoring a discharge petition to take the amendment away from Edwards and send it to the House floor, but has only about 60 of the required 210 signatures.

At the Senate hearings, the U.S. Catholic Conference backed a constitutional amendment to bar any abortion including therapeutic, and Buckley, Helms and others stated the basic principle of the anti-abortion movement: Once fertilization of the ovum has taken place, it marks, in Buckley's words, "the beginning of a distinct human being" whom it is wrong to kill.

Buckley's constitutional amendment would forbid abortion by granting fetuses the status of persons protected by law "at every stage of their biological development." The Helms-Hogan constitutional amendment grants fetuses legal protection "from the moment of conception."

Lined up against the amendments and supporting the Supreme Court ruling are such groups as the United Methodist Church, United Church of Christ, American Ethical Union, Union of American Hebrew Congregations, Presbyterian Church Abortion Task Force, National Organization of Women and American Civil Liberties Union.

Many of these groups take the view that a fetus cannot be considered to have viable life until the sixth or seventh month of pregnancy, and that to ban abortion under these conditions is to interfere with the mother's rights.

WELFARE AND THE COURTS

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 11, 1974

Mr. RANGEL. Mr. Speaker, I am taking the liberty of placing in the Congressional Record an editorial which recently appeared in the Washington Post regarding the Supreme Court decision in the Edelman against Jordan case. This case involved the question of whether residents of a State can sue State officials for violating the regulations laid down by Federal agencies or Congress. The Court ruled that this could not be done.

The decision made by the Supreme Court in this case will, I believe, have long-range effects on the manner in which many States will administer Federal aid programs. Therefore, I urge my colleagues to give serious consideration to the Washington Post's thoughtful editorial on this decision:

Welfare and the Courts

John Jordan, an elderly Chicago indigent, made a simple assumption about equitable justice in the United States and went to court to test it. Last week Mr. Jordan learned that his assumption was wrong. What he assumed is that if a state is conducting a program that involves federal funds, and if the state violates the federal regulations under which the program was established by Congress, then those who are entitled to the benefits of the program are also entitled to sue the state officials and receive the benefits that had been withheld.

What the Supreme Court said in the case, *Edelman v. Jordan*, is that the 11th Amendment to the Constitution bars the federal courts from ordering state officials to pay retroactive benefits, even if it recognizes that the state officials acted unlawfully in withholding the benefits. The Court said it could order the state officials to behave legally in the future, but it could not order the state to pay back benefits.

Mr. Jordan was eligible for benefits under the Assistance to the Aged, Blind and Disabled program. He applied for them, only to discover that Illinois had a regulation that resulted in long delays before such benefits were paid. The federal regulations called for payment to Mr. Jordan within 30 days. Mr. Jordan was told he would have to wait much longer. And so he sued. His class action was intended to do more than recover the $195.00 he would have received if Illinois had obeyed the federal regulations. He wanted to protect the interests of others in the state who had also been victimized by the delays.

Mr. Jordan won in the federal district court and in the Seventh Circuit of the U.S. Court of Appeals. At the Circuit Court level, Illinois asserted its rights under the 11th Amendment, which has been held to bar suits in federal courts brought by residents against their states. The amendment, adopted in 1798, was originally designed to prevent the federal courts from being able to enforce the claims of foreigners against individual states. It has since become a tricky current in the law and has produced a variety of conflicting holdings.

The Supreme Court's most recent interpretation in *Jordan* is that residents of states who are eligible for aid from federally assisted programs cannot sue the state officials in federal court for violating the regulations laid down by federal agencies or by Congress. The Court held that it could enjoin the state officials from future violation of the regulations, but it could not grant the back benefits that had been denied. The Seventh Circuit held that Illinois waited too long to assert its 11th Amendment right, but the Supreme Court ruled that the 11th Amendment is such a grave bar against federal jurisdiction in such cases that it had to be entertained, no matter how late the hour at which it was invoked.

The implications of this case for the public welfare system are serious. If welfare agencies can withhold funds until the courts tell them to stop, many welfare lawyers fear that delay in the processing of applications could well become the rule rather than the exception. The reason for demanding restitution of lost benefits in the Jordan case is to prevent state bureaucrats from discouraging welfare applicants by putting them through long processes. The federal regulations requiring that applications be processed within 30 days for the elderly indigent, the blind and the disabled, were in tended to guard against just such bureaucratic delay. The Supreme Court has now removed the federal courts from their equity role in such matters.

The court has said that unless a state consents to such a suit in federal court, the court cannot award back benefits. The court rested its decision on the absence of any specific language in the law requiring states to give up their immunity against such suits as a condition of participation in the program. Since the courts no longer have the power to protect recipients, and since the Congress has left the bureaucrats so large a loophole, it is the Congress that must make its intent clearer.

We are here concerned with the interests of the poorest of our citizens who are elderly, disabled or blind. To leave them at the mercy of the agencies that have already demonstrated their lack of concern is unfair and cannot have been the intent of Congress. What is required now is an amendment of the Social Security Act that would take a simple step to right a wrong. Congress can require that any state that participates in a federal welfare program must waive its immunity against suit under the 11th Amendment. Otherwise, an illegally operated program can continue to be in violation until it is enjoined. And at that, its officials will feel no pressure to do anything other than to begin operating legally from the point at which an injunction has been issued.

The reason for the welfare program is to assist those who are unable to help themselves. It is designed to grant "minimal subsistence" in cases of indigence, infirmity or disability. We give to the John Jordans of this country just enough to stay alive. We require the states to do a simple thing—assist them promptly when they are in need. Since the Supreme Court in *Edelman v. Jordan* has removed the courts from their traditional equity function in welfare cases, the Congress should act to protect the least among us.

NEW COMPREHENSIVE GEOTHERMAL ENERGY BILL INTRODUCED

HON. MIKE McCORMACK

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 11, 1974

Mr. McCORMACK. Mr. Speaker, yesterday I had the pleasure of joining Mr. Olin Teague, chairman of the Science and Astronautics Committee, Mr. Mosher, the ranking minority member, Mr. Goldwater, and all of the members of my Subcommittee on Energy in introducing H.R. 14172, to provide a new comprehensive Geothermal Research, Development, and Demonstration Act.

My subcommittee, which has twice held hearings on geothermal energy, once during September of last year and most recently during the month of February, heard extensive testimony on proposed legislation for developing geothermal energy.

Four major recommendations were repeatedly expressed during these hearings:

First. Congress should assume active leadership in developing a comprehensive geothermal energy program for this country, as part of an integrated energy policy, particularly with respect to research, development, and demonstration of alternate energy sources.

Second. The scope of any geothermal bill should include provisions for research on all forms of geothermal energy—and byproducts—for intensive exploration for and assessment of geothermal resources, and for the necessary institutional changes required to insure the full development of these resources.

Third. The agencies of the Government involved must have a mechanism for an effective coordinated effort in geothermal energy research, development and demonstration.

Fourth. The administration must be willing to cooperate with the Congress in developing legislation to set up these programs and the agencies to administer them.

H.R. 14172, the new Geothermal Energy Research, Development, and Demonstration Act, which we now submit is in response to these recommendations, would establish a geothermal coordination and management project to direct the research, development, and demonstration of new, untapped geothermal resources in the country. This undertaking will be led by a group composed of members from the National Aeronautics and Space Administration, the National Science Foundation, the Atomic Energy Commission, the Department of the Interior, and a chairman appointed by the President. In fiscal year 1975, the AEC, NSF, and DOI will be initiating work in geothermal energy, but without any mandate for coordination and goal determination. By providing a single group with the responsibility for reaching our national goal, H.R. 14172 can provide the focus for accomplishing this goal: The production of electricity from geothermal energy, and the full-scale utilization of other useful geothermal byproducts by 1980.

There are four types of geothermal resources in this country:

First. Dry steam, containing little or no liquid water. This is presently the only type of geothermal energy utilized in the United States (at Geysers, Calif., producing electricity for San Francisco). The probability of finding other significant amounts of such dry steam is small.

Second. Hot water, heated to above normal temperatures, and under pressure. When the pressure is released, some of the water may "flash" to steam. This is more common than dry steam, but it is still limited to a few regions of the Nation such as the Imperial Valley in California.

Third. Geopressured fields, which have been identified only along the Gulf Coast of Louisiana and Texas. These fields—or zones—occur where mud, silt, and organic material have sunk to great depths and have been trapped within permeable sands below a sealed, insulating layer of rock. Water trapped in the sands is extremely hot and is under tremendous pressure. Vast quantities of natural gas may also be trapped with this water.

Fourth. Hot dry rock formations which are presumed to exist in large volumes, in some places relatively near the surface of the Earth. It should be possible to drill into and fracture these formations and pump water into them to get steam out.

Mr. Speaker, geothermal energy, along with solar energy and nuclear fusion, is a form of energy which may hold great promise for our Nation's future. Just as the House has indicated—by its vote of 253 to 2—that solar heating and cooling should be an essential element of our national policy of developing viable, economically feasible energy alternatives, so I believe we must cast our vote in favor of a comprehensive geothermal energy program. In doing so we must not allow our efforts to be delayed by indecision and confusion in the administration.

Our new bill, H.R. 14172, will eliminate many of the bureaucratic roadblocks to effective utilization of geothermal energy, and establish a single, mission-oriented agency to do the job.

Our goal is to have from 6 to 10 demonstration plants on the line by 1980, producing from 1 to 10 megawatts of electricity each from the various types of geothermal energy, while taking into account the environmental impact and social, institutional and legal impediments related to the full development of commercial geothermal energy resources.

The Subcommittee on Energy plans further hearings on H.R. 14172 after the Easter recess. We hope to have the bill on the floor of the House in May.

The text of the bill follows:

H.R. 14172

A bill to further the conduct of research, development, and demonstrations in geothermal energy technologies, to estabilsh a Geothermal Energy Coordination and Management Project, to amend the National Science Foundation Act of 1950 to provide for the funding of activities relating to geothermal energy, to amend the National Aeronautics and Space Act of 1958 to provide for the carrying out of research and development in geothermal energy technology, to carry out a program of demonstrations in technologies for the utilization of geothermal resources, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress asscembled,

SHORT TITLE

Section 1. This Act may be cited as the "Geothermal Energy Research, Development, and Demonstration Act of 1974".

FINDINGS

Sec. 2. The Congress hereby finds that—

(1) the Nation is currently suffering a critical shortage of environmentally acceptable forms of energy;

(2) the inadequate organizational structures and levels of funding for energy research have limited the Nation's current and future options for meeting energy needs;

(3) electrical energy is a clean and convenient form of energy at the location of its use and is the only practicable form of energy in some modern applications, but the demand for electric energy in every region of the United States is taxing all of the alternative energy sources presently available and is projected to increase; some of the sources available for electric power generation are already in short supply, and the development and use of other sources presently involves undesirable environmental impacts;

(4) the Nation's critical energy problems can be solved only if a national commitment is made to dedicate the necessary financial resources, and enlist the cooperation of the private and public sectors, in developing geothermal resources and other nonconventional sources of energy;

(5) the conventional geothermal resources which are presently being used have limited total potential; but geothermal resources which are different from those presently being used, and which have extremely large energy content, are known to exist;

(6) some geothermal resources contain energy of forms other than heat; examples are methane and extremely high pressures available upon release as kinetic energy;

(7) some geothermal resources contain valuable byproducts such as potable water and mineral compounds which should be processed and recovered as national resources;

(8) technologies are not presently available for the development of most of these geothermal resources, but technologies for the generation of electric energy from geothermal resources are potentially economical and environmentally desirable, and the development of geothermal resources offers possibilities of process energy and other nonelectric applications;

(9) much of the known geothermal resources exist on the public lands;

(10) Federal financial asistance is necessary to encourage the extensive exploration, research, and development in geothermal resources which will bring these technologies to the point of commercial application; and

(11) the advancement of technology by private industry for the production of useful forms of energy from geothermal resources is important with respect to the Federal responsibility for the general welfare, to facilitate commerce, to encourage productive harmony between man and his environment, and to protect the public interest.

DEFINITIONS

Sec. 3. For purposes of this Act—

(1) the term "byproduct" has the meaning given it by section 2(d) of the Geothermal Steam Act of 1970 (30 U.S.C. 1001 (d)) as in effect on the date of the enactment of this Act;

(2) the term "known geothermal resources area" has the meaning given it by section 2(e) of such Act (30 U.S.C. 1001(e)) as in effect on the date of the enactment of this Act;

(3) the term "fund" means the Geothermal Resources Development Fund established by section 204(a); and

(4) the term "Project" means the Geothermal Energy Coordination and Management Project established by section 101(a).

TITLE I—GEOTHERMAL ENERGY COORDINATION AND MANAGEMENT PROJECT

ESTABLISHMENT

Sec. 101. (a) There is hereby established the Geothermal Energy Coordination and Management Project.

(b) (1) The Project shall be composed of five members as follows:

(A) one appointed by the President;

(B) an Assistant Director of the National Science Foundation;

(C) an Assistant Secretary of the Department of the Interior;

(D) an Associate Administrator of the National Aeronautics and Space Administration; and

(E) the General Manager of the Atomic Energy Commission.

(2) The member appointed by the President under paragraph (1)(A) shall act as Chairman of the Project.

(c) The Project shall have overall responsibility for the provision of effective management and coordination with respect to a national geothermal energy research, development, and demonstration program, including—

(A) the determination and evaluation of the resource base;

(B) research and development with respect to exploration, extraction, and utilization technologies;

(C) the demonstration of appropriate technologies; and

(D) the loan guaranty program under title II.

(d)(1) the Project shall carry out its responsibilities under this section in cooperation with the following Federal agencies:

(A) the Department of the Interior, the responsibilities of which shall include evaluation and assessment of the resource base;

(B) the National Aeronautics and Space Administration, the responsibilities of which shall include the provision of management capability, evaluation and assessment of the resource base, and the development of technologies pursuant to section 103(b);

(C) the Atomic Energy Commission, the responsibilities of which shall include the development of technologies; and

(D) the National Science Foundation, the responsibilities of which shall include basic and applied research and overall funding pursuant to section 102(b).

(2) Upon request of the Project, the head of any such agency shall detail or assign, on a reimbursable basis or otherwise, any of the personnel of such agency to the Project to assist it in carrying out its responsibilities under this Act.

(e) The Project shall have exclusive authority with respect to the establishment or approval of programs or projects under this Act, except that the agency involved in any particular program or project shall be responsible for the operation and administration of such program or project.

(f) Section 5314 of title 5, United States Code, is amended by adding at the end thereof the following new paragraph:

"(60) Chairman, Geothermal Energy Coordination and Management Project.".

AMENDMENT TO NATIONAL SCIENCE FOUNDATION ACT OF 1950

SEC. 102. (a) Section 3 of the National Science Foundation Act of 1950 (42 U.S.C. 1862) is amended by redesignating subsections (e) and (f) as subsections (f) and (g), respectively, and by inserting after subsection (d) the following new subsection:

"(e) The Director shall provide support for programs relating to geothermal energy research, development, and demonstration, as provided in section 102(b) of the Geothermal Energy Research, Development, and Demonstration Act of 1974.".

(b)(1) The Director of the National Science Foundation shall support and fund geothermal energy research, development, and demonstration programs initiated and approved by the Project.

(2) The provisions of paragraph (1) shall not be construed as a restriction upon the authority of the Director to support and fund basic research. Such provisions shall not be construed as authorizing the Director to support and fund any demonstration project not included in a program initiated and approved as described in paragraph (1) if such authority is not otherwise granted by any other provision of law.

AMENDMENT TO NATIONAL AERONAUTICS AND SPACE ACT OF 1958

SEC. 103. (a) Section 203 of the National Aeronautics and Space Act of 1958 (42 U.S.C. 2473) is amended by redesignating subsection (b) as subsection (c), and by inserting immediately after subsection (a) the following new subsection:

"(b) The Administration shall carry out research, development, and related activities in geothermal energy technology, as provided in section 103(b) of the Geothermal Energy Research, Development, and Demonstration Act of 1974.".

(b) The National Aeronautics and Space Administration is authorized and directed to undertake and carry out those programs assigned to it by the project.

(c) The Administrator of the National Aeronautics and Space Administration is authorized and directed to prepare and transmit to the Chairman of the Project within six months from the enactment of this legislation a proposal for the employment of space technologies and the services and facilities of NASA to aid in the development of geothermal energy resources.

RESOURCE EXPLORATION AND ASSESSMENT PROGRAM

SEC. 104. (a) The Project shall initiate a resource exploration and assessment program with the objective of making regional and national appraisal of all types of geothermal resources, including identification of promising target areas for industrial exploration and development. The specific goals shall include—

(1) the improvement of geophysical, geochemical, geological, and hydrological techniques necessary for locating and evaluating geothermal resources;

(2) the development of better methods for predicting the power potential and longevity of geothermal reservoirs;

(3) the determination and assessment of the nature and power potential of the deeper unexplored parts of high temperature geothermal convection systems; and

(4) the survey and assessment of regional and national geothermal resources of all types.

(b) The Project, acting through the Geological Survey and other appropriate agencies, shall—

(1) develop and carry out a general plan for the orderly inventorying of all forms of geothermal resources of the Federal lands and, where consistent with property rights and determined by the Project to be in the national interest, of non-Federal lands;

(2) conduct regional surveys, based upon such a general plan, using innovative geologic, geophysical, geochemical, and drilling techniques, which will lead to a national inventory of geothermal resources in the United States;

(3) publish and make available maps, reports, and other documents developed from such surveys to encourage and facilitate the commercial development of geothermal resources for beneficial use and consistent with the national interest;

(4) make such recommendations for legislation as may from time to time appear to be necessary to make Federal leasing policy for geothermal resources consistent with known inventories of various resource types, with the current state of technologies for geothermal energy development, and with current evaluations of the environmental impacts of such development; and

(5) participate with appropriate Federal agencies, State governments, and private organizations in research to develop, improve, and test technologies for the discovery and evaluation of all forms of geothermal resources, and conduct research into the principles controlling the location, occurrence, size, temperature, energy content, producibility, and economic lifetimes of geothermal reservoirs.

RESEARCH AND DEVELOPMENT

SEC. 105. (a) The Project shall initiate a research and development program for the purpose of resolving all major technical problems inhibiting the fullest possible commercial utilization of geothermal resources in the United States. The specific goals of such program shall include—

(1) the development of effective and efficient drilling methods to operate at high temperatures in formations of geothermal interest;

(2) the development of reliable predictive methods and control techniques for the production of geothermal fluids and reservoirs;

(3) the exploitation of new concepts for fracturing rock to permit recovery of contained heat reserves;

(4) the improvement of equipment and technology for the extraction of geothermal energy from reservoirs;

(5) the development of improved methods for converting geothermal energy and associated fluids and products (including methane) to useful forms;

(6) the development of improved methods for controlling emissions and wastes from geothermal utilization facilities, including new monitoring methods to any extent necessary.

(7) the development and evaluation of waste disposal control technologies and the evaluation of surface and subsurface environmental effects of geothermal development;

(8) the improvement of the technical capability to predict environmental impacts resulting from the development of geothermal energy resources, the preparation of environmental impact statements, and the assuring of compliance with applicable standards and criteria;

(9) the identification of social, legal, and economic problems associated with geothermal development (both locally and regionally) for the purpose of developing policy and providing a framework of policy alternatives for the commercial utilization of geothermal resources; and

(10) the provision for an adequate supply of scientists to perform required geothermal research and development activities.

(b) The Project shall implement a coordinated program of research and development in order to demonstrate the technical means for the extraction and utilization of the resource base, including any byproducts of such base, and in order to accomplish the goals established by subsection (a).

DEMONSTRATION

SEC. 106. (a) The Project shall initiate a program to design and construct geothermal demonstration plants. The specific goals of such program shall include—

(1) the development of economical geothermal energy production systems and components which meet environmental standards;

(2) the design and construction of plants to produce electrical power and, where appropriate, the large-scale production and utilization of any useful byproducts (including oil, hydrocarbon gas, and helium);

(3) the continuous operation of such plants for a period of time;

(4) the provision of experimental test beds for component testing and evaluation by laboratories operated by the Federal Government, industry, or institutions of higher education;

(5) the involvement of engineers, analysts, technicians, and managers from industry field and powerplant development, which shall lead to the early industrial exploitation of advanced geothermal resources; and

(6) the provision for an adequate supply of trained geothermal engineers and technicians.

(b)(1) In carrying out its responsibilities under this section, the Project may provide for the establishment of a separate demonstration project with respect to each geothermal resource base involved, which shall include, as appropriate, all of the exploration, siting, drilling, pilot plant construction and operation, demonstration plant construction and operation, and other facilities and activities which may be necessary for the generation of electric energy and the utilization of geothermal resource byproducts (including oil, hydrocarbon gas, and helium).

(2) Plants and other real property utilized or involved in any demonstration project under this section may be purchased, leased, constructed, or otherwise established or obtained by the Project, through the appropriate Federal agencies. Such agencies may obtain such plants and other real property under appropriate contracts or arrangements with other public or private persons or agencies.

(3)(A) During the conduct of any demonstration project under this section the agency designated by the Project to conduct such project shall take such steps as may be necessary to dispose of all of the electric energy and other geothermal resource byproducts of such project, in such manner and on such terms and conditions as such agency may determine to be feasible and in support of the objectives of this Act.

(B) To the maximum extent possible the disposition of byproducts under paragraph (1) shall be accomplished through the sale of such byproducts (including oil, hydrocarbon gas, and helium) for commercial utilization, on such terms and conditions and in accordance with such plans as such agency may prescribe or develop.

(4) At the conclusion of the program under this section or as soon thereafter as may be practicable, the agencies designated by the Project to conduct demonstration projects under this section shall, by sale, lease. or otherwise, dispose of all projects which they have undertaken pursuant to this section (including mineral rights therein) on such terms and conditions as such agencies determine to be reasonable, or, if the disposition of any such project or any part thereof on reasonable terms and conditions is not possible or feasible, the agency involved shall under appropriate contracts or other arrangements provide for the disposition of all of the electric energy and other geothermal resource byproducts (including oil, hydrocarbon gas, and helium) of such project or part thereof.

(5) The selection of a siting for each demonstration plant shall be made only from known geothermal resources areas.

TITLE II—LOAN GUARANTEES

ESTABLISHMENT OF LOAN GUARANTY PROGRAM

SEC. 201. (a) It is the policy of the Congress to encourage and assist in the commercial development of practicable means to produce useful energy from geothermal resources with environmentally acceptable processes. Accordingly, it is the policy of the Congress to facilitate such commercial development by authorizing the Chairman of the Project to designate an appropriate Federal agency to guarantee loans for such purposes.

(b) In order to encourage the commercial production of energy from geothermal resources, the head of the designated agency is authorized to guarantee, and to enter into commitments to guarantee, banks or other financial institutions against loss of principal or interest on loans made by such institutions to qualified borrowers for the purposes of—

(1) the determination and evaluation of the resource base;

(2) research and development with respect to extraction and utilization technologies;

(3) acquiring rights in geothermal resources; and

(4) development, construction, and operation of facilities for the demonstration or commercial production of energy from geothermal resources.

(c) Any guaranty under this title shall apply only to so much of the principal amount of any loans as does not exceed 75 per centum of the aggregate cost of the project with respect to which the loan is made.

(d) Loan guaranties under this title shall be on such terms and conditions as the head of the designated agency determines, except that a guaranty shall be made under this title only if—

(1) the loan involved is at a rate of interest which does not exceed the prevailing interest rates for conventional construction loans;

(2) the terms of the loan require full repayment within thirty years after the date thereof;

(3) in the judgment of the head of the designated agency, the amount of the loan (when combined with amounts available to the qualified borrower from other sources) will be sufficient to carry out the project; or

(4) in the judgment of the head of the designated agency, there is reasonable assurance of repayment of the loan by the qualified borrower of the guaranteed indebtedness.

(e) The head of the designated agency shall not guarantee any loan for any project the amount of which exceeds $25,000,000, nor guarantee any combination of loans for any single qualified borrower in an amount exceeding $50,000,000.

(f) As used in this title, the term "qualified borrower" means any public or private agency, institution, association, partnership, corporation, political subdivision, or other legal entity which (as determined by the head of the designated agency) has presented satisfactory evidence of an interest in geothermal resources and is capable of performing research or completing the development and production of energy in an acceptable manner.

PAYMENT OF INTEREST

SEC. 202. (a) With respect to any loan guaranteed pursuant to this title, the head of the designated agency is authorized to enter into a contract to pay, and to pay, the lender for and on behalf of the borrower the interest charges which become due and payable on the unpaid balance of any such loan if the head of the designated agency finds—

(1) that the borrower is unable to meet interest charges, and that it is in the public interest to permit the borrower to continue to pursue the purposes of his project, and that the probable net cost to the Government in paying such interest will be less than that which would result in the event of a default, and

(2) the amount of such interest charges which the head of the designated agency is authorized to pay shall be no greater than an amount equal to the average prime interest rate for the preceding fiscal year as determined by the Secretary of the Treasury plus one-half of 1 per centum.

(b) In the event of any default by a qualified borrower on a guaranteed loan, the head of the designated agency is authorized to make payment in accordance with the guaranty, and the Attorney General shall take such action as may be appropriate to recover the amounts of such payments from such assets of the defaulting borrower as are associated with the project.

PERIOD OF GUARANTIES AND INTEREST ASSISTANCE

SEC. 203. No loan guaranties shall be made, or interest assistance contract entered into, pursuant to this title, after the expiration of the ten-calendar-year period following the date of enactment of this Act.

GEOTHERMAL RESOURCES DEVELOPMENT FUND

SEC. 204. (a) There is established in the Treasury of the United States a Geothermal Resources Development Fund, which shall be available to the head of the designated agency for carrying out the loan guaranty and interest assistance program authorized by this title, including the payment of administrative expenses incurred in connection therewith. Moneys in the fund not needed for current operations shall be invested in bonds or other obligations of, or guaranteed by, the United States.

(b) There shall be paid into the fund the amounts appropriated pursuant to section 304(b) and such amounts as may be returned to the United States pursuant to section 202 (b), and the amounts in the fund shall remain available until expended, except that after the expiration of the ten-year term established by section 203, such amounts in the fund which are not required to secure outstanding guaranty obligations shall be paid into the general fund of the Treasury.

(c) Business-type financial reports covering the operations of the fund shall be submitted to the Congress by the head of the designated agency annually upon the completion of an appropriate accounting period.

TITLE III—GENERAL PROVISIONS

PROTECTION OF ENVIRONMENT

SEC. 301. In the conduct of its activities, the Project and any participating public or private persons or agencies shall place particular emphasis upon the objective of assuring that the environment is effectively protected and that such activities do not threaten the safety of persons or property; and the program under title I shall include such special research and development as may be necessary for the achievement of that objective.

REPORTING REQUIREMENTS

SEC. 302. (a) The Chairman of the Project shall submit to the President and the Congress at least every six months a full and complete report of its activities, including such projections and estimates as may be necessary to evaluate the progress of the national geothermal energy research, development, and demonstration program and to provide the basis for as accurate a judgment as is possible concerning the extent to which the objectives of this Act will have been achieved by June 30, 1979.

(b) No later than one year after the termination of each demonstration project under section 106, the Chairman of the Project shall submit to the President and the Congress a final report on its activities related to each project, including his recommendations with respect to any further legislative, administrative, and other actions which should be taken in support of the objectives of this Act.

TRANSFER OF FUNCTIONS

SEC. 303. Within sixty days after the effective date of the law creating a permanent Federal organization or agency having jurisdiction over the energy research and development functions of the United States (or within sixty days after the enactment of this Act if the effective date of such law occurs prior to the enactment of this Act), all of the research and development functions (and other functions) vested in the Project under this Act, along with related records, documents, personnel, obligations, and other items to the extent necessary or appropriate, shall, in accordance with regulations prescribed by the Office of Management and Budget, be transferred to and vested in such organization or agency.

Upon the establishment of a permanent Federal organization or agency having jurisdiction over the energy research and development of the United States, and when all research and development (and other) functions of the Project are transferred, the members of the Project shall provide advice and counsel to the head of such organization or agency in accordance with arrangements made at that time.

AUTHORIZATIONS OF APPROPRIATIONS

SEC. 304. (a) There are authorized to be appropriated to the National Science Foundation such sums, not exceeding $300 million in the aggregate for the period July 1, 1975 to June 30, 1980, as may be necessary for such Foundation to support and fund geothermal energy research, development, and demonstration programs initiated and approved by the Project, and as may be necessary to carry out the other provisions of this Act.

(b) In addition to sums authorized to be appropriated by subsection (a), there are authorized to be appropriated to the fund not to exceed $50,000,000 annually such sums, to carry out the provisions of the loan guarantee program by the Project under title II.

BAN THE HANDGUN—XLIII

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 11, 1974

Mr. BINGHAM. Mr. Speaker, the following article from the April 8 issue of

New York magazine is a shocking exposé of the huge handgun trade being carried on in this country and the many gun killings that ensue because we have no adequate gun control laws:

HOW GUNS GET TO TOWN: TRACING THE SOUTHERN CONNECTION

(By Steven D. Brill)

About a half-mile out of Greenville, South Carolina (population 61,000), a sign proclaims "Discounts on Guns, Ammo, Fireworks." The sign draws attention to a one-story stucco-and-brick store called Roberts Trading Post.

On February 15, 1972, Richard Thrift Jr., a fair-haired, 22-year-old native of South Carolina, did some shopping at Roberts Trading Post. At about nine o'clock that morning, he walked through the screen door and put six crisp hundred-dollar bills and four twenties on the glass display counter. He chatted with the owner's son, Blakely, then got busy signing a pile of federal forms. In the meantime, Blakely went to the back storeroom, took out five cartons containing 90 handguns and loaded them into Thrift's station wagon.

Richard Thrift came back six more times that day and bought a total of 241 handguns. Because South Carolina is one of 42 states that place no restrictions on the sale of handguns, nothing about any of these transactions, per se, was illegal. But Richard Thrift had friends, and this is what happened:

In the early morning of February 9, 1973, a man was shot and killed in the South Bronx in a dispute over a lovers' triangle.

On March 5, 1973, the police picked up a seventeen-year-old in Harlem because they thought he was selling heroin. When they frisked him they found a handgun in his right boot.

On March 27, 1973, a man was arrested outside a bar in Brooklyn's 76th Precinct after he allegedly threatened someone with a handgun by firing four or five shots in the air.

Eight days after that, someone used a handgun to put two bullets into a police officer near Bruckner Expressway.

The next day, another kid was picked up carrying a handgun in a schoolyard, this time in the South Bronx.

Each of the weapons involved in these and in ten similar police actions in New York last year was one of 241 handguns that Richard Thrift Jr. had bought from Roberts Trading Post, February 15, 1972.

The way these guns made their way from Greenville to the streets of Manhattan, the Bronx, and Brooklyn was not unusual or accidental. And the pattern is the same for Philadelphia, Boston, Detroit, Chicago, and other major cities of the North. In 1972, Richard Thrift Jr., an unemployed high school dropout, spent about $40,000 at the Trading Post. He bought 3,600 handguns from Roberts that year and *all* of them eventually hit the streets of New York City. Thrift was a pawn in a sophisticated black-market network that took the guns from Roberts Trading Post, via Thrift, to two middlemen near Greenville, to two other middlemen in North Carolina, onto a truck bound for a factory in Brooklyn, and from the factory to about a dozen street sellers in the Bronx.

But as sizable as Thrift's contribution to the city's street arsenal may seem, it represents only a fraction of the tens of thousands of guns that are now flowing through extensive black market networks into New York and other big cities. Something like 100,000 handguns were sold on the black market last year in New York City, and the traffic will continue until the national policy on guns becomes something other than benign neglect.

Last year for the first time, the sources of guns being used to commit crimes in New York City were traced by a special unit of the Police Intelligence Division at the direct request of then-Mayor John V. Lindsay. Lindsay had asked for the study as part of a campaign for national gun control. Strict local firearms laws had helped keep New York's murder rate lower than major cities that didn't have firearms restrictions. But more important in the campaign for national gun legislation would be proof that the guns used to commit crimes in New York City were coming from other jurisdictions where they were easier to get.

Working with the federal Bureau of Alcohol, Tobacco, and Firearms (A.T.F), the special police unit of the Intelligence Division took all the handguns seized from people arrested for murder, robbery, assault, and other crimes in the first six months of 1973, and traced them back to their original point of retail sales.

They found that 49—*only 3 per cent*—of the 1,802 traceable handguns had come from New York State.

Twenty per cent of the handguns were traced to thefts, a majority of which took place while large quantities of weapons were being stored or shipped by manufacturers.

More than 75 per cent of the handguns came from retail sales in a state other than New York, or, in thirteen cases, a foreign country. Most significant, 69 per cent of the handguns traced to other states came from just four states in the South: South Carolina, Virginia, Georgia, and Florida. Finally, 427 of the handguns, almost one-third of the out-of-state total, came from South Carolina.

The Intelligence Division's study did more than prove that guns used in New York were coming from somewhere else. It documented for the first time "the existence of an extensive black market . . . in illegal handguns in New York City."

The Gun Control Act of 1968 requires the purchaser of a gun to fill out a form for the retailer stating his name and swearing that he is not a minor, a felon, an addict, or a lunatic. He must also show proof that he is a resident of the state where the gun is being purchased. While the buyer's self-assessment of his mental state and criminal record does little to keep guns out of the hand of criminals or the mentally ill, the requirement that his name and residence be recorded proved enormously informative to the Intelligence Division and A.T.F. as they made their traces. When a name such as Richard Thrift began turning up five, ten, or twenty times on the 1,082 traces, they realized that organized gun runners were using agents to buy weapons the black marketeers wanted.

The process of identifying these operations by looking at the results of the traces was so simple that, according to A.T.F. Director Rex D. Davis, the police-A.T.F. survey resulted in some 40 cases like Richard Thrift's being developed. Police sources report that arrests in many cases are anticipated shortly under the provision of the 1968 federal law that prohibits interstate sale of handguns except between two licensed dealers. In addition, Davis initiated surveys in New Orleans, Detroit, and Atlanta that produced consistent results, and now plans similar surveys for major Western cities.

In New York, the size and nature of the gun-running operations revealed by the police study moved then-Police Commissioner Donald F. Cawley to establish a Gun Unit within the Organized Crime Control Bureau to work full time with A.T.F. in penetrating the black market.

As the man who commands the Intelligence Division, Deputy Chief Howard Metzdorff is the city's, and probably the nation's, ranking expert on the gun black market. Metzdorff believes that "The black market is so extensive and so hard to control that anyone out there who wants a gun can get one. . . . You can get a cheap one, the Saturday Night Special, for 50 or 60 bucks, or you can get good ones. You can get rifles, shotguns, high-quality handguns, even a machine gun if you've got the money."

Based on talks with Metzdorff and Raymond Kiely, A.T.F. North Atlantic regional director, and using an Intelligence Division estimate that there are now about 1 million illegal handguns in the city, my own estimates is that a minimum of 100,000 handguns are sold annually on the black market in New York City. Though Metzdorff and Kiely do not endorse any estimate, each has said he has no reason to believe that the number 100,000 is too high. "The only sure thing," as one of Metzdorff's Harlem-based detectives put it, "is that *all* the guns you want are out there."

Metzdorff and his detectives point to three different sources of black-market guns. First, there are those that come from big-time operations like the one that involved Thrift.

Federal agents now believe that some 40,000 handguns came to New York City this way in the last five years *from the Greenville area alone*—more than enough to equip the entire New York City Police Department. Most of these were Saturday Night Specials purchased in South Carolina for about $10 and sold here for $80 to $100.

A second source of black-market guns is theft. In the Intelligence Division report, 20 per cent of the handguns surveyed were found to have been stolen. The police believe that many black marketeers take advantage of insufficient security where guns are stored or shipped, and steal them in large numbers. This is how many higher quality handguns reach the black market. For example, the police recently arrested a narcotics dealer who sold eleven Colts to an undercover agent for $250 each. It turned out that they were part of a shipment of 125 that had been stolen off a pier the year before. Thefts are also believed to be a prime source of the rifles and shotguns that are traded on the streets.

A third source of illegal guns are self-suppliers or individual, one-shot, entrepreneurs. The police believe that for every organized gun-running operations there are several casual transactions bringing smaller quantities of guns into the city. A favorite example is the New Yorker visiting his family in Virginia who is lured by a highway billboard there advertising "Guns For Sale, No Permit Needed." If he can use his family's address to prove he lives in Virginia—and often even if he can't—he'll be able to buy himself a handgun. In fact, it will be so easy that he may even decide to finance his trip by buying another and selling it to a friend when he gets back up North.

The more serious self-suppliers are a slight variation on this one-shot pattern. For example, a leader of a Chinese youth gang was recently caught dragging about a hundred handguns through Grand Central Terminal in two stuffed suitcases, which he was allegedly bringing back from the South.

It is not difficult to verify firsthand the cops' worst fears about guns being "out there." One afternoon last week I sat at a table in an abandoned firehouse with five members of a Lower East Side youth council and asked each of them if he could get me a gun if I gave him a hundred dollars. All five said they could do it easily and that I could even get change for the hundred if I didn't want an expensive "piece."

They also agreed that students at many of the city's junior and senior high schools are now frequently armed. "They sell 'em in the bathrooms," one reported. "I know this guy who sells .22's and .38's in Chelsea. . . . He sold one right on the spot to a kid who'd been hit with a baseball bat."

The gun black market is in fact so well known and well developed on the streets that two of the five kids who talked about it casually listed the same four Southern states that the Intelligence Division's report had identified.

Chief Metzdorff didn't earn his command by being an idealistic booster of liberal causes. He's a tough career cop, but he readily endorses his report's conclusion that the only answer is a federal gun law patterned after the state's Sullivan law as it is administered in New York City by the Police Department. This would require that *all* firearms—both hand and long guns—be registered, that all firearms owners be licensed, that Saturday Night Specials (cheap handguns) be banned, and that all those who want a handgun prove a specific, legitimate need for the weapon before they can get a license to buy it. The police insist that banning Saturday Night Specials will not be enough, since more costly handguns and sawed-off shotguns—already major threats—would quickly fill the gap in the criminals' arsenal. Says Police Commissioner Michael Codd: "I would like to see handguns limited to those in the military, the police, and private security who need them for good and sufficient reason." Such a need requirement would certainly have prevented Richard Thrift's shopping sprees.

The Nixon administration has consistently opposed federal gun control on the basis that this is not an interstate concern, but instead should be considered, if at all, by each of the states on an individual basis.

The President's personal contribution to the dialogue was a statement at a press conference in 1972 following the shooting of Governor Wallace. Asked about gun control, Nixon said that a federal law banning the *importation* of Saturday Night Specials might be worth considering (but in fact, such a law was passed in 1968, and *domestically* made Saturday Night Specials are now the only ones being sold in America!).

According to his confidential assistant, James Duerk, Attorney General William Saxbe feels "there are too many gun laws on the books as it is, and they haven't worked. . . . What good would a national law do?" Asked about the interstate black market in handguns as an argument for national legislation, Duerk said that he "hadn't heard about it," but that "the attorney general feels in general that the way to fight crime is to begin at home."

Rex Davis, a career Treasury agent who has been A.T.F.'s director since 1972, has a different perspective: "If drug abuse is the nation's number one problem, firearms abuse is definitely number two. His superiors in the Nixon administration don't seem to share his concern. While there is now a special White House office of drug abuse, A.T.F. is still buried in the Treasury Department with Internal Revenue, Customs, and nine other bureaus. Still more indicative of where A.T.F. stands on the federal totem pole is Davis's admission that he has never once been invited to meet with either President Nixon or even Treasury Secretary George Shultz to discuss the bureau's work. While there are now about 1,500 federal narcotics agents assigned to New York City, there are 63 A.T.F. agents here, and about half of their time is spent enforcing tobacco and alcohol laws.

The administration's lack of interest in A.T.F. is further illustrated by White House attempts to use the bureau as a patronage dumping ground for two now-infamous Watergate figures. According to statements made last June by former Commissioner of Internal Revenue Randolph W. Thrower, while commissioner of I.R.S. in 1970, he was pressured by White House officials, including John Ehrlichman, to name either Gordon Liddy or John Caulfield as director of A.T.F. (A.T.F. was then a sub-unit of Thrower's I.R.S.) Thrower says he successfully resisted all attempts to place Liddy at A.T.F., something even the White House must now be thankful for since the would-be director is reported by Jack Anderson to have subsequently dabbled in the gun black market himself by going over the D.C. border to Virginia to buy handguns for some members of the plumbing crew. However, Thrower did relent on Caulfield, and he was named assistant director of criminal enforcement, a position he held until his Watergate-related activities became known.

The government's relationship with the firearms industry fits the same pattern of benign neglect. Although A.T.F. officials are quick to volunteer how "cooperative" the gun makers are in giving A.T.F. all the information that is required of them, they also concede that there is not much they are required to give. The companies keep their own records of where the 5-million-plus guns they make for civilians each year are shipped and who buys them, and they supply this information to A.T.F. only when a specific inquiry is made about a specific gun. While the companies give A.T.F. data on how many guns they each make every year, A.T.F. respects the industry's wish that these figures be kept secret. Although A.T.F. and city police know that thousands of guns are stolen from the manufacturers each year and that these products invariably end up on the black market, the companies are not required to take any specific security measures to prevent such thefts. In fact, unlike manufacturers and transporters of explosives or drugs, gun companies are not even required to *report* thefts.

Apparently, the gun makers feel even less accountable to the public. The only difference in this regard between two Saturday Night Special producers, Clerke in California and R.G. in Florida, and the two leading and supposedly most "responsible" handgun makers, Colt and Smith & Wesson, is that the makers of cheap guns won't talk to reporters at all, while "responsible" companies have public-relations vice-presidents who talk to reporters.

Question: How many handguns a year do you make?

Mr. McMahon (Smith & Wesson): "I don't want to be quoted on anything, but I can tell you that we don't discuss our sales."

Mr. Cook (Colt): "I won't get into questions like that."

Question: Were your sales up or down last year?

McMahon: "I couldn't answer that. . . . Why do you want to know?"

Cook: "That would be confidential information."

Question: Police say there's a black market in guns coming from the South to the North. Do you ship a higher proportion of your products to the South?

McMahon: "I have no idea how many are shipped where. And I couldn't tell you if I did know. . . . Once they leave here we can't worry about them."

Cook: "I couldn't answer that."

Question: What about thefts? Are they a problem?

McMahon: "We don't lose any guns that way. Remember, this is all off the record. . . . Is your name listed on the masthead of the magazine?"

Cook: "We don't want to address ourselves to that at all, except to say if it's any problem it's a concern to us."

Though its relationship with the press and the people may not be well cultivated, the gun industry seems to have quite a bit of input with the people's representatives in Washington. Each of the companies employs its own lobbyist in the capital, and the industry funds a joint lobby called the National Shooting Sports Foundation.

There is also the National Rifle Association. The N.R.A. boasts more than a million members, including President Nixon and several dozen congressmen and senators, and it is well known for burying Congress in pro-gun mail every time firearms legislation is being considered. What is not as well known is the source of all the association's funds and the reason for its tax-exempt status as a nonpolitical "educational" organization. The N.A.R. firmly asserts that none of its more than $8-million annual income comes from the firearms industry. "Our constituency is the consumers of firearms, not the manufacturers," says N.R.A. spokesman Steve Hines. Asked about allegations that the industry helped fund the N.R.A. through ads taken in the association's magazine, *The American Rifleman*, Hines produced a glossy annual report that showed that the magazine had not made any money in 1972. Hines said the financial statement had been prepared by an "outside, independent auditor." But he refused to name the auditor because "that is confidential information."

Whatever the source of the N.R.A.'s money and motivation, everyone in Washington agrees it is a force to be reckoned with. Even A.T.F. officials confided that they must be careful about tightening supervision of the industry because of the gun lobby's power.

The N.R.A. is not at all afraid of using that power. Last year, when the National Council of the Y.W.C.A. called for federal legislation to license handgun owners, the association organized a letter-writing and publicity campaign urging all local United Way drives to throw the Y.W.C.A. out of the Community Chests because of the stand it had taken in favor of "gun confiscation." In fact, the tax-exempt N.R.A. suggested that the Y.W.C.A.'s tax-exempt status be reconsidered because of the stand *it* had taken on a "controversial issue."

While the Y.W.C.A. didn't back down, most legislators would run for cover under that kind of assault. Public-opinion polls have consistently reported that more than 70 per cent of Americans favor a national firearms laws that would treat guns like cars by registering them and licensing their users. Yet only a few congressmen and senators are willing to fight for it.

Under its previous administration, New York City was perhaps the strongest lobbyist in Washington for federal gun control. Former Mayor Lindsay regularly raised the issue with congressional leaders, and the Intelligence Division's study is one of the many instances when he made sure the New York City Police Department was the congressional gun control advocates' best information resource. In 1973, the mayor even interceded with a House subcommittee to help A.T.F. get its budget approved. With the change in administrations, the city's position on gun control is now in doubt. Sidney Baumgarten, an assistant to Mayor Beame who has been given staff responsibility for the issue, says that "Beame hasn't focused on it yet." More ominous than that, however, is the fact that Baumgarten is a long-time member of the National Rifle Association, and though he believes that handguns should be controlled, he agrees with the Nixon administration that "federal controls probably aren't the answer." Asked if the interstate black-market traffic might be a good argument for uniform national controls, the mayor's assistant took the basic N.R.A. position that the black market "only shows that no laws can really be effective and that we can never solve the problem with a law," a view that is sure to please those in Congress who would rather not face the issue.

In the meantime, guns continue to be sold around the country like bubble gum: a new handgun every thirteen seconds, and a new rifle or shotgun every eleven seconds, with maybe a dozen states or cities having any controls at all on who can buy them. Americans are dying by gunfire at the rate of 69 a day, and the murder rate in the United States is 10, 20, and 30 times that of every other industrial democracy.

But while the nation waits for Congress to act, the federal government need not be paralyzed. A.T.F.'s recent successes in the cases it has had time to pursue demonstrate that a separate Bureau of Firearms Control, freed from its alcohol and tobacco duties, and given a high-priority allocation of manpower and funds, could make a dent in the interstate black market.

Even without this mandate from above, the bureau itself could help by tightening the regulations it now uses to supervise the handgun trade. For example, it could require that dealers send it immediate special notice of anyone who buys more than one or two handguns at a time. In this way, bulk buyers like Richard Thrift could be investigated when they buy the guns, instead of by chance later on when one of the weapons they bought is traced back from a crime. Also, A.T.F. could start demanding more detailed production and shipment records from manufacturers, and Congress could give it the power to make manufacturers, shippers, and dealers take sufficient security precautions and report thefts.

Another step short of national licensing and registration that most police endorse is the enforcement of stiffer penalties for violators of existing federal and state gun laws and for those who use guns to commit crimes. The maximum sentence a large-scale gun dealer can now receive under federal law is five years, and in New York someone caught with an illegal gun can get a year at the most.

Whatever their views on these aspects of the penal code, most police agree that the real answer is legislation that takes guns seriously enough to control who can buy them in the first place. Detective Gloria O'Meara of the Intelligence Division played a key role in preparing the handgun report. She summarized the problem this way: "When I started this thing I really had an open mind about gun control, especially national controls. But you look at the numbers and you understand what the problem is. We can only control this in New York or anywhere else if they pass a good law in Washington. Until then, anyone who wants a gun here will be able to get one, and people will keep getting killed."

FORMER SENATOR B. EVERETT JORDAN

HON. RICHARDSON PREYER

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 10, 1974

Mr. PREYER. Mr. Speaker, Senator Jordan was a man whose life was widely spread, both in its roots and branches—it has taken nourishment from many sources, grown in many directions, and has borne a great variety of fruit. It has been richly fertilized, and it has been abundantly fertile. He was the son of Dr. Henry Harrison Jordan, Methodist circuit rider in the late 19th and 20th centuries whose four sons made notable contributions to North Carolina.

In addition to Senator Everett Jordan, they were the late Dr. Henry Jordan, former State Highway Commission chairman; Dr. Frank Jordan, who followed in his father's footsteps as a minister; and Charles E. "Dr. Charlie" Jordan, who served with distinction as a long-time official at Duke University.

The Jordans, all of them, were, and are, individuals of sterling character and unusual enterprise. The characteristic which marked them well was a pervading sense of humor, innate modesty and civility and devotion to public service. Their breed is rare, in ours or any age, and should not be forgotten. The Jordans will be remembered as one of North Carolina's great families.

The one of these four sons who went wrong and went into politics was Senator Jordan.

In characterizing his 15 years' service in the Senate, words like "kind," "gracious," "considerate," "sense of humor" are what you hear from his colleagues. But the words "kind and gentle" were always yoked with "effective." Some people are boxers and some are sluggers. Senator Jordan was a boxer. As a rule, the sluggers get the headlines but the boxers get results. Senator Jordan knew how to make things happen in the Senate.

He was particularly effective as chairman of the Senate Rules Committee. In a job that involves saying "No" most of the time, he endeared himself to his colleagues by not saying "Yes" but the way in which he said "No"—with complete understanding, patience, and always with kindness.

As chairman of the Subcommittee on Flood Control, Rivers, and Harbors, he was instrumental in the building of the Scott Reservoir, the falls of the Neuse Reservoir, and the New Hope—now the Senator Everett Jordan—Dam. He did much to create jobs and businesses in North Carolina by the development of the Ports of Wilmington and Morehead City, and by the improvement of navigation on the Cape Fear.

A fitting epitaph would be: "He did what needed to be done, not what made you look good."

He knew how to make things happen in the Senate. One of his fellow Senators said:

> The Senate is a catalyst which absorbs diverse views and disparate talents of its separate Members and gently enfolds them into a body of tradition which binds and enriches and transcends its individual Members and inspires each to greater efforts in pursuit of the public interest. I have always appreciated Everett Jordan as an important element in that catalyst.

No mention of his career would be complete without mention of his remarkable wife, Katherine.

My wife tells me that Mrs. Jordan has been absolutely wonderful to all the wives in our North Carolina delegation in Washington. Emily says she could never have lived through that first year in Washington without Katherine. Both Senator and Mrs. Jordan radiated happiness and if happiness is the dividend on a well-invested life, then no two people in the world have more wisely invested their lives to give the most people the most happiness.

I would not try to characterize Senator Jordan's political philosophy as liberal or conservative. Rather, I believe he agrees with Emerson:

> The lesson of life is to believe what the years and centuries have to say against the hours.

He was a conservative in the deepest values of life. But he was not a fiscal conservative in the sense of "one who votes against spending in someone else's district." He was not an exponent of the "gankplank syndrome", that is the syndrome that says, "I've gotten where I want to go; now let's pull up the gangplank and leave everyone else out." He was a liberal in his compassion.

When we look back over his career we can say about him what Walter Lippmann said about Justice Holmes on his 75th birthday:

> He has lost nothing that young men have, and he has gained what a fine palette can take from the world. If it is true that one generation after another has depended upon its young to equip it with gaiety and enthusiasm, it is no less true that each generation of the young depends upon those who have lived to illustrate what can be done with experience.

Senator Jordan's life illustrates what can be done with experience and we are all the richer for it.

I enclose two newspaper articles which give an excellent account of the reach of his career.

[From the Burlington (N.C.) Daily Times-News, Mar. 18, 1974]

OVERFLOW CROWD HONORS SENATOR JORDAN

(By Don Bolden)

SAXAPAHAW.—B. Everett Jordan left this little Alamance County community for the last time yesterday.

In the past, he had left many times—off to Washintgon to serve his state as a United States senator, or off to the capitols of the world as a representative of his nation. But he always returned to the banks of Haw River to be a part of his community and to play a leading role in Sellers Manufacturing Co.

But yesterday, he left in death, the flag in front of the Saxapahaw Post Office hanging at half-staff in final tribute to Saxapahaw's leading citizen.

But he did not go alone.

The great and the not-so-great filled the little white Saxapahaw Methodist Church to overflowing, with the church yard holding the sizable overflow and many people remained in their cars. There were senators and congressman, along with workers from the mill just across the river. And they had one thing in common on this windy March afternoon—they had lost a friend.

Sen. Jordan died Friday morning at the age of 77, losing a long battle to cancer.

His funeral service yesterday was a simple one.

Following the 23rd Pslam, Dr. Howard Wilkerson, president of Greensboro College and former chaplain at Duke University, delivered the eulogy.

Standing behind the flag-draped coffin, he said "a great tree has fallen in God's forest".

He said that when a person dedicates himself to God, it is good, but when many band together, the impact is greater.

Such an impact was felt, he said, from the family of Annie and Henry Jordan, who had six children.

"Never has there been a family which had such an impact in religion, higher education, government and agriculture. No family has ever served the state and nation with more impact than those children and their spouses."

Dr. Wilkerson noted several lessons to be learned from Everett Jordan's life.

"Everett Jordan was regarded as a friend all over. We think of the headlines and overlook the personal element. The lesson we can learn in that we too can be a friend.

"He trusted the Heavenly Father with an almost childlike faith, and don't knock that childlike faith," he added.

Another lesson, he said, comes from Everett Jordan's belief in young people, he said. He said Jordan had sought to influence the young through his support of the Boy Scouts and higher education.

"He listened to young people," Dr. Wilkerson said.

Four years ago, while he was a chaplain at Duke University, he said the young people there were ready "to write off the older generation". Concerned, Dr. Wilkerson sent some of those youngsters to Washington to see Sen. Jordan.

"He talked to them and listened to them.

"He turned them around in their thinking. He always listened, but he did not always agree".

The speaker noted an entry by one of the senator's colleagues in the Congressional Record—"Everett Jordan was always ready to listen to new ideas and to grow".

He concluded, "These lessons make us better citizens and friends. We can be glad we had such a teacher as Everett Jordan".

After the brief church service, in which the Rev. Murray L. DeHart, church pastor, participated, a funeral procession more than three miles long accompanied his body to Pine Hill Cemetery in Burlington.

There, again, simple rites were conducted, with his brother, Dr. Frank Jordan, participating. There was a scripture reading, followed by the Lord's Prayer. Four scouters from Troop 65, a troop the senator organized in Saxapahaw, folded the flag over the coffin. Members of the troop served as an honor guard.

Scoutmaster Ben Bulla of the troop then presented the flag to Mrs. Jordan, saying "On behalf of the President, this is a symbol of a grateful nation."

A floral tribute from President and Mrs. Nixon stood at one end of the grave. Nearby was a floral replica of the American flag, sent by employees of Sellers Manufacturing Co., the textile mill which Sen. Jordan reopened from bankruptcy in 1927 and saw it move to prosperity.

The senator was buried in a plot with his parents and brother, Dr. Henry Jordan.

Sen. Jesse Helms, who now holds the Senate seat once occupied by Sen. Jordan, was the official representative of the President.

Also present was Sen. Sam J. Ervin Jr. and Mrs. Ervin. Sen. Ervin was a boyhood friend of Sen. Jordan.

Former Gov. Luther Hodges and his wife also were present. It was Gov. Hodges who appointed Jordan a senator in 1958 at the death of Sen. W. Kerr Scott.

The list of dignitaries read like the "Who's Who" in North Carolina politics.

Gov. and Mrs. Hodges and Sen. and Mrs. Ervin were with the family at the funeral.

Among others attending were Supreme Court Justice and former Gov. Dan K. Moore, Lt. Gov. Jim Hunt, Rep. Richardson Preyer of the Sixth District, Rep. David Henderson of the Third District, State Treasurer Edwin Gill, Commissioner of Agriculture Jim Graham, Insurance Commissioner John Ingram, Labor Commissioner Billy Creel, Atty. Gen. Robert Morgan, SBI Director Charles Dunn, former Congressman Horace R. Kornegay of Washington, Consolidated University President William Friday, Federal Judge Eugene A. Gordon, and former Congressman Paul Kitchen.

Ten members of the former senator's Washington staff also attended, led by William Cochrane, Wes Hayden and Hugh Alexander.

Also attending were Nick Galifianakis, who defeated Sen. Jordan in the 1972 campaign, along with Sen. Ralph Scott, Rep. Jim Long, and numerous Alamance County officials.

Assisting in the arrangements at the rites were members of the Sheriff's Department, the State Highway Patrol, and the Eli Whitney Fire Department.

But just as prominent in the crowd outside the church, braving a stiff March breeze which came off Haw River, were the plain people, the people who live in the little white houses of Saxapahaw, the people who work in the mill across the river. They, too, were friends of the senator.

EX-SENATOR JORDAN DIES AT HOME IN SAXAPAHAW

SAXAPAHAW.—Former U.S. Sen. B. Everett Jordan died at his home here Friday morning at the age of 77, a victim of cancer. He had been seriously ill for several weeks.

Funeral services will be held at 3 p.m. Sunday in Saxapahaw Methodist Church. Burial will be in Pine Hill Cemetery.

Jordan served as the junior senator from North Carolina from 1958 to January, 1973.

He was appointed by Gov. Luther Hodges to complete the term of Sen. W. Kerr Scott who died in office.

As he sought successive terms in the Senate, he easily disposed of challengers in both the Democratic primaries and the general elections until the primary of 1972 when he was defeated.

He is survived by Mrs. Jordan, the former Katherine McLean of Gastonia; two sons, Ben E. Jordan Jr. of Burlington, and John M. Jordan of Saxapahaw; one daughter, Mrs. Roger Gant of Burlington; one sister, Mrs. Henry Sprinkle of Florida; one brother, Dr. Frank Jordan, a retired Methodist minister, also of Florida; and ten grandchildren.

Officiating at the services will be Dr. Howard Wilkerson, president of Greensboro College; The Rev. Murray DeHart of Saxapahaw Methodist, and the senator's brother.

The body will be at the Rich & Thompson Mortuary in Burlington from noon today. The family will receive there from 7 to 9 p.m.

Memorial contributions may be made to the N.C. Chapter of the American Cancer Society, or to a charity of the donor's choice.

Until his appointment to the Senate, Jordan had never held a major public office.

A gentle, soft-spoken man, he came to national prominence in 1963 when, as chairman of the Senate Rules Committee, he presided over the investigation of the Bobby Baker case.

He was well known and beloved by fellow members of the Congress.

Sen. Margaret Chase Smith spoke for many of them when, in 1972, Jordan failed in an effort to gain re-election. She said:

"He was not only a fine senator, but above all, he was a wonderful human being, and the kindest man I have ever known."

William M. Cochrane, administrative assistant to Sen. Jordan through his entire senatorial career, described him as "a warm and generous spirited man of deep compassion for his fellowmen. Their problems were of genuine personal interest to him.

"This was the key to his greatness as a man and as a U.S. senator. He was an unusually effective senator, whose judgment and friendship were valued by his colleagues. He was equally at home with cabinet members and his Saxapahaw neighbors."

In North Carolina he was perhaps best known for his work in agriculture, and for the extensive water resources developments he sponsored over the state.

These included the New Hope Dam in Chatham County, part of a flood control and water recreation project on the upper reaches of the Cape Fear River Basin.

Last October, the Senate honored Jordan by changing the project name to B. Everett Jordan Dam and Lake. He was known to consider this one of his highest honors. It was his hope to attend dedication ceremonies for the dam this spring.

Jordan was less well-known as a philanthropist, but he gave generously to educational institutions all over the state. In recent weeks he donated sizable amounts to Greensboro college, Elon college, Duke University, Methodist college, and Brevard college.

He also contributed $35,000 to the capital campaign of the Cherokee Council of the boy Scouts of America, for use in building a dining hall at the Cherokee Scout Reservation in Caswell County.

Jordan was honored as North Carolina Distinguished Citizen of the Year at a testimonial dinner held Feb. 20 in Raleigh by the State Cystic Fibrosis Foundation. It was the foundation's second annual public service award.

More than 400 people paid a minimum of $25 each to the foundation to attend the banquet. Jordan himself was too ill to be there, but through a special telephone hookup to his Saxapahaw home, he was able to hear many distinguished Tar Heels pay tribute to his lifelong dedication in service to fellowmen.

He was recognized as one of the first North Carolina members of Congress to espouse the cause of federal aid to education.

He helped to pass the Cancer Bill in 1971, the most far-reaching law on cancer research ever to come out of Congress.

He was a sponsor of the first sickle cell anemia bill in the Senate.

Last year, Sen. Jordan served as chairman of the Cancer Drive in North Carolina.

He served as a trustee of Duke University, Elon College and American University in Washington.

Jordan had a reputation as a hard worker. He once said work was his hobby, and that he had done "just about everything to make a nickel."

He was born Sept. 8, 1896, at Ramseur, the son of a Methodist minister. He worked his way from mill superintendent as a young man to become one of the wealthiest textile industrialists in the state. He owned mills at Cedar Falls and Wake Forest which grossed more than $15 million a year.

He was graduated from Trinity College, now Duke University, in 1916, and served in the U.S. Army from 1918 to 1919, spending the last year with the Army of Occupation in Germany.

During his Senate career, Jordan served as chairman of the powerful Rules Committee, vice chairman of the Joint Committee on the Library of Congress, chairman of the Joint Committee on Inaugural Ceremonies, and as a member of the committees on agriculture, public works and printing.

Of the controversial Bobby Baker Case, Sen. Jordan said, "We did a good, conscientious job. We turned all of our evidence over to the grand jury which indicted him. I don't know what else any committee could have done."

The committee hearings were an inquiry into influence peddling charges against Robert G. Baker, one-time secretary to the Senate Democratic majority.

Sen. Jordan was considered a member of the conservative wing of the Democratic party, but he was also known as a dove on the issue of the Vietnam War.

In 1966 he was expressing deep regret that the United States had become involved in the conflict, and at one time said, "I am anxious for us to get out as quickly as possible on an honorable basis."

In 1970 he broke ranks with other Southern Democrats to vote in favor of the Cooper-Church Amendment to the defense appropriations bill. The amendment was passed, limiting the President's power to extend U.S. participataion in the war.

When Gov. Hodges named Jordan to the Senate, it was widely speculated that the new Senator was serving only as a seat warmer for the governor. The Raleigh News and Observer said as much in a front page editorial. But when Hodges' term as governor expired, he became Secretary of Commerce to President Kennedy.

Sen. Jordan lost his bid to remain in the Senate in 1972 when Nick Galifianakis defeated him in the Democratic primary. Republican Jesse Helms went on to win the seat in the general election.

Sen. Jordan left the Senate "with no regrets."

Of his position toward the Democratic party, which did not fare well in the 1972 general elections, he said, "I live in a small village (Saxapahaw). We've had a lot of preachers come and go. I didn't like some of them, but I never thought once about leaving the church.

"That's the way I feel about the Democratic party."

WOMEN CHALLENGE THE CORPORATIONS

HON. BELLA S. ABZUG

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 11, 1974

Ms. ABZUG. Mr. Speaker, today's New York Times financial pages carried a very interesting article that I would like to call to the attention of my colleagues. The headline of the story is, "Celanese Gets Proposals of Feminists."

Mr. Speaker, this article will probably become the first of a series of stories as more and more women challenge the policies and practices of our major corporations as they relate to discrimination against women.

I commend the following article to the attention of my colleagues:

CELANESE GETS PROPOSALS OF FEMINISTS—ONE RESOLUTION SEEKS WOMAN AS DIRECTOR

(By Marylin Bender)

The first shareholder proposals to be submitted by feminists at a major company's annual meeting were voted on yesterday by stockholders of the Celanese Corporation at the Essex House.

During the discussion the 56-year-old chairman, John W. Brooks, was chided by a male member of a church group supporting the resolutions for his "seeming antagonism" to the women stockholders.

The resolutions, calling for nomination of women to the board of directors, for a report to shareholders on employment practices and for cumulative voting, were defeated as expected. But under the rules of the Securities and Exchange Commission, they received enough votes to be resubmitted next year.

The first two proposals received approval of 5.4 per cent and 4.6 per cent, of the shares voting, respectively. The cumulative voting resolution, which has long been a favorite of corporate meeting goers like the brothers Lewis and John Gilbert, and which feminists see as a chance to get their representatives elected to boards, received 14.7 per cent of the nearly 10 million votes cast.

PROPOSALS SUPPORTED

Representatives of the National Organization for Women and of the National Council of Churches spoke in support of the proposals, which were presented by Joan Hull, a merchandising manager in Celanese's fibers division. Last summer, Miss Hull instituted a class action in Federal court charging Celanese with sex discrimination. The litigation involves five other professional employes, one of whom, Donata Delulio, is an associate general counsel for the corporation.

Mr. Brook's attitude toward the women contrasted with his patience toward John Gilbert, whose proposal for preemptive rights for stockholders was approved by 5.8 per cent of the stockholders, and toward Morton Adler of Rye, N.Y., who complimented Mr. Brooks for "the way you've turned the company around."

In his speech to the shareholders, Mr. Brooks announced record first-quarter income for the corporation, which has undergone restructuring of its troubled phases during the last five years.

LAWYER RECRUITED

When Carole De Saram, a vice president of NOW asked Mr. Brooks how many women served on the Corporate Equality Committee of the board of directors, which monitors the company's affirmative action programs, he answered: As you well know before you asked the question, there are no women on the board of directors."

"We are not going to change our procedures because we are doing the right thing," he declared. Later he said that "a lawyer is telling her what to ask."

Another NOW member, Betty Harragan, was critical of the past that Selanese had only 3.6 per cent of women in managerial and supervisory positions last year. She termed it "low quality performance" by the company. Mr. Brooks retorted, "I know you are here to stir up this problem and are not interested in our answers."

Timothy Smith, representing the division of church and society of the National Council of Churches, chided Mr. Brooks for "your seeming antagonisms to our women friends."

"I don't appreciate your attempt to scapegoat the women here," Mr. Smith said.

CONFIDENCE EXPRESSED

"You need a little bit of ferment to bring about change."

Two directors expressed confidence in the corporation's intentions to advance female and minority employes. "The heart of management of the company is in the right place on this issue," said Grayson Murphy, a partner in Shearman & Sterling. Vernon E. Jordan Jr., executive director of the National Urban League, Inc., and the only black on the board said: "I think there is a sense of genuine effort. Obviously nobody is satisfied with the results."

Celanese reported first-quarter income before extraordinary items of $1.37 per common share, equal to $120-million, on sales of $440 million. Earnings were 38 per cent higher and sales were 15 per cent higher than in the first three months of 1973.

"Demand for our entire product line remained firm during the first three months of 1974," Mr. Brooks said. "There is every indication that our business will continue to be strong during the coming months." However, he said he did not expect the same rate of profit increases to continue into the second quarter.

UKRAINIAN POLITICAL PRISONERS IN THE SOVIET UNION NAMED

HON. JOHN R. RARICK

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 11, 1974

Mr. RARICK. Mr. Speaker, earlier I published in the CONGRESSIONAL RECORD a partial list of the Ukrainian women political prisoners held captive in the Soviet Union. Certainly, this is by no means a complete list, since 67 percent of the political prisoners in Russia are Ukrainian.

The following names of prisoners and their brief biographies was compiled by the Association of Ukrainian Women in Great Britain, and covers those persons arrested and persecuted between 1972 and 1973.

I bring the plight of these people to the attention of our colleagues in order to give voice to the fact that these people are individuals deserving of basic human rights. These rights are being denied them by the Communist slave masters in Moscow, in a direct attempt to silence dissent of that nation's largest minority group.

I include the related list following my remarks:

UKRAINIAN WOMEN POLITICAL PRISONERS

ATHENA VOLYCKA

Athena Volycka, a scientist at Lviv University, she stood up in defence of all repressed Ukrainians and protested to the Supreme Court of the USSR, against the savage trial of V. Moroz, demanding an end to the illegal judgment and went to Ivano-Frankivsk for his trial. She was publicly reprimanded for this, and given an assistant at the laboratory, who was an agent of the K.G.B. to watch her movements. In the summer of 1972, Volyckas' home was searched, after which she was arrested. Her present fate is not known.

KHRYSTYNA TYMCHUK

Khrystyna Tymchuk, who worked at the Academy of Sciences was arrested in 1972 in Kiev. During interrogations, the K.G.B. insisted that she work for them, but when she refused they promised to help her in her career as a reward for her cooperation, but this too, had no effect. The fate of Khrystyna Tymchuk and her present whereabouts are now unknown.

MARIJKA VALYA

Marijka Valya, an assistant at the Institute of Sociology in Lviv, a specialist in baroque literature, was fired on the pretext of "nationalist, anti-Soviet feeling." She has since been deprived of her government pension.

DZYLENKO IRYNA VOLODYMYRIVNA

Born 28th April 1931 in Kyiv, she received a degree from the Philological Faculty of Kyiv University in 1964. She worked as a tutor, and later in a publishing office of newspapers and magazines. She printed her first poems in 1958 and since then has systematically appeared on the pages of various periodicals. In 1964 her artistic essays "Bykovynski Ballads" were published, followed by several collections of poetry. A series of her lyric poems "In the Bells of the Heart" appeared in 1972–73. As a result of this the Soviet censors began to attack Iryna Dzylenko on the pages of the Soviet press, accusing her of "ambiguity in the context of her poetry", which strays from the Party line, in other words, the line forced by the overlords. Normally, such strong criticism and accusations precede the denunciation of an author's works and probable imprisonment. It is not known what the future holds for Iryna Dzylenko and her creative endeavours.

KYRYCZENKO SVITLYANA

Scientist, formerly working at the Institute of Philosophy in the Academy of Sciences of the Ukrainian S.S.R. In 1972 in Kyiv she was fired from her job after continuous harassment. She is accused of "nationalistic and anti-Soviet views". Often people are arrested after such accusations, and this can easily be the case of Svitlyana Kyryczenko.

KOVALSKA MARIA

A sales clerk in the bookshop "Molod" in Lviv. In 1973 the KGB searched her apartment but found nothing. Nevertheless, she was released from her job and is continuously persecuted. Maria Kovalska is accused of too friendly an association with visiting tourists, for conversing with them, which is forbidden to Soviet citizens unless they are agents of the KGB, and also for expressing sympathy with Ukrainian cultural figures sentenced by the regime.

HUSAR IRYNA (BORN 1965)

She received a doctorate in philology from the University in Lviv in 1940, and is also an author of school textbooks for the teaching of

German. She was released from her job at the University of Lviv in the summer of 1973, where Ukrainian students were demanding lectures to teach subjects in the Ukrainian language. For some reason, the Ukrainian professors and lecturers were blamed for this, and since then Iryna Husar has been continuously persecuted. Now there is a question mark whether she will receive her pension.

HULYK STEFANIA

Former employee of the Society for the preservation of historic and cultural monuments in Lviv. In 1970 she sent a protest letter to the Supreme Court of the Ukrainian S.S.R., in defence of the unlawfully sentenced Valentyn Morox, and also protested against the ruinification of Ukrainian cultural and historical monuments by the Bolsheviks. She is married and has a small child. She was arrested in January and later released, however, she is constantly being questioned by the KGB and may be re-arrested at any time.

DUCZYMINSKA OLHA VASYLIVNA

Born in 1883 in Western Ukraine. She is an expert of literature and art. Olha was formally accused of having strong patriotic beliefs and contact with the Ukrainian revolutionary freedom fighters. For this, in 1949, she was arrested and sentenced in Lviv to 10 years imprisonment. In 1972 the KGB aimed malicious accusations at Olha who is now very old. They began to persecute her again. She was alleged to be circulating Ukrainian anti-Soviet literature and to be giving her opinions on patriotic Ukrainian poems, especially the works of Iryna Senyk who was sentenced to 11 years imprisonment.

IRYNA STESHENKO

Born 5th July, 1898, in Kyiv, a writer-actress who translated foreign works into Ukrainian, she was the granddaughter of a well-known writer. In 1920, she graduated from the Dramatic Institute, and worked as an actress at the Shevchenko Theatre, and then at the Berezel' Theatre. At the same time, she translated plays, poetry and prose from French, Italian, English, German and Russian. She took part in the "Fatherland War" for which she was awarded a medal. From 1973 Iryna Steshenko fell into disfavour, being accused of maintaining contact with Ukrainian scientists abroad, and allowing her lodgings to be used for meetings with Ukrainian cultural figures and foreign tourists, in which she also took part.

MARIA VOYTOVYCH

She lives in Lviv. On 12th May, 1972 she wrote a letter to the Supreme Court of the Ukrainian SSR in defense of the illegally convicted historian Valentyn Moroz. As a result of which she is continuously persecuted and unable to obtain work.

NADIA VOLKOVYCH

Born 1947, and later became a member of the Komsomol. She worked in a children's nursery in Kyiv. She was a member of the Ukrainian folk-ensemble, "Homin", which was disbanded by the Russian authorities who accused it of being "nationalistic." Nadia Volkovych was interrogated in connection with this, and forced to be an informer for the KGB. When she refused to do this she was fired from her job and has been continuously persecuted.

OLGA HEL'

Her brother Ivan Hel', a distinguished writer has to serve a long prison sentence. She has heart trouble, and looks after her elderly mother, she previously received an invalid's pension, which has since been stopped; ill and persecuted she lives under strained circumstances. It was reported that in 1972, Olga Hel' was arrested but later released on account of her ill-health.

LUDMYLA CHYZHUK

Was a student at the Kyiv University where she transferred from the Russian to the Ukrainian department. On 22nd May, 1971, she recited poems by the poet Symonenko at the Shevchenko Monument. After this she was called up for interrogation, at which she was reproached, among other things, for changing her university course, and for reading Symonenko. She was accused of nursing a "hostile view of Soviet authority". Since then Ludmyla Chyzhuk has been expelled from the university and is still continuously persecuted.

HALYNA YAREMYCZ

A student at Lviv University, from which she was expelled in 1973, for protesting together with other students against the russification of Ukrainian schools, and for insisting on the freedom to commemorate the poet, Shevchenko. Several students of this group were arrested, but it is so far not known what has happened to Halyna Yaremycz.

LUDMYLA SHEREMETYEVA (BORN IN 1945)

An extra-mural student of journalism at Kyiv University. After the arrests of O. Nazarenko and Karpenko, the KGB searched her home, looking for Samvydav material which it did not find. However, Sheremetyeva has continued to be persecuted since then, and in 1969 she was expelled from Kyiv University and her diploma was refused.

LYBOMYRA POPADYUK

A lecturer of German at the University of Lviv. At the beginning of 1972, the KGB searched her house and began persecuting her. Later she was fired from work, under the pretext that she was acquainted with cultural figures M. Osadchy, V. Chornovil, and others. In actual fact, she was fired because the students of Lviv University protested against russification and criticised the regime in the Ukraine; there have been recent reports of her arrest. Her son Zerian Popadyuk has been arrested and sentenced to 7 years imprisonment.

RAJISA MORDAN'

(Born 1939, nr. Kyiev)

The wife of the poet V. Mordan. She was a teacher at a nursery school in Kyiv, and taught the children a few Ukrainian songs, brought them to a concert commemorating Lesya Ukrainka, in which the ethnic choir 'Homin' also took part. For this Rajisa Mordan' was called up for 'questioning' at which she was brutally treated and dismissed from work. She was accused of "contact with the 'nationalistic' choir Homin, and for influencing the children". From then on Rajisa has undergone continuous persecution, and her husband has also suffered as a result of this.

MOROZ RAJISA

A wife of a well known historian Valentyn Moroz who was sentenced to 14 years of imprisonment. She is a teacher of German in the Ivano Frankivsk teacher's college and is continuously persecuted because her husband was sentenced for "anti-soviet" activities as he stood out in defence of the Ukrainian culture and language. In 1973 harassment towards her was increased because she had contact with Ukrainian intellectuals abroad. As a result of this, her 11 year old son, Valik, is also suffering.

KORNICZUK VALYA

Former student of Lviv University, she was expelled in the summer of 1973 for criticizing the terrorist activities of the Soviet regime. She was also a member of a student group which published an uncensored magazine "Postup" and disseminated pamphlets that criticised Moscow's policies of Russification in Ukraine.

KACZMAR-SAVKA MARIA

An artist who on 25th November, 1970 sent a letter of protest to the Supreme Court of the Ukrainian S.S.R. in defence of the unjustly sentenced Valentyn Moroz. The court ignored this as well as other similar protests, but as a consequence the KGB began to harass Maria Kaczmar-Savka. In 1972 the KGB stepped up its persecution towards her.

GREEK INDEPENDENCE

HON. GILBERT GUDE

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 11, 1974

Mr. GUDE. Mr. Speaker, last month marked the anniversary of Greek independence, and it is appropriate to commemorate that occasion with a brief history of the fight for freedom by the people of Greece.

Mrs. Georgia V. Popps of Chevy Chase, Md., has written an excellent account of this struggle. A teacher by profession, Mrs. Popps has taught in the D.C. Public School System for 15 years. She is a member of the National Education Association and in 1970 received the Outstanding Teacher Service Award.

Mrs. Popps received her B.A. degree from Mount St. Mary's College and has done graduate work at Marquette and George Washington University, where she received a master's degree in urban learning. She is currently completing work on her doctoral degree in sociology.

Active in community affairs, Mrs. Popps sits on the George Washington University Women's Board Association and is a member of the National Federation of Homemakers. She is also a member of Sts. Constantine and Helen Greek Orthodox Church and is active in various church community activities.

Mrs. Popps' article follows:

INDEPENDENCE OF GREECE

(By Georgia Voulgares Popps)

Greek independence day was observed this March 25 in all parts of the world where Greeks live. Dinners, dances, teas, lectures are given in commemoration of this historical event the world over. In Washington and Maryland the celebration began with morning services at both of the Greek Orthodox churches. Guest speakers are invited to celebrate the anniversary of Greek independence.

"We are all Greeks," says Shelley. "Our laws, our literature, our religion, our art, have their roots in Greece." Philhellenic sentiments the world over should arouse the interest in possessing the knowledge of the event of Greek independence, on March 25.

If it had not been for Greece, what inheritance would civilization today have been granted from the past? From Assyrians and Babylonians, from Egyptians, Carthaginians, and Romans, what has Europe received which she could compare with the heritage she has from Grecians? If Myron, Pheidias, and Praxiteles had not clothed stone and bronze with the strength and beauty of the wrestler and the huntress: If the majesty and grace of Doric and Ionian architecture had never inspired the builders of the temples of Zeus and Apollo: If Aeschylus and Sophocles had never imagined their tremendous tragedies, nor Homer's voice reechoed "the surge and thunder of the Odyssey" nor Plato schemed the making of a republic based on a philosophy of higher thought than any but the Christian Gospel, what would remain of the architecture, poetry, and art of later ages? The fabric would be baseless, the art, and the philosophy would be almost without a reasoned beginning.

The Greeks were able, as freemen of an empire of leisure and liberty, to work in the light of great imagined ideals, rather than under the pressure of need and competition, that they have given to duller ages an altruistic heritage: And it was in the blessed hour of that sacred freedom that they argued out their philosophy of life, so that in the words of an English poet whose lips have been touched by the coal from their altars says:

> "Every thought of all their thinking
> Swayed the world for good or ill,
> Every pulse of all their life-blood
> Beats across the ages still."

But the influence of Greece mankind has been brought to a clearer and better comprehension of its obligations. Her ideas of philosophy and law followed the conquering Romans, led to the civilization of the barbarians of Northern and Western Europe, and had no small part firmly establishing a pure religion. Artists and scientists, poets and orators, philosophers and statesmen have never ceased to turn to Greece for help and inspiration. The names of Lycurgus and Solon, Plato and Aristotle, Homer and Pindar, Phidias and Praxiteles, Demosthenes and Aeschines will live as long as men pay tribute and homage to the altars of learning and culture and civilization. This imperishable legacy she left to mankind.

It is my purpose here to make known to readers not only the valiant and superhuman sacrifices of my Hellenic forefathers for the liberation of Greece but also the noble and philanthropic and philhellenic sentiments of the American people in the interest of Greek freedom.

The fall of Constantinople began in 1453. Constantine Paleologus, the last emperor of Greece, was massacred during the siege, and whole of Hellas was captured. Churches were ransacked and destroyed, schools were closed, and Greece appeared to exist no more. The civilized world seemed to have forgotten that the descendants of the men of Marathon and Thermopylae still inhabited the Peloponnesus and lived upon the shores of the Aegean Sea. During the four centuries of captivity Greece had been a terra incognita to the rest of Europe.

Rarely had the foot of the traveler ventured to walk the soil which Socrates once trod, to tread their way among the grand columns of Olympian Zeus and along the nostalgic shores of the Ilissus or to wander amid the ruins which centuries ago, had heard the clink of Praxiteles' chisel. Beneath the cruel hand of time, and the rude hand of violence which enshrouded poor Hellas, poets ceased to sing, artists ceased to paint and carve, for it was the hour of dark slumber. Yet notwithstanding these destructive forces, the Greek people survived. Ultimately in the year of 1815 a friendly society was founded known as "Philike Hetairia." It was a revolutionary organization with centers at Moscow, Bucharest, and Trieste, it collected arms and funds and made preparations for the coming insurrection. Alexander Ypsilanti was the leader of the society, whose aim was to free Greece.

In the year 1821, on the 25th day of March, Archbishop Germanos, of Patras, raised the standards of revolt at the monastery of Aghia Lavra, and before God and man the Greeks took an oath for "Liberty or Death." The nations of Christendom heard with surprise the revolt of a nation of less than 1,000,000 people against a Moslem nation of over 25,000,000.

The revolution was begun by the Greeks without definite plans and without any generally recognized leadership. The force with which Germanos marched from Kalavrytu was composed of peasants armed with scythes, clubs, and slings.

The first outstanding patriots who is considered as the first martyr to the cause of Greek freedom was Rigas Fereos, who while dying exclaimed: "I have sown the seed, and the time will come when my countrymen will reap its sweet fruits." Other prominent men were Admantios Koraes, Mavromichalis Kolokotrones, and Mavrocordatos.

A more barbaric and inhuman ruler than "Ali" has never been recorded in history; he was known as the Nero of Epirus. Only a little republic of Suli, situated amidst the mountains of Epirus, did not bow to the rule of the tyrant. Ali considered this a personal insult and could not tolerate this independent Greek state of the Sulioas amidst his great satrapy. All made several attacks on the Sulioats, and finally, worn down by war and famine and strictly blockaded, they were led to the necessity of accepting terms of capitulation which Ali never meant to fulfill. A party of about 200 women and children, being cut off from the rest, fled to a steep precipice near the monastery of Zalongo. Rather than yield to ignominy and be defied by their captors, the women entered into a solemn compact dance what might be called the "death dance." They first hurled their children over the rocks and then the matrons, joining hand in hand and raising their minds to the highest pitch of enthusiasm by native song, whirled round and round till they approached the edge of the cliff, from which they one and all threw themselves headlong to the field of honor below.

Many heroic deeds such as the foregoing are recorded in the annals of history. However, the most remarkable example is the contribution of a pure, genuine, philanthropic, altruistic devotion of the American people to the Hellenes. On May 25, 1821, a spirited appeal of the Greek Assembly at Messenia, addressed to the people of the United States under the signature of that valiant Maniate chief, Petros Mavromichalis, created a tremendous impression throughout America. The appeal was sent to Adamantios Koraes at Paris, who transmitted it to the famous American sympathizer with the Greek cause, Prof. Edward Everett, who in turn released it to the press of the United States. Later Mr. Everett published the call of Greece in the North American Review, together with a patriotic letter from the famous Koraes.

The immense philhellenic sentiment on the part of the American people aroused similar attention to the Government of the United States, and in 1822 President James Monroe displayed his genuine interest in his famous declaration. Negotiations followed between the provisional government of Greece and the United States, among whom Mr. Andreas Louriottis, envoy of the provisional government of Greece in England, Alexander Mavrocordatos, Secretary of State of Greece, Hon. John Quincy Adams, at that time Secretary of State, are to be remembered.

The Presidential declaration on one hand, the great interest of the American press on the other, and generally the overwhelming public sentiment in favor of the Greek cause, gave rise to a general constitutional discussion as to the propriety, or not, of giving recognition to the Hellenic Government.

Introduction of the Hellenic question for consideration by the Congress of the United States is largely credited to that brilliant orator and eminent lover of Greece, Daniel Webster, of Massachusetts. Webster's resolution was not taken up for debate until the end of January 1824, but in the meanwhile numerous appeals and petitions to the Congressmen at Washington from their constituents throughout the Nation besought action in behalf of the Greeks.

In support of Webster's resolution we find some of the greatest intellects of Congress, such as Poinsett, of South Carolina; Cook, of Illinois; H. W. Dwight and F. Baylies, of Massachusetts; P. Farrelly, of Pennsylvania, and Henry Clay, of Kentucky.

Unfortunately, the kind sentiments of Webster, Clay, and other Greek sympathizers in Congress could not prevail, for it was generally felt that passage of the resolution would involve either war or serious international difficulties. A motion was presented on January 26, 1824, by Congressman Rich, of Vermont, to the effect that no formal vote to be taken on the resolution, and that the same be referred indefinitely for consideration at some future date when conditions had changed.

The thrilling operations of Webster and Clay in support of the resolution resounded throughout the entire Nation and citizens committees were everywhere formed for the raising of funds and supplies for the destitute people of Greece.

The American sympathizers with Greece extended their benevolent assistance by adopting and educating various Greek orphans who had been salvaged and sent to the United States by various American missionaries.

Of those it is interesting to note here, Col. J. P. Miller, of Vermont, adopted a young boy later known as Col. Loukas Miller. This boy had been born in Livadia in 1824, and was the son of a Greek chieftain who died in battle and who was a good friend of Colonel Miller. The boy received a liberal education, served in the American Army, took part in the Mexican war, and later, in 1853, was elected Congressman from the State of Wisconsin.

American Philihellenes in Greece who deserve honorable mention for their services are Lt. Gen. George Jarvis, Col. J. P. Miller, Dr. Samuel Howe, Henry A. V. Post, John R. Stuyvesant, Erswick Evans, William G. Washington, relative of George Washington, and many others.

Through the various aids to a revolution which lasted 12 years, Greece received her independence in 1833. Prince Otho of Bavaria had been selected by the powers as King of Greece.

Years passed into centuries and again Greece was confronted with the same cause. Liberty was again her theme in the Second World War—liberty from her oppressors—from dictators and tyrants—namely, the Germans and the Italians.

Once again this little valiant nation fought for 6 long months in the beginning of World War II—and gave America the precious time for preparedness—bringing about the turning point of the war.

Thus did old Hellas rise from the grave of nations scorched by fire, riddled by shot and baptized by blood. Greece emerged victorious from the conflict and after years of inhuman torture the Shores of the Aegean again breathed the sainted air of freedom.

FOR THE CHILD'S SAKE

HON. WILLIAM H. HUDNUT III

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 11, 1974

Mr. HUDNUT. Mr. Speaker, Carl Sandburg, I believe it was, once remarked that the birth of a child is God's hope that the world go on. Certainly the birth of every child ought to be a positive experience full of joy and anticipation as an unfolding life full of creative possibilities and high accomplishments, is contemplated. But regretably, many children are not brought into this world in that kind of an atmosphere, for they are born into disadvantaged circumstances where all too often, poverty, ignorance and disease, and economic, educational, and psychological deprivation, are their unfortunate lot.

For example, in 1972, there were almost 25 million Americans living at the poverty level, and about 40 percent of them were children. In 1973, there were some 19,145,000 children under 6 years of age and nearly 30 percent of them had mothers in America's labor force; and of the 2,149,000 family situations in which the mother was the head of the family, almost 40 percent of the mothers were working mothers. It also is estimated that in March of 1973 there were 20.5 million children under the age of 18 whose fathers and mothers were both working. From these statistics it can quickly be deduced that there are many children in America who, in their very formative years, do not enjoy the stable family situations that is conducive to getting a good start in life.

This is where the day care programs enter in. According to the most recent data available from the Department of Health, Education, and Welfare, March 1971, licensed or approved day care centers in the United States had a capacity for 719,232 children, while licensed or approved family day care homes had a capacity of 192,469. Certainly the number has grown substantially since then, although more recent data is not available. In addition, we know that large numbers of children are being cared for in facilities that are not licensed or approved. Census data also show that in October 1973, 1,692,000 children, aged 3 and 4—or 24 percent of this age group—were attending schools that offered some type of formal instruction, although there is no way of knowing how much duplication there is in this school and day care statistic.

The Federal Government has not been insensitive to its responsibility to help these children, and through project Headstart and title IV, parts A and B of the Social Security Act, Federal funds are authorized to underwrite some of the expenses in establishing and maintaining day care services for America's children.

Operation Headstart, authorized under title II–B of the Economic Opportunity Act is a comprehensive preschool program designed to foster the intellectual, social, emotional, and physical development of economically disadvantaged preschool children and their families. The program provides activities and experiences for preschool children designed to help them better develop their image potential. It is estimated that in fiscal 1973 some 379,000 children were enrolled in the Headstart programs across the country and that the Federal Government's Headstart budget was some $407.8 million.

Under title IV, part A, of the Social Security Act, the Federal Government is authorized to match State expenditures for day care services which may be provided by the State as a social service to families who are receiving aid to families with dependent children payment; and funds are also authorized under title IV, part A, for child care services for children affected by the referral of mothers to work-incentive programs. Under title IV–B, of the Social Security Act, grants are made to State public welfare agencies for child welfare services which may include, but are not limited to, day care services. To qualify for a Federal grant, a State must have an approved child welfare service plan developed jointly by the State agency and HEW; and priority in determining need for day care is to be given to members of low income or other groups in the population, and to geographical areas that have the greatest relative need for extension of such day care. Each State is allotted $70,000 and the remainder of the appropriation is allotted on a variable matching formula basis.

Now, Mr. Speaker, the point of mentioning all this is by way of background for the description I would like to share with my distinguished colleagues in the Congress of one child care program where I think a good job is being done, the taxpayer's money is being well spent, and some children from disadvantaged backgrounds are being given a very positive opportunity to turn potentially negative patterns of development into constructive channels. I am referring to the Center for Child Care, Inc., located at 2909 East 11th Street in Indianapolis. Its director is Mrs. Suellen Boner, and I visited with her and her staff and the children last Friday morning, April 5, 1974. It was a rewarding and heartwarming visit for me, and I came away with the conviction that in this instance, and undoubtedly in many, many others that could be cited, a very good job is being done at building into young minds and hearts, the kind of positive self image that will help bring Carl Sandburg's dream to fuller realization.

The center has been open for 1 year, and its object has been to provide high quality day care for the children of working parents on Indianapolis' near-east side, utilizing the Montessori method of education for preschool children. The staff of teachers completed 5 weeks of intensive training in the Montessori methodology which seemed appropriate to the urban life style of the community in which the center is located. This expansive, spontaneous, educational system is aimed at tapping a child's natural motivation by providing disciplined preparation, practice, imitation, and repetition involving a variety of interesting materials—a method proven effective time and again. When the contract was let to use and remodel facilities at the Centenary Christian Church of Indianapolis, in January 1973, the total cost for the remodeling was $35,000, which was made available through the Marion County Coordinated Child Care Committee and the Community Services Program of the city of Indianapolis. The work made licensing by the State a possibility, and when it became a reality, this in turn made the center eligible to participate in the State's title IV–A, program, which meant that families with low income could be assisted in paying for the services. Nine children showed up for the first week's operation in March of 1973, and in March 1974, the enrollment had grown to its licensed capacity of 46. Twenty-one of the children are enrolled under the title IV–A, program; the other 25 pay the full $25 regular fee or less on a sliding scale. Over half of the operating funds come from fees paid by the parents, and one of the main concerns of the staff is that they do not have enough operating capital. They hope that some more money will become available either from public or private sources so that this program can be augmented. Their appeal to me was, "Do not let us die!"

Mr. Speaker, we do not want to let this program die, or others like it. It is trying to give disadvantaged children something to hang on to by building into their little minds and hearts a desire to learn and work and live constructively. It is much more than just a day care babysitting service. It tries to shore up disintegrating family structures.

It works with parents to help them see the good future that can be in store for their children. It tries to overcome the frustrations and emotional abuses that many of these children suffer. I saw one little girl there who was so bottled up with tension and frustration that she persistently tore all her hair out; I was told about another child in the group, a 3-year-old, who is regularly taken by his mother when she buys a "fix" in the neighborhod and goes home and puts a needle in her arm. This program is seeking to apply preventive medicine so that negative patterns can be prevented from developing. By early intervention, many problems that interlock in a child's emotional and psychological development can be worked on and solved before they become so serious as to lead to juvenile delinquency and destructive adult patterns of behavior.

Mr. Speaker, I think that Mrs. Boner, the staff that works with her and the board of directors of the center, deserve commendation for the good job that they are doing. It is fashionable in some quarters to criticize the amount of Federal money that is being wasted in community service programs throughout the country; and without blinking the fact that undoubtedly there is some waste in some places, we must realize that there are many many instances of a good job being done today in order to save tomorrow. The Center for Child Care in Indianapolis is one such instance. Let us never let it die—and others like it—for the child's sake—and for society's.

A TRIBUTE TO THE READING BUCCANEERS

HON. GUS YATRON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 11, 1974

Mr. YATRON. Mr. Speaker, on the occasion of their annual concert, I would like to extend my warmest congratulations to the Reading Buccaneers for their many outstanding accomplishments.

Every year, from June to September, this world-renowned drum and bugle corps performs throughout the Mid-Atlantic region. The concert season is preceded by months of arduous practice. And, during the season itself, the members devote at least 18 hours per week to their music. One of the most distinctive attributes of the group is its ability to adapt to changing modes of music and marching. All of this practice and versatility is manifested in the fine concerts offered by the Buccaneers. Since their beginning, the group has been considered to be one of the top five drum and bugle corps in the world.

The number of honors earned by the Buccaneers is ample evidence of their excellence. Among these are: The Veterans of Foreign Wars' national champion for 1960, 1961, and 1962; the Pennsylvania State champion from 1960 through 1966 and the Canadian international champion in 1967 and 1968.

The Buccaneers received deserved tribute to their excellence when they were selected for membership in the Drum Corps Association, one of only 12 class A groups thus honored. Within the association, they are credited with performing the most varied and difficult musical compositions. In 1965 and 1968 this group was named the Drum Corps Association world champion, the highest recognition which a drum and bugle corps can receive.

The Buccaneers are certainly effective good will ambassadors not only for the city of Reading, but also for the Commonwealth of Pennsylvania and the entire United States as well. They have brought much honor and enjoyment to their home community and to many areas across the country. I am happy to have this opportunity to commend the Buccaneers for their dedication, congratulate them on their achievements and extend my very best wishes for their continued success.

1974 LOUISIANA YOUTH SEMINAR

HON. JOHN B. BREAUX

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 11, 1974

Mr. BREAUX. Mr. Speaker, this past summer, I was pleased to be present and speak before the Louisiana high school delegates participating in the 1973 Louisiana Youth Seminar. This statewide program, which promotes training in leadership, programing, and interpersonal communication techniques has, in the short period of 3 years, become one of the most successful programs of its type to be offered in the State.

I am extremely pleased to announce that this year's fourth annual Louisiana Youth Seminar will be held for the first time at the University of Southwestern Louisiana in Lafayette, La., which is located in my district. The move to USL brings with it the past record of an excellent educational institution which continually strives to bring to Louisiana students the finest in educational experiences.

The Louisiana Youth Seminar was founded 4 years ago in an attempt to offer Louisiana high school students a general forum for education in leadership skills. The weeklong seminars have been highly successful in developing these abilities in students by providing a spirited, thought-provoking, and stimulating experience. The hundreds of past delegates who have attended the seminars expressed that the program represents a common ground for discussing pertinent events and activities which involve all student leaders.

I look forward to participating in the fourth annual Louisiana Youth Seminar and witnessing the remarkable accomplishments of the student participants. I highly commend this program to anyone interested in leadership training and personal development, along with the University of Southwestern Louisiana for its sponsorship of this worthy event.

PAUL O'DWYER SHAKES UP THE NEW YORK CITY COUNCIL

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 11, 1974

Mr. RANGEL. Mr. Speaker, Paul O'Dwyer has been president of the New York City Council since January and already many of the anachronisms which prevented the city council from acting effectively have been removed. Major reforms in such areas as proxy voting restrictions and opening up council committee hearings are moving toward making the council a more democratic body.

The guiding force leading the city council into the 20th century is Paul O'Dwyer. Paul, a constituent of mine, has long been in the forefront of the fight for human rights both in the United States and abroad. From the American civil rights movement to the Israeli war of independence and on to the struggle for the rights of Catholics in Northern Ireland, Paul has made his mark. His creativity and energy are now making their mark on the structure of city government in New York.

It is a privilege for me to share the following article on Paul O'Dwyer with my colleagues:

COUNCIL PRESIDENCY GETTING NEW LOOK UNDER O'DWYER

(By Lucinda Franks)

It was his second day as City Council President and Paul O'Dwyer hadn't even hooked up the phones in his office. A distraught delegation of Rheingold Brewery workers was on the doorstep with something else in mind for him. They would all lose their jobs, they said, unless he came to their aid.

That day Mr. O'Dwyer began a nine-week campaign to save the livelihoods of the 1,500 workers at the Brooklyn brewery, which Pepsico Inc. had said it could not afford to keep open. He alerted the mayor's office, acted as a catalyst for discussions between all sides in the negotiations, and did not stop until a buyer was finally found. After it was all over, Paul O'Dwyer still had not gotten proper telephones.

That same week in March, Mr. O'Dwyer was installed as grand marshal of the St. Patrick's Day Parade. Two weeks before the parade he mounted the podium at his installation ceremonies, drew up his grandfatherly frame, tossed back his plume of white hair, and did what a New York Irishman seldom does while celebrating the shamrock.

He recited no sweet remembrances of the old country, no brave tales of days gone by. Instead he talked of the discrimination he suffered in New York as a young immigrant boy fresh from Ireland, and he paid tribute to the Price sisters, two young members of the Provisional wing of the Irish Republican Army in Northern Ireland who were convicted of bombing cars in London and sentenced to life plus twenty years in an English prison.

SNUBS BRITISH LINER

Two weeks later, when Mayor Beame celebrated his birthday aboard the British liner Queen Elizabeth 2, Paul O'Dwyer was absent. He had quietly announced the day before that in view of what he called the "arrogant tyranny of the British courts" and their "legal lynchings" of Irishmen, he would, as a gesture of protest, refuse to attend the party.

All three incidents were typical of Paul O'Dwyer. None were typical of a City Council President. Traditionally, it is a powerless and ceremonial job, primarily a stepping stone to higher office, whose functions are pretty much limited to opening and closing council meetings. A lot of people think that in Paul O'Dwyer, a modern-day Don Quixote has penetrated the sedate rather musty reaches of Abe Beame's City Hall.

Paul O'Dwyer's staff reveals much about him. Not unlike a slice from a world's fair, it is a bustling hive, roughly 50 per cent women and 50 per cent men. There are six Irish, four Jews, four Puerto Ricans, four blacks, one Chinese, one Scandinavian, two Italians, and one white Anglo-Saxon Protestant. Most of them are under thirty.

"I suppose I'm looked upon as somewhat of a foreign object here," said Mr. O'Dwyer the other day, knitting his bushy salt-and-pepper brows and crinkling his thin Dublin mouth into an amused expression. He spoke sofetly with a shy, barely detectable brogue. "But I'm not about to retire from the battle now. I want to expose the injustices, to bring all the little people together."

Mr. O'Dwyer and Mayor Beame, who campaigned together on the same Democratic ticket, share a distant although cordial and courteous relationship. No differences have yet arisen between them, but Mr. O'Dwyer is clearly establishing an independent stance, moving on his own initiative on such matters as the Rheingold brewery.

In Board of Estimate meetings, for instance, where he has the same number of votes as the Mayor, Mr. O'Dwyer has begun an independent campaign to force New York hospitals to use funds allocated by the city under the Federal "Ghetto Medicine Act" exclusively for ghetto medicine rather than for general operating costs.

Mr. O'Dwyer has long been a champion of minorities of all stripes—it is said that he can always be counted on to love a loser. As a New York lawyer he defended blacks and Puerto Ricans without fee back in the nineteen-forties when it was not yet fashionable to do so an he has consistently supported the Jewish struggle in Israel.

In 1972, he was one of the defense lawyers for the Rev. Phillip F. Berrigan and five others who were acquitted of charges of plotting to kidnap Henry A. Kissinger. He came off that case and right onto another controversial legal struggle involving civil rights—the case of the Fort Worth Five.

The five, Irish sympathizers, and residents of New York, were transported to testify before a Federal grand jury in Fort Worth, Tex., and jailed when they refused to answer questions about alleged smuggling of weapons from North Texas to the Irish Republican Army in Northern Ireland.

Mr. O'Dwyer, who said the five were victims of a "witchhunt," rallied congressmen to protest the jailing as unconstitutional, and took the case up to the Supreme Court. The men were finally released after a total of nine months in prison.

"Now that I'm here, I want to use my official capacity to continue this kind of work," said Mr. O'Dwyer, a mess of papers lying in no discernible arrangement over his giant-size desk. "The Establishment gives in very hard. You have to show the people how they have gotten a dirty deal so they push until something is done for them."

People say they always know where Paul O'Dwyer stands. At times, however, the strength of his stands have led him precariously close to the other side of the law. He has conceded, for example, to acting as a stakeholder for arms smuggled to the Irgun Zvai Leumi, the underground group that fought the Bristish in Palestine before Israel became a state.

"Thank God the statute of limitations has run out on that one," says an aide.

Mr. O'Dwyer has been linked by rumors in Ireland with gun-running to the I.R.A. operating in the North—rumors which he denies.

Public records in Dublin show that the Irish Institute, which Mr. O'Dwyer founded here in the nineteen-fifties, contributed $12,000 to an Irish government fund which was supposedly to be used only for relief of distress in Northern Ireland, but which an Irish parliamentary report in 1972 indicated went, in part, to buy guns for the I.R.A. It was this report that eventually led to the Dublin Arms Trial in which two former Irish cabinet ministers were tried for—and acquitted of—gun-running to the North.

According to the parliamentary report, a check from the Irish Institute was put into an Irish bank account under three fictitious names rather than into an account for relief of Northern Irish distress.

Mr. O'Dwyer denies that the check was put to ill-use. "I was aware of the contribution and I feel morally certain that it did not go for any other purpose than for what it was intended—relief and shelter for the refugees in the North," he said.

RETREATS TO FARMHOUSE

Mr. O'Dwyer is now chairman of the board of trustees of the Irish Institute, which he says exists primarily to promote the arts in Ireland and in the Irish community here. Mr. O'Dwyer was born in 1907 in a farm in County Mayo and even today after almost half a century on these shores, his heart is pure Irish. On weekends he retreats to an Irish-style stone farmhouse in Montgomery, N.Y. complete with ponies from Connamara, after working sometimes 16 hours a day during the week. ("We always close up City Hall," says an aide). In his office is an Irish harp, a County Mayo shield, and a cross made by prisoners in Long Kesh internment camp in Northern Ireland.

His Irish connections—as well as his multifarious links with labor and minority groups—have helped Paul O'Dwyer slowly extend his domain beyond his City Council quarters during his first few months in office.

The union at the Rheingold brewery that approached him was heavily Irish and during the recent transit negotations, the Transit Worker's Union, whose leadership is Irish, had planned to ask for Mr. O'Dwyer's help had there been a last-minute deadlock before the strike deadline.

The former labor lawyer also regularly gets telephone calls from the ironworkers, the longshoremen, and others who want help in various dealings. There is speculation that Mr. O'Dwyer has higher goals in mind and is building bridges for a bid for mayor in 1977.

Paul O'Dwyer has endured more defeats than victories; having made numerous bids for office, he has won only one other election, that for councilman at large from Manhattan in 1963. His friends like to think it is because he has paid more attention to the little fellow in need than to the rules of the political game.

For instance, although he has always been a friend to Irish-Americans—his law firm, O'Dwyer and Bernstein, has always been full of red-haired young lads in need of legal aid—most of them have never been very pleased with him. In fact, they have consistently refused to vote for him, have called him a Communist for his championing of minorities, and they have even booed him in Gaelic Park.

POSITION IS ASSAILED

His election as City Council President was the first time the city's 12 per cent Irish vote has gone over almost entirely to his side. His aides attribute this to his well-publicized defense of the Fort Worth Five, and his gesture of support for Northern Ireland. They speculate also that the Watergate scandal has pushed everyone—including the conservative Irish-American—slightly to the left.

"Suddenly people were realizing that the Irish could be black also, that they could be treated badly as in the case of the Fort Worth Five," and Mr. O'Dwyer's first assistant, Linda Fischer. "They found a voice in Paul O'Dwyer."

Since the troubles in Northern Ireland began, Mr. O'Dwyer has been an active Irish Republican supporter. He started a group called American Committee for Ulster Justice, which includes such Irish-American names as Jimmy Breslin, Helen Hayes, and Carroll O'Connor, to publicize the plight of the Catholics in the North. He also led a nationwide boycott of British goods in 1972 to protest Bloody Sunday, when 13 Catholics were killed by British troops during a civil-rights demonstration in Londonderry.

Nevertheless, Mr. O'Dwyer's protest activities have been criticized as "tokenism" by at least one Irish group—The National Association for Irish Freedom, which supports the civil-rights struggle for both Protestants and Catholics in Northern Ireland.

"He's like a Jekyll and Hyde. He's liberal as far as American civil rights go, but a conservative Irishman," said the group's chairman, Thomes Naughton. "He talks out of both sides of his mouth."

Mr. Naughton cites Mr. O'Dwyer's actions after the American Committee For Ulster Justice and eight other Irish organizations had put out a statement in early 1973 condemning Irish Prime Minister Jack Lynch for cracking down on the I.R.A. in Dublin.

The statement urged that all Irishmen should boycott Irish government agencies in the United States, such as Irish Airlines and the Irish Tourist Board.

Two months after the statement, executives of the Irish Airlines and the Irish Tourist Board pinned shamrocks on Mr. O'Dwyer at a St. Patrick's Day party in an Upper East Side bar. And a few months after that Mr. O'Dwyer had newspaper photographs taken with them at different occasions.

Mr. O'Dwyer answers these criticisms with a sigh. "I am an elected public official now," he said. "I walk a tightrope in some respects. I can't afford to lose my effectiveness by going too far, and besides I have a whole city to think about—not just the Irish."

NEEDY NEW YORK

HON. ROBERT P. HANRAHAN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 11, 1974

Mr. HANRAHAN. Mr. Speaker, my colleagues are probably familiar with the many New York lobbyists who are currently on the Hill trying to get Congress to approve mass transit operating subsidies. This money would be for a pay increase for the New York subway car cleaners. I believe my colleagues will find this article which appeared in the April 4 Wall Street Journal most informative:

[From the Wall Street Journal, Apr. 4, 1974]

NEEDY NEW YORK

New York City, which soon will be paying subway car cleaners $11,472 a year or $1,600 more than Ohio paid school teachers on average last year, quite naturally has a transit crisis on its hands.

It can't really afford to pay the car cleaners and other transit workers the princely sums called for under a new wage contract just signed. And yet New York City politicians have promised the town's citizens that they will fight tooth and nail to keep from raising the 35-cent transit fare to a 50-cent level that might provide greater solvency.

The fighting, very predictably, is being done in Washington, where New York lobbyists are trying to get mass transit operating subsidies approved by Congress. The lobbyists don't want the subsidies allotted on the basis of New York's share of total national population, which is only 4%. They want them allotted on the basis of New York's share of total transit ridership, which is 35%.

In other words, tax money paid by those Ohio school teachers would go to help pay the salaries of the New York subway car cleaners and to save New Yorkers from paying higher transit fares. The Ohio school teachers and all the other folks in the nation's hinterland might well wonder if that is fair.

Which should suggest a reason why operating subsidies are a bad idea. They may seem fine for the people getting the free ride but they seem less so for those who have to pay the fare.

VERRAZANO DAY, APRIL 17, 1974

HON. JOHN J. ROONEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 11, 1974

Mr. ROONEY of New York. Mr. Speaker, the time has come once more for us to pause and pay homage to Giovanni da Verrazano. Once again we find ourselves reflecting upon the significant deeds of this gallant and intrepid Florentine navigator. This we do because the name Verrazano commands both gratitude and respect from a Nation whose people are forever indebted to the youthful Italian, who, sailing under the French flag, discovered New York Harbor and Narragansett Bay. His charting of most of our eastern shores from the Carolinas to Newfoundland was essential to the subsequent visits of ships from a score of countries.

Today marks the birth of this eminent voyager who dared to explore the wild and unknown waterways of the new world. Today we happily join with the thousands of Americans of Italian birth or lineage to pay just tribute to a man whose valor and courage commanded our love and veneration.

For those of us who live in Brooklyn the name Verrazano has a particularly deep meaning not only for Italo-Americans, but for all of us who are reminded of this great man whenever we cross the Verrazano Bridge which spans the Narrows between Staten Island and Brooklyn.

All Americans will recall with sadness and deep regret the tragic demise of Giovanni da Verrazano. Unfortunate it was indeed that our Latin American friends were deprived of the same type of exploration and navigational recording which Verrazano afforded us. Had not this illustrious navigator met his death at the hands of cannibals, the Southern Hemisphere might have benefited from charts and maps comparable to those made for this country.

Mr. Speaker, I hope that all of us will never forget Verrazano's contributions to the development of our country. May we never lose sight of an opportunity to praise his name and glorify his achievements. We commend our several fine Italo-American organizations for their dedicated efforts to achieve this goal.

SALUTE TO ELI L. ROUSSO

HON. HUGH L. CAREY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 11, 1974

Mr. CAREY of New York. Mr. Speaker, at a time when our newspapers are filled with stories of high Government officials who have belied the public trust and who have tried to destroy the values upon which this Nation was founded, it is too easy to believe that good men and good leaders are no longer working for the public good.

We know, however, that there still are many fine men who are enriching the lives of those around them—and one of them is Mr. Eli L. Rousso of Brooklyn.

Mr. Rousso, president of the Sephardic Home for the Aged and a founder and office holder in many other philanthropic organizations, has played a vital role in the success of many important community activities.

I, therefore, would like to include in the RECORD the two-part profile and interview with Eli Rousso that appeared in the Sephardic Home News on its silver anniversary, for I believe that Eli Rousso is the type of man that the author Cervantes was describing when he said: "Great persons are able to do great kindnesses."

The profile follows:

PROFILE AND INTERVIEW WITH ELI ROUSSO

Almost three and a half years have passed since it became known that Eli L. Rousso was to be the next President of our Home. At that point in time, we all knew that he had been Chairman of our Annual Dinner-Dances for the previous four years; we knew that he was the President of a large corporation and that he was involved in many educational, social, religious and general philanthropic enterprises, such as the Albert Einsten College of Medicine, U.J.A., Federation, Israel Bonds and B'nai B'rith.

We also knew that he is the *Bohor* (oldest son) in a family whose name is synonymous with involvement in a great variety of philanthropic enterprises. His credentials on leadership, business success and social responsibility were all that one could possibly hope for, and when on June 14, 1970, over one thousand Sephardim and their friends saw Eli installed as the seventh President of our Home, we had every expectation that his administration would be characterized by forward planning in every area of importance to our Home.

We were also certain that, above and beyond all the problems he would face as President, he would address himself with the greatest energy to the many questions that were still to be resolved before the construction of our Barkey Wing could begin. Eli devoted the better part of his first administration to finding the answers for the many preliminary but very troublesome questions, such as deciding what kind of a building we should build and how we were to finance its construction. That these two categories of vexing matters were finally cleared away by May 11, 1972, and construction started is a tribute to the man and his intense resolve that nothing, but nothing, shall delay the completion of the Barkey Wing even by one hour if it could possibly be prevented.

These then are the credentials of the man and the challenges he faced when he assumed office as President on June 14, 1970. How he came to be the Eli we now know can be best understood by tracing his background which Eli supplied in a recent interview with Rabbi Marans.

On December 5, 1913, one of the settlers to land on these shores was a tall and slim young man at the eager age of 15, looking for work and success but, in particular, seeking to escape the war clouds which were gathering overhead and were soon to engulf all of Europe and which history has come to name as World War I.

Louis Rousso was the name of our new immigrant and he was born in Monastir, Turkey, (now Betol, Yugoslavia) where the future was so foreboding as to cause him to leave behind his parents and family and travel alone to a new world of peace and hope. One year later Louis, the first born, was to learn that his father whom he loved dearly had passed away; so he worked hard, saved as much as he could, and by 1919 he was able to bring his entire family—mother, three brothers and a sister—to join him in this country.

In 1920 Louis married Dora Cohen who was born in Jerusalem, and who was orphaned at a very early age. Dora and Louis toiled hard and long in their now found happiness together, and Dora was glad to seek and find employment so that all of their daily needs would be properly met.

Eli was born November 3, 1920, on Ludlow Street, a typical tenement-lined, pushcart-congested street on the Lower East Side of Manhattan, about which much has been written. His birth was therefore in the very heart of the original "melting pot" where, beginning with the turn of the century, most of the never-ending wave of immigrants had settled when they reached these shores after having fled some threatening situation in the "old country" such as poverty or war or both.

Five years later his brother Irving was born and he too followed in the footsteps of the family tradition—actively participating in the life of the Sephardic community. Irving has his own first-class credentials testifying to his sense of religious, social and philanthropic involvement. He is the Founding President of the Sephardic Temple at Cedarhurst and is a long time benefactor of our Home. His wife Lillie is past President of the Sisterhood of the Temple and is also a member of our Ladies Auxiliary and a warm friend of our own Home. Eli also has a charming sister, Diana, who has served as chairlady for several important fund-raising functions for our Ladies Auxiliary (LASHA); David Fins, her husband, has been a dedicated supporter of our Home for many years and he can always be counted on to do everything possible in the interest of our Home.

This then is the family which nurtured his childhood dreams and aspirations and from which Eli received his sense of moral values, his understanding of his family traditions, and his respect for his Sephardic heritage.

Eli spent a good deal of his early childhood in the Lower East Side of New York where he attended public school and the only Sephardic Talmud Torah, then located on Eldridge Street. When Eli was about 12, the Rousso family moved to Sheffield Avenue in "New Lots" Brooklyn, which was then the "suburb" of the Lower East Side and was developing into a substantial Sephardic community. There he continued his schooling and graduated in 1934.

Here too he went to the Talmud Torah on Malta Street and later he transferred to the Talmud Torah opened by the Monastirlis congregation. He was the first boy to be Bar Mitzvahed at the Williams Avenue Synagogue where the Ahavat Shalom Monastir congregation worshiped. As everybody recalls with some nostalgia, and even envy, Bar Mitzvah ceremonies in those days were more modest and oriented more toward the spiritual significance for the boy and his family than the Bar Mitzvah extravaganzas that we are more likely to attend these days.

The cultural and spiritual climate which nourished the adolescent Eli was one rich in the traditions and customs of the Sephardic people whose heritage could be traced to the pre-Spanish Inquisition days, and from whom came forth unparalleled achievements in every avenue of intellectual progress. One needs to mention only the names Maimonides and HaLevy as an example of the greatness of their scholars.

The social life of the times was such as to bring the Sephardic people together in all sorts of functions such as weddings, Bar Mitzvahs, and parties in general. This togetherness resulted in the predominant marriages being between Sephardic boys and Sephardic girls. And so it was with Eli Rousso and Julia Saporta whom Eli knew for many years, even before he really met her. Julia was a friend of his cousin, Pauline Cohen, and every so often Pauline and Julia would visit the Rousso household. So the romance simmered along until Eli learned that Julia was spending her vacation at Tamarack Lodge. Accompanied by his friend, Ben (Flash) Elias, who advised him that "Julia was the girl for him," Eli went to Tamarack Lodge where he had the first opportunity to spend a few days with Julia. The romance blossomed to the point where Eli and Julia were dating steadily, and so on November 15, 1941, they were married.

PART II

"As unto the bow the cord is,
So unto the man is woman,
Though she bends him, she obeys him,
Though she draws him, yet she follows,
Useless each without the other"

So sang the poet Longfellow and so were the attributes that drew Julia and Eli together in the state of matrimony.

Julia Saporta came from a family that was well-known and greatly respected by the Sephardic community. Rachel and Abraham Saporta had earned the love and respect of all who knew them. They were kind and responsive neighbors and their lives were guided by their devotion to the traditions and religion of their forefathers. There were six children in the Saporta family. Sam, the (*Bohor*) first born, has been a friend of our Home for some time. Hymie needs no introduction to our readers for he has been Chairman of our Journal campaigns for many years, and is the First Vice President of our Home. Jack, Jean and Barbara are the other members of the Saporta family.

This then is the family from whom Julia learned the basic human values that make for a good life partner and for a continuously viable marriage. Julia has many qualities that endear her to her many friends. She is sincere and courteous, and is a good listener. She has an easy smile and is fun to be with in the company of her friends. She can blend successfully her natural role of a mature wife, mother and grandmother with the spirit of a youthful teenager having an evening of fun. She has an obvious devotion to her own family—her husband, her children and grandchildren. Since the death of her mother, she is looked upon as the 'Mother" of the Saporta family.

And so over the years the lives of Julia and Eli did unfold in a harmony that withstood the turbulent years of war and the years of peace that followed—a matter of no small consequence in a culture where the ravages of time do great violence to togetherness and the bonds of matrimony become ever more brittle with the passage of the years.

Pearl Harbor was the great bugle call that blew across the nation with an irresistible blast, causing the pouring out of millions of our men and women. It took them out of their tranquil daily lives, where nights followed days, and catapulted them into a state of never-ceasing motion, blurring day and night as well as the moral values of right and wrong.

World War II was the great disrupter of countless lives—some only to a slight degree some irrevesibly and forever more; and for others, somewhere in between. Fortunately for Julia and Eli, the war was only a troublesome interlude in their lives, leaving no lasting scars on their bodies or in their memories.

Eli saw service as an enlisted sailor on the U.S.S. Hamul which was assigned to patrol around Iceland, a tour of duty which Eli remembers with a rather sharp recall—that it was C-O-L-D. After this thoroughly chilling experience, and as though feeling sorry for him, the Navy assigned him to warm Bermuda and from there to Washintgon, D.C., where he and Julia remained long enough for Doris to be born.

One day he received his orders which crisply said, "Proceed to . . ."—and proceed he did, for he left Washington for the Pacific and, after many intervening detours, starts and stops, he was finally able to join his own ship, the U.S.S. Hamul, in the Phillippines. From there the Hamul steamed toward Okinawa whose historic invasion was being readied and which shortly thereafter was to be the scene of much bloody fighting and dying.

The war was soon to be ended, and Eli could begin to count the days, as did millions of service men and women the world over, when he would be released and the long journey to the "States" begun. And that day finally did come for Eli, but a funny thing happened on his way to the "States." His ship was struck by a typhoon, a matter which Eli recalls with great pain—"I'll never, never want to live it again." He finally did reach San Francisco and was ultimately discharged from the Navy on November 27, 1945.

Eli returned to the problems of peace which only too often were as formidable as the tasks of war. Finding an apartment presented a very special difficulty as the thousands of returning service men and women were soon to realize. Julia and Eli had to settle for a basement apartment to begin with and, after varying intervals, moved to East Flatbush, then to Woodmere, and finally in 1962 to their present home in Hewlett Harbor.

Finding a job was also a matter that occupied the energies of those returning from war. Eli and his brother Irving, also a sailor returning from the war, combined their resources and talents and on January 2, 1946, formed the Russ Togs Corporation. They were joined by their father a few year later and their business has since prospered exceeding well.

Julia and Eli have been blessed with three talented and devoted children. Doris Taxin, the oldest of the three, has two adorable children, Erica and Eli, at the ages when they are just too lovable—six and five. Louis is a serious-minded young man of twenty-one who has heard that man's future lies many fathoms deep below the oceans of the globe, and he is addressing himself to the subject of Oceanography at the University of Washington in the city of Seattle. Susan is something else again—an easy smile, a fluid and agile stride, she was captain of the Cheerleaders Squad and a member of the Woodmere Academy basketball team.

This is a family on the move, whether at work, at school, at play, or at philanthropy. Eli is on the go with a tight schedule day after day—at work or play—he has a passion for taking long walks, but stopping every so often to hit a little white ball; or attending a meeting for some worthy cause—and these are many indeed: He is a Founder and on the Board of Overseers of Albert Einstein College of Medicine; a Founder of the Hebrew University of Jerusalem and, on October 29th, together with his father, is scheduled to dedicate the Dora & Louis and Julia & Eli Rousso School for Pre-Academic Studies on Mount Scopus, Israel. He was General Chairman and is currently Vice-Chairman of the New York Anti-Defamation League of B'nai B'rith, and active in U.J.A., Federation and Israel Bonds.

Eli first became involved in matters Sephardic when he was President of the United Sephardim of Brooklyn. When the congregation movement to the Woodmere section of Long Island had depleted the Brooklyn membership, the Sephardic Temple at Cedarhurst was started and it is a Temple of rare beauty. Eli is currently Vice President and Chairman of the Admissions Committee.

With his father heavily committed to the progress of our Home, it was inevitable that he should encourage his sons to give a helping hand in this labor of love. And so he did, and in 1962 Eli became Chairman of the Finance Committee. He later became a Vice President and Chairman of the Dinner-Dance Committee, positions he held until 1970 when he ascended to the presidency.

It is clear that Eli has had an extensive experience in the general area of philanthropy and he no doubt has had his sympathies scattered over the entire spectrum of social responsibility. Nevertheless, one has the insight that what turns Eli on most is: the thought that the Home and its services not only extend the life span of our residents, but it clothes their lives with as much happiness as it is possible to achieve; the completion of the long delayed Barkey Wing; his intense desire to bring young Sephardic men and women into positions of leadership in our Home because, as he says, both the young and the old will be the better off for it; the filial satisfaction that, by their own example, his parents have given him a fuller life by teaching him to share his blessings with others.

For Eli, giving as he does with a full heart, the rewards for his good deeds can be as simple as they are full of satisfaction.

GEORGE WASHINGTON HONOR MEDAL

HON. MARVIN L. ESCH

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 11, 1974

Mr. ESCH. Mr. Speaker, it is a great privilege to announce that the Courier and Monroe Adventure published in Temperance, Mich., by Richard F. Daggett has once again been awarded the George Washington Honor Medal by the Freedoms Foundation at Valley Forge.

This coveted citation was made by the 1973 National Awards Jury composed of State supreme court justices and officers of national patriotic, service, and veterans organizations. It will be my honor to present the award to Mr. Daggett on May 17 at the Bedford, Mich., Volunteers Recognition Dinner.

The selection of the Monroe Courier for the George Washington Honor Medal is no surprise to those who know Dick Daggett personally. He has a well-deserved reputation as a defender of freedom and the American way of life. At a time when the naysayers are warning that our Nation is incurably sick, Mr. Daggett has been reminding us of our Nation's greatness and the strength of her free institutions. His newspaper reminds citizens about keeping America beautiful, law and order, strong family ties and spiritual values. Mr. Daggett is also being cited for his writing about great historic leaders, the value of hard work, and the importance of sound leadership for youth.

It is especially noteworthy, Mr. Speaker, that the Monroe Courier is being awarded the George Washington Honor Medal for the third consecutive year by the Freedoms Foundation at Valley Forge. As an indication of the high esteem accorded the Courier, a special week has been set aside for the third consecutive year as "Courier Week" in Bedford, Mich.

This is truly a great honor for the Monroe Courier and a much-deserved recognition of Mr. Daggett's patriotism and skills as a journalist. The community is much indebted to Mr. Daggett and the Courier for continued civic contributions and an unflagging dedication to the spirit and philosophy of the Constitution and the bill of rights.

LEGISLATION NECESSARY TO PROTECT COASTAL RESOURCES

HON. FERNAND J. ST GERMAIN

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 11, 1974

Mr. ST GERMAIN. Mr. Speaker, Rhode Island, the Ocean State, is bordered by 384 miles of seacoast, unsurpassed in scenic beauty and a natural resource of great value to the State's economy. Our sports fishermen and our domestic fishing industry have for many years suffered the depredations of our fish resources through the reckless fishing practices of foreign fleets. The urgent need for legislation to protect our fish resources is apparent, and I have introduced and supported such legislation since 1966. The members of the house of representatives of the Rhode Island General Assembly, acutely aware of the severity of the situation and the importance of protective measures, introduced and passed on the 8th day of March, 1974, this house resolution memorializing Congress to act favorably on legislation establishing a 200-mile coastal limit for resource management.

The resolution follows:

[State of Rhode Island, etc.]

HOUSE RESOLUTION

MEMORIALIZING CONGRESS TO ACT FAVORABLY ON LEGISLATION ESTABLISHING A TWO HUNDRED MILE COASTAL LIMIT FOR RESOURCE MANAGEMENT

Resolved, That the house of representatives of the State of Rhode Island and Providence Plantations memorializes congress to act favorably on legislation establishing a two hundred mile coastal limit for resource management; and be it further

Resolved, That the secretary of state be and he hereby is authorized and directed to transmit a duly certified copy of this resolution to the Rhode Island delegation in congress.

ALBION: AN ALL-AMERICAN CITY

HON. GARRY BROWN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 11, 1974

Mr. BROWN of Michigan. Mr. Speaker, I am honored to announce today that Albion, Mich., has been named an All-American city by the National League of Cities. This award is one of only nine given this year throughout the country, and it signifies a great deal to the people of Michigan. We are reminded that Albion, a city of 12,000 people, has led in the fight against citizen apathy, and has extensively promoted and improved the quality of citizen involvement in community programs.

The All-American City Award is the most prestigious commendation which can be received by any community. Bestowal of this award does not rest on the effectiveness of city government, but instead on the efforts of citizens to better their environment, their homes, their city. Michigan, and those of us in the Third District especially, recognize Albion's achievements in these areas.

Each year, the National League of Cities honors only a few cities in the United States, and this year's competition included over 400 applicants, with 18 cities qualifying as finalists. Representatives of each of these 18 communities then journeyed to Dallas, Tex., to give presentations of slides, displays and testimony before an awards jury.

Albion, a city facing a multitude of problems, impressed the awards jury and became a winner partly because of local determination to counter the odds stacking up against the community. Problems stemmed from a lack of city financial support for human relations, environmental, or youth involvement programs, but never lacking in Albion was the spirit and energy of its citizens in implementing change. Albion's application for the All-American City Award outlines only three of more than a dozen programs which have been instrumental in lessening the burden of local problems.

These programs include the "Melting Pot," a plan of social interaction bringing black, white and chicano couples together. Subsequently, a community-wide effort, among the blacks and chicanos that constitute 25 percent of the city population, was instituted to facilitate racial interaction. At least 1,500 persons have attended "Melting Pot" social events and discussions.

Improving the environment has also become a massive citizen project. Since 1965, the Albion Beautification Committee has dedicated itself to river clean-up plans, and acquired CBS coverage during Earth Day 1970. Corresponding research from Albion College has resulted in tentative approval for dredging over 300,000 cubic yards of silt from the mill ponds that have become "eyesores" in Albion.

"Youth for Ecology" is another program wherein the collection and recycling of refuse has resulted in the creation of a local recycle center; over 300 tons of paper and glass have been recycled since mid-1972.

"Earn, learn, and play" involves 350 Albion youngsters in 6 weeks of summer activities combining work, education, and recreation.

Albion's presentation to the awards jury also mentioned the $100,000 Johnson Day Care Center built by local donations, the 100-unit, integrated housing subdivision supported by local churches, the citizen-operated historical museum, an entirely volunteer ambulance service, and other programs that Albion's citizens have nurtured to fruition, and of which they have a right to be proud. Defeating the spectre of apathy in Albion has produced a reduction in crime, and school and racial tensions, and has increased employment.

The problems Albion must face are similar to the problems of many other cities across the Nation, and they are ones that will persist for years to come. Yet a spirit of optimism and responsive action pervades the atmosphere of Albion, and it is significant to this award that the people of Albion display the All-American effort to surmount all obstacles with typical courage, zeal, and above all, optimism.

I salute the citizens of Albion today because we in Michigan are so proud, and I also congratulate the other All-American recipients of this prestigious award. Let us hope that all cities may be able to gain some inspiration from these dynamic examples of communities united in a common effort.

THE ROSS MANSION IN FREDERICK

HON. GOODLOE E. BYRON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 11, 1974

Mr. BYRON. Mr. Speaker, Sunday, April 22, 1974, the Daughters of the American Revolution, Frederick chapter, will sponsor the dedication of a bronze plaque in front of the Ross Mansion on Court Square in Frederick, Md. The plaque will outline some of the events which have occurred in the colorful history of the Ross mansion. This house is one of the most historic in Frederick, a town filled with history, and I commend the sponsors of this dedication for their efforts in marking the story of the Ross mansion.

The Marquis de Lafayette stayed in the Ross mansion on December 29–31, 1824 as the guest of Col. John McPherson. His son, George Washington Lafayette, accompanied him on this sojourn. While Francis Scott Key was staying in the Ross mansion, he was inspired to write a poem dedicated tc his cousin. There were many other events in the history of the house that has been recorded, and it is fitting that this tribute is being paid to a building of such distinction.

TV TALENT HELP RAISE $1.3 MILLION FOR MUSCULAR DYSTROPHY FIGHT

HON. WILLIAM S. MOORHEAD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 11, 1974

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, with headlines carrying little but tragedy and scandal, it is indeed noteworthy to acknowledge human accomplishment rather than corruption.

Paul Shannon, a children's television personality at Pittsburgh's WTAE channel 4, and other television performers have made an immeasurable contribution to the fund raising activities of the Muscular Dystrophy Association of America through their promotion of ways in which children can conduct their own backyard carnivals and contribute the proceeds to Muscular Dystrophy Association.

As a letter I received from Bob Ross of the association suggests:

> Through the project, participants learn how to organize and set up a complex event, how to cope with responsibility, and how to meet the challenge of operating a business enterprise of their own. But perhaps the greatest benefit they derive from carnivals is the "education in compassion" which it gives them—their increased awareness of the plight of the less fortunate.

Mr. LONG and his colleagues have been so successful in their efforts that more than $1.3 million was raised for the fight against muscular dystrophy in 1973.

I would like to add my deepest thanks and congratulations to Paul Shannon and the many other talented men and women who made this all possible and include in the RECORD at this time the letter from Mr. Ross of the Muscular Dystrophy Associations of America, Inc.

The letter follows:

MUSCULAR DYSTROPHY
ASSOCIATIONS OF AMERICA, INC.,
New York, N.Y., March 18, 1974.

Congressman WILLIAM S. MOORHEAD,
Federal Building,
Pittsburgh, Pa.

DEAR CONGRESSMAN MOORHEAD: I believe you'll be interested to know that a signal contribution to the welfare of citizens in your area and elsewhere throughout the country—especially children and adults afflicted by neuromuscular disease—has been made by WTAE-TV, Pittsburgh, Pennsylvania through the efforts of Paul Shannon.

In very large measure, it's thanks to individuals like Paul and stations like WTAE-TV throughout the United States that Muscular Dystrophy Associations of America has been able to make such gratifying progress toward increasing public awareness of the life-and-death problems represented by muscular dystrophy and related disorders—and toward enlisting constructive support from concerned citizens in your district and elsewhere.

WTAE-TV and Paul Shannon have furthered the educational thrust of this Association in many ways, but I'd like to pay special tribute to their aid in promoting our Carnivals Against Dystrophy project. The enlightenment and inspiration they've provided their youthful viewers through this project have led directly to a significant enhancement of our ability to serve patients in your constituency and throughout the nation.

Inspired by TV personalities at stations all over the country, young people held more than 40,000 backyard Carnivals in 1973. Their efforts led to the realization of more than $1.3-million to help support MDAA's programs of research and patient and community services.

As you may know, the Carnivals project functions primarily through promotion by popular children's TV personalities like Paul Shannon. These broadcasters invite their young viewers to write for a free kit, which contains all elements essential to the production of a fun-filled Carnival—which youngsters organize and run in their own backyards. Through the project, participants learn how to organize and set up a complex event, how to cope with responsibility, and how to meet the challenge of operating a business enterprise of their own. But perhaps the greatest benefit they derive from Carnivals is the "education in compassion" which it gives them—their increased awareness of the plight of the less fortunate.

In furthering this project in your area, Paul Shannon and WTAE-TV have done even more than help provide desperately-needed assistance to the victims of neuromuscular disease whom this Association seeks to serve. They've helped enrich the very spirit which has inspired this nation's greatest achievements.

Sincerely,

ROBERT ROSS, *Executive Director.*

ARTHUR ENDRES RECEIVES BENEMERENTI MEDAL

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 11, 1974

Mr. RODINO. Mr. Speaker, on April 10, Art Endres of the Catholic University of America received the Benemerenti Medal from the Apostolic Delegate, Jean Jadot, who is Pope Paul's personal representative in the United States.

This decoration was instituted by Pope Gregory XVI in the early 1800's to recognize military valor and civil distinction. In more recent times it has been awarded to educators who have substantially contributed to the advancement of Catholic education or who have rendered long years of devoted service to Catholic institutions.

Art Endres received this award for over 25 years of loyal and dedicated service to the Catholic University of America. Art joined the university in 1948 as an instructor in physical education. He was promoted to the rank of assistant professor of physical education in 1958. In addition, since his arrival at the university he has been the director of its successful intramural sports program.

In presenting the award on behalf of Pope Paul VI, Archbishop Jadot emphasized the importance of the educational profession and indicated the great need for hard work and diligent research in order to obtain a better insight into truth and reality.

I wish to commend Art Endres for his years of faithful service to the pontifical university and to congratulate him for being the recipient of this significant award.

UNEMPLOYMENT AND THE PHILLIPS CURVE

HON. HERMAN BADILLO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 11, 1974

Mr. BADILLO. Mr. Speaker, during yesterday's debate on the Obey amendment to the fiscal year 1974 supplemental appropriations bill I discussed an economic theory referred to as the Phillips curve. I noted that many claim that public employment programs cannot be provided as, under the Phillips curve, when there is a decline in unemployment there is a proportional rise in inflation and prices. I further observed, however, that we are presently not only experiencing a persistent high rate of unemployment but, simultaneously a rise in the rate of inflation—a situation which would seem to defy the thesis underlying the Phillips curve. Surely if the relationship between unemployment and inflation ever existed—and I do not believe it ever did—it certainly does not exist now.

The financial section of yesterday's New York Times contained a rather perceptive article on this whole issue and it seriously questions the basis of the Phillips curve. Inasmuch as much attention has been given to the theory—particularly in posing arguments against a full employment economy and the expansion of public service programs—I insert this article herewith in the RECORD and commend it to our colleagues' attention:

AN ECONOMIC QUANDARY: DISCORDANCE OF PRICE AND JOB GOALS FRUSTRATES NATION'S POLICY MAKERS

(By Soma Golden)

In the promised land of economics it would not be the lion and the lamb that exist side by side but full employment and stable prices. The search for a way to twin these two policy goals seems to have become more frustrating than ever. A wicked combination of changes—some economic, some political—has boxed Washington policy makers further and further into a corner from which there seems to be no easy exit. Any direction the President's advisers turn, the options are more limited now than a decade ago, the risks somewhat greater.

On the upside of a business cycle the economy kicks off sparks of inflation sooner than it did in the past. And on the downside (as in the current period) the economy seems to shed less inflation than it used to.

To make matters worse, the United States has suddenly become vulnerable to the whims and whiplashes of world supply and demand—a fact driven home all too painfully last year. In the wake of the second devaluation of the dollar, the world's industrialized nations experienced simultaneous boom for the first time in recent history. Prices both here and abroad soared.

The implications of these trends are ominous for the men on the spot in Washington. They will probably get very little improvement in the price indexes from the current business slowdown. And, if the economy picks up as expected later this year, the indexes could take off once more.

Ironically, the inflation threat today represents a partial victory of economic policy—not a total defeat. Ever since the despair of the Great Depression this country, like many others, has been more afraid of unemployment than inflation.

Indeed, the record on the job front has improved since then. Walter W. Heller, who was chairman of the Council of Economic Advisers until President Kennedy, points out that, for a "long, long period" before World War II, unemployment in the United States averaged 10 to 14 per cent of the labor force. Since the war the rate has moved down to the vicinity of 4 to 5 per cent. More recently, the figure was hovered above 5 per cent.

What mars this achievement, however, is the parallel rise in prices. During the decade from 1954 to 1963, consumer prices scarcely budged, moving up an average of 1.4 per cent a year. Unemployment averaged 5.4 per cent in that decade.

Since then unemployment has come down a bit, to an average of 4.6 per cent of the labor force. But prices have jumped sharply, averaging a yearly rise of 4.4 per cent in the 10 years since 1964.

Economists have long believed that at low levels of unemployment—when the country's labor resources are stretched and demand is booming—inflation tends to worsen. The professionals have described this trade-off with a theoretical device known as the "Phillips curve"—named in honor of A. W. Phillips, a British economist who first charted the hypothetical relationship for his country in 1958.

The curve, which is based on historical evidence, shows what happened to prices when unemployment reaches low levels. The trade-off is clear from the curve's inevitable shape: When the jobless rate falls, inflation tends to worsen.

Despite uncertainty about the precise shape of the Phillips curve for the United States, Democratic economists who came to Washington in the early days of the Kennedy Administration thought they could guide the country along the imaginary curve to a comfortable trade-off position—without too much unemployment or inflation.

But the Keynesian economists of the nineteen-sixties never made it to the promised land. Their effort to nudge the American economy out of recession into an inflation-free expansion ended in a crunching disappointment. President Johnson spent billions on a secret build-up of the Vietnam war and refused to offset the outlay with new taxes, economic advice to the contrary.

As a result, the economy speeded past the target level of low unemployment and on into inflation land, from which it has not returned. Now the route back seems to have become more difficult.

The traditional way to restore price stability is a slowdown or, if it lasts long enough and hits hard enough, a full-fledged recession. But research under way by a Columbia University economist, Phillip Cagen, indicates that the old cure does not work so well anymore.

United States inflation, he says, has become increasingly sticky on the downside of the business cycle. The 1969-70 recession, which the Nixon Administration found so frustrating because the inflation rate barely subsided, was part of a trend that began in 1949, according to Professor Cagen, who is on leave this year for work at the National Bureau of Economic Research.

A STUDY OF PRICES

The economist, who studied wholesale prices to see what happened to them during recession and the eight months after the recessions bottomed out, says the implications of his study are "very pessimistic." He does not expect the current slowdown to produce much of a payoff in prices.

Professor Cagen, who served earlier in the Nixon Administration as a senior staff economist on the Council of Economic Advisers, is not sure precisely how to explain his findings. But he rules out the notion that big business is at fault—a form of villainy often alleged by John Kenneth Galbraith, the Harvard University economist.

Without naming names, Professor Cagen says that the effort to place the blame for inflation on administered prices in highly concentrated industries has led people "180 degrees of the track." On the contrary, the Columbia professor has found that in general highly concentrated industries—where a small number of companies control a large part of sales—play a follower rather than a leader role in shoving up the price needs.

UPSIDE PROBLEMS

While Professor Cagen's findings about the sticky nature of prices during a recession will come as sad news to most economists, the economics profession has already come to accept the fact that there are added problems on the upside of a business cycle.

CASE FOR A FEDERAL OIL AND GAS CORPORATION—NO. 21

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 11, 1974

Mr. HARRINGTON. Mr. Speaker, in a recent commentary on ABC News, Mr. Howard K. Smith called for the creation of a Federal Oil and Gas Corporation. Mr. Smith stated that the corporation would provide competition in an industry now dominated by a few monopolistic giants and would also provide a "yardstick" by which to obtain the Nation's first independent measure of production and development costs. The editorial, reprinted in the Christian Science Monitor on February 8, is another indication of the widespread support for the Federal Oil and Gas Corporation, and I would like to call it to the attention of my colleagues at this time.

The text follows:

[From the Christian Science Monitor, Feb. 8, 1974]

A TVA FOR OIL?

(Commentary by Howard K. Smith on ABC News)

Shortages and soaring prices of oil are bound to cause hardships. It is essential to morale that hardships are fairly distributed.

Americans are not sure they are. Mainly there is the suspicion the oil companies are not bearing a share, but are making hay out of the crisis. The truckers are the first to blow over that. They won't be the last.

The companies say their profits average over the years about 6 percent, not too much. But suspicion persists that there are hidden gains in write-offs at various stages in production—exploring, drilling, refining, transporting, wholesaling, retailing . . . every stage controlled by the oil companies.

We don't know because, also, the oil companies have a monopoly on all facts, a situation complained about by energy chief Simon and Sen. Henry Jackson.

What can be done? We could put an army of federal accountants into the companies to scour books at every state—cumbersome, costly, irritating.

But now, Senator Stevenson of Illinois has a better way. Do what was done when people thought power firms were raking in too much: set up a TVA for oil, a federally-run oil company, producing oil at known costs and reasonable prices. With it the companies would have to compete and therefore keep their prices reasonable too.

It did wonders for electric power prices. It might do the same for oil.

AEC STUDY OFFERS RECOMMENDATIONS OF SOLAR HEATING AND COOLING

HON. CHARLES A. VANIK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 11, 1974

Mr. VANIK. Mr. Speaker, utilizing the sun to heat and cool the buildings in which we live and work offers significant hope for achieving long-run energy independence. For example, it has been estimated that if one-half of all buildings were equipped with solar heating and cooling systems in the year 2000, approximately one billion barrels of oil would be saved each year.

The significant obstacles to achieving this goal are not primarily a matter of technology. There are over 20 solar heated homes in the United States today. The principal obstacles are economic. These problems can, however, be substantially eliminated through a significant, short-term Federal commitment to the commercial development of solar heating and cooling technology.

The staff of the Atomic Energy Commission has examined this matter in great detail and has recommended a program of Federal involvement. I offer this staff study to my colleagues for their interest. The study follows:

STAFF STUDY

C. CURRENT STATUS OF TECHNOLOGY

1. Domestic water heating

The technology of solar domestic water heaters is well developed. They have the characteristic of having a fairly constant demand throughout the year, regardless of the climate where installed, the type of building construction used, and the degree of insulation in the building. In addition, they can be easily retrofitted to many existing buildings by being tied into the existing hot water heater, which in turn can act as a booster heater to the solar heater when required. The collector area required, around 200 ft.^{2} for a private residence of average size, would be relatively easy to fit onto a roof. It is estimated that about twenty per cent of the heat load required for a building is used to heat water. If solar energy systems are to provide domestic hot water, the solar collectors must be operated at a temperature of approximately 130°F. Existing designs are capable of efficient operation at this temperature. Normally, a single collector can serve for both heating of domestic hot water and space heating.

The existence of a commercial solar water heater industry and market in several foreign countries can be taken as evidence of the relatively advanced degree of commercial development that solar water heaters already hold. A market analysis in Japan, Israel, India and Australia should verify this and shed light on the direction that a new U.S. market should take.

2. Space Heating

The technology for solar space heating exists now. There have been more than twenty experimental solar heated structures designed, built and operated in the U.S. These efforts were custom designed and built by entrepreneurs. Architects are becoming interested in construction of solar heated homes and commercial buildings.

With mass-produced solar collectors using present technology, solar space heating should be competitive with fossil fuel heating in many regions of the nation. However, subsystems, and building solar systems data required by architects and heating system designers are not available. There is not sufficient experience in building solar systems design, component manufacturing, and operational experience to convince the building industry and the public that solar heating is economic and reliable.

It is not normally cost effective to install a solar system large enough to store all the energy required for heat during extended cloudy periods in the winter. Instead, a backup system, using either fossil fuels or electricity, must be provided. The optimum size of the solar system depends upon the climatic conditions, the cost of the solar collectors, and the cost of the backup fuel. In retrofit, the choice of backup fuel is determined by use of the existing heating unit. In new construction, the backup fuel can be chosen on the basis either of cost effectiveness or of alleviation of local peak load problems.

In the retrofit of a building with an existing central forced air heating system, advantage can be taken of the existing blowers and air ducts. Heat from the solar energy storage tank is transferred to the air by heat exchangers placed in the existing air ducts. Controls must be provided both to control the pumps in the solar energy system and to turn on the backup unit when the heat in the solar storage tank is depleted. Retrofit of buildings which lack a central heating system does not appear economical because the addition of the air ducts or other distribution system could require drastic alterations to the building.

3. Space Cooling

The technology for solar space cooling is in the early stages of development. An aggressive program of research and development could develop air conditioners powered by the heat from solar collectors. It is currently debatable whether or not an air conditioner can be developed which could efficiently use water at a temperature of less than 180°F. To achieve this high an operating temperature would require a program to perfect high temperature collectors. Because of the insulation and glazing requirements, these collectors will be more expensive than collectors which provide only space heat and domestic hot water using collectors of 130°F. In addition, more sophisticated control systems are required for cooling than for the other functions.

There are two classes of cooling and humidity control problems; one pertains to hot dry climates and the other to hot humid climates. Systems for hot dry climates are easier to develop and earlier implementation is possible. Combined solar heating and cooling systems for hot dry areas look economically promising now, but component and system development and demonstration data are not sufficient to permit use by the building industry and the public. Climate data showing where such systems are feasible are also not available or not compiled in a useful way.

The adaptation of air conditioning systems in hot humid areas (e.g., evaporative, desiccant, night radiation, absorption, compressor, and heat pumps) to solar energy use is technically feasible but with more effort required. However, it does appear that absorption-type water chillers can be operated at about 200° F which is readily achievable from a high performance solar collector. Large units which would be appropriate for use in buildings are commercially available. Smaller units suitable for residences are under development and commercial availability can be forecast during the next several years.

Retrofit of most buildings with solar cooling would require alterations to the existing central air system, especially modification of the ducting to include the new cooling unit. In buildings which presently do not have any provision for cooling, the cooling could be included as part of the retrofit solar energy system.

D. LOCAL INVOLVEMENT

1. *Government*

The rights of individuals installing solar energy systems must be protected against adjacent construction which could shield them from the sun. Rights to sun angles must be guaranteed by legislation because an investor cannot risk the possibility of construction adjacent to his building site obstructing the sun. Model legislation should be prepared for introduction into State legislatures and local zoning ordinances. Generally speaking, pre-existing conditions will be honored. Local building codes must be modified to include solar energy installations. Model code amendments should be prepared and distributed to States, municipalities and other appropriate groups.

Detailed design studies must be made to prove that new solar systems designs meet safety and health requirements. Planning commissions, coding authorities, and local trade unions must be convinced to modify appropriate regulations and practices which may interfere with solar powered building construction.

2. *Private*

(a) Architects/Engineers

While the widespread use of solar heating and cooling in new private construction is a desirable national goal, such use is hampered by the lack of several important elements:.

(1) Architects experienced in the incorporation of solar systems into building design.

(2) Records of proven solar system performance under a variety of conditions.

(3) Plumbing, heating, and air conditioning contractors experienced in the installation of solar systems.

(4) A pool of experienced maintenance and repair technicians.

(5) Mass production of reliable low-cost solar collectors.

(6) Nation-wide network of vendors for solar components.

An important ingredient in the establishment of a technical personnel base is a national effort to educate Architect-Engineers in the use of solar energy systems. The wide dissemination of design information is critical to the accelerated implementation of solar energy.

(b) Builders

Regional technical information and technical personnel training centers should be established to expedite the transfer of information and the creation of the technical personnel necessary for implementation. Rather than establish a new network of technical centers which may be unable to cope with the technical aspects of the program, existing centers of technical excellence, such as educational institutions, should be used to the greatest extent possible. These centers should be widely distributed throughout the country.

Subsidized courses should be offered at the solar centers for builders, developers, contractors, equipment fabricators, and suppliers. A traveling troupe of instructors should tour the centers to give the initial round of short courses and train local staff to instruct subsequent courses. The solar centers should also arrange to make solar energy presentations to interested citizen groups in their area. These centers should serve their greatest purpose during the early phases of the program.

(c) Manufacturers

Various manufacturers should be placed under contract for the design and manufacture of prototype collector modules. The prototypes would require testing under a variety of controlled and field conditions.

This task aims at encouraging mass production manufacturers to be innovative with the most cost sensitive components. It is important that the competitive advantages of one manufacturing process over another be protected in order to provide maximum incentive. In producing the prototypes, each manufacturer should prepare a cost estimate for producing units in mass production quantities. The prototypes would all be tested initially under identical conditions in an artificial solar environment. Promising collectors would be field tested under different climatic conditions as components of complete solar energy systems. They also would be subjected to accelerated exposures to ultraviolet, thermal cycling, etc., to determine durability.

11500 BANANAS ON PIKE'S PEAK

HON. CRAIG HOSMER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 11, 1974

Mr. HOSMER. Mr. Speaker, when we set out to write legislation with starry-eyed idealism and ignore the practicalities of the real world, we get some weird results. One of them is H.R. 11500, the bill that set out to assure effective land reclamation after coal surface mining—or so its sponsors say—and has become a bill so riddled with absolutes that it would virtually wipe out this important part of our energy supply.

For example, the bill requires land to be reclaimed in a manner to eliminate erosion. The only way to do that is to pave it. Any slope of earth, no matter how well vegetated, erodes in a rainstorm—and any member who doubts this is invited to slosh out to the foot of Capitol Hill during the next thunderstorm and drink a few ounces of the runoff from the lawn.

Erosion can be effectively controlled, and this bill should require it. But to specify that erosion must be eliminated is to require an impossible absolute that would prohibit surface coal mining. Absolutely.

This is as silly as trying to grow bananas on Pike's Peak. If we do not get some reality into this bill, the thing that will really be eroded is our power supply.

AIDING THE VIETNAM VETS

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 11, 1974

Mr. RANGEL. Mr. Speaker, over the past several weeks, a great deal of publicity has been given to the problems which are facing today's veterans. For too long, their problems have been ignored. I welcome the attention which they are presently getting. It is with this in mind that I am taking the liberty of placing in the CONGRESSIONAL RECORD an article by Columnist William Raspberry which recently appeared in the Washington Post.

I feel sure that my colleagues will find Mr. Raspberry's comments on the present state of veterans benefits of great interest.

AIDING THE VIETNAM VETS

(By William Raspberry)

The American people came to hate the war in Vietnam, all right. But it does not follow that they also hate the men who fought in that war.

That fact is slowly seeping through the public consciousness. And the pitiful little Vietnam Veterans Day parade staged here last week—as little and as late as it was—offered some indication that it is also seeping into the consciousness of President Nixon.

In medical care, in education, in job opportunities—in all the "extras" that we customarily heap upon war veterans—the Vietnam veterans are being short changed. The reason, I suppose, is not that they were individually less heroic than any other category of war veterans but that they are not heroes generically, because they didn't save us from anything.

The only Vietnam veterans to be treated as heroes were the returning POWs, and after the initial fanfare, even these men have been pretty much forgotten as far as the administration is concerned.

As inadequate as the country's response to Vietnam vets generally has been, it has been even more inadequate for minority veterans, a point made last week by a task force of the Leadership Conference on Civil Rights (a conglomeration of some 135 civil rights, labor, social and religious organizations).

"Because of inadequate and poorly managed programs, Vietnam veterans—and particularly minority veterans—have been effectively denied their earned benefits and have suffered grievous problems in trying to resume their civilian lives," said June Willenz, chairman of the Leadership Conference's Task Force on Veterans and Military Affairs.

She pointed out that while blacks composed only about 12.6 per cent of the armed forces personnel, they accounted for roughly 20 per cent of the combat fatalities.

"Minority veterans who bore the brunt of a discriminatory discharge policy while in military service are now being discriminated against upon their return to civilian-life," she said.

That last was in reference to a point made by the National Urban League earlier last month during House hearings on amnesty: that black GIs have received a disproportionately large share of less-than-honorable discharges from the military.

Ronald H. Brown, director of the League's Washington bureau told the hearing:

"The military, like the vast majority of our other institutions, has somehow learned to dispense justice in discriminatory measures. Minority members were drafted in greater numbers, assigned in greater numbers to front-line duty or to unskilled, dead-end jobs, and generally abused by the unfair system of military justice. Finally, those who were called upon to bear the brunt of duty were ejected in greater numbers with less-than-honorable discharges."

The less-than-honorable discharge represents far more than a blot on a veteran's record. According to those who have studied the problem, such discharges are often used as a basis for denying employment.

Even many discharges that appear to be honorable, are "coded with personal characteristics which may serve to discriminate against millions of men who are not even aware of the presence of such codes," Brown testified.

While the discharge codes can work against any veteran, they work "a special hardship on minority veterans, who already face many hurdles in the American society," Brown said.

He said that there is evidence that many major employers are able to decipher the codes, even though most veterans have no idea what they mean. (The Defense Department announced last week that it would no longer code discharges.)

Unfortunately, the Urban League, the NAACP and other member groups of the Leadership Conference have had little success in getting the government to act on the special complaints of minority GIs—which isn't surprising in view of how little attention has been paid the plight of white GIs.

There is very little reason to be hopeful about the prospects of reinstituting special programs for minority veterans, but it wouldn't be surprising to see a major administration move to upgrade benefits for Vietnam veterans generally.

The President, so desperate for some gesture to improve his ratings that he has dredged up even the old standby of school busing, may find it politically attractive to climb aboard the veterans' bandwagon.

THE TAXPAYER NEEDS HELP TO FIGHT INFLATION

HON. TOM RAILSBACK

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 11, 1974

Mr. RAILSBACK. Mr. Speaker, the American consumer is finding it harder and harder to make ends meet. Every day I hear from Illinois residents who are experiencing financial hardships because of prices at the grocery store and the gas station, and in paying all types of inflated bills.

Just last month, wholesale prices rose 1.3 percent. Even the surprising 2.1 percent drop in food prices could not offset this surge. Fuel—which has in the past been the second leading cause of inflation—rose 4.8 percent in March alone. The price of metals increased 4.4 percent; chemical prices by 5.7 percent; lumber prices by 3.3 percent; pulp and paper 3.2 percent; and machinery and nonmetallic minerals 1.6 percent.

These increases follow a year in which the American consumer has already been confronted with decreasing buying power and much high costs. The real take-home pay of the average worker last month was 4 percent below a year earlier, even though the hourly earnings were up 6.6 percent. And, overall, wholesale prices have skyrocketed above 19 percent in the past 12 months.

While some of the latest increases may be attributed to the lifting of price controls, it is also clear that controls in general have simply not worked. Authority to impose wage and price controls is expected to expire on April 30. As that deadline draws near, most Americans are convinced controls have been a dismal failure.

Living costs are at least twice as high as they were when controls were imposed in 1971.

Fuel prices have increased at least a third, and food prices by more than a fifth.

Wholesale prices in March alone climbed at a seasonally adjusted rate of 15.6 percent a year.

Now, as taxpayers are paying their income taxes, they feel the pinch of inflation even more. Clearly, the $750 personal exemption is not sufficient. We in Congress must be more responsive in providing a tax exemption that will at least cover the taxpayers' minimum living costs. For this reason, I am today introducing a bill to increase the standard deduction from $750 to $1,200. While this is obviously only a small step, I think it does represent a reasonable change in a current, outdated law, given our spiraling inflation.

I believe it is necessary to alleviate the great burden imposed upon the American taxpayer by the ever-rising cost of living. I urge immediate and favorable action on this legislation.

FATHER JOSEPH F. THORNING OF MARYLAND

HON. HENRY S. REUSS

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 11, 1974

Mr. REUSS. Mr. Speaker, this is the 30th consecutive year that Father Joseph F. Thorning has offered the prayer in the House of Representatives for the observance of Pan American Day.

Wisconsin is proud to claim Father Thorning as a native son. He took the initiative in inaugurating a celebration on Capitol Hill of the cause of inter-American understanding, cooperation, and friendship back in 1944. This annual observance is now a firmly rooted tradition, and has broadened the understanding and respect of Members of the House for our neighbors of the Americas.

Father Thorning is known as the "Padre of the Americas," a title awarded him by the distinguished gentleman from Montana who is now the majority leader in the other body, Senator MIKE MANSFIELD. Educated at St. Louis University and Catholic University in Washington, he devotes his time to being both a scholar and journalist on Latin America.

Today, more than ever, inter-American programs need leadership such as that provided by Father Thorning. The Members of this body, and all Americans, owe him a great debt of gratitude.

QUICK, HENRY, THE AMENDMENT

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 11, 1974

Mr. BINGHAM. Mr. Speaker, recently, Women's Wear Daily asked a cross-section of famous Americans whether my proposed constitutional amendment making all American citizens eligible to hold the office of President should be adopted, and whether they would support Secretary of State Kissinger as a Presidential candidate.

I did not intend my amendment as an endorsement of Dr. Kissinger despite his ability and worthiness to hold that great office, but the attached article from the April 5 edition of that publication does make interesting reading:

QUICK, HENRY, THE AMENDMENT!

Secretary of State Henry Kissinger can be a lot of things to a lot of people, but he cannot be president of the United States. As things stand now, he's not even eligible to run.

That's because Article II, Section 1, of the Constitution says, "No person except a natural born citizen . . . shall be eligible to the office of President." That rules out someone like Kissinger, who has lived here most of his life and who is a naturalized citizen, but who was born in Germany.

Recently, Rep. Jonathan Bingham (D., N.Y.) proposed a constitutional amendment that would repeal Article II, Section 1, and strike out the "natural-born" requirement. When Kissinger heard of it, he is reported to have said, "The State Department must be behind it. That's the only way they can get rid of me."

He was kidding, of course, but the proposed amendment is being given serious consideration by Congress. We contacted a cross-section of Americans and asked two questions: Would they favor such an amendment, and would they support Kissinger as a presidential candidate?

Here's what they said.

Gloria Steinem: "Yes, absolutely, it should be amended. Nationalism is becoming more and more archaic and as the globe gets smaller and smaller, we need to be able to choose from the greatest talent pool possible. Would I support Kissinger? Compared to whom? I think he's much better on foreign policy than on domestic policy, and compared to Nixon or Ford, yes, I would rather see him there."

Julian Bond, Georgia state legislator: "Yes, I would like to see the prohibition against foreign-born people being allowed to run for president amended. However, I am not in favor of amending the Constitution every time someone thinks they have discovered a problem. I feel Kissinger has made an excellent secretary of state and has been a gifted negotiator, but just because you are good at one thing doesn't mean you will be good in another. Nixon has a good background in foreign affairs and look at the domestic scene in our country. Just because you have expertise in foreign affairs doesn't necessarily mean you have virtue either. Nixon has no compassion, no heart. As for Kissinger, I really don't know if he has any domestic knowledge about anything except Jill St. John."

Lt. Gov. Lester Maddox of Georgia: "I would oppose any such amendment, and under no circumstances would I like to see Kissinger as president. His priorities are based on what's good for the world—not the U.S. I'm thinking of the grain and armament deals. We've ended up with a lot of shortages, just because we have not thought of our own priorities. I don't believe [illegible] one-world type person."

Barbara Howar: "I think [illegible] Constitution should be amended to say that no California Disneyland flunky can be [illegible] President's right-hand man. Other [illegible] that, my list of priorities does not extend to a foreigner's right to be president. Anyway, [illegible] would Henry want to be president [illegible] already got more power than [illegible] President ever had. Besides, I don't think he gives a damn about the domestic situation. I think one should have to endure an American childhood before one can endure American power."

Sheila Mosler, assistant commissioner of commerce, New York state: "Yes, I think it should be a natural-born citizen. But I don't think it's that pressing an issue—so much so that we need to change that qualification. We have other, more urgent legislative needs that need to be dealt with right now instead of that. However, if I didn't feel that way about the amendment, I'd like to see Kissinger run. But my first choice is always Rockefeller, because with him, [illegible] singer, too."

Sen. Edward Kennedy (D., M[illegible] favor. I'm generally sympatheti[illegible] proach. As far as Kissinger is concerned, the GOP is going to have to make that decision."

Norman Rockwell: "I think the best man should be president, and I have no objection to someone who is not a "natural [illegible] zen running for this office. As for [illegible], I'm not sure I want to go down in print as an advocate of his potential candidacy. I'm no political expert."

Reg Murphy, editor of the Atlanta Constitution: "Yes, I think the Constitution should be amended. If it were, however, I would not particularly like to see Dr. Henry Kissinger as president. He is a remarkable public figure; he has one of the best minds and patience for broad leadership. It takes a long number of years to learn leadership skills that will be a unifying force in the country."

Barbara Walters: "I think the article should be amended. There is no reason why it shouldn't be. However, it's a little early in the game to talk about presidential candidates."

Sen. Charles Percy (R., Ill.): "I'm for the amendment. The constitutional prohibition against any foreign-born citizen applies not only to talented and valuable individuals such as Secretary of State Kissinger, but also to children of American citizens who happen to be out of the country at the time of the child's birth. This exclusion seems unwarranted and unnecessarily deprives America of potential leaders."

Dan Rather: "Yes, I think the Constitution should be amended, but I think a certain residency requirement should be added. I've only seen Kissinger in one area, so I couldn't say whether or not he'd make a good president on all counts, but if he were nominated, I think he would be a very worthy candidate."

William Loeb, publisher of the Manchester Union Leader: "The fact that one is native-born doesn't always guarantee one will be a responsible citizen, but there's an inescapable gut reaction that someone who's native-born will be more devoted to the nation's best interests than someone who isn't. As to Mr. Kissinger, he has been, really, a failure. His wheat deal with Russia was a colossal disaster we're all paying for in higher food prices. And all we got out of his China negotiations were a couple of pandas. Kissinger is so fascinated by Metternich that sometimes he forgets he's in the 20th Century."

Bess Myerson: "I think anyone who is an American, whether by birth or by choice, should have the opportunity to share all the rights, responsibilities and rewards of that privilege—to go anywhere and do anything as an equal, as far as his or her individual challenge and vision takes them. It isn't where anyone comes from that counts most—it's where he or she can help to lead us where we must go. Depending on the circumstances, I might support Kissinger, but more importantly, my support wouldn't be restricted just because he wasn't a natural-born citizen."

Rep. Elizabeth Holtzman (D., N.Y.): "I have taken no position on this subject and feel very strongly that a constitutional amendment is something which must be studied very carefully before it can be voted on. Secondly, I didn't know Kissinger was running."

Helen Thomas: "Every American citizen should have the chance to be president, no matter where they were born, but I wouldn't take a position on who should run."

Rep. Alan Steelman (R., Texas): "I do support the amendment. I can understand why some Americans would have doubts about electing someone who was not born in this country [illegible] think the political marketplace [illegible] testing ground. If someone has proven his loyalty and dedication to the [illegible] the principles for which we all stand through outstanding public service, as Kissinger has, then he should be able to run for office. The people should have the ultimate decision. If the man is not what he should be, it will be brought out and he won't be elected."

Arthur Schlesinger: "No, I am not in favor of amending the article. I would be in favor only if it were guaranteed that John Kenneth Galbraith would become president. As for Kissinger, even if it were amended, the answer is still no."

Vice President Gerald Ford: "This matter requires study by the Congress."

SCHOOLS FOR CRIME

HON. BELLA S. ABZUG

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 11, 1974

Ms. ABZUG. Mr. Speaker, a recently published book by Gertrude Samuels, a crusading reporter for the New York Times Magazine, spotlights a disgraceful situation.

"Run, Shelley, Run!" is a hard-hitting, compelling documentary novel about the incarceration of children by the State—housed in detention centers that are in fact schools for crime, in prisons rampart with homosexuality. It is about young people designated as PINS, persons in need of supervision, more than often children who are victims of parental neglect. The book grew out of Ms. Samuels' many years covering juvenile justice in courts throughout the country. More than 100,000 children of juvenile court age are imprisoned each year, and more than a half million are placed in detention centers.

The story, based on actual fact, is Shelley's, a street-wise little girl. Classified as a PINS at age 12, she is signed over to the juvenile detention center because of her own mother's negligence. This is Shelley's "crime." "What is best for you," never worked for Shelley or countless others like her—incarcerated with little or no due process, confined under cruel and coercive conditions, abused under what is known as "law." For Shelley, running away loomed as the only hope.

"Run, Shelley, Run!" is an indictment of a system that is to be damned, along with its rubber stamp, files, hypocritical directors, and "idealistic" staffers. Shelley ran for the third time, knowing that if she were caught again, it would be the "hard rock hotel" of solitary confinement, high walls, barred windows, and the dark.

This is Shelley's story but it is the pattern: children who run, who are caught, and who run again; incarceration, no rehabilitation, mindless approaches to their treatment, and often suicide the only final escape. While gathering material for her article, "When Children Collide with the Law,"—the New York Times Magazine, December 5, 1971—Gertrude Samuels came to know and befriend girls imprisoned in institutions whose damaged lives were the basis for this story. Her conclusion in this approach to juvenile treatment reveals "a fundamental mindlessness."

"But what was worse," she says, "was the cruel indifference of the community which threw first offenders and child runaways in with kids who had committed crimes. In short, the prisons were in reality schools for crime."

CONGRESSMAN JOHN W. WYDLER MAKES PUBLIC FINANCIAL DATA

HON. JOHN W. WYDLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 11, 1974

Mr. WYDLER. Mr. Speaker, there have been some groups and individuals who have suggested that Government officials in general, and Members of Congress in particular, make public more facts regarding their personal finances. These requests have taken different forms.

Although there is an invasion of privacy in such a request, particularly for the members of one's family, a reluctance or refusal to do so can be used to suggest some kind of impropriety.

We have official rules in the House of Representatives, of course, regarding disclosures of sources of outside income, which have been in effect for many years. As a Member of the House, I have fully complied with these requirements and filed the necessary documentation. Recently, this matter was reviewed by an ad hoc bipartisan committee of the New York delegation and it made certain recommendations as to what information should be filed and the manner in which such filing should take place.

I intend to comply fully with this recommendation by publishing the following facts—these facts will, of course, cover my wife as well as myself and be complete as to the two of us insofar as all of the following items are concerned. The sources of all of my noncongressional income are from the law firm in which I am a general partner, Wydler, Balin, Pares, Soloway, Seaton and Marglin, 1510 Jericho Turnpike, New Hyde Park, N.Y. In addition to that, I have a small income from dividends, as hereafter set forth. Finally, there may be some income from interest on savings accounts in my wife's and children's names, but this would be of a very small amount. I have no indebtednesses which are unsecured, except monthly running charge accounts in my wife's name and the usual running household bills and expenses. The only other source for reimbursement of expenditures, other than the U.S. Government, is from my aforementioned law firm.

The identity of all stocks, bonds and other securities owned outright or beneficially by me and my wife are as follows: Athlone Industries, Inc.; Bank of New York Co.; Botswana Rst. Ltd.; Colt Industries; Combined Communications Corp.; Foote, Cone, Belding; Industro Transistor, Inc.; Israel Savings Bonds; LITCO, Inc.; Lykes Youngstown; Management Assistance Corp.; Madison Square Garden; Marine Midland Banks; Munro Games, Inc.; Noble Lumber; Pacific Telephone & Telegraph; Pan Ocean Oil; P & F Industries, Inc.; Penn Central Railroad; Ranchers Packing Corp.; Retail Credit Corp.; Roan Selection Trust; Security National Bank; Servotronics, Inc.; Tami, Inc.; Telecommunications Industries, Inc.; U.S. savings bonds. Dividends on my holdings in these stocks totaled $1,632.35 for 1972.

I am a director in the P & F Industries, Inc.; and a partner in the aforementioned law firm.

I have paid income taxes for the year 1972 in the following amounts: Federal income taxes $20,917.00; State income taxes $8,146.95.

Although I do not now have the exact figures available for 1973, they will be substantially similar to the above figures paid by my wife and myself on our joint income.

I am publishing this in the CONGRESSIONAL RECORD on or before April 15, as was recommended.

Mr. Speaker, I hope this information will prove helpful to the general public.

CONGRESS IS PROVIDING MUCH NEEDED AID FOR THE AMERICAN WORKER

HON. JOE MOAKLEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 11, 1974

Mr. MOAKLEY. Mr. Speaker, under the misguided leadership of the Nixon administration, the American people have been subjected to economic policies which have resulted in increased unemployment in key industries.

The 93d Congress recognizes that the Nixon administration was inviting economic disaster, and it has taken up the burden of providing economic leadership which our hard-pressed workers so urgently need.

As you know, this distinguished body yesterday passed the second supplemental appropriation bill of 1974. This includes $1.97 billion for manpower programs, $305 million is designated for public service employment, $208 million for summer youth employment and $1.4 billion for on-going programs. This will go a long way toward easing the critical unemployment situation.

By passing the amendment offered by my distinguished colleague from Wisconsin (Mr. OBEY) the House of Representatives has shown that it is committed to eliminating our economic plight.

This amendment adds $150 million above and beyond the funds already slated for manpower programs. We passed this amendment by a vote of 236–168.

The Nixon administration claims that unemployment has stabilized at 5.5 percent. While this figure appears to be encouraging, it is misleading. National unemployment may be at 5.5 percent, but regional unemployment, in areas like Massachusetts, California and Michigan is as high as 14 percent. We must not allow this situation to continue.

HEALTH MANPOWER SHORTAGE

HON. JAMES W. SYMINGTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 11, 1974

Mr. SYMINGTON. Mr. Speaker, the decade of the 1970's will be characterized by sweeping changes in health care delivery. Money and trained health manpower have become scarce resources in today's medically underserved society. Human talent is the key to enhancing the quality of life and meeting society's medical needs.

By 1980, the health delivery industry may be the Nation's largest consumer of manpower. As health care becomes available to all citizens in this affluent society, more demands and pressures will be exerted on the health care system. To meet this growing need, the quantity and quality of health manpower must be increased through education and training. Since manpower is a major key to meeting our Nation's health goals, a new thrust is clear—a national mandate to relieve the chronic shortage of health manpower. The Carnegie Commission emphatically stated:

> The most serious shortages of professional personnel in any major occupational group in the United States are in the health services.

The estimate of the allied health manpower shortage for 1975 is 322,000. For 1980 it is 432,000. These numbers do not take into consideration new estimates for health personnel to provide services under a Comprehensive National Health Insurance program. Factors to consider are:

First. The extent to which increasing technology and specialization will be efficient and desirable.

Second. The extent to which duties and responsibilities can successfully be delegated to lower-level personnel—improved utilization.

Third. The extent to which the scarcity of health manpower in underserved areas—urban and rural—can be solved.

The problem is not one of sheer numbers because the extent to which a given number of people meet the needs will be determined by the kind of education and training received in a clinical setting. An important segment of allied health education is clinical practice in a health facility. A major constraint has been the need for more clinical sites.

Until each health discipline is recognized for what and how it can contribute, health care services will never become a workable system. Priority must be given to training and clinical programs at all levels for allied health professions and occupations. To date there is little evidence of health "teams," in action. The capabilities, responsibilities, and an understanding of utilization, must be taught and integrated into the health care system.

Expansion of health care services, with new formats and new areas will demand new and expanding roles for the health profession, and the utilization of facilities such as primary care centers—satellite clinics, neighborhood health centers, secondary school health centers, doctor's offices and health stations located in sparsely populated rural areas—nursing homes, extended care facilities, rehabilitation centers and inner-city health projects, among others. These innovations cannot reach their full potential without the availability of qualified health manpower—in quantity and quality to staff these new programs.

One approach to meeting the health manpower shortage is the establishment of a volunteer, national health action program, in which young people receive special training in various areas of the health field. This youth service plan would allow a realistic view and exposure to the health and social problems of America, while offering them involvement and opportunity to serve their community and country.

Today, I am introducing legislation to create a National Health Action Corps. The intent is to give the youth of America an educational and rewarding experience in the real world before pursuing advanced education.

This bill would provide for a national health action program for young high school graduates in a full-time volunteer program. Upon completion of high school, the student would volunteer, then receive counseling on the various health disciplines available for training. The enrollee would select the health area of his choice, and then commit himself to an agreed-upon payback time—probably a

1- or 2-year commitment—depending upon the time and training required. In many instances the enrollee could train in a health facility in his local area. Such a youth service program not only would provide a transition period—alternative to college—from a high school teenager to a productive career-oriented adult, but it has the potential of assuring an adequate future supply of allied health manpower and health professionals in meeting Federal health care delivery reponsibilities.

A CIVIL RIGHTS ACT FOR THE HANDICAPPED—SECTION 504 OF PUBLIC LAW 93-112

HON. CHARLES A. VANIK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 11, 1974

Mr. VANIK. Mr. Speaker, on September 26 of last year, President Nixon signed into law the Vocational Rehabilitation Act of 1973, a measure he had already vetoed twice, despite obviously overwhelming congressional support. That act, now Public Law 93-112, has continued to be an orphan of neglect—apparently deliberately ignored in an attempt by the administration to accomplish through administrative procrastination what the President's vetoes could not.

Implementation deadlines established in Public Law 93-112 have been ignored. Particularly upsetting is the Department of Health, Education, and Welfare's delay in implementation of section 504 of the act.

Section 504 reads as follows:

> No otherwise qualified handicapped individual in the United States . . . shall, solely by reason of his handicap, be excluded from the participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal assistance.

Preliminary plans for implementation of section 504 were to be published by December 24, 1973, according to James S. Dwight, Jr., Administrator of the Social and Rehabilitation Service in testimony before the House Select Subcommittee on Education on November 30, 1973. That date was not met, and subsequent target dates for progressive implementation of the section have apparently not been met either.

Mr. Speaker, section 504 deserves significant notice. It guarantees, without qualification, equal rights for the handicapped in federally funded or assisted programs. Its similarity to title VI of the 1964 Civil Rights Act, in this respect, gives reason to describe section 504 as a Civil Rights Act for the handicapped.

Mr. Speaker, in testimony before the *House Select* Education Committee on H.R. 70, the Assistant Attorney General, Civil Rights Division, of the Department of Justice, Mr. J. Stanley Pottinger, said that the Department of Justice was giving careful consideration to the implications of that statute, including whether it might serve as a vehicle for additional action by the Department to assure equal rights for the handicapped.

I wrote to the Department of Justice to determine the progress of that in-house study, and I have today received a reply. The text of that letter follows:

> I am responding to your inquiry concerning my testimony before the House Select Subcommittee on Education on March 18, 1974. I testified at that time that the Department of Justice was giving consideration to the implications of Section 504 of the Vocational Rehabilitation Act of 1973 (P.L. 93-112) to determine whether it might serve as grounds for action by the Department in the area of educational rights of the handicapped.
>
> This Department has not yet completed its analysis of the implications of Section 504. However, you should be aware of the following developments.
>
> On February 26, 1974 the Secretary of Health, Education and Welfare designated the Office for Civil Rights of H.E.W. as the agency within H.E.W. responsible for the enforcement of Section 504. As H.E.W.'s statement at the March 18, 1974 Subcommittee hearing indicates, the Office for Civil Rights is presently conducting an analysis of the tasks required to effectively implement Section 504. The Department of Justice will maintain close liaison with H.E.W. during this process.
>
> On March 20, 1974 in *North Carolina Association for Retarded Children* v. *State of North Carolina* (C.A. No. 3050, E.D. N.C.), a case in which the United States is a plaintiff-intervenor, the private plaintiffs amended their complaint to include an allegation of a violation of Section 504 through the alleged exclusion of mentally retarded students from a free public education. As plaintiff-intervenors in this case, we intend to develop and present to the Court all relevant evidence concerning a violation of Section 504.
>
> I hope you find this information helpful. If you have any additional questions, please do not hesitate to contact me.
>
> Sincerely,
>
> J. STANLEY POTTINGER,
> *Assistant Attorney General Civil Rights Division.*

It is heartening to know that this section of the Vocational Rehabilitation Act is being taken earnestly. I am particularly pleased that Mr. Pottinger is aware of the provision and is actively moving toward a real implementation of it. I hope that Section 504 can indeed become the Civil Rights Act for the Handicapped and make available to the handicapped the same government-provided programs and privileges that the nonhandicapped enjoy.

UPRISING IN WARSAW GHETTO ON APRIL 19, 1943

HON. JOHN J. ROONEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 11, 1974

Mr. ROONEY of New York. Mr. Speaker, there are some moments in days gone by which have etched themselves deeply upon the pages of history. The valiant efforts and the heroic sacrifices made by the Jewish ghetto dwellers in Warsaw on this day during one of the most crucial periods of World War II cannot be forgotten. It is well for all of us to remember April 19, 1943, that the Jewish Combat Organization—ZOB—commanded by Mordecai Anzelcwicz launched armed resistance against the Nazi troops in the ghetto of Warsaw.

At no time in history has greater courage been shown than by these brave outnumbered and outarmed ZOB forces. Their gallant efforts against such overwhelming military might drew the admiration of the whole world. The resulting victory by the Nazi, with the aftermath of their ruthless punishment, the devastating of over 800 acres of the ghetto and the slaying of over 56,000 jews, caused the world to bow its head in shame and sorrow. Thus, this courageous uprising and the horrors which followed did much to impress the world as to the savage and barbaric makeup of the Nazi hordes as well as the tragic plight of Jews in all the subjugated countries.

As we recall this sorrowful event today we find ourselves reflecting in painful memory on the millions of Jews as well as others who fought to throw off the shackles of Hitler's bestial minions.

Yes, Mr. Speaker, as we reflect upon this date 31 years later, we remember well the victims of the infamous concentration camps and we remember well the mass slavery to which millions of Jews have been subjected by the Nazi slavemasters. All this we recall with deep sorrow. Even so that sorrow we recall is considerably dimmed by the sorrow which we feel today over the plight of the millions of helpless victims of current Soviet enslavement.

As we join our Jewish friends and neighbors all over the Nation in their observance of this historic date, may we rededicate ourselves to the completion of the unfinished tasks of freeing all slaves whether Jew or gentile from the bondage placed upon them by more powerful and greedy nations.

Ours is the heritage to see that the Warsaw ghetto defenders did not die in vain. Ours is the task to continue our utmost to remove any and all forms of human enslavement wherever it is found gnawing away at the precious freedom of mankind.

A VOTE FOR "CHIP"

HON. ROBERT P. HANRAHAN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 11, 1974

Mr. HANRAHAN. Mr. Speaker, we are all aware of the drastic need of new legislation to insure Americans the best possible health care at a minimal cost. As we know, there are two principal health plans. This article, "A Vote for CHIP," may be beneficial to my colleagues:

A VOTE FOR CHIP

It seems all but certain that Congress this year or next will produce one of the most significant bills of our time, designed to insure all Americans access to health care at nominal cost.

The Congress has reached this point, after decades of struggle and acrimony over what the American Medical Association once called "socialized medicine," because of widespread support for the notion that an affluent society should provide its weakest members with a minimum standard of health care. But Congress still must choose between, or reconcile, two principal health plans, one backed primarily by President Nixon and the other primarily by Senator Kennedy.

The key to success will be in arriving at a plan that not only protects the interests of the economically and medically disadvantaged but also of those people who have a professional and economic stake in the delivery of health care. The idea of punishing the AMA and its members for past sins was never very worthy and is certainly not a justification for further moves towards nationalizing the health profession. Because the Kennedy plan still has vestiges of that approach, we find the carefully thought-out Nixon proposal more appealing.

Obviously, even Senator Kennedy himself was impressed by the administration plan, which was put forward in early February. Last week, the Senator co-sponsored a bill that represented a sharp departure from his previous all-encompassing $61 billion national health program. His new bill would cost $8.5 billion in new federal money, more than the $6.4 billion projected for the Nixon plan, but is similar in benefits, deductibles and the like. Significantly, Wilbur Mills, who had co-sponsored the administration measure, also co-sponsored the Kennedy bill, persuading almost everyone that the health plan show is definitely on the road.

But there is a crucial difference between the Kennedy and Nixon plans. Mr. Nixon's Comprehensive Health Insurance Plan, or CHIP, will attempt to stimulate competition in health insurance and health care delivery methods by awarding a significant role to private insurers and delivery plans. All employers will be required to offer and largely finance employe coverage, but individuals will be free to waive coverage if they wish. The Kennedy plan, on the other hand, makes coverage compulsory for all Americans and puts management of basic insurance largely in the hands of the Social Security Administration.

This makes it clear that Senator Kennedy, despite his generous compromise, has not lost sight of his eventual goal of nationalized health care. But that goal is neither practical nor desirable. Perhaps it is true that by permitting broad latitude for professional self-regulation in medical care, the U.S. has been overly tolerant in the past of anti-competitive practices. But a government-operated monopoly would only further stultify the industry and lead to further, and probably drastic, increases in the real costs of medical care. That is not to mention the almost certain demoralization among doctors, most of whom have a genuine desire to fulfill their obligations to society.

The notion that the federal government can hand the American people medical care at no cost is utter nonsense. In both the Kennedy and Nixon plans, the major additional cost will be borne by employers, who in turn will pass it along in the form of higher prices, except for that substantial number who already meet minimum standards. Other costs will have to come out of the federal budget. If revenues aren't found to pay them, they will be paid through inflation.

However it is done, every citizen must somehow pay. The only magical force that can relieve the burden is greater economic efficiency. The Nixon plan will try to achieve that through competition. It may not work perfectly but it will work better than government monopoly and also permit a great deal more personal freedom. For that reason it is a far better CHIP to play.

RICHMOND, CALIF., CITIZENS AND LEADERS SUPPORT MODEL CITIES PROGRAMS

HON. RONALD V. DELLUMS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 11, 1974

Mr. DELLUMS. Mr. Speaker, for years Richmond, Calif., along with many other cities throughout the United States, has benefited from the model cities program.

The Richmond model cities program has assisted and has been involved with implementation of housing and business development. This project has been very successful in helping create new business and employment where it is badly needed. Other projects sponsored by the Richmond model cities program deal with home improvement projects, drug abuse, career development, business development and housing loans, and public agency management integration. The resources available to the Richmond community are numerous and would not have been possible without the viable support of model cities.

Now, since the Nixon administration has placed such a low priority on domestic programs and human needs, many social programs have been terminated. We are now aware that the model cities program may come to an abrupt end and such successful ventures discontinued.

I believe that termination of model cities program would have the practical effect of depriving a substantial proportion of our citizens, who desperately need services provided them by this program.

I strongly urge my colleagues to make every effort to continue full funding of model cities programs until omnibus community development legislation is enacted and appropriations made available.

Mr. Speaker, at this time I would like to insert in the RECORD correspondence I have received concerning the successful Richmond model cities program:

RICHMOND UNIFIED SCHOOL DISTRICT,
Richmond, Calif., April 1, 1974.

Hon. RONALD V. DELLUMS,
U.S. House of Representatives.

DEAR MR. DELLUMS: The Richmond Unified School District has been involved with the implementation of the career development project of the Richmond Model Cities program during the past years. This project has been very successful as evidenced by the acquisition of professional status and regular employment of Career Opportunities Program graduates.

We are now aware that Model Cities may be terminated and such succesful ventures discontinued as legislation for the proposed Community Development Block Grant Programs may not be passed by Congress for a year or more.

In support of Model Cities, I request that you make every effort to continue full-funding of Model Cities Programs until Community Development legislation is enacted and appropriations are available to local governments.

Sincerely,

Dr. R. W. LOVETTE,
Deputy Superintendent.

NATIONAL LEADERS,
Oakland, Calif., April 2, 1974.

Hon. RONALD V. DELLUMS,
U.S. House of Representatives.

DEAR RON: The Prudential Insurance Company and myself have been involved with the implementation of the Business Development and Housing Loans projects of the Richmond Model Cities Program during the past years. These projects have been very successful in helping create new business and employment where employment is badly needed.

We are now aware that Model Cities may be terminated and such successful ventures discontinued as legislation for the proposed Community Development Block Grant Programs may not be passed by Congress for a year or more.

In support of Model Cities, I request that you make every effort to continue full-funding of Model Cities Programs until Community Development legislation is enacted and appropriations are available to local governments.

Sincerely yours,

EARL L. CREER.

CITY OF RICHMOND, CALIF.,
April 3, 1974.

Hon. RONALD V. DELLUMS,
U.S. House of Representatives:

The Richmond Police Department has been involved with the implementation of the Public Agency Management Integration Project of the Richmond Model Cities Program during the past years. This project has been very successful and is currently being institutionalized.

We are now aware that Model Cities may be terminated and such successful ventures discontinued as legislation for the proposed Community Development Block Grant Programs may not be passed by Congress for a year or more.

In support of Model Cities, I request that you make every effort to continue full-funding of Model Cities Programs until Community Development legislation is enacted and appropriations are available to local governments.

ROY E. ESTES,
Acting Chief of Police.

CONTRA COSTA COUNTY MEDICAL SERVICES,
April 4, 1974.

Hon. RONALD V. DELLUMS,
U.S. House of Representatives.

DEAR SIR: The Richmond Discovery Center has been involved with the implementation of the Drug Abuse project of the Richmond Model Cities Program during the past years. This project has been very successful as a drug prevention, drug intervention, drug education, drug information and drug referral Center. The resources that are available to the community are numerous and would not have been possible without the viable productive support of Model Cities.

We are now aware that Model Cities may be terminated and such successful ventures discontinued as legislation for the proposed Community Development Block Grant Programs may not be passed by Congress for a year or more.

In support of Model Cities, I request that you make every effort to continue full-funding of Model Cities Programs until Community Development legislation is enacted and appropriations are available to local governments.

Sincerely yours,

JIM SUMMERS,
Director, Richmond Discovery Center.

BANK OF AMERICA, RICHMOND BRANCH,
April 1, 1974.

Hon. RONALD V. DELLUMS,
U.S. House of Representatives.

DEAR CONGRESSMAN DELLUMS: The Bank of America has been involved with the implementation of the home improvement projects of the Richmond Model Cities Program during the past years. These projects have been very successful as to the improvement of the housing in the city of Richmond.

We are now aware that Model Cities may be terminated and such successful ventures discontinued as legislation for the proposed Community Development Block Grant Programs may not be passed by Congress for a year or more.

In support of Model Cities, I request that you make every effort to continue full-funding of Model Cities Programs until Community Development legislation is enacted and appropriations are available to local governments.

Sincerely,

J. PRENDERGAST,
Assistant Timeplan Head.

RICHMOND REDEVELOPMENT AGENCY,
Richmond, Calif., April 2, 1974.

Hon. RONALD V. DELLUMS,
U.S. House of Representatives.

DEAR CONGRESSMAN DELLUMS: During the past years the Richmond Model Cities Program has assisted and has been involved with the implementation of housing and business development in the Downtown and North Richmond Urban Renewal Projects, the Neighborhood Facility Program in the Nevin Center Renewal Project and in the planning of the Port and Hilltop Renewal Projects.

We are now aware that Model Cities may be terminated and such successful ventures discontinued as legislation for the proposed Community Development Block Grant Programs may not be passed by Congress for a year or more.

In support of Model Cities, I request that you make every effort to continue full funding of Model Cities Programs until Community Development legislation is enacted and appropriations are available to local governments.

Sincerely,

JAMES K. KIMOTO,
Acting Administrator.

THE LAND USE PLANNING ACT

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 11, 1974

Mr. BROWN of California. Mr. Speaker, on April 23, 1970, I introduced a major bill that I entitled the "Comprehensive Land Use Act of 1970." On April 23, 1974, 4 years to the day after the introduction of that bill the Subcommittee on the Environment of the Committee on Interior and Insular Affairs of the U.S. House of Representatives will begin 2 additional days of hearings on the Land Use Planning Act of 1974. For me there is irony in this, for the Honorable MORRIS UDALL and the other Members of the House who have dedicated their time and energies to this issue, I am sure that there is frustration.

The bill I introduced 4 years ago included many of the provisions of the legislation before us, and quite a few more provisions that I believe should be before us. However, it is not the omissions of H.R. 10294, the Land Use Planning Act of 1974, that are the reason for the newest round of hearings. The reason is that a small minority has poisoned the atmosphere around this bill and distorted its purpose. Mr. Speaker, the bill that was to be before us was a carefully drawn compromise that gave great consideration to the criticisms raised about the possible impact of the legislation. This bill continued to gather support from numerous divergent groups, and it began to look like a motherhood issue. Supporters of the Land Use Planning Act of 1974 included the President and several offices in the executive branch, the National Governors' Conference, the National League of Cities, the National Association of Counties, the AFL–CIO, the Wall Street Journal, and innumerable other institutions and groups. Then a determined, emotional, and malicious campaign was begun to defeat this legislation. We have all been recipients of communications from misinformed citizens who have been frightened into thinking that "planning" meant "control" and "land use planning" meant "confiscation of land." It is a sad state of affairs when any segment of the American people can believe that the Congress would undermine the Constitution and threaten their very security. The conduct of this administration has given substance to these fears by its almost dictatorial actions, but this should not prevent us from considering a modest, even timid, Land Use Planning Act.

Mr. Speaker, I understand that some of our colleagues intend to substitute a useless piece of legislation for H.R. 10294, a bill which represents 4 years of consideration and is a step forward, in the hopes of appeasing the malicious and the misinformed. It is their right to do so, but this body should flatly reject any such substitutions. As is clear by now, I am one of those who is not satisfied with H.R. 10294. I intend to include at the end of these remarks the statement of findings, declaration of policy and purpose of my Comprehensive Land Use Act of 1970. The findings, policy, and purpose described in 1970 still apply in 1974, and the need is even more critical. In 4 years the House has still failed to act on this legislation. Mr. JACKSON in the other body and Mr. UDALL in this one have given leadership to the Congress in this field. We have failed to follow. I recognize the need for a leader to compromise at the appropriate times, and Mr. UDALL is to be commended for his continued guidance of this legislation. H.R. 10294 does none of the things its enemies ascribe to it, and only some of the things that I believe are necessary and proper functions for the Federal Government. If the provisions that I would like to see included in H.R. 10294 were implied by the existing language, then I would be satisfied. However, they are not, and at some point in the future I hope to see this situation remedied.

In this respect one of the arguments of the critics of this legislation is valid. Proponents of good, strong, and effective land use planning will not be satisfied with this bill. They will continue to press their points. This effort will be made quite openly, and the sponsors of the current bill are acting in good faith when they say the bill does only what they say it does. It is simply obvious that more Federal assistance and involvement than that envisaged under H.R. 10294 will be needed. It is also obvious that a majority of this body does not now agree with this assessment.

Mr. Speaker, I urge quick consideration of H.R. 10294 by the House. The hearings that will be held later this month should satisfy the most persistent critic. Let us get on with the Nation's business and pass this measure. It is, as I have stated, a mild measure, a compromise solution. Yet it is a positive and necessary step in an area of critical national concern, the future of the land.

Mr. Speaker, at this time I wish to include the statement of findings, declaration of policy, and purpose of my Comprehensive Land Use Act of 1970 which clearly outlines, in detail, my views on this subject:

H.R. 17190, IN THE 91ST CONGRESS

A bill to establish means for developing comprehensive national, regional, and State land use planning policies and to provide financial assistance to States for the purpose of supporting and implementing such policies, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Comprehensive Land Use Act of 1970".

FINDINGS AND DECLARATION OF POLICY

SEC. 2. (a) The Congress hereby finds that there is a national interest in a more efficient and comprehensive system of national, regional, and statewide land-use planning and decisionmaking and that the rapid and continued growth of the Nation's population, expanding urban development, proliferating transportation systems, large scale industrial and economic growth, conflicts in emerging patterns of land use, the fragmentation of governmental entities exercising land-use planning powers, and the increased size, scale, and impact of private actions, have created a situation in which land-use management decisions of national, regional, and statewide concern are being made on the basis of expediency, tradition, short-term economic considerations, and other factors which are often unrelated to the real concerns of all the States and to sound national land-use policy.

(b) The Congress further finds that all across the Nation a failure to conduct competent, ecologically sound land-use planning has required public and private enterprise to delay, litigate, and cancel proposed public utility and industrial and commercial developments because of unresolved land use questions, thereby causing an unnecessary waste of human and economic resources and a threat to public services and often resulting in decisions to locate utilities and industrial and commercial activities in the area of least public and political resistance, but without regard to relevant ecological and environmental land use considerations.

(c) The Congress further finds that many Federal agencies are deeply involved in national, regional, and State land-use planning and management activities which because of the lack of consistent policy often result in needless, undesirable, and costly conflicts between agencies of Federal, State, and local government; that existing Federal land-use planning programs have a significant effect upon the location of population, economic growth, and on the character of industrial, urban, and rural development; that the purposes of such programs are frequently in conflict, thereby subsidizing undesirable and costly patterns of land-use development; and that a concerted effort is necessary to interrelate and coordinate existing and future Federal, regional, State, and private decision-making within a system of planned development and established priorities that is in accordance with a national land-use planning policy.

(d) The Congress further finds that while the primary responsibility and constitutional authority for land use planning and management of non-Federal land rests with State and local government under our system of government, it is increasingly evident that the manner in which this responsibility is exercised within each locality and State has a tremendous influence upon the utility, the value, and the future of the public domain lands, the national parks, forests, seashores, lakeshores, recreation and wilderness areas and other Federal lands in addition to non-Federal land in all our States; that the interest of the public in regional, State, and local decisions affecting these areas extends to the citizens of all States; and that the failure to plan and, in some cases, poor land-use planning at the regional, State, and local level pose serious problems of broad national, regional, and public concern and often result in irreparable damage to commonly owned assets of great national importance such as estuaries, ocean beaches, and other areas in public ownership.

(e) The Congress further finds that the land-use decisions of the Federal Government often have a tremendous impact upon the ecology, the environment, and the patterns of development in local communities; that the substance and the nature of a national land-use planning policy ought to be formulated upon an expression of the needs and interests of regional, State, and local government as well as those of the Federal Government, private groups, and individuals; and the Federal land-use decisions require greater participation by State and local government to insure that they are in accord with the highest and best standards of land-use management and the desires and aspirations of regional, State, and local government.

(f) In order to promote the general welfare and to provide full and wise application of the resources of the Federal Government in strengthening the environmental, recreational, economic and social well-being of the people of the United States, the Congress declares that it is a continuing responsibility of the Federal Government, consistent with the responsibility of State and local government for land-use planning and management, to undertake the development of a national policy, to be known as the national land-use planning policy, which shall incorporate ecological, environmental, esthetic, economic, social and other appropriate factors. Such policy shall serve as a guide in making specific decisions at the national, regional, and State level which affect the pattern of environmental, recreational, and industrial growth and development on the Federal lands, and shall provide a framework for development of regional, State, and local land-use policy.

(g) The Congress further declares that the national land-use planning policy should—

(1) favor patterns of land-use planning, management and development which are in accord with sound ecological principles and which offer a range of alternative locations for specific activities and encourage the wise and balanced use of the Nation's land and water resources;

(2) provide for future economic health of the United States;

(3) favorably influence patterns of population distribution in a manner such that a wild range of scenic, environmental, and cultural amenities are available to all the American people;

(4) contribute to carrying out the Federal responsibility for revitalizing existing rural communities and encourage, where appropriate, new communities which offer diverse opportunities and a diversity of living styles;

(5) assist State government to assume responsibility for major land-use planning and management decisions which are of regional, interstate, and national concern:

(6) facilitate increased coordination in the administration of Federal programs so as to encourage rational and desirable policies affecting the environment, as well as recreational and industrial land-use planning; and

(7) systematize methods for the continuing collection and exchange of land-use, environmental, and ecological information in order to assist all levels of government in the implementation and further development of the national land-use planning policy.

(h) The Congress further declares that intelligent land-use planning and management provides the single most important institutional device for preserving and enhancing the environment, for ecologically sound development, and for improving conditions capable of supporting the highest quality of life for all Americans.

PURPOSE

SEC. 3. It is the purpose of this title—

(a) to establish a national policy to encourage and assist the several States to exercise more effectively their constitutional responsibilities for the planning, management, and administration of the Nation's land and related resources through the development and implementation of comprehensive national, regional, and State land-use policies and management programs designed to achieve an ecologically and environmentaly sound use of the Nation's land resources;

(b) to establish a grant-in-aid program to assist State and local government to hire and train the personnel, and gain the competence necessary to develop, implement, and administer State land-use plans which meet Federal and regional policies and guidelines and which will be responsive and effective in deaing with the growing pressures of conflicting demands on a finite land resource base;

(c) to establish reasonable and flexible Federal and regional policies criteria and requirements to give individual States guidance in the development of comprehensive land-use planning policies and to condition the distribution of certain Federal funds on the establishment of adequate land-use policies; and

(d) to exercise the Federal Government's responsibility to maintain, develop, and refine a coherent national land use policy with respect to the planning, management, and administration of all federally owned lands.

THE WORKINGWOMAN

HON. BELLA S. ABZUG

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 11, 1974

Ms. ABZUG. Mr. Speaker, Gus Tyler, vice president and education director of the International Ladies' Garment Workers Union, AFL–CIO, wrote a column reporting on the organizing meeting of 3,000 women trade unionists into the Coalition of Labor Union Women, CLUW.

As Mr. Tyler says, women "work because they have to." I commend the article to the attention of my colleagues:

[From the Long Island Press, Apr. 4, 1974]

WOMEN'S NEW CLOUT IN LABOR FORCE

(By Gus Tyler)

The 3,000 working women who gathered in Chicago to add a proletarian dimension to Women's Lib convened under an auspicious rubric: CLUW (Coalition of Labor Union Women). For CLUW is a clue to sexogenic changes shaping a future America.

Within the foreseeable future, women will make up at least half the labor force. In 1920, they were only 20 per cent; now they are 40 per cent.

A majority of women workers are in the white collar and service sectors—the fastest growing turf in our economy. As such employment expands, the number (and percentage) of females in the labor force grows.

Women at work are no longer young singles (average age of 28) as they were in the 1920s; they are now married women (average age 38).

They do not work for pin-money. They work because they have to. If women left the labor market, the percentage of husband-wife families living in poverty would more than double.

Working women come mainly from middle America. If a husband's income is between $7,000 and $9,999, then his wife is likely to go to work; Almost half the wives in such families do. (A smaller rate prevails in families where husbands earn less than $5,000 or more than $10,000.)

According to the U.S. Labor Department Women's Bureau figures, of the nation's 32 million working women, 12.2 million are mothers: 7.9 million with kids between ages 6 and 17—2 million with children under 6 and another 2.3 million with children under 3. Close to 6 million children under age 6 have working mothers. Inevitably, these mothers will demand—and get—day care through public action for their children.

Women's roles in the home, with equal inevitability, undergo a revolution. Rearing the young becomes increasingly a public charge. The actual size of the family shrinks with the help of pills and sterilization. (One out of every six couples in America has gone through voluntary sterilization.)

Working-class women who were liberated from traditional chores by dishwashers, diaper services, and precooked foods, are now increasingly liberated from long years of tending big families.

All these facts—cool, calculable, consequential facts—have been doing more to re-make the American woman than all the reason and rhetoric of the military literatae who give Women's Lib its dramatic focus.

Whether the new Mrs. Middle America is a better wife and mother or a worse one will be an open question. But there is no question at all that she will be a different and more influential presence.

Economic determinism is not dead. As women learn to win bread in the work place, they also will learn to win arguments at home and to win elections in the nation.

POLITICS BY TAXATION

HON. ROBERT P. HANRAHAN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 11, 1974

Mr. HANRAHAN. Mr. Speaker, because of all the talk regarding the issue of public financing of campaigns, I thought the following article which appeared in the April 10 Wall Street Journal, would be of interest to my colleagues:

[From the Wall Street Journal, Apr. 10, 1974]

POLITICS BY TAXATION

(By Vermont Royster)

"To compel a man to furnish contributions of money for the propagation of opinions which he disbelieves and abhors," wrote Thomas Jefferson, "is sinful and tyrannical."

Jefferson was speaking of religious opinions for in 1786—a decade after the Declaration of Independence—religious views and political opinions were often closely entwined. The remnants of religious orthodoxies still lingered in the politics of the former colonies; Catholicism in Maryland, for example, and Protestantism in Virginia. Among many people there was still strong sentiments for the support of religion out of the public treasury.

Here Jefferson, as always, was on the side of freedom of thought. But it was not enough, he said, that a man should be free to hold what opinions he wished, free to express them, free to support them with his money or other treasure. He must also be free of being forced to support by his taxes those opinions in which he did not believe.

Hence he insisted upon this principle in the Virginia bill for the establishment of religious freedom. It was a principle later incorporated into the federal Constitution, and today it is a principle so fully accepted that we can hardly imagine it was once a matter of controversy.

Accepted, that is, with regard to religious opinion. But now, strangely enough, the same controversy is arising again with regard to secular political opinions. There is a growing sentiment in Congress and elsewhere for the taxation of all citizens for the support of particular political parties and political candidates.

There are at least three bills in Congress for mandatory public financing of political campaigns. Senator Kennedy is a leading supporter of the idea. A number of influential organizations, such as Common Cause and the League of Women Voters, are lobbying for it. The philosophy of this kind of taxation is defended by many academics of the liberal tradition.

That this once discarded idea should be reborn is not difficult to understand. Many thoughtful people have been long disturbed by our campaign practices, most particularly by the mounting costs of political campaigning and the resultant dependence of candidates on those who will pay their bills. This unhappiness has been intensified by the Watergate scandals. Among almost every group—liberals, conservatives, Republicans, Democrats—there is a groping for what can be done to improve the system.

In that groping a good many interesting ideas have been put forward: the limiting of campaign periods, particularly in Presidential elections; requirements for full disclosure of the source of all campaign contributions; restrictions on the amount of any one contribution to any one candidate; the use of a voluntary income tax check-off for political support; allowing the deductibility from income tax for contributions up to some modest sum; new laws against what has come to be known as "dirty tricks"; and so on.

There are, indeed, few who would argue that the present system cannot be improved. The nub of the matter, though, is how to improve the political process without injuring the fundamental principle of political liberty—the right of a citizen to support the political ideas he believes in and, conversely, not to have to support political ideas he abhors.

It's a problem inherent in many of the proposals. For example, those who write for the public prints are not restricted in raising their voices to support their political ideas or political candidates. If, then, a newspaper day after day praises one candidate and condemns another, are those of a different persuasion to be restricted in the amount they can contribute for advertising, pamphlets or broadcasts by way of reply? Is it equitable for one voice to be restrained and another not?

The public financing of political parties, or candidates, raises some especially troubling questions. On the practical level, no matter what formula you use for allocating these funds, some political candidates will be favored by this public largess, some penalized.

It would be ridiculous to ladle it out to every Tom, Dick and Harry who says he's a presidential candidate. There must be some eligibility rule. But any eligibility rule favors existing parties, discriminates against new parties or independents no matter how much public support they may have at the time.

Under the current doctrine Governor Wallace would not be eligible. His Independent Party did not get 5% of the popular vote in 1972. Barred from the public funds being distributed to others, and with his own supporters limited by the same restrictions as applied to the other parties, he and his supporters would be at a hopeless financial disadvantage. Yet will anyone argue that Governor Wallace has not been in the past, and may not be again, a "serious" candidate entitled to a public hearing in the political forum?

What if you change the rules? What if you use some other formula so that Governor Wallace, running as an independent, is allowed to share in this public largess paid for by all the taxpayers? Then you have created a situation where those to whom Governor Wallace and all he stands for are abhorrent are forced to pay for his campaign.

The dilemma is no less as between the two major parties. Any formula must be based on what the parties polled in the last election, and as we have many times seen the public political sentiment can change drastically between elections so that no formula can meet present circumstances. Had we, indeed, had such a system in times past there would likely be no Republican Party at all and we would be debating what share to give to the Whigs.

There is much we can do to improve our present campaigning system. But if political liberty means anything at all it surely means both the right of a citizen to support what political opinions he pleases and not to be coerced into supporting those he detests. If we forget that in our rush to correct every seeming abuse, we risk the worst abuse of all the tyranny of the public purse over that political liberty.

ENERGY DOWN ON THE FARM: CRISIS OR PROBLEM?

HON. ANCHER NELSEN

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 11, 1974

Mr. NELSEN. Mr. Speaker, I was recently supplied with a copy of an address delivered March 5 by Mr. B. J. Yarrington, executive vice president of Standard Oil Co. of Indiana, before the annual Farm Forum of the Greater Minneapolis Chamber of Commerce. Mr. Yarrington's speech, entitled "Energy Down on the Farm: Crisis or Problem?" is sufficiently important to warrant its inclusion in the CONGRESSIONAL RECORD.

The address follows:

ENERGY DOWN ON THE FARM: CRISIS OR PROBLEM?

(By B. J. Yarrington)

I'd like you to know how much I appreciate the privilege of speaking to this large assembly of VIP's. So often lately, when an oil man is called on to speak in public, he feels like the peasant appointed to taste the king's food: If it weren't for the honor of the thing, he'd just as soon not.

But today is different. It's a pleasure to have this chance to discuss the nation's energy problem with people in the farming business. It's especially good to see so many young folks here. You should have more than just a casual interest in the issue—because I foresee you'll be middle-aged before you witness the energy abundance your fathers took for granted.

For this reason I was particularly interested to hear the President tell us at his recent press conference that we don't have a crisis—although we do have a problem. I agree thoroughly with his conclusion, but I disagree—equally thoroughly—with the reasoning that led him to it. We do not have an energy crisis today—not, as Mr. Nixon believes, because it has come and gone, but because it has yet to arrive.

Crises are turning points, after which the basic situation improves. What we've been through this winter, and what we face for a long time to come, is a series of trials in which near-term shortages create temporary pressures. When the pinch is eased, we feel a little welcome relief. But we'd be wrong to think that our troubles are behind us, now that we've broken the back of the winter season.

We'd also be wrong to think that our conservation efforts, important as they are, were responsible by themselves. Turning down thermostats and driving slower were a great help—and we'll need to keep up with these and other measures in the future. But let's not delude ourselves. We were saved by a mild winter. We went through a trial—but the crisis, by definition, is still ahead of us.

We have, then, an energy problem—one that has been a long time coming, although only recently has it been easily visible to the average person. To the people who work the land and to those who supply them, it has surfaced at an especially crucial time.

The value of farm marketings is reliably estimated to grow to more than $90 billion by 1980, averaging a 6-per-cent-a-year increase—and this past year, the $17 billion worth of agricultural products sold abroad put the U.S. balance of trade in the black for the first time in five years.

Considering such a bright outlook as this, it's no wonder that people in agriculture are deeply concerned about the recent developments in U.S. energy supply and demand.

You're interest, of course, isn't new. Ever since machines began to replace human sweat and animal power, the farmer has realized his growing dependence on an adequate supply of energy. Today, because of the new land in use and the increased requirements for fuel and fertilizer, the need is greater than ever.

For example, it has been calculated that the amount of energy used in American agriculture in 1970 was equal to the energy contained in some 14 billion gallons of gasoline. On that amount of gas—given 13.5 miles to the gallon, which isn't at all bad for today's cars—you could drive around the world more than 7½ million times.

It's also significant that agriculture is uniquely dependent on petroleum energy. We have yet to find a way to run a tractor on nuclear power or coal, and the great bulk of the chemical energy that goes into the soil in the form of fertilizer originates with one or another form of petroleum.

So to say that farmers have a vested interest in adequate energy is really to say that they have an essential stake in what happens to our supply of oil and gas.

I won't dwell for long on the basics of petroleum supply and demand, even though I probably should, since the data are so regularly misinterpreted by the media and misunderstood by others. Let's just boil it all down to one hard fact: Domestic petroleum supplies in recent years have not kept up with the tremendous demand generated in every facet of our economy.

In industry, the shortage of natural gas—brought on by its desirability as a fuel and by its low, government-controlled price—has resulted in a switch to oil fuels. In utilities, where burning coal has been outlawed in many areas, the use of distillate fuel oil has increased by more than 20 times in six years. Largely because we have had no comprehensive national policy covering all forms of energy, most of the problems have been pushed off onto the oil segment of our energy supply. And even within oil, the pressures have mounted—as, for example, in transportation, where big cars with air conditioning, power operations, and required emission controls have added greatly to gasoline consumption.

We are today using our domestic oil and gas at a faster rate than we are adding to new reserves—and still we depend increasingly on imports. We become vulnerable to the political whims of small sheikdoms in the Middle East, because this area and Africa together control more than 80 per cent of the crude reserves in the non-Communist world. We become the victims of arbitrary price increases that fall only a little short of extortion. We're now paying 33 cents a gallon for crude oil from Venezuela, while Canada—which supplies much of the crude from which your gasoline and diesel fuel here in the northern Midwest are made—has posted a price increase to 26 cents a gallon.

For this reason—and because Canada, too, must look to her own self-sufficiency in energy—agriculture and farm-related business in this region should be even more than ordinarily concerned with policies and programs to boost our supplies of domestic oil. These would include the 10 billion barrels known to be under the Alaskan North Slope. Even though it will be directed to western markets, it will replace oil that can be shifted to refineries serving Midwestern farms and cities.

Whatever the source of oil, however—foreign or domestic—the inevitable fact is that it will cost more. The oil industry can no more absorb these higher costs for raw materials than the American farmer could meet today's operating expenses with dollar-a-bushel wheat.

How some political opportunists can continue to ignore such an obvious and basic fact is beyond my understanding. Yet Congress passes an energy bill containing a provision to roll back oil prices, and continues to debate the merits of various ways to limit profits. Surely the 20-year history of federal controls on the field price of natural gas—and the resulting shortage—should tell us something. Such restrictions are the most effective way I know to prolong the shortage by making it more and more difficult to find new supplies.

I am often discouraged, therefore, to see how few of the policies so far announced by the Administration or proposed in Congress go to the real heart of the difficulty, which is the need to increase our total domestic supply of energy. For the most part, the flurry of activity in Washington since the creation of the Federal Energy Office has been directed less toward solving the problem than to spreading the discomfort.

The patient has galloping consumption, and the medical advice from Washington is to take two aspirin and call me in the morning.

Let me cite a few examples. At a time when our total petroleum fuel supplies are tight, refineries are prohibited by government regulation from operating at a level of more than 76 per cent of capacity. That compares roughly with taking good land out of production when people are hungry.

To draw another parallel, suppose you were required to turn over a portion of your land to a less efficient neighbor. Refiners find themselves in about that position, because any one who has enough crude to run at more than 76 per cent of capacity has to sell the excess to a competitor who has less.

When areas of the northeastern U.S. are threatened with brownouts, the reaction is not to draw more electric power from elsewhere in the country, but to go through the cumbersome process of ordering more distillate fuel production from refineries and attempting to shift it from the Midwest and Southwest. If somebody's short of food, it would seem easier to give him bread than send him a bushel of wheat.

I don't intend to carp about the organization and actions of the Federal Energy Office, because that's not where the real problem lies. Mr. Simon and his staff face a terribly complex problem—and it is made a lot worse by the fact that they must act under Congressional orders and pressures, most of which seem designed to seek revenge for the unhappy state of fuel supply and prices. Congress has simply not permitted the FEO to address what should be its central purpose: to act as the coordinating agency responsible for the nation's total energy program.

The FEO could and should be the nucleus for a balanced effort to develop all energy sources—oil, gas, coal, shale, electricity . . . everything. This has not so far been its function. Instead, Mr. Simon has had to put on a fireman's hat, grab an allocation hose, and try to douse the petroleum shortages. He's had no chance to get to work on some badly needed, long-range solutions.

Mr. Simon himself is an outstanding man and an able administrator, who is willing to take necessary action. Our company is giving him our full support, not only where the law requires, but voluntarily in whatever way we can. Administering the allocation program is so difficult and frustrating that perhaps the only thing worse would be actual rationing—and we hope that with hard work and a little bit of luck, we may be able to avoid that.

One thing about allocations that everybody seems to agree on: First priority goes to agriculture. Why? Simple: No fuel equals no harvest equals no food. So while farmers make up a privileged class in this respect, few of us would quarrel with the principle. Agriculture will get 100 per cent of its requirements for fuel.

Industry, too, has been placed well up on the priority list. So, it's the motorist—and the Sunday driver in particular—who will shoulder most of the burden.

If having a farmer's allocation status is a privilege, then we have to recognize that it also involves a responsibility. Fuel delivered for agricultural purposes will have to be *used* for agricultural purposes, or the whole point of the system is lost. The potential for abuse of the allocation program is considerable; letting a visitor fill his car's tank from farm storage is just one example.

Eventually, this practice will be reflected in further shortages suffered by, say, service station dealers in nearby towns, or the proprietors and workers in small manufacturing businesses.

In my own company we've set up a fairly elaborate system of paperwork to see that agricultural customers get all the fuels they need—but no more. Most other companies, I suspect, make very similar arrangements. The basic principle involves certification by a customer of the amount of fuel he needs, and an undertaking on the part of the oil company agent to deliver only that amount.

In our case, this means maintaining individual records on most of our 375,000 rural customers—how much fuel was used in 1972, both for farm and non-farm uses. A farmer is entitled to buy at least as much as he bought for farm use in 1972. It's possible for him to get more—if, for instance, he puts more acreage into production. In that case, however, the additional need must be certified, not only to the supplying company but to the Federal Energy Office.

We also maintain a complicated set of reports to make sure that our agents are delivering product in compliance with the government's regulations. I can remember the time not so long ago when we used to be an independent company—but there's no doubt about who's running the show today. Government tells us what kind of product to make, how much of each kind, where and to whom to sell it, and what to charge for it.

Whatever fuel is left over after all of agriculture's priority needs are met can be sold to non-farm users. In our case, these customers were entitled to 80 per cent of their 1972 volumes during February—but things have tightened up somewhat, and the allocation for March is 75 per cent.

So much for the way allocations are working. Clumsy and confusing they may be at times—but so long as shortages exist, they're necessary. And they beat coupon rationing any day.

With practically a guaranteed supply of farm fuel for his machinery, a northern Midwest farmer has only two energy problems to face: fertilizer and LP-Gas, particularly propane.

As for fertilizer, I've seen some very dire predictions recently, including one that made use of the word "famine." This is a scare tactic.

At the same time, there's no doubt that

the situation with regard to ammonia-based fertilizers is serious and will remain that way for some time. The U.S. Department of Agriculture figures a shortfall of about 5 per cent in the 1973–74 period, while some fertilizer people put the figure closer to 15 per cent. While it's practically impossible to put a firm figure on the likely shortfall in this particular region, our estimate would be closer to the USDA's 5 per cent.

Since ammonia fertilizers come in large measure from natural gas processing, the gas shortage has had its effect on supply. Also, much of the gas that might have been available for making fertilizer in the Midwest is being sold intra-state in the Southwest, where the price is not federally controlled.

I don't want to overstate the problem with regard to fertilizers, but it is serious enough to mean that farmers will have to be selective in their applications, using a limited supply where it will do the most good.

In the case of LP-Gas, we're anticipating an increase in demand in '73–'74 of about 3 per cent over 1972–73. Supplies will undoubtedly be tight—but because at least half the agricultural LP-Gas is actually used to heat farm homes, and because the winter has been mild, the outlook is far brighter than it looked a few months ago.

The propane shortage is partly a problem of economics and partly one of distribution. While some price rollback on propane may have been justified in view of up-bidding by brokers, the fact remains that continued inadequate prices for the product would discourage recovering it from natural gas and refinery feedstocks. Not only that, but it would delay the building of pipelines, plants, tanks, and trucks to get the gas to market.

With these two exceptions, propane and fertilizer, we see no serious shortage problems for agriculture in the near-term future. Your immediate outlook is reasonably good, thanks in large part to the mechanism of product allocations. Yet I would re-emphasize one very significant point: The best allocation program in the world does not add a drop of gasoline, or diesel fuel, or any other product to the total supply. And it is in boosting total supply that we will find an acceptable solution to the real energy problem of the nation.

I'm sure it would be easy for you to conclude from what I have said today that my purpose is simply to advocate some public policies and government actions that will do my company and industry a good turn. Now I'm not in the least ashamed of advocating things that are good for the oil business—but the fact is that the national economy, and specifically the farm segment of that economy, will prosper only if it can depend on adequate energy. And that, in turn, depends on the oil industry's ability to produce a larger, more secure domestic energy base.

If I advocate quick completion of the Alaska pipeline—and I do—it's because the country needs North Slope oil as soon as we can get it.

If I advocate more frequent lease sales on the Outer Continental Shelf—and I do—it's because this is the area where most of our potential reserves of oil and gas are waiting to be discovered.

And if I advocate free-market pricing on petroleum, along with fewer restrictions on the size of profits—and I do—keep in mind that the object of adequate prices and profits is the ability to increase supplies of crude oil and other basic energy resources.

As farmers and farm-businessmen, you should have no difficulty understanding the essential need for passing through the higher costs of doing business and for making an adequate profit. It's as basic to growing food as it is to producing energy.

Also as farmers and farm-businessmen, you recognize that in today's circumstances, solving a problem of these proportions requires comprehensive, practical policies on the part of government. You've had enough of your own experiences with well-meaning but misguided policies, adopted under the pressure of expedient politics, to know that only the mature decision—only the long-range vision—will suffice. With all due respect to the extreme complexity of the difficulties facing Congress and the Administration, I cannot see that we are getting much maturity or depth of understanding in the policies that so far have emanated from Washington.

Most emphatically I believe that it is a matter of vital interest to you—and to agriculture generally—that you support those actions which will be most effective in ensuring adequate fuel and energy for the future, not succumb to political blandishment.

So I am—for the long term—an optimist, based on my abiding faith in the working of our competitive-enterprise system. A great company that has voluntarily entered the competitive arena, and yet does not see the battle through to success, must eventually suffer all the consequences of defeat. A realization of this truth enables a company to accept and meet far-reaching obligations and responsibilities, such as those that now rest with the individual companies making up the oil industry.

The malaise of today is not a natural outgrowth of our system. The essence of competitive enterprise is progress. Our current troubles stem from other factors—temporary supply shortages, and coincident government intervention designed to suspend competitive market forces

We must—and we will—continue to oppose such extrinsic factors with all the vigor usually reserved for competitors, but with one single thought in mind: continuing to find and supply adequate energy, quality products, and superior services to consumers.

Thank you.

PROTECTING A PRECIOUS RIGHT

HON. BILL ALEXANDER

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 11, 1974

Mr. ALEXANDER. Mr. Speaker, in a special order on April 2 and again in the Extensions of Remarks section April 3, I have addressed remarks to the subject of invasion of privacy—particularly the opening of the income tax returns of farmers to the Department of Agriculture.

USDA was allowed access to these returns through two Executive orders issued by the President. I along with others of my colleagues, was fearful that this would set a precedent and in the future HEW could examine the returns of teachers and doctors, Commerce could look at the returns of businessmen, and HUD could obtain access to the tax returns of all homeowners.

Today I wish to complete sharing with my colleagues a series of articles which have appeared in the news media relating to these Executive orders which were only recently rescinded by the President:

[From the Watertown Daily Times, Mar. 15, 1974]

FARMERS' TAXES STAY CONFIDENTIAL

(By Alan Emory)

WASHINGTON—Vice President Gerald R. Ford has recommended that President Nixon revoke his controversial executive orders opening up farmers' individual income tax returns, and the President reportedly has informally agreed.

A new order, drafted by the Office of Management and Budget at Ford's request, has been given to the White House. It specifically scraps the two Nixon orders or farmers' returns.

GAINS SUPPORT

The Vice President won support from Agriculture Secretary Earl L. Butz Monday night, although Butz had previously refused to urge Nixon to withdraw the orders.

Still unsettled is a Justice Department opinion that the 1973 order serve as "a prototype" for all other federal agencies. This has spurred legislation tightening the safeguards around tax returns and will be one of the first items to come up before the new Domestic Council Committee on the Right of Privacy headed by Ford.

Ford told Butz that inspection of farmers' tax returns was not worth the threat to privacy in exchange for the data that might be obtained and added, informed sources say, that he thought the 1973 Nixon order was a bad idea.

MEMO TO NIXON

The Vice President's recommendation to Nixon to shelve the orders came in a memorandum from the Domestic Council setting out Ford's position and the endorsement from Butz.

Nixon has provided informal assurances he will sign the revocation.

Ford, who has named Grand Rapids, Mich., attorney Philip W. Buchen executive director of the privacy panel, says he does not intend to allow the group to be used as a "smokescreen" for Watergate.

"My own privacy had just been investigated more thoroughly than anybody's since Eve ate the apple," he told the National Governors' Conference here March 6.

He told an interviewer this week, "Having had my privacy invaded by two committees (of Congress) pretty extensively, I think I know a little bit more about how you can react." He specifically cited "laying out your income tax returns . . . putting it all out on the record."

UNDERSTANDS ANGER

Ford said he could understand people's resentment at having something they always considered private made public.

Ford's move on the Nixon order came just as Sen. Lloyd M. Bentsen, Jr., D., Tex., a member of the Senate Finance Committee, revealed he would introduce legislation Tuesday designed to restrict sharply the access of government agencies to individual tax returns.

Bentsen, who said he expected hearings to be held with Internal Revenue Commissioner Donald C. Alexander an "important witness," denounced the Nixon order for opening tax returns to "fishing expeditions."

Ford says he wants his panel to "establish common-sense safeguards for the fundamental right of privacy."

"What we are going to do as long as I am chairman is to try to put a stop to unwarranted future invasions of individual privacy by the federal government or its agents, period," he said.

"Preservation of the right to privacy . . . has certainly been complicated by the immense growth of federal power and its concentration here in Washington," the Vice President said.

President Nixon told a Feb. 25 news conference he was turning the matter of his income tax orders and inspection policy over to the Ford privacy committee for review.

It appeared today, however, that the issue of the orders themselves might be settled even before the committee held its first hearing next week. The unit is directed to complete its study of individual privacy problems within four months.

Executive Director Buchen confirmed, in an interview, that the administration's overall policy on tax returns would be one of the first issues to be considered.

IRS Commissioner Alexander has refused to comply with the Nixon order to give the Agriculture Department individual tax returns and has said he would provide only the names and addresses of the farmers.

In a letter written Monday Sen. James L. Buckley, C.–R., N.Y., called on Nixon to rescind the tax return orders "immediately" as an implicit invasion of privacy.

The House Ways and Means Committee is expected to take up tax return privacy legislation this year. Bentsen's move was the first on the Senate side.

The Texan said the Nixon order contained "great potential for abuse" and it would be impossible to maintain the integrity of voluntary self-assessment in filing tax returns if access were greatly broadened to a host of government agencies.

"The responsibility is ours here in the Congress," Bentsen said. "If all departments are going into fishing expeditions on tax returns this will lead to the politicizing of the Internal Revenue Service and prove a serious mistake."

Bentsen indicated reservations about leaving the final decision to the privacy panel headed by Ford.

In an interview this week, Ford said he was taking his privacy assignment seriously.

When asked about using the committee as a "smokescreen" for Watergate and the cover-up, Ford replied, "The mere fact that I am chairman helps" refute that argument. "I understand the problem."

The original Nixon orders were never made public in a general release or announcement, but were just published in the Federal Register. They opened up farmers' tax returns going back to 1967 in most important aspects.

Agriculture Department officials told Congress they had not requested such broad orders, but the policy had been formulated by the Justice and Treasury Departments. Don Pearlberg, chief of farm economics for the department, called the orders "inoperative," but rebuffed a Congressional request to ask the more recent one to be tightened.

One of Ford's top aides said the Vice President, after the Feb. 25 press conference and subsequent news stories, told Butz "the game wasn't worth the candle" and the executive order was a "lousy idea," in the aide's words.

After winning Butz' support, he then took his case to the White House. It appeared today he had won.

[From the Washington Post, Mar. 19, 1974]

NIXON ASKED TO LIFT ORDER ON TAXES

(By Alan Emory)

Vice President Gerald R. Ford, in his first move as head of a new government committee on privacy, has recommended that President Nixon revoke his controversial executive order opening up farmers' individual income tax returns, and the President reportedly has informally agreed.

A new order, drafted by the Office of Management and Budget at Ford's request, has been given to the White House. It specifically scraps the Nixon order, as modified, on farmers' returns and represents a potential major shift in administration policy.

The Vice President won support last week from Agriculture Secretary Earl L. Butz, although Butz had previously refused to urge Mr. Nixon to withdraw the order.

Still unsettled is a Justice Department opinion that the 1973 order serve as "a prototype" for all other federal agencies. This has spurred legislation tightening the safeguards around tax returns and will be one of the first items to come up before the new Domestic Council Committee on the Right of Privacy headed by Ford.

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Ford said he could understand people's resentment at seeing something they always considered private made public.

Ford says he wants his committee to "establish commonsense safeguards for the fundamental right of privacy."

"What we are going to do as long as I am chairman is to try to put a stop to unwarranted future invasions of individual privacy by the federal government or its agents, period," he said.

[From the Washington Post, Mar. 19, 1974]

HOW PUBLIC IS THE RIGHT TO PRIVACY?

The right to privacy has gone public. Your editorials and news analysis on the privacy issue are appreciated. A little-noticed provision of the federal student aid program for college students should be publicized too, since it appears as another invasion of the privacy of tax returns.

Under the Basic Education Opportunity Grant program, students applying for modest grants (averaging $250 this year) and their parents, sign a form authorizing the Department of Health, Education and Welfare to secure copies of the family tax returns from the District Director of Internal Revenue. This regulation affects millions of students from low- and middle-income families.

The requirement lends additional credence to the fear expressed by Rep. Bill Alexander (D-Ark.) (Post, March 11) about administration attempts to make "personal income information of whole classes of people available to various departments." Surely we can find other less threatening methods to verify the accuracy of applications for student aid.

I would not sell my right to privacy for $250. We should not require a whole generation of youth and their parents to do so. Let's hope Congress insists on reverting to democratic ideals with privacy as a guaranteed freedom for everyone.

WINNIE BENGLSDORF.

[From the Washington Star-News, Mar. 1[illegible]. 1974]

MISUSE OF TAX RETURNS

There was a time when citizens could assume that, except for examination by Internal Revenue Service agents, their federal income tax returns were reasonably safe from the prying eyes of curiosity seekers and others with more mischievous or malevolent motives.

But it's getting so that congressional committees have little trouble getting returns for investigations of one sort and another, and the forms seem to float hither and yon among officials in the executive branch without much thought to the traditional obligation of confidentiality.

This was dramatically demonstrated the other day in the disclosure of a White House memorandum which said President Nixon suggested in June 1969 that his statff be given access to the returns of former presidents so he could learn what deductions they had taken. While Mr. Nixon has denied seeing the returns and doesn't recall asking aides to obtain them, the memorandum was written by a former aide at a time when Mr. Nixon seemed intent on making use of every loophole available—and some that had been closed off—to lower his tax bill. That such use of tax returns is illegal apparently made little difference to the White House.

That is distressing enough but now we have an even more ominous invasion of the taxpayer's right to the privacy of his returns. Only recently some members of Congress discovered that President Nixon in early 1973 issued an executive order allowing the Department of Agriculture to examine the tax returns of the nation's three million farmers.

Apparently there was no evil intent in the department's wish to examine the returns. Evidently it wanted to compile statistical information about farmers that might be useful in formulating farm policies. But regardless of the motive, the mass examination of tax returns by any governmental agency not involved in the enforcement of income tax laws is completely unjustified.

We agree with Representative Alexander of Arkansas who saw the presidential order as foreshadowing a "frightening prospect" that other departments and agencies will be given access to personal income information of various classes of people. He raised the possibility, for example, of the Department of Commerce wanting to look at returns from businessmen, the Federal Housing Administration wanting to inspect returns from homeowners, or the Department of Labor wanting to examine returns of union members. Lest anyone think Alexander is far off base, a Justice Department official was quoted as saying that the presidential order was drafted as a model so that tax returns could be used for statistical purposes by other federal agencies.

President Nixon has made a big thing lately of the right to privacy. He also has protested allowing congressional committees investigating Watergate and impeachment to "paw" through the White House records on a "fishing expedition." If Mr. Nixon is serious about protecting privacy, he could start with rescinding the order involving farmers' tax returns. Neither the farmers nor any other citizens want Washington bureaucrats pawing through their income tax returns on a fishing or any other kind of expedition.

If the President doesn't rescind the order, the Congress ought to do it through legislation that would prohibit any such flagrant misuse.

CONGRESSMAN OBEY VIEWS REQUEST FOR DIEGO GARCIA IN DEFENSE SUPPLEMENTAL

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 11, 1974

Mr. HAMILTON. Mr. Speaker, twice in the last week, in the defense supplemental authorization and appropriation requests, this body has had to vote on a $29 million request of the Navy to start the construction of permanent base support facilities on the island of Diego Garcia half way around the world in the middle of the Indian Ocean.

It is most unfortunate that such a request was rushed through the House in a supplemental bill without the appropriate committees of Congress having an adequate opportunity to consider the many potentially significant strategic and foreign policy ramifications of such a base. If plans go ahead, this base will represent a major new type of presence, and perhaps commitment, in a part of the world where our profile was heretofore low and our policy one of restraint, and this construction would be undertaken without sufficient congressional examination.

Congressman Obey's observations on the Diego Garcia request, which appeared as dissenting views in the Appropriations Committee's report on the defense supplemental bill, sum up well the many questions which this request raises—questions which remain and which still need consideration by Congress.

I urge my colleagues to consider Congressman Obey's insightful remarks and reflect on the several important questions he raises:

Dissenting Views of the Honorable David R. Obey

It is simply not necessary to appropriate money in a supplemental appropriation for Diego Garcia. One has to go no farther than this Committee report to be convinced of that.

(1) This report says, for example, that the Soviet naval presence in the Indian Ocean "could" expand dramatically, and "could" threaten our supplies of raw materials. From those two "coulds" this report concludes that a supplemental appropriation for Diego Garcia is "urgent." There was certainly no evidence presented to this committee to indicate that either of these "coulds" were likely to occur in the immediate future. How do two "coulds" make an emergency which necessitates the appropriation of this money in a supplemental budget bill—just a few months before the regular appropriation bill is acted upon?

(2) This committee report says that Diego Garcia would be vulnerable during a conflict, and that the chief advantage of the facility is "an ability to show the flag . . ." It also says that the expansion of Diego Garcia will aid the Navy *"during peacetime."* If this is true, where is the urgency which necessitates this supplemental finding?

(3) The committee says the approval of funds for the expansion of Diego Garcia "may forestall" further expansion of warmaking capability by the superpowers in the Indian Ocean. How can we forestall an expansion of warmaking capability of the superpowers by expanding the warmaking powers of one of the superpowers?

The purpose of the supplemental appropriation bills is, and should be, to deal with situations which are of a special or emergency nature. There is no emergency here that warrants the disruption of the regular appropriations process.

It is disturbing enough when agencies ask for funds in supplemental appropriation bills for programs which are not of an emergency nature. It is even more disturbing when Congress acquiesces in that practice.

The Appropriations Committee held approximately 1 hour of hearings on the question of funding for Diego Garcia and the hearing record totals only 40 pages. There are many questions which should be asked when discussing an expansion of U.S. forces in the Indian Ocean and the possibility of a costly arms race in that area—and that is what the money for Diego Garcia in this bill is all about. You won't find answers to those questions in this committee report or in the committee hearings on this bill. The Congress, and this committee especially, owes itself time to seek answers to those questions.

Before we rush pell-mell into approving this project, there are certain questions which need answers.

WHAT ARE THE CONSEQUENCES?

What are the economic, political and strategic consequences of expanding our facilities on Diego Garcia? These consequences could be substantial and they deserve more attention than Members of this House and this committee can give them in a supplemental appropriation bill.

The "essential" reason given in the hearings for money now for the development of Diego Garcia is "time." The convenience of a construction schedule, however, should be minor in comparison with some of the other considerations—military and political—which are involved.

THE MIDDLE EAST AND OIL

We are told, for example, that an expansion at Diego Garcia is a natural result of the recent war in the Middle East, needed to protect the sea lanes in the Indian Ocean through which we get oil and other raw materials.

But if we expand facilities on Diego Garcia, is there any guarantee that our supplies of oil will not again be cut off—not in the seas but at the wellhead? It is obvious that the presence of a U.S. carrier task force in the Indian Ocean during the October war did not stop the Arabs from doing just that. And, it is also true that in the naval buildup in the Indian Ocean following the Indo-Pakistan and Arab-Israeli wars, the stand-off firepower provided by U.S. carriers was a sufficient match for anything that the Soviets could or did deploy.

Won't the Russians think twice about interfering with the oil flow from the Persian states when we could respond by massively interfering with their seaborne trade? They are not unmindful, I'm sure, that exits from the two major Soviet import-export areas, the Baltic and Black Seas, which together account for 85 percent of all Soviet seaborne trade, are narrow channels bordered by NATO countries (Turkey, Denmark, Norway), and the English Channel, 22 miles wide at its narrowest point, is bordered by two more (Britain and France). The only functioning exit from the Mediterranean, the Straits of Gibraltar, is also dominated by a British base in a sea where six NATO countries maintain a large naval force.

THE SUEZ CANAL

We are told that an expansion of the facilities at Diego Garcia is needed because the Soviets will be able to use the soon to be opened Suez Canal to increase its presence in the Indian Ocean.

If the opening of the Suez Canal can have such serious consequences for our security, why is this government spending money to help open that canal? How much will the Russians rely on the Suez Canal if, as everyone seems to agree, the canal is vulnerable in a crisis and would leave Soviet ships far from their support facilities? Can the Soviets afford to send more ships into the Indian Ocean by transferring ships from their Atlantic, Mediterranean or Pacific fleets?

NEGOTIATIONS

We are told that the Soviets have not come up with any concrete proposals for a negotiated agreement on a limitation of force levels in the Indian Ocean. Have we done any better?

On two occasions—March and June 1971—the Soviets raised the question of a possible limitation of naval forces in the Indian Ocean by both the United States and the Soviet Union. What did we do to follow that up?

The printed hearings on this supplemental appropriation bill show that when questioned about the benefits of negotiations to limit our deployments in the Indian Ocean, thereby saving this country a great deal of money, "the Chief of Naval Operations refused to answer" the question. To further quote from the Committee report, "After a delay of 20 days, during which they were repeatedly requested to obtain a responsible answer, the Navy has agreed to initiate steps to obtain an answer from the Department of State."

Why shouldn't we have the benefit of that information before we vote on the question of funding for Diego Garcia?

PLAYING CATCH-UP

We are told that an expansion of facilities at Diego Garcia is needed to balance an increased Soviet force which is already there. But is it not possible that the Soviets feel they must catch-up with us?

The U.S. Navy has sought the use of islands in the Indian Ocean for naval bases since the late 1950's. Proposals similar to the one contained in this bill were made in 1967. But the Soviets did not start to deploy vessels in the Indian Ocean until March, 1968.

Several public hearings have also revealed that the total number of Russian major surface combat ships in the Indian Ocean has never been substantial, ranging between three and ten such ships, and averaging closer to the lower end of the scale.

Moreover it is irrelevant to talk just of the numbers of Soviet ships in that area. When you look more closely at the kinds of Soviet naval activities in the Indian Ocean, you see that by far the greatest portion of their increased activity is accounted for by minesweepers and other auxiliary ships. The picture then becomes far less grim than the Navy would have us believe.

The International Institute for Strategic Studies has recently published a paper, by Geoffrey Jukes, which suggests that the Soviets are in fact reacting to a US presence in the Indian Ocean. He points out, for example, the Soviet's concern with the stationing of US Polaris submarines in the Indian Ocean, putting within range of submarine-launched missiles the industrial heartland of Russia. Is it then unreasonable to suggest, as Jukes does, that the Russian Navy is in the

Indian Ocean as a flag-showing force, to familiarize its Navy with an area where it might have to contest the presence of US Polaris submarines and to create pressure on the United States to avoid a great power naval race in the Indian Ocean? If one accepts this thesis, the Soviet offer to negotiate naval limitations makes much sense.

Is it not possible that the Soviets feel the real reason for Diego Garcia is a maritime reconnaissance base from which US aircraft can track Soviet ships and submarines? Even if that is not our intent, is it unreasonable for the Soviets to think otherwise, and to increase their naval forces because they do think so?

The Soviets have a substantial fishing fleet in the Indian Ocean. Is it not possible that they are there, in some part, to protect those fleets?

COSTS

We are told that an expansion of facilities at Diego Garcia will make it less costly for the United States to deploy ships and aircraft in the Indian Ocean.

But isn't there a real possibility that an expansion of Diego Garcia, and the deployment of a carrier task force in the Indian Ocean on a regular basis could cost this government a very substantial sum of money?

Navy officials have stated that if we keep a carrier in the Indian Ocean for six months or more each year, it will require either a reduction of our forces in the Mediterranean or the Pacific or an increase in our carrier force levels, at an enormous cost. Are we ready to say now that we should thin out our 7th Fleet or spend billions of dollars for the procurement and operation of two or even more new aircraft carriers which may be needed?

STABILITY IN THE REGION

We are told that our military presence in the Indian Ocean provides tangible evidence of our concern for security and stability in the region where significant United States interests are located.

But we have also been told that strife which has occurred in the littoral states has come from historic tensions between the countries themselves. Examples are numerous: India-Pakistan, Iraq-Iran, Iraq-Kuwait, and Somalia-Ethiopia among others.

If historic rivalries are the basic tensions in the area, how can the development of Diego Garcia substantially help stabilize the region?

In fact there could be benefits in moving cautiously in this area. Many of the littoral states do not want a great-power arms race in the Indian Ocean. That view is held not only by India and Indonesia among others, but by New Zealand and Australia, two of our major allies.

And there are other questions.

At the present time we are giving significant amounts of military aid to a number of countries in the Indian Ocean, including Saudia Arabia and Iran. Does that, combined with the attempt to develop Diego Garcia, mean that the United States is consciously moving toward greater involvement in that entire region? Can the Soviets not interpret it that way in any event?

On the Southwest coast of Iran a $600 million military base is being constructed by American contractors. Reportedly this will be the largest base of its kind in the Indian Ocean. The Russians are building smaller bases elsewhere in the littoral states. If we assume that the Russians are, or can, use these bases for their benefit, isn't it likely that the Russians assume we could use this Iranian base for our purposes?

Is it not true that Iran, an ally of the United States, has a great advantage in terms of the military balance of power in the Persian Gulf, while India, supposedly the Soviet's most important ally in the area, has so far resisted attempts by the Soviets to acquire base rights in that country? Will the Indians continue their resistance if we develop Diego Garcia over their objections?

All these questions bear on the issue of whether we should provide funds in this supplemental appropriation bill for the development of facilities on Diego Garcia.

It may well be that our best interests require a permanent naval base on that island. My concern is that we don't know that now! The Navy has asked for $29 million for the development of naval facilities on Diego Garcia and is trying to sell the idea to the Congress as a super-Texaco station in the middle of the Indian Ocean. The question which I have posed indicates, I think, that an expansion of those facilities can mean a great deal more than that. Certainly an appropriation of these funds, if they are justified, can wait at least until the consideration of the fiscal year 1975 budget in just a few short months!

A GREAT WOMAN RETIRES

HON. FRANK J. BRASCO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 11, 1974

Mr. BRASCO. Mr. Speaker, Premier Golda Meir, of Israel, has announced that she is submitting her resignation and that this act is intended to be irrevocable. Although like many others I would hope that such a move would not be a final act, it must be accepted at face value.

She resigns at a time when Israel is troubled politically as a result of the recent war. Some critics place blame upon her for some of the harm sustained by Israel in the Arab sneak attack. I shall make no judgments in that particular situation. Rather, I believe the Western World should view her in a clear, more correct perspective.

Golda Meir is the queen of democratic socialism. Emerging from the ghettos and pogroms of Eastern Europe, she was one of those bright lights and lively spirits who shared the noble dream that spread through the little Jewish towns of Eastern Europe. The shtetls, as they were known, lived in constant fear of organized, orchestrated governmental violence. In the Russia of that day, a Jew had the right to die, pay his taxes, and allow his son to be drafted in the czar's army.

Discriminated against, vilified, and reviled publicly, these people began to dream that special dream. It spoke of a new land, built upon the ruins of an old civilization, where Jews could come from around the world and live in their own state, secure from the persecution and violence attendant upon their residence in so many distant places.

Based upon the dream of Theodore Hertzl, who had seen the excesses perpetrated upon the Jews during the Dreyfus case, it became known as Zionism, a political expression of the ages-old dream of the Jewish Diaspora, enshrining the concept of a return to the homeland of Zion that the Jewish people had never left.

It fell to the lot of that generation of Jews to emerge from these towns and hold this idea aloft to their brethren. At first, it was a faint light indeed. But the idea spread to thousands of little villages across Eastern Europe where the Jewish people endured and survived, awaiting the inevitable arrival of either a Messiah or the embodiment of a messianic ideal.

The Lord spoke to them in the form of a group of leaders who titled the collective chin of the Jewish people upward, so their eyes could behold the dream of a new life in an old place.

Among these people were David Ben-Gurion and Vladimir "Ze'ev" Jabotinsky. Also among them was Golda Meir.

Like missionaries, they labored with unstinting zeal to awaken the Jewish people to the potential reality of this dream. "Arise," they said, "for we can never continue to live in these places and under these kings and regimes."

"Lift up your eyes," they said, "and assert yourselves as human beings. Don't let yourselves be killed like sheep, for there is an alternative. We shall make our ancient land blossom with the labor of our hands and the sweat of our brows."

And people laughed at them, and called them crazy. Except a few. Namely the very young and idealistic. And they began the return to Zion, planting tiny settlements in the deserts of what was then Palestine, and reclaiming land that for nineteen centuries had been allowed to go back to wilderness.

Their efforts resulted in the Balfour Declaration in World War I, guaranteeing a Jewish homeland in a Palestine the Jews had never left. They struggled to plant colonies in the intervening years, prevailing in the face of Arab violence. And then came the holocaust, as European Jewry was annihilated in a calculated policy of genocide by Nazi Germany.

And Golda Meir and her colleagues made sure that the land of Israel was established to serve as a haven for the shattered remnants of this persecuted people. Invaded by five Arab armies in 1948, on the day of Israel's Declaration of Nationhood, they shattered the invading forces and proclaimed the resurrection of Zion. Since that time, under the leadership of Golda Meir, and others of that generation, most of whom have gone to their reward, the Jewish people have had the greatest resurgence in their history.

And from all four corners of the Earth, there has been proclaimed the ingathering of the exiles. And they have come. One million from Arab lands as persecuted refugees. At least another million from the concentration camps, bearing Hitler's tatoos on their arms and his terror in their minds. And from the Western World, and from Asia. Until today, a true Socialist democracy, Israel stands as the only free nation in the entire Middle East.

In the last several years, that sturdy democracy has been nurtured and led by Mrs. Meir, through all vicissitudes and conflict, both internal and external.

Unlike other women who might pose as national leaders, Golda is a true national leader, embodying in her person the strength and virtues of her people, who stand so alone in the world today.

I know that she will be revered and respected by the world at large and her people specifically for all she has done and represents. I also know that her dream will prevail as her nation grows. She has presided over a metamorphosis of the world's most ancient people, and today hands on their priceless heritage intact to her successors. She will not be forgotten, nor will her cause be abandoned.

If ever a woman represented what the Torah says she should represent, it is Golda Meir. That, by itself, is tribute enough.

BLOOM TOWNSHIP OF ILLINOIS BASKETBALL TEAM

HON. ROBERT P. HANRAHAN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 11, 1974

Mr. HANRAHAN. Mr. Speaker, Bloom Township High School, of which I am an alumnus, recently won its super-sectional championship basketball game. I would like to insert the following telegram to the superintendent of Bloom Township High School and his reply for the interest of my colleagues:

Dr. Richard Carrabine,
Superintendent Bloom Township Schools, Dixie Highway and 10th Street, Chicago Heights, Illinois

Dear Dick: I want to extend my congratulations to your Bloom Township basketball team, coach Wes Mason and the entire student body of Bloom Township for their historic triumph of the super-sectional championship game against Rich Central.

Let's go all the way and bring home the bacon to Bloom Township and the entire city of Chicago Heights.

Sincerely,
Congressman Bob "Casey" Hanrahan,
Third District, Illinois,
Class of 1952

Bloom Township High School,
Chicago Heights, Ill., March 29, 1974.

Mr. Robert Hanrahan,
U.S. Congressman,
Illinois Third District,
Oak Lawn, Ill.

Dear Bob: Many thanks for your telegrams of encouragement and congratulations. We at Bloom are very proud of our basketball team and still believe them to be the best in Illinois. Unfortunately, we "ran out of gas" after having played such a tough game Saturday afternoon.

You can't believe the enthusiasm and spirit which was generated throughout the entire township at the homecoming festivities as evidenced by the parade and the rally which greeted us upon our return to McCann gym. Someone observed that they hadn't seen anything like it since the end of the second world war. It was certainly beautiful to behold and your comments in the telegram at that assembly were well received.

Thank you for your continued interest as an alumnus of Bloom and the best to you as you continue your work in Congress.

Sincerely yours,
Richard M. Carrabine,
Superintendent.

HERBERT L. MATTHEWS REVISITED

HON. GOODLOE E. BYRON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 11, 1974

Mr. BYRON. Mr. Speaker, on this 30th annual, official celebration of Pan American Day in the U.S. Congress, I would like to include an article written by the Reverend Father Joseph F. Thorning, Ph.D., D.D., our Acting Chaplain on all such occasions. This piece was prepared at the express suggestions of the Reverend John B. Breslin, S.J., book editor of "America," a national weekly published by the Fathers of the Company of Jesus in the U.S.A. and Canada.

The qualifications of Dr. Thorning for this particular assignment were ably described by the distinguished senior Senator from the great State of New Mexico on February 19, 1974—the Congressional Record-Senate. Senator Montoya, himself an honor graduate of Regis College, Denver, Colo., and the Georgetown University Law School, where he earned the degree, "Juris Doctor," spoke about his friend, "The Padre of the Americas," in the following terms:

Mr. President, the Reverend Father Joseph F. Thorning, Ph.D., D.D., who has served at various times as dean of the Graduate School of Georgetown University; European correspondent of "America"; and is now Honorary Chaplain of the Inter-American Defense Board and College as well as an associate editor of "World Affairs," has written articles . . . illustrating a special prespective which may be of interest to other Members of the Senate.

It is a matter of special importance, therefore, that I include the piece entitled "Herbert L. Matthews Revisited" in the Record today:

Herbert L. Matthews Revisited

Few writers in the 20th century have enjoyed more exciting, colorful and controversial careers than Herbert L. Matthews. Although retired from the New York Times since 1967, he remains a romantic, fascinating figure. One reason for abiding interest and debate is his spate of books and articles about live issues. His name, his dispatches, his books, including memoirs, are quoted in surveys of foreign affairs. Nor are they apt to be overlooked by historians. If the peoples of this planet are in a revolutionary mood. Matthews can claim some degree of responsibility for the process.

Assignments from the Times, starting in New York (1922), covered a wide field: France (1931–35); Abyssinia (1935–36); Spain (1936–39); Italy (1939–42); India (1943); England (1945–49); Latin America and, again, New York.

No reason is given for his present self-imposed exile in Australia.

To gain an understanding of this correspondent and to comprehend his reactions to the glories and vicissitudes of his career, one must note an outstanding personality trait: Herbert L. Matthews was drawn, instinctively, toward those with whom he was associated. Above all, he felt at home with brave men on a battlefield. A victorious offensive found him jubilant. He shared the sorrow of the vanquished. Every fiber of his being impelled him to take sides.

Mr. Matthews was, and is, unequivocal and open about partisanship. He talks and writes candidly about his own "bias" and "prejudice," although he is savage in his denunciations of what he deems "bigotry" in others. Throughout the storms of criticism that marked certain stages of his career, however, he retained his love of adventure in wartime or travels; the joy of dangers and hardships shared; the exploration of and encounter with the unknown; the pursuit and capture of a front-page story.

His first journalistic, wartime experience was in Abyssinia. The invasion, although an expression of Fascist imperialism, exposed the emotional side of his nature. All too often, his reports indicated admiration for foot soldiers and airmen engaged in aggression. Nor did he hesitate, after the combat, to accept two decorations from the government of Benito Mussolini. With becoming modesty he points out that one, the "War Cross," was for "valor in the field." The other made him, what he still is, a "Grand Officer of the Crown of Italy." His first book was entitled "Eyewitness in Abyssinia." It is not a volume easy to locate in the Library of Congress.

On page 114 of a more recent work, "A World in Revolution," the author offers an explanation for his empathy with the invading Legionnaires in these words:

"If you start from the premise that a lot of rascals are having a fight, it is not unnatural to want to see the victory of the rascal you like, and I liked the Italians during that scrimmage more than I did the British or the Abyssinians."

The rapport Matthews was able to establish with the Italians in Ethiopia led him to request an assignment in Spain. His wish was fulfilled. It was a mission that set him upon a "road to Damascus," a "political and moral conversion." Today, although contending that his dispatches from the Spanish Civil War were "basically correct," he agrees that his original impressions were neither "objective" nor "impartial."

Writing in 1971, he states that his "feelings long ago ceased to be intensely emotional." His judgment, he adds, "is not as clouded as it was, and I know a great deal about the war that I could not have known at the time, especially features derogatory to the loyalists and to the internationals, including the Lincoln battalion." Experience and a study of the research of reputable historians have enlightened him about "the ways of statesmen and the functioning of ideologies and power politics."

What Mr. Matthews fails to see is that an earlier and deeper knowledge of what was happening would have enabled him to avoid his "two great battles with the New York Times." Spain was the setting for the first, in his own words, "Cuba was the second."

In a revised, paperback edition of "The Yoke and the Arrows" (1961 and 1970), the author records that evidence obliged him to write a letter of apology to the widow of General José Moscardó for having thrown doubt on the historicity of the Spanish officer's heroic refusal to surrender the Alcázar, Toledo, in return for the life of his son, Luís. The truth about this historical episode had been related by numerous university scholars, including Manuel Aznar, Hugh Thomas and Cecil Eby. In his recent work, Mr. Matthews shows that he is familiar with the findings of such specialists.

The Timesman is accurate in reporting that Cuba was his second major struggle with the publisher, editors and readers of his newspaper. Nevertheless, it is right to emphasize that, thanks to Mr. Matthews' initiative and resourcefulness, Fidel Castro was proved to be alive and active in the mountains of eastern Cuba when spokesmen for Fulgencio Batista in Havana were trumpeting "news" (1957) of the rebel's death and the defeat of his movement. Otherwise, Castro, Raúl, his brother, and "Che" Guevara, as Matthews points out, might have remained unnoticed, unpublicized and "withered on the vine."

On the other hand, with the benefit of hindsight, the writer does make acknowledgments about Fidel that were not prominent in his *Times* evaluation of the "Maximum Leader." Matthews now discovers that "Castro's performances in the social, economic and political fields ranged from admirable to awful". This admission may be grounds for Fidel's complaint, recorded by Matthews, that "this old man treats me as if he were my father."

Matthews now believes that "power has corrupted" Castro, but "in a very human way." The docility displayed to the leader by his entourage renders him "temperamentally incapable" of sharing absolute control.

It is the impression of other observers, however, that overriding authority currently resides in the hands of Soviet overlords. The ultimate surrender, it is suggested, took place when Castro voiced approval of the military occupation of Czechoslovakia. His submission, in contrast to the attitude shown by Italian, French and British Marxists, was total. Indeed, many experts now consider it obvious that Fidel has less room for maneuver than a onetime Spanish viceroy or a U.S. "proconsul" in the days of North American influence.

The former Timesman, it is fascinating to note, has warm praise for Celia Sánchez, "the faithful and charming companion since *Sierra Maestra* days, with a shrewd mind and tough core behind her gentle manners." But Matthews hardly mentions Fidel's other women friends of many nationalities, colors, sizes and shapes.

A World in Revolution has been described by Matthews' onetime colleagues on The Times as a "sad book." One reason for their view is the author's catalogue of complaints, grievances and long-winded disputes with the publisher, Mr. Arthur ("Punch") Ochs Sulzberger, and various Managing Editors, including Turner Catledge and Clifton Daniel. Lester Markel, the then Editor of the Sunday Magazine, was another *Times* personality who refused to publish Matthews' later pieces about Cuba.

The debate was settled when publisher and news executives concluded, unanimously, that Matthews was making their newspaper "a laughing-stock of the newspaper world," adding that "it would be over their dead bodies" that the veteran correspondent ever again would be permitted the role of a reporter for *The New York Times*.

It is to their credit that they kept their word. Matthews' byline on a news story appeared for the last time on July 16, 1961. It was a typical HLM appraisal of the Castro revolution as a beneficent event, free of Soviet domination. One of the most vigorous protests against the despatch was registered by Mrs. Ruby Hart Phillips, longtime Chief of *The Times* Bureau in Cuba.

Nevertheless, for six years (1961–67), Mr. Matthews remained in *The Times* organization as a member of the Editorial Board. Until his retirement, his views about Spain, Cuba, Latin America and other parts of the globe were expressed, freely, in numerous editorials, some of them signed. Is it not an exaggeration, therefore, for the author to claim that he was "muzzled"?

Indeed, in the light of the record, might not the owner and editors of *The New York Times* have raised the following important question:

"Can a bad reporter become a good editor?"

The question becomes all the more relevant when one considers HLM's 1973 volume, "Half of Spain Died". A single scholarly critique from a not unfriendly source, America (April 14, 1973) may be recorded. After dismissing "Half of Spain Died" as an "incredibly bad book". Dr. José M. Sánchez, chairman of the history department at St. Louis University, makes an excellent suggestion. His calls for a "popular reappraisal" of the Spanish Civil War.

THE CHURCH AS A POLITICAL FACTOR IN LATIN AMERICA

HON. DANIEL J. FLOOD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 11, 1974

Mr. FLOOD. Mr. Speaker, under leave to extend my remarks in the CONGRESSIONAL RECORD on this date, the 30th official congressional celebration of Pan American Day, I would like to include a short book review by our Acting Chaplain on such occasions for 30 consecutive years. The essay by the Rev. Dr. Joseph F. Thorning, an associate editor of World Affairs, the official quarterly of the most historic, authentic peace society in the United States; namely, the American Peace Society, founded early in the last century, was featured in World Affairs, Washington, D.C., in the autumn issue 1972.

The book under review was written, as can be seen, by Dr. David E. Mutchler, who did much of his research work in Santiago de Chile and other parts of the American Republics. A foreword to the book by Dr. Mutchler was contributed by Dr. Irving Louis Horowitz, who was chairman of the department of sociology at Washington University, St. Louis, Mo., where Dr. David E. Mutchler earned his doctorate.

The book reviews follows:

[From World Affairs, Autumn, 1972]

The Church as a Political Factor in Latin America, With Particular Reference to Colombia and Chile (Praeger's Special Series in International Politics and Public Affairs Series), by David E. Mutchler. New York: Praeger Publishers, 1971, 460 pp., $9.95.

In search of material for his doctoral dissertation, Mutchler visited the Centro Bellarmino, Santiago de Chile, and won the confidence of its director, Father Renato Poblete, S.J., one of the most trusted advisers of the Christian Democratic Party. As head of the Instituto Bellarmino and the coordinator of many projects in the socio-economic order, Father Poblete and his colleagues secured cooperation from university professors at home and abroad. His good counsel was often decisive, not only with Raúl Cardinal Henriquez in Chile, but also with Pedro Arrupe, the Jesuit General in Rome. Mutchler made copies of much of the correspondence which circulated among such leaders and their counterparts in the political order.

One of the Jesuit sociologists who exercised tremendous influence from his work in the Centro Bellarmino and who trusted Muchler was Roger Vekemans, a Belgian graduate of Louvain University. After teaching only one semester in the Gregorian Pontifical University, he was despatched to Santiago and, with notable speed and effectiveness, organized a Jesuit Order "Center for Research and Social Action." His mission, patterned after such a unit already functioning in Colombia, was to provide programs of social reconstruction for labor unions, farm workers' organizations, a "Social Union of Christian Businessmen," miners' cooperatives, slumdwellers' syndicates engaged in home-building operations, and many other grass roots groups striving for humane conditions of labor and life.

In order to achieve a more independent status and to obtain wider support for his efforts Father Vekemans founded his "Center for Economic and Social Development in Latin America," widely known as DESAL. Within an incredibly short time, the Belgian Jesuit persuaded U.S. aid agencies and foundations, including a conduit for CIA money, to contribute to his Center. Moreover, he tapped the resources of West European democracies and those of Chilean government sponsorship for the success of his social justice projects. In 1964, Eduardo Frei Montalva, the Christian Democrat, was elected President, defeating Salvador Allende Gossens by 400,000 votes. Unity among non-Marxist elements was a large factor in the victory.

Not the least fascinating feature of the research embodied in this survey is the confidential nature of numerous documents profusely quoted in its pages. The author undertook the work under the direction of Irving Louis Horowitz, who was chairman of the Department of Sociology at Washington University, St. Louis. The latter also contributes a Foreword.

It was in 1969, however, that the "rebels" and activists of the "Third World" broke away from the official wing of the Christian Democratic Party. A three-corned presidential race ensued, resulting in the 1970 election of Dr. Allende. Jacques Chonchol, a onetime Christian Democrat, became Minister of Agriculture in the new Socialist-Communist regime. The Allende administration is also supported by Gonzalo Arroyo, a Jesuit with a Ph. D. in agronomy-economics, and a number of other Christian Democratic experts.

Nevertheless, one may believe that the seeds sown by the *Centro Bellarmino* and DESAL are bearing fruit in Chile. When 60,000 students, professors and employes of the National University voted for their president on April 27, 1972, they selected Edgardo Boenninger, an engineer and political independent, rather than Felipe Herrera, an Allende adherent and former head of the Inter-American Development Bank. Moreover, the Christian Democrats claimed victory in the June elections for national officers in the Central Union, a political bastion of Chile's left-wing government.

Mutchler's volume, although marred by occasional flaws in orthography and [illegible] few conclusions that leap-frog the facts, [illegible] be examined with profit by scholars.

JOSEPH F. THORNING.

MARINE HONORED

HON. GEORGE E. DANIELSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 11, 1974

Mr. DANIELSON. Mr. Speaker, I was very proud today to note that one of my constituents who is a member of the U.S. Marine Corps has distinguished himself during his recruit training at the San Diego Marine Corps Recruit Depot.

Pfc. Arturo P. Chayra, Jr., son of Mr. and Mrs. Arturo P. Chayra, Sr., of Monterey Park, Calif., was named honorman of his four-platoon series at graduation on April 5, 1974.

He won this distinction in competition with 239 other young men by displaying an exceptional measure of skill and professional knowledge in a wide range of basic military subjects. He was judged superior in conduct, attitude, military bearing, and leadership potential during his 11 weeks of training.

I am certainly pleased to be able to report this, and I know that Arturo's parents are extremely proud of him.

THE WORKING WOUNDED, VICTIMS OF SOCIAL SECURITY

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 11, 1974

Mr. GAYDOS. Mr. Speaker, since coming to Congress I consistently have pressed for a complete reform of the Federal social security program. I believe the program now is generally recognized as being outmoded, cumbersome, and rife with inequities.

Until lately, Congress' approach to solving the problems of our senior citizens has been to increase their benefits in drips and dribbles. In so doing, however, it also increased the cost of the program and passed on this additional expense to contributors to the program. Over the years, Congress consequently created a new class of citizens in our society—the working wounded. These are young wage earners in the low and middle income class who find themselves crippled by high taxes and a soaring cost of living.

Recently, a number of us in the House proposed that the Federal Government become a full partner in the social security program. We believe that by paying a third of the cost, financed by slashing our ridiculous foreign aid giveways, and raising the wage ceiling for social security payments, the Government can ease the financial burden on the working wounded.

This is a step in the right direction. But, as Mr. Bob McCarthy, an editorial writer for the Times-Express in Monroeville, Pa., pointed out in a recent article, it is not enough. Furthermore, he chides the Congress on its reputation for moving so slowly in critical areas.

Mr. Speaker, I am inserting a copy of Mr. McCarthy's article into the RECORD for the attention and consideration of my colleagues:

SOME HELP FOR THE WORKING WOUNDED

(By Bob McCarthy)

Congress is getting the message . . . slowly, ever so slowly . . . but finally the words seem to be getting through.

The present system of financing our Social Security benefits for the aged is about as unjust as it can be. Now it is reported 100 members of the House of Representatives have recognized that and are sponsoring legislation to change it.

Their remedy is to assist the working wounded by cutting the Social Security Tax on low income and middle income workers and make up the difference with a healthy infusion of dollars out of general fund revenues.

That's good, but not good enough.

It's good because to our knowledge this is the first time members of Congress have officially recognized that under the present system of Social Security taxes the people on the short end of the economy are providing most of the money paid out in benefits.

It's not good enough, however, because dipping into the Federal treasury to keep solvent a system that is meant to be debt free and self sufficient defeats the purpose of Social Security. It always has been a system whereby those who work contribute to provide benefits for those too old to work so that when the contributors reach the golden years they can rightfully lay claim to the same arrangement.

Today American workers pay a 5.85 percent tax on their income into Social Security up to a maximum of $13,200. And therein lies the inequity. Above $13,200 the worker pays nothing, whether his annual income soars to $20,000, $30,000 or higher.

It has become the practice in Washington to finance increased benefits by increasing the maximum pay figure. It might seem the fairest way to the people at the very bottom of the economic ladder, for they still pay the same amount. But there isn't anything fair about it. Certainly not when people in high income brackets are paying a decreasing percentage of their income to support Social Security the higher their income goes.

There is, in fact, some thought in Congress now to increase the maximum to $25,000. But again, this doesn't reach everyone. Why should there be a maximum, any more than there is a maximum above which people pay no more income tax?

The care of the elderly is an obligation all of us share in, not because most of us will be old some day, but because humanity demands it of us. Our Federal government recognized this under the leadership of Franklin Roosevelt four decades ago.

Since then inflation and the conscience of a nation have led to increased costs and benefits. Also increased has been the Social Security system's reliance on the American worker to pay more and more in Social Security taxes. And for some this has become a great burden, particularly those whose income is so low that a year's taxes add up to the equivalent of several week's wages.

Surely they are deserving of the relief they would gain if the wealthy paid a more proportionate share of their income into Social Security.

But Congress has been a long time coming to where these 100 members have now arrived. Who knows how much longer it will be before it dawns on many more of them that spreading the burden around to everyone based on the ability to pay is the most equitable way to finance Social Security?

MS. PEGGY GOAD—AN OUTSTANDING STUDENT

HON. LAWRENCE J. HOGAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 11, 1974

Mr. HOGAN. Mr. Speaker, due to the actions of a small minority of youngsters, young peope in general are often given a bad reputation. I would like to call to the House's attention a glaring exception.

High Point Senior High School has an individual who has distinguished herself as being a citizen in Prince George's County who is concerned over the betterment of her community. Ms. Peggy Goad, a student at High Point, has been responsible for organizing a dance marathon to raise money for the Great Oak Center in Beltsville, Md. In 3 years Ms. Goad has raised over $7,000.

Ms. Goad has managed to actively participate in various charitable activities as well as maintain a B average and serve as senior class president.

All of this work was done without regard to personal recognition, yet, I feel we should take note of her public spiritedness. I am proud of Ms. Goad and her meritorious actions. Because so many have been quick to criticize young people we should also be quick to praise.

NASA TO LAUNCH 26 SATELLITES NEXT YEAR

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 11, 1974

Mr. TEAGUE. Mr. Speaker, NASA's program in space for the coming year is a limited but fruitful one. There is a need to strengthen both the automated and manned space program in the years ahead. However, significant effort will be continued in 1974 in space which merits the attention and understanding of the general public. An article in the Daily Press of Newport News, Va., December 21, 1973, by Mr. Al Rossiter, Jr., summarizes NASA's plans for the coming year and points to the many contributions that our national space program makes to our Nation and its people:

NASA TO LAUNCH 26 SATELLITES NEXT YEAR

(By Al Rossiter, Jr.)

WASHINGTON.—There won't be any manned space shots for the next year and a half, but the space agency plans to double its unmanned satellite missions in 1974 with the heaviest emphasis yet on practical work.

Twenty-six satellites are on NASA's schedule for the new year, the most since the 28 flights in 1967. Twelve of the upcoming launchings are for communications satellites and five are for weather watchers. Most again will go from Cape Canaveral.

There were 13 civilian shots in 1973, including the launch of the Skylab space station in May and three crews rendezvousing with it in May, July and November. The final three-man team of Skylab astronauts is scheduled to return Feb. 8 after spending a record 12 weeks in orbit.

If the current flight in the big orbiting lab goes as long as planned, the nine Skylab crewmen will have logged more than 12,000 man-hours in space—almost double the time spent aloft by the men of America's 27 earlier spaceflights. But Project Skylab is conducting research for the future, while the 1974 unmanned missions will have a more immediate payoff.

Unless a Skylab rescue flight is required, the U.S. will not be launching astronauts again until July, 1975, when three Apollo pilots will go into orbit to rendezvous and dock with a two-man Russian Soyuz spacecraft.

The new generation space shuttle rocket plane will be making major headway on the drawing boards and in the test labs of many aerospace contractors, but it won't fly in space until 1979 at the earliest.

Besides the ongoing Skylab mission, NASA has three unmanned spaceflights carrying into the new year. The Pioneer 10 probe is now on its way out of the solar system after an historic flight past Jupiter Dec. 3, and a twin called Pioneer 11 is cruising to a February rendezvous with Venus and on to a March passby of Mercury.

There are several new scientific missions on the 1974 schedule, including an unprecedented German-American probe close to the sun, but the communications and weather satellites will be the big job of the year.

Three of the radio relay satellites will be the first designed solely to relay messages, data and television communications within the United States. The first of the new relay stations, called Westar and owned by Western Union, is to be launched April 11 from Cape Canaveral.

Six other companies are moving into the domestic communications satellite business and the outlook appears unlimited. NASA's role is limited to launching and initial tracking services, for which it is reimbursed.

"You can get a feeling for the potential of the newly instituted domestic satellites by looking at current revenue of telephone, radio and TV which is about $18 million a year," said NASA administrator James C. Fletcher.

The International Telecommunications Satellite Consortium (INTELSAT), of which America's Comsat Corp., is the principal partner, is the pioneer in the commercial satellite business and now has an annual revenue of $260 million and a global network of satellites.

Three more large INTELSAT 4 satellites are scheduled for launch in 1974 from the Florida spaceport. One is to go into a 22,300-mile high stationary orbit Jan. 30, the other two are set for flight in June and August.

In addition, Comsat is having two new satellites built to relay communications from ships at sea to all sides of the oceans. They are called Marisats and will be leased by the U.S. Navy at first and later used for commercial maritime traffic. The first Marisat is set for launch in September, with the second to fly two months later—both from Cape Canaveral.

NASA also will launch two Skynet 2 military communications satellites for Great Britain on Jan. 17 and in June. And the agency plans to orbit an experimental applications technology satellite in April that, among other things, will beam educational television to remote areas in the United States.

The last launch of 1974 is scheduled to be the first flight of a new experimental communications satellite, Symphonie, built by France and West Germany.

Three of the five weather satellites on the 1974 launch schedule will be new type spacecraft designed to soar into stationary orbits where each will be able to maintain a constant watch on the clouds over one third of the globe.

Like the communications satellites, they take advantage of the phenomenon whereby the orbital speed of a satellite 22,300 miles high matches the rotation of the earth—thus the satellite remains over one point.

NASA also will launch an operational, lower altitude weather satellite for the National Oceanic and Atmospheric Administration (NOAA) in July from the west coast space center at Vandenberg AFB, Calif. An advanced, experimental Nimbus weather satellite also is set for launch from California in June.

The only experimental rocket flight is set for Jan. 24 from the Cape when a combination of the Air Force's triple-barrelled Titan 3 and NASA's Centaur upper stage will be test flown into orbit. This Titan-Centuar is scheduled to launch Viking Mars landing craft in 1975.

THE ADOPTION OF "WATCHDOG" ANTI-INFLATIONARY LEGISLATION IS IMPERATIVE IN THE NATIONAL INTEREST

HON. HAROLD D. DONOHUE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 11, 1974

Mr. DONOHUE. Mr. Speaker, it is pretty well known that this administration has recommended that the Economic Stabilization Act be permitted to expire at the end of this month of April and, in such event, it is quite clear that the White House intends to disband the Cost of Living Council. Some Members of Congress and other sources within the business and labor community have indicated agreement with the administration's position.

However, I would like to emphasize that a great many economic authorities have expressed the fear that, if the Economic Stabilization Act is terminated and nothing else is adopted to take its place, the American consumer may very well be impacted, over the next several months, by rapidly increasing inflationary pressures that could well exceed the disastrous wage-price spiral that occurred right after the end of World War II.

In the face of this warning by so many respected economic experts I do not believe that it is either wise or prudent for the Congress to entirely withdraw itself from any legislative concern about the inflationary hardships that may be additionally visited upon all American consumers shortly after the expected expiration of the Economic Stabilization Act on this coming April 30.

On the contrary, I very deeply believe that the Congress, under such circumstances, should positively evidence its continuing concern by considering and enacting a moderate kind of "watchdog" anti-inflationary measure in the public interest and that is the purpose of the bill that I am introducing today.

Because of the present convictions of some Members of Congress and outside sources against the retention of any price and wage or even standby controls after next April 30, this bill does not provide for any such retention.

However, in this time of constantly rising inflation and ever-increasing economic hardships that are being experienced by the great majority of American citizens and families, particularly the so-called middle income group, I believe that this bill, or a similar bill, could be used and ought to be used by the Congress as an instrument to curb and reduce the inflationary fires that are raging all around the country in this dangerous depression period and that is the purpose of this measure. It would provide for the continuation of the Cost of Living Council for two major reasons: First, to monitor the industries in our country that have been decontrolled by the administration over the last 9 months; and second, even more important, to establish a vehicle through which Congress could be kept informed on matters affecting the economic welfare of the country. This bill would additionally require the President to study and evaluate the relationship between excess profits, the stabilization of the economy and the creation of new jobs and further provide for the Cost of Living Council to report to the Congress any adverse effects on supply and demand that would tend to cause exorbitant price increases.

If the Cost of Living Council is totally eliminated I think it is obvious that the Congress would lose an available and valuable means of fulfilling its obligation to unceasingly fight inflation. If we do not adopt some kind of effective anti-inflationary legislation in the very near future and if inflation skyrockets in the months ahead I do not think that there is any doubt that we will all be hearing loud and clear the criticism and complaint of the American people that the Congress has abandoned them in their hour of greatest inflation control need. I do not think there is any doubt, if these circumstances develop, that the White House will take the lead in denouncing the Congress for being derelict in its duty.

In all sound reason and wisdom, therefore, I urge the House leadership to schedule early action on this "watchdog" type of anti-inflationary legislation in the public interest because, if we wait too long, the consumer outcry could grow to such an extent that the Congress, in overreaction, might well be tempted to impulsively approve price and wage control legislation that would be too rigid and inevitably result in hindering rather than improving the American economy. Let us be mindful of the sage advice that "an ounce of prevention is worth a pound of cure," and expeditiously act on this vitally important subject before it is too late.

LEGISLATION INTRODUCED TO PREVENT PAYMENT OF FEDERAL SUBSIDIES

HON. MATTHEW J. RINALDO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 11, 1974

Mr. RINALDO. Mr. Speaker, today I am introducing legislation to amend the Regional Rail Reorganization Act of 1973. My bill would amend the original act to prevent payment of Federal subsidies to the trustees of any railroad in reorganization until the railroads have paid all their delinquent taxes to State and local governments.

I have introduced this measure because the Penn Central and the Jersey Central Railroads owe the city of Elizabeth, N.J.—largest community in the 12th District—more than $2 million in delinquent taxes and interest. And there are many other communities in similar financial straits.

Mayor Thomas G. Dunn of Elizabeth testified on March 13 before the Rail Services Planning Office of the Interstate Commerce Commission. In his remarks, which follow, Mayor Dunn articulated the plight of Elizabeth and other cities forced to carry these delinquent tax accounts on their books:

REMARKS OF MAYOR THOMAS G. DUNN

I am Thomas G. Dunn of Elizabeth, New Jersey, a city with a population of approximately 120,000 people. I have been Mayor of this great city for the past nine years, and am also the State Senator of the State of New Jersey's 21st Legislative District comprising Elizabeth, Linden, Carteret and Winfield.

I welcome the opportunity to speak today before the Rail Services Planning Offices of the Interstate Commerce Commission on the revitalization of railroads in the northeast because my legislative district, and Elizabeth, in particular, is integrally involved in your proposals to modernize rail systems. I feel certain that any laws or funding authorized by the Interstate Commerce Commission and the U.S. Department of Transportation will have a profound effect upon residents of Elizabeth and neighboring communities.

A problem which has been "nagging" the City of Elizabeth since 1967 is deliquent railroad taxes. Until these tax bills are paid in full, I cannot see how plans to "revitalize" or renew the Central Railroad of New Jersey or Penn Central Railroad can be considered unless mandatory payment of these back taxes are part of the overall proposal.

This is the sole thrust of my message to you today: Elizabeth respectfully requests an amendment to the Regional Rail Reorganization Act of 1973, Public Law 93-236, to include a provision requiring railroad companies to pay municipalities delinquent taxes before railroads become eligible for any more Federal "revitalization" funds.

I consider this to be a reasonable request in light of our situation in Elizabeth, where two railroads have outstanding tax bills in excess of two million dollars.

The Central Railroad of New Jersey's delinquency goes back to 1967, and totals $1,350,000, plus an assessment of $75,000 for paving and sewer work. Penn Central's account became delinquent in 1970, and it owes us $205,000 in back taxes. In addition, the amount of interest owed by both railroads is estimated at $445,000. This totals $2,075,000, which is a lot of money to a city our size, no matter how you count it.

We cannot collect back taxes because both railroads are protected by the Federal Courts from foreclosure of property and assets, but, yet, State law requires that the property continue to be carried as taxable items!

Each year, at budget time, State law requires that we carry these as "anticipated revenue" even though we know full well that the arrearage is not going to be paid. Therefore, in the following year's budget, we must add the railroads' delinquency to an account called "reserve for uncollected taxes." In other words, we have to "make up" the shortage some other way. The way—by increasing the taxes that all the other taxpayers must pay—and do! The "little guy," as well as the other "big" taxpayers, subsidize the railroads! This is hard for a taxpayer living on a fixed income to digest, and it is tough on a mayor to explain this totally unjust thing to the people he represents.

I feel that a formula for collecting this money should have been established a long time ago, but Federal judges not only have refused to release funds for the delinquent taxes, but have warned the city that any attempt to obtain this money in the courts can be interpreted as "contempt", because the courts have ordered us to discontinue our pursuit of justice. Yet, at the same time, the railroads continue to receive monies under net lease arrangements, from some tenants, specifically ear-marked for the payment of taxes. Instead of these monies being forwarded to the city "on account," the money paid for taxes by these tenants are used for operation and maintenance purposes by the railroads.

To Elizabeth, this whole thing is obviously unfair. So, I now respectfully ask you what will happen, under Public Law 93-236, to our two million dollars? It is our understanding, without having actually seen this law, that it may be completely lost in the shuffle. If the proposed legislation does not specifically provide for these delinquencies, I feel that an amendment should definitely be added giving relief.

Every conceivable legal alternative has been pursued by our staff of city attorneys to collect these back taxes, but to no avail! It has come down to the fact that we have exhausted the judicial alternatives, and now we are giving full attention to legislative methods of obtaining these funds. Hopefully, this bill will enable us to attain the legal basis for collecting money which is rightfully ours. We know we are correct, and so do the courts! But, as a public elected official of long tenure, I recognize that being right does not always result in justice being served!

It is our contention that Elizabeth would have a great deal to gain if an amendment to this bill directed railroads to pay delinquent taxes before they become eligible for any funding from the U.S. Department of Transportation or any other federal source.

Thank you for the opportunity of appearing before your August body.

UKRAINIAN INTELLECTUALS CONTINUE TO BE PERSECUTED IN U.S.S.R.

HON. JOHN R. RARICK

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 11, 1974

Mr. RARICK. Mr. Speaker, the long and arduous attempt of Soviet novelist Alexander Solzhenitsyn to escape physical and intellectual persecution in his native land is an inspiring story which has grasped the attention of the entire world. His plight symbolizes the almost unbelievable conditions faced by countless thousands of captive people still enslaved in the Soviet Union and Eastern Europe.

Another Soviet intellectual who reached the West this week said in an interview that the primary reason that both he and Solzhenitsyn were allowed to leave Russia relatively unharmed, was that their names were known in the West. Their professional reputations outside the Soviet Union accorded them a degree of protection against the usual KGB methods of dealing with dissenters. Thousands of lesser known individuals remain in prison camps behind the Iron Curtain, however.

Currently, 67 percent of all political prisoners in the U.S.S.R. are Ukrainian. This group constitutes the largest ethnic minority in the country, representing one-fifth of the total Soviet population. Yet, the plight of these millions goes almost unnoticed in the United States.

In order that our colleagues and the American public may know who some of these people held in Soviet concentration camps are, and that they are not merely faceless numbers but human beings deserving basic human rights, I ask that the related newsclippings and biographical information follow.

[From "Svoboda" Ukrainian Weekly, N.J., U.S.A., Feb. 16, 1974]

SAKHAROV, WIFE, FOUR OTHERS PLEAD FOR PLIUSHCH

NEW YORK, N.Y.—Dr. Andrei A. Sakharov, the famed Soviet physicist and leading spokesman in defense of human rights, appealed to the New York based International League for the Rights of Man to intercede in behalf of Leonid Pliushch, a 34-year-old Ukrainian cyberneticist incarcerated in an insane asylum.

The appeal, signed by Dr. Sakharov, his wife Eleanor Bonner and four other intellectuals, said Pliushch was "near death" in a special psychiatric hospital in Dnipropetrovske, which the signatories described as a "prison" known among "institutions of this type for the harshness of its conditions."

DRUGGED

Pliushch, said the appeal, was confined "in an appalling condition of humiliation, persecution and physical suffering" brought on by the injection of "unregulated and senseless doses of haloparidol."

He could no longer read, write, or exercise, said the signatories, adding that he was suffering extreme aggression, continuous shivering, weakness, spasms and loss of appetite.

The appeal said that Pliushch's wife had been refused information of the hospital diagnosis of her husband, his treatment or his health.

"He is near death," said the signatories of the appeal.

Pliushch, a leading Ukrainian cyberneticist who worked at the Academy of Sciences of the Ukrainian SSR in Kiev, was dismissed in 1968 for alleged dissident activity. Pliushch had spoken out in defense of human rights and against illegal repression, according to the appeal, and was a member of the Sakharov headed Initiative Group for the Defense of Human Rights.

TRIED IN ABSENTIA

He was arrested by the KGB in January of 1972, kept incommunicado first at the Serbsky Psychiatric Institute in Moscow then in a psychiatric hospital in Kiev. He was tried in absentia in January of 1973 and sentenced to confinement in an insane asylum for "an indefinite period of time." In April 1973, acting on an appeal, the Supreme Court of the Ukrainian SSR modified the sentence from confinement in a "severe-regime" hospital to that in a "general-type" clinic.

The appeal, dated "Moscow, February 12," asked that the International League for the Rights of Man campaign to get an international inspection of the Dnipropetrovske hospital and others of the same type.

It also asked an international commission of psychiatrists to examine Pliushch's health and for his transfer to a hospital abroad.

"The appeal to you and through the world public opinion is the only means left to us to save his life," said the signatories.

U.N., RED CROSS INFORMED

Signing the appeal in addition to Dr. Sakharov and his wife were: Tatiana Deliknova, mathematician; Serhiy Kevalec, biologist; Andrei Tverdokhlebov, physicist; and Tatiana Khodorovych, linguist.

Spokesmen for the International League said that copies of the appeal had already been sent to U.N. Secretary-General Dr. Kurt Waldheim and to the Red Cross, as well as other international bodies.

Also, copies were made available to news media. The New York Times of Wednesday, February 20, carried the story, but identified Pliushch as a "Russian mathematician."

MOROZ AGAIN ASSAULTED IN PRISON

HEL, LUKYANENKO STAGE HUNGER STRIKE

NEW YORK, N.Y.—Valentyn Moroz, Ukrainian historian and outspoken critic of Kremlin's Russification policies in Ukraine, was again assaulted in prison, reports the news service of the Supreme Ukrainian Liberation Council (Abroad) citing dissident sources in the Soviet Union.

Moroz, who is presently incarcerated in the Vladimir prison, was reportedly beaten last January by criminals who were deliberately locked up with him. He was then thrown into solitary confinement in very poor health, reports the news service.

This is the second time that Moroz was attacked. About a year and a half ago Moroz was assaulted and knifed in prison by criminals with whom he was confined.

In the prison camps of the Perm region Ivan Hel and Levko Lukyanenko staged hunger strikes last December protesting the inhumane conditions in which the prisoners are kept and the torturings of inmates.

The news service also reported that copies of Evhen Sverstiuk's last statement, voiced during his trial, were received in the West.

Sverstiuk, now confined in the Perm region penal camps, said in his statement before the judges that he rejects the indictment and the verdict labeling his literary work as criminal.

"How was I to know that after four or five years my work would be classified as anti-Soviet," said the Ukrainian literary critic during his March 1973 trial.

"Before the law and my conscience I do not feel that I am guilty. I only hope that for a moment I was able to fulfill the demands of the times. Let the nation and history be my judge," concluded Sverstiuk.

A LIST OF SOME UKRAINIAN WOMEN ARRESTED AND PERSECUTED BETWEEN 1972–1973

(Association of Ukrainian Women in Great Britain, 49, Linden Gardens, London, W2 4HG)

STEPHANIA SHABATURA

Stephania Shabatura, an artist born 1940, made many goblins with Ukrainian patriotic motifs. In 1970, she protested against the illegal arrest of Valentin Moroz, for which she was persecuted, being arrested finally in Lviv in 1972. The K.G.B. began continuously to interrogate, Katala, an engineer, in connection with the case, and his refusal to give fake evidence led to his mysterious death in a prison in Lviv, on 28. May 1972. In August 1972 Stephania Shabatura was sentenced to five years imprisonment and three years of exile. Together with other women prisoners, Shabatura sent a letter of protest against the enslavement of the Ukrainian nation by Moscow to the Secretary General of the United Nations, in which they demanded an open trial in the Presence of a U.N. representative.

NINA KARAVANSKA-STROKATA

Nina Karavanska was born on the 31st of January 1925 in Odessa, after finishing secondary school she became a student in the Odessa Medical Institute, from where she graduated with distinction. For a period she worked in the Microbiological Institute in Odessa, and after that she practised six years as a doctor. From 1952 till 1971 she worked as a researcher in the Odessa Medical Institute, and was last working on her doctorate, having also published many scientific works. She is married to Svyatoslav Karavansky, who between 1944 and 1960 was imprisoned in concentration camps for having been active in the Odessa unit of the Organization of Ukrainian Nationalists, which fought for the liberation of Ukraine. He was arrested again in 1965 for writing an article on the policy of the russification of the Ukranian language in Ukraine and for appealing to the leaders of the Communist parties of Poland and Czechoslovakia in the matter of the political arrests in 1965 in Ukraine. For this he was sent back to serve out the nine remaining years of his 25 year sentence. In 1969 he was sentenced to a further eight years, thus making a total of 33 years imprisonment. At this trial Nina Karawanska-Strokata appeared as a witness, defending her husband and accused the Moscow bolshevik authorities of a cruel and brutal trial. Because of this, the Odessa Medical Institute demanded that she publicly denounce her husband, but as she refused, so in May of 1971 she was fired from her post and forbidden to defend her dissertation for a doctorate. Nina also came out in defence of persecuted Ukrainian patriots and signed a statement after this defending V. Moroz, who was unlawfully imprisoned. For a while harassment towards her was interrupted due to the fact that cholera epidemic had broken out and she was amongst the most active in combatting the epidemic and so saved many lives. After the epidemic was overcome, a new campaign of villification was mounted against her in the press, and she was unable to find employment. Because of this, Nina was forced to leave Ukraine at the end of summer in 1971 and went to Nalchyk (Kabarolyno-Balkarue), where she became a medical lecturer. But even here she was persecuted. On the 8th of December, 1971 while returning to Odessa from Nalchyk, Nina was arrested by the KGB, the house searched, and various poems and books by her husband, were found.

The KGB stated that Nina had been arrested because she would not "forget" her husband's case and because of her contacts with the committee for Human Rights. She was officially charged under Article 62 of the Criminal Code of the USSR, and her trial which took place in Odessa, lasted from the 4th to the 19th of May 1972. She was tried together with the writer Alex Rysnykov and Alexander Prytyka. The latter pleaded guilty, while Strokata and Rysnykov stated they were innocent and refused to accept their defense lawyer, since he was on the prosecutor's side. Nina was sentenced to four years imprisonment. Ryznykov to five years, and Prytykra to two years. On the 10th of May 1973 Nina Strokata-Karowanska, Stefania Shabatura and Iryna Stasiv-Kalynets sent out a letter from a Mordovian concentration camp to the U.N. General Secretary. Kurt Waldheim, in which she protested against the enslavement of the Ukrainian nation and demanded for themselves an open trial in the presence of a U.N. Representative.

IRYNA STASIV—KALYNETS

Iryna Stasiv was born in 1940, graduated from Lviv University and became a teacher in secondary school. From there she went on to become a lecturer in Ukrainian Language and Literature in the preparatory faculty of the Lviv polytechnic institute. An authoress of several unpublished works, together with her husband Ihor Kalynets, she came out in defence of the persecuted Ukrainian patriots, and signed a collective protest letter in defence of V. Moroz. She also protested against the destruction of Ukrainian historical monuments. For this, she was fired from her post and continuously victimised, while officially her poetry was forbidden to be published. In 1971 she joined the "People's Committee for the defence of Nina Strokata," who had been arrested without any grounds. Iryna Stasiv-Kalynets was arrested in January and sentenced in July 1972 in Lviv to 6 years imprisonment and three years in exile. The couple have a ten year old daughter—Dzvinka, who was left orphaned because Ihor Kalynets was also sentenced to 12 years of prison and exile. Iryna Stasiv-Kalynets was sentenced under Article 62 of the Criminal Code of The USSR "for anti-soviet agitation and propaganda." She is serving her sentence in a Mordovian concentration camp from where on the 10th May 1973, together with Stefania Shabatura and Nina Strokata-Karavanska, they sent a letter to the General Secretary of the U.N., Kurt Waldheim in which they protested against the enslavement of the Ukrainian nation and demanded for themselves an open trial in the presence of a U.N. representative.

LYUBOV SEREDNIAK

In January, the KGB searched her home, and found a novel by Solzhenitsyn, a work by Grossman and similar literature for which she was arrested, and after four months of interrogation sentenced to a year's imprisonment, in 15, May 1972. However, Lyubov Seredniak is still in prison.

IRYNA SENYK

Iryna Senyk, a poetess, born in 1925, near Lviv. She was initially arrested in 1946 in Lviv, on the accusation that she belonged to the Organization of Ukrainian Nationalists, in which she acted as messenger for the O.U.N. Headquarters whose head was Roman Chuprynka, who was also the commander of the Ukrainian Insurgent Army. She was sentenced to ten years hard labour. After finishing her term of imprisonment she left prison with TB of the bone. Afterwards she was rehabilitated for groundless punishment. After treatment for TB, she obtained her specialist qualifications. In her free time she wrote patriotic verses full of love for the Ukraine and hatred for the enemies of freedom. The publication of her works was interrupted by the arrest of Chornovil, who was to be the editor. From 1969 onwards Iryna Senyk and others wrote letters in defense of S. Karavansky and V. Moroz, for which she was persecuted. In 1970, the KGB searched her house, after which she was arrested, and sentenced to six years imprisonment and five years exile. The trial was "in camera"; she was charged with propagating literature; for possessing E. Rice's book, "The New Literary Current in the Ukraine" which was confiscated from her, and for her friendship with V. Moroz, V. Chornovil, M. Osadchy, and with the writer Olga Duchymynska. A Soviet newspaper reported that at her trial Iryna Senyk did not admit to guilt and even considered herself as suffering for the achievement of Ukrainian independence. Her place of confinement is unknown.

NADIA SVITLYCHNA

Nadia Svitlychna, sister of the literary critic Ivan Svitlychny, is a pilologist, and the wife of Danylo Shymuk who was sentenced to 15 years imprisonment; her son Yarema is 3 years old. Nadia Svitlychna worked in a Kiev library but was fired from her post for adding her signature to others on a petition demanding freedom for the Ukraine. Since then she has been without work and persecuted. After the murder of Alla Hors'ka she made a demand for an inquiry into the circumstances of the artist's mysterious death. The KGB searched Svitlychna's house and took Alla Hors'ka's files. From January to May 1972 Nadia Svitlychna had to report to the KGB every day, and in 19, May 1972 she was sentenced in a closed trial, to four years imprisonment (according to article 62 of the Constitution of the Ukrainian S.S.R.). Her little son was forced to enter a government orphanage. Her place of confinement is unknown.

ALLA OLEKSANDRIVNA HORS'KA

(Born 18th September 1929)

Was brought up in a russified Ukrainian family in Kiev. Completed her education at the Kiev Art Institute. She took an active part in the national rebirth within the community life in Kiev, which since the 1960's has attracted young generations of artists and intellectuals.

1962—became one of the organisers of a cultural club for young people which was closed down in 1964. She took part in organising literary and artistic meetings and exhibitions, in spreading underground publications and in organising aid and funds for the arrested and persecuted and their families.

May 1964—designed and produced a Shevchenko stained-glass panel exhibited in the foyer of the University of Kiev. The panel was destroyed for ideological reasons and Alla Horska expelled from the Ukrainian Artists' Union. She was then forced to find work outside Kiev, so together with other artists she organised a range of monumental and decorative panels in Donbas. During the following years she continued to take an active part in the Ukrainian cultural life.

December 1965—appeared as a witness in the pre-trial investigation of Yaroslav Hevrych. Throughout 1965 and 1966 she wrote complaints to the Ukr.SSR Procurator, to the Supreme Court and other officials protesting against the violation of the Soviet law system, against the persecution of Ukrainian cultural development.

1967—witnessed the trial of Vyacheslav Chornovil and later signed a collective protest letter against the unlawful nature of that trial.

July 1968—together with others she wrote an open protest letter to "Literary Ukraine" against O. Poltoratsky's article concerning Ukrainian intellectuals.

1969–70—supported Valentyn Moroz in public when he met with opposition towards his recent works such as "Among the Snows".

28th November, 1970—was murdered at her in-law's home in Vasyl'kiv, near Kiev. She was found murdered in the basement by her friends who after being unable to trace her whereabouts, demanded that the KGB let them into the in-law's house.

Her funeral was arranged for 4th December 1970. People from Kiev and far and wide on the outskirts came to the funeral. Unexpectedly, the funeral was postponed till the 7th December. Her family was forbidden to see her and to even take the coffin, which remained sealed from the time of her death, either into her home or studio. Despite all schemes and efforts on the part of the Soviet authorities to prevent a public funeral from taking place, about 150–200 people gathered for this occasion. Those who dared to pay the last tribute to her were threatened with reprisals. Searches were carried out at their homes. On the day of her funeral, her friends held a post-mortem exhibition of all her works. Hundreds of people passed through her studio.

AMONG THE POTENTIAL PROBLEMS ASSOCIATED WITH SENSITIVITY TRAINING

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 11, 1974

Mr. KEMP. Mr. Speaker, Prof. James Likoudis, of Williamsville, in an article he wrote for the Social Justice Review, begins his article by quoting a very thoughtful and cogent editorial published in our Buffalo, N.Y., Catholic diocesan newspaper, with which I fully concur. The editorial said in part:

> For centuries, the family unit has been regarded as the transmitter of cultural heritage, and respect for the dignity and authority of parents. However, in the past 50 years, attempts have been and are being made to erode these principles and the privacy of the family structure, particularly by many modern educators, psychologists and sociologists.

Mr. Speaker, Skinnerian philosophy manifested in sensitivity training and other behavioral modification techniques poses a real threat to the sanctity of the family unit and to the cherished right to privacy.

There has been much discussion over the past several years on the advisability of using so-called sensitivity training. As a member of the House Committee on Education and Labor, I have read and heard much of the debate on this issue.

Unfortunately, too much of this debate has not been adequately based upon a full review of the facts and appreciation for the relevance of the hard facts used to formulate the positions which have been taken on this issue. This should not be the case any further, for in dealing with this issue we are dealing with the most vital and important aspects of human individuality.

I believe Professor Likoudis has made a significant contribution to the discussion on this issue, a contribution of singular clarity, one buttressed by extensive documentation and authority. It is entitled, "The Menace of Sensitivity Training: The Mind Manipulator," which appeared in the February 1973 issue of Social Justice Review.

Mr. Speaker, at this point in the RECORD, I include the text of the article:

THE MENACE OF SENSITIVITY TRAINING: THE MIND MANIPULATOR

(By James Likoudis)

On July 27, 1972 the Buffalo, N.Y., diocesan newspaper, The Magnificat, published a remarkable lead-editorial which was reprinted in other Catholic newspapers. It was entitled: Threat to Family Life and deserves quotation in full.

"For centuries, the family unit has been regarded as the transmitter of cultural heritage and respect for the dignity and authority of parents. However, in the past 50 years, attempts have been and are being made to erode these principles and the privacy of the family structure, particularly by many modern educators, psychologists and sociologists.

"There exists a movement generated by the National Educational Association and others, to introduce behavior modification techniques in schools to 'improve patterns of behavior and help adjustment.' In the questionable name of education, these programs constitute an invasion of privacy, of the freedom from coercion, and of the rights of parents to raise their children in their own value-system and beliefs.

"In essence, these behavior and modification techniques range from Skinnerian operant conditioning, family life programs including sex education, role-playing, psychological tests, sensitivity-training techniques of sorts, group confrontation techniques and group criticism. They are all akin to brain-washing techniques designed to promote attitudinal changes with trained teachers acting as parent surrogates. The idea is to transform American schools into human relations training institutes with social scientist teachers as 'effective trainers.

"This trend is dangerous and unconstitutional, fraught with totalitarian aspects. There have been many fads in psychology and the current, widespread embracing of group encounters is the latest. Known as marathon encounters, sensitivity training, T-groups, nude therapy, encounter groups, etc., these groups are small gatherings of people in which interpersonal confrontations are encouraged for the purpose of influencing attitudes and developing skills towards more productive social interactions. While it sounds admirable, these techniques are not universally applicable and can be highly disturbing emotionally to some individuals. There is a 10% casualty rate in encounter groups and this form of therapy is not an accepted form of treatment by the American Psychiatric Association.

"Other dangers are that these techniques do not take into consideration the personality of the child; that teachers are not capable of handling crises; that they produce short-term effects; that some students can't take exposure of faults nor criticism; that borderline psychotic cases can collapse; that these techniques represent an invasion of a child's private thoughts. It is mandatory that schools return to the basic function of education, a formidable task in light of the fact that deficiencies in writing, spelling, grammar and reading are serious problems today. As someone aptly put it, we seem to be getting 'Woolworth education at Tifanny prices.'

"Sensitivity training techniques do not belong in the classroom as they lead to a totalitarian-style educational system with secrecy for the regime and constant surveillance of the students. Children need privacy as room to grow in, to explore the world within and without. They also need to identify with parental values, not those of educators whose morality and values may be different."

Yet another voice has been heard from within the councils of the U.S. Catholic bishops to question the morality of psychological techniques being utilized to alter human consciousness and awareness. At the Bishops' Conference in November 1972, Bishop Mark Hurley of Santa Rosa, California who heads a committee, the *Secretariat for Human Values*, spoke sharply concerning human values being increasingly denied by a "world that has become more and more secularized, depersonalized, and dehumanized."

"Is it not time," he said, "that some moral judgments be assessed on the experiments in the field of psychology? I refer specifically to sensitivity and encounter sessions. There is a growing list of scientific books and articles which are beginning to question, to make value judgments. Some research suggests that sensitivity training sessions have caused deleterious effects to mental health in as high as seven in ten cases in the studies made. Two other questions are being asked as well: Do these sessions really protect the privacy of persons who participate? Do these sessions not tend to the violation of natural secrets and indeed, sometimes, of committed secrets?" (*Wanderer* 11–30–72)

This concern expressed by a bishop would appear to be timely in view of the alarming impact of the "sensitivity cult" in the Church itself. Widespread introduction of Group Dynamics and sensitivity training techniques into all forms and levels of Catholic education is intimately linked to the apostasy of certain priests and religious, decimation of the religious orders, virtual displacement of authentic religious education by "relationship education" or "experimental catchesis," shocking proliferation of naturalistic sex education in Catholic schools, and spiritually barren "horizontalism" characterizing the attitudes of liberal Catholics. Even Fr. Andrew Greeley (who has not scrupled to declare publicly that the American bishops were "intellectually, spiritually and morally bankrupt") has openly avowed:

"One wonders whether the current romance between American Catholicism and group dynamics can lead to anything but tragedy. The 'sensitivity' cult is a marvellous symbol of the superficial, shallow, anti-intellectual romanticism which presently besets the American Church and which seems likely to cause religious impotence.

"Make no mistake about it. Substantial segments of the elite groups in American Catholicism are hooked on an extraordinary collection of group experiences running all the way from the quite limited 'orthodox' T-groups sponsored by the National Training Laboratories to the berserk nude marathon sessions of the Esalen variety. If one can explain the overwhelming popularity, not to say virtually unquestionable sanctity of groupism to many Catholics, despite the fact that the theories behind such group experiences are questionable, the practical results are dubious and dangers are evident, one will have gone a long way toward the present crisis in the American Catholic Church. . . .

"The dramatic change created in the Church by the Vatican Council has destroyed many outmoded structures but, in the process, we have become a church without theological or organizational context. Emphasis on process and relationship are an excuse from the hard, difficult task of developing new intellectual visions and new organizational structures. Indeed the church seems to have become one gigantic T-group with little structure, high levels of anxiety, and vast regressions to infantile behavior patterns." (National Catholic Reporter 5–1–70, pp. 10–11)

It is perhaps well to recall at this point that Sensitivity Training is also known under many other names: Group Dynamics, Therapy for Normals, Leadership Training, Group Confession, Interpersonal Competence, Marathon Labs, Confrontation Sessions, Interpersonal Relations, Human Relations Lab, Self-Evaluation, Human Potential Workshop, T-Group Training, Auto-Criticism, Operant Conditioning, Self-Honesty Sessions, Non-Verbal Exercises, Body Awareness, Syanon Games Clubs, Basic Encounter Group, etc. Whatever the name utilized, the goal of sensitivity training is clearly to strip from the individual those inhibitory attitudes, feelings and values which prevent adjustment to allegedly more open, free, honest and authentic group standards. Individual thinking is, in effect, displaced by group feeling.

If, as shall be noted, there is already sufficient evidence to question the morality of Sensitivity Training techniques in the case of adults, the gross application of such techniques in the education of children is even more reprehensible.

For years, acute critics of American education have warned that it is no longer liberal in the traditional sense. Education, they have stressed, is increasingly considered a means of social experimentation, cultural control, and political indoctrination—with schools taking on the form and function of psychosocial "clinics" demanding the *total control* of the child. A young Catholic political philosopher, Paul Cole Beach, has written with profound insight:

"These new school trends are clearly seen in a sex education calculated to change radically the traditional concepts of sexual morality and the family, and to replace them with the values of a contraceptive society. New trends in teaching methods are most dramatic yet, particularly the stress on psychiatric techniques and behavioral psychology. Group Therapy methods which change a person's attitudes and values are being woven into every level of public education—from teacher training to the classroom itself. Students are being subjected to psychiatric techniques which are calculated to substitute group opinion for the integrity of personal judgment. Public education is now meant to reconcile students to the 'scientific' management of society—to make them complacent citizens of technopolis and to identify those considered 'socially undesirable' or 'socially dangerous.'" (quoted in "Sex Educationists Fight God," *SJR*, Dec. 1971, p. 267)

Beach focuses here upon the use of Sensitivity Training in sex education programs which are deliberately designed to change the attitudes and behavior of children and youth—in the direction, it should be pointed out—*away from the norms of traditional Judaeo-Christian sexual morality*. That modern sex education is of such a character is again strikingly evidenced in a blatantly candid article "Sex Education and the New Morality" written by Chicago Planned Parenthood's Mr. Jerome Becwar in the Nov. 1972 The American Biology Teacher. Like most other sex educators, Mr. Becwar praises a "rational approach to human sexuality": i.e., one which will assure that "sexual activity does not result in the conception of an unwanted child"; where "neither sexual partner knowingly transmits a venereal disease to the other"; where "neither sexual partner exploits the other as a sexual object"; and which frankly promotes a "relativistic ethics." A "relativistic ethics" is unhesitatingly defined as "one that acknowledges *no particular view of sexual conduct is antithetic to the idea of individual freedom in a democratic society*." In Mr. Becwar's judgment Catholics and other Christians who adhere to an *absolutist* sexual ethic are apparently to be considered enemies of individual freedom and a democratic society!

What appears increasingly obvious is that the tremendous advances in science and technology, and the explosion in the behavioral sciences—psychology, sociology, and anthropology—has resulted in a tremendous contemporary effort to engage the schools in the process of *human engineering*—and this, of course, has all sorts of totalitarian resonances. The triumph of John Dewey's progressivism in American Education has now entered a new phase. Progressivist Liberal educators are now using sophisticated behavioral techniques *to deliberately eradicate all social, economic and sexual inequalities*—through the schools. Schools have the function to change society—to reconstruct society along the lines of the democrat-socialist political model: Teachers assume the mantle of behavioral "change agents" dedicated to unfreezing *those older beliefs and attitudes* which might serve as an obstacle to the implementation of the new, socially-relevant concepts dear to the educationist planners of the National Educational Association (NEA)—perhaps the most powerful lobbying organization in the United States. Their concept of the "new society" bears a startling resemblance to a democrat-socialist political and economic order where a maximum of personal freedom is cunningly publicized by a Leviathan secular State ready to impose population controls and other anti-Christian legislation! Their contradictions are many.

How do educational "change agents" accomplish their purpose of changing human personalities for the emerging technocratic "new order?" They do this by utilizing sensitivity training techniques. These are methods for inducing *planned change*. They are the methods used in group meetings, large or small, conducted by teachers become "trainers" and "clinicians" to publicly discuss intimate and personal matters and opinions, values or beliefs—and to act out emotions and feelings toward one another in a group, using group confession and mutual criticism. Prof. Max Birnbaum, an associate professor and director of Boston University's Human Relations Laboratory, has explained the genesis of Sensitivity Training:

"Responsible for the development of human relations training . . . was Leland Bradford, then director of the Adult Education Division of the NEA, together with his old friends and collaborators, Ronald Lippit, now of the University of Michigan, and Kenneth Benne, now of the Boston University Human Relations Center. . . . Drawing on the work of the great social psychologist Kurt Lewin, they established the first training center more than 2 decades ago at Bethel, Maine, and founded the National Training Laboratories (NTL). And it was Bradford's tough and dogged fight against strong opposition within education that finally won sanction and support for human relations training, first from industry, then from the social and behavioral scientists, and finally from the educational hierarchy itself. Now, as he is about to retire as director of NTL, Lee Bradford has the satisfaction of seeing human relations training widely embraced by the education world. . . . The trend toward a psychological emphasis appeared in the 1950's when the movement began to attract a large number of people trained in clinical psychology or psychiatry." ("Sense About Sensitivity Training" in Saturday Review of Literature 11–15–69).

Prof. Birnbaum's article is especially interesting for its frank admissions concerning the grave dangers to human personality stemming from the misuse of T-group methods, whose "intense emotional impact" he stresses. Whatever value the T-group may have in improving "the human relations skills of normal people" in industrial and commercial organizations—to improve efficiency and production, he acknowledges that Sensitivity Training can worsen the problems of emotionally-disturbed people. Prof. Birnbaum confesses that where Sensitivity Training is designed to "stimulate the individual's personal growth," the more glaring abuses take place. Serious psychological and emotional damage results when individuals are exposed to disturbing experiences by unskilled and unlicensed quacks posing as therapists.

There are countless incidents like this one recounted in the San Diego Union of Nov. 1968:

"My son is 17. Last night he returned from church in tears. He had attended an 'encounter group' meeting for 'sensitivity training.' The members meet twice a week. They pick a victim for each meeting. Then the members tell him what they don't like about him. My son's friends criticized his manners, haircut, eye color, acne scars, intelligence, vocational plans, clothes, car, and even his parents. They were brutal, and extremely unfair. An assistant minister leads the group. He has had no training in counseling or as a psychologist. The man publicly called my son 'chicken' for getting upset. Do you approve of encounter groups, Dr. Barbour?"

Esalen encounter groups have received a greater measure of notoriety in the mass-media. As Time magazine reported, they can be a "shocking experience."

"People touch, hold hands, kiss, throw each other up in the air, fight, use all the dirty words, tell each other cruel truths. Every aspect of so-called proper behavior is discarded. Every emotion is out in the open—everybody's property. Feelings are not spared. In time, the group develops a tribal loyalty to its own values, as fiercely protective as it is critical." (Time, 11-9-70).

AN EQUITABLE LEGISLATIVE COMPROMISE

HON. GEORGE E. DANIELSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 11, 1974

Mr. DANIELSON. Mr. Speaker, I would like to bring to the attention of my colleagues a recent legislative compromise which increases the prospects for passage this year of an equitable and balanced measure to extend the coverage and protection of the National Labor Relations Act to employees of nonprofit hospitals.

I refer to S. 3203, a bill with broad bipartisan cosponsorship, which was reported out of the Senate Labor and Public Welfare Committee on April 2, 1974, by California's Senator ALAN CRANSTON, one of the original authors of the measure.

This bill is supported both by the Service Employees International Union, whose international president is Mr. George Hardy of San Francisco, as well as by the California Hospital Association.

Mr. Speaker, I include in the RECORD at this point the text of S. 3203 and the text of the committee report—Senate Report 93-766—on the bill, along with a thoughtful statement on the proposal by Senator ROBERT TAFT, of Ohio, also a sponsor of S. 3203, which was made at the time of the bill's introduction:

S. 3203

[In the Senate of the United States, March 20, 1974]

Mr. WILLIAMS (for himself, Mr. CRANSTON, Mr. JAVITS, Mr. TAFT, Mr. STAFFORD, Mr. PELL, Mr. KENNEDY, Mr. EAGLETON, Mr. HUGHES, and Mr. SCHWEIKER) introduced the following bill; which was read twice and referred to the Committee on Labor and Public Welfare

[Reported by Mr. CRANSTON, without amendment, April 2, 1974]

A bill to amend the National Labor Relations Act to extend its coverage and protection to employees of nonprofit hospitals, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 2(2) of the National Labor Relations Act is amended by striking out "or any corporation or association operating a hospital, if no part of the net earnings inures to the benefit of any private shareholder or individual,".

(b) Section 2 of such Act is amended by adding at the end thereof the following new subsection:

"(14) The term 'health care institution' shall include any hospital, convalescent hospital, health maintenance organization, health clinic, nursing home, extended care facility, or other institution devoted to the care of sick, infirm, or aged persons".

(c) The last sentence of section 8(d) of such Act is amended by striking out the words "the sixty-day" and inserting in lieu thereof "any notice" and by inserting before the words "shall lose" a comma and the following: "or who engages in any strike within the appropriate period specified in subsection (g) of this section,".

(d) (1) The last paragraph of section 8(d) of such Act is amended by adding at the end thereof the following new sentence: "Whenever the collective bargaining involves employees of a healh care institution, the provisions of this section 8(d) shall be modified as follows:

"(A) The notice period of section 8(d)(1) shall be ninety days; the notice period of section 8(d)(3) shall be sixty days; and the contract period of section 8(d)(4) shall be ninety days.

"(B) Where the bargaining is for an initial agreement following certification or recognition, at least thirty days' notice of the existence of a dispute shall be given by the labor organization to the agencies set forth in section 8(d)(3).

or (B) of this sentence, the Service shall promptly communicate with the parties and use its best efforts, by mediation and conciliation, to bring them to agreement. The parties shall participate fully and promptly in such meetings as may be undertaken by the Service for the purpose of aiding in a settlement of the dispute."

(e) Section 8 of such Act is amended by adding at the end thereof the following new subsection:

"(g) A labor organization before engaging in any picketing, striking, or other concerted refusal to work at any health care institution shall, not less than ten days prior to such action, notify the institution in writing and the Federal Mediation and Conciliation Service of that intention, except that in the case of bargaining for an initial agreement following certification or recognition the notice required by this sentence shall not be given until the expiration of the period specified in clause (B) of the last sentence of section 8(d) of this Act. The notice shall state the date and time that such action will commence. The notice, once given, may be extended by the written agreement of both parties."

COVERAGE OF NONPROFIT HOSPITALS UNDER THE NATIONAL LABOR RELATIONS ACT

(S. Rept. No. 93-766)

The Committee on Labor and Public Welfare to which was referred the bill (S. 3203) to amend the National Labor Relations Act to extend its coverage and protection to employees of nonprofit hospitals, and for other purposes, having considered the same, reports favorably thereon and recommends that the bill do pass.

SUMMARY

The National Labor Relations Act governs the collective bargaining relationship of millions of workers including employees of proprietary hospitals, proprietary nursing homes and nonprofit nursing homes. It specifically exempts from coverage employees of private nonprofit hospitals. This bill repeals the present exemption, establishes certain new procedures governing labor relations in health care institutions, and creates a new definition of health care institution to include hospitals, nursing homes, health maintenance organizations, extended care facilities, health and medical clinics and other similar institutions caring for the sick, infirm or aged. The bill also contains several additional special provisions designed to facilitate collective bargaining settlements and to provide advance notice of any strike or picketing involving a health care institution, as follows:

1. The requirement for notice of termination or expiration of a contract will be 90 days;

2. The Federal Mediation and Conciliation Service [FMCS] must be given 60 days notice of such termination or expiration;

3. In initial contract negotiations a 30 day notice of a dispute to FMCS will be required;

4. The health care institution and labor organization will be required to participate in medication at the direction of the FMCS.

5. The health care institution must be given a 10 day notice by a labor organization before any picketing or strike (whether or not related to bargaining) can take place.

On February 7, 1973, S. 794 was introduced by Senators Cranston and Javits and on July 31, 1973, S. 2292 was introduced by Senator Taft. The Subcommittee on Labor conducted hearings on these bills on July 31, August 1, 2 and October 4, 1973.

During the course of these hearings testimony was received from a number of interested groups, including the U.S. Department of Labor; AFL-CIO; the Service Employees International Union, AFL-CIO; American Hospital Association; Industrial Union Department, AFL-CIO; Local 1199, Drug and Hospital Workers Union; American Nurses Association; Communication Workers of America, AFL-CIO; General Conference of Seventh-day Adventists; American Federation of State, County, and Municipal Employees, AFL-CIO; New Jersey Hospital Association; Committee of Interns and Residents of New York City; Colorado Hospital Association; Federation of American Hospitals; Catholic Hospital Association Board of Trustees; Commission on Economic and General Welfare of the American Nurses' Association; Hospital Association of Pennsylvania; Texas Hospital Association; Iowa Hospital Association; International Union of Operating Engineers; Ohio Hospital Association; Minnesota Hospital Association; National Rights to Work Committee; Mt. Sinai Hospital; National Federation of Licensed Practical Nurses; Physicians National Housestaff Association; United States Industrial Council; California Hospital Association; New York University Medical Center; and Mount Sinai Medical Center.

On February 28, 1974, S. 3088 was introduced by Senator Taft and on March 13, 1974, the full Committee discharged the Subcommittee from further consideration of S. 794, S. 2292 and S. 3088. On March 20, 1974, S. 3203 was introduced by Senators Williams, Cranston, Javits, Taft, Stafford, Pell, Kennedy, Eagleton, Hughes, and Schweiker. The Committee considered the legislation in executive session on March 20, 1974, and ordered S. 3203 reported by voice vote.

During the executive session an amendment proposed by Senator Mondale was offered. It would have required the NLRB to cede jurisdiction to certain state agencies covering nonprofit hospitals where the state law was in existence prior to 1947. The amendment was defeated by voice vote.

BACKGROUND

Section 2(2) of the National Labor Relations Act defines the term "employer" as not to include "any corporation or association operating a hospital, if no part of the net earnings inures to the benefit of any private shareholder or individual."

The original Wagner Act of 1935 did not contain this exemption and in the only reported case relating to coverage of nonprofit hospitals, the NLRB and the Court of Appeals upheld the coverage.[1]

In 1947, the Wagner Act was amended by the Taft-Hartley Act. Included in these amendments was a provision, added as a floor amendment in the Senate, to exempt nonprofit hospitals. This amendment was retained in conference.

In 1972, the House passed H.R. 11357 which would have repealed the exemption. No action was taken by the Senate beyond hearings on the bill.

NEED FOR THE BILL

The bill removes the existing exemption in section 2(2) of the NLRA for employees of non-profit hospitals and extends the protections of the Act to such employees to the same extent as currently applicable to employees of nursing homes and proprietary hospitals.

The Committee could find no acceptable reason why 1,427,012 employees of these non-profit, non-public hospitals, representing 56% of all hospital employees, should continue to be excluded from the coverage and protections of the Act. In the Committee's deliberations on this measure, it was recognized that the needs of patients in health care institutions required special consideration in the Act including a provision requiring hospitals to have sufficient notice of any strike or picketing to allow for appropriate arrangements to be made for the continuance of patient care in the event of a work stoppage. In this respect the Committee believed that the special notice requirements should be extended to all proprietary and nonprofit hospitals, convalescent hospitals, health maintenance organizations, health or medical clinics, nursing homes, extended care facilities or other institutions devoted to the care of sick, infirm or aged persons. Accordingly this bill will provide the same procedures for employees of all health care institutions.

The Committee was also impressed with the fact, emphasized by many witnesses, that the exemption of nonprofit hospitals from the Act had resulted in numerous instances of recognition strikes and picketing. Coverage under the Act should completely eliminate the need for any such activity, since the procedures of the Act will be available to resolve organizational and recognition disputes.

PROVISIONS OF THE BILL

Repeal of existing exemption

The present exemption in Section 2(2) of the National Labor Relations Act for "any corporation or association operating a hospital, if no part of the net earnings inures to the benefit of any private shareholder or individual" is removed from the Act by this bill.

Definition of health care institution

The bill adds to the Act a definition of health care institution which includes any hospital, convalescent hospital, health maintenance organization, health clinic, nursing home, extended care facility, or other institution devoted to the care of sick, infirm, or aged persons.

By so defining a health care institution the Committee does not intend to affect the exemption for "the United States or any wholly owned Government corporation * * * or any State or political subdivision thereof" as set forth in Section 2(2) of the Act.

Ten day notice

It is in the public interest to insure the continuity of health care to the community and the care and well being of patients by providing for a statutory advance notice of any anticipated strike or picketing. For this reason, the Committee approved an amendment adding a new Section 8(g) which generally prohibits a labor organization from striking or picketing a health care institution without first giving 10 days' notice. Violation of this provision will constitute an unfair labor practice. The failure to give the statutory notice will be remedial under Section 10(j) of the Act. This notice period will also give the National Labor Relations Board the opportunity, when charges are filed, to make a determination as to the legality of any strike or picketing before it occurs.[2]

The 10-day notice is intended to give health care institutions sufficient advance notice of a strike or picketing to permit them to make arrangements for the continuity of patient care. It is not the intention of the Committee that a labor organization shall be required to commence a strike or picketing at the precise time specified in the notice; on the other hand, it would be inconsistent with the Committee's intent if a labor organization failed to act within a reasonable time after the time specified in the notice. Thus, it would be unreasonable, in the Committee's judgment, if a strike or picketing commenced more than 72 hours after the time specified in the notice. In addition, since the purpose of the notice is to give a health care institution advance notice of the actual commencement of a strike or picketing, if a labor organization does not strike at the time specified in the notice, at least 12 hours notice should be given of the actual time for commencement of the action.

Repeatedly serving such ten day notices upon the employer is to be construed as constituting evidence of a refusal to bargain in good faith by the labor organization.

Likewise, the public interest demands that employees of health care institutions be accorded the same type of treatment under the law as other employees in our society, and that the notice not be utilized to deprive employees of their statutory rights. It is clear, therefore, that a labor organization will not be required to serve a ten day notice or to wait until the expiration of the ten day notice when the employer has committed unfair labor practices as in *Mastro Plastics Corp.* v. *NLRB,* 350 U.S. 270, 37 L.R.R.M. 2587 (1956).

Moreover, it is the sense of the Committee that during the ten-day notice period the employer should remain free to take whatever action is necessary to maintain health care, but not to use the ten-day period to undermine the bargaining relationship that would otherwise exist. For example, the employer would not be free to bring in large numbers of supervisory help, nurses, staff and other personnel from other facilities for replacement purposes. It would clearly be free to receive supplies, but it would not be free to take extraordinary steps to stock up on ordinary supplies for an unduly extended period. While not necessarily a violation of the Act, violation of these principles would serve to release the labor organization from its obligation not to engage in economic action during the course of the ten-day notice period.

The Committee is aware that a work interruption at particular hospitals, such as those in rural areas, could pose special problems of continuation of patient care. It is the Committee's hope that parties to a dispute in such an institution would be cognizant of such special problems and take steps, either in advance of any dispute, or during its resolution, to mitigate the effect of a scarcity of alternative local resources.

Contract notice requirements

Under the existing provisions of the National Labor Relations Act, an employer or a labor organization is required, where a collective bargaining agreement is in effect, to provide written notice to the other party before termination or modification of the agreement. This notice of termination or modification must be given at least 60 days prior to the termination or modification date. In addition, present law requires the Federal Mediation and Conciliation Service to receive 30 days notice.

The bill extends the 60 day notice to 90 days and requires the FMCS to receive 60 days notice instead of 30 days, in the case of health care institutions.

Under existing law there is no obligation on either party to engage in mediation. The bill provides for mandatory mediation by the parties with the FMCS in the case of collective bargaining involving health care institutions.

Under present law there is no notification requirement to any party with regard to initial contract negotiations. The bill requires 30 days notice to the FMCS, in the case of collective bargaining involving health care institutions.

EFFECT ON EXISTING LAW

Bargaining units

Due consideration should be given by the Board to preventing proliferation of bargaining units in the health care industry. In this connection, the Committee notes with approval the recent Board decisions in *Four Seasons Nursing Center,* 208 NLRB No. 50, 85 LRRM 1093 (1974), and *Woodland Park Hospital,* 205 NLRB No. 144, 84 LRRM 1075 (1973), as well as the trend toward broader units enunciated in *Extendicare of West Virginia,* 203 NLRB No. 170 83 LRRM 1242 (1973).[3]

Ally doctrine

It has been held that where during the course of a labor dispute, a secondary employer performs work that, but for the existence of such labor dispute, would have been performed by the striking employees of the primary employer, the secondary employer loses his status as a neutral, and the labor organization is entitled to extend its economic activity to the secondary employer.

It is the sense of the Committee that where such secondary institutions accept the patients of a primary employer or otherwise provide life-sustaining services to the primary employer, by providing the primary employer with an employee or employees who possess critical skills, such as an EKG technician, such conduct shall not be sufficient to cause the secondary employer to lose its neutral status. It should be clear, however, that where a secondary employer enmeshes itself into the primary dispute by providing supervisors, nurses or staff other than those described, it loses its status of neutrality.

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[1] *Central Dispensary and Emergency Hospital* 44 NLRB 533 (1942), 145 F.2d 852 (1944), cert. den. 655 ct. 684.

[2] For example, the picketing may be a violation of Section 8(b)(4).

[3] By our reference to *Extendicare,* we do not necessarily approve all of the holdings of that decision.

Supervisors

Various organizations representing health care professionals have urged an amendment to Section 2(11) of the Act so as to exclude such professionals from the definition of "supervisor". The Committee has studied this definition with particular reference to health care professionals, such as registered nurses, interns, residents, fellows, and salaried physicians and concludes that the proposed amendment is unnecessary because of existing Board decisions. The Committee notes that the Board has carefully avoided applying the definition of "supervisor" to a health care professional who gives direction to other employees in the exercise of professional judgment, which direction is incidental to the professional's treatment of patients and thus is not the exercise of supervisory authority in the interest of the employer.

The Committee expects the Board to continue evaluating the facts of each case in this manner when making its determinations.

Recognition Picketing

In recognition picketing cases under Section 8(b)(7)(C), the National Labor Relations Board has ruled that a reasonable period of time is thirty days absent unusual circumstances such as violence or intimidation. It is the sense of the Committee that picketing of a health care institution would in itself constitute an unusual circumstance justifying the application of a period of time less than thirty days.

PRIORITY CASE HANDLING

Many of the witnesses before the Committee, including both employee and employer witnesses, stressed the uniqueness of health care institutions. There was a recognized concern for the need to avoid disruption of patient care wherever possible.

It was this sensitivity to the need for continuity of patient care that led the Committee to adopt amendments with regard to notice requirements and other procedures related to potential strikes and picketing.

The Board's priorities for handling various types of cases were carefully considered by the Committee and some observations and directions to the Board are reflected in the following commentary.

The Committee notes the present existence of priority case handling directives to the Board under Section 10(1) of the Act with respect to charges filed under Sections 8(b)(4), 8(b)(7) or 8(e) and other priority directives under 10(m).

Because of the need for continuity of patient care, the Committee expects the NLRB to give special attention and priority to all charges of employer, employee and labor organization unfair labor practices involving health care institutions consistent with the existing statutory priority requirements for particular classes of cases. The General Counsel and Chairman are directed to take such steps as necessary to provide appropriate investigatory and other resources needed to give this requisite priority to unfair labor practice cases involving health care institutions.

COST ESTIMATE

The estimated cost of this legislation is $1.2 million in each of the five years following enactment.

STATEMENT BY SENATOR ROBERT TAFT

Mr. TAFT. Mr. President, I am today introducing legislation that is a result of protracted negotiations on the issue of extension of coverage of the National Labor Relations Act to the health care field. This legislation contains elements of a proposal I advanced earlier on this subject. S. 2203, and like any proposed compromise, it is not precisely what parties in interest would view as an optimum solution. I do believe, however, the statutory language I present today when combined with meaningful legislative report language in the areas of bargaining units, priority board action, expedited relief, recognition picketing, supervisors, and the ally doctrine will provide a constructive basis for resolution of this issue.

The National Labor Relations Act is an extremely delicately balanced law and any changes, modifications, or additions to it must not upset this balance. The proposal and legislative report categories I suggest I believe properly reflect this concern and emphasize to the board that health care labor matters are of a special nature. The approach I suggest also is consistent with the principle of continuity of health care to a community.

I realize there will be sentiment among certain health care institutions that no change in the law is necessary and the exclusion of coverage of hospitals from the act should continue under any circumstances. I reject this approach as labor-management relations have, and will continue to be channeled into self-help situations without any governing guidelines for resolution of such disputes. This approach can only jeopardize patient care and cannot be considered in the public interest. I also reject the suggestion that mere repeal of the exemption is the only necessary step to take to settle the labor relations problems that have surfaced in the health care field. The National Labor Relations Act must reflect the principle that disputes that jeopardize patient care must be considered on a priority basis and that no labor-management dispute is above the public interest of continuity of health care to a community.